

Analyst Briefing Notes

Budget Committee

November 3, 2009

Page

PART I: CAPITAL PROGRAM

Executive Summary.....	2
Recommendations.....	6
2009 Capital Variance Review	7
10-Year Capital Plan (2010 Recommended Budget, 2011-2019 Recommended Plan)	9
10-Year Capital Plan Overview.....	11
10-Year Capital Plan: Incremental Operating Impact Summary.....	19
Total 2010 Recommended Cash Flow & Future Year Commitments	20
2010 Recommended Capital Budget: Overview	21

PART II: ISSUES FOR DISCUSSION

2010 Recommended Capital Budget Issues	24
2011-2019 Recommended Capital Plan Issues.....	24
Issues Referred to the 2010 Capital Budget Process	25
Outstanding Issues from Prior Year’s Budgets	N/A

APPENDICES

Appendix 1: 10-Year Recommended Capital Plan Project Summary.....	27
Appendix 2: 2010 Recommended Capital Budget; 2011 to 2019 Capital Plan	28
Appendix 3: 2010 Recommended Cash Flow & Future Year Commitments	29
Appendix 4: 2010 Recommended Capital Projects with Financing Details	30
Appendix 5: 2010 Reserve / Reserve Fund Review	31
Appendix 6: 2010 to 2019 New and Expansion Facility Projects.....	N/A

Contacts: Broughton Judy
 Manager, Financial Planning
 Tel: (416) 392-8393

Maria Djergovic
 Senior Financial Planning Analyst
 Tel: (416) 397-4558

October 30, 2009

PART I: CAPITAL PROGRAM**Executive Summary**

- Funding for the 10-Year Recommended Capital Plan supports Transportation Services' objectives of delivering sustainable transportation systems, infrastructure development and maintenance of assets in a state-of-good-repair; optimization and efficiency of the City's transportation network. It balances the needs of existing infrastructure with requirements for new facilities to accommodate growth, in an environment characterized by an aging transportation network and limited financial resources.
- The following summarizes the allocation of recommended funding by project type:
 - Continued maintenance and rehabilitation work on bridges, major and local road resurfacing and reconstruction including the Gardiner and Don Valley expressways (\$1.552 billion).
 - Several multi-year and other large initiatives such as Six Points Interchange Redevelopment (\$41.548 million), Regent Park Revitalization (\$5.736 million), Steeles/Kennedy Grade Separation (\$20.750 million), Morningside Avenue Extension (\$6.000 million), Dufferin Jog Elimination (\$1.500 million), Port Union Road (\$1.900 million) and Transit City Plan (\$50.000 million) will be implemented over the 10-year planning horizon.
 - Completion of the Bike Plan by 2012 including east-west links through the CN Leaside and Finch and Gatineau Hydro corridors, and to further expand the bike network across the City (\$100.921 million).
 - Signage and road safety improvement projects such as accessible pedestrian signals, LED signal module conversions and advanced traffic signal control initiatives (\$240.840 million).
- The 2009 Approved Capital Budget of \$368.511 million was 27.6% or \$101.830 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$277.705 million or 75.4% of the 2009 Approved Capital Budget. This represents a projected increase of 33.3% or \$69.465 million in capital spending over the 2008 spending of \$208.240 million and an improvement of 19% in the 2008 spending rate of 63%.
 - The projection of 2009 funding to be carried forward into the 2010 Recommended Capital Budget is \$57.783 million. Large multi-year projects requiring 2009 carry forward funding include the Bloor Street Transformation project (\$4.888 million), St. Clair Dedicated Right of Way (\$10.165 million), Dufferin Street Jog Elimination (\$6.162 million), and City Bridge Rehabilitation (\$7.750 million).
- The 10-Year Recommended Capital Plan totals \$2.350 billion, including 2009 carry forward funding into 2010 of \$57.783 million, of which \$1.194 billion is projected for the first 5

years, with the final 5 years requiring funding of \$1.156 billion or 49.2%.

- The 10-Year Recommended Capital Plan is funded primarily from debt, which accounts for approximately 88% or \$2.012 billion. Development charges (DC) provide funding of approximately 2% or \$47.405 million. Funding from the federal government's Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) program amounts to 1% or \$26.777 million. Other sources of funding such as Section 37 funding for traffic control signals and construction of local roads, funding for TTC track work on the City's right of ways and reserve funding for eligible Bike Plan projects represent the remaining 9% or \$204.900 million.
- Changes to the 2009-2018 Approved Capital Plan account for \$78.903 million or 3.7% decrease compared to the 2010 Recommended Capital Budget and 2011-2018 Recommended Capital Plan. In order to utilize financing provided through the Federal Infrastructure Stimulus Fund and Recreational Infrastructure Canada, Transportation Services advanced significant future year state of good repair projects and also accelerated major east-west off-street bike trails to 2009 and 2010. These increases were offset by corresponding decreases in subsequent years (\$46.376 million over the 2011-2018 period) resulting in a lower cash flow being recommended than previously approved. In addition, there has been a realignment of capital projects to account for more recent projections of the Development Charge funding which were lower than originally anticipated (\$32.527 million).
- The 10-Year Recommended Capital Plan allocates \$40.832 million for projects approved for funding from the federal government's ISF and RInC programs (\$27.512 million and \$13.320 million for ISF and RInC projects respectively), allowing these projects to proceed with provincial and federal stimulus funding totalling \$26.777 million in 2010. The ISF funding has been approved for 169 projects grouped in 11 different categories of state of good repair work such as major and local road resurfacing and reconstruction projects, repair and rehabilitation of bridges, maintenance of sidewalks and facilities improvements. Another 7 projects will be funded from the Recreational Infrastructure Canada program and they include bikeways in the CN Leaside corridor and the Gatineau and Finch Hydro corridors.
- The 10-Year Recommended Capital Plan includes operating impacts from previously approved and future year capital projects for 2010 (\$0.011 million) and 2017 (\$0.002 million), reflecting maintenance costs for New Traffic Control Signals/Devices and Traffic Control – RESCU projects.
- Transportation Services has a backlog of state of good repair projects currently estimated at \$285 million by 2009 year-end, representing 2.9% of the asset replacement value of \$9.7 billion. The 10-Year Recommended Capital Plan includes an annual investment of \$170 million to address state of good repair. It focuses on the backlog stabilization strategy, rather than elimination, because a large proportion of the City's infrastructure is over 35 years old, requiring significant investment in its reconstruction and rehabilitation. The current SOGR backlog will grow to \$321 million by the end of

2014, with a slight decline over the second five years of the 10-Year planning horizon, to \$310 million or 3.2% of the total asset value by the end of 2019.

- The state of readiness of projects was one of the main criteria for placing projects within the 10-Year Recommended Capital Plan. Transportation Services' state of good repair projects are the main focus of the 2010-2019 capital works program. New road, bridge, sidewalk and laneway projects are currently scheduled on an on-going basis, with readiness determined by needs assessment, design preparation, planning disposition, tendering and engineering studies. The use of multi year contracts that allow for better scheduling in terms of planning and preparation of financial and tender documentation, together with periodical cash flow reallocations are strategies that enabled the program to minimize the impact of project delays and ensure that debt funding is utilized effectively. Generally, the state of good repair projects are ready to proceed, with growth and service projects being less predictable due to a need to coordinate and negotiate work and funding with third parties.
- The 10-Year Recommended Capital Plan provides funding to advance the following priority actions outlined in the Mayor's and Council's policy agenda:
 - **A Cleaner and More Beautiful City:** An investment in Neighbourhood Improvement projects is continuing in the amount of \$0.080 million per ward, per year to support making Toronto's neighbourhoods clean and beautiful for an amount of \$3.520 million in 2010.
 - **A Transit City:** Funding in the amount of \$50 million (\$5.0 million per year) has been included for Transportation Services' share of Transit City cost over the 10-Year planning horizon and includes design and consulting costs related to the design of the right of ways.
 - **Speed up the implementation of Toronto's bike plan:** Funding in the total amount of \$100.921 million (with RInC funding of \$9.990 million in 2010) has been allocated to a wide range of cycling infrastructure initiatives. This funding will provide for completion of the Bike Plan by year 2012, including the east-west links through the Finch and Gattineau Hydro corridors. It will facilitate completion of 380 km of bike lanes, approximately 80 km of off-road paths and 140 km of shared roadways. By 2019 there will be approximately 5,000 new bicycle parking spaces with another 15,000 existing bicycle racks retrofitted with a new higher security design. Completion of several high security bicycle parking stations at Nathan Phillips Square, Union Station and TTC subway stations is also planned.
 - **Regent Park Revitalization:** Funding in the amount of \$5.736 million is recommended over the next seven years to facilitate reintegration of this publicly funded community with the surrounding urban fabric by redevelopment of the grid of public streets in Regent Park.

