



Finance, Administration and Operations Committee

Tuesday, March 18, 2014, 4:15 pm.
City Hall, Council Chambers

Committee Members

Councillor J. Fullarton, Chair
Councillor J. Baker
Councillor T. Blanchard
Councillor L. Bursey
Councillor J. Earle
Mayor D. Henderson,
Ex-Officio

Areas of Responsibility:

Clerk's Office
Environmental Services
Finance Department
Fire Department
Human Resources Dept.
Operations Department
Airport Commission
Arena Advisory Board
Brockville Municipal
Accessibility Advisory
Committee (BMAAC)

CRCA
Cemetery
Health Unit
Joint Services Committee
PLMG
Police Services Board
Safe Communities Coalition
St. Lawrence Lodge
Management Board
Volunteer Awards

All legal matters [excepting
the purchase and sale of
land]

Page

AGENDA

DISCLOSURE OF INTEREST

DELEGATION(S) AND PRESENTATION(S)

1. Mr. Michael Veenstra
(Spring Valley Homes Ltd.)

Mr. Veenstra will speak to the Committee concerning development charges.

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2. Councillor LeSueur
(Brockville Railway Tunnel Committee)

Councillor LeSueur will present the Brockville Railway Tunnel Feasibility Report to the Committee.

CORRESPONDENCE

Nil.

STAFF REPORTS

- 44 - 51 1. 2014-028-03
Request for Higher Winter Maintenance Priority - Charlotte Place
- THAT the Finance, Administration and Operations Committee provide direction with respect to the request for a higher winter maintenance priority for Charlotte Place.*
- 52 - 54 2. 2014-026-03
Request for No Parking Chalet Drive
- THAT parking be prohibited on the north side of Chalet Drive from Oxford Ave to 44 metres west of Oxford Avenue; and*
- THAT parking be prohibited on the south side of Chalet Drive from Oxford Ave to 21.5 metres west of Oxford Avenue; and*
- THAT Schedule "1" Subsection 72 of By-law 119-89 be amended accordingly.*
- 55 - 58 3. 2014-025-03
Quotation Q2014-05 Slabjack Equipment - Public Works
- THAT the quotation from Airplaco Equipment (CanCrete Equipment Ltd.), Mississauga, Ontario in the amount of twenty-eight thousand four hundred and three dollars and eighteen cents (\$28,403.18) plus HST for the purchase of slabjack equipment be accepted; and*
- THAT the necessary funds be expensed from the Fleet Capital Account 9101010-9902031-9361.*

- 59 - 61 4. 2014-035-03
Tender E2014-01
Supply of Gasoline & Diesel Fuel

THAT the tender from Ultramar Ltd. of Brockville for the supply of gasoline and diesel fuel for the period of April 1, 2014 to March 31, 2016 be accepted; and

THAT expenditures be charged to account 01-5-212146-2530.

- 62 - 63 5. 2014-030-03
Request for Funding Granular Activated Carbon (GAC)

THAT Council authorize the purchase and installation from Continental Carbon Group of Granular Activated Carbon (GAC) filter media at the Water Treatment Plant in the amount of Two Hundred and Sixteen Thousand, One Hundred and Seventeen Dollars (\$216,117.00) including net HST; and

THAT an additional Sixteen Thousand, Five Hundred Dollars (\$16,500.00) be allocated from the Water Fund; and

THAT the funds be allocated from account 9403010-9940367.

- 64 - 65 6. 2014-031-03
Sole Source Contract Programmable Logic Controllers
(PLC's) SCADA Network Upgrades

THAT Council authorize the purchase from ISI Controls the upgrade of the Water Treatment Plant's Programmable Logic Controllers (PLC) and Supervisory Control Data Acquisition (SCADA) network in the amount of Sixty-four Thousand, Two Hundred and Fifty-three Dollars and Thirty Cents (\$64,253.30) including net HST; and

THAT Council authorize the purchase from ISI Controls the upgrade of Parkedale Avenue's Programmable Logic Controllers (PLC) and Supervisory Control Data Acquisition (SCADA) network in the amount of Twenty-five Thousand, Four Hundred and Thirty Dollars and Eighty-four Cents (\$25,430.84) including net HST.

- 66 - 68 7. 2014-032-03
2014 Election Update #1
(Alternative Voting Method)

THAT Council receive Staff Report No. 2014-032-03, 2014 Election Update #1 for information purposes; and

THAT Council authorize the passing of a by-law to authorize the use of an alternative voting method, being telephone and internet for the 2014 Municipal Election.

- 69 - 70 8. 2014-038-03
Grant of Easement Agreement
Hydro One Networks Inc. - Water Street

THAT Hydro One Networks Inc. be granted an easement over City lands described as Part of Water Street and Water Street Parking lot, more specifically described as Part of Lots 12, 200, 201 and Part of Laneway between Lots 200 & 201, Block 29, Plan 67, City of Brockville, County of Leeds, Being Part 1 on Registered Plan 28R-14246, Being Part of PIN 44162-0065(LT); and

THAT the Mayor and Clerk be authorized to execute all necessary documents to give effect to the intention thereof.

- 71 - 72 9. 2014-033-03
Funding of Wastewater Incentive

THAT the reduction in water and wastewater revenues provided to the two largest customers as a result of capping rate increases for 2014, be funded from the respective water and wastewater reserves.

- 73 - 78 10. 2014-034-03
Development Charges 2014

THAT for the purposes of the Development Charge Background Study and statutory public meeting: Council accept the proposed schedule of Development Charges as follows;

	<i>Residential</i>	<i>Non-residential</i>
Year 1	\$3,450	\$1.00 sq. ft.
Year 2	\$3,710	\$1.45 sq. ft.
Year 3	\$3,970	\$1.90 sq. ft.
Year 4	\$4,230	\$2.30 sq. ft.

- 79 - 82 11. 2014-027-03
 2013 Council Remuneration & Expenses

THAT Council receive the Treasurer's Report on 2013 Remuneration and Expenses for Members of Council and Board Members appointed by the City (Attachment 1 to Report 2014-027-03).

NEW BUSINESS

FAO - CONSENT AGENDA

ADJOURNMENT

THAT the Finance, Administration and Operations Committee adjourn its meeting until the next regular meeting scheduled for April 15, 2014.

Brockville Railway Tunnel



Market Assessment Study

Final Report

February, 2014

TCI Management Consultants



99 Crown's Lane, Toronto, Canada, M5R 3P4 • Fax: (416) 515-1255

February 17, 2014

City of Brockville
1 King, St. West
Brockville, ON
K6V 5V1

Attention: David LeSueur
Chair, Brockville Railway Tunnel Committee

Re: Brockville Railway Tunnel Market Assessment Study – Final Report

We are pleased to provide to you and the rest of the members of the Tunnel Committee our Final Report, which outlines the market potential for the Tunnel attraction. The results show that the attraction can be a significant community asset and generate economic benefit to the area. As well, as the Report outlines, there is some potential for the tunnel project itself to act as a catalyst to encourage additional development in the north end of its reach, which will also contribute materially to community betterment.

On behalf of the entire study team, we wish the best success in your on-going efforts.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jon Linton', with a stylized flourish.

Jon Linton

Director, TCI Management Consultants

(416) 515-0815, jlinton@consulttci.com

c.c. Glen Loo, Greg Young, TCI Management Consultants

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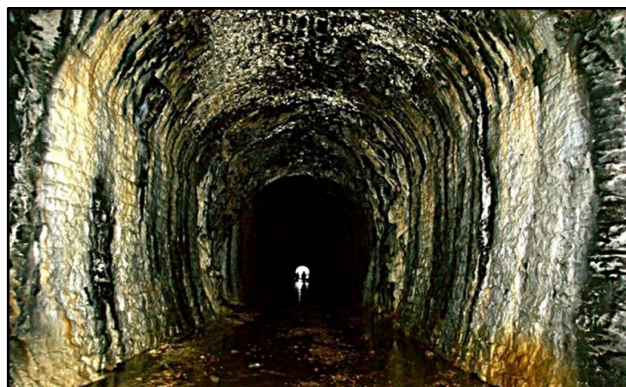
Brockville Railway Tunnel Project, Market Assessment Study

Executive Summary

In August 2013, following a public tendering process, TCI Management Consultants was retained to undertake a market assessment study for the Brockville Tunnel, Canada's first railway tunnel and a key historical asset of the City of Brockville. The assignment was to undertake a market assessment review of the tunnel as an attraction and determine the broad financial implications of use of the facility by the target markets identified. The project was split into two parts: a first phase which was to undertake a preliminary review the market potential and determine whether there appeared to be sufficient justification for further investigation, and a second phase (assuming the answer to the first phase was a 'go'), which was to undertake a more detailed review of market potential and investigate the implications of developing and operating the tunnel as a market attraction.



Exterior View of Tunnel, South End, Looking North



Interior of the Tunnel

benefits generated by development at the north end would largely offset the operating deficit of the tunnel attraction. Phase 2 of the project was devoted in part to exploring this possibility in greater detail.

The first phase of the analysis demonstrated that the tunnel attraction could be a worthwhile community asset, and generate economic benefit to the community, but that there would be a need for some on-going subsidy and operating funding if the 'tunnel project' was seen just as an end in itself. However, if the tunnel is seen as a catalyst for the development of the property around its north end, then the entire project could generate net benefit to the municipality. Specifically the additional tax

The entire 'tunnel project' was seen to comprise six elements:

1. the **restored tunnel** itself (in this context, 'restored' means that the tunnel is made open to the public, with a proper base suitable for walking, cycling and a trolley; lighting; security [closed at night]; and that there is some historical interpretation along its length);
2. **improvements to the park at the south end** of the tunnel;
3. **development at and around the 'north portal'**, which would comprise both public and private sector components;
4. a **trolley operation**, which would connect the north and south ends of the tunnel as well as connect the tunnel to other attractions in the downtown;
5. **development of the 'north gorge' area** (i.e. a trail extension running from the north portal through a second tunnel under the existing CN railway tracks); and,
6. trail and public transit **extensions to the rest of the community**.

Given that there is already considerable momentum and activity on the tunnel project, it is envisaged that the entire 'build-out' of all components could take on the order of 5 to 6 years to complete – i.e. to 2020. The Report suggests a staged sequence of activities between now and then.

Considering this entire 'tunnel project' specific findings from the assessment were:

- the operating surplus to the municipality was estimated to be on the order of **\$35,000 per year**¹ – however this was assuming that part of the revenues accruing to the municipality as a result of eventual development at the north end would be used to subsidize the overall development
- if this were not to be the case (i.e. no offset from development at the north end) then an operating subsidy from the municipality would be required – this was estimated to be **\$33,000 per year**
- usage of the restored tunnel itself was estimated conservatively to be **30,000 visitors per year** – this comprises local and regional residents, as well as tourists and visitors to the community – 'users of the tunnel' are seen to comprise people who walk or cycle through all or part of the tunnel, those participating in special events held at the tunnel, and those riding the trolley on that part of its journey through the tunnel
- the tunnel and its various components were estimated to engage **19,000 tourists per year**, most of whom would be 'tunnel users' in the manner described above
- the additional economic impact associated with this tourism was estimated to be **\$1.1 million per year** (the assumption underlying this estimate is that even if the tunnel does not draw a significant number of new visitors to the community, it will encourage them to stay for a longer period of time in Brockville, and thus spend more than they otherwise might have in the City)

¹ Note all costs are measured in terms of 2014 dollars.

- this additional tourist expenditure in the community will generate an additional **\$704,000 of gross domestic product (GDP)** in Leeds and Grenville County, which can be thought of as the value of additional goods and services associated with the tourism expenditure – this additional activity would be associated with **12 full-time job equivalents**

Thus the overall 'tunnel project' has the potential to create significant economic benefit in Brockville. One way of looking at the leverage effect of the overall project is that every dollar spent by the community in subsidizing the overall 'tunnel project' generates an additional \$21 in GDP in the County².



Wedding Event at Tunnel

In addition to these economic benefits, of course, the tunnel project will result in the revitalization and celebration of a significant community asset, which can be a source of pride and achievement for City residents (as well as the preservation and interpretation of a unique and fascinating historical asset).

The Phase 1 work focused upon an overall analysis of the market potential and financial implications to the City of the 'tunnel project' as an attraction. Phase 2 was to undertake a more in-depth assessment of the market potential and recommend a series of next steps for the Tunnel Committee.

There are two recommended streams of action that emerged from this second phase. The first is for the Tunnel Committee itself and relates to carrying on the momentum of the tunnel project, securing funding, etc. The second stream of activity is to municipal staff, in terms of encouraging development at the north end of the site that, as mentioned, may be critical to the financial sustainability of the overall project. Each of these streams of activity is discussed in turn.

Stream 1: Continue Momentum on the Tunnel Project

Rather than break the 'tunnel project' into a series of discrete phases (as was the original idea in Phase 1) the Tunnel Committee has determined that the overall project would have more critical mass (and funding potential) if it is treated as an integrated and single whole. The recommended next steps presented here assume then that the project is a unified development, consisting of the restored tunnel, the south portal tunnel park, the trolley operation, and a small parkette development at the north end (as opposed to the longer-term larger north end development subsequently discussed, which is a separate stream of activity).

Considering the integrated tunnel as described above, the capital and operating costs and revenues for the four key components would be as shown on the chart below.

² Calculated by dividing the additional GDP generated in the County (\$704,000) by the amount of the City subsidy (\$33,000). Of course it must be recognized that it is the City that is incurring the expense, and the businesses throughout the County that are seeing the additional benefits (i.e. the additional GDP) but nonetheless, this analysis does show the potential for significant community betterment.

Cost of 'Integrated' Tunnel Project

Component	Capital Cost	Operating Cost	Operating Revenue	Net Operating Position
1) Restored Tunnel: <i>a) 'regular visitors'</i>	- \$2.2 million refurbishment for tunnel (Stantec estimate)	- assume annual security, lighting, repair costs of \$50 per linear metre (half typical trail standard) = tunnel is 550 metres long, so cost is, say, \$27,000	- assume 5% of users donate average of \$2 each towards tunnel cost = \$2,000	- annual cost to City of \$25,000 per year
<i>b) special events</i>	-	-	- assume tunnel is rented to community groups and organizations 10 times per year @ \$300	- annual revenue generated of \$3,000
2) South Portal Tunnel Park: <i>a) park component</i>	- some landscaping cost (say \$50,000 out-of-pocket; existing municipal staff used for labour)	- no incremental cost for park area; existing staff used (e.g. tourist information) and exhibits stand-alone	- assume two food / snack bar kiosks; rental rate of \$2,000 each for operating season (June – Sept.)	- annual revenue generated of \$4,000 per year
<i>b) public facilities use building</i>	- assume 3,000 sq. ft. facility - @\$300 per sq. ft. = \$900,000	- seasonal operation; 1 summer staff position (say \$10,000) - some cost for exhibit refurbishment, development (say \$5,000 / yr.)	- 10,000 visitors; assume donation - 5% donate an average of \$2 each = \$1,000	- annual cost to City of \$14,000 per year
3) North Portal Precinct <i>b) public component</i>	- city acquires one acre for public amenities and parking area (order of 8,000 sq. ft.) – cost = \$200,000 - city acquires and fits out 2 used train boxcars @ \$100,000 each	- one boxcar used for public programming - cost of \$5,000 / yr. - other boxcar operating and maintenance cost of \$1,000 / yr.	- second boxcar rented to private sector boutiques, etc. for \$5,000	- net cost of \$1,000 / yr.
4) Trolley Operation	- City assumes some cost for stop posts, signage, etc. (say \$20,000) - private operator assumes cost of trolley purchase and operation	- no operating cost to City – only obligation will be to monitor / evaluate operator	- review of most trolley operations elsewhere shows that operations are often subsidized by the municipality (in return for tourism benefits) and that	- assume municipality is able to break even on operations (i.e. no significant cost incurred; private operator is able to sustain the operation on their own)
Operating Costs to City of Brockville		approximately \$48,000 annually	approximately \$15,000 annually	subsidy of approximately \$33,000 annually

Note that the costs estimated here are assumed to be 'arms length' or 'market-based' (in other words, representing purely commercial transactions). However, there are two factors that could reduce the actual capital and construction costs incurred by the City. The first of these is that that local labour and materials could be provided on a voluntary or in-kind basis. Given that the 'tunnel project' has enjoyed widespread community awareness and positive support, this scenario is quite likely. The second factor is that some of the maintenance costs and materials could be supplied by the municipality as an extension of the city's existing activities, using manpower, equipment and supplies that it already has access to. (Thus, while there will still be some cost, this would not necessarily be directly attributed to the tunnel project itself.) Because of these two factors, the costs presented here could be considered as being in a sense 'maximum theoretical' costs that the municipality would incur if it were dealing solely with arm's length private suppliers, and that actual costs might well be considerably less than this.

Specific next steps for the Tunnel Committee to pursue in this stream of activities are:

- a) secure **Council approval in principle** for the directions outlined in this Report – specifically an endorsement for the Tunnel Committee to explore grant and funding options for the tunnel project itself, and secondly, direction to municipal staff to explore the possibilities for re-zoning and incentivizing the development of the north end parcel of land (see Stream 2, overleaf);
- b) the Tunnel Committee has already formed a **fundraising subcommittee** to pursue government, foundation and community fundraising – this group should, with the City Department of Economic Development, explore the possibilities for grants and fundraising for the integrated tunnel project and use this information contained in this report as appropriate;
- c) an **updated specifications and costing study** is a logical next step as well, in order to update the construction cost estimates for the tunnel and related project elements – this should be undertaken as soon as possible;
- d) prepare a **specific plan and timetable** for the development of the integrated project as described here;
- e) once a development plan and timetable is in place, **begin negotiations with potential tour tram operators** (the Tunnel Committee already has had preliminary conversations with at least one potential operator in this regard) – to be seen as an open and transparent process, the City may need to go to tender for operators – this should be widely advertised throughout the community as well; and
- f) once sufficient funding is in place to make a powerful start on the integrated project – *with a priority element being the restored tunnel* - overseeing the Tunnel Project itself will require **specialist contractor** who will take responsibility for the entire project (as opposed to a piecemeal development) – the City, with the advice and input from the Tunnel Committee, should spearhead this responsibility

The ‘integrated tunnel’ project itself is do-able assuming the City is willing to find the capital costs and subsidize operation to the tune of \$33,000 per year. There are significant economic and socio-cultural benefits from the project to the community overall that may make such subsidy sustainable in the minds of City decision-makers. However, the overall project has the opportunity to contribute even more to community well-being by acting as a catalyst to development to the north. The set of activities relating to pursuing this opportunity is appropriately a City responsibility, and is described as ‘Stream 2’, below.

