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Chair and Members
Corporate Services Committee

#14062
March 28, 2014
(Offer to Purchase)

RE: Offer to Purchase
Capital Budget Project No. RC2755 - Southwest Multi-Purpose Recreation Centre
3080 Bostwick Road (Total 11 acres)

FINANCE REPORT ON THE SOURCES OF FINANCING:

Finance confirms that the total cost of this purchase can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Manager of Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this purchase is:

| <u>ESTIMATED EXPENDITURES</u> | <u>Approved Budget</u> | <u>Committed To Date</u> | <u>This Submission</u> | <u>Balance For Future Work</u> |
|-----------------------------------|------------------------|--------------------------|------------------------|--------------------------------|
| Engineering | \$2,975,544 | | | \$2,975,544 |
| Land Purchase | 3,200,000 | 20,453 | 2,725,115 | 454,432 |
| Construction | 34,213,608 | | | 34,213,608 |
| NET ESTIMATED EXPENDITURES | \$40,389,152 | \$20,453 | \$2,725,115 1) | \$37,643,584 |

| <u>SOURCE OF FINANCING</u> | | | | |
|--|--------|---------------------|-----------------|--------------------|
| Debenture Quota | 3) | \$27,526,052 | \$13,939 | \$1,857,223 |
| Debenture Quota-Serviced through City Services-Parks & Rec Component (Development Charges) | 3 & 4) | 10,546,800 | | 10,546,800 |
| Drawdown from City Services - Parks & Rec Reserve Fund (Development Charges) | 4) | 2,316,300 | 6,514 | 867,892 |
| TOTAL FINANCING | | \$40,389,152 | \$20,453 | \$2,725,115 |

1) **Financial Note:**

| | |
|-----------------------------|--------------------|
| Offer to Purchase (4 acres) | \$2,000,000 |
| Add: Land Transfer Tax | 28,475 |
| Add: Servicing Contribution | 600,000 |
| Add: Other disbursements | 50,000 |
| Add: HST @13% | 344,500 |
| Less: HST Rebate | (297,860) |
| Total Purchase Cost | \$2,725,115 |

2) A donation receipt is to be issued by the City based upon the appraised value of \$2,380,000 on the 7 acre portion and is anticipated to meet the requirements of the Canada Revenue Agency.

3) **NOTE TO CITY CLERK:**

Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.

An authorizing by-law should be drafted to secure debenture financing for project RC2755 - South West Multi Purpose Recreation Centre for the net amount to be debentured of \$38,072,852.

4) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2009.

EH

Alan Dunbar
Manager of Financial Planning & Policy