

# Lillooet Agriculture & Food Society



## Cold Storage Facility Pitch Package & Feasibility Study

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## **Executive Summary**

The Lillooet Agriculture and Food Society (LAFS) has taken the initiative to complete a feasibility study for a local refrigerated multi-purpose storage facility and pitch package to target potential investors and partners. This is to facilitate growth of agri-food and value-added products manufactured/produced in this area. The Squamish Lillooet Regional District (SLRD) is an active agriculture community, with potential to expand agriculture production and promote economic development of the region. A potential bottleneck for producers in the region is space constraints to expand production and stockpile product for consistent supply of larger contracts, and in the case of perishable products to maintain at optimum cold storage conditions. There is currently a dry/cold storage facility in Lillooet (JAR Enterprises), but it does not have any freezer capacity. Many producers that require cold/freezer storage are having to access storage warehouse facilities over 150 km away, with the added transport costs and the opportunity cost of time to get product to and from the warehouse. Also, the inconvenience of not being able to easily manage inventory that is far way from place of business.

This report outlines three possible scenarios for LAFS to help facilitate the construction and operation of a refrigerated multi-purpose storage facility in the SLRD. The recommended size for the facility would be around 15,000 sq. ft. with a capacity of approximately 750 pallets. The local producer use during the first year is estimated at 28% of the targeted 225 pallets, with one or two larger industry users or distributors filling the balance of the storage needs in order to meet the revenue target. A LAFS steering committee, with community stakeholders would be formed to move project forward. The first of three possible scenarios is for the steering committee to secure start-up seed money from private investors, or venture capital funds be used to finance the construction and build of a 2 million-dollar facility/land, with \$150,00 required for equipment procurement. The second scenario would be for the project to be constructed and operated by an outside party, such as a First Nation's group or investor group, or with the building leased and operated by separate stakeholders. This could be a new facility or use of an existing warehouse that was retrofitted. The final scenario would be for the steering committee to

work with the existing storage facility in Lillooet, JAR enterprises (JAR Cold Storage) and solicit support/letters of commitment from potential customers in order for JAR Enterprises to justify expansion of their current facility. The most favorable scenarios are those with the least financial and operating risk for LAFS and individual community stakeholders, with either the First Nations groups/investors owning and operating, or JAR Enterprises expansion as being the most feasible alternatives. From a community perspective, assessment of the impact on current cold storage business should be considered if a new local refrigerated multi-purpose facility was built.

LAFS would like to thank and acknowledge the funding support for this project from the Northern Development Initiative Trust.

## **Background of Cold Storage Potential Role in the Regional Supply Chain**

The Squamish Lillooet Regional District (SLRD) is made up of four areas A through D (see figure 1 below). The catchment area for this study is electoral areas A, B, C, D with total population (including First Nations communities) according to Canada census 2016 of 6,282. The breakdown of the electoral areas is: area A with population of 187, area B with population 1,550, area C with population of 3,218 and area D with population of 1,327. The Lillooet District is located in area B. Eleven communities make up the St'át'imc Nation, six of which are in the Lillooet area. These six communities form the Lillooet Tribal Council which is governed by a Council of Chiefs consisting of one chief from each of the six-member communities.



Figure 1: SLRD Map electoral areas A, B, C, D ([www.slrd.bc.ca](http://www.slrd.bc.ca))

The SLRD is a flourishing agricultural region, with local farms producing a variety of products including wine/beer, honey, fruits and vegetables, livestock and poultry/eggs. Storing agriculture products for various periods of time, under the right environmental conditions (i.e. humidity/temperature) is essential for maintaining safe storage conditions for food products for human consumption, to prevent spoilage and to extend shelf life of product. This is especially important as a factor to extend market/sale timelines, since many of the agriculture products produced are seasonal. Access to a local storage warehouse also provides businesses the option of securing off site space to hold inventory. Lack of storage space introduces capacity constraints and potential barriers in the sequential steps required to produce and sell a product. The lack of storage capacity makes it difficult to service customers with a consistent flow of product and/or meet large orders that require stockpiling. Most agriculture businesses have some storage capacity on site, but production storage can be an opportunity cost as this space could be dedicated to more processing activities, and must be closely managed to not create a bottleneck in processing/production activities which can affect inventory requirements for marketing/sales.

Agriculture activities in the region that are dependent on cold/dry storage capacity, or could make use of a new facility, are any local perishable goods produced (i.e. vegetables, dairy,

meats) or any businesses that require controlled dry storage for manufacturing or horticulture (i.e. tree seedlings and shrubs). Depending on the optimal storage parameters for the product, the storage conditions would vary. The T'it'q'et community in Lillooet area (part of St'át'imc Nation) have a Food Security Project focused on local organic food production, expanding storage capability, extending storage life, and enhancing nutritional values of harvested foods using appropriate technology and environmentally responsible procedures. The business enterprise face of this project is Amlec Organic Ltd which sells garlic and produce from their community garden. This project has some common goals that would align with requiring the use of a cold/dry storage facility in the Lillooet region. In addition, local livestock producers such as Spray Creek Ranch are using cold/freezer storage facilities in Kamloops, BC, and would make use of a multi-purpose cold storage facility if their region had access to adequate freezer capacity. There are a variety of Lillooet agriculture producers that sell their products at the local farmers markets, farm gate or to retail stores, that could use a cold storage facility to increase produce shelf life and extend the length of the “season” available to sell products to consumers. Also produce can be processed and frozen and sold year-round. Some of the farms in the region that could benefit from a cold storage facility to either extend shelf life and/or provide storage to facilitate distribution to markets outside of region are: Wolfe’s Green Dirt Farm (has national retail chain markets outside of region), Fountainview Farms (retail sales outside of region and farm gate), One Love Farm (farmer’s markets) and Old Airport Gardens (farm gate sales).

## **Inventory of Existing Facilities**

Most of the agriculture producers in the Lillooet region have some form of storage onsite. These onsite locations are often built as accessory buildings such as Sea Cans, with adequate storage being a potential barrier for business expansion. Also, using accessory on-site storage buildings, it is often difficult for a producer to maintain the environmental control with the robustness that is available and closely monitored in a commercial storage facility. There is a storage facility in Lillooet which currently only provides dry and cooler (refrigeration) storage (see Appendix A, description of Jar Enterprises/Jar Cold Storage). The other storage facilities are outside of the region. Table 1 below outlines the characteristics and capacity of some key storage facilities that are operating in Lillooet, Kamloops, Vernon and Kelowna.

There are only in reality three locations that are reasonable storage options for transporting goods from Lillooet producers, these are Jar Enterprises/Jar Cold Storage (Lillooet), High Country Storage (Kamloops) and Versacold (Kamloops). There are facilities in the lower mainland and Kelowna/Vernon (e.g. Forge Valley Cold Storage and Fripp Cold Storage) but these facilities are greater than 200 km away, and so not economical to transport product to. There is a high demand for these storage facilities, most are serving larger “anchor” customers, and are doing very little custom, short term contracts. Jar Storage in Lillooet has the advantage of being local, but this facility only currently provides cooler and dry storage. However, the owners have indicated that they are willing to expand and add in some freezer space if there is demand from the region.

