

City Budget 2012

Union Station Capital Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Capital Budget funds major infrastructure.

2012–2021 Capital Program

2012 CAPITAL BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

TABLE OF CONTENTS

PART I: RECOMMENDATIONS	2
PART II: 2012 – 2021 CAPITAL PROGRAM	
10–Year Capital Plan Summary (2012 Rec'd Budget, 2013–2021 Rec'd Plan)	3
10–Year Capital Plan Overview	5
10–Year Capital Plan: Operating Impact Summary	12
PART III: 2012 RECOMMENDED CAPITAL BUDGET	
2012 Capital Budget by Project Category and Funding Source	13
2012 Recommended Cash Flow & Future Year Commitments	14
2012 Recommended Capital Project Highlights	15
PART IV: ISSUES FOR DISCUSSION	
2012 and Future Year Issues	16
Issues Referred to the 2012 Capital Budget Process	N/A
APPENDICES	
Appendix 1: 2011 Performance	18
Appendix 2: 10–Year Recommended Capital Plan Project Summary	20
Appendix 3: 2012 Recommended Capital Budget; 2013 to 2021 Capital Plan	21
Appendix 4: 2012 Recommended Cash Flow & Future Year Commitments	22
Appendix 5: 2012 Recommended Capital Projects with Financing Details	23
Appendix 6: 2012 Reserve / Reserve Fund Review	24

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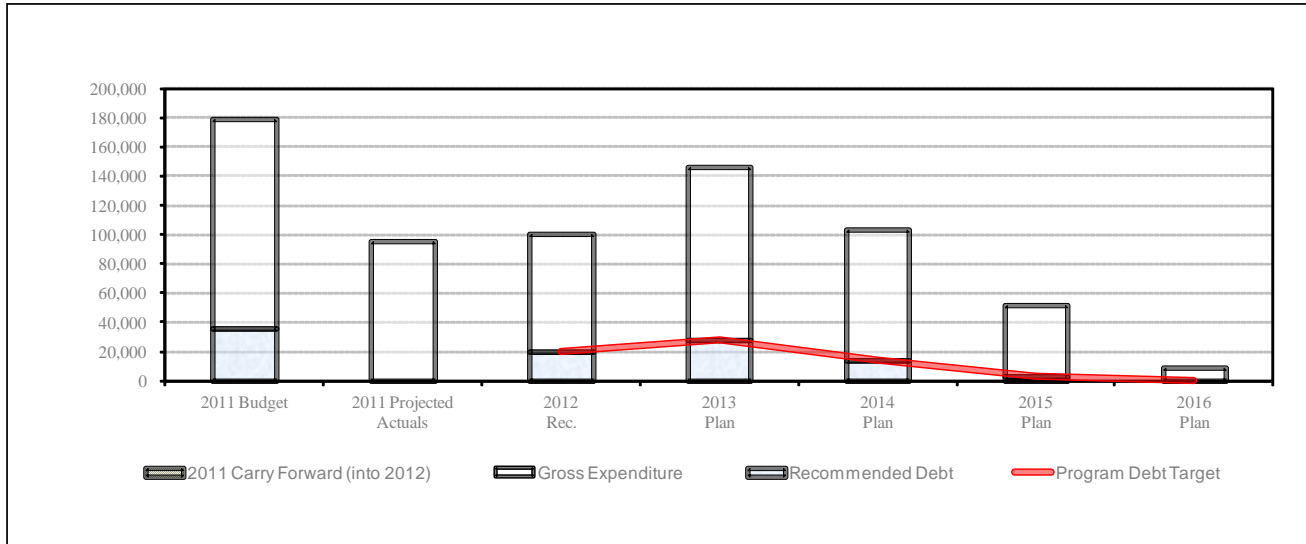
PART I: RECOMMENDATIONS

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for Union Station with a total project cost of \$25.000 million, and 2012 cash flow of \$100.160 million and future year commitments of \$311.162 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 4 new/change in scope sub-projects with a 2012 total project cost of \$25.000 million that requires cash flow of \$10.000 million in 2012 and a future year commitment of \$5.000 million in 2013, \$5.000 million in 2014, and \$5.000 million in 2015;
 - ii) 15 previously approved sub-projects with a 2012 cash flow of \$90.160 million and a future year commitment of \$141.787 million in 2013; \$98.840 million in 2014; \$46.672 million in 2015 and \$8.863 million in 2016.

