



City Budget
2012

Toronto Zoo
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

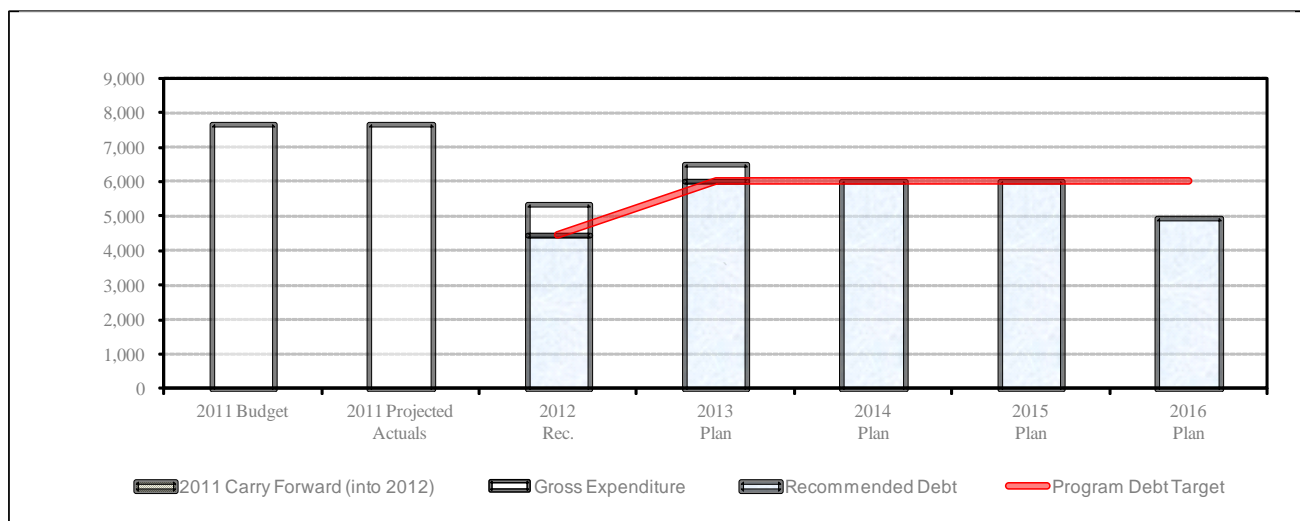
The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for Toronto Zoo with a total project cost of \$3.846, and 2012 cash flow of \$5.370 million and future year commitments of \$3.684 million comprised of the following:
2. New Cash Flow Funding for:
 - a) 6 new/change in scope sub-projects with a 2012 total project cost of \$3.846 million that requires cash flow of \$2.846 million in 2012 and a future year commitment of \$1.0 million in 2013;
 - b) 1 previously approved sub-project with a 2012 cash flow of \$2.524 million and a future year commitment of \$2.684 million in 2013;
3. Council approve new debt service costs of \$0.057 million in 2012 and incremental debt costs of \$0.325 million in 2013, and \$0.107 million in 2014 resulting from the approval of the 2012 Recommended Capital Budget, to be included in the 2012 and future year operating budgets;
4. Council approve the 2013–2021 Recommended Capital Plan for Toronto Zoo totalling \$49.916 million in project estimates, comprised of \$5.516 million in 2013; \$6.0 million in 2014; \$6.0 million in 2015; \$4.950 million in 2016; \$3.450 million in 2017; \$6.0 million in 2018; \$6.0 million in 2019; \$6.0 million in 2020; and, \$6.0 million in 2021;
5. Council consider operating impacts of \$0.420 million in 2014 emanating from the approval of the 2012 Recommended Capital Budget for inclusion in the 2014 and future year operating budgets, and
6. The Chief Executive Officer of Toronto Zoo to report back on the funding requirements for Giant Pandas as part of the 2013 Budget process.

