

# 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

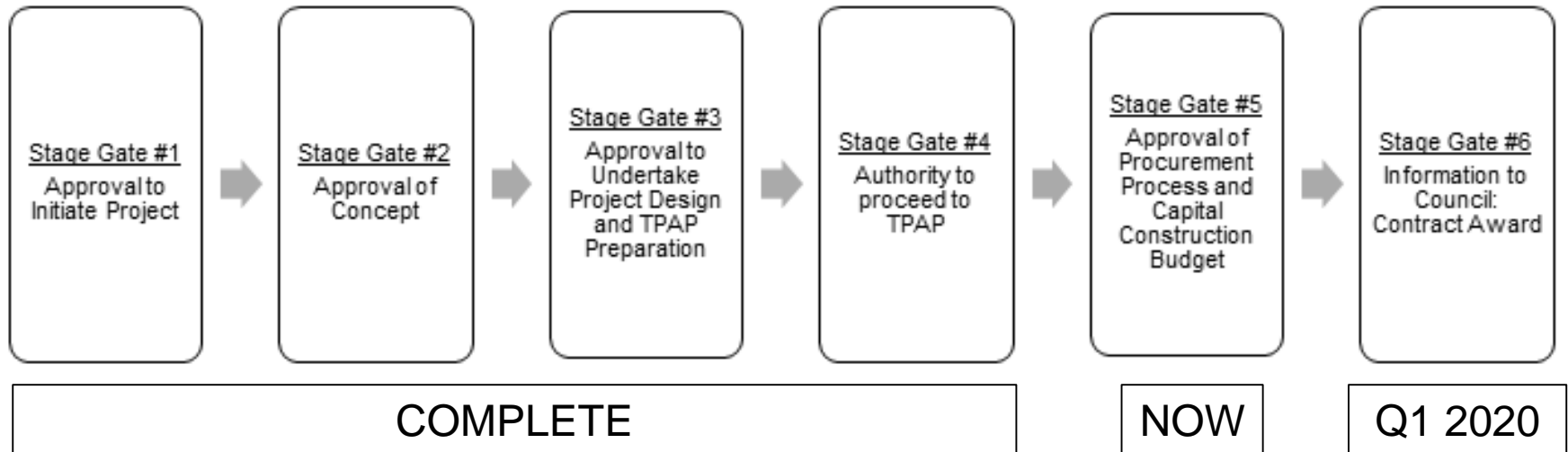


# SmartTrack Stations Program

## Stage Gate Process for Decision Making

### 2015-Present:

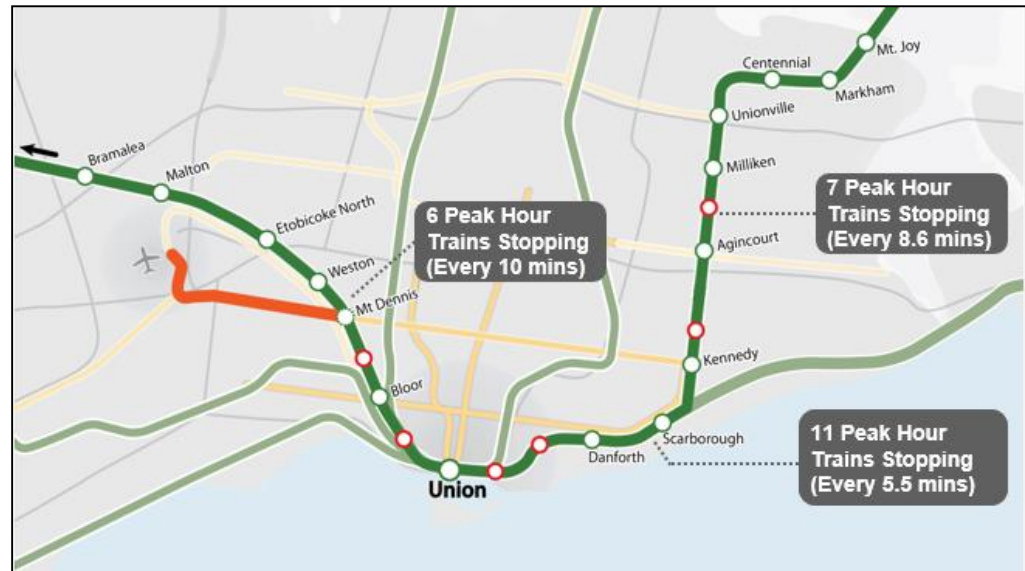
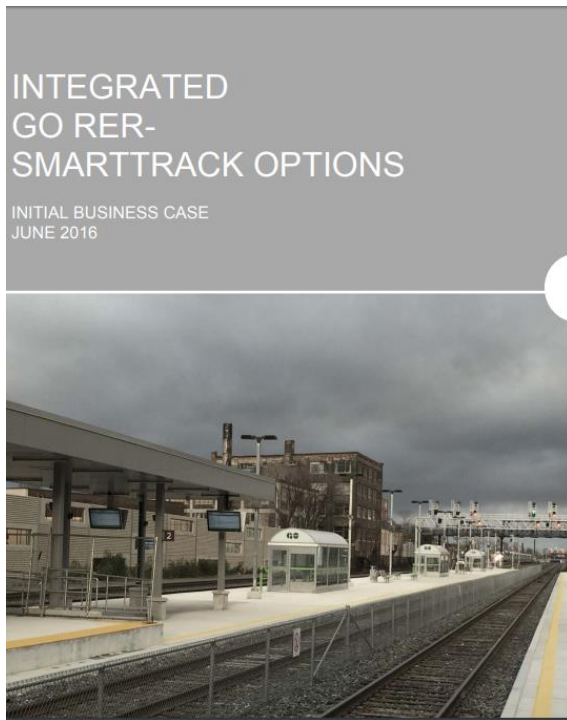
- 5 Reports to City Council – from initial concept through planning and design; ready for procurement and construction
- Business case analysis (July 2016; Updated PDBC to MX Board – February 2018)
- Cost-sharing principles and preliminary funding and financing strategy (November 2016)
- Approval of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