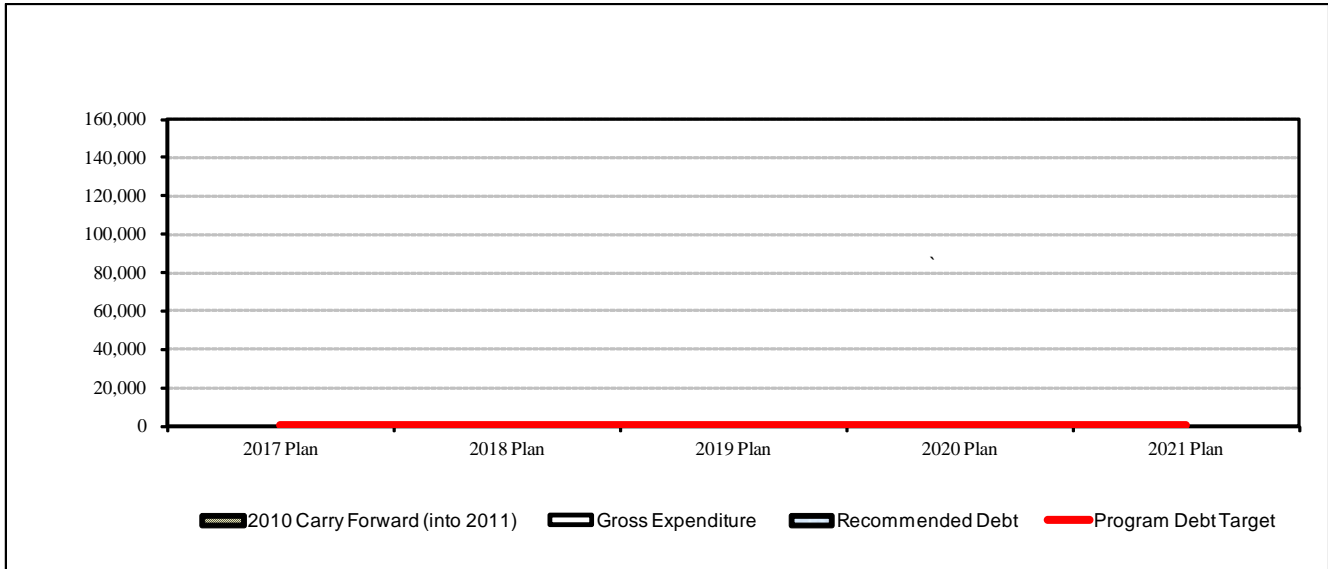
PART II: 2012 – 2021 CAPITAL PROGRAM

10-Year Capital Plan 2012 Recommended Budget, 2013–2016 Recommended Plan (In \$000s)



	2011		2012 Rec. Budget and 2013-2016 Plan							5-Year Total
	Budget	Projected Actual	2012	2013	2014	2015	2016	2012-2016		
Gross Expenditures:										
2011 Capital Budget & Approved FY Commitments	178,885	95,839	152,232	124,731	68,080	41,279		386,322	94%	
Recommended Changes to Approved FY Commitments			(62,072)	17,056	30,760	5,393	8,863	0	0%	
2012 New/Change in Scope and Future Year Commitments			10,000	5,000	5,000	5,000		25,000	6%	
2013 - 2016 Capital Plan Estimates										
1-Year Carry Forward to 2012										
Total Gross Annual Expenditures & Plan	178,885	95,839	100,160	146,787	103,840	51,672	8,863	411,322	100%	
Program Debt Target	36,094		20,569	28,106	13,794	3,132	0	65,601		
Financing:										
Recommended Debt	36,094		20,569	28,106	13,794	3,132	0	65,601	16%	
Reserves/Reserve Funds	14,215		4,214	2,245			175	6,634	2%	
Development Charges	470		40	40				80	.02%	
Debt Recoverable	23,150		35,839	30,854	6,676	28,017	4,173	105,559	26%	
Provincial/Federal	93,725		38,296	81,062	79,729	16,710	4,515	220,312	54%	
Other Revenue	11,231		1,202	4,480	3,641	3,813		13,136	3%	
Total Financing	178,885		100,160	146,787	103,840	51,672	8,863	411,322	100%	
By Project Category:										
Health & Safety										
Legislated										
SOGR	49,977		20,626	32,336	11,224	2,134		66,320	16%	
Service Improvement	128,908		79,534	114,451	92,616	49,538	8,863	345,002	84%	
Growth Related										
Total By Project Category	178,885		100,160	146,787	103,840	51,672	8,863	411,322	100%	
Asset Value - end of each year (\$)		830,000	830,000	830,000	830,000	830,000	830,000			
Yearly SOGR Backlog Estimate (not addressed by current plan)										
Accumulated Backlog Estimate (end of year)		76,320	55,694	23,358	12,134	10,000	0			
Backlog: Percentage of Asset Value (%)		9.2%	6.7%	2.8%	1.5%	1.2%	0.0%			
Debt Service Costs				632	1,550	679	138	2,999		
Operating Impact on Program Costs										
New Positions										

10-Year Capital Plan 2017–2021 Recommended Plan (In \$000s)



