



# Toronto **2015** **BUDGET**

## CAPITAL ANALYST NOTES



## Sony Centre for the Performing Arts

### 2015 – 2024 CAPITAL BUDGET AND PLAN OVERVIEW

The Sony Centre for the Performing Arts is Canada's largest soft seat theatre. Designated a historical site by the City of Toronto, the Theatre offers a world class stage, state-of-the-art lighting and sound systems, multi-functional space, and event services.

The Theatre recently underwent extensive renovations that restored the elegance of the original O'Keefe Centre with an estimated replacement value of \$150 million.

State of Good Repair (SOGR) projects are the primary focus of the 2015–2024 Recommended Capital Budget and Plan of \$8.293 million and will allow the Centre to fulfill its heritage easement agreement obligations to upgrade the exterior limestone and granite, sidewalk pavers, restore the east and west side grounds, purchase specialized theatrical equipment, and perform various upgrades to the interior and exterior of the building.

## Highlights

### Overview & Recommendations

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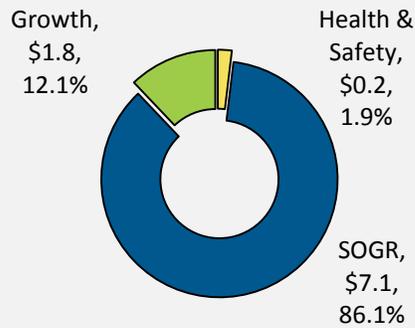
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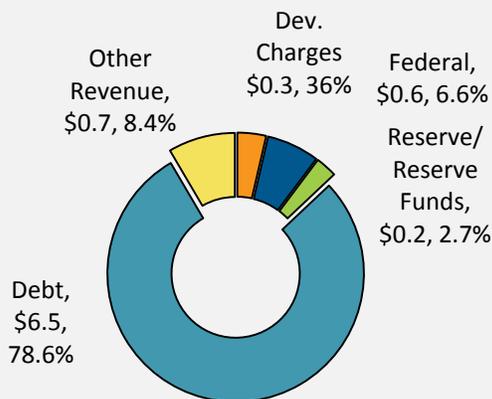
### Capital Spending and Financing

**2015-2024 Capital Budget and Plan by Expenditures Category (\$ Millions)**



\$8.293 Million

**2015-2024 Capital Budget and Plan by Funding Source (\$ Millions)**



\$8.293 Million

### Where does the money go?

The 2015–2024 Recommended Capital Budget and Plan totals \$8.293 million and provides funding for projects in three major areas:

- ✓ Sony Centre Exterior Public Plaza
- ✓ Heritage Easement Agreement Upgrades
- ✓ Upgrades to the Centre’s building and equipment

### Where does the money come from?

Sony Centre for the Performing Arts' 10-Year Recommended Capital Plan is funded by 5 sources:

- Debt funding of \$6.518 million comprises 78.6% of Sony Centre’s 10-year capital funding, which is in line with the 10-year debt guideline but is over the 2015 debt target by \$0.290 million and below the 2017 target by the same amount.
- Reserve Funds of \$0.225 million account for 2.7% of financing over the 10-year period.
- Capital financing of \$0.550 million or 6.6% will be provided from a federal grant.
- Development Charges of \$0.300 million or 3.6% will fund the 10-year Capital Plan.
- Additional capital funding of \$0.700 million or 8.4% will be funded by the developer of the associated condominium tower.

### State of Good Repair Backlog

The 10-Year Recommended Capital Plan spending on State of Good Repair is \$7.139 million with funding of \$2.150 million in 2015 dedicated to eliminating the known state of good repair backlog. A comprehensive post-renovation facility audit has yet to be completed and is planned for 2015 which is expected to identify additional state of good repair backlog.

### Key Challenges & Priority Actions

- **Completion of key capital projects** is dependent on third party players.
  - ✓ Sony Centre established an agreement with the Developer to remove the temporary dressing room trailers which will allow the Centre to begin the Heritage Easement Agreement projects on the east side of the Centre.
  - ✓ The agency continues to negotiate the contract with the Developer to complete the Public Plaza project on the west side of the Centre.
  - ✓ The 10-Year Recommended Capital Plan provides funding of \$2.150 million to complete these key capital initiatives.



### 2015 Capital Budget Highlights

The 2015 Recommended Capital Budget for Sony Centre of \$4.917 million, including carry forward funding, will:

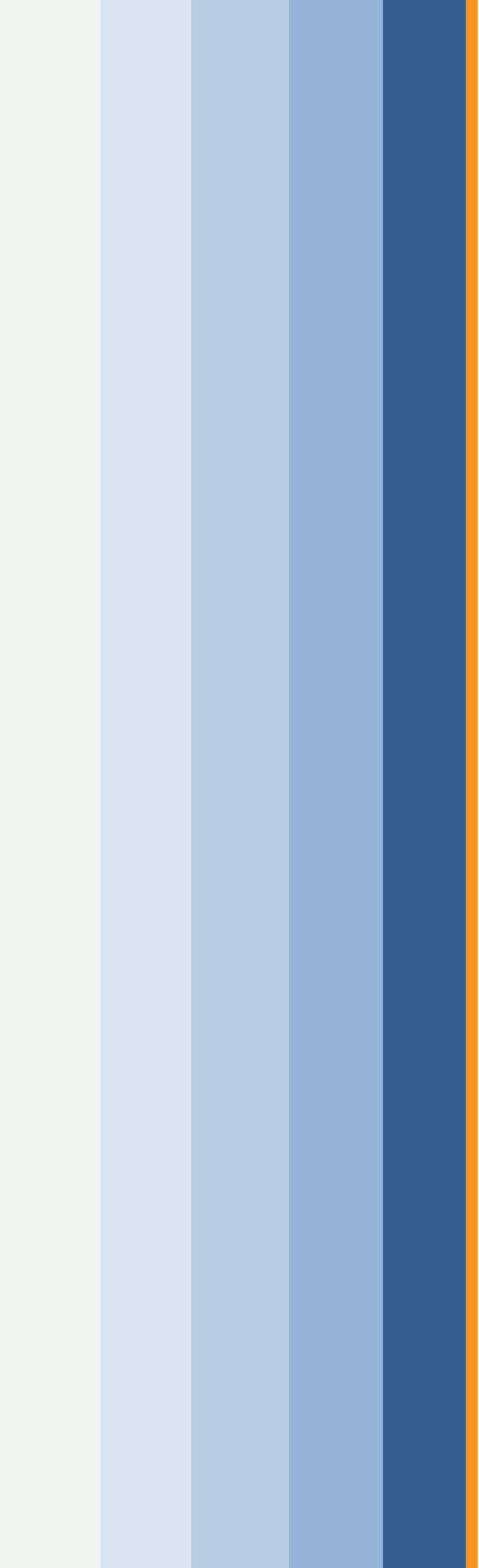
- ✓ Complete construction of the Public Plaza space on the west side of Sony Centre upon completion of the condominium tower (\$1.000 million);
- ✓ Continue mandatory exterior building upgrades arising from a Heritage Easement Agreement entered into by Sony Centre with the City as part of the site redevelopment (\$2.150 million);
- ✓ Complete state-of-good-repair work to both the interior and exterior of the Centre including:
  - Purchase and installation of specialized theatrical equipment
  - Canopy and Stage Tower Roof repairs
  - Electrical and mechanical upgrades
  - Elevator repairs
  - Building Audit



## Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Capital Budget for Sony Centre for the Performing Arts with a total project cost of \$3.563 million, and 2015 cash flow of \$4.917 million comprised of the following:
  - a) New Cash Flow Funds for:
    - i. 9 new / change in scope sub-projects with a 2015 total project cost of \$2.563 million that requires cash flow of \$2.563 million in 2015.
    - ii. 1 previously approved sub-project with carry forward funding from 2013 and prior years requiring 2015 cash flow of \$1.000 million that requires Council to reaffirm its commitment; and
  - b) 2014 approved cash flow for 5 previously approved sub-projects with carry forward funding from 2014 into 2015 totalling \$1.354 million.
2. City Council approve the new debt service costs of \$0.030 million in 2015 and incremental debt costs of \$0.182 million in 2016 resulting from the approval of the 2015 Recommended Capital Budget, to be included in the 2015 and future year operating budgets.
3. City Council approve the 2016-2024 Recommended Capital Plan for Sony Centre for the Performing Arts totalling \$4.730 million in project estimates, comprised of \$0.130 million in 2016; \$0.0081 million for 2017; \$0.477 million for 2018; \$0.350 million for 2019; \$0.562 million for 2020; \$0.687 million for 2021; \$0.938 million for 2022; \$0.753 million for 2023; and \$0.752 million in 2024.
4. All sub-projects with third party financing be approved conditionally, subject to grant approval or the receipt of such funding in 2015 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.
5. Sony Centre for the Performing Arts report back on the disposition of the federal grant before Budget Committee deliberation is completed and if such funding is not forthcoming, the 2015 Recommended Capital Budget and 2016-2024 Capital Plan be amended as follows:
  - a) The "Specialized Equipment" sub-project of \$1.1 million gross in 2015 be deleted;
  - b) The 2015 Recommended Capital Budget be revised to \$2.498 million gross and \$1.498 million net, excluding carry forward funding from 2014 into 2015; and
  - c) The 2017 Recommended Capital Plan be revised to \$0.371 million gross and net.

