

April 1, 2019

Report To: Mayor and Council

From: Travis Rob, Manager of Operations and Facilities

**RE: Erin Crescent Construction Estimates**

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At the March 4, 2019 budget meeting, Erin Crescent Residential Development was discussed where it was proposed that a three-year implementation plan could possibly be considered by Council starting in 2019. In order to gain some appreciation for why the Erin Crescent property was selected for the next residential development I have taken the liberty to attach the following;

- 1) CBO/Planner's report dated August 3<sup>rd</sup>, 2017 to the PDEC
- 2) CBO/ Planner's Report dated August 15, 2017 defeated by Council on August 21, 2017
- 3) Town of Fort Frances Strategic Plan - Progress Report No. 3 dated May 18, 2018 -item No. 13 – Residential Development.
- 4) Draft plan of the proposed Erin Crescent Development

The construction sequence for the Residential development of the 27 lots along Erin Crescent is as follows;

Year 1 – 2019 - The underground sewer, water and storm sewer would be installed with granular B roadway sub-base and half of the granular A road base.

Year 2 – 2020 the other utilities would be installed, being natural gas, communications and power.

Year 3 – 2021 the remaining granular A, curb and gutter and asphalt would be installed.

This construction schedule would spread the municipal infrastructure cost over a longer period while allowing the sale of lots to open in fall of 2019 as construction on a new home could start as soon as the spring of 2020.

The cost for the construction of this development is a some what difficult to estimate as the costs for working in an area where there is no existing infrastructure tends to be less than trying to work around existing infrastructure and utilities. However, costs are factored into the estimate that may or may not, in part or full, be necessary, such as dewatering and OLS surveying. Some of these costs would be clearer upon tendering while others would require work to commence before being clear, either way carrying values for this work is prudent at this stage. When the cost estimate was completed for inclusion in the 1st draft of 2019 capital budget, costs were calculated base on a road reconstruction not on working in virgin ground. As a comparison the same costs were recalculated based on the costs for Huffman court inflated for time and adjusted based on current reconstruction costs. Once this was completed the lot costs were recalculated based on lot area for both scenarios.

	Huffman Costs	Reconstruction Costs
<b>Total Development</b>	<b>\$ 1,764,000.00</b>	<b>\$ 2,023,749.00</b>
Lot 22	\$ 54,600.00	\$ 62,639.85
Lot 8	\$ 55,440.00	\$ 63,603.54
Lots 7, 23, 24	\$ 56,280.00	\$ 64,567.23
Lots 55 - 61	\$ 57,960.00	\$ 66,494.61

Lots 12 - 18, 54, 62	\$ 60,480.00	\$ 69,385.68
Lot 19	\$ 67,200.00	\$ 77,095.20
Lot 9	\$ 70,560.00	\$ 80,949.96
Lot 21	\$ 76,440.00	\$ 87,695.79
Lot 11	\$ 84,000.00	\$ 96,369.00
Lot 10	\$ 115,920.00	\$ 132,989.22
Lot 14	\$ 120,960.00	\$ 138,771.36

As shown above there is a difference of \$259,749.00 between the two ways of determining the costs for this development. It should also be noted that the costs associated with the purchase of the property from the previous developer is not included which was \$76,483.72 in 2008. The purchase price of each lot will vary depending on the actual tender price and can be finalized at a later date once the unknowns have been determined.

Council has over the past number of years utilized one of their tools being the Community Improvement Plan to incentivize private development project throughout the Town. Council has to decide what they are willing to invest to make this next key economic development project within the Town successful.

Respectfully Submitted



Travis Rob, P.Eng  
Manager of Operations and Facilities