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SUBWAY EXTENSION TO VAUGHAN CORPORATE CENTRE – RESOURCE REQUIREMENTS

The Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendations contained in the following report, June 1, 2007, from the Chief Administrative Officer and the Vice-President, York Region Rapid Transit Corporation:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve a total of seven new FTEs (three required immediately and four required once the project work plan is more fully defined) to carry out work needed for the subway extension project, subject to completion of the operating and ownership Memorandum of Understanding.
2. Staff from York Region work with the TTC to complete a work plan outlining key deliverables and resource requirements and that this work plan be reviewed by an independent engineer.

2. PURPOSE

The purpose of this report is to outline resource requirements associated with the subway extension to the Vaughan Corporate Centre and seek authority for expenditures on staff and/or consulting resources.

3. BACKGROUND

3.1 York Region's Role in Subway Extension Project

3.1.1 Operating Agreement

On April 19, 2007, Regional Council approved in principle an arrangement for operation of the subway extension within York Region, as outlined in the report entitled *Subway Extension to Vaughan Corporate Centre – Operating Agreement Update*. Under the terms of this agreement, York Region would contribute to the initial capital cost while the Toronto Transit Commission (TTC) would own and operate the subway expansion in York Region.

The TTC would bear all operating risks, revenues and costs, including future capital rehabilitation and replacement costs. York Region would control transit-oriented development and retain all development and air rights at subway stations, with the

exception of those required for TTC operations (e.g. emergency shafts.) Terminals in York would also be the responsibility of York Region.

3.1.2 Capital Financing and Construction

Also on April 19, 2007, Regional Council approved York's participation in the subway extension project subject to some financial conditions, including direction to pursue equal one-third capital cost sharing with the Federal and Provincial governments. These recommendations were contained in the report entitled *Subway Extension to Vaughan Corporate Centre – Capital Financing and Construction Update*. Furthermore, Council also approved the recommended delivery model which included the TTC as project manager for sub-surface subway infrastructure.

3.1.3 Governance Model to Oversee Subway Construction

The *Capital Financing and Construction Update* report also outlined a governance model to oversee subway construction. This model is shown on Attachment 1 and has two distinct components:

- Surface - All surface facilities in York Region, such as transit terminals, parking, and transit-oriented development are to be developed and owned by York Region;
- Sub-surface - All sub-surface facilities, such as tunnels and station boxes are to be constructed and owned by the TTC.

To coordinate the development and integration of surface and sub-surface facilities, the governance model identified two staff-driven coordinating groups:

- The *Subway System Construction Task Force* is to be composed of senior staff from the City of Toronto, York Region and the TTC. The main role of this group is to provide due diligence and includes general project oversight, hiring and coordination of the owner's engineer, budget recommendations, management and financial control and approval of project delivery/procurement models.
- The *Joint Technical Coordinating Committee* is the staff team responsible for delivering the project. The committee's role is to monitor the overall project, coordinate property acquisition, integrate surface/sub-surface facilities and to support task force issue resolution. The TTC's primary role is to act as construction manager to deliver the below-grade project. York Region's primary responsibility is for delivering all surface facilities connecting with the subway. These activities include coordination with the City of Vaughan and property owners along the subway corridor to facilitate construction of the subway.

3.1.4 Role of York Region Rapid Transit Corporation in Subway Extension

In addition to delivering York Region's Viva bus rapid transit system, the York Region Rapid Transit Corporation (YRRTC) has also been accountable for delivering the approved environmental assessment (EA) for the subway extension in York Region. This EA work was part of the original work program undertaken by York Consortium 2002 (YC2002), its private sector partner.

In the spring of 2006, following the provincial announcement of subway funding, the rapid transit office in coordination with regional staff requested YC2002 to deliver a stand-alone work program to undertake work identified in the conditions of the EA for the subway. The work and associated costs were approved by Regional Council on June 22, 2006 as a stand-alone work program billed directly to York Region. This arrangement allowed the Region to ensure the ongoing technical input of YC2002 was brought to bear on the subway work while not implying or creating any rights associated with the final design, construction or operation of the subway as contemplated in the delivery of the balance of the regional rapid transit system.

4. ANALYSIS AND OPTIONS

4.1 Region's Role in Project Delivery

Even though the TTC is responsible for much of the work on this project (the sub-surface infrastructure), significant effort will still be required by the Region through YRRTC. York Region will be directly responsible for implementing all surface facilities related to the subway including bus terminals, parking lots, passenger pick-ups and drop-offs (PPUDOs) and pedestrian connections. These facilities comprise approximately \$100 million of the total project cost of \$796 million (excluding property cost and the one-time payment to the TTC.)

Some of the major activities for which Regional resources will be required include:

- Environmental Assessment
 - Provincial EA follow-up
 - Federal EA submission
- Project organization
 - assess and recommend capital delivery model
 - develop protocols for development approvals, budgeting, cost controls, financial reporting, work flow, design review
- Project management
 - develop detailed project schedule integrated with TTC
 - retain consultants for design, geotechnical, environmental property appraisal, etc.
 - provide reporting to Regional committees and Council and other project task forces and committees
- Legal
 - prepare agreements for funding, MOU, consultant work programs, use of Provincial lands, property owners, construction
- Stakeholder consultation
 - hold meetings with landowners, Vaughan Council, public meetings, other stakeholders (MTO, ORC, GO Transit, TRCA, HydroOne, Ministry of Public Infrastructure Renewal)
- Funding/cost controls

- o develop budgets
 - o negotiate federal funding agreement
 - o prepare subsidy submissions
 - o provide cost controls
 - o payment certification
- Preliminary and Detailed Design
 - o initiate preliminary design for surface facilities
 - o review TTC preliminary design for sub-surface facilities
- Utility coordination
 - o initiate meetings with utility owners (HydroOne, Powerstream, Vaughan, gas, cable)
 - o mapping of all utilities
- Property Acquisition
 - o assemble property acquisition team
 - o prepare property plans
 - o initiate negotiations with landowners and expropriations as necessary

With a project of this magnitude, it is important that adequate resources be engaged in order to minimize any potential risks to the Regional corporation.

