

City of Toronto 2011 – 2020 Staff Recommended Capital Budget and Plan

January 10, 2011



Agenda

1. Capital Budget Strategies and Directions
2. What's Being Built
3. 2011 – 2020 Staff Rec'd Capital Budget and Plan
4. TTC 10 Year Capital Budget and Plan – 2011 vs. 2010
5. 2011 Staff Recommended Capital Budget
6. Conclusion

Capital Budget Strategies and Guidelines

2011 – 2020 Capital Budget and Plan Strategy

Establish a Firm 10-year Capital Plan that strategically manages City assets, is prudent and affordable:

- Invest in the highest priority projects on a City-wide basis
- Renew Infrastructure to support service delivery needs
- Manage debt to mitigate burden on the Operating Budget
- Complete Infrastructure Stimulus Projects on budget and on time

2011 – 2020 Capital Budget and Plan Directions

- Focus spending on SOGR projects
- As a top priority, implement / complete infrastructure stimulus projects:
 - within approved funding limits
 - within federal and provincial governments timeframe
- Maximize use of development charges
- Explore partnership funding arrangements to minimize reliance on debt

2011 – 2020 Capital Budget and Plan Directions

- Do not exceed prescribed capital debt target
- Limit use of debt to fund long-term capital improvements
- Do not introduce major new initiatives that impact City debt
- Base 10–Year Capital Budget and Plan on:
 - project readiness
 - spending capacity
 - achieving a balance between:
 - ✓ maintaining existing City assets in a state of good repair, versus
 - ✓ addressing service gaps and priorities on a City-wide basis

What's Being Built

Transportation and Transit

A major priority of Council is to make Toronto a city that moves people by Transit and manages its extensive and aging infrastructure in a state of good repair to ensure services required continue to be provided. The 2011 – 2020 Capital Budget and Plan will:

- Maintain 1,000 km of roads, 50 km of expressways, 600 km of sidewalks and 150 bridges and structures in a safe and hazard-free state (2011-2020 \$1.409 billion)
- Redevelop Six Points Interchange to simplify the road network, create more attractive and safe environment for pedestrians and cyclists and improve access to the Kipling Subway Station (2015-2018 \$41.548 million)

Transportation and Transit (Continued)

- Complete 80 km of off-street bicycle paths, 160 km of on-street signed routes, 340 bicycle lanes and 8,000 new bicycle parking spaces throughout the City (2011-2020 \$86.506 million)
- Purchase 420 new subway cars (70 train sets) to replace existing subway cars and increase capacity by 9% starting in 2011 (2011-2020 \$426.222 million)
- Acquire 375 new buses to improve service by 2016 (2011-2020 \$125.441 million)
- Purchase 204 low-floor, accessible Light Rail Vehicles to replace existing streetcar fleet (2011 – 2020 \$1.0 billion)

Transportation and Transit (Continued)

- Make progress on the Easier Access program to construct and enhance accessibility features, and to make the TTC fully accessible by 2025 (2011-2020 \$91.415 million)
- Continue installation of state-of-the-art signaling systems on the Yonge- University-Spadina line to increase train capacity by allowing trains to run more frequently and closer together (2011 – 2020 \$184.698 million)
- Construct Union Station 2nd Platform (2011-2020 \$51.114 million)

Public Safety and Emergency Services

Public safety AND responsive emergency services are a major priority of the citizens of Toronto. To this end, the 2011-2020 Capital Budget and Plan will:

- Complete the construction of four ambulance stations at Bathurst & York Downs, Chaplin Crescent, York-South Weston, and Pape Avenue (2011 \$2.542 million)
- Continue construction of new Fire Station D to improve emergency response times in Scarborough (2011-2020 \$4.676 million)
- Upgrade Cardiac Monitor Defibrillators used by paramedics when responding to patients suffering a heart attack or cardiac arrest (2011 \$1.080 million).

Public Safety and Emergency Services (Continued)

- Begin construction of the Chaplin Fire Station project to ensure emergency response times are supported while properly accommodating staff and vehicles (2011-2020 \$4.934 million)
- Renovate Exhibition Place Fire Station to ensure emergency response times in the King St. West area (2011 \$1.000 million)
- Construct new Police Stations, including 11 Division by 2012, 14 Division by 2013, and a Property and Evidence Storage facility by 2014 (2011-2020 \$50.244 million)
- Replace Radio Communication system (2011-2020 \$36.061 million)

Community and Recreation Services

The City offers programs and services that improve the quality of life of all its citizens and ensure opportunity for all. The 2011-2020 Capital Budget and Plan include projects that will:

- Continue the construction phase of the Toronto Reference Library revitalization (2011-2014 \$19.099 million) and Brentwood District Library renovation (2011-2012 \$6.702 million)
- Complete the Infrastructure Stimulus Fund (ISF) renovations at the North York Library Central branch (2011 \$0.150 million), the Fairview Library branch (2011 \$0.150 million) and the Toronto reference Library (2011 \$2.1 million)
- Continue planning work and possible construction start on two new library branches, Scarborough Centre (2011 \$8.6178 million) and Fort York/Bathurst (2011-2014 \$8.697 million), and the renovation of Mount Dennis (2011-2014 \$4.273 million)

Community and Recreation Services (Continued)

- Complete the construction of five child care centres, with St. Andrew, Thorncliffe and Chester Le located in high needs areas of the City, and the Regent Park Children's Hub as part of the Regent Park Revitalization project (2011 \$3.572 million)
- Continue the construction of Nelson Mandela Public School Renovation as part of the Regent Park Revitalization project (2011-2020 \$3.017 million)
- Continue the demolition and redevelopment of 192 beds at Kipling Acres (2011-2020 \$46.360 million)
- Begin the redevelopment of the remaining 145 beds at Kipling Acres on a new site in the vicinity of the existing site (2011-2020 \$47.500 million)

Community and Recreation Services (Continued)

- Continue the redevelopment of parkland such as Regent Park Phase 2 (2011 \$5.977 million), Canada Arsenal (Marie Curtis) Park (2011-2012 \$2.380 million), and Dogs Off-Lease Area Improvements (2011 \$1.539 million)
- Construct various community centres namely York Community Centre (2011-2013 \$27.462 million), Regent Park Community Centre (2011-2012 \$20.300 million)
- Replace the Regent Park Lord Dufferin Pool (2011 \$12.592 million)
- Expand the Leaside Memorial Gardens Arena (2011-2012 \$10.020 million)

Community and Recreation Services (Continued)

- Maintain in a state of good repair the harbourfront, marine service & seawall (2011 \$4.85 million) and special facilities building structures (2011 \$2.275 million)
- Complete safety retrofits for Toronto Island Ferries (2011 \$2.500 million)

Improve Customer Service

Residents will be provided with direct and simple access to City staff and services. The 2011-2020 Capital Budget and Plan will:

- Enhance the City's relationship with its 311 Customers by implementing:
 - mobile application using smart phones;
 - Instant Update Messaging System;
 - integration of two additional divisions with 311; and
 - improve the City's Performance tracking through enhanced Business Intelligence Reporting (2011 \$6.942 million)
- Replace servers, hardware and software refreshes in 2012 to support the 311 technology solution, and continue to enhance the system to improve customer service for bill payment implementation and implementation of automated workflow management (2012-2020 \$34.302 million)

Improve Customer Service (Continued)

- Complete the ChemTRAC web-based system to monitor and report 25 priority chemicals used and released by targeted industries and facilities (2011 \$0.443 million)
- Continue with the next phase of the Healthy Environment Inspection System, that includes DineSafe, meeting required provincial standards (2011-2020 \$2.038 million)
- Implement Web Rebrand by redesigning TPH; Parks, Forestry and Recreation; and Economic Development and Culture website and implementing content management software to automate the web posting process (2011-2020 \$4.646 million)

Public Spaces

The City is investing in public spaces that are developed and maintained in a clean and beautiful condition for the general community. The 2011 -2020 Capital Budget and Plan will:

- Improve Public Spaces across the City as part of the Civic Improvement initiative (2011-2020 \$28.079 million)
- Revitalize Nathan Phillips Square with modifications to meet functional requirements and to host a greater number and variety of public activities and special events (2011–2020 \$25.105 million)
- Redevelop St. Lawrence Market North into a multi-purpose, multi-storey facility containing a public market at grade, four levels of Provincial Offences Act traffic courts above grade, and three levels of parking below grade (2011–2020 \$73.890 million)

Public Spaces (Continued)

- Continue to revitalize Union Station with improvements to its transportation and retail spaces (2011-2020 \$562.983 million)
- Develop various waterfront sites including Tommy Thompson Park as well as dredging of the Keating Channel and Ashbridges Bay (2011-2020 \$14.794 million)
- Construct Fort York Pedestrian/Cycling Bridge (2011 \$14.998 million)
- Continue development of West Don Lands and East Bayfront precincts (2011-2020 \$30.719 million)

