



Council Meeting

Council Chambers
Municipal Building - Jubilee Centre
9909 Franklin Avenue, Fort McMurray

Tuesday, September 05, 2006

Agenda

Call to Order – 7:00 p.m.

Opening Prayer

Adoption of Agenda

Minutes of Previous Meetings

- A. Special Meeting – August 8, 2006
- B. Public Hearing – August 8, 2006

Delegations

- A. MacDonald Island Redevelopment Update – Mr. Todd Jurak, General Manager, MacDonald Island Park and Mr. Stephen Clarke, Manager, Community Services

(The Chair will provide an opportunity for those attending the meeting and wishing to address an item on the agenda to identify themselves and come forward to speak to Council. Consistent with all delegations, each presentation will be allowed a maximum of five minutes.)

Public Hearings

None scheduled.

Council Updates

- A. Reporting of Councillors on Boards and Committees
(Deputy Mayor Carbery, Councillors Chadi, Slade, Vyboh and Wiltzen)
- B. Mayor's Update

Reports

- A. Tender Award – Anzac Community Centre Parking Lot (QU #1796)
- B. Tender Award – Timberlea Policing Facility (QU #1812)
- C. Community Engagement – Cancellation of Fort Chipewyan Date and Revision of Model
- D. Cancellation of Meeting – September 12, 2006

Bylaws

- A. Bylaw No. 06/033 – Debenture Borrowing Bylaw – Keyano Area Access (Clearwater Drive)
(1st Reading)
- B. Bylaw No. 06/036 – Text Amendment to Highway 63 North Area Structure Plan – Graymont
(1st Reading)
- C. Bylaw No. 06/037 – Text Amendment to the Land Use Bylaw – Graymont (1st Reading)

Adjournment

REGIONAL MUNICIPALITY OF WOOD BUFFALO COUNCIL REPORT

To:	Mayor & Council
From:	Administration, Manager of Planning and Development
Date:	September 5, 2006
Subject:	Anzac Community Centre Parking Lot Contract Award - QU# 1796

ISSUE:

To award the contract for Anzac Community Centre Parking Lot - QU# 1796.

HISTORY:

The Anzac Community Centre was constructed in the mid 1980's prior to amalgamation. The community centre is located on Christina Drive in the Hamlet of Anzac.

The Community Centre's parking lot is showing signs of failure through cracking and pot holes. Evidence of standing water was also observed suggesting that surface drainage and site grading is poor. The Anzac Community Centre and the Fire Hall have finished floor elevations that are nearly the same elevations as the parking surface. There have also been reported issues with sanitary sewer back up in to the Community Centre which needs to be upgraded immediately.

The scope of work includes 3,300 m² parking lot and road pavement removals, 2,300 m² of parking lot reconstruction, 1,000 m² of roadway construction, 350 m sanitary sewer, 16 vertical meters of pre-cast concrete manholes and approximately 2,000 m² grading and landscaping.

Associated Engineering was engaged to design and tender this project. Tenders closed on July 26, 2006. The lowest bid of \$764,770 (excluding GST) was received from H. Wilson Industries Ltd. The second bid of \$1,667,014.08 (excluding GST) was received from E-Construction Ltd.

Bids were reviewed and evaluated by Associated Engineering and the Regional Municipality of Wood Buffalo staff. The lowest bid for this contract was received from H. Wilson Industries Ltd. This bid was evaluated and considered to be valid.

The approved capital budget for this project is \$400,000 (Jan 2004 cost estimate). With the lowest bid price of \$764,770 (excluding G.S.T), \$38,230 (5% contingency), Consultant's fees of \$54,000 (excluding G.S.T) and miscellaneous (Hydro Vac, Material tests, and Land Acquisition) of \$20,000 (excluding G.S.T), there is a funding shortfall of \$477,000 (excluding G.S.T).

ALTERNATIVES:

1. Award the tender to H. Wilson Industries Ltd.
2. Do not award the tender.

ANALYSIS:

The tender exceeds the current project budget of \$400,000 (Jan 2004 cost estimate) which is reflective of the current construction market conditions in Anzac. The bid from H. Wilson Industries Ltd. represents the best value for the Municipality.

Award of contract to the lowest bidder, i.e. H. Wilson Industries Ltd. is recommended, as they have extensive experience in similar projects. Any delay in the project will add more costs to the project.

ATTACHMENTS:

1. Site plan.
2. Cost Breakdown.

ADMINISTRATIVE RECOMMENDATION:

1. THAT the contract for the construction of Anzac Community Centre Parking Lot be awarded to H. Wilson Industries Ltd for the amount of \$764,770+GST.
2. THAT the funding short fall of \$ 477,000 (excluding G.S.T) be funded from the Capital Infrastructure Reserve.

