

March 2, 2021

REPORT TO: Mayor & Council

FROM: Elizabeth (Lisa) Slomke, Town Clerk

SUBJECT: Amend Lot Prices for Erin Crescent

BACKGROUND

The prices for the Erin Crescent lots were set in February 2020 using the actual costs for Phase 1 and estimated costs for Phases 2 and 3. Since that time phase 2 works have been completed and costs for phase three have been finalized. Additionally, costs have been reduced related to the installation of natural gas (Enbridge) and a further reduction of the funds kept aside related to contingency since 2/3 of the project is now complete.

In the 2021 Capital Budget, Council approved the use of Federal Gas Tax funding to off set costs associated with Phase 3 roadworks portion of the project. At this time the actual costs for the development are well known and will be near a price per square meter of \$70.55.

When initial prices were set, Council acknowledged that the two largest lots would be too high if only a price per square meter was used, and thus set lots 10 and 20 at a flat amount with the remaining lots being prorated. This method saw an overall cost distribution where the largest and smallest lot prices were closer with a good distribution across all lots.

NEXT STEPS

The Covid-19 pandemic has created much instability in our world and although we inch closer to vaccinations, there is still no definitive end in sight. We acknowledge that current building material costs have skyrocketed due to the pandemic, but recent prices have begun to stabilize. It is more advantageous for the Town to sell the lots and begin receiving tax dollars, and then additional sewer / water customers are gained once people start to build. At this point in time, the Town is not collecting any property taxes with the lots on Erin Crescent unsold.

A recent review of current market conditions have been difficult to analyze as there are no true like comparables (i.e. new subdivision, like size lots, water/sewer to property line, curb/gutter and paving). Some factors that Council could consider to help increase sales of these lots would be to provide the ability to acquire up to a 2-year extension on the number of years to build – this may offset the current concerns buyers have about the price of building. Council also

has the residential revitalization grant program under the Community Improvement Plan, whereby you could offer a \$2,000.00 grant to be available for 2021 and 2022 only on Erin Crescent lots – as an incentive to stimulate purchase and development. This program is currently focussed on infill development and current building improvements to increase assessed value.

RECOMMENDATION

Costs have been recalculated (lumped lots together with like sq. m. and rounded) considering the reductions in true development costs outlined above and I would like to present the following two suggested lot prices. Please note that the proposed numbers below provide us with twelve lots with a starting price below \$50,000.00.

Option1 (sets the largest two lots at \$60/sq m):

Lot 22	\$	46,900.00
Lot 8	\$	47,600.00
Lots 7, 23, 24	\$	48,400.00
Lots 55 - 61	\$	49,800.00
Lots 12 - 18, 54, 62	\$	52,000.00
Lot 19	\$	57,700.00
Lot 9	\$	60,600.00
Lot 21	\$	65,700.00
Lot 11	\$	72,200.00
Lot 10	\$	82,800.00
Lot 20	\$	86,400.00

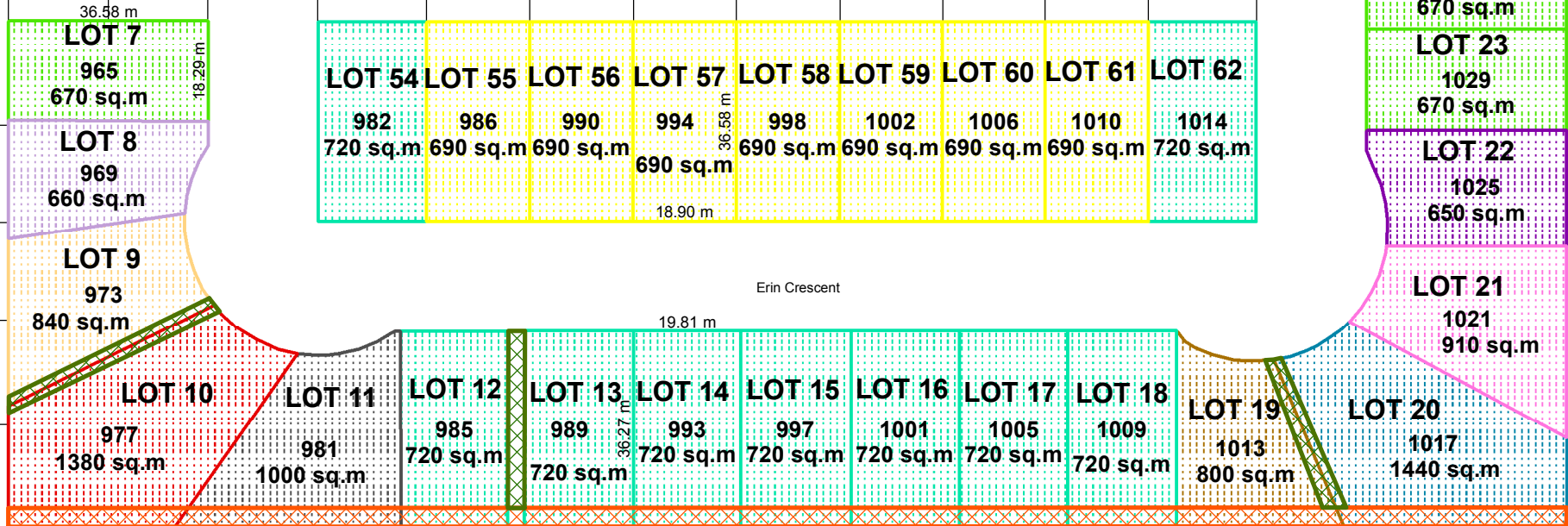
Option 2 (sets the largest two lots at \$65/sq m):

