



**South Kaien**  
LOGISTICS PARK

Metlakatla Development Corporation

# Prince Rupert Logistics Development Opportunity

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# Request for Expression of Interest – Containerized Logistics Development Opportunity

## Introduction

The Metlakatla Development Corporation (MDC) and the Prince Rupert Port Authority (PRPA), the partnership, are seeking expressions of interest from organizations interested in leasing a 23-acre parcel of prepared land that is earmarked for containerized logistics such as warehousing, cold storage and or a distribution centre. The lands are in close proximity to Fairview Container Terminal and a key part of the Port's integrated intermodal ecosystem.

This Expression of Interest (EOI) package includes 3 attachments:

1. Expression of Interest document
2. Marketing brochure
3. Term Sheet template

## Opportunity

The partnership is developing the South Kaien Logistics Park on fee simple lands in close proximity to the Fairview Container Terminal operated by DP World. The available parcel is 23 acres and available for a long-term ground lease.

We are seeking a developer/operator that will help drive container growth through maximum utilization of the lands. The logistics park is a critical component of the Ports broader strategy to develop an integrated intermodal eco-system to support 4M+ TEUs of terminal capacity by 2030.

The fee simple lands are owned by South Kaien Land Holdings Ltd., a subsidiary of Metlakatla Development Corporation, and a portion is co-developed with Prince Rupert Port Authority. The parcel will be graded to sub-base with utility services to lot line. The tenant will be responsible for building and financing all in-parcel improvements (i.e. utilities, asphalt, buildings).

Please refer to the South Kaien Land Lease Opportunity Brochure and the Term Sheet included with this package for more information.

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## Commercial Terms

The lease of 23-acres of land in close proximity to Fairview Terminal is a unique opportunity for an enterprising logistics developer/operator that wants to be an early entrant into an emerging, world class logistics ecosystem. Two key parameters dictate the lease rate and commercial terms of this lease:

1. **Land preparation costs in the Prince Rupert area far exceed the market value of land.** For this reason, a NTCF federal grant was secured to offset approximately 50% of the total site preparation costs. Even with the grant, the cost to prepare land exceeds the estimated market rents.
2. **The creation of a private dedicated road connecting the South Kaien Lands to DP World's Fairview Container Terminal.** DPW's terminal will be expanded in phases from 1.35M TEUs to 1.8M TEUs of capacity by 2024 and connect to the logistics park on South Kaien via a private dedicated Port Authority owned \$125M connector road which will be completed and operational in July 2022. PRPA is planning on relocating the existing controlled access point outside of the logistics park to create a closed loop, integrated intermodal eco-system. The connector road removes costs and improves velocity of the intermodal system overall, increasing truck turns from 4-5 per shift currently to 10-12 per shift.

These two factors have resulted in an innovative approach to commercial terms for this tenancy. Commercial terms will be comprised of two components:

1. Basic rent. This is the annual lease rate paid to the landlord, per annum, indexed to the Consumer Price Index.
2. Throughput Fee. The creation of a private road connecting the South Kaien Lands to the container terminal offers tremendous value unavailable at other west coast ports. The South Kaien tenant will be required to pay a \$/TEU throughput fee that is returned to the land developers (MDC and PRPA) to offset site preparation costs. The throughput fee enables us to maintain affordable ground lease rates, share in the risk/reward with the tenant, and amortize landlord costs over a longer period of time to deliver a financially viable project.

The partnership of MDC and PRPA have not specified all commercial terms at this stage in the process, but will negotiate directly with short listed proponents.



## Key Timelines

Clearing and grubbing is completed and some preliminary site work commenced in May 2022. Parcel 4 site works (already under offer) is scheduled to be completed July 2024. Parcel 2 site works are scheduled to be completed August 2024. The successful proponent would take possession of Parcel 2 in September 2024.

