



# RR-1

## ADMINISTRATIVE REPORT

Report Date: June 21, 2011  
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Meeting Date: June 28, 2011

TO: Vancouver City Council  
FROM: General Manager of Financial Services  
SUBJECT: 2012-2014 Capital Plan: Draft Plan

### *RECOMMENDATION*

- A. THAT Council receive the 2012-2014 Draft Capital Plan, as outlined in this report, for information.
- B. THAT Council direct staff to obtain public feedback on the 2012-2014 Draft Capital Plan during July-August 2011, using a variety of engagement tools.
- C. THAT Council instruct staff to prepare a final report on the 2012-2014 Capital Plan for consideration by Council in September 2011.

### *GENERAL MANAGER'S COMMENTS*

The capital planning process is an important part of the City's long-term financial planning. Through the Capital Plan, the City determines the priorities for investment in long-term assets - from roads and sewers to community facilities and technology. It is a strategic balancing between maintaining existing City assets in good condition and investing in new assets to support the City's growth, as well as ensuring that investments are made in accordance with Council and Board priorities. The City has benefited from significant capital investment over the past 3 capital plans due to the Vancouver 2010 Winter Games and Federal and Provincial infrastructure funding. These investments have significantly increased the amenities available to our public as well as continued to renew key public infrastructure. These important capital investments are carried on the City's budget over the years ahead through the debt carrying costs and direct use of revenue for capital. As part of the City's long-term financial planning, balancing the capital needs with the long-term impact to the operating budget is a key consideration and a significant challenge.

Over the last 10 years, the funding commitments for the last 3 Capital Plans have more than doubled compared to past plans. This significantly increased capital investment in part reflected the sport and cultural investments in preparation for the Vancouver 2010 Winter Games and in addition, the matching investments by the city to make the most of the opportunity of the federal and provincial stimulus programs. These opportunities have put increased pressure on the operating budget. Going into the 2012-2014 Capital Plan, the financial goal is to limit the pressure going forward on our operating budget due to capital investment. Thus a target for anticipated debenture funding and capital from revenue was set at \$70M below the 2009-2011 levels, which will essentially maintain the current proportion of the operating budget which is financing capital expenditure, thus mitigating the necessity to further raise taxes to support the capital program. Our plan also makes adjustments in commitments from other funding sources to reflect opportunities and economic projections currently available. These other sources are delineated below. Staff will continue to aggressively explore other opportunities for alternative funding from both external or internal sources and be ready to bring any such opportunities forward to Council as appropriate over the life of the 3 year 2012-14 Capital Plan.

In order to meet the financial targets laid out above, there has been extensive discussion amongst senior staff in regard to the appropriate balance within the plan across the many areas of need and the required balance between maintaining our existing assets and addressing growth and public demand. At this point, we remain \$70M above the targeted financial envelope and will request that Council allow us to consult the public before we bring forward the final plan.

#### *CITY MANAGER'S COMMENTS*

For the first time in the history of the city, we have drafted a 10 year capital investment outlook to guide our 3 year capital plan. There have been a very significant number of new and extensively renovated public facilities brought on stream in the City over the last 5 years - with more to come in the next 18 months. Our city has benefited greatly from the opportunities of the Vancouver 2010 Winter Games and Federal and Provincial infrastructure funding. The 2012-14 3 year plan focuses on rebalancing our investment to catch up in areas where we continue to have challenges which will impact our overall economic success as a city, such as the need for incremental affordable housing and childcare; to address asset maintenance and replacement challenges which are becoming critical - fire halls are good examples; to meet key regulatory challenges such as sewer separation targets and the removal of PCB's from our bridge infrastructure; and to still leave significant opportunity to move ahead with priorities related to our Greenest City targets and other commitments of Council.

Building on direction from Council, we have worked over the last 2 years to bring more coherence and alignment of our capital program with the fiscal and operational capacity of the organization, driving long term planning and strategic prioritization. This plan, which is still draft, would now benefit from the opportunity for public input before being finalized for Council approval and public referendum in the fall of 2011.

### *COUNCIL POLICY*

The City has a policy to plan for capital expenditures on a multi-year cycle. Since 1990, capital plans have been developed in 3 year terms in order to match the term of Council and allow for a borrowing plebiscite to be held in conjunction with the civic election.

It is Council policy to fund capital expenditures for the waterworks, sewerage & drainage and energy utility systems from debenture borrowing; and to fund the balance of capital expenditures from a combination of debenture borrowing, direct contribution from the annual Operating Budget (Capital from Revenue), Development Cost Levies (DCLs) and Community Amenity Contributions (CACs) from developers, special-purpose reserves, internal loans, fees and levies collected from property owners and contributions from senior governments and other funding partners.

Section 242 of the *Vancouver Charter* gives Council the authority to borrow funds for the construction, installation, maintenance, replacement, repair and regulation of waterworks, sewerage & drainage and energy utility systems without the assent of the electorate. Section 245 requires that the borrowing authority for all other purposes be established through the electorate's approval of a borrowing referendum.

The requirement to borrow funds to finance capital expenditures is established by Council at the time of the approval of the annual capital budget and through special approvals. Borrowed funds are generally paid back over 10 years to ensure that a systematic borrowing program can be administered, that outstanding debt does not accumulate to unacceptable levels and that interest and repayment costs are maintained at a level that does not put undue pressure on the operating budget.

Section 247 A of the *Vancouver Charter* requires that full provision of annual debt servicing charges, both principle and interest, be made in the annual operating budget. This ensures that debenture holders are paid the interest component at the prescribed rate and time and that sufficient funding is available to retire the obligation at maturity.

In June 2003, Council approved the Financing Growth Policy which sets out policy for the collection and use of DCLs and CACs. Pursuant to Section 523D of the *Vancouver Charter*, DCLs are collected to assist in recovering capital-related growth costs that arise from new developments. DCLs are generally allocated on a 'cash available' basis among park, replacement housing, transportation and childcare projects in proportions specified in various DCL By-laws. CACs are developer contributions that arise from rezonings and which are directed toward the cost of public amenities in the area affected by the rezoning. The allocation of both DCL and CAC funding to specific amenities requires Council approval.

### *SUMMARY*

The 2012-2014 Draft Capital Plan identifies the investment priorities for the City of Vancouver for the next 3 years. Guided by the 2011-2021 Capital Strategic Outlook, the goals of the capital planning process are to maintain existing assets in good condition, meet the needs of the community and respond to new priorities and opportunities. The next step is to solicit input from the community on the draft Plan. Using input from the community and staff, Council will consider the 2012-2014 Capital Plan in September, in preparation for the borrowing questions to be put to the electorate in the November civic election.

### *PURPOSE*

The purpose of this report is to present the 2012-2014 Draft Capital Plan for Council information and seek authority to proceed with public consultation in July-August 2011 and to prepare a final report for Council's consideration in September 2011.

### *BACKGROUND*

#### Capital Assets and Investments - Overview

The City provides a wide range of services and programs to its citizens that requires diverse portfolio of capital assets. A high level summary of the City's capital assets includes:

- 400 buildings containing approx. 6.3 million square feet
- 1,360 hectares of parks and open spaces
- 4,700 km of sidewalks, bikeways and roads
- 3,600 km of underground pipes

The current replacement value (which excludes land value) of these capital assets is estimated to be \$19 billion.

The lifespan of capital assets varies considerably from water and sewer pipes (60-120 years), buildings, sidewalks, trees (40-60 years) to road pavement, traffic signals (20-40 years), playgrounds/playfields (10-20 years) and vehicles and other equipment (less than 10 years).

Investments through our capital plan are targeted at three basic objectives:

- To maintain existing assets in good condition
- To meet the basic infrastructure needs of new residents
- To advance key priorities of the community and Council

The goal of capital planning is to achieve the right balance between sound asset management and prudent fiscal management.

#### New Capital Program

On June 11, 2009, Council approved the following motion:

*"THAT staff review capital planning processes of other public sector organizations and come back to Council with recommendations on changes to the City's capital planning process that supports more rigour in financial estimates, timelines and project oversight and completion."*

The Capital Program Review was assigned to the Vancouver Services Review (VSR). Staff completed a review of the capital planning cycles of large Canadian municipalities. Several large cities have 10 year plans, including Toronto, Ottawa and Calgary. For BC municipalities other than Vancouver, the Community Charter requires municipalities to have financial plans on a 5 year cycle.

In October 2010, the Corporate Management Team approved a three-stage process for the City's new capital planning cycle, consisting of:

- 10 year Capital Strategic Outlook (high-level strategic outlook in regard to capital assets and investments)
- 3 year Capital Plan (public consultation culminating in a referendum)
- 1 year Capital Budget (combines a 1 year budget with a 2 year forecast)

Having previously used only a 3 Year Capital Plan and a 1 Year Capital Budget, increasing the planning timeframe from three to ten years will improve the City's ability to optimize long-term asset management, to plan for long term growth and demographic changes, to highlight projects ready to advance if external funding and partnership opportunities arise and to guide planning and allocation of public amenities which are generated via rezoning and developments.

Also approved were revised categories for capital assets, moving away from assets identified by department to categories which identify assets by function:

- Community Facilities
- Housing
- Parks And Open Spaces
- Public Safety
- Transportation
- Utilities And Public Works
- Civic Infrastructure

Benefits of the new approach include improved transparency and greater accountability along with a more holistic, city-wide approach to long-term capital investment decisions.

#### All Capital Funding Sources

Another change in the capital planning process has been to present the plans for the capital program on a gross budget basis, incorporating all funding sources rather than the net City investment which has been the norm over many years. This will appropriately represent the City's complete capital investment regardless of funding source. In the previous three capital plans, the following funding sources were specifically identified:

- Debenture borrowing
- Direct contribution from the Operating Budget (Capital from Revenue)
- City-wide Development Cost Levies (DCLs)

The City acquires and develops significant capital assets beyond those funded by the above sources. Development of these assets have been reported to Council in individual reports and have been represented in the City's financial statements though they have not historically been captured in the 3 year Capital Plan. Going forward, the City's capital planning documents will reflect all capital investments including those funded by the following sources:

- Area-specific Development Cost Levies (DCLs)
- Community Amenity Contributions (CACs) that are received in cash
- Operating Budget that funds capital projects (e.g. truck and equipment replacement)
- Special-purpose reserves
- Internal loans
- User fees (e.g. water and sewer connection fees)

- Local improvement levies
- Contributions from senior governments and other funding partners

A comprehensive capital plan will also facilitate quarterly reporting and oversight of the many capital projects the City undertakes.

#### *DISCUSSION*

##### 10 Year Capital Strategic Outlook

Between December 2010 and February 2011, staff from all departments evaluated all capital asset classes, including historical investment, asset condition and potential needs over a 10 year horizon. Additionally, a 10 year economic outlook and fiscal capacity model for the City was prepared with the assistance of external consultants.

The *Draft 2011-2021 Capital Strategic Outlook*, prepared in the spring of 2011, provides a 10 year outlook for the City's capital program. The Capital Outlook aligns with Council approved targets such as those associated with the Greenest City Action Plan and the plans for affordable housing, other policy objectives such as Metro Vancouver or Provincial targets for solid waste diversion, sewer separation and transportation goals associated with GHG reductions. The 10 year outlook was developed in the context of the projected fiscal parameters for the City's future revenue streams and reflected the following investment principles:

- Supporting Council, Board and community priorities
- Aligning with the City's strategic plan
- Responding to emerging priorities
- Demonstrating fiscal prudence
- Embedding sustainability
- Partnering strategically across all sectors
- Phasing large-scale projects
- Prioritizing multi-use facilities
- Building flexible, adaptable and expandable assets

The *Draft 2011-2021 Capital Strategic Outlook* is attached as Appendix A.

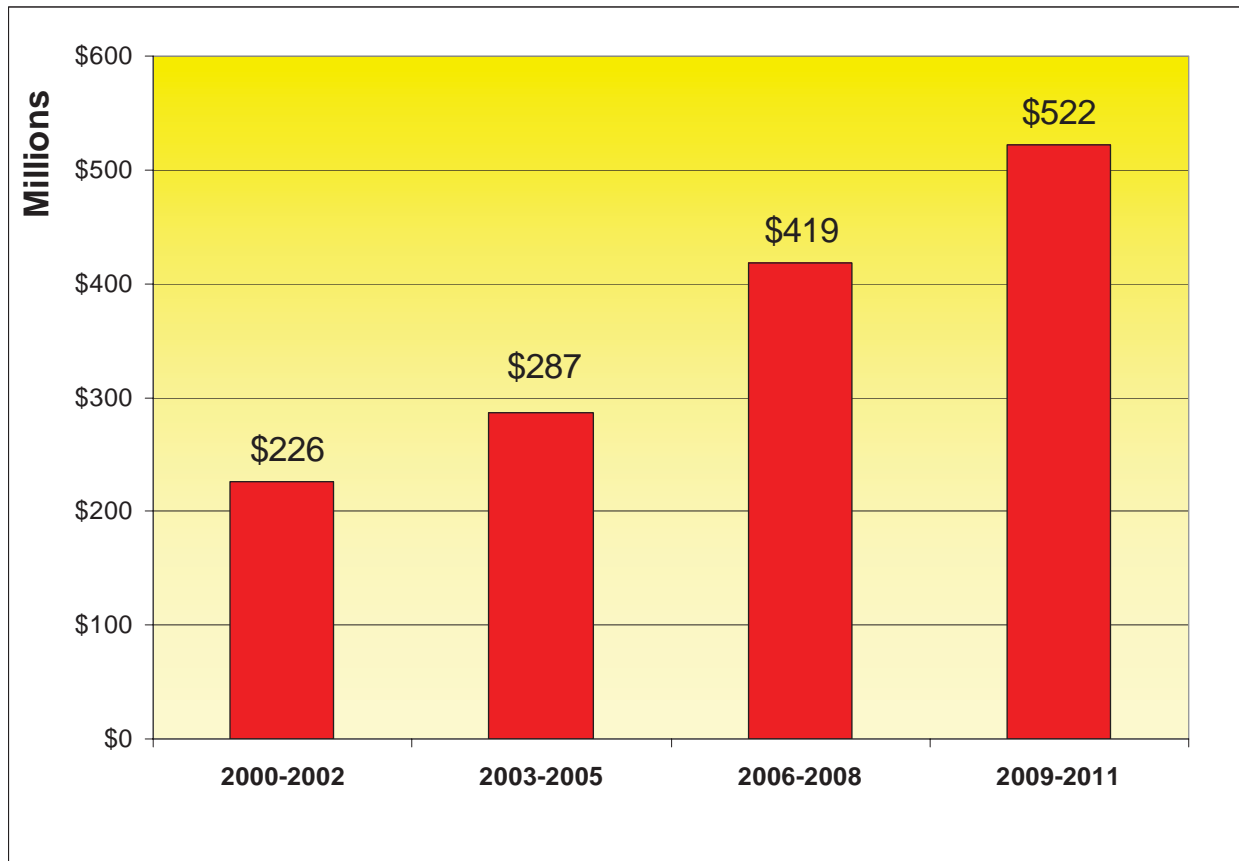
##### Financial Outlook for 2012-2014 Capital Plan

In determining the City's financial strategy and fiscal capacity for capital investment, staff examined both historical trend (2000-2011) and forecasts (2011-2021) and considered a number of factors, including general inflation, economic and personal income growth, the City's operating revenue growth, development activities that will broaden the property tax base and increase developers' contributions and the City's operational capacity to complete the work within the 3-year timeframe. Balancing the needs for capital investment with the fiscal capacity to fund the program is the key tension in our planning process.

Given the City's consistently strong financial position, our credit ratings continue to be among the best municipal ratings in the country and are equivalent to the ratings of many Canadian regional municipalities, allowing the City access to the credit market at very favourable financing rate. Managing the overall debt level and ability to service the debt are critical to maintaining a strong credit rating.

The last three Capital Plans from 2000 to 2011 experienced significant incremental growth (see Figure 1) attributable to a number of drivers, most notably preparing for the Vancouver 2010 Winter Games, the opportunity of attracting cost sharing through the Federal and Provincial stimulus programs, the need to address asset maintenance, significant construction inflation, increased availability of DCLs and meeting various provincial and regional targets.

FIGURE 1



Through this period, the City's debenture funding and Capital from Revenue have essentially doubled (see Table 1).

TABLE 1

|                      | 2000-2002 | 2009-2011 | Change (\$) | Change (%) |
|----------------------|-----------|-----------|-------------|------------|
| Debenture Borrowing  | \$189 M   | \$383 M   | +\$194 M    | +103%      |
| Capital from Revenue | \$37 M    | \$75 M    | +\$38 M     | +103%      |
| SUB-TOTAL            | \$226 M   | \$458 M   | +\$232 M    | +103%      |

These funding sources impact the operating budget and thus by extension property tax and utility fees. For illustrative purposes:

- \$10M of incremental debenture borrowing will increase the debt servicing charges by approximately \$1.4M per year for 10 years (assuming a 10 year debenture), the equivalent of a 0.24% tax increase over 10 years.
- \$10M of capital from revenue will increase the operating budget by \$10 million or the equivalent of a one-time 1.72% tax increase if implemented in one year.

Financial modeling shows that debt servicing charges for the incremental borrowing of these prior plans continue to materialize in the years to come and at a rate faster than the growth of the City's operating budget. In view of this and in order not to unnecessarily place further pressure on the operating budget and thus property taxes and utility fees, staff have recommended a target of \$385M for the 2012-2014 Capital Plan (see Table 2 - upper portion) for debenture borrowing (\$315M) and capital from revenue (\$70M). In meeting these financial targets, a number of tradeoffs will need to be made within the context of the longer term capital strategy to balance the needs of maintaining existing assets and developing new and enhanced programs.

The planned reduction in debenture borrowing and capital from revenue will in part be offset by projected increases in other funding sources such as DCLs and CACs, special-purpose reserves and focused contributions for specific projects from senior government and other funding partners. The proposed 2012-2014 Capital Plan funding envelope outlined in Table 2 will be within 1% of the funding commitment in the 2009-2011 Capital Plan, a very substantial commitment, however with no plan to follow the incremental increases experienced over the last 3 plans.



TABLE 2

|   | 2009-2011 Plan <sup>1</sup> | 2012-2014 (Proposed) | Change (\$) | Change (%) |
|---|-----------------------------|----------------------|-------------|------------|
| Debenture Borrowing   | \$383 M                     | \$315 M              | -\$68 M     | -18%       |
| Capital from Revenue  | \$75 M                      | \$70 M               | -\$5 M      | -7%        |
| Sub-Total   | \$458 M                     | \$385 M              | -\$73 M     | -16%       |
| Operating Budget that funds Capital Projects                                | \$14 M                      | \$15 M               | +\$1 M      | +7%        |
| Special Purpose Reserves  | \$63 M                      | \$86 M               | +\$23 M     | +37%       |
| Internal Loans  | \$21 M                      | \$3 M                | -\$18 M     | -86%       |
| City-Wide Development Cost Levies (DCLs)                                    | \$63 M                      | \$55 M               | -\$8 M      | -13%       |
| Area-Specific Development Cost Levies (DCLs)                                | \$4 M                       | \$18 M               | +\$14 M     | +350%      |
| Community Amenity Contributions (CACs) that are received as Cash            | \$1 M                       | \$12 M               | +\$11 M     | +1,100%    |
| User Fees   | \$46 M                      | \$46 M               | \$0 M       | 0%         |
| Local Improvement Levies  | \$14 M                      | \$0 M                | -\$14 M     | -100%      |
| Contributions from Senior Governments & Other Funding Partners <sup>2</sup> | \$23 M                      | \$79 M               | +\$56 M     | +243%      |
| SUB-TOTAL   | \$249 M                     | \$314 M              | +\$65 M     | +26%       |
| TOTAL - ALL SOURCES   | \$707 M                     | \$699 M              | -\$8 M      | -1%        |

As with prior capital plans, throughout the term of the capital plan, the City will have opportunities to engage with partners which may result in additional funding for capital assets. As well, the City's Capital Financing Fund (CFF) is available to be used for projects where the business case projects them to be self funding over time.

2012-2014 Draft Capital Plan - Proposed List of Ongoing Programs and One-Time Projects  
In May 2011, staff from all departments prepared submissions, which were subsequently reviewed by the Capital Plan Staff Review Group (a committee with representatives from Business Planning and Services, Community Services, Engineering Services, Fire and Rescue Services, Information Technology, Library, Parks and Recreation and Police) and the Capital

<sup>1</sup> This Plan does not include unanticipated external funding such as federal and provincial stimulus funding.

<sup>2</sup> Of the \$79M of external funding from other governments, \$13.3M is secured (17% of the total anticipated government funding). Approx. \$65M is anticipated but not secured.

Plan Oversight Committee (City Manager/Deputy City Manager, with the General Managers of Financial Services, Business Planning & Services, Community Services, Engineering Services and Parks and Recreation). For a complete list, see Appendix B.

