

2026 Budget Notes

Economic Development and Culture

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Description

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

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

Economic Development and Culture assists businesses of all sizes and partners with industry and trade associations, Business Improvement Areas (BIAs), colleges and universities and other orders of government to enhance the competitiveness, diversity, resilience, and sustainability of Toronto based enterprises and sectors.

Economic Development and Culture has stewardship for over 400 public art installations and 100 heritage buildings, including seven community museums, one art gallery and two national historic sites (Fort York and Spadina Museum).

Economic Development and Culture is responsible for the collection and conservation of 150,000 artifacts, 3,000 works of fine art, and 1.1 million archeological specimens.

Why We Do It

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

- Business and cultural entities in Toronto have equitable access to and use economic development supports that start, improve, and grow operations, and contribute to increased economic activity.
- People in Toronto have equitable access to and use inclusive cultural programs that increase understanding of Toronto's many cultures and histories and contribute to a greater sense of belonging.

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

For further information about Economic Development and Culture, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/economic-development-culture/>

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What Service We Provide

Art Services

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

What We Deliver:

- Arts services development and support in the form of advice, advocacy, consultation, convening, issue resolution and facilitation, promotion, and special event facilitation
- Create and offer arts activities and programs, classes, exhibits and events; plan and produce major festivals and events
- Assist in the organization of third-party events at Nathan Phillips Square and other City-owned locations
- Facilitate, develop, and provide access to arts venues and public art
- Provide funding to arts organizations through the cultural grant services

Resources (gross 2026 operating budget): \$60.6 Million

Business Services

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

What We Deliver:

- What We Deliver: Deliver business, sector and entrepreneurship supports including advice, training, consultation, advocacy, networking, market intelligence, issue resolution, promotion, events, and grants
- Provide advice and governance support (as local boards of the City) to, and capital project cost-share funding for, BIAs
- Partner with City divisions and administer property tax rebate programs to maintain space and increase the competitiveness of Toronto businesses
- Collaborate with Toronto Inc., universities and colleges, industry associations and other orders of government to attract investment in and market access for Toronto based businesses

Resources (gross 2026 operating budget): \$22.2 Million

Entertainment Industries Services

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

What We Deliver:

- Entertainment industries development and support in the form of advice, advocacy, consultation, convening, issues resolution and facilitation, industry promotion and training
- Film permitting for over 1,400 productions annually, enabling location shooting that supports the industry's significant production volume
- Visitor information services and strategic support to grow the visitor economy and night economy
- Equity-driven workforce development, growing production and performance space to increase investment, supporting climate-aware practices, and international promotion that draws business to Toronto

Resources (gross 2026 operating budget): \$7.8 Million

Museum and Heritage Services

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

What We Deliver:

- Museum services development and support in the form of advice, advocacy, consultation, convening, issue resolution, facilitation, and promotion
- Create and offer museum activities, programs, classes, exhibits and events; provide rental opportunities for art gallery spaces, theaters, rooms for community members
- Develop, manage, and conserve artifacts, archeological specimens, and fine art collections
- Manage heritage properties and municipal museums' operations
- Provide advice and collaborate with other City divisions in managing their heritage assets 3 -

Resources (gross 2026 operating budget): \$21.2 Million

Budget at a Glance**2026 OPERATING BUDGET**

In \$ Millions	2026	2027	2028
Revenues	\$14.6	\$10.6	\$10.4
Gross Expenditures	\$111.8	\$112.3	\$116.5
Net Expenditures	\$97.2	\$101.7	\$106.1
Approved Positions	324.8	317.1	316.8

2026-2035 10-YEAR CAPITAL PLAN

In \$ Millions	2026	2027-2035	Total
Gross Expenditures	\$29.3	\$149.5	\$178.8
Debt	\$18.9	\$99.9	\$118.8

Note: Includes 2025 carry forward funding

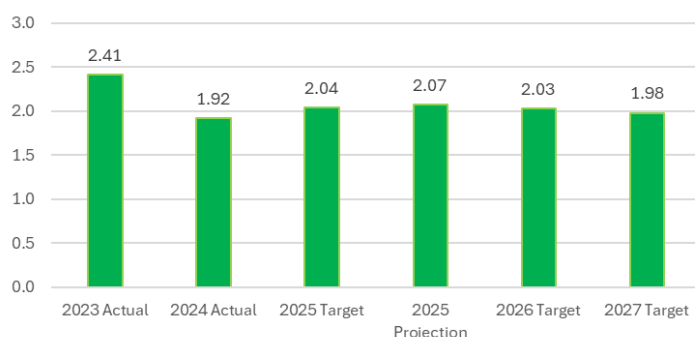
How Well We Are Doing – Behind the Numbers

Annual film production spend in Toronto (\$billions)



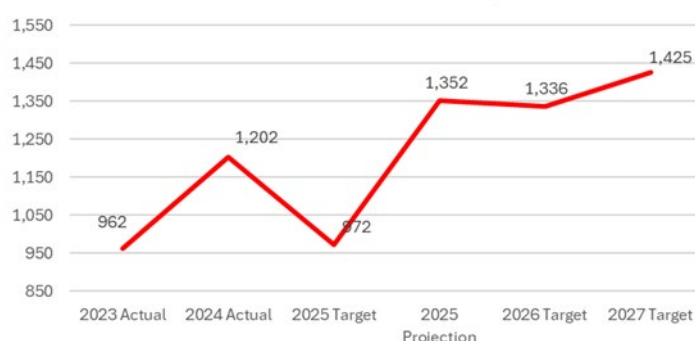
- For 2024, the production volumes did not rebound to anticipated levels due to impacts of the extended labour disruption in 2023.
- Production volumes were expected to rise to record levels in 2025. However, due to global economic instability and impact of US policy, the projected film production spend has been adjusted downward.
- Production volume is anticipated to grow in 2026 and 2027 due to infrastructure expansions, operational improvements and competitive incentives.

Number of attendees at City-produced cultural programs and events (millions)



- Attendance in 2024 reflected a return to sustainable levels of attendance more in-line with pre-pandemic attendance.
- Attendance was expected to grow in 2025 and 2026 with the addition of FIFA-related events leading up to and during the FIFA World Cup 26.
- A return to moderate growth in 2027 is expected due to an anticipated reduction in attendance at maturing City signature events.

Number of public programs, education programs and events held annually



- The number of programs was anticipated to grow in 2025 in line with a sustainable level of resources, however an increase in museum programs and art classes were made in 2025.
- The number of programs will fall slightly in 2026 due to a major capital project that will close key studios at a cultural centre impacting programming.

How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Entertainment Industry Services	Annual film production spend in Toronto	\$2.2B	\$3.0B	\$2.4B	\$2.6B	\$2.8B
Arts Services and Museum and Heritage Services	Number of attendees at City-produced cultural programs and events	1,923,000	2,039,000	2,076,000	2,028,000	1,979,000
Business Services	Number of businesses provided with material support (to retain / create jobs) ¹	4,415	1,096 ¹	4,000	3,954	3,959
Key Service Level Measures						
Entertainment Industry Services	Number of productions supported through film permitting	1,150	1,800	1,400	1,600	1,700
Entertainment Industry Services	Number of film permits issued	2,500	3,250	2,500	2,500	2,800
Arts Services and Museum and Heritage Services	Number of public programs, education programs, and events held annually	1,202	972	1,352	1,336	1,425
Other Measures						
Entertainment Industry Services	Percentage of film permits issued in 2 days	100%	100%	100%	100%	100%

Comments:

¹ due to risk of federal funding program being discontinued, the 2025 target did not include Main Street Recovery and Rebuild Initiative/Toronto Economic Resiliency Initiative programs.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

Economic Development and Culture has advanced work on implementing 25 of the 28 actions in Culture Connects: *An Action Plan for Culture in Toronto 2025-2035* (APTC).

- Key investments have resulted in more opportunities to enjoy culture throughout the city with a focus on increased access outside the core.
- 64 festivals across 19 City wards, including 35 first-time recipients, were approved for Cultural Festivals Funding Program (CFFP). The average grant amount increased by 56% from \$10,182 to \$15,914. An additional 15 festivals were funded due to the 2025 budget enhancement of \$0.645 million.
- Enhanced funding in 2025 to the Toronto Arts Council (TAC) is providing funding to various initiatives targeted at equity-deserving communities outside the downtown core, including 38 community-engaged arts organizations and first-time operating funding for 15 new and emerging organizations.
- Enhanced investment in 2025 for Little Jamaica is supporting four placemaking projects focussing on culinary, music and culture for residents and visitors to the area, supporting implementation of the City's first Cultural District in 2026.
- Enhanced funding in 2025 has allowed the Special Events Stabilization Initiative to run for the second year. To-date, 92 grants have been issued, including providing additional supports after the Vancouver festival attack in April 2025.

Economic Development and Culture has advanced work on implementing 32 of the 73 actions in Sidewalks to Skylines: *A 10-Year Action Plan for Toronto's Economy 2025-2035* (APTE). EDC also advanced work on implementing the 10 recommendations in the Mayor's Economic Action Plan in Response to US Tariffs. To mitigate the impact of US trade measures and diversify markets for Toronto businesses, EDC undertook several actions outlined in the tariff report.

