

PROVINCE OF ONTARIO-CITY OF TORONTO MEMORANDUM OF UNDERSTANDING (MOU) ON TRANSIT-ORIENTED DEVELOPMENT (TOD)

Context/Overview

Pursuant to the “Ontario-Toronto Transit Partnership” – announced by the Province of Ontario (the “Province”) and the City of Toronto (the “City”) (collectively, the “parties”) on November 4, 2019 – the parties acknowledge that the Province intends to pursue an “Ontario-led Transit-Oriented Development (TOD) Strategy” for station sites, including those related to:

- GO Expansion/SmartTrack; and,
- The four priority transit projects included in Ontario’s ‘*New Subway Transit Plan for the Greater Toronto and Hamilton Area (GTHA)*’, namely:
 - The Ontario Line;
 - The three-stop Scarborough Subway;
 - The Yonge North Subway Extension; and,
 - The Eglinton Crosstown West Extension.

Hereafter, the priority transit projects featured in Ontario’s ‘*New Subway Transit Plan for the GTHA*’ shall be referred to as the “Provincial Projects.”

The “Ontario-Led Transit-Oriented Development (TOD) Strategy” is defined as a program, spearheaded by the Province, which:

- Is focused on leveraging opportunities through which the private sector, in cooperation with public sector entities, would deliver some critical elements of station infrastructure, and would intensify development around proposed transit stations; and,
- Applies to the stations sites for GO Expansion/SmartTrack and the Provincial Projects.

Moreover, aligned with the “shared objectives” outlined below, the aforementioned strategy is intended to generate the following outcomes:

- **Exchange of Value:** Creating new investment and revenue opportunities between the public and private sectors, where possible.
- **Increased Transit Ridership:** Developing transit-oriented communities, in which residents choose transit as their first mode of transportation.
- **Improved Customer Experience:** Enhancing station areas to make the interaction with the customer seamless (e.g., through creating desirable commerce and retail concourses, etc.).
- **City Building:** Developing communities that provide residents and workers with new places to live, work and play.

To enable the implementation of the Ontario-Led TOD Strategy:

- The Province recognizes that the City is a critical partner in the successful delivery of TOD opportunities.
- The Province and the City share the strong desire to appropriately integrate new transit facilities into development, and ensure due consideration for the compatibility

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with surrounding neighbourhoods, in order to realize the potential associated benefits accruing to each party and to the public.

As such, the Province and the City mutually commit to ongoing, proactive and good faith collaboration in respect of the Ontario-Led TOD Strategy, which, through this Memorandum of Understanding (MOU), is predicated upon the establishment of:

- A set of shared objectives that will guide the pursuit of TOD for GO Expansion/ SmartTrack and the Provincial Projects; and,
- A formally-structured, principles-based process – with defined roles, responsibilities and activity-based timelines for each of the parties – to deliver the TOD proposals for the Provincial Projects.
 - Further details associated with the formally-structured process for Provincial Projects articulated in this MOU will be developed collectively by the parties, including in terms of the supporting governance and engagement framework.
 - While out of scope for this MOU, a formally-structured process to deliver TOD proposals for GO Expansion/SmartTrack will be established separately by the parties.
 - For those cases in which GO Expansion/SmartTrack and the Provincial Projects intersect, the resulting station sites will be deemed to be part of the Provincial Projects, and, by consequence, the formally-structured process appearing in this MOU will be applied *vis-à-vis* TOD proposals.

Shared Objectives

Through the Ontario-Led TOD Strategy for GO Expansion/SmartTrack and the Provincial Projects, the Province and the City are jointly seeking TOD opportunities that will achieve the following objectives:

- The creation of complete and accessible communities, with employment and residential densities that support higher-order transit in a manner consistent with good land use planning and city-building principles;
- An increase in the housing supply, with a range and mix of types that are responsive to the specific context and nature of each unique TOD site, including affordable housing and other types;
- Growth in potential transit ridership and improvements/enhancements to the customer experience, as a result of direct access to rapid transit and connections to surface transit;
- Increased transit access for residents to employment areas, while further supporting employment growth;
- An offset of the costs of building and/or operating transit; and,
- The coordinated delivery of GO Expansion/SmartTrack and the Provincial Projects with integrated TOD initiatives that result in an adherence to the committed project schedules, and that optimize the utilization of City resources.

As previously indicated, the remainder of this MOU pertains to the formally-structured process – and associated roles and responsibilities of the parties – to deliver provincial

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TOD proposals for the Provincial Projects. A separate process will be designed and established by the parties for provincial TOD proposals that apply to GO Expansion/ SmartTrack stations.

