8. DESCRIPTION OF POTENTIAL EFFECTS – ECONOMIC ENVIRONMENT

This section discusses potential effects to one category under the Economic Environment including:

- Economic.

8.1. ECONOMIC

CMG of Timmins, Ontario were contracted by Bennett to conduct an economic impact assessment related to the development of the proposed facility. A summary of issues identified in the Approved Terms of Reference is presented here with regards to potential impacts. The entire report entitled, "Economic Impact Assessment" can be found in separate Appendix 12.

The assessment was conducted and prepared in compliance with the Approved Terms of Reference for the Environmental Assessment. The current section describes:

- Effects on local employment and employment income
- Effects on municipal and provincial tax base and property taxes
- Effects on land uses in the vicinity of the proposed site
- Effects on property values in the vicinity of the proposed site
- Effects on existing businesses, residential and commercial recreational values
- Effect of employment and economic development opportunities created by the project

The existing conditions for the economic environment are discussed in Section 5.1.

8.1.1. Effects on local employment and employment income

8.1.1.1. Construction

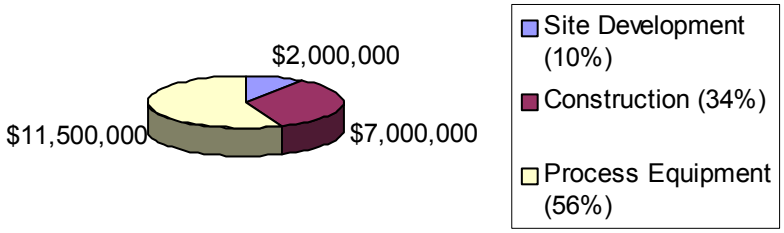
Based upon their business planning, Bennett has forecasted that the capital cost of this project will total $20,500,000. In order to provide relevant data without compromising business intelligence, Bennett has broken their capital spending estimates into three categories:

- Site development, which refers to the cost of land, clearing and site preparation; (It also includes the cost of site protection and security.);
- Construction, which refers to the cost of constructing process and ancillary buildings, office equipment and various aggregated costs; and,
- Capital purchases, which refers to the cost of the custom-made process equipment, its installation and material handling equipment.

All suppliers will be selected on the basis of a competitive tendering process. Bennett has made a commitment to utilize local labour and businesses as much as possible. In order to forecast what percentage of total spending will benefit Kirkland Lake, an assessment has been made as to the relative

capability of local suppliers to meet Bennett's requirements. Site development relies on labour and machinery-intensive operations that make local suppliers very cost-effective. This model forecasts that 100% of these costs will be incurred locally.

Figure 8-1 Project Capital Costs ($20,500,000)



Construction will require experienced construction workers, skilled trainees and metal fabrication services, all of which are available locally. However, to allow for the fact that this is a larger budget item that may attract outside contractors, the local spending factor has been established at 80% of the total cost. Finally, the process equipment is very specialized but is not mass-produced. Combined with the fact that it will require on-site fabrication of heavy material, there is strong likelihood that local firms will be hired for portions of this cost. A local spending factor of 40% is assumed for this cost.

Table 8-1 Construction Spending

Expense	Total Value	Local Spending	Total Local Spending	Spending Outside Area
Site Development	$2,000,000	100%	$2,000,000	$0
Construction	$7,000,000	80%	$5,600,000	$1,400,000
Process Equipment	$11,500,000	40%	$4,600,000	$6,900,000
Total	$20,500,000	59%	$12,200,000	$8,300,000
Source: CMG Estimates				

Each expense component has a different employment factor based upon the total revenue require to support one job as established by the Statistics Canada Financial Performance Indicators for Canadian Business, Volume 2,1997.

