3
FINANCIAL UPDATE – YORK RAPID TRANSIT PLAN AS OF NOVEMBER 30, 2004

The Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendation contained in the following report November 26, 2004, from the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report provides the monthly update on the costs incurred for the capital project for the delivery of the York Rapid Transit Plan from the commencement of the concept definition in 2002 to November 30, 2004.

3. BACKGROUND

In 2002, Regional Council approved the Quick Start segment of the York Region Rapid Transit Plan and engaged York Consortium 2002 to implement the plan. In March, 2004 the Region executed funding agreements with the federal and provincial governments to contribute $50 million each towards the Quick Start project.

4. ANALYSIS AND OPTIONS

The costs to date associated with the York Region Rapid Transit Plan are set out in the attached Tables 1 through 4 (Attachments 1 to 4).

4.1 Stage I Costs

Stage I costs in Table 1 (Attachment 1) which include concept definition, environmental assessment (EA), financial planning and legal, communications and project management are $8.6 million. This stage is substantially complete with the exception of some EA costs.

4.2 Quick Start

Implementing the "Quick Start" project was approved by Regional Council at a cost of approximately $150 million of which the Region's 1/3 share will be $50 million. To date costs incurred for Quick Start in Table 2 (Attachment 2) total $41.8 million. Included in these costs are a $4.7 million deposit for buses, $8.9 million for running ways, $3.8 million for the Intelligent Transportation System (ITS), $7.2 million for operating and maintenance mobilization and $4.8 million in project management costs. Regional oversight costs of $4.8 million include internal Regional costs and consultants engaged to assist with project oversight (Marshall, Macklin, Monaghan). Communications costs ($1.2 million) include branding and marketing. Other contract related costs incurred to date ($1.4 million) are for insurance.

The column labelled "Approved Total Cost" has increased by $5.1 million over the previous report tabled at the November 11, 2004 meeting. At that meeting, the committee approved the proposed additional costs for design-build support, operating and maintenance and project management fees.

4.3 Corporate Expenditures

These costs in Table 3 (Attachment 3) include salaries and administrative costs for the Rapidco Office in addition to Business Relationship costs of $1.9 million. Business Relationship costs include legal fees for the establishment of the York Region Rapid Transit Corporation, legal support in executing contracts and negotiating funding agreements and long term business arrangements.

4.4 Future Phases of Full Build

Table 4 (Attachment 4) highlights costs associated with the planning and designing of the next phase of the full build of the rapid transit system. To date, $.5million has been incurred for the full build portion.

5. FINANCIAL IMPLICATIONS

To date, the York Region Rapid Transit Plan costs of $52.9 million are within the Region's approved budget envelopes. The federal and provincial funds have not yet flowed to the Region. Staff have submitted the first claim to the province and is awaiting direction from the federal government respecting forwarding our claims for reimbursement for eligible costs. Until such time as there has been a full review, Regional staff continue to include costs as potentially eligible for subsidy. All costs which exceed the $150 million funding envelope are fully funded by the Region and will be debentured, with annual debenture payments included in the tax supported regional levy. Staff will track these costs for eligibility under any future federal/provincial funding envelopes which may become available.

6. LOCAL MUNICIPAL IMPACT

Rapid Transit costs are included in the Regional levy. The integrated transit network will provide a timely, efficient transportation alternative to the area.

7. CONCLUSION

This report provides an update of the financial activity of the York Region Rapid Transit Plan. Costs reported are from inception in 2002 to November 30, 2004 and are compared to estimated costs, not to approved budgets.

(The attachments referred to in this clause are attached to this report.)