

# Re: EX33.1

## **EX33.1 – Implementation of the SmartTrack Stations Program and the Metrolinx Regional Express Rail Program**

Executive Committee

April 17, 2018

# SmartTrack Concept

## SmartTrack Stations Program + Eglinton West LRT Extension

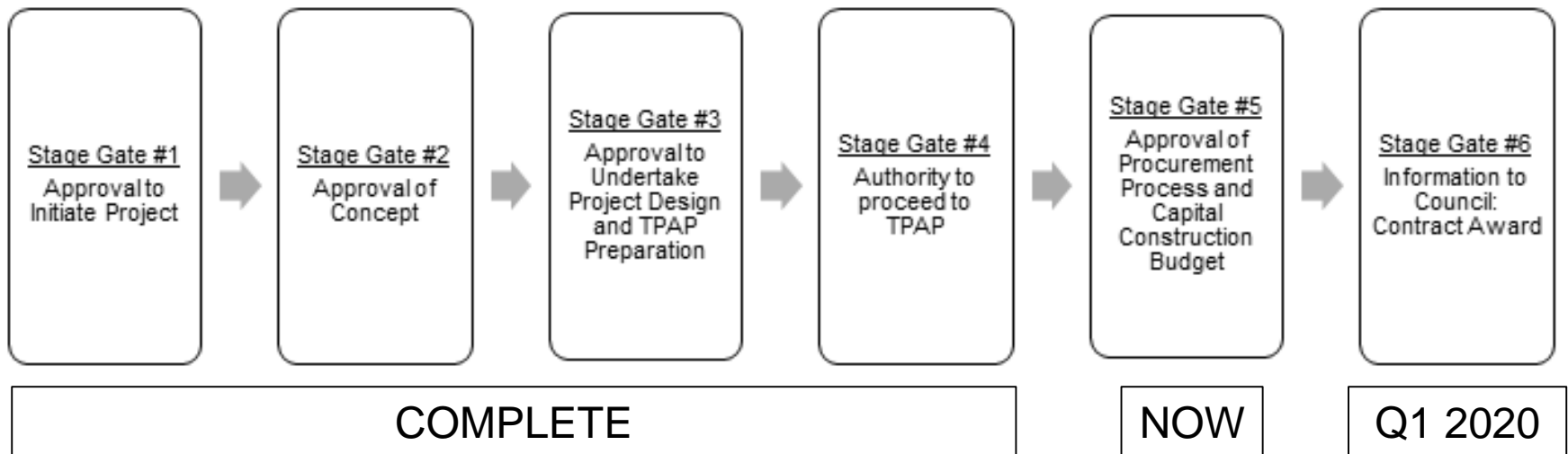


# SmartTrack Stations Program

## Stage Gate Process for Decision Making

### 2015-Present:

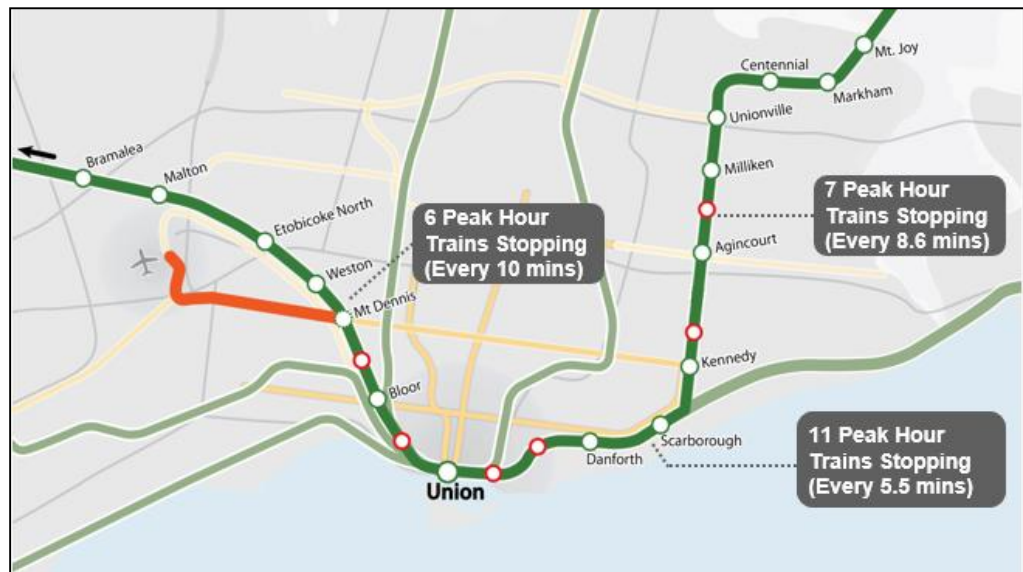
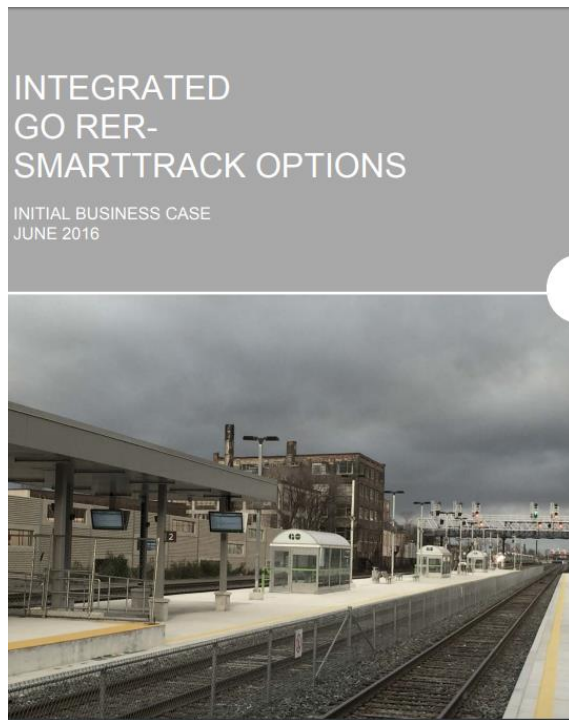
- 5 Reports to City Council – from initial concept through planning and design; ready for procurement and construction
- Business case analysis (July 2016; Updated PDBC's to MX Board – February 2018)
- Cost-sharing principles and preliminary funding and financing strategy (November 2016)
- Approval of Station Concepts; EA/TPAP (December 2017)



