

Project Cost Adjustments and Deferrals / Accelerations to the Parks, Forestry and Recreation 2019 Capital Budget and 2020-2028 Capital Plan (Second Quarter)

Date: May 8, 2019

To: Budget Committee and Executive Committee

From: General Manager, Parks, Forestry and Recreation

Wards: All

SUMMARY

The purpose of this report is to request authority from City Council to amend the 2019 Council Approved Capital Budget and 2020-2028 Capital Plan for Parks, Forestry and Recreation (PFR) by adjusting project costs and cash flows contained within the Budget and Plan. These adjustments will align cash flows for capital project delivery schedules and program requirements and as a result, will have no impact to the timing of debt requirements. Reallocations to cash flows and project costs are also requested where recent project bids exceed the current approved cash flow or alternatively to advance projects into 2019 that are ready to proceed.

In addition, this report seeks Council approval to create a new sub-project for the East Bayfront (EBF) Community Centre with future year cash flow to supplement funding for the EBF project included in the Waterfront Revitalization Initiative's 2019 Ten-Year Capital Plan; and for the closure of two projects that will reduce 2019 cash flow and release the remaining funds for other capital purposes.

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation recommends that:

1. City Council authorize the deferral and acceleration of projects in Parks, Forestry and Recreation's 2019 Council Approved Capital Budget and future year commitments in the amount of \$3.750 million, as included in Appendix 1 to this report, with no debt impact.
2. City Council authorize amendments to project costs and cash flows within the Parks, Forestry and Recreation's 2019 Council Approved Capital Budget and future year commitments in the amount of \$5.356 million, as included in Appendix 2 to this report, with no debt impact.

3. City Council approve an amendment to the Parks, Forestry and Recreation's 2019 Council Approved Capital Budget and Plan to create a new capital sub-project known as East Bayfront Community Centre, in the Community Centre project, with a project cost of \$7.000 million and cash flow in 2021 with funding from the following sources: \$6.300 million from Development Charges (XR2114) and \$0.700 million from South District Parkland Development Reserve Fund (XR2209).

4. City Council authorize the closure of two (2) sub-projects in Parks, Forestry and Recreation's 2019 Council Approved Capital Budget in the amount of \$0.345 million, as included in Appendix 3 (attached) to reduce 2019 cash flow, and release commitments on development related funding sources to the appropriate accounts.

FINANCIAL IMPACT

Approval of the recommendations of this report will amend the approved 2019 -2028 Capital Budget and Plan for Parks, Forestry and Recreation. The total change includes an overall net increase in project cost in 2019 of \$12.011 million and amendments to the future year commitments resulting in a net increase in cash flow as follows: \$2.078 million in 2019, \$2.933 million in 2020, and \$7.000 in 2021 as detailed in Appendix 1 and Appendix 3. There is no impact to the timing of debt requirements as a result of these amendments.

The 2019 Council Approved Capital Budget and future year commitments will be revised by deferring and accelerating a total of \$3.750 million in cash flow over 2019 to 2021 as detailed in Appendix 1.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council, at its meeting of March 7, 2019, approved the 2019 Parks, Forestry and Recreation Capital Budget and future year commitments through item EX2.5 (197-207). <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.5>

COMMENTS

Authority is requested to amend Parks, Forestry and Recreation's Council Approved 2019-2028 Capital Budget and Plan to better align project costs and cash flows to reflect the schedules for project delivery and requirements for programming, as well as to allow contracts that exceed the current approved cash flows to be awarded. These amendments will help to improve PFR's spending rate by ensuring funds are allocated to projects that are proceeding in 2019.

Deferrals and Accelerations (Appendix 1)

The 2019 Council Approved PFR Capital Budget includes \$20.116 million in cash flow from 2019 to 2021 for fourteen sub-projects as noted in Appendix 1. This report is requesting authority to defer \$3.750 million in cash flow from 2019 to 2020 and 2021 for five sub-projects; and accelerate cash flow of \$3.750 million, \$2.480 million from 2020 and \$1.270 million from 2021, to 2019 for nine sub-projects in order to align cash flows to the construction expectations and schedules for developer delivered projects. There is no impact on debt requirements.

