

JULIET CREEK RESORT DEVELOPMENT



PROJECT DESCRIPTION

1. Proponent Information

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2. Project Overview

Westscapes Development Inc. proposes to develop an all season resort located in south central British Columbia approximately 78 km northeast of Hope, BC, 55 km south west of Merritt and north east of the Coquihalla Highway toll booth. The proposed resort is situated in the Coquihalla Pass region of the North Cascade Mountains. The current access to the resort is at Exit #240 of the Coquihalla Highway via the Juliet Creek Forest Road.

The resort proposes to operate within a Controlled Recreation Area (CRA) boundary and includes the proposed base area, which would act as an effective staging ground for on-mountain recreation including trails, ski lifts, roads and associated facilities. A Formal Proposal for the CRA and surrounding areas identified as AUA's was submitted to Land and Water B.C. (LWBC) in March 2005. The Formal Proposal included a feasibility study, a preliminary environmental overview, a preliminary terrain hazard assessment, an archaeological background research overview assessment, a groundwater supply assessment and a preliminary investigation for site servicing. Currently, the proponent has received a letter of acceptance for the Formal Proposal from LWBC and is seeking to have an Interim Agreement signed with LWBC by June 30, 2005. The Interim Agreement will include the issuance of a Licence permitting access to the Crown Lands for the purpose of conducting studies and undertaking other

activities to facilitate the completion of the Resort Master Plan and the Environmental Assessment application.

The development proposal includes a description of proposed facilities, activities and associated locations. The proposal outlines base village and on-hill facilities, an 18-hole golf course and facilities, and a community spa and aquatic centre. The resort infrastructure will include ski lifts, a road and pedestrian network and a system of trails for alpine and cross-country skiing, mountain biking, hiking, horseback riding.

The total base area consists of approximately 202 ha (500 acres), with approximately 40 ha (100 acres) designated for the resort village and associated core area facilities. At buildout, the skiable terrain will be approximately 3,500 ha supporting a Comfortable Carrying Capacity (CCC) of approximately 7,000 skiers per day (see Mountain Development Concept Plan).

2.1 On-site Facilities and Infrastructure

The resort concept plan includes approximately 2,500 dwelling units representing 10,000 to 12,000 bed units and is reviewable under the BC Environmental Assessment Act (B.C. Reg. 370/2002, O.C. 1156/2002). Under the Act, Part 9.4.1 requires that a new facility be reviewed under the BC Environmental Assessment if the proposed ski resort development is over the threshold of 2000 bed units including more than 600 commercial bed units.

The project on-site facilities and physical infrastructure includes the design, construction and operation of the following:

1. Ski Infrastructure
 - ski runs including associated circulation corridors, maintenance and rescue facilities,
 - lift system: beginner lifts, detachable quad chairlifts and an eight passenger gondola,
2. Comprehensive resort & village base pedestrian network
3. On-site road system
4. Parking for approximately 2,500 vehicles
5. Accommodation
 - 2,500 dwelling units comprised of hotel rooms, condominium apartments, townhouses, single family homes.
6. Commercial
 - 50,000 sq.ft. of commercial space
 - essential skier services, retail, food and beverage
7. Conference Facilities
8. Golf Course
 - club house and parking
 - 18 hole par 72 and practise range
 - surface reservoirs for storage and stormwater detention
9. Water supply systems for all on-site components
10. Solid waste disposal systems for all on-site components
11. Liquid waste disposal systems for all on-site components
12. Trails (cross-country, mountain biking and hiking trails)
13. Mountain-top restaurant:
 - top of the gondola: summer and winter seasons operation.
14. Remote Lodge
 - at the base of the ski lifts in the East Anderson valley (future phases).
No road access during the winter season.

2.2 Off-site Physical Infrastructure

For off-site physical infrastructure, the Project scope includes the design, construction and operation of the following:

1. Upgrade access road from existing Coquihalla Highway interchange,
2. Bridge for one major crossing over Juliet Creek using arched culverts (approximately 25 m span) and two minor season creek crossings (less than 10 m each span). Special drainage works not required,
3. Approximately 9 km of access road upgrades and construction,
4. Upgrades to BC Hydro transmission system to provide power supply level of 69kV, terminating at a resort substation,
5. Gas service to the resort area,
6. Telecommunications lines to provide telephone, cable and fibre optic services.

