

2023 Budget Notes

Economic Development and Culture

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Description

We advance Toronto's prosperity, opportunity and liveability by fostering employment and investment opportunities, encouraging Toronto's cultural vibrancy through enhanced cultural experiences, and by engaging partners in the planning and development of the City's economic and cultural resources. Economic Development and Culture (EDC) delivers the following services:

- Arts Services
- Business Services
- Entertainment Industries Services
- Museum and Heritage Services

EDC manages \$35.2 million in arts grant allocations and supports the business sector through a range of business development grants and support to 84 Business Improvement Areas (BIA) across the city.

EDC has stewardship for over 200 public art installations and 100 heritage buildings, including seven community museums, one art gallery and two national historic sites (Fort York and Spadina Museum). EDC is responsible for the collection and conservation of 150,000 artifacts, 3,000 works of fine art, and 1.1 million archeological specimens.

Why We Do It

Economic Development and Culture is committed to making Toronto a place where business and culture thrive, providing services to improve the quality of life of its stakeholders by achieving the following outcomes:

Business and cultural entities in Toronto have equitable access to and use economic development supports that start, improve and grow operations, and contribute to increased economic activity.

People in Toronto have equitable access to and use inclusive cultural programs that increase their understanding of Toronto's many cultures and histories and contribute to a greater sense of belonging.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

Business Services

Who We Serve: Business Incubators, Entrepreneurs, New Immigrants, Sector/Industry Associations, Sector Businesses, Youth

What We Deliver:

- Business Development & Support (Advice, Advocacy, Consultation, Governance); Networking, Convening power; Issue resolution & Facilitation; Marketing, Promotion; Training, Events; Grants, Financial support)
- Sector Development & Advocacy (Front-line intelligence; Support)
- Provide advice and support to Business Improvement Areas
- Attract trade, investment, develop partnerships, and introduce Toronto's businesses to export markets

How Much Resources (gross 2023 operating budget): \$27.8 Million

Entertainment Industries Services

Who We Serve: Entertainment Industry Associations, Film and Media Companies, Restaurants and Hotel Industries, Tourism Companies, Visitors and Volunteers

What We Deliver:

- Entertainment Industries Development & Support (Advice, Advocacy, Consultation, Governance; Networking, Convening power; Issue resolution and facilitation; Marketing, Promotion; Training)
- Film permitting
- Provide visitor information services
- Provide Entertainment Industries with support for international development

How Much Resources (gross 2023 operating budget): \$6.5 Million

Arts Services

Who We Serve: Arts and Culture Organizations, Artists, Event Organizers, Residents, Visitors

What We Deliver:

- Arts Services Development & Support (Advice, Advocacy, Consultation, Governance; Networking, Convening power; Issue resolution and facilitation; Marketing, Promotion; Special event facilitation & expediting)
- Create and offer arts activities and programs, classes, exhibits and events; plan and produce major festivals and events
- Assist in the organization of third-party events at Nathan Phillips Square and other City-owned locations
- Facilitate, develop and provide access to arts venues and public art and promote the development and expansion of creative space in the city
- Provide funding to arts organizations through cultural grants programs

How Much Resources (gross 2023 operating budget): \$52.2 Million

Museum and Heritage Services

Who We Serve: Education Sector (Schools and Students), Public and Private Schools, Residents, Visitors, Newcomers

What We Deliver:

- Museum Services Development & Support (Advice, Advocacy, Consultation; Networking, Convening power; Issue resolution and facilitation; Marketing, Promotion)
- Create and offer museum activities, programs, classes, exhibits and events; provide rental opportunities for art gallery spaces, theaters, rooms for community members
- Develop, manage and conserve artifacts, archeological specimens and fine art collections
- Manage heritage properties and museums' operations; Provide advice and collaborates with other City divisions in managing their heritage assets

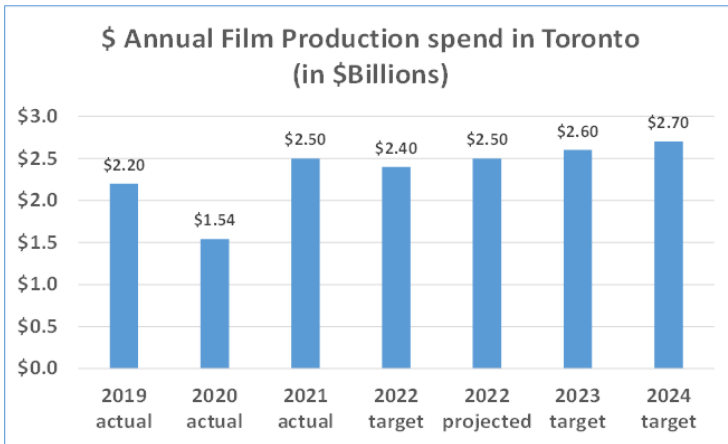
How Much Resources (gross 2023 operating budget): \$15.7 Million

Budget at a Glance

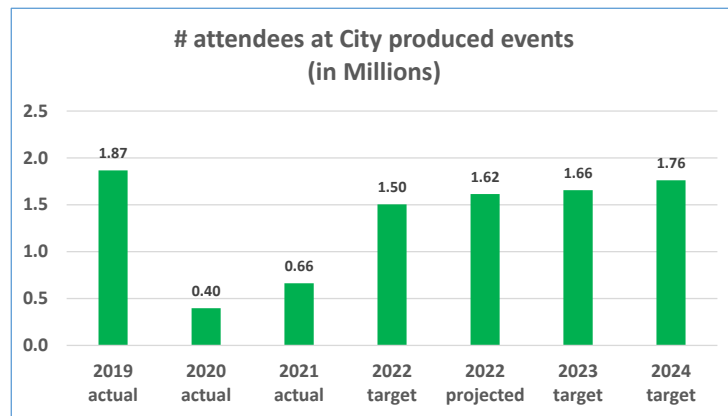
2023 OPERATING BUDGET			
<u>\$ Million</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues	\$21.4	\$12.7	\$8.7
Gross Expenditures	\$102.2	\$95.9	\$91.6
Net Expenditures	\$80.8	\$83.2	\$83.0
Approved Positions	323.6	316.6	315.6

2023 - 2032 10-YEAR CAPITAL PLAN			
<u>\$ Million</u>	<u>2023</u>	<u>2024-2032</u>	<u>Total</u>
Gross Expenditures	\$33.4	\$155.3	\$188.7
Debt	\$16.9	\$100.7	\$117.6
Note: Includes 2022 carry forward funding			

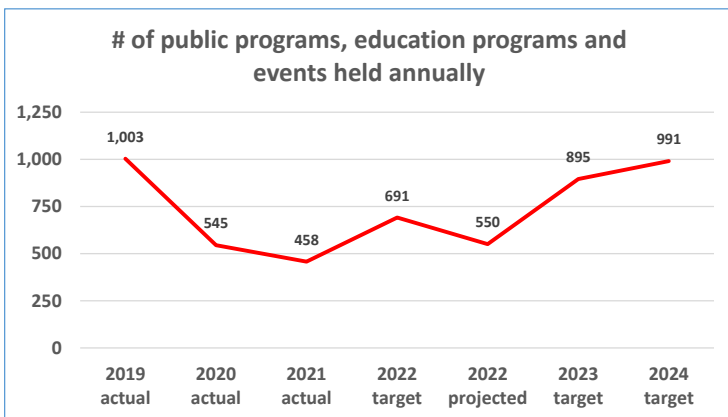
How Well We Are Doing – Behind the Numbers



- Annual film production spend for 2020 declined as a result of the four-month shut down of the industry due to COVID-19.
- Annual film production rebounded 2021 rapidly recovering beyond 2019 levels.
- Production levels are expected to steadily grow with the demand for new content. Further, a major expansion in studio space will drive more growth for the industry.



- The significant drop in attendance in 2020 and 2021 is the result of the shut down due to the COVID-19 pandemic and the health and safety regulations imposed on large gatherings, resulting in event cancellations, program changes and site closures.
- In 2022, events have resumed. While not yet at pre-pandemic levels, the expectation is that the number of people attending will gradually increase over 2023 and 2024.



- The annual number of City-produced public programs, education programs and events show a decline that extends into 2022.
- City-produced events are forecasted to rapidly rise in 2023 and almost reach pre-pandemic levels in 2024.