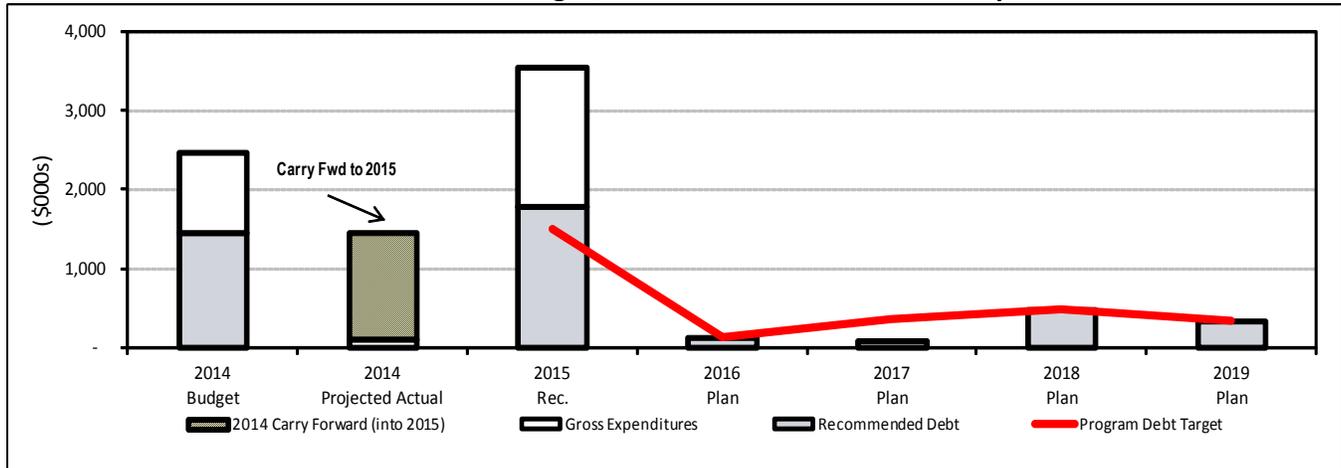


## **Part I:**

### 10-Year Capital Plan

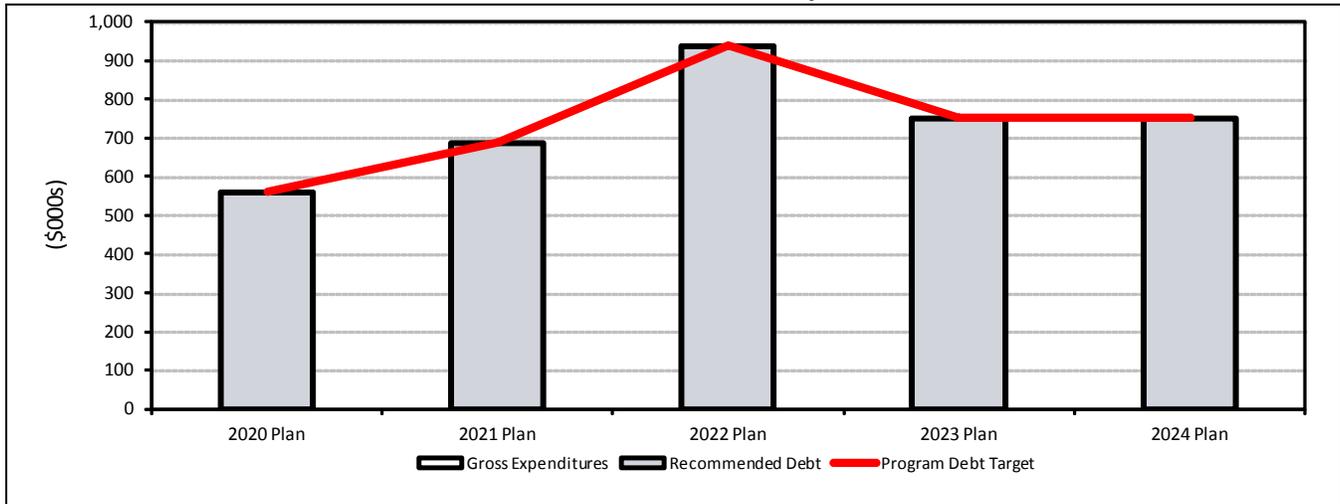
10 Year Capital Plan

**Table 1a**  
**2015 Recommended Budget, 2016-2019 Recommended Capital Plan**



	2015 Rec'd Capital Budget and 2016 - 2019 Rec'd Capital Plan								
	2014		2015	2016	2017	2018	2019	2015 - 2019	5-Year Total Percent
	Budget	Projected Actual							
<b>Gross Expenditures:</b>									
2014 Capital Budget & Approved FY Commitments	2,469	115							
Recommended Changes to Approved FY Commitments									
2015 New/Change in Scope and Future Year Commitments			2,563					2,563	55.7%
2016- 2019 Capital Plan Estimates				130	81	477	350	1,038	22.6%
2-Year Carry Forward for Reapproval			1,000					1,000	21.7%
1-Year Carry Forward to 2015		1,354							
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>2,469</b>	<b>1,469</b>	<b>3,563</b>	<b>130</b>	<b>81</b>	<b>477</b>	<b>350</b>	<b>4,601</b>	<b>100.0%</b>
<b>Program Debt Target</b>	<b>1,469</b>		<b>1,498</b>	<b>130</b>	<b>371</b>	<b>477</b>	<b>350</b>	<b>2,826</b>	
<b>Financing:</b>									
Recommended Debt	1,469		1,788	130	81	477	350	2,826	61.4%
Reserves/Reserve Funds			225					225	4.9%
Development Charges	300		300					300	6.5%
Provincial/Federal			550					550	12.0%
Debt Recoverable									
Other Revenue	700		700					700	15.2%
<b>Total Financing</b>	<b>2,469</b>		<b>3,563</b>	<b>130</b>	<b>81</b>	<b>477</b>	<b>350</b>	<b>4,601</b>	<b>100.0%</b>
<b>By Project Category:</b>									
Health & Safety Legislated					77			77	1.7%
SOGR	1,469		2,563	130	4	477	350	3,524	76.6%
Service Improvement Growth Related	1,000		1,000					1,000	21.7%
<b>Total by Project Category</b>	<b>2,469</b>		<b>3,563</b>	<b>130</b>	<b>81</b>	<b>477</b>	<b>350</b>	<b>4,601</b>	<b>100.0%</b>
<b>Asset Value (\$) at year-end</b>		<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	
Yearly SOGR Backlog Estimate (not addressed by current plan)			(2,150)					(2,150)	
Accumulated Backlog Estimate (end of year)		2,150							
<b>Backlog: Percentage of Asset Value (%)</b>		<b>1.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
Debt Service Costs			30	185	16	21	61	312	
Operating Impact on Program Costs									
New Positions									

**Table 1b**  
**2020 - 2024 Recommended Capital Plan**



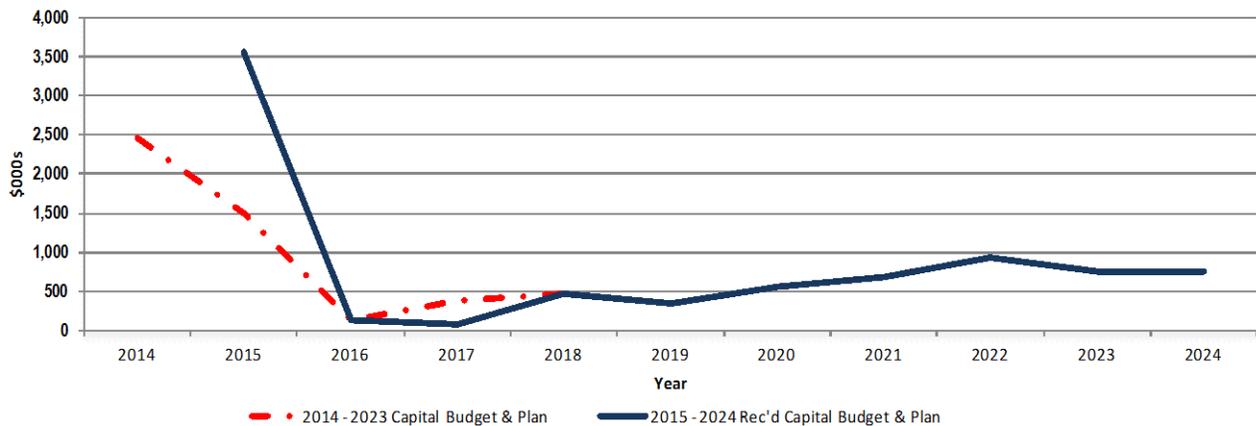
	2020 - 2024 Rec'd Capital Plan						10-Year Total Percent
	2020	2021	2022	2023	2024	2015 - 2024	
<b>Gross Expenditures:</b>							
2014 Capital Budget & Approved FY Commitments						2,563	30.9%
Recommended Changes to Approved FY Commitments						4,730	57.0%
2015 New/Change in Scope and Future Year Commitments						1,000	12.1%
2020 - 2024 Capital Plan Estimates	562	687	938	753	752		
2-Year Carry Forward for Reapproval						1,000	12.1%
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>562</b>	<b>687</b>	<b>938</b>	<b>753</b>	<b>752</b>	<b>8,293</b>	<b>100.0%</b>
<b>Program Debt Target</b>	<b>562</b>	<b>687</b>	<b>938</b>	<b>753</b>	<b>752</b>	<b>6,518</b>	
<b>Financing:</b>							
<b>Recommended Debt</b>	<b>562</b>	<b>687</b>	<b>938</b>	<b>753</b>	<b>752</b>	<b>6,518</b>	78.6%
Reserves/Reserve Funds						225	2.7%
Development Charges						300	3.6%
Provincial/Federal						550	6.6%
Debt Recoverable							
Other Revenue						700	8.4%
<b>Total Financing</b>	<b>562</b>	<b>687</b>	<b>938</b>	<b>753</b>	<b>752</b>	<b>8,293</b>	<b>100.0%</b>
<b>By Project Category:</b>							
Health & Safety		77				154	1.9%
Legislated							
SOGR	562	610	938	753	752	7,139	86.1%
Service Improvement						1,000	12.1%
Growth Related							
<b>Total by Project Category</b>	<b>562</b>	<b>687</b>	<b>938</b>	<b>753</b>	<b>752</b>	<b>8,293</b>	<b>100.0%</b>
<b>Asset Value(\$)</b> at year-end	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>		
Yearly SOGR Backlog Estimate (not addressed by current plan)						(2,150)	
Accumulated Backlog Estimate (end of year)							
<b>Backlog: Percentage of Asset Value (%)</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
Debt Service Costs	52	78	98	121	101	763	
Operating Impact on Program Costs						-	
New Positions						-	

### Key Changes to the 2014 - 2023 Approved Capital Plan

The 2015 Recommended Capital Budget and the 2016 - 2024 Recommended Capital Plan reflects an increase of \$0.058 million in capital funding from the 2014 to 2023 Approved Capital Plan.

