



Executive Committee Report

Valley Line LRT Funding Plan

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Recommendation of the Committee

1. That the funding plan outlined in Attachment 5 of the October 5/6, 2015, Financial Services and Utilities report CR_2833, be approved.
2. That the October 5/6, 2015, Financial Services and Utilities report CR_2833 remain private pursuant to sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, until such time as the P3 Agreement is awarded.

History

At the October 5/6/7, 2015, Executive Committee meeting, the October 5/6, 2015, Financial Services and Utilities report CR_2833 was considered.

Attachments

October 5/6, 2015, Financial Services and Utilities report CR_2833

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Valley Line LRT Funding Plan

Recommendation:

That Executive Committee recommend to City Council:

1. That the funding plan outlined in the October 5/6, 2015, Financial Services and Utilities report CR_2833, be approved.
2. That the October 5/6, 2015, Financial Services and Utilities report CR_2833 remain private pursuant to sections 24 and 25 of the *Freedom of Information and Protection of Privacy Act* until such time as the P3 Agreement is awarded.

Report Summary

This report contains details of the funding plan for Valley Line LRT Stage 1 P3 Project which requires Council approval prior to awarding the P3 Agreement, in accordance with City Policy C555 - Public Private Partnership (P3).

Previous Council/Committee Action

Please see Attachment 1.

Report

The funding plan outlined in this report for the Valley Line LRT Stage 1 P3 Project requires Council approval prior to awarding the P3 agreement, in accordance with City Policy C555 - Public Private Partnership (P3). Notification of the preferred proponent is scheduled to occur in November 2015, with commercial and financial close expected to occur in January 2016.

The Valley Line funding plan provides a funding strategy to cover all operating and renewal costs associated with Stage 1 of the project, and the debt servicing costs associated with the City's portion of capital funding for the period of 2016 to 2020. Overall, the City is currently committed to provide 54.2% of the total funding for the capital portion of the project (See Attachment 3). This 54.2% figure differs from the 55.6% figure that is reported as the current municipal funding contribution in the October 5, 2015, Financial Services and Utilities report CR_2954 - Valley Line LRT Funding Update. The 1.4% difference between the figures is due to an additional \$24.4 million in GreenTrip provincial funding that has been approved internally towards the project, however has not yet been announced and made public prior to the issuance of the public report CR_2954.

If the winning proponents proposal results in total capital costs being higher than the total \$1.8 billion dollars currently approved by Council, Administration will need to return

to Council to seek approval of a revised capital budget amount or scope changes.

History of Capital Funding Approved

- Preliminary Design (Approved by Council on June 1, 2011)
 - \$39 million approved for SE to W preliminary design funded under capital profile 11-66-1668 (of which \$25 million was allocated to Stage 1 of Valley Line)
- Stage 1 - Phase 1 - Land Purchase (Approved by Council on December 13, 2011)
 - \$102 million approved for SE land acquisition under capital profile 11-66-1673
- Stage 1 - Phase 1 - P3 Procurement (Approved by Council on February 20, 2013)
 - \$61.3 million approved for P3 Procurement process under capital profile 11-66-1673
- Stage 1 - Phase 2 - Construction Costs (Approved by Council on April 15, 2014)
 - \$1.613 billion approved for Valley Line Stage 1 - Phase 2 construction under capital profile 11-66-1673

On April 14, 2014, City Council approved funding for Stage 1 - Phase 2 of the Valley Line LRT for \$1.613 billion. This approval brought the total Valley Line funding within capital profile 11-66-1673 to \$1.78 billion (See Attachment 2), which when combined with the \$25 million which was allocated to Stage 1 preliminary engineering in capital profile 11-66-1668, brought the total approved capital funding for Stage 1 of the Valley Line LRT Project to \$1.8 billion.

The funding plan outlined in this report identifies how the City will fund their portion of the \$1.613 billion in Phase 2 capital, and all operating impacts of capital over the term of the P3 Agreement (See Attachment 3).

Capital funding and the associated operating impacts of capital for Stage 1 - Phase 1 of the Valley Line (relating to land acquisition and the P3 procurement process), are not factored into this funding plan, as the budgeted expenditures for these items have already been addressed through the capital and operating budgets up to 2015. The funding plan outlined in this report only addresses the City's capital and operating commitments to the Valley Line P3 project beginning in 2016, and ending on the final year of the term of the P3 Agreement.

