



STAFF REPORT ACTION REQUIRED

Ashbridges Bay Storage and Maintenance Facility Project

Date:	February 23, 2011
To:	City Council
From:	City Manager
Wards:	Ward 32
Reference Number:	P:\2011\Internal Services\FP\cc11006Fp

SUMMARY

At its meeting on February 17, 2011, the Executive Committee requested the City Manager to report directly to Council on the status of the Ashbridges Bay Streetcar Maintenance and Storage Facility project.

In response to the Executive Committee request, this report provides information and the decision history related to the Ashbridges Bay Streetcar Maintenance and Storage Facility project.

RECOMMENDATIONS

The City Manager recommends that City Council:

1. Receive this report for information.

FINANCIAL IMPACT

Funding of \$419 million for the design and construction of the LRV storage and maintenance facility is included in the 2011-2020 Recommended Capital Budget and Plan. Funding is provided for soil removal, construction of the maintenance and storage facility and the Leslie Street connecting track.

DECISION HISTORY

At its meeting of November 30, 2009, City Council approved an agreement with Toronto Port Authority that provided for the purchase of 18 acres of land for the LRV Maintenance and Storage Facility.

At its meeting of December 16, 2009, the Toronto Transit Commission approved a report from staff entitled, *"Replacement Fleet Maintenance Facility – Property Acquisition"*, which recommended an LRV replacement maintenance and storage facility at the Ashbridges Bay site. The link to the report is provided below.

http://www3.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2009/December_16_2009/Reports/Replacement_fleet_ma.pdf

Fourteen potential sites, extending from Mimico to Ashbridges Bay were considered for the LRV replacement maintenance and storage facility, the Ashbridges Bay location was the preferred site based on its evaluation against the following criteria:

- Property requirement of approximately 22 acres
- Close proximately to existing streetcar network
- Minimal relocation of existing business and the facilities
- Minimize crossing of existing rail road tracks
- Community considerations
- Operational issues
- Potential for site to be developed and in service by the end of 2012
- Cost

At its meeting of June 8, 2010, Council approved the report from City staff entitled, *"Proposed Use of Lands on the Ashbridges Bay Treatment Plant Site for a Toronto Transit Commission Light Rail Vehicle Facility"* authorizing the Ashbridges Bay site for the LRV replacement maintenance and storage facility. The link to the report is provided below.

<http://www.toronto.ca/legdocs/mmis/2010/pw/bgrd/backgroundfile-29786.pdf>

The 2010 Council approved Capital Budget and 2011 – 2019 Capital Plan included a total project cost of \$344.4 million for the LRV Replacement Maintenance and Storage Facility project.

The 2011 Recommended Capital Budget and 2012 – 2020 Capital Plan recommends an increase of \$89.7 million for the LRV Replacement Maintenance and Storage Facility project based on incorporating the Ashbridges Bay site as the preferred location, resulting in a revised total project cost of \$434.1 million

At its meeting on December 15, 2010, the Commission deferred to their following meeting a report from TTC staff entitled, "*Procurement Authorization Low Floor Light Rail Vehicle Maintenance and Storage Facilities Fleet Replacement - Ashbridges Bay Site Soil Removal and Capping Contract No.: WM60-1*". The Commission deferred the report to allow TTC staff time to address the issues raised by Councillor Fletcher and the local community. The link to the report is provided below.

[http://www3.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2010/Dec 15 2010/Reports/PA Low Floor Light R.pdf](http://www3.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2010/Dec_15_2010/Reports/PA_Low_Floor_Light_R.pdf)

The Toronto Transit Commission at its meeting of February 2, 2011 approved the deferred TTC report, "*Procurement Authorization Low Floor Light Rail Vehicle Maintenance and Storage Facilities Fleet Replacement - Ashbridges Bay Site Soil Removal and Capping Contract No.: WM60-1*," and authorized award of the soil removal contract and noted that staff have met with the local Councillors and their staff to provide answers to their questions related to the Ashbridges Bay Maintenance and Storage Facility.

The Toronto Transit Commission at its meeting of February 2, 2011 also approved the TTC staff report in response to motions referred to the General Manager of the TTC from the Budget Committee meeting on January 24, 2010, entitled, "*Ashbridges Bay Streetcar Maintenance and Storage Facility – Motions referred by Budget Committee*," which recommended that the Commission:

1. Support staff efforts to proceed immediately with the Soil Removal and Capping Contract for the Ashbridges Streetcar Maintenance and Storage Facility; and
2. Direct staff to investigate the feasibility and costs of locating some of the new streetcars at the Hillcrest Yard and/or the adjacent hydro corridor and Exhibition Place loop recognizing that additional streetcar storage at alternative sites does not change the need for the Ashbridges Bay Streetcar Maintenance and Storage Facility.

The links to the two reports mentioned above are provided below:

Procurement Authorization

[http://www3.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2011/February 2 2011/Supplementary Reports/Follow up P Low Floor.pdf](http://www3.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2011/February_2_2011/Supplementary_Reports/Follow_up_P_Low_Floor.pdf)

Ashbridges Bay Facility

[http://www3.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2011/February 2 2011/Supplementary Reports/Ashbridges Bay Streetcar.pdf](http://www3.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2011/February_2_2011/Supplementary_Reports/Ashbridges_Bay_Streetcar.pdf)

The Ashbridges Bay Streetcar Maintenance and Storage Facility Project was deemed an urgent matter due to the original schedule that required completion of the project by late 2012 to accommodate streetcar deliveries starting in 2013. Property acquisition and public consultation delayed the project by about 9 months. The current schedule will result in project completion toward the end of 2013. Further delay of the project completion could require an interim storage facility for the new vehicles or involve negotiating a contract change to delay delivery of the new streetcars, both of which would increase costs.

