
To: York Region Rapid Transit Corporation Board of Directors

From: Mary-Frances Turner, President

Subject: YRRTC – 2015 Regional Multi-Year Capital and Operating Expenditures Budget

Ref: YORK-#5801696

Recommendations

It is recommended that:

1. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse and advance the 2015 Regional Multi-Year Capital Expenditures Budget of \$488.3 million for YRRTC
2. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse and advance the 2015 Regional Operating Expenditures Budget of \$9.2 million and 2016-2018 Outlook for YRRTC

Purpose

- The purpose of this report is to seek the Board's endorsement to advance the 2015 Regional Multi-Year Capital and Operating Expenditures Budget for YRRTC to Committee of the Whole in February 2015, for approval

Background

The total funded Capital Programs for YRRTC is valued at \$3.2 billion

- The YRRTC Funded Capital Programs (see Table 1) is being brought forward in two parts:

- Part One, which is the subject of this report, seeks the necessary approvals of Regional Council related to the 2015 Regional Multi-Year Capital & Operating Expenditures Budget, which include York Region funded dollars
- Part Two, which is the subject of a separate report on this agenda, seeks the endorsement of the YRRTC Board of Directors related to the 2015 Metrolinx Multi-Year Capital Expenditures Budget, which are 100% Metrolinx funded dollars
- The Regional Capital Program of \$1.4 billion for YRRTC is driven by the shared funding agreements, which York Region entered into with the Provincial and/or Federal governments. York Region’s contribution is approximately one-third or \$444.3 million, mainly for the Toronto-York Spadina Subway Extension which starts from the existing Downsview station and will end at the Vaughan Metropolitan Centre
- The Metrolinx Capital Program – in April 2011, York Region entered into a Master Agreement with Metrolinx to construct approximately 35 km of dedicated median bus rapidways for a total value of \$1.755 billion, bringing the total Capital Program – when including design and preliminary engineering – to \$1.8 billion

YRRTC is building the rapidways as the project manager for Metrolinx. On completion, asset ownership will transfer to Metrolinx and York Region will become responsible for maintaining and operating the assets

Table 1
Funded Capital Programs, \$3.2 Billion

YRRTC Capital Programs (\$Millions)	Regional Program \$\$\$	Metrolinx Program \$\$\$	Total Program \$\$\$
BRT Rapidways & Stations	-	1,784.0	1,784.0
BRT Facilities & Terminals	208.6	-	208.6
BRT Rapid Transit Vehicles	48.7	-	48.7
Toronto-York Spadina Subway Extension	1,102.6	-	1,102.6
Yonge North Subway Extension	4.3	-	4.3
Rapid Transit Studies	3.2	-	3.2
Total Capital Programs	1,367.4	1,784.0	3,151.4
Total York Region Funded - \$\$\$	\$444.3		\$444.3
Total York Region Funded - %	32.5%		14.1%
Total Metrolinx Funded - \$\$\$		\$1,784.0	\$1,784.0
Total Metrolinx Funded - %		100.0%	56.6%

* Remaining funding dollars are from the Provincial and Federal governments.

Analysis

The 2015 Regional Multi-Year Capital Expenditures Budget, i.e. Capital Spending Authority is \$488.3 million, of which \$155.1 million will be spent in 2015

- Capital Spending Authority (CSA) to complete the multi-year commitments is being requested for the 2015 Regional Multi-Year Capital Expenditures Budget
- Table 2 provides the breakdown of the capital dollars for the projects associated with the 2015 Regional Multi-Year Capital Expenditures Budget

