

Consulting Valuation Report

**Port Alberni Harbour Rent Study
June 2020**

for

Port Alberni Harbour Authority



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July 27, 2020

Our File: CR20-16175

Port Alberni Port Authority

2750 Harbour Road
Port Alberni, BC V9Y 7X2

Attention: Bianca Filipchuk

Dear Ms. Filipchuk:

Re: Port Alberni Harbour Rent Study, June 2020

At your request, we have completed a consulting valuation report providing an opinion of the rentable values for the various zones within Port Alberni Harbour, as well as upland areas within the City of Port Alberni under Federal Real Properties managed by the Port Alberni Port Authority (PAPA). The purpose of this report is to provide guidance toward the review of a 5-year lease rate policy and the fair market values for lease renewals for the years 2021-2025 inclusive.

The opinions expressed herein are the generic current market rentable values for upland and/or filled land and land covered by water located in the specified zones within Port Alberni Harbour, and the current market rentable values for land and buildings within the Federal uplands managed by the PAPA.

In summary and based on our research and analyses, it is our opinion that as of June 2020, the respective generic market rentable value for each property type in each specified zone, expressed on a price per acre per annum or price per square foot per annum basis with respective market value per acre rates included where relevant, within Port Alberni Harbour is:-

Zone 1 –Somass to Lone Tree Point

City of Port Alberni - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Area A - Filled Water	\$10,000	\$0.230	\$200,000
Area B - Filled Water	\$15,000	\$0.344	\$300,000
Area A - Water	\$3,300	\$0.076	\$66,000
Area B - Water	\$4,950	\$0.114	\$99,000

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750	\$0.086	\$75,000
Water	\$1,250	\$0.029	\$25,000

ACRD – Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$655	\$0.015

City of Port Alberni – Sewage Lagoons

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750	\$0.086	\$75,000

Zone 2 – Lone Tree Point to Macktush

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$2,500	\$0.057	\$50,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$535	\$0.012

Zone 3 – Macktush to Coleman Creek

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$1,250	\$0.029	\$25,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$475	\$0.011

Zone 4 – Coleman Creek to Harbour Limit

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$1,250	\$0.029	\$25,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$415	\$0.010

Leased Improvements and Site Areas

Port Terminal

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Shed 1	1	9,240		\$12.50
Shed 1 Yard	2		44,000	\$1.40
Shed 2	3	9,000		\$6.00
Shed 2 Yard	4		13,176	\$1.40
Shed 3	5	16,000		\$7.50
Quonset Hut	6	6,696		\$3.00
Shed 3 Yard	7		5,000	\$1.40
Shed 4	8	16,225		\$10.00
Shed 5	9	4,500		\$5.50
Shed 5 Yard	10		4,900	\$1.40
WCMRC Site	11		58,663	\$0.65
Port Boat House Site	12		16,525	\$1.40

Argyle Street / Harbour Road

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Port Alberni Boat House	13	24,829		\$4.25
WCMRC	14		212,355	\$0.25

Bird Avenue / Harbour Quay

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Canadian Maritime Alberni Engineering	15	51,052		\$2.30
Canadian Maritime Alberni Engineering- Quonset & Floats Site	16		13,068	\$1.00

Fisherman's Harbour

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
New Food Hub	17	14,876		\$7.00 (shared areas) \$8.50 (exclusive areas) \$14.00 (cold & smoker room)
Ice Plant	18	1,800		\$8.00
Timberrose Ventures	19	1,134		\$10.00

New Tye Pier / Centennial Pier

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
PA Marine Fuels & Services	20		450	\$4.25
PA Marine Fuels Tank Storage	21		832	\$4.25
				Rent (per yr)
Seaplane Tie Up	22	--	--	\$2,640
Swept Away Inn	23		112 ln ft	\$15,450

An inspection of the upland areas and buildings within the City of Port Alberni, under Federal Real Properties managed by the PAPA, was conducted on June 5, 2020 and all necessary investigations and analyses were completed. The accompanying report, which forms the basis of our value opinions, subject to the assumptions and limiting conditions contained in the body of this report, is enclosed.

This report has been prepared for Port Alberni Port Authority for lease renewal/negotiation purposes. No other users were intended, and we deny any liability in this respect.

We hereby certify that we have no interest, present or contemplated, in the subject property.

Yours truly,

CUNNINGHAM & RIVARD APPRAISALS LTD.



Jason Mikes
AACI, P.App.

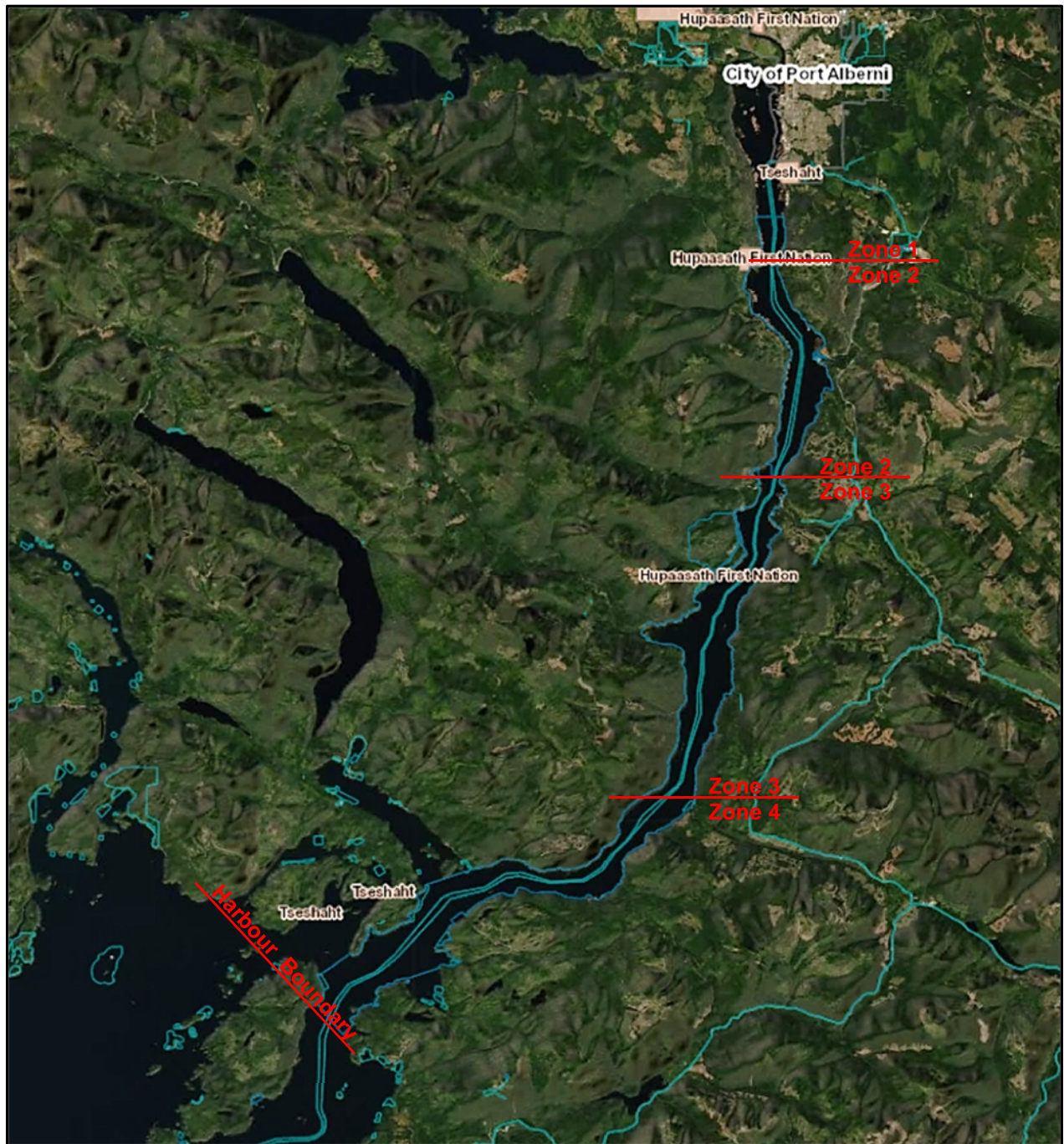
JM/DLK/jcm

Encl.



David L. Kirk
AACI, P.App., RI(BC)

AERIAL PHOTOGRAPH



AERIAL PHOTOGRAPH OF PORT ALBERNI IMPROVED PROPERTIES



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DEFINITION OF APPRAISAL PROBLEM AND PERTINENT INFORMATION

Definition of the Valuation Assignment

The Port Alberni Port Authority (PAPA) has the mandate to negotiate and administer leases of lands lying within parts of the bed of the Alberni Inlet. The PAPA is further mandated to realize economic rents from both the private and public sector for their exclusive possession, use and enjoyment of harbour lands, be those lands filled or land covered by water.

The valuation problem herein is unique insofar as the generic estimation of market rentable value for the land lying within the bed of the Alberni Inlet must consider the tenant's ability to derive sufficient income to remain economically viable and, to the greatest extent possible, ensure the continued payment of economic rent. In the generic estimation of market rentable value for the land lying within the bed of the Alberni Inlet, the zoning, use and redevelopment potential for the adjoining upland is not considered in this report.

Purpose and Function of the Report

The purpose of this consulting valuation report is to estimate the generic fair market rent for upland and /or filled land and land covered by water, all lying within the ownership and/or jurisdiction of the Port Alberni Port Authority, as well as specific buildings as noted herein, based on current market evidence.

Definition of Fair Market Rent

For the purposes of this analysis, Fair Market Rent means, for any particular period, the amount of annual rent for which a willing and knowledgeable Lessor would rent the property in the free and open commercial market to a willing and knowledgeable lessee. The property being available for leasing at the commencement of the period assuming that at such time:-

- i) the property is owned by the Lessor in fee simple or equivalent and has no charges or encumbrances existing against title that limits use of the property;
- ii) the property includes the improvements supplied and installed by the Lessor and does not include improvements supplied and installed by the lessee (tenant improvements);
- iii) all necessary services to the property are available from the utility sources which are nearest to the property and which have adequate capacity to provide such services (unless otherwise stated herein);
- iv) motor vehicle access from a public highway to the property is available without cost to the lessee (unless otherwise state herein);
- v) the property is leased for the use permitted in the lease;
- vi) a reasonable time is permitted to find a willing and knowledgeable lessee; and
- vii) the Lessor and lessee are acting at arm's length and neither is acting under compulsion.

For the purposes of this consultation report, the following assumptions were made with respect to the determination of fair market rent:-

- i) rent is fully net to the landlord;
- ii) for the various zones within the Port Alberni Harbour, rent is fixed for a one-year period, and for the commercial buildings, fixed for a five-year period;
- iii) there are no extraordinary issues or conditions which would interfere with the property or any other aspect of the use of the lease premises;
- iv) the property is not affected by First Nations claims or cultural significance;
- v) for the various zones within the Port Alberni Harbour, the rent rate (unit) values are based upon a typical parcel size of approximately 8.0 hectares (20 acres), unless specifically stated otherwise.

The latter assumption recognizes the generic nature of the opinions expressed herein and the typical expectation of an inverse relationship between rental rates and parcel size where smaller parcels typically achieve a higher rental rate and larger parcels typically achieve a lower rental rate. The typical or average size of a water lot is *8.0 hectares* (20 acres) (source: PWGSC July 2008 Report).

Definition of Exposure Time

Exposure time is the time a property remains on the market. In an appraisal, the term means the estimated length of time an owner would likely need to market the appraised property interest before the hypothetical consummation of a sale or lease at market value on the effective date of the appraisal. An opinion of exposure time is a retrospective estimate that has its basis in an analysis of past events assuming a competitive and open market.

The period of exposure time occurs immediately before the effective date of the appraisal. The overall concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

Intended Use of the Appraisal

We prepared this report for use by **Port Alberni Port Authority** for lease negotiation purposes. We did not intend for any others to use this report and strictly deny any liability in this respect. A party receiving a copy of this report does not become an intended user unless authorized by the appraiser.

Scope of the Appraisal

This appraisal encompasses the research and analysis necessary to provide a full estimate of market rentable value for the subject property and meets the requirements of the Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada effective January 1, 2020. The scope of the analysis is as follows:-

Inspection

The upland areas and commercial buildings within the City of Port Alberni under Federal Real Properties managed by the PAPA, were inspected on June 5, 2020. Identification of the property also involved a review of our previous consultation file, a real estate overview and lessee inventory provided by the client, and mapping prepared by the City of Port Alberni, Clayoquot Regional District, and the Nanaimo Port Authority. The photographs appended were taken on June 5, 2020.

Data Research

We received our instructions from the client who also provided information on the property. Publications produced by the City of Port Alberni and Alberni Clayoquot Regional District provided information on applicable land use controls. Sources of market evidence included the local Real Estate Board, Land Title Office transactions (including those reported by BC Assessment and local assessors) and real estate agents, vendors and purchasers active in the market. BC Land Title and Survey Authority provided information on the state of title.

Audits and Technical Investigations

We did not complete technical investigations such as:

- Detailed inspections or engineering review of the structure, roof or mechanical systems;
- An environmental review of the property;
- A site or building survey;
- Investigations into the bearing qualities of the soils;
- Audits of financial and legal arrangements.

Verification of Third-Party Information

The analysis set out in this report relied on written and verbal information obtained from a variety of sources that were considered reliable. All reasonable efforts have been undertaken to verify this information from primary sources. The mandate for this appraisal did not require a report prepared specifically for in-depth cross-examination within a court or arbitration hearing, so I did not include full documentation, confirmation and/or include the reference material to primary sources for all information reported herein.

Type of Analysis

The research and analysis necessary to provide a full estimate of market value, including formulation of opinion of Highest and Best Use and review of market data necessary to properly apply the approaches to value was undertaken. In this regard, either the Direct Comparison or Return on Market Value Approaches have been applied and later reconciled to a final estimate of value.

Extraordinary Assumptions, Limiting Conditions, and Hypothetical Conditions

An *Extraordinary Assumption* refers to a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions. Full disclosure of any *Extraordinary Assumption* must accompany statements of each opinion / conclusion so affected (Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice).

An *Extraordinary Limiting Condition* refers to a necessary modification or exclusion of a Standard Rule. The burden is on the appraiser to explain and justify such necessity in the report, and to conclude before accepting an assignment and invoking an *Extraordinary Limiting Condition* that the scope of work applied will result in opinions / conclusions that are credible (Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice).

Hypothetical Conditions may be used when they are required for legal purposes, for the purpose of reasonable analysis, or for purposes of comparison. For every *Hypothetical Condition*, an *Extraordinary Assumption* is required in the report. The *Hypothetical Condition* must be clearly disclosed in the report, with a description of the hypothesis, the rationale for its use, and its effect on the result of the assignment. An analysis based on a *Hypothetical Condition* must not result in an appraisal report that is misleading (Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice).

This report is not subject to any extraordinary assumptions or hypothetical conditions beyond the assumptions pertaining to the definition and conditions precedent of fair market rent on Pages 1 and 2, and the Assumptions, Limiting Conditions, Disclaimers, and Limitations on Liability outlined on Pages 5 through 7.

Titles to the properties analysed in this report have not been checked but are assumed to be good and marketable. It is assumed that there are no charges on title that restrict the uses of the property permitted by lease and by zoning.

Effective Date of Appraisal

June 2020

Litigation and Compliance with Supreme Court Civil Rules

In the event that this appraisal report is used in a civil action, the appraiser is aware of and acknowledges a duty to assist the British Columbia Supreme Court and not be an advocate for any party. This appraisal report is prepared in conformity with the appraiser's duty to the court. If the appraiser is called upon to give oral or written testimony, that testimony will be in conformity with the duty to the court.

Real Property Interest to be Valued

Interests in real property vary so real property is said to include a “bundle of rights” that are inherent in the ownership of real estate. Ownership rights include the right to use real estate, to sell it, to lease it, to give it away or to choose to exercise all or none of these rights.

A person who owns all of the property rights has fee simple title. A fee simple estate implies absolute ownership unencumbered by any other interest or estate. Partial interests in real estate are created by selling, leasing or otherwise limiting the bundle of rights in a fee simple estate. A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease or leases.

The interest valued in this report is the leased fee estate and the property is assumed to be held in fee simple interest.

Possession

Neither possession of this report nor a copy of it carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner without the express written consent of the appraiser. This is subject only to confidential review by the APPRAISAL INSTITUTE OF CANADA as provided in the Canadian Uniform Standards.

Validity

Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the rentable value expressed as of the date of this appraisal cannot be relied upon to estimate the rentable value as of any other date except with further advice of the appraiser.

Competency Provision

The Canadian Uniform Standards require that competency for the type of property to be appraised must be demonstrated by the appraiser. In this regard, we advise that we have completed a number of rental studies and rental arbitrations on Harbour land throughout Vancouver Island and have first-hand knowledge of the issues involved in the valuation of this type of real estate.

Registered Owner

Her Majesty the Queen in Right of Canada, with the Port Alberni Port Authority (PAPA) mandated jurisdiction of the Alberni Inlet from the Somass River to Tzartus Island by the Canada Maritime Act.

Market History

The Canadian Standards require that the appraiser report and analyze any listings or sales of the subject property over the previous three years.

The subject property comprises Federal land under the jurisdiction of the Port Alberni Port Authority which is not normally available for sale. There are no known sales of the subject property over the past three years and, according the records of the Vancouver Island Real Estate Board, there has been no listing for sale of the subject property over the past three years.

Title and Encumbrances

Titles to the properties analysed in this report have not been checked but are assumed to be good and marketable. It is assumed that there are no charges on title that restrict the uses of the property permitted by lease and by zoning.

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS ON LIABILITY

The certification that appears in this report is subject to compliance with the Personal Information Protection and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP"), and the following conditions:-

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. It is assumed that the property is in full compliance with all applicable federal, provincial, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
6. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the appraisal report.
7. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, provincial, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
8. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
9. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

10. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
11. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report, have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
12. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to, pollution or contamination of land, buildings, water, groundwater or air which may include, but are not limited to, moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection, or that became apparent during the normal research involved in completing the report, have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
13. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
14. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
15. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
16. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all

material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.

17. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
18. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within, for any commercial, or other, use.
19. This report is valid only if it bears the original signature and seal of the author. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
20. As a member of the Appraisal Institute of Canada, the appraiser carries professional liability insurance for errors and omissions in the amount of \$2,000,000 per occurrence and \$2,000,000 in the aggregate annually. In the event that a claim of liability is made against the appraiser and Cunningham & Rivard Appraisals Ltd. pursuant to this report, the client and / or the authorized users of this report agree to limit the claim to a maximum of \$2,000,000.
21. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
22. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
23. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly, and such potential future events have NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date, readers are cautioned in relying on the appraisal after the effective date noted herein.
24. As of the date of this report, Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession; however, without knowledge of further anticipated government countermeasures at the national and global levels, it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.

PROPERTY DESCRIPTION

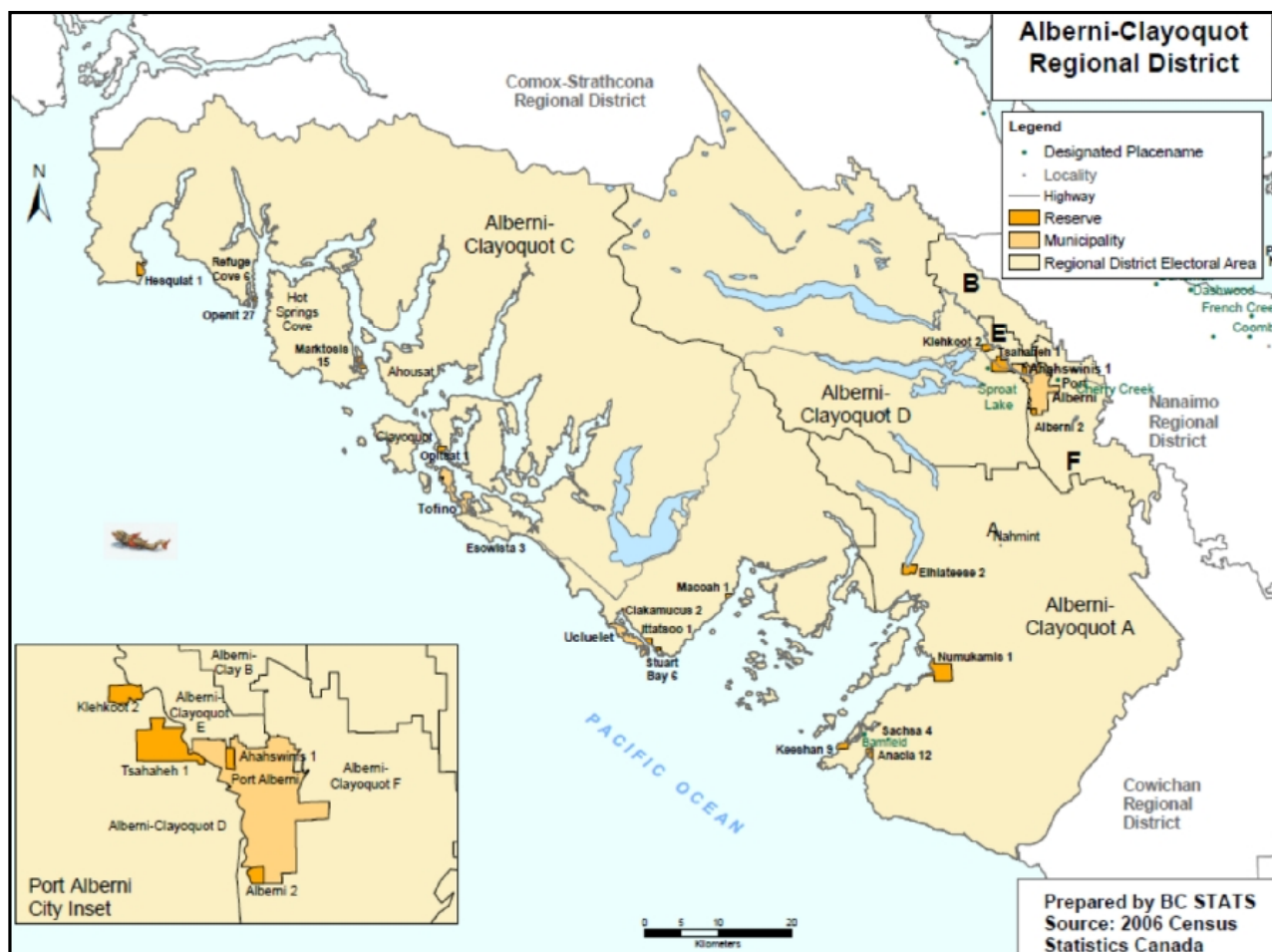
REGIONAL DATA

Alberni-Clayoquot Regional District

The Alberni-Clayoquot Regional District (2016 population 30,981) of British Columbia is located on west central Vancouver Island. It is bounded by the Strathcona Regional District to the north, and by the Nanaimo and Cowichan Valley Regional Districts to the east. The regional district offices are located in Port Alberni. It has an area of 6,596.58 square kilometres (2,546.95 square miles.)

The Alberni-Clayoquot is home to one national park, Pacific Rim National Park Reserve, one United Nations biosphere reserve, the Clayoquot Sound UNESCO Biosphere Reserve, and dozens of provincial and municipal parks. About 30,000 people have carved homes out of this wilderness paradise, settling mostly in the city of Port Alberni, the Alberni Valley, and the districts of Tofino and Ucluelet. Smaller communities also live in the somewhat isolated village of Bamfield and Nuuchahnulth communities.

The gateway to the Alberni-Clayoquot is the Alberni Valley. The largest community in the Alberni Valley is the city of Port Alberni, which has a population of about 25,112. Surrounding the city of Port Alberni are the rural areas of Cherry Creek, Beaver Creek, Beaufort and Sproat Lake, communities with a combined population of more than 7,000. Several Nuuchahnulth First Nations also claim the Valley as part of their traditional territories.



For more information go to www.acrd.bc.ca
www.alberni-clayoquottourism.ca

City of Port Alberni

Port Alberni is situated on the west coast of Vancouver Island, 96 km northwest of the City of Nanaimo via Highway 19 and Highway 4.

The 2016 Census indicates that Port Alberni has a population of 17,678, a slight decrease from 17,743 in 2011. The regional population, which includes the west coast communities of Ucluelet and Tofino, was indicated at 30,981 from the 2016 Census.

Transportation facilities include the airport with 1,370 metre runway, water transport and float plane service to Qualicum and Vancouver, the Esquimalt and Nanaimo Railway for limited commercial volume, and Provincial highway network to Long Beach to the west and Qualicum and Nanaimo to the east. IslandLink Bus and Tofino Bus All Island Express travel between Victoria and Port Hardy on Vancouver Island, including service to BC Ferries. There is an extensive network of logging roads making woodlands available to campers, hikers, hunters and fishermen.



The City of Port Alberni was incorporated in 1912 and became a major centre for the forest industry with the establishment of the MacMillan Bloedel Mill in 1947. The City and area prospered on the strength of forestry during the 1960s and 1970s. In the 1980s, forestry began a decline and the community began a shift toward a more diversified economic base. Port Alberni continues to be the centre of forestry operations on the west coast. Through modernization of plants and mills, this sector has reduced its workforce from a high of approximately 6,000 in the 1970s to approximately 3,000 at present. Smaller, private specialty product mills have assisted to increase and absorb forestry jobs lost to modernization.

Fishing, tourism, government and service industries are also factors in the economy; however, forestry continues to dominate.

Commercial development in Port Alberni is divided into several neighbourhoods. The older area includes Southport and Northport. Southport is centred around the Argyle and 3rd Avenue intersection and extending several blocks in either direction. Northport includes the Johnston Road corridor from about Helen Street to Victoria Quay.

Other more recent developments have occurred on Redford Street at 10th Avenue and more lately along Johnston Road from Tebo Avenue to Broughton Street where the trend is toward prime retail space in existing and newly developed malls with regional and international large area anchor tenants.

The climate is one of the more moderate in Canada with an average year round temperature of 10°C (49°F). Average precipitation is 1,725 mm (69 inches) with most falling between November and April.

Local economic and real estate market conditions generally mirror the balance of the Province outside of the Lower Mainland, with most key indicators having recovered to, or at least near, pre-global recession levels of 2008/'09.

Although price escalation has been evident in the residential sector, the I.C.I (Industrial, Commercial, and Investment) market has generally lagged behind. This sector is not monitored by the Vancouver Island Real Estate Board to any degree and trends are not published. Examination and analysis of the marketplace suggests increase in sales activity but inconclusive support of substantive price movement. Rental rates and investor yields have been fairly flat. The commercial sector in Port Alberni continues to be impacted by oversupply and investor resistance after some years of economic decline, particularly in the built-up older areas of the City. Most of the community's new commercial development is situated east of the older Northport area between Tebo Avenue and Broughton Street where large area retail interests are establishing a community presence, or in the central area around Redford Street and 10th Avenue.

Sources of information:

Vancouver Island Real Estate Board:

BC Stats:

City of Port Alberni:

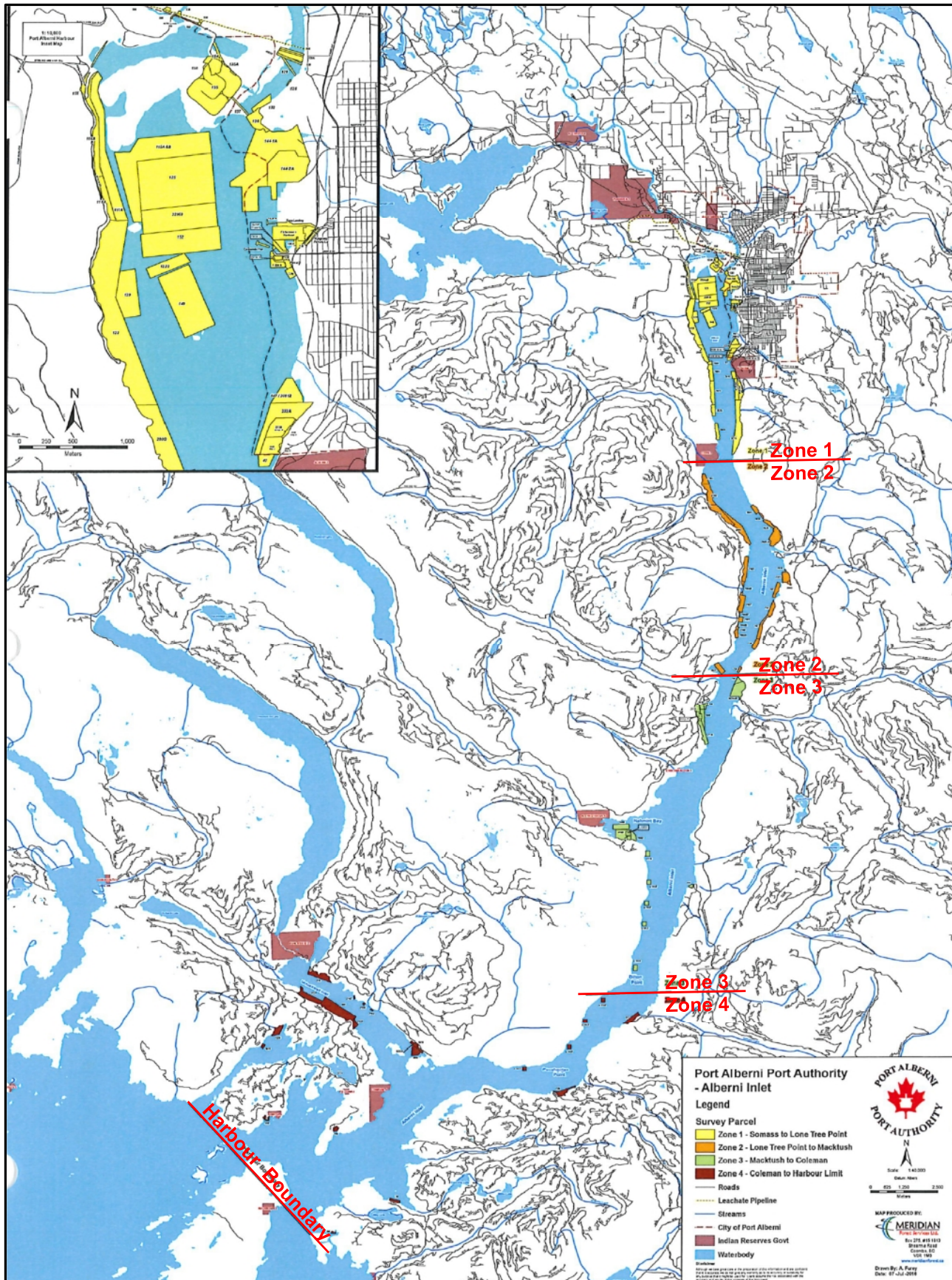
<http://www.vireb.com>

www.bcstats.gov.bc.ca

<http://www.city.port-alberni.bc.ca/>



Location Maps



GENERAL DESCRIPTION OF HARBOUR LANDS

Location

This report pertains to the filled and unfilled bed of Alberni Inlet under the administrative control of the Port Alberni Port Authority. Under the Canada Marine Act, the Port Alberni Port Authority is mandated jurisdiction of the Alberni Inlet from the Somass River (just west of the Clutesi Haven Marina within the City of Port Alberni) southward along the Alberni Inlet to Barclay Sound Harbour Limit (Tzartus Island within the Alberni Clayoquot Regional District). The length of the harbour is estimated to be 40 kilometers and the majority of the lands lie within the Alberni Clayoquot Regional District (ACRD).

The Port Alberni Harbour Lands are divided into four (4) zones being:-

- Zone 1 – Alberni Harbour – Somass to Lone Tree Point;
- Zone 2 – Alberni Inlet – Lone Tree Point to Macktush;
- Zone 3 – Alberni Inlet – Macktush to Coleman Creek;
- Zone 4 – Alberni Inlet – Coleman Creek to Harbour Limit

Site Data

This report pertains to lands lying within the bed of the Alberni Inlet (Harbour Lands). The Harbour Lands are either filled land or land covered by water under the administrative control of PAPA.

The Port Alberni Harbour Lands have been divided into specified zones (noted above) for the purpose of this report. The generic market rentable values contained within this report do not apply to the adjacent fee simple upland.

Site Improvements and Servicing

The estimated generic market rentable values for the Port Alberni Harbour Lands are provided under the assumption that the lands are vacant and un-improved and do not include services. Any services extended into a filled foreshore or water lot are considered to be tenant improvements and are specifically excluded from consideration within this report.