# SmartTrack Stations Program Description

## SmartTrack/RER Integration Initial Business Case

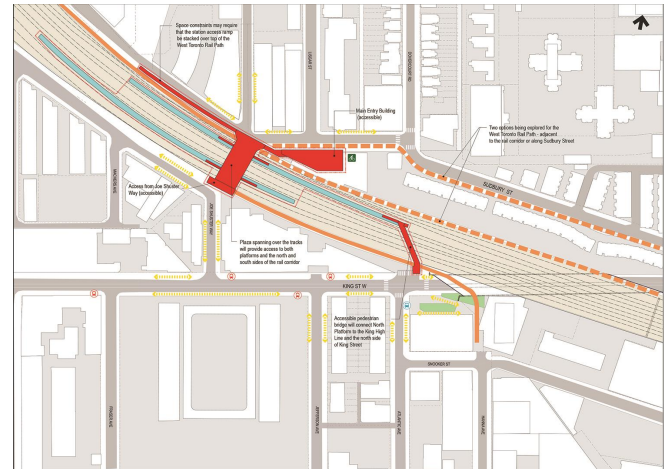
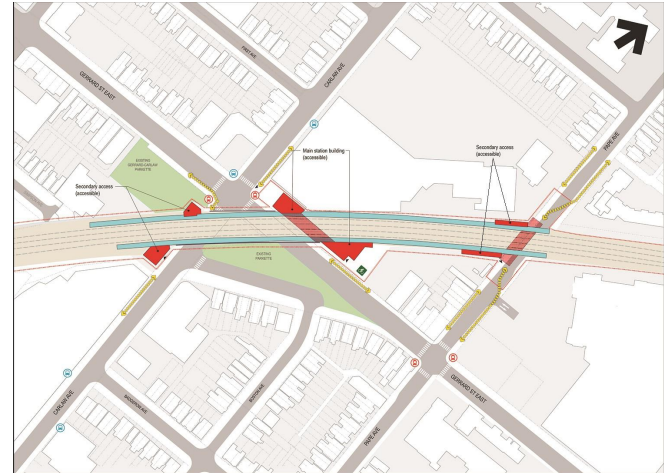
- Approved by City Council and Metrolinx Board (July 2016)
- New Infrastructure Required: 6 new stations on the Kitchener GO and Stouffville GO/Lakeshore East GO Corridors
- Service Concept: 6-10 min peak; 15 min off-peak (see figure below)



# SmartTrack Stations Program

## Station Design and Scope Requirements

- **Base Station Infrastructure**
  - Basic station operations requirements
  - Based on Metrolinx Design Requirements Manual
- **City-Initiated Station Requirements**
  - Requested by City Council
  - Extensive community input and consultation over 2015-2018, with public meetings in advance of all reports to Council
  - Recommended by staff to better fit the Toronto urban context
  - Examples: stronger connections to TTC services, enhanced pedestrian and cyclist access
- **Attachment 3 – Technical and Planning Update**
  - Early Reference Concept Designs for each station

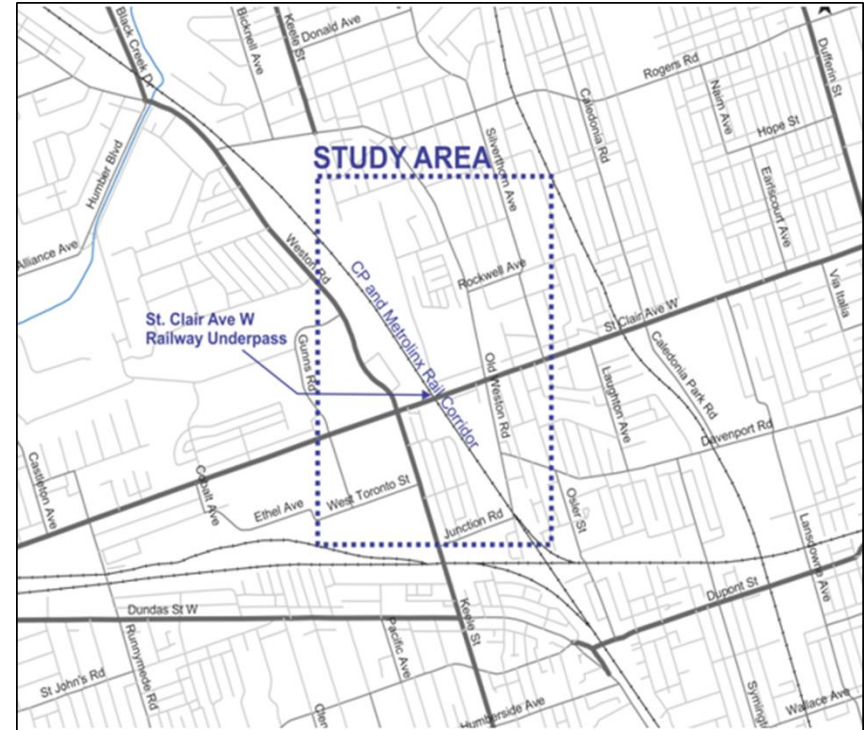




# SmartTrack Stations Program

## Coordination with St. Clair Transportation Master Plan

- City Council directed staff to initiate an EA on St. Clair Transportation Master Plan in June 2012
- City Council directed coordination of St. Clair Transportation Master Plan with St. Clair-Old Weston SmartTrack Station in November 2016
- Recommended as “Additional City Infrastructure” to be included as optional/provisional pricing in SmartTrack Stations Procurement Package
- DCM Cluster B will be given the opportunity to review the price submitted before determining whether to proceed with construction



# SmartTrack Stations Program

## Key Terms and Conditions

November 2016	Attachment 1 Terms and Conditions
<p><b>Cost-Sharing Principles:</b></p> <ul style="list-style-type: none"> <li>• City responsible for 100% incremental capital               <ul style="list-style-type: none"> <li>○ open- ended; estimate \$1.252 B (YOE\$)</li> <li>○ Estimate did not include AFP costs</li> </ul> </li> <li>• City responsible for O&amp;M; future agreement on revenue sharing formula</li> <li>• MX responsible for lifecycle maintenance</li> </ul>	<p><b>Cost-Sharing Principles:</b></p> <ul style="list-style-type: none"> <li>• City contribution capped               <ul style="list-style-type: none"> <li>○ \$1.195 B – Base Station Infrastructure</li> <li>○ \$0.268 B – City-Initiated Station Requirements</li> </ul> </li> <li>• MX will assume O&amp;M costs and retain revenue</li> <li>• MX responsible for lifecycle maintenance costs</li> </ul>
<p><b>Fare Policy:</b></p> <ul style="list-style-type: none"> <li>• Fare setting for SmartTrack will be combined with fare integration and consider specific City Council requests:               <ul style="list-style-type: none"> <li>○ Implement GO-TTC co-fare program</li> <li>○ Modify GO fare structure to remove disincentives to short and medium distance trips</li> </ul> </li> </ul>	<p><b>Fare Policy:</b></p> <ul style="list-style-type: none"> <li>• January 2018 – GO-TTC Double Discount Fare Initiative implemented (Co-Fare)</li> <li>• Ontario Budget 2018 – All GO Transit trips within Toronto will cost PRESTO card users – \$3 per trip</li> </ul>