- Established TradeTO initiative to help companies diversify their trade and explore new markets. Trade missions to-date include a film mission to the United Kingdom and Ireland and the world's largest manufacturing trade fair in Hannover, Germany, as well as a trade mission to Web Summit Vancouver.
- Provided technical assistance and seed grants for export readiness by launching the Starter Company Plus 'Trade Accelerator Stream' supporting 25 export-ready companies exploring European markets.
- To support 'buying local', the Love Local campaign was launched in the first quarter of 2025 in collaboration with Toronto's BIAs. The Love Local marketing campaign has garnered over 335,000 impressions; social media has reached over 275,000 people.
- Main street retail and other small businesses benefit from the City's investment in BIA programs and other services provided to the sector.
- As of the end of June 2025, our Small Business Enterprise Supports have received 10,361 inquiries, 1,164 businesses started, expanded or purchased, resulting in 3,370 jobs created.
- Fifty-seven (57) outdoor mural/street art projects funded (a 43% increase from 40 in 2024); 35 streetscape improvement projects started.

Key Challenges and Risks

- Key EDC stakeholders in the culture sector continue to experience financial challenges, in the form of rising costs and declining public and private revenues, leading to organizational failures and event cancellations amid media, stakeholder and political calls for intervention. Grants and transfers, which represent 50.1% of EDC's gross operating budget, are oversubscribed despite funding enhancements in 2025 and 2026, and reallocation within grant programs will be required to ensure the areas of greatest risk are addressed.
- Toronto's economy and local businesses have been impacted by global instability and U.S. tariffs. The Mayor's Economic Action Plan in Response to US Tariffs, adopted by Council in March 2025, outlined in-

year actions that will continue into 2026 with supports for local businesses to respond to impacts of US policy changes.

- The Action Plan for Toronto's Economy (APTE) assigned 48 actions to EDC, where 32 are currently being implemented, and 16 are not implemented and/or are unfunded. The Action Plan for Toronto's Culture Sector (APTC) has 25 of 28 actions implemented; most of which spill over into 2026. Implementation of these action plans are challenged by the availability of resources given the fiscal challenges facing the City of Toronto.

Priority Actions

Economic Development and Culture's priority actions will continue to be guided by the 10-year action plans for Toronto's economy (Sidewalks to Skylines) and culture sector (Culture Connects) passed by City Council in November 2024 and the Mayor's Economic Action Plan in Response to US Tariffs (adopted in March 2025) including:

- Increase City support for local companies to diversify trade and explore new markets.
 - Address challenges to vitality of small business and main streets, including efforts to strengthen BIAs.
 - Distribute the City's arts funding more equitably to address historic underinvestment outside the downtown core, with new agreements with the Toronto Arts Council supporting these objectives.
 - Dedicated support to tech and innovation sector, including new service model and AI strategy.
 - Assess feasibility for the creation of a Museum of Toronto including Old City Hall as a potential location.
 - Launch Indigenous Economic Development Strategy and Indigenous Centre for Innovation and Entrepreneurship.
 - Develop an Inclusive Economic Development (IED) Framework co-created with community.
 - Continue to advocate for the protection of Toronto's Employment Lands and intensify their use.
 - Support the City's efforts in hosting FIFA Men's World Cup 2026 and maximize tourism and economic development opportunities. Deliver a comprehensive festivals strategy to continue supporting major events and festivals including FIFA Men's World Cup 2022 that contribute to the city's vitality, prosperity and livability, and provide economic benefits to local businesses.
 - Bolster supports for companies, small business and entrepreneurs through staff resourcing and launching of the Small Business Solutions Centre, informed by the City's current Red Tape Reduction exercise.
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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 Economic Development & Culture of \$111.838 million gross, \$14.590 million revenue and \$97.248 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
Arts Services	\$60,620.9	\$2,841.7	\$57,779.2
Business Services	\$22,204.0	\$2,944.3	\$19,259.7
Entertainment Industries Services	\$7,798.5	\$2,297.2	\$5,501.3
Museums and Heritage Services	\$21,214.4	\$6,506.5	\$14,707.9
Total Program Budget	\$111,837.8	\$14,589.7	\$97,248.1

- The 2026 staff complement for Economic Development & Culture of 324.8 positions comprised of 11 capital positions and 313.8 operating positions.
2. The 2026 Capital Budget for Economic Development and Culture with cash flows and future year commitments totaling \$37.688 million as detailed by project in [Appendix 5a](#).
 3. The 2027-2035 Capital Plan for Economic Development and Culture totalling \$141.157 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	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Arts Services	5,150.6	3,745.2	2,871.6	2,841.7		2,841.7	(903.5)	(24.1%)
Business Services	6,681.2	5,471.1	4,102.7	2,944.3		2,944.3	(2,526.7)	(46.2%)
Entertainment Industries Services	1,902.3	2,100.7	2,407.3	2,297.2		2,297.2	196.5	9.4%
Museums & Heritage Services	1,909.8	4,130.8	6,284.5	6,506.5		6,506.5	2,375.7	57.5%
Total Revenues	15,643.8	15,447.8	15,666.2	14,589.8		14,589.8	(858.0)	(5.6%)
Gross Expenditures								
Arts Services	57,264.0	58,678.6	59,190.8	58,017.7	2,603.2	60,620.9	1,942.3	3.3%
Business Services	22,038.3	23,893.0	23,706.5	22,204.0		22,204.0	(1,689.0)	(7.1%)
Entertainment Industries Services	6,511.0	7,574.2	9,040.0	7,798.5		7,798.5	224.3	3.0%
Museums & Heritage Services	14,391.0	18,146.9	16,748.1	21,214.4		21,214.4	3,067.5	16.9%
Total Gross Expenditures	100,204.4	108,292.7	108,685.3	109,234.7	2,603.2	111,837.9	3,545.2	3.3%
Net Expenditures	84,560.5	92,844.9	93,019.1	94,644.9	2,603.2	97,248.1	4,403.2	4.7%
Approved Positions**	316.0	329.1	N/A	324.8		324.8	(4.3)	(1.3%)

*2025 Projection based on 9-Month Variance

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

KEY DRIVERS

Total 2026 Budget expenditures of \$111.838 million gross reflect an increase of \$3.545 million in spending above the 2025 Budget, predominantly arising from:

- Salary and benefit changes, including cost of living adjustment (COLA), non-union performance pay, continuation of temporary positions, and assumed hiring delays and anticipated turnover.
- Inflationary and other adjustments, including corporate inflationary changes, contractual impacts such as Toronto Global, Canadian Artists' Representation/Le Font des artistes canadiens (CARFAC) compliance, reserve contributions and increased cost to art storage.
- Reversal of one-time 2025 reductions and prior-year impacts, including the conclusion of the multi-year inter-governmental grant programs.
- Efficiencies achieved through permanent reductions to TSEIP, international events, Small Business Forum event, Advance transfer payment, and utilities.
- New and enhanced investments to continue advancing Council approved action plans in support of cultural priorities, including increased funding to the Toronto Arts Council, Local Arts Service Organizations, and an inflationary increase to several cultural grants.

EQUITY IMPACTS OF BUDGET CHANGES

Medium-positive equity impacts: The three changes in the operating budget will have a **medium positive equity impact**. Increasing funding for the Toronto Arts Council will not only improve access to culture and strengthen sense of belonging for Indigenous, Black, and equity-deserving groups outside the downtown core. It will help equitably distribute funds to underfunded communities—ensuring the arts reflect the full diversity and lived reality of Toronto’s diverse populations. Similarly, growing cultural programming through Local Arts Service Organizations (LASOs) is expected to increase access to arts and culture programming that is affordable, high quality and meets the unique needs of outside-the-core equity-deserving communities, particularly those who may be low-income, racialized, persons living with disabilities and part of 2SLGBTQ+ communities. It is expected that the investment in LASOs will help address structural barriers in historically underfunded communities, also enhancing community connection and social cohesion while reducing isolation. The inflationary increase to cultural grants programs will support 120+ organizations that prioritize funding projects led by and serving Indigenous, Black, youth and equity-deserving groups. The free/low-cost activities through these programs will likely increase participation from these communities, increasing access to City services and strengthening sense of identity and belonging.