Public Spaces (Continued)

- Improve BIA Streetscapes (2011 \$5.172 million)
- Continue restoration of Casa Loma (2011-2020 \$3.425 million)
- Continue construction of the new Visitors Centre at Fort York (2011-2012 \$8.420 million)
- Continue infrastructure repairs and maintenance of the historical buildings at the Black Creek Pioneer Village and other facilities used by the public (2011-2020 \$9.980 million)

Rate Supported Programs

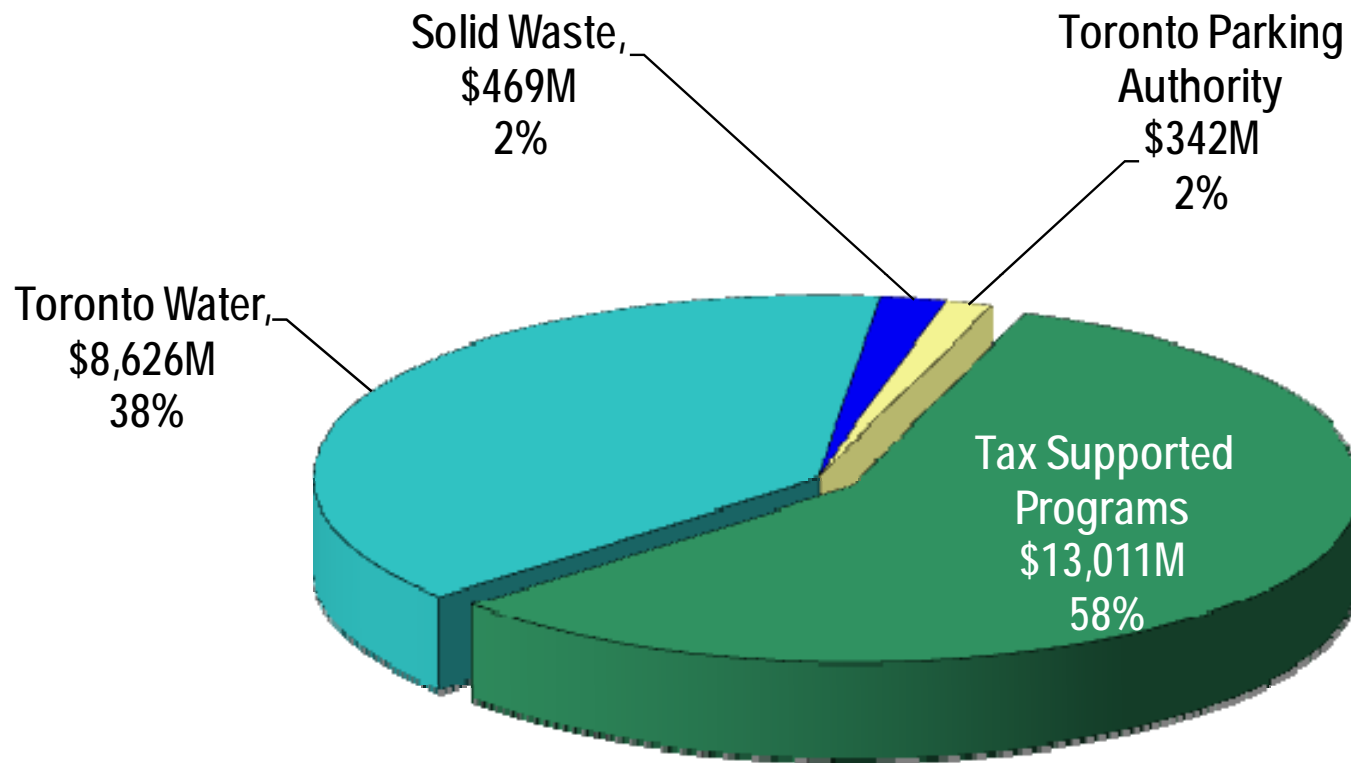
The City is investing in quality water services and is driven to achieving the 70% solid waste diversion target set by the Province. The 2011 -2020 Capital Budget and Plan will:

- Renewal of water and wastewater infrastructure including the District Watermain and Sewer Replacement and Rehabilitation projects (2011 – 2020 \$4.480 billion)
- Complete the Source Separated Organics processing facility at Disco (2011-2020 \$82.7 million)
- Complete design and construction of Reuse and Recycling Centres (2011-2020 \$20.6 million)
- Continue developing Green Lane including Control Systems and Buffer Land Acquisition (2011-2020 \$79.2 million)

Rate Supported Programs (Continued)

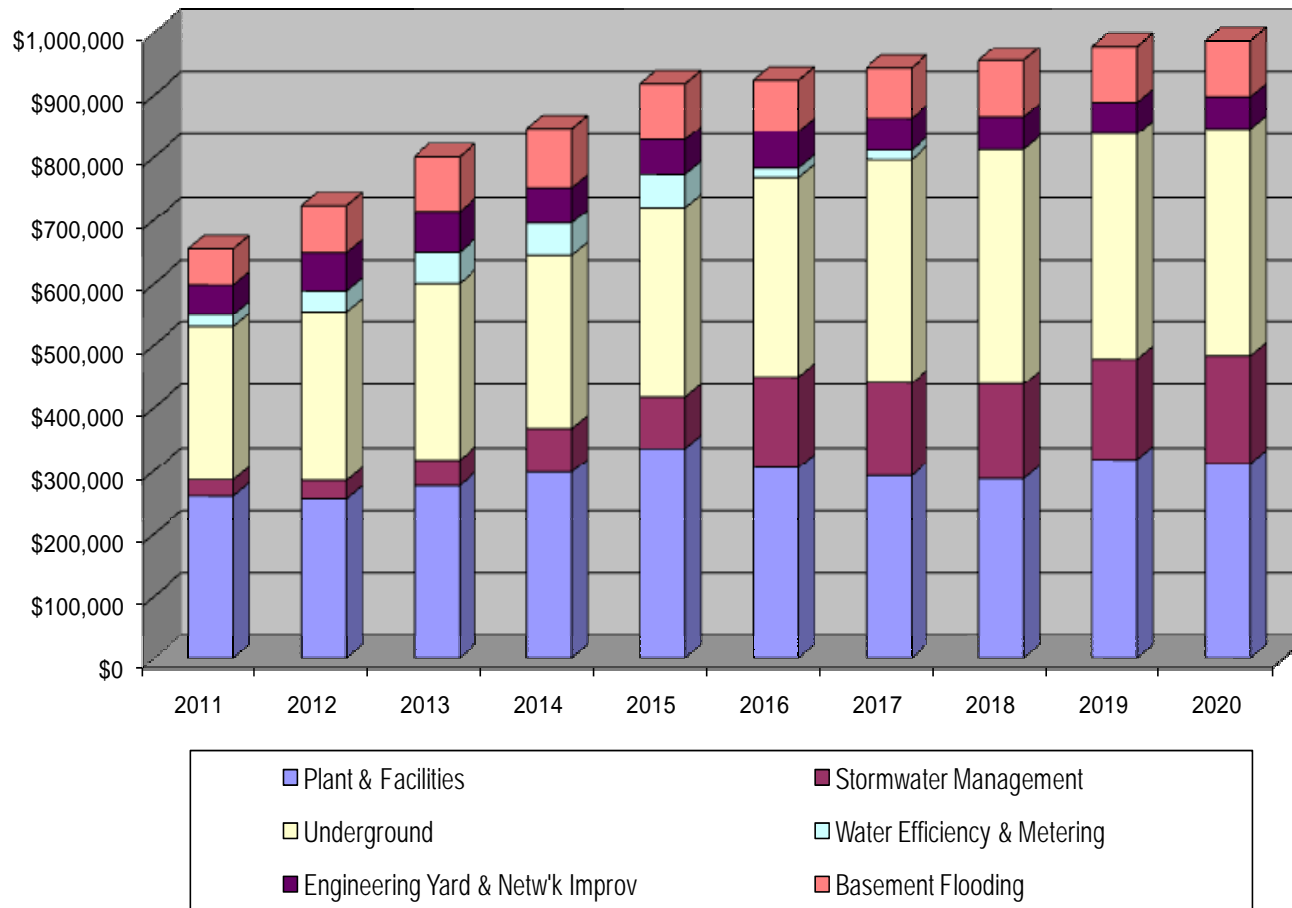
- Continue Perpetual Care of Old Landfills including control systems (2011-2020 \$74.9 million)
- Continue Transfer Station and Collection Yard preventative asset management (2011-2020 \$63.3 million)
- Start replacement of Single Family SSO Containers (2011-2020 \$21 million)
- Start construction of the Mixed Waste Processing Facility at Green Lane (2011-2020 \$115.6 million)
- Start building Source Separated Organics processing capacity at the Dufferin facilities (2011-2020 \$25.1 million)