# SmartTrack Stations Program Funding and Financing Strategy

- November 2016, City Council considered a preliminary Funding and Financing framework for SmartTrack
- Capital cost then estimated at \$1.2 billion for the SmartTrack Stations Program, excluding all AFP costs and City-Initiated Station Requirements infrastructure
- Financial contributions were assumed from the Federal Government
- The City's contribution would be debentured financed, and the resulting annual debt charges would be funded through a combination of:
  - Development Charges
  - Tax Increment Financing
  - Property Tax Increases or Equivalent Sources of Annual Revenue
- SmartTrack Stations Program now at Stage Gate 5: Funding Commitment



# SmartTrack Stations Program

## Total City Financial Commitment – Stage Gate 5

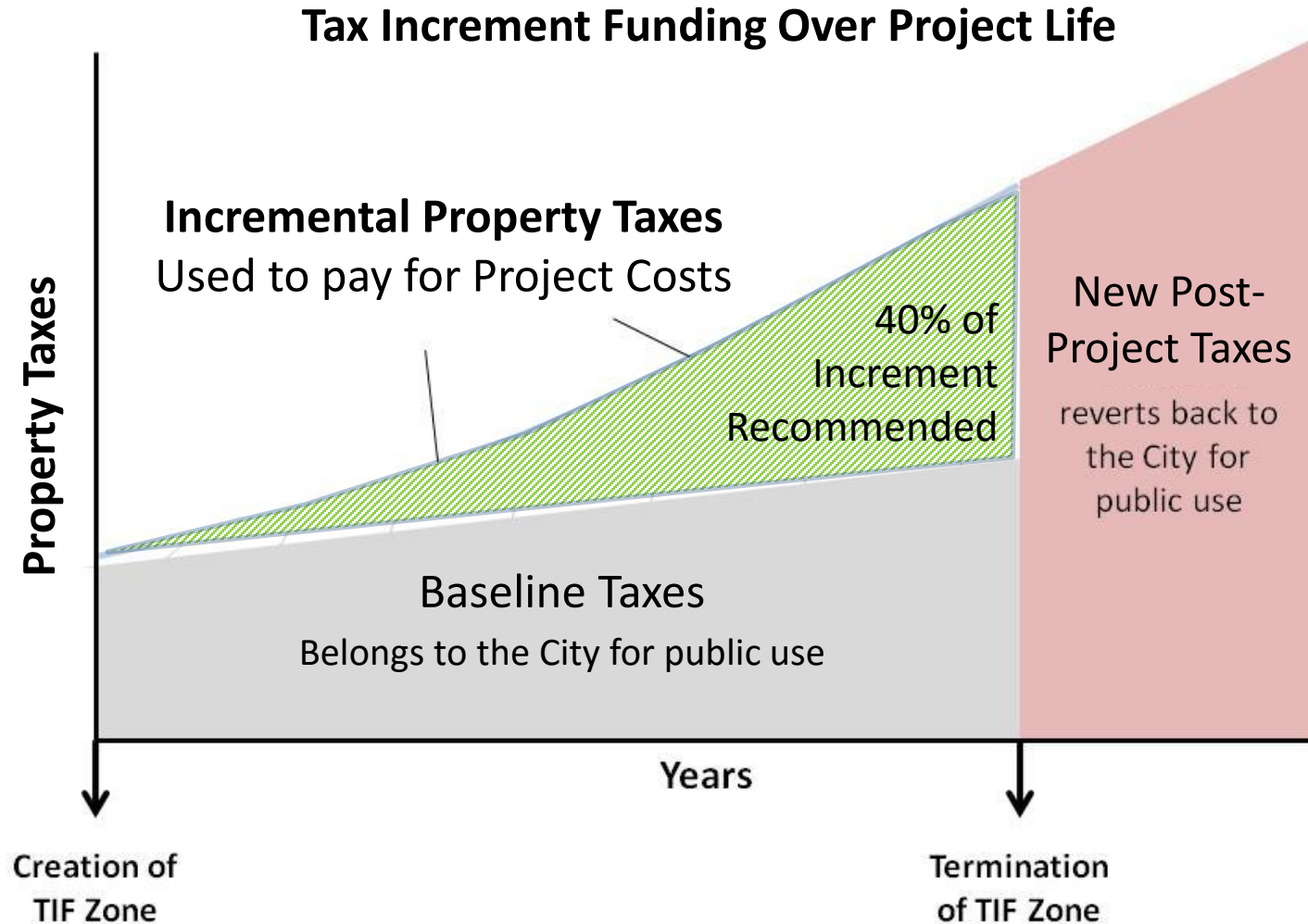
	Financial Summary (\$M)	Estimated Funding Sources (\$M)
Base Station Infrastructure	1,195	
City-Initiated Station Requirements	<u>268</u>	
Required City Contribution <sup>(1)</sup>	1,463	
Less Federal Funding Contribution	(585)	
<b>Required City Net Financial Contribution (anticipated in 2025)</b>	<b><u>878</u></b>	
<b>Annual Debt Charges</b>		<b>53.1</b>
<b>Funding Sources:</b>		
Development Charges		17.4
Net Tax Increment Financing Revenues (net of IMIT grants)		17.5
City Building Fund/ Tax Supported Requirement		18.2
<b>Total Annual Funding for 30 years</b>		<b>53.1</b>

(1) Does not include \$6.9 M (2018-2020) for capital positions

# Development Charges (\$17.4 M/Year)

- SmartTrack capital costs included in Development Charge Background Study (EX33.3)
- City-wide Development Charges expected to raise \$500-540 million annual for funding eligible projects
- \$17.4 million for SmartTrack Stations Program represents approximately 3% of annual DC revenue
- Development Charges recovery similar to:
  - Sheppard Subway
  - TYSSE
  - Scarborough Subway Extension

# Illustration of Tax Increment Funding



# Tax Increment Funding (\$17.5 M/Year)

	<b>Tax Increment (\$B) 2019-2043</b>
Total Tax Revenue from New Development	4.51
Less: Reference Growth	<u>(3.09)</u>
Tax Increment	1.42
Less: Cost of Servicing Growth (@ 61%)	<u>(0.86)</u>
	0.56
Less: IMIT Grants	<u>(0.1)</u>
Net Tax Increment Available to Fund SmartTrack	0.46

# City Building Fund Levy (\$18.2 M/Year)

- In 2017, City Council established City Building Fund for capital funding for transit and affordable housing initiatives
- 0.5% dedicated property tax increase for five years 2017-2021 (2.5% total)
- When fully implemented, will raise \$74 million annually
- An allocation of \$18.2 million per year represents one-quarter of the total annual levy

	2017	2018	2019	2020	2021	
Tax Increase	0.50%	0.50%	0.50%	0.50%	0.50%	
Annual Tax Revenue Collection (\$M)	14.0	28.6	43.5	58.7	74.2	74.2 annually thereafter

