July 25, 2017

PREFACE

This independent report presents the findings from the Fibreco Terminal Enhancement Project public consultation, undertaken by Lucent Quay Consulting (Lucent Quay) on behalf of Fibreco Export Inc.

Lucent Quay is a Vancouver-based communications and engagement firm with extensive experience in general transportation, community planning and port-related projects.

Feedback form results presented in this report are a combination of online and hard copy feedback. Online feedback was collected using the Interceptum survey platform, which stores all of its data in Canada.

The feedback received reflects the interests and opinions of people who chose to participate in the consultation process.

1. OVERVIEW

B.C. owned and operated, Fibreco Export Inc. (Fibreco) has successfully served the western Canadian forest industry by moving wood chips and wood pellets to customers throughout the world for almost 40 years. Located in the North Shore Trade Area, Fibreco is the largest wood pellet handling facility in the world and a vital component of the Asia-Pacific Gateway.

The Terminal Enhancement Project will allow diversification to include handling food ingredients for international agri-trade. Fibreco will increase its throughput by capturing existing underserved demand for agricultural export.

The proposed Project requires permit approvals from the Vancouver Fraser Port Authority and the District of North Vancouver (including release from the B.C. Ministry of Environment) (collectively "the Regulators"). Other permits required include an amendment to the Metro Vancouver Air Emissions Permit to account for greater capacity and commodity change.

The proposed Project consists of the following major components, which have been grouped by Regulator jurisdiction:

Within *District of North Vancouver* (the District) jurisdiction, as part of the District's Development Permit Application requirements:

- Improve railcar handling and receiving equipment and related rail yard improvements, including replacing the rotary car dumper with a new, enclosed gravity hopper, and adding dumper dust control measures and on-site rail car storage.
- New agricultural product steel storage silos, efficiently designed, with a combined capacity of 171,200 tonnes.
- New, covered conveying systems to improve quality, efficiency, dust control and noise and reduce product degradation.
- General site improvements, including water, electrical and storm systems upgrades, and removing some small buildings and old wood chip handling equipment.

Within *Vancouver Fraser Port Authority* jurisdiction, as part of the Port Authority's Project and Environmental Review process for Category C applications:

- New mooring and berthing dolphins to accommodate Panamax vessels, and a new travelling shiploader to more efficiently load products and to better manage dust.
- Retrofit of the existing feed conveyor system, specifically to better manage dust and to improve safety and efficiency.
- Restore rip-rap on the rail jetty.
- Maintenance dredging to return the Fibreco berth to the original design depth of 13.5 metres.
- Remove and appropriately treat/dispose of old wood chip handling equipment and shiploader.

Key anticipated Project benefits include:

- Reduced dust and noise
- Improved safety for workers and improved efficiency for the operation
- Sustainability for local businesses and job security for B.C. workers
- National agri-trade benefits
- A more modern, more attractive site with physical improvements and newer equipment
- Other environmental benefits, including more efficient power usage, and improved stormwater management

2. COMMUNITY ENGAGEMENT & CONSULTATION

As a long-standing member of the North Vancouver community, Fibreco values the interest that local residents, businesses and stakeholders may have with its current and future operations. An important component of Project planning is to ensure that community interests and input are considered as part of the permit review process.

Engagement & Consultation Process: Consistent with the Regulators' requirements, Fibreco designed and implemented a community engagement and consultation process to provide information about the Project and seek feedback. District of North Vancouver consultation requirements called for two elements of engagement: an *Early Input Opportunity* and a *Permit Review consultation*. The Project is considered a Category C in the Vancouver Fraser Port Authority Project & Environmental Review (PER) process, and required a 20-day consultation period during the application review.

Early Input Opportunity Consultation: In October 2016, Fibreco began community consultation as part of the *Early Input Opportunity* requirement to assist in obtaining a District of North Vancouver Development Permit. This consultation focused on sharing project objectives and planning information, confirming community interests, and obtaining input and feedback to assist in refining the consultation materials for the *Permit Review Consultation*.