- **North Yonge Centre:** Funding in the amount of \$19.000 million is recommended over the next 4 years for the acquisition of land and the construction of the service road which is required to support development growth in the area.
- The 2010 Recommended Capital Budget for previously approved and new/change in scope projects (excluding 2009 carry forward funding into 2010) of \$288.380 million is 71% allocated to state of good repair projects at \$206.524 million, 9% to growth projects at \$25.292 million, 14% to service improvement projects at \$39.950 million, and, 6% or \$16.614 million to health and safety projects.
- Approval of the 2010 Recommended Capital Budget will result in a commitment to future year funding for new/change in scope projects of \$16.528 million in 2011.
- The 2010 Recommended Capital Budget will provide the funding to:
 - Begin infrastructure work required for the revitalization of Regent Park.
 - Enable continued state of good repair maintenance and rehabilitation work on bridges, the Gardiner and Don Valley expressways, major and local road reconstruction and sidewalk maintenance. It will continue Service Improvement projects such as signage and road safety improvement projects, cycling initiatives, Dufferin Street Jog Elimination and improvements in the North Yonge Centre area.
 - Complete east-west bicycle trail links through the Finch and Gattineau Hydro Corridors.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2010 Recommended Capital Budget for Transportation Services with a total project cost of \$178.007 million, and 2010 cash flow of \$346.163 million and future year commitments of \$56.934 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 34 new/change in scope sub-projects with a 2010 total project cost of \$194.535 million that requires cash flow of \$178.007 million in 2010 and a future year commitment of \$16.528 million in 2011;
 - ii) 48 previously approved sub-projects with a 2010 cash flow of \$110.373 million and a future year commitment of \$21.917 million in 2011; \$17.389 million in 2012; and \$1.100 million in 2013;
 - b) 2009 approved cash flow for 41 previously approved sub-projects with carry forward funding from 2009 into 2010 totalling \$57.783 million;
2. Council approve new debt service costs of 3.818 million in 2010 and incremental debt costs of \$16.452 million in 2011, \$1.792 million in 2012 and \$0.236 million in 2013 resulting from the approval of the 2010 Recommended Capital Budget, to be included in the 2010 and future year operating budgets;
3. Council approve the 2011-2019 Recommended Capital Plan for Transportation Services totalling \$ 1.947 billion in project estimates, comprised of \$165.200 million in 2011; \$185.783 million in 2012; \$219.176 million in 2013; \$220.375 million in 2014; \$231.245 million in 2015; \$233.621 million in 2016; \$233.021 million in 2017; \$230.749 million in 2018; and, \$227.590 million in 2019; and,
4. Council consider operating impacts of \$0.011 million in 2010 emanating from the approval of the 2010 Recommended Capital Budget for inclusion in the 2010 and future year operating budgets.

PART I: CAPITAL PROGRAM

2009 Capital Variance Review

2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2009 Approved	Actuals as of Sept. 30th (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
368,511	101,830	27.6%	277,705	75.4%	90,806

The Transportation Services’ 2009 Approved Capital Budget of \$368.511 million was 27.6% or \$101.830 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$277.705 million or 75.4% of the 2009 Approved Capital Budget. This represents a projected increase of 33.3% or \$69.465 million in capital spending over the 2008 spending of \$208.240 million or 19%. The high year-end forecasted spending for 2009 is the result of construction proceeding on several large projects as contracts were awarded early in the year and the multi-year contracts initiated in previous years which are now fully underway and expected to be largely completed by the end of 2009. The average spending rate over the five previous years has been approximately 63%.

State of Good Repair (SOGR) projects for bridges, local and major roads and expressways represent \$177.904 million or 48% of the 2009 Approved Capital Budget. The projected year-end spending will be \$134.120 million or 75%, which represents an increase over the 2008 expenditure of \$111.322 million or 20%, as efforts are under way to maximize spending through the tendering and project completion process. The major expenditures in 2009 include the following projections: (a) local and major road reconstruction and resurfacing in the amount of \$63.851 million or 77%; (b) sidewalk construction in the amount of \$9.615 million or 75%; (c) rehabilitation and repair of city bridges in the amount of \$37.650 million or 74%; and (d) resurfacing and repairs to the Gardiner Expressway and Don Valley Parkway in the amount of \$17.210 million or 75%.

Growth Related projects represent \$153.871 million or 42% of the 2009 Approved Capital Budget. The Program is currently projecting a year-end spending rate of 75.0% (\$115.806 million), compared to last year’s spending in that category of 64.5%. The major expenditures in 2009 include work on the following multi-year projects:

- The St. Clair Dedicated Right of Way project is projected to be \$38.500 million or 76% spent at year-end, with carry forward estimated at \$10.165 million. Progress on this project was delayed due to lead times required by Toronto Hydro to relocate some of its underground plant, but it is currently progressing.
- The Bloor Street Transformation Project is projected to be \$16.790 million or 75% spent at year-end of the 2009 Approved Capital Budget of \$22.389 million, resulting in estimated carry forward funding of \$4.888 million. The project has been tendered and awarded and

construction has begun. Progress on the project has been delayed by a court challenge and adjustments to schedules arising from the need to accommodate local BIA's intent to minimize disruptions during the seasonal shopping period in December of 2008.

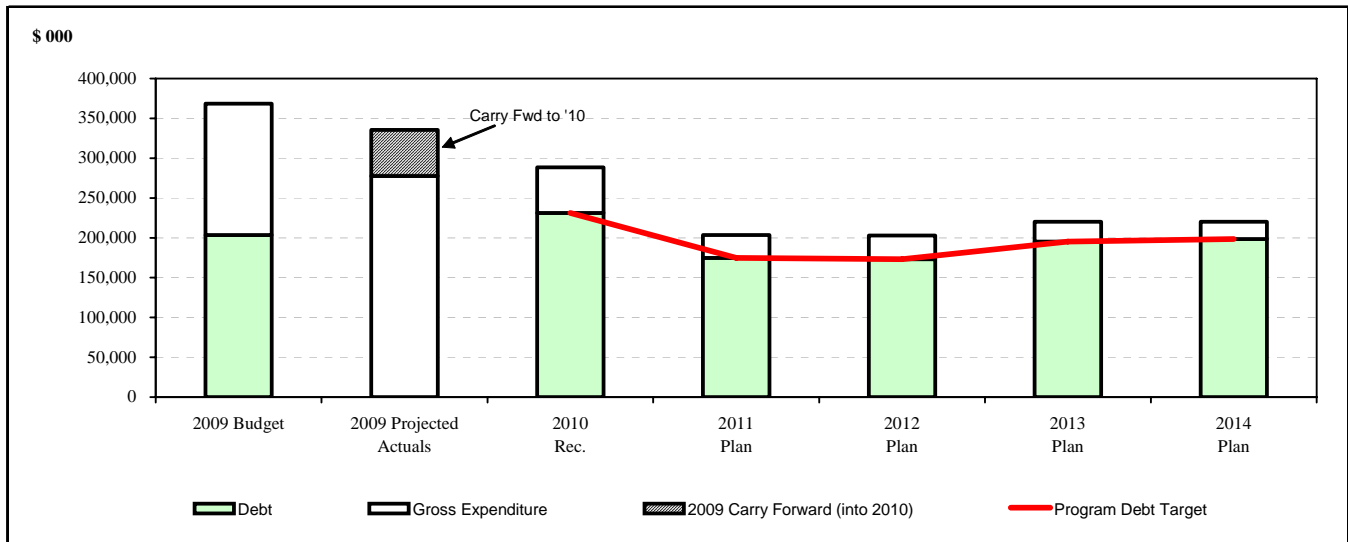
- The Dufferin Jog Elimination project is projected to be \$20.500 million or 76% spent at year-end of the 2009 Approved Capital Budget of \$27.163 million with funding to be carried forward estimated at \$6.162 million. Construction has been delayed due to design changes and coordination obstacles with the railways; however tenders have been issued and work is proceeding. The project is expected to be fully completed by 2011.

The projection of 2009 funding to be carried forward into 2010 included in the 2010 Recommended Capital Budget is \$57.783 million. Apart from the Dufferin Street Jog Elimination, St. Clair Dedicated Right of Way and Bloor Street Transformation projects, carry forward funding includes mostly work on SOGR projects, and it is lower than the projected unspent actual expenditures of \$90.806 million reflecting construction delays and time lags from growth or service improvement projects that involve third parties.

Although delays have been encountered in some projects, it is not expected that the 2009 summer labour disruption will significantly impact Transportation Services' capital program delivery.

