

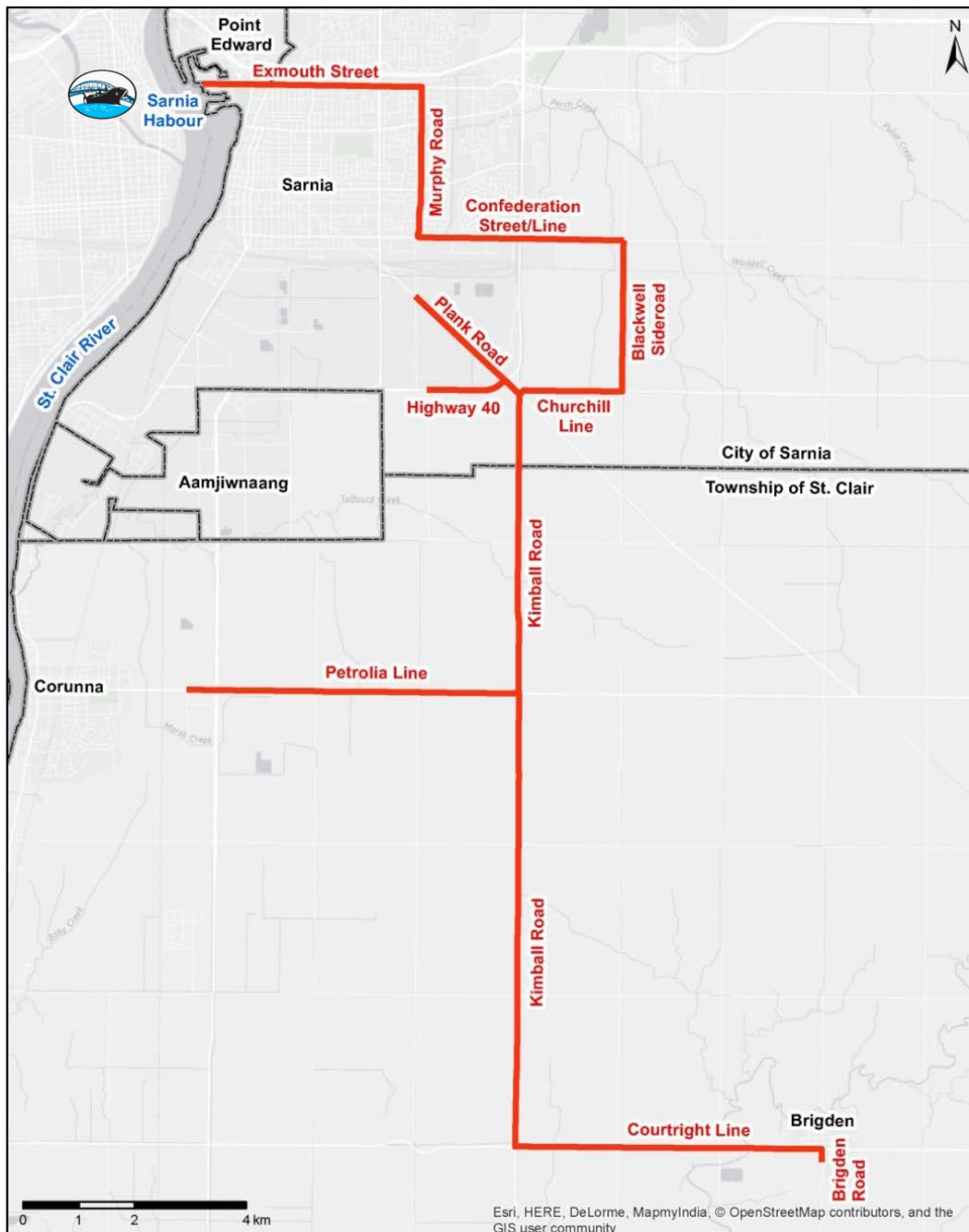
SARNIA-LAMBTON OVERSIZED LOAD CORRIDOR



Oversized Load Corridor

The proposed Oversized Load Corridor (OLC) is a designated protected route on existing roadways connecting fabricators to the Port of Sarnia for the unimpeded import/export and trans-shipment of oversized product to and from fabricators' locations and Sarnia-Lambton's industrial base.

