



Toronto Zoo

2014 – 2023 CAPITAL BUDGET AND PLAN OVERVIEW

2014 – 2023 Capital Budget and Plan Highlights

The Toronto Zoo is one of the largest zoos in the world, housing and caring for 5,000 animals over 710 acres with an asset value of \$301.241 million. The Zoo offers full year access to seven bioregion displays with over 10 km of walking trails and including gift shops, exhibits, rides and guest services.

The 2014–2023 Recommended Capital Budget and Plan focuses on maintaining these assets in a state of good repair (SOGR). It also includes several service improvement projects.

The 10-Year Recommended Capital Plan includes capital improvement projects required for Association of Zoos and Aquariums (AZA) certification.

In 2014, the Toronto Zoo will commence work on a new 25 year Capital Master Plan as well as continue to look for ways to stimulate visitor's satisfaction through exhibit enhancements.

The Zoo will celebrate its 40th anniversary in 2014.

Contents

I: Overview	1
II: Recommendations	4
III: 10-Year Capital Plan	5
IV: 2014 Recommended Capital Budget	16
V: Issues for Discussion	19
Appendices:	
1) 2013 Performance	21
2) 10-Year Recommended Capital Plan Summary	23
3) 2014 Recommended Capital Budget; 2015 - 2023 Capital Plan	24
4) 2014 Recommended Cash Flow & Future Year Commitments	25
5) 2014 Recommended Capital Projects with Financing Detail	26
6) 2014 Reserve / Reserve Fund Review	N/A

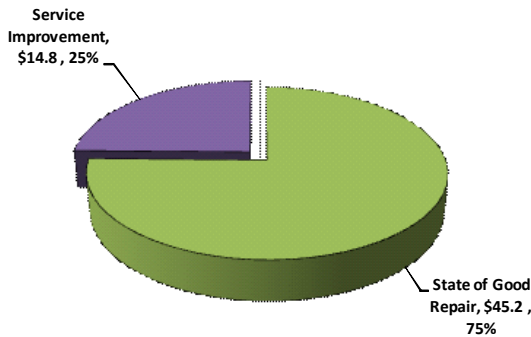
Contacts

Judy Skinner
Manager, Financial Planning
Tel: (416) 397-4219
Email: jskinne1@toronto.ca

Andrei Vassallo
Senior Financial Planning Analyst
Tel: (416) 397-4298
Email: avassal2@toronto.ca

Capital Spending and Financing

2014-2023 Capital Budget and Plan Expenditures
\$60 Million
(\$Million)



2014-2023 Capital Budget and Plan by Funding Source
\$60 Million
(\$Million)



Where does the money go?

The 2014–2023 Recommended Capital Budget and Plan totals \$60.000 million, including a major project initiative to replace the Wildlife Health Centre, which will provide modern, efficient and safe handling and care of animal patients.

Other projects include the *Hippo House*, *Orangutan House*, ongoing exhibits, building and services refurbishments, ongoing grounds and visitor services improvements, information system upgrades, construction of a breeding and holding facility, as well as the *African Hoofstock House* project.

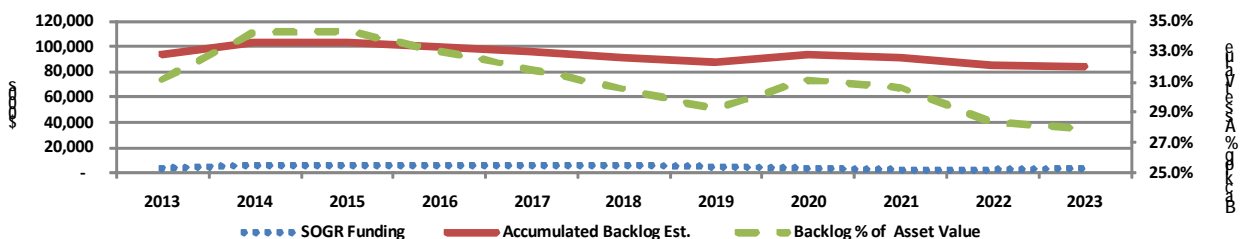
These projects ensure that the Zoo infrastructure is maintained to optimal levels. They also contribute to an exciting and interactive Zoo experience for zoo visitors and members.

Where does the money come from?

The 10-year Recommended Capital Plan requires new debt funding of \$60.000 million, which is in line with the debt affordability guideline in each year of the 10-year planning period.

- Debt funding of \$60.000 million comprises 100.0% of the Toronto Zoo 10-year capital funding.

State of Good Repair Backlog



The 10-Year Recommended Capital Plan's spending on SOGR is \$45.166 million, which includes major refurbishment projects and will reduce the backlog from 31.1% as a percentage of asset value in 2013 to 27.9% in 2023. Backlog can be significantly reduced in future years if fundraising campaigns are successful. Future Service Improvements also include SOGR components, backlog for these multi-component projects will be addressed once third-party funding is secured.

Key Challenges and Priority Actions

AZA Certification: AZA accreditation issues previously identified will be addressed by key projects to complete the AZA accreditation, such as the *Wildlife Health Centre* (\$15.500 million) and *Giraffe House* (\$0.500 million).

SOGR Repairs: Aging and deteriorating infrastructure will be addressed by State of Good Repair and Service Improvement projects, including replacement of deteriorated windows, walls, siding, and doors at various Zoo buildings, roof replacement at Member & Guest Services Building and Lion-tailed Macaque Holding, cooling tower replacement at the Education Centre and replacement of High Voltage Transformers in Eurasia and Canadian Domain are also planned.

Fundraising Efforts: Current governance process does not create an environment conducive to fundraising for capital projects. The Zoo will develop a 25 year capital plan to reposition the Zoo to make further progress on fundraising efforts as per City Council direction.

2014 Recommended Capital Budget

The 2014 Recommended Capital Budget for Toronto Zoo of \$6.000 million will:

- Begin the construction of the *Wildlife Health Centre*, which will provide modern, efficient and safe handling and care of animal patients and address concerns of the Canadian Council of Animal Care (CCAC) and the Association of Aquariums and Zoos (AZA) (\$4.150 million).
- Complete the construction of the *African Hoofstock House* (\$0.500 million).
- Work on *Grounds and Visitor Improvements* (\$0.300 million), including pathway, way-finding and picnic area improvements; additional seating, shade structures and drinking water fountains; and washroom enhancements throughout the Zoo site.



