

Request for Decision City Council

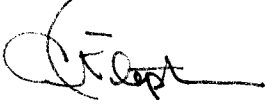


Type of Decision									
Meeting Date	November 29, 2006				Report Date	November 15, 2006			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Generating Electricity with Landfill Gas

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<p>It is estimated that the City would realize additional revenues from the sale of landfill gas in the approximate amount of \$375,000 in 2007 and \$500,000 in 2008 and future years, of which 100% would be contributed to a new reserve established for green / new initiatives.</p>	
<input checked="" type="checkbox"/>	Background Attached

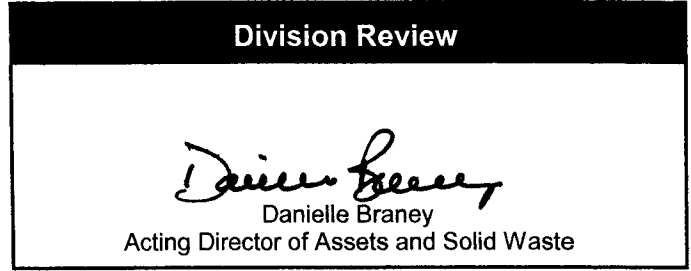
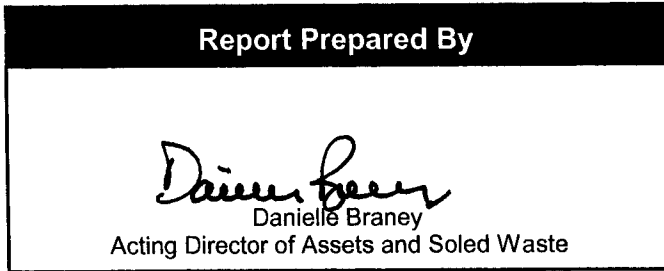
Recommendation
<p>That the City of Greater Sudbury enter into an agreement with 1627596 Ontario Inc. (Genco) to construct and operate a Landfill Gas Power Plant at the Sudbury Landfill Site;</p> <p>That the City of Greater Sudbury sell the Landfill Gas to Genco under the terms and condition set out in the attached report;</p> <p>That 100% of the annual revenue from the sale of landfill gas be contributed to a new reserve to be established for green / new initiatives.</p> <p>That the General Manager of Infrastructure and Emergency Services be authorized to execute the documents required to complete the transaction.</p>
Recommendation Continued

Recommended by the Department Head
 Alan Stephen General Manager of Infrastructure & Emergency Services

Recommended by the C.A.O.
 Mark Nieto Chief Administrative Officer



Date: December 6, 2006



Background

Landfill Gas

The Final Report of the Waste Optimization Study for the Sudbury Landfill Site, lead by the Steering Committee which was instituted for this purpose, was presented to Council on February 24, 2005. Phase 4 of the Study analyzed landfill gas utilization. The following is a brief summary of the report.

Methane gas contained in landfill gas offers great opportunities to generate energy. The two main forms of energy proposed are heat or electricity. Both can be easily generated using proven technology. Other opportunities using innovative technologies such as compressed vehicle fuel, methanol or electricity generation using fuel cells were also considered but discarded.

The two options (heat and electricity) were given further consideration based on marketability of outputs, suitability of the technology relative to the landfill gas resource and economic feasibility. The potential purchasers of heating energy were two neighbouring properties, Brake Parts Canada located north of the landfill site and a future eco-industrial park to be developed along the Kingsway. There were also two potential purchasers for electricity energy, a neighbouring property owner and Greater Sudbury Utilities (GSU). Several factors were selected to evaluate each option. The results showed that the production of electricity to be sold to the distribution grid (Sudbury Hydro) was the recommended option.

In March of 2005 Council accepted in principle the recommendations from the Technical Steering Committee Waste Optimization Study, which recommended that the City pursue the generation of electricity from landfill gas in partnership with Greater Sudbury Hydro. A copy of the report to Council has been attached to this report. This proposal represented an opportunity for GSU to develop a green source of electricity for the City by utilizing a waste product of the landfill site. At the same time the City would benefit by receiving revenues from the sale of the landfill gas.

