



# **REQUEST FOR PROPOSALS TO PROVIDE CONSULTING SERVICES**

**To Facilitate a Community Forest License for the City  
of Port Alberni.**



**CITY OF PORT ALBERNI  
OCTOBER 2006**

## **1.0 INTRODUCTION**

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The City of Port Alberni wishes to retain the professional services of a consultant expert in the fields of forestry and community consultation to undertake the application process to the Ministry of Forests for the City to obtain a Community Forest License. The successful consulting team must be co-ordinated and supervised by a senior consultant with extensive experience in the field of forestry both from a technical and business development perspective. The consulting team should have practical experience working on similar projects involving multiple stakeholders as well as sound knowledge of provincial legislation and Ministry of Forests processes regarding logging on crown land particularly with respect to community forest operations. In addition a demonstrated ability to meet deadlines and the ability to communicate effectively with the public and client is required.

## **2.0 GENERAL BACKGROUND**

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### **2.1 Community Forest License Invitation**

The City of Port Alberni was invited to apply for a Community Forest License by the Minister of Forests in October of 2004. This invitation was for a license that would support an annual allowable cut of about 20,000 cubic meters. Since that time discussions have been ongoing the Ministry of Forests and local First Nations to finalize the land base for which the license would apply. This discussion process has just been completed recently and the local Ministry of Forests District Manager has identified the land base to be applied for and has encouraged the City to make the required application expeditiously.

### **2.2 Community Forest Advisory Committee**

In early 2005 the Port Alberni City Council created the Community Forest Advisory Committee, Chaired by Mayor McRae, to undertake the implementation of the Community Forest Initiative. This Committee has to-date undertaken the required interaction and consultation with the Ministry of Forests in pursuit of the most advantageous land base for the Community Forest.

### **2.3 Timber Supply Analysis**

In early 2005, Forsite Consultants completed a Timber Supply Analysis on behalf of the Ministry of Forests for a proposed Port Alberni Community forest land base of 8206 Ha supporting an AAC of between 23,000 and 25,000 cubic meters. The Ministry of Forests has recently advised the City of reductions in the available land base which will reduce the land area to approximately 6800 Ha and reduce the AAC to approximately 19,000 cubic meters. A detailed Timber Supply Analysis for the reduced size land base has not yet been forwarded by the Ministry of Forests.

### **2.4 Strategic Forest Alliance Corporation**

The City of Port Alberni recently acquired this longstanding community based forest oriented corporation with the intention of utilizing this corporation as the entity which will undertake the Community Forest Initiative on the City's behalf. The new Board of Directors for this Corporation consists of members of the Community Forest Committee

### **2.5 Objectives for a Community Forest Operation**

- Diversify the local forest economy in the Alberni Valley
- Reconnect local forestry workers and contractors to the forests of the Alberni Valley through buying supplies, contracting work and selling logs locally.
- Demonstrate model forestry practices and promote other values like trails and recreation sites, wildlife, water supplies, and viewsapes.
- Generate revenues to be retained and utilized for community based projects supported by the City.

## **2.6 Funding Sources**

Startup funding for the Community Forest Initiative would be provided by the City of Port Alberni to the Strategic Forest Alliance Corporation on a loan basis. The City has also advanced an "Expression of Interest" for funding under the Canadian Forest Service's Forest Communities Program. The deadline for application for this funding is October 31, 2006. Funding potentially available under this program is 50% of core support funding up to \$400,000/year for five years. Projects funded would be expected to commence operation in April 2007.

## **3.0 SCOPE OF WORK REQUIRED**

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Work required includes the undertaking all aspects of the Community Forest License application process. Deliverables include documented public consultation process, forest resources management plan and business plan and submission ready application documents. Specifics of work required and deliverables include:

### **3.1 Community Awareness, Support and Involvement Program**

- Facilitation of broad spectrum community awareness and support for the Community Forest Initiative through a combination of public advertising, public surveys and public meetings.
- Facilitation of key community stakeholder groups support including first nations, industry, labour, and business through informational meetings and consultation. Particular attention should be paid to consultation with and input from First Nations groups within whose traditional territories the proposed land base resides as well as existing licensees near the proposed land-base.
- Documentation of the Community Involvement process including meeting minutes, survey results, and letters of support to be prepared for submission as part of the application.

### **3.2 Plan for Management of Forest Resources**

A Plan for Management of the Forest Resources within the proposed land base must be prepared for submission with the application. This plan must provide a clear statement of objectives for resource management within the PCFA area. Plan contents must include:

- Statement of Goals and Guiding Principles for resource management in the PCFA area
- Management Objectives must be provided including those related to stewardship of the forest resources in the PCFA area
- Resource inventories that have already been undertaken by others on the proposed land base must be obtained and included in the plan. Any additional inventories necessary to properly plan for resource management must be identified and the resources to undertake the inventory estimated.
- Proposed Allowable Annual Cut (AAC) for timber and any other resources intended for extraction under the PCFA must be included in the plan.

### **3.3 Business Plan**

Development of a Business Plan is required to be submitted with the applications. This plan is to test the feasibility and financial viability of the proposed Community Forest Operation. Components of the Business Plan shall include:

- Executive Summary - providing a concise overview of the proposed Community Forest Initiative, its management structure, financial state, and future plans.
- Mission Statement – indicating the purpose of the business, what it will do and for whom.
- Management/Governance Structure – description of the proposed governance structure, make up of the Corporation, Key personnel and roles, relationship to the City of Port Alberni and community accountability plan.

- Product/Service Description – identify products and services the PCFA and related businesses will produce and identify factors that will contribute to the success of the operations.
- Industry/Market Analysis and Strategy to include:
  - An assessment of the environment in which the business will be operating and how the business will respond to the market conditions.
  - A summary of the competition the business will encounter.
  - An analysis of the company's products in the context of the markets being served, measured against the markets available.
- Potential Risks and Pitfalls to the business should be reviewed and assessed.
- Implementation Plan. – Show how business funding will be acquired and how loans (if any) will be repaid. Include a table listing the various expenditures and the corresponding sources of financing.
- Human Resources – Identify the tasks/jobs that will require full-time and/or part time employees to undertake the Community Forest business. Include positions that will be filled by consultants or volunteers. Identify associated costs.
- Future Plans – State the short, medium and long-term objectives for the business. Statements should be in accordance with the other components of the business plan listed above and with the objectives identified in the Plan for Management of Forest Resources
- Projected Financial Statement Summary – Provide the following for each of the five years of operation under the term of the PCFA:
  - Profit and loss forecast based on projected income statement
  - Cash flow forecast
  - Balance sheet forecast
  - Projected capital expenditure budget; and
  - Projected Company assets.

### **3.4 Preparation of Community Forest License Application Documents**

The application for the Community Forest license must be prepared and submitted to the City's representative and must include all information requested by the Ministry of Forests (as described above) and be presented in the format prescribed by the Ministry. The application and all supporting documentation, drawings, and mapping must be submitted in both hardcopy and a digital format acceptable and compatible with City of Port Alberni hardware and software. A Draft Application package including ten (10) hardcopy and one (1) digital copy must be provided to the City's representative for review and input of the Community Forest Committee. Subsequent to this review the consultant will prepare final application package documents for submission to the Ministry of Forests. The City will retain ownership to the final application report and related mapping.

## **4.0 REQUIRED FORMAT AND CONTENT OF PROPOSALS**

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- 4.1** Sealed proposals shall be received by the City's representative up to **4:00 p.m. on November 3, 2006**, proposals received after this time and date may not be considered. All submissions should be clearly marked as follows:

"Response to Request for Proposals for Consulting Services To Facilitate a Community Forest License for the City of Port Alberni."



**4.2** the Proposal should be directed to :

Ken Watson  
City Manager,  
City of Port Alberni,  
4850 Argyle Street,  
Port Alberni, B.C. V9Y 1V8  
Telephone: (250) 720-2824  
Fax: (250) 723-1003  
e-mail: [ken\\_watson@city.port-alberni.bc.ca](mailto:ken_watson@city.port-alberni.bc.ca)

**4.3** Proposals must be submitted in the format described below and shall contain all of the information required by this Request for Proposals to facilitate comparison and evaluation of the proposals.

**4.4** Eight (8) copies of the proposal are required in hard copy, bound form and one (1) copy of the proposal in unbound form with mapping and plans (if any) in a form no larger than 11" x 17" paper to facilitate reproduction must be submitted to the City of Port Alberni.

**4.5** The following information must be included to demonstrate a thorough understanding of the scope of the work and ability of the consultant team to successfully complete the project.

- A general description of relevant company and personnel experience and qualifications including description of work of a similar nature and references that, if contacted, would be able to comment on such project work.
- Biographies of the proposed members of the consulting team outlining specific qualifications and experience pertinent to this project
- A detailed work program setting out proposed methodology, a rationale for the preferred approach and a schedule of work necessary to deliver the desired products. Innovative and flexible approaches to this project are encouraged.

**4.6** A detailed budget breakdown of all components of the project including an estimated cost for completion of the work required. Also included should be a price listing of hourly rates and disbursement fees for the consulting team.

## **5.0 GENERAL CONDITIONS**

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### **5.1 City's Representative**

The City Manager, as the City of Port Alberni's representative, is authorized to communicate and officially deal with Proponents and all Proponents must communicate and officially deal with that person only.

The City may involve other staff and resource people in meetings and discussions with proponents and in evaluations of submissions received. Proposals along with evaluations will be considered by City Council.

### **5.2 Deadline for Submissions**

Proposal submissions will be accepted until 4:00 p.m. Friday November 3, 2006.

### **5.3 Legal Relationship Created by and Nature of this Request for Proposals**

Neither this Request for Proposals nor the submission of a proposal by a Proponent is intended to create a legal relationship between, or any duties or obligations on the part of the City or a Proponent.

This Request for Proposals is an invitation to treat, and if the City decides upon receipt and review of proposals to explore, negotiate or otherwise treat with any Proponents, it may do so, and until a written offer is made and accepted under the seal of the City, by resolution of its Council, no contractual relationship of any kind will exist.

In considering any proposals received whether compliant to this Request for Proposals or not, the City may treat further and negotiate with anyone or all of the Proponents or none of the Proponents as it sees fit and may ultimately contract with one or more of the Proponents, or with none of the Proponents as in its unfettered discretion it considers desirable.

This Request for Proposals does not impose on the City any duty of fairness or natural justice to any or all respondents with respect to this Request for Proposals or the process it creates. Unless the City is expressly permitted or required by this Request for Proposals to “act reasonably”, the City is entitled to act in its sole, absolute and unfettered discretion.

### **5.4 Confidentiality of Proposals**

The City is subject to the Freedom of Information and Protection of Privacy Act. That Act creates a right of access to records in the custody or under the control of the City, subject to the specific exceptions in the right set out in the Act. The City will receive all proposals submitted in response to this Request for Proposals in confidence, including for the purposes of S.21 of the Act. Because of the right of access to information created by that Act, the City does not guarantee that information contained in any proposals will remain confidential if a request for access in respect of any proposal is made under the Act.

### **5.5 Proprietary Information**

If a Proponent considers that any part of its proposal is proprietary, including by reason of its being copyright, the proposal must clearly identify those portions of it that are considered proprietary.

### **5.6 Responsibility or Liability**

The City accepts no responsibility or liability for the accuracy or completeness of this Request for Proposals (including any schedules or appendices to it) or of any recorded or verbal information communicated or made available for inspection by the City (including through the City's representative of any other individual) and no representation or warranty, either expressed or implied, is made or given by the City with respect to the accuracy or completeness of any of those things. The sole risk, responsibility and liability connected with reliance by any proponent or any other person on the Request for Proposals or any other such information as is described in this paragraph is solely that of each Proponent.

Each Proponent acknowledges and agrees that it is solely responsible for obtaining its own independent financial, legal, accounting, engineering and other advice with respect to the contents of the Request for Proposals or any such information as is described in this paragraph. Each Proponent who submits a proposal to the City is deemed to have released the City from, and waived, any action, cause of action, claim, liability, demand, loss, damage, cost or expense, of every kind, in any way connected with or arising out of the contents of the Request for Proposals or any such information as it described in this paragraph.

Each Proponent who submits a proposal is deemed to have agreed that it is solely responsible and liable to ensure that it has obtained and considered all information necessary to enable to understand the requirements of the Request for Proposals and to prepare and submit its proposal.

## **5.7 Compliance with Regulations**

The successful Proponent/s will be responsible for complying with all municipal, provincial, and federal statutes, regulations, bylaws, and permits.

## **6.0 EVALUATION PROCESS**

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### **6.1 Evaluation Process**

Submissions in response to this Request for Proposals will be evaluated by the Community Forest Committee. The Committee's recommendation will be forwarded to City Council for consideration and approval.

### **6.2 Evaluation Criteria**

- Comprehensiveness of the development proposal.
- Experience and qualifications of the proposed consultant team.
- Demonstrated ability of the consultant to successfully undertake work of a similar nature in the past.
- Demonstrated familiarity with local forest industry conditions and stakeholders.
- Proposed time line for development of the application.
- Budget proposed for the project.

The City may give such weight to these evaluation criteria as it sees fit. Selection of the preferred proposal will be the decision of City Council. A proposal deemed at Council's sole discretion to be the most advantageous to the City of Port Alberni may be selected. City Council, at its sole discretion, may choose to reject all proposals.

## **7.0 TERMS OF AGREEMENT**

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### **7.1 Further Process Leading to Contract**

The City may negotiate and treat with any of the Proponents whose proposals best meet the objectives of the City. The City of Port Alberni reserves the right to reject or negotiate any or all offers.

Selection of a Consultant as the successful proponent to undertake the City's Community Forest License application does not preclude that consultant entering into a longer term ongoing contract to provide forestry consulting service for the ongoing operations on the Community Forest business.

## **8.0 ATTACHMENTS TO THIS REQUEST FOR PROPOSALS:**

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- Ministry of Forests October 15, 2004 News Release re Port Alberni Community Forest Opportunity
- Minister of Forests October 14, 2004 letter to Mayor McRae re Port Alberni Community Forest.
- Ministry of Forests – Probationary Community Forest Agreement (PCFA) Application Requirements, October 2004
- Forsite – Port Alberni Community Forest Agreement Arrowsmith TSA - Timber Supply Analysis Report, February 22, 2005
- Proposed Timber Supply Area Map - September 2006



File: 19460-20/Port Alberni

OCT 14 2004

His Worship Mayor Ken McRae  
City of Port Alberni  
4850 Argyle Street  
Port Alberni, British Columbia  
V9Y 1V8

Dear Mayor McRae:

I am writing in reference to your ongoing interest in a Community Forest Agreement.

