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## **CITY HALL: New projects, more debt proposed in city capital budget**

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Public transit, bike lanes, roads and community centres will all get a boost in 2009 - and so will the city's debt - in Toronto's capital budget introduced by city officials Thursday afternoon.

Toronto's capital budget this year will total \$1.626 billion of the city's \$8-billion-plus total annual budget.

The capital budget covers new buildings, roads and equipment - so-called hard infrastructure. While the city can't borrow to cover its operating costs, it can to cover capital and this year it will be increasing its debt load by \$367 million.

But Mayor David Miller and budget chief Shelley Carroll said the debt load was reasonable - well under city targets, such that by 2013, staff are projecting the city won't take on any new debt.

"The proposed budget is \$99 million below the debt target for 2009 and meets our recommended debt targets over our capital plan," said Carroll, who represents Ward 33 (Don Valley East) on Toronto Council.

Miller, meanwhile, praised the budget, which covers Toronto's state-of-good-repair needs and will include some enhancements.

"It invests in state-of-good-repair programs but it also invests in the future," he said, pointing to a list of improvements, including \$173.193 million to deal with the backlog of road and bridge repairs and \$70 million to complete the city's bike plan by 2012. The city will spend \$22.2 million on a plan to cut greenhouse gases.

The TTC will purchase 360 new subway cars, take delivery of 130 new replacement buses and 204 low-floor light rail vehicles to replace streetcars.

Work will continue on the construction of the Islington subway station and the regional bus terminal at Kipling, the Bus Rapid Transit Way from Downsview to York University, and the installation of a new signalling system on the Yonge Street line.

Public spaces will get a boost, including the start of a \$38 million revitalization of Nathan Phillips Square, the \$12 million Bloor Street Transformation project, and a \$3.967 million fund to improve public spaces across the city.

The waterfront renewal will see parks finished at Port Union and Mimico and completed environmental assessments on the Gardiner Expressway tear-down. The city will work on two new police stations and three new ambulance stations; two new libraries in the west waterfront and Scarborough Centre; implement self-service check-out systems in nine libraries; put more than \$30 million into Regent Park revitalization plans; and finally, launch the 3-1-1 general information telephone service.

The introduction of the capital budget left little time for debate Thursday. But Ward 3 (Etobicoke Centre) Councillor Doug Holyday said the city needs to look at its spending and try to rein in the amount of debt it's accumulating.

"The province has indicated that in these economic times they're going to pull in their horns and control their spending and I don't see any evidence of that here," he said. "There's no sign of restraint whatsoever. As a matter of fact there's a plan to take the finance cost from seven per cent of the tax bill to 15 per cent. Our total debt is going to be over a billion dollars. But I don't think this is the time to be doing this. I appreciate state of good repair, but is this the time to be enhancing service and adding growth? Maybe it isn't."

The capital budget will be debated over the next month. The budget committee will be holding hearings Nov. 5, the Executive Committee will deal with the budget Nov. 25, and Toronto Council will approve a capital budget Dec. 10.

The operating budget will be introduced and dealt with early in the new year.