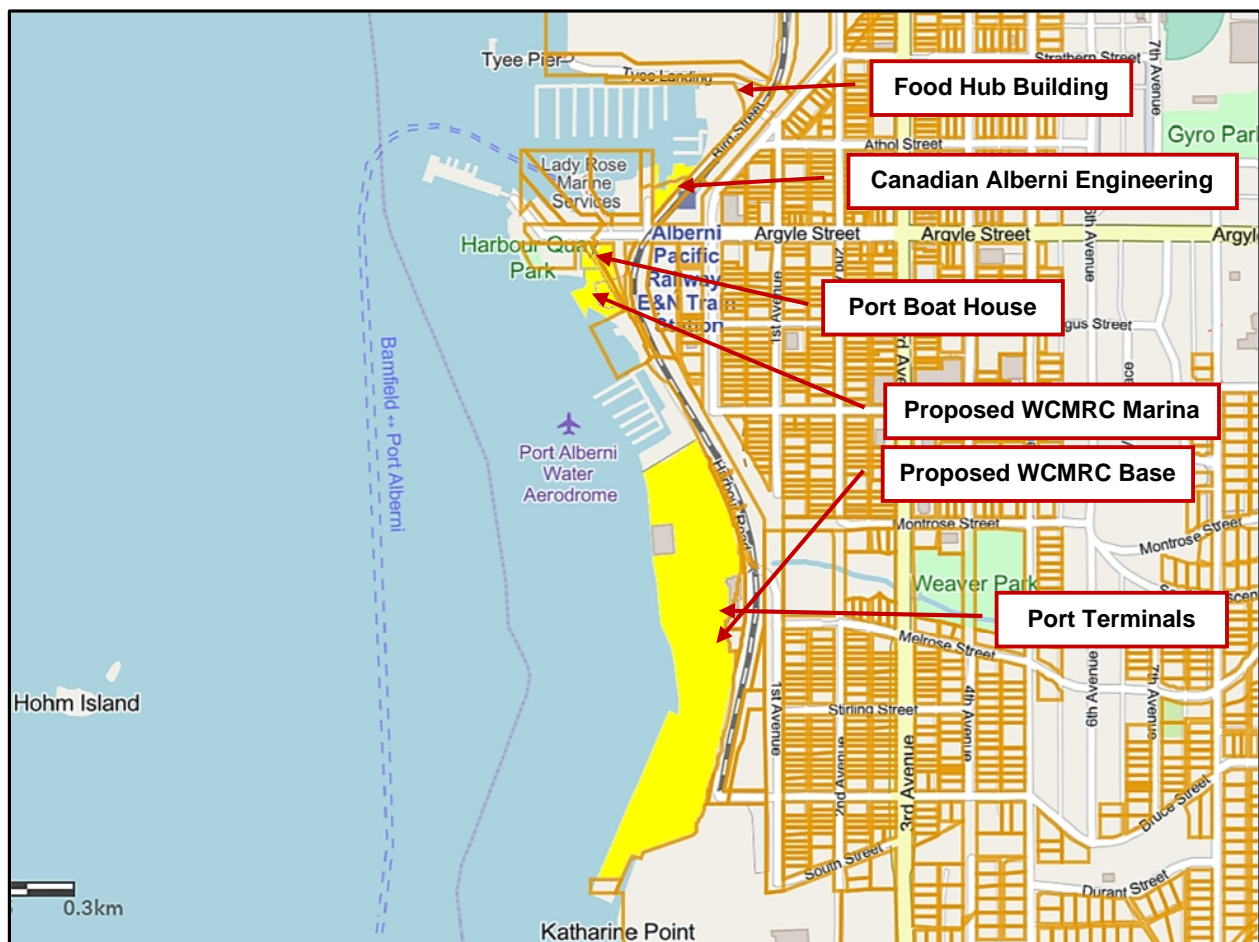
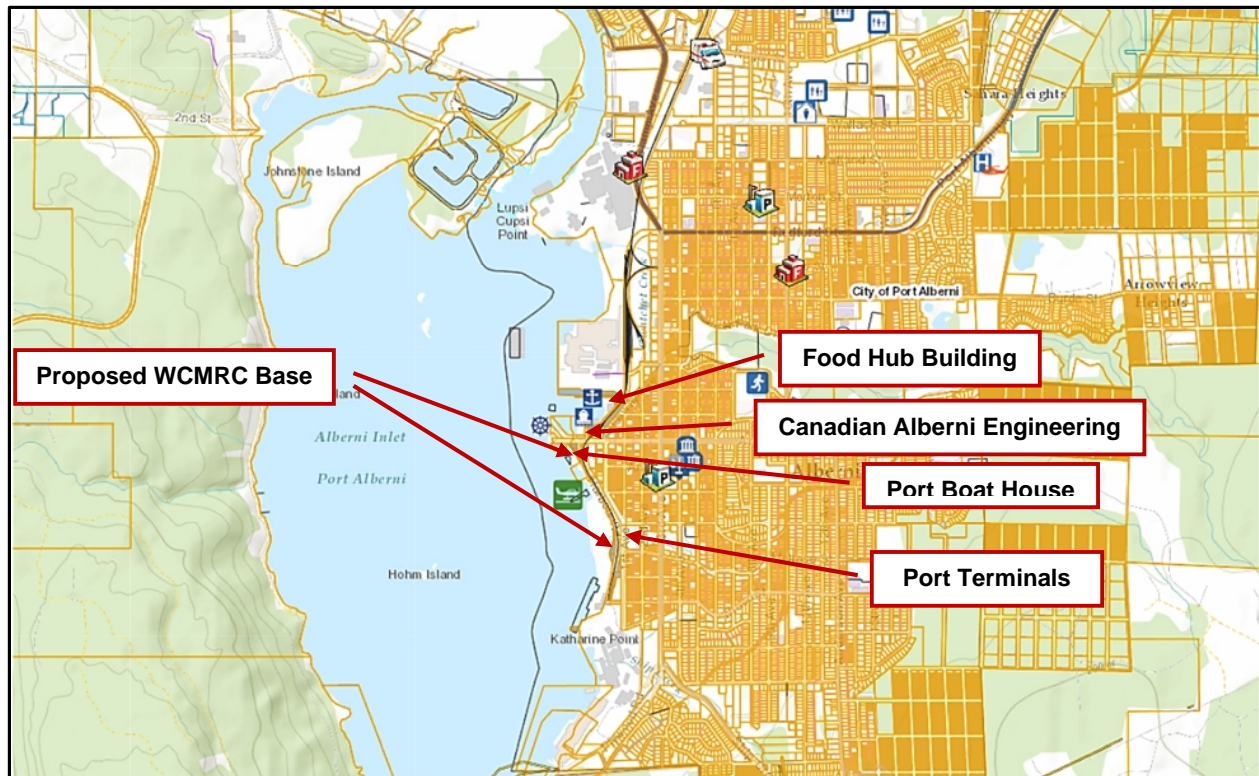
Building Improvements

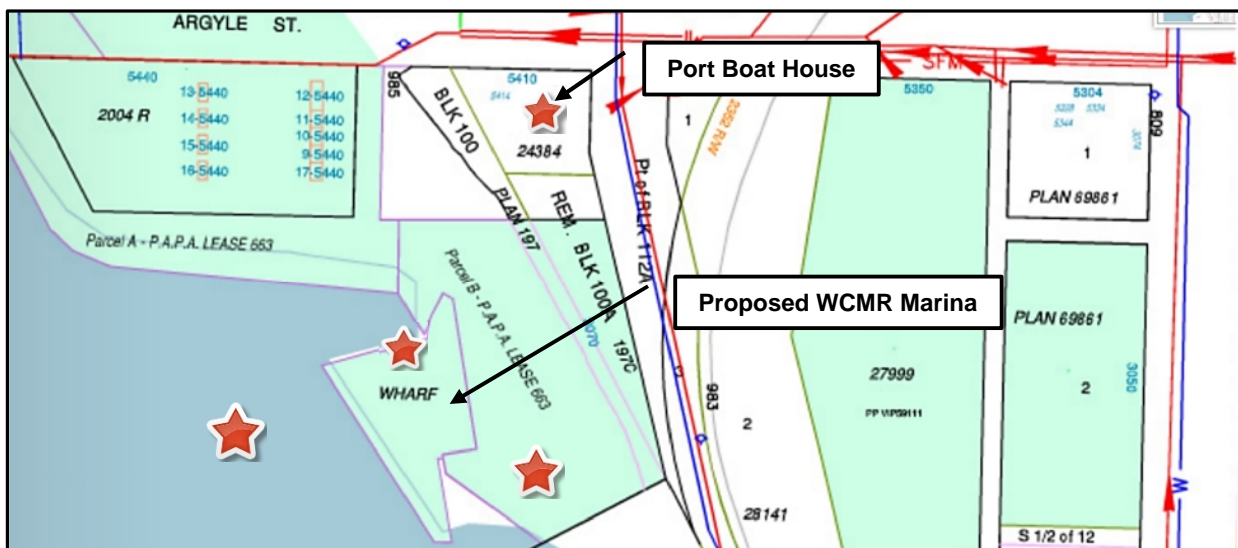
The estimated generic market rentable values for the Port Alberni Harbour Lands are provided under the assumption that the lands are vacant and un-improved; consequently, any buildings or structures located on a filled foreshore or water lot are considered to be tenant improvements and are specifically excluded from consideration within this report.

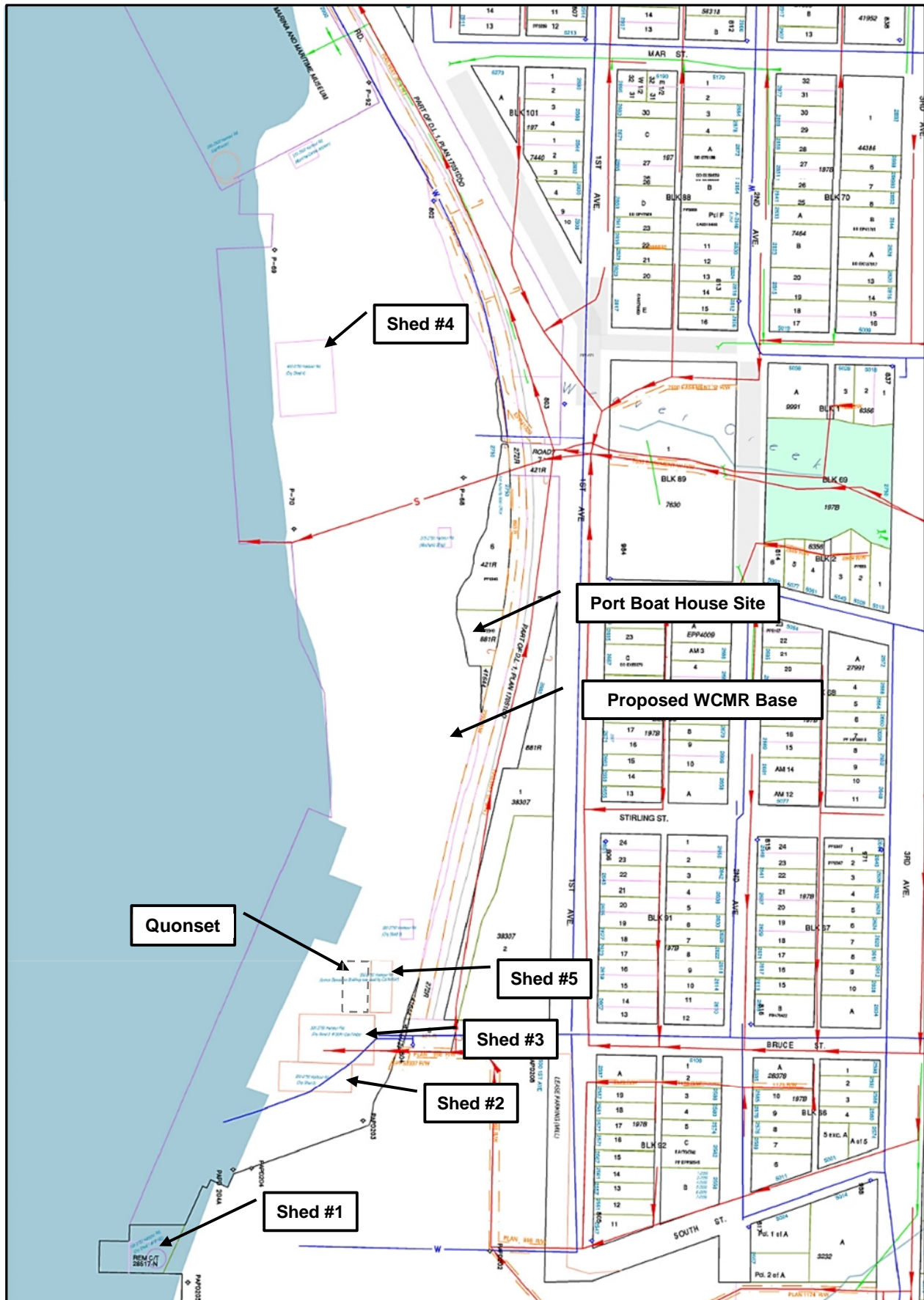
Environmental Hazards

The appraiser is not aware of any environmental hazards relating to any existing or proposed use and is not qualified to comment on the current environmental condition of any of the Harbour Lands. No hazardous substances were called to the attention of the appraiser, nor did the appraiser become aware of such, during the property inspection. The appraiser has no knowledge of the existence of hazardous substances on or in any of the Harbour Lands unless otherwise stated. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. For the purpose of this report the Harbour Lands are considered to be free of any environmental hazards or contamination. If any further clarification in this regard is required, it is suggested that an environmental assessment report be prepared.

GENERAL DESCRIPTION OF LEASED IMPROVEMENTS AND SITE AREAS







Shed 1

Site No.:	1	Gross Floor Area:	9,240 sf	Year(s) Built:	1985
Storeys:	1	Class:	S	Location:	Port Terminal

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Pre-engineered steel frame.
Floor Structure:	Reinforced; poured concrete slab on grade.
Interior Construction:	Unpartitioned interior providing open work / storage bays. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	Sprinkler system.
H.V.A.C.:	N/A
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Pre-engineered steel-frame building with metal cladding on steel purlins on steel columns. Eight grade-level, overhead loading doors.
Roof:	Metal roof cladding on steel purlins and steel beams. Standard drainage and ventilation systems installed.
Comments:	N/A
Site Improvements:	Small yard area to building perimeter for vehicle parking, storage and processing use of tenant.

Shed 1 Yard Area

Site No.:	2	Gross Site Area:	44,000 sf	Year(s) Built:	/
Storeys:	/	Class:	/	Location:	Port Terminal

Comments:	Asphalt-paved yard with chain-link perimeter fence.
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Shed 2

Site No.:	3	Gross Floor Area:	9,000 sf	Year(s) Built:	1980
Storeys:	1	Class:	S	Location:	Port Terminal

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Pre-engineered steel frame.
Floor Structure:	Reinforced; poured concrete slab on grade.
Interior Construction:	Unpartitioned interior providing open work / storage bays. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	N/A
H.V.A.C.:	N/A
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Pre-engineered steel-frame building with metal cladding on steel purlins on steel columns. Two grade-level, overhead loading doors.
Roof:	Metal roof cladding on steel purlins and steel beams. Standard drainage and ventilation systems installed.
Comments:	Two 5 ton cranes.
Site Improvements:	Small yard area to building perimeter for vehicle parking, storage and processing use of tenant.

Shed 2 Yard Area

Site No.:	4	Gross Site Area:	13,176 sf	Year(s) Built:	/
Storeys:	/	Class:	/	Location:	Port Terminal

Comments:	Asphalt-paved yard with chain-link perimeter fence.
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Shed 3

Site No.:	5	Gross Floor Area:	16,000 sf	Year(s) Built:	1985
Storeys:	1	Class:	S	Location:	Port Terminal

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Pre-engineered steel frame.
Floor Structure:	Reinforced; poured concrete slab on grade.
Interior Construction:	Unpartitioned interior providing open work / storage bays. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	N/A (washroom installed at tenant expense).
H.V.A.C.:	Gas-fired space heaters.
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Pre-engineered steel-frame building with metal cladding on steel purlins on steel columns. Five grade-level, overhead loading doors.
Roof:	Metal roof cladding on steel purlins and steel beams. Standard drainage and ventilation systems installed.
Comments:	Cranes.
Site Improvements:	N/A

Quonset Hut

Site No.:	6	Gross Floor Area:	6,696 sf	Year(s) Built:	2016
Storeys:	1	Class:	S	Location:	Port Terminal

Foundations:	Concrete bulkhead blocks.
Framing:	Steel frame.
Floor Structure:	Asphalt-paving on grade.
Interior Construction:	Unpartitioned (tenant furnishings and equipment not included).
Plumbing System:	N/A
H.V.A.C.:	N/A
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Canvas on steel frame.
Roof:	Canvas on steel frame.
Comments:	N/A
Site Improvements:	N/A

Shed 3 Yard Area

Site No.:	7	Gross Site Area:	5,000 sf	Year(s) Built:	/
Storeys:	/	Class:	/	Location:	Port Terminal

Comments:	Asphalt-paved yard with chain-link perimeter fence and direct access off Harbour Road.
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Shed 4

Site No.:	8	Gross Floor Area:	16,225 sf	Year(s) Built:	1985
Storeys:	1	Class:	S	Location:	Port Terminal

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Pre-engineered steel frame.
Floor Structure:	Reinforced; poured concrete slab on grade.
Interior Construction:	Unpartitioned interior providing open work / storage bays. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	N/A
H.V.A.C.:	N/A
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Pre-engineered steel-frame building with metal cladding on steel purlins on steel columns. Eight grade-level, overhead loading doors.
Roof:	Metal roof cladding on steel purlins and steel beams. Standard drainage and ventilation systems installed.
Comments:	N/A
Site Improvements:	N/A

Shed 5

Site No.:	9	Gross Floor Area:	4,500 sf	Year(s) Built:	1960
Storeys:	1	Class:	C	Location:	Port Terminal

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Concrete block.
Floor Structure:	Reinforced; poured concrete slab on grade.
Interior Construction:	Painted plywood lined walls on wood frame providing staff break room and washrooms with balance of building being unpartitioned work / storage bays. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	Standard fixtures and services for occupancy.
H.V.A.C.:	N/A
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Concrete block. Two grade-level loading doors.
Roof:	Metal cladding on wood deck on engineered wood trusses. Standard ventilation and drainage systems installed.
Comments:	N/A
Site Improvements:	N/A

Shed 5 Yard Area

Site No.:	10	Gross Site Area:	4,900 sf	Year(s) Built:	/
Storeys:	/	Class:	/	Location:	Port Terminal

Comments:	Asphalt-paved yard with chain-link perimeter fence and direct access off Harbour Road.
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WCMRC Site

Site No.: 11 **Gross Site Area:** 58,663 sf **Year(s) Built:** /
Storeys: / **Class:** / **Location:** Port Terminal

Comments: Asphalt-paved yard with chain-link perimeter fence and direct access off Harbour Road. Improvements constructed at cost to tenant.

Port Boat House Site

Site No.: 12 **Gross Site Area:** 16,525 sf **Year(s) Built:** /
Storeys: / **Class:** / **Location:** Port Terminal

Comments: Asphalt-paved / gravel yard with chain-link perimeter fence and direct access off Harbour Road.

Port Boat House – 5410 Argyle Street

Site No.:	13	Gross Floor Area:	24,829 sf	Year(s) Built:	1940
Stores:	2 + mezzanines	Class:	D	Location:	5410 Argyle Street

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Structural wood post and wood stud.
Floor Structure:	Reinforced; poured concrete slab on grade. Upper floors and mezzanines of wood deck on wood joists.
Interior Construction:	Mix of painted plywood, wood panel, and gypsum board on wood stud frame. Generally demised into two sections: the first being a fabrication / repair garage with storage mezzanines and the second being a showroom with repair garage, offices, warehouse, and storage mezzanines. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	Standard fixtures and services for occupancy. Sprinkler system.
H.V.A.C.:	Gas-fired forced air, gas-fired radiant space bars, and electric baseboard.
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Metal cladding on wood sheathing and wood frame. Metal frame, single and thermal pane windows. Grade-level loading doors.
Roof:	Torch-on membrane on built-up wood deck on mix of engineered wood and steel joists. Standard ventilation and drainage systems installed.
Comments:	Phased construction.
Site Improvements:	7,433 sf additional site area for boat and vehicle parking.

WCMRC Marina Site

Site No.:	14	Gross Site Area:	212,355 sf	Year(s) Built:	2020
Storeys:	/	Class:	/	Location:	Harbour Road

Comments: Total site area of 4.875 ac, comprising 4.260 ac water lot and 0.615 ac of upland. Water lot to be developed by tenant with docks and contains a wharf that was refurbished through cost sharing agreement with landlord. Tenant has non-exclusive use of wharf. Upland is asphalt-paved for vehicular parking.

Canadian Maritime Alberni Engineering – 3101 Bird Avenue

Site No.:	15	Gross Floor Area:	51,052 sf	Year(s) Built:	1950 / 1970
Storeys:	2	Class:	C	Location:	Bird Street / Harbour Quay

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Concrete block with structural steel framing.
Floor Structure:	Reinforced; poured concrete slab on grade. Upper floors and mezzanines of wood deck on wood joists.
Interior Construction:	Mix of painted plywood, wood panel, and gypsum board on wood stud frame. Main floor is demised to contain multiple shop areas and storage rooms, with the upper floor containing multiple offices for administration and storage / utility mezzanines. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	Standard fixtures and services for occupancy. Sprinkler system.
H.V.A.C.:	Electric space heaters to shops and roof-top mounted HVAC to upper floor offices.
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Concrete block with metal cladding to upper elevation. Metal frame, thermal pane windows. Multiple grade-level loading doors.
Roof:	Torch-on membrane on built-up metal deck and engineered steel joists. Roof in need of replacement. Standard ventilation and drainage systems installed.
Comments:	Multiple cranes. Roof replacement assumed to be complete.
Site Improvements:	Vehicle parking permitted to building perimeter.

Canadian Maritime Alberni Engineering – Quonset & Floats Site



Site No.:	16	Gross Site Area:	13,068 sf	Year(s) Built:	Unknown
Storeys:	1	Class:	/	Location:	Bird Street / Harbour Quay

Comments: Site area of 13,068 sf located at the end of Bird Avenue; appearing to be partially filled land and partially submerged land. Submerged land contains a Quonset and floats that belong to tenant.

New Food Hub – 3140D Harbour Road

Site No.: 17 **Gross Floor Area:** 14,876 sf **Year(s) Built:** 1970 (2020 Reno)
Stores: 1 ½ **Class:** C **Location:** Fisherman's Harbour

Foundations: Reinforced; poured concrete footings, foundation walls.
Framing: Concrete block with steel frame seismic bracing.
Floor Structure: Reinforced; poured concrete slab on grade with floor drainage. Upper floor of wood or steel deck on wood or steel joists.
Interior Construction: Concrete block and aluminum & Styrofoam panel walls supported by intermittent steel columns on poured concrete column footings. Upper floor of painted gypsum board on wood or steel stud frame. Main floor demised to support multiple food processing tenancies with shared cold storage and freezer rooms, central processing area, and commercial kitchen on the ground floor, plus shared offices, break room, washrooms, etc. upstairs. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System: Standard fixtures and services for occupancy.
H.V.A.C.: Cold storage / food processing refrigeration systems to ground floor and electric baseboard upstairs.
Electrical and Lighting: Standard fixtures and services for occupancy.
Exterior Walls: Painted concrete block with vinyl siding to upper floor section. Vinyl frame, thermal pane windows. Grade-level loading doors.
Roof: Torch-on membrane on built-up wood or metal deck on engineered wood or steel joists. Insulated and standard ventilation and drainage systems installed.
Comments: Former fish plant with comprehensive renovations nearing completion for conversion of use to multi-tenant food processing hub. Renovations assumed to be complete.
Site Improvements: 22,888 sf site area containing building footprint, parking, and loading areas.

Ice Plant

Site No.:	18	Gross Floor Area:	1,800 sf	Year(s) Built:	1970 (2020 Reno)
Storeys:	2	Class:	D	Location:	Fisherman's Harbour

Foundations:	Reinforced; poured concrete footings, foundation walls.
Framing:	Wood frame.
Floor Structure:	Wood deck on wood joists with built-in conveyor and auger systems to top floor.
Interior Construction:	Panel board on insulated wood stud walls. Minimal interior demising, with two floors over open-sided drive-through bay. Standard interior finish for occupancy.
Plumbing System:	Standard fixtures and services for occupancy.
H.V.A.C.:	Cold storage refrigeration system.
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Metal cladding on wood sheathing, wood stud frame, with insulation to stud cavity.
Roof:	Torch-on membrane on built-up wood deck on wood joists with insulation to joist cavity. Standard ventilation and drainage systems installed.
Comments:	Salt water ice plant with renovations nearing completion for complimentary use with commercial fishing activity from Fishermen's Harbour and Food Hub. Renovations assumed to be complete.
Site Improvements:	Non-exclusive use of surrounding yard for parking and loading.

Timberrose Ventures – Office

Site No.:	19	Gross Floor Area:	1,134 sf	Year(s) Built:	Unknown
Storeys:	1	Class:	D	Location:	Fisherman's Harbour

Foundations:	Wood posts on concrete pad.
Framing:	Wood frame.
Floor Structure:	Wood deck on wood joists; insulated.
Interior Construction:	Panel board on insulated wood stud walls. Standard interior finish for occupancy (tenant furnishings and equipment not included).
Plumbing System:	Standard fixtures and services for occupancy.
H.V.A.C.:	Gas fired forced air furnace.
Electrical and Lighting:	Standard fixtures and services for occupancy.
Exterior Walls:	Vinyl siding; assumed on wood sheathing, wood stud frame, with insulation to stud cavity.
Roof:	Metal cladding on wood deck on engineered wood trusses; insulated to interior. Standard ventilation and drainage systems installed.
Comments:	Pre-manufactured mobile home converted for use as an office.
Site Improvements:	Parking area.

PA Marine Fuels & Services Site



Site No.:	20	Gross Floor Area:	450 sf	Year(s) Built:	2017
Storeys:	1	Class:	/	Location:	New Tyee Pier

Comments: Submerged land located at the end of the New Tyee Pier. Contains a floating wood frame building that belongs to the tenant.

PA Marine Fuels Tank Storage Site



Site No.:	21	Gross Site Area:	832 sf	Year(s) Built:	2017
Storeys:	/	Class:	/	Location:	New Tyee Pier

Comments: Asphalt-paved yard with chain-link perimeter fence and concrete bulkhead blocks on the new Tyee Pier. Improvements constructed at cost to tenant.

Seaplane Tie-Up



Site No.:	22	Gross Site Area:	/	Year(s) Built:	/
Storeys:	/	Class:	/	Location:	Centennial Pier

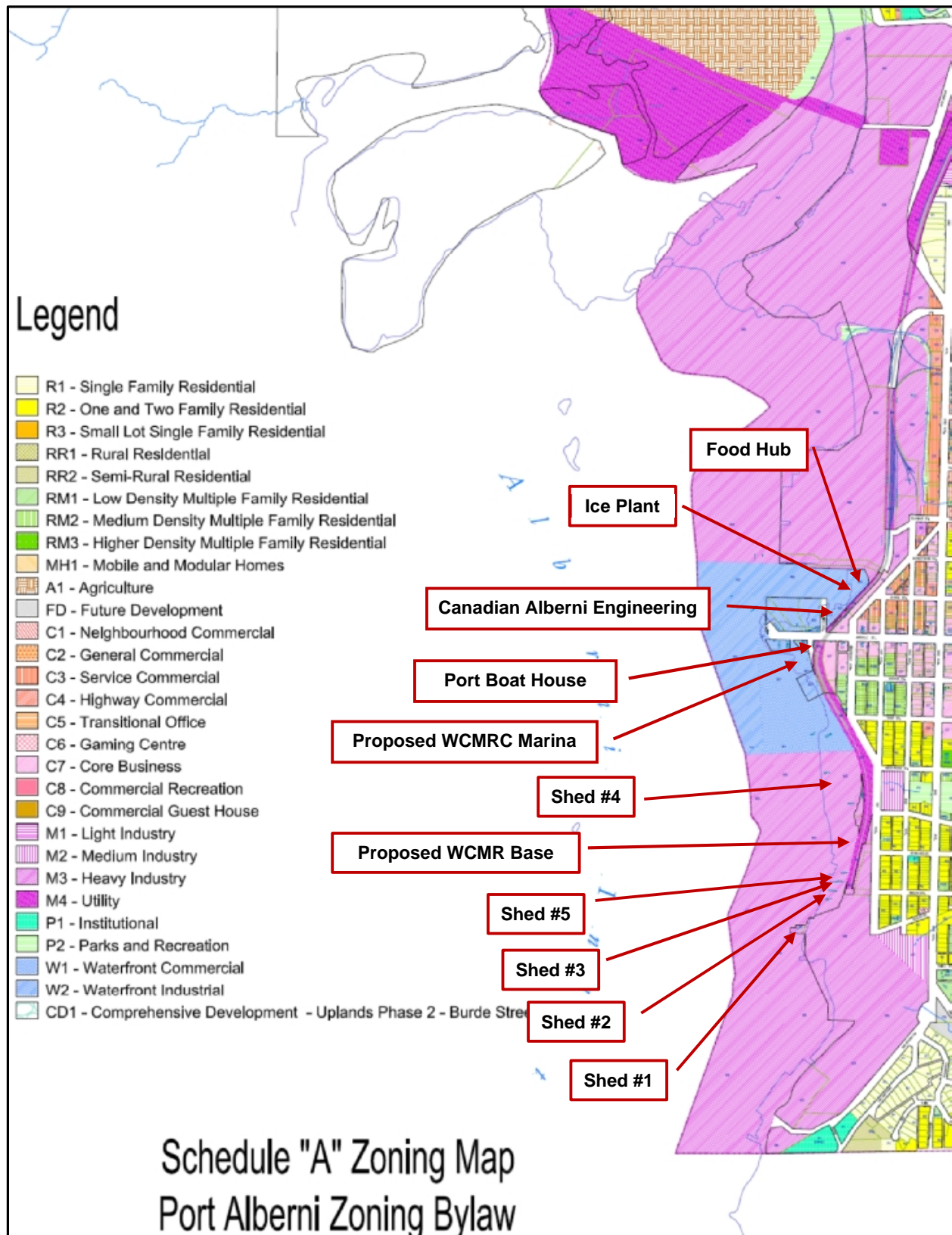
Comments: Wood frame finger floats off Centennial Pier.

