

September 18, 2009

To: Executive Committee
From: Budget Committee
Subject: Toronto Waterfront Renewal Revised 2009 Capital Budget

Recommendation:

The Budget Committee recommended to the Executive Committee that:

1. City Council approve the following adjustments with no net impact to sub-projects within the "Waterfront Revitalization Initiative" Project in the Waterfront Renewal 2009 Approved Capital Budget:
 - a. an increase of \$3.358 million in 2009 funding for Waterfront Toronto Corporate Costs;
 - b. an increase of \$7.460 million in 2009 funding for Portlands Preparation;
 - c. an increase of \$1.887 million in 2009 funding for Sports Fields, Facilities and Parks Development;
 - d. an increase of \$0.513 million in 2009 funding for Lake Ontario Park (Phase 1);
 - e. a decrease of \$0.843 million in 2009 funding for Port Union Linear Park;
 - f. a decrease of \$0.871 million in 2009 funding for Mimico Linear Park;
 - g. a decrease of \$9.388 million in 2009 funding for Precinct Implementation Projects;
 - h. a decrease of \$1.226 million in 2009 funding for Transportation Initiatives;
 - i. a decrease of \$0.681 million in 2009 funding for the West Don Lands/East Bayfront District Energy;
 - j. a decrease of \$0.020 million in 2009 funding for Pier 4 Rehabilitation;
 - k. a decrease of \$0.055 million in 2009 funding for Urban Planning Resources; and

- I. a decrease of \$0.134 million in 2009 funding for the Waterfront Project Secretariat;
2. City Council approve that the City act as “Eligible Recipient”, and approve the creation of a new project, entitled “Regional Sports Complex Planning and Design”, in the 2009 Capital Budget for Waterfront Renewal with total funding of \$3.511 million (\$1.231 million in 2009 and \$2.280 million in 2010), fully funded by Waterfront Toronto, which has asked the City to act as an ”Eligible Recipient” on its behalf.
3. City Council request staff to report to Council as part of the 2010 capital budget process on total project costs, confirmed and projected project revenues and the critical path for delivery of the Regional Sports Complex.
4. City Council authorize and direct appropriate City officials to take the necessary action to give effect thereto.

Background:

The Budget Committee on September 18, 2009, considered a report (September 3, 2009) from the Waterfront Project Director, entitled “Toronto Waterfront Renewal Revised 2009 Capital Budget”.

for City Clerk

Merle MacDonald/mb

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STAFF REPORT ACTION REQUIRED

Toronto Waterfront Renewal Revised 2009 Capital Budget

Date:	September 3, 2009
To:	Budget Committee
From:	Waterfront Project Director
Wards:	All
Reference Number:	

SUMMARY

This report seeks approval to reallocate \$13.218 million of funding among various sub-projects within the “Waterfront Revitalization Initiative” Project in the 2009 Approved Capital Budget for Waterfront Renewal. This change reflects Waterfront Toronto’s updated financial requirements for the year, and ensures that Federal funds are expended by March 31, 2011, the current Federal sunset date for the Waterfront Initiative.

The proposed adjustments will not affect implementation of any on-going priority Waterfront projects.

The City’s contribution to the 2009 Capital Budget for the “Waterfront Revitalization Initiative” Project will remain unchanged at the approved level of \$70.713 million. The City’s overall net contribution to Waterfront Renewal will also remain unchanged at \$500.000 million.

The report also seeks approval for the creation of a new project in the Capital Budget for Waterfront Renewal entitled “Regional Sports Complex Planning and Design” with a total funding of \$3.511 million, fully funded by Waterfront Toronto. The City has been asked by Waterfront Toronto to implement this initiative on its behalf as the “Eligible Recipient”. Initial activities will focus on planning, design, environmental work and business planning. This work is included in the tri-government Long-Term Funding Plan for Waterfront Renewal. It is also recommended that staff report to Council as part of the 2010 capital budget process on total project costs, confirmed and projected revenue sources and the critical path for delivery of the Regional Sports Complex.