II: RECOMMENDATIONS

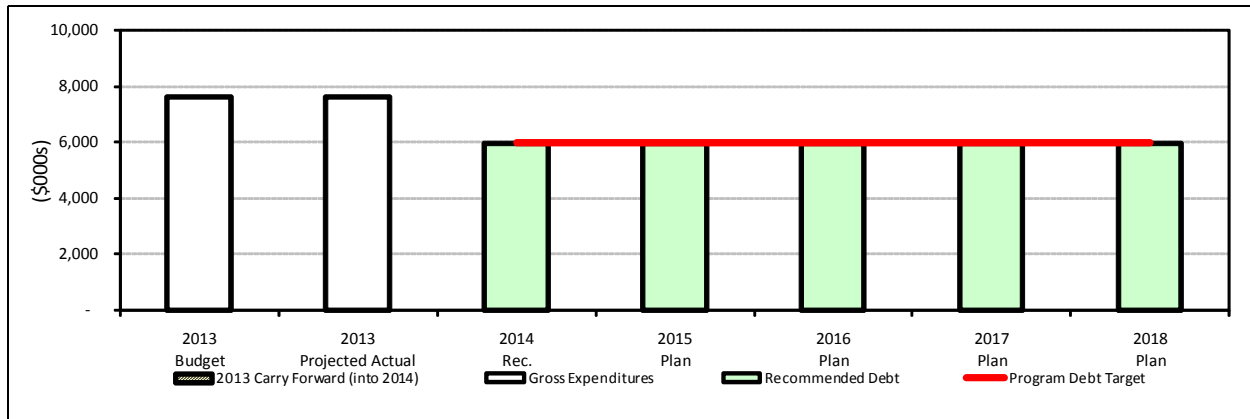
Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2014 Recommended Capital Budget for Toronto Zoo with a total project cost of \$16.850 million, and 2014 cash flow of \$6.000 million and future year commitments of \$11.350 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 5 new / change in scope sub-projects with a 2014 total project cost of \$16.850 million that requires cash flow of \$5.500 million in 2014 and a future year cash flow commitment of \$4.750 million in 2015; \$4.100 million in 2016; and \$2.500 million in 2017.
 - ii) 1 previously approved sub-project with a 2014 cash flow of \$0.500 million.
2. City Council approve new debt service costs of \$0.096 million in 2014 and incremental debt costs of \$0.648 million in 2015, \$0.560 million in 2016, \$0.465 million in 2017 and \$0.257 million in 2018 resulting from the approval of the 2014 Recommended Capital Budget, to be included in the 2014 and future year operating budgets.
3. City Council approve the 2015-2023 Recommended Capital Plan for Toronto Zoo totaling \$42.650 million in project estimates, comprised of \$1.250 million in 2015; \$1.900 million in 2016; \$3.000 million in 2017; \$6.000 million in 2018; \$6.000 million in 2019; \$6.000 million in 2020; \$6.000 million in 2021; \$6.000 million in 2022; and \$6.000 million in 2023.
4. Toronto Zoo report back to the City Manager and Chief Financial Officer on its 25 year Capital Master Plan prior to the 2015 Budget process.

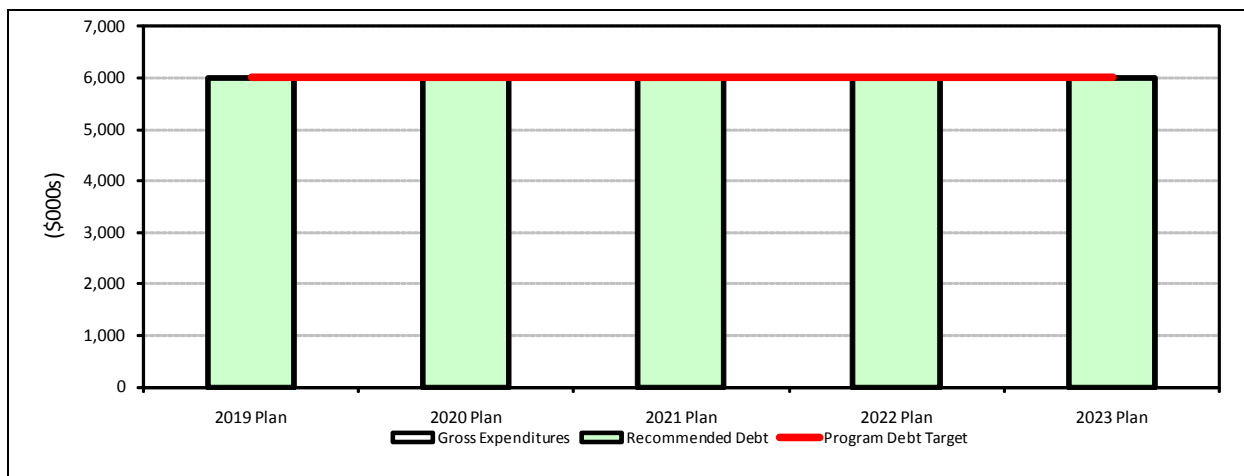
III: 10-YEAR CAPITAL PLAN

10 - Year Capital Plan 2014 Recommended Budget, 2015 – 2018 Recommended Plan (In \$000s)



	2013		2014 Budget and 2015 - 2018 Plan						5-Year Total Percent
	Budget	Projected Actual	2014	2015	2016	2017	2018	2014 - 2018	
Gross Expenditures:									
2013 Capital Budget & Approved FY Commitments	7,636	7,636	500					500	1.7%
Recommended Changes to Approved FY Commitments									
2014 New/Change in Scope and Future Year Commitments			5,500	4,750	4,100	2,500		16,850	56.2%
2015- 2018 Capital Plan Estimates				1,250	1,900	3,500	6,000	12,650	42.2%
2-Year Carry Forward for Reapproval									
1-Year Carry Forward to 2014									
Total Gross Annual Expenditures & Plan	7,636	7,636	6,000	6,000	6,000	6,000	6,000	30,000	100.0%
Program Debt Target			6,000	6,000	6,000	6,000	6,000	30,000	
Financing:									
Recommended Debt			6,000	6,000	6,000	6,000	6,000	30,000	100.0%
Reserves/Reserve Funds									
Development Charges									
Provincial/Federal									
Debt Recoverable									
Other Revenue									
Total Financing			6,000	6,000	6,000	6,000	6,000	30,000	100.0%
By Project Category:									
Health & Safety									
Legislated									
SOGR			5,500	6,000	6,000	6,000	6,000	29,500	98.3%
Service Improvement			500					500	1.7%
Growth Related									
Total by Project Category			6,000	6,000	6,000	6,000	6,000	30,000	100.0%
Asset Value (\$) at year-end	301,241		301,424	300,563	301,218	301,314	300,882		
Yearly SOGR Backlog Estimate (not addressed by current plan)			9,401	6	(3,691)	(3,584)	(4,049)		
Accumulated Backlog Estimate (end of year)	93,686		103,087	103,093	99,402	95,818	91,769		
Backlog: Percentage of Asset Value (%)	31.1%		34.2%	34.3%	33.0%	31.8%	30.5%		
Debt Service Costs			105	721	721	721	721	2,991	
Operating Impact on Program Costs									
New Positions									

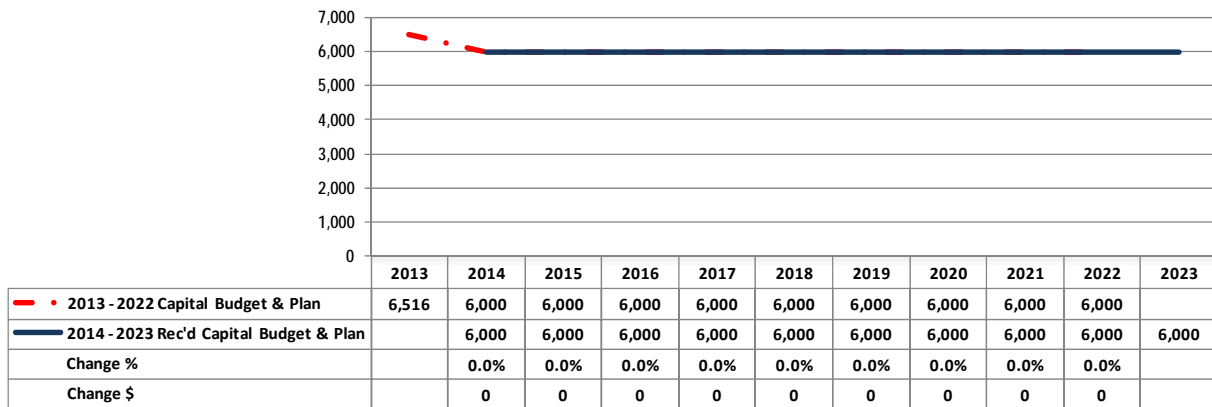
**10 - Year Capital Plan
2019 - 2023 Recommended Plan
(In \$000s)**