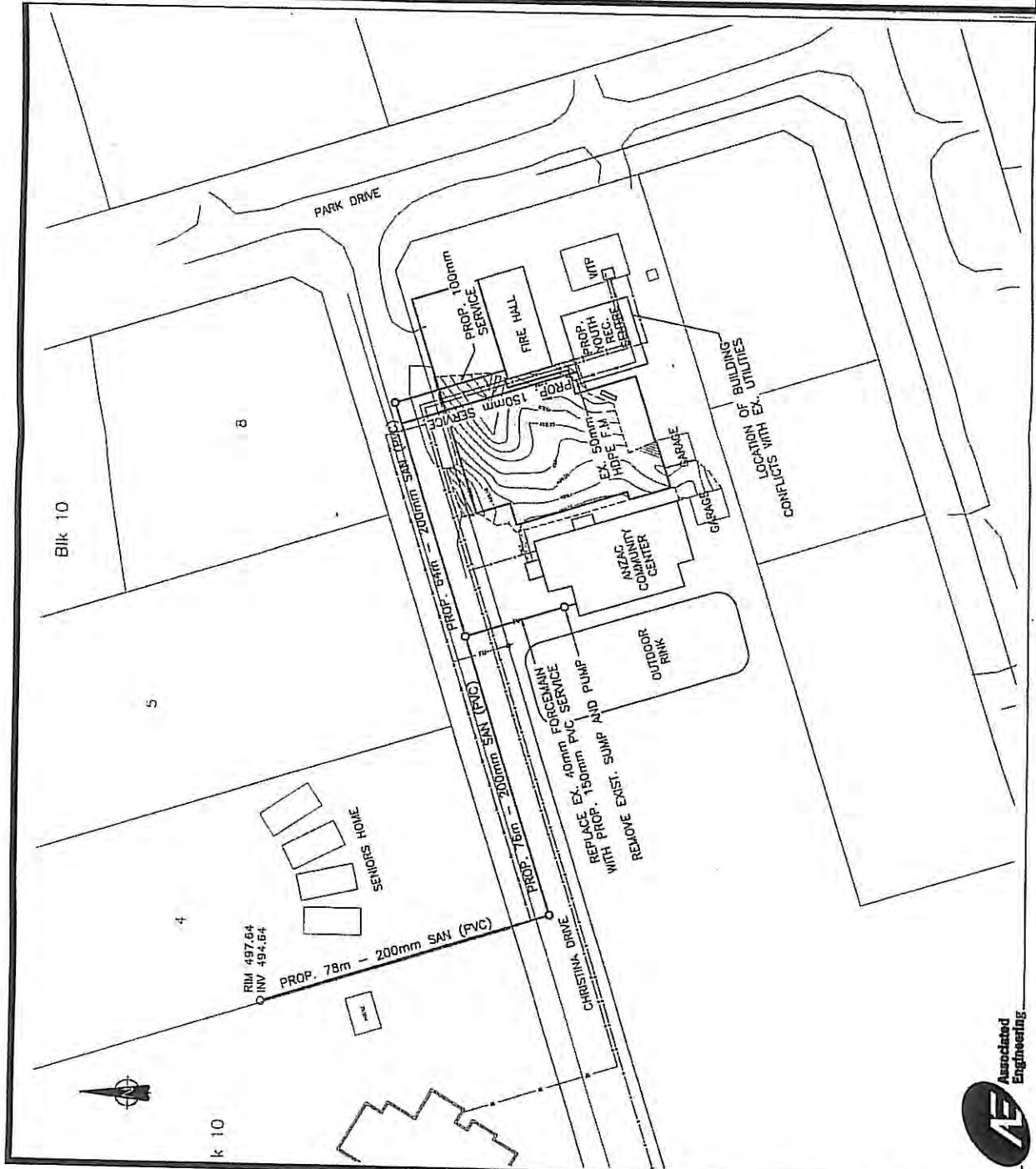


ANZAC COMMUNITY
CENTER IMPROVEMENTS
SANITARY SEWER SERVING
OPTION 1

ATTACHMENT 1

SCALE : 1 : 1000

JANUARY, 2005



DATE: 12/22/04
DRAWN BY: J. B. (J.B.)
CHECKED BY: J. B. (J.B.)
APPROVED BY: J. B. (J.B.)
PROJECT: ANZAC COMMUNITY CENTER IMPROVEMENTS
SHEET: 1 OF 1

Attachment 2

Regional Municipality of Wood Buffalo
Anzac Community Centre – Parking Lot Improvements, QU #1796

Table II
Anticipated Project Costs

Item	Cost
1. Construction Cost	
.1 Low Bid	\$764,770.00
.2 Contingency (5%)	\$ 38,230.00
2. Engineering	
.1 Associated Engineering	\$ 54,000.00
3. Miscellaneous	
.1 Land Acquisition (easement agreements)	\$ 10,000.00
.2 Material Testing	\$ 10,000.00
Total Anticipated Project Costs	\$877,000.00

REGIONAL MUNICIPALITY OF WOOD BUFFALO COUNCIL REPORT

To:	Mayor & Council
From:	Administration, Manager of Planning and Development
Date:	September 5, 2006
Subject:	Tender Award – Timberlea Policing Facility QU#1812

ISSUE:

To award the contract for RCMP Timberlea Detachment QU#1812

REFERENCES:

1. 2006 Capital Budget Summary Sheet Page 5.
2. Council Report PD-071-2005.

HISTORY:

On June 28, 2005, Regional Council approved the decentralization of the Fort McMurray RCMP Facility into two site locations at Timberlea and Jubilee Centre. Council approved the budget amount for the two sites at \$30 million (\$23m for Timberlea and \$7m for Downtown). \$29.5 million is totally funded through the Alberta Municipal Infrastructure Program (AMIP) Grant meaning that no debt for the \$29.5 million is being incurred by the Municipality and the remaining \$500,000 was a pre-draw debenture.

To ensure an open and competitive tendering process and the necessary tender qualifiers, a pre-qualification was held for the project from May 11, 2006 to May 25, 2006. Two pre-qualifiers were Bird Construction Company Ltd. and Marshall-Lee Construction Corp.

ACI was engaged to design this new RCMP Facility. Tenders for Timberlea Detachment were issued on June 14, 2006 and closed on July 19, 2006.

A single bid was received from Marshall-Lee Construction Corp. The second pre-qualified contractor, Bird Construction Company Ltd., withdrew prior to bid closing. The bid submitted by Marshall-Lee was for \$43,648,000 (excluding GST)

The Bid received from Marshall-Lee was reviewed and evaluated by ACI and Regional Municipality of Wood Buffalo staff and it was found to be in compliance with bid submission requirements.

ALTERNATIVES:

1. Award the tender to Marshall-Lee
2. Do not award the tender.

ANALYSIS:

The first alternative is the recommended one. Given the current construction market conditions, any delay or postponement of the project will translate into much higher costs. The bid from Marshall-Lee represents the best value for the Municipality. Marshall-Lee does have extensive experience in similar projects.

The second alternative will cause much higher costs, in addition to not meeting the municipal obligations towards RCMP regarding the project timelines requirements.

