



City Budget
2013

Yonge-Dundas Square
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.

2013 - 2022 Capital Program

2013 CAPITAL BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE NOVEMBER 29, 2012

TABLE OF CONTENTS

| | |
|---|-----|
| PART I: RECOMMENDATIONS | 2 |
| PART II: 2013 – 2022 CAPITAL PLAN | |
| 10-Year Capital Plan Summary | 3 |
| 10-Year Capital Plan Overview..... | 5 |
| 10-Year Capital Plan Operating Impact Summary | 8 |
| PART III: 2013 RECOMMENDED CAPITAL BUDGET | |
| 2013 Capital Budget by Project Category and Funding Source | N/A |
| 2013 Recommended Cash Flow & Future Year Commitments | N/A |
| 2013 Recommended Capital Project Highlights | N/A |
| PART IV: ISSUES FOR DISCUSSION | |
| 2013 and Future Year Issues..... | 9 |
| Issues Referred to the 2013 Capital Budget Process..... | N/A |
| APPENDICES | |
| Appendix 1: 2012 Performance | 10 |
| Appendix 2:10-Year Recommended Capital Plan Project Summary | 11 |
| Appendix 3: 2013 Recommended Capital Budget; 2014 to 2022 Capital Plan..... | 12 |
| Appendix 4: 2013 Recommended Cash Flow & Future Year Commitments | N/A |
| Appendix 5: 2013 Recommended Capital Projects with Financing Details | N/A |
| Appendix 6: 2013 Reserve / Reserve Fund Review..... | N/A |

Contacts: Judy Skinner

Manager, Financial Planning

Tel: (416) 397-4219

Jordana Wong

Financial Planning Analyst

Tel: (416) 395-6429

PART I: RECOMMENDATIONS

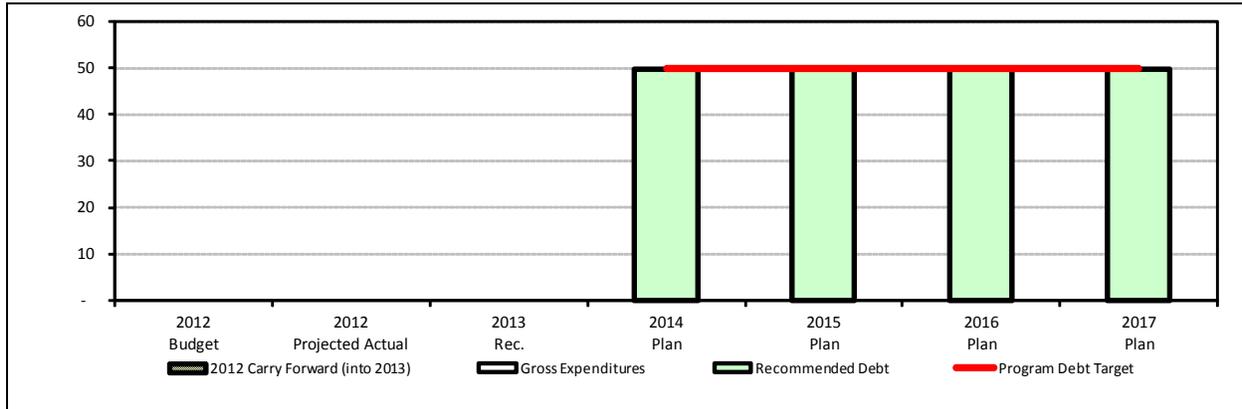
The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2014-2022 Recommended Capital Plan for Yonge-Dundas Square totaling \$0.450 million in project estimates, comprised of \$0.050 million in each of years 2014 to 2022.