Initial submissions totalled approximately \$1.2 billion.

*The Capital Plan review groups have prioritized capital investments valued at about \$770 million, which remains at \$70 million more than the financial target of \$700 million.*

A summary of the programs and projects that have been selected (\$770 million) is listed below, organized by service category. Ultimately, after the public has been consulted, the final capital allocation will be aligned with the fiscal envelope of \$700M.

The following are details of existing assets, goals, pressures and identified priorities for the upcoming Capital Plan by category - Community Facilities, Housing, Parks and Open Spaces, Public Safety, Transportation, Utilities and Public Works and Civic Infrastructure. For a summary of the proposed programs and projects currently identified in the Draft Capital Plan, see Appendices C and D.

#### 1. Community Facilities

Community facilities offer a wide range of community services and programs to Vancouver's diverse and growing population. Included in this category are childcare, social and cultural facilities and programs, recreation (community centres, pools and rinks), libraries and archives and entertainment/exhibition facilities (Pacific National Exhibition, Nat Bailey Stadium). Service mandates range from neighbourhood- to city-wide. Community facilities are operated by both City and partner organizations.

There are currently more than 200 community facilities in the City's asset base, totaling 4.2 million square feet. The majority of these buildings were constructed between 1945 and 1980. The City began the process to renew these facilities in the 1990s, beginning with the replacement of the Central Library, which opened in 1995. The 2009-2011 Capital Plan included funding for the final phase of the multifunctional community facility at Hillcrest Park (community centre, pool, rink, curling centre and library) and the renewal of Trout Lake Community Centre.

The 2012-2014 Draft Capital Plan includes:

- Marpole Community Facility: to be located in/near the heart of the neighbourhood and proposed to include a community centre, library, childcare and social services
- Downtown Eastside-Strathcona Branch Library: construction on the City-owned site on Hastings Street between Heatley and Hawks Avenues (housing for low-income single mothers with children will be built above the library)
- About 150 new childcare spaces: to be provided across approx. 3 new facilities (e.g. Kits Montessori) or by expanding existing childcares at existing sites to mitigate costs (e.g. Kensington Community Centre)
- Renovations/upgrades to two social facilities: the Gathering Place in Downtown South and Urban Native Youth Centre on East Hastings Street

- Renewal of the Pacific National Exhibition (PNE): given the lack of investment in the past decades and given limited funds, three projects have been prioritized based on the Hastings Park / PNE Master Plan: the first phases for renewing Playland amusement park, the Livestock Building and the outdoor amphitheatre, due to their revenue-generating potential
- Central Library: preparing architectural plans to expand the library onto Levels 8 and 9, including a community garden (construction would occur in the 2015-2017 Capital Plan as levels 8 and 9 are leased until 2015)
- Bloedel Conservatory: first phase of roof replacement
- Capital grants for childcare, social and cultural facilities
- Downtown Eastside capital program and heritage façade grants

TABLE 3: PROPOSED FUNDING FOR COMMUNITY FACILITIES

| Ref # | Category                                     | \$ millions |
|-------|--|-------------|
| 1a    | Childcare                                    | \$11.6      |
| 1b    | Social                                       | \$5.8       |
| 1c    | Recreation (community centres, pools, rinks) | \$17.3      |
| 1d    | Library and Archives                         | \$24.2      |
| 1e    | Culture                                      | \$16.2      |
| 1f    | Entertainment and Exhibition                 | \$9.1       |
|       | Total Community Facilities                   | \$84.2      |

The Draft Capital Plan proposes a substantial investment for the Marpole Community Facility (including land acquisition, design and initial development (\$17M)), however, it is recognized that further investment will be needed to complete the facility by 2015 as part of the next capital plan. After the significant investment in facilities as part of the Vancouver 2010 Winter Games' legacy (e.g. Hillcrest, Killarney and Trout Lake), as well as significant contribution from Federal Infrastructure funding (VanDusen Visitor Centre, Malkin Bowl, Trillium and Grandview field houses), the City will focus on planning the next generation of investments through partnerships, long-range planning and the opportunity for multi-use facilities. While this Plan invests in Britannia's infrastructure, funding for future land acquisitions will need to be explored as part of future plans.

The draft plan provides funding for Entertainment and Exhibition at Hastings Park. This is an initial investment toward a multi-year strategy as outlined in the Hastings Park Master Plan recently approved by Council.

## 2. Housing

The City's goal 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 a partner in providing affordable housing since the 1950s, along with the Federal government, the Provincial government and non-profit groups.

While the City owns and operates affordable housing buildings (21 non-market rental housing buildings with 1,367 units and 38 market rental housing buildings with 173 units), its most significant contribution is to offer City land upon which affordable housing is built by others (currently 198 parcels of land with 9,847 units).

The strategy going forward is to maintain the existing stock of affordable housing in satisfactory condition. New affordable housing will be achieved primarily through leveraging our land assets and relatively small capital grants to enable partners to create new housing or taking ownership where possible through large, new developments. The City's strategy includes co-locating housing with other civic facilities, such as firehalls and libraries.

The 2012-2014 Draft Capital Plan includes:

- Maintenance, repairs and upgrades of existing affordable housing
- The acquisition of land and the granting of capital funds to increase the non-market rental housing stock with other partners by about 1,100 units

TABLE 4: PROPOSED FUNDING FOR HOUSING

| Ref # | Category              | \$ millions |
|-------|-----------------------|-------------|
| 2a    | Non-Market Housing    | \$60.7      |
| 2b    | Market Rental Housing | \$0.7       |
|       | Total Housing         | \$61.4      |

The City has set an ambitious 10 year target of an additional 7,200 additional units of non-market housing. This Plan provides funding of approx. 1,100 units over the next 3 years, which will have a positive impact but is still below the level that will be required in future plans. Our Housing strategy which will come before Council for final approval in July 2011 will lay out our specific strategies for the further gains in the area of housing which will be needed to meet the overall needs of our City.

### 3. Parks and Open Spaces

Parks and open spaces provide opportunities for residents and visitors to interact with nature, participate in leisure or recreational activities and celebrate community and civic life. Included in this category are 200+ parks, Mountain View cemetery, 32 km of seawall, 138,000 street trees and over 250 public art installations.

In addition to replacing aging features (e.g. playgrounds and pathways), the main challenge for parks and open spaces is to adapt the system to a growing and increasingly diversified population, i.e. more people (130,000 over the next 30 years) and desires for additional features (e.g. climbing rocks, skateboard parks, tai chi areas, community gardens, fruit trees and habitat zones).

The 2012-2014 Draft Capital Plan includes:

- Hastings Park: reinstatement of Empire Fields and installation of a trail system
- Park renewals at Riley, Hillcrest and John Hendry Parks
- New parks (acquisition of land) and mini-parks (converting street space)

- New park features including one additional skate park and 4-5 enhanced dog areas
- Greenest City "Access to Nature" initiatives (e.g. community gardens/urban farms)
- Planting of 6,000 new trees in parks and along streets
- Mountain View Cemetery: providing additional interment capacity which creates the potential of revenue generation

TABLE 5: PROPOSED FUNDING FOR PARKS AND OPEN SPACES

| Ref # | Category                    | \$ millions |
|-------|-----------------------------|-------------|
| 3a    | Parks                       | \$33.9      |
| 3b    | Seawalls and Trails         | \$1.9       |
| 3c    | Street Trees                | \$3.5       |
| 3d    | Public Art                  | \$1.4       |
|       | Total Parks and Open Spaces | \$40.7      |

The proposed 2012-14 Capital Plan will invest in 6,000 new trees (on streets and in parks), which is an increase on prior years and supports the Greenest City targets - more work is needed to identify strategies to further increase new tree planting across the City to meet the 2020 goals. Our Public Art program received a major investment in the lead up to the Vancouver 2010 Winter Games and continues to benefit from the rezoning requirements embedded in our regulatory framework. This plan will scale back the planned investments and include the review of our model for both funding and maintaining public art, including those located in parks.

#### 4. Public Safety

Public safety facilities currently include 10 police facilities, 19 firehalls and 1 animal control facility. The strategy is to gradually replace and upgrade the facilities as they age and to ensure they are built to contemporary seismic standards.

In the last 10 years, there has been a substantial investment in police facilities including moving offices from 312 Main Street into a modern building on Graveley Street, the construction of a new tactical training centre, a new property and forensic storage warehouse and a new dog squad facility. The long awaited construction of FireHall #15 is underway and slated to be completed in 2011. However we are behind in the replacement of firehalls as well as in the year-to-year upkeep of existing fire stations, all of which are used 24/7 as workplaces around the clock for our firefighters. Thus our draft capital plan for the next 3 years will require 2 new firehalls to be built and more resources invested in firehall asset maintenance and upkeep.

The 2012-2014 Draft Capital Plan includes:

- Replacement of two firehalls (Firehall #5 at Kerr and 54<sup>th</sup> and Firehall #17 at Knight and 57<sup>th</sup>)
- Capital maintenance, repairs and upgrades at police, fire and animal control facilities

TABLE 6: PROPOSED FUNDING FOR PUBLIC SAFETY

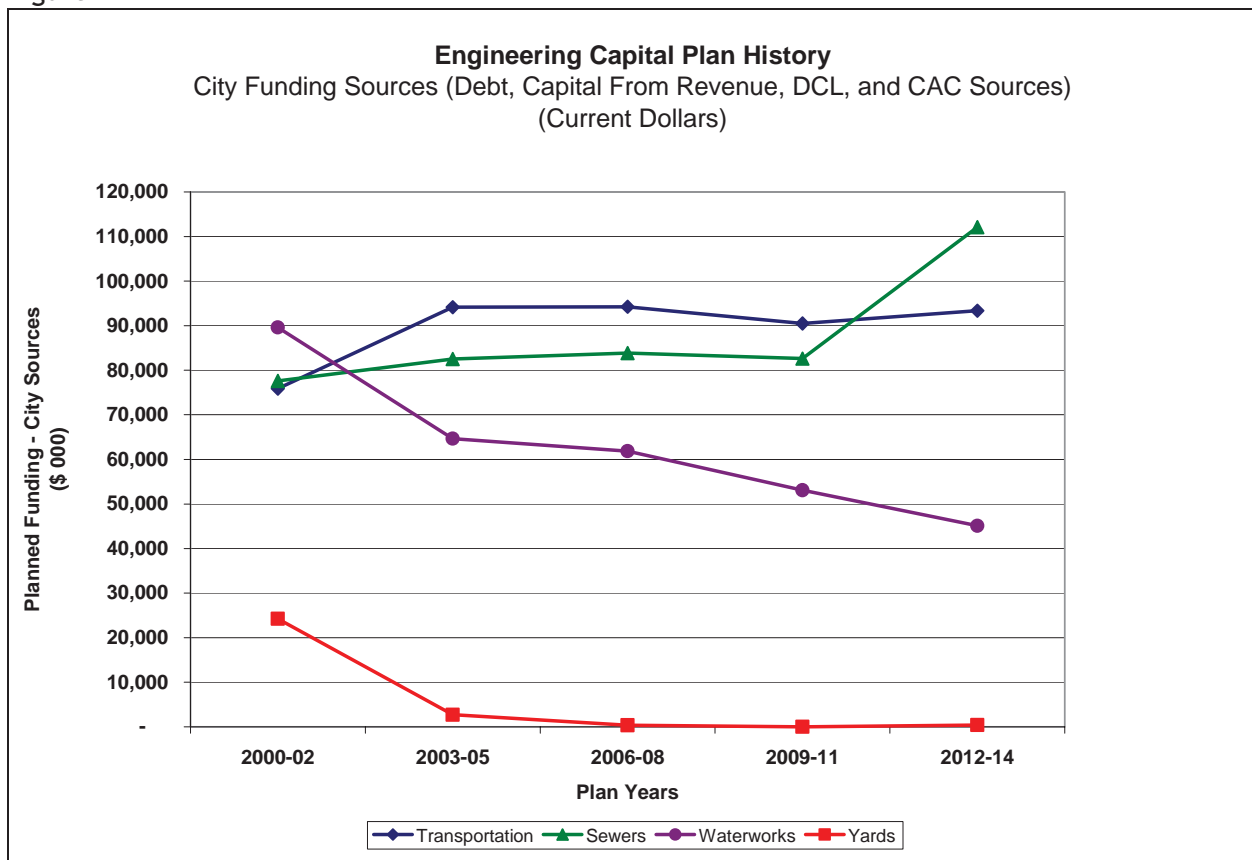
| Ref # | Category            | \$ millions |
|-------|---------------------|-------------|
| 4a    | Police              | \$0.2       |
| 4b    | Fire                | \$24.8      |
| 4c    | Animal Control      | \$0.2       |
|       | Total Public Safety | \$25.2      |

TRANSPORTATION, UTILITIES AND PUBLIC WORKS

The following sections lay out plans for investment in Transportation, Utilities and Public Works. Traditionally this area, almost exclusively reflecting the capital program of our Engineering Department, accounts for more than 50% of the city’s 3 year capital program and this plan is no different.

Figure 2 lays out the trajectory of investment in Transportation and Public works/Utilities over the last four capital plans with a projection for the draft 2012-14 Capital plan. What is not obvious is that the 2012-14 Plan includes some strategic priorities which must move ahead (mainly regulatory requirements and projects driven by other levels of government). These strategic priorities are costly and, to some extent, take away from the regular capital program which is a fundamental part of managing our public infrastructure. Our City Engineer will be working to address the impacts on infrastructure maintenance programs, the desire to address key Council priorities, as well as the timing and flow of this capital work to help mitigate staff impacts. This is not an insignificant challenge.

Figure 2



Note: These do not reflect adjustments throughout the Plan years or actual expenditures.

With the roll out of the Hansen information system, intense work will be done in Engineering Services over the next three years to create a strategic and rigorous Asset Management Program that will look at ways of optimizing our assets from a financial, service and risk perspective across all our key assets. Moreover, we will ensure that we have the data and direct evidence, where possible, on how these capital improvements correlate back to the objectives that we want to achieve. We are excited by the opportunity to enhance this internal capacity to improve our business intelligence in how we manage and optimize our capital assets.

#### 5. Transportation

The City's transportation network offers a range of travel choices to residents, workers and visitors across the city. Current transportation assets include:

- 2,400 km of sidewalks
- 225 km of bikeways and greenways
- 18 km of bus lanes
- 363 km of arterial roads
- 1,050 km of local roads
- 650 km of lanes
- 37 bridges and underpasses
- 809 traffic signals
- 55,000 street lights

The transportation strategy is to prioritize active transportation which is the safe, comfortable and efficient movement of pedestrians, cyclists, transit users, continuing to optimize the movement of trucks/trains (goods movement), while maintaining the functionality, safety and integrity of the transportation system. Auto-oriented projects are supported if they improve safety, are part of a corridor improvement plan and/or increase ride-sharing.

The 2012-2014 Draft Capital Plan includes:

- Replacement/rehabilitation of aging walking and cycling features: 6 km of sidewalks, 200 curb ramps and 15 pedestrian/bike signals
- Improvements for walking and cycling: \$13 M for 'active transportation corridors' (bikeways and greenways), 12 new pedestrian/bike signals and 2 km of new sidewalk
- Transit improvement projects: \$2.6 M
- Replacement of aging road features: repaving 25 km of major roads and 21 km of local roads/lanes and replacing 6 traffic signals
- Burrard Bridge: Major repairs to bridge and replacement of bearings and PCB removal
- Granville Bridge: replacement of bearings and PCB removal

- Powell Street overpass: construction of a new overpass near Raymur Avenue to eliminate existing grade crossing of railway into Port of Vancouver; about 90% of funding is from senior government and crown corporations.
- Replacement of 5,200 parking meters and installation of 1,650 new parking meters

TABLE 7: PROPOSED FUNDING FOR TRANSPORTATION

| Ref # | Category             | \$ millions |
|-------|----------------------|-------------|
| 5a    | Walking and Cycling  | \$24.8      |
| 5b    | Transit              | \$3.6       |
| 5c    | Major Roads          | \$118.4     |
| 5d    | Local Roads          | \$8.5       |
| 5e    | Parking              | \$9.3       |
|       | Total Transportation | \$164.6     |

The City has had the opportunity to enhance infrastructure rehabilitation rates and transportation amenities in some key areas due to the Vancouver 2010 Winter Games and the Federal Infrastructure Program. Given these improvements and the need to provide financial capacity for other areas of Capital Plan, many of Engineering's transportation core programs have been adjusted.

The Draft Capital Plan provides sufficient funding to partially rehabilitate the Burrard Bridge and remove PCBs from our bridges. The remainder of the Capital Plan reflects a slow-down of activities and investments in road rehabilitation and transportation improvements.

Given its criticality for transit and the economy, the maintenance of the City's arterial roads will be maintained close to historical levels. Approximately 33% of our arterial streets are designated as part of the region's Major Road Network (MRN). TransLink provides operating and rehabilitation funding for the MRN to the City. However, heavy truck and bus loading in Vancouver is degrading those streets faster than they can be maintained and rehabilitated with the funds available. TransLink acknowledges that funding is lagging but they too are experiencing funding challenges. We will work with TransLink on how to close the gap.

Pedestrian and road improvements, such as sidewalk maintenance/expansion, installation of new pedestrian activated signals, curb ramp installations and network improvements will be reduced. Staff will develop an evidence based strategy to ensure that our investments over the next 3 years optimize the outcomes as they relate to safety for our public and, particularly pedestrians, given Council's direction over the last year. With the drawing away of funding in this plan to a few large and costly projects, we will have to carefully and strategically prioritize the necessary street and public realm improvements to facilitate increased walking, cycling and transit. There will be impacts on the timing of these public realm improvements in some communities where increased density is planned or underway.

#### 6. Utilities and Public Works

The City's utility and public works systems (water, sewer, solid waste, neighbourhood energy) provide essential services to Vancouver's citizens. It is critical that they are properly maintained and meet population growth demands. Utility assets include:

- 1,483 km of water mains and 1,120 km of service connections
- 2,082 km of sewer mains and 1,100 km of service connections



- 1 solid waste transfer station and 1 landfill
- 1 neighbourhood energy centre and 4 km of pipes

The strategy for the water system is to continue with gradual replacement as assets age.

Over the last capital plan we have focused on increasing the rate of sewer separation as both part of our need to meet regulatory requirements but also as part of the Greenest City strategy. The strategy for this plan for the sewer system is to continue with gradual replacement as assets age and to separate the existing combined sewer pipes into two pipes (one for 'sanitary' sewage and one for storm/rain water). The pace at which the investments are made is informed by the requirement to eliminate situations where untreated sanitary sewage can flow into Burrard Inlet, English Bay, False Creek or the Fraser River by 2050.

The strategy for solid waste is to rebuild the Transfer Station over the next 10 years and to enhance facilities at the Landfill, in coordination with Metro Vancouver, to both address aging infrastructure as well as evolving technology to enable aggressive waste diversion targets.

The strategy for the neighbourhood energy utility is to gradually extend services to newly developed properties in Southeast False Creek.

The 2012-2014 Draft Capital Plan includes:

- Replacement of 31 km of water mains
- Replacement of 38 km of combined sewers with 76 km of separated sewers
- Installation of water and sewer connections to all new development projects including up to 4,000 new homes (note - fully funded by connection fees; \$40 million of Sewers Plan is for new-home sewer & water connections installed by a combined crew).
- Replacement of two sewer pump stations
- Closure and gas collection projects at the Landfill
- New composting facility at the Landfill
- Connecting the neighbourhood energy utility to 6 new buildings in Southeast False Creek

TABLE 8: PROPOSED FUNDING FOR UTILITIES AND PUBLIC WORKS

| Ref # | Category                         | \$ millions |
|-------|----------------------------------|-------------|
| 6a    | Waterworks                       | \$51.4      |
| 6b    | Sewers                           | \$152.1     |
| 6c    | Solid Waste                      | \$45.9      |
| 6d    | Neighbourhood Energy             | \$1.4       |
|       | Total Utilities and Public Works | \$250.8     |

Like Transportation, the City has had the opportunity to enhance infrastructure rehabilitation rates over the last two years as a result of the Federal Infrastructure Program. Given these improvements and the need to provide financial capacity to other areas of the Capital Plan,

including sewer separation, both the Water and Sewer Utilities core programs have been adjusted.

The Draft Capital Plan provides sufficient funding to continue to modestly expand the Sewer separation program (towards meeting our regulatory Combined Sewer Overflow reduction targets by 2050). Specifically, this Capital Plan stretches out the replacement cycle for water distribution mains (from 120 years to 150 years), water pressure regulating stations and sewage pump stations.

The water distribution system is in relatively good condition given our historical replacement rate. The number of watermain breaks is low for a City of our size and has remained stable over time. A slowdown of replacement for three years to accommodate other priorities is reasonable and supportable.

#### 7. Civic Infrastructure

The goals are to provide appropriate civic infrastructure levels to operate the City in an efficient manner, which supports Vancouver's population growth, liveability standards and a complex variety of services for assets and programs in this category - city-wide staff facilities, service yards, vehicles and equipment and information technology.

