

To: Municipal Council – Municipality of the District of Clare

Re: Point Road

- 1- In Nova Scotia roads such as subdivision roads are within the jurisdiction of the Municipal Government. The Municipality of Clare adopted an Improvement and Takeover of Private Roads By-Law which was subsequently amended in 2014. It provides for Council to consider converting a private road to a public road where the road is constructed in compliance with the Nova Scotia Department of Transportation and Infrastructure Renewal specification standard for subdivision roads in urban and rural areas, where two-thirds of the owners of land fronting the private road petition the municipality to do so. The Municipality may make improvements to the road to bring it up to the standards required in the by-law and the cost of such improvements shall be recoverable by the municipality by an area rate on a foot frontage basis payable by the landowners to the municipality.
- 2- Over two-thirds of the landowners of Point Road petitioned the Municipal Council to take over the Point Road and to conduct improvements to the Point Road in the spring of 2010. This request was made as a result of the very poor state of the road together with a lack of public services such as garbage pickup, school bus services, road maintenance and snow removal even though the property owners along this road pay a substantial amount of property taxes.
- 3- The municipality then requested the owner of the road at the time, Major Enterprises Limited, to hire an engineer to determine the cost of the upgrade. Major Enterprises retained the services of an engineer who concluded that the cost of the necessary upgrades would cost \$88,566.48. This report was concluded in February of 2012.
- 4- After further discussions with the Municipality over a period of time to determine the manner in which this application could proceed, an update was provided to all the land owners in June of 2015. The figures used in this update related to the initial engineering evaluation. Many landowners agreed to proceed and indicated verbally they were in favor of proceeding. Two written responses were received one in favor and one opposed.
- 5- In the spring of 2016 Council passed a motion to begin the process as outlined in the by-law.
- 6- The Municipality engaged the services of its engineer who prepared a design and specifications to upgrade the road to the required standards. This was completed in 2016. We submit that subsequent evaluations of this design have determined that these specifications exceeded the standards required and used by the Nova Scotia Department of Transportation. As a result, the tender bid submissions were as shown in the attached copy.

- 7- The tender bid submissions were higher, according to some contractors, than amounts usually paid by the Province for a kilometer of road. In this instance the sale of almost all of the lots on Major's Point would be required to pay for the road as specified in this initial design.
- 8- Point Road illustrates the problem we are facing in Clare. Development is not viable when this type of road construction is required, as there is not a sufficient value in the lots sold to pay for the road. Furthermore, a longer period of time is required to sell subdivision lots in Clare than in many other areas. This does not permit the recovery of high road construction costs in a reasonable time.
- 9- In Halifax, for example, this would not be a problem as the property values are much higher and the lots are sold so quickly that the cost of the road is recovered in a reasonable period of time. On the other hand the lots at Major's Point took approximately fifteen years to sell.
- 10- In this instance the low bidder reviewed the specifications prepared by the Municipality's engineer and was able to reduce the costs substantially while maintaining the standards required under the Municipality's by-law. Clearly, it is very important to maintain these standards to protect the Municipality in order that it not be exposed to higher maintenance costs in the future. However, such high road construction costs and an area rate repayment period of 15 years is a barrier to proper well organized development in our Municipality. The cost is so high that it is not viable for a developer and the cost of improvements of a road is prohibitive for landowners.
- 11- We propose that the key to achieving viability and maintaining good subdivision roads would be to permit a road that otherwise meets all of the Department of Transportation's standards to be constructed slightly narrower than the present requirements. This would ensure that the Municipality is protected and would not be responsible for above-average maintenance costs in the future within a cost structure that is viable for developers or landowners. You will note in the submissions shown in the attached copies, a twenty-five foot road would result in a cost of \$209,294.00. If it was permissible to build a twenty foot road, in a low traffic subdivision, the saving would be substantial and might provide a solution while maintaining all road construction standards. Furthermore, if the area rate repayment period was extended past 15 years the improvements could possibly be affordable for the landowners.

Tender Bid Submissions

Tender

Major Point Rd

Closing Date

May 12th 2016 at 2:00 PM

Name of Contractor	Required Documents Received	Bid Deposit Amount	Total Bid
J.R. Eisner Construction Limited			\$582,960 + HST HST (\$87,444) \$670,404
Garian Construction Limited			\$495,355 + HST HST (\$74,303.25) \$569,658.25
Gary Belliveau Construction & Excavation Limited			\$449,000 + HST HST (\$67,350) \$516,350
D. J. Low (1980) Limited			\$465,159 + HST HST (\$69,773.85) \$534,932.85
Dexter Construction Company Limited			\$663,000 + HST HST (\$99,450) \$762,450
SPEC Ressources			\$431,445 + HST HST (\$64,716.75) \$496,161.75

	Scenario A (Width of Road - 25 ft)	Scenario B (Width of Road - 30 ft)
Road Construction	\$180,594	\$203,064
Engineering	\$20,091	\$20,091
Non-rebated Portion of HST	\$8,609	\$9,573
Total	\$209,294	\$232,728

- The Municipality receives an HST rebate of 71.4%
- Estimated Total Road Frontage – 7,563.62 ft
- Estimated Cost per Foot – Scenario A - \$27.67
- Estimated Cost per Foot – Scenario B - \$30.77

