

Report of Mary-Frances Turner, President

Proposed 2020 Multi-Year Capital Expenditures Budget Report – Metrolinx Capital Program

Recommendation

1. That the Board endorse the Proposed 2020 Multi-Year Capital Expenditures Budget of \$190.5 million for the Metrolinx Capital Program

Summary

This report seeks the Board of Director's endorsement of the 2020 Multi-Year Capital Expenditures Budget for the Metrolinx Capital Program, which then will be forwarded to Metrolinx for approval.

Background

The current funded Capital Programs for YRRTC is \$3.544 billion

The 2020 Multi-Year Capital Expenditures Budget for the current funded capital programs (see Table 1) is being brought forward in two parts:

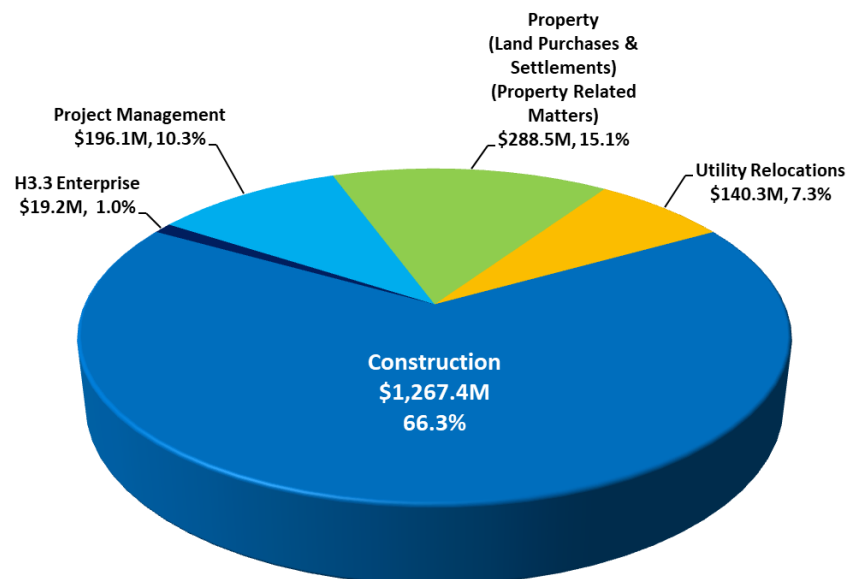
Table 1: Current Funded Capital Programs – \$3.544 billion

Current Funded Capital Programs (in \$ Millions)	Metrolinx Capital Program (in \$ Millions)	Regional Capital Program (in \$ Millions)	Total Capital Programs (in \$ Millions)
BRT Rapidways & Stations	\$1,911.5		\$1,911.5
BRT Facilities & Terminals		\$209.2	\$209.2
BRT Rapid Transit Vehicles		\$46.7	\$46.7
Toronto-York Spadina Subway Extension		\$1,329.3	\$1,329.3
Yonge Subway Extension - Conceptual Design		\$4.3	\$4.3
Yonge Subway Extension - Planning & Design		\$36.3	\$36.3
Rapid Transit Initiatives		\$6.2	\$6.2
Total Capital Programs	\$1,911.5	\$1,632.0	\$3,543.5
Total York Region Funded		773.8	773.8
Total York Region Funded %		47%	22%

Part One – which is the subject of this report, seeks the endorsement of the YRRTC Board as it relates to the 2020 Multi-Year Capital Expenditures Budget, Metrolinx Capital Program which is funded by the Province through Metrolinx

- The current total funding for the Metrolinx Program is \$1.912 billion dollars which includes \$28.9 million for Planning and Design from the QuickWins Contribution Agreement and \$1.883 billion from Metrolinx (including an additional funding of \$127.6 million as approved by the Province) [NTD: to be confirmed]
- Upon completion, Metrolinx retains ownership and control over the project assets and York Region operates and maintains these assets, with Metrolinx responsible for the long term rehabilitation and maintenance costs – pursuant to the Metrolinx-York Region Access and Operating Agreement
- Table 2 illustrates the breakdown of the \$1.912 billion by cost

