

Analyst Briefing Notes

Planning and Transportation Committee

November 7, 2005

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2005 Capital Budget of \$8.076 million is projected to be 63% spent at year-end, with 2005 cash flow of \$2.895 million carried forward into 2006 as indicated on City Planning's third quarter variance report. The projected under expenditure is primarily attributed to legislative delays in OMB hearing dates, delays in the hearing process and consultant selection for the New Official Plan, challenges in hiring staff for the New Zoning By-Law project, and unanticipated changes in the Transportation/Toronto Water Capital Budget has led to delays for the Civic Improvement Projects. The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding being carried forward from 2005 to 2006 based on the unspent cash flow balance projected as at September 30, 2005. Adjustments to carry forward funding will be reported through the Budget Advisory Committee during its review of the 2006 Proposed Capital Budget.
- The 2006-2015 Revised Capital Program totals \$58.449 million gross and \$47.386 million net of which \$28.299 million gross and \$19.472 million net is projected for the Program's Five-Year Plan, with 2006 cash flow of \$6.715 million gross and \$4.420 million net, \$5.466 million gross and \$3.761 million net in 2007, \$5.451 million gross and \$3.762 million net in 2008, \$5.330 million gross and \$3.764 million net in 2009, \$5.337 million gross and \$3.765 million net in 2010.
- The 2006 Proposed Capital Budget is \$6.715 million gross, of which \$3.801 million is debt, \$0.672 million is funded from Development Charges, and \$2.242 million is carry forward funding from 2005. City Planning's 2006 Proposed Budget is over the debt affordability guideline of \$3.711 million by \$0.090 million. The variance is due to the transfer of Heritage Preservation from the Culture to the City Planning.
- Of the 2006 proposed new cash flow of \$4.473 million, 36% is allocated to the Civic Improvement Projects, 46% is allocated to legislated projects, and 18% is allocated for Development Charge Funded Studies.
- Strategic direction for the Five-Year Capital Plan places focus on Council's priority for a Clean and Beautiful City, legislated requirements, and growth related studies and projects and is comprised of six major project areas: Civic Improvements, The New Official Plan, The New Zoning-By-Law, Natural Heritage Studies, Toronto Archaeological Studies, and other Growth Related Studies.
- Development Charge Funding proposed in City Planning's Five-Year Capital Plan has been maximized to the extent allowed by the Development Charge bylaw. The Plan assumes \$10.148 million (17.4%) over the five years.
- The operating budget impact of previously approved and new Civic Improvement capital projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification with incremental impacts of \$0.065 million in 2006.

- In order to align the Five-Year Capital Plan with the five year debt affordability guidelines, projects were reprioritized and consequently were deferred beyond the Five-Year Capital Plan. City Planning is ready to begin the Five-Year Capital Plan as it aligns with historical spending patterns. However, City Planning's Five-Year Capital Plan is over the debt affordability guidelines by \$0.050 million in 2007, \$0.051 million in 2008, \$0.053 million in 2009, and \$0.054 million in 2010. It is recommended that the revised cash flow projections in years 2007-2010 for City Planning be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended firm Five-Year Capital Plan within Council's approved debt affordability limits.

Recommendations

It is recommended that:

1. the 2006-2015 City Planning capital program request with a total 10-year project cost of \$58.449 million be received;
2. the 2006 Proposed Capital Budget for City Planning with a total project cost of \$3.549 million and 2006 cash flow of \$6.715 million and future year commitments of \$2.341 in 2007 and \$1.038 million in 2008 be approved. The 2006 Proposed Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 8 new sub-projects with a 2006 total project cost of \$3.549 million that requires cash flow of \$2.849 million in 2006 and a future year commitment of \$0.700 million in 2007;
 - ii) 6 previously approved sub-projects with a 2006 cash flow of \$1.424 million and future year commitments of \$1.641 million in 2007, and \$1.038 million in 2008;
 - iii) 1 sub-projects from previously approved projects with carry forward funding from 2004 and prior years requiring 2006 cash flow of \$0.200 million and no future year commitment, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - b) 2006 approved cash flow for 14 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$2.242 million;
3. new debt service costs of \$0.114 million in 2006 resulting from the approval of the 2006 Proposed Capital Budget with incremental costs of \$0.471 million in 2007, \$0.221 million in 2008, and \$0.099 million 2009 be approved for inclusion in the 2006 operating budget;
4. the 2006 Development Charge Funding be approved subject to funds being available in the Development Charge Reserve Accounts;
5. operating impacts in the Parks, Forestry, and Recreation Budget Operating Budget of \$0.065 million for 2006 for streetscape enhancement and tree maintenance emanating from the approval of the 2006 Capital Budget for City Planning be considered within the overall scope of the Parks, Forestry, and Recreation 2006 and future years' operating budget submissions;
6. the revised cash flow projections of \$5.466 million in 2007; \$5.451 million in 2008; \$5.330 million in 2009; and \$5.337 million in 2010 for the City Planning Division be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended firm Five-Year Capital Plan within Council's approved debt affordability limits.