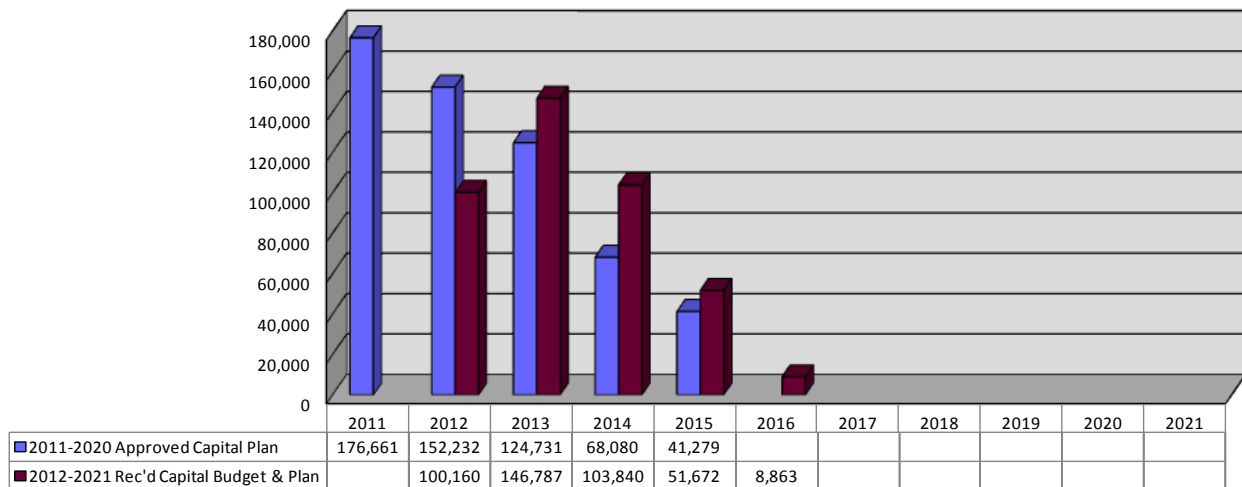
	2017 - 2021 Capital Plan							10-Year Total Percent
	2017	2018	2019	2020	2021	2012-2021		
Gross Expenditures:								
2011 Capital Budget & Approved FY Commitments						386,322	94%	
Recommended Changes to Approved FY Commitments								
2012 New/Change in Scope and Future Year Commitments						25,000	6%	
2017 - 2021 Capital Plan Estimates								
Total Gross Annual Expenditures & Plan	0	0	0	0	0	411,322	100%	
Program Debt Target						65,601		
Financing:								
Recommended Debt						65,601	16%	
Reserves/Reserve Funds						6,634	2%	
Development Charges						80	.02%	
Debt Recoverable						105,559	26%	
Provincial/Federal						220,312	54%	
Other Revenue						13,136	3%	
Total Financing	0	0	0	0	0	411,322	100%	
By Project Category:								
Health & Safety								
Legislated								
SOGR						66,320	16%	
Service Improvement						345,002	84%	
Growth Related								
Total By Project Category	0	0	0	0	0	411,322	100%	
Asset Value - end of each year (\$)	830,000	830,000	830,000	830,000	830,000	830,000		
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)								
Backlog: Percentage of Asset Value (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Debt Service Costs						2,999		
Operating Impact on Program Costs								
New Positions								

10–Year Capital Plan Overview

- The 10–Year Recommended Capital Plan for the Union Station Revitalization project provides funding for the design and reconstruction of revenue, transportation enhancement projects and the restoration of the VIA concourse and construction of the new GO concourse to make Union Station a multimodal transportation hub and a landmark destination.
- The 2012 Recommended Capital Budget and 2013 – 2021 Recommended Capital Plan utilizes Federal, Provincial and other sources of funding to support the revitalization of the Station.
- The 10–Year Recommended Capital Plan funds a phased approach to the construction of the new GO concourse, the restoration of the VIA concourse, the renovation of the West Wing, enhancing building mechanical and electrical systems, interior and exterior renovations and the restoration of the Head House.
- The 10–Year Recommended Capital Plan for Union Station totals \$411.322 million of which \$65.601 million or 16% is funded by debt. This meets the debt target over the ten year period. The Project's remaining funding consists of recoverable debt of \$105.558 million or 26%, funding from the Corporate Financing Reserve of \$6.634 million or 2%, Provincial funding in the amount of \$133.394 million or 32%, Federal funding in the amount of \$86.920 million or 21%, Development Charge funding of \$0.080 million or 0.02%, funding from VIA Rail in the amount of \$12.135 million or 3% and funding from other stakeholders at the Station in the amount of \$1.000 million or 0.2%.
- 84% of the total forecasted cash flow over the 10–year planning horizon is allocated to Service Improvement projects at \$345.002 million and \$66.320 million or 16% is allocated to State of Good Repair (SOGR) projects.
- Union Station currently has a significant infrastructure rehabilitation backlog, estimated at \$76.320 million by the end of 2011 representing 25% of Union Station's asset value of \$305.360 million. The 2012 Recommended Budget and 2013–2021 Recommended Capital Plan eliminates the state of good repair backlog at Union Station to zero by the end of this project (2016).
- The future operating impacts will be assessed on an annual basis.
- The Union Station revitalization project received new funding in the amount of \$25.000 million dedicated to Third Party Construction projects, funded by Metrolinx (\$24.000 million) and other stakeholders at the Station (\$1.000 million).

Key Changes to the 2012 – 2016 Approved Capital Plan

Changes to the 2011–2020 Approved Capital Plan
(In \$000s)



- The Union Station Revitalization Project is a unique, stand alone capital project, which will be completed by 2016. As phases are completed, the total cash flow funding required in each subsequent 10 year capital plan will diminish. The 2011–2020 10–Year Approved Capital Plan totalled \$562.983. The 2012–2021 10–Year Recommended Capital Plan totals \$411.322. The difference is mainly attributed to the cash flow spent during 2011 and no longer required. Other changes are noted below:
 - An additional component to the project has been included for Provincial (Metrolinx) funded projects. The additional work will be included in the City's construction contracts and funded from Metrolinx. The additional sub–projects include:
 - The installation of platform slab openings and associated enclosures for all stair and elevators.
 - The installation of stairs and elevators in the York and Bay Teamways.
 - Constructing structural accommodations for future PATH connections at the North East corner of the station.
 - The installation of a Tower Crane base within the Station to facilitate the Train Shed Roof Reconstruction Project.
 - Funding in the amount of \$40.500 million for construction contract projects has been deferred from 2012 to 2013 – 2016 primarily due to aligning the coordination of construction efforts with Metrolinx and the TTC to ensure that the separate projects are rolled out concurrently.

- Funding in the amount of \$18.000 million for the North West Path Project was reallocated from 2012 to 2013 (\$0.500 million), 2014 (\$17.000 million) and 2015 (\$0.500 million) primarily due to delays in completing the detail designs for the Path. This has delayed the anticipated construction work for the Path to early January, 2012. It is anticipated that the majority of the construction work will be done in 2014.