# Summary – SmartTrack Stations Funding and Financing

- City's capital contribution is capped – no further cost exposure
- Metrolinx will assume responsibility for O&M and lifecycle maintenance and retain revenue
- Funding and financing approach reasonable and verified by third-parties
- Debt obligation for SmartTrack Stations Program within City's debt guidelines
- Province/Metrolinx procurement process anticipates majority of City's payment in 2025; City contribution subject to City being satisfied that the service concept will be met
- During this time, building of SmartTrack Funding Reserve Fund to support future debt charges
- No need for additional property tax increase
- No need to explore other debt structures; fully funded through existing sources



# SmartTrack Stations Program

## Next Steps

### **Agreements**

- Legal agreement(s) – Based on recommended Attachment 1 Term Sheet

### **Resources**

- Hiring of 20 temporary dedicated staff to support implementation of the Program

### **Procurement**

- Request for Qualifications for SmartTrack Stations issued March 29, 2018
- Request for Proposals anticipated for release in Q4 2018/Q1 2019
- Construction slated to begin in 2020

### **Planning and Design**

- PSOS development
- Further public and stakeholder consultation as part of TPAP in Q2 2018
- TPAP Notice of Completion in Fall 2018

### **Real Estate**

- Work with Metrolinx to identify and secure private and public property

# Metrolinx Regional Express Rail Background



- Provincial Government has made a commitment of \$13.5 B over 10 years
- RER is transforming the GO rail network to become the backbone of regional rapid transit



## New Track

150 kilometres of new dedicated GO track will allow for more uninterrupted service.



## New Trains

New electric trains will travel faster for longer and reduce travel times.



## New Bridges and Tunnels

Bridges and tunnels that eliminate intersections with rail and road traffic will provide more reliable GO train service.



## New Renovations

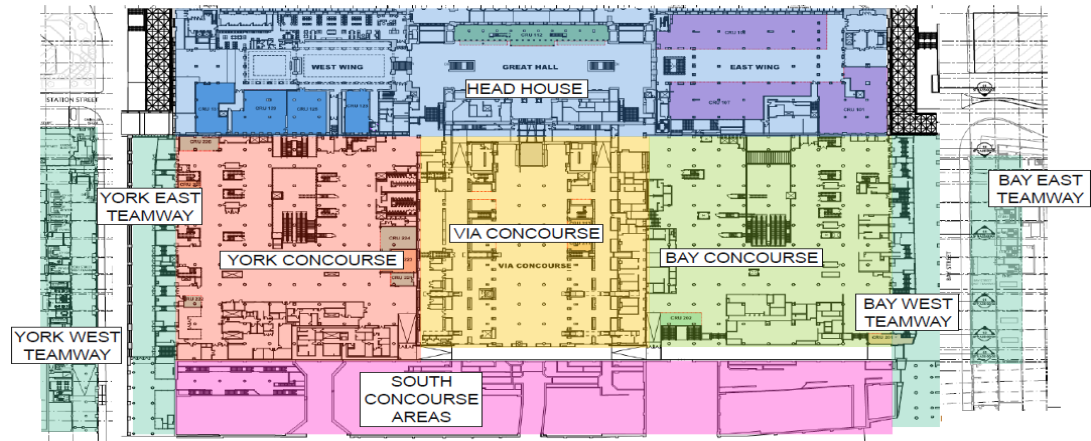
New and improved stations will make your journey more comfortable, from start to finish.

# Metrolinx Union Station Enhancement Project (USEP) Phase 1

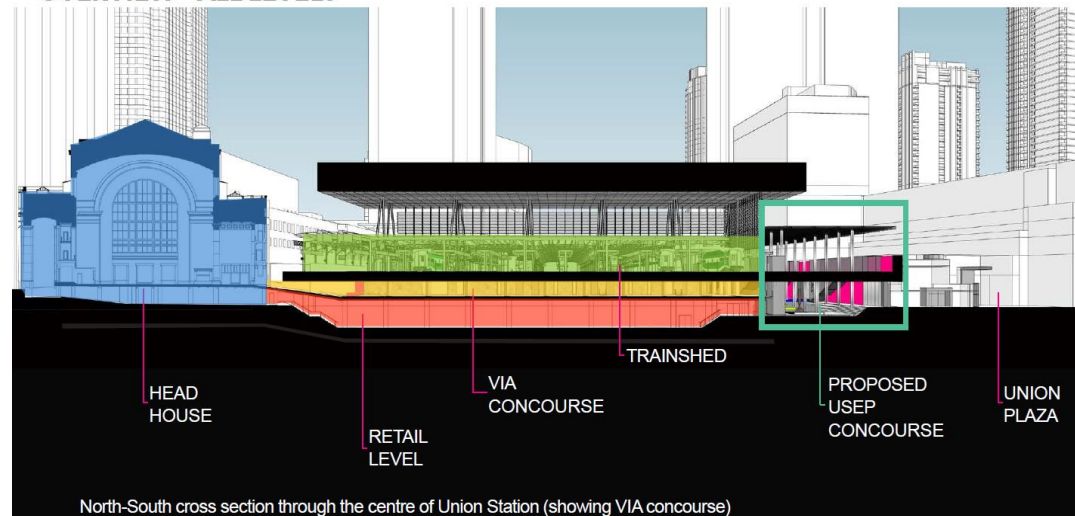
## Union Station Enhancement Project Phase 1

- USEP Phase 1 is part of a program of improvements at Union Station to support Regional Express Rail
- GO growth 15 year forecasts anticipate approximately 280,000 additional users at Union Station per day
- Scope includes 2 expanded platforms at south end of Union Station with new concourse under track level connecting Bay and York Streets, as well as Air Canada Centre

OVERVIEW - CONCOURSE LEVEL



OVERVIEW - ALL LEVELS



# Recommended Northwest PATH Alignment #4 with Renderings



Floor P1

Floor P2



View 1  
Existing North West PATH



View 2  
Floor P1 looking west toward kiosk booth



View 3  
Floor P1 looking west toward digital retail and advertising wall



View 4  
Floor P1 looking south west toward parking lot

# Metrolinx Regional Express Rail Next Steps

## **Metrolinx Procurement Timelines**

- RER procurement packages of work initiated in 2018; to be completed by 2024/2025
- USEP Phase 1 RFP issued in April 2018, with construction completion anticipated for 2022

## **City-MX Coordination**

- Development of RER agreement(s) to establish framework for how City and MX will work together
- Hiring of 32 dedicated temporary staff to support implementation of the Program; MX funding provided

