

**Analyst Briefing Notes
Budget Committee
(October 30, 2008)**

Page

PART I: CAPITAL PROGRAM

Executive Summary 2

Recommendations 4

2008 Capital Variance Review 5

5-Year Capital Plan (2009 Recommended Budget, 2010-2013 Plan) 6

5-Year Capital Forecast (2014-2018) 7

10-Year Capital Plan & Forecast Overview 8

Operating Budget Impact-10-Year Capital Plan & Forecast Plan 11

Total 2009 Recommended Cash Flow & Future Year Commitments 12

PART II: ISSUES FOR DISCUSSION

2009 Capital Budget Issues..... 14

10-Year Capital Plan/Forecast (2010-2018) Issues 14

Issues Referred to the 2009 Budget ProcessN/A

APPENDICES

Appendix 1: 2009 Rec'd Capital Budget; 2010 to 2013 Plan & 2014 to 2018 Forecast..... 15(a)to(c)

Appendix 2: 2009 Recommended Cash Flow & Future Year Commitments 16(a)to(c)

Appendix 3: 2009 Recommended Capital Projects with Financing Details 17

Appendix 4: Reserve / Reserve Fund Review 18

Contacts: Judy Broughton
Manager, Financial Planning
Tel: (416) 392- 8393

Tom Perdikis
Financial Planning Analyst
Tel: (416) 397- 4478

October 29, 2008

PART I: CAPITAL PROGRAM**Executive Summary**

- The 2008 Approved Capital Budget of \$21.868 million was 10.3% or \$2.262 million spent as at June 30th, 2008. Actual expenditures by year-end were anticipated to be \$21.868 million or 100% of the 2008 Approved Capital Budget at that time. However, several state of good repair projects were delayed. More recent projections indicate that the Pedestrian Bridge, repairs to the exterior façade and other small SOGR projects will continue into 2009. As a result, \$4.198 million of funding will be carried forward from 2008 to 2009. In addition, \$1.512 million of unspent funds from 2007 and prior years will be carried forward into 2009; considered as new debt in accordance with the City's carry forward policy.
- The primary focus of the 10-Year Capital Plan and Forecast for Union Station is the design and construction of revenue and transportation enhancement projects to make Union Station a multi-modal transportation and retail destination centre. The 2009 Recommended Capital Budget provides funding for consultants to develop a detailed strategy to achieve the recommended approach for the revitalization of the Station. The 2010-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast provides for implementation of the proposed strategy.
- The 2009 Recommended Capital Budget; 2009-2013 Recommended Capital Plan and 2014 to 2018 Proposed Forecast totals \$619.497 million, including carry forward funding, requiring debt funding of \$151.851 million. Of that total amount, \$461.963 million is projected for the Program's Recommended 5-Year Capital Plan, requiring debt funding of \$54.220 million and cash flow of \$43.195 million in 2009, \$104.380 million in 2010, \$158.632 million in 2011, \$102.535 million in 2012 and \$53.221 million in 2013.
- The 10-Year Capital Plan and Forecast focuses on the implementation of the Recommended Approach for the Revitalization of Union Station. It incorporates previously approved State of Good Repair projects and proceeding with detailed design work to implement the recommended approach for revitalization in 2009. The remainder of the 5-Year Capital Plan and 5-Year Capital Forecast focuses on construction of the recommended approach, including SOGR improvements. Funding for the project is a combination of City debt, contributions from other orders of government and revenues from the proposed head lessee. All funding assumptions will be confirmed in a report to Executive Committee in April of 2009.
- Union Station has an estimated \$190.495 million backlog in essential SOGR projects. The backlog is anticipated to be reduced to \$104.711 million by the end of the forecast period.
- The Recommended 5-Year Capital Plan will continue to fund a number of SOGR projects, including exterior façade repairs and the replacement of the pedestrian bridge along Front Street. It also provides for the design work and majority of the construction of the new components for the revitalization of the Station, including Transportation and Revenue enhancement projects and the North West Path, in order to establish Union Station as a multi-modal transportation hub and destination centre.