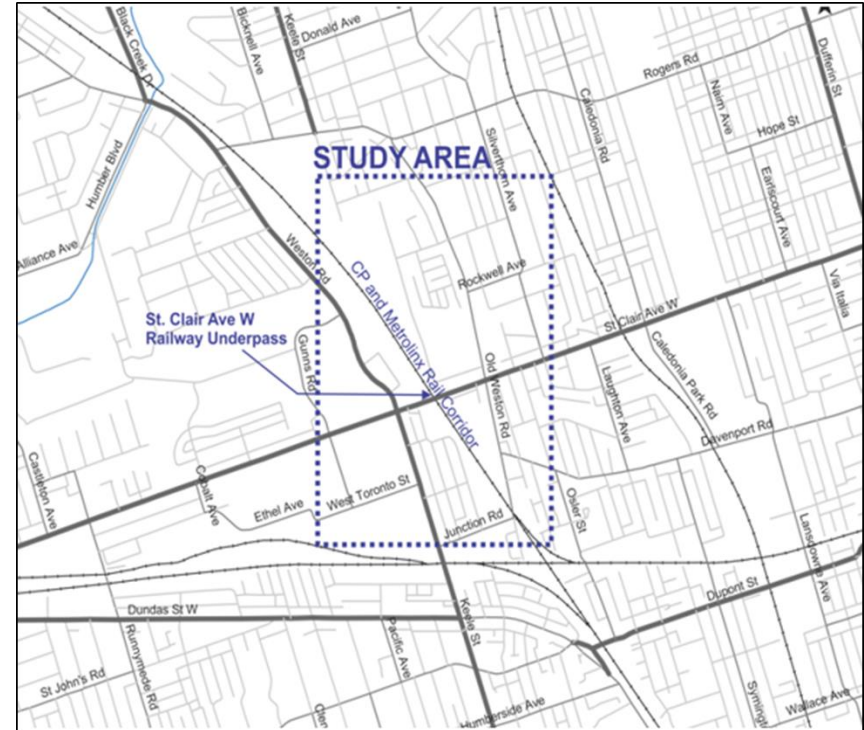




# SmartTrack Stations Program

## 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

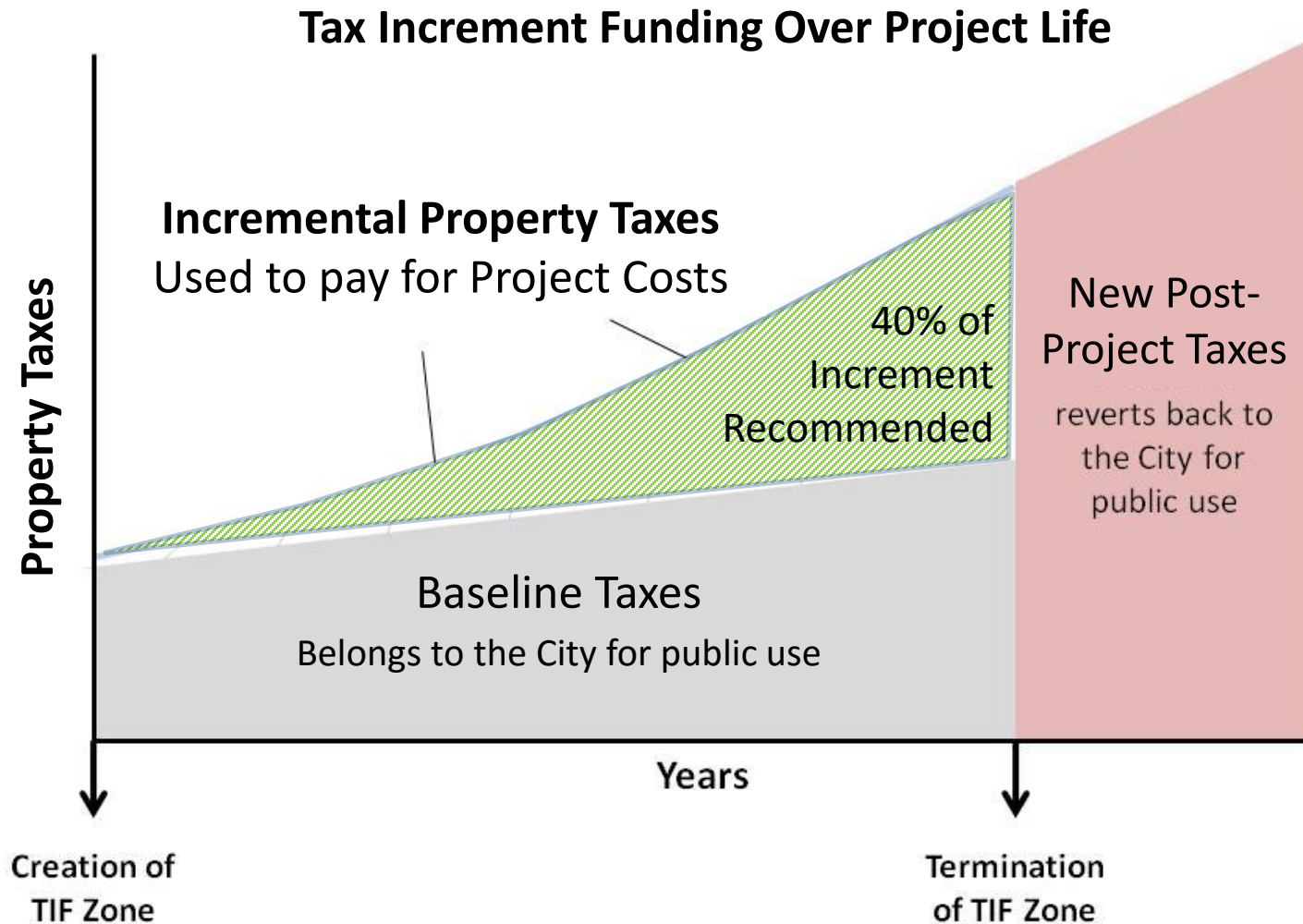
	Financial Summary (\$M)	Estimated Funding Sources (\$M)
Base Station Infrastructure	1,195	
City-Initiated Station Requirements	<u>268</u>	
Required City Contribution <sup>(1)</sup>	1,463	
Less Federal Funding Contribution	(585)	
<b>Required City Net Financial Contribution (anticipated in 2025)</b>	<b><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