Lot 22	\$	46,400.00
Lot 8	\$	47,100.00
Lots 7, 23, 24	\$	47,800.00
Lots 55 - 61	\$	49,300.00
Lots 12 - 18, 54, 62	\$	51,400.00
Lot 19	\$	57,100.00
Lot 9	\$	60,000.00
Lot 21	\$	65,000.00
Lot 11	\$	71,400.00
Lot 10	\$	89,700.00
Lot 20	\$	93,600.00

At this time, Administration is looking for direction on amended lot pricing and if Council wishes to implement some other incentive to combat the impacts that Covid-19 have had on the Construction industry.

Council approval of this report will amend lot prices for Erin Crescent as listed in this report (Option __) and further direct Administration to prepare an amending by-law for consideration at a future meeting.

This was the poster created subsequent to prices set February 2020.



Legend

Easement Type

- Power Easement (FFPC)
- Storm Sewer Easement (Town of Fort Frances)

Lot Price

- \$63,900
- \$64,900
- \$67,000
- \$70,800
- \$78,600
- \$82,600
- \$89,500
- \$110,400
- \$115,200

Sixth Street East

CONVERSIONS (approx):

SETBACKS:

- 7.5 m = 25ft
- 2 m = 6.5 ft
- 1.5 m = 5 ft

EASEMENTS:

- 3 m = 10 ft (storm)
- 3.48 m = 11.42 ft (power)

LOT:

- 16.76 m = 55 ft
- 17.98 m = 59 ft
- 18.29 m = 60 ft
- 18.90 m = 62 ft
- 19.51 m = 64 ft
- 19.81 m = 65 ft
- 36.27 m = 119 ft
- 36.58 m = 120 ft



Summary of Erin Crescent Costs:

Original Construction Estimate	Cost	Town's Portion HST	TOTAL TOWN COST
Grading (Ph 1)	\$ 120,729.00	\$ 2,124.83	\$ 122,853.83
Stormsewer	\$ 306,275.00	\$ 5,390.44	\$ 311,665.44
Water	\$ 326,300.00	\$ 5,742.88	\$ 332,042.88
Sanitary	\$ 458,695.00	\$ 8,073.03	\$ 466,768.03
General	\$ 149,829.19	\$ 2,636.99	\$ 152,466.18
Grading (Ph 3)	\$ 322,655.00	\$ 5,678.73	\$ 328,333.73
General (Ph 3)	\$ 67,500.00	\$ 1,188.00	\$ 68,688.00
Engineering/PM	\$ 175,198.32	\$ 3,083.49	\$ 178,281.81
TOTAL	\$ 1,927,181.51	\$ 33,918.39	\$ 1,961,099.90

Original Utilities Estimate			
Electrical Design	\$ 10,800.00	\$ 190.08	\$ 10,990.08
Electrical Servicing	\$ 114,054.87	\$ 2,007.37	\$ 116,062.24
Surveying	\$ 10,175.00	\$ 179.08	\$ 10,354.08
Natural Gas	\$ 36,000.00	\$ 633.60	\$ 36,633.60
TOTAL	\$ 171,029.87	\$ 3,010.13	\$ 174,040.00

Total True Costs	
Paid to date (2020/2019)	\$ 1,376,611.52
Total For 2021	\$ 482,340.00
FGT Infusion	\$ (448,040.82)
Total Actual Costs	\$ 1,410,910.70
Total w/ Contingency (5%)	\$ 1,481,456.24

Total Development Cost \$ 1,481,456.24

Total Cost to Recover \$ 1,481,456.24
Total Development Area 21000
Cost per m2 \$ 70.55

