

FREQUENTLY ASKED QUESTIONS

Crown Water Lot Lease Transfer

1. What is the lease arrangement between the Town and the Province?

In 1999, the Town obtained a headlease over “District Lot 2016”, the Crown water lot where the marina is currently located. The lease requires Provincial approval of any sublease, is limited to District Lot 2016 and prohibits commercial uses.

Ladysmith Maritime Society (LMS) operates the community marina on behalf of the Town.

2. Is the Town and Province required to allow LMS to operate the marina?

The headlease between the Town and the Province is the only recognized lease over the water lot. LMS is not a party to this lease and operates the marina on behalf of the Town.

Although the headlease allows the “operation of the Ladysmith Marine Society”, it doesn’t require that LMS manage the amenities. The headlease allows the Town to operate a marina and/or moorage without LMS.

3. What activities at the marina are not permitted, or otherwise found to be non-compliant?

A statement issued by the Town on April 11, 2023, references marina activities not permitted in accordance with the Crown lease terms, or otherwise non-compliant.

The Town has found no records indicating that the Province provided direction to bring the marina into compliance prior to the discussions related to the transfer of the Crown water lot in 2022.

The following are among the known non-compliances:

- A commercial operation such as a restaurant/café is not permitted under the headlease.
- The layout of the marina does not match the layout plan approved by the Province,
- Some of the marina infrastructure may have been built on the adjacent water lot without approval from the Province.

4. Why can't the marina be brought into compliance with Provincial requirements under the current headlease?

The Town's lease of the Crown water lot ends in 2029 and was not anticipated to continue past this date due to reconciliation commitments established by the Provincial government.

Bringing existing marina operations into compliance with Provincial requirements would require significant modifications, costly plans and studies, major increases in fees and insurance and—most importantly—consent from Stz'uminus First Nation.

5. What was the offer extended to LMS to continue operating the marina?

Stz'uminus, the Town and Province have been willing to make reasonable accommodations to ease the impact of the transfer of the water lot where the community marina is located.

However, more importantly, First Nations in BC have been waiting for generations to reclaim traditional lands that were unjustly taken from them.

At the request of the Town and Province—and despite having no obligation to do so—Stz'uminus agreed to offer LMS a marina operating agreement that was very similar to the current arrangement.

The main difference between the agreements was the term: Stz'uminus' agreement allowed LMS to stay for three years, with an option to renew by mutual agreement.

Following the transfer process, the Province would require Stz'uminus to change the headlease to address the commercial use and other non-compliances.

6. Who owns the “improvements” at the marina?

Under the terms of the headlease, the Province owns all “improvements” (buildings, structures, equipment, etc.) on the water lot. Removing these assets is prohibited unless expressly authorized by the Province.

7. Who paid for the “improvements” at the marina?

A significant portion of the funding for marina assets came from Federal and Provincial grants. Contributions also came from the Town of Ladysmith and LMS.

8. What will happen to the marina and water lot following the transfer to Stz’uminus?

The Town, Province and Stz’uminus First Nation are working to ensure moorage is available in the interim and continuity of marina uses.

Eventually the water lots will be developed in accordance with the Waterfront Area Plan, which includes an expanded marina, commercial uses, and amenities.

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