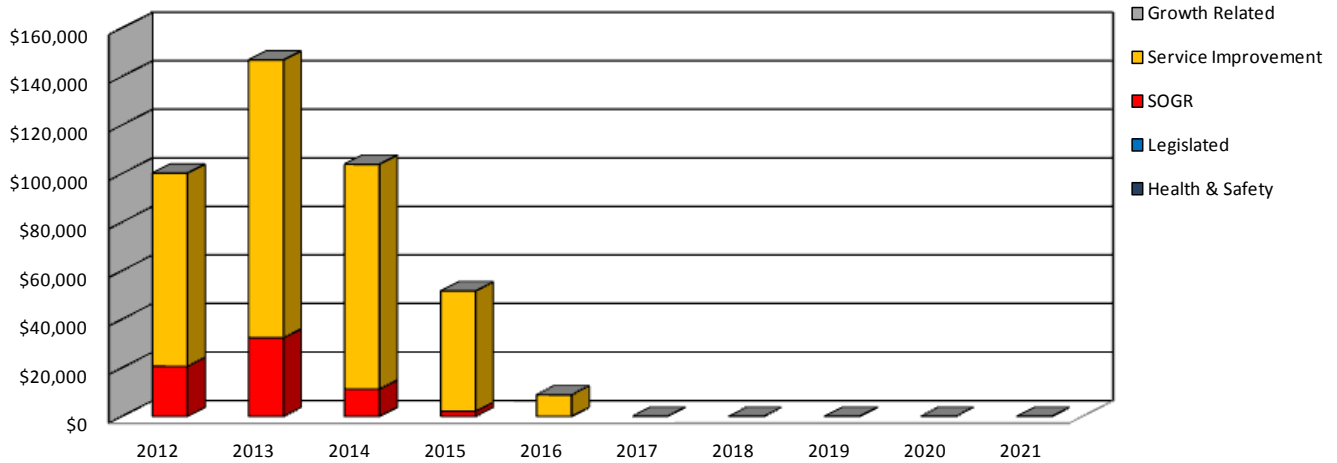
- Recommended Changes to the 2011– 2020 Approved Capital Plan are highlighted below:

Summary of Project Changes
(In \$000s)

Key Projects	Total Project Cost	2012	2013	2014	2015	2016	2017	2018	2019	2020	2012 - 2020	Revised Total Project Cost
Construction Contracts	497,492	(40,500)	15,800	13,100	7,620	6,780					2,800	500,292
North West Path	65,000	(18,000)	500	17,000	500							65,000
Professional Services	67,068	(3,722)	806	660	(2,727)	1,983					(3,000)	64,068
Fee/Permits	8,140	200									200	8,340
Internal Charges	2,500	(50)	(50)			100						2,500
Third Party Construction		10,000	5,000	5,000	5,000						25,000	25,000
Total Change	640,200	(52,072)	22,056	35,760	10,393	8,863	0	0	0	0	25,000	665,200

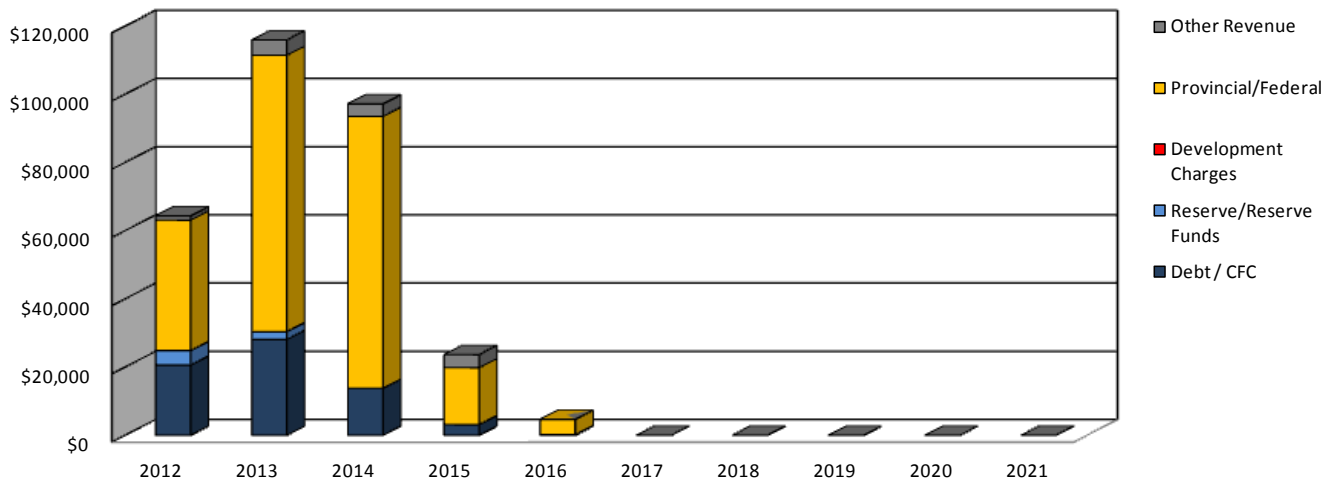
2012 – 2021 Recommended Capital Plan

2012–2021 Capital Plan by Project Category
(In \$000s)



- The 2012 – 2020 Recommended Capital Plan allocates significant financial resources to Service Improvement projects which represents \$345.002 million or 84% of funding in the 10–Year Recommended Capital Plan. The key Service Improvement projects include the ongoing construction of the GO Concourses, the restoration of the VIA concourses and the development of the North West PATH project.
- State of Good Repair (SOGR) projects represent \$66.320 million or 16% which includes the restoration and repair of exterior and interior areas of Union Station to address the restoration requirements.
- The allocation of Capital funding between State of Good Repair and Service Improvement projects is estimated at this time, reflecting the reduction of the backlog identified. A more precise estimate of State of Good Repair requirements will be included in the 2013–2022 Capital Plan. Currently, it is difficult to isolate the projects (interior and exterior restoration projects) that have been categorized as both State of Good Repair and Service Improvement projects.