The 2012-2014 Draft Capital Plan includes:

- Continuance of our basic maintenance, repairs and upgrades at administrative offices
- Seismic upgrade project at City Hall precinct (focused on safety first)
- Basic maintenance, repairs and upgrades at service yards
- Replacement of 270 vehicles and equipment
- Replacement of information technology hardware/software (e.g. permits & licensing, library and voting system)
- New information technology systems to support our ongoing business transformation: \$7.5M

TABLE 9: PROPOSED FUNDING FOR CIVIC INFRASTRUCTURE

| Ref # | Category                   | \$ millions |
|-------|----------------------------|-------------|
| 7a    | Administrative Facilities  | \$14.7      |
| 7b    | Yard Facilities            | \$0.5       |
| 7c    | Vehicles and Equipment     | \$34.0      |
| 7d    | Information Technology     | \$53.5      |
|       | Total Civic Infrastructure | \$102.7     |

The next 3 years will focus on asset management and facilities' strategies reflected in the 10 year strategic outlook, thereby informing the next Capital Plan. This proposed plan addresses the replacement and major maintenance of critical building systems. With a more rigorous asset management plan in development, our ability to prioritize will be enhanced for the next 3 year plan. The funds proposed for IT represent primarily investments in end-of-life systems,

including a replacement for the critical permits and licensing system, with a small investment in new systems. This means new initiatives will be limited and the major focus will be on supporting technology projects which have a demonstrable payback within the 3 year period allowing them to be funded from internal funding resources (e.g. Capital Financing Fund).

#### Summary:

Given the *2011-2021 Draft Capital Strategic Outlook*, the City's financial capacity and the need to balance the inevitable fact that there is always higher demand for investment than available funding, this report reflects the difficult choices needed to arrive at a thoughtful, public interest focused and balanced plan. The City will continue to invest capital at the highest rate in its history, but that investment will not grow over the last capital plan. In some cases, urgent needs for maintenance of existing infrastructure meant new investments will need to be postponed or rethought. In other cases, urgent new investments, or those required by regulation, meant slowing down work on maintaining basic infrastructure. We are still not finished - our draft plan is still \$70M over the fiscal envelope - however staff feel the time is right to go out and talk with our public who will provide us with valuable insight into their priorities.

#### Public engagement

Corporate Communications is developing a public engagement strategy for the 2012-2014 Draft Capital Plan which will take place July through early August. In previous years, the various arms of the City consulted the public in separate processes about Capital planning. This year, public engagement for the Plan will be highly collaborative between City departments and include the Park, Library and Police Boards. Using our learnings and public feedback from the Budget 101 consultation process last fall, the process for the Capital Plan will primarily utilize online tools to engage the public, with a small number of face-to-face advisory committee and public meetings.

Following the public engagement process, Council will be asked to approve the contents of the Plan on September 20, 2011. The components of the Plan requiring borrowing authority will be submitted to the electorate in a series of plebiscite questions during the civic election on November 19, 2011.

#### Final report on Capital Plan (next steps)

Following a review of the feedback from the public engagement process and key stakeholders, staff will report back to Council in September 2011 and will seek Council approval on the finalized recommendations for the 2012 -2014 Capital Plan.

#### Park Board Summary

In the past, the Park Board has conducted a parallel capital planning process. This Draft Capital Plan reflects a more integrated approach - from process (identifying priorities and making the recommendations of the 2012-2014 Draft Capital Plan) to implementation (concurrent reports and a collaborative public engagement process). Assets managed by the Park Board are included in a number of categories, primarily Community Facilities and Parks & Open Spaces. Projects included within these categories as part of the Plan are the Community Centre at Marpole, Phase 1 of the Bloedel Conservatory roof replacement, greening of Hastings Park and renewal of Hillcrest, Riley and John Hendry Parks, significant investment in urban agriculture and trees, as well as required maintenance of many existing assets (e.g. facilities, seawalls and parks).

### *FINANCIAL IMPLICATIONS*

This plan continues but does not increase a very significant level of capital investment - a rate which is more than double what was being spent by the City 10 years ago. This plan is set in the context of a much better understanding across the organization of the impact of Capital investment decisions on ongoing operations mainly through increased operating costs associated with new and expanded facilities and debt servicing charges for debt-financed investments. Investments in utility assets financed through debt will impact utility fees while investments in non-utility assets financed through debt will impact property tax.

As the debt servicing charges arising from the incremental borrowing of prior Capital Plans continue to materialize in the years to come and at a rate faster than the growth of the City's operating budget, staff have recommended a \$73M reduction from the 2009-2011 Capital Plan level in debenture borrowing and capital from revenue to avoid further pressure on the operating budget, property tax and utility fees over the next 3 years. The reduction will be compensated by an increase in other funding sources such as DCLs and CACs, special-purpose reserves and contribution from senior government and other funding partners which has minimum impact on the operating budget. However, if the \$73M reduction in debenture borrowing cannot be found, this would result in a tax increase of 1.69% each year for 10 years.

### *PERSONNEL IMPLICATIONS*

Capital projects are undertaken through a combination of resources - internal resources, temporary or contract resources and external contracts with vendors, depending on the nature of the project. As Capital plans are finalized and projects determined, the personnel needs and impacts will be evaluated and brought back for further discussion at Council.

### *COMMUNICATIONS PLAN*

As noted, public engagement will take place in July and early August to provide additional information to the public on the Capital planning process and the 2012 - 2014 Draft Capital Plan. Results of this engagement process will be included in the Final report to Council in September.

### *CONCLUSION*

This report represents a major milestone in the development of the 2012-2014 Draft Capital Plan. The Plan is the result of many hours of work by staff who have submitted, prioritized and recommended the priorities for the Plan, balancing the need to maintain existing assets with the priorities established by Council, Boards and the community.

Given the 10 year strategic outlook, the City's financial capacity and the need to balance higher demand than funding, this report reflects the difficult choices needed to arrive at the recommended Plan, leaving some important projects either unfunded or underfunded.

The next step is to solicit input from the community on the draft Plan and priorities for closing the current \$70M gap. Using input from the community and staff, Council will consider the 2012-2014 Capital Plan in September, in preparation for the borrowing questions to be put to the electorate in the November civic election.

\* \* \* \* \*

*2011-2021 Capital Strategic Outlook*

Appended as a separate document



**City of Vancouver  
2011-2021 Capital Strategic Outlook  
Draft (May 2, 2011)**



## Table of Contents

|   |    |
|---|----|
| Executive Summary .....                         | 3  |
| Introduction .....                              | 6  |
| Background .....                                | 7  |
| Overview of Capital Planning .....              | 9  |
| Economic Outlook .....                          | 10 |
| Financial Capacity.....                         | 12 |
| Financial Indicators .....                      | 13 |
| Financial Capacity and Capital Submissions..... | 14 |
| Asset Inventory .....                           | 16 |
| Overarching Principles.....                     | 19 |
| Asset Category Summaries .....                  | 20 |
| A. Community Facilities .....                   | 21 |
| B. Housing .....                                | 23 |
| C. Parks And Open Spaces.....                   | 25 |
| D. Public Safety.....                           | 27 |
| E. Transportation .....                         | 29 |
| F. Utilities & Public Works.....                | 31 |
| G. Civic Infrastructure.....                    | 33 |
| Major Capital Projects (>\$100M) .....          | 35 |
| Risks .....                                     | 36 |
| Next Steps .....                                | 36 |
| Conclusion .....                                | 37 |
| Glossary of Frequently Used Terms .....         | 39 |
| APPENDIX A .....                                | 40 |

## Executive Summary

From community centres to fire halls, an art gallery to non-market housing, libraries to City Hall, the City of Vancouver's capital assets total 400 buildings (approx. 6 million square feet), 4,700 km of sidewalks, bikeways and roads, 3,600 km of underground pipes and 1,360 hectares of parks and open spaces, with a replacement value estimated at \$19 billion.

In June 2009, Council approved a motion: "THAT staff review capital planning processes of other public sector organizations and come back to Council with recommendations on changes to the City's capital planning process that supports more rigour in financial estimates, timelines and project oversight and completion." While the Community Charter requires other BC municipalities to have a 5 year financial plan, the Vancouver Charter has no such provision.

So, the City of Vancouver began 2010 with no formal long-term capital investment strategy. One year later, Vancouver has its first 10 year strategic outlook for capital assets and has made a number of significant changes and improvements in its capital processes, including:

- Reduced 2010 capital requests by \$60M
- Reprioritized funding and surpluses to fund Council priorities (such as \$14M funding for affordable housing at South East False Creek)
- Reduced borrowing requirements
- Received \$63.5M of government infrastructure funding for capital projects
- Introduced quarterly financial reporting on capital spending

Historically, planning processes have focused on the 3 year capital allocation that aligns with each Council term. The *2011-2021 Capital Strategic Outlook* will guide capital investments for the City for both existing assets, as well as new assets over a 10 year timeframe. The strategic outlook's purpose is to:

- Improve long-term asset management
- Provide a longer term framework to inform the 3 year capital plan and 1 year capital budget processes
- Highlight projects which could be ready to advance should additional funding become available
- Guide the selection of public amenities which are generated via rezoning & developments

With the introduction of the *2011-2021 Capital Strategic Outlook*, capital planning at the City of Vancouver now has 3 components:

- Capital Strategic Outlook (10 year, high-level, strategy regarding capital assets and investments)
- Capital Plan (3 year agenda with public consultation culminating in a referendum)
- Capital Budget (combines a 1 year budget with a 2 year forecast)

The City of Vancouver's 10 year strategic outlook for capital is a composite of many factors including a 10 year economic outlook and an assessment of the organization's fiscal capacity. Vancouver's economic growth is highly correlated with that of Metro Vancouver's. Gross Domestic Product (GDP) growth for Metro Vancouver is projected to average 3% annually over the next decade. Vancouver's continued economic growth is supported by its role as a provincial commercial/administrative centre, its role as a Pacific Gateway for international trade, its diversified economic base, a comparatively low unemployment rate and anticipated population growth.



Financial capacity which reflects the City's capacity to generate revenue from taxes and the ability to take on debt over the 2011-2021 period is estimated at close to \$2.4 billion. Notwithstanding the size of this figure, projected needs currently exceed financial capacity.

As part of the regular 3 year plan process, submissions for capital will be evaluated based on value for citizens, strategic priority and a number of overarching principles which include:

- The need to adequately maintain existing assets
- A requirement to embed sustainability in our capital assets
- Evidence of public need for new or expanded assets
- Prioritization of multi-use strategic assets to achieve both operational and capital economies of scale and flexibility of space while serving citizens
- Using City assets to leverage partners to help address our goals

The *2011-2021 Capital Strategic Outlook* signals a new, integrated approach to planning for capital assets through the use of new service-based categories and a move away from department-based categories:

- Community Facilities
- Housing
- Parks and Open Spaces
- Public Safety
- Transportation
- Utilities and Public Works
- Civic Infrastructure

Major capital projects (\$100M or more) represent 40% of the investments under consideration as part of the *2011-2021 Capital Strategic Outlook*. Contemplated in the next 10 years is the Vancouver Art Gallery/concert hall, a responsive housing strategy, a police headquarters, a City Hall annex and Hastings Park. Given the magnitude of these projects and the limits of the City's financial capacity, these significant projects will be dependent on outside funding and partnerships.

Based on the guidelines and direction outlined in the *2011-2021 Capital Strategic Outlook*, the following outcomes regarding Vancouver's capital assets would be expected:

- Fewer stand-alone facilities and more multi-use community facilities
- Substantial increases in non-market rental housing
- Substantial completion of greenways and bikeways networks
- Significant increases in tree planting (parks, open spaces, along streets)
- Substantial increases in sewer separation
- New transfer station and recycling facility
- Initiation of a service yards co-location strategy
- Greener buildings

Immediately following the finalization of the 10 year strategic outlook, staff will begin the work of drafting the 3 year capital plan in preparation for the referendum vote on capital borrowing which takes place as part of the civic election in November 2011.

Following the 3 Year Capital Plan, the Capital Budget (comprised of 1 year budget and a 2 year forecast) will be developed and presented to Council in early 2012. The budget process provides the final approval of funding for a project to be initiated.

Given the interdependencies between the 10 year strategic outlook, 3 year capital plan and subsequent 1 year budgets, this document is very much a work in progress and the intent is to refresh it every 3 years.

The challenges faced in this process include finding a balance between recapitalization and the funding of new or significantly expanded assets, the impact of choices regarding capital on the operating budget and the realities of the City's fiscal capacity. What was achieved as part of the *2011-2021 Capital Strategic Outlook* is a more integrated organizational approach to capital planning that includes all areas of the City and is intended to optimize both value and outcomes. The strategic outlook represents a significant cultural and operational shift that supports optimal decision-making, based on improved data and transparency of priorities.

Draft

## Introduction

One measure of a City's vitality and success is its commitment to capital investments and infrastructure - be it greenways and roads, sewers and IT networks, or fire halls, parks and cultural facilities. Capital planning is a key component to the City of Vancouver's comprehensive planning process, funding capital maintenance and major upgrades as well as construction of new assets to meet community needs.

Over the past 10 years, the City of Vancouver has spent approximately \$200M annually of its own funds on capital. The City's goals for capital planning are simple:

- Maintain existing assets in good condition
- Meet emerging needs of the community and Council priorities

The planning process has historically focused on a 3 year outlook including a 3 year capital plan and 1 year capital budgets. This year, the City has created Vancouver's first 10 year capital strategic outlook. The *2011-2021 Capital Strategic Outlook* will guide capital investments for the City for both existing assets as well as new assets. The strategic outlook will:

- Improve long-term asset management
- Provide a longer term framework to inform the 3 year capital plan and 1 year capital budget processes
- Highlight projects which could be ready to advance should additional funding become available
- Guide the selection of public amenities which are generated via rezoning & developments

This longer-term outlook will set the vision for Vancouver through integrated planning of infrastructure and facilities, creative partnerships, phased implementation of complex projects and a commitment to maintaining our existing infrastructure. It will also achieve financial efficiencies, support more innovative funding models and support long term capital investment predictability and sustainability.

Through this process, the City of Vancouver is committed to managing its capital assets and investments comprehensively and with rigour and transparency. By yielding 'value for money', we will use our resources innovatively and more efficiently.

The *2011-2021 Capital Strategic Outlook* is one component of the City's overall asset strategy which includes the City's and departments' Strategic Plans, Community Plans (e.g. CityPlan), Financing Growth Policy, Non-Profit Capital Asset Review, along with relevant benchmarks, demand and Census data.

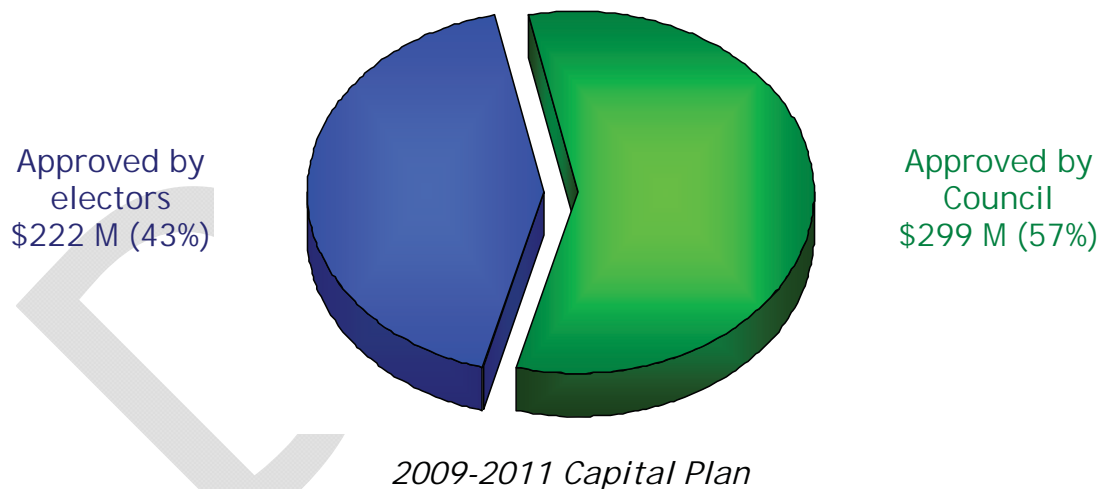
## Background

Law and municipal policy prescribe the City's capital financing policies. Municipalities in British Columbia are not legally allowed to incur budget deficits and long-term debt is permissible for capital funding only. Vancouver is the only municipality in the province that places its own debt directly. The Municipal Financing Authority raises debt on behalf of other B.C. municipalities.

The City's financial policies establish the appropriate funding sources for capital expenditures to ensure the capital expenditure program remains within limits that preserve the financial health of the City and its credit rating. The main funding sources are:

- Borrowed funds - The Vancouver Charter permits Council to approve borrowing for water and sewer capital projects; all other borrowing must first be approved by the electors, which occurs via a referendum at the civic election every three years
- Funding from the Operating Budget (often called Capital from Revenue)
- Funding from City Reserves (e.g. parking reserve, solid waste capital reserve)
- Funding collected from developers and builders (e.g. development cost levies, community amenity contributions)
- Funding from non-City sources (e.g. TransLink, senior governments, non-profit partners)

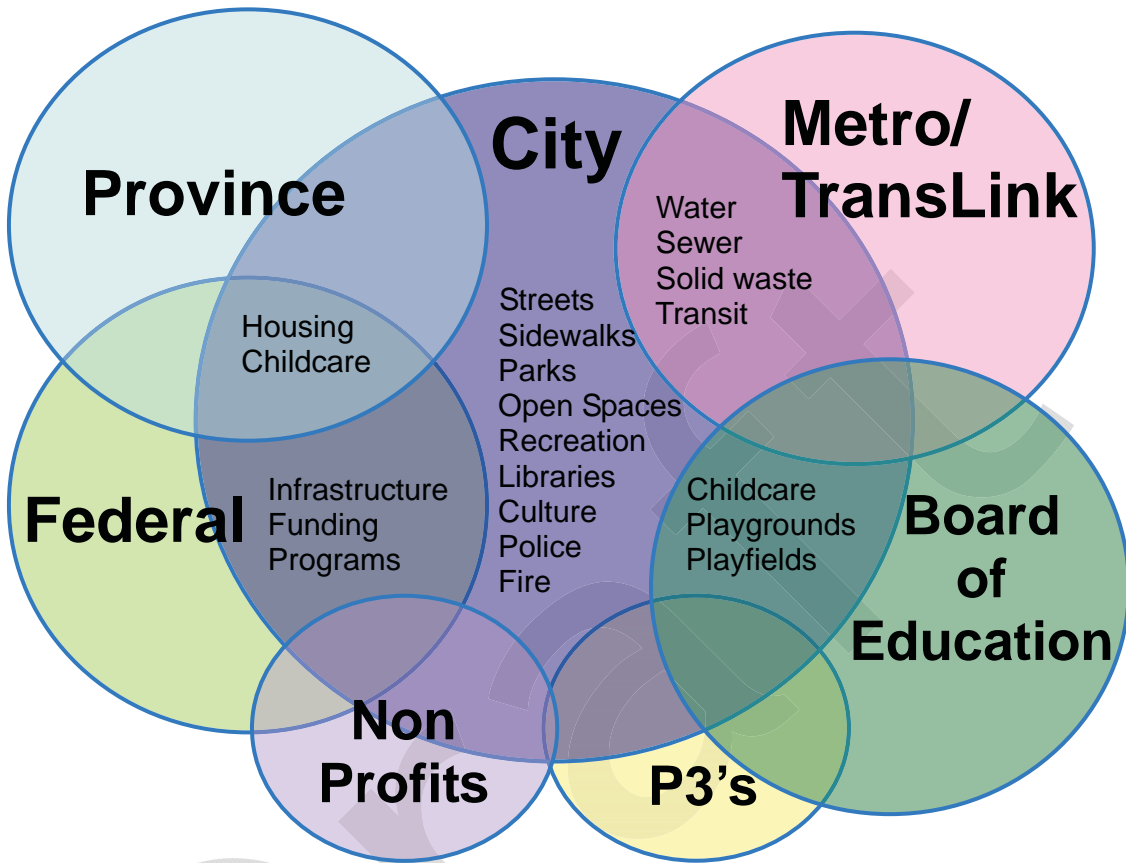
The chart below shows the split between funds approved by the electors and those approved by Council when the 2009-2011 Capital Plan was prepared in 2008.



Municipalities are regularly confronted with difficult choices in setting priorities and then funding those priorities. Important tenets when making decisions regarding capital investments include:

- Maintaining existing assets in good condition (recapitalization), e.g. maintaining the City's affordable housing stock
- Meeting needs of new residents (growth-related investments), e.g. community facilities in new developments
- Responding to new community or Council priorities (new or expanded mandates), e.g. building the greenways network

When it comes to capital assets and infrastructure, there are a variety of overlapping responsibilities and interdependencies between the City of Vancouver and other government and non-government agencies. The graph below illustrates some of these interdependencies.



