
2008 BUDGET BRIEFING NOTE

Project Approval – Transit City Light Rail Plan

Issue: TTC request for approval of additional funding for the Transit City Light Rail Plan to be included in the Recommended 2008-2012 Capital Plan.

Background:

- *Summary of Request*

TTC currently has some approval for expenditures and commitments on Environmental Assessments but requires additional approval to allow EA work to proceed on all components of the Transit City Plan (TCP). Initial approval is also being sought to proceed with implementation activities on the first priorities as confirmed in the TCP evaluation and comparison of routes.

- *Current Request*

A request to commence engineering, design and associated work to begin on the first priorities of the Toronto's Transit City Plan (TCP) was brought before and approved by the Toronto Transit Commission at its meeting of November 14, 2007. This report [Project Approval – Transit City Light Rail Plan (First Priorities)] outlined the work that must proceed and the funding commitments necessary to commence with these activities, noting that in order to meet the Province of Ontario's MoveOntario 2020 timeline commitments for the full build-out of the Transit City Plan in twelve years, and the City and TTC's objective to begin construction on at least one LRT line in 2008, engineering and design work must begin immediately.

Since the TCP initiatives are not part of the TTC's base capital budget, special approval must be given to allow work to proceed in advance of a firm funding commitment from the GTTA and the Province of Ontario.

Funding approval already exists for Environmental Assessment (EA) work for the seven LRT lines and the SRT of \$3.25 million in 2007. This project item was moved below the line for presentation with the MoveOntario 2020 and TCP plans. Of this amount, \$1.925 million will be unspent at the end of 2007 and will be carried forward to 2008. To complete the EAs, additional new funding of \$3.850 million is required for a total of \$7.1 million of which \$0.825 million will be spent in 2008 and \$3.025 million will be spent in 2009. Of the total 2008 cashflow of \$2.850 million, only \$0.700 million will be required up to March 31, 2008, although contract commitments will be required for EA consultants.

No funding is yet available for TCP work beyond the EAs, however there is considerable support for proceeding with this work to ensure readiness for an early construction start in 2009. Implementation activities are included for the three first priority lines (Sheppard East, Etobicoke- Finch West, Eglinton-Crosstown) as well as engineering and design work on the Waterfront West (plus special trackwork) and the Maintenance and Storage Facilities. While the request was for \$13 million in cashflow and commitments, only about \$4.0 million will be committed (and \$2.5 million spent) by March 31, 2008. This will cover TTC and City staffing requirements, consultant contract awards and the long lead time commitment for special trackwork for Park Lawn Loop. Amendments were proposed which would allow these activities to commence in advance of formal approval by the GTTA and the Province of Ontario.

- *City Building Plans*

The Transit City Plan (TCP) has significant levels of support from the Toronto Transit Commission (TTC), the City of Toronto (City), the Greater Toronto Transportation Authority (GTTA) and the Province of Ontario, which has been developing and gaining momentum.

Over the past several years, the City has undertaken a number of studies and plans pertaining to the cost-effective expansion of transit as a means of making Toronto a more liveable and environmentally-sustainable city. These studies include:

- City of Toronto Official Plan (2002)
- TTC Ridership Growth Strategy (2003)
- TTC Building a Transit City (2004)
- Mayor Miller's "Transit City" Platform (2006);

As part of the Mayor's Vision and Priority Document for the City of Toronto for a transit city in November 2006, the City of Toronto has adopted the following transit related Strategic Priorities:

- Establish dedicated and rapid transit corridors to make streetcars and buses as speedy and reliable as the subway
- Innovative signal management systems
- Buy quiet, accessible, faster, higher capacity light rail cars to replace Toronto's aging streetcars
- Improve capacity by 40% on the Yonge-University-Spadina subway through new trains
- Climate Change and Clean Air Action Plan

At its meeting of March 21, 2007, the Commission endorsed the Toronto Transit City Light Rail Plan as the basis and priority for an interconnected network of rapid transit expansion throughout the City of Toronto.

At its meeting of April 18, 2007, the Commission considered the staff report entitled, "A New Transit Class Environmental Assessment Process for Transit Projects" and endorsed adding a new transit project specific chapter to the Municipal Class Environmental Assessment document and subsequently on September 6, 2007 the Minister of the

Environment approved a new, more-streamlined “Class” environmental assessment (EA) process specific to municipal transit projects.

At its meeting of May 8, 2007, the Commission received a staff report entitled, “Transit Environmental Assessments” which, among other things, described issues which required resolution in order to ensure fast and efficient completion of new environmental assessments, and promised that a work plan for the Transit City plan would be presented at the June 13, 2007 Commission meeting.

At its meeting of June 13, 2007, the Commission approved a report entitled, “Transit City Light Rail Plan – Implementation Work Plan”, which outlined the activities which were being undertaken to implement the Transit City Light Rail Plan including an aggressive and ambitious work plan to allow for the start of construction on at least one of the light rail lines by 2010.

