

BYLAW 19999

A Bylaw to authorize the City of Edmonton to undertake, construct and finance Integrated Infrastructure Services Project, Peter Hemingway Fitness & Leisure Centre Rehabilitation - Phase I

RECOMMENDATION

That Bylaw 19999 be given first reading.

Purpose

To authorize the City of Edmonton to borrow the sum of \$6,252,000 to undertake, construct and finance Integrated Infrastructure Services Project, Peter Hemingway Fitness & Leisure Centre Rehabilitation - Phase I.

Readings

Bylaw 19999 is ready for first reading only.

Advertising and Signing

This Bylaw will be advertised in the Edmonton Journal on Thursday, February 24, 2022 and Thursday, March 3, 2022. The Bylaw cannot be signed and thereby passed prior to Monday, March 21, 2022.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw provides debt financing for Integrated Infrastructure Services Project, Peter Hemingway Fitness & Leisure Centre Rehabilitation - Phase I.

REPORT

Through the Fall Supplemental Capital Budget Adjustment report (FCS00818, November 30 City Council meeting), Administration proposed that a new capital profile be established for Peter Hemingway Fitness & Leisure Centre Rehabilitation - Phase 1 (21-12-0310), with a total project budget of \$10,490,000 within the 2019-2022 capital budget. The profile was required as the

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project had reached Checkpoint 3 of the Project Development and Delivery Model (PDDM) and required approval for delivery within a new stand-alone profile. The proposed funding for the project was reallocation of Municipal Sustainability Initiative (MSI) grant funding and Pay-As-You-Go (PAYGO) from the existing approved composite profiles.

During the 2021 Fall Supplemental Capital Budget Adjustment budget deliberations from November 30, 2021 to December 17, 2021, Council passed a motion to swap the funding source for this project from MSI and PAYGO to tax-supported debt, in order to release MSI and PAYGO funding to the corporate capital pool to be available for other priorities.

Upon further review, Administration determined that the cost incurred for the demolition and abatement work on the project which began in late summer of 2021 were not eligible for tax-supported debt. The total cost of this work is \$4.24 million and was funded under the composite profile CM-12-0000 Facility: Service Delivery - Renewal using MSI and PAYGO. Under the *Municipal Government Act*, a municipality may not borrow funds for a project where construction has already begun.

As a result, and in order to still leverage debt for this project as intended by Council's motion during the fall 2021 budget deliberations, Administration will fund this project as follows:

- Demolition and abatement for work currently underway that will be funded by MSI and PAYGO (\$4.24 million)
- Phase I upgrades to mechanical and structural components within the facility to be funded by tax-supported debt (\$6.25 million)

To complete 21-12-0310 Peter Hemingway Fitness & Leisure Centre Rehabilitation - Phase I it will be necessary to borrow \$6,252,000. The capital profile, included as Attachment 2, to this report will be updated to reflect the project cost of \$6.25 million for the upgrades to mechanical and structural components within the facility, with funding through tax-supported debt.

Bylaw 19999 will be resubmitted for second and third readings after the advertising and the expiration of the associated petition period.

As a result of the change in the amount of tax-supported debt applied to this project, \$4.24 million less MSI and PAYGO funding will be available in the corporate pool. The lower corporate pool funding balance will not impact any of the projects currently approved with funding from PAYGO or MSI. Administration is currently updating the corporate pool balance for year-end capital project releases and 2021 investment earnings and will provide Council with an update on balance through the Spring 2022 Supplemental Capital Budget Adjustment report in May or June.

COMMUNITY INSIGHTS

Borrowing bylaws reflect a legislative requirement of the borrowing process. As a result, no community insight is undertaken with respect to the borrowing bylaw process. Where required by the *Municipal Government Act*, borrowing bylaws are advertised.

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ATTACHMENTS

1. Bylaw 19999
2. Capital Profile 21-12-0310

OTHERS REVIEWING THIS REPORT

- M. Plouffe, City Solicitor