

Band signs \$47-million deal for port expansion: Tsawwassen First Nation to get historic payout from Port Corp.

The Vancouver Sun
Wed 10 Nov 2004
Page: A1 / Front
Section: News
Byline: Scott Simpson
Source: Vancouver Sun

An unprecedented \$47-million deal between the Vancouver Port Authority and a Greater Vancouver aboriginal community will be announced today at the Tsawwassen First Nation reserve, The Vancouver Sun has learned.

According to The Sun's information, Tsawwassen Chief Kim Baird will describe the agreement, one of the richest cash settlements of its kind, as heralding "a new era of economic cooperation between first nations and Canada's business community."

The deal compensates the 328-member Tsawwassen band for decades of adverse environmental impact from port development at Roberts Bank.

It establishes an ambitious and wide-ranging 25-year business partnership between the band and the port that includes temporary and permanent jobs and jointly managed entrepreneurial ventures.

It also includes an agreement that the Tsawwassen will drop their three-year-old lawsuit against the Port Authority and other government agencies over environmental degradation of a 15-square-kilometre tidal flat in front of the Roberts Bank waterfront reserve.

On a cash-per-person basis, the Tsawwassen agreement is far richer than the most notable cash settlements awarded to aboriginals in other jurisdictions in Canada, including those reached with the Nisga'a, the James Bay Cree and the Inuit.

More significantly for Canada, the deal allows the Port Authority to proceed with aggressive plans to expand its thriving Deltaport Container Terminal.

The Port of Vancouver's container traffic, primarily at Deltaport, generates more than \$800 million a year for the Canadian economy, and container traffic is projected to triple along the West Coast of North America by 2024.

The additional activity would push the value of Deltaport container handling to \$2.4 billion a year -- but that can't happen without construction of a new, bigger and more efficient terminal.

The port authority's expansion plans were imperilled as long as the Tsawwassen remained outside the province's economic mainstream.

The Deltaport terminal sits just offshore from the Tsawwassen reserve and its impact on the local marine environment has been a sore point with the band since the 1960s.

Deltaport and BC Ferries' Tsawwassen terminal have disrupted the tidal flow of the Strait of Georgia to the extent that the shallow waterfront area between them has become stagnant and overrun with alien plant species.

That makes it impossible for the Tsawwassen to harvest crabs and other shellfish on the beach across the street from their modest homes.

A succession of Supreme Court of Canada decisions over the past two decades has confirmed that aboriginals must be consulted before any significant industrial activities are undertaken on their traditional territories -- and Deltaport is at the heart of the Tsawwassen territory.

More significant for the port, BC Ferries and other government agencies, the Tsawwassen received a number of favourable rulings as they proceeded with their environmental degradation lawsuit.

Striking a deal with the Tsawwassen does more than eliminate the threat of court action -- it effectively makes the aboriginals into partners and stakeholders for future development.

The deal has 12 cash components, including \$10 million for the creation of a joint venture investment fund that will make the Tsawwassen a "full partner" in future port developments, according to information obtained by The Sun.

That fund is expected to evolve into a partnership between the band and the port to create a specialized container transfer facility that will offer customized service for large-scale importers of Asian goods.

Big retailers such as Wal-Mart would pay additional fees for expedited handling services, for example.

Those types of services actually generate more cash, per container, than standard port operations.

Other components of the agreement include \$2 million compensation for past environmental impacts, \$2.5 million for impacts from future development, and \$2.5 million for projects to mitigate those impacts.

The band will also get to participate in Deltaport's expansion through construction contract benefits (\$4 million), construction jobs (\$1.8 million) and full-time employment at an expanded facility (\$5.7 million).

Over 25 years, the band is expected to earn \$10 million in land rentals at the custom container handling facility, and \$2.5 million in property taxes from it.

The agreement was struck as a side-deal to the band's proposed treaty with the Canadian and British Columbia governments.

The proposed treaty, which was introduced earlier this year as an "agreement in principle," is also worth about \$50 million and includes \$10 million cash, 427 hectares of land in the vicinity of the existing reserve, an allotment of Fraser River salmon and other aboriginal rights.

Negotiations continue on final deals of the proposed treaty, which is looming as the first modern-era treaty signed by an urban aboriginal first nation.

Band members voted three to one last December in favor of the treaty proposal, and will vote on the \$47 million port deal later this month.

According to information released earlier this year by the band, 60 per cent of band members are under 25, and average family income is \$20,065.

The on-reserve unemployment rate is 38 per cent and the high school graduation rate among band members is 47 per cent.

Baird is expected to say today that the band's priorities for the cash include economic development, jobs and higher education.

She is also expected to say the Tsawwassen recognize Deltaport is "critically important" to Canada's economic well being.

The cash will be spent over a 25-year period, and the \$47 million figure is considered to be a conservative estimate of the value of the deal.

Not included in the \$47 million is roughly \$3 million worth of water lots owned by the province that will eventually be turned over to the Tsawwassen, and any returns on a \$10 million "investment fund" that exceed eight per cent.

A higher return is likely if the Port Authority's projections for rapid expansion of container traffic are borne out.

On a per capita basis over the 25-year life of the deal, the \$47 million is worth about \$140,000 per resident.

That compares with \$31,000 cash for each of approximately 6,000 members of the Nisga'a First Nation in B.C.'s remote northeast. They got \$190 million in cash as part of a cash, land and resources deal worth about \$500 million.

The 13,000 members of the James Bay Cree got \$200 million cash compensation -- \$15,000 each -- from Hydro Quebec for the impact of hydroelectric development on their 350,000 square kilometre traditional territory.

Even the agreement that created Nunavut provided less per capita -- \$1 billion to be shared among 27,000 Inuit, or \$37,000 per person.

In the case of the Tsawwassen, the deal reflects the vastly greater strategic value of an integral piece of waterfront along one of Canada's -- and North America's -- key transportation corridors.

The Tsawwassen reserve as it is now constituted occupies 290 hectares along Roberts Bank.

That's not much larger than a typical Greater Vancouver subdivision, and it's a far cry from the 148,888 hectare traditional territory the Tsawwassen people occupied prior to European arrival.

The reserve is hemmed in to the south by the BC Ferries causeway and to the north by the Port Authority's container and coal port terminals.

The ferry causeway runs almost through the middle of it, while the container and coal [ports](#) are keystones of the Canadian economy