Clear passage preserved along this route will improve the competitiveness of local fabricators and large industry by reducing shipping costs, creating new jobs, and increasing the potential for the export of valuable locally manufactured vessels, reactors and modules. This route is optimized for cost, connection to a port and service to area fabricators. The route is 26.7 km in length.



Local Support

The Oversized Load Corridor Project has broad local support from:

- The City of Sarnia, St. Clair Township, and the County of Lambton
- Sarnia-Lambton Economic Partnership (SLEP)
- Sarnia Lambton Chamber of Commerce
- Sarnia & District Labour Council
- MP Marilyn Gladu
- MPP Bob Bailey
- The Honourable MPP Monte McNaughton
- Sarnia Lambton Industrial Alliance (SLIA)
- Large Petrochemical and Refining Industries throughout Sarnia-Lambton
- Local Fabrication and Manufacturing Private Industries

What is the Sarnia Lambton Industrial Alliance?

The Sarnia Lambton Industrial Alliance (SLIA) is an incorporated not-for-profit industry association of primarily locally owned small to medium sized enterprises, managed by a volunteer executive. The Alliance is currently composed of over 35 fee paying member companies who employ over 2,600 people and is dedicated to helping members identify and capture new business opportunities and address issues that may impede such business opportunity. Members include industrial fabricators, machine shops, engineering firms, environmental service firms, and water & wastewater treatment companies.

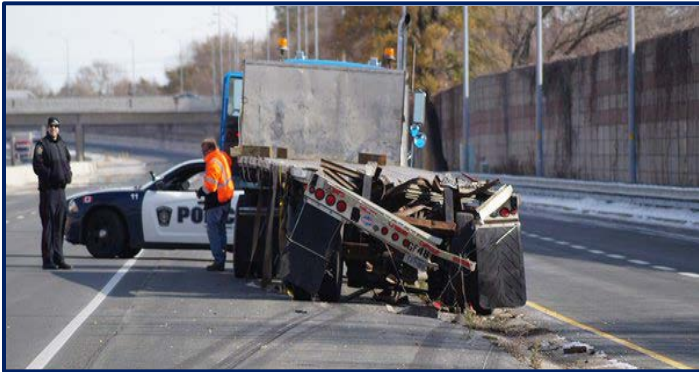
The Project is a Match to Grow Sarnia-Lambton Manufacturing

Sarnia-Lambton fabrication shops are an exact match to the demands of Alberta, the East Coast, the US Gulf Coast, and International markets. Billions of dollars in fabrication contracts will be outsourced annually over the next 25+ yrs. Custom built modules are the “building blocks” of modern energy complexes worldwide. Each module has a value of \$250,000 to \$1,500,000 to build, and 50% of this cost is direct high skilled labour. Sarnia-Lambton has a well-established complete supply chain in place to support the manufacturing of such modules and other large products.



Reduce Risk & Maximize Efficiency

Fabrication companies are all located within a few kilometers of the St. Clair River and the deep water Port of Sarnia, which has capacity for international imports and exports. The Port of Sarnia is owned and managed by The Corporation of the City of Sarnia. The port is actively maintained to conform to current St. Lawrence Seaway shipping standards, and has the capacity to handle the loads. Due to low utility lines and tight corners, etc., moving oversized loads to and from the Port of Sarnia can be extremely expensive and slow. As a consequence, exports are not as competitive as they could be with an established OLC. Lack of a designated route can also prove to be dangerous and costly to fabricators and taxpayers, as seen in the example below.



