

## Belvedere Community Revitalization Levy - Financial Projections

### Program Overview

Belvedere CRL (Station Pointe) is financed through Borrowing Bylaw 14883 which was passed in 2008. This enabled the City to undertake up to \$34.25 million in infrastructure improvements and land development along Fort Road to promote Transit Oriented Development and to encourage private sector redevelopment in the area. In January 2012, Bylaw 15932 was passed to allow for the Belvedere Community Revitalization Levy to fund this project.

The CRL enables the City to apply both the municipal and education tax levy increases related to the incremental increase in the assessed value over the baseline to pay for the debt servicing and other related infrastructure improvements.

The assessment baseline for the CRL is December 31, 2012. The CRL can remain in place for up to a maximum of 20 years from 2013 to 2032, unless the Province specifies an earlier date.

In addition to the CRL funds, net proceeds from the sale of City-owned property within the CRL area will be used to fund the infrastructure improvements completed by the City.

### Financial Update:

This attachment includes three sections:

- 1) **Current 20-year Revenue Projections** **Page 2**  
*Updated revenue projection, and how they compare to projections that were previously shared with Council.*
  
- 2) **Current Revenue Projections vs. Approved Expenditures** **Page 3**  
*A comparison of current revenue projection scenarios compared with expenditures related to approved CRL-funded projects. Includes a description of assumptions used in developing the different revenue scenarios.*
  
- 3) **Detailed Budget Projections** **Page 5**  
*Updated year-by-year budget projections for the Belvedere CRL, based on the Low Revenue Scenario.*

**Current 20-year Revenue Projections**

This chart compares the revenue projections for the Belvedere CRL at three points in time. As part of the approval process each of the CRL Plans was required to show low, medium, and high revenue scenarios. Subsequent projections for the Belvedere CRL have been based on low scenario assumptions.

Projected Revenue (\$millions)	Scenarios		
	High	Medium	Low
<b>Current Projection</b>			<b>\$42.3</b>
December 10, 2019 City Council Report CR_7543 Community Revitalization Levy Update - Downtown, The Quarters Downtown, Belvedere			\$44.1
Approved Belvedere CRL Plan (January 2012)*	\$106.5	\$76.4	\$53.2

\*Includes Land Sales **and** CRL Revenue

## Current Revenue Projections vs. Approved and Potential Expenditures

From 2013 to 2032 (entire life of Belvedere CRL)  
(\$millions)

	Revenue Scenario LOW (Note 1)	Revenue Scenario STRESS TEST (Note 2)
<b>Revenue</b>		
CRL Revenue & Land Sales	42.3	40.7
<b>Expenses (Note 3)</b>		
<u>Funded Project Costs</u>		
2005-2015 Capital Budgets (Approved)	52.9	52.9
<u>Base CRL Operating Expenses</u>	1.3	1.3
<b>Excess/(Deficient) CRL Revenue (Note 7)</b>		
<b>Only Funded Projects and Operating Expenses Included</b>	<b>(11.9)</b>	<b>(13.5)</b>
<u>Unfunded Project Costs</u>		
Project is complete	0	0
<b>Excess/(Deficient) CRL Revenue</b>		
<b>All Projects, CRL Revenue or Costs</b>	<b>(11.9)</b>	<b>(13.5)</b>

### Explanatory Notes:

- 1 Low Scenario Assumptions:  
 Market Value Change:  
     2021-2024: -21% cumulative to -3% cumulative depending on property class  
     2025-2032: 2% per year  
 New Development:  
     Includes buildings under construction plus \$11 million of future residential development.
- 2 "Stress Test" Scenario Assumptions:  
 Market Value Change:  
     Same as Low Scenario  
 New Development:  
     Only buildings currently under construction are included.

- 3 Principal and Interest:  
Expenses for funded and unfunded project costs include all principal and interest charges currently forecast to retire Belvedere CRL debt used to finance Council-approved capital profiles, as well as any operating costs related directly to specific projects.

## Belvedere CRL - Detailed Budget Projection

(\$000)	Project Total	Actual 2013 to 2019	Projected			2023 to 2032
			2020	2021	2022	
<b>Revenues</b>						
Land Sales (Note 1)	\$ 16,256	\$ 5,556	\$ -	\$ 4,650	\$ 6,050	\$ -
Tax Levy CRL Revenue (Note 1)	26,100	5,065	1,124	1,094	1,215	17,602
<b>Total Revenues</b>	<b>42,356</b>	<b>10,621</b>	<b>1,124</b>	<b>5,744</b>	<b>7,265</b>	<b>17,602</b>
<b>Expenditures</b>						
Cost Of Land Sold	12,053	3,610	-	4,120	4,323	
Debt Servicing	40,857	16,587	1,904	2,072	2,242	18,051
Other Costs	1,345	516	30	501	30	268
<b>Total Expenditures</b>	<b>54,255</b>	<b>20,713</b>	<b>1,934</b>	<b>6,693</b>	<b>6,595</b>	<b>18,319</b>
<b>Net Income (Loss)</b>	<b>(11,899)</b>	<b>(10,092)</b>	<b>(810)</b>	<b>(949)</b>	<b>670</b>	<b>(717)</b>
Cumulative Net Income (Deficit), Beginning	-		(10,092)	(10,902)	(11,851)	(11,181)
<b>Cumulative Net Income (Deficit), Reserve Balance</b>	<b>\$(11,899)</b>	<b>\$ (10,092)</b>	<b>\$ (10,902)</b>	<b>\$ (11,851)</b>	<b>\$ (11,181)</b>	<b>\$ (11,899)</b>
Previous Cumulative Net Income (Deficit), Reserve Balance (Note 2)	-	(10,254)	(10,655)	(12,134)	(11,126)	(6,953)
Net Change (Note 3)	-	\$ 162	\$ (247)	\$ 283	\$ (55)	\$ (4,946)

## Explanatory Notes:

- Current Projection

The current projection for Belvedere has been revised to reflect current economic conditions and updated expenditure cash flows. Community Revitalization Levy Revenue has been reduced by \$1.7 million based on revised expectations for new developments.
- Previous Projection

The previous projection reflects the projection included in the December 10, 2019 Council Report CR\_7543, adjusted for actual results for the year ended December 31, 2019.
- Net Change

From 2029 onwards (previous projection 2028) this program is projected to have an annual positive net position, which will be transferred to the CRL reserve if no further capital spending is approved.

The projections indicate revenues from the Community Revitalization Levy and land sales will be insufficient to cover all outstanding principal and interest charges before the 2032 expiry of the Levy. Ongoing municipal tax revenues that continue beyond 2032 would retire the remaining debt by 2038. Previously, projections indicated that the CRL reserve would accumulate sufficient funds to cover the remaining debt servicing costs in 2035.