The proposed changes demonstrate EDC’s commitment to advancing equitable outcomes in alignment with the City of Toronto’s Reconciliation Action Plan, the Action Plan to Confront Anti-Black Racism, and other Council-approved equity-advancing policies and plans.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Economic Development & Culture of \$97.248 million is \$4.403 million, 4.7% 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 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	14,701.8	109,864.9	95,163.2		
2025 Budget	15,447.8	108,292.7	92,844.9	329.1	
Key Cost Drivers:					
Prior Year Impacts					
Inter-governmental Grant Program	(2,602.3)	(2,459.8)	142.5	(1.0)	(4.9)
Reversal of One-time Funded Initiatives	(903.7)	(893.7)	10.0		
Reversal of One-time Initiatives Reductions		940.0	940.0		
Salaries and Benefits					
Salaries and Benefits Adjustments		1,397.4	1,397.4	(7.8)	1,037.5
Assumed Turnover and Hiring Delays		(1,099.2)	(1,099.2)		528.3
On-going Support for Limited Duration Positions		980.1	980.1	4.5	(639.7)
Non-Salary Inflation					
Corporate Inflationary Increases		(9.5)	(9.5)		
Other Changes					
Contractual Agreements and Increases	(264.2)	55.8	320.1		1,002.2
Reserve Fund Contributions	2,681.0	2,681.0			
Revenue Changes					
User/Non-user Fees Inflationary Rate and Volume Change	205.3		(205.3)		(52.2)
Other Revenue Changes	25.9		(25.9)		(4.5)
Sub Total Key Cost Drivers	(858.0)	1,592.0	2,450.0	(4.3)	1,866.5
Affordability Measures		(650.0)	(650.0)		
Total 2026 Base Budget	14,589.8	109,234.7	94,644.9	324.8	1,866.5
2026 New/Enhanced		2,603.2	2,603.2		2,562.8
2026 Budget	14,589.8	111,837.9	97,248.1	324.8	4,429.4
Change from 2025 Budget (\$)	(858.0)	3,545.2	4,403.2	(4.3)	
Change from 2025 Budget (%)	(5.6%)	3.3%	4.7%	(1.3%)	

*Based on 9-Month Variance

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

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

- Conclusion of multi-year intergovernmental-funded initiatives, including the Main Street Recovery and Rebuild Initiative (MRRI) and the Indigenous Centre for Innovation and Entrepreneurship (ICIE), as well as annual adjustments to the Metrolinx Subway program, the Toronto Economic Resiliency Initiative (TERI), Enterprise Toronto's Starter/Summer Company grant funding, and one time funding from Celebrate Canada, Summer Employment Opportunities.
- Removal of one-time reserve-funded initiatives including funding for Artscape receivership and maintenance of the Jose Rizal Memorial, fully funded by Section 37 Community Benefits Reserve and the residual amount to It's OK Community Arts funded through Section 45 Planning Act Reserve fund.
- Reversal of the 2025 one-time reduction initiatives, including the reinstatement of the Toronto Significant Event Investment Program (TSEIP), international funding, international event support, and facility maintenance

Salaries and Benefits:

- Salaries and benefits adjustments due to cost-of-living (COLA), step adjustments, benefits and pay for performance as well as staffing alignment.
- Anticipated incremental savings from staff turnover and hiring delays.
- On-going support for limited duration positions to strengthen community connections to culture and support vibrant main streets, as outlined in the Action Plan for Toronto's Economy.

Non-Salary Inflation and Other Changes:

- Corporate inflationary changes and increases to contractual and program cost including Toronto Global, art storage, Canadian Artists' Representation/Le Font des Artistes Canadiens (CARFAC) compliance, and Golden Horseshoe Food & Farming Alliance adjustments.
- Increased Casa Loma reserve contributions to fund site capital projects.

Affordability Measures

Table 3: Affordability Measures

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2026				2027 (Incremental)		
			Revenues	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures	Positions
Permanent reduction to Toronto Significant Event Investment Program	Efficiency Savings	No Impact		(150.0)	(150.0)				
Permanent transfer savings	Efficiency Savings	No Impact		(150.0)	(150.0)				
Permanent reduction to Small Business Forum event	Efficiency Savings	No Impact		(75.0)	(75.0)				
Permanent reduction to utilities	Efficiency Savings	No Impact		(200.0)	(200.0)				
Permanent reduction to international events	Efficiency Savings	No Impact		(75.0)	(75.0)				
Total Affordability Measures				(650.0)	(650.0)				

Affordability measures are specific actions taken by Economic Development and Culture (EDC) that achieve cost reductions without impacting service levels for City Divisions and the public. For 2026, EDC has identified \$0.650 million in efficiency savings through the following initiatives:

- Permanent reduction to Toronto Significant Event Investment Program:** The Toronto Significant Event Investment Program (TSEIP), which was established to support and attract high-profile, major one-time events, has been under-subscribed since 2020, due to the impacts of the global pandemic. Based on historic and current-year demand, a \$0.150 million permanent reduction to the grant's funding envelope will have a manageable impact Toronto's competitive edge in attracting and hosting events.
- Permanent transfer savings:** EDC established a four-year Memorandum of Understanding (MOU) with Advance - Canada's Black Music Business Collective to provide \$0.250 million in annual funding between 2020-2024. This start-up funding was matched by the Slate Foundation to support the establishment of high-impact, long-term and sustainable programs for emerging Black business talent in Toronto's music sector community. The reduction in funding under the renewed MOU reflects Advance success in securing alternate funding sources.
- Permanent reduction to Small Business Forum event:** This is a free event for entrepreneurs to come together to learn, network, supply vendors and get resources on a variety of topics. This event can sustain with reduced City funding without impacting service level, due to increased grant funding, trade show sales and sponsorships.
- Permanent reduction to utilities:** Since 2020 utility costs including hydro, natural gas and water, have consistently come in under budget. This is primarily due to higher internal reallocation in 2019 to support anticipated increases, combined with annual economic factor adjustments, while actual costs did not reach anticipated levels over the years.
- Permanent reduction to international events:** This funding is intended to support the City's ability to attract and support high-profile international events which increase Toronto's visibility and generate economic benefits from tourism. This reduction is possible without service level reductions due to proactive roles taken by other industry partners to support conference and meeting attractions.

New and Enhanced Requests

Table 4: New/Enhanced Requests

New/Enhanced Request	2026				2027 Annualized Gross	Equity Impact	Supports Key Outcome/Priority Actions
	Revenues	Gross Expenditures	Net Expenditures	Positions			
(In \$000s)							
1 Continue Improving Access to Culture by Increasing TAC Funds		2,000.0	2,000.0		2,000.0	Medium-positive	2024.EC16.1 adopted by City Council identified the need to expand and improve funding programs to support artists and arts organizations through the Toronto Arts Council with an increase of \$2.000 million annually for the next five years starting in 2025. This proposal supports the service enhancement area: <i>Invest in and invigorate public space</i> . It recommends the continuation of the City's commitment to increasing the Toronto Arts Council's budget by \$2M annually for a five year period from 2025 to address high demand, sector instability, and equity gaps. This investment will expand access to arts and culture across Toronto, with a focus on Indigenous, Black, equity-deserving, and outside-the-core communities, supporting programs like the Black Arts, Indigenous Arts, and Newcomer/Refugee Artist Engagement initiatives. Increased funding will strengthen operating grants, help organizations adapt to rising costs, and broaden cultural opportunities city-wide, aligning with the City's strategic plans and fulfilling Council's equity and cultural development objectives. In 2025 the \$2M increase provided enhanced funding to 38 community-engaged arts organizations and first time operating funding for 15 new and emerging organizations.
2 Continue to Grow Cultural Programming through LASO's		379.0	379.0		379.0	Medium-positive	2024.EC16.1 adopted by City Council identified the need to increase funding to Local Arts Service Organizations (LASOs), by doubling funding from 2024 levels and applying an equitable distribution approach. An increase of \$0.379 million will be required annually for the next five years, starting in 2025. This proposal supports the service enhancement area: <i>Invest in and invigorate public space</i> . It recommends the continuation of the City's commitment to increase funding for the six LASOs by \$379K annually over five years to double their funding envelope, supporting equitable access to arts and culture in neighbourhoods outside the downtown core. LASOs deliver free and low-cost programming that serves youth, seniors, newcomers, 2SLGBTQIA+, Indigenous, Black, racialized, and equity-deserving residents, while also providing paid opportunities and professional development for local artists. Increased, staged funding will address historic funding imbalances among LASOs, expand programs and events city-wide, and strengthen community cohesion, inclusion, and local cultural vitality, in line with the City's new Culture Connects Action Plan (2025–2035). Without this investment, LASOs risk destabilization, reduced programs, and limited ability to meet growing community needs.
3 Continue Improving support for Culture-Inflationary Increase		224.2	224.2		183.8	Medium-positive	2024.EC16.1 adopted by City Council identified the need to add an automatic annual inflationary adjustment to Cultural Grants, effective January 1st of each year commencing in January of 2025. This proposal supports the service enhancement area: <i>Invest in and invigorate public space</i> . It recommends the continuation of annual inflationary increases to cultural grants to stabilize Toronto's arts and culture sector and ensure organizations can manage rising costs. The increase is based on the City's inflationary increase of 2.5% in 2026 and 2% for outlook years to be applied across six out of eight cultural grant programs. More than 1,000 organizations—including the cultural outreach, cultural festivals and partnerships, youth incubators and Indigenous arts initiatives—will benefit. This predictable support will expand equitable access to arts city-wide, particularly for Indigenous, Black, and equity-deserving communities, while reducing emergency funding pressures and preventing closures of vital cultural programs.
Total New/Enhanced		2 603.2	2 603.2		2 562.8		

Note:

For additional information, please refer to [Appendix 3](#) for the 2026 New and Enhanced Service Priorities and [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 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Fees, Rentals, Permits and Other Revenues		66.3	25.8
Change in Inter-governmental Funded Programs		(106.5)	(1,680.7)
Reserve Fund Changes		(3,940.5)	1,450.0
Total Revenues	14,589.8	(3,980.7)	(204.9)
Gross Expenditures			
Salaries and Benefits Changes		918.5	876.4
New Contractual Agreement and Increases		1,002.2	1,002.2
Change in Inter-governmental Funded Programs		(103.8)	(1,674.8)
Contribution to Reserve Fund		(3,931.0)	1,450.0
2026 New and Enhanced Initiatives		2,562.8	2,566.5
Total Gross Expenditures	111,837.9	448.7	4,220.3
Net Expenditures	97,248.1	4,429.4	4,425.2
Approved Positions	324.8	(8.0)	

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$112.3 million reflects an anticipated \$0.449 million or 0.4% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$4.220 million or 3.8% above the 2027 Outlook.