## Overview of Capital Planning

With the introduction of the *2011-2021 Capital Strategic Outlook*, capital planning at the City of Vancouver will have 3 components:

- Capital Strategic Outlook (10 year, high-level, strategic outlook regarding capital assets and investments)
- Capital Plan (3 year agenda with public consultation culminating in a plebiscite)
- Capital Budget (combines a 1 year budget with a 2 year forecast)

The following table describes each of the 3 stages of capital planning as originally envisioned, detailing the purpose of each phase along with responsibility and consultation through a public plebiscite every 3 years. As the capital planning process evolves, so will the elements described below.

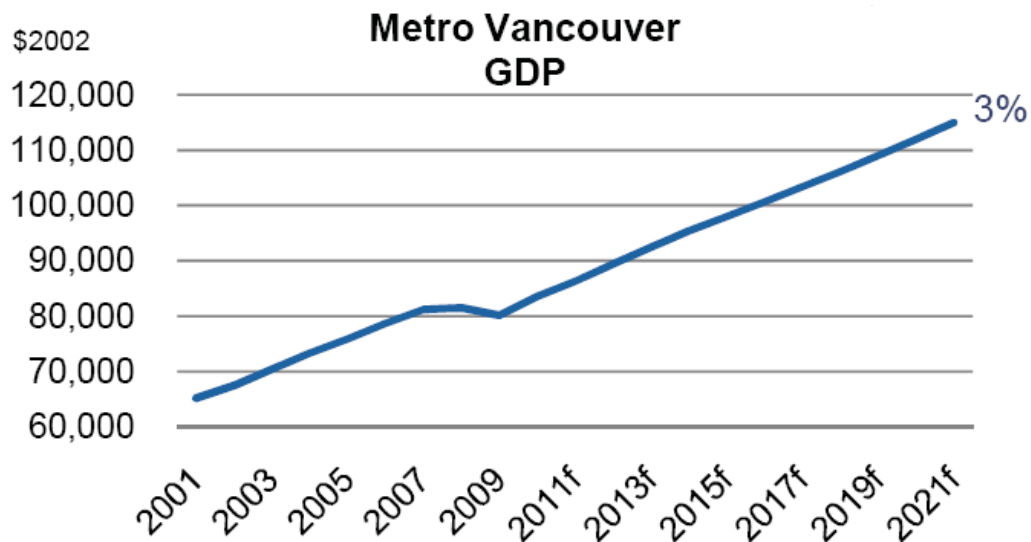
|  |  |   |  |   |  |
|--|--|---|--|---|--|
| <b>Tool:</b>                                     | <b>Capital Strategy</b>  | → | <b>Capital Plan</b>  | → | <b>Capital Budget</b>  |
| <b>Timeframe:</b>                                | 10 years   |   | 3 years  |   | 1 yr budget + 2 yr forecast  |
| <b>Purpose:</b>                                  | strategic choices about investments  | → | sets shorter term priorities   | → | approves funding for projects                                      |
| <b>Fiscal capacity:</b>                          | high-level estimate  |   | mid-level estimate   |   | fixed amount   |
| <b>Capital works for each major asset class:</b> | identifies objectives to be achieved (may include specific projects)       | → | identifies specific projects and program priorities to be completed    | → | provides detailed information/plans about projects to be completed |
| <b>Cost estimates:</b>                           | high-level   |   | mid-level  |   | detailed with cash flow  |
| <b>Funding for each major asset class:</b>       | assigns order-of-magnitude funding and identifies possible funding sources | → | assigns specific funding level and identifies specific funding sources | → | assigns fixed funding level from specific funding sources          |
| <b>Prepared:</b>                                 | every 3 years  |   | every 3 years  |   | every year   |
| <b>Approved by:</b>                              | CMT, then presented to Council   |   | Council  |   | Council  |
| <b>Consult public:</b>                           | no   | → | yes  | → | no   |

Municipalities across Canada have taken a variety of approaches to capital planning. Several larger cities have 10 year plans, including Toronto, Ottawa and Calgary, although none in BC. For a summary, see Appendix A.

## Economic Outlook

Vancouver's 10 year strategic outlook is a composite of many factors including an analysis of the external factors impacting Vancouver's economy in the next 10 years and the organization's fiscal capacity. PricewaterhouseCoopers performed this work on behalf of the City of Vancouver.<sup>1</sup>

Vancouver's economic growth is highly correlated with that of Metro Vancouver's. Gross Domestic Product (GDP) growth for Metro Vancouver is projected to average 3% annually over the next decade. The growth rate will vary year-to-year. Vancouver's economic growth projection is based on historical trends, consensus forecasts and examination of key drivers.



The historic GDP rates for Metro Vancouver, British Columbia and Canada from 2001 to 2010 are shown in the following chart. The chart highlights the strong economic growth in the 2001-2007 period, the economic downturn caused by the global financial crisis in 2008 and the strong recovery since.

Vancouver has several unique characteristics that support continued economic growth:

- Vancouver's role as the provincial commercial and administrative centre and as a Pacific Gateway for international trade
- Vancouver's relatively diversified economic base and skilled labour force contribute to economic stability and lower unemployment rate than that of other regions of the province
- Population growth is expected to continue as a result of its recognized attractiveness as a liveable city, albeit at a lower rate of growth than previously experienced. From 2001 to 2010, population growth was approximately 1.2% per year but is now expected to grow by 0.7% per year<sup>2</sup>

Risks to the 10 year economic outlook include impacts from changing demographics, lower than expected population growth, interest rate increases and external economic events.

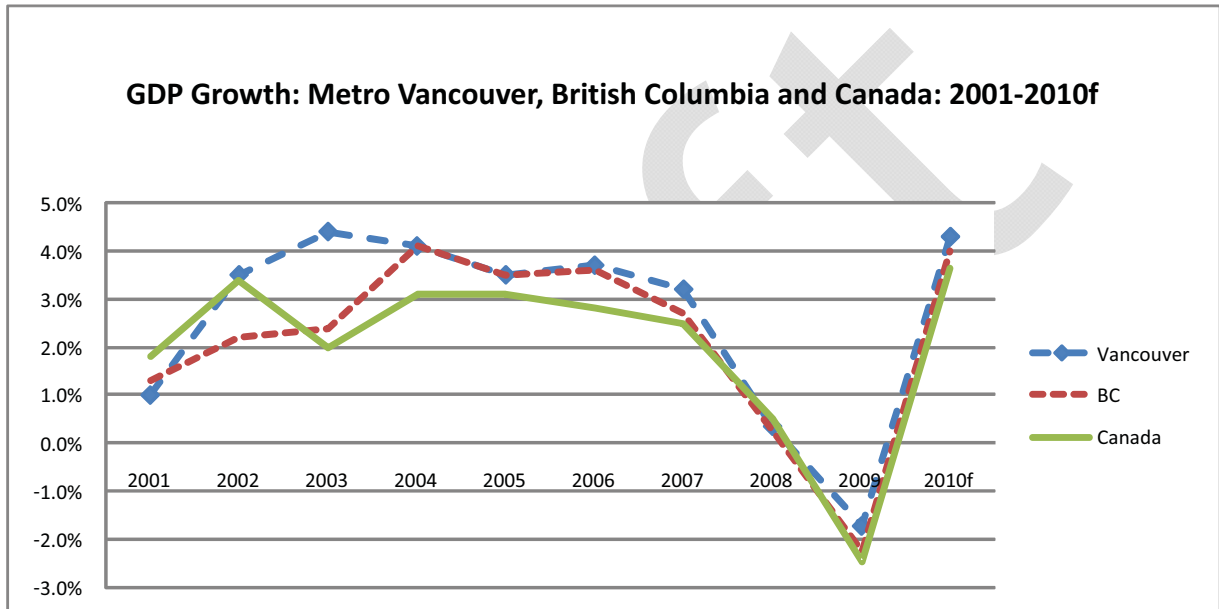
As well, additional risks include:

<sup>1</sup> Prepared by PricewaterhouseCoopers - 'Vancouver's Economic Outlook & Financial Capacity' (March 2011).

<sup>2</sup> Source: Metro Vancouver 2040 Regional Growth Strategy

- An aging population and low unemployment rates may act as a catalyst for wages to increase as organizations compete for scarce labour
- Increased competition from other Canadian urban centres for immigrants could negatively impact immigration rates in Vancouver placing pressure on scarce labour resources
- A decrease in immigration would also negatively impact population growth rates

Increases in interest rates may negatively affect residential and commercial construction. Interest rates are likely to increase as the Bank of Canada considers raising its target interest rate in 2011 from where it currently sits at 1%. In light of positive, national growth indicators, the Bank anticipates core inflation to gradually increase to 2% by 2012.





## Financial Capacity

Financial capacity is a reflection of the City's ability to carry debt, tax and raise funds through other sources. Total financial capacity over the 2011-2021 period is estimated at close to \$2.4 billion. Annual financial capacity ranges from \$160 million to \$401 million, depending on existing debt maturities. The average over the ten year period is approximately \$243 million. A summary based on sources of capital spending is shown in the following table.

Base Case Projection of Capital Envelope

| \$Millions                              | 10 Year Total | Average |
|---|---------------|---------|
| Tax Supported Incremental Debt Capacity | 844           | 84      |
| Capital From Revenue                    | 294           | 29      |
| Total Tax Supported Capital Envelope    | 1,138         | 114     |
| Utility Debt                            | 494           | 49      |
| Development Cost Levies                 | 318           | 32      |
| Community Amenity Contributions         | 79            | 8       |
| Capital From Reserves                   | 406           | 41      |
| Total Non-Tax Capital Envelope          | 1,297         | 130     |
| Total                                   | 2,434         | 243     |

The analysis is primarily based on historical ratios; changes over time based on the Economic Outlook; benchmark ratios developed from comparisons with similar municipalities and rating agencies; and best practices in municipal debt management. A base case is designed to allow for matching with infrastructure needs.

Operating budget expenditures are sensitive to overall inflationary pressures but are expected to increase at rates higher than inflation in response to rising wage expectations, energy costs and other cost escalations from third-party suppliers not directly controllable by the City. Efforts to limit expenditures may be necessary as property taxes generally rise in step with the operating budgets. Offsetting the impact of property tax increases are the rising per capita incomes projected in the economic outlook.

Stable economic growth and relatively low interest rates should encourage continued development in Vancouver thereby generating a fairly stable flow of revenue from Development Cost Levies (DCLs), Community Amenity Contributions (CACs) and other sources. Generation of DCL revenues is largely based on market-driven sources such as GDP growth and interest rates that are expected to be favourable. If growth rate drops to 2%, capacity drops by about \$0.2 billion.

## Financial Indicators

The following table highlights certain tax-supported debt ratios examined by credit rating agencies<sup>3</sup>.

| Ratios                                       | 2010 | 2012-2021 Average | 2012-2021 Max | Criteria   |
|--|------|-------------------|---------------|--|
| Debt per capita (\$)                         | 507  | 572               | 679           | Below \$500 (Low)<br>\$500-\$2,000 (Moderate)<br>\$2,000-\$3,500 (Moderately high)<br>Above \$3,500 (High) |
| Debt as a percentage of personal income      | 1.4% | 1.3%              | 1.7%          | Below 2% (Low)<br>2%-4% (Moderate)<br>4%-7% (Moderately high)<br>Above 7% (High)                           |
| Debt service as a percentage of expenditures | 6.7% | 9.7%              | 9.7%          | Below 2% (Low)<br>2%-6% (Moderate)<br>6%-10% (Moderately high)<br>Above 10% (High)                         |

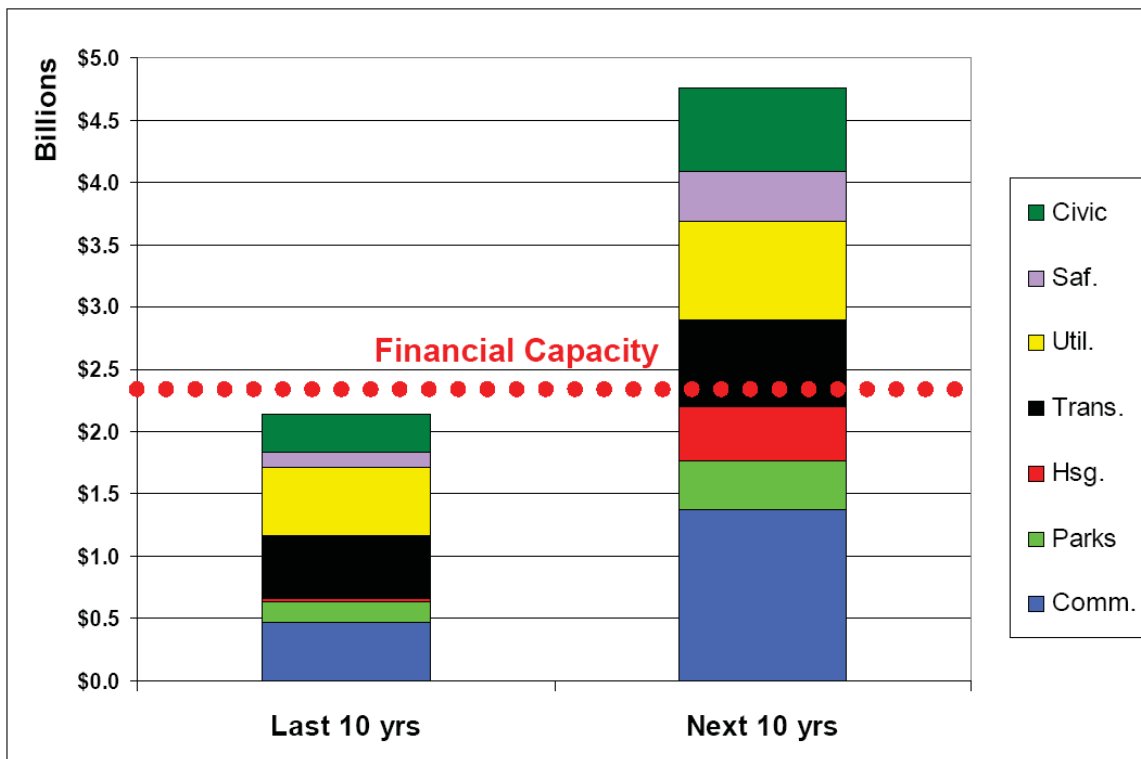
The base case that was developed suggests there is unlikely to be any negative impact on the City's credit rating at the forecasted debt levels. However, the current tax-supported debt charges as a percentage of operating expenditures are approaching high at 9.7% in the base case. The debt charges would limit future capacity and will influence the 3 Year Capital Plan funding recommendations. To mitigate this, it is prudent for the City to take a more conservative fiscal approach to its capital envelope and target an average capital spend of \$200-225 million per year (i.e. below the \$243 million per year under the base case).

<sup>3</sup> Does not include South East False Creek Village debt.

## Financial Capacity and Capital Submissions

In preparing the 10 year strategic outlook, departments and Boards across the City were asked to forecast capital needs over the next 10 years. Department submissions were summarized by category (included in subsequent sections) as part of development of the *2011-2021 Capital Strategic Outlook*, totalling \$4.7 billion. \$0.7billion in possible external funding sources has been identified, reducing the requested funding envelope to approx. \$4.0 billion. As would be expected at this stage of the capital planning process, requests currently exceed financial capacity. As part of the 3 Year Plan process, the submissions will be evaluated based on value, strategic priority and the overarching principles (detailed in an upcoming section).

Next 10 Years: \$4.7 Billion in Submissions<sup>4</sup>



<sup>4</sup> \$0.7B has been identified in possible external funding sources.

## Classification System

In the past, the City structured its capital planning by department. As part of the 10 year strategic outlook, a service-based classification system was introduced, moving away from the previous categories:

- Public Works
- Public Safety
- Library
- Community Services
- Park Board
- Corporate

The benefits of the new classification system include improved transparency, accountability and decision-making. Details of the new categories can be found below with examples of assets that can be found in each asset category. Typically the asset types are buildings or leasehold improvements, land or land improvements, infrastructure (e.g. water or sewer systems), vehicles, equipment/furniture and technology.

| Categories               | Examples  |
|--------------------------|---|
| Community Facilities     | <ul style="list-style-type: none"> <li>• Recreation, social and cultural facilities</li> <li>• Libraries and childcare centres</li> <li>• Entertainment and exhibition</li> </ul> |
| Housing                  | <ul style="list-style-type: none"> <li>• Non-market housing</li> <li>• Market rental housing</li> </ul>   |
| Parks and Open Spaces    | <ul style="list-style-type: none"> <li>• Parks and open spaces</li> <li>• Street trees and public art</li> </ul>  |
| Public Safety            | <ul style="list-style-type: none"> <li>• Police buildings and fire halls</li> <li>• Animal control</li> </ul>   |
| Transportation           | <ul style="list-style-type: none"> <li>• Transit, walking and cycling networks</li> <li>• Roads and sidewalks</li> <li>• Parking structures</li> </ul>                            |
| Utilities & Public Works | <ul style="list-style-type: none"> <li>• Water and sewers</li> <li>• Solid waste</li> <li>• Neighbourhood energy</li> </ul>   |
| Civic Infrastructure     | <ul style="list-style-type: none"> <li>• Administrative offices and service yards</li> <li>• Vehicles and computers</li> </ul>  |

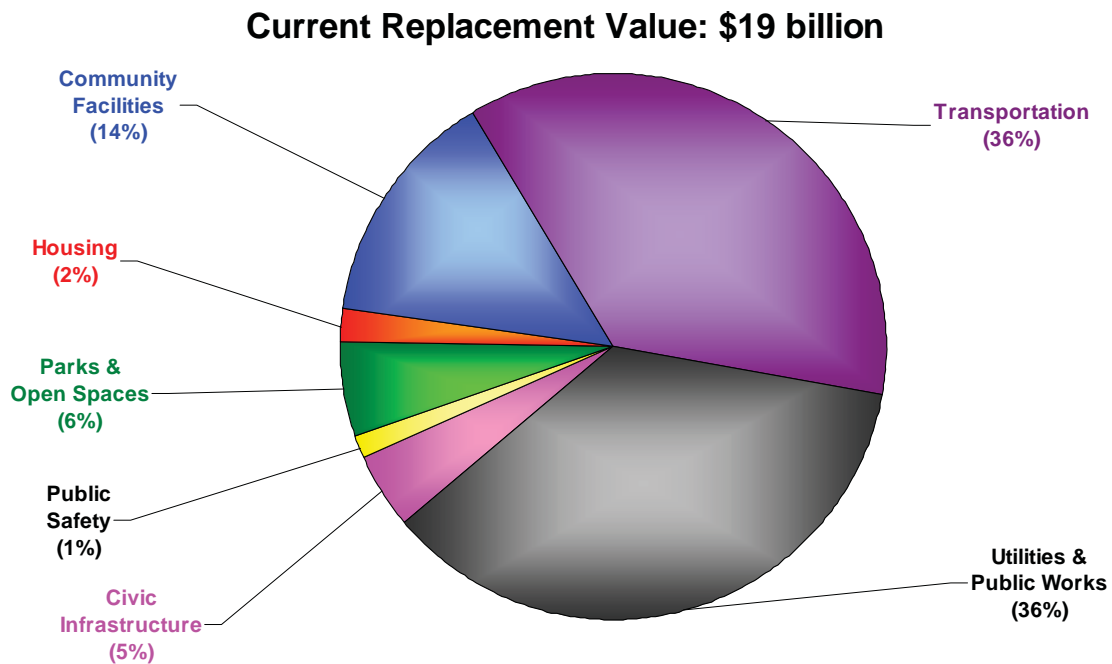
There are several categories that include 'capital grants', funding that the City grants to non-profit groups (e.g. childcare, social and cultural grants) or private property owners (e.g. sewer separation and heritage façade).

