



**For Action
with Confidential Attachment**

Bloor-Yonge Capacity Improvements – Early Works Property Acquisition Authorization

Date: October 22, 2020
To: TTC Board
From: Chief Capital Officer

Reason for Confidential Information

This report is about a proposed or pending land acquisition or disposition of land for municipal or local board purposes.

Summary

The Bloor-Yonge Capacity Improvement project (“BYCI”) is a critical component of addressing capacity constraints on Line 1. The projected growth in the City of Toronto and surrounding jurisdictions, planned transit expansion programs as well as the expected higher density in the area will impact Bloor-Yonge Station. The station Pre COVID experienced the following issues:

- Overcrowding of the Line 2 platform due to substandard platform width and congested vertical circulation in the AM and PM peak hours
- Overcrowding of the Line 1 platforms due to poor passenger distribution leading to congestion and queuing at vertical circulation in the AM and PM peak hour
- Overcrowding of Lines 1 and 2 platforms AM and PM peak hour hampering alighting and boarding leading to the increase in dwell time for trains.

Post COVID projected ridership growth will increase the current deficiencies in station performance.

Even with the implementation of the Ontario Line, capacity improvement is required before the Line 1 extension to Richmond Hill is in service. The recommended approach to address the Post COVID expected ridership growth involves the following scope:

- New 2nd platform Line 2 (Eastbound)
- Expansion of Line 1 NB and SB platforms
- New substation
- 5 new fan plants
- Vertical circulation elements: escalators, elevators, stairs
- New entrance and fare line
- Associated utilities and finishes

Given that the Bloor-Yonge Capacity Improvement project is a critical prerequisite to enabling increased transit capacity and expansion, all three orders of government

deemed this a priority project with commitments to funding the \$1.5 billion cost. \$500 million approved by City Council in February, 2020 in TTC's 10-year Capital Plan secures the City of Toronto's share, funded through the increased tax levy dedicated to the City Building Fund. This allows the TTC begin work while awaiting the balance from the provincial and federal funding partners.

The BYCI project is progressing towards Stage Gate 3 which will establish the baseline project performance criteria including scope, cost, schedule, risk, packaging, procurement method and updated business case.

Discussions with adjacent property owners/developers commenced in 2019 and continue. The current design has been integrated with developers' plans and construction staging and phasing is currently being planned. A Class 4 cost estimate is being finalized along with a Level 2 project schedule. In addition, a third party has been retained to complete a procurement options analysis including a comprehensive risk assessment and market sounding to determine the optimum project delivery method.

Upcoming Milestones

- Q2/Q3 2021: The baseline project performance criteria including scope, cost, schedule, risk, packaging, procurement method and refined business case will be established (Stage Gate 3 in the TTC Stage-Gating Framework);
- 2022: Early Works;
- 2024: Start of the primary works in 2024; and
- 2029: opening of the new Line 2 platform before the Line 1 extension by Metrolinx/Infrastructure Ontario.

Property interests are required for the construction of a new permanent alternative station entrance, emergency egress and an electrical substation (the "Works") at Bloor-Yonge Station as part of the BYCI.

The Works are proposed to be proceeding in 2022, with the main BYCI project works scheduled to commence in 2024. This report pertains to the approval to acquire the property interests required for the Works. Staff anticipate bringing a report forward by Q3-2021 to request Board approval to acquire the remaining property interests for the BYCI project.

The majority of Bloor-Yonge Station will be expanded at 2 Bloor St. E. These lands are subject to a ground lease between the City of Toronto (Landlord) and Brookfield (Tenant). TTC requires amendments to the ground lease as the TTC will be expanding its station outside of its existing land rights. CreateTO will facilitate and project manage the required ground lease amendments on behalf of the City of Toronto. CreateTO requires up to \$1.5 million from the BYCI project budget for their efforts, which includes retaining lawyers, obtaining industry experts, financial evaluations and advice and performing public engagement. The TTC will recoup these costs through future CreateTO budget requests.

