

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON OCTOBER 24, 2017
FROM:	KELLY SCHERR, P. ENG, MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	PUBLIC TRANSIT INFRASTRUCTURE FUND PROJECT MODIFICATIONS

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer the following actions **BE TAKEN**:

- (a) The list of project values being revised under Public Transit Infrastructure Fund (PTIF) Phase One **BE RECEIVED** for information; and,
- (b) The Civic Administration **BE AUTHORIZED** to adjust the Multi-Year Capital Budget to reflect the approved PTIF modifications.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- October 4, 2016 – Report to Civic Works Committee – Infrastructure Canada – Phase One Investments – Public Transit Infrastructure Fund.
- May 24, 2017 – Report to Civic Works Committee – Infrastructure Canada – Phase One Investments – Public Transit Infrastructure Fund – Approved Projects.

2015-19 STRATEGIC PLAN

The following report supports the Strategic Plan through the strategic focus area of Building a Sustainable City by implementing and enhancing safe mobility choices for cyclist, pedestrians, transit users and drivers through the provision of complete streets, connected pathways and enhanced transit services.

BACKGROUND

Purpose

The purpose of this report is to inform Council about the additional Public Transit Infrastructure Fund (PTIF) funding recently approved by the Provincial Government on behalf of the Government of Canada and to request authorization for staff to adjust the Multi-Year Capital Budget to reflect the approved project modification request.

DISCUSSION

Phase one investments that were approved as part of the Public Transit Infrastructure Fund (PTIF) program were included in a report to Civic Works Committee on May 24, 2017. This report also indicated that a project modification request was submitted by the City to retain London's full PTIF allocation. At that time, those projects were under Infrastructure Canada review.

The project modification request was subsequently approved in July 2017. Three project values were modified in the approved project modification request. The details of these projects are identified below.

LON-002 The Shift Rapid Transit Engineering project was previously approved under PTIF for \$11.9 million of capital works with PTIF funding representing 50% or \$5.9 million. This project is the advancement of further engineering studies and design for the rapid transit initiative. Engineering studies will include risk assessment, design of stations, field investigations and detail design of corridors. The project now also includes the implementation of a potential quick start rapid transit program and initial construction/utility relocation to utilize available PTIF funding. The project completion date was extended to March 31, 2019 due to the magnitude of construction, as allowed for under the PTIF program. This project was approved for additional capital works under the PTIF program of \$2.4 million plus the transfer of \$510,000 capital works from the reduced projects (see below), for a total increase of \$2.9 million.

LON-009 The PTIF project to construct cycle tracks on Queens Avenue and Colborne Street was modified to remove Queens Avenue from the project in coordination with the Shift Rapid Transit approved downtown routing. \$400 thousand of capital works under the PTIF program was transferred from this project to the Shift Rapid Transit project (LON-002).

LON-056 This PTIF project involves the installation of pedestrian countdown signal heads at 60 signalized intersections. Pedestrian countdown signals assist pedestrians utilizing active mobility infrastructure. Improved pedestrian crossings at signalized intersections improves access to sixty six transit stops. Project management controls and favourable tendering has resulted in a reduced cost for this project. \$110 thousand of capital works under the PTIF program was transferred from this project to the Shift Rapid Transit project (LON-002).

FINANCIAL IMPACT

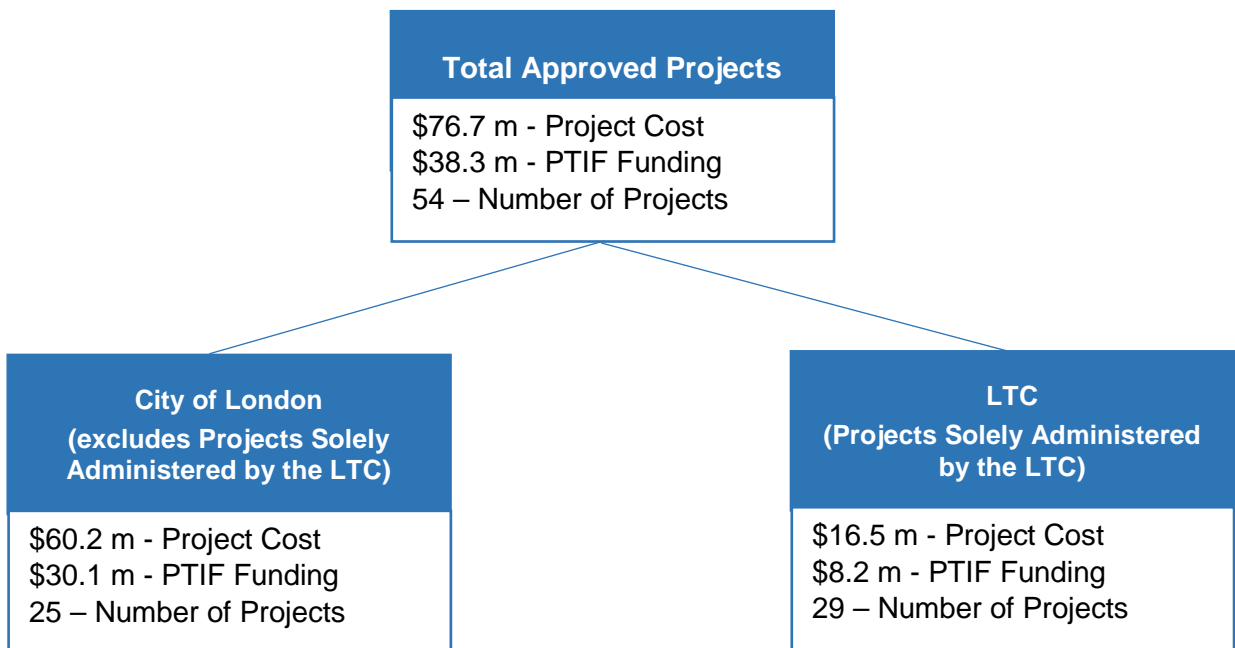
The PTIF funding formula initially identified a potential program size of \$76.7 million of capital works for London. The City of London PTIF application included 61 projects of which 54 were approved with capital works totalling \$74.3 million with PTIF funding representing 50% or \$37.2 million. The recently approved project modifications result in \$2.4 million of additional capital works. As a result, the total City of London PTIF program size has been increased to \$76.7 million, with PTIF funding reaching the maximum eligible amount of \$38.3 million (Table 1). These projects are being delivered by the City of London and London Transit Commission (Exhibit 1).

