



ADMINISTRATIVE REPORT

Report Date: November 8 2016
 Contact: Julia Morrison
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 VanRIMS No.: 08-2000-21
 Meeting Date: December 13, 2016

TO: Vancouver City Council
 FROM: Director of Finance
 SUBJECT: Property Endowment Fund (PEF) 2017 Capital Budget and 2016 Capital Budget Closeouts

IN CAMERA RATIONALE

This report is recommended for consideration by Council in the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city; (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 [disclosure harmful to business interests of a third party] of the Freedom of Information and Protection of Privacy Act.

RECOMMENDATION

- A. THAT Council approve the 2017 annual PEF Capital Budget (expenditure budget) as detailed in Appendix A, in the amount of \$67.37 million, consisting of:

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$20.55	\$23.95	\$44.50
Capital Additions & Tenant Improvements	\$4.76	\$4.48	\$9.24
Deconstruction	\$0.27	\$0.00	\$0.27
Capital Maintenance	\$6.06	\$3.71	\$9.77
Soil Remediation	\$0.71	\$0.29	\$1.00
Other	\$0.62	\$0.46	\$1.09
Emerging Priorities	\$1.04	\$0.47	\$1.50
Total Expenditures (2016)	\$34.01	\$33.36	\$67.37

Note: Totals may not add due to rounding

- B. THAT Council approve funding sources for PEF Capital Projects to begin in 2017 as detailed in Appendix A, in the amount of \$67.37 million, as follows:
- | | |
|-------------------------------|------------------------|
| • Sales and Capital Disposals | \$54.89 million |
| • Parking Sites Reserve | \$4.23 million |
| • Capital from PEF Operations | <u>\$8.25 million</u> |
| | <u>\$67.37 million</u> |
- C. THAT Council approve the closeout of completed capital projects with variances exceeding 15% and/or \$50,000 of the approved budget as outlined in this report and Appendix B.

REPORT SUMMARY

The purpose of this report is to provide Council with a capital budget for the PEF, including:

- the 2017 PEF Capital Budget which includes new Capital programs/projects and associated funding requests, and 2017 capital expenditures for continuing (carry-forward) programs/projects, for Council approval;
- a request to Council for approval to close 16 capital programs/projects completed in 2016.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The PEF was created by Council in 1975, at which time: “It was agreed by Council that the Property Endowment Fund should be regarded as a legacy or an endowment which belongs to all the taxpayers and should be managed for the benefit of future generations.”

In 1981, Council provided further guidance regarding the PEF Purpose, Goals and Objectives as follows:

- Purpose:
 - To preserve and increase the real value of the PEF assets and to increase the Fund’s ownership of strategic sites.
- Goal:
 - To manage the PEF assets in such a way as to preserve their real value and generate a reasonable economic return.
 - In addition, where it is possible without jeopardizing either the real value of the fund or the reasonable return on its assets, to support the City’s public objectives.
- Objectives:
 - The operations of the PEF shall generally be to:
 - manage and develop the Fund’s holdings in order to generate a reasonable economic return;
 - buy and sell lands: assemble a land inventory that offers the best opportunity to preserve and where possible increase the real value of the PEF’s assets;
 - support the City’s public objectives; and
 - develop a program to accomplish the conversion of non-strategic holdings to strategic holdings.

- **Priorities:**
 - In making operating decisions, the financial criteria must first be met; however, where possible, preference will be given to development, acquisition or disposal opportunities that also meet public criteria.
- **Strategic Sites:**
 - In the context of the PEF, strategic sites shall be defined as sites which possess the best opportunity to achieve either the Fund's financial objectives or both its financial and public objectives.

Since then, the PEF has remained a separate City fund. Key transactions have been brought forward to Council for approval. Financial operations have been reported publicly as a supplementary schedule to the Annual Financial Statements.

In 2013 and 2014, the first annual PEF operating and capital budgets were approved by Council; establishment of a third-party Expert Advisory Panel to advise staff and Council on all aspects of the PEF's management was also approved. The first panel convened in 2014 and signaled an important milestone toward optimizing the PEF's management and oversight. Increased management oversight of the PEF has continued in subsequent years.

Recent improvements include new management metrics (vacancy rate, funds from operations), the establishment of new management practices for "core" commercial properties within the portfolio, and a realization of a need to measure the social benefit that the fund is creating as result of its operations. Additional management rigor has also seen the completion of a property by property strategic review, and updated operational policies being developed.

The PEF operating budget has been included in the public consolidated budget document, and was brought forward for approval in conjunction with the City's Operating and Capital budgets. The PEF capital budget, due to the confidential nature of the property transactions accounted for in that budget, continues to be approved by Council in camera. The actual results for the PEF, included in the annual financial statements, include both operating and capital activity.

Council authority is required to close capital program/projects with variances exceeding 15% and/or \$50,000 of the approved budget, and to reallocate capital funding over \$50,000.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The PEF was established by Council 40 years ago, with the clear objectives to use assets to obtain a reasonable economic return on investment for the City, and to use assets to support City policy objectives. The PEF is an important strategic tool to both provide significant financial return to the City and to enable Council to progress on key policy objectives.

In 2009, Staff began the process of increasing oversight of the PEF, with regular reporting and close oversight of the Olympic Village project. In July 2012, staff brought an In Camera presentation forward to Council with proposed changes in the management processes and oversight of the PEF. The proposed changes included portfolio tracking of the PEF results, setting of an annual budget, and developing a project plan to improve the reporting of the PEF.

