



REPORT FOR ACTION

Toronto-Ontario Transit Update

Date: October 15, 2019
To: Executive Committee
From: City Manager
Wards: All

SUMMARY

The purpose of this report is to provide City Council with both an update on the status of the technical assessment of the Province's Sole Responsibility Projects and progress on discussions between the City and the Province in accordance with the Terms of Reference for the Realignment of Transit Responsibilities Review. Based on the results of the technical assessment and the current status of discussions on the realignment of transit responsibilities between the City and Province, this report includes a series of recommendations to ensure ongoing engagement to advance important transit initiatives to support the City's growth. This report was prepared in consultation with the Chief Executive Officer of the TTC.

For context, over the next twenty years, the City's population is projected to grow by about 960,000 people. By 2041, the City's population will be more than 3,900,000, exceeding the Provincial Growth Plan forecasts by more than 500,000¹. This growth will add pressure to Toronto's transit infrastructure, already in need of significant investment by all orders of government. The City and TTC have identified state of good repair and growth needs totaling at least \$33.5 billion as per the TTC Capital Investment Plan. The Province, in announcing its investment in their four priority projects (i.e., Ontario Line, three-stop Line 2 East Extension, Yonge Subway Extension and Eglinton West LRT), has estimated an investment of at least \$28.5 billion. Taken together, this represents a more than \$60 billion in transit investment, critical to maintaining the safety and reliability of the existing system and growing the system to meet mobility demands of the City and region.

Technical Assessment of Provincial Projects

Since the last report to City Council on the status of the Toronto-Ontario Transit Responsibilities Realignment Review, City and TTC staff have continued to meet with Provincial staff for the purpose of carrying out the assessment of the Provincial Priority Projects. City and TTC staff have assessed the Ontario Line and Line 2 East Extension, and will now, with City Council's support, work with the Province to advance all four priority projects.

¹ Canadian Centre of Economic Analysis and the Canadian Urban Institute. Toronto Housing Market Analysis. January 2019. <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-124480.pdf>

Based on the Ontario Line proposal, and the level of design completed to date in respect to the Line 2 East Extension (3-stop), the City and TTC believe the projects as proposed have the ability to deliver positive benefits to Toronto's transit network, and are therefore supportable in principle. Both projects have elements that are similar to projects previously considered by Council and as such have the potential to bring similar positive benefits to the City, including contributing to the relief of Line 1. Further, both projects will enhance the transit network by providing new higher-order transit lines throughout the city including to equity-seeking communities. The City and TTC have received limited information regarding the Eglinton West LRT and the future plans for the Yonge Subway Extension to date and will continue to work with the Province to better understand the benefits of those projects.

As part of the technical assessment, the City and TTC have also identified key areas requiring further discussion with the Province in order to ensure that the projects continue to materially deliver the anticipated minimum benefits and address City expectations. City and TTC staff will also continue to engage closely with the Province on the location of potential portals and tracks for the Ontario Line, and the coordination of major capital construction projects, especially in the area of the Lower Don River.

The Province has committed to collaborate with the City and TTC as the priority projects are developed and to ensure seamless integration of the extensions with existing subway infrastructure and assets. Through collaboration, City and TTC staff will ensure that outstanding areas of concern are addressed as the projects are further developed, and that they proceed without undue delay. City and TTC staff will also continue to work with the Province through established tables to advocate for meaningful public consultation on the Province's Sole Responsibility Projects.

Realignment of Transit Responsibilities

In parallel with the work on the technical assessment, the City and Province have been engaged in ongoing discussions regarding the realignment of transit responsibilities, as directed by Council and agreed to in the Terms of Reference. These discussions have culminated in a Provincial commitment of intent and a proposed package of terms as set out in an October 10, 2019 letter from the Minister of Transportation Caroline Mulroney, and an October 9, 2019 letter from the Deputy Minister of Transportation Shelley Tapp and Special Advisor to Cabinet – Transit Upload Michael Lindsay, both of which are attached to this report.

These letters taken together articulate a provincial commitment of intent and a set of principles and parameters to guide the working relationship of the City and Province in delivering the expansion of transit. They contain the package of terms that form the foundation of a preliminary agreement, summarized and presented in a term sheet, also attached to this report.

In summary, the Provincial proposal provides the following:

- ***The City Retains Ownership of the Existing Subway Network*** – The Province has determined that it is no longer necessary to assume ownership of the existing subway system in order to expand Toronto's transit network. The

existing TTC subway system will remain under the ownership of the City of Toronto and TTC.

- ***TTC Retains Operations of the Transit Network*** - The TTC will continue to operate the existing network, and will maintain day-to-day operations of the four Provincial priority projects as they come into service, including labour relations. With respect to maintenance functions and service levels/standards, the Province will work with the City and TTC to further define roles and responsibilities through operating and maintenance agreements. Farebox revenue will be used to defray operating costs, and the Province has committed to negotiate ongoing and commensurate operating contributions from other municipalities where subway service is provided. Under the proposal the City will be responsible for funding any net subsidy required to operate each of the priority projects.
- ***Funding for State of Good Repair Needs and Transit Expansion*** - The Province's proposal indicates that it would not seek capital contributions from the City for the Province's four priority expansion projects (Ontario Line, Line 2 East Extension, Yonge Subway Extension, and Eglinton West LRT), in accordance with the commitment that the City will redirect the capital contributions it would have otherwise been expected to make toward incremental investments in the state-of-good-repair needs of the system, as illustrated in the letter attached from TTC CEO Rick Leary. The Province would also consider the redirection of these funds to investment in other transit expansion priorities identified by Council, based on a fully developed business case, and subject to credible progress to the relief of the state of good repair backlog in the subway system.
- ***Advancing and Accelerating Transit Projects*** - The Province will own and be solely responsible for the delivery of the four priority Provincial subway projects, and have committed to collaboration and engagement with the City and TTC through the design, development, and delivery of these projects, similar to the approach taken with the Eglinton Crosstown LRT project.
 - In order to accelerate delivery of priority expansion projects, the City and Province will jointly seek opportunities to streamline processes, where possible. The Transit Expansion Office will act as the one-window access to the City, and facilitate the City's role in project implementation, while also developing improved processes to meet timelines.
 - The Province will work with the City to identify opportunities to leverage powers and authorities available through the Province to expedite delivery, and to develop a Memorandum of Understanding related to Transit Oriented Development, recognizing the desire to create and capture value to offset capital costs while advancing the principles of good city planning.
 - The Province is seeking a commitment that the City will engage and work collaboratively to identify how to efficiently manage key interchange stations and intersecting assets to facilitate construction and seamless integration. As outlined in the letter from Minister Mulroney, the Province is seeking a City commitment to grant the Province a level of access to and

control over the interchange stations and other intersecting assets, following engagement between senior provincial and City officials.

- **Financial Support of Projects** – The Province has committed to undertaking a financial review and reconciliation of costs incurred by the City and TTC to date on the Relief Line South and the Line 2 East Extension, and subject to further review of commitments made, the Province has committed to reimbursing the City for reasonable costs incurred. The Province has also committed to reimbursing the City for staff services and appropriate consulting services provided in support of advancing its priority projects.
- **Endorsement of Projects for Federal Funding** – As a result of the City's findings through the technical assessment of the projects, and in accordance with the above terms, the Province is seeking the City's endorsement of the re-allocation of the funding under the Investing in Canada Infrastructure Program Public Transit Infrastructure Fund Phase 2 (ICIP-PTIF2) to the Ontario Line and the Line 2 East Extension projects, consistent with the ICIP-PTIF2 approvals framework.
 - The Province and the City will continue to advance the SmartTrack Stations Program and Bloor-Yonge Capacity Improvement project through the federal ICIP-PTIF2 program.
 - The Province and City will work together to seek further federal engagement and funding commitment to all priority projects.

The package of terms as proposed by the Province, subject to endorsement by Council and outlined in the attached Term Sheet, provide a starting framework for agreements that will result in significant new transit investment in Toronto to both maintain and expand the existing system.

Subject to Council approval, staff will negotiate, enter into, and execute an agreement (the "Preliminary Agreement") with the Province on the basis of these terms, transitioning them into a formal arrangement between the parties. This Preliminary Agreement will form the starting foundation of a more fulsome Master Agreement or series of agreements, which will be negotiated between the parties as the projects advance through their respective lifecycles. These agreements will be subject to future Council approval.

