
Executive Committee

Meeting No.	7 (Special)	Contact	Patsy Morris, Committee Administrator
Meeting Date	Monday, April 16, 2007	Phone	416-392-9151
Start Time	9:30 AM	E-mail	pmorris@toronto.ca
Location	Committee Room 1, City Hall		

EX7.2	ACTION			Ward: 6
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Amendment to the Council Authority for the Construction and Operation of the Proposed Lakeshore Lions Arena Complex

(April 12, 2007) report from the Deputy City Manager and Chief Financial Officer and the General Manager of Parks, Forestry and Recreation

Committee Recommendations

The Executive Committee recommends that

1. the recommendations adopted by Council at its meeting in September 25-27, 2006 under Clause 21 of Report 7 of the former Policy and Finance Committee be amended and supplemented as outlined in detail in Attachment 1;
2. notwithstanding the percentages of operating surpluses to be dedicated annually toward the principal portion of the floating rate loan as set out in amended recommendation 2(vi),(contained in Attachment 1) the Lions may request, each year after year 10 of operations, that the early repayment of the floating rate facility be maintained or reduced to 75 percent of operating surpluses, if the Lions can demonstrate that their average retained earnings for charitable purposes would otherwise fall below current levels, being \$200,000 annually in 2007 dollars, as adjusted by changes in the Consumer Price Index, and such requests shall be considered by the Deputy City Manager and Chief Financial Officer, who shall have authority to permit such adjustment if appropriate; and
3. staff be granted the authority to give effect to the foregoing.

(Note: Attachment 1 is attached to the Committee report.)

Decision Advice and Other Information

The Executive Committee directed that this matter be submitted to Council for consideration at its regular meeting scheduled to be held on April 24, 2007.

Councillor Denzil Minnan Wong, Ward 34 – Don Valley East, addressed the Executive Committee.

Financial Impact

The Financial Impact Statement is attached to the Committee report.

Summary

The purpose of this report is to seek further authority for the City of Toronto to enter into a long term lease with Lakeshore Lions Arena Incorporated to facilitate the development of a new four pad arena complex. The final fixed price project cost has risen to \$33,650,000, inclusive of a state-of-the-art heat recovery system that maximizes energy efficiency that would qualify the project for an interest free loan estimated at \$1 million from the City's Energy Efficiency Office, and thereby reduce the total amount of financing required from the Lakeshore Lions lenders to \$32,650,000. The original loan guarantee by the City will remain at \$29,000,000, with the balance being provided by the lender as debt unsecured by a City guarantee with priority over the remaining credit facilities as outlined in this report. This report further recommends requiring the Lakeshore Lions to increase the proportion of operating surpluses directed toward retirement of debt (75%-85%) in order to repay the loans as soon as possible and mitigate the City's risk.

In addition to providing a facility that will address the lack of available prime time ice, the project will fill the need for hockey league play, including practice time and tournaments. The Toronto District School Board (TDSB) will have access to 500 hours of non-prime time ice and the City will have access to 800 hours annually of prime time ice at City arena rates. Additional City benefits include access to meeting rooms.

In order to proceed with the revised project, City staff have negotiated new terms and conditions for the construction costs and overall project costs. As time is of the essence to initiate construction, a Council Authority is required to modify this project.

Background Information

Construction and Operation of the Proposed Lakeshore Lions Arena Complex
(<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-2875.pdf>)

EX7.3	ACTION			Ward: All
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Green Lane Landfill - 2007 Capital and Operating Budgets

(April 12, 2007) report from the Deputy City Manager and Chief Financial Officer

Committee Recommendations

The Executive Committee recommends that:

1. the 2007 Approved Capital Budget for Solid Waste Management Services be increased to reflect the \$7.720 million in total project capital costs associated with 5 new sub-projects supporting the Green Lane landfill operation, funded from the Waste Management Reserve Fund Account and that the 2007 cash flows of \$1.777 million and future year commitments of \$5.943 million be approved.
2. With respect to reserve funds, City Council:
 - i. establish a reserve fund group within the State of Good Repair Discretionary Reserve Fund, called the “Solid Waste Group”, to accumulate funds to support active and retired landfill sites,
 - ii. rename the Solid Waste Management – Perpetual Care Account in the State of Good Repair Discretionary Reserve Fund as the Perpetual Care Account,
 - iii. group the Perpetual Care Account and the Waste Management Account to the Solid Waste Group within the State of Good Repair Discretionary Reserve Fund,
 - iv. establish within the Solid Waste Group two additional reserve fund accounts called the ‘Green Lane Account’ to hold funds resulting from any surpluses resulting from the operation of the Green Lane landfill site and the ‘Green Lane Perpetual Care Account’ to provide funding for the future costs of long-term, post-closure care of the Green Lane landfill site, and
 - v. the Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding the Solid Waste Group and its reserve fund account to Schedule #5–State of Good Repair Discretionary Reserve Funds;
3. the Solid Waste Management Services 2007 Operating Budget be amended by:
 - i. increasing the Revenue Budget in an amount of \$10.990 million to reflect the new revenues accruing to the City with its ownership of the Green Lane landfill site;
 - ii. increasing the Expenditure Budget in the amount of:
 - a. \$5.366 million for the new operating costs including the addition of 3 positions for Green Lane offset by savings in Michigan Disposal costs;

- b. \$2.500 million as a contribution to capital and corporate financing account (with the non-program budget adjusted accordingly for debt services costs); and
 - c. \$3.124 million as a contribution to the Green Lane Reserve Fund Account.
4. additional funds that become available in the Green Lane Reserve Fund Account between 2007 and 2011 be used to reduce the amount of short-term interest expense that would otherwise be required to be borrowed to permanently finance the acquisition;
 5. City Council request the Province to allow the City to issue zero-coupon bonds to finance acquisitions of revenue-producing capital projects similar to the regulations that apply to the provision of construction financing particularly as it applies to the Green Lane purchase but for other projects as required.
 6. Council authorize the appropriate City of Toronto officials to take the necessary actions to give effect thereto and authority be granted for the introduction of the necessary Bills in Council to give effect to the foregoing; and

Decision Advice and Other Information

The Executive Committee directed that this matter be submitted to Council for consideration at its regular meeting scheduled to be held on April 24, 2007.

Financial Impact

The Financial Impact Statement is attached to the Committee report.

Summary

This report details a strategy for financing the Green Lane landfill acquisition by utilizing future revenues from the Green Lane landfill to finance the purchase of the landfill, and recommends the associated amendments to the Solid Waste Management Services 2007 Capital and Operating Budgets to reflect the increased costs and revenues of operating the Green Lane landfill site as a result of this capital acquisition. The City will use a combination of temporary and permanent financing between 2007 and 2011 with the timing dependent upon capital market conditions.

Background Information

Green Lane Landfill - 2007 Capital and Operating Budgets
(<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-2885.pdf>)

*Submitted Monday, April 16, 2007
Mayor David Miller, Chair, Executive Committee*

Executive Committee Report - Meeting No. 7
For City Council Consideration on April 24, 2007