

NAME OF UNDERTAKING: Poole Cove Marine Industrial Park

PROPONENT:

Name of Corporate Body: Town of Harbour Breton
P.O. Box 130
Harbour Breton, NL
A0H 1P0

Chief Executive Officer:

Name: Eric Skinner
Official Title: Mayor
Address: P.O. Box 622, Harbour Breton, NL, A0H 1P0
Telephone No.: 709-885-6620

Principal Contact Person for purposes of environmental assessment:

Name: Tanya Rogers
Official Title: Economic Development Officer
Address: 8 Connaigre Road, Harbour Breton, NL, A0H 1P0
Telephone No.: 709-885-2885

THE UNDERTAKING:

Nature of the Undertaking:

The purpose of this undertaking is to construct a Marine Industrial Park and access road to support the growing aquaculture industry in the region. The development of the Poole Cove Marine Industrial Park will generally consist of the following:

1. Construction of a road to and within the proposed park area
2. Installation of three phase electrical service
3. Installation of Water and Sewer
4. Construction of a wharf
5. Clearing of land for potential tenants

Purpose/Rationale/Need for the Undertaking:

Aquaculture was introduced to the Coast of Bays Region in the mid 1980s with the rearing of salmon in Roti Bay which were raised at the Bay d'Espoir Salmon Hatchery. After experiencing a number of growing pains in a new industry, fin fish aquaculture sites were established throughout the Bay D'Espoir Estuary and by 2000 into the Cinq Iles area of Fortune Bay near Pool's Cove. Over the years, experience and the adoption of technology has allowed the growth of the sector to reach 14,000 metric tonnes production at an export value of approximately \$116,000,000.00 in 2011. This volume is approximately 33% of the projected sustainable production level of the entire Coast of Bay Region.

With the arrival of Cooke Aquaculture to the region in 2005, and the North Atlantic Sea farms assets being acquired by Northern Harvest Sea farms of New Brunswick, the region has seen unprecedented growth in aquaculture in the past five years. These companies along with Cold Water Fisheries, Long Island Resources, Gray Aquaculture Group and Nordic Salmon Incorporated (Charr) are forecasting continued growth in the years ahead.

Cooke Aquaculture has constructed a new Hatchery at St. Alban's with an anticipated annual output of approximately 2.5 million smolts. Northern Harvest Sea Farms has announced that they are building their hatchery at Stephenville which will have an annual output of 3.5 million smolts. All these smolt will be destined for grow out in the Coast of Bays bringing with it local direct and indirect employment opportunities. The tertiary or service sector level of the economy associated with aquaculture will need new business development and an expansion of existing services.

It is a known fact that businesses offering complementary services to a sector prefer to be located in close proximity to each other to take advantage of business opportunities and this is the catalyst driving this development.

The development of the Poole Cove Marine Industrial Park was identified in the Integrated Community Sustainability Plan as a development to ensure the sustainability of The Town of Harbour Breton and contribute to the economic environment of the surrounding communities and the entire Coast of Bays region.

With changes to the Municipalities Act of 1999, Municipalities within the Province of Newfoundland and Labrador can become active participants in economic development. Through the establishment of the Poole Cove Marine Industrial Park, the Town of Harbour Breton is becoming a stimulus for business development in support of the aquaculture sector in the Coast of Bays region. The town stands to benefit from the sale of the industrial lots, business tax, employment opportunities resulting in an increased disposable income in town and an improved general feeling of "community". The town also has an opportunity to develop real estate in the industrial park for possible rental revenue or sale. This all contributes to the sustainability of the town and its ability to provide services for its residents.

DESCRIPTION OF THE UNDERTAKING:

(i) Geographical Location:

The proposed site is bounded on the north and south by wooded crown land, on the east it is bounded by Harbour Breton Bay and on the west by The Town of Harbour Breton (Spencer's Brook Road). The natural environment consists of coniferous trees, wetlands, ponds and brooks.

(ii) Physical Features:

There are no physical features in the proposed area for the Marine Industrial Park and access road. The area consists of undisturbed Crown Land.

The area to be affected is Poole Cove, near the Town of Harbour Breton.

(See attached maps and conceptual drawing)

Where possible, wetlands/bogs will be avoided. There are a few small streams on the route of the planned access road.