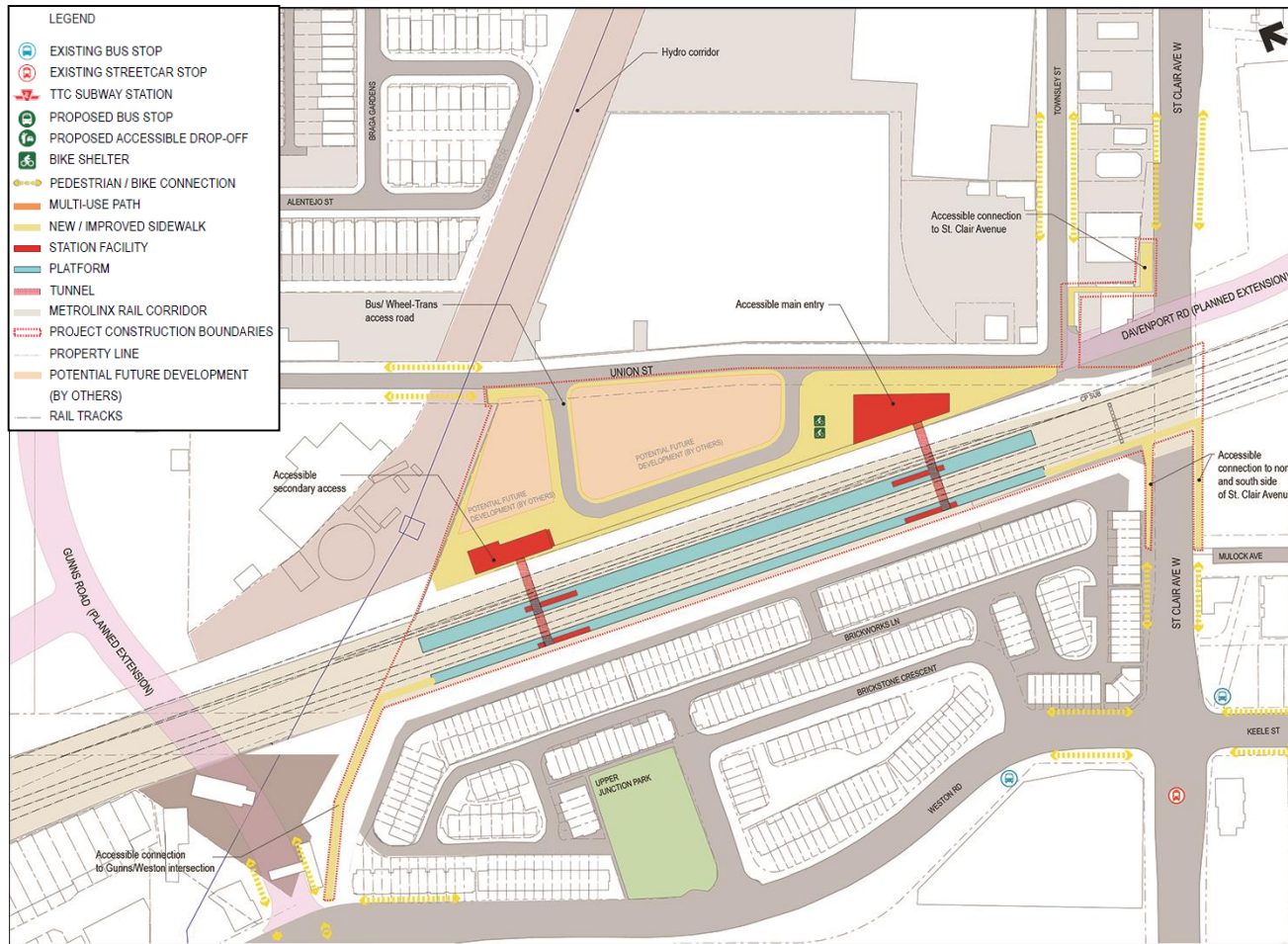
## **Real Estate**

- Delegated authority to City staff to approve the disposal to Metrolinx of certain City property, for nominal consideration provided that:
  - The lands are not required for any current or future City purposes;
  - The lands will be used solely to construct and operate RER transit infrastructure;
  - The lands will be subject to the reservation of easements, as required for City purposes; and
  - Metrolinx has entered into a real estate protocol with the City, including a permit and approval protocol.

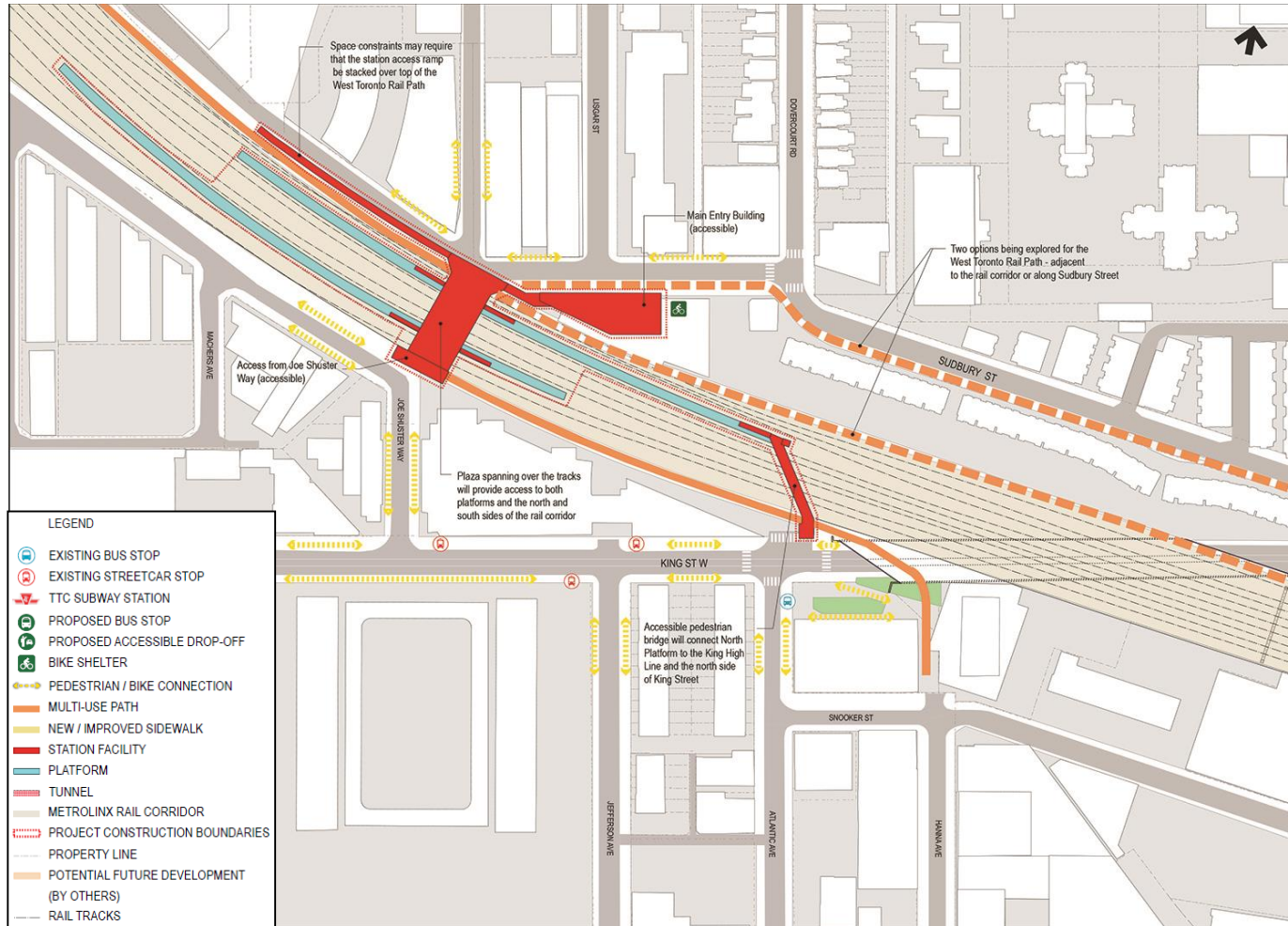
# **Appendix 1 – SmartTrack/RER Station Designs**



