



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: February 27, 2015
Contact: Neal Stratton
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RTS No.: 10846
VanRIMS No.: 08-2000-21
Meeting Date: March 3, 2015

TO: Vancouver City Council
FROM: Director of Finance
SUBJECT: Property Endowment Fund (PEF) 2015 Capital Budget and 2014 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 2015 annual PEF Capital Budget (expenditure budget) as detailed in Appendix A, in the amount of \$92.8 million, consisting of:

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$33.38	\$31.26	\$64.64
Capital Additions & Tenant Improvements	4.75	2.38	7.14
Deconstruction	1.35	0.45	1.80
Capital Maintenance	6.08	6.27	12.35
Soil Remediation	3.37	0.98	4.35
Other	0.53	0.00	0.53
Emerging Priorities	1.21	0.79	2.00
Total Expenditures (2015)	\$50.7	\$42.1	\$92.8

- B. THAT Council approve funding sources for PEF Capital Projects to begin in 2015 as detailed in Appendix A, in the amount of \$114.9 million.

Funding sources as follows:

• Sales and Capital Disposals	\$72.9 million
• Parking Sites Reserve	13.4 million
• Capital from PEF Operations	8.8 million
• Capital Fund	<u>19.8 million</u>
	<u>\$114.9 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 Property Endowment Fund, including:

- the 2015 PEF Capital Budget which includes new Capital programs/projects and associated funding requests, and 2015 capital expenditures for continuing (carry-forward) programs/projects, for Council approval;
- a request to Council for approval to close 18 capital programs/projects completed in 2014.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Property Endowment Fund 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 1980, 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 that time, the PEF has continued as a separate fund of the City. Key transactions have been brought forward to council for approval, and financial operations have been reported publicly as a supplementary schedule to the Annual Financial Statements.

In February 2013, the first operating budget was approved by Council to begin monitoring PEF performance versus plan. Council also approved the establishment of a third-party Expert Advisory Panel to advise staff and Council on all aspects of management of the PEF.

This year, for the first time, the Property Endowment Fund (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, will continue 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 almost 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.

This year, for the first time, the Property Endowment Fund (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, will continue 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.

The establishment of a third-party Expert Advisory Panel has started with the convening of the first panel in 2014, signalling an important milestone towards the goal of optimizing the management and oversight 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 has 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.

In 2013, for the first time, an operating budget was approved by Council to begin monitoring PEF performance versus plan. The 2013 PEF results were consolidated into the City's annual audited financial statements in accordance the Public Sector Accounting Board (PSAB) standards. The PEF is reported annually in the supplementary schedules to the Financial Statements.

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 rapid transit and affordable housing represent major capital investment objectives. As the owner of over 660 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. 2015 Proposed Capital Budget

The 2015 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.

2015 Capital Expenditure Budget

The 2015 Capital Expenditure Budget is \$92.8 million, which includes funding of \$50.7 million from previously approved projects that are continuing from the past year and \$42.1 million of funding for new projects. Further details of the 2014 capital budget expenditures and remaining funding are contained in the presentation that accompanies this report.

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$33.38	\$31.26	\$64.64
Capital Additions & Tenant Improvements	4.75	2.38	7.14
Deconstruction	1.35	0.45	1.80
Capital Maintenance	6.08	6.27	12.35
Soil Remediation	3.37	0.98	4.35
Other	0.53	0.00	0.53
Emerging Priorities	1.21	0.79	2.00
Total Expenditures (2015)	\$50.7	\$42.1	\$92.8

The 2015 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 2015 project and program information is contained in Appendix A.

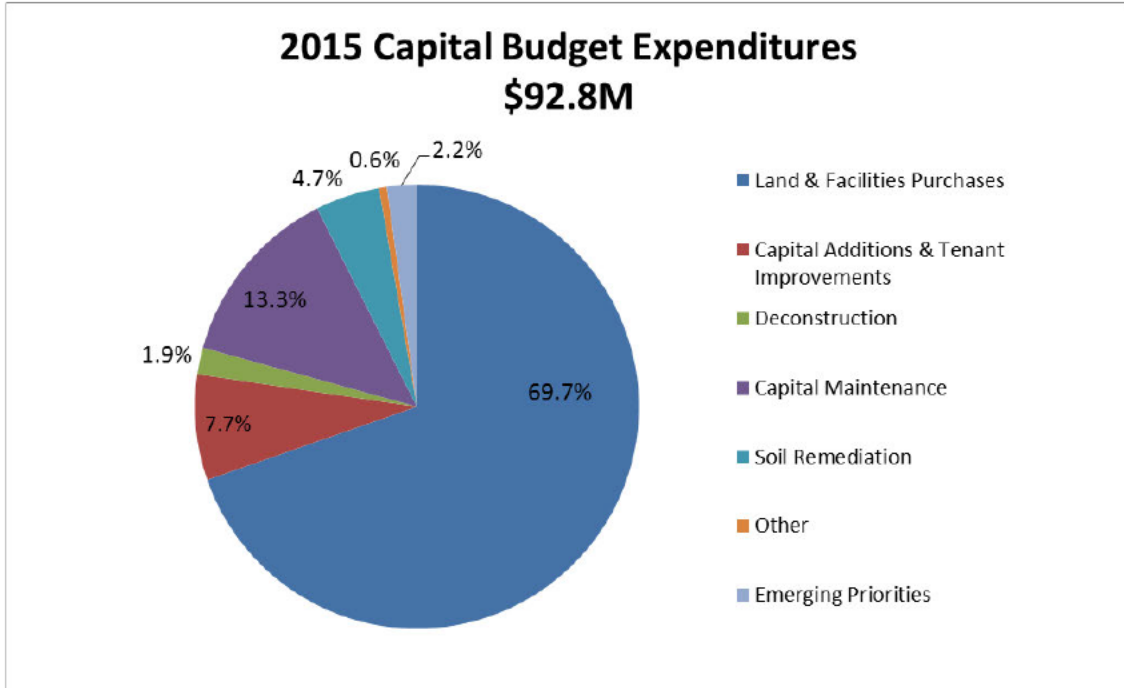
The 2015 budget is larger than the approved 2014 budget of \$70.8 million. The main driver of this \$22.0 million increase is an increase in funding for land and facilities purchases.