	2019 - 2023 Capital Plan							10-Year Total Percent
	2019	2020	2021	2022	2023	2014 - 2023		
Gross Expenditures:								
2013 Capital Budget & Approved FY Commitments						500		0.8%
Recommended Changes to Approved FY Commitments						-		
2014 New/Change in Scope and Future Year Commitments						16,850		28.1%
2019 - 2023 Capital Plan Estimates	6,000	6,000	6,000	6,000	6,000	42,650		71.1%
Total Gross Annual Expenditures & Plan	6,000	6,000	6,000	6,000	6,000	60,000		100.0%
Program Debt Target	6,000	6,000	6,000	6,000	6,000	60,000		
Financing:								
Recommended Debt	6,000	6,000	6,000	6,000	6,000	60,000		100.0%
Reserves/Reserve Funds						-		
Development Charges						-		
Provincial/Federal						-		
Debt Recoverable						-		
Other Revenue						-		
Total Financing	6,000	6,000	6,000	6,000	6,000	60,000		100.0%
By Project Category:								
Health & Safety						-		
Legislated						-		
SOGR	4,500	3,071	2,400	2,195	3,500	45,166		75.3%
Service Improvement	1,500	2,929	3,600	3,805	2,500	14,834		24.7%
Growth Related						-		
Total by Project Category	6,000	6,000	6,000	6,000	6,000	60,000		100.0%
Asset Value(\$) at year-end	301,024	300,936	300,559	300,968	300,925			
Yearly SOGR Backlog Estimate (not addressed by current plan)	(3,870)	5,692	(1,620)	(6,797)	(1,216)			
Accumulated Backlog Estimate (end of year)	87,899	93,591	91,971	85,174	83,958			
Backlog: Percentage of Asset Value (%)	29.2%	31.1%	30.6%	28.3%	27.9%			
Debt Service Costs	721	721	721	721	721	6,598		
Operating Impact on Program Costs						-		
New Positions						-		

Key Changes to the 2013 - 2022 Approved Capital Plan

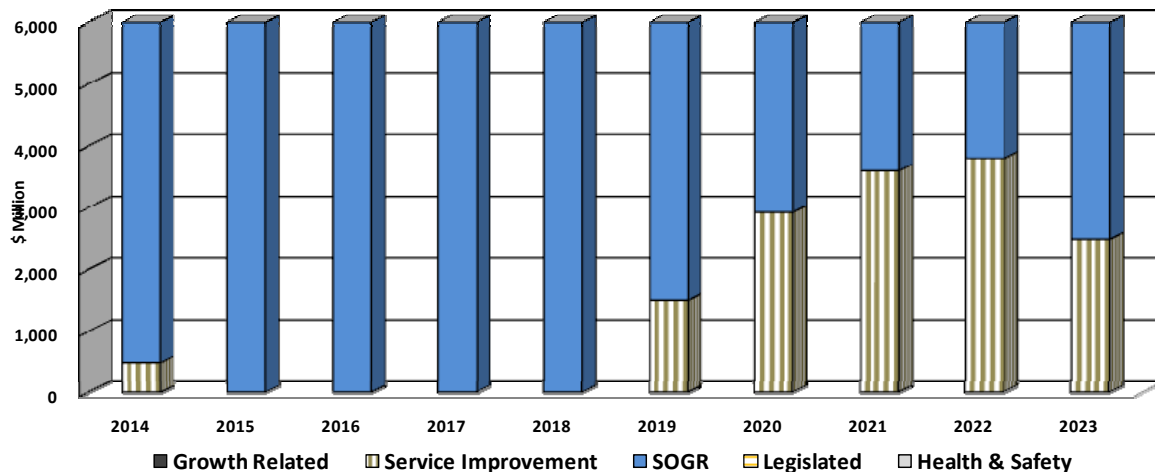
Changes to the 2013 -2022 Approved Capital Plan
(In \$000s)



The 2014 Recommended Capital Budget and the 2015 - 2023 Recommended Capital Plan has not changed from the 2013 to 2022 Approved Capital Plan.

For 2023, \$6.000 million of debt funding is applied to SOGR and Service Improvement projects following the pattern set in the 2013-2022 Plan.

2014 – 2023 Recommended Capital Plan

2014 – 2023 Capital Plan by Project Category
(In \$000s)

The 10-Year Recommended Capital Plan for Toronto Zoo includes projects that fall into one of the two categories: State of Good Repair (SOGR) and Service Improvements.

State of Good Repair projects represent 75.3% or \$45.166 million of the 10-Year Recommended Capital Plan expenditures. \$29.500 million or 65.3% of the total planned cash flow of SOGR projects will be spent during the first 5 years. Another \$15.666 million or 34.7% of the total cash flow is dedicated to SOGR projects during the second 5 years.

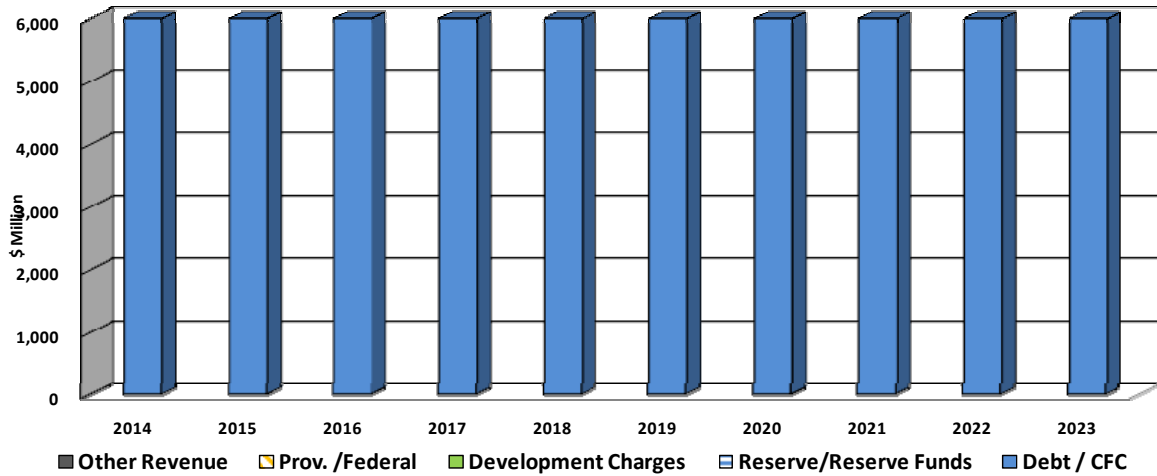
- State of Good Repair projects included funding for the following:
 - \$4.175 million for *Exhibit Refurbishment*, which includes the completion of remaining holdings in Eurasia, upgrades to accommodate movements of animals, new caging and keeper space, construction of the invertebrate house to accommodate necropsy Wing of Wildlife Health Centre and Upgrades of the Main Gate Aviary and exhibit.
 - \$5.400 million for the *Orangutan II & III: Indoor & Outdoor Exhibits* to upgrade the exhibit to meet zoo standards.
 - \$15.500 million for the construction of the *Wildlife Health Centre*, to provide modern, efficient and safe handling and care of animal patients.
 - \$4.135 million for *Grounds and Visitor Improvements* capital project which includes continued implementation of the accessibility plan to address AODA requirements, pathway, way-finding and picnic area improvements, additional seating, shade structures and drinking water fountains and washroom enhancements through the Zoo site.
 - \$13.106 million for *Building and Services Refurbishment* to replace deteriorated windows, walls ceilings, siding and doors at various buildings identified in the building audit; replace the roof at member and guest services building and Lion-tailed Macaque

holding; replace of the cooling tower at the Education Centre and high voltage transformers in Eurasia and Canadian Domain.