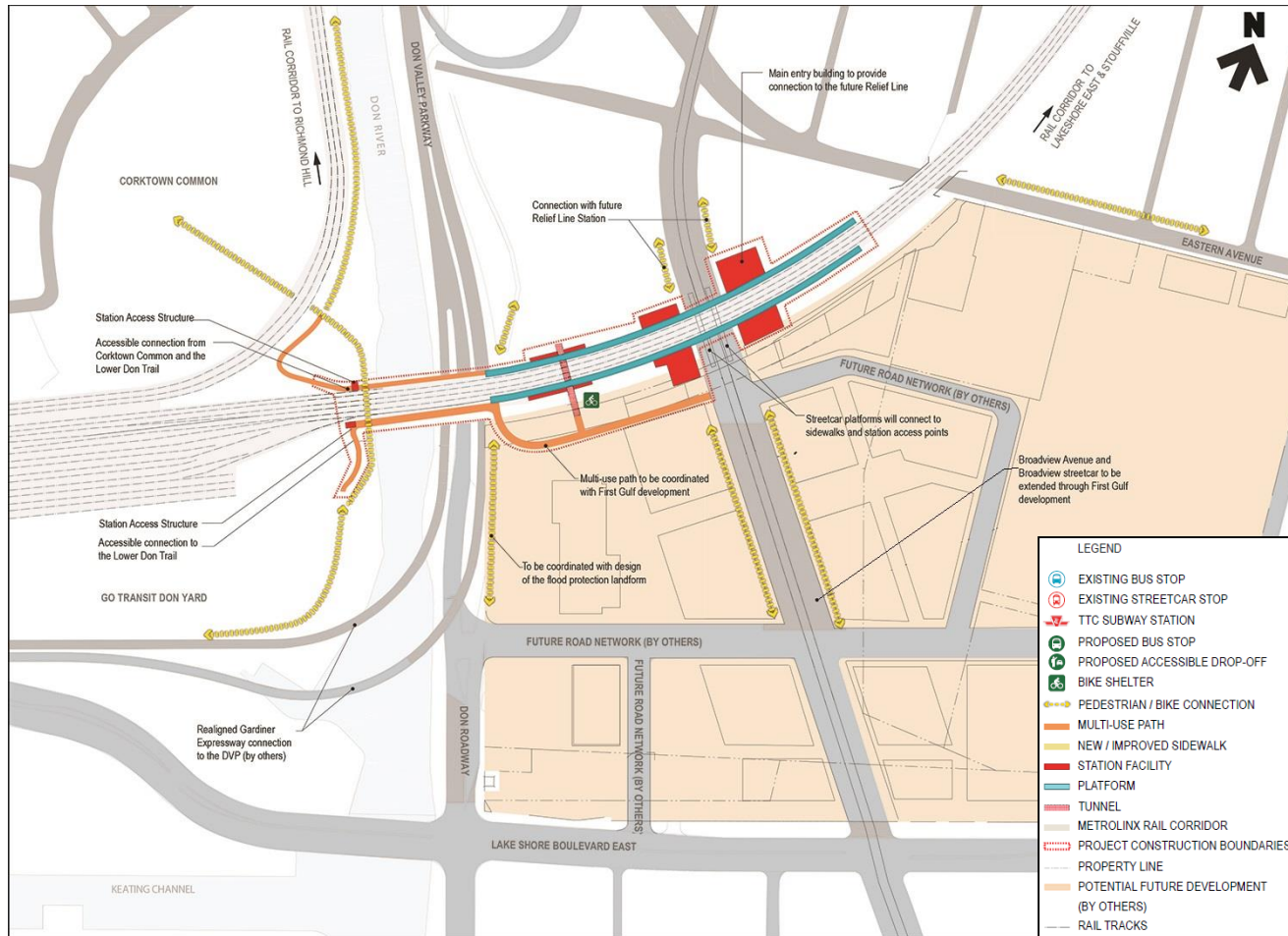
# St. Clair-Old Weston Station



# King-Liberty Station

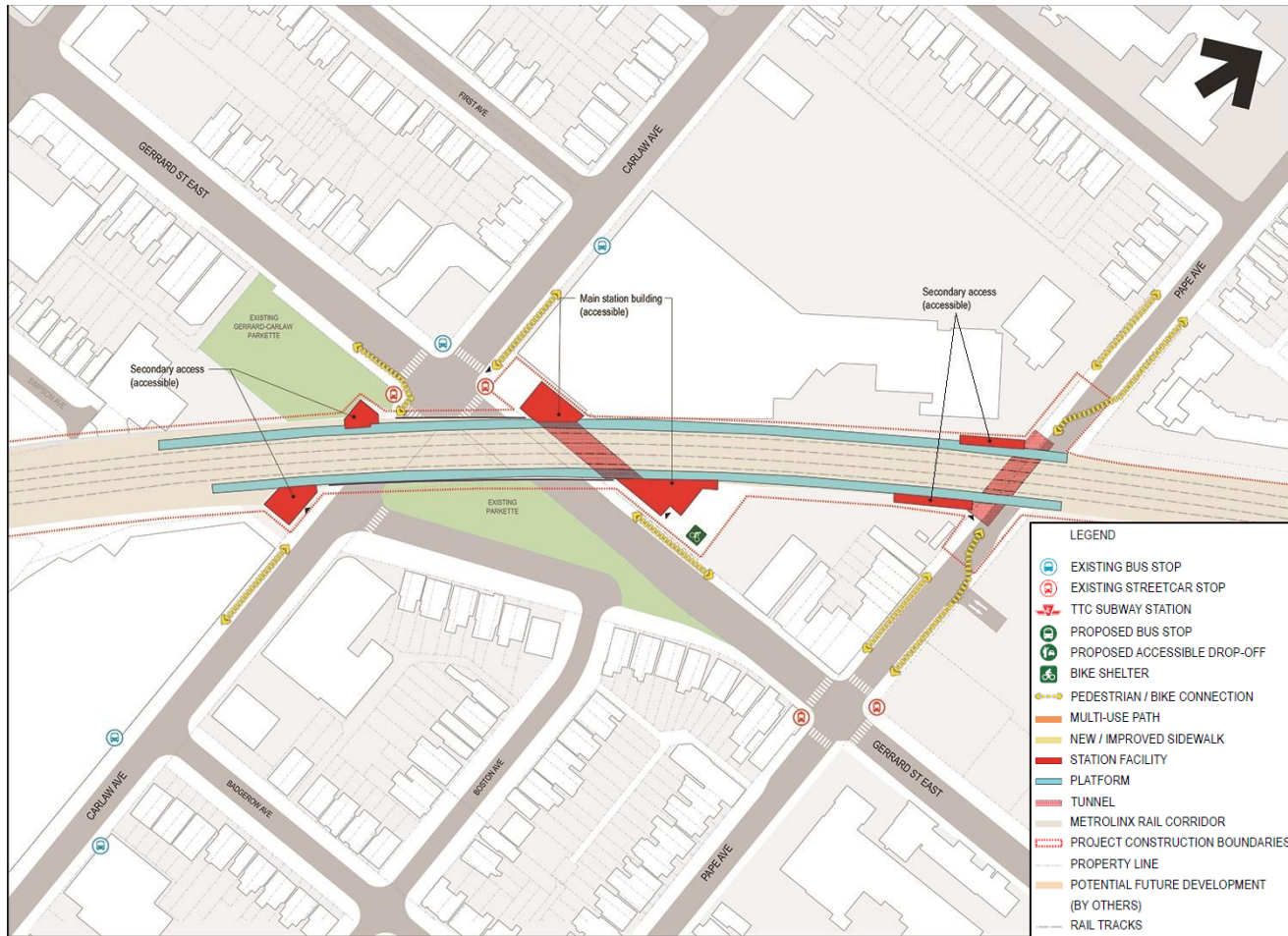