On July 22, 2004, Cabinet approved the Community Tenures Regulation. This regulation provides the prescribed circumstances under which a direct award of a Probationary Community Forest Agreement can be made.

Under the authority of Section 43.51 (1) (b) of the *Forest Act* and in accordance with Section 6 of the Community Tenures Regulation, I hereby invite an application for a Probationary Community Forest Agreement from the City of Port Alberni. In due course, the Regional Manager, Coast Forest Region, will forward the detailed requirements for the application. Please take note of the following:

- The Probationary Community Forest Agreement would be for a term of five years; additionally, in accordance with the *Forest Act* and the Community Tenures Regulation, it may be extended or replaced with a long-term agreement.
- The allowable annual cut (AAC) and the boundaries of the Probationary Community Forest Agreement must be approved, in writing, by the Regional Manager, Coast Forest Region, before the application is submitted. The AAC for this agreement will be up to 22,000 m<sup>3</sup>.
- The invitation to apply for a Probationary Community Forest Agreement is valid for a period of 120 days after receipt of the detailed application requirements. If an application is not received by that time, the invitation to apply for a Probationary Community Forest Agreement will be void. An extension to this period may be granted. A request for an

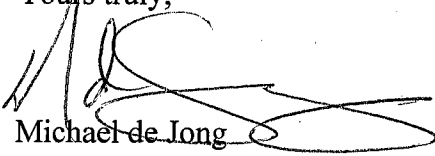
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extension must be made in writing to the Regional Manager, Coast Forest Region, at least 14 days prior to the expiry of the term.

I look forward to reviewing your application for a Probationary Community Forest Agreement.

Yours truly,

A handwritten signature in black ink, appearing to read 'Michael de Jong', with a large, stylized flourish extending from the end of the signature.

Michael de Jong  
Minister

pc: Cindy Stern, Regional Manager, Coast Forest Region  
Jack Dryburgh, District Manager, South Island Forest District

## NEWS RELEASE

For Immediate Release  
2004FOR0059-000833  
Oct. 15, 2004

Ministry of Forests

### **PORT ALBERNI GAINS COMMUNITY FOREST OPPORTUNITY**

**PORT ALBERNI** – Today MLA Gillian Trumper and Forests Minister Michael de Jong extended an invitation to the City of Port Alberni to apply for a community forest agreement, bringing economic benefits and control of local forest resources to the city and Alberni valley region.

“This government is following through on its commitment to put local resources into the hands of local communities,” said Trumper. “Forestry is central to the island’s economy – today’s invitation is a great opportunity for Port Alberni and the entire Alberni valley region.

“We are now seeing tangible benefits of the Forestry Revitalization Plan and timber reallocation, as we give communities more control of their local resources,” said de Jong. “This will create employment, provide a timber supply for local mills and value-added operations, and allow communities to direct revenues back to where they’re needed most.”

The City of Port Alberni has been invited to apply for a probationary community forest licence, providing about 20,000 cubic metres of timber annually.

“This is a great opportunity for our community,” said Port Alberni Mayor Ken McRae. “By drawing on the substantial expertise of Port Alberni’s forestry community, we will provide local employment and generate revenues that will help build our economy.”

Community forest agreements are a mechanism by which the province transfers decision-making to communities that wish to more fully participate in the stewardship of their local forest resources. Community forest tenures are area-based, giving the-holders exclusive stewardship of an area of forest land over the term of the agreement. The probationary agreements are initially for five years, at which time they may be extended for another five years or replaced with a long-term agreement of 25 to 99 years. Since July 2004, government has provided community forest opportunities for eight communities across the province.

For more information on this community forest agreement and other Ministry initiatives visit:  
<http://www.gov.bc.ca/for/> online.

-30-

1 backgrounder(s) attached.

Media      Don McDonald  
contact:    Communications Director  
             Ministry of Forests  
             250 387-8486

Visit the Province's website at [www.gov.bc.ca](http://www.gov.bc.ca) for online information and services.

**Coastal Small Tenures  
Timber Supply Analysis**

**Port Alberni Community Forest Agreement  
Arrowsmith TSA**

**Timber Supply Analysis Report**

**February 22, 2005**

**RECEIVED**

**MAR 22 2005**

**CITY OF PORT ALBERNI**

**Prepared For:**

**Doug Stewart  
Coast Reallocation Team  
Ministry of Forests – Coast Region  
2100 Labieux Road  
Nanaimo, BC V9T 6E9  
(250) 751-7049**



**Submitted By:**



**Head Office, Southern Operations**

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**Coastal Operations**

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**Northern Operations**

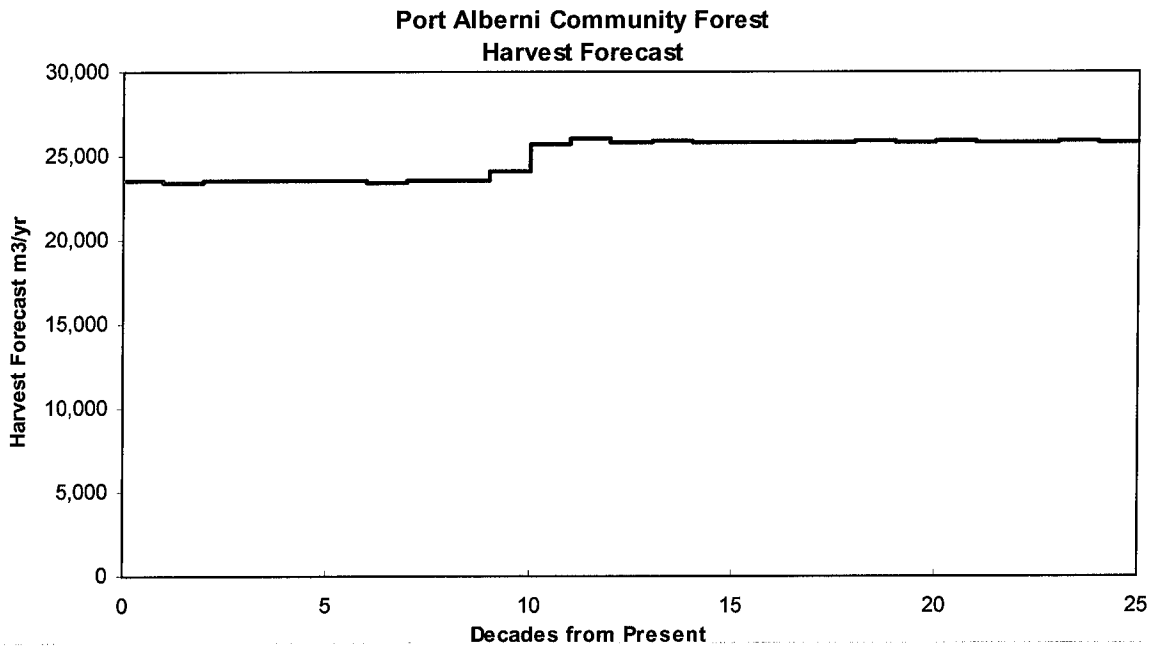
**#204 10001 101 Ave.  
Grande Prairie, AB, T8V 0X9  
Tel. (780) 532-8202  
Fax (780) 402-6661**

**[www.forsite.ca](http://www.forsite.ca)**

## Executive Summary

This report provides a timber supply forecast for the proposed Port Alberni Community Forest Agreement (CFA) area located near the community of Port Alberni on Vancouver Island. The total size of the proposed CFA area is 8,206.5 ha, of which 6,928.0 ha (84%) is eligible crown forested land base (CFLB), and 4,364.7 ha (53%) is considered timber harvesting land base (THLB).

Timber supply was modeled spatially over 250 years using Weyerhaeuser's TFL 44 Management Plan (June 2002) assumptions to define the THLB and Arrowsmith TSAs TSR2 assumptions to define growth and yield, and management assumptions/strategies. The figure below illustrates the projected harvest flow over time and shows that an initial average harvest level of 23,458 m<sup>3</sup> per year can be maintained for 90 years before it begins to transition up to a long term harvest level of 25,822 m<sup>3</sup>/year.



The short term harvest level is limited primarily by the amount of past harvesting activity and the forest cover constraints applied to the community watershed and partial retention VQO areas. There is reasonable harvest opportunity in the initial years of the planning horizon but this volume must be metered out over the first 9 decades until second growth stands are fully online. Harvest opportunity is most limited during the 2<sup>nd</sup> and 3<sup>rd</sup> decades. The long term harvest level is 10% higher than this initial level and occurs once second growth stands begin to dominate the harvest profile. These stands provide more flexibility in meeting limiting forest cover constraints and tend to produce more volume per hectare.

## **Acknowledgements**

Preparation of this report and analysis would not have been possible without cooperation and input from several individuals and organizations. Doug Stewart (MoF) provided direction on key project concepts and issues. Jim Brown (MoF) provided timber supply modeling support. Emma Neill (MoF) assisted in the localization of assumptions. Peter Kofoed (Weyerhaeuser Nanaimo Woodlands) and Ross Petit (consultant) provided the data and associated TFL assumptions.

The Forsite project team consisted of Mike Landers, RPF, Cam Brown, RPF, Stephen Smyrl, and Steve Patterson.

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## Introduction

In 1999, a major tenure transfer occurred when Weyerhaeuser Company Ltd. purchased MacMillan Bloedel Ltd. Consequently, the AAC available to the holder was reduced by 5 percent; this volume (48,994 m<sup>3</sup>) was to be reallocated to the Arrowsmith Timber Supply area. A portion of the area was located on the West Coast and the remaining portion of this volume is now being considered for a new Community Forest Agreement (CFA). This report describes the both CFA proposed near Port Alberni on Vancouver Island British Columbia and the results of a timber supply analysis completed to help define an area able to support an annual allowable cut (AAC) of approximately 22,000 m<sup>3</sup>/yr.

The Port Alberni CFA area consists of 5 physically separate land units covering 8,206.5 hectares (net of private land) located in the South Island Forest District and Arrowsmith Timber Supply Area (Figure 1).

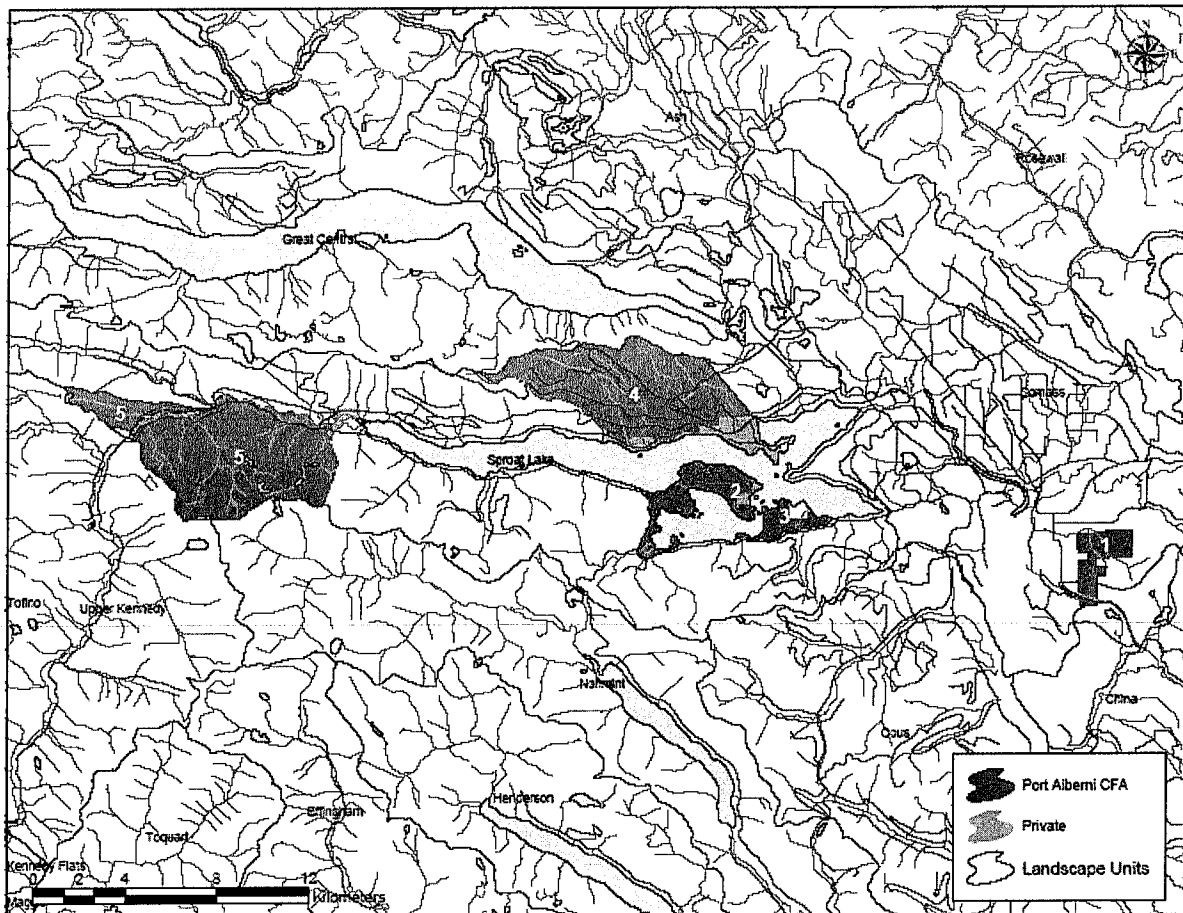


Figure 1. Port Alberni Community Forest

## Methods

Ministry of Forests district staff provided boundaries for a CFA area that was expected to provide the desired harvest level. Within the proposed boundaries, internal units were identified and prioritized in case only a portion of it was needed to achieve the 22,000 m<sup>3</sup>/yr target. The timber supply model incorporated all of the proposed area and yields were derived using the THLB portion of this land base. The CFA area shown in this report is the version that corresponds with the desired harvest level.

The primary objective of this project is to determine and assess the long and short term timber supply for the community forest proposed in Port Alberni as noted above. The landbase used in this analysis was broken down into five separate units (see Figure 1) with the objective being to meet the desired harvest objective using only the area required. The harvest objective is to use each block in order of preference where 1 is given first preference and subsequent units can be added as required up to and including area 5. Additional area originally considered and not required to meet the target has been removed.

