



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: December 1, 2017
Contact: Julia Morrison
Contact No.: 604.873.7184
RTS No.: 12084
VanRIMS No.: 02-2000-21
Meeting Date: December 12, 2017

TO: Vancouver City Council
FROM: Director of Finance
SUBJECT: Property Endowment Fund (PEF) 2018 Capital Budget and 2017 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 2018 annual PEF Capital Budget (expenditure budget) as detailed in Appendix A, in the amount of \$58.62 million, consisting of:

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$16.69	\$12.81	\$29.50
Capital Additions & Tenant Improvements	\$7.02	\$5.33	\$12.35
Capital Maintenance	\$5.58	\$4.32	\$9.90
Soil & Hazmat Remediation	\$0.56	\$1.75	\$2.31
Planning Projects & Other	\$0.63	\$2.43	\$3.06
Emerging Priorities	\$0.66	\$0.84	\$1.50
Total Expenditures (2018)	\$31.13	\$27.49	\$58.62

Note: Totals may not add due to rounding

- B. THAT Council approve funding sources for PEF Capital Projects to begin in 2018 as detailed in Appendix A, in the amount of \$58.62 million.

Funding sources as follows:

• Sales and Capital Disposals	\$33.92 million
• Parking Sites Reserve	\$17.10 million
• Capital from PEF Operations	<u>\$7.60 million</u>
	<u>\$58.62 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 2018 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 11 capital programs/projects completed in 2017.

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 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, 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 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, 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.

Since 2015, 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, 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.

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 oversight asset management 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 rapid transit and affordable housing 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. 2018 Proposed Capital Budget

The 2018 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.

2018 Capital Expenditure Budget

The 2018 Capital Expenditure Budget is \$58.62 million, which includes funding of \$31.13 million from previously approved projects that are continuing from the past year and \$27.49 million of funding for new projects.

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$16.69	\$12.81	\$29.50
Capital Additions & Tenant Improvements	\$7.02	\$5.33	\$12.35
Capital Maintenance	\$5.58	\$4.32	\$9.90
Soil & Hazmat Remediation	\$0.56	\$1.75	\$2.31
Planning Projects & Other	\$0.63	\$2.43	\$3.06
Emerging Priorities	\$0.66	\$0.84	\$1.50
Total Expenditures (2018)	\$31.13	\$27.49	\$58.62

The 2018 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, the development of South East False Creek and the lease renewal negotiations. Maintenance and upgrading of facilities remains a critical mandate.

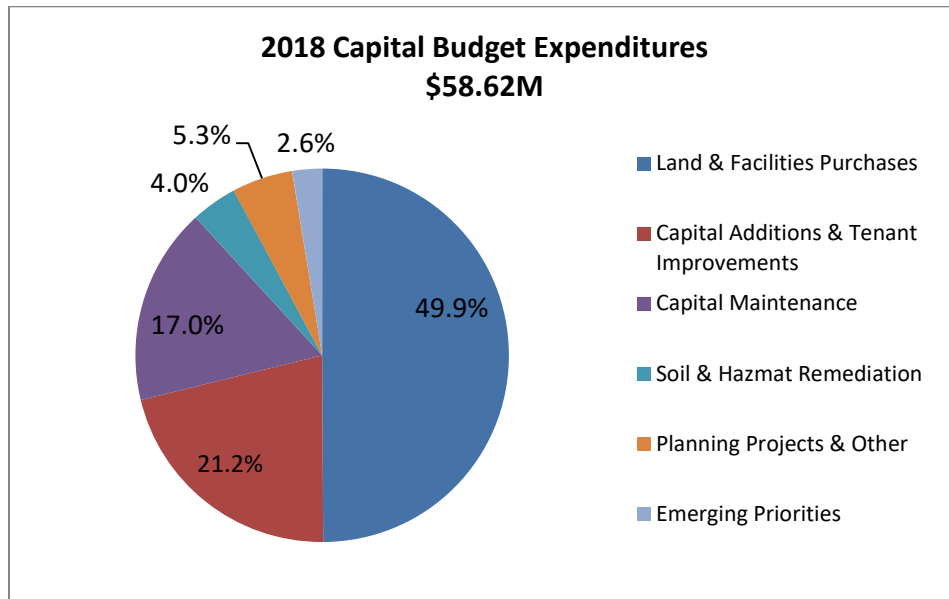
Detailed 2018 project and program information is contained in Appendix A.

