



## Recommended 2026-2035 Capital Budget and Plan, 15-Year Capital Investment Plan, and Real Estate Investment Plan Update

**Date:** January 7, 2026

**To:** TTC Board

**From:** Interim Chief Financial Officer

### **Recommendations**

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It is recommended that the TTC Board:

1. Endorse the TTC 2026-2040 Capital Investment Plan of \$53.994 billion, as outlined in Attachment 1 of this report;
2. Endorse the TTC 2026-2040 Real Estate Investment Plan Update, including the implementation timeline, as outlined in Attachment 2 of this report;
3. Approve a 2026 Capital Budget of \$1.635 billion and future year planned estimates of \$15.022 billion for a total TTC 2026-2035 Capital Budget and Plan of \$16.657 billion, comprising the following, as outlined in Appendix B of this report:
  - a. A 2026 Capital Budget of \$1.606 billion and future year planned estimates of \$14.916 billion, for a total TTC 2026-2035 Base Capital Budget and Plan of \$16.522 billion; and
  - b. A 2026 Capital Budget of \$28.7 million and future year planned estimates of \$106.3 million, for a total TTC 2026-2035 Capital Budget and Plan of \$135.0 million for Transit-Expansion-Related Projects.
4. Approve a 2026 year-end capital workforce complement of 3,345 positions, reflecting an increase of 60 capital positions, as summarized in Appendix D;
5. Reaffirm requests to the Federal and Provincial Governments for a tri-partite discussion on the development of a sustainable, long-term funding model for public transit capital and operations needs;
6. Delegate authority to the Chief Executive Officer to execute any transfer payment and/or contribution agreements required with the Province of Ontario and/or Government of Canada to receive intergovernmental funding for priority projects and programs and amend the 2026-2035 Capital Budget and Plan to include the funding, subject to terms and conditions satisfactory to the TTC's General Counsel; and
7. Forward this report to the City Budget Committee and the City Manager as the official 2026-2035 Capital Budget and Plan submission for the Toronto Transit Commission.

## Summary

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This report presents the recommended 2026-2035 Capital Budget and Plan for the TTC. It seeks the Board's approval of a 2026 Capital Budget and 2027-2035 planned estimates to fund the acquisition, rehabilitation and renewal of the TTC's assets required to deliver transit service in Toronto. This report also seeks the Board's endorsement of the TTC's updated 2026-2040 Capital Investment Plan and companion 2026-2040 Real Estate Investment Plan.

### 2026-2035 Capital Budget and Plan Highlights

The 2026-2035 Capital Budget and Plan totals \$16.657 billion, including a 2026 Capital Budget of \$1.635 billion. This 10-year Capital Plan allocates 63% toward maintaining transit in a state of good repair, 4% for safety and legislated requirements, and 33% for service improvement and growth-related projects.

The prioritization of funding within the 2026-2035 Capital Budget and Plan has been developed in alignment with the [Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably: Outlook for Capital Budget 2026](#) report, presented at the Strategic Planning Committee meeting on September 4, 2025. In this report, the most immediate five-year needs for Health and Safety, Legislative, and State of Good Repair were identified, with the most critical items including:

Immediate State-of-Good-Repair Priorities Requiring Funding in Next 5 Years
Conventional and Wheel-Trans bus fleet replacements and associated charging infrastructure in alignment with asset life cycle replacement requirements.
Critical subway systems (signals, electrical and communications) and equipment (escalators, elevators, ventilation and subway pumps/backflow preventers) to maintain reliability and customer experience.
Facility renewal programs including roofing rehabilitation, HVAC replacements, overhead doors, safety systems and infrastructure renewal projects to maintain asset integrity.
Streetcar track replacement in the first five years for reliable streetcar service.

The recommended 2026-2035 Capital Budget and Plan therefore adds \$1.736 billion in incremental funding to address outstanding needs, with \$1.362 billion (or 79%) being dedicated to crucial State of Good Repair, and Safety and Legislative needs, including:

- **\$302.8 million** for subway, bus, and streetcar vehicle overhaul programs
- **\$168.8 million** for crucial subway and surface track replacement
- **\$253.4 million** for traction power, signaling, communications and power distribution asset replacement/rehabilitation
- **\$141.6 million** for facility rehabilitation/modifications

Addressing State of Good Repair (SOGR) is essential for service reliability, which is why the TTC continues to place the highest priority on meeting health and safety, legislative and state-of-good-repair needs first. However, the scale of SOGR investment still required is crowding out the opportunity to advance needed capacity enhancement investments to keep up with population growth and capture more ridership long term

While progress has been made in addressing the TTC's unfunded capital priorities, sustained and predictable funding is still critical to address the remaining capital needs constraints. The Capital Investment Plan (CIP), which lays out the TTC's capital needs over a 15-year period, is \$53.994 billion or \$616 million higher than the \$53.378 billion identified in the 2025 CIP. Of the \$53.994 billion CIP, unfunded capital investments amount to \$37.336 billion over the 15-year planning horizon, highlighting a significant gap in long-term financial support.

Emphasis must continue to be placed on the requirement for a tri-partite approach to developing a sustainable public transit funding model that is predictable and supports the long-term viability of the TTC.

