



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **February 16, 2016**

Subject: **Report CPFS16-006
Canada 150 Community Infrastructure Program Update and
Library Upgrade Funding Pre-commitment**

Purpose

A report to update Council on the outcome of the Canada 150 Community Infrastructure Program and recommend that Council pre-commit the 2017 Capital Budget for the Library renovations and Expansion Project.

Recommendations

That Council approve the recommendations outlined in Report CPFS16-006 dated February 16, 2016, of the Director of Corporate Services, as follows:

- a) That, in recognition that the City was unsuccessful in receiving the Canada 150 Community Infrastructure Program grant, the following projects be amended in 2016 Capital Budget as follows:

	Project	2016 Budget Reference	Original 2016 Budget	Canada 150 Grant Not Rec'd	Revised 2016 Budget
1	Otonabee River Trail – Del Crary Park to Haggart Street	7-1.04	\$800,000	\$500,000	\$300,000
2	Corporate Services Property - City Hall Elevator Installation	3-1.01	\$2,018,000	\$333,000	\$1,685,000

- b) That the \$4,350,000 budget amount proposed for the 2017 Capital Budget for the Library Renovations and Expansion project be pre-committed.

Budget and Financial Implications

Because the City was not successful in securing the Canada 150 Community Infrastructure Program grants, the 2016 Capital Budget will be reduced by \$500,000 for the Otonabee River Trail –Del Cray Park to Haggart Street project (2016 Capital Budget Project # 7-1.04). The Corporate Services Property project (2016 Capital Budget Project # 3-1.01) will be reduced by \$333,000.

The \$4,350,000 pre-commitment of the 2017 Capital Budget will ensure sufficient funds are available to issue an RFT for the Library Renovation and Expansion project (2016 Capital Budget Project # 6-4.02).

A revised Form 2 for all three impacted projects is included as Appendix A.

Background

On May 15, 2015, the Federal Government, through its Economic Action Plan 2015, announced \$150 million in funding nationally over two years for the new Canada 150 Community Infrastructure Program (CIP 150). The CIP 150 is part of a coordinated federal approach to celebrating Canada's 150th anniversary. This program supports the rehabilitation, renovation and expansion of existing public infrastructure assets such as community centres, recreational facilities, local arenas, libraries, trails and other community infrastructure. On June 9, 2015 the City submitted three applications as outlined in Chart 1.

Chart 1
CIP 150 Projects

Priority	Project	2016 Budget Reference	Total Project Cost	Requested CIP 150 Contribution
1	Otonabee River Trail – Del Cray Park to Haggart Street	7-1.04	\$2,000,000	\$500,000
2	City Hall Elevator Installation	3-1.01 (Sub-project 1)	\$1,083,000**	\$333,000
3	Peterborough Public Library – main branch renovation and expansion	6-4.02	\$12,026,800	\$1,000,000
	Total		\$15,109,800	\$1,833,000

** Note: The \$1,083,000 was the amount for the City Hall Elevator within the bigger project for all Corporate Services – Property work of \$2,018,000.

On January 29, 2016 the City was notified that its applications were not approved for funding. There was significant interest in the program in southern Ontario. FedDev Ontario received more than 1,100 applications, requesting more than \$260 million in funding. Only 380 projects were approved, utilizing the \$44.4 million southern Ontario allocation. This represents an average grant of \$117,000 per project. Although not stated, it is thought that the City's grant requests were considered too large, as it was a federal objective to fund as many projects as possible.

Impact on Project Implementation:

The loss of funding impacts the three projects differently as described below.

Otonabee River Trail –Del Crary Park to Haggart Street

In the absence of the \$500,000 CIP 150 funding, the extension of the Otonabee River Trail from the point in Del Crary Park to Little Lake Cemetery will be deferred pending future budget approvals.

City Hall Elevator

The City will be installing an elevator in the main lobby of City Hall to facilitate accessibility to various locations within the building that are presently not accessible. The design has been completed. The City will proceed with relocating electrical in 2016 and seek approval for construction in 2017. If the CIP 150 funding application had been successful, the elevator installation would have moved forward in 2016.

Peterborough Public Library – Main Branch renovation and expansion

The main branch Library Renovation and Expansion project has been in the planning stages since 2012. A feasibility study was completed in 2013 and a design study, in the final stages of completion, will be tendered out in March 2016. Construction on the facility is expected to commence in May 2016. The library functions will move to a temporary site at Peterborough Square. Renovations to prepare the temporary facilities will start in the next week. Council approved the library move through Report CSD16-001 dated January 11, 2016.

As part of Report CSD15-012, dated June 1, 2015, Council approved the following recommendation:

- d) That Council commit, within this term of Council, to approve the funding to proceed with the construction of the renovation and expansion project at the Peterborough Public Library, subject to normal budgetary considerations.

Council approved \$7.676 million in 2012-2016 toward the library project (Project #6-4.02 in the 2016 Capital Budget). The full value of the library capital project is \$12,026,800. Not all the funding for the project has been approved. There remains \$4.350 million in the 2017 Capital Budget forecast that Council has yet to approve. Of this amount, \$1.0 million for the Library Renovation and Expansion project was to be funded by the CIP 150 grant. Staff included the library project in the funding request and with the funding

rejection; this leaves a \$1.0 million shortfall on the project. Given this new information and the fact that the RFT for the construction work is to be issued shortly, a pre-commitment, to ensure Council's support to this project is being requested.

To make up for the shortfall in funds, the additional \$1.0 million would be funded through tax supported debentures.