4.2 Development of Work Plan

The major activities to be carried out are noted above. Development of a more detailed work plan is underway, which will outline project deliverables, resource requirements and costs for 2007 and 2008 activities. Regional staff will develop York Region requirements and will liaise with the TTC project manager to provide input into the consolidated project work plan. It is anticipated that costs for the work plan will be validated by an independent engineer.

As well, the mandate of the Subway System Construction Task Force will be further defined and protocols for this group will be established for issues such as governance, general administration and financial issues including budgeting, financial administration and subsidy claims.

4.3 Initial Resource Requirements

While a more detailed work plan is being developed, some immediate resources are required to carry out some of the activities noted in section 4.1. These resources are outlined in Table 1 below.

Table 1 Initial Resource Requirements

	Department	
Project Manager	YRRTC	1 FTE
Sr. Planner/Architect	YRRTC	1 FTE
Property Coordinator	Corporate Services	1 FTE

More details on the duties to be carried out by these resources are noted below.

Project Management – 1 FTE

One Project Manager is required to:

- Provide input into the Federal Environmental Assessment;
- Liaise with the TTC project management office on construction of sub-surface infrastructure;
- Coordinate with consultants and other York staff;
- Undertake design and construction of surface infrastructure within York Region, including commuter parking lots, bus terminals and passenger pick up and drop-off facilities; and
- Participate in the Federal funding agreement.

This position would be the lead for the subway extension project and would reside within the YRRTC.

Planning – 1 FTE

One full time equivalent is required to address planning support for surface development. This position would work closely with the Chief Architect of the YRRTC, and provide support for master planning, transit-oriented development, community consultation, Request for Proposal development, station and parking design and delivery. This position would also liaise with staff from the City of Vaughan on planning matters.

Property Coordination – 1 FTE

The equivalent of one position is required to negotiate with landowners and acquire property.

4.4 Additional Resource Requirements

Additional technical resources will be required as the project proceeds and the work plan is defined. In order to perform all of the activities outlined in Section 4.1, resources will be required in addition to the three FTEs needed immediately. Specifically, further engineering resources will be required for below grade coordination, EA compliance, utility coordination and surface delivery integration. The TTC project management office may need to second resources from York Region for activities such as utility relocation and coordination of road closures.

As well, additional resources may be required for financial administration, dependent on the mandate and decisions made regarding the administrative protocol of the Subway System Construction Oversight Task Force.

A total of four full time equivalents in addition to the initial three FTEs will be required to meet these needs. The specific positions and job descriptions will be identified once the work plan is developed.

4.5 Participation in RFP for Property Services with Toronto/TTC

Consulting resources will also be required to assist in property acquisition, specifically for business loss evaluation, negotiation and real estate appraisal services. The City of Toronto and TTC are issuing a Request for Proposals and have invited York to participate in this process. It is anticipated that this RFP would be issued by mid-June with proposals received in July.

It is recommended that York participate in the joint RFP process with Toronto and the TTC. This approach offers the advantage of enhancing coordination for the project as a whole and ensuring that York's needs are addressed given the relatively small number of providers of such services.

The cost of these services would be tracked separately for activities within Toronto and York Region. York Region's costs for property and property acquisition have been included in the capital cost estimates for the subway extension project.

5. FINANCIAL IMPLICATIONS

The total cost of initial staffing resources (Project Manager, Planner, Property Coordinator) is estimated at approximately \$340,000, based on salary and benefit costs for equivalent positions (based on April 2006 salaries). Hiring arrangements for these employees will reflect the funding arrangements with the federal and provincial agreements to ensure their eligibility for cost recovery.

The cost of the additional four FTEs is expected to be in the range of \$400,000, depending on job qualifications and hiring arrangements. The exact cost of these resources depends on specific job descriptions which will be developed at a later date once the detailed work plan is completed.

The Region has approved a capital expenditure budget for the subway extension project. The cost of resources requested in this report would be funded as part of the total subway project budget and subsidy will be sought on any eligible costs.

In general, staff resources are approximately half the cost of consultants. Furthermore, consultant resources would still require oversight by Regional staff and may not be empowered to make decisions on behalf of the Region in various situations. However, there may be specific activities or areas of expertise for which it would be desirable to hire a consultant. While it is envisioned that the seven FTEs requested would likely be Regional rapid transit staff, the terms of that employment will be made prior to recruitment based on discussions with our funding partners regarding recovery of wages.

6. LOCAL MUNICIPAL IMPACT

The resources outlined in this report are required to carry out work for the subway expansion into York Region. There are no specific local impacts from the resources requested in this report.

7. CONCLUSION

Efforts will be underway shortly to define the working of the Joint Task Force and to identify a work plan outlining activities required for the subway expansion into York Region. Resources are required by York Region to commence activities for this project.

The Senior Management Group has reviewed this report.

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