REPORT

Background/Context

History of the PEF

The PEF was established by Council in 1975 as a separate City fund (of 5 City funds) to hold strategic land purchases, separate from the ongoing operations of the City. The PEF is one of five City Funds, and is included within the City's Consolidated Financial Statements. Governance for the PEF has changed over time. Prior to 2003, a PEF board, consisting of a combination of senior staff and elected officials governed the PEF. Since 2003, all PEF asset transactions have been brought forward to full Council for approval. Management oversight of the PEF moved from the Director of Finance to the General Manager of Business Planning & Services in 2008. In 2012, management oversight moved back to the Director of Finance following a reorganization of the Real Estate and Facilities function. The General Manager of Real Estate and Facilities Management continues to provide asset management oversight of all properties in the PEF.

PEF Financial Statements

The PEF is one of five funds at the City of Vancouver, consolidated into the City's annual audited financial statements in accordance with the Public Sector Accounting Board (PSAB) standards. The PEF is reported annually in the supplementary schedules to the Financial Statements.

Until 2013, the PEF had not been included in the annual operating or capital budget processes, the capital planning process, or quarterly variance and forecast reporting to Council. Financial transactions, including major leases, purchase and sale of properties, and capital maintenance projects, have been approved by Council, but on a transactional basis.

Guiding Principles for Financial Sustainability

The City has established guiding principles for financial sustainability which help guide the City's overall budgetary process and financial management practices. The PEF annual budgets and medium- to long-term financial and capital plans have been developed based on a number of these principles, including:

Fiscal Prudence

- live within our means
- consider long-term implications in all decisions
- maintain a stable and predictable revenue stream
- keep property acquisitions at a manageable level
- build in flexibility and contingencies for emerging priorities and opportunities

Asset Management

- maintain assets in a state of good repair
- optimize capital investments to meet public and economic needs while achieving value for the investment

The City strives to strike a balance between maintaining and optimizing existing assets and adding new assets needed for the City's key policy objectives. The need for affordable housing and rapid transit represent major capital investment objectives. As the owner of over 700 buildings and properties within the PEF, the City needs to ensure that the PEF portfolio

continues to generate a regular return and also allow for the continued acquisition of assets that will satisfy the City’s civic objectives.

While the City conducts ongoing maintenance and upgrades to ensure that our major building assets are functioning and resilient, the increasing cost of maintaining these structures and properties continues to put pressure on PEF capital and operating funds.

Strategic Analysis

A. 2017 Proposed Capital Budget

The 2017 PEF Capital Budget deals with acquiring and sustaining PEF-owned properties.

Renewing and maintaining the PEF holdings is a way of investing in the future of our city, and an important factor in achieving good value for money by extending the operational lifespan of our assets.

Capital expenditures include the strategic acquisition of new buildings and properties to allow us to achieve our longer term priorities. This includes acquiring properties for potential use as housing sites, future transit sites, and for future parks and engineering objectives.

2017 Capital Expenditure Budget

The 2017 Capital Expenditure Budget is \$67.37 million, which includes funding of \$34.01 million from previously approved projects that are continuing from the past year and \$33.36 million of funding for new projects.

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$20.55	\$23.95	\$44.50
Capital Additions & Tenant Improvements	\$4.76	\$4.48	\$9.24
Deconstruction	\$0.27	\$0.00	\$0.27
Capital Maintenance	\$6.06	\$3.71	\$9.77
Soil Remediation	\$0.71	\$0.29	\$1.00
Other	\$0.62	\$0.46	\$1.09
Emerging Priorities	\$1.04	\$0.47	\$1.50
Total Expenditures (2017)	\$34.01	\$33.36	\$67.37

The 2017 Capital Expenditure Budget includes projects such as environmental remediation or roof replacement, as well as discrete, one-time projects such as the acquisition of properties for potential transit and housing sites. Maintenance and upgrading of facilities remains a critical mandate.

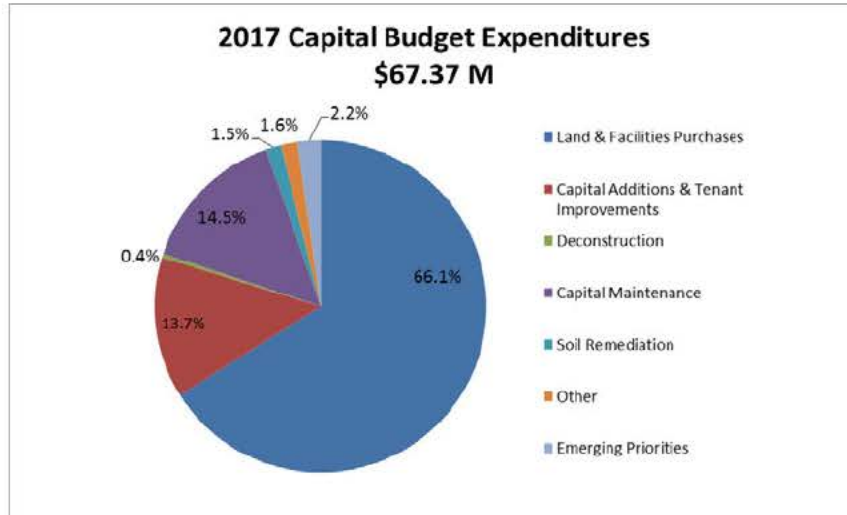
Detailed 2017 project and program information is contained in Appendix A.