PART II: 2012 – 2021 CAPITAL PROGRAM

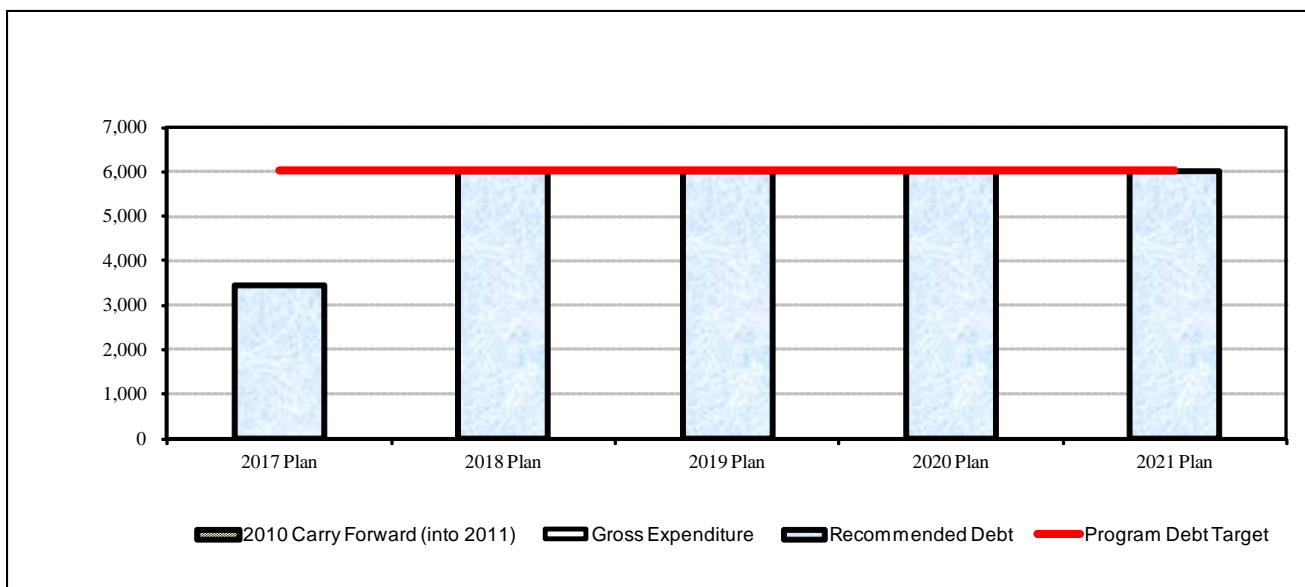
10-Year Capital Plan

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 | | 7,654 | 7,654 | 3,074 | 2,330 | | | | 5,404 | 19% |
| Recommended Changes to Approved FY Commitments | | | | (550) | 354 | | | | (196) | N/A |
| 2012 New/Change in Scope and Future Year Commitments | | | | 2,846 | 1,000 | | | | 3,846 | 13% |
| 2013 - 2016 Capital Plan Estimates | | | | | 2,832 | 6,000 | 6,000 | 4,950 | 19,782 | 68% |
| 1-Year Carry Forward to 2012 | | | 0 | → | | | | | | |
| Total Gross Annual Expenditures & Plan | | 7,654 | 7,654 | 5,370 | 6,516 | 6,000 | 6,000 | 4,950 | 28,836 | 100% |
| Program Debt Target | | 0 | | 4,470 | 6,000 | 6,000 | 6,000 | 6,000 | 28,470 | |
| Financing: | | | | | | | | | | |
| Recommended Debt | | | | 4,470 | 6,000 | 6,000 | 6,000 | 4,950 | 27,420 | 95% |
| Reserves/Reserve Funds | | | | | | | | | | |
| Development Charges | | | | | | | | | | |
| ISF | | | | | | | | | | |
| Provincial/Federal | | | | | | | | | | |
| Other Revenue | | | | 900 | 516 | | | | 1,416 | 5% |
| Total Financing | | 0 | | 5,370 | 6,516 | 6,000 | 6,000 | 4,950 | 28,836 | 100% |
| By Project Category: | | | | | | | | | | |
| Health & Safety | | | | | | | | | | |
| Legislated | | | | | | | | | | |
| SOGR | | 5,970 | | 2,846 | 3,832 | 6,000 | 5,440 | 2,450 | 20,568 | 71% |
| Service Improvement | | 1,684 | | 2,524 | 2,684 | | 560 | 2,500 | 8,268 | 29% |
| Growth Related | | | | | | | | | | |
| Total By Project Category | | 7,654 | | 5,370 | 6,516 | 6,000 | 6,000 | 4,950 | 28,836 | 100% |
| Asset Value - end of each year (\$) | | 301,000 | | 301,000 | 301,000 | 301,000 | 301,000 | 301,000 | | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | | | | 2,661 | (5,478) | (9,415) | (359) | 5,990 | | |
| Accumulated Backlog Estimate (end of year) | | 90,348 | | 87,687 | 93,165 | 102,580 | 102,939 | 96,949 | | |
| Backlog: Percentage of Asset Value (%) | | 30.0% | | 29.1% | 31.0% | 34.1% | 34.2% | 32.2% | | |
| Debt Service Costs | | | | 57 | 415 | 710 | 762 | 741 | 2,685 | |
| Operating Impact on Program Costs | | | | | | 420 | | | 420 | |
| New Positions | | | | | | 5 | | | 5 | |

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 | | | | | | 5,404 | 10% |
| Recommended Changes to Approved FY Commitments | | | | | | (196) | 0% |
| 2012 New/Change in Scope and Future Year Commitments | | | | | | 3,846 | 7% |
| 2017 - 2021 Capital Plan Estimates | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 47,232 | 84% |
| Total Gross Annual Expenditures & Plan | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 56,286 | 100% |
| Program Debt Target | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 58,470 | |
| Financing: | | | | | | | |
| Recommended Debt | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 54,870 | 97% |
| Reserves/Reserve Funds | | | | | | | |
| Development Charges | | | | | | | |
| ISF | | | | | | | |
| Provincial/Federal | | | | | | | |
| Other Revenue | | | | | | 1,416 | 3% |
| Total Financing | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 56,286 | 100% |
| By Project Category: | | | | | | | |
| Health & Safety | | | | | | | |
| Legislated | | | | | | | |
| SOGR | 2,150 | 2,621 | 2,400 | 2,795 | 3,100 | 33,634 | 60% |
| Service Improvement | 1,300 | 3,379 | 3,600 | 3,205 | 2,900 | 22,652 | 40% |
| Growth Related | | | | | | | |
| Total By Project Category | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 56,286 | 100% |
| Asset Value - end of each year (\$) | 301,000 | 301,000 | 301,000 | 301,000 | 301,000 | 301,000 | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | 270 | 3,698 | 502 | 389 | 304 | | |
| Accumulated Backlog Estimate (end of year) | 96,949 | 96,679 | 92,981 | 92,479 | 92,090 | 91,786 | |
| Backlog: Percentage of Asset Value (%) | 32.2% | 32.1% | 30.9% | 30.7% | 30.6% | 30.5% | |
| Debt Service Costs | 599 | 489 | 762 | 762 | 762 | 6,059 | |
| Operating Impact on Program Costs | | | | | | 420 | |
| New Positions | | | | | | 5 | |

