



ADMINISTRATIVE REPORT

Report Date: November 8, 2018
 Contact: Judy Robbins
 Contact No.: 604.871.6052
 RTS No.: 12640
 VanRIMS No.: 08-2000-21
 Meeting Date: December 18, 2018

TO: Vancouver City Council
 FROM: Director of Finance
 SUBJECT: Property Endowment Fund (PEF) 2019 Capital Budget and 2018 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 2019 annual PEF Capital Budget (expenditure budget) as detailed in Appendix A, in the amount of \$57.19 million, consisting of:

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$10.34	\$11.66	\$22.00
Capital Additions & Tenant Improvements	\$9.89	\$6.17	\$16.06
Deconstruction	\$0.00	\$0.10	\$0.10
Capital Maintenance	\$6.76	\$6.87	\$13.62
Soil & Hazmat Remediation	\$1.99	\$0.76	\$2.75
Planning Projects & Other	\$1.04	\$0.11	\$1.15
Emerging Priorities	\$1.51	\$0.00	\$1.51
Total Expenditures (2019)	\$31.52	\$25.67	\$57.19

Note: Totals may not add due to rounding

- B. THAT Council approve funding sources for all PEF Capital Project expenditures in 2019 as detailed in Appendix A, in the amount of \$57.19 million.

Funding sources as follows:

• Sales and Capital Disposals	\$16.61 million
• Parking Sites Reserve	\$18.28 million
• Capital from PEF Operations	<u>\$ 22.30 million</u>
	<u>\$ 57.19 million</u>

- C. THAT Council approve the closeout of completed capital projects with variances exceeding \$200,000 of the approved budget as outlined in this report in Appendix B.

REPORT SUMMARY

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

- the 2019 PEF Capital Budget which includes new Capital programs/projects and associated funding requests, and 2019 Expenditure Budget which includes 2018 programs and projects to be carried forward for completion in 2019 as well as new 2019 projects, for Council approval;
- request to Council for approval to close 7 capital programs/projects completed in 2018.

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.

Since 2016, 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 approval is required for closeouts of completed capital projects with a deficit or surplus greater than \$200,000.

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 2016, the Property Endowment Fund (PEF) operating budget is included in the public consolidated budget document, and was brought forward for approval in conjunction with the City's Operating and Capital budgets.

In 2018, Council approved the creation of the Vancouver Affordable Housing Endowment Fund (VAHEF). A review of the PEF was scheduled to take place in 2018 with the goal of transferring non-market housing assets within the PEF to the new VAHEF. This work is in progress, and staff will report back in 2019 on changes to the Property Endowment Fund.

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 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.

The PEF results are 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 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. 2019 Proposed Capital Budget

The 2019 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.

2019 Capital Expenditure Budget

The 2019 Capital Expenditure Budget is \$57.19 million, which includes expenditures for projects originally planned in prior year capital budgets of \$31.52 million, and \$25.67 million of expenditures for new projects.

	Previously Approved Projects	New Projects	Total (\$M)
Land and Facilities Purchases	\$10.34	\$11.66	\$22.00
Capital Additions & Tenant Improvements	\$9.89	\$6.17	\$16.06
Deconstruction	\$0.00	\$1.10	\$0.10
Capital Maintenance	\$6.76	\$6.87	\$13.62
Soil & Hazmat Remediation	\$1.99	\$0.76	\$2.75
Planning Projects & Other	\$1.04	\$0.11	\$1.15
Emerging Priorities	\$1.51	\$0.00	\$1.51
Total Expenditures (2019)	\$31.52	\$25.67	\$57.19

The 2019 Capital Expenditure Budget includes projects such as environmental remediation, 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.