Service Improvement projects account for 24.7% or \$14.834 million of the 10-Year Recommended Capital Plan expenditures.

- \$0.500 million or 3.4% of the total planned cash flow for Service Improvement projects will be spent during the first 5 years with the remaining \$14.334 million or 96.6% of the total cash flow spent during the second 5 years.
- Service Improvement projects include the following:
 - \$2.929 million for the *Gorilla II: Outdoor Display* construction to improve visibility for visitors.
 - \$3.214 million for the *Breeding/Holding Facility* construction to increase opportunities to meet species survival plans with emphasis on animal breeding.
 - \$8.191 million for the *Hippo House and Exhibit Refurbishment* to improve animal management capabilities and accommodate winter viewing with indoor pools.
 - \$0.500 million for the *African Hoofstock House* (Old Giraffe site) for construction of this exhibit at the edge of the African Savanna, and revitalization of the current giraffe area for new species, including a green roof, indoor stalls and outdoor yards for potential breeding and exercise.

2014–2023 Capital Plan by Funding Source
(In \$000s)



- The 10-Year Recommended Capital Plan of \$60.000 million will be financed by \$60.000 million of debt, allocated at \$6.000 million per year.
- Debt accounts for \$30.000 million or 100% of the financing for the 2014 Budget and 2015 – 2018 Capital Plan and amounts to \$60.000 million or 100% of the 10-Year Recommended Capital Plan.
- The recommended debt funding is aligned with the 10-year debt affordability guidelines of \$60.000 million allocated to this Program.
- It is understood that other projects will be added to the 10-Year Capital Plan once fund raising requirements have been met. These projects will be driven by the new 25 year Capital Master Plan to be developed by the Zoo. The Toronto Zoo will bring funded projects forward for City Council consideration through the annual Capital Budget Process or an in-year report to Budget Committee.

Major Capital Initiatives by Category

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

	2014 Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2014 - 2023 Total
Total Expenditures by Category											
State of Good Repair											
Exhibit Refurbishment	300	300	250	575	400	400	500	450	400	600	4,175
Wildlife Health Centre	4,150	4,750	4,100	2,500							15,500
Orangutan II & III: Indoor & Outdoor Exhibits					3,400	2,000					5,400
Information Systems	250	150	150	450	300	200	350	300	300	400	2,850
Building & Services Refurbishment	500	540	1,250	1,900	1,500	1,500	1,721	1,200	1,095	1,900	13,106
Grounds and Visitors Improvements	300	260	250	575	400	400	500	450	400	600	4,135
Sub-Total	5,500	6,000	6,000	6,000	6,000	4,500	3,071	2,400	2,195	3,500	45,166
Service Improvements											
Gorilla II: Outdoor Display						1,500	1,429	-	-	-	2,929
Breeding/Holding Facility							1,500	1,714			3,214
Hippo House and Exhibit Refurbishment								1,886	3,805	2,500	8,191
African Hoofstock House (Old Giraffe Site)	500										500
Sub-Total	500	-	-	-	-	1,500	2,929	3,600	3,805	2,500	14,834
Total Expenditures by Category	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	60,000

Major Capital Initiatives

The 10-Year Recommended Capital Plan supports Toronto Zoo's objectives of maintaining SOGR projects for aging and deteriorating infrastructure and Service Improvement projects required to meet AZA accreditation requirements.

The 10-year Capital Plan's total funding of \$60.000 million includes \$45.166 million or 75.3% for SOGR projects and \$14.834 million or 24.7% for Service Improvement projects.

State of Good Repair (SOGR) Projects

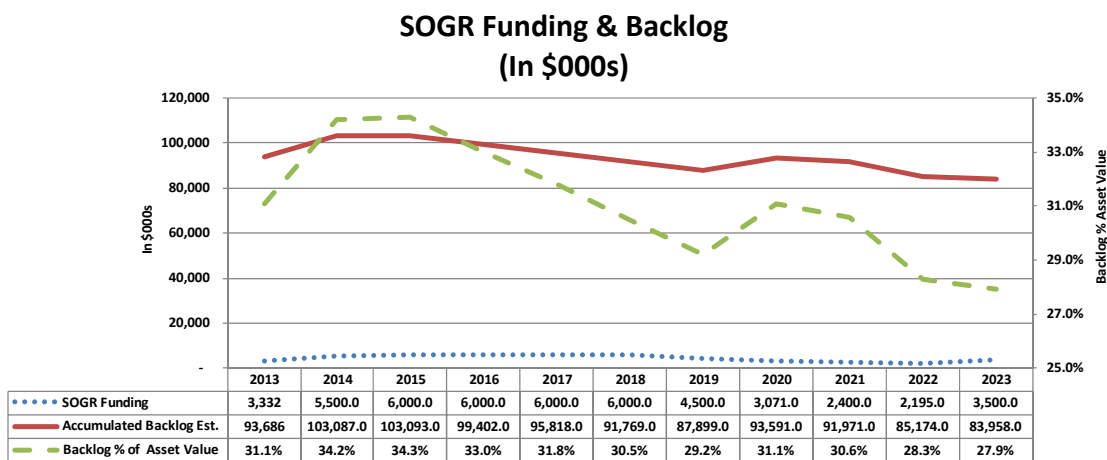
- The *Exhibit Refurbishment* project provides funding of \$4.175 million over the 10-year period for SOGR needed to meet accreditation standards, including the completion of remaining holdings in Eurasia, upgrades to accommodate movements of animals, new caging and keeper space, construction of the invertebrate house to accommodate necropsy Wing of Wildlife Health Centre and Upgrades of the Main Gate Aviary and exhibit.
- The *Wildlife Health Centre* project provides funding of \$15.500 million for construction of the Wildlife Health Centre facility that will provide modern, efficient and safe handling and care of animal patients. The total project cost for this project is \$17.134 million, which includes the 2013 detailed design and planning for the Wildlife Health Centre.
- The *Orangutan II & III Indoor and Outdoor Exhibits* project of \$5.400 million will upgrade the exhibit to meet zoo standards. Construction will start in 2018.
- The *Information Systems* project of \$2.850 million will enable various system upgrades, including integration of the Animal Records Database with the Zoo information Management System, Implementation of Customer Service Management system for efficient management of costumer database, technological enhancements to enrich the Zoo experience on site and general hardware lifecycle management replacements.

- The *Building & Services Refurbishment* project of \$13.106 million will replace deteriorated windows, walls ceilings, siding and doors at various buildings identified in the building audit; replace the roof at member and guest services building and Lion-tailed Macaque holding; replace of the cooling tower at the Education Centre and high voltage transformers in Eurasia and Canadian Domain.
- The *Grounds and Visitor Improvements* project provides funding of \$4.135 million for various SOGR works including continued implementation of the accessibility plan to address AODA requirements, pathway, way-finding and picnic area improvements, additional seating, shade structures and drinking water fountains and washroom enhancements through the Zoo site.