The 2018 budget is less than the approved 2017 budget of \$67.37 million. The main driver of this \$8.75 million decrease is a \$15.00 million decrease in funding for land and facilities purchases.

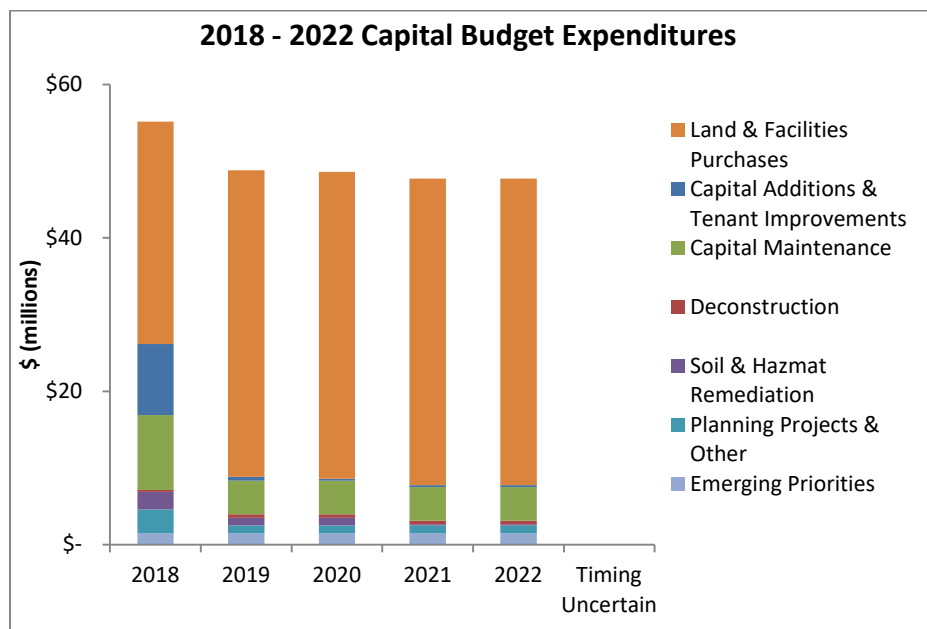
The 2018 budget for the other five categories has increased by approximately \$6.25 million from the amount approved for 2017, mainly in the areas of capital additions & tenant improvements, and funding for planning projects. The 2018 budget in these areas has been calculated by reviewing actual projects that are planned for 2018.

2018 Capital Expenditure Budget by Category

The 2018 Capital Expenditure Budget of \$58.62 million provides approval for planned expenditures within seven categories.



The graph below provides a comparison of projected capital expenditures for 2018, 2019, 2020, 2021 and 2022 by category.