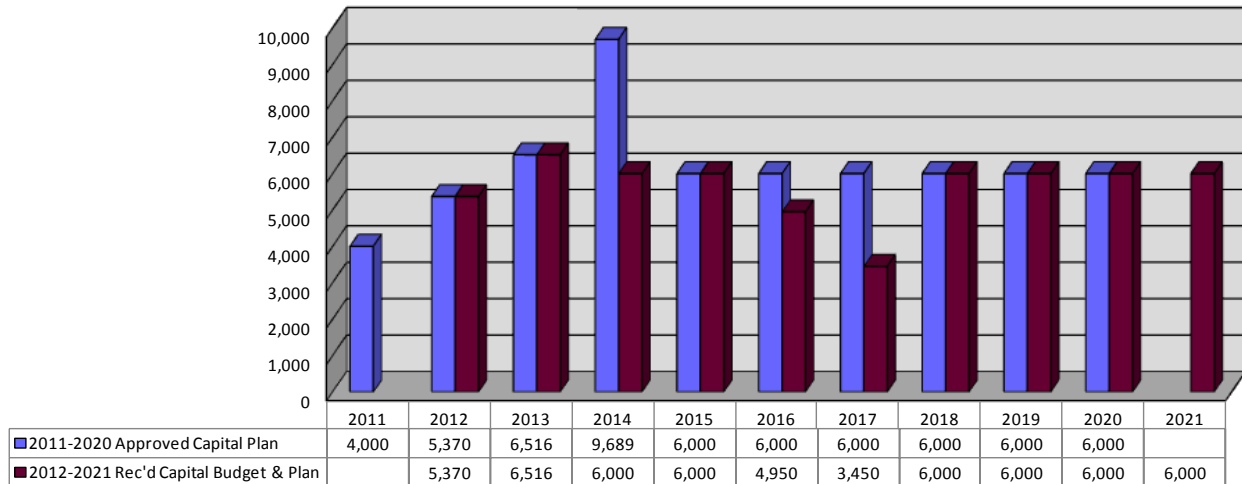
10–Year Capital Plan Overview

- The 10–Year Recommended Capital Plan is driven by the Zoo’s Strategic Plan, its Capital Master Plan and a number of studies, including the North Zoo Site Redevelopment Study and the Animal Health Facilities Study. The 10–Year Recommended Capital Plan includes capital improvement projects required for Association of Zoos and Aquariums (AZA) certification.
- The Toronto Zoo is one of the largest zoos in the world, housing and caring for 5,000 animals over 710 acres. The Zoo offers full year access to seven regions with over 10 km of walking trails including gift shops, exhibits, rides and guest services.
- The 2012–2021 Recommended Capital Plan totals \$56.286 million, of which \$28.836 million or 51% is projected for the first 5 years, with the final 5 years requiring funding of \$27.450 million or 49%.
- The 10–Year Recommended Capital Plan requires new debt funding of \$54.870 million which is \$3.6 million less than the 10 year debt affordability target.
 - Debt funding of \$54.870 million comprises 97% of Toronto Zoo's 10_Year Recommended Capital Plan funding.
 - Internal funding provided by a legal settlement provides \$1.416 million or 3% of the 10–Year Recommended Capital Plan's financing needs.
- The 10–Year Recommended Capital Plan includes \$33.634 million or 60% for State Of Good Repair addressing the renewal need of aging and deteriorating infrastructure originally developed in the 1970s, and \$22.652 million or 40% for Service Improvement projects including North Site Redevelopment.
- Toronto Zoo's State of Good Repair (SOGR) backlog will marginally increase over the 10 year period, from \$90.348 million or 30% of the asset replacement value in 2011 to \$91.786 million or 30.5% by 2021.
- The 10–Year Recommended Capital Plan will increase future year Operating Budgets by a total of \$0.420 million net in 2014 for additional animal keepers and services costs required for the North Site once completed in 2014.
- 12% or approximately \$6.758 million of the 10–Year Recommended Capital Plan's funding provides for two Toronto Zoo capital projects required to maintain Association of Zoos and Aquariums certification. This includes \$5.208 million for the Eurasia Redevelopment and \$1.550 million to refurbish the Elephant House to accommodate the Giraffes.
- Elephants will be relocated outside of the Toronto Zoo in 2012. The 10–Year Recommended Capital Plan provides \$1.550 million over 2012–2013 to move the

Giraffes into the Elephant location and \$4.060 million over 2015 to 2017 to prepare an African Hoofstock Exhibit in the old Giraffe location.

Key Changes to the 2011 – 2020 Approved Capital Plan

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



- The 2012 Recommended Capital Budget and 2013 – 2021 Capital Plan reflects a decrease of \$7.289 million or 12.7% from the 2011–2020 Approved Capital Plan. The changes to the 2011–2020 Approved Capital Plan reflect Toronto Zoo's relocation of the Elephant herd out of the Zoo and adjusted capital projects to make best use of the vacated Elephant Exhibit. The major changes to the 2011–2020 Approved Capital Plan are outlined below:
 - The Elephant Holding and Paddock project approved for \$8.55 million has been eliminated as the Elephant herd will be relocated outside the Zoo in 2012.
 - The cash flow funding for the Giraffe House Refurbishment Project has been reduced by \$0.790 million and accelerated from 2014 and 2015 to 2012 and 2013, as the Exhibit previously housing the Elephants will be refurbished to house the Giraffes, requiring reduced funding.
 - The cash flow funding of \$4.060 million for the reconstruction of the old Giraffe House, an original wooden facility built in 1973, into a new Exhibit accommodating African Hoofstock has been included in the 10–Year Recommended Capital Plan starting in 2015, to make best use of the vacated Giraffe site, a highly visible location.

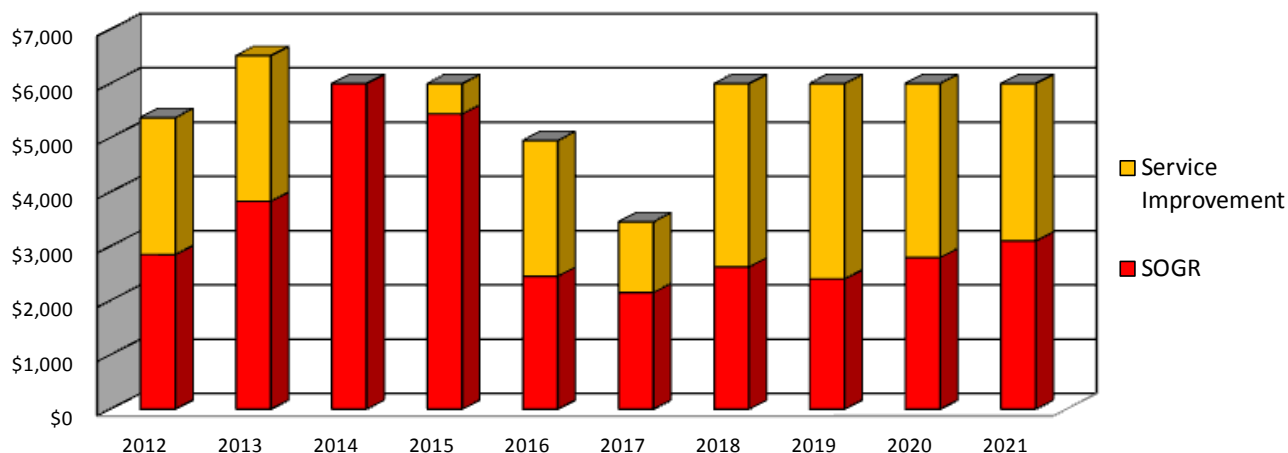
- Cash flow funding for the Orangutan II and III Project is accelerated from a 2015 start to 2013 to enable the Toronto Zoo to address accreditation requirements, and increased funding of \$0.193 million required to meet the standards.