The spatially explicit model *Forest Planning Studio* (FPS-ATLAS) was used to provide timber supply forecasts. FPS-ATLAS is a forest-level simulation model that was developed by Dr. John Nelson at the University of British Columbia. FPS-ATLAS is designed to schedule harvests according to a range of spatial and temporal objectives (i.e. harvest flows, opening size, riparian buffers, seral stage objectives and patch size distributions). Silviculture systems, rotation ages and growth and yield curves are assigned to each polygon. At each time step, polygons are first ranked according to a cutting priority (e.g. oldest first). Polygons are then harvested from this queue subject to constraints designed to meet forest level objectives (e.g. opening size and seral stage targets). Polygons are harvested until either the queue is exhausted or the periodic harvest target is met. At this stage the forest is aged to the next time period, and the process is repeated. At each time period, the model reports the status of every polygon in the forest estate.

While FPS-ATLAS is a spatially explicit timber supply model it is not the intention or objective of this analysis to produce an operational plan. A spatial model such as the one used allows visual verification of the analysis inputs and results. No spatial constraints were applied at the block level that would result in the output of realistic harvest 'blocks'. Modeling results are meant only to assess overall harvest levels in the short and long term.

The data used for timber supply input is primarily a subset of the data used for the timber supply analysis component of Weyerhaeuser's Management Plan 4 for TFL 44 in June of 2002. Therefore, the timber harvesting landbase (THLB) for the community forest has been defined using the landbase definitions used by Weyerhaeuser. The demonstration forest data which comes from the TSA has been integrated into the TFL data for this project. All other assumptions are based on the Arrowsmith timber supply review (TSR2) of September 2001.

### **Community Forest Attribute Summary:**

The Community Forest Area proposed in Port Alberni is highly operable with more than 63% of the contributing landbase being operable area. The contributing landbase for the proposed area totals 8,206.5 ha (84% of the total area) and the timber harvesting landbase is 4,364.7 ha (60% of the contributing area). Table 1 below details the gross area by BEC variant.

Table 1. BEC variant classification for the total CFA area.

AT	CWHmm1	CWHmm2	CWHvm1	CWHvm2	CWHxm1	CWHxm2	MHmm1	Total (ha)
55	1,471	973	1	1,130	911	2,474	1,013	8,702

Table 2 below details the distribution of the THLB area by leading species group and the site index associated with the group.

Table 2. THLB by species group and site index.

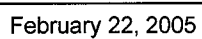
Site Index	Hectares by Leading Species Group				
	FD	HBS	C	Decid	Total
6.1-11	10.3	0.4	-	-	10.7
11.1-16	73.3	118.0	2.1	3.2	196.6
16.1-21	520.9	595.3	0.2	-	1,116.3
21.1-26	1,278.3	384.9	21.7	12.0	1,696.9
26.1-31	753.0	69.4	-	21.9	844.3
31.1-36	283.4	-	-	1.3	284.7
36.1-41	77.9	12.5	-	-	90.4
>41	124.8	-	-	-	124.8
<b>Total</b>	<b>3,121.8</b>	<b>1,180.5</b>	<b>24.0</b>	<b>38.4</b>	<b>4,364.7</b>
<b>Percent of Total:</b>	<b>71.5</b>	<b>27.0</b>	<b>06.</b>	<b>0.9</b>	

Table 3 below describes the THLB area in terms of leading species and age class.

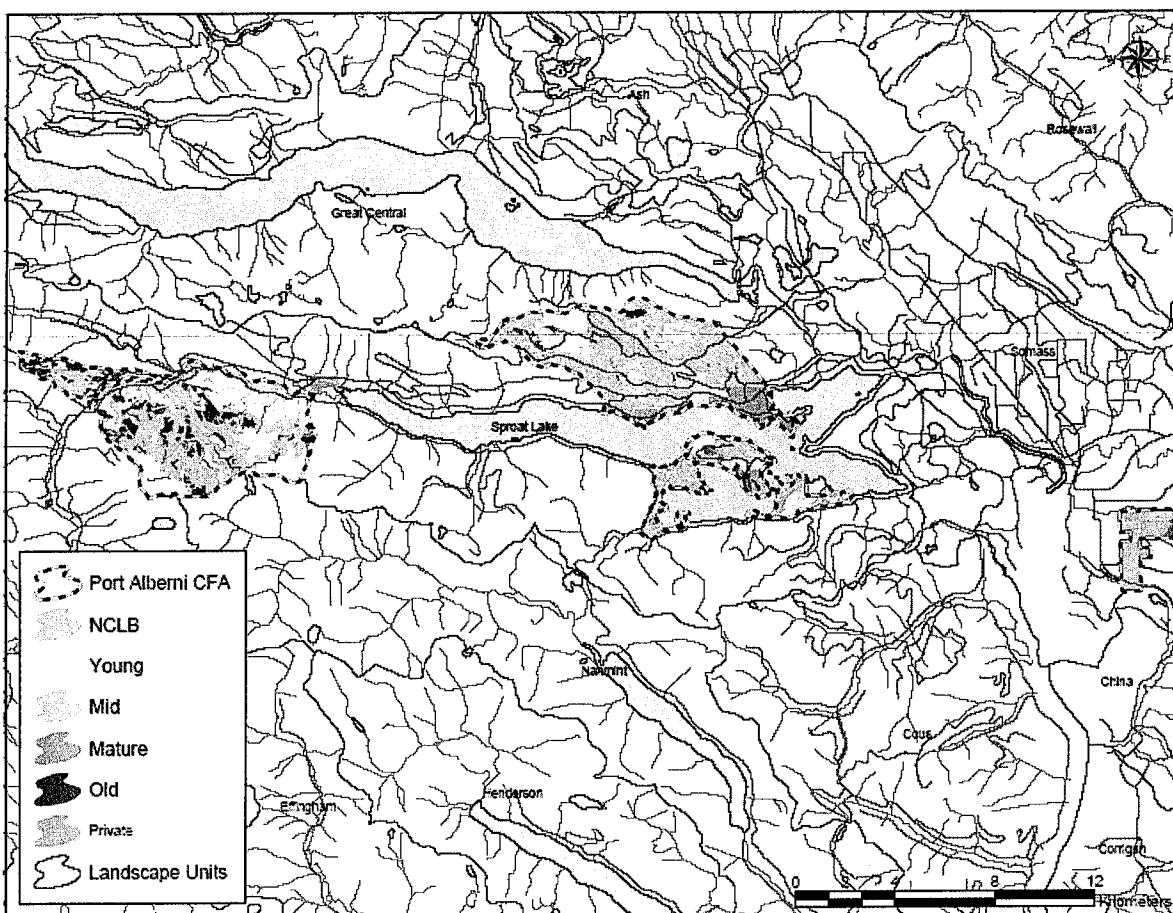
Figure 2 illustrates the age class distribution on both the Crown Forested Land Base and the THLB. Figure 3 illustrates the spatial distribution of the age classes associated with the THLB.

Table 3. THLB Area by leading species and age class

Age Class	Hectares by Leading species				
	FD	HBS	C	Decid	Total
0-20	156.6	268.8	9.4	-	434.8
21-40	950.8	269.3	-	4.6	1,224.7
41-60	1,487.7	133.1	4.4	5.5	1,630.7
61-80	291.8	-	-	26.0	317.7
81-100	31.7	-	-	-	31.7
101-120	35.4	-	-	2.3	37.7
121-140	-	-	-	-	-
141-250	26.4	77.4	-	-	103.8
250+	141.4	431.9	10.2	-	583.6
<b>Total</b>	<b>3,121.8</b>	<b>1,180.5</b>	<b>24.0</b>	<b>38.4</b>	<b>4,364.7</b>
<b>Percent of Total:</b>	<b>71.5</b>	<b>27.0</b>	<b>0.6</b>	<b>0.9</b>	



Page 5



### **Land Base Assumptions**

The timber harvesting land base (THLB) derivation is shown in Table 4 and described below. In many instances, polygons could have been removed by several netdown factors but netdown areas were only attributed to the predominate factor to avoid double counting. Areas were always assigned to the netdown reason occurring highest on the list (Table 4).

Table 4. Timber harvesting land base definition.

<b>Classification</b>	<b>Area (hectares)</b>	<b>Percent of total area</b>	<b>Percent of CFLB area</b>
<b>Gross Area of CFA</b>	8,206.5	100.0	
Non productive	(1,105.5)	13.5	
Existing Roads	(173.0)	2.1	
<b>Total Crown Forest Land Base</b>	6,928.0	84.4	100.0
<b>Reductions to Crown Forest</b>			
OGMAs	811.0	9.9	11.7
Riparian Reserves	837.0	10.2	12.1
Economically Inoperable	145.2	1.8	2.1
High recreation value	279.3	3.4	4.0
Environmentally Sensitive Areas	297.4	3.6	4.3
Physically Inoperable	166.1	2.0	2.4
<b>Total productive forest exclusions</b>	1,079.4	22.1	25.9
<b>Timber Harvesting Land Base</b>	4,364.7	53.2	63.0

### **Modeling THLB**

The THLB for this analysis represents a combination of TFL 44 MP4 and TSA TSR2 data sets<sup>1</sup> being merged together to form one resultant data set for the analysis. The net THLB in each of these data sets was derived using partial netdowns. For spatial timber supply modeling, polygons must be entirely THLB or Non-THLB so partial netdowns were converted to full netdowns. The total area of THLB remained the same but the spatial location was slightly altered. For this unit, the THLB used for modeling is 0.4 ha smaller than the THLB area on the MP4/TSR2 file. To arrive at this result, polygons which were largely non-contributing were excluded until the area target was met, while those polygons that are primarily contributing were wholly included. If a break was needed within an inclusion factor class, the smallest polygons were removed until the THLB target was achieved.

The netdowns applied to the crown productive forest (CFLB) are listed below.

### **Non Productive Areas**

All land classified as non-forested, such as lakes, swamp, rock and alpine, were excluded from the crown forested land base.

### **Private Land**

Any private land or other crown land and within an area-based tenure (woodlot) falling within the CFA area was removed from the crown forested land base.

### **Roads Trails and Landings**

Existing roads for the plan are in the GIS database for TFL 44 as line features. The area degraded by roads was estimated by applying a buffer of 6.7 meters to either side of the line.

Estimates for future roads, trails and landings are applied after stands are first harvested in the simulation model. Estimates will be applied as a 4 percent volume netdown on future yield curves. This method permits the volume in road right of ways to be captured in first pass harvesting.

<sup>1</sup> Depletions updated to spring of 2004



Old Growth Management Areas

Spatially explicit draft OGMAs have been identified in the Sproat Lake landscape unit. These OGMAs have withstood extensive review and are not expected to change. Consequently, these OGMAs have been netted out of the productive landbase and will satisfy old growth retention requirements.

Riparian Reserve and Management Zones

The netdown assumptions for riparian management areas (reserves and management areas) are based on the TFL 44 MP4 data set supplied. These netdowns are based on maximum values provided in the Riparian Guidebook. The classifications and associated netdowns are summarized in Table 5. Mapped streams were assigned classifications (S1-S6), buffered then removed from the THLB.

Table 5. Landbase reductions for riparian management

Stream Class	Stream Width (m)	Reserve Zone		Management Zone	
		Width (m)	Netdown (%)	Width (m)	Netdown (%)
<b>S1</b>	20.1-100	50	100	20	50
<b>S2</b>	5.1 - 20	30	100	20	50
<b>S3</b>	1.5 - 5	20	100	20	50
<b>S4</b>	<1.5	0	0	30	25
<b>S5</b>	>3.0	0	0	30	25
<b>S6</b>	3.0	0	0	20	5

The presence of fish and community watersheds has been recognized in this netdown process. Streams that are not mapped at 1:20 000 are expected to be small; an additional netdown of 1% of the net landbase (after considering mapped netdowns) is made as an additional allowance for these areas.

Economic Operability

Currently uneconomic stands have been eliminated from this analysis based on the following economic operability standards (Table 6).

Table 6. Economic operability classification

Stand Type	Conventional (m <sup>3</sup> /ha)		Non-conventional (m <sup>3</sup> /ha)	
	Uneconomic	Marginal	Uneconomic	Marginal
Fir-Cedar	< 278	278-389	< 444	444-556
Hem-Bal	< 333	333-434	< 500	500-611
Hem-Bal-Cyp				
<40% X, Y, Z Grades	< 333	333-444	< 444	444-556
>40% C, Y, Z Grades	< 444	444-556	> 556	556-667
Cedar				
<40% X, Y, Z Grades	< 278	278-389	< 389	389-500
>40% X, Y, Z Grades	< 389	389-500	< 556	556-667

Recreation

Recreation areas or recreation features have been addressed following the precedent set by Weyerhaeuser in MP4 and the associated data records.

Table 7. Recreation feature netdowns

Recreation Feature Significance	Recreation Management Class	Netdown (%)
A,B	0	100
A,B	1	50
C	1A	Polygon specific <sup>2</sup>

Environmentally Sensitive Areas

Terrain stability mapping for the plan area uses the 5 class system for mapping terrain stability. Classes I, II, and III are considered stable, class IV is considered potentially unstable and class V is unstable. Based on this classification system terrain stability netdowns were applied as outlined in Table 8. The terrain zones noted are the terrain groupings used by Weyerhaeuser to track their different terrain inventories.

Table 8. Environmentally sensitive area netdowns

Terrain Zone	Partial Netdown (%)		
	Terrain Classification		
	Class I - III	Class IV	Class V
5A/5B	0	20	90

Avalanche run-out zones have been mapped as Ea1 areas. A 20% net-down is applied to these areas.

Operability

The mature productive forest has been assessed for physical operability and for broad classes of logging methods. The assessment was done in 1993. Three classes have been mapped, specifically:

## 1. Physically Inoperable Timber

Timber on productive land that is steep and/or rocky and it cannot be safely felled or yarded, or a significant proportion of the volume could not be recovered.

## 2. Conventional Harvest Systems

Includes timber on productive, physically operable land that is harvestable by conventional methods, *i.e.*, grapple, high-lead, hoe-chuck, skidder, etc.

## 3. Non-conventional Harvest Systems

Includes timber on productive, physically operable land that is harvestable only by non-conventional methods. These include helicopter, balloon or long-line cable systems.

