



## Prince George Air Logistics Park – Economic Opportunity

- Concept – Access North American and global markets via Prince George:
  - Distribution, assembly, manufacturing
- Presentation Explores Feasibility of Air Logistics Park in Prince George:
  - Physical Feasibility
    - Can a logistics park be built?
  - Market Feasibility
    - Is there demand by logistics companies?
  - Financial Feasibility
    - Will financial savings from developing and using the logistics park exceed costs, creating an economic competitive advantage?





## Physical Feasibility - Strong Engineering and Construction Industry

- Local companies have successful partnership record with large gateway infrastructure projects:
  - CN Intermodal Distribution Centre
  - YXS Runway
  - Prince Rupert Fairview Terminal
  - YXS Terminal Construction
- Moderate sized industry:
  - 18 General contractors
  - 62 Trades companies
  - 42 manufacturers and suppliers of building materials
  - 16 Engineering firms
  - 698 Construction firms overall
  - 7% workforce (3,300 people) involved in construction
- Excellent local partnership opportunities



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## Market Feasibility – Customer Demand

- Key outcome of ongoing feasibility including Northern Pacific International Gateway Trade and Investment Forum
- International transportation and logistics companies are invested in the Corridor and Prince George:
  - COSCO, Hanjin
  - CN
  - Maher Terminals
  - Allied Aviation, Shell
- Corridor growth is positive in economic downturn, it is gaining share because of competitive advantages
- Currently exploring feasibility of moving to next stage of physical planning for Logistics park, market development.



## Inland Logistics Opportunity for Chinese Companies Financial Feasibility - Cost Savings

- Locational cost advantages of corridor convergence (air, rail, marine, truck):
  - Air Cargo cost savings from using YXS
  - PLUS
  - Speed to market, multi-modal access to North American markets leads to responsiveness and reduced inventory management costs in US and Canadian markets
    - Reduced fuel consumption
    - Uncongested corridor gives new entrants priority use
- Business Cost Advantages of Prince George, British Columbia:
  - Land, energy, labour...and more
- Site Cost Advantages of Prince George Global Logistics Park
  - Zoning, pre-engineering complete, community and regional development priority



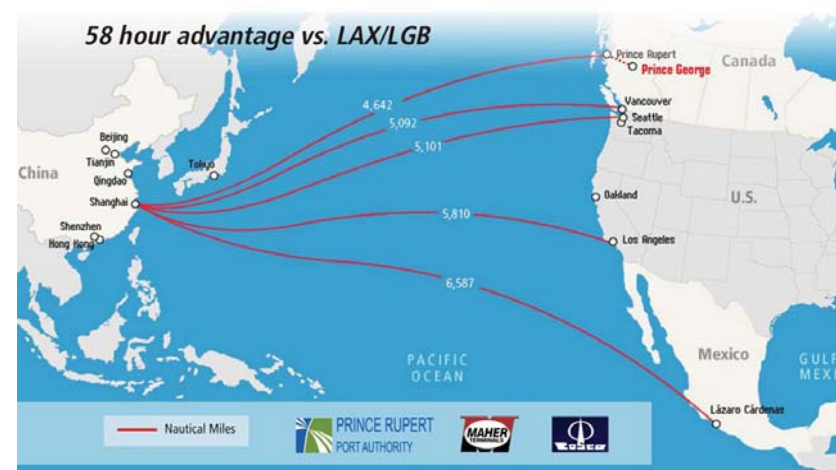
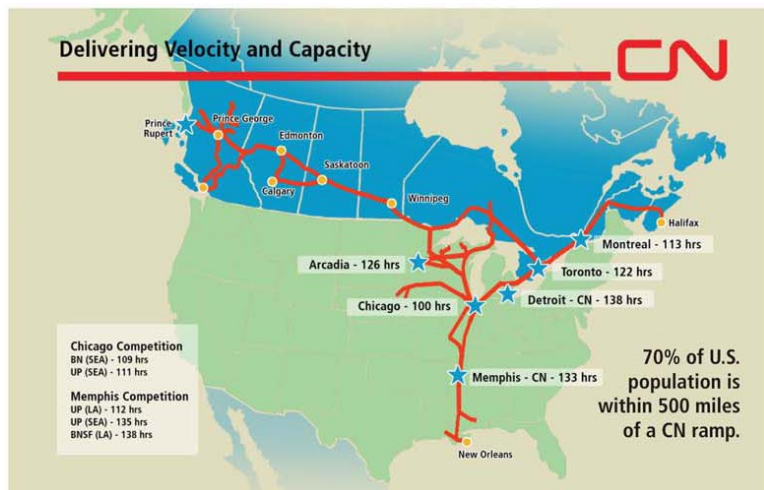


