

11
YONGE SUBWAY EXTENSION
- FUNDING FOR CONCEPTUAL DESIGN ASSIGNMENT

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated September 10, 2009, from the President of the York Region Rapid Transit Corporation and the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize the reassignment of \$4.31 million from within existing approved funding to fund York Region's share of the Yonge Subway Extension conceptual design assignment and change the source of funding from debt to a contribution from the general capital reserve fund.
2. The York Region Rapid Transit Corporation endeavor to recover these costs from senior levels of government.

2. PURPOSE

The purpose of this report is to obtain Council's approval to reassign \$4.31 million in 2009 budget funds from the capital reserve to undertake the Yonge Subway Extension conceptual design assignment.

3. BACKGROUND

The Yonge Subway Extension has received approval for the EA Transit Project Assessment Process

The Yonge Subway Extension Transit Project Assessment Process received Minister of Environment approval on April 7, 2009. York Region, in consultation with the TTC and the City of Toronto, formally initiated the Transit Project Assessment Process (TPAP) for the Yonge Subway Extension in October, 2008. The costs associated with the TPAP and production of the Environmental Project Report was entirely funded by York Region.

A budget of \$3.24 million has been established

On June 21, 2007, Council approved an interim budget of \$3,000,000 from the general capital reserve to commence an environmental assessment and preliminary engineering for the Yonge Street Subway extension to Richmond Hill Centre. On April 23, 2009, Council authorized an allocation of \$240,000 from the general capital reserve fund to cover incremental environmental assessment costs associated with the Environmental Project Report. Work programmes were awarded to McCormick Rankin and York Consortium 2002 to complete this work.

Metrolinx requires additional analysis to support the Benefits Case Analysis

Metrolinx has received the Benefits Case Analysis for the Yonge Subway. The Metrolinx board subsequently directed Metrolinx staff to undertake additional analysis which will examine possible adjustments to the Yonge Subway project scope, including its timing and possibly phasing. Additional conceptual design work and network planning will be required in order to address issues that may arise out of Metrolinx' analysis.

4. ANALYSIS AND OPTIONS

Funding is not yet committed for the Yonge Subway

No funding has been committed yet by Metrolinx for any portion of the Yonge Subway Extension. The additional analysis resulting from the Business Case Analysis is to be completed and reported to the Metrolinx board by the end of 2009. If the Yonge Subway Extension is to keep moving forward then the current required funding will have to come from York Region and the TTC.

The TTC has released the Request for Proposals for the conceptual design assignment

The TTC has released the RFP with the stipulation that the award of the project will be subject to receiving funding approval from both the TTC and YRRTC. The proposals are due to be submitted on September 8, 2009. The proposals will be evaluated jointly by TTC staff and YRRTC staff.

The President of the York Region Rapid Transit Corporation will recommend to the Rapid Transit Board on September 10, 2009 that the Yonge Subway Extension conceptual design proceed (*see Council Attachment 1*).

5. FINANCIAL IMPLICATIONS

Cost share for YRRTC is 75% of total cost of study estimated at \$5.75 million

The total estimated cost of the conceptual design study is \$5.75 million. York Region's share of 75% is calculated based on the percentage of the total alignment that will be within York Region vs. within Toronto. The upset limit for YRRTC for this work is \$4.31 million.

Funds for this study can be reallocated from within existing approved funding. Tax levy debenture proceeds in the amount of \$5.3 million were carried forward from 2008 but will not be required as a result of funding from MoveOntario2020 QuickWins. Given the nature of this project and the potential to recover these costs from other governments in the future, it is recommended that the source of funding be changed from debt to a contribution from the general capital reserve fund.

Staff will endeavor to recover all costs associated with the Yonge subway extension from senior levels of government.

6. LOCAL MUNICIPAL IMPACT

The Yonge Subway Extension is being closely coordinated with local planning, economic development and public works activities.

7. CONCLUSION

The Metrolinx Board has directed Metrolinx staff to undertake additional analysis which will examine possible adjustments to project scope, timing or phasing of the Yonge Subway Extension. The total estimated cost of the conceptual design study is \$5.75 million of which York Region's share of 75% is \$4.31 million. Funds for this study can be reallocated from within existing approved funding. It is recommended that the source of funding be changed from debt to a contribution from the general capital reserve fund. Staff will endeavor to recover all costs associated with the Yonge subway extension from senior levels of government.

For more information on this report, please contact Mary-Frances Turner, President, York Region Rapid Transit Corporation at 905-886-6767 ext 1010.

(The one attachment referred to was included in the agenda for the September 10, 2009 meeting.)

To: York Region Rapid Transit Corporation Board of Directors
From: Mary-Frances Turner, President
Subject: **Yonge Subway Extension: Approval of Conceptual Design Assignment**

Recommendations

It is recommended that:

1. The Board approve an expenditure of \$4.31 million for YRRTC's share of the anticipated cost of the Conceptual Design assignment for the Yonge Subway Extension.
2. York Region be requested to fund this expenditure from the general capital reserve.
3. The TTC be requested to reimburse \$0.85 million to York Region for expenditures related to the completion of the Transit Project Assessment Process and production of the Environmental Project Report.
4. The Board authorize staff to work in partnership with the TTC to co-manage this work.
5. The report be circulated to the City of Toronto, the TTC, the City of Vaughan, the Towns of Markham and Richmond Hill and to Metrolinx.