10-Year Capital Plan

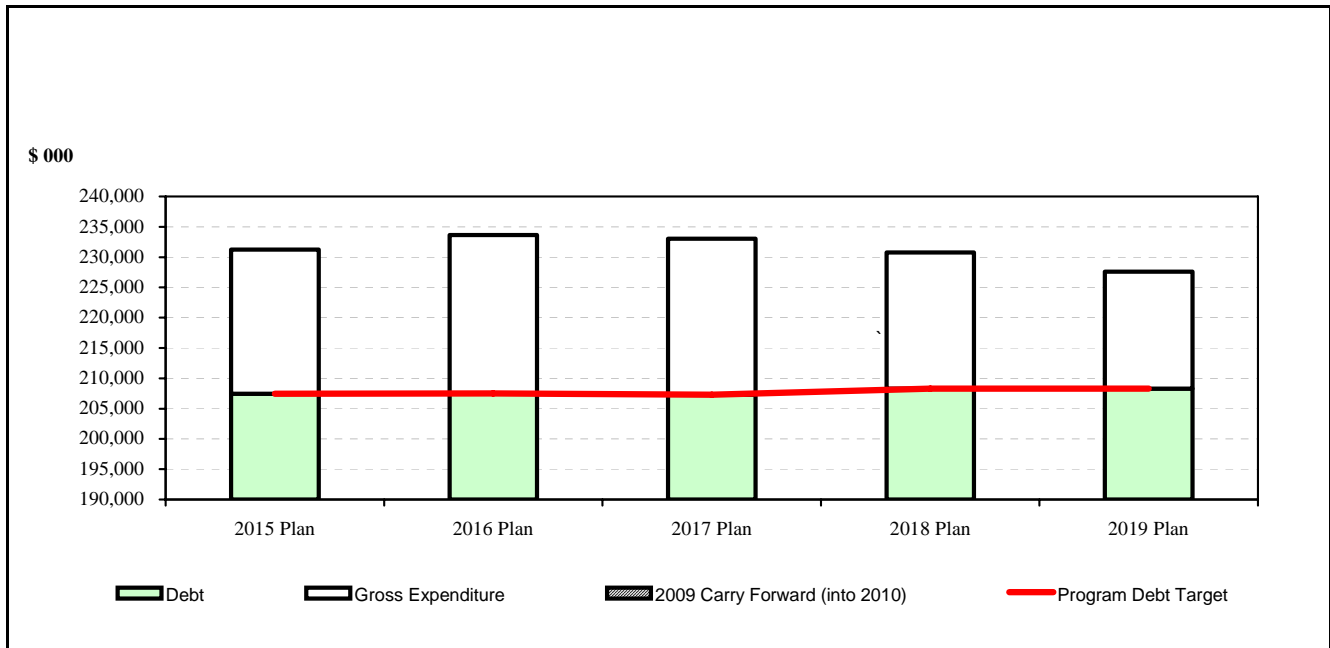
2010 Recommended Capital Budget, 2011-2014 Recommended Capital Plan



		2010 Rec. Budget and 2011-2014 Plan							5-Year Total Percent	
		2009		2010	2011	2012	2013	2014	2010-2014	
		Budget	Projected Actual							
Gross Expenditures:										
2009 Capital Budget & Approved FY Commitments		368,511	277,705	109,474	23,917	17,389	1,100		151,880	13%
Recommended Changes to Approved FY Commitments				899	(2,000)	0	0		(1,101)	0%
2010 New/Change in Scope and Future Year Commitments				178,007	16,528				194,535	17%
2011- 2014 Capital Plan Estimates					165,200	185,703	219,176	220,375	790,454	70%
1-Year Carry Forward to 2010			57,783							
Total Gross Annual Expenditures & Plan		368,511	335,488	288,380	203,645	203,092	220,276	220,375	1,135,768	100%
Program Debt Target				231,308	174,691	173,120	195,169	198,469	972,757	
Financing:										
Recommended Debt		203,546		231,308	174,691	173,120	195,169	198,469	972,757	86%
Reserves/Reserve Funds		7,067		200	200	240	280	80	1,000	0%
Development Charges		24,436		6,880	8,059	8,972	6,937	3,936	34,784	3%
ISF / RInC				26,777					26,777	2%
Provincial/Federal		1,540							0	0%
Other Revenue		131,922		23,215	20,695	20,760	17,890	17,890	100,450	9%
Total Financing		368,511		288,380	203,645	203,092	220,276	220,375	1,135,768	100%
By Category:										
Health & Safety		11,132		16,614	9,980	9,930	9,940	9,980	56,444	5%
Legislated									0	0%
SOGR		175,804		206,524	149,868	138,783	156,812	166,307	818,294	72%
Service Improvement		24,303		39,950	19,300	17,657	15,890	16,463	109,260	10%
Growth Related		157,272		25,292	24,497	36,722	37,634	27,625	151,770	13%
Total By Category		368,511		288,380	203,645	203,092	220,276	220,375	1,135,768	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)				(32,740)	20,300	29,170	13,090	6,750	36,570	
Accumulated Backlog Estimate (end of year)			284,870	252,130	272,430	301,600	314,690	321,440	321,440	
Operating Impact on Program Costs				11	0	0	0	0	11	
Debt Service Costs				3,819	20,406	22,671	23,057	25,454	95,407	

10-Year Capital Plan

2015-2019 Recommended Capital Plan



	2015-2019 Capital Plan						10-Year Total Percent
	2015	2016	2017	2018	2019	2010-2019	
Gross Expenditures:							
2009 Capital Budget & Approved FY Commitments						151,880	
Recommended Changes to Approved FY Commitments						(1,101)	
2010 New/Change in Scope and Future Year Commitments						194,535	
2015 - 2019 Capital Plan Estimates	231,245	233,621	233,021	230,749	227,590	1,946,680	
Total Gross Annual Expenditures & Plan	231,245	233,621	233,021	230,749	227,590	2,291,994	
Program Debt Target	207,479	207,504	207,279	208,279	208,279	2,011,577	
Financing:							
Recommended Debt	207,479	207,504	207,279	208,279	208,279	2,011,577	88%
Reserves/Reserve Funds	80	150	105	0	0	1,335	0%
Development Charges	4,096	3,077	2,747	1,280	1,421	47,405	2%
ISF / RInC						26,777	1%
Provincial/Federal	1,700	5,000	5,000	3,300	0	15,000	1%
Other Revenue	17,890	17,890	17,890	17,890	17,890	189,900	8%
Total Financing	231,245	233,621	233,021	230,749	227,590	2,291,994	100%
By Category:							
Health & Safety	10,021	10,064	10,108	10,151	10,196	106,984	5%
Legislated							0%
SOG	175,827	173,219	172,973	177,443	181,424	1,699,180	74%
Service Improvement	16,898	16,963	16,378	15,415	15,690	190,604	8%
Growth Related	28,499	33,375	33,562	27,740	20,280	295,226	13%
Total By Category	231,245	233,621	233,021	230,749	227,590	2,291,994	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)	(2,910)	790	1,070	(2,970)	(7,260)		
Accumulated Backlog Estimate (end of year)	318,530	319,320	320,390	317,420	310,160	310,160	
Operating Impact on Program Costs	0	0	2	0	0	13	
Debt Service Costs	26,026	26,973	26,970	26,971	27,076	229,423	