## Asset Inventory

The City of Vancouver’s capital assets can be summarized as follows:

- 400 buildings totalling approx. 6 million square feet
- 4,700 km of sidewalks, bikeways, roads
- 3,600 km of underground pipes
- 1,360 hectares of parks/open spaces

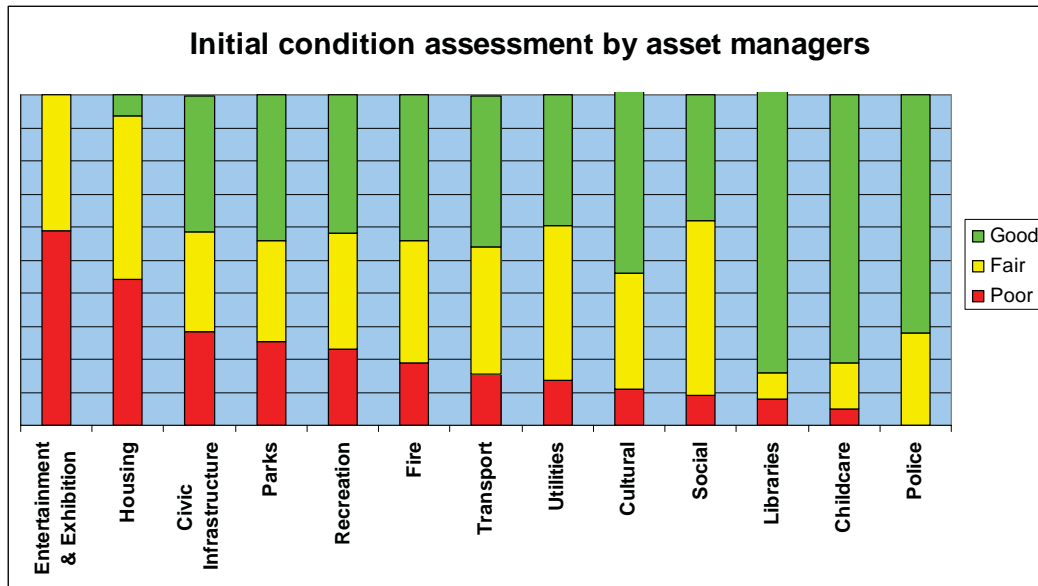
The replacement value of these assets is currently estimated at \$19B. The following chart summarizes the replacement value of the assets by category. The value of the land is excluded from replacement value.



The City owns about 4,853 hectares of land as follows:

| Category                                    | Land (hectares) | Land (%)    |
|---|-----------------|-------------|
| Community Facilities                        | 35              | 0.7%        |
| Public Safety                               | 5               | 0.1%        |
| Housing                                     | 75              | 1.5%        |
| Parks & Open Spaces                         | 1,343           | 28%         |
| Transportation and Utilities & Public Works | 3,360           | 69%         |
| Civic Infrastructure                        | 35              | 0.7%        |
| <b>Total</b>                                | <b>4,853</b>    | <b>100%</b> |

As part of the 2011-2021 Capital Strategic Outlook, staff conducted a preliminary evaluation of current assets, rating the asset conditions as Good, Fair or Poor. This assessment was not standardized across City departments or benchmarked against other municipalities that have conducted similar assessments.



As a mechanism to cross-check this preliminary evaluation process, the City’s Corporate Management Team reviewed the groups of assets on a scale of 1-10 - with the following results:

| Overall State            | Poor<br>1-4                                     | Average<br>5-7                          | Good<br>8-10                                   |
|--------------------------|---|---|--|
| Community Facilities     | Entertainment & Exhibition<br>Social Facilities | Recreational<br>Facilities<br>Childcare | Libraries<br>Cultural Facilities               |
| Housing                  | Non-Market Housing                              |   | Market Housing                                 |
| Parks and Open Spaces    |   | Parks<br>Seawall                        | Street trees<br>Cemetery                       |
| Public Safety            | Fire Halls<br>Animal Control                    |   | Police Offices                                 |
| Transportation           |   | Major & Local Roads<br>Sidewalks        | Parking  |
| Utilities & Public Works | Transfer Station                                | Sewers<br>Water                         | Neighbourhood<br>Energy<br>Utility<br>Landfill |
| Civic Infrastructure     |   | IT<br>Admin Offices                     | Service Yards                                  |

Generally there was good alignment with the two processes, with two exceptions: assets in the Fire and Social categories are likely in poorer condition than reported by staff. As part of the Vancouver Services Review, a best practice asset management program will be put in place across the city. In the future, a standardized best practice approach will be taken in the assessment of asset condition.

The City also undertook a high-level gap analysis, neighbourhood by neighbourhood, identifying the status of key assets and infrastructure and where there were significant gaps or oversupply (greater than or less than 10%) against benchmarking “standards” or averages. The results can be found below, with red indicating the neighbourhoods in which the community facilities fall more than 10% below the City-wide average or benchmark. This is one more lens by which to view Vancouver’s longer-term capital asset strategy.

| Neighbourhood                               | Parks and Open Space | Rec, Leisure & Community Fac. | Libraries exd Central, Outreach & Archives | Childcare # Spaces per # children 0 - 12 | Firehall | Cultural Facilities | CPCs   |
|---|----------------------|-------------------------------|--|--|----------|---------------------|--------|
| Arbutus Ridge/Kerrisdale/Shoughnessy (ARKS) | Green                | Green                         | Red  | Red                                      | Green    | Green               | Green  |
| Downtown/West End                           | Green                | Green                         | Red  | Green                                    | Green    | Red                 | Green  |
| DTES/Strathcona                             | Yellow               | Green                         | Green                                      | Green                                    | Yellow   | Green               | Green  |
| Dunbar/Southlands                           | Green                | Green                         | Green                                      | Red                                      | Green    | Green               | Green  |
| Grandview Woodlands                         | Red                  | Green                         | Green                                      | Green                                    | Green    | Yellow              | Green  |
| Hastings Sunrise                            | Green                | Green                         | Green                                      | Red                                      | Green    | Yellow              | Green  |
| Kensington Cedar Cottage                    | Yellow               | Green                         | Red  | Red                                      | Green    | Green               | Green  |
| Kitsilano Fairview                          | Red                  | Green                         | Green                                      | Green                                    | Green    | Yellow              | Green  |
| Mt Pleasant                                 | Red                  | Green                         | Green                                      | Green                                    | Green    | Red                 | Red    |
| Oakridge Marpole                            | Yellow               | Green                         | Green                                      | Green                                    | Green    | Yellow              | Yellow |
| Renfrew Collingwood                         | Green                | Green                         | Green                                      | Red                                      | Green    | Green               | Green  |
| Riley Park South Cambie                     | Green                | Green                         | Green                                      | Red                                      | Green    | Green               | Green  |
| Sunset                                      | Red                  | Yellow                        | Red  | Red                                      | Red      | Green               | Green  |
| Victoria/ Fraserview/ Killarney             | Green                | Green                         | Green                                      | Yellow                                   | Green    | Green               | Green  |
| West Point Grey                             | Green                | Green                         | Green                                      | Red                                      | Green    | Yellow              | Green  |

Green = above 10%      Yellow = within +/- 10%      Red = below 10%

Across Canada, renewal, replacement and expansion of infrastructure in Canada remains a challenge. The Canadian Federation of Municipalities recently estimated that \$123B would be needed to renew aging municipal infrastructure (60% of which is for transportation, sewer and water). They also highlighted new demands emerging such as transit expansions and sewer treatment capacity estimated at an additional \$115B.<sup>5</sup>

<sup>5</sup> McKenna, Barrie. Canada’s Crumbling Infrastructure: The Silence is Deafening. *Globe and Mail*. April 10, 2011.

## Overarching Principles

The process for developing the strategic outlook identified several overarching themes and principles that apply across the asset categories. They can be summarized into 4 themes: vision, plan, innovate and sustain/create. Within the themes, the guiding principles for the *2011-2021 Capital Strategic Outlook* include:

### Vision

- Support Council, Board and community priorities
- Align with the City's strategic plan
- Respond to emerging priorities throughout the strategic outlook's term
- Embed sustainability (Greenest City)
- Inspire community pride/spirit

#### ***Did you know?***

Vancouver's population has grown by 185,000 over the last 30 years and is anticipated to grow by 130,000 over the next 30 years.

Source: Statistics Canada, City of Vancouver

### Innovate

- Partner strategically across all sectors (government, non-profit and private)
- Integrate functionally
- Be opportunistic
- 'Incentivize' business transformation by leveraging existing investments and resources
- Review and determine best model for delivering each service
- Prioritize multi-use facilities (within City and with external partners)<sup>6</sup>

### Plan Strategically

- Provide core services across communities
- Adapt demographic changes through flexible and re-purposable spaces
- Synchronize across projects (both new and recapitalized) to increase efficiency
- Decommission aging/obsolete facilities and infrastructure as part of renewal strategy
- Phase large-scale projects
- Prioritize by need and risk
- Demonstrate financial prudence

### Sustain and Transform

- Maintain existing assets (prioritize recapitalization)
- Re-purpose rather than re-place
- Ensure operational/financial sustainability
- Build flexible, adaptable and expandable assets

#### ***Did you know?***

The City owns 64 heritage buildings. The oldest is Roundhouse Community Centre (1888). The 'youngest' is Bloedel Conservatory (1969).

Source: City of Vancouver

<sup>6</sup> Possible principles for multi-use facilities include: location (siting, access), operations (synergy, adaptability and governance), space (amount, expansion, critical mass), costs, funding and timing.



## Asset Category Summaries

In the past, capital asset planning was based on department based categories (e.g. Public Works, Public Safety, Library, Community Services, Park Board and Corporate). The *2011-2021 Capital Strategic Outlook* signals a new, integrated approach to planning for capital assets with the introduction of new service-based categories. They are:

- A. Community Facilities
- B. Housing
- C. Parks and Open Spaces
- D. Public Safety
- E. Transportation
- F. Utilities and Public Works
- G. Civic Infrastructure

Examples of the categories were previously described under 'Classification System'. The following sections contain a summary of the existing assets (quantities, unit costs and replacement values) in each category along with objectives, specific strategies to the individual classes of assets and priorities identified for the next 10 years, be they existing assets or new ones.

Draft

## A. Community Facilities

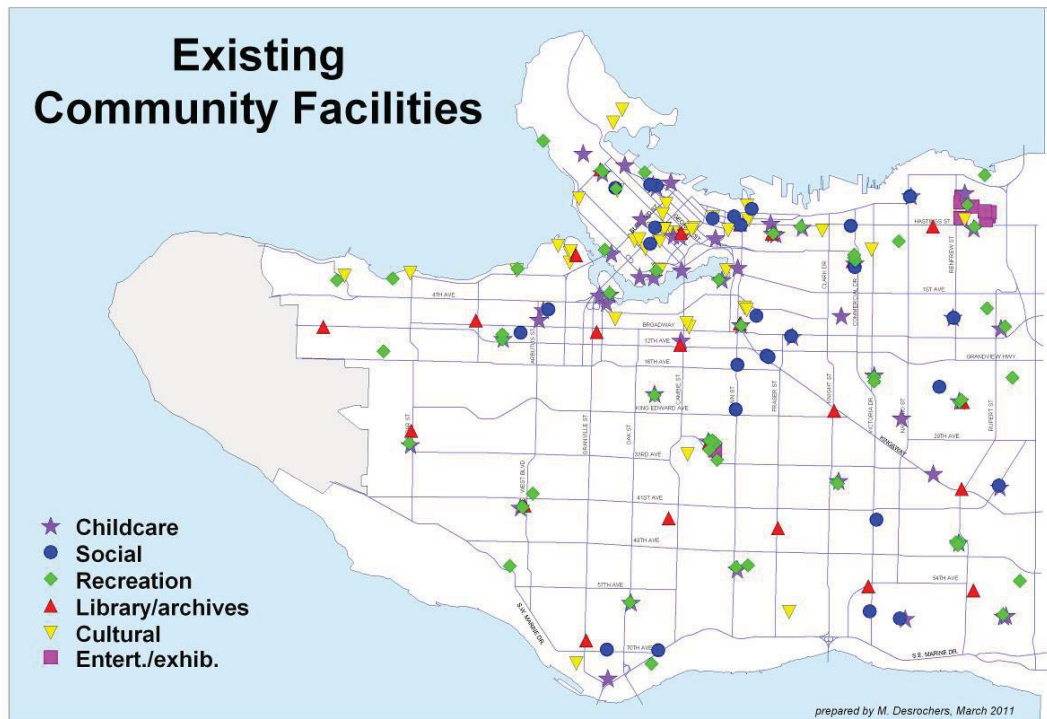
### Purpose

Community facilities offer a wide range of community services and programs to Vancouver’s diverse and growing population. Their service mandates range from neighbourhood-wide to city-wide. They are operated by both City and partner organizations.

### Inventory of existing assets

|                            | Facilities | Floor Area (Square Feet) | Approximate Unit Cost            | Approximate Replacement Value |
|----------------------------|------------|--------------------------|----------------------------------|-------------------------------|
| Childcare                  | 53         | 180,000                  | \$550 / sq.ft.                   | \$100 M                       |
| Social Facilities          | 28         | 270,000                  | \$550 / sq.ft.                   | \$150 M                       |
| Recreation Facilities      | 56         | 1,700,000                | \$700 / sq.ft.                   | \$1.2 B                       |
| Libraries & Archives       | 23         | 520,000                  | \$850 / sq.ft.                   | \$450 M                       |
| Cultural Facilities        | 47         | 1,100,000                | \$450 / sq.ft.                   | \$500 M                       |
| Entertainment & Exhibition | 6          | 380,000 + Amusement park | \$600 / sq.ft. & \$4 M / hectare | \$300 M                       |
| <b>TOTAL</b>               | <b>217</b> | <b>4,200,000</b>         | <b>\$650 / sq.ft.</b>            | <b>\$2.7 B</b>                |

Note: 'replacement value' excludes the value of the land.



General Strategies

1. Co-locate and functionally integrate community facilities for multi use purposes; explore co-location opportunities with other civic uses (e.g. schools, affordable housing, public safety uses).
2. Community facilities built as part of residential and/or commercial developments must align with City policies and plans and be financially sustainable.



**Did you know?**  
 About 25% of community facilities serve a city-wide or metro-wide audience, including the Central Library, Queen Elizabeth Theatre, Maritime Museum and Pacific Coliseum.  
 Source: City of Vancouver

Identified Priorities

|                            | Existing Assets To Be Replaced Or Upgraded  | New Assets To Be Added  |
|----------------------------|---|---|
| Childcare                  | <ul style="list-style-type: none"> <li>• 7 childcare centres</li> </ul>   | <ul style="list-style-type: none"> <li>• 15 childcare centres</li> </ul>  |
| Social Facilities          | <ul style="list-style-type: none"> <li>• 3 social facilities</li> </ul>   | <ul style="list-style-type: none"> <li>• 3 facilities</li> </ul>  |
| Recreation Facilities      | <ul style="list-style-type: none"> <li>• 8 recreation facilities</li> </ul>   | <ul style="list-style-type: none"> <li>• 3 or 4 facilities</li> </ul>   |
| Libraries & Archives       | <ul style="list-style-type: none"> <li>• 3 branch libraries</li> <li>• Relocation of Archives 'front of house'</li> </ul>                 | <ul style="list-style-type: none"> <li>• Expansion of Central library onto levels 8 and 9</li> </ul>  |
| Cultural Facilities        | <ul style="list-style-type: none"> <li>• Maritime Museum</li> <li>• Bloedel Conservatory</li> <li>• Garden Auditorium (PNE)</li> </ul>    | <ul style="list-style-type: none"> <li>• Vancouver Art Gallery/Concert Hall<sup>1</sup></li> <li>• Playhouse theatre</li> <li>• Two outdoor performance spaces</li> </ul> |
| Entertainment & Exhibition | <ul style="list-style-type: none"> <li>• Playland amusement park</li> <li>• Livestock bldg (PNE)</li> <li>• Nat Bailey Stadium</li> </ul> | <ul style="list-style-type: none"> <li>• None</li> </ul>  |

*Note: VAG/Concert Hall project: subject to the City limiting its contribution to the provision of the site, the foregoing of debt linked to site and cash to fund preliminary studies.*

## B. Housing

### Purpose

The City’s goal is to increase the supply of affordable housing in Vancouver with a broad range of dwelling types across the housing continuum, to meet the needs of a diverse population.



The City focuses its capital investments with a goal of increasing the stock of housing across the continuum with a key emphasis on non-market rental housing (supportive or social housing). The City’s most frequent capital contribution is the provision of land upon which housing is built. Occasionally, the City will build and/or operate the housing.

There are two types of market rental housing that the City itself owns: a) purpose-built (e.g. #1 Kingsway) and b) housing that is more incidental in nature (e.g. the City acquires a residential property for a transportation project and the housing is rented out until the project proceeds).

### Inventory of existing assets

|   | Quantity   | Approximate Unit Cost | Approximate Replacement Value |
|---|--|-----------------------|-------------------------------|
| Non-Market Rental Housing (Supportive & social housing) | <ul style="list-style-type: none"> <li>• 21 buildings operated and owned by City (1,367units)</li> <li>• 198 City-owned sites with the housing operated and owned by others (9,847 units)</li> </ul> | \$400 / sq.ft.        | \$365 M                       |
| Market Rental Housing (Purpose-built & ‘incidental’)    | <ul style="list-style-type: none"> <li>• 1 purpose-built building (98 units)</li> <li>• 37 ‘incidental’ buildings (75 units)</li> </ul>  | \$400 / sq.ft.        | \$45 M                        |
| TOTAL   |  |                       | \$0.4 B                       |

*Note: ‘replacement value’ excludes the value of the land.*



Specific strategies

1. NON-MARKET RENTAL HOUSING (supportive and social housing):

- Increase non-market rental housing capacity in all communities across the city.
- Secure land for and, in some cases, construct non-market rental housing.
- Explore opportunities to build non-market rental housing on vacant City-owned land or as part of a co-location project with other civic uses.
- Explore key partnerships to secure non-City funding for the construction of non-market rental housing on City-owned sites.



2. MARKET RENTAL HOUSING (purpose-built and 'incidental'):

- Explore opportunities to construct new purpose-built market rental housing on vacant City-owned land or as part of a co-location project with other civic uses or as part of public amenities from community amenity contributions (e.g. proposed Cambie corridor rezoning policy pending Council approval).
- Establish a long-term strategy for the existing 'incidental' market rental housing properties at Arbutus & 6<sup>th</sup> in Kitsilano (22 buildings, 15 of which are on Heritage Register) that were originally acquired for expanding Delamont Park.

Identified Priorities

|                           | Existing Assets To Be Replaced Or Upgraded  | New Assets To Be Added   |
|---------------------------|---|--|
| Non-Market Rental Housing | <ul style="list-style-type: none"> <li>• Rebuild 2 City-owned non-market rental housing buildings</li> </ul>          | <ul style="list-style-type: none"> <li>• Increase non-market rental housing capacity by about 7,200 units:                             <ul style="list-style-type: none"> <li>▪ 1,200 units of supportive housing</li> <li>▪ 1,000 units to replace privately-owned Single-room occupancy (SRO) units anticipated to be lost</li> <li>▪ 1,000 units to replace privately-owned market rental units anticipated to be lost</li> <li>▪ 4,000 units of social housing for singles and families</li> </ul> </li> </ul> |
| Market Rental Housing     | <ul style="list-style-type: none"> <li>• Rebuild 5 City-owned 'incidental' market rental housing buildings</li> </ul> | <ul style="list-style-type: none"> <li>• 10 'incidental' market rental housing buildings are anticipated to be added.</li> </ul>   |

Considerations

- Prepare plan for acquisition of land required for development of non-market rental housing.
- Prepare strategy that outlines the City's role in the provision of market rental housing.

## C. Parks And Open Spaces

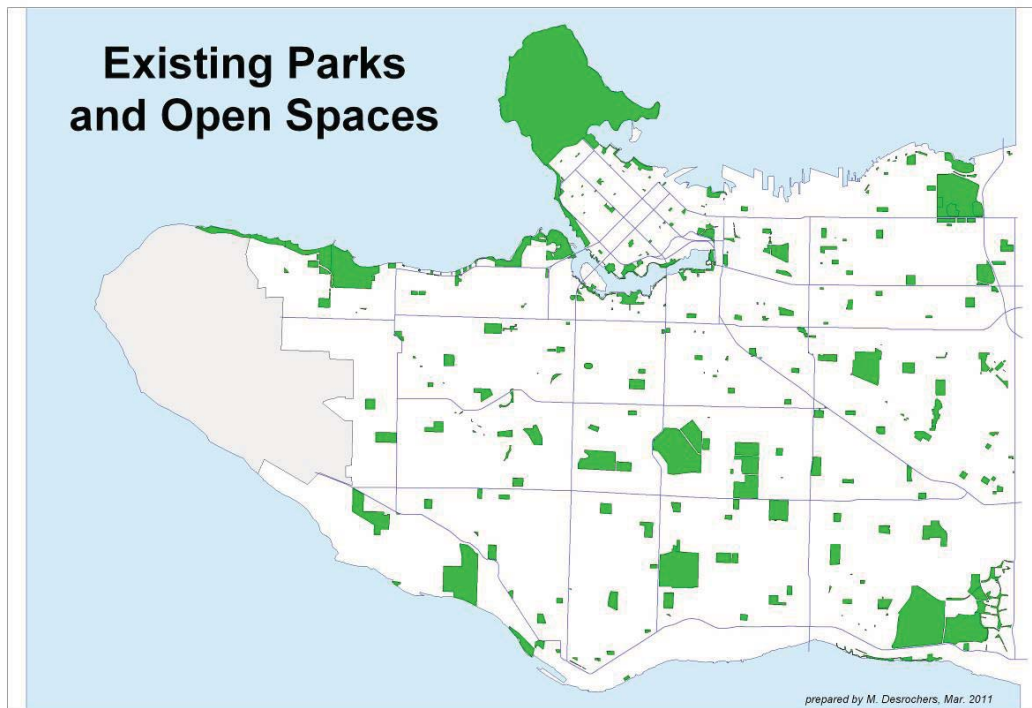
### Purpose

Parks and open spaces provide opportunities for residents and visitors to interact with nature, participate in leisure or recreational activities and celebrate community and civic life. This category includes neighbourhood parks, destination parks, seawalls and public art.

