



LONDON CITY OF OPPORTUNITY

Bus Rapid Transit (BRT)

Financing



LONDON

THE CITY OF
OPPORTUNITY

Where does BRT fit

Plan

- Transportation Master Plan support

Business Case

- Business Case (economic, environmental, societal benefits) is supportive of gaining Federal , Provincial and Municipal investment

Budget/ Implement

- DC Background Study
- City of London Ten year capital plan/budget
- Start with BRT “Light” and implement over a long period to allow intensification to take effect



LONDON

THE CITY OF
OPPORTUNITY

Costing

- Capital Cost:
 - Total Project Capital Cost currently estimated at \$378.7 million (needs to be refined to be budget ready) & includes:
 - Project Management and Consulting
 - Studies
 - Transit Priority Measures (e.g. Transit Signal Priority)
 - Transit Fleet
 - Roads (Land acquisition, Engineering and Construction)
 - Project timing is 2013 through 2025
 - KEY ASSUMPTIONS:
 - REQUIRES at least matching funding from both the Provincial and Federal Governments for the City of London TO PROCEED (approximately \$234.1 million)
 - REQUIRES City Council to endorse \$378.7 million in capital expenditures from 2013 – 2025 for BRT. [DC portion of funding is unknown pending conclusion of 2014 DC background study]



Costing (continued)

- Operating Cost:
 - Total operating costs will ramp up slowly as service ramps up from BRT “Light” implemented \$0.35 million based on 6,000 operating hours less user revenue of \$0.14 million for an annual net budget impact of \$0.21 million (reflected in LTC 2013 operating budget)
 - The Business Case, will provide greater clarity as to operating cost requirements
 - KEY ASSUMPTIONS:
 - REQUIRES City Council to endorse \$0.9 million in LTC operating funding by 2019; and increased debt service costs of up to \$17.2 million by 2026 (note the latter will be reduced to zero by 2036)

LONDON

THE CITY OF
OPPORTUNITY

Timing/Budgets

Expenditures:

in \$ millions
(rounding)

	Total	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital														
Roads	236.6	0.4	0.4	0.4	0.4	5.0	5.0	40.0	40.0	40.0	40.0	40.0	20.0	5.0
Transit	52.4	1.0	1.4	2.1	1.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	2.5
Other	89.7	0.1	1.5	1.4	5.2	12.9	20.1	17.0	6.0	0.1	0.1	-	11.9	13.4
Total	378.7	1.5	3.3	3.9	7.0	23.4	30.6	62.5	51.5	45.6	45.6	45.5	37.4	20.9
Annual Incr. Service hrs./yr		6,000	6,000	6,000	6,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Operating														
Transit	8.9	0.2	0.2	0.3	0.3	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Debt Service*	64.7	-	-	-	0.1	0.4	1.4	2.6	5.2	7.3	9.1	11.0	12.9	14.7
Total	73.6	0.2	0.2	0.3	0.4	1.2	2.2	3.5	6.1	8.2	10.0	11.9	13.8	15.6

Timing/Budgets (Continued)

Source of Funding (Assumed):

in \$ millions (rounding)	Total	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital														
LTC RF	3.4	1.5	1.0	0.5	0.4									
DC	0.5		0.5											
City Debt	140.7			1.1	2.0	7.8	10.2	20.9	17.1	15.2	15.2	15.1	15.2	20.9
Province	119.1		1.8	2.3	2.3	7.8	10.2	20.8	17.2	15.2	15.2	15.2	11.1	-
Federal	115.0				2.3	7.8	10.2	20.8	17.2	15.2	15.2	15.2	11.1	-
Total	378.7	1.5	3.3	3.9	7.0	23.4	30.6	62.5	51.5	45.6	45.6	45.5	37.4	20.9



LONDON

THE CITY OF
OPPORTUNITY

Funding Alternatives

- Obtain Federal and Provincial Funding of at least 2/3
- Use existing funding from some of the roads projects and reprioritize existing capital plan (especially in early years)
- Consider private sector support (businesses that benefit pay a supplement)
- Consider surcharge on the service to end users (could impact revenue)
- Explore DC for growth portions (could be offset by grants if not dedicated)
- Increased ridership = increased revenue and potentially more Provincial Gas Tax
- If nodes and corridors develop intensification (new assessment), explore using that assessment to help fund the plan
- Repurpose existing corridors without expansion
- Sale of assets (need to identify) or consider a tax levy increase