Table 2

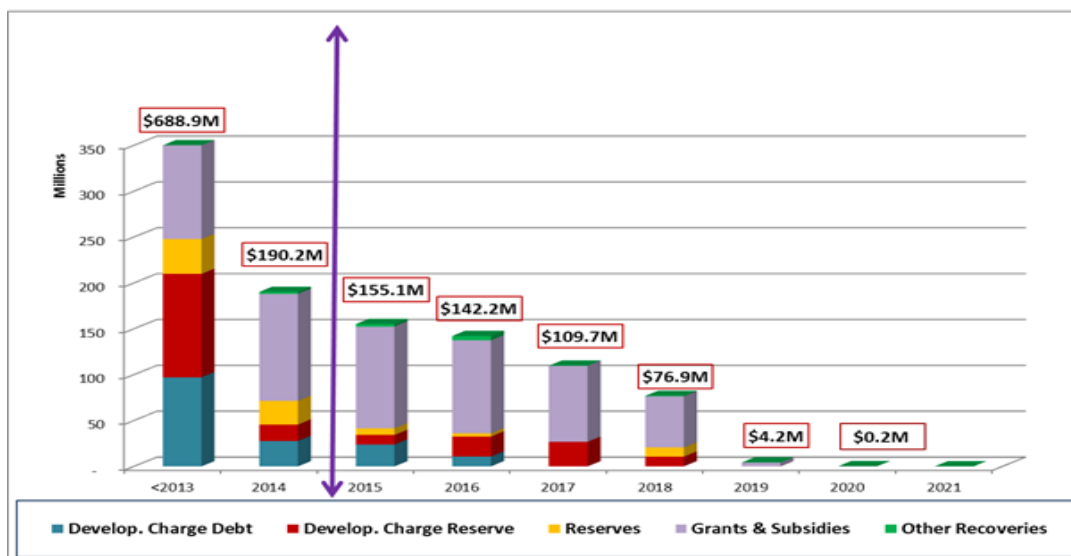
Regional Capital Program, 2015 Regional Multi-Year Capital Expenditures Budget

Regional Capital Program (\$Millions)	Regional Program \$\$\$	Spend-to-Date (@ end of 2014) \$\$\$	Remaining	
			\$\$\$	%
BRT Facilities & Terminals	208.6	129.9	78.7	37.7%
BRT Rapid Transit Vehicles	48.7	48.7	0.0	0.0%
Toronto-York Spadina Subway Extension	1,102.6	694.7	407.9	37.0%
Yonge North Subway Extension	4.3	4.0	0.3	6.4%
Rapid Transit Studies	3.2	1.8	1.4	44.4%
Total Regional Capital Program	\$1,367.4	\$879.1	\$488.3	35.7%

- Table 3 provides the timing of the capital dollars associated with the 2015 Regional Multi-Year Capital Expenditures Budget – \$155.1 million budgeted in 2015

Table 3

Regional Capital Program, 2015 Regional Multi-Year Capital Expenditures Budget



- The 2015 Regional Multi-Year Capital Expenditures Budget of \$488.3 million is exhausted by the Year 2020 and key projects are as follows:
 - BRT Facilities & Terminals
 - Project Completion of the Operations, Maintenance and Storage Facility (OMSF) at Headford Business Park in Richmond Hill – substantial hand-over this March and in service by September 2015
 - Start of conceptual design and preliminary engineering work this year for the construction of the Cornell Bus Terminal in Markham – projected to be complete by late 2017
 - Release of Request for Proposals (RFP) for Design-Bid-Build (DBB) procurement of the Vaughan Metropolitan Centre Bus Terminal – scheduled to finish in 2018
 - Toronto-York-Spadina Subway Extension (TYSSE)
 - On-going construction of the subway – includes installation of tracks and systems, and continued work on the three subway stations in York Region (Pioneer Village, 407 and Vaughan Metropolitan Centre)
Project completion for the construction of the subway assumes that York Region’s contribution remains at \$351.6 million, per the TYSSE Contribution Agreement with the Federal and Provincial governments and the City of Toronto
 - Construction of the Viva concourse – connecting the VMC subway station to the Viva BRT system at Highway 7 West and Jane St.
 - Release of Request for Proposals (RFP) for the Fare Collection Equipment related to the three subway stations in York Region

The 2015 Regional Operating Expenditures Budget and Outlook is aligned with the delivery of the Regional Multi-Year Capital Expenditures Budget – per Table 4

- In 2015, the Operating Expenditures Budget is \$9.2 million, which represents a net decrease of \$2.5 million or 2.1% over the Outlook submitted in last year’s Budget – lower due to a change of methodology for debt repayment costs, which are now held at York Region’s level, and lead to lower financing costs

Table 4

Regional Capital Program, 2015 Regional Operating Expenditures Budget and Outlook