Stream 2: Encouraging Development at the North End

One of the key implications coming out of Phase 1 was that for the overall tunnel project to work with a minimal deficit, development at the north end would need to proceed, and the surplus tax

revenues generated from this development be conceptually 'earmarked' to help subsidize the overall costs of the operating costs of the project. If this were not to be the case, and development at the north end were not to proceed, then the overall annual costs to the City would approximate \$33,000. With the City's other on-going priorities and obligations (e.g. Aquarium) this may not be seen to be sustainable, despite the tourism benefits outlined earlier. Accordingly, a conclusion of this market assessment is that development of the property at the north end may be essential to the success of the overall project.

At present, the property on both sides of the north end of the tunnel portal is designated M3 – restricted industrial (shown by way of the arrows on the diagram below). The larger parcel on the right [designated M3-X2-1] is actually a 'Special Exception Zone', which is a more restrictive category.)



This designation significantly limits the nature and type of development that can occur on the site, and relates primarily to the past use of the site rather than its future strategic potential. However, it is within the City's brownfield envelope, meaning that there are certain Community Improvement Plan (CIP) incentives that could potentially apply to development on the site (which would include remediation of any contamination on the property but also some form of development towards a higher and better use). A further complication is that the property is in private hands, which somewhat reduces the City's ability to determine the future course of development there.

However, given the strategic importance of the property, the City should consider a number of proactive courses of action to encourage the positive development of the site. (While these are beyond the direct mandate of the Tunnel Committee, that group could support and provide some impetus to the City getting this done.) These actions include:

- in the current zoning review (underway at present through the Planning Department) consider re-designation of the lands from M3 to C (commercial) which would facilitate the kinds of synergistic development that would support the tunnel project (by providing activities of interest to tunnel users that would create additional incentive to come to the north end, well as generate the tax revenues to the municipality that could offset development costs);
- review the current CIP status of the site to determine whether there are ways and means of increasing the degree to which development on this strategic site can be 'incentivized' through an enhanced Brownfield CIP;
- assess the implications of commercial development of the site upon surrounding land uses and traffic flow – this would entail a traffic study (including projected traffic volumes along Stewart Blvd./William St. and well as traffic generated from the developed site itself) which would consider the need for signalization on the to enable safe access into the site – also to be considered would be the impact of traffic and noise upon the residential areas to the immediate south;
- initiate discussions with the property owner regarding the development possibilities of the site, with a view to encouraging the owner to develop the site in the longer term, as a commercial development in alignment with the overall tunnel development plan developed here;
- should the owner not be receptive, the City should explore ways and means of acquiring the property (either through sale or expropriation) given its strategic importance to the tunnel project specifically and the community overall.

The restoration of the tunnel itself, and the various ancillary improvements made to the south end, the north end parkette and the trolley operation, should be seen strategically in part as an investment or catalyst to this north end development. A key and positive point of differentiation for developer and commercial tenants on the site will be the access to the tunnel and the unique linkage it provides to the downtown.

+++++

Conclusion: The Brockville Railway Tunnel Project has the potential to create community benefit in Brockville in a number of ways: as the restoration and interpretation of a significant community and national asset; as a contributor to Brockville's growing list of attractions; as a generator of positive economic impact in the community; as a source of community pride; and as an element in the redevelopment of a strategic property in the community. The two recommended streams of action presented in this Report would help to realize this significant potential.

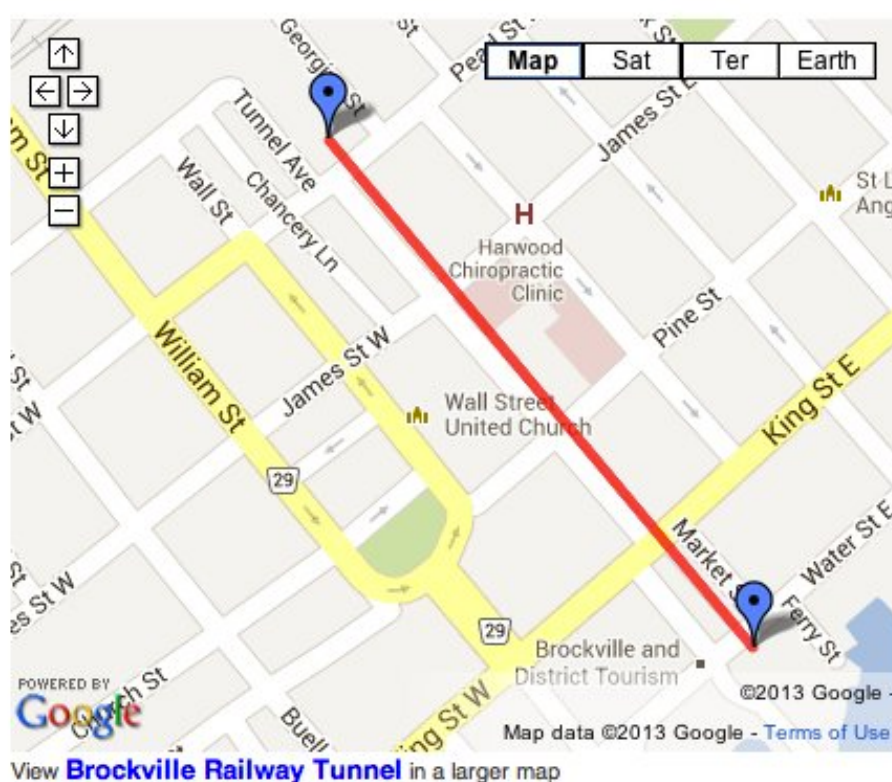
1. Introduction

In August 2013, following a public tendering process, TCI Management Consultants was retained to undertake a market assessment study for the Brockville Tunnel, Canada's first railway tunnel and a key historical asset of the City of Brockville. The assignment was to undertake a market assessment review of the tunnel as an attraction. The work was split into two parts: a first phase which was to undertake a preliminary review the market potential and determine whether there appeared to be sufficient justification for further investigation, and a second phase (assuming the answer to the first phase was a 'go'), which was to undertake a more detailed review of market potential and investigate the implications of developing and operating the tunnel as a market attraction. This Report deals with the results of both phases.

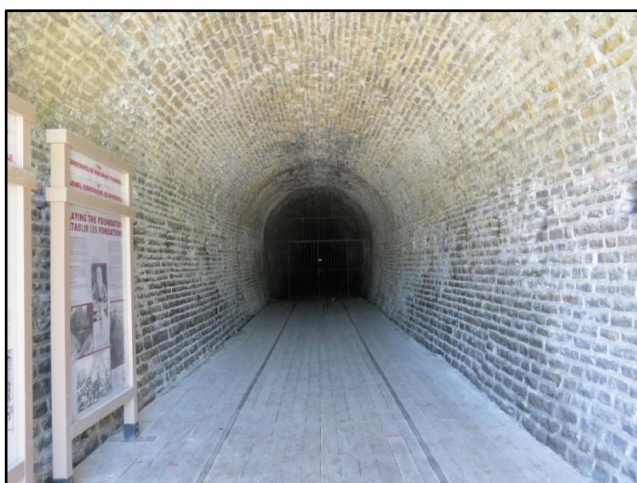
1.1 The Tunnel Project Overall

The Brockville Railway Tunnel, completed in 1860, was Canada's first railway tunnel. It was built by the Brockville and Ottawa Railway Company to connect the Brockville waterfront to the main railway system in Ontario at the time, linking the City to Toronto, Ottawa, Montreal and other points in southern Ontario and Quebec. The most direct route to the main system was directly north through the City and the hill in its middle, rather than a more costly roundabout route, so the tunnel was constructed. (Work began in 1854 and was completed in 1860.) The tunnel itself is 515 metres long, passing underneath Brockville City Hall and 3 blocks of City Streets. Used until 1969, the tunnel was acquired by the City of Brockville from Marathon Realty, the real estate arm of CN, in 1983.

Extent of the Tunnel



Since that time there has been much discussion about the tunnel as a historical attraction. The City has undertaken structural assessment and historical integrity work on the tunnel, and has cost estimates in place regarding repairs and restoration. Some monies (\$300,000) have been set-aside for this purpose. A Tunnel Committee has been formed to assess and help shape the opportunity, and has undertaken this



Interpretive Panels at South End

assessment. This Committee will also become involved in fundraising activities for tunnel restoration if and when these are appropriate.

At present, the tunnel is only partially accessible as an attraction. The first 85 feet at the tunnel's south end are open to the public, with wooden planking on the floor and various interpretive panels at its entrance. These give a brief overview of the story and provide a sense of what the tunnel experience might be like (i.e. a sense of what the cool and dark interior of the tunnel).

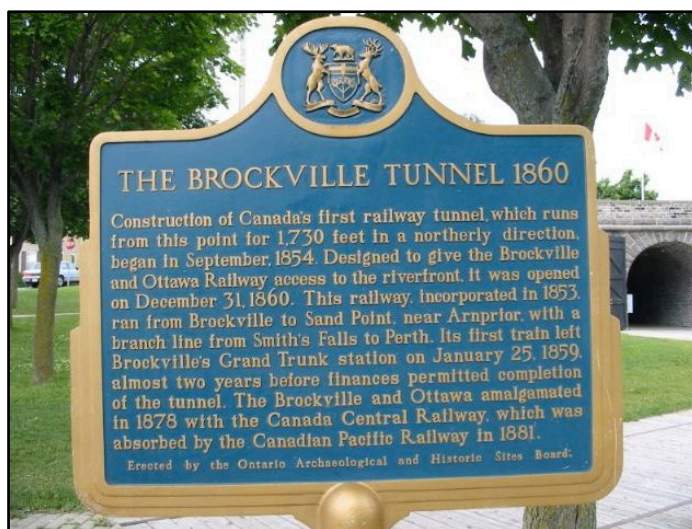
1.2 This Assessment

This project is a **market assessment study** for the Tunnel Project. Its purpose is to outline the market potential for the tunnel attraction only, and not specifically assess the financial feasibility of the project in detail. However, some general sense that the degree of market interest and involvement overall will help support the tunnel project is clearly critical to the project proceeding further.

The assignment undertaken by TCI Management Consultants was split into two phases. The first phase was to undertake a general review of the project, develop a specific concept that could be tested against the market, and then to undertake a preliminary market assessment of that concept. If this first phase appeared to indicate that there was solid and demonstrable market interest in the attraction, then the next stage was to move into a second phase where the overall attraction was to be developed in further detail. The second phase was to assess on an overview basis specific utilization projections and the implications of these in terms of financial operating projections, governance and operating plan, and economic impact upon the community.

The **first phase** document reported on the findings and conclusions from the following key tasks:

- a review of relevant background documents
- interviews with key stakeholders
- best practice review of selected tunnel attractions elsewhere
- further delineation of the concept components
- preliminary projections of utilization
- preliminary estimates of economic impact



Plaque Outside Tunnel at South End

The first phase supported an overall conclusion that there would be sufficient market interest and support to warrant moving into the second phase of the work.



Group of Engineering Students from Queen's University Exploring Tunnel

The **second phase** of the work explored in greater detail the markets, cost and revenues of the various components of the development. This involved a more in-depth review of key components of the project (to test various assumptions and cost estimates) as well as further discussions with municipal staff (planning, and economic development) in order to obtain a better understanding of some of the key implementation implications.

There are several caveats and assumptions that should be kept in mind in reviewing this Report. These are:

- 1) The analysis presented here assumes that direct and immediate economic gain is not the sole driving force behind the City's interest in the project, but that it is rather a balance between restoration and interpretation of a significant national and community historical asset, with responsible financial management.
- 2) The analysis presented at this stage is very preliminary in nature, driven by certain simplifying assumptions, that, while reasonable in the view of the consultants, need to be tested more rigorously going forward.
- 3) Some basic parameters upon which this market assessment is based (such as the size of the tourist market and the attendance at other attractions in the region) is based upon information contained within other reports and has not been independently tested.
- 4) The approach taken here assumes 'business as usual' in the City of Brockville. Were some extraordinary or unforeseen event to occur that would require municipal funds be spent elsewhere

on emerging necessities or priorities higher than the restoration of the tunnel, the extent to which this project could be undertaken, or the overall timing, could be significantly affected.



Cave-Like Environment Inside Tunnel

2. Data Collection

In this section of the Report we present the summary results from the background investigations undertaken that were necessary to complete this review. The tasks involved here were: a review of background documents, the initial interviews, a review of basic market and demographic data, and the benchmark reviews of other tunnel attractions. Each of these investigations is reported upon in turn.

2.1 Background Documents

Here we present various relevant background documents and the key findings from each.

Document	Key Findings and Conclusions
Brockville Railway Tunnel Committee, Summary Comments , October, 2013	<ul style="list-style-type: none"> - these comments were in response to a set of initial questions and observations made by the consultants early in the project – they were instrumental to the shaping of the concept as it is described in Section 3.1 of this report
Inspec-Sol Engineering Solutions, Brockville Railway Tunnel Condition Inspection , January, 2013	<ul style="list-style-type: none"> - this review examined the condition of the tunnel from a number of perspectives: geotechnical (subsoil) conditions; bedrock conditions; masonry conditions; and groundwater flow - the conclusion was that the tunnel could be stabilized and made safe for visitors after considerable remedial improvement has been made - the cost of these improvements was estimated as: <ul style="list-style-type: none"> - rock mass stabilization: \$350,000 - masonry restoration: \$465,000 - earthworks for water drainage: \$75,000 - anchoring and reinforcements and brick / chimney consolidation: \$70,000 - for a total of \$970,000 (with a variance of -25% to + 75%) - however, these costs excluded: electricity, water and lighting throughout the tunnel; interior finished such as boardwalk, exhibits, etc.; engineering and other costs
Brockville Railway Tunnel Committee, Business Plan for the Brockville Railway Tunnel , March, 2012	<ul style="list-style-type: none"> - this document outlines the various components of the attraction, which were seen to be the following: <ul style="list-style-type: none"> - south portal - site plans and illustrative drawings - signage, lighting and maintenance at south portal - geotechnical work - refurbishing / recondition of tunnel - north tunnel exit - revitalization of area between tunnel's north portal and the CN main line - purchase of lands between Tunnel Street and south of the CN main line - north property remediation with parking lot - dining car restaurant near south portal - service building by south portal and rail restaurant - tour train replica - train station replica at north parking lot - train display at north parking lot - a schedule of events, from early 2012 to final completion in mid-2014 was proposed - (note that this document was not so much a business plan as a listing of the various components of the project and a schedule)

<p>Stantec-Mining, Brockville Railway Tunnel Review Assessment, November, 2011</p>	<ul style="list-style-type: none"> - this report on the results of a visual review of the tunnel by Stantec personnel and their order-of-magnitude estimate of costs to refurbish and recondition the tunnel for visitor use - the cost of these improvements was estimated as: <ul style="list-style-type: none"> - establish floor: \$500,000 - bedrock work: \$200,000 - re-mortaring and patching brickwork: \$175,000 - clean & coat bricks: \$125,000 - install lighting: \$100,000 - install guard area: \$75,000 - further engineering and setup work: \$180,000 - contract administration and supervision: \$325,000 - with a few smaller items and a 20% contingency overall, the total estimated cost was on the order of \$2.2 million
<p>WCM in association with MMM Market Group, Brockville Economic Development Strategy, endorsed in March 2010</p>	<ul style="list-style-type: none"> - several strategic directions were outlined: <ol style="list-style-type: none"> 1) retention and expansion of existing businesses 2) business attraction 3) tourism industry expansion 4) entrepreneur attraction 5) entrepreneur development 6) workforce development 7) meet education and skills development needs 8) preventative education and skills development 9) development of sustainability goals and targets - strategy #3 is likely the most relevant to this initiative - here the City outlined support for a) events creation; b) tourism entrepreneur attraction; c) downtown revitalization; d) business partnering; e) cultural tourism; and f) ecotourism - clearly the tunnel initiative fits well with many of these strategic directions, particularly a, c, d, and e
<p>Brain Trust Marketing and Communications, Premier-Ranked Tourism Destination Project, Brockville and District, 2008</p>	<ul style="list-style-type: none"> - this report identified the tunnel project as one having significant potential for the community - "Railway Tunnel as a future tourist icon associated with Brockville, the significant interest and appeal of this heritage attraction has the potential to draw a significant number of visitors because of its uniqueness and its role in the history of Brockville as a shipping centre in days gone by." (p.46)
<p>The Economic Planning Group, An Anchor Attraction for Brockville, The Maritime Discovery Centre and Other Waterfront Enhancements, Final Report, July 2007</p>	<ul style="list-style-type: none"> - this was the original feasibility study for what was then known as the <i>Maritime Discovery Centre</i> and has since become called <i>Aquarium</i> - the analysis examined the market for the Maritime Discovery Centre under two scenarios: just by itself, and with 'enhancements' which would be packaged and sold as part of the overall experience - the base cost for the Marine Discovery centre facility was \$10 million - these 'enhancements' included a Tunnel Attraction, which was a heritage attraction associated with the rail tunnel - the Tunnel Attraction would consist of a passenger coach and caboose at the tunnel entrance; a 3-D film inside the tunnel telling the story of Brockville and Canadian rail heritage; and light and sound effects throughout that would simulate the experience of rail travel in the past - estimates of attendance to the Marine Discovery Centre were 26,000 without enhancements and 37,000 with enhancements - report also contains useful information regarding market and economic impact - the financial projections for the operation showed an operating loss of \$492,000 in year 1 growing to \$638,000 in year 5; a fundamental conclusion was that the attraction was feasible only with financial assistance from higher levels of government

Note that while there were earlier documents relating specifically to the Railway Tunnel attraction, these were deemed to be too dated for use in this current market assessment.