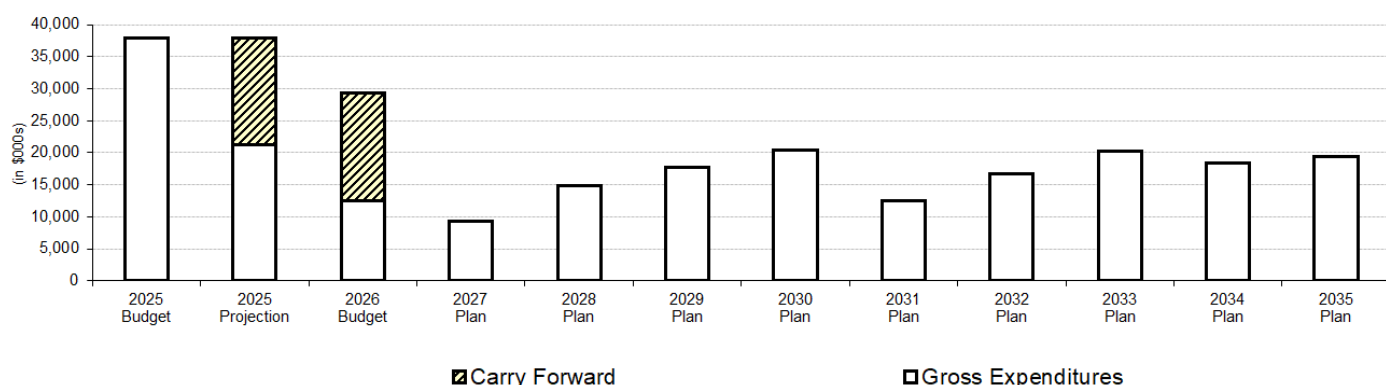
These changes arise from the following:

- **Salaries and Benefits:** Inflationary increases in 2027 and 2028 related to cost-of-living, step adjustments, benefits and pay for performance.
- **Increases in New Contractual Agreement:** Ongoing contractual agreements and commitments including Toronto Global and Canadian Artists' Representation/Le Font des Artistes Canadiens (CARFAC) compliance.
- **Changes to intergovernmental funded programs:** Changes to inter-governmental funding programs including Metrolinx-funded positions, Toronto Economic Resiliency Initiative (TERI) program, and Enterprise Toronto's Starter/Summer Company grants.
- **Contribution to/from reserve fund:** Anticipated adjustments to the Casa Loma Reserve for required capital maintenance, fully funded by contributions from the Casa Loma Corporation.
- **2026 New and Enhanced Initiatives:** The annualized impact of 2026 new and enhanced initiatives with part year implementation resulting in additional costs to reflect full year implementation.

2026-2035 CAPITAL BUDGET AND PLAN

2026–2035 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



(In \$000s)			2026 Capital Budget and 2027-2035 Capital Plan										Total 10-Year Plan
	2025		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	Budget	Projection											
Gross Expenditures by Project Category:													
Health and Safety/Legislated	566	454	995	300	200	100	2,529	800	200	300	300	300	6,024
State of Good Repair	25,847	11,281	23,139	7,384	12,753	15,228	16,028	10,478	15,228	17,628	15,728	17,028	150,622
Service Improvement and Growth	11,494	6,595	5,136	1,695	1,921	2,321	1,821	1,221	1,321	2,321	2,321	2,121	22,199
Total by Project Category	37,907	18,330	29,270	9,379	14,874	17,649	20,378	12,499	16,749	20,249	18,349	19,449	178,845
Funding:													
Provincial	790	790											
Federal	733	733											
Other Revenue	9,008	4,713	4,964	2,390	1,674	3,649	5,678	1,599	3,649	3,649	3,649	3,649	34,550
Reserves/Reserve Funds	2,187	465	5,451	879	2,200	2,000	2,000		2,000	4,000	3,000	4,000	25,530
Debt	25,189	11,630	18,856	6,110	11,000	12,000	12,700	10,900	11,100	12,600	11,700	11,800	118,766
Total Funding	37,907	18,330	29,270	9,379	14,874	17,649	20,378	12,499	16,749	20,249	18,349	19,449	178,845

Project Updates (-\$17.246 Million)

The 2026-2035 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2026-2034):

- \$(9.400) million – Decrease in BIA Financed Funded Project due to lower uptake of this program from the BIAs; and
- \$(5.228) million – Recast cash flow funding for the Commercial Facade Improvement Grant Program, BIA Equal Share Funding, HVAC upgrades at Colborne Lodge, and Spadina Museum Interiors project to address debt budget constraints and support newly prioritized projects.

New Projects (\$3.750 Million)




The 2026-2035 Capital Budget and Plan includes the following key new projects:

- \$0.350 million - Market Gallery Renovations to expand programming space and storage capacity for fine arts;
- \$0.300 million - Montgomery's Inn HVAC replacement;
- \$0.450 million - Colborne Lodge Roofing and Painting;
- \$0.400 million - Lambton House Masonry and Windows; and
- \$0.500 million - Toronto Data/AI Platform alignment to strengthens internal analytics, supports AI research, and contributes to city-wide innovation through collaborative data sharing.

Note:

For additional information, please refer to [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**\$178.8 Million 10-Year Capital Program**

		
Aging Infrastructure	Health and Safety and Legislated	Service Improvement, Enhancement and Growth
\$150.6 M 84.2%	\$6.0 M 3.4%	\$22.2 M 12.4%
<ul style="list-style-type: none"> Assembly Hall Mechanical & Masonry Casa Loma Exterior Restoration - Stables Roof Casa Loma Exterior Restoration -South Terrace Todmorden Mills Centre <input checked="" type="checkbox"/> Montgomery's Inn - HVAC <input checked="" type="checkbox"/> Young People's Theatre Heritage Lighting <input checked="" type="checkbox"/> Various Heritage, Public Arts Buildings and Museums Maintenance Various BIA Projects 	<ul style="list-style-type: none"> Legislated Mechanical & Electrical <input checked="" type="checkbox"/> Lambton House AODA Outdoor Public Art - Salmon Run 	<ul style="list-style-type: none"> Digital Experience Refinement Toronto Data/AI Platform alignment Museum Signage Cedar Ridge Studio Improvements Streetscape Master Plan Program Commercial Facade Improvement Program Mural Program

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

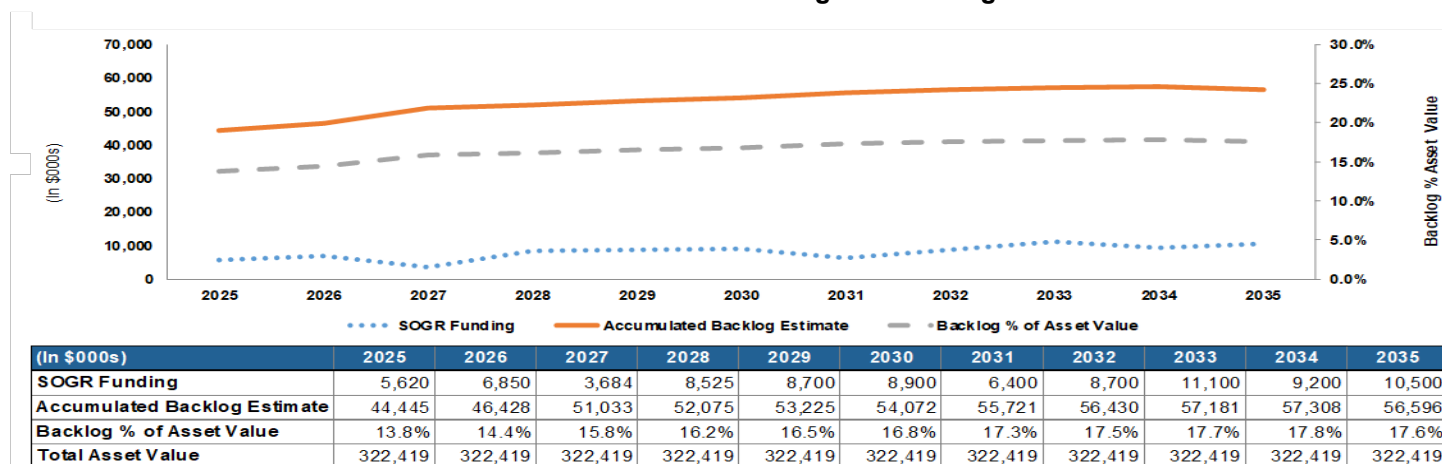
*Information above includes full project/sub-project 2026-2035 Budget and Plan cash flows. Does not break out the climate component costs separately.

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$178.8 million 100.0%		\$0.0 million 0.0%	\$0.0 million 0.0%
Other Revenue - BIA Cost Share 50/50 Recovery and Section 37/45	\$ 34.5 million		
Reserves/ Reserve Funds	\$ 25.5 million		
Debt	\$ 118.8 million		

STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for Economic Development and Culture (EDC).

