

# Financial Issues Involving Metrolinx: Georgetown South, GO Transit Capital Expansion Projects, and Union Station

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**Presentation to City Council  
March 10, 2015**

**With Redactions**

# Executive Committee Recommendations

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That the City Manager report directly to Council with further detail on Recommendation 1 as amended, and Recommendations 3 and 4.



# Georgetown South Settlement



# Georgetown South, Union Pearson Express Crossing Agreements

- City is party to dozens of agreements and orders re: crossings along the Georgetown South (GTS)/Union Pearson Express (UPX), some dating back to 1800's.
- Agreements and orders pertain to work on City roads, bridges and utilities in the railway rights-of-way.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

# Georgetown South Proposed Settlement

- [REDACTED]
- [REDACTED]
- [REDACTED]  
[REDACTED]
- Provides for payment over 5 years (vs 10 years as previously built into the 2015 Capital Budget and Plan)
- [REDACTED]  
[REDACTED]

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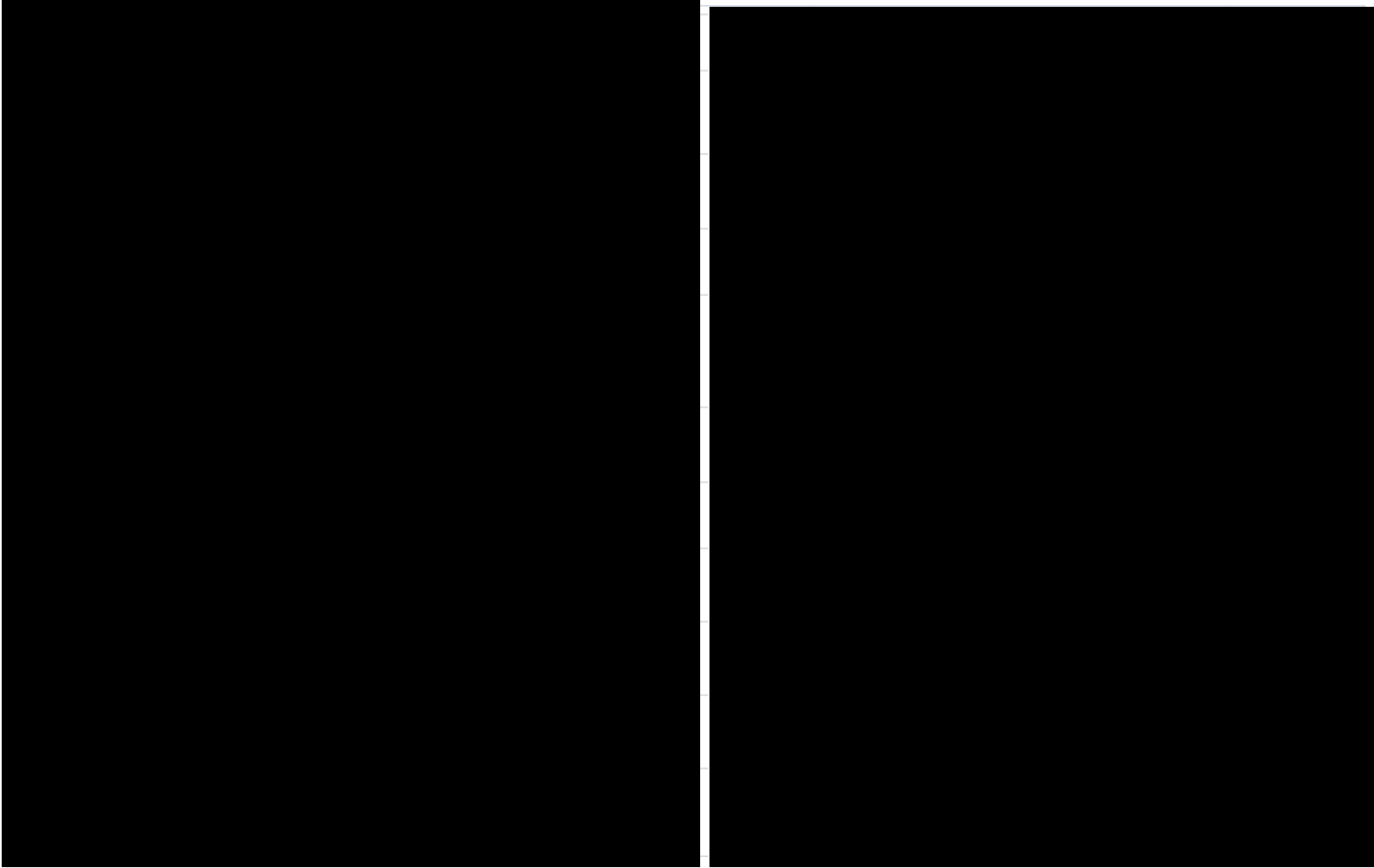
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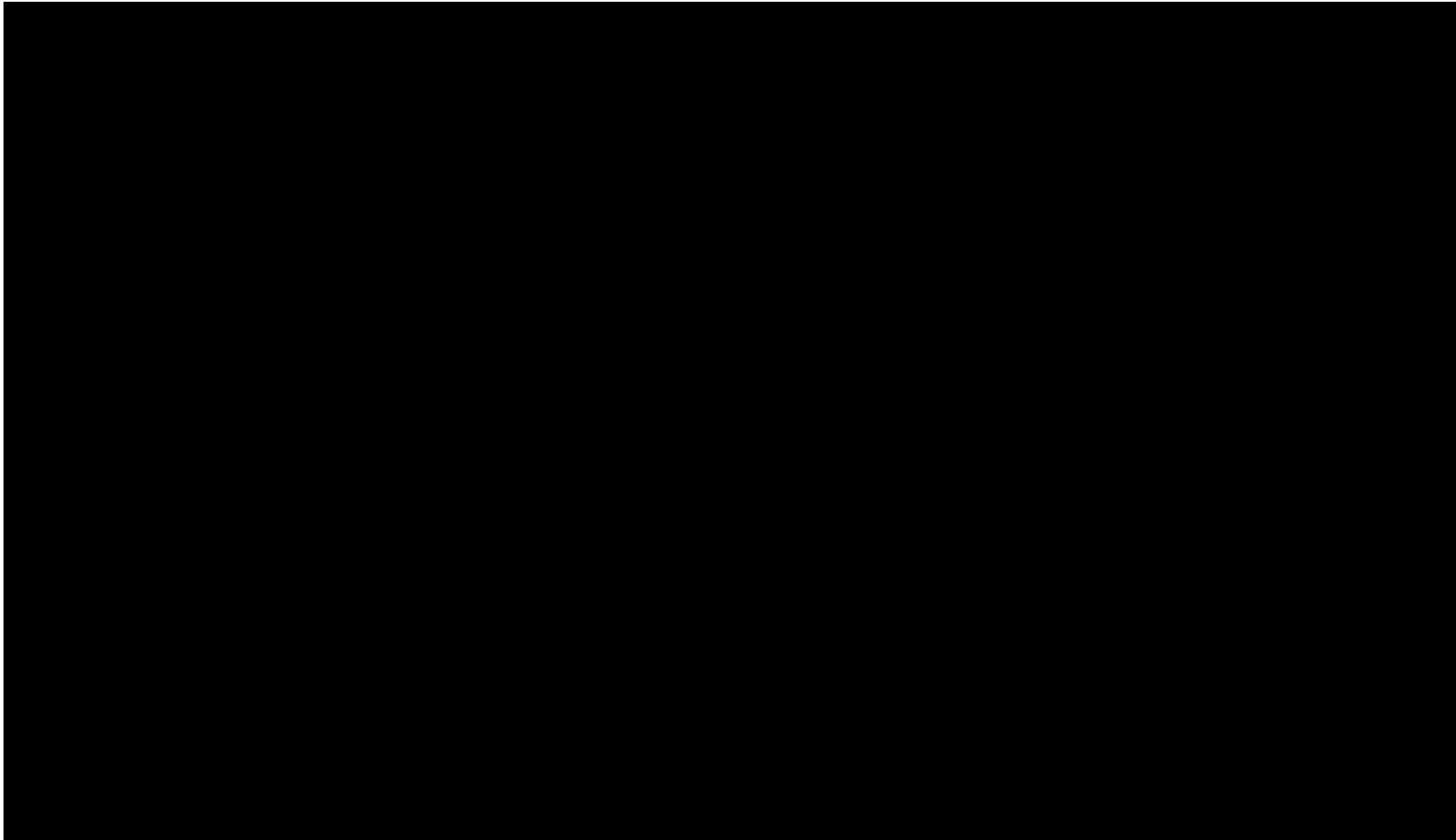
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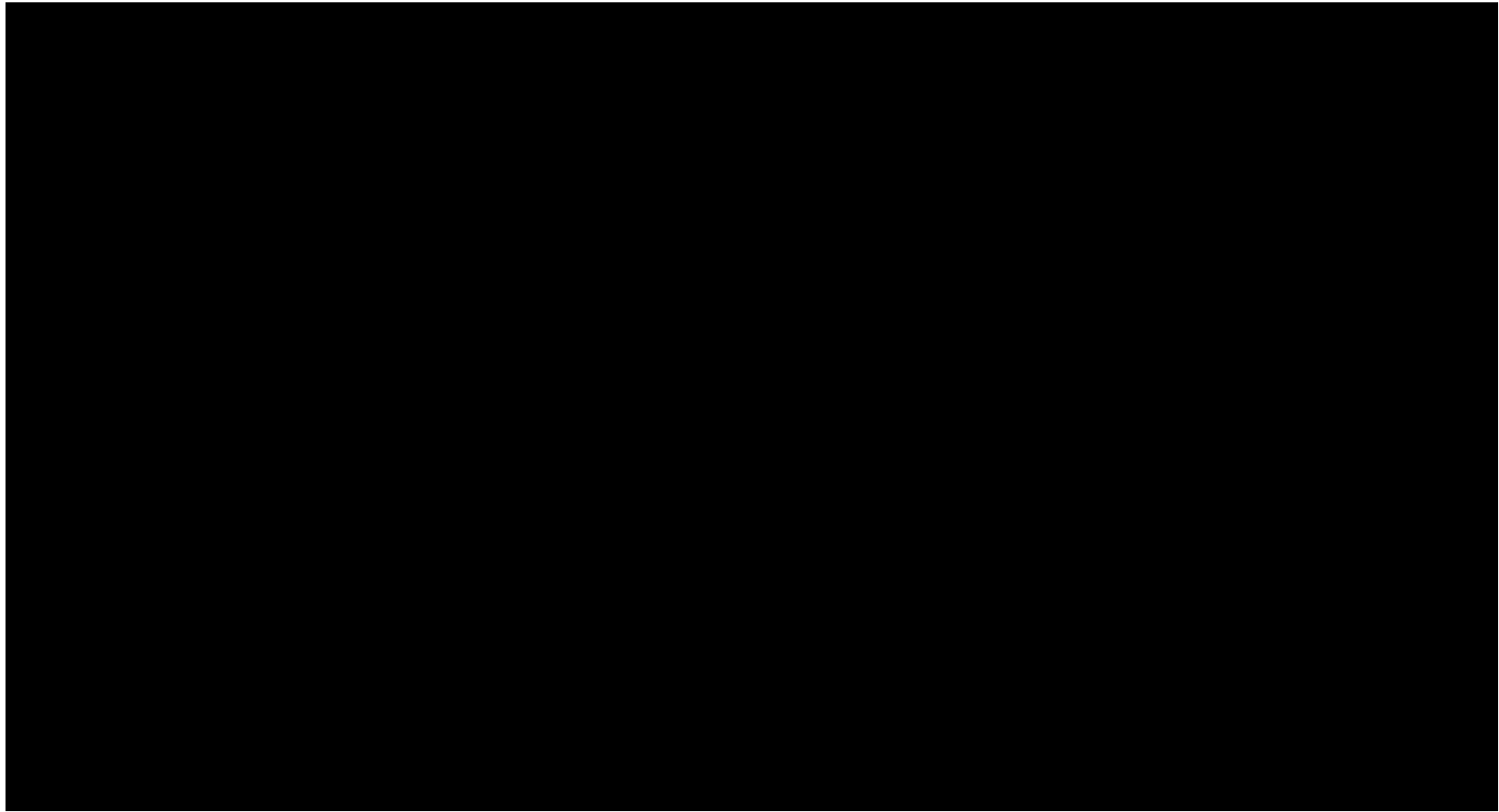
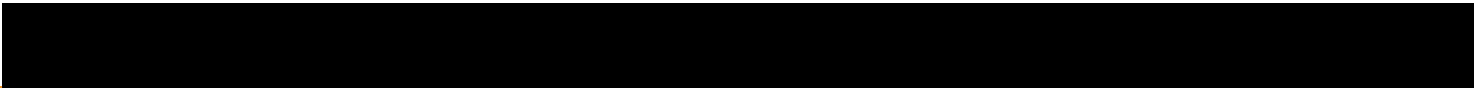
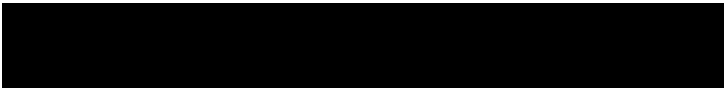
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# GO Transit Capital Expansion Contributions

