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SUBWAY EXTENSIONS MONTHLY REPORT JANUARY 2009

The Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendation contained in the following report dated January 8, 2009, from the Vice-President, York Region Rapid Transit Corporation.

1. RECOMMENDATION

It is recommended that:

1. Council receive this report for information.

2. PURPOSE

This report updates the Yonge and Spadina subway extension activities during the months of November and December 2008.

3. BACKGROUND

The Spadina Subway extension is fully funded and is in the preliminary engineering stage. The Yonge Subway extension work programme to deliver an Environmental Project Report is nearing completion.

4. ANALYSIS AND OPTIONS

SPADINA SUBWAY PROGRESS UPDATE

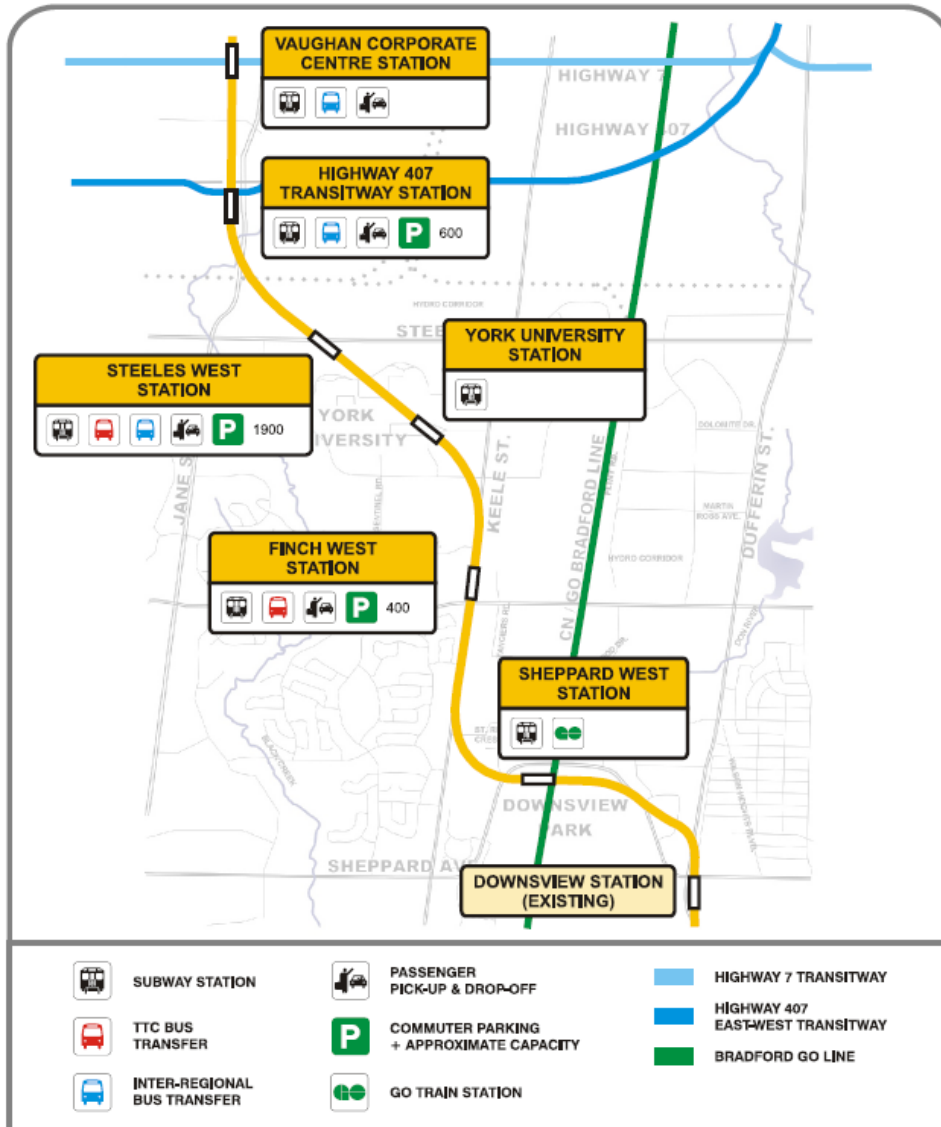
The Spadina Subway Extension project continues on time and on budget

The staff report to the Toronto Transit Commission on November 26, 2008, indicates that the Spadina subway project is proceeding on time and on budget as of the end of October 2008.

Contracts continue to be let in support of the Project Implementation

- The design services contract for the twin tunnels has now been awarded to Hatch Mott MacDonald Limited.
- The contract for tunnel fire and ventilation design services is expected to be let in this reporting period.

