

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: June 24, 2014

SUBJECT: Response to TTC Board Motion Regarding the Use TTC Would Make of an Additional \$100 Million in Capital Funding

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Board receive the following report in response to a TTC Board request.

FUNDING

The TTC's 2014-2023 Capital Budget identified a \$9 billion need over the 10 year envelope of which \$6.3 billion was funded leaving a funding shortfall of \$2.7 billion. While recognizing that the TTC's capital needs are real, it was agreed (by Council and Board members) that such projects cannot proceed until funding sources can be identified and secured.

City Council and the TTC Board requested that a Special TTC/City of Toronto Task Force be established to seek and secure Capital Funding for the unfunded projects while also seeking long term operating subsidy for the base system and new expansion lines. Members of this task force include the TTC Chair, TTC CEO, TTC CFAO, City Manager and City CFO.

BACKGROUND

At its March 26, 2014 Board meeting (ref: item 3a) Chief Executive Officer's Report – March 2014 Update), TTC staff were asked to provide a list, on a priority basis, of unfunded Capital projects that could be achieved should an additional \$100 million be provided to the TTC to help fund their capital requirements.

DISCUSSION

At the time the 2014-2023 Capital Budget was approved, the following projects were identified as unfunded:

<u>2014 - 2023 UNFUNDED PROJECTS</u>		
<u>PROJECT</u>	<u>\$(Millions)</u>	<u>DECISION DATE</u>
372 T1 Replacements	(426)	2022
58 Wheel-Trans Buses	(22)	2017
135 Enhancement Buses	(105)	2018
Buses (Revert to 18 year life)**	(930)	2014
Bus Rebuilds (to support 18 year life)	260	2014
60 New LRVs	(353)	2014
Fire Ventilation Upgrade	(159)	2014
McNicoll New Bus Garage (Phase 2)	(101)	2014
Station Finish Renewal Program	(46)	2017
Train Door Monitoring System - T1 & TR	(51)	2014
SMS Work Order System SOGR	(15)	2014
Easier Access III	(240)	2014
Capacity to Spend Opportunities	(338)	2014
Total	<u>(2,526)</u>	
<i>* Request of \$9 B versus funding available of \$6.3 B = \$2.7 B shortfall</i>		
<i>** 266 Replacement buses are required in 2023 at a cost of \$251 m</i>		

While any of these projects are appropriate candidates should an extra \$100 million become available to the TTC as a source of funding, the McNicoll Bus Garage (Phase2) is the priority project.

Of the \$181 million total project cost for the design and construction of the McNicoll Bus Garage included in the 2014-2023 Capital Budget submission, Phase 1 totalling \$80 million was included as approved funding while phase 2 of this project totalling \$101 million was deemed unfunded. This is one project that can be brought to completion should those funds become available. Currently, existing bus garages are running over capacity and with the forecasted ridership growth and fleet plan, there is also a need to increase bus garage capacity by over 200 buses within the next five years.

Additional buses for service improvements, additional buses to accommodate shuttles for City of Toronto street construction activities, and additional buses to permit an increase in our spare ratio that will allow improved bus availability and reliability for our customers will not be possible without the McNicoll Bus Garage.

On April 30, 2014, the Board received an information update on the Status of Planning Activities for the McNicoll Bus Garage. Included in this report was a reiteration of the need to proceed with the full project scope to address existing capacity constraints at current TTC bus garages while also accommodating space for the new bus acquisitions required to meet ridership growth over the next five years. Planning and consultation with the local community are underway to address concerns that have been raised.

With the additional \$100 million, should it be made available, the McNicoll Bus Garage project will be completed and operational by the end of 2019.

Should an alternate project be considered, staff suggest that review be part of the 2015-2024 capital budget process and be reported on when that budget is brought forward for consideration of the TTC Board later this year.

JUSTIFICATION

Over the past several years, the need for long-term, stable capital funding for the TTC has been a recurring theme. It is becoming a growing concern as TTC's efforts to maintain SOGR on an ageing transit system while also addressing legislative requirements, ridership growth and expansion are constrained due to depleting funding sources.

Failure to identify funding will have significant impacts on Toronto's transit system as the safety and reliability for transit users are becoming impaired thus compromising the needs of the TTC, its riders and the City of Toronto.