- The 2009 Recommended Capital Budget including previously approved commitments requires new 2009 cash flow of \$38.998 million gross with debt funding of \$28.411 million. This cash flow combined with carry forward funding of \$4.198 million for 2008 projects brings the total 2009 Recommended Capital Budget to \$43.196 million gross, of which \$32.263 million is funded by debt, with the balance of funding provided from other funding sources (\$6.933 million) and corporate reserve funds (\$4.000 million).
- 13% of the 2009 recommended cash flow is allocated to Health and Safety projects at \$5.261 million; 20% to State-of- Good-Repair projects at \$7.921 million and 66% to Service Improvement projects at \$25.816 million.
- In 2009, the Program will continue to work on SOGR projects and design work for the revitalization strategy. Construction is projected to begin in 2010.
- Co-ordinating the design and construction with outside agencies such as GO Transit and the TTC represent the Program's main challenges in 2009 and beyond.
- The revitalization of Union Station responds to Council's priority to develop a comprehensive public space beautification plan.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Capital Budget for Union Station with a total project cost of \$586.858 million, and 2009 cash flow of \$43.195 million and future year commitments of \$576.302 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 7 new and change in scope sub-projects with a 2009 total project cost of \$586.858 million that requires cash flow of \$26.007 million in 2009 and a future year commitment of \$99.443 million in 2010; \$154.581 million in 2011; \$97.512 million in 2012; \$51.781 million in 2013; \$55.617 million in 2014; \$69.201 million in 2015; \$20.062 million in 2016; \$8.358 million in 2017; and \$4.296 million in 2018;
 - ii) 13 previously approved sub-projects with a 2009 cash flow of \$11.479 million and a future year commitments of \$4.937 million in 2010; \$4.051 million in 2011; \$5.023 million in 2012; \$1.440 million in 2013; and
 - iii) 4 previously approved projects with carry forward funding from 2007 requiring 2009 cash flow of \$1.512 million which forms part of the affordability targets that require Council to reaffirm its commitment.
 - b) 2008 approved cash flow for 8 previously approved sub-projects with carry forward funding from 2008 into 2009 totalling \$4.198 million;
2. Council approve the new debt costs of \$0.518 million in 2009 and incremental costs of \$2.415 million in 2010, \$1.062 million in 2011, \$0.512 million in 2012 and \$1.042 million in 2013, resulting from the approval of the 2009 Recommended Capital Budget, to be included in the 2009 and future year operating budgets.
3. Council approve in principle the 2014-2018 Capital Forecast for Union Station totalling \$157.534 million in project estimates, comprised of \$55.617 million in 2014; \$69.201 million in 2015; \$20.062 million in 2016; \$8.358 million in 2017; and \$4.296 million in 2018; and that this forecast be used as a foundation for preparing a firm 2010 to 2019 Capital Plan and Forecast as part of the 2010 Capital Budget process.

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
21,868	2,262	10.3%	21,868	100%	0

Comments / Issues:

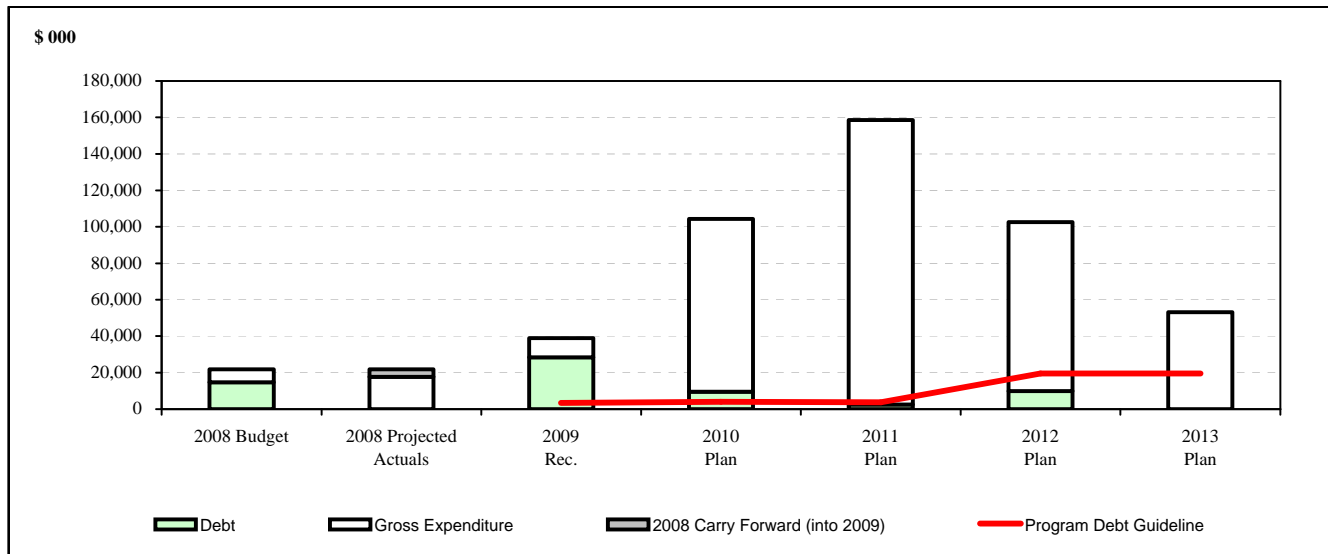
At the end of the June 30, 2008, Union Station had expenditures of \$2.262 million or 10.3% of its 2008 Approved Capital Budget of \$21.868 million. The reported projected spending rate at year end at that time was 100% or \$21.168 million of its 2008 Approved Capital Budget.