Service Improvement Projects

- The *Gorilla II: Outdoor Display* project provides funding of \$2.929 million for construction of a new Gorilla outdoor display with improved visibility for visitors.
- The *Breeding/Holding Facility* project at a cost of \$3.214 million is provided to construct this facility, which will increase opportunities to meet species survival plans, as animal availability has decreased, resulting in more emphasis on breeding facilities to maintain animal collection.
- The *Hippo House and Exhibit Refurbishment* project of \$8.191 million is provided to construct a new house closer to the exhibit, which will improve animal management capabilities and accommodate winter viewing with indoor pools. It will also include more indoor stalls and outdoor yards for potential breeding and exercise.
- The *African Hoofstock House (Old Giraffe Site)* project provides funding of \$0.500 million for construction of this anchor exhibit at the edge of the African Savanna, revitalization of the current giraffe area for new species, including a green roof, indoor stalls and outdoor yards for potential breeding and exercise.

State of Good Repair (SOGR) Backlog



The 10-Year Recommended Capital Plan dedicates \$29.500 million to SOGR spending in the first five years of the Plan and \$15.666 million over the last five years which on average is \$4.516 million annually.

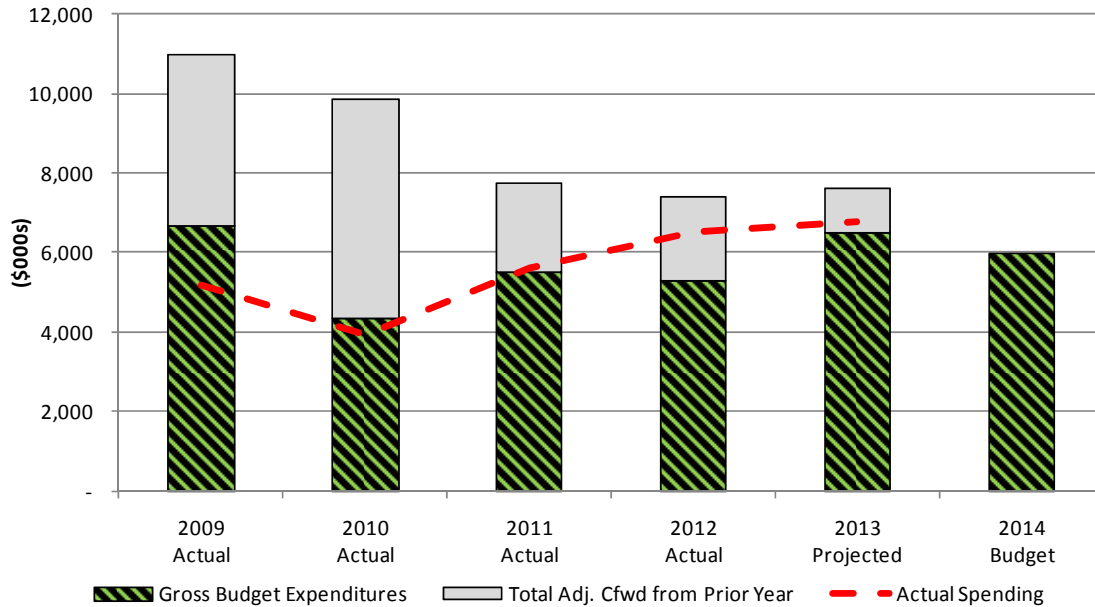
- One of the Toronto Zoo's major goals is to maintain its infrastructure through SOGR projects, including major projects such as the Construction of the Wildlife Health Centre for \$15.500 million, the Building & Services Refurbishment for \$13.106 million, the Exhibit Refurbishment for \$4.175 million and the Construction of the Orangutan II & III Indoor and Outdoor Exhibits for \$5.400 million.
- The total replacement cost for all buildings and structures at Toronto Zoo is estimated at \$301.241 million.
- The 2013 year-end state of good repair backlog is valued at \$93.686 million or 31.1% of the asset replacement value and is projected to decrease by approximately \$9.728 million to \$83.958 million or 27.9% of the Zoo's total asset value by 2023.
- SOGR backlog can be significantly reduced in future years if the 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 secured.
- The SOGR Backlog is the estimated SOGR requirements for all current buildings and facilities and has not been broken out into asset categories.

10-Year Capital Plan: Impact on the Operating Budget

- There are no operating impacts from the 2014-2023 Capital Plan for Toronto Zoo.
- There are no new temporary positions requested for capital project delivery.

Capacity to Spend

Capacity to Spend – Budget vs. Actual
(In \$000s)



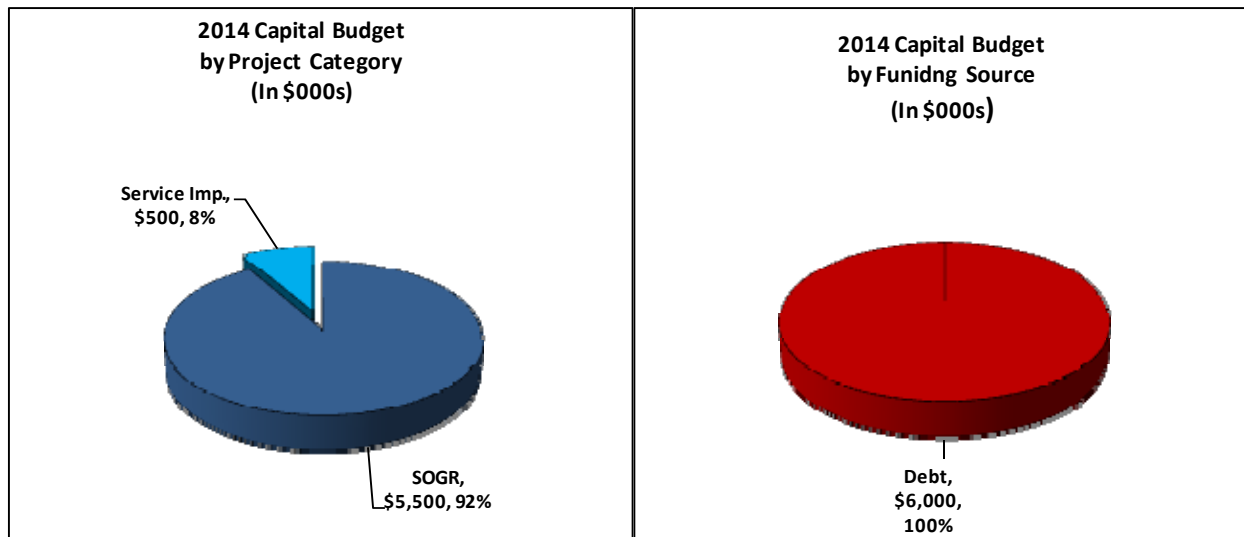
Year	Approved Budget	Spent	Spending Rate
	\$000s		
2013	7,636	6,752	88.4%
2012	7,408	6,507	87.8%
2011	7,743	5,613	72.5%
2010	9,880	3,938	39.9%
2009	10,984	5,173	47.1%
Average	8,730	5,597	64.1%

- Average Capital spending rate from 2009 to 2013 is projected to be 64%.
- Toronto Zoo's capital expenditures for the period ended September 30, 2013 totaled \$4.268 million or 55.9% of its 2013 Approved Capital Budget of \$7.636 million. Capital spending is projected to reach \$6.752 million or 88.4% of its 2013 Approved Capital Budget by year-end. The under-spending is driven by the delay on the relocation of the giraffes to the old elephant site, which is a requirement for the *Giraffe House Transition* project.
- Toronto Zoo has completed the studies and design for the *Wildlife Health Centre* and is ready to start the construction. The rest of the projects are state of good repair projects and exhibit refurbishment projects which are ready to move forward and do not require extensive design.