The 2017 budget is less than the approved 2016 budget of \$76.28 million. The main driver of this \$8.91 million decrease is a \$ 7.68 million decrease in funding for land and facilities purchases.

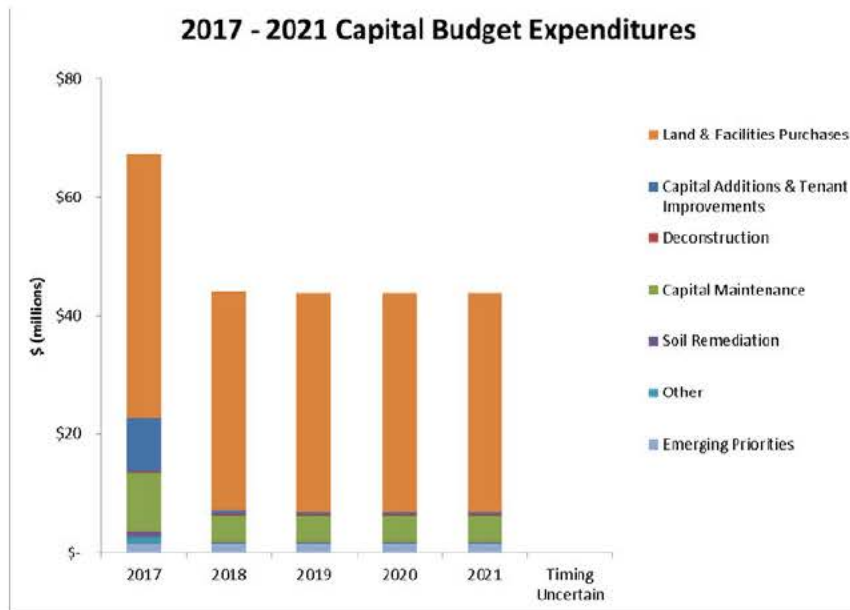
The 2017 budget for the other six categories has decreased by approximately \$1.23 million from the amount approved for 2016, mainly in the areas of capital maintenance, deconstruction and soil remediation. The 2017 budget for these areas has been calculated by reviewing actual projects that are planned for 2017.

2017 Capital Expenditure Budget by Category

The 2017 Capital Expenditure Budget of \$67.37 million provides approval for planned expenditures within seven categories.



The graph below provides a comparison of projected capital expenditures for 2017 to 2021 by category.



The 2018 to 2021 expenditure projections reflect the assumption that a portion of the 2017 capital work will continue into 2018 with some residual into 2019. Projected expenditures for future years are preliminary and are subject to further refinement through the approval of future capital budgets.

Refer to appendices for a detailed list of new project requests as well as a detailed list of projects and programs, including scope of work, total funding, planned expenditures for 2017 to 2021 and projects or programs classified as Timing Uncertain.

Highlights of the 2017 Capital Expenditure Budget

1. Land and Facilities Purchases: \$44.50 million (2016: \$52.18 million)



- 1.1 Housing sites with future development potential: \$5.00 million

The City’s aim is to increase the supply of affordable housing in Vancouver with a broad range of dwelling types to meet the needs of a diverse population. The City has been providing affordable housing since the 1950s, in partnership with the federal government, provincial government, and non-profit groups. The City’s most frequent contribution is the provision of land, upon which our partners build affordable housing.

The 2017 Capital budget provides for \$5.00 million for the acquisition of future development sites that could be used for housing in the interim. Specific projects are not yet determined.

- 1.2 Transit: \$10.00 million

The goal is to make strategic land acquisitions along the Broadway Corridor to facilitate the proposed transit line along Broadway.

Two site acquisitions along the Broadway corridor are planned for 2017 - one near Granville Street and one near Arbutus Street.

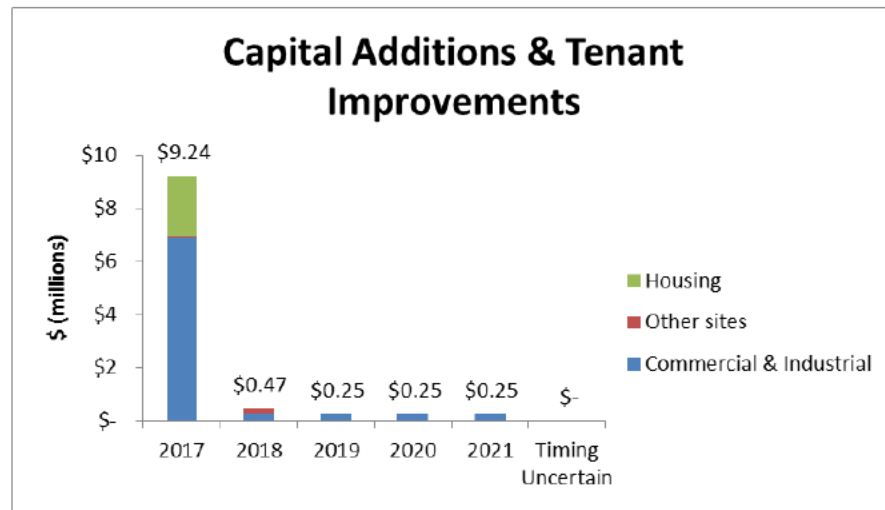
1.3 Opportunistic Investments: \$29.50 million

For 2017, the goal is to purchase land to consolidate with City-owned properties to provide for future development opportunities.

