

Analyst Briefing Notes
Budget Committee
November 3, 2009

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PART I: CAPITAL PROGRAM

Executive Summary

- The 10-Year Recommended Capital Plan supports the Mayor's and Council's strategic priority to implement the Agenda for Prosperity and the Creative City Planning Framework. The Program's Capital Program is aligned with Council's objectives to have a clean and beautiful City, to improve the business climate, to strengthen our at-risk neighbourhoods, and to improve public service through access to the City's cultural assets.
- The following summarizes the allocation of recommended funding by program objective:
 - **Improved Business Climate:** The 10-Year Recommended Capital Plan provides approximately \$41.513 million or 32% in funding for three Economic Development Capital Programs. These programs strengthen the partnership with the Business Improvement Areas (BIAs) and leverage investment from private property owners to beautify and revitalize the City's commercial streets and employment areas.
 - **Improved Public Access to the City's cultural assets:** The 10-Year Recommended Capital Plan provides approximately \$30.717 million or 24% in funding for a number of projects supporting the state of good repair requirements for 96 heritage buildings at sites such as Fort York, Spadina Museum, the Berkley Street Theatre and Todmorden Mills. The 96 properties are accessible to the public for cultural uses such as museums, art centres, theatres and galleries. The 10-Year Recommended Capital Plan includes \$15.756 million funding for the restoration of Casa Loma and \$18.0 million funding for the Fort York Visitor Centre.
 - **Creative Partnerships:** The 10-Year Recommended Capital Plan provides approximately \$5.580 million or 4% in funding for projects supporting development of creative partnerships for the restoration and operation of several of the major vacant heritage properties in the Culture portfolio. The 10-Year Recommended Capital Plan includes \$3.881 million funding for development of the Guild Inn Site in conjunction with a potential partner and \$1.699 million funding to complete the John Street Roundhouse master plan with a partner.
- The 2009 Approved Capital Budget of \$21.649 million was 22.1% or \$4.775 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$14.828 million or 69% of the 2009 Approved Capital Budget. This represents a projected increase of 39% or \$4.188 million in capital spending over the 2008 spending rate of \$10.639 million or 65%.
 - The projection of 2009 funding to be carried forward into the 2010 Recommended Capital Budget is \$5.303 million. This includes the John Street Roundhouse for \$0.600 million, New Buildings at Fort York for \$0.617 million, Public Art for \$0.285 million, and BIA Streetscape Improvement for \$0.924 million.

- The 10-Year Recommended Capital Plan totals \$136.022 million, including \$5.303 million of 2009 funding carried forward into 2010, with \$80.012 million projected for the first 5 years, and the final 5 years requiring funding of \$55.143 million or 41% of the total.
 - The 10-Year Recommended Capital Plan total funding of \$129.852 million gross is funded primarily from debt accounting for 64% or \$82.974 million. Funding from Reserve Funds account for 9% or \$12.051 million. Funding from partnership with BIAs and donations account for 16% or \$21.085 million. Funding from Federal and Provincial Governments represents 11% or \$13.530 million and is required for Fort York Visitors Centre and the planning phase of the proposed Toronto Museum Project.
 - Changes to the 2009-2018 Approved Capital Plan total to \$5.983 million or 5% compared to the 2010 Recommended Capital Budget and 2011-2018 Recommended Capital Plan. These include an increase of \$6.550 million for the Fort York Visitor's Centre and a decrease of \$5.801 million for John Street Roundhouse projects.
 - Economic Development Culture and Tourism has approved funding in the 10-Year Recommended Capital Plan of \$1.270 million for a project approved under the Federal government's ISF program, with \$0.635 million in 2010 and \$0.635 million in 2011, allowing the Todmorden Mills project to proceed with 1/3 federal stimulus funding of \$0.424 million.
 - The 10-Year Recommended Capital Plan includes operating impacts from previously approved and new/change in scope capital projects for 2011 of \$0.745 million; net revenue of (\$0.825) million for 2012; costs of \$0.165 million in 2013; net revenue of (\$0.040) million for 2015; and costs of \$0.024 million for 2016. The operating impacts primarily reflect additional costs and revenue that will be realized from Fort York Visitors Centre and John Street Roundhouse.
 - Economic Development Culture and Tourism currently has a significant infrastructure rehabilitation backlog, estimated at \$55.250 million or 41% of reported replacement value of \$131 million by 2009 year-end. The backlog will be reduced to \$38.22 million by 2019, representing 29% of EDCT's total asset value. Unlike other buildings in City ownership, these primarily heritage buildings do not have a simple replacement values and expected life span.
 - The 10-Year Recommended Capital Plan of \$129.852 million supports the Mayor's and Council's policy agenda. Projects fall into Improved Business Climate, Improved Public Access to the City's cultural assets and Creative Partnerships.
 - Improved Business Climate: The 10-Year Recommended Capital Plan provides \$41.103 million in funding for three Economic Development Capital Programs. These programs strengthen the partnership with the Business Improvement Areas (BIAs) and leverages investment from private property owners to beautify and revitalize the City's commercial streets and employment areas.
 - Improved Public Access to the City's cultural assets: The 10-Year Recommended Capital Plan provides \$82.620 million in funding for a number of projects

supporting the state of good repair requirements for heritage buildings at sites like Fort York, Spadina Museum, the Berkley Street Theatre and Todmorden Mills. The properties are accessible to the public for cultural uses such as museums, art centres, theatres and galleries. The 10-Year Recommended Capital Plan includes \$15.840 million funding for the restoration of Casa Loma and \$18.928 million funding for the Fort York Visitor Centre.

- Creative Partnerships: The 10-Year Recommended Capital Plan provides \$6.129 million in funding projects supporting development of creative partnerships for the restoration and operation of several of the major vacant heritage properties in the Culture portfolio including \$4.259 million funding for development of the Culture Precinct on the Guild Inn Site in conjunction with a potential partner wishing to develop a new facility on the site and \$1.870 million funding to implement the John Street Roundhouse master plan, with a partner, to make the rail heritage assets accessible to the public.
- The 2010 Recommended Capital Budget of \$19.746 million for previously approved and new/change in scope projects is 10% allocated to Health and Safety projects at \$1.893 million, 50% to state of good repair projects at \$9.956 million, 38% to service improvement projects at \$7.591 million, and 2% to growth projects at \$0.306 million.
- Approval of the 2010 Recommended Capital Budget will result in a commitment to future year funding for new and previously approved projects of \$9.965 million in 2011; and, \$0.350 million in 2012. The use of multi-year contracts has allowed Economic Development Culture and Tourism to increase its capital spending rate from 57% in 2004 to 69% in 2009.
- The 2009 summer labour disruption will not significantly impact Economic Development Culture and Tourism's program delivery for the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan. Staff are working to get back on schedule with tendering and construction to reduce the carry forward of funding into 2010.
- The 2010 Recommended Capital Budget of \$19.746 million provides funding to:
 - Begin capital maintenance at the Berkeley Street Theatre for \$0.428 million.
 - Continue major maintenance of the John Street Roundhouse for \$0.584 million, restoration of the Guild Inn for \$0.196 million, restoration of Casa Loma for \$1.5 million, restoration of Todmorden Mills for \$0.635 million,
 - Continue Streetscape improvements in 32 BIAs for \$4.327 million.
 - Complete Windfields Estate restoration project for \$1.6 million.
- The capital requirements for the Toronto Museum are not included in the 10-Year Capital Plan.
- The General Manager of Economic Development Culture and Tourism, in consultation with the City Manager and Chief Financial Officer, will report on a strategy for managing the growing demand for the BIA Streetscape Improvement Program within debt affordability limits before the 2011 Capital Budget Cycle, taking into account relationships and linkages with other City ABCDs.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2010 Recommended Capital Budget for Economic Development Culture and Tourism with a total project cost of \$24.334 million, and 2010 cash flow of \$25.049 million and future year commitments of \$10.315 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 23 new sub-projects with a 2010 total project cost of \$24.334 million that requires cash flow of \$14.369 million in 2010 and a future year commitment of \$9.965 million in 2011;
 - ii) 12 previously approved sub-projects with a 2010 cash flow of \$5.377 million and a future year commitment of \$0.350 million in 2011;
 - b) 2009 approved cash flow for 15 previously approved sub-projects with carry forward funding from 2009 into 2010 totalling \$5.303 million;
2. Council approve new debt service costs of \$0.168 million in 2010 and incremental debt costs of \$0.750 million in 2011 and \$0.190 million in 2012 resulting from the approval of the 2010 Recommended Capital Budget, to be included in the 2010 and future year operating budgets;
3. Council approve the 2011-2019 Recommended Capital Plan for Economic Development Culture and Tourism totalling \$99.791 million in project estimates, comprised of \$9.314 million in 2011; \$14.259 million in 2012; \$11.090 million in 2013; \$9.985 million in 2014; \$11.383 million in 2015; \$10.915 million in 2016; \$10.805 million in 2017; \$11.135 million in 2018; and, \$10.905 million in 2019;
4. Council consider operating impacts of \$0.745 million in 2011; and, net revenue of \$0.825 million in 2012; emanating from the approval of the 2010 Recommended Capital Budget for inclusion in future year operating budgets;
5. All sub-projects with third-party financing be approved conditionally, subject to the receipt of such funds during 2010 and if such financing is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs; and,
6. The General Manager of Economic Development Culture and Tourism, with Financial Planning staff, review Capital Programs supporting the BIAs, including relationships and linkages with other City ABCDs and report to Budget Committee by June 2010, on a strategy for managing the growing unfunded demand within debt affordability limits.

