



Backgrounder

Background & Purpose:

For the past thirty years it has been the vision of the Nation that the Seymour Lands represent a major economic development opportunity. Previous Councils have worked to bring this vision to reality. This work has included; designation of the Seymour lands, negotiation of servicing agreements and buying out of old DIAND leases. The development potential for the Seymour lands was noted in the 1994 Physical Development Plan that was completed for the Nation by UMA. To date the Nation has spent more than \$6.0 million with the objective of developing the Seymour lands. At present the utilization of the Seymour lands is not the best for the Nation. There are many short-term tenants that pay low rents and at the same time are likely contributing to contamination of the Seymour lands. On a daily basis the Nation currently receives \pm \$100.00 from the Seymour lands. On the basis of the Nation's \$6.0 million expenditure the current income represents a very substandard investment yielding less than 1%. It is anticipated that upon completion the daily revenue to the Nation will increase one hundred times to \$10,000 per day. In 1999, Council mandated a committee, the Seymour Redevelopment Committee (SRC) to proceed with a process that would result in the redevelopment of the Seymour lands in fashion that would result in the best benefits being produced for the Nation. During the past three years much work has been undertaken to deliver on Council's mandate and to produce the best results for the Nation. Completion of this work reflects the completion of the Nation's vision for the past thirty years and will create a legacy and wealth for current and future generations

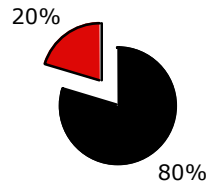
Rationale:

Land has been the prime source of the Nation's wealth. Looking to the future the Nation will face a decline in funding from DIAND and at the same time will face increased demands for programs and benefits from a growing Membership. The Nation needs to undertake economic development projects that produce tangible results for Membership and will lead to economic self-sufficiency. The majority of the Nation's land exists in an undeveloped state and generates very minimal income. In the instance of the Seymour lands the current net income to the Nation is \pm \$150.00 per day. The Seymour redevelopment has been rationalized on the basis of the project generating significant new own source revenue and providing employment and capacity building opportunities for Membership. Upon completion of the redevelopment the Nation's daily income is projected to grow to \$10,000. If significant new own source revenue is not generated from the Seymour project and over the longer term from other economic development projects the Nation's financial strength will be weakened.

Strategy:

The strategy for redevelopment of the Seymour Lands is to undertake and complete their redevelopment from their current low-income use to their highest and best use. In 1962 the Nation designated the Seymour lands and the designation directed that the lands be used in the form that would be 'most beneficial to the Nation Membership.' The Seymour strategy reflects completion of the direction given and words within the 1962 designation. Further Council and Membership have identified the need for the Nation to move beyond its historic role of collector of rents from its lands, to becoming involved as an owner in the developments that are undertaken on its lands. Squamish Nation will own the Seymour development through its 100% ownership of the head lease. A sub lease will be entered into with the Nation's partners and a Nation company. The following diagram illustrates the difference between collecting rent on the land and the new structure as proposed for the Seymour project:

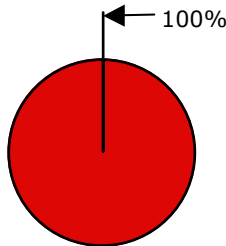
**Nation Collects Land Rent Only
& Participates In $\pm 20\%$
Property Value/Income**



Examples:

Park Royal South
Lynnwood Marina
Park Royal Towers
Super Store

**Nation Owns Development &
Participates In 100% Property
Value/Income**



**100% Nation Owned Compar
Subleases to Nation
Development Company and
Partners. Nation Has Right t
Buy Out Partners**



Process:

The process that has been undertaken is summarized in ten steps as follows:

- 1) To learn and develop knowledge about real estate development.
- 2) To investigate development options and select the option that will be most beneficial to Nation Membership.
- 3) To investigate risks that are present in real estate development and to adopt a process that minimizes risk to the Nation.
- 4) To solicit proposals from award winning real estate developers, interview and select Progressive Properties and Kingswood Capital as the Nation's development partners.
- 5) To analysis and identify the properties highest and best use.
- 6) To complete all work required in order for the development to proceed.
- 7) To obtain from Membership their approval to proceed with construction.
- 8) To put in place a process that will create employment and other capacity building opportunities for Nation Membership.
- 9) To put in place the best possible management once the redevelopment is complete.
- 10) To provide the Nation with the opportunity to buy out its partners and acquire 100% ownership of the project.