# East Harbour Station

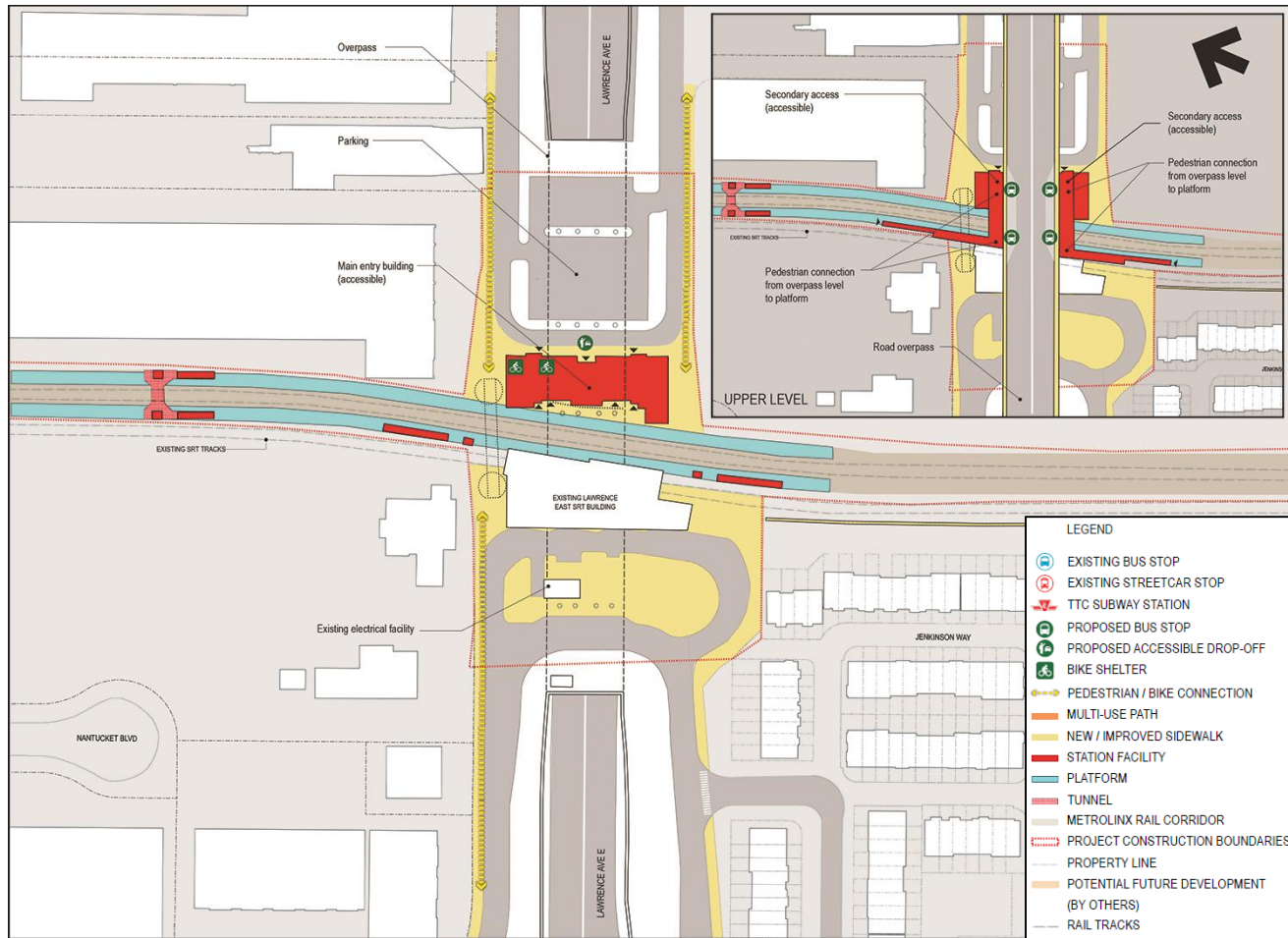




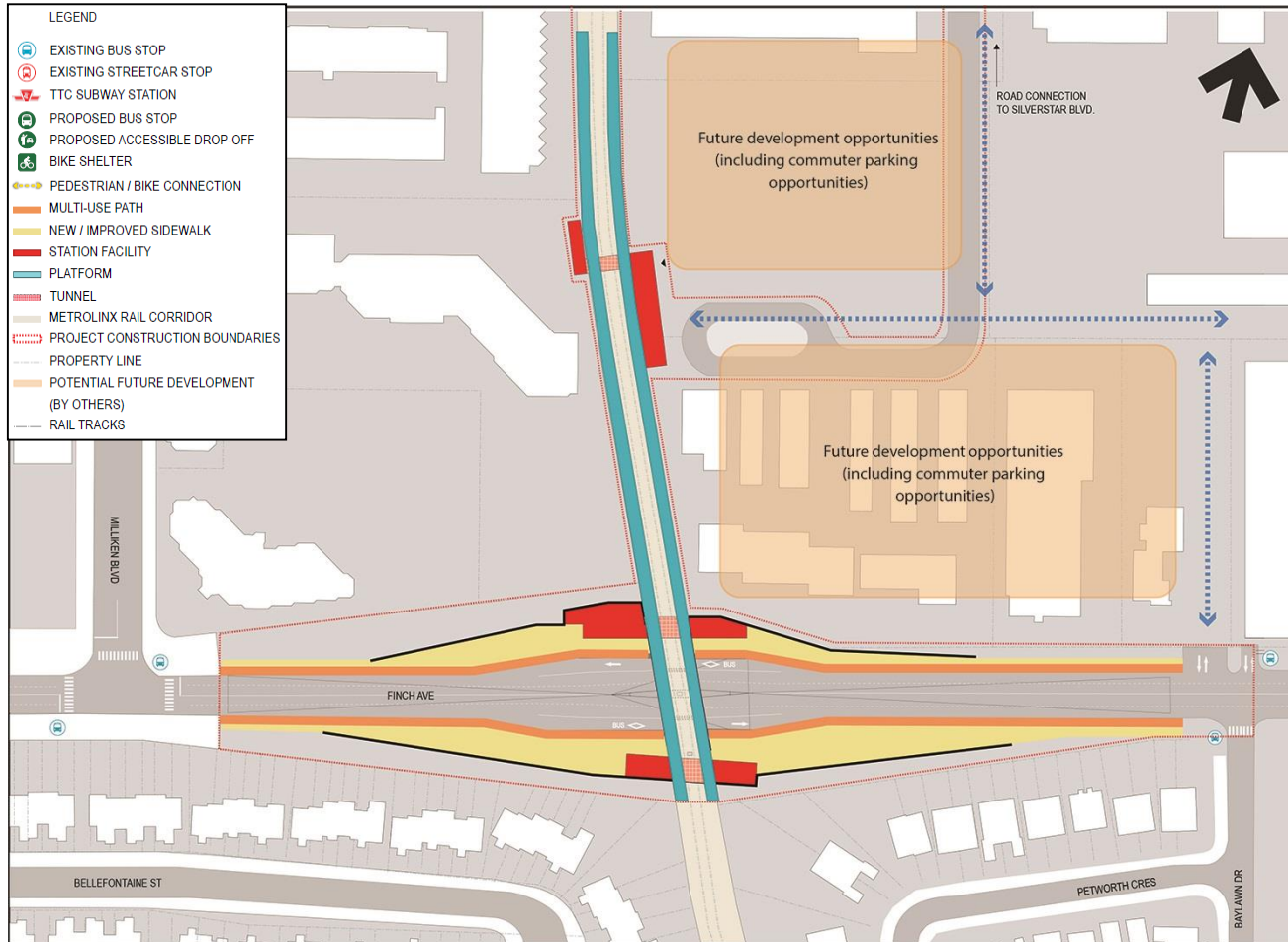
# Gerrard-Carlaw Station



# Lawrence-Kennedy