The table and chart below provide a breakdown of the \$0.058 million or 0.7% increase in the Capital Program on an annual basis from 2014 to 2024.

**Chart 1**  
**Changes to the 2014 -2023 Approved Capital Plan (In \$000s)**



(\$000s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10-Year Total
2014 - 2023 Capital Budget & Plan	2,469	1,498	130	371	477	350	562	687	938	753		8,235
2015 - 2024 Rec'd Capital Budget & Plan		3,563	130	81	477	350	562	687	938	753	752	8,293
Change %		137.9%	0.0%	-78.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.7%
Change \$		2,065	0	-290	0	0	0	0	0	0		58

As indicated in the chart above, the \$0.058 million increase in the Capital Program primarily reflects the re-approval of the Public Plaza project from the 2014 Capital Budget to 2015, the addition of 4 new sub-projects, as well as the acceleration of funding from 2017 to 2015 as detailed in Table 2 on the following page.

Changes to the 2014 – 2023 Approved Capital Plan, specifically the recommended \$1.775 million in increased capital funding in the nine common years of the Capital Plans (2015 – 2023) arise from the reprioritization of Sony Centre's capital projects, based on the following factors:

- Availability of a federal grant subsidy to partially finance and address the State of Good Repair needs for the replacement of specialized theatrical equipment.
- Need to realign Sony Centre's 2015 Capital Budget based on changing State of Good Repair pressures on the City's building.

A summary of project changes for the years 2015 to 2023 totalling \$1.775 million are provided in Table 2 below:

**Table 2**  
**Summary of Project Changes (In \$000s)**

\$000s	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015 - 2023 Total
2014 - 2023 Capital Budget & Plan	2,469	1,498	130	371	477	350	562	687	938	753		5,766
2015 - 2024 Rec'd Capital Budget & Plan		3,563	130	81	477	350	562	687	938	753	752	7,541
<b>Capital Budget &amp; Plan Changes (2015 - 2023)</b>		2,065	-	(290)	-	-	-	-	-	-	-	1,775

	Total Project Cost	2015	2016	2017	2018	2019	2020	2021	2022	2023	2015 - 2023	2024	Revised Total Project Cost
<b>Previously Approved</b>													
<i>Backstage Counterweight System</i>	N/A	40									40	13	N/A
<i>Elevators</i>	N/A	100									100		N/A
<i>Fit Out of Break Out Space Under Plaza</i>	400	(400)									(400)		
<i>Mechanical - HVAC Upgrades</i>	N/A	(75)		(96)							(171)	277	N/A
<i>Electrical - MCC Panels FY2015-2023</i>	N/A			(194)							(194)	43	N/A
<b>Total Previously Approved</b>	400	(335)		(290)							(625)	333	-
<b>New</b>													
<i>East Side Restoration - Landscaping</i>		75									75		75
<i>West Side Restoration</i>		150									150		150
<i>Building Audit</i>		75									75		75
<i>Specialized Equipment</i>		1,100									1,100		1,100
<i>Public Plaza (Re-approval)</i>		1,000									1,000		1,000
<b>Total New</b>		2,400									2,400		2,400
<b>Total Changes</b>		2,065		(290)							1,775	333	2,400

**Significant Capital Project Changes in Sony Centre:**

The following previously approved Sony Centre capital projects have been allocated increased funding to address key priorities outlined below:

- Additional funding of \$0.040 million for *Backstage Counterweight System* is recommended to maintain the system in working order.
- The previously approved *Elevator* project's cost will require additional funding of \$0.100 million to upgrade and maintain the aging elevators at the Centre.

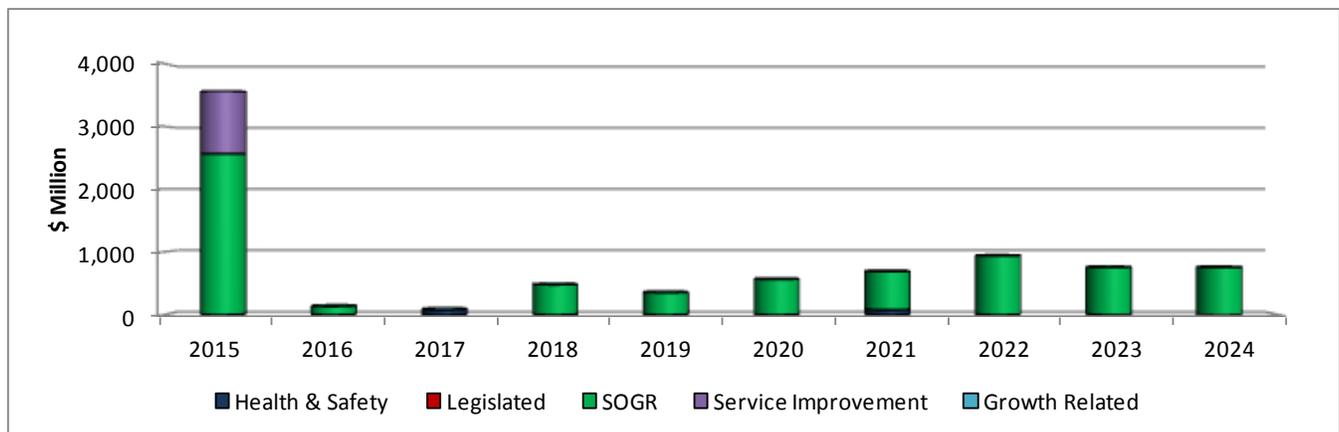
Significant reductions in capital expenditures have been made to the following project costs:

- The *Fit Out of Break Out Space-Under Plaza* project has been removed from the 10-Year Capital Plan because the rental demand for the space necessitated the completion in 2014. As a result, the project was funded from the Facility Fee Reserve Fund and the capital funding in 2015 was re-allocated to new and existing sub-projects within the 10-Year Capital Plan.
- *Mechanical-HVAC upgrades* project was reduced by \$0.075 million in 2015 and \$0.096 million in 2017 and funds were re-allocated to the new *Building Audit* project and *Specialized Equipment* project which took greater priority.
- The *Electrical-MCC Panel* project was reduced by \$0.194 million in 2017 and funds were accelerated to 2015 to fund the *Specialized Equipment* project in 2015.

New projects totalling \$2.400 million have been added to the 2014 – 2023 Approved Capital Plan:

- *East Side Restoration – Landscaping* project of \$0.075 million was added to allow for the landscaping work on the east side of the Centre once the temporary dressing room trailers have been removed and the exterior east side is restored to its original state.
- *West Side Restoration* project at a cost of \$0.150 million has been added to re-install the theatre's original doors and awnings on the exterior west side back to its original state once the condominium complex is completed.
- \$0.075 million for the *Building Audit* project provides funding to complete a comprehensive audit of the building's State of Good Repair (SOGR) to better inform future capital budgets.
- The *Specialized Equipment* project will require funding of \$01.100 million and allows for the replacement of theatrical equipment relating to the main stage and other public areas. This project was added when Sony Centre applied for a federal subsidy grant with the Canada Cultural Spaces Fund that will match the City's contribution and provide additional funding to replace its aging theatrical equipment as part of its SOGR needs.
- *Sony Centre Exterior Public Plaza* project cost of \$1.000 million will provide funding to build a public plaza located on the north-west corner of the site and is included as a re-affirmation as it was originally approved in 2013.

**Chart 2**  
**2015 – 2024 Capital Plan by Project Category (In \$000s)**



As indicated in the chart above, the 10-Year Recommended Capital Plan for Sony Centre of \$8.293 million is primarily focussed on State of Good Repair (SOGR) projects which represent 86.1% and Service Improvement projects that account for 12.1% of total funding over the 10-year period.

- The level of funding is significantly higher in 2015 mainly due to the following projects:
  - The Heritage Easement Agreement between the City and Sony Centre requires the completion of heritage upgrades by 2015 to the Centre's exterior limestone and granite cladding, as well as repairs to the sidewalk pavers;
  - The *Specialized Equipment* project must be substantially purchased and installed by March 31, 2015 in order to qualify and receive the Canada Cultural Spaces Fund subsidy;

- The previously approved cash flow funding of \$1.000 million has been carried forward from 2013 for the *Sony Centre Exterior Public Plaza* project since the project could not commence due to delays in the completion of the condominium tower.
- The level of funding in the remaining years of the 10-Year Capital Plan are primarily dedicated to State of Good Repair (SOGR) projects that help maintain the City's building in working order.