Highway 402 Overpass at Indian Road - Sarnia, ON, November 23, 2015

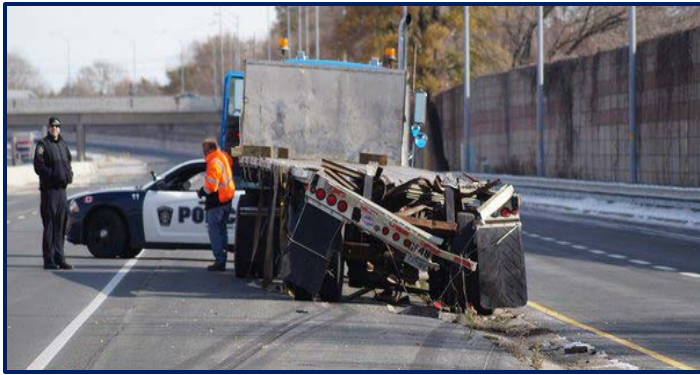


Damage to Provincial Infrastructure:

- *\$544,000 paid by Province for repair*
- *Closed Hwy 402 for 72 hours; causing re-routing of 20,000 vehicles per day*
- *6-month duration of repair to overpass with lane closures & restrictions on Hwy 402 eastbound*



Oversized Load displaced in the accident



*Highway 402 Overpass at Indian Road -
Sarnia, ON, November 23, 2015*

Link to News Article:

<https://www.theobserver.ca/2016/03/11/indian-road-overpass-reconstruction-to-cost-554000-mto/wcm/463573f2-63cc-b911-852f-e67a3839261b>

Questions and Answers

Q Will jobs be created/maintained?

A 2613 FTE jobs are forecast to be created by this project.

Q How much will it cost?

A The OLC has an estimated cost of \$12M (as of 2015) including improvements to the Port of Sarnia. Delays in construction will increase costs.

Q What are the benefits?

A The implementation of the OLC will create an additional \$263M in Gross Domestic Product, and \$21.4M government tax revenues.

Q What has been the local financial support to date?

A \$225,000 for studies has been raised from SLEP/SLIA members, Private Industry, the City of Sarnia, the County of Lambton, the Province of Ontario and industry members. Additionally, there has been \$6,000,000 in committed funding identified through the project partners, including the City of Sarnia \$4,715,000, the County of Lambton \$1,200,000, the Township of St. Clair \$75,000, and the Sarnia-Lambton Industrial Alliance \$10,000.

Q What studies have been completed in support of the OLC?

A An engineering study completed by MIG Engineering Limited and a Business Case Analysis completed by Canadian Pacific Consulting Services (CPCS) have provided estimates of project cost and project benefits.

Q What improvements are planned for the Port of Sarnia as part of the OLC project?

A The "Mini-dock" at the end of Exmouth St. will be extended and improved to add capacity for both crane (shipboard or on shore) as well as "roll-on/roll-off" loading and unloading at this facility. The cost of these improvements are estimated at \$5.1M, including engineering, contingency and project management.



The OLC will have a Positive Impact

- Exporters will be more competitive
- Increased skilled trades employment will result in economic benefit with a 7X multiplier effect.
- Shipping will be less costly for existing industry to import large equipment to maintain and expand current facilities in the area.
- Local industry will be more competitive, efficient and better able to attract additional corporate investment.
- Increased port activity both nationally and internationally
- Increased public safety.
- Reduced public inconvenience.

Minimizing Potential Impact of Shipping Route

- No environmental impact is expected because large modules are not hazardous.
- Streamlining oversized product through the City of Sarnia, St. Clair Township, and Lambton County
- Policies and operational procedures will be established to minimize disruption on businesses and traffic movement.

Business and Community Benefit

- Significant reduction in cost to ship oversized equipment – more contracts – more direct jobs – more spin off jobs.
- Reduces the cost of equipment coming in for new and expanding facilities such as NOVA and CF Industries.
- Reduced delays in permit issuance for oversize load transport
- Loads will move more efficiently through the community – reduce disruption to residents.
- Designated route will increase safety.



What is Needed?

- Provincial recognition, prioritization, and commitment to funding 50 to 70% of the project.
- Matching Federal Infrastructure Funding
- Provincial agreement to partner with Local Municipalities and the Federal Government to fund components of the Corridor Project.

Location Map of the City of Sarnia and the County of Lambton



Sarnia-Lambton Fast Facts:

- Large Petro-chemical and associated manufacturing in Sarnia-Lambton supports 5,530 direct jobs with wages of \$540,176,000. (Average \$97,681) and sales of \$21,451,000,000.
- Support industries serving the manufacturing sector in Sarnia-Lambton supports 3,468 direct jobs with wages of \$267,508,000 (average \$77,136) and sales of \$1,450,000,000.