State of Good Repair projects approved in 2008 and prior years are delayed, therefore, the projected spending to year end will be significantly less than 100%. These projects include repairs to the exterior façade, the replacement of the pedestrian bridge along Front Street and various smaller SOGR sub-projects.

It is anticipated that the majority of the work scheduled for Union Station in 2009 will be design improvements for the interior of the Station including transportation, retail spaces and the east and west wings. However, exterior work on the pedestrian bridge and the exterior façade will continue as these are independent of the overall revitalization plans.

Due to delays, it will be necessary to carry funding forward from 2008 to 2009 in the amount of \$4.198 million and \$1.512 million will be carried forward for 2007 and prior years. The \$1.512 million be considered to be new debt in accordance with the City’s carry forward policy.

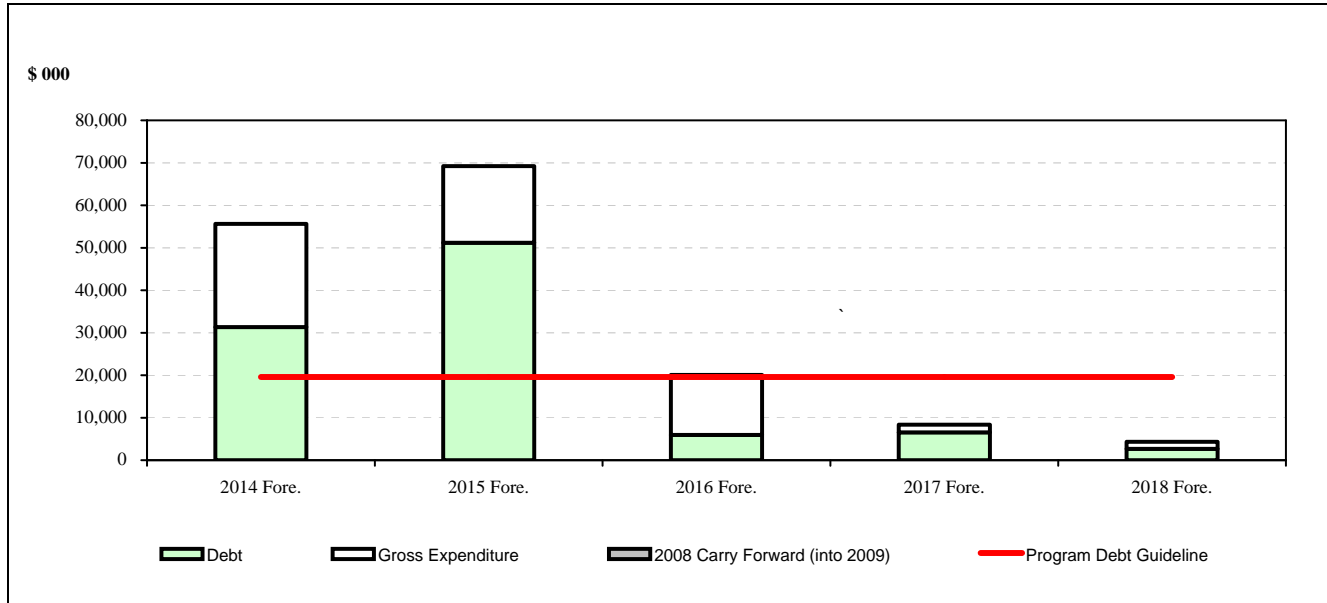
5-Year Capital Plan (2009-2013)