**Table 3**  
**Summary of Capital Projects by Category (In \$000s)**

	Total App'd Cash Flows to Date*	2015 Budget	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2015 - 2024 Total	Rec'd Total Project Cost
<b>Total Expenditures by Category</b>													
<b>Health &amp; Safety</b>													
Life Safety Systems				77				77				154	N/A
<b>Sub-Total</b>	-	-	-	77	-	-	-	77	-	-	-	154	-
<b>State of Good Repair</b>													
Heritage Easement Agreement Upgrades		1,010										1,010	2,150
Upgrades to Permanent Capital Assets		1,553	130	4	477	350	562	610	938	753	752	6,129	N/A
<b>Sub-Total</b>	-	2,563	130	4	477	350	562	610	938	753	752	7,139	2,150
<b>Service Improvements</b>													
Sony Centre Exterior Plaza		1,000										1,000	1,000
<b>Sub-Total</b>	-	1,000	-	-	-	-	-	-	-	-	-	1,000	1,000
<b>Total Expenditures by Category</b>	-	3,563	130	81	477	350	562	687	938	753	752	8,293	3,150

**2015 – 2024 Recommended Capital Plan**

The 10-Year Recommended Capital Plan supports Sony Centre's objectives of fulfilling its Heritage Easement Agreement requirements, maintaining the Centre's capital assets, and completing the Exterior Plaza for public use.

**Health & Safety**

- The Life & Safety Systems project, at a cost of \$0.077 million, will provide upgrades to the fire detection, alarm, emergency lighting and sprinkler systems to meet safety codes to ensure the protection of staff, patrons and the City's assets in 2017.

**State of Good Repair (SOGR)**

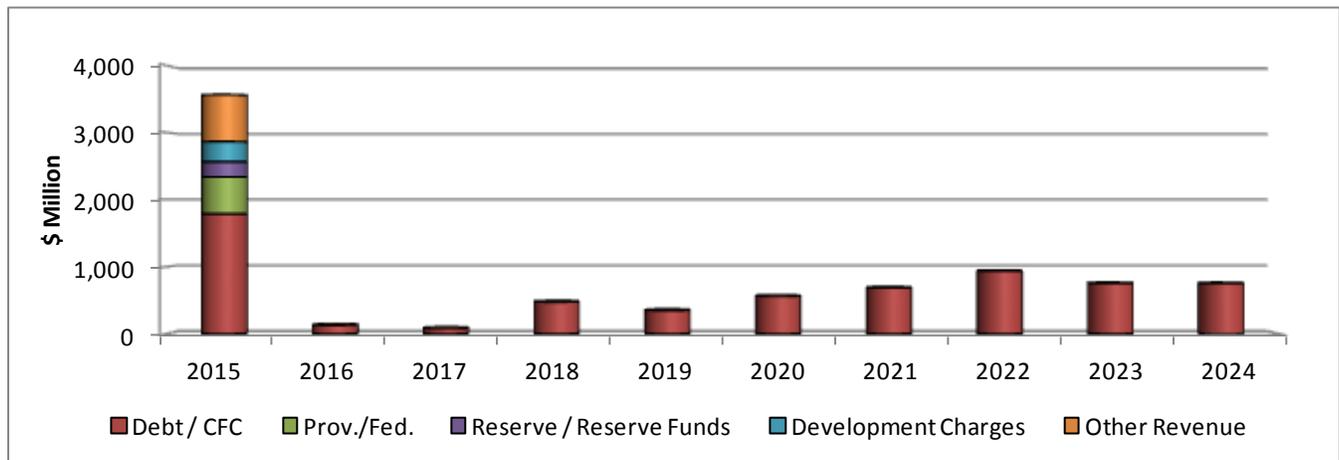
- Heritage Easement Agreement project will upgrade its exterior including limestone and granite cladding upgrades, sidewalk/pavers repairs, and restoration of the east and west side exterior grounds after removing the temporary dressing rooms and completion of the condominium development. These projects must be completed before the end of 2015 as outlined in the Heritage Easement Agreement between Sony Centre and the City.
- The Upgrades to Permanent Capital Assets project provides a multi-year ongoing capital maintenance program to the replace specialized theatrical equipment, various interior and exterior building repairs to the canopy and stage tower roof, electrical re-wiring of MCC panels, HVAC upgrades, and elevator repairs to maintain the Centre's capital assets in safe working order.

- The planned cash flows in 2015 will allow Sony Centre to repair elevators (\$0.100 million), complete electrical (\$0.128 million) and mechanical upgrades (\$0.110 million), replace aged specialized theatrical equipment (\$1.100 million), and complete a facility condition audit (\$0.075 million).

**Service Improvements**

- The Sony Centre Exterior Public Plaza project, at a cost of \$1.000 million in 2015, will create a pedestrian-friendly outdoor space to engage the public with the Sony Centre on the west side of the Theatre which is dependent on the completion of the condominium development.

**Chart 3  
2015 – 2024 Capital Plan by Funding Source (In \$000s)**



The 10-Year Recommended Capital Plan of \$8.293 million will be financed by the following sources:

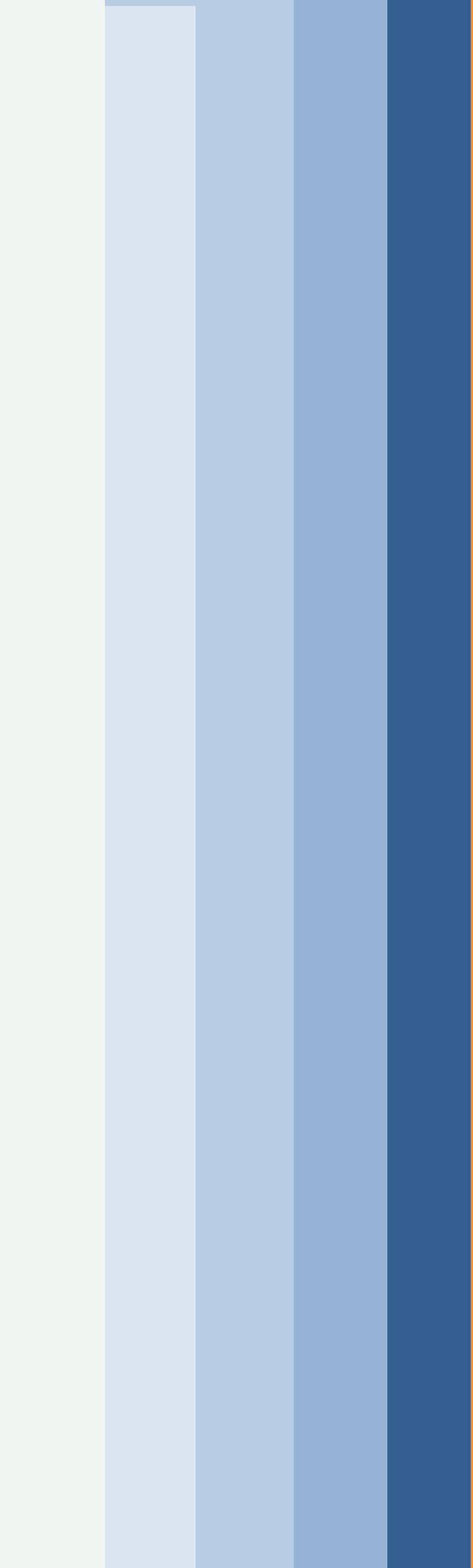
- Debt accounts for \$6.518 million or 78.6% of the financing over the 10-year period.
  - The debt financing is above the 2015 debt target by \$0.290 million and below the 2017 debt target by the same amount which meets the 10-year debt guideline of \$6.518 million.
- The 10-year capital funding is comprised of \$0.225 million or 2.7% reserve funds and \$0.550 million or 6.6% federal grant subsidy for the *Specialized Equipment* project which will replace the Centre's aging theatrical equipment.
- Development Charge funding of \$0.300 million or 3.6% and other third party funding of \$0.700 million or 8.4% in the 10-year capital program is dedicated towards building the Public Plaza.

**State of Good Repair (SOGR) Backlog**

The 10-Year Recommended Capital Plan dedicates \$7.139 million to SOGR spending over the 10-Year Capital Plan period, which on average provides \$0.714 million annually.

- The replacement value of Sony Centre's asset is estimated at \$150.0 million for its facility.
- At the end of 2014, Sony Centre has a known state of good repair backlog for the Heritage Easement Agreement Upgrades of \$2.150 million, representing 1.4% of the asset replacement value.

- Sony Centre will eliminate the backlog as required by the Heritage Easement Agreement by 2015 with the funding recommended in 2015 for this purpose.
- An external third party will perform a comprehensive facility audit in 2015 that will make it possible to calculate and identify additional SOGR backlog, potentially changing the future year Capital Budget requests.

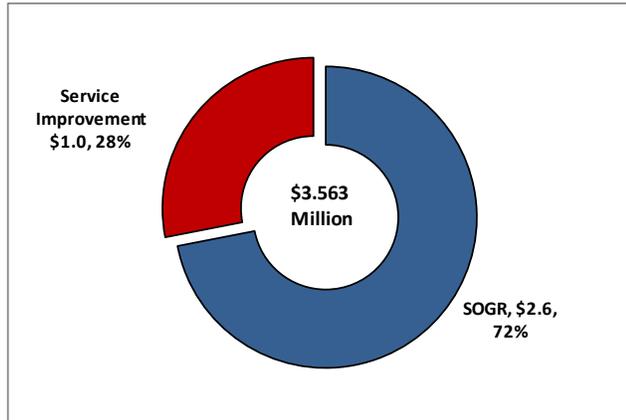


## **Part II:** 2015 Capital Budget

## 2015 Recommended Capital Budget

### 2015 Capital Budget by Project Category and Funding Source

2015 Capital Budget by Project Category  
(\$ Millions)

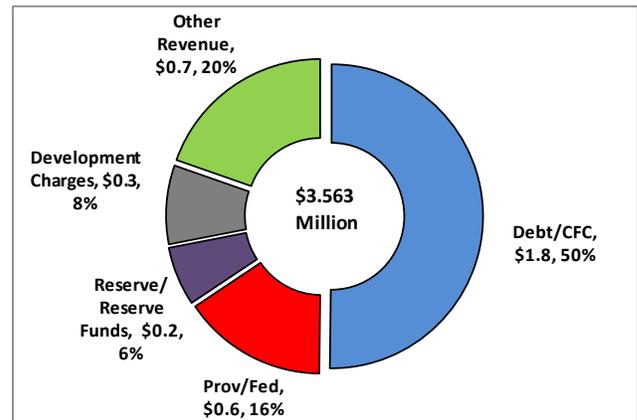


The 2015 Recommended Capital Budget, excluding funding carried forward from 2014 to 2015, requires cash flow funding of \$3.563 million.

