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## Request for Expressions of Interest (RFEOI):

### Sheerness Industrial Park: Opportunity Development

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The Special Areas Board is looking to secure Expressions of Interest from business entities seeking to invest and/or develop within the Sheerness Industrial Park located in Special Area No. 2.

This opportunity is open until **March 22, 2024**, and includes significant financial and servicing incentives, including discounted land costs, preferred servicing rates, access to licensed raw water, and a streamlined development process. Additional site infrastructure and amenities are provided in **Section 3 of this document**.

#### Process

The Special Areas Board (SAB) is requesting Expressions of Interest (EOI), detailed proposals are not required at this time. The review committee will screen submitted Expressions of Interest based on eligibility criteria. The RFEOI process marks the preliminary phase aimed at compiling a list of feasible projects. This step establishes a foundation for the Special Areas Board to initiate exploratory discussions, which are expected to lead to early-stage agreements.

#### Submission Information

The EOI must address all the necessary information outlined in this request form. Submissions must be written in English and may be submitted via mail or electronically.

**The EOI must be received by no later than 2:00 pm on March 22, 2024**

Submissions must be submitted to:

Harvest Sky Economic Development Corporation  
Box 1255; Hanna, AB; T0J1P0  
Attn: Mark Nikota, Economic Development Manager  
email: [mark.nikota@harvestsky.ca](mailto:mark.nikota@harvestsky.ca)

#### Information Session

An information session has been scheduled to provide an opportunity for questions or clarification regarding this RFEOI.

Date: March 11, 2024  
Time: 1:00pm  
Location: video conference - Microsoft Teams Meeting

#### Contact Information

For more information or to register for the information session, contact Lonni Schultz at [Lonni@sum72.com](mailto:Lonni@sum72.com)

#### Deadline for Questions

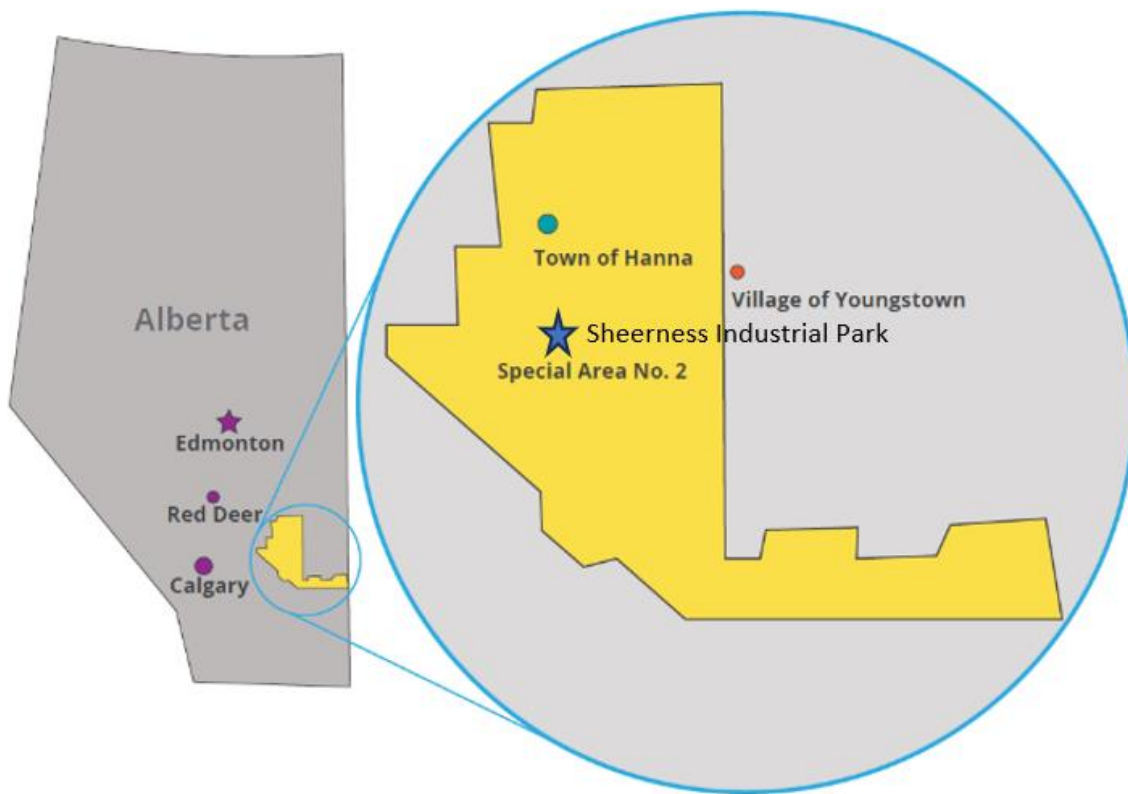
Deadline for questions is March 18, 2024.

