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September 11, 2006

To: Budget Committee

From: Works Committee

Subject: St. Clair Avenue West Transit Improvement Project – Impact on State of Good Repair Capital Projects (Ward 11, York South-Weston; Ward 17, Davenport; Ward 21, St. Paul’s; and Ward 22, St. Paul’s)

Recommendations:

The Works Committee:

- (a) **referred the report (August 24, 2006) from the General Manager, Transportation Services to the Budget Advisory Committee so that decisions regarding funding for the 2007 to 2010 portion of the St. Clair Avenue West undergrounding can be considered as part of the Budget Advisory Committee’s 2007 Capital Budget deliberations; and**
- (b) **requested the General Manager, Transportation Services to meet with appropriate staff from Toronto Hydro, Enbridge Gas and the TTC to finalize funding issues and limit the impact on the City’s Transportation Capital Budget.**

Background:

The Works Committee on September 11, 2006, considered a report (August 24, 2006) from the General Manager, Transportation Services responding to various requests by Council on July 25, 26, and 27, 2006, to report on the capital projects that could be impacted to accommodate incremental aesthetic improvements (decorative lighting, hydro undergrounding and full sidewalk reconstruction) on St. Clair Avenue West between Yonge Street and Gunns Road, in conjunction with the TTC Transit Improvement Project.

Recommendations:

It is recommended that:

- (1) improvements involving the undergrounding of hydro plant, enhancement of decorative lighting and extension of sidewalk work to mid-block areas, not proceed given fixed affordability targets and, instead, continue with only overhead hydro plant modifications;
- (2) should the Works Committee recommend as an alternative to Recommendation (1), to proceed with the incremental aesthetic improvements (decorative lighting, hydro undergrounding and full sidewalk reconstruction including mid-block locations), that the associated funding not be drawn against future committed Transportation state-of-good repair programs;
- (3) should the Works Committee decide, as an alternative to Recommendations (1) and (2) above, to proceed with the incremental aesthetic improvements (decorative lighting, hydro undergrounding and full sidewalk mid-block reconstruction), that it advise the General Manager, Transportation Services as to which Wards' future committed Transportation state-of-good repair roadworks should get deferred over the 2007-2009 timeframe in order to fund these improvements; and
- (4) this report be forwarded to the Policy and Finance Committee for information.

City Clerk

R. Dyers/tl
Item 19

Sent to: Budget Advisory Committee
General Manager, Transportation Services
Deputy City Manager and Chief Financial Officer

c. Acting Deputy City Manager

(Report dated August 25, 2006, addressed to the
Works Committee from the General Manager, Transportation Services)

Purpose:

To respond to various requests for reports by City Council at its meeting of July 25, 26 and 27, 2006, on the capital projects that could be impacted to accommodate incremental aesthetic improvements (decorative lighting, hydro undergrounding and full sidewalk reconstruction) on St. Clair Avenue West between Yonge Street and Gunns Road, in conjunction with the TTC Transit Improvement Project.

Financial Implications and Impact Statement:

Additional funding in the amount of \$2.0 million for 2006 can be accommodated from reallocated unspent 2005 Transportation capital funds without affecting the Division's affordability targets. Additional incremental funding in the amount of \$16.5 million, or any portion thereof, required to pay for the City's share of the incremental aesthetic improvements without a corresponding increase in the approved divisional target, will need to be reallocated from future committed state of good repair programs as described herein. This will have a significant impact on the degree of local road construction activity. The reallocation of future committed works will also have the impact of increasing the current backlog of roadway repairs by a corresponding equivalent amount.

It is imperative that the Committee provide guidance with regard to the viability of proceeding with the incremental aesthetic improvements. Any further delay at this time will impact on Toronto Hydro's commitment to the project, design work, tendering timelines and staging activities, all potentially causing delays to beyond 2009.

Recommendations:

It is recommended that:

- (1) improvements involving the undergrounding of hydro plant, enhancement of decorative lighting and extension of sidewalk work to mid-block areas, not proceed given fixed affordability targets and instead, continue with only overhead hydro plant modifications;
- (2) should the Works Committee recommend as an alternative to Recommendation (1), to proceed with the incremental aesthetic improvements (decorative lighting, hydro undergrounding and full sidewalk reconstruction including mid-block locations), that the associated funding not be drawn against future committed Transportation state-of-good repair programs;
- (3) should the Works Committee decide as an alternative to Recommendations (1) and (2) above, to proceed with the incremental aesthetic improvements (decorative lighting, hydro undergrounding and full sidewalk mid-block reconstruction), that it advise the General Manager, Transportation Services, as to which Wards' future committed

Transportation state-of-good repair roadworks should get deferred over the 2007-2009 timeframe in order to fund these improvements; and

- (4) this report be forwarded to the Policy and Finance Committee for information.

