



City Budget 2012

Waterfront Revitalization Initiative Capital Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Capital Budget funds major infrastructure.

2012–2021 Capital Program

2012 CAPITAL BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

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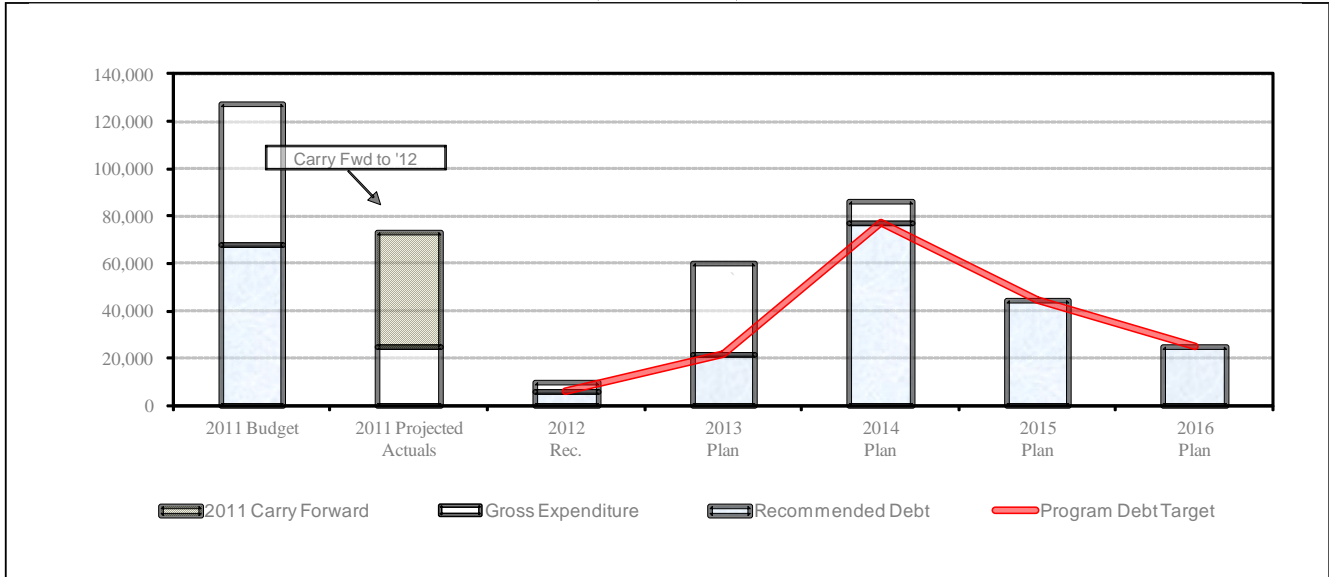
PART I: RECOMMENDATIONS

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for the Waterfront Revitalization with a 2012 cash flow of \$58.491 million and future year commitments of \$225.962 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 2012 previously approved and 10 change in scope sub-projects with a cash flow of \$9.935million and a future year commitment of \$60.446 million in 2013; \$86.144 million in 2014; \$44.877 million in 2015; \$25.222 million in 2016; and, \$9.274 million in 2017;
 - b) 2011 approved cash flow for 12 previously approved sub-projects with carry forward funding from 2011 totalling \$48.556 million;
2. Council approve new incremental debt service costs of \$5.136 million in 2014; \$2.048 million in 2015; \$2.486 million in 2016; \$6.145 million in 2017; and \$0.169 million in 2018 resulting from the approval of the 2012 Recommended Capital Budget, to be included in the 2012 and future year operating budgets; and,
3. Council request that the Waterfront Project Director formally communicate the 2012 Recommended Budget approval to the Federal and Provincial governments.

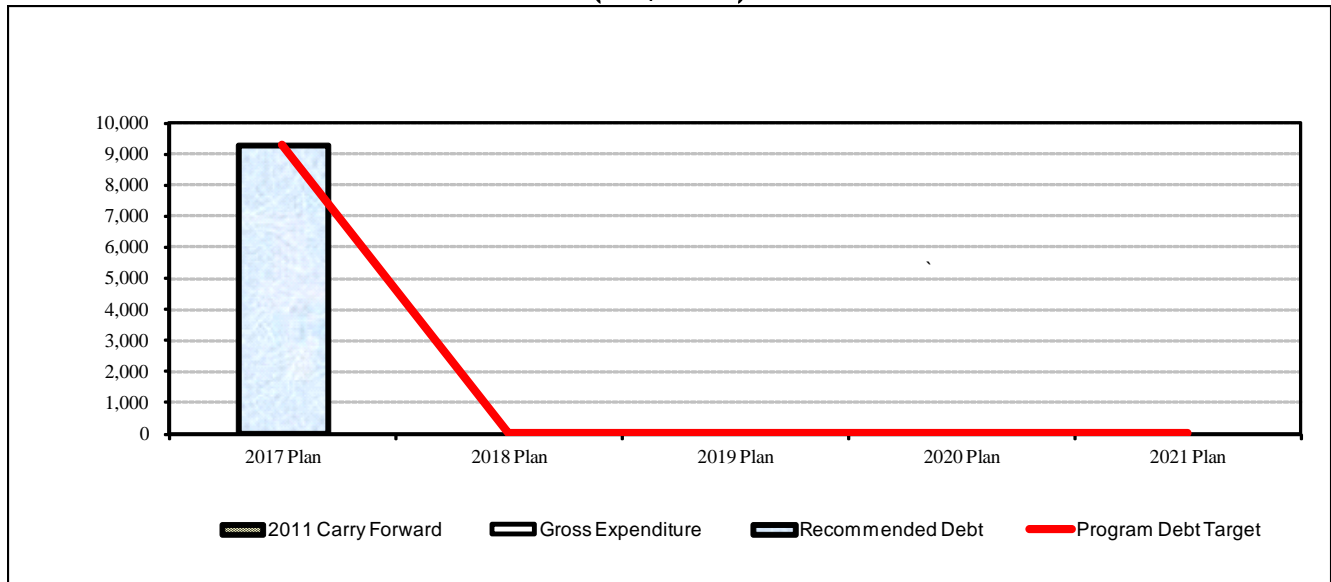
PART II: 2012 - 2021 CAPITAL PROGRAM

10-Year Capital Plan 2012 Recommended Budget, 2013-2016 Recommended Plan (In \$000s)