In 2014 the budget for land and facilities purchases was \$39.8 million. For 2015 this has increased by \$24.8 million, to \$64.6 million. The largest increase in this area is an additional \$15.0 million in funding for future transit site acquisitions, combined with additional funding to purchase land to consolidate with City-owned properties to provide for future development opportunities.

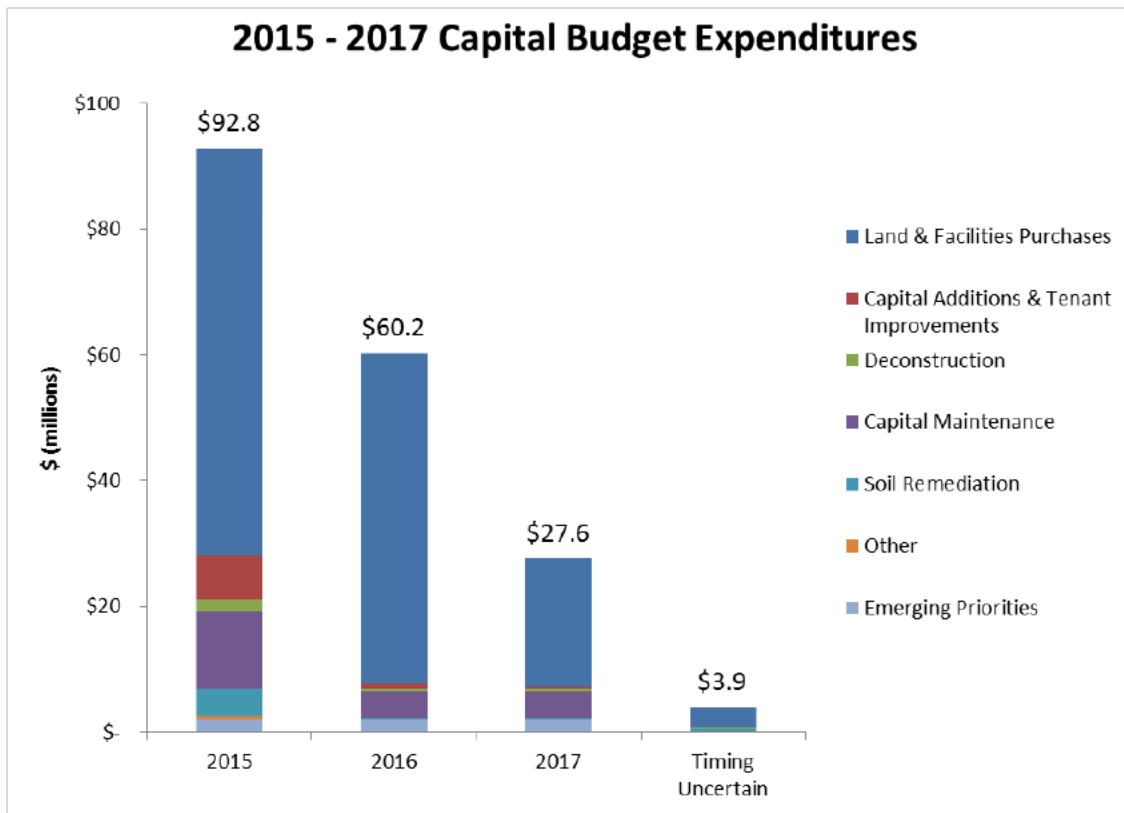
The 2015 budget for the other six categories has decreased by approximately \$2.8 million from the amount approved for 2014, mainly in the areas of capital maintenance and soil remediation. The 2015 budget in these two areas has been calculated by reviewing actual projects that are planned for 2015.

2015 Capital Expenditure Budget by Category

The 2015 Capital Expenditure Budget of \$92.8 million provides approval for planned expenditures within seven categories.



The graph below provides a comparison of projected capital expenditures for 2015, 2016 and 2017 by category.

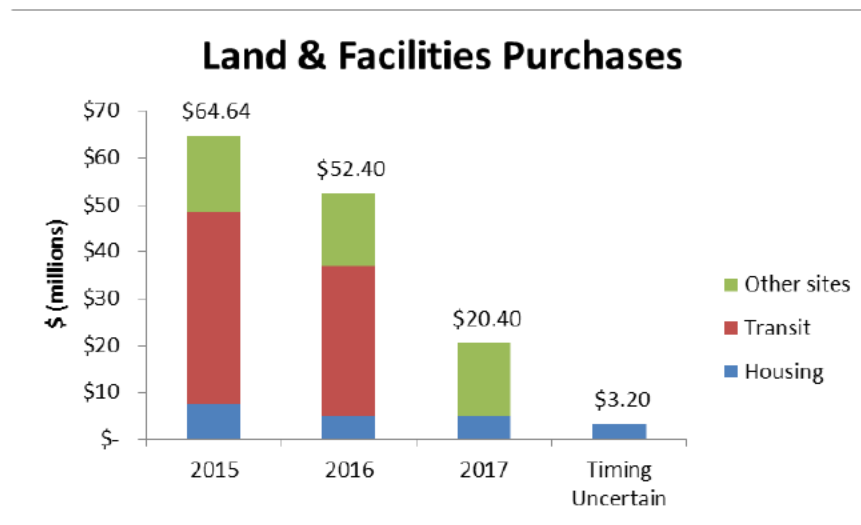


The 2016 and 2017 expenditure projections reflect the assumption that a portion of the 2015 capital work will continue into 2016 with some residual into 2017. Projected expenditures for 2016 and 2017 are preliminary and are subject to further refinement through the approval of future capital budgets.

