

Attachment 10
Expert Advisory Panel Summary Report

Expert Advisory Panel on the Transit Responsibilities Review: Summary Report

Prepared by the Institute on Municipal Finance and Governance
for the City of Toronto and Toronto Transit Commission

Executive Summary

In May 2019, the City of Toronto and the TTC established an Expert Advisory Panel to provide objective advice to the Toronto City Manager and the CEO of the TTC on the Ontario-Toronto Realignment of Transit Responsibilities Review and the future state of transit in the Toronto region.

This report summarizes the key ideas raised during the Panel's six meetings. The Panel was asked to provide objective advice for the consideration of the City and TTC. The Panel was not expected to reach a consensus. As a result, suggestions in this report do not necessarily represent the views of all Panel members.

The Terms of Reference for the Transit Responsibilities Review signed by the City and Province of Ontario set out five goals for transit in the Toronto region:

- the accelerated implementation of priority expansion projects;
- the integration of transit services across modes and agencies;
- the modernization, enhancement, and maintenance of the existing subway system;
- the continuity of safe, reliable service to all residents who depend on it for mobility; and
- a long-term sustainable, predictable, funding model.

The Panel's work focused on how these goals could be achieved through a realignment of responsibilities for transit and mobility in the Toronto region. The Panel began by identifying the following key priorities for transit planning in the Toronto region:

- Investment in state of good repair is vital and should not be neglected in favour of expansion projects.
- Both major expansion projects and incremental changes (e.g. service improvements) are important.
- The long-term operating costs of transit, including those associated with expansion, cannot be ignored.
- Transit planning should be integrated with land-use planning and broader mobility planning. Equity, accessibility, and transit-oriented development should be priorities.
- Transit planning and decision-making should be evidence-based and transparent.
- Coordination (e.g. of transit planning, service, fares) should be improved across the Toronto region, with regional and local interests considered together.

To achieve the goals of the Transit Responsibilities Review while respecting these priorities, the Panel focused on the potential benefits of a full-scale reassessment of the governance of transit and mobility across the Toronto region, and the implementation of a regional governance model with the following features:

- a regional body that is responsible for planning all aspects of mobility for the region (e.g. transit expansion, cycling, ride sharing), coordinating local bodies (e.g. fare and service integration), and setting standards for transit in the region (e.g. cleanliness, on-time service, accessibility);
- local bodies (municipalities or transit agencies) that are responsible for service delivery;

- a governance structure in which the regional body is not an agency of one level of government but rather is accountable to multiple stakeholders and balances regional coordination with robust local input; and
- dedicated and predictable funding for all aspects of transit, including expansion, maintenance, operations, and replacement costs.

A regional model with these features would help the City, TTC, Province, and their partners achieve their goals. The table below outlines how the Panel’s ideas could help address the goals of the Transit Responsibilities Review.

Transit Responsibilities Review Goal	Panel Ideas
Accelerated implementation of priority expansion projects	A regional model that increases coordination and cooperation by clearly delineating responsibilities and decision-making authority between regional and local bodies.
Integration of transit services across modes and agencies	A regional approach to mobility that includes: <ul style="list-style-type: none"> • a regional body in charge of planning all aspects of mobility, coordinating local bodies, and setting standards for service delivery, with accountability to a broad set of stakeholders that includes local municipalities and transit agencies; and • local bodies charged with service delivery in accordance with regional standards.
Modernization, enhancement, and maintenance of the existing subway system	Dedicated and predictable funding for all aspects of transit, with maintenance as a priority.
Continuity of safe, reliable service to all residents who depend on it for mobility	A commitment to accessibility as a priority of transit planning, including through a potential regional transit charter that sets standards for accessibility across transit systems. Investments in service improvements and operations along with transit expansion.
Long-term sustainable, predictable, funding model	Dedicated and predictable funding for transit, with contributions from multiple governments and sectors (i.e. multiple revenue sources).

Effective, efficient, and reliable transit is essential to the growth, vitality, and strength of the Toronto region. But it cannot be achieved by municipalities or the Province on their own. For that reason, Toronto should be proactive in working with its neighbours on this issue. Getting transit right for the region requires commitment and partnership. A renewed regional approach to mobility broadly speaking would enable coordinated transit planning that involves municipalities, transit agencies, the Province, the federal government, the private sector, the not-for-profit sector, and other stakeholders. Working together would allow these parties to fulfil their shared goals for transit and mobility in the region.

Expert Advisory Panel on the Transit Responsibilities Review

Summary Report

1. Introduction

In May 2019, the City of Toronto and TTC established an Expert Advisory Panel to provide objective advice to the Toronto City Manager and the CEO of the TTC on the Ontario-Toronto Realignment of Transit Responsibilities Review and the future state of transit in the Toronto region.¹ The Panel met six times from June 2019 to September 2019.

This report summarizes the key ideas and themes from the Panel's meetings. Section 2 describes the purpose and role of the Panel. Section 3 summarizes the Panel's comments on the potential risks and opportunities of the Transit Responsibilities Review. Section 4 outlines the Panel's key priorities for transit planning in the Toronto region. Section 5 sets out the Panel's ideas for an updated governance and funding model for transit and mobility in the Toronto region.

2. Purpose and Role of the Panel

The City and TTC created the Panel as part of their public consultation process for the Transit Responsibilities Review. The Panel was asked to provide objective advice to inform City and TTC staff analysis throughout the Transit Responsibilities Review. The City and TTC engaged the Institute on Municipal Finance and Governance (IMFG) to advise on the composition and design of the Panel. **The Panel was not expected to reach a consensus. As a result, the comments in this report do not necessarily represent the views of all Panel members.**

Panel members were selected based on their expertise in public governance and finance, land-use planning and transit-oriented development, social impact analysis, and other areas. Panel members also brought user and accessibility perspectives. (For more details on the selection criteria, see the Panel's Terms of Reference in Appendix A. For a list of panel members and their bios, see Appendix B.) Meetings were held under the Chatham House Rule, meaning that what was said at the meetings could be shared publicly but not attributed to any one speaker.

