

Overview of 2019

Valemount Industrial Park Limited Partnership

2019 Financials (As of October 1, 2019):

- We have a total revenue of \$179,412
- Total expenses of \$105,162
- Total net **earnings** for 2019 of \$74,250
- The VIP site is old and all the infrastructure needs to be upgraded. We are investing steadily for the future.

2019 Highlights:

- The new Cedar Valley Holdings shake, Shingle and Post and Rail mill is now in full production. The mill shows great promise. Employment has rose from 4 employees to 15 and growing steadily. The fibre agreement seems to be working well as the mill for the first time has a steady supply of fibre.
- A lease deal for 10 acres has been signed with Dunkley Lumber out of Prince George for decking wood purchased off the open market.
- The Valemount Stone Company leases 5 acres in the yard to store and process rock.
- Treasures of the Forest, Peter Kozakiewicz, who build specialty furniture now leases 1.5 acres. They work closely with CVH Ltd and we see this as spin off jobs.
- Remcan out of Prince George is leasing 2 acres in the yard. They are a CN rail contractor who is using the site for training new employees and to store equipment.
- Trans Mountain has leased 30 acres currently used for pipe storage.
- Trans Mountain has leased 35 acres planned for a camp area.
- Robson Valley Gourmet Mushrooms, Paul McManus have recently signed a lease agreement to set up a small operation in VIP close to the office. Water and hydro are included in the lease agreement.
- We are also in talks with two companies that want to set up small operations in the Park.
- In partnership with Trans Mountain we have fibre optics in the yard and will be hooked up to the VCF office sometime in 2020.
- VCF utilized the yard and scales this year as a reload yard and specialty wood decking area. We are finding it very useful to have clean up loads brought into the yard that we can sort out and sell to local mills.
- We have aggressively been fighting Knapweed which is an invasive species that dominated the industrial lands when we purchased the site. We are very proud that the weed is under control and that the grasses and other plant species are now flourishing. We will have an annual plan to monitor and take action when needed.

- We are continually working on infrastructure in the yard in attempts to build and create industry. This summer we hope to start to work on the yard fire fighting system. The old system's base is still there but is in rough shape and needs to be rebuilt
- We are continuing to research ways to deal with the waste fibre in the area. This issue is holding us back from setting up more manufacturing in the yard. Currently, it's a major cost to haul waste to a larger center which makes manufacturing in Valemout very difficult. This is our number one priority.
- The VIP LP has purchased an assortment of mill equipment in 2019 and 2020. A headrig saw will be the heart of the new mill. We have started construction of the mill this spring with a very experienced out of town contractor hired to lead the build with an assortment of locals in support. We are making good progress and hope to have the mill in operation for the fall of 2020. The mill will have a small crew of roughly 7-8 people to start then go from there. Estimated cost of mill purchase and setup is \$1.5 million.