2012–2021 Capital Plan by Funding Source
(In \$000s)



- The 2012–2021 Recommended Capital Plan for Union Station is funded by Provincial funding of \$133.394 million or 32%, Federal funding of \$86.920 million or 21%, Recoverable Debt funding of \$105.558 million or 26%, Reserve/Reserve fund funding of \$6.634 million or 2%, Debt funding of \$65.601 million or 16%, Development Charge funding of \$0.080 million or 0.02% and Other Revenue funding of \$13.135 million or 3% (VIA Rail and other stakeholders).
 - The 2012–2021 Recommended Capital Plan is funded primarily by Provincial and Federal funding which accounts for \$220.312 million or 54%. The majority of this financing of \$199.087 million is required in years 2012, 2013 and 2014.
 - Recoverable Debt funding totaling \$105.558 million represents the incremental lease revenues received from the head lessee related to retail outlet space, the East Wing (currently the Bank of Nova Scotia), retail areas within the Go Concourses, the VIA Panorama Lounge and the Air Rail Link.
 - The Capital Financing Reserve provides funding of \$6.634 million or 2% for the portion of debt issued by the City.
 - Total Debt funding of \$65.601 million or 16% meets the debt affordability targets for each year of the Capital Plan period.
 - Funding in the amount of \$12.135 million from VIA Rail for the VIA York West Teamway and the VIA Concourse renovations.

Summary of Major Capital Initiatives by Category
(In \$000s)

	Total Project Cost	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
State of Good Repair (incl. H&S , & Leg.)												
Construction Contracts		20,626	32,336	11,224	2,134							66,320
Sub-Total		20,626	32,336	11,224	2,134	0	0	0	0	0	0	66,320
Service Improvements												
Construction Contracts		65,374	94,264	65,876	40,966	6,780						273,260
Third Pary Construction		10,000	5,000	5,000	5,000							25,000
Professional Services		2,060	4,187	3,690	2,772	1,983						14,692
North West Path		1,000	10,500	17,500	500							29,500
Fees/Permits		600										600
Internal Charges		500	500	550	300	100						1,950
Sub-Total		79,534	114,451	92,616	49,538	8,863	0	0	0	0	0	345,002
Total		100,160	146,787	103,840	51,672	8,863	0	0	0	0	0	411,322

Major Capital Initiatives

- The 2012–2021 Recommended Capital Plan provides funding to revitalize Union Station into a multi-modal transportation hub with expanded retail facilities.

State of Good Repair Projects

- The 10-Year Recommended Capital Plan allocates \$66.320 million in funding to State of Good Repair projects to address the restoration needs of aging and deteriorating infrastructure which include the exterior and interior repair projects.

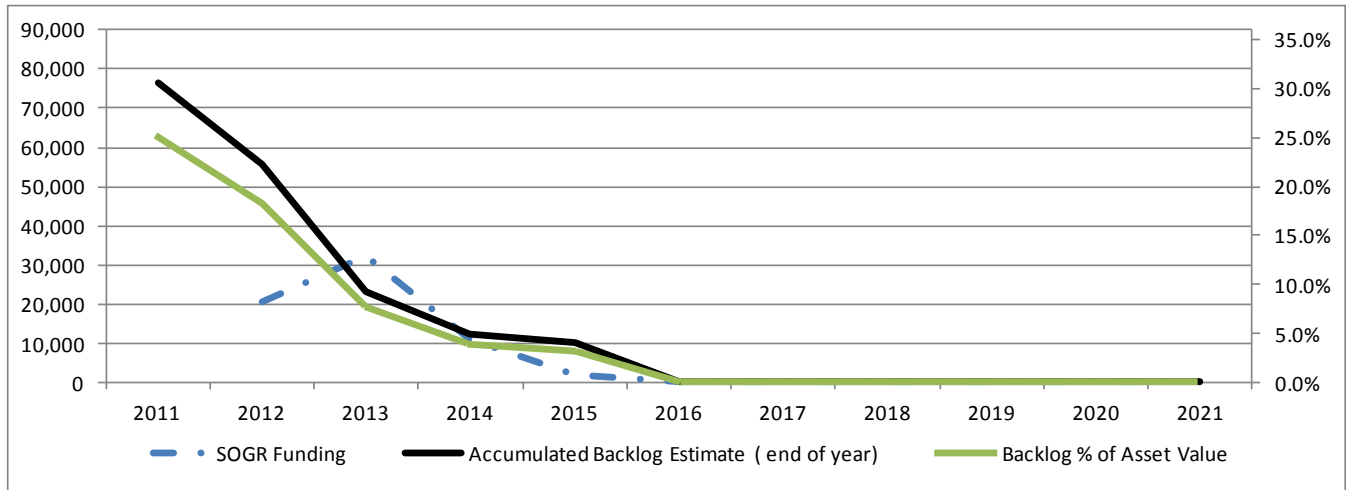
Service Improvements Projects

- The Construction Project Contracts project includes the majority of revitalization efforts at Union Station organized into the following five phases:
 - Phase 1 (Years 2011–2013) – the construction work required to complete the Bay Street and York Street Teamways and the GO Concourses and the associated connections to improve pedestrian access routes within the Station; restoration work including interior and exterior work; the construction of new retail areas with the construction of a new lower retail promenade; and the renovation of the Head House;
 - Phase 2 (Years 2013–2014) – the continuation of construction of the lower retail promenade and the completion of the GO Bay concourse; restoration of the VIA concourses and construction work on the North/West moat;
 - Phase 3 (Years 2014–2015) – the initial construction on the Bay Street Promenade and work on the west half of the Front Street East Moat;
 - Phase 4 (Years 2015 – 2016) – the continuation of the work on the Bay Street Promenade and work on the west half of the Front Street East Moat; and