Swept Away Inn

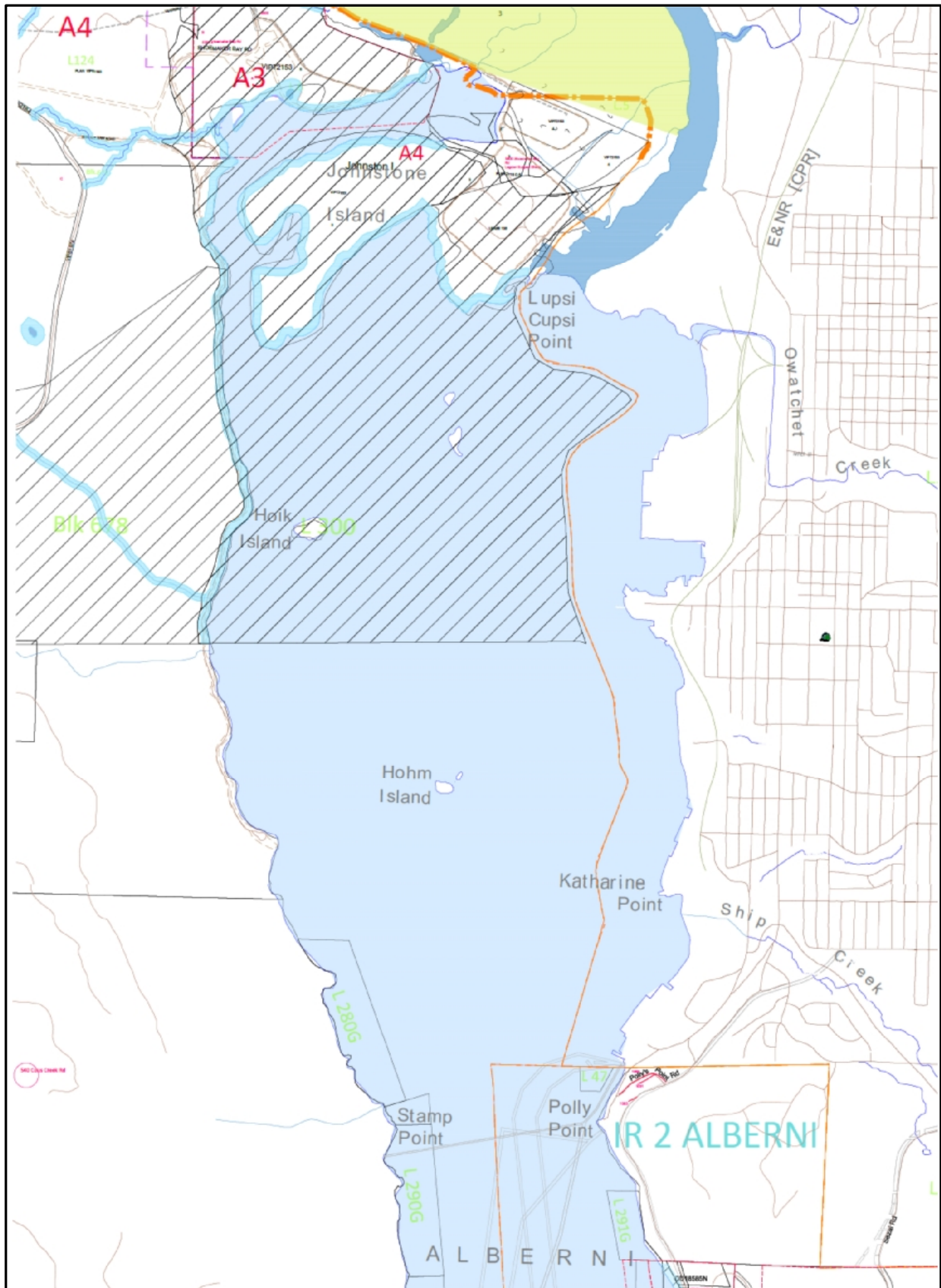


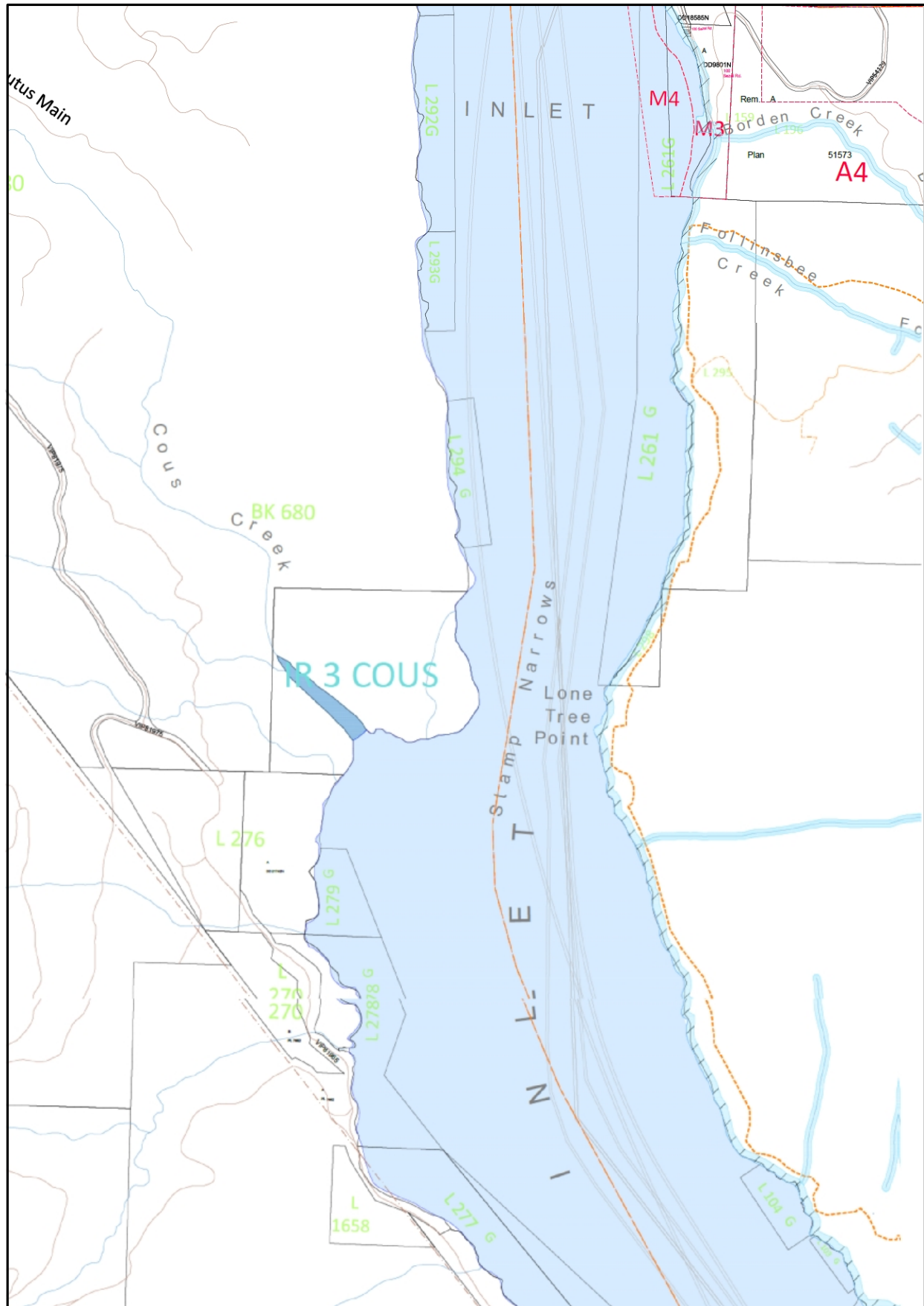
Site No.:	23	Gross Site Area:	/	Year(s) Built:	/
Storeys:	/	Class:	/	Location:	Centennial Pier
Comments:	34 linear metre (112 linear feet) tie-up on Centennial Pier.				

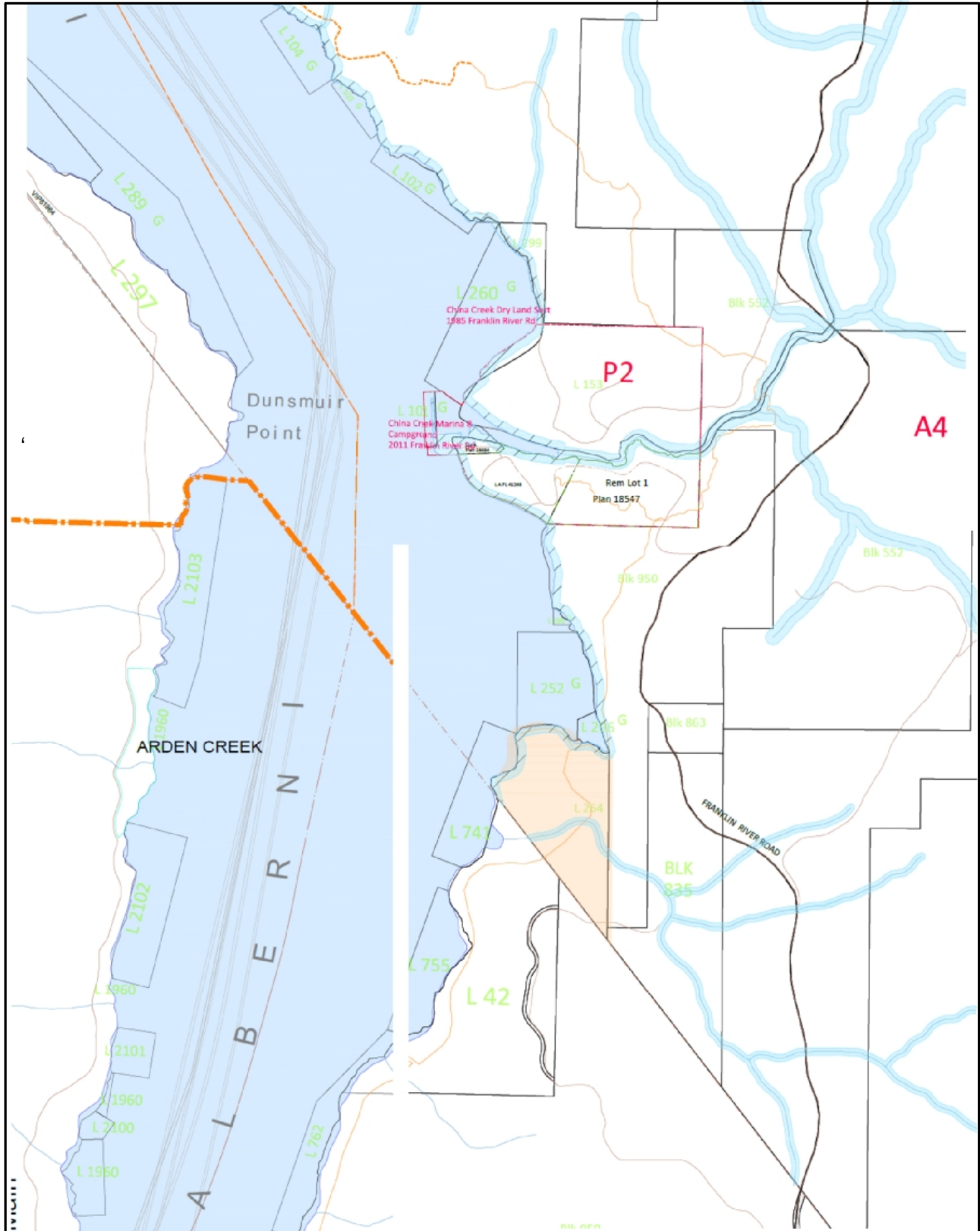
LAND USE CONTROLS City of Port Alberni Zoning Map

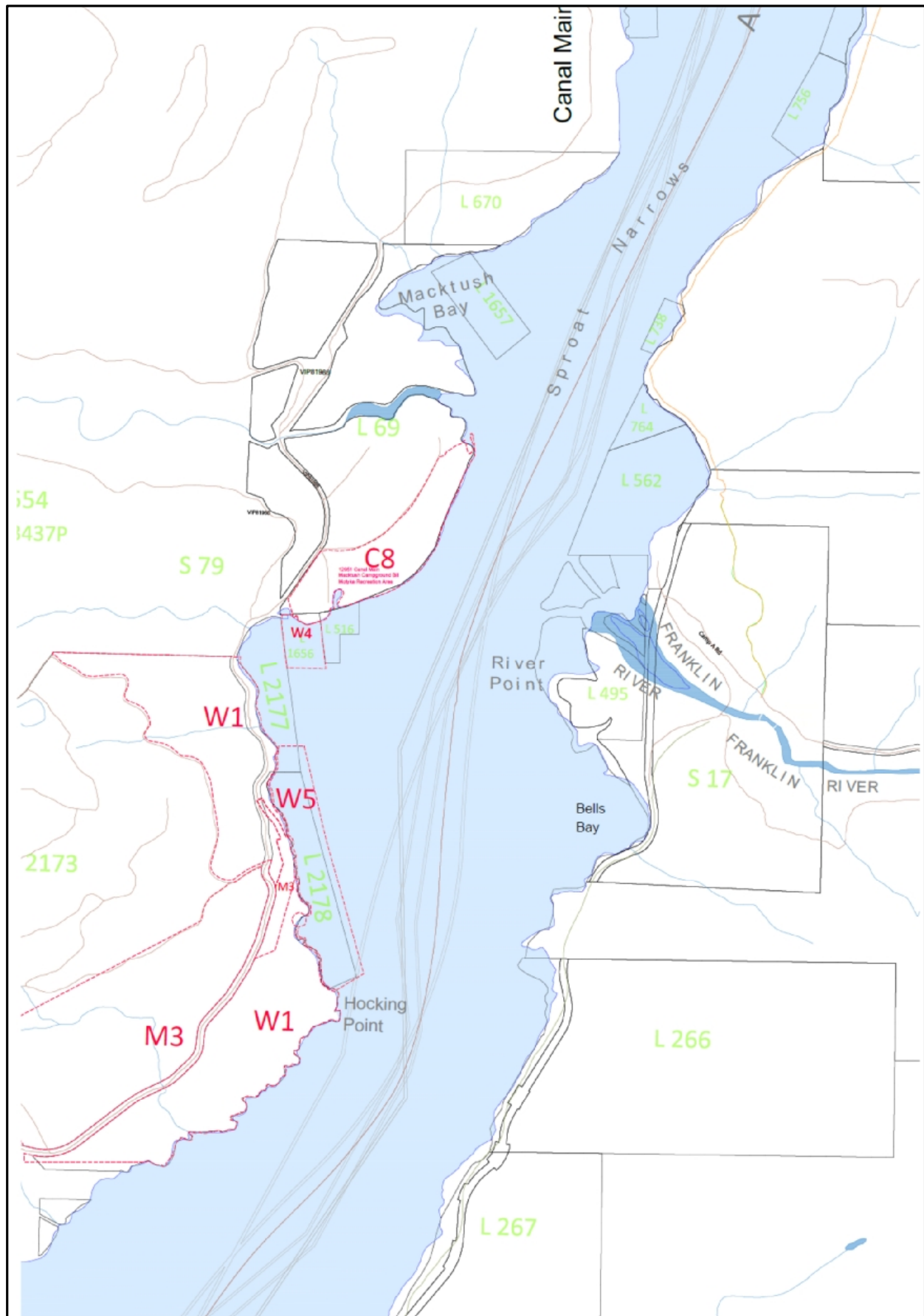


Alberni-Clayoquot Zoning Maps









Zoning

The Port Alberni Harbour Lands are zoned pursuant to the City of Port Alberni Zoning Bylaw 4832, enacted 2014; and the Alberni Clayoquot Regional District Zoning Bylaw 1971, enacted 1973, as follows:-

Zone 1 – Alberni Harbour – Somass to Lone Tree Point	
City of Port Alberni	P-2 / M-3 / M-4 / W-1 / W-2
Alberni Clayoquot Regional District	A-4 / M-3 / M-4
Zone 2 – Alberni Inlet – Lone Tree Point to Macktush	
Alberni Clayoquot Regional District	P-2 / W-1 / W-4 / W-5
Zone 3 – Alberni Inlet – Macktush to Coleman Creek	
Alberni Clayoquot Regional District	W-1 / W-4 / W-5
Zone 4 – Alberni Inlet – Coleman Creek to Harbour Limit	
Alberni Clayoquot Regional District	A-4
<u>Zone 1 – City of Port Alberni – Leased Sites and Improvements</u>	
Sheds 1 – 5	M-3
WCMRC & Port Boat House Sites	M-3
Port Boat House	W-2
WCMRC Marina	W-1
Canadian Maritime Alberni Engineering	W-2
New Food Hub & Ice Plant	W-2

Excerpts of the City of Port Alberni Zoning Bylaw are appended as Addendum 1. Excerpts of the Alberni Clayoquot Regional District Zoning Bylaw are appended as Addendum 2.

PAPA Land Use Plan

Notwithstanding the zoning of the Harbour Lands through the City of Port Alberni Zoning Bylaw and Alberni Clayoquot Regional District Zoning Bylaw, the Harbour Lands are statutorily administered through the Port Alberni Port Authority Land Use Plan.

The Land Use Plan is an existing and future land use guide that acts in a similar fashion to zoning and OCP bylaws although with broader goals supporting the greater good of the community while also satisfying the requirements of the Canada Marine Act.

The Land Use Plan identifies General Policies and Environmental Policies and specifies the Port Alberni Shoreline Master Plan. The Land Use Plan, in conjunction with the City of Port Alberni, also identifies Water Marine Development Permit Areas.

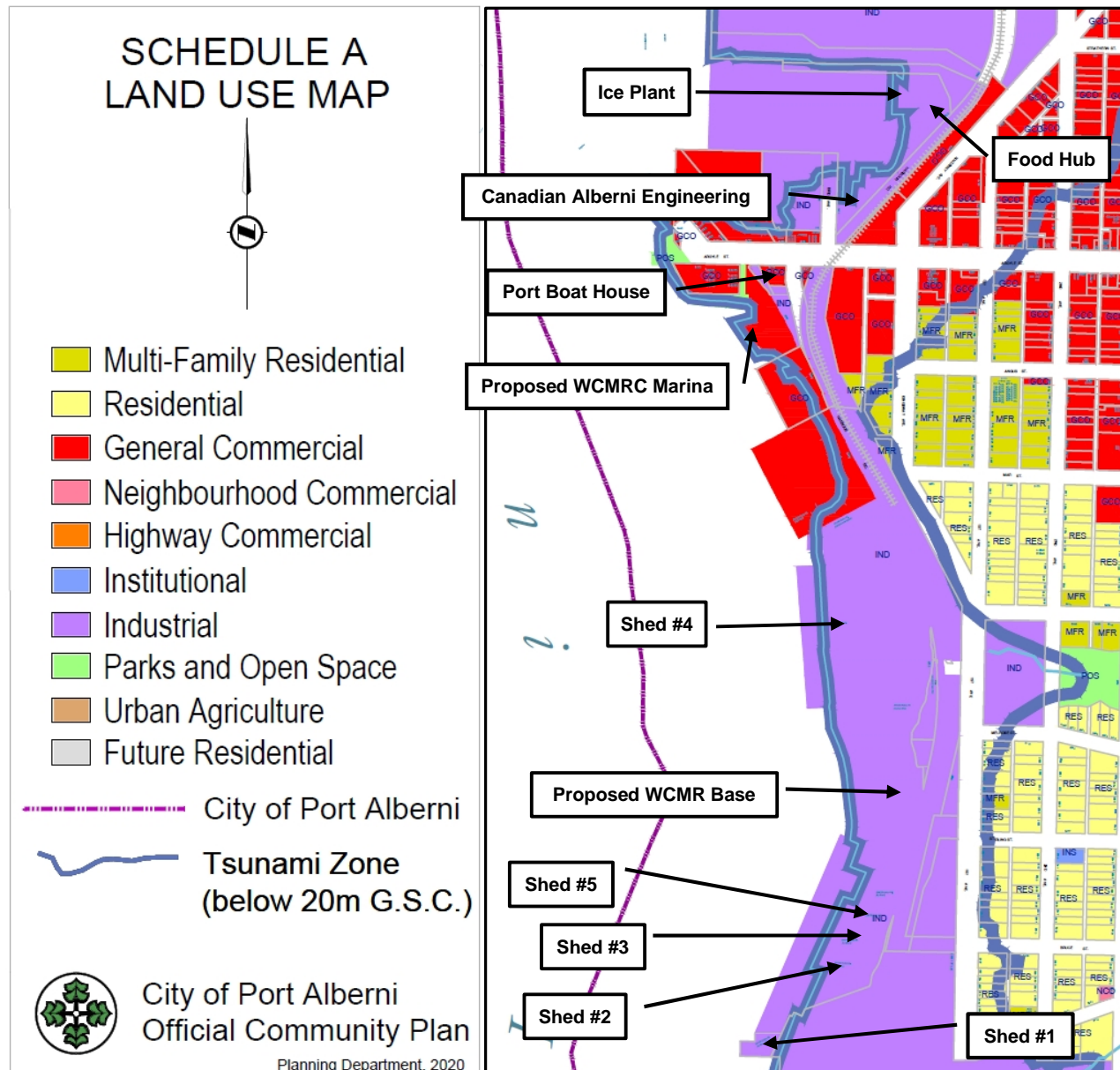
The Land Use Plan includes Development Permit Area Maps identifying the Water Marine Development Permit Area zones.

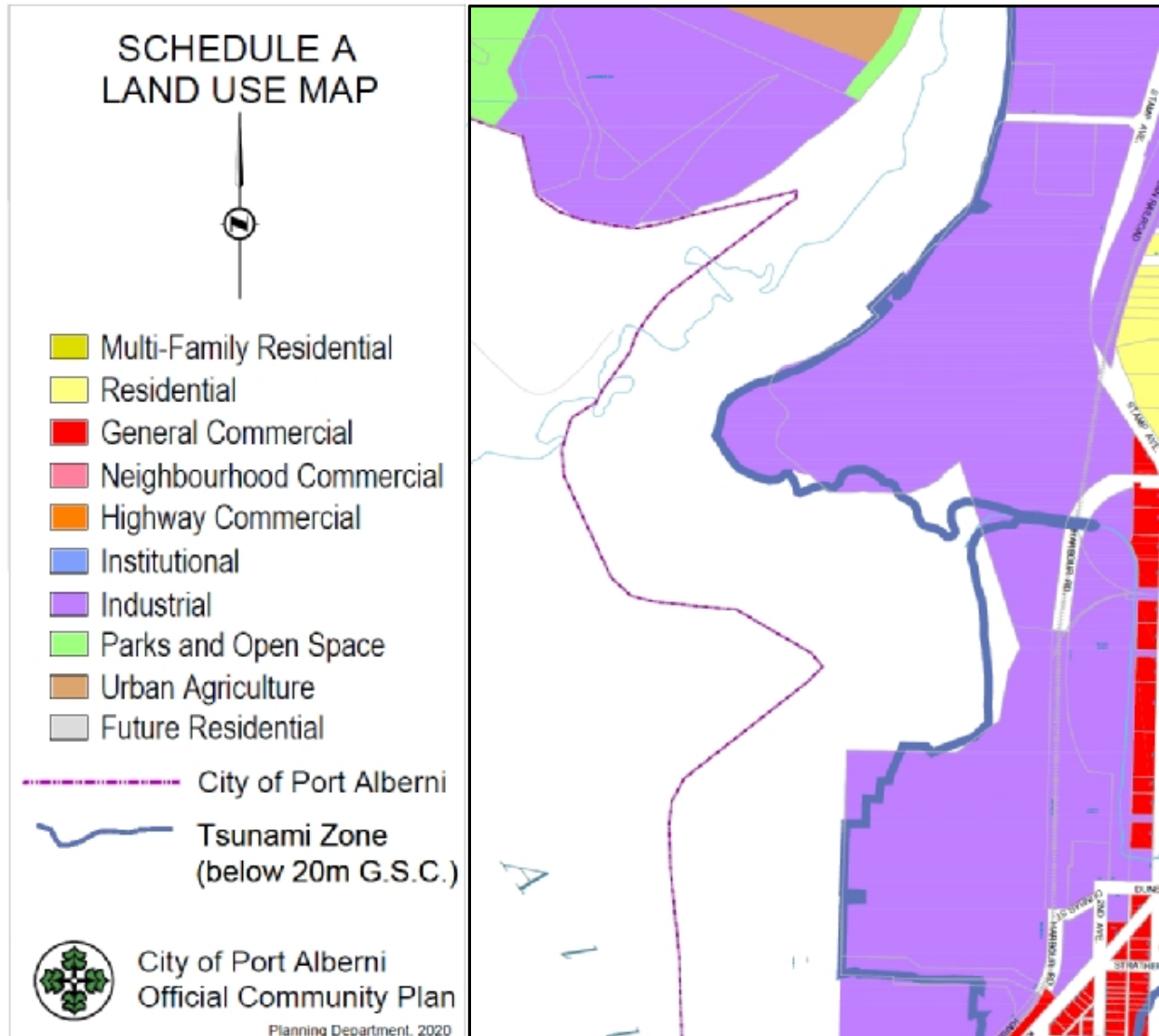
Official Community Plan (OCP)

All local governments are required to ensure that zoning bylaws and new development conform to the OCP. Proposed zoning changes must comply with land uses permitted by the OCP in order to be passed by city council. Proposed rezoning not supported by the OCP requires that the OCP be amended. Such applications are also considered by city council.

In the City of Port Alberni OCP, the subject is designated 'Industrial' and 'General Commercial' which is consistent with zoning.

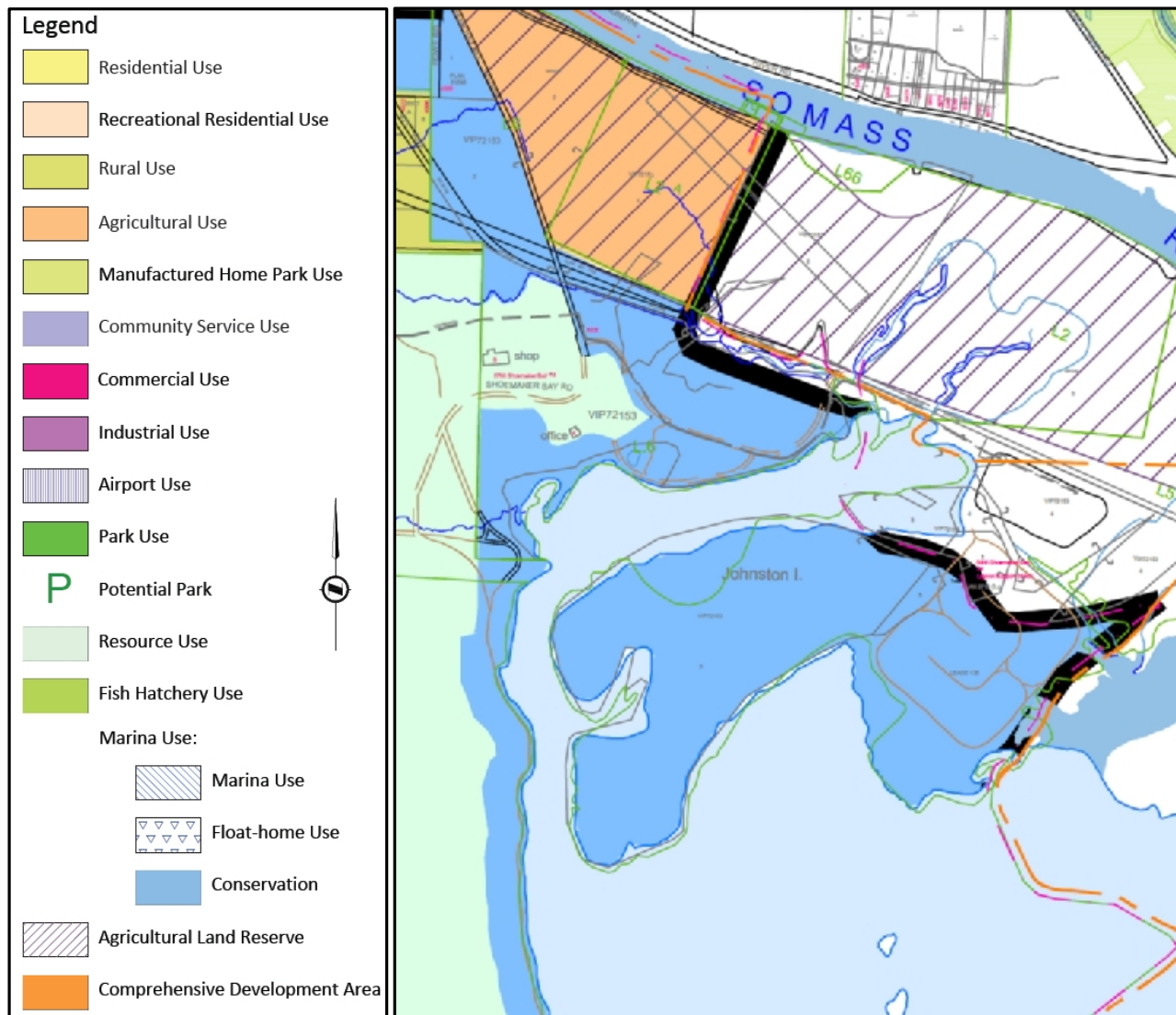
The OCP can be accessed at: <https://www.portalberni.ca/content/official-community-plan>





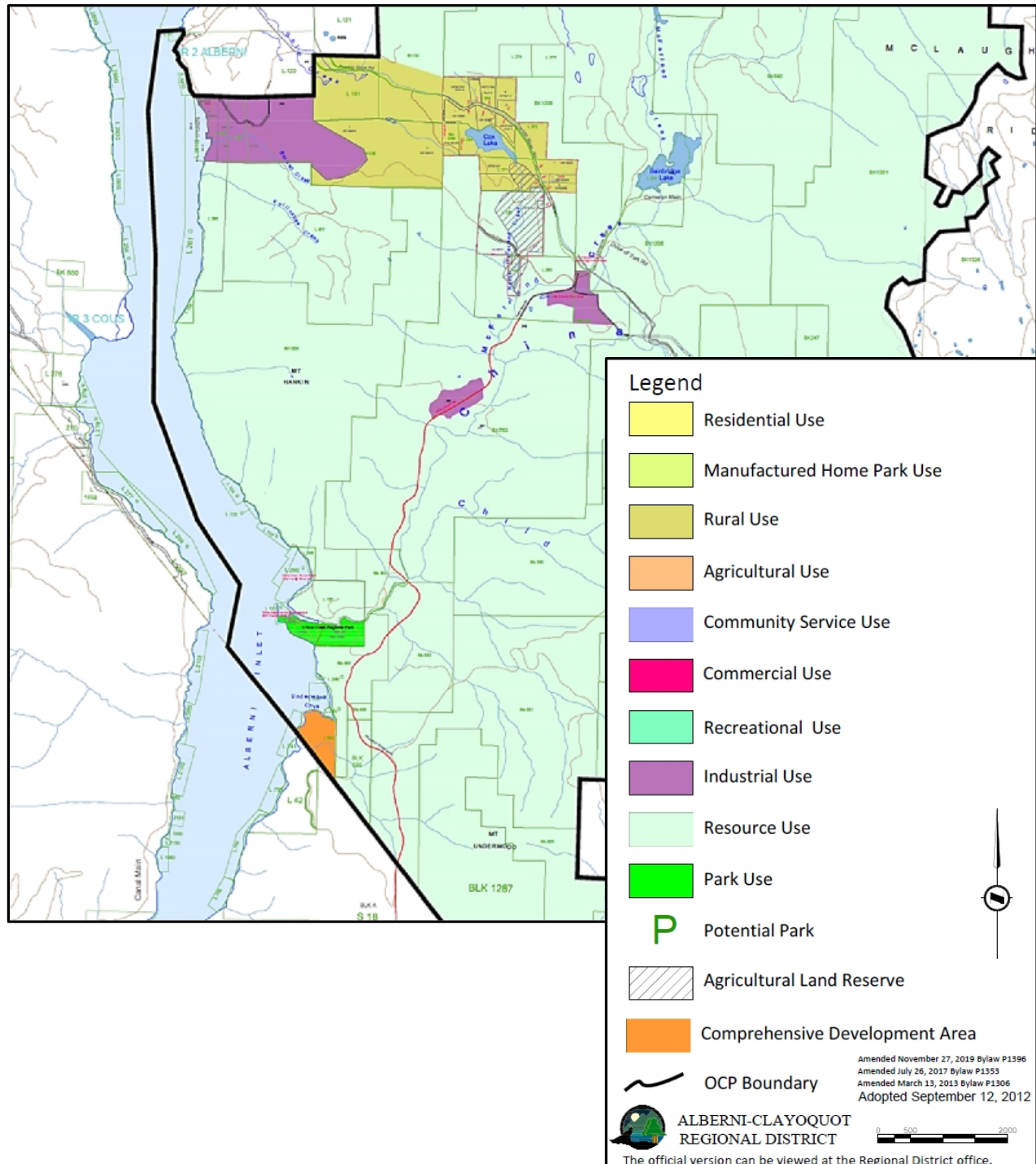
In the Sproat Lake OCP, the subject is designated 'Conservation' which is consistent with zoning.

The OCP can be accessed at: <https://www.acrd.bc.ca/sproat-lake-ocp>



In the Alberni Clayoquot Cherry Creek OCP, the subject is designated 'Resource Use' which is consistent with zoning.

The OCP can be accessed at: <https://www.acrd.bc.ca/cherry-creek-ocp>



VALUATION ANALYSIS

HIGHEST AND BEST USE

An accepted definition of highest and best use is:

"That reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The highest and best use of a property is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility, and maximum profitability. Determining the highest and best use of a property is a critical appraisal component that provides the valuation framework that market participants and appraisers require to identify and analyze comparable market information for valuation purposes.

An appraiser considers highest and best use of the property as if vacant separately from the highest and best use of the property as improved. This is because the highest and best use of the site as if vacant and available for development determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site.

Highest and Best use of land or a site is the use among all reasonable alternative uses that yields the highest present land value, after payments are made for labour, capital and co-ordination. The conclusion assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Harbour Lands

Harbour Lands stand apart from fee simple lands and the concept of highest and best use can differ between the two. Additionally, the Harbour Lands are subject to the PAPA regulations and, to a lesser extent, the City of Port Alberni and Alberni Clayoquot Regional District Zoning Bylaws.

Harbour Lands most commonly lay adjacent to (or front) privately owned fee simple land or property not administered by PAPA. The Harbour Lands, then, are subject to the demand of the upland fee simple owner (or third party non-owner with consent of the fee simple upland owner) for their use. This demand may or may not be consistent with the upland use; therefore, the concept of highest and best use cannot automatically be determined for the upland and applied to the Harbour Land. This is clearly evident where fee simple uplands are in transition from previous marine or industrial use to multiple family residential uses. The multiple family residential use does not physically require use of the Harbour Land (other than for aesthetic appeal of view and outlook) and demand for the Harbour Land is then driven by some alternative (or unrelated) use, the most common being small vessel (recreational) marina.

The Harbour Lands are broken down into four different zones and the highest and best use may differ between each respective zone. Additionally, PAPA identifies differing property usage within the four zones. The property usages are:-

- Industrial
- Fish Farm
- Log Storage
- Commercial – Recreation
- Shellfish

Zone 1 – Alberni Harbour extends from the Somass River to Lone Tree Point (IR # 3 Cous) and contains PAPA designated industrial and log storage uses. Zone 1 lies in part within the City of Port Alberni, containing the P-2, M-3, M-4, W-1 and W-2 zoning designations; and in part within the Alberni Clayoquot Regional District, containing the A-4, M-3 and M-4 zoning designations. In addition to the industrial and log storage uses, the Zone 1 lands include the sewage lagoons at the mouth of the Somass River and commercial lands comprising private small vessel marinas.