Table 1: Storage Facilities Available

<b>Name</b>	<b>Location (distance from Lillooet)</b>	<b>Type of storage</b>	<b>Capacity (sq. ft.)</b>
Jar Enterprises/Jar Cold Storage	Lillooet	Cooler/dry	6,800
High Country Storage	Kamloops (176 km)	Cooler/freezer/dry	39,000
VersaCold	Kamloops (176 km)	Cooler/dry	3,300
Forge Valley Cold Storage	Vernon (285 km)	Dry storage, climate controlled 6 - 16 °C warehouse for commercial and residential	38,000
Fripp Cold Storage Warehousing	Kelowna (291 km)	Cooler/freezer/dry  Multi-purpose storage space. Pick and pack also available.	9,000 sq. ft. of freezer space available Dec 15, 2019  500 – 3,000 sq. ft. cooler space options  60,000 sq. ft of dry storage space

## **Characteristics of Potential Storage Facilities (with recommendations)**

For the Lillooet region the addition of a multi-purpose cold/dry storage space would promote agriculture enterprise growth in the region. The facility would ideally be located in Lillooet, BC at a location near a highway for ease of transport of goods both to and from the facility. An operating multi-purpose cold and dry storage facility would remove barriers for local agriculture producers that currently lack cooler/dry space and reduce the travel time required to move product to other regions such as Kamloops to access storage. Access to a local commercial storage space has a number of benefits: environment conditions are closely monitored, ease of access to freight vehicles from a common site allows for more control of inventory storage and greater capacity to service larger product contracts, provides a common site to service customers, potential to also draw business from nearby regions, increases the business portfolio of the region and promotes economic development.

For a multi-purpose storage facility in the Lillooet region to become a reality, steps must be taken to secure a site that will allow for construction of facilities in accordance with regional building authorities. Discussions with local businesspeople, First Nations groups, District of Lillooet directors & staff, and local realtors indicate that land for such a project may be available. An option is to develop a government/private sector cost sharing and funding strategy to finance construction and utilities servicing of the land. The regional government, community partners, corporate funders, LAFS and St'at'imc stakeholders roles in this business enterprise need to be clearly defined, including what each major stakeholder's role is in the leadership, land ownership, and/or providing resources/infrastructure required to develop the cold/dry storage facility.

The cost of developing a 15,000 square foot freezer facility has been estimated at \$2,030,000 (construction \$100 per sq. ft = \$1.5 million, refrigeration \$380,000 [industry quote for standard refrigeration for the coolers and a Mojave hot gas defrost system for freezer], and \$150,000 for land equals a total of \$2,030,000), plus an additional \$150,000 required for equipment costs (fork lift, steel racking, pallets, office equipment). Such a multi-purpose facility would have capacity for approximately 750 pallet spaces, stacked four high. This would have a positive impact on the



development of agriculture activities in the region including providing meat/vegetable storage to allow for increases in production, increase value-added manufacturing dependent on perishable or climate-controlled ingredients and other food processing activities.

Characteristics of Facility:

- Site requirements are: 2-4 acres serviced lot
- Facility recommended size: 15,000 sq. ft.
- Land acquisition/lease: There are options to lease land for development on First Nations land or acquire property in the township of Lillooet. Other options are to facilitate the expansion of an existing business such as Jar Enterprises (JAR Cold Storage), to lease and retrofit an existing warehouse or to partner with First Nation groups to build facility and operate and/or lease building and run operations independently. Some potential locations for multi-purpose facility are outlined in Table 2.

Table 2: Potential locations for multi-purpose storage facility

<b>Land location</b>	<b>Price</b>	<b>Characteristics</b>	<b>Advantages/Disadvantage</b>
Near downtown Lillooet just off highway 99.	N/A	Jar Enterprises ownership would expand current facility to include freezer storage	Advantage is that Jar Enterprise/JAR Cold Storage stakeholders would take on all financial risk of expansion. The disadvantage is that Jar Enterprises would still be a separate operating business entity and may eventually change their business model to service larger clients (easier to service larger clients than many smaller operators). This would leave smaller producers without access to a local facility.

Industrial Park Lillooet, Coast Range Concrete Products (Steve McCabe)	Price to be established late spring 2020	Available 3 acres which contain a 27,000 sq. ft building, 24' high ceilings, insulated, with concrete floor. Lots will range from .5 -1 acre serviced.	Some infrastructure already available that could be retrofitted to multi-purpose cold storage facility. Will become available late spring 2020. Would require financing to renovate building, and a business organization to operate. Owner would consider long term lease of land/warehouse.
Fountain Indian Band, located on highway 99, 15 minutes from Lillooet (see project background appendix B)	N/A	Off highway 99. Fountain Band (Xaxli'p) highway commercial development of three lots 55, 48, and 9-2	Project to develop some business opportunities on First Nations land. Urban Systems is currently working on land use plans and could be interested in the opportunity to finance/build storage facility on this land and lease back to operator or operate themselves.
100 Main St, Lillooet	\$280,000	Industrial zoning, 2 acres, 1000 sq. ft. log building on property	Project would require financing to purchase land and construct building. Requires management of operations either leasing building to operators or stakeholders taking on management/operations responsibilities.
104 Main St, Lillooet	\$599,000	3-5 acres, building on site	Project would require financing to purchase land and construct building. Requires management of operations either leasing building to operators or stakeholders taking on management/operations responsibilities.
272 Main St, Lillooet	\$349,000	Commercially zoned C-1, 0.37 acres, three buildings on property	Project would require financing to purchase land and construct building. Requires management of operations either leasing building to operators or stakeholders taking on management/operations responsibilities.
459-521 Main St, Lillooet	\$180,000	1.2 acres, Lot sale (sold)	N/A sold
621 Main St, Lillooet	\$150,000	10,000 sq. ft lot. Lot sale (sold)	N/A sold

## Inventory of Goods Produced Needing Cold/Dry storage

There is a growing agriculture community in Lillooet, with a variety of crops and livestock being produced in the region and additional First Nations production supported by St’at’imc traditional practices which include fishing, hunting and foraging. Agriculture production in the area is varied with forage crops, vegetables, fruits, wine grapes, hops, poultry, sheep, and cattle all being produced in the area. According to the 2016 Agriculture Census there are 44 farms in the Lillooet area with 41% producing fruits, berries, nuts and vegetables, 57% alfalfa and hay, 43% involved in cattle and calves and 23% producing hens and chickens (note farms can be multi-production enterprises and produce more than one crop/livestock). Farm receipts for region were \$2.8 million in 2016, with 22% gross margin.

There are Lillooet agriculture producers who sell at local farmers markets, farm gate or into retail stores, that could make use of a refrigerated multi-purpose cold storage facility to increase produce shelf life and extend the length of the “season” available to sell products to consumers. There are also industries such as forestry, which require storage to keep seedlings in a dormant stage before replanting. These businesses are all potential customers for the multi-purpose storage facility proposed in the Lillooet region. Table 3 outlines some of the products in the region, or nearby communities, that could require cold/dry storage conditions and be potential customers of the facility.

Table 3: Goods requiring cold/dry storage in Lillooet region

Category	Product	Storage requirements on standard pellets
Agriculture/Forestry/Nurseries	Tree seedlings and shrubs/Silviculture	-3 – 4 °C. Standard pallets with boxed product (may require cello wrap)
Meat & Egg products	Refrigerated products (e.g. produced in region: beef, pork, chicken, turkey, lamb, duck, rabbit and both chicken/duck eggs)	Cooler, 4 °C
Meat products	Freezer products	Freezer, -20 °C
Fish products	Salmon raw or smoked	Cooler 4 °C/Freezer -20 °C
Processed beverage	Wine/beer	Dry storage, 10-12 °C.