This report outlines the significant outcomes achieved as a result of the discussions between the City and Province since the signing of the Terms of Reference in February. Continued engagement with the Province will provide the City and TTC the critical opportunity to collaboratively advance the priority projects through their lifecycles, ensure the projects continue to materially meet the City's anticipated benefits and expectations, and advance much needed investment in transit without undue delay.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council authorize the City Manager and any other relevant City officials, in consultation with Chief Executive Officer Toronto Transit Commission and the City Solicitor, to negotiate, enter into and execute an agreement (the “Preliminary Agreement”) with the Province and/or any other relevant provincial agency, in accordance with the terms set out in the term sheet attached as Attachment 6 reflecting the principles/parameters set out in the letters from the Minister of Transportation and the Special Advisor to Cabinet provided as Attachments 7 and 8.
2. City Council authorize the City Manager, in consultation with the Chief Executive Officer Toronto Transit Commission, to negotiate a Master Agreement and/or other applicable Agreements with the Province and/or any other relevant provincial agency for the purposes of the planning, procurement, construction, operations, and maintenance of the provincial priority projects, on the terms set out in Attachment 6 and any additional terms deemed necessary, and to report back to the Executive Committee on the results of such negotiations.
3. Subject to entering into the Preliminary Agreement, and in anticipation of the realization of the City's project expectations including project benefits as described in this report, City Council endorse the re-allocation of the federal funding under the Investing in Canada Infrastructure Program Public Transit Infrastructure Fund Phase 2 in accordance with the following, and direct the City Manager to advise the Government of Canada and the Province of Ontario accordingly:
 - a) up to \$0.660 billion for the Province's proposed three-stop Line 2 East Extension as described in the 2019 Ontario Budget; and
 - b) up to \$3.151 billion for the Province's proposed Ontario Line as described in the 2019 Ontario Budget and Initial Business Case.
4. City Council direct the City Manager to provide semi-annual updates to City Council regarding the ongoing realignment of transit responsibilities and status of the provincial transit expansion program.
5. City Council direct the City Manager, in consultation with the Chief Executive Officer Toronto Transit Commission, to ensure the provincial priority projects continue to materially meet the City's expectations and provide the anticipated benefits as described in this report, and report back to Council in the event of changes to the provincial priority projects that vary materially from such expectations.
6. City Council direct that the City Manager, in consultation with the Chief Executive Officer Toronto Transit Commission, to report in 2020, prior to the launch of the 2021 budget process, on funding and financing options for the reallocation of funds previously approved, identified, or contemplated for the provincial priority projects, for the purposes

of state-of-good-repair of the TTC subway network informed by Attachment 1, and other expansion projects.

7. City Council direct the City Manager to work with the Provincial and Federal governments to develop a long-term plan for dedicated and stable funding to support ongoing transit operations, state of good repair, and expansion projects.

FINANCIAL IMPACT

The principle terms, Attachment 6, discussed with the Province and recommended by staff provide a starting foundation for agreements that are expected to result in substantial investment in new higher-order transit in Toronto and allow the City to reallocate its resources to fund the TTC State of Good Repair (“SOGR”) backlog and other unfunded transit expansion priorities.

The Province has indicated that it will commit to leave ownership of the existing subway system with the City and TTC. The TTC will continue to operate the existing network and will operate the four Provincial priority projects as they come into service.

The Province has agreed to reimburse the City for preliminary design and engineering (PDE) costs on the Line 2 East Extension and Relief Line South incurred to-date, subject to a financial review and reconciliation exercise, and for staff services for the development of the Province's subway priority projects going forward.

Additional discussions and negotiations on operating agreements, maintenance and operating subsidies will occur as the projects proceed through their lifecycle and therefore no financial impacts are available at this time.

Capital Costs

Historically, funding for subway projects in Toronto has been determined on a project-by-project basis and has generally been done as a partnership between all three orders of government.

The proposed terms, if endorsed by Council, would represent a new cost-sharing arrangement for capital costs for the Province's four priority projects. Under the new arrangement, the City would no longer be expected to provide any portion of the capital costs with the caveat that the funds otherwise spent would be directed to incremental subway SOGR or other approved transit expansion priorities. The City will assume the operating costs and the farebox revenues will be used to defray operating costs with any net operating costs will be the responsibility of the City/TTC. The Province has committed to negotiating contributions to further defray costs for the portions of the lines that extend into other municipalities. The maintenance life cycle costs will be subject to future negotiations and agreement(s).

As a required part of this arrangement, the City would redirect the funds it would have otherwise considered spending, on the Relief Line South, Line 2 East Extension,

Eglinton West LRT and Yonge Subway Extension projects toward the TTC state of good repair backlog and other transit expansion priorities as determined by the City.

Each of the four projects for which City contributions are no longer required was at a different stage of design, with different agreements and expectations for cost-sharing and with different levels of committed City funding when last considered by Council. Below are the salient aspects of the latest state of project design and costing for each of these projects.

Line 2 East Extension (1 stop):

- Approved project of Council with a Class 3 cost estimate and a funding and financing strategy in place
- City costs of \$1.2375 B were fully funded through a dedicated tax levy and development charges. Subject to Council decision, the funds from the dedicated levy can be redirected to another purpose.
- Funding can now be redirected to subway SOGR and other transit expansion projects.

Table 1: L2EE 1-stop Project Cost Estimate and Funding (\$ millions)

Project Cost Estimate		3,887.5
Class Estimate		3
Federal PTIF 2 Funding	Confirmed	660
Provincial Funding	Assumed	1,990
City Contribution	Funded	1,237.5

Relief Line South:

- Project at an early stage of design with a Class 5 cost estimate.
- EX4.1 nominated \$3.151 B of PTIF2 funding toward the Relief Line South.
- In order to leverage the federal funding, the City would have been required to provide \$2.106 B in matching funding under the program.
- This amount is unfunded and the City would have needed to identify a funding source in order to leverage the federal funding in the PTIF 2 program.
- If the City were to redirect these funds to other transit projects, a funding source will still need to be identified for the \$2.106 B.

Table 2. Relief Line South Project Cost Estimates (\$ millions)

		Capital	PDE
Project Cost Estimate ^{1,2}		7,224 + 1,965 for provision	-
Class Estimate		5	
Federal PTIF 2 Funding	Assumed	3,151	-
Provincial Funding	Assumed	3,506	45 confirmed + 162.5 assumed
City Contribution	Unfunded	2,106	190
Notes:			
1. Project cost estimate includes \$27.5 M in PTIF Phase 1 PDE funding			
2. Best practice is to include a contingency provision for projects that have a Class 5 estimate, with an expected accuracy range of -50% to +100%.			

Eglinton West LRT

- City staff have completed the Initiation and Development phase of the Toronto segment of the project, but Council has made no determination as to the preferred option for the Toronto segment.
- Design is at an early stage with only a class 4 cost estimate, and a final design, including number of stops and potential grade separations has not been decided by Council. The staff recommended option of an at-grade LRT in EX4.1 had a preliminary cost estimate of \$1.8 B.
- Under the terms of the Agreement-in-Principle (AIP), Toronto would have been responsible for 100% of the capital costs of the Eglinton West LRT for the Toronto segment, subject to agreement on the scope of the project between the parties through the stage-gate process outlined in the AIP.
- Capital contributions to Eglinton West LRT are unfunded.

Yonge Subway Extension:

- In EX25.1, Council authorized the City Manager and CEO, TTC to enter into an MOU with Metrolinx and York Region, to undertake the preliminary design and engineering phase only for the project in order to advance the project to procurement readiness and develop a Class 3 cost estimate and schedule.
- At this time no Class 3 cost estimate has been determined for the project and there has been no decision taken on what portion of the capital costs, if any, the City would agree to assume.
- As no costs were envisioned at this stage, there are no funds to consider redirecting.

Cost Overruns:

Globally, large-scale and complex civil engineering projects – public and private – have been known to experience substantial cost overruns and delays. As the City will no longer be responsible for providing capital contributions to these four projects, subject to

approval of the term sheet, the City will be insulated from potential cost overruns. This arrangement represents a significant financial benefit to the City.

Redirection of Funds:

The Provincial proposal is based on the principle that each of the City and Province will be responsible for a proportional share of the required investment in state of good repair and expansion, representing an incremental investment in transit in Toronto. Below is a summary of staff's assessment of the minimum amount of City capital that will be redirected to incremental subway SOGR and other City transit expansion priorities:

- \$1.2375 B of funded contributions in the Capital Plan to Line 2 East Extension can be redirected.
- \$2.106 B in capital contributions for the Relief Line South that the City would have been required to make in order to maximize the PTIF2 contributions. This amount is currently unfunded.
- \$1.8 B in unfunded capital contributions for the Eglinton W LRT can be redirected once a funding source is identified.
- Once a funding source is identified for the currently unfunded \$3.9 B in capital contributions noted above, at a minimum approximately \$5.1 B in City funds will be required to be redirected to TTC subway SOGR and/or expansion projects.

The Province has conveyed in their letters a nominal expectation of City contributions based on committed amounts to the one-stop Line 2 East Extension and the Eglinton W LRT, as well as a 27% share of the current estimate for the Ontario Line and a pro rata share of the Yonge Subway Extension. The Province has communicated that they estimate this contribution to be approximately \$6 B.

The needs of the approximately \$24 + B unfunded TTC SOGR backlog, plus the funds needed for other City expansion projects exceeds by multiple factors the funding considered above.

Additional funding above and beyond the \$5.1 B identified here will be required to meet TTC SOGR and expansion needs.

As per the terms, the City and Province commit to seek additional federal funding commitments to work to address these needs.

Project Costs Incurred

The Province has committed to undertake a financial review and reconciliation exercise with the city, in respect to investments made in the preliminary design and engineering work incurred on the Relief Line South and Line 2 East Extension. Pending the outcomes of this review and subject to previous commitments made, the Province will reimburse the City for reasonable costs incurred.

In addition, the Province will provide full cost-recovery for City/TTC staff services and consulting services provided in support of advancing the Province's priority projects, in line with the experience of the Eglinton Crosstown and Finch West LRT projects.

It was estimated in April in EX4.1 that approximately \$200 M had been incurred for PDE on these projects.

Staff are currently updating these estimates and the City and Province will work to determine the amounts to be recovered and enter into an agreement for the purposes of cost recovery.

Operating Costs

As contemplated in the term sheet, the TTC will operate the four provincial priority projects, with farebox revenue defraying operational costs. The City/TTC will be responsible for the net operating cost of the lines and the Province intends to negotiate with the relevant municipalities into which rapid transit lines will be extended to secure an ongoing operating contribution commensurate with the service provided in that municipality.

Exact determinations of operating, maintenance, and potential lifecycle costs will be the subject of future negotiations as the projects proceed through the development process. Financial impacts will be determined and reported to Council as appropriate and as the negotiations and projects advance.