2011 to 2020 Rec'd Capital Budget and Plan \$22.448 Billion

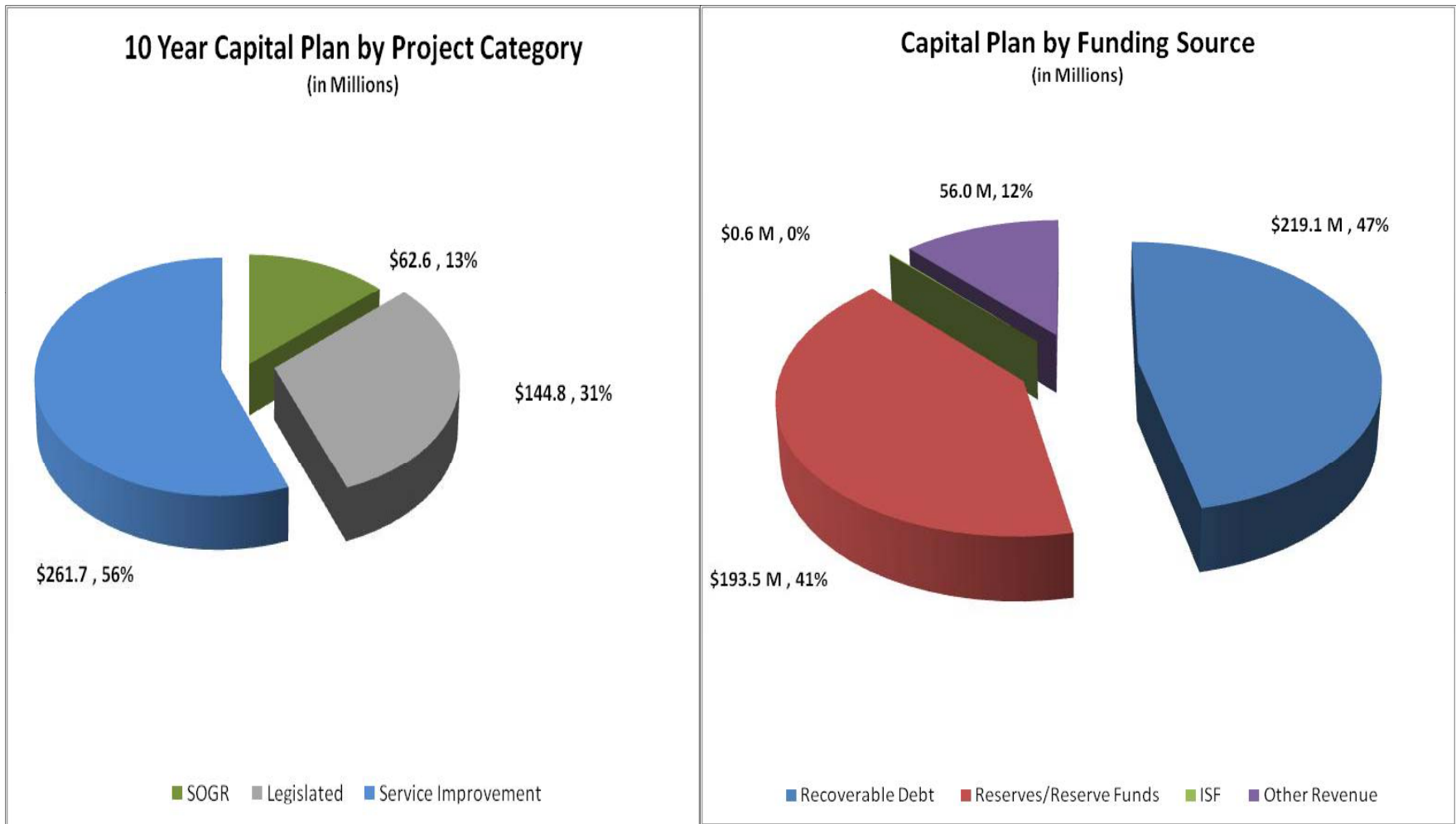


2011 - 2020 Rate Supported Capital Budget and Plan

Toronto Water 2011-2020 Capital Plan by Asset Class - \$8.626 Billion



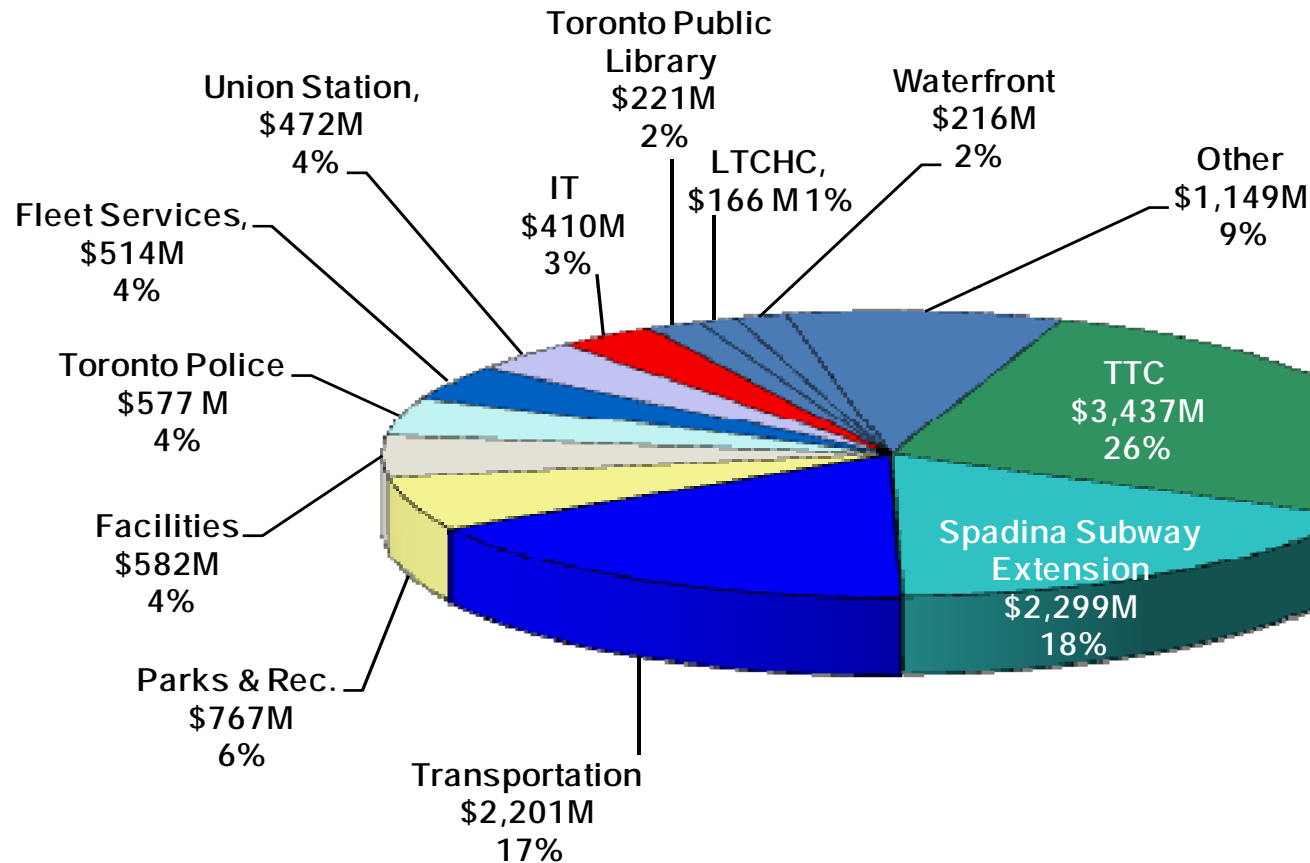
Solid Waste - 10 Year Capital Plan by Project Category & Funding Source \$469 Million