PART I: CAPITAL PROGRAM

2009 Capital Variance Review

2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2009 Approved	Actuals as of Sept. 30th (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
21,649	4,775	22.1%	14,828	68.5%	6,821

The Economic Development Culture and Tourism’s 2009 Approved Capital Budget of \$21.649 million was 22.1% or \$4.775 million spent at September 30th, 2009. Actual expenditures by year-end are projected to reach \$14.828 million or 68.5% of the 2009 Approved Capital Budget. This represents a projected increase of \$4.188 million or 39% in capital spending over the 2008 spending of \$10.639 million or 65%. The projected year-end under-spending is mainly due to the following projects:

- *Fort York Adding New Buildings*: \$0.617 million will be carried forward into 2010 as the project has been delayed as a result of complexity of the purchasing process involved in a two stage competition for the new cultural centre. Work is proceeding on all of the required RPP’s simultaneously, and several purchase orders have already been issued.
- *The Guild Revitalization* project: \$0.770 million will be carried forward into 2010 due to uncertainly of the investment partner. The economic downturn in 2009 had an impact on the ability of the partner to secure investment and agreement to proceed. Cultural Services has undertaken some of the work that has been identified as a City obligation, such as identifying and remediation of environmental hazards. A decision has been made to commence state of good repair stabilization in 2009, in advance of a final agreement with the City’s partner.
- *Public Art* projects: \$0.530 million will be carried forward into 2010 for the June Callwood Park, delayed by a multi-staged competition and the Mount Dennis project, delayed by lengthy community consultation. No new Public Art projects are recommended in 2010, allowing staff to complete the current work.

State of Good Repair projects represent 61% or \$13.268 million of the 2009 Approved Capital Budget. The projected year-end spending for these projects will be approximately \$10.164 million or 76.6% which is comparable to last year’s rate of \$11.985 million or 79%. The projected year-end SOGR under-spending is mainly due to the John St. Roundhouse 2009 (\$0.500 million) project, which is delayed due to the seasonal nature of the landscaping work.

The City of Toronto labour disruption interrupted the site plan review and tendering processes for the Todmorden Site Improvements. Cultural Assets staff have compressed the schedule, however, \$0.200

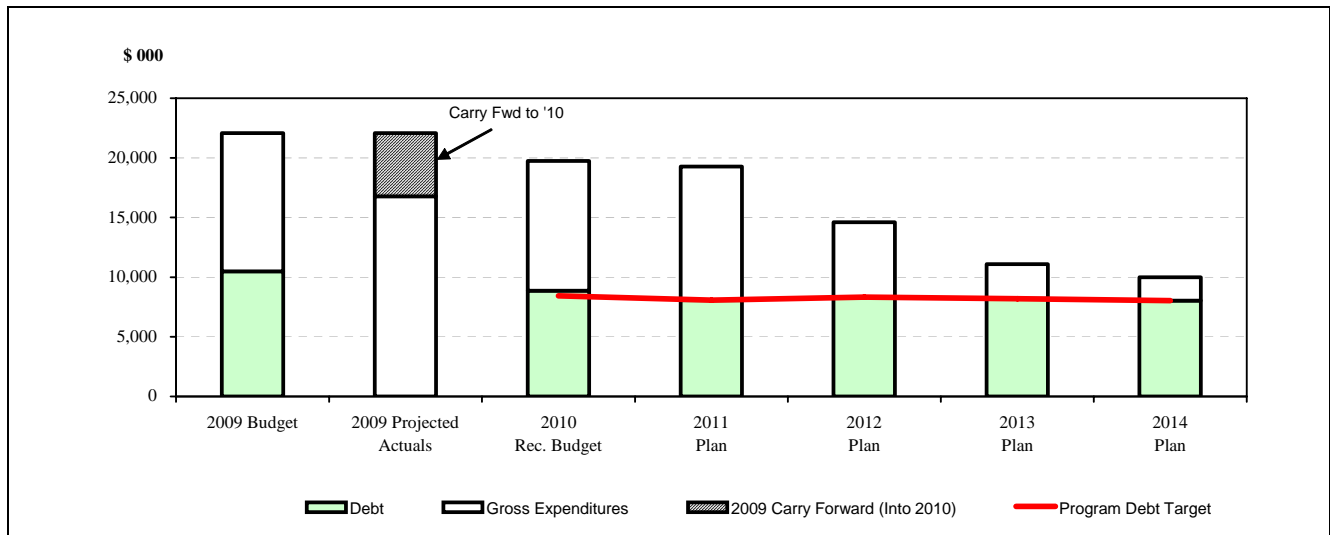
2010-2019 Capital Program Economic Development Culture and Tourism

million will not be spent in 2010. The 2010 Recommended Capital Budget includes the deferral of \$0.200 million debt from 2009 to 2012. This deferral is required to ensure that the approved ISF Todmorden project can be completed by March 2011.

The majority of the projects are underway and it is projected that approximately \$6.821 million in funding will be carried forward to 2010.

10-Year Capital Plan

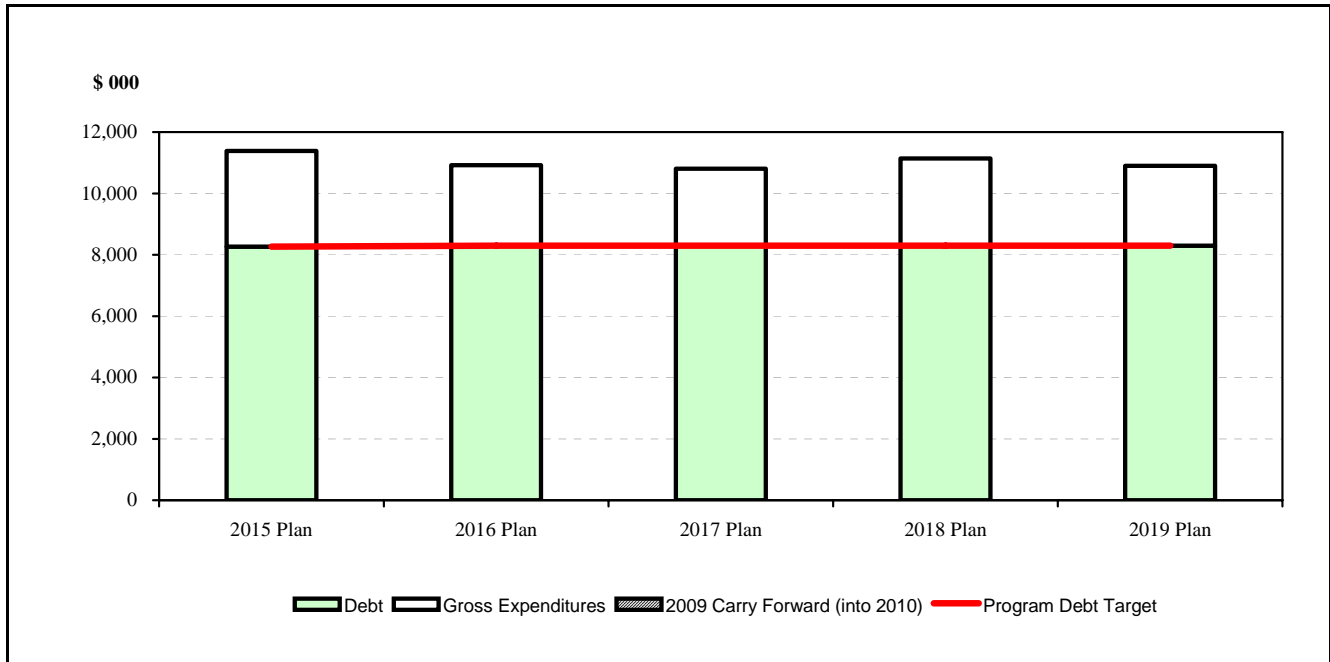
2010 Recommended Capital Budget, 2011-2014 Recommended Capital Plan



