

Infrastructure Committee Report

February 14, 2012

As you might recall from last years AGM, in 2010, we successfully appealed the unfairly assessed property taxes. In the spring of 2011 we again appealed our assessments based on a lack of value in our property due to CMHC no longer providing insurance for new mortgages. Although we had hoped for better success, we were still granted a 15% reduction on our assessed land values for the stigma surrounding Northlands.

Also, some misinformation led us to believe that we were able to draft a plebiscite that, if approved, would have enabled us to borrow the funds required for the engineering of our infrastructure replacement. After the AGM it was learned that much like the Con Geothermal project, a plebiscite requires that the entire project cost be sought in whole, not in partial. As a result of this information, we were unable to move forward with this.

In the fall, the Condo Corp requested the City's support and assistance in replacing our infrastructure. We requested that the City take back our infrastructure in an unpaved state, which would reduce the capital cost significantly. On our behalf, the City also requested a no interest loan from the GNWT. During a council meeting on September 26th, City Council directed administration to provide a report by January 31st 2012 that would detail timelines, financial options and other steps necessary to replace our aging infrastructure.

On January 17th of this year, after having waited nearly 20 months for a response to our request for funding from the Feds, we received a rejection letter that stated we didn't qualify for the fund we had applied for. Approximately a week later we received word from the GNWT that they had also rejected our request for a no interest loan. The Minister of finance later cited a lack of room in the borrowing limit as a main reason for not being able to borrow on our behalf. By March 31st the GNWT expects to find out from the federal government whether their borrowing limit can be raised. We will continue to work with the City to lobby the GNWT for the lowest interest rate possible.

On January 23rd City Council reviewed the report provided by its administration. It was disappointing that the report really only identified that a local improvement tax was the most viable option for financing this project. Council has requested that City Administration and Condo Corp #8 enter into negotiations to create a Memorandum Of Understanding to address issues such as long-term responsibility for the infrastructure and long-term development options. Council further requested that Administration provide a financial analysis of the impact of increased revenue due to any increase in assessment; whether to accept the new

infrastructure without paving and sidewalks to reduce the cost of this project and that the City consider a subsidy toward this project.

Since then we have entered into negotiations with City Admin. Through some alternative design solutions the City has been able to substantially reduce the potential capital replacement cost. We, the committee are working diligently to identify any possible cost savings that will lower our monthly LI payments. Once this process is complete and we have a more concrete figure, City Council will be asked to amend and/or approve the MOU. Based on the approved amount we will then seek membership approval via the long awaited petition. It is our intention to have this petition before the membership by this spring or summer at the latest.

For those who might still find our final number unaffordable, we are researching options with the Housing Corp. We have currently been informed that there are no policies or programs that this type of project would fit into but that a political decision can be sought to potentially fund our eligible members.

CMHC's stipulation for insuring new mortgages was that a remediation plan was to be in place and the members were to demonstrate the capacity to pay for the remediation. The Infrastructure Committee is putting it's full efforts towards negotiations with the City.

The Committee is cautiously optimistic that a negotiated agreement can happen in the very near future. The Board and Committee thank you, the members, for your continued support.

Wade Friesen
Chair
YCC #8 Infrastructure Committee