



President's Comment

Over the past 12 months, Prince George and its northern service base have increasingly seen the "China effect" take a firm hold in the region's export economy.

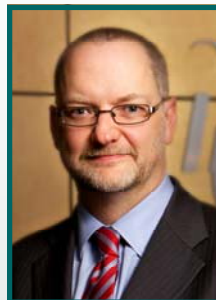
While the United States remains a critically important market for British Columbia's goods exports, recent numbers from BC Stats provide evidence of continued stagnation south of the border. Meanwhile growth in the Asia Pacific, led by China, is reaching new heights.

The numbers tell the story.

At \$6.8 billion in export value, the United States remained BC's largest export destination for the first six months of 2011, though there was little improvement (a mere 0.1%) year-over-year compared with January to June 2010. Meanwhile, our leading markets in the Asia Pacific posted substantial six month year-over-year increases: China (including Hong Kong), \$2.6 billion, up 49%; Japan, \$2.3 billion, up 11%; and, South Korea \$1.2 billion, up 35%.

Much of the dramatic increase in BC's overall exports to the Asia Pacific has been driven by torrid growth in softwood lumber and coal exports, principally to China. In June 2011, compared to the same month in 2010, the value of lumber exports to China rose by a staggering 163%, while coal exports rose by 66% during the same timeframe. Also of interest for Northern British Columbia, the value

of Aluminum exports to China increased by 176% while other metal and mineral exports showed little growth or, in some cases, decreases.



Tim McEwan

President and
Chief Executive Officer
Initiatives Prince George

There are other visible signs the "China effect" is rippling through to other aspects of the Prince George and northern economy. The Port of Prince Rupert has plans afoot to dramatically increase the size of the container port in the near term from 500,000 TEUs to 700,000 – 800,000 TEUs and eventually to 2,000,000 TEUs this decade. And just last month, Ridley Terminals commenced work to triple the size of coal port capacity.

Closer to home, the transportation hub at Prince George is expanding with CN's recent announcement that its four year old \$20 million Intermodal-Transload facility will receive a \$3.2 million expansion. Currently, CN stuffs about 400 containers per week of lumber

destined for the Port of Prince Rupert for export to China. This will increase to 700 containers by January 2012, representing a 57% increase in throughput over current levels. It is worth noting that as recent as 14 months ago, the facility was stuffing as few as 30 containers per week.

The combination of growing resource export volumes to the vast markets of the Asia Pacific, led by China, and the inherent supply chain advantages of the Prince Rupert – Prince George northern corridor bodes very well for future growth of the Prince George transportation hub.

Provincial and federal authorities must keep an ongoing watch on infrastructure and regulatory needs of the corridor so it achieves its full potential. Aggressive and routine marketing of the corridor and BC resource exports is also imperative. The recent news of Premier Clark and Minister Bell's forthcoming mission to China and India this fall is very timely. This will provide an important opportunity to consolidate and expand on the dramatic export gains made recently, while advancing efforts to tap into the next large and dynamic emerging market opportunity of one billion plus people in the Asia Pacific – India.



IPG Senior Staff Appointments

On August 2nd, Initiatives Prince George Development Corporation (IPG) announced two senior staff appointments. Effective September 8th, 2011 Ms. Heather Oland will assume the position of Vice President, Strategic Initiatives while Ms. Tara Bogh assumes the role of Director, Downtown Initiatives & Economic Analysis.

Commenting on the two appointments, Tim McEwan President & Chief Executive Officer of IPG stated: "Heather Oland has exceptional public and private sector experience and a track-record of getting results. Heather will be a terrific addition to our team as we continue to aggressively implement our three year strategic plan. Tara Bogh will lead IPG's efforts, with the City of Prince George, to improve the City Centre. Tara will also maintain core responsibility for economic and market research, a role that she has excelled at during her three years with IPG".

In her role as Vice President, Strategic Initiatives, Ms. Oland will work on a number of files including: business recruitment and retention; addressing skills shortages; advancing the transportation hub in Prince George; working on a campaign to promote Prince George's advantages in advance of the 2015 Canada Winter Games; and, representing IPG on the Northern Innovation and Entrepreneurship Partnership. Ms. Oland joins IPG following six years as Director of Planning for a local engineering firm.

In her role as Director, Downtown Initiatives & Economic Analysis, Ms. Bogh will help implement the recommendations of the Mayor's Task Force Report on a Better Downtown. She will also market Prince George's downtown, provide staff support for the work of the Downtown Partnership, maintain responsibility for economic and market analysis, and lead IPG's work with the Regional District of Fraser-Fort George on their Industrial Lands Strategy.

Glen Wonders, Chair of Initiatives Prince George, commenting on the appointments stated: "With these changes in place, the Board of Initiatives Prince George looks forward to continuing our organization's work to enhance Prince George as a sustainable, knowledge based, resource economy connected to the world. We are thrilled to welcome Heather Oland to our organization and to see Tara Bogh assume additional responsibilities."



