

Attachment 6 – Summary Term Sheet

The following is the proposed package of terms representing the arrangement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Transportation, Deputy Minister of Transportation and the Special Advisor to Cabinet – Transit Upload ("Province"), and the City of Toronto and Toronto Transit Commission ("City/TTC") as contained in the attached commitment letters (dated October 9 and 10, 2019) from the Province appended as Attachments 7 and 8 to this report:

1. The Province shall not proceed with the upload of the existing subway system, and confirms that the existing subway system shall remain under the ownership of the City of Toronto and the Toronto Transit Commission.
2. The Province shall have sole responsibility for the planning, design and construction of the Province's four priority subway projects: Line 2 East Extension, Ontario Line, Eglinton West LRT and the Yonge Street Subway Extension (the "Provincial Projects").
3. The Province will not seek City contributions towards the capital cost of the Provincial Projects, subject to the City redirecting the capital contributions it would have otherwise been expected to make to Provincial projects, to incremental state of good repair investments to the existing subway system, and/or other transit expansion projects as identified by City Council. The parties agree that:
 - (a) the "TTC Capital Investment Plan" letter (dated August 28, 2019) from the TTC Chief Executive Officer to the City Manager shall inform the City's recommendations for re-allocation of capital contributions to state of good repair, and
 - (b) the final decision on redirection of funds to additional transit expansion projects will be subject to fully developed business cases, and having made credible progress towards relieving the state of good repair backlog on the existing subway system.
4. Subject to the parties entering into an agreement incorporating the terms in this Term Sheet (the "Preliminary Agreement"), and in anticipation of the realization of the City's project expectations including the project benefits, the City shall, jointly endorse with the Province the re-allocation of the funding under the Investing in Canada Infrastructure Program (ICIP) Public Transit Infrastructure Fund Phase 2 to the Ontario Line and the Line 2 East Extension projects (the "PTIF Funded Provincial Projects") consistent with the ICIP framework of approvals.
5. The Province shall undertake a financial review and reconciliation exercise with the City, related to the investments made to fund the planning design and engineering work for the Line 2 East Extension and Relief Line South projects, and will reimburse the City for reasonable costs incurred for those two projects.
6. The Province shall collaborate with the City/TTC to:
 - (a) seek opportunities to advance and accelerate, where possible, the delivery of priority transit projects in Toronto and generate streamlined processes to

- expedite project implementation in recognition of the City's critical role in local land use planning and permit approvals;
- (b) ensure the City/TTC are engaged in the delivery of the Provincial Projects from planning and design through to construction and operations.
 - (c) advance and deliver the SmartTrack Stations program and the parties shall amend any previous agreements as required for this purpose;
 - (d) pursue a Transit-Oriented Development ("TOD") strategy for the SmartTrack, GO Expansion and the Provincial Projects which will advance both the creation/capturing of value to offset the Province's capital costs of transit expansion and the principles of City Building, and the parties will negotiate an Ontario-Toronto Memorandum of Understanding to outline the objectives of the TOD strategy and related activities, as well as the responsibilities of the parties;
 - (e) explore a tripartite arrangement with the Federal government to secure commitments to much-needed investment in the modernization, upgrade and state of good repair of the existing transit system, and to provide greater funding contributions to all priority projects;
 - (f) coordinate through the phases of construction of the Provincial Projects so as to mitigate the impacts of such construction on the planned construction of other major infrastructure projects; and
 - (g) establish how to best manage key interface stations and other assets that will intersect between existing and future expanded networks in order to ensure new lines are seamlessly integrated with existing TTC system;
 - (h) collaborate to define such levels, to allow the Province to have sufficient levels of access and control to interface stations and other existing subway assets, as applicable, so as to facilitate construction of the Provincial Projects and ongoing ownership of the assets.
7. The City/TTC shall be responsible for the day-to-day operations of the Provincial Projects and the existing transit system, including labour relations, and the parties shall define, through an Operating & Maintenance Agreement(s), as applicable, the specific roles and responsibilities of the parties, including:
- (a) farebox revenue from the Provincial Projects will be used to defray operating costs;
 - (b) the parties' roles and responsibilities in respect of all maintenance cost funding, the performance of all maintenance, and service standard setting; and
 - (c) in respect of a Provincial Project that extends beyond the City boundary, the Province shall negotiate with the relevant neighbouring municipality an ongoing operating contribution commensurate with the level of subway service provided.
8. The Province will reimburse the City for reasonable costs incurred for staff and consulting services provided in support of advancing the priority projects.
9. The Province shall continue to advance the Bloor-Yonge Capacity Enhancement Project and the SmartTrack Stations Program through the PTIF 2 ICIP program, and shall fund the Provincial contribution of 33% of the total capital costs of the Bloor-Yonge Capacity Enhancement Project consistent with the PTIF funding formula.