Asset Management reinvestment plan Heritage, Arts and Culture

The Heritage, Arts and Culture infrastructure is in very good condition. There are currently projects underway that will improve the condition of these facilities to support and sustain the historical and cultural fabric of Peel.

As a Heritage Complex, the buildings adhere to older standards, which may limit their ability to meet some current program requirements. The Plan reflects the current Peel Region service delivery model, while Peel continues to advance Council directed planning related to the future ownership and operation of the Peel Art Gallery, Museum and Archives.

10 year summary

Table 1. Current state and 10 year plan (in $ millions)

Current rating	Current replacement value	10 year forecasted SoGR reinvestment needs	10 year SoGR Capital Plan reinvestments	10 year forecasted rating
Very Good	$49.0	$18.0	$21.1	Very Good

Table 1 shows that the current overall infrastructure state for the Heritage, Arts and Culture is 'Very Good'. The estimated replacement value of these assets is $49.0 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $21.1 million to maintain the infrastructure in a SoGR. These planned investments exceed the forecasted needs of $18.0 million over the same period. The higher reinvestments in the 2026 Capital Plan is primarily driven by reprioritization of required SoGR projects, including roof replacement and upgrading outdated lighting with LED fixtures.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

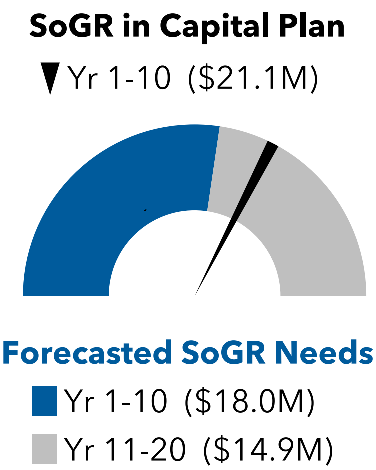


Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $21.1 million exceeds the forecasted needs of $18.0 million, reflecting reprioritized SoGR investments in the 2026 Capital Plan to address key asset renewal needs. The chart also shows that SoGR needs are expected to slightly decrease in the following 10 years as early investments address critical needs, allowing requirements to taper in the later years.

State of the infrastructure

Current infrastructure

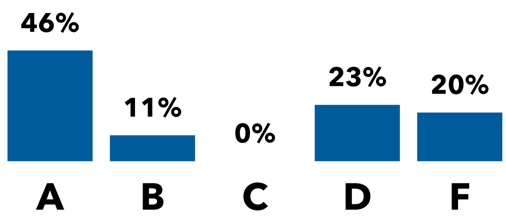
Heritage, Arts and Culture infrastructure includes 4 buildings that support and sustain the historical and cultural fabric of Peel. The average age of the assets is 129 years.

Replacement value

The total replacement value of assets for the Heritage, Arts and Culture is estimated at $49.0 million, based on 2024 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading



Building conditions are evaluated through detailed assessments.

Figure 2 shows:

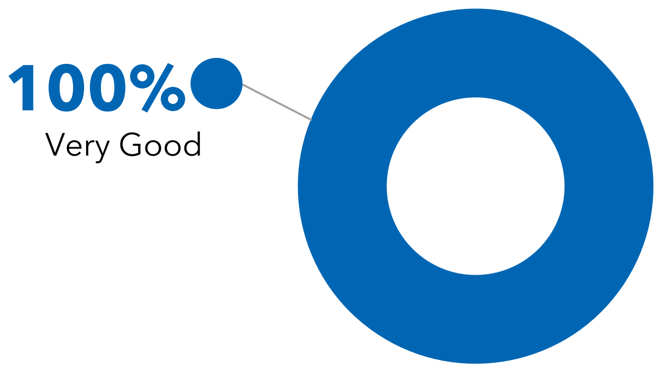
- 46% of assets are rated Grade A, representing new or like new condition.
- 11% are rated Grade B, representing in a state of good repair.
- 23% are rated Grade D, indicating some critical defects and many critical repairs expected soon.
- 20% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.
- No assets are rated Grade C.

Current infrastructure Risk Management Rating

The current overall 2026 infrastructure Risk Management Rating for the Heritage, Arts and Culture is 'Very Good'. **Error! Reference source not found.** illustrates that within the portfolio, 100% of the asset classes are rated "Very Good".

[1] Descriptions of the Condition Rating are included in Appendix II Reading Guide

Figure 3. Current infrastructure Risk Management Rating



Target customer level of service[2]

Our customers should expect:

- A dynamic space where the past, present, and future converge through engaging displays, creative programming, and research.
- Peel's artistic heritage is preserved and promoted, with high quality educational programs.
- Materials related to the development of Peel are collected, preserved, and accessible.
- Unique gift ideas from local, regional, and national artists are available for every occasion and budget.

Infrastructure reinvestment plan

Table 2. 10 year state of good repair reinvestments

Forecasted needs	Capital Plan
$18.0 million	$21.1 million

[2] Definition of Customer Level of Service is included in Appendix III The Enterprise Asset Management Strategy

Table 2 shows that reinvestments of $21.1 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments exceed the forecasted needs of $18.0 million over the same period.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$0.4 million	0.8%

Table 3 shows that operations and maintenance expenses for Operations Yards and Equipment are approximately $0.4 million per year, representing 0.8% of the asset replacement value. These expenses support facility operations and maintenance activities. As part of the whole lifecycle strategy, these costs are regularly reviewed and will be optimized over time as asset management tools and technology improve.

10 year infrastructure Risk Management Rating with Capital Plan reinvestments

In 10 years (2035), the overall infrastructure Risk Management Rating for the Operations Yards and Equipment is forecasted to remain 'Very Good'. Figure 4 illustrates that within the portfolio, 100% of the asset classes are rated "very good".

Figure 4. 10 year infrastructure rating