The funding plan outlined in this report is based on the allocated percentages of funding from each order of government that is outlined in Attachment 3. Any change to the contribution percentages during the construction period could potentially impact the calibration of the payment mechanism in the P3 Agreement.

How Funding Plan is Structured

The funding plan developed for the Valley Line LRT will see the City utilize the current

LRT reserve to manage the funding for the City's Valley Line capital and operating period commitments over the term of the P3 Agreement. Currently, this reserve has one approved funding source identified from 2016 onwards (a \$5.1 million annual dedicated tax levy previously approved by Council for future LRT expansion), and one approved expenditure being funding by the reserve (\$0.9 million per year to fund the remaining portion of debt service payments on the South LRT extension after federal fuel tax is applied, which ends in 2025). The Valley Line funding plan will require a series of incremental tax levy increases phased in over the period of 2016 to 2022 to fund future Valley Line expenditures. These expenditures are explained in more detail below. Utilizing the LRT reserve will allow the large payments required to be funded over a period of time. Attachment 4 provides a summary of how the LRT reserve will be utilized.

Summary of Expenditures Requiring Funding

- Debt Servicing Costs (Related to City Debt Financing for Stage 1 - Phase 2)

The total tax-supported debt financing approved for Stage 1 - Phase 2 of the Valley Line project (capital profile 11-66-1673) is \$753 million. \$140 million of this amount relates to the provincial interest free loan that was identified as a financing source when the amended capital profile was approved on April 15, 2014. The remaining \$613 million relates to the amount of combined P3 consortium debt and debenture borrowing that will be required to finance construction costs. Tax supported debt service room that becomes available between 2019 to 2025 (\$15.4 million annually by 2025) has been used to offset future Valley Line debt servicing costs for the purpose of the funding plan.

o P3 Consortium Debt

The terms of the P3 Agreement will require the City to pay for a portion of the capital construction costs during the construction period, leaving a portion of the construction costs not being due until the end of the construction period (estimated to be 33% of total P3 construction costs). This amount due to the P3 Proponent is considered debt for reporting purposes. The City will repay this debt over the term of the P3 Agreement, and the amount of these payments will be identified in the successful P3 Proponent's financial proposal. The repayment of the debt owed to the successful P3 Proponent will require additional tax levy to fund over the term of the loan, and this repayment has been included as part of the overall funding plan.

o Debenture Borrowing

As noted above, a portion of the \$613 million tax supported debt approved for Stage 1, Phase 2 of the Valley Line will be directly related to the amount of capital construction costs that the City will still owe the successful P3 Proponent at the end of the construction period. The difference between this figure, and the total \$613 million of tax supported debt approved, will represent the amount of debenture borrowing the City will incur to finance the project through our provincial lender, the Alberta

Capital Financing Authority. As this debt is incurred during the construction period, the City will be committed to making semiannual debt servicing payments to retire this debt. The repayment of the debenture borrowing will require additional tax levy to fund over the term of the loan, and this repayment has been included as part of the overall funding plan.

- Interest Free Loan Debt

Approved capital profile 11-66-1676 identified a \$140 million provincial interest free loan as a funding source for Stage 1, Phase 2 of the Valley Line project. The Provincial Government has agreed to provide the City up to \$200 million in the form of an interest free loan. At the time the capital profile was brought forward for approval it was anticipated that only \$140 million of the loan would be required as \$60 million in cost savings on the Metro Line LRT project, approved from the GreenTrip grant program, was to be applied towards the Valley Line project. This expectation was confirmed in an August 28, 2015, letter from the Minister of Infrastructure and Transportation, indicating that the \$24.4 million in additional GreenTrip funding towards the Valley Line had been approved.

- Subsequent to the approval of the capital profile City Council made a motion to return the \$60 million unused GreenTrip funding back to the general pool for reallocation, with the expectation that \$24.4 million will eventually be returned to the City to apply towards the Valley Line. For the purpose of the Valley Line funding plan, it has been assumed that the City will need to access \$175.6 million of the interest free loan. The repayment of the projected \$175.6 million interest free loan will require additional tax levy to fund over the term of the loan, and this repayment has been included as part of the overall funding plan. Should the province subsequently change this contribution from an interest free loan to a Grant, the required tax levy increases would be adjusted accordingly.