- Phase 5 (Year 2016) – the completion of work on the Bay Street Moat.
- The Third Party Construction project (\$25.000 million) funds the installation of vertical access work including new track slab openings, a tower crane base, the installation of stairs and elevators at the York and Bay teamways and enhancements to the GO and retail areas. This project will also construct, for structural accommodations, the future PATH connection at the North East corner at the station. The existing agreement with Metrolinx contains provisions that the extra work be completed by the City on behalf of Metrolinx. The Third Party Construction project is a new project and the work will be incorporated into the revised staging and phasing plans required to complete this project.
- The North West PATH connection project is required to relieve the existing pedestrian congestion and accommodate pedestrian activities generated by GO Transit and VIA Rail. The new tunnel will start at the northwest corner of Union Station and extend northerly to York Street and immediately south to Wellington Street West. It is anticipated that the work will be undertaken within the same time frame as the TTC's Second Platform project and GO Transit's Trainshed Roof reconstruction. The design work is anticipated to be completed by 2012. Construction is expected to start in 2012 and be completed by 2015.

State of Good Repair (SOGR) Backlog

**SOGR Funding & Backlog
(In \$000s)**



State of Good Repair (SOGR) Backlog:

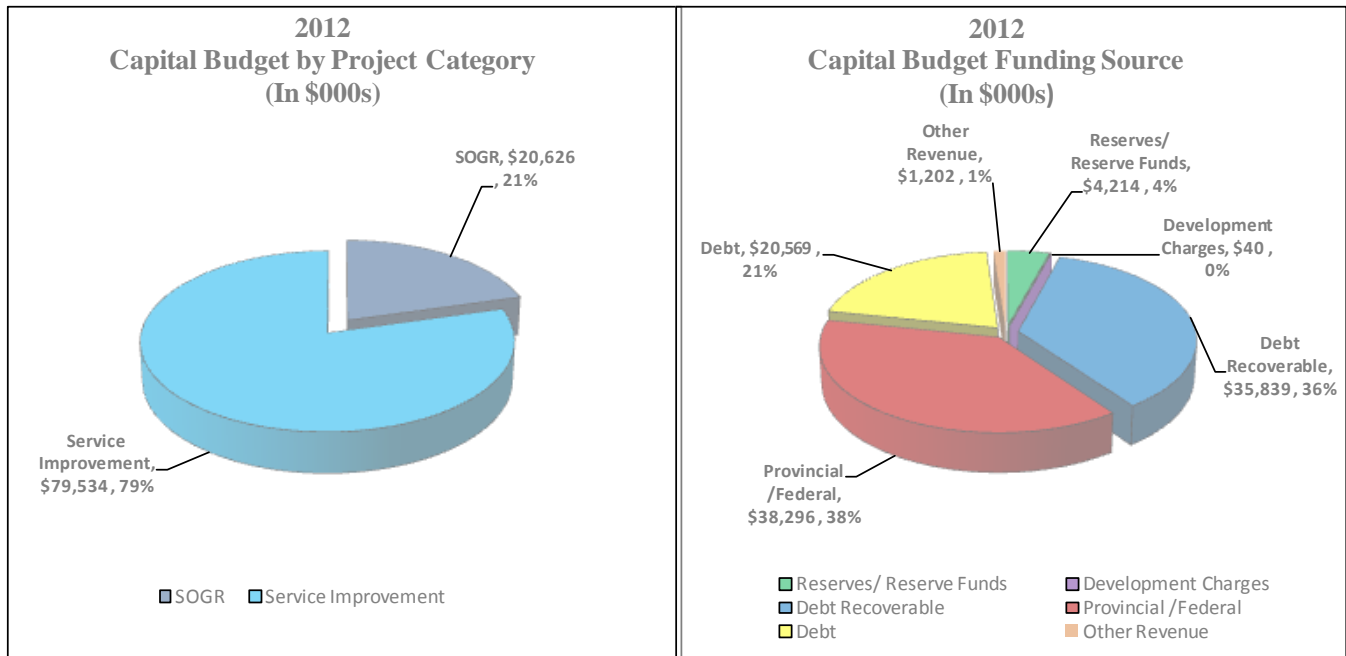
- Union Station has a SOGR backlog estimated at \$76.320 million by 2011 year-end, reflecting 9.2% of the current pre-revitalization, asset replacement value of \$830.000 million.
- The 10-Year Recommended Capital Plan provides funding to fully address the current SOGR needs at Union Station, and as a result, will eliminate the backlog by the completion of this project in 2016.
- The head lessee for Union Station, Redcliff, will begin to receive a revenue stream in 2016 that will be directed toward offsetting the debt costs. A breakdown of the revenue to be recovered is currently being reviewed and will be ready for the 2013 Capital Budget process.

10-Year Capital Plan: Operating Impact Summary

- Future operating impacts will be assessed on an annual basis.