RECOMMENDATIONS

The Waterfront Project Director recommends that:

1. the following adjustments with no net impact be made to sub-projects within the “Waterfront Revitalization Initiative” Project in the Waterfront Renewal 2009 Approved Capital Budget:
 - a. an increase of \$3.358 million in 2009 funding for Waterfront Toronto Corporate Costs;
 - b. an increase of \$7.460 million in 2009 funding for Portlands Preparation;
 - c. an increase of \$1.887 million in 2009 funding for Sports Fields, Facilities and Parks Development;
 - d. an increase of \$0.513 million in 2009 funding for Lake Ontario Park (Phase 1);
 - e. a decrease of \$0.843 million in 2009 funding for Port Union Linear Park;
 - f. a decrease of \$0.871 million in 2009 funding for Mimico Linear Park;
 - g. a decrease of \$9.388 million in 2009 funding for Precinct Implementation Projects;
 - h. a decrease of \$1.226 million in 2009 funding for Transportation Initiatives;
 - i. a decrease of \$0.681 million in 2009 funding for the West Don Lands/East Bayfront District Energy;
 - j. a decrease of \$0.020 million in 2009 funding for Pier 4 Rehabilitation;
 - k. a decrease of \$0.055 million in 2009 funding for Urban Planning Resources; and
 - l. a decrease of \$0.134 million in 2009 funding for the Waterfront Project Secretariat;
2. The City be endorsed to act as “Eligible Recipient”, and that a new project entitled “Regional Sports Complex Planning and Design” be created in the 2009 Capital Budget for Waterfront Renewal with total funding of \$3.511 million (\$1.231 million in 2009 and \$2.280 million in 2010), fully funded by Waterfront Toronto, which has asked the City to act as an “Eligible Recipient” on its behalf;
3. staff report to Council as part of the 2010 capital budget process on total project costs, confirmed and projected project revenues and the critical path for delivery of the Regional Sports Complex; and
4. authorize and direct appropriate City Officials to take the necessary action to give effect thereto.

Financial Impact

This report seeks approval to reallocate \$13.218 million of funding among various sub-projects under the “Waterfront Revitalization Initiative” Project in the 2009 Approved Capital Budget for Waterfront Renewal to reflect Waterfront Toronto’s updated financial requirements for the year, and to ensure that Federal funds are expended by March 31, 2011, the current Federal sunset date for this Initiative.

The City’s contribution to the 2009 Capital Budget for the “Waterfront Revitalization Initiative” Project will remain unchanged at the approved funding level of \$70.713 million. The City’s overall net contribution to Waterfront Renewal will also remain unchanged at \$500.000 million.

The table below summarizes the recommended adjustments:

Sub-Projects (\$000's)	Adjustments
Waterfront Toronto Corporate Costs	3,358
Portlands Preparation	7,460
Sports Fields, Facilities & Parks Development	1,887
Lake Ontario Park (Phase 1)	513
Sub-Total Proposed Increases	13,218
Port Union	(843)
Mimico	(871)
Precinct Implementation Projects	(9,388)
Transportation Initiatives	(1,226)
WDL/EBF District Energy	(681)
Pier 4 Rehabilitation	(20)
Urban Planning Resources	(55)
Waterfront project secretariat	(134)
Sub-Total Proposed Decreases	(13,218)
Total Adjustments	0

The report also seeks approval for the creation of a new project in the Capital Budget for Waterfront Renewal entitled “Regional Sports Complex Planning and Design” with total funding of \$3.511 million (\$1.231 million in 2009 and \$2.280 million in 2010), fully funded by Waterfront Toronto, which has asked the City to implement this initiative on its behalf as an “Eligible Recipient”.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

The *Toronto Waterfront Revitalization Corporation Act, 2002* which came into effect on April 1, 2003 requires that Waterfront Toronto (WT) prepare annual rolling five-year business plans for approval by the Federal, Provincial and Municipal governments.