2.2 Themes from the Interviews

A number of individuals were interviewed regarding the overall tunnel project and their reactions to it (see the list of interviewees in Appendix 2). The interviews essentially focused upon the tunnel concept itself and any thoughts people had about the strengths, weaknesses, opportunities and threats they could see around the project. The main themes in this regard are presented below.

Note that 'strengths and weaknesses' refer to factors that are present today, while 'opportunities and threats' tend to reflect more future-oriented factors.

STRENGTHS	<ul style="list-style-type: none"> - tunnel represents a unique historical asset, representing a very interesting phase of Canadian history, and listed in the Canadian Railway Hall of Fame - tunnel is in remediable condition; not beyond repair - reportedly high degree of awareness and community interest associated with tunnel - tunnel location (on south end) is ideally situated with respect to tourist attractions in the downtown area and the downtown itself - \$300,000 already committed to tunnel restoration
WEAKNESSES	<ul style="list-style-type: none"> - significant costs associated with the restoration and rehabilitation of the tunnel - some risk and danger inherent in the tunnel as it is now: unsecured, unlit, dangerous - some negative association with the tunnel itself: dirty, dangerous, unsavory
OPPORTUNITIES	<ul style="list-style-type: none"> - opportunity to turn the tunnel into a performing tourism asset for the community - opportunity to package the tunnel with other attractions in the community - tunnel restoration / rehabilitation may be a catalyst to development in the north end of the City - tunnel restoration could contribute to on-going downtown revitalization in Brockville - tunnels can be associated with interesting packaged attractions (from the benchmarking assessment)
THREATS	<ul style="list-style-type: none"> - potential net deficit associated with Aquatarium (and obligation on part of municipality) may divert operating funds away from tunnel - considerable uncertainty regarding the degree of community support when it actually comes time to pay for tunnel enhancements beyond what has already been committed

2.3 Market Context Analysis

2.3.1 Permanent Resident Market

The background research also revealed key facts regarding the market context for the tunnel attraction. In terms of the resident market, the approximate market size figures (rounded to the nearest thousand) are as follows:

- 22,000 people live in the in City
- 17,000 more live in the in Census agglomeration - 39,000 in total
- 60,000 more live in the in Census division (United Counties of Leeds and Grenville) - 99,000 in total

This resident population base is essentially static – there has been very little change in population numbers over the most recent (2006 – 2011) census period.

2.3.2 Seasonal Resident Market

The City of Brockville itself has very few seasonal residents (i.e. cottagers). In the United Counties of Leeds and Grenville, about 4% of all households are seasonal (just over 400 dwellings). This implies that in the peak summer months, the resident population might increase by only another 1,000 or so persons (400 dwellings times the average household size of 2.5). Seasonal summer population is thus relatively small.

2.3.3 Tourist Market

Tourism on the other hand is relatively significant. The aforementioned Maritime Discovery Centre report (2007) analyzed tourism in some detail, concluding that the market consisted of some 300,000 visitors to Brockville³, and a further 400,000 other visitors to Leeds & Grenville overall. Based upon the recent data from RTO 9⁴ (2010, the most recent data available) the characteristics of tourists that are relevant to this market assessment are:

- 45% of all visits are for pleasure; a further 41% are to visit friends and relatives (VFR)
- 39% of all visits are in the summer; 20% are in the fall; 18% are in winter; and 23% are in spring
- 58% of all trips are day trips; 42% are overnight
- overnight visitors stay an average of 2.8 nights in the region (i.e. in the RTO area)
- the average party size is 2.6 persons
- activities engaged in (all visitors)
 - 9% visit national or provincial parks
 - 7% visit an historic site
 - 3% visit festivals or fairs
 - 4% visit cultural performances
 - 6% visit museum or art galleries
 - 25% engage in any outdoor or sports activities
 - 9% engage in boating activities
 - 5% engage in fishing
 - 2% golf
- average per person expenditure is \$117; average expenditure per overnight is \$193; average expenditure per person per overnight is \$70

2.3.4 Attendance at Other Local Attractions

As a 'reasonableness' measure for the attendance and utilization of the various components of the tunnel attraction, the table below shows the attendance associated with other attractions in the City and immediate area:

³ It is not known to what extent these visitors are spending significant amounts of time actually visiting the sights of Brockville, as opposed to, for example, pass by visitors on the highway who may stop in at the Walmart on the north end of town.

⁴ RTO 9, known as **The Great Waterway**, is the tourism region stretching from Prince Edward County to the Quebec border, hugging the eastern end of Lake Ontario, and the St. Lawrence River.

- Brockville Ribfest: 50,000
- Brockville Art Centre: 32,000
- Brockville Museum: 8,500
- Fulford Place: 7,000
- Brockville Doors Open: 2,500
- Tourist Information Office (located downtown) – walk-in inquiries: 30,000

2.4 Benchmark Tunnel Attractions

In the benchmarking component of this work, three comparable tunnel operations were examined, and one organization interviewed. These were:

- 1) **Lake Mead Historic Railroad Tunnel Trail, Boulder, CO** – Steve Daron, Cultural Resource Manager, Lake Mead National Recreation Area; Sky McClain, Interpretor, Lake Mead NRA
- 2) **Western and Atlantic Railroad Tunnel, Tunnel Hill, GA** – Thomas Scalf, Manager of Visitor Centres, Dalton, GA CVB
- 3) **Cal Park Hill Tunnel, Marin County, CA** – Dave Bernardi, Director of Public Works, and Project Manager, Marin County, CA; Rob Ruiz, Chief Park Ranger, Marin County; Stephen Petterle, Principal Planner, Parks
- 4) **Rails to Trails Conservancy** – Barry Bergman, Development Manager, Western Region, San Francisco; Jim Brown, Manager of Trail Development, Washington, DC

2.4.1 Benefits of Tunnels Generally

Key findings from the interview with the Rails to Trails Conservancy relating to the benefits of tunnels were as follows:

- Rails to Trails Conservancy in US represents 20,000 miles of rail-trail and 9,000 miles waiting to be built
- **Tunnels on Trails** (Amanda Eaken and Joshua Hart, authors) was a Rails to Trails study of 78 Tunnels on 36 Trails in US – focus on pedestrian and bicycle facilities. Key findings of this study were:
 - Opening old tunnels is considered an effective way of linking networks and routes in order to overcome barriers such as freeways, road, rivers, hills
 - Tunnels are considered generally functional and safe part of transportation network
 - Many US tunnels were abandoned in 1950s and 1960s; however, many (65%) were reopened in just the last 20 years
 - Many trails end at tunnels – the continuous flat grade makes them convenient and accessible to people of all ages, especially children, seniors, those with disabilities
 - Trails exist in a variety of land uses: rural areas (48%), followed by agriculture areas (15%), small towns (9%), residential areas (6%), mixed commercial residential (6%)
 - Trails can be found in a variety of shapes and sizes – tunnels from 100 feet to 2.3 miles – average 915 feet. Their width ranged from 10 feet to 60 feet.

- Older tunnels tend to be mined; newer ones are more likely to have used a “cut and cover” technology. Seven tunnels in the Rails to Trails Conservancy study used brick and stone masonry linings.
- Safety issues including resistance to falling rocks are of primary concern to engineers. However, overall tunnels tend to be more resistant to earthquakes than bridges because of their flexibility.
- Because they link important destinations, tunnels tend to be held in generally high regard. However, for some, they evoke negative images, conjuring up image of dark places, illegal activities, etc.
- The study concluded that despite negative images held by some, most tunnels do not impose undue safety or financial burdens, and tunnels on trails are generally quite safe.
- With proper design and management, tunnels can generally encourage greater trail use, stimulate non-motorized transportation, instill community pride, and a greater understanding of local history. They attract traffic and additional economic benefits, and link communities and create sustainable transportation networks.

This study is broadly supportive of the type of tunnel restoration project represented by this Brockville initiative.

2.4.2 Specific Tunnel Examples

Three diverse railroad tunnel / trail situations were examined, all primarily through-and-back, as opposed to being on a circuit. These were:

(1) Lake Mead Railroad Tunnel Trail – key facts about this operation are:

- residual from Hoover Dam construction in 1930s
- operated by National Park Service and Bureau of Reclamation – fairly minimal investment, maintenance
- built 1931 for construction of Hoover Dam (which created Lake Mead)
- tunnel through volcanic, igneous rock
- 500 visitors per week to Lake Mead tunnels
- 5 tunnels on historic RR trail, fire closed 5th tunnel in 70s – got funding in 90s to reopen – 1,200’ tunnels
- compacted surface

(2) Western and Atlantic Railroad Tunnel – key facts about this operation are:

- operated as a fairly low key tourism attraction, appeals to railroad and civil war enthusiasts, combined with a small heritage centre
- charges for admission (tunnel access included with heritage centre admission)
- built in 1880, reopened 2000, 1,477’
- local heritage, tourism attraction – combined with visitor centre
- links to Great Locomotive Chase (1862) and Civil War connections
- 7,000 visitors a year

- admission fees, low cost option

(3) Cal Hill Park Railroad Tunnel – key facts about this operation are:

- significant investment, more urban tunnel – adds to transportation infrastructure
- 1884 Pacific Northwestern RR, widened 1924, closed 1978, reopened 2010
- San Rafael to Larkspur, part of SMART (Sonoma-Marín Area Rail Transit) corridor
- 1-mile path, 1,100 feet of tunnel
- owned by Marin County and SMART
- part of commuting system
- a ‘high end’ model

General findings concerning these tunnel operations were as follows:

- there are different management structures in place: of the above, two are locally, and one federally, managed
- there are multiple objectives associated with tunnel preservation and operation; these include:
 - *Heritage preservation*
 - *Economic development*
 - *Sustainable, green, multi-modal transportation*
 - *Active recreation*
 - *Local and tourism users*
 - *Community pride*
 - *Add transportation capacity*
- a tunnel by itself is likely to have only a limited draw, but when packaged with other attractions the combined appeal can be significant
- tunnels generally have good support from local stakeholders: attendance:
 - Lake Mead (rural) – 500 / month
 - Tunnel Hill (rural) – 580 / month
 - Cal Park Hill (urban) – 3,000 / week
- security is typically an issue in all tunnels; they are generally closed and locked at night; lighting is present in all tunnels
- in longer tunnels, cell phone connectivity is an issue (e.g. Cal Park Hill) – *this may become a security issue (e.g. if in the middle Brockville Tunnel there is no reception a booster station may need to be established – the cost of this has not yet been determined)*
- events are frequently used as ways of animating tunnels and creating tunnel-based experiences:

- Lake Mead – marathons, etc.
- Tunnel Hill – civil war reenactments, ‘paranormals’
- Cal Park – events prior to opening

- tunnels show high variability in capital and operating costs:

- Capital costs variable - Main investment appears to be front-end capital expenditure
 - Tunnel Hill, GA \$2 m+ (\$1,700 / ft)
 - Cal Park Hill, CA, \$10 m+ (\$11,000 / ft)
- Multiple funding sources
 - Federal and local
 - Sponsorships (Cal Park Hill)
- Operating costs
 - Lake Mead, 1,000 hours a year (or. Approximately 60% of a full-time job equivalent)
 - Tunnel Hill, \$25,000 for the operation (\$17 / ft)
 - Cal Park Hill, \$140,000 a year (\$125 / ft)

2.5 Tourist Trolley Operation

A key element in the ‘tunnel package’ is the idea of having a tourist trolley operation that would have a circuit route through the downtown, including through the tunnel itself. The basic idea is that this operation would be on wheels; would have narrated interpretation of the interesting historical sights through the downtown (including, of course the tunnel); be operated according to an ‘on–off’ philosophy (where passengers would buy a day pass, and then be able to ride all day, hopping on and off as they so chose); and be affordable.



A Typical Tourist Trolley Operation

The research into other tourist trolley operations elsewhere has shown that there are many variables that affect the overall profitability (or lack thereof) of these types of businesses. Typically in larger communities where there is lots to see and do, where there are many tourists [who tend to be the major market for these operations, as opposed to residents], where parking downtown is relatively expensive, and where there is a reasonably long tourist season, these types of operations can be profitable. Often they are operated as an adjunct to the regular transit system in operation in the city, where they can take advantage to some extent of economies of scale with the

main public transit operation with respect to access to drivers, maintenance, parts, etc. (e.g. the Zurich Trolley Experience; St. John’s - The Trolley Line; the free Chicago Trolley Services which is subsidized by

major tourist attractions in the downtown). In other cases in larger cities, they may be fully privatized (e.g. Vancouver Trolley Co.; Boston Old Town Trolley Tours).

In smaller communities where there are fewer attractions and thus fewer tourists, such operations are typically more marginal. As well, downtown parking fees in smaller centres are less onerous than in big cities so there may be less motivation for tourists to utilize the services. And, in locations with a short tourist season, tourist trolleys can be relatively expensive to operate over a short period of time.

Despite these difficulties, in some smaller communities (as well as some larger ones) the municipality sees fit to subsidize a tourist trolley operation, recognizing this cost to be an investment in tourism. According to this view, even though a municipal subsidy may be required, the resulting additional expenditure generated in the community from increased tourism receipts is worth the subsidy. An example of this type of operation is the Moose Jaw Trolley.

A key dimension in offering a tourist trolley such as this is the extent to which the product is seen to be **transportation** (i.e. an efficient and effective and convenient way of getting about in the downtown area) or an **experience** (i.e. a not-to-be-missed attraction that also happens to move about in the downtown area). The more that the attraction is perceived to be an experience, the more profitable it may be (as the nature of the experience justifies a higher price point that the transportation alone would not).

In Brockville, a trolley operation with a unique 'tunnel element' would certainly position it more along the 'experience' dimension than a merely 'efficient transportation' dimension. This could justify a higher price for an operator. However, concerns relating to the overall size of the market and the relative shortness of the season would still be relevant.

At present the Tunnel Committee has embarked upon discussions with a potential operator to discuss ways and means of having an operation of some sort in Brockville, once the tunnel has been restored. (Initially there would be a small turnaround with a parkette located at the north end, until the larger development of the north end got underway.)

Given the uncertainties involved, it seems unlikely that the municipality would make a direct profit from a trolley operation (e.g. leasing out the tunnel for use, taking a percentage of the gross revenues, etc.). Any municipal fees or charges of this sort would only likely eat into what may already be a fairly thin profit margin for an operator. At the same time, though, we do not anticipate that the municipality would be willing to provide a subsidy to a potential operator. Accordingly, the trolley operation is assumed to operate at no cost or revenue to the municipality. It will, however, contribute to the overall tourist experience in Brockville, and thus to additional tourist expenditure in the area – which will generate positive economic impact in the City.

3. Approach to the Analysis

The preliminary approach to the analysis taken here first identifies the various components to the development, and next assesses potential market utilization for each. Based upon this market assessment, and reasonable assumptions, a preliminary review of costs and revenues is developed in order to determine whether or not the overall project appears to have the market performance to warrant proceeding further.

3.1 Structure of the Development

3.1.1 Six Components of the Development

Note: Initially in Phase 1 of the project we were to assess three alternative scenarios for the tunnel attraction: 1) historic site, 2) public enterprise, 3) commercial attraction. (This was the approach originally articulated in the proposal.) However, feedback from the Tunnel Committee suggested that we should be assessing **one vision incorporating all three of these elements**, staged over time. Accordingly, this was the primary focus of the Phase 2 work.

Based upon a review of the Business Plan (see Section 2.1 of this document) and discussions with the Steering Committee, six key components of the project were identified.

The following chart outlines the description for each of these components of the development, as well as the fundamental business model for each. (By 'business model' is meant the ways that each component earns revenue (from the market) as well as the costs incurred in its operation and maintenance.) In the next section of the report, preliminary assumptions are applied to the business model in order to determine, from a high-level perspective, what the market potential, and thus the feasibility, of the model might be. (This information is integral to the recommendation as to whether or not the project should proceed to the next phase.)

The six components of the development are:

Component	Description (Assumptions) ⁵	Business Model
1) Restored Tunnel (<i>historic site component</i>)	<ul style="list-style-type: none"> - walkway through tunnel with suitable base - periodic interpretive panels - security cameras and monitoring required - tunnel closed at night (e.g. from (say) 7 p.m. to 8 a.m.) - no fee for tunnel access; volunteer donation box - initially small parkette at north end with benches; interpretation - continued water flow through tunnel enabled, with gutters as required - initially, no public access at north end - historical integrity of tunnel maintained (e.g. no billboard advertising) - (possibly) stairs or elevator down from front area of City Hall as alternative point of access) - only approved vehicles would be allowed in tunnel – off-road, motorcycles, etc., not allowed 	<ul style="list-style-type: none"> - tunnel access would be a free public amenity - capital costs significant - operating costs likely significant also - volunteer donations could be solicited but will likely generate little revenue - may be occasional special events using tunnel (e.g. zombie night at Hallowe'en) as community fundraisers - major benefit will be economic impact of longer tourist stay in community (spending more time and money) - net result: public cost but community economic benefit - also could act as catalyst for larger North Portal Precinct development
2) South Portal Tunnel Park (<i>public enterprise component</i>)	<ul style="list-style-type: none"> - possibly re-brand area as 'Tunnel Park' - have public facilities use building (washrooms, ticket office), possibly some area for food service, retail, some exhibits - possible tourist information located there as well - small exhibit area in existing caboose - small children's play area - this will necessitate removal of some trees - will require site development plan for area 	<ul style="list-style-type: none"> - overall park access free - development cost for area - possibly some small admission fee for exhibitions area - rental for tourist information kiosk, retail, food service - overall operation will try to break even, but likely incur some operating deficit - possibly naming rights / sponsorship opportunities associated with facility - major benefit will be economic impact of longer tourist stay in community
3) North Portal Precinct (<i>commercial enterprise component</i>)	<ul style="list-style-type: none"> - north area is developed as commercial area - would contain themed commercial uses (retail, food service, possibly office) - a replica train station is envisaged, containing commercial functions - the replica train station may also contain a small 'railroad museum' - several rail boxcars may also be located on the site (possibly interconnected, and possibly part of the museum) – assume 2 boxcars - ticket station for summer trolley ride - metered parking would also be available on the site - separate site development plan would be prepared for the North Portal Precinct, incorporating development incentives 	<ul style="list-style-type: none"> - development of the North Portal Precinct has potential to be the economic generator for the entire project - City will incent development through development plan, tunnel amenity, etc. - portion of development fees or additional taxes generated through development can be 'earmarked' for operation of tunnel and Tunnel Park amenities
4) Trolley Operation (<i>commercial component</i>)	<ul style="list-style-type: none"> - trolley operation throughout the downtown, through the downtown, and connecting the north end - would be an on-off operation in summer months, connecting a number of stops in the downtown area into the trolley system - stops would be at (for example) Aquatarium, Brockville Art Centre, Brockville Museum, Tunnel Park, Rotary Park, North Portal Precinct, etc. (maybe 10 stops total) 	<ul style="list-style-type: none"> - would be commercial operation, contracted out to third party operator - assume zero net cost (or revenue) to City

⁵ As agreed to the by the Brockville Tunnel Committee, October, 2013.