Table 2: Metrolinx Capital Program – \$1.912 billion



Part Two – which is the subject of a separate report, seeks the necessary approvals of Regional Council related to the 2020 Multi-Year Capital and Operating Expenditures Budget, Regional Capital Program and is partially funded by York Region

- Out of the Regional Capital Program of \$1.632 billion, York Region's contribution is approximately \$773.8 million or 47% – driven by the now in-service Toronto-York Spadina Subway Extension (TYSSE), which was an extension of Toronto Transit Commission's (TTC) Line 1 from Downsview station to Vaughan Metropolitan Centre
- In addition to the TYSSE and Facilities and Terminals work programs, the Regional Capital Program of \$1.632 billion also includes York 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 from York Region's contribution – funded from the Federal Public Transit Infrastructure Fund (PTIF) Phase I allocation to York Region
- While planning and design work is underway for the YSE and is included in the 2020 Multi-Year Capital and Operating Expenditures Budget, Regional Capital Program, funding sources for the full capital construction of the YSE project have not been identified
- Funding sources of approximately \$72.0 million for the next phase of Bus Rapid Transit planning and design work program have not been identified and YRRTC staff continues to work closely with Metrolinx staff to seek funding related to the remaining BRT segments as noted in Attachment 1

Analysis

The capital expenditures budget of \$190.5 million is for the completion of the rapidway segments currently under construction

Table 3 provides the breakdown of the \$190.5 million capital expenditures required for the various projects to be completed, of which \$165.3 million or 87% is in 2020

Table 3: 2020 Multi-Year Capital Expenditures Budget – \$190.5 million

Current Funded Capital Programs (in \$ Millions)	Metrolinx Capital Program (in \$ Millions)*	Year 2020 to Completion (in \$ Millions)	In-Year 2020 (in \$ Millions)
Enterprise Drive	\$19.2	\$0.0	\$0.0
Highway 7 East, Davis Drive, Highway 7 West-VMC	\$828.3	\$3.3	\$2.2
Yonge Street	\$610.6	\$117.2	\$97.5
Remaining Highway 7 West	\$450.8	\$70.0	\$65.6
Remaining Enterprise Drive	\$2.6	\$0.0	\$0.0
Total Metrolinx Capital Program	\$1,911.5	\$190.5	\$165.3