In order to accommodate the higher tender cost, the \$6.5M construction budget allocated to the Downtown Detachment and Cell Blocks should be diverted to the Timberlea facility. RCMP and Administration are currently exploring both short and long term options for the Downtown Detachment and Cell Blocks.

There is already an existing debenture bylaw with funding of approximately \$11,000,000.00. Attachment 3 shows a breakdown of the total cost.

ATTACHMENTS:

1. Letter of recommendation for award of contract
2. Bid analysis
3. Budget Summary

ADMINISTRATIVE RECOMMENDATIONS:

1. THAT the current budget for the RCMP Timberlea Detachment and the Downtown Cell Blocks be amended from \$30,000,000.00 to \$51,823,934 and that all these funds be allocated to the Timberlea Detachment with the exclusion of \$509,934 that is already contractually allocated for the consultant fees for the Downtown Cell Blocks.
2. THAT the project cash flow and the funding sources be amended to the following:

Year	Provincial Grants (AMIP)	Debenture	Others	Total Cost
2006	\$8,984,745	\$500,000	\$216,124	\$9,700,869
2007	\$29,528,260	\$10,270,903	-	\$39,799,163
2008	\$2,323,902	-	-	\$2,323,902
Totals	\$40,836,907	\$10,770,903	\$216,124	\$51,823,934

3. THAT the contract for the construction of the RCMP Timberlea Detachment be awarded to Marshall-Lee for the amount of \$43,648,000 + GST.

Attachment 1



July 19, 2006

Mr. Nasir Qureshi, P.Eng.
Project Engineer, Engineering Services Division
REGIONAL MUNICIPALITY OF WOOD BUFFALO
9909 - Franklin Avenue
FORT MCMURRAY, Alberta
T9H 2K4

**Re: Letter of Recommendation
- RCMP Timberlea Detachment**

Dear Mr. Qureshi,

As you are aware, the tenders for the above noted project closed on July 19, 2006 at 2:01 p.m. A single bid was received from Marshall-Lee Construction Corp. The second pre-qualified contractor, Bird Construction Company Ltd., withdrew prior to bid closing.

The bid submitted by Marshall-Lee was for \$43,648,000.00 (Forty-three million, six hundred and forty-eight thousand dollars and zero cents) excluding 6% G.S.T.

We reviewed the submitted tender and confirm that it is in compliance with bid submission requirements.

The tender exceeds the project budget of \$30,000,000.00 which is reflective of current construction market conditions and the location in Fort McMurray, Alberta. The bid clearly has included costs to cover the builders risk associated with the stability of material and wage prices, labour availability and accommodation over the period of the construction contract.

Given the difficulties experienced with attracting contractors to undertake projects in Fort McMurray, the present level of construction in the Province and lack of construction capacity, we recommend acceptance and award of this tender to Marshall-Lee Construction Corp.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Brammar".

Tony Brammar, B.Arch, MAAA
ACI ARCHITECTURE INC.

cc Adrien Lefebvre, RMWB
Cherie Cormier, RCMP

Attachment 2



July 24, 2006

Mr. Nasir Qureshi, P.Eng.,
Regional Municipality of Wood Buffalo,
9909 Franklin Avenue,
Fort McMurray, AB
T9H 2K4

Re: RCMP Timberlea Detachment

Dear Mr. Qureshi

The recent tender for the above project is indicative of the current saturation of the construction market in terms of contractor capacity, material cost instability and location. The contractor's risk in providing a firm fixed price today for future construction taking place in a volatile market accounts for a significant portion of the tendered bid. The tendered cost of \$43,266,880 translates to a square metre cost of \$6,400 (\$595/sq.ft.). Comparable costs in Edmonton for a similar facility constructed 3 years ago were \$190/sq.ft. which, when projected to current costs with applied inflation, would be \$275/sq.ft. A location factor of 40% for Fort McMurray brings this figure to approximately \$385/sq.ft. which was the basis of our budget target.

Other factors to consider are that the project only received a single bid, and only two contractors showed interest in bidding a project in Fort McMurray. The climate of upward trends in labour and material costs, and manpower availability will continue and will be fuelled by an increase in construction activity for all scales of projects in the foreseeable future.

Contractors consider Fort McMurray to be a high-risk construction area where the large plant sites offer considerable competition for available construction labour and resources.

Since its inception in May 2003, the project has been subjected to various delays that have caused the project to be tendered in a hyper-inflated market much later than originally planned. Factors that have affected the project are the searches for a suitable site of sufficient size to accommodate the detachment, the expansion of scope to reflect the increasing population, and major cost increases in construction during this period.

The following is a brief chronology of these events:

May 2003 Project award to ACI/SKCB.

June 2003- June 2004

11 site studies undertaken to find a suitable location for the Detachment.

June 2004 Timberlea site identified.
Decentralized model proposed.
Additional site studies requested for the downtown facility.

July-September

2004 Concepts and programming continued.

April-May

2005 Additional site studies requested for the downtown facility.
Concern noted about impact of inflationary costs and liabilities for
RMWB.

June 2005

- May 2006 Construction document preparation.
Review of Atco site as an alternate for the Downtown detachment.

June 2006 Tender for Timberlea Detachment.

As far as schedule is concerned, contractor mobilization and foundation work should be undertaken in the summer period to avoid or minimize winter heating and hoarding costs. Delays at this stage will involve more costs later.

The tendered price of the project could be reduced by cost savings related to the energy saving and conservation elements of the building, however this will be at the expense of future operational efficiencies.

