

Analyst Briefing Notes

Budget Committee

(October 30, 2008)

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October 29, 2008

PART I: CAPITAL PROGRAM**Executive Summary**

- The 2008 Approved Capital Budget of \$10.223 million was 10.8% spent as at June 30, 2008. Expenditures by year-end are projected to be \$7.562 million, or 74.0% of the 2008 Approved Capital Budget. \$3.163 million of unspent 2008 funding will be carried forward into 2009 to complete 2008 capital work. The projected under expenditures are primarily attributed to previous challenges in hiring qualified staff for the New Zoning By-Law project and changes to the required scope of work for Development Related Studies arising from changes to the Transit Environmental Assessment regulations.
- The 10-Year Capital Plan and Forecast moves forward on City Planning's strategic direction of achieving and reinforcing key priorities of Prosperity, Opportunity, Liveability and Good Government, as well as on-going legislative requirements. Included are specific initiatives to address the Divisions goals:
 - Continued funding of the Civic Improvement program which will ensure special treatment for important streets and places which will improve the look and feel of the public realm.
 - Ongoing funding for Development Related Studies which focus on the implementation of the Official Plan, improving the planning process and addressing local studies requested by Council.
 - Streamlining the 43 different zoning by-laws in the City through the completion of the New Zoning By-Law project.
- The 2009 Recommended Capital Budget, 2010 to 2013 Capital Plan, and 2014 to 2018 Proposed Capital Forecast total \$47.475 million of which \$23.535 million is the Program's 5-Year Capital Plan. The 5-Year Capital Plan, excluding carry forward funding of \$3.163 million is in line with the City's debt target for each year and will be funded as follows:
 - \$16.326 million debt;
 - \$7.134 million development charges; and,
 - \$0.075 million from the TTC.
- The 5-Year Recommended Capital Plan includes changes required to the 2008 to 2012 Capital Plan to ensure completion of the New Zoning By-Law and to shift the Program's Civic Improvement focus to the design and construction of Places projects, beginning in 2009;
- The 5-Year Recommended Capital Plan requires cash flows of \$8.262 million in 2009, \$4.344 million in 2010, \$4.733 million in 2011, \$4.785 million in 2012; and \$4.574 million in 2013;
 - The 5-Year Recommended Capital Plan includes previously approved sub-projects that require a cash flow of \$0.591 million in 2009. This recommended funding is provided for the completion of Development Related Studies, \$0.497 million and the New Zoning By-Law project, \$0.094 million.

- The recommended new cash flow funding for 2009 to 2013 of \$7.068 million is primarily allocated to Civic Improvement projects, \$5.115 million, Development Related Studies, \$0.994 million and the completion of the New Zoning By-Law, \$0.706 million.
- The 2009 Recommended Capital Budget of \$5.099 million provides funds for Legislated projects (21%) and Growth Related projects (79%), as follows;
 - Legislated projects include funding of \$0.800 million for the completion of the New Zoning By-Law, which will improve the planning process by streamlining the City's 43 different Zoning By-Laws and \$0.224 million for continued legal support in defence of the new Official Plan.
 - Growth projects include Civic Improvement work which forwards the Mayor and Council's priority for a Cleaner and More Beautiful City, funded in the amount of \$2.555 million and Development Related Studies which focus on the implementation of the Official Plan, addressing local studies and improving the planning process, funded in the amount of \$1.431 million.
- The 2009 Recommended Capital Budget will not impact the Program's Operating Budget in 2009 or future years. However, Civic Improvement projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification. Operating impacts will be established once the mix of Civic Improvement projects is determined. This will be considered within the overall scope of the Parks, Forestry, and Recreation 2010 and future years' Operating Budget submissions.
- Civic Improvement projects will shift focus from both Places and Routes projects, to the design and construction of Places only, which require a higher level of design involvement. This shift in focus is the result of the creation of the Public Realm unit in Transportation Services. A new protocol is being developed which will ensure that typical paving, planting and street furnishing will be included in streetscape upgrades provided through street reconstruction projects within Transportation Services' capital program.
- Within three years, the City will be required to bring its newly approved Official Plan into conformity with the Province's "Places to Grow" Plan which is now in effect. Adjustments to future cash flows may be needed by 2011 in order to complete these requirements.
- Many of City planning's projects included in the 5-Year Proposed Capital Forecast are estimates based on historical costs. It is not specifically known which projects are to be completed in each year and/or their priority for completion. The Chief Planner and Executive Director of City Planning will continue to work with the Acting Chief Financial Officer to articulate longer term priorities for projects outside of the Programs 5-Year Capital Plan.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Capital Budget for City Planning with a total project cost of \$7.068 million and a 2009 cash flow of \$8.262 million and future year commitments of \$2.560 million. The 2009 Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 8 new sub-projects with a 2009 total project cost of \$7.068 million that requires cash flow of \$4.508 million in 2009 and a future year commitment of \$2.560 million in 2010;
 - ii) 1 previously approved sub-project that requires cash flow of \$0.094 million in 2009;
 - iii) 5 sub-projects from previously approved projects with carry forward funding from 2007 and prior years requiring 2009 cash flow of \$0.497 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and,
 - b) 2008 approved cash flow for 9 previously approved sub-projects with carry forward funding from 2008 into 2009 totalling \$3.163 million;
2. Council approve the new debt service costs of \$0.082 million in 2009 and incremental costs of \$0.398 million in 2010 and \$0.225 million in 2011 resulting from the approval of the 2009 Recommended Capital Budget, to be included in the 2009 and future year operating budgets;
3. Council approve the 2010-2013 Capital Plan for City Planning totalling \$15.876 million in project estimates, comprised of \$1.784 million in 2010; \$4.733 million in 2011; \$4.785 million in 2012; and \$4.574 million in 2013;
4. Council approve in principle the 2014-2018 Capital Forecast for City Planning totalling \$23.940 million in project estimates, comprised of \$4.788 million in 2014; \$4.788 million in 2015; \$4.788 million in 2016; \$4.788 million in 2017; and \$4.788 million in 2018; and that this forecast be used as a foundation for preparing a 2010-2019 Capital Plan and Forecast as part of the 2010 Capital Budget process;
5. an “A-list” and “B-list” of potential Civic Improvement projects be provided by the Chief Planner and Executive Director of City Planning to the Budget Committee prior to the approval of the 2009 Capital Budget, to ensure co-ordination with various City Programs in the delivery of public realm projects and to ensure that Parks, Forestry & Recreation can identify potential operating impacts for inclusion in their 2010 and future years operating budgets; and,
6. the Chief Planner and Executive Director of City Planning review any anticipated additional costs along with potential development charge recoveries for the legislated requirements of the 5-Year Review of the Official Plan, and report back during the 2010 Capital Budget process.