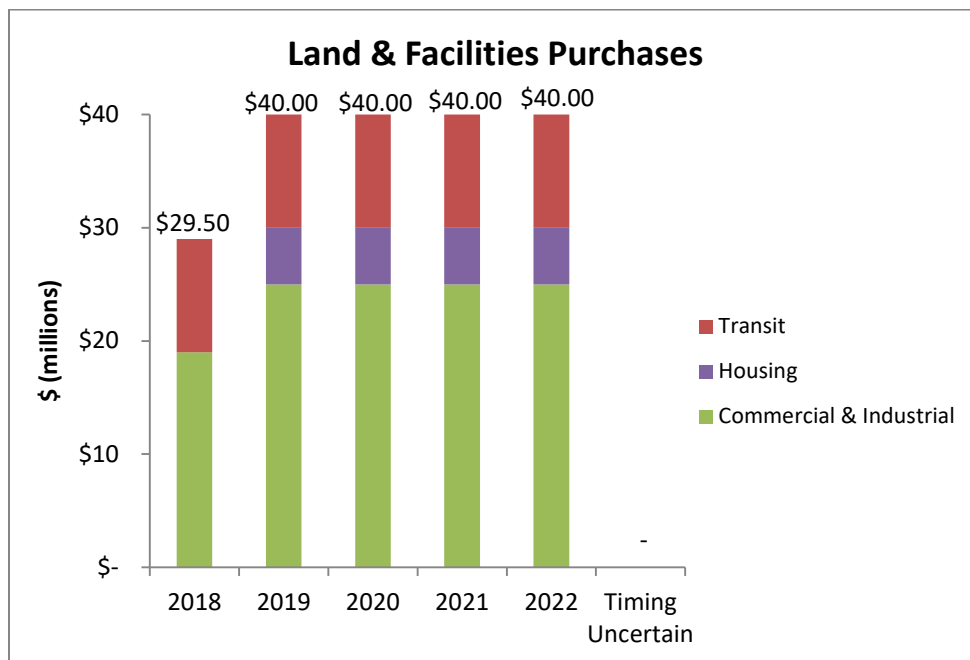


The 2019, 2020, 2021 and 2022 expenditure projections reflect the assumption that a portion of the 2018 capital work will continue into 2019 with some residual into 2020. Projected expenditures for 2019, 2020, 2021 and 2022 are preliminary and are subject to further refinement through the approval of 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 2018, 2019, 2020, 2021, 2022 and projects or programs classified as Timing Uncertain.

Highlights of the 2018 Capital Expenditure Budget

- 1. Land and Facilities Purchases: \$29.50 million (2017: \$44.50 million)



- 1.1 s.17(1)

- 1.2 Opportunistic Investments: \$19.50 million

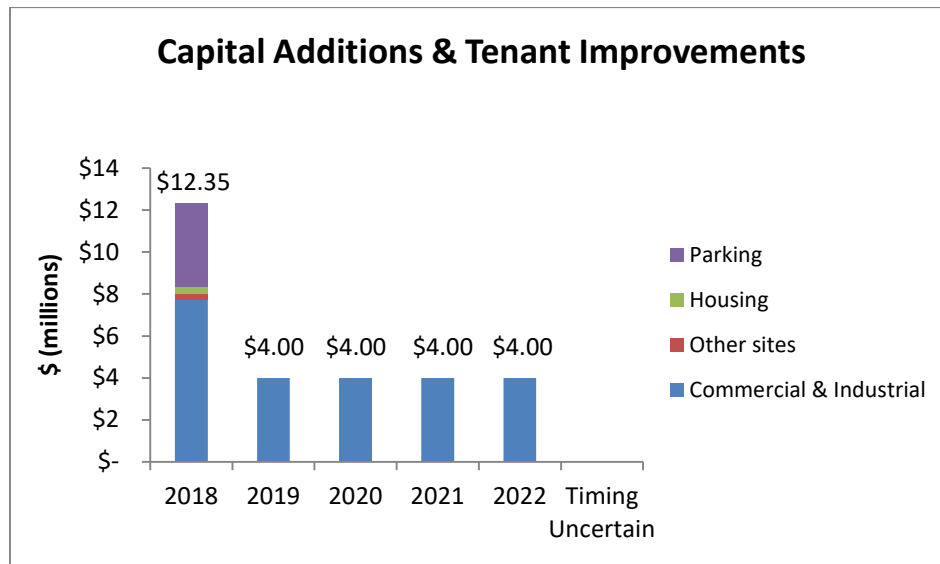
For 2018, the goal is to purchase land to consolidate with City-owned properties to provide for future development opportunities.

s.17(1)

\$10.00 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 for condition assessment reports and other pre-acquisition costs related to the purchase of a property.