Both conventional and non-conventional harvest systems are included in the THLB, while physically inoperable timber was excluded.

Wildlife Habitat Area RemovalsUngulate Winter Range

Ungulate winter range recently confirmed under Order #U-1-013 on October 18, 2004 have been excluded from the THLB in this analysis.

<sup>2</sup> Attempts to "roll over" Weyerhaeuser's recreation inventory to MOF 1998 standards were unsuccessful. Consequently, the netdowns for C1A recreation polygons were visited individually to determine the appropriate netdown. Net downs range from 10 to 100%

### Marbled Murrelets

The 2 approved MAMU WHAs in the Sproat LU (#1-030 and #1-031) do not fall within any of the area proposed for the community forest plan area.

### Deciduous Species

The net deciduous area (after reductions for other reasons, such as low sites and riparian) has been further reduced by 50% to address poor quality issues arising from deterioration due to age. The net result is that some deciduous area is retained in the contributing land base as it is expected that there will be a steady market for this hardwood species<sup>3</sup>.

### Cultural Heritage Resources

Existing management experience to date suggests that there is little if any additional netdown for culturally modified trees (CMTs). Based on Weyerhaeuser's MP4 assumptions, a netdown of 0.5% for CMTs was applied.

## **Growth & Yield Assumptions**

### Yield Model Assignment

Two growth and yield models were used to estimate timber volumes for this Community Forest analysis.

- The variable density yield prediction (VDYP) model developed by the B.C. Ministry of Forests, Resources Inventory Branch, was used for estimating timber volumes for all existing coniferous and deciduous stands. Managed deciduous stand volumes were also modeled using VDYP volume estimates.
- The table interpolation program for stand yields (TIPSY), developed by the B.C. Ministry of Forests, Research Branch was used to estimate timber volumes for existing and future managed stands as follows. In keeping with the standard set in TSR 2, all future stands and stands currently less than 50 years old, (except for alder analysis units) were assigned to a managed stand yield curve.

### Utilization Levels

- All stands will require a minimum top diameter inside bark (DIB) of 10cm and a maximum stump height of 30cm.
- Stands using the VDYP model used a 17.5 minimum dbh
- Stands using the TIPSY model used a 12.5 minimum dbh

### Analysis Units

To facilitate modeling of stand growth and expected harvesting and silvicultural treatments, stands are grouped by leading tree species and site productivity; these groups are called analysis units (AUs). The TSR2 analysis unit definitions were used as a starting point to group stands for developing yield curves. As the stands in this community forest are not representative of the stands at the TSA level, new yield curves were developed.

Table 9 details how the area in the community forest area was grouped into the TSR2 analysis units. Analysis units suffixed with "EM" describe existing managed stands in the plan area.

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<sup>3</sup> In 2000, Northwest Hardwoods (a subsidiary of Weyerhaeuser) purchased Coast Mountain hardwoods. This has resulted in an increased interest in the supply of alder from tenures in the area, for the alder sawmill in Delta. This expectation of alder supply from the community forest to the Delta sawmill is the basis for retaining some of the deciduous area in the analysis.

Table 9. Analysis units and average site index for Existing Stands

AU Name	AU No	Future AU	Area Weighted SI	THLB area
Fir, G/M	101	201	32.8	974.7
Fir, P	103	203	22.6	459.0
Other <sup>4</sup>	105	205	25.0	62.4
Hw/Ba, G/M	106	206	23.7	149.3
Hw/Ba, P	107	207	19.1	366.2
Fir - EM	501	501	23.6	1,688.1
HemBa - EM	502	502	22.5	665.1

## **Management Assumptions**

### **Minimum Harvest Age**

The minimum harvest ages used in this analysis will be consistent with the methodology used in TSR2. The minimum harvestable age for stands in each analysis unit will be set to the greater of:

- The estimated age for the stand to reach the required stand volume;
- The age at which the stand achieves a specified minimum mean diameter at breast height; or
- The age at which the stand achieves 90% of the maximum mean annual increment (MAI)

Table 10. Minimum harvest age criteria<sup>5</sup>

Analysis Unit species	Site Index	Minimum Criteria			MAI (m <sup>3</sup> /ha/year)
		Age (years)	Diameter(cm)	Volume (m <sup>3</sup> /ha)	
All species	All	N/A	25	300	90% of MAI

### **Harvest Scheduling Priorities**

Harvesting will be scheduled to select the relative oldest stands first in each operating area. All eligible stands in an operating area were harvested before the next operating area was considered. Operating areas were prioritized by District staff at the beginning of the analysis process.

### **Unsalvaged Losses**

Unsalvaged losses due to fire and wind for the Arrowsmith TSA translate to a 0.6 percent loss over the entire TSA based on the figures provided in the September 2001 Timber Supply Area Analysis Report. This amount was modeled as an additional harvest to recognize unsalvaged timber lost as a result of natural disturbances on the THLB each year and is subtracted from all harvest forecasts shown in this report.

### **Silviculture Systems**

All harvesting will be modeled as clearcutting and no thinning of stands was modeled.

<sup>4</sup> This analysis unit captures small components of cedar, cypress and alder leading stands.

<sup>5</sup> Figures based in the East Division of the Arrowsmith TSA

Silviculture Assumptions

Assumptions for regeneration method, regeneration delay, initial density and species composition can be found below in Table 11. These assumptions are the same as those used in TSR2. Once harvested stands move from their respective natural analysis (100 series) unit to the corresponding future stand analysis unit (200 series) described in Table 11.

Table 11. Regeneration assumptions by analysis unit

Analysis unit	AU Number	Regen delay	OAFs		Method		Species %							Density	
			1	2 <sup>6</sup>	Type	%	Gain <sup>7</sup>	Fd	Cw	Pw	Ba Bg	Hw	Dr	Initial	Final
Douglas-fir — G/M	201	2	15	5	Plant	100	2.7	75	10	5	10			1200	700
Douglas-fir — P	203	3	15	5	Plant	100	2.7	70	10	10		10		1200	700
Other — good/medium/poor site	205	2	15	5	Plant	100	1.3		58		12	30		1000	900
Hemlock/balsam — good/medium site	206	2	15	5	Plant	100	1.9		20		10	70		1000	800
Hemlock/balsam — poor site	207	3	15	5	Plant	100	1.9		20			80		1000	N/A

Standard OAF1 (15%) and OAF2 (5%) values were used for all existing managed and future managed stands with the following exceptions:

- Root diseases<sup>8</sup>:
  - An additional OAF2 of 7.5% was applied to existing managed stands ≥10 years old if they were Douglas-fir leading and on good and medium sites, in the CWHxm1 and CWHxm2 sub zones.
  - An additional 5% was applied to future managed and existing managed stands <10yrs old if they were Douglas-fir leading on good and medium sites, in the CWHxm1 and CWHxm2 sub zones.

Other

There are approved forest development plan blocks within the bounds of the proposed plan area. These blocks have been included in the community forest using current age classes and will contribute volume toward the CFA's AAC. It is assumed that the community forest will likely acquire the rights to these areas as part of the agreements between existing licensees and the provincial government<sup>9</sup>.

<sup>6</sup> Additional OAF2 values were applied for root disease as described immediately below this table.

<sup>7</sup> Using the figures determined in TSR 2, the gains noted will be included in the volume tables for future regenerated stands – figure represents % volume gain at age 80.

<sup>8</sup> Additional information not provided in the TSR documents regarding variants and additional OAF factors provided by Stephan Zelgan ministry of forests pathologist.

<sup>9</sup> Emma Neil, Tenures Forester, South Island Forest District

## **Integrated Resource Management**

Forest cover requirements stipulating specific seral stage targets are applied in this model to manage for biodiversity, wildlife habitat, scenic values, community watersheds and cutblock adjacency.

### **Green Up Constraints**

As a surrogate for cut block adjacency, a maximum 25% of the THLB in any LU in the CFA may be in stands that are less than 3 meters tall. Site Tools version 3.3 was used to translate this height requirement to an age of 15 years. This represents a total age of 13 years based on a Fir leading stand with a site index of 24.3 meters, and an average regeneration delay of 2 years. This constraint is only applied to the THLB area.

### **Community Watersheds (CWS)**

The majority of the Port Alberni CFA area falls within the Sproat Lake community watershed, the exception being the parcel located directly East of the City of Port Alberni boundary. Consistent with TSR2, a forest cover constraint will be applied to the crown forest area limiting the area under 5 yrs old to 5% (i.e. limit harvest to 1% of the CFLB per year). Because 10 yr periods were modeled in this analysis, the constraint applied in the model was maximum 10% under 10 yrs (ie. Max 1% per year).

### **Visual Quality - Scenic Areas**

Management for visual quality is consistent with TSR2 standards and limited the area in visual polygons less than 5 meters tall to between 3 and 25 percent depending on the visual quality objective and scenic zone (see Table 14). Site Tools version 3.3 was used to translate the 5 m height requirement to an age of 18 years. This represents a total age of 16 years based on a Fir leading stand with an average site index of 24.3 meters, and an average regen delay of 2 years.

Table 12. Visual quality objectives

<b>VQO</b>	<b>Zone</b>	<b>Green-up height (m)</b>	<b>Maximum allowable area not greened-up (%)</b>
R	1	5	3
PR	1	5	10
M	1	5	20
R	2	5	5
PR	2	5	15
M	2	5	25

### **Landscape Level Biodiversity**

Spatially explicit OGMA's for this area were provided by MSRM and have been excluded from harvesting during the simulation. These OGMA's satisfy the targets established in the old growth order of June 2004. Therefore, additional old seral management constraints are not required for this exercise.

### **Wildlife Tree Retention**

Wildlife tree retention will be modeled as a 2.25% volume netdown applied to both existing and future stands in the contributing land base. The rationale for applying 2.25% is that 75% of the gross WTR target<sup>10</sup> of 9% will be met by forested areas already outside the timber harvesting land base.

<sup>10</sup> A Weyerhaeuser review of South Island Forest District WTP targets has confirmed that this is appropriate.



## Results

### Projected Harvest Flow

The results of the timber supply modeling simulations indicate that an initial average harvest volume of 23,458 m<sup>3</sup>/yr is sustainable for the first 9 decades of the 250 year planning horizon. This figure can be increased steadily after the 9<sup>th</sup> decade to a long term average harvest level of 25,822 m<sup>3</sup>/yr. Figure 4 illustrates the harvest volumes achieved, net of non-recoverable losses, for the 250 year planning horizon. The slight over achievements seen in some decades is a result of the spatial model being forced to harvest whole polygons until the harvest request is met or exceeded.

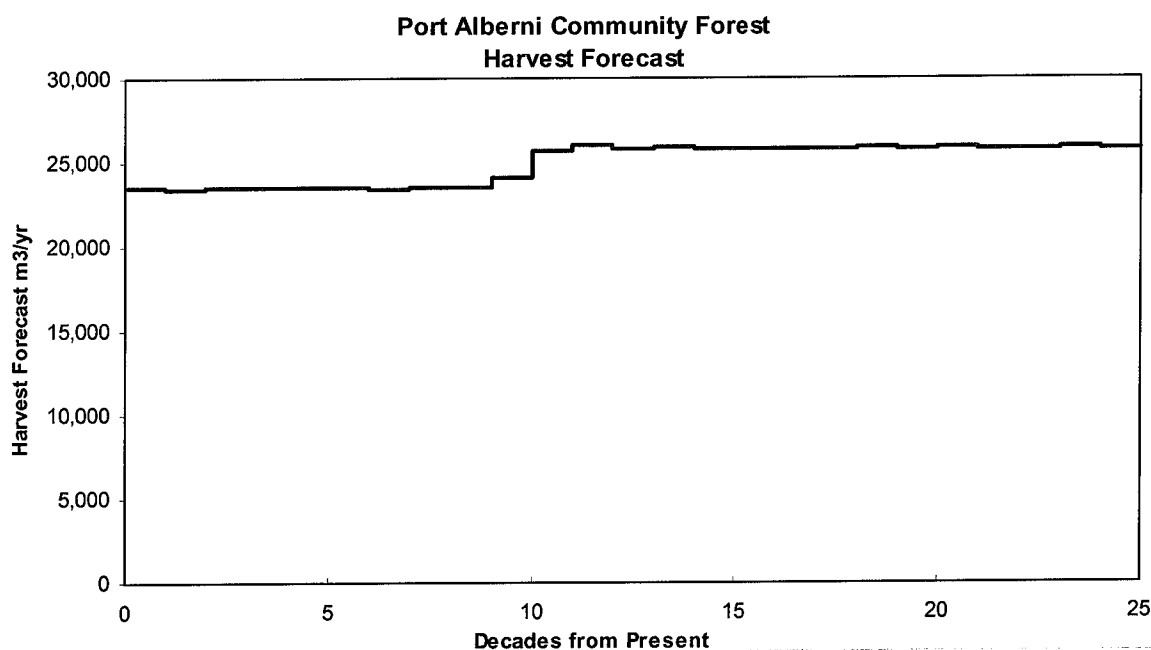


Figure 4. Harvest volumes projected over the 250 year planning horizon

The short term harvest level is limited primarily by the amount of past harvesting activity and the forest cover constraints applied to the community watershed and partial retention VQO areas. There is reasonable harvest opportunity in the initial years of the planning horizon but this volume must be metered out over the first 9 decades until second growth stands are fully online. Harvest opportunity is most limited during the 2<sup>nd</sup> and 3<sup>rd</sup> decades. The long term harvest level is 10% higher than this initial level and occurs once second growth stands begin to dominate the harvest profile. These stands provide more flexibility in meeting limiting forest cover constraints and tend to produce more volume per hectare.

### Growing Stock

Figure 5 illustrates the total and merchantable volume of timber occurring on the THLB over the 250 year planning horizon. Total volume is the net volume (considering utilization standards and decay/waste/breakage) of all stands. The merchantable volume is the subset of total volume where stands meet minimum harvest age criteria. The merchantable stock decreases initially as the currently merchantable stands are logged and then climbs in 40-100 year time period as the large area of currently young stands comes online. The generally flat trend from decade 12 onward indicates that harvest rates are close to matching growth rates and a sustainable harvest level is occurring.

