

## 2026 Budget Notes

### Corporate Real Estate Management

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#### Description

Corporate Real Estate Management (CREM) are stewards of the City's real estate assets. As a service delivery-focused City division, CREM works in partnership with CreateTO to execute a City-wide real estate model that delivers excellence and value in real estate solutions by creating accessible, welcoming, and safe environments for all City employees, residents, and communities. CREM enables City divisions, agencies and corporations the ability to provide services and programs to the public through the City's real estate assets.

Corporate Real Estate Management has lead responsibility for life cycle asset management and improvements at over 450 City-owned facilities with an approximate replacement value of \$7.1 billion, covering more than 13 million square feet. Approximately 20% of the City-wide portfolio of facilities are under direct capital management of CREM with functions such as real estate transactions and property management, security, capital project delivery and facilities maintenance services being provided across the City portfolio. In addition, CREM provides facilities management and lifecycle asset management services to a broad range of City divisions and agencies covering an additional 1,000+ buildings via an integrated service delivery model and a centre-led approach.

#### Why We Do It

Corporate Real Estate Management works collaboratively and responsibly with our clients and partners to advance City-wide priorities to ensure:

- City staff and the public have access to safe, clean and operational City facilities.
- City facilities are economically and environmentally sustainable, both maximizing value and public benefit from City properties while minimizing greenhouse gas (GHG) emissions from City facilities in support of meeting the City's GHG emission targets.

*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.*

For further information about Corporate Real Estate Management, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/corporate-real-estate-management/>

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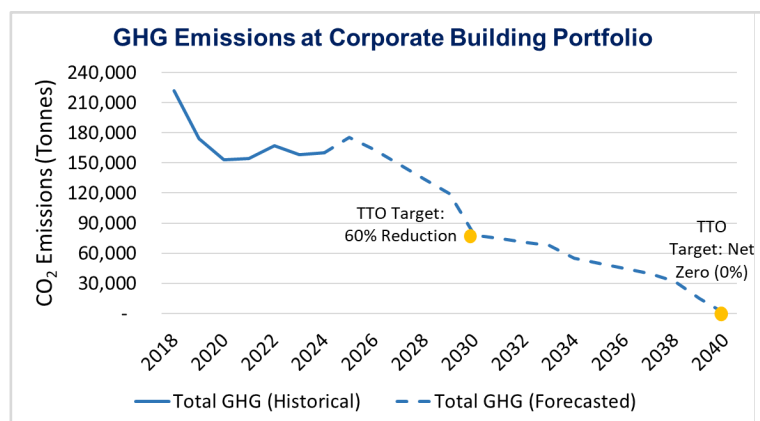
## What Service We Provide

|   |
|---|
| <b>Facilities Management</b><br><b>Who We Serve:</b> Staff in City Divisions, Agencies, Boards and Commissions, residential and commercial tenants, and community groups.<br><br><b>What We Deliver:</b> Life cycle asset management, custodial, operational maintenance, energy management, project management and security services.<br><br><b>Resources (gross 2026 operating budget):</b> \$190.9 million gross |
| <b>Real Estate</b><br><b>Who We Serve:</b> Staff in City Divisions, Agencies, Boards and Commissions, residential and commercial tenants, and community groups.<br><br><b>What We Deliver:</b> Portfolio and property management, leasing administration, acquisitions and disposals, and appraisal services.<br><br><b>Resources (gross 2026 operating budget):</b> \$34.4 million gross                           |

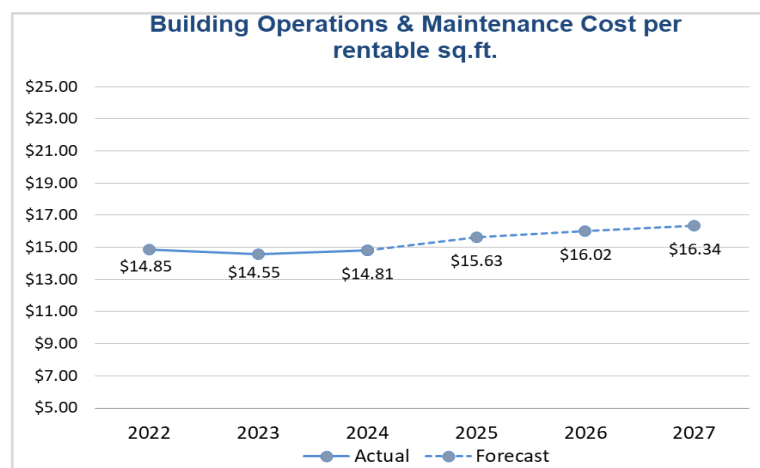
## Budget at a Glance

| 2026 OPERATING BUDGET |         |         |         | 2026-2035 10-YEAR CAPITAL PLAN            |         |           |           |
|-----------------------|---------|---------|---------|---|---------|-----------|-----------|
| In \$ Millions        | 2026    | 2027    | 2028    | In \$ Millions                            | 2026    | 2027-2035 | Total     |
| Revenues              | \$95.3  | \$94.2  | \$96.8  | Gross Expenditures                        | \$257.9 | \$1,722.8 | \$1,980.7 |
| Gross Expenditures    | \$225.3 | \$236.2 | \$246.7 | Debt                                      | \$125.4 | \$1,509.7 | \$1,635.1 |
| Net Expenditures      | \$130.0 | \$142.0 | \$149.9 | Recoverable Debt                          | \$4.0   | \$11.3    | \$15.3    |
| Approved Positions    | 1,064.4 | 1,064.4 | 1,064.4 | Note: Includes 2025 carry forward funding |         |           |           |

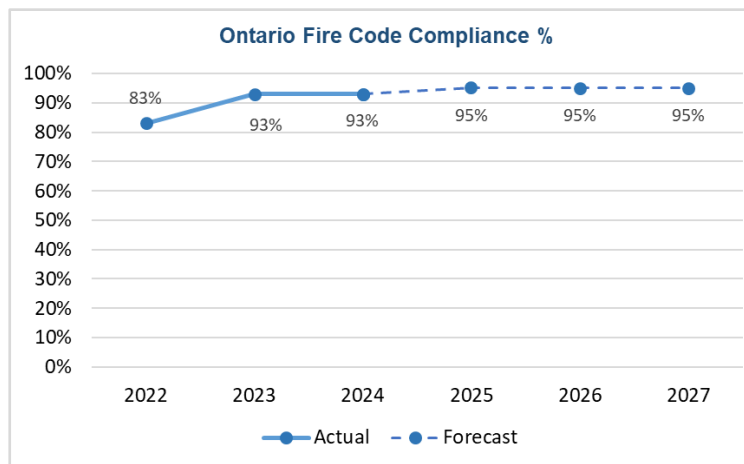
## How Well We Are Doing – Behind the Numbers



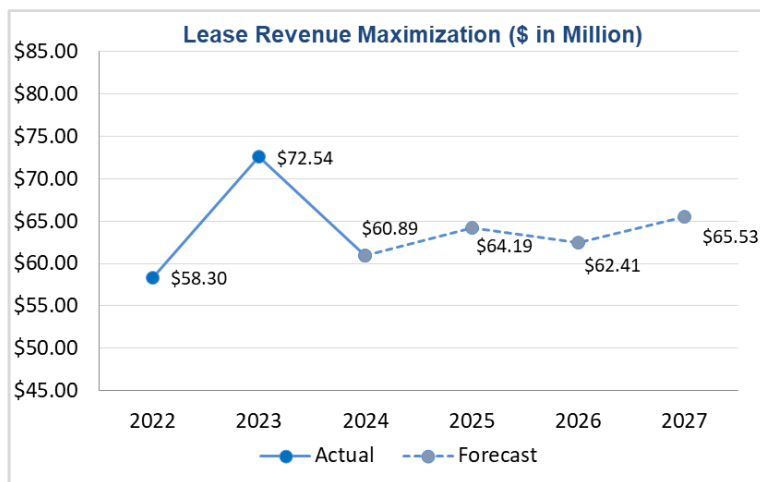
- This chart shows the actual and forecasted Greenhouse Gas (GHG) emissions at the City's corporate buildings in support of TransformTO targets of a 60% reduction by 2030 and net zero by 2040.
- The 2026 target is informed by the City's Carbon Budget Prioritization process which is expected to drive GHG reductions across the City's portfolio of Corporate Buildings, including three CREM projects commencing construction in 2026 contributing 402 tonnes of CO2 reductions. By 2030, most major retrofit initiatives will be underway, guided by detailed building transition plans, to cut emissions at the largest-emitting sites.
- City Council adopted CREM's Net Zero Carbon Plan which includes objectives to reduce GHG emissions, drive efficient energy usage, and improve administration of the City's utilities portfolio.
- By 2040, net-zero emissions will be achieved by offsetting any remaining building emissions through the purchase of carbon offsets or by working with regulators to allow long-term Power Purchase Agreements (PPAs) for off-set zero carbon energy.



- This chart illustrates the cost per rentable sq. ft. inclusive of custodial, building maintenance and repairs, security, and utility cost.
- Average cost per square foot across Canadian municipalities is between \$15-\$17/sq. ft.
- Building operations and maintenance costs continue an upward trend due to inflationary pressures and unplanned service needs across an aging asset portfolio. Health and Safety and legislative work continues to be prioritized.
- The Division will continue to drive improvements and modernization efforts in the areas of contracted service delivery and internal maintenance. This includes the ongoing dispatch / service desk implementation with the use of technology to drive more efficient and effective maintenance from existing resources.



- This chart illustrates the City of Toronto's current and forecasted compliance with the *Ontario Fire Code* across all City facilities.
- To ensure the improved compliance rates are sustained, updated service contracts were signed in 2025 to continue to standardize services city-wide along with city-wide training programs and a standardized approach to inspections.



- This chart illustrates leasing revenue generated from the CREM lease portfolio. The increase in 2023 is driven from temporary Metrolinx License fees and one-time lease settlements and reconciliations recognized. In 2024, CREM realized the full loss of leasing revenues from Old City Hall as the Provincial Courts exited the facility.
- The increase between 2024 and 2025 is driven from temporary Metrolinx License fees, and one-time lease settlement and reconciliations at Union Station. The decline between 2025 and 2026 is driven from one-time items recognized in 2025.
- CREM continues to establish and build out its property management functions and will focus on keeping leases up-to-date and at market rates, while attempting to maximize revenues from commercial properties.

## How Well We Are Doing

| Service                    | Measure   | 2024 Actual | 2025 Target | 2025 Projection | 2026 Target | 2027 Target |
|----------------------------|---|-------------|-------------|-----------------|-------------|-------------|
| Outcome Measures           |   |             |             |                 |             |             |
| Real Estate                | Lease revenue maximization (\$ in Millions)   | \$60.89     | \$51.71     | \$64.19         | \$62.41     | \$65.53     |
| Facilities Management      | % of All demand maintenance work orders completed within standards                                    | 85.2%       | 80.0%       | 88.6%           | 80.0%       | 80.0%       |
| Facilities Management      | GHG Emissions at Corporate Facilities (tonnes)  | 160,020     | 156,997     | 175,669         | 163,140     | 148,531     |
| Key Service Level Measures |   |             |             |                 |             |             |
| Facilities Management      | % of Preventative maintenance work orders completed on schedule                                       | 88.5%       | 90.0%       | 89.0%           | 90.0%       | 90.0%       |
| Facilities Management      | % of Completed construction projects meeting cost, schedule and scope defined within project charters | 97.4%       | 95.0%       | 98.1%           | 95.0%       | 95.0%       |
| Real Estate                | % of acquisition price to appraised value   | 99.2%       | 100.0%      | 97.5%           | 100.0%      | 100.0%      |
| Other Measures             |   |             |             |                 |             |             |
| Facilities Management      | Building operations and maintenance cost per rentable sq. ft  | \$14.81     | \$15.44     | \$15.63         | \$16.02     | \$16.34     |
| Facilities Management      | Annual completion rate (%) of SOGR capital projects – excluding major projects*                       | 65.1%       | 80.0%       | 83.0%           | 80.0%       | 80.0%       |

\* The annual target completion rate for CREM's overall capital program, including major and strategic projects, is set at 80%.

