

TORONTO DISTRICT SCHOOL BOARD
THREE-YEAR CAPITAL BUDGET PLAN
(PUBLIC)

- RECOMMENDATION**
- 1. That the balanced Three-Year Capital Budget Plan (as presented in Appendix A) be approved; and**
 - 2. That the Board instruct the Toronto Lands Corporation to remove the following three properties from the surplus inventory list and return them for the Toronto District School Board's operating purposes:**
 - a) Boyne River Outdoor Education Centre;**
 - b) Castlebar PS; and**
 - c) Sir Sandford Fleming Academy.**
 - 3. That the Recommendations of the Three-Year Capital Budget Plan become public once approved, and that the Communications and Public Affairs Office update the information on the Toronto District School Board's website.**

- STRATEGIC DIRECTION**
- Make every school an effective school.

SUMMARY The Capital Budget Plan presents both current capital expenditures required to address growth in our system over the next three years as well as future capital priorities projects to address growth as identified through the annual planning process and shown in the May 2016 Long-Term Program and Accommodation Strategy (LTPAS). The Plan identifies funding sources for these projects through the use of POD and/or Ministry funding.

Commencing September 2015, for all new capital projects, the Ministry of Education directs the use of Proceeds of Disposition (POD) to school renewal following the guidelines of the School Condition Improvement (SCI) policy. Funding for new schools or expansion of existing schools is approved through business case submissions for Capital Priorities Grants.

The Capital Budget Plan also includes changes in assumed revenues due to market valuation differences and changes to project costs. For the year ending 31 August 2016, it is projected that the capital fund balance will be \$21.6M.

Revenues

The following revenue sources support capital expenditures.

1. Sale of Sites in TLC's Inventory:

In February 2015, the Board approved the undertaking of community consultations on 21 TLC sites (previously closed schools). These community consultations are currently underway and will continue over the next twelve months.

It should be noted that the Ministry of Education recently amended Ontario Regulation 444/98 to provide that all board to board sales are at fair market value.

Although it's too early to project the outcome of the consultations, staff estimate that future sales of some of these sites could yield approximately \$153.1M for the capital budget.

2. Capital Priority Grants:

The Ministry of Education provides an annual opportunity for school boards across Ontario to identify capital projects that may be considered for capital grants. The projects selected for funding are subject to a detailed review by the Ministry and only the projects considered the most urgent are approved.

For the Ministry Capital Priorities process, staff will submit the projects identified in the Board's approved LTPAS and as shown in the attached Appendix 1. Appendix 1 provides a brief synopsis of each emerging capital project. Detailed business cases on these projects will be submitted for approval.

Capital Expenditures

The capital budget plan includes the following expenditures:

- Capital needs arise throughout the year from program changes may require physical alteration of space, program moves and expansion of programs. These funds are managed through the Central Accommodation Team.
- The Portable Management Strategy addresses the replacement and retrofitting of existing portables within the Board.
- Updated costs of previously approved projects that are to be funded through POD.
- Projected expenditures for future Capital Priority projects identified through the LTPAS. These capital priority projects will only proceed if approved for Ministry funding.

Renewal Expenditures

Planned renewal expenditures for 2016-2017 funded by the renewal grant are shown in Appendix 2. Appendix 3 provides the planned expenditures to be funded through the School Condition Improvement (SCI) grant totaling \$123.6M. Although these expenditures represent a very small portion of the overall renewal backlog, the funding increase experienced in 2015-2016 was a welcomed change to previous years' funding. It should also be noted that the year-end balance of the capital budget would be available to support additional renewal projects in future years.

TLC Sites to be Returned to TDSB Operations

In the most recent version of the Long-Term Program and Accommodation Strategy, two TLC sites were identified to be returned to TDSB operations: Castlebar and Sir Sandford Fleming.

Castlebar has been identified as a site to use for holding students during the construction of the Norseman JMS addition. After the Norseman JMS addition is completed, the Castlebar site will be studied to determine if it should remain a satellite of Norseman JMS or if it should become a standalone school with its own catchment area.

Sir Sandford Fleming has been identified as a site to receive Baycrest PS. Baycrest PS has inadequate space to receive the

growth that is anticipated over the long term from the revitalization of the Lawrence Heights neighbourhood and the intensification planned for the Dufferin corridor. In addition, the Baycrest building is in poor condition. Once Baycrest PS is relocated into Sir Sandford Fleming, the property will be reviewed for potential surplus declaration.

In June 2013, the Board approved a recommendation by the Toronto Lands Corporation to circulate the 308.5 acre Boyne site for sale, but since that time, the site has not generated any buyer interest. With no potential for the property to be developed, there is little likelihood of this changing in the future. TDSB staff believe that this site offers an unmatched natural learning environment and exceptional range for culturally-enriched programming opportunities that will comprehensively address the objectives of the Board's Aboriginal Education Strategy to increase knowledge and appreciation of Aboriginal experiences, values and cultures among all TDSB students and staff.

