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Project Category (In \$ Millions)	2017 (Sony Centre)			2018 (Sony Centre)			2019 (Civic Theatres Toronto)	
	Budget	Actual	Spending Rate %	Budget	Projected Actual *	Spending Rate %	Staff Recommended Capital Budget (excl. 1 Yr Carry Forward)	Staff Recommended Capital Budget (incl. 1 Yr Carry Forward)
Health & Safety	3.459	1.405	<b>40.6%</b>	2.968	2.645	<b>89.1%</b>	2.025	2.349
Legislated	0.150	0.005	<b>3.3%</b>	0.205	0.191	<b>92.9%</b>	4.620	4.635
SOGR	4.955	3.772	<b>76.1%</b>	3.458	2.566	<b>74.2%</b>	3.592	4.401
Service Improvement	1.000	-	<b>0.0%</b>	0.989	0.191	<b>19.3%</b>	0.215	0.215
Growth Related	-	-		-	-		-	-
<b>Total</b>	<b>9.564</b>	<b>5.182</b>	<b>54.2%</b>	<b>7.620</b>	<b>5.593</b>	<b>73.4%</b>	<b>10.452</b>	<b>11.600</b>

Note - 2018 projection based on the Q3 capital variance submission

As illustrated in the table above, the Capital Budget for 2018 and prior pertains to Sony Centre for the Performing Arts only. The 2019 Staff Recommended Capital Budget for Civic Theatres includes projects for all three Theatres. The year-end projection of spent rate at Sony Centre for the Performing Arts for 2018 is 73.4%.

Three projects are experienced delays and unspent funding will be carried forward into 2019 from 2018. These projects include: Air Handling Unit Repair for \$0.243 million; Replace Roofs: Mezzanine /Porte Cochere/Stage Tower for \$0.201 million and Lounge elevator Equipment Modernization for \$0.132 million. In 2018, unspent funding from the Sony Centre Public Plaza was carried forward from 2017 to address any outstanding claims and legal matters which have been resolved in 2018. The settlement was less than anticipated and the project was underspent by 80.6%, hence contributing to the low spending rate in Service Improvement.

For additional information regarding the 2018 Q3 capital variances and year-end projections for Sony Centre for the Performing Arts, please refer to the attached link for the report entitled "Capital Variance Report for the Nine-Month Period Ended September 30, 2018" adopted by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.8>

**Impact of the 2018 Capital Variance on the 2019 Staff Recommended Capital Budget**

- As a result of the delays in the capital projects described in the 2018 Q3 Capital Variance Report, funding of \$1.148 million is being carried forward from 2018 for inclusion in the 2019 Staff Recommended Capital Budget to continue the capital work.
- Civic Theatres Toronto prioritized project timelines based on theatres' activities and added new capital projects to its 10-Year Capital Budget following a review of the building condition audit and AODA assessment for the three Theatres.







- Sony – Pneumatic to DCC Conversion (\$0.210 million gross and debt)
- Sony – Coil Replacement (\$0.240 million gross and debt)
- Toronto Centre for the Arts – AODA 2019 – 2020 (\$5.283 million gross and debt)
- These new capital projects will allow CTT to improve its infrastructure, update its technology and be an accessible destination of choice for multidisciplinary artists, companies and event planners. CTT will focus on prioritization of these projects while minimizing disruptions to the theatres while performances take place.
- Despite added capital investments as noted above, building condition assessments and AODA audit of the 3 theatres indicate over \$57.4 million in additional debt funding will be required in future years. These unmet capital needs that are not included in the 2019 – 2028 Staff Recommended Capital Budget for CTT are discussed in detail in the following sections.
- In summary, Civic Theatres Toronto faces challenges and budget pressures in 2019. Both the Staff Recommended 2019 Operating Budget and 2019 – 2028 Capital Budget and Plan will continue to support and implement the CTT's strategic priorities while keeping with the Agency's commitment to building reliable creative spaces for Toronto and Canada, inspirational homes for the artists today and exciting places for aspiring artists of the future.

## Additional Service Demands

### Capital Unmet Needs Not Included in the 2019 – 2028 Staff Recommended Capital Budget and Plan

The "Unmet Capital Needs" identified by Civic Theatres Toronto, are noted in the table below and will require additional debt funding to proceed. The "Unmet Capital Needs" identified below cannot be accommodated within the City's current debt targets given the limitations on debt servicing costs and therefore were not included in the 10-Year Capital Plan for CTT. These projects will be included on the list of unfunded "Capital Priorities" considered for future funding in the budget process of future year.

**Table 6: Unmet Capital Needs Not Included in the Staff Recommended 10-Year Capital Plan**

Project Description (In \$ Millions)	Total Project	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)										
				2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
<b>NOT INCLUDED</b>														
<i>Sony - Exterior Hard Landscape</i>	1.000	-	1.000	-	-	-	-	-	0.500	0.500	-	-	-	-
<i>Sony - Theatre Systems and Equipment</i>	5.773	-	5.773	0.910	0.380	1.251	2.732	-	0.500	-	-	-	-	-
<i>Sony - Building Code Review</i>	0.126	-	0.126	-	0.051	-	-	-	0.075	-	-	-	-	-
<i>Sony - Door Replacement</i>	1.324	-	1.324	-	-	1.324	-	-	-	-	-	-	-	-
<i>Sony - Interior Finishes</i>	1.505	-	1.505	0.357	-	-	-	0.098	-	0.400	0.650	-	-	-
<i>Sony - Mechanical Systems</i>	3.506	-	3.506	-	-	-	0.806	-	1.100	0.750	0.850	-	-	-
<i>Toronto Centre for the Arts - SOGR</i>	31.443	-	31.443	4.562	3.781	3.604	3.532	3.570	3.588	2.299	1.871	2.291	2.345	-
<i>Toronto Centre for the Arts - AODA</i>	12.702	-	12.702	-	-	0.616	1.413	1.932	2.709	6.032	-	-	-	-
<b>Total Unmet Needs (Not Included)</b>	<b>57.379</b>	<b>-</b>	<b>57.379</b>	<b>5.829</b>	<b>4.212</b>	<b>6.795</b>	<b>8.483</b>	<b>5.600</b>	<b>8.472</b>	<b>9.981</b>	<b>3.371</b>	<b>2.291</b>	<b>2.345</b>	

- The *Sony – Exterior Hard Landscape project* requires \$1.000 million to complete refurbishment of the exterior elements of the building. The north side, for example, requires paving and other hard landscaping work.
- The *Sony - Theatre Systems and Equipment project* requires \$5.773 million to replace and repair various aspects of the facility such as the dimmers, lobby video wall, main line array, performance lighting LED conversion, video presentation and monitor system and video systems infrastructure, many of which have already exceeded its replacement cycle. The cash flows for these projects as shown in the above chart are consistent with the recommended replacement cycle of these capital assets and are included to avoid the higher cost of maintaining obsolete assets and equipment.
- *Sony - Building Code Review* requires \$0.126 million to assess the current condition of the facility and its compliance with the Ontario Fire Code and Ontario Building Code.













