PART I: CAPITAL PROGRAM

2008 Capital Variance Review

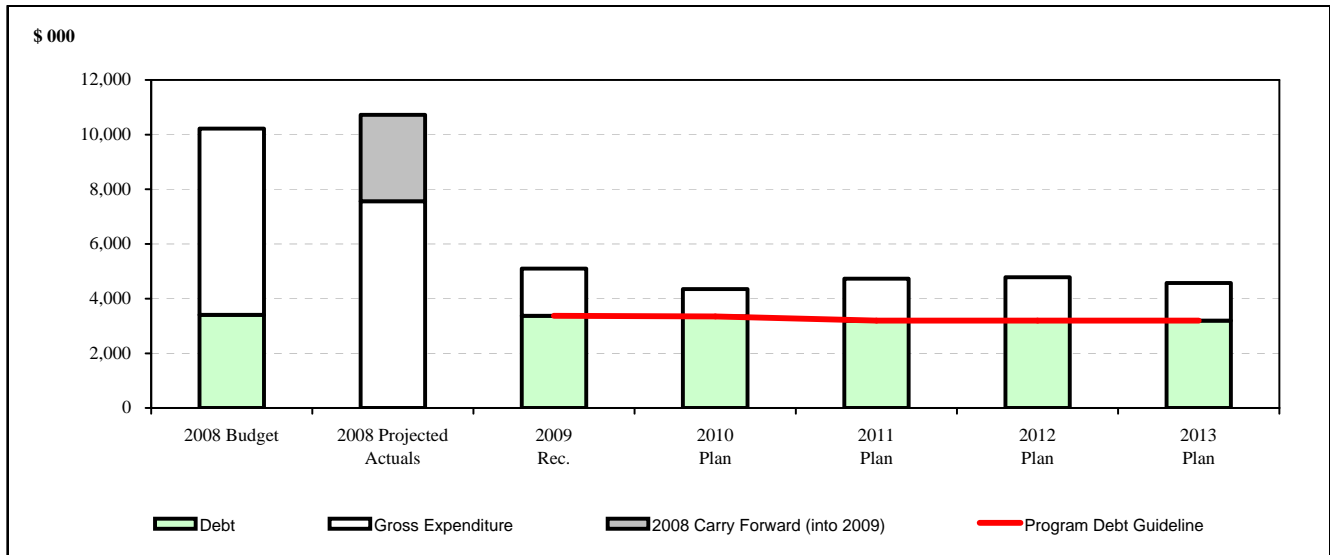
2008 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2008 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
10,223	1,109	10.8%	7,562	74.0%	2,662