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 2015, 2016, 2017 and projects or programs classified as Timing Uncertain.

Highlights of the 2015 Capital Expenditure Budget

1. Land and Facilities Purchases: \$64.64 million (2014: \$39.84 million)



1.1 Housing sites with future development potential: \$7.43 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 2015 Capital budget provides for \$7.4 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: \$41.18 million

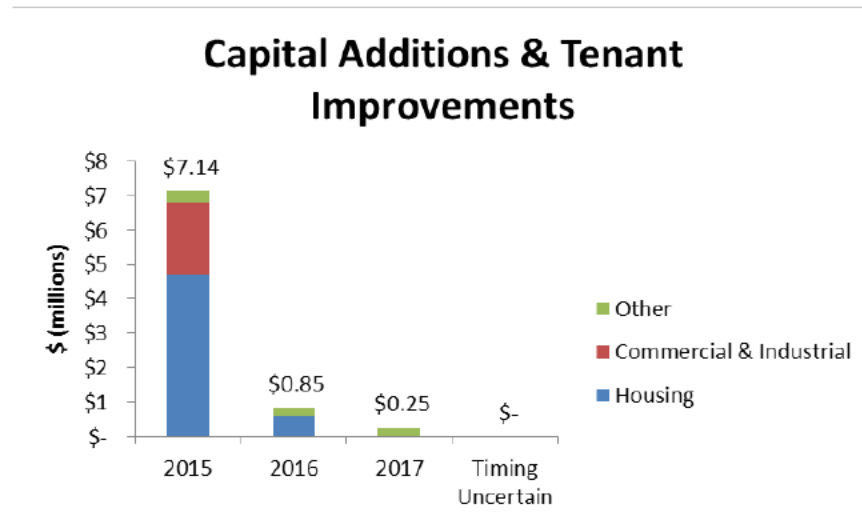
The goal is to make strategic land acquisitions along the Broadway Corridor to facilitate the proposed UBC Rapid Transit Line along Broadway.

Three site acquisitions are planned for 2015 - Great Northern Way, Main Street, and Granville Street. Note that the Great Northern Way site was negotiated and purchased in 2014, but does not close until 2015.

1.3 Opportunistic Investments: \$16.03 million

For 2015, the goal is to purchase land to consolidate with City-owned properties to provide for future development opportunities. In addition this budget provides for condition assessment reports and other pre-acquisition costs related to the purchase of a property.

2. Capital Additions & Tenant Improvements: \$7.14 million (2014: \$7.13 million)



2.1 Housing: \$4.70 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. Of the 14 sites, twelve have been completed. 2015 funding is being provided for the last two sites:

- 675 - 891 East Broadway (\$2.7M): 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 (\$1.8M): this is for construction and tenant improvements of 3 commercial/retail units. Construction is due to be completed in May 2015.

2.2 Commercial & Industrial: \$2.1 million

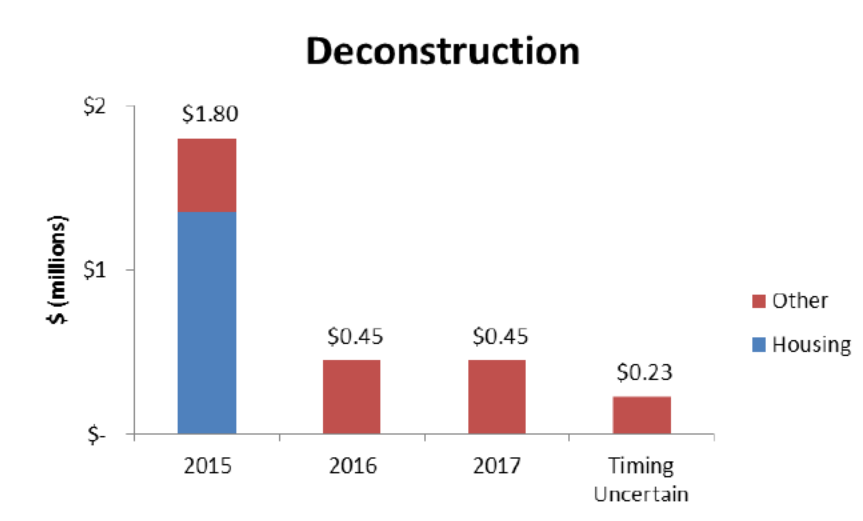
The major project for 2015 is the tenant improvement allowances for the Vancouver Technology and Social Innovation Centre (312 Main Street). A total of \$6.0 million of funding for the Technology and Social Innovation Centre is

provided for in this budget: \$2.1 million for capital additions & tenant improvements, and \$3.9 million for capital maintenance (section 4.1 below).

2.3 Other Sites: \$0.34 million

This budget provides for tenant improvements that result from lease negotiations, and the remaining work at the Chinatown Plaza.

