



# *Rural Municipality of Grey*

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Thank you Mr. Chairman for the opportunity to make a presentation here today on the Bipole III Transmission Line. My name is Ray Franzmann, and I am a municipal councillor for and representing the Rural Municipality of Grey.

The proposed Bipole III route will pass along the southern edge of the municipality for approximately 30 miles. Access to this route will be done through municipal roads, some all weather, some not. Council is concerned that during the construction phase there will be extra demands placed on municipal resources to keep these roads open and in passable condition, above normal maintenance. After construction is complete and during spraying applications of agricultural crops there will be an increase in road traffic due to the reduction of aerial spraying in those fields along the route. Because of this increase there will be extra costs in maintaining these roads.

Municipalities by law, unlike Provincial and Federal Governments, cannot deficit finance and must file annual balanced budgets to the Provincial Government for approval. Municipalities generate their revenue by taxing properties through assessment. Unlike pipelines, hydro transmission lines cannot be assessed for municipal tax levy.

Rural development is key for the community and municipal economic health in maintaining existing municipal services as these costs rise. Council is concerned that the area around the route will become a dead zone to development, agricultural or other. The perception of health issues and loss of property value will be enough to stop development in and around this line.

Which brings us to our concern on the effect this line will have on property values. Lower property values translates into lower assessment which equals lower taxes collected. Lower revenue from this area will require higher taxes to be levied on those remaining areas not affected. Lower property values will take time to identify as sales of property don't happen right away and can take years, even generations for farmland. By then the municipality will have no recourse to go back on Manitoba Hydro other than litigations which may not be very practical for the dollars involved.

Given these concerns, Council has had discussions on compensation with Manitoba Hydro representatives back when the three possible line routes were proposed. Compensation would be delivered through the Community Development Initiative Fund with some conditions on how this money is spent. It was also indicated that the compensation payments would end in 10 years. Both of these conditions are not acceptable.

Delivery of compensation through this program does not answer the Municipality's long term concern on higher infrastructure maintenance costs, property value loss, and loss of rural development potential. It is Council's recommendation to the Commission that compensation must be for the life of the project with no conditions on how the money is spent. Otherwise we call on the Commission to recommend that all BiPole transmission lines be changed to a yearly grant in lieu of taxes like is done for Hydro Substations.