

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** August 26, 2009

**SUBJECT:** TRANSIT CITY - INTERIM FUNDING AGREEMENT  
WITH METROLINX AND THE CITY OF TORONTO

## **ACTION ITEM**

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### **RECOMMENDATION**

It is recommended that the Commission authorize:

1. The Chief General Manager to enter into an agreement with Metrolinx and the City of Toronto, consistent with the principles set out in the Discussion section of this report, for interim funding to December 31, 2009, for the implementation of components of the Sheppard East LRT, Finch West LRT, Eglinton Crosstown LRT, and Scarborough RT transit projects on terms and conditions acceptable to Commission's General Counsel.

### **FUNDING**

This report recommends that the Chief General Manager be authorized to enter into an agreement with Metrolinx and the City of Toronto for interim funding of \$146.5 million to December 31, 2009, for the continuation of planning, design, engineering, property acquisition and construction of the Sheppard East LRT, Finch West LRT, Eglinton Crosstown LRT and Scarborough RT projects.

### **BACKGROUND**

On July 9, 2009, the Commission received the report "Transit City Funding Request" and adopted the recommendation to request Capital Funding of \$134.5 million from the City of Toronto for Transit City forecast expenditures and commitments to the end of 2009, in order to continue the planning, engineering, property acquisition, contract commitments and construction of the Sheppard East LRT, Finch West LRT, Eglinton Crosstown LRT and Scarborough RT projects. The report also included a letter dated June 29, 2009, from the City Manager requesting Metrolinx to provide funding for forecasted expenditures for Transit City and SRT projects.

## **DISCUSSION**

The Province of Ontario announced funding for the implementation of the Finch West LRT, Eglinton Crosstown LRT and Scarborough RT and the Province and Federal Government announced funding for the Sheppard East LRT. In total, \$8.15 billion in Provincial and Federal funding commitments have been made for the four projects. The Province's new transit project delivery framework indicates that these four projects will be designated "Regional Transit" projects under the *Metrolinx Act, 2006* and provides Metrolinx with the responsibility to own and control the assets and deliver these projects in cooperation with the City of Toronto and the TTC.

## **IMPLEMENTATION OF FUNDED PROJECTS**

The City of Toronto, TTC, Metrolinx, and Infrastructure Ontario are in discussions regarding the implementation of the Province's new transit project delivery framework and the delivery of the four funded Transit City projects. These discussions are progressing well and TTC staff will report to the Commission in September 2009 on the roles and responsibilities for program and project delivery and the implications for the TTC. In response to requests from the City of Toronto and TTC for interim funding in advance of the project delivery agreements, Metrolinx has agreed to provide funding as follows.

In recognition of the funding provided by the City of Toronto in 2008 and early 2009 for Transit City projects, Metrolinx has committed to reimburse the City for costs incurred for the four funded projects prior to March 31, 2009. This reimbursement is in addition to the \$7.1 million provided in 2008 for environmental assessments. With this reimbursement the Province and Metrolinx will have provided a total of \$9.2 million for expenditures on the four funded projects up to March 31, 2009.

Metrolinx has also agreed to provide interim funding in order to continue the planning, design, property acquisition and construction of the four priority transit projects (Finch West LRT, Eglinton Crosstown LRT, Sheppard East LRT and Scarborough RT), in advance of a longer term agreement(s). The interim funding agreement being negotiated between Metrolinx, the City and TTC staff will provide funding of \$146.5 million to December 31, 2009 for the initial activities on the Sheppard East LRT, Finch West LRT, Eglinton Crosstown LRT and Scarborough RT. These activities include continuing with the preliminary planning and Environmental Assessment approvals, preliminary engineering, property acquisitions, utility relocations, and, in the case of the Sheppard LRT, construction.

The following are the general principles of the interim funding agreement between City, TTC and Metrolinx (the Parties):

- development of mutually acceptable protocols for the issuance of RFPs, contract awards, and cash flow;
- conducting joint communications activities to provide information to the public in an open, transparent, effective, and proactive manner; and
- cooperating on funding applications for the funding from the Government of Canada for the Sheppard East LRT.

**IMPLICATIONS FOR UNFUNDED PROJECTS**

The Province's new transit project delivery framework has implications for the expenditures on the Scarborough Malvern LRT, Jane LRT, Don Mills LRT and the Waterfront West LRT. The Province has not provided any funding commitment for implementation of these projects. The 2008 Provincial Budget provided funding of \$7.1 million for the EAs for all 8 projects. However, recently the Province has indicated that expenditures incurred for the Scarborough Malvern LRT, Jane, LRT, Don Mills LRT and Waterfront West LRT will not receive any provincial funding.

At its meeting on April 23, 2008, the Commission directed that environmental assessments be undertaken for all 7 Transit City projects and the SRT. The 2008 - 2012 TTC Capital Budget included \$7.1 million for the Transit City environmental assessments. Staff are proceeding to complete these environmental assessments. The total projected costs to complete the EAs for these unfunded projects is \$8.7 million to the end of December 2009 with about \$6 million spent to date.

**JUSTIFICATION**

The proposed interim funding agreement between Metrolinx, the City of Toronto and the Toronto Transit Commission will provide funding for the continued planning, engineering, property acquisition and construction for the Sheppard East LRT, Finch West LRT, Eglinton Crosstown LRT and Scarborough RT.

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August 26, 2009

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Attachment: Appendix A – Transit City Funding Update – August 2009

## APPENDIX A

### TRANSIT CITY FUNDING UPDATE – AUGUST 2009

Total Projected cost of Transit City & SRT to Dec. 31/09		\$164.4 M
City of Toronto Approved Funding (2008)	\$ 29.9 M	
Request to the City for Additional Funding - July 2009	<u>\$134.5 M</u>	
	\$164.4 M	
Total Projected Cost of Funded Projects to Dec. 31/09 (Sheppard E, Finch W, Eglinton, SRT)		\$155.7 M
Provincial Funding Provided in 2008	\$ 7.1 M	
Reimbursement to March 31/09	\$ 2.1 M	
Interim Funding Agreement	<u>\$146.5 M</u>	
from Mar. 31/09 to Dec. 31/09 (per this report)	\$155.7 M	
Total Projected Cost of Unfunded Projects to Dec. 31/09 (Scar. Malvern, Jane, Don Mills, Waterfront West)		\$ 8.7 M