Milestone	Proposed Dates
EOI Issued	June 2022
Proponents indicate their initial interest by phone	July 15, 2022
Parties enter into an NDA and partnership provides additional commercial information	July 22, 2022
Response to EOI Deadline	August 31, 2022
Proponents present submission	September 6th through 14th
MDC/PRPA shortlist proponents	September 19th through 23rd
Follow up meeting with shortlisted proponents	September 26th through 30th
Selection of Preferred Proponent	~October 5th
Lease Negotiations	October / November
Binding Offer to Lease	By December 1st, 2022

## EOI Evaluation Process

The following criteria are listed in no particular order or precedence and will be used to evaluate the responses:

- Firm experience with relevant projects. Experience with containerized logistics such as warehousing, cold storage and/or a distribution centre will be viewed favourably.
- Firm's brand recognition. The logistics park is a key part of what will be a world class intermodal development. Your firm's ability to attract and retain volumes is considered a strength.
- Understanding of the Prince Rupert market and South Kaien development opportunity. Demonstrate your familiarity with the Prince Rupert market and PRPA's vision for growth.
- Proposed programming / planned use for the 23-acre parcel. How will your firm ensure high utilization of the lands?
- Financial capacity. Your firm's ability to capitalize a large logistics development over a sustained growth period.
- Value add: what makes your firm stand out from the rest? How will your innovative and market-leading ideas contribute to a world class integrated intermodal logistics ecosystem?

The evaluation will be confidential and will not be provided to any of the respondents. MDC and PRPA will review the submissions according to the evaluation criteria and shortlist 2-3 respondents for more detailed discussions. MDC and PRPA will review the submissions according to the evaluation criteria and shortlist 2-3 respondents for more detailed discussions.

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## Response Requirements

### Respondent Profile

- Provide a description of your firm's profile including the number of years in business.
- Identify the primary personnel that will be involved in negotiations with MDC and PRPA.
- Briefly summarize why your firm should be our preferred proponent.

### Experience

- Describe 2-3 examples of containerized logistics such as warehousing, cold storage and/or a distribution centre your firm has been responsible for developing and/or operating. Provide a reference contact for each.

### Financial Capacity

- Describe your firm's financial capacity to enter into a long term ground lease for 23 acres and finance the development of containerized logistics facilities.

### Proposed Programming

Please briefly describe the following:

- Your firm's understanding of the Prince Rupert market, including PRPA's vision for integrated intermodal growth.
- The proposed design and use(s) of the 23-acre parcel that supports PRPA's vision, drives container throughput, and ensures a high utilization of land from the outset.
- Your firm's approach to attracting world class shippers.

### Value Add

- Suggestions for increasing land use intensity, driving container growth, and complimenting PRPA's broader strategy to create an integrated intermodal eco-system. What makes your organization better than the rest?

## Contact

Taylor Zeeg, Owner's Representative  
South Kaien Land Holdings Ltd. /  
Metlakatla Development Corporation  
[tz@tributaryps.ca](mailto:tz@tributaryps.ca) | 867-332-3137

Michael Inman, Director, Business Development  
Prince Rupert Port Authority  
[minman@rupertport.com](mailto:minman@rupertport.com) | 250-627-2541

Proponents are encouraged to request a MS Teams meeting to review the EOI requirements. Personnel from MDC and PRPA will attend to provide additional information.