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 |
|-----------------------------------|--------------------|----------|----------|----------------|----------|----------------|----------------|----------|----------|----------|----------------|----------------------------|
| and Buildings | 23,178 | | 133 | (509) | (237) | (1,093) | (1,150) | (186) | 900 | (5) | (2,147) | 21,031 |
| Orangutan II & III Outdoor | 7,760 | | 513 | 3,820 | 1,017 | (2,457) | (2,700) | | | | 193 | 7,953 |
| North Site-Eurasia | 4,854 | | 354 | | | | | | | | 354 | 5,208 |
| Gorilla Outdoor Display | 2,893 | | | | | | 300 | 286 | (550) | 0 | 36 | 2,929 |
| Outdoor Mandrill Exhibit | 700 | | | | | | | | | (700) | (700) | |
| Giraffe House Refurbishment | 2,340 | 550 | 1,000 | (1,000) | (1,340) | | | | | | (790) | 1,550 |
| Elephant-Holding/Paddock | 8,550 | (550) | (2,000) | (6,000) | | | | | | | (8,550) | |
| Hippo House | 7,300 | | | | | | | (100) | (350) | 705 | 255 | 7,555 |
| African Hoofstock (Giraffe site) | | | | | 560 | 2500 | 1000 | | | | 4,060 | 4,060 |
| Totals | 57,575 | 0 | 0 | (3,689) | 0 | (1,050) | (2,550) | 0 | 0 | 0 | (7,289) | 50,286 |

2012 – 2021 Recommended Capital Plan

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

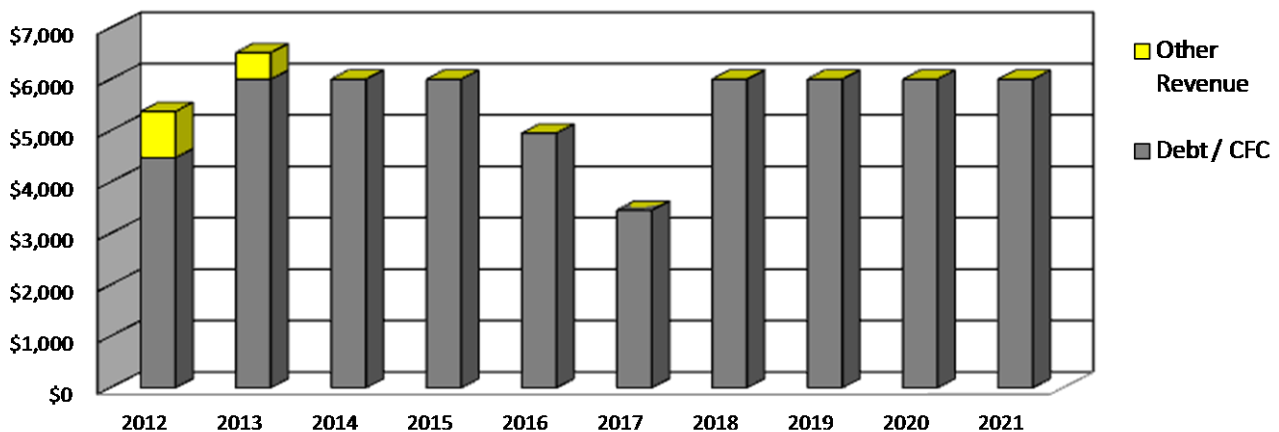


- The 10 Year Recommended Capital plan provides funding of \$33.870 million or 60% for SOGR projects for State Of Good Repair addressing the renewal need of aging and deteriorating infrastructure originally developed in the 1970s, and \$22.652 million or 40% for Service Improvement projects to redevelop exhibits such as the North Site Redevelopment.
 - The first 5 years of the 10–Year Recommended Capital Plan provides funding of \$20.568 million or 71% of total project spending for SOGR projects including Grounds, Buildings and Exhibit refurbishing and completion of the Orangutan and

Giraffe Exhibits and, and \$8.268 million or 29% for Service Improvement projects for completion of the North Site Redevelopment project.

- The second 5 years of the 10–Year Recommended Capital Plan provides funding of \$13.066 million or 48% for SOGR projects for ongoing Grounds, Buildings and Exhibit refurbishing, and \$14.384 million or 52% for Service Improvement projects including the Gorilla Exhibit, and the Hippo House Exhibit.
- Most of the projects in the Toronto Zoo Capital Master Plan include a combination of SOGR funding to maintain the current facilities and Service Improvement funding to refresh the site. Future funding sources for the Service Improvement component of projects will be the 10–year Fundraising Campaign.
- SOGR funding, increases and peaks in 2014 with future year funding requirements declining after 2015. This funding trend will continue as the future Capital Plan includes an increasing requirement for Service Improvement projects to refresh exhibits.

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



- The 10–Year Recommended Capital Plan requires total funding of \$56.286 million, excluding carry forward funding. Overall, debt constitutes about 97% of the required funding at \$54.870 million. This debt funding is \$3.600 lower than the debt affordability targets over the 10–Year Capital Plan. Other funding provides \$1.416 million or 3% of the financing, provided by a legal settlement
- The first 5 years of the 10 Year Recommended Capital Plan is comprised of \$27.420 million or 95% debt funding and \$1.416 million or 5% of other revenue from a legal settlement, providing funds to complete the North Site Redevelopment (Eurasia).

- Then second five years of the 10–Year Recommended Capital Plan is comprised of 100% debt funding of \$27.450 million.
- As a result of the removal of the Elephant Holding Project from the 10–Year Capital Plan, the recommended debt funding of \$4.470 million, for 2016, is \$1.050 below the debt target and for 2017 the recommended debt funding of \$3.450 million is \$2.550 million below the debt target.
- It is understood that projects can be added to the 10–Year Capital Plan once fund raising requirements have been met. The Toronto Zoo will bring funded projects forward for Council consideration through the annual Capital Budget Process or an in–year report to Budget Committee.