## **Background and Analysis**

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### **15-Year Capital Investment Plan (CIP) Updated for 2026**

The TTC's CIP outlines the long-term capital requirements necessary to maintain assets in a state of good repair, support lifecycle replacements, and increase transit capacity to meet future ridership demands. Its goal is to ensure that transit service across Toronto remains safe, efficient, reliable, affordable, and equitable over a long-term horizon. Key elements of the CIP include:

- Enhanced awareness and understanding of the TTC's capital needs;
- A comprehensive 15-year outlook on required capital investments;
- Prioritization of state-of-good-repair projects and initiatives that expand ridership capacity and accommodate growth;
- Clear differentiation between funded and unfunded needs;
- Insight into the value of investment and associated risks of underinvestment; and
- A strategic, multi-year planning framework that informs and supports the annual capital budgeting process.

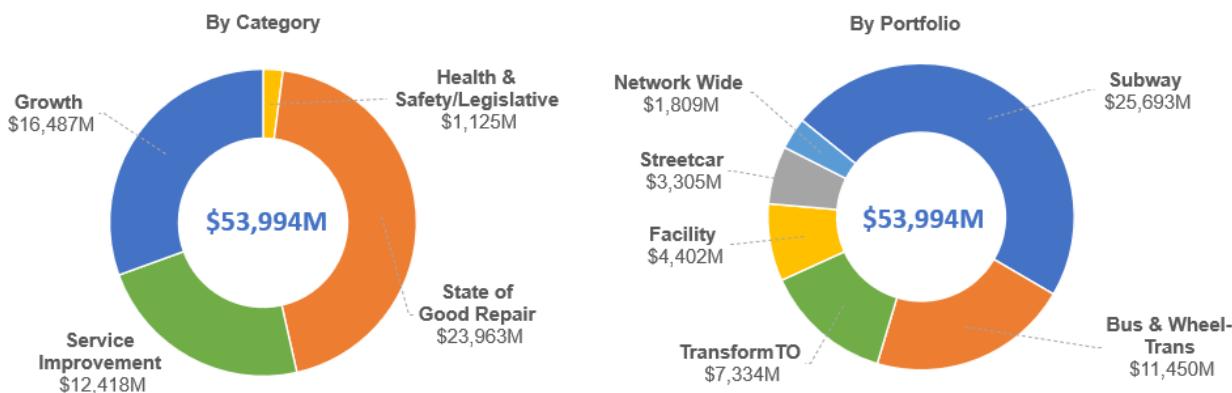
To get the most value from capital investments, it is essential that they proceed in a co-ordinated manner. The TTC CIP takes a strategic approach to capital investment planning by bringing together project interdependencies within six larger capital portfolios of investment. It makes clear that, if one project is left unfunded, it would jeopardize the larger program. The result is clarity regarding the TTC's requirements and priorities, which has enabled steadier-state investment in public transit.

As recommended by the TTC Board, and as directed by City Council, the CIP is updated annually through the budget process. The CIP for 2026 has been updated to reflect the following:

- Refined estimates based on changes to the timing of planned investments;
- Capital planning progress made through project life cycle stage gating;
- Estimate updates to account for external economic factors (i.e. inflation, market conditions); and;
- Emergent capital needs based on updated asset condition assessments and priorities.

As a result, the TTC's CIP has been updated for the 2026-2040 timeframe and totals \$53.994 billion in capital needs over the 15-year period. Chart 1 below summarizes the TTC's capital needs by the CIP's six investment portfolios and by project category.

**Chart 1: 2026-2040 Capital Investment Plan**



### **Modernizing Subway and Expanding Capacity Portfolio: \$25.693 billion**

Modernizing the Subway and Expanding Capacity is a portfolio of investments planned for renewing the subway system to replace and upgrade existing aging assets and to support future growth and expansion of the network in the long term. To ensure this vital service continues to meet current and future needs, a total investment of \$25.693 billion is required. Of this, \$10.385 billion is funded within the 10-year window and covers key projects including:

- **Purchase of Subway Cars** to replace the aging T1 trains, meet ATC requirements and align the fleet with ridership growth forecasts
- **Lines 1 and 2 Capacity Enhancement Projects** designed to increase capacity through infrastructure upgrades to various stations and traction power systems, Line 1 Train Maintenance and Storage Facility to accommodate future growth trains as well as the modification of Greenwood Yard
- **Bloor Yonge Capacity Improvements** which include the construction of additional platforms, escalators and elevators to improve vertical circulation and address overcrowding at the Bloor-Yonge interchange station

- **Line 2 Automatic Train Control** to implement an Automatic Train Control system on Line 2 which will increase capacity by reducing headway, providing more reliable service
- **Fire Ventilation and Second Exits Program** for replacement and upgrades of subway fire ventilation fans and the creation of new stairs and exits for emergency situations
- **Easier Access Program**, which addresses accessibility of TTC stations through the addition of elevators, ramps, automatic doors and associated modifications to stations' structural and electrical components

**Table 1: Modernizing Subway and Expanding Capacity: 15 Year Capital Investment Plan**

Category (\$ millions)	Funding Status	5 Year Total	10 Year Total	Total 15 Year CIP
Health and Safety, Legislative, and SOGR	<b>Funded</b>	3,568.9	6,606.4	6,606.4
	<b>Unfunded</b>	246.2	1,231.8	3,553.0
	<b>Total CIP</b>	<b>3,815.1</b>	<b>7,838.2</b>	<b>10,159.4</b>
Service Improvement	<b>Funded</b>	1,522.1	3,204.3	3,204.3
	<b>Unfunded</b>	181.3	795.5	4,461.8
	<b>Total CIP</b>	<b>1,703.4</b>	<b>3,999.8</b>	<b>7,666.1</b>
Growth	<b>Funded</b>	264.8	574.1	574.1
	<b>Unfunded</b>	666.0	5,973.1	7,293.6
	<b>Total CIP</b>	<b>930.8</b>	<b>6,547.3</b>	<b>7,867.7</b>
Total Subway	<b>Funded</b>	5,355.7	10,384.8	10,384.8
	<b>Unfunded</b>	1,093.5	8,000.5	15,308.4
	<b>Total CIP</b>	<b>6,449.2</b>	<b>18,385.3</b>	<b>25,693.2</b>