Zone 2 – Alberni Inlet extends from Lone Tree Point (IR # 3 Cous) to Macktush Campground (opposite the Franklin River) and contains PAPA designated log storage and commercial recreation uses. Zone 2 lands lie entirely within the Alberni Clayoquot Regional District, containing P-2 / W-1 / W-4 / W-5 zoning designations.

Zone 3 – Alberni Inlet extends from Macktush Campground to Coleman Creek and contains PAPA designated log storage and commercial recreation uses. Zone 3 lands lie entirely within the Alberni Clayoquot Regional District, containing W-1 / W-4 / W-5 zoning designations.

Zone 4 – Alberni Inlet extends from Coleman Creek to Tzartus Island (Barclay Sound Harbour Limit) and incorporates Uchucklesit Inlet and contains PAPA designated log storage and commercial recreation uses. Zone 4 lands lie entirely within the Alberni Clayoquot Regional District, containing the A-4 zoning designation.

The Harbour Lands are predominantly under five general uses, being institutional (sewage lagoons), commercial (small vessel marina), industrial; log storage, and commercial-recreation (Harbour Quay). These uses have predominantly continued with little change and this trend is expected to continue into the future.

In recognition of the stability in demand, coupled with general economic stability, the highest and best use of the Harbour Lands is a continuation of the existing uses.

Upland Areas Managed by PAPA

The upland areas within the City of Port Alberni, under Federal Real Properties managed by the Port Alberni Port Authority, comprise a mix of leased buildings and vacant sites. The use is subject to the PAPA regulations, as well as the City of Port Alberni Zoning Bylaw, which are judged to be consistent with one another. The subject buildings and leased sites are zoned M-3, W-1, and W2 under the City of Port Alberni zoning bylaw.

Highest and best use can differ between land ‘as if vacant’ and ‘as improved’; however, again, in recognition of the stability in demand coupled with general economic stability, the highest and best use of the upland areas managed by PAPA is a continuation of the existing uses.

APPRAISAL TECHNIQUES

In formulating an opinion of the generic fair market rentable value of the Harbour Lands, consideration must be given to the method of valuation.

In the generic estimation of market rentable value for the Harbour Lands, the Direct Comparison Approach and Return on Market Value Approach were considered.

A summation of these methods is as follows:-

Direct Comparison Approach

A process in which a rentable value indication is derived by comparing the Harbour Lands to similar properties that are under lease or available for lease, applying appropriate units of comparison, and making adjustments to the lease or rental rates of the comparables based on the elements of comparison.

Return on Market Value Approach

The Return on Market Value Approach involves the application of a market derived percentage rent to the hypothetical or equivalent market value of the land in the generic estimation of market rentable value. This method requires the application of the Direct Comparison Approach first in the estimation of the hypothetical or equivalent market value of the Harbour Land parcel.

Method(s) Applied

Either the Direct Comparison Approach or Return on Market Value Approach (or both where necessary) were applied in the generic estimation of market rentable value.

INDIVIDUAL HARBOUR LAND ZONE SUMMARIES

Each of the specified zones comprising the Harbour Lands are identified by an individual summary which is included herein. The individual summaries address (in summary format) the following information:

- Land Use Plan/Zoning designation and highest and best use;
- Identifying location map;
- Brief description of land within zone;
- Summary valuation;
- Conclusion of zonal rent values.

In application of the first step of the Return on Market Value Approach, industrial land sales spanning a broad time period for various urban and rural communities on Vancouver Island were researched and analyzed. The most relevant data is summarized by the following table. Due to scarcity of supply, there have been few recent sales of waterfront industrial land on Vancouver Island and, for this reason, inland industrial land sales, as well as improved waterfront land sales were included within the data sample. Waterfront forestry / resource management sales were also researched and included within the data sample. The comparables are summarized in greater detail within Addendum 3.

No.	Address	Sale Price	Sale Date	Land Area (acre)	SP/ac	Zoning	Site Influence
1.	Youbou Road, Lake Cowichan	\$3,500,079	05/20	229.56	\$15,247	F-1	Waterfront
	Remarks: Unserved forestry acreage with merchantable timber and frontage to Lake Cowichan.						
2.	1246 Industrial Way, Parksville	\$1,500,000	09/19	9.60	\$156,250	I-1	Inland
	Remarks: Fully serviced industrial development acreage.						
3.	3910 Drinkwater Road, Duncan	\$2,800,000	02/19	26.37	\$106,181	I-2	Inland
	Remarks: Unserved industrial development acreage.						
4.	4000 Stamp Avenue, Port Alberni	\$5,600,000	11/18	30.41	\$184,150	M3	Inland
	Remarks: Fully serviced industrial acreage. Frontage to Somass River provides no practical industrial utility. Substantially improved with a Class A office building and steel frame workshop but acquired with the intent of developing a remanufacturing mill; therefore, contributory value of improvements is well below depreciated replacement cost.						
5.	5301 Duncan Bay Road, Campbell River	\$965,000	08/18	22.50	\$42,888	I-2	Inland
	Remarks: Partially serviced industrial development acreage.						
6.	1980 Schoolhouse Road, Nanaimo	\$2,900,000	04/18	12.90	\$224,876	CD33	Inland
	Remarks: Unserved industrial development acreage. Effective SP/acre of \$304,942 excluding riparian area.						
7.	Confidential Location, Campbell River	Confidential	12/17	±12.5 Upland ±6.50 Fill & Water	\$82,000 (est. res.)	I-1	Waterfront
	Remarks: Partially serviced industrial acreage. Improved with several warehouse and storage buildings and foreshore marine improvements. Estimated residual sale price to land (including leased foreshore).						

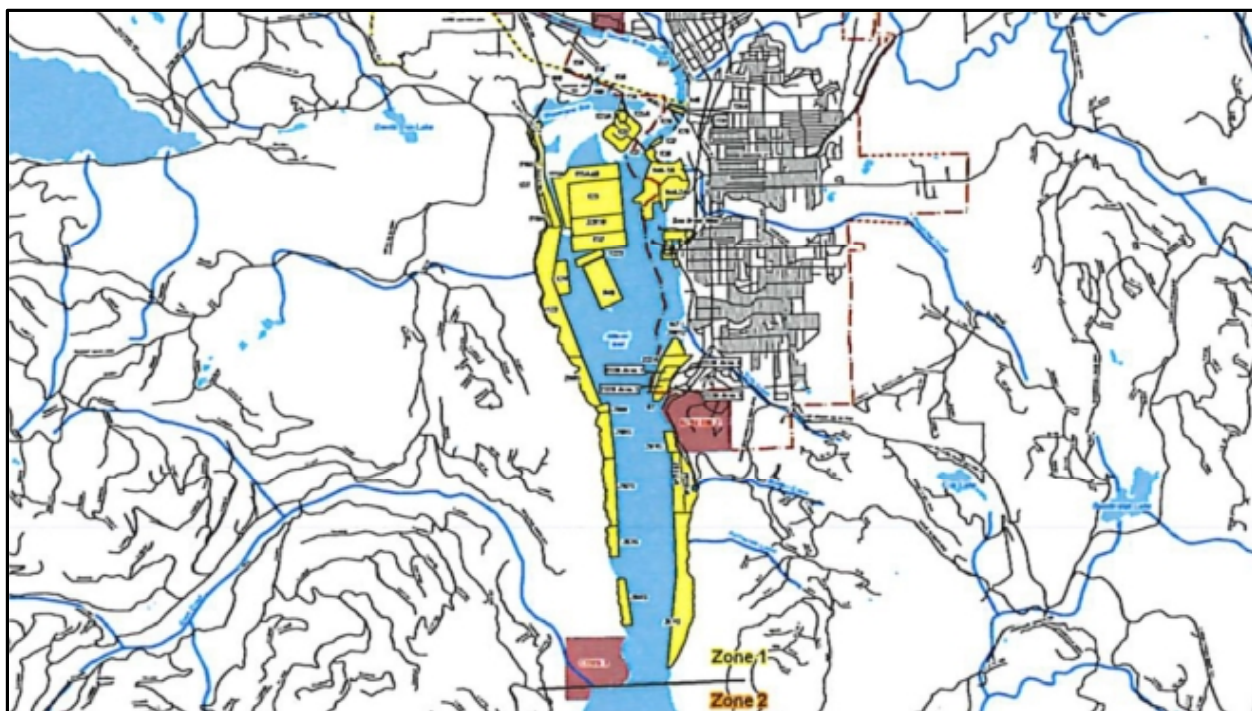
No.	Address	Sale Price	Sale Date	Land Area (acre)	SP/ac	Zoning	Site Influence
8.	Island Highway, Campbell River	\$2,150,000	10/17	37.31	\$57,622	I-2	Waterfront
	Remarks: Unserved industrial development acreage.						
9.	6805 Island Highway, Campbell River	\$1,290,000	07/17	100.39	\$12,850	RU-1 / I-2	Waterfront
	Remarks: Unserved split-zoned rural and industrial acreage with ocean frontage.						
10.	11280 S. Shore Road, Lake Cowichan	\$980,000	05/17	53.13	\$18,445	F-1	Waterfront
	Remarks: Unserved forestry acreage with frontage to Lake Cowichan.						
11.	Woodfibre Pulp Mill, Squamish	\$21,771,300	02/15	213 Upland 106 Fill & Water	\$68,249	I-3	Waterfront
	Remarks: Unserved. Former Woodfibre Pulp Mill site located in Howe Sound. Net proceeds after cleanup originally estimated at \$17,000,000, or \$53,292 per acre (including leased foreshore).						
12.	1020 Stewart Avenue, Nanaimo	\$2,600,000	02/14	1.486 Upland 6.462 Fill & water	\$327,126	W-2	Waterfront
	Remarks: Fully serviced. Former Nanaimo Shipyard property. Effective sale price of \$465,526 per acre including estimated clean-up costs.						
13.	2019 Kaltasin Road, Sooke	\$1,500,000	02/14	4.33 Upland 2.61 water	\$216,138	M-4	Waterfront
	Remarks: Full serviced. Improvements in poor condition.						
14.	1 Port Drive, Nanaimo	\$3,400,000	03/13	26.69 Upland & Fee simple water	\$127,388	CS-3 W-2	Waterfront
	Remarks: Fully serviced. City of Nanaimo purchase of partial interest. Effective SP/ac is \$202,323 after clean-up and remediation costs.						
15.	850 Jackson Road, Nanaimo	\$6,500,000	08/12	17.02 Upland 4.08 water	\$308,057	I-4	Waterfront
	Remarks: Fully serviced. Duke Point heavy industrial waterfront w/barge loading improvements. Residual land value estimated at \$236,967 per acre (including leased foreshore).						

In application of the second step of the Return on Market Value Approach, various market participants involved in water and land leases were surveyed, with the predominant rate of return range that emerges being 4.5% to 6.0%, as summarized by the following table:-

Lessor	Tenant	Rate of Return
Nanaimo Port Authority	Various Tenants	5.0% - 6.0%
City of Nanaimo	Various Tenants	6.0%
Greater Victoria Harbour Authority	Various Tenants	4.5% - 6.0%
City of Victoria	Various Tenants	4.5% - 6.0%
Port of Vancouver	Various Tenants	4.0%
Transport Canada	Various Tenants	4.5% - 6.0%
Cowichan First Nation	Various Tenants	5.5% - 6.25%

ZONE 1 – SOMASS TO LONE TREE POINT

Land Use Plan:	Waterfront Marine Development Permit Area
City of Port Alberni Zoning:	P-2 (Parks and Recreation) M-3 (Heavy Industrial) W-1 (Waterfront Commercial) W-2 (Waterfront Industrial)
ACRD Zoning:	M-3 (Heavy Industrial) M-4 (Industrial Open Storage) A-4 (Forest Reserve District)
Highest and Best Use:	Continuation of the existing use.



Description of Land: Zone 1 – Alberni Harbour extends from the Somass River and headwaters of the Alberni Inlet to Lone Tree Point (IR # 3 Cous at the mouth of Cous Creek) and contains PAPA designated industrial and log storage uses. Zone 1 lies in part within the City of Port Alberni containing the P-2, M-3, W-1 and W-2 zoning designations; and in part within the Alberni Clayoquot Regional District containing the M-3 and M-4 and A-4 zoning designations.

For the purpose of the analysis, the Zone 1 waterfront within the City of Port Alberni is divided into two area classifications identified as:

- Area “A” generally captures all heavy industrial users. The majority of these upland properties belong to Catalyst Paper (paper mill) and Western Forest Products (lumber mill) with the bulk of these sites generally lying north of Dunbar Street and the remainder generally lying south of Montrose Street.
- Area “B” generally captures all of the general industrial users and is applied to all water lot leases which are not under heavy industrial utilization. This classification generally applies to the Argyle Street and Harbour Quay area.

The Alberni Harbour Land lying within the City of Port Alberni is primarily comprised of land covered by water (water lots) but also contains some filled lands. The lands covered by water are predominantly utilized in industrial applications or for marinas and moorage. The filled lands are predominantly utilized in association with the industrial upland uses or for parking.

In addition to the industrial land, Zone 1 also includes log storage areas administered by PAPA. The log storage areas stand apart from the Area "A" heavy industrial lands as the log storage areas are not associated with upland uses and the uses within the log storage areas do not include de-watering and log processing. This distinction sets the log storage areas apart from the heavy industrial water lots associated with upland uses.

Summary Rental Valuation

The lands covered by water (water lots) and filled lands lying within Alberni Harbour include industrial and commercial (small vessel marina) uses within the City of Port Alberni and industrial and log storage uses within the ACRD.

Zone 1 Industrial Harbour Lands within the City of Port Alberni

The comparable sales summarized by the table on Pages 48 to 49 demonstrate a wide range in value of approximately \$13,000 to \$325,000 per acre. For the fully serviced data, the range is approximately \$150,000 to \$325,000 per acre and approximately \$200,000 to \$325,000 per acre for waterfront industrial land which best captures the positioning the Harbour Land located within the City of Port Alberni.

Industrial demand typically trends with broader economic conditions, with market values having increased across the broader Vancouver Island region over the past five years. Relative to competing Vancouver Island communities, Port Alberni contains a large industrial land base for a community of its size; however, the majority of the land (outside the jurisdiction of the PAPA) is mainly controlled by Catalyst Paper and Western Forest Products. Therefore, market trends observed across the broader Vancouver Island region have not been similarly observed in Port Alberni. Alternative market indicators for which there is greater activity such as commercial property sale prices, rents, and vacancy have remained relatively unchanged in Port Alberni over the past five years. Most competing Vancouver Island communities have outperformed Port Alberni in this regard.

In summary, the estimated industrial waterfront value for the Area "A" Harbour Land, *scaled to represent a typical 20 acre parcel*, is concluded at approximately \$200,000 per acre for fee simple interest upland, and the estimated industrial waterfront value for the Area "B" Harbour Land, also *scaled to represent a typical 20 acre parcel*, is concluded at approximately \$300,000 per acre for fee simple interest upland.

Zone 1 Industrial Harbour Lands within ACRD

For the unserviced data, the comparable sales demonstrate a range of approximately \$13,000 to \$225,000 per acre, with the approximate range of \$60,000 to \$80,000 per acre judged to better capture the positioning of the Harbour Land located within the ACRD (outside of the City of Port Alberni).

The estimated industrial waterfront value, *scaled to represent a typical 20 acre parcel*, is concluded at approximately \$75,000 per acre for fee simple interest upland within the Zone 1 Harbour Lands lying within ACRD (and outside the City of Port Alberni).

Fee simple uplands possess the potential for development that the adjoining Harbour Lands (filled components) could only achieve through consolidation. The PAPA Land Use Plan mandate, to protect and maintain the Harbour Lands, limits the ability to consolidate and, consequently, also limits the use of the filled components to a secondary, or supporting use to the primary upland use. Stated differently, the filled components of the Harbour Lands have some form of restricted utility and, in some cases, may not be equal to 100% of the adjoining fee simple interest parcel value.

Employing the Return on Market Value Approach, the market derived rate of return applicable to the upland values is concluded at 5.0%. With reference to the rate of return summary table on Page 49, the predominant rate of return range that emerges is 4.5% to 6.0%.

The typical rent review period for the preceding lessor agencies is every 5 years. Prior to the preceding 5-year rent review period, the widely accepted rate of return was 6.0%. Within the current 5-year review period, faced with large land value increases as well as decreases in rates of return (capitalization rates) for a broad spectrum of investment real estate, the rate of return on the lease of water and land has decreased to 4.5%, and as low as 4.0% (Port of Vancouver).

Relative to these competing jurisdictions, the demand for industrial property in Port Alberni is judged to be more moderate. Therefore, the market derived rate of return applicable to the upland values is concluded at 5.0%.

The estimated market rent for the **filled components** of the Harbour Lands within Zone 1, based upon the Return on Market Value Approach, is summarized as follows:-

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Area A - Filled Water	\$10,000	\$0.230	\$200,000
Area B - Filled Water	\$15,000	\$0.344	\$300,000
ACRD – Filled Water	\$3,750	\$0.086	\$75,000

In the estimation of the rentable value of the **land covered by water** component of the Harbour Land within Zone 1 and identified as lying within Areas “A” and “B” lying within the City of Port Alberni, and those lands lying within the ACRD that are **directly associated with an upland use**, guidance is provided by Public Works and Government Services Canada (PWGSC), who commonly recognize and accept the application of a utility ratio (utility method) in the valuation of un-improved and improved land covered by water (also referred to as submerged land).

The Utility Method formula is also widely applied within the appraisal community. The Utility Method identifies the respective values by zones as follows:-

- A. Those portions of the water lot that have been (1) filled for dry land use or (2) are being utilized to the full potential of the contiguous and integrated upland, are valued at 100% of their upland counterpart.
- B. Those portions of the water lot utilized for moorage and berthing, when such areas are under exclusive control of the owner/lessee, are valued at 50% of their upland counterparts.

- C. Those portions of the water lot utilized for vessel transit (ingress/egress areas) are valued at 25% of their upland counterparts.
- D. Those portions of the water lot that are effectively unusable (inter tidal zones) are valued at 5-10% of their upland counterparts.

The PWGSC formula is helpful as a general guide in demonstrating that the land covered by water components are comprised of a mixture of Categories B, C and D. Depending on water lot location, water depth, tidal current, etc., the breakdown of the individual water lot within each category will differ. Employing a simplistic and generic model where 50% of the water lot will be used for moorage and 50% will be used for transit and inter-tidal areas, the mathematical ratio equates to approximately 33% of the value of the filled component of the Harbour Land.

Through application of an approximate 33% utility ratio, the estimated market rent for the water components of the Harbour Lands within Zone 1 that are **directly associated with an upland use**, based upon the Return on Market Value Approach, equates to:-

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Zone 1 – City of Port Alberni			
Area A - Water	\$3,300	\$0.076	\$66,000
Area B - Water	\$4,950	\$0.114	\$99,000
Zone 1 - ACRD			
Water	\$1,250	\$0.029	\$25,000

In the estimation of the rentable value of the **land covered by water (water lots)** component of the Harbour Land within Zone 1 and within the ACRD, and not having a direct association with an upland parcel, the utility of the water component is less than 33% and the applicable rate per acre for these lands is addressed in the log storage section below.

Zone 1 Log Storage Lands within ACRD

The log storage lands are those lands covered by water within Zone 1 that are utilized for the sole purpose of industrial log booming and storage and not attached to or utilized directly with an adjoining upland component.

The Province of BC maintains a pricing guide for Log Handling and Storage within Crown Tenured Water, and the October 2018 Log Handling amendment indicates the zonal pricing (water market values) for the following Regions:-

Howe Sound	\$6,178 per ha (\$2,500 per acre)
Sechelt/Jervis Inlets	\$3,768 per ha (\$1,525 per acre)
South Coast	\$4,200 per ha (\$1,700 per acre)
West Coast	\$2,718 per ha (\$1,100 per acre)
Lower Fraser River	\$5,127 per ha (\$2,075 per acre)

The Province of BC maintains a 7.5% percentage rent for licences and an 8% percentage rent for lease tenures. The calculation of rent for a provincial tenured water lot is then the area of the water lot multiplied by the pricing guide unit rate (above) multiplied by either 7.5% or 8% (depending on tenure). The West Coast rent rate then would be calculated at \$88 per acre for log storage lease tenure. The Province of BC pricing guide and lease/licence return rates have remained unchanged since 2004 and are not representative of market value expectations.

The achievement of upland owner consent may be required where the log storage tenant is not the upland owner or does not maintain the riparian right to the water. The rates for upland consent vary considerably as these agreements are privately negotiated between the third party tenant and upland owner.

The rates charged for upland consent are reported to lie within a range of approximately \$6 to \$7 per lineal foot of waterfrontage. The water lot area beyond the waterfront has no impact upon the upland consent rate.

There is limited local market evidence available. Examples of some recent and somewhat dated direct market evidence for upland consent and log booming rental rates is summarized as follows:-

Location	Landlord	Lineal Footage	License Fee per Foot	Upland Consent Fee/yr	Water Lot Area (acres)	Water Lot Fee per year	Total Fee per Acre per annum
Ladysmith Harbour	Chemainus First Nation	7,365	\$7.11 (2013)	\$52,431	59.0	\$8,030	\$1,025
Ladysmith Harbour	Chemainus First Nation	1,690	\$5.92 (2013)	\$10,005	12.8	\$1,632	\$909
Northumberland Strait	Mark Coates	2,800	\$7.59 (2019)	\$21,252	18.9	\$2,410	\$1,252
Northumberland Strait	Mark Coates	3,080	\$7.59 (2019)	\$23,377	21.2	\$2,703	\$1,230

The upland consent fee and water lot licence fee for the two Chemainus First Nation comparables are the more dated (2013), whereas the upland consent rates for the latter two comparables are more recent (2016 rates with CPI increases for 2019). The water lot fees per year calculated in the table above are estimated based upon the provincial pricing guide (unchanged since 2004). This combined provincial pricing guide and consent fee evidence indicates a minimum all-inclusive range of rentable value (for sites in excess of 12 acres), expressed on a price per acre basis, of \$909 to \$1,252 for salt water storage.

In addition to this combined evidence, we have one example of an actual log sorting ground lease where the upland property owner effectively sublets his provincial water lot (inclusive of his upland consent). This is a Log Sorting Ground Use Agreement between Mark Coates (upland owner and provincial water lot lessee) and Rapid Towing (use agreement tenant) where the parties have agreed to a ten-year use agreement for District Lot 236, Nanaimo District at an annual rent of \$24,000. This agreement commenced on January 1, 2015. The water lot comprises 16.43 acres and is located below the Gabriola Bluffs within Northumberland Strait (between the two Coates examples in the table above). The rent equates to a gross amount of \$1,460 per acre per annum; however, the provincial pricing guide cost of the provincial lease equates to \$2,235 per annum or \$136 per acre per annum which results in an effective rent of \$1,324 per acre per annum.

The Nanaimo Port Authority current log storage rate for Zone 3A (Nanaimo River Estuary) is \$1,397 per annum per acre and the Nanaimo River Estuary booming grounds maintain the benefit of a fresh-water flush which prolongs storage time periods. The Nanaimo Port Authority log storage rates do not require third party upland consent and are representative of straight log

storage lease rates. The Nanaimo rates are effectively inclusive of upland consent and were established in 2017 through third party consultation; adjusted annually by CPI.

Port Metro Vancouver maintains a log storage pricing guide within the Fraser River with the current rent rates (adjusted annually by CPI) summarized for Zone 2, being the most relevant or comparable to the subject, as follows:-

Zone 2 – Below Port Mann

Foreshore	\$2,826 per ha (\$1,144 per acre)
Mid-Channel (1 side)	\$3,532 per ha (\$1,429 per acre)
Mid-Channel (2 sides)	\$4,241 per ha (\$1,716 per acre)

Port Metro Vancouver draws the distinction that foreshore requires upland ownership or upland consent; mid-channel (1 side) relates to accessibility from only one side with no upland ownership/consent and mid-channel (2 sides) relates to accessibility from both sides with no upland consent.

The Nanaimo Port Authority, Northumberland Strait, and Port Metro Vancouver (Fraser River) data demonstrates log storage rates ranging from \$1,325 to \$1,700 per acre per annum (rounded) for booming ground sites that effectively include riparian consent and a separate rate of \$1,150 per acre per annum specifically excluding riparian consent. The Port Metro Vancouver Foreshore rate effectively indicates a discount factor of approximately 30% for the requirement of riparian consent.

PAPA log storage leases are not inclusive of riparian consent and, therefore, the annual log storage rental rates must reflect only the water lot component.

The comparable log storage data provided herein includes sufficient evidence to indicate that the Zone 1 log storage areas are rentable at less than the rate being charged in the Fraser River where riparian consent is required, or \$1,150 per acre. Extrapolating from the Port Metro pricing relationship between the requirement for riparian consent and non-consent and applying the $\frac{1}{3}$ discount ratio to the Nanaimo Log Storage rate, results in a calculation of \$980 per acre per annum.

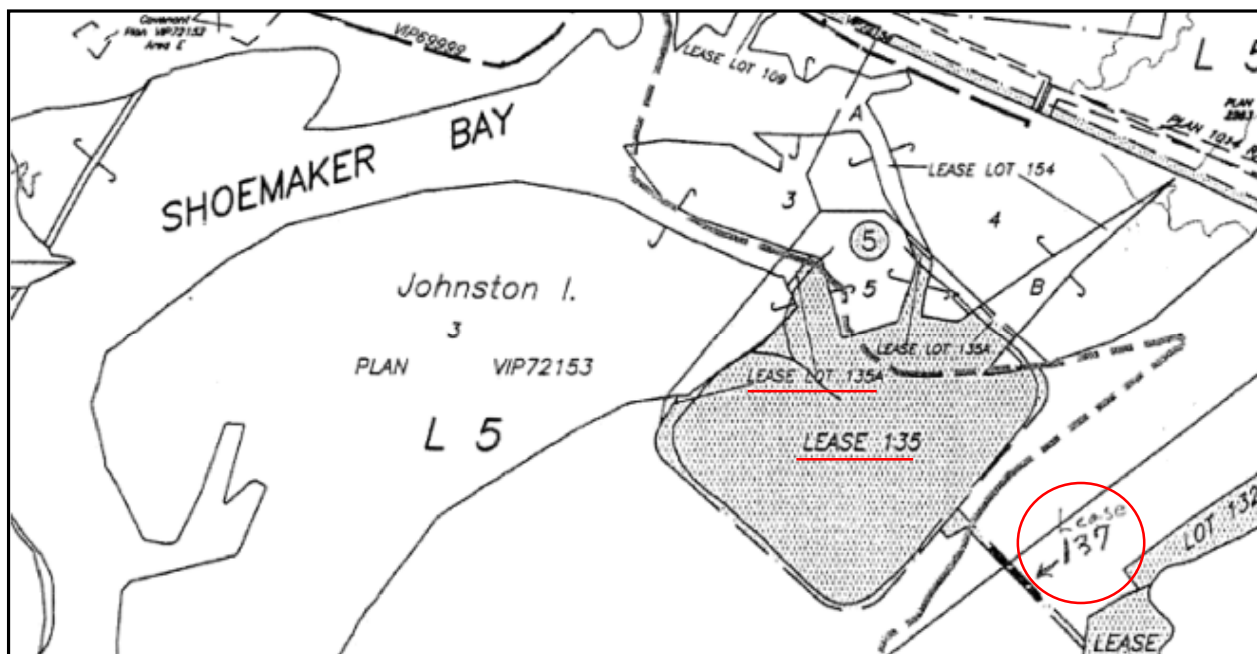
In order to further discount the preceding rate to reflect the perception of locational differences between the east coast of Vancouver Island (Nanaimo) relative to the west coast of Vancouver Island (Port Alberni), paired sales and paired rental analysis of vacant and improved industrial property was conducted. The paired sales and rental comparable data are retained within the appraisal file, with a sample of the paired rental comparables included within the following sections of this report. The analysis leads to the conclusion of a 33% locational discount for the west coast of Vancouver Island (Port Alberni) market area.

Applying this location adjustment factor, for sites *scaled to represent a typical 20 acre parcel*, the rentable value for the Zone 1 Harbour Land Log Storage Areas is estimated as follows:-

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$655	\$0.015

ZONE 1 – SOMASS RIVER ESTUARY SEWAGE LAGOONS

Land Use Plan: Waterfront Marine Development Permit Areas
 City of Port Alberni Zoning: M-4 (Utility District)
 ACRD Zoning: A-4 (Forest Reserve District)
 Highest and Best Use: Continuation of the existing use.



Description of Land: Zone 1 – Somass River Estuary Sewage Lagoons lie at the headwaters of the Alberni Inlet and are developed with the City of Port Alberni (formerly Catalyst Paper) effluent lagoons. The sewage lagoons lie in part within the City of Port Alberni containing the M-4 zoning designation; and in part within the Alberni Clayoquot Regional District containing the A-4 zoning designation.

Lease Lots 135 and 135A contain portions of the effluent treatment lagoon and comprise approximately 14.725 ha (36.38 acres), whereas Lease Lot 137 is a linear parcel providing for the effluent pipeline and electrical conduit crossing under the Somass River and comprises approximately 0.299 ha (0.74 acres).

The leased lands comprise inter-tidal lands which have been filled and dyked (structurally modified with engineered fill, compaction and sealed liner) to accommodate the ASB effluent treatment lagoon which was constructed circa-1970.

Lease Lots 135 and 135A are comprised of approximately 4.5 ha (11 acres) of dyke and approximately 10.225 ha (25.3 acres) of lagoon.

Summary Rental Valuation

The sewage lagoon lands are filled lands lying within Alberni Harbour within the City of Port Alberni and ACRD, considered institutional in nature and use.

There is only one known example of a sewage lagoon site lease on Vancouver Island, summarized as follows:-

- Sewage Lagoon Site, Cowichan Indian Reserve No. 1, Duncan, BC**



Legal Description: Lots 557-1, 557-2 and 557-3 of Lot 557, Cowichan Indian Reserve No. 1, Sections 16 and 17, Quamichan District, CLSR 81672
Lessor: Her Majesty the Queen in Right of Canada, on behalf of Cowichan Tribes
Lessee: District of North Cowichan and City of Duncan
Lease Area: 158,300 m² (39.11 acres) (1,703,927 sf)
Use: Utility (Sewage Lagoon)
Lease Term: 49 Years, August 1, 2011 to July 31, 2060
Lease Rate: \$288,600 per annum (August 1, 2011 to July 31, 2016)
 \$360,000 per annum (August 1, 2016 to July 31, 2021)
Terms: Absolute Net
Lease Rate per M²: \$1.82 (\$7,379 per acre) (\$0.17 per sf) (August 1, 2011 to July 31, 2016)
 \$2.27 (\$9,205 per acre) (\$0.21 per sf) (August 1, 2016 to July 31, 2021)

Remarks: A large industrial/institutional use site utilized for sewage treatment, located south of Tzouhalem Road on Marchmont Street within the Cowichan Indian Reserve No. 1. Full municipal and private utility services are available as well as road access.

Rent reviews are scheduled every five years. The property is improved with the sewage ponds and infrastructure which the parties agree contribute \$696,871 in cost. Additionally, the parties agreed upon an 11% rent premium to be added to market rent as determined at each rent review period.

The lease rate per acre for the land only, excluding the 11% rent premium and costs associated with infrastructure, equates to \$6,100 per acre.