71.41			
Lot Price Summary			
Lot 22	\$ 71.41	\$ 46,413.73	\$ 46,400.00
Lot 8	\$ 71.41	\$ 47,127.78	\$ 47,100.00
Lots 7, 23, 24	\$ 71.41	\$ 47,841.84	\$ 47,800.00
Lots 55 - 61	\$ 71.41	\$ 49,269.96	\$ 49,300.00
Lots 12 - 18, 54, 62	\$ 71.41	\$ 51,412.13	\$ 51,400.00
Lot 19	\$ 71.41	\$ 57,124.59	\$ 57,100.00
Lot 9	\$ 71.41	\$ 59,980.82	\$ 60,000.00
Lot 21	\$ 71.41	\$ 64,979.22	\$ 65,000.00
Lot 11	\$ 71.41	\$ 71,405.73	\$ 71,400.00
Lot 10	\$ 65.00	\$ 89,700.00	\$ 89,700.00
Lot 20	\$ 65.00	\$ 93,600.00	\$ 93,600.00

Lot	Area (ha)	Area (m2)	Cost per m2	Development Cost per lot	Lot Price Rounded
7	0.067	670	\$ 71.41	\$ 47,841.84	\$ 47,800.00
8	0.066	660	\$ 71.41	\$ 47,127.78	\$ 47,100.00
9	0.084	840	\$ 71.41	\$ 59,980.82	\$ 60,000.00
10	0.138	1380	\$ 65.00	\$ 89,700.00	\$ 89,700.00
11	0.1	1000	\$ 71.41	\$ 71,405.73	\$ 71,400.00
12	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
13	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
14	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
15	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
16	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
17	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
18	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
19	0.08	800	\$ 71.41	\$ 57,124.59	\$ 57,100.00
20	0.144	1440	\$ 65.00	\$ 93,600.00	\$ 93,600.00
21	0.091	910	\$ 71.41	\$ 64,979.22	\$ 65,000.00
22	0.065	650	\$ 71.41	\$ 46,413.73	\$ 46,400.00
23	0.067	670	\$ 71.41	\$ 47,841.84	\$ 47,800.00
24	0.067	670	\$ 71.41	\$ 47,841.84	\$ 47,800.00
54	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
55	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
56	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
57	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
58	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
59	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
60	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
61	0.069	690	\$ 71.41	\$ 49,269.96	\$ 49,300.00
62	0.072	720	\$ 71.41	\$ 51,412.13	\$ 51,400.00
	2.1	21000		\$ 1,481,456.24	\$ 1,481,400.00
				\$ -	\$ (56.24)

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TOTAL	\$ 171,029.87	\$ 3,010.13	\$ 174,040.00

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Total For 2021	\$ 482,340.00
FGT Infusion	\$ (448,040.82)
Total Actual Costs	\$ 1,410,910.70
Total w/ Contingency (5%)	\$ 1,481,456.24

Total Development Cost \$ 1,481,456.24

Total Cost to Recover \$ 1,481,456.24
Total Development Area 21000
Cost per m2 \$ 70.55

72.18			
Lot Price Summary			
Lot 22	\$ 72.18	\$ 46,917.85	\$ 46,900.00
Lot 8	\$ 72.18	\$ 47,639.67	\$ 47,600.00
Lots 7, 23, 24	\$ 72.18	\$ 48,361.48	\$ 48,400.00
Lots 55 - 61	\$ 72.18	\$ 49,805.10	\$ 49,800.00
Lots 12 - 18, 54, 62	\$ 72.18	\$ 51,970.54	\$ 52,000.00
Lot 19	\$ 72.18	\$ 57,745.05	\$ 57,700.00
Lot 9	\$ 72.18	\$ 60,632.30	\$ 60,600.00
Lot 21	\$ 72.18	\$ 65,684.99	\$ 65,700.00
Lot 11	\$ 72.18	\$ 72,181.31	\$ 72,200.00
Lot 10	\$ 60.00	\$ 82,800.00	\$ 82,800.00
Lot 20	\$ 60.00	\$ 86,400.00	\$ 86,400.00

Lot	Area (ha)	Area (m2)	Cost per m2	Development Cost per lot	Lot Price Rounded
7	0.067	670	\$ 72.18	\$ 48,361.48	\$ 48,400.00
8	0.066	660	\$ 72.18	\$ 47,639.67	\$ 47,600.00
9	0.084	840	\$ 72.18	\$ 60,632.30	\$ 60,600.00
10	0.138	1380	\$ 60.00	\$ 82,800.00	\$ 82,800.00
11	0.1	1000	\$ 72.18	\$ 72,181.31	\$ 72,200.00
12	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
13	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
14	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
15	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
16	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
17	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
18	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
19	0.08	800	\$ 72.18	\$ 57,745.05	\$ 57,700.00
20	0.144	1440	\$ 60.00	\$ 86,400.00	\$ 86,400.00
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24	0.067	670	\$ 72.18	\$ 48,361.48	\$ 48,400.00
54	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
55	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
56	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
57	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
58	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
59	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
60	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
61	0.069	690	\$ 72.18	\$ 49,805.10	\$ 49,800.00
62	0.072	720	\$ 72.18	\$ 51,970.54	\$ 52,000.00
	2.1	21000		\$ 1,481,456.23	\$ 1,481,700.00
				\$ (0.00)	\$ 243.76