10-Year Capital Plan Overview

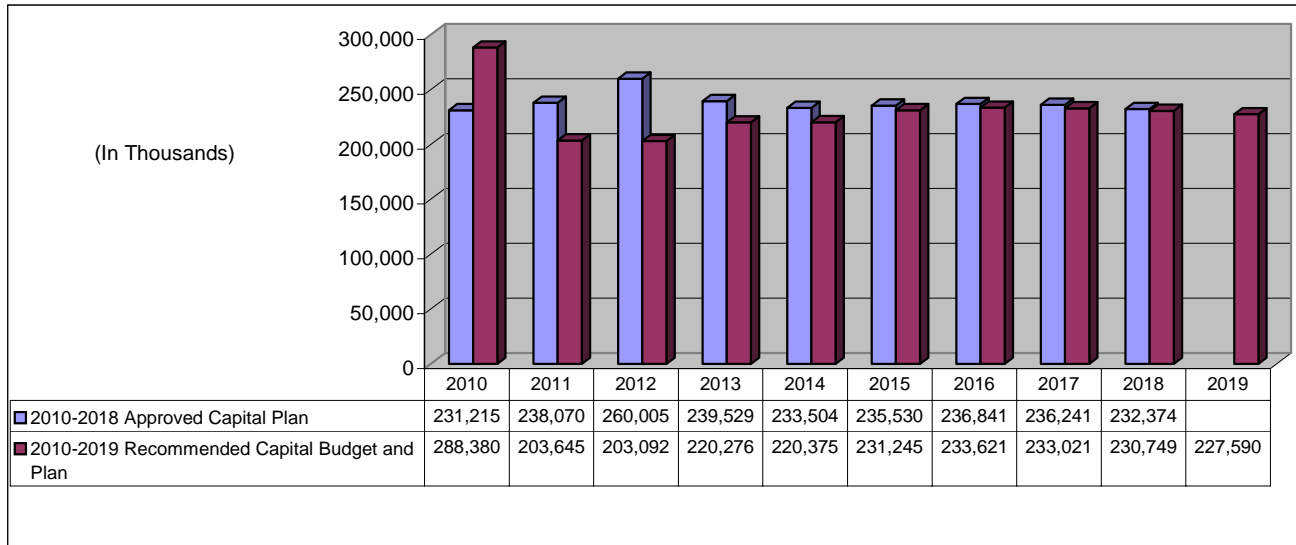
- The 10-Year Capital Plan supports Transportation Services' objectives of delivering sustainable transportation systems, infrastructure development and maintenance of state-of-good-repair to result in optimization and efficiency of the transportation network. It balances the needs of existing infrastructure with requirements for new facilities to accommodate growth, in an environment characterized by an aging transportation network and limited financial resources.
- The 10-Year Recommended Capital Plan is funded primarily from debt which accounts for 88% or \$2.012 billion of the recommended funding. Development charges provide funding of approximately 2% or \$47.405 million. Funding from the federal government's Infrastructure Stimulus Fund and Recreational Infrastructure Canada program amounts to 1% or \$26.777 million. Other sources such as Section 37 funding for traffic control signals and construction of local roads, TTC funding for track work on the City's right of ways and reserve funding for eligible Bike Plan projects represent the remaining 9% or \$204.900 million.
- The following summarizes the allocation of recommended funding by project category:
 - *State of Good Repair projects* continue to drive Transportation Services capital program. The 10-Year Recommended Capital Plan allocates significant financial resources to address the renewal needs of aging and deteriorating infrastructure. These projects account for 74% or \$1.699 billion and include maintenance and rehabilitation work on bridges, the Gardiner and Don Valley expressways, major and local road reconstruction and sidewalk maintenance.
 - *Health and Safety projects* represent approximately 5% or \$106.984 million of the total planned cash flow of \$2.292 billion and include signage and traffic safety projects such as accessible/audible pedestrian signals and the salt management program.
 - *Service Improvement projects* represent approximately 8% or \$190.604 billion of the 10-Year Recommended Capital Plan. Key service improvement projects include advanced traffic signal and control projects, safety, operational and facility improvements and cycling infrastructure enhancements.
 - *Growth projects* account for 13% or \$295.226 million of the 10-Year Recommended Capital Plan. Additional infrastructure is required as the City continues to grow. Examples of growth projects include the Dufferin Street Jog Elimination project and the North Yonge Centre area service road.
- The current State of Good Repair (SOGR) backlog is estimated at \$285 million. The 10-Year Capital Plan dedicates \$170 million annually to address the state of good repair projects, which results in the backlog being stabilized rather than eliminated, since the backlog will continue to grow to \$310 million by the end of 2019 as City infrastructure reaches the end of its useful life. As a result, the backlog at the end of 10 years will represent 3.2% of the asset value, compared to the existing 2.9% at the end of 2009.

Key Changes to the 2009-2018 Approved Capital Plan

The following highlights the changes from the 2009-2018 Approved Capital Plan with the 2010-2019 Recommended Capital Budget and Plan. As outlined in the table below, the 2010 Recommended

Capital Budget of \$288.380 million in cash flow represents an increase of 24.7% or \$57.165 million compared to 2010 Approved Capital Plan estimate of \$231.215 million in 2009. Overall, there is a \$78.905 million or 3.7 % decrease in the 2010 Recommended Capital Budget and 2011-2018 Recommended Capital Plan over the 9 year period.

Changes to the 2009-2018 Approved Capital Plan



- As a result of the approval of funding from the Federal Infrastructure Stimulus Fund (\$27.512 million) and Recreational Infrastructure Canada (\$13.320 million), Transportation Services advanced a number of future year state of good repair projects and delivery of several bike trail projects across the City, therefore increasing its 2009 and 2010 cash flows by \$37.353 million and \$61.512 million respectively. These increases were offset by adjustments in subsequent years (\$29.609 million in 2011, \$49.259 million in 2012, \$13.510 million in 2013, \$10.510 million in 2014, \$1.500 million in each of 2015-2017 and \$0.500 million in 2018).
- Based on more detailed estimates, there was an overall decrease in previously approved project costs for major east-west off-street bike trails (through the Finch and Gatineau Hydro corridors and through the CN Leaside corridor) in the total amount of \$9.023 million, which resulted in an overall reduction in the previously approved 2010-2018 Plan of the same amount.
- There has been a realignment of capital program projects to meet the Program’s debt targets as previously anticipated Development Charge (DC) funding was revised (based on the 2009 City of Toronto Development Charge Bylaw) to reflect more recent revenue projections. This resulted in a further reduction of the previously approved 2010-2018 Capital Plan in the amount of \$32.527 million over 9 years.

Summary of Project Changes

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010 - 2018
ISF Projects	50,362	(18,009)	(35,509)	(13,510)	(10,510)	(1,500)	(1,500)	(1,500)	(500)	(32,176)
RInC Projects	11,150	(11,600)	(13,750)							(14,200)
Capital Program Changes to Accommodate Available DC funding	(4,346)	(4,815)	(7,654)	(5,743)	(2,619)	(2,785)	(1,720)	(1,720)	(1,125)	(32,527)

Project Financing

The Transportation Services' 10-Year Recommended Capital Plan totals \$2.292 billion and is funded primarily from debt, which accounts for \$2.012 billion or 88% of the funding. Development charges provide funding of \$47.405 million or 2%, with a further \$26.777 million or 1% in funding coming from the Infrastructure Stimulus Fund and Recreational Infrastructure Canada. The remaining \$204.900 million or 9% will be funded from other sources such as Section 37 funding for traffic control signals, construction of local roads, TTC funding for track work on the City's right of ways and reserve funding for specific eligible Bike Plan projects and for improvements to the Don Valley Parkway.

Transportation Services' projects are funded through several Development Charge Reserve Funds. DC funded projects included in the 10-Year Capital Plan have been confirmed as eligible for Development Charges and have been included in the recently approved Development Charges By-law.

10-Year Recommended Capital Plan Versus Multi-Year Debt Targets

The 2010-2019 Recommended Capital Plan for Transportation Services meets the debt affordability targets for each of the ten years.

Infrastructure Stimulus Fund (ISF)

Through Canada's Economic Action Plan, the federal government has established a new \$4.000 billion Infrastructure Stimulus Fund that has been distributed across Canada in fiscal years 2009-2010 and 2010-2011. Projects focus largely on the rehabilitation of existing assets such as water, wastewater, public transit, highways, roads, culture, parks and, trails, projects that can be substantially completed by March 31, 2011.

Similarly, the Recreational Infrastructure Canada Program in Ontario and the Ontario REC (RInC-REC) programs were designed to support the upgrading and renewal of recreational facilities in communities that can be completed by March 31, 2011. Eligible projects under this program include the rehabilitation or new construction of: arenas, gymnasiums, swimming pools, sports fields, parks, fitness trails and bike paths, tennis, basketball, volleyball or other sport-specific courts, or other multi-purpose facilities that have physical recreation activity as their primary purpose. The governments of Canada and Ontario can each fund up to one third of a project's total eligible cost, up to a maximum of \$1 million each per project.

Transportation Services submitted applications for 177 projects of which 176 were subsequently approved for project financing from the federal government's Infrastructure Stimulus Fund (169 projects, grouped in 11 different categories) and Recreational Infrastructure Canada program (7 projects). The projects listed in the table below are included in Transportation Services' 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan.

Funding in the amount of \$40.832 million (\$27.512 million and \$13.320 million from ISF and RInC respectively) will be used to advance projects approved as a part of the 2009-2018 Capital Plan that have a total project cost of \$105.805 million (\$82.538 million and \$23.267 million pertaining to the ISF and RInC projects respectively). In order to leverage federal and provincial funding the City is providing accelerated debt funding in the amount of \$64.973 million (\$55.026 million and \$9.973

million for ISF and RInC projects respectively). Therefore, the Program’s 2010 -2019 debt targets were adjusted to reflect timing and approved amounts of the ISF and RInC funding.

Funding from the Federal Infrastructure Stimulus Fund provides an opportunity to advance significant future year state of good repair projects and reduce the existing backlog by approximately \$82.5 million in 2009 and 2010. It is important to note, that in the long run, the state of good repair backlog of projects will continue to grow as the funding in subsequent years was reduced to offset expenditures accelerated to 2009 and 2010.