## Transforming and Electrifying Bus Service Portfolio: \$11.450 Billion

The Transforming and Electrifying Bus Service portfolio aligns the TTC's bus fleet plan and service planning investments, reflecting necessary asset life cycle replacement costs based on the age of the fleet, as well as the City's climate goals. The portfolio accounts for \$11.450 billion of the total 15-Year Capital Investment Plan. Of this, \$2.727 billion is funded within the 10-year window and covers key projects including:

- **e-Bus Procurement and e-Bus Charging Systems** to electrify and replace aging accessible-conventional and Wheel-Trans buses
- **Bus Rebuild Program**, which includes the mid-life rebuild and Scheduled Maintenance Plan (SMP) work for the bus fleet based on the asset management plan.
- **Transit Priority Measures** including the construction of dedicated bus lanes, queue jump lanes and transit signal priority measures

**Table 2: Transforming and Electrifying Bus Service: 15 Year Capital Investment Plan**

Category (\$ millions)	Funding Status	5 Year Total	10 Year Total	Total 15 Year CIP
Health and Safety, Legislative, and SOGR	<b>Funded</b>	1,512.9	1,992.0	1,992.0
	<b>Unfunded</b>	1,160.1	3,609.9	7,078.8
	<b>Total CIP</b>	<b>2,673.0</b>	<b>5,601.9</b>	<b>9,070.8</b>
Service Improvement	<b>Funded</b>	613.0	676.9	676.9
	<b>Unfunded</b>	347.1	1,164.6	1,211.1
	<b>Total CIP</b>	<b>960.1</b>	<b>1,841.5</b>	<b>1,888.0</b>
Growth	<b>Funded</b>	58.1	58.1	58.1
	<b>Unfunded</b>	19.3	209.8	433.4
	<b>Total CIP</b>	<b>77.4</b>	<b>267.9</b>	<b>491.5</b>
Total Bus	<b>Funded</b>	2,184.0	2,727.0	2,727.0
	<b>Unfunded</b>	1,526.6	4,984.3	8,723.3
	<b>Total CIP</b>	<b>3,710.6</b>	<b>7,711.3</b>	<b>11,450.3</b>

## Supporting a Larger Streetcar Fleet Portfolio: \$3.305 Billion

To meet ridership demand, ensure consistent service delivery and operational efficiency, a reliable and well-maintained fleet and infrastructure are essential. Supporting a Larger Streetcar Fleet is a planned portfolio of investment within the TTC's CIP, which accounts for \$3.305 billion of the total 15-Year Capital Investment Plan. Of this, \$1.339 billion is funded within the 10-year window and includes:

- **Streetcar Track Replacement Programs** for comprehensive overhaul programs to ensure the state-of-good-repair of critical streetcar infrastructure
- **Hillcrest Streetcar Maintenance and Storage Facility**, which includes the addition of tracks, storage and maintenance capacity at Hillcrest Complex to support a larger fleet
- **Russell Carhouse Modifications** to extend the carhouse at Russell Yard, replace track infrastructure and modify the carhouse to accommodate servicing of new accessible streetcars.

**Table 3: Supporting a Larger Streetcar Fleet: 15 Year Capital Investment Plan**

Category (\$ millions)	Funding Status	5 Year Total	10 Year Total	Total 15 Year CIP
Health and Safety, Legislative, and SOGR	Funded	757.6	1,124.1	1,124.1
	Unfunded	144.3	798.6	1,904.8
	<b>Total CIP</b>	<b>901.8</b>	<b>1,922.7</b>	<b>3,028.9</b>
Service Improvement	Funded	154.1	170.0	170.0
	Unfunded	15.4	35.4	35.4
	<b>Total CIP</b>	<b>169.5</b>	<b>205.4</b>	<b>205.4</b>
Growth	Funded	44.8	44.8	44.8
	Unfunded	26.3	26.3	26.3
	<b>Total CIP</b>	<b>71.1</b>	<b>71.1</b>	<b>71.1</b>
Total Streetcar	Funded	956.5	1,338.9	1,338.9
	Unfunded	185.9	860.2	1,966.5
	<b>Total CIP</b>	<b>1,142.4</b>	<b>2,199.1</b>	<b>3,305.4</b>

## Facilities Maintenance Portfolio: \$4.402 Billion

The TTC has several facilities that range in age from one to 100-plus years that play a critical role in supporting one or multiple aspects of the TTC's integrated network. The types of facilities include garages, yards, carhouses and various other buildings. The Facilities Maintenance portfolio accounts for \$4.402 billion of the total 15 Year Capital Investment Plan. Of this, \$1.435 billion is funded within the 10-year window and covers key projects including:

- **TTC Operations Facility** providing for the construction of a new operations facility and ITS Data Centre, which will serve as a primary location to accommodate operational, growth and transit expansion requirements
- **Facility Renewal Programs** and the **Roofing Rehabilitation Program** to renew and upgrade existing facility infrastructure
- Sustainability projects such as **Energy Efficiency Retrofits** and **Decarbonization of Facilities Program**

