

# 2010 Edmonton Northlands Capital Budget

## Recommendation:

That the June 22, 2010, Finance and Treasury Department report 2010FTF037 be received for information.

## Report Summary

**This report summarizes the City's annual review of Edmonton Northlands 2010 Capital Budget as per the Master Agreement between the City and Edmonton Northlands.**

## Report

- The Master Agreement between the City and Edmonton Northlands (Northlands) sets out certain requirements regarding Northlands' capital budget. Attachment 1 is an excerpt of the relevant sections from the Master Agreement.
- Paragraph 10 of the Master Agreement requires Northlands to submit each annual capital budget, and any long term master plans, to the City for information and consideration of certain items.
- Paragraph 11(a) – allows City Council to object in writing within 90 days to new construction exceeding \$250,000 in any single instance.
- Paragraph 11(b) – allows City Council to object in writing within 90 days to alterations of existing facilities exceeding \$750,000 in any single instance.
- A letter from Northlands' Chief Financial Officer and a summary of

- Northlands' 2010-2012 Capital Budget, as provided by Northlands, have been included as Attachments 2 and 3 respectively.
- The Northlands Area Redevelopment Plan (ARP) directs Planning and Development Department to review the annual Northlands Park budget prior to submission to City Council for information. This review has been completed.
- The 2010 capital budget contains \$14,756,162 of carry forward funding for the completion of the new Edmonton Expo Centre. This project exceeds the \$250,000 threshold for new construction under paragraph 11(a); however it has been previously considered by City Council.
- Administration raises no objections to any of the matters included in the 2010 Northlands Capital Budget report. It is noted that the budget material was not received by the City within the timelines established in the Master Agreement. Administration will work with Northlands to ensure the timelines are met in future years.

## Policy

Finance and Treasury Department report 2010FTF037 contributes to meeting reporting requirements outlined in the Master Agreement between the City of Edmonton and Edmonton Northlands.

## Focus Area

This report supports economic development through promoting positive sustainable business partnerships that support and expand Edmonton as a smart and vibrant City.

### **Attachments**

1. Excerpt from Northlands Park Master Agreement
2. Letter from Mark Bamford, Chief Financial Officer of Northlands
3. Northlands Capital Projects 2010-2012

### **Others Reviewing this Report**

- R. G. Klassen, General Manager, Planning and Development Department

## Excerpt from Northlands Park Master Agreement

10. Northlands agrees to formally submit to the City, for its information:

- (a) each annual capital budget; and
- (b) any long term or "master" plan;

within thirty (30) *days* of their adoption by Northlands' Board of Directors.

11. Northlands covenants and agrees not to proceed with:

- (a) the construction of *any new or additional* or expanded buildings or structures which construction would exceed a cost in any single instance of Two Hundred and Fifty Thousand Dollars (\$250,000.00) or be carried out over a time span exceeding one (1) year; and
- (b) the repair or alteration of *any* existing facilities which repair or alteration would exceed a cost in any single instance of Seven Hundred Fifty Thousand Dollars (\$750,000.00) or be carried out over a time span exceeding one (1) year;

to which the City objects. If no written objection is received from the City within ninety (90) *days* of the formal submission by Northlands of a capital budget proposing such construction, repair, or alteration, or of a notice of like effect, it shall be conclusively presumed that the City has no objection.

## Letter from Mark Bamford, Chief Financial Officer of Northlands

DELIVERING EXCEPTIONAL EXPERIENCES  
P.O. Box 1480, Edmonton, Alberta, Canada T5J 2N5 northlands.com



May 28, 2010

Ms. Carol Engelking, CA  
Director, Corporate Accounting and Reporting  
The City of Edmonton  
Finance and Treasury Department  
5<sup>th</sup> Floor, Chancery Hall  
3 Sir Winston Churchill Square  
Edmonton, AB T5J 2C3

Dear Ms. Engelking,

**Re: Master Agreement Reporting**

Please find enclosed a copy of the Northlands 2010 Operating and Capital Budget, which was approved at the January 21, 2010 Board of Directors Meeting. Please accept my apologies for the delay in sending you this information. Exhibit I contains the capital requirements for the period 2010-2014. Exhibit II details the major maintenance expenditures envisioned for this same period.

Pursuant to paragraph 11(a) of the Master Agreement, Northlands has included the following items in the 2010 capital budget relating to the construction of new and expanded buildings that are in excess of \$250,000:

- (i) \$14,756,162 Edmonton EXPO Centre – Construction project completion

Pursuant to paragraph 11(b) of the Master Agreement, there are no other repairs and alterations of an existing facility in excess of the \$750,000 single instance threshold.

Should you have any questions, please do not hesitate to contact me at 780.471.7231.