How Well We Are Doing

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Outcome Measures								
Entertainment Industry Services	\$ annual film production spend in Toronto	\$1.54B	\$2.5B	\$2.4B	\$2.5B	●	\$2.6B	\$2.7B
Arts Services and Museums & Heritage Services	# of attendees at City-produced cultural programs and events	389,034	662,361	1,509,704	1,615,500	●	1,656,275	1,761,550
Business Services	# of businesses provided with material support (to retain / create jobs) ¹	N/A	N/A	1,176	1,310	●	1,392	1,115
Service Level Measures								
Entertainment Industry Services	# of productions supported through film permitting ¹	1,020	1,400	1,700	1,700	●	1,700	1,750
Entertainment Industry Services	# of permits issued	1,900	2,636	3,100	3,100	●	3,200	3,250
Arts Services and Museums & Heritage Services	# of public programs, education programs, and events held annually ²	606	559	691	550	●	895	991
Other Measures								
Entertainment Industry Services	% of film permits issued in 2 business days	100%	100%	100%	100%	●	100%	100%

1. Indicates new measure.

2. Represents a cumulative roll-up of public events, exhibits and programming measures that were presented as individual service level indicators in previous years.

2022 Projection to 2022 Target Comparison
 ● 80% - 100% ● 64 - 79% ● 63% and Under

COVID 19 IMPACT AND RECOVERY

2023 Impact and Recovery

Operating Budget Impact

- The 2023 COVID-19 impact is projected to be similar to EDC's 2022 experience, with the continuation of lost revenues and recovery efforts:
 - Revenue loss of \$1.8 million due to a number of factors such as reduced sponsorship, the elimination of restaurant participation fees revenue from the Licious Program, and from reduced visitation and other earned revenues at City museums and arts centres.
 - The CaféTO program is expected to continue into 2023 and will require \$0.3 million for 2.0 positions to support the program.
 - The Main Street Recovery and Rebuild Initiative (MRRI) program will be in its second year, fully funded by the Federal Economic Development Agency for Southern Ontario (\$8.5M in 2023, \$18M over 3 years), and will continue to support new and existing small (retail) businesses and augment commercial activity in hard hit Toronto neighbourhoods.

Service Level Changes

- EDC will continue to operate programs and services while continuing to recover from impacts of COVID-19. Existing programs will focus and help strengthen the inclusive economic and cultural recovery in Toronto.
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EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Delivered six Toronto Main Street Recovery and Rebuild Initiative (MRRRI) programs and hundreds of Enterprise Toronto workshops, grants, forums and consultations to support small businesses, BIAs, entrepreneurs and retail innovation across the city.
- Modernized the Business Incubation and Commercialization (BIC) grant program, renewed the City's relationship with Toronto Global, and hosted the successful Collision Technology Conference to strengthen Toronto's global competitiveness and innovation ecosystem.
- Achieved record-breaking film and television production volume of \$2.5 billion and was named the #2 city in North America in which to live and work as a filmmaker by Movie Maker Magazine.
- First jurisdiction in Canada to install power drops in film-heavy locations, specifically for production usage, creating a competitive advantage that will yield an estimated reduction of 400 tonnes of GHGs per year.
- ArtworxTO: Toronto's Year of Public Art 2021-2022, launched the City's 10-Year Public Art Strategy by supporting 1,400+ local artists (85% BIPOC identifying) by funding more than 350 new murals, installations, exhibitions, events, performances and productions across all 25 City of Toronto wards; including 10 free, community cultural hubs and 18 legacy projects.
- Opened Clark Centre for the Arts, the first City-owned arts centre to open in 40 years, providing year-round rental opportunities and delivering close to 90 accessible arts programs annually, including art courses, workshops and camps.
- In 2022, Nuit Blanche Toronto returned in person, expanding city-wide, with projects downtown and in Scarborough plus new exhibition areas in North York and Etobicoke. The program engaged our highest ratio of equity-deserving and diverse artists with close to 95% BIPOC identifying.
- Launched the City of Toronto's award-winning Awakenings program featuring art projects that explore untold stories, awaken a new perspective and invite the public to join the conversation. Awakenings is part of the City of Toronto's efforts to address anti-Black racism.
- Provided free general admission to museums in order to reduce to barriers to access.

Key Challenges and Risks

- Recovery from and continued impact of COVID-19.
- High inflation and rising interest rates will have an impact on consumer confidence and spending.
- Affordability of real property with sector-specific cost increases due to market volatility and the risk of additional loss of space for artists and arts groups due to rising property costs and development pressures.
- Shortage of trained workforce across a number of sectors.

Priority Actions

- Continue to deliver the Toronto Main Street Recovery and Rebuild initiative and other programs (e.g. CaféTO, Digital Main Street, Enterprise Toronto services, etc.) to support small businesses.
- Modernize the City's International Alliance Program to strengthen market access and investment opportunities.
- Develop a Community Economic Development "playbook" that clarifies tools to advance inclusive economic opportunity and processes for place-based studies, strategies and initiatives, in collaboration with SDFA and City Planning.
- Develop a research program to include key Inclusive Economic Development indicators and support inclusive data-driven decision-making.
- Advance grant reform policy work to support equity goals including the introduction of a new competitive grant program to replace former Major Cultural Organizations and Specialized Museum Programs.
- Finalize and implement the Public Art Strategy.
- Create a festivals strategy to strengthen and make more equitable City supports to festivals organizers.
- Apply an inclusion lens to sector development and business support programs to facilitate broader access to economic and employment opportunities across neighbourhoods and populations.
- Provide support to other orders of government, colleges and universities, business associations and unions on workforce and skills development initiatives for select industries to develop practical programs to create a pipeline for employment.

TABLED BUDGET

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. The 2023 Operating Budget for Economic Development and Culture of \$102.167 million gross, \$21.413 million revenue and \$80.754 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Business Services	27,810.7	12,387.2	15,423.5
Entertainment Industries Services	6,459.2	2,040.2	4,419.0
Art Services	52,175.7	4,385.9	47,789.7
Museums and Heritage Services	15,721.4	2,600.1	13,121.4
Total Program Budget	102,167.0	21,413.5	80,753.6

- The above includes a 2023 budgeted staff complement for Economic Development and Culture of 323.6 positions comprised of 11.0 capital positions and 312.6 operating positions.
2. The 2023 Capital Budget for Economic Development and Culture with cash flows and future year commitments totaling \$47.220 million as detailed by project in [Appendix 6a](#).
 3. The 2024-2032 Capital Plan for Economic Development and Culture totalling \$141.521 million in project estimates as detailed by project in [Appendix 6b](#).
 4. That all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2023 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 New / Enhanced	2023 Budget	Change v. 2022 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Business Services	3,933.9	11,971.4	8,642.8	12,387.2		12,387.2	3,744.5	43.3%
Entertainment Industries Services	2,384.1	2,365.8	1,913.7	2,004.2	36.0	2,040.2	126.5	6.6%
Art Services	3,769.1	6,797.2	4,441.2	4,385.9		4,385.9	(55.2)	(1.2%)
Museums & Heritage Services	2,505.4	3,638.9	3,411.3	2,600.1		2,600.1	(811.3)	(23.8%)
Total Revenues	12,592.5	24,773.4	18,408.9	21,377.5	36.0	21,413.5	3,004.5	16.3%
Expenditures								
Business Services	15,029.4	27,696.4	22,764.7	27,810.7		27,810.7	5,046.0	22.2%
Entertainment Industries Services	6,996.3	6,996.3	7,177.5	6,459.2		6,459.2	(718.4)	(10.0%)
Art Services	52,969.5	55,533.7	55,929.4	52,175.7		52,175.7	(3,753.7)	(6.7%)
Museums & Heritage Services	12,984.7	16,786.7	15,155.3	15,721.4		15,721.4	566.1	3.7%
Total Gross Expenditures	87,980.0	107,013.0	101,027.0	102,167.0		102,167.0	1,140.0	1.1%
Net Expenditures (including COVID-19)	75,387.5	82,239.6	82,618.1	80,789.6	(36.0)	80,753.6	(1,864.5)	(2.3%)
Required COVID-19 Support	4,337.6	1,810.5	2,191.7	2,030.7		2,030.7	(160.9)	(7.3%)
Net Budget (excluding COVID-19 supports)	71,049.9	80,429.2	80,426.4	78,758.8	(36.0)	78,722.8	(1,703.6)	(2.1%)
Approved Positions**	318.9	325.9	N/A	323.6	0.0	323.6	N/A	N/A

* 2022 Projection based on 9 Month Variance

**YoY comparison based on approved positions

The 2023 Budget of \$80.754 million in net expenditures reflects a \$1.865 million or 2.3% decrease from the 2022 projections comprised of:

- \$0.161 million or 7.3% net decreases in COVID-19 impacts expected in 2023 compared to 2022 projections; and
- \$1.704 million or 2.1% net decrease in the 2023 Net Budget (excluding COVID-19) compared to 2022 projections.