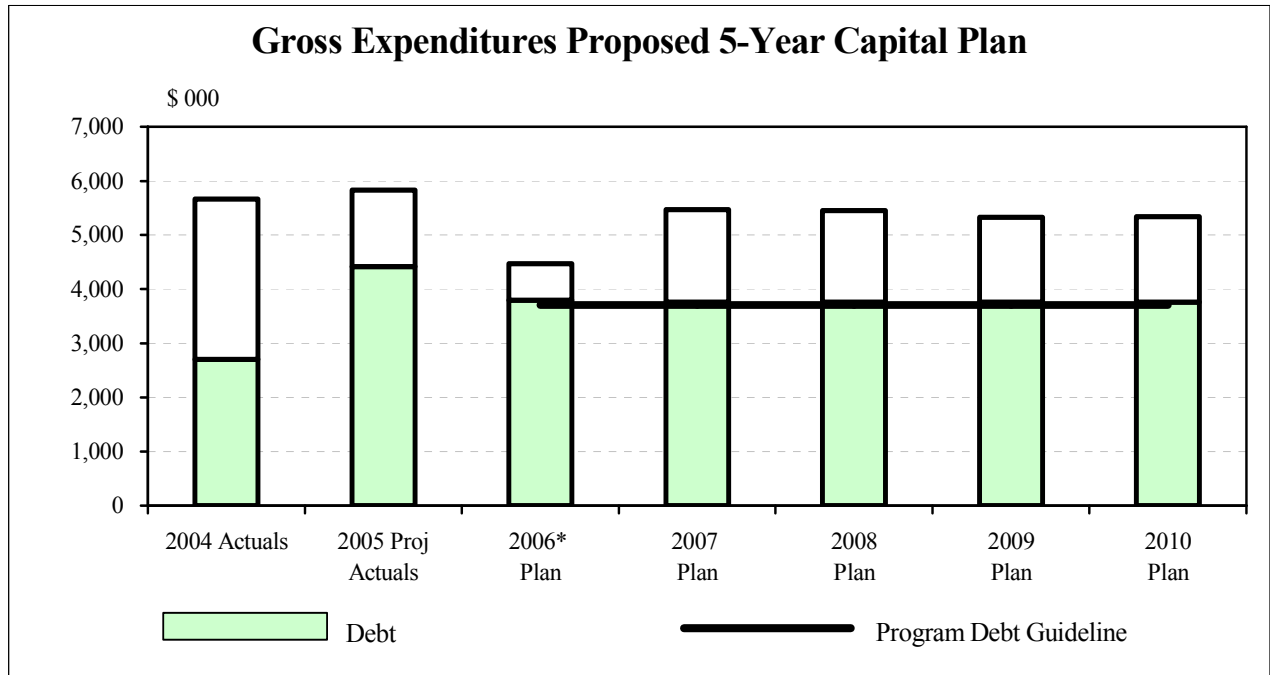
2005 Capital Variance Review

2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
8,076	2,778	34	5,110	63	2,966

Comments / Issues:

- City Planning is projecting a year end spending rate of 63% or \$5.110 million for 2005 approved projects as of September 30, 2005. This spending rate represents an improvement over the 60% achieved in 2004.
- Out of the total projected unspent balance of \$2.966 million at the end of 2005, \$2.895 million will carry forward from 2005 into 2006 of which \$0.200 million of the unspent balance is related to 2004 approved projects and the remainder of the \$2.895 million unspent balance relates to the following:
 - \$0.739 million carried forward from 2005 to 2006 for Civic Improvement Projects is due to unanticipated changes in the Transportation/Toronto Water Capital Budget;
 - \$0.502 million carried forward from 2005 to 2006 for The New Official Plan results from legislative delays in OMB hearing dates;
 - \$0.521 million carried forward from 2005 to 2006 for the Continued Development of New Zoning By-Law project is a result of challenges in hiring and retaining staff for the project;
 - \$0.200 million carried forward from 2005 to 2006 for the Union Station Design Study results from a delay in the start date of the project in 2005; and
 - \$0.933 million carried forward from 2005 to 2006 for Studies was a result of delays in retaining Consultants for the project.
- The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding being carried forward from 2005 to 2006 based on the unspent cash flow balance projected as at September 30, 2005. Adjustments to carry forward funding will be reported through the Budget Advisory Committee during its review of the 2006 Proposed Capital Budget.

5-Year Capital Plan (2006-2010)



	5 Year Plan							
	2004	2005	2006	2007	2008	2009	2010	2006-2010
Gross Expenditures:								
Budget (Excluding 1-Yr. Carry/Fwd)	5,662	5,834	4,473	5,466	5,451	5,330	5,337	26,057
1-Yr Carry/Fwd Gross (Reference only)	2,662	2,242	2,242					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	8,324	8,076	6,715					
Actuals	5,662	5,834						
Financing:								
Debt	5,199	6,042	3,801	3,761	3,762	3,764	3,765	18,853
Debt Actuals (including 1-Yr Carry/Fwd)	2,704	4,420						
Program Debt Target			3,711	3,711	3,711	3,711	3,711	18,555
Other Financing Sources:								
Reserves/Reserve Funds				0	0	0	0	0
Development Charges	508	2059	672	1,705	1,689	1,566	1,572	7,204
Federal			0	0	0	0	0	0
Provincial			0	0	0	0	0	0
Other Revenue			0	0	0	0	0	0
By Category:								
Health & Safety			0	0	0	0	0	0
Legislative			1,228	2,041	1,339	903	904	6,415
SOG			0	0	0	0	0	0
Service Improvement			0	0	0	0	0	0
Growth Related			3,245	3,425	4,112	4,427	4,433	19,642
Yearly SOGR Backlog Estimate (not addressed by current year projects)	0	0	0	0	0	0	0	0
Accumulated Backlog Estimate (end of year)	0	0	0	0	0	0	0	0

*Note: 2006 Proposed Debt excludes 1-year carry forward.

- The Revised 2006-2015 Capital Program totals \$58.449 million gross and \$47.386 million net of which \$28.299 million gross and \$19.472 million net is projected for the Program's Revised Five-Year Capital Plan, with 2006 cash flow of \$6.715 million gross and \$4.420 million net, \$5.466 million gross and \$3.761 million net in 2007, \$5.451 million gross and \$3.762 million net in 2008, \$5.330 million gross and \$3.764 million net in 2009, \$5.337 million gross and \$3.765 million net in 2010, and \$30.150 million gross and \$27.914 million net in years 2011-2015.
- Strategic direction in the Revised Five-Year Capital Plan is placed on Council's priority for a Clean and Beautiful City, legislated requirements, and growth related studies and projects.
- The Revised Five-Year Capital Plan consists of six major areas: Civic Improvements, The New Official Plan, The New Zoning-By-Law, Natural Heritage Studies, Toronto Archaeological Studies, and other Growth Related Studies.
- The Revised Five-Year Capital Plan reflects a decrease in legislated projects and an increase in growth related projects as the plan moves forward from 2006 to 2010. This is driven by the anticipated completion of the New Zoning By-Law project in 2008 with costs in 2009 and 2010 budgeted for support for legal challenges after completion of the By-Law, and Official Plan completion in 2008 with costs in 2009 projected for legal support.
- City Planning has maximized Development Charge funding in its Five-Year Capital Plan to reduce the amount of debt where possible.
- In order to align the Revised Five-Year Capital Plan with the five year debt affordability guidelines, projects were reprioritized and consequently were deferred beyond the Revised Five-Year Capital Plan.
- City Planning's Revised Five-Year Capital Plan is over the debt affordability guideline by \$0.090 million in 2006 due to the transfer of Heritage Preservation from Culture to City Planning. Additionally, guidelines have been exceeded by \$0.050 million in 2007, \$0.051 million in 2008, \$0.053 million in 2009, and \$0.054 million in 2010. It is recommended that the revised cash flow projections in years 2007-2010 for City Planning be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended firm Five-Year Capital Plan within Council's approved debt affordability limits.