		2012 Rec. Budget and 2013-2016 Plan								
		2011		2012	2013	2014	2015	2016	2012-2016	5-Year Total
		Budget	Projected Actual							
Gross Expenditures:										
2011 Capital Budget & Approved FY Commitments	127,322	24,958		74,987	30,395	15,789	65,207	6,219	192,597	85%
Recommended Changes to Approved FY Commitments				(65,051)	30,050	70,355	(20,330)	19,003	34,027	15%
2012 New/Change in Scope and Future Year Commitments										
2013 - 2016 Capital Plan Estimates										
1-Year Carry Forward to 2012		48,556	→							
Total Gross Annual Expenditures & Plan	127,322	73,514		9,936	60,445	86,144	44,877	25,222	226,624	100%
Program Debt Target	67,856			6,020	22,006	77,177	44,877	25,222	175,302	
Financing:										
Recommended Debt	67,856			6,020	22,006	77,177	44,877	25,222	175,302	77%
Reserves/Reserve Funds	38,621			1,091	12,396	8,967			22,454	10%
Development Charges	20,487			2,824	26,044				28,868	13%
ISF										
Provincial/Federal	358									
Other Revenue										
Total Financing	127,322			9,935	60,446	86,144	44,877	25,222	226,624	100%
By Project Category:										
Health & Safety										
Legislated										
SOGR										
Service Improvement										
Growth Related	127,322			9,935	60,446	86,144	44,877	25,222	226,624	100%
Total By Project Category	127,322			9,935	60,446	86,144	44,877	25,222	226,624	100%
Asset Value - end of each year (\$)		Not applicable								
Yearly SOGR Backlog Estimate (not addressed by current plan)										
Accumulated Backlog Estimate (end of year)		Not applicable								
Backlog: Percentage of Asset Value (%)										
Debt Service Costs						5,136	2,048	2,486	9,670	
Operating Impact on Program Costs		To be determined								
New Positions										

10-Year Capital Plan 2017-2021 Recommended Plan (In \$000s)



	2017 - 2021 Capital Plan						10-Year Total Percent
	2017	2018	2019	2020	2021	2012-2021	
Gross Expenditures:							
2011 Capital Budget & Approved FY Commitments						193,429	82%
Recommended Changes to Approved FY Commitments	832					42,469	18%
2012 New/Change in Scope and Future Year Commitments	8,442						
2017 - 2021 Capital Plan Estimates							
Total Gross Annual Expenditures & Plan	9,274					235,898	100%
Program Debt Target	9,274					184,576	
Financing:							
Recommended Debt	9,274					184,576	78%
Reserves/Reserve Funds						22,454	10%
Development Charges						28,868	12%
ISF							
Provincial/Federal							
Other Revenue							
Total Financing	9,274					235,898	100%
By Project Category:							
Health & Safety							
Legislated							
SOGR							
Service Improvement							
Growth Related	9,274					235,898	100%
Total By Project Category	9,274					235,898	100%
Asset Value - end of each year (\$)	Not applicable						
Yearly SOGR Backlog Estimate (not addressed by current plan)	Not applicable						
Accumulated Backlog Estimate (end of year)	Not applicable						
Backlog: Percentage of Asset Value (%)	Not applicable						
Debt Service Costs	6,145	169				15,984	
Operating Impact on Program Costs	To be determined						
New Positions							