	2009		2010 Rec. Budget and 2011-2014 Plan					2010-2014 Total	Five Year Percent
	Budget	Projected Actual	2010	2011	2012	2013	2014		
Gross Expenditures:									
2009 Capital Budget & Approved FY Commitments	22,084	16,781	5,527					5,527	
Recommended Changes to Approved FY Commitments			(150)		350			200	
2010 New/Change in Scope and FY Commitments			14,369	9,965				24,334	
2011 - 2014 Capital Plan Estimates				9,314	14,259	11,090	9,985	44,648	
1-Year Carry Forward to 2010		5,303							
Total Gross Annual Expenditures & Plan	22,084	22,084	19,746	19,279	14,609	11,090	9,985	74,709	
Program Debt Target	10,684		8,438	8,075	8,330	8,200	8,030	41,073	
Financing:									
Recommended Debt	10,484		8,871	8,075	8,330	8,200	8,030	41,506	56%
Reserves/Reserve Funds	5,702		2,683	1,134	1,804	1,045	165	6,831	9%
Development Charges									
ISF	212		212					212	
Provincial/Federal	1,227		5,030	7,895	275	220	110	13,530	18%
Other Revenue	4,459		2,950	2,175	4,200	1,625	1,680	12,630	17%
Total Financing	22,084		19,746	19,279	14,609	11,090	9,985	74,709	100%
By Category:									
Health & Safety	2,825		1,893	1,765	2,283	1,516	1,314	8,771	12%
Legislated	50			49		48	99	196	
SOGR	14,971		9,956	6,206	6,274	7,588	5,897	35,921	48%
Service Improvement	2,873		7,591	10,517	5,535	1,426	2,378	27,447	37%
Growth Related	1,365		306	742	517	512	297	2,374	3%
Total By Category	22,084		19,746	19,279	14,609	11,090	9,985	74,709	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)			(5,996)	(1,621)	(870)	(1,885)	(328)	(10,700)	
Accumulated Backlog Estimate (end of year)		55,250	49,254	47,633	46,763	44,878	44,550	233,078	
Operating Impact on Program Costs				745	(825)	165	50	135	
Debt Service Costs			168	907	1,056	1,080	1,062	4,273	

10-Year Capital Plan

2015-2019 Recommended Capital Plan



	2015-2019 Capital Plan						
	2015	2016	2017	2018	2019	2010-2019 Total	10-Year Total Percent
Gross Expenditures:							
2009 Capital Budget & Approved FY Commitments						5,527	
Recommended Changes to Approved FY Commitments						200	
2010 New/Change in Scope and FY Commitments						24,334	
2015 - 2019 Capital Forecast Estimates	11,383	10,915	10,805	11,135	10,905	99,791	
Total Gross Annual Expenditures & Plan	11,383	10,915	10,805	11,135	10,905	129,852	
Program Debt Target	8,268	8,300	8,300	8,300	8,300	82,541	
Financing:							
Recommended Debt	8,268	8,300	8,300	8,300	8,300	82,974	64%
Reserves/Reserve Funds	1,050	1,045	880	1,265	980	12,051	9%
Development Charges						212	
ISF / RInC						13,530	10%
Provincial/Federal						21,085	16%
Other Revenue	2,065	1,570	1,625	1,570	1,625		
Total Financing	11,383	10,915	10,805	11,135	10,905	129,852	100%
By Category:							
Health & Safety	1,782	1,567	1,882	1,457	2,087	17,546	14%
Legislated	99	99		99		493	
SOGR	6,294	7,355	6,535	8,126	6,826	71,057	55%
Service Improvement	2,933	1,597	2,091	1,156	1,695	36,919	28%
Growth Related	275	297	297	297	297	3,837	3%
Total By Category	11,383	10,915	10,805	11,135	10,905	129,852	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)	(910)	(331)	(541)	(2,319)	(2,599)	(17,400)	
Accumulated Backlog Estimate (end of year)	43,640	43,309	42,768	40,449	37,850	37,850	
Operating Impact on Program Costs	20	120	1,250	194		1,719	
Debt Service Costs	1,050	1,076	1,079	1,079	1,079	9,635	

10-Year Capital Plan Overview

- The Economic Development, Culture and Tourism 10-Year Recommended Capital Plan aligns with the strategic direction of the Agenda for Prosperity, the Culture Plan, and Council's objectives to have a clean and beautiful City, improve the business climate, strengthen our at-risk neighbourhoods, and improve public service through access to the City's cultural assets. The 10-Year Recommended Capital Plan includes strategic investments in the City's cultural resources and public spaces to create a physical environment within which business and culture can thrive. It supports neighbourhoods by working with BIAs to upgrade local employment and commercial areas so that neighbourhood job opportunities can be expanded and living environments enhanced. It contributes to creating a clean and beautiful city by upgrading the appearance of main thoroughfares.
- The 10-Year Recommended Capital Plan totalling \$129.852 million is funded primarily from debt accounting for 64% or \$82.974 million. Funding from Reserve Funds accounts for 9% or \$12.051 million, funding from partnerships with BIAs and donations account for 16% or \$21.085 million, and funding from Federal and Provincial Governments represents 11% or \$13.530 million. The later is required for the Fort York Visitors Centre and the planning phase of the proposed Toronto Museum Project.
- The City of Toronto labour disruption interrupted the site plan review and tendering process for Todmorden Site Improvements. Cultural Assets Staff is working to compress the schedule and will complete the project in 2010.
- The following summarizes the 10-Year Recommended Capital Plan of \$129.852 million by project category:
 - Health and Safety projects represent 14% or \$17.546 million of the 10-Year Capital Plan. The Restoration of Casa Loma is the only Health and Safety Project.
 - Projects that maintain assets in a state of good repair represent \$71.057 million or 55% of the total planned cash flow of \$129.852 million. This includes state of good repair projects driven by the needs of 96 heritage properties such as Fort York, Spadina Museum, Berkley Theatre, Alumnae Theatre, Lorraine Kimsa Theatre, Todmorden Mills, St. Lawrence Centre for the Arts, John Street Roundhouse and the BIA Streetscape Improvement Program.
 - Service Improvement projects represent approximately 28% or \$36.919 million of the 10-Year Recommended Capital Plan. Examples of the service improvement projects include the Guild Revitalization, Fort York Visitor's Centre, Commercial Façade Improvement and the Mural Program.
 - Growth projects account for 3% or \$3.837 million of the 10-Year Recommended Capital Plan and includes Public Art Development and a feasibility study of the Toronto Museum Project.
- Economic Development currently has a SOGR backlog, estimated at \$55.250 million or 41% of reported replacement value of \$131 million by year-end 2009. The backlog is projected to decrease by approximately \$10.7 million to \$44.550 million by 2014. The backlog will be reduced to \$38.22 million representing 29% of the total asset value by 2019. These primarily heritage buildings do not have a simple replacement values and expected life span.
- Economic Development, Culture and Tourism will complete updated Service Level Agreements with Facilities and Real Estate in 2010 as part of the Corporate Facilities Management Transition