## Prince George is Best Connection for China to North American Markets

**1.5 + days shorter = Cost savings, efficiency, just-in-time access**

### Surface Transport (Marine and Rail)

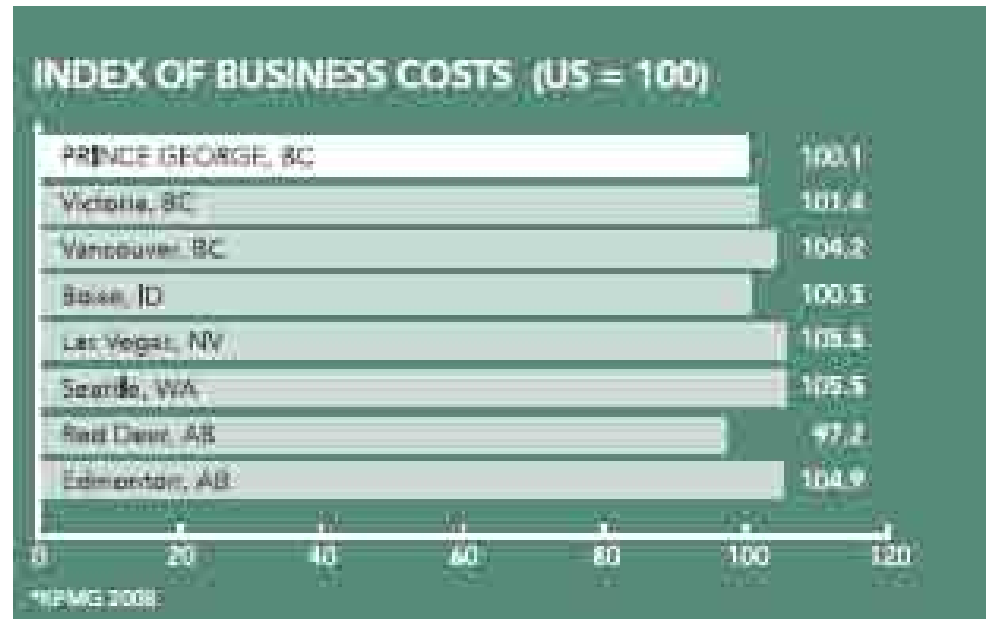
	Inland advantage	Marine advantage	Total advantage
<b>Prince George to Chicago Advantage (via Prince Rupert)</b>			
Compared to SEA	+10 hours	+30 hours	<b>+40 hours</b>
<b>Prince George to Memphis Advantage (via Prince Rupert)</b>			
Compared to LAX/LGB	- 15 hours*	+ 58 hours	<b>+43 hours</b>
Compared to SEA	+2 hours	+30 hours	<b>+32 hours</b>
*average UP and BNSF (source: CN)			





## Prince George – Low Comparative Business Costs

- Favourable exchange rate:
  - Currently \$1US = \$0.90 Canadian (typically ranges \$0.80 to \$0.90)
- Industrial land costs:
  - \$350,000 per ha vs \$2.5 million in other port cities
- Low Business Costs relative to other Port cities
  - Vancouver, BC
  - Seattle, Washington (US)
- Low tax rates
  - By 2010, British Columbia will have lowest in G7 on new business investment
- ‘Green’ abundant energy
- Research and education:
  - University of Northern British Columbia
  - College of New Caledonia