-
- The Program's spending capacity over the past 5 years, from 2009 to 2013, averaged \$5.597 million or 64% of its average Capital Budget of \$8.730 million and has increased from 2010 to 2013. The consistent under-spending observed in previous years has been driven by delays in major projects delivery such as the *Tundra Trek* in 2009, the *North Zoo Site* in 2010 and the *Canadian Wilderness* in 2011.
 - Toronto Zoo achieved a 47% spending rate in 2009 due to delays in completing the *Tundra Trek* due to legal issues, resulting in under spending of \$1.918 million for *North Zoo Site-Canadian Wilderness* project and \$1.645 million for the *African Pavilion* project.
 - Toronto Zoo achieved a 40% spending rate in 2010 due to the delay in 2009 of the *North Zoo Site* resulting in under spending of \$1.740 million for detailed design of *Eurasia and Canadian Wilderness*, \$0.527 under-spending for *Korean Gardens* due to delay in donations, and \$0.500 million under spending for the *Penguin Exhibit* due to a lengthy tendering process.
 - Toronto Zoo achieved a 72.5% spending rate in 2011 and further increased spending to 88% in 2012 as the issue with the *Canadian Wilderness* was resolved.
 - Toronto Zoo projects capital spending of 90% for 2013, due to the delay on the relocation of the giraffes to the old elephant site, which is a requirement for the *Giraffe House* Transition project to be completed.
 - Spending rates have improved since unfunded projects were removed from the 10-Year Capital Plan in 2010.
 - New projects will be added to the 10-Year Capital Plan in the future when fund raising results are realized.

IV: 2014 RECOMMENDED CAPITAL BUDGET

2014 Capital Budget by Project Category and Funding Source



Note: Excludes carry forward funding

The 2014 Recommended Capital Budget, excluding funding carried forward from 2013 to 2014, requires new 2014 cash flow funding of \$6.000 million.

- State of Good Repair projects account for \$5.500 million or 91.7% of the 2014 Capital Budget and include \$0.300 million for *Exhibit Refurbishment*, \$4.150 for the construction of the *Wildlife Health Centre*, \$0.250 million for Information Systems upgrades, \$0.300 for *Grounds and Visitor Improvements* and \$0.500 million for *Building and Services Refurbishment*.
- One Service Improvement project is recommended and represents 8.3% of project funding in the 2014 Capital Budget for \$0.500 for the *African Hoofstock House*.
- The 2014 Capital Budget for Toronto Zoo is funded entirely from debt. This is at the debt affordability guideline of \$6.000 million set for this Program in 2014.

**2014 Recommended Cash Flow & Future Year Commitments
(In \$000s)**

	2012 & Prior Year Carry Forward	2013 Previously Approved Cash Flow Commitments	2014 New Cash Flow Rec'd	2014 Total Cash Flow Rec'd	2013 Carry Forwards	Total 2014 Cash Flow (Incl 2013 C/Fwd)	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Cost
Expenditures																
Previously Approved		500		500		500										500
Change in Scope																-
New			5,500	5,500		5,500	4,750	4,100	2,500							16,850
New w/Future Year																-
Total Expenditure	-	500	5,500	6,000	-	6,000	4,750	4,100	2,500	-	-	-	-	-	-	17,350
Financing																
Debt		500	5,500	6,000		6,000	4,750	4,100	2,500							17,350
Other																-
Reserves/Res Funds																-
Development Charges																-
Provincial/Federal																-
Total Financing (including carry forward funding)	-	500	5,500	6,000	-	6,000	4,750	4,100	2,500	-	-	-	-	-	-	17,350

The Toronto Zoo's 2014 Recommended Capital Budget is \$6.000 million excluding carry forward funding, and includes \$0.500 million for a previously approved *African Hoofstock House (Old Giraffe Site)* project already underway.

New 2014 project funding of \$5.500 million includes funding for the following state of good repair projects: *Exhibit Refurbishment*, \$0.300 million; *Wildlife health Centre*, \$4.150 million; *Information Systems*, \$0.250 million; *Grounds and Visitor Improvements*, \$0.300 million and *Building & Services Refurbishment*, \$0.500 million.

Approval of the 2014 Recommended Capital Budget will result in future year commitments of \$4.750 million in 2015, \$4.100 million in 2016 and \$2.500 million in 2017 for the construction of the *Wildlife Health Centre*.

All projects included in the 2014 Recommended Capital Budget are funded by debt.

Future year projects for the Toronto Zoo depend on fundraising. The current governance process does not create an environment that is conducive to fundraising for capital projects.

2014 Recommended Capital Project Highlights

2014 Recommended Capital Project Highlights
(In \$000s)

Project	Total Project Cost	2014	2015	2016	2017	2018	2014 - 2018	2019	2020	2021	2022	2023	2014 - 2023 Total
Exhibit Refurbishment	300	300					300						300
Animal Health Centre	15,500	4,150	4,750	4,100	2,500		15,500						15,500
Information Systems	250	250					250						250
Grounds and Visitors Improvements	300	300					300						300
Building & Services Refurbishment	500	500					500						500
African Hoofstock House (Old Giraffe Site)	1,000	500					500						500
Total (including carry forward funding)	17,850	6,000	4,750	4,100	2,500	-	17,350	-	-	-	-	-	17,350

The 2014 Recommended Capital Budget provides funding of \$6.000 million to:

- Complete the *African Hoofstock House* at the Old Giraffe Site (\$0.500 million), including an anchor exhibit at the edge of African Savanna, revitalization of the current Giraffe area for new species, and indoor stalls and outdoor yards for potential breeding and exercise;
- Begin the *Wildlife Health Centre* project (\$4.150 million), which will provide modern, efficient and safe handling and care of animal patients;
- Continue *Building & Services Refurbishment* (\$0.500 million), including:
 - Developing of the 25 year capital masterplan;
 - Replacement of deteriorated windows, walls, ceilings, siding, and doors at various Zoo buildings identified in the Building Audit;
 - Roof replacement at Member & Guest Services Building and Lion-tailed Macaque Holding;
 - Replace Cooling Tower – Education Centre; and
 - Replace High Voltage Transformers in Eurasia and Canadian Domain.
- Continue *Exhibit Refurbishment* (\$0.300 million), including repairs to meet accreditation standards;
- Continue *Information Systems Upgrades* (\$0.250 million) including:
 - The continued integration of Animal records database (BIOCON) with the Zoo Information Management System (ZIMS) adopted by leading zoos across North America;
 - The continued implementation of a Customer Resource Management (CRM) system developed in 2012 for efficient management of the Zoo's customer database (Membership, Education, Development, Events, etc.);
 - The continued customer facing technological enhancements to enrich the Zoo experience on-site; and general hardware lifecycle management replacements.

V: ISSUES FOR DISCUSSION

Key Program Issues

Association of Zoos and Aquariums (AZA) Certification

- Addressing AZA Accreditation issues identified in the 2007 accreditation report are priorities in the 10-Year Recommended Capital Plan including the Eurasia exhibit, the *Giraffe House* and the *Animal Health Centre*. Accreditation issues create ongoing pressures for capital improvements at the Zoo but often are aligned with state of good repair issues.

Projects that are critical to complete AZA Accreditation in the 2014-2023 Recommended Capital Plan include \$0.500 million for the *African Hoofstock House Refurbishment* and \$15.500 million for the *Wildlife Health Centre*. Construction of the Health Centre will take place from 2014 to 2017. The total cost of the project is \$17.134 million, including design and planning for the project which was carried out in 2010 and 2011.

There are also outstanding governance issues related to the AZA accreditation.