- Operating, Maintenance, and Renewal Cost

- Operating and Maintenance and Renewal Payments required as per P3 Agreement

Under a P3 delivery model the City will commit to operating, maintenance, and renewal costs over the 30 year service term of the P3 Agreement. These future amounts will be identified in the successful P3 Proponent's financial proposal and included in the P3 Agreement. The payment of these future operating, maintenance, and renewal costs will require additional tax levy funding over the term of the P3 Agreement, and these payments have been included as part of the overall funding plan. Additional funding required for these costs are considered to be net of future Valley Line LRT revenues that the City will use to offset the total expenditures.

- City of Edmonton internal O&M and Renewal costs

In addition to the operating, maintenance, and renewal costs payable under the P3 Agreement, the City will also incur some minor additional

operating, maintenance, and renewal costs related to the Valley Line (currently projected to be 9% of total costs). The payment of these future costs will require additional tax levy funding over the term of the P3 Agreement, and these payments have been included as part of the overall funding plan.

Why use the LRT reserve?

The LRT reserve has been identified as a key component in the funding plan, in order to manage the fluctuations in the expenditure streams that will occur over the term of the P3 Agreement. Examples of fluctuations that will occur are:

- Repayment of 10 year interest free loan requires the outflow of funds early in the life of the agreement, with no outflow of funds after the tenyear payback period
- Renewal payments are structured to coincide with significant renewal needed over the life of the agreement, and therefore the amount of future renewal related payments fluctuate significantly in years with renewal payments.

The ability to utilize the LRT reserve allows the City to levy taxes in a consistent manner and better manage the fluctuating cash requirements for all future payments. The reserve would also keep the operating impacts of Valley Line capital separate from other capital decisions, for more transparent reporting.

Required Tax Levy to Fund Reserve

The amount of tax levy increase required to fund all previously identified future Valley Line costs during the term of the P3 Agreement, is currently projected to be 5.43% (See Attachment 5). It is recommended that this tax levy be phased in over the time period of 2016 to 2022. This approach would result in an additional annual amount of tax levy built into the LRT reserve base of \$90.9 million by 2022. These estimates are based on a +15%/-15% degree of sensitivity. If the successful P3 Proponent's Financial proposal falls within the upper limit of this range, it will be considered to fall within the scope of the Valley Line funding plan.

As the cash flow requirements of the project are not consistent on a year over year basis the tax levy funding in the early years of the funding plan will be transferred to the reserve in order to accumulate enough funding in the reserve to make the large payments required in later years. The longer any tax levy increase is delayed, the higher the amount of the tax levy increase will be in the latter years of the time period between 2016 to 2022.

LRT Reserve Balance over term of P3 Agreement

Attachment 6 shows the projected annual ending balance of the LRT reserve, based on the most current projections of the funding model. The reserve balance will fluctuate over the term of the P3 Agreement, however it has currently been modeled so that the ending reserve balance never falls below \$0 in any year. Attachment 6 indicates that in year 2041, the reserve balance is projected to reach \$0, at which point the balance

continues to increase over the remainder of the term of the P3 Agreement, as the amount of base tax levy going into the reserve is more than is needed for the remaining costs of the agreement from year 2041 onwards. At this point, the amount of base levy in the LRT reserve could be reallocated to other LRT projects, or remain in the LRT reserve to address future operating and renewal costs associated with the Valley line once the P3 agreement has expired.

Corporate Outcomes

This report contributes to the Corporate Outcomes “Edmontonians use public transit and active modes of transportation” and “Edmonton has a resilient financial position” by facilitating the expansion of the City’s LRT network in an effective and financially sustainable manner.

Budget/Financial Implications

The amended capital budget for Stage 1 of the Valley Line LRT was approved by City Council on April 14, 2014.

A forecasted tax levy increase was provided as part of the Budget Guideline Report presented at the June 23, 2015, City Council meeting. The required tax levy increase projected at this time for the 2016 to 2018 period was 1% in 2016, 0.9% in 2017, and 0.9% in 2018. This phased increase was based on the latest projections, however was still subject to change based on the structuring of the successful P3 Proponent’s financial proposal. Administration has since updated their analysis based on more current Valley Line cost estimates, and as part of the 2016-2018 Proposed Operating Budget will be including updated estimates of the required tax levy increase as seen in Attachment 5. The phased levy analysis will be updated once the information from the successful P3 Proponent’s financial proposal is known, and if necessary, administration will recommend any changes to the estimated tax levy increase included in the proposed operating budget prior to the final approval of the 2016 - 2018 operating budget in April 2016.