\$7.5 million is allocated to specific sites that are already identified, including s.17(1). \$20.0 million is budgeted for sites that may become available during the year, and would provide future development opportunity, but are not yet identified.

In addition this budget provides \$2.0 million for condition assessment reports and pre-acquisition costs related to the purchase of a property, and pre-disposition costs related to the disposal of a property.

2. Capital Additions & Tenant Improvements: \$9.24 million (2016: \$7.01 million)



2.1 Housing: \$2.32 million

An MOU between the City and the Province (BC Housing) provides for 14 City-owned sites to be developed for social and supportive housing on top of retail units. BC Housing / Non-Profit Housing Societies are building retail units for the City to lease and sub-lease out. The tenant improvements are provided to the new tenants. 2017 funding is being provided for the following sites:

- 675 - 691 East Broadway (\$0.50M): this is for construction and tenant improvements of 8 commercial/retail units for which BC Housing hasn't yet billed the City. Construction is completed.
- 606 Powell Street (\$1.75M): this is for construction and tenant improvements of 3 commercial/retail units. Construction is completed.
- 3595 W 17th Ave (\$0.07M): this is for tenant improvements of 1 retail unit.

2.2 Commercial & Industrial: \$6.89 million

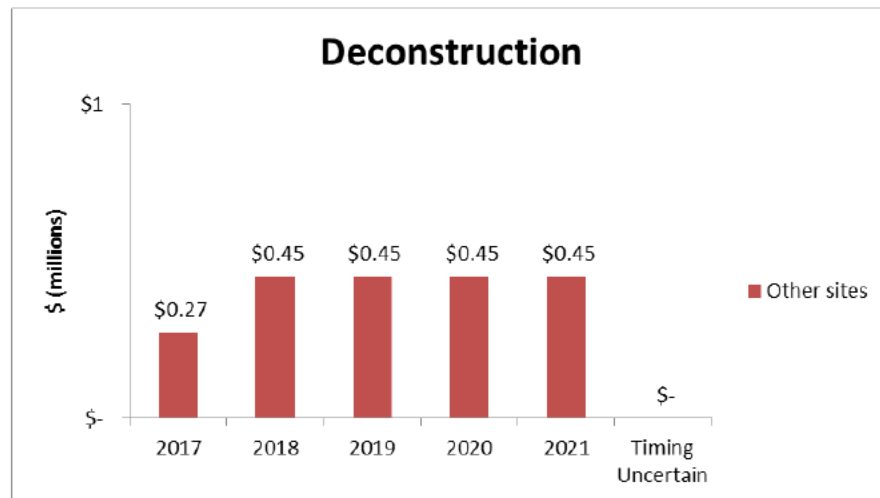
The continuing major projects for 2017 are the tenant improvement allowances for the Vancouver Technology and Social Innovation Centre (312 Main Street) and the Chinatown Plaza upgrades. A total of \$5.1 million of funding for the Technology and Social Innovation Centre is provided for in the 2017 budget: \$2.1 million for capital additions & tenant improvements, and \$3.00 million for capital maintenance (section 4.1 below). A total of \$0.09 million of funding is provided to the Chinatown Plaza

The new major project for 2017 is the tenant improvement allowances for the Social Services Hub (2780 E. Broadway). A total of \$4.45 million of funding for the Social Services hub is provided for in the 2017 budget: \$1.45 million for landlord works and \$3.00 million for the improvement work. A funding of \$0.25 million is budgeted for the tenant improvement allowances for the new tenants.

2.3 Other sites: \$0.03 million

A new project for 2017 is the accessible washrooms at St James Community Square. A total of \$30K of funding for this is provided for in the 2017 budget.

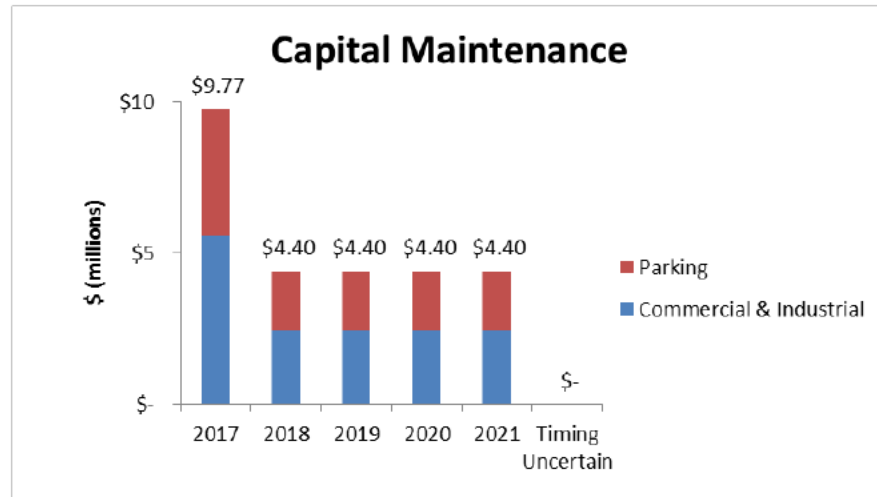
3. Deconstruction: \$0.27 million (2016: \$0.38 million)



3.1 Other Sites: \$0.27 million

This budget provides funding for the deconstruction of buildings/houses for safety issues.