**Table 4: Facilities Maintenance: 15 Year Capital Investment Plan**

Category (\$ millions)	Funding Status	5 Year Total	10 Year Total	Total 15 Year CIP
Health and Safety, Legislative, and SOGR	<b>Funded</b>	440.4	814.4	814.4
	<b>Unfunded</b>	214.9	566.9	912.6
	<b>Total CIP</b>	<b>655.3</b>	<b>1,381.3</b>	<b>1,727.0</b>
Service Improvement	<b>Funded</b>	128.9	141.6	141.6
	<b>Unfunded</b>	623.3	1,446.3	1,864.1
	<b>Total CIP</b>	<b>752.2</b>	<b>1,587.9</b>	<b>2,005.8</b>
Growth	<b>Funded</b>	281.7	479.2	479.2
	<b>Unfunded</b>	38.4	189.9	189.9
	<b>Total CIP</b>	<b>320.1</b>	<b>669.1</b>	<b>669.1</b>
Total Facility	<b>Funded</b>	851.0	1,435.2	1,435.2
	<b>Unfunded</b>	876.6	2,203.1	2,966.7
	<b>Total CIP</b>	<b>1,727.6</b>	<b>3,638.3</b>	<b>4,401.9</b>

## Network Wide Portfolio: \$1.809 Billion

The Network Wide investment program does not support a specific mode, but similar to the TTC Facilities Maintenance portfolio, it indirectly supports the integrated network of transit services. The portfolio accounts for \$1.809 billion of the total 15 Year Capital Investment Plan. Of this, \$771.4 million is funded within the 10-year window and covers key projects including:

- **SAP ERP Implementation Program** to employ an industry standard enterprise software solution that modernizes the TTC's core systems that aligns with the City of Toronto's SAP Roadmap by integrating business processes, driving efficiency and improving customer and employee satisfaction through the replacement of legacy systems
- **Operational Support Vehicle Programs** includes the procurement of various vehicle types such as service trucks, cargo vans, utility and vacuum trucks, fuel trucks, pickup trucks, road-rail overhead service vehicles, and others, utilized across TTC departments to support operational and maintenance activities.
- Delivering the **Wayfinding Strategy** to modernize static, dynamic and digital customer touchpoints

**Table 5: Network Wide: 15 Year Capital Investment Plan**

Category (\$ millions)	Funding Status	5 Year Total	10 Year Total	Total 15 Year CIP
Health and Safety, Legislative, and SOGR	Funded	461.7	644.8	644.8
	Unfunded	90.5	206.1	457.7
	<b>Total CIP</b>	<b>552.3</b>	<b>850.9</b>	<b>1,102.5</b>
Service Improvement	Funded	117.8	121.8	121.8
	Unfunded	187.4	438.2	531.0
	<b>Total CIP</b>	<b>305.2</b>	<b>560.1</b>	<b>652.8</b>
Growth	Funded	4.8	4.8	4.8
	Unfunded	49.0	49.0	49.0
	<b>Total CIP</b>	<b>53.8</b>	<b>53.8</b>	<b>53.8</b>
Total Network Wide	Funded	584.4	771.4	771.4
	Unfunded	327.0	693.4	1,037.7
	<b>Total CIP</b>	<b>911.4</b>	<b>1,464.8</b>	<b>1,809.1</b>

## Transform TO: \$7.334 Billion

Modeling for TransformTO identified the following suite of transit-related actions as a pathway to support increased ridership to maximize emissions avoided from transportation options that are higher in carbon intensity and achieve the City's transportation emission reduction goals:

- The TTC to increase service frequency on all transit routes over 2016 levels by:
  - ✓ 70% for bus
  - ✓ 50% for streetcar
  - ✓ Subway off-peak service increased to every three minutes
- TTC/City to convert one lane of traffic to exclusive bus lanes on all arterials

The TransformTO portfolio accounts for \$7.334 billion of the total 15 Year Capital Investment Plan and is currently not funded. This portfolio includes the requirements to meet the NetZero 2040 targets, including:

- Additional E-Bus and Streetcar procurement for increased service levels
- Supporting bus infrastructure including bus garages and charging infrastructure
- Expanding capacity of existing garages and end-of-line facilities
- Expanding streetcar facility and storage capacity

**Table 6: Transform TO: 15-Year Capital Investment Plan**

Category (\$ millions)	Funding Status	5 Year Total	10 Year Total	Total 15 Year CIP
Total Transform TO (Growth)	Funded	0.0	0.0	0.0
	Unfunded	1,859.6	4,573.7	7,333.8
	Total CIP	1,859.6	4,573.7	7,333.8

*Attachment 1 provides an overview of TTC updated 15-Year Capital Investment Plan*

## 2026-2040 Real Estate Investment Plan (REIP) Update

Recognizing the extensive and complex nature of the TTC's real estate portfolio, as well as the critical role real estate requirements play in advancing the TTC's capital projects, the TTC introduced its inaugural 15-year Real Estate Investment Plan (REIP) in 2022. The TTC Board endorsed the REIP's core principles, implementation strategies and timelines for the 15-year planning horizon.

As a companion document to the CIP, the REIP sets out the strategic direction for the planning and management of the TTC's real estate portfolio and the 15-year priorities in support of the TTC's capital programs and operational needs. The REIP focuses on the TTC's real estate assets, including lands, facilities, buildings, and system and operational infrastructure. It provides strategies and objectives to ensure that the TTC's real estate portfolio is fully optimized to maximize facility and operational efficiencies, incorporates resiliency into projects and processes to advance sustainability, and

provides a roadmap for the TTC and City partners to ensure TTC service needs are integrated into City building initiatives. It further classifies each program by funding status, consistent with the CIP, and includes an implementation timeline that maps out projects identified over the REIP's 15-year planning horizon.

