

Pend Oreille County, Washington
Economic Development Project of Statewide Significance
Alternative Site Analysis
Draft Access Options Discussion Guide
May 30, 2017

1. HiTest Sand is assessing the feasibility of acquiring 186-acres, adjacent to the City of Newport in unincorporated Pend Oreille County, for the development of a state-of-the art silicon production facility.
 - a. This potential development has been declared a Project of Statewide Significance by Governor Inslee.
2. The feasibility assessment involves several factors, including but not limited to:
 - a. Availability of power;
 - b. Topography;
 - c. Soil conditions;
 - d. Site access;
 - e. Site suitability for compliance with applicable air quality standards; and
 - f. Availability of supporting services.
3. It is projected that Phase 1 of this project will require the shipment of approximately 170,000 tonnes of raw silicon ore a year, in gravel form, from a mine in Golden, British Columbia to the site, a distance of approximately 300 miles.
4. In general terms there are two basic options for transporting the silicon ore to the site:
 - a. By rail, in partnership with Burlington Northern Santa Fe Railway (BNSF) and the rail operated by the Port of Pend Oreille, doing business as the Pend Oreille Valley Railroad (POVA); and
 - b. By trucks, utilizing highways and designated truck routes.
5. The rail option would likely involve x 50 car trains or y 100 car trains/ week.
 - a. The trains would be operated by BNSF and would be delivered to the Newport Yard, which is operated by the POVA through a lease with BNSF.

Commented [GD1]: Is this measured in metric tons?

Commented [GD2]: Would the material be shipped over 9 or 12 months/year?

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- b. POVA would be responsible for staging the trains for unloading at a site to be determined.
 - c. The material would then be delivered to the site on an enclosed conveyor system owned and operated by HiTest.
6. A one hundred car train is approximately a mile in length, as a result a long segment of dedicated track would be required for the unloading operation, so that unloading does not adversely affect other rail operations of POVA.
 - a. In addition, consideration needs to be given to siting the unloading facility so that train cars do not block a road in downtown Newport, or a potential new road to access the site.
 - c. There also needs to be additional track so that the engine(s) pulling the train into the unloading area, can get around the cars to pull them back out.
7. The current POVA lease of BNSF track expires in 2018 and needs to be renewed.
 - a. POVA has initiated discussions with BNSF to renew the lease and possibly accelerating the renewal schedule.
8. BNSF is working on a proposal to provide rail service for presentation to HiTest.
 - a. There is currently a bottleneck in the BNSF system in Sandpoint.
 - b. BNSF has announced plans to build new bridges in Sandpoint to alleviate the congestion.
9. As an alternative to rail service, it may be possible to ship the ore to the site by trucks.
 - a. This could involve the delivery of 680 tonnes of raw material a day, 5 days a week, for 50 weeks per year.
 - b. Depending on size and weight restrictions this could result in 28 deliveries a day by trucks carrying 24 tonnes.
10. A logical truck route would be over BC Highway 95 from Golden, crossing into the United States at Eastport, and then continuing south on Idaho State Highway 95 to Sandpoint, then west on US Highway 2, and then connecting with Idaho State Highway 41, which passes within approximately 1.3 km of site.

Commented [GD3]: What is the target date for completion?

Commented [GD4]: Weather may make shipments in the winter impractical. Also, seasonal weight restrictions at the end of the winter may limit routes.;