2. Capital Additions & Tenant Improvements: \$12.35 million (2017: \$9.24 million)



2.1 Parking: \$4.00 million

The construction of an off-street parking lot/structure of approximately 100 stalls will be created at 2221 Main St.

2.2 Housing: \$0.35 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. 2018 funding is being provided for the following sites:

- 675 - 691 East Broadway (\$0.5M): this is for tenant improvements of 1 commercial/retail unit.
- 606 Powell Street (\$0.3): this is for tenant improvements of 3 commercial/retail units.

2.3 Commercial & Industrial: \$7.75 million

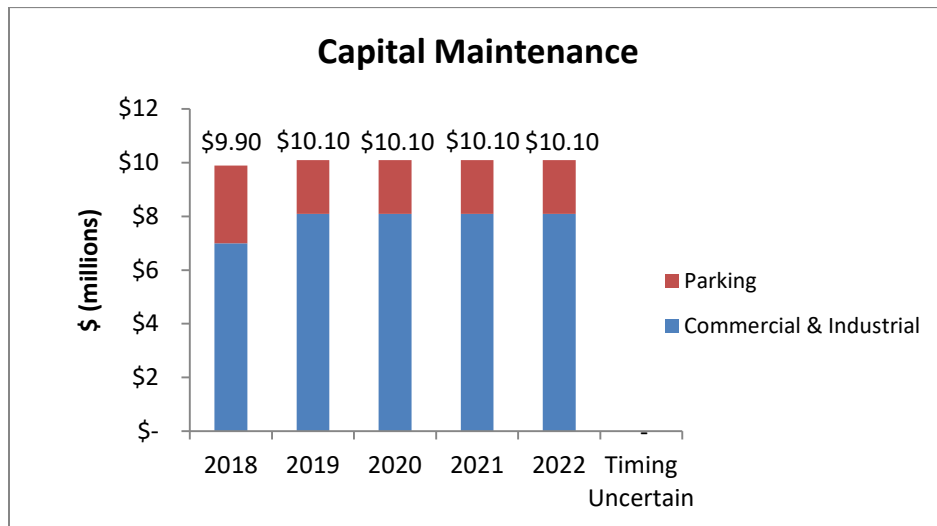
The continuing major projects for 2018 are the tenant improvement allowances for the Vancouver Technology and Social Innovation Centre (312 Main Street). A total of \$2.9 million of funding for the Technology and Social Innovation Centre is provided for in the 2018 budget: \$2.1 million for capital additions & tenant improvements, and \$0.80 million for capital maintenance (section 3.1 below).

The other major project for 2018 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 2018 budget: \$1.45 million for landlord works and \$3.00 million for the improvement work.

2.4 Civic: \$0.25 million

The construction of new accessible washrooms at St James Community Square.