Sincerely



Tony Brammar, B Arch, MAAA
ACI / SKCB

cc Cherie Cormier, RCMP

Attachment 3

TIMBERLEA RCMP DETACHMENT
TENDER BUDGET SUMMARY

AUGUST 15, 2006
0310

TIMBERLEA	July 19, 2006 LOW BIDDER, SINGLE BID	\$43,648,000
(MARSHALL LEE)		
5% Construction Contingency		\$2,182,400
		<hr/>
TOTAL CONSTURCTION COST		\$45,830,400
FF&E TIMBERLEA		\$1,800,000
ACI (Downtown Contract)		\$509,934
PROJECT TEAM CONSULTANT FEES		\$3,101,600
DISBURSEMENTS		\$410,000
LEED COMMISSIONING FEES		\$172,000
		<hr/>
TOTAL PROJECT COST		\$51,823,934

REGIONAL MUNICIPALITY OF WOOD BUFFALO COUNCIL REPORT

To: Mayor and Council
From: Administration, Manager of Community Services
Date: September 12, 2006
Subject: Community Engagement – Cancellation of Fort Chipewyan Date and Revision of Model

ISSUE:

Modification of the current Community Engagement Model and schedule; including the cancellation of the September 20, 2006 Fort Chipewyan Meeting.

HISTORY:

During amalgamation in 1995, it was determined that the Municipality would hold at least three council meetings per year in rural communities. During the past eleven years, Council has adopted a variety of community meeting models including; regular council meetings, town hall meetings and most recently community engagement meetings. Changes have been made to each method over the years to improve communication and relationships with rural communities.

ALTERNATIVES:

1. Amend the Community Engagement Model
2. Maintain the current Community Engagement Model

ANALYSIS:

The current Community Engagement Model is an effective communication tool. Notwithstanding the success of the current format, it is believed that further changes should occur due to the increased municipal presence in each of our rural communities since 1995. This increased municipal presence has resulted in a higher level of communication with rural residents on a daily basis; therefore it is felt that two community engagement meetings per year would be the most effective. Further it is suggested that the next Community Engagement Meeting in Fort Chipewyan scheduled for September 20, 2006 be cancelled, as it directly conflicts with the Leading Change Conference on aboriginal development. The conference will be host to a variety of aboriginal leaders and rural community members, reducing the number of individuals available for the Community Engagement Meeting.

ADMINISTRATIVE RECOMMENDATION:

That the Community Engagement Meeting scheduled for September 20, 2006 in Fort Chipewyan be cancelled.

That the Community Engagement Model be amended from three meetings to two meetings per year in a schedule to be established on an annual basis.

REGIONAL MUNICIPALITY OF WOOD BUFFALO

COUNCIL REPORT

To:	Mayor and Council
From:	Administration
Date:	September 5, 2006
Subject:	Cancellation of Meeting – September 12, 2006

ISSUE:

Cancellation of the September 12, 2006 regular council meeting.

HISTORY:

In the past, Council meetings have been held on the second and fourth Tuesday of each month, with the exception of scheduled recess periods. A new procedure bylaw was adopted in June, 2006, which resulted in Council meetings being held on a weekly basis.

ALTERNATIVES:

1. Maintain the current schedule of meetings.
2. Cancel the September 12th regular Council Meeting.

ANALYSIS:

As Council now meets on a weekly basis, and a special meeting was held during the period set aside as summer recess, the business to be addressed by Council on September 12th is minimal and not considered urgent in nature. Cancellation of the September 12th meeting would have no significant impact on municipal operations and will also reduce financial costs associated with holding meetings. As Council's schedule of meetings is set by resolution, a resolution would be required to effect the cancellation.

ADMINISTRATIVE RECOMMENDATION:

THAT the Council meeting scheduled to take place on September 12, 2006 be cancelled.

REGIONAL MUNICIPALITY OF WOOD BUFFALO COUNCIL REPORT

To:	Mayor & Council
From:	Administration, Manager of Planning and Development
Date:	September 5, 2006
Subject:	Debenture Borrowing Bylaw - Keyano Area Access (Clearwater Drive)

ISSUE:

Approval of Debenture Bylaw No 06/ 033 to borrow \$6,758,000.00 for the construction of the Keyano Area Access - Clearwater Drive.

REFERENCE:

1. *Lower Townsite Area Redevelopment Plan, Bylaw 01/044*
2. *Lower Townsite Transportation Study*, Dillon Consulting, July 2001
3. *Lower Townsite East End Servicing Study*, Associated Engineering, March 2002
4. *Lower Townsite East Loop Road and Connector Roads – Clearwater Drive, Pre-design Report*, Associated Engineering, June 2005

HISTORY:

The pre-design of “Clearwater Drive” was adopted by Council December 6, 2005 and construction of the first stages was budgeted for in the 2006 Capital Budget. The detailed design of the entire roadway and bridge work is in progress.

The Keyano Area Access portion of the Lower Townsite East End Loop Road, unofficially called Clearwater Drive, consists of 870 lineal meters of 4 lane divided arterial roadway, including three signalized intersections, and a 132 meter long bridge. The project extends from the King Street traffic circle, crossing the Hangingstone River onto the abandoned CNR right-of-way, connecting to Mills Avenue and to Franklin Avenue.

The project is budgeted over a four year period from 2005 to 2008. The total cost of the project is estimated at \$22,343,000.00. The bridge is a major component of the estimated costs (approximately \$14M) and the budgeted debenture funding must be in place prior to construction being initiated. The bridge work is expected to be tendered late in the third quarter of 2006, with the first phase of the bridge construction (foundation piers) starting in late 2006.

This debenture bylaw will allow construction to proceed as approved in the capital budget.

ALTERNATIVES:

- a) Proceed with funding.
- b) Do not proceed with funding.

ANALYSIS:

Based on projected residential and institutional growth in the Keyano Area, substantive traffic congestion and delay will be experienced on the roadways if this alternate access to the highway corridor is not constructed in a timely manner. This traffic impact will be compounded by expansion in the Mid-town Commercial District.

The Keyano Area Access must be constructed in advance of the build out of the Keyano and Mid-town Commercial areas to accommodate anticipated development.

ADMINISTRATIVE RECOMMENDATION:

That Bylaw No. 06/ 033, a borrowing bylaw to construct the Keyano Area Access, Clearwater Drive, be read a first time.