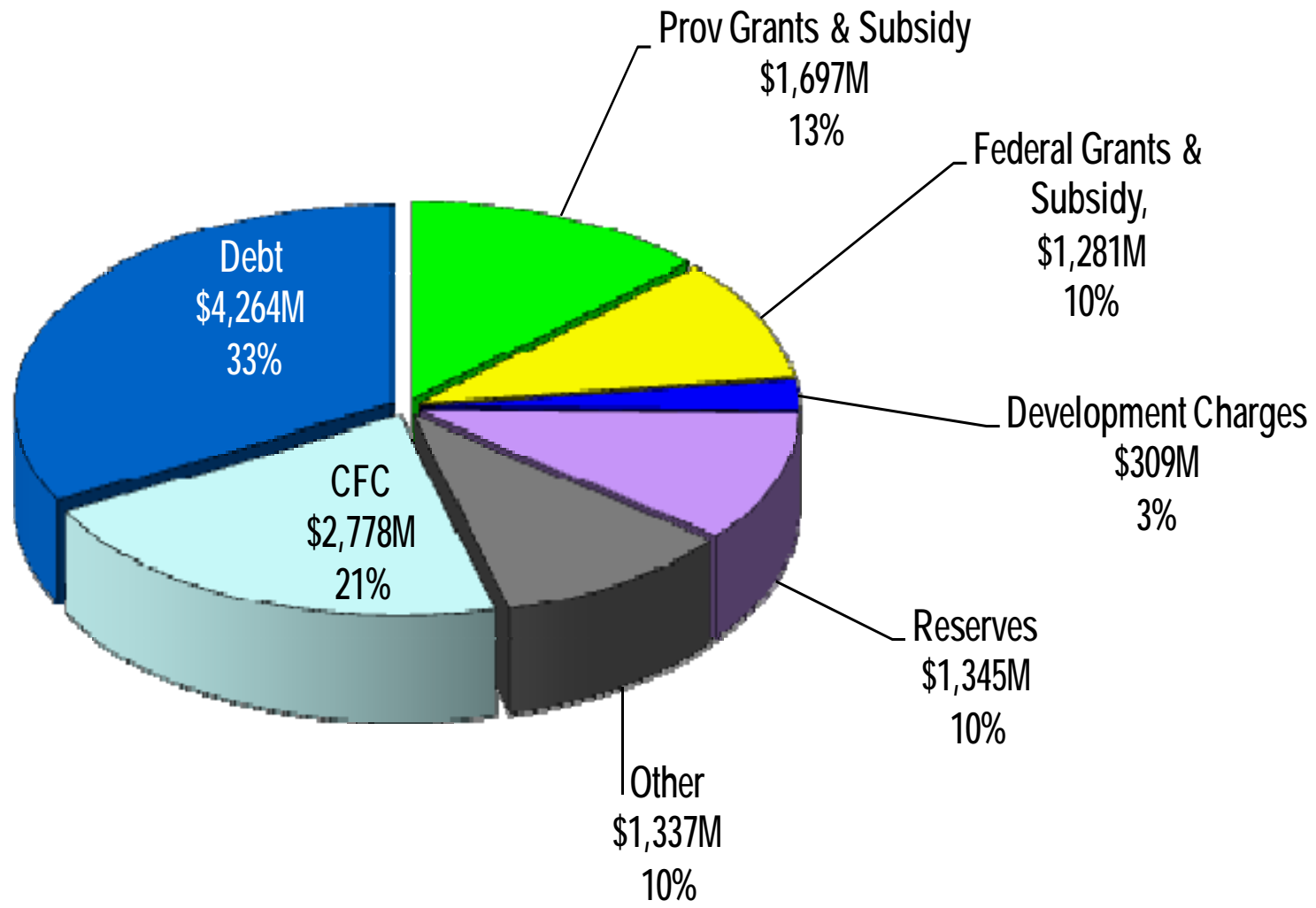
* Excludes 2010 Carry-Over of \$48.8 Million

2011 - 2020 Staff Recommended Tax Supported Capital Budget and Plan

Where the Money Goes - 2011 to 2020 Tax Supported Capital Plan - \$13.011B



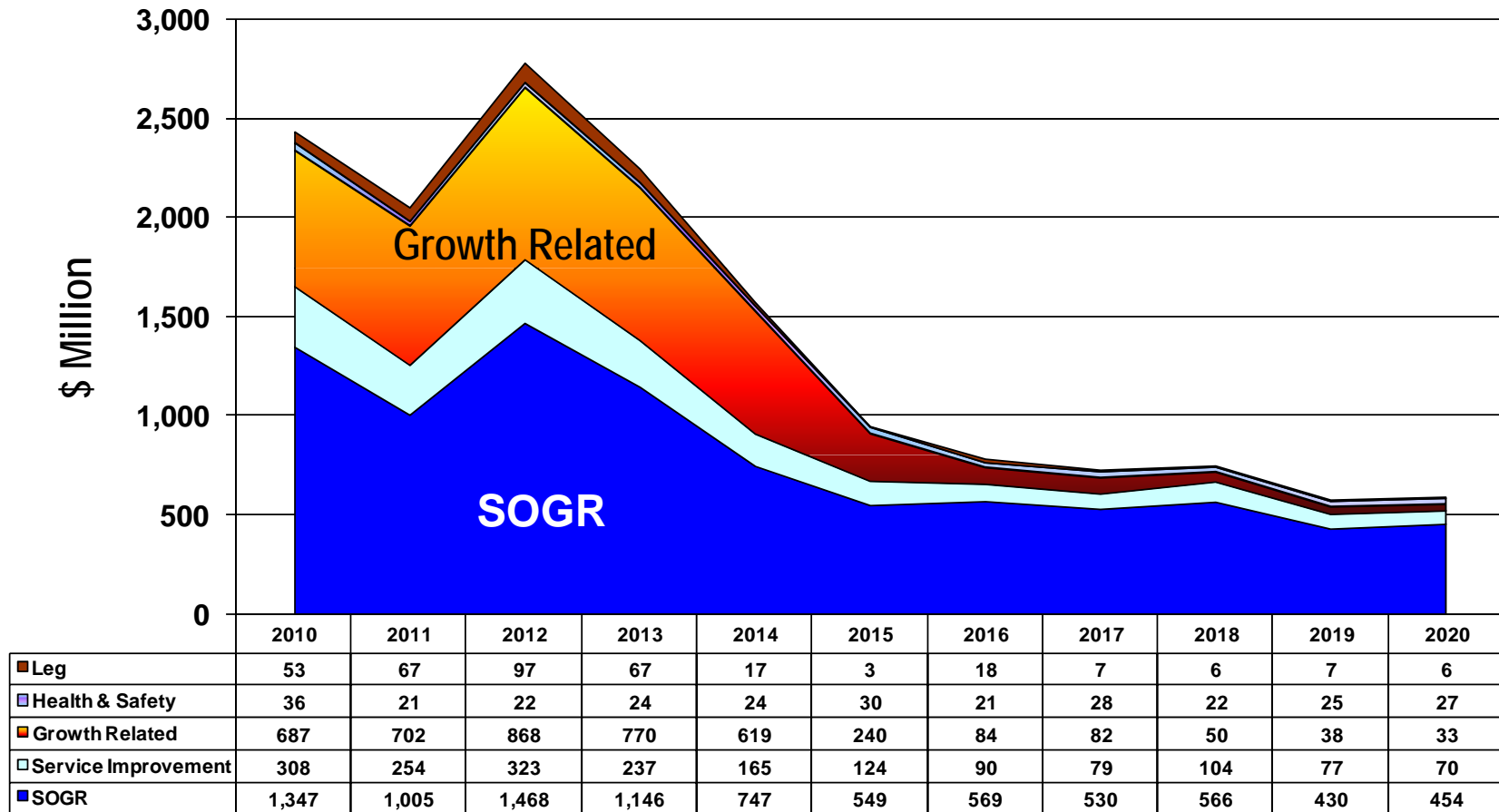
2011 – 2020 Capital Budget & Plan Financing - \$13.011 Billion