# 1. Introduction

The Harvest Sky Region, located in eastern Alberta, includes the Town of Hanna, the Village of Youngstown, and the surrounding rural municipality that is managed by the Special Areas Board (SAB). SAB has identified priority areas for economic growth that include goals and policies which are designed to ensure that development occurs in appropriate locations and in beneficial ways that align with the community's long-term interests. The region is focused on economic development, attracting investment, fostering business growth, and enhancing the quality of life for residents.<sup>1</sup>

A key component of the region's economic strategy is the development of the Sheerness Industrial Park that is situated south of Hanna. The industrial park is designed to support business development by offering large lots and essential infrastructure at attractive prices. The focus is on welcoming a diverse range of commercial and industrial activities, with the goal of driving long-term economic growth and creating new job opportunities in the area.

Figure 1: Map of the Harvest Sky Region (Sheerness Industrial Park denoted by blue star)



<sup>1</sup> Special Areas Board, Municipal Development Plan. 2021.  
<https://sh6e03.p3cdn1.secureserver.net/wp-content/uploads/2022/05/Special-Areas-Municipal-Development-Plan-23Feb2021.pdf>

## 2. Objective

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As part of their mandate to attract investment to the Town of Hanna and Special Areas No. 2, the Harvest Sky Economic Development Corporation (Harvest Sky EDC), in cooperation with Special Areas Board (SAB), has released this document, the Sheerness Industrial Park: Opportunity Development, Request for Expressions of Interest (RFEOI).

The purpose of this RFEOI is to gather non-binding expressions of interest from commercial and industrial developers interested in the opportunities at Sheerness Industrial Park. This step is designed to highlight the park's assets and economic potential, setting the stage for meaningful discussions that aim to lead to initial agreements, thereby advancing the development process within the park.

To demonstrate their commitment to the RFEOI process, the Special Areas Board is extending significant financial and servicing incentives, including discounted land costs and preferred servicing rates to qualifying entities that participate in this RFEOI process.

## 3. Sheerness Industrial Park Value Proposition

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The Sheerness Industrial Park is strategically located in eastern Alberta, offering direct access to major transportation routes and critical industrial infrastructure. The park spans over 320 acres, with flexible parcel sizes available to accommodate a wide range of activities. The site is an optimal setting for production-focused enterprises and industrial activities, and offers the following attributes and amenities:

### Streamlined Development Process

The Special Areas Board has approved the Area Structure Plan (ASP) and the park has been zoned for Rural-Industrial development. The ASP document, available on the SAB website provides clarity to developers and project investors.<sup>2</sup>

Additionally, the Special Areas Board has proactively obtained environmental permitting related to historic resource clearance and completed a wetland study. The work done to date will serve to streamline the approval and development process for developers at the park.

### Infrastructure

Industrial infrastructure at the Sheerness site includes:

- Less than 10km from the NGTL natural gas transmission system.
- Adjacent to multiple 240kV electrical transmission lines.
- Proximity to large substations.
- Access to three-phase power (fall 2024).
- Potential for Carbon Capture and Storage (CCS).
- Licenced industrial raw water

A geospatial mapping tool that identifies key infrastructure in the region can be accessed on the Harvest Sky EDC's website.<sup>3</sup>

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<sup>2</sup> <https://specialareas.ab.ca/invest/sheerness-industrial/>

<sup>3</sup> Interactive infrastructure map can be found by clicking [here](#) or under the "Doing Business" tab of the Harvest Sky EDC's website

### Logistics and Transportation

The Harvest Sky Region is centrally located in relation to the major centers of Calgary, Red Deer, Edmonton and Medicine Hat. The Sheerness Industrial Park is located in close proximity to the major transportation corridors of highway 9 (traveling east and west) and highway 36 (traveling north and south) which is a designated high-load corridor connecting the US border to Fort McMurray.