The construction of the Landfill Gas Collection System began in 2005 and was completed in January of 2006. At the current time the landfill gas is being flared or burned off. The data collected thus far confirms that the amount and quality of gas captured exceeds expectations.

As GSU and the City were finalizing the details of proposed agreements to be presented to Council, the project became more interesting from the perspective of GSU with the provincial announcement of a pending Standing Offer by the Ontario Power Authority. The details of the Standard Offer, as provided by GSU, are outlined in a subsequent section.

Discussions have continued between the City and GSU. This report sets out the key elements of the proposed arrangements between GSU and the City.

Use of the landfill site

Under the proposed arrangements, GSU or its subsidiary, 1627596 Ontario Inc. (Genco) would be authorized to construct a containerized power generating plant adjacent to the city's flare station. The power plant would be constructed by and at the expense of Genco, which would also be responsible for installing the associated infrastructure (hydro lines) and subsequently for maintaining the plant and infrastructure at its own cost.

Genco has agreed to take on the responsibility for obtaining the necessary Certificate of Approval from the Ministry of the Environment for the generation of electricity at the Sudbury Landfill Site. The City's Certificate of Approval for the Landfill Site allows for the capturing and flaring of the landfill gas. Genco would also be responsible for securing all necessary licences, permits and approvals to construct and operate the plant.

The city would be compensated for the use of the location at a market rent of \$1,500 per year. This amount would increase by \$500 per year every five years thereafter. It is not anticipated that there will be any additional costs to the city resulting from this proposed project.

The city would continue to be responsible for operating and maintaining its gas collection system at the landfill site in good working order. This system has been installed and is required whether or not the proposed power plant proceeds. The system will continue to flare off any surplus gas which cannot be used by this initial phase of the project.

It is projected that the power generating plant will reach capacity within the first five years. Once capacity is reached, the City will need to again continuously flare the surplus landfill gas. Once there is sufficient surplus gas generated to justify a second engine, the parties anticipate further discussions will take place to move ahead with a second phase. The current discussions and the proposed agreement, however, refer only to the installation of a single power plant at the landfill site. This would be sufficient to provide electricity to 1,200 homes in the minnow lake area.

Sale of Gas

The proposed power plant is dependent upon landfill gas to operate. It is proposed that the city sell to Genco, such quantity of landfill gas required to operate the one engine power plant at capacity. Estimates indicate that sufficient gas should be generated by the landfill site to permit the plant to operate at capacity within the first five years. The volume of gas is projected to continue to increase. The surplus gas will continue to be owned by the city and will be flared. As mentioned, once sufficient gas is generated to justify the construction/installation of a second engine, the parties will be able to discuss a second agreement. It is proposed that the agreement for the sale of the gas contain a form of right of first refusal to permit Genco the opportunity to negotiate an agreement for the purchase of additional landfill gas to power a second engine at the site. This will recognize the investment made by Genco, and reflect what is seen as the most effective use of this surplus landfill gas.

Date: December 6, 2006

The proposed price for the sale of the landfill gas is based on the quantity of gas generated using the landfill gas. Genco is proposing to enter into an agreement with the Ontario Power Authority to sell the energy for 11 cents per kilowatt hour.

The proposed selling price agreed upon by CGS and Genco is as follows:

The City would sell to Genco the landfill gas required to operate one engine at a base price of 3.8 cents per kWh of electricity produced plus the operating profit (before income taxes) generated by the Landfill Gas Power Plant in a given year, the sum of which is not to exceed the market value of the landfill gas based on market comparables in Ontario expressed in cents per kWh.

Based on this selling price the CGS is anticipating an annual revenue stream of approximately \$500,000 over each of the next 20 years based on cash flow projections prepared by Genco. This is contingent on the one engine operating at full capacity, and excludes any potential operating profits that may be received from Genco.

It is anticipated that the start date would be April 1, 2007 and if full production capacity could be achieved, the estimated revenue for the remaining nine months is approximately \$375,000.

In addition, the agreement would require that CGS and Genco review and evaluate the reasonableness of the base selling price (3.8 cents) before the end of each 5-year period.

Budget Impact

Since the City of Greater Sudbury is presently flaring the landfill gases, the only additional operating expense is an enhanced level of monitoring of the Collection System which is estimated to cost approximately \$20,000 to \$25,000.