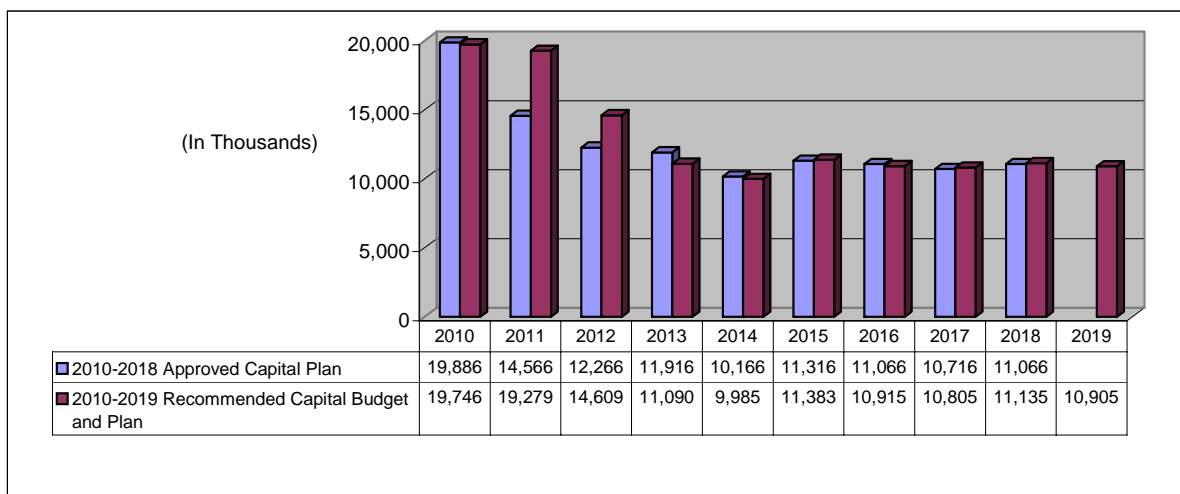
2010-2019 Capital Program Economic Development Culture and Tourism

Work Plan. Transfer of both capital and operating budgets for facilities management are scheduled for 2011.

Key Changes to the 2010-2018 Approved Capital Plan

The following highlights the changes from the 2009-2018 Approved Capital Plan with the 2010-2019 Recommended Capital Budget and Plan. As outlined in the table below, the 2010 Recommended Capital Budget of \$19.746 million in cash flow represents a decrease of 1% or \$0.140 million compared to 2010 Approved Capital Plan estimate of \$19.886 million in 2009. There is a \$5.983 million or 5 % increase in the 2010 Recommended Capital Budget and 2011-2018 Recommended Capital Plan over the 9 year period.

Changes to the 2010-2018 Approved Capital Plan



The majority of the changes are due to updating the capital program areas as outlined below:

- Fort York will be the centre of attention for the International Bicentennial Celebration of the War of 1812. Funding for the Visitors Centre has been modified and accelerated in order to complete construction before the celebrations. The project scope has been increased to include an “all in” project, including landscaping and updated costs resulting in a \$6.550 million gross increase, requiring a \$2.7 million debt funding decrease. The \$18.0 million project is scheduled to start in 2010 to be completed in 2012 with \$3.0 million or 16.6% to be financed by debt, \$12.0 million or 66% by Federal/Provincial funding and \$3.0 million or 16.6% funding from other sources including donations.
- The final phase of the John Street Roundhouse project was added to the 10-Year Capital Plan in 2009 with funding conditional on City Council adoption of the recommendations concerning the lease agreement with a partner. On December 1, 2008, Council granted Authority to the Executive Director of Cultural Services to expand the scope of City rail heritage work to be coordinated and undertaken by the tenant, in compliance with applicable City policies, including fair wage and labour trades, such that the disruptive park construction could be completed before July 2009 to coincide with the tenant’s grand opening. It was agreed that any funds advanced by the tenant to complete City work be deducted from the prepaid basic rent to be paid to the City. The tenant has completed the project per Council direction advancing \$5.801 million.

2010-2019 Capital Program Economic Development Culture and Tourism

- The Public Art 10-Year Plan has been reduced by \$0.960 million. Public Art Projects have been delayed in both 2008 and 2009. Development of interactive art pieces must be coordinated with overall park design and may require working with Parks, Forestry and Recreation and involve multi-stage competitions. The capacity to deliver Public Art projects has been reduced over the last 2 years as a result of the increased complexity of projects. Culture Services has decided not to include a new Public Art project in 2010 and to reduce the yearly requirements by \$0.080 million to improve their capacity to deliver funded projects.
- The 2009 Approved Capital Budget included projects totalling \$1.600 million with debt funding of \$0.400 million in 2010 and 2011 for State of Good Repair at Windfields Estate that is tenanted by the Canadian Film Centre (CFC). CFC received approval for an ISF project as a not for profit organization and the cash flow originally planned for 2011 has been accelerated to 2010 to match the timing of construction and the Federally required March 31, 2011 completion date. The 10-Year Recommended Capital Plan includes \$1.6 million with debt funding of \$0.800 million for Windfields Estate in 2010.

Summary of Project Changes

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010 - 2018
Fort York Visitors Centre	1,700	4,800	1,500				(200)	(1,000)	(250)	6,550
John Street Round House	(3,416)		(10)	(1,375)	(1,000)					(5,801)
Public Art	(300)	(80)	(80)	(80)	(80)	(100)	(80)	(80)	(80)	(960)
Windfields Restoration	800	(800)								0

Project Financing

Economic Development, Culture and Tourism has maximized the application of reserve funds of \$12.051 million and Federal and Provincial subsidies of \$12.0 million for the Fort York Visitors Centre project to reduce the demand on debt funding in the 10-Year Capital Plan. Federal and Provincial funding for the Fort York Visitors Centre is not yet approved. The BIA Streetscape Improvement Program of \$35.503 million is 50% funded from contributions from BIAs. However, total Program debt comprises a progressively higher percentage of the total financing in future years, increasing from 45% in 2010 to 76% of planned expenditure in 2019.

10-Year Recommended Capital Plan Versus Multi-Year Debt Targets

The Economic Development Culture and Tourism 10-Year Recommended Capital Plan meets the Council-approved debt affordability targets in each year of the 2010 to 2019 timeframe.

Infrastructure Stimulus Fund (ISF)

Through Canada's Economic Action Plan, the federal government has recently established a new \$4.000 billion Infrastructure Stimulus Fund (ISF). The Infrastructure Stimulus Fund complements existing federal and provincial infrastructure funding by focusing on short-term objectives for economic stimulus. The full \$4.000 billion has been distributed across Canada in fiscal years 2009-2010 and 2010-2011. Projects will focus largely on the rehabilitation of existing assets such as water; wastewater; public transit; highways; roads; culture; parks; and, trails.

2010-2019 Capital Program Economic Development Culture and Tourism

Economic Development Culture and Tourism received approval for the Todmorden Mills project that has a total project cost of \$1.270 million with \$0.424 million ISF funding. Cash flow of \$0.635 million in 2009 and \$0.635 million in 2010 accelerated the construction originally planned for 2011 to 2015. The original schedule has been compressed so that most of the work will occur in 2010.

