

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MAY 1, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	REQUEST FOR COUNCIL RECONSIDERATION OF SOURCES OF FINANCING – BUS RAPID TRANSIT PROPERTY ACQUISITIONS AND LEASEHOLD IMPROVEMENTS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to Sources of Financing for property acquisitions pertaining to 26 Wellington Road South, 28 Wellington Road South, 1195 Dundas Street East and 240 Huron Street and for leasehold improvements for the Rapid Transit Implementation Office (251 Dundas St):

- a) the following matters **BE RECONSIDERED**:
- i) part b) of clause 2 of the 21st Report of the Council, In Closed Session, from its meeting held on September 19, 2017, having to do with approval of the Source of Financing for the acquisition of property located at 26 Wellington Road South;
 - ii) part b) of clause 2 of the 23rd Report of the Council, In Closed Session, from its meeting held on October 17, 2017, having to do with approval of the Source of Financing for leasehold improvements for the Rapid Transit Implementation Office (251 Dundas St);
 - iii) part b) of clause 1 of the 24th Report of the Council, In Closed Session, from its meeting held on October 30, 2017, having to do with approval of the Source of Financing for the acquisition of property located at 28 Wellington Road South;
 - iv) part c) of clause 2 of the 1st Report of the Council, In Closed Session, from its meeting held on December 12, 2017, having to do with approval of the Source of Financing for the acquisition of property located at 1195 Dundas Street East;
 - v) part b) of clause 3 of the 1st Report of the Council, In Closed Session, from its meeting held on December 12, 2017, having to do with approval of the Source of Financing for the acquisition of property located at 240 Huron Street; and
- b) subject to the approval of reconsideration of a) i) to a) v), inclusive, above, the following Sources of Financing **BE APPROVED**:
- i) the attached (Appendix A) Source of Financing for the acquisition of property located at 26 Wellington Road South;
 - ii) the attached (Appendix B) Source of Financing for the leasehold improvements for the Rapid Transit Implementation Office (251 Dundas St);
 - iii) the attached (Appendix C) Source of Financing for the acquisition of property located at 28 Wellington Road South;
 - iii) the attached (Appendix D) Source of Financing for the acquisition of property located at 1195 Dundas Street East; and
 - iv) the attached (Appendix E) Source of Financing for the acquisition of property located at 240 Huron Street.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee, September 12, 2017, Property Acquisition – 26 Wellington Rd South - Shift Rapid Transit Project

Corporate Services Committee, October 11, 2017, Lease of Office Space – Request for Proposal No. 17-22 for Rapid Transit Implementation Office, Environmental and Engineering Services, London Public Library – 251 Dundas St

Corporate Services Committee, October 24, 2017, Property Acquisition – 28 Wellington Rd South - Shift Rapid Transit Project

Corporate Services Committee, December 5, 2017, Property Acquisition – 1195 Dundas Street East - Shift Rapid Transit Project

BACKGROUND

It has come to the attention of the Civic Administration that the Sources of Financing previously approved by the Municipal Council in late 2017 for property acquisitions pertaining to 26 Wellington Road, 28 Wellington Road, 1195 Dundas Street and 240 Huron Street, and leasehold improvements for the Rapid Transit Implementation Office (251 Dundas St) contained incorrect information. Since approval of those Sources of Financing was given within the last twelve months, revised Sources of Financing must be presented to Municipal Council for reconsideration and approval of the revised Sources of Financing.

Previous reports dealt with a property acquisition related to the Rapid Transit initiative or a leasehold improvement related to the Rapid Transit Implementation Office. The Source of Financing attached to each report indicated that funding from the Public Transit Infrastructure Fund (PTIF) or Senior Government would be applied to the purchase. It was determined that land acquisition and expenses related to leasehold improvements are not eligible expenses under the PTIF program and likely not eligible under other Senior Government funding programs. As a result, five revised Sources of Financing for the subject acquisitions and leasehold improvements are being provided for Council approval.

The total impact of the revised Sources of Financing is to “un-commit” \$859,527 from PTIF or Senior Government funding and redistribute this commitment to the municipal contribution to the Rapid Transit initiative (capital levy, development charges reserve funds or debt supported by development charges). There is sufficient capacity in the municipal contribution to fund all projected land acquisitions and leasehold improvements for Rapid Transit.

PREPARED BY:
ALAN DUNBAR MANAGER, FINANCIAL PLANNING & POLICY
RECOMMENDED BY:
ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

Attach.

