

Sept 16th 2024

Islands Trust Re-Zoning Application for PID 003-321-649.

Response to follow up questions

1. Scale of proposed uses

- a. Cider & Wine production: production up to a maximum of 20,000 imperial gallons / year.
- b. Wood processing: annual processing to a maximum of 350 cubic meters of raw logs/year. This equates to approximately 10 logging truck loads per year.
- c. Aggregates and soils: maximum volume of aggregates and soils stored at any one time will be 305 cubic meters (400 cubic yards).

2. Business Plan for Light Industrial uses and cidery - see below.

3. Groundwater management plan

- a. A detailed groundwater management plan will be created with the assistance of a hydrogeologist. This is in the early stages of development.

4. Timing and phased approach details

- a. Cider & Wine production:
We expect cider production would hopefully begin within 5 years of rezoning. We feel that this would be a reasonable timeframe to get necessary licensing for alcohol production, as well as a water license, and construct a cidery building and associated infrastructure. This early production may require purchasing a large portion of the required fruit until the orchards reach maturity.
- b. Wood processing:
Small scale commercial saw milling and wood processing could commence within approximately one year. Production would increase as infrastructure allows but will likely never reach the maximum of 350 cubic meters per year.
- c. Aggregates and soils:
Storage of aggregates will start immediately, with bays being constructed over a period of 2-3 years as needed.

Business Plan: Cidery - 832 Galiano Way

Mission Statement: To produce high-quality craft cider using apples grown on-site, and locally sourced apples, using traditional cider production methods.

Business Name: Yet to be determined

1. Executive Summary:

Location: 832 Galiano way

Products: Ciders of various styles using mostly traditional methods.

Target Market: Local and tourist cider enthusiasts (farmgate sales, i.e. tasting room sales), restaurants, and retail outlets.

2. Business Description

This cidery will be a craft cidery focused on producing local, high-quality ciders on Galiano Island. We will emphasize locally sourced ingredients and traditional methods to create a distinct product line.

Legal Structure: Limited Liability Corp.

Location: 832 Galiano way, Galiano Island, BC

3. Market Analysis

Industry Overview: The craft cider industry is growing rapidly as consumers seek alternative beverages to beer and wine. There is a particular demand for locally produced, artisanal products within the gulf islands.

Target Market: Consumers aged 19+ with an interest in craft beverages. The plan will be to sell direct to consumers as well as to restaurants, bars, and local retail stores focused on local and craft products. Potential for expanding into regional markets as production increases.

Competition: There are currently no local cideries, wineries, or breweries. Competition at a Galiano Island level is minimal. On a wider scale, competition includes regional craft cideries, wineries and breweries on the other Gulf Islands, Rural Vancouver Island, as well as large commercial cider brands.

4. Organization and Management: 100% ownership to be retained by Leif Palmberg. This will be a small scale business managed by Leif Palmberg.

Staffing: Initial staff of two employees (including myself), covering production, sales, and administrative duties.

5. Marketing and Sales Strategy: Confidential.

6. Operations Plan:

Facility Setup: Design and layout of the cidery to optimize production efficiency, including a space for fermentation, storage and office space.

Production Process: Apples will be sourced from on-site orchards as well as other orchards(ideally local) as needed. Pressing, fermenting, aging, and packaging on-site. Quality control at each stage of production as per industry standards.

Suppliers: Supply as much fruit as possible in house, secondly build relationships with other local growers, lastly source fruit as needed from off island only if demand cannot be met locally.

Distribution: Deliver to wholesale customers while maintaining inventory for direct sales.

7. Financial Plan: Confidential

Business Plan: Leif Palmberg Excavating - light industrial uses at 832 Galiano Way

1. Executive Summary:

Leif Palmberg Excavating is the business I currently operate on Galiano as a one person operation. As a licensed ROWP I construct and service septic systems, I also offer general excavating. For certain projects I collaborate with other local small business operators who do similar work, including Galiano Tree Service, Galiano Cleaning, Sam Moodie, Galiano Septic, and others.

My aim is to provide quality services for the best possible price while remaining profitable. I always try to achieve this goal by maximizing efficiency and good planning. Over the past few years I have found it difficult to consistently achieve this goal without a yard to operate from, or location to store materials and equipment. The rezoning at 832 Galiano Way will provide a yard to keep an assortment of aggregates. This will allow me to split loads of material efficiently, rather than having to haul full loads of material from suppliers in Saanich, directly to the client's site.

I have a small sawmill which has been in my family for over 30 years. I would like the opportunity to buy logs from clients who are having land cleared for driveways and construction and turn these logs into high value products. Having these opportunities would allow me to hire

one employee starting immediately, and possibly more in the future, generate more cash flow and invest in newer, more efficient and more environmentally friendly equipment. Much of my equipment including trucks, excavators and loaders can be used for both my existing excavating business and in production and handling of logs and lumber, allowing me to generate added revenue with limited new equipment investment.

3. Market Analysis:

My target market is all landowners and general contractors on Galiano, as they require some land clearing, septic systems, driveways, general excavating and wood products. My experience over the last six years suggests there is room for growth in this industry as I have had to turn down many jobs that I would've been happy to take on, if I would have had the time and personpower.

4. Organization and Management:

I have been operating as a sole proprietor but would create an LLC before hiring employees and growing my company. I will remain as the owner/operator/manager of this business but with the right employee and proper training, I could in time hand over some managerial duties.

5. Products or Services:

- General Excavating
- Septic System Installation and Servicing
- Land Clearing
- Aggregate and Soil Delivery and Sales

6. Financial Plan: Confidential