	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	21,868	17,670	12,991	4,937	4,051	5,023	1,440	28,442	
Recommended Changes to Commitments									
2009 New/Change in Scope and Future Year Commitments			26,007	99,443	154,581	97,512	51,781	429,324	
2010 - 2013 Capital Plan Estimates									
1-Year Carry Forward to 2009		4,198							
Total Gross Annual Expenditures & Plan	21,868	21,868	38,998	104,380	158,632	102,535	53,221	457,766	
Program Debt Target	7,183		3,338	4,003	3,800	19,614	19,614	50,369	
Financing:									
Recommended Debt	14,701		28,411	9,519	2,516	9,923		50,369	11%
Reserves/Reserve Funds			4,000	7,570	10,640	2,421		24,631	5%
Development Charges				430	430	430	430	1,720	0%
Federal	7,167		6,587					6,587	1%
Provincial									
Other Revenue				86,861	145,046	89,761	52,791	374,459	82%
Total Financing	21,868		38,998	104,380	158,632	102,535	53,221	457,766	100%
By Category:									
Health & Safety	4,681		5,261	338	9	9	1,440	7,057	2%
Legislated									
SOGR	10,651		7,921	22,313	23,434	15,086	4,938	73,692	16%
Service Improvement	6,536		25,816	81,729	135,189	87,440	46,843	377,017	82%
Growth Related									
Total By Category	21,868		38,998	104,380	158,632	102,535	53,221	457,766	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)									
Accumulated Backlog Estimate (end of year)		190,495	188,103	176,045	159,626	148,026	138,026	138,026	
Operating Impact on Program Costs									
Debt Service Costs			518	2,415	1,062	512	1,042	5,550	

*Note that the 1-Year Carry Forward reflects the latest estimate.

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast							10-Year Total Percent
	2014	2015	2016	2017	2018	2014-2018	2009-2014	
Gross Expenditures:								
2008 Capital Budget & Future Year Commitments							28,442	
Recommended Changes to Commitments								
2009 New/Change in Scope and Future Year Commitments	55,617	69,201	20,062	8,358	4,296	157,534	586,858	
2014 - 2018 Capital Forecast Estimates								
Total Gross Annual Expenditures & Plan	55,617	69,201	20,062	8,358	4,296	157,534	615,300	
Program Debt Target	19,614	19,614	19,614	19,614	19,614	98,070	148,439	
Financing:								
Recommended Debt	31,307	51,170	5,962	6,511	2,681	97,631	148,000	24%
Reserves/Reserve Funds							24,631	4%
Development Charges							1,720	0%
Federal							6,587	1%
Provincial								0%
Other Revenue	24,310	18,031	14,100	1,847	1,615	59,903	434,362	71%
Total Financing	55,617	69,201	20,062	8,358	4,296	157,534	615,300	100%
By Category:								
Health & Safety							7,057	1%
Legislated								
SOGR	7,424	24,021	8,942	8,358	4,296	53,041	126,733	21%
Service Improvement	48,193	45,180	11,120			104,493	481,510	78%
Growth Related								
Total By Category	55,617	69,201	20,062	8,358	4,296	157,534	615,300	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)	131,363	124,700	118,037	111,374	104,711	104,711	104,711	
Operating Impact on Program Costs								
Debt Service Costs	783	4,566	5,522	789	751	12,411	17,960	