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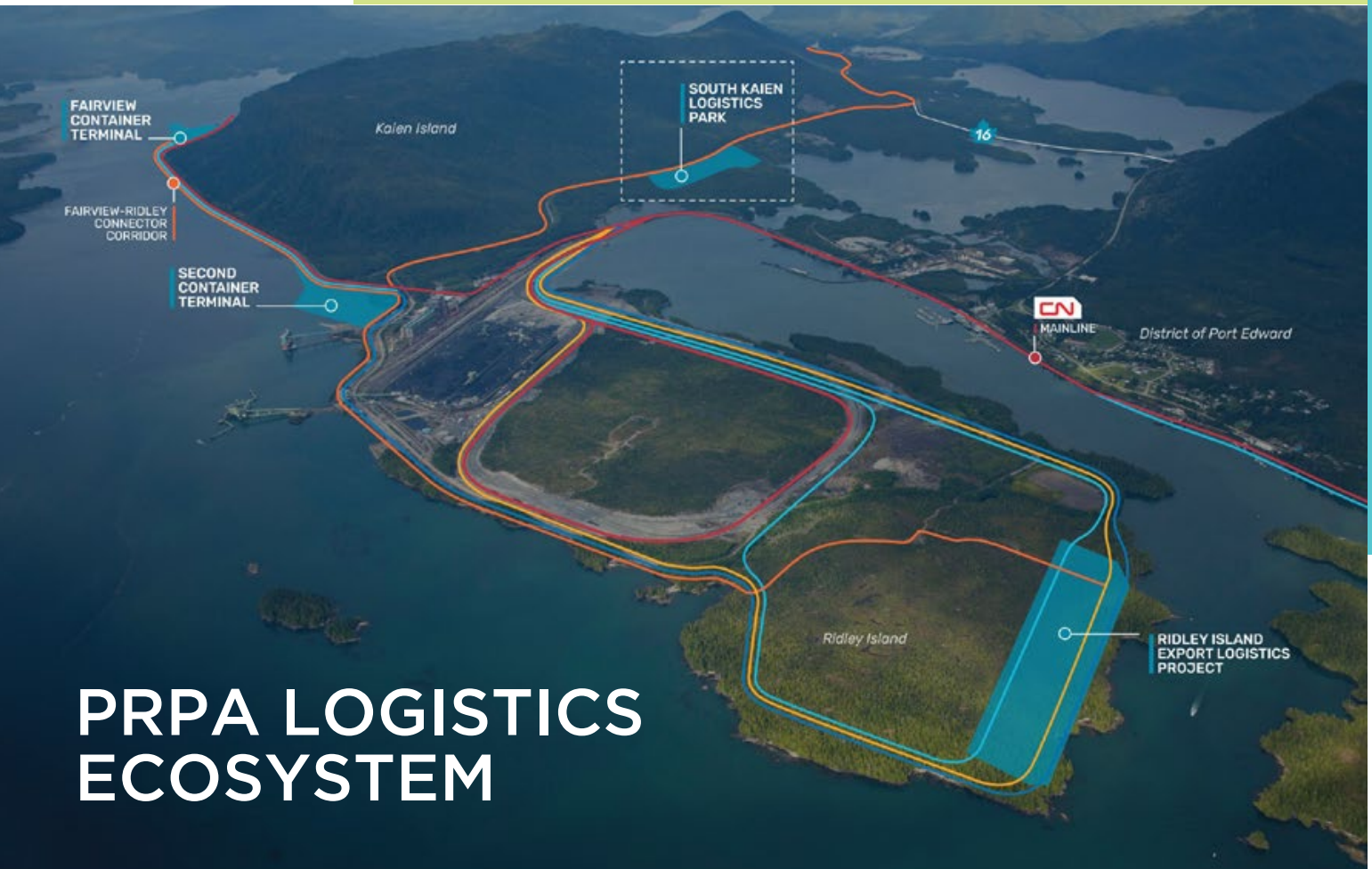
## OVERVIEW OF OPPORTUNITY



	AREA	AVAILABILITY
PARCEL 2	23 acres (9.3 Ha)	Summer 2024

## PRPA LOGISTICS ECOSYSTEM

In just over a decade, the Port of Prince Rupert has become one of the fastest growing intermodal gateways in North America, handling over 1.2M TEUs in 2019. The success of the gateway is a result of a strong value proposition of speed to market and reliability of service, with committed supply chain partners working towards a common goal of establishing Prince Rupert as a major intermodal gateway. Approximately \$1.5 billion in infrastructure investments are planned or currently under construction in the Prince Rupert gateway to support the continued growth of the intermodal business as outlined in the image below.



