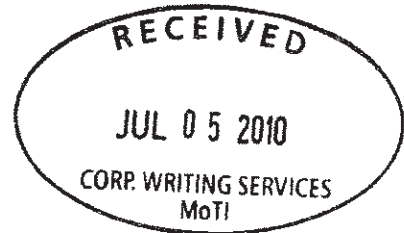
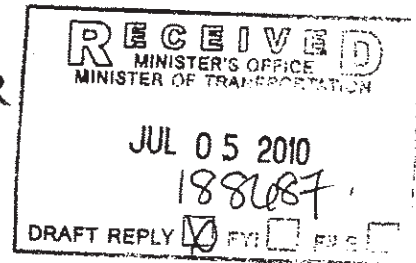




CITY OF PRINCE GEORGE  
BRITISH COLUMBIA  
ESTABLISHED A.D. 1915

## OFFICE OF THE MAYOR

1100 PATRICIA BOULEVARD, PRINCE GEORGE, B.C. V2L 3V9  
TELEPHONE (250) 561-7609 FAX (250) 561-0183



June 22, 2010

The Honourable Shirley Bond  
Minister of Transportation and Infrastructure  
PO Box 9055 Stn Prov Govt  
Victoria BC V8W 9E2

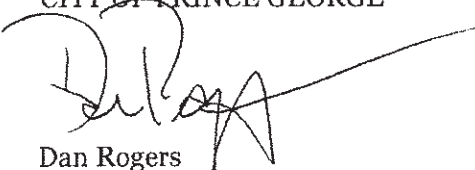
Dear Minister Bond:

The City of Prince George is enthusiastic about the Province's commitment to building the Wood Innovation and Design Centre in Prince George. We believe this centre will position our community as a world leader in wood construction, design and education. The project will also play a pivotal role in the revitalization of our downtown core.

The Council of the City of Prince George resolved at a recent meeting to write to you reconfirming support for the proposed Wood Innovation and Design Centre, and requesting an update on the project including a sense of the timeline for implementation. Council is also interested, with your assistance, in identifying ways the City can further advocate for the Wood Innovation and Design project.

We look forward to continuing to work with the Province in moving the Wood Innovation and Design Centre project forward, and urge your heightened attention to ensuring that the project remains a top priority.

Sincerely  
CITY OF PRINCE GEORGE



Dan Rogers  
Mayor

cc. Prince George City Council



CITY OF PRINCE GEORGE  
BRITISH COLUMBIA  
ESTABLISHED A.D. 1915

COPY

## OFFICE OF THE MAYOR

1100 PATRICIA BOULEVARD, PRINCE GEORGE, B.C. V2L 3V9  
TELEPHONE (250) 561-7609 FAX (250) 561-0183

June 22, 2010

The Honourable Moira Stilwell  
Minister of Advanced Education and Labour Market Development  
PO Box 9055 Stn Prov Govt  
Victoria BC V8W 9E2

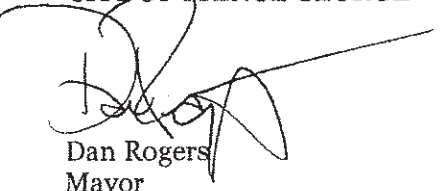
Dear Minister Stilwell:

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The Council of the City of Prince George resolved at a recent meeting to write to you reconfirming support for the proposed Wood Innovation and Design Centre, and requesting an update on the project including a sense of the timeline for implementation. Council is also interested, with your assistance, in identifying ways the City can further advocate for the Wood Innovation and Design project.

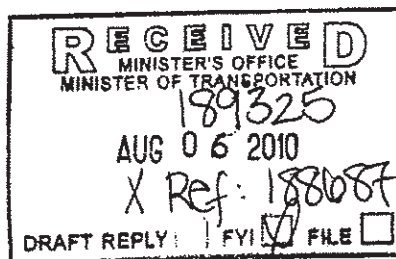
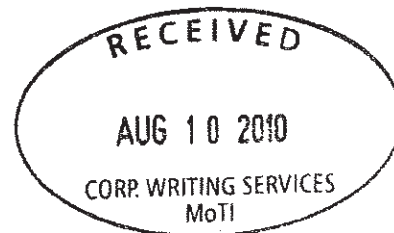
We look forward to continuing to work with the Province in moving the Wood Innovation and Design Centre project forward, and urge your heightened attention to ensuring that the project remains a top priority.