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Budget expenditures of \$102.167 million gross reflecting an increase of \$1.140 million in spending above 2022 projected year-end actuals, predominantly arising from:

- Inflationary increases to salaries and benefits for existing positions and filled vacancies in 2023 partially offset by a delay in hiring
- Non-labour economic factors, inflationary increases on commitments and renewal of the Toronto Global Partnership
- Continued support for Toronto's economic and cultural recovery with the continuation of the Main Street Recovery and Rebuild Initiative (MRRI) programs
- Final year of phasing in tax base support for the Toronto Significant Events Investment Program (TSEIP) to reduce reliance on reserve
- The above pressures are partially offset by the increase in revenues from film permits, the conclusion of ArtworxTO in 2022 as well as one-time reductions to marketing and international funding, the cancellation of Info-to-Go for 2023 and small one-time reductions to funding envelope of TSEIP and Business Incubation and Commercialization programs.

EQUITY IMPACTS OF BUDGET CHANGES

The Economic Development and Culture Division (EDC) has made significant gains in recent years in terms of prioritizing equity, access and inclusion in the design and delivery of its programs. While most of the affordability measures will have neutral impacts, one of the proposed changes may lead to low-negative impacts. Reductions to toronto.ca/budget

the marketing budget for Museums and Heritage Services and Business Services may have a negative impact on the level of promotion to raise awareness of the Division's programs that have been developed to engage with traditionally underserved communities. Measures will be undertaken to mitigate these potential impacts, including greater collaboration with Strategic Public and Employee Communications, community partnerships and reliance on low cost methods, such as social media.

The Division is committed to advancing inclusive economic development and culture and will continue to develop activities that have high-positive impactful generational outcomes – such as the Indigenous Centre for Innovation and Entrepreneurship (ICIE). The Economic Development and Culture Division will continue to embed reconciliation and equity in its programs and services in order to serve all the communities across Toronto.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for Economic Development and Culture of \$102.167 million in gross expenditures is \$1.140 million or 1.1% higher than the 2022 Projected Actuals. Table 2 below summarizes the key cost drivers for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2020 Actual	2021 Actual	2022 Budget	2022 Projection*	2023 Budget	2023 Change from 2022 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies	1,794.1	2,872.5	2,973.0	2,502.9	2,333.7	(169.2)	(6.8%)
Federal Subsidies	1,730.0	706.3	11,080.8	8,347.1	9,830.5	1,483.3	17.8%
User Fees & Donations	1,455.6	2,951.5	3,010.0	3,081.4	3,212.9	131.5	4.3%
Transfers From Capital	848.7	968.6	1,322.3	1,010.4	1,390.6	380.2	37.6%
Contribution From Reserves/Reserve Funds	958.7	960.0	3,209.2	1,592.9	1,784.8	191.9	12.0%
Sundry and Other Revenues	1,864.0	3,636.1	3,178.1	1,874.1	2,861.1	986.9	52.7%
Inter-Divisional Recoveries		497.5					
Total Revenues	8,651.0	12,592.5	24,773.4	18,408.9	21,413.5	3,004.5	16.3%
Salaries and Benefits	29,242.1	27,239.1	32,875.8	30,780.5	33,169.6	2,389.1	7.8%
Materials & Supplies	642.3	876.3	1,693.0	1,404.4	1,626.3	222.0	15.8%
Equipment	334.5	435.7	655.5	537.9	443.7	(94.2)	(17.5%)
Service and Rent	5,765.8	11,901.6	13,925.2	14,347.6	10,923.7	(3,424.0)	(23.9%)
Grant and Transfers	45,206.3	46,216.4	57,634.8	53,515.6	55,866.9	2,351.2	4.4%
Contribution To Reserves/Reserve Funds	565.4	1,046.4	46.4	246.4	94.6	(151.8)	(61.6%)
Other Expenditures	82.1	123.9	182.2	194.5	42.2	(152.3)	(78.3%)
Inter-Divisional Charges	130.8	140.7					
Total Gross Expenditures	81,969.3	87,980.0	107,013.0	101,027.0	102,167.0	1,140.0	1.1%
Net Expenditures	73,318.3	75,387.5	82,239.6	82,618.1	80,753.6	(1,864.5)	(2.3%)

*Projection based on 9 Month Variance

Key Base Drivers:**Salaries & Benefits:**

Salary and benefits increases due to cost-of-living adjustments and filling of vacancies in 2023.

Services and Rents:

In 2022, EDC delivered the last year of ArtworxTO and expanded the scope, one-time, for Nuit Blanche in 2022 after being cancelled for the last two years. Additionally, one-time government funding was received to enhance Awakenings and produce COVID-19 Commemoration events. The conclusion of ArtworxTO, in addition to reductions to Marketing and International Funding has resulted in a significant decrease in budget.

Grants and Transfers:

Increase is primarily from spending on the Main Street Recovery and Rebuild Initiative (MRRI) as well as the Indigenous Centre for Innovation and Entrepreneurship (ICIE), both funded by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario). In 2022, grants were lower due to less uptake to the Toronto Significant Event Investment Program (TSEIP), construction delays affecting the ICIE original planned opening, and a delay in funding for the Blackhurst Cultural Centre. The increase in MRRI spending has fully offset the one-time grant reductions to TSEIP and Business Incubation and Entrepreneurship Grants (BIC).

Contribution to Reserves/Reserve Funds:

In 2022, EDC made a repayment to the principal for the Sustainable Energy Plan loan for power drops.

Federal Subsidies:

Increase in 2023 is due to higher spending for the Main Street Recovery and Rebuild Initiative (MRRI), which is fully funded by FedDev Ontario as well as offset by the completion of ArtworxTO and return of one-time funding for Awakenings.

Transfers from Capital:

Increase in Transfers from Capital are due to vacant capital positions that are expected to be filled in 2023.

Sundry and Other Revenues:

Funding in 2023 includes recoveries from Metrolinx for Transit Expansion Construction Mitigation as well as sponsorship targets.

Offsets and Efficiencies:

The 2023 Operating Budget includes \$1.471 million in gross and net expenditures reductions attributed to aligning the salary budget with projected actuals, cancellation of the Info-to-Go program for 2023, one-time reductions in funding for International Trade activities and marketing for Museums and Heritage Services and Business Services and one-time reductions in grant funding envelope for the Toronto Significant Events Investment Program (TSEIP) and the Business Incubation and Commercialization Program (BIC).

New and Enhanced Service Priorities:

The 2023 Operating Budget includes \$0.036 million net in new revenue arising from the introduction of a new user fee charge for the use of power drop kiosks for film productions.

Note:

1. For additional information on 2023 key cost drivers please refer to [Appendix 2](#) for a summary of Affordability Measures, [Appendix 3](#) for a more detailed listing and descriptions of the 2023 Service Changes and [Appendix 4](#) for the 2023 New and Enhanced Service Priorities, respectively.