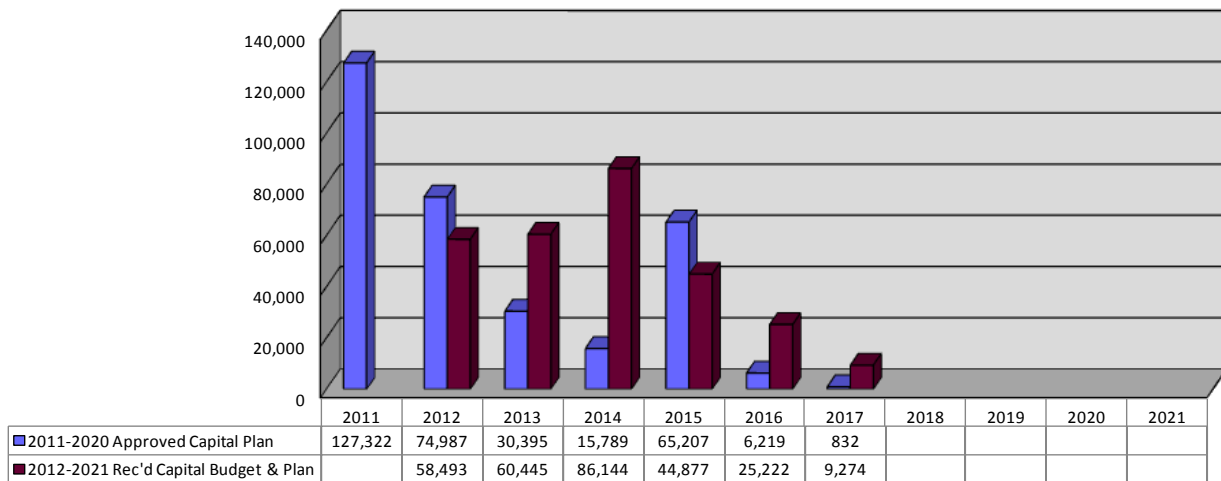
10–Year Capital Plan Overview

- The Waterfront Revitalization Initiative provides funding for projects that focus on public investment in infrastructure, roads, parks and public spaces, community facilities, brownfield remediation, and building sustainable communities.
- In accordance with the Toronto Waterfront Revitalization Corporation Act (2002), the Waterfront Revitalization Initiative’s Capital Program has to be negotiated and agreed to by the 3 orders of government and Waterfront Toronto on an annual basis.
 - Waterfront Toronto is funded by a \$500 million investment by each of the 3 orders of government and re–investment of revenues from the sale of development of public lands, and other miscellaneous income.
- Waterfront Revitalization Initiative's 10–Year Recommended Capital Plan funding of \$226.624 million represents the City's contribution to this initiative. 100% of City funding is allocated to Growth Related projects such as the construction of the Union Station Subway 2nd Platform, completion of projects that are already underway including parks and public spaces such as Port Union, Sherbourne and Don River Park, development of infrastructure and transit in West Don Lands and East Bayfront, and development of sports facilities.
 - Once the assets are constructed by Waterfront Toronto they are transferred to respective City Programs and Agencies whose responsibility is to ensure assets are maintained in a state of good repair.
- The 10–Year Recommended Capital Plan, including funding carried forward of \$48.556 million, totals \$284.453 million of which \$275,179 million or 96.7% is projected for the first 5 years, with the final 5 years requiring funding of \$9.274 million or 3.3%.
- The relatively lower funding for the latter 5 years reflects the fact that the City's contribution is projected to end in 2017.
- The 10–Year Recommended Capital Plan of \$284.453 million requires debt funding of \$216.215 million or 76%. The remaining funding consists of funding from reserve funds of \$37.481 million or 13%, funding from Development Charges of \$30.401 million or 11%, and \$0.359 from Provincial and Federal grants for technical studies. The 10–year Recommended Capital Plan has met the debt affordability targets for each of the ten years.
- The 10–Year Capital Plan includes 10 change–in–scope projects to accommodate adjustments to the implementation schedules for certain projects, primarily along Queens Quay.
- Waterfront Secretariat is conducting a new, more detailed review of the operating impacts arising from the completion of Waterfront Revitalization Initiative projects and

will deliver updated information to all City Programs and Agencies early in 2012. Currently, the Parks, Forestry & Recreation's 2012 Recommended Operating Budget incorporates operating costs of \$1.070 million for the ongoing maintenance of the new Don River Park, Mimico Linear Waterfront Phase 2 and Port Union Waterfront parks.

Key Changes to the 2011 – 2020 Approved Capital Plan

**Changes to the 2011–2020 Approved Capital Plan
(In \$000s)**



- The Waterfront Toronto's 10–Year Capital Plan is based on the Waterfront's Five–Year Business Plan/Ten–Year Forecast that is negotiated each year with government partners and usually results in adjustments to the implementation schedule for certain projects to reflect realistic cash flow funding requirements.
- These changes have been incorporated into the 10–Year Recommended Capital Plan to reflect realistic cash flow funding estimates with the result that certain projects are brought forward into 2012–2016 and others deferred further into 2017.
- The Program is considered to have 1 capital project, with the individual project initiatives accounted for as sub–projects. Details of changes in cash flow funding over the 2012–2021 Capital Plan period are noted below.

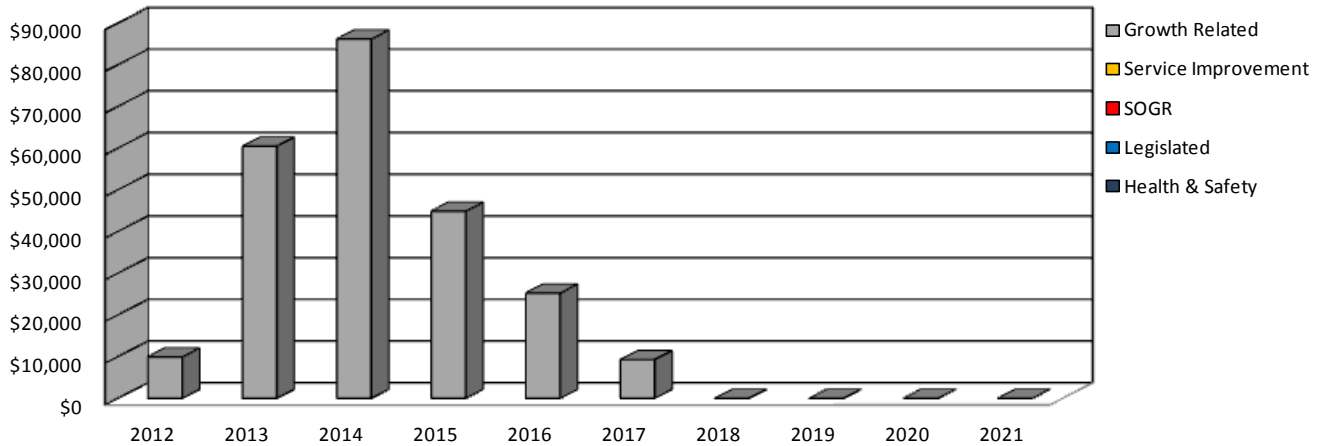
Summary of Project Changes (In \$000s)