The Terms of Reference for the Transit Responsibilities Review signed by the City and Province include the following problem statement and goals:

The parties [City and Province] jointly recognize the need to pursue alternative approaches to the planning, funding, decision-making and delivery of transit in Toronto, and spanning the broader region as is the provincial interest. This approach would enable, to the maximum extent possible:

- The accelerated implementation of priority expansion projects;

¹ The Panel considered whether a regional approach to mobility should encompass the Greater Toronto Area, the Greater Toronto and Hamilton Area, or the Greater Golden Horseshoe. Determining the boundaries of the region would be a necessary first step to developing a regional approach. This report uses the term "Toronto region" to leave space for that future discussion.

- 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 whom depend on it for mobility; and
- A long-term sustainable, predictable, funding model for the existing transit system and future transit needs.²

The Terms of Reference also point to three options under examination by the City and Province: an upload of the City's subway infrastructure, including the building and maintenance of new and existing subway lines (with day-to-day operations remaining the City's responsibility); a more limited transfer of asset ownership, for instance only for transit expansion projects; and a realignment of responsibilities that does not involve the transfer of assets.

While the Panel provided advice on all three options, it predominantly focused on the third: what a broader realignment of responsibilities for transit in the Toronto region could look like. It did so with a view to how such a realignment might help achieve the goals identified in the Terms of Reference.

3. Risks and Opportunities from the Transit Realignment Review

Throughout its meetings, the Panel discussed the ongoing Transit Responsibilities Review and the potential risks and opportunities that it created for the City and TTC.

Transit in Toronto and the surrounding region suffers from funding shortfalls and insufficient coordination and integration. The Transit Responsibilities Review presents an opportunity to address these long-standing challenges by reconsidering current approaches to cost-sharing, decision-making, regional governance, and the coordination of transit with broader mobility and planning decisions.

A review that does not address transit in the Toronto region holistically risks exacerbating existing problems. For example, expanding the existing system will entail increased operating and maintenance costs. Therefore, uploading the expansion of the system alone could lead to increased cost pressures on the City and TTC over which they would have limited control but for which they would have to pay. The TTC estimates that it already faces \$33.5 billion in unfunded state-of-good-repair needs over the next 15 years. An upload of existing subway lines or expansion projects that does not address the underfunding of state-of-good-repair responsibilities risks pushing the existing system toward deterioration.

Furthermore, insufficient integration could lead to further fragmentation both within the TTC and across all transit systems in the region. For example, without inter-system cooperation, the transition for riders between buses and subways could become more complicated. Moreover, if different parts of the system (e.g., subways and buses) are separated (that is, if the Province controls the subway and the City controls the buses), revenues would need to be divided

² City of Toronto, "Province of Ontario – City of Toronto Realignment of Transit Responsibilities Review Terms of Reference," 2019. Retrieved from <https://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-130761.pdf>, September 23, 2019.

between the different operators.³ An inequitable division of revenues could leave parts of the system underfunded. Similarly, transit planning is intricately connected to other aspects of land-use planning and development. If these are not considered together, the City and Province could lose the ability to influence economic development, equity, and other important aspects of city building.

Although the risks identified by the Panel are substantial, they are not unavoidable consequences of the Transit Responsibilities Review. On the contrary, if undertaken with care, **the Transit Responsibilities Review could lead to significant improvements and result in a system that addresses regional needs, enhances local accountability, receives proper funding, and improves integration, among other goals.**

The elements of a system that meets these needs was the focus of much of the Panel's work.

4. The Future of Transit in the Toronto Region – Key Priorities

In its discussions, the Panel examined the priorities that should guide planners and policymakers as they consider the future of transit in the Toronto region.

4.1 Investment in state of good repair is vital and should not be neglected in favour of expansion projects

Over the next 15 years, the TTC will need \$33.5 billion for maintenance to keep the current system in a state of good repair.⁴ Of this total, \$23.7 billion is currently unfunded, meaning that these costs have not been included in the projected 10-year budget approved by City Council.

State of good repair is not a sufficiently high priority in the current allocation of transit funds. Maintenance is not as exciting as expansion, but it is vital to keep the system running. Expanding the system to meet new demand should not occur at the expense of the existing system.

Future transit planning should make maintenance of the existing system a priority and ensure that it receives adequate funding. Expansion of the system should take place only if there is sufficient funding to maintain the current system.

Moreover, the upload of any part of the system cannot leave the City and TTC with sole funding responsibility for maintenance on lines it does not own.

4.2 Both major expansion projects and incremental changes are important

Overcrowding on the Toronto subway cannot be ignored. In 2001, only a small part of the Yonge portion of Line 1 was above 85 percent capacity during the morning rush hour. In 2016,

³ In the Province's proposal, the City and TTC would remain in charge of day-to-day operations. However, the Panel discussed other potential scenarios that could emerge from an "upload."

⁴ TTC, "Making Headway: Capital Investments to Keep Transit Moving 2019-2033," 2019. Retrieved from <https://www.ttc.ca/Coupler/PDFs/TTC%20Capital%20Investment%20Plan%202019-2033.pdf>, September 23, 2019.

about half the line was above 85 percent capacity or had exceeded capacity during morning rush hour.⁵

At the same time, the Toronto region was the second-fastest-growing metropolitan region in the U.S. and Canada in 2018, while the City of Toronto was the fastest-growing city in the two countries.⁶ Over the next 50 years, the Toronto region is projected to grow substantially faster than New York, Chicago, and Los Angeles.⁷ A well-functioning transit system is key to the region's continued economic success.

To meet both existing and growing demand, work on priority expansion projects – most significantly the relief line in Toronto – needs to be completed as soon as possible. At the same time, transit improvements that do not necessarily require major infrastructure investments (such as bus rapid transit) also need to be pursued.

