



January 27, 2020

Ulli Watkiss
City Clerk
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Ulli Watkiss:

Recommendation:

The Toronto Transit Commission Board recommends that City Council:

1. Approve key capital priorities for the application of \$4.23 billion in net new funding made available through the dedicated City Building Fund and one-time Federal Gas Tax amount as follows:
 - a. \$3.09 billion to provide full funding between 2020 and 2029 for the following subway infrastructure investments:
 1. \$1.50 billion of the total estimated cost of the \$4.26 billion required to initiate the Line 1 Capacity Enhancement program.
 2. \$817 million of the total estimated cost of the \$3.92 billion required to initiate the Line 2 Capacity Enhancement program.
 3. \$623 million of the total estimated cost of the \$877 million required to continue implementation of Line 2 Automatic Train Control (ATC) Re-signalling project.
 4. \$158 million to fully fund Other Subway Infrastructure state-of-good-repair projects.



- b. \$1.14 billion for net new investments toward the procurement of new vehicles and related systems, as follows:

New Subway Trains

1. \$458 million, representing approximately 1/3 of the 10-year cost for 62 trains, to replace the legacy fleet of T1 trains on Line 2 required for delivery in 2026 through 2030, and which will require an additional \$122 million to fund the 1/3 cost between 2030 and 2034.
2. \$165 million, representing approximately 1/3 of the total estimated cost of \$494 million towards procurement of 18 trains to meet growth in ridership demand on Line 1 required for delivery in 2026-2027.

T1 Subway Train Maintenance and Overhaul

3. Subject to the approval of Recommendation 1.b.1, and in lieu of the previously planned T1 life extension overhaul (LEO), that \$74 million be allocated for the state-of-good-repair preventative maintenance of T1 vehicles to ensure they remain safe and reliable until 2030 when they will be fully replaced at end-of-life by the 62 new trains.
4. Subject to the approval of Recommendations 1.b.1 and 1.b.3 that \$474 million approved in the 2020-2029 Capital Budget & Plan for the T1 life extension overhaul (LEO) program provided to prolong the life of the T1 fleet by 10 years beyond its 30-year design life due to lack of available funding be reinvested in the purchase of vehicles.

Bus and Wheel-Trans Buses

5. \$772 million, with \$686 million representing approximately 1/3 of the estimated 10-year cost, towards the procurement of 614 of the 1,575 buses required; \$64 million for eBus charging system infrastructure; and \$22 million to fully fund the next 4 years of Wheel-Trans bus procurements or 232 of the 498 buses required.



New Streetcars

6. The remaining \$140 million, representing approximately 1/3 of the total cost for the procurement of 60 new streetcars required to meet projected growth on streetcar routes until 2026.
2. Approve an amended 2020-2029 Capital Budget & Plan of \$11.92 billion and a 15-year Capital Investment Plan of \$35.2 billion.

Background:

At its meeting on January 27, 2020 the TTC Board considered the attached report titled “TTS’s 2020-2029 Key Capital Investment Priorities: Subway Infrastructure and Accelerated Vehicle Procurements”. The Board adopted the recommendations in the report, as follows:

It is recommended that the TTC Board:

1. Approve key capital priorities for the application of \$4.23 billion in net new funding made available through the dedicated City Building Fund and one-time Federal Gas Tax amount as follows:
 - a. \$3.09 billion to provide full funding between 2020 and 2029 for the following subway infrastructure investments:
 1. \$1.50 billion of the total estimated cost of the \$4.26 billion required to initiate the Line 1 Capacity Enhancement program.
 2. \$817 million of the total estimated cost of the \$3.92 billion required to initiate the Line 2 Capacity Enhancement program.
 3. \$623 million of the total estimated cost of the \$877 million required to continue implementation of Line 2 Automatic Train Control (ATC) Re-signalling project.
 4. \$158 million to fully fund Other Subway Infrastructure state-of-good-repair projects.



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2. \$165 million, representing approximately 1/3 of the total estimated cost of \$494 million towards procurement of 18 trains to meet growth in ridership demand on Line 1 required for delivery in 2026-2027.

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4. Subject to the approval of Recommendations 1.b.1 and 1.b.3 that \$474 million approved in the 2020-2029 Capital Budget & Plan for the T1 life extension overhaul (LEO) program provided to prolong the life of the T1 fleet by 10 years beyond its 30-year design life due to lack of available funding be reinvested in the purchase of vehicles.

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6. The remaining \$140 million, representing approximately 1/3 of the total cost for the procurement of 60 new streetcars required to meet projected growth on streetcar routes until 2026.
2. Approve an amended 2020-2029 Capital Budget & Plan of \$11.92 billion and a 15-year Capital Investment Plan of \$35.2 billion.
3. Forward this report to the City's Budget Committee as the amended 2020-2029 Capital Budget & Plan for the Toronto Transit Commission for consideration with the City of Toronto's Capital Budget & Plan scheduled for City Council approval on February 19, 2020.

Decision Advice and Other Information:

The Board also adopted the following member motions:

1. That the TTC Board directs the TTC CEO to submit to the May 2020 TTC Board meeting a business case analysis for action on an expedited procurement plan for 20 and up to 60 streetcars included in the revised 2020 Capital Budget.
2. That the TTC Board directs the TTC CEO to report back to the Board by Q3 2020 on a vehicle procurement strategy for implementation to be included as part of the 2021 Capital Budget for the outstanding vehicles identified in the revised 2020 Capital Budget.
3. That TTC staff conduct an economic benefit analysis in partnership with appropriate City staff that will identify the specific and broad underlying impetus that a properly funded and maintained Toronto transit system provides to business competitiveness and job creation in the Toronto region specifically, and Ontario as a whole.



The recommendations of the Toronto Transit Commission Board as set out above are submitted for City Council approval through the Budget Committee.

Sincerely,

Original signed by

Kevin Lee
Director - Commission Services

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Attachment