Comments / Issues:

- The City Planning 2008 Approved Capital Budget of \$10.223 million was 10.8% or \$1.109 million spent, as at June 30th, 2008. Actual expenditures by year-end are anticipated to be \$7.562 million or 74.0% of the 2008 Approved Capital Budget, as reported in the 2nd Quarter Capital Budget Variance Report. This represents an increase of \$3.645 million or 33.2% in spending over the 2007 spending rate of 40.8% or \$3.917 million.
- The funding from 2008 carried forward into 2009 included in the 2009 Recommended Capital Budget is \$3.163 million and is higher than the projected unspent actuals of \$2.662 million identified in the 2nd Quarter Capital Budget Variance Report. Further adjustments to carry forward funding will be made upon receipt of updated projected actual year-end expenditures.
 - Previous challenges in hiring qualified staff for the New Zoning By-Law 2005 – 2007 project will result in \$0.815 million in funding being carried forward from 2008 into 2009. The project is now fully staffed and the approved cash flow funding will be spent in 2009.
 - Funding of \$0.537 million is being carried forward from 2008 into 2009 for Development Charge Funded Studies. This is primarily the result of required changes to the scope of work for these projects arising from the changes to the Transit Environmental Assessment regulations and the announcement of the Transit City program.
 - Additional funding of \$0.497 million is being carried forward from projects originally approved in 2007, into 2009 for Development Charge Funded Studies and the completion of the Intensification and Tall Building Analysis. This forms part of the affordability target, which requires Council to reaffirm its commitment.

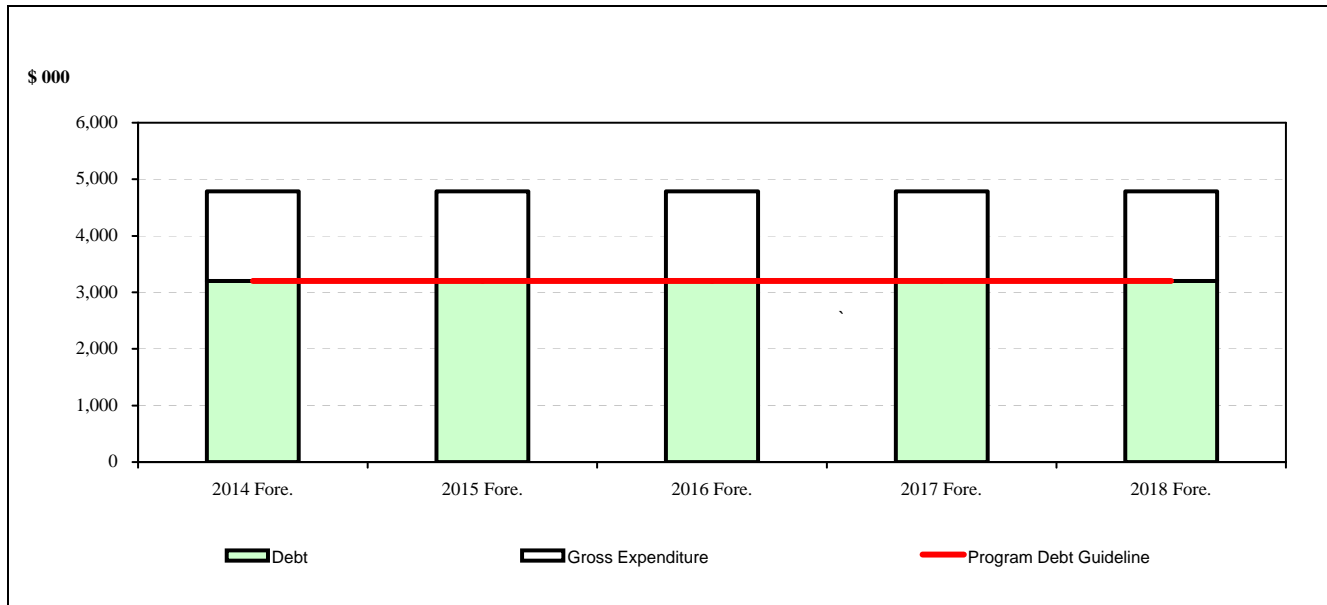
5-Year Capital Plan

(2009 Recommended Budget, 2010-2013 Plan)