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- Continued implementation of the Workplace Modernization Program (WMP). Through the WMP the City has collapsed 27 of 34 leases to date (two additional leases added to original scope), generating approximately \$12.4 million in annual operating cost savings, and reducing City office floor area by 285,000 square feet.
- Launch of the Mount Dennis Early Learning and Child Care Centre, the City's largest childcare centre and first net-zero building, providing space for 98 children and featuring two infant rooms, three toddler rooms, and three preschool rooms within a 19,000 square feet facility.
- Commenced the City-Wide Real Estate Lifecycle Asset Management Program, to improve building performance and use in support of programs delivered by all City Divisions, Agencies and Corporations. CREM has completed a third of the 1,500 Building Condition Assessments and Asset Tagging with the balance to be completed in 2026 and 2027.
- Completion of Modular Construction (Phase 2) for Supportive Housing at 4626 Kingston Road, adding a new five-storey building with approximately 86 new homes and 24/7 on-site supports for residents.
- Advanced the Homelessness Services Capital Infrastructure Strategy (HSCIS) with the accelerated construction for six new shelter locations which are expected to be completed in 2028 and 2029.
- Provided project management services for the design and construction of four sites as part of the Rapid Housing Initiative (RHI) which are expected to be completed in 2026 and 2027.
- Generated over \$64 million in annual leasing revenue across the City's leasing portfolio.
- Completed over 140,000 work orders, with over 87% related to preventative maintenance of building components at buildings across the City to ensure these facilities remain operational, safe, and secure for City staff and the public.
- Addressed critical State of Good Repair (SOGR) needs across a portfolio of over 450 City-owned properties by completing 171 CREM projects and 222 client projects in 2025.
- Public opening of the St. Lawrence Market North Redevelopment. The new multi-story building includes a ground floor Market Hall, Court Services' court rooms and administrative offices, and a new 250-space below grade parking garage.
- Continued investments to ensure compliance with the Accessibility for Ontarians with Disabilities Act (AODA) across City facilities, including 210 active projects and 135 completed constructions to date.
- Transitioned TO Live's 10-year capital plan and the delivery of capital projects to CREM's Project Management Office.

### Key Challenges and Risks

- Planning for Growth – Organizational readiness and access to tools and technology to provide scalable, integrated and centralized facilities and real estate services across the City, as mandated by City Council as part of the City-Wide Real Estate initiative.
- Aging Assets – Aging facilities require an innovative and strategic approach to managing the City's building portfolio while prioritizing initiatives aimed at reducing GHG emissions in support of the City's net zero goals and objectives.
- Market Conditions and Supply Chain – Cost escalation for construction materials and the delivery of such materials due to tariff uncertainty pose a risk on SOGR and major projects both inflight and upcoming in the capital plan.
- Financial Sustainability – Aged assets and the need to balance investments for both major strategic and state of good repair needs, along with growing cost pressures related to maintenance and operations of City facilities, requiring innovative and sustained funding sources.

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**Priority Actions**

- City Building Initiatives – Continue to support key City-wide priorities such as affordable housing targets, the Homelessness Services Capital Infrastructure Strategy (HSCIS), transit expansion, the implementation of the Workplace Modernization Program, construction of the new Etobicoke Civic Centre and continued plans to bring City facilities in compliance with the Accessibility for Ontarians with Disabilities Act.
  - Centralization of Real Estate Functions – Centralize stewardship and planning of the City's real estate assets, budgets and services, while modernizing and standardizing service delivery. This is a multi-year initiative that will align CREM services to industry best practices. This strategy is designed to achieve operational excellence in real estate management and support financial sustainability. CREM commenced planning with targeted divisions to begin transitioning real estate responsibilities for Facilities Management (FM) and Project Management (PM) to CREM in 2026 and will continue to build on the transition over 2026 and 2027.
  - Sustainability Initiatives – Implement of a Life Cycle Asset Management Program to maintain the City's aging building portfolio while continuing to plan for broader implementation of the Council adopted Net Zero Carbon Plan strategies to achieve the City's net zero emission targets.
  - People and Culture – Recruit critical positions that align with CREM's priority actions, and investment in staff through training and development with emphasis on complementing enterprise level diversity, equity, and inclusion initiatives.
  - Technology, Data and Processes – Implement a business solutions roadmap that will provide staff with the tools and practices to enable scalability, value-added support for clients, and data-driven decision making to enhance service delivery. This centralized approach will provide a unified technology platform to manage real estate city wide.
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**CITY STAFF PREPARED BUDGET**

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2026 Operating Budget for Corporate Real Estate Management of \$225.315 million gross, \$95.253 million revenue and \$130.061 million net for the following services:

| <b>Service:</b>             | <b>Gross<br/>Expenditures<br/>(\$000s)</b> | <b>Revenues<br/>(\$000s)</b> | <b>Net<br/>Expenditures<br/>(\$000s)</b> |
|-----------------------------|--|------------------------------|--|
| Facilities Management       | 190,899.5                                  | 28,161.9                     | 162,737.6                                |
| Real Estate                 | 34,415.5                                   | 67,091.8                     | (32,676.3)                               |
| <b>Total Program Budget</b> | <b>255,315.0</b>                           | <b>95,253.7</b>              | <b>130,061.3</b>                         |

- The 2026 staff complement for Corporate Real Estate Management of 1,064.4 positions comprised of 99.1 capital positions and 965.3 operating positions.
2. The 2026 Capital Budget for Corporate Real Estate Management with cash flows and future year commitments totaling \$1,562.9 million as detailed by project in [Appendix 5a](#).
  3. The 2027-2035 Capital Plan for Corporate Real Estate Management totalling \$417.8 million in project estimates as detailed by project in [Appendix 5b](#).
  4. That all third-party funding included in the 2026 Budget be subject to the execution of an agreement or receipt of funding. If such agreement or funding is not in place by 2026 or forthcoming, the approval to spend must be reassessed by City Council relative to other City-funded priorities and needs in future budget processes.



**2026**  
**OPERATING BUDGET**

## 2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

| (In \$000s)                     | 2024 Actual      | 2025 Budget      | 2025 Projection* | 2026 Base Budget | 2026 New/Enhanced | 2026 Budget      | Change vs. 2025 Budget |              |
|---------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------------|--------------|
| By Service                      | \$               | \$               | \$               | \$               | \$                | \$               | \$                     | %            |
| <b>Revenues</b>                 |                  |                  |                  |                  |                   |                  |                        |              |
| Real Estate                     | 71,282.0         | 56,821.6         | 73,969.4         | 67,091.8         |                   | 67,091.8         | 10,270.2               | 18.1%        |
| Facilities Management           | 33,666.5         | 28,860.3         | 25,186.7         | 28,161.9         |                   | 28,161.9         | (698.3)                | (2.4%)       |
| <b>Total Revenues</b>           | <b>104,948.5</b> | <b>85,681.9</b>  | <b>99,156.2</b>  | <b>95,253.7</b>  |                   | <b>95,253.7</b>  | <b>9,571.8</b>         | <b>11.2%</b> |
| <b>Gross Expenditures</b>       |                  |                  |                  |                  |                   |                  |                        |              |
| Real Estate                     | 33,661.0         | 24,874.1         | 32,952.0         | 34,415.5         |                   | 34,415.5         | 9,541.4                | 38.4%        |
| Facilities Management           | 191,757.5        | 187,858.1        | 189,563.8        | 190,899.5        |                   | 190,899.5        | 3,041.5                | 1.6%         |
| <b>Total Gross Expenditures</b> | <b>225,418.5</b> | <b>212,732.2</b> | <b>222,515.8</b> | <b>225,315.0</b> |                   | <b>225,315.0</b> | <b>12,582.9</b>        | <b>5.9%</b>  |
| <b>Net Expenditures</b>         | <b>120,470.0</b> | <b>127,050.2</b> | <b>123,359.6</b> | <b>130,061.3</b> |                   | <b>130,061.3</b> | <b>3,011.0</b>         | <b>2.4%</b>  |
| <b>Approved Positions**</b>     | <b>1,047.4</b>   | <b>1,060.4</b>   | <b>N/A</b>       | <b>1,064.4</b>   |                   | <b>1,064.4</b>   | <b>4.0</b>             | <b>0.4%</b>  |

\*2025 Projection based on 9-Month Variance

\*\*Year-over-year comparison based on approved positions

### KEY DRIVERS

**Total 2026 Budget** expenditures of \$225.315 million gross reflect an increase of \$12.582 million in spending above the 2025 Budget, predominantly arising from:

- Salary and benefit increase resulting from the collective bargaining process, annualization of positions filled in 2025 and adjustments and alignment of staffing plans to support current operations, clients, and strategic initiatives.
- Inflationary increase on utilities and contracted services related to custodial, maintenance and security services.
- Increase in expenditure primarily due to additional cleaning at Toronto Police Services facilities, as well as higher security services to support Toronto Shelters and Support Services.
- Increase in operating expenses at Union Station due to continued growth and the full year impact from the public opening of the new St. Lawrence Market North facility which also drives a corresponding increase in revenues.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in Corporate Real Estate Management's 2026 Operating Budget do not have any significant equity impacts.