Legal Implications

Once the City enters into the P3 Agreement with the successful P3 Proponent, the City will be liable for payments to the successful P3 Proponent for the term of the P3 Agreement, including the 30 year operating period after the construction is completed.

Justification of Recommendation

1. In accordance with City Policy C555 Public Private Partnerships (P3), Council approval of the funding plan is required prior to awarding the P3 Agreement.
2. This report is required to remain confidential as it contains advice from officials regarding recommendations, analysis and views taken by the City on the anticipated financial terms. Public disclosure may interfere with contractual negotiations, and prejudice the City's competitive position and compromise the fairness of the Request for Proposal process.

Attachments

1. Previous Council Motions
2. Approved Capital Profile
3. Valley Line Stage 1 - Funding Source Breakdown
4. Valley Line LRT Funding Model Outline
5. Annual Tax Levy Required to Fund Reserve
6. Forecast LRT Reserve Balance – Valley Line Funding Plan

Others Reviewing this Report

- D. Wandzura, General Manager, Transportation Services
- K. Rozmahel, General Manager, Corporate Services

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Attachment 1

Previous Council Motions

At the February 20, 2013, City Council meeting, the following motion was passed:

1. That the revised Southeast to West LRT Capital Profile 11-66-1673, as outlined in Attachment 1 of the February 20, 2013, Financial Services and Utilities report 2013CF8262 , and the budget of \$60 million for Phase 2, Stage 1a - Southeast LRT line from Mill Woods Town Centre to Centre West, be approved.
2. That the February 20, 2013, Financial and Utilities Services report 2013CF8262, with the exception of Attachment 1, remain private pursuant to sections 16, 21, 24 and 25 of the Freedom of Information and Protection of Privacy Act.

At the October 17, 2012, City Council meeting, the following motion was passed:

1. That the Southeast to West LRT project funding strategy as outlined in the October 17, 2012, Financial Services and Utilities report 2012CF0446, be approved, subject to funding from the Governments of Canada and Alberta.
2. That the Mayor, on behalf of City Council send a letter to the Governments of Canada and Alberta formally requesting the funding contribution required from each order of government to construct the Southeast Stage of the Southeast to West LRT.
3. That the October 17, 2012 Financial Services and Utilities report 2012CF0446 remain private pursuant to sections 16, 21, 24 and 25 of the Freedom of Information and Protection of Privacy Act.

At the May 2, 2012, City Council meeting, the following motion was passed:

1. That the Southeast to Downtown LRT Project be delivered as a Public-Private- Partnership (P3) as outlined in Attachment 2 of the April 24, 2012 Transportation Services report 2012TS5858 .
2. That the Mayor forward a letter to the Premier of Alberta advising of the application and the need for special provincial funding to support its delivery as a P3 project.
3. That Administration make a funding application to the Federal Government under the P3 funding program and that upon approval, Project Profile 11-66- 1673 (Southeast to West LRT) be revised to reflect the funding provided by P3 Canada.
4. That the April 24, 2012 Transportation Services report 2012TS5858 remain private pursuant to sections 21, 24 and 25 of the Freedom of Information and Protection of Privacy Act.

At the May 2, 2012, City Council meeting, the following motion was passed:

That LRT Project Profile 11-66-1673 (Southeast to West LRT) is approved, subject to funding from other orders of government.

CAPITAL PROFILE REPORT

Profile Page 1

PROFILE NAME: VALLEY LINE LRT
PROFILE NUMBER: 11-66-1673
DEPARTMENT: Transportation Services
BRANCH: LRT Design & Construction
LEAD BRANCH: LRT Design & Construction
PROGRAM NAME: Valley Line LRT
BUDGET CYCLE: 2011

FUNDED
PROFILE STAGE: Post Budget Approval
PROFILE TYPE: Standalone
PROFILE MANAGER: Wayne Mandryk
LEAD BRANCH MANAGER: Wayne Mandryk
ESTIMATED START DATE: January, 2012
ESTIMATED COMPLETION: December, 2020

Service Category: Public Transit

Major Initiative:

GROWTH

100

RENEWAL

PREVIOUSLY APPROVED:

1,777,198

BUDGET REQUEST:

-

TOTAL PROFILE BUDGET:

1,777,198

PROFILE DESCRIPTION

This project provides funding requirements for detailed design, land acquisition, and construction of the Mill Woods to Lewis Estates LRT line. Also included in this project is the purchase of light rail vehicles and construction of a LRT maintenance facility. Phase 2 commencement is subject to funding from other orders of Government.