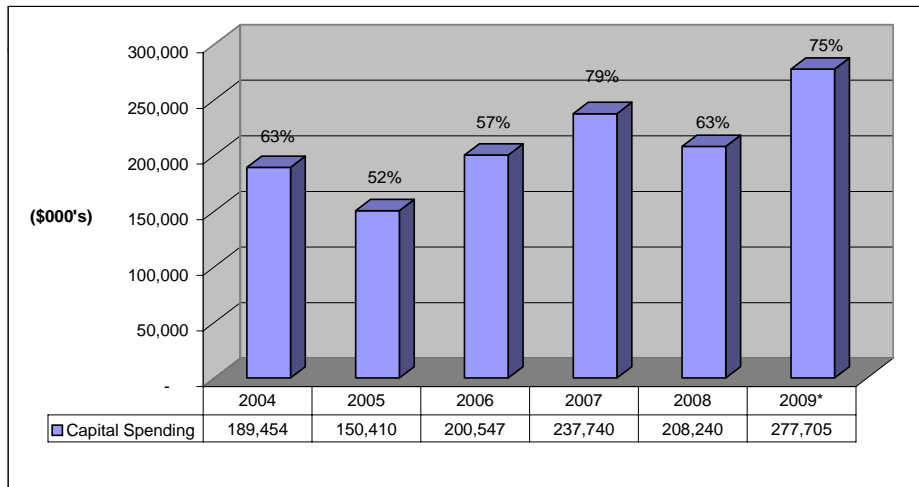
Infrastructure Stimulus Funding 2010-2011

Sub-Project	Total				2009			2010		
	Total	Debt	ISF	RInC	Debt	ISF	RInC	Debt	ISF	RInC
ISF Projects										
Local Road Resurfacing	20,000	13,334	6,666		6,667	3,333		6,667	3,333	
Steels Avenue Resurfacing	15,000	10,000	5,000		2,500	1,250		7,500	3,750	
Sidewalks	8,000	5,333	2,667		2,000	1,000		3,333	1,667	
Bridge Rehabilitation	6,000	4,000	2,000		2,000	1,000		2,000	1,000	
Gardiner/Lakeshore	2,000	1,334	666		667	333		667	333	
Laneway Projects	2,039	1,359	680		340	170		1,019	510	
Don Valley Parkway Rehabilitation	1,000	666	334		333	167		333	167	
Local Road Reconstruction	3,000	2,000	1,000		1,000	500		1,000	500	
Facilities Improvements	6,500	4,334	2,166		2,167	1,083		2,167	1,083	
Salt Management Facilities	3,999	2,666	1,333		444	222		2,222	1,111	
Major Road Reconstruction/Resurfacing	15,000	10,000	5,000		3,333	1,667		6,667	3,333	
Total ISF Projects	82,538	55,026	27,512		21,451	10,725		33,575	16,787	
RInC Projects										
Cycling Infrastructure	23,267	9,947		13,320	2,487		3,330	7,460		9,990
Total	105,805	64,973	27,512	13,320	23,938	10,725	3,330	41,035	16,787	9,990

Program Capacity and Readiness to Proceed

As at September 30th, 2009, Transportation Services spent \$101.830 million or 27.6% of its 2009 Approved Cash Flow of \$368.511 million. The Program is projecting to spend \$277.705 million or 75.4% by year-end. The 2009 projected rate by year-end represents an improvement over the Program’s historic spending capacity as the efforts are underway to maximize spending through the tendering and completion of projects. The last several years, with the exception of a decline in 2005 and 2008 (due to delays in major Service Improvement projects requiring coordination with third parties such as the Morning/Finch Rail Grade Separation, Front Street Extension, St. Clair Dedicated Right of Way and Bloor Transformation) have shown an increase in capital spending, with 2004 expenditures of \$189.454 million (63%), 2005 expenditures of \$150.410 million (52%), 2006 expenditures of \$200.547 million (57%), 2007 expenditures of \$237.740 million (79%), and, \$208.240 million in 2008 (63%), as outlined in the graph below.

Transportation Services Capital Budget Spending (2004-2009)



Note: *2009 Year-End Capital Budget Spending Rate Projection as of September 30th, 2009.

Transportation Services’ state of good repair projects are the main focus of the capital works program and are generally ready to proceed. New road, bridge, sidewalk and laneway projects are currently scheduled on an on-going basis, with readiness determined by needs assessment, design preparation, planning disposition, tendering and engineering studies. Cash flow reallocations are utilized periodically throughout the year to apply debt funding to projects that are ready to proceed and defer projects that become delayed. This strategy helps to minimize the impact of project delays and ensures that debt funding is utilized effectively. Multi year contracts have also been used to improve capital spending rates as they allow for work to continue and also for better scheduling in terms of planning and preparation of financial and tender documentation.

Growth or service improvement projects are less predictable. Projects such as the North Yonge Centre, Transit City projects and the Bathurst Street/Bremner Boulevard Projects are subject to negotiations with third parties such as developers and land owners as it pertains to project timing, land acquisition or scheduling of resources and coordination of capital work. Although one of the factors in determining the state of readiness is the status of negotiations with third parties, flexibility to reallocate funds to other projects is more restricted for this type of project as they are more likely to be funded from third parties or development charges which usually contain more restrictive measures and agreements in place regarding spending. In order to improve delivery of capital projects, the Program coordinates efforts with all stakeholders and it is also preparing for transition to the 5-Year delivery model which will allow for finalization of scope of work and coordination with all stakeholders two to three years in advance of construction.

The ISF and RInC projects represent an addition of \$61.5 million gross or 27% to the 2010 cash flow (previously approved as a part of the 2009-2018 Capital Plan), for a total of \$288.380 million in 2010. Although this cash flow is significantly higher than the Program’s historical spending (as presented in the table above), all approved projects are ready to commence in 2009 and expected to be substantially completed by the end of March 2011.

State of Good Repair (SOGR) Backlog

Transportation Services are responsible for maintenance of 5,355 km of roads, 300 km of expressways, 7,100 km of sidewalks, 535 bridges and 1,893 traffic signals across the City. There is a backlog of state of good repair work for on-going maintenance currently estimated at \$285 million by year-end 2009, representing 2.9% of the asset replacement value of \$9.7 billion (includes all linear assets such as bridges, roads, expressways, sidewalks and traffic signals).

The 10-Year Recommended Capital Plan dedicates \$1.699 billion (\$818 million during the first five years) or \$170 million on average annually to address state of good repair. However, the backlog will continue to grow despite increased spending, because a large proportion of the City's roads and bridges were constructed in the 1960s and 1970s. These structures are now requiring reconstruction and will add even further to the existing backlog unless there is substantial investment in SOGR. The current SOGR backlog of \$285 million will grow to \$321 million by the end of 2014, with a slight decline over the second five years of the 10-year planning horizon, to \$310 million by the end of 2019 (as shown in pages 9 and 10).

The main focus of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan is to undertake on-going state of good repair projects for major and local roads (\$919.215 million), bridge infrastructure (\$384.141 million), and expressways (\$89.757 million), which is further emphasised by acceleration of the recently approved ISF projects which pertain exclusively to the state of good repair. It is important to note, that in spite of the significant reduction in 2010 due to approval of the ISF projects and funding, the state of good repair backlog of projects will continue to grow as the funding in subsequent years was reduced to offset expenditures accelerated to 2009 and 2010.

The 10-Year Capital Plan is based on a backlog stabilization strategy, rather than elimination. Should additional funding become available, the Program would be in a position to commence addressing the backlog of state of good repair projects. Ideally, the focus should be on funding the infrastructure needs as they become due in an asset's life-cycle, since deferring work results in an increased future cost. Therefore, there is a need to develop funding strategies to further stabilize the SOGR backlog and Transportation Services continues to work on the overall system funding needs, project scheduling and staff resources required.

Capital Projects Highlights

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan supports several key priority actions outlined in the Mayor's and Council's policy agenda. The following highlights key capital projects.

A Cleaner and More Beautiful City:***Neighbourhood Improvement Projects***

An investment in Neighbourhood Improvement projects is continuing in the amount of \$0.080 million in capital projects per ward, per year, to support making Toronto's neighbourhoods clean and beautiful for a total amount of \$3.520 million in 2010.

A Transit City:

The City is making public transit a priority by expanding the number of exclusive, dedicated transit right-of-ways as identified in Transit City and as included in Metrolinx's draft Regional Transportation Plan.

The Transit City Plan involves the construction of 7 new light rail lines which will operate in their own dedicated rights-of-way plus the renovation and extension of the Scarborough Rapid Transit line. The three priority routes are:

- Eglinton Crosstown LRT
- Finch West LRT
- Sheppard East LRT

The planning and EA approval process for these projects has been a coordinated effort between TTC, Transportation Services, City Planning, and Waterfront Toronto. The Transportation Services's share for Transit City includes design and consulting costs related to the right of ways. Transportation Services has included \$50 million for their share of Transit City costs in the 10-Year Recommended Capital Plan.

Speed up the implementation of Toronto's bike plan:

Funding in the total amount of \$100.921 million has been allocated to a wide range of cycling infrastructure initiatives over the 10-Year planning horizon:

- \$56.218 million will facilitate the completion of all bike lanes, shared roadways and off-road paths required for the Bike Plan by year 2012. Out of that amount, \$9.990 million is funding provided through RInC program, which will be used, together with \$7.459 million secured by the City, to complete the design and construction of approximately 30 km of trails and on-street bikeways in the CN Leaside corridor and the Gatineau and Finch Hydro corridors.
- Funding of \$44.703 million is included to further expand the Bike Network throughout the City from 2014-2019. By 2019, there will be approximately 1,000 km network of bicycle lanes, trails and shared roadway routes.