25 year Capital Master Plan and Fundraising Objectives

- As part of its consideration of the "Response to Zoo Board Governance Report" (EX34.7) at its meeting of October 8,9,10 and 11, 2013, City Council determined that the Zoo will continue as a City agency, and requested that the Zoo Board of Management bring forward a new Strategic Plan, including a new Facility Master Plan. This confirmation of the Zoo governance structure will support planning for the future and set the stage for renewed fund-raising efforts to support capital improvement priorities.
- Projects requiring funding over the City's \$6 million per year debt target for the Zoo are not included in the 2014-2023 Recommended Capital Plan. Additional expansion and service improvement projects will require support from future fund raising efforts.

These projects will be driven by the new 25 year Capital Master Plan to be developed by the Zoo. Funded projects will be added to the 10-Year Capital Plan in the future when fund raising results are realized. The projects intended to be funded through fundraising are shown as "below the line" projects.

"Below the line" Capital Priorities

- Currently there are 7 future projects at an estimated cost of \$69.360 million identified to commence when fund raising efforts are successful. These projects will contribute to ride enhancement, stimulate visitor satisfaction and enhance the visitor experience at the Toronto Rouge Valley and the Zoo and address state of good repair needs.

Capital Projects subject to fundraising include:

- \$6.000 million for *Front Entrance & Food Services improvements*;
- \$3.180 million for the *Orangutan Outdoor Exhibit*;

- \$24.550 million for the *Canadian Wilderness*;
- \$8.255 million for the *North Zoo Site-Tropical Americas*;
- \$21.957 million for the *Education Development Building*;
- \$2.664 million for the *Rouge Valley Parks Interpretive Centre* in the Zoo grounds; and
- \$2.754 million for the *Ride Enhancement Project*.

Appendix 1

2013 Performance

2013 Key Accomplishments

In 2013, Toronto Zoo accomplished the following:

- ✓ Completed preparations for the successful transfer of the Giant Pandas from China.
- ✓ Opened the Giant Panda Experience Exhibit to the public on the Victoria Day long weekend in May 2013.
- ✓ Completed Grounds and Visitor Improvements for \$0.688 million, which includes the Giant Panda Experience entrance line up system, the Panda Interpretive Centre, the Mandarin Express, the Panda Shop outlets, washrooms and themed gateway for Eurasia.
- ✓ Completed the Panda Holding and Exhibit Refurbishment project for \$0.502 million.
- ✓ Opened the first ever drive through paddock for the Zoomobile in the Eurasia Wilds.
- ✓ Improvements to way finding and signage for Visitor Experience.
- ✓ Continued construction on the remainder of the Eurasia Wilds for a spring 2014 opening with a cash flow for 2013 including carry forward funding of \$2.982 million; the year-end expenditures are expected to be \$2.847 million and the project is expected to be completed by March 30, 2014.

2013 Capital Variance Review

2013 Budget to Actual Comparison (In \$000s)

2013 Approved	Actuals as of Sept. 30, 2013 (3rd Quarter Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	\$	% Spent	\$	% Spent	\$ Unspent
7,636	4,268	55.9%	6,752	88.4%	884	11.6%

Toronto Zoo's capital expenditures for the period ended September 30, 2013 totalled \$4.268 million or 55.9% of its 2013 Approved Capital Budget of \$7.636 million. Capital spending is projected to reach \$6.752 million or 88.4% of its 2013 Approved Capital Budget by year-end. As of third quarter the outcomes of timing of elephant relocation were not known.

Since the 3rd Quarter Variance Report the Zoo has indicated that there will be additional carry forward from 2013 into 2014 budget.

The rate of spending for up to the third quarter of 2013 and the projected year-end under spending are attributed to the following projects:

- The *Exhibit Refurbishment* project's capital expenditures totalled \$0.502 million, representing 100% of the 2013 approved cash flow of \$0.502 million during the nine months ended September 30, 2013. The project was completed.
- The *Electrical, Mechanical, Buildings & Roofs* project's capital expenditures totalled \$0.662 million representing 42% of the 2013 approved cash flow of \$1.578 million during the nine months ended September 30, 2013. Capital spending is projected to reach \$1.578 million or 100% by year-end. The Africa Restaurant Roof and Skylight replacement sub-project was completed in June 30, 2013, and the High Voltage Equipment/Cable Replacement sub-project is expected to be completed by December 31, 2013.
- The *Grounds & Visitor Improvements* project's capital expenditures totalled \$0.688 million representing 100% of the 2013 approved cash flow of \$0.688 million during the nine months ended September 30, 2013. The project was completed.
- The *Information Systems* project's capital expenditures totalled \$0.013 million representing 3.8% of the 2013 approved cash flow of \$0.338 million during the nine months ended September 30, 2013. Capital spending is projected to reach \$0.338 million or 100% by year-end. The Uninterrupted Power Supply Refresh, Server Refresh and Tape Library System Replacement are underway with expected completion by December 31, 2013.
- The *Giraffe House Transition (Old Elephant House)* project did not incur any capital expenditures of the 2013 approved cash flow of \$1.049 million during the nine months ended September 30, 2013. Capital spending is projected to reach \$0.799 million or 76.2% by year-end.
- The *Giraffe House Transition (New Hoofstock)* project did not incur any expenditures of the 2013 approved cash flow of \$0.500 million during the nine months ended September 30, 2013. There is no capital spending projected to be incurred by year-end. Construction of the New Hoofstock house is expected to be completed by December 31, 2014. Since the 3rd Quarter Variance Review the elephants have been successfully relocated. However, the delays have resulted in the Zoo not being able to proceed with the expected timeline to convert the old Giraffe House.
- The *Eurasia Wilds* project's capital expenditures totalled \$2.402 million representing 80.6% of the 2013 approved cash flow of \$2.982 million during the nine months ended September 30, 2013. Capital spending is projected to reach \$2.847 million or 95.5% by year-end. The project is expected to be completed by March 30, 2014.

Appendix 2

10-Year Recommended Capital Plan Project Summary (In \$000s)

Project	2014	Plan									2014 -
	Budget	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
Exhibit Refurbishment	300	300	250	575	400	400	500	450	400	600	4,175
Orangutan II & III: Indoor & Outdoor Exhibits	-	-	-	-	3,400	2,000	-	-	-	-	5,400
Animal Health Centre	4,150	4,750	4,100	2,500	-	-	-	-	-	-	15,500
Information Systems	250	150	150	450	300	200	350	300	300	400	2,850
Grounds and Visitors Improvements	300	260	250	575	400	400	500	450	400	600	4,135
Building & Services Refurbishment	500	540	1,250	1,900	1,500	1,500	1,721	1,200	1,095	1,900	13,106
Gorilla II: Outdoor Display	-	-	-	-	-	1,500	1,429	-	-	-	2,929
Breeding/Holding Facility	-	-	-	-	-	-	1,500	1,714	-	-	3,214
Hippo House and Exhibit Refurbishment	-	-	-	-	-	-	-	1,886	3,805	2,500	8,191
African Hoofstock House (Old Giraffe Site)	500	-	-	-	-	-	-	-	-	-	500
Total (Including carry forward funding)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	60,000

Appendix 3

2014 Recommended Capital Budget; 2015 to 2023 Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2014 Recommended Capital Budget; 2015 to 2023 Capital Plan

