



STAFF REPORT ACTION REQUIRED

Agreement with Humber College Institute of Technology & Advanced Learning to Provide Funding from the Federation of Canadian Municipalities for the Humber Arboretum Project

Date:	October 16, 2009
To:	Executive Committee
From:	General Manager, Parks, Forestry and Recreation, and Deputy City Manager and Chief Financial Officer
Wards:	Ward 1- Etobicoke North
Reference Number:	P:\2009\Internal Services\CF\Ec09029Cf – AFS#10741

SUMMARY

This report seeks City Council approval for the City to enter into an agreement with Humber College Institute of Technology & Advanced Learning to provide grant funds to be received by the City from the Federation of Canadian Municipalities (“FCM”) for the purposes of financing some of the eligible project costs of the Centre for Urban Ecology (“The Project”) at the Humber Arboretum.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer recommend that:

1. The City enter into a grant agreement with Humber College Institute of Technology & Advanced Learning (“Humber College”) to provide to Humber College grant funds to be received from FCM for the purposes of financing the eligible project costs of the Humber Arboretum Centre for Urban Ecology (the “Project”).
2. The agreement shall require Humber College to comply with the terms of the City’s loan and grant agreements with FCM, and shall be on terms and conditions satisfactory to the City Solicitor, the Deputy City Manager and Chief Financial Officer, and the General Manager of Parks, Forestry and Recreation (the “General Manager”).

3. The City enter into an agreement to obtain an irrevocable licence from Humber College to use all intellectual property and other materials associated with the Project for non-commercial purposes, on terms and conditions satisfactory to the City Solicitor and the General Manager.
4. Release of the funds to Humber College be conditional upon Humber College signing the agreements and submitting all necessary reporting information to FCM.
5. Once Humber College has signed the agreements with the City, and submitted the reports required by FCM, the Deputy City Manager and Chief Financial Officer be authorized to pay Humber College the full amount of the grant as and when received from FCM.
6. The grant recommended in Recommendation 1 be deemed to be in the interests of the City.

FINANCIAL IMPACT

FCM has approved a \$187,500 grant and a \$187,500 loan to the City for the Project, as well as a \$30,000 grant towards the cost of preparing the reports required by FCM. The City will enter into a grant and loan agreement with FCM and transfer the grant funds to Humber College.

The City is required by FCM to issue a debenture for the loan which debenture will require the approval of the Debenture Committee. The City is long term financing its capital contribution to the Project through the issuance of the debenture.

DECISION HISTORY

Humber College, in partnership with the City and Toronto and Region Conservation Authority (TRCA), developed a Centre for Urban Ecology at the Humber Arboretum. This \$4.3 million dollar facility is owned by Humber College, leased to the TRCA and operated by a Management Committee consisting of representatives from Humber College, the City and the TRCA. The overall relationship between the partner organizations is governed by a management agreement which was approved by City Council in 2005.

FCM approved the City as lead applicant and approved grants in the amount of \$187,500 and \$30,000, and a loan also in the amount of \$187,500. The Offer of Financing from FCM is open for the City's acceptance until November 30, 2009.

While the City has delegated authority to apply for, as well as accept, funding from FCM, the City requires City Council's authority to accept funding from FCM that would flow through to a third party (i.e. Humber College).

COMMENTS

Humber College is an educational institution that works in partnership with the City and TRCA. The Project provides a facility that is LEED Gold certified and provides a venue for education and research on urban ecology, provides an enjoyable learning experience for all ages, and is an up to date example of environmental sustainability.

The Project illustrates how to construct in an environmentally-friendly way. The following green technologies and design elements are built into the Project:

- Passive solar heat sources incorporating high performance window and super insulation.
- Green roof (vegetated) for storm water management and passive cooling.
- Bio filter system for sewage and grey water treatment
- Water conserving toilets
- Cistern to collect roof top run off and supply the landscape irrigation.
- Natural cooling and ventilation
- Natural day lighting, high efficiency luminaries, and occupancy control sensors
- High efficiency gas boiler
- Minimization of PVC products and low VOC finishes and sealants
- Use of environmentally friendly and locally sourced building materials.
- Exterior designed to LEED standards
- An integrated monitoring and control system to achieve energy efficiency and occupant comfort, and to provide data relating to the effectiveness of green technologies in an urban public building.

These features collectively reduce the Centre's impact on the urban environment and reduce energy costs significantly and the Project, thus, serves as a model of sustainability that others can follow.

FCM approved the City as lead applicant and approved grants on behalf of Humber College in the amount of \$185,700 and \$30,000 and a loan also in the amount of \$187,500 for the Project development.

As the FCM requires that each Green Municipal Fund capital project be funded by both a grant and a loan, there will be a cost to the City to pay interest on the debenture. The debenture interest rate will be set by FCM after the debenture issuance is approved by the Debenture Committee in accordance with FCM's formula which sets the interest rate at 1.5% below the current market rate that the Government of Canada issues its own debt. As of October 9, 2009, the Government of Canada rate is 3.75% for a twenty (20) year term, which is the duration of the debenture.

The intellectual property licence agreement with Humber College is necessary as FCM requires that the City provide it with the right to use all intellectual property and other

materials associated with the Project. As Humber built the facility, it is the owner of all such materials. Accordingly, Humber must give the City the right to use the materials and to give the same right to FCM in order for the City to comply with the terms of the FCM grant and loan agreements.

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