Chart 2: Total SOGR Funding and Backlog

*Excludes projects supporting capital improvements in the BIAs and outdoor public arts that are not part of EDC's asset portfolio, as well as carry-forward amounts.

- Economic Development and Culture is responsible for close to 100 heritage buildings and maintains approximately 400 public art works. Most of the heritage buildings are over 100 years old, making it difficult to estimate their replacement value. Maintenance of these assets requires a specialized understanding of the high conservation and restoration standards set out in nationally and internationally accepted charters such as the "Standards and Guidelines for the Conservation of Historic Places in Canada".
- The 2026-2035 Capital Budget and Plan will fund \$150.6 million of SOGR projects (\$82.6 million excluding BIAs, IT infrastructures and outdoor public art works) for EDC. Based on current capacity to deliver and the same level of SOGR funding, the accumulated backlog for assets that are part of the Division's portfolio will increase from \$44.4 million or 13.8% of total asset value in 2025 to an anticipated \$56.6 million by 2035, increasing the backlog to approximately 17.6% of asset value, without the infusion of new SOGR funding.
- In the previous year's 2025-2034 Capital Budget and Plan, the SOGR backlog was projected to reach \$29.9 million by the end of the 10-year planning window, reducing the backlog to approximately 9.2% of asset value.
- As the assets age, new SOGR issues will continue to be identified. It is anticipated that EDC's SOGR backlog will continue to grow over the 10-year planning period as new capital needs will be identified as new Building Condition Audits are completed. Economic Development and Culture would require \$1.0 million in additional funding associated with ongoing Building Condition Audits which have been included on the list of Capital Delivery Constraints as outlined in Appendix 7 and will be considered during future year budget processes.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
Federal Subsidies	5,284.0	2,646.3	1,965.8	1,329.8	(1,316.5)	(49.7%)
Provincial Subsidies	1,380.7	2,887.0	1,899.1	1,303.0	(1,584.0)	(54.9%)
User Fees and Donations	3,236.3	4,083.8	1,556.0	4,093.2	9.4	0.2%
Transfer from Capital	1,343.0					N/A
Sundry and Other Revenue	2,532.6	4,448.9	5,339.4	7,385.7	2,936.8	66.0%
Contribution From Reserves/Reserve Funds	3,107.0	1,381.7	2,904.7	478.0	(903.7)	(65.4%)
Inter-Divisional Recoveries	103.3		1.1			N/A
Total Revenues	16,986.9	15,447.8	13,666.2	14,589.8	(858.0)	(5.6%)
Salaries and Benefits	33,497.5	36,105.6	35,573.2	37,816.3	1,710.6	4.7%
Materials and Supplies	1,117.7	1,444.9	1,263.9	1,344.2	(100.7)	(7.0%)
Equipment	482.5	434.2	447.7	460.7	26.5	6.1%
Service And Rent	9,067.1	11,894.3	11,587.4	11,012.1	(882.2)	(7.4%)
Grants and Transfers	56,711.3	56,251.3	55,469.1	56,365.7	114.4	0.2%
Contribution To Reserves/Reserve Funds	183.2	2,103.0	2,103.0	4,779.5	2,676.5	127.3%
Other Expenditures	208.1	59.4	78.9	59.4		0.0%
Inter-Divisional Charges	280.0		162.1			N/A
Total Gross Expenditures	101,547	108,293	106,685	111,838	3,545	3.3%
Net Expenditures	84,561	92,845	93,019	97,248	4,403	4.7%

*2025 Projection based on 9-Month Variance

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New/Enhanced Requests Included in Budget



2026 Operating Budget - New and Enhanced Service Priorities Summary by Service (\$000's)

Form ID		Community and Social Services	Adjustments				2027 Plan Net Change	2028 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Economic Development & Culture						
36318		Continue Improving Access to Culture by Increasing TAC Funds						
74	Positive	Description:						

This business case articulates the rationale for continuing to meet the commitment of a \$10 million increase to funding for the Toronto Arts Council through \$2 million increase every year for 5 years. The \$2 million increase in 2026 would be the second-year increase.

IMPACTS of \$2 million allocation in 2026 include the following Program/Area, 2026 Allocation and Anticipated Impacts:

Newcomer & Refugee Mentorship Program (\$300,000): Additional 20 newcomer artists funded; 80% increase in access to professional development and integration supports for new comer and refugee artists.

Open Door Program (\$300,000): Increased capacity for transformative change and innovation in the community: Additional 6-10 projects focused on sector resilience & sustainability funded.

Animating Programs(Parks, Historic Sites, Library) (\$500,000): The funding will support 25 new projects, primarily led by artists from equity-deserving communities, increasing public access to arts experiences by 35% in underserved neighbourhoods.

Individual Artist Grants (incl. Accessibility Grant) (\$400,000): Expanded support for equity deserving artists; additional 30 grants funded through individual programs; providing an additional granting dollars to equity- deserving artists Expanded support to those with accessibility needs, providing \$100,000 more in granting dollars to artists.

Arts Organization Grants (\$500,000): Continue to address historical inequities for 25 clients in TAC Operating portfolio; stabilize and empower 25 vital and growing arts organizations form TAC's Equity Priority Groups. Increase will make it possible for an addition 5-7 vital and growing arts organizations to receive operating funding in 2026.

Core Issues/Needs:

- Persistent underfunding of high-quality arts activities, especially those from equity-deserving communities.
- Limited public access to arts experiences in underserved neighbourhoods.
- Low funding rates for individual artists, particularly those facing systemic barriers.
- Rising operational costs and historical inequities affecting arts organizations.

Challenges and Opportunities:

- Demand for funding far exceeds available resources (e.g., 740 highly assessed yet unfunded applications in 2024).
- Opportunity to deepen support for Indigenous, Black, newcomer, and equity-deserving artists.
- Potential to expand public engagement with arts city-wide.
- Ability to stabilize and grow new and vital arts organizations.
- Chance to improve accessibility and inclusion through targeted grants.

Service Level Impact:

Where we are now - Newcomer & Refugee Artist Mentorship Program:

- In 2025, the individual grant amount in this program was increased from \$5,000 to \$7,500, better reflecting the actual cost of mentorship activities and further supporting the stability of the newcomer artist community.

Where we want to be:

- Increased funding results in an 80% increase in access to professional development, training and integration supports for artists from equity deserving communities through this program.
- More artists who are newcomers to Canada are supported to develop their creative careers in Toronto, contributing to their meaningful integration in the economic and cultural life of our city, for the benefit of everyone who lives here.

Where we are now - Open Door Program:

- In 2025, 73 applications were submitted to Open Door, for a total dollar request of more than \$3.4 million.
- The 2025 budget for the Open Door program allowed for only 17 of these projects to be funded, leaving 56 projects unfunded, including 42 projects highly assessed by the peer review panel.

Where we want to be:

- Allocating \$300,000 to Open Door to increase funding for innovative and transformative solutions to sector challenges results in funding for 6-10 projects focused on innovative and transformative solutions.
- Increased funding for greater access to sustainable creation, production, and collaboration space for a larger number of Toronto artists, who then are encouraged to continue living and working in Toronto.



2026 Operating Budget - New and Enhanced Service Priorities

Summary by Service (\$000's)

Form ID		Community and Social Services	Adjustments				2027 Plan Net Change	2028 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Economic Development & Culture						

Where we are now - Animating Programs:

- Over 2023 and 2024, TAC could have funded an additional 135 highly assessed but unfunded projects across the Animating programs, which would have required an additional \$3.1 million.
- Of these 135 highly assessed but unfunded projects across the Animating programs, 76% (or 102 projects) were from equity-deserving artists, collectives and organizations.

Where we want to be:

- Increasing the Animating program budgets by \$500,000 results in funding for 25 new projects in public spaces outside the downtown core.
- Increased funding results in a 35% increase in public access to arts experiences in underserved neighbourhoods through these programs.
- An additional 20+ artists from equity deserving communities will be funded to work with communities in public spaces, increasing their ability to live and work in the city.
- Additionally, funding for the arts outside the downtown core will allow TAC and the City of Toronto to explore new opportunities to activate other public spaces such as civic squares with arts programming.

Where we are now - Individual Programs:

- 66% of applicants to TAC's Individual grants identify with one or more TAC equity priority groups; 50% of applicants identify as IBPOC, 23% as Deaf, Disabled or Living with Mental Illness; 36% as 2SLGBTQ+.

Where we want to be:

- Increasing the Individual grants program budgets by \$400,000 results in funding for an additional 30 artists from equity-deserving communities to pursue their creative projects; and an additional 20 artists who identify as Deaf, living with a disability or mental illness will benefit from Accessibility Grant funding.
- In 2026 the TAC Accessibility Grant will be open to grant recipients to apply to at any time during their project, increasing opportunity for participation in arts and cultural activity and increasing need for investment. Additionally, TAC will convene a community-led Accessibility Advisory to set direction for future access improvements.

Where we are now - Operating Programs:

- In 2025, the \$2 million allocation from the City facilitated a \$1.2 million increase to TAC's Operating Grants budget which immediately helped stabilize and empower vital, new and growing organizations and address historical funding inequities. In 2025, TAC was able to: --
- Provide a minimum operating grant level of \$20,000, for the first time, for operating clients in good standing with TAC.
 - Welcome 8 new organizations into our Operating programs.
 - Invest in vital and growing organizations by allocating merit-based increases within every Operating portfolio except for the Large Institutions.
 - While meaningful, this step only minimally addressed the historical gap in funding and resources that vital arts organizations require to respond to changing community and sector needs.

