

**2002 Capital Budget Amendment - Centre in the Park****Report Purpose**

To amend the 2002 Capital Budget for a change in funding only for the Centre in the Park (CITP) Project.

**Recommendation**

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.

**Council History**

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. The total project capital cost increase from \$6,918,000 to \$8,106,500 will be funded from Centre in the Park land sales.

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). The approved Capital Budget included the addition of \$3,328,000 to the Centre in the Park (Enclosure E of 2003 Recommended Consolidated Budget).

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). The approved Capital Budget included \$3,090,000 for the Centre in the Park Development Plan and \$500,000 for the purchase of the post office land (Enclosure D of 2002 Recommended Consolidated Budget).

**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:** CITP helps to build a strong community that supports the diverse needs of residents, providing access to cultural facilities and community gathering spaces.

**Culture:** The urban design of 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. During this time, markets have fluctuated resulting in various adjustments. On three separate occasions (2002, 2004, and 2010) during periods of strong economic growth and escalating land prices estimated land sale revenues were increased. Despite these periods of favourable conditions, the offsetting market downturns ultimately resulted in a slowdown of development and lower than anticipated land sale revenues.

The land sales have now been finalized, therefore it is confirmed that the total land sale proceeds of \$10.8M are not sufficient to fund all the costs resulting in a \$3.1M funding shortfall in the CITP project. This amount has been funded through interim funding and internal financing with the anticipation of future land sales. This amendment is to address the revenue shortfall by foregoing repayment of the interim funding sources thereby utilizing them as the permanent funding for this project.

Due to the market downturn which resulted in a slowdown of development the estimated completion year for Centre in the Park is now 2020. A further amendment will be brought forward at a future Council meeting to address the final elements of this project.