



STAFF REPORT ACTION REQUIRED

Presentation: Preliminary 2016-2025 TTC Capital Budget

Date:	June 29, 2015
To:	TTC Budget Committee
From:	Chief Executive Officer

Summary

A PowerPoint presentation entitled: Preliminary 2016-2025 TTC Capital Budget is submitted to the Budget Committee for discussion.

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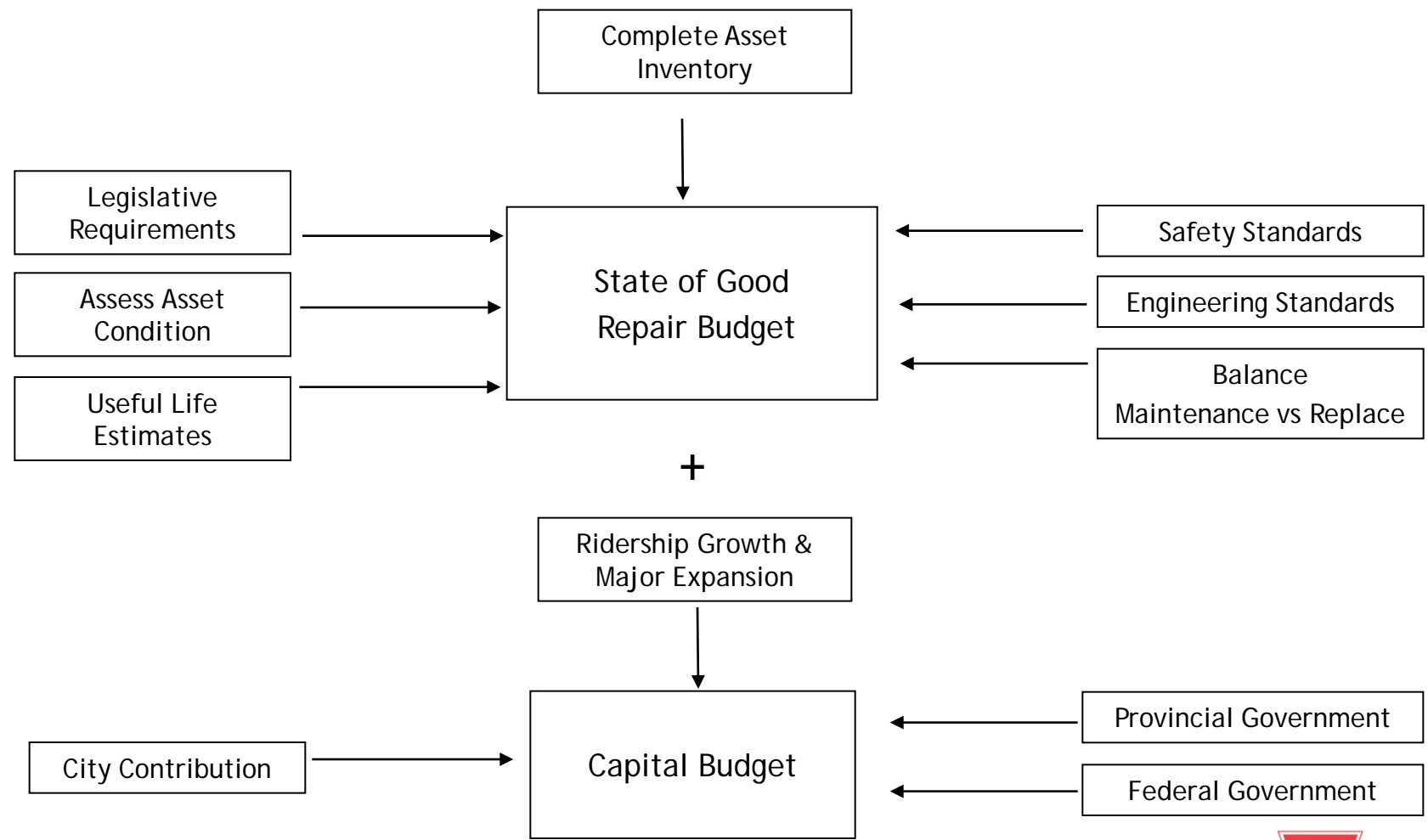


PRELIMINARY 2016-2025 TTC CAPITAL BUDGET





Constructing the Capital Budget





Overall Capital Request 2016 – 2025 (\$13.4B)

Request

- TTC Base Capital Budget \$ 9.2B
- TYSSE \$ 0.7B
- Scarborough Subway Extension \$ 3.5B

Total - Request

\$13.4B

Other

- Projects Under Review \$ 0.8B
- Waterfront \$ 0.1B
- Projects For Future Consideration \$ 6.3B

Total - Other

\$ 7.2B

Total

\$20.6B





Budget Context

- Major SOGR needs
- Major new vehicle implementation
 - TRs, LRVs, Artic Buses
- Major accommodations for these vehicles
- YUS & Bloor-Danforth signal system
- Growth vehicle needs
- Also need expansion
 - Not at expense of base system