SUBJECT AREA

BYLAW NO. 06/ 033

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AUTHORIZE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO INCUR AN INDEBTEDNESS BY THE ISSUANCE OF DEBENTURES IN THE AMOUNT OF SIX MILLION SEVEN HUNDRED FIFTY-EIGHT THOUSAND DOLLARS (\$6,758,000.00) FOR THE PURPOSE OF THE CONSTRUCTION OF THE KEYANO AREA ACCESS - CLEARWATER DRIVE.

WHEREAS the Council of the Regional Municipality of Wood Buffalo has decided to issue a by-law pursuant to Section 258 of the Municipal Government Act to authorize the financing, undertaking and completion of the construction of the Keyano Area Access - Clearwater Drive;

WHEREAS the Regional Municipality of Wood Buffalo has made plans, specifications and estimates for the project and confirms the total cost of the construction of the Keyano Area Access - Clearwater Drive is \$22,343,000.00.

WHEREAS in order to complete the said project, it will be necessary for the Regional Municipality of Wood Buffalo to borrow the sum of \$6,758,000.00, for a period not to exceed twenty (20) years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred in this bylaw.

WHEREAS the principal amount of the outstanding debt of the Regional Municipality of Wood Buffalo at December 31, 2005 is \$56,136,951.00 no part of the principal or interest is in arrears;

WHEREAS the estimated lifetime of the project financed under this by-law is equal to, or in excess of twenty (20) years;

AND WHEREAS all required approvals for the project have been obtained and the project is in compliance with all Acts and Regulations of the Province of Alberta;

NOW, THEREFORE, the Council of the Regional Municipality of Wood Buffalo, duly assembled, hereby enacts as follows:

1. That for the purpose of the construction of the Keyano Area Access - Clearwater Drive the sum of SIX MILLION SEVEN HUNDRED FIFTY-EIGHT THOUSAND DOLLARS (\$6,758,000.00) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Regional Municipality of Wood Buffalo at large, of which amount the full sum of \$6,758,000.00 is to be paid by the Regional Municipality of Wood Buffalo at large.
2. The proper officers of the Municipality are hereby authorized to issue debentures on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the construction of the Keyano Area Access - Clearwater Drive.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest installments not to exceed twenty (20) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed fourteen (14) percent.

4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS _____ DAY OF _____, 2006.

READ A SECOND TIME THIS _____ DAY OF _____, 2006.

READ A THIRD AND FINAL TIME THIS _____ DAY OF _____,
2006.

CERTIFIED A TRUE COPY

MAYOR

CHIEF LEGISLATIVE OFFICER

CHIEF LEGISLATIVE OFFICER

Debenture Schedule

principal	\$6,758,000.00
interest	6.00%
term	20
payments	\$589,193.24

year	bal.begin	interest	payment	principal	balance end
					\$6,758,000.00
1	\$6,758,000.00	\$405,480.00	\$589,193.24	\$183,713.24	\$6,574,286.76
2	\$6,574,286.76	\$394,457.21	\$589,193.24	\$194,736.03	\$6,379,550.73
3	\$6,379,550.73	\$382,773.04	\$589,193.24	\$206,420.19	\$6,173,130.54
4	\$6,173,130.54	\$370,387.83	\$589,193.24	\$218,805.40	\$5,954,325.14
5	\$5,954,325.14	\$357,259.51	\$589,193.24	\$231,933.73	\$5,722,391.41
6	\$5,722,391.41	\$343,343.48	\$589,193.24	\$245,849.75	\$5,476,541.66
7	\$5,476,541.66	\$328,592.50	\$589,193.24	\$260,600.74	\$5,215,940.92
8	\$5,215,940.92	\$312,956.46	\$589,193.24	\$276,236.78	\$4,939,704.14
9	\$4,939,704.14	\$296,382.25	\$589,193.24	\$292,810.99	\$4,646,893.15
10	\$4,646,893.15	\$278,813.59	\$589,193.24	\$310,379.65	\$4,336,513.51
11	\$4,336,513.51	\$260,190.81	\$589,193.24	\$329,002.43	\$4,007,511.08
12	\$4,007,511.08	\$240,450.66	\$589,193.24	\$348,742.57	\$3,658,768.51
13	\$3,658,768.51	\$219,526.11	\$589,193.24	\$369,667.13	\$3,289,101.39
14	\$3,289,101.39	\$197,346.08	\$589,193.24	\$391,847.15	\$2,897,254.23
15	\$2,897,254.23	\$173,835.25	\$589,193.24	\$415,357.98	\$2,481,896.25
16	\$2,481,896.25	\$148,913.78	\$589,193.24	\$440,279.46	\$2,041,616.79
17	\$2,041,616.79	\$122,497.01	\$589,193.24	\$466,696.23	\$1,574,920.56
18	\$1,574,920.56	\$94,495.23	\$589,193.24	\$494,698.00	\$1,080,222.56
19	\$1,080,222.56	\$64,813.35	\$589,193.24	\$524,379.88	\$555,842.68
20	\$555,842.68	\$33,350.56	\$589,193.24	\$555,842.68	\$0.00

	Interest	Debenture Cost	Principal
Total	\$5,025,864.72	\$11,783,864.72	\$6,758,000.00

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REGIONAL MUNICIPALITY OF WOOD BUFFALO

COUNCIL REPORT

To: Mayor and Council
From: Administration, Manager of Planning and Development
Date: September 5, 2006
Subject: Text Amendment to Highway 63 North Area Structure Plan – Graymont

ISSUE:

An application to amend the Highway 63 North Area Structure Plan (ASP) has been received to allow natural resource extraction within the “Industrial Land Use” policies section of the ASP, on a strip of land located between the Athabasca River and Highway 63, adjacent to the north of the Urban Service Area.

