

SmartTrack Stations Program - Provincial Funding Update

Date: May 23, 2023

To: Executive Committee

From: Interim Deputy City Manager, Infrastructure and Development Services

Wards: All

SUMMARY

The SmartTrack Stations Program (the "Program") represents a significant investment to improve transportation choices within Toronto, leveraging existing transit infrastructure to serve more people. Combined with Metrolinx's GO Expansion Program, SmartTrack will transform heavy rail infrastructure in Toronto from a regional commuter service into an urban rapid transit network.

At its March 29, 2023, meeting, City Council adopted EX3.9 SmartTrack Stations Program - Update, directing the City Manager to negotiate with the Province of Ontario for the Province to commit to paying all amounts above the original Program Budget of \$1.463 billion, which as of the date of the report, were estimated at \$234 million.

Negotiations with the Province of Ontario began in earnest post City Council direction on March 29, 2023 and are currently ongoing. City staff anticipate that negotiations will conclude imminently. As such, the purpose of this report is to note that City staff will provide a supplementary report with the details on the outcome of negotiations as soon as possible.

RECOMMENDATIONS

The Interim Deputy City Manager, Infrastructure and Development Services recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

As negotiations are ongoing, the financial implications of any provincial funding cannot be confirmed at this time. Full financial implications will be outlined in the Financial Impact section of the forthcoming supplementary report. As such there are no financial impacts arising from the recommendations contained in this report. The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In November 2016, City Council adopted with amendments EX19.1 Transit Network Plan Update and Financial Strategy and endorsed a Summary Term Sheet that established principles for cost-sharing on a number of transit expansion initiatives, including the SmartTrack Stations Program.

Link: [Agenda Item History - 2016.EX19.1 \(toronto.ca\)](#)

In April 2018, City Council adopted with amendments EX33.1 Implementation of the SmartTrack Stations Program and the Metrolinx Regional Express Rail Program and approved a contribution of up to \$1.463 billion to Metrolinx for the SmartTrack Stations Program subject to the terms and conditions described in Attachment 1 of the report. The approved funding and financing strategy includes \$585 million in federal funding under Investing in Canada Infrastructure Program – Public Transit Stream.

Link: [Agenda Item History - 2018.EX33.1 \(toronto.ca\)](#)

In October 2019, City Council adopted with amendments EX9.1 Toronto-Ontario Transit Update and authorized the City Manager to negotiate, enter into and execute a Preliminary Agreement with the Province and/or any other relevant provincial agency, in accordance with the terms set out in the term sheet in Attachment 6 to the report.

Link: [Agenda Item History - 2019.EX9.1 \(toronto.ca\)](#)

In February 2021, City Council adopted EX20.02 Advancing the SmartTrack Stations Program and approved the recommended terms negotiated with the Province of Ontario, outlined in Attachment 1 to the report, to allow the SmartTrack Stations Program to proceed to construction. These terms provide that the Program, which will be delivered by the Province and/or its agencies (Metrolinx and Infrastructure Ontario), will consist of five stations at: Finch-Kennedy, East Harbour, King-Liberty, St. Clair-Old Weston and Bloor-Lansdowne. The City capital contribution to the Program remained at \$1.463 billion, which included \$585 million in funding from the Government of Canada.

Link: [Agenda Item History - 2021.EX20.2 \(toronto.ca\)](#)

On March 29, 2023, City Council adopted EX3.9 SmartTrack Stations Program Update and directed the City Manager to request the Province of Ontario to commit to pay all amounts above the original SmartTrack Program Budget of \$1.463 billion which are required to deliver the Program due to increased costs, which at the time of the report, was estimated at \$234 million.

Link: [Agenda Item History - 2023.EX3.9 \(toronto.ca\)](#)

COMMENTS

SmartTrack Stations Program - Background

The SmartTrack Stations Program (the “Program”) is an investment to improve transportation choices within Toronto through the use of existing transit infrastructure to serve more people. Together with Metrolinx’s GO Expansion Program, SmartTrack will accelerate the transformation of heavy rail infrastructure in Toronto from a regional commuter service into an urban rapid transit network, thereby bringing transit faster to communities across the city.

The scope of the Program consists of five stations: Finch-Kennedy, East Harbour, King-Liberty, St. Clair-Old Weston and Bloor-Lansdowne (see Figure 1).

Figure 1. SmartTrack Stations Program



Existing City Capital Contribution and Approved Federal Funding

In February 2021, City Council committed to contributing up to \$1.195 billion for Base Station Infrastructure and up to \$268 million for City-Initiated Station Requirements. The resulting total of \$1.463 billion is the budget for the Program, inclusive of \$585 million in federal funding. Federal funding approval for the Program in the amount of \$585 million under the Public Transit stream of the Investing in Canada Infrastructure Program (ICIP) was officially confirmed in April 2022.

The City's funding and financing strategy approved by Council in 2018 was re-affirmed in 2021, with the necessary capital funding for the Program to be raised through federal funds, development charges, tax increment financing and the City Building Fund.

SmartTrack Station Program - Additional Funding Required to Deliver the Program

As previously summarized in the EX3.9, the cost estimates received from Metrolinx for the SmartTrack Program to deliver the existing five-station scope were roughly \$234 million higher than the original Program Budget of \$1.463 billion.

Following City Council direction in March 2023, City staff began negotiations with the Province of Ontario in earnest to cover the increases to the Program to deliver the existing Council-approved Program scope. Through these negotiations, City staff have stressed the strong rationale for the Province to contribute towards the increase in Program's costs as it provides significant benefits to the Province. These benefits include, that the Province will own and maintain the SmartTrack Stations, and that the Province will realize increased ridership on the GO system. City staff have also emphasised the significant financial commitments that the City and the Government of Canada have made to date towards delivery of the Program.

City staff anticipates that negotiations will conclude imminently. As such, a supplementary report will be provided to Executive Committee as soon as possible to outline the outcomes of these negotiations.

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SIGNATURE

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