In 2025, the TTC accomplished several objectives outlined in the REIP Implementation Plan, including the acquisition of properties to support the SRT Busway Conversion, and the Easier Access Phase III project at Old Mill Station. The 2026 update to the REIP includes initiatives focused on the TTC's recently acquired Kipling Lands, which will support new facilities in the city's west end and add more TTC priorities to advance accessibility throughout the network. The update also identifies a number of City of Toronto building initiatives involving the TTC's real estate, which focus on development around the TTC's transit stations.

*Attachment 2 provides an overview of the TTC's updated Real Estate Investment Plan*

## **2026-2035 Recommended Capital Budget and Plan**

The TTC oversees an asset inventory value of more than \$39.010 billion, encompassing infrastructure, facilities, and fleets required for transit operations. To ensure service reliability, it is essential to replace aging fleets, maintain existing vehicles, rehabilitate facilities to extend their useful life and meet modern standards, and renew systems for future needs. Simultaneously, the TTC must prepare to expand service capacity to accommodate projected growth and align with planned network expansions.

As part of the 2026 Capital Budget process, several actions were undertaken to maximize outcomes within available funding, such as:

- **Reviewing major capital project requirements** in alignment with progress achieved through the stage-gating process.
- **Adjusting project cash flow estimates within the 10-Year Capital Plan** to reflect historical spending patterns and project readiness, ensuring annual cash flow projections are closely aligned with project schedules.
- **Addressing emerging State Of Good Repair (SOGR) priorities** by identifying and allocating resources to critical health, safety, and repair needs.

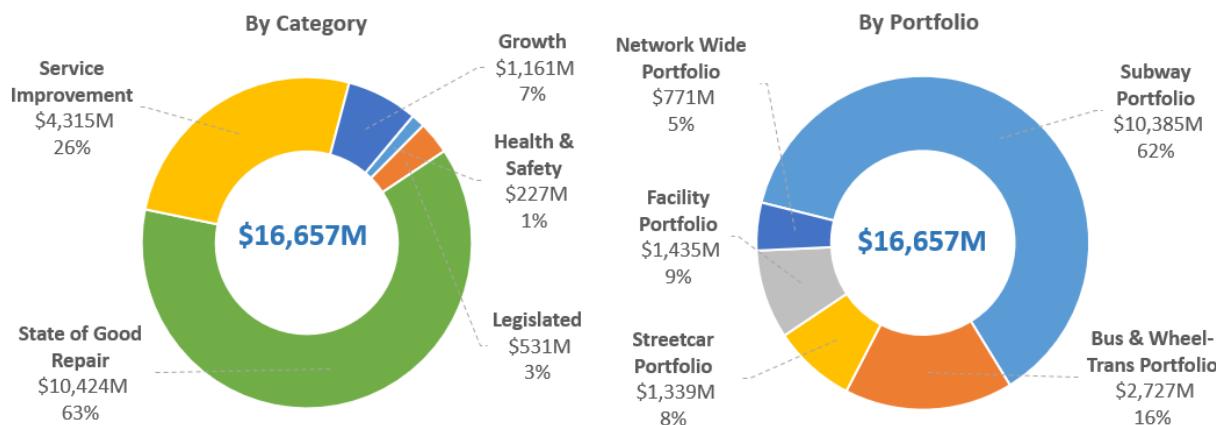
This report seeks approval for the 2026-2035 TTC Capital Budget and Plan of \$16.657 billion, which balances maintaining assets in a state of good repair with optimizing operational capacity through modernization and building capacity for the future. It also includes incremental funding to address critical SOGR priorities highlighted in the September report, *Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably: Outlook for Capital Budget 2026*:

- **Signals, electrical and communications assets** within the subway system that are critical for the continuous, safe and reliable service delivered by TTC subway trains.

- **Equipment replacement/overhaul programs**, such as, escalator/elevator renewal programs to ensure continued access for all riders, ventilation equipment and subway pump replacements to provide resiliency in the event of flooding in stations/at track level.
- **Bus Hoists Replacements**, assets critical to performing bus maintenance activities.
- **Subway and Surface Track Replacement Programs** for reliable streetcar and subway service.
- **Fleet Renewal Programs** to maintain reliability of all subways, streetcars and buses and meet service demand.
- **Facility Renewal Programs** to maintain asset integrity including roofing rehabilitation, subway facility renewal projects and critical building safety enhancements.
- **Operational Support Vehicles**, enabling user groups across the TTC to efficiently perform state-of-good-repair activities.
- **Advancing Energy Retrofit projects and Green Fleet initiatives** to achieve the City of Toronto's 2040 Net Zero target.

The chart and table below present an overview of the recommended 2026-2035 Capital Budget and Plan, providing both a project category and portfolio view of the planned capital program.