The 2015 Capital Budget expenditures are allocated to the following categories:

- State of Good Repair (\$2.563 million, 72%)
  - Funding in 2015 allows Sony Centre to continue the Heritage Easement Agreement Upgrades, undertake various upgrades to the interior and exterior of the Centre, and replace dated theatrical equipment.
- Service Improvements (\$1.000 million, 28%)
  - Provides financing for the construction of the Sony Centre Exterior Public Plaza project.

2015 Capital Budget by Funding Source  
(\$ Millions)



The 2015 Recommended Capital Budget is financed primarily by:

- Debt (\$1.788 million, 50%)
  - Exceeds the debt target of \$1.498 million set for this Program in 2015 by \$0.290 million but is offset by an equivalent reduction in 2017.
- Reserve and Reserve Funds (\$0.225 million, 6%)
  - Provides partial financing from the Facility Fee Reserve Fund for the Specialized Equipment project.
- Development Charges (\$0.300 million, 8%)
  - Development Charges designated for civic improvements will fund the Sony Centre Exterior Public Plaza project.
- Federal Grant (\$0.550 million, 16%)
  - The Canada Cultural Spaces Fund grant will partially fund the Specialized Equipment project.
- Other Revenues (\$0.700 million, 20%)
  - Condominium tower developer funding will contribute to the financing for the Sony Centre Exterior Public Plaza project.

**Table 7**  
**2015 Recommended Cash Flow & Future Year Commitments (In \$000s)**

	2013 and Prior Year Carry Forwards	2014 Carry Forwards	2015 Rec'd Cash Flow	Total 2015 Cash Flow (Incl 2014 C/Fwd)	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total 2015 Rec'd Cash Flow & FY Commits
<b>Expenditures</b>														
Previously Approved	1,000	1,354		2,354										2,354
Change in Scope														
New			2,563	2,563										2,563
New w/Future Year														
<b>Total Expenditure</b>	1,000	1,354	2,563	4,917										4,917
<b>Financing</b>														
Debt		1,354	1,788	3,142										3,142
Other	700			700										700
Reserves/Res Funds			225	225										225
Development Charges	300			300										300
Provincial/Federal			550	550										550
<b>Total Financing (including carry forward funding)</b>	1,000	1,354	2,563	4,917										4,917

Approval of the 2015 Recommended Capital Budget of \$4.917 million is required for the following:

- \$1.000 million in 2013 funding that will be carried forward into 2015 to commence the construction of the Sony Centre Exterior Public Plaza.
- \$1.354 million in 2014 funding will be carried forward into 2015 to continue the Heritage Easement Agreement Upgrade capital work that could not be completed due to delays in the removal of the temporary dressing room trailers.
- New project funding of \$2.563 million to support the completion of the Heritage Easement Agreement Upgrade project and undertake ongoing repairs and replacements to the building and equipment.

## 2015 Recommended Capital Project Highlights

**Table 8**  
**2015 Recommended Capital Project Highlights (in \$000s)**

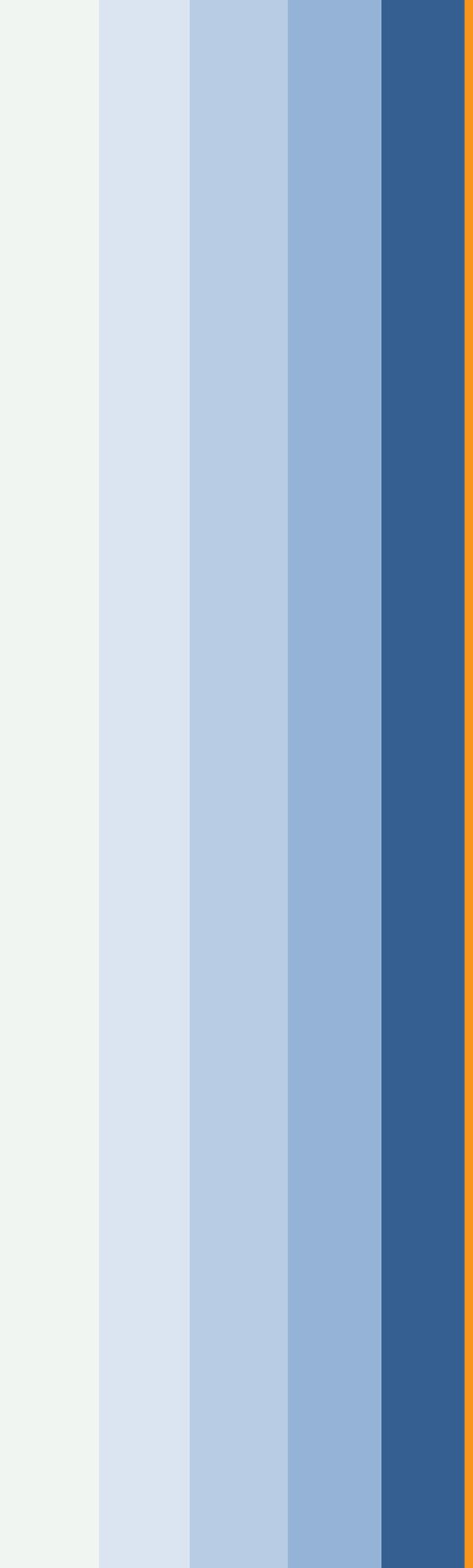
Project	Total Project Cost	2015	2016	2017	2018	2019	2015 - 2019	2020	2021	2022	2023	2024	2015 - 2024 Total
Sony Centre Exterior Plaza	1,000	1,000					1,000						1,000
Heritage Easement Agreement Upgrades	2,215	2,150					2,150						2,150
Upgrades to Permanent Capital Assets	N/A	1,767					1,767						1,767
<b>Total (including carry forward funding)</b>	<b>3,215</b>	<b>4,917</b>					<b>4,917</b>						<b>4,917</b>

The 2015 Recommended Capital Budget including carry forward funds from 2014 to 2015 provides funding of \$4.917 million to:

- Complete construction of the Sony Centre Exterior Plaza located on the west side of the theatre that will create a pedestrian-friendly outdoor space to engage the public with the Sony Centre.
- Complete the Heritage Easement Agreement upgrades to its exterior, including limestone and granite cladding upgrades, sidewalk/paver repairs, and restoration of the east and west side

exterior grounds to its original state after removing the temporary dressing rooms and after the condominium is completed.

- Continue the on-going upgrades to the interior and exterior of the Centre's building. In 2015 repairs to the canopy and stage tower roof, electrical re-wiring of MCC panels, elevator and HVAC upgrades, and the replacement of specialized theatrical equipment will be completed.



## **Part III:**

Issues for Discussion

## Issues for Discussion

### Issues Impacting the 2015 Capital Budget

#### *Ability to Meet 2015 Debt Target*

- Sony Centre's 2015 Recommended Capital Budget exceeds the debt affordability target of \$1.498 million by \$0.290 million.
- Overall, the 2015-2024 Recommended Capital Budget and Plan meets the 10-year debt target of \$6.518 million as the 2017 Plan Estimate is under-budgeted to offset the \$0.290 million in 2015.
- The debt target allocation for 2017 was accelerated to 2015 in order to meet the eligibility criteria of the Canada Cultural Spaces Fund grant application submitted by Sony Centre. A more detailed discussion is outlined below.

#### *Canada Cultural Spaces Fund (CCSF) Grant Application*

- In the Fall of 2014, Sony Centre submitted a grant application for an amount of \$0.550 million to the Canada Cultural Spaces Fund for specialized theatrical equipment relating to the main stage and other public areas.
- If successful, this grant will match the City's contribution for a total project cost of \$1.1 million that is included in the 2015 Recommended Capital Budget, conditional upon the approval of the application. The "Specialized Equipment" sub-project will be funded as follows: \$0.550 million from the CCSF federal grant, \$0.225 million from the Facility Fee Reserve Fund, and \$0.325 million from debt.
- Confirmation of receipt of the grant funding is expected in early February 2015. The project must be substantially spent by March 31, 2015 and the Sony Centre expects to meet this deadline.
- The grant will relieve some of the budget pressures in Sony Centre's 2015-2024 Recommended Capital Budget and Plan and was accommodated within the 10-Year Plan by accelerating \$0.290 million of debt from 2017 to 2015.
- It is recommended that Sony Centre for the Performing Arts report back through the 2015 budget process to confirm the disposition of the federal grant, and if such funding is not forthcoming, the 2015 Recommended Capital Budget and 2016-2024 Capital Plan be amended as follows:
  - The "Specialized Equipment" sub-project of \$1.1 million gross be deleted from the 2015 Recommended Capital Budget;
  - The 2015 Recommended Capital Budget be revised to \$2.498 million gross and \$1.498 million net; and
  - The 2017 Plan Estimate be revised to \$0.371 million gross and net.