Public Transit Infrastructure Fund Phase 2 (PTIF2)

The City of Toronto has been allocated \$4.897 billion in federal funding under the Investing in Canada Infrastructure Program (ICIP-PTIF2). This includes the federal government's prior commitment of \$660 million to the Line 2 East Extension project.

In EX4.1, Council directed the City Manager to advise the federal government of the following two City priorities under the program:

- **\$500 million** for the Bloor-Yonge Capacity Improvement project, as described in Attachment 1 (to EX4.1); and
- **\$585 million** as previously approved by City Council in April 2018 (EX33.1) for the SmartTrack Stations Program.

The Federal government announced ICIP-PTIF2 funding for the SmartTrack Stations Program and for the Bloor-Yonge Capacity Improvement Project and the Province is working with the City to advance these two projects.

This report recommends that, subject to the conditions in Recommendation 3 above, that City Council endorse the re-allocation of the federal funding under the ICIP-PTIF2 in accordance with the following, and direct the City Manager to advise the Government of Canada and the Province of Ontario accordingly:

- a) up to **\$660 million** for the Province's proposed three-stop Line 2 East Extension as described in the 2019 Ontario Budget; and

b) up to **\$3.151 billion** for the Province's proposed Ontario Line as described in the 2019 Ontario Budget and Initial Business Case.

These four projects will maximize the City of Toronto's \$4.897 billion federal funding allocation under PTIF2.

Impact on Broader Transit Investment:

It is noted that the Province has committed to a \$28.5 B subway expansion investment in Toronto. Under the terms of this agreement, the Province will be seeking no capital contribution from the City, will leverage approximately \$4 B (for L2EE and OL) in Federal PTIF2 funding and will assume responsibility for the balance of the program. The following table provides a breakdown of the 2019 Ontario Budget preliminary cost estimates for the four Provincial priority projects that will extend the TTC-operated network.

Table 3. 2019 Ontario Budget Provincial Priority Project Cost Estimates (\$ billions)

Project	Cost
Line 2 East Extension (3 stop)	5.50
Ontario Line	10.90
Yonge Subway Extension	5.60
Eglinton Crosstown West Extension	4.70

Other Considerations

The following matters have been identified and will have to be resolved as part of further negotiations of a master agreement(s). These matters will have financial implications that cannot be assessed at this time.

- Responsibility for funding costs for maintaining Line 3 and or replacement transit service in Scarborough as a result of the change in scope and delivery of the L2EE;
- The City receives approximately \$185 M in annual funding from the Provincial Gas Tax Program (PGT). Funding is based on a 30% population and 70% ridership allocation of funds across municipalities. Potential impacts to the PGT program in future from the province owning a portion of the TTC-operated network are not known at this time and are subject to the evolution of the program over time;
- Roles and responsibilities for day-to-day and lifecycle maintenance of the four provincial expansion projects, including funding as appropriate;
- Impacts to budget, schedule and design of other approved and/or ongoing City and TTC infrastructure projects;
- Impacts to infrastructure disturbed, to be mitigated through master agreement negotiations;
- Potential changes to SmartTrack Stations Program as a result of impacts of Ontario Line/L2EE and any third party integrated transit oriented development proposals;
- Continuing TTC SOGR needs for funding, as the identified funds to be reallocated would not fully address unfunded backlog.

The terms contemplated here will see the Province take on responsibility for funding four major capital expansion projects, including cost overruns, which will represent substantial net-new investment in transit in Toronto. As a result, the City will redirect investment in a range of \$5.1 B to \$6 B toward addressing SOGR needs and advancing other expansion priorities. This will simultaneously allow for expansion of the transit network, while addressing critical SOGR needs.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of May 22, 2018, City Council considered MM41.36 Keeping Toronto's Transit in Toronto's Hands, which stated "that the City of Toronto should continue to own, operate and maintain the Toronto subway system and that transit within the City of Toronto should not be uploaded or otherwise transferred, in whole or in part, to the Province of Ontario", and that transit within the City should remain publicly owned through the TTC. Link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.MM41.36>

At its meeting of December 13, 2018, City Council considered *CC1.6 Engagement with the Province on Toronto's Transit System*, which reaffirmed its support for keeping the TTC in the City of Toronto, while authorizing the City Manager to negotiate a joint Terms of Reference for a discussion with the Province having regard to the City's Guiding Principles, an evaluation of potential models and other policy options, and the inclusion of a meaningful public consultation process. Council further authorized the City Manager to engage in the discussion with the Province based upon the joint Terms of Reference, and requested the City Manager to report to Council in Q1 2019 with an update on the process.

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.6>

On March 27, 2019, City Council considered *EX3.1 Engagement with the Province on Toronto's Transit System - First Quarter 2019 Status Report* and *EX3.12 Save Our Subway - Ensuring Torontonians Know the Facts*, requesting the City Manager to:

- report on the four transit priorities identified by the Province in its letters dated March 22, 2019 and March 26, 2019 and on the potential impact of these priorities;
- report to Council should the Province of Ontario introduce legislation affecting the City of Toronto's transit responsibilities, the City Manager to report with a comprehensive assessment of the potential risks, liabilities, implications, and seek authority to engage with the Province of Ontario, as may be required; and
- in consultation with the Chief Executive Officer, Toronto Transit Commission, to create and implement a public information campaign regarding Council's position on the transit upload.

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX3.1>

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX3.12>

On April 9, 2019, Executive Committee considered *EX4.1 Toronto's Expansion Program - Update and Next Steps* and requested the City Manager to report directly to City Council at its meeting on April 16 and 17, 2019 regarding new information from the Province on transit upload or transit expansion.

Link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX4.1>

On April 16, 2019, City Council considered EX4.1d, a supplementary report to *EX4.1 Toronto Transit Expansion Program – Update and Next Steps* and directed the City Manager to advise the Province of Ontario and the Government of Canada that the City of Toronto will consider endorsing Provincial priorities for the City's PTIF2 allocation, subject to an assessment of the Province's proposed changes to Toronto's transit expansion program and further direction from City Council.

Supplementary Report Link:

<http://www.toronto.ca/legdocs/mmis/2019/cc/bgrd/backgroundfile-132117.pdf>

On June 18, 2019, City Council considered EX6.5, which provided an update on the status of engagement with the Province regarding the realignment of transit responsibilities, and update of the status of applications for the SmartTrack Stations Program and the Bloor-Yonge Capacity Improvement project under the PTIF2 program, and an overview of Bill 107 - Getting Ontario Moving Act.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX6.5>

ISSUE BACKGROUND

For context, over the next twenty years, the City's population is projected to grow by about 960,000 people. By 2041, the City's population will be more than 3,900,000, exceeding the Provincial Growth Plan forecasts by more than 500,000. Toronto is also expected to meet Growth Plan 2041 employment targets of 1,720,000 jobs long before 2041; 2018 employment is more than 1,523,180 jobs, with growth over the past decade of 22,999 jobs per year.. This growth will add pressure to Toronto's transit infrastructure, resulting in the need for significant investment by all orders of government. These investments will be critical to maintain the safety and reliability of the existing system as well as grow the system to meet mobility demands of the City and region.

The City and TTC have identified their state of good repair and growth needs in several reports to TTC Board and City Council. The TTC has identified \$33.5 billion in capital needs in its Capital Investment Plan, based on order of magnitude estimates. These are critical investments to modernize existing TTC assets across all modes, of which \$24 billion is currently unfunded.

A letter from the CEO of the TTC, provided as Attachment 1, provides an overview of the update and prioritization process underway to determine the most critical base capital needs within the CIP and highlights priority elements of the CIP that pertain to the subway network. This process will inform recommendations to the TTC Board in 2020, future year budgets, as well as the report back to Council recommended by this report regarding the reallocation of funds previously identified as the City's expected

funding for the four priority projects to other critical transit needs, focused on state of good repair to the subway system.

City Council identified priority transit expansion projects for the City of Toronto's federal funding allocation under the Investing in Canada Program – Public Transit Infrastructure Program Phase 2 at its April 16, 2019 meeting. Through its 2019 budget, the Province presented its transit expansion proposal of approximately \$28.5 billion for the City and region.

On February 12, 2019, the City, TTC, and Province established a Terms of Reference with respect to a realignment of transit responsibilities between the parties. The Terms of Reference contemplated a comprehensive discussion on how to best realign transit responsibilities, including governance, funding, transit service integration, and transit expansion planning and project delivery. This review was to include a discussion of a variety of options, including those that both considered and did not consider the transfer of assets. The terms of reference outlined the following key objectives:

- The accelerated implementation of priority expansion projects;
- The integration of transit services across modes and agencies (e.g. TTC, Metrolinx, other 905 transit agencies);
- The modernization and enhancement of the existing subway system, while ensuring the system is maintained in a state of good repair;
- The continuity of safe, reliable service to all residents who depend on it for mobility; and
- A long-term sustainable, predictable, funding model for the existing transit system and future transit needs.

On May 2, 2019, the Ontario Government introduced Bill 107, the "*Getting Ontario Moving Act*" which is a series of amendments to legislation, notably the *Metrolinx Act and the Highway Traffic Act*. Amendments to the Metrolinx Act give authority to the Lieutenant Governor in Council to designate rapid transit projects by regulation as either "Sole Responsibility Projects" or otherwise as being subject to Ministerial authority. Bill 107 received Royal Assent on June 6, 2019.

On July 23, 2019, the Province filed Ontario Regulation 248/19² which designated the Relief Line/Ontario Line, Scarborough Subway Extension/Line 2 East Extension, and Yonge Subway Extension as being the sole responsibility of the Province. The Eglinton West LRT is considered a Provincial priority by virtue of being an extension of the provincially-owned Eglinton Crosstown LRT.

