

# **CITY OF GREATER SUDBURY PROPOSED SECTION 391 CHARGE BY-LAWS**

**South End Rock Tunnel  
Montee Principale/Ste. Agnes Street Forcemain**

**Presentation To Priorities Committee**

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# THIS EVENING'S PRESENTATION WILL COVER

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- What Is Being Proposed & Why?
- What Do "Section 391" By-Laws Involve?
- Charge Options And Potential Rates For Rock Tunnel & The Montee Principale Forcemain
- Administrative Items

# PROPOSED CHARGES WOULD HELP PAY FOR TWO SEWERS & WATER PROJECTS

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- In June 2005, When Council Approved South End Rock Tunnel
  - Directed staff to examine options cost recovery from new development
  - \$4.0 million recovery target
  
- In May 2005, Council:
  - Approved the EMS plan for the Lionel E. Lalonde Centre & required forcemain
  - Approved “partial cost recovery from benefiting property owners...”
  - Recovery target is \$105,000

# SECTION 391 BY-LAW IS PRACTICAL COST RECOVERY APPROACH

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- Well Suited To Area Specific Water & Sewer Projects
- More Straight Forward Than DC's Or Local Improvement Charges
- Applied To New Development Until Costs Are Recovered
- Requires Initial By-Law With Public Meeting And Annual Renewal

# **SOUTH END ROCK TUNNEL PROPOSED S. 391 CHARGE**

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# ROCK TUNNEL CHARGE OPTIONS

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- Charge Would Be Applied To New Residential Development
- Charge Amount Calculated Based On Two Repayment Term Options
  - Option 1:
    - Long term debenture – 20 Years
  - Option 2:
    - Projected build-out period – 40 Years

# ROCK TUNNEL CHARGE OPTIONS (cont'd)

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- For \$4.0 Million Recovery, Annual Repayment Would Be:
  - \$360,000 – 20 Years
  - \$282,000 – 40 Years
- Based On 75 Units Per Year In Charge Area, Charge Would Be:
  - Option 1: \$4,800 per single family house
  - Option 2: \$3,760 per single family house

# ADMINISTRATIVE DETAILS

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- Public Information Meeting Required Before By-Law Implemented
- Charge Amounts Must Be Confirmed/Updated Each Year
  - Part Of Annual Rate Setting Process
- Charge Revenue And Accrued Costs Must Be Carefully Accounted For



**MONTEE PRINCIPALE/STE. AGNES  
FORCEMAIN  
PROPOSED S. 391 CHARGE**

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# MONTEE PRINCIPALE/STE AGNES WATERMAIN CHARGE

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- Two Charge Options Considered To Recover \$105,000
  - Option 1: Fixed charge based on 20 year debenture
  - Option 2: Varying charge calculated annually according to outstanding balance and accrued interest
- A Per Hectare Charge Is Best Approach Given Uncertain Number Of Lots

# MONTEE PRINCIPALE/STE AGNES WATERMAIN CHARGE (cont'd)

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- Option 1 Charge Would Be:  
\$8,915 Per Hectare
- Option 2 Charge Would Be:  
\$4,953 Per Hectare In Year 1  
By Year 10 - \$8,730 per hectare  
By Year 20 - \$16,387 per hectare

# ADMINISTRATIVE DETAILS

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