- The Request for Proposals for procurement of the tunnel boring machines has been issued and submissions are expected in February 2009.



The Rapid Transit Project Team has begun to expand the project resources

The York Region Rapid Transit Corporation recently hired a senior project manager to specifically oversee the subways project work. Two additional project managers are being sought to support the specific work programmes for the Yonge and Spadina Subway extensions. For Spadina Subway extension project this will include review and comment on significant numbers of design drawings for the Steeles West, Highway 407, and Vaughan Corporate Centre stations. Staff will ensure that drawings are reviewed by all necessary stakeholders, and will support the surface transit and transit-oriented development for these stations.

The architectural design teams have begun work for the subway stations and bus terminals

Kick-off meetings have been held with the following design teams to commence conceptual designs leading to design submissions and design reviews at the 10% and 30% design stage:

- Finch West and Steeles West Stations - The Spadina Group Associates (Joint Venture, Stevens Group Architects, Lea Consulting and Halsall Associates).
- York University Station and the Vaughan Corporate Centre Terminal Station – ARUP Canada.
- Sheppard West Station and Highway 407 Station – AECOM (formerly Earth Tech Canada).

Staff is working with these architectural teams on the surface facilities and will continue to report back on the findings of this work at Committee meetings.

Discussions are underway between the Toronto-York Spadina Subway Extension project team and staff to develop working protocols for the surface development

A working agreement will be developed in this reporting period with TTC to ensure that Regional interests are retained and transit-oriented development opportunities maximized in the design and implementation of the surface facilities. A recommendation will be brought back to Committee in February 2009.

The Steeles West Station bus terminal(s) are proposed to be split north and south of Steeles Avenue

The TTC issued a project report to stakeholders on October 1, 2008 regarding the Steeles West station layout, including proposed bus terminal layouts, which splits the terminals with the York Region Transit terminal north of Steeles Avenue, and the TTC terminal to the south of Steeles Avenue along with the following objectives:

- Provide for parking facilities under the terminal.
- Allow development of 4-6 storeys above the subway box structure.
- Optimize the road configuration and development.
- Minimize utility impacts.
- Optimize passenger pick-up and drop-off design and building entrance to maximize transit-oriented design potential.
- Integrate other ancillary station elements, such as power substations and ventilation shafts, to minimize impact on transit-oriented development.

Staff continue to explore with the TTC how more significant built form and height can be accommodated over the subway box structure through column strengthening or the positioning of additional structural supports within the subway box. Staff will need to

retain independent consultants to provide advice on the practicality of various structural options and on the ability of the Regional site to accommodate typical mixed use office and residential floor plates to fully realize the site's development potential.

Constraints around the Steeles West Station limit the timing of the full Jane-Keele, East-West Road connection

Recent discussions with the Ministry of Public Infrastructure Renewal, the Ministry of Transportation Ontario, Ontario Realty Corporation and Hydro One have indicated that until the East-West Road can be fully implemented on private lands they cannot support a facility that provides a thoroughfare for road users between Keele Street and Jane Street. Therefore, until the private company's facility is relocated and available for development, the East-West Road will be limited in use.

The limitation on the use of the road for primarily transit-supportive purposes brings its role in support of the densities within OPA 620 into question. If the road is to be staged in the manner suggested there may be limits on the amount of development that can be supported at any stage of the implementation of the full cross section. These limitations will require further detailed analysis as to their impact on phasing and the pace of development in the corridor. The implications of the restrictions on the use of the east-west road will be the subject of a future report.

A series of workshops are planned with Hydro One and other stakeholders to resolve alignment and other issues

A further workshop is planned with Hydro One for January 9, 2009 to address their concerns regarding use of the hydro corridor for commuter parking, passenger pick-up and drop-off, and ancillary buildings.

A workshop is also planned with the Toronto Region Conservation Authority, Hydro One and other stakeholders to address alignment concerns with the environmental assessment alignment passing under Hydro Tower 158. The risks associated with this are considered unacceptable by Hydro One. This alignment also forces the Highway 407 station to be approximately 27 metres deep. A shift in alignment could avoid the tower and elevate the station to a depth of approximately 20 metres. The proposed shift in alignment; however, also results in moving the Highway 407 station into the Black Creek valley edge and compressing the area where the bridge connects Jane Street to the bus terminal facilities. The relocation will represent a significant challenge for the Toronto Region Conservation Authority and will need careful assessment. Various alignment options have been evaluated by the TTC and will be discussed with all stakeholders, the outcome of which will be reported back to Committee.