Key Projects	Total Project Cost	2012	2013	2014	2015	2016	2017	2018	2019	2020	2012 - 2020	Revised Total Project Cost
Corporate Costs	28,264	(5,785)	1,143	7,629	1,237							24,593
Union Station	57,998	(12,204)	9,224	2,188	792							57,998
Mouth of Don	1,000	441										1,500
Portland Preparation	20,233	(675)	(540)									19,794
Port Union	14,248	(100)	1,125	(100)	(200)							14,575
Mimico	5,517	1,073	356	0	0							6,946
Precinct Planning Studies	2,338	(0)	37	0	0							2,338
Precinct Implementation Project	122,266	(2,089)	30,132	54,889	24,260	12,398						248,903
Transportation Initiatives	134,939	(10,733)	(13,099)	4,258	(61,123)							27,765
West Donland/ East Bayfront District Energy	2,280	680										2,279
Technical Studies	2,639	1				12,268						2,639
Sports Fields & Facilities & Parks	67,459	(36,039)	1,616	1,724	17,942	0						49,849
Waterfront Project Secretariat	8,510	379	(226)	(232)	(238)	(244)		23				8,510
East Bayfront Reserve	15,000				(3,000)	(12,000)	15,000	15,000				15,000
Urban Planning Resources	1,065	(0)	282									1,065
Financial Securities	199	2					(6,581)	(6,581)				201
Lake Ontario Park (Phase 1)	1,450					6,581						1,450
Total Change	485,405	(65,050)	30,050	70,356	(20,330)	19,003	8,419	8,442	0	0	0	485,405

- The recommended cash flow funding for the Precinct Implementation Project has been increased by \$126.637 million with the increased funding coming from a re-prioritization of existing initiatives. This increased funding is transferred mostly from the Transportation Initiatives to speed up the re-construction of Queens Quay from Spadina Avenue to Bay Street and infrastructure construction in East Bayfront.
- The cash flow funding for Sports Fields Facilities and Parks have been deferred from 2012 to 2013–2015 as this project is not ready to proceed in 2012. An alternative approach for the Recreational Sports Complex must be developed prior to the project moving forward.

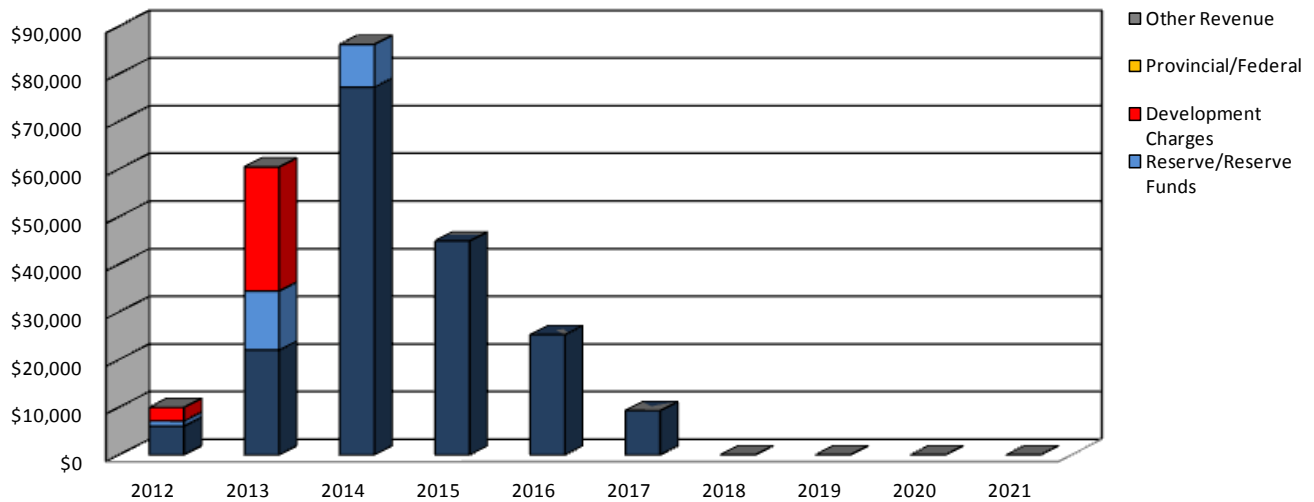
2012 – 2021 Recommended Capital Plan

2012–2021 Capital Plan by Project Category
(In \$000s)



- Waterfront Revitalization Initiative’s 10–Year Recommended Capital Plan is comprised entirely of Growth Related projects.
- All projects are expected to be completed by 2017 as a result of a re–prioritization and re–phasing of initiatives driven by Waterfront Toronto's review process.
- Funding for Growth Related projects is low in 2012 significantly increasing in 2013 and peaks in 2014 with future year commitment funding requirement beginning to subside from 2015 to 2017.
 - Funding in 2012 is mostly required for construction of the Union Station Subway 2nd Platform. Other projects are not ready to proceed in 2012.
 - In 2013 and 2014 the priority projects include construction of Queens Quay and East Bayfront infrastructure. 2014 also includes construction of Fort York Pedestrian/Cycle Bridge.

2012–2021 Capital Plan by Funding Source (In \$000s)



- The 10–Year Recommended Capital Plan is primarily funded from debt, which accounts for 78% or \$184.576 million in total financing, excluding the carryforward funding of \$48.556 million, which is funded by debt of \$30.548 million, reserve funding of \$16.118 million, development charges of \$1.533 million and provincial funding of \$0.358 million. Debt funding during the first 5 years of the 10–Year Capital Plan period totals \$175.302 million or 77% and is predominantly required in 2014 totalling \$77.177 million for the Queens Quay Revitalization and East Bayfront projects. In 2017, debt funding declines to \$9.274 million and is no longer required after 2017.
- The reserve funds amount to \$1.091 million or 10.1% of total 2012 recommended funding, \$12.396 million or 20.5% of 2013 funding and \$8.967 million or 10.4% of 2014 funding. The reserve funding is a result of a two–year carryforward funding from previously approved projects included in the 2011 approved cash flow and now carried forward into 2012, 2013 and 2014 recommended cash flow.
 - Prior to 2010, Waterfront Revitalization Initiative’s budget was funded by the Strategic Infrastructure Reserve Fund. On February 22, 2010, City Council approved the withdrawal of \$600 million from the Strategic Infrastructure Partnership Reserve Fund during the 2010 Capital Budget process and the deposit of the \$600 million into the City Sinking Fund to be used to prepay Sinking Fund debentures. As a result, the Waterfront Revitalization Initiative is no longer funded by the Strategic Infrastructure Reserve Fund, but by debt.
- Development Charges comprise about \$2.824 million or 28.4% of total 2012 recommended funding and about \$26.044 million or 43.1% of 2013 recommended funding. Projects eligible for this funding source, such as the Union Station 2nd Platform project and the Precinct Implementation project, will be completed by 2014.