2024 & 2025 OUTLOOKS**Table 3: 2024 and 2025 Outlooks**

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
Revenues			
Prior Year Approval Impacts		(8,990.9)	(3,962.6)
Adjustments to S&B recoveries through Capital/FedDev		(414.1)	(360.5)
COVID-19 Revenue Impacts		239.4	84.4
User & Non-User Fee Volume Changes		257.6	287.4
Reinstatement of One-time reductions		190.7	(70.0)
Total Revenues	21,413.5	(8,717.4)	(4,021.4)
Gross Expenditures			
Salaries and Benefits		1,708.5	(319.4)
Prior Year Approval Impacts		(8,835.8)	(3,917.6)
COVID-19 Expenditure Impacts		(253.6)	
Workforce Development		100.0	100.0
Reinstatement of One-time reductions		970.7	(70.0)
Total Gross Expenditures	102,167.0	(6,310.2)	(4,207.0)
Net Expenditures	80,753.6	2,407.1	(185.6)
Approved Positions	323.6	(7.0)	(1.0)

Key drivers

The 2024 Outlook with total gross expenditures of \$95.857 million reflects an anticipated \$6.310 million or 6.2% decrease in gross expenditures below the 2023 Operating Budget. The 2024 net budget will increase by \$2.407 million or 3.0%. The 2025 Outlooks expects a further decrease of \$4.207 million or 4.4% below 2024 gross expenditures and a net budget decrease of \$0.186 million or 0.2%.

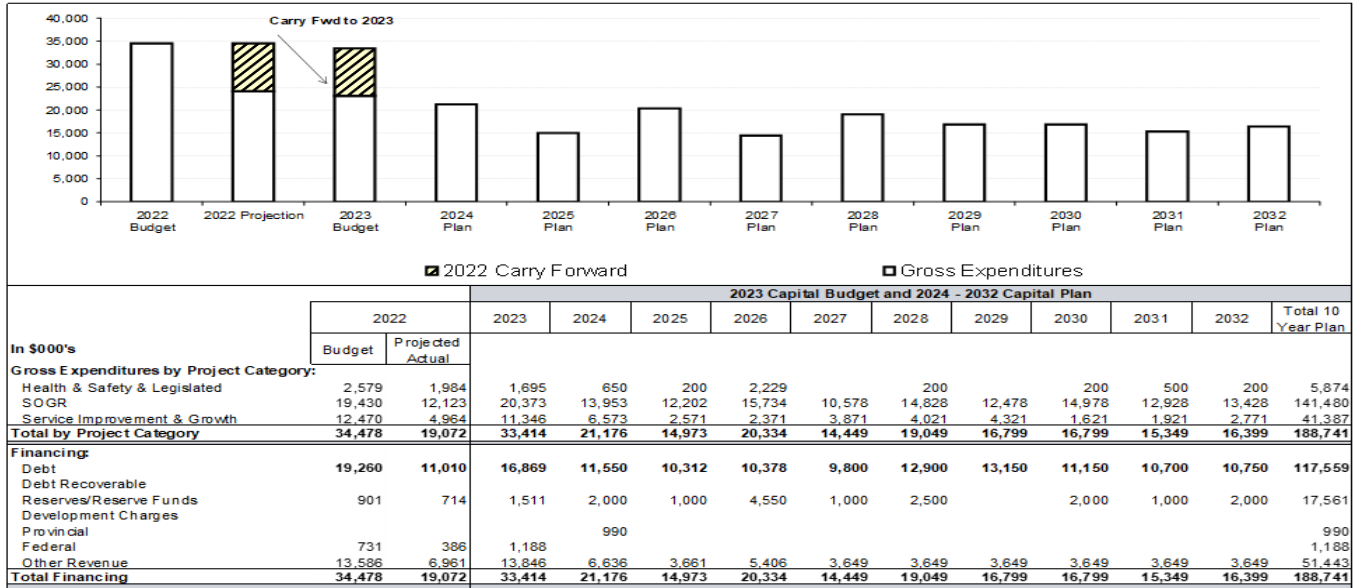
These changes arise from the following:

- **Salary and Benefits:** Full year impacts of filled vacancies and the cancellation of the Info-to-Go program as well as inflationary increases in 2024 are partially offset by the reduction of 5 temporary positions (March 2024) due to the conclusion of the fully FedDev Ontario funded Main Street Recovery and Rebuild Initiatives (MRRI) and the reduction of 2 temporary CaféTO positions (unless program continues into 2024). In 2025, 1 temporary capital-funded position is expected to end due to the completion of the project.
- **Impacts from 2023 decisions:** Reinstatement of 2023 affordability measures, including reductions to TSEIP and BIC grants, marketing, and international funding as well as discontinuation of one-time funding received in 2023 for various initiatives and known inflation on contracts.
- **Revenue Changes:** COVID-19 recovery impacts on user and non-user fees in 2024 and 2025, along with incremental volume increases. These are offset by the conclusion of multi-year funding from FedDev Ontario for the MRRI program and the Indigenous Centre for Innovation and Entrepreneurship (ICIE) in March 2024, as well the conclusion of provincial funding contracts for skills development and Enterprise Toronto.

2023 – 2032 CAPITAL BUDGET AND PLAN

2023 2032 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview






Changes to Existing Projects (-\$1.78 Million)	New Projects (\$2.52 Million)	Capital Needs Constraints (\$68.95 Million)
<p>The 2023-2032 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2023-2031):</p> <ul style="list-style-type: none"> \$2.18 million - Increase in <i>Spadina Garage Restoration & AODA</i> for the City's share as this project has been awarded an Investing in Canada Infrastructure Program (ICIP) grant (Federal & Provincial) \$0.40 million - Increase in <i>Culture Assets Storage Workshop</i> to improve efficiency of the building \$(1.38) million - Reallocation from the <i>BIA Equal Share Program</i> to fund the new <i>Eglinton Crosstown BIA Streetscape Improvements</i> project \$(2.35) million - Decrease in <i>BIA Financed Funded Project</i> due to lower uptake of this program from the BIAs 	<p>The 2023-2032 Capital Budget and Plan includes new projects. Key projects are as follows:</p> <ul style="list-style-type: none"> \$1.56 million - <i>Eglinton Crosstown BIA Streetscape Improvements</i> to support eleven BIAs impacted by Eglinton Crosstown construction. \$0.50 million - <i>Fort York Blockhouses Restoration</i> for replacing roof of Blockhouses No. 1 and 2 in the historic Fort York \$0.31 million - <i>Neilson Park Creative Centre Signs</i> for replacing the sign on the building 	<p>Economic Development and Culture has three unmet projects over the 10-year planning horizon:</p> <ul style="list-style-type: none"> \$67.00 million – Design and Construction of the <i>Museum of Toronto</i> as part of the restoration of Old City Hall \$1.25 million – Conservation of the <i>Guild Public Art and Monument</i> \$0.70 million – Complete <i>Building Condition Audits</i> for 42 heritage properties in the EDC portfolio

Note:

For additional information, please refer to [Appendix 6](#) for a more detailed listing of the 2023 and 2024-2032 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; [Appendix 8](#) for Capacity to Spend Review; and [Appendix 9](#) for Capital Needs Constraints, respectively.

2023 – 2032 CAPITAL BUDGET AND PLAN

\$188.74 Million 10-Year Gross Capital Program

		
Aging Infrastructure/SOGR	Health and Safety and Legislated	Service Improvement, Enhancement and Growth
\$141.48 M 75.0 %	\$5.87 M 3.1 %	\$41.39 M 21.9 %
<ul style="list-style-type: none"> • Assembly Hall Mechanical • Dempsey Bros Store • Cedar Ridge Roofing • Casa Loma – Garden Wall Restoration • Todmorden Mills Centre <input checked="" type="checkbox"/> • Various Heritage, Public Arts Buildings and Museums Maintenance • Various BIA Projects 	<ul style="list-style-type: none"> • Legislated Mechanical & Electrical • Theatre Passe Muraille AODA • Alumnae Theatre - AODA 	<ul style="list-style-type: none"> • Indigenous Centre for Innovation and Entrepreneurship • EDC Digital Service Delivery • Streetscape Master Plan Program • Commercial Façade Improvement Program • Various Projects at Fort York • Cedar Ridge Studio Improvement <input checked="" type="checkbox"/>