4. Capital Maintenance: \$9.77 million (2016: \$11.52 million)



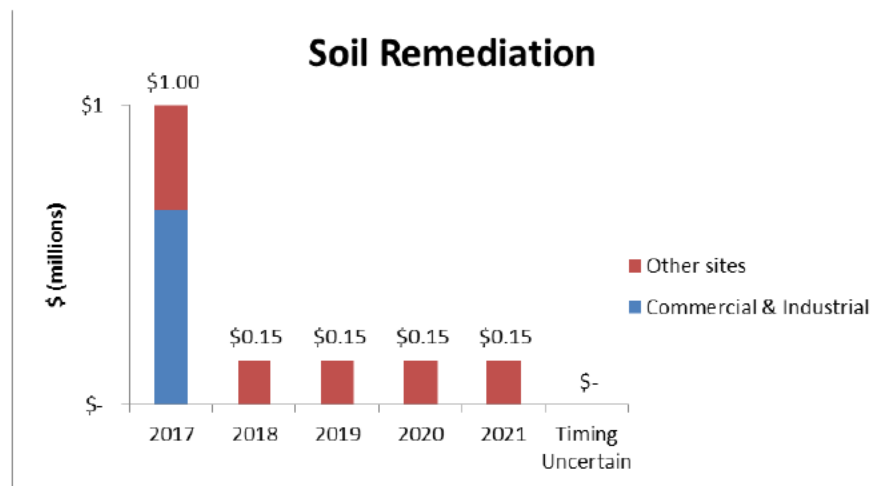
4.1 Commercial & Industrial: \$5.54 million

Major projects for 2017 include \$3.00 million for base building improvements for the Vancouver Technology and Social Innovation Centre (312 Main Street), and \$2.54 million for roof replacements and other capital maintenance projects for income producing PEF buildings.

4.2 Parking: \$4.23 million

This funding is for annual EasyPark capital projects to maintain and upgrade City parkades and garages, and the renovation of the 150 W. Pender lot.

5. Soil Remediation: \$1.00 million (2016: \$2.96 million)

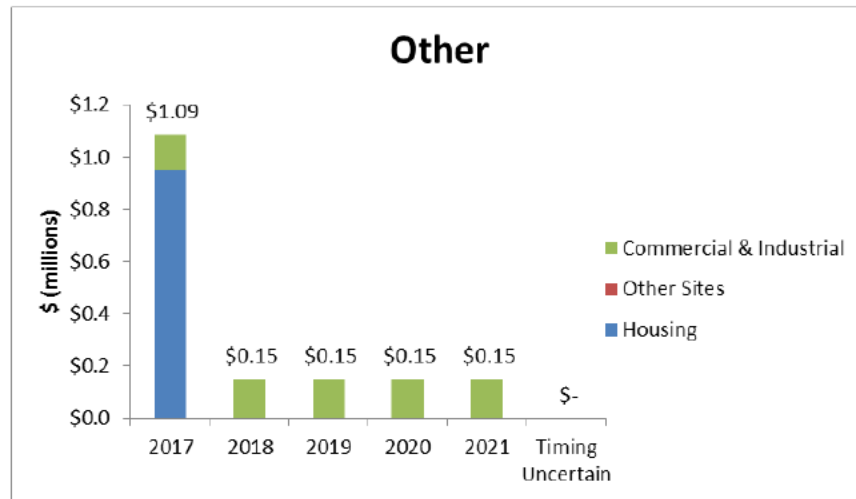


5.1 Commercial & Industrial: \$0.65 million

One major project for soil remediation work is included in the budget: one for 595 West 2nd Ave (CPR Site).

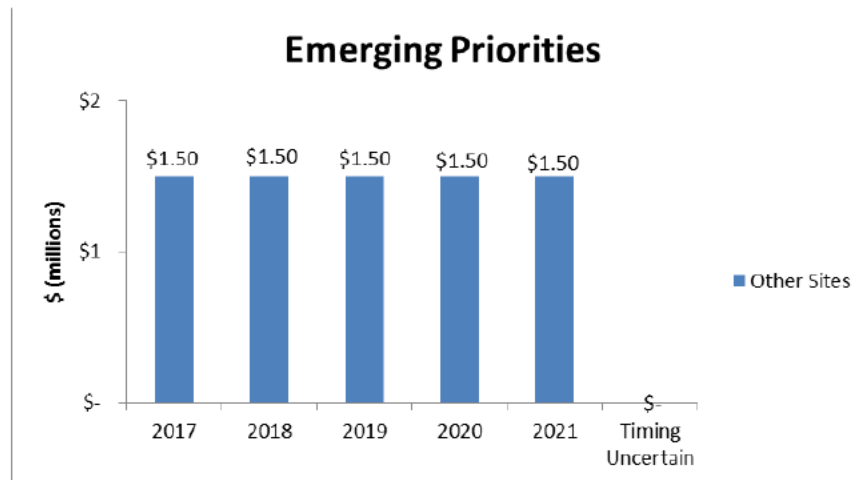
5.2 Other Sites: \$0.35 million

6. Other: \$1.09 million (2016: \$0.73 million)



This is mainly to provide funding for SEFC development related projects, including legal fees, contingencies, and construction deficiencies, as well as funding to cover the estimated costs pertaining to appraisals and legal counsel for the Southwest False Creek residential leasehold properties.