**GO RER will reduce travel times and give people more ways to get where they want to go with:**

Trains up to every 15 minutes      Service in both directions      More all-day service      Faster electric trains

**More than 50** large cities across the world use Regional Express Rail systems.

Whether it's the Reseau Express Regional in Paris, the Overground in London, or NSW TrainLink in Sydney, each RER system has these basic traits:

- Frequent all-day service
- Uses electric trains
- Runs on surface rail lines
- Good connections with local transit

- 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

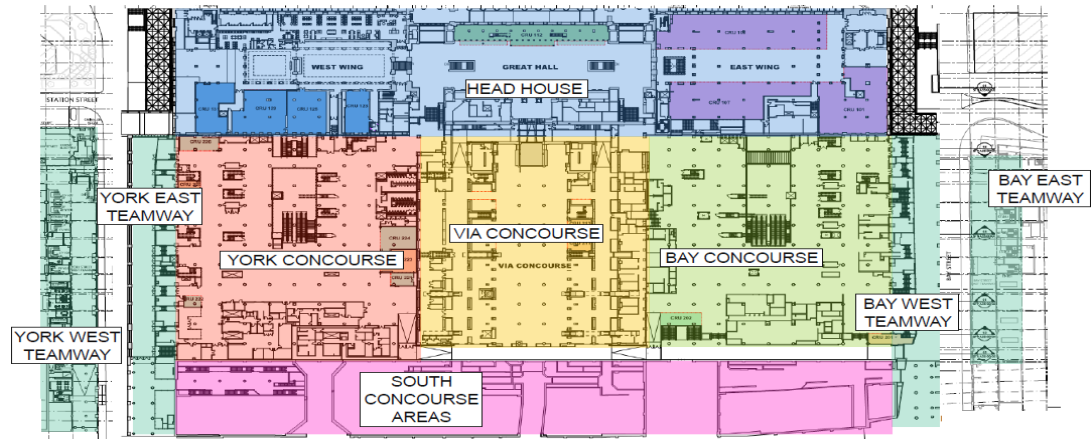
New and improved stations will make your journey more comfortable, from start to finish.

# Metrolinx Union Station Enhancement Project (USEP) Phase 1

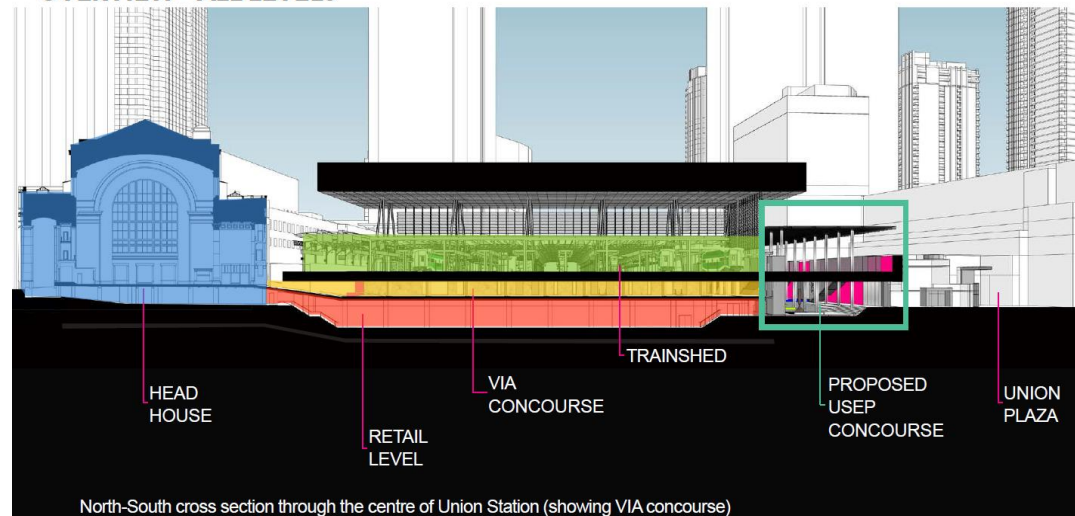
## Union Station Enhancement Project Phase 1