The consultation period ran from October 13 to November 3, 2016, including a community open house held on October 27, which 16 people attended.

Permit Review Consultation: Between April 26 and May 24, 2017, Fibreco undertook a four-week public consultation program in support of these requirements. Notification activities to invite participation and feedback included:

- Hand-delivering an information package to three local community associations and to adjacent residents and businesses within a 500-metre radius of the Project site (VFPA requirement). The District of North Vancouver notification area is 100-metre radius of the Project site.
- Advertisements in the North Shore News
- A notification sign at Fibreco's main entrance off McKeen Avenue
- A Project website

Community feedback was collected through a variety of sources including:

- A community open house held May 10, 2017
    - 25 people attended
    - Eight people submitted feedback forms
    - Three email submissions received on behalf a community association and individuals
    - One community member called Fibreco to ask about how the proposed Project would affect rail traffic
    - Six people requested to be added to Fibreco's Project database to receive updates
- A feedback form available at the open house

- A feedback form available online throughout the consultation period
- Emails and phone calls to the Project information line

Liaison meetings were held with immediate neighbours and community associations including:

- Norgate Park Community Association
- North Shore Waterfront Liaison Committee (NSWLC), as per the Vancouver Fraser Port Authority's requirements
- Seaspan IULC
- CN Rail
- Lions Gate Marina/McKeen & Wilson Ltd.
- Metro Vancouver

The Project Team also distributed Project materials and issued open house invitations to Pemberton Heights Community Association and Lower Capilano Community Residents' Association.

Meetings were held and / or Information and a request for consultation was sent to the following Indigenous groups:

- Tsleil-Waututh Nation
- Musqueam Indian Band
- Squamish Nation

3. PERMIT REVIEW CONSULTATION APPROACH AND METHODOLOGY

Fibreco's community engagement approach was developed in recognition of the Regulators' requirements for community awareness through a public open house and Project overview presentation.

Notification:

Community and broader public notification was conducted through a variety of means, including:

- *Project backgrounder flyer* with key information about the Project
- Hand-delivered *notification letters* sent to adjacent residents and businesses and three local community associations, and including the Project backgrounder, and feedback form
- Two *advertisements* in the North Shore News community newspaper
- Notification *sign* at the main entrance of Fibreco's site
- Project website (fibrecoterminalenhancement.com)

Project Backgrounder Flyer: A four-page Project backgrounder was developed to provide detailed information about the proposed Project. Specific topics addressed in the flyer include:

- Project overview, including a breakdown of Project elements by Regulator jurisdiction
- Key Project benefits
- Artist's concept of the proposed new facility and site plan
- Project permitting and approvals process overview
- Community open house information

A copy of the flyer can be found in *Appendix A*.

Notification Letters: Notification letters containing a Project overview and information about the community open house were developed and distributed to the community. Project notification packages including the notification letter, a copy of the Project backgrounder flyer and a feedback form were hand-delivered on April 26, 2017 to businesses and residents within a 500-metre radius of the Project site. Electronic copies of the information package were also emailed to the following associations:

- Norgate Park Community Association
- Pemberton Heights Community Association
- Lower Capilano Community Residents' Association

See *Appendix B* for a sample notification letter.

Public Notification: Fibreco placed an advertisement in the North Shore News on April 28, 2017 to provide information about the community open house and opportunities to provide feedback. A follow

up notice was placed in the same publication on May 5, 2017 to ensure that all potentially interested community members had the opportunity to be informed about the consultation process.

An email notice was sent to the Project database on April 26, 2017, which included details about the consultation and community open house.

Fibreco also created a 4-foot by 8-foot sign that was installed at the main entrance of Fibreco's site for the duration of the consultation period to provide the travelling public and nearby community members about information about the Project and the community open house.

See *Appendix C* for a copy of the advertisement, email update, and the sign.