- Appendix A – Revised Source of Financing – 26 Wellington Road South
- Appendix B – Revised Source of Financing – Rapid Transit Implementation Office
- Appendix C – Revised Source of Financing – 28 Wellington Road South
- Appendix D – Revised Source of Financing – 1195 Dundas Street East
- Appendix E – Revised Source of Financing – 240 Huron Street

- C. Jason Davies, Manager, Financial Planning & Policy
Jennie Ramsey, Project Director, Rapid Transit Implementation
Kelly Scherr, Managing Director, Environmental and Engineering Services and
City Engineer
Edward Soldo, Director, Roads and Transportation
Bill Warner, Manager, Realty Services

APPENDIX "A" (REVISED)

#18074
(Previously #17165)

Chair and Members
Corporate Services Committee

May 1, 2018
(Previously approved Property Acquisition)

**RE: Previously Approved Property Acquisition - Bus Rapid Transit Project
(Subledger LD170062)
Capital Project TS1430-1 - RT 1: Wellington Rd - Bradley Ave to Horton St S Leg Widening
26 Wellington Road South**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the 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 Managing Director, 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> ²⁾	<u>Committed To Date</u> ²⁾	<u>This Submission</u>	<u>Balance For Future Work</u>
Engineering	\$7,475,000	\$1,209,469		\$6,265,531
Land Acquisition	29,563,000		174,314	29,388,686
Construction	25,000,000	445		24,999,555
Relocate Utilities	2,140,000			2,140,000
City Related Expenses	25,000	24,943		57
NET ESTIMATED EXPENDITURES	<u>\$64,203,000</u>	<u>\$1,234,857</u>	<u>\$174,314</u> ¹⁾	<u>\$62,793,829</u>
SOURCE OF FINANCING				
Capital Levy	\$1,445,800	\$28,910	\$11,490	\$1,405,400
Debenture By-law No. W.-5609-239 (Serviced through City Services - Roads Reserve Fund (Development Charges))	3) 19,552,900			19,552,900
Drawdown from City Services - Roads Reserve Fund (Development Charges)	3) 935,600	409,681	162,824	363,095
Senior Government	4) 42,268,700	796,266		41,472,434
TOTAL FINANCING	<u>\$64,203,000</u>	<u>\$1,234,857</u>	<u>\$174,314</u>	<u>\$62,793,829</u>

1) <u>Financial Note:</u>	<u>TS1430-1</u>
Purchase Cost	\$169,900
Add: Land Transfer Tax	1,424
Add: HST @13%	22,087
Less: HST Rebate	(19,097)
Total Purchase Cost	<u>\$174,314</u>

- 2) The total Approved Budget and Committed to Date reflect amounts as shown on Source of Financing Report #17165 dated September 12, 2017.
- 3) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.
- 4) The scope and timing of the Bus Rapid Transit Initiative is subject to securing funding from other levels of government.

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Alan Dunbar
Manager of Financial Planning & Policy

APPENDIX "B" (REVISED)

#18077

(Previously SoF #17172)

Chair and Members
Corporate Services Committee

May 1, 2018
(Previously Approved Leasehold Improvements)

**RE: Previously Approved - Lease of Office Space - Request for Proposal No. 17-22 for
Rapid Transit Implementation Office - Environmental and Engineering Services
London Public Library - 251 Dundas Street
Subledger (FG170047)
Capital Project EW1505 - CWWF Office Space - Water
Capital Project ES2075 - CWWF Office Space - Wastewater
Capital Project TS1430-1 - RT 1: Wellington Rd - Bradley Avenue to Horton St South Leg Widening**