Component	Description	Business Model
5) North End Gorge Development (public enterprise amenity component)	<ul style="list-style-type: none"> - a trail extension running north of the North End Precinct, through the 'second tunnel' under the existing CN tracks - initially this would be a pedestrian link, with some interpretation on the rail history of the time - possibly eventually could be an extension of the trolley tram operation 	- essentially public amenity; little revenue potential
6) Links to Rest of Community	<ul style="list-style-type: none"> - would link to the existing Brock Trail; signage along trail would promote the tunnel - re-configuration of bus routes to ensure connections at both ends of tunnel would be explored 	- essentially public amenity; little revenue potential

3.1.2 Stages of Development

The chart below outlines in a sense, the critical path for the development. While the approach taken and the overall market assessment need to be seen as an integrated whole (especially as the business model shows that the revenue from some components of the development are needed to offset the costs of other components) the practical reality is such that the entire project will not likely be undertaken at once. Accordingly, the analysis here shows what might be considered to be the critical path staging of the physical components of the project.

The logic of this approach is as follows: First, the restored tunnel and developments at the south end portal park are undertaken. This sends a strong signal to the community overall that things are happening and that the project is underway. Access to the north end thus is a stimulus to development of the north end and increases interest and perhaps value in that area. At the same time the tunnel throughway provides the catalyst for the trolley or transit system, and other links to the downtown area. Finally, with this momentum established, the north end gorge area can be connected in and other links to the wider community established.

This development path illustrates another context in which this development should be seen to be an integrated whole; the development of subsequent pieces of the project will be contingent upon earlier stages. It all starts with the development of the tunnel itself and the south end tunnel park area.

	Stage 1	Stage 2	Stage 3
Sample Timeframe	3 years duration (now until 2016)	2 years duration (2017 - 2018)	5+ years duration (2019 and on)
1) Restored Tunnel			
2) South End Tunnel Park			
3) North End Development Area			
4) Develop Links to Downtown			
5) North End Gorge area			
6) Develop Links to Rest of Community			

3.2 Preliminary Market Assessment

Note: In the first phase of the project the feasibility assessment was done at a very 'broad-brush' level in order to determine the basic costs and revenues associated with the overall vision. This led to a GO / NO GO point that determined the direction and scope of the second, more detailed phase of assessment. The first phased concluded that the overall concept had merit and that the second phase should proceed.

In the second phase, more detailed investigation was undertaken into the maintenance costs of the tunnel itself, the economics of the trolley operation, and the series of steps required to encourage development at the north end.

The market assessment undertaken in the first phase and refined in the second consisted of three components: first, projections of *utilization* for each of the components; second, the anticipated *economic performance* based upon this utilization; and third, the *economic impact* upon the community as a result.

3.2.1 Market Utilization

Component	Assumptions	Resulting Utilization
1) Restored Tunnel	<ul style="list-style-type: none"> - tunnel is promoted as one of the key things to see and do in downtown Brockville - assume 5% of annual tourists to Brockville visit⁶ (=15,000) - assume 1% of other tourists to Leeds & Grenville visit each year (=4,000) - assume 5% of regional residents will visit each year (=5,000) - assume 5 tunnel-themed events per year, each drawing 1,000 (=5,000) 	- (say) =30,000 tunnel and park visitors
2) South Portal Tunnel Park	<ul style="list-style-type: none"> - assume same level of visitation and use as tunnel - for museum component, assume same order-of-magnitude utilization as for Brockville Museum 	<ul style="list-style-type: none"> - 30,000 park visitors (as above) - 10,000 museum / exhibitions users
3) North Portal Precinct	<ul style="list-style-type: none"> - 2 acres of land available - assume zoned at 1x coverage = 87,000 sq. ft. - assume half is commercial (=44,000 sq. ft.) - assume parking area for 50 cars 	- to be determined
4) Trolley Operation	<ul style="list-style-type: none"> - assume 5% of tourists to Brockville will purchase ticket = 15,000 riders - assume 2% of regional residents will purchase tickets = 2,000 riders 	- 17,000 riders total
5) North End Gorge Development	<ul style="list-style-type: none"> - some additional users from those hiking through the tunnel from the south end - may open up the larger system to hikers from the north end - little if any tourist usage 	- may increase overall trail utilization by 10% (another 4,000 – 6,000 users)
6) Links to Rest of Community	<ul style="list-style-type: none"> - trail and bus connections, as well as signage, will link the tunnel project to the rest of the community 	- to be determined

These estimates of usage are quite reasonable and within the same order-or-magnitude seen in other attractions in the Brockville area (see Section 2.3.4 of this Report).

3.2.2 Economic Performance of Tunnel Components

Given this level of attendance and market utilization, the economic performance of each of the components can be estimated, again from a very top-line perspective. The following table shows the estimated capital and development costs associated with each of the components, as well as its operating cost and revenue implications.

⁶ Note that the market assessment statistics presented in Section 2.3.3 suggest that 7% of RTO 9 tourists visit one or more historical attractions, so this proportion may be conservative.

Economic Performance of Tunnel Components

Component	Capital Cost	Operating Cost	Operating Revenue	Net Operating Position
1) Restored Tunnel: <i>a) 'regular visitors'</i>	- \$2.2 million refurbishment for tunnel (Stantec estimate)	- assume annual security, lighting, repair costs of \$50 per linear metre (half typical trail standard) = tunnel is 550 metres long, so cost is, say, \$27,000	- assume 5% of users donate average of \$2 each towards tunnel cost = \$2,000	- annual cost to City of \$25,000 per year
<i>b) special events</i>	-	-	- assume tunnel is rented to community groups and organizations 10 times per year @ \$300	- annual revenue generated of \$3,000
2) South Portal Tunnel Park: <i>a) park component</i>	- some landscaping cost (say \$50,000 out-of-pocket; existing municipal staff used for labour)	- no incremental cost for park area; existing staff used (e.g. tourist information) and exhibits stand-alone	- assume two food / snack bar kiosks; rental rate of \$2,000 each for operating season (June – Sept.)	- annual revenue generated of \$4,000 per year
<i>b) public facilities use building</i>	- assume 3,000 sq. ft. facility - @ \$300 per sq. ft. = \$900,000	- seasonal operation; 1 summer staff position (say \$10,000) - some cost for exhibit refurbishment, development (say \$5,000 / yr.)	- 10,000 visitors; assume donation - 5% donate an average of \$2 each = \$1,000	- annual cost to City of \$14,000 per year
3) North Portal Precinct <i>a) private component</i>	- City re-zones and 'incentives' land development; actively promotes development opportunity (as part of larger 'Tunnel Park' plan) - private sector acquires and develops one acre of land	- using a conservative (high end of the ratio) for costs of community services ⁷ , 65% of the amount generated in taxes (see next column) would be municipal servicing costs (= \$145,000)	- at \$200 sq. ft. value of development on 1 acre would be \$8.8 million - according to Brockville tax calculator (on website) this will generate \$223,000 in municipal revenues and \$117,000 in school taxes	- annual tax revenue generated to City of \$78,000
<i>b) public component</i>	- city acquires one acre for public amenities and parking area (order of 8,000 sq. ft.) – cost = \$200,000 - city acquires and fits out 2 used train boxcars @ \$100,000 each	- one boxcar used for public programming - cost of \$5,000 / yr. - other boxcar operating and maintenance cost of \$1,000 / yr.	- second boxcar rented to private sector boutiques, etc. for \$5,000	- net cost of \$1,000 / yr.
4) Trolley Operation	- City assumes some cost for stop posts, signage, etc. (say \$20,000) - private operator assumes cost of trolley purchase and operation	- no operating cost to City – only obligation will be to monitor / evaluate operator	- review of most trolley operations elsewhere shows that operations are often subsidized by the municipality (in return for tourism benefits) and that	- assume municipality is able to break even on operations (i.e. no significant cost incurred; private operator is able to sustain the operation on their own)
5) North End Gorge Development	- some additional costs of development (to be determined) - say \$500,000 for tunnel restoration, landscaping	- some additional costs associated with maintenance of park / trail and interpretation - say (\$10,000 annually)	- little additional direct revenue potential; possible some visitors will stay longer in community to visit north end	- cost of \$10,000
6) Links to Rest of Community	- some cost to reconfigure bus routes, trail linkages, etc. - say \$50,000 for landscaping	- assume no additional cost for re-routing bus routes or linking trails	- no additional revenue potential	- no incremental cost
Operating Costs to City of Brockville		approximately \$203,000 annually	approximately \$238,000 annually	generates surplus of \$35,000 annually

⁷ See **Costs of Community Services (COCS)**, <http://urbanext.illinois.edu/lcr/cost.cfm>

As this very preliminary top-level analysis shows, the capital cost of the overall development is significant. Given the high degree of variation associated with the cost estimates (see Section 2.1 of this Report) it could well be higher. (The Tunnel Committee will be exploring ways and means of accessing funds through grant programs, fundraising, etc. to cover these costs.) However, after the capital and development costs have been dealt with, this analysis shows that the overall development does have the potential to generate some surplus to the municipality. However, this is contingent upon the tax revenues generated by the development at the north end; otherwise the overall development will cost the municipality a significant amount each year. (Note in this regard that the net tax revenue anticipated from development at the north end was anticipated to be on the order of \$78,000 per year, at a fairly broad-brush level of analysis.)

In Phase 2 of the analysis, a smaller-scale 'integrated tunnel' project was envisaged, consisting of the tunnel restoration (1 a and 1b, in the chart above), the development of more public amenities at the south end (2 a and 2b, in the chart), the parkette development at the north end (3b, in the chart) and the trolley operation (4, in the chart). The annual operating costs of this smaller scale project were \$48,000; annual revenues were \$15,000 and an annual deficit of \$33,000⁸ was envisaged. This 'integrated tunnel project' will be the basis for the fundraising and other immediate activities of the Tunnel Committee.

3.2.3 Economic Impact

The other major benefit to the development of the tunnel project will be from the economic impact of tourists spending additional time (and money) in the community. Based on the market assessment previously undertaken (see Section 2.3) the following reasonable assumptions are made regarding additional tourism expenditure:

- 19,000 tourists will visit the tunnel and related attractions (from above)
- on average each will spend an additional half day in the City
- average expenditure per day in RTO 9 is \$117 per person; half day expenditure will be \$58
- thus total additional expenditure in City is estimated to be **\$1.102 million**

One way to position this additional annual expenditure relative to the annual on-going cost of the entire project (as calculated in the previous section) is that every dollar of municipal subsidy generates an offsetting \$48 in additional tourism expenditure in the community⁹.

The Ontario Government's Tourism Regional Economic Impact Model (TREIM) was run to determine the impact of this additional injection of tourism expenditure into the local economy. (TREIM is a well-established economic impact model used for tourism projects across Ontario.)

Running the TREIM Economic Impact Model on this additional tourism expenditure revealed the following:

- the total project will generate GDP of \$704,000 in Leeds & Grenville
- this will be associated with 12 jobs
- labour income of \$416,000 will be associated with these jobs
- the additional taxes generated (to all levels of government) will be on the order of \$324,000

Not examined here is the impact of construction and operation of the attraction itself, which will add to the impacts assessed.

⁸ The actual annual deficit incurred may actually be somewhat less than this, if the municipality is able to take advantage of economies of scale with its existing maintenance staff and equipment, and if volunteer labour is donated to the overall project.

⁹ The calculation here is as follows: a \$23,000 annual cost to the municipality (as calculated in section 3.2.2) is associated with total additional expenditure of \$1.102 in the community (as calculated in section 3.2.3). \$1,102,000 divided by \$23,000 is \$48.

4. Recommendations and Next Steps

There are two recommended streams of action that emerged from the second phase of the project. The first relates to activities of the Tunnel Committee itself and focuses upon carrying forward the momentum of the tunnel project, securing funding, etc. Much of this relates to carrying on activity and research that is on-going at the present time.

The second stream of activity is for municipal staff, in terms of encouraging development at the north end of the site. As mentioned, may be critical to the financial sustainability of the overall project. The likelihood of positive development of the site will also be enhanced by the successful development of the integrated tunnel project itself.

Each of these streams of activity is discussed in turn.

4.1 Stream 1: Continue Momentum on the Tunnel Project

Rather than break the 'tunnel project' into a series of discrete phases (as was the original idea in Phase 1) the Tunnel Committee has since determined that the overall project will have more critical mass (and funding potential) if it is treated as an integrated and single whole. The recommended next steps presented here assume then that the project is a unified development, consisting of the restored tunnel, the south portal tunnel park, the trolley operation, and a small parkette development at the north end (and not, for the moment, as the longer-term larger north end development subsequently discussed, which is a separate stream of activity).

Specific next steps for the Tunnel Committee to pursue in this stream of activities are outlined below. As mentioned, much of this activity reflects actions that are either already under way, or that are being planned for the very near future:

- a) secure **Council approval in principle** for the directions outlined in this Report – specifically an endorsement for the Tunnel Committee to explore grant and funding options for the tunnel project itself, and secondly, direction to municipal staff to explore the possibilities for re-zoning and incentivizing the development of the north end parcel of land (see Stream 2) – Council support in this regard will be a very positive assist to the on-going fundraising activities of the Committee (see b), below);
- b) the Tunnel Committee has already formed a **fundraising subcommittee** to pursue government, foundation and community fundraising – this group should, with the City Department of Economic Development, explore the possibilities for grants and fundraising for the integrated tunnel project and use the information contained within this Report as appropriate in on-going fundraising efforts;
- c) an **updated engineering study** is a logical next step as well, in order to update the construction cost estimates for the tunnel and related project elements – this should be undertaken as soon as possible so that an up-to-date and comprehensive cost estimate can be used and presented to Council, potential funders, and the general public ;

- d) prepare a **specific plan and timetable** for the development of the integrated project as described here – again, this will be useful in the on-going fundraising efforts to assure potential funders that the project is realistic and achievable;
- e) once a development plan and timetable is in place, **begin negotiations with potential tour tram operators** (the Tunnel Committee already has had preliminary conversations with at least one potential operator in this regard) – to be seen as an open and transparent process, the City may need to go to tender for operators – this should be widely advertised throughout the community as well; and
- f) once sufficient funding is in place to make a powerful start on the integrated project – *with a priority element being the restored tunnel* - overseeing the Tunnel Project itself will require **specialist contractor** who will take responsibility for the entire project (as opposed to a piecemeal development) – the City, with the advice and input from the Tunnel Committee, should spearhead this responsibility.

The ‘integrated tunnel’ project itself is do-able assuming the City is willing to find the capital costs and subsidize operation to the tune of \$90,000 per year. As delineated in Phase 1, there are significant economic and socio-cultural benefits from the project to the community overall that may make such subsidy sustainable in the minds of City decision-makers. However, the overall project has the opportunity to contribute even more to community well being by acting as a catalyst to development to the north. The set of activities relating to pursuing this opportunity is appropriately a City responsibility, and is described as ‘Stream 2’, below.

4.2 Stream 2: Encouraging Development at the North End

One of the key implications coming out of Phase 1 was that for the overall tunnel project to work with a minimal deficit, development at the north end would need to proceed, and the surplus tax revenues generated from this development could be conceptually ‘earmarked’ to help subsidize the overall operating costs of the project. In part, the logic of this is that the tunnel restoration itself could act in part as a catalyst to stimulate development at the north end. In turn, the surplus tax revenues generated at the north end (assuming reasonably that the tax revenues generated from commercial development of the site would exceed the on-going cost of servicing the land) could help cover the carrying costs of the rest of the tunnel project (i.e. the costs of maintenance, security, Lighting, etc.). Thus from a ‘holistic point’ of view, looking at all components of the development when seen from this perspective, the project is sustainable for the municipality. (Plus, of course, it is associated with the generation of significant expenditure from tourists and visitors to the community.)



North Portal of the Tunnel

If this were not to be the case, and development at the north end were not to proceed, then the overall annual costs to the City would approximate \$33,000. With the City's other on-going priorities and obligations (e.g. Aquatarium) this may not be seen to be sustainable in the short to medium term, despite the tourism benefits outlined earlier. Accordingly, a conclusion of this market assessment is that development of the property at the north end may be essential to the success of the overall project.

At present, the property on both sides of the north end of the tunnel portal is designated M3 – restricted industrial (shown by way of the arrows on the diagram below). The larger parcel on the right [designated M3-X2-1] is actually a 'Special Exception Zone', which is a more restrictive category.)



This designation significantly limits the nature and type of development that can occur on the site, and relates primarily to the past use of the site rather than its future strategic potential. However, it is within the City's brownfield envelope, meaning that there are certain Community Improvement Plan (CIP) incentives that could potentially apply to development on the site (which would include

remediation of any contamination on the property but also some form of development towards a higher and better use). A further complication is that the property is in private hands, which somewhat reduces the City's ability to determine the future course of development there.