3. Deconstruction: \$1.80 million (2014: \$2.05 million)

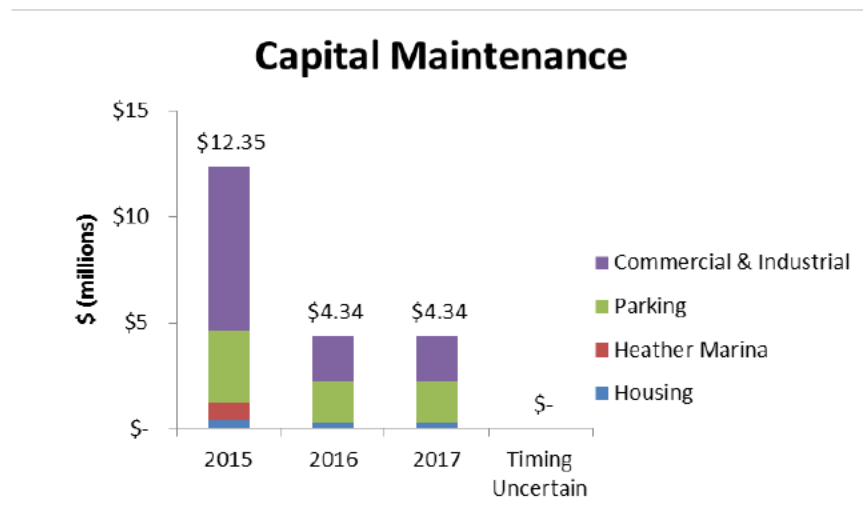


3.1 Housing: \$1.35 million

The major project for 2015 is the decommissioning and deconstruction of the Old Continental residence.

3.2 Other Sites: \$0.45 million

4. Capital Maintenance: \$12.35 million (2014: \$13.66 million)



4.1 Commercial & Industrial: \$7.72 million

Major projects for 2015 include \$3.9 million for base building improvements for the Vancouver Technology and Social Innovation Centre (312 Main Street), and roof replacements and other capital maintenance projects for income producing PEF buildings.

4.2 Parking: \$3.44 million

This is mainly to fund annual Easypark capital projects for maintaining and upgrading City parkades and garages.

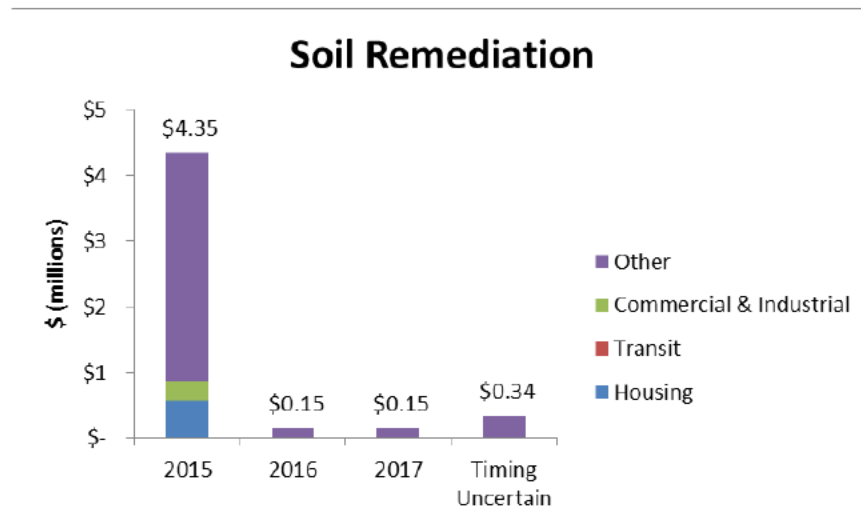
4.3 Heather Marina: \$0.81

This is to provide funding for the repair/replacement of “O” float and construction of the new “M” float at Heather Marina.

4.4 Housing: \$0.38 million

Major projects include capital maintenance for various housing facilities (3510 Fraser St and 1001 Kingsway).

5. Soil Remediation: \$4.35 million (2014: \$5.45 million)



5.1 Housing: \$0.56 million

Major projects include the remaining work on 14 MOU sites (111 Princess and 1134 Burrard) and Land Trust sites for housing development, which are substantially completed and will be closed out.

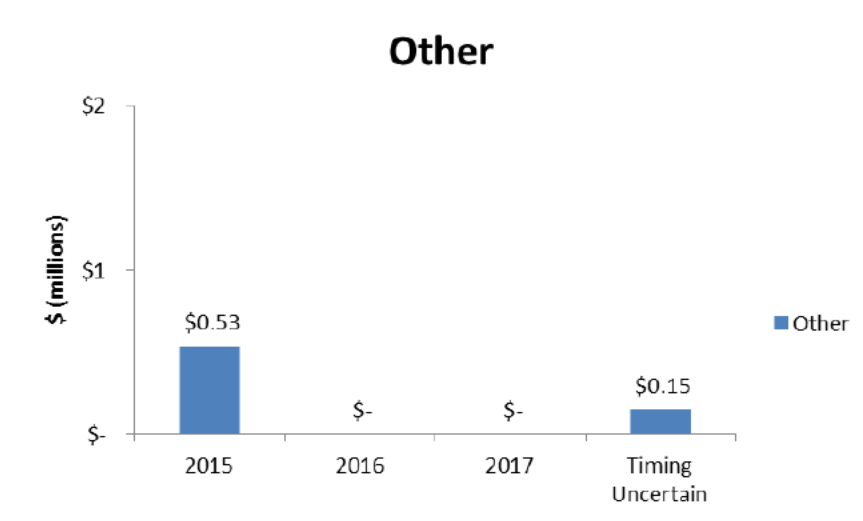
5.2 Commercial & Industrial: \$0.30 million

Project for providing clean site for BC Professional Fire Fighters Burn Fund.