It is recommended that the annual revenue be contributed to a new reserve to be established which could be used to fund "green" projects, or other initiatives, subject to Council approval.

The recommended application of the new revenue is as follows:

	2007 (estimate)	2008 and beyond (estimate)
Estimated revenue from Sale of Landfill Gas	\$375,000	\$500,000
Less: Additional operating costs	(\$25,000)	(\$25,000)
Contribution to new reserve for green / new initiatives	\$350,500	\$475,000

As you may know, environmental credits are available where green power is generated. The Province has advised that its Standard Offer to purchase green electricity will contain a requirement that these environmental credits flow to the government without compensation.

In order to permit the project as structured to proceed, the proposed agreement with Genco will have to provide for these environmental credits to flow through to the provincial government.

The City has proposed that the power plant be constructed and operational by about April 1st of 2007. For the project to start on that date, Genco has been authorized to engage in some site clearance and grading at the proposed location for the plant. In the event that Council chooses not to proceed with the proposed arrangements with Genco, there will be no adverse effect to the City.

The proposed term for the agreement to sell the landfill gas and to permit the construction and operation of the generating plant on the site has been set at 20 years. Although this is a longer term than the city typically enters, the Province has announced that participants in its Standard Offer program must enter a 20-year agreement to provide the electricity. Consequently, the city would agree to a 20- year term for the proposed agreement with Genco.

Conditions

Council previously entered into a Collaboration Agreement between the City, Sudbury District Energy Corporation (SDEC) and Toromont, to construct and operate a landfill gas power plant at the Sudbury Landfill Site and to supply electricity to the City at a negotiated price. SDEC has indicated by letter that it is prepared to release any rights it has. Any agreement with Genco company will be contingent upon that release being provided.

Standard Offer Program

The Standard Offer Program was developed by the Ontario Power Authority (OPA) and the Ontario Energy Board (OEB) to encourage and promote greater use of renewable energy sources, renewable energy facilities such as the Sudbury Landfill Gas Generation Project (SLGGP) contribute to a cleaner and healthier environment. The intent of the program is to make it easier for operators of small renewable energy generating facilities; those projects with a capacity of no more than 10,000 kw (10 megawatts) that are connected to a licensed distribution system at a connection voltage of not more than 50 kilovolts to contribute to Ontario's stressed electricity supply.

There are four requirements that must be met by applicants and evidence that the requirements have been met must be provided at the time an application is filed. The four requirements are as follows:

1. a completed connection impact assessment must be provided by the relevant Local Distribution Company (LDC)
2. applicants must state the category under the environmental assessment requirements of the MOE, and must provide evidence that any required environmental assessment is underway.
3. must provide evidence of their ownership or leasehold of the property on which the facility is built.
4. provide a letter of authorization allowing the LDC to release information relating to the applicant to the OPA.

Greater Sudbury Utilities through its affiliate 1627596 Ontario Inc. are at the advanced stages of meeting all of these requirements to qualify the (SLGGP).

The programs rules have established a market-based price of 11 cents per kilowatt hour (kWh) for electricity delivered plus a performance incentive for projects like SLGGP which can control their output to meet peak demand requirements reliably over time. The program contracts are subject to a 20-year life with provisions for price escalation to the base rates that are linked to the Consumers Price Index (CPI) in Ontario. Under the contract the OPA will pay amounts owing to SLGGP through the existing settlement mechanisms managed by the LDC.

The SLGGP has been planned over a twenty-year life and is supported by third party operations and maintenance contracts based on fixed prices with CPI escalation provisions after year five.

The program allows for facilities to be completed in two or more phases however, only those phases of a project that achieve commercial operation within three years of the contract date will be eligible to receive payments. The gas flow projections as developed by CRA Environmental Consulting Inc. indicate that sufficient landfill gas will only be available in year six to power an additional 1.6 megawatt generation unit. Due to this constraint the SLGGP will be limited to one generation unit of 1.6 megawatt and any future opportunities will be evaluated on a stand alone basis at that time.