This sole example of an institutional use property utilized for effluent treatment is located in the Cowichan Valley and is of similar size as the Somass River Estuary Sewage Lagoon site. The location, however, is immediately adjacent to an established residential neighbourhood. It is known of the terms of reference for the establishment of rent for this site that the lands were to be valued based on the assumption that they comprise an assembly of lots averaging 7.0 acres in size; located outside of floodplain and not subject to flooding. Consequently, the indicated lease rate for the Cowichan Sewage Lagoon site is concluded to be over representative of the subject, with the applicable rate based on the Return on Market Value Approach, summarized as follows:-

City of Port Alberni – Sewage Lagoons

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750*	\$0.086	\$75,000

**based on 5.0% rate of return*

Zone 1 – Rentable Value Summary

City of Port Alberni - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Area A - Filled Water	\$10,000	\$0.230	\$200,000
Area B - Filled Water	\$15,000	\$0.344	\$300,000
Area A - Water	\$3,300	\$0.076	\$66,000
Area B - Water	\$4,950	\$0.114	\$99,000

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750	\$0.086	\$75,000
Water	\$1,250	\$0.029	\$25,000

ACRD – Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$655	\$0.015

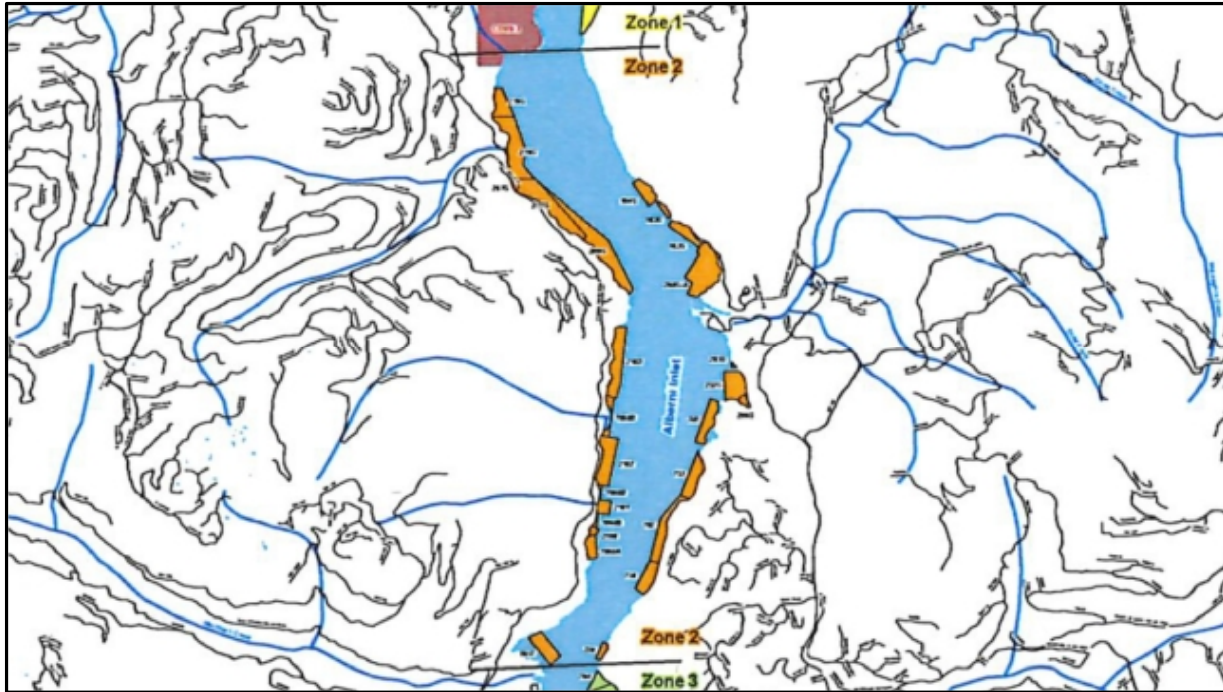
City of Port Alberni – Sewage Lagoons

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750	\$0.086	\$75,000

ZONE 2 – LONE TREE POINT TO MACKTUSH

ACRD Zoning: P-2 (Park and Public Use)
W-1 (Waterfront Conservation)
W-4 (Waterfront Commercial)
W-5 (Waterfront Industrial)

Highest and Best Use: Continuation of the existing use.



Description of Land: Zone 2 – Alberni Inlet (China Creek) extends from Lone Tree Point (IR # 3 Cous) to Macktush Campground (opposite the Franklin River) and contains PAPA designated log storage and commercial recreation uses. Zone 2 lands lie entirely within the Alberni Clayoquot Regional District, containing P-2 / W-1 / W-4 / W-5 zoning designations.

Summary Rental Valuation

The lands covered by water (water lots) and filled lands lying within Alberni Harbour include recreational commercial (China Creek campground and small vessel marina), industrial (relating to forestry uses), and log storage uses within ACRD.

The market does not generally provide a distinction in value between forestry industrial and recreational commercial in more rural or remote areas. For this reason, the sales analysis undertaken in support of the forestry industrial values is considered applicable to the recreational commercial uses as well.

Zone 2 Industrial Harbour Lands within ACRD

The comparable sales summarized by the table on Pages 48 to 49 demonstrate a wide range in value of approximately \$13,000 to \$325,000 per acre. For the unserved data, the comparables demonstrate a range of approximately \$13,000 to \$225,000 per acre, with the approximate range of \$40,000 to \$60,000 per acre judged to better capture the positioning of the Zone 2 Harbour Lands lying within ACRD.

The estimated industrial waterfront value, *scaled to represent a typical 20 acre parcel*, is concluded at approximately \$50,000 per acre for fee simple interest upland within the Zone 2 Harbour Lands lying within ACRD.

Fee simple uplands possess the potential for development that the adjoining Harbour Lands (filled components) could only achieve through consolidation. The PAPA Land Use Plan mandate, to protect and maintain the Harbour Lands, limits the ability to consolidate and, consequently, also limits the use of the filled components to a secondary, or supporting use to the primary upland use. Stated differently, the filled components of the Harbour Lands have some form of restricted utility and, in some cases, may not be equal to 100% of the adjoining fee simple interest parcel value.

Employing the Return on Market Value Approach, the market derived rate of return applicable to the upland values is concluded at 5.0%.

The estimated market rent for the **filled components** of the Harbour Lands within Zone 2, based upon the Return on Market Value Approach, is summarized as follows:-

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
ACRD – Filled Water	\$2,500	\$0.057	\$50,000

Zone 2 Log Storage Lands within ACRD

Picking up from the analysis of Zone 1 Log Storage Lands within ACRD, the estimate of rent, *scaled to represent a typical 20 acre parcel*, was concluded at \$655 per acre. The estimate of rent was derived from analysis of log storage rents charged by the Nanaimo Port Authority in the Northumberland Strait and Port Metro Vancouver in the Fraser River followed by adjustments for upland consent and location.

A third discount to the Zone 2 log storage rate is required as PAPA has maintained a historical log storage pricing matrix between the four zones within the Alberni Harbour where Zone 2 log storage pricing is 81% to 82% of that charged for Zone 1.

Additionally applying the historical pricing matrix factor, for sites *scaled to represent a typical 20 acre parcel*, the rentable value for the Zone 2 Harbour Land Log Storage Areas is estimated as follows:-

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$535	\$0.012

Zone 2 – Rentable Value Summary

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$2,500	\$0.057	\$50,000

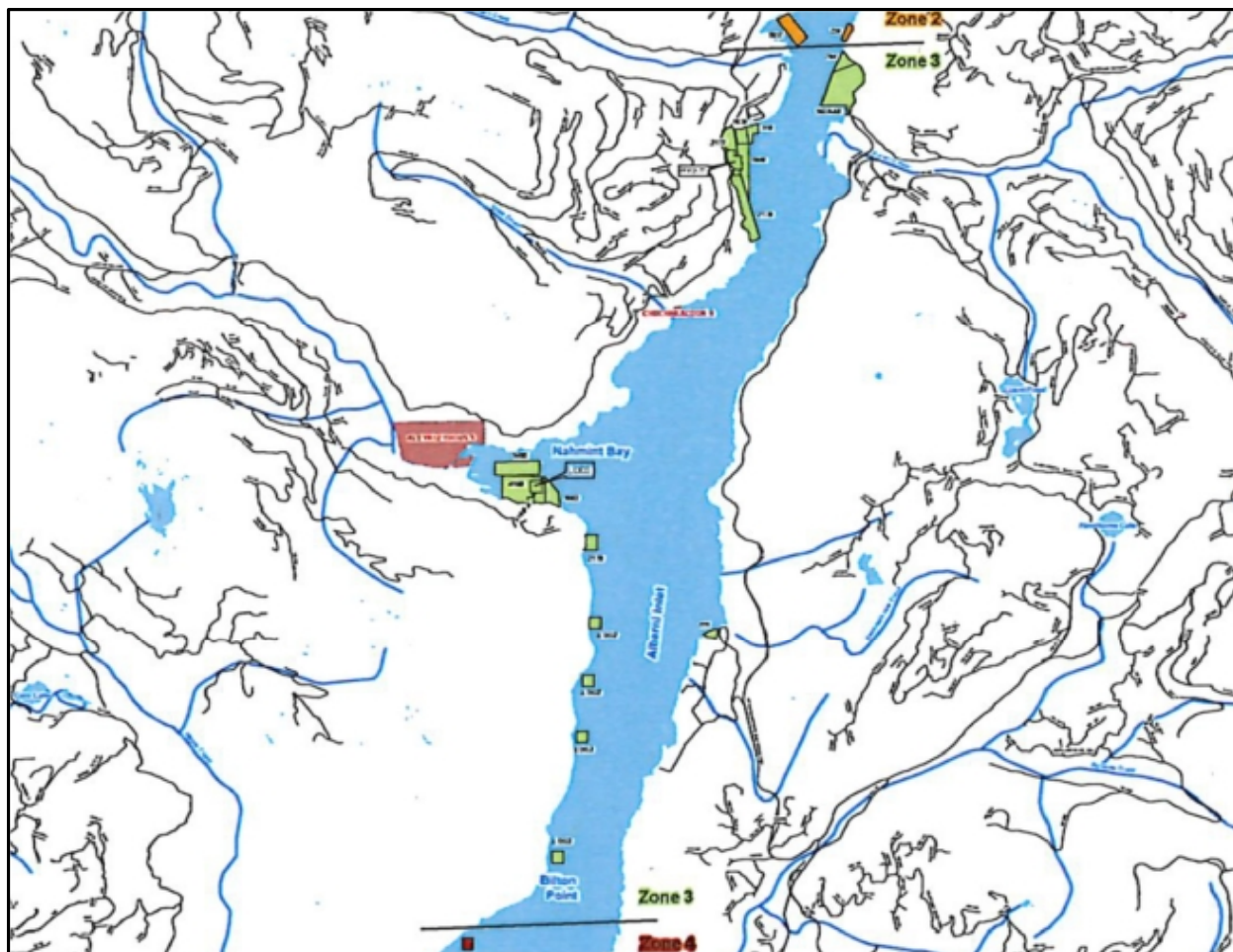
ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$535	\$0.012

ZONE 3 – MACKTUSH TO COLEMAN CREEK

ACRD Zoning: W-1 (Waterfront Conservation)
W-4 (Waterfront Commercial)
W-5 (Waterfront Industrial)

Highest and Best Use: Continuation of the existing use.



Description of Land: Zone 3 – Alberni Inlet (Nahmint Bay) extends from Macktush Campground to Coleman Creek and contains PAPA designated log storage and commercial recreation uses. Zone 3 lands lie entirely within the Alberni Clayoquot Regional District, containing W-1 / W-4 / W-5 zoning designations.

Summary Rental Valuation

The lands covered by water (water lot) and filled lands lying within Alberni Harbour include recreational commercial, industrial (relating to forestry uses) and log storage uses within ACRD.

The market does not generally provide a distinction in value between forestry industrial and recreational commercial in more rural or remote areas. For this reason, the sales analysis undertaken in support of the forestry industrial values is considered applicable to the recreational commercial uses as well.

Zone 3 Industrial Harbour Lands within ACRD

The comparable sales summarized by the table on Pages 48 to 49 demonstrate a wide range in value of approximately \$13,000 to \$325,000 per acre. For the unserviced data, the comparables demonstrate a range of approximately \$13,000 to \$225,000 per acre, with the approximate range of \$15,000 to \$40,000 per acre judged to better capture the positioning of the Zone 3 Harbour Lands lying within ACRD.

The estimated industrial waterfront value, *scaled to represent a typical 20 acre parcel*, is concluded at approximately \$25,000 per acre for fee simple interest upland within the Zone 3 Harbour Lands lying within ACRD.

Fee simple uplands possess the potential for development that the adjoining Harbour Lands (filled components) could only achieve through consolidation. The PAPA Land Use Plan mandate, to protect and maintain the Harbour Lands, limits the ability to consolidate and, consequently, also limits the use of the filled components to a secondary, or supporting use to the primary upland use. Stated differently, the filled components of the Harbour Lands have some form of restricted utility and, in some cases, may not be equal to 100% of the adjoining fee simple interest parcel value.

Employing the Return on Market Value Approach, the market derived rate of return applicable to the upland values is concluded at 5.0%.

The estimated market rent for the **filled components** of the Harbour Lands within Zone 3, based upon the Return on Market Value Approach is summarized as follows:-

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
ACRD – Filled Water	\$1,250	\$0.029	\$25,000

Zone 3 Log Storage Lands within ACRD

Picking up from the analysis of Zone 1 Log Storage Lands within ACRD, the estimate of rent, *scaled to represent a typical 20 acre parcel*, was concluded at \$655 per acre. The estimate of rent was derived from analysis of log storage rents charged by the Nanaimo Port Authority in the Northumberland Strait and Port Metro Vancouver in the Fraser River followed by adjustments for upland consent and location.

A third discount to the Zone 3 log storage rate is required as PAPA has maintained a historical log storage pricing matrix between the four zones within the Alberni Harbour where Zone 3 log storage pricing is 72% to 73% of that charged for Zone 1.

Additionally applying the historical pricing matrix factor, for sites *scaled to represent a typical 20 acre parcel*, the rentable value for the Zone 3 Harbour Land Log Storage Areas is estimated as follows:-

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$475	\$0.011

Zone 3 – Rentable Value Summary

ACRD - Industrial

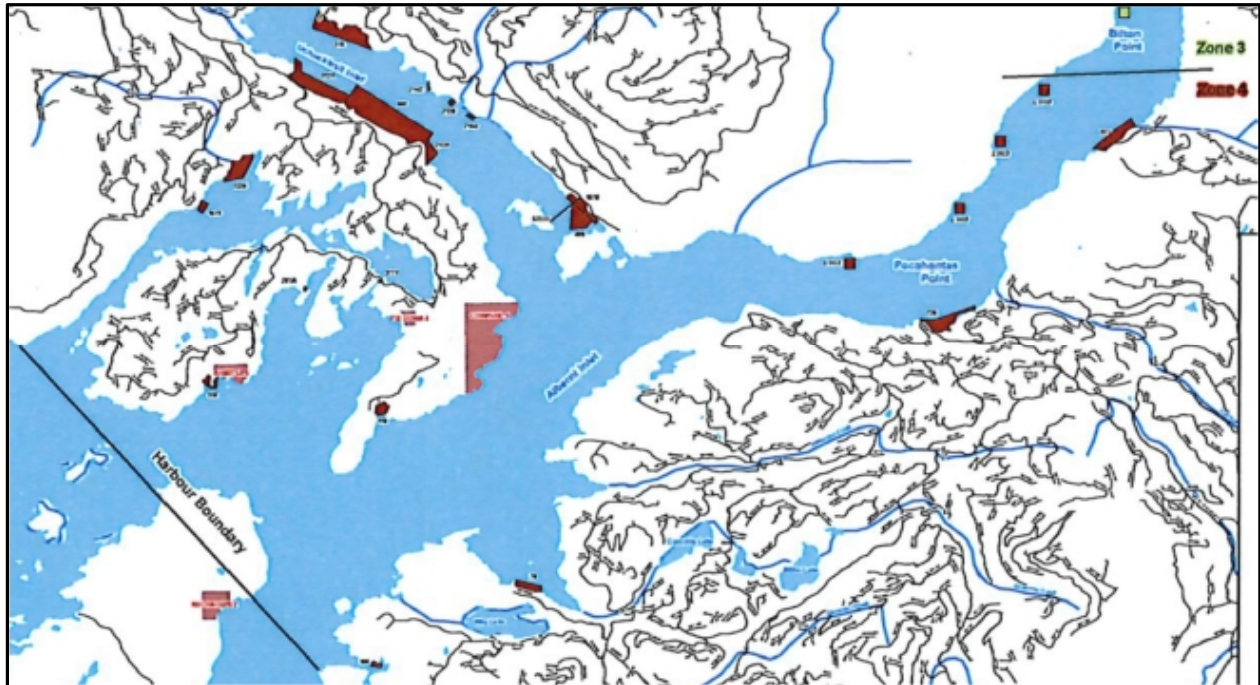
	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$1,250	\$0.029	\$25,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$475	\$0.0.11

ZONE 4 – COLEMAN CREEK TO HARBOUR LIMIT

ACRD Zoning: A-4 (Forest Reserve District)
 Highest and Best Use: Continuation of the existing use.



Description of Land: Zone 4 – Alberni Inlet to Barclay Sound extends from Coleman Creek to Tzartus Island (Barclay Sound Harbour Limit) and incorporates Uchucklesit Inlet and contains PAPA designated log storage and commercial recreation uses. Zone 4 lands lie entirely within the Alberni Clayoquot Regional District containing the A-4 zoning designation.

Summary Rental Valuation

The lands covered by water (water lots) and filled lands lying within Alberni Harbour include recreational commercial, industrial (relating to forestry uses) and log storage uses within ACRD.

The market does not generally provide a distinction in value between forestry industrial and recreational commercial in more rural or remote areas. For this reason, the sales analysis undertaken in support of the forestry industrial values is considered applicable to the recreational commercial uses as well.

Zone 4 Industrial Harbour Lands within ACRD

The comparable sales summarized by the table on Pages 48 to 49 demonstrate a wide range in value of approximately \$13,000 to \$325,000 per acre. For the unserved data, the comparables demonstrate a range of approximately \$13,000 to \$225,000 per acre, with the approximate range of \$15,000 to \$40,000 per acre judged to better capture the positioning of the Zone 4 Harbour Lands lying within ACRD.

The estimated industrial waterfront value, *scaled to represent a typical 20 acre parcel*, is concluded at approximately \$25,000 per acre for fee simple interest upland within the Zone 3 Harbour Lands lying within ACRD.

Fee simple uplands possess the potential for development that the adjoining Harbour Lands (filled components) could only achieve through consolidation. The PAPA Land Use Plan mandate, to protect and maintain the Harbour Lands, limits the ability to consolidate and, consequently, also limits the use of the filled components to a secondary, or supporting use to the primary upland use. Stated differently, the filled components of the Harbour Lands have some form of restricted utility and, in some cases, may not be equal to 100% of the adjoining fee simple interest parcel value.

Employing the Return on Market Value Approach, the market derived rate of return applicable to the upland values is concluded at 5.0%.

The estimated market rent for the **filled components** of the Harbour Lands within Zone 4, based upon the Return on Market Value Approach, is summarized as follows:-

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
ACRD – Filled Water	\$1,250	\$0.029	\$25,000

Zone 4 Log Storage Lands within ACRD

Picking up from the analysis of Zone 1 Log Storage Lands within ACRD, the estimate of rent, *scaled to represent a typical 20 acre parcel*, was concluded at \$655 per acre. The estimate of rent was derived from analysis of log storage rents charged by the Nanaimo Port Authority in the Northumberland Strait and Port Metro Vancouver in the Fraser River followed by adjustments for upland consent and location.

A third discount to the Zone 4 log storage rate is required as PAPA has maintained a historical log storage pricing matrix between the four zones within the Alberni Harbour where Zone 4 log storage pricing is 63% to 64% of that charged for Zone 1.

Additionally applying the historical pricing matrix factor, for sites *scaled to represent a typical 20 acre parcel*, the rentable value for the Zone 4 Harbour Land Log Storage Areas is estimated as follows:-

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$415	\$0.010

Zone 4 – Rentable Value Summary

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$1,250	\$0.029	\$25,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$415	\$0.010

LEASED IMPROVEMENTS AND SITE AREAS SUMMARIES

The various leased improvements and site areas within the City of Port Alberni under Federal Real Properties managed by the Port Alberni Port Authority are identified by an individual summary, which are included herein. The individual summaries are grouped by location and address (in summary format) the following information:

- Land Use Plan/Zoning designation and highest and best use;
- Identifying location map;
- Brief description of improvements and site areas within each general location;
- Summary valuation;
- Conclusion of rent values.

The market rent comparables summarized by the following tables were researched and analysed in support of the estimate of market rentable value:-

Port Alberni Commercial and Industrial Rent Comparables

No.	Location	Land Area (SF)	Building Area (SF)	Rent / SF (Building)	Term (years)	Expiry	Use
16.	Port Alberni	45,215	4,300	\$5.58	5	2023	Office, shop, yard storage
	Remarks: Fully serviced industrial site with irregular lot configuration. Buildings date to 1950/60s.						
17.	Port Alberni	116,398 (multi-tenant)	3,400	\$6.27	5	2024	Shop
	Remarks: Institutional zoned site with municipal water but no sewer. Multi-tenant building. Lease for shop space only. Gross rent, with indicated rate net of non-recoverable operating expenses.						
18.	Port Alberni	36,060	6,127	\$10.97	10	2021	Warehouse
	Remarks: Fully serviced industrial site improved with purpose-built distribution warehouse. Lease-back to vendor. Recently offered for sub-lease in range of \$7.50 to \$7.75 per sf.						
19.	Port Alberni	7,400	2,400	\$10.58	3	2019	Retail, shop
	Remarks: Fully serviced commercial site in downtown core. Multi-tenant building with 2,400 sf leased to tenant plus 5,000 sf storage yard. Partial net rent with indicated rate net of non-recoverable operating expenses.						
20.	Port Alberni	30,144	6,458	\$12.45	10	2022	Office, warehouse
	Remarks: Fully serviced industrial site with office/warehouse building purpose-built for lease to tenant. Gross rent with indicated rate net of non-recoverable operating expenses.						
21.	Port Alberni	60,492 (multi-tenant)	740 - 5,198	\$5.00 - \$12.83	M-M - 5	M-M -2023	Retail, office
	Remarks: Fully serviced commercial site in downtown core; improved with multiple multi-tenant commercial buildings with shared parking lot.						
22.	Port Alberni	14,750	2,799 - 9,321	\$3.00 - \$9.00	5	2021	Retail + basement storage
	Remarks: Fully serviced commercial site in downtown core. Rent specified at \$9.00 per sf for the main floor retail and \$3.00 per sf for the basement.						
23.	Port Alberni	20,605	334 - 3,050	\$1.91 - \$25.74	1 - 2	2020 - 2021	Retail + basement storage
	Remarks: Fully serviced commercial site in downtown core. Tenancies include storage basement rental units with public rear lane access. Gross rent, with indicated rate net of non-recoverable operating expenses.						

Central Vancouver Island Industrial Rent Comparables

No.	Location	Land Area (SF)	Building Area (SF)	Rent / SF (Building)	Term (years)	Expiry	Use
24.	Parksville	216,493 (4.97 ac) (multi-tenant)	1,399 - 8,860	\$8.94 - \$10.76	3 - 5	2019 - 2023	Warehouse, shop
	Remarks: Unserved industrial acreage located just outside City limits. Improved with multiple steel-frame, multi-tenant industrial buildings dating to early-to-mid 2000s. Outside yard areas permitted for parking and loading only.						
25.	Parksville	96,268 (2.21 ac) (multi-tenant)	1,144 - 3,778	\$6.00 - \$9.00	2 - 5	2019 - 2023	Warehouse, shop, retail
	Remarks: Fully serviced industrial acreage with some highway exposure. Improved with multiple older, concrete-block, multi-tenant industrial buildings with recent exterior façade improvements. Outside yard areas permitted for parking and loading only.						
26.	Parksville	77,972 (1.79 ac)	13,500	\$13.33	10	2026	Shop
	Remarks: Unserved industrial acreage with highway frontage in rural area location. Improved with a 1960s shop structure with substantial addition dating to mid-2010s.						
27.	Parksville	24,111	10,000	\$13.80	5	2023	Office, shop
	Remarks: Fully serviced industrial site improved with steel-frame building, largely finished to the interior as office and ancillary shop/laboratory space.						
38.	Parksville	308,405 (7.08 ac)	69,000	\$10.96	10	2017	Distribution warehouse, cold storage
	Remarks: Unserved industrial acreage in rural area location improved with distribution / cold storage warehouse.						
29.	Parksville	84,942 (1.95 ac)	7,612	\$12.60	5	2022	Warehouse
	Remarks: Unserved industrial acreage located just outside City limits. Improved with 5,048 warehouse dating to late 2010s and older, low cost 2,564 sf storage warehouse.						
30.	Courtenay	47,480 (multi-tenant)	8,450	\$7.50	5	2023	Shop
	Remarks: Fully serviced industrial site improved with two warehouse / shop buildings.						
31.	Courtenay	Multi-tenant	4,975	\$7.00	2 ½	2020	Warehouse
	Remarks: Fully serviced industrial strata-titled development. Outside yard areas permitted for parking and loading only.						
32.	Campbell River	86,597 (1.99 ac)	11,000	\$7.65	3	2023	Warehouse
	Remarks: Fully serviced industrial site improved with older, low cost industrial building in below average to fair condition. 3-lot land assembly with rent structured on rates of \$6.50 per sf for the building straddling 2 lots and \$0.45 per sf for the adjoining 28,094 sf lot.						
33.	Campbell River	Multi-tenant	91,980	\$3.50	3	2022	Warehouse
	Remarks: Fully serviced waterfront industrial park. Lease is for unheated and partially open-sided warehouse space. Tenant additionally leases nearby dock.						
34.	Campbell River	106,722 (2.45 ac)	1,165 -10,292	\$8.00 - \$9.50	1 - 5	N/A	Warehouse
	Remarks: Fully serviced industrial site located near downtown core. Improved with multiple older, concrete-block, multi-tenant industrial buildings.						

No.	Location	Land Area (SF)	Building Area (SF)	Rent / SF (Building)	Term (years)	Expiry	Use
35.	Campbell River	26,100	7,740	\$8.00	M-M	2017	Warehouse
	Remarks: Fully serviced industrial site located near downtown core. Improved with a concrete-block building. Short term lease structure intended to function as bridge toward purchase of property by tenant.						
36.	Campbell River	206,039 (4.73 ac) (multi-tenant)	2,950	\$9.50	3	2021	Warehouse
	Remarks: Fully serviced industrial acreage with multiple multi-tenant buildings. Lease is for 2,950 sf in a new 5,000 sf building.						
37.	Nanaimo	133,729 (3.07 ac) (multi-tenant)	4,050 – 8,410	\$9.25 - \$11.50	3 - 7	2021 - 2023	Warehouse
	Remarks: Fully serviced industrial acreage improved with multiple steel frame warehouse buildings dating to the 1980s, 1990s, 2000s.						
38.	Nanaimo	286,625 (6.58 ac)	27,690	\$8.50	5	2022	Warehouse
	Remarks: Fully serviced industrial acreage improved with two low cost, steel frame warehouse buildings.						
39.	Nanaimo	340,639 (7.82 ac) (multi-tenant)	49,760	\$8.25	10	2025	Office, shop, warehouse
	Remarks: Unserviced industrial acreage in rural area. Tenant also leases covered storage and yard space at rates of \$2.50 and \$0.80 per sf.						
40.	Nanaimo	36,155 (multi-tenant)	791 - 2,533	\$4.67 - \$12.90	5	2021	Warehouse, shop
	Remarks: Fully serviced commercial site improved with multiple older warehouse and shop buildings of varying quality and condition.						
41.	Nanaimo	103,803 (2.38 ac) (multi-tenant)	2,310 - 6,530	\$8.30 - \$9.52	3 - 5	2019 - 2023	Warehouse, shop
	Remarks: Fully serviced commercial site improved with multiple older warehouse and shop buildings.						
42.	Chemainus	364,728 (8.37 ac) (multi-tenant)	10,100 - 33,280	\$3.00 - \$9.00	3 - 5	2021 - 2023	Coverage storage, office, shop
	Remarks: Former sawmill with highway frontage. Water service but no sewer. Yard storage leased at additional charge.						
43.	Duncan	229,271 (5.26 ac) (multi-tenant)	24,050	\$7.55	5	2024	Cold storage warehouse
	Remarks: Agricultural site with 18,429 sf cold storage and ice making warehouse plus multiple barns. Tenant leases main building and 5,621 sf within a barn.						
44.	Duncan	20,882 (multi-tenant)	3,000 - 6,000	\$12.00 - \$14.00	3	2021	Warehouse
	Remarks: Fully serviced industrial site improved with a concrete block warehouse building.						
45.	Duncan	22,216	6,000	\$7.65	5	2021	Warehouse
	Remarks: Fully serviced industrial site improved with a concrete block warehouse building dating to 1997.						
46.	Duncan	38,158 (multi-tenant)	536 - 4,277	\$5.50 - \$9.50	4 - 5	2022	Warehouse, shop
	Remarks: Fully serviced industrial site improved with two steel frame warehouse / shop buildings dating to 1983 and 1993.						

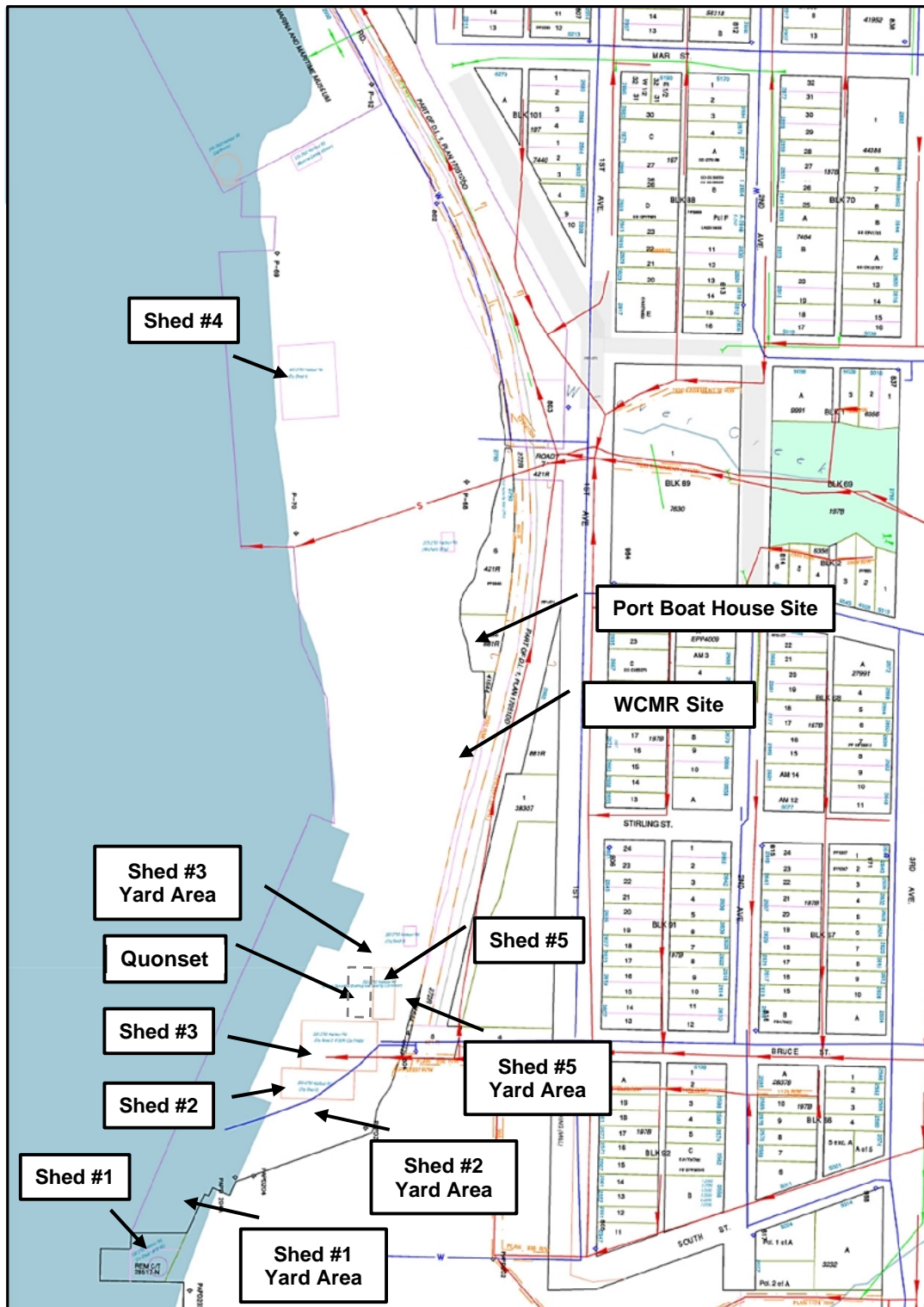
Land Rent Comparables

No.	Location	Land Area (SF)	Rent / SF (Land)	Term (years)	Expiry	Site Influence	Use
47.	Parksville	64,033 (1.47 ac)	\$0.48	5	2021	Inland	Yard Storage
	Remarks: Unserved light industrial storage compound located just outside City limits with rent escalating to \$0.50 per sf in final year of lease.						
48.	Parksville	87,120 (2.00 ac)	\$0.36	4	2019	Inland	Assembly
	Remarks: Unserved light industrial storage located just outside City. Inclusive of 400 sf office & crane.						
49.	Campbell River	108,900 (2.50 ac)	\$0.28	3	2022	Waterfront	Equipment servicing
	Remarks: Fully serviced waterfront industrial park. Lease is for paved yard. Tenant additionally leases adjoining dock.						
50.	Campbell River	34,400 (400 ln ft)	\$4.19 (\$360/ln ft)	3	2022	Waterfront	Dock
	Remarks: Fully serviced waterfront industrial park. Lease includes west side of dock with 38 to 43 ft water depth. Dock is improved with a wood frame shelter extending the full length plus a 1,250 sf building. Tenant additionally leases adjoining paved yard.						
51.	Campbell River	21,120 (320 ln ft)	\$6.82 (\$450/ln ft)	3	2022	Waterfront	Dock
	Remarks: Fully serviced waterfront industrial park. Lease includes north side of dock with 28 to 39 ft water depth. Dock is improved with a wood frame shelter extending nearly the full length. Tenant additionally leases nearby warehouse shelter space.						
52.	Campbell River	51,129 (1.17 ac)	\$0.84	1	2021	Inland	Yard storage
	Remarks: Fully serviced industrial lot located north of downtown core. Improved with low cost 2,000 sf steel frame warehouse and smaller outbuildings.						
53.	Nanaimo	123,275 (2.83 ac)	\$0.88	25 (5 yr rev.)	2023 (rent rev.)	Waterfront	WCMRC
	Remarks: Fully serviced site on Nanaimo Assembly Wharf; comprising a 35,719 sf water lot and 87,120 sf of upland.						
54.	Nanaimo	740,520 (17.0 ac)	\$1.00	10	2029	Waterfront	Vehicle Proc. Centre
	Remarks: Fully serviced acreage on Nanaimo Assembly Wharf.						
55.	Nanaimo	90,380 (2.07 ac)	\$1.77	5	2021	Waterfront	Nanaimo Yacht Club
	Remarks: Fully serviced site on Newcastle Channel; includes a 40,946 sf water lot owned in fee simple by City of Nanaimo, of which ± 80% is submerged and balance is fill. City credits tenant with annual allowance of \$0.59 / sf for charitable services to community; yielding effective net rent of \$1.18 per sf.						
56.	Nanaimo	30,132	\$0.80	2	2020	Inland	Yard Storage
	Remarks: Unserved industrial acreage located south of City.						
57.	Nanaimo	180,825 (4.15 ac)	\$0.80	5	2022	Inland	Yard Storage
	Remarks: Unserved industrial acreage in rural area. Tenant also leases 49,760 sf industrial office, shop, and warehouse building at \$8.50 per sf and coverage storage at \$2.50 per sf.						
58.	Nanaimo	87,120 (2.00 ac)	\$0.70	2	2020	Inland	Yard Storage
	Remarks: Unserved industrial acreage located south of City.						
59.	Nanaimo	67,500 (1.55 ac)	\$0.40	M-M	M-M	Inland	Recycling
	Remarks: Unserved industrial acreage located south of City. Month-to-month term with indicated rent as at January 2019.						