Sincerely  
CITY OF PRINCE GEORGE



Dan Rogers  
Mayor

cc Honourable Shirley Bond, MLA, Prince George Valemount  
Honourable Pat Bell, MLA, Prince George Mackenzie  
Prince George City Council



Our Ref. 78037

AUG 05 2010

His Worship  
Mayor Dan Rogers  
City of Prince George  
1100 Patricia Blvd  
Prince George BC V2L 3V9


Dear Mayor Rogers:

Thank you for letter regarding the Wood Innovation and Design Centre to be located in Prince George.

As the Ministry of Transportation and Infrastructure has the lead on this initiative, I am forwarding your letter to my colleague, the Honourable Shirley Bond, Minister.

I appreciate hearing of your support and enthusiasm for the centre.

Sincerely,

  
Moira Stilwell, MD FRCP (C)  
Minister

pc: Honourable Shirley Bond  
Minister of Transportation and Infrastructure

Honourable Pat Bell  
Minister of Forests and Range

September 10, 2010

His Worship  
Mayor Dan Rogers  
City of Prince George  
1100 Patricia Boulevard  
Prince George BC V2L 3V9

Reference: 188687

Dear Mayor Rogers:

**Re: Wood Innovation and Design Centre**

Thank you for your letter of June 22, 2010, advising me of your Council's support for the Wood Innovation and Design Centre (WIDC). I am also responding on behalf of my colleague, the Honourable Moira Stilwell, Minister of Advanced Education and Labour Market Development. Please accept my apologies for the lateness of this reply.

Like you, I am looking forward to the establishment of this iconic building and showcase for wood innovation in downtown Prince George. A collaboration of the University of Northern British Columbia, the Wood Enterprise Coalition and several post-secondary institutions, the WIDC will host experts from British Columbia and around the world while providing applied research, knowledge synthesis and educational programming for design, technical innovation and professional upgrading.

Presently, ministry staff are collaborating with staff from the Ministry of Forests and Range and the Ministry of Advanced Education and Labour Market Development regarding this project. Once the space requirements for the WIDC are determined this fall and the building specifications confirmed, we'll be pleased to work more closely with municipal staff regarding the selection of a potential site. A comprehensive presentation on the WIDC will be made available for you and your council members at that time.

I appreciate your support for the WIDC. If you have any questions, please don't hesitate to contact Sandra Carroll, Assistant Deputy Minister of Transportation Policy and Programs. She can be reached at 250 387-5062 or by e-mail at [Sandra.Carroll@gov.bc.ca](mailto:Sandra.Carroll@gov.bc.ca).

.../2

- 2 -

Thank you again for taking the time to write.

Sincerely,

***Original Signed By:***

Shirley Bond  
Minister

Copy to: Honourable Pat Bell  
Minister of Forests and Range and  
Minister Responsible for the Integrated Land Management Bureau  
MLA, Prince George-Mackenzie

Honourable Moira Stilwell  
Minister of Advanced Education and Labour Market Development  
MLA, Vancouver-Langara

Sandra Carroll, Assistant Deputy Minister  
Transportation Policy and Programs Department

Randy McDonald, Executive Director  
Wood Innovation and Design Centre

Information provided by: Randy McDonald, Executive Director, MOT Wood Innovation Centre

(13)

LAND ASSEMBLY  
INFORMATION

**Fuglem, Peter FOR:EX**

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**From:** Hayden, Dana FOR:EX  
**Sent:** Friday, February 26, 2010 6:07 PM  
**To:** 'Janine@northerndevelopment.bc.ca'; Fuglem, Peter FOR:EX  
**Cc:** Bortoluzzi, Lawrence ALMD:EX; Chopik, Kathy FOR:EX  
**Subject:** Re: Wood Innovation and Design Centre  
**Attachments:** image001.jpg

Did this letter go?

Thanks Janine. Does the resolution become public once its passed? Or can we ensure it does not?