Background:

City Council, at its meeting of July 25, 26 and 27, 2006, amended and adopted Clause 25a of Policy and Finance Committee Report No. 5 with respect to the City of Toronto 2007–2011 Capital Plan and Debt Service Guidelines and, in so doing, directed that:

- the capital project related to the reconstruction of TTC track allowance, pavement, sidewalk and curb on St. Clair Avenue from Yonge Street to Gunns Road (the “St. Clair West Transit Improvement Project”) be increased by an additional \$18.5 million, for aesthetic improvements subject to the necessary funding for this project being reallocated from proposed Capital projects in the 2007-2011 Capital Plan for Transportation Services in Wards 15, 17 and 21;
- Deputy City Manager Fareed Amin and the General Manager, Transportation Services, be directed to include this project in the 2007-2011 Capital plan for Transportation Services within the Council-approved five-year plan debt guidelines;
- any 2006 Capital costs for this project be financed through a reallocation of project funding from other Transportation projects, as determined by staff and reported to the Works Committee in September 2006;
- the Transportation Services Division re-prioritize Transportation projects between 2007-2011 in the vicinity of St. Clair Avenue to facilitate the financing of the hydro undergrounding; and
- the General Manager, Transportation Services, report to the Works Committee in September 2006, on the recommended projects impacted to accommodate the St. Clair right-of-way project within the debt guideline.

Comments:

From a community perspective, the incremental aesthetic design elements should be included within the programmed scope of work of the St. Clair West Transit Improvement Project because the ‘window of opportunity’ that now exists if missed, would not present itself again for many years to come. While the Transportation Services Division acknowledges that aesthetic design elements are indeed desirable amenities, it is difficult to rationalize the cost of the improvements from a state of good repair perspective.

In this regard, consistent with the Division’s approach over the past several budget cycles, the focus has been on state of good repair and in doing so, priorities for capital works projects are set as follows:

- (1) safety issues relating to all infrastructure;
- (2) bridges;
- (3) expressways;
- (4) major road resurfacing;
- (5) major road reconstruction;
- (6) local road resurfacing;
- (7) local road reconstruction;
- (8) sidewalks and laneways;
- (9) traffic control; and
- (10) growth/infrastructure enhancements.

As has been the case for the past several years, the 2007-2011 Transportation Services capital works program has been developed as a statement of overall system funding needs. In previous years, and as is the case now, the program is constrained by insufficient funding that has resulted in a significant backlog of rehabilitation works presently totalling in excess of \$300.0 million.

Reallocation of Approved Funds to Accommodate 2006 Aesthetic Work:

Transportation Services staff, in consultation with Finance staff, have reviewed existing approved unspent 2005 capital funds with a view to reallocating these funds to the St. Clair Avenue West Transit Improvement project. In order to accommodate the additional aesthetic design elements in 2006 in the amount of \$2.0 million, funds will be obtained from the unspent 2005 Local Road Resurfacing program without affecting programmed works. These funds will be spent in 2006 on the procurement of decorative streetlights in the approximate amount of \$1.0 million, on mid-block sidewalk reconstruction in the approximate amount of \$150,000.00 and on hydro undergrounding in the approximate amount of \$850,000.00.

Reallocation of Future State of Good Repair Commitments to Accommodate 2007-2009 Aesthetic Improvements:

Additional funding will need to be approved to allow work to proceed that will accommodate the additional aesthetic design elements for 2007 and beyond, assuming of course that divisional affordability targets are not increased accordingly. Funding in the amount of \$16.5 million, representing the City's share with additional funds contingent on Toronto Hydro's contribution, will be required to complete the various works. Any delay in the approval of this additional funding will delay the progress of the project. To put it in perspective, the order of magnitude of these improvements are equivalent to eliminating the division's entire local road reconstruction program, or alternatively, the major road reconstruction program in any given year.

Approximate funding representing the City's share with additional funds contingent on Toronto Hydro's contribution, will be required from 2007 to 2009 as follows; 2007 - \$6.3 million (Toronto Hydro Undergrounding) and \$1.5 million (decorative mid-block street lighting and midblock sidewalks), 2008 - \$4.5 million (Toronto Hydro Undergrounding) and \$1.5 million (decorative mid-block street lighting and midblock sidewalks), and 2009 - \$3.0 million (Toronto Hydro Undergrounding).

The undernoted is an overview of possible funding options, as requested by City Council, to accommodate additional aesthetic design elements for the section of St. Clair Avenue West from Vaughan Road to Gunns Road. The reallocation would be drawn against future commitments from state of good repair works that would have a significant impact on the degree of construction activity at the local level and corresponding growth of the already significant backlog.