In accordance with Section 46 (3) of the Metrolinx Act, the Minister of Transportation authorized the City and TTC to work on the projects prescribed in the regulation, through the engagement structure outlined in the Terms of Reference.

² <https://www.ontario.ca/laws/regulation/r19248>

COMMENTS

1. Recent Engagement with the Province

Throughout 2019, the City has continued to engage with the Province for the purposes of developing a series of principles regarding the roles and responsibilities for the delivery of transit in Toronto and the surrounding region. City and TTC staff have also continued to meet with Provincial staff for the purposes of carrying out the technical assessment of the Province's transit proposal. Discussions have proceeded in three primary streams:

- **Assessment of Transit Proposals** – In April 2019, Council directed the City Manager and CEO TTC to undertake an assessment of the Province's proposed changes to Toronto's transit expansion program. Since the interim update provided in June 2019 (EX6.5), City and TTC staff have continued to meet with Provincial staff for the purpose of carrying out the assessment of the Provincial Priority Projects. City and TTC staff have assessed the Ontario Line and Line 2 East Extension, and will now work with the Province to advance all four priority projects.

As part of this process, the initial business case (IBC) authored by Metrolinx for the Ontario Line was provided in draft to City and TTC staff on July 19, 2019 prior to a public release on July 25, 2019. City and TTC staff have reviewed the IBC and provided initial feedback to the Province as part of the ongoing assessment.

The results of the City and TTC's assessment are discussed in Section 2.

- **Principles - Realignment of Transit Responsibilities** - As part of EX4.1, City Council authorized the City Manager to "negotiate principles with respect to cost-sharing, roles and responsibilities, governance, and funding for transit network expansion" as part of the broader discussion regarding the realignment of transit responsibilities.

The culmination of the discussions undertaken between the City and Province, has resulted in the letters and series of principles/parameters described above, for consideration of Council on a number key elements regarding the alignment of transit roles and responsibilities between the City, TTC, and Province. These are summarized in Section 3 below.

- **City and Provincial Public Consultation Activities** – As directed, the City and TTC undertook a number of public consultation initiatives, as well as engaged an Expert Advisory Panel. Currently, the City, TTC, and Province have commenced discussions regarding activities planned to ensure meaningful public consultation for the four priority projects. An overview of these activities is provided in Section 4.

2. Assessment of the Provincial Proposals

As directed by Council, extensive work has been undertaken over the past four months to complete the technical assessment of the Ontario Line and the L2EE projects as proposed by the Province. This assessment has been undertaken using the Rapid Transit Evaluation Framework (RTEF) and is based on the information provided by the Province. Background information on the RTEF is provided in Attachment 2.

The information City and TTC staff have received is reflective of the current status of the projects in the project lifecycle and associated level of planning and design.

With regard to the Ontario Line and Line 2 East Extension, the City and TTC believe the projects are supportable in principle based on the level of planning and design that has been completed to date. The projects as currently presented have the potential to bring similar benefits to the City as those projects previously considered by Council, including providing important relief to Line 1, and providing new higher-order transit lines throughout the City.

As part of the assessment, the City and TTC have also identified key areas requiring further discussion with the Province in order to ensure that the projects continue to materially deliver the anticipated minimum benefits and address City expectations. City staff will also continue to engage closely with the Province on the location of potential portals and tracks for the Ontario Line, and the coordination of major capital construction projects, especially in the area of the Lower Don River.

Additional details regarding each project are provided in the sections below and in greater detail in the associated attachments. The City and TTC expect that further details regarding the projects will become available as they continue to advance through the design process. Further, the technical assessments have also served to address the preliminary technical questions as identified in EX4.1 and are reflective of the current stage of the projects. These outcomes can be found in Attachment 3.

2.1 - Ontario Line

Project Description

The Ontario Line as currently proposed is a 15.5-kilometre higher-order transit line with 15 stations, connecting from Exhibition GO Station to the Line 5 Science Centre Station at Don Mills Road and Eglinton Avenue East.

For the purposes of this report, the project is described in three distinct sections:

- *Western Section:* From an interchange at the Exhibition GO station to downtown, connecting with Line 1 at Osgoode station. This section has not previously been studied by the City/TTC;
- *Central Section:* From Osgoode station on Line 1 to Pape station on Line 2, which coincides with the Relief Line South project study area; and
- *Northern Section:* From Pape station on Line 2 to an interchange with the Eglinton Crosstown LRT at Don Mills station, which coincides with the Relief Line North project study area.

The Ontario Line builds on and extends the previous work undertaken in partnership by the City, TTC and Metrolinx on the Relief Line South and North. Portions of the central section follow the Council-approved Relief Line South alignment and share similar station locations.

There are major differences in some areas, such as elevating the alignment over the Lower Don River and travelling above grade within the Lakeshore East GO rail corridor in the central section. Similarly, in the northern section, the Ontario Line follows one of the alignment options that was studied in the Relief Line North assessment, but with the line being elevated through Thorncliffe Park and Flemingdon Park.

Highlights of City/TTC Assessment

Information to support the assessment of the plans for the Ontario Line was obtained through a series of technical working group meetings with Provincial staff from the Ministry of Transportation, Infrastructure Ontario, and Metrolinx, and from the IBC. City and TTC staff have completed the technical assessment based on this information. Highlights of the assessment are provided below, with further detail available in Attachment 4.

- A design capacity of at least 34,000 riders per hour for the Ontario Line will meet demand in the project corridor for approximately 50 years.
- The Ontario Line will help relieve demand on Line 1. The modelling suggests that the Ontario Line is projected to reduce demand on Line 1 north of Bloor by between 700–2,000 riders per hour and between 3,200-5,400 riders south of Bloor in 2041.
 - This would reduce the demand north of Bloor to 31,000-38,500 passengers per hour and south of Bloor on Line 1 to approximately 33,500-36,000 passengers per hour; the upper end of these estimated ranges match or exceed the projected capacity of the line.
- The Ontario Line is expected to bring higher-order transit closer to equity-seeking communities. The northern section will directly serve the Thorncliffe Park and Flemingdon Park Neighbourhood Improvement Areas. Other portions of the line will be close to the Regent Park and Parkdale neighbourhood improvement areas, as well as the Alexandra Park and Moss Park communities.
- The Ontario Line, as proposed, is expected to contribute positively to the development of a comprehensive higher-order transit network. It provides new interchange opportunities with other higher-order transit lines, giving transit riders additional routes and alternatives in making journeys to the downtown and across the city. Importantly, it provides an additional second network connection from Line 2 to Line 1 downtown. It also provides good connectivity with local transit.
- The Ontario Line has the potential to support the development of employment and prosperity in the City, serving a large number of existing and future jobs.

Proposed stations in the central section provide direct access to the Financial District in the Downtown, while employment in the King-Spadina Secondary Plan area is well-served by two proposed stations in the western section. Other stations such as East Harbour will serve emerging employment precincts.

- The Ontario Line is consistent with the policy goals in both provincial and City planning frameworks. The proposed stations are generally located in areas where the Official Plan directs population and employment growth, with land use designations in the station area that support the development of this growth. There are transit-oriented development opportunities at many of the proposed station locations. Comprehensive station-area planning studies would help to determine the appropriate nature and scale of potential development, including consideration of station access, public realm integration and fit with the area's planned urban context.
- As planning, design and delivery of the Ontario Line proceeds, potential temporary and permanent impacts to residents and businesses will need to be mitigated and well-managed. The portions of the line that are above-grade or on an elevated guideway have the potential for permanent noise and vibration, property, traffic, and visual impacts. For example, the section between Cherry Street and Gerrard Street East has the potential for significant impacts on the existing community and will require great care during the design process and during construction. Operational impacts may also result. Design and construction of the elevated crossing of the Lower Don will need to be well coordinated with numerous major infrastructure improvement projects, including planned flood protection mitigation measures and the Gardiner Rehabilitation Project.
- The Ontario Line has the potential to provide improved public transit access to several public parks and attractions such as Ontario Place, Exhibition Place, Fort York, Nathan Phillips Square, the Don Valley parks system, and the Ontario Science Centre. The project passes through several heritage conservation districts and many station areas include listed and designated heritage properties. The Don River crossing presents sensitive environmental interfaces, including potential impacts to the flood channel. Potential impacts to natural and cultural heritage features will need to be appropriately mitigated.

Consultation with City divisions and agencies responsible for stewardship, management and planning of these resources and infrastructure is important in protecting public health and the environment.

It is important to note that these findings are based on an assessment of the early conceptual level of planning that has been completed to date, the project scope, such as the alignment and station locations, may change significantly through further design and the P3 delivery process.

Project Costs and Schedule

The 2019 Ontario Budget included a preliminary cost estimate of \$10.9 billion, while the IBC estimates the capital cost at \$10.2 billion (2019\$), assuming the representative 15.5-kilometre alignment with 15 stations at a conceptual planning stage. This is a Class 5 cost estimate undertaken by an international project management consultant. Accuracy ranges for a Class 5 estimate can be anywhere on the low end from -50% and on the high end of +100%.

The Province has stated a project timeline with a 2027 in-service date for the Ontario Line, two years sooner than the accelerated Relief Line South schedule. It is expected a more accurate estimate of schedule will be determined as the project advances. The Province has committed to ensuring the Ontario Line is in-service prior to the Yonge Subway Extension.

Given the current stage of the project and the early state of design and development, the City and TTC are unable to assess the validity of the stated timetable or the estimated cost at this time.