PART III – 2012 RECOMMENDED CAPITAL BUDGET

2012 Capital Budget by Project Category and Funding Source



- The 2012 Recommended Capital Budget, excluding carried forward funding from 2011 to 2012, requires new cash flow funding of \$10.000 million and previously approved cash flow funding of \$90.160 million for a total 2012 Recommended Capital Budget of \$100.160 million.
- Service Improvement projects account for \$79.534 million or 79% of funding allocated in 2012 while State of Good Repair projects total \$20.626 million or 21%.
- Debt funding accounts for 21% or \$20.569 million in 2012 and meets the debt affordability target.
- Funding is also comprised of:
 - Reserves and Reserve Funds of \$4.214 million or 4%;
 - Recoverable debt of \$35.389 million or 35%;
 - Federal funding of \$14.518 million or 15%;
 - Provincial funding of \$23.779 million or 24%;
 - Development Charge funding of \$0.040 million.

**2012 Recommended Cash Flow & Future Year Commitments
(In \$000s)**

	2010 & Prior Year Carry Forward	2012 Previously Approved Cash Flow Commitments	2012 New Cash Flow Rec'd	2012 Total Cash Flow Rec'd	2011 Carry Forwards	Total 2012 Cash Flow (Incl 2010 C/Fwd)	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenditures															
Previously Approved		90,160		90,160		90,160	141,787	98,840	46,672	8,863					
Change in Scope				0		0									
New			10,000	10,000		10,000	5,000	5,000	5,000						
New w/Future Year				0		0									
Total Expenditure	0	90,160	10,000	100,160	0	100,160	146,787	103,840	51,672	8,863	0	0	0	0	0
Financing															
Debt		20,569		20,569		20,569	28,106	13,794	3,132						
Other		1,202		1,202		1,202	4,480	3,641	3,813						
Reserves/Res Funds		4,214		4,214		4,214	2,245		175						
Development Charges		40		40		40	40								
Debt Recoverable		35,839		35,839		35,839	30,854	6,676	28,017	4,173					
Provincial/Federal		28,296	10,000	38,296		38,296	81,062	79,729	16,710	4,515					
Total Financing	0	90,160	10,000	100,160	0	100,160	146,787	103,840	51,672	8,863	0	0	0	0	0

*Please refer to Appendix 4 for detailed project listings

- Union Station's 2012 Recommended Capital Budget of \$100.160 million provides funding of \$10.000 million for new projects as well as funding of \$90.160 million for previously approved projects to continue construction projects included in Phase 1 and Phase 2 of this major capital initiative. The \$10.000 million is the 2012 funding required to support the new Third Party Construction project totaling \$25.000 million. This project will be mainly Provincially (Metrolinx) funded which includes the installation of stairs and elevators at the York and Bay teamways, vertical access opening through the track slab, the installation of a crane base and enhancements to the GO and retail areas.
- The 2012 Recommended Capital Budget will be financed by debt of \$20.569 million, recoverable debt of \$35.839 million, continued Provincial and Federal funding of \$38.297 million, reserve and reserve funds of \$4.214 million, Development Charge funding of \$0.040 million and \$1.202 million in funding from VIA Rail.
- Approval of the 2012 Recommended Capital Budget will result in a commitment to future year funding of \$146.787 million in 2013, \$103.840 million in 2014, \$51.672 million in 2015 and \$8.863 million in 2016.

2012 Recommended Capital Project Highlights

2012 Recommended Capital Cash Projects (In \$000s)

Project	Total Project Cost	2012	2013	2014	2015	2016	2012 - 2016	2017	2018	2019	2020	2021	2012 - 2021
North West Path	65,000	1,000	10,500	17,500	500		29,500						29,500
Fees/Permits	8,140	600					600						600
Internal Charges	2,500	500	500	550	300	100	1,950						1,950
Construction Contracts	497,492	86,000	126,600	77,100	43,100	6,780	339,580						339,580
Third Party Construction	25,000	10,000	5,000	5,000	5,000		25,000						25,000
Professional Services	67,068	2,060	4,187	3,690	2,772	1,983	14,692						14,692
													0
Total (including carry forward)	665,200	100,160	146,787	103,840	51,672	8,863	411,322	0	0	0	0	0	411,322

The 2012 Recommended Capital Budget provides funding of \$100.160 million to:

- Begin the construction work required to connect the PATH from Union Station to the Royal York Hotel as the first phase of the project.
- Begin the construction work on the North/West moat.
- Continue work on the building's mechanical and electrical building systems for the overall facility.
- Continue demolition, shoring and excavation work beneath the future GO and VIA concourses to complete the initial retail level.
- Continue interior and exterior renovations and the initial restoration work on the Head House.
- Continue the appropriate external professional services that are required to support the restoration of Union Station which include phase one and phase two of the multi staged construction projects. The external professional services include architectural/engineering, legal counsel, geotechnical and environmental engineers and heritage professional services.
- Continue the preparation of contracts, design drawings, reviewing contractual agreements and the preparation of Heritage approval documentation.
- Continue the design work required for the Northwest PATH.
- Continue to co-ordinate the City's construction efforts with the TTC, Metrolinx and the North West Path construction projects to ensure scheduling conflicts are minimized and to proceed concurrently with the Union Station Revitalization project.
- Complete the West Wing interior and exterior work.
- Complete Stage 1 structural column upgrades under the York Street and VIA concourses.