	2008		5-Year Capital Plan					2009-2013	5-Year Total Percent
	Budget	Projected Actual	2009	2010	2011	2012	2013		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments	10,223	7,562	94					94	
Recommended Changes to Commitments			497	2,560				3,057	
2009 New/Change in Scope and Future Year Commitments			4,508					4,508	
2010 - 2013 Capital Plan Estimates				1,784	4,733	4,785	4,574	15,876	
1-Year Carry Forward to 2009		3,163							
Total Gross Annual Expenditures & Plan	10,223	10,725	5,099	4,344	4,733	4,785	4,574	23,535	
Program Debt Target	3,413		3,374	3,352	3,200	3,200	3,200	16,326	
Financing:									
Recommended Debt	3,413		3,374	3,352	3,200	3,200	3,200	16,326	69%
Reserves/Reserve Funds								0	0%
Development Charges	3,075		1,650	992	1,533	1,585	1,374	7,134	30%
Federal								0	0%
Provincial								0	0%
Other Revenue	3,735		75					75	0%
Total Financing	10,223		5,099	4,344	4,733	4,785	4,574	23,535	100%
By Category:									
Health & Safety								0	0%
Legislated	2,967		1,053	854	1,605	1,487	931	5,930	25%
SOGR								0	0%
Service Improvement								0	0%
Growth Related	7,256		4,046	3,490	3,128	3,298	3,643	17,605	75%
Total By Category	10,223		5,099	4,344	4,733	4,785	4,574	23,535	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)								0	
Accumulated Backlog Estimate (end of year)								0	
Operating Impact on Program Costs								0	
Debt Service Costs			82	428	432	416	416	1,774	

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast							10-Year Total Percent	
	2014	2015	2016	2017	2018	2014-2018	2009-2018		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments							94		
Recommended Changes to Commitments							3,057		
2009 New/Change in Scope and Future Year Commitments							4,508		
2014 - 2018 Capital Forecast Estimates	4,788	4,788	4,788	4,788	4,788	23,940	39,816		
Total Gross Annual Expenditures & Plan	4,788	4,788	4,788	4,788	4,788	23,940	47,475		
Program Debt Target	3,200	3,200	3,200	3,200	3,200	16,000	32,326		
Financing:									
Recommended Debt	3,200	3,200	3,200	3,200	3,200	16,000	32,326	68%	
Reserves/Reserve Funds							0	0%	
Development Charges	1,588	1,588	1,588	1,588	1,588	7,940	15,074	32%	
Federal							0	0%	
Provincial							0	0%	
Other Revenue							75	0%	
Total Financing	4,788	4,788	4,788	4,788	4,788	23,940	47,475	100%	
By Category:									
Health & Safety									
Legislated	48	48	48	48	48	240	6,170	13%	
SOGR							0	0%	
Service Improvement							0	0%	
Growth Related	4,740	4,740	4,740	4,740	4,740	23,700	41,305	87%	
Total By Category	4,788	4,788	4,788	4,788	4,788	23,940	47,475	100%	
Yearly SOGR Backlog Estimate (not addressed by current plan)	Not Applicable							0	
Accumulated Backlog Estimate (end of year)	Not Applicable							0	
Operating Impact on Program Costs	Not Applicable							0	
Debt Service Costs	416	416	416	416	416	2,080	3,854		

10-Year Capital Plan and Forecast Overview

- The Recommended 5-Year Capital Plan and Proposed 5-Year Capital Forecast, includes projects totalling \$47.475 million gross and \$32.326 million net. Over the next 10 years, \$15.074 million will be funded from Development Charges allowing City Planning to deliver its capital program within assigned debt targets in each year of the ten year period, these total \$32.326 million.
- The strategic direction reflected in the Recommended 5-Year Capital and Proposed 5-Year Capital Forecast focuses on achieving and reinforcing key priorities of Prosperity, Opportunity, Liveability and Good Government, as well as on-going legislated requirements. Current capital needs are addressed with this Plan and Forecast. However within three years, the City will need to bring its newly approved Official Plan into conformity with the Province's "Places to Grow" Plan and as a result additional resource needs may be identified.
- The 10-Year Capital Plan and Forecast consists of six major Capital initiatives: Civic Improvements, The Official Plan, The Zoning-By-Law, Natural Heritage Studies, Toronto Archaeological Studies, and Growth-Related Studies.
- Growth Projects account for 75% or \$17.605 million of the 2009 Recommended Capital Budget and 2010 – 2013 Capital Plan. These projects will focus on the implementation of the Official Plan, the improvement of the planning process, the Mayor and Councils priority for a Cleaner and More Beautiful City, as well as local studies requested by Council. Growth projects in the 2009 – 2013 period include Avenue Studies, Growth Studies and Environmental Assessment Transit Studies. For the period 2014 – 2018, Growth projects account for \$23.700 million or 99.0% of the Proposed 5-Year Capital Forecast of \$23.940 million for the continuation of various studies.
- Civic Improvement Projects, which also form part of City Planning's growth projects, will shift focus from both Places and Routes projects, to the design and construction of Places which require a higher level of design involvement. This shift in focus is the result of the creation of the Public Realm unit in Transportation Services. A new protocol is being developed which will ensure that typical paving, planting and street furnishing will be included in streetscape upgrades provided through street reconstruction projects within Transportation Services' Capital program.
- Legislated Projects account for 25% or \$5.930 million of the 2009 Recommended Capital Budget and 2010 – 2013 Capital Plan. These include projects which will accommodate the legislated comprehensive 5-Year review of the Official Plan, the completion and legal support of the Zoning By-Law as well as projects that will accurately map Natural Heritage Systems and areas that exhibit archaeological potential in Toronto. For the period 2014 – 2018, Legislated projects account for \$0.240 million or 1.0% of the Proposed 5-Year Capital Forecast of \$23.940 million for the continuation of Toronto Archaeological Resources Plan.
- The Recommended 5-Year Capital Plan and Proposed 5-Year Capital Forecast has utilized Development Charge funding for eligible Civic Improvement projects and Growth Related Studies. Adequate funding is available for 2009 projects funded from Development Charges, while DC funded projects in the 2010-2018 timeframe are subject to Council's consideration of the new Development Charge By-Law, in the fall of 2008. These DC funded projects will be re-evaluated during the 2010 Capital Budget process.