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

<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	Approved Budget	Committed to Date	This Submission	Balance for Future Work
<u>EW1505 - CWWF Office Space - Water</u>				
Engineering	\$5,833		\$5,833	\$0
Construction	52,500		52,500	0
	<u>58,333</u>	<u>0</u>	<u>58,333</u>	<u>0</u>
<u>ES2075 - CWWF Office Space - Wastewater</u>				
Engineering	10,834		10,834	0
Construction	97,500		97,500	0
	<u>108,334</u>	<u>0</u>	<u>108,334</u>	<u>0</u>
<u>TS1430-1 - RT1: Wellington Rd.-Bradley Ave to Horton St South Leg Widening</u>				
Engineering	7,475,000	1,906,309		5,568,691
Land Acquisition	29,563,000	174,314		29,388,686
Construction	24,665,379	445		24,664,934
Relocate Utilities	2,140,000			2,140,000
City Related Expenses	359,621	26,288	333,333	0
	<u>64,203,000</u>	<u>2,107,356</u>	<u>333,333</u>	<u>61,762,311</u>
NET ESTIMATED EXPENDITURES	<u>\$64,369,667</u>	<u>\$2,107,356</u>	<u>\$500,000</u>	<u>\$61,762,311</u>
<u>SUMMARY OF FINANCING:</u>				
<u>EW1505 - CWWF Office Space - Water</u>				
Drawdown from Capital Water Reserve Fund	\$58,333		\$58,333	\$0
<u>ES2075 - CWWF Office Space - Wastewater</u>				
Drawdown from Sewage Works Reserve Fund	108,334		108,334	0
<u>TS1430-1 - RT1: Wellington Rd.-Bradley Ave to Horton St South Leg Widening</u>				
Capital Levy	1,445,800	56,181	22,000	1,367,619
Debenture By-law No. W.-5609-239 (Serviced through City Services - Roads Reserve Fund (Development Charges))	19,552,900		171,870	19,381,030
Drawdown from City Services - Roads R.F. (Development Charges)	2) 935,600	796,137	139,463	0
PTIF (Public Transit Infrastructure Fund)	2) 2,232,873	1,255,038		977,835
Senior Government	3) 40,035,827			40,035,827
	<u>64,203,000</u>	<u>2,107,356</u>	<u>333,333</u>	<u>61,762,311</u>
TOTAL FINANCING	<u>\$64,369,667</u>	<u>\$2,107,356</u>	<u>\$500,000</u>	<u>\$61,762,311</u>

NOTES:

- 1) The Total Approved Budget and Total Committed reflects amounts as shown on Source of Financing Report #17172 dated October 11, 2017.
- 2) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.
- 3) The scope and timing of the Bus Rapid Transit Initiative is subject to securing funding from other levels of government.

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Alan Dunbar
Manager of Financial Planning & Policy

APPENDIX "C" (REVISED)

#18075
(Previously #17194)

Chair and Members
Corporate Services Committee

May 1, 2018
(Previously approved Property Acquisition)

**RE: Previously Approved Property Acquisition - Bus Rapid Transit Project
(Subledger LD170062)
Capital Project TS1430-1 - RT 1: Wellington Rd - Bradley Ave to Horton St S Leg Widening
28 Wellington Road South**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the 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 Managing Director, 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> ²⁾	<u>Committed To Date</u> ²⁾	<u>This Submission</u>	<u>Balance For Future Work</u>
Engineering	\$7,475,000	\$2,077,893		\$5,397,107
Land Acquisition	29,563,000	174,314	189,831	29,198,855
Construction	24,998,712	300,445		24,698,267
Relocate Utilities	2,140,000			2,140,000
City Related Expenses	26,288	26,288		0
NET ESTIMATED EXPENDITURES	<u>\$64,203,000</u>	<u>\$2,578,940</u>	<u>\$189,831</u> ¹⁾	<u>\$61,434,229</u>
SOURCE OF FINANCING				
Capital Levy	\$1,445,800	\$79,819	\$12,513	\$1,353,468
Debenture By-law No. W.-5609-239 (Serviced through City Services - Roads Reserve Fund (Development Charges)	3) 19,552,900	195,519	177,318	19,180,063
Drawdown from City Services - Roads Reserve Fund (Development Charges)	3) 935,600	935,600		0
PTIF (Public Transit Infrastructure Fund)	2,232,873	1,368,002		864,871
Senior Government	4) 40,035,827			40,035,827
TOTAL FINANCING	<u>\$64,203,000</u>	<u>\$2,578,940</u>	<u>\$189,831</u>	<u>\$61,434,229</u>

1) Financial Note:

Purchase Cost	\$185,000
Add: Land Transfer Tax	1,575
Add: HST @13%	24,050
Less: HST Rebate	<u>(20,794)</u>
Total Purchase Cost	<u>\$189,831</u>

- 2) The total Approved Budget and Committed to Date reflect amounts as shown on Source of Financing Report #17194 dated October 24, 2017.
- 3) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.
- 4) The scope and timing of the Bus Rapid Transit Initiative is subject to securing funding from other levels of government.