2006 Capital Budget Submission Summary (\$000)

2006 Capital Projects		Total Project Cost		2004 Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carry forwards:															
New Official Plan	2											205	205	205	205
OMB Legal and Mediation Support Costs	2			200	200	200	200			200	200	30	30	230	230
Continuing OMB Legal Support	2											249	249	249	249
New Zoning By-Law	2											500	353	500	353
Avenue Studies	5											145	0	145	0
Built Form Review of King Spadina Part II Plan	5											70	0	70	0
York University Secondary Plan Review	5											96	18	96	18
Design for Citywide Beautification Projects	5											200	0	200	0
Environmental Assessments re: Transportation Strategies	5											67	0	67	0
Avenue Road	5											250	249	250	249
Royal York Road	5											100	100	100	100
Doris Avenue	5											100	100	100	100
Union Station Design Study	5											200	200	200	200
Toronto Archeological Resources 2005	2											30	30	30	30
Sub-Total		0	0	200	200	200	200	0	0	200	200	2,242	1,534	2,442	1,734
Previously Approved:															
New Zoning By-Law	2					1,151	998			1,151	998			1,151	998
York University Secondary Plan Review	5					50	23			50	23			50	23
Environmental Assessments Re: Transp. Strategies	5					83	28			83	28			83	28
Natural Heritage Inventory Studies 2005	2					50	50			50	50			50	50
Toronto Archaeological Resources 2005	2					90	90			90	90			90	90
Sub Total		0	0			1,424	1,189	0	0	1,424	1,189			1,424	1,189
New and Change in Scope Projects															
2006 OMB legal Support Costs	2	500	500					400	400	400	400			400	400
Avenue Studies 2006	5	210	71					210	71	210	71			210	71
Environmental Assessment Transit Studies 2006	5	250	84					250	84	250	84			250	84
Growth Studies 2006	5	360	360					60	28	60	28			60	28
Inventory and Integrated Evaluation System (Natural Heritage)	2	150	150					150	150	150	150			150	150
Places 2006	5	520	520					520	520	520	520			520	520
Routes 2006	5	1,109	1,109					1,109	1,109	1,109	1,109			1,109	1,109
Intensification and Tall Building Location Analysis	5	450	225					150	50	150	50			150	50
Sub Total		3,549	3,019	0	0	0	0	2,849	2,412	2,849	2,412	0	0	2,849	2,412
Total Submission 2006		3,549	3,019	200	200	1,624	1,033	2,849	2,412	4,473	3,801	2,242	1,534	6,715	5,335

Proposed 2006 Capital Budget Changes (\$000)