Table 8-2 Construction Spending to Job Creation

Expense	SIC Sector	Revenue / Full-time Job	Average Annual Wage
Site Development	F4210 (Construction Site Work)	$139,864	$32,409
Construction	F4100 (Industrial and Heavy Construction	$159,714	$40,939
Process Equipment	E3000 (Fabricated Metal Products)	$111,225	$36,930
Source: Statistics Canada Financial Performance Indicators for Canadian Business Vol.2			

Table 8-3 Construction Employment and Income

Expense	# of Local Jobs	Local Employment Income	# of Jobs Outside Area	Employment Income Outside Area
Site Development	14	$460,207	0	$0
Construction	35	$1,432,865	9	$368,451
Process Equipment	41	$1,514,130	75	$2,769,750
Total	90	$3,407,202	84	$3,138,201

8.1.1.2. Operation

The facility is planned to operate 300 days of the year. Bennett has estimated that 34 people will be employed, based upon processing 200,000 metric tonnes of material. There will be additional employment directly created by the transportation requirements for the raw material infeed and the disposal of the treated material.

Table 8-4 Facility Operation Employment

Category	#	Hourly	Average Wage	Total Wages
Management	3	$30	$62,400	$187,200
Skilled	6	$19	$37,050	$222,300
Operators	8	$17	$33,150	$265,300
Labourers	17	$13	$24,375	$414,375
Total	34		$32,032	$1,089,075

The total wages to be paid will be $1,090,000, with an additional 20%, or $218,000, paid for employee benefits for a total payroll of $1,300,000. Half of the jobs will be high-skill positions and the average wage at the facility will be $32,031.

8.1.1.3. Transportation

Transportation is a key function in the operation of the proposed facility. Based upon the traffic study, up to 5,263 truckloads of contaminated material could be delivered to the site and up to 9,523 truckloads of

treated material could be transported from the site—a total of over 14,700 loads. The actual number of loads will depend upon the operating level of the facility.

There is an issue around the treatment of the economic impact of transportation as either a direct impact or an indirect one. Bennett does not intend to create its own transportation division to haul material. So, in that sense, transportation is not a direct impact. However, transportation is a key function in the operation of the proposed facility, not just an occasional expense that can be postponed. The actual expense is difficult to forecast since the actual cost will depend on a number of factors such as location of the contaminated material as well as the destinations of the treated material.

For the purpose of this study, transportation will be divided into both direct and indirect effects. The division will be based on the control over which Bennett will have over the timing of the expense and the location of the material. In this case, the infeed material will be delivered based on market demand and could come from a variety of locations over which Bennett will have little control and the transportation cost will be considered as an indirect effect. The treated material will be stored on-site before disposal, a percentage of which could be used as landfill in Archer Drive Industrial Park, and the transportation cost will be considered a direct effect.

The analysis assumes that the contaminated material will be transported within an 800 kilometre radius of the plant and that 40% of the treated material would be disposed of as landfill within the Archer Drive Industrial Park. The balance of the treated material would be disposed of within an 800 kilometre radius.

Table 8-5 Transportation Effects

Category	Total Volume (Tonnes)	Truck Loads	Average One-way Distance	Employment (FTE)	Employment Income
Infeed	200,000	5,263	800 km	40	$1,356,800
Disposal	200,000	9,523			
Local	80,000	3,809	2 km	4	$135,680
Other	120,000	5,714	800 km	42	$1,424,640
Total	200,000	14,786		86	$2,906,944

Based upon the SIC averages for revenue per job and average wages per employee, Table 4.5 estimates the impact of the transportation service that will be required. The direct employment for local truck drivers is the creation of 4 new jobs with a total employment income of $135,680. The indirect effect is to create 82 jobs with employment income of $2,781,440. There is the potential for this indirect transportation activity to have an impact in Kirkland Lake. However, it will depend on the ability of local transportation companies to compete for this business that is not possible to forecast that impact prior to commencing operation.

8.1.2. Effects on municipal and provincial tax base and property taxes

8.1.2.1. Increase in Property Value

The actual property tax will be based upon current market value when the building has been constructed and assessed. A forecast of this value can be estimated based upon historical values and the assessment of Trans-Cycle Industries as provided by the Ontario Property Assessment Board (OPAB) in Timmins.