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.) | | | | | | | | | | | | |
| Exhibit Refurbishment | 4,347 | 479 | 468 | 350 | 300 | 405 | 300 | 450 | 450 | 495 | 650 | 4,347 |
| Grounds and Visitor Improvements | 3,925 | 310 | 405 | 350 | 260 | 400 | 300 | 450 | 400 | 500 | 550 | 3,925 |
| Buildings and Services Refurbishment | 12,935 | 1,257 | 1,196 | 1,180 | 1,110 | 1,395 | 1,300 | 1,397 | 1,300 | 1,400 | 1,400 | 12,935 |
| Giraffe House Transition | 1,550 | 550 | 1,000 | | | | | | | | | 1,550 |
| Orangutan II & III | 7,953 | | 513 | 3,820 | 3,620 | | | | | | | 7,953 |
| Information Systems | 2,934 | 260 | 250 | 300 | 150 | 250 | 250 | 324 | 250 | 400 | 500 | 2,934 |
| Sub-Total | 33,644 | 2,856 | 3,832 | 6,000 | 5,440 | 2,450 | 2,150 | 2,621 | 2,400 | 2,795 | 3,100 | 33,644 |
| Service Improvements | | | | | | | | | | | | |
| Gorilla II Outdoor | 2,929 | | | | | | 300 | 2,179 | 450 | | | 2,929 |
| North Site (Canadian Wildemess) | 5,208 | 2,524 | 2,684 | | | | | | | | | 5,208 |
| Hippo House Refurbishment | 7,555 | | | | | | | 1,200 | 3,150 | 3,205 | | 7,555 |
| African Hoofstock (Giraffe site) | 4,060 | | | | 560 | 2,500 | 1,000 | | | | | 4,060 |
| Savanna Safari Ride | 2,900 | | | | | | | | | | 2,900 | 2,900 |
| Sub-Total | 22,652 | 2,524 | 2,684 | 0 | 560 | 2,500 | 1,300 | 3,379 | 3,600 | 3,205 | 2,900 | 22,652 |
| Total | 56,296 | 5,380 | 6,516 | 6,000 | 6,000 | 4,950 | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 56,296 |

Major Capital Initiatives

- The 10–Year Recommended Capital Plan includes funding of \$56.296 million for 11 major capital initiatives including \$33.644 million or 60% million for SOGR projects and \$22.652 million or 40% for Service Improvement projects.

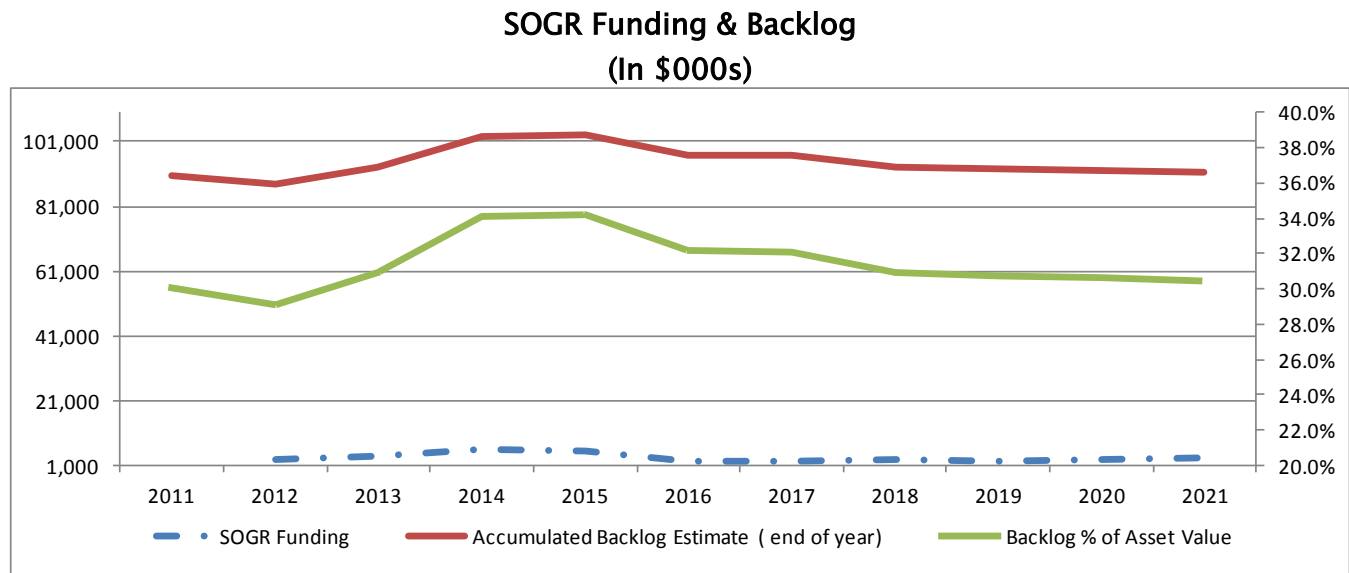
State of Good Repair

- State of Good Repair projects provide funding for extensive repairs to deteriorating buildings to meet the AZA accreditation requirements. SOGR projects also include various electrical and mechanical capital work such as the replacement of vintage electrical cables and substations/transformers and the replacement of mechanical equipment.
- Major SOGR projects recommended for the 10 year period include the Exhibit Refurbishment (\$4.337 million), Building and Services Refurbishment (\$12.935 million) and the Orangutan Indoor and Outdoor Exhibits (\$7.953 million) projects.

Service Improvements

- Service Improvement projects provide funding to improve or change aging exhibits such as the North Site Redevelopment–Eurasia Construction project (\$5.208 million), the Hippo House project (\$7.555 million) and modification of the old Giraffe site to accommodate African Hoof Stock project (\$4.060 million).