WT's first annual Plan was approved by Council in 2005. Annual Plans were also approved in each of 2006, 2007, and 2008. Council's approval of the 2008 Plan can be referenced on the City's website at

<http://www.toronto.ca/legdocs/mmis/2008/ex/reports/2008-10-06-ex24-cr.pdf>, clause 24.5. This document formed the basis of the 2009 Capital Budget for Waterfront Renewal which was approved by Council in December, 2008 and can be referenced on the City's website at <http://www.toronto.ca/legdocs/mmis/2008/ex/reports/2008-11-25-ex27-cr.pdf>, clause EX27.1.

COMMENTS

Reallocation of 2009 Approved Funding among Sub-projects in the "Waterfront Revitalization Initiative" Project

A tri-government "Waterfront Finance Working Group" was convened in July, 2009 to review and refine the 2009 – 2018 Long-Term Funding Plan in detail. Staff of the three governments and WT are finalizing this document, which will outline funding responsibilities and deliverables in Waterfront Renewal over the next five years. It reflects the shared and individual priorities of each government, and will be considered by Council as part of the 2010 Capital budget process.

Reallocation of 2009 approved funds among sub-projects in the "Waterfront Revitalization Initiative" Project is required due to: (i) adjustments to the implementation schedule for certain projects, primarily the East Bayfront and West Don Lands Precincts, and the Central Waterfront Public Realm; and (ii) the "front-loading" of funds by the Federal Government for certain initiatives in 2009 and 2010 to ensure that Federal resources are invested prior to the Federal sunset date of March 31, 2011.

The proposed adjustments do not impact implementation of on-going priority Waterfront projects and are outlined in the chart in the Financial Impact Statement of this report.

Creation of a new "Regional Sports Complex Planning and Design" Project

Both the approved tri-government 2008 – 2017 Long-Term Funding Plan, and the proposed 2009 – 2018 Long-Term Funding Plan include an amount of \$34.000 million for the construction of a Regional Sports Complex in the Port Lands. This funding will flow to WT from its government partners as part of their respective \$500.000 million contribution to Waterfront Renewal. Contributions included in the latest Plan are allocated as follows: \$21.624 million from the City and \$12.376 million from the Federal government.

WT has developed a preliminary facility description, in conjunction with the City's Parks, Forestry and Recreation Division, the Toronto Office of Partnerships, and the Waterfront Secretariat, which includes multiple ice pads, an indoor multi-use field for lacrosse and/or soccer, basketball courts, an indoor track, meeting and ancillary spaces, restaurant and retail spaces, and parking.

The Regional Sports Complex will be the central component of a sports and recreation node to be developed south of Commissioners Street and west of the Don Roadway in the Port Lands. The node will be developed in phases, beginning with the Regional Sports Complex, which will act as a catalyst for future development.

Given municipal expertise in this area and the City's ownership, through TEDCO, of the proposed site, WT has asked the City of Toronto to act as an "Eligible Recipient" to deliver the Sports Complex. TEDCO is assisting City staff with project management of the initiative. Initial activities focus on planning, design, environmental work and business planning at an estimated total cost of \$3.511 million. To enable the City to manage the project and receive corresponding 100% reimbursement for the costs from WT, the creation of a new project in the Capital Budget for Waterfront Renewal is required. This project will have an initial cash flow of \$1.231 million in 2009 and \$2.280 million in 2010, fully funded by WT. This report recommends that staff report to Council as part of the 2010 capital budget process on total project costs, confirmed and projected project revenues and the critical path for project delivery.

CONCLUSION

The proposed reallocation of funding among various sub-projects under the "Waterfront Revitalization Initiative" Project in the 2009 Approved Capital Budget for Waterfront Renewal will permit the City to release its 2009 funding to WT in accordance with the Corporation's priorities and revised work plan for the year.

The creation of new "Regional Sports Complex Planning and Design" Project in the Capital Budget for Waterfront Renewal at no net cost to the City will permit the City to undertake initial planning, design, environmental work and business planning for the Regional Sports Complex in the Port Lands. This work will be funded 100% by WT.

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SIGNATURE

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