**2026 OPERATING BUDGET KEY COST DRIVERS**

The 2026 Net Operating Budget for Corporate Real Estate Management of \$130.061 million is \$3.011 million, 2.4% greater than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

**Table 2: 2026 Key Cost Drivers**

| (In \$000s)  | 2026            |                       |                     |                | 2027<br>Annualized<br>Impact (Net) |
|--|-----------------|-----------------------|---------------------|----------------|------------------------------------|
|  | Revenues        | Gross<br>Expenditures | Net<br>Expenditures | Positions**    |                                    |
| <b>2025 Projection*</b>  | <b>99,156.2</b> | <b>222,515.8</b>      | <b>123,359.6</b>    | <b>N/A</b>     | <b>N/A</b>                         |
| <b>2025 Budget</b>   | <b>85,681.9</b> | <b>212,732.2</b>      | <b>127,050.2</b>    | <b>1,060.4</b> | <b>N/A</b>                         |
| <b>Key Cost Drivers:</b>   |                 |                       |                     |                |                                    |
| <b>Prior Year Impacts</b>  |                 |                       |                     |                |                                    |
| St. Lawrence Market Complex Operating Adjustments                  | 759.2           | 236.9                 | (522.3)             |                |                                    |
| <b>Operating Impacts from Capital</b>                              |                 |                       |                     |                |                                    |
| Maintenance Needs for Completed Security Installations             | 24.7            | 44.4                  | 19.7                |                |                                    |
| <b>Salaries and Benefits</b>                                       |                 |                       |                     |                |                                    |
| Salary & Benefits Adjustment                                       | 1,029.1         | 6,145.2               | 5,116.1             |                | 3,658.1                            |
| <b>Inflationary and Economic Factors</b>                           |                 |                       |                     |                |                                    |
| Utilities  | (2.4)           | 9.4                   | 11.8                |                |                                    |
| Contracted Services  | 324.0           | 4,478.5               | 4,154.5             |                | 3,012.3                            |
| <b>Revenue Changes</b>   |                 |                       |                     |                |                                    |
| Temporary License Fee Revenue from Metrolinx for Ontario Line      | 2,000.0         |                       | (2,000.0)           |                |                                    |
| Revenue Share for Development Application Reviews                  | 462.8           |                       | (462.8)             |                |                                    |
| General Leasing Portfolio Changes                                  | 288.8           |                       | (288.8)             |                |                                    |
| Administrative Fee on Appraisals                                   | 156.1           |                       | (156.1)             |                |                                    |
| <b>Other Changes</b>   |                 |                       |                     |                |                                    |
| Adjustment to Custodial Budget for Priority Sites - Toronto Police |                 | 514.7                 | 514.7               |                |                                    |
| Implementation of Changes to Ontario Fire Code                     |                 | 289.0                 | 289.0               |                |                                    |
| Activation of Heating and Cooling Centers                          |                 | 146.7                 | 146.7               |                |                                    |
| Additional Security Requirements                                   | 1,199.1         | 1,199.1               |                     |                |                                    |
| Additional Fire Safety Officer                                     | 133.7           | 133.7                 |                     | 1.0            | 3.1                                |
| Union Station Operation Adjustments                                | 3,290.0         | 1,778.1               | (1,511.9)           |                | 1,783.9                            |
| Other Base Changes   | (93.4)          | 95.7                  | 189.1               |                | 3,482.0                            |
| <b>Sub Total Key Cost Drivers</b>                                  | <b>9,571.8</b>  | <b>15,071.4</b>       | <b>5,499.6</b>      | <b>1.0</b>     | <b>11,939.4</b>                    |
| <b>Affordability Measures</b>                                      |                 |                       |                     |                |                                    |
|  |                 | (2,488.5)             | (2,488.5)           | 3.0            | 13.3                               |
| <b>2026 Budget</b>   | <b>95,253.7</b> | <b>225,315.0</b>      | <b>130,061.3</b>    | <b>1,064.4</b> | <b>11,952.7</b>                    |
| <b>Change from 2025 Budget (\$)</b>                                | <b>9,571.8</b>  | <b>12,582.9</b>       | <b>3,011.1</b>      | <b>4.0</b>     | <b>N/A</b>                         |
| <b>Change from 2025 Budget (%)</b>                                 | <b>11%</b>      | <b>6%</b>             | <b>2%</b>           | <b>0%</b>      | <b>N/A</b>                         |

\*Based on 9-Month Variance

\*\*Year-over-year comparison based on approved positions

**Key Base Drivers:****Prior Year Impacts:**

- Incremental revenues and operating costs associated with the new St. Lawrence Market North facility, which opened to the public in May 2025, and renegotiated leases at the St. Lawrence South Market facility from new tenants.

**Operating Impacts from Capital:**

- Operating impacts from capital include maintenance costs for completed security system installations at various client locations such as Toronto Shelter and Support Services, Solid Waste, Affordable Housing, Public Health and Long-Term Care.

**Salaries and Benefits:**

- Salary and benefit increases reflect annualization of staff hired in 2025, inflationary increases from the new collective agreements, and anticipated staffing plans for 2026 to maintain base operations.

**Non-Salary Inflationary:**

- Inflationary increases in contracted services primarily related to delivery of custodial, maintenance, and security services.

**Revenue Changes:**

- Incremental license fee revenues from Metrolinx for temporary access to City properties in support of the construction of the Ontario Line.
- Higher internal allocation of revenue share related to reviews of development applications by Corporate Real Estate Services.
- Additional general lease revenue driven by new leases, higher percentage rents, greater operating cost recoveries, and increased revenues and cost recoveries for staffing and services supporting capital projects and other client groups, partially offset by terminated leases and adjustments to current lease terms.
- Increase in administrative fees for property appraisals completed in house to better reflect actual costs incurred.

**Other Changes:**

- Additional cleaning required at Toronto Police Services facilities, specifically related to holding cells, to comply with health and safety regulations.
- Additional costs for higher frequency of sprinkler and hydrant testing required due to changes in the Ontario Fire Code.
- Increase in custodial costs to operate cooling and warming centres across the City which includes Civic Centres and Metro Hall.
- Security coverage at 1677 Wilson Ave to ensure optimal safety of the premises with full recovery from Toronto Shelter and Support Service.
- Additional Fire Safety Officer funded by Toronto Shelter and Support Services to support the maintenance of Fire and Life Safety systems.
- Incremental revenues and operating costs at Union Station driven by the continued expansion of retail spaces and increased commuter and consumer traffic at the Station.
- Other base changes include a line-by-line review to align budget to actual experience, an increase in CREM's fleet reserve contribution to fund future vehicle replacements, expenses for core services for newly onboarded properties, annualized operational savings resulting from Public Health staff vacating 277 Victoria Street, and additional resourcing for strategic real estate initiatives to support client groups with full cost recovery.

## Affordability Measures

**Table 3: Affordability Measures**

| Recommendation   | Savings Type | Equity Impact | (In \$000s) |                    |                  |            |                    |                  |           |
|--|--------------|---------------|-------------|--------------------|------------------|------------|--------------------|------------------|-----------|
|  |              |               | 2026        |                    |                  |            | 2027 (Incremental) |                  |           |
|  |              |               | Revenues    | Gross Expenditures | Net Expenditures | Positions  | Gross Expenditures | Net Expenditures | Positions |
| Reduction in Fire Life Safety Contracted Services by Maximizing in House Staff         | Efficiencies | None          |             | (1,035.4)          | (1,035.4)        | 3.0        | 13.3               | 13.3             |           |
| Savings and Cost Avoidance in Contracted Services through Strategic Sourcing           | Efficiencies | None          |             | (973.1)            | (973.1)          |            |                    |                  |           |
| Reduction in Stand by Shifts   | Efficiencies | None          |             | (260.1)            | (260.1)          |            |                    |                  |           |
| Negotiated Contract Adjustment on Custodial Services                                   | Efficiencies | None          |             | (120.0)            | (120.0)          |            |                    |                  |           |
| Reduction in Reactive Facility Maintenance through Lifecycle Asset Management Planning | Efficiencies | None          |             | (100.0)            | (100.0)          |            |                    |                  |           |
| <b>Total Affordability Measures</b>  |              |               |             | <b>(2,489.5)</b>   | <b>(2,489.5)</b> | <b>3.0</b> | <b>13.3</b>        | <b>13.3</b>      |           |

Affordability measures are specific actions taken by Corporate Real Estate Management (CREM) that achieve cost reductions without impacting service levels for City Divisions and the public. The 2026 Operating Budget for CREM includes a total of \$2.489 million in efficiency savings arising from:

- Staffing resources to coordinate and execute the changes to the Ontario Fire Code legislated maintenance, including more frequent sprinkler inspections, hydrostatic testing and component replacements. Savings will be generated by bringing work in house and reducing the reliance on third party service providers.
- Efficiencies derived through the strategic approach taken on the development and awarding of facilities maintenance contracts that allow the City to maximize value for money through economies of scale resulting in year over year cost savings, avoidance of future cost increases, and enhanced services as compared to previous agreements.
- Cost savings resulting from a reduction in the number of Facilities Managers required to be on standby outside of normal business hours, and during the weekend, while still maintain service levels.
- Cost efficiencies driven by negotiated contract adjustments for existing service contracts.
- Reduction of reactive maintenance and repair costs related to failing building components driven by strategic capital planning to prioritize timely asset replacements and upgrades through CREM's SOGR capital program.

### **Note:**

For additional information, please refer to [Appendix 4a](#) for Operating Program Provincial/Federal Funding Streams by Funding Source, respectively.

**2027 AND 2028 OUTLOOK****Table 5: 2027 and 2028 Outlook**

| (In \$000s)  | 2026<br>Budget   | 2027<br>Incremental<br>Outlook | 2028<br>Incremental<br>Outlook |
|--|------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                  |                                |                                |
| Inflationary Impacts                                   |                  | 199.5                          | 204.9                          |
| Revenues Changes                                       |                  | 2,368.8                        | 2,000.4                        |
| Elimination of Security Support Services at City Parks |                  | (3,482.0)                      |                                |
| Other Base Changes                                     |                  | (95.2)                         | 328.7                          |
| <b>Total Revenues</b>                                  | <b>95,253.7</b>  | <b>(1,008.9)</b>               | <b>2,534.0</b>                 |
| <b>Gross Expenditures</b>                              |                  |                                |                                |
| Salaries and Benefits                                  |                  | 3,736.2                        | 2,911.4                        |
| Inflationary Impacts                                   |                  | 3,051.4                        | 3,180.6                        |
| Other Base Changes                                     |                  | 4,156.2                        | 4,303.9                        |
| <b>Total Gross Expenditures</b>                        | <b>225,315.0</b> | <b>10,943.7</b>                | <b>10,396.0</b>                |
| <b>Net Expenditures</b>                                | <b>130,061.3</b> | <b>11,952.7</b>                | <b>7,862.0</b>                 |
| <b>Approved Positions</b>                              | <b>1,064.4</b>   | <b>0.0</b>                     | <b>0.0</b>                     |

**Key Outlook Drivers**

The 2027 Outlook with total gross expenditures of \$236.259 million reflect an anticipated \$10.943 million or 4.9% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$10.396 million or 4.4% above the 2027 Outlook.

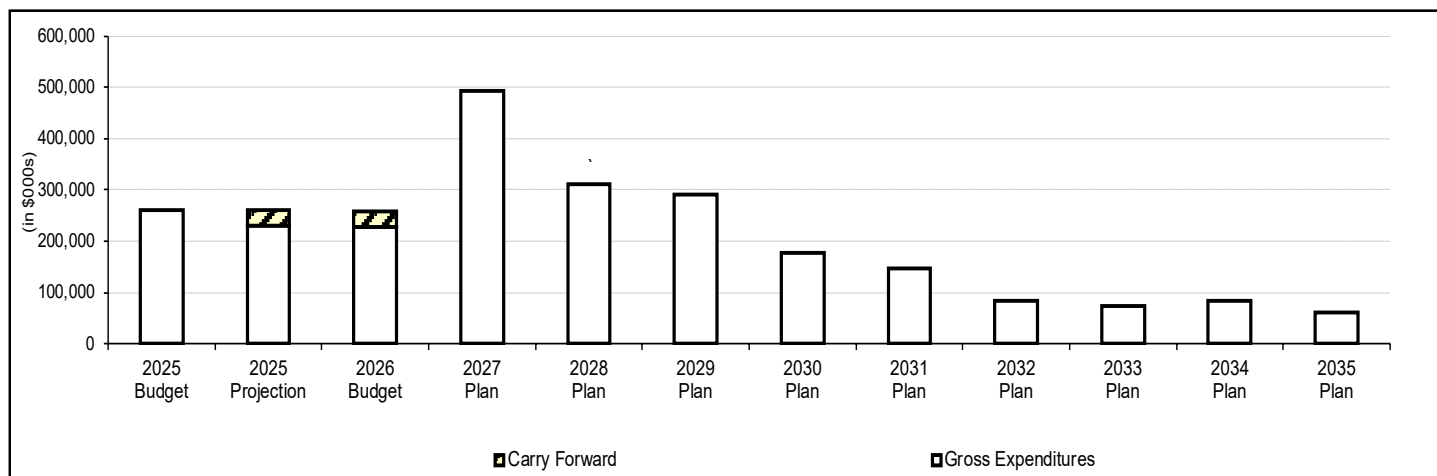
These changes arise from the following:

- **Revenue Changes:** Increase in Union Station revenues resulting from the opening of additional retail spaces.
- **Elimination of Security Support Services at City Parks:** Ending of one-time funding for security support services at City parks which is part of the City's overall management of encampments in 2027.
- **Salaries and Benefits Changes:** Costs have increased due to annual adjustments for existing employees, including union-negotiated increases and performance-based pay. Known inflationary impacts on services delivery contracts.
- **Inflationary Impacts:** Increase in inflationary impacts is related to the chargeback of property taxes increase to tenants in City owned properties.
- **Other Base Changes:** Decrease in other base changes is related to a reduction in inter-divisional chargebacks to client divisions driven by adjustments to service delivery requirements.

