

Toronto 2017 BUDGET



CAPITAL BUDGET NOTES



Yonge-Dundas Square

2017 – 2026 CAPITAL BUDGET AND 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 City 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 its amenities is \$15.5 million.

The Board of Management of Yonge-Dundas Square has determined that no capital projects are necessary for the 2017 year. The 10-Year Capital Plan for Yonge-Dundas Square provides future year planned estimates to ensure the facility is maintained in a state of good repair through 2026.

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- 6. 2017 Reserve / Reserve Fund Review N/A

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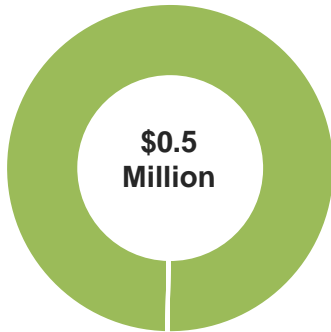
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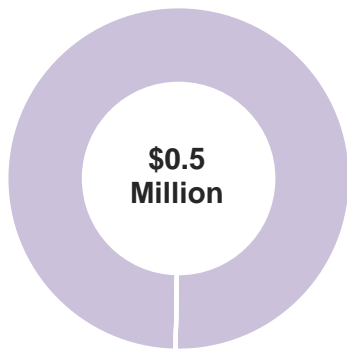
Capital Spending and Financing

**2017-2026 Capital Budget and Plan
By Project Category**



SOGR, \$0.5, 100%

By Funding Source



Debt/CFC, \$0.5, 100%

Where the money goes:

The 2017–2026 Preliminary Capital Budget and Plan totalling \$0.450 million provides funding for:

- State of Good Repair (SOGR) projects (\$0.450 million)
 - ✓ The 2018-2026 Capital Plan allocates \$0.050 million per year in each year to address unanticipated state of good repair work and unforeseen capital needs as they arise.

Where the money comes from:

The Preliminary 10-Year Capital Plan requires:

- New debt funding of \$0.450 million which is in line with the debt guideline established for Yonge-Dundas Square for each year of the 10-year planning period.

State of Good Repair Backlog

- 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.
- A facility audit conducted in 2014 included that the Square is not expected to require State of Good Repair capital projects in years 2016 to 2020.

Our Key Issues & Priority Actions

- **Unforeseen Capital Needs** - Yonge-Dundas Square completed a facility audit report in January 2015, which identified no need for capital investments between 2016 and 2020.
- ✓ One of the Yonge-Dundas Square's primary objectives is to be able to respond to unforeseen capital needs as they arise. Minor expenditures are expected to be covered through the provisions made in the operating budget for maintenance.

2017 Capital Budget Highlights

There are no capital projects for 2017. The 2018-2026 Capital Plan for Yonge-Dundas Square includes \$0.050 million per plan year, for a total of \$0.450 million over the 9 years to support state of good repair maintenance work.



Actions for Consideration

Approval of the 2017 Preliminary Capital Budget as presented in these notes requires that:

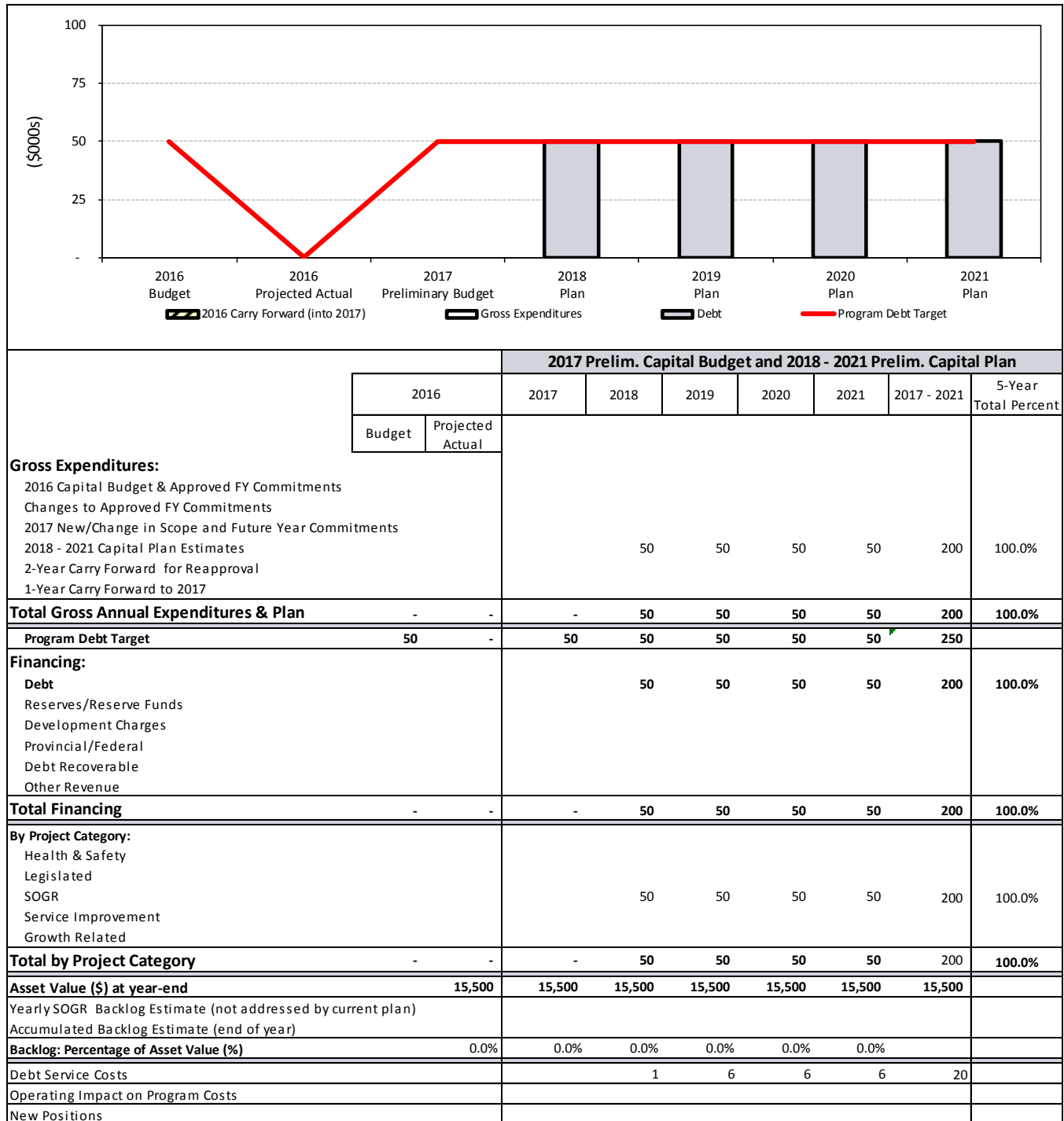
1. City Council approve the 2018 - 2026 Preliminary Capital Plan for Yonge-Dundas Square totalling \$0.450 million in project estimates, comprised of \$0.050 million for each of the years from 2018 to 2026.