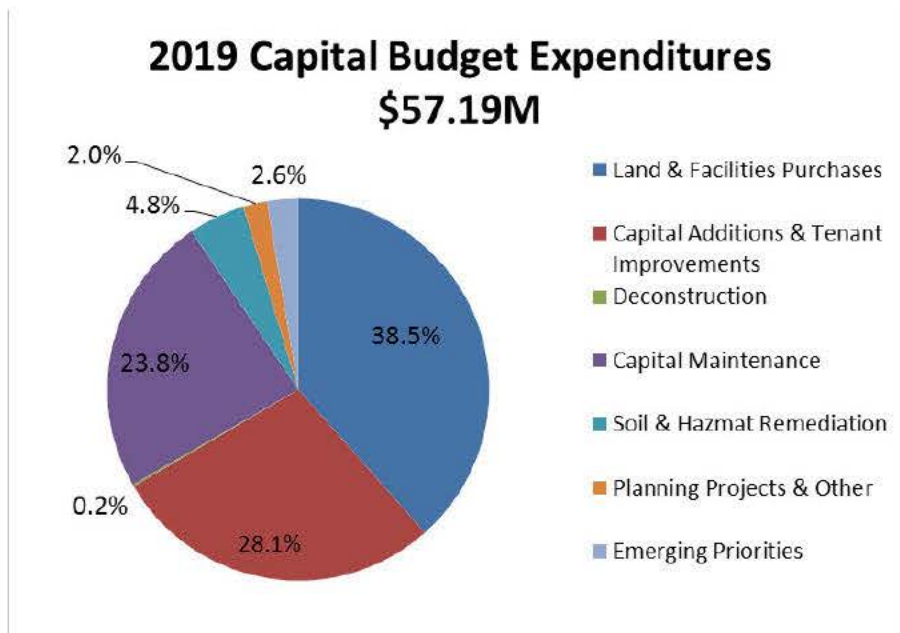
Detailed 2019 project and program information is contained in Appendix A.

The 2019 budget is \$1.43 million less than the approved 2018 budget of \$58.62 million. The main driver of this change is a decrease in funding for property acquisitions.

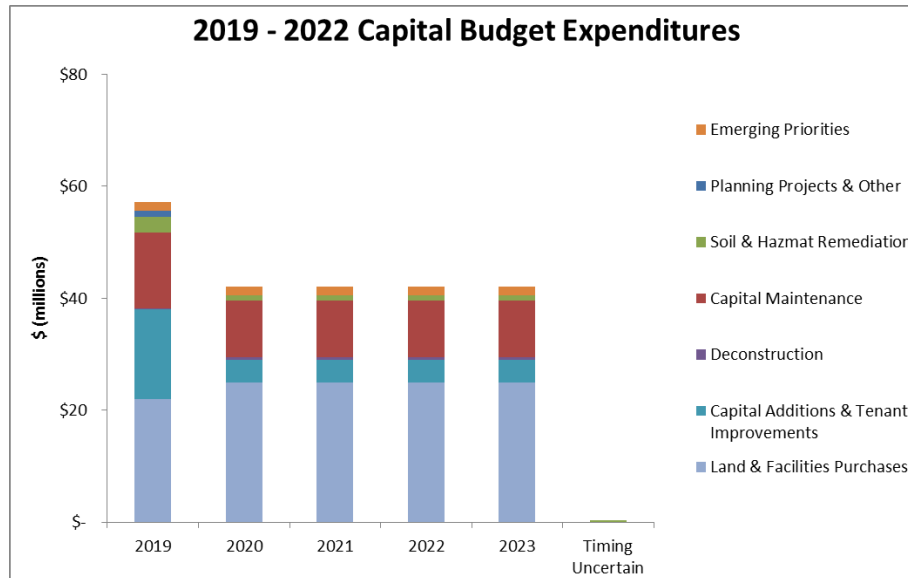
The 2019 budget for the other six categories has increased by approximately \$6.07 million from the 2018 approved amount, mainly in the areas of Capital Additions and Capital Maintenance. The 2019 budget in these two areas has been calculated by reviewing actual projects that are planned for 2019.

2019 Capital Expenditure Budget by Category

The 2019 Capital Expenditure Budget of \$57.19 million provides approval for planned expenditures within seven categories.