The cost of the facility and equipment will be over $20 million. An estimated $5.4 million is allocated for the actual construction of the facility and $160,000 for the land for a total property cost of $5.6 million. Industrial property values for tax purposes do not include the cost of land and, in Kirkland Lake, are discounted by the OPAB approximately 5.5% from replacement cost. This puts the value of the facility for assessment purposes at $5.1 million. This would present an increase in local property value of 2% overall and a 50% increase in the value of industrial-classed property.

8.1.2.2. Municipal Tax

The municipal tax rate on industrial properties is a mill rate of 0.057104. On a $5.1 million industrial property, the municipal tax assessment is estimated to total $294,290.

8.1.2.3. Provincial Tax

The provincial education tax rate on industrial properties in Kirkland Lake is a mill rate of 0.029390. For the proposed Bennett facility, the total annual education tax assessment is estimated at $149,889.

8.1.3. Effects on land uses in the vicinity of the proposed site

The proposed location is within an existing industrial park and is consistent and compatible with the existing land use.

However, a potentially major concern is the effect on Mining Claim L 16589 presently held by Queenston Mining Inc. This mining claim has an indicated resource of up to 300,000 ounces of gold. Mining activity may not be compatible with the activities proposed by Bennett.

However, to help address this possible effect on mining activity from Bennett, a Mining Impact Assessment was carried out by DST Engineers Inc. The report was completed in May 2002 and is described in more detail under Section x.x. The entire report is found separate Volume X, entitled "Mining Impact Assessment".

8.1.4. Effects on property values in the vicinity of the proposed site

Home ownership is perhaps the most significant investment made by any individual or family. All homeowners want to feel that their investment is secure. Any potential negative impact on the value of their home is viewed with concern.

Projecting the impact of a development on existing property values within a small area is difficult to do with any confidence. There are numerous factors that affect property values, both locally (such as employment, confidence and demographics) and externally such as mortgage rates, economic growth, monetary exchange rates). There are three general approaches that can be taken to estimating a project's impact: comparison to a similar development elsewhere, expert local opinion or comparison with a local industrial development.

Within a 1.5 kilometre radius of the proposed facility, the Bennett research found approximately 240 homes. These are primarily located in a neighbourhood known locally as Chaput Hughes. Research into the link between waste management sites and property values shows an inconsistent link. The main factors that have been found to affect property values within the vicinity of a waste management site (Zeiss) are:

- Perception of Operation
- Aesthetics/ Visual Impact
- Air Quality
- Noise
- Traffic

The most significant factor found in studies of the impact of waste management operations on property values has been found to be local perception of the operation. Perception has been found to relate to local residents' understanding of the site operation and process and their familiarity with the company. This perception is therefore a factor of the relationship between the company operating the facility and local residents.

There will be minimal aesthetic impact on neighbourhood property values since the facility would be located more than 0.5 kilometers from the nearest residential property and not within visual range due to the forested area.

Other studies commissioned by Bennett for this project investigating Air Quality, Noise levels and Traffic patterns have found no significant quantifiable impacts and hence these factors would not negatively impact on neighbourhood property values.

These studies have found, taking into consideration all of the various site-specific factors, there is still an inconsistent relationship between the waste management site and property values in the vicinity and that effects can range between a negative 2% and a negative 19%. Since the quantifiable factors- visual impact, air quality, noise and traffic- all have been demonstrated to have minimal impact, the only potential negative effect could come from the local perception of the operation. Even if there may be a slight negative effect from a perception concern, that effect should be within the range of the positive effect to the community property values. As a whole this creates a net positive impact on residential property values in the immediate vicinity, just not to as great an extent as for other neighbourhoods.