PART II: 2013 – 2022 CAPITAL PROGRAM

10-Year Capital Plan

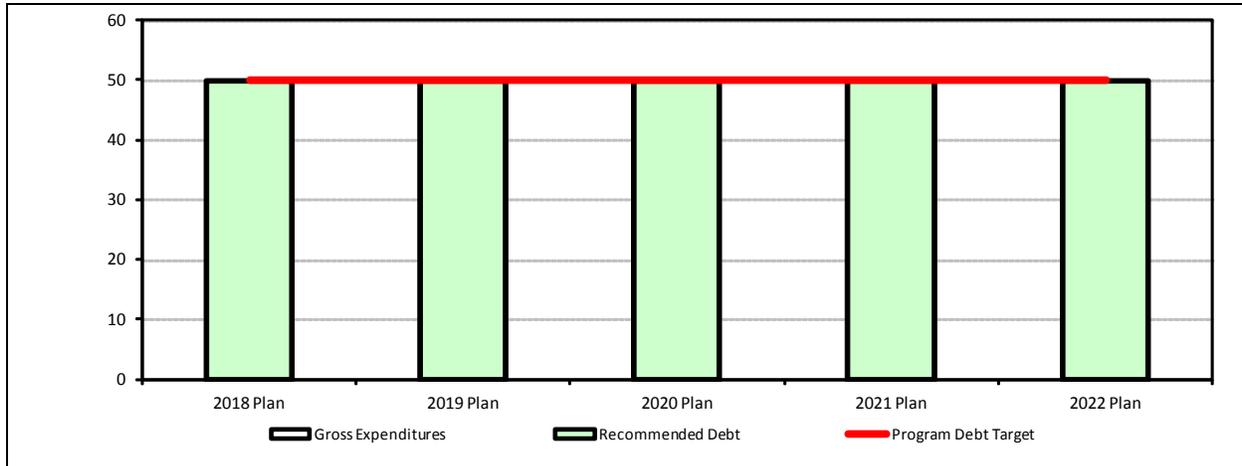
**2013 Recommended Budget, 2014 - 2017 Recommended Plan
(In \$000s)**



| | | 2013 Rec. Budget and 2014-2017 Plan | | | | | | | |
|--|-------------|-------------------------------------|--------|--------|--------|--------|-----------|----------------------|--|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2013-2017 | 5-Year Total Percent | |
| | 2012 Budget | 2013 Projected Actual | | | | | | | |
| Gross Expenditures: | | | | | | | | | |
| 2012 Capital Budget & Approved FY Commitments | | | | | | | | | |
| Recommended Changes to Approved FY Commitments | | | | | | | | | |
| 2013 New/Change in Scope and Future Year Commitments | | | | | | | | | |
| 2014- 2017 Capital Plan Estimates | | | | | | | | | |
| 2-Year Carry Forward for Reapproval | | | | | | | | | |
| 1-Year Carry Forward to 2013 | | | | | | | | | |
| Total Gross Annual Expenditures & Plan | - | - | 50 | 50 | 50 | 50 | 200 | 100.0% | |
| Program Debt Target | | | 50 | 50 | 50 | 50 | 200 | | |
| Financing: | | | | | | | | | |
| Recommended Debt | | | | | | | | | |
| Reserves/Reserve Funds | | | | | | | | | |
| Development Charges | | | | | | | | | |
| Provincial/Federal | | | | | | | | | |
| Debt Recoverable | | | | | | | | | |
| Other Revenue | | | | | | | | | |
| Total Financing | - | - | 50 | 50 | 50 | 50 | 200 | 100.0% | |
| By Project Category: | | | | | | | | | |
| Health & Safety | | | | | | | | | |
| Legislated | | | | | | | | | |
| SOGR | | | | | | | | | |
| Service Improvement | | | | | | | | | |
| Growth Related | | | | | | | | | |
| Total by Project Category | - | - | 50 | 50 | 50 | 50 | 200 | 100.0% | |
| Asset Value(\$) at year-end | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | | | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | | | | | | | | | |
| Accumulated Backlog Estimate (end of year) | | | | | | | | | |
| Backlog: Percentage of Asset Value (%) | | | | | | | | | |
| Debt Service Costs | | | | | | | | | |
| Operating Impact on Program Costs | | | | | | | | | |
| New Positions | | | | | | | | | |

10-Year Capital Plan

2018-2022 Recommended Plan
(In \$000s)