In many parts of the Toronto region, improved service (including more frequent and reliable service, as well as more routes) is as important as building new subways. Changes to rights of way on roads or the implementation of bus rapid transit routes, for example, can be low-cost ways to improve service. The King Street Pilot Project shows how such changes can have significant impacts on service. Other low-cost changes (such as a bus priority lane) should be considered for corridors such as Finch Avenue and Dufferin Street.

4.3 The long-term operating costs of transit, including those associated with expansion, cannot be ignored

Improved service requires more funding for operations. So does an expanded system. These requirements create further cost pressures on the City and TTC (more buses, trains, streetcars, maintenance facilities, etc. with consequent personnel). That is why dedicating sufficient funding to transit operations is vital to a well-functioning transit system.

Any consideration of transit expansion projects should take into account the anticipated effects on operating costs. Any realignment of ownership and responsibilities should come with a commitment to fund *all aspects* of the transit system.

One approach could include agreements to split funding for operations between the Province and City when new lines open. Another could entail rethinking funding for transit in the region so that it is no longer considered on a project-by-project basis but rather includes stable, dedicated funding for the regional system as a whole. This point is discussed further in Section 5.

⁵ TTC, "Line 1 – Delivering Additional Capacity 2019-2031," 2019. Retrieved from http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2019/April_11/Reports/Line_1_Delivering_Additional_Capacity_2019-2031_Presentation.pdf, September 26, 2019.

⁶ Frank Clayton and Hong Yun (Eva) Shi, "WOW! Toronto Was the Second Fastest Growing Metropolitan Area and the Top Growing City in All of the United States and Canada," Ryerson University, 2019. Retrieved from <https://www.ryerson.ca/cur/Blog/blogentry35/>, September 23, 2019.

⁷ Joe Berridge, "Toronto: The Accidental Metropolis," IMFG presentation, June 2018. Retrieved from https://munkschool.utoronto.ca/imfg/uploads/481/joe_berridge_toronto_the_accidental_metropolis.pdf, October 3, 2019

4.4 Transit planning should be integrated with land-use planning and broader mobility planning. Equity, accessibility, and transit-oriented development should be priorities

Transit can transform neighbourhoods and cities as a whole. How a city or region pursues transit is part of how a city plans for growth, how it pursues land-use planning, and how it plans for development. It cannot be considered in isolation.

Access to transit, for example, can be a significant tool to address income inequality. Low-income neighbourhoods in the City of Toronto are clustered in the areas north, west, and east of the city centre, where transit is less well developed, while high-income neighbourhoods are clustered in the centre near the subways.⁸ Transit can help address inequality by better connecting non-central neighbourhoods to services and employment opportunities.

If *where* we build transit matters, so does *how* we build it. Accessibility needs to be a consideration from the very beginning of the planning process to ensure that all riders can use the system comfortably.

Transit is also intrinsically tied to housing and economic development. Expanded or improved transit creates opportunities for higher-density development. In the Toronto region, however, too many subway stops and GO transit stops are surrounded by low-density housing and parking lots. Facilitating development near transit should be a priority, and should be pursued with consideration of the consequences for equity. When building transit, governments not only have the power to encourage development, they can also provide incentives to shape the *type* of development – including development that addresses inequality and affordability.

To improve equity, accessibility, and transit-oriented development, specific criteria could be set for transit projects. Transport for London (TfL), for example, uses projected reduction in welfare and unemployment costs as one criterion for approving transit projects. Service standards could also be set for transit in the region to guarantee that systems are accessible and use similar signage to make travel across the region as convenient as possible for as many riders as possible.

Whatever the methods used, decision-making about transit planning must be linked to wider planning goals for the city and the region. It should also be part of a holistic approach to mobility more generally.

Between 2016 and 2041, the Greater Toronto and Hamilton Area (GTHA) is expected to grow by about 3 million people.⁹ The regional municipalities around Toronto (Halton, Peel, York, and Durham) and Hamilton are all projected to grow at a higher rate than Toronto, with Halton and Durham expected to grow by nearly 80 percent from 2016 to 2041.¹⁰

Currently, Metrolinx's 2041 Regional Transportation Plan aims to increase the transit mode share on transit (that is, the portion of total trips in the region that are taken on transit) from 14.2

⁸ J. David Hulchanski, "What is Happening to my Neighbourhood?" Warren Gill Lecture, December 2017. Retrieved from: <http://neighbourhoodchange.ca/documents/2017/12/hulchanski-neighbourhood-change-1970-2015-sfu-2017.pdf>, September 30, 2019

⁹ Metrolinx, "2041 Regional Transportation Plan for the Greater Toronto and Hamilton Area," 2018. Retrieved from <http://www.metrolinx.com/en/regionalplanning/rtp/Metrolinx%20-%202041%20Regional%20Transportation%20Plan%20%E2%80%93%20Final.pdf>, September 30, 2019.

¹⁰ Metrolinx, 2018.

percent to 14.7 percent during the same period.¹¹ The region's ambitions, in this respect, could be much higher. It is important to note that the City of Toronto's transit mode share is around 25 percent. Nevertheless, there remains work to be done in the region.

At the same time, the focus cannot be on transit alone. Residents in the Toronto region also need integrated cycling, road, and pedestrian options. Ridesharing continues to impact mobility throughout the region, and autonomous vehicles could disrupt road use even further. Meanwhile, goods movement is being negatively impacted by congestion across the region. These issues are connected and are part of a broader mobility challenge that needs to be addressed comprehensively at the regional level.

4.5 Transit planning should be evidence-based and transparent

Transit in the region can be improved only if the planning and decision-making process is evidence-based and transparent.

This does not mean eliminating the role of politicians in the decision-making process. Rather, it means ensuring clear and effective processes are in place for the production and scrutiny of business cases and other evidence. These processes should give the public confidence that transit projects have been approved with proper consideration of technical expertise and cost-benefit analyses.¹²

In order to provide the service that riders need, and also to nudge them towards using transit at a greater rate, transit plans should be based on data that shows where people live and where they travel.