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

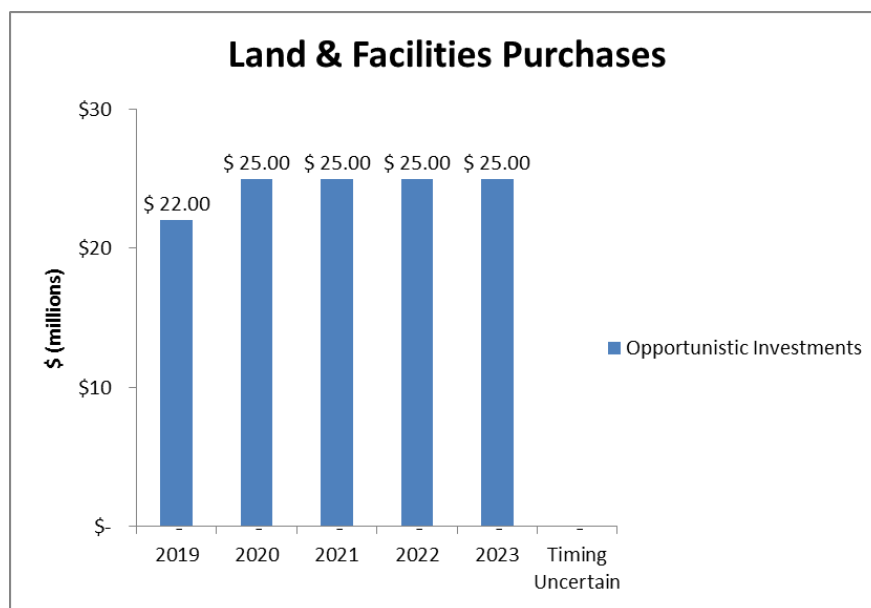


The 2020, 2021 and 2022 expenditure projections reflect the assumption that a portion of the 2019 capital work will continue into 2020 with some residual into 2021. Projected expenditures for 2020, 2021 and 2022 are preliminary and are subject to further refinement through the approval of future capital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

Highlights of the 2019 Capital Expenditure Budget

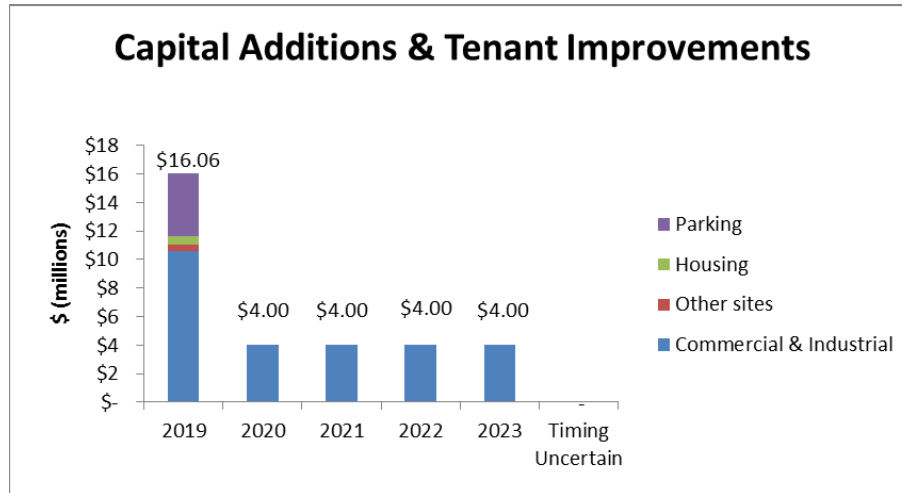
1. Land and Facilities Purchases: \$22.00 million (2018: \$29.00 million)



1.1 Opportunistic Investments: \$19.50 million

For 2019, the goal is to purchase land for strategic sites assemblies to enable future development opportunities, and for potential transit sites.

2. Capital Additions & Tenant Improvements: \$16.06 million (2018: \$12.35 million)



2.1 Parking: \$4.40 million

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

2.2 Housing: \$0.62 million

An MOU between the City and the Province (BC Housing) approved by Council in 2007 provided for City-owned sites to be developed for social and supportive housing. Some of the housing projects included a commercial retail at grade. The construction of the retail units was funded by the PEF to be operated on a market basis as a long term financial investment. The tenant improvements are provided to new tenancies. 2019 funding is being provided for the following sites:

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

2.3 Commercial & Industrial: \$10.59 million

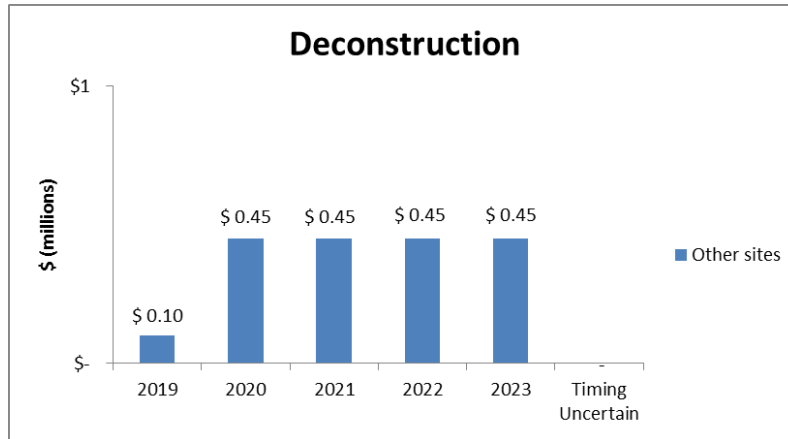
The major project for 2019 is the tenant improvement allowances for the Social Services Hub (2780 E. Broadway). A total of \$9.36 million of funding for the Social Services hub is provided for in the 2019 budget.

2.4 Other Sites: \$0.44 million

The renovation of the washrooms of the St James Community Square was approved in previous years for \$0.25 million. After several studies, more work

including upgrade to the water service is now required for a total budget cost of \$0.44 million.

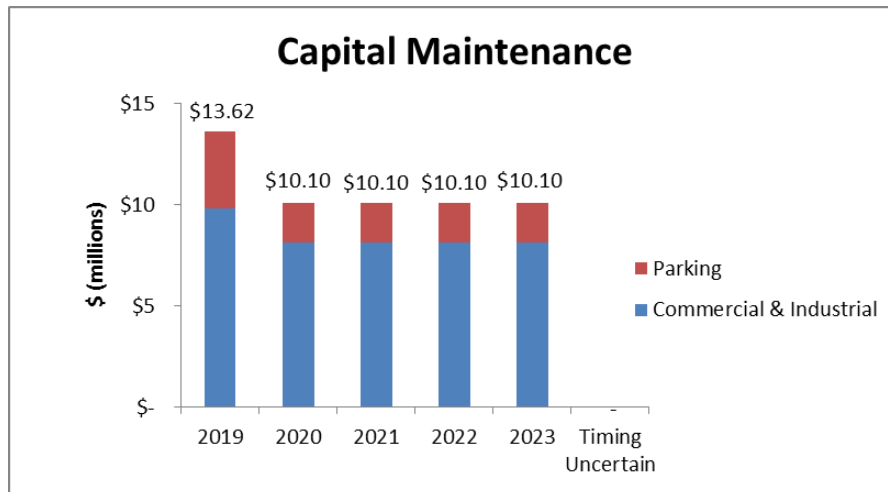
3. Deconstruction: \$0.10 million (2018: \$0.00 million)



3.1 Other Sites: \$0.10million

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

4. Capital Maintenance: \$13.62 million (2018: \$9.90 million)



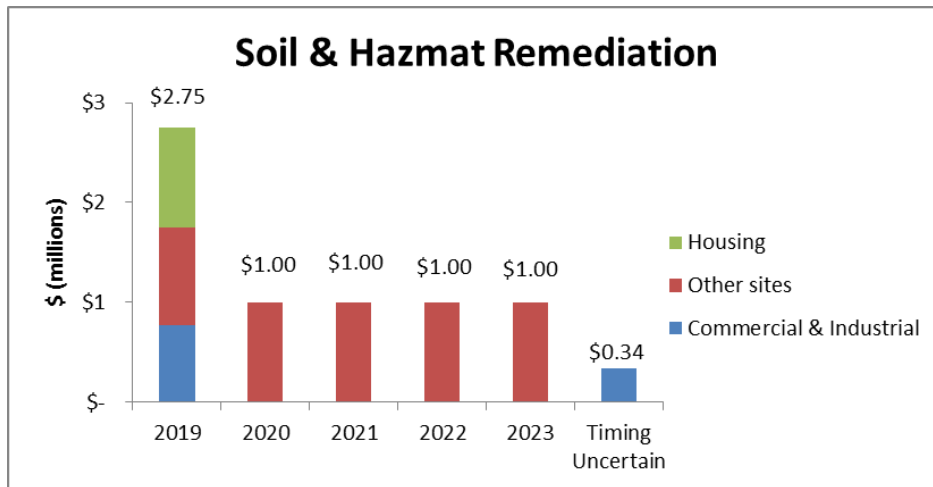
4.1 Commercial & Industrial: \$9.79 million

Major projects for 2019 include \$2.28 million for Seismic Upgrade of the PEF buildings, \$5.14 million for the capital work for the Vancouver Technology and Social Innovation Centre (312 Main Street).