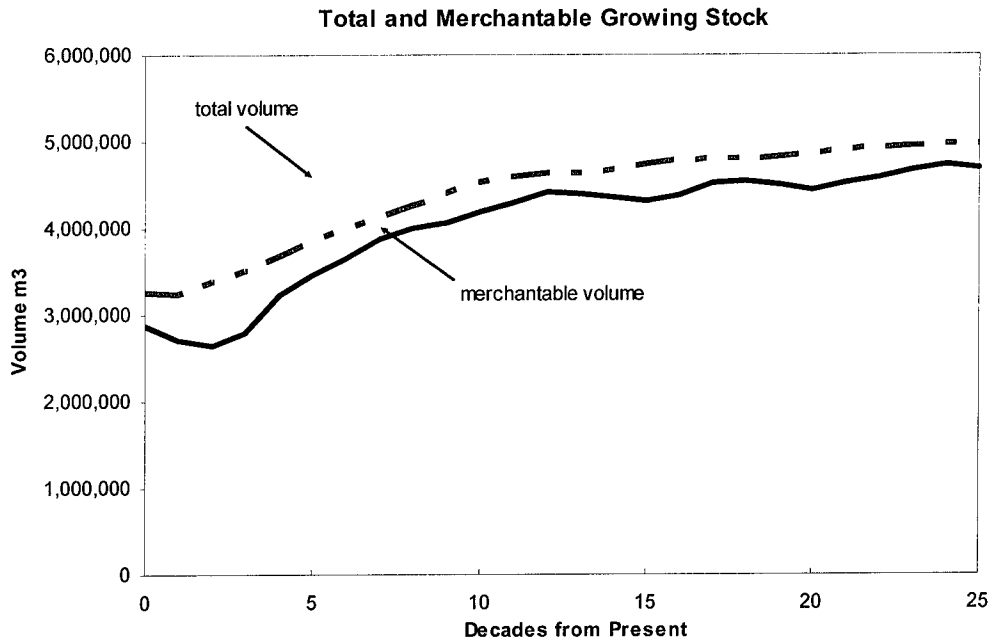


Figure 5. Total and Merchantable growing stock on the THLB

#### Average Harvest Age

Figure 6 illustrates the average harvest ages over the planning horizon. The spike evident in the 8<sup>th</sup> decade is a result of the model harvesting a substantial amount of very old low site productivity hemlock sites during this period.

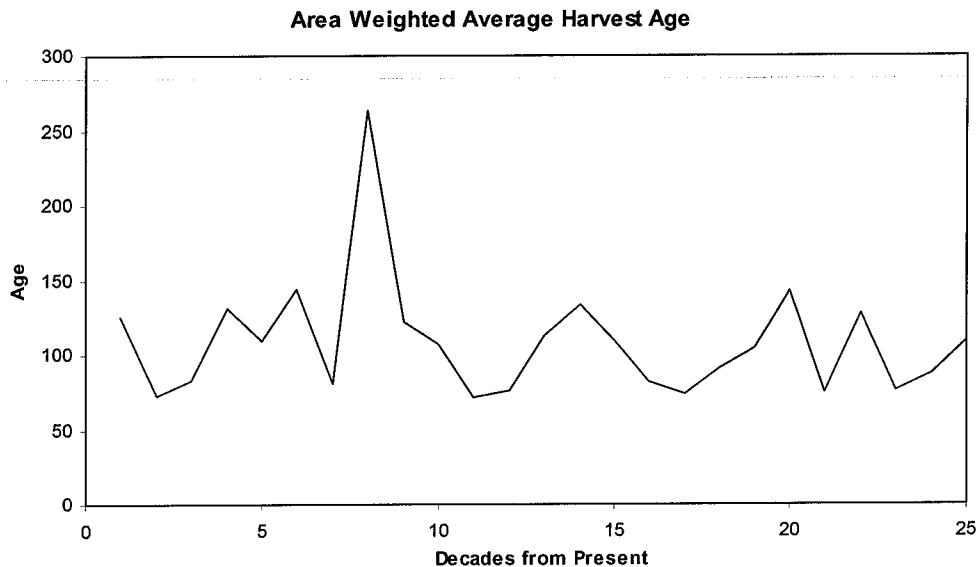


Figure 6. Area Weighted Harvest Age

### Natural and Managed Stand Composition

Figure 7 illustrates the transition from natural to managed stands. Managed stands are first harvested in the 2<sup>nd</sup> decade and continue to contribute significantly to the harvest volume from that point onward. They almost completely dominate the harvest after decade 10. The transition to managed stands is slowed down by the harvest priority setup in the model – all eligible stands in each operating area were harvested before moving to the next operating area. Thus, some younger stands were being harvested before eligible older stands because of their location.

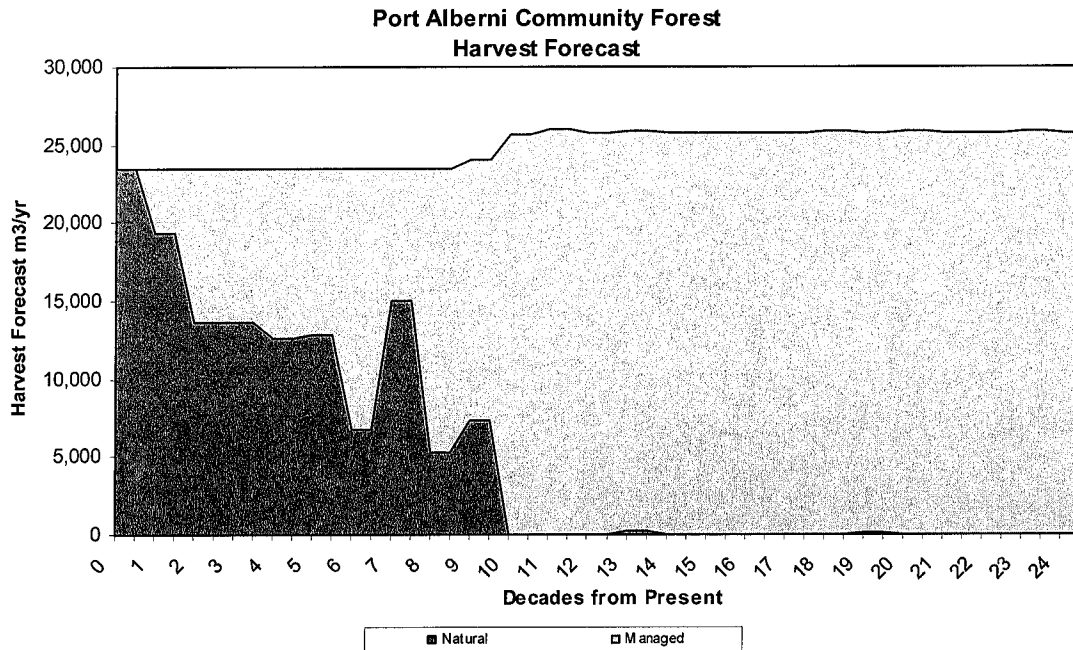


Figure 7. Natural and managed Stand Contributions to Harvest Profile

### Average Harvest Volume

Figure 8 illustrates the average harvest volume per hectare realized in each decade of the simulation. Harvest volumes realized in different periods of the simulation correspond with different site productivity characteristics encountered on the CFA land base. In periods where low productivity sites are drawn into the average, the average declines. The higher peaks occurring in the latter stages of the simulation are due to the higher volumes associated with managed stands compared to unmanaged stands. During the first 100 years the average volume per hectare is 526 m<sup>3</sup>/ha compared to the remainder of the planning horizon which averages 585 m<sup>3</sup>/ha.

### Average Annual Harvest Area

The average annual harvest area exhibits an inverse relationship with harvest volume per hectare. As the volume realized per hectare increases, fewer hectares are required to fulfill the harvest objective and vice versa. Figure 9 illustrates the average annual harvest area as it fluctuates over time. During the first 100 years the average area harvested is 45.9 ha compared to the remainder of the planning horizon which averages 45.8 ha while supporting a slightly higher annual volume of harvest.

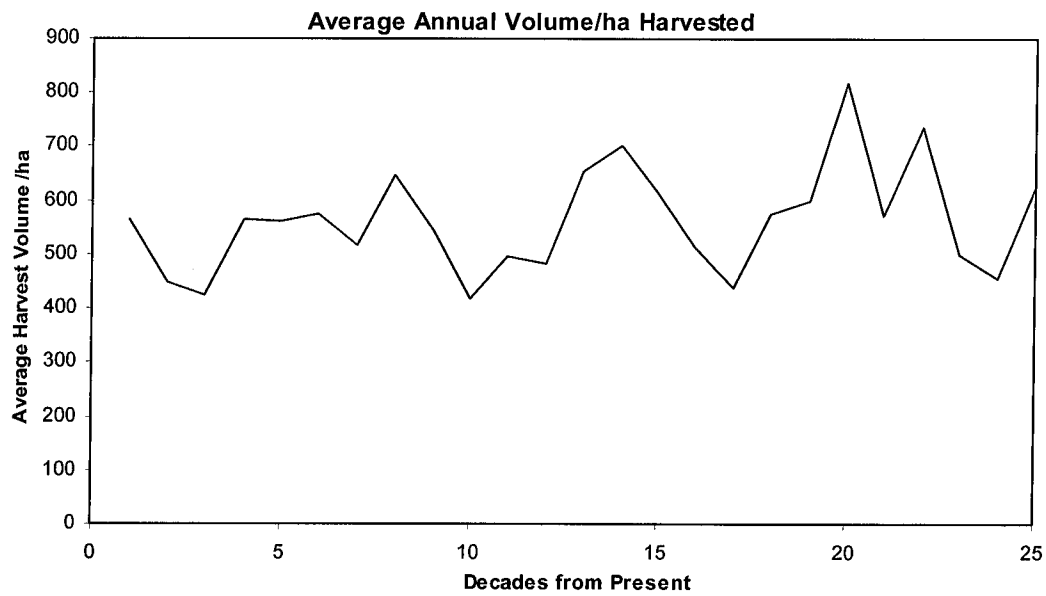


Figure 8. Average Annual Volume/ha Harvested

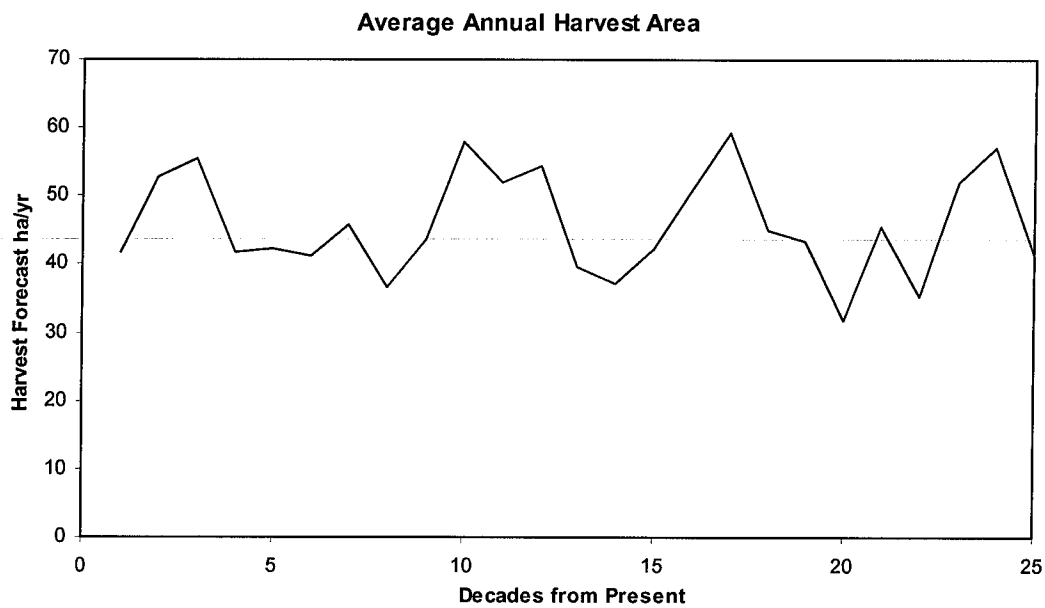


Figure 9. Average Annual Harvest Area

### Age Class Distribution

Figure 10 illustrates 50 year time steps of the age class distribution as it occurs over the 250 planning horizon. The present condition (year 0) shows a heavy weighting towards young and mid seral stands, many of which do not meet minimum harvest age requirements. This condition is one of the limiting factors defining the short term harvest level.

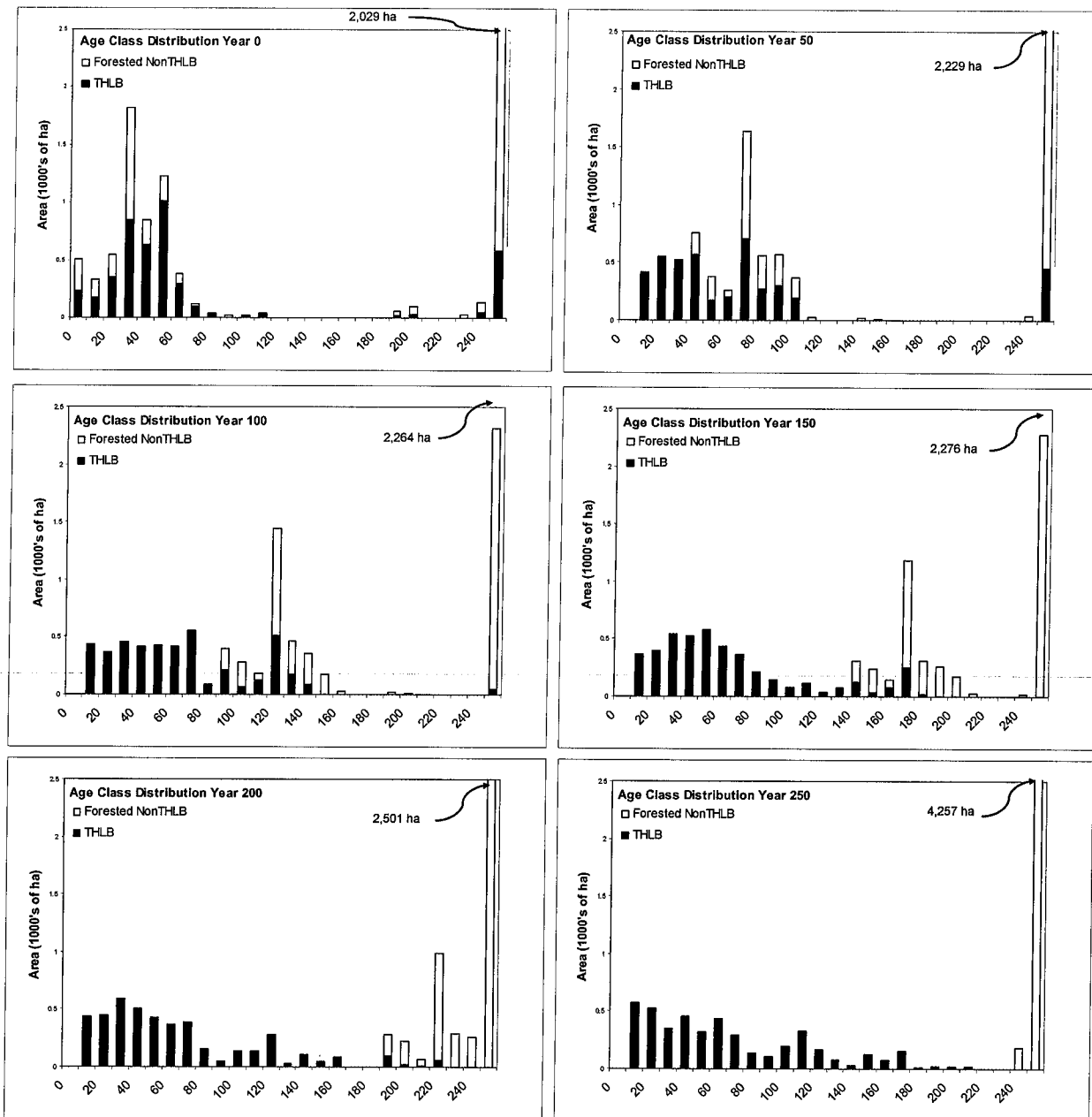


Figure 10. Age Class Composition over Time of the Port Alberni Community Forest

By the 100<sup>th</sup> year there is a much more uniform distribution of area in age classes on the THLB. This corresponds with the point in time where the long term harvest level is achieved. At 250 yrs into the simulation, very little THLB area occurs in older age classes because it is all cycling within rotation ages averaging approximately 100 years old. A small amount of THLB area exists in older ages because forest cover constraints force them to remain unharvested.