Raw Fruit/Vegetable	Raw fruit and mixed vegetables (e.g. grown in region: carrots, garlic, tomatoes, lettuce, corn, cucumbers, squash, zucchini, melons, apples, apricots, plums, cherries, pears, grapes, berries)	Cooler, 6-8 °C
Processed food	Mixed vegetables, fruit or meat	Cooler, 3-4 °C
Plants/Hops	Hops as ingredient for brewing beer	Sealed opaque container freezer -20 °C
Natural Resources	Water (e.g. Lillooet's Finest Water Company)	Dry storage. Currently have adequate storage on site.
Natural Sugars	Honey	Dry storage, room temperature

**Description of Community, St’at’imc support with potential partnership opportunities**

In order to connect with the community and the St’at’imc First Nations bands, the cold storage business proposal was discussed with various key stakeholders and fruit/vegetable producers (contact Farmer’s Market) during the months of September and October 2019. Various tribal council members were also contacted. In addition, potential key community stakeholders in the Lillooet region were canvassed to get an understanding of the support in the community for a cold storage facility, and some of the potential issues. After talks with local agriculture producers (farmers), retail food business, and First Nations agri-producers in general there was support for, and an expressed need, for this multi-purpose facility. Some of the agri-producers and industry stakeholders that were interviewed in person or by phone are listed in Appendix C, with contact information.

Currently there is a cold storage business in the Lillooet area, JAR Enterprises, that would be willing to expand their operations to include freezer capacity and provide additional space if the local demand warranted it (see Appendix A) They are currently servicing some local agriculture businesses for their storage needs. They are charging \$1 per sq. ft., but they will be changing their pricing structure to be based on a per pallet basis. These charges will be on par with current costs at High Country Storage in Kamloops. Local producers would save money on transportation costs and save time required to move inventory back and forth to Kamloops. In

discussions with Jar Storage management, they indicated that building an additional cold storage facility in the area would not be economically feasible for either the existing business (Jar Enterprises) or the new facility as there would not be enough volume of local products for storage. In order for the two business enterprises to be viable and competitive there would need to be demand for storage from other manufacturer/producers outside the Lillooet region.

From interviews with numerous St'at'imc and community stakeholders it was identified that a cold storage facility in this area was supported as being a needed economic development project for the region. Many of the St'at'imc First Nations bands are pursuing economic development and business opportunities for land use. A local First Nations community, Xaxli'p (Fountain Band) expressed an interest in facilitating the building and operation of a refrigerated multi-purpose facility as part of the commercial development of their First Nations land on the highway 99 corridor, 15 minutes from township of Lillooet (see Appendix B, background of project).

Having more storage capacity in the area, could open up a whole new market for the producers to get their produce and products to the lower mainland for sale. After contacting two major food purveyors from the lower mainland, Gordon Food Services (GFS) and Sysco Foods (see appendix C for contact info), discussions on the benefits of having adequate multi-purpose storage in Lillooet would mean that transportation companies would be able to drop larger shipments of food (fresh and frozen) at this facility and save on transport costs, and risk of travel delays due to weather conditions and road closures. The multi-purpose storage facility would then be a local distribution centre for the Lillooet area and transport routes to the lower mainland and interior of BC.

There is a marketing opportunity promoted by the manager of Buy-Low retail grocery store (Patterson Group) in Lillooet. Buy-Low doesn't require any cold storage space as they have their own warehouse space next to the store. The Buy-Low store manager, Bob Sheradon supports and, wants to sell local vegetables/fruits at the Lillooet Buy-Low retail location. The barrier is that transport and sale of these products is under the federal government jurisdiction and the government traceability programs, so farm producers would need to be GAP certified to move into these markets. There is an opportunity for GAP certified producers to move their products to various markets in the lower mainland if cold storage was available in Lillooet. Temperature

controlled freight trucks deliver food products to Lillooet and then return empty to other regions such as interior of BC, Kamloops and Vancouver. In other words, Lillooet region products could be transported to lower mainland markets on these empty back haul trucks. One producer “Wolfe’s Green Dirt Farm” has discussed shipping products to Buy-Low facility in lower mainland, at their storage holding facility “West Coast Produce”. If cold storage was available, and Lillooet producers were GAP certified, this would be a viable opportunity and open new markets for the region.

## Business Structures and Recommendations

There are various business enterprise options that the multi-purpose storage facility can be structured depending on, profit or dividend distributions of money earned, the liability assumed by parties and differing tax structure outcomes. The goal of the organization to generate a profit will dictate the most viable business structure from a taxation viewpoint. Four types of business structures are outlined in table 4, but it is possible to also combine the organization of the enterprise into a combination of these structures. For example, a corporation can own the building, and a co-operative association made up of producers can manage operations.

Table 4: Business Structure Pros/Cons

<b>Type of Business Structure</b>	<b>Pros</b>	<b>Cons</b>
<b>Co-operative.</b> Business enterprise is owned and operated by those stakeholders who use its services. Profits distributed among shareholders.	Vested stakeholders provide access to funding and benefit from distributing funding requirements between shareholders. Also potential for operational support from shareholders.	If stakeholders have different visions for business, introduces potential to cause turmoil with operations, dissatisfied customers and perhaps failure of venture.
<b>Corporation.</b> Separate legal entity from shareholders and personal assets protected. Corporate taxed.	Shareholders with vested interest to ensure success, with business strategy in place. Management operates/manages day to day business and is on top of all activities and customer needs.	Success of enterprise is reliant on management expertise. Successful enterprise may require management to be dedicated to business 24/7.

<p><b>Partnerships.</b> Two or more people share in business, profits pass through self-employment earnings and not corporately taxed. Can be limited (protect personal assets) or unlimited partnerships</p>	<p>Share financing for project. Share in operational duties, stress and workload. Must be able to discuss business strategies in order to be successful.</p>	<p>Both parties must have the same business vision. Both parties must have strong work ethics. Must be able to share success, failure and responsibilities.</p>
<p><b>Non-Profit or Social Benefit Enterprises.</b> Social benefit corporations are “for profit” but must provide some social benefit in addition to financial profits. Non-profits organizations are formed to benefit the community and can’t distribute profits to shareholders but are tax exempt.</p>	<p>Social benefit or non-profit corporations. Community mission focused enterprises.</p> <p>Non-profits are tax exempt.</p> <p>Easier to raise capital as social consciousness can be leveraged, and marketing and promotion can be focused on the welfare of the community.</p>	<p>The storage facility would have to ensure that it does not lose sight of its social mission. Its function is not to merely provide a service, but to work for the betterment of the community.</p> <p>In non-profit organizations assets are not owned by the founding stakeholders, and so if organization is dissolved any assets must be transferred to public or another non-profit organization.</p> <p>Social enterprises are not tax exempt.</p>

**Market Research including Consumer Information**

Producers in the Lillooet region have a limited customer base through regional farm gate, farmer’s markets and restaurant/retail sales. They have a difficult time penetrating the retail markets because of the requirement to be GAP certified and meeting the consistent supply and volume requirements of grocery chains. There also may be requirements for shipping and timing of delivery, and demand for products outside of seasonal growth cycles. Farmer markets require the producers to be actively involved in the sale of the products and this can be an opportunity cost during demanding production/harvesting times. Many of the growers in Lillooet don’t sell their products beyond the Lillooet region. Moving product to other markets in BC, with a focus on the lower mainland would increase the customer base of Lillooet producers, and promote local production.

