

# N.S. primary bidder on Resolute land

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Government in 'aggressive' talks with former Bowater operator

The province is the only potential buyer in talks with the largest private landholder in Nova Scotia, the deputy natural resources minister said Wednesday.

The landholder is Resolute Forest Products of Quebec. Resolute shuttered Bowater Mersey Paper Co. in June. Its assets include 220,000 hectares.

The province has been in talks for months with Resolute, discussions that deputy minister Duff Montgomerie characterized Wednesday as “aggressive dialogue.”

“Right now, they are in dialogue with us and us alone,” Montgomerie told reporters after appearing before the legislature’s public accounts committee.

“Resolute is committed to the government of Nova Scotia first, and they have honoured that.”

Montgomerie said that essentially means the province has a right of first refusal.

Resolute spokesman Seth Kursman said via email that it would be premature for him to comment.

There has been lots of speculation around Queens County about who might buy some or all of the assets, while various groups are urging the province to buy the land.

Among the rumoured suitors are Emera, Nova Scotia Power’s parent company, which is said to be interested in harvesting wood to make a type of pellet for coal-fired power plants.

The company hasn’t commented on that possibility, although an analyst said in August that no one’s found a cost-effective way to use the pellets on a commercial scale.

Others have speculated the Irvings and an Asian company are interested.

Montgomerie tiptoed around the question of the province talking to a third party about the assets.

“Informally, we would have some conversation and dialogue as we look at some of those assets like a (co-generating) plant and others, and I think I’ll stop there because this is a very sensitive process,” Montgomerie said.

Premier Darrell Dexter said later that the province is looking at many options in its negotiations, and balancing interests that range from protecting land to industrial uses.

“We’re trying to turn this thing on its head as many ways as possible, look at the various angles associated with it, and try to come to a reasonable conclusion,” Dexter said.

“Whatever the decisions are ... there will likely be further things that will unwind from that over time, so we’ll see where that takes us.”

The options can change by the day, whether it is buying just some of the assets or buying them all and then making other deals with them, he said.

“It depends on level of interest, who’s bringing cash to the table, who has particular uses for particular assets, whether or not it fits into the provincial interest. (There’s) a lot of moving parts on it, and you won’t know until you get right down to the end, I don’t think.”

The province bought 10,100 hectares from Resolute for \$23.7 million in January as part of a package to help the mill operate and to add to the Crown land inventory. That worked out to about \$2,350 a hectare.

A deal to buy almost 21,000 hectares of land from Port Hawkesbury Paper for \$20 million was just completed Monday. That is about \$950 per hectare.

The province didn’t have appraisals done on the land in either deal, as is usually the case before it spends taxpayers’ money on land.

Montgomerie said appraisals, which can cost up to \$40,000, are preferable, but the province was able to use recent land purchases in those areas to judge and be comfortable with a purchase price.

In the case of the Bowater purchase, he noted a range of groups, including environmentalists, supported the deal because of the high-value conservation land that was included.

Liberal MLA Andrew Younger said he would like appraisals to be the norm.

“It’s always a problem when you don’t get an appraisal because then you can’t adequately answer the question whether you paid the correct price for the land.”

Younger said he would like to see more transparency on the cost of land purchases.

“We need to end the blurring of the line between paying to get an economic development value, such as saying, well, we’ll buy this land so you can operate a mill, versus buying it because it’s important to have a higher Crown land inventory.”

[\(djackson@herald.ca\)](mailto:djackson@herald.ca)