# **2026-2035 CAPITAL BUDGET AND PLAN**

## 2026-2035 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



|                                |   |            | 2026 Capital Budget and 2027-2035 Capital Plan |         |         |         |         |         |        |        |        |        |                       |
|--------------------------------|---|------------|--|---------|---------|---------|---------|---------|--------|--------|--------|--------|-----------------------|
| (In \$000s)                    | 2025                                    |            | 2026   | 2027    | 2028    | 2029    | 2030    | 2031    | 2032   | 2033   | 2034   | 2035   | Total<br>10-Year Plan |
|                                | Budget                                  | Projection |  |         |         |         |         |         |        |        |        |        |                       |
|                                | Gross Expenditures by Project Category: |            |  |         |         |         |         |         |        |        |        |        |                       |
| Health and Safety/Legislated   | 31,324                                  | 29,581     | 28,452   | 37,866  | 35,449  | 22,209  | 11,095  | 8,924   | 8,779  | 8,093  | 8,642  | 10,220 | 179,730               |
| State of Good Repair           | 42,279                                  | 39,075     | 74,292   | 110,614 | 125,914 | 120,592 | 91,487  | 81,850  | 38,908 | 32,480 | 42,842 | 37,427 | 756,405               |
| Service Improvement and Growth | 186,619                                 | 160,303    | 155,182  | 343,441 | 149,794 | 148,296 | 75,789  | 56,953  | 35,098 | 33,750 | 33,500 | 12,750 | 1,044,552             |
| Total by Project Category      | 260,222                                 | 228,959    | 257,926  | 491,921 | 311,157 | 291,097 | 178,370 | 147,727 | 82,785 | 74,323 | 84,984 | 60,397 | 1,980,687             |
| Funding:                       |   |            |  |         |         |         |         |         |        |        |        |        |                       |
| Debt                           | 103,839                                 | 79,639     | 125,421  | 332,181 | 282,684 | 267,916 | 177,277 | 147,603 | 82,769 | 73,872 | 84,984 | 60,397 | 1,635,104             |
| Debt Recoverable               | 5,767                                   | 5,448      | 4,000  | 6,919   | 4,419   |         |         |         |        |        |        |        | 15,337                |
| Reserves/Reserve Funds         | 26,339                                  | 19,848     | 91,232   | 138,987 | 20,634  | 23,181  | 1,092   | 124     | 16     | 451    |        |        | 275,717               |
| Federal                        | 201                                     | 201        | 1,300  | 2,075   |         |         |         |         |        |        |        |        | 3,375                 |
| Other Revenue                  | 123,972                                 | 123,823    | 35,974   | 11,760  | 3,420   |         |         |         |        |        |        |        | 51,154                |
| Total Funding                  | 260,119                                 | 228,959    | 257,926  | 491,922 | 311,157 | 291,097 | 178,370 | 147,727 | 82,785 | 74,323 | 84,984 | 60,397 | 1,980,687             |






| Changes to Existing Projects<br>(\$2.7 Million)   | New Projects / Programs<br>(\$223.3 Million)   |
|---|--|
| <p>The 2026-2035 Capital Budget and Plan reflect the following changes to existing projects over the nine common years (2026-2034):</p> <ul style="list-style-type: none"><li>\$3.0 million incremental funding for the implementation of the Net Zero Carbon Plan for City buildings, required to achieve net zero emissions through comprehensive energy retrofits.</li></ul> | <p>The 2026-2035 Capital Budget and Plan include the following key new projects:</p> <ul style="list-style-type: none"><li>\$111.9 million to address State of Good Repair (SOGR) requirements at City facilities, including mechanical and electrical, elevator modernization, structural/building envelope, and fire and life safety work to keep facilities operational, safe, and secure.</li><li>\$90.9 million to address SOGR requirements at three major City-owned theaters under TO Live’s stewardship.</li><li>\$17.7 million for the development of Parkdale Hub Community Space for not-for-profit partners to deliver community-led programs and services to the Parkdale neighbourhood.</li><li>\$2 million to address compliance with legislated requirements under the Fire and Life Safety programs as well as City-wide enhancements to keep facilities efficient, safe and secure.</li></ul> |

**Note:**

For additional information, please refer to [Appendix 4b](#) for Capital Program Provincial/Federal Funding Streams by Projects, [Appendix 5](#) for a more detailed listing of the 2026 and 2027-2035 Capital Budget and Plan by project; [Appendix 6](#) for Capacity to Deliver Review; and [Appendix 7](#) for a Summary of Capital Delivery Constraints, respectively.

**2026–2035 CAPITAL BUDGET AND PLAN****\$1,980.7 Million 10-Year Capital Program**

|   |  |  |
|---|--|--|
|    |   |   |
| <b>Aging Infrastructure/SOGR</b>  | <b>Service Improvement, Enhancement and Growth</b>   | <b>Health and Safety &amp; Legislated</b>  |
| <b>\$756.4M<br/>38.2%</b>   | <b>\$1,044.6 M<br/>52.7%</b>   | <b>\$179.7M<br/>9.1%</b>   |
| <ul style="list-style-type: none"> <li>• Gardiner and DVP Re-allocation</li> <li>• Structural/Building Envelope <input checked="" type="checkbox"/></li> <li>• Mechanical/ Electrical <input checked="" type="checkbox"/></li> <li>• Building Automation System <input checked="" type="checkbox"/></li> <li>• Renovations</li> <li>• Sitework</li> <li>• TO Live SOGR</li> <li>• Union Station SOGR</li> </ul> | <ul style="list-style-type: none"> <li>• New Etobicoke Civic Centre <input checked="" type="checkbox"/></li> <li>• Workplace Modernization Program <input checked="" type="checkbox"/></li> <li>• Net Zero Carbon Plan Program <input checked="" type="checkbox"/></li> <li>• Relocation of Fire Hall 332 to 55 John Street (Metro Hall)</li> <li>• City-Wide Asset Management Program</li> <li>• Business Solutions Roadmap</li> <li>• Energy Conservation &amp; Demand Management <input checked="" type="checkbox"/></li> <li>• Preventative Maintenance</li> <li>• Property Acquisitions for Strategic City Building using the City-Wide Real Estate Model</li> <li>• Old City Hall</li> <li>• Parkdale Hub Community Space</li> </ul> | <ul style="list-style-type: none"> <li>• Accessibility for Ontarians with Disabilities Act (AODA)</li> <li>• City-wide Physical Security Enhancements</li> <li>• Fire and Life Safety</li> <li>• Environmental Remediation</li> <li>• Emergency Capital Repairs</li> </ul> |

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

\*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

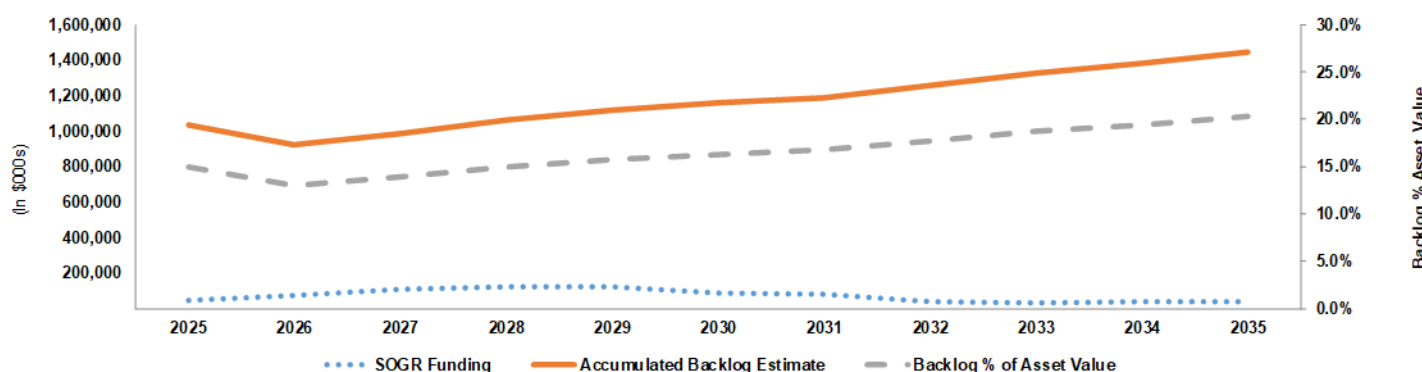
### How the Capital Program is Funded

| City of Toronto                    |             | Federal Funding               |        | Provincial Funding        |  |
|------------------------------------|-------------|-------------------------------|--------|---------------------------|--|
| <b>\$1,977.3 M</b><br><b>99.8%</b> |             | <b>\$3.4 M</b><br><b>0.2%</b> |        | <b>\$0 M</b><br><b>0%</b> |  |
| Debt                               | \$1,635.1 M | Health Canada                 | \$3.4M | Provincial                |  |
| Recoverable Debt                   | \$15.3 M    |                               |        |                           |  |
| Reserve / Reserve Funds            | \$275.7 M   |                               |        |                           |  |
| Other                              | \$51.2 M    |                               |        |                           |  |

### STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

Corporate Real Estate Management (CREM) is responsible for capital improvements and repairs at more than 450 facilities, covering over 13 million square feet with an approximate replacement value of \$7.099 billion. The chart below depicts the SOGR funding and accumulated backlog estimates in Corporate Real Estate Management.

Chart 2: Total SOGR Funding and Backlog



| (In \$000s)                         | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      | 2034      | 2035      |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>SOGR Funding</b>                 | 44,379    | 74,292    | 110,614   | 125,914   | 120,592   | 91,487    | 81,850    | 38,908    | 32,480    | 42,842    | 37,427    |
| <b>Accumulated Backlog Estimate</b> | 1,031,649 | 919,791   | 987,963   | 1,062,572 | 1,118,970 | 1,158,553 | 1,190,106 | 1,258,651 | 1,328,081 | 1,380,875 | 1,445,128 |
| <b>Backlog % of Asset Value</b>     | 14.9%     | 13.0%     | 13.9%     | 15.0%     | 15.8%     | 16.3%     | 16.8%     | 17.7%     | 18.7%     | 19.5%     | 20.4%     |
| <b>Total Asset Value</b>            | 6,911,161 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 | 7,099,223 |

- The Corporate Real Estate Management building portfolio noted above is comprised of building types utilized by City Programs, including among others:
  - Toronto Police Services – 40 buildings / 2.237 million square feet
  - Fire Services – 102 buildings / 0.958 million square feet
  - Toronto Paramedic Services – 37 buildings / 0.4 million square feet
  - Civic Centres and City Hall – 7 buildings / 2.239 million square feet
  - Other Corporate facilities – 300 buildings / 7.731 million square feet
- In the previous year's 2025-2034 Capital Budget and Plan, the SOGR backlog was projected to increase to \$1,430 million by the end of the 10-year planning window, representing nearly 21.5% of the total asset value. One of the key

outcomes is the progress made in funding critical SOGR priorities, driven by a significant funding investment of \$200 million from the provincial upload of the Gardiner and DVP during the 2025 Budget process.