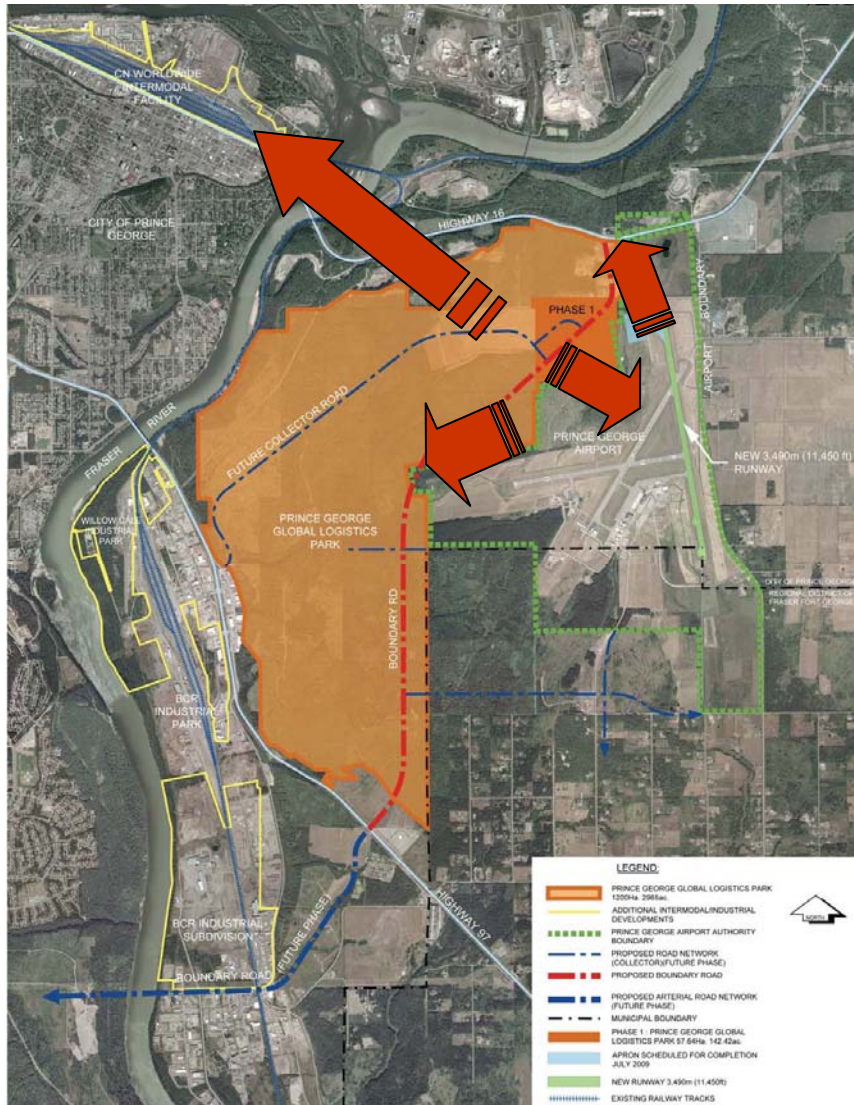




## The Prince George Global Logistics Park – Site Cost Advantages



- Public-private development
  - City of Prince George, PG Airport Authority, Initiatives Prince George Development Corporation, Property owner
  - Over \$100m in public sector investment to date
- 1200 ha for development
- Phase 1 is 60 hectares (including YXS lands)

