

Rapid Transit Decoupled Projects: Benefit/Cost Ratios

On March 12, 2019, the Honourable Jeff Yurek, Minister of Transportation provided a letter to Mayor Holder which outlined his guidance and recommendations for submitting projects to the Province for funding consideration. Specifically, Minister Yurek recommended that the City of London submit “individual projects with standalone business cases in priority sequence.” Given the short timeframe for the review and approval of projects, this would allow the province to review each project in a timely manner while allowing for submissions of projects requiring additional time for development to be reviewed as they are prepared.

Staff have been working diligently with IBI, the Rapid Transit Consultant (who has been working through this weekend) to develop business cases for each of the individual components of the plan. The benefit/cost ratios, which are a critical component of the business case, are now available in draft form. For reference purposes, the benefit/cost ratio for the entire system is 1.18.

The benefit/cost ratios for each of the corridors are individually lower than the system as a whole as there is a decrease in network wide efficiencies. The individual benefit/cost ratios range between 0.5 and 1.0, noting that some of the numbers are not yet finalized. The work on the West and North Connections is still underway and is expected to be completed shortly. Combining any of the legs will result in a comparatively improved benefit/cost ratio due to the increased network efficiencies. The table below summarizes the draft calculations to date:

Table 1 Draft Benefit to Cost Ratios for decoupled Rapid Transit Projects

Project	Benefit/Cost Ratio
Downtown Loop	1.0
East London Link	0.5
Wellington Road Gateway	0.6
North Connection	0.5-0.75
West Connection	0.5-0.75

The work to finalize these calculations is currently underway and is expected to be completed by the submission deadline of March 31, 2019.

Project #	Category	Project Description	IN	OUT	Project Cost (\$ Millions)	Source of Financing		Note if Applicable
						PTIS	Municipal Contribution	
1	Transit	Downtown Loop			\$ 28.5	\$ 21.1	\$ 7.4	Component of original BRT capital budget.
2	Transit	Wellington Road Gateway			\$ 131.8	\$ 97.5	\$ 34.3	Component of original BRT capital budget.
3	Transit	East London Link			\$ 120.2	\$ 88.9	\$ 31.3	Component of original BRT capital budget.
4	Transit	North Connection			\$ 147.3	\$ 109.0	\$ 38.3	Component of original BRT capital budget.
5	Transit	West Connection			\$ 72.2	\$ 53.4	\$ 18.8	Component of original BRT capital budget.
6	Transit	Intelligent Traffic Signals (TIMMS)			\$ 28.0	\$ 20.7	\$ 7.3	Dependent upon projects 1 to 5. No funding approved in capital plan other than \$15M from BRT. Planned for inclusion in 2020 Multi-Year Budget.
7	Transit	Expansion Buses			\$ 25.2	\$ 18.6	\$ 6.6	Dependent upon projects 2 to 5.
8	Transit	On-Board Information System			\$ 5.0	\$ 3.7	\$ 1.3	New, not in current capital plan.
9	Transit	Bus Stop Amenities			\$ 1.1	\$ 0.8	\$ 0.3	New, not in current capital plan.
10	Transit Supportive	Pedestrian Street Connectivity Improvements to the Transit Network.			\$ 21.8	\$ 16.1	\$ 5.7	
11	Transit Supportive	New Sidewalks			\$ 11.1	\$ 8.2	\$ 2.9	
12	Transit Supportive	Adelaide Street Underpass Active Transportation Connection			\$ 18.9	\$ 11.8	\$ 7.1	\$3M of estimated land costs assumed ineligible for PTIS funding.
13	Transit Supportive	Active transportation improvements across transit route bridges			\$ 31.4	\$ 23.3	\$ 8.1	Dependent upon project 5.
14	Transit Supportive	Dundas Place Thames Valley Parkway Active Transportation Connection			\$ 4.0	\$ 3.0	\$ 1.0	
15	Transit Supportive	Dundas Street Old East Village Streetscape Improvements			\$ 8.2	\$ 6.1	\$ 2.1	
16	Transit Supportive	Oxford Street/Wharnclyffe Road Intersection Improvements			\$ 17.8	\$ 6.5	\$ 11.3	\$9M of estimated land costs assumed ineligible for PTIS funding.
17	Transit Supportive	Cycling Routes Connecting to Downtown Transit			\$ 7.7	\$ 5.7	\$ 2.0	
18	Transit Supportive	Cycling Routes Connecting to Transit throughout the City			\$ 38.7	\$ 28.6	\$ 10.1	
19	Transit Supportive	Enhanced Bike Parking			\$ 4.0	\$ 3.0	\$ 1.0	

Amounts Subject to Rounding