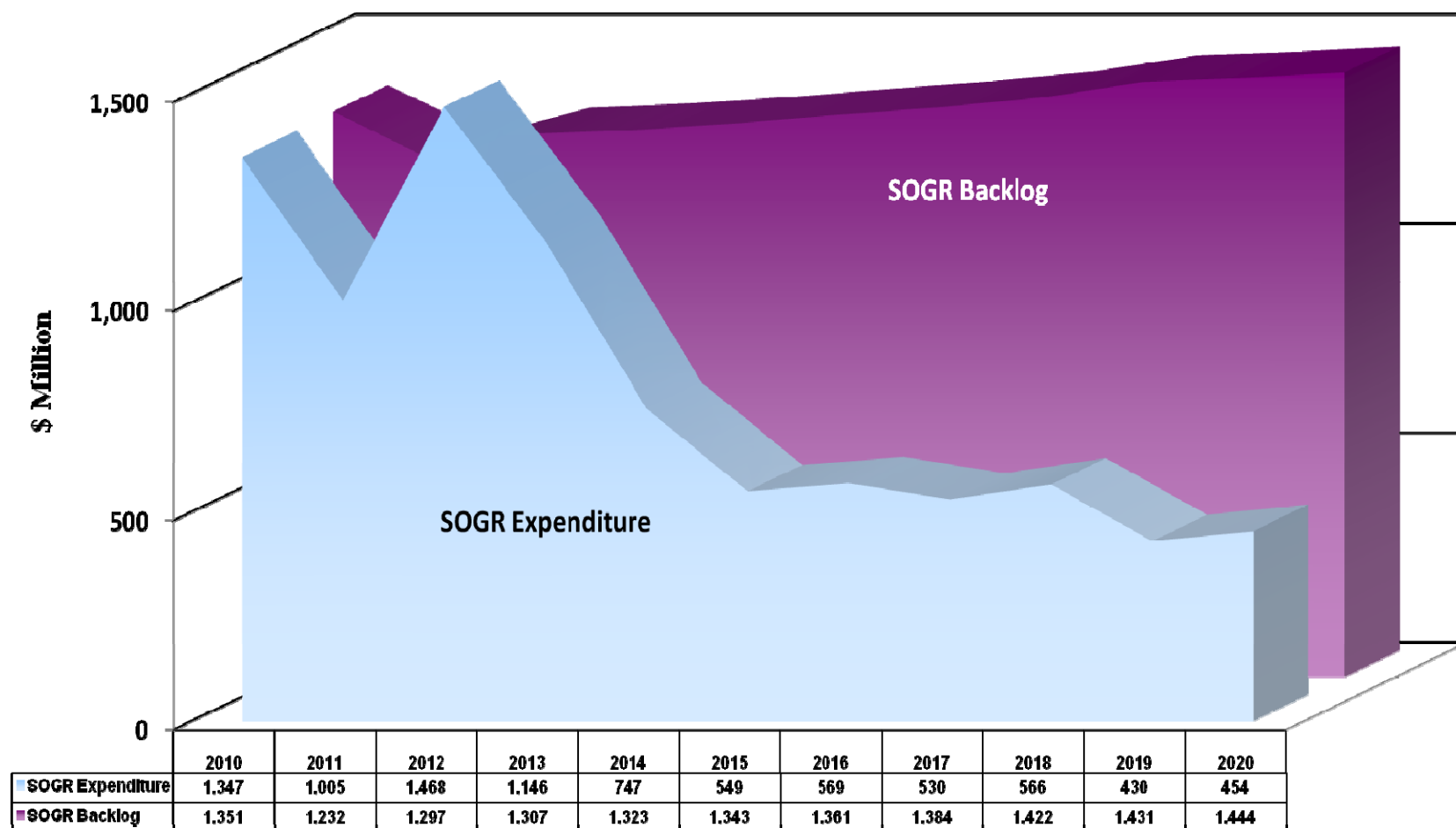
2011 – 2020 Capital Budget and Plan - by Category and Financing Source

| Expenditures | Capital Plan | | | | | 2011-2015 | | 2016- 2020 | | 2011-2020 | |
|---------------------------|--------------|--------------|--------------|--------------|------------|--------------|--------|--------------|--------|---------------|--------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | Total | % | Total | % | Total | % |
| Health and Safety | 21 | 22 | 24 | 24 | 30 | 121 | 1.3% | 124 | 3.6% | 244 | 1.9% |
| Legislated | 67 | 97 | 67 | 17 | 3 | 252 | 2.6% | 44 | 1.3% | 295 | 2.3% |
| State of Good Repair | 1,005 | 1,468 | 1,146 | 747 | 549 | 4,915 | 51.3% | 2,549 | 74.5% | 7,464 | 57.4% |
| Service Improvements | 254 | 323 | 237 | 165 | 124 | 1,103 | 11.5% | 420 | 12.3% | 1,523 | 11.7% |
| Growth Related | 702 | 868 | 770 | 619 | 240 | 3,198 | 33.4% | 286 | 8.4% | 3,484 | 26.8% |
| Total Expenditures | 2,049 | 2,778 | 2,244 | 1,572 | 946 | 9,589 | 100% | 3,422 | 100% | 13,011 | 100.0% |
| Funded By: | | | | | | | | | | | |
| Provincial | 350 | 496 | 385 | 233 | 80 | 1,545 | 16.1% | 152 | 4.4% | 1,697 | 13.0% |
| Federal | 322 | 363 | 334 | 205 | 47 | 1,271 | 13.3% | 9 | 0.3% | 1,281 | 9.8% |
| Reserves | 114 | 149 | 125 | 83 | 109 | 580 | 6.0% | 461 | 13.5% | 1,041 | 8.0% |
| Reserve Funds | 101 | 59 | 21 | 15 | 14 | 208 | 2.2% | 96 | 2.8% | 304 | 2.3% |
| Capital from Current | 181 | 199 | 219 | 241 | 265 | 1,103 | 11.5% | 1,675 | 48.9% | 2,778 | 21.4% |
| Development Charges | 60 | 58 | 40 | 27 | 24 | 210 | 2.2% | 100 | 2.9% | 309 | 2.4% |
| Other | 270 | 320 | 258 | 262 | 90 | 1,200 | 12.5% | 136 | 4.0% | 1,337 | 10.3% |
| Debt | 652 | 1,134 | 862 | 507 | 317 | 3,471 | 36.2% | 792 | 23.2% | 4,264 | 32.8% |
| Total Funding | 2,049 | 2,778 | 2,244 | 1,572 | 946 | 9,589 | 100.0% | 3,422 | 100.0% | 13,011 | 100.0% |

