

STAFF REPORT: Financial and Information Services



REPORT TO: Infrastructure and Recreation Committee
MEETING DATE: September 22th, 2009
REPORT NO.: F.I.S.09.51
SUBJECT: Georgian View Estates and Area Wastewater Extension
PREPARED BY: Elizabeth Thompson, Deputy Treasurer; Reg Russwurm, Director of Engineering and Public Works

A. Recommendations

THAT Council receive Staff Report F.I.S.09.51 "Georgian View Estates and Area Wastewater Extension" for information purposes,

B. Background

On Saturday, August 29th, 2009 a public information session was held to review the wastewater service extension with the Georgian View Estates and area benefiting property owners and to allow the residents an opportunity to comment (servicing Indian Circle, Scott's Circle, Aberdeen Court and Collen's Court will also be serviced). The residents of the Georgian View Estate subdivision were generally concerned with the cost of the servicing and requested additional financial assistance from the Town.

Historical Reserve/Reserve Fund Contributions

In other historic wastewater service extension projects, Council has offered funding support from the Craigeith Sewer Reserve Fund as follows;

- In October 2000, Craigmere Cres., Settler's Way, and Pioneer Lane, in the amount of \$4,000 per unit (no other Reserve/Reserve Fund contributions)
- In March 2001, Lakeshore Rd, Kitzbuhl Cres., and Sleepy Hollow Rd, in the amount of \$434 per unit (other Reserve/Reserve Fund contributions for Rd and Storm sewer costs \$290,918)
- In December 2002, Jozo Weider Blvd, Lucille Wheelr Cres., and Lucille Wheeler Lane, in the amount of \$500 per unit (other Reserve/Reserve Fund contributions for Rd and Storm sewer costs \$185,322)
- And most recently in December 2007, St. Moritz Cres. and Chamoniz Cres., in the amount of \$1,000 per unit. (other Reserve/Reserve Fund contributions for Rd and Storm sewer costs \$663,026.95)

Various combinations of reserve and reserve fund contributions have been made to past projects to fund the roads and storm sewer component of the project.

For this project, if Council allocates reserve funds to this project those benefiting properties would be 39 units in the Georgian View Estates plus 32 equivalent units for the Georgian Bay Golf Club for a total of 71 units.

Circulation of August , 2009

Notice of pending construction circulated to the residents of the Georgian View Estates, indicated an agreement had been reached between the adjacent developer and the Town. Such an agreement has not been reached. Regrettably a miscommunication between Town staff lead to the announcement that an agreement had been reached. The Town has reached agreement in principle with the adjacent developer and is currently working to document the terms.

Cost Sharing of Road Reconstruction

Through the information session with the resident, there were several questions around the cost of the road construction and the residents felt the road costs to be a taxation cost and not to be paid through the capital construction costs. Staff indicated that as a result of the construction of sewer works, the roads within Georgian View Estates will need to be re-built. The roads within the Georgian View Estates have deficiencies but are not at the end of their useful life. Instead of typical maintenance activities such as overlay paving to extend the road life another 15 – 20 years, the roads are being fully reconstructed sooner than typical as necessitated solely by the sewer installation. Since the sewer works is the driver for the early reconstruction of the road, it is appropriate that a sizeable proportion of the road costs less deficiencies be assessed to the sewer installation costs. This arrangement however would make this project unaffordable to the residents under Town criteria. To facilitate the affordability of the project, the Town allocated Ontario Roads & Bridges Investment Grant funds of \$566,800 to the road works within this project. In addition, the Town is contributing \$150,000 to address current deficiencies.

Recent Build Canada Grant Announcement

The Build Canada Grant program was also discussed with regard to these funds assisting the Georgian View Estates Subdivision Sanitary Sewer Construction and Road Reconstruction project. Staff explained the Build Canada Grant program briefly, indicating this grant application only allows one project to be applied for and that Council had chosen the “Carmichael, Kinsey, Plater, Campbell, Plan 915 Project” to be their priority for this round of grant applications.

Council Project Approvals

The proposed funding of Georgian View Estates Subdivision Sanitary Sewer Construction and Road Reconstruction project, presented to Council is based on estimated costs and will be presented to Council with the actual costs in a Capital Charges By-law when the actual costs are available.

On August 10, 2009, Council received Staff Report EPW.09.066 and further awarded the tender for Georgian View Estates Subdivision Sanitary Sewer Construction and Road Reconstruction Tender (TBM-2009-57) to Brantford Engineering and Construction Limited in the amount of \$1,253,224.00, excluding GST. Council also approved a budget increase to the 2009 Capital Budget for Roads and Wastewater, funded from the *Municipal Act*, the Ontario Roads & Bridges Infrastructure Investment grant, Developer Contribution, and Town Contributions.

Through Staff Report EPW.09.066, Council authorized the recovery of costs of the Georgian View Estates Sanitary Sewer Construction and Road Reconstruction works from benefiting property owners on an equivalent unit basis, with cost payment options to be offered to the property owners include:

- (a) Payment in full, or
- (b) repaid through four payments per year, for a term of 15 year, calculated at 6.0% interest per annum (currently at 4.5%); with payments over time being added to the tax bill. The balance owing on the loan may be repaid at any time, including interest to that date, with no penalty applied. If a property is sold or transferred, the balance of the loan becomes due and payable.

Permanent Trail to Georgian Trail

During the discussions regarding the Town obtaining an easement over the block from Indian Circle to the Georgian Trail, it was suggested that a permanent trail could be constructed over the sewer easement. The feedback from the residents at that time was that the trail was not wanted. Therefore the construction of a permanent trail was not part of the easement agreement.