Request for Decision City Council



Type of Decision									
Meeting Date	December 13, 2006			Report Date	November 27, 2006				
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Greater Sudbury Airport Expansion – Phase II

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<p>This recommendation provides \$50,000 in financial support towards a \$1.2 M Phase II expansion of the Greater Sudbury Airport. In the current year, \$25,000 would be advanced, leaving an uncommitted balance of \$355,505 in the 2006 Capital Envelope for future projects, The 2007 Economic Development Capital Envelope is scheduled to receive an allocation of \$589,470. A funding commitment of \$27,335 for other approved projects has already been earmarked against this capital envelope. This recommendation provides a further funding commitment of \$25,000 in 2007 to complete the financial support for this project in the second year.</p>	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>Whereas, City Council recognizes the significance of the Greater Sudbury Airport as a hub for commercial, private and institutional air traffic,</p> <p>And whereas City Council recognizes that its support for expansion of “airside” development will provide new employment and investment opportunities,</p> <p>Therefore, be it resolved that City Council support Phase II expansion of Greater Sudbury Airport expansion project through a financial contribution of \$50,000 from the Economic Development Capital Envelope, \$25,000 to be funded out of 2006 and \$25,000 out of 2007. Further, that this contribution be conditional on securing funding from senior levels of government.</p>
Recommendation Continued

Recommended by the Department Head

Doug Nadrozny
 Doug Nadrozny, General Manager
 Growth and Development Department

Recommended by the C.A.O.

Mark Mieto
 Mark Mieto
 Chief Administrative Officer



Date: December 13, 2006

Report Prepared By



Helen Mulc
Manager, Business Development

Division Review

Doug Nadorozny
General Manager, Growth & Development

Executive Summary

Greater Sudbury is one of Northern Ontario's busiest airports serving as a hub for local and regional carriers as well as private and institutional aircraft on a 24 hour per day, seven day per week basis. The mandate of the Greater Sudbury Airport Corporation (GSA) is to improve the quality of air transportation services and to market the airport as one of the economic development engines of the community.

The GSA is seeking to expand the general aviation and commercial apron area of the airport for the purpose of increasing the total area of the airport property including access to "airside" lease and revenue opportunities and continued development of hangar facilities. At this time, all available airside properties are fully occupied and current facilities are over extended. The creation of an "airside" commercial development area is critical to the Greater Sudbury Airport's business expansion efforts. Furthermore, creation of new jobs and investment in infrastructure will enable the GSA to diversify and expand its aviation base.

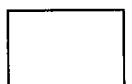
Background

In 2005, the Greater Sudbury Airport Corporation initiated a \$700,000 Phase I expansion of the airport encompassing improved taxi-ways, aprons and support facilities including the acquisition of a new fixed base operator (FBO) for the provision of enhanced fuel and maintenance services. Recently, the GSA Board of Directors committed a large parcel of land to a new company, Discovery Air Inc. for construction of a new hangar to support a diverse business program which includes Hicks & Lawrence and Great Slave helicopters. The Corporation is also negotiating with an executive charter company interested in establishing a stronger presence in Greater Sudbury.

The project will allow for the construction / modification of the property including:

- a new, paved aircraft apron of approximately 9084 sq. metres (200 m in length)
- apron edge lighting & floodlighting
- extension of a paved, two lane, landside, access road
- development of 10 new tie-down spaces for small aircraft
- relocation of power lines and installation of a subsurface storm drainage system
- demolition / relocation of an existing sand shed and installation of security fencing

With the recent announcement by Nav Canada of its intentions to close the tower in favour of a Flight Service Station, the benefits of heightened aircraft movement takes on an even greater importance. It is strongly believed that such "investment readiness" will spawn further development and position Greater Sudbury well into the future.



Date: December 13, 2006

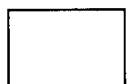
Budget

Greater Sudbury Airport Development Corporation	\$ 250,000
Greater Sudbury Development Corporation	50,000
Senior Government(s)	<u>900,000</u>
Total Project Expenditure	\$1,200,000

Summary

Greater Sudbury Airport is one of northern Ontario's busiest airports serving a hub for local and regional carriers as well as private and institutional aircraft. The mandate of the Greater Sudbury Airport Corporation is to improve the quality of air transportation services and to market the airport as one of the economic development engines for the Greater Sudbury community.