(iii) Construction (if applicable):

The first stage of construction will consist of an access road and installation of water mains followed by the supply of three phase electrical power by Nalcor and the establishment of commercial lots on an 'as required' basis. This will take approximately 6 months to complete (June – November 2012).

The next step will involve the construction of a sewage treatment plant and wharf. This should be completed within 1 year after access road is complete.

Construction of the access road to the Park will start in the spring/summer of 2012, depending on when all approvals are granted. As soon as access to the site is available in complete (fall of 2012), it is also hoped that construction of the wharf will commence at this time as well.

During construction, factors such as sedimentation, siltation and the amount of noise created in the cove's waters need to be addressed so that impacts on the area's existing fish cages are limited. Oils and fuels used by the machinery will also be present and steps will be taken to prevent any accidental spills.

A potential conflict may arise from Northern Harvest Sea Farms who have salmon cages in the Bay about a kilometre from the proposed wharf construction. As stated above, factors such as sedimentation, siltation and the amount of noise created in the cove's waters during the construction phase will be addressed.

(iv) Operation:

The Marine Industrial Park will be operated by the Town of Harbour Breton, with the help of the Harbour Breton Investment Corporation who will be involved with marketing the Park and attracting new tenants. The Town will maintain the infrastructure in the Park and the access road and will sell/lease lots to tenants as required. Initially, the park will consist of one or two lots being used.

The Marine Industrial Park will be a permanent operation.

A potential source of pollutant may arise from operations of a proposed fish processing facility that is interested in locating in the Park. This risk will be mitigated by the requirements placed on these types of facilities to treat all waste water leaving the facility.

A Biosecurity plan will be developed and implemented to ensure that adjacent marine and aquaculture sites are not negatively impacted. The Biosecurity plan will be auditable and any wastewater will be regularly monitored.

There will also be a sewage treatment plant located in the park to treat all domestic sewage leaving the park.

Policies and practices will be adopted to ensure the safe use of fuel and oil in vehicles and equipment operating in the area and steps will be taken to mitigate the possibility of any accidental spills.

A potential cause of conflict may arise from Northern Harvest Sea Farms who have salmon cages in the Bay about a kilometre from the proposed wharf and plant location. They may feel activities at the plant and wharf may pose a Biosecurity risk to their cages.

As stated above, this conflict can be mitigated by the strict regulations placed on processing facilities to treat waste water and by the Biosecurity plan that will be put in place and monitored.

(v) Occupations:

This project will provide employment during the construction phase for approximately ten people in the following disciplines:

1. Heavy equipment operator (7521)
2. Construction trade helpers and labourers (7611)
3. Pipefitting trades (7203)
4. Plumbers (7251)
5. Land Surveyor (2154), and
6. Civil Engineer (2131)

The Town of Harbour Breton is an equal opportunity employer regardless of age, gender, race or sexual preference. Employment will be based on ability to perform the required tasks at hand. The Town will be responsible for all hiring.

Nalcor will be responsible for all equipment, skills and power line right of way necessary for the supply of three phase electrical service to the site.

Although the scope of work has changed from a inflow (clean) wharf to a Marine Industrial Park with an outflow (dirty) wharf, an Environmental Assessment was previously conducted and released for an inflow wharf by the Department of Fisheries and Aquaculture. While the type of wharf (inflow vs. outflow) and the proposed use of the surrounding land (Marine Industrial Park vs. clean activities) has changed, the access road to the site remains the same.

APPROVAL OF THE UNDERTAKING:

The following permits may also be required:

1. Navigable Waters Protection Act (NWPA) Approval – Transportation Canada
2. Fisheries Act Authorization and Habitat Compensation – Fisheries and Oceans Canada (DFO)
3. Environmental Permits for Alterations to a Body of Water – Department of Environment and Conservation
4. Environmental review Report – Department of Environment and Conservation

5. Environment Impact Statement – Department of Environment and Conservation
6. CEAA Environmental Assessment Screening - Canadian Environmental Assessment Agency

SCHEDULE:

The earliest date construction could commence is the summer of 2012 with the latest date being the fall of 2012 (assuming all approvals are in place). These dates were selected due to the fact that the anchor tenant of the Marine Industrial Park is Cooke Aquaculture and they have to be out of their current processing facility in October 2013 (lease with current owner expires). In order for them to have a new facility in the Marine Industrial Park at that time they would have to start construction on the new facility in the fall of 2012. It is vital to the survival of Harbour Breton that Cooke Aquaculture have a location for their new facility in this community, if not they may choose to locate elsewhere.