Recommendations

It is recommended that the TTC Board:

1. Approve the property acquisition recommendations set out in Attachment 1 – Confidential Information and maintain confidentiality of the information until such time as the agreement(s) are executed with all the property owners; and
2. Approve compensation to CreateTO for up to \$1.5 million from the approved BYCI project budget for their efforts to facilitate and project manage amendments to the existing ground lease at 2 Bloor St. E., including additional property rights required by the TTC; and amendments in a form acceptable to the TTC's General Counsel.

Financial Summary

On April 16, 2019, Toronto City Council (EX4.1) endorsed the Bloor-Yonge Capacity Improvement Project as a priority project under the City of Toronto's funding allocation of the Investing in Canada Infrastructure Plan (ICIP) Public Transit Infrastructure Fund (PTIF). Per the Preliminary Agreement between Toronto-Ontario (EX9.1), the Province committed to endorse the Project under the ICIP-PTIF2 program.

On August 26, 2019, the Government of Canada announced priority funding consideration would be given to the project and is setting aside \$0.5 billion in federal funding through the Public Transit Infrastructure Stream, subject to conditions being met, including final approval by the Treasury Board.

The total project cost for the Bloor-Yonge Capacity Improvements project is currently estimated at \$1.514 billion, with \$1.5 billion to be funded equally by the City of Toronto, the Province and the Federal government. City Council approved its funding share during the 2020 Budget process by allocating \$500 million in new funding from the City Building Fund in TTC's 2020-2029 Approved Capital Budget and Plan. The City's funding enables the TTC to begin the necessary planning and preparatory work for this project.

The estimated cost to acquire the properties required to complete the Early Works is provided in the Confidential Attachment.

CreateTO requires up to \$1.5 million for upfront costs associated with the facilitation and project management of amendments to the City of Toronto ground lease at 2 Bloor St. E. This is currently unbudgeted and CreateTO will include this cost in their 2021 budget submission. In the interim, the TTC will provide the required funding to CreateTO and once funding is approved, CreateTO will reimburse the TTC for these costs in 2021.

Sufficient funds for the recommended expenditures are available in the Bloor-Yonge Capacity Improvements project's 2020 Capital Budget and future year cashflows, \$21.4 million of the first \$500 million in secured funding being committed to date.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity/Accessibility Matters

The Bloor-Yonge Capacity Improvements project is being designed to be accessible in accordance with the Accessibility for Ontarians with Disabilities Act (AODA), 2005 as amended and the Ontario Building Code.

Decision History

On April 15, 2016, Contract S85-42 Bloor-Yonge Station Capacity Enhancement was awarded to AECOM Canada Ltd. for the upset limit amount of \$4 million. AECOM's scope of work has included the analysis of ridership and facilities at Bloor-Yonge Station, followed by the development of a preferred concept and preliminary design for the expansion of Bloor-Yonge Station.

In May 2017, City Council requested the TTC to report on the status of plans to expand Bloor-Yonge interchange station, including estimated costs, timelines and potential capacity added to Line 1. At that time, City Council also confirmed the expansion of the station as a priority project for Provincial and Federal Funding.

On April 11, 2019 the Board approved "Line 1 Capacity Requirements – Status Update and Preliminary Implementation Strategy", which outlined next steps to achieve capacity improvements and accommodate forecast demand on Line 1. The expansion of Bloor-Yonge Station was identified as one of the key components to address capacity of the subway system, which would accommodate passenger and transfer growth at that station.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/April 11/Reports/18 Line 1 Capacity Requirement and Preliminary Implementation.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/April%2011/Reports/18%20Line%201%20Capacity%20Requirement%20and%20Preliminary%20Implementation.pdf)

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¹ <https://www.canada.ca/en/office-infrastructure/news/2019/08/getting-torontonians-moving-making-crucial-investments-in-public-transit.html>

² <https://www.canada.ca/en/office-infrastructure/news/2019/08/backgrounder-getting-torontonians-moving-making-crucial-investments-in-public-transit.html>

On February 25, 2020, the Board authorized a contract amendment to AECOM for Contract S85-42 Bloor-Yonge Station Capacity Enhancement.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/February 25/Reports/5 Bloor Yonge Capacity Improvements Procurement Amendment Au.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/February%2025/Reports/5%20Bloor%20Yonge%20Capacity%20Improvements%20Procurement%20Amendment%20Au.pdf)

Issue Background

The BYCI project will include a modified main station entrance, a new alternative station entrance, emergency exits, fire ventilation systems, electrical substation facilities, platform extensions for Line 1 and Line 2 and a new eastbound platform for Line 2.

