

DATE OF MEETING DECEMBER 17, 2018

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SUBJECT **1 PORT DRIVE – BACKGROUND INFORMATION**

OVERVIEW

Purpose of Report

To provide Council with background information on past and present initiatives associated with a City-owned parcel of land at 1 Port Drive.

Recommendation

That the report titled 1 Port Drive – Background Information dated, 2018-DEC-17, be received for information.

DISCUSSION

The City of Nanaimo acquired the lands at 1 Port Drive (the “Property”) from Canadian Pacific Railway (CP Rail) in March 2013 for \$3,400,000. The lands are comprised of 10.8ha (26.7 acres) of land and water and are located to the south of downtown Nanaimo.

The Property was created through the filling of the foreshore with material from the local mining industry. The E&N Railway, under the ownership of CP Rail, established the Wellcox Railyard on the property. The site has been home to a number of industrial uses since the 1950s. Attachment A provides a location plan of the property.

Rationale for Acquisition

The principle reason for acquiring the lands was to help stimulate the redevelopment of a key waterfront site adjacent to the downtown core. The following acquisition rationale was provided in 2013:

- Access – The only access to the Nanaimo Port Authority (NPA) Assembly Wharf lands is over a deteriorating wooden trestle through a right-of-way agreement that does not allow public access. Repairs to the trestle were completed in 2013, 2015, and in early 2018 to keep it serviceable. Engineering reports indicate that the trestle will need to be condemned in the foreseeable future. Planning and design work has been completed on a new at-grade access from Front Street to remove the need for a new trestle.
- Transit Exchange – The Regional District of Nanaimo (RDN) identified the area as a preferred location for a transit exchange. Since the acquisition, the transit exchange concept has been further refined to being located on Front Street.

- Master Plan – Once the lands were under City ownership, a master planning process could be undertaken to realize the community's long-term vision for the lands.
- Long-Term Hold – At the time of the acquisition, the site was viewed as a long-term strategic hold, given the major encumbrances. The City was identified as being in the best position to address the long-term encumbrances. Since then, the City has terminated leases and licences and negotiated the discharge of the Seaspan Right-of-Way.

Key Milestones Achieved to Date

There has been considerable momentum at 1 Port Drive over the past five years. Detailed information on each project can be accessed by the links provided (see Attachment B for full URLs).

South Downtown Waterfront Initiative (SDWI)

Council established the South Downtown Waterfront Committee in late 2013 to prepare guidelines for the redevelopment of 1 Port Drive, the NPA Assembly Wharf and the remainder of the CP Rail Wellcox Yard. The key output of the process was two documents: the [Vision and Guiding Principles](#) and the [Technical Report](#). The guiding principles of the SDWI were to:

- Promote access and connectivity to local neighbourhoods, the city, and the region;
- Support an evolving working harbour;
- Promote ecologically positive development;
- Promote bold and resilient land use; and
- Embed cultural and social considerations in future decisions.

The committee concluded their work respecting their mandate and objectives in 2014.

Port Drive Waterfront Master Plan

In October 2015, the City commenced work on the Port Drive Waterfront Master Plan (the "Master Plan"). The Master Plan builds on the guiding principles from the SDWI and provides policy direction for the future development of the site. The Master Plan includes direction on land use and urban design; transportation and mobility; parks, trails and open space; infrastructure and ecological stewardship; and heritage, arts and culture.

The planning process spanned over two years and included two public Open House events, an online survey, as well as numerous meetings with stakeholders, neighbours, and City departments. On 2018-JUN-18, the City adopted the [Port Drive Waterfront Master Plan](#) as Schedule K of the Official Community Plan (Bylaw No. 6500.0037).

Primary and Secondary Access Study

In 2017, the City undertook an access study ([Primary and Secondary Access Study](#)) for the entire SDWI area. The report identified the need for an area of this size to be serviced with more than one access point. A new primary access route from Front Street and a new secondary access at Farquhar Street in the City's South End Neighbourhood were identified as the preferred options. A public open house and survey were conducted as part of the process.

