

**To:** Mayor and Members of Council

**From:** Tim Commisso, City Manager and Joan Ford, CFO

**Cc:** Kevin Arjoon, City Clerk

**Date:** December 12, 2022

**Re:** Report EICS-20-22: Robert Bateman Renovation and Conversion Project - Response to Question by Councilor Stolte on Potential Impact to Future Strategic Lands Acquisition

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Environment, Infrastructure & Community Services Committee considered Report Number: EICS-20-22 to Committee on December 8, 2022. The report outlined a recommendation for Council to approve the overall Phase 1 facility development and request to go to tender for the Robert Bateman High School Renovation and Conversion Project.

During consideration of the report, Councilor Stolte requested the City Manager and the CFO provide a response prior to Council regarding the potential impact of the approval of report EICS-20-22 on the acquisition of future strategic lands as identified in the Multi-year Community Investment Plan (MCIP - Report CM-03-22, April 6, 2022). Specifically, the question encompassed the financing of the former Robert Bateman High School renovation project related to the recommended use of tax supported debt in the amount of \$45.9M and whether that decision could potentially impact other future strategic land acquisitions planned for the next three years 2023 to 2025.

EICS Committee was made aware by Finance staff in the supplementary presentation to the report, that the City's overall debt and financial obligation limit (DFOL) would increase from 9.5% in 2021 to 13.6% in 2022, following which the limit is forecast to return to 9.9% in 2026 for Phase 1. As Council is aware the City's approved DFOL is 12.5% however provision is made in the policy to temporarily exceed the limit to a maximum of 15% for a maximum period of three years for major capital projects. As Council was also made aware by the CFO, the above projections are tied to actual future project debt issuance requirements for financing this major capital project.

**Staff Response:**

Staff including the CFO/Finance staff, Legal/Realty Services staff, EICS/Facility staff met with the City Manager to review the projections for potential strategic land acquisitions as forecast in the MCIP (See Appendix A for excerpt from MCIP). Our response as it relates to potential impacts on years 2023-2025 is summarized as follows based on the three (3) strategic focus areas outlined in the MCIP including:

- **Delivering Enhanced Community Benefits** – *A total of \$25.0M was included in this focus area primarily targeting investments in strategic land for future city community, recreation and cultural facilities, and site amenities to support projected community population growth of 70,165 residents to the year 2051. Staff have reviewed the need for additional tax-supported debt financing and do not foresee a need from this particular financing source for strategic land acquisition in this area over the next three years. Should additional strategic land be required, staff will also look to acquire land through new partnerships including through the Burlington Lands Partnership.*
- **Acquisition of Strategic Lands (e.g. parkland)** – *Encompassing the most significant investment in strategic lands at an estimated \$105.0 M over the next eight years, this focus area does foresee some potential priority needs related to limited parkland acquisition required over the next three years. Staff will report back in closed session in Q1 2023 as it relates to these specific lands, including options related to Lasalle Park. In total, staff are estimating the immediate need for parkland acquisition over the next three years at an upset of \$5M and will consider all available funding sources in addition to tax-supported debt IF required in reporting back to Council. Staff have considered and currently forecast the future major land acquisition(s) of additional surplus school sites to not occur until the years 2026 and beyond.*
- **Enhancing City Operations and Services** – *An estimated total of \$20.5 M was projected for future acquisition of strategic lands and staff have identified that subject to Council support of the 2023 Budget for future leasing of lands, the need for outright acquisition of lands over the next three years would be significantly reduced and/or deferred to a future period beyond 2026.*

Overall, the strategy to acquire future strategic lands to support the above three MCIP strategic focus areas will need to be proactive and responsive, including early identification and active pursuit of partnership opportunities both private and public sector.

**In summary, although staff foresee a need to have Council consider some limited parkland acquisition needs over the next three years, in staff’s view, the anticipated need for additional tax supported debt financing does not impact the recommendation to proceed with the recommended financing strategy as outlined in Report EICS-20-22: Robert Bateman High School Renovation and Conversion Project.**

## APPENDIX A

### **Strategic Land a Key Element of Multi-Year Community Investment Plan**

Strategic acquisition of land by the City is a high priority to effectively prepare for future growth, as it relates expanding and enhancing city services to serve future growth.

Table A provides a summary of preliminary community investment opportunities that were outlined in report CM-03- 22 (April 6, 2022). Preliminary high level cost estimates for land and new /renovated City facilities were made based on best known information available to date. As Council is aware, future

land values will be subject to change based on market value and competitiveness at time of acquisition and parcel size.

The summary provided in the MCIP is a high-level estimation of preliminary costs in 2022 dollars, and an estimation of timing. The initiatives are organized into three strategic focus areas; delivering enhanced community benefits, acquisition of strategic land (requiring no further facility development by the city) and supporting growth in city operations and services, as noted below.

**Table A Summary of Preliminary Multi-Year Community Investment Plan - Development Type**

		TOTAL
DELIVERING ENHANCED COMMUNITY BENEFIT	<i>Land</i>	\$ 25.0
	<i>Site/ Facility Development</i>	\$ 95.0
ACQUIRING STRATEGIC LAND	<i>Land</i>	\$ 105.0
EXPANDING CITY OPERATIONS & SERVICES	<i>Land</i>	\$ 20.5
	<i>Site/ Facility Development</i>	\$ 129.0
<b>TOTAL LAND</b>		<b>\$ 150.5</b>
		<b>\$ 224.0</b>
<b>TOTAL</b>		<b>\$ 374.5</b>

*Note: In Millions*

The total of all community investment opportunities amounts to a preliminary best estimate of \$374.5 million, over the period 2023-2030, comprised of the following:

**Delivering Enhanced Community Benefits (\$120 million):** includes potential future investments in strategic land, related city community, recreation and cultural facilities, and site amenities to address projected community growth to year 2051 including the provision of City services related to future development in the three Major Transit Station Areas (MTSA). Subject to the pending Council approval of the Robert Bateman High School land acquisition, this strategic focus area includes the major facility development investment required to complete the adaptive re-use of the site, inclusive of new City owned and operated Community Centers.

**Acquisition of Strategic Lands (\$105 million):** includes future land investments for City parkland needs and other non-City related land priorities, including but not limited to the provision of City owned land for the purpose of increasing the supply of attainable housing in the City. Subject to further reporting on all future potential surplus sites as directed by Council, this strategic focus area also includes an estimated investment cost for proactively addressing this anticipated land acquisition opportunity.

**Expanding City Operations & Services (\$149.5 million):** includes investments in strategic land and related operational facilities to support growth and ensure efficient and effective delivery of direct city services, including Transit, Roads, Parks and Forestry (RPF) and Fire services. Specific future major facility investment includes the expansion and/or upgrades to both the existing RPF Operations Center and Burlington Transit facility on Harvester Road; potential new Fire Station #9 (downtown); relocation/construction of Fire Station No. 4 (Appleby) and Fire Station No. 3 (Aldershot). All facility expansions will be informed by master plans and/or related strategies which will be presented to Council for their consideration and approval.