- 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

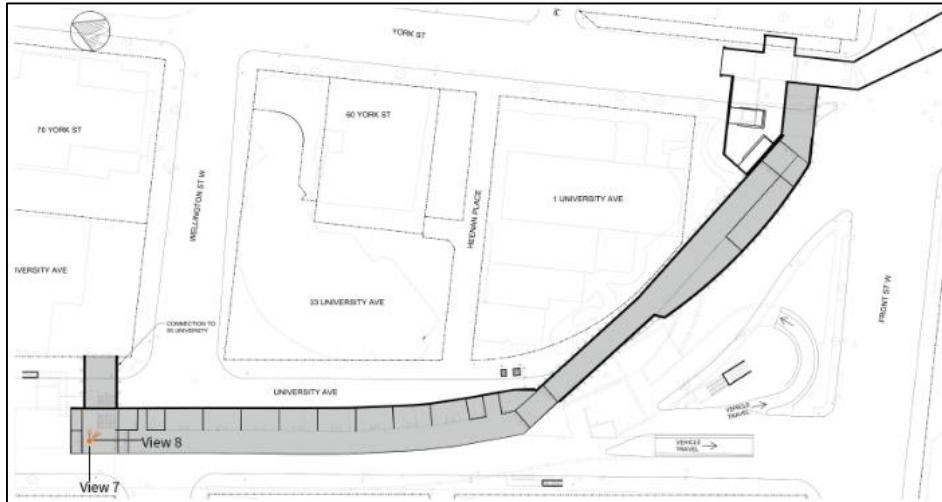
OVERVIEW - CONCOURSE LEVEL



OVERVIEW - ALL LEVELS



# Recommended Northwest PATH Alignment #4 with Renderings



Floor P1



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



Floor P2



View 4  
Floor P1 looking south 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**

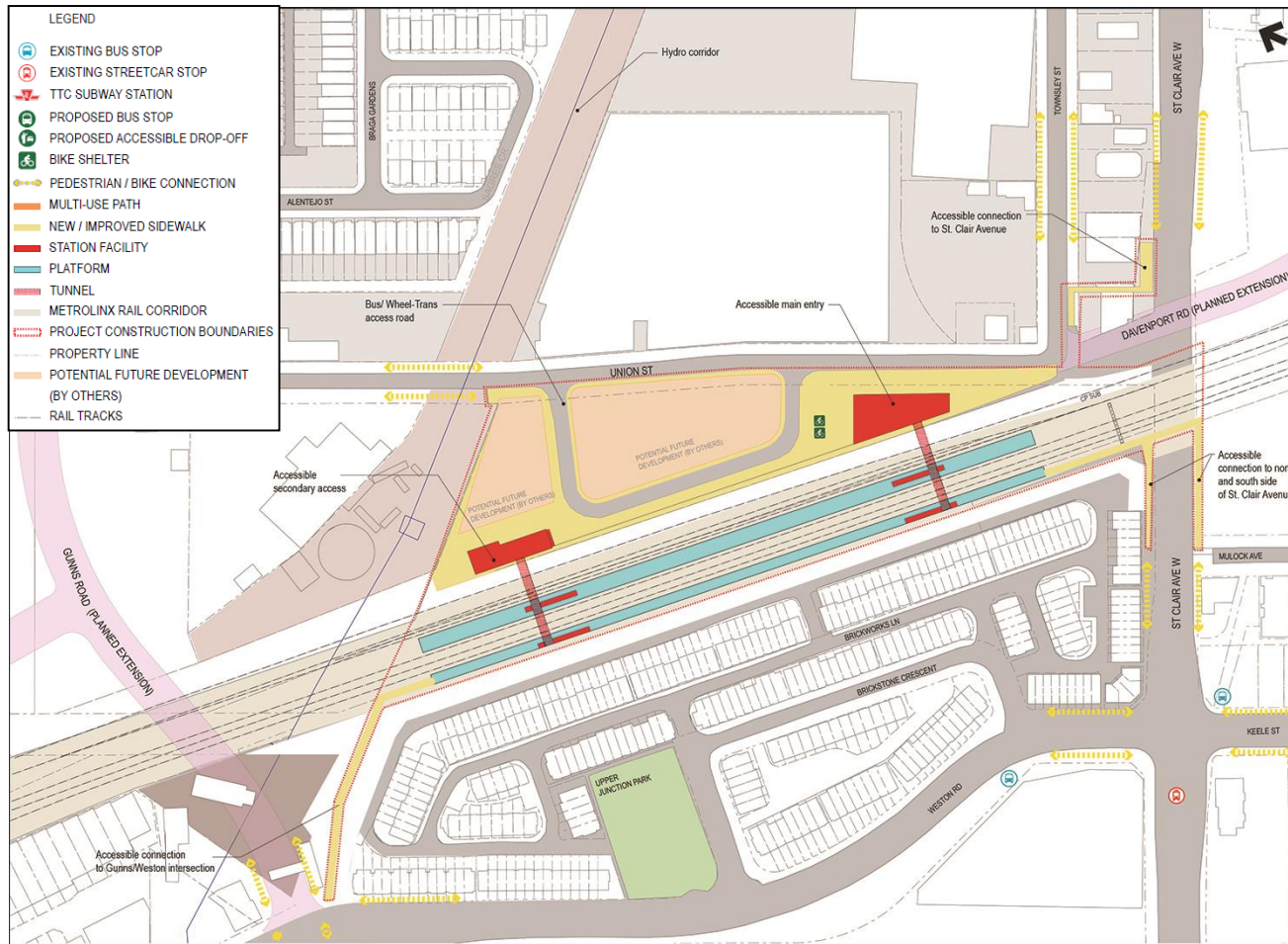
- Development of RER agreement(s) to establish framework for how City and MX will work together
- Hiring of 32 dedicated temporary staff to support implementation of the Program; MX funding provided