REFERENCE:

1. Municipal Government Act (MGA)
2. Municipal Development Plan (MDP) Bylaw 00/005 as amended by Bylaw 06/025
3. Highway 63 North Area Structure Plan (ASP) Bylaw 99/037
4. Land Use Bylaw (LUB) Bylaw 99/059
5. Discussion Paper-Natural Resource Extraction in Parks and Recreation District (June 2006)

HISTORY:

Graymont Western Canada Inc. and Inland Aggregates Ltd. have been working together since March 2004 to develop the Parson’s Creek Resources Project on portions of Section 5, 6, 7, 8, 18, 19, 30, and 31 of 90-9-W4 and also NE 36 of 90-10-W4. The project is to extract the rich resources of sand, gravel and limestone in phases.

The Provincial Government has stated that without municipal support (as expressed through to MDP and ASP) leases to permit development will not be issued. The proposed ASP Amendment covers both the Surface Materials Lease (SML) and Metallic and Industrial Materials Lease (MAIM) areas which are approximately 66.36 hectares (164 acres) and 820 hectares (2026.26 acres) respectively.

The amendment process began with MDP and ASP proposals submitted to the Municipality on April 4, 2006. The proponent held an open house on May 31, 2006 to present the project and gather public comments on the project prior to Council review. The meeting was attended by 25 people. The open house provided a valuable opportunity to share information and significant support for the project was noted in the discussions. The MDP amendment proposal has been approved by the Regional Council on July 11, 2006. A related LUB amendment application has also been received and if approved would allow for sand and gravel extraction within the 66.36 hectares (164 acres) SML area.

ALTERNATIVES:

1. Proceed with the amendment to the Highway 63 North Area Structure Plan.
2. Modify the proposed amendment to the Highway 63 North Area Structure Plan.
3. Deny the application

ANALYSIS:

To permit Natural Resource Extraction activity in Parks and Recreation District, the ASP needs to be amended. The MDP was amended to allow Natural Resource Extraction in Major Recreational Policy Areas under certain conditions. The subject land falls both in “Recreation and Open Space” and “Environmental Protection” areas in the ASP. The LUB designates the subject land as “Parks and Recreation District”. The ASP does not allow Natural Resource Extraction activity in these zones. ASP does not define “Natural Resource Extraction”, although it includes supportive policies for this kind of activity.

The subject property is in the Rural Service Area of the Municipality and adjacent to the Urban Service Area. An eventual large scale recreational use is proposed for the site. However, this land, being along the Athabasca River also provides significant potential for aggregate and limestone. Allowing extraction activities under certain conditions can create a flexibility in use and meet MDP and ASP objectives. This will allow land and resources to be utilized to their full potential. LUB Section 116.8. requires natural extraction area to be reclaimed after completion of the activity. The Provincial lease procedures, as well, protect the land after extraction. Reclamation of land after the activity fully saves the land for future recreational needs of the community.

Detailed text can be added to the Land Use Policies Section of the ASP such that only the subject land can be available for extraction activities. Approval of the ASP amendment will permit the applicant to proceed with the SML application. The company plans to develop sand, gravel and eventually limestone extraction activities in phases following the SML approval. A Conservation and Reclamation Business Plan (CRBP) is a requirement of lease approval. A CRBP will indicate in detail what is to be undertaken to reclaim the site to meet the ASP’s long term objective. A limestone extraction additionally requires an Environmental Impact Assessment (EIA) as a condition of lease approval. This amendment will provide a more flexible and efficient use of the subject land.

ATTACHMENTS:

1. Proposed Bylaw
2. Subject Map

ADMINISTRATIVE RECOMMENDATION:

1. THAT Bylaw No. 06/036, being a bylaw to amend the Highway 63 North Area Structure Plan (ASP) to allow natural resource extraction within the Industrial Land Use Policies section, within Sections 5, 6, 7, 8, 18, 19, 30 and 31 of Twp 90-Rge 9-W4M and NE 36 of Twp 90-Rge 10-W4M, be read a first time.

BYLAW NO. 06/036

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND BYLAW NO. 99/037 BEING THE HIGHWAY 63 NORTH AREA STRUCTURE PLAN FOR THE REGIONAL MUNICIPALITY OF WOOD BUFFALO.

WHEREAS Section 633 of the Municipal Government Act, R.S.A., 2000, Chapter M-26 and amendments thereto authorizes Council to enact a bylaw adopting a Land Use Bylaw.

AND WHEREAS Section 191(1) of the Municipal Government Act, R.S.A., 2000, Chapter M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw.

NOW THEREFORE, the Regional Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, in open meeting hereby enacts as follows:

THAT the Highway 63 North Area Structure Plan (Bylaw 99/ 037) is hereby amended by adding the following text as a new policy (# 5.2.5.a) within the Industrial Land Use Policies section of the ASP:

“Sand and gravel extraction and limestone extraction activities may be appropriate within Sections 5, 6, 7, 8, 18, 19, 30 and 31 of Twp 90-Rge 9-W4M and NE 36 of Twp 90-Rge 10-W4M where operating and reclamation plans effectively retain and enhance the end use capability of the land. Prior to municipal land use or development approval for limestone extraction, appropriate authorizations must be obtained pursuant to the Alberta Environmental Protection and Enhancement Act (AEPEA) and Public Lands Act.”

