

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON OCTOBER 4, 2016</b>
<b>FROM:</b>	<b>JOHN BRAAM, P. ENG. MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>INFRASTRUCTURE CANADA – PHASE ONE INVESTMENTS PUBLIC TRANSIT INFRASTRUCTURE FUND</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, with the concurrence of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to the Public Transit Infrastructure Fund:

- (a) the list of projects set out in the report and approved London Transit Commission projects **BE SUPPORTED** for funding application to Phase 1 of the Infrastructure Canada Public Transit Infrastructure Fund;
- (b) Civic Administration **BE DIRECTED** to take all necessary steps to submit the City of London's application for funding in advance of the program deadline; and
- (c) the Federal Government **BE REQUESTED** to direct any remaining Phase 1 funding from the City's allocation to the implementation of the Shift Rapid Transit initiative in Phase 2 of the Public Transit Infrastructure Fund.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Civic Works Committee - June 19, 2012 - London 2030 Transportation Master Plan
- Civic Works Committee - October 7, 2013 - Transportation Infrastructure Gap
- Corporate Services Committee - December 10, 2013 - State of the Infrastructure Report 2013
- Corporate Services Committee - August 26, 2014 - Corporate Asset Management Plan 2014
- Budget 2015, Appendix F, Additional Investments Business Case #1 - Infrastructure Gap
- Corporate Services Committee – December 1, 2015 - Corporate Asset Management Plan 2015 Review
- Strategic Priorities and Policy Committee – May 5, 2016 - Shift Rapid Transit Business Case

## 2015-19 STRATEGIC PLAN

Municipal Council has recognized the importance of rapid transit and local transit, improved mobility and improving travel to other cities through better transportation connectivity specifically regional transit connections in its 2015-2019 - Strategic Plan for the City of London ([2015 – 2019 Strategic Plan](#)) as follows:

### **Strengthening Our Community**

- Healthy, safe, and accessible city

### **Building a Sustainable City**

- Robust infrastructure
- Convenient and connected mobility choices
- Strong and healthy environment
- Beautiful places and spaces
- Responsible growth

### **Growing our Economy**

- Local, regional, and global innovation
- Strategic, collaborative partnerships

### **Leading in Public Service**

- Collaborative, engaged leadership
- Excellent service delivery

## BACKGROUND

The Government of Canada's 2016 budget lays out a 10 year infrastructure plan worth nearly \$60 billion in new funding. This is in addition to significant existing investments from previous governments. Through the 2016 budget, Infrastructure Canada outlined a new program related to public transit infrastructure that will be delivered via the provinces and territories.

The purpose of this report is to seek City Council's support for the projects to be submitted for funding through Infrastructure Canada, *Laying the Foundation: Moving forward with Provinces and Territories on Phase 1 – Ontario*. Applications under this fund require support from City Council in advance of the October 18, 2016 application deadline

### Public Transit Infrastructure Fund (PTIF)

Canadian cities have been growing at a rapid rate, but investment in public transit has not kept pace. This has led to more traffic congestion, and long commutes that make it harder for people to get to work and for families to spend time together.

The gridlock that results has a serious financial impact—costing Canada's economy billions of dollars in lost productivity each year—and is damaging to the environment. To improve and expand public transit systems across Canada, Budget 2016 proposes to invest up to \$3.4 billion in public transit, starting in 2016–17. Funding will be provided through a new Public Transit Infrastructure Fund.

The PTIF supports investments that meet immediate public transit priorities including:

- i. Capital projects for the rehabilitation, optimization and modernization of public transit infrastructure, or that improve the efficiency, accessibility and/or safety of public transit infrastructure (including rehabilitation or enhancement of existing guide ways, maintenance and storage facilities, transit stations or other public transit capital assets; refurbishment or replacement of existing rolling stock;

intelligent transportation systems and replacement or enhancement of transit stations);

- ii. Expenditures to support the asset management capacity of a public transit system;
- iii. Expenditures to support the design and planning for the expansion and improvements to public transit systems, including transportation demand management measures and studies and pilot projects related to innovative and transformative technologies; and
- iv. Projects for system expansion, which may include active transportation, if they can be completed within the program timeframe. Active transportation projects put forward must provide evidence of a linkage to public transit.

This included the accelerated design, implementation and construction work for new large-scale projects.

Further clarification was provided by the Ministry of Transportation following discussions with Infrastructure Canada (INFC) on a number of outstanding PTIF program elements.