Project Delivery

Metrolinx has indicated that it intends to undertake a Transit Project Assessment Process (“TPAP”) for the Ontario Line; however, the timing for Notice of Commencement is not yet available. By way of a letter to The Ministry of Environment, Conservation and Parks, Metrolinx provided notice that it will be proceeding as the sole proponent for the Ontario Line TPAP. The Province has confirmed that public consultation related to the project will be undertaken, as referenced further in this report and in Attachment 11.

Based on discussions with the Province and as noted in the IBC, procurement contemplates a P3, design-build-finance-maintain (DBFM) delivery model for delivery of the project.

2.2 - Line 2 East Extension

Project Description

The Provincial plans for the Line 2 East Extension (L2EE) are similar to what was being planned by the City and TTC prior to 2016. The L2EE as proposed by the Province is an approximately 8 kilometre extension of Line 2 from Kennedy Station that will have three stations – at Lawrence and McCowan, Scarborough Centre and Sheppard and McCowan. The service would be fully integrated with the existing Line 2, will be operated by the TTC as an extension of the existing Line 2, and will match service provided across the subway network in the future.

Metrolinx has assembled a panel of external advisors with the mandate of reviewing previously developed plans and assessing their technical and commercial deliverability to give advice to the Province. It is expected that Metrolinx will develop a Preliminary Design Business Case (“PDBC”), which will reflect any changes resulting from the work of their expert panel.

The Province has clearly stated that it does not intend to recommend inclusion of any additional stations beyond the three already identified.

Highlights of Assessment

Information to support the assessment of the Line 2 East Extension was obtained through a series of technical working groups meetings with Provincial staff, and was directly informed by previous planning for a three-stop subway extension completed by the TTC. The highlights of the City/TTC assessment are provided below, with further detail available in Attachment 5.

- Rapid transit in this corridor will expand Toronto's higher-order transit network, better connect Scarborough Centre to the rest of the region, catalyse transit-oriented growth to encourage the development of the Centre into a vibrant urban node, and provide a replacement for the aging Line 3 (Scarborough RT).
- L2EE will replace the rapid transit service to Scarborough Centre that is currently provided by Line 3 (Scarborough RT). The vehicles and some of the other infrastructure on Line 3 have reached the end of their useful life.
 - Existing Ellesmere and Midland Line 3 stations will not be replaced by stations on L2EE.
 - The Lawrence East Line 3 station will be replaced indirectly by a station on Line 2, approximately two kilometres east of the existing station.
 - The Scarborough Centre and McCowan Line 3 stations will be replaced by a single new Line 2 Scarborough Centre Station.
- L2EE will better connect Scarborough Centre to the rest of the rapid transit network by providing through service to Scarborough Centre and eliminating the transfer between Line 3 and Line 2 at Kennedy Station. The project will expand the rapid transit network in Toronto by extending it north to Sheppard Avenue to connect with the future Sheppard East LRT and provide high quality connections to rapid transit for riders on buses in north Scarborough.
- Preliminary travel demand modelling suggests that the L2EE will attract approximately 11,000 net new transit riders per day by 2041. Preliminary modelling also suggests that the extension will also increase the peak westbound demand on Line 2 (east of Pape Station) by approximately 1,000 riders in the AM peak hour. The total estimated number of riders of westbound riders on Line 2 is expected to be less than the already expected eastbound demand. Expected demand will require future modernization to Line 2.
- Emerging modelling results also show that L2EE will reduce the estimated usage of the future Lawrence East SmartTrack Station, and that it will increase transit ridership on the Sheppard Corridor east of McCowan, but reduce it west of McCowan.

Further work is required to fully assess these impacts. Further analysis is also needed to assess the implications of a potential extension of Line 4 (Sheppard), as referenced in the 2019 Ontario Budget.

- The project will provide subway service to at least one Neighbourhood Improvement Area: stations at Scarborough Centre and Lawrence Avenue East would each serve the Woburn neighbourhood.
- Scarborough Centre is identified as a Centre in the Official Plan, with significant residential and employment growth planned over a large area. A new subway station in Scarborough Centre, with improved connections to the rest of the transit network is expected to help advance the urbanization of what is today an area of suburban development in a predominantly car-oriented public environment.
- Opportunities for a fully integrated transit facility with private development are being explored by the Province, to ensure a seamless development pattern in Scarborough Centre. Transit Oriented Development that is integrated with the transit facilities at Sheppard East station are also possible. Growth opportunities at Lawrence Avenue East and McCowan Road are constrained by existing conditions and existing planning policies.
- The Provincial L2EE will have greater property requirements than the previous express concept. Property impacts will result from the station facilities (including but not limited to bus terminals, traction power substations and a Passenger Pick-Up and Drop off) at both Lawrence/McCowan and Sheppard/McCowan.
- L2EE is not expected to impose significant impacts to the City's cultural heritage, the natural environment, parks, or the public realm.

Project Costs and Schedule

It is the City and TTC's understanding that the \$5.5 billion budget announced in 2019 Ontario Budget was based on the City's estimate of approximately \$4 billion (adjusted for inflation) for the express extension to Scarborough Centre, and an additional \$1.5 billion for scope associated with the additional two stations.

The City's anticipated completion date for the express L2EE was Q2 2026 / Q2 2027 (with and without applicable schedule risk allowance respectively). The 2019 Ontario Budget has estimated a completion date for the 3-stop L2EE at 2029-30.

The City and Province, pursuant to further negotiations under the master agreement(s), will continue to discuss responsibility for funding costs for maintaining Line 3 (Scarborough RT) and/or replacement transit service in Scarborough as a result of the change in scope and delivery of the L2EE.

Further work with the Province is required in order to validate the cost estimate and schedule, once determined and premised on the current stage of design, noting the extent of change from the express subway design work that had already been undertaken.

Project Delivery

The TPAP for the L2EE, express from Kennedy Station to Scarborough Centre, was completed in 2017, with the City and TTC as co-proponents. The Provincial concept will likely require an Addendum. The Province has not yet provided the details regarding their plans to the City or TTC.

It is the understanding of the City and TTC that the Province intends to conduct a procurement options analysis, which will include consideration of a design-build procurement model and alternate contracting approaches.

2.3 - Ontario Line and Line 2 East Extension - Anticipated Benefits and City/TTC Expectations

Given the early stage of design of the projects, the City and TTC will need to ensure that the projects continue to materially deliver the anticipated minimum benefits and address City expectations as summarized in Table 4. These anticipated benefits are based on City and TTC staff current understanding of the proposed project scope and form the basis of the City and TTC's expectations, upon which this report recommends ICIP-PTIF2 federal funding be allocated.

Subject to Council approval, City staff would report back on the progress of projects on a semi-annual basis, including an update on whether the projects continue to meet the City's expectations and anticipated project benefits outlined herein. Additionally, the City Manager will report back if there are changes to the provincial priority projects that result in material changes to the proposed minimum benefits.

A summary of the key findings for the Ontario Line and Line 2 East Extension are presented below.

Table 4 – Summary of Anticipated Benefits and City/TTC Expectations

Ontario Line
<ul style="list-style-type: none"> • Providing a design capacity for the Ontario Line of at least 34,000 passengers per hour per direction at the peak point (pphpd) and opening day capacity for at least 20,000 pphpd. • Per the Initial Business Case demand projection, reducing the projected 2041 demand on Line 1 to no more than 36,000 pphpd of the line. • Providing new interchange stations with Lines 1, 2 and 5, and GO Transit. • Minimizing impacts to existing City and TTC infrastructure and facilities and not causing design alterations or schedule delays to planned capital infrastructure projects, including Lower Don flood mitigation measures and the Gardiner Rehabilitation Project. • Putting in appropriate measures to mitigate impacts on the local community, such as property, noise, vibration, traffic, and visual intrusion, including in such areas as Riverdale/Leslieville and Thorncliffe Park.

Line 2 East Extension

- Providing fully integrated future service with Line 2, including through-service at Kennedy Station
- Protecting for the normalization of the Progress Avenue and McCowan Road intersection.
- Not precluding an easterly extension of Line 5 Eglinton (Eglinton East LRT).

Common to both Projects

- Demonstrating consistency with the City's planning framework, including locating stations in areas where the Official Plan directs population and employment growth, with land use designations in the station area that support the development of this growth, benefiting the natural and cultural heritage environments, improving the public realm, achieving architectural and urban design excellence, and being resilient to climate change.
- Providing convenient and safe passenger movement with connecting bus and streetcar routes, while integrating facilities identified by TTC to deliver effective and flexible transit service.

2.4 - Yonge Subway Extension

Based on the 2009 approved environmental assessment, the Yonge Subway Extension (YSE), is a proposed 6.8 kilometre extension of Line 1 Yonge-University from Finch Station north to Richmond Hill, with six new stations: Cummer/Drewry, Steeles, Clark, Royal Orchard, Langstaff/Longbridge and Richmond Hill Centre. The scope of the project also includes the following key elements:

- Major bus terminals at the Steeles and Richmond Hill Centre Stations;
- Bus loop at Summer/Drewry Station;
- Commuter parking facility at the Langstaff/Longbridge station; and
- An underground alignment, with the exception of a bridge structure over the East Don River, between Clark and Royal Orchard Stations.

In May 2017, City Council considered a report (EX25.1) on advancing preliminary design and engineering for YSE. Council directed that the work be advanced and authorized the City and TTC to enter into a Memorandum of Understanding (MOU) with Metrolinx, York Region and York Region Rapid Transit Corporation.

Project Status

In accordance with City Council direction to undertake a technical assessment of the projects, City and TTC staff have continued to work with the Province to advance project planning and design. Work had reached approximately a 15% design stage.