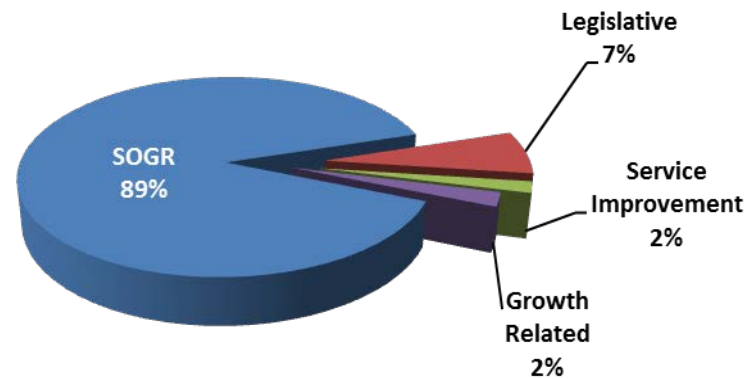




BASE CAPITAL BUDGET

Ten Year Envelope
By Major Category
(\$Millions)

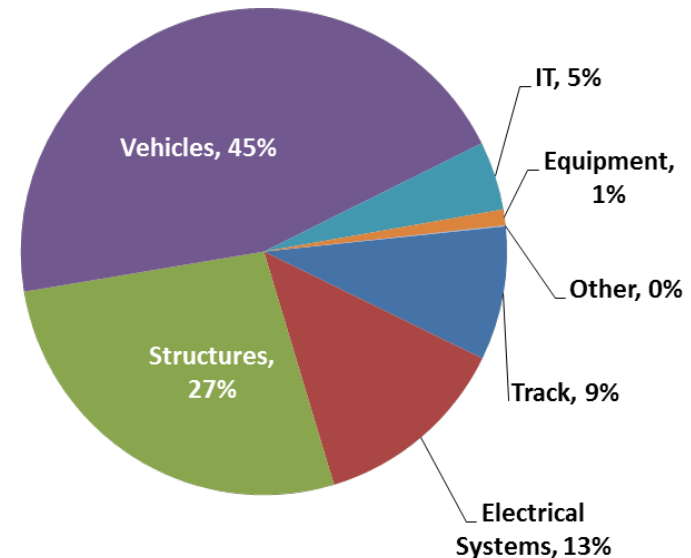
	<u>2016</u>	<u>2016-2025</u>	
SOGR	1,023	8,187	89%
Legislative	72	633	7%
Service Improvement	32	166	2%
Growth Related	24	208	2%
<i>Total</i>	1,151	9,194	100%





STATE OF GOOD REPAIR 2016-2025 (\$Millions)

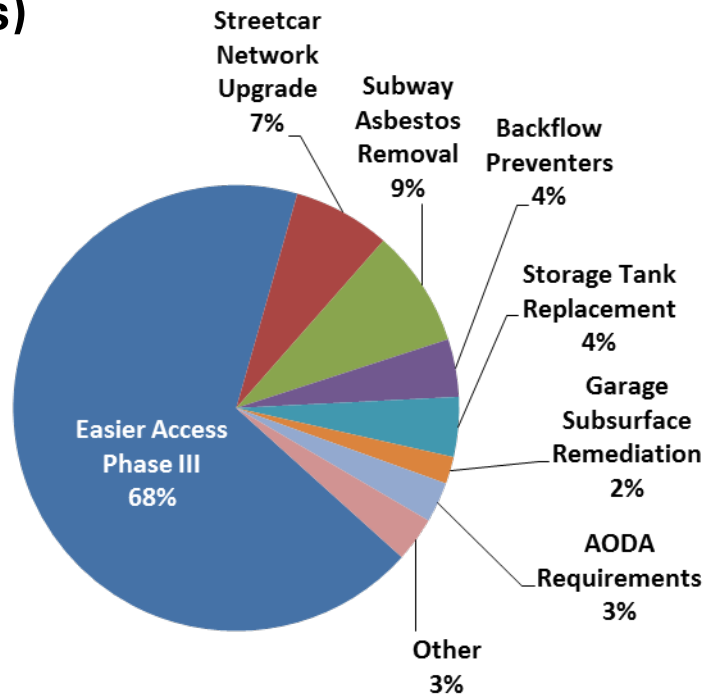
	\$	%
Track	729	9%
Electrical Systems	1,073	13%
Structures	2,212	27%
Vehicles	3,708	45%
IT	374	5%
Equipment	87	1%
Other	4	0%
Total	8,187	100%





LEGISLATIVE 2016-2025 (\$Millions)

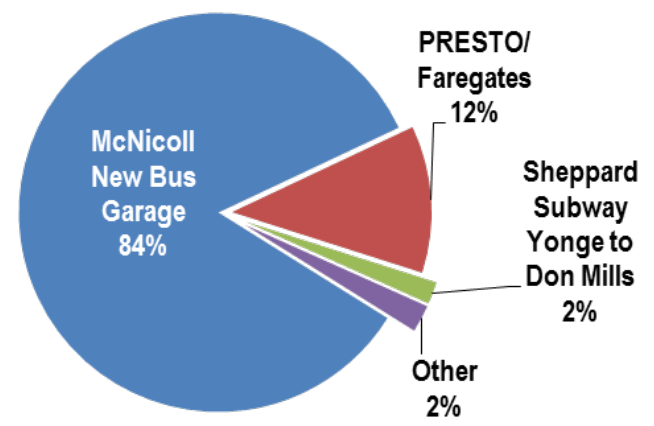
	\$	%
Easier Access Phase III	429	68%
Streetcar Network Upgrade	45	7%
Subway Asbestos Removal	54	9%
Backflow Preventers	27	4%
Storage Tank Replacement	27	4%
Garage Subsurface Remediation	12	2%
AODA Requirements	19	3%
Other	20	3%
Total	633	100%