However, given the strategic importance of the property, the City should consider a number of proactive courses of action to encourage the positive development of the site. (While these are beyond the direct mandate of the Tunnel Committee, that group could support and provide some impetus to the City getting this done.) These actions include:

- in the current zoning review (underway at present through the Planning Department) consider re-designation of the lands from M3 to C (commercial) which would facilitate the kinds of synergistic development that would support the tunnel project (by providing activities of interest to tunnel users that would create additional incentive to come to the north end, well as generate the tax revenues to the municipality that could offset development costs) – key considerations in any re-zoning to the property would be the likely impact upon (and reaction of) the residents immediately to the south of both properties;
- review the current CIP status of the site to determine whether there are ways and means of increasing the degree to which development on this strategic site can be 'incentivized' through an enhanced Brownfield CIP;
- assess the implications of commercial development of the site upon surrounding land uses and traffic flow – this would entail a traffic study (including projected traffic volumes along Stewart Blvd./William St. and well as traffic generated from the developed site itself) which would consider the need for signalization on the to enable safe access into the site – also to be considered would be the impact of traffic and noise upon the residential areas to the immediate south;
- initiate discussions with the property owner regarding the development possibilities of the site, with a view to encouraging the owner to develop the site in the longer term, as a commercial development in alignment with the overall tunnel development plan developed here;
- should the owner not be receptive, the City should explore ways and means of acquiring the property (either through sale or expropriation) given its strategic importance to the tunnel project specifically and the community overall. This is clearly not a step lightly taken but considering the strategic importance of the area to not only the tunnel project but also the entire possibility of development of that north end (which is currently a dangerous and blighted area) this could represent a wise investment in the future.

The restoration of the tunnel itself, and the various ancillary improvements made to the south end, the north end parkette and the trolley operation, should be seen strategically in part as an investment or catalyst to this north end development. A key and positive point of differentiation for developer and commercial tenants on the site will be the access to the tunnel and the unique linkage it provides to the downtown.

+++++

Conclusion: The Brockville Railway Tunnel Project has the potential to create community benefit in Brockville in a number of ways: as the restoration and interpretation of a significant community and national asset; as a contributor to Brockville's growing list of attractions; as a generator of positive economic impact in the community; as a source of community pride; and as an element in the redevelopment of a strategic property in the community. The two recommended streams of action presented in this Report would help to realize this significant potential.

Appendix 1 – List of Documents Reviewed

(in chronological order, starting with most recent)

- Brockville Railway Tunnel Committee, **Summary Comments**, October, 2013
- Inspec-Sol Engineering Solutions, **Brockville Railway Tunnel Condition Inspection**, January, 2013
- Brockville Railway Tunnel Committee, **Business Plan for the Brockville Railway Tunnel**, March, 2012
- Stantec-Mining, **Brockville Railway Tunnel Review Assessment**, November, 2011
- City of Brockville, **Business Retention and Expansion with Focus on Human Capital**, November 2010
- WCM in association with MMM, **Economic Development Strategy, City of Brockville**, March 2010
- Brain Trust Marketing and Communications, **Brockville and District, Premier-Ranked Tourism Destination Project**, January 2008.
- The Economic Planning Group, **An Anchor Attraction for Brockville, The Maritime Discover Centre and Other Waterfront Enhancements, Final Report**, July 2007
- City of Brockville, **Community Improvement Plan for Downtown Brockville**, June 2007
- City of Brockville, **Community Vitality Initiative, Phase 1 Summary Report**, June 2007

Appendix 2 – Persons Interviewed

- **Ann Weir**, Regional Economic Development Officer, United Counties of Leeds and Grenville and Board Member of RTO 9
- **Dave Paul**, Economic Development Officer, City of Brockville
- **Maureen Pascoe Merkely**, Director of Planning
- **Bill Rogertson**, Executive Director, Aquatarium
- **Steve Clark**, MPP (and past Mayor)
- **David Henderson** (current Mayor)
- **Andy Neeteson**, boat cruise operator
- **Steve Weir**, Tourism Manager, Brockville and District Chamber of Commerce
- **Anne MacDonald**, Executive Director, Brockville and District Chamber of Commerce
- **Brenda Clarke**, Downtown BIA
- **Gary Brett**, Tourism Advisory Chair, Great Waterway
- **Lyne Roberge-Henderson**, Riverquest
- **Libby Smith**, Executive Director, RTO 9, The Great Waterway

Appendix 3 – Comparable Tunnels Examined

Tunnel Site:	History	Renovation	Length	Type of use	One way vs loop	Objective of redevelopment	Interpretive Panels	Local stakeholder perspectives	Administration	Attendance	Admissions Price / hours	Security	Maintenance	Capital funding	Operating Funding
Lake Mead Railroad Tunnel Trail, Boulder, CO	- built in 1931 for construction of Hoover Dam; tracks dismantled in 62 - site nominated to National Register of Historic Places 84	- tunnel 5 reopened in 2001	- 4.4 mile; 5 tunnels; - longest is 400 ft. 1200 ft tunnels total – 25 ft in diameter; parking lot to end of 5 th tunnel is 2.5 miles	- Pedestrian, bike	- One way	- Historical interpretation, ec dev., community pride, recreation, public edn; - push for outdoor recreation in NV	- maybe 5 to 9 along trail - they have an interpretive ranger who does tours	- No controversy	- NPS and Bureau of Reclamation	- 500 a month, fall to winter; less in heat of summer; some special events - Lake Mead NRA receives 14,000 visitors daily peak season, \$500,000 / day	No charge - 5 th tunnel closed at dusk - park open 24/7	- never had an issue; not sure if full cell coverage - have law enforcement with ranger and first aid	100 hours a year - get graffiti, new age circles		- all funding is federal - est 10 staff doing other things; maybe 1000 combined hours a year
Western and Atlantic Railroad Tunnel, Tunnel Hill north of Dalton, GA	- part of Western and Atlantic RR built in 1849	- reopened in 2000	1,477 ft long tunnel - lights every 50 ft - multi-seat golf cart	- Visitors to centre – motorized golf cart - some locals may use	- One way - limited access from other end	- Heritage preservation main focus - tourism attraction with Tunnel Hill Heritage Centre (museum) and Clisby Austin house - civil war history as well as Great Locomotive chase of 1862	- plaque associated with tunnel - heritage centre as part of experience	- state and private landowner donated RR - transportation grant of \$2 m	- Owned by Whitfield County and private landowner	- 7,000 visitors a year - targeting 10,000 next year	- \$7 adult; \$5 children/seniors - \$3 group rate (20+) - admission includes museum and tunnel - open 9 – 5 Monday - Saturday - tours of tunnel each hour - 30 min for	- gate is locked when closed - have had problems with graffiti, paranormal crowd		- \$2 m grant from GA Transportation - \$30,000 from GA ED - try to stuff for free	- get \$25,000 from admissions and souvenir sales - salary to manage charged at \$9,000 - \$20 to \$25K in overhead each year

Brockville Railway Tunnel – Comparables (cont).

Tunnel Site:	History	Renova-tion	Length	Type of use	One way vs loop	Objective of redevelopment	Interpretive Panels	Local stakeholder perspectives	Administration	Attendance	Admissions Price / hours	Security	Maintenance	Capital funding	Operating Funding
Cal Park Hill, Marin County, CA	<ul style="list-style-type: none"> - originally constructed 1884 for Northwest Pacific - widened in 1924 - sealed 1978 - pedestrians and cyclists between Larkspur and San Rafael - part of future SMART corridor - redwood timbers had to be removed and replaced with steel 	<ul style="list-style-type: none"> - reconstruction from 1998 to 2010 - opened Dec 2010 - rail was double track - second half will be transit, still under construction 	<ul style="list-style-type: none"> - pathway is 1 mile - tunnel is 1.100 ft - part of a 25 mile system 	Pedestrian, bike - second component will be transit	One way	Adds capacity; enhanced connection to congested SF ferry service from Larkspur - reduced carbon footprint	- are some panels	- good support from several partners - strong lobby from cyclists	- owned by Marin County and SMART (Sonoma Marin Area Rapid Transit)	<ul style="list-style-type: none"> - est. 200 – 400/day weekdays - 800 / day weekends - 7,000 a day week days - 10,000 a day weekends 	- open 7 days a week; 5 am to midnight	<ul style="list-style-type: none"> - closed from midnight to 5 am - homeless community a problem - occasional bike accidents with bollards - tunnel has cell phone connectivity - fire suppression system - panic call system doesn't work well (moisture) 	- maintained by Marin County	<ul style="list-style-type: none"> - \$10 million for the cycling, pedestrian side - \$27 to \$29 m total; excludes rail installation - \$11,000 per foot 	<ul style="list-style-type: none"> - \$137,450 - ongoing maintenance \$69,950 - periodic supplementary maintenance \$15,000 - professional service \$45,000 - utility costs \$7,500 Total \$137,450 \$125 per foot

March 7, 2014

REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – MAR. 18, 2014

**2014-028-03
REQUEST FOR HIGHER WINTER
MAINTENANCE PRIORITY –
CHARLOTTE PLACE**

**C. J. COSGROVE, P.ENG.
DIRECTOR OF OPERATIONS**

RECOMMENDED

THAT the Finance, Administration and Operations Committee provide direction with respect to the request for a higher winter maintenance priority for Charlotte Place.

PURPOSE

The purpose of this report is to provide information for the Committee's consideration in responding to the request for a higher winter maintenance priority for Charlotte Place.

BACKGROUND

Attachment 1 is a letter received from Highland Associates, property managers for the five multi-residential buildings on Charlotte Place, requesting that Charlotte Place be given higher priority for winter maintenance activities.

Residents and the property managers have expressed concerns to the Operations Department for several years.

ANALYSIS

As per the Winter Maintenance Policy, winter maintenance activities are carried out on a priority basis, meeting the provincial Minimum Maintenance Standards, where applicable. The following outlines the priorities for winter maintenance activities, and the criteria used to determine the priorities:

Snow Plowing (see Attachment 2)

Roads are designed Class 2 through to Class 6

- Class 2 - arterial roads
(6 hour maximum service time after storm completed)
- Class 3 – collector roads and transit routes
(12 hour service time)

- Class 4 – local roads carrying traffic to a specific public use such as a school
(16 hour service time)
- Class 5 – all remaining local roads
(24 hour service time)
- Class 6 – laneways and specific dead end roads/cul-de-sacs
(48 hour service time)

As per these criteria, Charlotte Place is designated as a Class 5 road.

Sidewalk Plowing and Ice Control (see Attachments 3 and 4)

Sidewalks are designated Priority 1 through to Priority 4

- Priority 1 – arterial roads, transit routes, downtown core area
(48 hour maximum service time)
- Priority 2 – access routes to schools
(48 hour maximum service time)
- Priority 3 – all remaining sidewalks
(service time not specified)
- Priority 4 – Brock Trail and park paths
(service time not specified)

As per these criteria, Charlotte Place is designated as Priority 3.

Snow Removal (see Attachment 5)

Roads are designated for snow removal if roadside snow storage typically impacts normal traffic flow (given the type of road), restricts required visibility at intersections, or if snow storage restricts access to the sidewalk from a metered parking location where the boulevard is less than 1 metre wide. As per these criteria, Charlotte Place is not designated for snow removal, as the width of the street meets current standards for a local road.

All roads and sidewalks cannot receive the highest of service with the current complement of staff, equipment and budget for contracted services. The criteria currently used to prioritize winter maintenance activities are designed to provide the highest priority to the greatest number of users in a consistent way across the City, while also giving consideration to safety and community functions such as schools and public transit.

The request regarding Charlotte Place cannot be accommodated within the criteria for designating priorities currently set out in the Winter Maintenance Policy. Should Council wish to agree to the request, at least one of the factors cited in the Highland Associates letter (density of development, concentration of senior population) would have to be added

to the criteria in the Winter Maintenance Policy. It appears that the concerns being raised could be addressed by assigning a higher priority to sidewalk plowing and ice control and/or snow removal. To keep the spirit of consistent application of the Policy intact, the same criteria would have to be applied throughout the City. Depending on the extent of the criteria change, the financial impact of increasing the level of service, or the extent to which other criteria would have to be reduced to result in no net increase in cost, will vary.

Alternatively, the request could be approved without modifying the criteria. However, this is not recommended as the probability of multiple requests for similar consideration would be very high, and each request would likely have to be decided based on a combination of precedence and specific circumstances.

Direction from the Committee is requested to confirm whether there is a desire to agree to this request by modifying the criteria for prioritizing winter maintenance activities, and to provide guidance as to how broadly the criteria should be amended or reviewed.

POLICY IMPLICATIONS


Amendments to the Winter Maintenance Policy require Council approval.

FINANCIAL CONSIDERATIONS

Financial analysis can be provided based on direction by the Committee.

CONCLUSION


Direction from the Committee is requested.



C.J. Cosgrove, P.Eng.
Director of Operations



D. Dick, CA, CPA
Director of Corporate Services



B. Casselman
City Manager

Highland Associates

15 Buell Street, Brockville, Ontario
K6V 4X9
TEL: (613) 345-4838 FAX: (613) 498-4796

RECEIVED

FEB 27 2014

CLERK

To: *The Finance and Administration Committee, c/o Sandra Seale, Clerk*

From: John Ker and Lynn Aikman (Legion Village 96)

Date: *February 25, 2014.*

RE: Charlotte Place snowplowing etc.

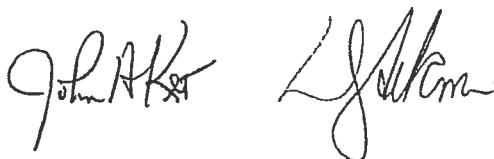
Dear Sandy,

Would you please forward this to the members of the Finance and Administration Committee which we understand is the committee that is in charge of assigning priorities in snowplowing and removal in the City.

We are the managers of the five buildings located on Charlotte Place in Brockville and request that the priority given to snowplowing on the streets and sidewalks of Charlotte Place be increased by the City. This is a short street and it is our understanding that it sits presently in the lowest priority for clearing. There are over 160 units on the street and nearly 200 residents which we believe would make it one of the most densely populated section of street per meter in Brockville. Most of these people are elderly and often require community services such as visiting nursing, homemaking etc. The street is busy. Most years, pedestrians are forced to walk on the road for days to make it to the bus stop or go shopping on foot. The ones with cars experience a lot of difficulty with the snow piles across the driveways and on the road which gets narrowed down often to a little more than one lane.

While acknowledging that this winter has been more severe than most, this is an ongoing problem for the residents who would like improvements made. We believe that there is a true need for the residents of the street and that since the street is so short, it would not place much financial burden on the City's finances to boost this up a category in service. We ask that you please consider this request at your next meeting and advise us if you require any more information from us on the issue.

Yours truly,



John Ker at Highland Associates and Lynn Aikman,
Administrator at Legion Village 96.