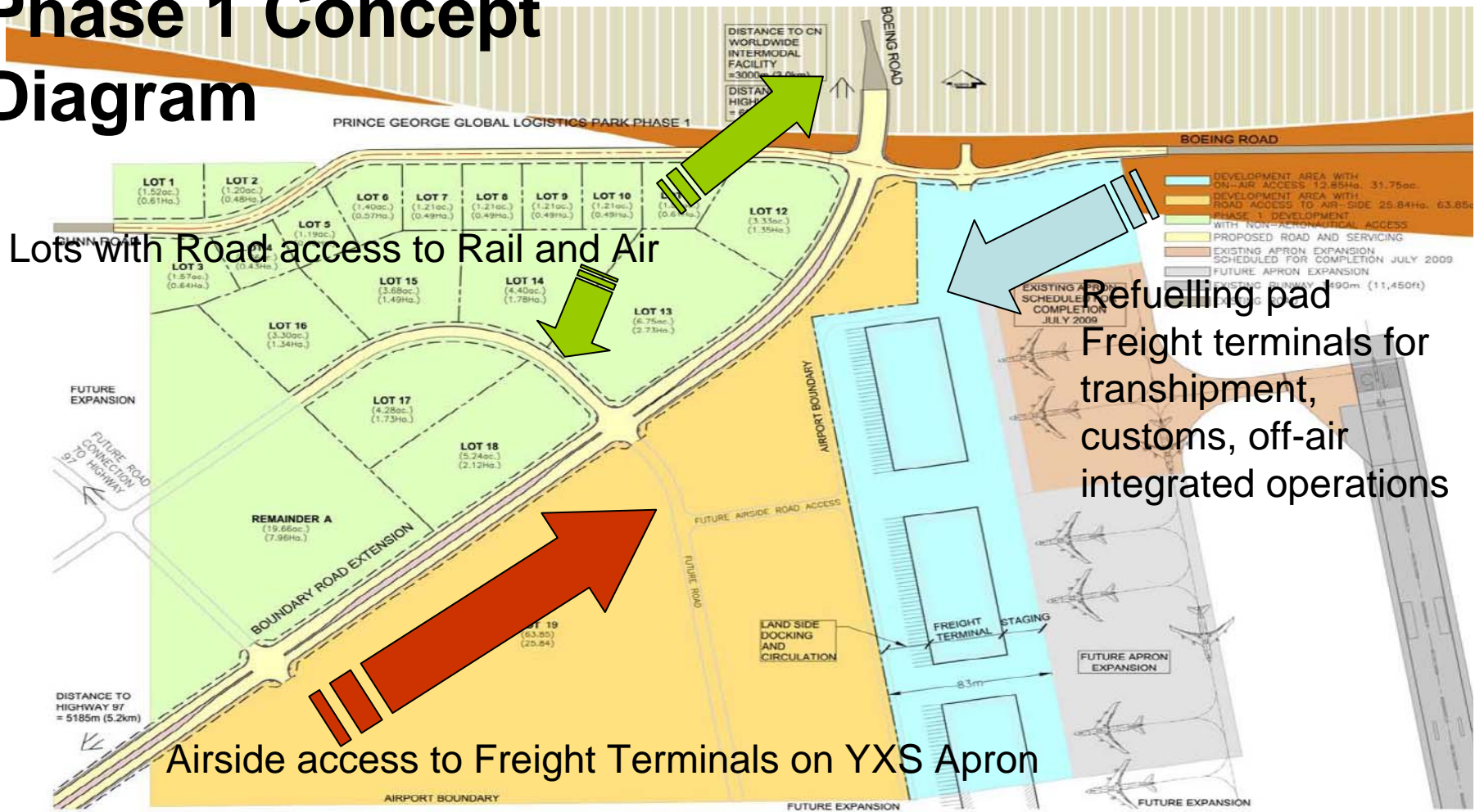


## Multi-modal access to NA Markets

- Logistics park is located 5 kms from CN Intermodal with direct connections to Chicago (east), Prince Rupert (west)
- On-air access to YXS Refuelling Apron serving trans-pacific cargo carriers
- Direct highway access for local/regional transport – Highways 16 (east/west) and 97 (north/south) connect to trans-North American corridors directly