Purpose

The purpose of this report is to:

- Apprise the Board of the need to authorize an expenditure in support of the Yonge Subway extension.
- Summarize the current context of the project and the importance of commencing this work in order to expedite funding.

Background

The Yonge Subway Extension Transit Project Assessment Process received Minister of Environment approval on April 7, 2009

- York Region, in consultation with the TTC and the City of Toronto, formally initiated the Transit Project Assessment Process (TPAP) for the Yonge Subway Extension in October, 2008.
- The Environmental Project Report was prepared and submitted under the streamlined TPAP within 4 months of the commencement.
- The costs associated with the TPAP and production of the Environmental Project Report was entirely funded by York Region.

Metrolinx has received the Benefits Case Analysis (BCA) for the Yonge Subway

- The BCA for the Yonge Subway was submitted to the Metrolinx Board on July 13, 2009.
- The Metrolinx Board received the BCA and directed staff to undertake additional analysis related to the Yonge Subway.
- The additional analysis will examine possible adjustments project scope, timing or phasing.
- Additional conceptual design work and network planning will be required in order to address the issues that may arise out of Metrolinx' analysis

Funding is not yet committed for the Yonge Subway

- No funding has been committed by Metrolinx for any portion of the Yonge Subway Extension.
- The additional analysis resulting from the BCA is to be completed and reported to the Metrolinx Board by the end of 2009.
- If the Yonge Subway Extension is to keep moving forward then the current required funding will have to come from York Region and the TTC.

Analysis

Yonge Subway will greatly benefit from the additional project definition provided by the conceptual design assignment

- Since the funding was approved, the Spadina Subway extension moved directly from the Environmental Assessments into the detailed design and implementation phases.
- As a result, the conceptual level of design work has to be undertaken for the Spadina Subway Extension as part of the first phase of the detailed design work.
- The benefits of first completing a conceptual design are primarily a better scope definition and better budget estimate. This work is required to determine exact station locations, entrance locations, surface facility design and locations, interfaces with adjacent land uses, detailed geotechnical information, design criteria and standards, etc.
- This work is required to be completed in order to proceed with the more detailed phases of design and will greatly advance the project.
- The detailed scope of work for the consultant assignment is attached.

Metrolinx to conduct additional analysis for the Yonge Subway including looking at modifications to the project scope

- As indicated, Metrolinx will be completing further work for the BCA for the Yonge Subway Extension.
- The conceptual design work will be able to better inform the Metrolinx process.

The conceptual design assignment will maintain the project momentum for the Yonge subway

- The conceptual design assignment will help to keep the project moving forward and not get stalled until full funding is committed.
- This work will support the state of construction readiness of Yonge Subway and may assist in supporting funding allocation.
- The conceptual design work will also provide for the details to allow staff to comment more fully on development applications requirements appearing on the Yonge corridor.

A project management framework between YRRTC and the TTC will establish the overall project governance

- A project management framework will be developed to govern the partnership relationship between YRRTC and the TTC.
- TTC has recommended that the lead project management rest with the TTC as the ultimate operator of the subway, however staff recommend that given the significant capital outlay by the Region of York and established relationships and expertise gained by the rapid transit office through the development that this important project be undertaken as a joint effort.

The TTC has released the RFP for the conceptual design assignment

- The TTC has released the RFP with the stipulation that the award of the project will be subject to receiving funding approval from both the TTC and YRRTC.
- The proposals are due to be submitted on September 8, 2009.
- The proposals will be evaluated jointly by TTC staff and YRRTC staff.

Finance

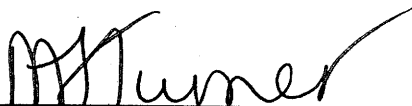
Cost share for YRRTC is 75% of total cost of study estimated at \$5.75 million

- The total estimated cost of the conceptual design study is \$5.75 million.
- York Region's share of 75% is calculated based on the percentage of the total alignment that will be within York Region vs. within Toronto.
- The upset limit for YRRTC for this work is \$4.31 million.
- It is recommended that costs for this project be funded from within existing approved funding from the general capital reserve fund with the intention of it being recovered from senior levels of government through future funding announcements.

Conclusion

- The Yonge Subway Extension Transit Project Assessment Process has been approved.
- The conceptual design work for large-scale inter-municipal projects is complex. Starting the process will improve the definition the project scope allowing for more reliable budget and schedule estimation.
- Although there has been no commitment to funding, keeping the project moving forward is important in improving the likelihood of future funding.
- Staff recommend to the Board their approval of an expenditure of \$4.31 million for YRRTC's share of the anticipated cost of the Conceptual Design assignment for the Yonge Subway Extension.
- The TTC be requested to reimburse \$0.85 million to York Region for expenditures related to the completion of the Transit Project Assessment Process and production of the Environmental Project Report.

For more information on this report, please contact, Paul May, Chief Engineer, York Region Rapid Transit Corporation at 905-886-6767, Ext. 1030.



Mary-Frances Turner
President

ODMA\PCDOCSI\YORK\11503645