Input/Feedback:

Input and feedback was conducted through a variety of means, including:

- *Feedback form* to collect community input
- Community *open house* on May 10, 2017
- Email address and project information line

Feedback Form: A 12-question feedback form was used to collect input as part of the consultation program. The feedback form was distributed as part of the Project notification package and was also available at the open house on May 10 and online on the Project webpage at fibrecoterminalenhancement.com. More information on the feedback form responses received can be found in the "Detailed Feedback Form Results" section of this report.

A sample Feedback Form is included in *Appendix D*.

Community Open House: A community open house was held in a convenient, centrally located venue at the Grouse Inn North Vancouver Hotel at 1633 Capilano Road on May 10, 2017 between 5 p.m. and 8 p.m., with a presentation and facilitated question-and-answer session at 6 p.m. Each participant was asked to sign in as they entered the event and received a copy of the feedback form.

The open house provided information about the Project through a formal presentation given by the Project Manager and a series of 17 display boards, with images and text-based information about the Project scope, permitting and approvals, environmental studies and reports, including noise, air and visual quality findings, landscaping plans, transportation and construction plans, and conceptual design. The Fibreco Project Team was available to respond to questions from participants. District of North Vancouver and Vancouver Fraser Port Authority representatives were also present to respond to questions about the Regulator review process.

The presentation and display boards are included in *Appendix E*.

Project Website: Fibreco created a dedicated Project page (fibrecoterminalenhancement.com) that acted as the primary sources for materials. The webpage included an overview of the proposed Project, the environmental studies and reports, proposed schedule and consultation materials (including the

online feedback form) and contact information for the Project Team if people had questions, comments or required more information.

Other Communications Channels: A dedicated Project information email address (terminalenhancement@fibreco.com) was created and provided to the public along with Fibreco's community information line (604-980-6543). The phone line and email were monitored during regular office hours with a target response of two business days or less. Six emails and two phone calls were received.

4. PARTICIPATION AND KEY THEMES

Participation results are as follows:

- 25 people attended the community open house on May 10, 2017
- Eight people submitted feedback forms
- Three email submissions received on behalf a community association and individuals
- One community member called Fibreco to ask about how the proposed Project would affect rail traffic
- Six people requested to be added to Fibreco's Project database to receive updates

Most participants learned about the open house from the advertisements that Fibreco placed in the North Shore News and the information package that was distributed to the community.

Open house participants' questions primarily focused on transportation plans, in particular changes in rail transportation, as well as local visual quality, and equipment specifications.

Community Open House: A total of 25 people attended the open house, which included an informal drop-in session where participants could view a series of informational display boards and speak one-to-one with Fibreco staff and with Project Regulators' representatives, followed by a Project overview presentation and facilitated question-and-answer session. Key themes included:

- Questions about the grain and ship loading equipment and automation
- Questions about the grain market and local competition in the grain industry
- Questions about grain processing and fumigation, which will not be done at the facility
- Comment from a local stream keepers group specifically stating no concerns of any impact to streams in the area

Email Submissions: Four email submissions were received during the consultation period. The following provides a high-level overview of the key themes:

Water Quality

- Positive feedback agreeing that removing wood chips will help improve water quality
- Positive feedback about plans to remove creosote piles and replace them with concrete piles, which is expected to improve local water quality and benefit herring spawning
- Positive feedback about the proposed new water treatment and dust collection systems, which will help improve water quality

Socio-Community

- Two comments about the effect the new grain storage silos on residential views
- One comment about Project noise and Fibreco's planned mitigation measures

Safety

- Two comments about dust emissions with the proposed Project, including safety impacts and related mitigation measures

Traffic

- One comment about increased train traffic with the proposed Project

Construction Management

- One question about whether or not Fibreco will prepare a construction plan for the proposed Project

Feedback Form Key Themes: Eight feedback forms were received during the consultation period. The following provides a high-level overview of the key themes:

- Two comments from City of North Vancouver residents expressing concerns related to potential increased noise levels
- Two comments from Pemberton Heights residents about the impact of the grain storage silo design on residential views
- Two comments expressing concerns that the longer-unit trains will increase rail traffic
- Positive feedback about the open house materials and Project staff

A detailed summary of feedback form responses, by question, is included in Appendix F.

