

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: July 9, 2009

SUBJECT: TRANSIT CITY FUNDING REQUEST

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

1. request the City of Toronto to approve Capital funding of \$134.5 million for Transit City forecast expenditures and commitments to the end of 2009 to continue the planning, design, property acquisition, contract commitments and construction of the Sheppard East LRT, Eglinton Crosstown LRT, Finch West LRT and Scarborough RT projects;
2. direct that a copy of this report be provided to Metrolinx and the Ministry of Transportation.

FUNDING

The TTC 2008-12 Capital Program approved by City Council included \$12.8 million for Transit City projects. The TTC 2009-13 Capital Program approved by City Council included a further \$17.1 million to continue the preliminary planning and environmental assessments for Transit City and the Scarborough Rapid Transit line. In total City Council has approved \$29.9 million for Transit City.

The Province of Ontario provided \$7.1 million for preliminary planning and environmental assessments for all seven Transit City lines and the Scarborough Rapid Transit Line and is expected to reimburse the City for the additional expenditures to complete this work.

In order to proceed with the design, construction, property acquisition and contract commitments for the four Transit City projects, Sheppard East LRT, Eglinton Crosstown LRT, Finch West LRT and Scarborough RT, additional funding of \$134.5 million is required from the City of Toronto for forecasted expenditures and contract commitments to the end of December 2009.

BACKGROUND

The Transit City program is included in the Province of Ontario's MoveOntario 2020 announced in June 2007 with a commitment that the capital funding would be provided by the Province of Ontario.

In November 2007 the Commission identified the Sheppard East LRT, Finch West LRT and Eglinton Crosstown LRT as priority projects, approved interim funding for engineering, design and associated works and requested funding from the Province and Metrolinx.

In November 2008 Metrolinx approved the Big Move Regional Transportation Plan for the Greater Toronto Area and Hamilton. The Big Move identifies the top 15 priority projects including the Sheppard, Finch, Eglinton Crosstown and Scarborough RT projects consistent with the Commission's priorities.

DISCUSSION

Significant progress has been achieved on the Transit City Program in 2009. Preliminary planning has continued on all 7 lines and the SRT and the Environmental Assessments are expected to be completed by the end of 2009 and early 2010.

The Sheppard East LRT detailed design is proceeding and construction will start in September 2009. Preliminary engineering has commenced for the Eglinton Crosstown LRT and Finch West LRT.

Funding from the Province of Ontario and Government of Canada

On April 1, 2009 Premier McGuinty announced provincial funding for three priority projects: the Finch West LRT, the Eglinton Crosstown LRT and the Scarborough RT. The final costs for the projects are to be determined by Metrolinx and the TTC and the construction start and completion dates are subject to environmental and other approvals.

On May 15, 2009 Premier McGuinty and Prime Minister Harper announced provincial and federal funding for the Sheppard East LRT.

In total, \$8.15 billion in provincial and federal funding commitments have been made toward the Transit City priority projects, including the SRT.

Province of Ontario Changes to Transit Project Delivery

The Province of Ontario has established an implementation framework for delivering the Sheppard East LRT, Eglinton Crosstown LRT, Finch LRT and Scarborough RT projects. The province has directed that Metrolinx work in partnership with municipalities and transit agencies to implement these new projects expeditiously.

Discussions are underway between TTC, the City of Toronto and Metrolinx staff regarding the delivery of the transit projects in Toronto while continuing the momentum and progress by the TTC to complete the planning and proceed to implementation of the Transit City priority projects.

It is clear that agreements between Metrolinx and the City of Toronto/ TTC to implement the priority projects will take some time. In recognition of the City's funding requirements, Metrolinx staff have indicated that they are recommending an interim agreement between Metrolinx, the City and TTC to provide funding for continued progress on the priority projects.

Interim Funding and Reimbursement

This report recommends that the Commission and City of Toronto approve additional funding \$134.5 million in 2009 to continue the planning, design, property acquisition, contract commitments and construction for the Sheppard East LRT, Eglinton Crosstown LRT, Finch West LRT and Scarborough RT projects.

The City Manager has requested that Metrolinx provide interim funding of \$253.4 million, consisting of the \$134.5 million requested from the City of Toronto for 2009 and \$118.9 million for January to the end of April 2010, the end of the Provincial fiscal year, to continue the implementation of the four priority projects. The City Manager's letter is attached.

The Province has indicated commitment to reimbursing retroactive costs to the TTC and City.