On June 15, 2007, the Province of Ontario announced the MoveOntario 2020 \$17.5 billion funding program for the implementation of 52 rapid transit initiatives in the GTHA over the next twelve years. MoveOntario 2020 included funding for all of the light rail lines in the Transit City Light Rail Plan.

Following the release of MoveOntario 2020, TTC staff were directed to revisit their original implementation work plan to identify ways of accelerating the plan to more closely match the twelve-year time frame contained in the Provincial plan, including the feasibility of starting construction on one of the light rail lines as early as 2009.

At its meeting of July 11, 2007, the Commission approved a report entitled, “Transit City Light Rail Plan – Implementation Work Plan Update”, which revised the previously-reported work plan to accommodate the start of construction of new Transit City lines by 2008 and match the Province’s twelve-year timetable and also directed staff to report back on implementation plans for specific lines and present a formal evaluation of the seven light rail lines in the Plan.

At its meeting of November 14, 2007, the Commission received a report entitled, “Transit City Light Rail Plan – Evaluation and Comparison of Routes”, where staff assessed all seven of the light rail lines which comprise the Transit City plan, and confirmed:

- that all seven Transit City light rail lines will be good performing routes with strong ridership, will be effective in diverting travel away from cars and onto transit; will contribute significantly to the reduction of greenhouse gas emissions in the GTA; will support key provincial and city development policies and directions; and will play an important role in city- and region-building; and
- the earlier staff conclusion that the Sheppard East, Etobicoke-Finch West, and Eglinton-Crosstown LRT lines are good choices for the start of implementation of the Transit City plan.
- This report has been forwarded to the City of Toronto and to the GTTA.

Key Points:

- Funding commitments are required now to allow these strategic City and GTTA transit initiatives to proceed in partnership.
- Approval of \$0.700 million in 2008 cashflow is required to allow additional commitments and activities to proceed on the EA work to March 31, 2008. Increased project cost commitment of \$3.850 million is required to cover the full scope of EA work to completion in 2009.
- In addition to the EA work above, approval of \$2.500 million in 2008 cashflow is required to allow activities to proceed on the engineering, design, staff resources and other work towards implementation of the first priorities up to March 31, 2008. Increased project cost commitment of \$4.000 million is required to allow additional commitments and activities to proceed on the engineering, design, staff resources and other work towards implementation of the first priorities up to March 31, 2008.
- It is anticipated that the GTTA will include full funding of \$7.1 million for these EAs and commit to some funding for the first priorities lines (Sheppard East, Eglinton and Finch LRT's) for approval in the Province's 2008/09 budget.
- Until such time as the Provincial budget is released, staff recommend continuing to front these expenditures from debt, to be subsequently recovered by the City from the GTTA upon approval in the spring of 2008. TTC has committed to a further Unspecified Budget Reduction of \$4.7 million in the 2008 base capital budget to accommodate these increased requirements (\$0.700 million EA cashflow and \$4.000 million First Priorities commitments in the first quarter of 2008). Attachment A outlines the required cashflow and project commitment requirements.
- TTC and City staff will report back to Budget Committee upon release of the Provincial 2008 budget to confirm project funding and/or to recommend actions required to address any identified funding shortfall.

Prepared by: David Presley, Chief Accountant Capital Projects, TTC Finance, 416-393-3619

Further information: Vincent Rodo, General Secretary, Toronto Transit Commission,
416-393-3914

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ATTACHMENT A : RECOMMENDED APPROVED BUDGETS

TTC 2008-2012 CAPITAL PROGRAM (\$Millions)

	2007	Q1 2008	Q2 to Q4 2008	2009	2010	2011	2012	2008- 2012	to 2012
TRANSIT CITY PLANS / MOVE ONTARIO 2020									
Existing Project Approval Commitments - EA's	1.325		1.925					1.925	3.250
Project Approval Request - EA's Remainder		0.700	0.125	3.025				3.850	3.850
EA Request	1.325	0.700	2.050	3.025	-	-	-	5.775	7.100
Project Approval Request - Design & Constn Early Starts: Nov 14/07 TCP Report Motion		2.500	1.500					4.000	4.000
Project Approval Request - Design & Constn Early Starts: Nov 14/07 TCP Report Request Remainder			9.000					9.000	9.000
Project Approval - Design & Constn: 2008 Cashflow Remainder			4.100					4.100	4.100
First Priorities Request	-	2.500	14.600	-	-	-	-	17.100	17.100
TCP/MO2020 Recommended Budget Request	1.325	3.200	16.650	3.025	-	-	-	22.875	24.200

\$7.100

\$13.000

Project Approval Commitments:
Existing
Current Request
CAPTOR Request - potential future request

\$19.850

\$22.875