Toronto Zoo						Current and Future Year Cash Flow Commitments							Current and Future Year Cash Flow Commitments Financed By													
Sub-Project No.	Project Name	Ward	Stat.	Cat.		2014	2015	2016	2017	2018	Total 2014-2018	Total 2019-2023	Total 2014-2023	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing			
<u>ZOO28 Building & Services Refurbishment</u>																										
1 7	Building & Services Refurbishment (2015-2023)	CW	S6	03		0	540	1,250	1,900	1,500	5,190	7,416	12,606	0	0	0	0	0	0	0	0	12,606	0	12,606		
0 29	Building and Services (2014)	CW	S4	03		500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	500	0	500		
Sub-total						500	540	1,250	1,900	1,500	5,690	7,416	13,106	0	0	0	0	0	0	0	0	0	13,106	0	13,106	
<u>ZOO907666 Hippo House and Exhibit Refurbishment</u>																										
7 1	Hippo House and Exhibit Refurbishment	CW	S6	04		0	0	0	0	0	0	8,191	8,191	0	0	0	0	0	0	0	0	8,191	0	8,191		
Sub-total						0	0	0	0	0	0	8,191	8,191	0	0	0	0	0	0	0	0	0	8,191	0	8,191	
<u>ZOO907807 African Hoofstock House (Old Giraffe site)</u>																										
0 1	African Hoofstock House (Old Giraffe House site)	CW	S2	04		500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	500	0	500		
Sub-total						500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	500	0	500	
Total Program Expenditure						6,000	6,000	6,000	6,000	6,000	30,000	30,000	60,000	0	0	0	0	0	0	0	0	0	0	60,000	0	60,000

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2014 Recommended Capital Budget; 2015 to 2023 Capital Plan

Toronto Zoo					Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By													
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2014	2015	2016	2017	2018	Total 2014-2018	Total 2019-2023	Total 2014-2023	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
Financed By:																								
Debt					6,000	6,000	6,000	6,000	6,000	30,000	30,000	60,000	0	0	0	0	0	0	0	0	0	60,000	0	60,000
Total Program Financing					6,000	6,000	6,000	6,000	6,000	30,000	30,000	60,000	0	0	0	0	0	0	0	0	0	60,000	0	60,000

Status Code	Description
S2	S2 Prior Year (With 2014 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2014 and/or Future Year Cost/Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2015 & Beyond)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

Appendix 4
2014 Recommended Cash Flow and
Future Year Commitments

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4 - 2014 Recommended Cash Flow and Future Year Commitments

Toronto Zoo

						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By														
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.	2014	2015	2016	2017	2018	Total 2014-2018	Total 2019-2023	Total 2014-2023	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing			
<u>ZOO000012 Exhibit Refurbishment</u>																										
0	19	Exhibit Refurbishment (2014)	CW	S4	03	300	0	0	0	0	300	0	300	0	0	0	0	0	0	0	0	0	300	0	300	
		Sub-total				300	0	0	0	0	300	0	300	0	0	0	0	0	0	0	0	0	300	0	300	
<u>ZOO000022 Animal Health Centre</u>																										
2	3	Wildlife Health Centre	CW	S4	03	4,150	4,750	4,100	2,500	0	15,500	0	15,500	0	0	0	0	0	0	0	0	0	15,500	0	15,500	
		Sub-total				4,150	4,750	4,100	2,500	0	15,500	0	15,500	0	0	0	0	0	0	0	0	0	15,500	0	15,500	
<u>ZOO000177 Information Systems</u>																										
0	14	Information Systems (2014)	CW	S4	03	250	0	0	0	0	250	0	250	0	0	0	0	0	0	0	0	0	250	0	250	
		Sub-total				250	0	0	0	0	250	0	250	0	0	0	0	0	0	0	0	0	250	0	250	
<u>ZOO11 Grounds and Visitor Improvements</u>																										
0	16	Grounds and Visitors (2014)	CW	S4	03	300	0	0	0	0	300	0	300	0	0	0	0	0	0	0	0	0	300	0	300	
		Sub-total				300	0	0	0	0	300	0	300	0	0	0	0	0	0	0	0	0	300	0	300	
<u>ZOO28 Building & Services Refurbishment</u>																										
0	29	Building and Services (2014)	CW	S4	03	500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	500	0	500	
		Sub-total				500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	500	0	500	
<u>ZOO907807 African Hoofstock House (Old Giraffe site)</u>																										
0	1	African Hoofstock House (Old Giraffe House site)	CW	S2	04	500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	500	0	500	
		Sub-total				500	0	0	0	0	500	0	500	0	0	0	0	0	0	0	0	0	500	0	500	
Total Program Expenditure						6,000	4,750	4,100	2,500	0	17,350	0	17,350	0	0	0	0	0	0	0	0	0	0	17,350	0	17,350

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4 - 2014 Recommended Cash Flow and Future Year Commitments

Toronto Zoo						Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By													
Sub-Project No.	Project Name	Ward	Stat.	Cat.		2014	2015	2016	2017	2018	Total 2014-2018	Total 2019-2023	Total 2014-2023	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
Financed By:																									
Debt																									
						6,000	4,750	4,100	2,500	0	17,350	0	17,350	0	0	0	0	0	0	0	0	0	17,350	0	17,350
Total Program Financing						6,000	4,750	4,100	2,500	0	17,350	0	17,350	0	0	0	0	0	0	0	0	0	17,350	0	17,350

Status Code	Description
S2	S2 Prior Year (With 2014 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2014 and/or Future Year Cost/Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

Appendix 5

2014 Recommended Capital Project with Financing Details

(Phase 2) 21-Toronto Zoo Sub-Project Category: 01,02,03,04,05,06,07 Type: B Sub-Project Status: S2 Type: C Sub-Project Status: S2,S3,S4,S5



CITY OF TORONTO

**Toronto Zoo
Sub-Project Summary**

Project/Financing

Priority Project Project Name

Priority	Project	Project Name	Start Date	Completion Date	2014	Financing									
					Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable
<u>0</u>	<u>ZOO907807</u>	<u>African Hoofstock House (Old Giraffe site)</u>													
0	1	African Hoofstock House (Old Giraffe House site)	1/1/2013	12/31/2014	500	0	0	0	0	0	0	0	0	500	0
		Project Sub-total:			500	0	0	0	0	0	0	0	0	500	0
<u>1</u>	<u>ZOO28</u>	<u>Building & Services Refurbishment</u>													
0	29	Building and Services (2014)	5/9/2013	5/9/2013	500	0	0	0	0	0	0	0	0	500	0
		Project Sub-total:			500	0	0	0	0	0	0	0	0	500	0
<u>2</u>	<u>ZOO000177</u>	<u>Information Systems</u>													
0	14	Information Systems (2014)	1/1/2014	12/31/2014	250	0	0	0	0	0	0	0	0	250	0
		Project Sub-total:			250	0	0	0	0	0	0	0	0	250	0
<u>3</u>	<u>ZOO000012</u>	<u>Exhibit Refurbishment</u>													
0	19	Exhibit Refurbishment (2014)	1/1/2014	12/31/2014	300	0	0	0	0	0	0	0	0	300	0
		Project Sub-total:			300	0	0	0	0	0	0	0	0	300	0
<u>7</u>	<u>ZOO11</u>	<u>Grounds and Visitor Improvements</u>													
0	16	Grounds and Visitors (2014)	5/9/2013	5/9/2013	300	0	0	0	0	0	0	0	0	300	0
		Project Sub-total:			300	0	0	0	0	0	0	0	0	300	0
<u>8</u>	<u>ZOO000022</u>	<u>Animal Health Centre</u>													
2	3	Wildlife Health Centre	1/1/2014	12/31/2017	4,150	0	0	0	0	0	0	0	0	4,150	0
		Project Sub-total:			4,150	0	0	0	0	0	0	0	0	4,150	0
Program Total:					6,000	0	0	0	0	0	0	0	0	6,000	0

Status Code	Description
S2	S2 Prior Year (With 2014 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2014 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07