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

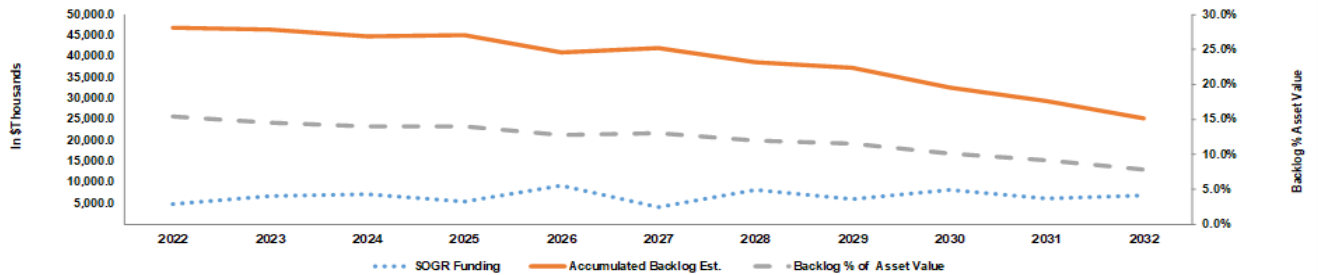
How the Capital Program is Funded

City of Toronto		Provincial Funding		Federal Funding	
\$186.56 M 98.85 %		\$0.99 M 0.52 %		\$1.19 M 0.63 %	
Debt	\$117.56 M	Investing in Canada Infrastructure Program (ICIP)	\$0.99 M	Investing in Canada Infrastructure Program (ICIP)	\$1.19 M
Reserve / Reserve Funds	\$17.56 M				
Other	\$51.44 M				

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for Economic Development and Culture:

Chart 2: Total SOGR Funding & Backlog



\$ Thousands	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
SOGR Funding	4,830.0	6,723.0	7,140.0	5,350.0	9,200.0	4,000.0	8,150.0	5,950.0	8,250.0	6,150.0	6,900.0
Accumulated Backlog Est.	46,802.5	46,397.8	44,844.9	45,071.6	41,034.3	41,956.3	38,648.1	37,274.0	32,545.1	29,400.5	25,279.2
Backlog % of Asset Value	15.4%	14.6%	14.0%	14.0%	12.7%	13.0%	12.0%	11.6%	10.1%	9.1%	7.8%
Total Asset Value	304,484.3	318,795.1	321,095.1	321,095.1	322,295.1	322,295.1	322,295.1	322,295.1	322,295.1	322,295.1	322,295.1

*Excludes projects to support capital improvements in the BIAs, IT infrastructures and outdoor public arts that are not part of EDC's asset portfolio.

- Economic Development and Culture is responsible for over 200 public art installations, 100 heritage buildings, including seven community museums, one art gallery, and two national historic sites (Fort York and Spadina Museum). Most of the heritage buildings are over 100 years old, making it difficult to estimate their replacement value. Maintenance of these assets requires a specialized understanding of the high conservation and restoration standards set out in nationally and internationally accepted charters such as the "Standards and Guidelines for the Conservation of Historic Places in Canada".
- The 2023-2032 Capital Budget and Plan will fund \$141.48 million of SOGR projects (\$67.81 million excluding BIAs, IT infrastructures, and outdoor public arts) for Economic Development and Culture. Based on this plan, the accumulated backlog for assets that are part of the Division's portfolio will decrease from \$46.80 million in 2022 to an anticipated \$25.28 million by 2032, while the backlog remains at approximately 7.8% of asset value.
- As the assets age, new state of good repair issues will continue to be identified. It is anticipated that Economic Development and Culture's SOGR backlog will continue to increase over the 10-year planning period as new capital needs will be identified as new Building Condition Audits are completed.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2023 Capital Budget will impact the 2024 Operating Budget by a total of \$0.091 million net arising from completing the *EDC Digital Service Delivery Phase 2* project, as shown in Table 4 below.

Table 4: Net Operating Impact Summary

Projects	2023 Budget		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2023-2027		2023-2032	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
Digital Service Delivery Phase 2			91.5	1.0	34.8	1.0					126.4	2.0		
Sub-Total: Previously Approved			91.5	1.0	34.8	1.0					126.4	2.0		
Total (Net)			91.5	1.0	34.8	1.0					126.4	2.0		

The *Economic Competitiveness Data Management System* project will result in net operating costs of \$0.091 million in 2024 and \$0.035 million in 2025 arising from completing the *Digital Service Delivery Phase 2* project. Additional staff is required to administer and conduct maintenance of the *Digital Service Delivery System*.

Any future operating impacts will be reviewed each year and be considered as part of future year budget processes.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

COVID-19 Impacts	In \$ Thousands				
	2022		2023		
	Budget	Projection*	Revenues	Gross	Net
Revenue Loss					
Reduction to Fees at Museums and Art Centres	830.1	916.5	(672.3)		672.3
Reduction to Retail Revenues at Toronto History Museums	47.4	47.3	(73.0)		73.0
Change to Sponsorship and Historical Revenues	714.3	914.3	(1,031.8)		1,031.8
Sub-Total	1,591.8	1,878.1	(1,777.1)		1,777.1
Expenditure Increase					
Continuing CaféTO into 2022 & Beyond	218.7	121.1		253.6	253.6
Additional Staffing Cost due to COVID-19		186.8			
Janitorial and Health & Safety Supplies		5.6			
Sub-Total	218.7	313.5		253.6	253.6
Support from Other Levels of Gov't**					
Main Street Recovery & Rebuild Initiative (MRRRI)	0.0	0.0	8,455.1	8,455.1	
Sub-Total	0.0	0.0	8,455.1	8,455.1	
Total COVID-19 Impact	1,810.5	2,191.7	6,678.0	8,708.7	2,030.7

* 2022 Projection based on 9 Month Variance

** Should only reflect COVID-19 program-specific funding that is budgeted or received. Please exclude COVID-19 budget and actuals that are within corporate accounts.

Appendix 2

2023 Affordability Measures

(\$000s)									
Recommendation	Savings Type	Equity Impact	2023				2024 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Additional Delay in Hiring and Assumed Turnover	Base Savings	No Impact		(600.0)	(600.0)		600.0	600.0	
One-Time Reduction to TSEIP	Service Level Change	No Impact		(200.0)	(200.0)		200.0	200.0	
One-Time Reduction to Marketing	Service Level Change	Low - Negative		(240.0)	(240.0)		240.0	240.0	
One-Time Reduction to International Funding	Service Level Change	No Impact		(140.0)	(140.0)		140.0	140.0	
One-Time Reduction to BIC Grant Program	Service Level Change	No Impact		(100.0)	(100.0)		100.0	100.0	
One-Time Cancellation of Info-To-Go	Service Level Change	No Impact		(190.5)	(190.5)		190.5	190.5	
Total Affordability Measures				(1,470.5)	(1,470.5)	-	1,470.5	1,470.5	-

Additional Delay in Hiring and Assumed Turnover

- A reduction in Salaries and Benefits aligning salary with expected actuals arising from a level of higher natural turnover.

One-Time Reduction to Toronto Significant Events Investment Program (TSEIP)

- Via a one-time reduction, the grant funding envelope available for the City to attract major special events in the future will be reduced in 2023. Impacts will be mitigated, in part, by the development of a festivals strategy to better support large event organizers in the city.

One-Time Reduction to Marketing

- A reduction to the marketing budgets for Museums and Heritage Services and Business Services programs will reduce public awareness and participation in various programs. Mitigation efforts will be undertaken with the Strategic Public and Employee Communications group at the City of Toronto.

One-Time Reduction to International Funding

- A reduction to the City's International Trade activities may limit the number of international missions the City is able to participate in and/or reduce the number of international business-focused conferences or events the City is able to bid for, host or extend. Efforts will be made to mitigate impacts through closer working ties to Toronto Global and Destination Toronto.

One-Time Reduction to Business Incubation and Commercialization Program (BIC)

- A reduction to the BIC funding envelope may result in the program being unable to accept new non-profit incubators or accelerators on multi-year operating grants in 2023. Efforts will be made to mitigate through coordination of activities with other orders of government and the promotion of collaboration across the local innovation ecosystem.

One-Time Cancellation of Info-to-Go

- Tourist information kiosks in key spots around the City will not be offered in 2023. Some of the kiosks are at permanent locations, while others were relocated based on events and attractions around the city. Efforts will be made to maximize the reach of the City's digital communications in support of local tourism assets.