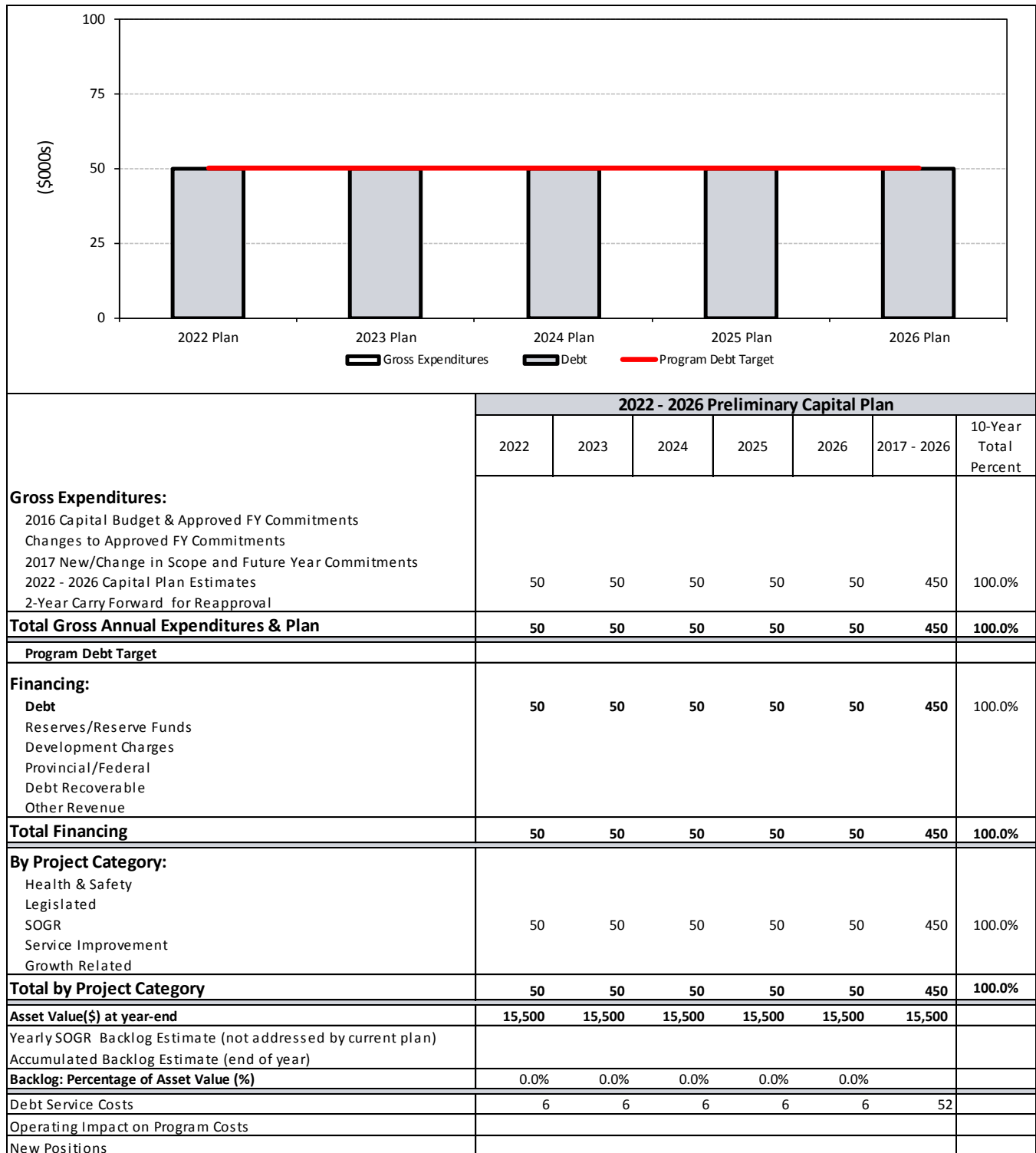
Part 1:

Preliminary 10-Year Capital Plan

**Figure 1a
10-Year Capital Plan
2017 Preliminary Capital Budget and 2018 - 2021 Preliminary Capital Plan**



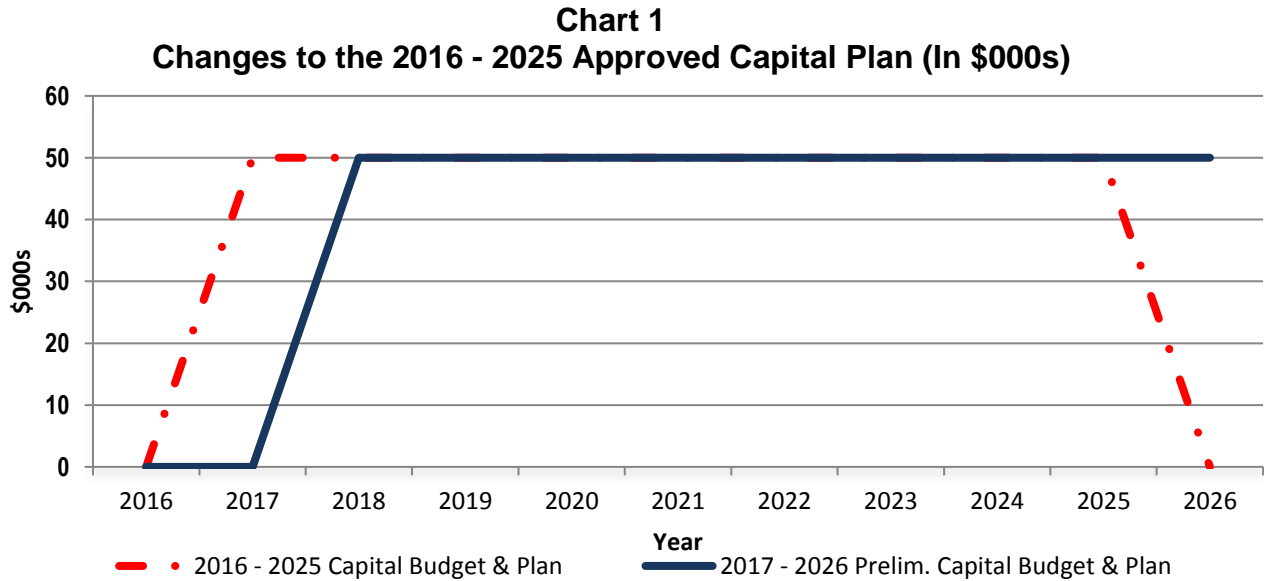
**Table 1b
10-Year Capital Plan
2022 - 2026 Preliminary Capital Plan**



