



**2013 COMMUNITY EXCELLENCE AWARDS
Category Worksheet**

PARTNERSHIPS

Name of Local Government: District of Stewart

Project/Program Title: Stewart World Port Phase 1

Project Summary Paragraph

The intent of the project is to create a world class port facility at the Port of Stewart capable of handling import and export of a variety of goods packed in multi-modal forms (bulk goods, packaged, RORO, machinery and equipment) through a partnership with the private sector.

Project Analysis

1. OBJECTIVE

The Port of Stewart is facing increasing demands to service a burgeoning resource industry in northwest British Columbia. The District of Stewart currently owns old dock lands and a bulk export log handling facility that was in desperate need of an upgrade. By acquiring additional lands from the Province and partnering with a private sector company, the District felt it could enhance its revenue stream, expand employment in the community, and attract new businesses that could take advantage of opportunities arising from the attraction of the resource sector. Phase 1 of this project is the refurbishment of the existing dock and recreational boat launch and the addition of a barge ramp to service the anticipated resource sector growth. Phase 2 will see the construction of a two boat loading dock and Phase 3 will see construction of port handling facilities.

2. CHALLENGES

Two major challenges facing the District were the acquisition of lands in a manner affordable to the District and the development of a revenue sharing scheme that would flow funds to the District once the facility began to generate revenue.

The first challenge was dealt with through an agreement with the private sector company to allow a phased approach to the land acquisition over multiple budget years. As well, the District has worked at the political and administrative levels to identify land needs and arrange for their purchase from the Province.

The second challenge was dealt with by negotiating a revenue sharing scheme that provides for the payment of taxes, leasing of the lands from the District, and a flow through charge of imported and exported goods through the facility, with a minimum annual throughput charge guaranteed in the agreement.

3. BENEFITS

Several benefits have accrued to the community, including

- A renewed sense of optimism in the community as it sees a major construction project proceeding.
- The assurance of a guaranteed minimum revenue stream that will help the District pay, over time, for the cost of new servicing and programs anticipated to grow with the increase in regional resource development.
- Short term employment for locals through the construction phase and long term employment opportunities when it enters the operational phase.
- A growth in national and international awareness of Stewart as Canada's most northerly ice-free port with some of the shortest shipping distances to the Asian market.

4. INNOVATION

It is both innovative and creative in that it is a partnership of local government and the private sector to take advantage of a locally available resource, that being a deep-sea harbor at the head of the Portland Canal within reasonable transportation distance of major metallurgical resources with world-wide marketing potential. It creates an assured and affordable port facility for resource industries in the region that are looking to reduce transportation costs. It is also a somewhat unique way for a municipality to expand its revenue options.

5. GOALS

The project has three phases. This first phase called for the refurbishment of the existing dock and boat launching facility and the creation of a new barge loading facility. That work has been completed on time and has already had minor throughputs handled. The second phase will be the expansion of the barge ramp and creation of an extended dock capable of handling two large vessels at a time. Work on that phase has just commenced. The third phase will see the construction of the actual port facilities, mechanisms and hardware to enable the dock to reach its full potential. That work is scheduled to be completed before the end of 2018.

6. SUSTAINABILITY

The District has committed in excess of \$200,000 to date to acquire some of the lands and will likely need an additional \$100,000 to finalize that work. Much staff time has been committed to acquiring lands and negotiating the agreement but time has not been tracked (the District has a small staff and little time for those niceties). Construction and operation of the facility is the private sector partner's responsibility. Resource industries on which this project is based are traditionally cyclical in nature so constant sustainability is hard to guarantee. Should the private sector partner fail in its endeavors, the port facilities revert to the ownership of the District and can be held to meet future opportunities.

7. TRANSFERABILITY

Expertise gained and lessons learned can be shared with other municipalities.

8. KNOWLEDGE SHARING

Identify current resources and build on them.

Build community support for the project.

Follow due process.

Be prepared to deal with unknowns.

9. TELL US MORE

Stewart is Canada's most northerly ice-free port and has had port facilities for over a century. The viability of the community has been heavily tied to the health of the resource industries in the region, and in their ability to ship product through the port. This development will enhance the health of the community.

10. PARTNERS

a.) Stewart World Port

b.) Discussions were held with a number of companies and Stewart World Port was chosen based on its demonstrated ability to complete the project in a timely manner, in addition to its preparedness to provide a long term revenue stream.

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