

**GO/UP-TTC DISCOUNTED FARE INITIATIVE: TERM SHEET**

**For Discussion Purposes Only. No binding obligation shall exist until a subsequent written agreement has been executed by the parties.**

Item	Issue	Term
1.	Term	<ul style="list-style-type: none"> <li>• From effective date to March 31, 2020</li> <li>• Optional renewal beyond this period with both parties agreeing</li> </ul>
2.	Base Fare Discount	<ul style="list-style-type: none"> <li>• Only PRESTO cardholders using epurse are eligible</li> <li>• Customers tapping on to TTC from GO/UP within the PRESTO system GO/UP transfer window will pay TTC the Discounted Fare as set out in Schedule A and TTC will be reimbursed by Metrolinx (per customer) the Discount for these rides as set out in Schedule A.</li> <li>• Customers tapping on to GO/UP from TTC within the PRESTO system TTC transfer window will receive a Credit off of their GO/UP fare based on their concession as set out in Schedule B.</li> <li>• All customer payment scenarios will be outlined in a “TTC-Metrolinx Co-fare PRESTO Business Requirements Document” (BRD).</li> </ul>
3.	PRESTO Commission	<ul style="list-style-type: none"> <li>• The TTC will continue to be responsible for payment of PRESTO commissions based on the Current TTC Fare, as specified in Schedule A</li> </ul>
4.	Other Fare Integration Policies	<ul style="list-style-type: none"> <li>• This initiative will replace the City/TTC fare integration pilot program at Rouge Hill, and the Exhibition/Danforth TTC Metropass/GO sticker pilot.</li> </ul>
5.	Reimbursement of Discount	<ul style="list-style-type: none"> <li>• The total value of Discounts (in accordance with Schedule A) payable to TTC each month shall be paid to TTC within 30 days of that month’s end.</li> </ul>
6.	Initiative Annual Provincial Support	<ul style="list-style-type: none"> <li>• The total amount of provincial support for the initiative (both the Discount payable to the TTC, and the credits set out in Schedule B) will be based upon actual GO/UP-TTC ridership using PRESTO and will be up to \$7.15M in 2017-18, and \$18.4M in each of 2018-19 and 2019-20.</li> <li>• During each provincial fiscal year there will be quarterly reviews at which time a projection of the year end will be made based on actual PRESTO useage to-date for the initiative. Should the forecast exceed the year end provincial support for that fiscal year it will trigger a review of the agreement as set out under item 12 by the Steering Committee identified in item #11. If a mutually satisfactory revised agreement is not reached, it would require termination of the agreement in accordance with item #13. Until the agreement is terminated the TTC will continue to be reimbursed the Discounts under item #5.</li> </ul>

## Attachment 1 – GO/UP – TTC Discounted Fare Initiative: Term Sheet

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7.	Operating and Maintenance Costs	<ul style="list-style-type: none"> <li>Subject to item 8 below, Metrolinx and TTC will not be responsible for any of each other's operating and maintenance costs that may be required to support this initiative</li> </ul>
8.	PRESTO Implementation Costs	<ul style="list-style-type: none"> <li>Metrolinx will assume responsibility for the costs associated with the PRESTO implementation of the TTC-Metrolinx Co-fare BRD requirements</li> <li>PRESTO costs required to reverse the implementation should the initiative end or be terminated will be cost-shared between Metrolinx and the TTC. The Steering Committee will further discuss the appropriate cost share formula between the parties should the program be terminated. As of October, 2017, the estimated cost associated with reversing the implementation on PRESTO is \$500,000.</li> </ul>
9.	Branding and Marketing Strategy and Costs	<ul style="list-style-type: none"> <li>Metrolinx and the TTC will develop a joint branding and communications strategy to support the initiative</li> <li>Metrolinx and the TTC will be independently responsible for their respective costs associated with communicating/marketing of the initiative</li> </ul>
10	Annual Monitoring and Reporting	<ul style="list-style-type: none"> <li>Annual performance metrics and other measures related to the tracking/monitoring and other outcomes of the initiative will be developed jointly by Metrolinx and the TTC.</li> </ul>
11	Metrolinx, TTC, City of Toronto, MTO Steering Committee	<ul style="list-style-type: none"> <li>The parties agree to establish a committee comprised of the Senior Management Representatives of Metrolinx, MTO, City of Toronto and the TTC for the purposes of maintaining close and ongoing ties regarding the matters set out in this Agreement, and communicating with each other, within a reasonable amount of time, regarding significant matters affecting the initiative</li> </ul>
12	Triggers for Review of Agreement	<ul style="list-style-type: none"> <li>During the term of the agreement, the following items will be considered triggers for a review of the agreement:</li> <li>Broader GTHA fare integration strategy: If, before March 31, 2020 a GTHA regional fare integration strategy is implemented then the agreement would be re-opened.</li> <li>TTC fare increase: If the TTC introduces a fare increase during the term of the agreement then the Discount (as set out in Schedule A) amount under the initiative will be revisited and if an agreement is not reached, Metrolinx will continue to pay the Discount amount in Schedule A and customers tapping on to TTC from GO/UP within the GO/UP transfer window will be required to pay the adjusted "Discounted Fare" which shall be calculated as the then new TTC fare amount less the Discount amount as outlined in Schedule A.</li> <li>The Discount payable to the TTC and credits given to GO/UP riders under this initiative is forecast, based on ridership and revenue analysis, to exceed the provincial funding support specified in item #6 above in any provincial fiscal year</li> </ul>

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13	Termination	<ul style="list-style-type: none"> <li>• Either party may terminate the agreement for any reason whatsoever upon at least ninety (90) days formal written notice to the other party following discussions by the Steering Committee.</li> <li>• Either party may terminate the Agreement for the other party's default on 60 days' notice</li> <li>• Upon termination of the Agreement and subject to item No. 9 above, neither party shall be under any obligation to share in any expense or cost incurred by the other party caused by termination.</li> </ul>
14	Integrity and Fraud	<ul style="list-style-type: none"> <li>• The Agreement will contain covenants relating to the prevention of fraud and maintenance of the integrity of the initiative</li> </ul>
15	Signatories	<ul style="list-style-type: none"> <li>• Agreement to be signed by the City of Toronto, TTC and Metrolinx</li> </ul>

### Schedule A – Fare Payment Scenarios per customer\*

#	Direction	Concession	Current TTC Fare	Discounted Fare	Discount
1	GO/UP to TTC	Adult	\$3.00	\$1.50	\$1.50
2	GO/UP to TTC	Senior/Student/Youth	\$2.05	\$1.50	\$0.55

\*This table identifies three scenarios. For a comprehensive overview of all scenarios, consult the "TTC-Metrolinx Co-fare" PRESTO BRD.

### Schedule B –Fare Payment Scenarios per customer\*

#	Direction	Concession	Credit
1	TTC to GO/UP	Adult	\$1.50
2	TTC to GO/UP	Senior/Student/Youth	\$0.55

\* This table identifies two scenarios. For a comprehensive overview of all scenarios, consult the "TTC-Metrolinx Co-fare" PRESTO BRD.