### Industrial Water

The Sheerness Industrial Park boasts a strategic advantage with its proximity to an underutilized license for water sourced from the Red Deer River. With plans to construct a 250,000 m<sup>3</sup> water reservoir, the park offers a valuable asset in an era where securing industrial water is becoming increasingly challenging.

### Land Pricing

Land within the Sheerness Industrial Park has been attractively priced at \$2,000 an acre. This preferred pricing is available to qualifying entities that submit an Expression of Interest through this procurement process.

### Tax assessment

Special Areas No. 2 property tax rates are competitive with other regions of the province. The 2023 mill rate for non-residential properties was 13.96 (comprised of a 9.7503 municipal portion and 4.2097 provincial requisitions).

The region's highly affordable land can result in a lower total tax assessment as compared to other regions of the province. This presents an additional cost advantage for business entities located at the Sheerness Industrial Park.

The Sheerness Industrial Park offers a rare and valuable opportunity for industrial developers and businesses eager to capitalize on a region poised for significant growth. For further details and resources, interested parties are encouraged to visit the Special Areas Board website, where comprehensive information about this unique investment prospect is available.<sup>4</sup>

## 4. Natural Resources and Regional Strengths

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The Harvest Sky Region seeks to generate a wide range of economic development activity that not only capitalizes on existing assets but also expands into new sectors and further diversifies the local economy. The following section is intended to provide potential developers with a brief overview of the Harvest Sky Region's natural resources, established industries, and pre-existing value chains. These are assets that can be leveraged to support development at the Sheerness Industrial Park.

### Energy

In terms of GDP contribution, the energy sector has historically been the predominant industry in the Harvest Sky Region.<sup>5</sup> In 2022, the Harvest Sky region produced 903.2 million m<sup>3</sup> of natural gas (ranking

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<sup>4</sup> <https://specialareas.ab.ca/invest/sheerness-industrial/>

<sup>5</sup> Agricultural Center Business Case, SUMMIT72. 2021. Report can be accessed here: <https://harvestsky.ca/wp-content/uploads/2022/05/Agricultural-Center-Business-Case-December-2021-compressed.pdf>

20<sup>th</sup> in the province).<sup>6</sup> The Sheerness Generating Station, located 5 km from the Sheerness Industrial Park, is also a major economic contributor in terms of jobs and GDP.

More recently, the renewables sector has been gaining an increasingly large presence in the region. Currently, there is over 1200 MW of wind generation projects online within the Special Areas, and a similar amount of wind and solar projects in the permitting process.

### **Power Infrastructure and Grid Access**

Situated in close vicinity to multiple 240kV electrical transmission lines, as well as large substations, the Sheerness Industrial Park provides the dual advantages of facilitating ease of energy export to the grid for power producers and ensuring a stable power supply for energy-intensive industrial processes. A detailed power infrastructure map is provided in Appendix A.

### **Agriculture**

Another prominent sector in terms of economic contribution is agriculture. The region's economy benefits from agriculture through the creation of jobs both directly on farms and indirectly in the sectors that provide agricultural inputs, machinery, and other goods and services.

There are over 300,000 acres of cropland in the Harvest Sky Region, with wheat, barley, canola, and oats being the predominant crops. 13,000 acres of irrigated crop and forage production is located in close proximity to the Sheerness Industrial Park. Livestock production in the Harvest Sky Region is significant with over 1.6M acres of pasture land, ranking 2<sup>nd</sup> in the province, and over 138,000 head of cattle which ranks 8<sup>th</sup> in the province. Cattle operations in the region are also significantly larger than the average cattle operation in the province. For example, the region ranks 8<sup>th</sup> in the province in terms of average number of livestock head per cattle operation at 395 (as compared to the provincial average of 256 head per cattle operation).<sup>7</sup>

### **Mining**

The Sheerness mine, owned and operated by WestMET Ag, identified significant reserves of humalite, a type of oxidized lignite coal with applications in agriculture.

Humalite is a high-quality soil amendment product with numerous agricultural applications. The product is valued for its low heavy metal content and certified organic status that offers a sustainable option for crop nutrition. WestMET Ag states that there are millions of tonnes of humalite reserves at the Sheerness mine that can support the Canadian agricultural industry for over a century.

