

December 21, 2007

## **TTC Capital costs are putting pressure on the budget**

- The Recommended 5-Year Capital Plan does not meet debt affordability targets. While it is under the debt target in 2008 by \$3.5 million, it exceeds the debt target by \$82 million in 2009, \$95 million in 2010, \$47 million in 2011 and \$200 million in 2012.
- Transit represents 47% of the 2008 Recommended Capital Budget of \$1.610 billion.
- The Recommended 2008 Capital Budget for TTC totals \$753.471 million.
- The 2008 Capital Budget provides for the delivery of 193 hybrid electric-diesel buses and 50 Wheel-Trans buses (\$166.0 million) for a total of 908 new conventional buses to be purchased by 2017. A payment of \$79.4 million will be made toward the purchase of 234 new subway cars that will replace existing subway cars and increase capacity by 8 per cent. Improvements will continue at Union Station with construction of the south access tunnel and funding to improve public security.
- The TTC has put forward five transit project packages for consideration for additional Provincial / Federal funding: New LRT cars for streetcar replacement; Scarborough rapid transit upgrade; Yonge/University/Spadina subway capacity enhancements; accessibility; and GTA farecard. If Provincial/Federal funding for these five projects is provided, then the transit plan would then be fully funded. If the Provincial/Federal funding is not confirmed by mid-2008, the Capital Plan will be reduced accordingly to ensure debt guidelines are met.
- The Recommended 2008-2012 Capital Plan funds the continued State of Good Repair (SOGR) of TTC vehicles and structures and lays the groundwork for expansion of the system to meet the growing demand for transit service in the City of Toronto.
- The Recommended 2008-2012 Capital Plan for TTC totals \$4.126 billion which is \$674.680 million greater than the 2007-2011 Approved Capital Plan.
  - Approximately 86% of base capital funding is required to maintain the system in a state of good repair. SOGR projects include infrastructure repairs like subway track replacement and bus and subway car replacements.
  - \$177.499 million or 4% of the Recommended 5-Year Capital Plan is allocated to legislated projects such as environmental and accessibility initiatives like the Easier Access (Phase III) project.

- Service Improvement projects total \$199.029 million or 5 % and include capital work for signal priority equipment for transit vehicles at signalized intersections and added commuter parking.
- Growth projects total \$188.432 million, or 5%, and include \$106 million towards development of an integrated ticketing system to satisfy conditions of Federal and Provincial funding agreements.

The Recommended 2008-2012 Capital Plan for TTC also includes additional funding of \$220.050 million for the Spadina Subway Extension and \$7.850 million for the Transit City Plan.

**Costs over the next 5 years:**

- *Vehicles.* \$2.2 billion is projected to be spent on vehicle purchases, overhauls or maintenance.
- *Structures.* \$1.3 billion is provided to maintain or develop TTC buildings and structures.
- *Track.* \$0.2 billion is allocated for the replacement of track.
- *All Other.* The remaining \$0.7 billion is provided for capital equipment projects.
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