



Concerned Residents Coalition

The “Hidden Quarry” Exposed

**CONCERNED RESIDENTS COALITION
JDCL HIDDEN QUARRY RE-ZONING APPLICATION
QUESTION TO GUELPH ERAMOSIA TOWNSHIP COUNCIL MEETING
16th September 2013**

PREAMBLE

Thank you for allowing us as members of the Concerned Citizens Coalition to present a question to you this evening.

JDCL has submitted a Re-zoning Application to Guelph Eramosa Township and applied for a Licence to extract gravel to the Government of Ontario Ministry of Natural Resources.

Among our concerns relative to this application is its economic impact – on land- and home-owners, as well as on the municipal government. Among the impacts, there are two of primary importance –

- 1.) Municipal taxes/property values and
- 2.) Additional costs related to unsuccessful mitigation of physical risks and to municipal overhead costs.

BACKGROUND

Based on the documents supplied by the applicant (JDCL) the proposed Hidden Quarry activity includes using new mining technology which to the best of our knowledge has not been used in Ontario (and possibly in Canada) on a site with a fragile and fractured karst limestone geological structure. The excavation proposal calls for underwater blasting, a grout wall installation protecting a significant wetland and protection of stream water between two pits using narrower buffer zones than regulation minimums.

This is not the first time that the applicant (JDCL) has applied for re-zoning and licence to extract gravel in Ontario using untried and unproven technology. In 1998 the applicant submitted a proposal to the Town of Caledon in the Region of Peel for gravel extraction on a site known as Rockfort Quarry. In that proposal the applicant planned to use a grout “curtain” that would supposedly protect the water supply in the area for 30 years of excavation and 50 years of rehabilitation, although, here too, there were no examples of such a system successfully in place in Ontario.

FINANCIAL RISKS

The Town of Caledon identified inherent negative economic risks in the Rockfort Quarry application which would have added significant costs to the local municipality, its residents, and the regional government but with limited or no financial risk to the applicant (JDCL). A summary of that financial analysis follows:

POTENTIAL FINANCIAL IMPACTS OF THE PROPOSED ROCKFORT QUARRY

The Town of Caledon and the Region of Peel commissioned a study titled *The Potential Financial Impacts of the Proposed Rockfort Quarry* carried out by C4SE dated 26th February 2009 (electronic copy provided) to determine what the economic costs might be, should the Rockfort Quarry proceed. The following is a summary of the findings from that study carried out by the consultant company.

Scenario 1: Assumes the site to be economically viable and mitigation procedures are successful to protect the water supply (i.e. installation of grout "curtain")

- Costs to date (1998 - 26 February 2009) for Town of Caledon, Region of Peel and Credit Valley Conservation Authority \$3.3 million, plus potential future costs totalled \$17.9 - \$31.2 million
- Projected revenues for additional property taxes (Rockfort site only) and production fees revenues totalled \$6.1 million. The projected offset losses in declining property values (ranging from 5%-25% in a 5 mile radius), were \$3.3 million yielding a net income of only \$2.8 million.
- **Net increase of \$3.3 million revenues to the Town of Caledon and Region of Peel falls significantly short of the total projected costs of \$17.9 - \$31.2 million.**

Scenario 2: Assumes failure of mitigation procedures (i.e. failure of grout "curtain")

In addition to the tax revenue and expense analysis above, the supply of water to the residents whose wells were affected in the Town of Caledon was calculated to be \$0.9 - \$1.1 million per year.

The mitigation costs, due to environmental and water degradation and by a sustained loss of property values that the municipality and region would have to cover was estimated to be significant and indeterminable.

Caledon's Rockfort Quarry findings should serve as a caveat to our Township. It would be fiscally irresponsible to assume that similar negative, long-term economic consequences would not accrue from the proposed Hidden Quarry as well.

MPAC

The Municipal Property Assessment Corporation in Ontario has also established that there is a real loss in assessed property values near aggregate extraction sites which has resulted in reduced revenues to municipalities. (Electronic copy provided). Other preliminary studies indicate a greater trend in the reduction of property values. For example, in the August presentation to GET made by Stephanie de Grandis on behalf of the CRC, she included, among the key impacts of a pit, the

reduction in property values. The Upjohn study she cited indicated that property values could decrease on a scale of 5% to 32%, depending on the distance from the pit.

ADDITIONAL COSTS

Should the Hidden Quarry application be approved by Guelph Eramosa Township Council and the applicant (JDCL) proceed, there will be additional liability, services and other costs to Council and Township residents. These additional costs would accrue from:

- Damage to persons and property due to fly rock from blasting operations and subsequent legal actions by residents against GET council for having approved the application.
- The supply of specialized equipment and personnel capable of responding to a serious industrial accident on the site. The proposed quarry operation would become a deep water pit and these capabilities are currently not available.

QUESTION

“When will Guelph Eramosa Council engage a suitably qualified consultant (individual or corporation), using existing tendering procedures, to carry out an economic analysis of the impacts of the proposed Hidden Quarry?”

Thank you.