5.3 Other Sites: \$3.48 million

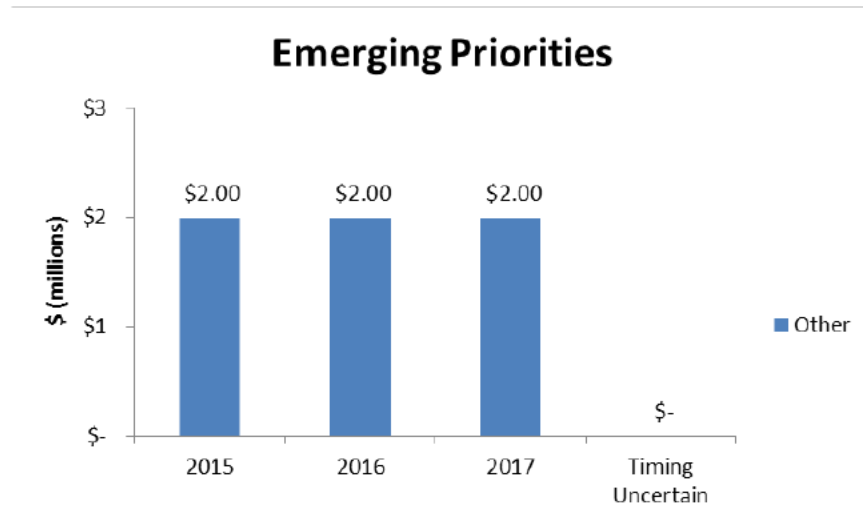
Two major projects for soil remediation work are included in the budget: one for 595 West 2nd Ave (CPR Site) and the other for 688 Cambie St (new Art Gallery site).

6. Other: \$0.53 million (2014: \$0.66 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: \$2.00 million (2014: \$2.00 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 2015, \$2.0 million of funding for emerging priorities is budgeted.

2015 Capital Budget Funding Sources

The Capital Budget also identifies funding sources. The table below provides a summary of the proposed funding sources for the 2015 Capital Budget:

Table 1 - Proposed 2015 PEF Capital Budget Funding Sources

Sources of 2015 Capital Budget Funding	\$M	%
Sales and Capital Disposals	\$72.9	63%
Parking Site Reserve	\$13.4	12%
Capital from PEF Operations	\$8.8	8%
Capital Fund	\$19.8	17%
Total Funding Sources	\$114.9	100%

Recommended funding sources:

- Sales and Capital Disposals (\$72.9 million)

Funding is available from the following sales, which have been previously approved by Council (In-Camera):

- \$32.4 million sale to Westbank (1412-1450 Howe Street; 1410 & 1429 Granville Street and adjoining lane), which closed on June 27, 2014 (RTS 9463)
 - \$27.4 million sale to Concert (SEFC Area 3A), to close on December 18, 2015 (RTS 9923)
 - \$8.4 million sale to Cadillac Fairview (Block 42 Pacific Centre - 701 W Georgia), which closed on Jan 31, 2015 (RTS 6122)
 - Anticipated \$2.7 million for Powell Street residual lands, from the Powell Street overpass project
 - \$1.3 million sale to Onni GNW Holdings Corp (377 E 2nd Avenue), which closed on March 18, 2014 (RTS 10243)
 - \$0.7 million sale to Cressey Projects Corp (1733 E 18th Avenue), to close on April 1, 2015 (RTS 10209)
- Parking Site Reserve (\$13.4 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 2015, \$3.4 million of funding is required for this purpose.

In October 2012, Council adopted the transportation target that at least two-thirds of trips in Vancouver will be made on foot, bike or transit by 2040, and reiterated Council's support for both the long term (2050) and short term (2020) goals of the Greenest City Action Plan related to transportation (green mobility, climate and clean air).

With excess parking capacity in downtown, and a shift from private vehicle to walking, cycling and transit, it is anticipated that there will be a reduced requirement for additional parkades in the future.

To support the priority of rapid transit on Broadway it is proposed to use \$10.0 million of funds from the PSR to partially fund strategic land acquisitions along the Broadway Corridor.

The current balance of the PSR is \$42.2 million (as at December 31, 2014). This report seeks approval to transfer a total of \$13.4 million to the PEF, leaving a balance in the PSR of \$28.8 million. Maintaining the reserve balance at \$28.8 million level will provide sufficient funding for the anticipated major rehabilitation work (estimated at \$20.0 million) on the existing parkades over the next 10 years.

- Capital from PEF Operations (\$8.8 million)

The proposed PEF operating budget includes a transfer of \$8.8 million to the PEF Capital Budget. This transfer represents the net annual operating surplus from PEF operations.

- Capital Fund (\$19.8 million)

In May 2013, Council approved a lease of four PEF owned properties to the Community Housing Land Trust Foundation for 99 years at nominal rent (RTS 10101).

As part of this approval, Council authorized the transfer of \$19.771 million to the PEF as compensation for its proportionate share of the freehold fair market value of the 4 sites to be granted to the Land Trust, with the following source of funding:

- \$13.0 million from the 2012-14 Capital Plan for New Non-Market Rental Housing: Land Acquisition (City-wide DCL), and
- \$6.771 million area-specific DCLs to be added to the 2013 Capital Budget

B. 2014 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 2014 capital programs/projects where completion spend variances exceed 15% and \$50,000 of the approved budget.

A total of 18 programs/projects with budgets totaling \$37.5 million and expenditures of \$34.8 million were completed in 2014 and ready to be closed as part of this report.

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

8 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 closed in 2014.

CONCLUSION

This report has provided an overview of funding requested for new Capital Projects to begin in 2015 including specific funding sources, and a summary of the 2015 Capital expenditure Budget of \$92.8 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 8 programs/projects with completion variances exceeding 15% and/or \$50,000 of the approved budget and funding.