State of Good Repair (SOGR) Backlog



State of Good Repair (SOGR) Backlog

- Toronto Zoo currently has a SOGR backlog, estimated at \$90.377 million or 30% of the asset replacement value of \$301 million at year-end 2011. The backlog is projected to increase by approximately \$6.572 million to \$96.949 million or 32.2% of the Zoo's total asset value by 2016. The backlog will decrease to \$91.786 million or 30.5% of the asset value by 2021.
- SOGR backlog can be significantly reduced in future years if the \$250 million fundraising campaign is successful. Future Service Improvement projects also include SOGR components such as refurbishing of existing facilities. For these multi-component projects the SOGR backlog will be addressed simultaneously once the third-party funding is secured. Additional third-party funded projects can be added to the 10-Year Capital Plan once fund raising requirements have been met.

10–Year Capital Plan: Operating Impact Summary

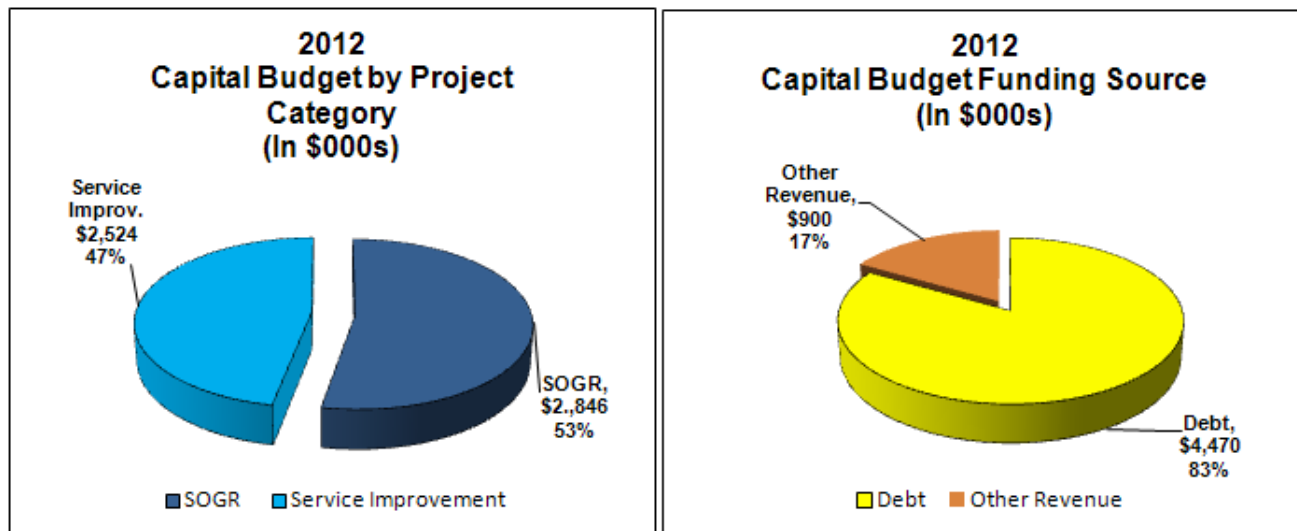
(In \$000s)

| | 2012 Rec. Budget | 2013 Plan | 2014 Plan | 2015 Plan | 2016 Plan | 2017 Plan | 2018 Plan | 2019 Plan | 2020 Plan | 2021 Plan | 2012- 2021 Total |
|--|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|
| 2012 Recommended Capital Budget | | | | | | | | | | | |
| Program Cost (Net) | | | 420 | | | | | | | | 420 |
| Approved Positions | | | 5 | | | | | | | | 5 |

- Approval of the 10–Year Recommended Capital Plan will increase future years Operating Budgets.
- Once the expanded Eurasia exhibit is completed in 2014, \$0.420 million net annually will be required for 5 additional animal keepers for the expanded exhibit and introduction of new animals.

PART III – 2012 RECOMMENDED CAPITAL BUDGET

2012 Capital Budget by Project Category and Funding Source



- The 2012 Recommended Capital Budget, excluding funding carried forward from 2011 to 2012, requires \$5.370 million, including \$4.470 million funding from debt that meets the debt affordability target for 2012 and \$0.900 million funding from a legal settlement.
- \$2.846 million or 53% of recommended funding is provided for SOGR projects including \$1.257 million for the Building and Service Refurbishment project and \$0.550 million to begin the transition of the old Elephant House to a Giraffe House.
- \$2.524 million or 47% is provided for one Service Improvement project, the North Site Redevelopment–Eurasia Construction project which will consolidate and enhance the visitor experience and shorten the path in the existing Eurasia area.

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 | | 2,524 | | 2,524 | | 2,524 | 2,684 | | | | | | | | | 5,208 |
| Change in Scope | | | | | | | | | | | | | | | | |
| New | | | 2,296 | 2,296 | | 2,296 | | | | | | | | | | 2,296 |
| New w/Future Year | | | 550 | 550 | | 550 | 1,000 | | | | | | | | | 1,550 |
| Total Expenditure | | 2,524 | 2,846 | 5,370 | | 5,370 | 3,684 | | | | | | | | | 9,054 |
| Financing | | | | | | | | | | | | | | | | |
| Debt | | 1,624 | 2,846 | 4,470 | | 4,470 | 3,168 | | | | | | | | | 7,638 |
| Other | | 900 | | 900 | | 900 | 516 | | | | | | | | | 1,416 |
| Reserves/Res Funds | | | | | | | | | | | | | | | | |
| Development Charges | | | | | | | | | | | | | | | | |
| ISF | | | | | | | | | | | | | | | | |
| Provincial/Federal | | | | | | | | | | | | | | | | |
| Total Financing | | 2,524 | 2,846 | 5,370 | | 5,370 | 3,684 | | | | | | | | | 9,054 |

*Please refer to Appendix 4 for detailed project listings

- The 2012 Recommended Capital Budget is \$5.370 million and includes \$2.846 million for new projects and \$2.524 million for previously approved projects.
- One previously approved project, the Eurasia Construction in the North Site Redevelopment, requires \$2.524 million in 2012, with future year commitment of \$2.684 million in 2013.
- Approval of the 2011 Recommended Capital Budget will result in Council committing to new future year cash flow funding of \$1.000 million in 2013 for the new Giraffe House Refurbishment project as well.