## **Real Estate**

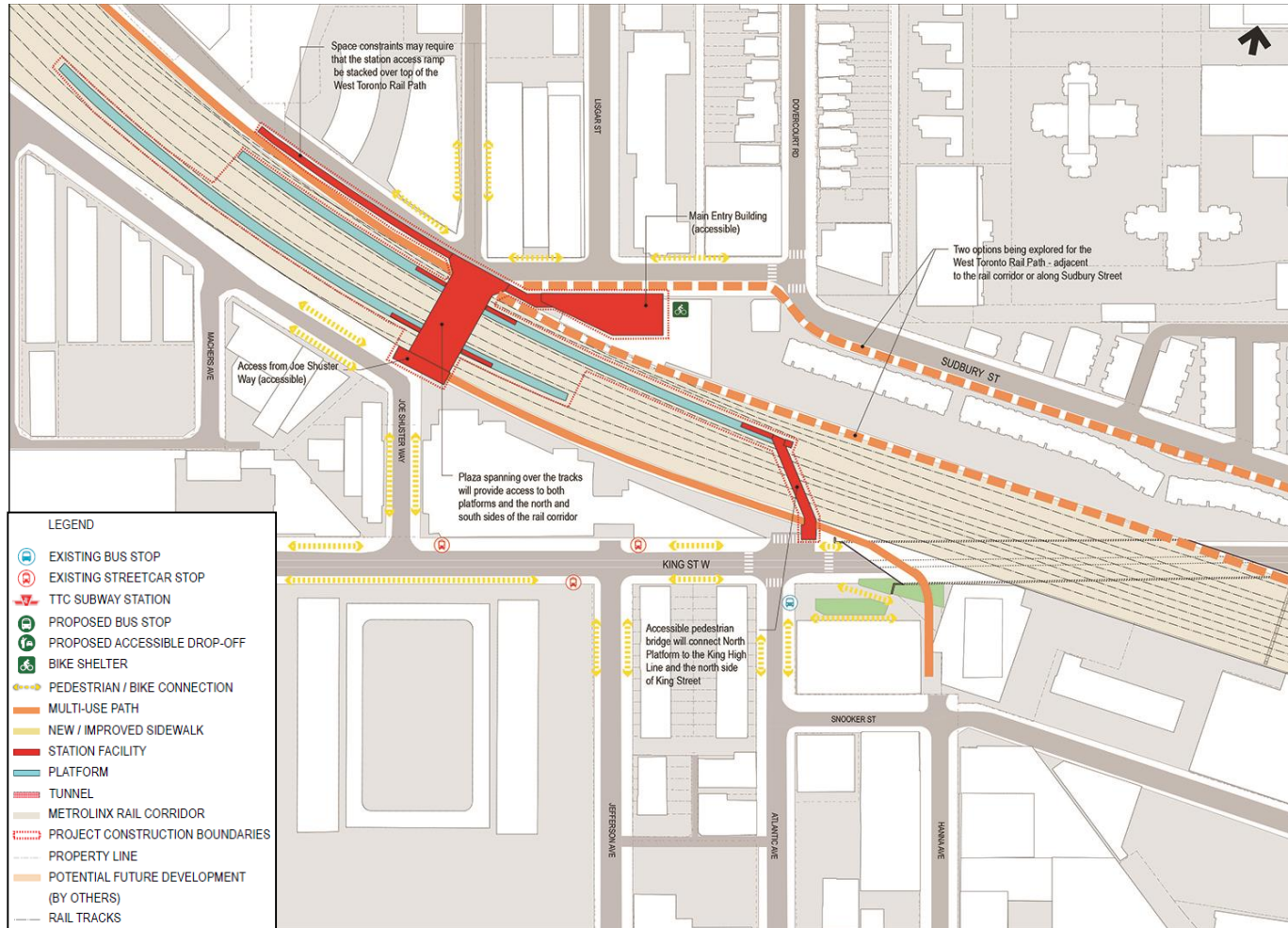
- Delegated authority to City staff to approve the disposal to Metrolinx of certain City property, for nominal consideration provided that:
  - The lands are not required for any current or future City purposes;
  - The lands will be used solely to construct and operate RER transit infrastructure;
  - 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