Appendix 4 contains more details on these three sites.

RESOURCES Despite best efforts to address renewal issues using increased grants and recently by applying revenues from site sales, the Board will continue to struggle with a growing renewal backlog that is in excess of \$3.5B.

IMPLEMENTATION AND REVIEW All projects included in the capital budget plan require Board and Ministry approval.

APPENDICES

- Appendix 1 Top 8 Capital Priority Projects to be Submitted in Spring 2016
- Appendix 2: 2016-17 Renewal Capital Expenditures
- Appendix 3: 2016-17 School Condition Improvement Summary
- Appendix 4: TLC Sites to be Returned to TDSB Operations

FROM Carla Kisko, Associate Director, Finance and Operations at carla.kisko@tdsb.on.ca or at 416-397-3188;

Craig Snider, Comptroller, Budget, Revenue & Financial Reporting at craig.snider@tdsb.on.ca or at 416-395-8469.

APPENDIX 1

Top 8 Capital Priority Projects to be Submitted in Spring 2016						May 9, 2016
High-Level Cost Estimates <i>(SUBJECT TO CHANGE)</i>						
Rank	Ward	Description of Capital Priority Project	Estimated Cost	Rooms	Pupil Places	Notes
1	11	Submit a business case to support the construction of a 12-classroom addition at Hodgson Sr. PS to accommodate a grade change from a Grade 7-8 school into a Grade 6-8 school. The Yonge-Eglinton PART has concluded with a Board-approved recommendation to convert Hodgson Sr. PS into a Grade 6-8 school.	\$ 6,497,647	12	276	
2	18	Submit a business case to support the construction of a permanent addition to address overcrowding at Courcellette PS.	\$ 2,550,916	4	92	
3	15	Submit a business case to support the renovation at Danforth CTI to accommodate the Greenwood SS program. This project is required to implement a school closure as per a Pupil Accommodation Review (to be submitted in conjunction with the project below).	\$ 2,249,870	-	-	1
	15	Submit a business case to support the renovation at Monarch Park CI to accommodate the SOLE (School of Life Experience) alternative secondary program. This project is required to implement a school closure as per a Pupil Accommodation Review.	\$ 404,407	-	-	1
4	11	Submit a business case to support the renovation at Eglinton Jr. PS to support the construction of 2 additional classrooms within the open atrium area.	\$ 1,312,371	2	46	2
5	20	Submit a business case to support the construction of an 8-classroom addition to address overcrowding at David Lewis PS.	\$ 5,101,832	8	184	
6	18	Submit a business case to support the construction of an 8-classroom addition to address overcrowding at Regent Heights PS.	\$ 5,101,832	8	184	
7	8	Submit a business case to support a renovation at the Sir Sandford Fleming building to accommodate the relocation of the Baycrest PS. This study is a component of the broader long-term vision for student accommodation and program delivery in the Lawrence Heights community.	\$ 3,000,551	10	236	3
8	8	Submit a business case to support a renovation of the Bannockburn building to accommodate current and projected pupil enrolment growth along the Yonge St. corridor. Although the second phase of the Yonge-Eglinton PART is anticipated to be complete by the end of the 2017-18 school year, enrolment pressures in this area are projected to continue.	\$ 3,855,731	15	351	4
			\$ 30,075,157			
Notes:						
<i>The estimated cost is based upon the Ministry benchmark value for the additional pupil places projected to be required. This was determined using the Business Case attachment within the Capital Priorities Module of the SFIS. The number of additional pupil places and postal code of the subject facility were used.</i>						
1	<i>Estimated costs for Danforth CTI and Monarch Park CI are based upon the estimates provided by Jeff L./Facilities Services on February 28, 2016 (Monarch Park CI) and April 21, 2016 (Danforth CTI).</i>					
2	<i>Estimated cost for the Eglinton Jr. PS project assumes that funding from the Ministry is provided for 46 additional pupil places, not at the retrofit allocation of 50%.</i>					
3	<i>Estimated costs for the relocating Baycrest PS into Sir Sandford Fleming have been determined by assuming the need to improve 10 classrooms (2 FDK and 8 Regular). This equates to a total of 236 pupil places. If approved, the Ministry has provided allocations for retrofits based on 50% of the cost to construct new pupil places. This equals \$3,000,551 for 236 renovated pupil places.</i>					
4	<i>Estimated costs for the reopening of Bannockburn have been determined by assuming the need to improve 15 classrooms (2 FDK and 13 Regular). This equates to a total of 351 pupil places. If approved, the Ministry has provided allocations for retrofits based on 50% of the cost to construct new pupil places. This equals \$3,855,731 for 351 renovated pupil places.</i>					