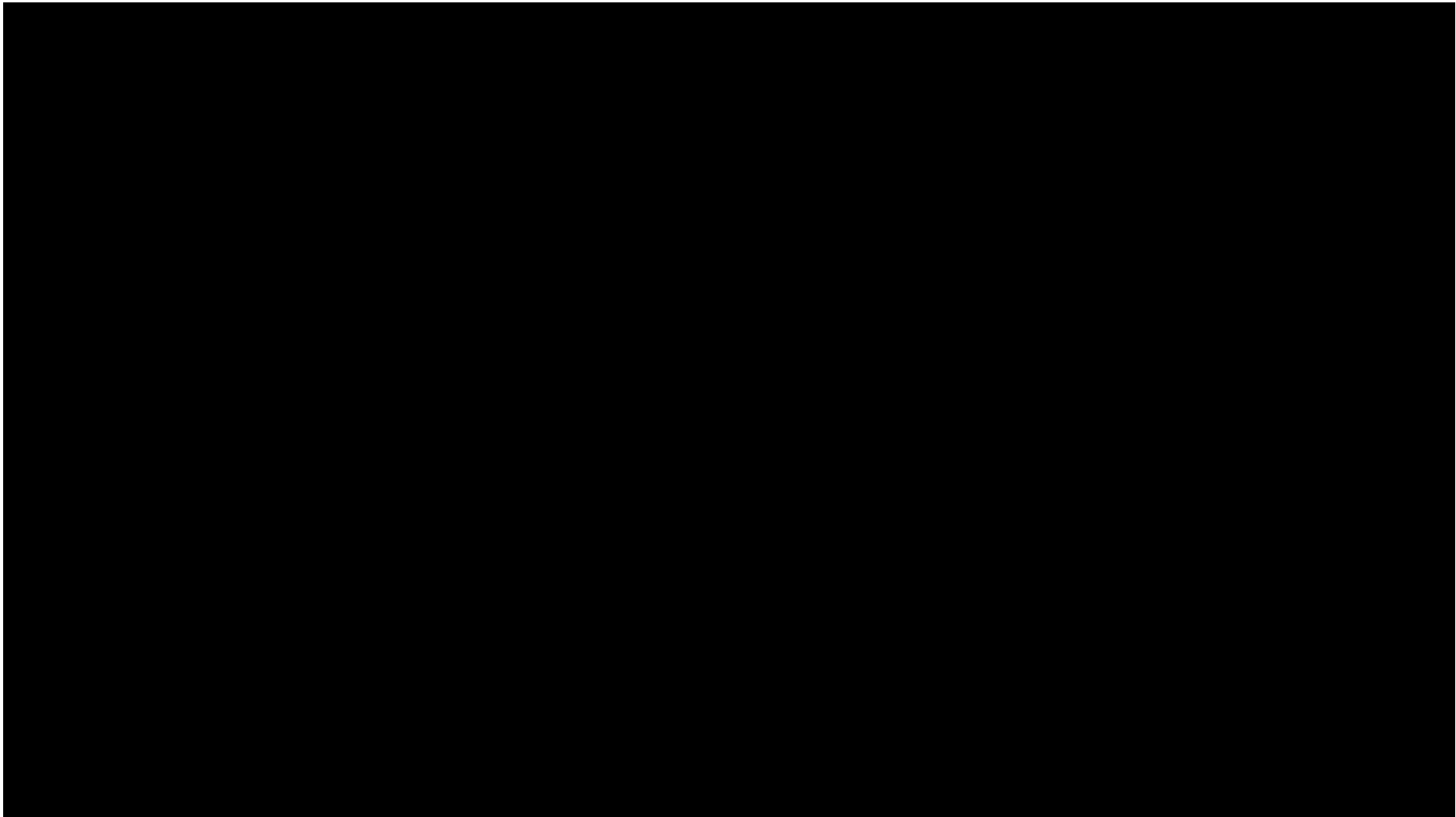
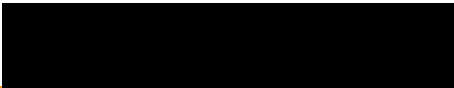
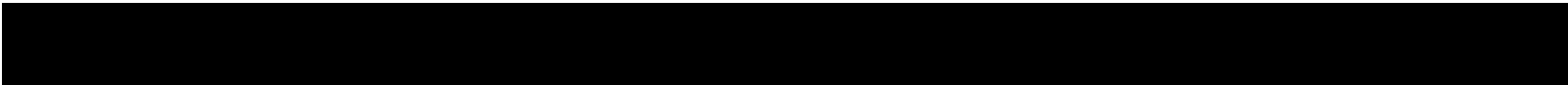