Infrastructure Stimulus Funding 2010-2011

Sub-Project	Total				2009			2010			2011		
	Total	Debt	ISF	Other	Debt	ISF	Other	Debt	ISF	Other	Debt	ISF	Other
Todmorden Mills ISF	1,270	846	424		423	212		423	212				
Total	1,270	846	424	0	423	212	0	423	212	0	0	0	0

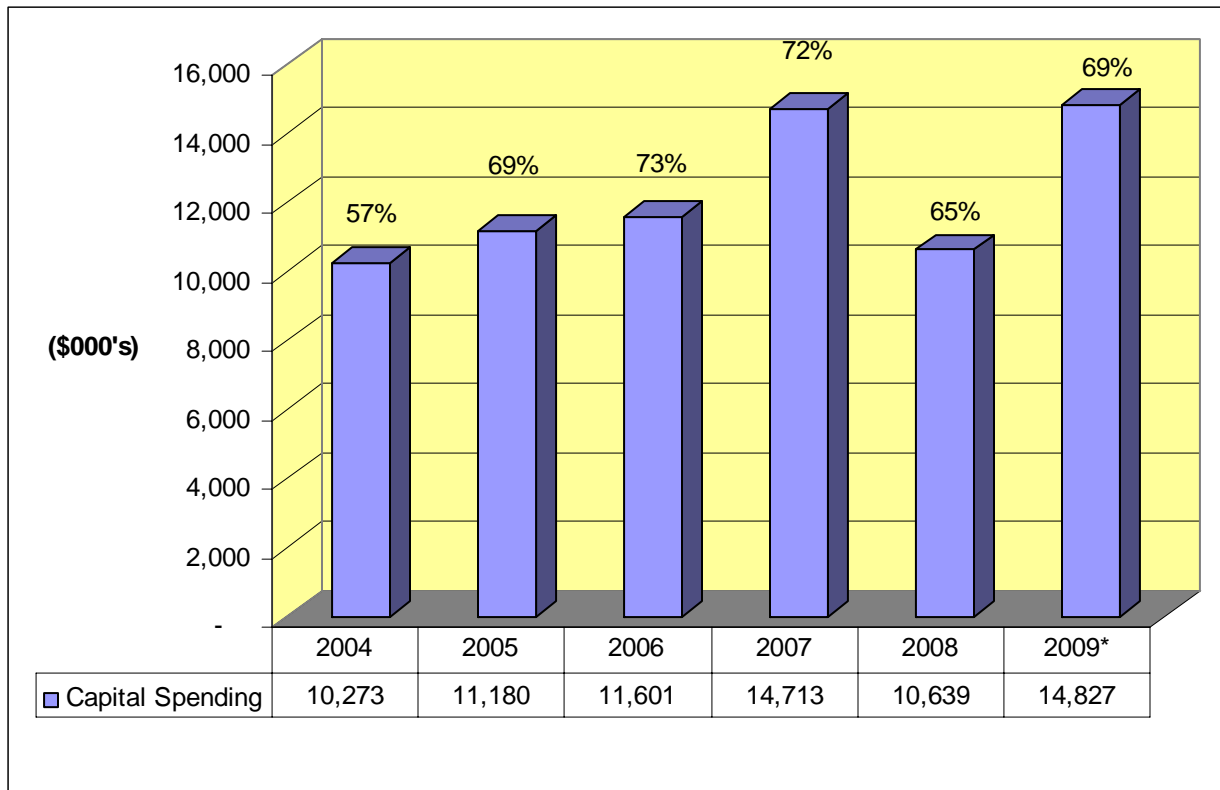
Program Capacity and Readiness to Proceed

There are several key factors that contribute to the readiness and spending rates for EDCT projects.

- BIA partnerships require community consultation and co-ordination with other city departments, such as Transportation Services. Delays in Transportation/Transit projects can affect spending rates.
- Projects to restore heritage assets often require outside partnerships. The Centennial College partnership for Guild Revitalization, has been delayed due to uncertainties in the economy impacting the ability to secure investors.
- Public Art projects are usually joint undertakings with partners such as Parks, Forestry and Recreation and can involve multi-stage competitions that may require resolution of issues arising from community consultations. The 2010 Recommended Capital Budget does not include new Public Art projects to allow staff more time to complete the current backlog of work.
- Projects with third party funding are recommended conditionally, subject to receipt of such funding during the year. The inclusion of conditionally approved projects in the Program's Capital Budget increases the likelihood of under spending if funding from third-parties does not materialize. The Fort York-Visitors Centre project is an example, requiring \$12.0 million funding from Federal/Provincial subsidies.

Economic Development Culture and Tourism capital spending has remained within a narrow range of 65% to 73% over the last five years (see chart on following page). The projected spending of \$14.827 million or 69% in 2009 is inline with the spending of \$14.713 million or 72% achieved in 2007. Design and tendering phases for projects are included in the 10-Year Capital Plan making it feasible to complete more projects within the specific timelines and funding targets that have been set.

Economic Development Culture and Tourism Capital Budget Spending (2004-2009)



Notes: *2009 Year-End Capital Budget Spending Rate Projection as of September 30th, 2009.

State of Good Repair (SOGR) Backlog

The state of good repair backlog was updated by an audit of 15 additional properties in 2008. Economic Development Culture and Tourism currently has a SOGR backlog, estimated at \$55.25 million or 41% of reported replacement costs of \$131 million by year-end 2009. The backlog is projected to decrease by approximately \$10.7 million to \$44.550 million by 2014. The backlog is expected to be reduced to \$38.22 million by 2019, representing a backlog that is 29% of EDCT’s total asset value. Most of the buildings in the portfolio are historic structures well over 100 years old. Unlike other buildings in City ownership, they do not have a simple replacement value and expected life span.

It should be noted that the backlog has decreased by \$26.11 million from \$81.36 million at the end of 2008. This sudden decrease is the result of partnerships and the transfer of capital backlog to outside partners. Specifically, state of good repair at the Don Valley Brickworks is now the responsibility of Evergreen and the backlog at the John Street Roundhouse was largely eliminated through the investment of the head lease tenant. Work continues on a parallel arrangement for the Guild Inn site.

Capital Projects Highlights

The 10-Year Recommended Capital Plan advances Council’s strategic direction of the Agenda for Prosperity. Projects can be categorized under each of the following strategic objectives: Improved Business Climate, Improved Public Access to the City’s cultural assets and Creative Partnerships.

Improved Business Climate

The 10-Year Recommended Capital Plan provides approximately \$40.646 million in funding for three Economic Development Capital Programs. These programs strengthen the partnership with the Business Improvement Areas (BIAs) and leverage investment from private property owners to beautify and revitalize the City's commercial streets and employment areas.

- **BIA Streetscape Improvement Program:** The 10-Year Recommended Capital Plan includes \$35.503 million in funding for streetscape beautification projects. This program is financed based on a 50/50 cost sharing with BIAs.
- **Commercial Façade Improvement Program:** The 10-Year Recommended Capital Plan includes \$5.510 million in funding to support property owners in eligible BIAs for physical improvements to the public face of their buildings.
- **Mural Program:** The 10-Year Recommended Capital Plan includes \$0.500 million to support community groups to create murals in commercial districts with preference given to the City's priority neighbourhoods.

Improved Public Access to the City's cultural assets

- The 10-Year Recommended Capital Plan provides approximately \$30.717 million in funding for a number of projects supporting the state of good repair requirements for 96 heritage buildings at sites like Fort York, Spadina Museum, the Berkley Street Theatre and Todmorden Mills. The 96 properties are accessible to the public for cultural uses such as museums, art centres, theatres and galleries.
- The 10-Year Recommended Capital Plan includes \$15.756 million in funding for the restoration of Casa Loma and \$18.0 million to build a Fort York Visitor Centre.
- The 10-Year Recommended Capital Plan includes \$0.805 million funding to complete a feasibility study and evaluation of Old City Hall as a potential location for the Toronto Museum.

Creative Partnerships

The 10-Year Recommended Capital Plan provides approximately \$5.580 million in funding for two projects supporting development of creative partnerships for the restoration and operation of several of the major vacant heritage properties in the Culture portfolio.

- **Guild Inn Site:** The 10-Year Recommended Capital Plan includes \$3.881 million in funding for development of the Culture Precinct on the site in conjunction with a potential partner wishing to develop a new facility on the site.
- **John Street Roundhouse:** The 10-Year Recommended Capital Plan includes \$1.699 million in funding to implement the master plan, with a partner, to make the rail heritage assets accessible to the public.