GROWTH RELATED 2016-2025 (\$Millions)

	\$	%
McNicoll New Bus Garage	175	84%
PRESTO/FAREGATES	25	12%
Sheppard Subway Yonge to Don Mills	4	2%
Other	4	2%
<i>Total</i>	208	100%





TTC PROPOSED 2016-2025 BASE CAPITAL BUDGET

Vehicles:

	(\$Millions)	
Purchase of Buses	884	
Purchase of Subway Cars	953	
Purchase of LRVs	962	\$3,823
Vehicle Overhaul Programs (Bus, Subway, Streetcar)	926	
Purchase of NRV/NRV Overhaul	98	

Infrastructure Projects:

Track Programs	732	
Electrical Systems	391	
Signal Systems (Incl. YUS (\$302) and BD (\$301))	691	
Finishes	164	
Equipment	281	
Yard & Roads	186	
Bridges & Tunnels	506	
Building & Structures:		
- Fire Ventilation Upgrade	283	\$5,371
- Easier Access Phase III	429	
- TR/T1 Rail Yard Accommodation	404	
- McNicoll Bus Garage	175	
- Leslie Barns	51	
- Other Building & Structure Projects	<u>455</u>	1,797
Environmental Projects	94	
Information Technology	374	
Other Projects	155	
Total - Base Program Request		<u>\$9,194</u>





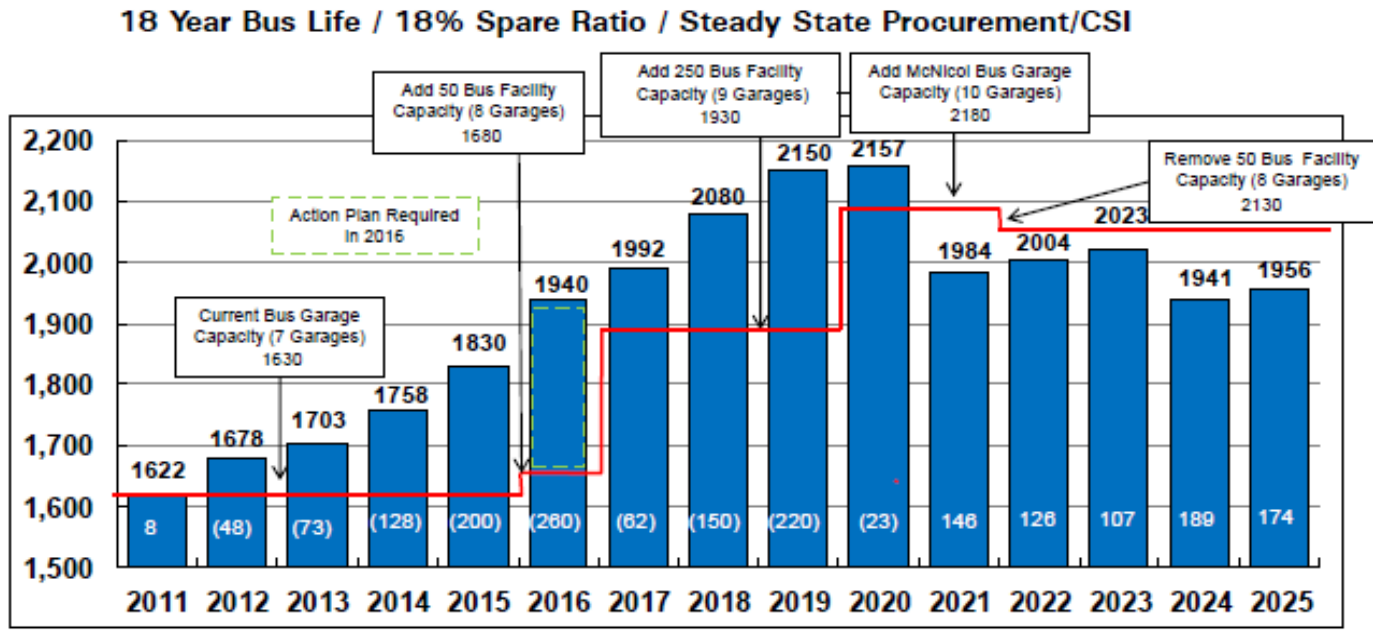
Bus Fleet & Facilities (\$Million)

	Program	2016-2025	EFC
Vehicles	Purchase of 153 40' LF Buses (To 2015)	0	129
	Purchase of 55 40' LF Buses (To 2015)	0	33
	Purchase of 375 40' LF Buses (2016 - 2019)	256	256
	Purchase of 500 40' LF Buses (2020 - 2025)	439	439
	Purchase of 50 40' LF Buses - Customer Service Initiatives (2015 - 2016)	14	31
	Purchase of 99 40' LF Buses - Customer Service Initiatives (2017 - 2021)	75	75
	Purchase of 201 Future Wheel-Trans Buses (2018 - 2022)	100	100
	Bus Overhaul	614	763
Facilities	McNicoll Garage	175	181
	Mount Dennis/Queensway Bus Garages	1	120
	Bus Garage/Shops Facility Renewal & Modifications	28	62
	Victoria Park Bus Terminal Replacement	0	36
Wayside	Bus Cleaning Equipment Programs	13	21
	Bus Hoist	54	76
	Bus Washracks	27	32
	Bus Maintenance & Shop Equipment	17	22
Proposed Total		1,813	2,376