2.3 Proposed Development Schedule

Phase I and Phase II of the village and base area would be built out to coincide with Phase I and Phase II of the mountain facilities. Other housing in the base area would be built out over a number of phases to coincide with market demand.

Phase I construction proposed to start in May 2007:

- 8 passenger Gondola
- 6 passenger Chairlift, Beginner Lifts
- Base Facilities and Village
- Mountain-top Restaurant
- Network of Trails.

The golf course is expected to be operational in the summer of 2009. The Nordic Centre and cross-country ski trails would be built out over Phase I and Phase II with the first trails expected to be open for operation the winter of 2008.

Phase II construction to start in May 2009:

- 4 passenger Chairlift
- Conference Facilities
- Aquatic Centre
- Equestrian Centre
- Network of Trails.

Phase III construction would be undertaken upon successful completion of the first two phases of the resort development and following a detailed investigation into the viability of additional infrastructure in the form of ski trails, lifts and base facilities in the East Anderson.

Phase III construction, proposed to start in May 2011:

- 8 passenger Gondola
- 4 passenger Chairlift
- Base facilities including a remote day lodge
- Network of Trails.

2.4 Maps

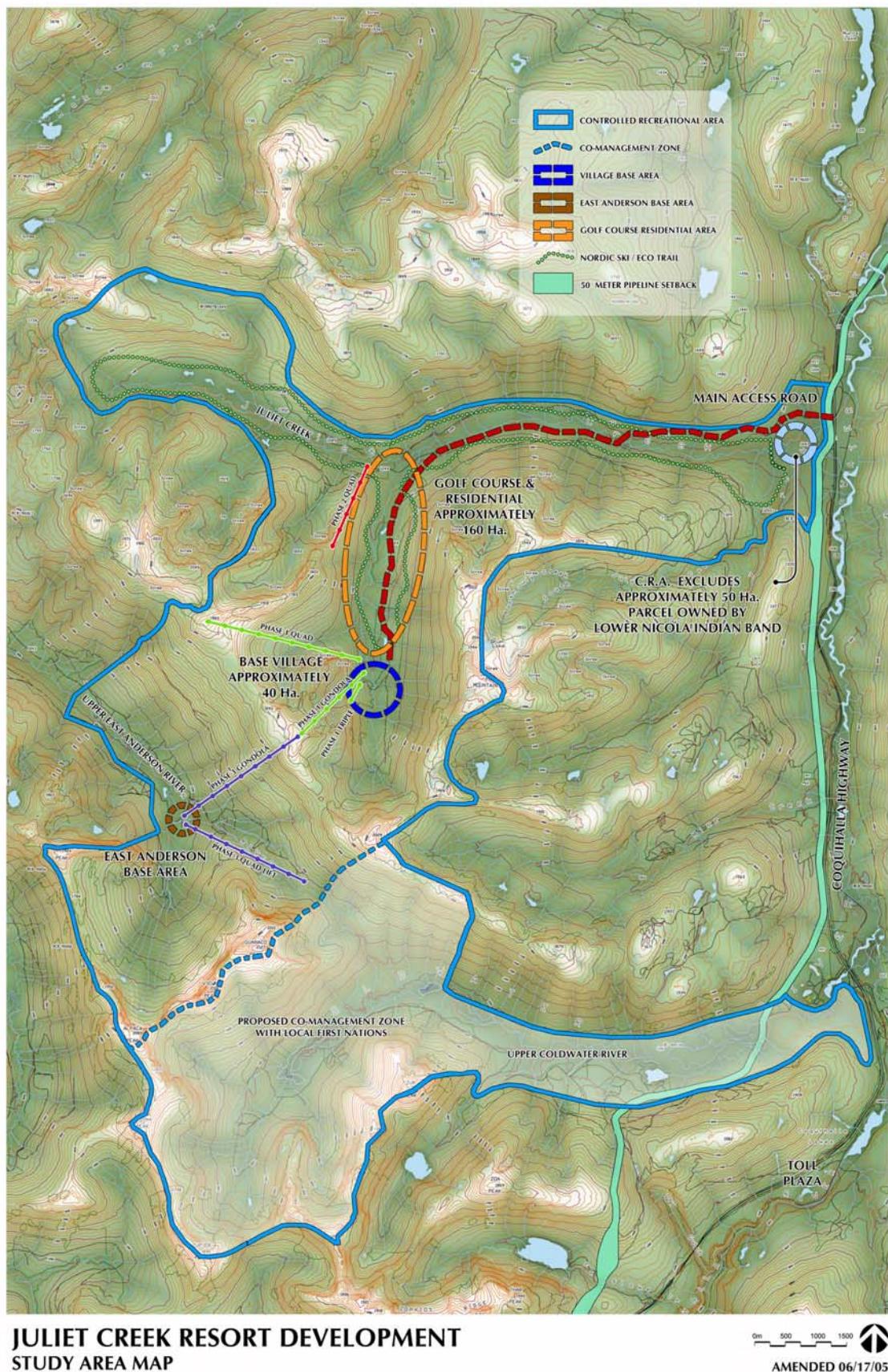
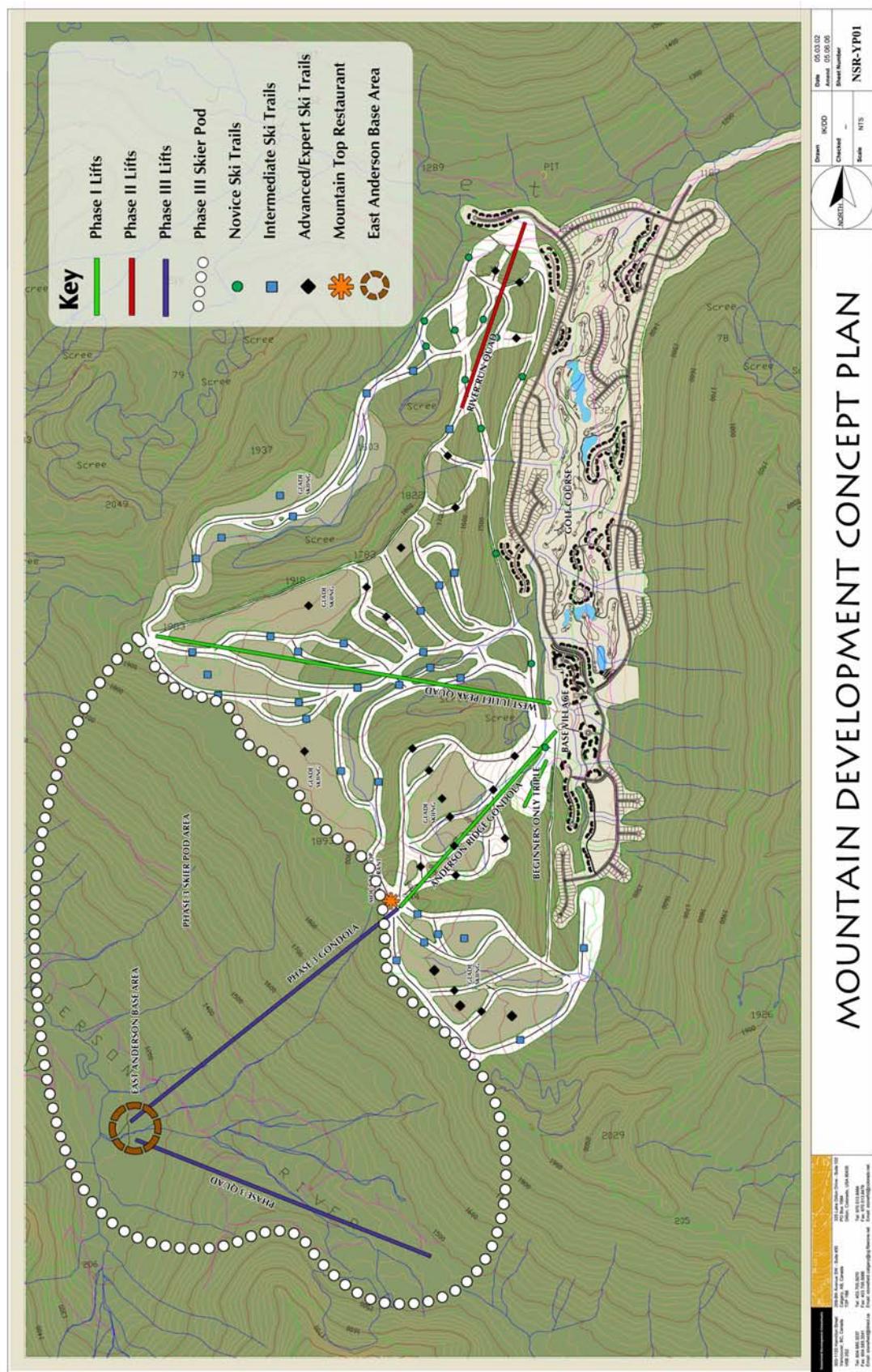