---

**From:** Janine North <Janine@northerndevelopment.bc.ca>  
**To:** Fuglem, Peter FOR:EX; Hayden, Dana FOR:EX  
**Cc:** Bortoluzzi, Lawrence ALMD:EX; Janine North <Janine@northerndevelopment.bc.ca>; Chopik, Kathy FOR:EX  
**Sent:** Fri Feb 26 17:30:55 2010  
**Subject:** FW: Wood Innovation and Design Centre

S16

S16

S16

Warm Regards,

**Janine North**

Chief Executive Officer

tel 250-561-2525 | fax 250-561-2563

[janine@northerndevelopment.bc.ca](mailto:janine@northerndevelopment.bc.ca)



**Northern Development Initiative Trust**

301-1268 Fifth Avenue, Prince George BC V2L 3L2

<http://www.northerndevelopment.bc.ca/>

Note: This electronic message may be privileged and confidential. Any use of this electronic message or the information contained therein, including reading, copying, disseminating or distributing it, is strictly prohibited unless you are the addressee. If you have received this electronic message in error, please immediately notify the sender by replying to this electronic message and delete the electronic message from your computer. Thank you.



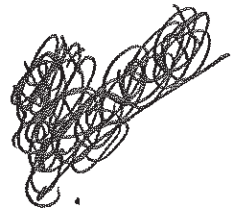
Pages 9 through 10 redacted for the following reasons:

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S16

**Office of the President**

3333 University Way Phone: (250) 960-5600  
Prince George, BC Fax: (250) 960-7301  
Canada V2M 4Z9 Email: president@unbc.ca



March 15, 2010

Mayor Dan Rogers  
City of Prince George  
1100 Patricia Blvd  
Prince George, B.C.  
V2L 3V9

Dear Mayor Rogers:

**Re: Letter of Intent with respect to the donation of the following 11 city lots ("the City Lots") for the development of a Wood Innovation Center ("the Project"):**

**PARCEL A**

Parcel Identifier: 007-807-279 Lot 5 Block 150 District Lot 343 Cariboo District Plan 1268,  
Parcel Identifier: 007-807-287 Lot 6 Block 150 District Lot 343 Cariboo District Plan 1268,  
Parcel Identifier: 007-807-295 Lot 7 Block 150 District Lot 343 Cariboo District Plan 1268,  
Parcel Identifier: 007-807-317 Lot 8 Block 150 district Lot 343 Cariboo District Plan 1268,  
Parcel Identifier: 007-807-325 Lot 9 Block 150 District Lot 343 Cariboo District Plan 1268,  
Parcel identifier: 012-968-986 Lot 10 Block 150 district Lot 343 Cariboo District Plan 1268,  
Parcel Identifier: 012-969-001 Lot 11 Block 150 district Lot 343 Cariboo district Plan 1268,  
Parcel Identifier: 012-969-010 Lot 12 Block 150 District Lot 343 Cariboo District Plan 1268,  
Parcel identifier: 023-394-668 Parcel A (PK12806) Block 150 District Lot 343 Cariboo District Plan 1268,  
Parcel Identifier: 007-807-252 Lot 19 Block 150 District Lot 343 Cariboo District Plan 1268,

and

Parcel Identifier: 007-807-261 Lot 20 Block 150 District Lot 343 Cariboo District Plan 1268

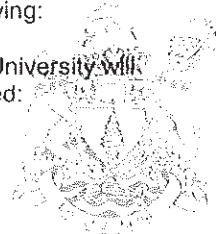
The University of Northern British Columbia has an opportunity to expand and would like to do so in the downtown core of Prince George. We are currently in the process of obtaining appraisals for the opportunity to purchase the following lots:

**PARCEL B**

Parcel Identifier: 012-951-692 Lot 1 Block 150 District 343 Cariboo District Plan 1268  
Parcel Identifier: 012-951-731 Lot 2 Block 150 District 343 Cariboo District Plan 1268  
Parcel Identifier: 009-416-277 Lot 3 Block 150 District 343 Cariboo District Plan 1268  
Parcel Identifier: 012-952-354 Lot 4 Block 150 District 343 Cariboo District Plan 1268

This Letter of Intent sets out the basis upon which the Project would be developed by the University with the donation of the City Lots (Parcel A). Specifically, UNBC proposes and requests the following:

The City will agree to donate the City Lots in construction ready state to the University. The University will agree to accept the donation of the City Lots, once the following conditions have been satisfied:



- 1) funding approval for the Project has been received by UNBC from the B.C. Treasury Board;
- 2) the UNBC Board of Governors has approved both the business plan for the Project and the capital budget for the acquisition, financing, construction and operation of the Project;
- 3) due diligence has been completed and approved by UNBC, in its sole discretion, including survey, environmental appraisals, and site remediation;
- 4) any required zoning changes for the Project have been approved;
- 5) UNBC obtains confirmation that it is able to acquire any additional lands required for the Project; and
- 6) the fair market value of the additional lands has been determined by appraisal.