Summary of Major Capital Initiatives by Category (In \$000s)

	Total Project Cost	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
State of Good Repair (incl. H&S , & Leg.)												
Sub-Total		0	0	0	0	0	0	0	0	0	0	0
Service Improvements												
Sub-Total		0	0	0	0	0	0	0	0	0	0	0
Growth Related												
- Union Station	57,988	28,366	15,428	3,437	792							48,023
- Precinct Implementation Project	248,903	10,495	35,329	54,889	24,366	12,398						137,477
- Sports Fields, Facilities and Parks Development	49,849	2,629	3,424	1,724	17,942	12,268						37,987
- Transportation Initiatives	27,765	2,188		17,942								20,130
- Other	100,900	14,814	6,264	8,152	1,777	556	9,274					40,837
Sub-Total	485,405	58,492	60,445	86,144	44,877	25,222	9,274	0	0	0	0	284,454
Health & Safety												
Sub-Total		0	0	0	0	0	0	0	0	0	0	0
Total		58,492	60,445	86,144	44,877	25,222	9,274	0	0	0	0	284,454

Major Capital Initiatives

- The 10–Year Recommended Capital Plan funds Growth Related projects focusing on public investment in infrastructure, roads, parks and public spaces, community facilities, brownfield remediation, and building sustainable communities.

Growth Related

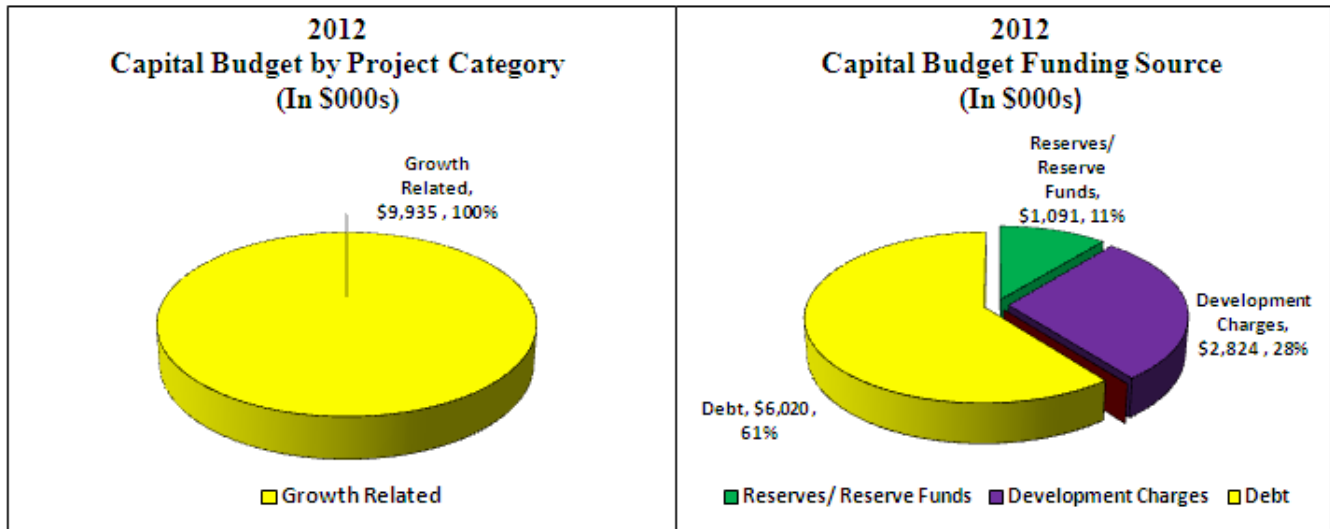
- Major Growth related projects include:
 - Union Station: The 10–Year Recommended Capital Plan provides \$48.023 million gross (\$42.087 million debt) to continue the construction of the second platform at Union Station to provide additional passenger capacity and improved safety, and to make the station more accessible and efficient. City funding for this project will be completed by 2014.
 - Precinct Implementation Project: The 10–Year Recommended Plan includes \$137.477 million gross (\$97.665 million debt) for the Queens Quay Revitalization, East Bayfront and West Don Lands infrastructure, parks and transit lines.
 - Sports Fields, Recreation Facilities and Parks Development: The 2012–2021 Recommended Capital Plan provides funding of \$37.987 million gross and debt for the Regional Sports Complex, Port Land Beautification–Martin Goodman Trail, and Central Waterfront Public Realm. The funding for these projects will facilitate activities ranging from design to construction for sports fields.
 - Transportation Initiatives: The 10–Year Recommended Capital Plan provides \$20.130 million gross and debt in funding for the Fort York Pedestrian Bridge project.