No.	Location	Land Area (SF)	Rent / SF (Land)	Term (years)	Expiry	Site Influence	Use
60.	Chemainus	24,832 - 47,480	\$0.24 - \$0.96	M-M /Unkn	M-M, '18-19	Inland	Various
	Remarks: Former sawmill on TCH that has been sectioned out to provide fenced yard storage compounds of various size with asphalt-paving or gravelled surface and some with low cost storage or modular structures.						
61.	Chemainus	43,000	\$0.50	4	22	Inland	Yard Storage
	Remarks: Former sawmill on TCH additionally containing multiple tenants for the various buildings and associated yard areas.						
62.	Duncan	206,451 (4.74 ac)	\$0.70	5	2020	Inland	Recycling
	Remarks: Fully serviced industrial acreage located in well-defined industrial park south of downtown. Improved with a number of low cost outbuildings and storage shelters with lease structured on rate to land.						
63.	Duncan	124,843 (2.87 ac)	\$1.25	30 (5 yr rent review)	2022 (rent review)	Inland	Commercial
	Remarks: Fully serviced commercial acreage in Cowichan I.R. No. 1 in downtown core.						
64.	Duncan	31,862	\$1.73	49 (5 yr rent review)	2022 (rent review)	Inland	Commercial
	Remarks: Fully serviced commercial lot in Cowichan I.R. No. 1 in downtown core.						
65.	Duncan	105,597 (2.42 ac)	\$0.60	74 (5 yr rent review)	2023 (rent review)	Inland	Commercial
	Remarks: Fully serviced commercial lot in Cowichan I.R. No. 1 with highway frontage, located in industrial area south of downtown core.						
66.	Victoria	41,011	\$1.09	3	2020	Water Lot	Barge, repair, fuelling
	Remarks: Water lot at foot of Bay Street Bridge.						
67.	Victoria	20,624	\$1.09	5	2023	Water Lot	Barge, repair
	Remarks: Water lot in upper harbour.						
68.	Victoria	17,965 + 40,828	\$1.15 + \$1.00	5	2023	Water Lot	Barge, moorage
	Remarks: Two water lots in upper harbour.						
69.	Sidney	31,937	\$1.25	30 (1 yr rent review)	2019 (rent review)	Water Lot	Marina
	Remarks: Leased water lot north of Sidney downtown core with 13,455 sf filled foreshore and the balance being submerged land; developed with 28-slip marina.						
70.	Esquimalt	35,198	\$1.19	5	2022	Water Lot	Marina
	Remarks: Water lot developed with 44-slip marina.						
72.	Victoria	82,161 (1.89 ac)	\$2.56	20 (1 yr rent review)	2019 (rent review)	Waterfront	Helijet Base
	Remarks: Waterfront lot at Ogden Point adjacent to cruise ship terminal utilized as a helijet base.						
72	Victoria	974 (land) + 8,775 water	\$3.29 + \$2.14	5	2019	Waterfront + Water Lot	Wharf
	Remarks: Waterfront lot at Ogden Point that includes a secured gangway, wood dock (132 ln ft), 300 sf storage building and small parking area. Rent structured at \$3.29 / sf for land and \$2.14 / sf for water lot.						

PORT TERMINAL

City of Port Alberni Zoning: M-3 (Heavy Industrial)
 Highest and Best Use: Continuation of the existing use.



Description of Land: The Port Terminal encompasses the paved lands extending along Harbour Road and the Alberni Inlet, north of the WFP Alberni Pacific Division sawmill and south of the Alberni Harbour Quay Marina. Access to the various leased buildings and sites is direct from Harbour Road, or via the Port Terminal Lands. Water and electricity services are available. Sewer is available to certain sites or is available at cost to the tenant.

Description of Buildings: Sheds 1, 2, 3, and 4 are steel-frame structures of low cost to average quality construction; minimally finished to the interior, with various improvements completed at cost to tenants. Shed 5 is a concrete-block structure, of low cost to average quality construction; minimally finished to the interior. The Quonset is steel-frame with canvas cover and open-sided to one ended; generally providing covered storage or yard area. The buildings appear reasonably maintained and in average condition for their age and construction class and are judged to function adequately well for their intended use.

Description of Sites: Sheds 1, 2, 3, and 5 contain adjoining paved yard areas with secured perimeter fencing that are leased by separate agreement. Yard areas are used generally for parking and storage purposes. The WCMRC site is fully paved and is to be delivered with secured perimeter fencing upon completion of the building that is currently under construction at cost to the tenant. The Port Boat House site is partly paved, with perimeter fencing and is utilized for yard storage.

Summary Rental Valuation

A broad range of market rent data for both improved and vacant industrial and commercial property was researched. Due to the small size of the Port Alberni market area, it was necessary to include comparables from central and southern Vancouver Island in order to provide an adequate data sample. The comparable rent data is summarized by the preceding tables on Pages 69 to 73.

The Port Alberni commercial and industrial rent comparables, summarized by Indicators 16 through 23, demonstrate a rentable value range of \$1.91 to \$25.74 per sf, with the industrial data in the approximate range of \$5.50 to \$11.00 per sf. The central Vancouver Island industrial rent comparables summarized by Indicators 24 through 46 demonstrate a rentable value range of \$3.50 to \$14.00 per sf, with the majority of the data in the approximate range of \$7.00 to \$10.00 per sf.

The broad ranges in rent for both data sets is a reflection of a number of factors including location and site influence, quality and condition of leased improvements, building services and size, among others. In comparison with the subject, further consideration is given toward the inclusion of land within the various tenancy agreements; whereas the subject tenancy agreements for the buildings are inclusive of limited associated yard area, with additional land leased by separate agreement.

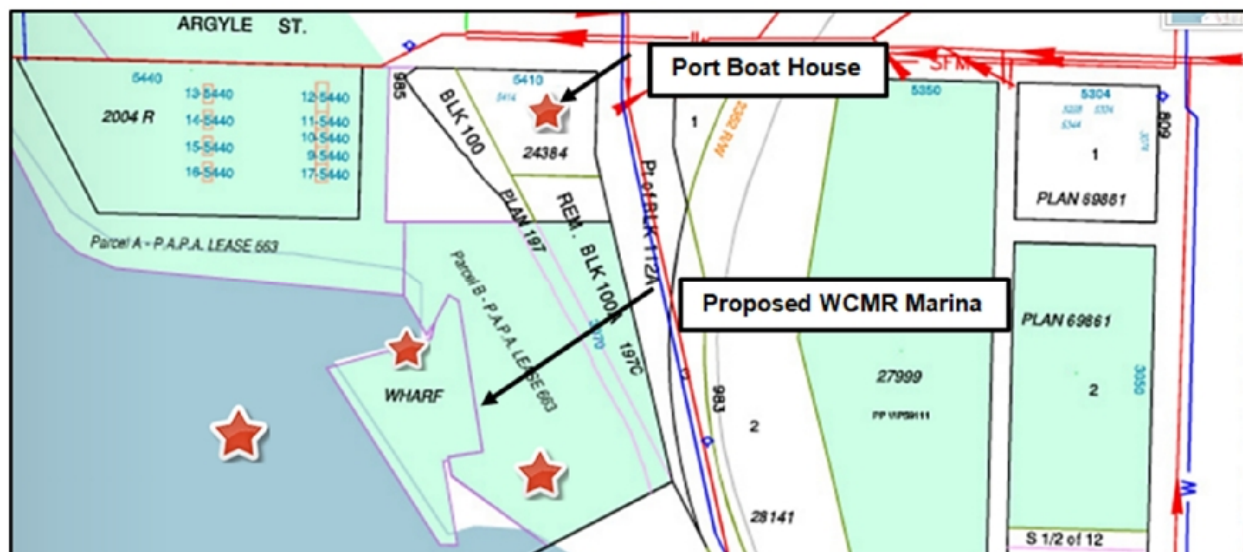
The land rent comparables, demonstrated by Indicators 47 through 72, are extracted from the broader central and southern Vancouver Island regions and demonstrate a rentable value range \$0.24 to \$6.82 per sf. This data is inclusive of submerged land and docks, with the predominant range for more conventional yard area being approximately \$0.30 to \$1.00 per sf.

Based on the analysis of the comparable rent data, the estimates of market rentable value are in the range of \$5.50 to \$12.50 for Sheds 1, 2, 3, 4, and 5, \$3.00 per sf for the Quonset, and in the range of \$0.65 to \$1.40 per sf for the leased sites, as individually summarized by the following table:-

Port Terminal				
	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Shed 1	1	9,240		\$12.50
Shed 1 Yard	2		44,000	\$1.40
Shed 2	3	9,000		\$6.00
Shed 2 Yard	4		13,176	\$1.40
Shed 3	5	16,000		\$7.50
Quonset Hut	6	6,696		\$3.00
Shed 3 Yard	7		5,000	\$1.40
Shed 4	8	16,225		\$10.00
Shed 5	9	4,500		\$5.50
Shed 5 Yard	10		4,900	\$1.40
WCMRC Site	11		58,663	\$0.65
Port Boat House Site	12		16,525	\$1.40

ARGYLE STREET / HARBOUR ROAD

Land Use Plan: Waterfront Marine Development Permit Area
 City of Port Alberni Zoning: W-2 (Waterfront Industrial)
 W-1 (Waterfront Commercial)
 Highest and Best Use: Continuation of the existing use.



Description of Land: The Port Boat House is located at the corner of Argyle Street and Harbour Road. The WCMRC marina site is located backing to the south on Harbour Road, with frontage to the Alberni Inlet. The Port Boat House site is approximately half of an acre (including building footprint) and is fully serviced, with access direct via Argyle Street. The WCMRC marina site comprises 4.875 acres and is also fully serviced, with access direct via Harbour Road.

Description of Buildings: The Port Boat House building is wood post and stud construction; of low cost to average quality. The construction appears to have been over several phases, with the layout generally reflective of such, but continues to adequately function for boat sales and repair, or other similar type use. The building appears to be maintained on an 'as needed' basis and is in fair to average condition for its age and construction class.

Description of Sites: The WCMRC marina site comprises 4.87 acres, of which, 4.260 acres is submerged land containing a wharf and 0.615 acres is upland. The wharf was recently refurbished through a cost sharing agreement between WCMRC and PAPA, with the tenant having non-exclusive use. The upland is developed with a paved parking lot. Included within the Port Boat House lease is 7,433 sf of yard area.

Summary Rental Valuation

A broad range of market rent data for both improved and vacant industrial and commercial property was researched. Due to the small size of the Port Alberni market area, it was necessary to include comparables from central and southern Vancouver Island in order to provide an adequate data sample. The comparable rent data is summarized by the preceding tables on Pages 69 to 73.

The Port Alberni commercial and industrial rent comparables, summarized by Indicators 16 through 23, demonstrate a rentable value range of \$1.91 to \$25.74 per sf, with the industrial data in the approximate range of \$5.50 to \$11.00 per sf and the commercial data in the approximate range of \$5.00 to \$10.00 per sf. The central Vancouver Island industrial rent comparables summarized by Indicators 24 through 46 demonstrate a rentable value range of \$3.50 to \$14.00 per sf, with the majority of the data in the approximate range of \$7.00 to \$10.00 per sf.

The broad ranges in rent for both data sets is a reflection of a number of factors including location and site influence, quality and condition of leased improvements, building services and size, among others.

The land rent comparables, demonstrated by Indicators 47 through 72, are extracted from the broader central and southern Vancouver Island regions and demonstrate a rentable value range \$0.24 to \$6.82 per sf. The data comprised of waterfront and submerged land demonstrates a predominant range of approximately \$0.90 to \$1.25 per sf.

Based on the analysis of the comparable rent data, the estimate of market rentable value for the Port Boat House is \$4.25 per sf and \$0.25 per sf for the WCMRC marina site, as individually summarized by the following table:-

Argyle Street / Harbour Road				
	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Port Alberni Boat House	13	24,829		\$4.25
WCMRC	14		212,355	\$0.25

approximate range of \$5.00 to \$10.00 per sf. The central Vancouver Island industrial rent comparables, summarized by Indicators 24 through 46, demonstrate a rentable value range of \$3.50 to \$14.00 per sf, with the majority of the data in the approximate range of \$7.00 to \$10.00 per sf.

The land rent comparables, demonstrated by Indicators 47 through 72, are extracted from the broader central and southern Vancouver Island regions and demonstrate a rentable value range \$0.24 to \$6.82 per sf. The data comprised of waterfront and submerged land demonstrates a predominant range of approximately \$0.90 to \$1.25 per sf.

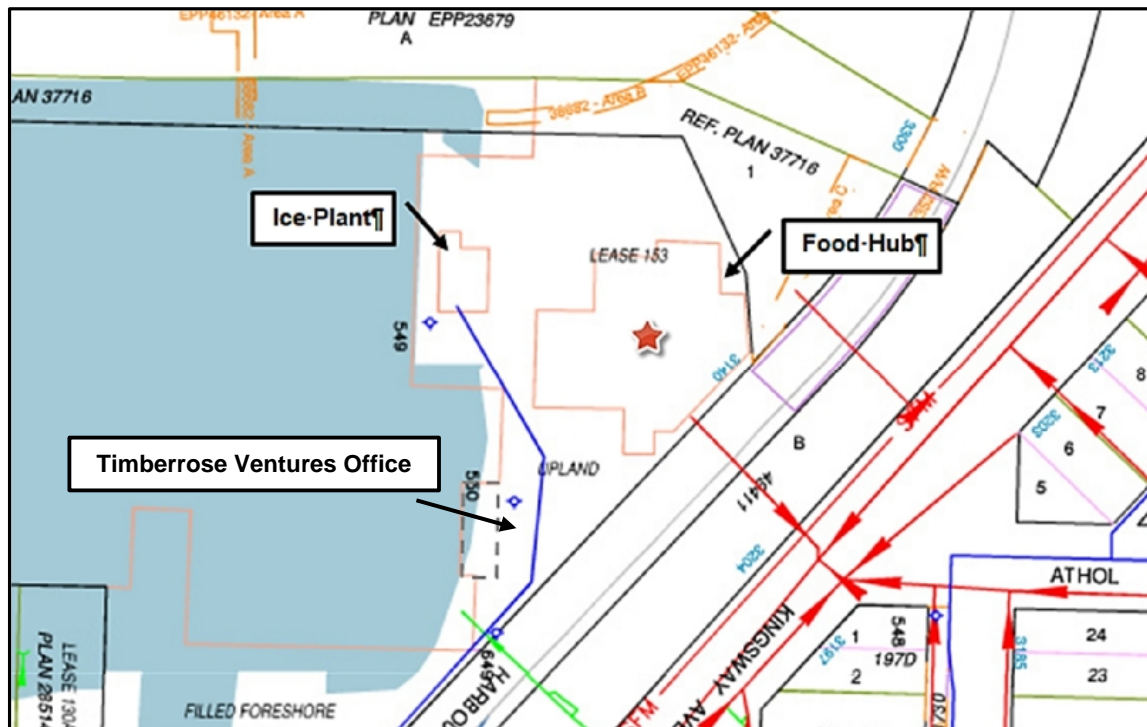
The broad ranges in rent for both data sets is a reflection of a number of factors including location and site influence, quality and condition of leased improvements, building services and size, among others.

Based on the analysis of the comparable rent data, the estimate of market rentable value for the Canadian Maritime Alberni Engineering building is \$3.00 per sf; however, a reduction in rent is warranted assuming that the roof is to be replaced at cost to the tenant. For structural repairs as roof replacement, the cost is typically credited by the landlord; amortized over the length of the lease term. Assuming a replacement cost of \$350,000 and 10 year lease renewal, the estimate of market rent is concluded at \$2.30 per sf. Based on analysis of the comparable rent data, the estimate of market rentable value for the Quonset and Floats Site is \$1.00 per sf. The estimates of market rentable value for Site Nos 15 and 16 are individually summarized by the following table:-

Bird Avenue / Harbour Quay				
	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Canadian Maritime Alberni Engineering	15	51,052		\$2.30
Canadian Maritime Alberni Engineering- Quonset & Floats Site	16		13,068	\$1.00

FISHERMAN'S HARBOUR

Land Use Plan: Waterfront Marine Development Permit Area
 City of Port Alberni Zoning: W-2 (Waterfront Industrial)
 Highest and Best Use: Continuation of the existing use.



Description of Land: The New Food Hub, Ice Plant, and Timberrose Ventures office are located adjacent to Fisherman's Harbour, with direct access off Harbour Road. The New Food Hub building includes a site area of 22,888 sf which includes the building footprint, parking and loading areas. The Ice Plant and Timberrose Ventures office includes non-exclusive use of surrounding yard for parking and loading. Full services are available.

Description of Buildings: The New Food Hub building dates to 1970 but has effectively been rebuilt for use as a multi-tenant food processing facility with shared cold storage and freezer sections, central processing area and commercial kitchen, as well as shared staff break room and washrooms upstairs. Construction is concrete block. Renovations are scheduled for completion in September 2020. The Ice Plant also dates to 1970, with renovations scheduled for completion in September 2020. Construction is wood frame, with two levels over a drive-through bay. This is a special-use building for production of salt-water ice; intended to meet the needs of commercial fisheries and the New Food Hub. The Timberrose Ventures office is a conventional residential modular home that has been adapted for use as an office. Quality of construction and standard of maintenance appears average.

Summary Rental Valuation

A broad range of market rent data for both improved and vacant industrial and commercial property was researched. Due to the small size of the Port Alberni market area, it was necessary to include comparables from central and southern Vancouver Island in order to provide an adequate data sample. The comparable rent data is summarized by the preceding tables on Pages 69 to 73.

The Port Alberni commercial and industrial rent comparables, summarized by Indicators 16 through 23, demonstrate a rentable value range of \$1.91 to \$25.74 per sf, with the industrial data in the approximate range of \$5.50 to \$11.00 per sf and the commercial data in the approximate range of \$5.00 to \$10.00 per sf. The central Vancouver Island industrial rent comparables, summarized by Indicators 24 through 46, demonstrate a rentable value range of \$3.50 to \$14.00 per sf, with the majority of the data in the approximate range of \$7.00 to \$10.00 per sf.

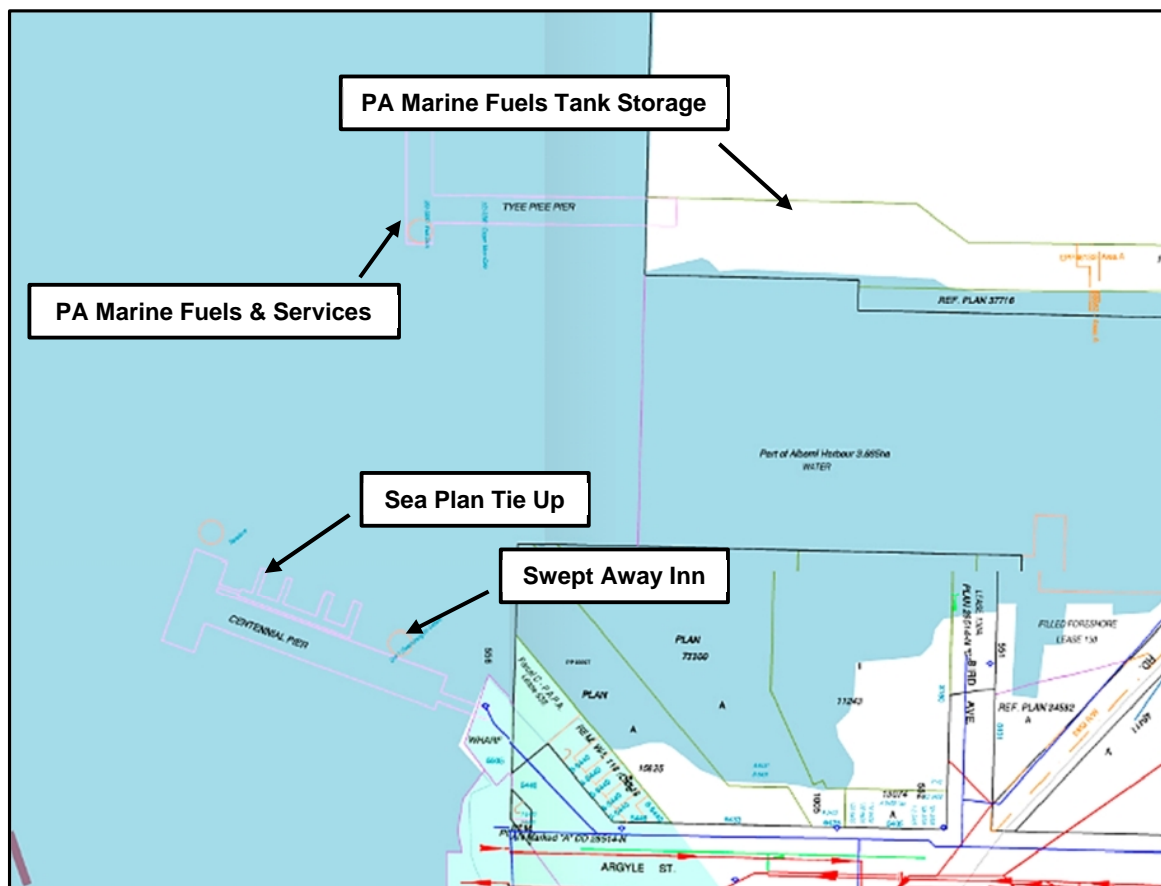
The broad ranges in rent for both data sets is a reflection of a number of factors including location and site influence, quality and condition of leased improvements, building services and size, among others.

Based on the analysis of the comparable rent data, the estimate of market rentable value for the New Food Hub is in the range of \$7.00 to \$14.00 per sf, \$8.00 per sf for the Ice Plant, and \$10.00 per sf for the Timberrose Ventures office, as individually summarized by the following table:-

Fisherman's Harbour				
	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
New Food Hub	17	14,876		\$7.00 (shared areas) \$8.50 (exclusive areas) \$14.00 (cold & smoker room)
Ice Plant	18	1,800		\$8.00
Timberrose Ventures	19	1,134		\$10.00

NEW TYEE PIER / CENTENNIAL PIER

City of Port Alberni Zoning: W-2 (Waterfront Industrial)
 Highest and Best Use: Continuation of the existing use.



Description of Land: The New Tyee Pier is located on the north side of Fisherman's Harbour and is developed off a public walkway extending along the south side of the WFP Somass Division sawmill. The Centennial Pier is located within Fisherman's Harbour, accessible from the end of Argyle Street.

Description of Sites: The PA Marine Fuels & Services site is located at the end of the New Tyee Pier and is comprised entirely of submerged land. The PA Marine Fuels Tank Storage site is located on the public walkway along the south side of the WFP Somass Division sawmill. It is an asphalt-paved site with asphalt-paved vehicular access. The seaplane tie-ups and Swept Away Inn are located on the north side of the Centennial Pier. This is a concrete pier, reported to have originally been constructed as a bridge deck; now serving as a break water pier for Fisherman's Harbour.

Summary Rental Valuation

A broad range of market rent data for both improved and vacant industrial and commercial property was researched. Due to the small size of the Port Alberni market area, it was necessary to include comparables from central and southern Vancouver Island in order to provide an adequate data sample. The comparable rent data is summarized by the preceding tables on Pages 69 to 73.

The land rent comparables, demonstrated by Indicators 47 through 72, are extracted from the broader central and southern Vancouver Island regions and demonstrate a rentable value range \$0.24 to \$6.82 per sf. The data comprised of waterfront and submerged land demonstrates a predominant range of approximately \$0.90 to \$1.25 per sf. Fuel sales and storage is strictly controlled, and it is assumed that a non-competition clause to the benefit of the tenant is in place. Based on the analysis of the comparable rent data, the estimate of market rentable value for the PA Marine Fuels & Services and Tank Storage sites is \$4.25 per sf.

In addition to the comparable rent data summarized by the tables on Pages 69 to 73, rent roll data maintained within appraisal files for various marinas across central and southern Vancouver Island were reviewed in support of the estimate of market rents for the seaplane and Swept Away Inn tie-ups. Moorage rates posted online were also reviewed. Based on this review, the estimate of market rent is concluded at \$2,640 and \$15,450 per year, as individually summarized by the following table:-

New Tyee Pier / Centennial Pier				
	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
PA Marine Fuels & Services	20		450	\$4.25
PA Marine Fuels Tank Storage	21		832	\$4.25
				Rent (per yr)
Seaplane Tie Up	22	--	--	\$2,640
Swept Away Inn	23		112 ln ft	\$15,450

RENTABLE VALUE SUMMARIES

Zone 1 –Somass to Lone Tree Point

City of Port Alberni - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Area A - Filled Water	\$10,000	\$0.230	\$200,000
Area B - Filled Water	\$15,000	\$0.344	\$300,000
Area A - Water	\$3,300	\$0.076	\$66,000
Area B - Water	\$4,950	\$0.114	\$99,000

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750	\$0.086	\$75,000
Water	\$1,250	\$0.029	\$25,000

ACRD – Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$655	\$0.015

City of Port Alberni – Sewage Lagoons

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$3,750	\$0.086	\$75,000

Zone 2 – Lone Tree Point to Macktush

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$2,500	\$0.057	\$50,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$535	\$0.012

Zone 3 – Macktush to Coleman Creek

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$1,250	\$0.029	\$25,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$475	\$0.011

Zone 4 – Coleman Creek to Harbour Limit

ACRD - Industrial

	Rent Rate / acre	Rent Rate / SF	Land Value / acre
Filled Water	\$1,250	\$0.029	\$25,000

ACRD Log Storage

	Rent Rate / acre	Rent Rate / SF
Log Storage Water Lot	\$415	\$0.010

Leased Improvements and Site Areas

Port Terminal

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Shed 1	1	9,240		\$12.50
Shed 1 Yard	2		44,000	\$1.40
Shed 2	3	9,000		\$6.00
Shed 2 Yard	4		13,176	\$1.40
Shed 3	5	16,000		\$7.50
Quonset Hut	6	6,696		\$3.00
Shed 3 Yard	7		5,000	\$1.40
Shed 4	8	16,225		\$10.00
Shed 5	9	4,500		\$5.50
Shed 5 Yard	10		4,900	\$1.40
WCMRC Site	11		58,663	\$0.65
Port Boat House Site	12		16,525	\$1.40

Argyle Street / Harbour Road

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Port Alberni Boat House	13	24,829		\$4.25
WCMRC	14		212,355	\$0.25

Bird Avenue / Harbour Quay

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
Canadian Maritime Alberni Engineering	15	51,052		\$2.30
Canadian Maritime Alberni Engineering- Quonset & Floats Site	16		13,068	\$1.00

Fisherman's Harbour

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
New Food Hub	17	14,876		\$7.00 (shared areas) \$8.50 (exclusive areas) \$14.00 (cold & smoker room)
Ice Plant	18	1,800		\$8.00
Timberrose Ventures	19	1,134		\$10.00

New Tyee Pier / Centennial Pier

	Site No.	Building (SF)	Yard (SF)	Rent (per sf)
PA Marine Fuels & Services	20		450	\$4.25
PA Marine Fuels Tank Storage	21		832	\$4.25
				Rent (per yr)
Seaplane Tie Up	22	--	--	\$2,640
Swept Away Inn	23		112 ln ft	\$15,450

Exposure Time

The Harbour Lands remain in demand and would achieve lease status within a time typical for its market. Given current economic conditions, this exposure time would be in the order of 60 to 270 days for properties that were reasonably priced and professionally marketed.

This estimate does not include the time for typical due diligence and closing time subsequent to achievement of an offer to lease or an agreement in principle.

CERTIFICATION

I certify to the best of my knowledge and belief, that:-

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal impartial, and unbiased professional analysis, opinions and conclusions;
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. Our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada*;
7. We have the knowledge and experience to complete the assignment competently;
8. No one provided significant professional assistance to the person signing this report;
9. As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Canada's Continuing Professional Development Program;
10. The undersigned (Jason Mikes) personally inspected the upland areas and commercial buildings within the City of Port Alberni under Federal Real Properties managed by the PAPA on June 5, 2020.

July 27, 2020



Jason Mikes
AACI, P.App.

July 27, 2020



David L. Kirk
AACI, P.App., RI(BC)

QUALIFICATIONS OF APPRAISERS

Jason Mikes, AACI, P.App.

Education and Memberships

Bachelor of Commerce Urban Land Economics
University of British Columbia, May 2001

Accredited Appraiser and
Professional Appraiser..... Appraisal Institute of Canada
AACI, P.App. – December 6, 2006
Certificate No. 4062

Environment Canada
Ecological Gifts Program Appraisers Workshop. – March 2013

Experience

I have worked with Cunningham & Rivard Appraisals since July of 2003, developing experience in comprehensive appraisal of residential, commercial, industrial, and agricultural properties for sale, purchase, mortgage, taxation and assessment, expropriation, insurance, and other purposes. Other appraisal assignments have included consultation and highest and best use analysis, feasibility studies, rental and vacancy surveys, depreciation reports, and various related assignments.

I am presently a Partner of Cunningham & Rivard Appraisals (Nanaimo) Ltd.

Completed Appraisals for:-

Bank of Montreal	Scotiabank
Business Development Bank of Canada	TD Canada Trust
Vancouver City Savings Credit Union	Canadian Imperial Bank of Commerce
Royal Bank of Canada	HSBC
Coast Capital Credit Union	Island Savings Credit Union
Coastal Community Credit Union	Canadian Western Bank
BC Hydro	Suncor Energy
Home Hardware Stores Ltd.	NAI Commercial
Government of Canada	Provincial Government of British Columbia
City of Nanaimo	City of Parksville
Town of Qualicum Beach	Capital Regional District
Regional District of Nanaimo	Cowichan Valley Regional District
School District No. 68 (Nanaimo-Ladysmith)	School District No. 69 (Qualicum)
School District No. 79 (Cowichan Valley)	Cowichan Tribes
Numerous Law Firms	Numerous Strata Corporations
and others	

David L. Kirk, AACI, P. App., RI (BC)**Education and Memberships**

Accredited Appraiser and Professional Appraiser	Appraisal Institute of Canada AACI, P. App. – June 29, 1992 Certificate No. 3216
Professional Member	Real Estate Institute of British Columbia RI (BC) - December 11, 1992 Certificate No. 2760
Environment Canada Ecological Gifts Program	Appraisers Workshop – February 2002

Education and Memberships

40 years experience in comprehensive appraisal of residential, commercial, industrial and agricultural properties for sale, purchase, mortgage, taxation, assessment, expropriation and other purposes. Recognized as an expert witness before the Supreme Court of British Columbia and the Expropriation Compensation Board of British Columbia.