### **Carbon Capture and Storage**

The Sheerness Industrial Park is located above the Basal Cambrian Sandstone formation. Preliminary geological review indicates that the region has the capacity for sequestering carbon dioxide (CO<sub>2</sub>). The Government of Alberta has issued carbon sequestration rights through a competitive process that, where feasible, would enable sequestration of captured CO<sub>2</sub> from various emissions sources.

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<sup>6</sup> <https://regionaldashboard.alberta.ca/region/special-area-no-2/natural-gas-production/#/?from=2018&to=2022>  
And <https://regionaldashboard.alberta.ca/region/special-area-no-2/well-count/#/bymunicipality>

<sup>7</sup> Agricultural Center Business Case, SUMMIT72. 2021. Report can be accessed here:  
<https://harvestsky.ca/wp-content/uploads/2022/05/Agricultural-Center-Business-Case-December-2021-compressed.pdf>

One nearby example is the Battle River Carbon Hub which has received approval to begin exploring how to safely develop CO2 storage in the Basal Sandstone reservoir.<sup>8</sup>

The Sheerness Industrial Park falls within these existing sequestration tenured lands. See Appendix B for a map of all tenured lands in the province.

There is one previously producing natural gas well located within the Sheerness Industrial Park with a total depth of 1200 meters which may be amenable to small scale CO2 sequestration.

### Labour Workforce

The Harvest Sky Region has a trained workforce that is comparable to major centers in Alberta. According to Census data, 47% of the people have obtained a post-secondary, certificate, diploma, or degree. This is on par with the level of post-secondary training in Medicine Hat (47%) and only moderately lower than the major centers of Edmonton and Calgary (57% and 60% respectively).<sup>9</sup> The level of post-secondary education in the Harvest Sky region is indicative of a population which has acquired the skills and training that matches the opportunities available in the region.

The Harvest Sky region has a lower cost of labour in comparison to major centers in the province of Alberta. The median annual employment income in the Harvest Sky region is \$34,922, which is significantly lower than Calgary at \$43,651 and Edmonton at \$43,069.<sup>10</sup>

The Harvest Sky EDC commissioned a workforce study in 2021. This document provides more information on the region's skilled workforce.<sup>11</sup>

### Community Amenities

The Harvest Sky Region features a number of attributes that not only enhance the quality of life but also position the area as an attractive locale for businesses and industries looking to locate in the region. This includes:

- Quality housing at affordable prices.
- High-speed, fibre optic internet.
- Range of accessible healthcare options.
- Excellent schools with small class sizes.
- First-class recreation and sporting facilities.

With the regional assets outlined above in mind, this RFEOI invites investors to consider both conventional and creative avenues for development. This inclusive approach aims to leverage local competitive advantages while remaining open to innovative ideas that can advance the region.

## 5. Development Opportunities

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The Harvest Sky EDC has completed extensive regional assessments and market research activities that have spotlighted key areas of opportunity. While the list is by no means exhaustive, a sample of potential opportunities that leverage regional strengths have been provided below:

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<sup>8</sup> Government of Alberta, Carbon capture, utilization and storage – Carbon Sequestration Tenure. <https://www.alberta.ca/carbon-capture-utilization-and-storage-carbon-sequestration-tenure>

<sup>9</sup> Statistics Canada, 2016 Census. Accessed 09/03/2022.

<sup>10</sup> Statistics Canada, 2016 Census. Accessed 09/03/2022.

<sup>11</sup> Harvest Sky Labour Study, Applications Management. 2021

<https://harvestsky.ca/wp-content/uploads/2022/02/Harvest-Sky-Region-Labour-Study-Dec-2021.pdf>

## Energy and Sustainability

- **Independent Power Producers:** The region is equipped with essential infrastructure including grid access and proximity to the NGTL natural gas transmission system, enhancing the feasibility for various energy projects including renewables, gas-powered generation, cogeneration, and battery storage. The 800 MW Sheerness Generating Station and regional renewable projects serves as a proven model of the region's capability.
- **Hydrogen Production:** The Southeast Alberta Hydrogen Roadmap identified the need for the development of rural “Last Mile” hydrogen fueling depots in conjunction with hydrogen development.<sup>12</sup> The intersection of heavy haul routes highway 9 and highway 36 have been identified as an ideal hydrogen fueling location. In addition to the potential for regional hydrogen demand, the Sheerness Industrial Park offers the key infrastructure required for hydrogen production, including power, natural gas, and CO2 sequestration potential.
- **Cleantech:** Carbon Capture and Storage is a key technology in advancing cleantech initiatives and supporting industrial development by significantly reducing CO2 emissions from industrial processes. The region’s favourable geology and strengths in the energy sector can support such initiatives.