PRELIMINARY 2016-2025 TTC CAPITAL BUDGET

GARAGE CAPACITY: ACCELERATED CSI. 50 & 250 BUS LEASE FACILITY



Bus Maintenance Requirements

- Concord Garage – 50 Bus Facility in 2016 (5 Year Lease)
- Interim Garage – 250 Bus Facility in 2017 (10 Year Lease)

Strategy & Service Planning Assumptions

- Eglinton Cross Town LRT Commencing in 2021
- Impact of Regional Express Railway Beyond 2020 TBD
- Impact of Smart Track Beyond 2020 TBD





ARTICULATED BUSES





LRV Fleet & Facilities (\$Million)

	Program	2016-2025	EFC
Vehicles	Purchase of 204 LRVs (To 2019)	601	1,187
	Purchase of 60 LRVs (2016 - 2021)	361	361
	LRV Overhaul	30	30
	ALRV Life Extension	20	26
	AODA Requirements - Streetcars	9	9
Facilities	Leslie Barns	51	507
	Existing Carhouse Modifications	51	90
Wayside	Streetcar Network Upgrades for LRV	45	79
	Reconstruction of Streetcar Overhead	75	132
	Traction Power Substations	45	45
	O/H Pole Replacement	15	56
	Streetcar Trackswitch & Controllers Rehabilitation & Replacement	13	15
	Streetcar Shelter Reconstruction	3	4
	Proposed Total	1,319	2,540





NEW LRVs





Subway Fleet & Facilities (\$Million)

	Program	2016-2025	EFC
Vehicles	Purchase of 234 New Subway Cars (To 2015)	0	650
	Replacement of 126 H6 Subway Cars (To 2017)	10	295
	Purchase of 60 New Subway Cars (To 2018)	28	222
	Purchase of 372 New Subway Cars (2018 to Post 2025)	915	1,737
	Subway Car Overhaul	253	379
Facilities	Wilson Facility Modifications/Garage Ventilation	50	146
	TR/T1 Rail Yard Accommodation	403	985
	Subway Facility Renewal	70	109
Wayside	YUS ATC Resignalling	302	563
	BD ATC Resignalling	300	431
	Proposed Total	2,332	5,518





TORONTO ROCKETS





SUBWAY FACILITIES

- Wilson Facility Modifications for new TR trains nearing completion
- Wilson Garage Ventilation Upgrade
- TR/T1 Rail Yard Accommodation
 - 2015 to 2021; Post 2025
 - Based on findings of Rail Amalgamation Study completed in 2010
 - Additional storage tracks for increased fleet size
 - Consolidation of T1 trains on BD line
 - Address service dispatching challenges and capacity constraints





YUS AUTOMATIC TRAIN CONTROL

- Addresses SOGR re-signalling requirements
- Provides 20-25% capacity increase on YUS line by 2021
- Capacity increase required to address growth and impacts of other expansion plans
- Includes ATC equipment on new TR subway trains
- BD line ATC following YUS





INFRASTRUCTURE RENEWAL

- Roofing & Paving Programs
- Bridges & Tunnels Programs
 - Structural Rehabilitation & Paving
 - Tunnel Liners & Leaks
 - Bridge Mtce & Beams
- Fire Ventilation & Second Exits



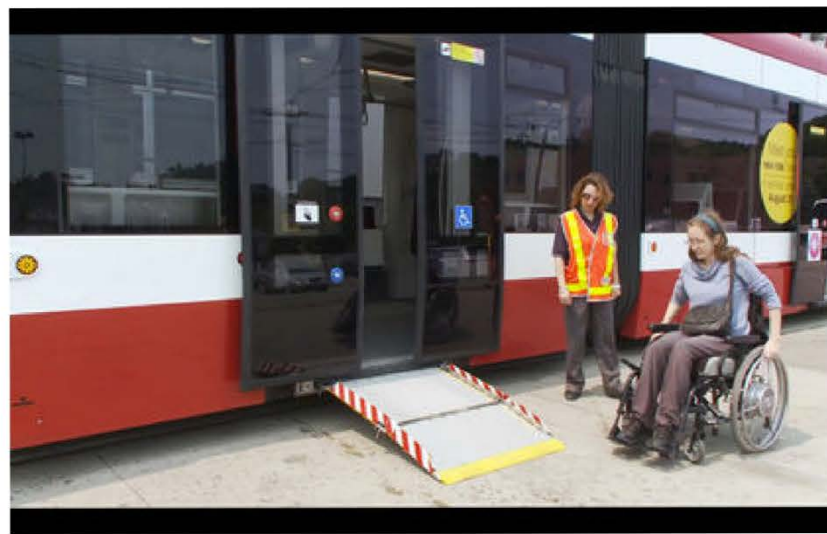


ACCESSIBILITY

- AODA Provincial goal of full accessibility by 2025
- Need Provincial commitment to long-term sustainable funding for accessibility
 - Easier Access Phase III
 - AODA Projects
 - Wheel-Trans Operating impact



PRELIMINARY 2016-2025 TTC CAPITAL BUDGET





UNION STATION SECOND PLATFORM





FARE RELATED ISSUES

PRESTO

- TTC working with Metrolinx, PRESTO and GTA Transit Agencies
- All streetcars by end of 2015
- All buses by mid 2016
- All stations by end of 2016





TTC Budget Committee – June 29, 2015





I.T.S.