Summary of Major Capital Initiatives

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
New & Expansion Facility Projects											
Fort York Visitors Centre	5,969	8,725	4,234								18,928
Fort York Adding New Buildings							242	990			1,232
Toronto Museum Project		445	220	220							885
IT Projects											
Sub-total	5,969	9,170	4,454	220	0	0	242	990	0	0	21,045
Other Major Initiatives:											
Casa Loma Restoration	1,500	1,565	2,283	1,516	1,314	1,782	1,567	1,882	1,457	2,087	16,953
Guild Revitalization		791	550	275	523		248		303	440	3,130
John Street Roundhouse	643		99	688						440	1,870
Collections Facilities	220	294		148	248	190	138	187	248		1,673
Berkley Theatre (Major Maintenance)	428	325	291	170	324	275	176	198	440	440	3,067
St. Lawrence Centre (Major Maintenance)		440	165			49	445	99	671		1,869
BIA Streetscape Program	4,327	3,464	3,464	3,464	3,464	3,464	3,464	3,464	3,464	3,464	35,503
Commercial Façade Improvement Program	506	556	556	556	556	556	556	556	556	556	5,510
Sub-total	7,624	7,435	7,408	6,817	6,429	6,316	6,594	6,386	7,139	7,427	69,575
Total	13,593	16,605	11,862	7,037	6,429	6,316	6,836	7,376	7,139	7,427	90,620

The 10-Year Recommended Capital Plan includes funding of \$21.045 million for three new/expanded facilities including the \$18.928 million for the Fort York Visitors Centre, \$1.232 million to add/restore buildings at Fort York and \$0.885 million to evaluate the Toronto Museum project at old City Hall.

There are no IT projects recommended in the 10-Year Capital Plan.

**10-Year Capital Plan:
Incremental Operating Impact Summary**

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
2010 Recommended Capital Budget											
Program Costs (Gross)		779	(409)								370
Program Costs (Revenue)		34	416								450
Program Costs (Net)		745	(825)								(80)
Approved Positions		2									2
Debt Service Costs	168	751	190								1,109
Recommended 10-Year Capital Plan											
Program Costs (Gross)				180			34				214
Program Costs (Revenue)				15		40	10				65
Program Costs (Net)				165		(40)	24				149
Approved Positions											
Debt Service Costs		157	866	1,080	1,062	1,050	1,076	1,079	1,079	1,079	8,528
Total											
Program Costs (Gross)		779	(409)	180			34				584
Program Costs (Revenue)		34	416	15		40	10				515
Program Costs (Net)		745	(825)	165		(40)	24				69
Approved Positions		1		1							2
Debt Service Costs	168	908	1,056	1,080	1,062	1,050	1,076	1,079	1,079	1,079	9,637

Debt Service cost of repayment of principal and interest is calculate according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan will result in operating impacts from previously approved and new projects of \$0.584 million gross, offset by \$0.515 million increased revenues, resulting in \$0.069 million net over the 10 year period.

2010-2019 Capital Program Economic Development Culture and Tourism

Approval of the 10-Year Recommended Capital Plan will result in an increase to the Economic Development Culture and Tourism's Operating Budget, for the Fort York Visitors Centre in the amount of \$0.745 million net in 2011 for one-time expenditure for exhibits/equipment, and 1 additional staff. One-Time expenditures of \$0.409 million are reversed out in 2010 and the Fort York Visitor Centre will achieve revenues in 2012 of \$0.416 million owing to the Bicentennial Celebrations. After 2012 the Information Centre is projected to be self funding.

The 2011-2019 Recommended Capital Plan includes total operating impact of \$0.214 million gross and \$0.149 million net for the John Street Roundhouse. The Toronto Rail Historical Association (TRHA), a volunteer organization, will program and operate an area in the John St. Roundhouse. The TRHA will restore rolling stock, develop and deliver programs and perform interpretation for the site. Cleaning and building maintenance as well as administration support costs totaling \$0.149 million are projected for inclusion in the EDCT Operating Budget in 2013 and future years.

The 10-Year Recommended Capital Plan will impact future year operating debt service costs. The 2010 Recommended Capital Budget includes incremental debt service costs of \$0.168 million in 2010, \$0.751 million in 2011, and \$0.190 million in 2012. The 2011-2019 Recommended Capital Plan is projected to require incremental debt service costs of \$8.528 million over the 2011-2019 period.

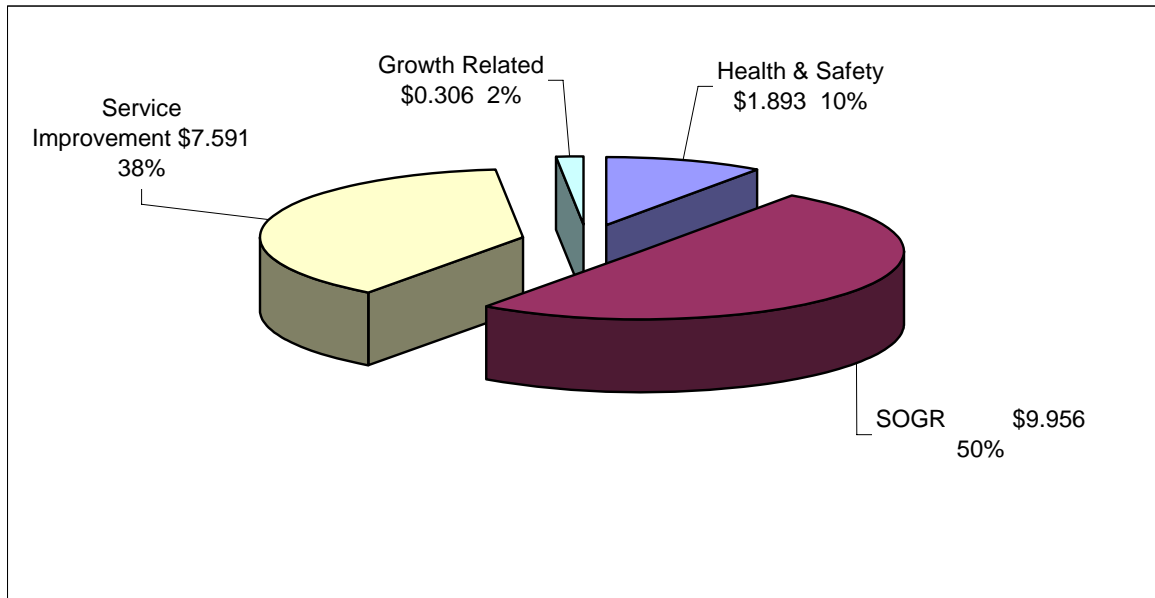
Total 2010 Recommended Cash Flow & Future Year Commitments

	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2009 C/Fwd)	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total Cost
Expenditures																
Previously Approved		5,377		5,377	5,303	10,680		350								11,030
Change in Scope				0		0										0
New			1,470	1,470		1,470										1,470
New w/Future Year			12,899	12,899		12,899	9,965									22,864
Total Expenditure	0	5,377	14,369	19,746	5,303	25,049	9,965	350	0	0	0	0	0	0	0	35,364
Financing																
Debt		2,152	6,719	8,871	3,149	12,020	1,812	350								14,182
Reserves/Res Funds		1,786	897	2,683	737	3,420	200									3,620
Development Charges																0
ISF / RInC		212	212	424		424										424
Provincial/Federal			4,818	4,818	667	5,485	7,150									12,635
Other		1,227	1,723	2,950	750	3,700	803									4,503
Total Financing	0	5,377	14,369	19,746	5,303	25,049	9,965	350	0	0	0	0	0	0	0	35,364

- The 2010 Recommended Capital Budget is \$25.049 million and includes funding from 2009 projects carried forward into 2010 of \$5.303 million; previously approved commitment funding of \$5.377 million; \$1.470 million for new one year projects and \$12.899 million for new projects with future year commitments.
- The 2010 Recommended Capital Budget is funded \$12.020 million or 49% from debt, \$3.420 or 14% from Reserves/Reserve funds, \$0.424 or 1.7% from the Federal ISF fund, \$5.485 million or 22% from Federal/Provincial sources and \$3.7 million or 15% from BIAs and other sources.
- Approval of the 2010 Recommended Capital Budget will result in a commitment of future year funding for new projects of \$9.965 million in 2011. The 2011 commitment includes \$8.300 million for the Fort York Visitors Centre and \$0.200 million for Casa Loma Restoration. The future year commitment of \$0.350 million in 2012 is for continued work previously approved for Todmorden Mills.