Appendix 3

Summary of 2023 Service Changes

Form ID		Community and Social Services Program - Economic Development & Culture	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
27936		One-time Reduction to TSEIP						
59	No Impact	Description:						
		Funding for the Toronto Significant Events Investment Program (TSEIP) will be reduced by \$0.200 million in 2023. This will reduce the overall budget of \$0.750 million to \$0.550 million. The original funding envelope was based on pre-pandemic modelling assumptions which indicated that \$0.750 million would be sufficient in delivering the program's mandate in making Toronto competitive among major cities for major event hosting. Currently, significant event organizations apply for funding and successful applicants are subject to a signed agreement that includes performance expectations and reporting requirements that demonstrates support of City of Toronto strategic priorities. With the post-pandemic return of major events, Toronto will find itself in a very competitive market to attract key event properties and the TSEIP reduction may compromise the City's ability to compete successfully to attract and scale major event properties.						
		Service Level Impact:						
		The current TSEIP Program has \$0.750M available for grant applicants. With this reduction, there will only be \$0.550M available which means that less events may be supported depending on applicants and their size.						
		Equity Statement:						
		There is no equity impact associated with this initiative. It does not yield specific, particular, disproportionate impacts for Indigenous, Black and/or equity-deserving groups. The initiative is neutral in nature and impacts all residents and/or groups in the same way.						
		Service: Arts Services						
		Total Tabled Budget Changes:	(200.0)	0.0	(200.0)	0.00	200.0	0.0
		Tabled Service Changes:	(200.0)	0.0	(200.0)	0.00	200.0	0.0
27939		One-time Reduction to Marketing						
59	Negative	Description:						
		The marketing budgets for Museums and Business Services will be reduced one-time by \$0.120 million each (total \$0.240 million), which represents a 34% reduction in promotional supplies for these services. This will have a negative impact on the division's ability to build awareness for and participation in EDC programs and services. It will also reduce the amount of marketing benefits available as the return on the investment of partners and sponsors which could impact the Division's ability to secure sponsorship revenue.						
		Service Level Impact:						
		This reduction is a 34% cut to marketing support for Museums and Business Services. This will result in a proportional reduction in promotion of these programs and services and may result in reduced awareness and participation.						
		Equity Statement:						
		A proposed 34% reduction to the Marketing budget for Museums and Business services will have a proportional impact on the level of promotion to raise awareness of and participation in these programs, resulting in an equity impact of low negative. This impact includes a reduced ability to engage with traditionally underserved and equity-deserving communities. Both Museums and Business services have intentionally developed programs and services to engage Indigenous, Black and equity-deserving groups like Toronto History Museums' Awakenings program and Business Growth Services' support for the Indigenous Centre for Innovation and Entrepreneurship (ICIE). The proposed reduction in the Marketing budget will make it more difficult to build awareness about these and other initiatives among the Indigenous, Black and equity-deserving residents of Toronto. To offset the impact of this reduction, EDC will increase the proportion of the remaining budget dedicated to engaging equity-deserving communities.						
		Service: Business Services						
		Total Tabled Budget Changes:	(120.0)	0.0	(120.0)	0.00	120.0	0.0
		Service: Museums & Heritage Services						
		Total Tabled Budget Changes:	(120.0)	0.0	(120.0)	0.00	120.0	0.0
		Tabled Service Changes:	(240.0)	0.0	(240.0)	0.00	240.0	0.0

Appendix 3 (continued)

Summary of 2023 Service Changes

Form ID		Community and Social Services Program - Economic Development & Culture	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
27940		One-time Reduction to International Funding						
59	No Impact	Description:						
		Funding for International Trade activities will be reduced, one-time by \$0.140 million or 10%. The impact of this reduction will be mitigated in part because of continued forecast lower than normal (pre-pandemic) travel linked to international trade promotion (in-bound and out-bound) and by the ability for the City to leverage more of Toronto Global's market research, marketing and international business engagement activities under the terms of a new funding agreement. However, this reduction will constrain the City's ability to bid effectively for, extend existing, or host new major international business focused conferences and events as first priority will need to be given to cover expenditures associated with existing multi-year commitments. The reduction may also limit the number of international trade missions the City is able to participate in.						
		Service Level Impact:						
		The International Trade budget supports various programs, activities and investments which aim to strengthen Toronto's competitiveness and prosperity. This includes: outbound trade missions; hosting in-bound international missions and delegations; costs associated with bidding for and hosting major international business focused conferences and events (e.g. Collision Technology Conference, Toronto Global Forum, etc.); business development and trade-enhancement activities and projects undertaken with international cities; assistance to companies with export development and training; market intelligence and research to support international trade (and sector development) activities; and international trade enhancing marketing materials and activations. The impact of this reduction will be mitigated in part in 2023 because of continued forecast lower than normal (pre-pandemic) travel linked to international trade promotion (in-bound and out-bound) and by the ability for the City to leverage more support from Toronto Global under the terms of a new three-year funding agreement. However, the City's ability to bid effectively for, extend existing or host new major international business focused conferences and events will be constrained by this reduction as first priority will need to be given to cover expenditures associated with existing multi-year commitments (e.g. for the Collision Technology Conference).						
		Equity Statement:						
		There is no equity impact associated with this initiative. It does not yield specific, particular, disproportionate impacts for Indigenous, Black and/or equity-deserving groups. The initiative is neutral in nature and impacts all residents and/or groups in the same way.						
		Service: Business Services						
		Total Tabled Budget Changes:	(140.0)	0.0	(140.0)	0.00	140.0	0.0
		Tabled Service Changes:	(140.0)	0.0	(140.0)	0.00	140.0	0.0
28304		One-Time Reduction to BIC Grant Program						
59	No Impact	Description:						
		The Business Incubation and Commercialization (BIC) Grant program will be reduced one-time by \$0.100 million or 8%. This will mean that the BIC program may not be in a position to offer any new multi-year operating grants to non-profit incubators or accelerators in Toronto in 2023. Existing multi-year operating grants will continue to be honoured, and the BIC program can still offer a small number of one year grants through its program and events grant streams.						
		Service Level Impact:						
		The funding envelope for this grant program will go from \$1.246 million to \$1.146 million. With this reduction, it is anticipated that few, if any, additional incubators or accelerators will be in a position to receive a (new) multi-year operating grant through the BIC program in 2023. The proposed reduction can be mitigated in part by directing available funding to applicants / initiatives demonstrating the highest impact and need, and by providing information on potential alternative sources of funding to stakeholders and applicants.						
		Equity Statement:						
		There is no equity impact associated with this initiative. It does not yield specific, particular, disproportionate impacts for Indigenous, Black and/or equity-deserving groups. The initiative is neutral in nature and impacts all residents and/or groups in the same way.						
		Service: Business Services						
		Total Tabled Budget Changes:	(100.0)	0.0	(100.0)	0.00	100.0	0.0
		Tabled Service Changes:	(100.0)	0.0	(100.0)	0.00	100.0	0.0

Appendix 3 (continued)

Summary of 2023 Service Changes

Form ID		Community and Social Services Program - Economic Development & Culture	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
28305		One-time Cancellation of Info-to-Go						
59	No Impact	Description: The Info-to-Go Program will not run in 2023. The Info-to-Go program employs part-time staff who operate mobile kiosks and offer tourist information, promote local events and attractions, and improve visitor experience which helps to support and stimulate tourism. Eliminating this program for 2023 would offer staff savings of \$0.190 million in 2023 but will also reduce the available information for a tourist coming into the city.						
		Service Level Impact: The Info-to-Go program will not operate in 2023. This program supports festivals, events and attractions, and as it enables the City to provide tourism promotion across the city, including outside the core. Without this service, visitors will need to be more pro-active and independent in their research for activities and events happening in and around the city during their stay. Event organizers will also have to find other outlets to promote their festivals and events. This service will be restored in 2024, as tourism continues to rebound and proper staffing should be more accessible.						
		Equity Statement: There is no equity impact associated with this initiative. It does not yield specific, particular, disproportionate impacts for Indigenous, Black and/or equity-deserving groups. The initiative is neutral in nature and impacts all residents and/or groups in the same way.						
		Service: Entertainment Industries Services						
		Total Tabled Budget Changes:	(190.5)	0.0	(190.5)	0.00	190.5	0.0
		Tabled Service Changes:	(190.5)	0.0	(190.5)	0.00	190.5	0.0