RENEWAL BUDGET 2016 - 2017

Code	Description	Budget	Comments
	2016 - 2017 Total Renewal Budget	\$ 42,357,804	
A	<u>Administrative Costs</u>		
	Debt Services (\$40M Debenture)	\$ 1,188,445	Interest rate charge for debentured fund
	Administration Cost	\$ 385,134	Admin cost not specifically related to construction projects
	Trades Costs	\$ 2,000,000	Trades costs not specifically distributed to projects (equipment purchases, etc.)
B	<u>Small Projects to keep the building infrastructure functional because the large backlog cannot be addressed</u>		
	Bundled Maintenance	\$ 14,900,000	Small projects to extend the life of the components until replacement.
	School Identified High Priority Projects	\$ 4,000,000	Projects that are too small to capture in TCPS but are very critical to school operation (ex. Flooring in one room, replacing one window, painting a vestibule)
	Standards, Compliance and Environment (SCE)	\$ 3,384,000	Programs to bring the schools up to current Code standards as mandated by City and MOE.
	Urban Forest Management Plan	\$ 616,000	Small projects to keep our inventory of trees sustained.
	Minor School Funded Projects - Labour Component	\$ 750,000	Small projects necessitated by instructional need (ex. Smart boards installation, wifi ponits, signs installation).
	Playground Improvements/Playground Equipment Replacement	\$ 1,250,000	Small projects to provide enhancements to playgrounds where fundraising is not possible and to replace outdated playground equipment.
	Minor Roofing Restoration Projects	\$ 1,000,000	Small projects to replace sections of badly deteriorated/leaking roofs until complete replacement.
	Sports Fields Critical Maintenance	\$ 500,000	Small projects to keep natural fields useable
	Security Infrastructure Steering Committee (SISC)	\$ 500,000	Small projects to enhance the security of schools (ex. Cameras, DVR, Police Signs).
	Theatre Safety Projects	\$ 500,000	To address minimal safety requirements
	ARC Flash Study	\$ 500,000	To address potential electrical safety issues
	Backflow Preventer Projects	\$ 500,000	To address City of Toronto requirement
	Installation of Academic Equipment	\$ 500,000	To provide for electrical costs associated installation of new academic shop equipment.
C	<u>Preventive Maintenance Projects:</u>		
	Major mechanical and electrical component preventive maintenance program	\$ 4,000,000	To extend the life of major electrical and mechanical components.
D	<u>Emergency / Health & Safety Projects</u>	\$ 3,884,225	(ex. Floods repair, roof leak damage, water main breakage, fire restorations)
E	<u>Renewal Projects (identified in TCPS)</u>		
	Urgent unplanned Construction Projects	\$ 2,000,000	Due to the large backlog and fragile components of the building, we replace these components as they fail.
	TOTAL	\$ 42,357,804	

2016/17 School Condition Improvement Summary

#	Component	Total
1	Roofing	\$ 30,000,000
2	Mechanical	\$ 30,000,000
3	Structural/Brick work	\$ 15,000,000
4	Windows	\$ 5,000,000
5	Electrical	\$ 10,000,000
6	Contingency	\$ 8,622,060
	Subtotal	\$ 98,622,060
7	Barrier Free Upgrades	\$ 5,000,000
8	Parking Lots	\$ 3,000,000
9	Field restoration	\$ 6,000,000
10	Interior Components	\$ 2,250,000
11	Fascia	\$ 2,250,000
12	Painting	\$ 1,500,000
13	Contingency	\$ 5,000,000
	Subtotal	\$ 25,000,000
	TOTAL	\$ 123,622,060

* The list of schools scheduled for work to be done will be made available by the September cycle of committee meetings.

Note: Balance of funds from the capital budget (POD) would be available to support additional renewal projects in future years.

TLC Sites to be Returned to TDSB Operations

In the most recent version of the Long-Term Program and Accommodation Strategy, two TLC sites were identified to be returned to TDSB operations: Castlebar and Sir Sandford Fleming.

Castlebar

In October 2015, the Ministry of Education provided the TDSB with funding through the Capital Priorities Program to support the construction of a 14-classroom addition at Norseman JMS. Since the submission of the business case for the project to the Ministry in July 2015, enrolment at Norseman JMS increased beyond what had been anticipated for the 2015-16 school year. The actual enrolment at Norseman JMS in the fall of 2015 exceeded staff's projections by nearly 40 students. Updated demographic information for the area showed strong increases in the live birth rates, indicative of larger incoming cohorts of kindergarten students in future years. These factors, coupled with rapid residential development along key growth arterials within the school's catchment area such as The Queensway, will result in strong, sustained enrolment growth at Norseman JMS.