Figure 1: Map of the Study Area - showing proposed Controlled Recreation Area (C.R.A.)

Figure 2: Mountain Development Concept Plan



2.5 Potential Environmental Effects

2.5.1 Environmental Setting

The proposed development is located within the Leeward Pacific Ranges Ecoregion, in the Interior Transition Ranges Ecoregion of the Southern Interior Ecoprovince. The area is predominately within two different biogeoclimatic zones, the Engleman Spruce - subalpine Fir zone with moist warm variant (ESSF mw) below 1800 m in elevation and the Alpine Tundra unproductive (AT unp) above 1700 m in elevation (Meidinger and Pojar, 1991).

While the project encompasses the headwaters of the East Anderson and Coldwater Rivers, development is concentrated in the southern arm of Juliet Creek extending from its confluence with the west arm to its headwaters approximately 5.5 km to the south.

The south arm of the Juliet Creek valley is surrounded by the slopes of July Mountain to the east and an unnamed ridge to the west. The proposed location of the resort base area is approximately 1200 m rising to approximately 1400 m. The surrounding peaks range from July Mountain at 2124 m to the peak of the proposed gondola at 1940 m.

2.5.2 Climate

The mean annual temperature at the Hope Slide climate station (approximately 670 m elevation and south of the study area) is 6.1°C with a mean annual rainfall of 923.9 mm. The mean annual snowfall at the same location is 285.7 cm with an annual precipitation of 1209.5 mm.

2.5.3 Geomorphology

Soils consist primarily of glacial till deposits characterized by an abundance of sand and gravel with no visible signs of bedrock in the base valley area. Thin soils on the upper slopes within the subject site may be moderately constraining to development as loss of soil cover from erosion will be difficult to recover.

2.5.4 Hydrology

The study area contains three water courses: the East Anderson River, the Coldwater River and its tributary Juliet Creek. The southern arm of Juliet Creek is fed by several small streams and springs from both sides of the valley. The two arms converge along the northern boundary of the subject site and drain into the Coldwater River. The Coldwater River joins waters with the Nicola River in Merritt which ultimately drains into the Fraser River at Spences Bridge. The East Anderson River drains directly into the Fraser River.

Wetlands commonly occur in each the valley bottoms of the study area. The extent, classification and functional values have yet to be determined.

2.5.5 Vegetation

The study area contains primary species types which predominantly include subalpine fir, Engleman spruce and small areas of mountain hemlock. Within the predominant species of subalpine fir and Engleman spruce, minor species of amabilis fir, white pine and western red cedar were also observed. The study area also contains a range of low shrubs dominated by white flower rhododendron, black huckleberry, false azalea and oval leaf blueberry.

2.5.6 Wildlife and Aquatic Life

The lower portion of Juliet Creek is home to bull and rainbow trout as well as to Chinook and Coho salmon. Although a fish inventory was not conducted, fish were observed below the logging bridge that crosses Juliet Creek just downstream from the confluence of its west and south arms. There are also gradient barriers to fish migration approximately 2 km upstream of this confluence. Investigations of the East Anderson and Coldstream Rivers are pending.

The ESSF zone of the study area is known to have a total of 203 wildlife species. A number of large wildlife species are either known to occur or may have the potential to occur within the general area including moose, mule deer, black and grizzly bear, coyote, grey wolf, wolverine, mountain lion, lynx, and bobcat.

Mountain goat is suspected to occur in the area and mountain beaver is recorded in the upper Coldwater valley. Townsend's big-eared bat may also potentially occur within the study area.

The development of a four season resort and community is likely to impact several species of wildlife that may occur within the subject property. However, the presence/absence of specific wildlife species is yet to be determined. The significance of these potential impacts to the existing and future populations and/or mitigation opportunities surrounding these species is also yet to be determined.