- (1) Reallocation of future works from Ward 15 (Eglinton-Lawrence), Ward 17 (Davenport) and Ward 21 (St. Paul's):

In order to accommodate required future incremental funding from the three Wards identified by City Council, each Ward would lose the equivalent of:

- in 2007:
 - (i) 100 percent of the local road programs equivalent to \$800,000.00 comprising, on average, 14 blocks of resurfacing work and four blocks of reconstruction work;
 - (ii) 100 percent of the major road programs equivalent to \$700,000.00 comprising, on average, six blocks of resurfacing work and two blocks of reconstruction work;
 - (iii) 100 percent of the laneway improvement work; and
 - (iv) two bridge rehabilitation projects;
- in 2008:
 - (i) 100 percent of the local road programs equivalent to \$800,000.00 comprising, on average, 14 blocks of resurfacing work and four blocks of reconstruction work;
 - (ii) 100 percent of the major road programs equivalent to \$650,000.00 comprising, on average, five blocks of resurfacing work and two blocks of reconstruction work;
 - (iii) 100 percent of the laneway improvement work; and
 - (iv) one bridge rehabilitation project;
- in 2009:
 - (i) 100 percent of the local road programs equivalent to \$1.0 million comprising, on average, 16 blocks of resurfacing work and five blocks of reconstruction work; and

- (ii) 100 percent of the laneway improvement work.
- (2) Reallocation of future works in the vicinity of St. Clair Avenue West Transit Improvement Project from Ward 11 (York South–Weston), Ward 17 (Davenport), Ward 21 (St. Paul’s) and Ward 22 (St. Paul’s):

In order to accommodate the future required incremental funding from the four Wards in which the St. Clair Avenue West Transit Improvement Project is located, each Ward would lose the equivalent of approximately:

- in 2007:
 - (i) 100 percent of the local road programs equivalent to \$800,000.00 comprising, on average, 14 blocks of resurfacing work and four blocks of reconstruction work;
 - (ii) 100 percent of the major road programs equivalent to \$700,000.00 comprising, on average, six blocks of resurfacing work and two blocks of reconstruction work;
 - (iii) 100 percent of the laneway improvement work; and
 - (iv) one bridge rehabilitation project;
 - in 2008:
 - (i) 100 percent of the local road programs equivalent to \$800,000.00 comprising, on average, 14 blocks of resurfacing work and four blocks of reconstruction work;
 - (ii) 100 percent of the major road programs equivalent to \$650,000.00 comprising, on average, five blocks of resurfacing work and two blocks of reconstruction work; and
 - (iii) 100 percent of the laneway improvement work;
 - in 2009:
 - (i) 100 percent of the local road reconstruction programs and one-half of local road resurfacing work equivalent to \$1.0 million comprising, on average, seven blocks of resurfacing work and six blocks of reconstruction work; and
 - (ii) 100 percent of the laneway improvement work;
- (3) Reallocation of future works from all Wards, City-wide:

On a City-wide basis, in order to accommodate the future required incremental funding from the City's 44 Wards, each Ward would essentially lose the equivalent of:

- about \$175,000.00 worth of local road reconstruction work in 2007, equivalent to about two blocks of work, or 20 percent of the total work in the Ward;
- about \$140,000 worth of local road reconstruction work in 2008, equivalent to about one and one-half blocks of work, or about 15 percent of the total work in the Ward, and
- about \$70,000.00 worth of local road reconstruction work in 2009, equivalent to about one small block of work, or about 8 percent of the total work in the area.

Conclusions:

The accommodation of \$2.0 million for the implementation of aesthetic design elements in 2006 can be reallocated from unspent 2005 Local Road Resurfacing funds without affecting other programmed works. These funds will be spent in 2006, on the procurement of decorative streetlights in the approximate amount of \$1.0 million, on mid-block sidewalk reconstruction in the approximate amount of \$150,000.00 and on hydro related works in the approximate amount of \$850,000.00.

Assuming that there will be no increases in the Division's affordability target, the accommodation of additional funding in the amount of \$16.5 million needed to proceed with the aesthetic design elements for 2007 and beyond, to cover the City's share of work, will need to come from future commitments against state of good repair planned works. This will have a significant impact on the degree of construction activity at the local level over the next five years. This will also result in a corresponding growth of the existing backlog of road repairs. There is a 'need-to-know' urgency on the future commitment issue because any further delay at this time will affect procurement of various items, Toronto Hydro's commitment, and design, tendering and staging activity, all of which could increase the extent and frequency of disruption to the community and result in additional throw-away costs.

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