- As illustrated in Chart 2, the SOGR backlog is expected to increase over the period, rising from \$1,031.6 million (14.9% of replacement asset value) in 2025 to \$1,445.1 million (20.4%) by 2035, primarily due to:
  - The backlog now includes TO Live, after transferring the capital budget to CREM in 2025, which represents \$115.1 million in accumulated backlog at the end of the 10-year plan.
  - A vast portfolio of aging City facilities and infrastructure that continues to service a growing city.
  - Investments in SOGR at a rate of approximately 1% of the replacement value of the portfolio compared to the industry standard of 2% to 4%.
  - Deferrals and adjustments, as a result of fiscal constraints, in recent years has deferred maintenance and SOGR further impacting the backlog and placing pressure on operations to maintain a deteriorating asset base.
  - Alignment of cash flows to better reflect CREM's readiness/capacity to deliver projects based on resource constraints and priorities. These issues have been addressed through a focused hiring plan and changes in delivery methods, which is expected to increase the Division's ability to deliver on critical SOGR projects.
  - Ongoing cost escalations and supply chain issues have not been factored into backlog needs above. The Division, through its asset management plans, will consider these and other factors as it revisits the SOGR planning process as part of the overall enhanced Asset Management Program.
- The 2025 Corporate Asset Management Plan noted a number of assets in CREM's inventory as "poor" condition / performance, and in need of greater investment than currently planned just to meet current levels of service or standards.
- Through the following priority actions, the CREM Division is expecting to be able to begin addressing the growing backlog while maintaining existing facilities in a state of good repair, operational and safe for City and public use.
  - Development and implementation of an industry standard Asset Management Program that will be applied across all City facilities including strategic approaches to addressing the growing backlog, as well as identifying and implementing appropriate tools, processes and practices across City programs. This, in conjunction with the appropriate preventative maintenance programs, will reduce the overall cost of ownership of assets, improve performance and reduce failure, downtime and major maintenance investments.
  - Rationalization of office space to be achieved through the Workplace Modernization Program will reduce the overall size of the building portfolio and thereby reduce the need to invest in state of good repair backlog across facilities that will no longer be used for City office purposes. This programmatic approach will continue across all City asset types in an ongoing effort to rationalize and optimize the City's real estate portfolio through the City-Wide Real Estate Model.
  - Funding re-allocated from the provincial upload of the Gardiner and Don Valley Parkway of \$200 million has been allocated to SOGR priorities within the CREM capital program, with an emphasis on critical SOGR needs in facilities with either direct or indirect public service and use. This has mitigated further growth in the backlog of SOGR needs.
- Corporate Real Estate Management will continue to refine the growing backlog estimates based on planned condition assessments of its asset inventory and the SOGR backlog analysis as CREM matures its Asset Management Program as noted above.

**OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS**

Approval of the 2026 Capital Budget will result in an overall operating impact of \$0.02 million net arising from completing security installation projects at City facilities, as shown in Table 6 below.

| Projects   | 2026 Budget |           | 2027 Plan  |           | 2028 Plan  |           | 2029 Plan  |           | 2030 Plan  |           | 2026-2030   |           | 2026-2035   |           |
|--|-------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|-------------|-----------|-------------|-----------|
|  | \$000s      | Positions | \$000s     | Positions | \$000s     | Positions | \$000s     | Positions | \$000s     | Positions | \$000s      | Positions | \$000s      | Positions |
| <b>Previously Approved</b>                             |             |           |            |           |            |           |            |           |            |           |             |           |             |           |
| Maintenance Needs for Completed Security Installations | 19.7        |           | 1.3        |           | 1.4        |           | 1.5        |           | 1.5        |           | 25.3        |           | 34.7        |           |
| <b>Sub-Total: Previously Approved</b>                  | <b>19.7</b> |           | <b>1.3</b> |           | <b>1.4</b> |           | <b>1.5</b> |           | <b>1.5</b> |           | <b>25.3</b> |           | <b>34.7</b> |           |
| <b>Total (Net)</b>                                     | <b>19.7</b> |           | <b>1.3</b> |           | <b>1.4</b> |           | <b>1.5</b> |           | <b>1.5</b> |           | <b>25.3</b> |           | <b>34.7</b> |           |

A number of security projects, including upgrades from analog to IP cameras will be fully operational in 2025 and additional operating costs are reflected in CREM's 2026 Operating Budget. These costs include maintenance and license fees to ensure security system service continues with minimal service disruptions.

Additionally, some projects are expected to have impacts on future year operating budgets. The specific impacts are still being evaluated:

- The Workplace Modernization Program is expected to generate operational savings in future years as leases are collapsed, and staff are brought into core City space. Savings have been and will continue to be realized across various programs and agencies and have been and will continue to be used to repay the cost of the capital project to modernize City office space. Corporate Real Estate Management will continue to support the realizing and capturing of all benefits arising from the workplace modernization program.
- Cost avoidance in lower utility costs is expected from capital investments in energy efficiency projects at City facilities. Savings generated can be used to offset expected utility price increases and to invest back in City facilities to meet the TransformTO GHG reduction targets.
- As CREM implements the Net Zero Carbon Plan and the Asset Management Program, there are changes that will be incorporated into future operating and capital budgets for the Division, as well as other City Divisions, Agencies and Corporations, as these initiatives would be adopted City-wide. These changes will be reported within respective future budget submissions of these City Divisions, Agencies and Corporations.

The 2026 operating impact of \$0.02 million net from completed capital projects, as noted above, has been included in the 2026 Operating Budget for CREM. Any future operating impacts will be reviewed each year and be considered as part of future year budget processes.

**APPENDICES**

## Appendix 1

### 2026 Operating Budget by Category

| Category<br>(In \$000s)                  | 2023<br>Actual   | 2024<br>Actual   | 2025<br>Budget   | 2025<br>Projection* | 2026<br>Budget   | 2026 Change from<br>2025 Budget |              | 2026 Change from<br>2025 Projection |               |
|--|------------------|------------------|------------------|---------------------|------------------|---------------------------------|--------------|-------------------------------------|---------------|
|  | \$               | \$               | \$               | \$                  | \$               | \$                              | %            | \$                                  | %             |
| Provincial Subsidies                     | 81.1             |                  |                  |                     |                  |                                 |              |                                     |               |
| Federal Subsidies                        |                  |                  |                  |                     | 3,482.0          | 3,482.0                         |              | 3,482.0                             |               |
| User Fees and Donations                  | 65,247.2         | 60,287.2         | 47,928.2         | 65,317.8            | 61,280.9         | 13,352.7                        | 27.9%        | (4,036.9)                           | (6.2%)        |
| Contribution From Reserves/Reserve Funds | 683.2            | 960.9            | 2,658.9          | 590.3               | 649.0            | (2,010.0)                       | (75.6%)      | 58.6                                | 9.9%          |
| Sundry and Other Revenues                | 14,504.1         | 8,985.7          | 14,712.1         | 12,077.9            | 11,005.4         | (3,706.7)                       | (25.2%)      | (1,072.5)                           | (8.9%)        |
| Inter-Divisional Recoveries              | 16,047.0         | 16,257.5         | 20,382.7         | 21,170.1            | 18,836.5         | (1,546.2)                       | (7.6%)       | (2,333.6)                           | (11.0%)       |
| <b>Total Revenues</b>                    | <b>96,562.6</b>  | <b>86,491.3</b>  | <b>85,681.9</b>  | <b>99,156.2</b>     | <b>95,253.7</b>  | <b>9,571.8</b>                  | <b>11.2%</b> | <b>(3,952.4)</b>                    | <b>(3.9%)</b> |
| Salaries and Benefits                    | 84,325.7         | 91,128.1         | 96,039.8         | 97,735.0            | 103,483.3        | 7,443.5                         | 7.8%         | 5,748.3                             | 5.9%          |
| Materials and Supplies                   | 34,482.0         | 34,981.7         | 36,583.8         | 38,682.9            | 37,135.2         | 551.4                           | 1.5%         | (1,547.6)                           | (4.0%)        |
| Equipment                                | 862.8            | 1,039.3          | 687.4            | 708.6               | 753.7            | 66.4                            | 9.7%         | 45.2                                | 6.4%          |
| Service and Rent                         | 75,944.1         | 73,502.3         | 75,394.9         | 80,113.6            | 79,207.7         | 3,812.8                         | 5.1%         | (905.9)                             | (1.1%)        |
| Contribution To Reserves/Reserve Funds   | 3,839.0          | 3,931.4          | 3,068.6          | 4,055.0             | 3,957.3          | 888.7                           | 29.0%        | (97.7)                              | (2.4%)        |
| Other Expenditures                       | 3,540.8          | 1,926.6          | 862.4            | 567.2               | 680.6            | (181.8)                         | (21.1%)      | 113.4                               | 20.0%         |
| Inter-Divisional Charges                 | 410.9            | 452.0            | 95.3             | 653.5               | 97.1             | 1.8                             | 1.9%         | (556.4)                             | (85.1%)       |
| <b>Total Gross Expenditures</b>          | <b>203,405.3</b> | <b>206,961.3</b> | <b>212,732.2</b> | <b>222,515.8</b>    | <b>225,315.0</b> | <b>12,582.9</b>                 | <b>5.9%</b>  | <b>2,799.2</b>                      | <b>1.3%</b>   |
| <b>Net Expenditures</b>                  | <b>106,842.7</b> | <b>120,470.0</b> | <b>127,050.2</b> | <b>123,359.6</b>    | <b>130,061.3</b> | <b>3,011.0</b>                  | <b>2.4%</b>  | <b>6,701.6</b>                      | <b>5.4%</b>   |

## Appendix 2

### Summary of 2026 Service Changes

N/A



## Appendix 3

### Summary of 2026 New/Enhanced Requests Included in Budget

N/A

## Appendix 4a

### Operating Program Provincial/Federal Funding Streams by Program

| Fund Name - Program (in \$000s)                               | 2026<br>Budget | 2027<br>Outlook | 2028<br>Outlook |
|---|----------------|-----------------|-----------------|
| <b>Federal Funding</b>  |                |                 |                 |
| <i>Elimination of Security Support Services at City Parks</i> | 3,482          |                 |                 |
|   |                |                 |                 |
| <b>Sub-Total: Federal Funding</b>                             | <b>3,482</b>   |                 |                 |
| <b>Total Funding</b>  | <b>3,482</b>   |                 |                 |