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 |
|--|--------------------|--------------|--------------|----------|----------|----------|--------------|----------|----------|----------|----------|----------|--------------|
| Exhibit Refurbishment | 469 | 469 | | | | | 469 | | | | | | 469 |
| Information Systems | 260 | 260 | | | | | 260 | | | | | | 260 |
| Grounds and Visitor Improvements | 310 | 310 | | | | | 310 | | | | | | 310 |
| Building and Services Refurbishment | 1,257 | 1,257 | | | | | 1,257 | | | | | | 1,257 |
| Giraffe House Refurbishment | 1,550 | 550 | 1,000 | | | | 1,550 | | | | | | 1,550 |
| North Site Redevelopment (Eurasia) | | 2,524 | 2,684 | | | | 5,208 | | | | | | 5,208 |
| Total (including carry forward) | 3,846 | 5,370 | 3,684 | 0 | 0 | 0 | 9,054 | 0 | 0 | 0 | 0 | 0 | 9,054 |

The 2012 Recommended Capital Budget provides funding of \$5.370 million funding to:

- Continue the following projects:
 - Buildings Services and Exhibit Refurbishment:

- Replacement of deteriorated epoxy, metal work, ceilings, walls, siding, windows and doors at various Zoo buildings is planned to meet the AZA accreditation requirements.
- Replacement of vintage 1974 electrical cables, substations and transformers, replacement of PCB containing transformers. Replacement of roofs and skylights at Pavilions, animal holding buildings and service buildings on site as recommended in the Building Audit as well as the replacement of related mechanical equipment
- Information Systems:
 - In 2012, the BIOCON animal records database will be replaced with the new Zoo Information management System (ZIMS) which is being adopted by leading zoos across North America.
- Grounds and Visitor Improvements:
 - New visitor washroom for the Eurasia area, design and locations of the signs and washrooms will be coordinated with plans developed in the North Site Redevelopment Project.
 - Address the requirements of the Accessibility for Ontarians with Disabilities Act (AODA), installation of new signage (way-finding); a themed gateway for Eurasia on the main Zoo Site and circulation pathway will be constructed.
- Eurasia Construction North Site:
 - Continue construction on the North Site Development–Eurasia with completion planned for 2013.
- Begin Design for the refurbished old Elephant House to accommodate Giraffes and meet accreditation requirements.

PART IV: ISSUES FOR DISCUSSION

2012 Issues

Core Service Review Impacts

- At its meeting of September 26 and 27, 2011, City Council directed the City Manager to:
 - Issue a Request for Expression of Interest, on terms satisfactory to the City Solicitor, to determine options for sale, lease, operation or other arrangement in respect of the Toronto Zoo, provided that the City Manager shall work with the Toronto and Region Conservation Authority (TRCA), Provincial and Federal Governments to accommodate their interests;
- The 2012–2021 Recommended Capital Plan for the Toronto Zoo is based on the current governance and operational structure. The 10–Year Capital Plan will be revisited and any changes will be made once a preferred model for the Toronto Zoo is concluded.

Relocation of the Elephant Herd

- City Council on October 24 and 25, 2011, adopted the following Motion (MM13.9):
Directing the Board of Management of the Toronto Zoo:
 1. Toronto Zoo staff make the necessary arrangements with the Performing Animals Welfare Society (PAWS) sanctuary to physically transfer the 3 elephants, Iringa, Toka and Thika to its facility in California and to transfer legal ownership to PAWS as soon as arrangements can be made by PAWS to safely transport the elephants and permits can be obtained.
 2. Toronto Zoo staff work with the PAWS sanctuary on transport and permit arrangements, with the PAWS sanctuary to have the primary responsibility for the safe and humane transport of the elephants to their facility in California, at their cost, while complying with all applicable laws and standards.
 3. Parts 1 and 2 above be subject to the legal and financial commitments of PAWS and ZooCheck with respect to their contribution to the costs of the transfers being appropriately documented, to the satisfaction of the City Solicitor and the City Manager.
 4. Toronto Zoo staff report to the Board of Management of the Toronto Zoo on the cost savings achieved in Zoo operations once the elephant transfer has been affected, and that the Board reduce its future operating budget by a corresponding amount.

- Given the decision by the Board and City Council to relocate the Zoo's elephants \$8.550 million for the Elephant Holding project, which was intended to improve internal and external facilities for elephants has been removed from the 2012–2021 Recommended Capital Plan. Giraffes will be moved into the Elephant location and an African Hoofstock House will be constructed at the vacated Giraffe location.

Future Year Issues

Giant Pandas

- Over the past ten months, the Toronto Zoo has been collaborating with the Calgary Zoo, the Granby Zoo (consortium), the Federal government and Chinese authorities/institutions to bring giant pandas to Canada for a cooperative conservation, scientific research and education program.

Status of Negotiations

- Negotiations between the Chinese Association of Zoological Gardens (CAZG) and the consortium are currently in process and details are not available at this time. The areas of negotiation include but are not limited to: conservation fees, duration/timing at each respective zoo, breeding scenarios, transportation, legal/insurance, technical staff training, conservation programs, identification of breeding pair of healthy giant pandas from captive programs, etc. Negotiations to date have been positive and are expected to result in an agreement between all parties.

Project Funding

- Over the last few years, Zoo staff visited the four other zoos in the United States that house pandas, including the National Zoo in Washington, the San Diego Zoo, Zoo Atlanta and the Memphis Zoo, to research giant panda programs and facilities.
- Zoo staff developed a preliminary draft investment concept plan for the Toronto Zoo's giant panda exhibit to be situated as part of the Eurasia re-development plan. Due to the consortium approach, new AZA Giant Panda design standards and new insights gained from visits to giant panda facilities, it is estimated that the total cost of the exhibit and associated amenities will be approximately \$8 –\$10 million. This represents a significant reduction in cost from the original giant panda proposal that was in excess of \$16 million for a longer exhibit of pandas at the Toronto Zoo alone.
- To design, build, and finance the giant panda project using no City funding, as well as to achieve a potential shorter construction timeline tied to giant pandas arriving from China, it is proposed that the Toronto Zoo seek one or more private sector partners to provide the investment required. Under such an arrangement, the Toronto Zoo will

outline its needs (i.e. a capital investment for the design and construction of a giant panda area with visitor amenities) and proceed with a Request for Proposal. This public–private partnership (PPP) is described in a report that went to the Zoo Board of Management in February 2010.