ISSUE BACKGROUND

The information below highlights the decision history through the budget process as it pertains to the Ashbridges Bay Streetcar Maintenance and Storage Facility Project.

Budget Committee Meeting January 14, 2011

In response to a request that the TTC confirm capital project estimates and funding included in the 2011 Capital Budget, the Budget Committee adopted the following motions:

1. That the TTC review the projects and estimates included in the City's 2011 Staff Recommended Capital Budget and associated future year cash flow commitments and report back no later than Budget Committee's final wrap up meeting of February 10, 2011 to confirm that the most appropriate projects have been recommended within the debt limit of \$2.016 billion.
2. The TTC report back to the Budget Committee at its final wrap up meeting on February 10, 2011 on the associated funding sources, including project-specific eligible Federal and Provincial Program funding and the associated reserve funds from which these funds must be transferred.

Budget Committee Meeting January 24, 2011

In response to a presentation made by Councillor McMahon on the Ashbridges Bay Streetcar Maintenance and Storage Facility Project, the Budget Committee referred the following motions to the General Manager, TTC, for consideration and report back to the February 10, 2011 final wrap-up meeting:

1. That a directive from the Mayor requesting a 90-day study period to thoroughly investigate new information and changing conditions which may have significantly altered the assertion that the proposed Ashbridges Bay LRV Storage Facility is a cost effective, essential and urgent investment for the City.
2. That at the end of the 60 days, Councillor McMahon will provide a detailed report to Council evaluating this new information, these new conditions and potential alternative solutions.

3. That the TTC is provided with a further 30 days to digest the report and provide a response which can be considered at that time by Council.
4. That no tenders are to be awarded and no money is to be expended on the Proposed Ashbridges Bay LRV Storage Facility project during the 90-day period.

These motions were to be considered in conjunction with the TTC's response regarding the 2011 Recommended Capital Budget at the Budget Committee meeting on February 10, 2011.

Budget Committee Meeting – February 10, 2011

In a response to the request to report back on the 2011 Recommended Capital Budget, TTC submitted a response late on February 9, 2011 identifying project cash flow and future year commitment deferrals in a step toward doing a more thorough review of TTC capital priorities and estimates. Given the lateness of the submission, staff did not have ample time to review the submission regarding the 2011 Recommended Capital Budget. Due to its significant size, the Ashbridges Bay Streetcar Maintenance and Storage Facility Project was referred along with TTC's project deferrals to the February 17, 2011 Executive Committee meeting for consideration.

Executive Committee Meeting – February 17, 2011

At this meeting, the Executive Committee received and approved TTC's response on the 2011 Recommended Capital Budget including \$248 million of reductions to the 2011 cash flow and future year commitments in the 2011 Recommended Capital Budget. However, Executive Committee was not able to consider the "*Ashbridges Bay Streetcar Maintenance and Storage Facility – Motions Referred by Budget Committee*" report from TTC as it became apparent after reviewing the TTC's report and recommendations on the matter that the TTC had authorized on February 2, 2011 and awarded on February 4, 2011 the soil removal and capping contract.

To evaluate the procurement authorization procedures and decision history, Executive Committee approved the following motion:

- The City Manager report directly to Council on the status of the Ashbridges Bay Streetcar Maintenance and Storage Facility project.

COMMENTS

Following Councillor McMahon's motion to Budget Committee on the January 24, 2011, which was referred to the TTC, the expectation of City staff was that no action would be taken on the soil removal contract until these matters were considered and reported back for Budget Committee deliberation through the budget process.

The TTC considered Councillor McMahon's motion and awarded a contract in the amount of \$51.4 million for soil removal and capping of the Ashbridges Bay site on

February 4, 2011 following procurement authorization by the Commission at its meeting on February 2, 2011.

Funding for the TTC to award the Ashbridges Bay project was available through the 2010 Council approved Capital Budget for the TTC, with an approved 2010 cash flow of \$83.3 million and future year cash flow commitments of \$23.5 million in 2011, \$170.5 million in 2012 and \$64.5 million in 2013 for the LRV Replacement Maintenance and Storage Facility project. With the 2010 under spending, which could be carried forward into to 2011, and existing 2011 funding and cash flow approval, there was sufficient funding for the TTC to award the soil removal contract.

Based on the Financial Control Bylaw, Purchasing Control Bylaw and the budgetary and financial management approval process and protocols for City Divisions and ABC's, the TTC may award contracts provided that the project is Council approved and the project's cash flow funding is available in an appropriate account.

The Ashbridges Bay LRV Maintenance and Storage Facility consists of three parts:

1. Connecting track
2. Facility for 204 LRV's
3. Storage track for 100 LRV's

The soil removal for the maintenance facility is required even if the storage for 100 cars at Ashbridges Bay is reduced. While the storage track is scalable, the soil removal stage of the project is not. The issue of how many cars will eventually be stored at this facility remains under discussion but the ultimate decision will not be prejudiced by the soil contract, which is necessary to move forward with the facility no matter the size.

The soil removal contract for the project has been awarded and the scope of the storage track required is under review, therefore consideration of the maintenance and storage facility project (i.e. storage capacity of streetcars) and the Leslie Street connecting track are before Council as part of the 2012 Capital Budget and Plan.

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SIGNATURE

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