3. Capital Maintenance: \$9.90 million (2017: \$9.77 million)



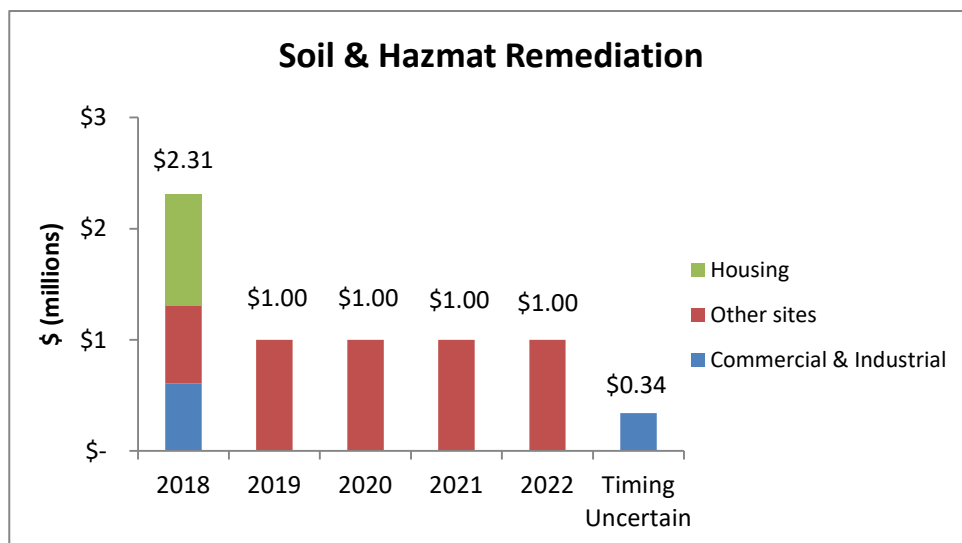
3.1 Commercial & Industrial: \$7.00 million

Major projects for 2018 include \$2.28 million for Seismic Upgrade of the PEF buildings, \$0.80 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.

3.2 Parking: \$2.90 million

This is mainly to fund annual EasyPark capital projects of \$2.00 million for maintaining and upgrading City parkades and garages, and the renovation of the 150 W. Pender lot.

4. Soil & Hazmat Remediation: \$2.31 million (2017: \$1.00 million)

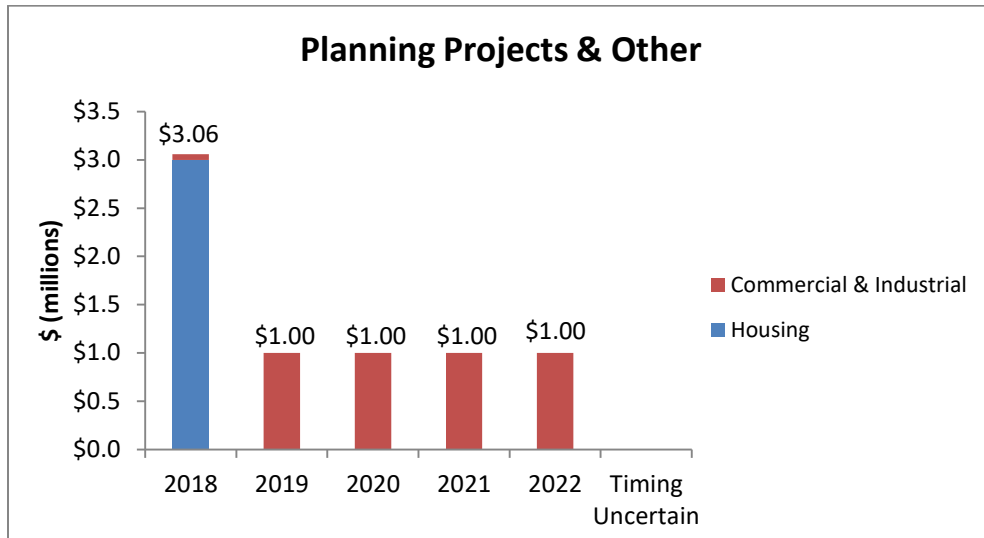


4.1 s.17(1)

4.2 s.17(1)