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- a. As an alternative, it may be possible to exit US Highway 2 in the Town of Priest River, traveling south on Wisconsin Street, crossing over the Pend Oreille River on a bridge, and then west on Old Priest River Road to Highway 41. This has been designated as a truck route by Bonner County and is used to access a large mill and several quarries.
 - b. Other than seasonal restrictions at the end of the winter for several weeks, Bonner County does not impose weight or length restrictions on Old Priest River Road.
11. The State of Idaho
12. The State of Idaho Department of Transportation (IDOT) will be repaving US 2 from the Washington state line to a point east of Priest River in the summer of 2017.
- a. IDOT has plans to improve the US 2 intersection with Wisconsin Street in Priest River during the summer of 2018. W
 - b. A study prepared for the Town of Priest River projects that the connection of the north-south freeway to Interstate 90 in Spokane will increase truck traffic on US Highway 2 by x.
13. Initial discussions with the Bonner County Planning Department and the Bonner County Commissioner that represents west Bonner County did not reveal any significant reservations regarding the proposed truck routes.
- a. Approximately 1 km south of the intersection of the Old Priest River Road and Highway 41, the County Solid Waste Department maintains a .5 km paved road that provides access to the County solid waste transfer facility.
 - b. It may be possible to extend this road approximately 1 km to provide access to the site from the south.
 - c. This would require an easement from the County and further research would be required to determine if there is dedicated right-of-way in either state for State Line Road.
 - d. The use of Landfill Road could trigger the need to widen the road and make security improvements. It is also highly probable that a right and left turn improvements would need to be made to Highway 41 at the intersection with Landfill road.
14. If it is not possible to extend the Landfill Road over Bonner County property and Pend Oreille County right-of-way, it may be possible to extend Landfill Road approximately 600 meters diagonally over adjoining property owned by the State of Idaho. Another option may be to build a new 1.3 km road across the state property directly from Highway 41 to

Commented [GD5]: Greg Snow is confirming the weight and length limitations on Idaho Highways.

Commented [GD6]: Greg Snow is getting a copy of this report.

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the site along the route of a logging road, which would alleviate the need for an easement from Bonner County.

- a. The state owns approximately 300 acres that is due east of the site and that borders Landfill Road.
- b. The property is part of the State Endowment Fund and primary purpose of the property is for the sale of timber to support public schools.
- c. The property is currently being logged and the logging contract expires in 2018. Since the land is being logged now, this could be the most advantageous time to acquire this property.
- d. The next timber sale would be in approximately 80 years.
- e. As Endowment Lands the State does not want to sell it, but since it is an isolated parcel, not connected to other holdings, it would be willing to trade the parcel for timber lands of equal value.
- f. The appraisal process to support a land exchange could take 8 months.
- g. The Idaho Department of Lands would provide a list of target properties they would like to acquire in exchange. It is estimated that these properties could cost \$1,200-\$2,000/acre.
- h. If the property involved in the trade included high value timber, such as cedar, a 1:1 exchange of area may not be necessary.
- i. If this 300-acres is acquired, it could provide an additional buffer for the site, which could have air quality benefits. There may also be the potential to explore industrial zoning with Bonner County which could make the property attractive for resale as a future industrial site in Idaho.

Commented [GD7]: This may be a long shot, but there may be a public or private entity that could partner with HiTest to acquire this land from the State of Idaho in return for the rights to develop it after the road is built.

15. It is important to note that the City of Sandpoint Planning Director expressed concerns about the prospects of increased truck traffic on US 2 through downtown Sandpoint. Based on our initial conversation, he was more encouraging about the rail option.
16. Our various discussions have led us to wonder about the feasibility of a third option for delivering raw materials to the site, a hybrid option involving rail to a location near, but outside of Newport, and then trucking the material to the site utilizing Highway 41.
 - a. This option could provide HiTest with a higher degree of flexibility and would result in the material being delivered directly to the desired location on the site.

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- b. This option would avoid potential adverse impacts or opposition in Sandpoint associated with the trucking option.
- c. This option would alleviate the need for an unloading facility and conveyor in Newport, which could encounter local opposition.
- d. POVA operates the rail yard in Priest River, and plans are being finalized to build a new facility during the summer of 2018. These plans have been endorsed by POVA, Bonner County, the Town of Priest River, BNSF, and Stimson Timber.
- e. It may be possible to incorporate into the plans a custom unloading and staging facility for HiTest. As an industrial area, it may be better suited than downtown Newport for an unloading facility.
- f. It is approximately 11 km to the site from Priest River, and locating the unloading facility here could help build support for the project in Idaho.
- g. The hybrid option would be beneficial to the POVA.

17. Items that we need to further research include:

- a. What is the unit of measure for the shipment of raw material to the site?
- b. What are the weight and length restrictions on Idaho State Highways?
- c. Is there a dedicated right-of-way for Stateline Road that could connect the extension of Landfill Road to the site?
- d. Getting a copy of the report prepared for the Town of Priest River that addresses the potential traffic increase on US to as a result of the completion of the north-south freeway in Spokane.