READ a first time this day of September, A.D. 2006

READ a second time this day of , A.D. 2006

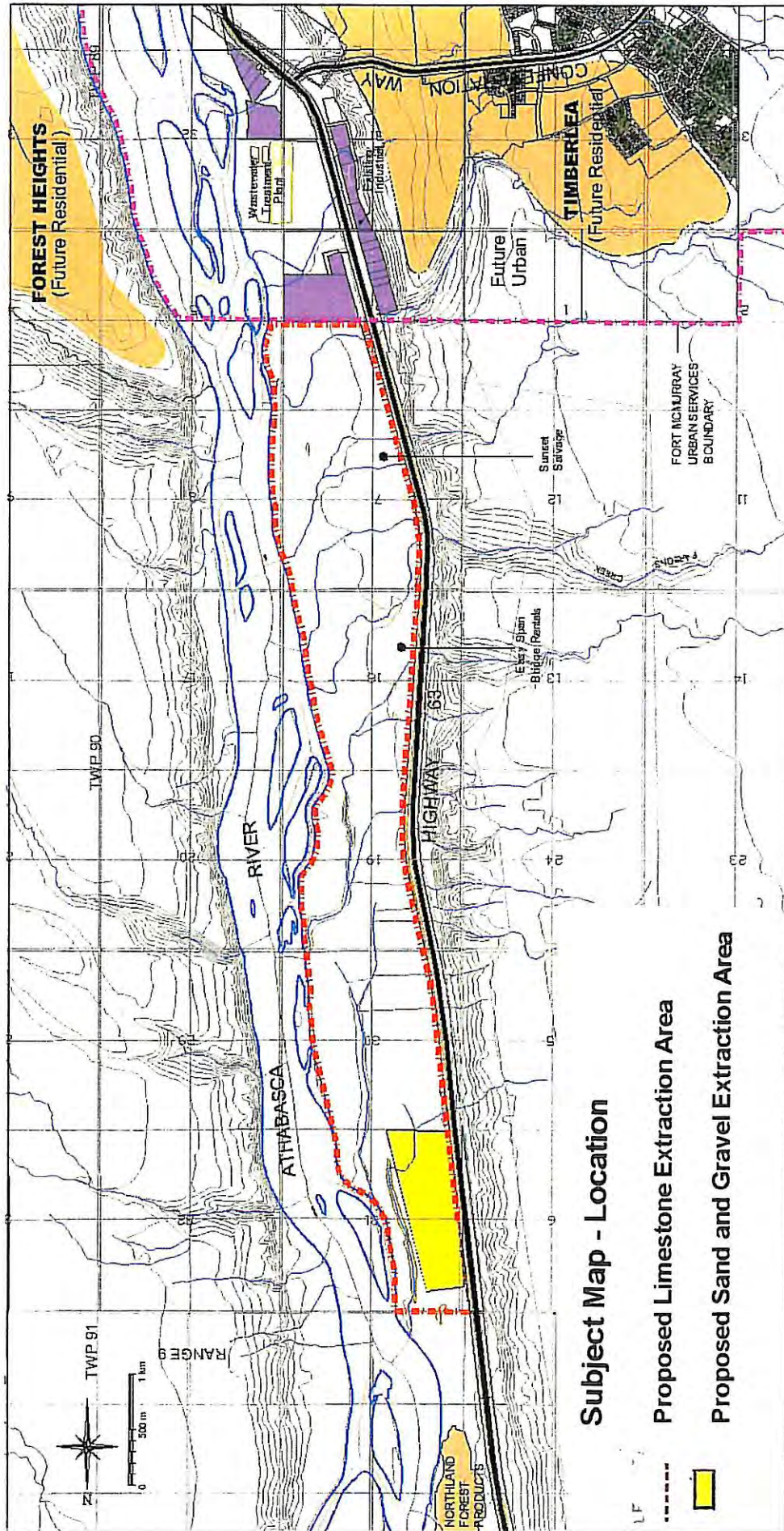
READ a third time this day of , A.D. 2006

CERTIFIED A TRUE COPY

MAYOR

CHIEF LEGISLATIVE OFFICER

CHIEF LEGISLATIVE OFFICER



Subject Map - Location

Proposed Limestone Extraction Area

Proposed Sand and Gravel Extraction Area

REGIONAL MUNICIPALITY OF WOOD BUFFALO

COUNCIL REPORT

To: Mayor and Council
From: Administration, Manager of Planning and Development
Date: September 5, 2006
Subject: Text Amendment to the Land Use Bylaw – Graymont

ISSUE:

An application to amend the Land Use Bylaw has been received to allow sand and gravel extraction in the Parks and Recreation District, on a property located between the Athabasca River and Highway 63, approximately 8 km north of the Urban Service Area.

REFERENCE:

1. Municipal Government Act (MGA)
2. Municipal Development Plan (MDP) Bylaw 00/005 as amended by Bylaw 06/025
3. Highway 63 North Area Structure Plan (ASP) Bylaw 99/037
4. Land Use Bylaw (LUB) Bylaw 99/059
5. Discussion Paper-Natural Resource Extraction in Parks and Recreation District (June 2006)
6. The Council Report for the ASP Amendment; PD-049-2006.

HISTORY:

The proposed amendment to the LUB covers 5 separate Surface Material Leases (SML) covering 66.36 hectares (164 acres). This amendment, if approved, allows for sand and gravel extraction within the West ½ of Section 31, Township 90, Range 9, W4M.

The amendment process began with proposed amendments to the MDP and the ASP submitted on April 4, 2006. The proponent held an open house on May 31, 2006 to present the project and gather public comments on the project prior to Council review. The meeting was well attended by 25 people. Significant support for the project was noted in the discussions. The MDP amendment proposal has been approved by the Regional Council on July 11, 2006.

Alberta Sustainable Resource Development (ASRD), as the land owner, has given the Municipality written consent to process an LUB amendment application. Graymont will eventually also need the Regional Council's approval on the proposed amendments to proceed with its SML applications which it submitted to ASRD on February 15, 2005.

ALTERNATIVES:

1. Proceed with the amendment to the Land Use Bylaw.
2. Modify the proposed amendment to the Land Use Bylaw.
3. Deny the application.

ANALYSIS:

The LUB designates the subject land as "Parks and Recreation District". The LUB does not allow natural resource extraction activity in this zone. It defines Natural Resource Extraction as "*The development of oil, gas, gas facilities, sand and gravel operations and logging operations.*" It is only permitted in the Urban Expansion and Rural District as a discretionary use.

A large scale recreational use for future is prescribed for the site by the ASP and the LUB. However, allowing extraction activities under certain conditions can create a flexibility in use and meet more than one plan objectives. If approved, this amendment allow land and resources to be utilized to their full potential. The LUB and Provincial lease procedures require reclamation and allows the land to be eventually developed for future recreational needs of the community.