4.2 Parking: \$3.83 million

This is mainly to fund annual capital projects of \$2.00 million for maintaining and upgrading City parkades and garages and the renovation of the several PEF parking lots (managed by EasyPark).

5. Soil & Hazmat Remediation: \$2.75 million (2018: \$2.31 million)



5.1 Housing: \$1.00 million

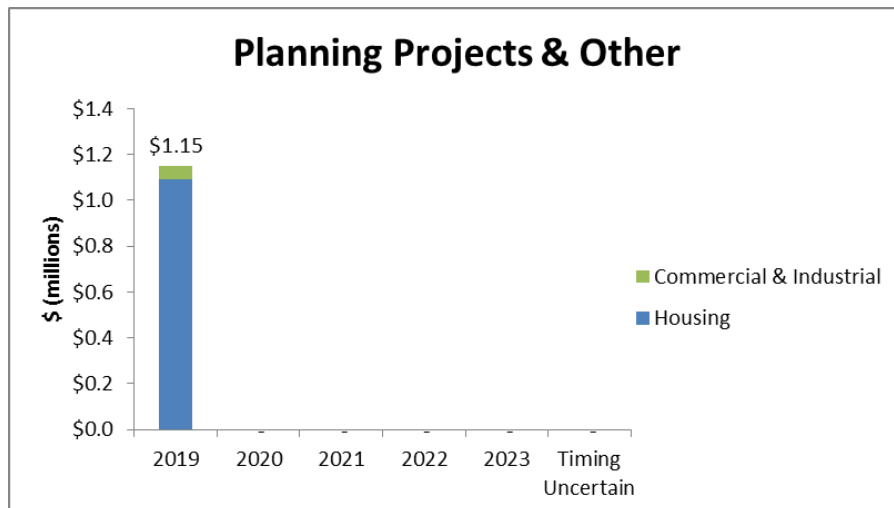
Major environmental costs of the sites at 1015 East Hastings Street.

5.2 Commercial & Industrial: \$0.77 million

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

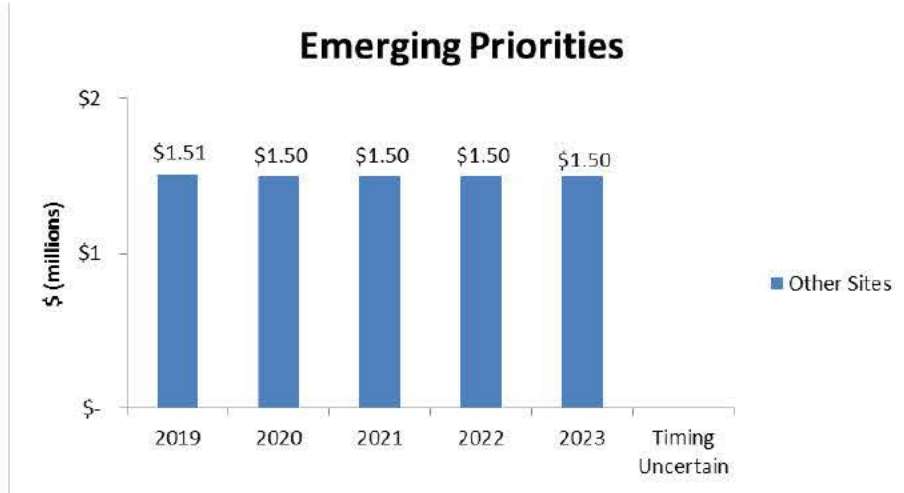
5.3 Other Sites: \$0.98 million

6. Planning Projects & Other: \$1.15 million (2018: \$3.06 million)



s.17(1)

7. Emerging Priorities: \$1.51 million (2018: \$1.51 million)



During the course of a 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 2019, \$1.51 million of funding for emerging priorities is budgeted. This is the same amount that was budgeted in 2018.