Section 5 of this report "Consideration of Consultation Input," provides Fibreco's response to the comments and questions raised through all sources, including the community open house, the feedback form and calls and emails to the project information office.

5. CONSIDERATION OF CONSULTATION INPUT

Fibreco is committed to considering and responding to consultation input where feasible, and has considered community interests and mitigated potential impacts as best as possible, given the operational requirements of the proposed Project and our site constraints.

Public Consultation Feedback: In consideration of the key interests identified during consultation, Fibreco offers the following response for Regulators' consideration.

Written submissions received during consultation are included in *Appendix G*.

Project Input	Response & Action
Visual Assessment: Consultation participants commented on the importance of maintaining residential views.	A visual assessment was conducted to determine how the proposed Project could affect existing viewscapes in the community. The locations selected for analysis included: • Keith Road West • Norgate – McBride Street at Pinewood Crescent and Norgate Community Elementary School • Adjacent commercial/industrial property (west) • Adjacent commercial/industrial property (east) • Stanley Park at Brockton Lighthouse (Vancouver) • Canada Place (Vancouver)
Two comments received about why a ground level visual survey was selected instead of a second-level survey.	Visual survey locations were selected based on guidance from District of North Vancouver Development Planning.
Four comments received about the grain storage silo height and design.	In keeping with commitments to be a good neighbour, Fibreco developed a constrained design for the silos, which limits their height to that of the generally less than the surrounding industrial neighbours. To keep silo heights to a minimum, Fibreco plans to use the largest diameter commercial silos available. This will minimize new view impacts for the community, while allowing Fibreco to meet operational requirements and ensure financial viability. Fibreco believes that because the new silos will replace the existing wood chip piles, at approximately the same height, and will be of uniform design, constructed from high quality, rust-resistant metal, the net change in views will be minimal. Fibreco also understands that Metro Vancouver's proposed new wastewater treatment plant

Project Input	Response & Action
	would help provide a visual buffer that would obstruct views of Fibreco's new silos for residents in some areas, if approved.
Ambient Noise: Consultation respondents noted concerns with respect to potential increase in general noise in the area as a result of the Project.	Recognizing that noise is an ongoing key concern for residents living near the industrial area in which we operate, and as part of the Regulators permitting process requirements, Fibreco conducted a noise assessment. The noise assessment is based on the full operational capacity that the proposed Project will make possible. Study results indicate that at full capacity, Fibreco-generated noise throughout the surrounding community could be anywhere from 0 to 2 decibels (dBA) higher than today, barely noticeable to the human ear. The study also confirmed that Fibreco's operations are not the dominant noise source in the area. As a result, even if Fibreco operates at full capacity, total future noise levels experienced in the community are predicted to remain the same as today. In practice, Fibreco's near-term operational throughput will be less than capacity, so associated noise from operations would be lower than predicted. As part of proposed mitigation, Fibreco is considering the feasibility of incorporating a number of noise mitigation strategies into our Project design, such as the use of fan silencers, enclosed conveyors, and nylon conveyor rollers. Regulators will consider the results of this assessment, and identify any mitigation conditions as part of permit approval.
Lighting: One comment received about light spillage from the Project site.	Fibreco's lighting plan was developed to minimize potential light impacts for our neighbours. Specific mitigation measures identified in the Project lighting plan include: • Using the minimum amount of floodlights necessary for safe and secure operations • Using LED lights which produce a softer light • Direct lighting away from the community