10-Year Capital Plan and Forecast Overview

- The primary focus of the 10-Year Capital Plan and Forecast for Union Station is the design and construction of revenue and transportation enhancement projects to make Union Station a multi-modal transportation and retail destination centre. The 2009 Recommended Capital Budget provides funding for consultants to develop a detailed strategy to achieve the recommended approach for the revitalization of the Station. The 2010-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast provides for implementation of the proposed strategy. Key components include the excavation and completion of additional retail space, North West Path and renovations to the East and West Wings. A report entitled 'Union Station Revitalization Implementation' will be submitted to the November 25th Executive Committee. Funding requirements outlined in that report have been identified in this 10-Year Forecast.
- The 10-Year Capital Plan and Forecast totals \$615.300 million, excluding carry forward funding, of which 24% is funded by debt. The remaining funding consists of contributions from other orders of government, revenues from a head lessee for the new retail space, development charge funding and funding from corporate reserve funds. Funding from other sources are not yet confirmed. A further report will be provided to Executive Committee in April of 2009 confirming funding partnerships.
- The 10-Year Capital Plan and Forecast projects are categorized as 1% Health & Safety at \$7.057 million, 21% SOGR at \$126.733 million and 78% Service Improvement at \$481.510 million.
- It is estimated that the cost to address Union Station's backlog is \$190.495 million at the end of 2008. The revitalization plan will address the Station's backlog and will result in a decrease in state of good repair backlog to approximately \$104.711 million by the end of the 10-Year Capital Plan and Forecast time frame.

Multi-Year Debt Affordability Targets

The 10-Year Capital Plan and Forecast requires debt funding of \$148.000 million which is \$0.439 million lower than the debt target of \$148.439 million. The 5-Year Capital Plan of \$50.369 million meets the 5-Year debt target. On an annual basis, the 5-Year Capital exceeds the Program's debt targets in each of the following years: \$25.073 million in 2009 and \$5.516 million in 2010. In 2011, 2012 and 2013, the Program is below the targets by \$1.284 million, \$9.691 million and \$19.614 million respectively.

Project Financing

The Recommended 10-Year Capital Plan requires total funding of \$615.300 million, excluding carry forward funding. The funding is financed by the following sources:

- Debt funding in the amount of \$148.000 million.
- Corporate reserve funds in the amount of \$24.631 million.
- Development Charge funding in the amount of \$1.720 million.
- Federal Government funding in the amount of \$6.587 million for the Security projects.

- Other orders of government and the Head Lessee in the amount of \$434.362 million.

Development Charge Funded Projects

The North West Path Connection Project is eligible for Development Charge funding in the estimated amount of \$1.720 million.

State of Good Repair (SOGR) Backlog and Unmet Service Needs

Funding requirements to address state of good repair backlog at Union Station are projected to be \$190.495 million at the end of 2008. It is anticipated that this level will be reduced to \$104.711 million by the end of the 10-year forecast period. It could take up to twenty-five years to address the full backlog of state of good repair projects.

Program Capacity and Readiness to Proceed

The SOGR projects delayed during 2008 are now ready to proceed. These include the Pedestrian Bridge project, the Security Projects, the Exterior Façade Repairs and the Copper Roof repairs & installation of roof anchors. The remainder of the 2009 funding will provide for design and heritage restoration work. Implementation of the revitalization strategy is contingent upon confirmation of funding from other sources. This will be reported on in the spring of 2009.

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

The major change to the Approved 5-Year Capital Plan is due to the inclusion of the estimated costs for implementation of the revitalization strategy. The 2008 Capital Budget and Plan only contained funding for state of good repair projects and some consulting and heritage fees associated with the revitalization strategy. The 2009 Recommended 5-Year Capital Plan includes further design/heritage consultant funding, construction of new retail space, enhanced traffic flow re-construction projects, the North West Path and renovations to the East and West wings. These new projects, from 2009 -2013, total \$428.252 million.

Capital Projects Highlights

The 10-Year Capital Plan directly advances the following Mayor/Council's priority:

- *A Cleaner and More Beautiful City – Developing a comprehensive public space beautification plan.*

The major capital key elements of the project are: state of good repair, transportation and heritage restoration; construction of a new upper level transportation concourse; and the excavation and construction of a new retail concourse. The Funding required to complete this initiative totals \$516.431 million.

Summary of Major Capital Initiatives

All projects contribute to Union Station's overall redevelopment and revitalization. The key components to this initiative include:

State of Good Repair (SOGR) – The State of Good Repair projects include repairs to the exterior façade, the replacement of the pedestrian bridge along Front Street, the replacement of expansion joints, the replacement of Terrazzo flooring, interior finishes, environmental assessments, structural repairs, copper roof repairs and the Loading Dock project.