Station

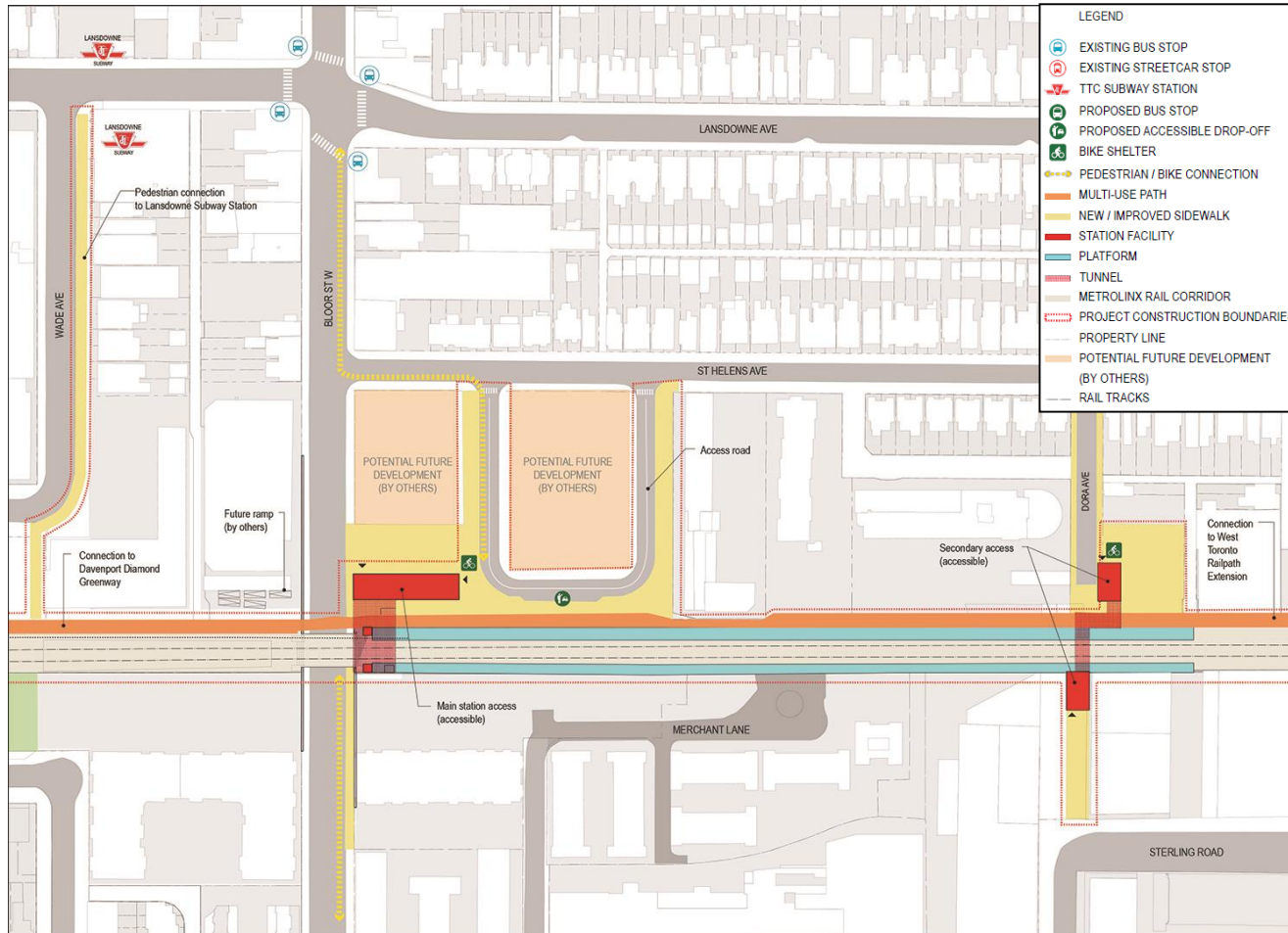


# Finch-Kennedy Station





# Bloor-Lansdowne (GO RER) Station



# Spadina-Front (GO RER) Station

