



Economic and Rural Development and Tourism
Office of the Minister

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MAR 27 2014

Warden Diana Brothers
Municipality of the County of Kings
87 Cornwallis Street
PO Box 100
Kentville, NS B4N 3W3

30582

Dear Warden Diana Brothers:

As you know the province and the Municipality of Kings County (MOK) share a strong desire to make conditions right for a future expansion at the Michelin plant in Waterville. In my last letter sent to you on January 31, 2014, I outlined a response to MOK's proposal for a transaction involving airport lands. That response also described how the province views its role moving forward with respect to airport relocation. Since then, MOK voted to close the airport and some discussion among stakeholders that has shifted to compensation and relocation costs. Some may be looking to the province to fund those costs. At this point, I feel it is important to clarify ERDT's position with respect to those matters.

ERDT's view is that MOK owns the airport and is responsible to address any and all issues regarding compensation and relocation costs. Clearly those are issues for MOK and its stakeholders; the province has no direct role or responsibility to address them.

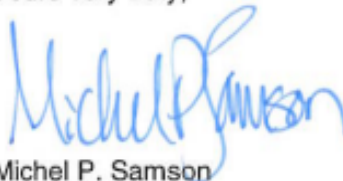
Also with respect to airport relocation my letter stated, "... the province cannot commit to making a contribution toward relocation costs without the benefit of a detailed assessment, including the business case. The province will reserve a decision on making a contribution until such an assessment is complete." Given some of the discussion that has occurred recently, I want to clarify that statement to ensure that expectations do not exceed ERDT's intent. While we reserve a decision on contributing to airport relocation costs, I do not envision any circumstances whereby the province would be the major financial contributor to building a new airport. To be clear, a provincial contribution, if any, would be significantly less than any of the estimates published in the CBCL study that was released last year. A credible funding proposal to the province for an airport relocation project should show that others, possibly private sector interests, are willing to fund the majority of costs and that a sound business case exists to support the investment.

...2/

Warden Diana Brothers
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To help MOK conduct a business case assessment, ERDT will contribute up to fifty thousand dollars (\$50,000) toward the cost of the study; subject to confirmation of the terms of reference and appointment of a qualified consultant. I hope that clarifying these issues now will allow us to proceed expeditiously in achieving our shared goals to facilitate this important economic opportunity for Kings County. I am available if you would like to meet to further discuss these matters and consider options to facilitate a future Michelin expansion.

Yours very truly,



Michel P. Samson
Minister

- c. Honorable Leo A. Glavine, MLA, Kings West
Keith Irving, MLA Kings South
Simon d'Entremont, Deputy Minister, ERDT
Chris Daly, Associate Deputy Minister, ERDT
Bruce Osborne, Investment Manager, ERDT

THE COMMITTEE OF THE WHOLE
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April 15, 2014

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| c. March 31, 2014 Budget – to be circulated | |
| d. April 7, 2014 Budget – to be circulated | |
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| d. 03-31-2014-Kings Citizen Coalition-council participation | |
| e. 03-31-2014- LeBlanc re Dixie Lane | |
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