**Chart 2: 2026-2035 Capital Budget and Plan by Category and Portfolio**



**Table 7: 2026-2035 Capital Budget and Plan in 5-Year Increments**

Category (in \$ Millions)	2026-2030 Total	2031-2035 Total	10 Year Total	%
Health & Safety	\$151.5	\$75.3	\$226.8	1%
Legislated	\$457.4	\$73.4	\$530.8	3%
State of Good Repair	\$6,132.6	\$4,291.4	\$10,424.0	63%
Service Improvement	\$2,535.8	\$1,778.9	\$4,314.7	26%
Growth	\$654.3	\$506.8	\$1,161.1	7%
<b>Grand Total</b>	<b>\$9,931.6</b>	<b>\$6,725.8</b>	<b>\$16,657.4</b>	<b>100%</b>
Portfolio (in \$ Millions)	2026-2030 Total	2031-2035 Total	10 Year Total	%
Subway	\$5,355.7	\$5,029.1	\$10,384.8	62%
Bus & Wheel-Trans	\$2,184.0	\$543.0	\$2,727.0	16%
Streetcar	\$956.5	\$382.4	\$1,338.9	8%
Facility	\$851.0	\$584.2	\$1,435.2	9%
Network Wide	\$584.4	\$187.1	\$771.5	5%
<b>Grand Total</b>	<b>\$9,931.6</b>	<b>\$6,725.8</b>	<b>\$16,657.4</b>	<b>100%</b>

The TTC's proposed 10-Year Capital Plan outlines a total investment of \$16.657 billion, supporting critical infrastructure renewal, capacity expansion, and service improvements across the transit network. In addition to the key projects in the CIP, highlighted above, the 2026-2035 Capital Budget and Plan also includes funding for:

- **Subway Portfolio – \$10.385 billion (62%)**
  - ✓ Subway Car Overhaul
  - ✓ Signals/Electrical/Communications Systems SOGR
  - ✓ Bridges and Tunnels Rehabilitation
  - ✓ Rail Non-Revenue Vehicle Purchases and Overhauls
- **Bus and Wheel-Trans Portfolio – \$2.727 billion (16%)**
  - ✓ SRT Transition to Busway
  - ✓ Equipment such as bus hoists and overhead doors
  - ✓ Service Planning projects including platform modifications.
  - ✓ Shop and Maintenance equipment procurements.
- **Streetcar Portfolio – \$1.339 billion (8%)**
  - ✓ Streetcar fleet overhaul
  - ✓ Upgrades to overhead power
  - ✓ Traction Power SOGR programs
  - ✓ Transit Shelters and Loops
- **Facilities Portfolio – \$1.435 billion (9%)**
  - ✓ Safety systems including sprinklers, radios, as well as gas detection and monitoring.
  - ✓ HVAC replacements aligned with the City's 2040 NetZero emissions reduction target.
- **Network Wide Initiatives – \$771 million (5%)**
  - ✓ Investments in Information Technology Services, including cybersecurity and software upgrades.
  - ✓ Fare System and Fare Handling Equipment

## 2026 Capital Budget - \$1.635 Billion

The recommended 10-Year Capital Plan of \$16.657 billion includes \$1.635 billion in project expenditures required for 2026. The following highlights some of the planned work in each of the capital portfolios for 2026:

- **Subway Portfolio** – \$796.4 million comprised of \$157.4 million for Health and Safety/Legislated programs; \$460.7 million for SOGR; \$178.3 million for Service Improvement (SI)/Growth projects to:
  - ✓ Advance work on major capacity improvement projects
  - ✓ Purchase of T1 subway car replacements
  - ✓ Continue Easier Access capital works at multiple subway stations
  - ✓ Continue Warden and Islington Station redevelopment work.

- **Bus and Wheel-Trans Portfolio** – \$408.4 million, of which \$14.7 million is for Health and Safety/Legislated projects; \$288.0 million for SOGR programs; and \$105.7 million for SI/Growth programs to:
  - ✓ Procure accessible-conventional and Wheel-Trans buses.
  - ✓ Continue the installation of bus charging systems.
  - ✓ Fund the bus rebuild program.
  - ✓ Complete the SRT Busway project for Line 3 service replacement.
- **Streetcar Portfolio** – \$174.6 million, of which \$10.1 million is for Health and Safety/Legislated projects; \$132.0 million for SOGR programs; and \$32.5 million for SI/Growth programs to:
  - ✓ Modify Russell Carhouse
  - ✓ Overhaul the Streetcar Fleet
  - ✓ Advance Hillcrest streetcar maintenance and storage facility
  - ✓ Continue surface track replacement and rehabilitation.
- **Facility Portfolio** – \$85.7 million, of which \$8.6 million is for Health and Safety/Legislated projects; \$37.2 million for SOGR programs; and \$39.9 million for SI/Growth programs to:
  - ✓ Continue facility renewal projects.
  - ✓ Advance work on the decarbonization of facilities
  - ✓ Rehabilitate/replace roofs of various TTC buildings.
  - ✓ Assess and rehabilitate on-grade pavement surfaces.
- **Network Wide Portfolio** – \$169.4 million, of which \$5.2 million is for Health and Safety/Legislated projects; \$109.9 million for SOGR programs; and \$54.3 million for SI/Growth programs to:
  - ✓ Continue the implementation of business modernization projects.
  - ✓ Procure operational support vehicle replacements.
  - ✓ Advance the Wayfinding Strategy
  - ✓ Maintain IT equipment/software in a state of good repair.

### **Capital Complement Changes Required for Capital Delivery**

To support the delivery of ongoing and new capital projects in 2026, the TTC is recommending an increase of 60 positions in its capital complement, to be funded through the 2026 Capital Budget. This net addition of positions will primarily support Engineering and Construction initiatives, including major projects such as the Bloor-Yonge Capacity Improvements, Line 1 and Line 2 Capacity Enhancements, and various other capital undertakings.

Furthermore, the newly requested roles are critical to advancing vehicle procurement programs, overhaul activities, and state-of-good-repair work, ensuring alignment with the TTC's Asset Management Plan.

*Additional details are provided in Appendix D.*

## Operating Impacts of Completed Capital Projects

Upon the completion of a capital project, there is a business imperative to maintain, sustain, and operate the newly acquired assets. All associated operating costs are identified and incorporated into the Operating Budget.