8.1.5. Effects on existing businesses, residential and commercial recreational values

8.1.5.1. Indirect Business Values

Indirect Construction Effects

The full-time equivalent (FTE) local employment for the construction of the facility has been estimated at 90 FTEs based upon a total local spending of $12.5 million. There will be indirect and induced business and employment activity that will create spin-off jobs and add business revenue. The employment multiplier for impact in Northern Ontario for the construction industry (Jankowski and Moazzami) has been calculated at 1.3, meaning that for every 1 FTE construction job, 0.3 of another FTE will be created in Northern Ontario. The projected employment impact of this multiplier effect is the creation of an additional 27 jobs. This multiplier effect has a smaller result for a local area such as the Town of Kirkland Lake. A more conservative estimate for local effect would be 50% of the Northern Ontario effect, or 14 local FTE jobs.

Indirect Operation Effects

Based upon the facility meeting its full capacity of 200 000 metric tonnes of contaminated material and Bennett financial forecasts, there will be 38 jobs with an employment income of $1.090 million. Bennett has estimated that the operation will also purchase locally an estimated $3.3 million of all goods and services. The required goods and services include analytical services, maintenance of facility and process equipment and general business services.

Since the range of goods and services required is so broad, the actual local employment creation would depend upon the competitiveness of local companies. However, based upon an average of $140,000 in revenue required to support one job, indirect employment could conservatively be estimated at 24 Full-Time Equivalent jobs. These jobs could be with companies who provide laboratory testing services, security and maintenance, chemical supplies and other services.

Induced Economic Activity

The economic impact on the local community is the cumulative effect of the project lifecycle in terms of direct, indirect and induced benefits. Induced impact is the net local effect of the dollars spent out of the incremental earnings of workers employed as a result of the business. This would include spending in the local area for items such as food, shelter, clothing and entertainment.

The on-going direct employment that this project will create is up to 38 jobs. These jobs, in one way or another, sustain an equal number of households in the Kirkland Lake area. It may be that a person will move to Kirkland Lake for employment or a current resident will become employed there rather than leaving the community.

Based upon an analysis of household spending in Northeastern Ontario by FedNor, using Statistics Canada data, each household counts an average of 2.3 people and spends $46,327 annually.

Of this amount, $13,660, or 30%, is spent on taxes and other non-current items, for a net household expenditure available locally of $32,667 per household. Therefore, the total induced expenditure generated by the Bennett facility could total up to $1.24 million.

Based upon an aggregated profile of all retail service industries by Industry Canada, each retail job requires an average of $130,400 in revenue. With total current household expenditures of $1.24 million, up to 10 additional jobs will be created or sustained through the induced impact of the direct employment.

The average annual wage for people employed in the retail sector, according to the same Industry Canada data, is $16,153. This could result in a total induced employment income of $210,743.

8.1.5.2. Residential Property Values

The existing property value trends in Kirkland Land indicate a declining real estate market that is also very volatile. On average, Kirkland Lake homes are valued at only 40% of the Ontario average, almost 80% of the homes are more than 40 years old and they are 50% more likely to need major repairs than the Ontario average. Furthermore, the average value of homes sold has declined 8% over the past four years and 14% over the past year. Without any change in the present economic circumstances, prices could be forecasted to continue to average a decline of 2% per year and be subject to even larger variances on a year-to-year basis.

Taking a local perspective and basing a forecast upon the effect of the start-up of TCI in 1998 and the 13% increase in sale prices the same year, the effect of the Bennett project would be to significantly improve the local real estate market. Sale prices could be expected to be higher and the time on the market would be lower.

8.1.5.3. Commercial Recreation Values

The facility operation will increase traffic on Highway 66 between the junction with Highway 112 and Archer Drive. Within this area, the Trans-Ontario Provincial (TOP) snowmobile trail "A 108" twice crosses affected roadways. The predicted increase in truck traffic of 6%-8% would result in less than one more truck per hour on Highway 66. It would, however, represent an increase in truck traffic on Archer Drive. The increase in truck traffic will not change the nature of the existing use of the snowmobile trail, however, there is potential for increased possibility of truck-snowmobile collisions.