As plans are developed, transparency is essential to success. Information sharing, community engagement, and robust, publicly available business cases allow the best ideas to flourish and the public to support them, which in turn contributes to projects that are on time and on budget.

4.6 Coordination should be improved across the Toronto region, with regional and local interests considered together in transit planning

The Toronto region's economy depends on a modern, effective, and robust transit system. As the region grows, the current extent and state of transit threatens that economy.

To address the challenges facing transit in the Toronto region, a concerted effort should be made to improve coordination in transit planning and operations.

Some work on this front is currently taking place. Municipal and transit leaders from the GTHA meet regularly to discuss shared transit issues. Efforts at fare integration and service integration are underway. This is the case despite barriers to increased coordination. For example, different systems in the region have different fares and labour agreements that can be hard to integrate and could lead to fears of winners and losers within a regional system. Integrating fares is also not cheap: the Discounted Double Fare program that gives a discount to riders transferring from

¹¹ Metrolinx, 2018.

¹² For further discussion of this topic, see Matti Siemiatycki and Drew Fagan, "Transit in the Greater Toronto Area: How to Get Back on the Rails," IMFG Perspectives 26, 2019. Retrieved from: <https://tspace.library.utoronto.ca/bitstream/1807/96710/1/Perspectives-26-Siemiatycki-Fagan-Transit-GTA-October-2019.pdf>, October 3, 2019.

GO to the TTC and vice versa (and is currently set to end in March 2020) is estimated to be costing substantially more in its current year than its projected \$18 million budget.¹³

Improvements are still possible, however. Projects that meet the increased demand for transit that comes with a growing region should be prioritized. Decision-making should occur with a view to the full regional system as well as local concerns. Multiple, and sometimes competing, planning decisions made at different levels of government should be avoided, as should *ad hoc* funding arrangements on a project-by-project basis.

To be effective, transit planning needs to consider regional and local needs together, allowing them to inform each other, and making each accountable to the other.

5. Toward a New Governance and Funding Model for Mobility in the Toronto Region

The Transit Responsibilities Review presents an opportunity to tackle long-standing transit challenges in Toronto and the surrounding region, provided that any proposed changes in ownership or responsibility are part of a *full-scale reassessment* of the governance of transit and mobility across the Toronto region.

Where could this reassessment lead? Toronto remains an outlier among comparable cities when it comes to transit and mobility governance; most other cities of similar size take a regional approach. The Panel identified Vancouver's TransLink, Transport for London (TfL), and Hamburg's Public Transport Association (HVV) as effective regional systems. While no model can be transplanted directly from one context to another, each has aspects worth replicating.

The Panel focused on the benefits of a regional model that would have the following features:

- a regional body that is responsible for planning all aspects of mobility for the region (e.g. transit expansion, cycling, ride sharing), coordinating local bodies (e.g. fare and service integration), and setting standards for transit in the region (e.g. cleanliness, on-time service, accessibility);
- local bodies (municipalities or transit agencies) that are responsible for service delivery;
- a governance structure in which the regional body is not an agency of one level of government but rather is accountable to multiple stakeholders and balances regional coordination with robust local input; and
- dedicated and predictable funding for all aspects of transit, including expansion, maintenance, operations, and replacement costs.

5.1 The Toronto region should move toward a governance model with a regional body in charge of planning and coordination, and local bodies in charge of service delivery

Transit is a matter of both regional significance and local concern. Any renewed governance model for transit and mobility in the Toronto region needs to allow for transit planning that connects people across municipal boundaries while remaining connected to the needs of local riders. Transit planning in the Toronto region should involve coordination instead of competition,

¹³ As of July 2019, it was estimated the program was over budget by \$10 million. TTC, "Chief Executive Officer's Report – July 2019 Update," 2019. Retrieved from https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2019/July_10/Reports/1_CEO_Report_July_Update.pdf, September 26, 2019.

with different players working together strategically and deliberately. Nor should transit planning be disconnected from other aspects of mobility in the region, such as cycling, road use, ride-sharing, goods movement, and more.

A governance model in the Toronto region made up of a coordinating regional body in charge of mobility planning and coordination, and local bodies in charge of service delivery, would allow for this balanced approach.

Coordinating the planning and operation of systems across the region would be the mandate of a regional body in this model. Its purview could include broad planning authority for transit expansion, cycling, roads, highways, taxis, and ride sharing. Its coordinating role could include a strong focus on achieving service and fare integration. It could also set performance standards for operators across the region through a transit charter covering matters such as cleanliness, on-time service, benchmarks for service delivery efficiencies, and accessibility. A charter could help ensure consistency of service for riders across the system, without pre-determining how local operators achieve these standards. The development of the charter, meanwhile, could provide an opportunity for meaningful engagement with the public on what they expect of their transit system.

In a governance model with regional and local bodies, the local bodies would be in charge of service delivery, with the freedom to undertake it in whatever ways they see fit, as long as they meet the standards and follow the policies developed for the region. The local bodies could be municipalities, who could engage one or multiple operators, including private ones, depending on their preference. The local bodies could also be transit operators directly, particularly if there are operators that cross municipal boundaries. In such a scenario, municipalities would still need to be represented in the regional body's governance structure.

5.2 The regional body's governance structure should include multiple stakeholders and balance regional coordination with robust local input

Importantly, the regional body in this model should not be a stand-alone agency, or one that reports only to one level of government. Rather, the success of this model depends on a governance structure that creates an interconnection between the regional and the local. Local bodies should inform regional decisions and keep the regional level accountable. At the same time, they should be accountable for implementing the regional body's priorities and meeting its standards for local service delivery.

In order to balance the regional and local, the regional body's governance structure needs to include representation of multiple stakeholders from across the region who are involved in mobility planning, including those who fund, operate, and use transit (e.g., local governments, the provincial government, local transit authorities, riders, youth, paratransit representatives, and others).

At the same time, the governance structure needs to reflect population and ridership in different municipalities. Currently, the TTC serves about 85 percent of all transit riders in the GTHA; its place in the governance structure of the regional body would therefore need to reflect its importance to the regional transit system.