A Value Engineering workshop on the project delivery strategy was undertaken

The TTC engaged a value engineering consultant, NCE Value Engineers Inc., to conduct a series of workshops in order to develop and recommend a Project Delivery Strategy.

At the same time, PriceWaterhouseCoopers (PWC) was retained on behalf of the MoveOntario Trust as an independent third party to review and verify the project delivery strategy, in part to screen for potential alternative financing arrangements.

The first phase included two workshops in October 2008 that were primarily attended by the supply industry. While a formal report is anticipated shortly, the outcome of the workshops broadly recommended a design-build approach to construction, as opposed to the traditional design-bid-build approach.

The second phase, with workshops held in November 2008, primarily involved the TTC Project Team, including their consultants. This phase was also attended by York Region staff, and PWC. A draft report describing the overall outcome from these workshops was submitted to the Executive Task Force on December 15, 2008. The report recommended a design-bid-build approach based on TTC experience and higher perceived risks in design-build implementation.

York Consortium 2002 has completed a series of activities on behalf of the Spadina Subway Extension Project as a part of an interim work programme for the TTC

The output from this work programme has provided valuable support to the Project and has allowed the York Region Rapid Transit Corporation to begin development of transit-oriented development plans for the subway extension and surface transit within York Region, particularly the Vaughan Corporate Centre.

Planning options for the Vaughan Corporate Centre station bus terminal configuration are being developed

A Vaughan Corporate Centre workshop was held with municipal stakeholders in October. Several development principles were discussed and are being used in support of the ongoing conceptual design activities. A second workshop, to provide further definition was held on December 18, 2008. This workshop included Region and City of Vaughan staff and examined several options and evaluation criteria for further study in January prior to engagement with the TTC and landowners.

YONGE SUBWAY PROGRESS UPDATE

Yonge Subway extension formal Transit Project Assessment Process work programme is nearing completion.

In December 2008, staff reported to Council on the status of the Transit Project Assessment Process (streamlined process addressing Environmental Assessment Act requirements) for the Yonge Subway Extension. The remaining work continues on target with no new issues arising in this reporting period. The timetable for the completion of the process is as follows:

- Publication of Notice of Study Completion on February 2, 2009.
- The Environmental Project Report (EPR) is released on February 2, 2009.
- 30 day public review period – to March 4, 2009.
- MOE 35 day review and comment period – to April 8, 2009.
 - No comment is assumed to be approval, and comments only anticipated on areas of provincial importance.
 - The Minister has a number of powers with respect to the Environmental Project Report:
 - Notice to Proceed with no conditions.
 - Notice to Proceed with conditions.
 - Notice requiring Further Consideration, if issues of Provincial importance are of concern.
 - If the Minister does not issue any Notice after the 65 day combined review period, then York / Toronto can issue a Statement of Completion of Transit Project Assessment Process, and then commence with the project.

In the meantime, staff continues to work with Metrolinx, Infrastructure Ontario, the City of Toronto and the TTC to develop the project definition and benefits case for the project.

Toronto's Executive Committee approved staff report that supports the project concept and submission of the Environmental Project Report (EPR)

Following TTC Commission approval on December 17, 2008, on Monday, January 5, 2009, the Executive Committee for the City of Toronto approved a staff report that requests Council's approval of the project concept and authority to submit the EPR to the Ministry of the Environment; and sets out conditions under which the City would participate in implementing the project.

Some of the key conditions in the report include:

- i. project should incur no additional capital or net operating costs to the City.
- ii. TTC will manage, deliver, operate, maintain and largely own the project.
- iii. provision should be made for funding related infrastructure costs, such as additional train storage yards and capacity improvements at the Bloor-Yonge station.

Following the presentation, the Executive Committee moved the following motions:

1. The City Manager, in consultation with the General Manager, Toronto Transit Commission, to submit a report directly to Council for its meeting scheduled on January 27, 2009, on:
 - a. The range of possible ancillary costs to the Yonge Street extension, including the following:
 - i. Yonge-Bloor Station alterations.
 - ii. Subway fleet expansion.
 - iii. Possible need for 2nd entrances at Yonge Stations south of Bloor Street.
 - iv. Possible need for an eastern downtown relief line from Pape Station to downtown.
 - v. Subway yard costs.
 - vi. Possible need for the Sheppard subway to be extended westbound to Downsview and the Downsview Yard.
 - b. Possible sequencing scenarios of major public transit infrastructure projects and their relationship to the Yonge Street extension project.
2. The Toronto Transit Commission direct staff to review the report entitled “Analysis of Yonge Subway Extension Final Report on TPAP and Future Actions”, prepared by Mr. Karl Junkin; meet with Mr. Junkin to discuss his concerns, and report thereon directly to Council for its meeting scheduled on January 27, 2009.