The forested area outside the THLB continues to age over the planning horizon and is all old by the end of the planning horizon.

### Constraint Analysis

There are several constraints applied to the contributing land base to address forest management issues and objectives. These management objectives limit disturbance or maintain appropriate levels of specified forest types that are required to satisfy visual quality, biodiversity and other attributes at specified levels. Old seral requirements were met using spatial OGMA's (811 ha) that were netted out of the THLB (see Table 5). The area affected by each of these constraints is illustrated in Figure 11.

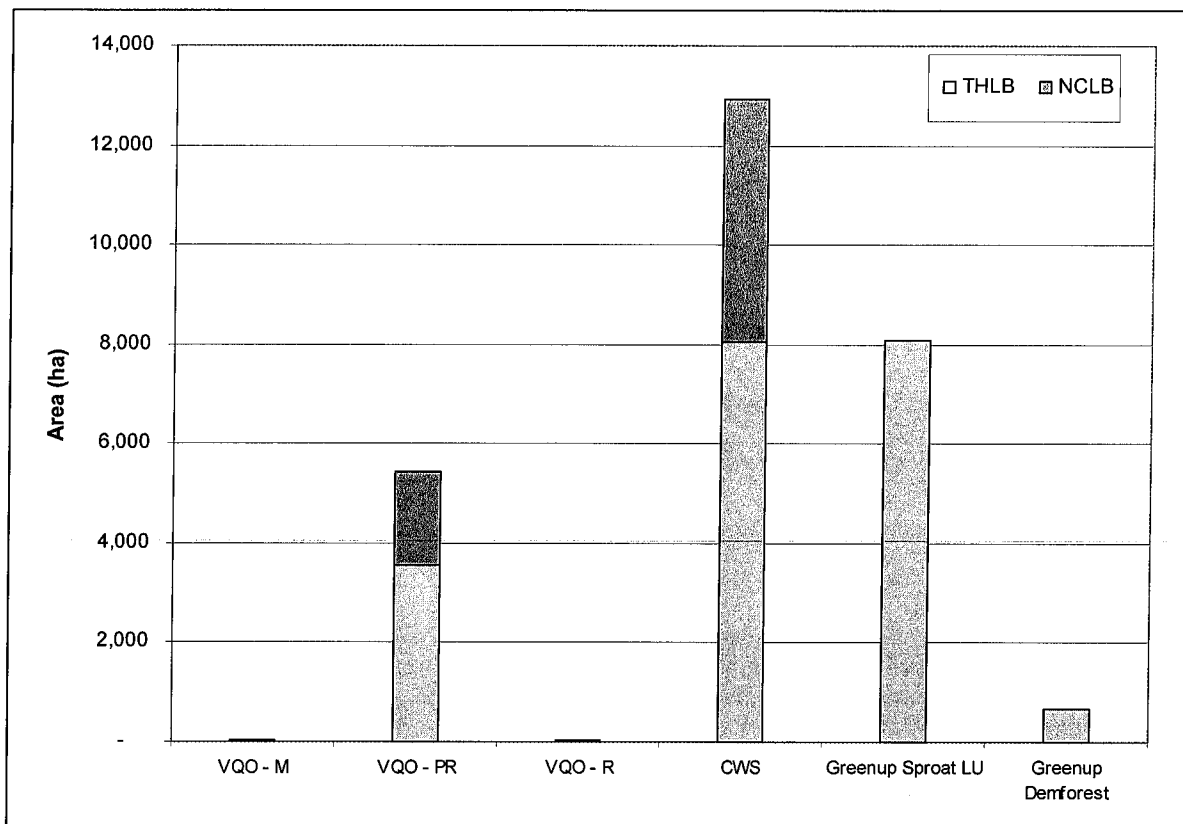


Figure 11. Integrated Resource Values: Area Summary by Objective

Young seral constraints, those which limit the portion of the land base under a certain height have the largest impact on this analysis in the short and long term. The young seral constraints modeled in this simulation are green-up, visual quality, and the Sproat Lake Community Watershed (CWS). The CWS constraint is the most extensive and limiting constraint.



### Contribution of Helicopter Wood

The contribution to the harvest flow from helicopter volume typically ranges between 0 and 19 percent as illustrated in Figure 12. A spike occurs in the 8<sup>th</sup> decade where it represents 31% of the harvest volume.

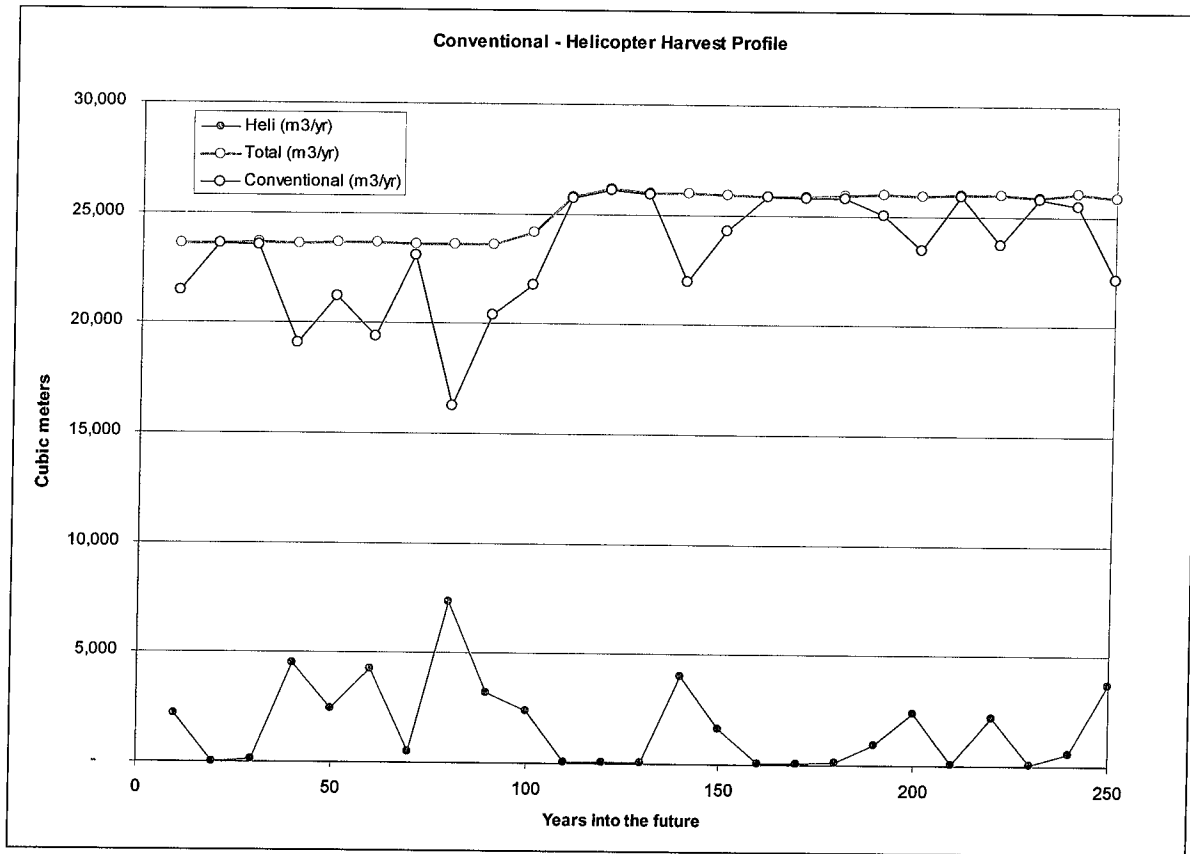


Figure 12. Conventional – Helicopter harvest profile.

### Short Term Harvest Availability

This report presents an initial average harvest flow of 23,458 m<sup>3</sup>/year. The area 'harvested' during the first 20 years in the modeling exercise is illustrated spatially in Figure 13 using two 10 year periods. This should not be construed as an operational plan but it does illustrate areas considered high priority and available for harvest by the model. Figure 13 also illustrates "Other Available Options" which represent other stands which were available or became available during the 20 year period (consistent with the current harvest priorities). Initial harvesting in the CFA is unlikely to follow the mapped projection but the areas illustrated do provide a starting point for more detailed planning.

Harvest availability is limited in the initial stages of the planning horizon for this community forest. The initial condition of the CFA has 10% of the plan area less than 21 years old and 75% of the plan area is less than 61 years old. Fortunately, the minimum harvest ages for many sites in this CFA are quite low and this initial condition requires a relatively short time to overcome.

Table 13 details harvest volumes by analysis unit during the first 50 years of the planning horizon. Fir analysis units dominate the profile which is to be expected considering the species composition of the CFA. Table 3 indicates that the bulk of the older stands are actually hemlock/balsam but these areas tend to occur in the most western operating areas and are the lowest priority, thus the model does not harvest there in the short term. Because of the harvest priority setup, there is significant spatial

concentration of harvest in the highest priority operating areas. This is not likely to occur in reality but there are additional options available (as shown on map), and even more additional options available if the harvest priority setup were to be changed.<sup>11</sup>

