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**To: York Region Rapid Transit Corporation Board of Directors**

**From: Mary-Frances Turner, President**

**Subject: YRRTC – 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program**

**Ref: YORK- #7872319**

## Recommendations

It is recommended that:

1. The Board endorse the 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program of \$432.1 million

## Purpose

The purpose of this report is to:

- Seek the Board's endorsement of the 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program

## Background

### **The current funded Capital Programs for YRRTC is \$3.414 billion**

- The 2018 Multi-Year Capital Expenditures Budget for the current funded Capital Programs (see Table 1) is being brought forward in two parts:

**Part One** – which is the subject of this report, seeks the endorsement of the YRRTC Board of Directors related to the 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program and is fully funded by the Province through Metrolinx

- In April 2011, York Region entered into a Master Agreement with Metrolinx to construct approximately 34.6 km of dedicated median bus rapidways for a total value of \$1.755 billion as part of the Metrolinx Regional Transportation Plan, "The Big Move." After including the

planning work from the QuickWins Contribution Agreement, the total Capital Program is \$1.784 billion

- YRRTC is building the rapidways as the project manager for Metrolinx. Upon completion, Metrolinx will retain ownership and control over the Project Assets and York Region operates and maintains these assets, with Metrolinx responsible for long term rehabilitation and maintenance costs

**Part Two** – which is the subject of this report, seeks the necessary approvals of Regional Council related to the 2018 Multi-Year Capital and Operating Expenditures Budget, Regional Capital Program and is partially funded by York Region

- Out of the Regional Capital Program of \$1.63 billion, York Region's contribution is approximately \$747.7 million or 46% – driven by the Toronto-York Spadina Subway Extension (TYSSE) work program, which starts from Downsview station and ends at the Vaughan Metropolitan Centre
- In addition to the TYSSE and Facilities & Terminals work programs, the Regional Capital Program of \$1.63 billion also includes the Region's contribution of \$36.3 million to the Yonge Subway Extension (YSE) planning and design work program of \$91.3 million
  - \$36.3 million is the Region's contribution – funded from the Federal's Public Transit Infrastructure Fund (PTIF) Phase I allocation to the Region
  - \$55.0 million from the Metrolinx announcement

The Toronto Transit Commission (TTC) is the Project Management Lead and is working in collaboration with YRRTC, who is leading the Region's participation and interests in the Planning & Design work program

**Table 1**  
**Current Funded Capital Programs – \$3.414 billion**

Current Funded Capital Programs (in \$ Millions)	Metrolinx Capital Program (in \$ Millions)*	Regional Capital Program (in \$ Millions)	Total Capital Programs (in \$ Millions)
BRT Rapidways & Stations	\$1,784.2		\$1,784.2
BRT Facilities & Terminals		\$210.0	\$210.0
BRT Rapid Transit Vehicles		\$46.6	\$46.6
Toronto-York Spadina Subway Extension		\$1,329.2	\$1,329.2
Yonge Subway Extension - Conceptual Design		\$4.3	\$4.3
Rapid Transit Initiatives		\$3.2	\$3.2
Yonge Subway Extension - Planning & Design**		\$36.3	\$36.3
<b>Total Capital Programs</b>	<b>\$1,784.2</b>	<b>\$1,629.7</b>	<b>\$3,413.9</b>
<b>Total York Region Funded</b>		<b>747.7</b>	<b>747.7</b>
<b>Total York Region Funded %</b>		<b>46%</b>	<b>22%</b>

\* \$1,784.2M for the Metrolinx Capital Program is net of Proceeds from the Disposition of Surplus Lands and Municipal & Third Party Works

\*\* \$36.3M is the Region's contribution to the YSE planning and design work program of \$91.3M

**The 2018 Multi-Year Capital Expenditures Budget, Metrolinx or Regional Capital Programs do not consider the Federal Government’s infrastructure funding program announcements and Metrolinx’s recently released Draft 2041 Regional Transportation Plan (RTP)**

