

Chair and Members
Community & Protective Services Committee

June 7, 2016
(Award Contract)

**RE: Phase 2 - Award of Construction Contract for the
Southwest Community Centre, YMCA and Library
Capital Project RC2755 - Southwest Multi-Purpose Centre
Aquicon Construction Co. Ltd. - \$43,860,500 (excluding HST)**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the total cost of this project, although not included in the Approved Capital Works Budget can be accommodated with a contribution from the YMCA and the Library. Subject to the adoption of the recommendations of the Managing Director, Parks & Recreation and the Managing Director, Neighbourhood, Children and Fire Services, the detailed source of financing for this project is:

<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Budget Amendment</u>	<u>Revised Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
Engineering	\$4,000,000		\$4,000,000	\$3,632,629		\$367,371
Land Acquisition	2,800,000		2,800,000	2,769,880		30,120
Construction - City	32,089,152		32,089,152	1,339,500	30,083,687	665,965
City Related Expenses (Building permit, fees, etc)	1,200,000		1,200,000	721,721		478,279
Furniture	300,000		300,000			300,000
Sub-total City Investment	40,389,152	0	40,389,152	8,463,730	30,083,687	1,841,735
Construction - Library portion		4,576,813	4,576,813		4,576,813	0
Construction - YMCA portion		9,200,000	9,200,000		9,200,000	0
<u>NET ESTIMATED EXPENDITURES</u>	<u>\$40,389,152</u>	<u>\$13,776,813</u>	<u>\$54,165,965</u>	<u>\$8,463,730</u>	<u>\$43,860,500</u> 1)	<u>\$1,841,735</u>
<u>SUMMARY OF FINANCING:</u>						
Capital Levy	\$709,200		\$709,200	\$709,200		\$0
Debenture By-law W-5578-93 2)	27,526,052	(88,000)	27,438,052	5,189,130	20,965,287	1,283,635
Drawdown from City Services R.F.-Parks & Rec Component (Dev. Charges)	2,316,300		2,316,300	2,316,300		0
Debenture By-law W-5578-93 (Serviced through City Services R.F. Parks & Rec Component Dev. Charges) 2)	9,837,600	88,000	9,925,600	249,100	9,118,400	558,100
Sub-total City Investment	40,389,152	0	40,389,152	8,463,730	30,083,687	1,841,735
Debenture (Library portion) 3) & 4)		4,576,813	4,576,813		4,576,813	0
Contribution from the YMCA 5)		9,200,000	9,200,000		9,200,000	0
<u>TOTAL FINANCING</u>	<u>\$40,389,152</u>	<u>\$13,776,813</u>	<u>\$54,165,965</u>	<u>\$8,463,730</u>	<u>\$43,860,500</u>	<u>\$1,841,735</u>

FINANCIAL NOTE:

- 1) Contract Price
Add: HST @13%
Total Contract Price Including Taxes
Less: HST Rebate (100%)
Net Contract Price

<u>Total</u>
\$43,860,500
5,701,865
49,562,365
5,701,865
<u>\$43,860,500</u>

- 2) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014. A minor adjustment (1.3%) has been made to the growth/non-growth splits to correct for the common change rooms (gymnasium and pool) as the 2014 Development Charges Study incorrectly assigned this common cost to the arena as well (the arena has separate, isolated change rooms that are 100% non-growth). The impact is an additional \$88,000 financial support from development charges due to a higher growth split and a reduced amount of tax-supported funding of \$88,000.
- 3) The Library's source of funding will be debenture financing until the disposition of the existing Westmount Branch is finalized. Any authorized but unissued debt will be reduced accordingly once proceeds from the disposition of the Westmount Branch are realized. Any proceeds from the disposition in excess of the Library's required contribution to this project will be contributed to the Library Facility Reserve Fund.

NOTE TO CITY CLERK:

- 4) The City Clerk be authorized to increase Debenture By-law No. W5578-93 by \$4,576,813 from \$37,363,652 to \$41,940,465.
- 5) As per the Joint Venture Agreement, the YMCA will contribute \$9.2 million towards the construction of the facility. The YMCA will further invest \$1.2 million in furniture and equipment.
- 6) The YMCA will assume all operational and lifecycle maintenance capital costs for the facility with the exception of the costs related to the dedicated and associated common spaces for the Arena, Service London Area and Library. It is not anticipated that there will be any incremental operating costs associated with the provision of ice surfaces as the City plans to decommission two single pad arenas (Glen Cairn and Silverwoods) when this twin pad arena is operational.