A target demographic area, besides the local market in Lillooet which supports the consumption and use of local products or marketing opportunities in the northern and interior of regions BC along direct highway routes north and east from Lillooet, would be the lower mainland of BC (Greater Vancouver) with a large population base and larger per capital income. Accessing this market is facilitated by the direct sea-sky highway route from Lillooet to Vancouver. The target demographics are families with higher than average disposable income, and/or families that are health conscious and allocate a higher portion of their food budget to natural products. These target consumers are BC families that don't mind paying a premium price for quality local BC products and are focused on living a healthy lifestyle and by doing so support local producers. The lower mainland of BC fits the criteria as one of the target market regions. Based on 2016 statistics, the City of North Vancouver is the second wealthiest city in all of Canada and has a population of 52,898 people with an annual growth rate of 1.96%. The City of Vancouver is the largest city in the Province of BC, and the third largest city in Canada in terms of population. The most recent census data shows the population as of 2016 was 631,486 people (Statistics Canada). Comparing average household expenditures, North Vancouver spends \$15,047.84 per year on food, in Vancouver the average household spends \$11,987.69 per year on food. Average household incomes in North Vancouver in 2016 were \$139,115.43, in Vancouver average household incomes were \$100,973.28 (EnviroNics Analytics, 2016).

Refrigerated Warehousing and Storage industry (NAICS code 49312) includes “establishments primarily engaged in operating refrigerated warehousing and storage facilities” ([www.ic.gc.ca](http://www.ic.gc.ca)). These enterprises provide public and contract storage services using equipment designed to keep products frozen or refrigerated. As reported in Canada Industry Statistics (2016, [www.ic.gc.ca](http://www.ic.gc.ca)) for Refrigerated Warehousing and Storage, there are 407 establishments in Canada, with average annual revenues of SME's (small and medium sized enterprises) of \$902,800, and of these, 70.1% are profitable. In BC (2016) there are 58 establishments, with 62% of them reporting as employers, with 64% of these small businesses (5-99 employees) and 30% micro enterprises (1-4 employees). When looking at the viability of the multi-purpose storage facilities as a business enterprise from a global perspective there is a demand, and anticipated growth in this business sector. The global cold storage market size is anticipated to reach USD 212.54 billion by 2025 expanding at a CAGR (Compound Annual Growth Rate) of 12.2%. There are various market reports that support the expansion in this sector (e.g. United States Cold Storage Market Analysis



Report, 2018-2025 [www.prnewswire.com](http://www.prnewswire.com) and Cold Storage Market Size, Share and Trends Analysis 2019-2025 [www.businesswire.com](http://www.businesswire.com)).

These studies suggest:

- Increasing consumer demand for healthy food, import and export of refrigerated foods, will promote market growth
- Cold storage facilities have a function to extend the shelf life of perishable goods such as fresh agricultural produce and frozen foods
- Automation in warehouse management will lead to efficiencies and further promote the use of these facilities
- Initiatives to reduce waste of produce after harvest and loss due to foods perishing and/or moving product into value-added processed foods will create more demands for cold storage facilities
- Increasing demand from consumers for local food branding, will facilitate retail chains to grow in this segment and to supply that growth will create a greater demand for cold storage options
- Frozen food segment is anticipated to have growth (over 10%) from 2019 to 2025 due to food consumption behaviour of consumers (more RTE [ready-to-eat] product demands) this also includes the processed food segment

## **Direct and Indirect Employment and Business Opportunities**

The construction of a new cold storage warehouse facility would create construction jobs, that would be drawn mostly from outside of the region. However, there would still be opportunities for local people in equipment purchases, site preparation, materials and trades expertise. In addition to these temporary workers during the term of the construction, there would be full-time jobs created in Lillooet to run operations. The cold storage industry operations can be run efficiently with minimum human resource requirements. One FTE (full-time equivalent made of two part-time workers) employee could manage the cold storage facility in the first year at 30% capacity, and two FTE's during third year of operations at 60% capacity. The presence of the cold storage warehouse business promotes economic growth in region, which leads to the

opportunity for growth of business clusters that make use of the facility. In other words, business enterprises that rely on multi-purpose storage such as agri-food enterprises, leads to increases in production in the region will create more agriculture or manufacturing jobs. This supports the growth of the cluster of services that are needed to support the economic development in the region like retail, grocery stores, food service, housing, fuel, etc. As well, in order to service, inspect and transport product to the cold storage, provides the potential for more traffic through the region by workers that may or may not stay and may require overnight lodging and consume products, and purchase goods while they are in region.

## **Expertise and Training Needs for the facility**

### Human Resources requirements:

Warehouse workers: One and a half full-time employees are required to maintain operations of the facility at 60% capacity. These employees are categorized as NOC code 7452 “Material Handlers”. This group includes workers who handle, move, load and unload materials by hand or using product handling equipment such as fork-lift. They are employed by various storage and warehouse companies. For a detailed description of duties of the warehouse workers see appendix D.

Employee 1: able to operate a fork-lift and somewhat mechanically inclined

Employee 2: part-time general labourer and able to lift up to 50 lbs

Administrative staff: A part-time office administrative assistant person is required that has expertise in office management, customer service, scheduling incoming drops and outgoing products. This employee category is NOC code 0211, and this employee carries out a variety of administrative duties. This person would also be required to assist with various activities i.e. inventory management, loading/unloading etc.

Employee 3: part-time office administrative assistant

### Training:

Training to include certification to operate fork-lift, test for compliance on safety protocols and safety recommendations by WCB such as warehouse safety training (ladder safety etc.), understanding protocols required for monitoring the automatic environment system controls (temperature coolers/freezers) and any required response.

### **Regulatory Framework and Licensing requirements**

In the case of the construction of a new facility, once the stakeholders have reviewed the constructions bids and selected the construction company for the building of the facility, the construction company will work with stakeholders to ensure that the building is up to all building codes, and compliant with all district by-laws. The construction company will engineer and design building plans and will submit building plans to the district of Lillooet. The Lillooet building inspector, currently Tom Willey, will do a construction plan review in consultation with the construction company. Once these plans are approved, the District of Lillooet will provide guidelines and issue building permits, business licensing etc. Inspection of the food storage areas will be done by the Interior Health Authority (IHA). After certification by IHA the facility will have approval to operate. They will also have to provide a food safety plan and sanitation plan for facility. The IHA will do follow up inspections to ensure that the facility is compliant with all health regulations. Once operating, Workers Compensation Board (WCB) premiums must be paid to protect workers/stakeholders from liability, with rate determined by industry and the safety history of the sector, as well as the facility's history of workplace accidents.