7. Emerging Priorities: \$1.50 million (2016: \$1.50 million)



During the course of any year, priorities emerge that need to be addressed. Examples include fulfilling strategic priorities identified by Council and Boards and advancing projects if funding from partners materializes.

For 2017, \$1.5 million of funding for emerging priorities is budgeted. This is the same budgeted amount as last year.

2017 Capital Budget Funding Sources

The Capital Budget also identifies funding sources. The table below provides a summary of the proposed funding sources for the 2017 Capital Budget:

Table 1: Proposed 2017 PEF Capital Budget Funding Sources

Sources of 2017 Capital Budget Funding	\$M	%
Sales and Capital Disposals	\$54.89	81%
Parking Site Reserve	\$4.23	6%
Capital from PEF Operations	\$8.25	12%
Total Funding Sources	\$67.37	100%

Recommended funding sources:

- Sales and Capital Disposals (\$54.89 million)

Funding will be available from the following sales:

- s.17(1) - Expected to be brought to market in the third quarter of 2017, with anticipated sale proceeds of s.17(1) to the PEF
- 800 Commercial Street - Under negotiations; subject to rezoning - Expected sales proceeds of \$3.5 million to the PEF at the end of 2017
- \$10.00 million sale for other non-strategic small sites

- Parking Site Reserve (\$4.23 million)

Council originally created the Parking Site Reserve (PSR) to fund construction and rehabilitation of City parking facilities.

It is normal practice for the PSR to transfer funding to the PEF for annual Easypark capital projects to maintain and upgrade the existing City parkades and garages. For 2017, \$4.23 million of funding is required for this purpose.

- Capital from PEF Operations (\$8.25 million)

The proposed PEF operating budget includes a transfer of \$8.25 million to the PEF Capital Budget. This transfer represents the net annual operating surplus from PEF operations.

B. 2016 Capital Closeouts

The Capital closeout process is the mechanism by which the City’s Capital programs and/or projects are closed, completion deficits and surpluses are identified and, to the extent applicable, offset.

The purpose of this report is to request Council approval to close 2016 capital programs/projects where completion spend variances exceed 15% and/or \$50,000 of the approved budget.

A total of 16 programs/projects with budgets totaling \$56.18 million and expenditures of \$55.36 million were completed in 2016 and ready to be closed as part of this report.

Appendix B provides a summary of the proposed project/program closeout surpluses (deficits).

5 of the completed projects/programs have completion surpluses exceeding 15% and/or \$50,000. Appendix B provides explanations for these significant surpluses/deficits as well as financial details, by projects and category, for projects/programs completed in 2016.

CONCLUSION

This report has provided an overview of funding requested for new Capital Projects to begin in 2017 including specific funding sources, and a summary of the 2017 Capital expenditure Budget of \$67.37 million. The Capital Budget detail is found in Appendix A.

As part of the capital budgeting process, the closeout of projects/programs requiring Council approval are identified and brought to Council. This report requests Council approval for the closeout of 7 programs/projects with completion variances exceeding 15% and/or \$50,000 of the approved budget and funding.

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**APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs -
2017 Expenditure Budget and five year Financial Plan**