Additionally, completed capital projects may yield cost savings through modernization or transformation initiatives, such as changes in service delivery methods, reduced fuel consumption from the transition to hybrid or electric vehicles replacing clean-diesel buses, and potential revenue generation opportunities.

Many capital projects are also designed to deliver measurable benefits. To ensure the full return on investment (ROI), the TTC requires the identification of sustainment costs and projected benefits for all major capital investments and project plans must incorporate the identification, management, and realization of all anticipated benefits. The TTC remains committed to maximizing the value and outcomes of all capital investments. Table 8 below details the Operating Budget Impacts of completed capital projects based on the 2026-2035 Capital Budget and Plan.

**Table 8: Operating Impacts of Capital**

Projects	2026 Budget		2027 Plan		2028 Plan		2029 Plan		2030 Plan		2026-2030		2026-2035	
	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos	\$M	Pos
Information Technology System-Infrastructure	4.3	1.0	3.3		2.9	13.0	0.4		0.5		11.5	14.0	15.1	14.0
Purchases of Buses	(0.7)	26.0	(1.3)	(19.0)	(1.4)		2.2		(2.6)		(3.8)	7.0	(18.1)	7.0
E-Bus Charging System	1.7		2.2		6.3						10.2	0.0	10.2	0.0
Purchase of Streetcar	2.5	12.0	1.3	3.0							3.7	15.0	3.7	15.0
Design & Construction - TTC Operations Facility												0.0	2.8	0.0
Streetcar Infrastructure	0.1	2.0	0.1	1.0			0.2		0.0		0.4	3.0	0.5	1.0
Pattison Digital	(2.0)		(1.0)		(1.0)						(4.0)	0.0	(4.0)	0.0
Easier Access	0.1		0.1				0.1		0.1		0.3	0.0	0.5	0.0
Other Various OBI's	0.2	10.0	2.0	4.0	0.1	1.0	(0.6)	1.0	(0.0)		1.8	16.0	5.3	16.0
<b>Total (Net)</b>	<b>6.3</b>	<b>51.0</b>	<b>6.6</b>	<b>(11.0)</b>	<b>6.9</b>	<b>14.0</b>	<b>2.4</b>	<b>1.0</b>	<b>(2.1)</b>		<b>20.1</b>	<b>55.0</b>	<b>16.1</b>	<b>53.0</b>

The completion of capital projects is expected to result in a cumulative net operating impact of \$6.3 million in 2026, which has been incorporated into the recommended 2026 Operating Budget.

Over the 10-year period, the increase to the operating budget is expected to be \$16.1 million. Increased expenditures are expected for additional operating and maintenance activities related to the implementation of ITS BI Enablement and SAP Implementation, the acquisition of streetcars, maintenance for e-Bus charging systems, and other capital initiatives. However, this is offset by savings mainly due to reduced fuel consumption from replacing clean-diesel buses with hybrid and electric buses. In addition, there is an incremental requirement for 53 positions to support these initiatives.

## Capital Funding Sources

The 2026–2035 Capital Budget and Plan is financed from all orders of government, with contributions from municipal, provincial, and federal levels. As outlined in Table 9 below, the City of Toronto is the primary funder, contributing \$11.252 billion, which accounts for 68% of the total investment. The Provincial government is providing \$2.037 billion

(12%), while the Federal government is contributing \$3.369 billion, representing 20% of the overall funding envelope. Please note that contributions made by provincial and federal governments to active transit expansion programs are not reflected in the TTC capital program.

**Table 9: How the Capital Program is Funded**

City of Toronto Funding		Provincial Funding		Federal Funding	
\$11,251.8 68%		\$2,036.5 12%		\$3,369.1 20%	
City Building Fund	7,396.7	City/Provincial New Deal	758.0	Canada Public Transit Fund	891.7
Debt	2184.6	ICIP (PTIF 2)	412.3	ICIP (PTIF 2)	459.1
Development Charges	1,659.1	Provincial Gas Tax	866.2	Canada Community Building Fund	1,905.8
Other	11.4			Federal Subsidy – Streetcar Program	35.2
				ZETF	77.3

The 2026-2035 Capital Budget and Plan includes funding from the following sources:

- Continuation of Provincial Gas Tax Fund and the Canada Community-Building Fund (CCBF) based on current funding levels;
- Canada Public Transit Fund (CPTF) contributions for the replacement of Line 2 Subway Trains, with matching funding from both the Province and City.
  - Additional Federal contributions are being allocated to the procurement of 50 electric buses, 155 charging systems as well as 105 Wheel-Trans buses
- Federal Investing in Canada Infrastructure Program (ICIP) funding with matching funding from the Province and the City (through recoverable debt) for the Bloor-Yonge Capacity Improvements Project.
- Tripartite funding for the Streetcar Program (60 new accessible streetcars and Hillcrest Maintenance and Storage Facility)
- Zero Emission Transit Fund (ZETF) contribution for the procurement of 340 electric buses and associated charging infrastructure
- City funding sources such as the City Building Fund (CBF), debt, and development charges funding.
- Other revenue sources, mainly to fund TTC shop and maintenance equipment requirements as well as non-revenue fleet procurements and overhaul programs

Existing committed/secured Provincial and Federal funding is project-specific in nature. Any additional funding for TTC projects will be dependent upon meeting funding program priority outcomes and requirements. Given the above, it is essential that the TTC continue to work with its funding partners to maximize funding opportunities to continue to address unmet SOGR needs and critical capital investment priorities.

