



FORESTRY SECTOR PROFILE

Terrace

The Service and Supply Center of Northwest British Columbia

The Coast Mountain Natural Resource District (the District) administers forest resources in the north western part of British Columbia covering an area of roughly 80,000 square kilometers that includes the communities of Terrace, Kitimat, Prince Rupert, the Nass Valley and Stewart. Within the District there are seven management units: five Timber Supply Areas (TSAs): Kalum, Nass, Great Bear North, Pacific and Cascadia; and two Tree Farm Licences (TFLs): TFL 1 and TFL 41. Each management unit has been subject to a Timber Supply Review process that results in determination of an allowable annual cut (AAC). The AAC for the entire District is approximately 2.5 million cubic meters annually, and is apportioned amongst 22 licensees.

Detailed information about volume allocated to each licensee is maintained by the District Office and it is recommended that proponents contact authorizations staff for the most up to date information at 250.638.5100.



*Learn more about Terrace BC
on the City's Investment Portal
at <https://terrace.ecdev.org/>*

There is a significant amount of annual harvest volume that could be available for manufacturing. The species distribution in this District is approximately 50% hemlock, 30% balsam and the remaining spruce, cedar and pine in the areas directly surrounding Terrace—in the neighboring districts this species mix is widely variable.

In Terrace one of the largest single employers is Skeena Sawmills with a current workforce of approximately 100 people. The mill plans to expand their crew once a facility retrofit is complete in 2019, including a new wood pellet production plant that will utilize the majority of the mill's wood waste. Several other small custom-cut sawmills also operate in Terrace.

The Opportunity: Forestry in Terrace

There is a growing demand for softwood in Asia and ample opportunity for local wood processors to manufacture value added wood products, particularly with increased local milling and access. The Province of British Columbia commissioned a study titled Forest Investment Opportunities in Northwest BC in 2015 to quantify the second growth timber resource in the District, which is now coming available for harvest. This second growth timber is less than 100 years old with many areas having been commercially thinned. The second growth stands are dense, low in pulp, and easily accessible. The local milling facility can currently process logs up to a four inch top and in future will be able to take smaller sizes in pulp log grades when their pellet plant is fully operational. The Provincial report estimates that a significant, sustainable level of second growth timber will be available for decades. Several local forestry consulting firms are available to interpret available information to help inform any business case development.

Terrace has a good supply of available, affordable light and heavy industrial lands and is a community that strongly supports the forest industry. With signaled policy and program changes by BC's current Provincial government, there may be enhanced supports for the wood products manufacturing sector. Check Provincial policy updates and announcements here:

<https://www2.gov.bc.ca/gov/content/industry/forestry>



Key forest sector investment opportunities in Terrace include:

1. Secondary manufacturing

A 4.72 acre secondary manufacturing facility sits ready for re-activation, in close proximity to Skeena Sawmills, the largest regional lumber producer. Two kilns are on site with ample room for milling, warehousing and loading. As of November, 2018 a sale is pending.

2. Residual wood fiber

The Northwest region surround Terrace has a sizable Allowable Annual Cut and significant residual wood resources that could be available for a variety of purposes including biofuels for export and use in local district energy systems. There is also a new pellet plant to begin operations in 2019 which may accept additional fiber.

3. Value-added wood products

Terrace is the home to a small but thriving value-added wood sector, producing items such as decking, fencing, tone wood, and sound boards. The proximity of Terrace to world-class transportation systems means there are growth opportunities for this sector.

Only minutes from downtown Terrace is the Skeena Industrial Development Park, currently under development. It is the vision of City Council to support the growth of the forestry industry at the SIDP and there are opportunities for small and larger scale manufacturing to lease or purchase land for manufacturing facilities.



Major Companies

Skeena Sawmills

Built more than 50 years ago and undergoing a \$40 million retrofit starting in 2017, Skeena Sawmills currently processes approximately 250,000 cubic meters per year, with plans to scale up production and increase staffing over the short term. The retrofit includes construction of a new pellet plant and upgrades to the milling facility. **For more information, visit:** <http://skeenasawmills.com/>

Terrace Community Forest

The Terrace Community Forest Ltd. Partnership is managed by a board who are appointed by the City of Terrace. The City of Terrace holds an area based tenure allowing for an annual harvest of 30,000 cubic meters of timber. **For more information, contact:** Haworth@citywest.ca or 250-635-5509.

BC Timber Sales

BCTS manages a portion of the Provincial AAC and their data supports the market pricing system for timber. BCTS offers their allocated timber for sale to support small business logging operations.

For more information, visit: <https://www2.gov.bc.ca/gov/content/industry/forestry/bc-timber-sales>

Coast Tsimshian Resources Ltd.

Coast Tsimshian Resources Ltd. Is the largest licensee in this forest district with main operating areas surrounding the City of Terrace. CTR owns and operates a log yard in Terrace as well as a debarker in Prince Rupert in conjunction with Tidal Transport, Alcan Forest Products and All-Wood Fibre. CTR is managed by A and A Trading. **For more information, visit:** <http://ctrlp.ca/>

Kitselas Forest Products and Kalum Ventures Ltd. Partnership

Terrace is located on the traditional territory of the Kitselas and Kitsumkalum First Nations. Both Kitselas and Kitsumkalum have Treaty Agreements-in-Principle signed with the Province of BC, as well as forest tenures and their own forestry operations. Once treaties are finalized, the Nations will have increased access to forest resources. **For more information, visit:** <http://www.kitselas.com/index.php/> or <http://www.kitsumkalum.com/kalum-ventures-ltd/>

Labor Force and Training

Terrace is home to the main campus of Coast Mountain College, which services 34 communities throughout the northern region of the Province. CMNT offers a variety of certificates, diplomas and associate degrees and recently completed construction of a new trades training center. Visit <http://www.nwcc.bc.ca/> to learn more.



City Tours & Investment Information:
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