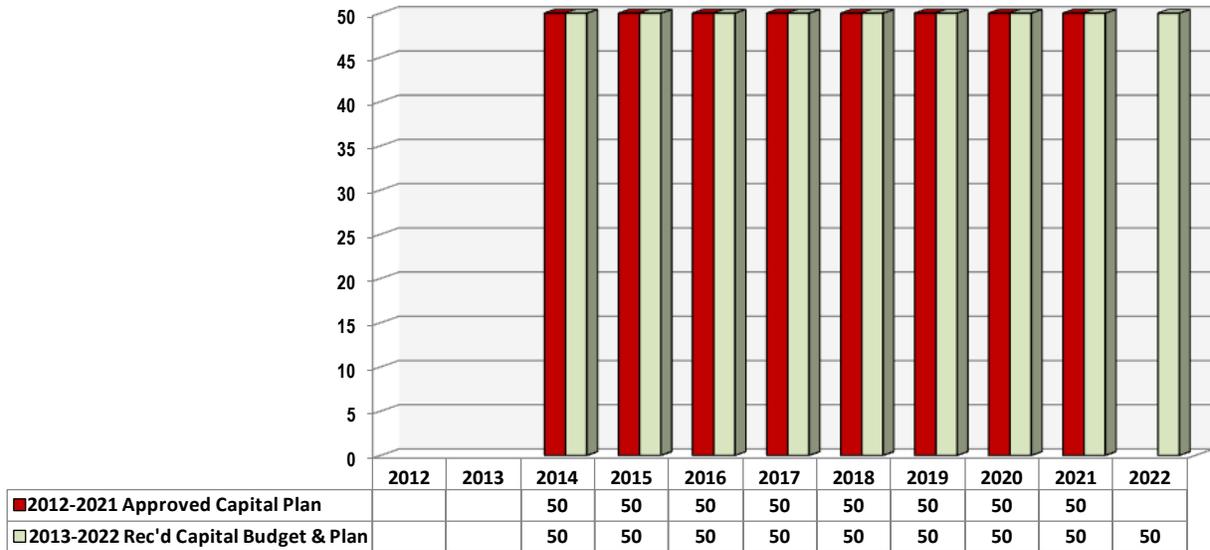
| | 2018-2022 Capital Plan | | | | | | 10-Year Total Percent |
|---|------------------------|---------------|---------------|---------------|---------------|------------|-----------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2013-2022 | |
| Gross Expenditures: 2012 Capital Budget & Approved FY Commitments Recommended Changes to Approved FY Commitments 2013 New/Change in Scope and Future Year Commitments 2018 - 2022 Capital Plan Estimates | 50 | 50 | 50 | 50 | 50 | 450 | 100.0% |
| Total Gross Annual Expenditures & Plan | 50 | 50 | 50 | 50 | 50 | 450 | 100.0% |
| Program Debt Target | 50 | 50 | 50 | 50 | 50 | 450 | |
| Financing: Recommended Debt Reserves/Reserve Funds Development Charges Provincial/Federal Debt Recoverable Other Revenue | 50 | 50 | 50 | 50 | 50 | 450 | 100.0% |
| Total Financing | 50 | 50 | 50 | 50 | 50 | 450 | 100.0% |
| By Project Category: Health & Safety Legislated SOG Service Improvement Growth Related | 50 | 50 | 50 | 50 | 50 | 450 | 100.0% |
| Total by Project Category | 50 | 50 | 50 | 50 | 50 | 450 | 100.0% |
| Asset Value(\$) at year-end | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | | | | | | | |
| Accumulated Backlog Estimate (end of year) | | | | | | | |
| Backlog: Percentage of Asset Value (%) | | | | | | | |
| Debt Service Costs | 6 | 6 | 6 | 6 | 6 | 55 | |
| Operating Impact on Program Costs | | | | | | | |
| New Positions | | | | | | | |

10-Year Capital Plan Overview

- The Yonge-Dundas Square is a one-acre open air public space built in 2002 as the centerpiece of the \$67.8 million Yonge Street Regeneration Project. The Square, with twenty water fountains and a stage, is also an event venue for the general public.
- Since its official opening in 2003, the Board of Management of Yonge-Dundas Square has made a total investment of \$1.2 million for capital improvements including additional lighting, a stage canopy and a permanent storage facility; and addressed various immediate structural and mechanical/electrical system deficiencies. The asset replacement value of the Square and amenities is \$15.5 million.
- The 10-Year Recommended Capital Plan for Yonge-Dundas Square ensures the facility is maintained in a state of good repair through 2022.
- There are no new capital projects for years 2012 and 2013. State of good repair work will resume in 2014 with capital funding allocations of \$0.050 million in each of the years 2014 to 2022. The estimated amount represents anticipated state of good repair work and unforeseen capital needs as they arise.
 - Since the facility is relatively new, capital funding for significant capital renewal and replacement requirements is not planned until 2024 as identified in the 2009 facility audit.
- The 10-Year Recommended Capital Plan for Yonge-Dundas Square of \$0.450 million is 100% funded by debt, and meets the current debt target of \$0.450 million assigned to the Program.
- Yonge-Dundas Square does not have a state of good repair backlog as the facility is relatively new and the SOGR project completed in 2010 addressed all the immediate structural and mechanical/electrical state of good repair items. However, the facility audit report does identify minor maintenance projects costing less than \$5,000 which will be undertaken annually. These will be accommodated in Yonge-Dundas Square's Operating Budget.
- This Program does not require any temporary positions to implement its state of good repair capital projects. The Board of Management of Yonge-Dundas Square has an agreement with the City's Facilities Management Division to manage these projects.