- The Metrolinx Draft 2041 RTP is currently in public consultation and is expected to be adopted by the Metrolinx Board in December 2017. The Region’s rapid transit priorities included in the draft plan are:
  - Yonge Subway Extension
  - Bus Rapid Transit (BRT) segment for the remainder of Yonge St. – from Gamble Rd. /19th Ave. to Mulock Dr.
  - Bus Rapid Transit (BRT) segments for the remainder of Highway 7 – from Unionville GO Station to the Cornell Community; and from Helen St. to Hwy. 50
- While planning & design work is underway for the Yonge Subway Extension, as outlined in Part Two – 2018 Multi-Year Capital and Operating Expenditures Budget, Regional Capital Program, funding sources of approximately \$68.0 million for the BRT planning & design work program has not been identified

## Analysis

**The 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program of \$432.1 million reflects the latest progress activities**

- **Highway 7 East, from Richmond Hill Centre to Warden Ave.** – 6.0 km of rapidway in-service with final acceptance in August 2017
- **Davis Drive, from Yonge St. to Hwy. 404** – 2.6 km of rapidway in-service with final acceptance projected to be in Q1/Q2 2018
- **Highway 7 West-Vaughan Metropolitan Centre, from Bowes Rd. to Edgeley Blvd.** – 3.6 km of rapidway in-service with final acceptance projected to be in Q4 2019
- **Yonge Street, from Richmond Hill Centre to Major Mackenzie Dr.; Levedale Rd. to 19<sup>th</sup> Ave./Gamble Rd.; and Mulock Dr. to Davis Dr.** – 8.9 km of rapidway under construction, with projected completion dates of December 2020 in the Town of Richmond Hill and December 2019 in the Town of Newmarket
- **Remaining Highway 7 West, from Richmond Hill Centre to Pine Valley Dr.** – 12.6 km of rapidway construction, with projected completion date of December 2019
- **Enterprise Drive, from Birchmount Rd. to just east of Kennedy Rd.** – planning and design work program for the 0.9 km of rapidway, with hub study between the City of Markham and Metrolinx still in progress

Table 2 provides the breakdown of the Capital Expenditures required for the various projects to be completed - \$432.1 million, of which \$269.2 million or 62% is in 2018

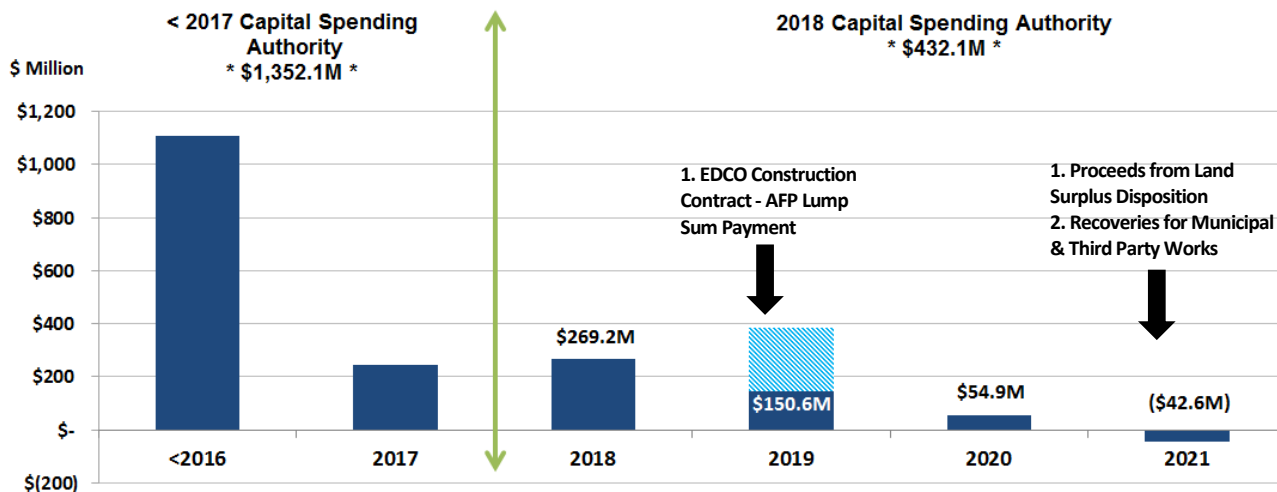
**Table 2**  
**2018 Multi-Year Capital Expenditures Budget – \$432.1 million**

