

BLOCK 10 COMMUNITY CENTRE FUNDING

Recommendation

The Commissioner of Finance & Corporate Services in consultation with the Director of Reserves and Investments recommends:

That the following report be received for information purposes.

Economic Impact

Fully funding the construction of the Block 10 community centre in 2007 will require an additional \$9,624,450 in funding. This amount would be funded from a combination of DC's \$8,527,000 and taxation \$1,097,450. In addition, if the facility is advanced one year then the operating costs of the facility would also be advanced. Annual operating costs are approximately \$1,250,000.

Communications Plan

Not applicable to this item.

Purpose

The purpose of this report is to respond to the following request from the Budget Committee "staff to review and report back on opportunities for funding the construction of a community centre in Block 10 in 2007".

Background – Analysis and Options

The construction of the North Thornhill Community Centre located in Block 10 (Project BF-8114-07) was scheduled initially for construction over 2004/05 based on the growth forecast in the Development Charge Background Study. It is the next indoor recreation facility to be constructed based on the capital plan in the DC Background Study. Total cost of the project is \$25,974,500 (City Wide Development Charges – Recreation \$23,377,050 and Taxation \$2,597,450). The community centre design funds were approved in 2003. As of December 31, 2006 the uncommitted net balance in the City Wide Development Charges – Recreation account is \$15,544,862.

The Council policy is that the funds must be on hand prior to a project proceeding. As at the end of 2006, 64% of the DC funds were on hand and the corresponding taxation component is included in the proposed 2007 capital budget. The two sources of funding are DC's and taxation. No other funding sources have been identified.

Previously staff had indicated that in all likelihood, if development continues at the same pace, the balance of the DC revenue required would be collected in 2007. Council policy requires that the funding be on hand prior to approving a project.

Notwithstanding Council policy, for construction to commence in 2007 Council could look at the timing of the cash flow requirements of the project. Consideration could be given to construction commencing in 2007 if cash flows are received within the year, since 64% of the DC funds are collected and the corresponding taxation funding has also been provided for in the 2007 budget. Since the balance of the DC funds (\$8,527,000) is expected to be collected over the balance of 2007, Council would need to commit 2008 taxation funds (\$1,097,450).

Should Council wish to proceed with construction in 2007 the following motion is recommended:

“That the budget in the amount of \$25,974,500 be approved for the construction of the Block 10 Community Centre;

That all recreation development charges on hand and to be collected be allocated to fund the construction until the necessary funds (\$23,377,050) have been collected; and

That the balance of the taxation funding, in the amount of \$1,097,450 be committed from the 2008 operating budget.”

The above report and commentary does not include construction of the park next to the community centre.

Relationship to Vaughan Vision 2007

This report is part of the capital budget process that assigns resources to achieve Council's priorities.

Regional Implications

There are none as a result of this report.

Conclusion

Staff recommends that the report be received for information purposes.

Attachments

None

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Respectfully submitted,

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