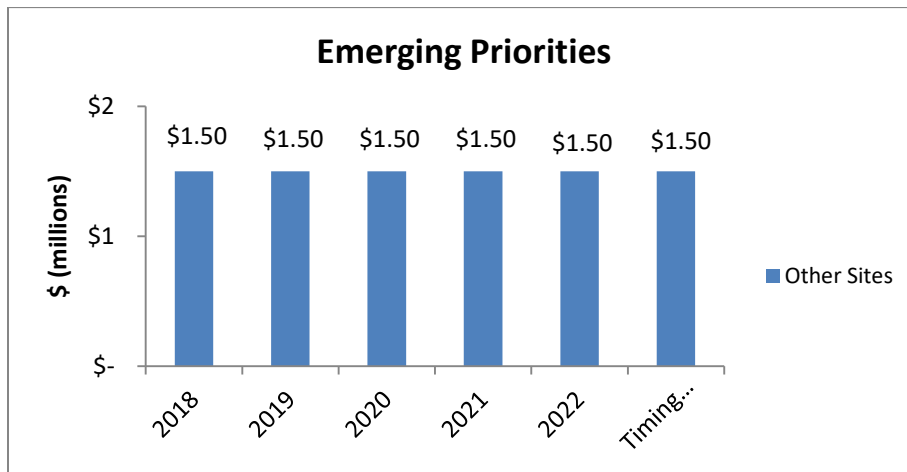
4.3 Other Sites: \$0.35 million

5. Planning Projects & Other: \$3.06 million (2017: \$0.79 million)



This is mainly to provide funding for False Creek South and False Creek South related projects, including the pre-lease renewals and the planning costs.

6. Emerging Priorities: \$1.50 million (2017: \$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 2018, \$1.5 million of funding for emerging priorities is budgeted. This is the same budgeted amount as last year.

2018 Capital Budget Funding Sources

The Capital Budget also identifies funding sources. The table below provides a summary of the proposed funding sources for the 2018 Capital Budget:

Table 1 - Proposed 2018 PEF Capital Budget Funding Sources

Sources of 2018 Capital Budget Funding	\$M	%
Sales and Capital Disposals	\$33.92	58%
Parking Site Reserve	\$17.10	29%
Capital from PEF Operations	\$7.60	13%
Total Funding Sources	\$58.62	100%

Recommended funding sources:

s.17(1)



s.17(1)

- Parking Site Reserve (\$17.10 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 2018, \$3.10 million of funding is required for this purpose.

s.17(1)

s.17(1)

In addition, \$4.00 million will be needed to build the parking at 2221 Main St.

The current balance of the PSR is \$37.6 million (as at December 31, 2016). This report seeks approval to transfer a total of \$17.10 million to the PEF. After factoring in approved 2017 expenditures, and net Easypark revenues, this will leave a 2018 balance in the PSR of \$19.00 million, and a projected balance of \$10M-\$15M over the next 10 years. Maintaining the reserve balance at this level will provide sufficient funding for the anticipated major rehabilitation work (estimated at \$48.0 million) on the existing parkades over the next 10 years, but will not allow for any further purchases from the PSR.

- Capital from PEF Operations (\$7.60 million)
The proposed PEF operating budget includes a transfer of \$7.60 million to the PEF Capital Budget. This transfer represents the anticipated 2018 net annual operating surplus from PEF operations.

B. 2017 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 2017 capital programs/projects where completion spend variances exceed 15% and/or \$50,000 of the approved budget.

A total of 11 programs/projects with budgets totaling \$15.49 million and expenditures of \$13.78 million were completed in 2017 and ready to be closed as part of this report.

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

4 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 2017.

CONCLUSION

This report has provided an overview of funding requested for new Capital Projects to begin in 2018 including specific funding sources, and a summary of the 2018 Capital expenditure Budget of \$58.62 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 6 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 -
2018 Expenditure Budget and five year Financial Plan