## Appendix 4b

### Capital Program Provincial/Federal Funding Streams by Project

| Fund Name - Project (in \$000s)                          | 2026         | 2027 - 2035  | Total        |
|--|--------------|--------------|--------------|
| <b>Federal Funding</b>                                   |              |              |              |
| <i>Emergency Treatment Fund Grant from Health Canada</i> | 1,300        | 2,075        | 3,375        |
|  |              |              |              |
| <b>Sub-Total: Federal Funding</b>                        | <b>1,300</b> | <b>2,075</b> | <b>3,375</b> |
| <b>Total Funding</b>                                     | <b>1,300</b> | <b>2,075</b> | <b>3,375</b> |

## Appendix 5

**2026 Capital Budget;  
2027-2035 Capital Plan Including Carry Forward**

| Projects (In \$000s)                                    | 2026 Budget    | 2027 Plan      | 2028 Plan      | 2029 Plan      | 2030 Plan      | 2031 Plan      | 2032 Plan     | 2033 Plan     | 2034 Plan     | 2035 Plan     | 2026-2035 Total  | Health and Safety/ Legislated | SOGR           | Service Improvement and Growth |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|------------------|-------------------------------|----------------|--------------------------------|
| New Etobicoke Civic Centre                              | 104,000        | 192,882        | 21,454         | 63,685         |                |                |               |               |               |               | 382,020          |                               |                | 382,020                        |
| Net Zero Carbon Plan Program (New)                      | 3,999          | 12,950         | 21,450         | 36,000         | 48,000         | 46,000         | 32,000        | 31,500        | 31,500        | 11,000        | 274,399          |                               |                | 274,399                        |
| Net Zero Carbon Plan Program                            | 2,309          | 2,653          | 2,750          | 750            |                |                |               |               |               |               | 8,462            |                               |                | 8,462                          |
| Gardiner and DVP Re-allocation                          | 7,289          | 17,040         | 30,464         | 46,031         | 43,049         | 36,818         | 10,953        | 6,438         |               |               | 198,082          |                               | 198,082        |                                |
| Workplace Modernization Program                         | 10,547         | 58,556         | 52,987         | 27,885         | 23,141         | 8,603          | 98            |               |               |               | 181,817          |                               |                | 181,817                        |
| TO Live SOGR  | 17,916         | 53,916         | 47,543         | 23,614         | 15,584         | 6,505          | 3,544         | 246           | 517           | 609           | 169,993          | 29,226                        | 86,435         | 54,332                         |
| Mechanical and Electrical                               | 11,476         | 17,948         | 23,434         | 19,655         | 13,918         | 6,036          | 4,825         | 3,897         | 12,018        | 12,574        | 125,780          |                               | 125,780        |                                |
| Structural / Building Envelope                          | 9,456          | 13,059         | 12,780         | 7,796          | 5,561          | 5,139          | 4,057         | 3,570         | 7,559         | 2,564         | 71,540           |                               | 71,540         |                                |
| Union Station - SOGR                                    | 4,292          | 6,789          | 11,567         | 16,019         | 3,060          | 4,430          | 3,145         | 5,000         | 4,318         |               | 58,620           | 5,774                         | 52,563         | 283                            |
| Small Capital   | 8,051          | 6,000          | 5,000          | 5,000          | 5,000          | 4,500          | 4,500         | 4,500         | 4,500         | 4,500         | 51,551           |                               | 51,551         |                                |
| Renovations   | 15,243         | 9,038          | 5,220          | 3,205          | 2,788          | 2,449          | 2,463         | 2,478         | 2,311         | 5,200         | 50,396           |                               | 50,396         |                                |
| Accessibility for Ontarians with Disabilities Act       | 9,062          | 14,652         | 16,000         | 8,220          |                |                |               |               |               |               | 47,935           | 47,935                        |                |                                |
| Environmental Remediation                               | 2,840          | 3,800          | 5,519          | 2,283          | 2,783          | 11,537         | 1,783         | 1,783         | 1,783         | 1,783         | 35,894           | 22,940                        | 12,954         |                                |
| City-Wide Physical Security Enhancements                | 3,318          | 4,216          | 3,185          | 3,250          | 3,318          | 3,137          | 3,209         | 3,283         | 3,359         | 3,437         | 33,713           | 26,008                        | 7,195          | 510                            |
| Relocation of Fire Station 332                          | 4,000          | 11,440         | 8,900          | 6,700          |                |                |               |               |               |               | 31,039           |                               |                | 31,039                         |
| Building Automation System (BAS)                        | 1,560          | 7,150          | 4,800          | 2,000          | 2,000          | 2,000          | 2,000         | 2,000         | 2,000         | 2,000         | 27,510           |                               | 27,510         |                                |
| Roofing   | 1,437          | 3,196          | 1,381          | 1,613          | 1,967          | 2,041          | 2,065         | 1,650         | 6,920         | 3,969         | 26,240           |                               | 26,240         |                                |
| Fire & Life Safety                                      | 6,126          | 3,000          | 2,000          | 2,000          | 2,000          | 2,000          | 2,000         | 2,000         | 2,000         | 2,000         | 25,126           | 25,126                        |                |                                |
| Sitework  | 5,378          | 7,280          | 3,912          | 633            | 452            | 226            |               |               |               | 3,311         | 21,192           |                               | 21,108         | 84                             |
| Energy Conservation & Demand Management                 | 1,696          | 3,000          | 4,394          | 1,500          | 1,500          | 1,500          | 1,500         | 1,500         | 1,250         | 1,000         | 18,841           |                               |                | 18,841                         |
| Parkdale Hub Community Space                            | 180            | 7,000          | 7,000          | 3,544          |                |                |               |               |               |               | 17,724           |                               |                | 17,724                         |
| Future Use of Old City Hall                             | 154            | 2,950          | 7,533          | 4,800          |                |                |               |               |               |               | 15,437           |                               |                | 15,437                         |
| City-Wide Asset Management Technology                   | 4,870          | 3,520          | 7,040          |                |                |                |               |               |               |               | 15,430           |                               |                | 15,430                         |
| Emergency Repairs                                       | 1,294          | 2,024          | 994            | 1,364          | 699            | 1,256          | 1,193         | 1,027         | 1,500         | 3,000         | 14,351           | 13,562                        | 789            |                                |
| Other Service Improvements                              | 6,713          | 7,000          |                |                |                |                |               |               |               |               | 13,713           |                               |                | 13,713                         |
| Real Estate Services SOGR                               | 1,736          | 1,800          | 1,200          | 1,200          | 1,200          | 1,200          | 1,200         | 1,200         | 1,200         | 1,200         | 13,136           |                               | 13,136         |                                |
| Feasibility Studies                                     | 1,664          | 1,400          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000         | 1,000         | 1,000         | 1,000         | 11,064           |                               | 11,064         |                                |
| Strategic Property Acquisitions                         | 5,087          | 5,343          |                |                |                |                |               |               |               |               | 10,430           |                               |                | 10,430                         |
| Other Health & Safety                                   | 2,500          | 1,960          | 900            | 600            | 600            | 600            | 500           | 500           | 500           | 500           | 9,159            | 9,159                         |                |                                |
| Strategic Feasibility Studies                           | 1,314          | 750            | 750            | 750            | 750            | 750            | 750           | 750           | 750           | 750           | 8,064            |                               |                | 8,064                          |
| St. Lawrence Market North Redevelopment                 | 1,108          | 6,700          |                |                |                |                |               |               |               |               | 7,808            |                               |                | 7,808                          |
| Union Station Enhancement Project (USEP)                | 298            | 2,910          |                |                |                |                |               |               |               |               | 3,208            |                               |                | 3,208                          |
| Union Station Revitalization                            | 479            |                |                |                |                |                |               |               |               |               | 479              |                               |                | 479                            |
| Toronto Strong Neighbourhoods Strategy                  | 472            |                |                |                |                |                |               |               |               |               | 472              |                               |                | 472                            |
| 1050 Ellesmere Building Enhancements                    | 63             |                |                |                |                |                |               |               |               |               | 63               |                               | 63             |                                |
| <b>Total Expenditures (including carry forward from</b> | <b>257,926</b> | <b>491,921</b> | <b>311,157</b> | <b>291,097</b> | <b>178,370</b> | <b>147,727</b> | <b>82,785</b> | <b>74,323</b> | <b>84,984</b> | <b>60,397</b> | <b>1,980,687</b> | <b>179,730</b>                | <b>756,405</b> | <b>1,044,552</b>               |