## **Financial Overview using Market Analysis**

Refrigerated multi-purpose storage facilities require construction and engineering professionals who have expertise in the design and build of these specialized facilities. Refrigerated warehouses (including frozen food distributors and retail freezers) are some of the highest energy consuming sectors per cubic feet. To help reduce energy consumption and improve the cost of operations of the multi-purpose cold storage facility, any reasonable energy efficient systems should be considered in the design and build of the facility. For example, regional facility JAR storage has geo-thermal cooling systems to decrease monthly electricity consumption.

The capacity of building a new 15,000 sq. ft facility would be 750 pallets, generating annual income of maximum of \$720,000 at full capacity (\$80 per pallet). The projected start up capacity would be 30%, and this should be secured by contractual commitments from distributors and local producers as part of feasibility for the build. The anticipated growth in capacity of 15% per year, for year 2 and year 3, is conservative based on the fact that the multi-purpose storage facilities in other regions that are larger than one proposed in Lillooet are at full capacity and are considering expansion (personal communication David Charchuk, industry specialist). The projected revenues are based on not achieving full capacity in the first three years, the rationale is to mitigate against the risk of business users from outside the region being more difficult to secure. Producers and distributors will be more likely to want to move their products to the new facility once it has been established and has a good service record. It is anticipated that during the first year of operations only a part-time warehouse worker would be required, and the part-time administrator hired could assist with warehouse duties (moving inventory).

The start up funding would need to secure a financing of minimum of 2 million which includes the purchase of the land and the building construction, with equity of 10% - 35% by angel funders or shareholders (cash flow or land equity). In addition, funding to purchase \$150,000 in equipment for operations (fork-lifts etc.) would need to be secured or financed. An operating line of credit must be in place before start of operations at an amount of a minimum of \$150,000. See table 5 below for the projected revenue/expenses for payback of capital loan and operations for first three years. This scenario is based on building and operating a new facility. Leasing a custom designed building would

not require an initial capital outlay, but profits would be equitable based on the fact lease payments would be at least as much as projected mortgage repayments, if not more. There is a projected profit the first year of \$37K at 30% capacity, with a profit of \$1.13K being generated at 45% capacity in second year of operations. By the third year of operations at 60% capacity, gross profit is estimated at \$1.89K.

Table 5: Profit/Loss Projections of Multi-Purpose Cold Storage Facility

<b>Projected Capital Loan Repayment, Revenue and Expenses Multi-Purpose Cold Storage Facility</b>			
	<b>Year 1 of operations</b>	<b>Year 2 of operations</b>	<b>Year 3 of operations</b>
<b>Revenue</b>			
Capacity (% of total 750 pallets available)	30%	45%	60%
Number of pallets	225	337.5	450
Gross revenue @ \$80 per pallet per month	<b>\$ 216,000.00</b>	<b>\$ 324,000.00</b>	<b>\$ 432,000.00</b>
<b>Expenses</b>			
Warehouse workers FTE @ \$18/hr, 0.5 FTE yr 1, 1 FTE yr 2, 1.5 FTE yr 3, 2% yearly wage increase	\$ 17,550.00	\$ 35,802.00	\$ 53,703.00
Administration 0.5 FTE @ \$18/hr, 2% yearly wage increase	\$ 17,550.00	\$ 17,901.00	\$ 18,259.02
Employee benefits CPP etc. (assume 10%)	\$ 3,510.00	\$ 5,370.30	\$ 7,196.20
Office expenses, telephone, supplies, permits	\$ 3,000.00	\$ 3,060.00	\$ 3,121.20
Utilities, electricity	\$ 8,000.00	\$ 14,000.00	\$ 20,000.00
Professional and business fees (accounting)	\$ 3,000.00	\$ 4,000.00	\$ 5,000.00
Insurance	\$ 5,000.00	\$ 5,500.00	\$ 6,000.00
Maintenance and repairs/shop supplies	\$ 5,000.00	\$ 7,000.00	\$ 10,000.00
Promotions/advertising	\$ 1,500.00	\$ 2,500.00	\$ 3,000.00
Property taxes	\$ 12,000.00	\$ 13,000.00	\$ 14,000.00
Capital loan payments (principle and interest, assume 3.04% interest \$1.8 million loan, 25 year amortization, 10% down payment, monthly payments \$8555)	\$ 102,660.00	\$ 102,660.00	\$ 102,660.00
<b>Total expenses</b>	<b>\$ 178,770.00</b>	<b>\$ 210,793.30</b>	<b>\$ 242,939.42</b>
<b>Total profit (Rev-Exp)</b>	<b>\$ 37,230.00</b>	<b>\$ 113,206.70</b>	<b>\$ 189,060.58</b>

The first-year projection for revenue is based on contracts for 225 pallets per month, equaling gross annual revenue projected of \$216,000. It is estimated that potential of 25 farms in Lillooet could use offsite produce storage, with varying needs for cold storage ranging average 0 - 10 pallets, with an average of 5 pallets per farm, using storage for an average of 6 months per year which translates to local derived revenue for the cold storage facility of \$60,000 per year or 28%

of first year gross revenue. For operating a cold facility to be feasible, in addition to community customers, stakeholders need to secure one or two large distributors, i.e. forestry seedlings or food distributors requiring 162.5 pallets per year, generating first year revenue \$156,000. In communication with a Kamloops Cold Storage company, forestry requirements for seedling or foods distributors anchor their cold storage business with average requirements of 100-200 pallets a year per distributor.

## **Financing and Funding Sources Identified**

The financing guidelines would depend on the business structure identified, and whether or not the cold storage was under private ownership/operated facility. This could be an existing business such as Jar Enterprises (Jar Cold Storage) who would expand existing cold storage facility and manage operations, or it could be a group of vested funders (either angel fund individuals/groups, venture capitalists, or a First Nations Group) who purchased/built or leased new facility and managed operations.

Another option is for the facility to be custom built by funders (i.e. First Nation Group, angel funders, venture capitalists) and then the building leased to vested stakeholders (i.e. private owners or producer co-operative) who would manage business enterprise operations. The builders would be lease landlords, and the operators would be a separate business entity. In a social enterprise or non-profit business structure, or with a co-operative partnership between local producers there is an additional opportunity for securing government or sector specific funding to help with raising capital required to construct new facility and/or to purchase equipment (i.e. Rural Dividend Fund, Farm Credit).

An individual or a group of stakeholders can approach lending agencies such as CW National leasing to finance refrigeration and equipment procurement, or business development finance groups such as BDC (Business Development Bank of Canada, [www.bdc.com](http://www.bdc.com)) which provide financing loans for lines of credit/cash flow, connect stakeholders with venture capital investors who fund promising enterprises (financing for construction, land and equipment purchase), and also provide business advisory services to facilitate operation of a profitable business. The BDC

also works with the federal government's VCAP fund (Venture Capital Action Plan) to secure capital for promising investments.

Another bank that does construction financing is Canadian Western Bank (CWB). The steps necessary for LAFS to apply for financing from CWB, general terms of construction financing and information that CWB requires in order to do their due diligence are (personal communication with Relationship Manager CWB) are discussed below:

Terms of Financing:

- Financing up to a maximum of 65% lesser loan to cost OR "As-Complete" appraised value of the project. To make up the 35% equity component, the land building constructed on can be considered as part of this equity.
- Funds advanced on a cost to complete basis, with progress substantiated by a bank approved Quantity Surveyor firm. In order to start construction builder will need funding to start construction, and then bank will reimburse these funds based on status of completion.
- Pricing and construction terms are based on information provided by the client. Typical rates of Prime + 2.50% interest-only for a period of 12 – 24 months.
- Bank commitment fees of 1% total financing, and appraisal/legal and all other required reports at the cost of the client.
- Upon completion satisfactory to the Bank, term reducing facility would be considered on a reasonable basis.