* * * * *

Appendix A - New Capital Projects/Programs and Continuing Projects/Programs -
2015 Expenditure Budget plus Two Year Forecast

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
Approved 2014 and Prior and active (Carry forward)							
Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
.01 Land & Facilities Purchases							
2014 Property Purchases - Social Housing	Property purchases for Social Housing sites.	Purchase sites for future social housing.	3,932,000	-	-	-	3,932,000
2014 Total Transit Sites East of Arbutus	Property purchases for future transit sites.	Purchase transit sites east of Arbutus.	26,375,000	-	-	-	26,375,000
550 Commodore - Land assembly	Land consolidation with City-owned properties for future rezoning to CD-1 to maximize land value.	Purchase of 550 Commodore.	2,930,286	-	-	-	2,930,286
2014 Pre-Acquisition Costs	Program for condition assessment reports and other costs related to the purchase of a property.		138,537	-	-	-	138,537
.01 Land & Facilities Purchases Total			33,375,823	-	-	-	33,375,823
.02 Capital Additions & Tenant Improvements							
14 MOU Sites - 675-691 E Broadway - Retail Construction	Construction costs for building the retail units at 675-891 E Broadway	Construction of 8 CRU's (approx 10,000 sf in total) at 675 -891 E Broadway	2,205,914	-	-	-	2,205,914
14 MOU Sites - 606 Powell - Retail Construction	Construction costs for building the retail units at 606 Powell St.	Construction of 3 CRU's (approx. 3500 sf in total) at 606 Powell St.	1,536,270	600,000	-	-	2,136,270
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	61,093	-	-	-	61,093
3484 Kingsway (Kingsway Continental) - PEF Portion	PEF Contribution of \$1.15M to the overall renovation budget of \$4.5M for Kingsway Continental non-market housing project.	123 of units of Affordable housing - completed and to be closed out	34,688	-	-	-	34,688
312 Main St - TI	Tenant improvement allowances for new Tech center.	Once the Agreement between the City and the Tenant (VCF), currently in the final stages of reviews and negotiations, have been completed, around the end of February, the City will take on an overseer role for the base building improvement aspects of the project. The tenant will carry out the improvement work.	600,000	-	-	-	600,000

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
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.	91,270	-	-	-	91,270
2014 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.	222,929	-	-	-	222,929
.02 Capital Additions & Tenant Improvements Total			4,752,164	600,000	-	-	5,352,164
.03 Deconstruction							
Old Continental - Decommission	Deconstruction of Old Continental Residence.	Deconstruction of the building and a clean site after the deconstruction.	1,351,118	-	-	-	1,351,118
2400 Motel Development Project	Budget to hire a team of consultants to examine the redevelopment options at 2400 Kingsway	Study/examination of the redevelopment potential/options at 2400 Motel.	-	-	-	229,151	229,151
.03 Deconstruction Total			1,351,118	-	-	229,151	1,580,269
.04 Capital Maintenance							
3510 Fraser St - Future Housing Site (Enterprise Rent A Car)	Capital maintenance budget for next 3 years	General capital maintenance work.	45,000	-	-	-	45,000
1001 Kingsway - Future Housing Site (Various tenants)	Capital maintenance budget for elevator and plumbing upgrades over the next five years.	HVAC Replacement to be completed in 2015	120,000	120,000	120,000	-	360,000
2014 - Heather Marina - O Float & Other	Repair of O Float.	Acquisition of consultant to provide planning, design and preparation of construction documents for repairs.	308,123	-	-	-	308,123
2014 - EasyPark Capital Projects	EasyPark capital maintenance of city-owned parkades.	Maintain city parkade/assets in good condition. 2014 major projects include customer service and head office renovations, website and mobile app.	243,319	-	-	-	243,319
Facility Condition Assessment Program for PEF Properties	Facility condition assessment for 100 PEF owned properties.	To deliver facility condition assessment reports for 90 PEF properties. 80 properties have been completed in 2013 and 2014 and 10 for 2015.	16,041	-	-	-	16,041

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
Cap Mtc Market Rent Housing	General capital maintenance of existing market rental housing sites	three roof replacement to be completed in 2015.	103,647	-	-	-	103,647
1449 Hornby St - Building Mtce and Roof Repairs	General building maintenance and roof repairs projects.	A condition assessment for investigation and remediation of building envelope leaks will be completed in 2015.	50,000	-	-	-	50,000
281 Industrial - Roof (Artist Studios & Production Space)	Roof upgrades	Validation, planning, design, preparation of construction documents, RFP/Tender and construction work - completed and to be reallocated to base building	77,802	-	-	-	77,802
281 Industrial - Base Bldg (Artist Studios & Production Space)	Base building upgrades	Validation, planning, design, preparation of construction documents, RFP/Tender and construction work - substantially completed and to be closed out.	(128,735)	-	-	-	(128,735)
312 Main St - Base Building Improvements	Base building interior improvements and building upgrades.	Once the Agreement between the City and the Tenant (VCF), currently in the final stages of reviews and negotiations, have been completed, around the end of February, the City will take on an overserre role for the base building improvement aspects of the project. The tenant will carry out the improvement work.	3,856,605	-	-	-	3,856,605
2014 Capital Maintenance Program	Capital Maintenance for PEF buildings.	Validation, planning, design, preparation of construction documents, RFP/Tender and construction.	866,232	-	-	-	866,232
Required Life Safety Maintenance (Facility Condition Assessment)	Required life safety work based on Facility condition assessments for PEF buildings.	Maintain city assets in safe conditions.	300,000	-	-	-	300,000
2014 Roof Replacement Program	Roof replacement for 1688 Main St (\$250K) and Phase 1 at 2780 E Broadway (\$1M)	Validation, planning, design, preparation of construction documents, RFP/Tender and construction.	221,041	-	-	-	221,041
.04 Capital Maintenance Total			6,079,076	120,000	120,000	-	6,319,076