Attached is a detailed report that was presented to the Community Economic Development (CED) committee on September 29^h and later approved by the Greater Sudbury Development Corporation (GSDC) Board of Directors at their November 8th meeting. The report provides a detailed description of the project. The total cash value of the project is \$1,200,000 and the Greater Sudbury Development Corporation's proposed financial contribution of \$50,000 accounts for less than five percent (5%) of the total cost of the project.





Our files: 1070-30-02

DATE: July 31, 2006
TO: Helen Mulc
Manager of Business Development - GSDC
SUBJECT: **APRON III, PHASE II DEVELOPMENT**
GREATER SUDBURY AIRPORT

RECEIVED
AUG - 2 2006
GSDC

Please find enclosed a consultants report prepared by Pryde Schropp McComb Inc. related to the Greater Sudbury Airport (GSA) Apron III Phase II expansion.

The creation of an airside "commercial development" area is critical to GSA's business expansion efforts. At this time all available airside properties are fully occupied and in reality it is over extended.

Recently, the Board committed a large parcel of land to a new company, Discovery Air Inc, to construct a hangar to support their diverse business program which includes Hicks & Lawrence and Greater Slave Helicopters under their operating platform. To accommodate their operating requirements we must relocate the Sudbury Flying Club and the Eagle Flight Training to the Phase II expansion area. In addition, the GSA is negotiating with an executive charter company interested in establishing a greater presence in Sudbury to better serve their clients' needs. Given the strength of the economy we believe strongly that "investment readiness" will spawn further development and position us well into the future.

The creation of new jobs and investment in infrastructure will enable the GSA to diversify and expand its aviation base. With the recent announcement by Nav Canada of its intentions to close the tower in favor of a Flight Service Station as a result of a decline in aircraft movements, the benefits of heightened aviation activity takes on an even greater importance.

For the past year the GSA has been working together with FedNor and NOHFC on its application criteria for government funding to bring the Phase II expansion to fruition. Although we are still in the preliminary stages of the application process, as it stands now there are only three parties to the application. Since this initiative also has close links to the economic development efforts of the City we would request that consideration also be given by the Greater Sudbury Development Corporation to give their support to this project, either through direct financial commitments or other contributions. It is my understanding that both FedNor and NOHFC look favorably on joint ventures with multiple partners.

.../2

To this end, please review the enclosed information package to determine if this projects merits some consideration by the Greater Sudbury Development Corporation. I would suggest that it might be helpful if we hold a brief meeting to go over the project details. In light of the importance of this initiative to the airport, any support given by the GSDC would be greatly appreciated.

A handwritten signature in black ink that reads "Robert Johnston". The signature is written in a cursive style with a large, looped initial "R".

Robert Johnston
Chief Executive Officer
Greater Sudbury Airport

RJ:dm

cc: Doug Nadorozny



PRYDE SCHROPP MCCOMB INC.

July 18, 2006
File: 06799

BY COURIER & EMAIL

Sudbury Airport
Box 3014, 2621 Skead Road, Unit 2
Garson, ON P3L 1V4

Tel: 705-693-2514, Ext. 223
Fax: 705-693-2937
Email: bob.johnston@city.greatersudbury.on.ca

Attention: Mr. Robert Johnston, Chief Executive Officer

Dear Mr. Johnston:

**Reference: Greater Sudbury Airport
Apron III, Phase 2 FedNor Application
Project Description, Cost Estimate and Environmental Screening**

Further to your request, we are pleased to assist you in completing your FedNor application for Apron III, Phase 2 project. To this end we submit to you the following:

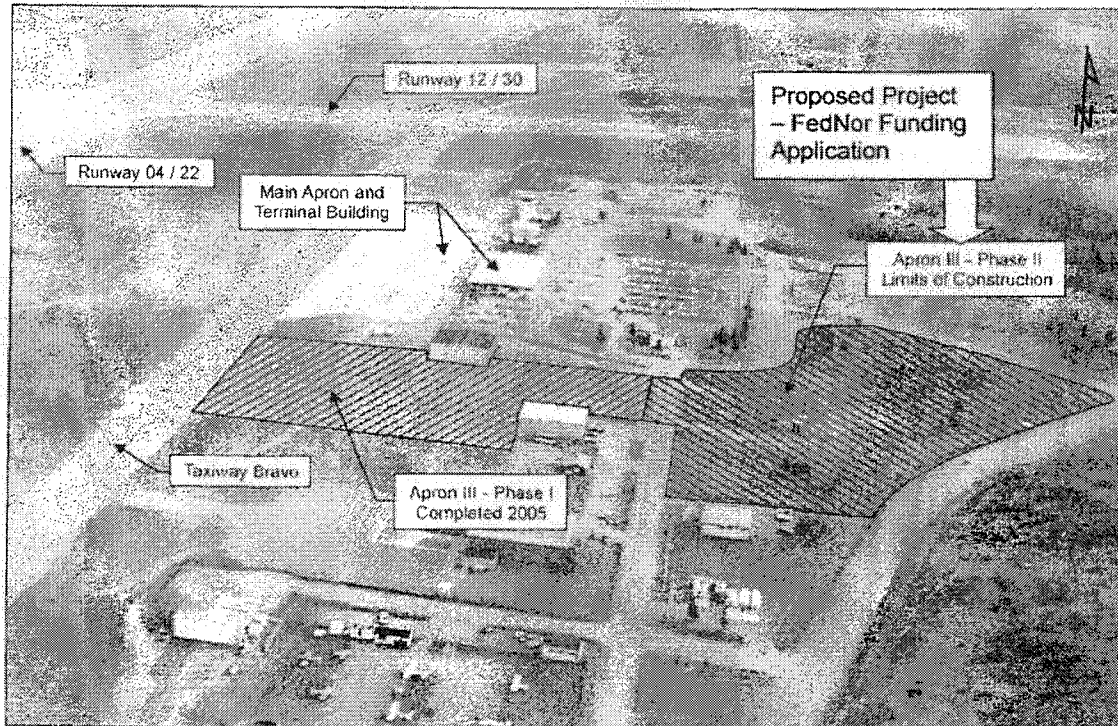
1. General Project Description
2. Preliminary Capital Cost Estimate
3. Preliminary Environmental Screening

These tasks have been completed in accordance with our approved terms of reference. Since being commissioned for this work, we have prepared variations to the project site plan and have consulted with you to ensure the scope properly addresses your long-term business/marketing strategies for this area. The attached Site Plan SP 1 (Revision 2) reflects the resulting preliminary preferred layout for the site.

1.0 PROJECT DESCRIPTION AND RATIONALE

The following aerial photo shows the location of the project which has been title "**APRON III PHASE 2**" for the purpose of this application. The project is located just southeast of the existing Airport Terminal Building and Parking Area and connects directly with the existing Apron III Phase 1 which was recently expanded and rehabilitated in 2005. The following provides a general description of the project development area and project elements:

Reference: **Greater Sudbury Airport
Apron III Phase 2, FedNor Application
Project Description, Cost Estimate and Environmental Screening**



1. The project area is comprised of gravelly soils overlain with a thin layer of organic topsoil/grass. There are small groups of trees. The site is very flat sloping generally from north to south with an average slope of about 1.0 to 1.5%. The site is well drained given the highly permeable gravelly soils combined with the positive slopes.
2. An existing Sand Shed is located centrally as shown in the aerial photograph above. This Sand Shed would be demolished/relocated as part of the project.
3. The project airside components are comprised of asphalt paved taxilanes and apron areas and have been designed to comply with the latest (TP312, 4th Edition.) Transport Canada standards and recommendations.
4. The airside components have been integrated and connect to the existing Apron III Phase 1 area as shown in the photograph above. The connection efficiently extends the existing general aviation apron and associated hangar development areas.
5. The turning area at the end of the apron was appropriately sized to accommodate a 180° turn for most typical Code A and Code B light single and twin engine aircraft. It will also provide snow dump areas during winter clearing operations.