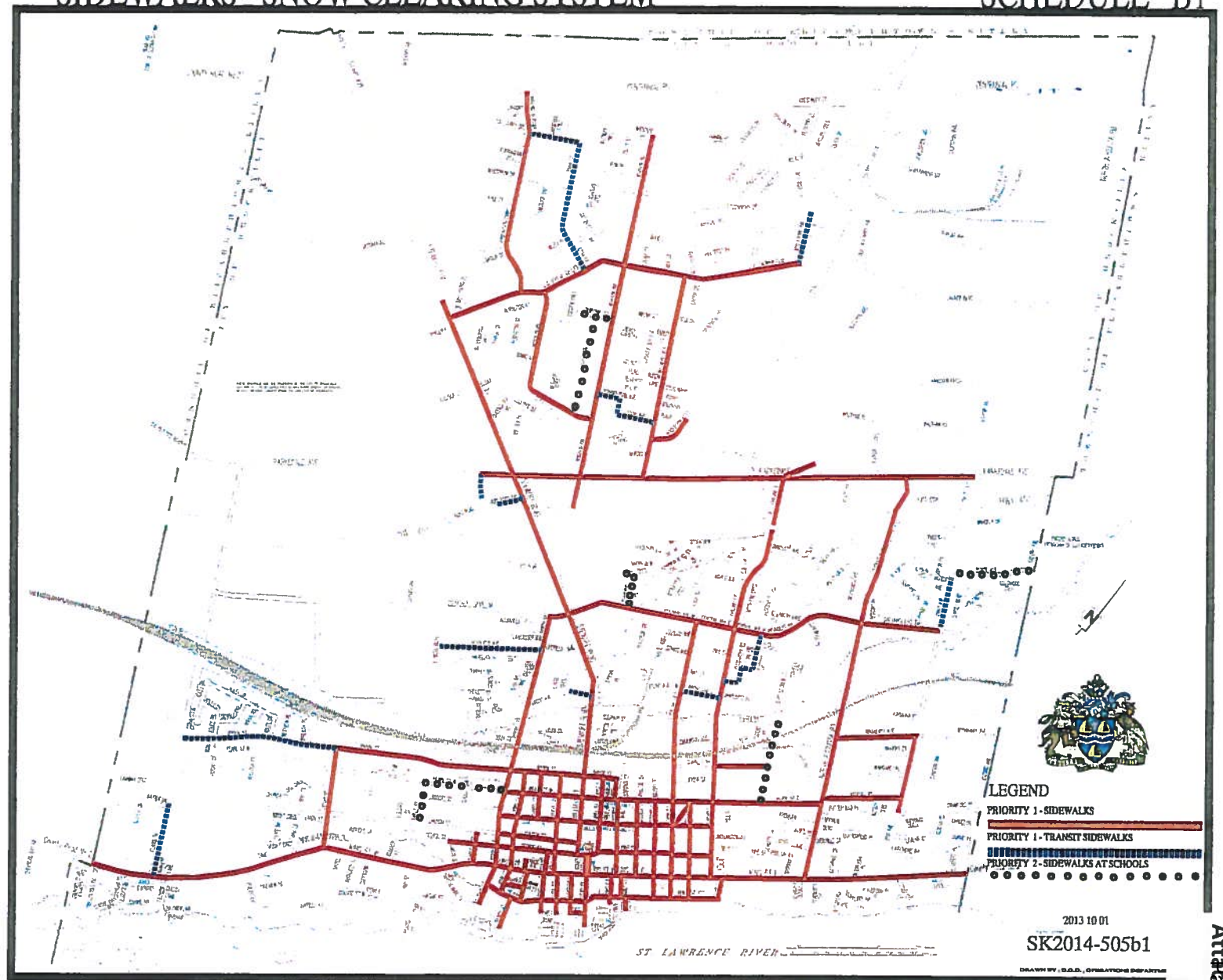
ROADWAY - SNOW CLEARING SYSTEM -

SCHEDULE A



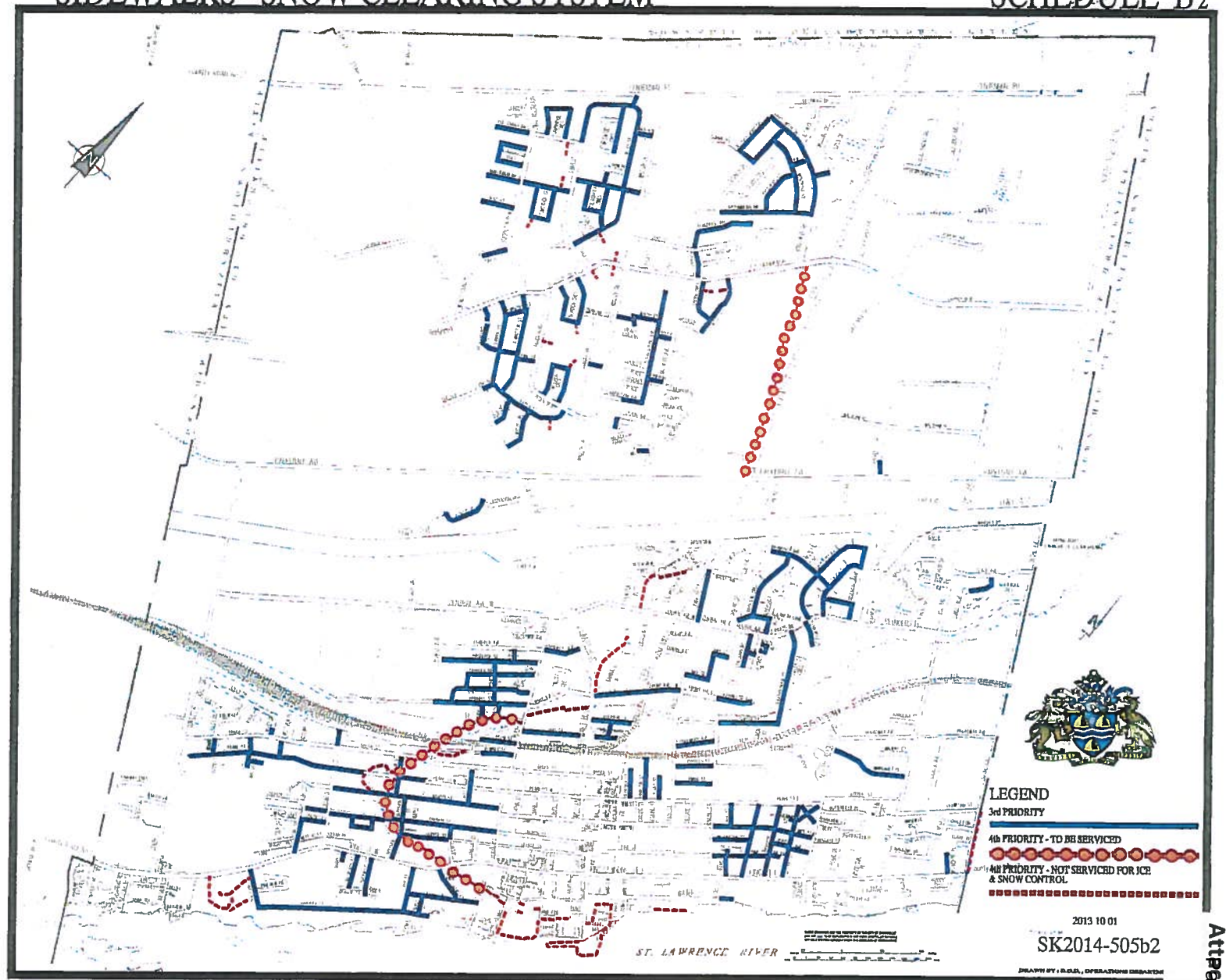
SIDEWALKS - SNOW CLEARING SYSTEM

SCHEDULE B1



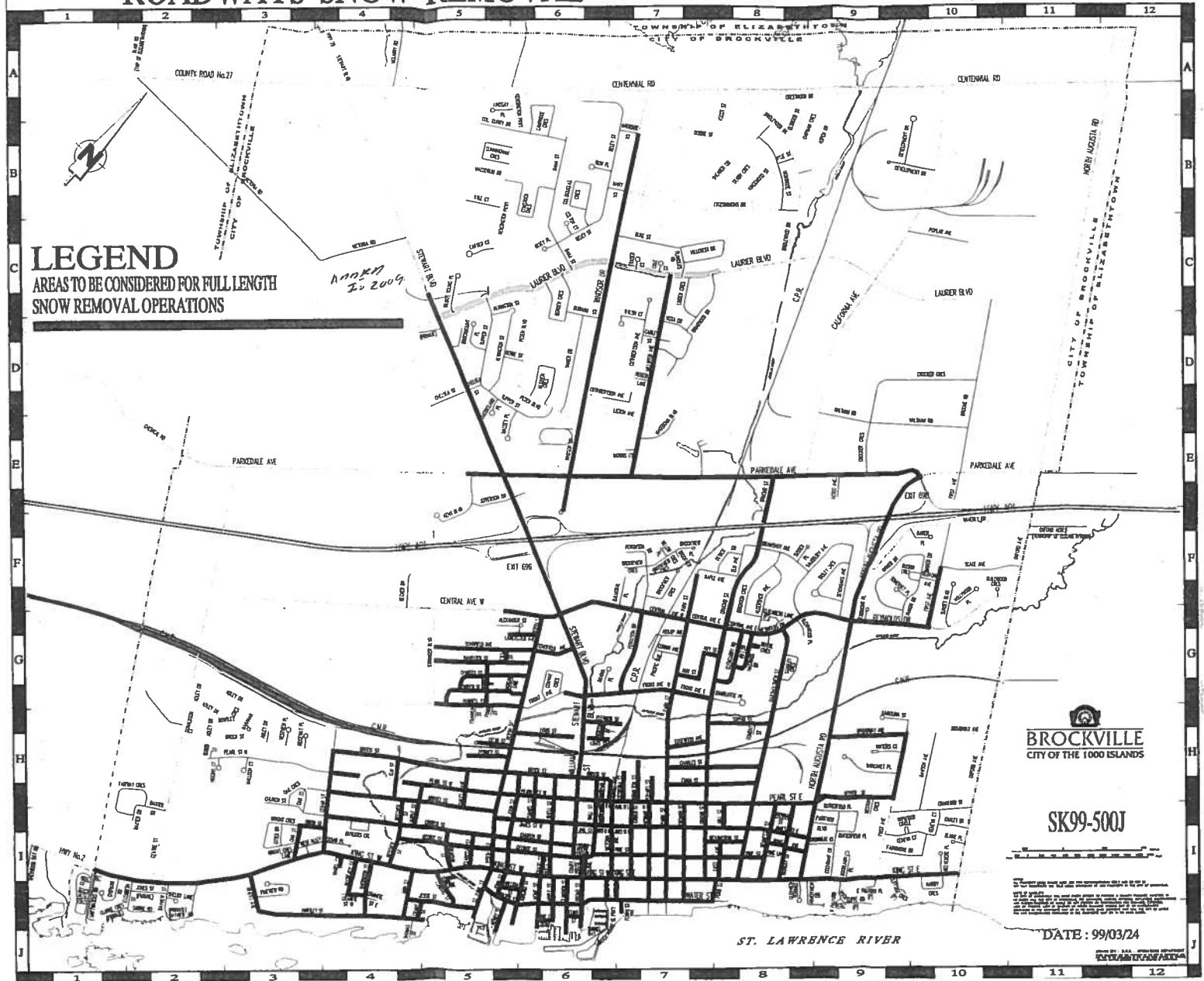
SIDEWALKS - SNOW CLEARING SYSTEM

SCHEDULE B2



ROADWAYS SNOW REMOVAL

SCHEDULE J



March 7, 2014

REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – March 18, 2014

**2014-026-03
REQUEST FOR NO PARKING
CHALET DRIVE**

**C. J. COSGROVE, P. ENG.
DIRECTOR OF OPERATIONS
V.B. HARVEY, SUPERVISOR OF
TRANSPORTATION SERVICES**

RECOMMENDED

THAT parking be prohibited on the north side of Chalet Drive from Oxford Ave to 44 metres west of Oxford Avenue; and

THAT parking be prohibited on the south side of Chalet Drive from Oxford Ave to 21.5 metres west of Oxford Avenue; and

THAT Schedule “1” Subsection 72 of By-law 119-89 be amended accordingly.

PURPOSE/BACKGROUND

Operations Staff were contacted by a resident on Chalet Drive regarding parking and driving issues.

Eight Chalet Drive residents were contacted to solicit their comments or concerns about the proposed establishment of a No Parking Zone on both the north and south side of Chalet Drive from Oxford Avenue to the first driveway on each side of the street (see Attachment A). The following is a synopsis of their responses:

- Three residents in favour of the proposed no parking zones
- One resident opposed to the proposed no parking zones

ANALYSIS

After reviewing the site, the Transportation Services Division has made the following observations:

- Chalet Drive is comprised of residential units
- Chalet Drive is 8.2 meters wide
- Individuals going to the Royal Ottawa often park on both sides of Chalet Drive making it difficult for residents to get out of their driveways
- Drivers have a difficult time negotiating the street when vehicles are parked directly opposite each other

POLICY IMPLICATIONS


An amendment to the City's Parking By-Law 119-89 requires Council authorization.

FINANCIAL CONSIDERATIONS


Annually Public Works/Parks Division budgets for the installation of a variety of signs throughout the City (i.e. stop, yield, parking, directional, etc.) There is sufficient funds in the Public Works/Parks 2014 Operating Budget account 01-5-745436-2010 to accommodate the estimated installation cost of \$250 per sign.

CONCLUSION

It is recommended that the No Parking Zones be installed as detailed above.



C.J. Cosgrove, P.Eng.
Director of Operations



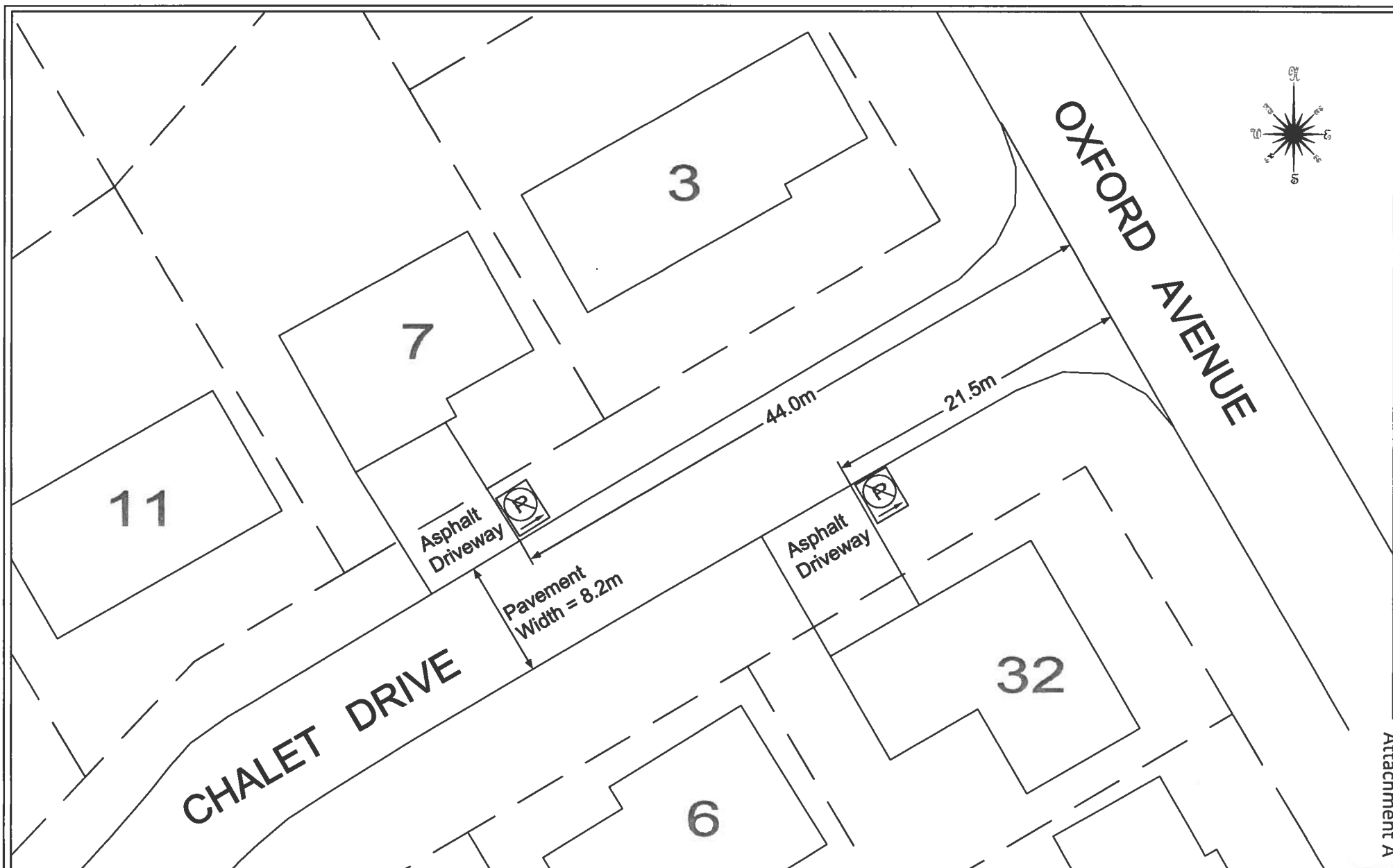
V.B. Harvey
Supervisor of Transportation Services



D. Dick, CA, CPA
Director of Corporate Services



B. Casselman
City Manager



Attachment A

Page 54 of 82

 <p>BROCKVILLE CITY OF THE 1000 ISLANDS</p>	CITY OF BROCKVILLE	OPERATIONS DEPARTMENT	Rev # :
<p>PROPOSED NO PARKING CHALET DRIVE</p>			<p>Drawn By : Paul M. Date: March 4, 2014</p>

March 7, 2014

REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – March 18, 2014

**2014-025-03
QUOTATION Q2014-05
SLABJACK EQUIPMENT -
PUBLIC WORKS**

**C.J. COSGROVE, P.ENG.
DIRECTOR OF OPERATIONS
R.T. FRASER
SUPERVISOR, PUBLIC WORKS/PARKS
M.D. CARRIÈRE
FLEET & MAINTENANCE FOREMAN
A.J. ROSSETTI
SUPERVISOR, FLEET & SUPPORT SERVICES**

RECOMMENDED

THAT the quotation from Airplaco Equipment (CanCrete Equipment Ltd.), Mississauga, Ontario in the amount of twenty-eight thousand four hundred and three dollars and eighteen cents (\$28,403.18) plus HST for the purchase of slabjack equipment be accepted; and

THAT the necessary funds be expensed from the Fleet Capital Account 9101010-9902031-9361.

BACKGROUND

The purchase of the Pump Master MJ-16 and Slabjacking Trailer for the Operations Department – Public Works/Parks Division – Roads/Storm Sewer Section is an approved item in the Fleet Management Program, Item 6.1 in the 2014 Capital Budget.

ANALYSIS/OPTIONS

In February 2014, Quotation Q2014-05 - Slabjack Equipment was received with the following results:

1. HMI Systems, Manitowoc, Wisconsin\$26,925.29
2. Airplaco Equip. (CanCrete Equip. Ltd.) Mississauga, ON\$28,403.18

The amounts quoted have been converted to Canadian dollars, excluding taxes, shipping charges and where applicable, duty. Quotations have been reviewed.

POLICY IMPLICATIONS

As per Purchasing By-Law 090-2005, Council approval is required when the lowest bid is not accepted.

FINANCIAL CONSIDERATIONS

Upon passing of the 2014 budget by Council, approval was granted for the purchase of a Pump Master and Slabjacking Trailer unit under Item 6.1 Fleet Management Program in the Capital Budget. The original amount allocated in the Capital Budget was \$22,400 for the slabjacking equipment which was estimated when the US dollar was at par with the Canadian dollar.

Listed below are the two manufacturers of slabjack equipment, both American.

- HMI Systems, Manitowoc, Wisconsin, distributes directly, no Canadian distributor
- Airplaco Equipment, Cincinnati, Ohio, does have a Canadian distribution – CanCrete Equipment Ltd., Mississauga, ON


The recommendation to purchase the slabjack equipment from Airplaco (CanCrete Equipment Ltd.) meets the requirements of the Public Works/Parks Division at the quoted price of \$28,403.18 (plus HST) which would result in an over expenditure of \$6,003.18 (before HST and tax rebate). CanCrete Equipment Ltd. is the only Canadian distributor of this type of equipment with parts and service available at the Toronto site, therefore eliminating the downtime of going through the US border.


The total approved value of the plan for the year 2014 is \$1,288,024. The total saving for vehicles and equipment purchases to date, including net cost of this recommended purchase, is \$6,534.49 (Schedule A).

CONCLUSION

The Operations Department - Fleet & Support Services and Public Works/Parks Divisions recommend the purchase the Slabjack Equipment from Airplaco Equipment (Canadian distributor CanCrete Equipment Ltd.).