Funding included in the 10-Year Recommended Capital Plan will enable:

- Completion of 600 km of bikeways consisting of 380 km of bicycle lanes, approximately 80 km of bikeway trails and 140 km of shared roadway routes.
- Installation of 5,000 new bicycle parking spaces and retrofitting of 15,000 existing post-and-ring bicycle racks with a new higher security design.
- Completion of the design and construction of several high-security bicycle parking stations at Nathan Phillips Square, Union Station and TTC Subway Stations.

Regent Park Revitalization:

The Regent Park Revitalization Plan was adopted by City Council in July 2003 in order to reinvest, redevelop and intensify more than 70 acres of land in downtown Toronto with the purpose of reintegrating this community with the surrounding urban fabric. The area is currently being revitalized by Toronto Community Housing Corporation (TCHC) in partnership with a private developer, Daniels. Part of this initiative required extensive investment in infrastructure such as the reintroduction of the grid of public streets in Regent Park that will help to open up the area to its surrounding neighbourhoods. Funding in the amount of \$5.736 million is recommended over the next seven years.

North Yonge Centre:

The City’s Official Plan and the Provincial growth plan for the Greater Golden Horseshoe identified the North Yonge Centre as a key area for growth which could become an important economic growth generator and attract new talent and investment. Funding in the amount of \$19.000 million is recommended over 4 years for the acquisition of land and the construction of the service road which is required to support development growth in the area.

Summary of Major Capital Initiatives

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
New & Expanded Facility Projects											0
IT Projects											0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0
Other Major City Initiatives:											
Cycling Infrastructure	22,618	7,300	8,000	8,900	9,400	9,500	9,700	9,100	8,100	8,303	100,921
Neighbourhood Improvements Project	3,520										3,520
Transit City (Transportation Share)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
North Yonge Centre	4,000	5,000	5,000	5,000							19,000
Six Points Interchange Redevelopment						4,297	12,891	15,000	9,360		41,548
Dufferin Street Jog Elimination	1,500										1,500
Regent Park Revitalization	562	1,687		512	1,537	360	1,078				5,736
Sub-Total	37,200	18,987	18,000	19,412	15,937	19,157	28,669	29,100	22,460	13,303	222,225
Total	37,200	18,987	18,000	19,412	15,937	19,157	28,669	29,100	22,460	13,303	222,225

- The Facility Improvements project is a program to rehabilitate several Transportation Services’ facilities to an acceptable health and safety standard.
- Reconfiguration of the Six Points Interchange has been a municipal objective for more than two decades. Some of the key benefits to be achieved through the redevelopment include: (a) simplifying the road network and releasing surplus interchange lands for other uses; (b) creating a more desirable, attractive and safe environment for pedestrians and cyclists; and (c) improving access to the Kipling Subway Station which is a key inter-regional transit for west end residents, and for commuters living beyond the City boundaries.
- The Dufferin Street Jog Elimination project is a multi year project which will be completed by the end of 2011. It will help transit operations and traffic flow by eliminating the detour to Queen Street and Gladstone Avenue when navigating along Dufferin Street in the area. The reconfiguration will improve the appearance of the intersection and will help to improve the pedestrian environment in the area.

**10-Year Capital Plan:
Incremental Operating Impact Summary**

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
2010 Recommended Capital Budget											
Program Costs (Net)	11										11
Approved Positions											0
Debt Service Costs	3,819	16,452	1,792	236							22,299
Recommended 10-Year Capital Plan											
Program Costs (Net)								2			2
Approved Positions											0
Debt Service Costs		3,954	20,879	22,821	25,454	26,026	26,973	26,970	26,971	27,076	207,125
Total											
Program Costs (Net)	11	0	0	0	0	0	0	2	0	0	13
Approved Positions	0	0	0	0	0	0	0	0	0	0	0
Debt Service Costs	3,819	20,406	22,671	23,057	25,454	26,026	26,973	26,970	26,971	27,076	229,423

The incremental operating impacts outlined above include the maintenance costs for New Traffic Control Signals/Devices and Traffic Control – RESCU projects, as well as debt service costs.

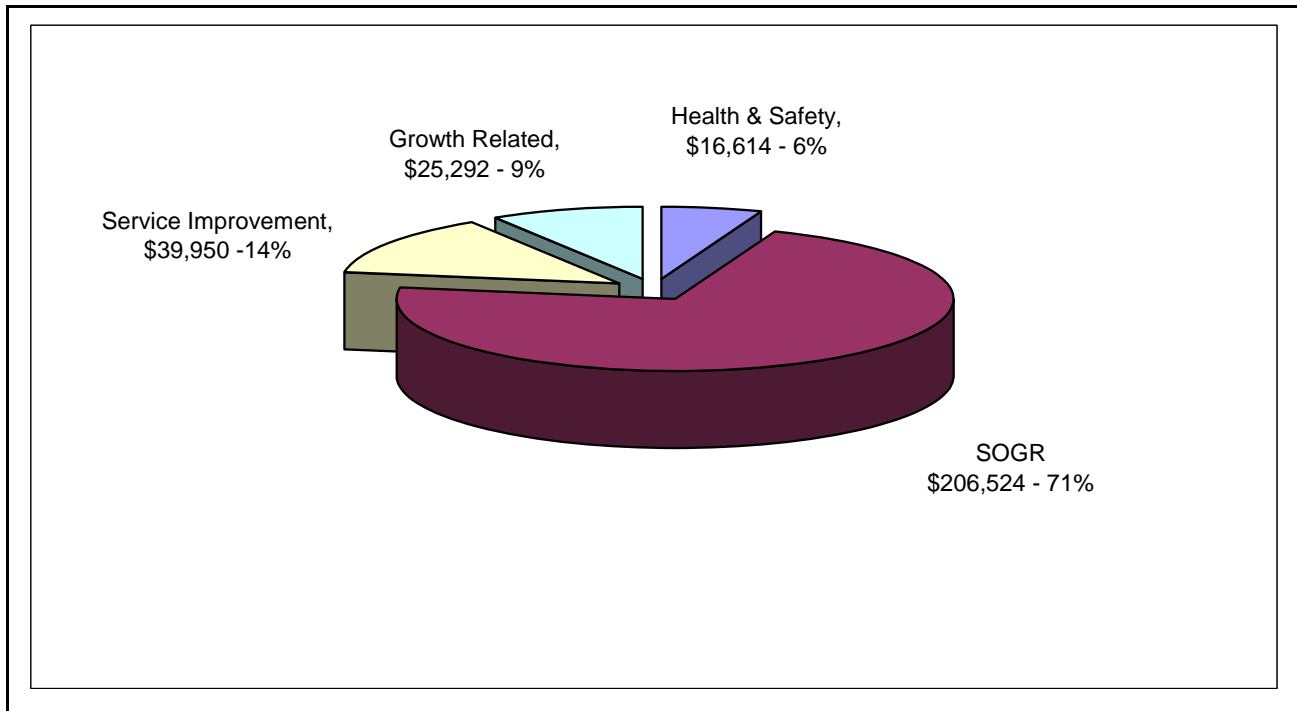
Total 2010 Recommended Cash Flow & Future Year Commitments

	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2008 C/Fwd)	2011	2012	2013	2014	2015	2016	2017
Expenditures													
Previously Approved		110,373		110,373	57,783	168,156	21,917	17,389	1,100				
Change in Scope													
New			1,050	1,050		1,050							
New w/Future Year			176,957	176,957		176,957	16,528						
Total Expenditure	0	110,373	178,007	288,380	57,783	346,163	38,445	17,389	1,100	0	0	0	0
Financing													
Debt		78,558	152,750	231,308	30,961	262,269	33,301	13,327	1,100				
Reserves/Res Funds			200	200		200							
Development Charges		3,068	3,812	6,880	5,079	11,959	3,154	1,812					
ISF/RInC		26,777		26,777		26,777							
Provincial/Federal													
Other		1,970	21,245	23,215	21,743	44,958	1,990	2,250					
Total Financing	0	110,373	178,007	288,380	57,783	346,163	38,445	17,389	1,100	0	0	0	0

- Transportation Services' 2010 Recommended Capital Budget is \$346.163 million and provides funding for 2009 projects carried forward into 2010 of \$57.783 million, previously approved commitment funding of \$110.373 million and \$178.007 million for new/change in scope projects.
- Large multi-year projects requiring 2009 carry forward funding include the St. Clair Dedicated Right of Way project, the Bloor Street Transformation project and the Dufferin Jog Elimination project.
- Approval of the 2010 Recommended Capital Budget will result in a commitment of \$38.445 million in 2011, \$17.389 million in 2012 and \$1.100 million in 2013. To fund the 2010 recommended cash flow and future year commitments, Transportation Services will require new debt funding of \$231.308 million in 2010, \$33.301 million in 2011, \$13.327 million in 2012 and \$1.100 million in 2013.
- The 2010 recommended cash flow and future year commitments will provide funding for SOGR needs for City Bridge Rehabilitation in the amount of \$37.469 million, Major Road Resurfacing and Reconstruction in the amount of \$52.853 million and Local Road Resurfacing and Reconstruction in the amount of \$55.331 million. The 2010 recommended funding will also provide for the completion of capital work on the North Yonge Centre project.