10–Year Capital Plan: Operating Impact Summary

- In November 2007, the Deputy City Manager responsible for the Waterfront Revitalization Initiative and the Deputy City Manager and Chief Financial Officer were directed to report to Council every two years, commencing in 2009, with updated information and projections on the operating impact of waterfront renewal on all City Agencies, Boards, Commissions and Divisions.
- In 2010, Waterfront Secretariat staff, in conjunction with affected City Programs and Agency staff, conducted a preliminary review of the operating budget impacts and concluded that there were minor changes to the original estimates (\$43.430 million over 15 year period).
- Waterfront Secretariat is conducting a new, more detailed review and will deliver updated information to all City Programs and Agencies early in 2012. Currently, the Parks, Forestry & Recreation's 2012 Recommended Operating Budget incorporates operating costs of \$1.070 million for the ongoing maintenance of the new Don River Park, Mimico Linear Waterfront Phase 2 and Port Union Waterfront parks.

PART III – 2012 RECOMMENDED CAPITAL BUDGET

2012 Capital Budget by Project Category and Funding Source



- Waterfront Revitalization Initiative's 2012 Recommended Capital Budget of \$9.934 million, excluding carry forward funding, is comprised entirely of Growth Related projects.
- Debt constitutes about 61% of the required funding and amounts to \$6.020 million. This recommended debt funding is in line with the debt target.
- Reserve funding accounts for \$1.091 million or 11% of the total 2012 Recommended Capital Budget allocated to the Waterfront Secretariat Project.
- The remaining \$2.724 million or 28% is funded by Development Charges.

2012 Recommended Cash Flow & Future Year Commitments

(In \$000s)

	2010 & Prior Year Carry Forward	2012 Previously Approved Cash Flow Commitments	2012 New Cash Flow Rec'd	2012 Total Cash Flow Rec'd	2011 Carry Forwards	Total 2012 Cash Flow (Incl 2010 C/Fwd)	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Cost
Expenditures																
Previously Approved Change in Scope		74,987		74,987 (65,051)	48,556	123,543 (65,051)	30,395 30,050	15,789 70,355	65,207 (20,330)	6,219 19,003	832 8,442					241,985 42,469
New w/Future Year																
Total Expenditure		74,987		9,936	48,556	58,492	60,445	86,144	44,877	25,222	9,274					284,454
Financing																
Debt		67,797		6,020	31,639	37,659	22,005	77,177	44,877	25,222	9,274					216,214
Other																
Reserves/Res Funds				1,091	15,027	16,118	12,396	8,967								37,481
Development Charges				2,824	1,533	4,357	26,044									30,401
ISF																
Provincial/Federal					358	358										358
Total Financing		74,987		9,935	48,557	58,492	60,445	86,144	44,877	25,222	9,274					284,454

*Please refer to Appendix 4 for detailed project listings

- Waterfront Revitalization Initiative's 2012 Recommended Capital Budget, including carried forward funding of \$48.557 million, requires funding of \$58.491 million gross. This provides funding of \$74.987 million for previously approved projects, the change in scope funding reduction of (\$65.051) million, and \$48.556 million for 2011 projects carried forward into 2012.
- The change in scope project funding increase of \$42.469 million from 2012 to 2021 reflects the re-allocation of funding to accommodate adjustments to the implementation schedules for certain projects.
- Approval of the 2011 Recommended Capital Budget will require future year commitments of \$60.445 million in 2013; \$86.144 million in 2014; \$44.877 million in 2015; \$25.222 million in 2016; and \$9.274 million in 2017.
- The 2012 Recommended Capital Budget requires Development Charges funding of \$4.357; reserve funding of \$16.118 million; \$0.357 million of provincial and federal funding and debt of \$37.659 million to fund projects in 2012.

2012 Recommended Capital Project Highlights

2012 Recommended Capital Projects (In \$000s)

Project	Total Project Cost	2012	2013	2014	2015	2016	2012 - 2016	2017	2018	2019	2020	2021	2012 - 2021
Union Station	57,998	28,366					28,366						28,366
Mouth of Don	1,000	441					441						441
Portland Preparation	20,233	146					146						146
Port Union	14,248	859					859						859
Mimico	5,517	2,017					2,017						2,017
Precinct Planning Studies	2,338	38					38						38
Precinct Implementation Project	122,266	10,495					10,495						10,495
Transportation Initiatives	134,939	2,188					2,188						2,188
West Donland/ East Bayfront District Energy	2,280	680					680						680
Sports Fields & Facilities & Parks	67,459	2,629					2,629						2,629
Technical Studies	2,639	539					539						539
Waterfront Project Secretariat	8,510	2,167					2,167						2,167
Urban Planning Resources	1,065	14					14						14
Financial Securities	199	6,781					6,781						6,781
Lake Ontario Park (Phase 1)	1,450	1,132					1,132						1,132
Total (including carry forward)		58,492					58,492						58,492

The 2012 Recommended Capital Budget provides funding of \$58.492 million, including funding carried from 2011 to:

- Continue:
 - The Union Station Subway Platform Upgrade: Total funding of \$48.023 million is required for construction of a second subway platform to provide additional passenger capacity and improved safety and make the station more accessible and efficient.
 - The Precinct Implementation Project, which will focus on infrastructure/public realm work in the West Don Lands, East Bayfront and Central Waterfront area at a total cost of \$10.495 million in 2012 for these projects.
 - The Mouth of Don Project for which \$0.441 million is required to examine alternative flood protection through the Port Lands Acceleration Initiative.
 - Port Lands Preparation, which requires \$0.146 million to undertake a soil remediation strategy to implement preliminary infrastructure, and to do general clean-up and upgrading of sites and corridors within the precinct.