Current Funded Capital Programs (in \$ Millions)	Metrolinx Capital Program (in \$ Millions)*	Year 2018 to Completion (in \$ Millions)	In-Year 2018 (in \$ Millions)
Enterprise Drive	\$19.6	-	-
Highway 7 East, Davis Drive, Highway 7 West-VMC	\$794.9	(\$23.7)	\$5.2
Yonge Street	\$483.6	\$209.8	\$112.0
Remaining Highway 7 West	\$453.1	\$215.5	\$151.0
Remaining Enterprise Drive	\$5.0	\$2.5	\$1.0
Corporate & Program Management	\$28.0	\$28.0	\$0.0
<b>Total Capital Programs</b>	<b>\$1,784.2</b>	<b>\$432.1</b>	<b>\$269.2</b>

\* \$1,784.2M for the Metrolinx Capital Program is net of Proceeds from the Disposition of Surplus Lands and Municipal & Third Party Works

Table 3 provides the discrete cash flow of the Capital Expenditures – of which \$269.2 million or 62% is in 2018

**Table 3**  
**2018 Multi-Year Capital Expenditures Budget – Cash Flow**



- York Region does not finance the capital expenditures of the Metrolinx Capital Program – per Funding Agreement, Metrolinx “cash-advances” working capital for the projects on a quarterly basis

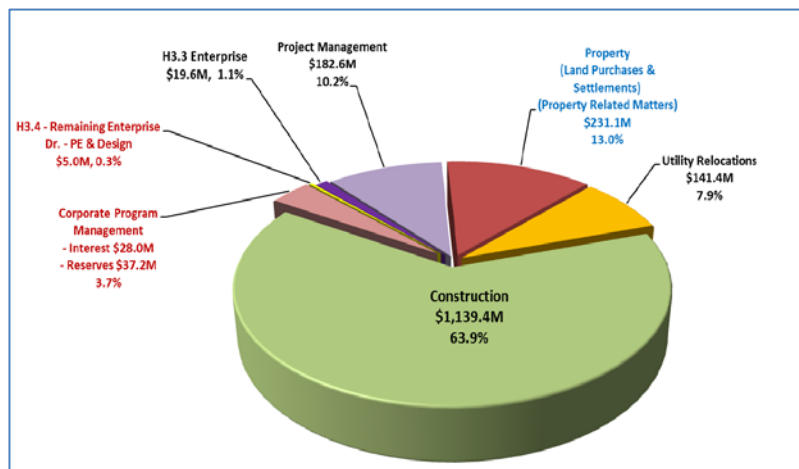
## Financial Implications

### The 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program is \$432.1 million

- The 2018 Multi-Year Capital Budget Expenditures of \$432.1 million includes:
  - Property and Property-Related matters; Utility Relocations; Construction
  - Project Management – YRRTC staff & administration, YR staff and Owner’s Engineer
  
- Metrolinx has reviewed the 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program – financial pressures of up to \$98.0 million to the current funding of \$1.755 billion are being carefully monitored by YRRTC and include:
  - Proceeds from the disposition of lands on Davis Drive
  - Outstanding delay claim recovery for the Highway 7 West-Vaughan Metropolitan Centre from TYSSE
  - Property, Utility and Construction delays on Yonge St.
  
- YRRTC has also identified a mitigation-minimization work program that will bring down the identified financial pressures of up to \$98.0 million to approximately \$27.0 million or 1.5% over the current funding of \$1.755 billion – they are:
  - Program Reserves and Project Contingencies draw-downs
  - Construction deferral of the last BRT segment – Enterprise Drive, from Birchmount Rd. to just east of Kennedy Rd.
  