Key Changes to the 2016 - 2025 Approved Capital Plan

The 2017 Preliminary Capital Budget and the 2018 – 2026 Preliminary Capital Plan is consistent with the 2016 - 2025 Approved Capital Plan.

The chart and table below provide a breakdown of the changes in the Capital Program on an annual basis from 2016 to 2026.

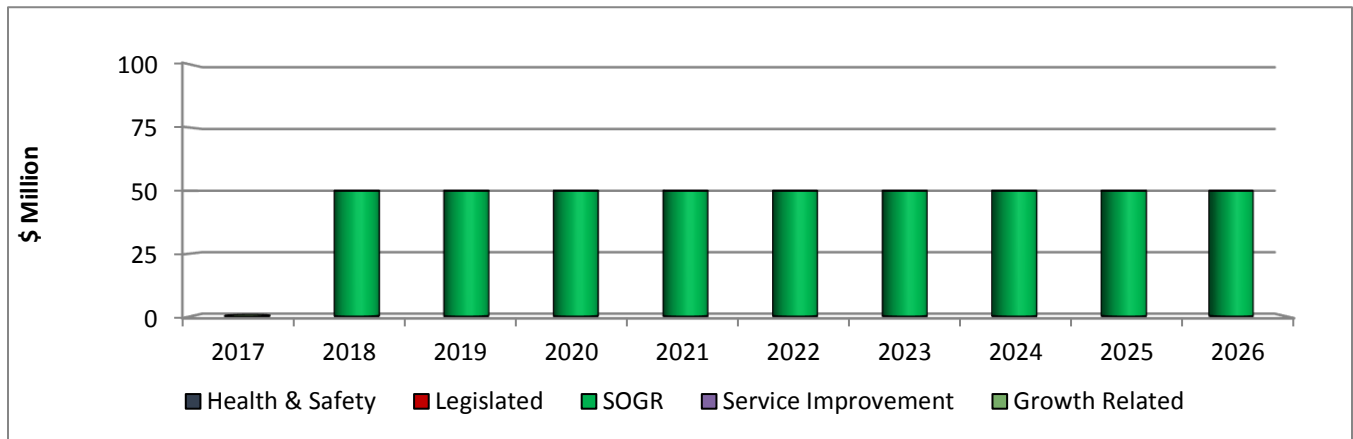


| (\$000s) | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 10-Year Total |
|-------------|------|----------|------|------|------|------|------|------|------|------|------|---------------|
| 2016 - 2025 | 0 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 450 |
| 2017 - 2026 | | 0 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 450 |
| Change % | | (100.0%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | 0.0% |
| Change \$ | | (50) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |

The 2017 Preliminary Capital Budget and the 2018-2026 Preliminary Capital Plan continue to remain at \$0.450 million with no increase in capital funding from the 2016-2025 Approved Capital Plan. Changes to the nine common years of the Capital Plan arise from the reprioritization of YDS's capital needs as reflected by the reduction of previously approved funding for 2017. Yonge-Dundas Square does not anticipate any capital projects in 2017.