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

\*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

## Appendix 5a

## 2026 Cash Flow and Future Year Commitments Including Carry Forward

| Projects (In \$000s)                                     | 2026<br>Budget | 2027<br>Plan   | 2028<br>Plan   | 2029<br>Plan   | 2030<br>Plan   | 2031<br>Plan  | 2032<br>Plan  | 2033<br>Plan  | 2034<br>Plan  | 2035<br>Plan  | Total 2026<br>Cash Flow and<br>FY Commitments | Previously<br>Approved | Change in<br>Scope | New with<br>Future Year |
|--|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|--------------------|-------------------------|
| <i>New Etobicoke Civic Centre</i>                        | 104,000        | 192,882        | 21,454         | 63,685         |                |               |               |               |               |               | 382,020                                       | 382,020                |                    |                         |
| <i>Net Zero Carbon Plan Program (New)</i>                | 3,999          | 12,950         | 21,450         | 36,000         | 48,000         | 46,000        | 32,000        | 31,500        | 31,500        | 11,000        | 274,399                                       | 271,399                | 3,000              |                         |
| <i>Workplace Modernization Program</i>                   | 10,547         | 58,556         | 52,987         | 27,885         | 23,141         | 8,603         | 98            |               |               |               | 181,817                                       | 181,817                |                    |                         |
| <i>TO Live SOGR</i>                                      | 17,916         | 50,173         | 45,995         | 23,482         | 15,484         | 6,315         | 2,794         | 241           | 506           | 530           | 163,436                                       | 72,186                 | 329                | 90,920                  |
| <i>Mechanical and Electrical</i>                         | 11,476         | 17,948         | 23,434         | 19,655         | 13,918         | 5,948         | 4,736         | 3,808         | 2,018         | 263           | 103,202                                       | 62,021                 |                    | 41,181                  |
| <i>Gardiner and DVP Re-allocation</i>                    | 7,289          | 14,093         | 21,154         | 18,519         | 2,958          | 317           |               |               |               |               | 64,331  | 53,521                 | 400                | 10,410                  |
| <i>Structural / Building Envelope</i>                    | 9,456          | 12,019         | 11,699         | 6,670          | 4,391          | 3,801         | 2,671         | 2,133         | 1,190         |               | 54,030  | 32,868                 |                    | 21,162                  |
| <i>Accessibility for Ontarians with Disabilities Act</i> | 9,062          | 14,652         | 16,000         | 8,220          |                |               |               |               |               |               | 47,935  | 47,935                 |                    |                         |
| <i>City-Wide Physical Security Enhancements</i>          | 3,318          | 4,216          | 3,185          | 3,250          | 3,318          | 3,137         | 3,209         | 3,283         | 3,359         | 3,437         | 33,713  | 28,373                 | 5,340              |                         |
| <i>Relocation of Fire Station 332</i>                    | 4,000          | 11,440         | 8,900          | 6,700          |                |               |               |               |               |               | 31,039  | 31,039                 |                    |                         |
| <i>Renovations</i>                                       | 15,243         | 6,826          | 2,496          | 968            | 538            |               |               |               |               |               | 26,070  | 20,287                 |                    | 5,783                   |
| <i>Sitework</i>  | 5,378          | 7,280          | 3,912          | 633            | 452            | 226           |               |               |               |               | 17,881  | 15,470                 |                    | 2,411                   |
| <i>Parkdale Hub Community Space</i>                      | 180            | 7,000          | 7,000          | 3,544          |                |               |               |               |               |               | 17,724  |                        |                    | 17,724                  |
| <i>Roofing</i>   | 1,437          | 3,196          | 1,381          | 1,613          | 1,967          | 2,041         | 2,065         | 1,650         | 920           | 123           | 16,394  | 2,050                  |                    | 14,344                  |
| <i>Future Use of Old City Hall</i>                       | 154            | 2,950          | 7,533          | 4,800          |                |               |               |               |               |               | 15,437  | 15,437                 |                    |                         |
| <i>City-Wide Asset Management Technology</i>             | 4,870          | 3,520          | 7,040          |                |                |               |               |               |               |               | 15,430  | 14,944                 | 486                |                         |
| <i>Other Service Improvements</i>                        | 6,713          | 7,000          |                |                |                |               |               |               |               |               | 13,713  | 13,382                 | 331                |                         |
| <i>Union Station - SOGR</i>                              | 4,292          | 5,685          | 123            | 720            | 560            | 112           | 162           |               |               |               | 11,654  | 11,654                 |                    |                         |
| <i>Energy Conservation &amp; Demand Management</i>       | 1,696          | 2,000          | 3,644          | 500            | 500            | 500           | 500           | 500           | 500           | 500           | 10,841  | 10,841                 |                    |                         |
| <i>Strategic Property Acquisitions</i>                   | 5,087          | 5,343          |                |                |                |               |               |               |               |               | 10,430  | 10,430                 |                    |                         |
| <i>Other Health &amp; Safety</i>                         | 2,500          | 1,960          | 900            | 600            | 600            | 600           | 500           | 500           | 500           | 500           | 9,159   | 14,499                 | (5,340)            |                         |
| <i>Small Capital</i>                                     | 8,051          | 1,000          |                |                |                |               |               |               |               |               | 9,051   | 1,551                  |                    | 7,500                   |
| <i>Net Zero Carbon Plan Program</i>                      | 2,309          | 2,653          | 2,750          | 750            |                |               |               |               |               |               | 8,462   | 8,462                  |                    |                         |
| <i>St. Lawrence Market North Redevelopment</i>           | 1,108          | 6,700          |                |                |                |               |               |               |               |               | 7,808   | 7,808                  |                    |                         |
| <i>Building Automation System (BAS)</i>                  | 1,560          | 3,900          | 1,800          |                |                |               |               |               |               |               | 7,260   | 3,510                  |                    | 3,750                   |
| <i>Fire &amp; Life Safety</i>                            | 6,126          | 1,000          |                |                |                |               |               |               |               |               | 7,126   | 5,126                  |                    | 2,000                   |
| <i>Environmental Remediation</i>                         | 2,840          | 2,100          | 1,200          |                |                |               |               |               |               |               | 6,140   | 1,940                  |                    | 4,200                   |
| <i>Emergency Repairs</i>                                 | 1,294          | 2,024          | 994            | 807            | 300            |               |               |               |               |               | 5,418   | 7,284                  | (1,866)            |                         |
| <i>Union Station Enhancement Project (USEP)</i>          | 298            | 2,910          |                |                |                |               |               |               |               |               | 3,208   | 3,208                  |                    |                         |
| <i>Feasibility Studies</i>                               | 1,664          | 1,400          |                |                |                |               |               |               |               |               | 3,064   | 3,064                  |                    |                         |
| <i>Real Estate Services SOGR</i>                         | 1,736          | 600            |                |                |                |               |               |               |               |               | 2,336   | 1,136                  |                    | 1,200                   |
| <i>Strategic Feasibility Studies</i>                     | 1,314          |                |                |                |                |               |               |               |               |               | 1,314   | 564                    |                    | 750                     |
| <i>Union Station Revitalization</i>                      | 479            |                |                |                |                |               |               |               |               |               | 479   | 479                    |                    |                         |
| <i>Toronto Strong Neighbourhoods Strategy</i>            | 472            |                |                |                |                |               |               |               |               |               | 472   | 472                    |                    |                         |
| <i>1050 Ellesmere Building Enhancements</i>              | 63             |                |                |                |                |               |               |               |               |               | 63  | 63                     |                    |                         |
| <b>Total Expenditure (including carry forward)</b>       | <b>257,926</b> | <b>465,975</b> | <b>267,031</b> | <b>229,001</b> | <b>116,126</b> | <b>77,600</b> | <b>48,735</b> | <b>43,615</b> | <b>40,493</b> | <b>16,353</b> | <b>1,562,856</b>                              | <b>1,336,839</b>       | <b>2,681</b>       | <b>223,336</b>          |

## Appendix 5b

## 2027-2035 Capital Plan Including Carry Forward

| Projects (In \$000s)                               | 2027 Plan     | 2028 Plan     | 2029 Plan     | 2030 Plan     | 2031 Plan     | 2032 Plan     | 2033 Plan     | 2034 Plan     | 2035 Plan     | 2027-2035 Total | Health and Safety/ Legislated | SOGR           | Service Improvement and Growth |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-------------------------------|----------------|--------------------------------|
| <i>Gardiner and DVP Re-allocation</i>              | 2,947         | 9,309         | 27,511        | 40,091        | 36,501        | 10,953        | 6,438         |               |               | 133,751         |                               | 133,751        |                                |
| <i>Union Station - SOGR</i>                        | 1,104         | 11,444        | 15,299        | 2,500         | 4,318         | 2,983         | 5,000         | 4,318         |               | 46,966          |                               | 46,966         |                                |
| <i>Small Capital</i>                               | 5,000         | 5,000         | 5,000         | 5,000         | 4,500         | 4,500         | 4,500         | 4,500         | 4,500         | 42,500          |                               | 42,500         |                                |
| <i>Environmental Remediation</i>                   | 1,700         | 4,319         | 2,283         | 2,783         | 11,537        | 1,783         | 1,783         | 1,783         | 1,783         | 29,754          | 16,800                        | 12,954         |                                |
| <i>Renovations</i>                                 | 2,212         | 2,724         | 2,237         | 2,251         | 2,449         | 2,463         | 2,478         | 2,311         | 5,200         | 24,326          |                               | 24,326         |                                |
| <i>Mechanical and Electrical</i>                   |               |               |               |               | 89            | 89            | 89            | 10,000        | 12,312        | 22,578          |                               | 22,578         |                                |
| <i>Building Automation System (BAS)</i>            | 3,250         | 3,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 20,250          |                               | 20,250         |                                |
| <i>Fire &amp; Life Safety</i>                      | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 18,000          | 18,000                        |                |                                |
| <i>Structural / Building Envelope</i>              | 1,040         | 1,081         | 1,125         | 1,170         | 1,338         | 1,386         | 1,437         | 6,369         | 2,564         | 17,510          |                               | 17,510         |                                |
| <i>Real Estate Services SOGR</i>                   | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 10,800          |                               | 10,800         |                                |
| <i>Roofing</i>                                     |               |               |               |               |               |               |               | 6,000         | 3,846         | 9,846           |                               | 9,846          |                                |
| <i>Emergency Repairs</i>                           |               |               | 557           | 399           | 1,256         | 1,193         | 1,027         | 1,500         | 3,000         | 8,933           | 8,933                         |                |                                |
| <i>Energy Conservation &amp; Demand Management</i> | 1,000         | 750           | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 750           | 500           | 8,000           |                               |                | 8,000                          |
| <i>Feasibility Studies</i>                         |               | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 8,000           |                               | 8,000          |                                |
| <i>Strategic Feasibility Studies</i>               | 750           | 750           | 750           | 750           | 750           | 750           | 750           | 750           | 750           | 6,750           |                               |                | 6,750                          |
| <i>Sitework</i>                                    |               |               |               |               |               |               |               |               | 3,311         | 3,311           |                               | 3,311          |                                |
| <i>TO Live SOGR</i>                                | 3,743         | 1,548         | 132           | 100           | 190           | 750           | 5             | 10            | 79            | 6,557           |                               | 726            | 5,831                          |
| <b>Total Expenditures</b>                          | <b>25,946</b> | <b>44,126</b> | <b>62,096</b> | <b>62,244</b> | <b>70,127</b> | <b>34,050</b> | <b>30,707</b> | <b>44,491</b> | <b>44,044</b> | <b>417,831</b>  | <b>43,733</b>                 | <b>353,517</b> | <b>20,581</b>                  |

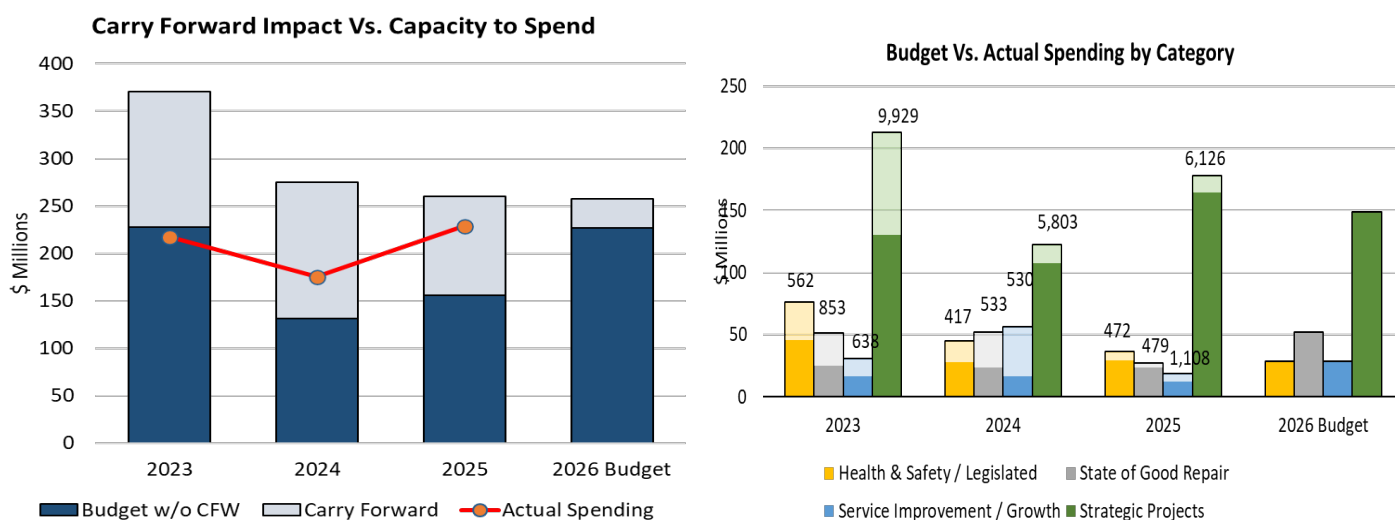
## Appendix 6

### Capacity to Deliver Review

The 10-Year Plan has been developed with consideration of historically demonstrated capacity to deliver within any given year of a 10-Year plan. In addition, a review was undertaken to ensure budgets align with the capacity available in the market to deliver on capital projects and assets.

A key component in determining an appropriate level of annual cash flow includes evaluating historical capacity to deliver by project categories (Chart 3 below) and assessing projected 2025 underspending that will be carried forward into the 2026-2035 Capital Budget and Plan.