Bill 107 and associated regulation has identified the Yonge Subway Extension as being a “sole responsibility” project of Metrolinx. Accordingly, the City and TTC's ongoing involvement in this project will be subject to the Preliminary Agreement recommended in this report.

Metrolinx has initiated a value engineering exercise for the purposes of ensuring that the project scope and budget remain in alignment. The Province is currently undertaking a "challenge function" that includes reviewing the scope of the Yonge Subway Extension (YSE) to determine whether changes may be required from what is currently planned. These changes could include eliminating some stations, adjusting the alignment, or changing the size/location of bus terminals.

In addition, Metrolinx has assembled a panel of external advisors with the mandate of reviewing previously developed plans and assessing their technical and commercial deliverability to give advice to the Province. It is expected that reports generated by the Panel will be shared with the City and TTC when available.

Project Timing

City Council has previously confirmed its position that it will not agree to a north extension of Line 1 unless adequate relief has been provided to Line 1 through projects such as the Relief Line and improvements to Bloor-Yonge station. Projects providing this relief must be in operation prior to the opening of the Yonge Subway Extension. The Provincial Budget indicates that the YSE could be constructed at the same time as the Ontario Line and could be opened by 2029-30, following completion of the Ontario Line.

2.5 - Eglinton West LRT

The Eglinton West LRT (“EWLRT”) was originally approved in 2010 under Ontario's Environmental Assessment Act as Phase 2 of the Eglinton Crosstown LRT. In 2016, an Initial Business Case jointly developed by the City and Metrolinx, concluded that a surface-running LRT was the preferred concept for the western corridor of the SmartTrack proposal. In November 2016, City Council agreed in principle to contribute full funding for the design and construction of the Toronto Segment of the EWLRT, identified \$51 million for early planning and design for the project and directed staff to consider grade-separated concepts for the Toronto segment.

From 2017 to the date of the Province's 2019 budget announcement, City, TTC and Metrolinx worked closely on the following:

- Further consideration of grade-separated concepts, in consultation with a Community Working Group (as directed by City Council);
- detailed analysis of future traffic conditions and potential impacts of the LRT;
- assessment of development potential and related streetscape design;
- conceptual infrastructure design;
- cost estimation;
- business case analysis; and
- extensive public consultation.

The April 2019 report to City Council (EX4.1) indicated that City staff had concluded that the surface-running LRT was the preferred amongst all LRT concepts based on a broad assessment of project benefits and costs. This assessment was consistent with previous analysis and recommendations in 2010, 2016 and 2017. At the time, further analysis of regional benefits of the Toronto segment was expected from Metrolinx. Metrolinx was also continuing work to define the Airport segment, from Renforth Gateway (Commerce Boulevard) and the proposed Regional Passenger Centre at Pearson International Airport.

Current Status

In a March 2019 letter, the Province proposed that a significant portion of the EWLRT be "subterranean" (i.e., tunnelled). Subsequently, in the 2019 Ontario Budget, the Province proposed changing the scope of the Eglinton West LRT extension from a surface-running LRT to put a portion of the extension between Mount Dennis and Renforth underground, primarily between Royal York and Martin Grove Roads. The Province also stated it is committed to connecting to Pearson International Airport through future phases of the project.

It is understood that the Province is in the process of developing a revised Initial Business Case for this project, evaluating the similar surface-running and tunnelled options generally considered in the previous IBC developed jointly in 2016. City and TTC staff have received a high-level presentation from Metrolinx summarizing the IBC, but have not received any additional information regarding elements such as cost/benefit analysis, cost estimates, schedules or approach to procurement or construction.

2.6 - Yonge Subway and Eglinton West LRT Extensions - Anticipated Benefits and City Expectations

As the City and TTC have limited information regarding the Province's plans for the Eglinton West LRT and Yonge Subway Extension as above, the City will continue to work with the Province to better understand benefits and expectations of these projects, as applicable.

3. Principles - Realignment of Transit Responsibilities

The City has continued to meet frequently with the Province through the committees and working groups established under the Terms of Reference for the purposes of advancing ongoing discussions regarding the realignment of transit responsibilities. As a result of this exercise, the Province has proposed a package of terms for Council's consideration, the sum of which will result in significant new investment in transit in Toronto.

This package represents a starting foundation to address the objectives of the Terms of Reference and a number of previous Council positions, including opposition to an upload of the TTC subway and the need for enhanced state-of-good-repair funding.

Subject to Council authorization, this package of terms will be formalized as part of a Preliminary Agreement between the parties. This report seeks authority for the City Manager and any other relevant City official, in consultation with the CEO TTC, to negotiate, enter into, and execute an agreement (the "Preliminary Agreement") on the basis of the identified terms, as presented in the Term Sheet in Attachment 6 and reflecting the two letters received by the City from the Minister of Transportation and the Special Advisor to Cabinet in Attachments 7 and 8.

Following the establishment of the Preliminary Agreement, the City and TTC will continue discussions with the Province to negotiate a Master Agreement or series of agreements that will fully define the role of the City and TTC in the Provincial Priority Projects. It may be necessary to develop and negotiate project-specific agreements given the differing nature of the projects themselves.

The Master Agreement(s) will be negotiated on the basis of the Preliminary Agreement, providing additional details to the terms, as well as addressing additional topics typically contained in a Master Agreement or other applicable agreements related to implementation and future system operations such as City process and approvals, cost-sharing on infrastructure, capital coordination, governance and dispute resolution, and other considerations and protocols related to real estate, traffic management, staffing, operating and lifecycle maintenance accountabilities, and public communications and engagement. This report seeks authority for the City Manager, in consultation with the CEO TTC, to negotiate the Master Agreement(s) which will be subject to future Council approvals.

City and TTC staff will also continue to work with the Province for the purposes of advancing the design of the four priority projects, providing technical input and influencing design considerations to ensure City planning and neighbourhood concerns are addressed as the projects develop further. This involvement is reflective of the Provincial commitment to work collaboratively with the City and TTC on its priority projects.

It is critical that the City and TTC continue to work and engage closely with the Province to implement the terms of the proposed agreement as presented below.

3.1 - The City Retains Ownership of the Existing Subway Network

City Council has previously stated its position that the City of Toronto and TTC should maintain ownership of the TTC subway network (MM41.36 and CC1.6). As a result of discussions between the parties under the Terms of Reference, the Province has identified that it no longer views the upload of the TTC subway network as critical to achieving mutual objectives outlined in the Terms of Reference. The Province's identification of Metrolinx "sole responsibility projects" through Regulation 248/19, and the commitment between the parties to pursue acceleration measures would enable the Province with the necessary flexibility and tools to achieve the identified objectives regarding investment, planning, and delivery of the expansion of Toronto's transit system as a part of the regional transit network.

As established through Regulation 248/19, the Province would retain ownership of the new expansion projects that are extensions to the existing lines (i.e., L2EE and YSE).

3.2 -TTC Retains Operations of the Transit Network

The Province has confirmed its commitment that the TTC will continue its critical role as the operator of both the existing network as well as the four priority expansion projects as they come into service. Consistent with this role, the City/TTC will be responsible for the net operating costs of the four provincial priority projects and will be responsible for the day-to-day maintenance of the lines, with farebox revenue defraying operational costs. The Province intends to negotiate with the relevant municipalities to secure an ongoing operating contribution commensurate with the service provided in that municipality.

Further definition of roles and responsibilities for the operation and maintenance of the priority projects will be provided by the Master Agreement or Agreement(s) to be negotiated with the Province, including applicable service levels and standards.

The City/TTC and Province have jointly identified the need to maintain continuity of operations for those projects that are extensions to the existing subway network (i.e. YSE and L2EE). As part of the negotiation of the required Master Agreement or Agreements, the City/TTC and Province will continue to discuss the appropriate division of roles and responsibilities for the priority projects, including in particular responsibility for funding and carrying out of the lifecycle maintenance for the L2EE and YSE extensions.

3.3 – Funding for Transit Expansion and State of Good Repair Needs

In order to ensure the transit system continues to meet the demands of a growing City and region, the Province and City have established the following principles:

- the Province has committed to providing, in partnership with Federal government programs, the necessary capital funding required to advance the four expansion priority projects they have identified, reflecting the role of the Province as the sole party responsible for their delivery; and
- consistent with the ownership of the existing subway network remaining with the City and TTC, the City will redirect funding it may have otherwise considered for the Provincial priority projects toward the state-of-good-repair needs of the existing TTC network and toward other transit expansion priorities as determined by Council and subject to the terms of the agreement.

The City and TTC will report to Council in 2020, prior to the 2021 budget process, on a recommended funding and prioritization strategy for investment in TTC state-of-good-repair and transit expansion arising from this potential reallocation. This prioritization strategy will be informed by the TTC's Capital Investment Plan, including those elements of the CIP that pertain to the subway network as identified in the letter from

the CEO TTC (Attachment 1), and Council's priorities identified on April 16, 2019 (EX4.1)

This overall arrangement represents substantial net-new investment in both transit expansion and state-of-good-repair funding in Toronto, and reflects the long-standing City position that all three levels of government have a role to play in funding transit. As a result of this arrangement, the City will redirect at minimum \$5.1 billion to address the SOGR backlog and to other transit expansion projects as identified by Council.

In consideration of the above and the identified benefits of the proposals, the Province is seeking City Council's endorsement to leverage the federal dollars available to the City of Toronto under the ICIP-PTIF2 program to further advance and fund the Ontario Line and Line 2 East Extension as currently proposed.

