



City of  
**Peterborough**

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**To: Members of the General Committee**

**From: Richard Freymond, Commissioner of Corporate and Legislative Services**

**Meeting Date: February 13, 2023**

**Subject: Recommendations for Use of One-Time Dividend from City of Peterborough Holdings Inc., Report CLSFS23-019**

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## **Purpose**

A report to recommend projects to be funded by the one-time special dividend from City of Peterborough Holdings Inc. (COPHI).

## **Recommendations**

That Council approve the recommendations outlined in Report CLSFS23-019, dated February 13, 2022 of the Commissioner of Corporate and Legislative Services as follows:

- a) That \$1,560,000 of the one-time dividend from City of Peterborough Holdings Inc. be allocated to the capital project 681 Monaghan Road Affordable Housing; and
- b) That \$240,000 of the one-time dividend from City of Peterborough Holdings Inc. be allocated to the capital project Otonabee River Trail – Del Crary Park to Little Lake Cemetery (2023 Capital Budget Ref# 5-2.03).

## **Budget and Financial Implications**

At the January 30, 2023 Council meeting, under Other Business, Mayor Leal informed Council that COPHI has declared a one-time special dividend in the amount of \$1.8 million to be paid to the City in the first quarter of 2023. This dividend is in addition to the annual dividend amount payable to the City, and included in the City's approved

budget, for 2023 and therefore staff require direction from Council as to the use of these funds.

## Background

Staff evaluated the merits of several projects in considering the optimal use of the one-time \$1.8 million dividend from COPHI and are recommending that the funds be allocated as follows:

- 681 Monaghan Road Affordable Housing \$1,560,000
- Otonabee River Trail \$240,000

### 681 Monaghan Road Affordable Housing

The City of Peterborough acquired 681 Monaghan Road from the Community Training and Development Corporation on November 20, 2020 for the purpose of developing affordable housing. Through Report CSSS22-002 Council approved the demolition of 681 Monaghan Road, demolition work is now complete, and the site is ready for the next stage of development.

Through Report CSSS23-003 dated February 13, 2023 recommendations have been made to submit an application to the Canada Mortgage and Housing Corporation for the Rapid Housing Initiative round three, which can fund up to 100% of eligible project costs for building up to fifty-three (53) units of affordable housing on the municipally owned property at 681 Monaghan Road.

The Canada Mortgage and Housing Corporation (CMHC) Rapid Housing Initiative (RHI) round three funding opportunity opened on December 12, 2022 and has an application deadline of March 15, 2023. The application process is highly competitive and previously in rounds one and two of this funding opportunity the City has not been successful.

Projects funded under RHI can receive up to 100% project funding with priority being given to those projects that have contributions from other sources. The contribution value is weighted in a point allocation system based on a percentage of the total project budget. City staff are recommending \$1,560,000 from the COPHI dividend allocation be used towards the municipal contribution in the application for RHI round three funding.

The need for additional affordable and supportive housing continues. The recommended allocation of the one-time dividend will increase the municipal contribution and strengthen the City's position in the application for the RHI funding at 681 Monaghan Road. This would assist the City to rapidly create safe, affordable housing for up to fifty-three households on this municipally owned property. This will also further the completion of a housing asset that will be transferred to the Municipal Service Corporation and ultimately free up future City debt capacity.

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## Otonabee River Trail

In September 2015, Council endorsed the Class Environmental Assessment (EA) for the Otonabee River Trail Extension and Shoreline Improvements around Little Lake with Report PLPD15-041. The EA included a conceptual design of the Otonabee River Trail route from Del Cray Park, along Crescent Street to Little Lake Cemetery. The trail is a longstanding objective of the City's Recreation Master Plan and is an integral component of the Little Lake Master Plan received by Council in March 2010.

In 2015, the trail was estimated to cost \$1,975,675 plus an additional \$300,000 for related traffic calming measures for a total of \$2,275,675. To date, \$325,000 of capital levy funding has been approved for the project along with a \$75,000 donation from the Peterborough Dragon Boat Festival in 2015. Of these funds, \$303,635 remains uncommitted, with the \$75,000 donation earmarked for capital expenditures leaving \$228,635 available for design development. In the 2023 Capital Budget, it is noted that detailed design and engineering is required, and that construction has been deferred to initiate in 2024 to better align with other projects in the area including proposed private developments, Secondary Plans for the Central Area, and the Del Cray Park Master Plan. The 2023 Capital Budget anticipates a request for \$2,000,000 of capital levy funding for construction, however, based on Statistics Canada's Building construction price index from Q3 2015 to Q3 2022, it is estimated that inflation has increased the project construction cost to \$3,487,116. This capital construction estimate will be revisited and updated as the detailed design process progresses.

As evidenced during the 2023 budget review process, there is significant Council and public interest (including interest from the Peterborough Dragon Boat Festival) to see this project proceed expeditiously in order to both fulfill the City's master planning objectives and to realize the quality of life, environmental and economic benefits that the project will provide. Staff intends to proceed with detailed design and engineering this year upon posting the Otonabee River Trail Extension and Shoreline Improvements Environmental Study Report for a 30-day public review in accordance with Municipal Class EA requirements. Given that significant time has elapsed since the EA's completion in 2015, various legislative requirements for stormwater management, active transportation facility design guidelines and environmental protection will need to be reconfirmed and integrated into the project. Furthermore, additional community and First Nations consultation will be required as part of the detailed design process. Considering the need for additional consultation and the significant inflation that has occurred since 2015 (and particularly since 2020), additional funds are required to complete this project. The potential addition of \$240,000 from this one-time COPHI dividend will increase the current uncommitted project budget to \$468,635 and will allow for the completion of the necessary consultation and initiation of detailed design this year. This additional funding will also help address an estimated inflation-driven funding shortfall that will need to be topped up in a future capital budget(s) in 2024 and/or 2025.

## Summary

Staff recommend these two projects as the optimal use of the one-time dividend from COPHI towards meeting council and community priorities. If the City's application to RHI is unsuccessful, staff will report to Council with further recommendations on the use of that portion of the one-time dividend.

Submitted by,

Richard Freymond  
Commissioner of Corporate and Legislative Services

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