REPORT FOR ACTION

2024-2033 Capital Budget

Date: October 6, 2023
To: Board of Management of the Toronto Zoo
From: Director, Finance, Technology, and Innovation
Wards: All

SUMMARY

This report submits the 2024-2033 Capital Budget of the Toronto Zoo. The Policy & Finance Committee reviewed the 2024-2033 Capital Budget on 2023-10-05 and recommended it for approval by the Board.

RECOMMENDATIONS

The Director, Finance, Technology, and Innovation recommends that:

1. The Board of Management of the Toronto Zoo approves the 2024-2033 Capital Budget as shown in Attachment #1.

FINANCIAL IMPACT

The 2024-2033 Capital Budget is comprised of six (6) projects and related sub-projects. The Capital Budget will require a total gross cash flow of $211.6 million prior to consideration of outside funding sources and prior year carry forward balances. The total gross cash flow required in 2024 is $45.3 million prior to consideration of outside funding sources and prior year carry forward balances.

The Capacity to Spend model, based on historical actual spend, is utilized by the City in determining total debt levels. As such, the 2024-2034 Capital Budget for the Zoo reflects the level of spending necessary to support the development of projects in the 2022 Master Plan approved by the Board of Management.

DECISION HISTORY

The foundation of the 2024-2033 Capital Budget is the Toronto Zoo's 2022 Master Plan. It reflects a balance of modernization, transformational, and innovative initiatives as desired by the Board, Senior Management and our communities. All projects will be designed to consider the actions required to meet the City's compliance with AODA legislation and be consistent with the direction provided in the Strategic Plan previously adopted by the Board of Management.

The Master Plan and proposed project sequencing addresses the challenge faced by the Toronto Zoo in maintaining an adequate state of good repair and developing new, dynamic habitats and guest experiences within the previous debt target model used by the City of Toronto. Our deferred capital debt is estimated to be over $80 million.

Implementation of the Master Plan is essential to the Toronto Zoo's future in order to achieve our vision while meeting evolving guest expectations. The COVID-19 pandemic, changes in the labour market and supply chain issues delayed progress on many initiatives over the past three years. This budget will position us well to address the challenges and ensure we are meeting the standards expected by our community.

COMMENTS

The opening of the Toronto Zoo's new outdoor orangutan habitat in 2023 demonstrates the impact that investment in modern, leading-edge infrastructure and facilities can have for our animals, guests and team members. Your Toronto Zoo continues to make strategic investments that advance the vision for a modern, sustainable and year-round conservation science and tourism destination set out in the 2022 Master Plan.

Overall, the 2024-2033 Capital Budget has increased $54 million gross (34%) to $211.6 million over the ten-year forecast period. As a result of leveraging funding from the Toronto Zoo Wildlife Conservancy and other external sources, the net debt funding impact of the capital budget increase to the City over the forecast period has been mitigated. As part of the capital program, the Toronto Zoo Wildlife Conservancy will contribute $62 million through 2033 to help minimize City funding requirements.

The following discussion provides further information on the projects included in the 2024-2033 Capital Budget.

Toronto Zoo Community Conservation Centre

The Toronto Zoo Community Conservation Centre is viewed as a critical element for Zoo revitalization and community engagement. The front entrance has not been significantly updated since 1974, is the first and last destination for guests, and has been prioritized in the current Master Plan. Overall, this area will be a community hub with modernized Zoo front entrance elements such as entrance wickets and retail facilities. In addition, the concept includes program elements such as conservation displays, classrooms and wet laboratories which will be shared with the University of Toronto Scarborough. The project also includes exterior improvements to landscaping and courtyard design and a new outdoor habitat. A talking circle with Indigenous leaders was held in July 2023 to gather their considerations for the new building in order to inspire and strengthen the design process and final product.

Design is currently underway, and construction will commence in late 2023 through 2026. The 2024-2033 capital plan includes an increase in funding for the Community Conservation Centre project to reflect cost escalations based on more detailed construction estimates and inflationary impacts. The total cost for this project is now estimated at $64.0 million. The net debt impact has been kept to $6.4 million with $16.0 million in additional external funding to address the price increase.

Savanna Indoor Winter Holding & Viewing

The new Savanna Indoor pavilion will be located in the middle of the Zoo and create a large indoor habitat for Africa species, while also creating new vantage points onto the expansive Savanna landscape. It will improve our ability to serve animals in our care and significantly improve the winter Zoo experience for animals and guests.

Design is set to commence in late 2023 with construction commencing in 2025 and completion in 2027. The project has increased in cost by $9.7 million from the 2023-2032 capital plan to reflect updated design and construction estimates and inflation.

Building & Services Refurbishment

The Building & Services Refurbishment projects will comprise several smaller projects in 2024 and beyond. The objective is to implement the repair or replacement of building components requiring attention over the next 10+ years. A high priority will be placed on those repairs that are required to meet AZA Accreditation standards including SOGR projects and roof replacements. This will also include sustainability efforts to reduce our carbon footprint and environmental impact as described in out TZNet0 Plan.

Exhibit Refurbishment Exhibit & Holding

Refurbishment projects are part of a multi-year plan involving various initiatives to renovate smaller exhibits throughout the Zoo site that are not part of a major redevelopment project.

Information Systems

In 2024, the Zoo will focus on updating software and hardware, cybersecurity enhancements, new tools to improve operational efficiency, and other projects identified in the 2022 Technology Master Plan.

Grounds and Visitor Improvements

The Grounds and Visitor Improvements Projects address the needs of the public pertaining to visitor amenities, the appearance of indoor and outdoor areas, improvements to site circulation and visitor orientation.

In 2024, expenditures in this category will focus on addressing issues in relation to accessibility and pathway improvements. Some of the projects identified in this category include a new corporate picnic area, winter accessibility, perimeter fence upgrades and pathways, wildlife program improvements and the redevelopment of the nutrition centre.

Sustainability

All new facilities developed at your Toronto Zoo will be net zero in accordance with the Toronto Green Standard. Your Toronto Zoo is also currently completing a feasibility study with a target of achieving net zero GHG emissions by 2030 through infrastructure upgrades and replacements, retro-commission projects, deep carbon energy audits and solar farms. The final strategy is expected to realize total annual GHG reductions of 3,326 tonnes per year while supporting climate resiliency across the Zoo.

CONCLUSION:

The mission of your Toronto Zoo is connecting people, animals, and conservation science to fight extinction. The Toronto Zoo Master Plan has been updated with this mission in mind and will result in dynamic and exciting improvements for the future sustainability of the Toronto Zoo, celebrating guests and showcasing conservation science in our community.

Since inception in 1974, over $250.0 million has been invested in the City's assets through the Capital Works Plan (CWP). The 2024-2033 Capital Budget represents a balanced approach to maintaining the existing facilities and approval of the plan will enable the Zoo to complete various key State of Good Repair projects and ensure we continue to operate at and above the AZA Standard.

Your Toronto Zoo team will continue to plan for the long term and ensure our financial sustainability through continued collaboration and strengthening of our external fundraising relationships, particularly with the Toronto Zoo Wildlife Conservancy. The continued support of the City through the Capital Program, in combination with continued fundraising progress in our highly competitive marketplace, will facilitate the continuous improvement of the Zoo for both animals and guests.

CONTACT

Jamie Austin
Director, Finance, Technology and Innovation
jaustin@torontozoo.ca
416-392-5914

SIGNATURE

Dolf DeJong
Chief Executive Officer

ATTACHMENTS

Attachment 1 - Toronto Zoo Capital Budget 2024-2033