A further public meeting in the City of Toronto will be held on January 20, 2009, followed by a further report to the TTC Commission on January 21, 2009 prior to the Toronto Council meeting on January 27, 2009.

COMMUNICATIONS AND PUBLIC ENGAGEMENT

SPADINA SUBWAY EXTENSION

A new project emblem, funding plate and newsletter communications plan are ready for approval

The new project emblem, funding statement and newsletter communications plan was outlined at the ETF meeting on December 15, 2008, in preparation for final approval from the Management Committee on January 19, 2009.

Public Engagements

None confirmed at this time.

YONGE SUBWAY EXTENSION

Additional material was provided to the representative of the Uplands community on December 9, 2008

The Notice of Commencement of the Transit Project Assessment Process, the draft noise report and a link to the new regulation was provided to the representative of the Uplands community on December 9, 2008. Staff will continue to work with the area Councillor and area residents regarding the park-and-ride facility at Longbridge/Langstaff Station to ensure concerns over increased commuter parking noise and traffic growth are adequately addressed.

Draft technical reports were posted online and the Environmental Project Report will be submitted for public review

A series of Technical Reports was prepared and made available for public review at www.vivayork.com and five public review locations at:

- Ministry of the Environment, Central Region Office.
- Regional Municipality of York, Office of the Regional Clerk.
- Town of Richmond Hill, Office of the Town Clerk.
- Town of Markham, Office of the Town Clerk.
- City of Vaughan, Office of the City Clerk.

The six reports form part of the Environmental Project Report, which will be available for public review in February, 2009.

The Yonge Subway Advisory Task Force was placed on “stand-down” status until further notice

Having completed the Public Consultation Centres and presented the recommended project to the public, the Chair of the Yonge Subway Advisory Task Force, Mayor David Barrow, issued a letter on December 17, 2008, to advise the task force members that no further meetings will be held until further notice. The Chair took the opportunity to thank the members for their dedication and strategic counsel over the past several months.

5. FINANCIAL IMPLICATIONS

SPADINA SUBWAY EXTENSION

The most current information on the financial status of the project is based on the TTC project status report of October 2008. The year-to-date budget for the project was \$34.3 million, of which \$8.2 million has been spent. It is anticipated that for the \$56.8 million annual budget, \$11.6 million will be spent. Despite lower than forecast expenditures for 2008, the TTC projects that expenditures will match forecasts by 2009 and will exceed forecasts in 2010 to catch up for underspent activities in 2008. The project continues to be on target for total expenditures of \$2.634 billion at the time of revenue service commencement, which is scheduled for the end of 2015.

York Region is responsible for 40.04% of 1/3 of project costs, or effectively, 13.35% of the total cost of the project. The effect of delayed capital expenditures translates into postponed capital project costs.

In addition to project costs, through the draft Memorandum of Understanding for Capital Cost Allocation between the City of Toronto and York Region, the Region has committed to provide the City of Toronto with three incremental payments of \$10 million, \$10 million and \$9.98 million in full recognition of and as a pro-rated contribution toward the City's previous financial investment in existing transit infrastructure. The first payment is due upon the execution of the first construction contract or contract for the purchase of construction equipment with a minimum contract value of \$10 million. The second payment is due at the time that tunneling commences in the Region. The final payment, plus interest, is due upon commencement of subway operations in York Region. These payments are not recoverable through senior government funding sources and have been portrayed in the capital budget as being funded through debt and repayable through the tax levy.

YONGE SUBWAY EXTENSION

On June 21, 2007, Council approved an interim budget of \$3,000,000 to commence an Environmental Assessment and preliminary engineering for the Yonge Street subway extension to Richmond Hill Centre. Work programmes have been awarded to McCormick Rankin and York Consortium 2002 to complete this work. Approximately \$1.3 million of the total \$3 million budget had been invoiced to the end of 2008.

Staff will endeavour to recover all costs associated with the Environmental Project Report and related communications activity through Metrolinx and the MoveOntario 2020 announcement.

6. LOCAL MUNICIPAL IMPACT

The subway extensions are being closely coordinated with local planning, economic development and public works activities along their respective corridors.

7. CONCLUSION

This report provides a comprehensive description of the activities of the York Region Rapid Transit Corporation during November and December 2008 relating to the Yonge and Spadina subway extensions.

For additional information, please contact Mary-Frances Turner, Vice-President, York Region Rapid Transit Corporation at (905) 886-6767 ext. 2226.

The Senior Management Group has reviewed this report.