The deferral of cash flow reflects the readiness of projects to proceed in 2019 as some projects have experienced delays as a result of coordination with other projects or partnerships and timing for when the City receives developer delivered sites.

Adjustments to Project Costs and Cash Flows (Appendix 2)

There are ten (10) sub-projects in the 2019 PFR Capital Budget with a combined project cost of \$21.592 million and cash flow of \$10.769 million in 2019 and \$5.747 million in 2020, as included in Appendix 2. This report is requesting authority to increase project costs for the 10 sub-projects by \$5.356 million to \$26.948 million, and the related 2019 cash flow by \$2.423 million to \$13.192 million, and 2020 cash flow by \$2.933 million to \$8.680 million. Additional funds are required to award contracts where bids received are above the available cash flow and to fund the expanded scope of work to meet community expectations.

East Bayfront Community Centre

Hines/Tridel is developing a mixed use condominium at the foot of Parliament Street as part of the waterfront Bayside development in the East Bayfront. Part of its obligations require Hines/Tridel to set aside up to 25,000 square feet for a community recreation facility. The 2019-2028 Council Approved Waterfront Revitalization Initiative's Capital Budget and Plan includes \$15.000 million for the community recreation centre project with \$13.500 million from Development Charges (XR2114) and \$1.500 million from debt. The developer has no financial obligations with respect to the project. As determined through the design process, an additional \$7.000 million is required to support the community recreation facility that will include a gymnasium, 3 dedicated underground staff parking spaces and a multi-purpose component (multi-purpose rooms, activity and fitness rooms). The \$22.0 million budget provides for all costs associated with the project including fit out, equipment costs and project management.

This reports requests authority from City Council to add a new capital sub-project to PFR's Capital Budget and Plan for the East Bayfront Community Centre at a cost of \$7.000 million with cash flow in 2021. The additional funds will supplement the project in Waterfront Revitalization Initiative's Capital Budget and Plan with funding as follows: \$6.300 million from Development Charges (XR2114) and \$0.700 million from South District Parkland Development Reserve Fund (XR2209).

Project Closures (Appendix 3)

The 2019 Council approved Parks, Forestry and Recreation Capital Budget includes \$0.345 million for two sub-projects. This reports requests authority from City Council to close the two sub-projects, reduce the 2019 cash flow, and release the commitments on funds to their respective accounts for future budgeting.

City Council approved the Dufferin Grove Park Dogs Off Leash Area (DOLA) sub-project, in the Park Development project, with a project cost of \$0.300 million and funding from various Section 42 Above 5% Cash-in-lieu. The project has been cancelled due to a lack of community support for this project and a total of \$0.260 million that was carried forward to 2019, is no longer required. The project can be closed and the commitment of \$0.260 million on various Section 42 Above 5% Cash-in-lieu can be released.

The 2019 PFR Capital Budget includes the Lessard Park Sandbox and Shade Structure sub-project, in the Park Development project, with a project cost of \$0.100 million. Improvements to Lessard Park were cancelled because there was not a suitable location for the sandbox and shade structure and the cash flow of \$0.085 million that was carried forward to 2019 is no longer required. The project can now be closed and the commitment of \$0.085 million from the following Section 42 Above 5% Cash-in-lieu sources can be released: \$84,276 from 2 Old Mill Drive (source account: XR2213-4200456) and \$724 from 606 Durie Street (source account: XR2213-4200706).

CONTACT

Ann-Marie Nasr, Director, Parks Development and Capital Projects, Tel: 416 395-7899, Email: Ann-Marie.Nasr@toronto.ca

SIGNATURE

Janie Romoff
General Manager, Parks, Forestry and Recreation

ATTACHMENTS

Appendix 1 - Deferrals/Accelerations (\$000s)
Appendix 2 - Adjustments to Project Costs and Cash Flows (\$000s)
Appendix 3 - Project Closures (\$000s)