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
.05 Soil Remediation							
14 MOU Sites - Soil Remediation	Costs of removal of hazardous materials from the buildings on site and environmental remediation of the sites.	Providing a clean site to BC Housing as per MOU and lease agreements.	79,983	-	-	-	79,983
14 MOU Sites - Soil Remediation - Increase Request	Additional funding request for the 14 MOU sites at 111 Princess and 1134 Burrard St.	Providing a clean site to BC Housing as per MOU and lease agreements - completed to be closed out when all invoices paid	483,843	-	-	-	483,843
Burn Fund - 3891 Main St - Soil Remediation	Costs for soil remediation	Onsite and offsite remediation work to address contamination originating from this site; confirmation of Remediation reports and Certificate of Compliance from BC Ministry of Environment (MOE)	303,426	-	-	-	303,426
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
595 W 2nd (CPR Site) - Remediate the chlorinated solvents	Environmental remediation and ongoing post-remediation monitoring, as necessary.	Remediation and monitoring reports. Certificate of Compliance from BC MOE.	1,702,543	-	-	-	1,702,543
1733 E 18th Ave - Site Investigation for Sale to Cressey	Site investigations and preparations relating to the sale of the property.	Environmental assessment reports.	40,000	-	-	-	40,000
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.	512,438	-	-	-	512,438

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
2014 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.	250,000	-	-	-	250,000
.05 Soil Remediation Total			3,372,232	-	-	341,086	3,713,318
.06 Other							
s.17(1)							
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.	400,548	-	-	-	400,548
Potential Sale of City-owned land located in Area 3A of SEFC and proposed Non-Market Housing Building in Area 3B of SEFC - Environmental Consultant	To fund an environmental consultant to provide the city with an assessment of the remediation requirements.	To determine the environmental soil conditions and potential costs of remediation.	-	-	-	150,000	150,000
.06 Other Total			532,921	-	-	150,000	682,921
.07 Emerging Priorities							
Emerging Priorities	Fund emerging priorities throughout the year.		1,213,000	-	-	-	1,213,000
.07 Emerging Priorities Total			1,213,000	-	-	-	1,213,000
Total Capital Budget Approved			50,676,334	720,000	120,000	720,236	52,236,570

2015 Capital Projects - New							
Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
.01 Land & Facilities Purchases							
2015-2017 Property Purchases - Social Housing	Property purchases for Social Housing sites.	Property purchases for Social Housing sites.	3,500,000	5,000,000	5,000,000	3,200,000	16,700,000
-3263 Vanness							
-3271 Vanness							
-3277 Vanness							
2015 Total Transit Sites East of Arbutus							
- Great Northern Way							
- 2500 Main St (Main)							
- 1010 W Broadway (Oak next to 1004 W Broadway)							
- 1465 W Broadway (Granville)							
2015 Total Transit Sites East of Arbutus	Property purchases for future transit sites.	Purchase transit sites east of Arbutus	14,800,000	-	-	-	14,800,000
S.17(1)							
Other Property Purchases	Property purchase for other strategic purposes.	Purchase properties for strategic purposes.	10,000,000	15,000,000	15,000,000	-	40,000,000
Powell St Overpass Project	Purchase Powell St Overpass property for future sale.	Property available for resale.	2,700,000	-	-	-	2,700,000
2015-2017 Pre-Acquisition Costs	Program for condition assessment reports and other costs related to the purchase of a property.		261,463	400,000	400,000	-	1,061,463
.01 Land & Facilities Purchases Total			31,261,463	52,402,850	20,400,000	3,200,000	107,264,313
.02 Capital Additions & Tenant Improvements							
14 MOU Sites - 675-691 E Broadway - Tenant Improvements (2015 Increase)	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	516,750	-	-	-	516,750
14 MOU Sites - 3595 W 17th Ave - Tenant Improvements (2015 Increase)	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	13,907	-	-	-	13,907

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
14 MOU Sites - 606 Powell - Tenant Improvements (2015 Increase)	Tenant improvements costs provided to the new commercial and retail tenants at 606 Powell St.	Lease up of 3 CRU's - (approx. 3500 sf in total) to generate stable rental income to PEF.	250,000	-	-	-	250,000
14 MOU Sites - 1005 Station St - Tenant Improvements (2015 Increase)	Tenant improvements costs provided to the new commercial and retail tenants at 1005 Station St.	Lease up of 4 CRU's - (approx. 5000 sf in total) to generate stable rental income to PEF.	76,900	-	-	-	76,900
312 Main St - TI (2015 Amount)	Tenant improvement allowances for new Tech center.	Once the Agreement between the City and the Tenant (VCF), currently in the final stages of reviews and negotiations, have been completed, around the end of February, the City will take on an overseer role for the base building improvement aspects of the project. The tenant will carry out the improvement work.	1,500,000	-	-	-	1,500,000
2015-2017 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.	27,071	250,000	250,000	-	527,071
.02 Capital Additions & Tenant Improvements Total			2,384,629	250,000	250,000	-	2,884,629
.03 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	450,000	450,000	450,000	-	1,350,000
.03 Deconstruction Total			450,000	450,000	450,000	-	1,350,000
.04 Capital Maintenance							
3510 Fraser St - Future Housing Site (Enterprise Rent A Car) (2015 Increase)	Capital maintenance budget for next 3 years	Condition assessment and capital maintenance work.	90,000	-	-	-	90,000
1001 Kingsway - Future Housing Site (Various tenants) (2015 Increase)	Capital maintenance budget for elevator and plumbing upgrades over the next five years.	HVAC and ductwork replacement (staged) to be completed in 2014.	120,000	120,000	120,000	-	360,000
2015 - Heather Marina	Repair Heather Marina (new M Float)	Acquisition of consultant to provide planning, design and preparation of construction documents for repairs.	500,000	-	-	-	500,000
2015 - 2018 EasyPark Capital Projects	EasyPark capital maintenance of city-owned parkades.	Maintain city parkade/assets in good condition. 2015 major projects include parkade restoration at Pacific Centre.	3,200,000	2,000,000	2,000,000	-	7,200,000