Appendix 4

Summary of 2023 New / Enhanced Service Priorities Included in Budget

Form ID	Community and Social Services	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact	Program - Economic Development & Culture	Gross Expenditure	Revenue	Net	Approved Positions	
27649		New Power Drops User Fee Charge					
74	No Impact	Description:					
<p>To achieve a cost recovery operational model, EDC proposes a \$400/per day user fee to users of the power drop kiosk. This user fee is necessary to help pay off the loan that was granted by the Energy and Environment Office to install the power drops, as well cover their ongoing maintenance.</p> <p>Service Level Impact:</p> <p>The current service level does not provide any funding towards the greening project and does not offer a funding model to maintain the kiosks that will be installed. Without this user fee, EDC will not have the financial resources to support additional power drop installations. The power drop user fees will enable Economic Development and Culture to subsidize additional environmentally friendly power options, not only for film productions, but for all city initiatives in the area that could utilize the emission reducing kiosk, such as street festivals and sporting events. Through this initiative, EDC will be able to meet their objectives and create more greening options for the industry and for the City of Toronto.</p> <p>Equity Statement:</p> <p>There is no equity impact associated with this initiative. It does not yield specific, particular, disproportionate impacts for Indigenous, Black and/or equity-deserving groups. The initiative is neutral in nature and impacts all residents and/or groups in the same way.</p> <p>Service: Entertainment Industries Services</p>							
Total Tabled Budget Changes:			0.0	36.0	(36.0)	0.00	0.0
Tabled New/Enhanced Service Priorities:			0.0	36.0	(36.0)	0.00	0.0
Summary:							
Tabled New/Enhanced Service Priorities:			0.0	36.0	(36.0)	0.00	0.0

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2023 Capital Budget; 2024 - 2032 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
ED001	BIA	11,551	7,636	7,573	7,805	7,549	7,549	7,549	7,549	7,549	7,549	79,659		65,838	13,821
ED002	Collections Care	375	750	250	400	350	350	400	200	500	250	3,825		2,775	1,050
ED003	Cultural Infrastructure Development	651			2,029	600	300	900			400	4,880	1,729	178	2,973
ED004	Economic Competitiveness Data Mgmt System	460	250									710			710
ED005	Indigenous Ctr for Innovation & Entrepreneurship	6,833	2,900									9,733			9,733
ED006	Major Maintenance <input checked="" type="checkbox"/>	3,894	1,500	1,600	1,500	500	1,800	2,150	1,750	900	1,100	16,694	3,345	13,299	50
ED007	Refurbishment and Rehabilitation		200	700	500	300	600	200	700	400		3,600		2,600	1,000
ED008	Restoration/Preservation of Heritage Elements <input checked="" type="checkbox"/>	8,475	6,240	3,600	7,850	3,750	6,450	3,500	6,300	5,700	6,050	57,915	800	56,790	325
ED009	Service Enhancement <input checked="" type="checkbox"/>	1,175	1,700	1,250	450	1,400	2,000	2,100	300	300	1,050	11,725			11,725
Total Expenditures (including carry forward from 2022)		33,414	21,176	14,973	20,334	14,449	19,049	16,799	16,799	15,349	16,399	188,741	5,874	141,480	41,387

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
ED001	BIA	11,551	2,927	520	340							15,338	8,247		7,091
ED002	Collections Care	375	400									775		775	
ED003	Cultural Infrastructure Development	651			1,729							2,380	2,230	150	
ED004	Economic Competitiveness Data Mgmt System	460	250									710	210	500	
ED005	Indigenous Ctr for Innovation & Entrepreneurship	6,833	2,900									9,733	9,733		
ED006	Major Maintenance	3,894	150									4,044	2,984	750	310
ED008	Restoration/Preservation of Heritage Elements	8,475	4,040	250								12,765	4,712	3,603	4,450
ED009	Service Enhancement	1,175	300									1,475	855	(30)	650
Total Expenditure (including carry forward from 2022)		33,414	10,967	770	2,069							47,220	28,971	5,748	12,501

Appendix 6b

2024 - 2032 Capital Plan

Project Code	(In \$000s)	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2024 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
ED001	BIA	4,709	7,053	7,285	7,549	7,549	7,549	7,549	7,549	7,549	64,321		52,732	11,589
ED002	Collections Care	350	250	400	350	350	400	200	500	250	3,050		2,500	550
ED003	Cultural Infrastructure Development			300	600	300	900			400	2,500			2,500
ED006	Major Maintenance	1,350	1,600	1,500	500	1,800	2,150	1,750	900	1,100	12,650	1,650	11,000	
ED007	Refurbishment and Rehabilitation	200	700	500	300	600	200	700	400		3,600		2,600	1,000
ED008	Restoration/Preservation of Heritage Elements	2,200	3,350	7,850	3,750	6,450	3,500	6,300	5,700	6,050	45,150	800	44,350	
ED009	Service Enhancement	1,400	1,250	450	1,400	2,000	2,100	300	300	1,050	10,250			10,250
Total Expenditures		10,209	14,203	18,265	14,449	19,049	16,799	16,799	15,349	16,399	141,521	2,450	113,182	25,889

Appendix 7

Reporting on Major Capital Projects: Status Update

Division/Project name	2022 Cash Flow			Total Project		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
Economic Development and Culture											
Project Name : Casa Loma Phase 10	647	380	647	3,980	3,712	On Track	Jan-19	Jul-22	Dec-22	Ⓢ	Ⓜ
Comments:	Capital Assets closed the tender for Phase10, West Castle Perimeter Wall in June 2020. The recommendation went to Bid Award Panel in August, and construction start had been delayed from October to November 2020, at the tenant's request. On-site construction started in Q4 2020. The construction continued in Q3 2021 and the contractor made good progress. The perimeter wall and front courtyard were fully completed at the end of November 2021. Due operational requirements and material temperature constraints, the asphalt replacement in the west parking lot was deferred to 2022. As of September 30, 2022 the project is complete and release of holdback will be issued soon.										
Explanation for Delay:											

- Ⓢ >70% of Approved Project Cost
- Ⓜ Between 50% and 70%
- Ⓡ < 50% or > 100% of Approved

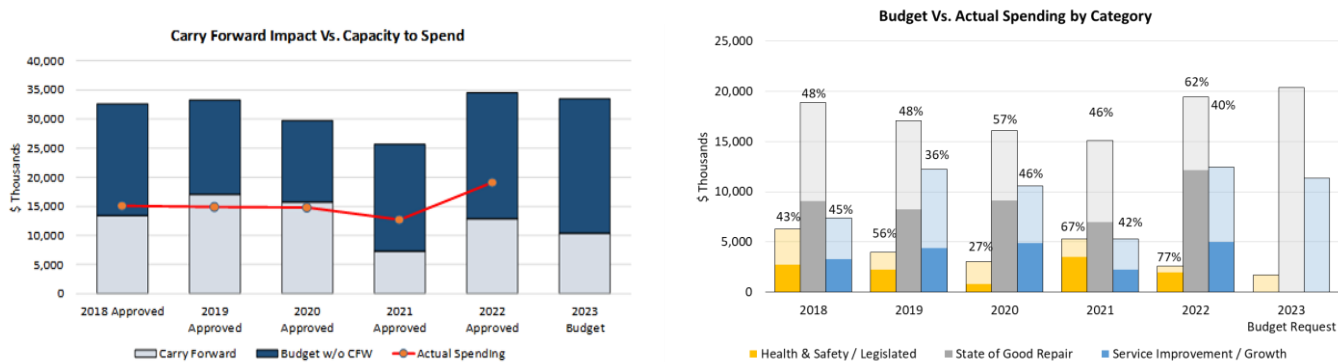
Appendix 8

Capacity to Spend Review

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten-year capital plan. A review was undertaken to ensure budgets align with Economic Development and Culture ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2022 underspending that will be carried forward into 2023 to complete capital work.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

The 2023 Capital Budget of \$33.41 million (including carry forward funding of \$10.36 million) is higher than the historic 5-year average budget of \$30.37 million. The primary reason for the increase is due to the following:

- Grant funding from the Investing in Canada Infrastructure Program (ICIP) for the *Spadina Garage Restoration & AODA project* in the amount of \$1.18 million; and,
- Funding provided for the 2022 COVID Backstop in the amount of \$1.16 million has been re-requested to complete the remaining works for several projects.