The Town has recently been requested to install a permanent trail connection. Although Staff are prepared to recommend installing a permanent trail as part of the servicing project, the easement agreement does not permit it. Since the block is owned in common by all the 38 properties of Georgian View Estates, an agreement will be required with all 38 property owners. Should a petition be made to the Town that clearly documents the property information, the registered owner and the owner's signature, staff are prepared to recommend the construction of a permanent trail over the easement. Given that the Town does not own the property nor has an easement to the same effect, the maintenance of the trail will rest with the Georgian View Estates property owners.

Project Information

For several years it has been a priority of the Town to provide sanitary servicing to the Georgian View Estates community. In April 2007, the project was tendered and bids were received that were substantially higher than the Engineer's estimate and exceeded the Town's affordability criteria, therefore, Council did not award that contract.

The Town re-issued the tender at this time to extend wastewater service to Indian Circle, Scott's Circle, Aberdeen Court and Collen's Court as shown on the map below. In addition, this work will enable the removal of a sewage holding tank at the end of Indian Circle for the Georgian Bay Golf Clubhouse and adjacent development lands. The Town is planning to undertake the construction of approximately 931 meters of 200 mm diameter and 223 meters of 250 mm diameter sanitary sewer; 39 sanitary service connections; 15 meter length of jack and bore installation; associated maintenance holes; connections to existing sanitary sewer; road reconstruction; and Georgian Trail reinstatement.

Special consideration has been given to the work along the Georgian Trail. The Georgian Trail Board of Management has been contacted on the project and is in agreement that temporary trail linkage be constructed to take users along Indian Circle to Grey Road 40 and back to the Trail. The sewer installation will start along the trail lands. The trail will be reinstated prior to the Contractor continuing with the remainder of the works and the removal of the temporary trail linkage.



Project Cost Sharing

In order to aid with the affordability of this project by the residents, the Town has been able to re-allocate the Ontario Roads and Bridges Infrastructure Investment grant of \$566,800 to this project from works now receiving economic stimulus funding, recently announced, to help pay for the road works. As previously budgeted the Town will contribute \$150,000 to fund the road works. The residents therefore need only pay an appropriate share of the sanitary system installation. There are a total of 133 sharing units of which 39 units are allocated to the existing properties of Georgian View Estates, 32 units are existing Georgian Bay Golf Club and 62 units for Future Development of adjacent lands.

The benefiting property owners fronting the proposed wastewater works plus the future benefiting units will be required to pay the Capital Sewer Costs estimated at \$1,481,302 or \$5,748.15 per unit. Updated estimates will be circulated to the affected properties as the actual costs become available. In addition, the benefiting property owners are responsible for the Camperdown Area Specific Charge of \$6,546, and the allocation share of the Thornbury Wastewater Plant of \$5,998. The total per unit cost is estimated at \$18,292.15. For those not wishing to make a lump sum payment, the Town will offer payment options to the benefiting property owners (to be determined by Town Council). For example, repayment over 15 years at 6% percent results in an annual payment of \$1,645.82. Those property owners that choose to pay over time may pay off the balance owing at any time, including interest to that date, with no penalty applied. At the time a property is sold or transferred, the balance of the loan will become due and payable. If the financing option is chosen, the annual payments will be collected by the Town through the four annual tax installments. If Council allocates \$1,000 per unit, for example from the Craighleith Sewer Reserve Fund to help offset the costs of this project, a total of \$71,000 would be required and would reduce the annual payment over 15 years at 6% interest to approximately \$1,545.00 and the total cost per unit to \$17,292.15.

In the event that an agreement with the future developers has not been entered into, the Town will finance this portion of costs until the developer's contributions have been received. The construction contract has been executed with the knowledge that the future development share of the costs will be recovered at the development agreement stage. Any such cost recovery will be subject to interest until payment is received.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability and providing a strong, well managed municipal government.

D. Environmental Impacts

Servicing Georgian View Estates with municipal wastewater infrastructure will help protect ground water quality by reducing the number of septic tanks within the municipality. The removal of the sewage holding tank will reduce greenhouse gases generated by the transportation of sewage and the risk of spillage into the natural environment.

E. Budget Impact

The capital construction costs of the project will be based on the actual costs when levied to the benefiting property owners. The following are **estimates** of the capital construction costs of the project:

Construction	\$1,253,224
Final Design and Tender Preparation	\$ 112,262
Contract Administration	\$ 35,000
Land Acquisition	\$ 40,816
Geo-technical	\$ 25,000
Utility Relocation	\$ 10,000
Miscellaneous (ads, mailings, etc)	\$ 5,000
Total Project Cost Estimate	\$1,481,302*
Less	
- Future Development	\$ 356,383
- Ontario Roads & Bridges Infrastructure Investment Grant	\$ 566,800
- Municipal Road Contribution	\$ 150,000
Total Project Construction Costs	\$ 408,119
Estimated 71 Existing Benefiting Properties per Unit	\$ 5,748.15
Capital Charges	
Camperdown Area Specific	\$ 6,546.00
Thornbury Wastewater Plant	\$ 5,998.00
Total per Unit Estimated Costs	\$ 18,292.15**

Annual Payment over 15 years at 6% would be approximately **\$1,645.82**

* the above is based on estimated costs and will be re-calculated using the actual construction costs prior to levying a charge on the benefiting property owners. Please note the estimates have been revised since the last report of August 10th, 2009, EPW.09.066.

** the unit costs will be re-calculated based on the actual construction costs and will be levied on each of the existing benefiting property owners on a per unit bases.

If Council allocates \$1000 per unit from the Craigleith Sewer Reserve fund to this project, a total of \$71,000 would be required and would reduce the annual payment over 15 years at 6% interest to approximately \$1,545.00 and the total cost per unit to 17,292.15.

F. Attached (Relevant documentation not personal information about an identifiable person)

None.

Respectfully submitted,

Elizabeth Thompson,
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