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YORK UNIVERSITY BUSWAY AGREEMENT AMENDMENT

The Transportation Services Committee recommends the adoption of the recommendations contained in the following report dated April 18, 2012, from the Commissioner of Transportation and Community Planning.

1. RECOMMENDATIONS

It is recommended that:

1. The existing agreement that permits York Region Transit/Viva buses to operate on the York University busway be amended to include recovery of capital costs by the City of Toronto at an approximate cost of \$80,000 per year.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary agreements, subject to terms and conditions acceptable to the Commissioner of Transportation and Community Planning and the approval of Legal Services, as to form and content.

2. PURPOSE

This report seeks Council authorization to amend the agreement between The Regional Municipality of York and the City of Toronto/Toronto Transit Commission (TTC) to allow the City to recover capital and lease costs related to the construction of the busway from the Region.

3. BACKGROUND

Council approval was granted in 2009 to allow York Region Transit/Viva (YRT/Viva) access to the York University Busway

The York University busway is a dedicated bus-only roadway that links York University and the Downsview subway station. The busway was constructed and opened by the City of Toronto and the TTC in November 2009.

York Region Council authorized execution of three agreements with Toronto/TTC to utilize the York University busway. Three agreements are required as each pertains to separate land easements on the busway. Two of the three agreements have been executed and Viva Orange service began operating on a portion of the busway in May 2011 between Dufferin Street and Keele Street.

The third agreement, which includes a requirement for a sublicense with York University to operate on their lands, had initially been accepted by all parties. However, this agreement has not yet been signed due to subsequent comments raised by York University. Although the York University comments were addressed, a November 2011 request from the City of Toronto was received to recover capital costs from the Region as well as GO Transit. These capital costs include the net cost for construction and easement rights for the busway.

The Region is unable to operate Viva transit service on the York University portion of the busway as the last agreement has not been executed due to Toronto's request for sharing of the capital costs. Viva is currently operating on the area road network.

A map depicting the busway routing and location is shown in Attachment 1.

4. ANALYSIS AND OPTIONS

The City of Toronto is now requesting that the Region provide compensation to recover a share of the cost to construct the entire busway

In keeping with their bylaw, the City of Toronto is seeking cost recovery from the Region for a share of the \$4.47 million cost for easement rights and \$4.8 million for construction costs for the busway through lease payments. These are net costs and exclude all subsidies received from other sources. This is in addition to the maintenance cost that was identified and approved by Council.

Transit, Finance and Property Services staff, in consultation with Legal staff from York Region, have been negotiating with City of Toronto staff and have reached a reasonable lease payment satisfactory to all parties and for consideration for Council approval. The annual lease payment for the capital component is \$79,828.

The Region has the right to not accept this additional capital cost and terminate the agreement but YRT/Viva services will not be able to operate on any portion of the busway if that occurs. This would impact travel time for the Viva orange service and increase operating costs.

Operating on the York University busway reduces travel time for transit customers and reduces transit operating costs

Travel time savings of approximately five minutes per trip have benefited transit customers when Viva Orange travels on the busway between Dufferin Street and Keele Street. Some additional time savings of one to two minutes per trip would be expected if Viva Orange was operating on the rapidway at York University.

The current travel time savings by operating on the busway on Viva Orange reduces transit operating expenditures through a reduction in operating hours. This time savings equates to an annual savings of approximately \$256,000 which has been incorporated in the 2012 budget.

Should Council approve the proposed amendment to the agreement, service would start on the entire length of the busway in July 2012.

5. FINANCIAL IMPLICATIONS

In 2009, the report to Council identified an estimated cost savings of \$210,000 annually based on \$250,000 in annualized transit operating cost savings, less the estimated maintenance cost of \$40,000. The cost savings have changed with the recent request for capital cost recovery from the City of Toronto.

Operating on the busway under the proposed amended agreement and cost adjustment will continue to provide the Region with a net annual savings of approximately \$149,000 per year

Table 1
Financial Savings of Operation on Busway

Item	Financial Impact (Annual)
Annual Operating Savings	\$256,000
Less busway maintenance costs	(27,000)
Less new cost for capital lease payments	(80,000)
Net Savings To Region	\$149,000

Staff from Transit, Property Services and Finance, in consultation with Legal Services, have negotiated with the City of Toronto and have determined that an annual capital lease payment by the Region in the amount of approximately \$80,000 annually is satisfactory. The maintenance costs may fluctuate and will be adjusted each year depending on the maintenance requirements.

The \$27,000 annual share of the busway maintenance cost for the Region in 2012 is less than the \$40,000 that was earlier projected. The maintenance cost may change each year depending on the level of maintenance that is required.

GO Transit (Metrolinx) also operates on the York University busway. Toronto is currently negotiating with GO Transit to recover a share of the capital costs. The cost share is under the same terms and conditions offered to York Region. The cost share is based on the weekly volume of buses that were scheduled to utilize the busway. If GO Transit agrees with the cost share, the proportional annual cost share for York Region

reduces from \$80,000 to \$75,000 for the capital cost and from \$27,000 to \$25,000 for the operating cost.

The Region will continue with the lease payments for the capital cost of the busway and share of maintenance costs until the University subway line is extended and opened to the university. The Region reserves the right to terminate use of the rapidway prior to the opening of the subway extension. The operating and capital lease payments would also be discontinued at that time. The subway line extension is scheduled to open in late 2015.

Subject to Council approval, Viva service is scheduled to start utilizing the last remaining link of the busway in July 2012. Monthly lease payments for the capital cost recovery would commence at that time and total approximately \$40,000 for the balance of the year. There is sufficient funding in the 2012 Business Plan and Budget to accommodate this price adjustment.

6. LOCAL MUNICIPAL IMPACT

Continued use of the York University busway will benefit the customers travelling on Viva orange by reducing the travel time between York University and the Downsview Subway station and destinations in York Region.

7. CONCLUSION

It is recommended that the Region amend its existing agreement with the City of Toronto to include the recovery of capital costs by the City of Toronto.

The proposed agreement amendment for operation on the entire length of the York University busway will further improve travel time savings for transit customers and continue to be a net cost savings for the Region.

For more information on this report, please contact Rick Takagi, Manager of Capital Assets at Ext. 5624.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)

(YORK UNIVERSITY BUSWAY) VIVA ORANGE ROUTING - DOWNSVIEW STATION TO YORK UNIVERSITY