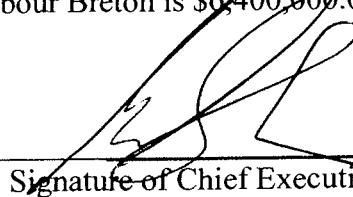
FUNDING:

This undertaking will cost share between:

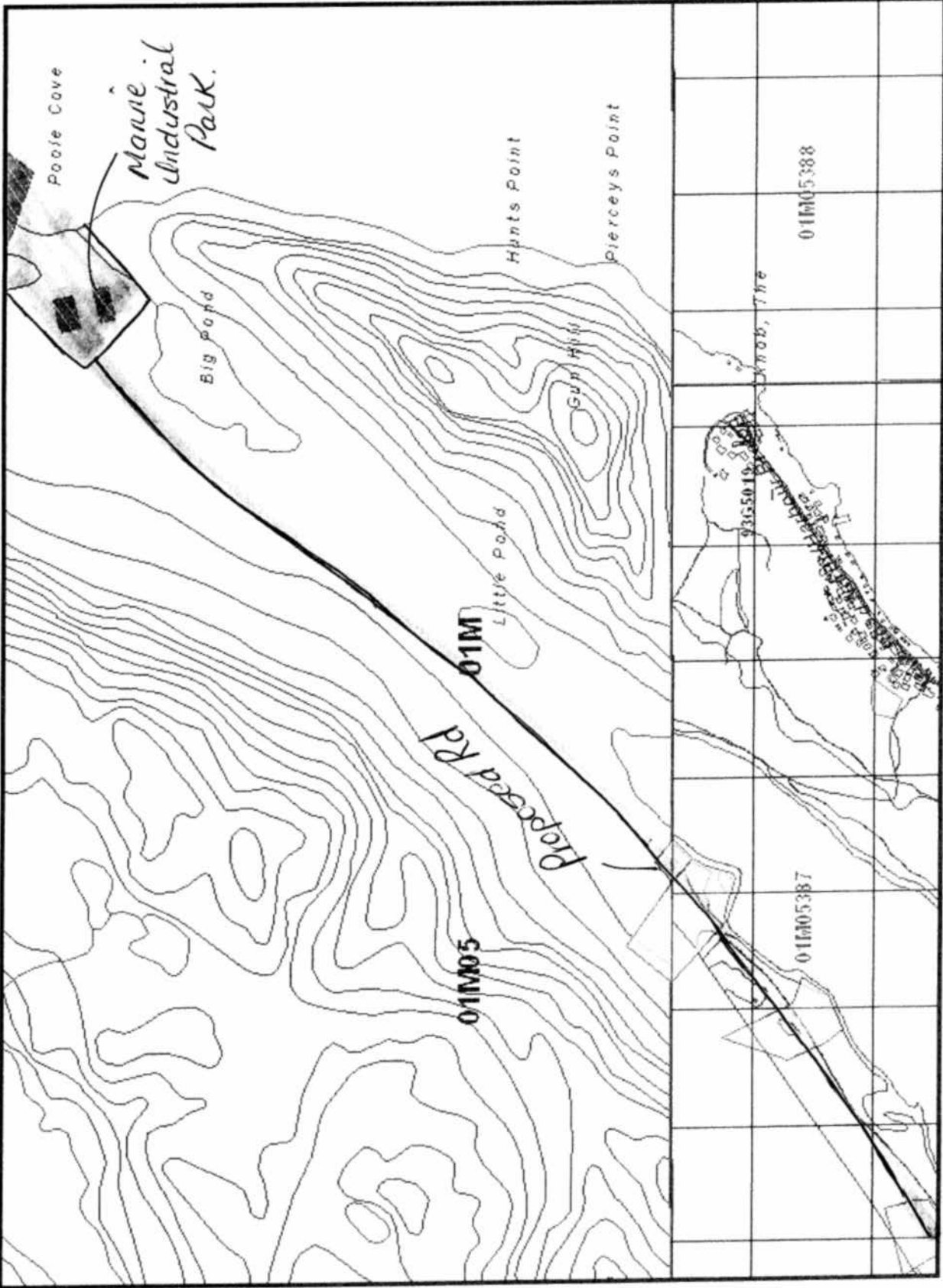
1. The Federal Government
Atlantic Canada Opportunities Agency (ACOA)
John Cabot Building, 11th Floor
10 Barter's Hill
PO Box 1060 STN C
St. John's, NL
A1C 5M5
2. The Provincial Government
Department of Innovation, Business and Rural Development (IBRD)
St. Alban's
Resource Centre
P.O. Box 430
St. Alban's, NL
A0H 2E0
3. The Town of Harbour Breton.
P.O. Box 130
Harbour Breton, NL
A0H 1P0