PART IV: ISSUES FOR DISCUSSION

2012 Issues

Waterfront Toronto's Long Term Funding Plan

- The Toronto Waterfront Revitalization Corporation Act, 2002 which came into effect on April 1, 2003 requires that Waterfront Toronto (formerly the Toronto Waterfront Revitalization Corporation) prepare annual rolling five-year business plans for approval by the Federal, Provincial and Municipal governments. The Plans are developed by Waterfront Toronto in partnership with officials from the 3 orders of government. The report outlines the deliverables, funding requirements, and cost-sharing arrangements over the next 10 year period for the Waterfront Revitalization Initiative Program.
- The new allocation of Federal, Provincial and revenue funding sources in Waterfront Toronto's Long Term Funding Plan will be finalised by the end of January 2012, and therefore it is not attached with the 2012–2021 Recommended Capital Plan. In previous years, this document has been attached to the Capital Budget Analyst Notes as a reference. The City's funding will be finalized through the approval of the 2012–2021 Capital Plan and is not affected by the delay in receiving this information.
- The City's portion of the tri-government funding is reflected in the 2012–2021 Recommended Capital Plan based on the negotiations among the government partners and is not subject to change as a result of changes in other funding sources.

Future Year Issues

Operating Budget Impacts Report

- The *Operating Budget Impacts of New Waterfront Infrastructure* report that was adopted by Council at its meeting on November 19 and 20, 2007 identified cumulative incremental operating impacts arising from the completion of Waterfront Revitalization Initiative projects on all City Programs and Agencies over the 10 years to 2018 that totalled \$142.839 million. Further, the Deputy City Manager responsible for the Waterfront Revitalization Initiative and the Deputy City Manager and Chief Financial Officer were directed to report to Council every two years, commencing in 2009, with updated information and projections on the operating impact of waterfront renewal on all City Agencies, Boards, Commissions (ABC's) and Divisions. Based on the latest estimates from 2010, the cumulative gross operating impacts arising from the completion of Waterfront projects over the next 10 years to 2021 are estimated at approximately \$117.335 million.

- The Waterfront Secretariat is conducting a new, more detailed review of the operating budget impacts with City Programs and Agencies. Waterfront Secretariat staff will deliver updated information to all City Programs and Agencies in 2012.

Waterfront Toronto Funding Shortfall

- Waterfront Toronto's Long-Term Plan requires \$1.831 billion and is to be funded from \$1.5 billion in government funding and \$331 million from other revenues such as interest, rental income and development of public lands. This amount currently excludes projects totalling \$444 million that will be funded on a priority basis when additional financing sources become available and include:
 - West Don Lands: Community Facilities and development (\$41.8 million).
 - East Bayfront: Finger Piers, Waters Edge's stormwater management facility and boardwalk, Lower Jarvis Street, portions of Queens Quay revitalization and Parliament Wavedeck (\$208 million).
 - Central Waterfront Public Realm: Finger Piers, Simcoe Street, Spadina footbridge, and Rees, Peter, and Police Basin Wavedecks (\$117.5 million).
 - Other: District Energy (\$57 million), Lower Don Lands (\$1 million), Lake Ontario Park (\$14 million) and transit initiatives (\$4.5 million).
- The Waterfront Toronto's \$1.5 billion government investment is projected to be spent by 2021. Cash flow funding shortfalls are forecasted between 2021 and 2023 due to timing of revenues from land sales and the ability to receive other funding sources. To manage these cash flow requirements, Waterfront Toronto is exploring bridge financing options. Authority is required from the three orders of government, with approvals pending from the Federal and Provincial governments. This funding shortfall currently has no impact on current Program deliverables but may impact Waterfront Toronto's capacity and readiness to proceed in the future.
- Waterfront Toronto is currently working with 3 orders of government to provide a strategy for dealing with these funding gap issues.
- The City's financial commitments to Waterfront Toronto through the Waterfront Revitalization Initiative will be complete in 2017 (See Appendix 2 on page 21). Further funding from the government partners would require a new negotiated agreement.

Regional Sports Centre

- Waterfront Revitalization Initiative's 10–Year Recommended Capital Plan includes \$32.410 million, phased over 4 years: \$1.800 million in 2012, \$0.400 million in 2013, \$17.942 million in 2015 and \$12.268 million for development of the Sports Centre (included in the Sports Fields, Facilities and Parks Development project).
- In 2010, Council adopted the "stacked option" as the preferred design for four–pad ice facility proposed for the lands at the southwest corner of Commissioners Street and an extended Don Roadway. The option addressed design, construction and environmental considerations specific to this site. The total project cost of the Sports Complex was estimated at \$88 million, excluding site servicing costs. It was estimated that the future net revenues from the operation of the proposed facility could potentially support \$21.0 to \$25.0 million in recoverable debt funding. Thus, full funding for this option is not available, rather only \$54.0 to \$58.0 million.
- On February 23, 2011 City Council directed that funding of \$32 million remain dedicated for the construction of a multi–pad arena, that the Hearn location be reviewed as a potential site, and City Manager in conjunction with the Waterfront Secretariat determine how the project can be delivered.
- Waterfront Secretariat staff along with staff from Parks, Forestry and Recreation, Economic Development and Culture and the Partnership office is currently investigating the feasibility of the Hearn location the results of which will be incorporated into the 2013 Budget Process. Work on this project will provide an example of the potential to accelerate development in the Port Lands through the Port Lands Acceleration Initiative.

Fort York Bridge

- The 10–Year Recommended Capital Plan includes funding of \$19.975 million with \$2.032 million in 2012 for the development of the bridge design and \$17.942 million in 2014 for the construction of the Fort York Bridge. Construction of this project totalling \$20.142 million has been pushed forward from 2011 to 2014 based on the Public Works and Infrastructure Committee's request (April 26, 2011) that staff bring forward a more affordable option which will reduce the project cost.

Issues Referred to the 2012 Capital Budget Process*Reallocation of Funds and Initiatives*

- In 2011, \$105.854 million was carried forward from 2010 to 2011, increasing the 2011 budget from \$22.149 million to \$128.003 million. This under–spending in 2010

resulted from the realignment and timing of initiatives and front-loading of certain initiatives to fully maximize Federal Government funding prior to its sunset date of March 31, 2011. It resulted in adjustments to the City's funding for initiatives such as the East Bayfront and West Don Lands Precincts, Gardiner Environmental Assessment and Central Waterfront Public Realm projects.