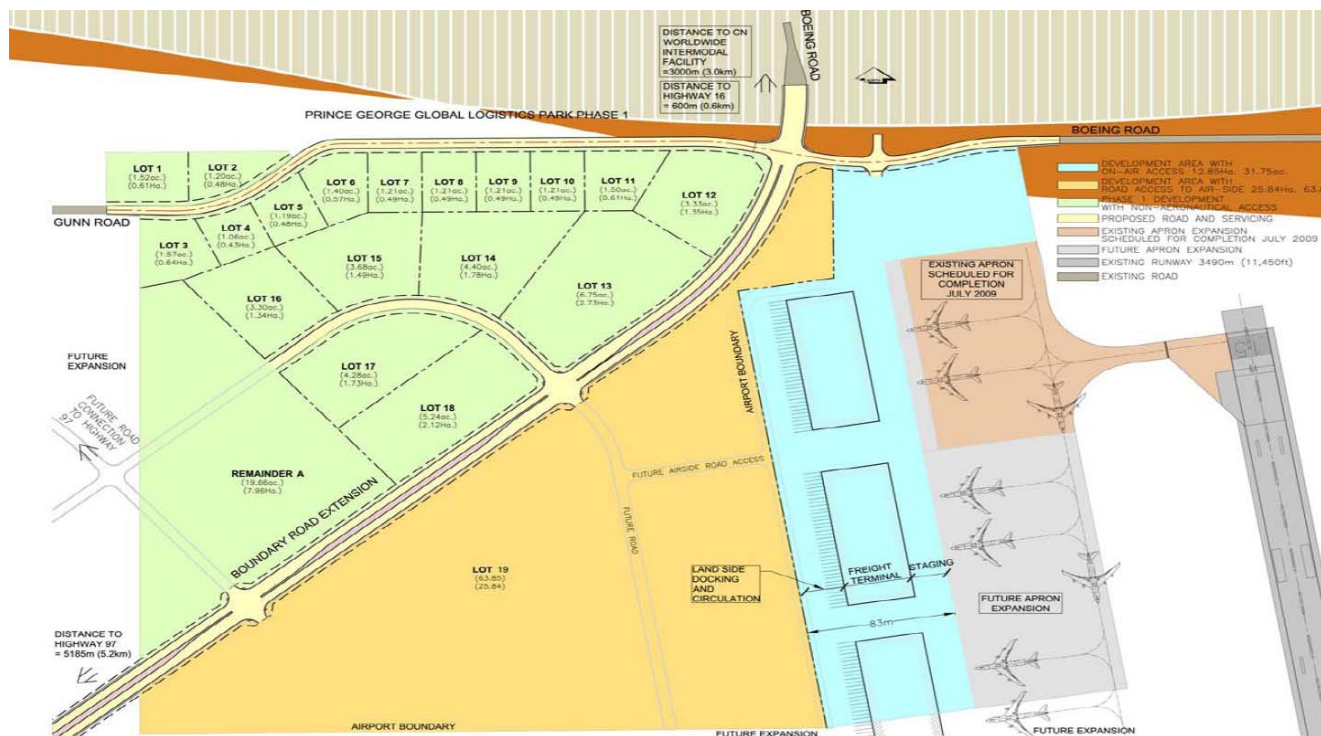
# Phase 1 Concept Diagram





# The Opportunity – Site Cost Advantages





- 60 ha zoned for light industrial development
- Permitted uses include: manufacturing, light industry, fleet service, warehousing & storage among others
- Pre-engineering complete
- Development Approvals in 4 to 6 months





**PRINCE GEORGE  
GLOBAL  
LOGISTICS PARK**

## Phase 1 Pricing Sheet

	Size	Lease	Own to Develop	Contact
On-airport access (unserved)		\$2.50 CDN/sq m per year	-	 <b>Todd Doherty,</b> Manager Aviation Services
Lot 19 Road access to airside (unserved)	63.84 acres  25.5 hectares  382.5 mu	-	\$CDN 9.58 million  \$US 7.6 million *	<b>Tim McEwan</b> President, CEO Initiatives Prince George  
Lots 1 to 12 (served)	1.1 to 3.3 acres  0.4 to 1.3 hectares  6 to 19.5 mu	-	\$CDN 240,000 to \$CDN 267,000 per acre  \$CDN 600,000 to \$CDN 668,000 per hectare  \$CDN 40,000 to \$44,500 per mu	<b>Harry Backlin</b>  
Lots 13 to 18 (served)	3.3 to 6.7 acres	-	\$CDN 200,000 per acre  \$CDN 500,000 per hectare  \$CDN 33,333 per mu	<b>Harry Backlin</b>  

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 1 US = \$CDN 0.80



[ PRINCE GEORGE, BRITISH COLUMBIA, CANADA ]

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## *Prince George - The New Transpacific Logistics Alternative*

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