The capital cost of this undertaking as determined by a feasibility study conducted by CBCL limited on behalf of the Town of Harbour Breton is \$6,400,000.00.

March 27, 2012
Date


Signature of Chief Executive Officer

Government of Newfoundland & Labrador Department of Environment & Conservation



NOTE TO USERS

The information on this map was compiled from land surveys registered in the Crown Lands Registry.

Since the Registry does not contain information on all land ownership within the Province, the information depicted cannot be considered complete.

The boundary lines shown are based on the data as shown on the map sheet and are not intended to be used as an index to the accuracy of the plot or as a substitute for measurement purposes and does not guarantee title.

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Users finding errors or omissions can contact the Crown Lands Mapping Section by telephone at 709-605-1111. Some titles may not be plotted due to Crown Lands volume missing from the Crown Lands registry, or not needed due to incremental survey information.

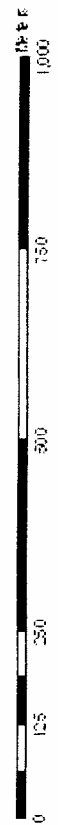
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For inquiries please contact a Regional Lands Office.

- Gardier - 256-1400
- Clarenville - 466-4074
- St. John's - 729-2654
- Goose Bay - 896-2488
- Cornet Brook - 637-2387