Yours truly,

Mark Bamford, B. Comm., CMA, CRM  
Vice-President, Finance  
Chief Financial Officer  
Corporate Secretary and Treasurer

cc Anne Jarman, City Solicitor  
Lorna Rosen, Acting Chief Financial Officer

## Northlands Capital Projects 2010–2012

<b>CAPITAL PROJECTS - 3 Year Plan</b>			
<b>PROJECT DESCRIPTION</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><u>Rexall Place</u></b>			
Chattels	78,000	100,000	100,000
Extended CCTV/Door Card Lock Systems		125,000	75,000
Building Equipment	70,000	200,000	150,000
Building Modifications/Renovations		225,000	275,000
Contingency (10%)	17,000	65,000	60,000
<b>Rexall Place Subtotal</b>	<b>165,000</b>	<b>715,000</b>	<b>660,000</b>
<b><u>Expo Centre</u></b>			
Building Equipment	75,000	150,000	150,000
Chattels	100,000	60,000	60,000
Supplement Existing Smallwares/Service Equipment	50,000	50,000	50,000
Extended CCTV/Door Card Lock Systems	15,000	25,000	25,000
Replace End-of-Life Mechanical Halls A thru D		3,300,000	3,300,000
Building Modifications/Renovations		225,000	225,000
Audio Equipment	40,000		
Allowance for Capital Improvements		800,000	800,000
Contingency (10%)	28,000	461,000	461,000
<b>Expo Centre Subtotal</b>	<b>308,000</b>	<b>5,071,000</b>	<b>5,071,000</b>
<b><u>Spectrum, Track &amp; Barns</u></b>			
Building Equipment	100,000	200,000	200,000
G - Slot Stool Replacements	75,000		
Repair Barns/Dorms Concrete Walkway	250,000		
Create Electrical Redundancy/Replace Duct Banks	100,000		
Building Modifications/Renovations		400,000	400,000
R - Perimeter Fencing		200,000	
R - Equipment Yard Renovations			400,000
R - Sign Pylon		840,500	
R - Signage Update			550,000
Epson Projector Replacement	50,000		
Projects Not Identified	83,000		
Contingency (10%)	66,500	164,050	155,000
<b>Spectrum, Track &amp; Barns Subtotal</b>	<b>724,500</b>	<b>1,804,550</b>	<b>1,705,000</b>
<b><u>Other Buildings</u></b>			
Projects Not Yet Identified		20,000	20,000
<b>Other Buildings Subtotal</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>
<b>Buildings Subtotal</b>	<b>1,197,500</b>	<b>7,610,550</b>	<b>7,456,000</b>

<b>CAPITAL PROJECTS - 3 Year Plan</b>			
<b>PROJECT DESCRIPTION</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><u>Site (non-building)</u></b>			
Site Decoration		50,000	20,000
Facility Master Plan	120,000	100,000	100,000
LRT Station Branding	25,000		
Grounds CCTV	15,000	30,000	30,000
Grounds Chattels	50,000	50,000	50,000
Parking Equipment & Chattels	50,000	50,000	50,000
Radios	25,000	40,000	40,000
Radios - Parking Services	25,000		
Office Furniture	25,000	20,000	20,000
Small Tools & Equipment	105,000	75,000	75,000
Vehicles Site General		120,000	150,000
Sound System Replacements	4,000		
Decorative lighting permanent power supplies	10,000		
Contingency (10%)	45,400	53,500	53,500
<b>Site Subtotal</b>	<b>499,400</b>	<b>588,500</b>	<b>588,500</b>
<b><u>Technology &amp; Telephony</u></b>			
Infrastructure Enhancements/Upgrades		100,000	100,000
Network Switches		10,000	10,000
Printer Replacements (5-yr Capital Lease)		20,000	20,000
Server Replacements for Outdated Servers		75,000	75,000
Projects Not Identified	275,000		
Contingency (10%)	27,500	20,500	20,500
<b>Technology &amp; Telephony Subtotal</b>	<b>302,500</b>	<b>225,500</b>	<b>225,500</b>
<b><u>Capital Ex/CFR/Agriculture</u></b>			
Indy - Projects not identified	20,000		
AG: Chattels	40,000	75,000	75,000
AG: Agriculture Grant	85,000	85,000	85,000
CEX: Projects Not Identified	25,000	25,000	25,000
CEX: Signage, Decoration, & Props	20,000		
CFR/AG: Signage, Decoration, & Props	20,000		
Contingency (10%)	21,000	18,500	18,500
<b>Capital Ex/CFR/Agriculture Subtotal</b>	<b>231,000</b>	<b>203,500</b>	<b>203,500</b>
<b>Site/Equipment/Event Subtotal</b>	<b>1,032,900</b>	<b>1,017,500</b>	<b>1,017,500</b>
<b>LAND (30)</b>			
Land Purchases Within ARP	-	-	-
<b>Land Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>2,230,400</b>	<b>8,628,050</b>	<b>8,473,500</b>

<b>CAPITAL PROJECTS - 3 Year Plan</b>			
<b>PROJECT DESCRIPTION</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b><i>Major Capital</i></b>			
Exposition Centre (2007 Carryforward)	14,756,162		
<b>Major Capital Subtotal</b>	<b>14,756,162</b>	<b>-</b>	<b>-</b>
<b><i>Rexall Place - City Funded Projects</i></b>			
Arena Lighting Upgrades	1,100,000		
MCC Refurbishment	450,000		
Freight elevator Refurbishment		432,000	
Contingency (10%)	155,000	43,200	-
<b>City Funded Subtotal</b>	<b>1,705,000</b>	<b>475,200</b>	<b>-</b>
<b>TOTAL</b>	<b>18,691,562</b>	<b>9,103,250</b>	<b>8,473,500</b>