### Inventory of existing assets

|                             | Quantity  | Approximate Unit Cost                          | Approximate Replacement Value |
|-----------------------------|---|--|-------------------------------|
| Parks & Open Spaces         | <ul style="list-style-type: none"> <li>• 1,360 hectares of land</li> <li>• 155 buildings (e.g. field houses)</li> </ul> | Park features: varies<br>Bldgs: \$450 / sq.ft. | \$720 M                       |
| Seawall & Recreation Trails | <ul style="list-style-type: none"> <li>• 32 km of seawall</li> </ul>  | \$8.25 M / km                                  | \$265 M                       |
| Street Trees                | <ul style="list-style-type: none"> <li>• 138,000 street trees</li> </ul>  | \$350 / tree                                   | \$50 M                        |
| Public Art                  | <ul style="list-style-type: none"> <li>• 266 pieces of public art</li> </ul>  | \$100,000 / piece                              | \$25 M                        |
| TOTAL                       |   |  | \$1.1 B                       |

Notes: 'replacement value' excludes the value of the land; recreation trails not yet included.



**Did you know?**

There are more than 30,000 cherry and plum trees along Vancouver's streets.

Source: City of Vancouver



Specific strategies

1. PARKS AND OPEN SPACES:
  - Add new features to existing parks to address service gaps, serve new residents, meet needs of a diverse community and/or meet a Greenest City target.
  - Acquire/create park and open space through rezonings, via purchase or by converting other uses to park use (e.g. fair grounds at Hastings Park, portions of roadways into open space).
2. SEAWALL AND RECREATION TRAILS:
  - Systematically replace existing portions of the seawall and enhance waterfront walkway-bikeway system where safety issues are greatest.
3. STREET TREES:
  - Increase planting of new street trees to meet Greenest City target.
4. PUBLIC ART:
  - Coordinate provision of new public art with significant City projects (e.g. community facilities, parks and open spaces, seawall, greenways) and secure maintenance funds.

Identified Priorities

|                               | Existing Assets To Be Replaced Or Upgraded   | New Assets To Be Added   |
|-------------------------------|--|--|
| Parks And Open Spaces         | <ul style="list-style-type: none"> <li>• Replace about \$190 M of landscape features, buildings and infrastructure</li> </ul>  | <ul style="list-style-type: none"> <li>• Acquire/create about 25 hectares of park and open space</li> </ul>                                      |
| Seawall And Recreation Trails | <ul style="list-style-type: none"> <li>• Reconstruct Stanley Park seawall between Prospect Point and Second Beach.</li> <li>• Enhance walkway-bikeway on north shore of False Creek (Burrard-Granville) and south shore of False Creek (Fir-Cambie)</li> </ul> | <ul style="list-style-type: none"> <li>• Provide separate paths in Vanier Park and build a bikeway through Hadden and Kitsilano Parks</li> </ul> |
| Street Trees                  | <ul style="list-style-type: none"> <li>• Replace approx. 17,000 street trees</li> </ul>  | <ul style="list-style-type: none"> <li>• Plant approx. 45,000 new street trees</li> </ul>  |
| Public Art                    | <ul style="list-style-type: none"> <li>• Refurbish public art pieces as needed</li> </ul>  | <ul style="list-style-type: none"> <li>• Target 1-2% of capital spending for commissioning and maintenance of new public art</li> </ul>          |

## D. Public Safety

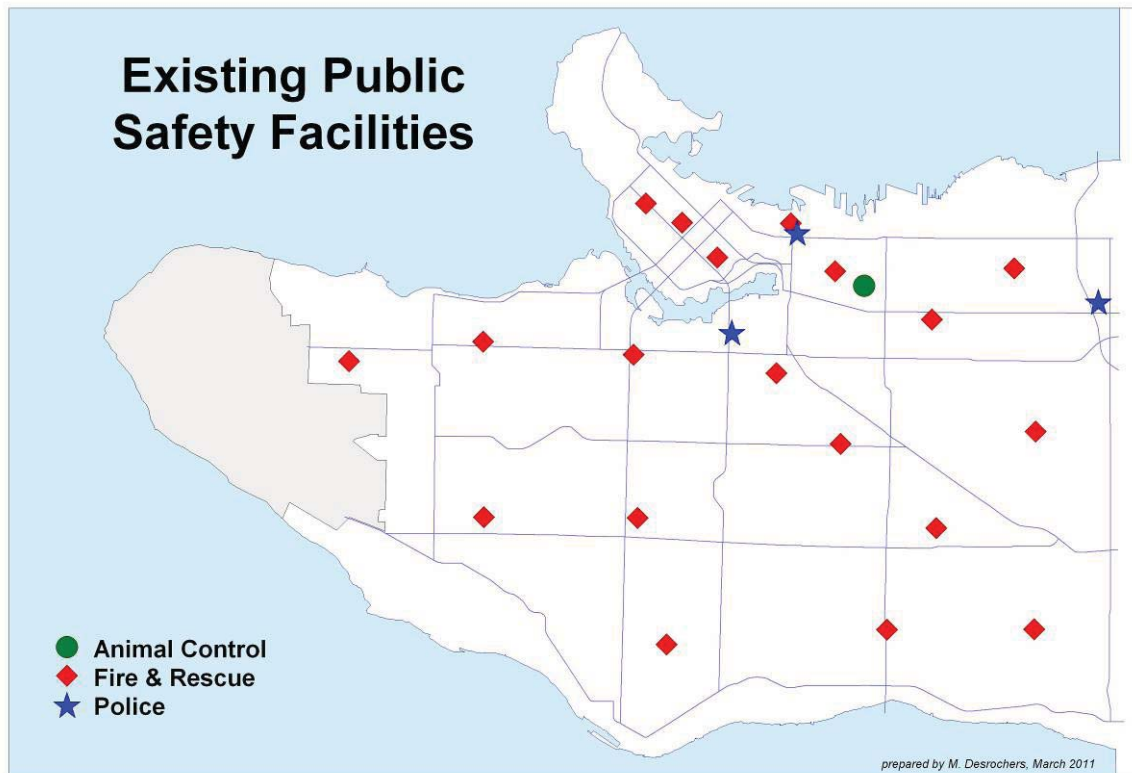
Purpose

To provide facilities that supports the providers of public safety to Vancouver’s citizens.

Inventory of existing assets

|                     | Facilities | Floor Area (square feet) | Approximate Replacement Value |
|---------------------|------------|--------------------------|-------------------------------|
| Police <sup>7</sup> | 10         | 520,000                  | \$140 M                       |
| Fire & Rescue       | 19         | 140,000                  | \$90 M                        |
| Animal Control      | 1          | 15,000                   | \$10 M                        |
| <b>TOTAL</b>        | <b>30</b>  | <b>675,000</b>           | <b>\$0.25 B</b>               |

*Note: 'replacement value' excludes the value of the land.*



General strategies

1. Explore co-location opportunities, e.g. between police facilities and fire halls; between fire halls and community facilities and/or housing projects; and between Animal Control Shelter and City-operated service yard or other partners or outside agencies.
2. Design police facilities and fire halls to post-disaster construction standards.

<sup>7</sup> The map highlights 3 of the main VPD buildings (Graveley, Cambie and the Cordova Annex next to 312 Main). The other 7 VPD facilities include the training centre, the property storage facility, the dog squad, the mounted squad, the marine squad and two city-owned community policing centres.



## Specific strategies

## 1. POLICE:

- Maintain existing facilities (Graveley and Cambie sites) in good functional order while taking steps (e.g. securing land) to eventually build new permanent facilities.

## 2. FIRE &amp; RESCUE:

- Accelerate the fire hall replacement program in response to the fact that only two fire halls were replaced over the last 10 years.

## 3. ANIMAL CONTROL:

- Pursue co-location opportunities with a City-operated service yard or other partners or outside agencies.

## Identified Priorities

|                | Existing Assets To Be Replaced Or Upgraded   | New Assets To Be Added   |
|----------------|--|--|
| Police         | <ul style="list-style-type: none"> <li>• Ongoing capital maintenance at Cambie site</li> </ul> | <ul style="list-style-type: none"> <li>• Secure land for new primary headquarters</li> </ul> |
| Fire & Rescue  | <ul style="list-style-type: none"> <li>• Replace 4 fire halls</li> </ul>                       | <ul style="list-style-type: none"> <li>• Secure land for two new fire halls</li> </ul>       |
| Animal Control | <ul style="list-style-type: none"> <li>• Replace Animal Control Shelter</li> </ul>             | <ul style="list-style-type: none"> <li>• None</li> </ul>                                     |

## E. Transportation

### Purpose

The transportation network offers a range of travel choices to residents, workers and visitors across the city.

### Inventory of existing assets

|                   | Linear Assets   | Other  | Approximate Replacement Value |
|-------------------|---|--|-------------------------------|
| Walking & Cycling | <ul style="list-style-type: none"> <li>• Sidewalks: 2,400 km</li> <li>• Greenways: 51 km</li> <li>• Bikeways: 173 km</li> </ul> | <ul style="list-style-type: none"> <li>• 341 signals</li> <li>• 13 bridges and underpasses</li> <li>• 6 ferry docks</li> </ul> | \$1.15 B                      |
| Transit           | <ul style="list-style-type: none"> <li>• Bus lanes: 18 km</li> <li>• Streetcar: 2 km</li> </ul>                                 | <ul style="list-style-type: none"> <li>• 37 bus bulges</li> </ul>  | \$11 M                        |
| Major Roads       | <ul style="list-style-type: none"> <li>• Streets: 363 km</li> </ul>   | <ul style="list-style-type: none"> <li>• 468 signals</li> <li>• 24 bridges</li> <li>• 27,000 street lights</li> </ul>          | \$2.95 B                      |
| Local Roads       | <ul style="list-style-type: none"> <li>• Streets: 1,050 km</li> <li>• Lanes: 650 km</li> </ul>                                  | <ul style="list-style-type: none"> <li>• 28,000 street lights</li> </ul>   | \$2.6 B                       |
| Parking           | N.A.  | <ul style="list-style-type: none"> <li>• 21 parkades</li> <li>• 12 surface lots</li> <li>• 9,200 meters</li> </ul>             | \$220 M                       |
| TOTAL             | Approx. 4,700 km  |  | \$6.9 B                       |

*Note: 'replacement value' excludes the value of the land.*

### General strategies

#### 1. GENERAL:

- Provide a transportation system that prioritizes the safe, comfortable and efficient movement of pedestrians, cyclists, transit users and trucks/trains (goods movement).
- Co-ordinate transportation and utility/public works projects whenever possible in order to minimize impact on residential, commercial, transportation and other community functions and to reduce overall construction cost.

#### 2. EXISTING ASSETS:

- Maintain the functionality, safety and integrity of the transportation system.

#### 3. NEW ASSETS:

- Prioritize funding for walking, cycling, transit and goods movement projects.
- Expand sidewalk network; complete greenway and bikeway networks.
- Support auto-oriented projects if they improve safety, are part of a corridor improvement plan and/or increase ride-sharing.

Specific strategies

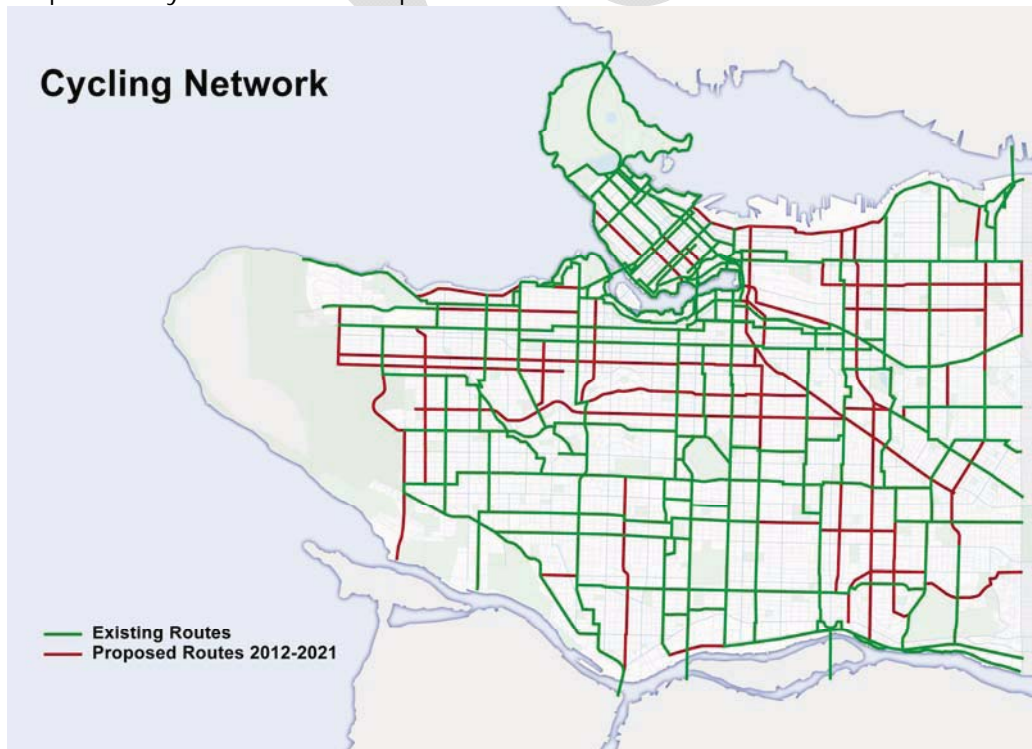
1. PARKING:

- Strategic redevelopment of surface parking and parkades.
- Install pay parking equipment in commercial districts outside of downtown where on-street parking is currently free.

Identified Priorities

|                   | Existing Assets To Be Replaced Or Upgraded   | New Assets To Be Added  |
|-------------------|--|---|
| Walking & Cycling | <ul style="list-style-type: none"> <li>• 75 km of sidewalk</li> </ul>  | <ul style="list-style-type: none"> <li>• 140 km of new sidewalk</li> <li>• 150 km of greenways and bikeways</li> <li>• 120 pedestrian-bike signals</li> </ul> |
| Transit           | <ul style="list-style-type: none"> <li>• Bus slab rehabilitation</li> </ul>                                    | <ul style="list-style-type: none"> <li>• New bus bulges/landings</li> </ul>   |
| Major Roads       | <ul style="list-style-type: none"> <li>• 145 km of repaving/rehab</li> <li>• 3 bridges</li> </ul>              | <ul style="list-style-type: none"> <li>• Safety improvements</li> <li>• Rail grade separation</li> <li>• New vehicular signals</li> </ul>                     |
| Local Roads       | <ul style="list-style-type: none"> <li>• 160 km of road repaving</li> <li>• 110 km of lane repaving</li> </ul> | <ul style="list-style-type: none"> <li>• Local streets built as part of development projects</li> </ul>   |
| Parking           | <ul style="list-style-type: none"> <li>• No major projects</li> </ul>  | <ul style="list-style-type: none"> <li>• New parking structure in Mt. Pleasant industrial area.</li> <li>• 5,000 new parking meter spaces</li> </ul>          |

Proposed bicycle routes to complete network



## F. Utilities & Public Works

### Purpose

The City's utility and public works systems (water, sewer, solid waste, neighbourhood energy) provide essential services to Vancouver's citizens. Therefore, it is critical that they are properly maintained and meet population growth demands.

### Inventory of existing assets

|                              | Linear Assets  | Other  | Approximate Replacement Value |
|------------------------------|--|--|-------------------------------|
| Waterworks                   | <ul style="list-style-type: none"> <li>Water mains: 1,483 km</li> <li>Service connections: 1,120 km</li> </ul> | <ul style="list-style-type: none"> <li>14,000 water meters</li> <li>27 pressure reducing valve stations</li> </ul> | \$1.85 B                      |
| Sewers                       | <ul style="list-style-type: none"> <li>Sewer mains: 2,082 km</li> <li>Service connections: 1,100 km</li> </ul> | <ul style="list-style-type: none"> <li>24 pump stations</li> </ul>   | \$5.0 B                       |
| Solid Waste                  | <ul style="list-style-type: none"> <li>N.A.</li> </ul>   | <ul style="list-style-type: none"> <li>Transfer Station</li> <li>Landfill</li> </ul>                               | \$40 M                        |
| Neighbourhood Energy Utility | <ul style="list-style-type: none"> <li>Pipes: 4 km</li> </ul>  | <ul style="list-style-type: none"> <li>1 energy centre</li> <li>15 transfer stations</li> </ul>                    | \$35 M                        |
| <b>TOTAL</b>                 | Approx. 5,800 km   |  | \$6.9 B                       |

*Note: 'replacement value' excludes the value of the land.*

### General strategies

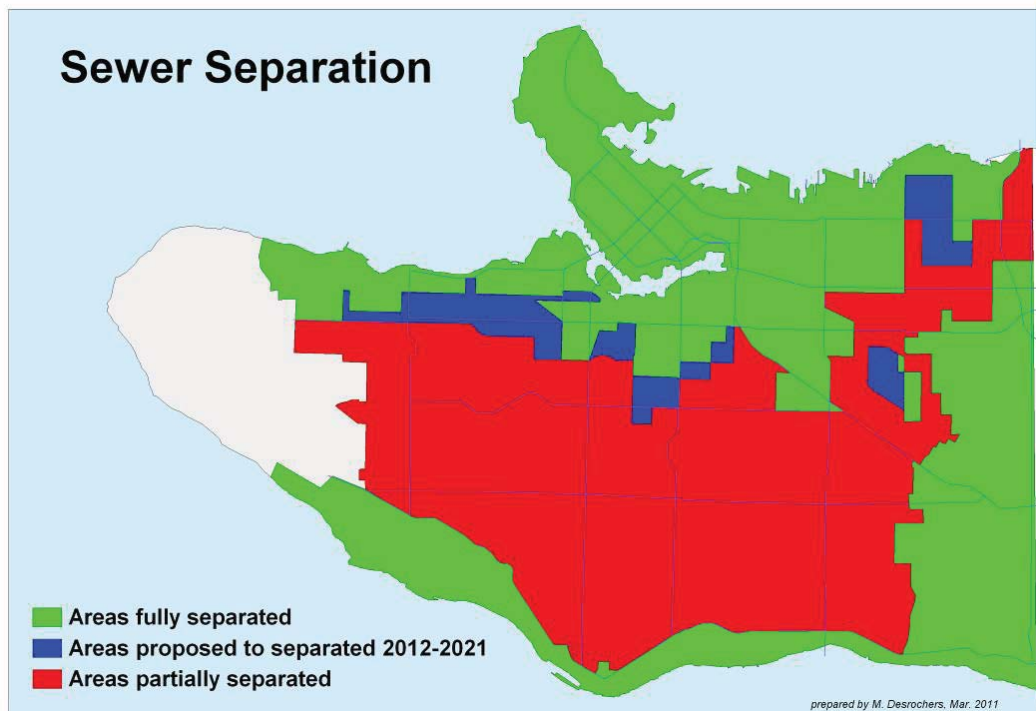
1. Provide utility and public works systems to meet the needs of Vancouver's growing population, in a sustainable and financially viable way.
2. Sustain recapitalization of existing assets at the rate adequate to the asset class life expectancy.
3. Co-ordinate and co-locate utility and public works projects whenever possible in order to minimize impact on residential, commercial, transportation and other community functions and to reduce overall construction cost.



### Specific strategies

1. WATERWORKS:
  - Continue systematic recapitalization of existing assets.
2. SEWERS:
  - Accelerate the sewer separation program (i.e. taking existing combined sewers and separating them into two pipes - one for 'sanitary' sewage and one for storm/rain

water), in order to eliminate situations where untreated sanitary sewage can flow into Burrard Inlet, English Bay, False Creek or the Fraser River by 2050.



3. SOLID WASTE:

- Rebuild Transfer Station and enhance facilities at the Landfill, in coordination with Metro Vancouver, in response to aging infrastructure and increased demand due to waste diversion initiatives. Review location choices for a new Transfer Station within the context of a city-wide service yards strategy.

4. NEIGHBOURHOOD ENERGY UTILITY:

- Extend services to all of the SEFC Official Development Plan area.