Formally-Structured Process – Provincial Projects

As the proponent under the Ontario-Led TOD Strategy, the Province will be responsible for the market solicitation processes regarding the new stations to be constructed. To this end, in all cases, the Province will:

- Spearhead negotiations with third parties related to prospective TOD; and,
- Act as the singular commercial interface with the third parties at the TOD sites.

As TOD proposals are developed, the Province will engage with the City to:

- Ensure, as a first step, that the proposals will align with, and balance, the above-noted, mutually-shared objectives; and,
- Establish, as appropriate, the site-specific parameters that will serve as inputs to the market solicitation processes.

Subsequently, a formally-structured process for the program – with specified timelines defined for the various stages thereof – will ensue between the parties, thereby allowing for:

- The ongoing sharing of information and documentation associated with the TOD proposals, prepared in a consistent fashion and on a site-specific basis;
- City review of, and comment on, the TOD proposals; and,
- City input related to community amenities, which will be considered by the Province for inclusion in the TOD initiatives at the station sites.

Per this MOU, the formally-structured process in respect of the Provincial Projects will reflect the following principles:

- The parties jointly acknowledge that prospective TOD will be dependent upon the specific parameters and context of each station site.
- Collaboration between the parties during the process will:
 - Occur through a supporting governance and engagement framework to be designed by the parties; and,
 - Involve (amongst other things) leveraging the expertise of each party, including in terms of technical considerations/requirements relevant to the TOD proposals and station sites.
- Each TOD site will be treated by the parties as a priority development to ensure that the committed project delivery schedules are met. To this end, during the process, the parties will:
 - Agree to specified timelines for the various stages of the process, including those related to review and input;

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- Be responsive and accountable to the other party, including through the timely sharing of information and documentation required, and by meeting reasonable standards of quality in the documentation provided; and,
- Make best efforts, wherever possible, to eliminate uncertainty.
- Opportunities will be created during the process to seek and receive public input.

Roles & Responsibilities Under Formally-Structured Process – Provincial Projects

Consistent with the principles outlined above, the City and Province jointly commit to fulfilling the following roles and responsibilities during the formally-structured process related to the review of, and input to, provincial TOD proposals for the Provincial Projects:

Province of Ontario

The Province commits:

- To engage with the City in accordance with the supporting governance and engagement framework to be developed by the parties.
- In respect of each TOD site and at the relevant/applicable points in the process, to work with its third-party developer partners to provide to the City all documentation required for review of, and input to, a provincial TOD proposal, including those details related to:
 - The site boundaries and associated properties;
 - The proposed mix of uses;
 - The site density;
 - The site plan and conceptual massing; and,
 - Other technical information/requirements.
- To ensure that the aforementioned documentation is provided to the City in a timely fashion, and that reasonable standards of quality are satisfied by the Province and/or its third-party development partners (as applicable).
- To acknowledge City comments – and to engage the City further on input provided to the Province – including input related to existing City site plans, community amenities, and other applicable Provincial and City planning documents/policies.
- To ensure – in anticipation of potential increased servicing costs arising from TOD – the City continues to have appropriate access to funding tools to enable necessary improvements to hard services.
- To work with the relevant third parties/private sector developers to support like-for-like replacement or relocation, as applicable/appropriate, of City-owned infrastructure, in recognition that such assets may be affected during the implementation of TOD initiatives at or around the station sites.
- To work with the City to seek and receive public input through an engagement process.

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City of Toronto

The City commits:

- To engage with the Province in accordance with the supporting governance and engagement framework to be developed by the parties.
- In a manner consistent with the specified timelines defined for the various stages of the formally-structured process:
 - To provide review of, and comments on, the provincial TOD proposals; and,
 - To undertake and prioritize all applicable City-led permitting processes related to the provincial TOD proposals.
- To make available the appropriate staff resources to manage:
 - All necessary review of, and input to, the provincial TOD proposals; and,
 - All applicable City-led permitting processes related to the provincial TOD proposals.
- Following the process noted above – and at the first possible opportunity – to initiate any amendments that may be required to the City’s Official Plan and other applicable City planning documents/policies, to reflect changes to density and land uses for the identified TOD sites, as consistent with the provincial TOD proposals.
- To ensure that the utility and service upgrades necessary to enable TOD are implemented, such that the committed delivery timelines for the Provincial Projects can be achieved and the TOD program outcomes can be realized.
- To work with the Province to seek and receive public input through an engagement process.