- SAP – Modernize back office systems (HR, Finance)
- CAD/AVL – Replace CIS
- SMS – Vehicle Maintenance System

Other:

- Service & Program Management
- Financial Management
- Supply Chain Management
- Risk Management
- Customer Management
- Service Delivery Management
- Human Resource Management
- Information Management
- Process Management
- Asset Management
- IT Infrastructure Management
- Operations Computer Infrastructure



PRELIMINARY 2016-2025 TTC CAPITAL BUDGET

(\$ Millions)



SUMMARY OF CHANGES

\$3,367 Total Increase 2016-2025 (from 2015-2024 Council Approved)
(\$2,327) Unfunded Projects

↳ **\$1,040 Net Increase from 2015-2024 Council Approved**
(\$ 821) 2025 Additional year for existing projects

↳ **\$ 219 Net Increase**
(\$ 11) New Projects (2016-2025)

↳ **\$208 Net Change to 2016-2024**
(\$138) Slippage/Carry Forward

↳ **\$70 Net Change**

SOGR	8.5
Legislated	-
Service Improv.	-
Growth	3.0





For 2016-2024, there is \$2,327 million for previously identified but Unfunded Projects including:

- \$616 million for Purchase of 372 Subway Cars
- \$361 million for Purchase of 60 Streetcars (Ridership Growth)
- \$256 million for Bus Overhaul
- \$165 million for Easier Access III (AODA)
- \$132 million for Fire Ventilation Upgrade
- \$102 million for Bridges and Tunnels
- \$102 million for Finishes (Roofing Rehab)
- \$100 million for Purchase of Future Wheel Trans Buses
- \$ 90 million for On-Grade Paving Rehabilitation Program
- \$ 76 million for Purchase of 99 Buses
- \$ 80 million for Subway Track Program
- \$ 68 million for Surface Track Program
- \$ 51 million for Train Door Monitoring





The \$821 Million request relates to the 10th Year -2025 for Existing Projects including:

- \$299 million is for Purchase of Subway Cars
- \$119 million is for Purchase of Buses
- \$ 72 million is for Track Work (Subway and Surface)
- \$ 50 million is for Bridges/Tunnels
- \$ 43 million is for Bus Overhaul
- \$ 41 million is for BD ATC Resignalling
- \$ 24 million is for Fire Ventilation Upgrade
- \$ 24 million is for Subway Car Overhaul
- \$ 23 million is for Easier Access III
- \$ 21 million is for Traction Power
- \$ 19 million is for New LRV Overhaul
- \$ 13 million is for Yards & Roads
- \$ 12 million is for Equipment
- \$ 9 million is for IT Systems





The \$11 Million for New Projects includes:

- \$8.5 million is for New Davisville Facility (EFC \$400M)
- \$3.0 million is for Presto Faregate (EFC \$38.1M)





For 2016-2024, \$70 million* for all other changes (existing projects) includes:

- \$13 million for Subway Track Rehabilitation
- \$10 million for Reconstruction of Streetcar Overhead
- \$10 million for Maintenance of Joint TTC/Transportation Bridges
- \$10 million for Bus Overhaul
- \$20 million for CAD/AVL System

** Note: Net of carryforward of \$138 million*





TTC PROPOSED 2016 BASE CAPITAL BUDGET

	<u>(\$Millions)</u>	
<u>Vehicles:</u>		
Purchase of 50 (\$14M) & 375 (\$63M) Low Floor 40' Diesel Buses	77	
Purchase of 126 (\$3M) & 60 (\$21M) Subway Cars	24	
Purchase of 204 (\$158M) & 60 (\$56M) LRV Cars	214	487
Vehicle Overhaul Programs (Bus, WT, Subway, Streetcar)	150	
Other (Non-Revenue Vehicle Purchase & Overhaul)	22	
<u>Infrastructure Projects:</u>		
Track Programs	99	
Electrical Systems	60	
Signal Systems (Incl. YUS (\$56M) and BD (\$1.5M))	76	
Finishes	15	
Equipment	32	
Yard & Roads	13	
Bridges & Tunnels	50	
Building & Structures:		
- Fire Ventilation Upgrade	24	664
- Easier Access Phase III	40	
- TR/T1 Rail Yard Accommodation	37	
- McNicoll Bus Garage	2	
- Leslie Barns	31	
- Other Building & Structure Projects	<u>48</u>	182
Environmental Projects	10	
Information Technology	83	
Other Projects	45	
Total - Base Program Request	<u><u>\$1,151</u></u>	





Toronto York Spadina Subway Extension (EFC \$2.78B*)

- The Toronto-York Spadina Subway Extension project is jointly funded by the Government of Canada, the Province of Ontario, the City of Toronto and The Regional Municipality of York;
- The in service date is now targeted for late 2017;
- Project “reset” underway;
- \$150 million* added to EFC;
- Report by year end on the final cost of the project, once detailed evaluation and negotiation has been undertaken on contractor claims.





Scarborough Subway Extension (\$3.6B)

- Replace aging Scarborough RT with a 7.6 km Scarborough Subway Extension;
- Scarborough Subway: 2016-2025 \$3.276B; EFC \$3.305B;
- SRT Life Extension – Facilities, Equipment & Vehicle: 2016-2025 \$119M;
- SRT Decommissioning & Demolition: 2016-2025 \$123M.