2010 Recommended Capital Budget: Overview

Capital Budget by Project Category



The following summarizes the allocation of recommended funding by project category:

- State of Good Repair projects* represent 71% or \$206.524 of the 2010 Recommended Capital Budget. State of Good Repair projects are driven by continued rehabilitation project work on Expressways such as the Gardiner and Don Valley Parkway, City Bridges and on Local and Major Roads. These projects are designed to extend the useful life of assets, ensure service reliability, and postpone replacement.
- Service Improvement projects* represent approximately 14% or \$39.950 million of the 2010 Recommended Capital Budget. Examples of service improvement projects include on-going work for Cycling Infrastructure, Advanced Traffic Signal Controls and LED Signal Module Conversion. These projects address improvements to the public realm, a more sustainable transportation system as well as implementation of initiatives outlined in the Climate Change, Clean Air and Sustainable Energy Action Plan.
- Growth projects* represent 9% or \$25.292 million of the 2010 Recommended Capital Budget and include continued work on the projects such as Dufferin Street Jog Elimination and North Yonge Centre. These projects address the need for increased infrastructure as the City continues to grow. Development Charges are utilized as a funding source whenever it is applicable and available.
- Health and Safety projects* account for the remaining 6% or \$16.614 million of the 2010 Recommended Capital Budget and include continued work on PXO Replacement & Visibility Enhancements, Signal Major Modifications and New Traffic Control Signals. These projects are designed to improve the safety for all users of the City's right of ways.

2010 Recommended Capital Budget versus Debt Target

The 2010 Recommended Capital Budget requires new 2010 cash flow of \$288.380 million with debt funding of \$231.308 million. The 2010 Recommended Capital Budget for Transportation Services meets the debt affordability guideline of \$231.308 million set for this Program.

Capacity and Readiness to Proceed

The 2010 Recommended Capital Budget is ready to proceed. The Transportation Services' projects are constantly evaluated with ability to proceed determined by needs assessment, design preparation, planning disposition, tendering and engineering studies. Reallocations are utilized periodically throughout the year to ensure that projects that are delayed are deferred and replaced with ones that are ready to be accelerated. In addition, use of multi year contracts has allowed the Program to improve capital spending rates as they allow for work to continue and also for better scheduling in terms of planning and preparation of financial and tender documentation.

Capital Project Highlights

The 2010 Recommended Capital Budget provides funding to continue a broad range of projects that advance priority actions in the Mayor's and Council's policy. The following highlights key capital projects:

A Cleaner and More Beautiful City:***Neighbourhood Improvement Projects***

An investment of \$3.520 million in Neighbourhood Improvement projects is continuing to support making Toronto's neighbourhoods clean and beautiful in 2010.

Speed up the implementation of Toronto's bike plan:

In 2010, an amount of \$5.169 million has been allocated to the City wide cycling infrastructure initiatives. As a result there will approximately 100 new bicycle lockers at TTC subway stations and 600 new post-and-ring bicycle racks, with another 1,200 existing post and ring racks retrofitted to a new, safer design. Another 60 km of new on-street bikeways will be completed, including the downtown bikeway network with a pilot projects for "protected bicycle lanes" on University Avenue. In order to close gaps in the Bikeway Network, a number of bikeway trail links will be added and work on a feasibility study of trail alignment options for Mid-Humber extension will commence. Design and construction preparation for the Nathan Phillips Square Bicycle Station and Bloor-Danforth Bikeway Environmental Assessment Study are also planned for 2010.

A Transit City:

Funding of \$5.000 million is included for Transportation Services' share of Transit City costs in 2010.

In addition, the 2010 Recommended Capital Budget will provide funding for the following:

- It will facilitate work beginning on the revitalization of Regent Park (\$0.562 million)

- It will enable continued SOGR maintenance and reconstruction work on bridges (\$37.469 million), the Gardiner and Don Valley expressways (\$13.700 million), major and local road reconstruction and sidewalk maintenance (\$127.039 million).
- It will continue funding Service Improvement projects such as signage and road safety improvement projects (\$6.731 million), Dufferin Jog Elimination and improvements in the North Yonge Centre area (\$4.000 million).
- Projects to be completed in 2010 include bike trails along the CN Leaside, Finch and Gattineau Hydro corridors (\$17.459 million).

PART II: ISSUES FOR DISCUSSION**2010 Recommended Capital Budget Issues****Capacity – Ability to Spend**

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan is a significant undertaking with funding totalling \$2.292 billion. The most aggressive spending is planned for 2010 with a cash flow of \$346.163 million (including carry forward funding). In subsequent years, the cash flow funding is more evenly distributed averaging \$222.624 million annually.

The state of readiness of projects was one of the main criteria for placing projects within the 10-Year Capital Plan. Generally, the state of good repair projects are ready to proceed, with growth and service projects being less predictable due to a need to coordinate and negotiate work and funding with third parties. The state of good repair projects in the amount of \$206.524 million comprise 71% of the 2010 Recommended Capital Budget and all included projects are ready to proceed.

However, in delivering the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan expenditure levels discussed above, the following will be a challenge for Transportation Services in 2010:

- The 2010 recommended cash flow of \$346.163 million is significantly higher than historical spending (page 15).
- The 2010 Recommended Capital Budget includes 176 state of good repair projects and bike trails across the City funded from the Infrastructure Stimulus Fund and Recreational Infrastructure Canada program (page 14). With projects anticipated to begin in late 2009, it is possible that a considerable portion of the 2009 cash flow of \$37.993 million for these projects will be carried forward into 2010.

In order to address the above challenges Transportation Services staff has already met with other City Programs to discuss purchasing and implementation strategies and to ensure that the procurement of services proceeds efficiently. The Program continues to work on establishing planning, implementation and monitoring strategies to ensure that these projects are completed as scheduled and given their highest priority status, these projects will be implemented first.

2011-2019 Recommended Capital Plan Issues**State of Good Repair (SOGR) Backlog**

Debt continues to be an important source of funding to address SOGR needs in the 10-Year Recommended Capital Plan for Transportation Services. In recognition of the growing SOGR backlog, during the 2009 Budget Process, debt funding has been increased by \$10 million per year starting in 2011 to help stabilize the backlog.

The 10-Year Recommended Capital Plan dedicates \$1.699 billion (\$818 million during the first five years) or \$170 million on average annually to address state of good repair. However, the current SOGR backlog of \$285 million or 2.9% of the asset replacement value will continue to grow to \$310 million or

3.2% of the asset replacement value by the end of 2019. The 10-Year Capital Plan is based on a backlog stabilization strategy, rather than elimination. This is because a large proportion of the City's roads and bridges were constructed in the 1960s and 1970s and many of them are now requiring reconstruction, adding even further to the existing backlog unless there is substantial investment in SOGR.

The Program continues to align resources and mobilize staffing in order to develop a funding strategy to stabilize the SOGR backlog in the future.

Regent Park Revitalization

In July 2003, City Council adopted the Regent Park Revitalization Plan in order to reintegrate this publicly funded community housing with the surrounding urban fabric. The revitalization initiative, based on a 6 phased approach over a 12 year period, will slowly demolish the dilapidating buildings of Regent Park and relocate tenants to 5 new mixed income developments planned for the area. Part of this initiative required extensive investment in infrastructure such as the reintroduction of the grid of public streets in Regent Park that will help to open up the area to its surrounding neighbourhoods. The originally estimated funding in the amount of \$5.736 million is recommended over the next seven years.

However, Toronto Community Housing Corporation (TCHC) who is currently revitalizing the area, indicated recently that both the amount and timing of the funding will require adjustment, to account for the following:

- Inflationary pressures not included in the original estimates over the 12 year planning horizon.
- Acceleration of Phases III and IV requirements.
- Soft costs and the allocation between City Programs were not identified in the original estimates.

A review of technical components and associated costs is currently underway and Transportation Services will continue to collaborate with the other City divisions to establish costs amounts that can be attributed to individual factors above and to determine potential gap in funding pertaining to the transportation infrastructure. These will be reviewed in conjunction with the City's 2011 Capital Review Process.

Issues Referred to the 2010 Budget Process

Cycling Infrastructure

During the 2009 Budget process it was recommended that Cycling Infrastructure projects consisting of the CN Leaside corridor trail project (\$3.100 million) and the Finch and Gatineau Hydro corridor trail projects (\$25.690) for a total project cost of \$28.790 million included in the 5-Year Recommended Capital Plan be approved conditionally, subject to receiving funding from the Province.