Finally, the governance structure of the regional body should include political representation, to ensure local residents have a voice, as well as expert voices, to help ensure an evidence-based

approach to transit and mobility planning. The governance structure could include a mayors' council and an advisory board, for instance.

5.3 Transit in the Toronto region requires dedicated and predictable funding

The success of transit in the Toronto region also depends on the availability of adequate funding for all parts of the system. The funding needs are clear from Toronto's situation alone. The combined state of good repair and capital need for Toronto transit over the next 15 years is estimated to be \$60 to \$70 billion. Meanwhile, half of the City's 10-year tax-supported capital plan is currently allocated to the TTC, and the City's combined subsidy to the TTC (including for the operating budget and debt servicing) amounts to 23 percent of the property tax base. The TTC covers 68 percent of its operating costs through passenger fares.

Transit funding needs in the Toronto region are too large to be the responsibility of any one government or body. Funding transit requires partnerships.

Given the importance of the Toronto region to the provincial and national economies, both the federal and provincial government have important roles to play in funding transit. Their involvement could take many forms. Having the two levels of government take full responsibility for funding transit expansion should be considered, as it would remove these costs from the local property tax base and allow municipalities to focus on state of good repair and operations. Cost-sharing among governments is also important to consider for vehicle replacement. New subways, buses, and streetcars are significant investments that should not be borne by one level of government alone. Sharing operating costs between the provincial and municipal governments, as was done in the past, could also be a consideration.

New funding is important, but it is also important to ensure available funds are spent wisely on projects with maximum return on investment, and to look for efficiencies. Toronto builds transit at a higher cost per kilometre than most other jurisdictions around the world.¹⁴ Finding ways to lower that cost could create needed fiscal space. Amortizing capital costs could also create fiscal space by spreading the costs over more time. An upload of the subway is not necessarily required to attain these benefits, however.¹⁵

Some funding tools are currently underused. Land value capture, for example, could help governments reap some of the benefits of rising property values from transit development. Although land value capture is much studied and talked about, it is not currently used widely in the Toronto region. Other potential sources of revenue for transit have been considered by multiple panels and reports in the past, including Metrolinx in its 2013 Investment Strategy,¹⁶ the

¹⁴ Jonathan English and Aron Levy, "Canada's soaring subway construction costs need to get back on track." *The Globe and Mail*, August 9, 2019. Retrieved from: <https://www.theglobeandmail.com/opinion/article-canadas-soaring-subway-construction-costs-need-to-get-back-on-track/>, September 30, 2019.

¹⁵ See William B.P. Robson, "Does Accounting Drive Budget Decisions? The Strange Case of the Toronto Subway 'Upload'" C.D. Howe Institute, September 20, 2019. Retrieved from <https://www.cdhowe.org/intelligence-memos/william-bp-robson-%E2%80%93-does-accounting-drive-budget-decisions-strange-case-toronto>, October 3, 2019.

¹⁶ Metrolinx, "Investment Strategy," web page, n.d. Retrieved from http://www.metrolinx.com/en/regionalplanning/funding/investment_strategy.aspx, September 27, 2019.

Toronto Region Board of Trade in “A Green Light to Moving the Toronto Region,”¹⁷ the Canadian Centre for Policy Alternatives in “Toronto’s \$2.5 Billion Question,”¹⁸ and the 2013 report from the Province’s Transit Investment Strategy Advisory Panel, “Making the Move.”¹⁹ The recommendations of these panels and reports should be revisited to consider possible ways of funding transit in the Toronto region.

There are many ways to share funding responsibility among sectors, governments, and revenue sources. Regardless of the approach chosen, **a dedicated, stable, and predictable source of funding is necessary to ensure the Toronto region can continue building, operating, and maintaining its transit.** More reliable funding should replace *ad hoc* project-by-project funding. Funders should be represented in the governance of the regional body, which would ultimately make decisions about transit planning in the region. In this model, all stakeholders would be represented in the decision-making process.

Ultimately, no one tool, no one investment, and no one partnership will be a silver bullet. The Toronto region needs a multi-pronged approach with a suite of tools and partnerships. For that reason, the establishment of a regional body that includes the participation of multiple stakeholders, such as the Province, federal government, municipalities, operators, and others, represents an opportunity to consider how best to ensure stable funding for transit in the Toronto region.

5.4 A regional governance model would help achieve the goals of the Transit Responsibilities Review

The table below outlines how the regional governance model described above, as well as the priorities set out by the Panel in section 4, would help meet the goals set out in the Terms of Reference for Transit Responsibilities Review.

¹⁷ Toronto Region Board of Trade, “A Green Light To Moving The Toronto Region: Paying For Public Transportation Expansion,” discussion paper, 2013. Retrieved from https://www.bot.com/portals/0/unsecure/advocacy/DiscussionPaper_AGreenLight_March18_2013.pdf, September 27, 2019.

¹⁸ Hugh Mackenzie, “Toronto’s \$2.5 Billion Question GTA and Hamilton Public Transit Expansion Funding Options,” Canadian Centre for Policy Alternatives, 2013. Retrieved from https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2013/05/Toronto_2andHalf_Billion_Dollar_Question.pdf, September 27, 2019.

¹⁹ Transit Investment Strategy Advisory Panel, “Making the Move: Choices and Consequences,” City of Toronto, 2013. Retrieved from <https://www.toronto.ca/legdocs/mmis/2014/ex/bgrd/backgroundfile-67455.pdf>, September 27, 2019.