The conceptual schedule is as follows (subject to preliminary design and constructability reviews):

Phase 1

2012-2014: SE land acquisition (Centre West to Millwoods Town Centre) and critical land/opportunity land acquisitions west of Centre West (\$102 million). SE to W Preliminary design for \$39 million is funded under capital profile 11-66-1668.

Phase 2

2013-2026: Detailed design, utility relocations, land acquisition (\$114 million), maintenance facility construction, purchase of light rail vehicles, LRT line and station construction. LRT Construction would commence in 2014 or 2015 depending funding and delivery method. Costs are based on a 2014 construction start and a 2017 completion with phase 1 and stage 1 of phase 2 proposed for this time horizon. Costs for the \$3.161 billion are based on a 2017 completion.

The LRT line is expected to be operational for a 75-100 year period. Various equipment, structures, and assets and along the right of way will have design life ranging from 10 to 50 years. Design life for the light rail vehicles is 35 years.

PROFILE JUSTIFICATION

Strategic Objective 5.1 of The Transportation Master Plan (2009) Bylaw 15101, approved by City Council in December 2009. Constructing the LRT from Mill Woods to Lewis Estates meets the objectives of the Transportation Master Plan and the High Speed Transit Strategic Plan.

CHANGES TO APPROVED PROFILE

2014 FSCBA - Changes to financing sources to reflect the timing of grant receive (Federal P3 Canada Grant in 2020)

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CAPITAL PROFILE REPORT

Profile Page 2

FUNDED

PROFILE NAME: Valley Line LRT

PROFILE TYPE: Standalone

PROFILE NUMBER: 11-66-1673

BRANCH: LRT Design & Construction

CAPITAL BUDGET AND FUNDING SOURCES (000's)

		PRIOR YEARS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
APPROVED BUDGET	Approved Budget												
	Original Budget Approved	102,000	-	-	-	-	-	-	-	-	-	-	102,000
	2012 CBS Budget Adjustment	-7,486	-	-	-	-	-	-	-	-	-	-	-7,486
	2013 Cap - Carry Forward	-30,211	-	-	-	-	-	-	-	-	-	-	-30,211
	2013 CBS Budget Adjustment	32,847	-	-	-	-	-	-	-	-	-	-	32,847
	2014 Cap - Capital Budget Adj (one-off)	-	-	-	-	-	-	-	-	-	-	-	-
	2014 Cap - Carry Forward	-31,216	-	-	-	-	-	-	-	-	-	-	-31,216
	2014 CBS Budget Adjustment	30,000	-	-	-	-	-	-	-	-	-	-	30,000
	2014 SCBA >\$1MM or New	941	-	-	-	-	-	-	-	-	-	-	941
	2014 SCBA Change in Sources of Funding	-	-	-	-	-	-	-	-	-	-	-	-
	2015 Cap - Capital Budget Adj (one-off)	-	-	256,811	275,386	266,098	233,591	581,114	-	-	-	-	1,613,000
	2015 Cap - Carry Forward	-	61,428	-	-	-	-	-	-	-	-	-	61,428
	2015 Cap - SCBA - Council	-	896	-	-	-	-	-	-	-	-	-	896
	2015 CBS Budget Adjustment	-	5,000	-	-	-	-	-	-	-	-	-	5,000
	2015 SCBA Change in Sources of Funding	-	-	-	-	-	-	-	-	-	-	-	-
	Current Approved Budget	96,874	67,323	256,811	275,386	266,098	233,591	581,114	-	-	-	-	1,777,198
	Approved Funding Sources												
	Developer Financing	2,198	-	-	-	-	-	-	-	-	-	-	2,198
	Federal Bldg Canada Fund	-	-	27,500	27,500	27,500	27,500	40,000	-	-	-	-	150,000
	Federal P3 Canada Grant	-	-	-	-	-	-	250,000	-	-	-	-	250,000
	Green-Trip	-	-	60,000	60,000	60,000	60,000	70,000	-	-	-	-	310,000
	Munc Sustain. Initiative - MSI	10,704	10,211	-	-	-	-	-	-	-	-	-	20,915
	Other	-	-	-	-	-	-	-	-	-	-	-	-
	Other Reserve	-	10,000	-	-	-	-	-	-	-	-	-	10,000
	Provincial BCF - matching	-	-	27,500	27,500	27,500	27,500	40,000	-	-	-	-	150,000
	Tax-Supported Debt	83,972	47,113	141,811	160,386	151,098	118,591	181,114	-	-	-	-	884,085
	Current Approved Funding Sources	96,874	67,323	256,811	275,386	266,098	233,591	581,114	-	-	-	-	1,777,198
BUDGET REQUEST	Budget Request	-	-	-	-	-	-	-	-	-	-	-	-
	Revised Funding Sources (if approved)	-	-	-	-	-	-	-	-	-	-	-	-
	Pay-As-You-Go	-	379	-	-	-	-	-	-	-	-	-	379
	Tax-Supported Debt	-	-379	-	-	-	-	-	-	-	-	-	-379
REVISED BUDGET (IF APPROVED)	Requested Funding Source	-	-	-	-	-	-	-	-	-	-	-	-
	Revised Budget (if Approved)	96,874	67,323	256,811	275,386	266,098	233,591	581,114	-	-	-	-	1,777,198
	Requested Funding Source												
	Developer Financing	2,198	-	-	-	-	-	-	-	-	-	-	2,198
	Federal Bldg Canada Fund	-	-	27,500	27,500	27,500	27,500	40,000	-	-	-	-	150,000
	Federal P3 Canada Grant	-	-	-	-	-	-	250,000	-	-	-	-	250,000
	Green-Trip	-	-	60,000	60,000	60,000	60,000	70,000	-	-	-	-	310,000
	Munc Sustain. Initiative - MSI	10,704	10,211	-	-	-	-	-	-	-	-	-	20,915
	Other	-	-	-	-	-	-	-	-	-	-	-	-
	Other Reserve	-	10,000	-	-	-	-	-	-	-	-	-	10,000
	Pay-As-You-Go	-	379	-	-	-	-	-	-	-	-	-	379
	Provincial BCF - matching	-	-	27,500	27,500	27,500	27,500	40,000	-	-	-	-	150,000
	Tax-Supported Debt	83,972	46,734	141,811	160,386	151,098	118,591	181,114	-	-	-	-	883,706
	Requested Funding Source	96,874	67,323	256,811	275,386	266,098	233,591	581,114	-	-	-	-	1,777,198