This increased perception of accident risk could have a negative impact on services to the snowmobile trade, particularly the Last Resort Restaurant and the Comfort Inn.

8.1.6. Effect of employment and economic development opportunities created by the project

8.1.6.1. Community Development Fund

As part of its contribution as a participant in the Kirkland Lake economy, Bennett has proposed to start a Community Development Fund based upon tonnage of soil treated at the proposed facility. While the municipality will not operate this fund, it can be considered as a municipal impact. A part of this fund (10%) is intended to fund worthwhile projects that enhance the community such as scholarships, community festivals and youth oriented activities. Another part of the fund is intended as an incubation fund to finance start-up companies in the area in the environmental sector. Bennett has proposed that $10 per metric tonne be set aside for this purpose.

With a projected capacity of 200,000 metric tonnes, this fund could have potential revenue of up to $2,000,000 annually. Up to $200,000 will be dedicated to community projects and up to $1,800,000 could be available for economic development. A standard target for Northern Ontario development funds, such as the Northern Ontario Heritage Fund Corporation and FedNor, is to support projects that leverage funding from other sources. The standard target is a leverage factor of 2.5. If the Community Development Fund utilizes this target, the annual $1.8 million could leverage an additional $2.7 million. The net impact of the Fund would be approximately $4.8 million a year.

8.1.6.2. Economic Development

Kirkland Lake was known at one time primarily because of its numerous gold mines. Since its beginning in 1912, Kirkland Lake's economy was driven by the high wages of the local gold mining sector.

Today, there is no longer an operating gold mine within the municipal boundaries. With the closure of the Macassa Mine in 1999, the number of jobs for local residents in mining has dropped to just over 400.

It is apparent to all local residents that the future of the community is dependent upon being able to develop new businesses and industries.

A major focus for local economic development has been to attract new businesses in the waste management sector. Trans-Cycle Industries opened its doors in 1998. More recent announcements of possible investments by Bennett Environmental Inc. and Unisphere tire recycling are evidence of the success of this strategy.

Bennett Environmental Inc. is an important component of this strategy. As the sector grows, there are more opportunities for generating an industrial cluster effect that stimulates a synergistic impact greater than any one company. It will stimulate development in two areas: the environmental sector and the business service sector. As more environmental companies locate in Kirkland Lake, it will attract other environmental companies who will want to do business as well as stimulate expansion of existing local businesses that develop a new expertise in providing goods and services to this sector. As this critical mass of companies in the environmental sector develops, the increased employment will have a beneficial effect across the entire local economy.

8.1.6.3. Archer Industrial Park

The Archer Drive Environmental Park was created in 1996 and has been a major success story. Since that time, six companies have located new facilities and two other companies have indicated that they plan on building facilities there if they receive regulatory approvals.

The Environmental Park is reaching a point where the cluster effect of a major new industry is creating synergies that provide companies who locate there with competitive advantages over companies located in other communities.

Bennett and Unisphere have already demonstrated a good example of this effect. In February 2000, the two companies entered into an agreement whereby Unisphere will provide to Bennett the methane and diesel fuel that is created in the tire recycling process. Unisphere would normally have had to burn the methane as a waste that requires sophisticated flaring equipment. Since Bennett requires methane and diesel to operate its high temperature kilns, it will realize a cost savings in its operation. The Unisphere project could result in a new investment of $30 million and the creation of up to 60 new jobs.

Other synergies that can be further realized as more companies locate in the Archer Drive Environmental Park are in areas such as shared security, reduced infrastructure such as weigh scales, and coordinated transportation services.

8.1.6.4. Education and Training

Northern College- Kirkland Lake campus plays a significant role in the community. It is a major employer with over 65 staff, it provides residents with opportunities for further education and it also plays a leading role supporting local community development. The availability of courses from the Kirkland Lake campus is one of the reasons why Kirkland Lake's population has an "Other non-university education" rate more than 3% higher than the Ontario average.