Recently, Transportation Services has received the approval of funding for seven bike trails in the Finch, Gatineau and CN Leaside corridors, in the amount of \$13.320 million from the Recreational Infrastructure Canada (RInC) program. The remainder of the total project costs, currently estimated at 23.266 million, will be funded by the City's debt. The 2010 portion of these project costs is included in the 2010 Capital Budget.

Steeles Avenue Widenings and Grade Separations

Three separate sections of Steeles Avenue across the top of the City have been identified for widening as well as a grade separation in the east end. The widenings include Steeles Avenue West (Hilda Ave to Bathurst St), Steeles Avenue West (Jane St to Weston Rd) in 2013 and Steeles Avenue East (Beare Rd to Tapscott). The approximate cost of this work is estimated to be \$110 million. During the 2009 Budget process, it was recommended that the General Manager for Transportation Services report back to Public Works and Infrastructure Committee prior to the 2010 Capital Budget process regarding ongoing discussions with York Region on the cost-sharing of these infrastructure improvements Steeles Widenings and Grade Separations. This remains to be outstanding. These projects have not been included in the 2010 Recommended Capital Budget.

Appendix 1
2010-2019 Summary of the Recommended Capital Budget
and Capital Plan

Appendix 2
2010 Recommended Capital Budget; 2011 to 2019
Capital Plan

Appendix 3
2010 Recommended Cash Flow
And Future Year Commitments

Appendix 4
2010 Recommended Capital Projects
With Financing Details

Appendix 5
Reserve / Reserve Fund Review

2010-2019 Capital Program

Transportation Services

Reserve / Reserve Fund Name	Project / Sub Project Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals										2010 - 2019 Total	
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan		
Pre-amalgamation Reserve Funds (XR 2009, XR 2010, XR 2011, XR 2012)	Beginning Balance	\$3,336	\$3,336	\$2,060	\$412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Growth Related		(\$343)	(\$343)										(\$686)
	Scarlett/St.Clair/Dundas			(\$162)	(\$32)									(\$194)
	Steeles/Kennedy Grade Separation													\$0
	North Yonge Centre													\$0
	Port Union Road													\$0
	Morningside Ave Extension				(\$308)									(\$308)
	Six Ponds Interchange													\$0
	Cycling Infrastructure													\$0
	Signal Modifications													\$0
	Engineering Studies													\$0
	Redlea													\$0
	New Traffic Control Signals		(\$250)	(\$250)	(\$72)									(\$572)
	Advanced Traffic Signal Control		(\$433)	(\$643)										(\$1,076)
	Traffic Control - RESCU		(\$250)	(\$250)										(\$500)
Audible Signals													\$0	
Total Proposed Withdrawals			(1,276)	(1,647)	(412)	0	0	0	0	0	0	0	(\$3,335)	
Projected Contributions			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$3,336	\$2,060	\$412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals										2010 - 2019 Total	
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan		
XR 2110 Development Charge Reserve Fund - Roads	Beginning Balance	\$2,298	\$2,298	\$6,035	\$9,815	\$13,015	\$19,587	\$30,341	\$41,335	\$53,763	\$66,611	\$80,460		
	Growth Related		(\$672)	(\$672)	(\$672)	(\$672)	(\$672)	(\$672)	(\$672)	(\$672)	(\$490)	(\$490)	(\$6,358)	
	Scarlett/St.Clair/Dundas			(\$162)	(\$998)	(\$1,023)							(\$2,183)	
	Steeles/Kennedy Grade Separation				(\$123)	(\$1,617)	(\$1,844)	(\$1,294)	(\$207)				(\$5,084)	
	North Yonge Centre		(\$1,478)	(\$2,205)	(\$2,205)	(\$2,205)							(\$8,093)	
	Port Union Road											(\$931)	(\$931)	
	Morningside Ave Extension				(\$1,029)								(\$1,029)	
	Six Ponds Interchange							(\$710)	(\$773)	(\$980)	(\$590)			(\$3,054)
	Cycling Infrastructure		(\$312)	(\$353)	(\$353)									(\$1,017)
	Signal Modifications		(\$490)	(\$490)	(\$490)									(\$1,470)
	Engineering Studies		(\$67)	(\$69)	(\$69)									(\$204)
	Redlea		(\$538)											(\$538)
	New Traffic Control Signals		(\$490)	(\$490)	(\$490)									(\$1,470)
	Advanced Traffic Signal Control		(\$848)	(\$1,260)	(\$811)									(\$2,919)
	Traffic Control - RESCU		(\$490)	(\$490)	(\$490)									(\$1,470)
Audible Signals		(\$19)	(\$21)	(\$21)									(\$60)	
Total Proposed Withdrawals			(5,403)	(6,211)	(7,750)	(5,517)	(2,516)	(2,676)	(1,652)	(1,652)	(1,080)	(1,421)	(\$35,879)	
Projected Contributions			\$9,140	\$9,990	\$10,950	\$12,090	\$13,270	\$13,670	\$14,080	\$14,500	\$14,930	\$15,380	\$128,000	
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$2,298	\$6,035	\$9,815	\$13,015	\$19,587	\$30,341	\$41,335	\$53,763	\$66,611	\$80,460	\$94,419		

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals											
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010 - 2019 Total	
XR 2028, XR 2114) Development Charge Reserve Fund - Parks and Recreation	Beginning Balance	\$13,527	\$19,463	\$26,013	\$33,223	\$40,573	\$48,183	\$56,713	\$65,543	\$74,668	\$84,443	\$95,443		
	Toronto Bike Plan-CW Expansion (TBP) FY2010-2018		(\$200)	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)		(\$1,800)	
	Mid-Humber Extend Trail Wards 1,2,7 (TBP)				(\$610)	(\$610)	(\$610)	(\$610)	(\$610)	(\$613)				(\$3,053)
	Additional Off-Road Bike Trails					(\$610)	(\$610)	(\$610)	(\$610)	(\$612)				(\$2,442)
	Centennial Pk(E)-Path Dev throughout (TBP) W14,15										(\$529)			(\$529)
	Etobicoke Valley Pk: Trail Ext. 9 TBP W16/ALTW 20)										(\$366)			(\$366)
	Total Proposed Withdrawals			(200)	(810)	(1,420)	(1,420)	(1,420)	(1,420)	(1,425)	(1,095)	(200)		(\$8,190)
Projected Contributions			\$6,750	\$7,410	\$8,160	\$9,030	\$9,950	\$10,250	\$10,550	\$10,870	\$11,200	\$11,530	\$95,700	
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$13,527	\$26,013	\$33,223	\$40,573	\$48,183	\$56,713	\$65,543	\$74,668	\$84,443	\$95,443	\$106,973		

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals											
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010 - 2019 Total	
XR 2211 Parkland Acq-City Wide Development	Beginning Balance	\$8,801	\$8,801	\$10,101	\$11,401	\$12,661	\$13,881	\$15,301	\$16,721	\$18,121	\$19,522	\$21,022		
	Toronto Bike Plan-CW Expansion (TBP) FY2010-2018		(\$200)	(\$200)	(\$200)	(\$200)							(\$800)	
	Mid-Humber Extend Trail Wards 1,2,7 (TBP)				(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$37)				(\$197)
	Additional Off-Road Bike Trails					(\$40)	(\$40)	(\$40)	(\$40)	(\$38)				(\$158)
	Centennial Pk(E)-Path Dev throughout (TBP) W14,15									(\$25)	(\$71)			(\$96)
	Etobicoke Valley Pk: Trail Ext. 9 TBP W16/ALTW 20)										(\$28)			(\$28)
	Total Proposed Withdrawals			(200)	(200)	(240)	(280)	(80)	(80)	(100)	(99)			(\$1,279)
Projected Contributions			\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$15,000	
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$8,801	\$10,101	\$11,401	\$12,661	\$13,881	\$15,301	\$16,721	\$18,121	\$19,522	\$21,022	\$22,522		

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals										
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010 - 2019 Total
XR 2203 Parkland Acq-West Dist Local Dev	Beginning Balance	\$1,296	\$1,296	\$1,546	\$1,796	\$2,046	\$2,296	\$2,546	\$2,796	\$2,996	\$3,240	\$3,490	
	Etobicoke Valley Pk: Trail Ext. 9 TBP W16/ALTW 20)									(\$50)	(\$6)		(\$56)
	Total Proposed Withdrawals									(50)	(6)		(\$56)
	Projected Contributions			\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$1,296	\$1,546	\$1,796	\$2,046	\$2,296	\$2,546	\$2,796	\$2,996	\$3,240	\$3,490	\$3,740	

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec. 31, 2009	Proposed Withdrawals										
			2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010 - 2019 Total
XQ 0011 Capital Financing Reserve	Beginning Balance	\$43,295	\$43,295	\$34,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	
	Neighbourhood Improvements		(\$3,520)										(\$3,520)
	Backlog Western Gardiner		(\$5,000)	(\$5,000)									(\$10,000)
	Total Proposed Withdrawals		(\$8,520)	(\$5,000)									(\$13,520)
	Projected Contributions												\$0
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$43,295	\$34,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	\$29,775	