Key Changes to the 2012 - 2021 Approved Capital Plan

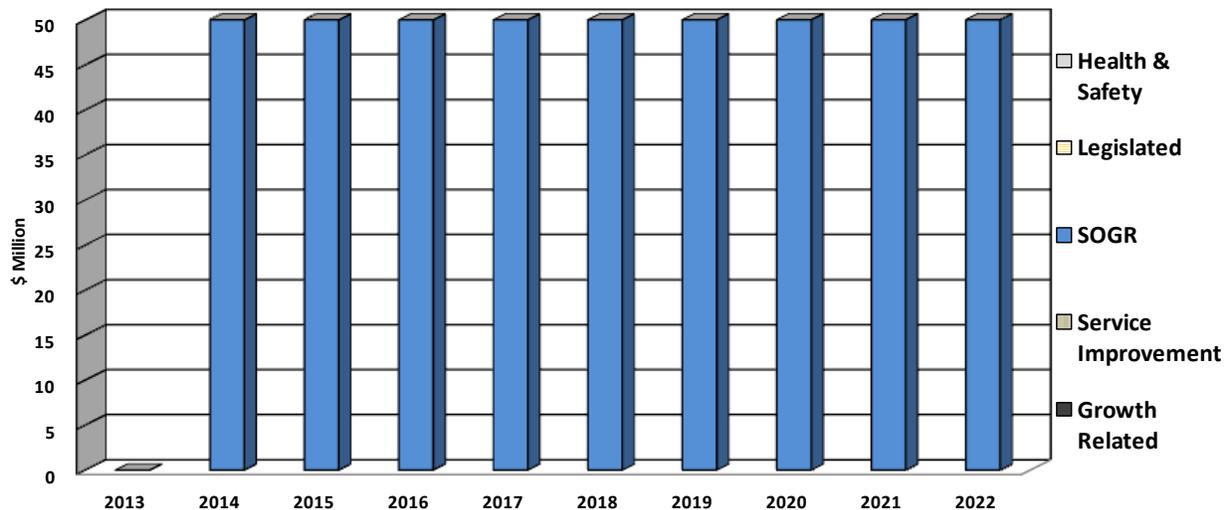
**Changes to the 2012 -2021 Approved Capital Plan
(In \$000s)**



There is no change to the 2012 to 2021 Approved Capital Plan.

2013 – 2022 Recommended Capital Plan

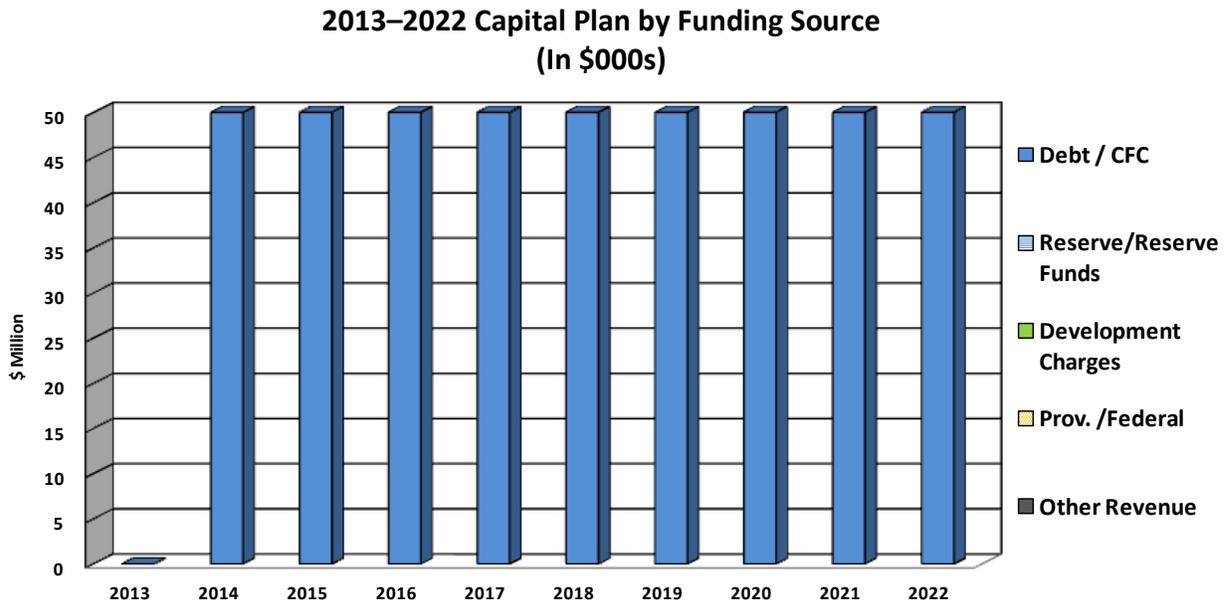
**2013–2022 Capital Plan by Project Category
(In \$000s)**



