

ICF Annual General Meeting – Nanaimo 2017

Vancouver Island Rail



ISLAND
CORRIDOR
FOUNDATION



SVI Rail Link

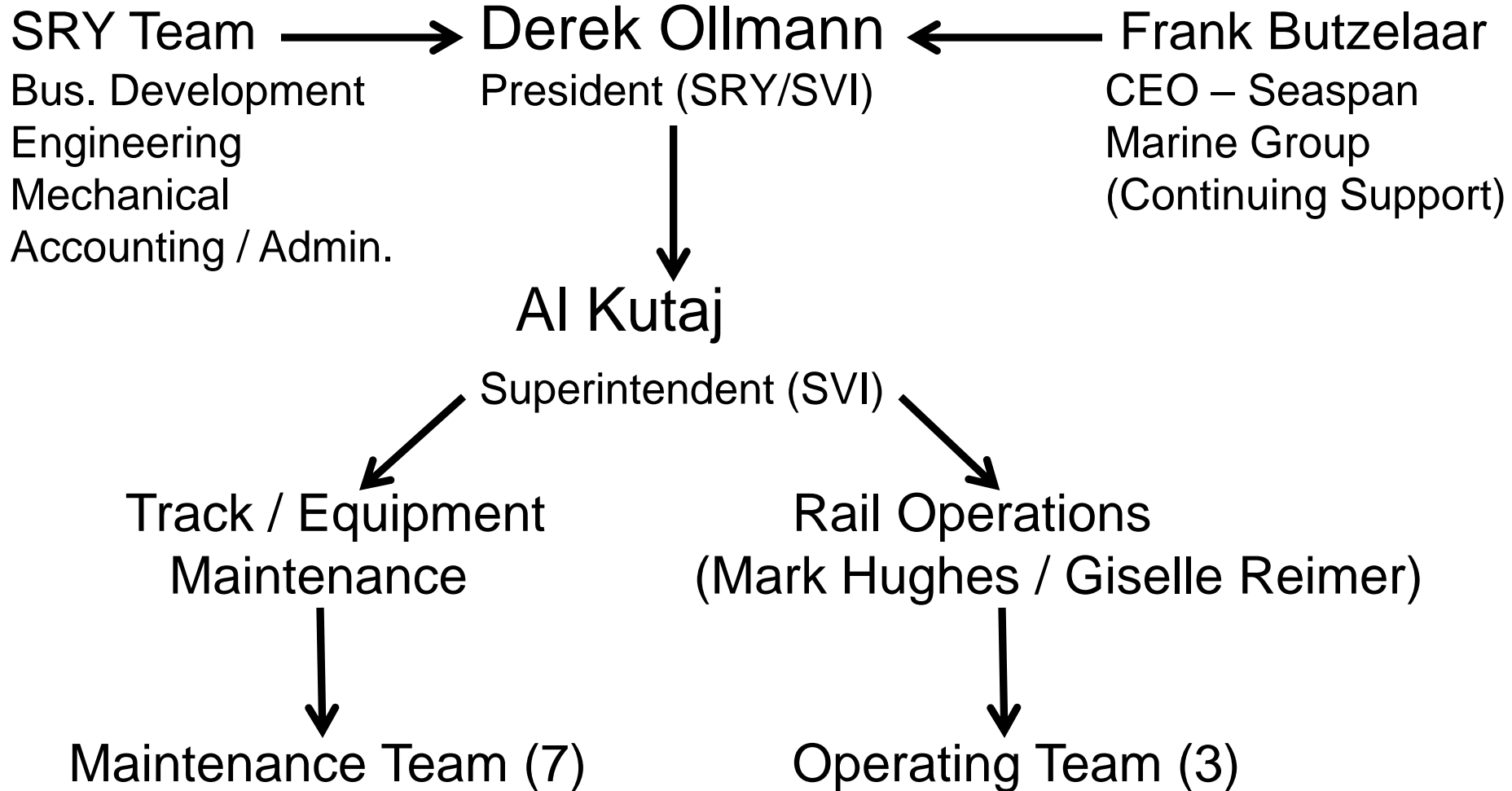
Vancouver Island Rail Review

Report to ICF Annual General Meeting 2017

Introduction

- SVI Operations – Current Status
- Wellcox Yard – Transload Business Overview
- Wellcox Rail Marine Ramp – Key Strategic Asset
- Case for Rail - 4 Pillars Approach
- SVI Community Engagement
- Strategic Plan - Options Going Forward
- Long Term Vision