President of Cunningham & Rivard Appraisals Ltd.

Completed Appraisals and Related Assignments for:-

Bank of Montreal	TD/Canada Trust
Royal Bank of Canada	HSBC Bank Canada
Canadian Imperial Bank of Canada	Canadian Western Bank
Scotiabank	Coastal Community Credit Union
Vancity Credit Union	Island Savings Credit Union
Coast Capital Savings Credit Union	Capital Regional District
Cowichan Valley Regional District	Regional District of Nanaimo
Alberni-Clayoquot Regional District	Comox Valley Regional District
City of Victoria	City of Parksville
Township of Esquimalt	City of Colwood
City of Nanaimo	City of Port Alberni
City of Duncan	District of North Cowichan
District of Oak Bay	Town of Ladysmith
Town of Qualicum Beach	Town of Sidney
Government of Canada	Government of British Columbia
Greater Victoria Harbour Authority	Nanaimo Port Authority
Port Alberni Port Authority	Transport Canada
Langley Airport	Nanaimo Airport Commission
Pitt Meadows Airport	School District 68 (Nanaimo)
School District 69 (Qualicum)	And Many Others

ADDENDA

Port Alberni Bylaws

Bylaw 4832

P2 – PARKS AND RECREATION

- 5.32 The purpose of this *zone* is to preserve natural ravine areas, green belts and other areas deemed environmentally sensitive, to provide protection of the natural setting, ecological systems and aesthetic beauty of the City, and to establish and maintain areas for parks, recreation and community open spaces *uses*.

5.32.1 Permitted usesPrincipal Uses

Assembly, cultural and recreational facility
Cemetery
Fairground
Fish hatchery
Forest management
Golf course
Natural Areas, Open Spaces and Parks
Public Parks and Playgrounds

Accessory Uses

Caretaker's dwelling unit, subject to
Section 6.16
Carnivals, Circuses, Exhibitions,
Horse, Dog and Pony Shows
Office
Picnic Area
Parking lot
Public Toilet

5.32.2 Site Development Regulations

Minimum Lot Area	1000 m ²	(10764 ft ²)
Minimum Frontage	30 m	(98.4 ft)
Maximum Coverage	40%	
Minimum Setbacks:		
<i>Front yard</i>	6 m	(19.7 ft)
<i>Rear yard</i>	9 m	(29.5 ft)
<i>Side yard</i>	1.5 m	(4.9 ft)
Maximum Height, Principal Building	8 m	(26.2 ft)

Bylaw 4832

M3 – HEAVY INDUSTRY

5.29 The purpose of this *zone* is to establish and maintain areas for heavy industrial and *manufacturing* activities.

5.29.1 Permitted usesPrincipal Uses**All uses permitted in the M2 zone**

Boiler and plate work
 Fabricated metal products
 Fish, meat and *poultry* products industry
Junk yard
 Paper and allied *manufacturing* industry
 Primary metal industry
 Ready-mix concrete
 Sawmill
 Shipbuilding, boatbuilding and repair
 Storage

Accessory Uses

Caretaker's *dwelling* unit, subject to
 Section 6.16
 Display, storage, and *retail* sales of goods
 produced on the premises
Office

5.29.2 Site Development Regulations

Minimum <i>Lot Area</i>	1000 m ²	(10,764 ft ²)
Minimum <i>Frontage</i>	30 m	(98.4 ft)
Maximum <i>Coverage</i>	60%	
Minimum <i>Setbacks</i> :		
<i>Front yard</i>	6 m	(19.7 ft)
<i>Rear yard</i>	3 m	(9.8 ft)
<i>Side yard</i> (total)	6 m	(19.7 ft)
(Permitted on one side)	0 m	

5.29.3 Conditions of Use

- (a) Any area of a *lot used* as, or intended to be *used* as, an outside storage area that is adjacent to a R, RR, or RM *zone* shall be separated by a solid screen at least 2.5 m (8.2 ft) in height from the properties in that *zone*. No material shall be piled so as to be higher than such *screening* within 15 m (50 ft) of the *lot* line.
- (b) Open storage shall not be permitted in a required *front yard*.
- (c) Any portion of a *lot* in the M3 *zone* which abuts the Alberni Inlet waterfront is exempt from the yard *setback* provisions.

Bylaw 4832

M4 – UTILITIES

5.30 The purpose of this zone is to establish, maintain and regulate areas directly related to the operation of a railway, railway yard, high voltage transmission utility tower corridor, gas mains and related stations, reservoirs, water and sewer pumpstations and other utilities works, whether or not publicly owned.

5.30.1 Permitted usesPrincipal UsesAccessory Uses

Electric power stations and installations
 Natural gas sub-station
 Parking of equipment
 Railway lines and stations
 Sewer pumpstations, chambers,
 treatment facilities and related
 equipment
 Telegraph and cable systems
 Telephone exchanges
 Transmission lines and sub-stations
 Utility storage
 Waste disposal facility
 Water reservoir, pump station, valve
 station and related equipment
 Works yard

5.30.2 Site Development Regulations

Maximum Coverage	90%	
Minimum Setbacks:		
Front yard	7 m	(22.9 ft)
Rear yard	3 m	(9.8 ft)
Side yard (total)	3 m	(9.8 ft)
Maximum Building Height	7.5 m	(25 ft)

5.30.3 Conditions of Use

- (a) Outdoor storage of mechanical equipment, natural gas substations, pump stations, valve stations and related equipment shall be screened by solid fencing or *landscaping* which obstructs the visibility of the utility installation.

Bylaw 4832

W1 – WATERFRONT COMMERCIAL

5.33 The purpose of this zone is to establish and maintain areas for commercial and *retail* operations, especially those serving marine-based or tourist-oriented activities.

5.33.1 Permitted usesPrincipal Uses

Boat rental operations
 Boat tour and charter operations
 Commercial mooring facilities
 Docks, Wharves, and Floats for the use of water taxis, ferries, float planes and amphibious vessels
 Fish product industry
 Marina
 Marine fuelling operations
 Marine-oriented clubs such as yacht clubs
 Microbrewery
 Nightclub, Cabaret, Bar and Pub
 Observation Tower
Public market
 Restaurant, excluding *drive-in or drive-through*
Retail

Accessory Uses

Loading facility
Office
 Permanent residence on one boat or vessel by one member or employee of any other use permitted within this zone for purposes of security and fire protection
 Private floats and wharves
 Storage
 Temporary boat storage
 Temporary or seasonal residence on a boat or vessel for commercial fishing purposes

5.33.2 Site Development Regulations

Maximum Height, Principal <i>Building</i>	8 m	(26.2 ft)
Maximum Number of Principal <i>Building Storeys</i>	2	

5.33.3 Conditions of Use

- (a) Notwithstanding the provisions of 5.33.1,
- (i) Temporary or seasonal boat residence is permitted, provided that the boat or vessel is wharfed at a location where the following on-shore facilities are provided, at a minimum, in separate rooms for females and males:
 - one water-closet;
 - one wash-basin; and
 - one bathtub or shower
 - (ii) Private Floats and Wharves are permitted only where necessary for practical access by boats to commercial enterprises primarily oriented to water uses and water traffic.

Bylaw 4832

W2 – WATERFRONT INDUSTRIAL

- 5.34 The purpose of this *zone* is to establish and maintain areas for accommodation of industries that are related to the fishing industry, marine transportation, *shipbuilding* and maintenance.

5.34.1 Permitted usesPrincipal Uses

Commercial mooring facilities
 Fish and seafood buying and packing stations
 Fish product industry
 Marine and water traffic oriented:

- Loading facility
- Storage
- Warehouse, and
- Works yard

Marine fuelling operations
 Office
 Shipbuilding, boatbuilding and repair

Accessory Uses

Loading facility
 Permanent residence on one boat or vessel by one member or employee of any other *use* permitted within this *zone* for purposes of security and fire protection
 Private floats and wharves
 Storage
 Temporary boat storage
 Temporary or seasonal residence on a boat or vessel for commercial fishing purposes

5.34.2 Site Development Regulations

Maximum Height, Principal Building	12.5 m	(41 ft)
Maximum Number of Principal Building Storeys	3	

5.34.3 Conditions of Use

- (a) Marine fuelling operations shall be located not less than 60 m (196.8 ft) from any R or RM *zone*.
- (b) Offices as a *principal use* shall be permitted only on the upper storeys of any waterfront industrial building. For clarity, offices as a *principal use* shall be permitted only on the second storey or higher in a waterfront industrial building.

104 FOREST RESERVE DISTRICT (A 4)

The intent of this district is to provide for the retention of forest and wildland. The primary uses allowed by this district are natural resource development and extraction, protecting the land from premature building development or subdivision fragmentation.

104.1 Uses Permitted

In considering applications for building permits, the Building Inspector shall pay due regard to the general purpose of this District, namely: to conserve the natural resources of the area for purposes of primary production and to prevent the wastage of land by premature or scattered subdivision and building activities.

- (1) Airfields, airports, enterprises engaged in Air Transport.
- (2) A single family dwelling, provided that where the area of a lot is 32 hectares [80 acres] or greater, not more than two such dwellings may be located on one lot. Such dwellings may be located on the same lot as any other use permitted in this district.
- (3) Farms and grazing of livestock
 - (a) Where a property is classified as farm land in accordance with the Taxation Act, the following accessory uses may be permitted provided they are demonstrated to be essential to the operation of a farm.
 - i) more than one single family dwelling
 - ii) temporary accommodation in the form of mobile homes or dormitory units for employees.When such uses cease to be essential to operation of the farm they shall be removed.
- (4) Harvesting, transportation, storage of forest resources, including log booming, dumping and storage grounds and the operation of primary processing such as portable sawmills for resources harvested from the property, but excluding other processing activities not directly related such as equipment repair depots.
 - (a) Where a property is being used for primary processing as a portable sawmill in accordance with the regulations of this by-law, the following accessory uses may be permitted provided they are essential to the operation.
 - i) temporary accommodation in the form of mobile homes or dormitory units for employees.When such uses cease to be essential to the operation they shall be removed.
- (5) Harvesting of wild crops, such as salal, ferns, moss, berries and tree seeds, or fishing and trapping.
- (6) Processing incidental to the operation of Mines, Quarries and other natural resource extraction industries.
- (7) Parks, playgrounds, campgrounds and buildings accessory to these uses, which are owned by public agencies.
- (8) Public services and utilities including buildings accessory to these uses: sewage disposal, utility storage, waste disposal grounds and similar uses.
- (9) Rights-of-way for railways, conduits and transmission lines.
- (10) Water resource development including intake, storage, and transmission conduits, and hydro-electric works.
- (11) Upland aquaculture (fish farming) including all activities incidental to such operations such as hatchery and nursery facilities, grow out ponds, storage and processing aquatic organisms cultivated, reared and harvested on the lots.
- (12) Foreshore and water-based aquaculture including hatchery and nursery facilities, grow-out ponds and pens, docks, storage, ancillary parking and employee accommodation, but excluding processing subject to Section 104.2(5) below.

133 HEAVY INDUSTRIAL DISTRICT (M 3)

This District provides for the accommodation of special types of industry and heavy industrial activities.

133.1 Uses Permitted:

- (1) Uses permitted in the Light Industrial District (M 2).
- (2) The following Manufacturing Industries:
 - (a) Fish Products Industry, Meal and Poultry Products Industries.
 - (b) Those Wood Industries not permitted in the Light Industrial District (M 2).
 - (c) Paper and Allied Industries.
 - (d) Primary Metal Industries.
 - (e) Boiler and Plate Works, Fabricated Structural Metal Industry.
 - (f) Non-Metallic Mineral Products Industries not permitted in the Light Industrial District (M 2).
 - (g) Petroleum and Coal Products Industries.
 - (h) Chemical and Chemical Products Industries, provided that where explosives are manufactured or stored, outside safety distance regulations pursuant to the Explosives Act shall be observed as though a place of public assembly were located adjacent to all lot lines.
 - (i) sand and gravel and other natural resource extraction and processing incidental to such, and similar operations.
- (3) Wholesalers of Scrap and Waste Materials, provided that autowrecking and junk yard shall be located 30.48 meters [100 feet] or more from the zoning boundary or an R or RM district and are completely enclosed by a solid view-obscuring 2.438 meter [8 foot] fence or wall. No material shall be piled to a greater height than that of the surrounding fence or wall.
- (4) Accessory buildings and uses, including display, storage and retail sales of goods produced on the premises.

133.2 Conditions of Use:

- (1) Nothing shall be done which is or will become an annoyance or nuisance to the surrounding areas by reason of unsightliness, the emission of odours, dust, liquid effluent, fumes, smoke, vibration, noise, glare, nor shall anything be done which creates or causes a health, fire or explosion hazard, electrical interference or undue traffic congestion.
- (2) Where a lot or any part thereof is used or intended to be used as an outside storage area, that portion of such storage area which fronts upon or adjoins a public street, a lot in an R or RM district or is separated by a lane therefrom, shall be screened and no material located within 15.39 meters [50 feet] of the screen shall be piled to extend above such screening.
- (3) Nothing shall be done which is not in accordance with the provisions of the Health Act.

134 INDUSTRIAL OPEN STORAGE DISTRICT (M 4)

This District provides for the accommodation of industrial storage and materials handling operations requiring extensive areas, little or no shelter, protection, retention works, or municipal services.

134.1 Uses Permitted:

- (1) Storage, of logs, lumber, chips, including facilities for the transfer of logs to and from the water, and for dry-land log sorting.
- (2) Storage of ore, concentrates, refined products.
- (3) Storage of gravel, sand, quarried material.

134.2 Conditions of Use:

- (1) Nothing shall be done which is or will become an annoyance or nuisance to the surrounding areas by reason of unsightliness, the emission of odours, dust, liquid effluent, fumes, smoke, vibration, noise, glare, nor shall anything be done which creates or causes a health, fire or explosion hazard, electrical interference or undue congestion.
- (2) Where a lot or any part thereof is used or intended to be used as an outside storage area, that portion of such storage area which fronts upon or adjoins a public street, a lot in an R or RM district or is separated by a lane therefrom, no material shall be located within 15.24 meters [50 feet] of the property line.

142 PARK AND PUBLIC USE DISTRICT (P 2)

This District provides for the location and development of administration, cultural, educational, governmental, recreational and other related services and facilities which serve the community.

142.1 Uses Permitted:

- (1) Assembly, cultural and recreational facilities, including armouries, art galleries, auditoriums, bowling greens, community centres, cultural centres (art, drama and music), curling rinks, gymnasiums, meeting halls, museums, public libraries, skating rinks and arenas, stadiums, swimming pools and tennis courts and historic sites
- (2) Fair grounds.
- (3) The following Health and Welfare Services, which may be operated privately:
 - (a) Clinic, operated by physicians in group practice
 - (b) Diagnostic and therapeutic Services
 - (c) Miscellaneous Health Services.
- (4) Hospitals, public.
- (5) Parking and boat mooring areas and facilities, as a principal use.
- (6) Post Office.
- (7) Public Administration and Defence, offices.
- (8) Public parks and playgrounds.
- (9) Public schools.
- (10) Public services and utilities including: electric power stations and installations, fire halls, police stations, pounds, sewage disposal facilities, telegraph and cable systems, telephone exchanges, utility storage, waste disposal, works yards and similar uses.
- (11) A dwelling or dwelling unit for a caretaker, watchman or other persons similarly employed, when considered to be essential to the operation of the facility.
- (12) Accessory buildings and uses.
- (13) Permanent and/or seasonal accommodation for employees of public parks, public schools and similar institutional uses.
- (14) One Single Family Dwelling per legal lot.
- (15) Campgrounds located on land owned by a public agency.

151 WATERFRONT CONSERVATION DISTRICT (W 1)

This District provides:

- i) for the protection and conservation of those portions of sea coast, lake shore, and river or creek banks that are considered to be best retained close to their natural state;
- ii) for the protection of aquatic lands and foreshore lands covered by water, either tidal or non-tidal by limiting uses legally permitted within/on such lands and related to or on the water surface.

151.1 Uses Permitted:

Uses permitted on those parts of this district located within an upland area:

- (1) Parks, playgrounds, campgrounds and recreational facilities operated by Municipal or other Governmental authorities only;
- (2) Yards accessory to residential use;
- (3) Passive and amenity open space and landscaping;

Uses permitted on those parts of this district located within an intertidal area:

- (4) Navigational aids;
- (5) Fisheries Management and Environmental Protection Activities;
- (6) Accessory riparian uses including private dock/wharf facilities for accessory residential use purposes only;
- (7) Marine transportation and Water Recreation Uses.

151.2 Conditions of Use:

- (1) "Natural Boundary" means the visible high water mark of any lake, river, stream or other body of water where the presence and action of the water are so common and usual, and so long continued in all ordinary years, as to mark on the soil of the bed of the body of water a character distinct from that of its banks, and vegetation, as well in the nature of the soil itself.
- (2) "Upland" means land located, or lying higher or above the natural boundary of a body of water.
- (3) Any camping use permitted within this district shall be limited to a maximum of five consecutive days per individual or per family unit in a tent, trailer or camper/recreation vehicle.

152 WATERFRONT RESIDENTIAL DISTRICT (W 2)

This District provides for restrictions and minimum standards governing areas where the surface of water is used for residential purposes and where on-shore facilities are provided relative to waterfront residential uses.

152.1 Uses Permitted:

- (1) Houseboats or float houses.
- (2) Temporary or seasonal residence on a boat or vessel.

152.2 Conditions of Use:

- (1) For each group of houseboats or float houses and for each location where boats or vessels are wharfed for temporary or seasonal residence the following on-shore facilities shall be provided as a minimum in separate rooms: for females - two water-closets, two wash basins, and one bathtub or shower; for males - one urinal and one water-closet and two wash-basins and one bathtub or shower.
- (4) Minimum mooring area for a house-boat or float house shall be 185.806 square meters [2,000 square feet].
- (3) Minimum distance between the sides or ends of adjacent houseboats or float houses shall be 3.048 meters [10 meters].
- (4) At least one side of each houseboat or float house shall abut open water at least 12.192 meters [40 feet] wide and open continuously to navigable waters.
- (5) For each houseboat or float house there shall be provided one off-street parking space within a distance of 182.88 meters [600 feet].
- (6) Each houseboat or float house shall be serviced by a sanitary sewer which shall be connected to a municipal sanitary sewer unless a permit for the installation of a septic tank on an adjoining land lot has been obtained from the Health Authority and such permit shall not be issued unless the topography, usable area for sewage control, and surface drainage of the lot will permit the satisfactory operation of a septic tank.

154 WATERFRONT COMMERCIAL DISTRICT (W 4)

This District provides for the accommodation of a broad range of commercial enterprises primarily oriented to water users and water traffic.

154.1 Uses Permitted:

- (1) Boat rental operations including temporary boat storage.
- (2) Restaurants and the like (excluding drive-in business).
- (3) Commercial mooring facilities or marinas.
- (4) Docks, wharves, and floats for the use of water taxis, ferries, float planes and amphibious vessels.
- (5) Marine fuelling operations provided that these shall be located not less than 60.96 meters [200 feet] from any residence or from any R or W 2 district.
- (6) Marine-oriented clubs such as yacht clubs.
- (7) Retail sale of live or fresh fish including shellfish.
- (8) Retail sale of fishing supplies, live or fresh bait, and other marine equipment.
- (9) Private floats and wharves necessary for practical access by boats to commercial enterprises primarily oriented to water uses and water traffic.
- (10) Dredging operations necessary for the construction, or maintenance of the above uses.
- (11) Permanent residence on one boat or vessel by one member or employee of a yacht club, or a proprietor or employee of any other use permitted within this District for purposes of security and fire protection.
- (12) Temporary or seasonal residence on a boat or vessel for commercial fishing purposes, provided that the vessel is wharfed at a location where the following on-shore facilities are provided as a minimum in separate rooms; one urinal and one water-closet and two wash-basins and one bathtub or shower.

154.2 Conditions of Use:

- (1) All structures and floats shall be set back at least 3.048 meters [10 feet] within the boundaries of a water lease or licence of occupation granted or approved by the Department of Lands, Forest and Water Resources.
- (2) Retail activities permitted in this District shall take place primarily within a building or structure.
- (3) No boatbuilding or commercial repair business shall be conducted in this District.
- (4) No boathouses or boat shelters shall be permitted in this zone; provided, however, that this restriction shall not be deemed to apply to floating boat shelters which in addition to complying with the foregoing provisions of this Section shall also conform to the following regulations:
 - (i) Where more than one floating boat shelter is permitted, all floating boat shelters shall be planned, erected, and constructed in groups of not less than 3 (nor more than 8) together and the component units of such groupings shall be a uniform length and height; provided further that a space of not less than 24.384 meters [80 feet] shall be maintained between the sides of a boat shelter groupings where there is a total of 9 or more floating boat shelters in line with each other;
 - (ii) No floating boat shelter shall exceed a maximum height of 4.876 meters [16 feet] above the surface of the water nor shall any boat shelter exceed a maximum length of 13.716 meters [45 feet].
 - (iii) All floating boat shelters shall be of permanent construction.

155 WATERFRONT INDUSTRIAL DISTRICT (W 5)

This District provides for the accommodation of industries that are related to the fishing industry, marine transportation, shipbuilding and maintenance.

155.1 Uses Permitted

- (1) Marine fuelling.
- (2) Mooring or wharfing of commercial vessels.
- (3) Repair and maintenance shops oriented to marine use and water traffic.
- (4) Shipbuilding, boatbuilding and repair.
- (5) Warehouses, works yards, storage and loading facilities oriented to marine use and water traffic.
- (6) Fish Products Industry, except reduction, oil extracting, or the processing or storage of offal.

155.2 Conditions of Use:

- (1) Nothing shall be done which is or will become an annoyance or nuisance to the surrounding areas by reason of unsightliness, the emission of odours, dust, liquid effluent, fumes, smoke, vibration, noise or glare, nor shall anything be done which creates or causes a health, fire or explosion hazard, electrical interference or undue traffic congestion.

**ALBERNI CLAYOQUOT REGIONAL DISTRICT
ZONING BYLAW EXCERPTS**

ADDENDUM 2-9

SCHEDULE NO. II - BULK AND SITE REGULATIONS (all measurements shown in imperial)

200 Subject to all other provisions of this By-law and to the provisions of Section 43 of the Highway Act, the following bulk regulations governing the maximum height of buildings, minimum lot area and width, maximum lot coverage and minimum front, side and rear yards shall apply except where in the absence of a public water supply and/or sewage disposal system, the parcel area requirements stipulated by the Medical Health Officer shall determine

BULK AND SITE REGULATIONS

Zoning District or Use	Minimum Lot Width (Feet)	Minimum Lot Area (Sq. Ft) (See Also Page 1)	Maximum Lot Coverage	Minimum Setbacks (Feet)			Maximum Height	
				Front	Rear	Side	Storeys	Feet
¹ **A 1	165	2 acres	-	25	30	5	2½	35
² **A 2	330	5 acres	-	50	30	15	2½	35
A 3	330	10 acres	-	50	30	15	2½	35
A 4	660	40 acres	-	50	30	15	2½	35
A 5	165	2 acres	-	25	30	15	2½	-
HS	90	1 SFD 1 acre 2 SFD's 2 acres	33%	25	30	15	2½	35
RAB S/F Dwellings Abattoirs	147.6	1 acre	25%	4049.2	3049.2	1549.2	2½ 1	-
GH	120	1 acre	25%	40	30	15	2½	35
MAC	328.08	2.47	-	32.8	32.8	32.8	1	32.8
A3-1	660	40 acres	-	50	30	15	2 ½	35
R 1	60	7200	33%	25	30	5*	2½	35
R 2 Single Family	50	6000	33%	25	30	5*	2½	35
R2 Two Family	66	7920	33%	25	30	5*	2½	35
RA 1	90	18000	25%	40	30	15	2½	35
RA 2	120	1 acre	25%	40	30	15	2½	35
³ RA 3	98.425	25834.23	15%	49.21	32.8	16.4	2½	32.8
RM 1	120	12000	40%	25	35	12	2	30
RM 2	75	9000	50%	20	30	15	3	40
RMH	200	2 acres	-	25	25	25	2	30
RVH	100	20000	10%	35	35	15	2	30
RC	90	0.5 acres	30%	40	30	15	2½	35
SC	N/A	see Section 110A.3	2%	49.2	49.2	32.8	2	24
BRC	90	0.5 acres	30%	40	30	15	2½	35
ARC	200	3 acres	10%	40	30	15	2½	35
C 1	50	6000	50%	20	20	5*	2	30
ROC	120	32000	5%	40	25	15	2½	35
C 2	50	6000	90%	0	10	0	3	40
C2A	50	26200	60%	20	20	20	-	30
C 3	100	10000	60%	0	10	0	2	30
C 4	100	10000	40%	30	20	20	2	30
C 6	120	15000	-	20	20	15	2	30
C 7	200	2 acres	-	25	30	15	2	40
C 8	200	2 acres	-	25	30	15	2	30
C8A	85	2 acres	-	25	30	15	-	-
C 9	120	15000	-	20	20	15	2	30
CW	120	1 acre	-	25	30	15	1	24
C 10	100	10000	40%	30	20	20	2	30
LOR	200	2 acres	-	25	30	15	-	-
M 1	100	10000	50%	20	10	Total of both side yds. not less than 20 ft.	3	40
M 2	100	10000	60%	10	10		3	40
M2A	100	10000	60%	10	10		3	40
M 3	100	10000	60%	10	10		-	-
M 4	100	1 acre	-	20	20	20	-	-
M 5	164.04	.62 acres	40%	33	33	33	1	24
M 6	100	10000	60%	10	10	Total of both side yards not less than 20 ft.	3	40

**ALBERNI CLAYOQUOT REGIONAL DISTRICT
ZONING BYLAW EXCERPTS**

ADDENDUM 2-10

WD 2	328.08	4.94 acres	-	40	30	15	2 ½	35
				Additional setback of 60m for Waste Disposal Grounds				
M 7	328	5 acres	50%	49.2	49.2	49.2	2 ½	35
M 8	164	5 acres	80%	49.2	49.2	49.2	1	24.6
M 8 Caretaker Accommodation				24.6	24.6	24.6	2 ½	35
P 1	100	12000	40%	25	30	20	2	30
		Minimum side yard setback for single family dwellings (in P1)					15	
P 2	50	6000	40%	20	30	5	3	40
W 1	-	-	-	-	-	-	-	-
W 2	-	-	-	-	-	-	1	12
W 4	-	-	-	-	-	-	2	25
SW 1	100	20000	40%	25	15	15	2	35
SW 2	100	20000	60%	25	15	15	2	35
SW-2A	100	See Section 135B.3	60%	25	15	15	-	35
W 5	-	-	-	-	-	-	3	40
W 6	-	-	-	-	-	-	2	30
MAR1	0	0	0%	10	10	10		12
WF1	0	0	0%	0	0	0		12 Max. Length: 25
WF2	0	0	0%	0	0	0		12 Max. Length 25
MAR2	0	0	0	10	10	10		12
CR CD	120	see section 162.5	20%	16.4	16.4	16.4	2	29.5
CD L364	150	2.5 acres	5%	50	30	15	-	30
CRCD1	330	5 acres	5%	50	30	15	-	35
WC	165	2.6 acres	15%	25	30	15	-	35

1: Ancillary Lot Area Requirements may apply refer to Section 101.2

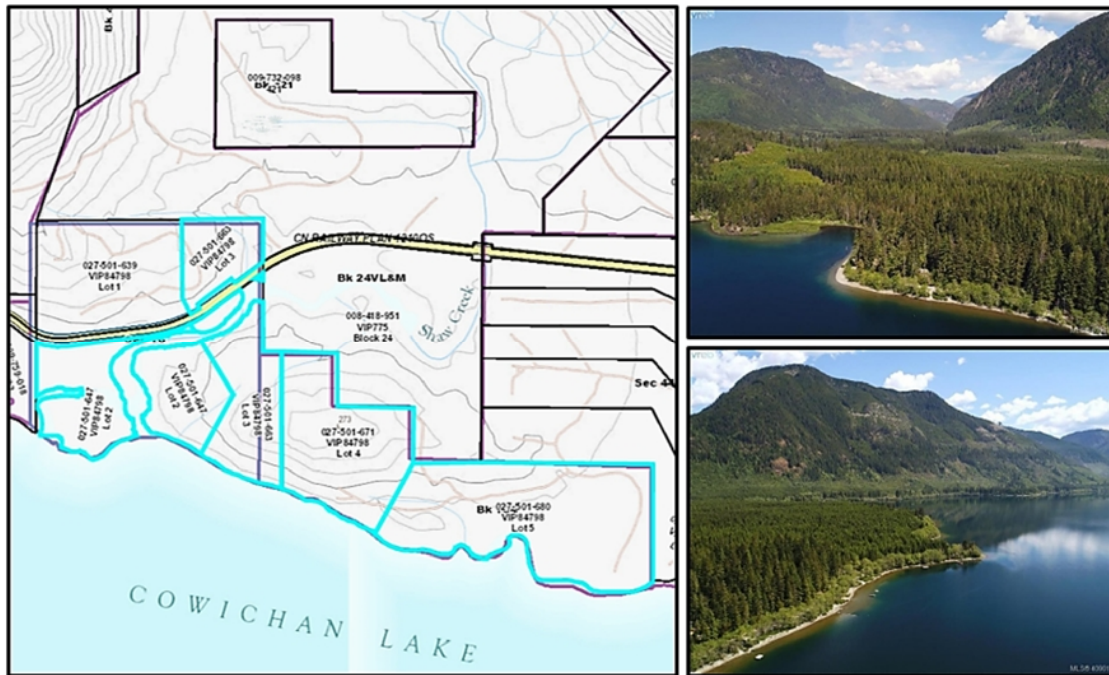
2: Ancillary Lot Area Requirements may apply refer to Section 102.2

3: Ancillary Lot Area Requirements may apply refer to Section 120.3

* See also additional yard regulations for this zoning district, contained in Schedule I.

** Provided that where a flanking road up to 33 feet wide is established from the parcel, minimum width and area may be reduced by the width and area established as road allowance. Only one such road allowance from a lot in the A 1 district and two from a lot in the A 2 district will so qualify.

1. Lots 2-5, Youbou Road, Lake Cowichan, BC



Legal Description: Lot 2, Section 16, Renfrew District, Plan VIP84798 (See Plan as to Limited Access) (PID: 027-501-647); Lot 3, Block 134, Cowichan Lake District, and Section 16, Renfrew District, Plan VIP84798 (See Plan as to Limited Access) (PID: 027-501-633); Lots 4 & 5, Block 134, Cowichan Lake District, Plan VIP84798 (See Plan as to Limited Access) (PID: 027-501-671 & 027-501-680)

Instrument Number: CA8176338 / CA8176339 / CA8176340 / CA8176342

Sale Price: \$3,500,079

Sale Date: May 2020

Land Area: 92.90 ha (229.56 acres)

SP/ha (incl. timber): \$37,676 (\$15,247 per acre)

Days on Market: ±290

Remarks: Four vacant, F-1 (Forestry) zoned lakefront properties located on the north side of Lake Cowichan within the Cowichan Valley Regional District. The properties feature extensive lake frontage Lots 2 and 3 having frontage to Youbou Road. Shaw Creek flows through Lots 2 and 3. Municipal services are not available in the area.

Sections of the sites have been logged and replanted, although there are still substantial timber resources, with the net timber value estimated at the time of sale at \$1,578,000.

The vendors were a collection of investors under a single holding company who maintained private campsites throughout the property along the lakefront. The purchaser operates logging companies in the region and intends on pursuing selective logging while keeping the lakefront and riverfront sections undisturbed for campground use.