The revised projection for Norseman JMS suggests that a 14-classroom addition will not be sufficient to accommodate the school's total projected enrolment by 2020. After the addition is completed portables will be required almost immediately; up to 5 portables will be needed by 2021. Staff have concluded that accommodating continued student growth in portables on the Norseman JMS site is costly and does not address the long-term enrolment pressures at the school. Further, the cost of temporary accommodation at Norseman JMS is equivalent to the capital costs associated with re-opening Castlebar. The use of space across the two buildings provides a sufficient number of classrooms to meet the long-term accommodation requirements. By re-opening Castlebar the size of the Norseman addition can be reduced from 14 classrooms to 12 classrooms. The Ministry is supportive of this plan and of using funds from Norseman's Capital Priority grant to pay for the fit-up of Castlebar.

In 2019-20, the demographics and enrolments will be reviewed to determine if Castlebar should continue to be used as a satellite of Norseman JMS, or if it should become a standalone school with its own grade range and catchment area.

Sir Sandford Fleming

The relocation of Baycrest PS and its child care centre into the nearby Sir Sandford Fleming building is part of the vision for long-term accommodation requirements of the broader Lawrence Heights community which is in the midst of a massive redevelopment initiative. The redevelopment plan includes the replacement of 1,200 Toronto Community Housing units and the introduction of approximately 6,000 new market units. The City has also completed a Planning study for the Dufferin Avenue Corridor between Lawrence Avenue and Highway 401, located west of the immediate Lawrence Heights area. The approved plan that guides future development within this corridor supports intensification up to approximately 5,800 new

residential units. Students generated by these new units will also need to be accommodated at schools within the Lawrence Heights community.

The long-term accommodation plan for the Lawrence Heights area includes a rebuilt Flemington PS school as part of a joint development with the City of Toronto and the Toronto Community Housing Corporation. However, the Board needs to enact a holding strategy in the interim to accommodate the influx of students generated by new residential units. Baycrest PS is a small facility with a capacity of 176 pupil places, which does not provide a sufficient number of pupil places to accommodate residential intensification over the next 10 to 20 years. The school also has a significant renewal backlog of \$4.7M (2015), which results in a Facility Condition Index (FCI) of close to 90%. The renewal needs of the building are anticipated to grow to \$5.6M by 2019 (105% FCI).

By relocating Baycrest PS and its child care centre into the Sir Sandford Fleming building the Board will establish a viable holding plan and presence for the Lawrence Heights/Dufferin Avenue Secondary Plan area. The Sir Sandford Fleming building has more classrooms than the existing Baycrest building to receive the influx of new students without the use of portables (it has a capacity of 792 pupil places). Also, the Sir Sandford Fleming building is in better condition than the Baycrest building (it has a Facility Condition Index of 40%). Further, there are a number of TDSB user groups located at John Polanyi CI that serve the Lawrence Heights community. These services may need to be relocated as enrolment grows at that school. The Sir Sandford Fleming building provides an opportunity to retain these valuable services within the community.

After Baycrest PS and its child care centre have been relocated into the Sir Sandford Fleming building, the Baycrest property will be reviewed for potential surplus declaration. A preliminary analysis suggests that the property is redundant to the needs of the TDSB given that it is in close proximity to the Sir Sandford Fleming building (less than 200 metres away) and the building has little usefulness because of its small size and poor condition.

Boyne River Outdoor Education Centre

Located on 308.5 acres of the Niagara Escarpment, adjacent to the Bruce Trail and the Boyne River Provincial Park, the former Boyne River Outdoor Education Centre (OEC) has been identified by staff as a key asset to support the future of Aboriginal Education in the Board.

In 2003, the Boyne site was officially closed by the Supervisor, at which time it was made available for lease. Although several organizations, including the the City of Toronto, had expressed interest, no long-term lease arrangements materialized, and the facility has remained vacant since its closure in 2003.

In June 2013, the Board approved a recommendation by the Toronto Lands Corporation to circulate the 308.5 acre Boyne site for sale, but since that time, the site has not generated any buyer interest.

The Boyne River lands have been designated by the Province as an *Area of Natural and Scientific Interest* (ANSI), and the majority of the property is classified as *Escarpment Natural* under the *Niagara Escarpment Plan*. With no potential for the property to be developed, there is little likelihood of buyer interest changing in the future. This site offers an unmatched natural learning environment and exceptional range for culturally-enriched programming opportunities that will comprehensively address the objectives of the Board's Aboriginal Education Strategy and increase knowledge and appreciation of Aboriginal experiences, values and cultures among all TDSB students and staff.