Detailed text can be added to Section 114.3 of the LUB such that only the subject land within “Parks and Recreation District” can be available for sand and gravel extraction activities as long as the MDP, the ASP and the LUB requirements are met. Spot developments will be prevented. Approval of the plan amendments will permit the applicant to proceed with its 5 SML applications. In case the land use has not been amended, the subject land will remain underutilized until the community needs a large scale recreational use in the outskirts of the community.

ATTACHMENTS:

1. Proposed Bylaw
2. Subject Map

ADMINISTRATIVE RECOMMENDATION:

1. THAT Bylaw No. 06/ 037, being a bylaw to amend the Land Use Bylaw (LUB) to allow sand and gravel extraction within the Parks and Recreation District prescribed in Section 114.3 of the LUB, within West ½ of Section 31, Township 90, Range 9, W4M, be read a first time.

BYLAW NO. 06/037

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND BYLAW NO. 99/059 BEING THE LAND USE BYLAW FOR THE REGIONAL MUNICIPALITY OF WOOD BUFFALO.

WHEREAS Section 633 of the Municipal Government Act, R.S.A., 2000, Chapter M-26 and amendments thereto authorizes Council to enact a bylaw adopting a Land Use Bylaw.

AND WHEREAS Section 191(1) of the Municipal Government Act, R.S.A., 2000, Chapter M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw.

NOW THEREFORE, the Regional Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, in open meeting hereby enacts as follows:

THAT the Land Use Bylaw (Bylaw 99/ 059) is hereby amended by adding the following text to the Discretionary Uses of the Parks and Recreation District prescribed in Section 114.3 of the LUB:

“Sand and gravel extraction and associated processing and shipping activities within the West ½ of Section 31, Township 90, Range 9, W4M.”

READ a first time this day of September, A.D. 2006

READ a second time this day of , A.D. 2006

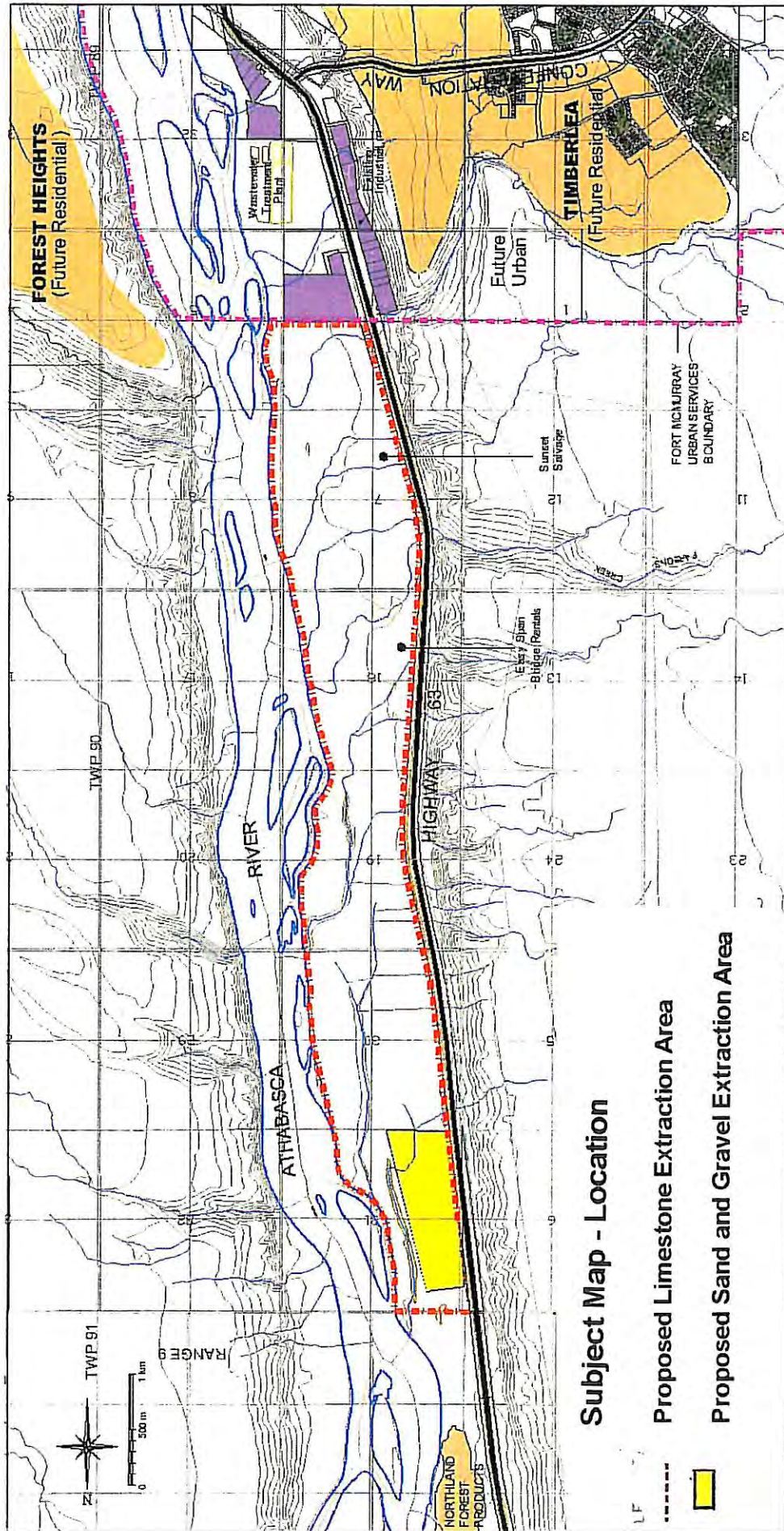
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CERTIFIED A TRUE COPY

MAYOR

CHIEF LEGISLATIVE OFFICER

CHIEF LEGISLATIVE OFFICER



Subject Map - Location

Proposed Limestone Extraction Area

Proposed Sand and Gravel Extraction Area