## Agriculture

- **Livestock Feed Processing:** Capitalizing on local dryland and irrigated crop production to reduce transportation costs and enhance economic viability, a livestock feed processing plant could significantly benefit from the proximity to raw materials and livestock herds.
- **Value-Added Beef Production:** With local beef production as a cornerstone, the potential for establishing slaughter facilities is bolstered by industrial water availability and sparsely populated region around the Sheerness Industrial Park.
- **Innovative Agriculture Practices:** Opportunities for vertical farms and greenhouses are supported by access to three-phase power at the Industrial Park and the region’s high solar intensity.

## Industrial Development

- **Humalite Products:** humalite, which has a range of agricultural benefits as a soil amendment product, presents an opportunity for further development and value addition.
- **Fertilizer Production:** With access to natural gas and industrial water, the region is well-suited for nitrogen-based fertilizer production. The potential for carbon capture and storage and blending with humalite adds to the attractiveness for new facilities.
- **Utilization of Fly Ash:** The availability of fly ash located at the formerly coal fired Sheerness Generating Station opens up possibilities for use in green construction materials development at the Sheerness Industrial Park.

Development at the Sheerness Industrial Park is not constrained to the above sectors. The focus of this Request for Expressions of Interest is on welcoming a diverse range of commercial and industrial activities,

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<sup>12</sup> Southeast Alberta Hydrogen Roadmap. 2022.

[https://transitionaccelerator.ca/wp-content/uploads/2023/05/TA-Report-4.3\\_Towards-Hydrogen-A-Hydrogen-HUB-Feasibility-Study-for-Southeast-Alberta-1.pdf](https://transitionaccelerator.ca/wp-content/uploads/2023/05/TA-Report-4.3_Towards-Hydrogen-A-Hydrogen-HUB-Feasibility-Study-for-Southeast-Alberta-1.pdf)

and inviting developers to envision their projects within the framework of the Harvest Sky Region's rich resources and industrial landscape.

## 6. Submission Guidelines

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Interested parties are requested to submit their Expression of Interest (EOI). Submissions should be 5 pages or less (not including appendices). Expressions of Interest should contain the following information:

### Organization Profile

Brief overview of the company, including business activities, history, and achievements. Provide examples of experience within the past 10 years on projects of similar scale and scope.

### Project Description

Provide a description of the proposed development, including objectives, and expected outcomes. Outline the project's alignment with regional assets and natural resources. Submissions should outline any incentives which should be offered by the Special Areas Board to support this development.

### Economic Impact

Provide an assessment of the project's potential economic contributions. This should include estimates related to the initial capital investment, and ongoing operational impact such as full-time jobs and/or annual revenue estimates. High-level estimates are acceptable.

### Implementation Plan

Development timeline, key milestones, labour estimates, and infrastructure requirements.

### Financial Summary

Where possible, provide evidence of financial capacity and funding strategy. If desired, financial statements and/or forecasts can be provided in an appendix.

## 7. Expression of Interest Evaluation

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The Harvest Sky EDC and Special Areas Board are dedicated to promoting diverse and responsible development within the Sheerness Industrial Park. The region invites proposals for various types of development that aim to enrich the community and strengthen the economic environment.

Projects regardless of size, industry, or stage of development will be considered. However, the Special Areas Board reserves the right to reject any initiatives for any reason.