Waterfront Toronto (\$90 M) - Unfunded

- Expansion Projects:
 - East Bayfront Streetcar Line (EFC \$474M)
 - West Donlands Streetcar Line (EFC \$34M)
 - Bremner Blvd Streetcar Line (EFC \$24M)
 - Portlands Streetcar Expansion (EFC \$200M)

Other:

- Union Station New Platform – construction of a new platform on the south side of the existing subway tracks and expansion of the mezzanine level to accommodate new stairs, escalators and an elevator – to be completed in 2015.





Projects Under Review (\$831M) - Unfunded

	<u>2016-2025</u>	<u>EFC</u>
<u>1.2 Surface Track</u>		
Surface Track Program	14,843	14,843
<u>2.2 Power Distribution/Electric Systems</u>		
Replacement Lighting for Buildings / Garages/Shops/Carhouses	1,952	1,952
<u>2.3 Communications</u>		
ICS Replacement	4,670	4,670
Passenger Assist Intercom Upgrade (DWA)	3,019	3,019
Subway Station Fire Alarm Modifications	2,290	2,290
<u>3.1 Finishes</u>		
Centre Platform and Stairway Tactile Wayfinding Tile Upgrade	7,000	7,000
<u>3.2 Equipment</u>		
Standby Power System	40,000	40,000
<u>3.9 Buildings and Structures Projects</u>		
Fire Ventilation Upgrade e	13,138	13,138
Toronto Rocket / T1 Rail Yard Accommodation	17,000	17,000
Skylights Replacement Project	35,290	35,290
Wilson ITS/TC Back-up Centres	3,686	3,686
Office Space Management/Renewal Program	2,840	2,840
Electrical Substation Upgrade and Leak Remediation	2,006	2,006
Bus Garage/Shops Facility Renewal Program	2,100	2,100
Emergency Backup Power Systems	1,000	1,000
Leslie Barns	10,880	10,880
New Davisville Facility Detail Design and Construction	391,500	391,500





Projects Under Review (\$831M) – Unfunded (cont.)

	<u>2016-2025</u>	<u>EFC</u>
<u>4.11 Purchase of Buses</u>		
Purchase of 385 Low Floor 40ft Diesel Buses for Delivery between 2016 and 2019	12,662	12,662
Purchase of 555 Low Floor 40ft Diesel Buses for Delivery between 2020 and 2025	165,074	165,074
<u>4.13 Bus Overhaul</u>		
Forward Facing Dash Cameras	5,500	5,500
<u>4.15 Streetcar Overhaul</u>		
Vehicle Dash Board Cameras	900	900
<u>4.23 Purchase Rail Non-Revenue Vehicles</u>		
Dual Cab Electric Flatcar With Boom	3,366	3,366
Rail Milling Workcar	10,000	10,000
Workcar ATC Capability	36,439	41,212
<u>5.4 FARE SYSTEM</u>		
PRESTO Faregates	38,100	38,100
<u>7.1 IT Systems / Infrastructure</u>		
eDiscovery -	2,000	2,000
IFS Enhancements	3,300	3,300
<i>Total - Under Review</i>	<u>830,555</u>	<u>835,328</u>





Projects for Future Consideration (\$6.3B) - Unfunded

	<u>2016-2025</u>	<u>EFC</u>
<u>State of Good Repair</u>		
Transit Shelters & Loops	5,844	5,844
Lighting in Open Cut - Subway Right of Way	12,250	12,250
<u>Legislative</u>		
Warden (Phase 1 & 2)	65,777	65,777
Islington Station Improvements	74,267	74,267
Station Modernization Program	111,100	111,100
<u>Other</u>		
Yonge - Bloor Capacity Improvements	1,005,790	1,084,000
Platform Edge Doors - Bloor Danforth Line	-	613,529
Platform Edge Doors - YUS Line	330,497	554,281
Fire Ventilation Upgrade	-	1,492,879
Bremner Streetcar Expansion	-	260,829
Yonge North Subway Extension	4,600,000	4,600,000
Park Lawn Loop	18,250	18,250
Commuter Parking Expansion RGS - Kipling and Islington Parking	9,131	9,131
New Shelters	13,800	13,800
McBrien Building Renovations	25,900	25,900
Bus Rapid Transit (BRT) - Yonge Street from Finch Station to Steeles Avenue	28,288	28,288
Total TTC Recommended Projects for Future Consideration	<u>6,300,894</u>	<u>8,970,125</u>





Additional Considerations

- Non-compliance of AODA legislation by 2025 (including Easier Access, AODA communications upgrade, fleet, bus stops)
- Bus Life (18 to 15 years)
- Fire Ventilation Upgrades
- Various Studies underway that could lead to new projects in future – example:
 - ❖ Yonge-Bloor Capacity Improvements (Prelim. Design Study \$6M, Future needs EFC TBD)
 - ❖ Downtown Relief Line Study \$3M; Future needs TBD
 - ❖ Platform Edge Doors (PEDs) \$1M; Future needs TBD
 - ❖ Rail Yards Needs Assessment Study; Future needs TBD
 - ❖ Davisville Yard
- Sufficiency of budget in later years (e.g. 2024)





FUNDING





Traditional Capital Funding Programs

Base Program:

- Bus Purchase - Province & Feds
- Rail Vehicles - Province & Feds
- Infrastructure - Province & Feds
 - All coming to an end

- Capital Project Specific - Province & Feds
 - Expansion lines





Traditional Capital Funding Programs - Province of Ontario Funding:

	Description		
Canada Ontario Infrastructure Program (COIP)	The Federal government provided 1/3 funding in the amount of \$76 million towards various modernization and improvement projects.	\$76 million (1/3 funding)	Complete in 2003
Ontario bus Replacement Program (OBRP)	Province committee to fund 1/3 of the cost of replacement buses at the time of procurement. In 2008, the Province changed the program by committing to provide up to 33.3% of conventional bus contract payments amortized over a 12 year bus life.	In the 2010 budget, the Province <u>cancelled</u> the OBRP program and paid out outstanding obligations for bus contract commitments made from 2008 through 2010.	Cancelled in 2010 (Implemented in 2007)
Golden Horseshoe Transit Improvement Fund (GTIP)	The Province paid out previously announced commitments under the Transit Technology Infrastructure Program (“TTIP”)	March 2007 Province made an unconditional payment to the City of \$31.1 million	Complete 2012
Ontario Rolling Stock Infrastructure Fund (ORSIF)	Address the Commission’s unique rolling stock requirements.	in 2007 the Province provided \$150 million	Complete in 2012



PRELIMINARY 2016-2025 TTC CAPITAL BUDGET



		<i>vince of</i>	
Canada Strategic Infrastructure Fund	A \$1.05 billion agreement between the Federal, Provincial and Municipal governments to provide equal shares (\$350 million each) of funding towards TTC's State of Good Repair, Ridership Growth and subway expansion programs. This program is largely concluded. A request to extend the Agreement end date by 2 years) was submitted in early 2015 to the Federal Minister for consideration. Note, since Metrolinx assumed ownership of the GTA Farecard project, the \$46.5 million of the original \$350 million was removed from the Agreement and re-allocated to Metrolinx.	\$303.5 million	Near complete
Metrolinx (Quick Wins):	Subway Capacity projects including: <ul style="list-style-type: none"> • 1/3 share of 282 subway cars and • 100% share of the initial costs for the YUS Automatic Train Control Resignalling project. 	<i>\$386 million</i>	Near Complete
Light Rail Vehicle (LRV) Program	1/3 funding for the purchase of 204 LRVs to replace the current streetcar fleet.	up to \$416.3 million	Active 2009-2019
Provincial Gas Tax:	The City gets a prorated share of the 2¢/litre gas tax.	\$162.8 million/year (approx.): <ul style="list-style-type: none"> • \$91.6 m Operating • \$71.2 m Capital 	Ongoing





Traditional Capital Funding Programs – *Federal Government Funding*

Program	Description	Funding (\$)	Status
Transit Secure (TS)	Passenger Rail and Transportation Security Program (“Transit Secure”) between 2006 and 2009.	\$6 million	Complete 2006-2009
Infrastructure Stimulus Fund (ISF)	A federally funded initiative under Canada’s Economic Action Plan to promote job growth in Canada. This program included 19 projects	\$44.2 million (1/3 Federal Contribution)	Complete 2009-2011
Toronto York Spadina Extension Project:	The City acts as the bank for the Toronto York Spadina Subway Extension (“TYSSE”) project which is being constructed into York Region under a joint funding relationship with the Province through the Move Ontario Trust (“MOT”), the Federal Government under the Building Canada Funding program, and the municipalities of the City of Toronto and the Region of York.	The Province approved funding of \$870 million (March 2006 and January 2008) for the TYSSE into York Region with a project cost of \$2.6 billion and this funding was deposited in the MOT. On March 6, 2007, the Federal Government announced that it would contribute funding for the TYSSE into York Region with the amount capped at \$697 million for the project.	Active





Program	Description	Funding (\$)	Status
Canada Strategic Infrastructure Fund	<p>A \$1.05 billion agreement between the Federal, Provincial and Municipal governments to provide equal shares (\$350 million each) of funding towards TTC's State of Good Repair, Ridership Growth and subway expansion programs. This program is largely concluded. A request to extend the Agreement end date by 2 years) was submitted in early 2015 to the Federal Minister for consideration. Note, since Metrolinx assumed ownership of the GTA Farecard project, the \$46.5 million of the original \$350 million was removed from the Agreement and re-allocated to Metrolinx.</p>	<p>\$303.5 million</p>	<p>Near complete</p>
Federal Gas Tax	<p>The gas tax funding is allocated on a per capita basis for environmentally sustainable municipal infrastructure, growing from 2½¢/litre in 2008 to 5¢/litre in 2009. In 2008 the Federal Government announced that gas tax funding had been made a permanent measure and in 2009 an extended framework agreement for the 4 year period 2010-2013 was based on updated 2006 Census population. In 2014, an agreement for the 10 year period 2014-2023 was based on the 2011 Census population. Ontario's allocation of this to municipalities is based on population and the City.</p>	<p>Based on Economic Action Plan 2013, the Gas Tax Fund made permanent in 2011 at \$2 billion per year is indexed at 2% per year starting in 2014-2015 with increases applied in \$100 million increments from 2014-2015 to 2023-2024. City has allocated all FGT funding to transit.</p>	<p>Ongoing – Made permanent in 2011.</p>





Federal Election Pledges on Transit/Infrastructure

Party	Pledge
Conservative	<ul style="list-style-type: none"> • \$5 billion a year overall in funding for infrastructure programs; • Recently announced public transit fund committing Ottawa to spend \$250 million in 2017, \$500 million in 2018 and \$1 billion a year as of 2019 on transit projects.
NDP	<ul style="list-style-type: none"> • Give cities an extra cent of the federal gas tax, which would mean an extra \$420 million a year, on top of the \$2.1 billion in existing gas tax transfers; • Provide an overall boost in funding for municipalities to \$3.7 billion a year for “core infrastructure”; • Develop a public transit strategy along with provinces.
Liberal	<ul style="list-style-type: none"> • Expand infrastructure funding by encouraging pension funds to invest in domestic urban renewal projects; • Give cities a greater role in national decision making.
Green	<ul style="list-style-type: none"> • Create new national governance body called the Council of Canadian Governments, chaired by the prime minister and including provincial, city and First Nation leaders; • Provide \$6 billion a year for urban projects and establish an iBank to fund infrastructure.

