

APPENDIX 'A'

#17168

Chair and Members
Community & Protective Services Committee

October 11, 2017
(Award Contract)

RE: Award of Construction Contract for the East Community Centre
Capital Project RC2756 - East Multi-Purpose Rec Centre - Aquatics Anchored
Capital Project TS621717 - Facility Energy Management
Jasper Construction Corp. - \$21,444,000 (excluding HST)
MacLennan Jaunkains Miller Architects (MJMA) - \$127,000 (excluding HST)

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the total cost of this project cannot be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Acting Managing Director, Parks & Recreation and the Managing Director, Neighbourhood, Children and Fire Services, the detailed source of financing for this project is:

SUMMARY OF ESTIMATED EXPENDITURES	Approved Budget	Additional Financing	Revised Budget	Committed to Date	This Submission	Balance for Future Work
RC2756 - East Multi-Purpose Rec Centre						
Engineering	\$1,000,000	\$171,884	\$1,171,884	\$1,077,884	\$94,000	\$0
Construction	17,180,187	4,189,010	21,369,197	197	21,369,000	0
Building Permit and Urban Works fee	0	177,424	177,424	57,174		120,250
Other City Related Expenses (incl. Art)	0	90,000	90,000	208		89,792
Furniture	0	150,000	150,000			150,000
	<u>\$18,180,187</u>	<u>\$4,778,318</u>	<u>\$22,958,505</u>	<u>\$1,135,463</u>	<u>\$21,463,000</u>	<u>\$360,042</u>
TS621717 - Facility Energy Management						
Engineering	0		87,036	54,036	33,000	0
Construction	900,000		812,964		75,000	737,964
	<u>900,000</u>	<u>0</u>	<u>900,000</u>	<u>54,036</u>	<u>108,000</u>	<u>737,964</u>
NET ESTIMATED EXPENDITURES	<u>\$19,080,187</u>	<u>\$4,778,318</u> 2)	<u>\$23,858,505</u>	<u>\$1,189,499</u>	<u>\$21,571,000</u> 1)	<u>\$1,098,006</u>

SUMMARY OF FINANCING:

RC2756 - East Multi-Purpose Rec Centre						
Debenture By-law W-5598-54	\$13,435,087		\$13,435,087	\$839,107	\$12,595,980	\$0
Additional Debenture Quota-tsf from RC2758-Multi-Purpose Rec Centre (Southeast)		3,531,218	3,531,218		3,265,177	266,041
Debenture By-law W-5598-54 (Serviced through City Services R.F. Parks & Rec.) 3) & 4)	4,745,100		4,745,100	296,356	4,448,744	0
Additional Debenture Quota-tsf from RC2758 3) & 4) Multi-Purpose Rec Centre (Southeast) (Serviced through City Services R.F. Parks & Rec.)		388,000	388,000		392,800	(4,800)
Additional Debenture Quota (Serviced through City Services R.F. Parks & Rec.)		859,100	859,100		760,299	98,801
	<u>18,180,187</u>	<u>4,778,318</u>	<u>22,958,505</u>	<u>1,135,463</u>	<u>21,463,000</u>	<u>360,042</u>
TS621717 - Facility Energy Management						
Drawdown from Energy Management Res. Fund	400,000		400,000		108,000	292,000
Federal Gas Tax	500,000		500,000	54,036		445,964
	<u>900,000</u>	<u>0</u>	<u>900,000</u>	<u>54,036</u>	<u>108,000</u>	<u>737,964</u>
TOTAL FINANCING	<u>\$19,080,187</u>	<u>\$4,778,318</u> 2)	<u>\$23,858,505</u>	<u>\$1,189,499</u>	<u>\$21,571,000</u>	<u>\$1,098,006</u>

FINANCIAL NOTE: (Construction)

	RC2756	TS621717	Construction Total
1) Contract Price	\$21,369,000	\$75,000	\$21,444,000
Add: HST @13%	2,777,970	9,750	2,787,720
Total Contract Price Including Taxes	24,146,970	84,750	24,231,720
Less: HST Rebate (100%)	2,777,970	9,750	2,787,720
Net Contract Price	<u>\$21,369,000</u>	<u>\$75,000</u>	<u>\$21,444,000</u>

FINANCIAL NOTE: (Engineering)

	RC2756	TS621717	Engineering Total
1) Contract Price	\$1,056,200	\$33,000	\$1,089,200
Less: Amount previously approved	962,200		962,200
	\$94,000	\$33,000	\$127,000
Add: HST @13%	12,220	4,290	16,510
Total Contract Price Including Taxes	106,220	37,290	143,510
Less: HST Rebate (100%)	12,220	4,290	16,510
Net Contract Price	<u>\$94,000</u>	<u>\$33,000</u>	<u>\$127,000</u>

TOTAL CONSTRUCTION & ENGINEERING

\$21,571,000

- The additional financing requirement of \$4,778,318 is available as a transfer from Capital Project RC2758 (South East Multi-Purpose Rec Centre-Arena Anchored) for a total of \$3,919,218 plus additional debenture of \$859,100 (serviced through City Services-Parks & Rec. Reserve Fund). An additional budget request would be required in 2020 to replace the funding shift to the East project (RC2756).
- The anticipated annual cost of operating the East Community Centre facility (inclusive of staffing, utilities and maintenance), net of anticipated annual user fee revenues, is expected to be in the range of \$300,000 to \$400,000 per year, noting that this estimate is subject to further refinement. Civic Administration will follow the usual process to prepare a 2019 Assessment Growth Case to provide the necessary funding for the net operating costs
- Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.

NOTE TO CITY CLERK:

- The City Clerk be authorized to increase Debenture By-law No. W5598-54 by \$12,542,206 from \$10,416,299 to \$22,958,505

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Larry Palarchio
Director of Financial Planning & Policy