Project Name	Description	Deliverables	2015 Budget	2016 Forecast	2017 Forecast	Timing Uncertain	Total
Facility Condition Assessment Program for PEF Properties (2015 Increase)	Facility condition assessment for 100 PEF owned properties.	To deliver facility condition assessment reports for 90 PEF properties. 80 properties have been completed in 2013 and 2014 and 10 for 2015.	40,459	-	-	-	40,459
2015-2017 Capital Maintenance Program	Capital Maintenance for PEF buildings.	Validation, planning, design, preparation of construction documents, RFP/Tender and construction.	855,729	1,100,000	1,100,000	-	3,055,729
2015-2017 Roof Replacement Program	Roof replacement for 2780 E Broadway Phase 2	Validation, planning, design, preparation of construction documents, RFP/Tender and construction.	1,460,000	1,000,000	1,000,000	-	3,460,000
.04 Capital Maintenance Total			6,266,188	4,220,000	4,220,000	-	14,706,188
.05 Soil Remediation							
PSAB 3260 - Soil Remediation Site Assessments	Soil remediation site assessments to meet PSAB 3260.	Environmental assessments to calculate remedial liability estimates for non-productive sites.	975,000	-	-	-	975,000
2015-2017 Soil Remediation Program	Soil remediation for 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.	-	150,000	150,000	-	300,000
.05 Soil Remediation Total			975,000	150,000	150,000	-	1,275,000
.06 Emerging Priorities							
2015-2017 Emerging Priorities	Fund emerging priorities throughout the year.		787,000	2,000,000	2,000,000	-	4,787,000
.06 Emerging Priorities Total			787,000	2,000,000	2,000,000	-	4,787,000
		Total 2015 Capital Projects - New	42,124,280	59,472,850	27,470,000	3,200,000	132,267,130
		Total Spending Required	92,800,613	60,192,850	27,590,000	3,920,236	184,503,700

Appendix B - 2014 Capital Closeouts

	Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variance > \$50K and/or 15% of budget)
Land & Facilities Purchases						
Housing	5435 Victoria Dr	1,068,000	1,068,000	-	0%	
Transit	1004 W Broadway (at Oak)	5,050,000	5,050,000	-	0%	
Land & Facilities Purchases Total		\$6,118,000	\$6,118,000	\$0	0%	
Capital Additions & Tenant Improvements						
Housing	14 MOU Sites - 525 Abbott - Tenant Improvements	740,000	223,021	516,979	70%	Retail space in Social Housing Site has been fully tenanted.
	14 MOU Sites - 188 E 1st Ave - Tenant Improvements	353,000	8,000	345,000	98%	Retail space in Social Housing Site has been fully tenanted.
Other	Library Square - Work Safe - Air Quality Investigation	276,165	276,165	0	0%	
	#1 Kingsway - Market Rental Project	23,798,687	23,332,063	466,624	2%	Project has been completed and the contingency is no longer required.
Capital Additions & Tenant Improvements Total		\$25,167,852	\$23,839,249	\$1,328,603	5%	
Deconstruction						
Other	8356 Victoria Drive - Deconstruction - House	60,000	40,066	19,934	33%	House has been demolished under estimated budget.
Deconstruction Total		\$ 60,000	\$ 40,066	19,934	33%	
Capital Maintenance						
Housing	3475 E Hastings - Roof (Hastings Ramada)	500,000	299,309	200,691	40%	The bid for the roof came in lower than budget.
	3475 E Hastings - Capital Maintenance Base Building (Hastings Ramada)	450,000	464,187	(14,187)	-3%	
Heather Marina	Condition Assessment for Heather Marina	18,750	19,550	(800)	-4%	
Parking	2013 - EasyPark Capital Projects	20,000	20,000	0	0%	
	2014 - EasyPark Capital Projects	2,021,506	2,037,432	(15,926)	-1%	
Commercial & Industrial	455 Industrial Ave - Roof (United We Can)	960,000	777,175	182,825	19%	Roof bid came in lower than budget, budget used to offset the building upgrade costs.
	455 Industrial Ave - Bldg Upgrade (United We Can)	990,000	1,077,269	(87,269)	-9%	Additional costs offset from remaining budget for roof.
	456 W Broadway - 3 ton Heat pump	25,000	23,124	1,876	8%	
Capital Maintenance Total		\$ 4,985,256	\$ 4,718,046	\$ 267,210	5%	
Soil Remediation						
Housing	Soil Remediation for Land Trust Sites	550,000	54,568	495,432	90%	The Land Trust lease has been signed and the soil remediation is the tenant's responsibility.
	2610 Victoria Drive - Lease to ISS	650,000	-	650,000	100%	Lease has been signed with ISS and the soil remediation as the tenant's responsibility.
Transit	1004 W Broadway (Oak)	10,000	2,950	7,050	71%	Purchase and remediation assessment has been completed.
Soil Remediation Total		\$ 1,210,000	\$ 57,518	\$ 1,152,482	95%	
Other						
Total 2014 Capital Closeouts		\$37,541,109	\$34,772,879	\$2,768,230	7%	