



E.C. King Contracting

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April 3, 2020

County of Grey,
Clerk's Department,
595 9th Ave. E.,
Owen Sound, ON

Attention: Heather Morrison, County Clerk

Re: Grey County Quarry – Proposed Private Sale

Dear Heather,

We have been following, with great anticipation, the events leading up to the Committee of the Whole meeting scheduled for April 9, 2020. Miller Paving Limited and its EC King Contracting division has owned and operated aggregate pits and quarries in Grey County and many other parts of Ontario for over 75 years. We are a stable, responsible aggregate and road building company with deep roots in the County. We have almost 200 employees who live and work in the area.

Our company agreed wholeheartedly with the report and recommendation regarding the County Quarry property presented by Altus Group last June 27th. We were very pleased that the Committee of the Whole adopted a resolution, which Council quickly endorsed, to pursue leasing options for the Quarry. We understood that Council wanted to retain the value in the Quarry while taking advantage of a long-term revenue stream.

You can imagine our disappointment when we discovered on March 16th that the County was now reconsidering that decision, appearing instead to be in favour of a potential private sale. We believe that Altus was correct when they determined that the royalty arrangement was the most favourable option for Grey County.

As you know, we own and operate a limestone quarry just 30kms west of the County Quarry, and would be very interested in submitting a proposal to lease the latter from the County. Here are five reasons why leasing to Miller Paving Limited would be beneficial to all stakeholders:

1. Grey County would benefit from a steady stream of revenue long into the future;



2. Miller is a financially stable partner with a proven track record;
3. There would be zero liability to Grey County with a well-structured agreement;
4. Rationalization of our labour and equipment would allow us to provide the County, as a customer, with more competitive aggregate pricing; and
5. Reduced environmental impact would result from our requiring fewer trucks on the road every day of the season to deliver aggregate to the east part of Grey County (estimated at over 2000 hours in reduced haul times).

It would not be appropriate or prudent for us to comment on the proposed real estate transaction in Durham, as there seem to be many moving parts to that deal. We would, however, ask the following questions:

1. Has the County seriously undervalued the Quarry, given the potential to mine below the water table?
2. Are there any options to purchase only the 4-6 acres required for the new long-term care facility, rather than making the larger investment necessary to acquire 32 acres?
3. If the County wishes to dispose of the Quarry, would it not be advisable to consider selling it through a public tendering process to ensure maximum market value?
4. Is the County concerned about purchasing land for residential/institutional uses immediately adjacent to licensed aggregate reserves (i.e. Parts D & F)?

In closing, we respectfully request that Council not authorize reconsideration of the previous motion to lease the County Quarry, and that the Committee of the Whole not recommend the proposed private land exchange transaction.

We would look forward to the opportunity to submit a proposal to lease the “Quarry on 40” that would provide a long-term revenue stream with zero liability to the County, and be mutually beneficial to all stakeholders.

Sincerely,



Terry Willms

General Manager

Georgian Bay Region, Miller Paving Limited