Multi-Year Debt Affordability Targets

The Recommended 2009 Capital Budget, 2010 – 2013 Recommended Capital Plan and 2014 – 2018 Proposed Capital Forecast is in line with City Planning's multi-year debt affordability targets totalling \$32.326 million over the ten years of the Recommended Capital Plan and Proposed Forecast.

Project Financing

City Planning's Recommended 5-Year Capital and Proposed 5-Year Capital Forecast is primarily funded from debt and development charges. Not including carry forward funding, \$32.326 million or 68% of the \$47.475 million Capital Plan and Forecast is funded from debt, while \$15.074 or 32% will be funded from Development Charges. This represents an increase of \$0.259 million or 4% of funding from Development Charges from the Council Approved 2008-2012 Capital Plan.

Development Charge Funded Projects

Recommended 2009 Development Charge funding is in line with current Development Charge Reserve balances, while accounting for projected 2008 year-end recoveries based on the existing Development Charge By-Law. Development Charge funding for the 2010-2018 timeframe is subject to Council's consideration of the new Development Charge By-Law, in the fall of 2008. Development Charge funded projects will be re-evaluated during the 2010 Capital Budget process, ensuring funding is consistent with the new Development Charge By-Law, as adopted by Council.

State of Good Repair Backlog and Unmet Service Needs**State of Good Repair**

No backlog of State of Good Repair work exists for City Planning since the Program has no inventory of capital assets. Any capital assets that City Planning may create, is maintained by other City programs.

Unmet Service Needs

Currently City Planning does not have any unmet service needs. However, a backlog of projects may result by 2011, as it is anticipated funding adjustments will be required to complete the legislated comprehensive 5-Year review of the Official Plan. Increased funds may be needed to ensure the Official Plan conforms with the Province's "Places to Grow" Plan, which is now in effect. Both of these projects will be eligible for recovery from Development Charges, which will assist affordability.

Program Capacity and Readiness to Proceed

City Planning's 2008 projected spending rate by year-end is anticipated to be 74.0%. This is a significant improvement over the Program's historical spending capacity which was 40.8% in 2007 and an average of 52% in the 4 years prior. It is anticipated that City Planning's capacity to spend will continue to improve in 2009 as a result of the continued Civic Improvement Projects work plan flexibility and the now realized full complement of staff for the New Zoning By-Law. The increased capacity to spend for these two projects will significantly increase City Planning's overall spending performance as they account for over 68% of City Planning's 2009 Recommended Capital Budget and show significantly improved spending rates.

City Planning's readiness to proceed is also dependant on various external factors such as interaction with external stakeholders, other regulatory bodies and other orders of government. These factors have resulted in under spending in OMB related projects and Development Charge Funded Studies in the past. However, assumptions in terms of time lines and uncontrollable factors have been factored into annual cash flows and are reasonably based on these experiences. The Recommended 5-Year Capital Plan and Proposed 5-Year Forecast is aligned with the optimal balance of capital requirements and City Planning's readiness to proceed with planned projects.

Changes to the 5-Year Capital Plan (2008-2012)

The following highlights the changes from the 2008-2012 Approved Capital Plan, as compared with the 2009-2013 Recommended Capital Plan.