Transit City and SRT Forecasts and Funding

- | | |
|---|-------------------|
| • Expenditures to Date | \$ 29.9 M |
| • Forecast Expenditures to end of 2009 | <u>\$ 134.5 M</u> |
| • Forecast Total Expenditures to end of 2009 | \$ 164.4 M |
| • Forecast Expenditures January to April 2010 | <u>\$ 118.9 M</u> |
| • Forecast Total Expenditures to April 2010 | \$ 283.3 M |

a) Request to the City of Toronto

Funding Required to end of 2009	\$ 164.4M
Less City Funding Approved in 2008-9	- \$ 29.9M
Requested City Funding Approval to the end of 2009	\$ 134.5M

b) Request to the Province/Metrolinx for Retroactive Costs

City Funding	\$ 29.9M
Less Provincial Funding received in 2008	- \$ 7.1M
Requested Provincial/Metrolinx Reimbursement of Retroactive Costs	\$ 22.8M

c) Request to the Province/Metrolinx for Funding now to the end of April 2010

Total Forecast Expenditures to the end of 2009	\$ 164.4M
Forecast Expenditures January to April 2010	\$ 118.9M
Less Retroactive Funding	- \$ 29.9M
Requested Provincial/Metrolinx Funding from now to April 2010	\$ 253.4M

JUSTIFICATION

It is recommended that the Commission and Toronto Council approve funding of \$134.5 million in 2009 to proceed with implementation of the Sheppard East LRT, Eglinton Crosstown LRT, Finch West LRT and Scarborough RT projects based on the City of Toronto request that the Province/Metrolinx provide funding of \$253.4 million for forecasted expenditures and contract commitments to the end of April 2010 and reimbursement of \$22.8 million for retroactive costs.

June 25, 2009
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Attachment: Appendix A – Transit City Cumulative Cash Requirements to April 2010
 Appendix B – City Manager’s letter dated June 29, 2009

**TRANSIT CITY FUNDING REQUEST
APPENDIX A**

**Transit City Cumulative Cash Requirements to April 2010
(with Property Acquisition and Lease Commitments Identified)
Approval Request (\$millions) Prepared June 3, 2009**

Project	Year End 2008	Current Council Approval	2009 Forecast	Forecast of Expenditures Jan to April 2010	Funding Request Province	Funding Request City
	(1)	(2)	(4)	(5)	(7) = (1 + 4 + 5 - 2)	(8) = (1 + 4 - 2)
Sheppard East LRT (including property)	2.4	9.4	22.1	6.0	21.1	15.1
Etobicoke Finch West LRT (including property)	1.5	3.5	10.0	10.0	18.0	8.0
Eglintown Crosstown LRT	3.2	5.2	6.5	3.7	8.2	4.5
Waterfront West LRT (EA Phase only) (1)	2.2	2.4	2.1	0.2	2.1	1.9
Scarborough RT (2)	1.0	2.0	12.3	11.5	22.8	11.3
Scarborough - Malvern LRT (EA Phase only)	1.1	1.1	0.7	-	0.7	0.7
Jane LRT (EA Phase only)	0.9	1.3	1.5	-	1.1	1.1
Don Mills LRT (EA Phase only)	0.2	0.2	0.2	-	0.2	0.2
Maintenance and Storage Facilities (3) Metrolinx/IO	0.1	4.1	84.3	4.5	84.8	80.3
(Alternate Financing and Procurement Analysis)	0.2	0.7	0.9	-	0.4	0.4
Commercial Lease Obligations	0	-	11.0	-	11.0	11.0
Vehicles	0	-	-	-	-	-
Sheppard LRT - Construction Contract Awards (4)	0	-	-	83.0	83.0	-
	12.8	29.9	151.6	118.9	253.4	134.5

(1) Includes the Parklawn and Kipling loops.

(2) Reflects the combined extension and conversion costs, excludes the December 2008 life to date conversion costs which were paid from the State of Good Repair budget.

(3) Includes the following property acquisitions: Eglinton Yard - 3500 Eglinton Ave. West, Sheppard Yard - MTO Site, Finch Yard - 3403 Finch Ave. West

(4) Anticipates the award of the Agincourt GO Grade Separation contract in the amount of \$30 million in January 2010 and \$53 million in February for the LRT way and road widening work east of McCowan.

**TRANSIT CITY FUNDING REQUEST
APPENDIX A**