Approximately \$4.897 billion in Federal funding under ICIP-PTIF2 has been allocated to Toronto. Under the ICIP-PTIF2 program, both the Provincial and Federal government must approve projects submitted by the City in order to receive funding.

As part of EX4.1, City Council identified its priorities for ICIP-PTIF2 federal funding as the Relief Line South, the Line 2 East Extension project as previously approved by City Council in October 2013 (CC39.5), Bloor-Yonge Capacity Improvement, and the SmartTrack Stations Program. City Council further identified that it would consider endorsing the Province's proposed line three-stop Line 2 East Extension and the Ontario Line, subject to the completion of an assessment of those projects.

Having undertaken this assessment, the City and TTC believe the Ontario Line and Line 2 East Extension projects proposed by the Province are supportable in principle based on the conceptual level of design completed to-date, the proposed scope and anticipated benefits of the projects. This conclusion has been reached on the basis that the projects have the potential to bring similar or greater benefits to the City as those projects previously considered by Council (i.e. Relief Line South and Line 2 East Extension express to Scarborough Centre, respectively), including providing important relief to Line 1 and enhancing the transit network by providing new higher-order transit lines throughout the City including equity-seeking communities.

This report therefore recommends that City Council endorse the allocation of ICIP-PTIF2 funding to the Ontario Line and Line 2 East Extension, subject to entering into the Preliminary Agreement, and reflecting the City's project expectations including the proposed scope and anticipated project benefits as described in this report and summarized in Table 4.

The ICIP-PTIF2 program requires the completion of a detailed federal business case. Projects must be sufficiently advanced in preliminary design and engineering (PDE) so as to be able to complete the business case requirements which include questions about scope, schedule, costing, and procurement, amongst others. This information is typically available once a project has reached Class 3 cost estimate and a Level 3 schedule.

The City and TTC therefore anticipate that as the Province advances the design of these projects and proceeds through to the submission of applications under the ICIP-PTIF2 program, changes to the scope of the projects may arise. While refinements to planning and design are normal in the evolution of a project through its lifecycle, the City and TTC will need to ensure that the projects continue to materially meet the City's expectations regarding currently proposed scope, that the projects ultimately deliver the benefits currently anticipated, and that the City's areas of concern are addressed/mitigated.

This report recommends that the City Manager in consultation with the CEO TTC be directed to report back to Council as required, should the projects materially change and negatively impact the projected benefits.

3.4 - Advancing and Accelerating Transit Projects

City and TTC Role in Provincial Priority Projects

Consistent with the authorities enacted under Bill 107 and Regulation 248/19, the Province will own and be solely responsible for the delivery of the four priority Provincial projects. This responsibility will include establishing planning and design, developing business cases, managing the TPAP Process, procurement, project delivery and conducting public consultation.

The Province has indicated its intention to work closely with the City and TTC in the design and development of its priority projects, and has been generally receptive to City and TTC feedback on the projects to-date. The City and TTC will continue to work with the Province to advance the design of the four priority projects, provide technical input, and continue to exert its influence to the extent possible, to ensure areas of concern and neighbourhood impacts are addressed as designs develop further. The TTC will need to have the opportunity to influence designs in such a way that the future operations and maintenance of the system are properly accounted for. Likewise, the City will need to have the opportunity to influence designs in order to ensure that they are consistent with City policy, including Toronto's Official Plan.

Similar to the role the City plays on other provincially-led projects such as the Eglinton Crosstown LRT and Finch West LRT, the City will continue to have responsibility for reviews and approvals and other matters required for City infrastructure. In addition, and similar to the agreement on the LRT projects, the Province has committed to fully reimbursing the City and TTC for all reasonable costs arising from staff services and applicable consulting services.

The Province has indicated, as a component of the agreement terms, the expectation of a city commitment to grant the Province the necessary levels of access to, and control over, the interface stations and other intersecting assets, for the purposes of delivering the expansion projects. They have committed to working collaboratively with the City and TTC on how best to manage this, giving consideration to efficient construction and seamless integration with the existing system.

Transit-Oriented Development

The City of Toronto and the Province share common goals to build transit and realize integrated Transit Oriented Development (“TOD”). The City and Province also want to ensure that these investments advance our shared desire for effective growth and high quality development of Toronto.

As Metrolinx and Infrastructure Ontario pursue their TOD strategy, the City is working to ensure that the Official Plan is in conformity with the “Places to Grow: Growth Plan for the Greater Golden Horseshoe” (2019). This conformity exercise, for which the Minister of Municipal Affairs and Housing (“MMAH”) is the approval authority, enables the City and Province to collaborate on providing certainty and a land-use planning context that promotes complete communities and meets Provincial Growth Plan targets.

Over the past few years, the City has led several large-scale planning initiatives that demonstrate the City's desire to reconfigure urban space and development around new transit investment, including: the Don Mills Crossing Secondary Plan, including the Celestica site, the Six Points redevelopment in Etobicoke, the Well development in downtown, the Consumers Next Secondary Plan, and the Scarborough Centre Transportation Master Plan.

Approximately 88% of all residential development in the City is occurring within 500 metres of higher order transit. Understanding the local context is a priority in order to make this development well-connected and integrated with transit. For the City, developing rapid transit is about more than just moving people more efficiently and cost-effectively; it is also about city-building that includes new housing, employment and the amenities that support liveable communities.

Transit investment in Toronto provides the opportunity for the Province and City to work in partnership to shape the development of our city's urban and suburban centres. The City's planning expertise, consultation practices and understanding of local communities would help to facilitate transit facilities and TOD that best fit both the existing and planned future context, optimize opportunities and avoid the delays that often result from disputed planning decisions.

Given the significant public investment and the desire to tap market interest, integration with the local context and, where necessary, refashioning the surroundings to induce transit usage, are key contributions that the City can inform and influence.

The City and the Province are working through the details of an agreement on how they work together to advance TOD opportunities.

Acceleration Measures

The City and Province will jointly seek opportunities to advance and accelerate, where possible, the delivery of priority transit projects in Toronto. This may involve streamlined processes to expedite project implementation. The City has already taken steps to facilitate a "one-window" approach for these projects, by creating the Transit Expansion Office. City staff are working diligently to review current processes, taking lessons learned from the Eglinton Crosstown, Finch West LRT and GO Expansion projects, in

order to facilitate a more streamlined, collaborative and efficient role in facilitating the delivery of transit projects.

In their letters, the Province has indicated it is exploring opportunities that also include leveraging the powers and authorities available to expedite priority project delivery. The City will look forward to the opportunity to work with the Province to understand how the delivery of transit projects can benefit from any identified changes.

In addition, the Province has indicated it seeks the City's commitment to granting the Province the "necessary levels of access to, and control over, the interchange stations and other intersecting assets, following engagement between senior provincial and City officials to define such levels". The TTC as the operator of the asset and responsible for carrying out maintenance and other capital works on the TTC subway infrastructure will play a lead role in the discussion with provincial and City officials to ensure that parameters for access and control at TTC subway stations are clearly defined, reasonable and with due consideration of implications to TTC services and infrastructure as well as required mitigation responses.

The TTC has worked closely with Metrolinx and Crosslinx throughout the construction phase of the Eglinton Crosstown LRT at key interchange stations on Line 1 in particular. Lessons learned and best practices from the Eglinton Crosstown experience will inform further discussions with the Province on this matter. Staff will report to the TTC Board and City Council as appropriate.

Advancement of Other Transit Projects

While recent discussions on the "Realignment of Transit Responsibilities" have been focused on the Province's four priority projects and ownership of the existing TTC subway network, the City and Province have further arrived at principles that relate to other ongoing expansion projects:

- *Agreement-in-Principle and the SmartTrack Stations Program* - Effective November 2016, the City and the Province entered into an AIP that established cost-sharing principles for a number of transit projects, including the SmartTrack Stations Program. In April 2018, City Council approved a capped funding contribution of \$1.463 billion for a package of six SmartTrack stations, subject to terms and conditions negotiated with the Province.³

In May 2018, the City and the Province entered into a non-binding MOU to formally indicate the intention of the two parties to amend the AIP to reflect the terms and conditions of the SmartTrack Stations Program. The City sent draft AIP amendments to the Ministry of Transportation in July 2018 reflecting the terms of the MOU.

As noted above, the Province is developing a transit-oriented development strategy that has impacted the approach to procurement and development of the SmartTrack stations program. Per the terms in Attachment 6, the City and the

³ <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.1>

Province will enter into an MOU to outline the objectives of the TOD strategy and the responsibilities of the parties.

In August 2019, the federal government announced priority funding consideration is being made for the SmartTrack Stations Program through the ICIP-PTIF2 stream⁴. This announcement aligns with City Council's decision to advise the Government of Canada and the Province of Ontario of the SmartTrack Stations Program as one of the City's priority transit expansion projects under ICIP.

The Province has confirmed its commitment to collaborate with the City to advance and deliver the SmartTrack Stations Program (per the terms of the 2018 MOU). The City and the Province will renegotiate terms as required to advance this Program, and staff will report back to Council accordingly.

- *Bloor-Yonge Capacity Improvement project* - The City and Province previously agreed to advance this project for federal funding under the ICIP-PTIF2 program. The federal government has similarly announced priority funding consideration for this project⁵.
- *Eglinton East LRT and Waterfront Transit Network* - the Province has indicated a willingness to discuss the other transit expansion projects approved by Council, subject to the terms of the agreement including a viable business case and credible progress towards relieving the state of good repair backlog on the existing subway system. Further direction regarding these projects will be sought in the report back from the City Manager as directed in this report.