- **New Zoning By-Law**

To offset the \$0.706 million in new funds required for the completion of the New Zoning By-Law, funding of \$0.506 million for Support for Legal Challenges of the New Zoning By-Law has been deferred to 2013.

- **Civic Improvement Projects**

These projects will begin to shift their focus from both Places and Routes projects, to the design and construction of Places projects only, beginning in 2009. Gross funding for Routes projects will reduce by \$0.587 million in 2009 with an equivalent increase in Places projects for this year.

Beginning in 2010, Routes projects have been deleted altogether, resulting in a total reduced gross funding of \$8.321 million for City Planning from 2010 – 2013. Of that reduction, \$6.420 million in gross funding has been reapplied to Places projects.

This shift in focus is the result of the creation of the Public Realm unit in Transportation Services. A new protocol is being developed which will ensure that typical paving, planting and street furnishing will be included in streetscape upgrades provided through street reconstruction projects within Transportation Services' Capital program.

Capital Project Highlights

The Recommended 5-Year Capital and Proposed 5-Year Capital Forecast will directly advance the City's strategic priorities:

A Cleaner and More Beautiful City

- Funding is recommended for the Civic Improvement Program which includes Routes and Places projects of \$13.446 million over City Planning's 5-Year Capital Plan period and \$17.500 million for the 2014-2018 Forecast period. This will ensure special treatment for important streets and places which will improve the look and feel of the public realm.
- The Development Charge Funded Studies Project will be used to carry out required Avenue and Transit studies and to implement Growth Related projects. These projects will focus on the implementation of the Official Plan, the promotion of Council's objective of improving the planning process, as well as local studies requested by Council. A total of \$5.973 million in

funding is recommended over City Planning’s 5-Year Capital Plan timeframe and \$6.200 million is projected for the 2014-2018 planning horizon.

- The New Zoning Bylaw project, which will improve the planning process through the streamlining of 43 different zoning by-laws, requires funding of \$4.015 million during the 2009-2013 period. This project will also provide funding for legal defence of the new By-Law at the OMB beginning in 2010.

Summary of Major Capital Initiatives

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 -2018 Forecast	2009 -2018 Total
Major City Initiatives:								
Civic Improvement Projects	3,967.0	2,560.0	2,108.0	2,233.0	2,578.0	13,446.0	17,500.0	30,946.0
DC Funded Studies	1,893.0	930.0	1,020.0	1,065.0	1,065.0	5,973.0	6,200.0	12,173.0
New Zoning By-Law	1,615.0	600.0	600.0	600.0	600.0	4,015.0		4,015.0
Sub-Total	7,475.0	4,090.0	3,728.0	3,898.0	4,243.0	23,434.0	23,700.0	47,134.0
Total	7,475.0	4,090.0	3,728.0	3,898.0	4,243.0	23,434.0	23,700.0	47,134.0

- The 5-Year Capital Plan does not include any facility or IT projects, nor are any IT projects forecasted at this point for the 2014-2018 timeframe.
- Beginning in 2010, the focus of Civic Improvement projects will shift to the design and construction of Places projects, which require a higher level of design involvement, with \$13.446 million allocated for the 2009-20136 period and an additional \$17.500 million earmarked for 2014-2018.

**Operating Budget Impact 10-Year Capital Plan & Forecast
Incremental Operating Impact Summary**

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 - 2018 Forecast	2009- 2018 Total
2009 Recommended Capital Budget								
Program Costs (net)								0.0
Approved Positions								0.0
Debt Service Costs	82.0	398.0	225.1			705.1		
Recommended 2010-2013 Capital Plan								
Program Costs (net)								0.0
Approved Positions								0.0
Debt Service Costs		30.2	206.8	416.0	416.0	1,069.0		
Proposed 2014-2018 Capital Forecast								
Program Costs (net)								0.0
Approved Positions								0.0
Debt Service Costs							2,080.0	
Total								
Program Costs (net)								0.0
Approved Positions								0.0
Debt Service Costs	82.0	428.2	432.0	416.0	416.0	1,774.2	2,080.0	3,854.2

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

- The 2009 Recommended Capital Budget will not impact the Program's Operating Budget in 2009 or future years. However it is expected that Civic Improvement projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification. Operating impacts will be established once the mix of Civic Improvement projects is determined. This will be considered within the overall scope of the Parks, Forestry, and Recreation 2010 and future years' Operating Budget submissions.