The "Environmental Solutions" sector has been identified as a major focus of the local economic development strategy. The establishment of TCI and the expressed interest of new development by Bennett and Unisphere demonstrate the success of this approach to stimulate an industrial cluster effect.

The presence of Northern College in the area provides an important resource for taking full advantage of these opportunities to create local employment.

In response to local demand, Northern College-Kirkland Lake campus has created a new Ministry of Training, Colleges and Universities certified Technician program to train local workers for employment in this new industry. The Waste Facilities Management Technician program is unique in Canada. The program began in 2000 and has 14 people enrolled full-time in the 64-week program. The new program also provides more stability to existing courses by adding students to its generic courses such as mathematics and communications. The college will play a key role in ensuring that local people, and others from out of area, can be trained in the new technology of waste management.

As more companies such as Bennett become established in Kirkland Lake, Northern College will also benefit from an increased demand in training of employed people in areas such as computer training, welding, security and business. This could result in an increased marketability of their regular college programs from outside of its geographical area.

8.1.6.5. Regional Effects

While the facility will be located in Kirkland Lake, there will be economic effects gained throughout the region from Matheson to Temagami, both directly and indirectly. As part of this study process, Bennett has commissioned a study specifically to evaluate the agricultural effects and economic benefits. This section is limited to identifying other potential economic effects from the operation of the facility in Kirkland Lake.

New companies in the environmental sector will be eligible for assistance through the Community Development Fund. With the increased demand for trucking services to the facility, the regional trucking industry will become more competitive which could serve to reduce transportation costs to any business importing or exporting goods.

As well, the actual employment at the facility will not be limited to Kirkland Lake residents. It can be expected that there will be employees living in other communities in the area. In a 1999 study of the forest industry in Kirkland Lake, it was found that approximately 31% of all direct, indirect and induced employment stimulated by the Kenogami Sawmill was created in communities other than Kirkland Lake.

As well, the increased demand for transportation services created by Bennett will help to increase competition in this sector, reducing costs for all customers. Particularly attractive is the opportunity for backhauls on trucks going south that would otherwise be empty. This could be an important factor in making a number of other, non-environment related businesses more feasible.

Another indirect benefit will come due to the presence of the treatment facility in Northern Ontario. There are a number of contaminated soil sites in Northern Ontario such as abandoned military bases of the former Mid-Canada radar system. While these sites have been identified, their rehabilitation has been delayed due to the high cost of disposing of the contaminated soil. Should the Bennett facility be constructed, this will reduce the cost of rehabilitation and ultimately improve the environment in Northern Ontario and increase economic development.

8.1.7. Mitigation Measures and Net Effects

8.1.7.1. Proposed Mitigation/Enhancement

Enhance Local Economic Benefits

For the project to be able to enhance the participation of local suppliers, there are two recommended action.

Firstly, there is a need to educate local businesses as to the specific needs Bennett will have during the development and the operation stages of the project. Local businesses have expressed their interest and anticipation in supplying Bennett but are not yet clear on what the exact needs will be. It is recommended that Bennett host a number of forums or a trade show to provide information of its specific needs.

Secondly, it is understood that the project will use a competitive tendering process for all of its purchases in order to be most cost-efficient. The tendering process should be designed to encourage use of local labour and suppliers. This can be in the form of preference for local companies. At the minimum, the tendering should not present any artificial barriers that prevent local companies from bidding, such as excessive bonds or performance guarantees.

Net Effect: The effect of these actions will be to improve the ability of local firms to provide a competitive level of service and increase the number of local jobs and business income generated by the Bennett operation.

Residential Property Values in Vicinity of Project

The overall effect of the proposed project should benefit property values in Kirkland Lake. The minor increases in truck traffic at the intersection of Highway 66 and Archer Drive may negatively impact on the values of properties in this vicinity. However, since the project is being developed within an existing industrial park and is consistent with land use designations, any impact should be minimal.

