

TORONTO TRANSIT COMMISSION

2010-2014 CAPITAL PROGRAM

Comm Meeting
Oct 29/09



FORMAT OF CAPITAL PROGRAM

- Base Program
 - SOGRS
 - Legislative
 - Capacity Enhancement
 - Improvement
 - Expansion

-
- Spadina Subway Extension
 - Transit City Plan – Priority Projects
 - Transit City Plan – Unfunded Projects
 - Other
 - Waterfront Toronto

ENVELOPE COMPARISONS

(\$MILLIONS)

BUDGET COMPARISON	2009 to 2013		2014 to 2018	2009 to 2018
	2009	2010	Envelope	Envelope
Approved - Base Capital Program (Excluding SRT Project & Vehicles)	816	1,028	4,386	6,588
Requested - Base Capital Program (Excluding SRT Project & Vehicles)	796	1,011	4,456	7,082
Change in Base Program	(20)			424
City 2008 Carry Forward Request	(79)			
Net Change in Base Program	(99)			424

Reflects: - \$417M deferral of 6 projects to address 204 LRT Cars
 - Before application of TTC USBR

Excludes: - TYSSE, TCP approved lines: SRT; Shepp E; Finch W; Eglin XTown
 - Below the line

ENVELOPE COMPARISONS

- Issues
 - Pre Unspecified Budget Reduction:
 - 2009 Within Envelope
 - 2010 Within Envelope
 - 2009-2013 Within Envelope (after carry forward)
 - 2009-2018 \$415M Over Envelope
 - \$417 M deferral of six projects to accommodate 204 LRV's & handling of 6 projects not included

PROJECT DEFERRALS

- The following projects were deferred (beyond 2018) in order to ensure sufficient funding available for 204 LRV Order:
 - Eglinton Bus Terminal Replacement \$34 million
 - Fire Ventilation Upgrades 55
 - Station Modernization 40
 - On-Grade Paving 25
 - Collector Booth Renewal 5
 - Mid-Life Bus Rebuilds 258\$417 million
- Upon confirmation of how Federal Infrastructure Stimulus Funding (ISF) as announced for City of Toronto projects (non-TTC) will be used to assist TTC Capital financing requirements, these projects will be revisited with potential reinstatement where appropriate

FUNDING CHANGES

- City of Toronto
 - Recommended City Debt Targets were increased to address previous funding shortfall
 - Adjustments made for announcements of ISF funding (TTC) and SRT funding, \$417M additional for LRV Cars and six project deferrals
 - Handling of Long Term Funding to be reviewed – non-committed funding currently excluded from assumptions
- Metrolinx
 - Funds announced for four priority TCP lines: SRT/ Shepp/ Finch/ Eglinton
 - Only the SRT project funding impacted the base funding shortfall
 - No funds announced for Don Mills, Jane, Scarb Malvern, Waterfront LRTs
- LRV Cars
 - 2/3 City; 1/3 Province

FUNDING CHANGES

- Federal Infrastructure Stimulus Funds (ISF)
 - Funding announced on September 11th of \$190 million on more than 500 projects for the City of Toronto
 - TTC approved funding amounted to \$61 million on 19 projects which will receive funding directly (23 submitted)
 - It was anticipated that City of Toronto project funding (\$129 million) would be utilized towards TTC capital funding of six deferred projects (to accommodate 204 LRV cars)
 - ISF program requirements and impact on funding shortfall TBD
- Gas Tax
 - Federal reduction for population change for 2010-2013

FUNDING PROJECTION – PROPOSED BUDGET

TTC 2010-2014 CAPITAL PROGRAM REQUIREMENTS & SOURCES OF FUNDING								
\$ millions	2009	2010	2011	2012	2013	2014	2010-2014	2009-2018
PROPOSED BUDGET								
Total Gross - Base Capital Program Request	796	1,011	997	1,016	635	668	4,327	7,096
Unspecified Budget Reduction - City Applied	-	(62)					(62)	(62)
Proposed Capital Program	796	949	997	1,016	635	668	4,265	7,034
Funding Sources								
Total Provincial Funding	238	326	250	241	145	156	1,117	1,735
Total Federal Funding	221	231	176	159	162	174	902	1,693
Total City / Other Funding	364	505	466	304	256	232	1,764	2,262
Total Funding	823	1,063	891	705	563	562	3,783	5,690
Funding Shortfall (Surplus)	(27)	(114)	107	312	72	105	482	1,344