2015 Building Audit

- Included in the 2015 Recommended Capital Budget is a new "Building Audit" project requiring funding of \$0.075 million to engage an external third party to perform a comprehensive facility condition audit.
- The last building audit was completed prior to the Centre renovations in 2009 and now must be updated to determine the state-of-good-repair needs.
- It is anticipated that the results of this building audit will reveal currently unknown capital needs that require additional funding in future capital budgets.
- Allowances for ongoing building updates will be incorporated into future year capital budgets and plan.

Issues Impacting the 10-Year Capital Plan

Facility Fee Reserve Fund

- Historically, Sony Centre funded its own state-of-good-repair work through the Facility Fee Reserve Fund. However, due to the decline in the number of performances and paid attendance, ticket surcharge revenue targets have not been met, resulting in insufficient surcharge revenues to fund future planned asset upgrade and state-of-good-repair work to Sony Centre between 2015 and 2024, totalling \$7.293 million.
- Ticket surcharge revenues received and transferred to its Facility Fee Reserve Fund must also be used to retire its \$6.65 million capital completion loan. As part of the 2013 Approved Operating Budget, City Council approved a 2-year loan repayment deferral on interest and principal on this loan with the first payment due on December 31, 2014.
- Sony Centre will draw \$0.367 million in 2015 of which \$0.142 million will be used to fund chattel asset purchases; and \$0.225 million will fund the “Specialized Equipment” project as part of the matching funds requirement of the Canada Cultural Spaces Fund grant. The Centre will continue to apply its ticket surcharge revenues as included in the 2015 Operating Budget.
- The projected contributions and draws from the Facility Fee Reserve Fund over the next 10 years are provided in the table below:

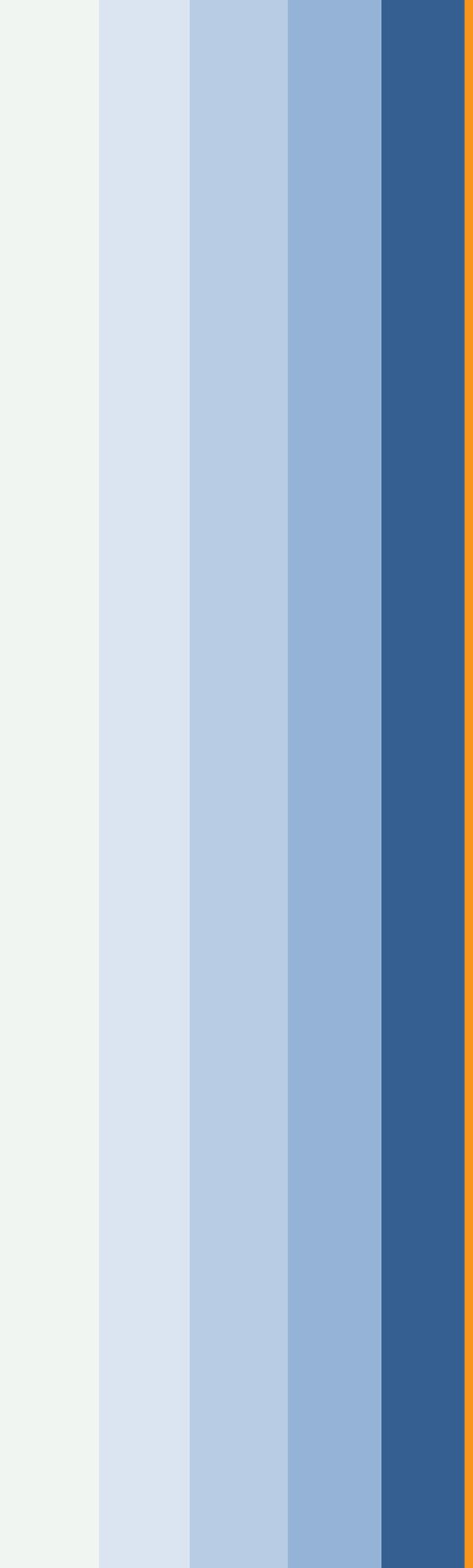
Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec 31, 2014 *	Contributions / (Withdrawals)											2015 - 2024 Total Contributions / (Withdrawals)	
			2015 Budget	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan			
Facility Fee Reserve Fund	Beginning Balance	125	125	-	-	-	-	-	-	-	-	-	-	-	-
	(Withdrawals)														
	Chattel Asset Purchases		(142)	(282)	(323)	(351)	(381)	(412)	(436)	(461)	(486)	(512)		(3,786)	
	Specialized Equipment		(225)											(225)	
	Loan Repayments		(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(7,100)	
	<b>Total Withdrawals</b>	-	<b>(1,077)</b>	<b>(992)</b>	<b>(1,033)</b>	<b>(1,061)</b>	<b>(1,091)</b>	<b>(1,122)</b>	<b>(1,146)</b>	<b>(1,171)</b>	<b>(1,196)</b>	<b>(1,222)</b>		<b>(11,111)</b>	
	Contributions														-
	Ticket Surcharges		567	591	616	628	640	653	666	680	693	707		6,441	
	Naming Rights Fees		385	401	417	433	451	469	480	491	503	515		4,545	
	<b>Total Contributions</b>	-	<b>952</b>	<b>992</b>	<b>1,033</b>	<b>1,061</b>	<b>1,091</b>	<b>1,122</b>	<b>1,146</b>	<b>1,171</b>	<b>1,196</b>	<b>1,222</b>		<b>10,986</b>	
<b>Total Reserve Fund Balance at Year-End</b>		<b>125</b>	-	-	-	-	-	-	-	-	-	-	-	<b>(125)</b>	

*Future of the Three Major Civic Theatres*

- At its meeting of September 26 and 27, 2011 City Council approved a Core Service Review and authorized the City Manager to issue a Request for Expression of Interest (REOI) to determine options for sale, lease, operation or other arrangement in respect to the Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts and Toronto Centre for the Arts.
- The Request for Expression of Interest was issued in May 2012 and yielded findings, as presented in a report to the November 2012 Executive Committee entitled "Future of the Three Major Civic Theatres – Directions Resulting from the Request for Expression of Interest" dated October 22, 2012 (Item EX24.8) in which the City Manager recommended:
  - City Council authorize the City Manager to work with City staff to determine how to structure a potential divestment of the Sony Centre for the Performing Arts, and report back to City Council with a proposed process and guidelines that:
    - Include allowance for potential adaptive reuse and other innovative strategies for sustained use; and
    - Are subject to existing zoning and heritage by-laws governing land use and the building, and take into consideration recent capital improvements.
- Consideration of the October 22, 2012 report was deferred to the November 19, 2012 Executive Committee (Item EX25.5) meeting and the following recommendation was made to City Council:
  - Defer consideration of recommendation 3 of the report (October 22, 2012) from the City Manager for 120 days, and request the Board of the Sony Centre to develop and submit to the City Manager's Office, a long-term strategic plan and a five-year business plan for the Sony Centre to continue as a City-owned theatre, which will substantially reduce or eliminate the City's subsidy, and that:
    - The Sony Centre Board be permitted and encouraged to consult throughout this review period with the General Manager of Economic Development and Culture.
    - The Board of the Sony Centre be encouraged to work with the Boards of the Toronto Centre for the Arts and the St. Lawrence Centre to present a comprehensive plan.
    - The City Manager and Legal Services provide assistance as required by the Sony Centre Board.
- Sony Centre's Long Term Planning Committee issued an RFP and chose Cultural Asset Management Group (CAMG) as the Centre's consultant. In 2013, the Centre undertook a strategic planning process involving:
  - General marketing analysis
  - Sony Centre Business Analysis
  - Sony Centre Business and Strategic Options
  - Sony Centre Strategic Plan and 5 Year Business Model
- CAMG completed portions of their report in 2013 which have been presented and adopted by Sony Centre's Board of Directors. The final portion of the consultant's report was received by Sony

Centre's Board of Directors at the end of March 2014 with a copy provided to the General Manager of Economic, Development and Culture for review and consideration.

- In 2013 the Boards of all three theatres endorsed the establishment of a Theatres Working Group (TWG) that includes management representation from each theatre, local City Councillors, City staff and community members to explore close co-operation and shared services.
- A Request for Proposal for a consultant to undertake a study to evaluate the potential governance and operating models for the theatres was issued by the City on December 9, 2013. The objective of the study is to identify and recommend how best to leverage areas of shared interest and maximize collaboration among the three civic theatres. NetGain Partners Inc. was the successful proponent and was awarded the contract on February 12, 2014.
- The Final Report: Evaluation and Governance and Operational Models for Toronto's Civic Theatres, by NetGain Partners Inc. was presented to the Board of Directors of the Hummingbird (Sony) Centre at its meeting of October 30, 2014, and is being reviewed and considered by City Staff and the City's Theatres Working Group.
- A report to Council with recommendations from the General Manager of Economic Development and Culture is expected in 2015.



## **Appendices:**

## Appendix 1 2014 Performance

### 2014 Key Accomplishments

In 2014, Sony Centre for the Performing Arts accomplished the following:

- ✓ Established an agreement with the Developer to remove the temporary dressing room trailers by January 31, 2015 that will allow Sony Centre to continue the Heritage Easement Agreement project on the east side of the Centre.
- ✓ Finalized the tender and award process for the Pavers sub-project to start the construction phase in order to meet the 2015 deadline.