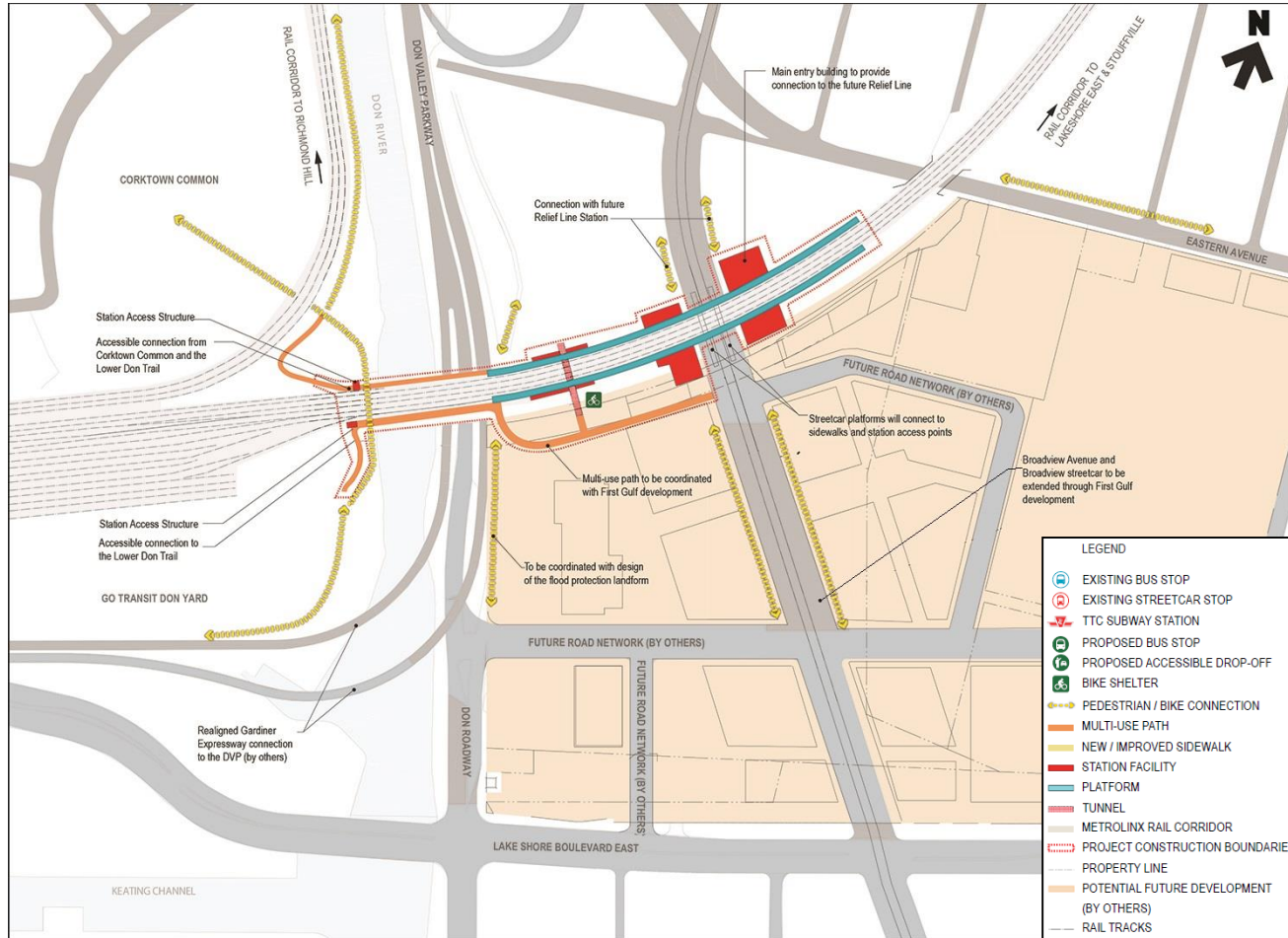
# St. Clair-Old Weston Station



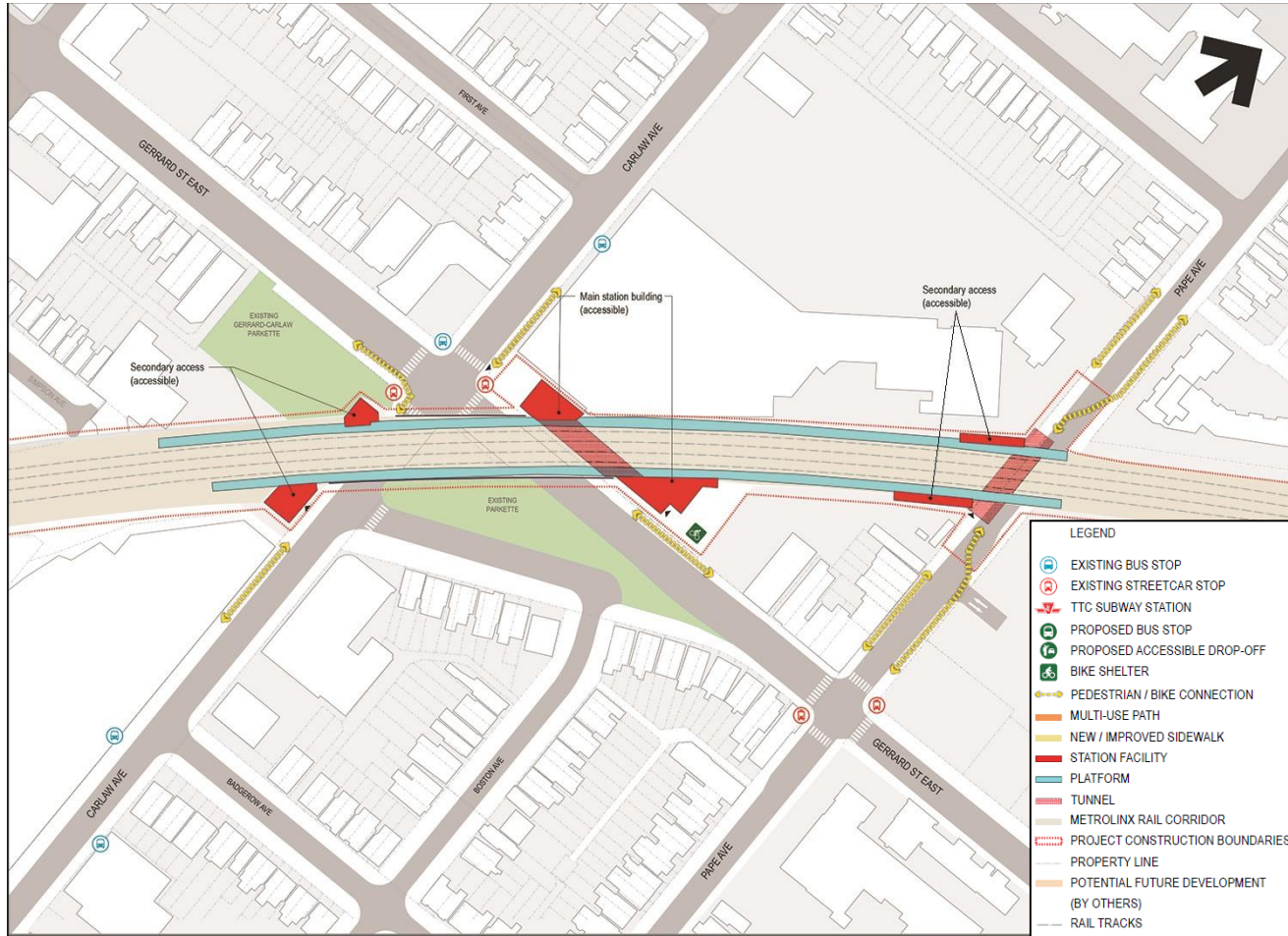
# King-Liberty Station