2.5.7 Water Quality and Quantity

The water quality within the study area is influenced by snow-melt, rainfall and naturally occurring springs. The project proposes to develop ground-water sources for drinking water. The water supply may be augmented by surface reservoirs. Through conservation best practices it is anticipated there will be sufficient water supply to meet the peak demands of the resort without impacting downstream users. An assessment of the groundwater supply potential was conducted by Piteau Associates.

2.5.8 Air Quality

Air quality in the area is good and no adverse impact to regional air quality is anticipated with the development of the resort. An air quality monitoring program will be implemented.

2.5.9 Scenic and Natural Resources

The proposed resort is located close to the northern boundary of the Coquihalla Summit Provincial Recreation area, which is highlighted by the occurrence of several significant granitic spires. These include Yak and Nak peaks that are dominant features along the west side of the Coquihalla highway just south of the Coquihalla summit. Chamois, Ibex, Serna along with several other spires are situated further to the west in the Upper Anderson watersheds. These granite spires act as a dramatic backdrop to the gentler mountain terrain of the northern portion of the proposed CRA lands.

The proposed resort will be situated approximately 9 km west of the Coquihalla Highway. Other than minor signage the resort is not expected to have any visual impact on this travel corridor.

2.6 Potential Socio-Economic Effects

The proposed Juliet Creek Resort development is expected to provide significant economic benefits (in the form of employment opportunities, investment opportunities, new enterprises and taxation revenue) to the region including local First Nation communities, the Town of Merritt and the District Municipality of Hope.

2.6.1 Forestry Tenure

The study area is located within Tolko Industries forest license area, including their operation roads and Forest Service Roads (FSR's). Future timber harvesting has been identified for the area. The resort development will result in a reduction of the Annual Allowable Cut (ACC). In addition, the Ministry of Forests noted that forest planning and development has been done by Tolko Industries and BC Timber Sales which legally requires the companies to bring existing plantations to a free growing standard. In addition, Ministry of Forests requires that fire prevention and fuel management be addressed.

2.6.2 Mineral Resource Tenures

There are four existing mineral claims in the study area and there is a potential for future mineral exploration or mine production. In addition, the area supports four active private quarries and three quarries operated by the Ministry of Transportation (MOT). These quarries are anticipated to continue to operate and resort development may be constrained by visual or audio impacts from the quarry operations.

- 2.6.3 Agricultural and/or Grazing Tenures An existing grazing licence is held within the study area. The ancillary activities and associated ecotourism opportunities may be constrained by the grazing licence as the activities could be considered incompatible.
- 2.6.4 Water Licences No water licences have been identified for the watercourses of the study area. The diversion of water from Juliet Creek for a water source was identified as undesirable by the Ministry of Water, Land and Air Protection, therefore the project proposes to develop ground-water sources and surface reservoirs.
- 2.6.5 Recreational Land Designations The area offers a variety of year round recreational opportunities given its proximity to the Coquihalla Highway and the population centres of Hope and Merritt, BC. The study area is located in the vicinity of Ministry of Forests (MOF) Recreation Sites and hiking trails as well as a BC Parks Recreation area. The area is used by public recreation users for snowmobiling, backcountry ski touring, fishing and hunting.
- The MOF Recreation Sites in the area include Zum Peak, Little Douglas Lake and Murray Lake North and Murray Lake South. In addition, the MOF noted that Jono Lake and Debbie Lake are sites managed for road accessed recreation. MOF hiking trails in the area include Little Douglas Lake Recreation Trail and July Mountain Trail. There is an existing MOF special use permit for the Nicola Valley Ski Touring Club Emergency Shelter located approximately 2.5 km west of July Peak. The northern boundary of the Coquihalla Summit Provincial Recreation area is also identified in the vicinity of the proposed development.
- 2.6.6 Heritage Effects An archeological background research overview was conducted for the subject site as well as a land referral data request. In addition, the proponent has been in discussions with First Nations in the area for approximately 18 months. No registered archaeological sites were identified on the subject property. A moderate archeological potential rating was determined for the site given its location to Coldwater River and Juliet Creek, valleys utilized by First Nations peoples. In the Juliet Creek area, several trails potentially utilized by First Nations peoples were identified for the area. In addition, a trail following the valley was identified in the East Anderson River area. The trails identified appear to be travel routes and those utilized for hunting and berry picking.
- 2.6.7 Social Effects The proposed development will utilize environmental best practices and a sustainable development model. In concert with the economic benefits of the proposed resort, the development will have numerous social benefits. These social benefits include preservation and increased recreational and eco-cultural opportunities, increased employment opportunities and local amenities for First Nations and residents of Merritt and Hope and diversification of the BC Interior resource based economy.
- 2.6.8 Health Effects It is anticipated that the proposed development can positively impact local First Nations and the communities of Merritt and Hope through increased recreation and amenities opportunities. This will promote healthier lifestyles and an increased quality of life. A detailed overview of the health effects from the proposed development has not been conducted.