Project Name	Description	Deliverables	Carryforward	New funding	2017 Budget	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	Timing Uncertain	Total Forecast
1 Land & Facilities											
Property Purchase - Social Housing	Property purchases for Social Housing sites	Purchase sites for future social housing	2,807,000	2,193,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	-	25,000,000
Total Transit Sites East of Arbutus	Purchase transit sites east of Arbutus	Property purchases for future transit sites on along the Broadway corridor - sites near Granville Street and Arbutus Street	10,000,000	-	10,000,000	-	-	-	-	-	10,000,000
			2,930,286	4,569,714	7,500,000	-	-	-	-	-	7,500,000
Other Property Purchases	Property purchase for other strategic purposes	Purchase properties for strategic purposes	4,600,000	15,400,000	20,000,000	30,000,000	30,000,000	30,000,000	30,000,000	-	140,000,000
Pre-Acquisition and Pre-Disposition Costs	Program for condition assessment reports and other costs related to the purchase of a property	False Creek Flats, Granville loops, etc	215,540	1,784,460	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	10,000,000
		Land & Facilities Purchases Total	\$ 20,552,826	\$ 23,947,174	\$ 44,500,000	\$ 37,000,000	\$ 37,000,000	\$ 37,000,000	\$ 37,000,000	\$ -	\$ 192,500,000
2 Capital Additions & Tenant Improvements											
14 MOU Sites - 675-691 E Broadway - TI's	Tenant improvements costs provided to the new commercial and retail tenants at 675 -691 E Broadway	Lease up of 8 new CRU's (approx 10,000 sf in total) to generate stable rental income to PEF	496,615	-	496,615	-	-	-	-	-	496,615
14 MOU Sites - 606 Powell - Retail Construction	Construction costs for building the retail units at 606 Powell St and Tenant improvements costs provided to the new commercial and retail tenants at 606 Powell St	Construction of 3 CRU's (approx 3500 sf in total) at 606 Powell St and Lease up of 3 CRU's (approx 3500 sf in total) to generate stable rental income to PEF	1,746,201	-	1,746,201	-	-	-	-	-	1,746,201
14 MOU Sites - 3595 W 17th Ave - Tenant Improvements	Tenant improvements costs provided to the new commercial and retail tenants at 3595 17th Ave	Lease up of 1 new CRU's (approx 1,500 sf in total) to generate stable rental income to PEF	74,719	-	74,719	-	-	-	-	-	74,719
312 Main St - TI	Tenant improvement allowances for new Tech center	The Agreement between the City and the Tenant (VCF) was completed in 2015. Currently, the City is overseeing the base building improvements of the project. The tenant is carrying out the improvement work, and the City will provide payment for the City's share, throughout the construction phase.	2,100,000	-	2,100,000	-	-	-	-	-	2,100,000
Chinatown Plaza	General capital upgrades and tenant improvement budget - \$46K for way finding signage board, and \$45K for the repair of the main water supply pipe servicing the building	Upgrades completed as planned, with exception of one sign still requiring regulatory approval; remaining funds to contribute to repair of water line servicing the building	89,970	-	89,970	-	-	-	-	-	89,970
Tenant Improvement Program	Tenant improvement allowances for new tenants	Tenant improvements provide some funding for new tenants to improve the leased area to suit their business and attract tenants	250,000	-	250,000	250,000	250,000	250,000	250,000	-	1,250,000
St James Community Square	New Accessible Washrooms	New Accessible Washrooms at St James Community Square	-	30,000	30,000	220,000	-	-	-	-	250,000
Kaslo Hub	Tenant improvement costs for the new hub	Tenant improvement allowances for the Social Services Hub (2780 E. Broadway).	-	4,450,000	4,450,000	-	-	-	-	-	4,450,000
		Capital Additions & Tenant Improvements Total	\$ 4,757,505	\$ 4,480,000	\$ 9,237,505	\$ 470,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 10,457,505
3 Deconstruction											
2015-2017 Deconstruction Program	Deconstruction of buildings/houses for safety issues in future years	Deconstruction of buildings/houses for safety issues in future years	271,094	-	271,094	450,000	450,000	450,000	450,000	-	2,071,094
		Deconstruction Total	\$ 271,094	\$ -	\$ 271,094	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ -	\$ 2,071,094

**APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs -
2017 Expenditure Budget and five year Financial Plan**

Project Name	Description	Deliverables	Carryforward	New funding	2017 Budget	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	Timing Uncertain	Total Forecast
4 Capital Maintenance											
312 Main St - Base Building Improvements	Base building interior improvements and building upgrades	The Agreement between the City and the Tenant (VCF) was completed in 2015. Currently, the City is overseeing the base building improvements of the project. The tenant is carrying out the improvement work, and the City will provide payment for the City's share, throughout the construction phase.	2,953,144	-	2,953,144	-	-	-	-	-	2,953,144
Capital Maintenance Program	Capital Maintenance for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	19,493	-	19,493	-	-	-	-	-	19,493
2016-2018 Capital Maintenance Program	Capital Maintenance for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	-	151,484	151,484	1,100,000	1,100,000	1,100,000	1,100,000	-	4,551,484
2016-2018 Capital Maintenance Program	Capital Maintenance for PEF Parkings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	1,380,832	619,168	2,000,000	-	-	-	-	-	2,000,000
Facility Condition Assessment Program for PEF Properties	Facility condition assessment for PEF owned properties	To deliver facility condition assessment reports for PEF properties	45,000	-	45,000	-	-	-	-	-	45,000
Roof Replacement Program	Roof Replacement Program for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	1,432,392	685,423	2,117,815	1,000,000	1,000,000	1,000,000	1,000,000	-	6,117,815
2017 Repair Program	Operating activities for PEF properties from the property management group	Maintain assets in good condition	-	257,600	257,600	300,000	300,000	300,000	300,000	-	1,457,600
2016 - 2018 EasyPark Capital Projects	EasyPark capital maintenance of city-owned parkades	Maintain city parkade/assets in good condition	225,000	2,000,000	2,225,000	2,000,000	2,000,000	2,000,000	2,000,000	-	10,225,000
Capital Maintenance Total			\$ 6,055,861	\$ 3,713,675	\$ 9,769,536	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ -	\$ 27,369,536
5 Soil Remediation											
14 MOU Sites - Soil Remediation - 111 Princess Ave	Costs of environmental remediation of the sites at 111 Princess Ave	Providing a clean site to BC Housing as per MOU and lease agreements	140,171	-	140,171	-	-	-	-	-	140,171
688 Cambie St - Presale Site Assess/Prep	Environmental assessment and development of a remedial action plan for the future redevelopment of the northern portion of the site (excludes new Vancouver Art Gallery portion of site - Northern Portion of 688 Cambie site	Environmental assessment and remedial action plan reports; Approval in Principle of remedial plan from BC MOE and Release Letter will be required for issuance of Development Permit; Certificate of Compliance from BC MOE will be required for issuance of Occupancy Permit	-	-	-	-	-	-	-	341,086	341,086
688 Cambie St (Art Gallery) - Site Assessment	Additional funding request for the environmental assessment and development of a remedial action plan for the future site of the new Vancouver Art Gallery - Southern portion of 688 Cambie site	Environmental assessment and remedial action plan reports; Approval in Principle of remedial plan from BC MOE and Release Letter will be required for issuance of Development Permit; Certificate of Compliance from BC MOE will be required for issuance of Occupancy Permit	-	80,003	80,003	-	-	-	-	-	80,003
595 W 2nd (CPR Site) Remediate the chlorinated solvents SEFC Area 1	Environmental remediation and ongoing post-remediation monitoring, as necessary.	Remediation and monitoring reports; Certificate of Compliance from BC MOE	429,558	-	429,558	-	-	-	-	-	429,558
	A geophysical investigation to assess potential underground storage tank (UST) locations at the former Cambie Street Works Yard.	To remove all of the identified USTs across the property.	-	200,000	200,000	-	-	-	-	-	200,000
2016-2018 Soil Remediation Program	Environmental assessments for due diligence on new property purchases - general program budget	Environmental assessment reports (likely Phase 1, Phase 2, and possibly Detailed Site Investigation) to document current environmental site conditions and associated remediation costs prior to purchases	139,500	10,500	150,000	150,000	150,000	150,000	150,000	-	750,000
Soil Remediation Total			\$ 709,229	\$ 290,503	\$ 999,732	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 341,086	\$ 1,940,818

**APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs -
2017 Expenditure Budget and five year Financial Plan**

Project Name	Description	Deliverables	Carryforward	New funding	2017 Budget	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	Timing Uncertain	Total Forecast
6 Other											
SEFC Phase 1 Contingency	Carryforward budget for the SEFC Phase 1 project. 2014 & 2015 is for construction deficiencies	Fix construction deficiencies (solar panel and planter membrane) at the social housing sites	199,635	-	199,635	-	-	-	-	-	199,635
South False Creek Projects	Funding to cover the estimated costs regarding the South False Creek Pre-lease renewals	Consultant, legal, professional fees for the lease expiry and the future planning	346,525	103,475	450,000	-	-	-	-	-	450,000
Rezoning Consultants	Prepare rezoning applications and supporting documents for PEF land	Architectural report and, if required presentations suitable for REFM-led rezoning application	77,700	-	77,700	150,000	150,000	150,000	150,000	-	677,700
Planning Program	Funding to cover the estimated costs regarding the False Creek South Planning	Salaries, process costs, management costs and overheads costs	-	300,000	300,000	-	-	-	-	-	300,000
Merchandising Studies	Remerchandising of Chinatown Plaza and Library Square	Remerchandising of Chinatown Plaza and Library Square	-	60,000	60,000	-	-	-	-	-	60,000
Other Total			\$ 623,860	\$ 463,475	\$ 1,087,335	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	\$ 1,687,335
7 Emerging Priorities											
Emerging Priorities	Fund emerging priorities throughout the year	Fund emerging priorities throughout the year	1,035,000	465,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-	7,500,000
Emerging Priorities Total			\$ 1,035,000	\$ 465,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 7,500,000
Total Capital Budget			\$34,005,375	\$33,359,827	\$67,365,202	\$44,120,000	\$43,900,000	\$43,900,000	\$43,900,000	\$ 341,086	\$ 243,526,288

Appendix B - 2016 Capital Closeouts

	Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variance > \$50K and/or 15% of budget)
Land & Facilities Purchases						
Housing	SHS Purchase - 4203 Penticton St	1,400,000	1,400,000	-	0%	
	SHS Purchase - Exchange 508 He mcken	14,888	14,888	-	0%	
Transit	2014 Transit Sites East of Arbutus	5,800,000	5,800,000	-	0%	
	2015 Transit Sites East of Arbutus	9,500,000	9,500,000	-	0%	
	Arbutus Corridor	20,000,000	20,000,000	-	0%	
Commercial & Industrial	3214 W 10th Ave	6,800,000	6,800,000	-	0%	
	1245 Glen Drive	3,700,000	3,700,000	-	0%	
Other	2016 Pre-sale Costs	5,400,000	5,400,000	-	0%	
Land & Facilities Purchases Total		52,614,888	52,614,888	-	0%	
Capital Maintenance						
Parking	2016 - EasyPark Capital Projects	1,825,000	1,977,832	(152,832)	-8%	Some additional costs related to the implementation of the purchase order system, and the bid came higher than expected on the lighting project of 107 E Cordova
Commercial & Industrial	2014 -2015 Heather Marina - O Fbat & M Fbat	698,927	695,055	3,872	1%	
	\$140K Boiler for 1336 W 11th	26,665	10,979	15,686	59%	Bid came in lower than budget
	\$273K 180 Keefer St - Heat Pump	6,228	3,310	2,918	47%	Bid came in lower than budget
	2780 E Broadway Roof Ph 2	232,816	8,650	224,166	96%	Bid came in lower than budget / scope changed
Capital Maintenance Total		\$ 2,789,636	\$ 2,695,826	\$ 93,810	3%	
Soil Remediation						
Commercial & Industrial	1733 E 18th Ave - Site Investigation for Sale to Cressey	-	-	-	0%	
Other	2014-2015 Soil Remediation Program	-	-	-	0%	
Commercial & Industrial	PSAB 3260 - Soil Remediation Site Assessments	777,934	46,798	731,136	94%	Budget not required
Soil Remediation Total		\$ 777,934	\$ 46,798	\$ 731,136	94%	
Other						
Total 2015 Capital Closeouts		\$56,182,458	\$55,357,512	\$ 824,946	1%	