2010 Recommended Capital Budget: Overview

Capital Budget by Project Category
\$ million



The following summarizes the 2010 Recommended Capital Budget funding by project category:

- The 2010 Recommended Capital Budget includes the allocation of significant funding for *State of Good Repair* projects accommodating the Program’s highest priority needs. These projects account for approximately \$9.956 million or 50% of the total new cash flow of \$19.746 million recommended for 2010. State of Good Repair for Economic Development Culture and Tourism is driven by the needs of 96 heritage properties such as Fort York, Spadina Museum, Todmorden Mills, Lorraine Kimsa Theatre, John Street Roundhouse, and the BIA Streetscape Improvement Program.
- *Service Improvement* projects represent approximately 38% or \$7.591 million of the total recommended cash flow for 2010 and include the Guild Revitalization, Franklin Carmichael Art Centre, Fort York Visitors Centre, and the Commercial Façade Improvement Program projects.
- *Growth* projects account for 1.5% or \$.306 million of the 2010 Recommended Capital Budget for Public Art Development.
- Approximately 10 % or \$1.893 million of the 2010 Recommended Capital Budget is allocated for Restoration of Casa Loma, the only *Health and Safety* project.

2010 Recommended Capital Budget versus Debt Target

The 2010 Recommended Capital Budget requires new 2010 cash flow of \$19.746 million with debt funding of \$8.871 million. This cash flow combined with funding carried forward of \$5.503 million for 2009 projects results in a total 2010 Recommended Capital Budget of \$25.049 million.

2010-2019 Capital Program Economic Development Culture and Tourism

The 2010 Recommended Capital Budget for Economic Development Culture and Tourism exceeds the 2010 debt affordability target of \$8.438 million by \$0.433 million. The debt was increased one-time, to partially fund the increased demand in the BIA Streetscape Improvement program.

Capacity and Readiness to Proceed

Projects in the 2010 Recommended Capital Budget are ready to proceed. Most of the projects have been in the plan for a number of years. The BIAs, for which projects are recommended, have completed a comprehensive planning and approval process and each BIA has approved their projects, since 50% of the project funding comes from BIA members. The 2010 Recommended Capital Budget does not include new Public Art projects to allow staff more time to complete the current backlog of work.

The Fort York Visitors Centre requires \$12.0 million funding from Federal and Provincial Subsidies. The funding has not been confirmed and the project will not proceed without receiving the funds.

Tendering of the ISF project at Todmorden Mills is proceeding and the project will be completed by the March 31, 2011 deadline. The Recommended 2010 Capital Budget includes the deferral of \$0.350 million in debt target to 2012, \$0.200 million from 2009 and \$0.150 from 2010 to allow staff to focus on this accelerated project.

Capital Project Highlights

The 2010 Recommended Capital Budget supports the Mayors and Council's policy agenda. Projects fall into Improved Business Climate, Improved Public Access to the City's cultural assets and Creative Partnerships.

Improved- Business Climate

The 2010 Recommended Capital Budget provides approximately \$4.883 million in funding for three Economic Development Capital Programs. These programs strengthen the partnership with the Business Improvement Areas (BIAs) and leverages investment from private property owners to beautify and revitalize the City's commercial streets and employment areas.

- **BIA Streetscape Improvement Program:** The 2010 Recommended Capital Budget includes \$4.329 million funding for streetscape beautification projects with 32 BIAs. This program is financed based on a 50/50 cost sharing with BIAs.

2010 BIA Streetscape Improvement Program

BIA	2010 Recommended BIA Projects			Description
	2009 Carry Forward	2010 New Cash Flow	2011 New Cash Flow	
The Beach		14,000		Hanging Baskets (14,000)
Bloor Annex		72,000		Clamp-on Pedestrian Lighting and GFIs (\$72,000)
Bloor West Village		200,000		Solar Pedestrian Lighting (\$150,000), Tree Lighting (\$50,000)

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2010-2019 Capital Program Economic Development Culture and Tourism

BIA	2010 Recommended BIA Projects			Description
	2009 Carry Forward	2010 New Cash Flow	2011 New Cash Flow	
Bloor-Yorkville	8,000	25,000		Pedestrian Lighting - Cumberland St (\$25,000)
Cabbagetown		20,000		Hanging Baskets (\$10,000), Prospect Street Parkette (\$10,000)
Church-Wellesley Village		0	100,000	GatewayProject
Corso Italia		21,000		Flower Pots (\$15,000), Banner Arms (\$6,000)
Crossroads of the Danforth		11,000		Street Signs (\$11,000)
The Danforth		0	80,000	Sidewalk Pavers and Underground Conduit (\$80,000)
Danforth Mosaic (formerly Midtown Danforth)		40,000		GFI Outlets (\$40,000),
Danforth Village		34,000		Tree Planters (\$34,000)
Downtown Yonge		600,000		Pedestrian Lighting Phase 3 - Gerrard to Grosvenor (\$600,000)
Dundas West		404,000		Streetscape Improvements in conjunction with Sidewalk Reconstruction (\$404,000)
Emery Village	381,000	220,000		Sheppard/Rivalda
Forest Hill Village	8,000	300,000		Montclair Parkette (\$300,000) - <i>Previously Approved</i>
Greektown on the Danforth		300,000		New Pedestrian Lights
Village of Islington		10,000		Tree Lighting (\$10,000)
The Junction		40,000		Planters
Kennedy Road		0	225,000	Kennedy and Lawrence Medians (\$130,000), Median Globe Lights (\$95,000)
The Kingsway		28,000		Montgomery Bloor Parkette (\$28,000)
Korea Town		15,000		Street Planters (\$15,000)
Liberty Village	258,000	0		
Little Portugal (formerly Dundas-Ossington)		160,000		Streetscape Improvements in conjunction with Sidewalk Reconstruction (\$240,000)

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2010-2019 Capital Program Economic Development Culture and Tourism

BIA	2010 Recommended BIA Projects			Description
	2009 Carry Forward	2010 New Cash Flow	2011 New Cash Flow	
Long Branch		10,000		Street Furniture (\$10,000)
Mimico Village		8,000		Benches (\$8,000)
Mount Pleasant		9,000		Hanging baskets (4000), Street Signs (\$5,000)
Pape Village		0		No request.
Parkdale Village	141,000	0	300,000	Pedestrian Lighting Phase 2 (\$300,000)
Queen Street West	30,000	15,000		Bike Racks (\$15,000)
Regal Heights Village		130,000		Clamp-on Pedestrian Lighting, Flower Baskets, (\$130,000)
Roncesvalles Village		600,000		Streetscape Improvements in conjunction with TTC track, Road and Sidewalk Replacement (\$600,000) - <i>Previously Approved \$328,000</i>
Rosedale Main Street		30,000		Landscape Feature - Yonge/Roxborough (\$30,000)
St. Clair Gardens	44,000	0		
St. Lawrence Market Neighbourhood	54,000	226,000		Streetscape Improvements - Wellington & Church (\$160,000), Front Street Median - Jarvis to George (\$120,000)
Trinity Bellwoods (formerly Dundas-Bathurst)		280,000		Streetscape Improvement in conjunction with Sidewalk Reconstruction (\$280,000)
Weston Village		6,000		Flower Baskets (\$6,000)
Wexford Heights		70,000		Gateway features
Wychwood Heights		100,000		Pedestrian Lighting, Hanging Baskets (\$100,000)
Yonge Lawrence Village		5,000		Benches (\$5,000)
Project Management		324,000		
Sub-Total	924,000	4,327,000	705,000	

- **Commercial Façade Improvement Program:** The 2010 Recommended Capital Budget includes \$0.506 million funding to support property owners in eligible BIAs for physical improvements to the public face of their buildings.
- **Mural Program:** The 2010 Recommended Capital Budget includes \$0.050 million to support community groups to create murals in commercial districts with preference given to the City's priority neighbourhoods.