- With the identified financial pressures of \$98.0 million and YRRTC’s mitigation-minimization work program, Metrolinx is seeking alternative funding sources while working with YRRTC to resolve and confirm the mitigation-minimization strategies

Table 4 illustrates the Metrolinx Capital Program breakdown of the \$1.784 billion

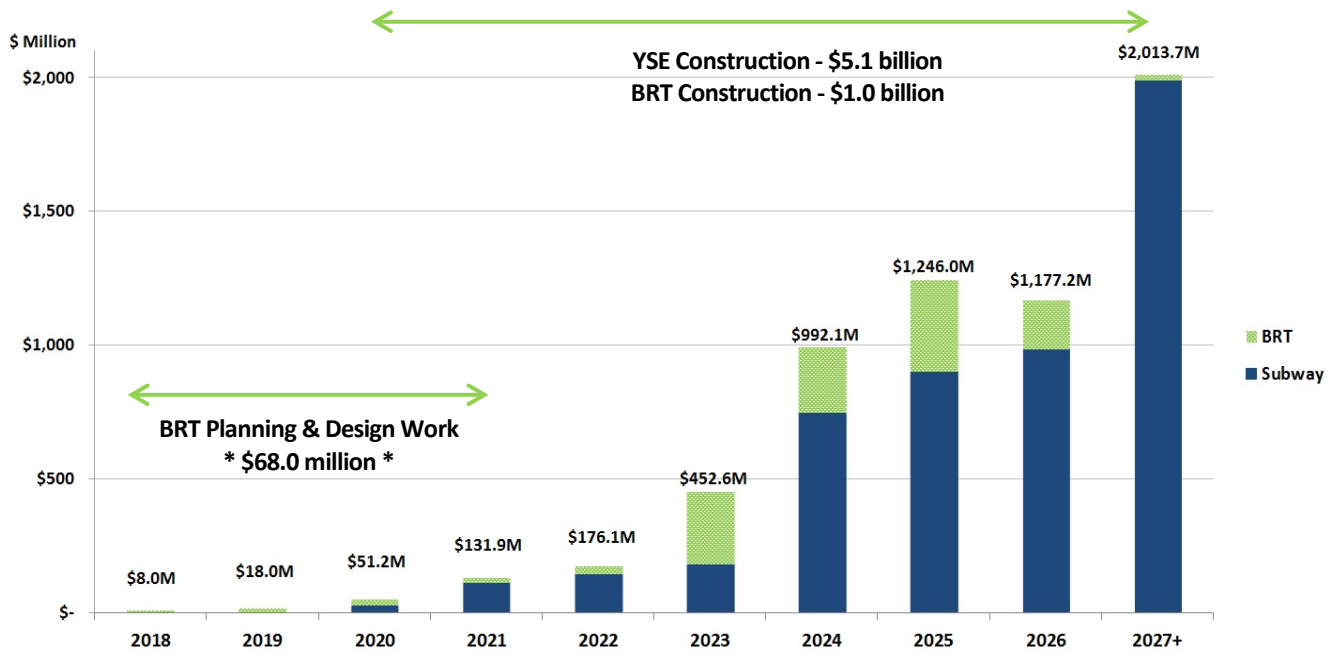
**Table 4  
Metrolinx Capital Program – \$1.784 billion**



**The Region’s rapid transit priorities – capital construction of the Yonge Subway Extension, and planning & design work and construction of the BRT segments for the remainder of Yonge St. and Hwy. 7 as reflected in YRRTC’s 10-Year Business Plan, are not included in the 2018 Multi-Year Capital Expenditures Budget, Metrolinx or Regional Capital Programs**

- Funding sources of approximately \$6.2 billion for the delivery of the rapid transit priorities over the next ten years have not been identified for the following:
  - Capital construction of the Yonge Subway Extension – \$5.1 billion
  - Planning & design work and construction of remainder of Hwy. 7 & Yonge St. – \$1.1 billion
  - Environmental Assessment for the Major Mackenzie/Jane/Leslie corridor
  
- Table 5 below shows the annual cash flow requirements over the next ten years

**Table 5  
2018-2027 Annual Cash Flow Requirements**



- Additional information regarding infrastructure funding programs from Senior Levels of Government (through the Integrated Bilateral Agreements – Public Transit and Green Infrastructure streams) and the investment strategy for the Metrolinx RTP is expected to be announced in early 2018
  
- YRRTC staff will report back on a funding strategy in Q2 of next year

## Conclusion

- The purpose of this report is to seek the Board's endorsement of the 2018 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program

For more information on this report, please contact Michael Cheong, Chief Financial Officer, York Region Rapid Transit Corporation at 905-886-6767, Ext. 71015.

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Mary-Frances Turner  
President

November 9, 2017



# Appendix – vivaNext Rapid Transit Projects