Bloor-Yonge Station must remain operational for the duration of the BYCI project. An alternative station entrance will be constructed prior to the reconstruction of the main station entrance, which allows the station to remain operational. The proposed electrical substation will increase load capacity and support the electrical demands for Bloor-Yonge Station. The additional emergency egress allows for timely and safe egress from Bloor-Yonge Station. The properties requiring acquisition for the above-noted alternative station entrance, electrical substation and emergency egress are described in the Confidential Attachment.

A majority of Bloor-Yonge Station will be expanded on/under 2 Bloor St. E., and are subject to a ground lease between the City of Toronto (Landlord) and Brookfield (Tenant)

CreateTO, on behalf of the City of Toronto (Landlord), will facilitate and project manage the amendments to the ground lease. CreateTO estimates it will require up to \$1.5 million for their efforts. These efforts/costs were unforeseen by CreateTO at the time of their previous budget cycle. The TTC requires the discussions and amendments to occur expeditiously to maintain project timelines, as further outline in the Confidential Attachment. TTC staff recommend that \$1.5 million be provided to CreateTO from the BYCI project budget on a cost-recovery basis. The TTC will be reimbursed for these costs through CreateTO's future budget requests.

Comments

The subject property acquisitions are required prior to the Works commencing in early 2022 and are described in the Confidential Attachment.

To maintain BYCI project timelines, a commitment of up to \$1.5 million from the TTC to CreateTO is required expeditiously to allow the amendments to the ground lease as further outlined in the Confidential Attachment.