Identified Priorities

|                      | Existing Assets To Be Replaced Or Upgraded  | New Assets To Be Added   |
|----------------------|---|--|
| Waterworks           | <ul style="list-style-type: none"> <li>• 115 km of water mains</li> <li>• 180 km of service connections</li> <li>• 7 PRV stations</li> </ul>  | <ul style="list-style-type: none"> <li>• Water mains built as part of development projects</li> </ul>  |
| Sewers               | <ul style="list-style-type: none"> <li>• 170 km of sewer pipes</li> <li>• 100 km of service connections</li> <li>• 6 pump stations</li> </ul> | <ul style="list-style-type: none"> <li>• Sewers built as part of development projects</li> </ul>   |
| Solid Waste          | <ul style="list-style-type: none"> <li>• Replace Transfer Station</li> <li>• Rebuild residential drop-off station at Landfill</li> </ul>      | <ul style="list-style-type: none"> <li>• Landfill closure works</li> <li>• Landfill compost upgrade</li> <li>• Landfill gas ring header</li> </ul> |
| Neighbourhood Energy | <ul style="list-style-type: none"> <li>• None</li> </ul>  | <ul style="list-style-type: none"> <li>• 2 km of pipes</li> </ul>  |

## G. Civic Infrastructure

### Purpose

To provide appropriate civic infrastructure levels to operate the City in an efficient manner, which supports Vancouver’s population growth, liveability standards and a complex variety of services.

### Inventory of existing assets

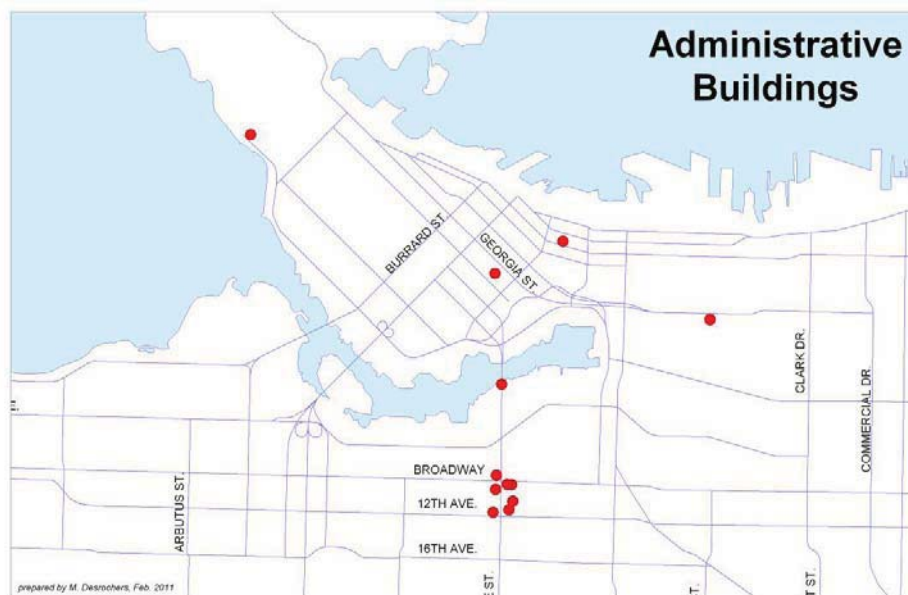
|                          | Quantity  | Approximate Replacement Value |
|--------------------------|---|-------------------------------|
| Administrative Buildings | <ul style="list-style-type: none"> <li>• 12 buildings or portions of buildings with 460,000 sq.ft.</li> </ul>                               | \$230 M                       |
| Service Yards            | <ul style="list-style-type: none"> <li>• 18 yards with about 100 buildings</li> </ul>   | \$210 M                       |
| Vehicles & Equipment     | <ul style="list-style-type: none"> <li>• 1,850 vehicles</li> <li>• 2,850 pieces of equipment</li> </ul>                                     | \$200 M                       |
| Information Technology   | <ul style="list-style-type: none"> <li>• 5,300 computers</li> <li>• 300 servers</li> <li>• 250 specialized software applications</li> </ul> | \$130 M                       |
| <b>TOTAL</b>             |   | <b>\$0.8 B</b>                |

*Note: 'replacement value' excludes the value of the land.*

### Specific strategies

#### 1. ADMINISTRATIVE BUILDINGS:

- Maintain existing facilities in good functional order. Prepare and implement a seismic upgrade strategy for administrative buildings. Pursue construction of new City Hall annex based on completion of a full accommodation study and if there is a viable public-private partnership opportunity.



2. SERVICE YARDS:

- Explore opportunities for co-location and functional integration among various service yards (e.g. Engineering’s Manitoba Yard and Park Board’s Sunset Yard).



3. VEHICLES & EQUIPMENT:

- Continue with life-cycle replacement programs.

4. INFORMATION TECHNOLOGY:

- Continue with life-cycle replacement programs and replacement of outdated application systems.
- Provide system upgrades to improve operational efficiency (e.g. Mobilizing the workforce) and to offer new public services (e.g. Citizen self-service).

Identified Priorities

|                          | Existing Assets To Be Replaced Or Upgraded  | New Assets To Be Added  |
|--------------------------|---|---|
| Administrative Buildings | <ul style="list-style-type: none"> <li>• To be determined once seismic upgrade strategy is completed.</li> </ul>  | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Service Yards            | <ul style="list-style-type: none"> <li>• To be determined within context of city-wide service yards strategy</li> </ul>   | <ul style="list-style-type: none"> <li>• To be determined within context of city-wide service yards strategy</li> </ul>   |
| Vehicles & Equipment     | <ul style="list-style-type: none"> <li>• Assets replaced based on life-cycle replacement programs</li> </ul>  | <ul style="list-style-type: none"> <li>• To be determined based on corporate and departmental needs.</li> </ul>   |
| Information Technology   | <ul style="list-style-type: none"> <li>• Hardware replacement</li> <li>• Replacement of PRISM, citywire (intranet), EQS software, Library ILS software, Digital fingerprinting</li> </ul> | <ul style="list-style-type: none"> <li>• Mobilizing the workforce</li> <li>• Business intelligence</li> <li>• Asset management</li> <li>• Citizen self-service</li> </ul> |

## Major Capital Projects (>\$100M)

Major capital projects (with values of \$100 Million or more) represent 40% of the assets under consideration as part of the *2011-2021 Capital Strategic Outlook*. They are:

- New Vancouver Art Gallery / Concert hall
- Non-market housing program
- New Police Headquarters
- New City Hall annex
- Hastings Park / Pacific National Exhibition

Given the significant cost of these projects and inability to fund within the City's financial capacity, a number of strategies have been developed to reduce the net cost to the City while enabling progress on these significant projects.

Preliminary Strategies for Major Projects

| Project                                      | Gross Cost | Strategy  | Net Cost                   |
|--|------------|---|----------------------------|
| New Vancouver Art Gallery and Concert Hall   | \$700 M    | <ul style="list-style-type: none"> <li>• Limit the City's financial contribution to:               <ul style="list-style-type: none"> <li>○ provision of Georgia/Cambie site (~\$60 M)</li> <li>○ foregoing of debt linked to site (~\$45 M)</li> <li>○ cash to fund preliminary studies (~\$5 M)</li> </ul> </li> <li>• Require balance to be funded by non-City contributors</li> <li>• Risk: will City be asked to increase its contribution if there is a funding gap?</li> </ul> | ~\$110 M                   |
| Non-Market Housing: Land Acquisition Program | \$360 M    | <ul style="list-style-type: none"> <li>• Reduce need to acquire land by:               <ul style="list-style-type: none"> <li>○ re-purposing some PEF properties</li> <li>○ using freed-up parcels after a co-location project is completed</li> </ul> </li> <li>• Consider constructing some non-market rental housing</li> </ul>  | ~\$270 M<br>(75% of gross) |
| New Police Headquarters                      | \$350 M    | <ul style="list-style-type: none"> <li>• Secure land for new building: pursue land that could be acquired from senior governments or purchase land (~\$25 M)</li> <li>• Keep existing facilities functional for 10-15 year period, including: capital maintenance at 2120 Cambie (~\$15 M) and parking lot near 2120 Cambie</li> <li>• Risk: needs may outpace space available at 2120 Cambie over 10-15 year period</li> </ul>   | ~\$40 M                    |
| New City Hall Annex                          | \$300 M    | <ul style="list-style-type: none"> <li>• Pursue over the next 10 years only if there is a viable public-private partnership</li> </ul>  | None                       |
| Hastings/PNE                                 | \$100 M    | <ul style="list-style-type: none"> <li>• Rely on PNE funding for about 20% of funding</li> </ul>  | ~\$80 M                    |
| SUB-TOTAL                                    | \$1.8 B    | <ul style="list-style-type: none"> <li>• Alternative funding sources: ~\$600 M</li> <li>• Additional strategies (e.g. phasing large scale projects, using existing City land rather than acquiring new land): ~\$700 M</li> </ul>   | ~\$500 M                   |



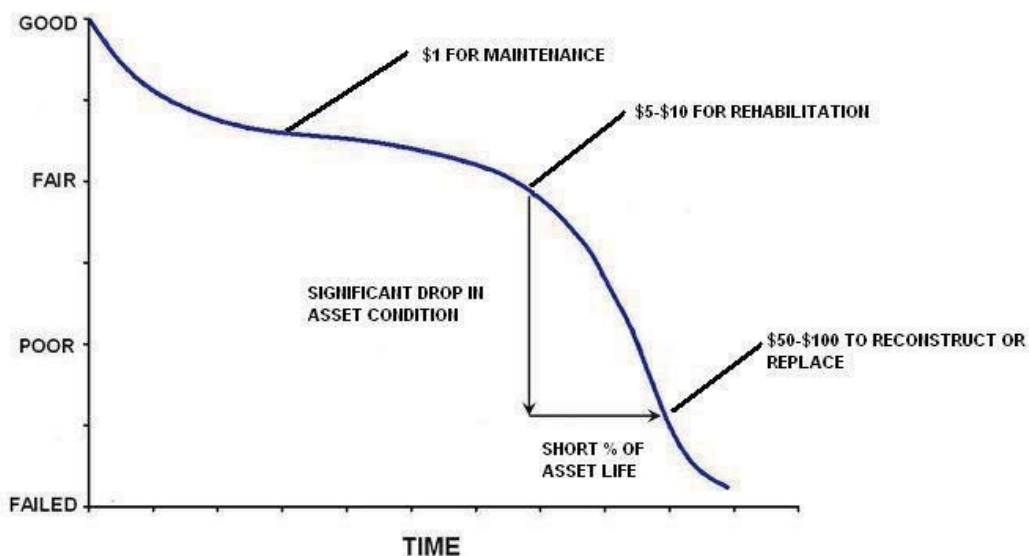
## Capital Investment and Funding Risks

Some of the capital investment and funding risks have already been highlighted, including impacts of changing demographics, lower than expected population growth and interest rate increases. If economic growth rates drops from 3% to 2%, that impacts capacity by \$0.2B.

External economic events may also create risk, for instance the impact of financial crises in certain European countries, the success of recovery in the United States and the ability of China to sustain economic growth indefinitely.

Continued restructuring of federal or provincial priorities and funding (downloading) may put pressure on capital and operating funds at the municipal level, creating additional risk.

Other risks include higher-than-anticipated demand, shorter life-cycle for certain assets than anticipated and the possible increased costs of new environmental standards.



Timing of capital investments can have a significant impact on the condition, functionality and life cycle operating costs for an asset. Most assets maintain a good to fair condition for a long period of time and then typically have a relatively short period of time where the condition deteriorates from fair to poor and ultimately failure. Best practices in asset management would prioritize spending on preventative maintenance and rehabilitation so that larger investments in reconstruction or replacement can be avoided or delayed. Put another way, \$100 spent on a poor or failed asset means we cannot spend \$1 to keep 100 assets in good condition or renew 10-20 fair assets back to a good condition.

## Next Steps

Immediately following the finalization of the *2011-2021 Capital Strategic Outlook*, staff will begin the work of drafting the 3 Year Capital Plan in preparation for the referendum in November 2011.

Following the 3 Year Capital Plan, the Capital Budget (comprised of a 1 Year Budget and a 2 Year Forecast) will be developed and presented to Council in early 2012. The budget approval process provides the final step in funding for a project.

## Conclusion

Council directed staff to make recommendations on changes to the City's capital planning process that supports more rigour in financial estimates, timelines and project oversight and completion. The *2011-2021 Capital Strategic Outlook* is one component to the changes and improvements that also include:

- Reduced 2010 capital requests by \$60M
- Reprioritized funding and surpluses to fund Council priorities (such as \$14M funding for affordable housing at South East False Creek)
- Reduced borrowing requirements
- Received \$63.5M of government infrastructure funding for capital projects
- Introduced of quarterly financial reporting on capital spending

For BC municipalities other than Vancouver, the Community Charter requires municipalities to have financial plans, the planning period for which is 5 years. Vancouver has chosen to extend that to 10 years.

With the introduction of the *2011-2021 Capital Strategic Outlook*, capital planning at the City of Vancouver now has 3 components:

- Capital Strategic Outlook (10 year, high-level, strategy regarding capital assets and investments)
- Capital Plan (3 year agenda with public consultation culminating in a referendum)
- Capital Budget (combines a 1 year budget with a 2 year forecast)

The *2011-2021 Capital Strategic Outlook* is the City of Vancouver's first 10 year strategic outlook for capital assets. It defines the city's current strategies, opportunities and challenges. Specifically, the 10 year strategic outlook will:

- Improve long-term asset management
- Provide a longer term framework to inform the 3 year capital plan and 1 year capital budget processes
- Highlight projects which could be ready to advance should additional funding become available
- Guide the selection of public amenities which are generated via rezoning and developments

The holistic approach to capital planning is supported by new tools (e.g. mapping/GIS tools and enterprise-wide information management systems such as Hansen and SAP), strategic public engagement processes, responsiveness to emerging priorities and alignment with Council priorities.

If the *2011-2021 Capital Strategic Outlook* is fully implemented in the next 10 years, the outcomes will include:

- Fewer stand-alone facilities and more multi-use community facilities
- Substantial increases in non-market rental housing
- Substantial completion of greenways and bikeways networks
- Significant increases in tree planting (parks, open spaces, along streets)
- Substantial increases in sewer separation
- New transfer station and recycling facility

- Initiation of a service yards co-location strategy
- Greener buildings

It is intended to be an iterative process, the goal being to review the 10 year strategic outlook every 3 years.

The challenges faced in this process include finding a balance between recapitalization of existing assets and funding of new assets, the impact of choices regarding capital on the operating budget and the realities of the city's fiscal capacity. What was achieved as part of the *2011-2021 Capital Strategic Outlook* is a more integrated organizational approach to capital planning and an optimization of both value and outcomes. The strategic outlook represents a significant culture and operational shift that supports optimal decision-making, based on improved data and transparency of priorities.

Draft

## Glossary of Frequently Used Terms

Asset management: Process aimed at strategic management of physical assets during their life cycle. Physical assets have a finite life: they are planned, created, used, managed and maintained and when no longer required they are prepared for disposal or salvage.

Asset: Assets are economic resources. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. Simply stated, assets represent ownership of value that can be converted into cash. Examples include buildings, real estate and equipment.

Capital maintenance: Maintenance work performed using a systematic management process to plan and budget for known cyclical repair and replacement requirements that extend the life and retain the usable condition of facilities and systems. Sometimes interchangeably used with “periodic maintenance” or “major maintenance”. This maintenance is funded through the capital budget.

Capital plan: A documented financial plan developed by the City of Vancouver which details the city’s strategy to acquire or construct new capital assets. Developing a capital plan is beneficial because it identifies: Projects and benefits to the community, costs associated with these projects and the potential sources of funding available to the city (I.e. internal saving levels, grants and partnering with other municipalities.)

Co-location: The act of placing multiple (sometimes related) entities (e.g. functions, uses) within a single location. Examples include co-locating libraries and community centres in the same physical facility.

Facility: A building or place that provides a particular service or is used for a particular industry. Examples include, fire halls, community centres and libraries.

Infrastructure: The basic physical systems of a country’s or community’s population, including roads, utilities/public works, water and sewer systems.

Recapitalization (Capital Renewal): Recapitalization, also known as capital renewal, is the replacement of building subsystems or infrastructure systems, including but not limited to, roofs, electrical distribution equipment, HVAC equipment, building control systems, sewer pipes, water mains and roads.

Rehabilitation: Rehabilitation is the construction work required in order to adapt existing facilities for new uses and/or correct building deficiencies. Work in this category will substantially alter buildings, equipment, grounds, or utilities. Building deficiencies include deferred maintenance.

Replacement of asset: Act of replacing an existing asset that has reached the end of its useful life with a new asset built at the same location for a similar function. In addition the replacement asset should be a similar size (+/- 20%).

Replacement value: The term replacement value or replacement cost refers to the price that will have to be paid to replace an existing asset with a similar asset.

Strategic Outlook: An elaborate and systematic plan that identifies the best approaches for an organization to achieve its long term goals and objectives.

**APPENDIX A**

## CAPITAL PLANNING ACROSS CANADA

| City / Agency                 | Longer-term tool:  | Short/medium-term tool:           |
|-------------------------------|--|-----------------------------------|
| Vancouver (Currently)         | None   | 3 Year Plan<br>1 Year Budget      |
| All Other B.C. Municipalities | None   | 1 Year Budget + 4 Year Forecast   |
| Translink                     | 10 Year Plan<br>(year-by-year allocations)   | 1 Year Budget                     |
| Calgary                       | 10 Year Plan<br>(allocations for first 5 year and second 5 year periods)                                       | 3 Year Budget + 2 Year Forecast   |
| Edmonton                      | 10 Year Plan<br>(allocations for 10 year period)   | 3 Year Budget + 2 Year Forecast   |
| Winnipeg                      | None   | 1 Year Budget + 5 Year Forecast   |
| Toronto                       | 10 Year Plan *<br>(year-by-year allocations for first 5 years and general allocation for second 5 year period) | 1 Year Budget + 9 Year Forecast * |
| Hamilton                      | 10 Year Plan *<br>(year-by-year allocations)   | 1 Year Budget + 9 Year Forecast * |
| Ottawa                        | 10 Year Plan<br>(allocations for 10 year period)   | 1 Year Budget                     |
| Montreal                      | None   | 3 Year Plan<br>1 Year Budget      |
| Quebec                        | None   | 3 Year Plan<br>1 Year Budget      |

\* Denotes that it is the same tool for the longer-term and short/medium-term.