Heather Oland



Tara Bogh

Thank-you Sharon Cochran!

Initiatives Prince George (IPG) Board and Staff would like to express their sincere appreciation to Sharon Cochran for her contributions to the betterment of Prince George.

For the past four years Sharon served as Co-Chair of Progress Prince George, a benchmarking and advisory body to IPG, first with former Prince George Mayor Colin Kinsley and, since December 2008, with the current Mayor of Prince George Dan Rogers.

In addition to this important community leadership position, Sharon served as Chair of the Prince George Regional Performing Arts Centre Society which has been completing due diligence on a performing arts centre for Prince George's downtown core.

Sharon, and her husband Larry, have moved to Whitbey, Ontario to be closer to their family. We wish Sharon all the very best with her new endeavours and offer our sincere thanks for her many contributions to our community.

Thank you Sharon!

CN Intermodal-Transload Expansion Announced

On the heels of rising Chinese demand for BC-produced lumber, CN recently announced a \$3.2 million expansion of their Intermodal-Transload facility in Prince George. Once complete, the expanded operation will handle 700 containers per week (up from 400 containers per week at present) or over 30,000 containers annually. Since July 2010, the facility has grown from 5 employees to 32 presently, with further plans by CN to add 25 more employees by year's end, bringing the total complement to 57.

Five years ago, CN and regional partners, including Initiatives Prince George (IPG) jointly conducted a demand analysis of containerized shipping opportunities, contracting with InterVISTAS to lead the work. The report described the export opportunity, CN liked the outlook and subsequently invested over \$20 million in the facility. IPG President & Chief Executive Officer Tim McEwan commenting on the expansion stated: "The fact that CN is expanding about three-and-a-half years after the facility opened shows how China as a market has taken hold. This is a terrific step in ongoing efforts to advance the Prince George transportation hub".



CN Intermodal Yard in Prince George



Loading in Prince George



Tim McEwan, Mayor Rogers, and Michael Monsour at CN announcement



Changing the Face of Downtown

Over the summer months, progress has been made on a number of key projects important to the revitalization of Prince George's City Centre. Some highlights include:



- Construction continues on the \$3M renovation of The Keg Steakhouse & Bar. The renovation is expected to be complete in early 2012.
- Progress continues on the \$4.8M 36-unit Seniors Housing Complex under construction at 1373 6th Avenue.
- Construction has started on the peaking/back up plant for the Downtown Energy System located at the corner of 2nd Avenue and George Street. This portion of the project is expected to be complete by the end of December.
- The tender for the new RCMP building has closed and the contract is expected to be awarded before the end of August. Construction is anticipated to begin in September 2011 with a targeted completion date of September 2013. The total project is valued at \$38.9M.
- The tender for the demolition of the Prince George Hotel is expected to close before the end of August, with work to commence shortly after. The Prince George Hotel site presents an attractive location for any one of a number of projects planned for the City Centre.

The Downtown Partnership recently released its second quarter Status Report on progress towards improving the investment climate, building cultural vibrancy and enabling a clean, green and safe downtown. For more information on City Centre development and the Downtown Partnership go to:

<http://www.initiativespg.com/Sectors/index.php#centre> or contact Tara Bogh, Director, Downtown Initiatives & Economic Analysis at 250.564.0282.



RCMP Lot Cleared and Ready



The Prince George Hotel



Seniors Complex Construction



The Keg Undergoing Renovations

Community District Energy System

Work has begun on the construction of the Downtown District Energy System (DES). The Downtown DES will utilize the system already in place at Sinclair Group Forest Products' Lakeland Mills operation to generate hot water to provide heat to several downtown buildings.



Construction of the Downtown DES

"[Prince George City] Council has identified establishing a District Energy System for downtown as a priority project within its strategic plan as the project will yield many benefits," said Mayor Dan Rogers. "This system will improve air quality through particulate reductions, reduce greenhouse gas emissions, provide economic benefits for the City, customers, and the community, and move the City toward its sustainability objectives."

IDL Projects Inc. has started construction on the peaking/back up plant located at 2nd Avenue and George Street. This portion of the project is expected to be complete by December 31st. Piping has been installed to connect City Hall and the Coliseum, with required work along George Street to be undertaken next.

For more information on the Downtown District Energy System go to <http://www.princegeorge.ca/cityservices/utilities/districtenergy/Pages?default.aspx>

Innovative Downtown Revitalization Tax Incentive Program – "It's A Go!"

On August 8th, Prince George City Council approved the establishment of the new Downtown Incentives Program intended to encourage new residential development, commercial development and façade improvements for buildings in the City Centre. The Program offers incentives for new multi-family, mixed-use, commercial and green development, as well as upgrades to existing developments in downtown Prince George. The program was created following an innovative proposal advanced by Initiatives Prince George (IPG) to the City of Prince George's public call for submissions during the summer of 2010 for a downtown revitalization tax incentive program to spur new development. The program is made up of two components:

Revitalization Tax Exemption Program

The City of Prince George Downtown RTE Bylaw 8370, 2011 provides municipal tax exemptions for projects that meet specified criteria related to residential, commercial, LEED certified and exterior improvements. For development projects meeting the criteria, the bylaw grants a 10-year exemption from municipal taxes on the assessed value of improvements, which may include the value of land.

