

2002, 2003, 2012, 2015 and 2017 Capital Budget Amendment – Centre in the Park**Report Purpose**

To amend the 2002, 2003, 2012, 2015 and 2017 Capital Budgets to close outstanding components of the existing Centre in the Park (CITP) projects and approve a new consolidated CITP Development project which includes cost escalation and unforeseen development requirements.

Recommendation

1. THAT an amendment to the 2002, 2003, 2012, 2015 and 2017 Capital Budgets to close the Centre in the Park projects as set out in Enclosure 2 of the June 6, 2017 Transportation and Agriculture Services report in the total amount of \$2,522,967, and to release the remaining funding commitments of \$293,200 to the Municipal Projects Reserve (1.3773) and \$151,176 to the Storm Water Management Reserve (11.4440.1) be approved; and
2. THAT an amendment to the 2017 Capital Budget to create a new consolidated Centre in the Park Development project, which includes cost escalation and unforeseen development requirements, in the amount of \$4,500,000 to be funded from the Municipal Projects Reserve (1.3773) be approved.

Council History

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| May 9, 2017 | Council approved: THAT an amendment to the 2002 Capital Budget for a change in funding for the Centre in the Park project to forego repayment in the amount of \$3,120,742 from land sale revenue for interim funding of \$820,742 from the Municipal Projects reserve (1.3773) and \$2,300,000 from the Internal Financing reserve (1.3776) be approved. |
| November 28, 2016 | Council approved: THAT the 2017 Consolidated Capital Budget as set out in Enclosure 1, Section 5 on the November 18, 2016, Council Budget Meeting Agenda, be approved. |
| December 9, 2014 | Council approved: THAT the 2015 Consolidated Capital Budget for Municipal, Utility and Library Operations (Enclosure IV) be approved. |
| August 28, 2012 | Council approved: THAT Council amend the 2012 Capital Budget to install utility infrastructure that includes manholes and catch basins with underground connections for Centre in the Park, in the amount of \$162,000 to be funded from the Utility Operations Capital Asset Management Reserve (1.4440). |
| December 13, 2011 | Council approved: THAT the 2012 Consolidated Capital Budget for Municipal, Utility and Library Operations (Enclosure IV) be approved. |

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Associate Commissioners: Kevin Glebe, Infrastructure and Planning Services, Gregory J. Yeomans, Chief Financial Officer

Lead Department: Transportation and Agriculture Services

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| June 8, 2010 | Council approved: THAT Council amend the 2003 Capital Budget for increased costs of Centre in the Park municipal infrastructure in the amount of \$6,271,659 (from \$8,106,500 to \$14,378,159) to be funded from future land sales with interim financing of \$2,449,000 provided by an approved demand loan facility; \$1,000,000 from CITP specific funds held in the Capital Projects Reserve (1.4266); and internal borrowing of \$2,300,000 from the Capital Debt Reduction Reserve (1.4253) and \$522,659 from the Capital Projects Reserve (1.4266). |
| June 22, 2004 | Council approved: THAT Council approve an amendment to the 2003 Capital Budget in the amount of \$1,188,500 for the purpose of recognizing additional Centre in the Park project capital costs in the areas of roadway and related landscaping improvements, power and lighting infrastructure, and irrigation system upgrades. |
| December 10, 2002 | Council approved: THAT County Council approve the estimates of the 2003 Municipal Capital Budget expenditures for municipal and utility operations (Enclosures E of Administration's report). |
| December 11, 2001 | Council approved: THAT County Council approve the estimates of the 2002 Municipal Capital Budget expenditures for municipal and utility operations (Enclosure D of Administration's report). |

Strategic Plan Priority Areas

Economy: The change in funding for the CITP project will contribute towards effective and efficient municipal infrastructure to meet the needs of our growing community.

Governance: n/a

Social: The integrated transportation network in the CITP encourages active transportation, thereby contributing to healthy lifestyles and helping to build a strong community that supports the diverse needs of residents. The integrated transportation network provides access to cultural and recreational facilities, and provides a sense of cohesion.

Culture: The urban design of the CITP is an integrated mixed-use development incorporating residential, retail commercial, municipal office, and cultural facilities designed to create a community identity and expanding opportunities for year-round activities in the heart of Sherwood Park. It will be a community focal point with a sense of identity where people can live, work and participate in community activities.

Environment: The CITP project design incorporates sustainable development opportunities for the "greening" of the CITP. The key to sustainable design is to create site planning, infrastructure, and building projects that are energy efficient, conserve energy and water, and provide healthier environments in which to live, work and play. The design of the transportation network throughout CITP emphasizes transit and active transportation, thereby reducing energy requirements. The integrated landscape design along the road network conserves water and emphasizes use of native vegetation.

Other Impacts

Policy: FIN-001-024: Financial Reserves; FIN-001-027: Tangible Capital Assets Financial Reporting Policy

Legislative/Legal: n/a

Interdepartmental: Financial Services, Transportation and Agriculture Services

Summary

The Centre in the Park capital project was originally approved in 2002 to align with the development of Lots 1 through 5 which was scheduled to be completed by 2007. Due to the market downturn before 2007 which resulted in a slowdown of development the estimated completion year for Centre in the Park is now 2020.

Due to the prolonged duration of the project, some of the original assumptions are no longer valid. It is estimated that the completion of consolidated CITP area development will require \$4.5M due to cost escalation and unforeseen development requirements. The project is exposed to inflation impacts in the following areas: completing hard and soft landscape interface requirements, restoring the irrigation system and refurbishment of Prairie Walk as well as potential unforeseen development requirements. The total cost includes a sufficient contingency.

At the November 25, 2016 Council budget meeting administration presented a one-time funding opportunity whereby \$10.1M was set aside in a reserve to fund prior-year priorities, including CITP completion. The amendment being presented to Council recommends funding the consolidated CITP Development project from Municipal Projects Reserve where the \$10.1M funding resides.

The amendment is also proposing closing the outstanding CITP projects as set out in Enclosure 2. These CITP projects have a remaining approved expenditure of \$2.5M and a remaining funding of \$0.4M.

The following is the estimated planned spending (cash flow) timeline for the proposed 2017 CITP Development project, which is subject to change based on the developer progress.

| Year | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------|--------|--------|--------|--------|--------|
| Expenditure by Year | \$1.1M | \$2.3M | \$0.6M | \$0.5M | \$4.5M |

Enclosure

- 1 Centre in the Park Project Update presentation
- 2 CITP Approved Projects