2014-025-03
Quotations Q2014-05


C.J. Cosgrove
Director of Operations


R.T. Fraser
Supervisor, Public Works/Parks


A.J. Rossetti
Supervisor, Fleet & Support Services


M.D. Carrière
Fleet Maintenance Foreman


B. Casselman
City Manager


D. Dick, CA
Director of Corporate Services



FLEET & LOGISTICS DIVISION
SUMMARY OF 2014 FLEET TENDER/QUOTATION PURCHASES
FOR FLEET, WATER & SEWER RESERVE
AS OF MARCH 4, 2014

Schedule A

TENDER/ QUOTATION NUMBER	DESCRIPTION	2014 BUDGET	ACTUAL COST AFTER FULL TAX REBATE	VARIANCE (+/-)
Q2014-01	PERSONAL WATER CRAFT & TRAILER	14,001	11,956.80	2,044.20
Q0214-03	VAN	29,199	23,973.05	5,225.95
Q2014-04	ADMIN. POLICE VEHICLE	35,000	29,231.58	5,768.42
Q0214-05	PUMP MASTER M5-16 & SLAB JACKING TRAILER	22,400	\$28,903.08	-6,503.08
SUB-TOTAL PURCHASES TO DATE		100,600	94,065	6,535
	SUPERIOR P SQUIRT FIRE TRUCK	750,000		
	FORD RANGER - REPLACE WITH 1/2 TON EXTENDED CAB PICK-UP	32,000		
	SEWER RODDER	4,800		
	1/2 TON, 4 X 4 WITH HEAVY DUTY PICK-UP TRUCK	\$40,000		
	TRAILER	6,000		
	SNOWBLOWER (REPLACE WITH LOADER MOUNT)	140,000		
	WEIGHT SYSTEM FOR LOADER	7,591		
	AIR COMPRESSOR	25,000		
	TANDEM TRAILER	7,000		
	WALK BEHIND FLOOR SCRUBBER	12,000		
	PATROL UNIT	35,000		
	PRISONER VAN	55,000		
	SUB-TOTAL	\$1,114,391	\$0	\$0
	SUB-TOTAL PURCHASES TO DATE	1,214,991	94,064.5	6,535.5
	EQUIPMENT TO OUTFIT NEW TRUCKS AND SECOND LIFE UNITS	18,856		
	POLICE - SPECIALIZED EQUIPMENT	17,576		
	SUBTOTAL OF EQUIPMENT	36,432	0.00	
	SMALL EQUIPMENT (work in progress)	36,602		
	TOTAL PURCHASES TO DATE	1,288,025		6,535
	Adjustment – Due to Rounding.	-1		-1
TOTAL SURPLUS/DEFICIT OF 2014 FLEET PURCHASES		\$1,288,024	\$0.00	\$6,534.49

SOURCE: APPROVED CAPITAL BUDGET, FEBRUARY 2014 REPORT 2014, ITEM 8.1, FLEET MANAGEMENT PROGRAM IN THE 2013 CAPITAL BUDGET

March 12, 2014

REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – MARCH 18, 2014

2014-035-03

TENDER E2014-01

**SUPPLY OF GASOLINE &
DIESEL FUEL**

**C.J. COSGROVE, P.ENG.
DIRECTOR OF OPERATIONS**

A.J. ROSSETTI

SUPERVISOR, FLEET & SUPPORT SERVICES

M.M. McNISH

INVENTORY/PAYROLL CLERK

RECOMMENDED

THAT the tender from Ultramar Ltd. of Brockville for the supply of gasoline and diesel fuel for the period of April 1, 2014 to March 31, 2016 be accepted; and

THAT expenditures be charged to account 01-5-212146-2530.

PURPOSE

The current fuel supply contract terminates on March 31, 2014. Accordingly, Operations staff initiated a tender for a new fuel supply contract.

BACKGROUND/ANALYSIS

In March 2014 tenders were called for the supply of Gasoline and Diesel Fuel. All companies were issued with a base price per litre from the Oil Buyer's Guide Ottawa Daily Rack (as of Feb. 24, 2014) of \$1.125 for unleaded fuel and \$1.230 for diesel fuel, including Federal and Provincial Excise Taxes. Tenders were sent to the following companies:

- Drummond Fuels, Ottawa, ON
- MacEwen Petroleum Inc., Brockville, ON
- U.P.I. Inc. Guelph, ON
- W.O. Stinson & Son Ltd., Gloucester, ON
- Esso Imperial Oil, Nepean, ON
- Shell Canada Products Ltd. Calgary, AB
- Ultramar Ltd., Brockville, ON
- Petro Canada Fuels, Ottawa, ON
- McKeown & Woods Fuel, Napanee, ON

2014-035-03

Tender E2014-01 Supply of Gasoline & Diesel Fuel

Page 2 of 3

Tenders were opened at 12:00 o'clock noon on Tuesday, March 11, 2014 with the following results:

<u>Company</u>	Regular Unleaded	Clear Diesel	Discount Per Litre (\$) Mark-up +\$	Delivery Charge Per Litre (If applicable)	Net Price Per Litre (GST extra)
1) Ultramar Limited	\$1.1099	\$1.2149	\$.0151/.0151	0.00	\$1.1099/1.1249
2) W.O. Stinson & Son Ltd.	\$1.116	\$1.221	\$0.009/0.009	0.00	\$1.116/1.221
3) McKeown & Woods Fuel	\$1.116	\$1.210	\$0.009/0.020	0.046/0.046	\$1.162/1.256

All prices quoted are per litre (with company discount), inclusive of all applicable taxes except HST. Tenders have been reviewed and found to be in order.

Ultramar Ltd. of Brockville has tendered the lowest pricing for Regular Unleaded Gasoline and Clear Diesel. Please note that the actual price paid for fuel will fluctuate as the base price per litre fluctuates.

POLICY IMPLICATIONS

As per Budgetary Control and Purchasing By-Law 090-2005.

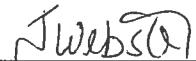
FINANCIAL CONSIDERATIONS

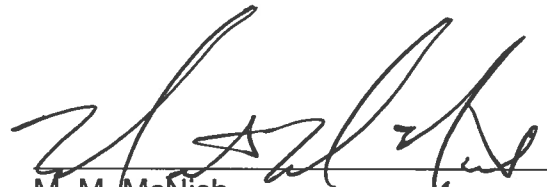
The stock is purchased against Inventory account 01-1-909209-9209 and subsequently expensed against account 01-5-212146-2530. The 2014 budget was built using \$1.12 per litre of unleaded gasoline and \$1.12 per litre for clear diesel. The average prices from January to December 2013 were \$1.0958 per litre for unleaded gasoline and \$1.0963 per litre for clear diesel.

2014-035-03

Tender E2014-01 Supply of Gasoline & Diesel Fuel

Page 3 of 3

for 
C.J. Cosgrove, P.Eng.
Director of Operations


M. M. McNish
Inventory/Payroll Clerk


A. J. Rossetti
Supervisor, Fleet & Support Services


B. Casselman
City Manager


D. Dick, CPA CA
Director of Corporate Services

March 7, 2014

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – MARCH 18, 2014

**2014-030-03
REQUEST FOR FUNDING
GRANULAR ACTIVATED
CARBON (GAC)**

**PETER RAABE, P. ENG.
DIRECTOR OF ENVIRONMENTAL SERVICES
DON RICHARDS
SUPERVISOR - WATER SYSTEMS**

RECOMMENDED

THAT Council authorize the purchase and installation from Continental Carbon Group of Granular Activated Carbon (GAC) filter media at the Water Treatment Plant in the amount of Two Hundred and Sixteen Thousand, One Hundred and Seventeen Dollars (\$216,117.00) including net HST; and

THAT an additional Sixteen Thousand, Five Hundred Dollars (\$16,500.00) be allocated from the Water Surplus; and

THAT the funds be allocated from account 9403010-9940367.

PURPOSE

The purpose of this report is to retain the services of a contractor to supply, install, remove and dispose of the City's Water Treatment Plant's GAC filter media.

BACKGROUND

In 2012, the GAC filter media at the City's Water Treatment Plant was scheduled and budgeted to be replaced. However, laboratory testing of the GAC indicated that it still had some useful life. As a result, staff delayed the project until it was determined it was no longer being effective. By the fall of 2013, testing confirmed it needed to be replaced.

By extending the life of the GAC, the City was required to replace a small amount of GAC which is lost over time to on-going general maintenance. Approximately \$40,000 of the 2012 Capital Budget was spent over 2012 and 2013 to supply and install the additional material and maintain the proper filter media thickness.

ANALYSIS/OPTIONS

The Environmental Services Department, Water Systems Division, requested quotations for the GAC Filter Media Replacement. The following is a summary of results:

1. Newterra.....No quotation submitted
2. Brenntag Canada.....No quotation submitted
3. Continental Carbon\$216,117.88 (including net HST)

Due to increased demand on the carbon market from the November 2013 natural disaster in the Philippines and the current rate of exchange of the Canadian Dollar, the cost of the GAC filter media has increased significantly.

POLICY IMPLICATIONS

In accordance with the City's Budgetary Control and Purchasing By-law 090-2005, when fewer than three (3) quotes are received, Councils approval is required.

FINANCIAL CONSIDERATIONS

There are insufficient funds available to complete this project. As a result, it is proposed to use \$16,500 from the Water Surplus to cover the shortfall.

The following is being proposed to fund the work:

1. 2012 Capital Budget.....	\$175,000.00
2. Less 2012/2013 Operating Expenses	(\$40,374.00)
3. 2014 Capital Budget.....	\$65,000.00
4. Water Surplus	<u>\$16,500.00</u>
	\$216,126.00

CONCLUSION

The GAC filter media is an essential component of the Water Treatment Plant's filtration process and is at the end of its intended use. It is recommended that the quotation be approved to proceed with the purchase and installation of the new GAC filter media.



P.E. Raabe, P. Eng.
 Director of Environmental Services



D. Richards
 Supervisor - Water Systems



D. Dick, CA, CPA
 Director of Corporate Services



B. Casselman
 City Manager

March 6, 2014

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – MARCH 18, 2014

2014-031-03

**SOLE SOURCE CONTRACT
PROGRAMABLE LOGIC
CONTROLLERS (PLC'S)
SCADA NETWORK UPGRADES**

**PETER RAABE, P.ENG.
DIRECTOR OF ENVIRONMENTAL SERVICES
DON RICHARDS
SUPERVISOR WATER SYSTEMS**

RECOMMENDED

THAT Council authorize the purchase from ISI Controls the upgrade of the Water Treatment Plant's Programmable Logic Controllers (PLC) and Supervisory Control Data Acquisition (SCADA) network in the amount of Sixty-four Thousand, Two Hundred and Fifty-three Dollars and Thirty Cents (\$64,253.30) including net HST; and

THAT Council authorize the purchase from ISI Controls the upgrade of the Parkedale Avenue's Programmable Logic Controllers (PLC) and Supervisory Control Data Acquisition (SCADA) network in the amount of Twenty-five Thousand, Four Hundred and Thirty Dollars and Eighty-four Cents (\$25,430.84) including net HST; and

THAT the funds be allocated from accounts 9403010-9940366 and 9403010-9940370 respectively.

PURPOSE

The purpose of this report is to request approval for the acceptance of a sole source bidder on the following 2014 capital projects:

- Water Treatment Plant PLC's and SCADA network upgrade.
- Parkedale Reservoir Booster Station PLC's and SCADA network upgrade.

BACKGROUND

As part of the 2013 Supervisory Control Data Acquisition (SCADA) computer upgrade project, the above mentioned 2014 capital projects are a continuation of the work required on our PLC's and SCADA network. ISI Controls, our essential service contractor for SCADA integration, was contracted for the SCADA computer upgrade project in 2013 and has previously completed the preliminary engineering for the PLC upgrade and SCADA network projects.

ANALYSIS/OPTIONS

Report 2014-031-03
Sole Source Contract - Programmable Logic Controllers
(PLC's) SCADA Network Upgrades

Page 2

The Environmental Services Department, Water Systems Division, requested quotations for the Water Treatment Plant PLC and the Parkedale Reservoir Booster Station PLC upgrades. The following is a summary of results:

1. Water Treatment Plant PLC's:
(materials, electrical & engineering services)\$64,253.30
2. Parkedale Reservoir Booster Station PLC's:
(materials, electrical & engineering services).....\$25,430.84

POLICY IMPLICATIONS

As per the City's Purchasing By-Law, approval of a sole source bidder is required by Council before the work can proceed.

FINANCIAL CONSIDERATIONS

In the City's 2014 Capital Budget the Water Treatment Plant PLC's and Parkedale Reservoir Booster Station PLC's upgrades are listed under Capital Budget item 6.8 Water Equipment/Construction for a total of: Water Treatment Plant \$65,000.00 and Parkedale Reservoir Booster Station \$25,000.00. There are sufficient funds to cover the above noted expenditures.

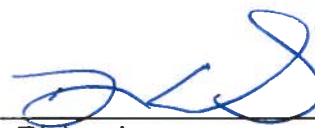
CONCLUSION

ISI Controls is a Brockville based company who has been involved with the Water Treatment Plant's SCADA network upgrades since 2002. Having a local SCADA integration contractor who is very acquainted with our SCADA network and operation is essential when assisting with SCADA emergency situations and system upgrades.

It is recommended that the sole source bidder be approved to proceed with the upgrade of our PLC and SCADA networking.



P.E. Raabe, P. Eng.
Director of Environmental Services



D. Richards
Supervisor Water Systems



D. Dick, CA, CPA
Director of Corporate Services



B. Casselman
City Manager

Mach 10, 2014

Report to Finance, Administration and Operations Committee – March 18, 2014

2014-032-03

**2014 Election Update #1
(Alternative voting method)**

**Sandra M. Seale
City Clerk**

RECOMMENDED

THAT Council receive Staff Report No. 2014-032-03, 2014 Election Update #1 for information purposes; and

THAT Council authorize the passing of by-laws to authorize the use of an alternative voting method, being telephone and internet for the 2014 Municipal Election.

PURPOSE

To reaffirm Council's decision to use an alternative voting method and provide updates and other information pertaining to the 2014 Municipal Election.

BACKGROUND

The *Municipal Election Act, 1996* (MEA) governs the process for a municipal election. The Act specifies timelines and responsibilities for the election process.

ANALYSIS/OPTIONS

Alternative voting method

In 2010, Council passed a by-law allowing the use of an alternative voting method, telephone and internet, for the 2010 and subsequent elections.

Overall, the feedback and response to the implementation of telephone and internet voting method for the 2010 municipal election was positive. There was an incident on Election Day, near the supper hour, when the system experienced a much higher than anticipated number of voters and the system stalled. Voting hours were extended by one hour. The issue has since been addressed by Intelivote by separating out the candidate's module from the voting system, housing it on a separate server.

In preparation of the 2014 municipal election, Clerk's from nine municipalities in Leeds and Grenville (City of Brockville, the Towns of Prescott and Gananoque, the Municipality of North Grenville, the Townships of Augusta, Edwardsburgh/Cardinal, Elizabethtown-Kitley and Leeds and the 1000 Islands and the Village of Merrickville-Wolford) distributed a Request for Proposal for telephone and internet voting services. In February the Leeds and Grenville Clerk's group recommended the services of Intelivote Systems Inc. as the best bid for telephone and internet election services. The group RFP resulted in a cost of \$1.50 per elector (plus postage) for the service.

In order to proceed with this alternative voting method, the MEA requires that a by-law be passed before June 1st in the year of the election. The procedures for the alternative voting method will be available by the MEA deadline of June 2, 2014.

A voting location is not proposed to be established at St. Lawrence College as was used in 2010. Over the six days that this location was open for voting, only 434 voters attended. It is expected that there will be a reduction in the number of voters using established voting locations as this is not the first time the service is being used. We will also be working with the Brockville Public Library to encourage the use of their computers for voting purposes. Additionally, industry reports indicate that more cellular phone users also have access to the internet on the phones. The system is designed such that it will adjust the display to the type of device being used (i.e. computer screen vs smaller cell screen).

Electors List

The Preliminary List of Electors (Voter's List) must be delivered by MPAC to the Clerk no later than July 31, 2014. In preparation of the list, MPAC is currently piloting VoterLookUp.ca which permits Ontario electors to check if they are on the voter's list. It is expected that this will be available to all Ontario municipalities in April. Once this is available we will be heavily promoting this look up feature to residents.

Restricted Acts after Nomination Day (Lame Duck)

If at either Nomination Day or after Voting Day, Council becomes lame duck, Council shall not take any action to:

- a. appointment or removal from office of any officer of the municipality;
- b. hiring or dismissal of any employee of the municipality;
- c. dispose of any real or personal property of the municipality which has a value exceeding \$50,000 at the time of disposal; and
- d. make any expenditures or incurring any other liability which exceeds \$50,000 which was not adopted in the 2014 budget.

The City Clerk will advise the Mayor if the Council faces restrictions at either Nomination Day or Voting Day.

Compliance Audit Committee

Each Council is now required to establish a Compliance Audit Committee (prior to September 30, 2014) made up of citizens. The committee must be composed of 3 to 7 members; employees or officers of the municipality, members of council or any candidates in the election are not eligible to be appointed to the committee. A compliance audit can be requested by an eligible elector who believes that a candidate

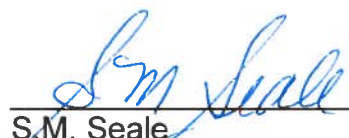
has contravened the Act related to campaign finances. The Council is responsible for all costs in relation to the committee's operation and activities. In 2010, a regional Compliance Audit Committee was formed in Leeds and Grenville. Staff will be recommending the continuance of this committee and will be seeking applicants to the committee. A report on this matter will be brought forward later this year.


POLICY IMPLICATIONS

No policies are being considered at this time. All recommendations and actions are as set out in the *Municipal Election Act, 1996*.

FINANCIAL CONSIDERATIONS

The cost of the telephone and internet service for the 2014 municipal election is included within the Clerk's Operating Election budget for 2014.



S.M. Seale
City Clerk

D. Dick, CA, CPA
Director of Corporate Services

B. Casselman
City Manager

March 14, 2014

Report to Finance, Administration and Operations Committee – March 18, 2014

2014-038-04

**Grant of Easement Agreement
Hydro One Networks Inc.
Water Street**

S.M. Seale
City Clerk

Recommended

THAT Hydro One Networks Inc. be granted an easement over City lands described as Part of Water Street and Water Street Parking lot, more specifically described as Part of Lots 12, 200, 201 and Part of Laneway between Lots 200 & 201, Block 29, Plan 67, City of Brockville, County of Leeds, Being Part 1 on Registered Plan 28R-14246, Being Part of PIN 44162-0065(LT); and

THAT the Mayor and Clerk be authorized to execute all necessary documents to give effect to the intention thereof.

Background

Staff is in receipt of a request from Hydro One Networks Inc. to obtain an easement over parcels of land owned by the City of Brockville for a duct bank, such easement to be approximately 4.4 metres by 107.0 metres

A map identifying the location of the subject property is provided as Attachment No. 1.

The request is the result of Hydro One's installation of a duct bank and underground distribution lines in the Water Street Parking Lot and a portion of Water Street to feed the Tall Ships Landing development.

Analysis

An easement requires Council approval.

The installation of the duct bank improves the aesthetics of the area by eliminating the servicing of electricity by pole mounted lines.