Table 1

Project ID	Project Title	Originally Approved PTIF Capital Works	Modifications	Revised PTIF Capital Works
LON-002	Shift Rapid Transit Engineering	\$11,885,818	\$2,865,000	\$14,750,818
LON-009	Construct New Downtown Cycle Tracks	\$2,150,000	(\$400,000)	\$1,750,000
LON-056	Installation of 60 Pedestrian Countdown Signal Heads	\$310,000	(\$110,000)	\$200,000
Various	All remaining PTIF projects	\$59,953,000	-	\$59,953,000
TOTAL CAPITAL WORKS		\$74,298,818	\$2,355,000	\$76,653,818
PTIF FUNDING ¹		\$37,149,409	\$1,177,500	\$38,326,909

1) PTIF funding represents 50% of approved capital works.

Exhibit 1



The 2016-2019 multi-year capital budget will need to be decreased by \$255 thousand in order to account for the recently approved PTIF modifications (Table 2). This will result in a revised 2016-2019 multi-year budget of \$917.5 million. The \$255 thousand decrease in authorized but unissued debt relates to the City's portion of the budget reductions in LON-009 and LON-056. The remaining 50% or \$255 thousand is PTIF funding that was already approved during Phase One and will be transferred to LON-002 resulting in no net impact to the capital plan. The matching 50% from the City (\$255,000) is already approved in the Shift Rapid Transit project supporting LON-002.

In addition, the new PTIF funding of \$1.2 million resulting from the project modifications will be offset by a reduction in senior government funding, noting that as the City secures senior government funding a corresponding offset is required.

Table 2

Expenditure / Funding Source	2016-2019 (\$ millions)		
	Approved ¹	Adjustment	Revised
EXPENDITURE			
Total Expenditure	917.8	(0.3)	917.5
SOURCE OF FINANCING			
Tax Supported			
Capital Levy	153.6		153.6
Debenture ²	121.1	(0.3)	120.8
Reserve Fund & Other	108.3		108.3
Sub-total Tax Supported	383.0	(0.3)	382.7
Non-Tax Supported			
Development Charges Debenture/Reserve Fund	255.5		255.5
Federal Gas Tax	57.6		57.6
Senior Government ³	171.9	(1.2)	170.7
Public Transit Infrastructure Funding ⁴	28.9	1.2	30.1
Provincial Grants / Other	20.9		20.9
Sub-total Non-Tax Supported	534.8	(0.0)	534.8
Total Sources of Financing	917.8	(0.3)	917.5

1) Represents the capital budget approved during the 2017 Annual Update on December 6, 2016 and adjustments related to PTIF Phase One projects.

2) As a result of the total reduction of \$510 thousand for LON009 and LON056, half will be used to cancel authorized, but unissued debt with the remaining half (PTIF funding) transferred to LON002.

3) Adjustment required to account for PTIF funding commitment.

4) As a result of the recently approved PTIF modifications, the City will benefit from an additional \$1.2 million in new PTIF funding.

CONCLUSION

The City of London was initially approved for \$74.3 million of projects under the PTIF Phase One. The complete list of projects was previously provided. Three projects with approved scope changes result in a net increase of \$2.4 million to total PTIF approved funding. With the revisions to the three projects, the overall total mobilizes 100% of the approved maximum funding value. This report notifies Council of the increased PTIF funding and requests authorization to adjust the Multi-Year Capital Budget to reflect the newly approved funding.

Acknowledgements

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