Scale 1:10,000

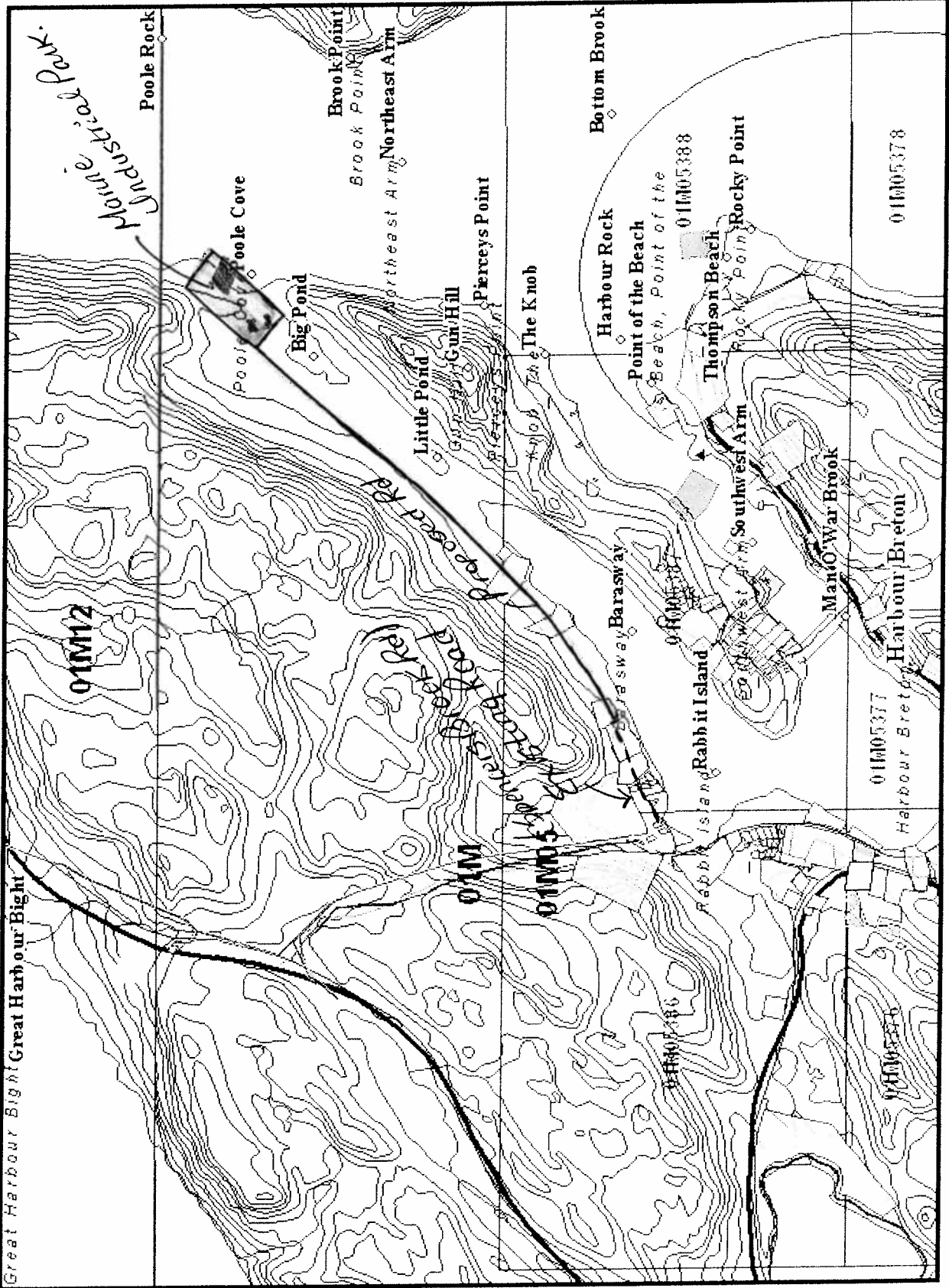
Compiled on Mar 08, 2012



Crown Lands Division

Government of Newfoundland & Labrador Department of Environment & Conservation

