

## Report TR-TAPS-37-14

**To:** Chair Barfoot and Members of the Transportation and Public Safety Committee  
**From:** M.J. Kelly, Director of Transportation Services  
**Meeting Date:** April 17, 2014  
**Subject:** Harold Sutherland Construction Ltd. Keppel Quarry Aggregate Haul Road Improvement Agreement  
**Status:** Recommendation adopted by Committee as presented per Resolution TAPS57-14; Endorsed by County Council CC60-14 May 6, 2014;

### Recommendation(s)

**WHEREAS** Harold Sutherland Construction Ltd. (HSCL) has applied for an aggregate license for an expansion of the Keppel Quarry;

**AND WHEREAS** Condition 14 of the Niagara Escarpment Development Control Permit as approved by the Niagara Escarpment Hearing Officer indicates that prior to the issuance of a Development Permit, HSCL shall enter into an agreement with the County of Grey with regards to any required upgrades to Grey Road 17, the new quarry entrance on the west side of Grey Road 17 and turning lane, road maintenance and the tunnel under Grey Road 17;

**AND WHEREAS** HSCL and Grey County have agreed to an agreement that addresses all three of the items identified in Condition 14 of the Niagara Escarpment Development Control Permit;

**NOW THEREFORE BE IT RESOLVED THAT** Report TR-TAPS-37-14 regarding the execution of an Agreement between HSCL and Grey County be received;

**AND THAT** the Warden and Clerk be authorized to execute the Aggregate Haul Road Improvement Agreement with HSCL.

### Background

At the December 5, 2013 Transportation and Public Safety Committee meeting the following resolution was passed:

**THAT resolution TAPS 58-12 requiring a traffic impact study / road assessment be undertaken by Harold Sutherland Construction for the Keppel Quarry Expansion be rescinded;**

**AND THAT Grey County enter into an agreement with Harold Sutherland Construction to cost share road repair expenses that are expected to occur as a result of the new (expanded) Keppel Quarry development;**

**AND THAT Harold Sutherland Construction and Grey County undertake mediation as soon as possible to establish an agreement that will specify Harold Sutherland Construction's financial contributions for road repairs for the duration of the quarry life.**

At the March 20, 2014 Transportation and Public Safety Committee meeting the following resolution was passed:

**WHEREAS Harold Sutherland Construction Ltd. (HSCL) has applied for an aggregate license for an expansion of the Keppel Quarry;**

**AND WHEREAS Condition 14 of the Niagara Escarpment Development Control Permit as approved by the Niagara Escarpment**

**Hearing Officer indicates that prior to the issuance of a Development Permit, HSCL shall enter into an agreement with the County of Grey with regards to any required upgrades to Grey Road 17, the new quarry entrance on the west side of Grey Road 17 and turning lane, road maintenance and the tunnel under Grey Road 17;**

**AND WHEREAS while technically this is a new application, in reality this is a continuation and expansion of the existing HSCL quarry operation;**

**AND WHEREAS HSCL has historically contributed to the construction and maintenance of certain haul routes serving the newly depleted quarry;**

**NOW THEREFORE BE IT RESOLVED THAT staff be directed to prepare an agreement with HSCL based on the following:**

- 1) That an equally cost shared road assessment study (50/50) be conducted**
- 2) That an additional term of reference be added to the road assessment which apportions the cost attributable to the newly licensed operation between: (a) a flow of traffic for the newly licensed operation equal to the historical flow of traffic for the existing operation between 2001 - 2011 2003 -2013; and (b) the traffic for the newly licensed operation exceeding the historical flow of traffic for the existing operation**
- 3) The developer shall only be responsible for the upgrade costs described in sub paragraph 2(b) above.**

At the April 1, 2014 County Council, the following amendment was made to the resolution made by the Transportation and Public Safety meeting held on March 20, 2014:

**THAT resolution TAPS 39-14 regarding the Harold Sutherland Construction Ltd. Keppel Quarry Agreement be amended as follows:**

- **Point 2-change of dates from 2003-2013 to 2001-2011**

## Proposed Development

HSCL has applied to obtain an aggregate license for a quarry fronting onto Grey Road 17. This is located adjacent to an existing licensed aggregate quarry operated by HSCL.

