

**Minutes of Community Information Forum (CIF) Meeting
Prestige Prince Rupert Hotel
Wednesday, January 27, 2016
5:00 p.m. – 6:30 p.m.**

Members present

Brian Musgrave
Luanne Roth
Ken Shaw
Dan Harris
Ken Lippett
Richard Mellis
Mike Slubowski
Bill Mounce
Don Scott
Sebastien Pacquet
Harry Young

PRPA staff Present

Ken Veldman (entered the meeting at 5:20 PM)
Maynard Angus
Charlene Hamilton

Guest Observer

Regrets

Ross Wilson
Henry Clifton
Nancy Wilson
Bob Blain
Peter Freeman
Bob Payette
Sheila Gordon-Payne
Michal Sluka

1. Call to Order

Maynard Angus called the meeting to order at 5:00 PM.

2. Last Meeting

- **Minutes**

The December 16, 2015 minutes were circulated and accepted.

- **Business arising from the minutes**

- **Shore Power:** A question was asked regarding Fairview's shore power capacity. It was noted that the current Pacific container fleet that has been calling on Prince Rupert have had a limited ability to use shore power since its installation a few years ago, but it is expected that newer vessels will have an improved capacity to use it. Bulk terminals are not currently being considered for shore power infrastructure, due to the lack of bulk vessels with that capacity. A comment was made that the Westview Terminal could be a priority for future shore power infrastructure.
- **PNW LNG/Lelu Island:** Veldman's update included noting DFO and NRC (regulatory agencies in the process) have provided public comments to CEAA that they do not see potential for significant impact to the environment in their respective jurisdictions. CEAA is expected to produce its draft report within the next month, which will be followed by a 30-day public comment period, after which it will go to the federal government for decision. It was noted that the federal government has introduced climate change/GHG emission criteria that will be included in the decision making criteria considered for PNW LNG.
Locally, the site investigation activity has continued, and is nearing completion. Fish survey work continues on an ongoing basis. The 'Salmon Summit Declaration' was discussed, including the response from several of the local elected chief councilors.
- **Ridley Island Disposal Site:** Veldman indicated that PRPA's Project Development team is willing to have a discussion with CIF at a later meeting, which would likely be a more efficient way for members to ask questions related to the issue.
- **Kitson Island:** Following up on a question for a previous meeting, Veldman explained that Kitson Island is federal crown land under the jurisdiction of PRPA. In 1993, the BC Government declared Kitson Island as a Class A Marine Park, under what appeared to be an erroneous assumption that it was provincial crown land. Despite this inconsistency, it has never been challenged, likely due to the lack of port development plans or potential (including the PRPA land use plan) specific to the area.

- **Canpotex:** A question was asked regarding public comments made recently by Potash Corp. regarding the Canadian industries lack of need for new export infrastructure “in the next ten years”. (Potash Corp. suspending mine operations at a New Brunswick site, and has made its marine terminal in Saint John available to Canpotex.) Veldman noted that while Canpotex subsequently commented that the comments did not infer a decision has been made on the Prince Rupert facility, the comments are reflective of the difficult outlook for that sector, which has been central to Canpotex’s inability to make a positive investment decision in Prince Rupert. It was also noted that Canpotex has been granted an extension to their disposal permits, but that Environment Canada has added conditions as part of the extension.
- **Ridley Island Development:** In response to a question regarding Canpotex and the RRUC, Veldman indicated that the execution of a lease with Canpotex (as opposed to a project development agreement) means that Canpotex is now paying ‘regular’ property tax to the City of Prince Rupert, as opposed to the land being subject to federal Payments In Lieu of Taxes (PILT) regulations.

3. New Business

- **Future Economic Impact Study**

Veldman summarized the future economic impact study that was released early in January, including the assumptions used in terms of projects and the economic model used.

Key findings included:

- an increase of 4,780 full-time equivalent (FTE) jobs directly related to port activity
- \$310 million annually in additional wages
- \$59 million annually in additional local municipal taxes for the City of Prince Rupert and the District of Port Edward
- \$178 million annually in combined taxes to all levels of government
- \$400 million annually in additional Gross Domestic Product (GDP) for Canada

In addition to the sustained economic benefits of planned infrastructure and terminals, their construction could provide as many as 26,000 person years of employment, \$1.7 billion in wages and over \$2 billion in GDP.

