

To: York Region Rapid Transit Corporation Board of Directors

From: Mary-Frances Turner, President

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

Ref: YORK-#5206345

Recommendations

It is recommended that:

1. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse the 2014 Metrolinx Capital Budget of \$252.6 million for YRRTC.
2. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse the 2014 Metrolinx Operating Expenditures Budget of \$13.1 million for YRRTC.

Purpose

- The purpose of this report is to seek the Board's endorsement of the Metrolinx 2014 Capital & Operating Expenditures Budget for YRRTC.

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 2014 (see Table One) are being brought forward in two parts:
 - Part One, which is the subject of a separate report on this agenda, seeks the necessary approvals of Regional Council related to the 2014 Capital & Operating Expenditures, which include Regional funded dollars.

- Part Two, which is the subject of this report, seeks the endorsement of the YRRTC Board of Directors related to the 2014 Capital & Operating Expenditures, 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 Program). 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 Metrolinx Capital Budget for YRRTC is \$252.6 million

- The 2014 YRRTC / Metrolinx capital program delivery includes:
 - On-going construction on Highway 7 – from Highway 404 to Warden Avenue (H3) – \$47.2 million.
 - Completion of rapidway – includes utility relocations on South Town Centre and Cedarland, storm sewer replacement and construction.
 - On-going construction on Davis Drive – from Yonge Street to Highway 404 (D1) – \$80.2 million.
 - Heavy construction activities – includes utility relocations, road widening and stations work, environmental clean-ups, storm sewer replacement and watermain replacement for the Town of Newmarket.
 - On-going construction on Highway 7 West, Vaughan Metropolitan Centre – from east of Highway 400 to east of Bowes Road (H2 VMC) – \$52.2 million.
 - Ramp-up of construction activities – includes utility relocations, road widening around the CN bridge, and storm sewer replacement.
 - Work preparation for the construction of the remaining corridors – \$73.0 million.
 - Yonge Street.
 - Richmond Hill Centre to Major Mackenzie Drive (Y2.1).
 - Levendale Road to 19th Avenue / Gamble Road (Y2.2).
 - Mulock Drive to Davis Drive (Y3.2).
 - Property-related activities underway – includes land purchases.
 - Design-Build contract award – workforce mobilization, pre-construction activities and final design.
 - Highway 7.
 - Highway 7, from Richmond Hill Centre to Pine Valley Drive (H2).
 - Enterprise Drive – from Birchmount Road to just east of Kennedy Road (H3.4).
 - Property-related activities underway – includes land purchases.
 - Release of Design-Build-Finance RFQ-RFP.

With the direction to complete the delivery of the BRT Rapidways and Stations program by late 2018/early 2019, the 2014 Operating Budget of \$13.1 million is built to support the implementation of the accelerated delivery

- The 2014 Operating Budget is \$13.1 million and includes 15 additional YRRTC staff and expenses needed for the delivery of the above-noted Capital Budget – all of the 15 positions will be hired as Temporary Full-Time (TFTs).
- The 2014 Operating Budget also includes the recovery of expenses associated with the funding of an additional 4.5 Regional staff equivalents:
 - Property Services – 3 staff-equivalents.
 - Legal Services – 0.5 staff-equivalent.
 - Transportation and Community Planning – 1 staff-equivalent.

Financial Implications

- All Operating Expenditures are fully recoverable and do not have any financial implications for York Region.
- Approval from Metrolinx for the 2014 Capital & Operating Expenditures Budget is already in place with the execution of the Master Agreement in April 2011.
 - The 2014 Metrolinx Capital Budget is \$252.6 million.
 - The 2014 Metrolinx Operating Expenditures Budget is \$13.1 million and fully recoverable.
- York Region does not “cash-flow” the expenses of the Metrolinx program of \$1.8 billion as Metrolinx advances the cash requirements on a quarterly basis. The next cash advance will be received by end of this year, with the forecasted cash flow for 2014 forwarded to Metrolinx – per the Admin. & Finance protocol of the Master Agreement.

Conclusion

- This report seeks the endorsement of the Board of Directors for the 2014 Metrolinx Capital & Operating Expenditures Budget for YRRTC.

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