2. 1246 Industrial Way, Parksville, BC

Legal Description: Lot 7, District Lot 40, Nanoose District, Plan VIP60816, Except That Part in Plan VIP64340, (PID: 023-034-947)

Instrument Number: CA7738302

Sale Date: September 2019

Sale Price: \$1,500,000

Land Area: 3.88 ha (9.60 acres)

SP/ha: \$386,598 (\$156,250 per acre)

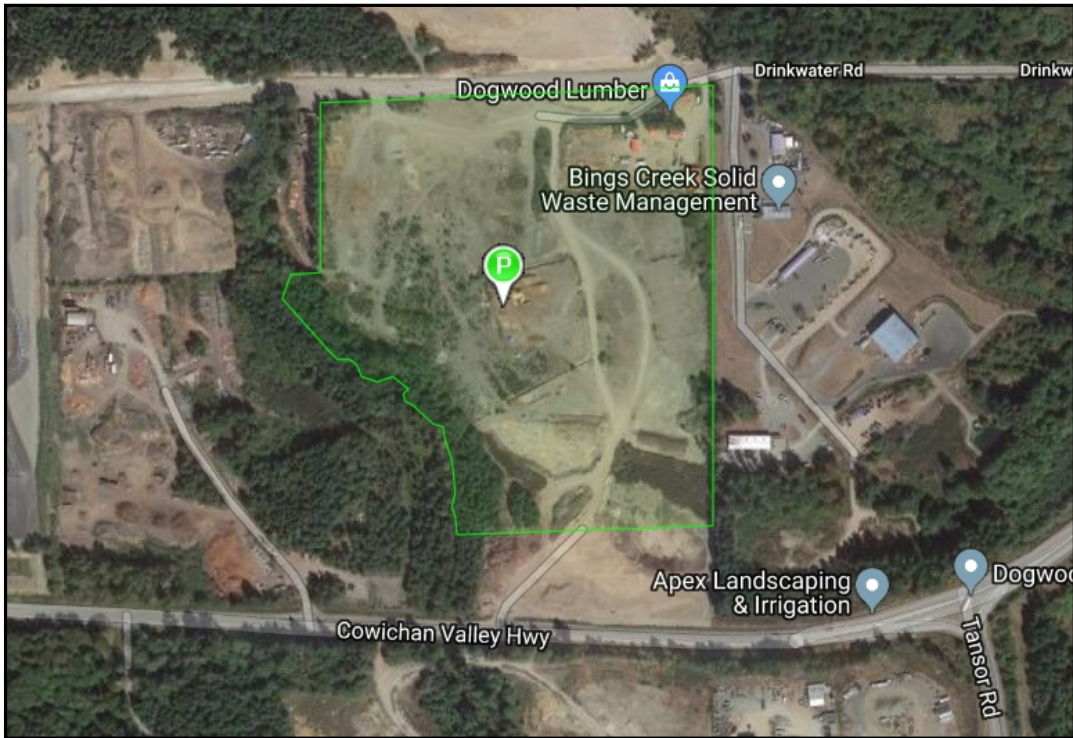
Days on Market: 60 (See Comments)

Remarks: A vacant, I-1 (Industrial) zoned property located at the developed end of Industrial Way, with frontage to Island Highway 19a in the Parksville Industrial Park, approximately 4 km east of the downtown core. Highway access is strictly controlled and is likely limited to/from Industrial Way. The property is treed and contains fairly level terrain throughout the western and central parts, except for within the southeast sector which is moderately downward sloping toward the north. Municipal water is immediately available at the end of Industrial Way; however, the closest sewer connection is developed approximately 500 metres northwest.

The I-1 permits a broad range of uses; intended to provide land for a diversity of light and medium industry uses. The minimum lot size requirement varies depending on the use, with the predominant range being 2,000 to 4,000 m² (21,527 to 43,055 sf). Development is limited to a maximum site coverage / floor area ratio of 60%.

This property was listed for sale through VIREB in April 2019 for \$1,790,000 before selling as detailed above. There is, however, a long prior listing history, dating to November 2016 starting at \$2,120,000, with the list price reduced to \$1,920,000 in September 2017, before expiring in May 2018 after 546 DOM. It was subsequently relisted for \$1,920,000 in October 2018, before expiring after an additional 92 DOM. The previous sale of this property was in March 2007 for \$1,200,000 (Instrument No. CA405313).

3. 3910 Drinkwater Road, Duncan, BC



Legal Description: Lot B, Section 3, Range 1, Somenos District, Plan VIP71599
Except Plan EPP48427, (PID: 024-907-936)

Instrument Number: CA7332681

Sale Date: February 2019

Sale Price: \$2,800,000

Land Area: 10.67 ha (26.37 acres)

SP/ha: \$262,418 (\$106,181 per acre)

Days on Market: 43

Remarks: An improved, I-2 (Industrial Heavy) zoned property located north west of Duncan, nearby the Vancouver Island Motorsport Circuit. Jurisdiction is within the Municipality of North Cowichan. Access is via the developed end of Drinkwater Road off the Cowichan Valley Highway. A municipal water line is located along Drinkwater Road; however, installation was to supply the Vancouver Island Motorsport Circuit located to the west. It would not provide sufficient pressure flows to this property. Sewer service is not available. The site is fairly level and predominantly cleared.

A broad range of heavy industrial uses, including the uses of the I-1 (Industrial Light) zone, are permitted, as well as subdivision to minimum lot sizes of 1.60 ha (3.95 acres).

At the time of sale, approximately 1.6 ha (4.0 acres) was tenanted, and improved with a number of low-cost wood frame shelters that were judged to be of no contributory value to the property.

This property was listed for sale through VIREB in November 2018 for \$2,990,000 before selling as detailed above. The previous sale of this property was in January 2017 for \$1,150,000 (Instrument No. CA5778484).

4. 4000 Stamp Avenue, Port Alberni, BC

Legal Description: Lots 1, 2, and 3, District Lot 1, Alberni District and Part of the Bed of the Public Harbour of Alberni, Plan EPP84367, (PID: 030-612-632, 030-612-641, 030-612-659)

Instrument Number: CA7196289, CA7196290, CA7196291

Sale Price: \$5,600,000

Sale Date: November 2018

Land Area: 12.31 ha (30.41 acres)

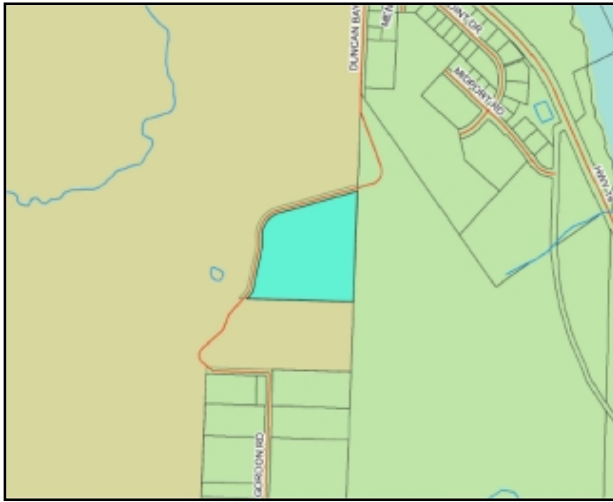
SP/ha: \$454,915 (\$184,150 per acre)

Days on Market: Private Sale

Remarks: An improved, M3 (Heavy Industry) zoned property located at the corner of Roger Street and Stamp Avenue near the downtown core. The site is comprised of three parcels subdivided from the larger Catalyst Paper Mill located fronting the Somass River. The lands are entirely level and predominantly cleared. Full public and private utilities are available.

Improvements comprise a Class 'A', 2-storey, 1,245 m² (13,400 sf) office building, and a good quality, steel-frame, 803 m² (8,640 sf) + 89 m² (960 sf) mezzanine industrial workshop, both dating to 1995. The property is additionally improved with two older (circa-1970s/80s) storage warehouses measuring 372 and 1,635 m² (4,000 and 17,600 sf) and a 56 m² (600 sf) storage garage. A section of the larger warehouse was contaminated by mould and required remediation. Total building area is 4,199 m² (45,200 sf) with the property developed to site coverage of 4.0%. Additional site improvements comprise ±6,500 m² (70,000 sf) asphalt-paved yard, ±4,800 m² (52,000 sf) asphalt-paved parking lot, ±3,000 m² (32,000 sf) asphalt-paved helicopter pad, perimeter chain link fencing, and yard lighting.

The purchaser was San Industries Inc. from Catalyst with the intention of developing the lands with a remanufacturing mill for use in conjunction with sawmill operations off-site.

5. 5301 Duncan Bay Road, Campbell River, BC

Legal Description: Lot A, District Lot 130, Sayward District, Plan 34490, (PID: 000-291-706)
Instrument No. CA6999756
Sale Price: \$965,000
Sale Date: August 2018
Land Area: 9.11 ha (22.50 acres)
SP/ha: \$105,928 (\$42,888 per acre)
Days on Market: Unknown (See Comments)

Remarks: An improved, I-2 (Industrial 2) zoned site located on Duncan Bay Road, in the Middle Point industrial area north of Campbell River. Municipal water service is immediately available but there is no sewer. This is a level to gently sloping site with approximately 560 m (1,840 ft.) of frontage on Duncan Bay Road.

At the time of sale, the property had been approximately 65-75% cleared and levelled, with improvements comprising an Atco (office) trailer and perimeter chain link fencing. The property had been utilized as a pole peeling plant and yard (pole peeling building removed).

Prior to this sale, the property had been listed for sale through VIREB at \$995,000 for a total of 308 days beginning in June 2017 and expiring in April 2018. Previous sales of this property occurred in December 2016 for \$950,000 (Instrument No. CA5730419) and August 2011 for \$825,000 (CA2166457). The December 2016 sale was registered by BC Assessment as non-arm's length.

6. 1980 Schoolhouse Road, Nanaimo, BC



Legal Description: Lot A, Section 13, Range 7, Cranberry District, Plan VIP83828, (PID: 027-231-232)
 Instrument Number: CA6748800
 Sale Price: \$2,900,000
 Sale Date: April 2018
 Land Area: 5.22 ha (12.896 acres)
 SP/ha: \$555,556 (\$224,876 per acre)
 Days on Market: Private Sale

Remarks: A vacant, CD33 (Schoolhouse and Harold Roads Light Industrial Comprehensive Development) zoned property located at the corner of Harold Road and Schoolhouse Road, approximately 7 km south of the City of Nanaimo. Jurisdiction is within the Regional District of Nanaimo. Schoolhouse Road is a frontage road to the Trans-Canada Highway, with controlled access via Morden Road nearby. Municipal services are not available in the area.

The parcel is partly cleared and partially treed, but generally remaining in an undeveloped state. A seasonal watercourse traverses the lands diagonally from north to southeast, reducing the developable area of the land to approximately 3.85 ha (9.51 acres), and resulting in an effective SP/ha of \$753,247 (\$304,942 per acre) for the developable land.

The CD33 zone permits a variety of uses including light industrial (including wholesale, warehousing, testing, service, repair or maintenance, substance, fabric or compound, artisan & manufacturing shop), manufacturing use, residential use and mini-storage. Further subdivision is not permitted.

7. Confidential Location, Campbell River, BC

Sale Price: Confidential
Sale Date: December 2017
Land Area: ± 5.0 ha (12.5 acres) plus
± 2.5 ha (6.5 acres) water lot
SP/ha: ±\$33,200 (\$82,000 per acre) (including leased foreshore)
[estimated land residual]
Days on Market: Private Sale

Remarks: An improved, industrial zoned, waterfront property located in the Campbell River area. Municipal water service is available but no sewer. The property has been cleared and graded into multiple tiers for industrial use, with the foreshore additionally developed with ± 3,000 m² (0.75 acre) of fill for marine use.

Improvements include multiple warehouse and storage structures and ancillary site improvements including storage compounds and foreshore improvements. Various pieces of machinery and equipment associated with the use were included in the sale.

This was a private share sale.

8. Middle Bay – Island Highway, Campbell River, BC



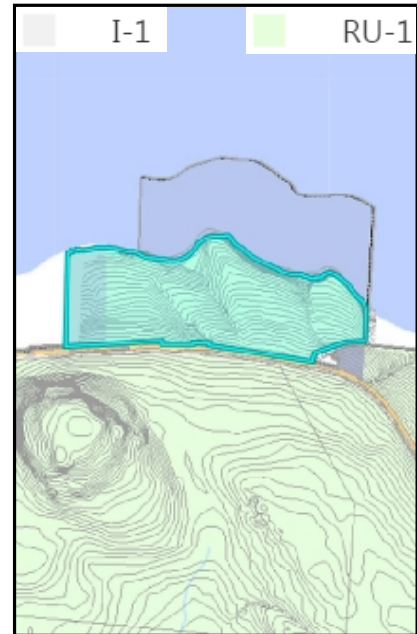
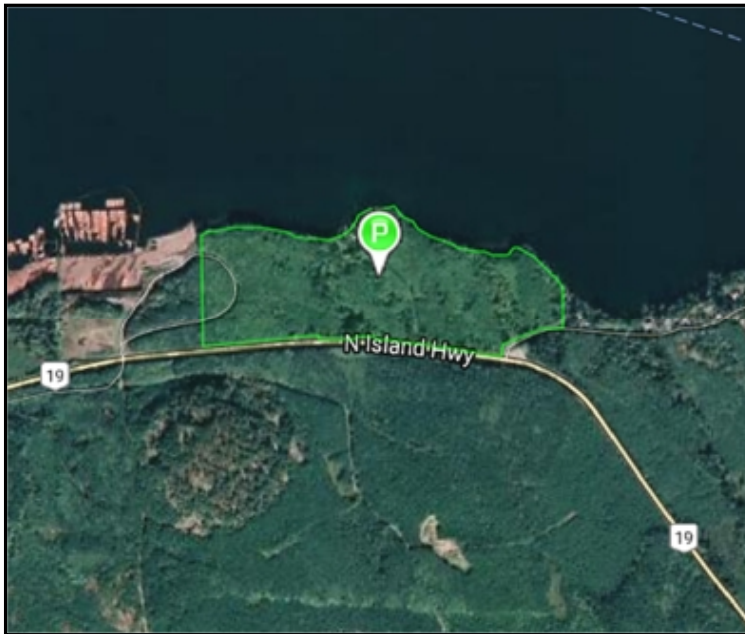
Legal Description: Lot B, District Lot 15, Sayward District, Plan VIP80467, Except Those Parts in Plan VIP75636, (PID: 026-628-589)
 Instrument Number: CA6341440
 Sale Price: \$2,150,000
 Sale Date: October 2017
 Land Area: 15.10 ha (37.312 acres)
 SP/ha: \$142,384 (\$57,622 per acre)
 Days on Market: Private Sale (See Comments)

Remarks: A vacant, I-2 (Industrial 2) zoned, waterfront parcel located in the Middle Point Industrial Area approximately 10 km north of Campbell River. Municipal water is available in the area but is not immediately developed to the property.

The site is moderately sloping toward the waterfront. The site is entirely treed (replanted). A water-lot lease is not in place. Ocean frontage is ±590 metres (1,950 ft).

This was a private sale. The purchaser was Grieg Seafood BC Ltd. from Merrill & Ring Properties Inc., the original developer of this industrial subdivision. Date of negotiation is unknown. There is a long listing history associated with the property dating from October 2002 to December 2012, starting at \$2,981,250 and ending at \$2,965,000.

9. 6805 Island Highway, Campbell River, BC



Legal Description: Lot 1, District Lot 29, Sayward District, Plan VIP71671, Except Part in Plan VIP74790 and VIP75186 (PID: 024-937-771)

Instrument Number CA6185494

Sale Price: \$1,290,000

Sale Date: July 2017

Land Area: 40.63 ha (100.39 acres)

SP/ha: \$31,750 (\$12,850 per acre)

Days on Market: Private Sale

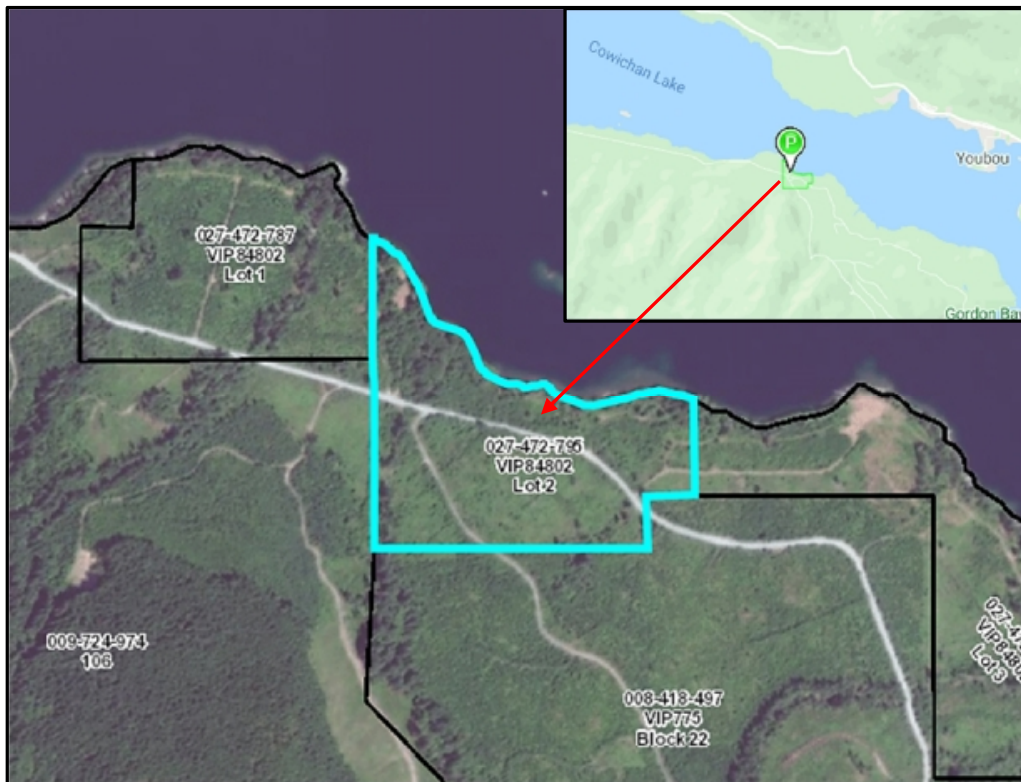
Remarks: A vacant, split-zoned RU-1 (Rural One) and I-2 (Industrial Two) zoned acreage located fronting Island Highway 19, approximately 15 km north of Campbell River. Jurisdiction is within the City of Campbell River. Municipal services are not available in the area.

The property is downward sloping topography from the highway, and based on review of aerial mapping, appears to have been logged in the recent past. Remaining net timber value (if any) is not known.

The west side of the property, estimated to comprise approximately 5.75 ha (14 acres), is zoned I-2. Zoning permits subdivision to minimum lot sizes of 2,000 to 5,000 m² (0.49 to 1.24 acres); however, this is subject to the provision of adequate water and sewer utilities. The RU-1 zone permits subdivision to minimum lot sizes of 32.0 ha (79.1 acres).

This was a private sale.

10. 11280 South Shore Road, Lake Cowichan, BC



Legal Description: Lot 2, Block 13, Cowichan Lake District, Plan VIP84802 (See Plan as to Limited Access) (PID: 027-472-795)

Instrument Number: CA5979860

Sale Price: \$980,000

Sale Date: May 2017

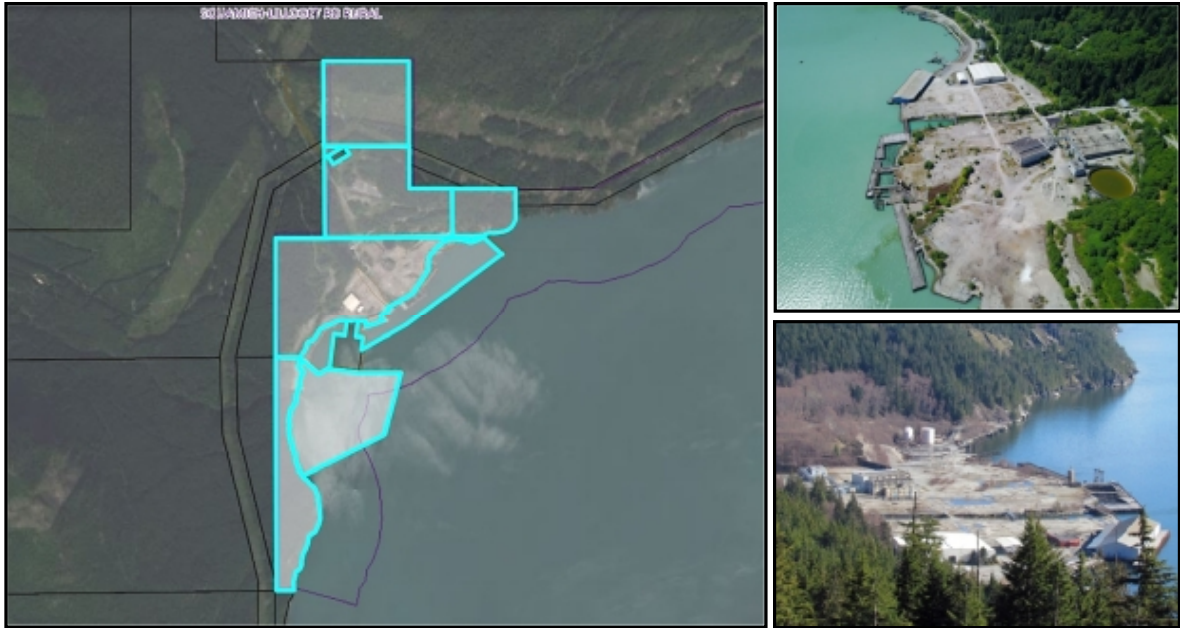
Land Area: 21.501 ha (53.13 acres)

SP/ha: \$45,579 (\$18,445 per acre)

Days on Market: Private Sale

Remarks: A vacant, F-1 (Forest Resource 1) zoned property located on the south side of Cowichan Lake, approximately 8 to 9 km west of Honeymoon Bay. Jurisdiction is within the Cowichan Valley Regional District. Municipal services are not available in the area. Access is by gravel road past Gordon Bay Park. The property is gently sloping toward the lake front and had been recently logged prior to sale.

The F-1 zone permits principal uses such as agriculture, silver-culture and single-family dwelling, while also permitting accessory uses such as accessory buildings, bed & breakfast accommodations, home based businesses and secondary dwelling units/suites.

11. Woodfibre Pulp Mill, Squamish, BC

Legal Description: District Lot 6237, Group 1, New Westminster District, (PID: 015-791-611); District Lot 5899, Group 1, New Westminster District, Except Part in Reference Plan 5283, (PID: 015-822-061); District Lot 2802, Group 1, New Westminster District, (PID: 015-895-963); District Lot 2351, Group 1, New Westminster District, (PID: 015-910-717); District Lot 6232, Group 1, New Westminster District, (PID: 015-791-459)

Instrument Number: CA4222534-CA4222538

Sale Price: \$21,771,300

Sale Date: February 2015

Land Area: 86.2 ha (213 acres)
42.9 ha (106 acres) leased water lots (Districts Lots 5095 & 7286)

SP/ha: \$168,639 (\$68,249 per acre) (including leased foreshore)

Days on Market: Unknown

Remarks: This is the former Woodfibre pulp mill located at the head of Howe Sound, southwest of Squamish. Zoning is General Industrial (I-3), with the property containing $\pm 2,591$ m ($\pm 8,500$ feet) of waterfront. The property includes a deep-water dock and self-sufficient hydro dam generating power. There is natural gas to the site.

The pulp mill was originally developed in 1912 and closed in 2006. Improvements include a ferry dock, materials dock, rail car dock, office, warehouse and first aid buildings, and other purpose-built pulp mill buildings. The buildings are considered to have limited value.

In January 2013, Woodfibre LNG signed a conditional purchase agreement with Western Forest Products to acquire the Woodfibre property for \$25.5 million. As a Condition of purchase, Western Forest Products was responsible for cleaning up the site and obtaining a Certificate of Compliance from the Ministry of Environment. The net proceeds from the sale were expected to be \$17 million.

12. Nanaimo Shipyard – 1020 - 1110 Stewart Avenue, Nanaimo, BC



Legal Description: Block 33, Lot 96-B, Nanaimo District, Plan 2039 Except the Northerly 31.9 Feet Thereof (PID: 001-523-589); The Northerly 31.9 Feet of Block 33, Lot 96-B, Nanaimo District, Plan 2039 (PID: 001-523-601); Parcel "A" (DD 9808-N), Lot 96-B, Section 1, Newcastle Reserve, Nanaimo District (PID: 001-523-180); Lot 1, Block 84, Newcastle Townsite, Section 1, Nanaimo District, Plan 366 Except Part in Plan VIP62324 (PID: 001-523-139); Lot 2, Block 84, Newcastle Townsite, Section 1, Nanaimo District, Plan 366, Including Therein Portion of Said Lot 2, Now also Known as Block 40, Lot 96-B, Plan 2039 (PID: 001-523-163); Lot A, Newcastle Townsite, Section 1, Nanaimo District, Plan VIP62324 (PID: 023-307-731); Lot B, Newcastle Townsite, Section 1, Nanaimo District, Plan VIP62324 (PID: 023-307-765); Lot C, Newcastle Townsite, Section 1, Nanaimo District, Plan VIP62324 (PID: 023-307-773); Foreshore Lease Lease/Permit/Licence #FL077, Nanaimo Port Authority Lease for Shipyard Fronting Lots A, B & C, Plan VIP62324; Lots 1 & 2, Plan 366; Parcel A (DD9808N) of Lot 96B; Block 33, Plan 2039; and Block 40, Plan 2039

Instrument Number: CA3584205, CA3584242, CA3584241, CA3584255, CA3584256, CA358428, CA3584286 & CA3584287

Sale Price: \$2,600,000 (Fee Simple & Leasehold interest confirmed purchaser)

Sale Date: February 2014

Land Area: 0.601 ha (1.486 acres) Upland (Fee Simple)
0.579 ha (1.431 acres) Filled Foreshore (Leased from NPA)
2.036 ha (5.031 acres) Water Lot (Leased from NPA)

SP/ha: \$808,458 (\$327,126 per acre) (Including leased foreshore)

Days on Market: 261

Remarks: The Nanaimo Shipyard is located in downtown Nanaimo along the waterfront fronting Stewart Avenue. This property comprises 8 fee simple titles and a

foreshore lease with the Nanaimo Port Authority #FL077. The property is zoned Harbour Waterfront (W2) and has access to full municipal services.

The eight upland fee simple parcels total 0.601 ha (1.486 acres), with the leased foreshore comprising 0.579 ha (1.431 acres) filled, and 2.036 ha (5.031 acre) submerged. The site has historically been utilized as a shipyard, resulting in site contamination. The purchaser reports that the remediation costs are approximately \$1,000,000.

On the date of sale, the upland, filled foreshore and water lot were improved with a 217 m² (2,340 sf) retail sales building, 161 m² (1,730 sf) office building, 882 m² (9,492 sf) shipyard repair shop building, and deteriorating moorage improvements. All of these improvements were in poor condition and the purchaser's plan is remove all of these structures in favour of a new phased, mixed use and float home, marina development. The purchaser allocated no value to any of the existing improvements and purchased the property for comprehensive redevelopment.

The property was a court order sale. The property was purchased by Harbour Homes Marina Inc. The purchaser reports that they paid \$2,600,000 for the fee simple and leasehold interests in this property. In addition to the purchase price, the purchaser incurred approximately \$100,000 in closing costs during the due diligence period and is required by the Nanaimo Port Authority to remediate the entire site at a cost of approximately \$1,000,000; therefore, the effective acquisition price was \$3,700,000 or \$1,150,498 per ha (\$465,526 per acre) (including leased foreshore).

13. 2019/2029 Kaltasin Road, Sooke, BC

Legal Description: Lots 2 & 3, Block 5, Section 7, Sooke District, Plan 2434, (PIDs: 000-535-761 & 006-446-612); and Block A, District Lot 165, Sooke District & a Leasehold Interest in Lease/Permit/Licence # 103454, 1.056 ha for a Boat Basin, Mooring Floats and Marine Purposes

Instrument Numbers: CA3610061 / CA3610062

Sale Price: \$1,500,000

Sale Date: February 2014

Land Area: 1.75 ha (4.33 acres)

1.06 ha (2.61 acres) water lot

SP/ha: \$533,808 (\$216,138 per acre) (including leased foreshore)

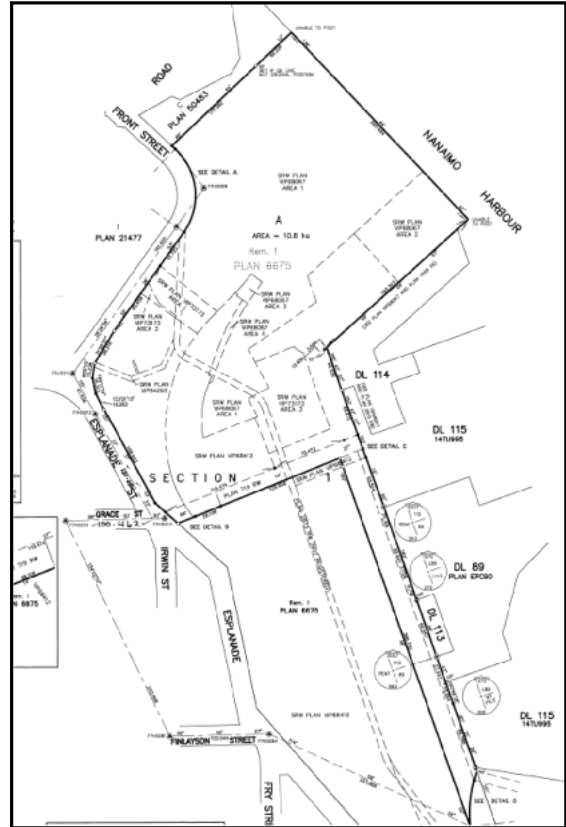
Days on Market: 346

Remarks: An improved, M4 (Aquatic Industrial) zoned acreage fronting the east side of Kaltasin Road and fronting onto Sooke Basin on the east side of Billings Spit, a short distance east of the Sooke town centre. The property is comprised of two legal lots and a 1.06 ha (2.61 acres) foreshore lease with docks. This is a sheltered harbour location with breakwater.

At the time of sale, the property was improved with office, service and warehouse structures in various states of repair. Value is mainly in the land and the property sold "as is". No financial information was available.

This property was listed for sale on the VREB MLS in March 2013 at an asking price of \$2,177,100 (MLS# 320816) and sold as detailed above after 346 days on the market.

14. 1 Port Drive, Nanaimo, BC



Legal Description: Lot A, Section 1, and part of the Bed of the Public Harbour of Nanaimo, Nanaimo District, Plan EPP27507, (PID: 029-036-500)

Instrument Number: CA3049626
 Sale Price: \$3,400,000
 Sale Date: March 2013
 Land Area: 10.8 ha (26.69 acres)
 SP/ha: \$314,815 (\$127,389 per acre)
 Days on Market: Private Broker Sale (Colliers International)

Remarks: The "Wellcox Railyard Lands" are located in the downtown core on Front Street, Esplanade Street, and the Nanaimo Harbour. Full public and private utilities are available. The property is comprised of approximately 8.15 ha (20.14 acres) of fee simple, upland/filled foreshore and approximately 2.65 ha (6.55 acres) of fee simple submerged land. The property is split zoned, with the majority of the upland/filled foreshore being zoned CS3 (Community Service Three) and the balance zoned W2 (Harbour Waterfront). The OCP designates the upland/filled foreshore as Urban Node and the water as Waterfront, which provides for a wide range of potential development options, including subdivision.

The property is encumbered by numerous rights-of-way with various industrial improvements owned by the right-of-way holders. Statutory rights-of-way held by of Seaspam, Island Corridor Foundation, Nanaimo Port Authority, and the Regional District of Nanaimo, total 8.69 ha (21.47 acres), or 80.4% of the land.

The purchaser was the City of Nanaimo from the Canadian Pacific Railway Company, with the intent of facilitating access and future development of the harbour front lands to the highest and best use; recognizing that a 'buy-out' of the various ROW interests would be required. The City inherited the liability for existing site contaminants and the derelict wood trestle bridge that was in need of either replacement or removal. An environmental consultation report had estimated a risk management plan at a cost of approximately \$1,500,000 would be required for future development, and a local engineering firm estimated that the cost to remove the trestle bridge at approximately \$500,000. Therefore, the effective purchase price, including liability for the entire property, was approximately \$5,400,000, \$500,000 per ha (\$202,323 per acre).

15. 850 Jackson Road, Nanaimo, BC

Legal Description: Lot 14, Section 4, Range 8 and Section 9, and District Lots 370 and 429, Nanaimo District, Plan VIP63717, (PID: 023-493-305)
 Instrument Number: CA2734510
 Sale Price: \$6,500,000
 Sale Date: August 2012
 Land Area: 6.89 ha (17.02 acres)
 1.65 ha (4.08 acres) water lot
 SP/ha: \$761,124 (\$308,057 per acre) (including leased foreshore)
 Days on Market: Private Sale

Remarks: An improved, I-4 (Heavy Industrial) zoned waterfront parcel located in the Duke Point Industrial Park. The site is level and fully serviced, providing ± 231 m (± 758 ft.) of linear frontage along Jackson Road and ± 135.3 m (444 ft.) of ocean frontage with deep water moorage capability along Northumberland Channel. The property holds a 30-year license from the Province of BC to occupy the foreshore (District Lot 2025), expiring in 2035.

Improvements comprise a barge loading facility, internal roadway, and site paving. The estimated contributory value of the barge loading facility, internal roadworks, and site paving is \$1,500,000, resulting in an estimated sale price to the vacant land of \$5,000,000, or \$585,480 per ha (\$236,967 per acre).

The purchaser was Seaspan under Duke Point Property Company LLC from New Concrete Concept Inc.