- Toronto Zoo would ensure, working with the private partner(s), that the facility meets the animal management needs for the giant panda and provides an excellent visitor experience, consistent with the planning approach for all our animal habitat projects at the Zoo.
- However, in the case that there is not a positive response to the Request for Proposals for a public– private partnership, the Zoo proposes that funds raised by its Development Division will be used for the construction of the Giant Panda Conservation, Scientific Research, and Education Program. In this eventuality, in order to bridge a short term cash flow shortfall, the Board may request a repayable loan (\$0.850 million) from the City to fund the upfront design portion of the giant panda exhibit, which will be used to support the fundraising program.
- No funding for the Giant Panda exhibit is included in the 10–Year Recommended Capital Plan. The Toronto Zoo is requested to report on the funding requirements for Giant Pandas as part of the 2013 Budget process anticipated for late summer 2012.

Fund Raising Campaign

- In September 2008, the Board of Management of the Toronto Zoo decided to end its relationship with the Toronto Zoo Foundation. The Foundation continued to operate for an interim period to support an orderly wind–up of its affairs. On May 29, 2009 this process was successfully concluded.
- By agreement with the Board of Management, the Foundation’s financial assets of approximately \$6.0 million were deposited with the Toronto Community Foundation. The Toronto Community Foundation performs a financial stewardship role, which includes managing the investments and ensuring that the funds are disbursed to the Zoo consistent with donor intent. The Zoo is permitted to draw down these funds, in accordance with the terms of the Trust Agreement with the former Toronto Zoo Foundation, the Toronto Community Foundation and the Board of Management.
- Two studies were recently undertaken by professional fundraising consultants to assess the Toronto Zoo’s capacity to undertake a major fundraising campaign. In January 2008, DVA Navion completed a campaign feasibility study for the Zoo. This was followed by a Campaign Readiness Plan prepared by KCI (Ketchum Canada) in February 2009.

- The project priorities approved by the Board of Management have established a total campaign goal of \$250 million (including fundraising costs) to be raised over the next 10 years. These funds will come from private sources (corporations, foundations and individuals) as well as government support. Funded projects will be added to the 10-Year Capital Plan in the future when fund raising results are realized.
- There are no projects requiring funds from this campaign included in the 10-Year Recommended Capital Plan. The Toronto Zoo intends to fund expansions and additional service improvements through the fund raising campaign. The Toronto Zoo will bring projects forward for Council consideration once fund raising requirements have been met.

Appendix 1 2011 Performance

2011 Key Accomplishments

In 2011, the Toronto Zoo:

- ✓ Opened its new Penguin exhibit and holding to house the penguins;
- ✓ Completed the detailed design for Wildlife Health Centre;
- ✓ Continued the detailed design of Eurasia and Canadian Wilderness;
- ✓ Completed State of Good Repair (SOGR) projects to maintain infrastructure (Roof replacement, roof anchors, barrier free access);
- ✓ Continued efforts towards securing Giant Pandas through discussions with Chinese government and multi-zoo agreement;
- ✓ Completed the second phase of the Schofield Memorial Gardens, a project that will commemorate Dr. Francis Schofield for his work in Korea.

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 |
| 7,743 | 2,232 | 28.8% | 5,510 | 71.2% | 2,233 | 28.8% |

- Toronto Zoo's capital expenditures for the period ending September 30, 2011 totaled \$2.153 million or 21.8% of the 2011 Approved Capital Budget of \$7.743 million. Capital spending is projected to reach \$5.510 million or 76.9% of the 2011 Approved Budget by year-end.
- The Program anticipates \$2.233 million in funding to be carried forward for projects to be completed in 2012. Final carry forward funding requirements will be reported in the 1st Quarter Capital Variance Report.
 - The North Zoo Site Eurasia project is planned for completion in 2012 resulting in carry forward of \$0.888 million funding into 2012. The project has been delayed as a result of contract and legal issues.
 - The Giraffe House project (\$0.266 million) will be unspent in 2011. The Giraffes will move to the old Elephant Exhibit and the funding will be applied to convert it to meet Giraffe standards in 2012.

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 |
|-------------------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Exhibit Refurbishment | 4,337 | 469 | 468 | 350 | 300 | 405 | 1,992 | 300 | 450 | 450 | 495 | 650 | 4,337 |
| Information Systems | 2,934 | 260 | 250 | 300 | 150 | 250 | 1,210 | 250 | 324 | 250 | 400 | 500 | 2,934 |
| Grounds and Visitor's Improvements | 3,925 | 310 | 405 | 350 | 260 | 400 | 1,725 | 300 | 450 | 400 | 500 | 550 | 3,925 |
| Building and Services Refurbishment | 12,935 | 1257 | 1196 | 1180 | 1110 | 1395 | 6,138 | 1300 | 1397 | 1300 | 1400 | 1400 | 12,935 |
| Orangutan II & III | 7,953 | | 513 | 3820 | 3620 | | 7,953 | | | | | | 7,953 |
| North Site-Eurasia | 5,208 | 2524 | 2684 | | | | 5,208 | | | | | | 5,208 |
| Gorilla II Outdoor | 2,929 | | | | | | 0 | 300 | 2,179 | 450 | | | 2,929 |
| Giraffe House Refurbishment | 1,550 | 550 | 1000 | | | | 1,550 | | | | | | 1,550 |
| Ride and Revenue (Safari Ride) | 2,900 | | | | | | 0 | | | | | 2,900 | 2,900 |
| Hippo House Refurbishment | 7,555 | | | | | | 0 | | 1,200 | 3,150 | 3,205 | | 7,555 |
| African Hoof Stock House | 4,060 | | | | 560 | 2,500 | 3,060 | 1,000 | | | | | 4,060 |
| Totals | 56,286 | 5,370 | 6,516 | 6,000 | 6,000 | 4,950 | 28,836 | 3,450 | 6,000 | 6,000 | 6,000 | 6,000 | 56,286 |

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