		2006 Requested Cash Flow		Proposed Changes			2006 Proposed Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carry forwards								
New Official Plan	2	205	205				205	205
OMB Legal and Mediation Support Costs	2	30	30				30	30
Continuing OMB Legal Support	2	249	249				249	249
New Zoning By-Law	2	500	353				500	353
Avenue Studies	5	145	0				145	0
Built Form Review of King Spadina Part II Plan	5	70	0				70	0
York University Secondary Plan Review	5	96	18				96	18
Design for Citywide Beautification Projects	5	200	0				200	0
Environmental Assessments re:Transportation Strategies	5	67	0				67	0
Avenue Road	5	250	249				250	249
Royal York Road	5	100	100				100	100
Doris Avenue	5	100	100				100	100
Union Station Design Study	5	200	200				200	200
Toronto Archeological Resources 2005	2	30	30				30	30
Sub Total		2,242	1,534	0	0		2,242	1,534
2004 Carry forwards								
OMB Legal and Mediation Support Costs	2	200	200				200	200
Sub Total		200	200	0	0		200	200
2006 Previously Approved Commitments								
New Zoning By-Law	2	1,151	998				1,151	998
York University Secondary Plan Review	5	50	23				50	23
Environmental Assessments Re: Transp. Strategies	5	83	28				83	28
Natural Heritage Inventory Studies 2005	2	50	50				50	50
Toronto Archeological Resources 2005	2	90	90				90	90
Sub Total		1,424	1,189	0	0		1,424	1,189
New Projects								
2006 OMB legal Support Costs	2	400	400				400	400
Avenue Studies 2006	5	210	71				210	71
Environmental Assessment Transit Studies 2006	5	250	84				250	84
Growth Studies 2006	5	60	28				60	28
Inventory and Integrated Evaluation System (Natural Heritage)	2	150	150				150	150
Places 2006	5	520	520				520	520
Routes 2006	5	1,109	1,109				1,109	1,109
Intensification and Tall Building Location Analysis	5	150	50				150	50
Sub Total New Projects		2,849	2,412	0	0		2,849	2,412
Total 2006 Proposed (Incl. 2005 C/Fwd)		6,715	5,335	0	0		6,715	5,335
Less 2005 Carry Forwards		(2,242)	(1,534)	0	0		(2,242)	(1,534)
Total 2006 Proposed (Excl. 2005 C/Fwd)		4,473	3,801	0	0		4,473	3,801

Total 2006 Proposed Cash Flow & Future Year Commitments (\$000s)

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Proposed	2006 Total Cash Flow Proposed	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011- 2015	Total Cost
Expenditures													
Previously Approved	200	1,424		1,624		2,242	3,866	1,641	1,038				6,545
Change in Scope													
New			2,849	2,849	3,711		2,849	700					3,549
New w/Future Year													
Total Expenditure	200	1,424	2,849	4,473	3,711	2,242	6,715	2,341	1,038	0	0	0	10,094
Financing													
Debt	200	1,189	2,412	3,801	3,711	619	4,420	1,765	900				7,085
Subsidy (SCPI)													
Prov. Subsidy/Grant													
Development Charges		235	437	672		708		576	138				714
Other						915	915						915
Federal Grants													
Reserves/Res Funds													
Total Financing	200	1,424	2,849	4,473	3,711	2,242	6,715	2,341	1,038	0	0	0	10,094

Comments / Issues:

- The 2006 Proposed Capital Budget is comprised of \$6.715 million gross, of which \$3.801 million is funded by debt, \$0.672 million is funded by Development Charges, and \$2.242 million is carry forward funding from 2005.
- 36% of the 2006 proposed new cash flow is allocated to the Civic Improvement Projects which supports Council's priority for a Clean and Beautiful City, 46% is allocated to legislated projects, and 18% is allocated for Development Charge Funded Studies.
- The 2006 Proposed Capital Budget includes six previously approved sub-projects with a 2006 cash flow of \$1.424 million and future year commitments of \$1.641 million in 2007, and \$1.038 million in 2008 relating to the New Zoning By-Law project.
- Additionally, the 2006 Proposed Capital Budget includes one sub-project from previously approved projects with carry forward funding from 2004 and prior years with 2006 cash flow of \$0.200 million and no future year commitment which relates to the New Official Plan.

- Further, the 2006 Proposed Capital Budget includes 14 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$2.242 million. The carry forward funding is required for the following: \$0.484 million to the New Official Plan, \$0.500 million New Zoning By-Law, \$0.578 million to Development Charge Funded Studies, \$0.450 million for Civic Improvement Projects, \$0.200 million for Union Station Design Study and \$0.030 million for Toronto Archaeological Study.
- Moreover, the 2006 Proposed Capital Budget includes eight new sub-projects with a 2006 total project cost of \$3.549 million and cash flow of \$2.849 million in 2006 and a future year commitment of \$0.700 million in 2007 for the following projects: \$0.100 million for the New Official Plan, \$0.300 million for Development Charge Funded Studies, \$0.300 million for the Intensification of Tall Building Location Analysis project.