\$7.464 Billion or 57.4% of the 2011 – 2020 Capital Plan Allocated to SOGR



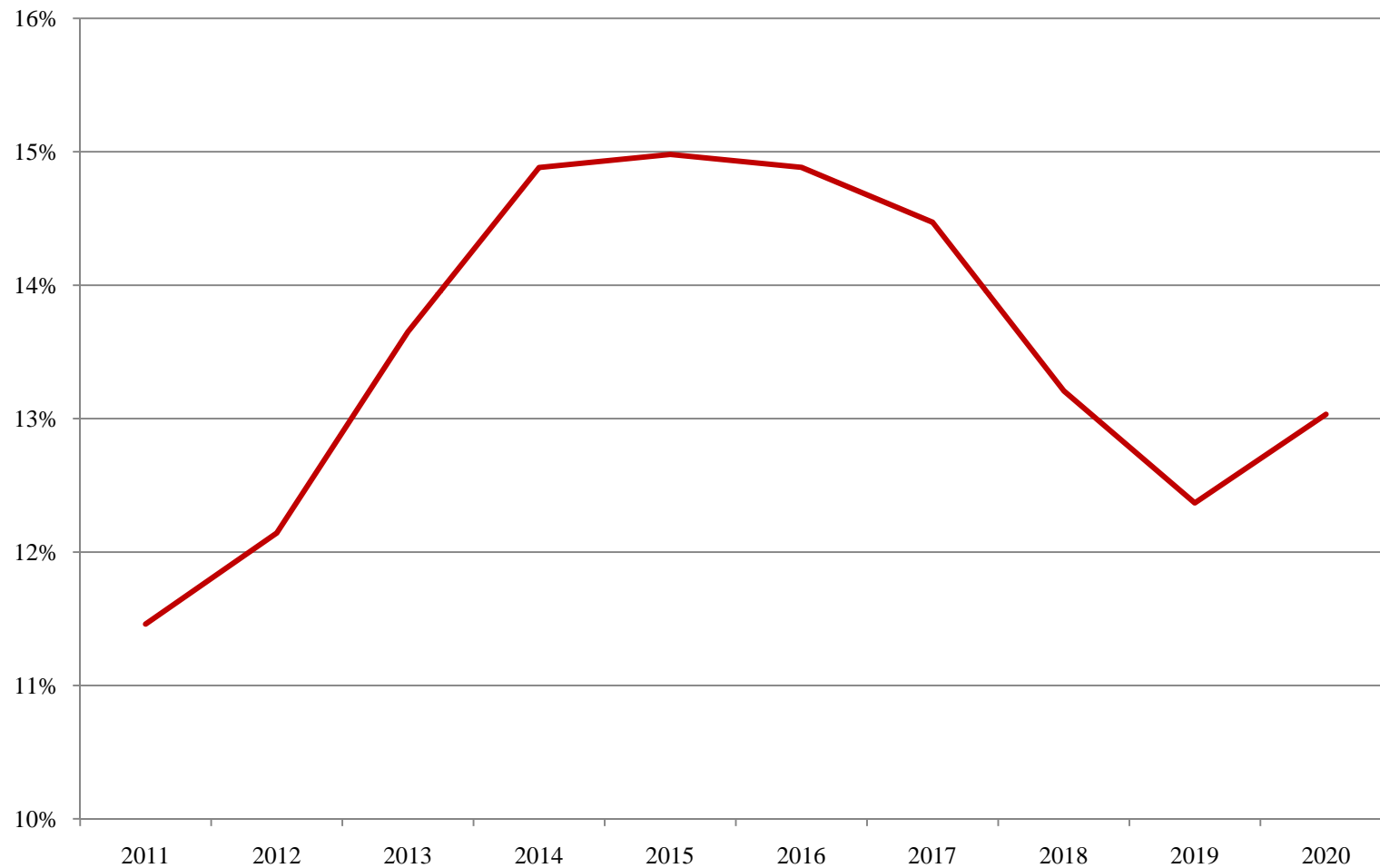
SOGR Backlog



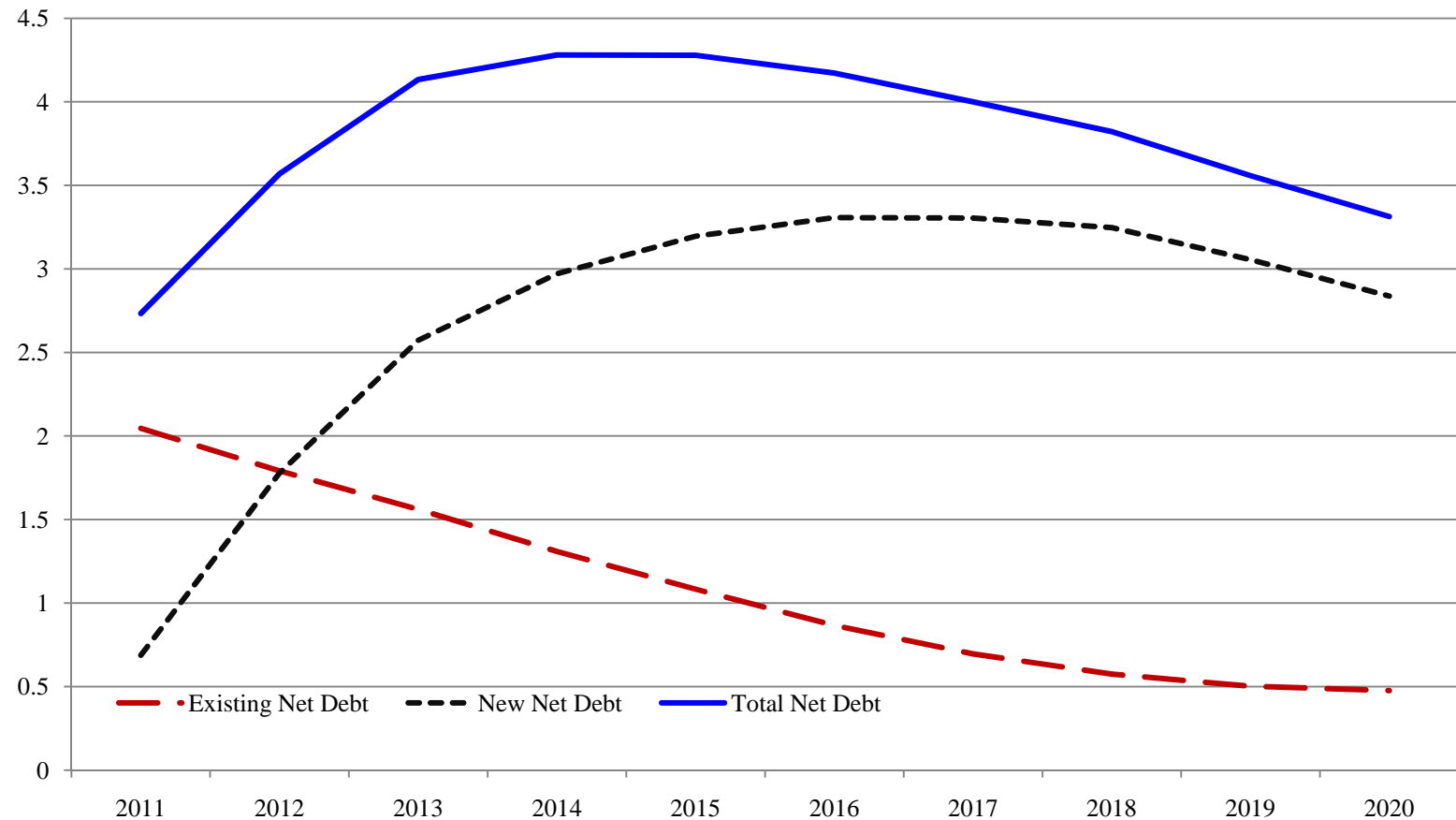
2011 – 2020 Debt / Capital From Current Targets

| | 2010 Council Approved Debt/CFC | 2011 | 2012 | 2013 | 2014 | 2015 | 2011 - 2015 Debt / CFC Target | 2011 - 2020 Debt / CFC Target |
|-------------------------------------|---|--------------|--------------|------------|------------|------------|--|--|
| Baseline Debt (Retire / Reissue) | 260 | 200 | 0 | 120 | 228 | 300 | 848 | 2,648 |
| New Debt: | | | | | | | | |
| TTC (includes Spadina) | 331 | 567 | 654 | 330 | 209 | 165 | 1,925 | 2,442 |
| City Programs and Other ABCs | 212 | 151 | 276 | 109 | (29) | (123) | 384 | (880) |
| Total New Debt | 543 | 718 | 930 | 439 | 180 | 42 | 2,309 | 1,562 |
| Total Debt (for issuance) | 803 | 918 | 930 | 559 | 408 | 342 | 3,157 | 4,210 |
| Capital from Current (CFC) | 165 | 181 | 199 | 219 | 241 | 265 | 1,105 | 2,778 |
| Total Debt & CFC | 968 | 1,099 | 1,129 | 778 | 649 | 607 | 4,262 | 6,988 |

Debt Charges as % of Tax Levy

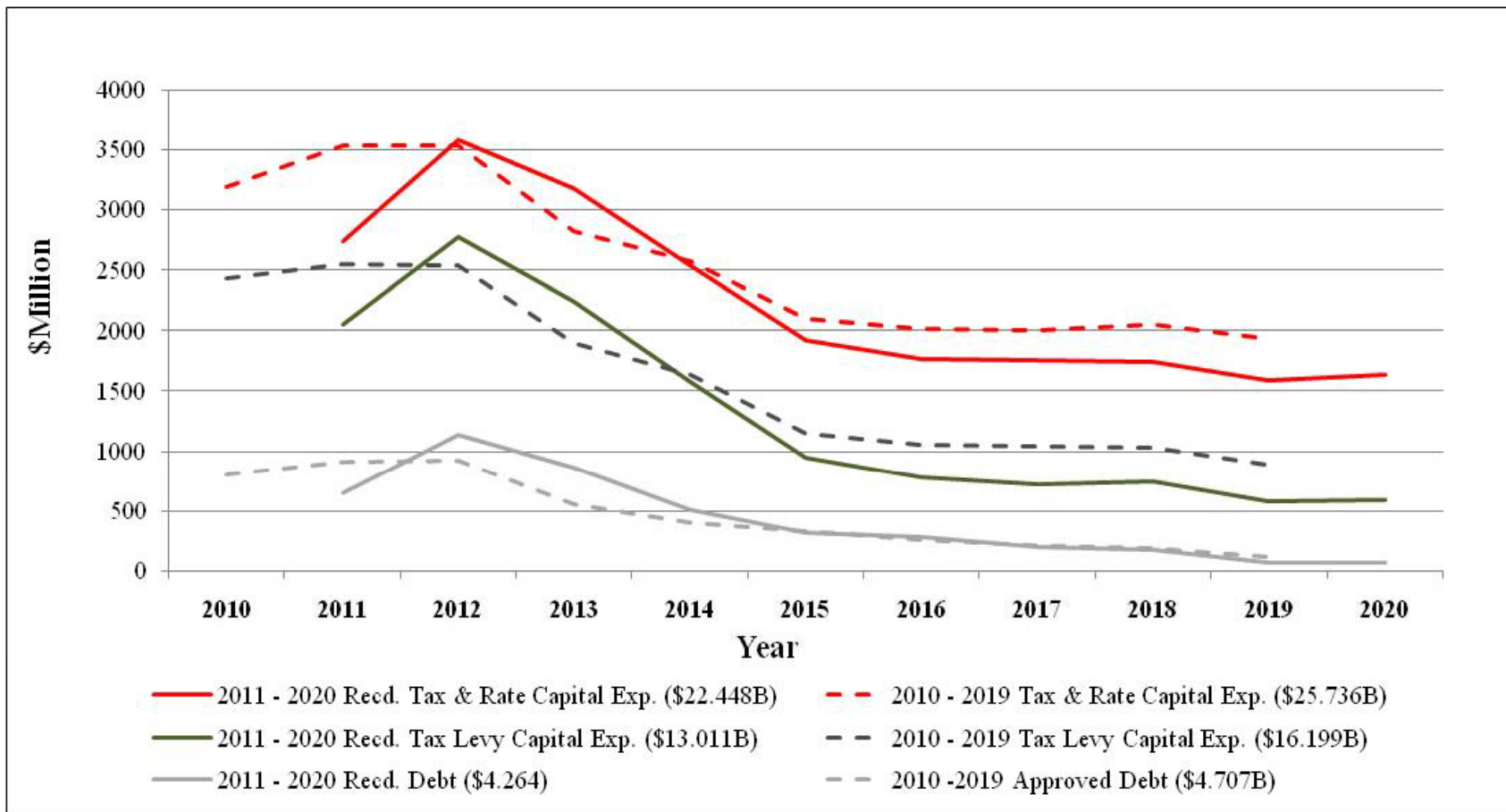


Comparison of Existing and New Debt



TTC
10 - Year Capital Budget and Plan
2011 vs. 2010

How the 2010 - 2019 and 2011 – 2020 Capital Plans Compare



TTC – 2011 to 2020 Plan Submitted Vs. 2011 Rec'd Capital Budget & Commitments

| | 2011 to 2020 Submitted Capital Plan | 2011 Rec'd Budget & Commitments | Remainder of 2012 to 2020 Submitted Capital Plan |
|-------------------------|--|---------------------------------------|---|
| Gross Expenditure | <u>7,593,365</u> | <u>3,437,034</u> | <u>4,156,331</u> |
| Funding Sources: | | | |
| Provincial Subsidy | 1,324,993 | 788,294 | 536,699 |
| Federal Subsidy | 1,591,788 | 538,142 | 1,053,646 |
| DC | 54,009 | 39,161 | 14,848 |
| Other | 228,724 | 55,096 | 173,628 |
| | 3,199,514 | 1,420,693 | 1,778,821 |
| Required Debt | 4,393,851 | 2,016,341 | 2,377,510 |
| Debt Target | 2,129,122 | 2,129,122 | 112,781 |
| Debt Shortfall | 2,264,729 | (112,781) | 2,264,729 |