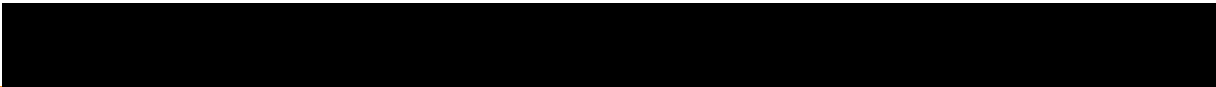
# GO Transit Capital Expansion Contributions

- Legislation and compliance with funding agreements require City (and upper /single tier GTHA municipalities) to make annual contributions to GO Transit
- Respective shares in statute:
  - Toronto: 44.6% of municipal share
  - Other GTHA: 55.4% of municipal share

# GO Transit Capital Expansion

- Under arrangement with Ministry of Transportation, City contributions have been fulfilled by \$20M annual payment through March 2017.
- [REDACTED]
- [REDACTED]
- Province agreed to suspend City requirement to pay in 2015 pending further discussions related to GTA legislated obligations
- No contributions have been included in 2015, 2016 & 2017 Capital Budget and Plan subject to Provincial discussions.







# Union Station & Recommendations





# Union Station: \$796 million [not confidential]

- Of the Transportation-related costs, cost sharing is: City (\$236M), Provincial (\$202M) and Federal (\$167M)
- City also funding \$191M for retail with recoverable debt (i.e. no tax support)
- General Escalation (\$80M) :
  - City sought \$15M provincial contribution. Declined in 2014.
  - City funding included in recommended Budget
  - Projected to be addressed through recoverable debt funded from higher than expected retail lease revenue
- North West Path (\$40M increase)
  - City sought \$20M Provincial contribution toward North West Path budget increase. Declined.
  - \$20M shortfall will affect 2016 and 2017 project cashflows, to be addressed through 2016 capital budget process.

# Executive Committee Recommendations

1. City Council authorize the City Manager to negotiate and execute a cost-sharing agreement with Metrolinx with respect to the Georgetown South Project and related construction by Metrolinx in the Kitchener GO Rail corridor, substantially in accordance with the terms listed in Appendix 1 to the Confidential Attachment, and such other terms and conditions as may be satisfactory to the DCM, Cluster B and the DCM & CFO, in a form satisfactory to the City Solicitor and to report back to Council through Executive Committee.

# Executive Committee Recommendations (cont'd)

## Could be deferred, considered separately

2. City Council endorse the principles in Appendix 2 to the Confidential Attachment as the basis for negotiating a new standard form of crossing and grade separation agreement on all Metrolinx rail corridors in Toronto and authorize the City Manager (to the extent not already delegated to staff) to negotiate such agreements on these terms and such other terms and conditions as may be satisfactory to the DCM, Cluster B and the DCM&CFO, in a form satisfactory to the City Solicitor, subject to final Council approval.

# Executive Committee Recommendations (cont'd)

3. City Council amend the timing of expenditures related to the Georgetown South project in the 2015 - 2024 Capital Budget and Plan by accelerating the contribution currently funded evenly over a 10-year period to now occur over the first 5 years of the Capital Budget and Plan (2015 – 2019).

# Executive Committee Recommendations (cont'd)

4. City Council affirm the recommended suspension from the 2015 – 2024 Capital Budget and Plan of the three annual \$20 million GO Transit capital expansion contributions in 2015 through 2017, and direct the City Manager to continue to negotiate an end, or revision, to any legal obligations to make these contributions, in accordance with the rationale set out in the Confidential Attachment.

# Executive Committee Recommendations (cont'd)

5. City Council direct that the confidential information contained in the Confidential Attachment remain confidential as it is information relating to future contractual negotiations and the security of the property of the City.

# Summary

- Proposed settlement for GTS project at \$95M over 5 years (\$28M rate; \$67M tax)
- The recommendations would authorize the City Manager to finalize and execute agreements necessary to implement the GTS settlement , and would amend the 2015 Capital Budget and Plan in accordance with the revised assumptions.
- Province agrees to suspend City GO Transit contribution in 2015, pending further discussions
- Province declines to make \$35M requested contributions toward Union Station project increases