3. Consultation Activities

3.1 Government Agencies

In the preparation and submission of the application to Land and Water BC, a number of Provincial agencies were contacted including: the Ministry of Water, Land and Air Protection, Thompson Regional Office; the Ministry of Forests, Cascades District, Chilliwack District; the Ministry of Sustainable Resource Management, Southern Interior Region; the Ministry of Transportation, Thompson Nicola Region and the Ministry of Energy and Mines, Thompson Okanagan Office.

Federal agency contact included Fisheries and Oceans Canada, Fraser Thompson Region.

Regional governments from the Thompson Nicola Regional District and the Fraser Valley Regional District were also contacted.

3.2 First Nations

Consultation was initiated with First Nations in April 2004. The following bands and tribal organizations were identified as being proximal to the proposed resort and thereby potentially impacted by the project:

1. Coldwater Indian Band
2. Lower Nicola Indian Band
3. Nooaitch Indian Band
4. Nicola Tribal Council including the following affiliated Bands
 - Upper Nicola Indian Band
 - Shackan Indian Band
 - Siska Indian Band
 - Cook's Ferry Indian Band.
5. Boston Bar First Nation
6. Boothroyd Indian Band
7. Nlaka'pamux Nation Tribal Council including affiliated Bands
 - Ashcroft Indian Band
 - Oregon Jack Creek Indian Band
 - Lytton First Nation
 - Spuzzum Indian Band
 - Nicoamen Indian Band.

Westscapes has consulted and held information meetings with the area First Nations during the feasibility process and intends to utilize existing First Nations resources and experience throughout the planning process. Westscapes has retained Tmix^W Research to facilitate some of the archeology and traditional use analysis. Westscapes intends to continue with the full consultation process with First Nation and area communities throughout the feasibility, planning and implementation process for the proposed resort, thereby ensuring a project that is in the best interests of all stakeholders.

3.3 Stakeholder and Public Consultation

Stakeholder contact included Tolko Industries and the Nicola Watershed Community Round Table and the BC Federation of Mountain Clubs.

Public comments were solicited and received. In addition, information was received during a series of public/stakeholder information meetings that were held in the Merritt area in March and April 2005.

Table 1: Outline of Consultation Activities and Project Submissions

Date	Consultation or <i>Submission Document</i>	Participating Organization		
		1st Nations	Public	Government
April 21 2004	Presentation to the Coldwater Indian Band outlining the feasibility process and requesting First Nations participation and input.	CIB		
May 18 2004	Band Council Resolution signed by the Coldwater Indian Band in support of the feasibility process.	CIB		
July 2004	Band Council Resolution signed by the Boston Bar Indian Band in support of the feasibility process.	BBIB		
October 20 2004	Community Meeting and presentation to the Coldwater Indian Band outlining proposed concept and summary of preliminary findings.	CIB - 70 members attended		TNRD Town of Merritt
November 26 2005	<i>Expression of Interest Document</i>			<i>submission to LWBC</i>
January 07 2005	<i>EOI Summary Document</i>			<i>submission to LWBC</i>
March 10 2005	<i>Formal Proposal Document</i>			<i>submission to LWBC</i>
March 18 2004	Presentation Information and Review regarding Formal Proposal.	Open to all. Well attended.		
April 11 2005	Public Open House and outlining project process and Preliminary Environmental Analysis and EA process.	Open to all. Approximately 120 attended.		
Numerous meetings and phone calls were made at every stage of the process.				