If UNBC is successful in acquiring the City Lots (Parcel A) and does not develop them for the agreed purpose or within five (5) years that the City Lots donated to UNBC by the City of Prince George would revert back to the City and that UNBC would have no further claim on the property what so ever and the parties would be released from their obligations under this proposal.

We look forward to hearing from you once this has been discussed with City Council members and certainly to working with you on this most exciting development project.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "George Iwama".

George Iwama, PhD  
President and Vice Chancellor

**Subject: Due Diligence for Commonwealth Campus Corporation**  
**'Wood Innovation and Design Centre' Land Assembly**

**Background:**

On September 16, 2009, the Board of Northern Development Initiative Trust directed that due diligence be completed on a potential loan to Commonwealth Campus Corporation (0861221 BC Ltd.) for up to S17, S21 of the transfer value of the 500 block of George Street in downtown Prince George. The proposed structure of the loan would be as follows:

**Borrower:** 0861221 BC Ltd. also legally known as Commonwealth Campus Corporation (CCC)  
**Lender:** Northern Development Initiative Trust (Northern Development)  
**Project name:** Wood Innovation and Design Centre (also referred to as the Downtown Campus Project)  
**Program:** Fund purchase, demolition and environmental remediation of 500 Block George Street, Prince George, BC. S13

**Loan amount:** A maximum of \$8,887,500 S17, S21  
S17, S21

**Rate:**

**Repayment:** S17, S21

S13

**Property Acquisition Strategy**

The following details all of the properties within the 500 block of George Street as illustrated on the attached 500 Block George Street Site Plan. In addition, the chart below outlines the assessment purchase price and closing dates of the properties to be acquired by Commonwealth Realty Corporation. Not Responsive

Not Responsive Further, the chart outlines the estimated hard and soft costs associated with the demolition and remediation of the subject properties.

**Purchase:**

	<u>Address</u>	<u>Area</u>	<u>Owner</u>	<u>Current Use</u>	<u>2009 Assessment</u>	<u>Purchase Price</u>	<u>Closing Date</u>
1)	1189-4th Ave.	2-lots	The Emri Group	Greek Restaurant	\$375,000	S16, S17	31-Dec-09
2)	1173-4th Ave.	4-lots	City of PG	4th Ave. Parking	\$298,900		S21
3)	409 George St.,	1-lots	Babine Inv.	Vacant store	\$105,000		30-Nov-09
4)	421 George St.,	1-lots	A. Bortolon Tr.	Sassafras Catering	\$179,200		30-Jan-10
5)	427 George St.,	1-lots	D. Carmichael	Book store	\$133,700		30-Jan-10
6)	445 George St.,	1-lots	R. Jones	Mail Box Etc.	\$150,800		30-Sep-09
7)	487 George St.,	4-lots	Coole Hotel Ltd.	PG Hotel	\$1,101,000		01-Dec-09
8)	1142-5th Ave.,	4-lots	Coole Hotel Ltd.	PG Hotel - Parking	\$297,000		01-Dec-09

S17, S21

S21

**Plus other:**

	<u>Activity</u>	<u>Cost</u>
Hard Costs	Demolition **	
	Environmental clean-up **	
	Subtotal:	
	25% Contingency	
Soft Costs	Project management	S21
	Contingency	
	Developer Fees	
	Taxes, Legals & closing	

\*\* Please see Appendix A: Demolition & Environmental Cost Estimates for details.