Heritage – A Heritage Conservation Plan and Strategy will be developed prior to the commencement of the phased construction schedule to secure the necessary Heritage approvals from Parks Canada. In 2009 staff will be seeking approval from Parks Canada for the work required in the East and West Wing, the restoration of the Great Hall and the VIA departures concourse.

Transportation - Planning work has been undertaken to address issues within and outside the Station related to increased GO Transit and VIA pedestrian volumes and to accommodate pedestrian flows in all locations throughout the building.

Revenue Enhancement – Construction work is anticipated to commence in 2010 to create a lower concourse that will provide improved commuter access from the train platforms, the TTC subway and the GO bus terminal. The lower concourse will provide new retail space and a new source of revenue.

North West Path - The purpose of the North West PATH connection is to relieve the existing pedestrian congestion, support the revitalization of Union Station future downtown growth, and accommodate pedestrian activities generated by GO Transit's service expansion over the next twenty years. The northwest PATH pedestrian connection is a key component of the Station's revitalization. This includes the opening of the west GO (York Street) concourse area in Union Station and moving forward with the design work and implementation.

West Wing - A report on the proposed lease of the West Wing and parts of the Centre Block of the Station is expected to be dealt with by Council at its meeting on December 1 and 2, 2008. This report addresses issues related to undertaking the necessary base building improvements needed to ensure the tenant's occupancy by January 1, 2012.

Operating Budget Impact - 10-Year 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)								
Approved Positions								
Debt Service Costs	518.28	2397.71	927.99	153.75	645.75	4643.47	12410.53	
Recommended 2010-2013 Capital Plan								
Program Costs (net)								
Approved Positions								
Debt Service Costs		17.03	134.41	358.51	396.17	906.10		
Recommended 2014-2018 Capital Forecast								
Program Costs (net)								
Approved Positions								
Debt Service Costs								
Total								
Program Costs (net)								
Approved Positions								
Debt Service Costs	518.28	2414.73	1062.40	512.26	1041.92	5549.57	12410.53	17960.10
<i>Debt Service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years</i>								

The report ‘Union Station Revitalization Implementation’ includes a recommendation to undertake the maintenance/security work previously provided at Union Station by Toronto Terminal Railways Company Limited (TTR). The report recommends approval of \$13.182 million gross, \$0 net, as provided in the Facilities and Real Estate’s 2009 Recommended Operating Budget. Services to be provided include: custodial care and facilities maintenance.

Other sources of revenue will be included in a report to Executive Committee in April, 2009.

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

(In Thousands)	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Rec'd	2009 Total Cash Flow Rec'd	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	1,512	11,479	-	12,991	4,198	17,189	4,937	4,051	5,023	1,440	-	-	-	-	-	32640.0
Change in Scope			3,712	3,712		3,712	-	-	-	-	-	-	-	-	-	3712.0
New			22,295	22,295		22,295	99,443	154,581	97,512	51,781	55,617	69,201	20,062	8,358	4,296	583146.0
New w/Future Year																0.0
Total Expenditure	1,512	11,479	26,007	38,998	4,198	43,196	104,380	158,632	102,535	53,221	55,617	69,201	20,062	8,358	4,296	619,498
Financing																
Reserves/Res Funds			4,000	4,000		4,000	7,570	10,640	2,421	-						24631.0
Development Charges				-		-	430	430	430	430						1720.0
Other	-	3,803	2,784	6,587	346	6,933	86,861	145,046	89,761	52,791	24,310	18,031	14,100	1,847	1,615	441295.0
Debt	1,512	7,676	19,223	28,411	3,852	32,263	9,519	2,516	9,923	-	31,307	51,170	5,962	6,511	2,681	151852.0
Total Financing	1,512	11,479	26,007	38,998	4,198	43,196	104,380	158,632	102,535	53,221	55,617	69,201	20,062	8,358	4,296	619,498

Comments / Issues:

- The 2009 Recommended Capital Budget is \$43.196 million gross, including \$11.479 million in funding for previously approved projects, \$27.519 million for new/change in scope projects (including the 2nd year carry forward funding of \$1.512 million) and \$4.198 million to fund projects carried forward from 2008 to 2009.
- Approval of the 2009 Recommended Capital Budget will result in future year commitments of \$104.380 million for 2010, \$158.632 million for 2011, \$102.535 million for 2012, \$53.221 million in 2013, \$55.617 million in 2014, \$69.201 million in 2015, \$20.062 million in 2016, \$8.358 million in 2017 and \$4.296 million in 2018.
- The 2009 Recommended Capital Budget requires debt funding of \$32.263, reserve funding in the amount of \$4.000 million and other funding sources totalling \$6.933 million.