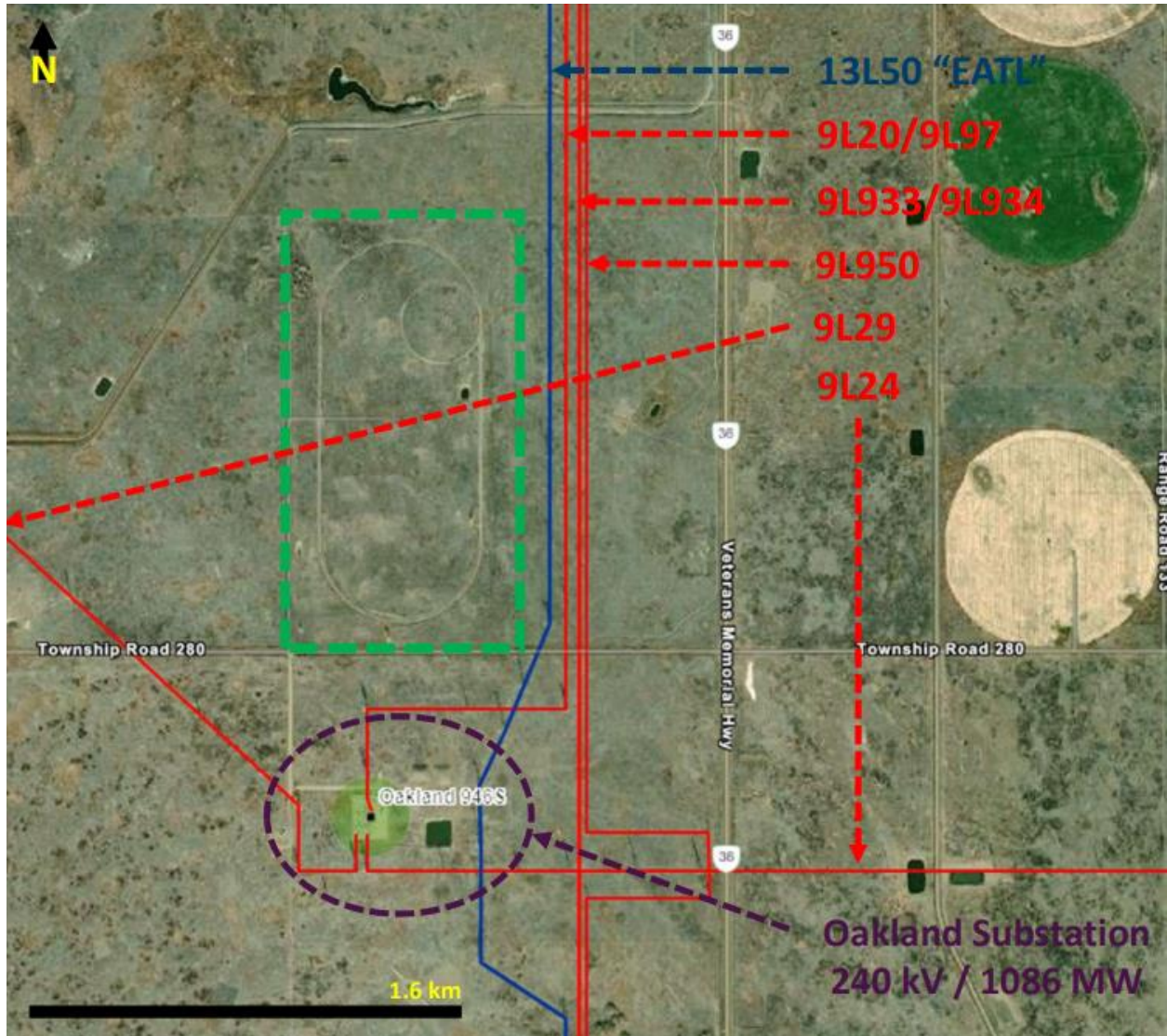
Preliminary screening completed by the review committee will consider proposals based on the following criteria:

- Alignment with regional development objectives.
- Regional fit and economic impact potential.
- Meeting minimum economic or commercial viability thresholds.

The RFEOI process, along with the ensuing project screening, marks the preliminary phase aimed at compiling a list of feasible projects. This step establishes a foundation for the Special Areas Board to initiate exploratory discussions, which are expected to lead to early-stage agreements. Such dialogues are crucial for moving the development process forward within the park, ensuring a structured approach to identifying and advancing economic development opportunities.



# Appendix A – The Crossroads of Electrical Transmission Infrastructure



**Legend:**

- Sheerness Industrial Park
- 500 kVDC
- 240 KVAC
- Oakland Substation

# Appendix B – Province of Alberta Carbon Sequestration Tenured Lands