- Eligible Costs - The PTIF program terms and conditions allow some flexibility for incurring eligible costs after the March 31, 2018 program deadline, based on a demonstrated need. As such, INFC has advised that the federal government will reimburse costs incurred up to March 31, 2019 to a maximum of 25 percent of the provincial allocation. Therefore, as part of the program intake process, each eligible PTIF recipient may submit project(s) that represent up to 25 percent of their total allocation that extend to March 31, 2019 and a concrete demonstrated need/rationale must be provided.
- Bus Purchases/Orders - INFC has advised that completeness, in regards to the purchase of buses, refers to the date of the invoice (which may or may not come with delivery). Ideally, this is when the vehicle is delivered, presuming that is when the invoice is dated. As such, the invoice is evidence of a potential recipient's obligation to pay.
- Federal Gas Tax Funds - Federal Gas Tax funds cannot be used towards municipalities 50% project cost contribution however planned municipal projects that have not yet begun but were initially to be supported through Federal Gas Tax funds may be replaced with PTIF funding, so Federal Gas Tax funds can support other projects. Provincial Gas Tax Program funding can be utilized by successful PTIF recipients towards the municipalities 50% project cost contribution.

#### City of London's PTIF Allocation

Specific to the PTIF Phase I funding in Ontario, the \$1.487 billion will be distributed to between the Ontario municipalities based on the following:

- A base amount of \$50,000; and
- An amount based on the ratio of total ridership of the potential Recipient, to the sum of total ridership for all of the potential Recipients.

Allocations have been calculated and it is confirmed that the City of London will be eligible to receive an allocation of \$38,326,909 in federal funding (total project costs of \$76,653,818).

The provision of PTIF funds is governed by a bilateral agreement between the Government of Canada and the Government of Ontario (“Bilateral Agreement”). The parameters with respect to utilizing the funding allocated to each transit system have also been confirmed and are set out below:

- Projects eligible for this funding must be incremental in nature (i.e. not programs that have been budgeted for);
- Project costs can be incurred beginning April 1, 2016;
- Projects must be completed by March 31, 2018;
- Federal funding can cover up to 50% of eligible projects; and
- Eligible projects include those that would not otherwise have taken place in 2016-17 or 2017-18 and/or those that would not otherwise have been undertaken without federal funding.

Ineligible costs includes land acquisition; leasing land, buildings and other facilities; leasing equipment other than equipment directly related to the construction of the project; real estate fees and related costs.

Now that the agreement with the Province is finalized, transit systems/municipalities will identify projects that contribute to the program objectives, and submit a list of the projects to Infrastructure Canada for approval. The Province will be responsible for the distribution of the funds, the collection of results and any audit requirements as may be set out in the agreement.

The Civic Administration is working with the London Transit Commission administration to identify programs that may qualify under the funding parameters, and will be able to be completed by the March 31, 2018 deadline.

The identification of programs that will fit within the identified parameters may prove to be challenging given the recent move to multi-year budget approval coupled with the general overall state of good repair of transit infrastructure and asset management processes that identify and schedule needed projects. The parameters associated with the Phase II funding are in the discussion stage, noting it is anticipated that they will be finalized by the end of the year.

### Shift Rapid Transit

The Shift Rapid Transit Business Case for a Full Bus Rapid Transit Network Alternative was approved by Council on May 31, 2016. It has since been submitted to the Provincial and Federal Governments for review, comment and approval for funding.

The next steps include the completion of the Environmental Assessment process. Council approved the expansion of the consulting assignment to include the completion of the Rapid Transit Environmental Assessment for the north and east corridors and a modified scope of work for the overall project in August. The remainder of the assignment, as well as all eligible costs since April 1 of 2016 amounts to approximately \$3 M and will be put forward for Phase 1 funding.

In addition, the detail design for a portions of the system could be completed prior to the extended Phase 1 completion date of March 31, 2019. The sections of the BRT on Wellington Street from the south terminus to Baseline Road and Oxford Street

West are scheduled as the initial implementation phases (subject to EA approval) and a funding request of \$8 M for detailed engineering will be put forward for Phase 1 Funding.

### Dundas Place Transit Improvements

The Dundas Place project aims to improve active transportation in the downtown through the creation of a street that prioritizes active transportation with strategic links to local transit and rapid transit in the downtown. The project has been identified with a cost estimate representing the future value of expenditures on the project and assuming the extended eligible cost deadline of March 31, 2019. Incorporation in the PTIF program would enable the addition of project scope to greatly enhance the project.

At the Municipal Council meeting held on September 13, 2016 resolved:

That the following actions be taken with respect to local public transit:

- a) the Civic Administration BE DIRECTED to work with the London Transit Commission to move the existing bus routes on the Downtown core section of Dundas Street by September 2017; and,
- b) the Civic Administration BE DIRECTED to explore the opportunity for including the capital costs of the additional buses as a Project Funding Request to the Phase 1 intake of the Public Transit Infrastructure Fund;

A transit funding request of \$2.0 M has been put forward for the purchase of 3 vehicles, outfitting the vehicles and the required infrastructure improvements needed to move the bus stops onto the new routes.

### List of Projects

A detailed listing of potential city projects and associated preliminary estimated costs for the Public Transit Infrastructure Fund are identified in Appendix A.