All of funding included in the 10-Year Recommended Capital Plan of \$0.450 million is dedicated to SOGR projects.

- There are no new capital project needs in 2013.

- The 10-Year Recommended Capital Plan includes estimated future funding requirements of \$0.050 million in each of year 2014 to 2022 to maintain the Yonge-Dundas Square facility in a state of good repair as the structure, mechanical, electrical, and HVAC systems and equipment ages.



The 10-Year Recommended Capital Plan of \$0.450 million will be fully financed by debt and meets the debt target for each year from 2013 to 2022.

Major Capital Initiatives by Category

The entire 10-Year Recommended Capital Plan supports Yonge Dundas Square’s objective of maintaining SOGR and there are no major capital initiatives for this Program.

State of Good Repair (SOGR) Backlog

The 10-Year Recommended Capital Plan dedicates \$0.200 million to SOGR spending from 2013 to 2017 and \$0.250 million from 2018 to 2022, which on average is \$0.045 million annually over the 10 year period, but \$0.050 million for each of the 9 Plan years.

- Yonge-Dundas Square does not have a backlog of state of good repair projects as the Square is relatively new (built in 2001-2002). The asset value of the Square and amenities (20 water fountains; a raised stepped stage with canopy; two small ancillary buildings; a storage facility; and mechanical service rooms and public washrooms below) is \$15.5 million, with a 0% SOGR backlog over the 10-year period.
- The SOGR project completed in 2010 addressed all the immediate structural and mechanical, electrical and HVAC system state of good repair items.

- The 10-Year Recommended Capital Plan includes estimated future funding requirements of \$0.050 million in each of year 2014 to 2022 to maintain Yonge-Dundas Square in a state of good repair as the facility ages.
- A facility audit report was completed by the City's Facilities Management Division in 2009 and provided a 40-year state of good repair capital projection. The report identified significant state of good repair work starting after 2022 with the retrofit of existing interior and exterior lighting systems including stage lighting, roof replacement in year 2024 and mechanical/electrical/HVAC systems component replacements in year 2026.
- The facility audit also identified repair projects costing less than \$5,000 that should be carried out in the short term with provision from the Operating Budget.
- The 10-Year Recommended Capital Plan covering years 2013 to 2022 was validated against the information in the facility audit report and confirmed that the capital funding allocation for years 2014 to 2022 is sufficient at this time.
- The facility audit completed in 2009 will be 4 years old. As it is good practice to do a 5-year life cycle review of City facilities and systems, it is advisable for the Board of Management of Yonge-Dundas Square to initiate a request to the City's Facilities Management Division to do a structure review of the Yonge-Dundas Square facility and systems in 2014, to request an updated facility audit report with an updated 40-year state of good repair capital plan recommendation to inform the 2015-2024 Capital Plan.

10-Year Capital Plan Impact on the Operating Budget

No new operating costs or temporary positions will arise from the approval of the 2013 Recommended Capital Budget and 2014-2022 Recommended Capital Plan.