Required Information:

- Corporate structure of the Lillooet Agriculture & Food Society – including ownership information, minutes of the society upon availability;
- 2-3 years accountant prepared financial statements – upon availability;
- Purchase & Sale Agreement for land to be utilized for development;
- Building plans (architectural drawings/plans), project budget, and permits prior to commencing
- As-Complete commercial appraisal completed by Bank approved firm;

- Phase 1 Environmental Site Assessment satisfactory to the Bank, completed by approved firm;
- Letter of Intent(s) or signed agreements for leases/uses of the property – upon availability;
- Feasibility study/report upon completion.

The above list also includes documents that would be acquired as the project moves forward. Available items would be sufficient to conclude if the bank would be in a position to provide financing, specifically financial statements and project specific items (i.e. construction budget/plans). If CWB is unable to provide financing, then they will pass on the loan application to contacts at BDC.

## **Regional Opportunities and Barriers**

The market analysis supports the refrigerated storage industry as a growing sector. This was confirmed with primary research conducted from meetings & discussions with four interior storage facilities, who are all nearly at capacity and many planning expansion. They confirmed that there is a large need for these types of business. One of the barriers for Lillooet producers to use interior of BC storage facilities is competing for space at these facilities as they operate at capacity for most of the year and can't take on much custom work. They have large corporate clients (e.g. Fruit Growers Association, Department of Forestry, Dairyland Foods, and Provincial Meat Establishments). The practicality of using these storage facilities correlates with the cost and time to travel to move product. Also being over an hour away means that the local producers have less flexibility in management of inventory, as they have to consider travel time to move products from production to sale.

Since Lillooet is a growing agri-community there is an opportunity for a refrigerated multi-purpose storage facility in the area. Lillooet is remote, but located on highway 99 corridor, with direct access to the interior and lower mainland. Having a local storage facility would not only



eliminate cost of transport to move local products into storage, but also provide new opportunities to access local and lower mainland markets for producers.

There are opportunities in the area with First Nations groups who are planning on commercial development of First Nations' land and are committed to supporting community economic development. There is also the opportunity to use the existing cold storage facility in Lillooet that is considering expanding operations and adding freezer storage (which they are currently lacking).

A major barrier to this project's success is that if there is no will on behalf of local producers, stakeholders, First Nation organizations, and generally citizens of Lillooet area to support and embrace this storage facility then it will not be viable and sustainable. The fact that there is a local facility that is currently underutilized indicates there may be challenges in soliciting the needed support/customers for this development to move forward. Other potential challenges for project are human resource management, capital outlay for build, and securing local support for facility.

## **Recommendations and Business Plan Outline**

The recommendations for this project to be successful are that LAFS secure support of potential investors and community partners (sample pitch/project presentation Appendix E), identify potential building sites for a cold storage facility in Lillooet, and that they initiate a strategic business plan as a responsible business roadmap to define next steps and to facilitate attracting other partners and financial investors. The strategic business plan will allow stakeholders to align their business activities with the vision of the venture and to set realistic goals, as well as keep them on track and benchmark progress. The plan will allow the business enterprise to adapt quickly to a changing environment, both internally and externally, and overcome potential problems by looking to the future. The business strategy builds consensus with stakeholders on venture direction, financial projections and building costs.

There are four scenarios as a possible business strategy for LAFS to facilitate operations of a refrigerated multi-purpose facility in Lillooet, BC:

1. For the facility to be custom built on First Nations land, with the cost of the development (including \$380,000 in leasehold improvements of customized freezers/coolers) to be assumed by the First Nations group as the lessor. A group of vested stakeholders would then assume responsibility to making lease payments for building and assume running of operations. They would need some start up capital in the amount of \$150,000 for equipment (fork-lifts, steel racking etc.) and an operating line of credit. The advantage of this scenario is that the stakeholders do not have to secure the large capital investment of construction with the stakeholders focused on making the operation successful and sharing in the profits. The leadership and management of the operations would have to be a priority.
2. For the producer stakeholders to form a steering committee with a goal to work with existing cold storage facility in Lillooet, Jar Enterprises, to facilitate expansion of that facility to include freezer capacity and dedicate adequate storage space for the community. The advantage of this scenario is that the producer stakeholders are provided a needed service without having to take on the operational or financial risk of running the business. The ownership of JAR enterprises already has the industry expertise to make this a viable business enterprise.
3. The stakeholders, either private individuals, or venture capitalist funder, generate financing required to purchase land, construct building and purchase equipment. This would require securing financing or capital in the amount of \$2,030,000 (building plus land), and additional \$150,000 for equipment, and a line of credit for operations of a minimum of \$150,000. The risk of this scenario is the capital outlay and ensuring that the stakeholder management expertise is adequate to effectively manage operations. The advantage is this scenario allows for profit sharing and the growing asset investment in the land/building. There is also more control in the direction of the business by the ownership stakeholders.
4. Stakeholders lease or purchase existing land with warehouse and retrofit to cold storage business. Stakeholders would be owner/operators. The option to lease would decrease capital required to purchase land and build facility. Would need to secure long-term lease.

From a financial risk, management and operational efficiency standpoint the second scenario is more attractive, with a LAFS/producer steering committee working with JAR Enterprises (JAR Cold Storage) to expand their current facility to include freezer capacity, and to move to a pallet system which would be more cost effective for smaller producers who don't have the demand for larger storage spaces. The goal of the steering committee would be to guarantee contractual storage space in the JAR storage facility, to justify the expansion. If the storage costs were on par with the storage facilities outside of Lillooet (i.e. High Country Storage) then the producers in Lillooet would benefit from travel time and cost savings, in addition to having the convenience of the option enabling customers to "pick and pack" from a local facility. A risk with JAR expanding their operations is that larger distributors, or producers could compete for the storage space, leaving smaller producers again with an unmet need for storage.

### **Business Plan Outline:**

Executive Summary

Industry Background

Business Purpose, Vision and Mission Statements

Business Strategic Options and recommendations

Short and Long-term Goals

Develop SMART Goals (Specific, Measurable, Attainable, Realistic, Time Oriented)

Implementation Plan including steps and responsibilities

Determine Success and Performance Measure

Show projected enterprise revenue/expenses and gross profits (for 3-5 years)

Next steps:

As discussed above, it is recommended that a steering committee made up of community stakeholders and LAFS directors is required to facilitate moving this project forward, to pitch proposal to potential investors, distributors, producer groups and to develop a business plan.

There is an opportunity for the stakeholders to apply for strategy funding to develop this business plan through Ministry of Agriculture. A group of producer stakeholders can apply for maximum of \$30,000 funding (producing BC agriculture products with producer showing minimum \$30,000 annual gross revenues) through the BC-Agri-Business Program, and the St'at'imc community through BC Indigenous Development Program (part 1 agriculture opportunities assessment \$5000 max funding, part 2 financial and business planning \$10,000 max funding).

After business plan completion, stakeholders would leverage this business plan to implement steps necessary, and to attract more funders to be partners in the enterprise.