Northern Development Initiative Trust Community Revitalization Program

This program offers additional incentives for projects that meet minimum investment and/or density requirements as set out in the Downtown RTE Bylaw 8370, 2011. The program has two components – the RTE Early Benefit Program and the Housing Contribution Program – and is made possible through a partnership between Northern Development Initiative Trust and the City of Prince George.

Developers can view the Downtown Incentives Program overview for more information at <http://princegeorge.ca/citybusiness/DowntownIncentives/pages/default.aspx>



ON THE MOVE



British Columbia Technology Industry Association Visits Prince George

Bill Tam, President & Chief Executive Officer and Cindy Pearson, Vice President & Chief Operating Officer, British Columbia Technology Industry Association were in Prince George on July 12th to meet with Initiatives Prince George and industry leaders. The objective of their visit was to inquire about how the technology and resource sectors of Prince George's economy interact and how their organization can help contribute to growth in the future. Meetings with both UNBC and CNC were held so BCTIA could learn more about technology based education programs Prince George has to offer and how they contribute to the success of our knowledge-based resource economy.



Council of Forest Industries Annual Convention Comes to Prince George

The Annual Convention is the largest annual gathering of the forest industry in Western Canada and attracts industry CEOs and vice presidents from continental North America and offshore, senior representatives from customers, suppliers, financial institutions, law firms, local government, chambers of commerce, federal and provincial ministers, MPs, MLAs and senior civil servants.

After a three year hiatus due to the global economic downturn the convention returns Sept 15th-16th, 2011. Historic attendance at the convention exceeds 700 registered delegates. The main venue for the convention in 2011 is the Prince George Civic Centre.

To register and for more information go to:
<http://www.cofi.org>



Buy Your Evening in Pink Tickets – Canadian Breast Cancer Fundraiser

The 7th annual "Evening in Pink" Canadian Breast Cancer Foundation fundraiser is being held on September 24th, 2011 at the Prince George Civic Centre. The keynote speaker will be the prominent Canadian journalist and author, Libby Znaimer.

Tickets are \$75 available at Spirit of the North Healthcare Foundation, Two Rivers Business Centre or through Monica Peacock at 250.552.4114.



2011 Power Smart Forum – Registration Now Open!

From October 17th-19th, over 1200 delegates are expected to attend the Power Smart Forum at the Vancouver Convention Centre. This year's theme, "**Resilience and Adaptation: Adjusting to a Changing Climate,**" is integrated into many of the 35+ sessions. This year's workshops are expected to reach capacity quickly with registrations accepted on a first come first served basis.

Register by Friday, **September 23rd** and you will be entered into the Early-bird prize draw to win a three-day **fishing trip for two in beautiful Ucluelet, BC**, courtesy of Canadian Princess Resort. If you are unable to attend in person this year you can still participate at the Forum through live webcasting for both the plenary and keynote address. Please note: You are still required to register for the live webcast sessions.

The highly popular Forum Tradeshow will take place on Tuesday, October 18th. Delegates will have the opportunity to learn first hand about new technologies as well as network with peers.

Register now at <http://www12.bchydro.com/businessesvents/forum/registration/>



BCBC Gateway Conference

The Business Council of British Columbia will be releasing the first phase of programming details for *British Columbia's Gateway: Realizing Canada's Asia Pacific Opportunity* on **September 23rd** at the **Vancouver Convention Centre West**.

The conference will take place from **7:30 am – 12:30 pm** and will feature the **Honourable Christy Clark, Premier of British Columbia** and **Yuen Pau Woo, President & Chief Executive Officer, Asia Pacific Foundation**.

The conference will provide a platform to discuss priorities and policies needed to realize Canada's full potential through the Asia Pacific gateway.



Business Council of British Columbia

You Can Help Support AiMHi

AiMHi is hosting a Black Tie fundraiser, "**Truffles and Travel**", on Saturday October 15th at the Ramada Hotel in Prince George.

The Black Tie event promises to be a night to remember with a plated dinner, auctions, raffles, a dance, and a shuttle service home at the end of the night!

Tickets are \$100.00 each.
For more information, call 250.564.6408.



BC REGIONAL COUNCIL OF CARPENTERS

Representing Local 527, Local 1370, Local 1541, Local 1598 and Local 1907

580 Ebury Place, Delta V3M 6M8
Tel: 604 524 6900 Fax: 604 524 6919

BFI is looking for approximately 40 carpenters and apprentices for a long term project for the Mount Milligan Mine Project.

For more information please contact:
Mike Banham: 250.826.4899 or
Mark Derton: 250.861.7683