2017 – 2026 Preliminary Capital Plan

Chart 2
2017 – 2026 Preliminary Capital Plan by Project Category (In \$000s)



As illustrated in the chart above, the 10-Year Capital Plan for Yonge-Dundas Square of \$0.450 million provides funding for State of Good Repair (SOGR) projects. There are no new capital project needs in 2017.

- All future funding is dedicated to State of Good Repair projects to maintain the Yonge-Dundas Square facility in a state of good repair as the structure, mechanical, electrical, and HVAC systems and equipment age.

The following table details by category, capital projects in the 2017 – 2026 Preliminary Capital Budget and Plan for Yonge-Dundas Square:

Table 3
2017 - 2026 Capital Plan by Project Category (In \$000s)

| | 2017 Budget | 2018 Plan | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan | 2025 Plan | 2026 Plan | 2017 - 2026 Total |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|
| Total Expenditures by Category | | | | | | | | | | | |
| State of Good Repair | | | | | | | | | | | |
| State of Good Repair | - | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 450 |
| Sub-Total | - | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 450 |
| Total Expenditures by Category (excluding carry forward) | - | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 450 |

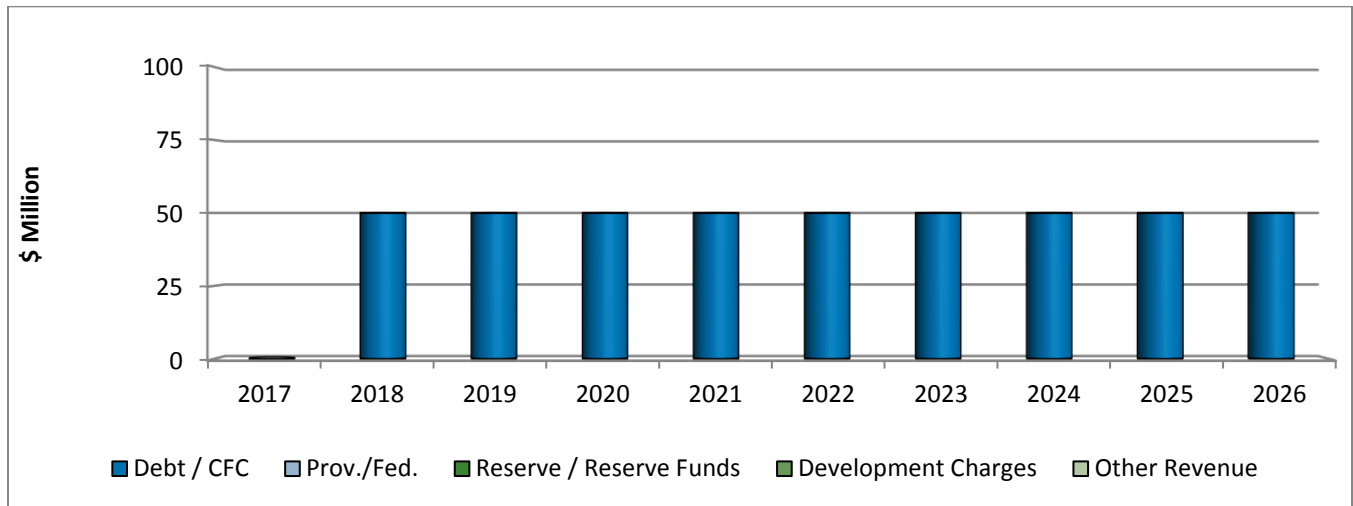
2017 – 2026 Capital Projects

The Preliminary 10-Year Capital Plan supports Yonge-Dundas Square's objectives to maintain the facility in a state of good repair.

State of Good Repair (SOGR)

- SOGR projects account for \$0.450 million or 100% of the total Preliminary 10-Year Capital Plan.
- There are no major capital initiatives for planned YDS. Any anticipated project expenditures are expected to be utilized for maintaining the Square's current assets in a state of good repair.

