City Approached with Request to Consider Sale of Harbour Road Industrial Lands

Date: Monday, April 30, 2012

VICTORIA, BC — Victoria City Council has indicated they are open to consider an offer from the Ralmax Group to purchase four City-owned industrial properties on Harbour Road upon which the Point Hope Shipyard is located.

The Ralmax Group recently approached City staff regarding potential purchase of the land. Staff cannot discuss sale of land without Council approval. Specific terms of any offer to purchase have not yet been received or considered by the City. Victoria City Council has expressed an openness to consider such an offer, as long as the offer provides fair market value to the City's taxpayers.

The lands in question comprise the street addresses of 203, 211, 327 and 345 Harbour Road. The City acquired these lands in 1989 when they were granted to the City by the Province of British Columbia for one dollar. The lands are designated under the City's Official Community Plan and Harbour Plan as marine industrial sites, and are zoned for marine industrial uses. Under City ownership, the lands have continued to be leased to a number of marine industrial businesses, including the Point Hope Maritime shipyard.

Ralmax holds long-term leases until 2045 on three of the four properties; namely, 211, 327 and 345 Harbour Road. Ralmax has invested about $17 million to date in upgrading their leased premises, including the construction of a marine turntable, new sheet pile docks and a wastewater treatment system. Ralmax is currently in negotiations with the City to lease the lands at 203 Harbour Road to enable further expansion of the shipyard.

Ralmax has plans to expand and modernize the Point Hope Maritime facilities, which will require significant private capital investment over the next 10 years. To provide certainty for their investment, Ralmax requested the City to consider an offer to purchase the City lands as an alternative to Ralmax tenure under long-term leases.

The proceeds of any sale of City lands must flow to the City’s reserve funds and cannot be transferred into the City's annual operating budget. In accordance with City policy, 10 percent of the proceeds of any City land sale must flow to the Parks and Greenways Acquisition Reserve Fund, with the balance flowing to the Tax Sale Land Reserve Fund.

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BACKGROUND: Harbour Road Map