Improved Public Access to the City's cultural assets

- The 2010 Recommended Capital Budget provides approximately \$5.503 million in funding for a number of projects supporting the state of good repair requirements for heritage buildings including Fort York, Spadina Museum, the Berkley Street Theatre and Todmorden Mills. These properties are accessible to the public for cultural uses such as museums, art centres, theatres and galleries.
- The 2010 Recommended Capital Budget includes \$1.650 million funding for the restoration of Casa Loma and \$5.700 million funding for the Fort York Visitor Centre.

Creative Partnerships

The 2010 Recommended Capital Budget provides approximately \$1.348 million in funding for two projects supporting development of creative partnerships for the restoration and operation of several of the major vacant heritage properties in the Culture portfolio.

- **Guild Inn Site:** The 2010 Recommended Capital Budget includes \$0.764 million funding for development of the Culture Precinct on the site in conjunction with a potential partner wishing to develop a new facility on the site.
- **John Street Roundhouse:** The 2010 Recommended Capital Budget includes \$0.584 million funding to implement the master plan, with a partner, to make the rail heritage assets accessible to the public.

The 2010 Recommended Capital Budget of \$18.879 million provides funding to:

- Begin capital maintenance of the Berkeley St. Theatre for \$0.428 million.
- Continue the following projects: major maintenance of the John Street Roundhouse for \$0.584 million, restoration of the Guild Inn for \$0.196 million, restoration of Casa Loma for \$1.5 million, restoration of Todmorden Mills (\$0.635 million),
- Continue Streetscape improvements in 32 BIAs for \$4.329 million.
- Complete restoration project at Windfields Estate for \$1.6 million.

PART II: ISSUES FOR DISCUSSION

2010 Recommended Capital Budget Issues

Fort York Visitors Centre Funding Status

Cultural Services staff has been working closely with staff from the Provincial and Federal levels of government to develop a strategy for commemorating the Bicentennial of the War of 1812 (2012 to 2015). The City Council-endorsed legacy projects for the bicentennial include the revitalization of Fort York, with the proposed Visitor Centre as the centrepiece, the construction of the Fort York Pedestrian/Bicycle Bridge, and the development of a Heritage Trail Network.

The proposed Visitor Centre is being advanced with a grant of \$0.617 million from the Department of Canadian Heritage's Cultural Spaces Canada Program. A second grant application, requesting funding for 50% of the construction costs related to 'base building construction' (ie. 75% completion) was submitted in June to Canadian Heritage's Canada Cultural Spaces Fund, asking for \$6,121,250 in total. A separate grant application has been made to Parks Canada's Cost Sharing Program, requesting \$0.962 million for landscape rehabilitation in the area of the Visitor Centre.

City staff will continue to pursue funding opportunities with the other orders of government. The Friends of Fort York have completed a fund-raising feasibility study and are working with The Offord Group on a \$1.8 million campaign focussed on private sector donors. Staff is requested to prepare a "fall back" option in the event that fund raising fails and the new Visitors Centre can not be completed in time to be the centre of events planned to commemorate the War of 1812 at Fort York.

It is recommended that the Fort York Visitors Centre project be approved conditionally, subject to the receipt of such funds during 2010 and that the project not proceed until funds are received.

Increased Demand for BIA Streetscape Program

Over the past 5 years City Council has established 20 new BIAs, bringing the total to 68. This trend towards 3-4 new BIAs per year is expected to continue as interest grows from businesses and property owners in unorganized retail areas to form new BIAs.

In addition, the BIAs are undertaking increasingly ambitious projects. In the early years of the Capital Cost-Share Program, most BIAs undertook relatively small projects requiring 50/50 funding for banners, hanging baskets, and street signs. However, there are now more larger BIAs with interest in major improvement and revitalization type projects for their areas. As a result the funding level and cost sharing model is restricted in addressing these needs, for example, the Bloor Street Transformation Project was funded through a repayable loan to the BIA and this alternative funding mechanism may be a solution for large funding requests in the future.

For 2010, staff received over \$7.7 million of project proposals for 50/50 cost sharing for new streetscape funding requests from BIAs. The 2010 capital target for streetscape improvements is \$4.327 million gross, \$2.164 million net. Staff were able to address some of this shortfall by cash flowing projects into 2011 and deferring projects that have not been sufficiently advanced to warrant inclusion in the budget.

Consequently, the General Manager of Economic Development Culture and Tourism with Financial Planning staff will review the BIA Capital Program and report on a strategy for managing the growing demand for the BIA Streetscape Improvement Program within debt affordability limits before the 2011 Budget Cycle, including relationships and linkages with other City ABCDs.

2011-2019 Recommended Capital Plan Issues

Growing Scope of Casa Loma Restoration

As part of the new Management Agreement with the Kiwanis, Cultural Services has undertaken a complete Building Condition Audit of the entire Casa Loma campus, including the Hunt Lodge, which was previously identified as a Facility and Real Estate asset. Kiwanis contribute \$0.800 million annually to the Capital Reserve. With the addition of the Stables, Hunt Lodge, the connecting tunnel, and the increased deterioration of landscape structures such as the stone walls and paved surfaces, the cost of the remaining restoration work on this property will rise by \$6.0 to \$10.0 million. The need to address the health and safety issues at this critical corporate priority means that other state of good repair projects are routinely delayed.

As a result, future years Capital projects in the 10-Year Capital Plan will have to be re-prioritised to accommodate any future year increases in Casa Loma debt funding, to stay within the approved debt affordability targets.

Artifact Collection Facility

The City will require a new collection facility in the 2015-2019 timeframe to house its extensive heritage artifact collection. In the past, this facility had been considered as part of the Toronto Museum project, but has not been included in the current review of Old City Hall. A study of collections capacity and needs identified that the restoration and addition to the heritage building that houses the collection today is estimated at \$19.50 million. A new purpose-built facility is estimated at \$22.70 million. The funding for a new Artifact Collection Facility is not included in the 10-year Capital Plan.

Appendix 1
10-Year Recommended Capital Plan Project Summary

Appendix 2
2010 Recommended Capital Budget; 2011 to 2019
Capital Plan

Appendix 3

**2010 Recommended Cash Flow
And Future Year Commitments**

Appendix 4
2010 Recommended Capital Projects
With Financing Details

Appendix 5

Reserve / Reserve Fund Review

Reserve / Reserve Fund Name (In \$Thousands)		Projected Balance as at Dec. 31, 2009	Proposed Withdrawals										2010 - 2019 Total
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	
Casa Loma Capital Maint.	XR1501	3,861	566	970	1,430	880	-	880	880	660	1,100	788	8,154
Capital Financing Res Fund	XQ0011	155,679	500	400	-	-	-	-	-	-	-	-	900
Heritage	XR1019	385	228	-	-	-	-	-	-	-	-	-	228
Land Acquisition PF&R	XR1214	3,980	1,243	-	99	-	-	-	-	-	-	-	1,342
17 Ryerson Capital Maint.	XR3213	207	110	-	110	-	-	27	-	55	-	27	329
Public Art Res Fund	XQ4002	602	177	164	165	165	165	143	165	165	165	165	1,639
Guild Inn Res Fund	XR3002	210	196	-	-	-	-	-	-	-	-	-	196
Total Reserve / Reserve Fund		164,924	3,020	1,534	1,804	1,045	165	1,050	1,045	880	1,265	980	12,788

Appendix 6

2010 to 2019 New and Expansion Facility Projects

Projects (In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
Fort York Visitors Centre	5,700	8,300	4,000								18,000
Fort York Adding New Buildings							220	900			1,120
Toronto Museum Project		405	200	200							805
Total	5,700	8,705	4,200	200	0	0	220	900	0	0	19,925