Source: Toronto Star (June 20, 2015)





Federal

- 2015 Federal Budget announcement did not provide any new funding initiatives specifically for the TTC;
- A new Public Transit Fund:
 - a) program to promote public transit infrastructure investment;
 - b) \$750 million over two years starting in 2017 and 2018;
 - c) \$1 billion per year ongoing thereafter; and
 - d) Allocation based on merit to projects that will be delivered through alternative financing and funding mechanisms (AFP, P3s);
- They did reaffirm their \$660 million commitment to the Scarborough Subway Extension.



Provincial

- 2015 Provincial Budget announcement did not provide any new funding initiatives specifically for the TTC;
- Acknowledged funding for the LRVs, Presto, Scarborough Subway and Provincial Gas Tax);
- New: Trillium Trust and Move Ontario Forward will help create jobs while also investing in building bridges, transit, roads and other infrastructure initiatives across Ontario;
- Specifically, Ontario will be investing more than \$130 billion in public infrastructure over 10 years, including \$31.5 billion in dedicated funds available for public transit, transportation and other priority infrastructure projects under Moving Ontario Forward.



Base Budget Funding Table

**Preliminary 2016-2025 Capital Budget Funding Summary
For Budget Committee Review Meeting - June 29, 2015**
\$Millions

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
2016-2025 Gross Budget Request*	1,151	1,192	1,176	1,243	938	632	791	629	620	821	9,193
2016-2025 Funding Available	<u>1,320</u>	<u>1,069</u>	<u>1,000</u>	<u>858</u>	<u>526</u>	<u>346</u>	<u>284</u>	<u>291</u>	<u>294</u>	<u>492</u>	<u>6,482</u>
Funding (Surplus)/Shortfall	(169)	123	176	385	412	286	506	338	327	329	2,711

***Does not include:**

Projects Under Review	29	84	33	62	49	80	118	130	147	98	831
Project for Future Consideration	<u>11</u>	<u>73</u>	<u>201</u>	<u>583</u>	<u>795</u>	<u>1,117</u>	<u>1,197</u>	<u>1,157</u>	<u>707</u>	<u>458</u>	<u>6,301</u>
Total	40	158	234	645	845	1,197	1,315	1,287	854	557	7,131





FUNDING

- **Short Term**

- Fully funded for 2016
- City increased debt funding by \$100M
- City increased DC funding - TBD

- **Medium**

- \$926M shortfall from 2016-2020
- Funding confirmation required before proceeding with certain projects

- **Long Term**

- \$2.711B shortfall from 2016-2025
- Stable, predictable funding is a must

Therefore, need to identify projects that will not proceed until funding sources has been secured



2015-2024 UNFUNDED PROJECTS

<u>PROJECT</u>	<u>\$(Millions)</u>	<u>DECISION DATE</u>
372 Replacement Subway Cars	(616)	2017
201 Replacement Wheel-Trans Buses	(100)	2016
Purchase of 99 40' LF Buses Customer Service Initiative	(89)	2015
60 New LRVs for Growth	(366)	2016
Fire Ventilation Upgrade	(132)	2017
Train Door Monitoring System - T1 & TR	(51)	2015
Easier Access III	(165)	2018
Bus Heavy Rebuilt Program	(256)	2018
Capacity to Spend Opportunities	(573)	2015
Total	<u><u>(2,350)</u></u>	

TBD

*** Request of \$9.3 B versus funding available of \$6.9 B = \$2.4 B shortfall**

We will need to identify \$2.711 B of projects to go on a new/updated unfunded list in order to remain within the funding available; this does not include Projects Under Review and Projects for Future Consideration.





10 - Year Capital Budget Comparison

Base Program

(\$Billions)

	2014 - 2023	2015 - 2024	2016 - 2025
	<u>Approved</u>	<u>Approved</u>	<u>Request</u>
Budget/Request	9.036	9.268	9.194
Funding Available	<u>6.493</u>	<u>6.901</u>	<u>6.483</u>
Shortfall/(Surplus)	<u><u>2.543</u></u>	<u><u>2.367</u></u>	<u><u>2.711</u></u>





CAPITAL SUMMARY

- 1) Needs are real, won't go away
- 2) City cannot fund it all alone
- 3) Additional funding is required to maintain infrastructure in a state-of-good repair and to fund vehicle acquisitions to accommodate and promote ridership growth
- 4) Take advantage of economies of scale (LRVs, TRs)





NEXT STEPS

- 1) TTC Budget Committee direction
- 2) TTC staff ongoing budget preparation
 - Confirm project timing and cash flows
 - Consider projects “Under Review”
 - Meeting with City Finance in July
- 3) Final 10 Year Capital Budget submission to City due August 28th
- 4) Target TTC Board Meeting of October 28th