## **Pitch Package/Recommended Next Steps**

The pitch package is targeted at potential investors and investors, and outlines business opportunity and scope. An “example” slide presentation for LAFS Cold Storage Project is included in appendix E.

### Introduction (Business Opportunity and Scope):

- There is strong agriculture community in Lillooet, with a variety of crops and livestock being produced in the region, in addition to St'at'imc traditional practices which includes fishing, hunting and foraging. Farm receipts for Lillooet region were \$2.8 million in 2016, with 22% gross margin. There is only one public accessed 6800 sq. ft. cold storage facility in Lillooet, but it currently offers no freezer storage.
- A multi-purpose storage facility would provide producers with controlled environment storage to extend shelf life of product, a distribution centre to move product into other regions in BC and extend the marketing season of how long products are available to customers. This would stimulate agri-food production in region.
- There are 403 warehousing cold storage businesses in Canada with over 70% of them profitable. Most are small to medium sized enterprises (under 100 employees).
- Projected profits for multi-purpose facility, at 60% capacity after three years of operation estimated to be over \$1.8K per year.

#### Cold/Dry storage needs of the community:

- Proposed is the construction of a 15,000 sq. ft. refrigerated multi-purpose facility that has a capacity of 750 pallets, a projected pallet storage price of \$80 pallet/month.
- Community use of the cold storage (estimating use by 25 farms) would be approximately 28% of first year revenues or 63 pallets/month. The balance of business revenue would be from large food distributors/suppliers or the forest industry that require 150-200 pallets per month. First year revenue projection is estimated at 225 pallets per month, for gross revenue of \$216,000.

#### Recommended directive to solve the void in storage capacity:

- The overall directive is to increase cold storage capacity in Lillooet. A recommended option is to facilitate the expansion of the existing cold storage facility in Lillooet, JAR Enterprises. To justify this capital expenditure to JAR Enterprise stakeholders, producers/distributors would have to make formal commitments/letter of intent to support expansion.
- Another option for increasing storage capacity in region is to have outside funders build and operate facility. There are commercial projects in Lillooet area currently being proposed for example the Fountain Band highway commercialization project.
- For LAFS to facilitate project and facility construction by securing investors, venture capitalists, angel funders, or producer groups to provide start-up capital. The recommendation if they pursue this route is to work with a business development bank such as CWB or CDB to develop financing package for construction, or to lease a custom build building from a second set of stakeholders (i.e. First Nations lease).

#### Next steps/Actionable items:

- Set up steering committee made up of members of LAFS board of directors, potential community partners, and local agri-producers to drive the project to next stages.

- Pitch project and secure letters of commitment from potential agri-food producers, and distributors that would support the viability of a refrigerated, multi-purpose storage facility in Lillooet.
- Secure and find support for facility from potential funding partners, First Nation groups, JAR enterprises, or capital inventors through business development bank. This would involve determining potential facility locations, and if new build then developing building engineering design/plans, environmental assessment, by-law compliance for site, and securing any necessary permits.

## **Conclusion**

SLRD is a growing agri-food region, and access to a local refrigerated multi-purpose facility would facilitate growth of local producers/product manufacturers by providing a local option for storing products offsite and in the case of perishable products, increase shelf-life and provide a hub with a controlled environment to stockpile products and distribute to larger retail and manufacturing networks outside of the region. Discussions with community stakeholders established there is expressed desire and support for a multi-purpose facility, and financial viability of enterprise is supported by profitability of storage facilities outside the region that are being utilized to near capacity and many with expansion plans. One of the key drivers for success for a Lillooet refrigerated multi-purpose facility is setting up a steering group to facilitate start-up financing and/or pitch concept to community stakeholders such as First Nations Groups, private investors, venture capital funds or support expansion of existing cold storage business, JAR Enterprises. There is a need to secure commitment from potential users of the facility to justify capital costs and investment. Increasing the capacity for refrigerated/freezer storage in Lillooet, will promote increase in agricultural production and economic growth in the region.

## Appendix A: Jar Enterprises/Jar Cold Storage in Lillooet

### Third Area

This area is a 1200 sq ft, it is 40' x 30', with a height of 10'. Has a R 22 8' x 8' powered access door.

The outside walls are insulated concrete form (ICF) Logix building constructed on a heavy reinforced concrete slab. This room comes with geothermal controlled room.



The geothermal is made up of pipes buried under the ground at different depths to allow the temperature of the earth to flow through the cold storage rooms keeping them at a consistent temperature.

This building is situated on 1.96 acres and we are willing to consider putting in freezer and temperature controlled cold storage rooms. JAR is open to endless possibilities and has room to expand.



### JAR Enterprise

513 E. Lillooet St.  
Lillooet, BC  
V3C 5A3  
Phone: 250-236-6132  
Fax: 250-236-6134  
E-mail: jar@jarlinoet2014@gmail.com

## JAR Enterprises





### Cold Storage Facilities

JAR has availability for providing cold storage for local farmers and producers. With a convenient and well-appointed location, just off the main highway, JAR is a natural hub for easy distribution.

Creative partnerships with local food and farm businesses is what we would like to propose.

JAR has a 6800 sq ft building available that is divided into three sections, that could be potentially set at different temperatures for different needs.

### Main Area

This area of the building is 3600 sq ft, it is a 60' x 60', with a height of 20'. Comes with two R22 insulated metal 12' x 14' overhead access doors. The building is a good quality insulated concrete form (ICF) Logix building constructed on a heavy reinforced concrete slab.



### Second Area

This area is a 2000 sq ft, it is 50' x 40', with a height of 10'. Has a R 22 8' x 8' powered access door. The outside walls are insulated concrete form (ICF) Logix building constructed on a heavy reinforced concrete slab. This room comes with geothermal controlled room.





## Appendix B: Fountain Band, Xaxli'p Highway Commercial Development Plan



### Background

Xaxli'p recently received funding to support commercial development along the Highway 99 corridor. The objective of the development is to create employment opportunities within the community and generate revenue to support future economic development opportunities.

The current phase of the project will assess the potential for commercial development on three lots within Fountain Flats:

- Lot 55, IR 1
- Lot 48, IR 1
- Lot 9-2-1, IR 1B



### Project Scope

The current phase of this project will involve conceptual design work, field investigations, and a highest and best use study, along with community engagement. This work will allow Xaxli'p to identify and assess opportunities for development, recognize opportunities and constraints, and identify the most desirable market opportunities moving forward. Specific tasks include:

- Geotechnical, archaeological, and survey field work
- Phase 1 Environmental Site Assessment
- Conceptual servicing review including:
  - Potable and irrigation water supply and distribution
  - Wastewater collection, treatment & disposal
  - Stormwater management
  - Vehicle and pedestrian access
  - Power and communications
- Highest and best use study including regional/local market scan to assess key economic conditions, market opportunities, and review revenue and job creation potential.