Excludes: - TYSSE, TCP, Other Below the line

FUNDING CONCLUSIONS

2010-2014 Program

- 2009 - \$27 million surplus
- 2010 - \$114 million surplus –needs are covered
- 5 year shortfall of \$482 million
- 10 year shortfall of \$1.344 billion

STRATEGIC PROJECT PACKAGES

2010-2019 EXPENDITURES

\$Millions

1.	Streetcar Network (204 LRVs & M&S Facility)	\$1,516
2.	Automatic Train Control	295
3.	126 H6 Subway Cars Replacement	312
4.	Accessibility (WT Vehicles, Elevators)	391
5.	GTA Farecard (Base only)	137

Note: Additional funding for these projects could contribute up to \$1.3 billion towards the base capital program funding shortfall

TTC 2010-2014 CAPITAL PROGRAM BUDGET								
SUMMARY OF AMENDMENT ITEMS								
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2010-2014</u>	<u>2015-</u> <u>2019</u>
Future Bus Purchases	-	-	(32.8)	3.1	0.1	0.2	\$ (29.4)	\$ -
Mid-Life Bus Rebuild	-	-	(0.6)	(7.6)	(10.1)	(19.7)	\$ (38.0)	\$ (372.8)
Subway Asbestos Decontamination Facility	-	0.5	-	-	-	-	\$ 0.5	\$ -
Overhaul of CLRVs	-	-	-	9.8	9.2	-	\$ 18.9	\$ -
ALRV Midlife Overhaul	(0.8)	(11.2)	(9.4)	(8.7)	-	-	\$ (29.2)	\$ -
Lawrence-Allen Revitalization Study	-	0.2	0.2	-	-	-	\$ 0.3	\$ -
Transit Signal Priorities Expansion (TCBP)	0.1	1.9	9.1	9.1	8.0	1.2	\$ 29.2	\$ -
Transit City Lines Ext EA		1.0					\$ 1.0	\$ -
Waterfront W LRT Ext EA		0.1					\$ 0.1	\$ -
	\$ (0.7)	\$ (7.5)	\$ (33.6)	\$ 5.7	\$ 7.2	\$ (18.3)	\$ (46.6)	\$ (372.8)

SUMMARY

- Capital Program:
 - consistent with Commission and City Council approved plans
 - priorities unchanged
 - budget envelope unchanged
- Long-term, stable & predictable capital funding is required:
 - Sufficient funding available for 2010
 - \$1.3 billion funding shortfall for base program over next 10 years
 - Support of Strategic Funding Packages will address shortfall
- Additional funds must be secured to proceed with balance of Transit City projects, Yonge North Subway Extension, Waterfront, Other

FUNDING SITUATION NOW

- Cannot expect funding shortfall to be addressed by:
 - City –at limit
 - Province / Feds –own funding problems
- Need to reduce City funding to affordable levels
 - ie Defer needs or place “Below the Line” as unfunded projects

FUNDING STATUS - SEPT 24/09

APPROVAL

- Needs reduced (Sept 24) - \$47 million in 5 year and \$419 million in 10 year period
- Funding adjustments –included additional City debt
- Resultant 10 year funding shortfall - \$848 million
- TTC identified \$548 million in deferrals / Below the Line projects
- \$300 million short of City target (to be addressed by City)

RESULTANT FUNDING PROJECTION

TTC 2010-2014 CAPITAL PROGRAM REQUIREMENTS & SOURCES OF FUNDING							
\$ millions	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2010-2014</u>	<u>2010-2019</u>
PROPOSED BUDGET							
Total Gross - Base Capital Program Request	1,011	997	1,016	635	668	4,327	7,096
Approved Amendments - Comm Sept 24	(8)	(34)	6	7	(18)	(47)	(419)
Unspecified Budget Reduction - City Applied	(61)					(61)	(61)
Proposed Capital Program	942	964	1,022	642	649	4,219	6,615
Funding Sources							
Total Provincial Funding	256	256	245	145	156	1,058	1,676
Total Federal Funding	236	176	159	162	173	905	1,695
Total City / Other Funding	504	448	295	249	224	1,721	2,396
Total Funding	996	880	699	555	553	3,684	5,767
Funding Shortfall (Surplus)	(54)	83	323	87	96	535	848