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

CAPITAL PROFILE REPORT

Profile Page 3

REVISED BUDGET (IF APPROVED)	Activity Type	PRIOR YEARS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
	Construction	-60,487	62,323	192,829	269,814	260,714	228,866	569,358	-	-	-	-	1,523,418
	Design	-	-	3,982	5,572	5,384	4,725	11,756	-	-	-	-	31,419
	Land	-	-	60,000	-	-	-	-	-	-	-	-	60,000
	Other Costs	157,361	5,000	-	-	-	-	-	-	-	-	-	162,361
	Total	96,874	67,323	256,811	275,386	266,098	233,591	581,114	-	-	-	-	1,777,198

OPERATING IMPACT OF CAPITAL

Type of Impact:

Branch:																
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Total Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Valley Line Stage 1 - Funding Source Breakdown (For Modeling Purposes)

	2015 and Prior	2016 to 2020	\$ - Total	% - Total
Federal Funding				
Building Canada Fund	-	150,000	150,000	
P3 Canada Grant	-	250,000	250,000	
Subtotal - Federal	-	400,000	400,000	22.2%
Provincial Funding				
Green-trip	-	274,400	274,400	
Building Canada Fund - Matching	-	150,000	150,000	
Subtotal - Provincial	-	424,400	424,400	23.6%
Municipal Funding				
Tax Supported Debt	131,085	613,000	744,085	
Interest Free Loan	-	175,600	175,600	
City - Other (Note 1)	57,217	-	57,217	
Subtotal - Municipal	188,302	788,600	976,902	54.2%
TOTAL	188,302	1,613,000	1,801,302	100%