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Signature

Gary Downie
Chief Capital Officer

Attachments

Confidential Attachment 1

SP#03078-31-448

Figure 1. Bloor-Yonge Station Context



Figure 2. Bloor-Yonge Station Site Plan

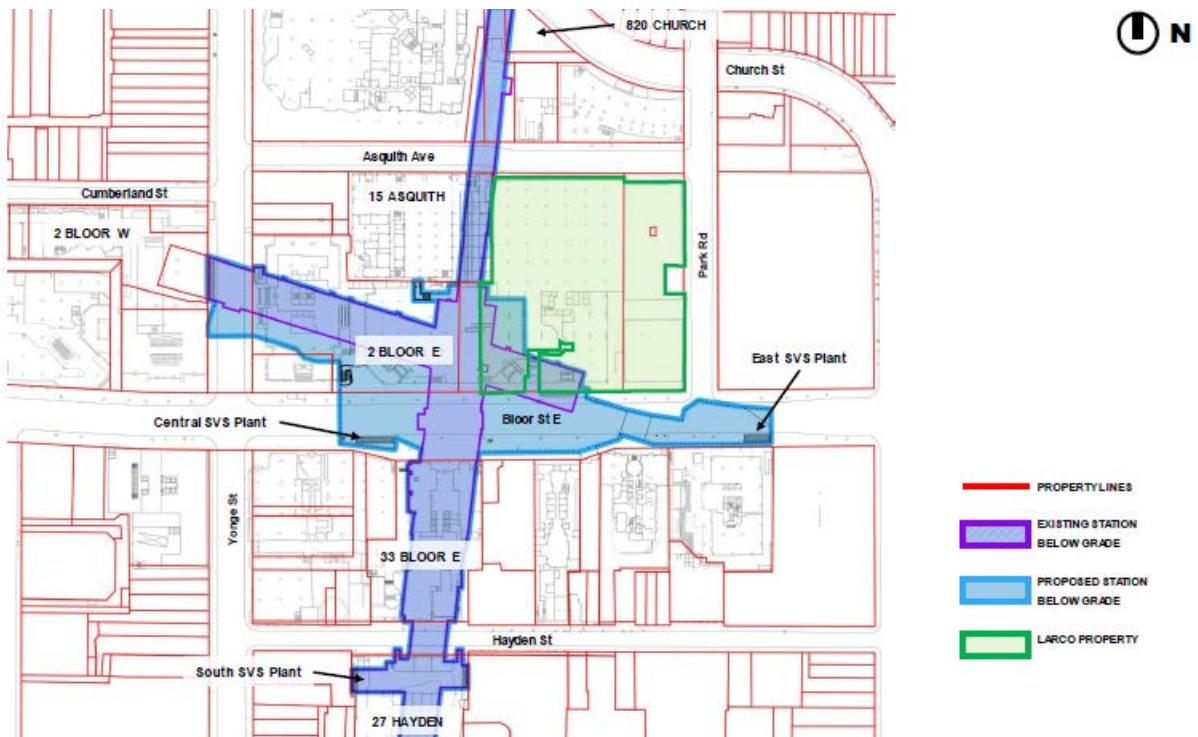


Figure 3. Line 2 Subway Platform Level

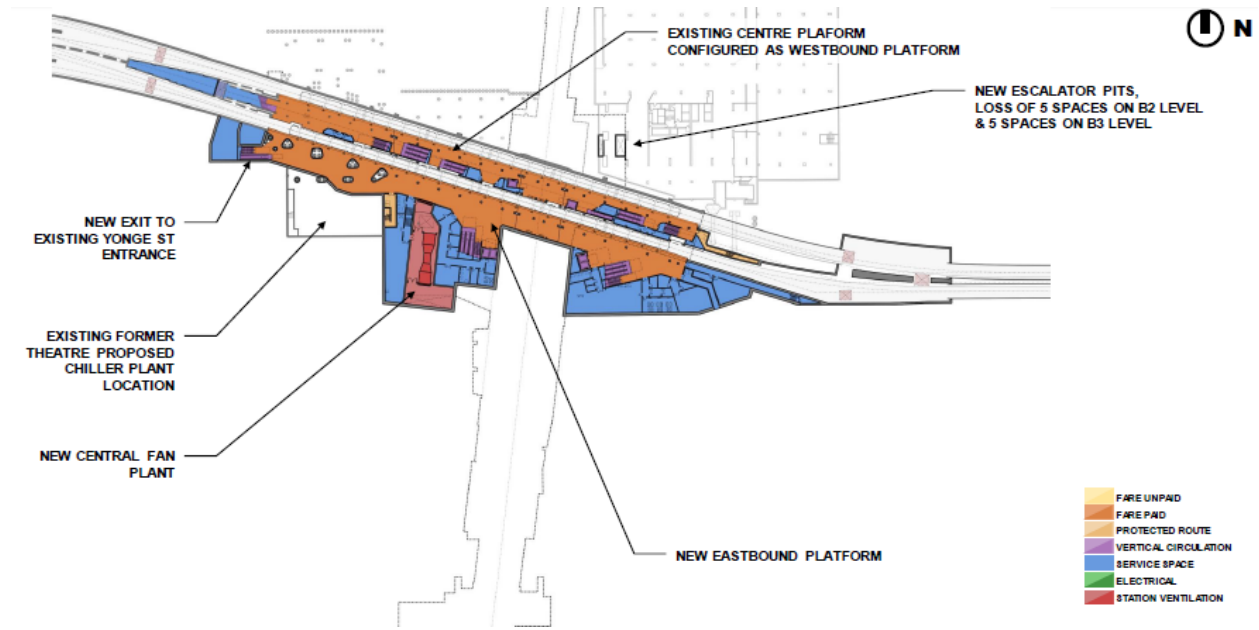


Figure 4. Line 1 Subway Platform Level

