

ITEM 2
MANAGER'S REPORT NO. 40
COUNCIL MEETING 88/05/30

RE: M.F.A. FINANCING - LOCAL IMPROVEMENT WORKS

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER

1988 May 24

FROM: DIRECTOR FINANCE

File: G70-1-1

RE: M.F.A. FINANCING - LOCAL IMPROVEMENT WORKS

RECOMMENDATION

1. THAT a security issuing by-law be brought down to finance: \$2,058,000 - 15 year local improvement works.
2. THAT the Director Finance be directed to make application to the Greater Vancouver Regional District for this financing.

SUMMARY

This report seeks authority to request long term financing from the Greater Vancouver Regional District for 80% of the cost of local improvement street construction works totalling \$2,572,500.

REPORT

Council has adopted Local Improvement Construction By-laws 8978 to 8984, 8986, 8987, 9004 and 9005 to authorize the construction of various street construction works totalling \$2,572,500 identified in Schedule A attached. A construction by-law gives the authority to do the work but a security issuing by-law is required to finance the work on a long term basis.

We can borrow up to 80% of the estimated cost of the works under the authority of a security issuing by-law before the work is started or completed. As the construction program is expected to start in June, we wish to request this financing now so that we may receive the proceeds as early as possible.

All long term municipal financing in the Province, with the exception of the City of Vancouver, is done through the Municipal Financing Authority (M.F.A.), and local communities apply for this financing through their Regional District. The M.F.A. usually approves new issues of funds in the Spring and Fall, depending upon the market conditions and the amount of capital needed. The Fall 1987 issue raised \$33 million with interest at 11 1/4%. The cost of the funds for the Fall 1988 issue is expected to be about 11%.

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The total estimated cost of the works is \$2,572,500 and financing for 80% of this amount should now be requested as follows:

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	<u>Estimated Cost</u>	<u>Financing Required</u>
Local improvement - 15 year works	\$2,572,500	\$2,058,000
	=====	=====

Principal and interest payments totalling \$286,200 will begin in 1989 and will be partially offset by the \$137,150 in frontage taxes to be borne by the local residents.

It is recommended that a security issuing by-law be brought down to finance: \$2,058,000 - 15 year local improvement works.

It is also recommended that the Director Finance be directed to make application to the Greater Vancouver Regional District for this financing.

A security issuing by-law requires the approval of the Inspector of Municipalities. This is in addition to the Inspector's separate approval to borrow the sum required for the local improvement program, which we obtained before the construction by-laws were adopted.

fr. Howard Karras
 fr. Howard Karras
 DIRECTOR FINANCE

AML:gw
 Attach.

cc: Municipal Clerk
 Municipal Solicitor
 Director Engineering

THE CORPORATION OF THE DISTRICT OF BURNABY

SCHEDULE A

<u>BY-LAW</u>	<u>DESCRIPTION OF WORK</u>	<u>BY-LAW</u> <u>EST. COST</u>
8978	8.5 m pavement (28'), curb and walk one side, replacement walk other side, and trees as required	\$ 90,900
8979	Booth Avenue - Grafton Street to Grange Street 8.5 m pavement (28'), curb and walk both sides, and trees as required	812,600
8980	Denbigh Avenue - Oakland Street to Irving Street Eleventh Avenue - Kingsway to Fifteenth Street Forest Street - Smith Avenue to Macdonald Avenue McKay Avenue - Portland Street to Boxer Street Selma Avenue - Oakland Street to Irving Street Waverley Avenue - Victory Street to Watling Street 8.5 m pavement (28'), curb and walk both sides, storm sewer and trees as required	580,600
8981	Dickens Street - Waltham Avenue to Gilley Avenue Farrington Street - Inman Avenue to Patterson Avenue Leibly Avenue - Imperial Street to Morley Street Mary Avenue - 14th Avenue to 16th Avenue Wilberforce Street - Cariboo Road to Elford Street 8.5 m pavement (28'), curb one side, curb and walk other side, and trees as required	147,500
8982	Union Street - Duthie Avenue east to the east property line of Lot 301, 7316 Union Street Winnifred Street - Patterson Avenue to McKay Avenue 8.5 m pavement (28'), partly curb and walk both sides, partly sidewalk only south side, and trees as required	168,200
8983	Grassmere Street - Willingdon Avenue east to Parcel A, Lot 234/235, 4651 Grassmere Street on the north side and to Sussex Avenue on the south side 8.5 m pavement (28'), curbs both sides, and trees as required	198,100
8984	Portland Street - Sussex Avenue east to Gray Avenue on the north side and to the east property line of Lot 4, 4638 Portland Street on the south side Watling Street - Boundary Road to Joffre Avenue 11 m pavement (36'), curb and walk both sides, storm sewer, and trees as required	74,100
	First Street - 17th Avenue to 18th Avenue	

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SCHEDULE A (cont'd)

BY-LAW
EST. COST
\$

<u>BY-LAW</u>	<u>DESCRIPTION OF WORK</u>	
8986	8.5 m (28') pavement widening, curb one side, storm sewer, and trees as required	25,600
	MacPherson Avenue - Carson Street to Patrick Street	
8987	14 m (46') pavement widening, curb and walk one side, and trees as required	68,800
	Springer Avenue - Broadway to Loughheed Highway (east side only)	
9004	11 m pavement (36'), curb one side, curb and walk other side, and trees as required	83,500
	Bell Avenue - Salish Court to Loughheed Highway	
9005	11 m pavement (36'), partly curbed both sides	322,600
	Sussex Avenue - Rumble Street to Marine Drive on the west side, Rumble Street to Portland Street on the east side	2,572,500
	TOTAL ESTIMATED COST	<u>2,572,500</u>
	Amount of borrowing authorized	\$ 2,572,500
	Amount already borrowed	NIL
	Amount of authorized borrowing remaining	\$ 2,572,500
	Amount to be borrowed	\$ 2,058,000
	Term of issue - 15 years	