### 2014 Financial Performance

**Table 9**  
**2014 Budget Variance Analysis (In \$000's)**

2014 Approved	As of Sept. 30, 2014		Projected Actuals at Year End		Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
2,469	-	0.0%	100	4.1%	2,369	95.9%

### 2014 Experience

- As of September 30, 2014, the Sony Centre for the Performing Arts' capital did not incur any spending against its 2014 Approved Capital Budget. By year-end, spending is projected to be \$0.100 million.
- Under-spending is driven by delays in the *Sony Centre Exterior Plaza* as construction is contingent upon the completion of the condominium development which was delayed.
- Under-spending in the *Heritage Easement Agreement* project is due to delays in the completion of the condominium development and the removal of the temporary dressing room trailers located on the east side of the Centre. This project includes the limestone and granite upgrades to the building exterior, repairs to the sidewalk pavers, and restoration of the Centre's east side after the temporary dressing room trailers are removed.
- The delays in the *Upgrades to Permanent Capital Asset* project which includes the canopy and stage tower roof repairs and electrical and wiring work, is due to construction and programming restrictions.

### Impact of the 2014 Capital Variance on the 2015 Recommended Budget

- As a result of the delays in the completion of the condominium development and the removal of the temporary dressing room trailers, funding of \$2.354 million will be carried forward into Sony Centre's 2015 Recommended Capital Budget to complete this work.

## Appendix 2

Table 10  
2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan (\$000s)

Project	Total Project Cost	2015	2016	2017	2018	2019	2015 - 2019	2020	2021	2022	2023	2024	2015 - 2024 Total
Sony Centre Exterior Plaza	1,000	1,000					1,000						1,000
<b>Heritage Easement Agreement</b>													
Exterior Limestone & Granite Upgrades		1,050					1,050						1,050
Pavers		725					725						725
East Side Restoration		150					150						150
East Side Restoration - Landscaping		75					75						75
West Side Restoration		150					150						150
<b>Upgrades to Permanent Capital Assets</b>													
Building Audit		75					75						75
Specialized Equipment		1,100					1,100						1,100
Ext Upgrades - Canopy & Stage Tower		75					75	420	187			419	1,101
Elevators		100	130			127	357				73		430
Mechanical HVAC Upgrades		110			277	141	528	142	151	938	123	277	2,159
Electrical		267		4	80	82	433		172		89	43	737
Backstage Counterweight System		40			120		160		100		129	13	402
Life Safety Systems				77			77		77				154
Roof Upgrades - FY2023											339		339
<b>Total (including carry forward funding)</b>	<b>1,000</b>	<b>4,917</b>	<b>130</b>	<b>81</b>	<b>477</b>	<b>350</b>	<b>5,955</b>	<b>562</b>	<b>687</b>	<b>938</b>	<b>753</b>	<b>752</b>	<b>9,647</b>

**Appendix 3**

**2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan**

**CITY OF TORONTO**

**Gross Expenditures (\$000's)**

**Appendix 3: 2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan**

**Sony Centre (Hummingbird)**

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													
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing			
<u>HUM907801 Sony Centre Exterior Plaza</u>																										
0	3	Public Plaza	CW	S2	04	1,000	0	0	0	0	1,000	0	1,000	0	0	300	0	0	0	0	0	700	0	0	1,000	
Sub-total						1,000	0	0	0	0	1,000	0	1,000	0	0	300	0	0	0	0	0	700	0	0	1,000	
<u>HUM907896 Heritage Easement Agreement Upgrades</u>																										
0	2	Exterior Limestone & Granite Upgrades FY2014	CW	S2	03	265	0	0	0	0	265	0	265	0	0	0	0	0	0	265	0	0	0	0	265	
0	3	Pavers	CW	S2	03	725	0	0	0	0	725	0	725	0	0	0	0	0	0	725	0	0	0	0	725	
0	4	East Side Restoration	CW	S2	03	150	0	0	0	0	150	0	150	0	0	0	0	0	0	150	0	0	0	0	150	
0	5	Exterior Limestone & Granite Upgrades FY2015	CW	S4	03	785	0	0	0	0	785	0	785	0	0	0	0	0	0	0	785	0	0	0	785	
0	6	East Side Restoration - Landscaping	CW	S4	03	75	0	0	0	0	75	0	75	0	0	0	0	0	0	0	75	0	0	0	75	
0	7	West Side Restoration	CW	S4	03	150	0	0	0	0	150	0	150	0	0	0	0	0	0	0	150	0	0	0	150	
Sub-total						2,150	0	0	0	0	2,150	0	2,150	0	0	0	0	0	0	1,140	0	1,010	0	0	2,150	
<u>HUM907897 Upgrades to Permanent Capital Assets</u>																										
0	4	Exterior Upgrades - Canopy & Stge Tower Roofs 2014	CW	S2	03	75	0	0	0	0	75	0	75	0	0	0	0	0	0	75	0	0	0	0	75	
0	5	Life Safety Systems	CW	S6	01	0	0	77	0	0	77	77	154	0	0	0	0	0	0	0	154	0	0	0	154	
0	6	Elevators FY2016-23	CW	S6	03	0	130	0	0	127	257	73	330	0	0	0	0	0	0	0	330	0	0	0	330	
0	7	Mechanical - HVAC Upgrades FY2018-24	CW	S6	03	0	0	0	277	141	418	1,631	2,049	0	0	0	0	0	0	0	2,049	0	0	0	2,049	
0	8	Electrical - MCC Panels/Wiring FY2014	CW	S2	03	139	0	0	0	0	139	0	139	0	0	0	0	0	0	139	0	0	0	0	139	
0	9	Backstage- counterweight system/rewiring FY2018-24	CW	S6	03	0	0	0	120	0	120	242	362	0	0	0	0	0	0	0	362	0	0	0	362	
0	12	Electrical - MCC panels/rewiring FY2017-2024	CW	S6	03	0	0	4	80	82	166	304	470	0	0	0	0	0	0	0	470	0	0	0	470	
0	14	Ext Upgrades-Canopy & Stage Tower Roof FY2020-2021	CW	S6	03	0	0	0	0	0	0	1,026	1,026	0	0	0	0	0	0	0	1,026	0	0	0	1,026	
0	15	Elevators - FY2015	CW	S4	03	100	0	0	0	0	100	0	100	0	0	0	0	0	0	0	100	0	0	0	100	
0	16	Mechanical - HVAC Upgrades - FY2015	CW	S4	03	110	0	0	0	0	110	0	110	0	0	0	0	0	0	0	110	0	0	0	110	
0	17	Electrical - MCC panels/rewiring - FY2015	CW	S4	03	128	0	0	0	0	128	0	128	0	0	0	0	0	0	0	128	0	0	0	128	
0	18	Backstage - counterweight system/rewiring - FY2015	CW	S4	03	40	0	0	0	0	40	0	40	0	0	0	0	0	0	0	40	0	0	0	40	
0	19	Roof upgrade FY2023	CW	S6	03	0	0	0	0	0	0	339	339	0	0	0	0	0	0	0	339	0	0	0	339	

Report Phase 2 - Program 55 Sony Centre (Hummingbird) Program Phase 2 Sub-Project Category 01,02,03,04,05,06,07 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4

## CITY OF TORONTO

Gross Expenditures (\$000's)

## Appendix 3: 2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan

## Sony Centre (Hummingbird)

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												
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
<u>HUM907897 Upgrades to Permanent Capital Assets</u>																								
0	20	Building Audit	CW	S4	03	75	0	0	0	0	75	0	75	0	0	0	0	0	0	0	0	75	0	75
0	21	Specialized Equipment	CW	S4	03	1,100	0	0	0	0	1,100	0	1,100	0	550	0	0	225	0	0	0	325	0	1,100
Sub-total						1,767	130	81	477	350	2,805	3,692	6,497	0	550	0	0	225	0	214	0	5,508	0	6,497
<b>Total Program Expenditure</b>						4,917	130	81	477	350	5,955	3,692	9,647	0	550	300	0	225	0	1,354	700	6,518	0	9,647

Report Phase 2 - Program 55 Sony Centre (Hummingbird) Program Phase 2 Sub-Project Category 01,02,03,04,05,06,07 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4

**CITY OF TORONTO**

Gross Expenditures (\$000's)

**Appendix 3: 2015 Rec'd Capital Budget; 2016 to 2024 Rec'd Capital Plan**

**Sony Centre (Hummingbird)**

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												
					2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	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:																							
Federal Subsidy					550	0	0	0	0	550	0	550	0	550	0	0	0	0	0	0	550		
Development Charges					300	0	0	0	0	300	0	300	0	0	300	0	0	0	0	0	300		
Reserve Funds (Ind."XR" Ref.)					225	0	0	0	0	225	0	225	0	0	0	225	0	0	0	0	225		
Other1 (Internal)					1,354	0	0	0	0	1,354	0	1,354	0	0	0	0	0	1,354	0	0	1,354		
Other2 (External)					700	0	0	0	0	700	0	700	0	0	0	0	0	700	0	0	700		
Debt					1,788	130	81	477	350	2,826	3,692	6,518	0	0	0	0	0	0	6,518	0	6,518		
<b>Total Program Financing</b>					<b>4,917</b>	<b>130</b>	<b>81</b>	<b>477</b>	<b>350</b>	<b>5,955</b>	<b>3,692</b>	<b>9,647</b>	<b>0</b>	<b>550</b>	<b>300</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>1,354</b>	<b>700</b>	<b>6,518</b>	<b>0</b>	<b>9,647</b>

<b>Status Code</b>	<b>Description</b>
S2	S2 Prior Year (With 2015 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2015 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 2016 & Beyond)

<b>Category Code</b>	<b>Description</b>
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**