Chart 3
2017 – 2026 Preliminary Capital Plan by Funding Source (In \$000s)

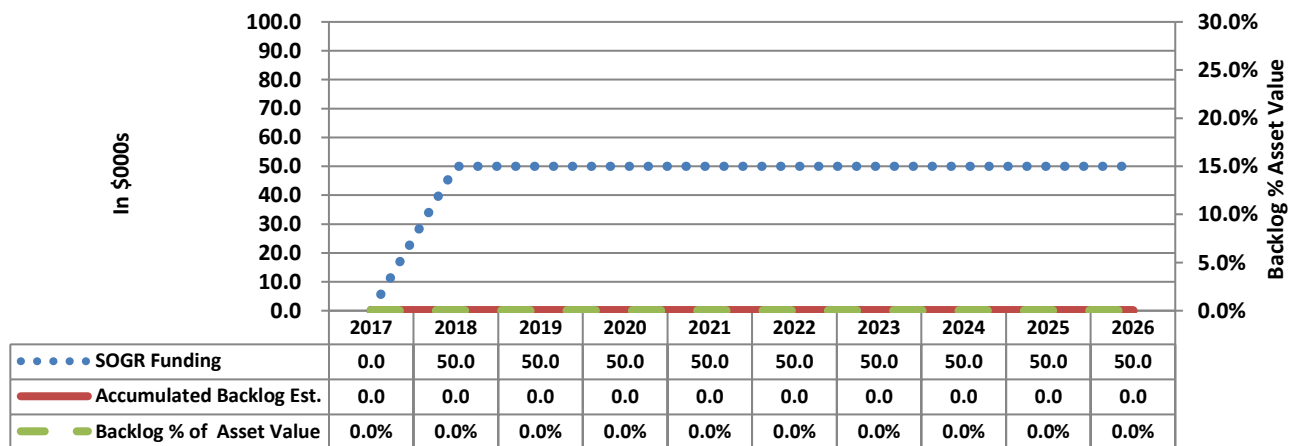


The Preliminary 10-Year Capital Plan of \$0.450 million cash flow funding will be financed entirely by debt:

- Debt accounts for \$0.450 million or 100.0% of the financing over the 10-year period.
 - The debt funding is below the 10-year debt affordability guidelines of \$0.500 million allocated to this Program by \$0.050 million, as the previously planned expenditures for SOGR capital work in 2017 are not required.

State of Good Repair (SOGR) Backlog

Chart 4
SOGR Funding & Backlog (In \$000s)



- The 10-Year Preliminary Capital Plan dedicates \$0.450 million to SOGR spending over 10-Year Capital Plan, which is an average of \$0.045 million per year, and \$0.050 million for each of the 9 Plan years between 2018 and 2026.

- The funding will ensure that current assets valued at \$67.800 million will be maintained in a state of good repair. Ensuring the availability of this funding, when required, will prevent any backlog from occurring.
- Yonge-Dundas Square (YDS) does not have a backlog of state of good repair projects as the Square is relatively new (built in 2001-2002).
- A facility audit was completed in December 2014 and found the majority of items reviewed to be in good to fair condition. Regular review and maintenance were recommended to preserve the appearance of the Square. Certain upgrades will be needed at YDS within the next ten (10) years – the most costly expenditures within this time period consist of signage, roof replacement, exterior green wall, split type air conditioning unit, fire alarm system, and lockers. The 2018-2026 Preliminary Capital Plan is sufficient to cover these expenditures.
- Any minor SOGR needs in the future years as presented in the facility audit report, will be addressed and funded from the Operating Budget. These include repairs and replacements to light fixtures, hand dryers, granite slab pavers, supply and exhaust fans, minor washroom repairs, and remedial painting.
- The 10 Year Preliminary Capital Plan covering years 2017-2026 is appropriate at this time and the next facility audit report will be available in 2020.

10-Year Capital Plan: Net Operating Budget Impact

There are no net operating budget impacts arising from the Yonge-Dundas Square's 10-Year Capital Plan.

Capital Project Delivery: New Temporary Positions

Yonge-Dundas Square 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 capital projects in the future as required.



