



## STAFF REPORT ACTION REQUIRED

### Additional Federal Funding for Security at Union Station and other Facilities Capital Adjustments

<b>Date:</b>	March 4, 2008
<b>To:</b>	Budget Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	N/A
<b>Reference Number:</b>	P:\2008\Internal Services\F&re\bc08025F&re- (AFS 7217)

#### SUMMARY

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This report requests Council's authority to amend the 2008 Approved Capital Budget and 2009-2012 Capital Plan for Union Station and the Facilities and Real Estate Division (F&RE) by including the latest round of Federal approved funding for Security related subprojects at Union Station, adjusting the cashflow in the Pedestrian Bridge subproject, and by adding four new subprojects to the F&RE 5-year capital plan. These projects will be funded by reallocations from already approved projects, with a zero net impact corporately.

#### RECOMMENDATIONS

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**The Chief Corporate Officer recommends that:**

1. Council approve the contribution agreements between the City and Transport Canada-Transit Secure to secure Round 3 and Round 4 funding for security upgrades at Union Station and authorize the appropriate City officials to sign the agreements on behalf of the City.
2. the 2009 Approved Capital Estimates for Union Station Capital Plan be increased by \$1.838 million gross, \$0 net, to accommodate Round 4 security funding; funded in the amount of \$1.838 million from Transport Canada and \$0.612 million reallocated from within the Approved Capital Estimates as outlined in Schedule 'A'.

3. Council approve the reallocation of funding in the 2008 Approved Union Station Capital Budget in the amount of \$0.669 million, as illustrated in schedule “B” attached, with a gross and net impact of zero.
4. Council approve an increase in 2007 carry-forward funding in the Pedestrian Bridge subproject, as illustrated in schedule “C” attached.
5. Council amend the 2008 Approved F&RE Capital Budget and 2009-2012 Capital Plan by adding four new subprojects for a total cashflow of \$0.881 million in 2008 and future year estimates of \$0.535 million in 2009, with funding provided by reallocations from within the Approved 2008 Capital Budget and 2009-2012 Capital Plan, as outlined in the attached Schedule “D”.

## **FINANCIAL IMPACT**

There are no additional costs to the City as a result of approval of this report.

### Union Station

Funding for Round 3 of the security project, in the amount of \$6.551 million, is included in the 2008 Approved Capital Budget and the 2009 to 2012 Capital Plan. The Round 4 security project cost is \$2.45 million, with \$1.838 million of Federal funding and \$0.612 million of City funding. The funding of \$0.612 million is being reallocated from within the Union Station’s approved 2008 – 2012 Capital Budget and Plan; Structural project. The amount of \$0.831 million is being carried forward from 2007 to 2008 for the Pedestrian Bridge project and funding in the amount of \$0.669 million is being reallocated from the Exterior Façade Repairs project to the Pedestrian Bridge project.

### Facilities and Real Estate

The approval of this report will result in the addition of four new subprojects to the Facilities and Real Estate 2008 Approved Capital Budget and 2009-2012 Capital Plan and reallocation of the already approved cash flows and estimates in the amount of \$0.881 million and \$0.535 million in 2008 and 2009 respectively. (Schedule “D”).

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

## **DECISION HISTORY**

At its meeting on March 7<sup>th</sup>, 2007, Council approved the contribution agreement with the Federal government to secure funding for Round 1 of the Transit-Secure Contributions program. This agreement covers 75% of security related costs at Union Station for approved upgrades by Transport Canada.

On September 5<sup>th</sup>, 2007, Transport Canada announced funding under Round 3 of the Transit-Secure Contribution program for terrorism-specific security upgrades at Union Station. Further to this announcement, Council, at its December 11, 12, and 13<sup>th</sup>, 2007 meeting, approved the City portion of the Round 3 Security funding for security related upgrades at Union Station, which have been approved under the Transit-Secure Contributions program.

On January 21, 2008, Transport Canada announced funding under Round 4 of the Transit-Secure Contributions program for terrorism-specific security upgrades for rail transit systems, specifically Union Station. City Council approved the original Pedestrian Bridge subproject on December 8<sup>th</sup>, 2005. An increase to this subproject was requested in the “Union Station Revitalization – Recommended Approach, Supplementary Report on Implementation” report, which was approved by Council at its December 11, 12, and 13<sup>th</sup>, 2007 meetings, through reallocation of cashflows within the Union Station project.

City Council approved the 2008 to 2012 F&RE Capital Plan at its December 11, 12, and 13<sup>th</sup>, 2007 meetings.

## **ISSUE BACKGROUND**

Transport Canada has approved funding for security related upgrades to be completed at Union Station, under Round 3 and Round 4 of the Transit-Secure Contributions program. The program provides 75% one-time funding to Transport Canada approved terrorism-specific security upgrades to rail transit systems.

Under Round 3 funding, the City received approval of two high priority upgrades for a total investment of \$6.55 million with 75% funded by Transport Canada, totalling \$4.91 million. Council approved the City portion of these upgrades, \$1.63 million, as reflected in the approved 2008 F&RE Capital Budget submission.

Under Round 4 funding, the City received approval for security upgrades for a total investment of \$2.45 million with 75% funded by Transport Canada, equivalent to \$1.84 million. These security upgrades are a continuation of the upgrades approved by Transport Canada in previous rounds of the Transit-Secure Contributions program. The City portion for Round 4 is equivalent to \$0.612 million, and will be funded through reallocations within the Union Station budget, as illustrated in the attached Schedule “A”.

The funding adjustment for the Pedestrian Bridge subproject is due to an acceleration of the deterioration of the bridge, as well as changes to the paving schedules to coordinate with other sub-projects at Union Station.

F&RE requires the 2008 Capital Budget and 2009-2012 Capital Plan amendment in order to accommodate the addition of four new subprojects. The project costs and required annual cashflows for these subprojects could not be finalized in time for 2008 capital budget submission. F&RE has now finalized the details of these new subprojects. These

new subprojects are required because of operational requirements and health and safety concerns. The additions of these subprojects will have no financial impact on the already approved 2008 Capital Budget and 2009-2012 Capital Plan, since no additional funding has been requested.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P.Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Schedule A – Union Station Reallocations to include Round 4 Security funding  
Schedule B – Reallocation of the 2008 Union Station capital plan  
Schedule C – Union Station 2007 Additional Carry-forward Adjustments  
Schedule D – Reallocation of the 2008-2012 Facilities and Real Estate Capital Plan  
Transport Canada Approval Letter – Round 3  
Transport Canada Approval Letter – Round 4