### **2015 Recommended Cash Flow and Future Year Commitments**

## CITY OF TORONTO

## Gross Expenditures (\$000's)

## Appendix 4: 2015 Recommended Cash Flow and Future Year Commitments

## Sony Centre (Hummingbird)

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											
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
<b>HUM907801 Sony Centre Exterior Plaza</b>																								
0	3	Public Plaza	CW	S2	04	1,000	0	0	0	0	1,000	0	1,000	0	0	300	0	0	0	0	700	0	0	1,000
Sub-total						1,000	0	0	0	0	1,000	0	1,000	0	0	300	0	0	0	0	700	0	0	1,000
<b>HUM907896 Heritage Easement Agreement Upgrades</b>																								
0	2	Exterior Limestone & Granite Upgrades FY2014	CW	S2	03	265	0	0	0	0	265	0	265	0	0	0	0	0	265	0	0	0	265	
0	3	Pavers	CW	S2	03	725	0	0	0	0	725	0	725	0	0	0	0	0	725	0	0	0	725	
0	4	East Side Restoration	CW	S2	03	150	0	0	0	0	150	0	150	0	0	0	0	0	150	0	0	0	150	
0	5	Exterior Limestone & Granite Upgrades FY2015	CW	S4	03	785	0	0	0	0	785	0	785	0	0	0	0	0	0	785	0	0	785	
0	6	East Side Restoration - Landscaping	CW	S4	03	75	0	0	0	0	75	0	75	0	0	0	0	0	0	75	0	0	75	
0	7	West Side Restoration	CW	S4	03	150	0	0	0	0	150	0	150	0	0	0	0	0	0	150	0	0	150	
Sub-total						2,150	0	0	0	0	2,150	0	2,150	0	0	0	0	0	0	1,140	0	1,010	0	2,150
<b>HUM907897 Upgrades to Permanent Capital Assets</b>																								
0	4	Exterior Upgrades - Canopy & Stge Tower Roofs 2014	CW	S2	03	75	0	0	0	0	75	0	75	0	0	0	0	0	75	0	0	0	75	
0	8	Electrical - MCC Panels/Wiring FY2014	CW	S2	03	139	0	0	0	0	139	0	139	0	0	0	0	0	139	0	0	0	139	
0	15	Elevators - FY2015	CW	S4	03	100	0	0	0	0	100	0	100	0	0	0	0	0	0	100	0	0	100	
0	16	Mechanical - HVAC Upgrades - FY2015	CW	S4	03	110	0	0	0	0	110	0	110	0	0	0	0	0	0	110	0	0	110	
0	17	Electrical - MCC panels/rewiring - FY2015	CW	S4	03	128	0	0	0	0	128	0	128	0	0	0	0	0	0	128	0	0	128	
0	18	Backstage - counterweight system/rewiring - FY2015	CW	S4	03	40	0	0	0	0	40	0	40	0	0	0	0	0	0	40	0	0	40	
0	20	Building Audit	CW	S4	03	75	0	0	0	0	75	0	75	0	0	0	0	0	0	75	0	0	75	
0	21	Specialized Equipment	CW	S4	03	1,100	0	0	0	0	1,100	0	1,100	0	550	0	0	225	0	0	0	325	0	1,100
Sub-total						1,767	0	0	0	0	1,767	0	1,767	0	550	0	0	225	0	214	0	778	0	1,767
<b>Total Program Expenditure</b>						<b>4,917</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,917</b>	<b>0</b>	<b>4,917</b>	<b>0</b>	<b>550</b>	<b>300</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>1,354</b>	<b>700</b>	<b>1,788</b>	<b>0</b>	<b>4,917</b>

Report Phase 2 - Program 55 Sony Centre (Hummingbird) Program Phase 2 Part B Sub-Project Status S2 Part C Sub-Project Status S2,S3,S4,S5 Sub-Project Category 01,02,03,04,05,06,07 User Fields ALL

**CITY OF TORONTO****Gross Expenditures (\$000's)****Appendix 4: 2015 Recommended Cash Flow and Future Year Commitments****Sony Centre (Hummingbird)**

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												
						2015	2016	2017	2018	2019	Total 2015-2019	Total 2020-2024	Total 2015-2024	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:																								
Federal Subsidy						550	0	0	0	0	550	0	550	0	550	0	0	0	0	0	0	550		
Development Charges						300	0	0	0	0	300	0	300	0	0	300	0	0	0	0	0	300		
Reserve Funds (Ind."XR" Ref.)						225	0	0	0	0	225	0	225	0	0	0	225	0	0	0	0	225		
Other1 (Internal)						1,354	0	0	0	0	1,354	0	1,354	0	0	0	0	0	1,354	0	0	1,354		
Other2 (External)						700	0	0	0	0	700	0	700	0	0	0	0	0	0	700	0	0	700	
Debt						1,788	0	0	0	0	1,788	0	1,788	0	0	0	0	0	0	1,788	0	1,788		
<b>Total Program Financing</b>						<b>4,917</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,917</b>	<b>0</b>	<b>4,917</b>	<b>0</b>	<b>550</b>	<b>300</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>1,354</b>	<b>700</b>	<b>1,788</b>	<b>0</b>	<b>4,917</b>

Status Code	Description
S2	S2 Prior Year (With 2015 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2015 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**  
**2015 Recommended Capital Budget with Financing Detail**

(Phase 2) 55-Sony Centre (Hummingbird)

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

## Appendix 5: 2015 Recommended Capital Budget with Financing Detail

## Sony Centre (Hummingbird)

## Sub-Project Summary

Project/Financing Priority Project	Project Name	Start Date	Completion Date	2015	Financing										
				Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable	
<b>0</b>	<b><u>HUM907801</u></b>	<b><u>Sony Centre Exterior Plaza</u></b>													
0	3 Public Plaza	10/30/2013	12/31/2015	1,000	0	0	300	0	0	0	0	700	0	0	
	<b>Project Sub-total:</b>			1,000	0	0	300	0	0	0	0	700	0	0	
<b>0</b>	<b><u>HUM907896</u></b>	<b><u>Heritage Easement Agreement Upgrades</u></b>													
0	2 Exterior Limestone & Granite Upgrades FY2014	01/01/2014	12/31/2015	265	0	0	0	0	0	0	265	0	0	0	
0	3 Pavers	01/01/2014	12/31/2015	725	0	0	0	0	0	0	725	0	0	0	
0	4 East Side Restoration	01/01/2014	12/31/2015	150	0	0	0	0	0	0	150	0	0	0	
0	5 Exterior Limestone & Granite Upgrades FY2015	01/01/2015	12/31/2015	785	0	0	0	0	0	0	0	0	785	0	
0	6 East Side Restoration - Landscaping	01/01/2015	12/31/2015	75	0	0	0	0	0	0	0	0	75	0	
0	7 West Side Restoration	01/01/2015	12/31/2015	150	0	0	0	0	0	0	0	0	150	0	
	<b>Project Sub-total:</b>			2,150	0	0	0	0	0	0	1,140	0	1,010	0	
<b>0</b>	<b><u>HUM907897</u></b>	<b><u>Upgrades to Permanent Capital Assets</u></b>													
0	4 Exterior Upgrades - Canopy & Stge Tower Roofs 2014	01/01/2014	12/31/2015	75	0	0	0	0	0	0	75	0	0	0	
0	8 Electrical - MCC Panels/Wiring FY2014	01/01/2014	12/31/2015	139	0	0	0	0	0	0	139	0	0	0	
0	15 Elevators - FY2015	01/01/2015	12/31/2015	100	0	0	0	0	0	0	0	0	100	0	
0	16 Mechanical - HVAC Upgrades - FY2015	01/01/2015	12/31/2015	110	0	0	0	0	0	0	0	0	110	0	
0	17 Electrical - MCC panels/rewiring - FY2015	01/01/2015	12/31/2015	128	0	0	0	0	0	0	0	0	128	0	
0	18 Backstage - counterweight system/rewiring - FY2015	01/01/2015	12/31/2015	40	0	0	0	0	0	0	0	0	40	0	
0	20 Building Audit	01/01/2015	12/31/2015	75	0	0	0	0	0	0	0	0	75	0	
0	21 Specialized Equipment	01/01/2015	12/31/2015	1,100	0	550	0	0	225	0	0	0	325	0	
	<b>Project Sub-total:</b>			1,767	0	550	0	0	225	0	214	0	778	0	
	<b>Program Total:</b>			4,917	0	550	300	0	225	0	1,354	700	1,788	0	

Status Code	Description
S2	S2 Prior Year (With 2015 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2015 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 6

### Reserve / Reserve Fund Review

**Table 11: Reserve / Reserve Fund – Sony Centre for the Performing Arts  
(\$000s)**

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec 31, 2014 *	Contributions / (Withdrawals)										2015 - 2024 Total Contributions / (Withdrawals)	
			2015 Budget	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan		
Facility Fee Reserve Fund	Beginning Balance	125	125	-	-	-	-	-	-	-	-	-	-	-
	(Withdrawals)													
	Chattel Asset Purchases		(367)	(282)	(323)	(351)	(381)	(412)	(436)	(461)	(486)	(512)	(4,011)	
	Loan Repayments		(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(710)	(7,100)	
	<b>Total Withdrawals</b>		<b>-</b>	<b>(1,077)</b>	<b>(992)</b>	<b>(1,033)</b>	<b>(1,061)</b>	<b>(1,091)</b>	<b>(1,122)</b>	<b>(1,146)</b>	<b>(1,171)</b>	<b>(1,196)</b>	<b>(1,222)</b>	<b>(11,111)</b>
	Contributions													
	Ticket Surcharges		567	591	616	628	640	653	666	680	693	707	6,441	
Naming Rights Fees		385	401	417	433	451	469	480	491	503	515	4,545		
<b>Total Contributions</b>		<b>-</b>	<b>952</b>	<b>992</b>	<b>1,033</b>	<b>1,061</b>	<b>1,091</b>	<b>1,122</b>	<b>1,146</b>	<b>1,171</b>	<b>1,196</b>	<b>1,222</b>	<b>10,986</b>	
<b>Total Reserve Fund Balance at Year-End</b>		<b>125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125)</b>

\* Based on the 9 Month Variance Report