Project Input	Response & Action
Air Quality: Consultation respondents noted concerns about air quality related to Fibreco's current operations, in particular dust emissions.	An independent air quality assessment was conducted in accordance with Vancouver Fraser Port Authority guidelines (July 2015) and an application for an amendment to Fibreco's Air Emission Permit has been submitted to Metro Vancouver. The air quality inventory considered Fibreco's operations, including marine and rail traffic, with and without the proposed Project. The study findings suggest that with the proposed Project, air quality in the area would improve and combustion-related emissions would be well below Metro Vancouver ambient air quality objectives. Key Project features designed to reduce and improve air quality include: • Upgraded shiploader – emissions from Fibreco's existing shiploader represent the largest source of particulate matter (dust), which will be replaced as part of the Project • Covered conveying systems and dust collectors throughout the site – from railcar delivery to vessel loading • Upgraded railcar dumper with improved dust control and collection • No more open wood chip stock piles, which presently is a large contributor of dust • No more bulldozers, which would eliminate black carbon and other combustion related emissions • Larger Panamax ships, reducing the need for increased ship traffic and related vessel emissions

Project Input	Response & Action
Fire Safety: One comment related to fire safety risk associated with the dust from agricultural products.	Safety is a key priority for Fibreco. The Project plans include redesigning the site to the highest level of fire prevention, detection and response. Key Project features designed for fire prevention include: • Modern dust control at rail receiving, transfers, storage and shiploader • Purpose-built, enclosed suppression shiploading spout • Modern dust suppression shiploading spout • New electrical systems • Fire-fly spark detection at critical transfers More information on safety measures to mitigate any potential risk is available in the Fire Safety report on the Project webpage at: www.fibrecoterminalenhancement.com.
Construction Management: One comment related to Fibreco's construction management and contracting plans	Fibreco is committed to working with the District of North Vancouver and Vancouver Fraser Port Authority to incorporate the appropriate monitoring, reporting and enforcement throughout Project construction. Fibreco's goal is to keep neighbours informed and minimize disruption to the community by providing relevant and timely information about short-term construction activities that may be disruptive. Pending approval to proceed, Fibreco would develop a detailed construction management plan, and ensure our contractors meet our commitments as part of the permitting process.

Project Input	Response & Action
Traffic: Consultation participants expressed concerns about the potential increase in traffic as a result of the Project, in particular additional rail traffic.	When the Project is complete, Fibreco's annual product throughput would grow over time by as much as 55 per cent per year, depending on demand. However, Fibreco will do this with fewer rail deliveries per year as compared with peak volumes in 2012 (713 rail deliveries) and 2013 (534 rail deliveries) by using longer unit trains, which means fewer rail switches and less rail noise. Specifically: • With the reduction in wood chip rail cars, approximately two trains per week will be eliminated in the near term. • New grain product rail car deliveries would be introduced, replacing the wood chips. Depending on product volume, two to three train deliveries per week could be added, resulting in a potential net increase of one train delivery per week. Fibreco recognizes that the concept of unit train deliveries and related benefits generally are not well understood. Project staff found that discussing this during the open house helped to alleviate some concerns. As there would be no discernable net increase in train car traffic associated with the project, and because the rail car handling operations would be improved, Fibreco is confident that there would be no discernable increase in rail noise at our site. Fibreco recognizes that the principal direction of the train traffic will change, with grain arriving from the east, across the Second Narrows Rail Bridge rather than from the north/west. This may result in changes for some residents living near the rail corridor. In this regard, Fibreco appreciates that some North Shore residents are concerned about rail traffic noise generally, particularly as Canadian trade continues to grow; however, Fibreco's rail activity represents a small part of the total rail traffic on the North Shore. This fact, combined with ongoing collaborative efforts to improve rail operations, such as the North Shore Whistle Cessation project, should result in our Project having a negligible effect on rail noise. Project improvements will help minimize noise from rail car handling at Fibreco's site, and Fibreco is committed to using best practices when handling rail cars on an ongoing basis, including responding in a timely manner to questions or complaints from neighbours.

Project Input	Response & Action
General Comments: One participant expressed concerns about increased rodents/pests	Fibreco's current pest management plan uses best practices in pest and rodent control through a licenced contractor. Strict policies are in effect to ensure that no infestation occurs within Fibreco's products. With the proposed Project, Fibreco will incorporate additional preventative measures related to grain handling.