Mitigation of this effect can include minimizing the nuisance effect by establishing strict delivery policies to prevent early morning or late evening truck traffic and clear traffic signage.

A key factor in supporting property values within the vicinity of the facility is ensuring that the project and treatment process is viewed positively and is clearly understood by local residents. Bennett has undertaken comprehensive community relations activities during the study process and should continue with such activities when in operation.

The effect of this mitigation measure will be to build good relations with local people and improve the knowledge of the positive impact of the Bennett operation on the local community.

Net Effect: Minimize potential negative impact on housings in the vicinity of the proposed site.

Commercial Recreation—Snowmobile Trail

There is a network of snowmobile trails in the vicinity of the proposed development. The Golden Corridor Snowdrifters snowmobile club manages them, which is a member of the Ontario Federation of Snowmobile Clubs. TOP Trail A108 is a feeder trail that provides the link between Larder Lake, Englehart and Kirkland Lake and connects Kirkland Lake to the TOP A Trunk Trail.

Trail A108 crosses three roadways in Kirkland Lake before coming to Highway 11. The road crossings are: at Main Street north of Archer Drive; Archer Drive northeast of Highway 66; and Highway 66 between Swastika and Archer Drive.

The crossing at Main Street provides access to local motels and service stations. Since the traffic study has recommended that no truck traffic proceed on Main Street, there should be no negative impact on those businesses.

The project will increase the truck traffic volume both on Archer Drive and on Highway 66. This may increase the risk of vehicle-snowmobile collisions, which could have a negative impact on snowmobile tourism in the area.

Mitigation of this potential effect should focus on increasing the safe use of the road crossings. This would include transportation policies in regards to delivery times and local speeds. It could also include proper signage and a clearly designated crossing area.

The net effect of this mitigation measure will be to reduce the potential for truck/ snowmobile accidents.

Net Effect: Eliminate any negative impact on commercial recreation.

8.1.7.2. Economic Challenges to the Project

The overall economic effect of the Thermal Treatment Facility project is positive for the Town of Kirkland Lake. The economic challenge to the proposed project is to ensure that the economic benefits to local residents are maximized while minimizing any potential negative impact.

Table 8-6 Economic Challenges Assessment

Effect on:	Overall Effect	Need to Mitigation or Opportunity for Enhancement
Employment and Income	Positive	NO
Municipal and Provincial Tax	Positive	NO
Land Use in Vicinity	Neutral/Potential Negative	YES
Effect on:	**Overall Effect**	**Need to Mitigation or Opportunity for Enhancement**
Existing Businesses Residential Values Commercial Recreation	 Positive Positive Negative	 YES NO YES
Property Values in Vicinity	Negative	YES
Employment and Economic Development	Positive	YES

From the assessment, there are opportunities to enhance economic benefits in regards to existing businesses and the need to mitigate potential negative impacts on commercial recreation and property values in the vicinity of the proposed site. Potential negative effects will be limited to the "nuisance" effects of increased industrial activity. As outlined in the Traffic Study, there will be an increase in truck traffic along Highway 112 and Highway 66. There may be some concerns with the local snowmobile trail that runs parallel to Archer Drive and crosses both Archer Drive and Highway 66 between Swastika and Archer Drive.

An additional challenge will be for Bennett to build good relationships with the local community and to provide on-going information.

As demonstrated above the Economic Impact Assessment was completed pursuant to the approved Terms of Reference describing the potential: effects on local employment and employment income; effects on municipal and provincial tax base and property taxes; effects on land uses in the vicinity of the proposed site; effects on property values in the vicinity of the proposed site; effects on existing businesses, residential and commercial recreational values; and effect of employment and economic development opportunities created by the project. For the further detail on the economic environment please see Appendix 12, Economic Impact Assessment.