Part 2:

Issues for Discussion

Issues Impacting the 10-Year Capital Plan

Facility Audit

- City Council requested the Board of Management of Yonge-Dundas Square and the Chief Corporate Officer to ensure that the structural review and facility audit report be completed to provide guidance for the development of the Yonge-Dundas Square's 2017-2026 Capital Budget and Plan submission.
 - The facility audit report was completed in January 2015 and the results of the audit indicated that Yonge-Dundas Square is not expected to require any major capital work between 2016 and 2020.
 - The provision of \$0.050 million in the Capital Plan for each year will be evaluated during the Annual Budget process.
 - Minor SOGR needs were identified, and will be addressed and funded via Yonge-Dundas Square's Operating Budget.
- One of the Yonge-Dundas Square Board of Management's primary objectives is the ability to respond to unforeseen capital needs as they arise, especially emergent issues that may affect operations or health and safety issues that impact the public or staff.
 - Current debt targets for Yonge-Dundas Square for 2017-2026 indicate that this may be challenging, as it may be necessary to adjust future-year capital plans as better understanding of the timing and needs for major capital projects is gained.
- A 5 year life cycle facility audit follow-up will be part of the capital maintenance plan for Yonge-Dundas Square.
 - To-date, Yonge-Dundas Square has already addressed all immediate structural and mechanical/electrical state of good repair items.
 - The Board of Management of Yonge-Dundas Square will continue to coordinate with the City's Facilities Management Division to maintain the Square and conduct another facility audit in 2020.



Appendices

Appendix 1 2016 Performance

2016 Key Accomplishments

- No Capital Budget was required for Yonge-Dundas Square in 2016 and no capital projects were undertaken.
- Provisions for minor capital maintenance and repair expenses were addressed through the Program’s 2016 Approved Operating Budget.

Appendix 2 Preliminary 10-Year Capital Plan Summary

| Project | Prior Year Carry Forward | 2017 | 2018 | 2019 | 2020 | 2021 | 2017 - 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2017 - 2026 Total |
|------------------------------|--------------------------|------|------|------|------|------|-------------|------|------|------|------|------|-------------------|
| State of Good Repair: | | | | | | | | | | | | | |
| <i>State of Good Repair:</i> | | - | 50 | 50 | 50 | 50 | 200 | 50 | 50 | 50 | 50 | 50 | 450 |
| Sub-Total | - | - | 50 | 50 | 50 | 50 | 200 | 50 | 50 | 50 | 50 | 50 | 450 |
| Total | - | - | 50 | 50 | 50 | 50 | 200 | | | | | | 450 |

Appendix 3

2017 Preliminary Capital Budget; 2018 to 2026 Preliminary Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

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 | | | | | | | | | | | |
|---|---|--|----|----|----|---|------|------|------|------|--------------------|---|--------------------|---------------------------------------|--------------------|------------------------|---------------------|------------------|----------------------------|---------|--------|-------------------------------|--------------------|
| | | | | | | 2017 | 2018 | 2019 | 2020 | 2021 | Total 2017-2021 | Total 2022-2026 | Total 2017-2026 | Provincial Grants and Subsidies | Federal Subsidy | Development Charges | Reserve Reserves | 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 |

Report Phase 2 - Program 50 Yonge-Dundas Square Program Phase 2 Sub-Project Category 01,02,03,04,05 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4

CITY OF TORONTO

Gross Expenditures (\$000's)

Yonge-Dundas Square

| | | Current and Future Year Cash Flow Commitments and Estimates | | | | | | | Current and Future Year Cash Flow Commitments and Estimates Financed By | | | | | | | | | | | | | | | |
|--------------------------------|----------------------------|---|------|-------|------|------|--------------------|--------------------|---|---------------------------------------|--------------------|------------------------|---------------------|------------------|----------------------------|---------|--------|-------------------------------|--------------------|---|---|-----|---|-----|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | Total 2017-2021 | Total 2022-2026 | Total 2017-2026 | Provincial Grants and Subsidies | Federal Subsidy | Development Charges | Reserve Reserves | Reserve Funds | Capital from Current | Other 1 | Other2 | Debt - Recoverable Debt | Total Financing | | | | | |
| Sub- Priority | Project No. SubProj No. | Project Name Sub-project Name | Ward | Stat. | Cat. | | | | | | | | | | | | | | | | | | | |
| Financed By: | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Debt | | | | 0 | 50 | 50 | 50 | 50 | 200 | 250 | 450 | 0 | 0 | 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 | 0 | 0 | 450 | 0 | 450 |

| Status Code | Description |
|-------------|--|
| S2 | S2 Prior Year (With 2017 and/or Future Year Cashflow) |
| S3 | S3 Prior Year - Change of Scope 2017 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 2018 & 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 |