SVI TEAM / SUPPORT



SVI Operations – Current Status

Freight Service

- Line Haul Service - Superior Propane – Nanaimo (10.5 Miles Track Operated)
- Rail \leftrightarrow Truck Transloading Service – Wellcox Yard (Crucial additional business model)
- Additional Contract Maintenance Work – Support for VI Industries

SVI Staff

- 2006 = 25 Employees Current = 13 Employees

Cumulative Loss 2006 – 2016 (incl.) = Approx. \$5M

Current Goals

- Maintain at Minimum “Break Even” Financial Position
- Continue Aggressive Development of New Opportunities

Commitment to VI Business Development

RECENT NEW BUSINESS

- New Catalyst Paper Transload Business
 - GCC (Ground Calcium Carbonate) –for Paper Production
 - Adds significant additional 460 Carloads per Year
 - Approximately 90% Increase in Freight Volumes
 - Positive Development for Rail & Island Economy
- Transload – Increased interest in mixed freight future growth
- Propane – demand growth

Aggressive business development with track improvements and longer term tenure / agreement

Current Freight Rail Business

Carloads

Rail Service – Direct

• Superior Propane (Nanaimo)	<u>190</u>	<u>217</u>	<u>257</u>
Total – Rail Service – Direct	<u>190</u>	<u>217</u>	<u>257</u>

*Transload Service – Wellcox Yard

• Top Shelf Feeds (Duncan)	197	164	201
• Poles – NPTW & Stella-Jones (Courtenay)	34	7	40
• Latex – Catalyst Paper (Port Alberni)	89	86	85
• GCC – Catalyst Paper (New -Port Alberni)	0	0	300
• Fly Ash – Lafarge Cement (Nanaimo)	30	10	10
• Fertilizer / Other	<u>6</u>	<u>34</u>	<u>20</u>
Total – Transload Service	<u>374</u>	<u>301</u>	<u>656</u>
Total – Freight Rail Business	<u>564</u>	<u>518</u>	<u>913</u>

***Transload Business – “Expanded economic and business development will require longer term tenure / commitment.”**

Wellcox Yard, Nanaimo – Transload Business Overview



Rail / Marine Ramp – Wellcox Yard

- Ownership transfer
Seaspan to SVI
- Key Asset to
North American rail
connections in
support of the
Transload Business
- Commitment to
Capital Required
Approx. \$2M



The Case for Vancouver Island Rail

Strategic Plan - “4 Pillars” Approach

1. Intercity Passenger (VIA)
2. Freight
3. Tourism / Excursion / Rail Trail Opportunity
4. Commuter
 - Business Case Depends on 3 out of 4 Pillars
 - Foundation is Intercity Passenger
 - Track & Bridge Infrastructure Funding Required

SVI Community Engagement

Port Alberni Subdivision

- Integral Part of Long Term Strategic Plan
- SVI Support for McLean Mill Steam Train Attraction
 - Providing professional advice to ICF on track and bridge requirements
 - Assisting City of Port Alberni in track maintenance plan
 - Included in Nanaimo Cruise Ship excursion rail planning
- SVI – Freight Opportunity / Investment Study 2010

SVI Community Engagement



Commuter Rail

- SVI Options Analysis presented to local governments
- SVI Contributed to local community development group
- SVI part of BC MoTI Working Group
- SVI ongoing commitment to provide support for Feasibility Study
- Community benefits include improved employee access to Esquimalt DND Base / Victoria Shipyards

Incremental Track Infrastructure Plan

Phase I - Nanaimo to Victoria Improvements

Four Options to Consider:

Option 1 (Includes All 4 “Pillars”)

- Intercity Passenger (Nanaimo to Victoria)
- Excursion (Nanaimo – Duncan)
- Freight (Nanaimo - Duncan)
- Commuter (Langford - Victoria)

Incremental Track Infrastructure Plan

Option 2 (3 “Pillars”)

- Intercity Passenger (Nanaimo to Victoria)
- Excursion (Nanaimo – Duncan)
- Freight (Nanaimo - Duncan)

Option 3 (2 “Pillars”)

- Intercity Passenger (Nanaimo to Victoria)
- Excursion (Nanaimo – Chemainus)

Option 4 (1 “Pillar”)

- Intercity Passenger (Nanaimo to Victoria)

PHASE II – Nanaimo North Options (When Snaw-Naw-As Claim is Settled)

Phase 2 - Nanaimo to Courtenay Improvements

Option 1 (Nanaimo to Parksville)

- Intercity Passenger

Option 2 (Nanaimo to Qualicum)

- Intercity Passenger
- Tourist Excursion

Option 3 (Nanaimo to Courtenay)

- Intercity

Option 4 (Nanaimo to Coombs)

- Intercity – Nanaimo to Parksville
- Tourist Excursion – Nanaimo to Coombs