6 Categories	Project Name	Description	Deliverables	Carryforward	New funding	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	Timing Uncertain	Total Forecast
1 Land & Facilities Purchases												
Housing	Property Purchase - Social Housing	Property purchases for Social Housing sites	Purchase sites for future social housing	-	-	-	5,000,000	5,000,000	5,000,000	5,000,000	-	20,000,000
s.17(1)												
s.17(1)												
Commercial	Other Property Purchases	Property purchase for other strategic purposes	Purchase properties for strategic purposes	7,496,587	2,503,413	10,000,000	23,000,000	23,000,000	23,000,000	23,000,000	-	114,503,413
Commercial	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	1,690,301	309,699	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	10,309,699
Land & Facilities Purchases Total				\$ 16,686,888	\$ 12,813,112	\$ 29,500,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 202,313,112
2 Capital Additions & Tenant Improvements												
Housing	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	50,000	-	50,000	-	-	-	-	-	50,000
Housing	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	300,000	-	300,000	-	-	-	-	-	300,000
Parking	2221 Main St - Parkade construction	Construction of a new 100 stalls underground parkade	Construction of a new parkade	-	4,000,000	4,000,000	-	-	-	-	-	-
Housing	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	-	-	-	-	-	-	-	-	253
Commercial	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
Commercial	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	-	-	-	-	-	-	-	-	-
Commercial	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	85,658	1,114,342	1,200,000	4,000,000	4,000,000	4,000,000	4,000,000	-	17,364,342
Civic	St James Community Square	New Accessible Washrooms	New Accessible Washrooms at St James Community Square	30,000	220,000	250,000	-	-	-	-	-	250,000
Commercial	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				\$ 7,015,658	\$ 5,334,342	\$ 12,350,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 24,514,595
3 Deconstruction												
Commercial	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	450,000	-	1,811,634
Deconstruction Total				\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ -	\$ 1,811,634

APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs -
2018 Expenditure Budget and five year Financial Plan

6 Categories	Project Name	Description	Deliverables	Carryforward	New funding	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	Timing Uncertain	Total Forecast
4 Capital Maintenance												
Commercial	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.	802,749	-	802,749	-	-	-	-	-	2,953,144
Commercial	Capital Maintenance Program	Capital Maintenance for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	-	-	-	-	-	-	-	-	10,916
Commercial	2016-2018 Capital Maintenance Program	Capital Maintenance for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	1,946,979	-	1,946,979	6,800,000	6,800,000	6,800,000	6,800,000	-	29,146,979
Commercial	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	90,000	-	-	-	-	-	90,000
Commercial	Roof Replacement Program	Roof Replacement Program for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	1,777,319	-	1,777,319	1,000,000	1,000,000	1,000,000	1,000,000	-	6,117,815
Commercial	2017 Repair Program	Operating activities for PEF properties from the property management group	Maintain assets in good condition	107,000	-	107,000	300,000	300,000	300,000	300,000	-	1,307,000
Parking	2016 - 2018 EasyPark Capital Projects	EasyPark capital maintenance of city-owned parkades	Maintain city parkade/assets in good condition	900,000	2,000,000	2,900,000	2,000,000	2,000,000	2,000,000	2,000,000	-	11,067,439
Commercial	2018 Seismic Program	Seismic upgrade of the PEF buildings required by Cov Building Branch	Design and construction for seismic upgrade of the existing buildings to fulfill the CoV's requirement for an S3 rating, to achieve at least 30% of the current required seismic resistance or to a level as approved by the authorities having jurisdiction.	-	2,275,000	2,275,000	-	-	-	-	-	-
Capital Maintenance Total				\$ 5,579,047	\$ 4,320,000	\$ 9,899,047	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ -	\$ 50,693,293
5 Soil & Hazmat Remediation												
Housing	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	-	-	-	-	-	-	-	-	12,387
Commercial	False Creek Flats	Costs of environmental remediation of the False Creek Sites	Due Diligence environmental work to support rezoning and eventual sale of these properties.	-	100,000	100,000	-	-	-	-	-	-
s.17(1)												
Parking	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	67,446	20,000	87,446	-	-	-	-	-	100,003
s.17(1)												
Commercial	SEFC Area 1	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.	-	-	-	-	-	-	-	-	9,946
s.17(1)												
Commercial	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	73,854	628,479	702,333	1,000,000	1,000,000	1,000,000	1,000,000	-	4,778,479
Soil & Hazmat Remediation Total				\$ 562,364	\$ 1,748,479	\$ 2,310,843	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 341,086	\$ 5,671,459

APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs -
2018 Expenditure Budget and five year Financial Plan

6 Categories	Project Name	Description	Deliverables	Carryforward	New funding	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	Timing Uncertain	Total Forecast
6 Planning Projects & Other												
Housing	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	-	-	-	-	-	-	-	-	-
Housing	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	374,480	325,520	700,000	-	-	-	-	-	775,520
Commercial	Rezoning Consultants	Prepare rezoning applications and supporting documents for PEF land	Architectural report and, if required presentations suitable for REFM-led rezoning application	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	-	4,017,569
Housing	Planning Program	Funding to cover the estimated costs regarding the False Creek South Planning	Salaries, process costs, management costs and overheads costs	192,615	2,007,385	2,200,000	-	-	-	-	-	2,307,385
Commercial	Merchandising Studies	Remerchandising of Chinatown Plaza and Library Square	Remerchandising of Chinatown Plaza and Library Square	60,000	-	60,000	-	-	-	-	-	60,000
Housing	Co-op Lease Renewal Consulting	Consulting services to support Co-op Lease Renewal frame work	Appraisals, building condition assesment, market rental survey and development consultant	-	100,000	100,000	-	-	-	-	-	-
Other Total				\$ 627,095	\$ 2,432,905	\$ 3,060,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 7,160,474
7 Emerging Priorities												
Commercial	Emerging Priorities	Fund emerging priorities throughout the year	Fund emerging priorities throughout the year	657,792	842,208	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-	8,342,208
Emerging Priorities Total				\$ 657,792	\$ 842,208	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 8,342,208
Total Capital Budget				\$31,128,844	\$27,491,046	\$58,619,890	\$58,050,000	\$58,050,000	\$58,050,000	\$58,050,000	\$ 341,086	\$ 300,506,775

Appendix B - 2017 Capital Closeouts

	Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variance > \$50K and/or 15% of budget)
Land & Facilities Purchases						
Commercial & Industrial	4193 Penticton - \$1.5M	1,500,000	1,503,413	(3,413)	0%	
	1710 E. Kent Av South - \$ 11M	11,000,000	11,000,000	-	0%	
Other	2015-2017 Pre-acquisition costs	2,000,000	345,497	1,654,503	83%	Budget not required
Land & Facilities Purchases Total		14,500,000	12,848,910	1,651,090	11%	
Capital Additions & Tenant Improvements						
Housing	Tenant Improvement Program	250,000	178,750	71,250	29%	Budget not required
Capital Additions & Tenant Improvements		250,000	178,750	71,250	29%	
Deconstruction						
Other	2015-2017 Deconstruction Program	271,094	11,634	259,460	96%	Budget not required
Deconstruction		271,094	11,634	259,460	96%	
Capital Maintenance						
Parking	2017 - EasyPark Capital Projects	139,200	71,465	67,735	49%	Some bid came lower than the budget for the ramp at Pacific Centre
Commercial & Industrial	3214 W 10th ave - Roof replacement	260,000	269,820	(9,820)	-4%	
	RTU Replacement 2772 E Broadway	12,000	10,916	1,084	9%	
Capital Maintenance Total		\$ 411,200	\$ 352,201	\$ 58,999	14%	
Soil Remediation						
Commercial & Industrial	SEFC 3A - Concert Invoice	576,620	576,620	-	0%	
Other	2014-2015 Soil Remediation Program	-	-	-	0%	
Commercial & Industrial	PSAB 3260 - Soil Remediation Site Assessments	-	-	-	0%	
Soil Remediation Total		\$ 576,620	\$ 576,620	\$ -	0%	
Other						
Total 2017 Capital Closeouts		\$15,487,820	\$13,777,731	\$ 1,710,089	11%	

Note: Totals may not add due to rounding