

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 25, 2012

Item 4, Report No. 8, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 25, 2012.

4 BLOCK 12 VALLEY ROAD CROSSINGS – 2012 CAPITAL BUDGET AMENDMENT

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance & City Treasurer, dated September 10, 2012:

Recommendation

The Commissioner of Finance & City Treasurer, in consultation with the Commissioner of Engineering and Public Works and the Director of Development/Transportation Engineering recommends that:

1. That the 2012 Capital Budget be amended to reflect the project "Block 12 Valley Crossings" in the amount of \$380,000, to be funded from the City Wide Development Charges – Engineering; and
2. That the inclusion of the matter on a public Committee or Council agenda for the additional funding requested is deemed sufficient notice pursuant to Section 2 (1)(c) of By-Law 394-2002.

Contribution to Sustainability

Not applicable.

Economic Impact

An amendment to the 2012 Capital Budget to pay the balance of \$367,890.76 to Block 12 Properties Inc. plus the 3% Administration fee of \$11,037. (rounded to a total of \$380,000.00) would be funded from the City-wide Engineering Development Charge Reserve.

Communications Plan

Not applicable.

Purpose

To approve an amendment to the 2012 Capital Budget to permit the payment of the remaining balance for the Block 12 Valley Road Crossings to Block 12 Properties Inc.

Background - Analysis and Options

Pursuant to Subsection 18.18 of the Block 12 Phase 2 Spine Services Amending Agreement, Block 12 Properties Inc. was required to design, tender and construct concrete box culverts to accommodate valley crossings on Lady Jessica Drive and Lady Valentina Avenue as a component of the municipal services for the lands. The City, in return, was to repay the front-ending costs incurred by the Owner, in yearly installments and subject to the terms in the Spine Services Agreement to a maximum upset total limit of \$2,986,817.39 excluding applicable taxes.

Funding for the Block 12 Valley Crossings is from City Wide Development Charges. The repayment terms of the Spine Services Amending agreement are summarized as follows:

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- The City shall reimburse the Owner in yearly installments when funds are available and included in an approved City Capital Budget; and
- The City will, subject to the above, provide Block 12 Properties with an interim payment of \$2,000,000.

In 2010, \$2,000,000 (the interim payment) was approved in the City's Capital Budget (Project DT-7020-10). A further amount of \$500,000 was approved in the City's 2011 Capital Budget (Project DT-7076-11).

As per the terms of the agreement, in 2011 the City made a payment of \$2,000,000 following a request for the interim payment from Block 12 Properties Inc. The \$2,000,000 payment was authorized by capital project DT-7020-10 and a reconciliation that indicated that sufficient funds had been collected from the Block 12 developers and were available in the development charge reserve.

In 2012, Schaeffers Consulting Engineers certified that the works had been completed in accordance with City standards and specification at a cost of \$2,867,890.76, which is less than the up-set limit of \$2,986,817.39. Development/Transportation Engineering reviewed the subsequent payment request from Block 12 Properties Inc. and have no objection to reimbursement of the full amount. The interim payment of \$2,000,000 had already been made in 2011, leaving a balance owing to Block 12 Properties Inc. of \$867,890.76. A reconciliation of the development charge reserve fund indicated that sufficient funds had been collected from the Block 12 developers and were available for the full \$867,890.76, however Project DT-7076-11, which was approved in the 2011 Capital Budget, only authorized a payment of up to \$500,000 (made in June 2012), leaving a balance of \$367,890.76 due to Block 12 Properties Inc.

Based on the availability of the funds, and recognizing the benefit to both the City and the developers resulting from the completion of the works, staff recommend that the remaining balance of \$367,890.76 be authorized through the approval of an amendment to the 2012 Capital Budget, rather than delaying the payment for approximately 6 months pending the approval of the 2013 Capital Budget.

Total Cost	\$2,867,890.76
Less Interim Payment - 2011	-\$2,000,000.00
Less June 2012 Payment	-\$500,000.00
Balance Due to Block 12 Properties Inc.	\$367,890.76
Administration Fee – 3%	\$11,036.72
Total	\$378,927.48
Total Budget Amendment - Rounded	<u>\$380,000.00</u>

It should be noted that the structure(s) is not assumed so the developers group is still responsible for any deficiencies.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

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Conclusion

Staff recommends that a budget amendment be approved in the amount of \$380,000, funded from City-Wide Development Charges – Engineering to expedite the final payment to Block 12 Properties Inc. for the Block 12 Valley Crossings.

Attachments

Not applicable

Report prepared by:

Barbara Cribbett, CMA
Commissioner of Finance
Ext. 8475