Unfinanced TTC Capital Needs

Key Drivers

- Lack of Federal funding for streetcar replacement
- New street car house and car house modifications at two existing sites required for new low floor streetcars
- Ridership growth driving need for more subway trains and subway train storage, automated train control and platform edge doors
- Withdrawal of provincial funding for bus replacement

Shortfall – recommended but unfunded

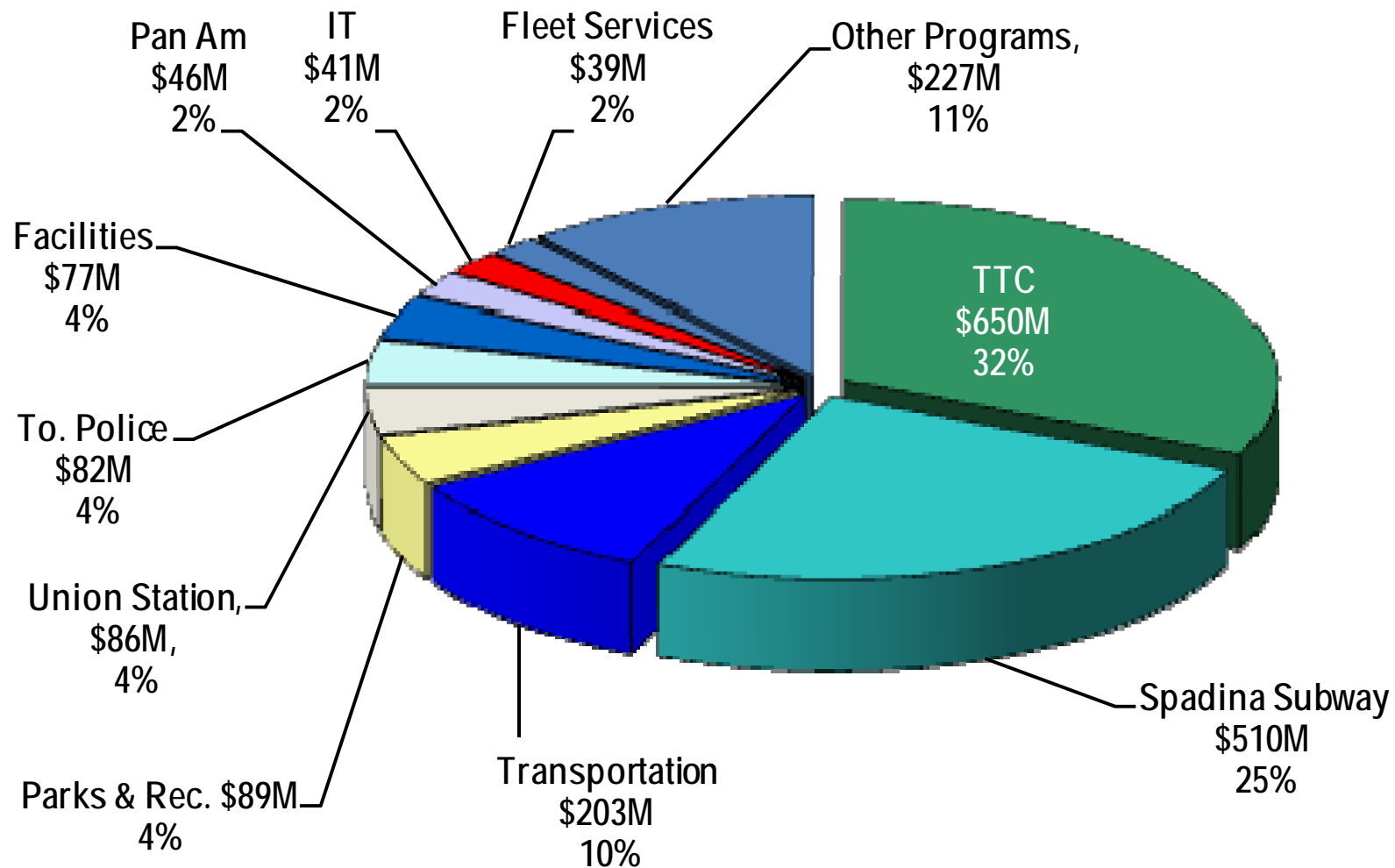
- Ridership growth and fleet renewal \$1.2 Billion
- System and bus SOGR \$1.1 Billion

TTC Unfinanced Capital - Strategies

- Pursue Federal and Provincial funding for ridership growth and vehicle replacement
- Pursue Provincial funding for ridership growth
- TTC to prioritize and delay projects until funding is secured

2011 Staff Recommended Capital Budget

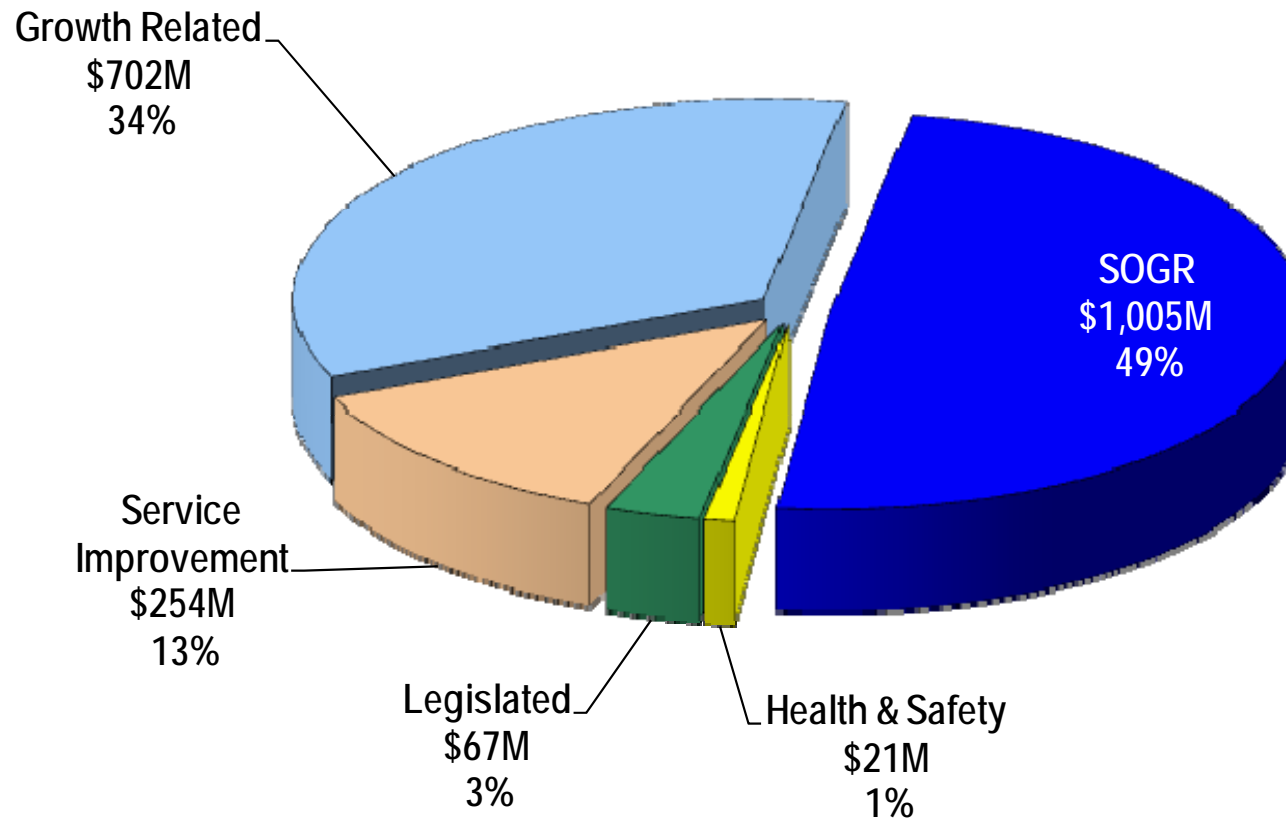
Where the Money Goes – 2011 Tax Supported Capital Budget - \$2.049B