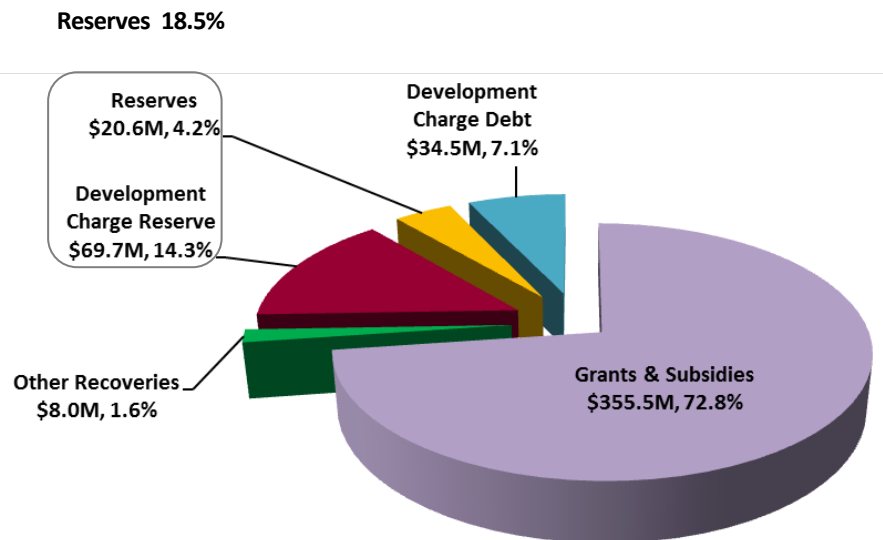
Operating Expenditures (\$Millions)	2015	2016	2017	2018
Net Operating - Tax Levy	\$9.2	\$7.9	\$4.9	\$4.5

Financial Implications

The 2015 Regional Multi-Year Capital Expenditures Budget of \$488.3 million is funded by four major components – Reserves; Debt funded by Development Charges; Grants and Subsidies by other levels of government; and Third Party Recoveries

- Table 5 provides the breakdown of the funding sources associated with the 2015 Regional Multi-Year Capital Expenditures Budget

**Table 5
2015 Regional Multi-Year Capital Expenditures Budget, Funding Sources**



- Table 6 provides a breakdown of the capital dollars by project by funding sources associated with the 2015 Regional Multi-Year Capital Expenditures Budget

**Table 6
2015 Regional Multi-Year Capital Expenditures Budget by Project by Funding Sources**

Regional Capital Program (\$Millions)	2015 Budget \$\$\$	Reserves \$\$\$	Dev.Charge Debt \$\$\$	Grants & Subsidies \$\$\$	Other Recoveries \$\$\$
BRT Facilities & Terminals	78.7	13.4	-	60.7	4.6
Toronto-York Spadina Subway Extension	408.0	75.2	34.5	294.8	3.4
Yonge North Subway Extension	0.3	0.3	-	-	-
Rapid Transit Studies	1.4	1.4	-	-	-
Total Regional Capital Program	488.3	\$90.3	\$34.5	\$355.5	\$8.0
Funding Percentage		18.5%	7.1%	72.8%	1.6%

Funding for the construction of the Yonge North Subway Extension remains an important priority

- YRRTC continues to work closely with Metrolinx and other levels of government to prioritize and secure capital funding for the preliminary engineering and construction dollars of the Yonge North Subway Extension from Finch Station to Richmond Hill Centre

The 2015 Regional Operating Expenditures Budget is \$9.2 million and funded by Tax Levy

- Table 7 below identifies key components of the Operating Expenditures Budget for 2015

Table 7
2015 Operating Expenditures Budget, Key Components

Operating Expenditures (\$Millions)	Total Operating Budget \$\$\$	Regional Operating Budget \$\$\$	Metrolinx Operating Budget \$\$\$
YRRTC Direct Staff & Office Admin.	12.2	3.6	8.5
York Region Dedicated Charges	4.9	0.3	4.7
Capital Recoveries	(14.8)	(1.6)	(13.2)
Financing Costs	19.5	19.5	0.0
Gross Operating	\$21.8	\$21.8	\$0.0
Revenues	(12.6)	(12.6)	0.0
Net Operating - Tax Levy	\$9.2	\$9.2	\$0.0

Conclusion

- This report seeks the endorsement of the Board of Directors to advance the 2015 Regional Multi-Year Capital & Operating Expenditures Budget for YRRTC to Committee of the Whole in February 2015 for approval

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
January 15, 2015