Where we want to be:

- Increased access for the public to arts experiences across Toronto and increased access to employment opportunities for artists and creatives.
- Prioritizing increases to operating grants will provide much-needed stability to organizations, continue to address historic inequities in the operating program, respond to growth in high-performing organizations, and bolster organizations benefiting equity-deserving artists and communities.

Equity Statement:

The budget proposal to increase funding to the Toronto Arts Council's (TAC) has a medium positive equity impact. It is expected to have a positive impact on barriers related to economic development opportunities and sense of identity & belonging. That will be achieved by increasing access to funding opportunities for Indigenous, Black, and equity-deserving groups and programs outside the Downtown core, particularly those who may be persons living with disabilities, newcomer and refugee, and 2SLGBTQ+.

These groups have been underrepresented in traditional grant models, making it harder for them to survive in a competitive funding environment. Through targeted investments in strategic programs supporting Indigenous, Black and equity-deserving groups and programs outside the Downtown core, this increase aims to positively impact community access and equitably distribute funds to underfunded communities—ensuring the arts reflect the full diversity and lived reality of Toronto's diverse populations.

This increased funding to TAC will expand access to arts funding, mentorship and public programming across areas that prioritize equity-deserving groups. First, \$400,000 will be allocated to individual artists, funding an additional 50-60 equity-deserving artists increasing their access to resources for artistic creation, production and presentation to artists who are deaf, disabled and/or living with a mental illness. Secondly, it will create greater public access to arts in underserved areas. For instance, \$500,000 will be invested in Animating Programs for projects exclusively outside the Downtown core—with 76% of unfunded projects coming from Indigenous, Black and equity-deserving applicants. This would boost public arts access by 35% in underserved neighbourhoods, including Neighborhood Improvement Areas (NIAs). It will also help stabilize equity-focused organizations. For instance, over 38% applicants in 2025 aligned with TAC's equity priority groups—which include Black, Indigenous, newcomer and refugee, 2SLGBTQ+ artists, as well as artists who are deaf, disabled, and living with mental illness where these applicants had a 95% funding success rate. Lastly, this proposal increases support for newcomer and refugee artists through \$300,000 Newcomer & Refugee Mentorship Program, enabling 20 additional mentorships—an 80% increase in access to professional development and integration support.



2026 Operating Budget - New and Enhanced Service Priorities

Summary by Service (\$000's)

Form ID		Community and Social Services	Adjustments				2027 Plan Net Change	2028 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Economic Development & Culture						
		Service: Arts Services						
		Total Staff Prepared Budget Changes:	2,000.0	0.0	2,000.0	0.00	2,000.0	2,000.0
		Staff Prepared New/Enhanced Service Priorities:	2,000.0	0.0	2,000.0	0.00	2,000.0	2,000.0

36319
74 Positive

Continue to Grow Cultural Programming through LASO's

Description:

This business case addresses the continuation of the commitment to increase the LASO funding portfolio by \$379,000 annually over five years (2025-2029) to meet the goal of doubling the funding envelope by 2029, through increasing the annual funding envelope by \$379,000 annually through 2029. This proposed increase will fulfill the recommendations of the new Action Plan for Culture in Toronto and improve access to culture for communities across the city. Increased City funding would be accompanied by redoubled efforts to address inequities in funding among the individual LASOs. The City of Toronto has been providing support to the LASOs since amalgamation in 1999 (Arts Etobicoke, Lakeshore Arts, Scarborough Arts and UrbanArts). East End Arts and North York Arts came on stream as a result of the City's Creative Capital Gains Action Plan (2011), which called for the creation of two new LASOs. These organizations are not-for-profit, community arts organizations that deliver responsive arts and culture programs, events and services at a local level in outside-the-core neighbourhoods across the city. The LASOs offer low-barrier, free and low-cost arts participation opportunities to communities and the public across the city. They also provide critical support and capacity-building opportunities to local artists and arts organizations.

Through Economic Development and Culture (EDC), the City provides financial support to the six LASOs, subject to annual contribution agreements. The 2025 Operating Budget for Economic Development and Culture included a total of \$2,333,406 to fund the LASOs. This amount included an increase of \$379,000 as well as an inflationary increase of \$56,912. With the exception of an \$80,000 inflationary increase to the LASO portfolio in 2024, the funding envelope had been flatlined since 2019 when it received an additional \$112,000. LASO funding has not kept pace with inflation or with increased community needs and the growth in demand for programming and services in the six catchment areas.

The cultural sector is facing substantial challenges, with the loss of arts spaces, increased costs, and more precarious work for artists and cultural workers. Maintaining the commitment to increased investment over the 5-year period (2025-2029) benefits Torontonians as the LASOs would be able to sustain existing programs and develop new initiatives in their communities outside the downtown core. Increased collaboration and enhanced service and program levels, deepen connections of artists to work, develop audiences and artists for the future, create more robust local tourism and provide essential art services meeting identified community needs.

Service Level Impact:

The current LASO budget is \$2,333,406.

The LASOs are an important part of Toronto's current and future arts ecosystem. Current service levels include providing local opportunities for people of all ages to engage in arts and culture, supporting emerging artists and providing paid opportunities to local youth, artists and creatives. They offer locally relevant and responsive free and/or affordable arts programs, events and services that encourage artistic growth for both emerging and established artists, contribute to the economy through employment and professional development opportunities for artists, promote community-building, inclusion and equity, support social change and help develop a robust arts and culture scene at a neighbourhood level.

Based on the 2024 annual reports, some of the reported cultural and economic service level results and impacts by the LASOs include:

- I) Over 112,000 engagements across 21 Toronto wards – and 26 Neighbourhood Improvement Areas (NIAs) - in skill-building arts programs, community cultural festivals, gallery exhibitions, film screenings, performances, micro grants and professional development and networking opportunities for emerging and equity-deserving artists, trusteeships offered to small unincorporated arts organizations, who often have limited access to funding because they may not meet other funder's eligibility criteria, and public art initiatives such as the annual Winter Stations and community murals;
- II) Collectively, provided 757 events and activities in outside-the-core neighbourhoods in a variety of arts and culture disciplines;
- III) Provided employment opportunities to 850 artists, including newcomers, new career, youth and equity-deserving artists.

Increased funding to LASOs would enable these organizations to have even greater community impact, enabling them to increase the number of affordable and/or free programs, services and events offered, hire and deliver services to more artists and to conduct stronger and more diverse outreach through wards served, offer more programs in Neighbourhood Improvement Areas and Toronto Community Housing communities, develop and steward more community-based partnerships that will increase the number of community-driven arts-based collaborations.

Additional funds will continue the multi-year trajectory towards achieving a more balanced annual funding allocation for the LASOs without the threat of destabilizing any of the organizations.

The additional funding will essentially increase funding to lower-funded LASOs with large service areas through continued re-balancing of the LASO funding, this will: (i) ensure they have service catchment areas at a level similar to the better funded LASOs, (ii) increase arts and cultural programming to more communities in NIAs, (iii) create equitable funding across Toronto's wards.



2026 Operating Budget - New and Enhanced Service Priorities

Summary by Service (\$000's)

Form ID		Community and Social Services	Adjustments				2027 Plan Net Change	2028 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Economic Development & Culture						

Equity Statement:

The budget proposal to provide a sustained funding increase to Local Arts Service Organizations (LASOs) has a medium positive equity impact. It is expected to have a positive impact on barriers related to access to City services, civic engagement and communities' participation, sense of identity & belonging, and experience of discrimination & prejudice. That will be achieved by increased access to arts and culture programming that is affordable, high quality and that meets identified needs of Indigenous, Black and equity-deserving artists and outside-the-core communities, particularly those who may be low-income, youth, racialized, persons living with disabilities and 2SLGBTQ+.

By addressing structural barriers that historically led to outside-the-core communities receiving less cultural investment, this funding increase would deliver essential arts and culture services to meet community needs and create opportunities for community connection, social cohesion and reducing isolation. LASOs enable community members, visitors, artists, and families living in Toronto Community Housing, Neighbourhood Improvement Areas (NIAs), and outside-the-core communities' access to free and/or affordable arts and culture programming, local performances and festivals.

LASOs often provide TTC fare to project participants, supply snacks and work to engage multilingual staff and volunteers to better engage program participants. They prioritize hiring local artists and facilitators from local neighbourhoods whose lived experiences reflect those of program participants. Additionally, this sustained funding increase for LASOs includes after school arts programs for children in NIAs, dance and media workshops for youth, entry points into creative industries, programs for seniors that provide social connection, and monthly arts workshops to Native Child and Family Services in Scarborough. Implementing an intersectional lens, this program also includes arts activities for newcomer women and for families and children in the shelter system in Scarborough, programming for 2SLGBTQ+ youth, a Black artist residency program and more.