FORMAT OF CAPITAL PROGRAM

- Base Program
 - SOGRS
 - Legislative
 - Capacity Enhancement
 - Improvement
 - Expansion

Priorities Unchanged

-
- Spadina Subway Extension
 - Transit City Plan – Priority Projects
 - Transit City Plan – Unfunded Projects
 - Other
 - Waterfront Toronto

ACTION TAKEN – DEFERRALS / **BELOW THE LINE**

- LIST OF \$548M TO BE INSERTED
- (see attachment)

ACTION TAKEN – DEFERRALS / **BELOW THE LINE**

- **NOTE:**
 - All projects and associated funding are supported by staff and approved by Commission
 - They allow improvement and some expansion to continue consistent with 2002 Toronto Official Plan, RGS, TCBP
- **BUT:**
 - Not affordable, at least not now

OUTCOME

- 2010-2014 Capital Budget
 - Basic SOGR/ Safety, Legislative, & Capacity Enhancement accepted as needed
 - Most Improvement, Expansion deferred or moved below the line
 - current standards remain;
 - further improvements deferred / below the line
- 2015-2019 Capital Budget
 - Not all SOGR/ Safety, Legislative, Capacity Enhancements fully identified or funded

RECOMMENDED CITY FUNDING PROJECTION

TTC 2010-2014 CAPITAL PROGRAM REQUIREMENTS & SOURCES OF FUNDING							
\$ millions	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2010-2014</u>	<u>2010-2019</u>
PROPOSED BUDGET							
Total Gross - Base Capital Program Request	1,011	997	1,016	635	668	4,327	7,096
Approved Amendments - Comm Sept 24	(8)	(34)	6	7	(18)	(47)	(419)
Unspecified Budget Reduction - City Applied	(61)					(61)	(61)
Further Deferrals / Cuts - City Review	(22)	(51)	(69)	(45)	(87)	(273)	(601)
Proposed Capital Program	920	913	953	598	563	3,946	6,015
Funding Sources							
Total Provincial Funding	256	256	244	142	152	1,050	1,663
Total Federal Funding	234	174	158	159	170	894	1,683
Total City / Other Funding	504	449	295	249	224	1,720	2,368
Total Funding	994	878	697	549	546	3,664	5,715
Funding Shortfall (Surplus)	(74)	34	256	48	17	282	300

OUTCOME

- Short Term
 - \$300 M funding shortfall to be addressed by City
- Medium / Long Term
 - Next Budget Cycle –identify needs and funding issues
 - Develop funding strategy and secure commitment from City, Province and Feds

IMPORTANT TO REMEMBER

- 2011-2020 Capital Budget will consider all needs, including:
 - \$417 million (6 projects) to accommodate 204 LRV's
 - Sept 24 approved amendments, i.e. balance of mid-life bus rebuild
 - These \$548 M deferrals / below the line treatment
- Plus additional needs being defined, such as:
 - BD Subway replacement of signal system (\$300M plus)
 - More TR's, Wilson Yard Expansion, more Traction Power (\$400M plus)
 - AODA (\$100M plus)
- Majority of changes in 2015-2019 period

ALSO - REMEMBER

Recent Provincial / Federal Funding Support

- Province / Metrolinx:

– Subway Capacity (ATC / TR Cars)		\$386 M
– 204 LRV's		417 M
– Spadina Subway		870 M
– Transit City Lines – EAs/ Finch/Eglin/Shepp	\$6.4 B	
– SRT Conv/Cars/Expan	\$1.4 B	<u>7.8 B</u>
<u>Province Subtotal</u>		<u>\$9.506 B</u>

- Federal:

– Spadina Subway Extension		\$697 M
– Transit City – Sheppard	\$0.3 B	<u>0.3 B</u>
<u>Federal Subtotal</u>		<u>\$1.030 B</u>

RECOMMENDATION

Approve:

- An amended 2010-2014 Capital Program and 10 year forecast in the amount of \$6.015 billion gross as outlined in this presentation, which represents a reduction in project expenditures of \$600.7 million gross (\$548.2 million net)