**Chart 3 – Capacity to Deliver**



### Impact of Capacity to Deliver Review on the 10-Year Plan

- Corporate Real Estate Management's actual spending over the previous three years, from 2023-2025, has averaged \$207.2 million per year or 70% of planned cash flows. The projected spending for 2025 is \$260.0 million or 88% of the 2025 Capital Budget. Challenges in spending for projects are mainly due to major strategic projects, each with their own unique complexities, requiring shifting of spending plans. Unspent cash flow funding of \$30.8 million has been carried forward into 2026 to continue and complete the required capital work.
- Corporate Real Estate Management reviewed its historical capital spending trends and capacity to deliver projects. Based on the review of historical capital spending and capacity to deliver, \$174.1 million in capital originally cash flowed in 2026 has been deferred across the 10-year plan. Other factors informing the Capital Plan are noted below:
  - The Division will continue to deliver more in 2026 than the historical average due to the strategic and legislated projects that are in flight with dedicated project teams that make up a significant portion of the 2026 capital budget.
  - In a number of cases contracts have been awarded for design and construction, allowing for increased project delivery in 2026. These include the Workplace Modernization Program, new Etobicoke Civic Centre, Relocation of Fire Station 332, and rollout of the Accessibility for Ontarians with Disabilities Act (AODA).
  - The Division will continue to manage and monitor cost escalations and supply chain issues due to tariff uncertainty, impacting the construction industry in 2026 and beyond. These inflationary pressures can result in less SOGR projects being completed with the same funding levels. Adjustments to the capital plan were made in response to this, to ensure capital funding is utilized in the most efficient and effective manner to address priorities and SOGR needs in City facilities.

## Appendix 7

### Summary of Capital Delivery Constraints

| Projects   | Total Project Cost | Non-Debt Funding | Debt Required  | Cash Flow (In \$ Millions) |              |              |              |              |              |              |             |             |              |
|--|--------------------|------------------|----------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
|  |                    |                  |                | 2026                       | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         | 2033        | 2034        | 2035         |
| <b>NOT INCLUDED</b>                              |                    |                  |                |                            |              |              |              |              |              |              |             |             |              |
| <i>Nathan Phillips Square Preservation</i>       | 65.3               |                  | 65.3           |                            | 0.5          | 4.6          | 16.6         | 23.1         | 20.5         |              |             |             |              |
| <i>Mel Lastman Square Revitalization</i>         | 51.0               |                  | 51.0           |                            | 1.0          | 11.0         | 22.0         | 17.0         |              |              |             |             |              |
| <i>843 Eastern Avenue Fleet Garage Renewal</i>   | 5.5                |                  | 5.5            | 2.7                        | 2.8          |              |              |              |              |              |             |             |              |
| <i>TO Live SOGR Backlog</i>                      | 115.1              |                  | 115.1          | 9.6                        | 8.8          | 8.8          | 6.7          | 3.6          | 4.4          | 0.5          | 9.9         | 23.5        | 39.4         |
| <i>10-Yr Unsubmitted SOGR Backlog</i>            | 1,330.0            |                  | 1,330.0        | 73.4                       | 140.8        | 152.0        | 163.6        | 178.0        | 190.0        | 175.1        | 46.1        | 66.3        | 144.7        |
| <b>Total Delivery Constraints (Not Included)</b> | <b>1,567.0</b>     |                  | <b>1,567.0</b> | <b>85.6</b>                | <b>153.9</b> | <b>176.5</b> | <b>208.8</b> | <b>221.8</b> | <b>214.8</b> | <b>175.6</b> | <b>56.0</b> | <b>89.8</b> | <b>184.1</b> |

In addition to the 10-Year Capital Plan of \$1,980.7 million, staff have identified \$1,567.0 million in Capital Delivery Constraints as reflected in the table above. These projects are substantial in scope and require significant funding. The list will continue to grow as CREM's infrastructure continues to age and costs continue to escalate. Key projects include:

- \$65.3 million in future year funding designated for Nathan Phillips Square Waterproofing and Preservation to address health and safety concerns by completing the work on ceremonial ramp repairs, waterproofing, landscape enhancements, and hostile vehicle mitigation.
- \$51.0 million for Mel Lastman Square Revitalization to address SOGR requirements and development of a new conceptual design to enhance the square through improved accessibility, way finding and pedestrian connectivity.
- \$42.0 million for the 843 Eastern Avenue Fleet Garage Renewal, including selective demolition, a new 10-bay addition, full electrification, and a deep retrofit of the retained building.
- \$115.1 million to address SOGR requirements at three major City-owned theaters under TO Live's stewardship.
- \$1,330.0 million to address backlog SOGR requirements identified from building condition audits at CREM managed facilities over the next 10 years.

Corporate Real Estate Management is implementing an industry standard Asset Management Program to enhance strategic planning, mitigate further growth in the backlog, and standardize tools, processes, and practices across all City facilities. This approach will refine future SOGR needs and backlog projections over time.

## Appendix 8

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2026 Operating Budget

| Reserve Account   | Reserve/Reserve Fund Name | Inflow/Outflow/Balance                        | 2026    | 2027     | 2028     |
|-------------------|---------------------------|---|---------|----------|----------|
| XR2501<br>(\$000) | Union Station             | Opening Balance                               | 7,383.2 | 8,056.4  | 13,066.9 |
|                   |                           | *Contributions (+)                            |         |          |          |
|                   |                           | Corporate Real Estate Management              | 753.0   | 4,905.5  | 9,205.6  |
|                   |                           | Total Contributions                           | 753.0   | 4,905.5  | 9,205.6  |
|                   |                           | *Withdrawals (-)                              |         |          |          |
|                   |                           | Operating Budget                              |         |          |          |
|                   |                           | Sub-Total Operating Withdrawals               | 0.0     | 0.0      | 0.0      |
|                   |                           | Capital Budget and Plan                       |         |          |          |
|                   |                           | Corporate Real Estate Management              | (156.6) | 0.0      | 0.0      |
|                   |                           | Sub-Total Capital Budget and Plan Withdrawals | (156.6) | 0.0      | 0.0      |
|                   |                           | Total Withdrawals                             | (156.6) | 0.0      | 0.0      |
|                   |                           | Interest Income                               | 76.8    | 105.1    | 176.7    |
|                   |                           | Closing Balance                               | 8,056.4 | 13,066.9 | 22,449.3 |

| Reserve Account   | Reserve/Reserve Fund Name                  | Inflow/Outflow/Balance                        | 2026    | 2027      | 2028      |
|-------------------|--|---|---------|-----------|-----------|
| XQ1502<br>(\$000) | Vehicle Reserve - Facilities & Real Estate | Opening Balance                               | 2,027.1 | 3,021.1   | 1,159.5   |
|                   |  | *Contributions (+)                            |         |           |           |
|                   |  | Corporate Real Estate Management              | 1,399.9 | 1,399.9   | 1,399.9   |
|                   |  | Environment, Climate & Forestry               | 17.3    | 17.3      | 17.3      |
|                   |  | Total Contributions                           | 1,417.2 | 1,417.2   | 1,417.2   |
|                   |  | *Withdrawals (-)                              |         |           |           |
|                   |  | Operating Budget                              |         |           |           |
|                   |  | Sub-Total Operating Withdrawals               | 0.0     | 0.0       | 0.0       |
|                   |  | Capital Budget and Plan                       |         |           |           |
|                   |  | Fleet Services                                | (423.2) | (3,278.8) | (2,092.3) |
|                   |  | Sub-Total Capital Budget and Plan Withdrawals | (423.2) | (3,278.8) | (2,092.3) |
|                   |  | Total Withdrawals                             | (423.2) | (3,278.8) | (2,092.3) |
|                   |  | Interest Income                               |         |           |           |
|                   |  | Closing Balance                               | 3,021.1 | 1,159.5   | 484.5     |



## Inflows and Outflows to/from Reserves and Reserve Funds

**2026-2035 Capital Budget and Plan**

| Reserve Account   | Reserve/Reserve Fund | Inflow/Outflow/Balance                        | 2026    | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033     | 2034     | 2035     |
|-------------------|----------------------|---|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| XR2501<br>(\$000) | Union Station        | Opening Balance                               | 7,383.2 | 8,056.4  | 13,066.9 | 22,449.3 | 22,673.8 | 22,900.5 | 23,129.5 | 23,360.8 | 23,594.4 | 23,830.4 |
|                   |                      | *Contributions (+)                            |         |          |          |          |          |          |          |          |          |          |
|                   |                      | Corporate Real Estate Management              | 753.0   | 4,905.5  | 9,205.6  | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |
|                   |                      | Total Contributions                           | 753.0   | 4,905.5  | 9,205.6  | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |
|                   |                      | *Withdrawals (-)                              |         |          |          |          |          |          |          |          |          |          |
|                   |                      | Operating Budget                              |         |          |          |          |          |          |          |          |          |          |
|                   |                      | Sub-Total Operating Withdrawals               | 0.0     | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |
|                   |                      | Capital Budget and Plan                       |         |          |          |          |          |          |          |          |          |          |
|                   |                      | Corporate Real Estate Management              | (156.6) | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |
|                   |                      | Sub-Total Capital Budget and Plan Withdrawals | (156.6) | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |
|                   |                      | Total Withdrawals                             | (156.6) | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      |
|                   |                      | Interest Income                               | 76.8    | 105.1    | 176.7    | 224.5    | 226.7    | 229.0    | 231.3    | 233.6    | 235.9    | 238.3    |
|                   |                      | Closing Balance                               | 8,056.4 | 13,066.9 | 22,449.3 | 22,673.8 | 22,900.5 | 23,129.5 | 23,360.8 | 23,594.4 | 23,830.4 | 24,068.7 |

| Reserve Account   | Reserve/Reserve Fund | Inflow/Outflow/Balance                        | 2026    | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|-------------------|----------------------|---|---------|------|------|------|------|------|------|------|------|------|
| XR3031<br>(\$000) | Section 16           | Opening Balance                               | 389.3   | 69.5 | 70.2 | 70.9 | 71.6 | 72.3 | 73.0 | 73.8 | 74.5 | 75.3 |
|                   |                      | *Contributions (+)                            |         |      |      |      |      |      |      |      |      |      |
|                   |                      | Total Contributions                           | 0.0     | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
|                   |                      | *Withdrawals (-)                              |         |      |      |      |      |      |      |      |      |      |
|                   |                      | Operating Budget                              |         |      |      |      |      |      |      |      |      |      |
|                   |                      | Sub-Total Operating Withdrawals               | 0.0     | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
|                   |                      | Capital Budget and Plan                       |         |      |      |      |      |      |      |      |      |      |
|                   |                      | Corporate Real Estate Management              | (322.1) | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
|                   |                      | Sub-Total Capital Budget and Plan Withdrawals | (322.1) | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
|                   |                      | Total Withdrawals                             | (322.1) | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
|                   |                      | Interest Income                               | 2.3     | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  |
|                   |                      | Closing Balance                               | 69.5    | 70.2 | 70.9 | 71.6 | 72.3 | 73.0 | 73.8 | 74.5 | 75.3 | 76.0 |

## Appendix 9

### Glossary

**Approved Position:** Permanent or temporary position that support the delivery of City services and service levels in annual budget.

**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 Deliver** Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget and Plan:** A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

**Capital Delivery Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency has 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 provide services.

**Operating Impact of Completed Capital Projects:** The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

**Salary and Benefit Adjustments:** General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

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

**Tax-Supported Budget:** Budget funded by property taxes.

**User Fees:** Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).