3.5 - Project Costs Incurred

As previously indicated in the Financial Impact section of this report, the Province has committed to undertaking a financial review and reconciliation exercise with the City, as it relates to the investments made in preliminary design and engineering (PDE) work completed on the L2EE and Relief Line South. Pending the outcomes of the review, and taking into consideration previous commitments made, the province has stated that it will reimburse the city for reasonable costs incurred.

3.6 Tri-partite Agreement on Funding

The Province is seeking the commitment of the City, to partner with them to solicit and secure much-needed federal funding commitments to support transit capital expansion, modernization/upgrades and state of good repair of the existing subway system. Recognizing the importance of the TTC and its network to the prosperity of the region, this report recommends that City Council direct the City Manager to work with the Province and Federal Government to explore a long-term funding strategy for state-of-good repair and transit expansion needs.

⁴ <https://www.canada.ca/en/office-infrastructure/news/2019/08/getting-torontonians-moving-making-crucial-investments-in-public-transit.html>

⁵ Ibid

4. Recent and Upcoming Consultation Activities

4.1 Outcomes of City Consultation

As directed by Council, a public information campaign undertaken in the spring and summer 2019. Its purpose was to ensure public awareness of the following:

- The TTC's state of good repair needs
- The City's expansion needs and priorities;
- The Transit Responsibilities Realignment review and Province's proposed changes (i.e. Bill 107, Province's transit expansion proposal).

Many activities were undertaken as part of the public information campaign to ensure the widest possible reach to Toronto's diverse communities as well as test public awareness of the key consultation topics. The project team launched public advertisements across the TTC network, a project webpage, online survey, and held a series of pop-up events across the City at key destinations (e.g. TTC subway stations and public events). Ipsos Research was also retained to conduct public opinion research on the topics, and four public meetings were held throughout the month of June in each of the four community council areas. Public feedback and input were collected through comment forms, the question and answer period at the public meetings, and through the online survey.

Highlights from feedback received through these various engagement methods is summarized below and provided in further detailed in Attachment 9 to this report.

The City commissioned third party research to understand public perception and opinion on the topic areas identified. Through this research, Ipsos engaged a representative sample of 1,600 Toronto and Greater Toronto Area residents online. The Ipsos research found:

- Majority of residents believe that the municipal and provincial government and respective transit agencies should be responsible for planning future rapid transit infrastructure together. Only 1 in 10 feel that the Province should do this alone.
- TTC and other GTHA municipal transportation providers are the most trusted public institutions to plan and deliver new public transportation infrastructure.
- When testing public awareness on a series of transit funding related needs, there was relatively low awareness of the TTC's Capital Investment Plan and State-of-Good-Repair needs.
- Awareness of the City/TTC's SmartTrack Stations, and Bloor-Yonge Capacity Improvement plans were relatively low compared to other projects such as the Crosstown LRT, Relief Line and Line 2 East Extension.
- Generally people were split in their support or opposition for the Province's proposed plan to take ownership of the subway system, while 905 residents were more supportive of the plan. Support for the upload was driven by hopes for better leadership, better service, and more funding. Opposition was driven by mistrust, an understanding that future planning would be worse, and fear for less funding for the system.

More than 150 people attended the public meetings and nearly 3,500 people completed the online survey. Below is a summary of key themes from the feedback received:

- People felt that there is an urgent need to ensure adequate funding to maintain the existing system. People were interested in how to ensure the financial sustainability of the transit system as a whole, and suggested that all orders of government play a role in funding transit.
- People were interested in how local interests would be represented in transit planning in light of changes around roles and responsibilities for transit expansion projects proposed through Bill 107.
- People expressed concern about the timing for delivery of critical projects to support Toronto's growth needs and were particularly interested in timelines for delivering projects to reduce Line 1 congestion and providing rapid transit access to Scarborough.
- People were very interested in learning more about the Province's proposal to upload the TTC subway and its four transit projects and expressed concerns that the changes may delay delivery of much-needed service.
- People felt that ownership of the subway is important and were very concerned about the accessibility from an infrastructure design and network integration perspective if ownership were to change.

The feedback/input received through the consultation have been shared with the Province, and consultation summary report prepared by AECOM is appended as Attachment 9 to this report. A full record of the public consultation activities can also be found on the project webpage at www.toronto.ca/transitreview.

4.2 - Expert Advisory Panel

In May 2019, the City and TTC established an Expert Advisory Panel to provide input and advice to inform the City/TTC's engagement with the Province on the transit responsibilities review. Six panel meetings were held between June and September 2019. The Institute on Municipal Finance and Governance (IMFG) facilitated panel discussions on various topics relating to the current state challenges of transit in the Toronto region, role of transit in city building, integrated mobility, governance, and funding.

The panel's objective was to provide advice and input for City / TTC staff consideration on a realignment of transit responsibilities. It was not expected to arrive at a consensus opinion or specific recommendation. Advice and input was provided based on each panel member's respective area of expertise and their observations of the challenges for the city and region in transit planning and service delivery.

Over the six meetings, the panel discussed the projected growth in population and employment for the City and region over the next ten years, and the need to continue to invest in the existing system to maintain it in a state of good repair, as well as plan for expansion to meet regional growth needs. Although a consensus opinion was not the panel's objective, there was general agreement on the following areas:

- Investments in incremental enhancements (e.g. King Street Transit priority) to improve service are important while larger expansion projects are underway.
- Need for renewed regional approach with a focus on enhancing movement and mobility of people across the region. Such an approach would require involvement of all affected parties.

- Dedicated and stable funding source and model to enable evidence-based planning and decision-making on mobility needs for the region, including transit expansion.
- Governance model that would reflect all affected parties, including other municipalities and transit service providers, and funders.

IMFG has prepared a report on the Expert Advisory Panel process that summarizes the key ideas arising from the panel's six meetings, appended to this staff report as Attachment 10. The summary report focuses on the panel's discussion on risks, opportunities, priorities, and ideas for a potential realignment of responsibilities in the City and region. IMFG's report also summarizes the key points and ideas for a potential regional approach to transit. Meeting agendas, minutes, and materials for the panel meetings are all publicly available on the project webpage (www.toronto.ca/transitreview).

The work of the Expert Advisory Panel will be used to inform City and TTC staff engagements with partners in enhancing mobility across the region.

4.3 - Consultation on Provincial Priority Transit Projects

The Province, through the applicable project delivery agency for the Ontario Line, Line 2 East Extension and Yonge Subway Extension will be assuming responsibility for public consultation activities associated with the projects. City and TTC staff have shared information on past consultation activities and approaches in the interest of ensuring that Metrolinx and Infrastructure Ontario understand the neighbourhood specific context of each project.

Through discussions with Provincial staff, City and TTC staff have been advised that the Province's consultation approach includes:

- Designing a consultation program that, where possible, reflects core consultation principles that were utilized for the Relief Line (e.g. inclusiveness, timeliness, transparency, balance, flexibility, and traceability);
- Conducting project-specific consultations to provide the opportunity for focused input on local community impacts;
- Engaging communities throughout the project's development and in line with the P3 delivery model approach;
- Leveraging existing consultations that have been undertaken to-date in project design and delivery; and
- Utilizing a variety of tactics including open houses, regular meetings with key stakeholders, newsletters, appearances at special events and direct engagement with property owners, as needed.

As the provincial projects advance through the next phases of the project lifecycle, City and TTC will continue to advocate for meaningful public input into the decision-making process. Information provided by the Province/Metrolinx to City and TTC summarizing the above summarized approach is appended to this report as Attachment 11. The Province has indicated that its engagement approach will continue to evolve as plans are further developed and refined.

5. Next Steps

Since the establishment of the Terms of Reference for the Transit Responsibilities Realignment Review, there has been extensive discussion and work completed among the parties. This report has provided an update on the findings of the City/TTC technical assessment and an update on the status of a series of productive discussions on the broader realignment of transit responsibilities between the City and Province.

The terms presented in Attachment 6 of this report are the culmination of significant efforts of both parties towards advancing the mutual objectives of the Terms of Reference, including the continued delivery of much needed transit investment in state of good repair and expansion. It is critical that the City continue to engage with the Province through the Terms of Reference to build on the momentum that has been achieved to-date. The City will also be interested in continuing the broader discussions with the Province and other municipal partners on a broader realignment of transit responsibilities to improve mobility more broadly across the region.

Subject to Council endorsement of the terms outlined in Attachment 6, staff will negotiate, enter into, and execute an agreement with the Province on the basis of these principles, transitioning them into a formal arrangement between the parties. This Preliminary Agreement will form the starting foundation of a more fulsome Master Agreement or series of agreements, which will be negotiated between the parties as the projects advance through their respective lifecycles. These agreements will be subject to future Council endorsement.

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SIGNATURE

Chris Murray
City Manager

ATTACHMENTS

- Attachment 1 – Letter (August 28, 2019) from the CEO TTC regarding TTC Capital Investment Plan
- Attachment 2 – Rapid Transit Evaluation Framework (RTEF)
- Attachment 3 – Status Tracker - Preliminary Technical Questions for the Province
- Attachment 4 – Assessment of Provincial Proposals - Ontario Line
- Attachment 5 – Assessment of Provincial Proposals - Line 2 East Extension
- Attachment 6 – Summary Term Sheet
- Attachment 7 – Letter (October 10, 2019) from the Minister of Transportation to Mayor Tory
- Attachment 8 – Letter (October 9, 2019) from the Deputy Minister of Transportation and "Special Advisor to Cabinet - Transit Upload" to the City Manager
- Attachment 9 – Summary Report - Public Consultation Activities
- Attachment 10 – Expert Advisory Panel - Summary Report
- Attachment 11 – Provincial Engagement/Consultation - Priority Subway Projects