## Appendix C: Contacts Re: Lillooet Cold Storage

<b>Company</b>	<b>Contact Name</b>	<b>Contact Info</b>
Aspen Planers Ltd, Lillooet BC (re: seedling storage)	Mickey Forman	250-256-5200 mickeyforman@apgroup.ca
Desert Hills Ranch, Ashcroft and Cache Creek BC (re: vegetable and shrub storage)	Porter Family	250-453-9878 deserthillsranch@hotmail.com
West Fraser Divisions in BC, Williams Lake Woodlands (tree seedling storage)	Lance Loggin, Silviculture Superintendent	250-392-1394 <a href="mailto:Lance.Loggin@westfraser.ca">Lance.Loggin@westfraser.ca</a>
Jar Enterprises/Jar Storage Lillooet BC (cold storage facility)	Alex and Wendy Reynolds	250-256-4050 Jarenterprises2015@gmail.com
Fort Berens Estate Winery Lillooet BC (processed beverage/fruit storage)	Rolf de Bruin	1-877-956-7768 ext 204
Cliff and Gorge Vineyards Lillooet BC (processed beverage/fruit storage)	Eckhard Zeidler	250-256-8000
Hooh Organic Hop Company in Lillooet BC (Hop storage)	Sam Quinlan	604-992-4145
Am'lec (garlic and dehydrated products storage)	Dean Billy	250-256-4118 ext 230
Fountainview Farms (vegetable storage)	Immian Wolfe	250-256-5420 farm@fountainview.ca
Old Airport Gardens (fruit and vegetable storage)	Bob and Monica	250-256-7051
One Love Farm	Chris Billion	778-558-0593 oneloveorganicfarms@gmail.com
Riley Creek Farm (fruit storage - organic apples)	Karen Playfair	250-256-4246 karen.playfair@gmail.com
Rose Hill Farm	Sue Senger	250-256-7616 rose.senger@gmail.com
Seed to Culture (meat, eggs, fruit and vegetable storage)	Jill Miners	604-910-6543 <a href="mailto:info@seedtoculture.ca">info@seedtoculture.ca</a>

Spray Creek Ranch	Tristan and Aubyn Banwell	250-256-1620 farmer@spraycreek.ca
Wolfe's Green Dirt Farm (vegetable storage)	Immian Wolfe	250-256-0161 greendirtfarm@gmail.com
First Nations Group	Xwisten (Bridge River Band) Michael McGee	250-256-7423 ext 246
First Nations Group	Ti'itq'et (Lillooet, Amlec Organic Ltd) Dean Billy	250-256-4118 ext 230
First Nations Group	Sekw'el'was (Cayoos Creek) Andrea Lebourdais	250-256-4136 ext 216
First Nations Group	Ts'kw'aylaxw (Pavilion) Desmond Peters	250-256-4204
First Nations Group	Xaxli'p (Fountain) Lyle Leo	250-256-4800
First Nations Group	Split Rock Environmental (plan for nursery) Jessica Hopkins	250-256-9392
Gordon Food Storage (GFS) – storage transportation drop off site	Roger Lizee, Transportation supervisor	604-529-0700,
Sysco Foods, Port Coquitlam, storage transportation drop-off site	Kevin MacLean, Logistics co-ordinator	604-944-4410
BC Ministry of Forests, Kamloops, resource for potential forestry/logging storage needs	John Pellizzon	250-828-7977
Coast Range Concrete Products, Owner of land in Industrial Park	Steve McCabe	250-256-1542

## Appendix D: Description of NOC 7452 Material Handlers

### **Main duties**

This group performs some or all of the following duties:

#### **Material handlers (manual):**

Load, unload and move products and materials by hand or using basic material handling equipment

Move household appliances and furniture onto and off moving trucks or vans

Perform other material handling activities such as counting, weighing, sorting, packing and unpacking.

#### **Material handlers (equipment operators):**

Operate winches and other loading devices to load and unload materials onto and off trucks, railway cars and loading docks of warehouses and industrial establishments

Operate industrial trucks, tractors, loaders and other equipment to transport materials to and from transportation vehicles and loading docks and to store and retrieve materials in warehouses

Connect hoses or pipes and operate equipment to load and unload liquid petroleum, chemical or other products into or from tank cars, tank trucks or storage tanks

Operate equipment to dump materials such as coal, ore and grain into or to remove materials from railway cars, trucks or other vehicles

Operate conveyors and equipment to transfer grain or other materials from transportation vehicles to elevators, bins or other storage areas

May perform other activities, such as opening containers and crates, filling warehouse orders, assisting in taking inventory and weighing and checking materials.

#### **Employment requirements:**

Some secondary school education may be required.

Physical strength is required for manual material handlers who work with heavy materials.

Reference:

<https://noc.esdc.gc.ca/Structure/NocProfile/3ad4d4ef9c994ce48bf04c2c15a2c770?objectid=M4ZiVHCEaXa09qDsH0Q3i9QOWVpO53ID3kKY3JrOcReuNHZoFe6lJ%2BKjxEe73Wzo>



# Cold Storage Facility

Lillooet Agriculture and Food Society

“ A local multi-purpose cold storage facility would extend our product’s shelf-life and promote access of Lillooet products to markets in the Lower Mainland ”

Lillooet Producers support the need for multi-purpose cold storage facility in region

*According to the 2016 Agriculture Census there are 44 farms in the Lillooet area with 41% producing fruits, berries, nuts and vegetables, 57% alfalfa and hay, 43% involved in cattle and calves and 23% producing hens and chickens.*

# Cold Storage Market Analysis

- ▶ Increasing demand from consumers for local food branding, will drive retail outlets to increase shelf space for these products and create a greater demand for cold storage options to extend the shelf life of perishable goods
- ▶ According to 2016 Canada Industry Statistics there are 407 cold storage establishments in Canada showing annual revenues of SME's of \$920,800 with 70.1% being profitable
- ▶ In British Columbia there are 58 cold storage establishments, most are small businesses
- ▶ Kamloops cold storage facilities are 173 km away requiring transport of products and limited capacity
- ▶ Lillooet district has one facility (JAR Enterprises), which does not currently have freezer storage

# Multi-Purpose Cold Storage Facility Options:

## Build New Facility

- ▶ Propose a \$2 million 15,000 sq.ft. multi-purpose facility with capacity for 750 pallets
- ▶ Projected capacity 30% first year and growth to 60% capacity by third year of operations
- ▶ Gross revenues year one projected at \$216K, year two \$324K, year three \$432K
- ▶ 28% of first year revenues from local producers

## Expand Existing Enterprise

- ▶ Stakeholders to negotiate contracts with existing facility (JAR Enterprises) with a goal to justify expansion
- ▶ Stakeholders to purchase or lease land with existing warehouse structure and retrofit. This would decrease capital required to build new facility. Would need to secure long-term lease



# Moving Forward:

- ▶ Investigate possibility of cold storage facility development on First Nations land. Advantage is that developer assumes capital cost of build, with option for stakeholders to be lease operators or contract customers.
- ▶ Form steering committee of local producers with goal to facilitate expansion of existing enterprise (JAR Enterprises) or to lease existing land/building in region. The owners of JAR Enterprises are willing to expand their facility if there is local support to do so. Stakeholders would either be contract customers to secure capacity expansion of JAR Enterprises, or investors/operators of leased land/building.
- ▶ The stakeholders, either private individuals, or venture capitalist funders, would secure capital and financing required to purchase land, construct building and purchase equipment. Capital/financing estimated at 2 million dollars. Stakeholders would be owners/operators.



# Thank you!

Lillooet Agriculture and Food Society would like to recognize the support of the local community and project funders, Northern Development Initiative Trust.