- Further adjustments to the 2011 implementation schedules for the construction of the Fort York Bridge, East Bayfront LRT and Regional Sports Complex and to the finalization of the Contribution Agreements have required a further deferral of funds and a re-prioritization of projects as reflected in the 2012–2021 Recommended Capital Plan.

Appendix 1

2011 Performance

2011 Key Accomplishments

In 2011, the Waterfront Revitalization Initiative achieved the following:

- ✓ Proceeded with construction of the George Brown College building.
- ✓ Proceeded with municipal approvals for the Parkside and Bayside projects.
- ✓ Completed Sherbourne Park North.
- ✓ Continued with construction of the East Bayfront Sanitary Sewer.
- ✓ Completed East Bayfront Phase I Stormwater Management UV Treatment Facility.
- ✓ Continued with the construction of the York Quay Parking Garage/Plaza.
- ✓ Completed 60% of detailed design of construction drawings for Queens Quay Revitalization project.
- ✓ Prepared reduced cost options for the Fort York Pedestrian/Cycle Bridge.
- ✓ Continued construction of the Don River Park and the Underpass Park.
- ✓ Continued construction of the Bayview Avenue, River Street and Mill Street projects.
- ✓ Completed design and started construction of West Don Lands Stormwater Quality Facility
- ✓ Selected Dundee Kilmer Consortium as developer for Pan Am Athletes Village – RFP, and launched Village Site Plan Approval Process.

2011 Capital Variance Review

2011 Budget to Actuals Comparison – Total Gross Expenditures (In \$000s)

2011 Approved	Actuals as of September 30th (3rd Qtr Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$	% Unspent
127,322	14,559	11.4%	25,387	19.9%	101,935	80.1%

- Capital expenditures for the period ended September 30, 2011 totalled \$14,559 million or 11.4% of the 2011 Approved Capital Budget of \$127.322 million. The Waterfront Revitalization Initiative is projecting year-end spending of \$25,387 million or 19.9%.
- The projected year end variance of \$101.935 million arises due to adjustments in the implementation schedule for the East Bayfront, West Don Lands and Central Waterfront Public Realm. These adjustments are resulting from longer time frame for finalization of contribution agreements.

- Construction of the Fort York Pedestrian Bridge and Gardiner Environmental Assessment Studies did not proceed in 2011. Construction of the Fort York Pedestrian/Cycle Bridge has been rescheduled to 2014 as directed by the Public and Works Committee.
- 2011 funding to be carried forward in the 2012 Recommended Capital Budget is \$48.556 million mostly for Union Station, Precinct Implementation, Transportation and Sports Facilities projects.

Appendix 2

10 – Year Recommended Capital Plan Project Summary

Project	Total Project Cost	2012	2013	2014	2015	2016	2012 - 2016	2017	2018	2019	2020	2021	2012 - 2021
Corporate Costs			3,857	7,629	1,237		12,723						12,723
Union Station		28,366	15,428	3,437	792		48,023						48,023
Mouth of Don		441					441						441
Portland Preparation		146					146						146
Port Union		859	1,225				2,084						2,084
Mimico		2,017	356				2,373						2,373
Precinct Planning Studies		38	37				75						75
Precinct Implementation Project		10,495	35,329	54,889	24,366	12,398	137,477						137,477
Transportation Initiatives		2,188		17,942			20,130						20,130
West Donland/ East Bayfront District Energy		680					680						680
Sports Fields & Facilities & Parks		2,629	3,424	1,724	17,942	12,268	37,987						37,987
Technical Studies		539					539						539
Waterfront Project Secretariat		2,167	507	523	540	556	4,293	855					5,148
East Bayfront Reserve							0	15,000					15,000
Urban Planning Resources		14	282				296						296
Financial Securities		6,781					6,781	(6,581)					200
Lake Ontario Park (Phase 1)		1,132					1,132						1,132
Total (including carry forward)		58,492	60,445	86,144	44,877	25,222	275,180	9,274	0	0	0	0	284,454

Appendix 3

2012 Recommended Capital Budget; 2013 to 2021 Capital Plan

Appendix 4

2012 Recommended Cash Flow and Future Year Commitments

Appendix 5

2012 Recommended Capital Project with Financing Details

Appendix 6

2012 Reserve / Reserve Fund Review

Reserve/Reserve Fund Review - Corporate

Table 2		Projected Balance as at Dec. 31, 2011 *	Proposed Withdrawals										2012 - 2021 Total
Reserve / Reserve Fund Name	Project / SubProject Name and Number		2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	
	Beginning Balance	\$127,017											
	TWRC Corporate Costs			(3857)	(7629)								(\$11,486)
	Precinct Implementation Project		(6781)	(7750)	(815)								(\$15,346)
	Technical Studies		(181)										(\$181)
	Waterfront Secretariat		(2167)	(507)	(523)								(\$3,197)
	Urban Planning Resources		(14)	(282)									(\$296)
	Financial Securities		(6780)										(\$6,780)
	Lake Ontario (Phase 1)		(195)										(\$195)
Development Charge Reserve Fund - XR2110		\$18,292											
	Precinct Implementation Projects			(15,939)									(\$15,939)
Development Charge Reserve Fund - XR2025		\$28,938											
	Union Station		(2,824)	(3,112)									(\$5,936)
	Precinct Implementation Projects		(1,533)	(6,581)									
Development Charge Reserve Fund - XR2106		\$6,397											
	Precinct Implementation Projects			(412)									(\$412)
	Total Proposed Withdrawals		(\$20,475)	(\$38,440)	(\$8,967)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$59,768)