Total 2009 Recommended Cash Flow & Future Year Commitments (\$000s)

	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Recommended	2009 Total Cash Flow Recommended	2009 Debt Target	2008 Carry Forwards	Total 2009 Cash Flow (Incl 2008 C/Fwd)	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Cost
Expenditures																	
Previously Approved	497	94		591		3,163	3,754										3754.0
Change in Scope																	0.0
New			3,228	3,228			3,228										3228.0
New w/Future Year			1,280	1,280			1,280	2,560									3840.0
Total Expenditure	497	94	4,508	5,099		3,163	8,262	2,560									10,822
Financing																	
Reserves/Res Funds																	0.0
Development Charges	497		1,153	1,650		712	2,362	416									2778.0
Other			75	75			75										75.0
Debt		94	3,280	3,374	3,374	2,451	5,825	2,144									7969.0
Total Financing	497	94	4,508	5,099		3,163	8,262	2,560									10,822

Comments / Issues:

- Approval of the 2009 Recommended Capital Budget of \$10.822 million will result in a cash flow of \$8.262 million in 2009 and \$2.560 million in 2010, which will encumber the following year’s spending. To fund the 2009 recommended cash flow, City Planning will require new debt of \$3.374 million in 2009 and \$2.144 million in 2010. New funding of \$1.650 million in 2009 will be funded from Development Charges, while \$0.075 million in 2009 will be funded from the TTC. \$0.497 million in funding originally approved in 2007 and prior years is carried into 2009 as part of the 2009 affordability target.
- The 2009 recommended cash flow will provide for the completion of the Zoning By-Law Project which will improve the planning process by streamlining the City’s 43 different Zoning By-Laws. The 2009 recommended funding will also provide for the continuation of five other on going City Planning projects which include Civic Improvement Projects, the Official Plan, Development Charge funded Growth Related Studies, the Toronto Archaeological Master Plan and Natural Heritage Inventory Studies. The 2010 cash flow of \$2.560 million will enable City Planning to enter into multi year Civic Improvement projects in co-ordination with Transportation Services and Toronto Water.

2009 Recommended Capital Budget

2009 Recommended Capital Budget versus Debt Target

The 2009 Recommended Capital Budget including previously approved commitments requires new 2009 cash flow of \$5.099 million gross with debt funding of \$3.374 million. This cash flow combined with funding carried forward of \$3.163 million for 2008 projects provides a total 2009 Recommended Capital Budget of \$8.262 million gross. The 2009 Recommended Capital Budget for City Planning meets the 2009 debt affordability guideline of \$3.374 million.

Capital Budget by Project Category

- Legislated projects account for 21% of the 2009 Recommended Capital Budget. The 2009 debt target and projected uncommitted balances in the applicable Development Charge Reserve Funds are sufficient to fund the 2009 legislated requirements. These include projects which will accommodate legal support for the Official Plan and the completion of the Zoning By-Law as well as projects that will accurately map the Natural Heritage Systems as well as areas that exhibit archaeological potential in Toronto.
- Growth sub-projects represent 79% of the 2009 Recommended Capital Budget. The 2009 debt target and projected uncommitted balances in the applicable Development Charge Reserve Funds are also sufficient to fund the 2009 requirements. These projects will focus on the implementation of the Official Plan, the improvement of the planning process, advancing the Mayor and Council's priority for a Cleaner and More Beautiful City, as well as local studies requested by Council. Growth projects include Development Charge Funded Studies and Civic Improvement Projects.

2009 Capital Budget Highlights

The 2009 Recommended Capital Budget will provide for the completion of the Zoning By-Law Project which will improve the planning process by streamlining the City's 43 different Zoning By-Laws. The 2009 recommended funding will also provide for the continuation of Civic Improvement Projects, which will ensure special treatment for important streets and places and improve the look and feel of the public realm. It will also provide for Development Charge funded Growth Related Studies, which will focus on the implementation of the Official Plan, the promotion of Council's objective of improving the planning process, as well as local studies requested by Council.

Capacity and Readiness to Proceed

The 2009 Recommended Capital Budget is ready to proceed. The Zoning By-Law project is now fully staffed and the approved cash flow for this project will be expended in 2009. The Program is also in the process of completing their annual "A" and "B" list of potential Civic Improvement project locations across the City, to ensure co-ordination with various other City Programs in the delivery of projects aimed at improving the public realm.

PART II: ISSUES FOR DISCUSSION**2009 Capital Budget Issues****Civic Improvement Projects**

Currently, the mix of Civic Improvement projects has not been finalized. This “A-list” and “B-list” of potential projects allows for flexibility in City Planning’s Civic Improvement work plan and ensures that the City’s Parks, Forestry & Recreation Division can identify potential operating impacts for inclusion in their 2010 and future years operating budgets.

It is recommended that an “A-list” and “B-list” of potential Civic Improvement projects be provided by the Chief Planner and Executive Director of City Planning to the Budget Committee prior to the approval of the 2009 Capital Budget.