PART IV: ISSUES FOR DISCUSSION**Future Year Issues***Future Year Targets*

- One of the Yonge-Dundas Square Board of Management's primary objectives is to be able to respond to unforeseen capital needs as they arise, especially those that are urgent and affect operations or health and safety and that may impact the public or staff. Current debt targets for Yonge-Dundas Square for 2013-2022 indicate that this may be challenging.
- The previous facility audit was completed in 2009. A periodic facility audit follow-up should be part of the capital maintenance plan for Yonge-Dundas Square, and it is general practice to do a 5-year life cycle review of City facilities and systems. It is expected that the Board of Management of Yonge-Dundas Square will request the City's Facilities Management Division to include in its future workplan, a structural review of the Yonge-Dundas Square facility and systems in 2014, and provide an updated facility audit report with an updated 40-year state of good repair capital plan recommendation to inform the 2015-2024 Capital Plan.

Appendix 1
2012 Performance

2012 Key Accomplishments

No Capital Budget was required for Yonge-Dundas Square in 2012 and no capital projects were undertaken. Minor capital maintenance and repair expenses were budgeted for in the Program's 2012 Approved Operating Budget.

Appendix 2
10-Year Recommended Capital Plan Project Summary
(In \$000s)

| Project | 2013 | 2014 | 2015 | 2016 | 2017 | 2013 - 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2013 - 2022 |
|---|------|------|------|------|------|----------------|------|------|------|------|------|----------------|
| Estimated Future Costs of Maintaining SOGR | | 50 | 50 | 50 | 50 | 200 | 50 | 50 | 50 | 50 | 50 | 450 |
| Total (including carry forwards) | - | 50 | 50 | 50 | 50 | 200 | 50 | 50 | 50 | 50 | 50 | 450 |

Appendix 3
2013 Recommended Capital Budget;
2014 to 2022 Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2013 Recommended Capital Budget; 2014 to 2022 Capital Plan

Yonge-Dundas Square

| Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat. | | | | | | Current and Future Year Cash Flow Commitments | | | | | | Current and Future Year Cash Flow Commitments Financed By | | | | | | | | | | | |
|---|---|--|----|----|----|---|------|------|------|------|--------------------|---|--------------------|---------------------------------------|--------------------|------------------------|------------------|----------------------------|---------|--------|-------------------------------|--------------------|-----|
| | | | | | | 2013 | 2014 | 2015 | 2016 | 2017 | Total 2013-2017 | Total 2018-2022 | Total 2013-2022 | Provincial Grants and Subsidies | Federal Subsidy | Development Charges | Reserve Funds | Capital from Current | Other 1 | Other2 | Debt - Recoverable Debt | Total Financing | |
| <u>YDS907451 Estimated Future Costs of Maintaining SOGR</u> | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 1 | Estimated Future Costs of Maintaining SOGR | 27 | S6 | 03 | 0 | 50 | 50 | 50 | 50 | 200 | 250 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 0 | 450 |
| Sub-total | | | | | | 0 | 50 | 50 | 50 | 50 | 200 | 250 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 0 | 450 |
| Total Program Expenditure | | | | | | 0 | 50 | 50 | 50 | 50 | 200 | 250 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 0 | 450 |

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3 - 2013 Recommended Capital Budget; 2014 to 2022 Capital Plan

Yonge-Dundas Square

| Sub- Project No. Project Name Priority SubProj No. Sub-project Name Ward Stat. Cat. | | | | | | Current and Future Year Cash Flow Commitments and Estimates | | | | | | Current and Future Year Cash Flow Commitments and Estimates Financed By | | | | | | | | | | |
|--|--|--|--|--|--|---|------|------|------|------|--------------------|---|--------------------|---------------------------------------|--------------------|------------------------|---------------------|------------------|----------------------------|---------|--------|-------------------------------|
| | | | | | | 2013 | 2014 | 2015 | 2016 | 2017 | Total 2013-2017 | Total 2018-2022 | Total 2013-2022 | Provincial Grants and Subsidies | Federal Subsidy | Development Charges | Reserve Reserves | Reserve Funds | Capital from Current | Other 1 | Other2 | Debt - Recoverable Debt |
| Financed By: | | | | | | | | | | | | | | | | | | | | | | |
| Debt | | | | | | 0 | 50 | 50 | 50 | 50 | 200 | 250 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 0 | 450 |
| Total Program Financing | | | | | | 0 | 50 | 50 | 50 | 50 | 200 | 250 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 0 | 450 |

| Status Code | Description |
|-------------|--|
| S2 | S2 Prior Year (With 2013 and/or Future Year Cashflow) |
| S3 | S3 Prior Year - Change of Scope 2013 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 2014 & 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 |