Service: Arts Services

Total Staff Prepared Budget Changes:	379.0	0.0	379.0	0.00	379.0	379.0
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Staff Prepared New/Enhanced Service Priorities:	379.0	0.0	379.0	0.00	379.0	379.0
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36331	Continue Improving support for Culture-Inflationary Increase
74	Positive

Description:

As part of "Culture Connects: An Action Plan for Culture in Toronto", EDC proposed to introduce an annual inflationary increase to cultural grants beginning in 2025 to help organizations across the city manage increasing costs of operations and production while continuing to offer programs, events and experiences for Torontonians across the city. 2024.EC16.1 adopted by City Council November 2024 identified the following financial impact: To add an automatic annual inflationary adjustment to Cultural Grants, effective January 1st of each year commencing in January of 2025.

This second inflationary increase will be applied to selected programs across EDC's portfolio of cultural grants, focusing on programs that improve public access to culture but are not otherwise recommended to receive a budget increase in 2026 as part of the implementation of Culture Connects. This targeted inflationary increase will benefit 120+ organizations across the city and expand access to culture for residents. Programs recommended for the inflationary increase include:

- Cultural Organization Operating Partnership (COOP), which provides operating support to not-for-profit cultural organizations
- Cultural Festivals Funding Program (CFFP), benefitting recurring community events in all wards across Toronto
- Cultural Hotspot, which provides a variety of funding opportunities fostering community programs through workshops
- Youth Cultural Incubators Stabilization Initiative, supporting new and growing youth-serving organizations
- Indigenous Arts and Culture Partnerships Fund, enabling Indigenous-led arts and cultural programming determined and guided by the community
- Toronto Significant Event Investment (TSEIP), which supports not-for-profit or charitable status organizations offering non-reoccurring (annually or within five years) events to the public

The total recommended increase is based on the 2026 inflationary rate of 2.5% in 2026 and 2% in 2027 and 2028, totalling \$224,176, \$183,824 and \$187,501 respectively.

Service Level Impact:

EDC has never provided regular inflationary increases for cultural grants, which has constrained the cultural sector's ability to deliver high-quality programs for Toronto residents and limited their ability to expand services as community demand increases. Maintaining funding at the same levels year-over-year is equivalent to absorbing cuts, and this has become particularly challenging for the cultural sector in recent years as many core expenses have increased well beyond the rate of inflation (for example, with many festivals reporting increases in security expenses at upwards of 30% per year).



2026 Operating Budget - New and Enhanced Service Priorities
Summary by Service (\$000's)

Form ID		Community and Social Services	Adjustments				2027 Plan Net Change	2028 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Economic Development & Culture						

Introducing an annual funding increase is key to stabilizing organizations and providing them with the predictability they need to plan their operations. An increasing number of Toronto-based cultural organizations have failed over the last year, and many others have approached the City with emergency funding requests to address cash flow pressures related to rising costs. The proposed inflationary increase will help to address the underfunding of the sector, ultimately saving the City time and money that would otherwise be needed to respond to emergency issues facing arts organizations.

Equity Statement:

The budget proposal to provide a dedicated inflationary increase to cultural grants programs supporting over 120 organizations across Toronto will have an overall medium positive equity impact. The increase expected to have a positive impact on barriers concerning access to City services, civic engagement & communities' participation and sense of identify & belonging. That will be achieved through increased access to cultural programming and events by Indigenous, Black, youth and equity-deserving groups and communities—many outside the Downtown core.

By prioritizing funding projects led by and serving Indigenous, Black, youth and equity-deserving groups and projects that take place outside the downtown core, the free/low-cost activities not only increase participation from communities that face significant barriers but also promotes their wellbeing, community cohesion, and increases civic participation.

This year, the inflationary increase to the Cultural Festivals Funding Program (CFFP) – supported the funding of an additional 16 festivals with an average dollar amount increase of \$5,732 for all 96% of the 64 funded festivals including 49 festivals led by Indigenous, Black and equity-deserving groups. It also added two new Black-led, Black-focused, and Black-serving (B3) festivals – JerkFest and Afro-Carib Fest – into the Annual Operating portfolio. Similarly, increases to the Indigenous Arts and Culture Fund in 2024 supported additional Indigenous-led cultural programming – expanding access to Indigenous grassroots groups, organizations, and individuals to create culturally responsive opportunities. It will also increase the employment, entrepreneurship and professional development opportunities to majority Indigenous, Black and equity-deserving groups.

Service: Arts Services

Total Staff Prepared Budget Changes:	224.2	0.0	224.2	0.00	183.8	187.5
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Staff Prepared New/Enhanced Service Priorities:	224.2	0.0	224.2	0.00	183.8	187.5
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Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

Projects (in \$000's)	2026 Budget	2027 Outlook	2028 Outlook	Total
Provincial Funding				
<i>Subway Program</i>	372.6	243.1	200.0	815.7
<i>Small Business Enterprise Centre (SBEC) Program</i>	375.0			375.0
<i>Community Museum Operating Grant (CMOG)</i>	430.4	430.4	430.4	1,291.2
<i>Experience Ontario Program</i>	125.0	125.0	125.0	375.0
Sub-Total: Provincial Funding	1,303.0	798.5	755.4	2,856.9
Federal Funding				
<i>Young Canada Works</i>	36.8	36.8	36.8	110.4
<i>Toronto Economic Resiliency Initiative (TERI)</i>	1,239.6	1,637.6		2,877.2
<i>Intergovernmental Committee for Economic and Labour Force Development (ICE Committee) flow-through</i>	53.4	53.4	53.4	160.2
Sub-Total: Federal Funding	1,329.8	1,727.8	90.2	3,147.8
Total Funding	2,632.8	2,526.3	845.6	6,004.7

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

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
BIA	9,353	4,270	5,049	7,549	8,149	4,999	7,549	7,549	7,549	7,549	69,565		58,099	11,466
Collections Care <input checked="" type="checkbox"/>	1,830	100	300	400	800	700	1,100	900	200	500	6,830		6,616	214
Cultural Infrastructure Development	713	129	300	500	1,729		400				3,771	1,729	756	1,286
Economic Competitiveness Data Mgmt System	541	500	500	500	500						2,541			2,541
Major Maintenance <input checked="" type="checkbox"/>	2,864	100	900	1,100	2,850	1,700	700	2,050	800	900	13,964	2,351	11,613	
Refurbishment and Rehabilitation	585	350				200			925	2,000	4,060		3,615	445
Restoration/Preservation of Heritage Elements <input checked="" type="checkbox"/>	9,693	3,580	7,725	5,800	5,950	4,600	6,100	7,225	5,875	6,400	62,948	1,944	60,658	346
Service Enhancement	3,691	350	100	1,800	400	300	900	2,525	3,000	2,100	15,166		9,265	5,901
Total Expenditures (including carry forward from 2025)	29,270	9,379	14,874	17,649	20,378	12,499	16,749	20,249	18,349	19,449	178,845	6,024	150,622	22,199

☒ - 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 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2035 Plan	Total 2026 Cash Flow and FY Commitments	Previously Approved	Change in Scope	New with Future Year
BIA	9,353	2,930									12,283	11,892	(3,236)	3,627
Collections Care	1,830	100									1,930	1,580	350	
Cultural Infrastructure Development	713	129			1,729						2,571	2,571		
Economic Competitiveness Data Mgmt System	541	500									1,041	291		750
Major Maintenance	2,864										2,864	3,014	(150)	
Refurbishment and Rehabilitation	585	250									835	335	500	
Restoration/Preservation of Heritage Elements	9,693	2,430									12,123	9,773	150	2,200
Service Enhancement	3,691	350									4,041	3,091	300	650
Total Expenditure (including carry forward)	29,270	6,689			1,729						37,688	32,547	(3,065)	7,227

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>BIA</i>	1,340	5,049	7,549	8,149	4,999	7,549	7,549	7,549	7,549	57,282		46,394	10,888
<i>Collections Care</i>		300	400	800	700	1,100	900	200	500	4,900		4,900	
<i>Cultural Infrastructure Development</i>		300	500			400				1,200		400	800
<i>Economic Competitiveness Data Mgmt System</i>		500	500	500						1,500			1,500
<i>Major Maintenance</i>	100	900	1,100	2,850	1,700	700	2,050	800	900	11,100	1,900	9,200	
<i>Refurbishment and Rehabilitation</i>	100				200			925	2,000	3,225		3,225	
<i>Restoration/Preservation of Heritage Elements</i>	1,150	7,725	5,800	5,950	4,600	6,100	7,225	5,875	6,400	50,825	1,200	49,625	
<i>Service Enhancement</i>		100	1,800	400	300	900	2,525	3,000	2,100	11,125		8,325	2,800
Total Expenditures	2,690	14,874	17,649	18,649	12,499	16,749	20,249	18,349	19,449	141,157	3,100	122,069	15,988

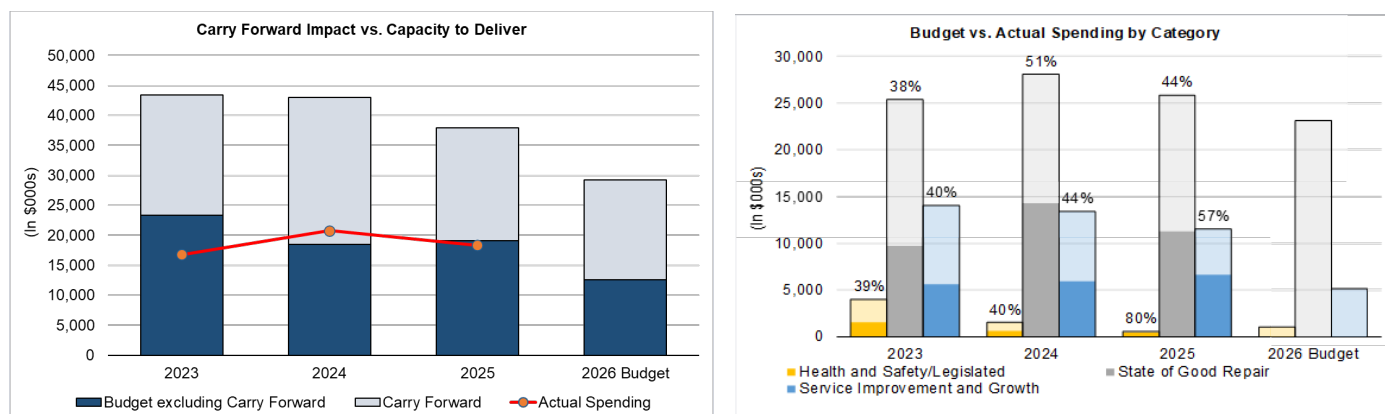
Appendix 6

Capacity to Deliver Review

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

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2025 underspending that will be carried forward into 2026 to complete capital work.

