



STAFF REPORT ACTION REQUIRED

Authority to Execute Contribution Agreements with the Government of Canada for Transit-Secure Funding & with the Government of Ontario for Transit Technology & Infrastructure Program Funding

Date:	December 21, 2006
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2007\Internal Services\FP\ec07001Fp – wo (AFS 3636)

SUMMARY

This report recommends that staff be authorized to execute transit capital funding Contribution Agreements under the Transit-Secure program between the City, the TTC and the Federal Government. This report also recommends that staff be authorized to execute a transit capital funding Contribution Agreement under the TTIP program between the City, the TTC and the Provincial Government.

The Transit-Secure program is a federal Ministry of Transport, Infrastructure and Communities program which has approximately \$80 million to support and enhance Canada's transportation security infrastructure. The program covers expenditures on security initiatives during the period June 2006 to March 2008. The TTC has received approval under Round 1 of Transit-Secure for \$1.463 million. The Transit Technology and Infrastructure Program (TTIP), which was formerly the Golden Horseshoe Transit Improvement Partnerships (GTIP), is part of the Ontario Ministry of Transportation's transit investment plan. A total of \$33.7 million in funding has been approved under TTIP towards TTC expansion and improvement capital projects during the period 2002 to March 2007.

These Contribution Agreements will be signed in early 2007. By signing these agreements, the City can receive funding before the end of the federal and provincial governments' year ends on March 31, 2007.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. the Mayor, Deputy City Manager and Chief Financial Officer and the City Clerk be authorized to execute Contribution Agreements for transit-related security initiatives under the Transit-Secure (TS) Passenger Rail and Transportation Safety Program between the City of Toronto, the Toronto Transit Commission and Her Majesty The Queen in Right of Canada in accordance with the terms described herein;
2. the Mayor, Deputy City Manager and Chief Financial Officer and the City Clerk be authorized to execute a Contribution Agreement under the Transit Technology and Infrastructure Program (TTIP) between the City of Toronto, the Toronto Transit Commission and Her Majesty The Queen in Right of Ontario in accordance with the terms described herein; and
3. the appropriate officials be authorized and directed to take necessary actions to give effect thereto.

Financial Impact

Transit-Secure Funding

Upon execution of this agreement, total Transit-Secure funding eligible under Round 1 will be \$1.463 million. Funding is expected to be received for \$.558 million for 2006 projects, \$.595 million for 2007 projects and \$.310 million for 2008 projects. All of the projects for which Transit-Secure funding is expected to be received are in the TTC's proposed 2007-2011 Capital Budget.

Transit Technology and Infrastructure Program (TTIP)

Total TTIP funding will be \$33.7 million which represents one third of the cost of \$101 million for projects including Kennedy Station improvements, Bus Roadway improvements to Finch Station, the BRT from Downsview to York University, future computer information systems needs, continuous speed control, work on the transit control centre and other transit priorities. All of the projects for which Transit Technology and Infrastructure Program funding is expected to be received are in the TTC's proposed 2007-2011 Capital Budget.

DECISION HISTORY

Toronto Transit Commission, at its December 13, 2006 meeting, approved Report #37 which authorized TTC staff to execute a Contribution Agreement with the City of Toronto and the Government of Canada for transit related security initiatives commitments under the Transit-Secure (TS) Passenger Rail Safety Program in a form

acceptable to the TTC's Chief General Manager, General Secretary and General Counsel. The Commission also authorized TTC staff to execute a Contribution Agreement with the City of Toronto and the Government of Ontario for transit related security initiatives commitments under the Transit Technology and Infrastructure Program (TTIP) in a form acceptable to the TTC's Chief General Manager, General Secretary and General Counsel.

ISSUE BACKGROUND

Transit-Secure

On June 16, 2006, Prime Minister Harper announced a new initiative aimed at increasing Canada's capability to detect and respond to a potential terrorist attack. The announcement involved a Federal investment of \$254 million over two years to increase Canada's transportation security infrastructure. Of this total, up to \$80 million is available for high-risk passenger rail and security operations under the Transit-Secure program to be rolled out in four rounds. The purpose of the program is to address the most critical actions required to enhance security in the higher risk areas of passenger rail and transit security operations, and to prevent or lessen the impact of potential terrorist attacks on passengers, employees and the public.

Transit Technology and Infrastructure Program (TTIP)

In August 2002, the Provincial government announced its intention to expand and improve transit services in the Golden Horseshoe under the Golden Horseshoe Transit Improvement Partnerships (GTIP) initiative as part of Ontario's 10-year \$9 billion transit investment plan. Short term funding was announced for TTC capital projects in the amount of \$13.3 million for expansion of park and ride facilities, operational improvements, transit vehicle tracking systems, roadway and station improvements and transit vehicle priority. Subsequently, in June 2003, the Province announced additional funding of \$20.4 million for TTC capital initiatives involving technology improvement systems and equipment. The GTIP funding program has become the Ministry of Transportation's Transit Technology Infrastructure Program (TTIP).

COMMENTS

Transit-Secure

The TTC staff reviewed potential project submissions with staff from Transport Canada and submitted an application under Transit-Secure in August 2006. On November 14, 2006, the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities announced up to \$37 million in Round 1 funding for the six highest volume urban transit systems including Toronto. As part of this announcement, funding of \$1,462,500 was identified for TTC capital security projects. Staff is currently reviewing a draft contribution agreement which will govern the requirements for the approved Round 1 projects. Upon execution of this agreement, funds can flow to the City of Toronto for TTC capital projects. Discussion is continuing to confirm TTC security projects to be

considered for Round 3 funding, anticipated to be proceeding in early 2007. Additional projects for funding of \$16.4 million will be submitted in Round 3. A separate Contribution Agreement will be required for Round 3 projects and the Commission will be apprised before staff executes that agreement.

Transit Technology and Infrastructure Program (TTIP)

Work on these projects has progressed and a draft contribution agreement is under review with a working group comprised of staff from the Province, the City of Toronto, and the TTC. It is expected that this agreement will be finalized by early 2007. The project components and funding contributions are currently being finalized and will be incorporated into the final Contribution Agreement. This funding program currently covers expenditures up to March 31, 2007.

Staff continue to participate in the respective working groups to progress these agreements towards finalization to the satisfaction of funding and legal requirements. The Commission will be further advised of the outcome and any significant impacts to this expected funding.

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SIGNATURE



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