Minutes – Executive Policy Committee – December 11, 2013

Minute No. 72
Report – Standing Policy Committee on Infrastructure Renewal and Public Works – December 9, 2013

Item No. 3 Amendment of Approved 2013 Capital Budget to Include Additional Developer Payback Project

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That an additional project in the 2013 capital budget for $1,046,246.00 to discharge a developer payback obligation to Genstar Development Company for costs associated with the Amber Trails Development, Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor, be approved.

2. That the use of $346,246.00 from the Departmental Non-Specified Capital Account to partially fund the developer payback associated with the Amber Trails Development, Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor, be approved.

3. That the use of $700,000.00 from the Developer Deposits-Advance Payment Local Improvements liability account (i.e. future services account) to fund the remainder of the developer payback associated with the Amber Trails Development, Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor, be approved.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – December 9, 2013

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On December 9, 2013, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: AMENDMENT OF APPROVED 2013 CAPITAL BUDGET TO INCLUDE ADDITIONAL DEVELOPER PAYBACK PROJECT

Critical Path: STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS, EXECUTIVE POLICY COMMITTEE, COUNCIL

AUTHORIZATION

Author	Department Head	CFO	CAO
L.P. Deane, P. Eng.	B.W. Sacher, P.Eng.	M. Ruta	M. Ruta A/CAO

RECOMMENDATIONS

1. That Council approve an additional project in the 2013 capital budget for $1,046,246.00 to discharge a developer payback obligation to Genstar Development Company for costs associated with the Amber Trails Development, Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor.

2. That Council approve the use of $346,246.00 from the Departmental Non-Specified Capital Account to partially fund the developer payback associated with the Amber Trails Development, Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor.

3. That Council approve the use of $700,000.00 from the Developer Deposits-Advance Payment Local Improvements liability account (i.e. future services account) to fund the remainder of the developer payback associated with the Amber Trails Development, Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

City Council approval is required to amend Capital Budgets.

IMPLICATIONS OF THE RECOMMENDATIONS

The developer obligation associated with Land Drainage System (LDS) oversized costs attributable to the future Chief Peguis Trail Corridor will be discharged.

HISTORY

On January 29, 2013, Council adopted the 2013 Capital Budget and five-year forecast. At that time, no 2013 developer payback obligations had been identified.

In early 2013, the City of Winnipeg was approached by Genstar Development Company on matters pertaining to unresolved issues associated with costs incurred for the oversizing of land drainage systems in their ongoing Amber Trails subdivision. This oversizing was done to

accommodate the land drainage system requirements for the future phase of the Chief Peguis Trail west of
Pipeline Road.

On February 27, 2013, Council approved development application DASZ 38/2012 for the subdivision and rezoning of lands north and south of Templeton Avenue and east of Ritchie Street subject to the following condition amongst other things;

> "The City shall reimburse the Developer for oversized land drainage sewers installed by the
> Developer within the area bounded by Leila Avenue to the South, Pipeline Road to the east and the future Chief Peguis Trail to the north and west as required by the City to provide land drainage capacity for the future Chief Peguis Trail extension and adjacent lands, all as determined by the Director of Public Works and the Director of Water and Waste."

In March 2013, Genstar Development Company provided the City of Winnipeg with supporting documentation outlining their claim for compensation associated with oversizing land drainage systems including retention pond sizing.

In April 2013, the Water and Waste Department, after review of Genstar's documentation, concluded that the City of Winnipeg's obligation for the costs to date associated with oversizing land drainage systems including retention pond sizing amounted to $1,039,457.00.

The Public Works Department, subject to approval of Council, will use $346,246.00 from the Departmental Non-specified Capital Account and $700,000.00 from the future services account to fund the developer payback.

Public Works Department

Non-Specified Capital Account - 18970000NS
as of October 17, 2013

	Transfers In	Transfers Out	Balance
Balance at January 1, 2013			$2,000,000
April 2013 - Transferred out to the 2013 Dutch Elm Disease Strategy Capital project 1858000113 (Council approved January 29, 2013)		$1,404,000	$596,000
April 2013 – Transferred in from surplus identified in the Chief Peguis Trail – Henderson Capital project 1801000107	$230,372		$826,372
July 2013 - Transferred out to the 2013 Recreational Walkway & Bike Path Capital Project 1832000113 (Council approved May 29, 2013)		$161,437	$664,935
July 2013 - Surplus identified during the March 2013 Capital Review	$105,340		$770,275
September 2013 - Transferred out to the McGillivray Expropriation Account project 18970000EX (Council Approved July 17, 2013)		$900,000	($129,725)

September 2013 - Surplus identified during the April 2013 Capital Review	$2,269,026		$2,139,301
October 2013 - Transferred out Corporate Non-Specified Account – department maximum reached.		$139,301	$2,000,000
October 2013 Pending Approval - To be Transferred out to the 2013 Developer Payback Capital project for Agreement DASZ 38/2012-subject of this report		$346,246	$1,653,754

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 23, 2013

Project Name: **First Year of Program** **2013**

AMENDMENT OF APPROVED 2013 CAPITAL BUDGET TO INCLUDE ADDITIONAL DEVELOPER PAYBACK PROJECT

	2013	2014	2015	2016	2017
Capital					
Capital Expenditures Required	$ 1,046,246	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 1,046,246	$ -	$ -	$ -	$ -
Funding Sources:					
Public Works Non-Specified Account	$ 346,246	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	700,000	-	-	-	-
Total Funding	$ 1,046,246	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 1,046,246				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	6,789	-	-	-	-
Net Cost/(Benefit)	$ (6,789)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (6,789)	$ -	$ -	$ -	$ -

Additional Comments: As per Development Agreement DASZ 38/2012, approved by Council on February 27, 2013, the City shall reimburse the Developer for oversized land drainage sewers installed by the Developer. $700,000 of funding is available in the Future Service Account # 003-293010-120001. An additional $346,246 is required to be transferred from the Public Works Non-Specified Account for the remainder of the costs and applicable overheads. The Incremental revenue/recovery represents the Corporate Interest Overhead.

"Original Signed by D. Stewart, CA"
D. Stewart, CA
Manager of Finance & Administration

CONSULTATION

In preparing this report there was consultation with:
Planning Property and Development Department, Water and Waste Department.

SUBMITTED BY

Department:	Public Works
Division:	Engineering
Prepared by:	L.P. Deane, P.Eng.
Processed by:	K. Ross
Date:	October 24, 2013
File No.:	13-GC
Filename:	