

To: York Region Rapid Transit Corporation Board of Directors

From: Mary-Frances Turner, President

Subject: YRRTC – 2014 Regional Capital Program and Capital & Operating Expenditures Budget

Ref: YORK-#5206451

Recommendations

It is recommended that:

1. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse and advance the 2014 Regional Capital Budget of \$287.3 million for YRRTC to Committee of the Whole and Regional Council.
2. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse and advance the 2014 Regional Operating Expenditures Budget of \$11.7 million for YRRTC to Committee of the Whole and Regional Council.

Purpose

- The purpose of this report is to seek the Board's endorsement to advance the 2014 Regional Capital & Operating Expenditures Budget for YRRTC to Committee of the Whole on December 5, 2013.

Background

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

- The YRRTC Funded Capital Program and Capital & Operating Expenditures Budget for 2013 (see Table One) are 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 2014 Capital & Operating Expenditures Budget, which include Regional 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 2014 Capital & Operating Expenditures Budget, which are 100% Metrolinx funded dollars.
- The Regional Capital Program of \$1.4 billion for YRRTC is primarily driven by the shared funding agreements, which York Region entered into with the Provincial and/or Federal governments. York Region’s contribution is \$510.5 million or 37%.
- The Metrolinx Capital Program - in April 2011, York Region entered into a Master Agreement with Metrolinx to deliver a \$1.755 billion capital program, bringing the total Capital Program – not requiring any funding from York Region – to \$1.8 billion.
- In June 2012, the Metrolinx Board of Directors endorsed the revised schedule and cash flow to accelerate the delivery of the BRT Rapidways and Stations. Completion is projected to be in late 2018/early 2019 as compared to the original timeline of 2021.

Table One – Total YRRTC Funded Capital Program

YRRTC Capital Plan (in \$ millions)		Regional Program \$\$\$	Metrolinx Program \$\$\$	Total Program \$\$\$
1.	90991 - BRT Rapidways & Stations	-	1,783.2	1,783.2
2.	90992 - BRT Facilities & Terminals	206.8	-	206.8
3.	90993 - BRT Rapid Transit Vehicles	48.6	-	48.6
3.	90996 - Spadina Subway Extension	1,102.6	-	1,102.6
4.	90997 - Yonge Subway Extension	4.3	-	4.3
5.	90999 - Rapid Transit Studies	3.2	-	3.2
Total Capital \$\$\$		\$ 1,365.5	\$ 1,783.2	\$ 3,148.7
Total Regional Funded \$\$\$		\$ 510.5	\$ -	\$ 510.5
		37%		16%

Analysis

The 2014 Regional Capital Budget for YRRTC is \$287.3 million

- The 2014 YRRTC / Regional capital program delivery includes the:
 - Spadina Subway Extension – \$217.5 million. Includes:
 - On-going construction of the subway – includes tunnel completion and continuing work on stations in the Region.
 - Ramp-up of construction of the Viva concourse – connecting the VMC subway station to Viva BRT system (Highway 7 West & Jane St.).
 - Procurement of the fare collection equipment for the 3 subway stations in the Region – Pioneer Village, 407 & VMC.
 - Facilities & Terminals – \$68.6 million.
 - On-going construction of the Operations, Maintenance and Storage Facility at Headford Business Park – design-build contract awarded to PCL, with a project completion timeline of Summer 2015.
 - Overall project costs of \$135 million, with construction costs estimated at up to \$110 million.
 - Finalization of land purchase for Cornell Bus Terminal and start of Conceptual Design work – to allow for a Design-Bid-Build model.
 - Release of RFP for Design-Bid-Build procurement of Vaughan Metropolitan Centre Bus Terminal.
 - Yonge Subway Extension – \$0.5 million, completing the Transit Project Assessment Process (TPAP) study.
 - Rapid Transit Studies – \$0.7 million.

The 2014 Regional Operating Expenditures Budget associated with the delivery of the above-noted Regional Capital Budget is \$11.7 million

- \$11.7 million represents a net decrease of (0.6%) over the previous year. It includes one (1) additional YRRTC Temporary Full-Time staff for the delivery of the above-noted Capital Budget - fully recovered from the Facilities & Terminals capital project.
- \$11.7 million is \$2.1 million lower than the 2014 Outlook submitted last year primarily as a result of lower financing costs due to issuance of debt being deferred.

Financial Implications

The 2014 Regional Capital Budget has 4 major components. Table Two illustrates the breakdown of the four major components of the Regional Capital Budget and funding sources

Table Two – 2014 Regional Capital Budget and funding Sources

Regional Capital Programs (in \$ millions)	2014 \$\$\$	Contribution from DCs + Reserves	Debenture Proceeds	Grants & Subsidies	Third Party Recoveries
Facilities & Terminals	68.6	13.0	16.4	35.7	3.5
Spadina Subway Ext.	217.5	7.3	70.4	139.8	-
Yonge Subway Ext.	0.5	0.5	-	-	-
Rapid Transit Studies	0.7	0.7	-	-	-
Total Capital \$\$\$	\$ 287.3	\$ 21.5	\$ 87.8	\$ 175.5	\$ 3.5

Funding for the Yonge Subway Extension remains an important priority

- YRRTC will continue to support and work with Metrolinx to help prioritize funding for the engineering and capital construction of the Yonge Subway Extension to the Richmond Hill Centre.

The 2014 Regional Operating Expenditures Budget is \$11.7 million

- Table Three identifies the total 2014 Regional Operating Expenditures Budget and funding sources.

Table Three – 2014 Regional Operating Expenditures Budget

Operating Expenditures (in \$ millions)	Total Operating Exp. Budget	Regional Operating Exp. Budget	Metrolinx Operating Exp. Budget
Direct Staff & Office Admin.	11.7	3.4	8.3
Dedicated Charges	5.5	0.7	4.8
Financing Costs	19.7	19.7	-
Gross Operating \$\$\$	\$ 36.9	\$ 23.8	\$ 13.1
Capital Recoveries	(14.9)	(1.8)	(13.1)
Revenues	(10.3)	(10.3)	-
Net Operating \$\$\$ - Tax Levy	\$ 11.7	\$ 11.7	\$ -

Conclusion

- This report seeks the endorsement of the Board of Directors to advance the 2014 Regional Capital & Operating Expenditures Budget for YRRTC to Committee of the Whole on December 5, 2013.

For more information on this report, please contact Michael Cheong, Chief Financial Officer, York Region Rapid Transit Corporation at 905-886-6767, Ext. 1015.

Mary-Frances Turner
President

November 4, 2013