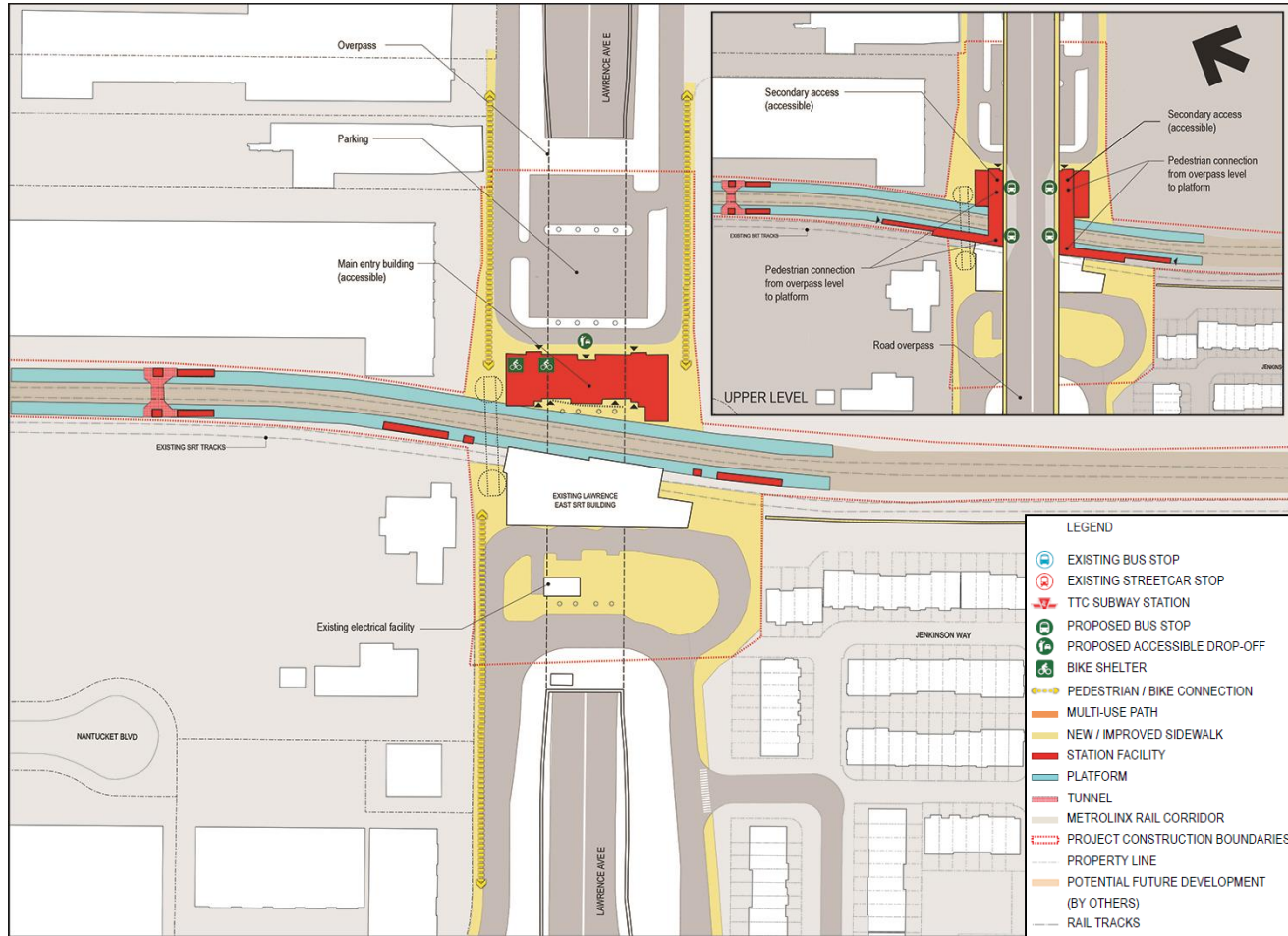
# East Harbour Station



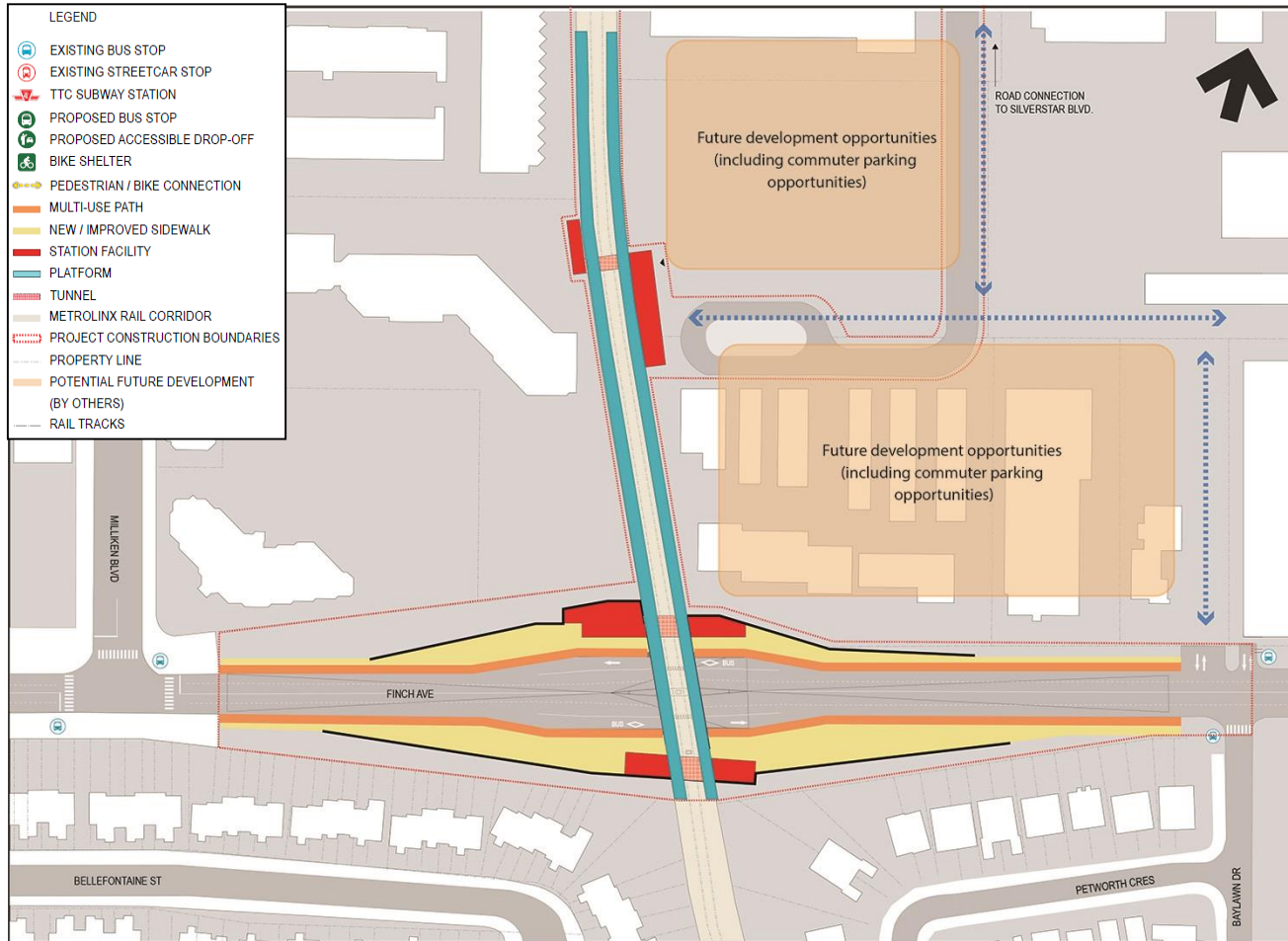
# Gerrard-Carlaw Station



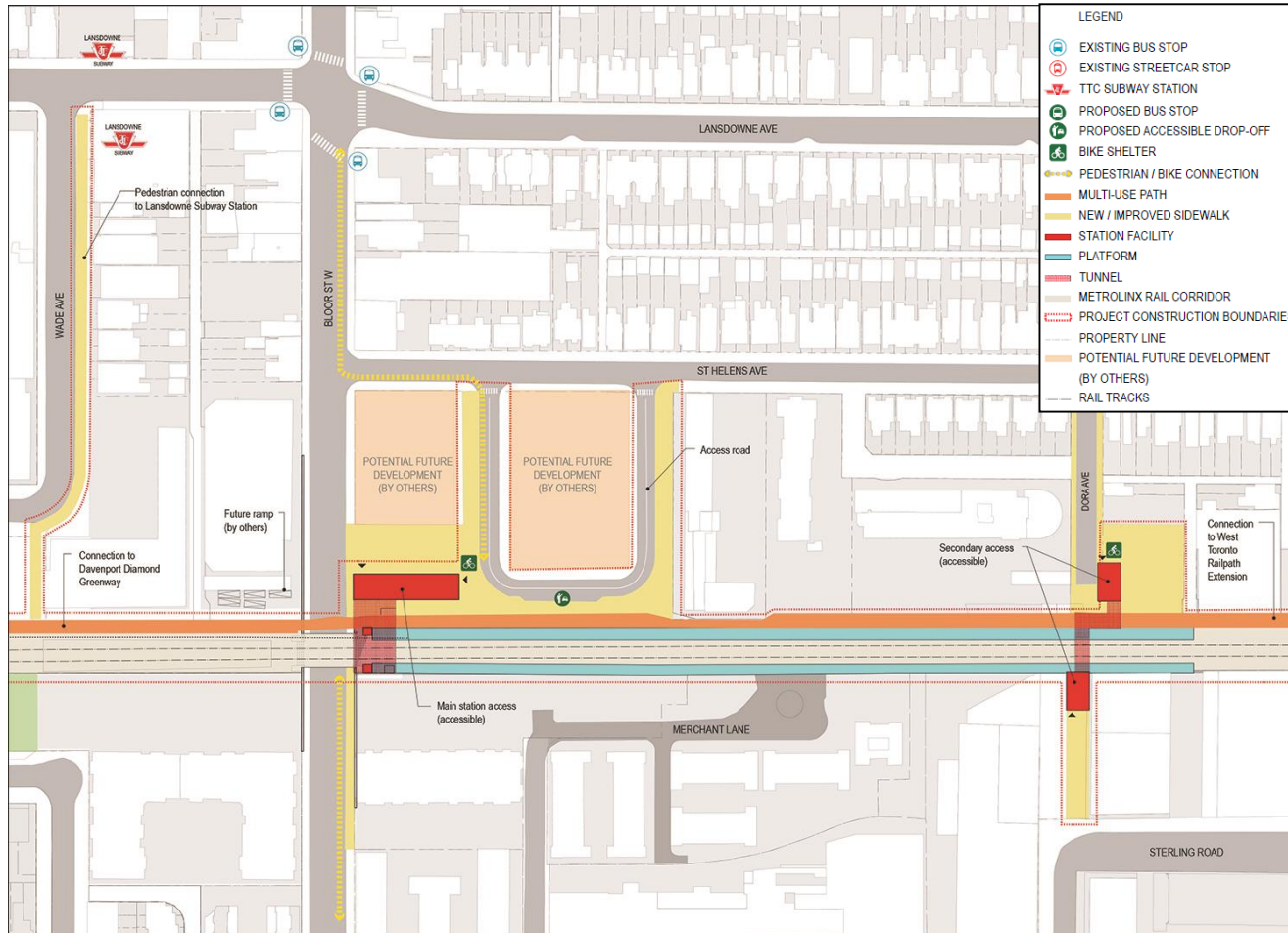
# Lawrence-Kennedy Station



# Finch-Kennedy Station



# Bloor-Lansdowne (GO RER) Station



# Spadina-Front (GO RER) Station