5-Year Capital Plan (2010-2013) Issues**Legislated Projects**

It is legislated by the Province of Ontario that the City of Toronto perform a comprehensive 5-Year review of the Official Plan as well as ensure that the Official Plan is in conformity with the Province’s “Places to Grow” Plan, which is now in effect. Adjustments to future cash flows may be needed by 2011 in order to complete these requirements.

It is recommended that the Chief Planner and Executive Director of City Planning review any anticipated additional costs along with potential development charge recoveries for the 5-Year Review of the Official Plan, and report back as part of the 2010 Capital Budget process.

Civic Improvement Projects

Civic Improvement projects, which have historically included both Routes and Places projects will begin to shift their focus to the design and construction of Places projects only, beginning in 2009. In 2010, Routes projects have been deleted altogether, resulting in a total reduced gross funding of \$8.321 million for City Planning from 2010 – 2013. Of that reduction, \$6.420 million in gross funding has been reapplied to Places projects.

This shift in focus is the result of the creation of the Public Realm unit in Transportation Services. A new protocol is being developed which will ensure that typical paving, planting and street furnishing will be included in streetscape upgrades provided through street reconstruction projects within Transportation Services’ Capital program.

5-Year Capital Forecast (2014-2018) Issues

Long Term Strategy/Master Plan

The 5-Year Proposed Capital Forecast is primarily comprised of future year Civic Improvement projects as well as future year Growth, Avenue and Transit Studies. Cash flow projections are estimates based on historical costs. It is not specifically known which projects are to be completed in which year and/or their priority for completion.

The Chief Planner and Executive Director of City Planning will continue to work with the Acting Chief Financial Officer to articulate longer term priorities for projects outside of the Program's 5-Year Capital Plan.

Appendix 1

**2009 Recommended Capital Budget;
2010 to 2013 Plan and 2014 to 2018 Forecast**

Appendix 2
**2009 Recommended Cash Flow
and Future Year Commitments**

Appendix 3
2009 Recommended Capital Projects
with Financing Details

Appendix 4 Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2008	Proposed Withdrawals									
			2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Fore.	2015 Fore.	2016 Fore.	2017 Fore.	2018 Fore.
XR2301 Development Charge Reserve Fund - Civic Improvements	Beginning Balance	\$16	\$16	\$14	\$483	\$861	\$1,210	\$1,476	\$1,521	\$1,566	\$1,611	\$1,656
	Places Projects (Various Years)		(\$292)	(\$416)	(\$507)	(\$536)	(\$619)	(\$840)	(\$840)	(\$840)	(\$840)	(\$840)
	Routes 2009		(\$291)									
	Total Proposed Withdrawals		(\$583)	(\$416)	(\$507)	(\$536)	(\$619)	(\$840)	(\$840)	(\$840)	(\$840)	(\$840)
	Projected Contributions		\$581	\$885	\$885	\$885	\$885	\$885	\$885	\$885	\$885	\$885
	TOTAL RESERVE FUND BALANCE AT YEAR-END		\$16	\$14	\$483	\$861	\$1,210	\$1,476	\$1,521	\$1,566	\$1,611	\$1,656

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2008	Proposed Withdrawals									
			2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Fore.	2015 Fore.	2016 Fore.	2017 Fore.	2018 Fore.
XR2030 Development Charge Reserve Fund - DC Related Studies	Beginning Balance	\$818	\$818	\$1,020	\$1,618	\$1,766	\$1,891	\$2,310	\$2,736	\$3,162	\$3,588	\$4,014
	Growth Studies (Various Years)		(\$165)	(\$167)	(\$199)	(\$220)	(\$220)	(\$286)	(\$286)	(\$286)	(\$286)	(\$286)
	Avenue Studies (Various Years)		(\$226)	(\$226)	(\$245)	(\$264)	(\$264)	(\$297)	(\$297)	(\$297)	(\$297)	(\$297)
	EA Transit Studies (Various Years)		(\$179)	(\$183)	(\$182)	(\$165)	(\$165)	(\$165)	(\$165)	(\$165)	(\$165)	(\$165)
	5-Year Review of the Official Plan				(\$400)	(\$400)	(\$106)					
	Total Proposed Withdrawals		(\$570)	(\$576)	(\$1,026)	(\$1,049)	(\$755)	(\$748)	(\$748)	(\$748)	(\$748)	(\$748)
	Projected Contributions		\$772	\$1,174	\$1,174	\$1,174	\$1,174	\$1,174	\$1,174	\$1,174	\$1,174	\$1,174
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$818	\$1,020	\$1,618	\$1,766	\$1,891	\$2,310	\$2,736	\$3,162	\$3,588	\$4,014	\$4,440