Operating Budget Impact

Incremental Operating Impact Summary By Project/Sub-Project

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$000s) Debt Service Charges (\$000s) Approved Positions	114.0	471.1	221.2	99.0	0.0

- The 2006 Proposed Capital Budget will not increase the Program's Operating Budget with incremental operating impacts in 2006 and future years. However, a net reduction of two positions reflected in the operating base budget results from the incremental difference from 17 capital funded New Zoning By-Law temporary positions reduced in the base and 15 positions added to the new and enhanced request.
- The operating budget impact of previously approved and new Civic Improvement capital projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification with incremental impacts of \$0.065 million in 2006.

Debt Service Cost

The 2006 Proposed Capital Budget will result in new debt service costs of \$0.114 million in 2006, \$0.471 million in 2007, \$0.221 million in 2008, and \$0.099 million 2009.

Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 14% for subsequent years.

PART II: ISSUES FOR DISCUSSION

2006 Issues

2006 Proposed Capital Budget versus Guideline

The 2006 debt guideline was established on the basis of City Planning's previously approved projects and historical spending experience.

City Planning's 2006 Proposed Budget is over the debt affordability guideline of \$3.711 million by \$0.090 million. The variance is due to the transfer of Heritage Preservation from the Culture Division to the City Planning Division.

5 Year Capital Plan Overview

City Planning's Revised Five-Year Capital Plan totals \$28.299 million gross with \$19.472 million funded by debt, \$7.912 million funded by Development Charges, and \$0.915 million funded by capital from current funding carried forward from 2005.

Strategic direction reflected in the Five-Year Capital Plan focuses on Council's priority for a Clean and Beautiful City, legislated requirements, and growth related studies and projects.

The Revised Five-Year Capital Plan consists of the following themes:

- Clean and Beautiful City Initiative (51%)
- New Official Plan (4%)
- New Zoning By-Law (20%)
- Development Charge Funded Studies (19%)
- Union Station (1%)
- Natural Heritage Inventory Studies (4%)
- Archaeological Resources (1%)

PROJECT AREA	2006	2007	2008	2009	2010	2006-2010
Civic Improvement	2,709	2,249	3,215	3,508	3,503	14,554
New Official Plan	1,084	100				1,184
New Zoning By-Law	1,651	1,641	1,038	600	600	5,530
DC Funded Studies	1,381	1,176	897	919	930	5,303
Union Station	200					200
Natural Heritage Inventory	200	250	250	250	250	1,200
Archaeological Resources	120	50	51	53	54	328
Total	6715	5,466	5,451	5,330	5,337	28,299
Proposed Debt	3801	3761	3762	3764	3765	18,853
Debt Affordability Guideline	3711	3711	3711	3711	3711	18,555
Variance	90	50	51	53	54	298

Clean and Beautiful City Implementation

In 2006, the Civic Improvement Projects, under the Clean and Beautiful City initiative, were maintained at the 2005 spending rate. The Civic Improvement Program comprises 36% of 2006 Proposed Budget and 51% over the 5 years.

As the defence of the Official Plan is completed in 2007, and the New Zoning By-Law project is completed in 2008, additional capacity can support an increase in the enhanced Civic Improvement Program in years 2008, 2009, and 2010.

The Defence of the Official Plan

Defence of the Official Plan comprises 13% of the 2006 Proposed Budget and 4% over the 5 years. The Official Plan is estimated to be completed in 2007.

The New Zoning By-Law Project

The New Zoning By-law Project comprises 26% of the 2006 Proposed Budget and 20% over the 5 years.

The New Zoning By-Law project is estimated to be completed in 2008 with amounts budgeted in 2009 and 2010 for support for legal challenges.

Continuation of Development Charge Funded Studies

Development Charge funded studies comprise 18% of the 2006 Proposed Budget.

Development Charge funded studies utilize planning, transportation and urban design consulting services to assist City staff in conducting studies necessary to support growth in areas designated in the Official Plan. The studies include environmental assessments, local area studies, and avenue studies and continue through years 2007-2010, comprising 19% on average through the 5 year timeframe.

