

To: York Region Rapid Transit Corporation Board of Directors

From: Mary-Frances Turner, President

**Subject: YRRTC – 2017 Multi-Year Capital Expenditures Budget,
Metrolinx Capital Program**

Ref: YORK-#7066734

Recommendations

It is recommended that:

1. The Board endorse the 2017 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program of \$651.2 million

Purpose

The purpose of this report is to:

- Seek the Board's endorsement of the 2017 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program – as approved by Metrolinx

Background

The current funded Capital Programs for YRRTC is \$3.479 billion – and includes the latest funding for the preliminary engineering, procurement and due diligence for the Yonge Subway Extension

- YRRTC's 10-Year Business Plan which reflects the Region's Transportation Master Plan and is the basis for the corporation's Capital Programs
- The total funded Capital Programs are \$3.479 billion – excluding the initial financial investment of \$172 million for the start of Viva rapid transit project
- Remaining to be funded is \$5.046 billion (in today's dollars) – which is for the preliminary engineering and capital construction of the Yonge Subway Extension (YSE), and preliminary engineering, design and construction of future bus rapidways

- YRRTC's 2017 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 2017 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program and is fully funded by the Province through Metrolinx
- Part Two, which is the subject of a separate report on this agenda, seeks the necessary approvals of Regional Council related to the 2017 Multi-Year Capital and Operating Expenditures Budget, Regional Capital Programs and is partially funded by York Region
- The Metrolinx Capital Program – 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, bringing the total Capital Program to \$1.784 billion
- YRRTC is building the rapidways as the project manager for Metrolinx
- Upon completion, Metrolinx retains ownership and control over the Project Assets and York operates and maintains the Project Assets with Metrolinx responsible for long term rehabilitation and maintenance costs
- The Regional Capital Program of \$1.695 billion for YRRTC, is driven by the shared funding agreements, which York Region entered into with senior levels of governments
- York Region's contribution is approximately \$764.8 million or 45% – driven by the Toronto-York Spadina Subway Extension (TYSSE) program, which starts from Downsview station and ends at the Vaughan Metropolitan Centre
- York Region's TYSSE contribution of \$603.8 million includes the additional capital expenditures of \$252.2 million – or 40.04% of the additional budget required for the project delay until December 2017, the Provincial Move Ontario Trust revenue shortfall, and settlements of contractor claims
- The YSE Program of \$91.3 million is for the preliminary engineering, procurement and due diligence – it will advance the program towards the requirements necessary for Alternative and Financing Procurement (AFP) delivery
 - In June 2016, the Province announced that it would be funding more than \$55.0 million to Metrolinx, to work with the York Region, YRRTC, the City of Toronto and the TTC to advance the 15% design and preliminary engineering of YSE

- On June 16, 2016, Council reaffirmed YSE as the top priority transit project in York Region by endorsing a resolution which directed staff to apply for federal funding of \$36.3 million from the Federal Public Transit Infrastructure Funds (PTIF) – the application was completed and submitted on October 14, 2016 and is pending Federal consideration

Table 1
Current Funded Capital Programs – \$3.479 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		\$219.9	\$219.9
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 - Preliminary Engineering		\$91.3	\$91.3
Total Capital Programs	\$1,784.2	\$1,694.6	\$3,478.8
Total York Region Funded		\$764.8	\$764.8
Total York Region Funded %		45%	22%

* \$1,784.2M for the Metrolinx Capital Program is net of Proceeds from the Disposition of Surplus Lands and Municipal & Third Party Works – a total of \$167.9 million.

Analysis

The 2017 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program \$651.2 million, of which \$139.7 million will be spent in 2017

- Table 2 provides the breakdown of the capital expenditures required for the various projects to be completed – it also includes recoveries from Municipal & Third Party Works, reimbursements for delays caused by TYSSE, and proceeds from the disposition of surplus lands on Davis Drive