Financial Considerations

The Transfer Easement Documents will be prepared by Hydro One Networks Inc. all costs related to the easement will be paid by Hydro One.



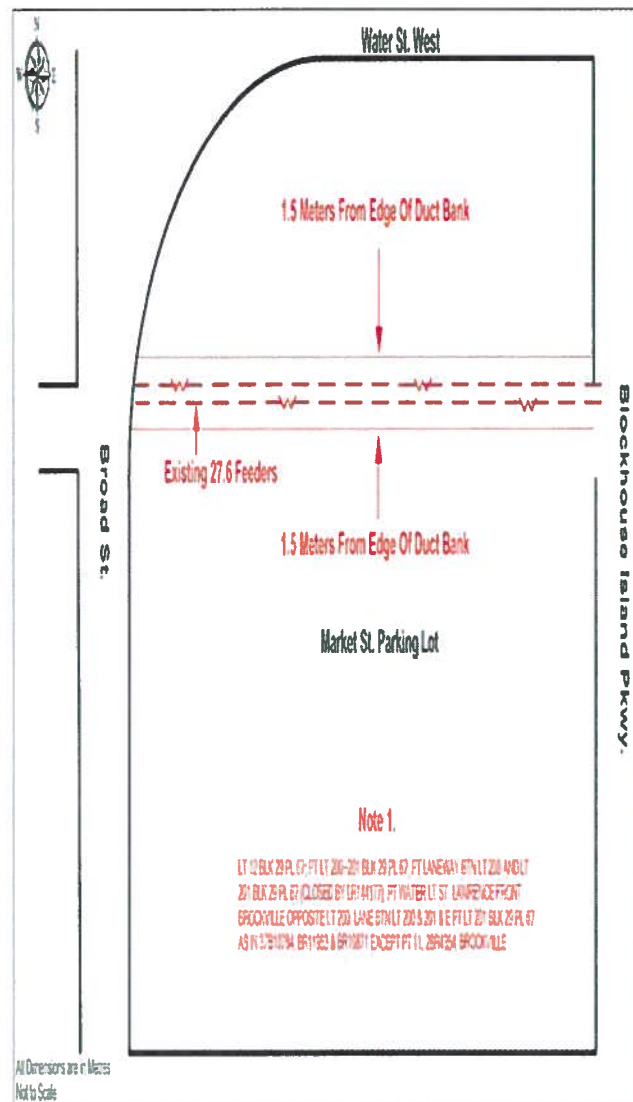
S.M. Seale
City Clerk



D. Dick, CA, CPA
Director of Corporate Services



B. Casselman
City Manager



Legend		Blockhouse Square Development		4/2023 schedule A
new pole	●	Owner Name	City of Brockville	City of Brockville
new anchor	←	Owner Signature		Refer to Note 1
new line	---	Owner Name		1
existing pole	○	Owner Signature		City of Brockville
existing anchor	←	Hydro One Name	Terry Davis	Owner (or Geographic)
existing line	---	Hydro One Signature		City of Brockville
equipment	□	City		Leeds & Grenville
		Operating Center	Brockville (BR)	2046
		City Center		
		Work Center		
		Comments	The location of the new or existing poles, anchors or equipment may not be exact. The scale makes the final location.	

March 9, 2014

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – March 18, 2014

2014-033-03

FUNDING OF WASTE WATER INCENTIVE

**DAVID DICK CPA, CA
DIRECTOR OF CORPORATE SERVICES**

**LYNDA FERGUSON
MANAGER OF FINANCE**

RECOMMENDATION

THAT the reduction in water and wastewater revenues provided to the two largest customers as a result of capping rate increases for 2014, be funded from the respective water and wastewater reserves.

BACKGROUND

During the 2014 water and wastewater deliberations, council debated providing specific large users with reduced rates from what had been presented in the respective budgets. It was argued that providing the reduced rates is an additional opportunity to include in our economic development tool box to enhance prospective business opportunities to the City. It was generally agreed that capping the rate increase for large volume users (>100,000m3) to the rate of inflation could act as a suitable incentive.

ANALYSIS

The 2014 water and wastewater budgets were prepared with a 6% increase in rates resulting in an approximate increase of \$36 on the average residential billing. Council had requested staff to review what the impact would be on capping the increase on the two largest consumers to an inflationary increase for 2014 of 1.1%. Based on the 2013 consumption data for these consumers, we have estimated the loss in water and wastewater revenues for 2014 using the inflationary rate as opposed to the approved rate of 6% results in a reduction in user fees as follows:

Water	\$11,365
Wastewater	18,070

Council has asked staff to provide options to finance this loss in revenue. We have identified three separate options as follows:

1. Do nothing. The 2014 approved budgets project deficits of \$479,000 and \$368,000 for water and waste water.
2. Charge the shortfall in revenue to all other users in the system

3. Fund the proposed deficit from water and wastewater reserves.

DISCUSSION

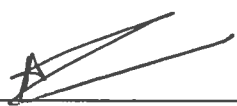
1. Although the respective budgets are projecting deficits for the 2014 operating cycle, there are sufficient reserves in each system to accommodate the proposed reduction in user fees. The 2012 audited financial statements present combined reserves in excess of \$4.4M. Our interim variance report for 2013 project further surplus for the year of a combined \$500,000
2. The shortfall of \$29,435 could be charged to all other users within the system and would approximate \$3.60 on average to each user. Should council elect to transfer this shortfall to all remaining users of the system the rate increase would be 6.5% and could be implemented prior to the 2014/15 billing season.
3. The water and wastewater reserves should approximate \$5M at the end of 2013. Although our long-term forecast expect to utilize much of these accumulated surplus' over the next number of years to mitigate rate increases and provide funding for capital, the shortfall of \$29,435, will have minimal impact on future decisions.

CONCLUSION

Should Council approve providing a discount to large volume water users at inflationary rates for 2014, any shortfall associated with this reduction in rates should be financed from accumulated surpluses from the water and wastewater systems.



D. Dick CPA, CA
Director of Corporate Services

L. Ferguson
Manager of Finance

B. Casselman
City Manager

March 9, 2014

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – March 18, 2014

2014-034-03

DEVELOPMENT CHARGES 2014

**DAVID DICK CPA, CA
DIRECTOR OF CORPORATE SERVICES**

RECOMMENDATION

THAT for the purposes of the Development Charge Background Study and statutory public meeting: Council accept the proposed schedule of Development Charges as follows;

	Residential	Non-residential
Year 1	\$3,450	\$1.00 sq. ft.
Year 2	\$3,710	\$1.45 sq. ft.
Year 3	\$3,970	\$1.90 sq. ft.
Year 4	\$4,230	\$2.30 sq. ft.

BACKGROUND

At the February 18th, 2014 FA&O committee meeting, council heard a presentation from Andrew Grunda of Watson & Associates on the reintroduction of Development Charges. Watson & Associates is preparing a Development Charge Background Study, the initial phase necessary prior to establishing a formal Development Charge and the related By-Law for the City. The City allowed the previous By-Law (76-2004) to expire in 2009 in an effort to stimulate building activity in the city. Early in 2013, City council elected to engage the services of an external consulting firm to determine what opportunities existed to re-introduce development charges as an additional funding source to offset growth related expenditures.

Included in the background analysis and the original staff report, is information related to the extent of DC's in municipalities across the Province. We have specifically identified what have been long considered our comparator municipalities as well as providing details on local municipalities within Eastern Ontario. These reports have also provided specific information on what Development charges are, how they are determined, and specific calculations for the City of Brockville based on internal documents including the Ten Year Plan, The Official Plan and discussions with department managers.

ANALYSIS

The workshop provided significant details on development charges including:

- The purpose
- Methodology
- Growth Forecast
- Services and Project Needs
- Schedule of Proposed Charges
- Residential and Non-Residential Comparisons
- Policy Issues
- Next Steps

The background analysis supported service and project needs as follows:

Residential	Apartments	Non-Residential
\$7,095	\$2,828-\$5,363	\$3.17 sq.ft.

It became evident during council discussions that the proposed charges exceeded what council members feel the market will bear and that closer comparisons to neighboring communities would be more acceptable. Staff, as a result of these discussions, has reviewed the level of project needs as identified and adjusted them accordingly. The revised services and project needs are presented in Attachment 1. The expenditures noted have clearly been identified as growth related in our ten year capital plan. The resulting reduction in growth related expenditures have reduced the proposed schedule of proposed charges. Staff is proposing that the updated schedule be phased in over a four year period and that annual changes be subject to the construction price index. The adjusted schedule has been provided in Attachment 2 (without construction price index) and a summarized listing of comparable DC's have been provided in Attachment 3.

The workshop also discussed a number of policy issues including:

- Timing of collection of DC's. The previous By-Law had DC's payable to the City on the date of issuance of the building permit for all services except water, wastewater and transportation services which would be payable on the date of the approval of the subdivision agreement
- Exemptions will be limited to those mandatory items as identified in the Act. In addition all industrial development will be exempt
- Indexing on an annual basis would be subject to the previous year's construction price index

2014-033-03
INCENTIVE TO LARGE WATER CONSUMERS

Prior to formally approving the DC background study and related by-law, statutory notice must be given for a public meeting. The rules state that 20 days' notice needs to be provided prior to the public meeting and that the background study and By-Law must be made available 2 weeks prior to the meeting.


FINANCIAL CONSIDERATION

Should Council accept DC's as outlined in this report, growth related expenditures as outlined, will not need to be financed from the tax levy.

CONCLUSION

That council approve the following:

- Completion of the Background Study and related By-Law
- Provide Statutory Notice (20 clear days) for the Public Meeting
- Release of the Background Study and By-law 2 weeks prior to the public meeting



D. Dick CPA, CA
Director of Corporate Services



B. Casselman
City Manager

Growth Related Expenditures Identified in Background Study

	Expenditures		Residential DC's			Expenditures		
	Residential	Single/semi	Apt 2+	Apt 1	Other	Non-residential	DC's	
Twin Pad	226,331	608	384	243	459	11,912		
DC Study	35,598	96	60	38	72	18,402		
Parkedale Widening	375,250	591	374	236	447	189,500		
Stewart Widening	568,108	895	566	358	677	286,892		
Wastewater Services	871,753	1,373	868	549	1,038	440,232		
Water Services	421,928	665	421	266	503	213,072		
	2,498,968	4,227	2,674	1,691	3,196	1,160,010	2.31	
Costs not eligible for DC's	1,236,373	2,868	1,814	1,147	2,167	434,699	0.86	
Total growth related costs	3,735,341	7,095	4,488	2,838	5,363	1,594,709	3.17	

Proposed Development Charges

	Single/semi	Apt 2+	Apt 1 BR	Other	Non-residential
Year 1	3,450	2,180	1,380	2,600	1.00
Year 2	3,710	2,345	1,485	2,800	1.45
Year 3	3,970	2,510	1,590	3,000	1.90
Year 4	4,230	2,675	1,695	3,200	2.30
Year 5	4,230	2,675	1,695	3,200	2.30

Rates will be adjusted annually to reflect Construction price index

DC Comparators

	Residential	Non-residential
Belleville	9,638	5.71
Owen Sound	7,008	1.85
Quinte West	7,408	4.03
Prince Edward County	5,946	1.81
Elizabethtown	3,222	-
Prescott	3,142	0.48
Kemptville	7,539	2.24
Rideau Lakes	1,900	0.85
<i>Average</i>	5,725	2.12
Brockville Proposed	3,450	1.00

March 7, 2014

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – March 18, 2014

2014-027-03

2013 COUNCIL REMUNERATION & EXPENSES

FILE: F09-03

D. DICK

DIRECTOR OF CORPORATE SERVICES

D. GORDON

FINANCIAL ANALYST

RECOMMENDED

THAT Council receive the Treasurer's Report on 2013 Remuneration and Expenses for Members of Council and Board Members appointed by the City [Attachment 1 to Report # 2014-027-03].

PURPOSE

To identify the 2013 remuneration and expenses of Members of Council and Board Members appointed to the Boards by the City of Brockville.

BACKGROUND/POLICY IMPLICATIONS

Section 284(1) of the *Municipal Act* requires the Treasurer to provide to the council of the municipality an itemized statement on remuneration and expenses paid in the previous year to members of Council and persons appointed to Boards by the City.

The remuneration or expenses are authorized to be paid as per City By-Law 122-2006.

Pursuant to Section 284 (4) of the *Municipal Act*, the statements which are attached to this report are deemed public records despite the *Municipal Freedom of Information and Protection of Privacy Act*.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

CONCLUSION

This report fulfills the City's requirement under Section 284 (1) of the *Municipal Act*.



D. Dick CPA CA,
Director of Corporate Services



B. Casselman, City Manager



D. Gordon, Financial Analyst

File: F09-03

**MEMBERS OF COUNCIL
CITY OF BROCKVILLE
STATEMENT OF REMUNERATION & EXPENSES PAID
AS AT DECEMBER 31, 2013**

	<u>HONORARIUMS PAID</u>	<u>EXPENSES PAID</u>	<u>TOTAL PAID</u>	<u>CREDITS</u>	<u>TOTAL</u>
MAYOR HENDERSON	38,447.62	9,659.32	48,106.94	556.80 ¹	47,550.14
COUNCILLOR BAKER	16,960.05		16,960.05		16,960.05
COUNCILLOR BEATTY	16,960.05		16,960.05	179.76 ²	16,780.29
COUNCILLOR BURSEY	16,960.05	979.06	17,939.11		17,939.11
COUNCILLOR EARLE	16,960.05		16,960.05	766.20 ³	16,193.85
COUNCILLOR FULLARTON	16,960.05		16,960.05		16,960.05
COUNCILLOR BLANCHARD	16,960.05	137.38	17,097.43		17,097.43
COUNCILLOR KALIVAS	16,960.05		16,960.05		16,960.05
COUNCILLOR LESUER	16,960.05		16,960.05		16,960.05
COUNCILLOR MCFALL	16,960.05		16,960.05		16,960.05
	<u>191,088.07</u>	<u>10,775.76</u>	<u>201,863.83</u>		<u>200,361.07</u>

1. This was paid directly to the City by the Cataraqui Region Conservation Authority for meetings attended by Mayor Henderson

2. This was paid directly to the City by the Leeds Grenville & Lanark District Health Unit for meetings attended by Councillor Beatty

3. This was paid directly to the City by the Cataraqui Region Conservation Authority and the Leeds, Grenville & Lanark District Health Unit for Meetings attended by Councillor Earle

**ANALYSIS OF REMUNERATION AND EXPENSES PAID
FOR THE YEAR ENDED DECEMBER 31, 2013**

COUNCIL MEMBER	EXPLANATION	HONORARIUM RECEIVED	EXPENSES PAID	TOTAL RECEIVED
MAYOR HENDERSON	City Council	38,447.62		38,447.62
	AMO Conference		1,490.97	
	Ontario Good Roads Association Conference		956.78	
	Ontario East Municipal Conference		592.17	
	Rural Ontario Municipal Association Conference Registration		610.56	
	Great Waterfront Trail Bike Trip (ambassador)		809.86	
	Brockville & District Hospital Foundation Golf Tournament		200.00	
	Brockville Rifles 147th Annual Officer's Mess Dinner		85.00	
	Rotary Club Lobster Dinner Fundraiser		50.88	
	St. Lawrence College Foundation Golf Tournament		175.00	
	Chamber of Commerce Golf Tournament		132.14	
	OAPSB Conference - Toronto expenses		92.65	
	Festival in the Islands - Afternoon in the Islands Ticket		150.00	
	Empty bowls lunch		25.00	
	1000 Islands Charity Boat Cruise		45.03	
	Ontario Municipal Water Association Seminar		96.67	
	Chamber of Commerce Boat Cruise		25.44	
	Alzheimer Dinner		75.00	
	Breakfast with Peter Mackay		100.00	
	United Counties Economic Development Summit		18.01	
	Brockville Community Foundation Gala		112.57	
	Brockville Chamber of Commerce Gala Awards		137.38	
	Chamber Function		33.90	
	Special Olympics Dinner		40.00	
	Rotary - Bring Back the Rink Fundraiser		100.00	
	Mileage		2,905.92	
	Business Lunches		598.39	9,659.32
COUNCILLOR BAKER	City Council	16,960.05		16,960.05
COUNCILLOR BURSEY	City Council	16,960.05		17,931.86
	AMO Conference Expenses		916.03	
	Chamber of Commerce Networking Breakfast		18.01	
	Chamber Christmas Function		15.26	
	Chamber of Commerce Luncheon		22.51	
COUNCILLOR BLANCHARD	City Council	16,960.05		17,097.43
	Chamber of Commerce Gala Awards		137.38	
COUNCILLOR BEATTY	City Council	16,960.05		16,960.05
COUNCILLOR EARLE	City Council	16,960.05		16,960.05
COUNCILLOR FULLARTON	City Council	16,960.05		16,960.05
COUNCILLOR KALIVAS	City Council	16,960.05		16,960.05
COUNCILLOR LESUEUR	City Council	16,960.05		16,960.05
COUNCILLOR MCFALL	City Council	16,960.05		16,960.05
		<u>191,088.07</u>	<u>10,768.51</u>	<u>201,856.58</u>

AMOUNT PAID TO OR ON BEHALF CITIZENS APPOINTED BY COUNCIL TO VARIOUS BOARDS

CITIZEN	BOARD	DESCRIPTION	AMOUNT
<u>Police Board</u>			
No honourariums paid to Mayor or Council			-
King Yee Jr	Police Board	Honorarium	1,510.00
King Yee Jr	Police Board	Expenses for OAPSB Conference	831.14
King Yee Jr	Police Board	Expenses for labour seminar	1,020.75
Wendy Cuthbert	Police Board	Honorarium	1,510.00
David Henderson	Police Board	Expenses for OAPSB Conference	936.11
<u>Committee of Adjustment</u>			
Hugh Bates	Committee of Adjustment	Honorarium	495.00
Winston Rogers	Committee of Adjustment	Honorarium	495.00
David Cody	Committee of Adjustment	Honorarium	495.00
<u>Public Library Board</u>			
Leah Wales	Public Library Board	OLA Conference registration and expenses	1,046.22
Jennifer Cullen	Public Library Board	Mileage	112.50
Nancy Bowman	Public Library Board	OLA Conference registration	226.00