EDC reviewed its historical capital spending trends and capacity to deliver projects. Approximately \$3.25 million in capital spending originally cash flowed in 2023 has been deferred to future years compared to last year’s 10-Year Plan. The key adjustment was to the Indigenous Centre for Innovation and Entrepreneurship, as \$2.90 million of the project’s 2023 cash flow has been deferred to future years.

Despite the key adjustment noted above, EDC still requires cash flow funding of \$33.41 million in 2023 to continue the capital work. Economic Development and Culture's actual spending over the previous five years, from 2017 to 2021, has averaged \$14.20 million per year. In 2022, EDC is forecasting to spend \$19.07 million or 55.3% of the 2022 Council Approved Capital Budget.

In addition to the major increases as noted above, the 2023 cash flow is higher than the historic 5-year average spending and is attributed to the requirements below:

- To complete capital improvements in heritage and cultural properties (including Theatre Passe Muraille AODA, Alumnae Theatre AODA, Spadina Museum) to meet health and safety standards as well as the Federal and Provincial grant obligations.
- To invest in major maintenance in properties and public arts that are needing capital improvements to address SOGR backlog which includes Casa Loma, Dempsey Bros Store, and various Heritage and Cultural Buildings.
- Construction of the Indigenous Centre for Innovation and Entrepreneurship to provide space and support for Indigenous entrepreneurs looking to build businesses, social enterprises, not-for-profits, collectives, or cooperatives.

Appendix 9

Summary of Capital Needs Constraints

Project Description	Total Project Cost	Non-Debt	Debt Required	Cash Flow (In \$ Millions)										
				2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
NOT INCLUDED														
<i>Guild Public Art & Monument Conservation</i>	1.25			0.30	0.25	0.20	0.20	0.10						0.20
<i>Building Condition Audits</i>	0.70			0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Total Needs Constraints (Not Included)	1.95			0.37	0.32	0.27	0.27	0.17	0.07	0.07	0.07	0.07	0.07	0.27

In addition to the 10-Year Capital Plan, EDC staff have also identified \$1.95 million in capital needs constraints for Economic Development and Culture as reflected in the table above. The capital needs constraints are substantial in scope and require significant funding. These projects will be considered for funding in the budget process of future years.

- ***Guild Public Art and Monument Conservation*** project at the Guild requires \$1.25 million to support conservation repairs including the Greek Amphitheatre, sculptures, architectural elements, and assemblies that have fallen into an unsatisfactory state of repair, some of which are attributable to historic vandalism.
- ***Building Condition Audits*** project requires \$0.70 million to complete building condition audits (BCA) for Heritage Properties in the Economic Development and Culture portfolio. Several properties do not have audit reports completed, and many existing BCAs are out of date. The industry standard is to update BCAs every five years. At \$0.07 million per year, Economic Development and Culture would not achieve that standard.

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2023 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		234.0	242.6	119.2
Vehicle Reserve - Economic Dev. & Culture	XQ1200			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>		49.6	49.6	49.6
Total Reserve / Reserve Fund Draws / Contributions		283.6	292.2	168.8
Other Program / Agency Net Withdrawals & Contributions		(41.0)	(173.0)	(62.0)
Balance at Year-End		242.6	119.2	106.8

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		377,606.0	321,882.0	315,280.0
Land Acquisition	XR1012			
<i>Withdrawals (-)</i>		(1,780.0)		
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		375,826.0	321,882.0	315,280.0
Other Program / Agency Net Withdrawals & Contributions		(53,944.0)	(6,602.0)	(71,065.0)
Balance at Year-End		321,882.0	315,280.0	244,215.0

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		19,403.0	18,274.2	16,342.0
Section 45	XR3028			
<i>Withdrawals (-)</i>		(4.8)		
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		19,398.2	18,274.2	16,342.0
Other Program / Agency Net Withdrawals & Contributions		(1,124.0)	(1,932.2)	(71.0)
Balance at Year-End		18,274.2	16,342.0	16,271.0

Appendix 10 (continued)**2023 Operating Budget****Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		232,028.0	178,617.0	148,394.0
Debt Servicing Stabilization ¹	XQ0709			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>		45.0	90.0	135.0
Total Reserve / Reserve Fund Draws / Contributions		232,073.0	178,707.0	148,529.0
Other Program / Agency Net Withdrawals & Contributions		(53,456.0)	(30,313.0)	(36,201.0)
Balance at Year-End		178,617.0	148,394.0	112,328.0

Appendix 10 (continued)

Inflows and Outflows to/from Reserves and Reserve Funds 2023 – 2032 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Public Arts (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	
XQ4002 Public Arts Reserve Fund	Beginning Balance	802	641	641	641	641	641	641	641	641	641	
	Withdrawals (-)											
	Public Art - Pam McConnell Memorial	(30)										
	Public Art Development Dundas - Islington	(131)										
	Total Withdrawals	(161)	-	-	-	-	-	-	-	-	-	-
	Contributions (+)											
	Total Contributions											
Balance at Year-End		641	641	641	641	641	641	641	641	641	641	(161)

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	
XQ4209 Museum Donation - Spadina	Beginning Balance	320	20	20	20	20	20	20	20	20	20	
	Withdrawals (-)											
	Spadina Garage Restoration & AODA	(300)										
	Total Withdrawals	(300)	-	-	-	-	-	-	-	-	-	-
	Contributions (+)											
	Total Contributions											
Balance at Year-End		20	20	20	20	20	20	20	20	20	20	(300)

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	
XR3213 16 Ryerson Capital Maintenance	Beginning Balance	203	153	153	153	103	103	103	103	103	103	
	Withdrawals (-)											
	Theatre Passe Muraille	(50)			(50)							
	Total Withdrawals	(50)	-	-	(50)	-	-	-	-	-	-	-
	Contributions (+)											
	Total Contributions											
Balance at Year-End		153	153	153	103	103	103	103	103	103	103	(100)

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										Total
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	
XR1501 Casa Loma Capital Maintenance	Beginning Balance	-	2,000	1,000	4,500	1,000	2,500	-	2,000	1,000	2,000	
	Withdrawals (-)											
	Casa Loma Exterior Restoration	(1,000)	(2,000)	(1,000)	(4,500)	(1,000)	(2,500)	-	(2,000)	(1,000)	(2,000)	(17,000)
	Total Withdrawals	(1,000)	(2,000)	(1,000)	(4,500)	(1,000)	(2,500)	-	(2,000)	(1,000)	(2,000)	(17,000)
	Contributions (+)											
	Total Contributions											
Other Program/Agency Net Withdrawals and Contributions		3,000	1,000	4,500	1,000	2,500	-	2,000	1,000	2,000	-	17,000
Balance at Year-End		2,000	1,000	4,500	1,000	2,500	-	2,000	1,000	2,000	-	-

Appendix 10 (continued)

2023 – 2032 Capital Budget and Plan

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	Total
XR3026 Section 37	Beginning Balance	346,748	314,596	252,140	226,278	210,331	178,548	158,190	161,094	164,053	167,071	
	<i>Withdrawals (-)</i>											
	<i>Economic Development and Culture Withdrawals - Capital</i>	(7,725)	(2,958)		(1,652)							(12,335)
	Total Withdrawals	(7,725)	(2,958)		(1,652)							(12,335)
	<i>Contributions (+)</i>											
	Total Contributions											
Other Program/Agency Net Withdrawals and Contributions		(24,427)	(59,498)	(25,862)	(14,295)	(31,783)	(20,358)	2,904	2,959	3,018	3,077	(164,265)
Balance at Year-End		314,596	252,140	226,278	210,331	178,548	158,190	161,094	164,053	167,071	170,148	(176,600)

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)										
		2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	Total
XR3028 Section 45	Beginning Balance	19,403	18,274	16,342	16,271	16,500	16,812	17,129	17,453	17,784	18,120	
	<i>Withdrawals (-)</i>											
	<i>Economic Development and Culture Withdrawals - Capital</i>	(116)			(77)							(193)
	Total Withdrawals	(116)			(77)							(193)
	<i>Contributions (+)</i>											
	Total Contributions											
Other Program/Agency Net Withdrawals and Contributions		(1,013)	(1,932)	(71)	306	312	317	324	331	336	344	(746)
Balance at Year-End		18,274	16,342	16,271	16,500	16,812	17,129	17,453	17,784	18,120	18,464	(939)

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).