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M. Feldberg

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING &amp; ENVIRONMENT COMMITTEE</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>CLAIMABLE WORKS FOR 1030 CORONATION DRIVE HYDE PARK, BLOCK 8 RECONSTRUCTION UPDATE TO DC CLAIMABLE WORKS MEETING ON SEPTEMBER 6, 2016</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to the site plan agreement between The Corporation of the City of London and Carvest Properties Ltd. for the construction of works external to 1030 Coronation Drive:

- (a) the applicant **BE ADVISED** that the Director, Development Finance has summarized the amended claims and revenues attached as Appendix "A"; and,
- (b) the financing for this project **BE APPROVED** as set out in the amended Source of Financing Report attached as Appendix "B".

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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June 20,2016 - Planning and Environmental Committee- Source of Financing for DC claimable works related to a site plan development agreement for 1030 Coronation Drive (Agenda item#14).

<b>DISCUSSION</b>
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The site plan agreement EBR968158 registered against 1030 Coronation Drive has identified external works to be completed by the developer.

Unlike subdivisions, the provisions of a site plan agreement are handled administratively through delegated authority and do not typically involve works associated with the construction of major infrastructure. In the case of this development agreement, a source of financing and approval from Council is required to give authority to City staff to pay a claim from the DC fund once the work is completed.

The site development agreement had identified an upset limit for anticipated reimbursement based on early construction estimate of \$54,000+HST. The initial Source of Financing recommended at PEC on June 20, 2016 was based on the amount indicated in the agreement.

Following execution of the agreement, the Owner submitted a DC Work Plan for eligible claims in accordance with the DC Bylaw for review and approval by the City. The final approved work plan identified eligible consulting fees of \$8,076+HST that were not included in the agreement upset amount. Also, the tender for the above works was called with three (3) contractors invited to bid the work. The low bid came in higher than the initial estimate at \$59,083.70+HST. The original agreement and report capped the claim at \$54,000. The purpose of this report is to seek approval for the increased claim anticipated as a result of both the exclusion of the consulting

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fees, and increase of tendered construction cost over original estimates – an increase of approximately \$13,000.

The claimable works establish an overland flow route needed to safely convey flows to the downstream SWM facility. Recognizing that rectification of the overland flow constraint will benefit the larger drainage area and implement the intended drainage patterns of a DC eligible SWM facility the actual construction value and approved consulting fees are considered eligible for claim.

<b>CONCLUSION</b>
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Although site plan agreements are handled administratively, there are DC claimable works associated with the agreement 1030 Coronation Drive. The registered agreement EBR968158 contains conditions to permit the claims associated with the eligible works which have Capital Budget implications.

The original approval contained a cap that has since proved deficient to cover the entire cost of the work. Staff are recommending that Council approve the increase of \$13,160 as reflected in the attached updated Source of Financing in Appendix "B".

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
<b>MATT FELDBERG MANAGER, DEVELOPMENT FINANCE FINANCE AND CORPORATE SERVICES</b>	<b>JENNIE RAMSAY, P.Eng. MANAGER, DEVELOPMENT SERVICES AND ENGINEERING LIAISON</b>
<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>PETER CHRISTIAANS, CA, CPA DIRECTOR, DEVELOPMENT FINANCE, FINANCE AND CORPORATE SERVICES</b>	<b>MARTIN HAYWARD, CGA, CPA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

May 16, 2016

cc.: Alan Dunbar, Manager, Financial Planning & Policy  
David Mounteer, Solicitor II, Legal Services

Appendix "A": Summary of Claims and Revenues - Amended

Appendix "B": Source of Financing Report- Amended

1030 Coronation Drive - Carvest Properties Ltd.  
 Site Plan Agreement  
 SP14-012332  
AMENDED

**Related Estimated Costs and Revenues**

<b>Estimated DC Funded Servicing Costs<sup>(Note 1)</sup></b>	<b>Estimated Cost (excludes HST)</b>
Claims for developer led construction from CSRF <sup>Note 4, 5</sup> - Overland flow route and grading (ES3020-HP1B1) - Engineering fee (ES3020-HP1B1)	\$59,084 \$8,076
Claims for developer led construction from UWRF - N/A	\$0
Claims for City led construction from CSRF - N/A	\$0
Total	\$67,160
<b>Estimated Total DC Revenues<sup>(Note 2)</sup></b>	<b>Estimated Revenue</b>
CSRF	\$1,158,694
UWRF	\$895,224
TOTAL	\$2,053,918

- 1 The construction claim is based on the tendered value of the work.
- 2 Estimated Revenues above represent the amount of DC charges that have been collected to date. The revenue estimates includes DC cost recovery for "soft services" (fire, police, parks and recreation facilities, library, growth studies). There is no comparative cost allocation in the Estimated Cost section of the report, so the reader should use caution in comparing the Cost with the Revenue section.
- 3 The revenues and costs in the table above are not directly comparable. The City employs a "citywide" approach to recovery of costs of growth – any conclusions based on the summary of Estimated Costs and Revenues (above table) should be used cautiously.
- 4 The developers consultant has provided a work plan that has been approved by the City. The work plan includes a summary of estimated costs of all engineering and construction of the works in question.

Reviewed by:

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Peter Christiaans  
 Director, Development Finance



**RE: Claimable Works for 1030 Coronation Drive  
 Hyde Park, Block 8 Reconstruction  
 Update to DC Claimable Works  
 (Subledger NT16GG05)  
 Capital Project ES3020-HP1B1 - SWM Facility - Hyde Park 1B1**

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project 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 Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

<b><u>SUMMARY OF ESTIMATED EXPENDITURES</u></b>	<b>Approved Budget</b>	<b>Committed to Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
Engineering	\$409,758	\$392,254	\$8,218	\$9,286
Land Purchase	730,242	725,069		5,173
Construction	1,472,600	1,458,504	5,173	8,923
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$2,612,600</u></b>	<b><u>\$2,575,827</u></b>	<b><u>\$13,391</u></b> 1)	<b><u>\$23,382</u></b>

**SUMMARY OF FINANCING:**

Debenture By-law No. W.-5604-211	\$388,800	\$383,328	\$1,993	\$3,479
Debenture By-law No. W.-5604-211 (Serviced through City Services - SWM Reserve Fund (Development Charges))	3) 2,223,800	2,192,499	11,398	19,903
<b>TOTAL FINANCING</b>	<b><u>\$2,612,600</u></b>	<b><u>\$2,575,827</u></b>	<b><u>\$13,391</u></b>	<b><u>\$23,382</u></b>

1) **FINANCIAL NOTE:**

Estimated Expenditure	\$67,160
Less: Amount Previously Approved by Council June 23, 2016	54,000
Contract Price	13,160
Add: HST @13%	1,710
Total Contract Price Including Taxes	14,870
Less: HST Rebate	1,479
Net Contract Price	<u>\$13,391</u>

2) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.