The following provides a summary of the projects, associated costs and financial implications that are City led. The London Transit Commission will be putting forward a listing of projects that meet the eligibility criteria at their September 28<sup>th</sup> meeting.

Project	Total Cost
Shift Rapid Transit EA	\$3,000,000
Shift Rapid Transit Engineering (South and West Corridors) *	\$8,000,000
Downtown Transit Improvements – Dundas Place	\$2,000,000
Dundas Place Implementation *	\$16,000,000
New Accessible Transit Pads & Warranted Sidewalks	\$2,000,000
Acceleration of Pedestrian Crossover Program	\$690,000
VMP Park and Ride Lot Expansion	\$140,000
Kiwanis Park Pathway Connection	\$1,720,000
Downtown Cycle Tracks	\$2,150,000
Bicycle Lane/Sidewalk Improvement on Wonderland Rd and Byron Baseline Transit Routes	\$1,750,000
Separated Bicycle Lane Renewal on Wonderland Road, Fanshawe Park Road and Adelaide Street Transit Routes	\$1,290,000
Active Transportation and Transit Components on Bradley Road	\$500,000

West extension from Wonderland Road to Wharncliffe Road South	
Field Marshall Wolseley (Quebec St) Bridge Sidewalk and Bicycle Lane Improvements	\$190,000
Blackfriars Bridge Rehabilitation Active Transportation *	\$1,500,000
Feasibility Study for a Downtown Transportation Alliance	\$150,000
Neighbourhood Bike Parking Infrastructure Preliminary Concepts	\$50,000
Bike Parking Facility (Near downtown Bus Rapid Transit Station)	\$120,000
Audible Pedestrian Signal Upgrades	\$390,000
Pedestrian Countdown Signal Heads	\$310,000
Bicycle Detection Improvements	\$100,000
Old East Village Rapid Transit Route Parking Lot Improvements	\$1,300,000
Thames Valley Parkway – South Branch Improvements	\$1,000,000
Springbank Park – Thames Valley Parkway & Road Upgrades	\$750,000
Stoney Creek Pathway System – Bridge Improvements	\$600,000

*\* project assumes an extension of the eligible cost completion date*

The estimated total project cost for City led projects is approximately \$45.7 M. The estimated total cost of London Transit Commission projects is \$27 M, subject to approval at their next meeting. Civic administration will be working with provincial and federal officials to establish flexibility on those projects that will require an extension of the March 31, 2018 target deadline.

#### Next Steps

As one submission is required per municipality, Civic Administration will take the lead on working with the Province and the administration at the London Transit Commission to complete the application forms, letters of support, and budgets for the projects identified in order to meet the October 18, 2016 deadline date and the requirements laid out by the Province. Subsequently, Civic Administration will seek City Council approval of a Contribution Agreement for successful City of London applications.

#### Project Resources

Phase 1 is the beginning of an unprecedented 10 year multi-level government infrastructure program. All work is to be incremental to previous capital spending plans, meaning more and accelerated spending. Meeting time lines and volume of work will require additional staff time that is not possible with available resources. Civic Administration will be evaluating the commitments and delivery models to make resource recommendations and structures in a future report.

#### Project Delivery Mechanisms and Approvals

When faced with accelerated spending programs in the past, the City has adopted alternative purchasing practices to speed up work delivery in order to meet funding expenditure deadlines. Examples: large change orders that add work to existing contracts; allowing higher values of contracts that can be approved by Civic Administration; and, higher values for direct purchasing. Council can expect similar recommendations as part of individual project delivery plans.

## CONCLUSION

This report recommends that the City of London submit an application to *Laying the Foundation: Moving forward with Provinces and Territories on Phase 1 – Ontario* - specifically investing in public transit projects that help our strategic focus area of *Building a Sustainable City*.

The implementation of the City led project, in combination with the operational asset improvements led by the London Transit Commission, will provide considerable improvements to the delivery of transit within the City.

The implementation of the the Phase 1 program improvements is a challenge given identified program parameters and the general overall state of good repair of transit infrastructure. A number of the projects identified are beyond the March 31, 2018 completion date and Civic Administration will be working with provincial and federal officials to establish flexibility on those projects that will require an extension of the 2018 target deadline.

While the parameters associated with the Phase II funding are in the discussion stage and are anticipated to be finalized by the end of the year, any remaining funding from the Phase 1 allocation should be redirected to the implementation of the Shift Rapid Transit initiative in Phase 2 of the Public Transit Infrastructure Fund.

### Acknowledgements

This report was prepared with the project inputs from staff in the Transportation Planning & Design, Finance, Environmental Programs, Environmental and Parks Planning Divisions as well as input and support from Kelly Paleczny, General Manager, London Transit Commission.

<b>SUBMITTED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>EDWARD SOLDO, P.ENG. DIRECTOR, ROADS AND TRANSPORTATION</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>RECOMMENDED BY:</b>	
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