Union Station Design Study

The Union Station Urban Design Study project was initiated in 2005 and is projected to be completed in 2006.

Natural Heritage Inventory Studies

Natural Heritage Inventory Studies comprise 5% of the 2006 Proposed Budget and 4% for the 5 Year Capital Plan.

The studies involve the accurate mapping of the Natural Heritage Inventory System including classified wetland areas of natural and scientific interest and environmentally significant areas. The project is divided into phases; the development of an evaluation system that integrates terrestrial, aquatic, hydrological and geological components, field inventory analysis of the natural habitat area including a comprehensive wetland inventory, development of a GIS based mapping system and production of Official Plan maps, and development of publicly accessible electronically based program displaying inventory results and analysis.

Toronto Archaeological Plan

The Toronto Archaeological Plan comprises 2% of the 2006 Proposed Budget.

The project will allow the City to inventory, evaluate, and develop capabilities for managing archaeological heritage and implement Official Plan policies relating to archaeological resources. The scope of work is phased over five years.

Debt Affordability Guideline

In order to meet the debt guideline of \$3.711 each year for years 2006-2010 respectively, City Planning maximized Development Charge funding to the extent allowed under the Development Charge By-Law, and had to defer a portion of the gateway and civic improvement projects to future years. (Refer to chart on page 15). City Planning is ready to begin its Revised Five-Year Capital Plan as it aligns with historical spending patterns. However, City Planning's Revised Five-Year Capital Plan is over the debt affordability guideline by \$0.090 million in 2006 due to the transfer of Heritage Preservation from Culture to City Planning. Additionally, guidelines have been exceeded by \$0.050 million in 2007, \$0.051 million in 2008, \$0.053 million in 2009, and \$0.054 million in 2010. It is recommended that the revised cash flow projections in years 2007-2010 for City Planning be referred to the Deputy City manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended firm Five-Year Capital Plan within Council's approved debt affordability limits.

5-Year Plan Proposed Changes (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015		Comments / Issues
		Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	
		1	2	3	4	5	6	7	8	9	10	11	12	
PROGRAM REQUEST		7,276	3,710	8,717	8,196	8,736	8,353	8,322	7,932	8,334	7,938	29,400	27,164	
Proposed 2006 Changes														
PROPOSED CHANGES:														
2004 Carry Forwards:														
Previously Approved:														
New:														
Special Places (Gateway Projects)														
Park Lawn at Gardiner	5			(250)	(250)	215	215							Deferred to meet guideline.
Young at Steeles	5			(250)	(250)			250	250					Deferred to meet guideline.
Gardiner at Etobicoke Creek	5					(250)	(250)	258	258					Deferred to meet guideline.
Hwy 401 at Rouge River	5					(250)	(250)			250	250			Deferred to meet guideline.
Hwy 427 at Hwy 401	5							(250)	(250)	253	253			Deferred to meet guideline.
Hwy 404 at Steeles	5							(250)	(250)			250	250	Deferred to meet guideline.
Don Valley Parkway at Richmond/Adelaide	5									(250)	(250)	250	250	Deferred to meet guideline.
Civic Improvement Projects	5	(561)	306	(2,752)	(2,142)	(3,000)	(3,234)	(3,000)	(3,997)	(3,250)	(4,246)	1,150	250	Reduced debt amount to include Development Charge Funding. Deferred gross amount to meet guideline.
New Zoning By-Law	2	0	(35)	0	(1,423)	0	(900)	0	0	0	0			
Development Charge Funded Studies	5	0	(180)	0	(370)	0	(172)	0	(179)	0	(180)			
Sub-Total Proposed Changes		(561)	91	(3,252)	(4,435)	(3,285)	(4,591)	(2,992)	(4,168)	(2,997)	(4,173)	1,650	750	
Proposed 5-Yr. Cash Flow		6,715	3,801	5,465	3,761	5,451	3,762	5,330	3,764	5,337	3,765	31,050	27,914	
Debt Guideline			3,711		3,711		3,711		3,711		3,711			
Variance To Debt Guideline			90		50		51		53		54			

Capacity

City Planning is projecting to spend 63% of the 2005 Approved Capital Budget by year-end as indicated on the third quarter variance report. Following is the 2005 projected spending capacity based on the six areas of the budget:

Clean and Beautiful City Priority

- i. The **Civic Improvement Projects** are projected to have a spending rate 75% for 2005. The projects experienced a greater spending rate than in previous years due to Council's approval to authorize City Planning to reallocate projects within their envelope which allowed for some flexibility between the City Planning and Transportation Services' work plans.