Chart 3 – Capacity to Deliver



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

- Economic Development and Culture's actual spending over the previous five years (2020 to 2024), has averaged \$15.4 million or 43.8% per year. In 2025, EDC is projecting to spend \$18.3 million or 48.4% of the 2025 Capital Budget. Challenges in spending for projects are mainly due to supply chain issues including finding contractors and higher estimated project costs, coordination with other Divisions on shared projects, scheduling capital projects around operations at public site locations and project management and capacity issues due to multiple staff turnover.
- The 2026 Capital Budget is \$29.3 million, which includes \$16.7 million in carry forward funding. This is 20% lower in comparison to the five-year average budget (2020–2024) of \$35.2 million.
- Economic Development and Culture reviewed its historical capital spending trends and current capacity to deliver projects to meet corporate debt reduction targets. EDC's cash flow has been reduced by \$9.3 million in 2026 compared to the amount allocated in previous budget submissions (\$17.2 million reduction for nine common years of 2026-2034). To support this adjustment, EDC has cancelled a selection of new projects to prioritize the completion of existing projects.
- Despite the key adjustment noted above, EDC requires cash flow funding of \$29.3 million in 2026 to continue the capital work. The 2026 cash flow is higher than the historic 5-year average spending and is attributed to the requirements below:
 - To complete capital improvements in heritage and cultural properties to meet health and safety standards.
 - To invest in major maintenance in properties and public arts that are needing capital improvements to address SOGR backlog.
 - To invest in and complete Capital Streetscape Improvements Projects within the right of way, which not only creates a safe and attractive public realm but also supports a thriving local commerce through a valued partnership with Business Improvement Areas and their members.

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
NOT INCLUDED													
<i>Museum of Toronto</i>	66.0		66.0				1.0	2.0	40.0	23.0			
<i>Guild Public Art & Monument Conservation</i>	1.3		1.3	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.3
<i>Building Condition Audits</i>	1.0		1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<i>Fort York Adding New Buildings</i>	2.2		2.2							0.7	0.5	1.0	
<i>BIA Action Plan Toronto Economy (APTE)</i>	22.7	10.0	12.7	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Total Delivery Constraints (Not Included)	93.1	10.0	83.1	2.5	2.5	2.5	3.5	4.6	42.5	26.1	3.0	3.5	2.6

- Museum of Toronto:** This project is part of the original design for Old City Hall (OCH) which includes a branch of the Toronto Public Library and a Museum of Toronto. Revisions to the original plans are currently underway following a change to the initial Head Lessee financial model and delays from the pandemic. As of 2025, Council has directed CreateTO and Corporate Real Estate Management to provide a feasibility study for establishing a City of Toronto Museum, Toronto Public Library branch and other complementary uses at Old City Hall that includes estimated capital and operating costs, and potential for a City-run operating model. Economic Development and Culture will provide a supplementary report to Corporate Real Estate Management detailing a high-level framework for the Toronto Museum, which includes financial and operating model, and recommendations for space utilization
- Guild Public Art and Monument Conservation:** This project at the Guild requires \$1.3 million to support conservation repairs including the Greek Amphitheatre, sculptures, architectural elements, and assemblies that have fallen into an unsatisfactory state of repair, some of which is attributable to historic vandalism. As the site and the Guild of All Arts approaches its centenary in 2036, there is a demand from the local community to begin the work of bringing the collection to a state of good repair. There is currently no budget allocated for this project and none in the foreseeable future.
- Building Condition Audits:** This project requires \$1.0 million to complete building condition audits (BCA) for Heritage Properties within EDC's portfolio. Existing BCAs are out of date due to lack of funding. The industry standard is to update BCAs every five years. At \$0.1 million per year, EDC would not achieve that standard. Corporate Real Estate Management has initiated a city-wide real estate lifecycle asset management program, two of EDC's buildings have been included in Year 1. Those sites are Casa Loma and Colborne Lodge. Heritage properties require a more specialized investigation so the need for this project is even more acute to ensure that the best data is collected. EDC will review CREM's BCA's for our 2 sites to determine if they capture all the required data for our heritage buildings.
- Fort York Adding New Buildings:** Following the construction of the Visitor Centre and the re-positioning of the fort as a significant heritage attraction in 2012, reconstruction of one or two missing buildings within the fort walls is proposed as the next step toward accommodating the complete museum operation efficiently on site. Adding New Buildings - the Development Plan for Historic Fort York, and the latest business plan proposes strategies to raise the profile of the site, improve operational efficiencies and maximize the tourism potential of the entire site. This project was planned with a long lead and has since been deferred due to budget and the capacity to deliver.
- Business Improvement Areas in the Action Plan for Toronto's Economy (APTE):** This partnership program is cost-shared on a 50/50 basis between the City of Toronto and its BIAs to boost main street resilience and support thriving local commerce. Main streets are the traditional homes of small businesses, a key component to any vibrant urban centres and part of the fabric of local communities. Business Improvement Areas request capital funding annually for the improvement of municipally owned land, making their districts more attractive, more competitive, and safer for clients, shoppers, visitors and residents alike. Our BIAs are vital to supporting Toronto's image as a clean, safe, and culturally diverse city.

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
XQ1200 (\$000)	Vehicle Reserve - Economic Dev. & Culture	Opening Balance	302.0	179.4	83.0
		*Contributions (+)			
		Economic Development & Culture	98.5	98.5	98.5
		Total Contributions	98.5	98.5	98.5
		*Withdrawals (-)			
		Operating Budget			
		Sub-Total Operating Withdrawals	0.0	0.0	0.0
		Capital Budget and Plan			
		Fleet Services	(221.1)	(194.9)	0.0
		Sub-Total Capital Budget and Plan Withdrawals	(221.1)	(194.9)	0.0
		Total Withdrawals	(221.1)	(194.9)	0.0
		Interest Income			
		Closing Balance	179.4	83.0	181.5

Inflows and Outflows to/from Reserves and Reserve Funds

2026-2035 Capital Budget and Plan

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XQ4002 (\$000)	Public Arts	Opening Balance	1,128.0	1,092.0	1,021.1
		*Contributions (+)			
		Total Contributions	0.0	0.0	0.0
		*Withdrawals (-)			
		Operating Budget			
		Sub-Total Operating Withdrawals	0.0	0.0	0.0
		Capital Budget and Plan			
		Economic Development & Culture	-36.0	-70.9	0.0
		Sub-Total Capital Budget and Plan Withdrawals	-36.0	-70.9	0.0
		Total Withdrawals	-36.0	-70.9	0.0
		Interest Income			
		Closing Balance	1,092.0	1,021.1	1,021.1
XR1024 (\$000)	Public Art	Opening Balance	237.5	80.1	22.5
		*Contributions (+)			
		Total Contributions	0.0	0.0	0.0
		*Withdrawals (-)			
		Operating Budget			
		Sub-Total Operating Withdrawals	0.0	0.0	0.0
		Capital Budget and Plan			
		Economic Development & Culture	-159.0	-58.1	0.0
		Sub-Total Capital Budget and Plan Withdrawals	-159.0	-58.1	0.0
		Total Withdrawals	-159.0	-58.1	0.0
		Interest Income	1.6	0.5	0.2
		Closing Balance	80.1	22.5	22.7
XR1501 (\$000)	Casa Loma Capital Maintenance	Opening Balance	2,011.4	1,453.6	1,468.2
		*Contributions (+)			
		Economic Development & Culture	4,681.0	750.0	2,200.0
		Total Contributions	4,681.0	750.0	2,200.0
		*Withdrawals (-)			
		Operating Budget			
		Sub-Total Operating Withdrawals	0.0	0.0	0.0
		Capital Budget and Plan			
		Economic Development & Culture	-5,256.0	-750.0	-2,200.0
		Sub-Total Capital Budget and Plan Withdrawals	-5,256.0	-750.0	-2,200.0
		Total Withdrawals	-5,256.0	-750.0	-2,200.0
		Interest Income	17.2	14.5	14.7
		Closing Balance	1,453.6	1,468.2	1,482.9

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 (SOG): 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).