



ISLAND COASTAL ECONOMIC TRUST ANNOUNCES FUNDING FOR PORT OF NANAIMO CENTRE

For Immediate Release – July 5, 2007. Jack Peake, Chair of the Island Coastal Economic Trust (Trust) and Mayor of Lake Cowichan, today announced conditional funding approval by the Board of Directors of \$5 million to support the Port of Nanaimo Centre, subject to senior level of governments 3 to 1 matching of the Trust’s \$5 million commitment.

The Board of Directors is completely supportive of the extensive regional economic benefits that the Port of Nanaimo Centre will provide. “This project without any doubt has impressive and substantial benefits for the City of Nanaimo and the central island economy. We acknowledge Mayor Korpan and Nanaimo City Council’s energetic leadership in driving this project forward to successful realization for all the citizens in the region. Along with other planned initiatives currently under discussion, the mid-island economic strategy would see the expansion of the Nanaimo airport and the creation of a cruise ship dock in the Port of Nanaimo.” As the major portal to Central and Upper Vancouver Island, these key transportation infrastructure linkages are critical parts of an overall intermodal transportation strategy that will ultimately include sea, air, rail, and pedestrian and bike modes of travel.

Mayor Peake explained the Board of Directors’ decision of June 22, 2007.

“First, the Board of Directors of the Island Coastal Economic Trust is pleased to commit unanimously \$5 million in total, subject to further conditions set out below, to pay to the City of Nanaimo towards the construction costs of the Port of Nanaimo Centre, with a cash contribution of \$1 million per year for a five-year period, commencing with a \$1 million contribution in 2007/2008.

Second, this commitment is subject to a 3:1 matching contribution of funds by the senior levels of government – the Province of British Columbia and the Government of Canada - for a total contribution on their part of an additional \$15 million (in any mix of contributions totaling \$15 million by both levels of government) towards the Port of Nanaimo Centre. If successful, this will add a total of \$20 million towards the total cost of \$72.5 million approved budget of the Port of Nanaimo Centre. Peake explained that normally senior levels of government’s share of convention centre development is approximately two-thirds of the total cost. To date, federal and financial contributions have fallen short of this financial precedent.”

Mayor Korpan was very gratified by the unanimous ground-breaking decision by the Trust Board regarding the Port of Nanaimo Centre. As he was a representative of the applicant he did not vote as a Trustee, and was not present during final deliberations on the City's application for funding. He also noted that this decision represents an Island wide appreciation of the City of Nanaimo's economic development initiatives to stimulate downtown revitalization and diversify the broader surrounding economic region".

The Island Coastal Economic Trust was established by Provincial legislation on February 27, 2006. It provides \$50-million that is managed by an independent board of directors made up of 8 locally elected government representatives and 5 provincially appointed members from the community. The board's mandate is to makes strategic investments in regional economic priorities such as forestry, transportation, tourism, mining, energy, economic development, Olympic opportunities, agriculture and aquaculture, and small business. Information about the Trust can be found on www.islandcoastaltrust.ca.

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FACT SHEET

PORT OF NANAIMO CENTRE

The Port of Nanaimo Centre is a multi-purpose civic and commercial project in downtown Nanaimo. It will feature the following components:

- The Vancouver Island Conference Centre – with 38,000 ft² of state-of-the-art function space designed to attract major local, regional and provincial conferences and conventions with up to 1,000 delegates;
- 200-seat theatre-style Shaw Auditorium;
- 16,000 ft² new Nanaimo Museum;
- 300 new parking spots;
- 15,000 ft² of new, high-end, store-front commercial space;
- A privately funded four star hotel with at least 170 rooms.

Located in Nanaimo's historic downtown and steps from the spectacular waterfront, the Vancouver Island Conference Centre will be Vancouver Island's newest conference facility. It will offer flexible function spaces and state-of-the-art technology to delegates attending meetings, conferences and events. The Shaw Auditorium will be available for conference users and will also be the venue for all City Council meetings.

The new Nanaimo Museum will give the Nanaimo & District Museum Society 50% more exhibition space than in their current location. It is being designed to the highest "AA" standard for all management, environmental and security measures. The new Nanaimo Museum will be the best possible home for the current collection and it will be possible to host the highest quality feature exhibits and artifacts from institutions anywhere in the world.

The four star hotel will be built privately by a joint venture of Millennium Developments and Suro Developments. It will become the headquarters hotel for the Vancouver Island Conference Centre.