PART IV: ISSUES FOR DISCUSSION

2012 and Future Year Issues

Project Delays and the Ability to Proceed

- Union Station project staff are projecting year-end actual expenditures of \$95.839 million or 54% of the 2011 Approved Budget of \$178.885. This will result in up to \$83.046 million in unspent funding being carried forward from 2011 to 2012.
- Poor soil conditions were identified during excavation resulting in delays in replacing and reinforcing structural columns beneath the concourses.
 - Heritage items uncovered during demolition must meet Federal Guidelines prior to proceeding with restoration has resulted in delays.
 - Maintaining the existing mechanical and electrical systems while trying to install new systems is delaying scheduled construction work.
- Cash flow funding has been adjusted over the life of the project. The project is now anticipated to be completed in 2016, one year later than previously planned.
- In 2012, construction will continue to proceed with phase one of the work required to complete the new retail promenade below the current VIA concourses and the future GO concourse, the replacement of the mechanical and electrical systems and the initial restoration work on the Head House.
- The construction manager will continue to monitor the staging and phasing requirements to complete the projects for the revitalization of the Station and will identify and address any operational challenges that may arise.

Third Party Construction Project

- The Union Station Revitalization project received new funding in the amount of \$25.000 million for Third Party Construction projects.
- The work will consist of the installation of stairs and elevators in the York and Bay Teamways, the installation of platform slab openings and associated enclosures for all stair and elevators, constructing structural accommodations for future PATH connections at the North East corner of the station and the installation of a Tower Crane base within the Station to facilitate the Train Shed Roof Reconstruction Project.
- The project will mainly be funded by the Province (Metrolinx), in the amount of \$24.000 million. The amount of \$1.000 million will be funded by other stakeholders at

Union Station. The existing agreement with Metrolinx contains provisions that the extra work be completed by the City on behalf of Metrolinx.

- The third party construction work will be incorporated into the revised staging and phasing plans in order to coordinate the City's construction work with Metrolinx and the TTC.

Appendix 1

2011 Performance

2011 Key Accomplishments

In 2011, the following results were achieved:

- ✓ With the hiring of the Construction Manager, there has been a major shift from project planning to implementation emphasizing construction, coordinating construction schedules and completing subproject components in a timely manner with minimal public inconvenience.
- ✓ Completed agreements for West Wing and Concourse strata property sales to Metrolinx and for Head Retail Lease to Redcliff (Union Station) Inc.
- ✓ The Bicycle Station outside Union Station has opened and the VIA Panorama Lounge is expected to be near completion by year-end.
- ✓ The Tower Crane has been constructed at Union Station in order to begin the Train Shed roof repairs.
- ✓ The structural replacement of 30 support columns and the reinforcement of 30 support columns under the Bay and VIA concourses has been completed.
- ✓ The Design work for Stages 2–5 and Phase 1 of the North West Path Project is complete.
- ✓ Completed invoicing and administrative arrangements that contributed to securing the funding from governments and agencies.

2011 Capital Variance Review

**2011 Budget to Actuals Comparison – Total Gross Expenditures
(In \$000s)**

2011 Approved	Actuals as of September 30th (3rd Qtr Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$	% Unspent
178,885	36,297	20.3%	95,839	53.6%	83,046	46.4%

- The Union Station Project’s capital expenditures for the period ending September 30, 2011 totaled \$36.297 million or 20.3% of the 2011 Approved Capital Budget of \$178.885 million. Project staff is projecting spending of \$95.839 million or 54% of the 2011 Approved Capital Budget by year–end. The under–expenditure is primarily due to the following:
 - Poor soil conditions identified at a number of the excavated construction sites have delayed the ongoing requirements to reinforce or replace the columns beneath the concourses. This work is anticipated to be completed by 2012.
 - The pre–design work for the Northwest Path is complete and the detailed design has started. The additional work required to complete the detailed design work delayed further construction contracts because construction tenders for the work were unable to be finalized. It is anticipated that the tendering for the construction contracts will start in the first quarter of 2012.

Appendix 2

10 – Year Recommended Capital Plan Project Summary

Project	Total Project Cost	2012	2013	2014	2015	2016	2012 - 2016	2017	2018	2019	2020	2021	2012 - 2021
North West Path	65,000	1,000	10,500	17,500	500		29,500						29,500
Fees/Permits	8,140	600					600						600
Internal Charges	2,500	500	500	550	300	100	1,950						1,950
Construction Contracts	497,492	86,000	126,600	77,100	43,100	6,780	339,580						339,580
Third Party Construction	25,000	10,000	5,000	5,000	5,000		25,000						25,000
Professional Services	67,068	2,060	4,187	3,690	2,772	1,983	14,692						14,692
													0
Total (including carry forward)	665,200	100,160	146,787	103,840	51,672	8,863	411,322	0	0	0	0	0	411,322

Appendix 3

2012 Recommended Capital Budget; 2013 to 2021 Capital Plan

Appendix 4

2012 Recommended Cash Flow and Future Year Commitments

Appendix 5

2012 Recommended Capital Project with Financing Details

Appendix 6

2012 Reserve / Reserve Fund Review

Table 2		Projected Balance as at Dec. 31, 2011 *	Proposed Withdrawals										2012 - 2021 Total
Reserve / Reserve Fund Name	Project / SubProject Name and Number		2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	
Capital Financing Reserve XQ0011	Beginning Balance	\$124,557	\$124,557	\$120,343	\$118,098								\$0
			\$4,214	\$2,245			\$175						\$6,634
													\$0
													\$0
	Total Proposed Withdrawals		\$4,214	\$2,245	\$0	\$0	\$175	\$0	\$0	\$0	\$0	\$0	\$6,634

* Based on 3rd Quarter Variance Report