**Newfoundland
Labrador**



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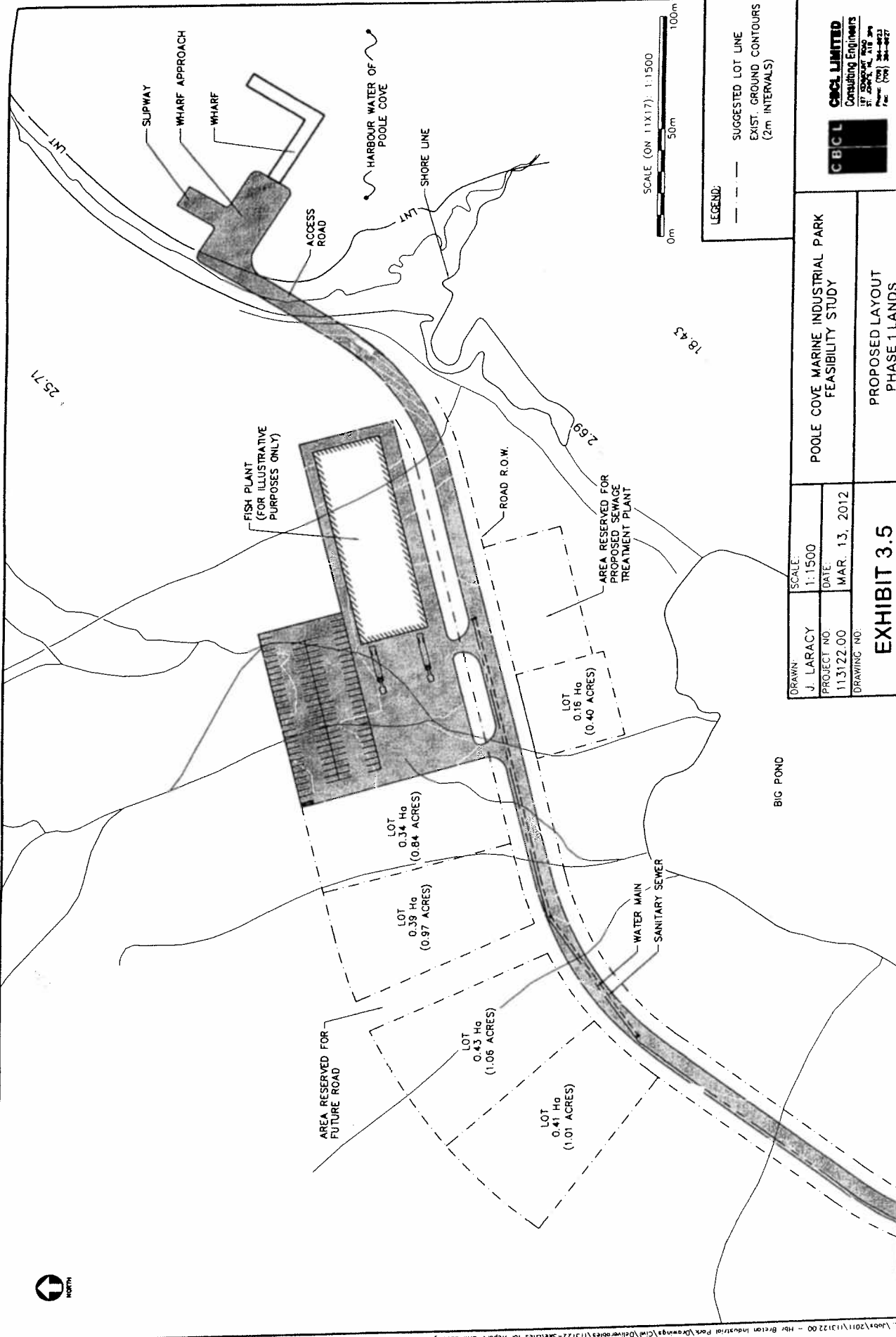
Crown Lands Division