# PRPA LOGISTICS ECOSYSTEM

### FAIRVIEW EXPANSION



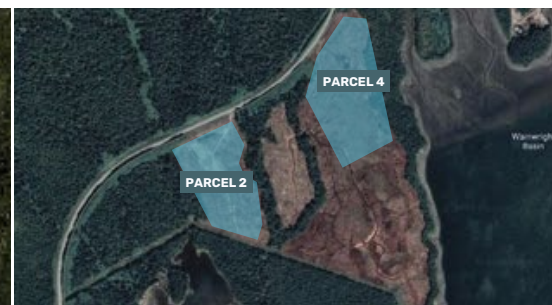
PROJECT START: Q4 2021  
PROJECT COMPLETION: Q2 2024

### CONNECTOR CORRIDOR



PROJECT START: Q3 2019  
PROJECT COMPLETION: Q3 2021

### SOUTH KAIEN LOGISTICS PARK



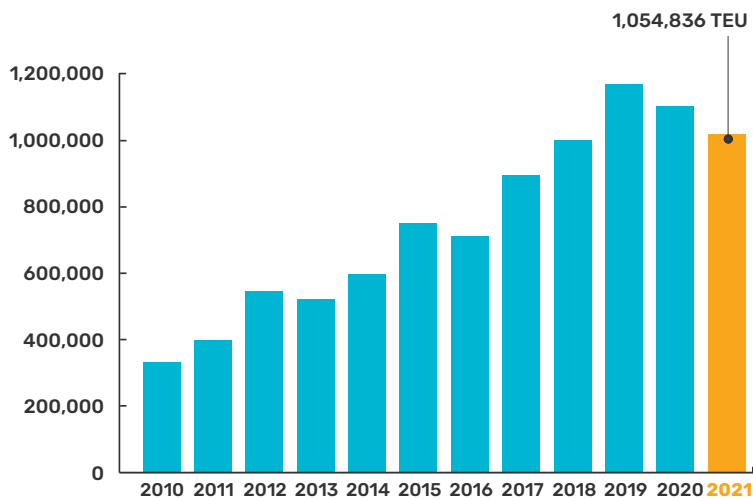
PROJECT START: UNDER CONSTRUCTION  
PROJECT COMPLETION: Q3 2024





## South Kaien LOGISTICS PARK

DP World's Fairview Container Terminal will be expanded in phases from 1.35M TEUs to 1.8M TEUs of capacity by 2024 and connect to the logistics park on South Kaien via a private, dedicated Port Authority owned \$125M connector road operational July 2022. PRPA is planning on relocating the existing controlled access point outside of the logistics park to create a closed loop, integrated intermodal eco-system. The connector road removes costs and improves velocity of the intermodal system overall, increasing truck turns from 5 per day currently to 10-12 per day.



The dedicated container truck road network is also not subject to Provincial highway regulations, allowing for heavier, higher density moves, and automated truck gates. IT integration between Fairview Terminal, the logistics park and a planned off-dock container yard on Ridley Island will allow for system optimization focused on reducing costs and maximizing throughput.

The strategic location of the South Kaien Lands within the integrated intermodal eco-system allows for significant enterprise value to be created. The success of the Prince Rupert intermodal model has attracted many of the largest beneficial cargo owners and third party logistics providers in North America across the automotive, retail, consumer goods and electronics sectors. The opportunity to establish transloading, cross-docking, cold storage, warehouse and distribution centre capacities and capabilities in the gateway will be very attractive to our existing base of customers and help attract new cargoes to the gateway that currently transload in large urban areas.







## **SOUTH KAIEN LANDS – PARCEL HIGHLIGHTS**

All parcels include the following owner's work:

- Parcels are developed to sub-grade (i.e. up to but not including base course)
- Water and power services to lot line, onsite sanitary treatment, and storm water management. Design is considered suitable in preparation for general, nonspecialized container cargo operations.
- Road access to Ridley Island Access Road, paved to lot line.
- The subject lands are within the City of Prince Rupert and are zoned General Industrial (M2).

All engineering design and investigative studies can be provided to prospective tenants to support due diligence process, following execution of an NDA.



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