Transit Responsibilities Review Goal	Panel Ideas
Accelerated implementation of priority expansion projects	A regional model that increases coordination and cooperation by clearly delineating responsibilities and decision-making authority between regional and local bodies.
Integration of transit services across modes and agencies	<p>A regional approach to mobility that includes:</p> <ul style="list-style-type: none"> • a regional body in charge of planning all aspects of mobility, coordination, and setting standards for service delivery, with accountability to a broad set of stakeholders including local municipalities and transit agencies; and • local bodies charged with service delivery in accordance with regional standards.
Modernization, enhancement, and maintenance of the existing subway system	Dedicated and predictable funding for all aspects of transit, with maintenance as a priority.
Continuity of safe, reliable service to all residents who depend on it for mobility	<p>A commitment to accessibility as a priority of transit planning, including through a potential regional transit charter that sets standards for accessibility across transit systems.</p> <p>Investments in service improvements and operations along with transit expansion.</p>
Long-term sustainable, predictable, funding model	Dedicated and predictable funding for transit, with contributions from multiple governments, sectors, and revenue sources.

[5.5 A successful regional governance model will succeed only through partnerships that build on existing expertise and experience](#)

Moving toward a regional model like the one described above cannot happen overnight. And it cannot happen unilaterally.

Success depends on partnerships across the region, to build a system that works for the entire region.

To build these partnerships, municipalities in the Toronto region should work together to identify their shared goals and objectives for mobility. The need to support business, move people effectively, and create thriving neighbourhoods could form the basis of ongoing collaboration from which a new regional body could be created. By taking the lead in this way, municipalities in the Toronto region could jumpstart the conversation about a regional approach to mobility. Their collaboration could inform further conversations with the Province, Metrolinx, and others on how to enhance coordination across the region.

An iterative approach would help attain buy-in from the public on greater coordination. Ongoing engagement with the public is essential at all stages of the process. Piloting small coordination projects could help build evidence for what works and what does not, and to identify the benefits for all residents of a coordinated approach.

Importantly, the region is not starting from scratch. Metrolinx currently leads regional transit planning and coordination for the Greater Golden Horseshoe. One possibility is for Metrolinx to evolve into the regional body described above. In such a scenario, changes in governance and accountability would be needed, including enhancing, and in some cases formalizing, Metrolinx's connection to municipalities and local operators, and also expanding Metrolinx's mandate to support its planning and coordination role.

The region also has multiple transit operators with vast experience, the TTC being the largest among them. Any successful regional governance model for transit in the Toronto region would need to use and build on their experience and expertise.

Getting to a new governance and funding model for transit and mobility in the Toronto region will take time. Any process to get there will need to unfold at the same time as ongoing construction of new transit, maintenance of existing systems, and improvements to existing service. The region cannot afford to put a hold on that work.

Nevertheless, without tackling long-standing challenges around transit governance, coordination, and funding, the region is at risk not only of underinvesting in the transit it needs, but of losing the transit it currently has. An opportunity exists today to address these challenges and put mobility in the Toronto region on a new course.

Appendix A: Expert Advisory Panel Terms of Reference

Mandate

The Expert Advisory Panel is being established to provide objective input and advice to the City Manager and Chief Executive Officer, Toronto Transit Commission (CEO TTC) on an ongoing basis throughout the City's participation in the Ontario-Toronto Realignment of Transit Responsibilities Review.

The Expert Advisory Panel is part of the City's public consultation process for the Review. The Panel's mandate is to provide its best objective, evidence-based advice to the City Manager and CEO TTC, based on expertise in various areas relating to governance, funding, planning and operations of public transit systems in a local and regional context.

Panel Membership and Selection Process

The Expert Advisory Panel will be appointed by the City Manager and the CEO TTC. The City will be engaging the University of Toronto's Institute on Municipal Finance and Governance (IMFG) to seek advice on the composition and design of an effective and balanced panel. It will include individuals with recognized expertise in at least one of the following areas:

- Public Governance and Finance
- Public and Transit Economics
- Social Impact Analysis
- Transit Operations
- Land-Use Planning and Transit Oriented Development
- Corporate Finance
- Labour Relations
- Client/Transit-User Perspective
- Government Relations

Consideration will be given to ensuring the panel reflects the diversity of Toronto's communities.

Elected officials or their staff are not eligible to be Advisory Panel members.

Roles and Responsibilities

The Expert Panel's role is to provide objective advice to inform City and TTC staff analysis throughout this review. Specifically, panel members will be responsible for:

- Providing input and advice through Expert Advisory Panel meetings, of

which timing and frequency is to be defined. Panel members should expect to participate in four to six meetings.

- Providing ongoing advice to the City Manager and TTC, CEO, on an ad hoc basis throughout the Review.
- Adhering to the City's policies including conflict of interest, confidentiality and privacy.
- Ensuring diverse perspectives are considered and discussed.

A Panel Secretariat will support the functioning of the Panel, including overall management and coordination of the Panel throughout the duration of the Review. The Secretariat will include membership from the Institute on Municipal Finance and Governance, the City's Strategic and Corporate Policy Division, Corporate Finance Division, and TTC's CEO Office.

Governance and Reporting

The Expert Advisory Panel is a non-legislative committee and is accountable to the City Manager. The Panel reporting structure is illustrated in Figure 1.

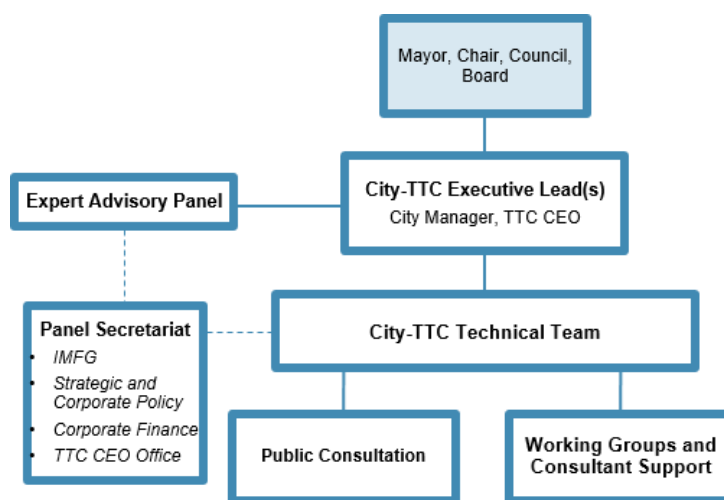


Figure 1: Expert Panel Reporting Structure

The Panel will act in an advisory capacity. It may not direct City staff or make binding decisions on the Toronto government. Any advice or recommendations that require formal action or implementation by City of Toronto staff must be considered and approved by City Council. Expert Panel meeting summaries will be developed and included as part of public consultation report(s) that are developed for this Review.