Total

ID	Task Name	Start	Finish	2010											
				Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	Deposit PG Hotel	Wed 9/30/09	Wed 9/30/09		▲										
2	Close Mail Boxes Etc.	Wed 9/30/09	Wed 9/30/09		▲										
3	Close Babine Inv.	Mon 11/30/09	Mon 11/30/09				▲								
4	Close PG Hotel	Tue 12/1/09	Tue 12/1/09				▲								
5	Close Bus Depot	Mon 12/21/09	Mon 12/21/09					▲							
6	Demolition & Remediation	Fri 1/1/10	Wed 6/30/10												
7	Close Bookstore	Sat 1/30/10	Sat 1/30/10						▲						
8	Close Sassafras	Sat 1/30/10	Sat 1/30/10						▲						

S21

Not Responsive

S13

5. I have reviewed the incorporation and shareholder documentation for 0861221 BC Ltd. commonly referred to as Commonwealth Campus Corporation (name reserved with BC Registrar of Companies) and I find it to be in order. There are no apparent potential 'conflict of interest' situations that I anticipate will arise from any provincial, municipal, University, College, Northern Development staff or decision makers participating in any manner that would personally benefit from these transactions.
6. I have reviewed a copy of all accepted offers for each property on the 500 Block George Street and find them generally consistent with the summary information put forward by the development corporation.

S21

7. I have reviewed all accepted offers to ensure that they allow for an orderly closure and removal of any assets, residents, and effects by actions of the owner, and that the closing dates are for vacant properties.

S13

8. I have reviewed all 2009 assessments, as well as reports on the condition of property that were compiled by Town and Country Inspection Services Ltd.
9. I have reviewed the Phase 1 Environmental Site Assessment of the Prince George Hotel prepared by AMEC Earth and Environmental, dated August 21, 2009. I have conversed with the consulting engineer and find that the budgeted remediation costs are reasonable.

10. I have reviewed the demolition and environmental remediation Class D assessment from IDL Projects Inc. as well as their credentials on completing projects of a similar scope. They are an approved contractor by the City of Prince George and they recently completed the demolition and remediation of the fire damaged Columbus Hotel in Prince George.

11. I have reviewed the project timeline and find it to be reasonable. S21  
remediation is proposed to commence on January 1<sup>st</sup> 2010. It would be very appropriate for UNBC, the Provincial Government, the City of Prince George and Northern Development S13

S13

12. I have reviewed the monthly cash flow for this project and find it to be reasonable and consistent with good project management and all documentation on the property acquisition.

Not Responsive

14. I have reviewed the offer from the developer group to provide the first S21 of property acquisition, demolition and remediation costs and their financial resources to do so. I have also reviewed the offer to provide the following:

- General Security Agreement covering all assets of the borrower.
- First Collateral Mortgage coverage for all properties.
- Assignments of Rent(s).
- S22
- Life Insurance coverage over key personnel of 0861221 BC Ltd.(Commonwealth Campus Corp.) - S21  
S21 in total

15.

16.

S13

17.

18

S13

### Value Assessment

1.

S13

2. I have received a review letter from Ivan Jorgensen, AACI, P. App of Jorgensen Appraisals which finds the prices paid or offered to be within a reasonable range of sales of other properties in the general neighbourhood.

S13

S13

3.

S13

4. I have reviewed the developer fees of

S21

S21

This is substantially less than the normal development fee cost charge which can range up to 30% in similar land assembly transactions.



5. I have reviewed the Class D estimate by IDL Projects Ltd and have advised the developer that they will require a minimum of two competitive Class D 'all inclusive' estimates at this time to satisfy me that the demolition and environmental remediation is competitively quoted.

#### **Conditions Precedent**

1.

S13

2. Northern Development Initiative Trust will enter into a terms sheet for a loan agreement with 0861221 BC Ltd. for up to S17, S21 with the fully demolished and environmentally remediated vacant block to 'commercial lending standards'.

S13

S13 Northern Development will facilitate any potential lowering of its' S21 loan amount and any transfer cost by the following negotiated terms with 0861221 BC Ltd.

a.

S21

b.

- c. The lower of at least two competitively sourced Class D estimates for 'all inclusive' demolition and environmental remediation' to commercial lending standards.

3.

S13

4.

I conclude that this initiative represents a good opportunity for Northern Development to show a direct linkage between the fund and local economic improvements of a major and enduring nature. S13

S13

## RECOMMENDATIONS

1.

2.

3.

S13

Janine North  
Chief Executive Officer