July 18, 2006

Mr. Robert Johnston, Director of Airport Services, City of Greater Sudbury

Page 3 of 5

**Reference: Greater Sudbury Airport
Apron III Phase 2, FedNor Application
Project Description, Cost Estimate and Environmental Screening**

6. The project layout was designed to maximize the potential for commercial lots to the south of the proposed taxiway/apron extensions and the general aviation tie-down spaces to the north. A primary objective was also to continue the line of hangar development on the north side from Units 6 and 27. Refer to the attached drawing SP1 for the proposed layout details.
7. The commercial lots on the south side were sized to accommodate medium sized commercial hangars/offices with both landside and airside connections. The aircraft parking areas on the northside would permit up to 9-10 tie down spaces for small general aviation single and twin engined aircraft. Parking for aircraft Owners would be supported using existing Airport parking facilities.
8. Groundside access is made available via an extension off an existing internal road system. This extension is routed along the southern limits of the proposed commercial lots, and terminates with a cul-de-sac at the east end of the commercial lots.
9. Water and sanitary services would be extended along the new road extension connecting to existing services. The watermain would be connected at two locations to permit looping and avoiding any dead-end terminations.
10. Power lines run through the project area and will require relocation as part of the project. Furthermore, servicing for the new commercial lots can be easily accommodated by the existing power lines in the area. Other utilities including communications, gas etc. can easily be extended along the new access road.
11. The airside pavements have been based on the same pavement design which was used for Apron III Phase 1. The ground conditions in area of the project do not differ significantly from that of Phase 1 and the aircraft mix will not vary from that anticipated for Phase 1. As such it was considered reasonable to apply the same pavement design.
12. To comply with airport security regulations, the site would be enclosed with a 2.4m high security fence including 3 strands of barbed wire along the top. Access to the airside would be controlled similar to how access is now gained to Apron III Phase 1. Securely gated entrances are also proposed for the project as shown on SP1.
13. The airside surfaces for the project will be lighted with arpon edgelighting and/or floodlights to comply with Transport Canada illumination standards. Furthermore, line markings and signage would also comply with Transport Canada standards for all airside areas.
14. All undeveloped area of the project shall be restored with topsoil and seed to ensure they are re-vegetated.
15. The project does not include any construction of hangars.

Reference: **Greater Sudbury Airport
Apron III Phase 2, FedNor Application
Project Description, Cost Estimate and Environmental Screening**

2.0 PROJECT CAPITAL COST ESTIMATE

Attached to this letter at Table 1 is a preliminary capital cost estimate for the project. The following assumptions have been made:

1. This is a preliminary cost estimate and is based on preliminary engineering conceptual design details. As such a contingency of 15% is recommended as shown in Table 1.
2. Construction costing data is based on recent tendered unit prices for the Apron III Phase 1 project completed in 2005. Given the rise in oil prices, we have indexed the asphalt prices to reflect the current higher trends in asphalt work in the industry.
3. The cost estimate reflects the scope of work described above under Section 1.0 and the attached Site Plan SP1.

Based on the above, the total develop cost for the project is estimated at \$1,191,500 in 2006 Canadian dollars. This represents a normalized cost of \$41.08 /sq. m. In comparison, the costs to rehabilitate and expand Apron III Phase 1 in 2005 was \$39.06/sq.m. The difference in costs can be attributed to the need to relocate the existing Sand Shed and more significant utility work i.e. relocating power lines, extending water and sanitary services. Furthermore, construction costs in general regionally, provincially and nationally have trended higher over the last 2-3 years which has also been reflected in our estimates.


3.0 PROJECT ENVIRONMENTAL SCREENING

In accordance with the FedNor funding requirements, the project was subjected to an environmental screening process compliant with the requirements of the Canadian Environmental Assessment Act (CEAA). Attached to this letter is the completed screening report. Subject to the project complying with the mitigations and monitoring recommended in this report, there are no significant environmental impacts anticipated.

Should you have any questions related to the above or the attachments, please do not hesitate to contact the undersigned.

Sincerely,

PRYDE SCHROPP McCOMB, INC.



Bernhard G. Schropp, P.Eng.
Vice-President

July 18, 2006

Mr. Robert Johnston, Director of Airport Services, City of Greater Sudbury

Page 5 of 5

**Reference: Greater Sudbury Airport
Apron III Phase 2, FedNor Application
Project Description, Cost Estimate and Environmental Screening**

Enclosures:

1. Drawing SP1 – Project Site Plan (Revision 2) – Four (4) copies
2. Table 1 – Preliminary Project Capital Cost Estimate – Four (4) copies
3. Environmental Screening Report – Four (4) copies

\\Pe-server01\PSMI\PSMI-Operations\Working_Files\Projects\06799 Sudbury Airport Apron III Phase 2\Fednor Application\06799 le johnston\j l ogs 071106.doc