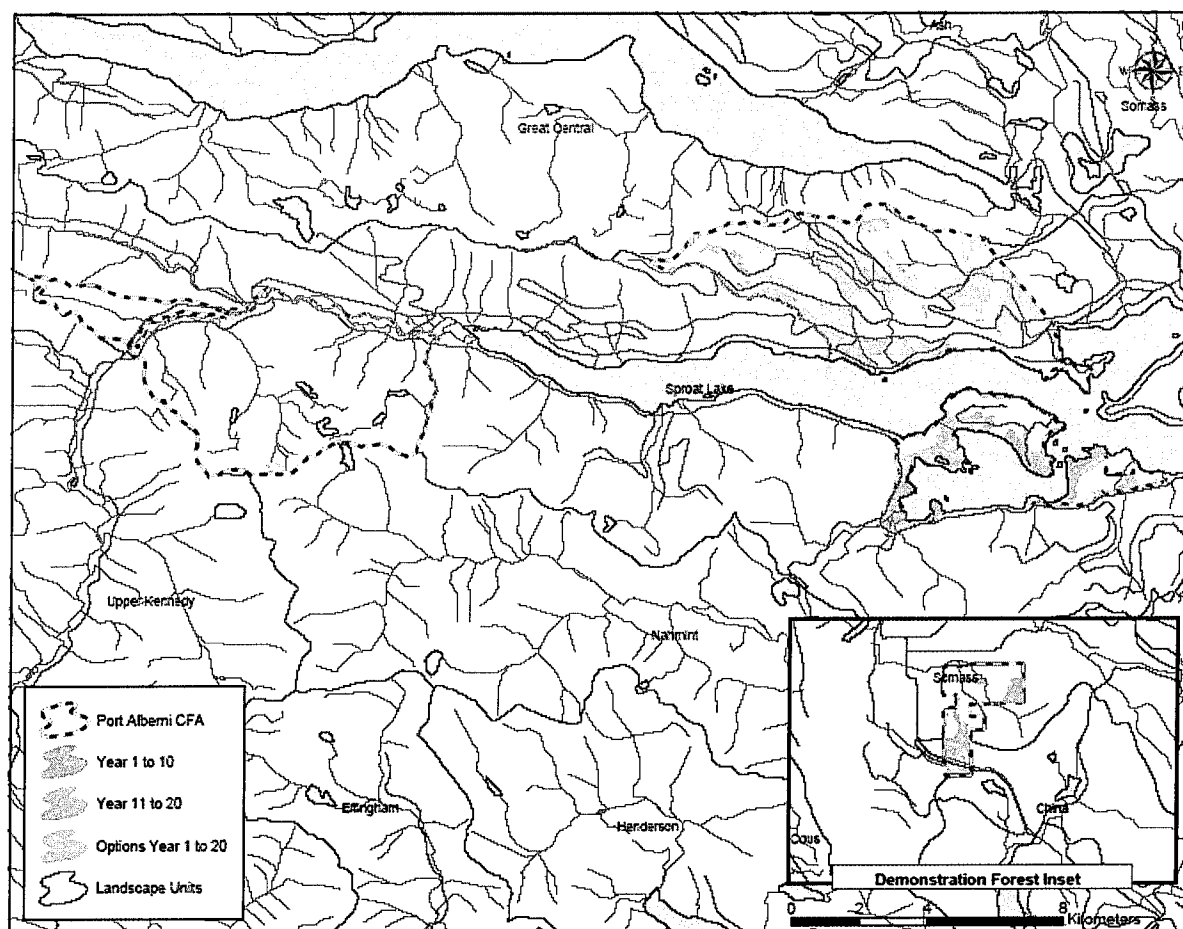


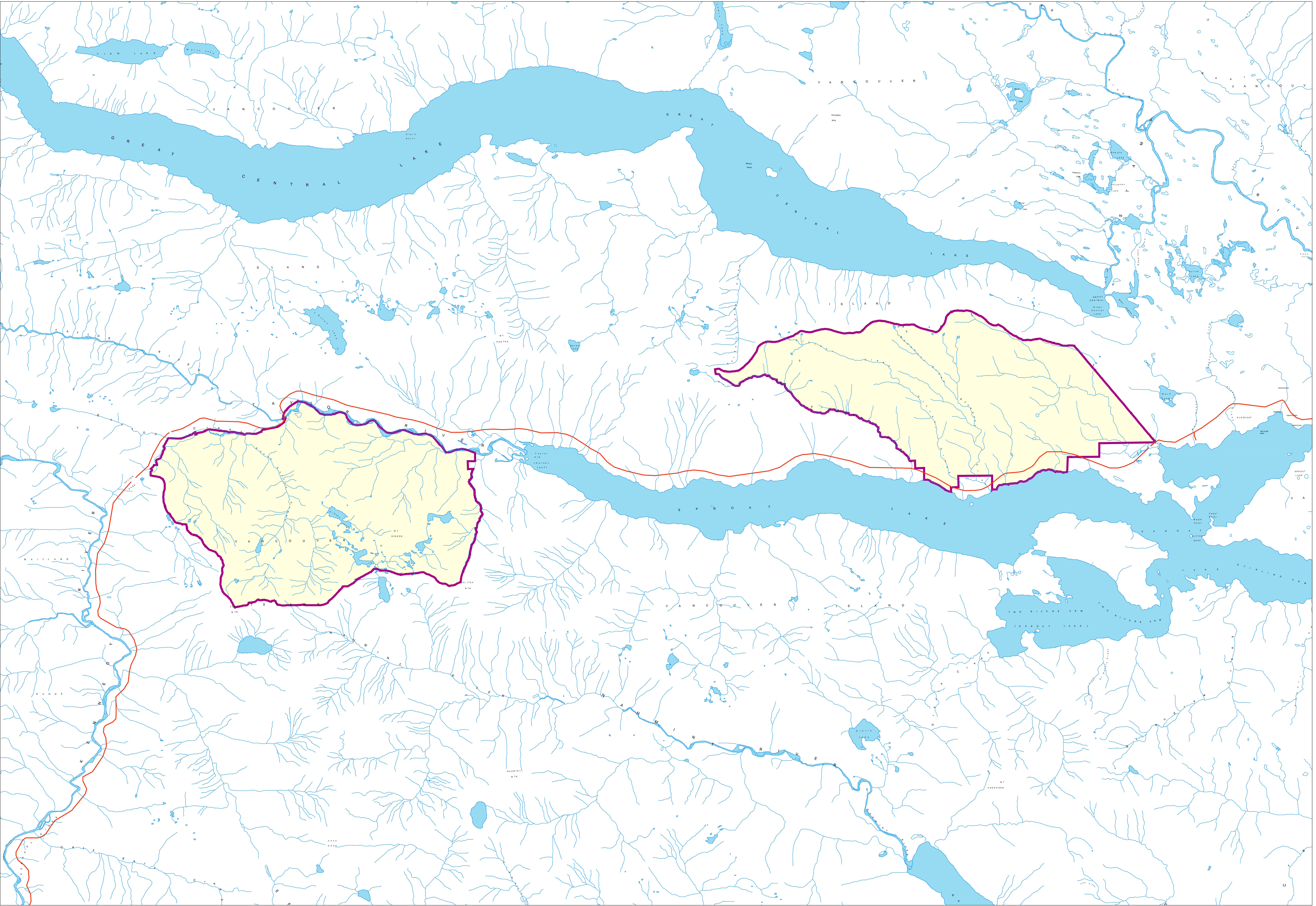
Figure 13. Harvest Availability in years 1 to 20

Table 13. Analysis unit volume summary

Analysis Unit	Avg Harvest Volume/yr by Period				
	Yr 1-10	Yr 11-20	Yr 21-30	Yr 31-40	Yr 41-50
Fd G/M	14,991	16,349	7,930	6,004	9,450
Fir Poor	3,326	2,346	5,564	-	9
HB GM	578	-	-	7,597	2,771
HB P	4,042	610	248	50	-
Other	680	192	-	9	430
Fd EM	-	4,080	8,704	6,781	5,497
HB EM	-	-	1,200	3,172	5,483
<b>Total</b>	<b>23,618</b>	<b>23,578</b>	<b>23,649</b>	<b>23,616</b>	<b>23,643</b>

<sup>11</sup> The available options shown here are based on the operating area/oldest first priority system. If a pure oldest first priority system were to be implemented, the old HB stands in the western operating areas would be considered available because the model would rank these stands before younger stands in the east. There are more stands that are old enough to harvest than can actually be harvested when the cover constraints are considered, thus the spatial location of these 'available' stands is partially dictated by harvest priorities.





Proposed City of Port Alberni Community Forest Probationary Agreement

Legend

Deletion Area

1:30,000





# **PROBATIONARY COMMUNITY FOREST AGREEMENT (PCFA) APPLICATION REQUIREMENTS**

## **(Direct Invitation to apply)**

### **1. Submission of Application**

#### **1.1. The application must be received by <DATE>, at the following location to:**

<Address/phone/fax here>

- 1.1.1. Two paper copies and one digital copy of the application must be submitted.

#### **1.2. Authority**

- 1.2.1. The authority for entering into a PCFA, for which an invitation to apply is being made, is Section 43.51 of the Forest Act.

#### **1.3. Freedom of Information**

- 1.3.1. This application is subject to the Freedom of Information and Protection of Privacy Act. Consequently, the public has a right of access to the document--unless the information falls within any of the Act's exceptions to disclosure.

#### **1.4. Application Costs**

- 1.4.1. The applicant is solely responsible for the cost of preparing the application.

#### **1.5. Acceptance of Terms**

- 1.5.1. The application must be submitted and received on the basis that the Applicant has read and agrees to all the provisions of this invitation to apply. If the application imposes any condition on, or modification of provisions of this invitation to apply, it will be rejected.

#### **1.6. Obligations of the Ministry**

- 1.6.1. This invitation to apply does not obligate the Minister to accept an application or to direct that a PCFA be entered into.

### **2. Application Contents, Format, and Amendment**

#### **2.1. Application Content**

- 2.1.1. The application must contain the following items, and include applicable documentation to substantiate all statements, claims and materials:

- 2.1.2. A description of the legal entity that is intended to be the PCFA holder (see Attachments A and B);
- 2.1.3. A description, including a map, of the location of the proposed community forest land base (see Attachments A and C);
- 2.1.4. Written confirmation from the District Manager that the proposed landbase is suitable for a PCFA and is consistent with the \_\_\_\_\_ cubic metres of AAC allocated for the PCFA (see Attachments C);
- 2.1.5. Evidence of broad community support for and awareness of the PCFA application being submitted (see Attachments A, E and F);
- 2.1.6. A business Plan (see Attachment A and G); and
- 2.1.7. A Plan for Management of Forest Resources (see Attachment A and D).

## **2.2. Application Format**

The application must be made in accordance with and must contain the information required by the application outline (see Attachment A).

## **2.3. Application Amendments**

The Applicant may amend its application prior to the deadline for submission. Amendments must be:

- 2.3.1. submitted in writing;
- 2.3.2. in accordance with all invitation to apply requirements; and
- 2.3.3. signed by a person authorized to sign on behalf of the applicant, preferably by the same person who signed the original application.

# **3. Evaluation Process**

## **3.1. The application will be evaluated through the following process:**

- 3.1.1. Ministry staff will screen the application for submission requirements. If one or more submission requirements are missing, the application will be returned to the Applicant. If all submission requirements are included, the application will be forwarded to the evaluation committee.
- 3.1.2. The evaluation committee may be comprised of all or a sub-set of the Community Forest Advisory Committee (CFAC) selected Ministry of Forests staff members, or a combination of CFAC and MOF staff. The committee will evaluate the application, using the criteria described below.
- 3.1.3. If the evaluation committee is satisfied with the application, it will be forwarded to the Minister. If the Minister is satisfied with the application,

he will instruct ministry staff to enter into discussions with the Applicant (see below).

- 3.1.4. If the evaluation committee determines the application “requires minor changes”, the application will be returned to the Applicant with requests for the minor changes. Once these changes have been made, to the satisfaction of the Regional Manager, the application will be forwarded to the Minister.
- 3.1.5. If the evaluation committee determines the application “unacceptable”, or the application is found to contain any error, omission or misrepresentation of a serious nature, the application will be returned to the Applicant with a description of major changes, additions or deletions, which must be made before the application will again be considered. Once these major modifications have been made, the evaluation committee will again review the application as described in 3.1.3.

#### **4. Return or Rejection of an Application**

- 4.1. If the application is returned, the Applicant will have 60 days to revise and re-submit the application.
- 4.2. An application can be submitted, returned and re-submitted more than once. However, if, in the opinion of the Minister, it appears that the Applicant is not willing to revise sections of the application that the Minister considers to be essential to the successful implementation of the PCFA, adherence to the laws of British Columbia or compatible with the goals of the Community Forest Agreement Program and the ministry, the Minister may reject the application for a PCFA.

#### **5. Evaluation Criteria**

- 5.1. The evaluation committee will consider all aspects of the application when determining whether or not it is satisfactory. The following provides an outline of some of the key aspects of the application that the committee will be considering:
- 5.2. **Community involvement (awareness/support/commitment)**
  - 5.2.1. Awareness of the application by the members of the community;
  - 5.2.2. Broad spectrum support of the application within the community and the plans for continued community involvement;
  - 5.2.3. Commitment of Applicant to successfully implement a PCFA
- 5.3. **Business plan and administration**
  - 5.3.1. Overall quality of the business plan;
  - 5.3.2. Linkages between the business plan and existing local forest-based operations and programs;

- 5.3.3. Process for strategic planning and decision-making; and
- 5.3.4. Mechanism for conflict resolution, monitoring, auditing and reporting

#### 5.4. Forest stewardship and management objectives

- 5.4.1. Overall quality of the Plan for Management of Forest Resources (activities, outputs, results expected and how these support the stated objectives).
- 5.4.2. Correspondence of the application with the government objectives for the PCFA program.
- 5.4.3. Correspondence of proposed forest stewardship objectives in the application with government forest stewardship objectives.

#### 5.5. Application quality

Quality, comprehensiveness, innovation, chance of success.

## 6. PCFA AWARD

### 6.1. Discussions

- 6.1.1. If the Minister is satisfied with the application he will direct Ministry staff to enter into discussions with the Applicant for the purpose of developing the content of the PCFA.. During the discussion process, the Ministry staff will advise the Applicant of the terms and conditions, which must be included in the PCFA.
- 6.1.2. If Ministry staff and the Applicant are successful in developing a PCFA with which the Minister is satisfied, and all the conditions that must be met before the Minister will direct that a PCFA be entered into have been satisfied, a PCFA will forwarded to the Applicant or its representative for signature. The Applicant or its representative must then sign the agreement and return it by the date specified in the cover letter accompanying the agreement.
- 6.1.3. If Ministry staff and the Applicant are unable to agree on the content of the PCFA the Minister will direct that discussions be terminated and that no PCFA will be entered into with the Applicant.

## 7. PCFA Content

- 7.1. A sample PCFA is available for review. The Applicant is advised to obtain and study the sample agreement. It must be noted, however, that the sample agreement is an example only and the Minister must approve the final content of a PCFA stemming from this invitation to apply. For example, the Minister may require that any or all statements or commitments made in the application be included in the agreement document and thereby become a part of the PCFA.

In addition, Section 43.3 (g.1) of the *Forest Act* provides that:

- 7.2. if the community forest agreement provides that it is entered into with a first nation or its representative to implement or further an agreement, the "other agreement", between the first nation and the government respecting treaty-related measures, interim measures or economic measures, the community forest agreement must state that it is a condition of the community forest agreement that the first nation comply with the other agreement.**



## ATTACHMENTS

- A. Application Outline
- B. Agreement Holder
- C. PCFA Area
- D. Plan for Management of Forest Resources Guidelines
- E. Documentation of Community Support and Awareness
- F. Public Input
- G. Business Plan

## **Attachment A:**

### **Application Outline**

The application must be prepared using the following outline.

#### **1. Title Page**

#### **2. Letter of Introduction**

One page, introducing the application, dated and signed by the person(s) authorized to sign on behalf of the applicant.

#### **3. Table of Contents**

Show the page numbers of all major headings.

#### **4. Executive Summary**

Provide a concise overview of the application summarizing, in no more than three pages, the key points from each major section. Indicate where the supporting detail is located in the application body and its attachments.

#### **5. Legal Entity**

Describe the legal entity that is applying for the PCFA. Include the documentation for that legal entity as described in Attachment B.

#### **6. PCFA Area**

- a. Provide a map showing the location of the land that will be in the proposed PCFA area, nearby communities, and existing access structures. The map scale must be in the range of 1:20,000 to 1:50,000.
- b. Describe how the proposed PCFA area has historically been used, and how it would be used under a PCFA. Identify any issues or areas of potential conflict that will need to be addressed in implementing the PCFA.
- c. Based on the best information currently available, describe the proposed PCFA area in terms of the:
  - i. ownership and/or existing tenures or rights granted to others;
  - ii. forest resources, e.g. productivity and potential uses, forest types, timber and non-timber resources;
  - iii. state of land and resources, e.g. history and current management; existing tenures;
  - iv. access to area, e.g. existing roads;
  - v. environmental considerations, e.g. sensitive sites or unique features; and
  - vi. cultural considerations, e.g. areas of cultural significance.
- d. See **Attachment C**.

## **7. Stewardship and Management Objectives**

- a Include a Plan for Management of Forest Resources in this section (see **Attachment D**).
- b Include a description of the intended process for public involvement and consultation concerning matters relating to the PCFA, including consultation within the local community, broader community and with government agencies and affected stakeholders (including licenced users).