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Alan Dunbar
Manager of Financial Planning & Policy

APPENDIX "D" (REVISED)

#18076
(Previously #17210)

Chair and Members
Corporate Services Committee

May 1, 2018
(Previously approved Property Acquisition)

**RE: Previously Approved Property Acquisition - Bus Rapid Transit Project
(Subledger LD170085)
Capital Project TS1430-4 - RT 4:Dundas St. - Adelaide St to Highbury Ave E Leg Widening
1195 Dundas Street East**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the 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 Managing Director, 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> 2)	<u>Revised Budget</u> 2)	<u>Committed To Date</u> 2)	<u>This Submission</u>	<u>Balance For Future Work</u>
Engineering	\$1,605,000	\$1,320,729	\$271,919		\$1,048,810
Land Acquisition		284,271	1,831	282,440	0
NET ESTIMATED EXPENDITURES	<u>\$1,605,000</u>	<u>\$1,605,000</u>	<u>\$273,750</u>	<u>\$282,440</u> 1)	<u>\$1,048,810</u>
<u>SOURCE OF FINANCING</u>					
Capital Levy	\$73,500	\$73,500	\$12,635	\$28,244	\$32,621
Drawdown from City Services - Roads Reserve Fund (Development Charges)	3) 661,500	661,500	113,719	254,196	293,585
Senior Government	4) 870,000	870,000	147,395		722,605
TOTAL FINANCING	<u>\$1,605,000</u>	<u>\$1,605,000</u>	<u>\$273,750</u>	<u>\$282,440</u>	<u>\$1,048,810</u>

1) **Financial Note:**

Purchase Cost	\$275,000
Add: Land Transfer Tax	2,600
Add: HST @13%	35,750
Less: HST Rebate	<u>(30,910)</u>
Total Purchase Cost	<u>\$282,440</u>

- 2) The total Approved Budget, Revised Budget and Committed to Date reflect amounts as shown on Source of Financing Report #17210 dated December 5, 2017.
- 3) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.
- 4) The scope and timing of the Bus Rapid Transit Initiative is subject to securing funding from other levels of government.

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Alan Dunbar
Manager of Financial Planning & Policy

APPENDIX "E" (REVISED)

#18073
(Previously #17211)

Chair and Members
Corporate Services Committee

May 1, 2018
(Previously approved Property Acquisition)

RE: Previously Approved Property Acquisition - Bus Rapid Transit Project
(Subledger LD170113)
Capital Project TS1430-7 - RT 7: Richmond St. - Raymond Ave to York St. (Optimization)
240 Huron Street

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the 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 Managing Director, 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> 2)	<u>Revised Budget</u> 2)	<u>Committed To Date</u> 2)	<u>This Submission</u>	<u>Balance For Future Work</u>
Engineering	\$1,813,000	\$1,813,000	\$540,060		\$1,272,940
Land Acquisition		370,211		370,211	0
Construction	11,905,509	11,535,298			11,535,298
Relocate Utilities	798,000	798,000			798,000
City Related Expenses	25,491	25,491	25,491		0
NET ESTIMATED EXPENDITURES	<u>\$14,542,000</u>	<u>\$14,542,000</u>	<u>\$565,551</u>	<u>\$370,211</u> 1)	<u>\$13,606,238</u>
<u>SOURCE OF FINANCING</u>					
Capital Levy	\$1,270,733	\$1,270,733	\$53,820	\$96,257	\$1,120,656
Drawdown from City Services - Roads Reserve Fund (Development Charges)	3) 3,616,600	3,616,600	153,176	273,954	3,189,470
PTIF (Public Transit Infrastructure Fund)		744,291	358,554		385,736
Senior Government	4) 9,654,667	8,910,376			8,910,376
TOTAL FINANCING	<u>\$14,542,000</u>	<u>\$14,542,000</u>	<u>\$565,550</u>	<u>\$370,211</u>	<u>\$13,606,238</u>

1) Financial Note:

Purchase Cost	\$360,000
Add: Land Transfer Tax	3,875
Add: HST @13%	46,800
Less: HST Rebate	<u>(40,464)</u>
Total Purchase Cost	<u><u>\$370,211</u></u>

- 2) The total Approved Budget, Revised Budget and Committed to Date reflect amounts as shown on Source of Financing Report #17211 dated December 5, 2017.
- 3) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.
- 4) The scope and timing of the Bus Rapid Transit Initiative is subject to securing funding from other levels of government.

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Alan Dunbar
Manager of Financial Planning & Policy