2009 Recommended Capital Budget

2009 Recommended Capital Budget versus Debt Target

The 2009 debt affordability guideline for Union Station was set at \$3.338 million. The recommended debt level of \$28.411 million exceeds the Program's debt target by \$25.073 million. However, the debt target has been met over the 2009-2013 capital planning period.

Capital Budget by Project Category

The State of Good Repair projects represent \$7.921 million or 20% of the 2009 Recommended Capital Budget. These projects include the replacement of Terazzo Flooring in the Great Hall, Structural repairs and Copper Roof Repairs which are all ready to proceed and will be completed in 2009.

The Health and Safety projects represent \$5.261 million or 13% of the 2009 Recommended Capital Budget. These projects include Exterior Façade Repairs, the replacement of the York Street expansion joints, the replacement of the pedestrian bridge along Front Street and the Environmental project. These are mainly previously approved projects that will proceed and be completed in 2009.

The Service Improvements projects represent \$25.816 million or 67% of the 2009 Recommended Capital Budget. These projects include the Security Projects that will be completed by March, 2009; the West Wing project, the North West Path and the Loading Dock project that require further design work in 2009. The Revenue Enhancement project which includes the excavation of a lower concourse to create new retail space and the Transportation project which requires the expansion of concourses and creating more access routes will be in the design phase for 2009.

Capacity and Readiness to Proceed

The 2009 Recommended Capital Budget consists of State of Good Repair Projects independent of the Revitalization Strategy Implementation and design work to begin the revitalization work at the Station.

PART II: ISSUES FOR DISCUSSION**2009 Capital Budget Issues****Union Station Revitalization Implementation**

A report will be going forward to Executive Committee on November 10, 2008 entitled 'Union Station Revitalization Implementation'. The report identifies the recommended approach to implement the Revitalization Plan for Union Station, the on-going negotiations with other orders of government required to ensure financial participation, the design work that is required to co-ordinate the revitalization work with ongoing construction programs and the selection process to find a potential head lessee.

The Union Station Implementation report provides a detailed strategy to achieve the Recommended Approach for the revitalization of the Station and the coordination with ongoing work related to the Transit Secure Program, office space renovations, the reconstruction of GO Transit's Train shed, the construction of the TTC's Second Platform and the development of the Northwest PATH connection.

A further report will be submitted to Executive Committee in April 2009 to confirm other sources of funding and Union Station's 2009-2018 Capital Plan and Forecast will be revisited for the 2010 Capital Budget process to refine any financing, if necessary.

Capacity to Proceed

The SOGR projects and design/heritage components funded for 2009 are ready to proceed. The Union Station Revitalization projects which consist of the Loading Dock Project, the North West Path project, Heritage approvals, Transportation enhancement projects and the Revenue Enhancement projects require further work to start the design and coordinate the construction within these areas. Only the design work will be ready to proceed within the revitalization projects.

10-Year Capital Plan and Forecast Issues**Financing**

Union Station is currently negotiating with other orders of government regarding their financial participation in the revitalization of Union Station. A report will be going forward to Council in April, 2009, confirming the financial commitments.

The 10-Year Capital Plan and Forecast includes estimated cash flow for the construction and re-construction of Union Station. Funding from other orders of government and finalizing the establishment of a head lessee to operate the enhanced retail space must be confirmed prior to the commencement of construction on this project. A report will be provided to Executive Committee in April 2009 to confirm funding.

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 (In \$Thousands)	Balance as of June 30, 2008	Proposed Withdrawals										2009-2018 Total	
		2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Fore.	2015 Fore.	2016 Fore.	2017 Fore.	2018 Fore.		
Capital Financing Reserve Fund XR1011		4,000.0	7,570.0	10,640.0	2,421.0								24,631.0
													0.0
													0.0
													0.0
													0.0
													0.0
Total Reserve / Reserve Fund	0.0	4,000.0	7,570.0	10,640.0	2,421.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24,631.0