Scale 1:24,000

Compiled on Mar 08, 2012



1:11 X 17
 11/13/2011 11:13:22 AM
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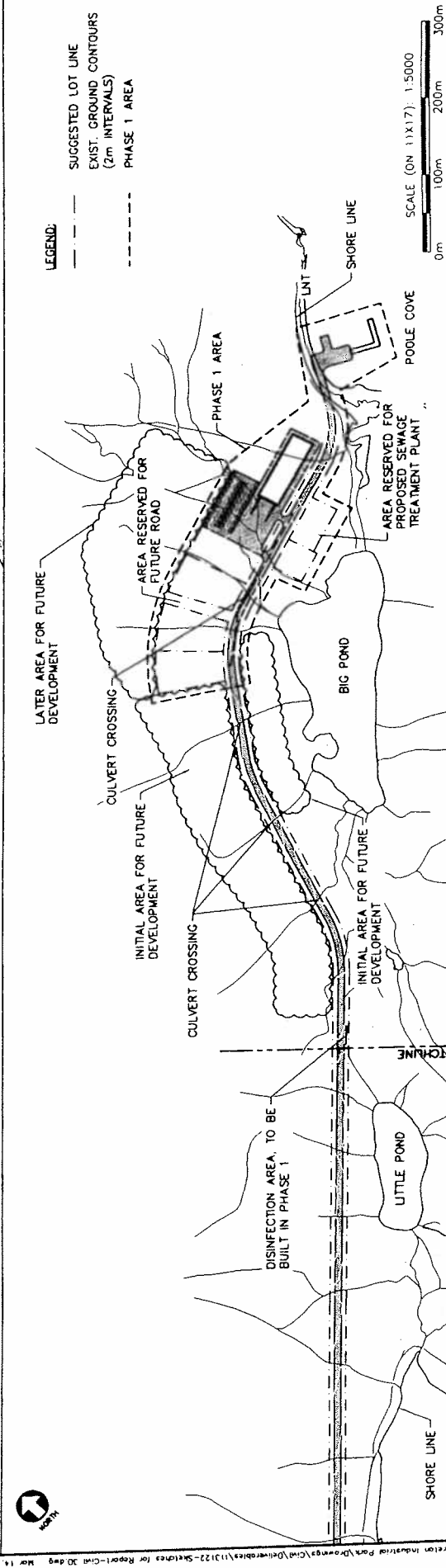
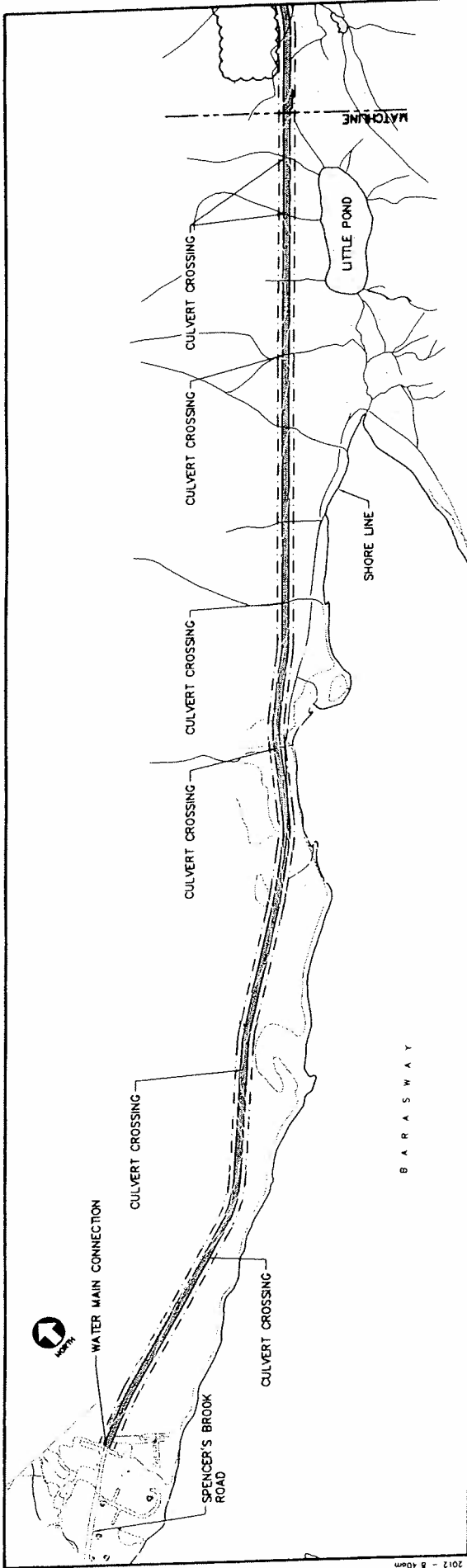


LEGEND:
 - - - SUGGESTED LOT LINE
 --- EXIST. GROUND CONTOURS (2m INTERVALS)

SCALE (ON 11X17): 1:1500
 0m 50m 100m

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|-------------------------|--|-------------------------------|---|--|
| DRAWN: J. LARACY | | SCALE: 1:1500 | POOLE COVE MARINE INDUSTRIAL PARK FEASIBILITY STUDY | CBC L CBC L LIMITED Consulting Engineers 17 BROADWAY, 11 th FLOOR POOLE, NSW 2233 Phone: (02) 944-0423 Fax: (02) 944-0427 |
| PROJECT NO: 113122.00 | | DATE: MAR. 13, 2012 | | |
| DRAWING NO: EXHIBIT 3.5 | | PROPOSED LAYOUT PHASE 1 LANDS | | |

1:11 X 17
 11/13/2011 11:13:22 AM - Hbr Brien Industrial Park/Drawings/113122-Sketches for Report-Civil 30.dwg Mar 14, 2012 - 8:22am
 By: J.LARACY



LEGEND:

--- SUGGESTED LOT LINE

--- EXIST. GROUND CONTOURS (2m INTERVALS)

--- PHASE 1 AREA

| | | |
|------------------------------------|------------------------|--|
| DRAWN: J. LARACY | SCALE: 1:5000 | POOLE COVE MARINE INDUSTRIAL PARK FEASIBILITY STUDY |
| PROJECT NO: 113122.00 | DATE: MAR. 13, 2012 | ROAD ALIGNMENT AND PHASING PLAN |
| DRAWING NO.: EXHIBIT 3.4 | | |