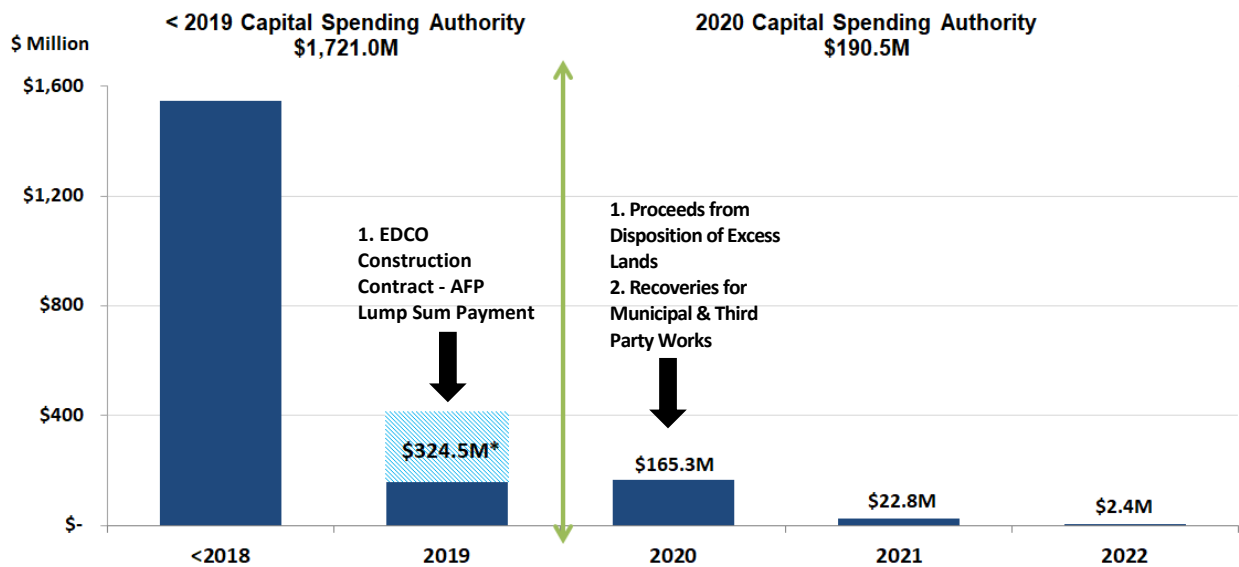
- The rapidway segment along Yonge Street in the Town of Newmarket is projected to be in-service in December 2019, and the remaining segments along Yonge Street in the Town of Richmond Hill are projected to be in-service in December 2020
- Project close-offs, including completion of property acquisitions, of the following in-service rapidways are underway:
 - Highway 7 East, from Richmond Hill Centre to Warden Ave.;
 - Davis Dr., from Yonge St. to Hwy. 404;
 - Highway 7 West-Vaughan Metropolitan Centre, from Bowes Rd. to Edgeley Blvd.; and
 - Remaining Highway 7 West, Bathurst and Centre Streets from Yonge Street to Bowes Road in Richmond Hill and Vaughan, and Edgeley Boulevard to Helen Street in Vaughan
- Project management, which includes the recoveries of YRRTC and York Region staff, is also included in the Capital Expenditures Budget

Financial Considerations

The capital expenditures budget of \$190.5 million will be allocated to project costs over the next three years

- Table 4 provides the breakdown of the \$190.5 million capital expenditures, of which \$165.3 million or 87% is in 2020

Table 4: 2020 Multi-Year Capital Expenditures Budget – Cash Flow



- Upon completion of the Highway 7 West project contract in 2019, a lump sum payment of \$324.5M (shown in light blue) will be made to the Contractor (EDCO) directly from Metrolinx for the completion of the remaining of Highway 7 West
- In 2020, approximately \$165.3 million of construction work is anticipated along Yonge Street

Allocations for operating expenditures are identified within the remaining \$190.5 million of the Metrolinx Capital Program

- Table 5 shows the 2020 gross and net operating expenditures \$20.6 million budget for YRRTC, with the recoveries from the Metrolinx Capital Program which are identified in the 2020 Multi-Year Capital & Operating Budget, Regional Capital Program report

Table 5: 2020 Gross & Net Operating Expenditures Budget

Operating Expenditures (in \$ Millions)	Net Operating Budget (in \$ Millions)		Metrolinx Operating Budget (in \$ Millions)		Regional Operating Budget (in \$ Millions)
YRRTC Direct Staff & Admin. Costs	\$24.1		\$16.8		\$7.3
York Region Dedicated Charges	\$3.8		\$3.8		\$0.0
Financing Costs for Debt Principal & Interest Payments	\$28.4	=	\$0.0	+	\$28.4
Program Management Recoveries	(\$24.9)		(\$20.6)		(\$4.3)
Gross Operating Expenditures	\$31.4		\$0.0		\$31.4
Revenues - Development Charges & Federal Gas Tax	(\$27.2)		\$0.0		(\$27.2)
Net Operating Expenditures - Tax Levy	\$4.2		\$0.0		\$4.2

Conclusion

- The purpose of this report is to seek the Board's endorsement of the Proposed 2020 Multi-Year Capital Expenditures Budget of \$190.5 million for the Metrolinx Capital Program, so that Budget may then be forwarded to Metrolinx for approval

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

Accessible formats or communication supports are available upon request.

Recommended by:

Mary-Frances Turner
President, YRRTC

October 9, 2019

Attachments:(1)
Attachment 1 – Unfunded Rapid Transit Network

eDocs No. 10054325