Detailed Site Investigation and Detailed Risk Assessment

One of the key challenges associated with the redevelopment of 1 Port Drive is the delineation of the site's contamination from the historical fill, and industrial use of the site. The City undertook a [Detailed Site Investigation](#) and [Detailed Risk Assessment](#) to provide a framework for the redevelopment of the property.

Waterfront Walkway Implementation Plan

In 2017, the City completed an overall strategy for the creation of a 13km walkway from Departure Bay to the Nanaimo River Estuary. The [Waterfront Walkway Implementation Plan](#) set out options for how the walkway can be accommodated in the SDWI area.

Discharge of Seaspan Right of Way

Seaspan Ferries Corporation (Seaspan) has a statutory right-of-way that occupies approximately 6.2ha (15.4 acres) of land and water at 1 Port Drive. The right-of-way provides a perpetual right to operate a roll-on/roll-off traffic truck terminal and rail transfer facility in this location as long as business does not cease for more than 180 days. At the 2015-APR-20 Special "In Camera" Council meeting, Council entered into a Memorandum of Understanding (MOU) with Seaspan and SRY to discharge a portion of the right-of-way ([Discharge of Seaspan Right of Way](#)). At the 2018-OCT-01 Council Meeting, approval was granted for the acquisition of the entire right-of-way for \$991,465 and the transfer of a 1.45ha (3.6 acre) water lot with the existing barge facility, a 1.9ha (4.7 acre) upland industrial/rail parcel, and a 0.40ha (1 acre) upland parcel containing the SVI Maintenance Building to Seaspan.

Front Street Extension Project

Following the input from the SDWI, the Port Drive Waterfront Master Plan and the Primary and Secondary Access Study, the City has planned and designed the Front Street primary access. The project is intended to meet the increase in traffic to the South Downtown Waterfront through the new leases completed between the NPA and Western Stevedoring (Vehicle Processing Centre), Western Marine Response Corporation, and Island Ferry Services Ltd.

The project will be tendered in January 2019 and completed by the summer of 2019. The scope of work includes an interim two-lane road, an interim standard waterfront walkway, and a rail crossing.

The rail crossing is unusual as it is adjacent to the rail barge ramp. During the process of loading and unloading rail traffic, this road crossing will be blocked for periods of up to 30 minutes. With this delay, a secondary access to the Port lands is critical to sustain continuous access. At this time the existing trestle will function as the secondary access for light vehicles only; however, once the trestle is condemned, a permanent secondary access will be required. Based on the primary and secondary access study, the preferred access point for the new secondary access is at Farquhar Street.

Future Redevelopment of 1 Port Drive

In 2019, the Property will be ready for redevelopment. No direction has been provided to dispose of the lands or to implement various concepts contained in the Master Plan. Staff will

return to Council in 2019 with a Staff report outlining a redevelopment strategy and options for consideration.

SUMMARY POINTS

- The City of Nanaimo purchased 1 Port Drive in March of 2013 for \$3,400,000.
- The key rationale for the acquisition was to encourage redevelopment of this strategic waterfront parcel and its surrounding area. The acquisition was viewed as a long term hold, as there were many encumbrances that restrict development.
- In the short term, the acquisition was seen to assist with resolving access to the NPA Assembly Wharfs and the potential site for a downtown transit exchange.
- A number of key steps have been completed including:
 - South Downtown Waterfront Initiative
 - Port Drive Waterfront Master Plan
 - Primary and Secondary Access Study
 - Detailed Site Investigation (Environmental Site Contamination)
 - Waterfront Walkway Implementation Plan
 - Discharge of the Seaspans Right-of-Way Agreement
- Design work has been completed for the Front Street Extension, with an interim two-lane road proposed for construction in 2019 to address the access issues with the wooden trestle and provide reliable access for the NPA's new tenants.
- Staff will return to Council in 2019 with options for the redevelopment of the site.

ATTACHMENTS

ATTACHMENT A: Location Plan

ATTACHMENT B: Report URLs

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