2019 Capital Budget Funding Sources

The Capital Budget also identifies funding sources. The table below provides a summary of the proposed funding sources for the 2019 Capital Budget:

Table 1 – Proposed 2019 PEF Capital Budget Funding Sources

Sources of 2019 Capital Budget Funding	\$M	%
Sales and Capital Disposals	\$16.61	29%
Parking Site Reserve	\$18.28	32%
Capital from PEF Operations	\$22.30	39%
Total Funding Sources	\$57.19	100%

Recommended funding sources:

- Sales and Capital Disposals (\$16.61 million)

Funding will be available from the following sales, transfers and long term leases:

- \$15.00 million sale for the False Creek Flats multiyear deployment
- \$1.00 million revenue from the Harbour Terrace Lease Renewal – RTS 12783

- \$13.30 million transfer for 1015 E Hastings St
 - \$5.20 million transfer for 2221 Main St
 - \$4.20 million transfer for 3510 Fraser
- Parking Site Reserve (\$18.28 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 2019, \$3.88 million of funding is required for this purpose.

\$4.40 million will be provided for the construction of parkade at 2221 Main St and \$10.00 million to fund future transit sites.

- Capital from PEF Operations (\$22.30 million)

The proposed PEF operating budget includes a transfer of \$22.30 million to the PEF Capital Budget. This transfer represents the net annual operating surplus from PEF operations following the transfer to the Operating Budget.

B. 2018 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 2018 capital programs/projects where spend variances exceed \$200,000 of the approved budget.

A total of 6 programs/projects with budgets totaling \$14.99 million and expenditures of \$ 4.97 million were completed in 2018 and ready to be closed as part of this report.

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

1 of the completed programs has a surpluses exceeding \$500,000. Appendix B provides explanations for the significant surplus as well as financial details, by projects and category, for projects/programs closed in 2018.

CONCLUSION

This report has provided an overview of funding requested for new Capital Projects to begin in 2019 including specific funding sources, and a summary of the 2019 Capital expenditure Budget of \$57.19 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 1 program/project with completion variances exceeding \$200,000 of the approved budget and funding.

APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs - 2019 Expenditure Budget and five year Financial Plan										
Project Name	Description	Deliverables	Carryforward	New funding	2019 Budget	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	Timing Uncertain
1 Land & Facilities										
Other Property Purchases	Property purchase for other strategic purposes including transit	Purchase properties for strategic purposes	8,800,000	11,200,000	20,000,000	23,000,000	23,000,000	23,000,000	23,000,000	-
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	1,538,467	461,533	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
Land & Facilities Purchases Total			\$ 10,338,467	\$ 11,661,533	\$ 22,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ -
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	-	324,275	324,275	-	-	-	-	-
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	-	-	-	-	-
2221 Main St - Parkade construction	Construction of a new 100 stalls underground parkade	Construction of a new parkade	4,000,000	400,000	4,400,000	-	-	-	-	-
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	1,000,000	-	1,000,000	4,000,000	4,000,000	4,000,000	4,000,000	-
St James Community Square	New Accessible Washrooms	New Accessible Washrooms at St James Community Square	224,109	215,542	439,651	-	-	-	-	-
3484 Kingsway Ramada	Base building funding needed to support new tenants	Vacant space needing base building work to support new tenants	-	232,800	232,800	-	-	-	-	-
Kaslo Hub	Tenant improvement costs for the new hub	Tenant improvement allowances for the Social Services Hub (2780 E. Broadway).	4,361,825	4,999,175	9,361,000	-	-	-	-	-
Capital Additions & Tenant Improvements Total			\$ 9,885,934	\$ 6,171,792	\$ 16,057,726	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -
3 Deconstruction										
2019-2022 Deconstruction Program	Deconstruction of buildings/houses for safety issues in future years	Deconstruction of buildings/houses for safety issues in future years	-	100,000	100,000	450,000	450,000	450,000	450,000	-
Deconstruction Total			\$ -	\$ 100,000	\$ 100,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ -
4 Capital Maintenance										
Facility Condition Assessment Program for PEF Properties	Facility condition assessment for PEF owned properties	To deliver facility condition assessment reports for PEF properties	59,183	-	59,183	-	-	-	-	-
312 Main St	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.	2,036,043	3,100,000	5,136,043	-	-	-	-	-
2019-2022 Capital Maintenance Program	Capital Maintenance for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	790,000	-	790,000	6,800,000	6,800,000	6,800,000	6,800,000	-
Roof Replacement Program	Roof Replacement Program for PEF buildings	Validation, planning, design, preparation of construction documents, RFP/Tender and construction	1,214,500	-	1,214,500	1,000,000	1,000,000	1,000,000	1,000,000	-
2019 Repair Program	Operating activities for PEF properties from the property management group	Maintain assets in good condition	107,000	208,000	315,000	300,000	300,000	300,000	300,000	-
2019-2022 EasyPark Capital Projects	EasyPark capital maintenance of city-owned parkades	Maintain city parkade/assets in good condition	275,000	3,558,828	3,833,828	2,000,000	2,000,000	2,000,000	2,000,000	-
2019 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			\$ 6,756,726	\$ 6,866,828	\$ 13,623,554	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ 10,100,000	\$ -