By approving this strategy, Council will be pre-committing the balance of funds noted in the 2017 capital forecast, at \$4.350 million, for the Library Renovation and Expansion project. The capital funding allocation from the 2016 approved Capital Budget and the revised funding are included in Chart 2: Sources of Funding for Library Renovations and Expansion Project.

Chart 2: Sources of Funding for Library Renovations and Expansion Project

#	Description	2016 Capital Budget Amount Project #6-4.02	Revised Capital Request
1	Debentures - Tax supported	\$6,313,500	\$7,313,500
2	Debentures - Development Charges – Library Supported	\$3,170,700	\$3,170,700
3	Development Charges – Library & General Government	\$1,148,100	\$1,148,100
4	Contribution from Library Foundation	\$250,000	\$250,000
5	Library Surplus Reserve and FRMP Reserve	\$70,000	\$70,000
6	Capital Levy	\$74,500	\$74,500
7	Canada Grant	\$1,000,000	\$0
	Total	\$12,026,800	\$12,026,800

Should Council not approve this strategy to replace the CIP 150 funding, it puts the Library Renovation and Expansion project in jeopardy. To date, \$365,000 has been expended on this initiative.

Summary

The City was not successful in securing Canada 150 Community Infrastructure Program funding and will adjust budgets and project timelines accordingly. To move forward with the Library Renovation and Expansion project a \$4,350,000 pre-commitment of the 2017 Capital Budget will ensure sufficient funds are available to issue the RFT.

Submitted by,

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Director of Corporate Services

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Attachments:

Appendix A – Revised 2016 Capital Budget Form 2s for Project # 7-1.04, Project #3-1.01, Project # 6-4.02

Appendix A

Revised 2016 Capital Budget Form 2s for Project # 7-1.04, Project #3-1.01, Project # 6-4.02

Tangible Capital Assets

Ten Year Capital Budget Estimates

2016-2025 & Subsequent Years

(\$000's)

				REQUESTED							
				2016 Approved Budget	Report CPFS16-006	2017	2018	2019	2020	2021 to 2025	2026 to 2040
DEPARTMENT	Planning and Development Services	Project Total	Approved Pre-2016								
DIVISION/ACTIVITY	Planning - Planning										
PROJECT DESCRIPTION	ORT - Crescent St. Phase - Del Crary Park to Little Lake Cemetery										
PROJECT #	7-1.04										
EXPENDITURES											
CONTRACTUAL SERVICES		2,000.0	400.0	800.0	-500.0	800.0	500.0				
PROJECT TOTAL		<u>2,000.0</u>	<u>400.0</u>	<u>800.0</u>	<u>-500.0</u>	<u>800.0</u>	<u>500.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
DIRECT REVENUE											
Revenue - Canada Grant		0.0		500.0	-500.0						
Donations		75.0	75.0								
TOTAL DIRECT REVENUE		<u>75.0</u>	<u>75.0</u>	<u>500.0</u>	<u>-500.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
NET REQUIREMENTS		<u>1,925.0</u>	<u>325.0</u>	<u>300.0</u>	<u>0.0</u>	<u>800.0</u>	<u>500.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TO BE FINANCED FROM:											
Contribution from related project		300.0		300.0							
Federal Gas Tax Reserve Fund		270.0	270.0								
Sewer Surcharge Reserve Fund		0.0									
		<u>0.0</u>									
TOTAL OTHER FINANCING		<u>570.0</u>	<u>270.0</u>	<u>300.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
CAPITAL LEVY		<u>1,355.0</u>	<u>55.0</u>	<u>0.0</u>	<u>0.0</u>	<u>800.0</u>	<u>500.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Tangible Capital Assets

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2016-2025 & Subsequent Years

(\$000's)

		Project Total Approved Pre-2016		REQUESTED						
				2016 Approved Budget	Report CPFS16-006	2017	2018	2019	2020	2021 to 2025
DEPARTMENT	Corporate Services									
DIVISION/ACTIVITY	Finance - Property									
PROJECT DESCRIPTION	Corporate Services - Property									
PROJECT #	3-1.01									
EXPENDITURES										
CONTRACTUAL SERVICES	10,382.2		2,018.0	-333.0	3,688.7	246.8	507.8	465.0	3,460.8	328.1
PROJECT TOTAL	10,382.2	0.0	2,018.0	-333.0	3,688.7	246.8	507.8	465.0	3,460.8	328.1
DIRECT REVENUE										
Revenue - Canada Grant	0.0		333.0	-333.0						
TOTAL DIRECT REVENUE	0.0	0.0	333.0	-333.0	0.0	0.0	0.0	0.0	0.0	0.0
NET REQUIREMENTS	10,382.2	0.0	1,685.0	0.0	3,688.7	246.8	507.8	465.0	3,460.8	328.1
TO BE FINANCED FROM:										
DEBENTURES										
Tax Supported	325.0		325.0							
TOTAL DEBENTURE FINANCING	325.0	0.0	325.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEVELOPMENT CHARGES										
DCRF Chemong East	0.0									
DCRF Chemong West	0.0									
DCRF Carnegie East	0.0									
DCRF Carnegie West	0.0									
TOTAL DEVELOPMENT CHARGES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Court House Capital Reserve	752.0				106.8	14.4			630.8	
	0.0									
TOTAL OTHER FINANCING	752.0	0.0	0.0	0.0	106.8	14.4	0.0	0.0	630.8	0.0
CAPITAL LEVY	9,305.2	0.0	1,360.0	0.0	3,581.9	232.4	507.8	465.0	2,830.0	328.1

2016-2025 & Subsequent Years
(\$000's)

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