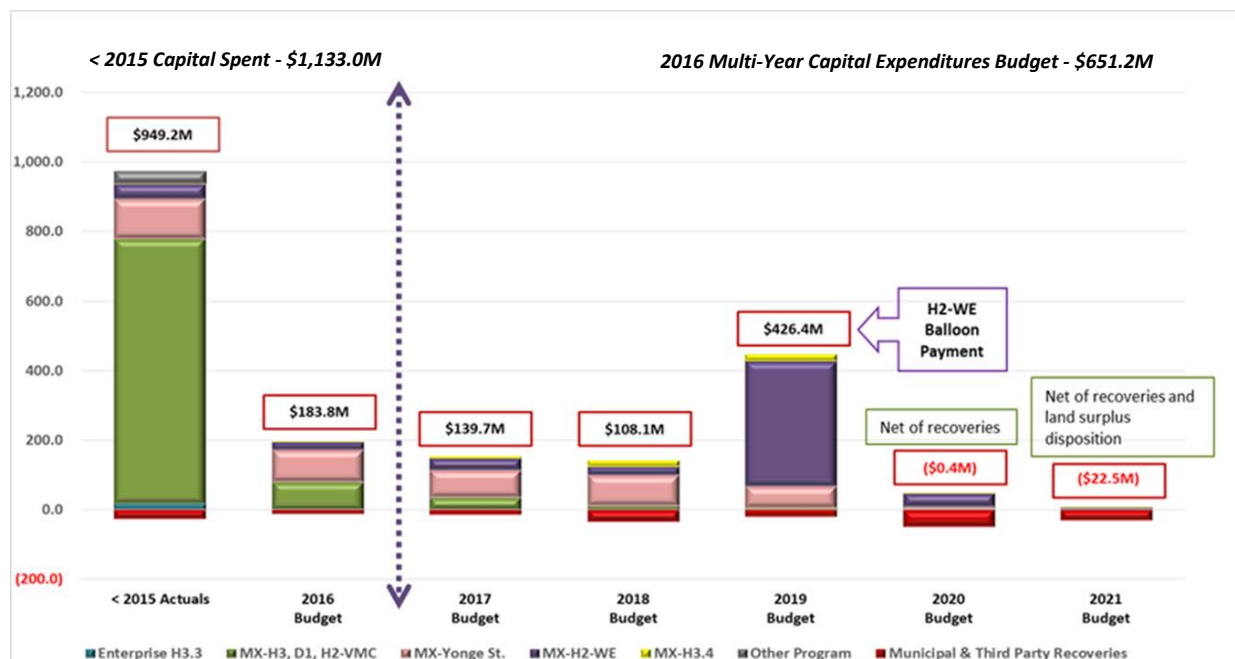
Table 2
2017 Multi-Year Capital Expenditures Budget – \$651.2 million

Metrolinx Capital Program (in \$ Millions)	Metrolinx Capital Program (in \$ Millions) *	Year 2017 to Completion (in \$ Millions)
Enterprise Drive	\$19.4	-
Highway 7 East, Davis Drive, Highway 7 West-VMC Yonge Street	779.9	(\$19.8)
Remaining Highway 7 West	\$418.2	\$223.2
Remaining Enterprise Drive	\$456.5	\$401.8
Remaining Enterprise Drive	\$48.0	\$46.0
Corporate & Program Management	62.2	\$0.0
Total Metrolinx Capital Program	\$1,784.2	\$651.2

* \$1,784.2M for the Metrolinx Capital Program is net of Proceeds from the Disposition of Surplus Lands and Municipal & Third Party Works – a total of \$167.9 million.

- Table 3 provides the cash flow of the capital expenditures, of which \$139.7 million is for 2017
- 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

Table 3
2017 Multi-Year Capital Expenditures Budget – Cash Flow



The 2017 Multi-Year Capital Expenditures Budget of \$651.2 million considers the following key activities:

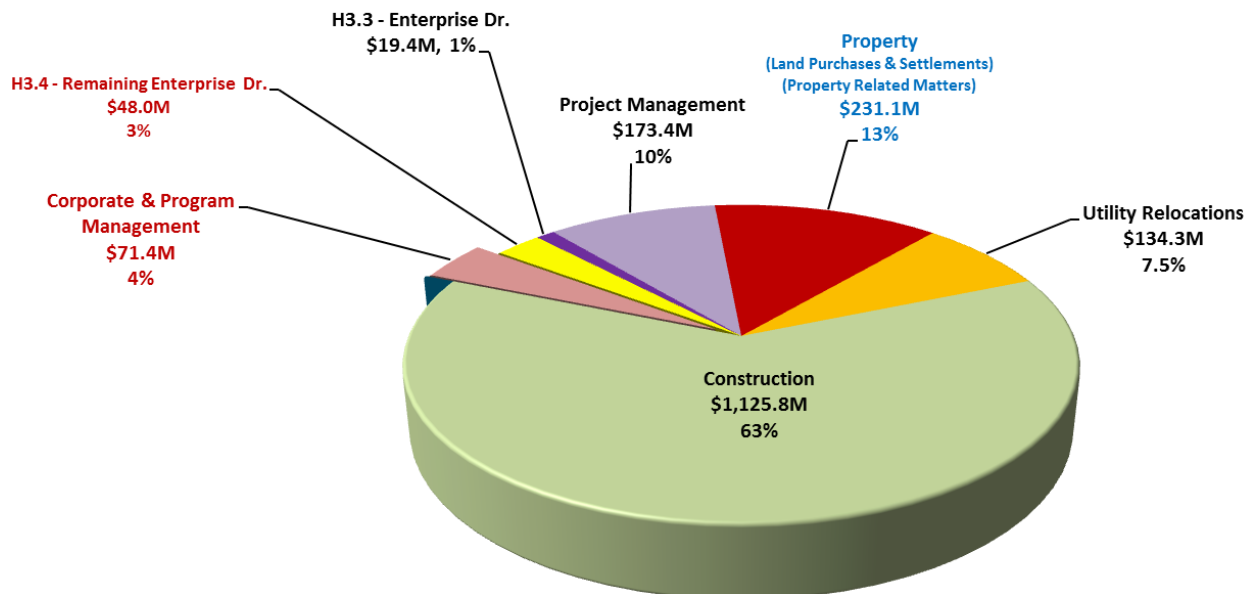
- **Highway 7 East (H3)** – rapidway of 6.0 km from Bayview Ave. to Warden Ave., in service
 - Completion of property-related matters activities
- **Davis Drive (D1)** – rapidway of 2.6 km from Yonge St. to Highway 404, in service
 - Completion of property-related matters activities
 - Disposition of surplus lands
- **Highway 7 West, Vaughan Metropolitan Centre (H2-VMC)** – rapidway of 3.6 km from east of Highway 400 to east of Bowes Road
 - East & West of Jane St. – rapidway segment available for service by end of 2016
 - VMC canopy at VMC subway station – delayed due to multi late hand-overs by TYSSE and projected to be in service by May 2018
- **Yonge Street, Richmond Hill Centre to Major Mackenzie Drive (Y2.1); Levedale Road to 19th Avenue / Gamble Road (Y2.2); and Mulock Drive to Davis Drive (Y3.2)** –8.9 km of rapidway
 - Schedule and completion date are currently under review
 - Scope of work includes various Municipal & Third Party infrastructure works
 - York Region – fibre optics, raised bike lanes and in-curb bike boxes
 - Town of Richmond Hill – replacement of water main
- **Remaining Highway 7 West (H2 East and H2 West)** – rapidway of 12.6 km from Richmond Hill Centre to Pine Valley Drive
 - In-service date of December 2019
 - Scope of work includes various Municipal & Third Party infrastructure works:
 - York Region – reconfiguration of the Hwy. 400 ramp, replacement of the Bathurst St. water main, replacement of storm sewers, installation of fibre optics, bike boxes and traffic signal uninterrupted power supply
 - City of Vaughan – replacement of the Centre St. water main and streetscape enhancements
 - MTO – rehabilitation of Hwy. 7 / Hwy. 400 bridge
- **Enterprise Drive (H3.4)** – rapidway of 0.9 km from Birchmount Road to just east side of Kennedy Road
 - Project currently awaiting completion of City of Markham-Metrolinx study, which considers impact the Regional Express Rail program may have on the Unionville GO Station

Financial Implications

The 2017 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program is \$651.2 million – reflecting the necessary dollars to complete the remaining rapidways under construction, and is within the funding of \$1.784 billion

- Metrolinx has reviewed and approved the 2017 Multi-Year Capital Expenditures Budget in September
- The 2017 Multi-Year Capital Budget Expenditures of \$651.2 million includes:
 - Property and Property-Related matters
 - Construction
 - Utility Relocations
 - Project Management – which includes YRRTC staff & administration, YR staff and Owner’s Engineer costs
 - Corporate and Program Management – which includes Program Contingencies
- Schedule & financial exposures related to certain projects can be absorbed within the Metrolinx Capital Program of \$1.784 billion – Table 4 illustrates the breakdown

**Table 4
2017 Metrolinx Capital Programs – \$1.784 billion**



- The Metrolinx Capital Program is on track for completion by end of 2021, and is projected to be within the funding of \$1.784 billion – net of Proceeds from the Disposition of Surplus Lands and Municipal & Third Party Works

Conclusion

- The purpose of this report is to seek the Board's endorsement of the 2017 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program – as approved by Metrolinx

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

Mary-Frances Turner
President

November 10, 2016

Appendix A – vivaNext Rapid Transit Projects