## **8. Community Awareness, Support and Involvement**

- a Describe the level of support, awareness and commitment by the community (see Attachment E).
- b Report on the public input event(s). (See Attachment F.)

## **9. Administrative Authority and Structure**

- a Include in this section a Business Plan (see Attachment G) for the PCFA.
- b Where not covered in the Business Plan or Plan for Management of Forest Resources, include in this section a description of the proposed processes for decision-making, resource allocation, monitoring and reporting, and for the resolution of any conflicts regarding implementation of the PCFA.

## **10. Not For Public Disclosure**

- a It is suggested that the Applicant identify which information in the application they do not wish to have released and which they believe to be excepted from disclosure under the Freedom of Information and Privacy Act. This can best be accomplished by including such information in a separate section of the application headed "Not for Public Disclosure."
- b NOTE: Applicant should be aware that if a Freedom of Information request is received for the application only information excepted from disclosure under the Freedom of Information and Privacy Act will be withheld. The fact that information is contained in the "Not for Public Disclosure" section will not of itself save it from disclosure.

## **11. Attachments**

Attach relevant supporting information and documentation to the application.

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## **Attachment B:**

### **Agreement Holder**

The Applicant is solely responsible for ensuring that the legal entity who will be the intended holder of the PCFA is lawfully constituted, in good standing and authorized to carry on the business described in the application in accordance with all applicable federal, provincial and municipal legislation, including statutes, regulations and by-laws.

The following are legal entities that may be eligible. The documentation that must be included in the application, if that legal entity is intended to be the agreement holder, is described under each entity. A photocopy of the documents is required to be submitted with the Applicant's application and if further requested, certified copies must be submitted:

**(a) A Band as defined in the *Indian Act* (Canada);**

- i) the Band Council resolution authorizing the band to enter into the PCFA;
- ii) the names and addresses of the Chief and the Band Councillors; and
- iii) the address of the Band office.

**(b) A Society incorporated under the *Society Act*;**

- i) a copy of the certificate of incorporation of the society issued by the Registrar of Companies under Section 3 of the Society Act, or in the alternative, a Certificate of Good Standing issued by the Registrar;
- ii) a copy of the constitution and by-laws of the society certified by the Registrar of Companies pursuant to Section 3 of the Society Act;
- iii) a list of the names and addresses of the individuals who are the current directors of the society, as of the date that the application for the PCFA is submitted by the Applicant;
- iv) the address of the office of the society; and
- v) a copy of the last annual report filed with the Registrar of Companies.

**(c) An Association incorporated under the *Cooperative Association Act*;**

- i) a copy of the certificate of incorporation of the cooperative issued by the Registrar of Companies under Section 8 of the Cooperative Association Act, or in the alternative, a Certificate of Good Standing issued by the Registrar;
- ii) the statement signed by the incorporators and required to be submitted to the Superintendent of Cooperatives under Section 6 of the Cooperative Association Act;

- iii) the memorandum and rules adopted by the subscribers of the cooperative and all amendments thereto required to be filed by the subscribers or members with the Superintendent of Cooperatives under the Cooperative Association Act;
- iv) a list of the names and addresses of the individuals who are the current directors of the cooperative, as of the date that the application for the PCFA is submitted by the Applicant;
- v) the address of the office of the cooperative; and
- vi) a copy of the last annual report filed with the Registrar of Companies.

**(d) A Corporation incorporated or registered under the B.C. Company Act;**

- i) the memorandum of incorporation, and all amendments thereto, as defined in Section 1 and required under Section 5 of the Company Act;
- ii) the certificate of incorporation of the company issued by the B.C. Registrar of Companies under Section 9 of the Company Act;
- iii) the articles of incorporation and all amendments thereto, as defined in Section 1 and required under section 6 of the Company Act;
- iv) a list of the names and addresses of the individuals who are the current directors of the company, as of the date that the application for the PCFA is submitted by the Applicant;
- v) the notice of offices setting out the current addresses of the registered office and the records office of the company, as required under Section 8 of the Company Act;
- vi) the most recent annual report of the company required to be filed with the Registrar of Companies under Sections 333 and 334 of the Company Act;
- vii) instruments of continuation of the corporation, if any; and
- viii) the charter of the corporation, if any.

**(e) A Partnership registered under the Partnership Act.**

- i) the declaration of partnership and all amendments thereto required to be filed by the partnership with the Registrar of Companies under the Partnership Act;
- ii) in the case of a limited partnership, the certificate of limited partnership and all amendments thereto required to be filed by the limited partnership with the Registrar of Companies under the Partnership Act;
- iii) a copy of the written partnership agreement and all amendments thereto, signed by all of the partners in the partnership, including all general partners and all limited partners; and
- iv) the address of the office of the partnership.

## Attachment C:

### PCFA Area

Each PCFA describes a specific area of land to be managed by the agreement holder under the PCFA (the PCFA area). The PCFA area must include Crown land, but may also include municipal land, Indian Reserve land, and private land where the owner agrees to have it included in the PCFA area and have it managed it as part of the PCFA area.

The proposed PCFA area must be suitable to meet the management objectives proposed by the Applicant and must represent an area no greater than that which will produce an allowable annual cut of up to \_\_\_\_\_m<sup>3</sup>.

The Applicant **must** submit with its application written confirmation from the District Manager that the proposed PCFA area is suitable for a PCFA and is consistent with the AAC allocated for the agreement.

The proposed PCFA area for this PCFA application must be located within the boundaries of *<defined by District Manager>*. It cannot include lands included in tree farm licences and woodlot licences.

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## **Attachment D:**

### **Plan for Management of Forest Resources**

The Plan for Management of Forest Resources submitted with the application must provide a clear statement of the applicant's objectives for resource management on the PCFA area. If awarded a PCFA, the Applicant will be required to produce a Management Plan for approval by the Regional Manager or District Manager. The PCFA will not be entered into until the Management Plan is approved.

Once approved, the Management Plan will form an integral part of the PCFA and will be used as a key component against which operations under the agreement will be monitored and evaluated.

The Applicant must ensure that statements made in the Plan for Management of Forest Resources are consistent with those in the Business Plan. Where there is overlap, cross-reference should be identified.

The outline for the Plan for Management of Forest Resources required for submission under this invitation to apply follows. Where necessary to describe and address the range of objectives that the Applicant proposes to pursue under the PCFA, additional headings or content should be included.

The plan should contain at a minimum the following information:

- (a) include existing inventories:
  - i) for the timber in the Agreement area, and
  - ii) for botanical forest products that will be utilized,
- (b) include any other inventories and information regarding the development, management and use of the Agreement area that may be required for the management of the forest landbase.
- (c) propose a allowable annual cut for the Agreement area which considers the following:
  - i) inventories and other information referred to in subparagraph (a) and (b),
  - ii) timber specifications proposed for the timber resources in the Agreement Area,
  - iii) reductions that are necessary to facilitate the management and conservation of non-timber resource values in the Agreement area, including visual quality, biological diversity, soils, recreation resources, cultural heritage resources, range land, wildlife, water and fish habitats,
  - iv) silviculture practices and forest health factors that may impact on timber production,
  - v) the anticipated impact of the reductions to the productive portion of the Agreement area due to permanent roads, landings, pits and trails, and
  - vi) any other factors that may impact on the allowable annual cut during each year,
- (d) contain a rationale for the allowable annual cut referred to in subparagraph (c)
- (e) propose management objectives for the Agreement area regarding the harvesting, management of, and the charging fees for botanical forest products that will be managed.

- (f) specify measures to be taken by the Agreement Holder to identify and consult with persons using the Agreement area for purposes other than timber production and harvesting of botanical forest products:
    - i) trappers, guide outfitters, range tenure holders, and other licenced resource users,
    - ii) an aboriginal group who may be exercising or claiming to hold aboriginal interests or treaty rights, and
  - (g) community members and local governments.
- 

## ***Outline of Plan for Management of Forest Resources***

### **1. Statement of Goals and Guiding Principles**

Describe the general management philosophy and broad resource management goals proposed for the PCFA.

### **2. Management Objectives**

Describe the specific resource management objectives, including those related to stewardship of forest resources on the proposed agreement area.

### **3. Resource Inventories**

Identify existing inventories, and state commitments to conduct additional inventories necessary to properly plan for resource management on the agreement area.

### **4. Proposed Allowable Annual Cut (AAC)**

The Plan for Management of Forest Resources must reference existing inventories and contain a proposed AAC for timber and any other resources intended for extraction under the PCFA. An explanation of how AACs were developed must also be included.



## **ATTACHMENT E:**

### ***Documentation of Community Support and Awareness***

The application must contain proof that there is a high level of community awareness of the application and strong support for the application from a broad cross-section of the community. Examples of how this proof could be demonstrated include, but are not limited to:

- (a) distribution of information newsletters or brochures to community members;
- (b) recognition of the application in an official community plan or endorsement by a city, regional district or Band council;
- (c) recognition of the application in bylaws or resolutions, of the legal entity;
- (d) community meeting(s) respecting the application;
- (e) results of a community survey respecting the application;
- (f) letters of support from licensees that operate in or near the proposed landbase; and
- (g) letters of support from community members and stakeholders regarding the application.

It is the responsibility of the Applicant to determine the methods that will provide proof of broad community support and awareness within their community.

#### **Letters of Support**

To ensure that letters of support for the application are considered, they must be included with the application. If letters of support are more than three months old, the Applicant must confirm that they are still valid with regard to the content of the application.

#### **Consultation with Stakeholders and First Nations**

The Minister must consider the input and concerns of First Nations, the general public, stakeholders and licensed users that may be affected by a PCFA. The Applicant is encouraged to ascertain the position of such parties and address how the concerns of those parties, if any, will be addressed in the application for the PCFA.

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## **ATTACHMENT F:**

### ***Public Input***

The Applicant must hold at least one public meeting, open house or other event to obtain input from the public and affected stakeholders regarding the application. The event(s) must allow the public to present thoughts orally and in writing by completing a questionnaire, or by providing written statements at the event(s) or delivered to the Applicant up to three weeks following the event(s).

The Applicant will be responsible for advertising, coordinating and providing relevant information regarding the application to the public before and during the event(s). Ministry of Forests staff may attend the event(s) and may also provide information to the public.

Prior to the commencement of the public event(s) the Applicant must provide the District Manager with notice of the public input event(s) including the proposed format, date, location and advertisement strategy.

The application must include a report on the public input event(s) including a summary of who attended, all comments, concerns or issues raised by persons attending, or written comments received following the event(s) and how concerns or issues were addressed in the application, if appropriate.

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## **ATTACHMENT G:**

### ***Business Plan Guidelines***

Information contained in the Business Plan submitted as part of an application for a PCFA will be used in the evaluation of the application.

The evaluation of a Business Plan as part of an application is not intended to be an assessment of the financial viability or feasibility of a business venture. It is the responsibility of a Applicant to ensure that such financial viability or feasibility assessments are carried out by appropriate experts and, where necessary, lending institutions, prior to submission of the application.

For the purpose of preparing financial forecasts or statements associated with the harvesting of Crown timber, the Applicant is advised that the following will apply to the PCFA:

Stumpage must be paid on timber harvested from the Crown land part of the PCFA area.

A PCFA is subject to the payment of annual rent. The current rate is \$.25 per cubic metre of allowable annual cut attributed to Crown land within the agreement area. This rate is subject to change.

A holder of a PCFA is responsible for the payment of all applicable taxes and fees levied by federal, provincial and municipal government agencies. It is the responsibility of the Applicant to determine what those taxes and fees will be.

A suggested outline for a Business Plan, indicating some basic information requirements expected in the Business Plan submitted as part of the application for this invitation to apply follows. The Applicant is not required to use this format. The following Internet site offers assistance in producing Business Plans: [www.smallbusinessbc.ca/](http://www.smallbusinessbc.ca/)

The Applicant may also wish to consult guidelines provided by various banks and financial organizations.

Reference to “company” or “business” in this outline is not intended to exclude eligible legal entities that may not commonly be considered as corporate structures.

## ***Suggested Business Plan Outline***

### **1.0 Executive Summary**

Include a concise (maximum two pages) overview of the history of the intended holder of the PCFA including its management structure, present financial state and future plans.

### **2.0 Mission Statement**

Include a **mission statement** for the intended PCFA holder. Indicate the purpose of the business, what it will do, and for whom.

### **3.0 Management – Governance structure**

Describe the proposed **governance structure** for the intended PCFA holder and all other entities that will play a role in the business management decisions or the business operations to be carried out under the PCFA.

For example, if the PCFA will be managed through **by a board**, indicate how that board would be structured, who would be represented and how persons would be appointed or elected to the board and for what term.

Describe how the board (or other management structure) would be accessible and accountable to the community.

For the intended PCFA holder, and all other entities that will play a prominent role in the business affairs or operations to be carried out under the PCFA, identify:

the proposed role in the business affairs and operations to be carried out under the PCFA; **key personnel**, their proposed roles and their qualifications relevant to those roles

### **4.0 Product/Service Description**

Describe the products and services that the intended PCFA holder and related businesses (if any) will produce and identify factors that will contribute to the success of the operations.

### **5.0 Industry/Market Analysis and Strategy**

Describe the environment in which the business will be operating and how the business will respond to the market conditions. Provide a summary of the competition the business will encounter.

Provide an analysis of the company's products in the context of the markets being served, measured against the markets available.

If the business will be involved in a specialized venture, provide a comprehensive description of that market including whether the product will be marketed locally, nationally or internationally, and the potential demand in each market area.

## ***Suggested Business Plan Outline***

(Continued)

### **6.0 Potential Risks and Pitfalls**

Identify the inherent risks to the business and how those risks will be addressed.

### **7.0 Implementation Plan**

If the business will be seeking financing or capital, show how the funds will be acquired and how the lender/investor will be repaid. Include a table listing the various expenditures and the corresponding sources of financing.

### **8.0 Human Resources**

Identify the tasks/jobs that will require full-time and/or part-time employees. Include positions which will be staffed by volunteers. Identify associated costs.

### **9.0 Future Plans**

State the short, medium and long-term objectives for the business. Statements in this section should be in accordance with other components of the business plan and with objectives identified in the Plan for Management of Forest Resources submitted with the invitation to apply.

### **10.0 Projected Financial Statement Summary**

**Provide the following for each of the five years of operations under the term of the PCFA:**

- a profit and loss forecast based on projected income statement;
- b cash flow forecast;
- c balance sheet forecast;
- d projected capital expenditure budget; and
- e company assets.