Term

Members are appointed for the duration of the Review, commencing in June 2019.

Input and advice from the Panel may also be needed to support the transition to a future-state model. The term may be extended at the City Manager's discretion and this Terms of Reference will be updated to reflect any changes in the Panel's Term.

Membership on the Panel is voluntary and a public service. No honoraria will be paid as a result of this appointment. Any member wishing to resign from the Panel will submit their resignation in writing to the Expert Advisory Panel Secretary. Panel Members who miss three (3) consecutive meetings without notifying the City Manager will be deemed to have resigned.

Meetings

- 1) The Panel will meet on a regular basis, beginning in June 2019 for the duration of the Review.
- 2) The Panel Secretariat will set meeting dates in advance and send out agendas, materials, including meetings from previous meetings, in advance of meetings.
- 3) Meetings will be participatory and involve discussion and feedback. Attendance at meetings will be restricted to Panel members, City-TTC working group members, Secretariat staff and guests as invited.
- 4) Meetings will include, when possible, updates from City and/or TTC staff on ongoing work with respect to the Review.
- 5) Meetings will be co-chaired by the City Manager and the Director, Institute on Municipal Finance and Governance.
- 6) Meetings will be held at the Institute on Municipal Finance and Governance or City Hall, if necessary.

Quorum

The minimum number of members required to be present at a meeting in order to do business will be half of the regular membership plus one.

Ethical Framework

The Panel member(s) are required to fulfill the duties of their appointment in a professional, ethical and competent manner, and avoid any real or perceived conflict of interest. In particular, and without limiting the generality of the foregoing obligations, a government appointee shall:

- Not use or attempt to use his or her appointment to benefit himself or herself or any person or entity;

- Not participate in or attempt to influence decision-making as an appointee if he or she could benefit from the decision;
- Not accept a gift that could influence, or that could be seen to influence, the appointee in carrying out the duties of the appointment;
- Not use or disclose any confidential information, either during or after the appointment, obtained as a result of his or her appointment for any purpose unrelated to the duties of the appointment, except if required to do so by law or authorized to do so by the responsible City Manager;
- Not use government premises, equipment or supplies for purposes unrelated to his or her appointment.

Appendix B: Expert Advisory Panelist Biographies

Enid Slack (Co-Chair and Panel Facilitator) is the Director of the Institute on Municipal Finance and Governance (IMFG) at the Munk School of Global Affairs and Public Policy at the University of Toronto. Enid has written extensively on a range of topics including property taxes, intergovernmental transfers, development charges, financing municipal infrastructure, municipal governance, and municipal boundary restructuring.

Recent publications include *Financing Infrastructure: Who Should Pay?* and *Is Your City Healthy? Measuring Urban Fiscal Health* (both co-edited with Richard Bird). Enid has also chaired or been a member of numerous panels and commissions, including the Who Does What Panel in Ontario and the City of Vancouver's Property Tax Policy Review Commission.

Enid consults on municipal finance and governance issues in countries around the world, including with international agencies such as the World Bank, IMF, UN Habitat, Asian Development Bank, and the Inter-American Development Bank. In 2012, she was awarded the Queen's Diamond Jubilee Medal for her work on cities.

Pedro Barata is United Way's Senior Vice President, Community Impact & Strategy. Pedro works with United Way teams and community partners to develop and implement strategies that can drive impact and change. Pedro provides strategic leadership at United Way in the areas of community investment and partnerships, communications, policy and public affairs, research and evaluation, as well as cross-organizational strategy. Pedro first joined United Way in 2011 as Director, Public Affairs.

His work and extensive volunteer activities in the non-profit sector span two decades. Pedro's prior experience included roles at the Atkinson Charitable Foundation and Family Service Toronto. During this time he has advised all levels of government on social policy including: poverty reduction, income security reform, housing and homelessness, as well as community benefits initiatives. Pedro holds a Bachelor of Arts from York University and a Masters of Social Work from the University of Toronto.

Joe Berridge is an urban planner and city builder who has had an integral role in the development of complex urban planning and regeneration projects in Canada, the U.S., the U.K., Europe and Asia. He has been strategic advisor for the development of the city centres of Manchester, Belfast and Cardiff and for the waterfronts of Toronto, Singapore, Sydney, Cork, London and Governors Island in New York City. He has prepared campus master plans for the University of Manchester and Waterloo, Queen's and Western in Canada and is now planning the new hub for Toronto Pearson International Airport. His book *Perfect City* was recently published by SutherlandHouse.

Drew Fagan is a professor at the Munk School of Global Affairs and Public Policy. Prior to joining the University of Toronto and establishing his own consulting company, he spent 12 years in leadership positions with the governments of Ontario and Canada. With the Government of Ontario, he was Deputy Minister of Infrastructure and Deputy Minister of Tourism, Culture and Sport with responsibility for the 2015 Pan/Parapan American Games. Drew joined the Ontario Public Service in 2009 from Ottawa, where he was Assistant Deputy Minister for strategic policy and planning at the Department of Foreign Affairs and International Trade (now Global Affairs Canada).

Before becoming a public servant in 2004, Drew worked at The Globe and Mail, where he was parliamentary bureau chief, editorial page editor and columnist, foreign editor, associate editor of Report on Business and Washington correspondent.

Steven Farber is a transportation geographer and spatial analyst. His research investigates the social and economic outcomes of transportation and land-use decision making in urban areas. He is working on projects related to the distributional aspects of transit accessibility, personal mobility, and participation in the activities of daily life.