The County has been involved as a commenting agency throughout the process of the Niagara Escarpment Plan Amendment, the Niagara Escarpment Development Control Permit and the Aggregate Resource Act (ARA) License Application.

The HSCL proposal has been revised on a couple of occasions throughout the application process.

The subject lands are described as Part Lots 26, 27 and 28, Concession 10, Township of Georgian Bluffs, Geographic Township of Keppel.

The property is approximately 8 kilometers northwest of the City of Owen Sound. Part of the proposed licensed area includes a “pie-shaped” area directly adjacent to the existing Keppel Quarry, which is located on the east side of Grey Road 17. The remaining licensed area is proposed on the west side of Grey Road 17.

According to the most recent site plans, the applicant is proposing a Category 2, Class ‘A’ license (license to extract below the water table) with a licensed area of 35 hectares. The proposed license would allow a maximum annual extraction of 600,000 tonnes. It is estimated that a total of 14.1 million tonnes of high quality dolostone would be made available should the quarry be approved, which would require approximately 29 years to extract, depending upon market conditions.

## Effects of a Quarry on Grey Roads

The operation of the proposed Keppel Quarry will have two significant effects on the operation of Grey Road 17. At maximum production (600,000 tonnes annually) the Quarry would produce about 20,000 fully loaded trucks and 20,000 empty trucks exiting and entering the Quarry each year. The acceleration and deceleration of these vehicles on Grey Road 17 will affect the overall operation of the roadway at the entrance. Therefore, it is essential that the entrance be constructed with adequate sight distance and acceleration and deceleration lanes.

The weight and the number of the trucks will have a significant accumulation effect on the condition of the roads. In accordance with information provided by HSCL, the majority of the Quarry material will be hauled on Grey Road 17 southerly from the Quarry to Highway 6. Therefore, Grey County is particularly concerned with the effects that the movement of material produced will have on Grey Road 17, from the Quarry entrance to the intersection of Grey Road 17 and 17B; a total distance of approximately 7.75 kilometres (Haul Road). A Road Assessment Study is required to fully understand the effects that the Quarry traffic will have on the Haul Road. A Road Assessment Study investigates the existing road structure and determines the longevity of the road structure, with and without the increased traffic loads. Once this information is obtained the impact of the Quarry traffic can be estimated.

## Outstanding Matters Transportation Services

Condition 14 of the Niagara Escarpment Development Control Permit, as approved by the Niagara Escarpment Hearing Officer, indicates that:

*“Prior to the issuance of a Development Permit, the operator, currently Harold Sutherland Construction Ltd. shall enter into an agreement with the County of Grey with regard to any required upgrades to County Road 17, the new quarry entrance on west side of County Road 17 and turning lane, road maintenance and the tunnel under County Road 17. A copy of the agreement shall be filed with the Niagara Escarpment Commission.”*

The following three Grey County Transportation Services issues are outstanding:

1. The design and construction of an entrance to the Keppel Quarry, including the required auxiliary lanes;
2. The design and construction of a possible culvert under Grey Road 17 that will allow HSCL to transfer quarry material under Grey Road 17;
3. An agreement to assess the haul road and determine cost sharing for the reduced haul road life and for future road work required based on the impact that the proposed Quarry will have on the haul road.

## Agreement

The attached agreement addresses all three of the outstanding items identified in Condition 14 of the Niagara Escarpment Development Control Permit.

## Financial / Staffing / Legal / Information Technology

### Considerations

The County's Solicitor has reviewed the agreement and is satisfied that it meets the legal requirements.

In accordance to the legal agreement, HSCL will pay the County's legal costs and one half of the Road Assessment Study. The Road Assessment Study is expected to cost approximately \$25,000. In addition, HSCL may be responsible for a portion of the cost of the road work if the Keppel Quarry exceeds the average truck traffic used by the existing quarry between 2001 and 2011.

## Link to Strategic Goals / Priorities

Strategic Item 1.1; support initiatives that promotes local business retention and expansion.

Strategic Item 6.5; explore new or enhanced sources of revenue to offset service and program costs.

## Attachments

[Harold Sutherland Construction Limited Aggregate Haul Route Road and Improvement Agreement ROAD ASSESSMENT](#)

Respectfully submitted by,

M.J. Kelly  
Director of Transportation Services