

Sustainable Economy

Woodfibre LNG Limited is of the view that the Project will bring responsible economic growth to Squamish and the region. The assessment of how the Project will affect the local and regional economy is described in **Section 6.2 Labour Market** and **Section 6.3 Sustainable Economy** of the Application. The local focus included Squamish, Whistler, Squamish-Lillooet Regional District Electoral Area D (which includes Britannia Beach and Furry Creek), Squamish First Nation communities, and Greater Vancouver Regional District (which includes Lions Bay, Bowen Island and West Vancouver). The regional focus included all of BC. Overall, the assessment concluded that, with the proper mitigation measures, the Project will not result in any significant adverse effects to the economy, and will result in several benefits. The following are highlights of the economic assessments, as well as the measures that Woodfibre LNG Limited will implement to mitigate effects commercial marine use.

COMMUNITY DEVELOPMENT

Woodfibre is committed to supporting the local community. Between 2013 and October 2014, Woodfibre LNG has invested more than \$88,000 into community events, youth sports, research, education and environmental initiatives in and around Squamish.

EMPLOYMENT ESTIMATES

An independent third party economic impact assessment of the Project is included in the Application. Accounting and Consulting firm MNP projected the following economic benefits of the Project (2014 CAD):

CONSTRUCTION JOBS

- Create 650+ jobs each year of construction.
- Create an additional 1,080+ jobs (indirect* and induced** employment) during the construction phase of the Project.

LONG-TERM OPERATION JOBS

- Create 100+ local jobs during operation.
- Create an additional 330+ local jobs (indirect* and induced**) during operation.

* Indirect impacts arise from changes in activity for suppliers.

** Induced impacts arise from shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

CAN TOURISM AND INDUSTRY CO-EXIST?

BC Ferries and Squamish Terminals have shown how industry can successfully coexist with local tourism and recreation, and Woodfibre LNG Limited is working hard to follow that example.

Woodfibre LNG Limited understands the importance of tourism and recreation to Howe Sound, and has committed to carrying out an Economic Impact Study to gain a deeper understand of how the Project may affect the economy.

LABOUR MARKET

The Project is expected to benefit local and regional labour markets throughout construction and operation by providing direct jobs, and by creating indirect and induced jobs through increased demands for goods and services. These direct and indirect jobs will result in increased labour income and training opportunities for the local and regional workforce.

REGIONAL ECONOMIC DEVELOPMENT

This assessment concluded that there will be no negative effects from the Project on regional economic development. In fact, the Project is expected to provide benefits to the economy by increasing demand for goods and services, increasing household spending, and complying with the land use designations identified in the District of Squamish Official Community Plan. The magnitude of economic benefits realized by companies in the local communities will depend on their capacity, expertise, and willingness to participate in Project construction and operation.

COMMERCIAL MARINE USE

The assessment concluded that some commercial marine traffic will likely be temporarily displaced while Project vessels pass by. There will be increased economic activity related to Project-related commercial marine traffic, and some disruption to local commercial and marine tourism traffic in the Squamish area. There will be lower impact in or near the Project area due to lower activity levels in that area. Given the location of Project vessel movements, the location of the highest density of marine tourism traffic, and the development of the Squamish Harbour Vessel Traffic Plan, this effect is expected to be minor.

The assessment also considered how the Project might affect commercial marine use by changing the noise and visual quality, and availability of fish and seafood around the site, but concluded that Project-related changes would be minor because of the low levels of commercial fishing activity around the Project area.

LOCAL GOVERNMENT FINANCES

The Project is expected to provide benefits to the District of Squamish through property tax and other fee payments. Woodfibre LNG Limited estimates that property taxes will initially be between \$1.5 and \$2 million per year during construction, and will grow to about \$3 million per year during operation. A \$2 million property tax payment to the District of Squamish will represent about a 5% increase in Squamish's annual revenues (based on its 2014 estimated revenues). This increase in municipal tax revenue could help to offset the property tax burden on homeowners in the District of Squamish who paid 62.8% of property taxes in 2014, compared to 47% of the property taxes in 2005.

Woodfibre LNG Limited does not foresee the District of Squamish needing to increase expenditures to support the Project, and if additional infrastructure or services are needed, such as employee parking, Woodfibre LNG Limited will pay for those costs.

GOVERNMENT REVENUE

Woodfibre LNG Limited took ownership of the Woodfibre site in February, and is already contributing to the District of Squamish's tax revenue. Should the Project go ahead, Woodfibre LNG Limited will contribute directly to government revenue as follows:

- **\$83.7 MILLION:** Estimated in tax revenue for all three levels of government during the construction phase of the Project.
- **\$86.5 MILLION:** Estimated in tax revenue for all three levels of government per year of operation.
- **\$243.3 MILLION:** Estimated to the District of Squamish, Resort Municipality of Whistler, Electoral Area D of Squamish-Lillooet Regional District, Squamish First Nation communities, and Metro Vancouver gross domestic product (GDP) during construction and more than \$122.8 MILLION in GDP per year during operation.

MITIGATION MEASURES

Woodfibre LNG Limited will implement several measures to minimize the potential adverse effect of displacing commercial marine users and to ensure that the predicted economic benefits are indeed realized in the local and regional economies.

Design mitigation: Woodfibre LNG Limited will use the Darrell Bay ferry terminal to transport workers to and from the site. The location of this terminal, about 4 km south of downtown Squamish, will minimize ferry interaction with recreational and commercial marine users along the Squamish waterfront.

Implement TERMPOL Recommendations: Woodfibre LNG Limited is voluntarily undergoing Transport Canada's shipping and navigational risk assessment TERMPOL review for this Project and will adhere to the recommendations of this study to limit adverse effects of Project activities on other marine users.

Squamish Harbour Vessel Traffic Plan: Woodfibre LNG Limited will develop and implement a vessel traffic plan to avoid or minimize Project-related disruption of marine-based recreational and commercial activities in the Squamish Harbour area during Project construction and operation. In developing this plan, Woodfibre LNG Limited will consult key marine user groups (e.g., Squamish Terminals, yacht clubs, kiteboard clubs, and kayaking operators) to further review the routes of all Project-related marine traffic associated with the Project, such as ferries and water taxis, and discuss strategies to manage the interaction of Project-related vessel traffic with recreational and tourism areas during the high-season months.

Enhancing Local Economic Benefits: Woodfibre LNG will develop a **Local Hiring Strategy**, a **Local Training Strategy**, and a **Local and Regional Procurement Strategy**. Woodfibre LNG Limited is also working with First Nations to develop similar strategies directed to First Nations. The goal of these strategies is to ensure the local workforce and economy can realize the potential economic benefits of the Project. Once launched, these strategies will ensure the labour force is well-positioned to seek Project employment based on individual capacities to supply needed skills. The strategies will also help maximize employment opportunities for residents in Squamish, Whistler, and Metro Vancouver, and ensure that local and regional businesses can access the increased demand for goods and services from the Project.

For more information about the economic benefits of the Project and the three benefit enhancement strategies, please see **Section 2.6 Project Benefits** in the Application.