*Capital Staff Review Group and Capital Planning Oversight Committee*

Capital Staff Review Group

Garrick Bradshaw (Director, Facility Design & Management)  
John Brossard (Business Analyst, Corporate Services - Park Board)  
Grace Cheng (Manager, Financial Policy & Projects)  
Brian Crowe (Director, Engineering - Water & Sewers Division)  
Michelle Davey (Inspector, Facilities Section - Vancouver Police Department)  
Michel Desrochers (Project Manager, Capital Planning)  
Danica Djurkovic (Acting Director, Planning & Operations - Park Board)  
Mark Engler (AGM/Deputy Chief, Fire & Rescue Services)  
John Hunter (Manager, Financial Services Group)  
Patrice Impey (General Manager, Financial Services Group)  
Rikki Jacobson (Change Management Consultant, Vancouver Services Review)  
Liz Jones (Acting Manager, Capital Budget)  
Annette Klein (Director, Operational Information & Planning - Engineering)  
Doug Manarin (Project Team, Capital Program)  
Julia Morrison (Manager, Corporate Operating Budgets)  
Adam Palmer (Deputy Chief, Vancouver Police Department)  
Sean Pander (Assistant Director, Sustainability Group)  
Brenda Proskan (Deputy General Manager, Community Services Group)  
Michele Pye (Deputy Director, Vancouver Services Review)  
Judy Robbins (Assistant Manager, Financial Reporting)  
Matt Shillito (Assistant Director, Community Planning)  
Eric Smith (Director, Corporate Services - Vancouver Public Library)  
Shari Wallace (Director, IT Strategy, Business Relationships and Projects)  
Daphne Wood (Director, Planning & Development - Vancouver Public Library)  
Warwick Wright (Senior Director of Finance, Vancouver Police Department)

Capital Planning Oversight Committee

Ken Bayne (General Manager, Business Planning & Services)  
Malcolm Bromley (General Manager, Parks & Recreation)  
Patrice Impey (General Manager, Financial Services Group)  
Sadju Johnson (Deputy City Manager)  
Peter Judd (General Manager, Engineering Services)  
David McLellan (General Manager, Community Services Group)

| <p>\$ millions</p>                    | <p>2012-14<br/>CAPITAL PLAN<br/>CURRENT<br/>DRAFT:<br/>ALL FUNDING<br/>SOURCES</p> | <p>2012-14<br/>CAPITAL PLAN<br/>CURRENT<br/>DRAFT:<br/>DEBENTURE &amp;<br/>CAP FROM REV</p> | <p>2012-14 CAPITAL PLAN:<br/>INVESTMENTS IN<br/>EXISTING ASSETS</p>  | <p>2012-14 CAPITAL PLAN:<br/>INVESTMENTS IN<br/>NEW ASSETS</p>   |
|---------------------------------------|--|---|--|--|
| <p><b>COMMUNITY FACILITIES</b></p>    | <p><b>\$84</b></p>   | <p><b>\$63</b></p>  |  |  |
| <p>Childcare</p>                      | <p>\$12</p>  | <p>\$7</p>  | <ul style="list-style-type: none"> <li>- Childcare replacement (57 spaces) (\$3.9 M)</li> <li>- Marpole Civic Centre childcare (\$3.5 M)</li> <li>- Facility maintenance (\$0.75 M)</li> <li>- Childcare capital grants (\$0.4 M)</li> <li>- Planning (\$0.2 M)</li> </ul>   | <ul style="list-style-type: none"> <li>- 3 new childcares (~150 new spaces) (\$2.9 M plus 'in-kind CACs')</li> </ul>                       |
| <p>Social</p>                         | <p>\$6</p>   | <p>\$6</p>  | <ul style="list-style-type: none"> <li>- Gathering Place and Urban Native Youth Centre upgrades &amp; renos (\$2.8 M)</li> <li>- Facility maintenance (\$0.9 M)</li> <li>- 15 heritage façade grants (\$0.75 M)</li> <li>- DTES capital program (\$0.7 M)</li> <li>- Planning (\$0.45 M)</li> <li>- Social capital grants (\$0.25 M)</li> </ul>  | <ul style="list-style-type: none"> <li>nil<br/>(note: new community facility to be provided as 'in-kind CAC' at Arbutus Centre)</li> </ul> |
| <p>Recreation (Community Centres)</p> | <p>\$17</p>  | <p>\$7</p>  | <ul style="list-style-type: none"> <li>- Marpole Community Centre (\$10 M)</li> <li>- Facility maintenance (\$3.3 M)</li> <li>- Kensington Community Centre childcare replacement (\$1.75 M)</li> </ul>  | <ul style="list-style-type: none"> <li>nil</li> </ul>  |
| <p>Library &amp; Archives</p>         | <p>\$24</p>  | <p>\$22</p>   | <ul style="list-style-type: none"> <li>- Park Board project management and overhead (\$1.65 M)</li> <li>- Planning (\$0.5 M)</li> <li>- Britannia Centre renovations (\$0.15 M)</li> <li>- DTES-Strathcona branch (\$15.3 M)</li> <li>- Marpole Civic Centre library (\$4.5 M)</li> <li>- Facility maintenance (\$1.65 M)</li> <li>- Central Library - Planning (Levels 8 &amp; 9) (\$1.3 M)</li> <li>- Archives bldg envelope repairs (\$1.2 M)</li> <li>- Branch library renos. (\$0.2 M)</li> </ul> | <ul style="list-style-type: none"> <li>nil</li> </ul>  |
| <p>Culture</p>                        | <p>\$16</p>  | <p>\$16</p>   | <ul style="list-style-type: none"> <li>- Facilities maintenance (\$5.2 M)</li> <li>- VAG plaza membrane replacement (\$5 M)</li> <li>- Cultural capital grants (\$5 M)</li> <li>- Bloedel Conservatory roof (Phase 1) (\$1 M)</li> </ul>   | <ul style="list-style-type: none"> <li>nil</li> </ul>  |
| <p>Entertainment &amp; Exhibition</p> | <p>\$9</p>   | <p>\$5</p>  | <ul style="list-style-type: none"> <li>- Livestock Bldg. renewal (Phase 1) (\$6 M)</li> <li>- Playland renewal (Phase 1) (\$1.1 M)</li> <li>- Facilities maintenance (\$0.9 M)</li> <li>- Outdoor amphitheatre (Phase 1) (\$0.55 M)</li> <li>- Planning (infrastructure &amp; traffic/parking) (\$0.55 M)</li> </ul>   | <ul style="list-style-type: none"> <li>nil</li> </ul>  |
| <p><b>HOUSING</b></p>                 | <p><b>\$61</b></p>   | <p><b>\$18</b></p>  |  |  |
| <p>Non Market Housing</p>             | <p>\$61</p>  | <p>\$18</p>   | <ul style="list-style-type: none"> <li>- Facility maintenance &amp; repairs (\$17.3 M)</li> <li>- Planning (\$1 M)</li> </ul>  | <ul style="list-style-type: none"> <li>- ~1,100 new units of housing (land and grants) (\$42.4 M)</li> </ul>                               |
| <p>Market Rental Housing</p>          | <p>\$0.7</p>   | <p>\$0</p>  | <ul style="list-style-type: none"> <li>- Facility maintenance (\$0.7 M)</li> </ul>   | <ul style="list-style-type: none"> <li>nil</li> </ul>  |

| \$ millions                    | 2012-14 CAPITAL PLAN CURRENT DRAFT: ALL FUNDING SOURCES | 2012-14 CAPITAL PLAN CURRENT DRAFT: DEBENTURE & CAP FROM REV | 2012-14 CAPITAL PLAN: INVESTMENTS IN EXISTING ASSETS  | 2012-14 CAPITAL PLAN: INVESTMENTS IN NEW ASSETS   |
|--------------------------------|---|--|---|---|
| <b>PARKS &amp; OPEN SPACES</b> | \$41  | \$14   |   |   |
| Parks & Open Spaces            | \$34  | \$11   | <ul style="list-style-type: none"> <li>- Parks' feature replacement (e.g. natural features, activity features, infrastructure and park buildings) (\$5.75 M)</li> <li>- Project management and overhead (\$3.25 M)</li> <li>- Park renewals (Riley, Hillcrest &amp; John Hendry Parks) (\$2.25 M)</li> <li>- Planning (\$0.4 M)</li> </ul>  | <ul style="list-style-type: none"> <li>- Hastings Park greening (Empire Fields, trails and signage) (\$8.4 M)</li> <li>- New parks (acquisition and/or development) (\$7.3 M)</li> <li>- Mountain View Cemetery - increase internment capacity (\$2.5 M)</li> <li>- New features in parks (natural features, activity features, infrastructure and park buildings) (\$2.9 M)</li> <li>- Greenest City "Access to Nature" initiatives (\$1.2 M)</li> <li>- Walkway-bikeway upgrades - west beaches (\$1.7 M)</li> <li>- ~4,800 new trees (\$1.7 M)</li> <li>- ~5 new pieces of public art (\$1 M)</li> </ul> |
| Seawalls and Trails            | \$2   | \$0  |   |   |
| Street Trees                   | \$3   | \$2  | <ul style="list-style-type: none"> <li>- Replace ~5,000 trees (\$1.75 M)</li> </ul>   |   |
| Public Art                     | \$1   | \$1  | <ul style="list-style-type: none"> <li>- Maintenance (\$0.4 M)</li> </ul>   |   |
| <b>PUBLIC SAFETY</b>           | <b>\$25</b>   | <b>\$25</b>  |   |   |
| Police                         | \$0.2   | \$0.2  | <ul style="list-style-type: none"> <li>- Facility maintenance and minor upgrades (\$0.15 M)</li> </ul>  | nil   |
| Fire                           | \$25  | \$25   | <ul style="list-style-type: none"> <li>- 2 fire halls replacement (\$22.9 M)</li> </ul>   | nil   |
| Animal Control                 | \$0.2   | \$0.2  | <ul style="list-style-type: none"> <li>- Facility maintenance and minor upgrades (\$0.2 M)</li> </ul>   | nil   |
| <b>TRANSPORTATION</b>          | <b>\$165</b>  | <b>\$82</b>  |   |   |
| Walking & Cycling              | \$25  | \$11   | <ul style="list-style-type: none"> <li>- ~4 km of sidewalks &amp; 200 curb ramps (\$4 M)</li> <li>- 15 ped/bike signals - replacement (\$3.3 M)</li> <li>- Ped bridges &amp; ferry docks - maintenance (\$0.75 M)</li> </ul>  | <ul style="list-style-type: none"> <li>- Active transportation corridors' (\$13.1 M)</li> <li>- 12 new ped/bike signals (\$2.6 M)</li> <li>- 1 km of new sidewalk (\$1 M)</li> </ul>  |
| Transit                        | \$4   | \$3  | <ul style="list-style-type: none"> <li>- 20 bus slabs - replacement (\$0.8 M)</li> <li>- Broadway rapid transit - planning (\$0.15 M)</li> </ul>  | <ul style="list-style-type: none"> <li>- Transit improvement projects (\$2.6 M)</li> </ul>  |
| Major Roads                    | \$118   | \$59   | <ul style="list-style-type: none"> <li>- ~25 km of arterial streets - repavement (\$25 M)</li> <li>- Burrard Bridge - deck, PCB's and maintenance (\$15.45 M)</li> <li>- Granville Bridge - PCB's (\$9 M)</li> <li>- 6 traffic signals - replacement (\$6.25 M)</li> <li>- Street lighting infrastructure - replacement (\$4.4 M)</li> <li>- Data gathering and analysis (\$4.3 M)</li> <li>- BC Hydro "H frame" poles (downtown) - replacement &amp; infrastructure (\$2.4 M)</li> <li>- Planning/Design work (\$1 M)</li> </ul> | <ul style="list-style-type: none"> <li>- Powell Street overpass (\$47.7 M)</li> <li>- Arterial street modifications (\$2.9 M)</li> </ul>  |
| Local Serving Roads            | \$9   | \$9  | <ul style="list-style-type: none"> <li>- ~2.1 km of local streets and lanes - repavement (\$5 M)</li> <li>- Street lighting infrastructure - replacement (\$2.6 M)</li> <li>- 3 retaining walls - rebuild (\$0.2 M)</li> </ul>  | <ul style="list-style-type: none"> <li>- New traffic calming (\$0.7 M)</li> </ul>   |
| Parking                        | \$9   | \$2  | <ul style="list-style-type: none"> <li>- Parkade repairs and maintenance (\$5.1 M)</li> <li>- ~5,200 parking meters - replacement (\$2.6 M)</li> </ul>  | <ul style="list-style-type: none"> <li>- 1,650 new parking meters (1.65 M)</li> </ul>   |



| <i>\$ millions</i>                  | 2012-14 CAPITAL PLAN CURRENT DRAFT: ALL FUNDING SOURCES | 2012-14 CAPITAL PLAN CURRENT DRAFT: DEBENTURE & CAP FROM REV | 2012-14 CAPITAL PLAN: INVESTMENTS IN EXISTING ASSETS  | 2012-14 CAPITAL PLAN: INVESTMENTS IN NEW ASSETS  |
|-------------------------------------|---|--|---|--|
| <b>UTILITIES &amp; PUBLIC WORKS</b> | <b>\$251</b>  | <b>\$159</b>   |   |  |
| Waterworks                          | \$51  | \$45   | <ul style="list-style-type: none"> <li>- 27 km water distribution mains (0.6% per/yr) + Pender transmission Main (\$37.5 M)</li> <li>- 600 water service replacements (\$3 M)</li> <li>- 125 fire hydrants (\$0.8 M)</li> <li>- 425 water meters replaced (\$0.45 M)</li> <li>- DFPS Major Mtce (\$0.50)</li> <li>- 9 water monitoring units (telemetry) (\$0.4 M)</li> <li>- Seismic upgrades (\$0.25 M)</li> <li>- Civic conservation capital (\$0.1 M)</li> <li>- replace 38 km of combined sewer with separated sewers (\$93 M)</li> <li>- 500 failed sewer connections replaced (\$3.5 M)</li> <li>- 2 pump stations (\$10 M)</li> <li>- sewer separation on private property program (\$2.1 M)</li> <li>- 1 km of sanitary sewer upsized to accommodate development (\$1.8 M)</li> <li>- Data gathering and analysis (\$1.25 M)</li> <li>- 1 storm water management plan (\$0.5 M)</li> </ul> | <ul style="list-style-type: none"> <li>- New commercial connections - (\$6 M) Fee supported</li> <li>- Investigation for Design (\$0.75 M)</li> <li>- 320 new water meters (\$0.25 M) Fee supported</li> <li>- 0.6 km new water mains to improve water quality (\$0.45 M)</li> <li>- 20 tapwater stations + 5 frost free fountains (\$0.2 M)</li> <li>- System extensions (\$0.6 M)</li> </ul> |
| Sewers                              | \$152   | \$112  |   | <ul style="list-style-type: none"> <li>- 4000 Public water/sewer connections to new homes (\$40 M)</li> </ul>  |
| Solid Waste                         | \$46  | \$0  |   | <ul style="list-style-type: none"> <li>- Landfill closure &amp; gas collection projects (\$34.85 M)</li> <li>- New composting facility (\$11 M)</li> </ul>   |
| Neighbourhood Energy                | \$1.4   | \$1.4  |   | <ul style="list-style-type: none"> <li>- New pipes and energy transfer stations to 6 new buildings (\$1.45 M)</li> </ul>   |
| <b>CIVIC INFRASTRUCTURE</b>         | <b>\$103</b>  | <b>\$54</b>  |   |  |
| Administration Facilities           | \$15  | \$15   | <ul style="list-style-type: none"> <li>- Facility maintenance (\$3.7 M)</li> <li>- Hazardous materials program for all civic buildings (\$3.6 M)</li> <li>- Renovations at City Hall precinct (\$2.85 M)</li> <li>- Seismic upgrade at City Hall precinct (\$2 M)</li> <li>- Data gathering and analysis (\$2.1 M)</li> <li>- Planning (\$0.3 M)</li> <li>- Expansion of recycling program (\$0.1 M)</li> </ul>   | nil  |
| Yards                               | \$0.5   | \$0.5  | <ul style="list-style-type: none"> <li>- Facility maintenance (\$0.5 M)</li> </ul>  | nil  |
| Fleet                               | \$34  | \$0  | <ul style="list-style-type: none"> <li>- 270 vehicles &amp; pieces of equipment (\$32 M)</li> <li>- Green fleet investments (\$2 M)</li> </ul>  | nil  |
| Information Technology              | \$54  | \$39   | <ul style="list-style-type: none"> <li>- Replacement of software/applications, including permits, library and voting systems (\$27.9 M)</li> <li>- Replacement of hardware (\$17 M)</li> <li>- Research/pilot projects (\$1 M)</li> </ul>   | <ul style="list-style-type: none"> <li>- New systems (to be selected from a list that includes carbon accounting, workforce mobility, web redevelopment, business intelligence) (\$7.5 M)</li> </ul>   |
| <b>PROGRAM SPENDING</b>             | <b>\$730</b>  | <b>\$416</b>   |   |  |
| EMERGING PRIORITIES                 | \$20  | \$20   |   |  |
| INFLATION CONTINGENCY               | \$10  | \$10   |   |  |
| CORPORATE OVERHEAD                  | \$10  | \$10   |   |  |
| <b>GRAND TOTAL</b>                  | <b>\$770</b>  | <b>\$456</b>   |   |  |
| <b>TARGET</b>                       | <b>~\$700</b>   | <b>~\$385</b>  |   |  |

2012-14 Draft Capital Plan  
Funding Sources By Category

| Ref | Category                                  | 2012-14<br>Proposed Plan<br>(\$000) | Debenture and<br>Capital From<br>Revenue (City)<br>(\$000) | DCL Funding<br>(City)<br>(\$000) | Other Funding<br>Sources and<br>Fees (City)<br>(\$000) | Contributions<br>from Other<br>Gov'ts and<br>Partners<br>(\$000) | Total Funding<br>(All Sources)<br>(\$000) |
|-----|---|-------------------------------------|--|----------------------------------|--|--|---|
| 1a  | Childcare                                 | 11,590                              | 6,590  | 5,000                            | -  | -  | 11,590                                    |
| 1b  | Social                                    | 5,800                               | 5,800  | -                                | -  | -  | 5,800                                     |
| 1c  | Recreation                                | 17,300                              | 7,300  | -                                | 10,000   | -  | 17,300                                    |
| 1d  | Library and Archives                      | 24,155                              | 22,355   | -                                | 1,800  | -  | 24,155                                    |
| 1e  | Cultural                                  | 16,187                              | 16,187   | -                                | -  | -  | 16,187                                    |
| 1f  | Entertainment and Exhibition              | 9,100                               | 5,100  | -                                | 4,000  | -  | 9,100                                     |
|     | <b>Total Community Facilities</b>         | <b>84,132</b>                       | <b>63,332</b>  | <b>5,000</b>                     | <b>15,800</b>  | <b>-</b>   | <b>84,132</b>                             |
| 2a  | Non-Market Housing                        | 60,737                              | 18,387   | 33,500                           | -  | 8,850  | 60,737                                    |
| 2b  | Market Rental Housing                     | 700                                 | -  | -                                | 700  | -  | 700                                       |
|     | <b>Total Housing</b>                      | <b>61,437</b>                       | <b>18,387</b>  | <b>33,500</b>                    | <b>700</b>   | <b>8,850</b>   | <b>61,437</b>                             |
| 3a  | Parks and Open Spaces                     | 33,870                              | 11,375   | 19,745                           | 2,750  | -  | 33,870                                    |
| 3b  | Seawalls and Trails                       | 1,945                               | 245  | 1,700                            | -  | -  | 1,945                                     |
| 3c  | Street Trees                              | 3,450                               | 1,700  | -                                | 1,750  | -  | 3,450                                     |
| 3d  | Public Art                                | 1,400                               | 1,100  | -                                | 300  | -  | 1,400                                     |
|     | <b>Total Parks and Open Spaces</b>        | <b>40,665</b>                       | <b>14,420</b>  | <b>21,445</b>                    | <b>4,800</b>   | <b>-</b>   | <b>40,665</b>                             |
| 4a  | Police                                    | 160                                 | 160  | -                                | -  | -  | 160                                       |
| 4b  | Fire                                      | 24,750                              | 24,750   | -                                | -  | -  | 24,750                                    |
| 4c  | Animal Control                            | 200                                 | 200  | -                                | -  | -  | 200                                       |
|     | <b>Total Public Safety</b>                | <b>25,110</b>                       | <b>25,110</b>  | <b>-</b>                         | <b>-</b>   | <b>-</b>   | <b>25,110</b>                             |
| 5a  | Walking and Cycling                       | 24,750                              | 10,600   | 11,600                           | -  | 2,550  | 24,750                                    |
| 5b  | Transit                                   | 3,550                               | 2,650  | -                                | -  | 900  | 3,550                                     |
| 5c  | Major Roads                               | 118,360                             | 58,754   | 1,256                            | -  | 58,350   | 118,360                                   |
| 5d  | Local Roads                               | 8,500                               | 8,500  | -                                | -  | -  | 8,500                                     |
| 5e  | Parking                                   | 9,290                               | 1,650  | -                                | 7,640  | -  | 9,290                                     |
|     | <b>Total Transportation</b>               | <b>164,450</b>                      | <b>82,154</b>  | <b>12,856</b>                    | <b>7,640</b>   | <b>61,800</b>  | <b>164,450</b>                            |
| 6a  | Waterworks                                | 51,350                              | 45,100   | -                                | 6,250  | -  | 51,350                                    |
| 6b  | Sewers                                    | 152,125                             | 112,125  | -                                | 40,000   | -  | 152,125                                   |
| 6c  | Solid Waste                               | 45,865                              | -  | -                                | 38,049   | 7,816  | 45,865                                    |
| 6d  | Neighbourhood Energy                      | 1,350                               | 1,350  | -                                | -  | -  | 1,350                                     |
|     | <b>Total Utilities &amp; Public Works</b> | <b>250,690</b>                      | <b>158,575</b>   | <b>-</b>                         | <b>84,299</b>  | <b>7,816</b>   | <b>250,690</b>                            |
| 7a  | Administrative Facilities                 | 14,655                              | 14,655   | -                                | -  | -  | 14,655                                    |
| 7b  | Service Yard Facilities                   | 500                                 | 500  | -                                | -  | -  | 500                                       |
| 7c  | Vehicles and Equipment                    | 34,500                              | -  | -                                | 33,500   | 1,000  | 34,500                                    |
| 7d  | Information Technology                    | 53,450                              | 38,700   | -                                | 14,750   | -  | 53,450                                    |
|     | <b>Total Civic Infrastructure</b>         | <b>103,105</b>                      | <b>53,855</b>  | <b>-</b>                         | <b>48,250</b>  | <b>1,000</b>   | <b>103,105</b>                            |
|     | <b>PROGRAM TOTAL</b>                      | <b>729,589</b>                      | <b>415,833</b>   | <b>72,801</b>                    | <b>161,489</b>   | <b>79,466</b>  | <b>729,589</b>                            |
|     | Overhead and Debenture Costs              | 10,000                              | 10,000   | -                                | -  | -  | 10,000                                    |
|     | Inflation Adjustments                     | 10,000                              | 10,000   | -                                | -  | -  | 10,000                                    |
|     | Emerging Priorities                       | 20,000                              | 20,000   | -                                | -  | -  | 20,000                                    |
|     | <b>GRAND TOTAL</b>                        | <b>769,589</b>                      | <b>455,833</b>   | <b>72,801</b>                    | <b>161,489</b>   | <b>79,466</b>  | <b>769,589</b>                            |