He has authored more than 50 peer-reviewed journal articles and book chapters, is on the editorial board of multiple international geography and transportation journals, and chairs the Social and Economic Factors Committee at the Transportation Research Board, one of the US National Academies of Science.

Debbie Gillespie has recently retired and works as a consultant specializing in built environment and transit. She recently facilitated the rollout of Unified English Braille across Canada. In her advocacy role, she works with City staff to improve access to goods and services, and with local transit agencies to enhance way-finding strategies, and provide recommendations on usability. Debbie is former chair of the TTC Advisory Committee on Accessible Transit.

Shirley Hoy has had a lengthy public service career including serving as Toronto's City Manager from 2001 to 2008 and working as an Assistant Deputy Minister in three Ontario ministries. She held various policy and planning-related positions in the former Metro Toronto government, including with the Department of Community Services, as General Manager of the Corporate Secretary at Exhibition Place and as Executive Director in the Metro Chairman's office. Ms. Hoy also served as Commissioner of Community and Neighbourhood Services, where she provided leadership on many major services ranging from social assistance, homes for the aged, housing and support, public health, and parks and recreation. Following her term as Toronto City Manager, she served 5 years as the CEO of the Toronto Lands Corporation.

Andy Manahan is the executive director of the Residential and Civil Construction Alliance of Ontario. RCCAO was formed in 2005 as a coalition of contractor

associations and construction unions to speak with a stronger voice and offer solutions to government on infrastructure investment. It has commissioned almost 50 independent research reports and produced 10 videos on topics that have covered funding and governance structures to better deliver transit, roads, bridges, and water and sewer systems. Mr. Manahan is also on the advisory board of the University of Toronto's Transportation Research Institute. He also served on the 13-citizen Transit Investment Strategy Advisory Panel which presented its recommendations to the Province in 2013.

Joe Pennachetti has more than 35 years of municipal financial management experience and was Toronto's City Manager from 2008 to 2015. He is currently a senior fellow at the Institute of Municipal Finance and Governance, a Director of OMERS sponsors corporation, Chair of the Ontario Clean Water Agency Board of Directors, and the Executive Advisor, Global City Strategy for the World Council on City Data. Joe previously served as Deputy City Manager and Chief Financial Officer for the City of Toronto from 2002 to 2008. He was Treasurer and Commissioner of Finance for the Regional Municipality of Peel for seven years, from 1995 to 2002. From 1990 to 1995, he was Treasurer and Commissioner of Finance for the Regional Municipality of York.

Prior to that, he worked in the finance departments of the Regional Municipality of Durham and the City of Edmonton.

Bill Robson is President and CEO of the C.D. Howe Institute. He previously served as the Institute's Senior Vice President since 2003 and Director of Research since 2000. He has written more than 230 monographs, articles, chapters and books on such subjects as government budgets, pensions, healthcare financing, inflation and currency issues. His work has won awards from the Policy Research Secretariat, the Canadian Economics Association, and the Donner Canadian Foundation. He is a Senior Fellow at Massey College and holds an ICD.D designation from the Institute of Corporate Directors. He is a member of the Panel of Senior Advisors to the Auditor General of Ontario and the Ifo World Economic Survey expert group, and a regular commentator on BNN/Bloomberg. Bill taught public finance and public policy at the University of Toronto from 2000 to 2003, and currently teaches a Master's level course in public finance at the University of Toronto's Munk School of Global Affairs and Public Policy.

Shoshanna Saxe is an Assistant Professor in the Department of Civil & Mineral Engineering at the University of Toronto. Prof. Saxe investigates the relationship between the infrastructure we build and the society we create, with a particular focus on environmental sustainability. Recent research includes life cycle thinking for transportation infrastructure and examining the timelines of transportation infrastructure delivery. Prof. Saxe received her Master of Science in Civil and Environmental Engineering from MIT (2009) and her PhD from the University of Cambridge in Engineering - Jesus College (2016). Previously, she worked on the design and construction of transport infrastructure in Toronto, including four new subway stations.

Prof. Saxe is an alumna of Action Canada, a member of the Transportation Research Board's standing committee on Transportation and Sustainability, sits on Waterfront Toronto's Capital Peer Review Panel, and was recently recognized by Clean 50 as one of Canada's emerging environmental leaders.

Matti Siemiatycki is Associate Professor in the Department of Geography & Planning, Canada Research Chair in Infrastructure Planning and Finance, and Interim Director of the School of Cities. His research focuses on delivering large-scale infrastructure projects, public-private partnerships, and the effective integration of infrastructure into the fabric of cities. Professor Siemiatycki was a faculty leader of StudentMoveTO, a joint initiative between the University of Toronto, York, Ryerson and OCADU that successfully developed a model for inter-university research collaboration and mobilization on city-building issues. He has undertaken studies on major cities in Canada and around the world including Vancouver, London, Los Angeles, Sydney, Bilbao, and Delhi.

Hana Syed is the Co-Founder of the internationally recognized non-profit organization Global Youth Impact (GYI) – a platform that empowers youth to be leaders and changemakers locally and globally. She is a motivational speaker, singer/song-writer, community organizer, and advocate. Hana is a featured TEDx speaker and is regularly invited to share her expertise, deliver speeches, and host workshops for schools, community initiatives, various levels of government, international conferences, and news media. Alongside her siblings, she writes and performs music as DEYSofficial.

Notably, their music is featured with the United Nations Music Against Child Labour Initiative. Their song "Champions" garnered attention for the 2015 Pan Am and Parapan Am Games hosted in Toronto. Hana has been a Youth Ambassador for the City since childhood. She continues to advise and advocate for the City's best interests through research, public consultations, and deputations, specializing in transit, housing, mental health and youth engagement.

Patricia Wood is Professor of Geography and co-founder of the City Institute at York University. She does research on democracy, governance and political practice, particularly as they concern issues of mobility and belonging. She writes a column for Spacing.com on urban transit and transportation issues, and is a co-author of CodeRedTO's recent transit report, "Mixed Signals: Toronto Transit in a North American Context."