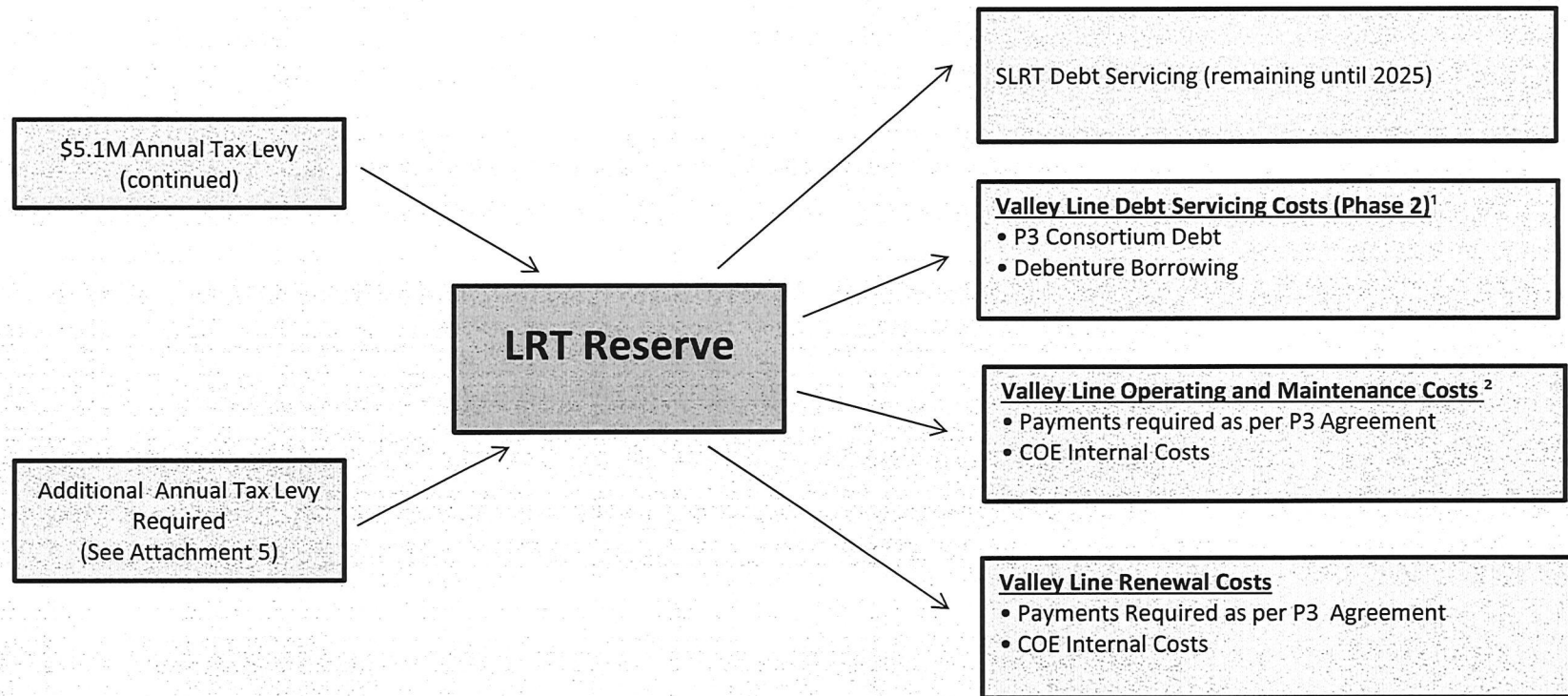
Debt Servicing Operating Impacts of Capital not included in Valley Line Funding Plan
Debt Servicing Operating Impacts of Capital included in Valley Line Funding Plan

Note 1 - Includes MSI grant funding, fuel rebate, and direct LRT reserve draw

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Valley Line LRT - Funding Model Outline

Attachment 4



= Currently Approved LRT Reserve Transactions

= Future LRT Reserve Transactions, as per Valley Line Funding Plan

¹ Net of Available and Allocated Debt Service Room Applied

² Net of Valley Line Revenues

Forecast Annual Tax Levy Increase Required to Fund LRT Reserve

Attachment 5

Impact on Tax Levy

	2016	2017	2018	2019	2020	2021	2022	Total
Annual Tax Levy Increase	0.78%	0.78%	0.78%	0.78%	0.78%	0.78%	0.75%	5.43%
Total Cumulative Tax Levy Increase (\$M)	\$ 10.7	\$ 22.2	\$ 34.5	\$ 47.7	\$ 61.7	\$ 76.3	\$ 90.9	

Component Breakdown of Tax Levy Impact

Debt Servicing	2.01%
Operating and Maintenance (net of revenues)	2.38%
Renewal Costs	1.04%
Total	5.43%

Note: Estimates are based on +15%/-15% margin of error

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