The study had two primary objectives. One, it is a valuable tool to use in defining the potential outcome of the Port’s 2020 Vision. Two, it is also a valuable tool in defining economic returns that are facilitated by the development of port

infrastructure, especially common infrastructure that isn't tied to a specific terminal development.

- **Year End Port Volume Results**

Veldman summarized initial volume statistics from 2015

- Overall, port volumes in 2015 were down about a million tonnes (5%) to 19.6 million tonnes. Strong performances from the full portfolio was able to mitigate much of the continued decline in coal volumes.
- RTI shipments were down almost 3 million tonnes to 4.4 million
- PRG shipments were in excess of 6.2 million tonnes, its second highest volume year on record
- Westview shipments grew to just over 700 thousand tonnes.
- Fairview increased its container volume over 25% to almost 780,000 TEUs

- **RTI/AltaGas Liquid Propane project announcement**

Veldman provided an overview of the project that was announced earlier in January. AltaGas is proposing to invest \$4-500 million into a liquid propane facility that would be based within the existing RTI footprint, and could export about one million tonnes of product using the existing RTI marine berth.

- Propane would be delivered by rail on existing rail infrastructure.
- The project would consist of building new propane unloading facilities, storage facilities, and infrastructure to deliver the product to the marine berth.
- Initial estimates expect 40 full-time operations jobs associated with the new cargo, and an improved stability for existing RTI's employment base
- The project description is not yet completed, and while an EA is expected to be required, that process has not yet started.
- AltaGas has expressed an interest to present to the CIF in the near future, which will be discussed at the end of the meeting.

A question was asked what other products RTI could potentially handle to diversify their cargo base. Veldman could not comment on what products RTI was potentially investigating, but noted that PRPA has oversight over the products being shipped through its lease with RTI, and must approve any changes to the lease. PRPA has agreed to support RTI's efforts, but must also consider the fit with the broader port interests and potential long-term development plans.

4. Roundtable

- **Commercial Development Processes**

In response to a question, a discussion occurred defining the general roles of leases, project development agreements (PDA) and site assessment agreements with commercial terminal proponents. Each of these agreement can have different stages within them, and are meant to provide checks and balances for both PRPA and the specific proponent. However, each represent a higher level of commitment and certainty for each party.

It was noted that a PDA does not necessarily mean that a project has been fully defined, or is ready to enter the EA process—as such it doesn't automatically mean it is ready to be disclosed to the public. For example, the certainty of a PDA may enable the proponent to develop the business case further, which requires commercial confidentiality in order to do so. While most projects become publicly visible well before an environmental assessment process begins, EAs provide the ultimate deadline for public visibility of and engagement in a project before it is approved.

- **Port Development in Cow Bay**

A question was asked regarding the status of development intentions by the Port in Cow Bay. Veldman indicated that the real estate transaction with the City of Prince Rupert had yet to be concluded, but indicated PRPA was confident it was nearing completion after a multiyear process. Presuming its eventual completion, the Port will begin investigation into a practical way to implement both commercial and community development as per its Cow Bay Master Plan that was developed with the community in 2012. That investigation will include looking at prioritizing projects, advancing design and engineering detail, defining development costs, and then making a commercial investment decision.

- **Port Edward Rail Crossing**

A question was asked regarding the District of Port Edward's desire to develop controlled rail crossings in Port Edward to reduce train whistling noise in the community. The District has completed the engineering studies required for the crossings, and has made a financial commitment to complete at least two (of the five) crossings being addressed, and are currently discussing financial assistance with other stakeholders. PRPA has indicated its willingness to consider financial support for that community project given its priority with the District.

- **Waterfront Property east of Cow Bay**

A question was asked whether PRPA had considered purchasing land to the east of Atlin Terminal. Veldman indicated that they had not investigated that in recent history. The Port does not see an operational advantage to that area of

the inner harbour, and from a community project perspective have concentrated their efforts on potential in the Cow Bay and 'Kwinitsa Station' area. It was noted that CN has not indicated any corporate interest in facilitating the use of their property near the Downtown Yard for non-industrial purposes, and the Port is not actively advocating for anything in that area. It was suggested that public waterfront recreation/access projects should be a topic to discuss again at a future CIF meeting.

5. Next Meeting

- a) **Next meeting date** - Wednesday, February 24, 2015 at the PRESTIGE PRINCE RUPERT HOTEL.

Meeting adjourned at 6:35 pm.