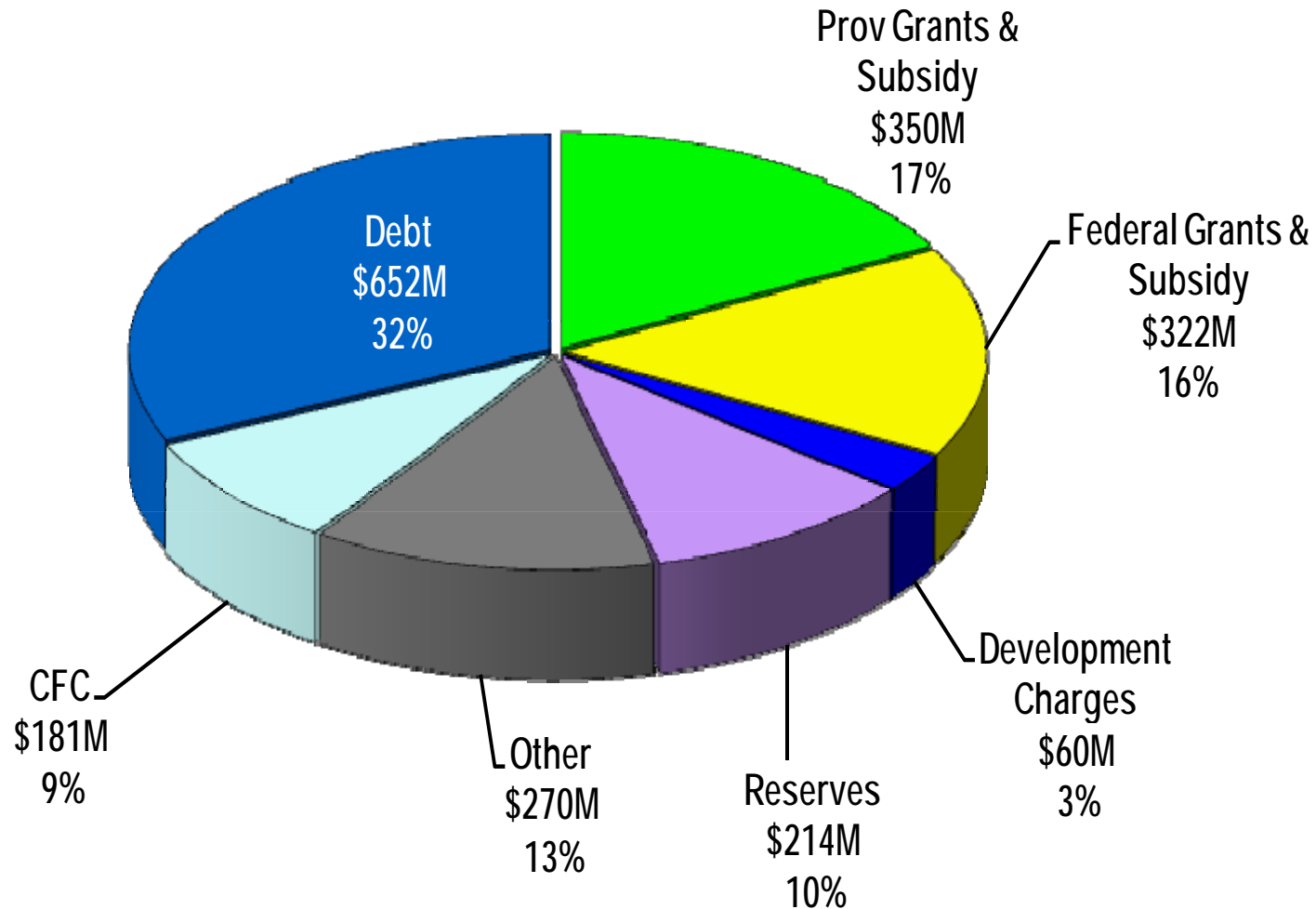
2011 Recommended Capital Budget

49% Committed to State of Good Repair

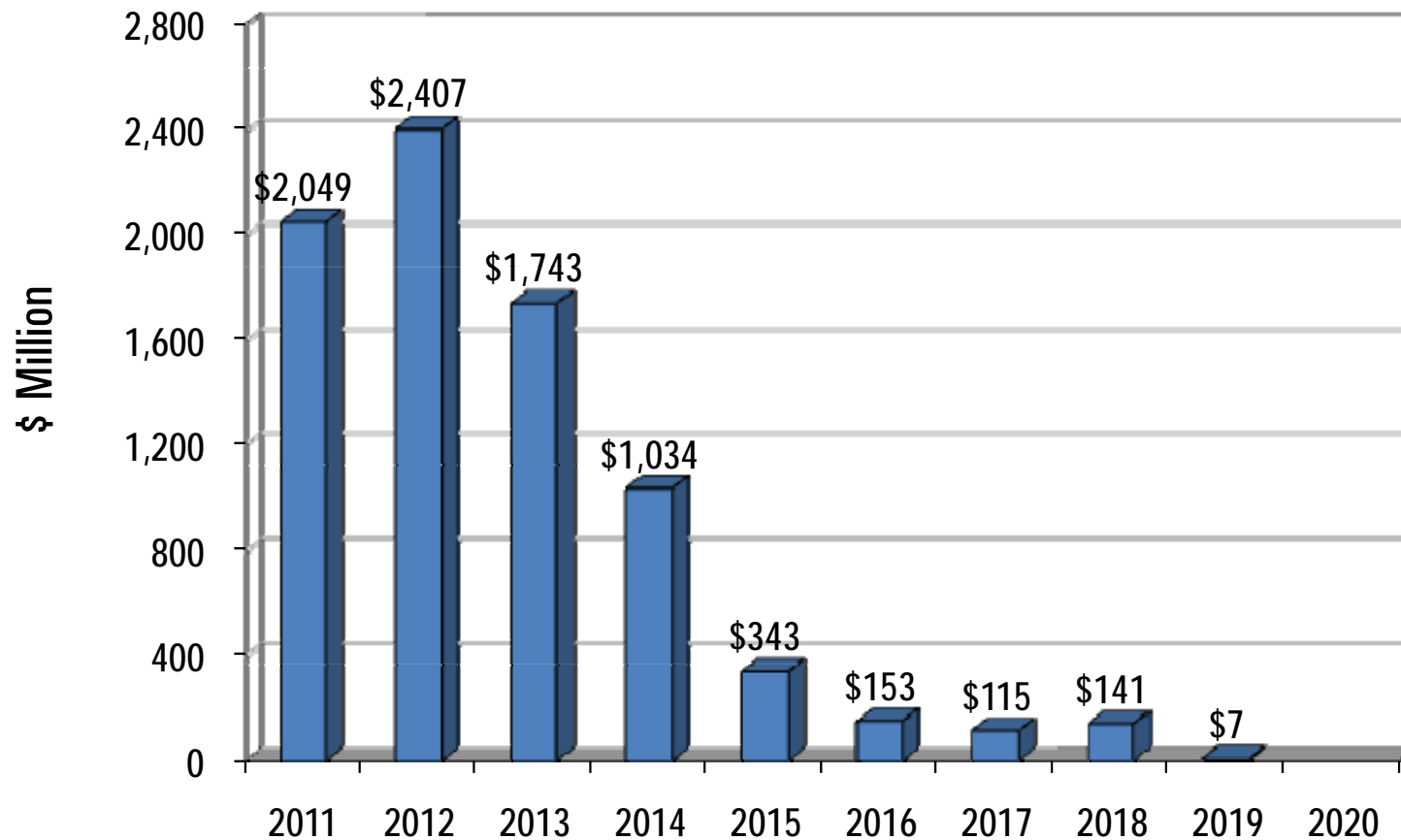
\$2.049 Billion



2011 Capital Budget Financing - \$2.049 Billion



Approval of the 2011 Capital Budget of \$2.049 Billion Commits \$5.943 Billion in Future years



Conclusion

Conclusion

- The 2011 - 2020 Capital Budget and Plan Strategy is achieved:
 - \$22.448 Billion Tax and Rate capital spending to protect and create 257,000 jobs
 - Achieves a balance between maintaining existing City assets and addressing service gaps on a City-wide basis
 - Is based on project readiness and ability / capacity to spend
 - Ensures that the 10-Year Capital Plan is affordable and meets debt guidelines
 - TTC capital needs are not met – partnership funding must be secured