Legislated Requirements

- i. The **New Official Plan** is projected to have a spending rate of 48% for 2005. The delay in spending is a direct result of the commencement of the OMB hearing which is anticipated to occur at phased timeframes throughout 2006.
- ii. The **New Zoning By-Law** is projected to have a spending rate of 71% for 2005. The New Zoning By-Law transition project is to be completed in 2005 with the continued development of the New Zoning By-Law to be carried forward to 2006. Delays are attributable to position vacancies.
- iii. The **Natural Heritage Inventory Studies** is projected to be 50% spent by year-end.
- iv. The **Toronto Archaeological Resources Plan** is projected to be 79% spent in 2005. The project was transferred with Heritage Preservation from the Culture Division to the City Planning Division in 2005.

Growth Related Planning Studies

- i. The **Development Charge Funded Studies** are projected to be 39% spent in 2005.
- ii. Union Station Urban Design Study is projected to be 60% spent in 2005.

As compared to the 2004 spending rate of 60%, a slightly increased spending rate of 63% as indicated in City Planning's third quarter variance report shows that the Program has been able to improve slightly over prior year spending.

City Planning has the capacity to begin its Revised Five-Year Capital Plan as it is aligned with actual historical spending patterns.

Backlog of Projects – Unmet Needs

No backlog of State of Good Repair work exists for the City Planning Division. The asset inventory is maintained and budgeted by Corporate Facilities.

Development Charge Funding

Development Charge Funding proposed in City Planning's Revised Five-Year Capital Plan has been maximized to the extent allowed by the Development Charge bylaw. The Plan projects \$10.148 million (17.4%) over the five years.

Issues Referred to 2006 Capital Budget

During approval of the 2005 budget, Council directed the Commissioner of Urban Development Services to provide a report for information to the Planning and Transportation Committee prior to the 2006 Budget Process, outlining the Natural Heritage Inventory project 5-Year work plan and future year estimates to accurately reflect the financial requirements of each phase.

A report has been prepared for Planning and Transportation for its meeting of November 7, 2005.

Outstanding Issues from Prior Years

There are no outstanding issues from prior years.

Appendix 1
Proposed 2006 Capital Budget and 2007 to 2015
Revised Program

Appendix 2
Proposed 2006 Capital Budget
& Future Years Commitments

Appendix 3
Proposed 2006 Capital Project
with Financing Details

Appendix 4

Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Balance as of Sept 30	Proposed Withdrawals (000's)			
			2006	2007	2008	2009
XR2012 Development Charge Reserve Fund (Scarborough)	CUR028-01 Avenue Studies	\$20,352	\$70	\$106	\$110	\$113
	CUR028-06 Environmental Assessment Regarding Transportation Strategies		\$111	\$85	\$87	\$90
XR2010 Development Charge Reserve Fund (North York)	CUR028-01 Avenue Studies	\$10,732	\$70	\$106	\$110	\$113
	CUR028-06 Environmental Assessment Regarding Transportation Strategies		\$111	\$85	\$87	\$90
	CUR028-03 York Secondary Plan Review		\$27	\$0	\$0	\$0
XR2030 Development Charge Reserve Fund (Development Studies)	New Zoning By-Law	\$609	\$153	\$218	\$138	\$0
	Local Area Studies		\$32	\$159	\$162	\$165
	Tall Building Location Analysis		\$100	\$199	\$0	\$0
XR2030 Development Charge Reserve Fund (Development Studies)	Places			\$332	\$332	\$332
	Routes			\$415	\$664	\$664
Total Reserve / Reserve Fund		\$31,693	\$672	\$1,705	\$1,689	\$1,566

Note: 2006 Proposed Development Charge excludes 1-Year carry forwards.

2006 Development Charge Funding be approved subject to funds available in the Development Charge Reserve Accounts.