**APPENDIX A - New Capital Projects/Programs and Continuing Projects/Programs -
2019 Expenditure Budget and five year Financial Plan**

Project Name	Description	Deliverables	Carryforward	New funding	2019 Budget	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	Timing Uncertain
5 Soil & Hazmat Remediation										
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.	-	200,000	200,000	-	-	-	-	-
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
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	87,448	62,552	150,000	-	-	-	-	-
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	416,857	-	416,857	-	-	-	-	-
	Ageophysical 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.	-	100,000	100,000	-	-	-	-	-
Redevelopment - 1015 East Hastings Street	Costs of environmental remediation of the sites at 1015 East Hastings Street	Investigation and Remediation of the property in preparation for redevelopment of the site	1,000,000	-	1,000,000	-	-	-	-	-
2019-2022 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	483,277	400,000	883,277	1,000,000	1,000,000	1,000,000	1,000,000	-
Soil & Hazmat Remediation Total			\$ 1,987,582	\$ 762,552	\$ 2,750,134	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 341,086
6 Planning Projects & Other										
s.17(1)										
Merchandising Studies	Remerchandising of Library Square	Remerchandising Library Square	60,000	-	60,000	-	-	-	-	-
s.17(1)										
Other Total			\$ 1,044,485	\$ 107,500	\$ 1,151,985	\$ -	\$ -	\$ -	\$ -	\$ -
7 Emerging Priorities										
Emerging Priorities	Fund emerging priorities throughout the year	Fund emerging priorities throughout the year	1,508,033	-	1,508,033	1,500,000	1,500,000	1,500,000	1,500,000	-
Emerging Priorities Total			\$ 1,508,033	\$ -	\$ 1,508,033	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -
Total Capital Budget			\$31,521,227	\$25,670,205	\$57,191,432	\$42,050,000	\$42,050,000	\$42,050,000	\$42,050,000	\$ 341,086

Appendix B – 2018 Capital Closeouts

	Project/Program Name	Budget	Actuals	Surplus (Deficit)	%	Closeout Variance Explanation (for variance > \$200K of budget)
Land & Facilities Purchases						
Transit	Acquisition of transit sites	10,000,000	-	10,000,000	100%	The budget will be moved to opportunistic investments
Commercial & Industrial	2031 Stainsbury	1,200,000	1,200,000	-	0%	
Land & Facilities Purchases Total		11,200,000	1,200,000	10,000,000	89%	
Capital Additions & Tenant Improvements						
Housing	Tenant Improvement Program - 5712 Tyne	8,000	7,061	939	12%	
Capital Additions & Tenant Improvements		8,000	7,061	939	12%	
Capital Maintenance						
Parking	2018 - EasyPark Capital Projects	2,540,000	2,566,480	(26,480)	-1%	Some bid came lower than the budget for the ramp at Pacific Centre
Commercial & Industrial	2015-2017 Capital Maintenance Program	750,000	741,734	8,266	0%	
	2015 Roof replacement Program	500,000	466,090	33,910	0%	
Capital Maintenance Total		\$ 3,790,000	\$ 3,774,304	\$ 15,696	0%	
Total 2018 Capital Closeouts		\$14,998,000	\$ 4,981,365	\$10,016,635	67%	

Note: Totals may not add due to rounding

* * * * *