## State of Good Repair (SOGR) Backlog

Effectively managing the accumulated SOGR backlog is a priority objective for the TTC to ensure that existing assets can support transit service delivery and achieve service outcomes. Attracting new riders and retaining customers' confidence in the system requires sustained investment in the base network's assets. This is foundational and a prerequisite to plans to expand network capacity to capture new ridership long-term.

To ensure the TTC's assets deliver safe and reliable service, the TTC is maturing its asset management capability through its Enterprise Asset Management Program (EAM). Aligning the TTC's EAM Program with current international best practices will support the TTC's asset management capabilities and enable many elements required for keeping assets in a state of good repair. It has also refined the accuracy of lifecycle replacement costs captured within the Capital Investment Plan.

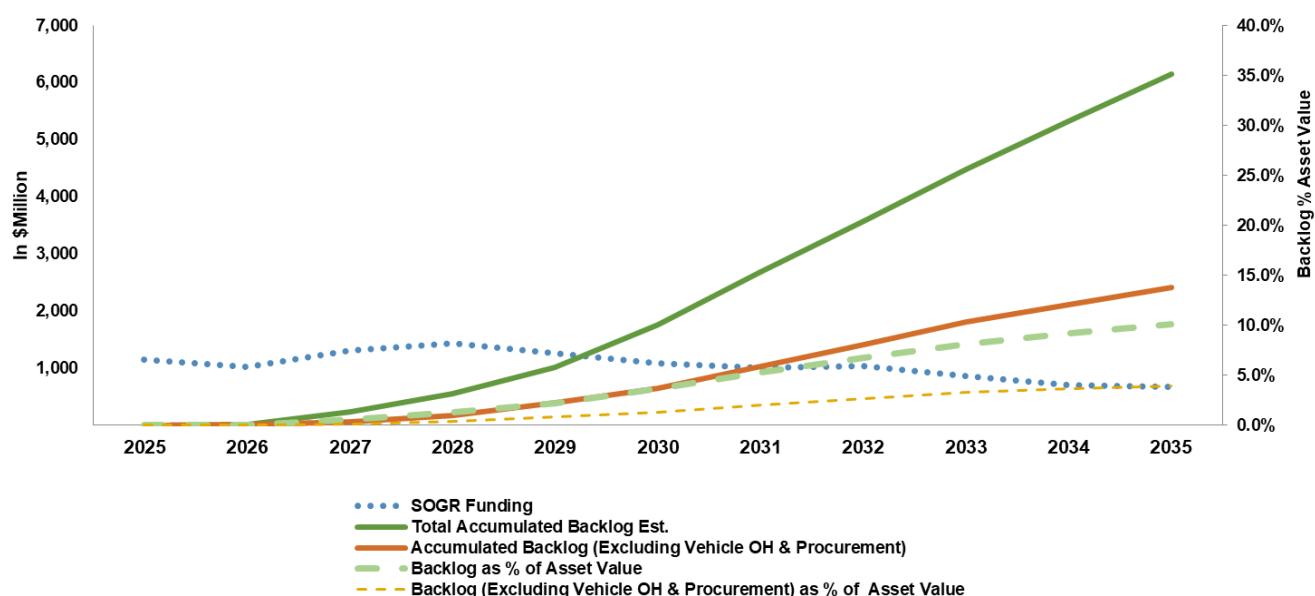
Significant progress was made during the 2025 Budget process, where incremental investments effectively reduced the projected SOGR backlog by 50% over the years 2025 to 2034, down to \$4.343 billion as of 2034. This infusion of funding advanced the renewal of key asset classes, including fleet overhaul programs. These investments will ensure that the fleet is preserved in a state of good repair.

The City has established two key performance metrics to assess asset conditions across its portfolio:

- Total Accumulated Backlog across the 10-year period; and
- Backlog as a % of Asset Value (Replacement Value)

Chart 3 and Table 10 below depict the SOGR funding and accumulated backlog estimates for key infrastructure and vehicle asset classes:

**Chart 3 and Table 10: TTC State of Good Repair Backlog**



\$ Million	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>SOGR Funding</b>	<b>1,143.5</b>	<b>1,027.8</b>	<b>1,310.2</b>	<b>1,434.8</b>	<b>1,267.1</b>	<b>1,092.7</b>	<b>1,009.6</b>	<b>1,030.6</b>	<b>866.2</b>	<b>706.4</b>	<b>678.6</b>
Accumulated Backlog (Excluding Vehicle OH & Procurement)	0.2	8.2	53.8	172.0	388.7	650.5	1,024.3	1,419.4	1,806.1	2,108.9	2,407.0
Backlog (Excluding Vehicle OH & Procurement) as % of Asset Value	0.0%	0.0%	0.1%	0.4%	0.8%	1.3%	2.0%	2.7%	3.3%	3.6%	4.0%
<b>Total Accumulated Backlog Est.</b>	<b>0.2</b>	<b>8.2</b>	<b>242.6</b>	<b>560.8</b>	<b>1,014.2</b>	<b>1,762.7</b>	<b>2,681.0</b>	<b>3,568.5</b>	<b>4,488.1</b>	<b>5,318.2</b>	<b>6,147.2</b>
<b>Backlog as % of Asset Value</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.6%</b>	<b>1.3%</b>	<b>2.2%</b>	<b>3.6%</b>	<b>5.3%</b>	<b>6.7%</b>	<b>8.1%</b>	<b>9.2%</b>	<b>10.1%</b>
<b>Total Asset Value</b>	<b>39,000.0</b>	<b>40,755.0</b>	<b>42,589.0</b>	<b>44,505.5</b>	<b>46,508.2</b>	<b>48,601.1</b>	<b>50,788.1</b>	<b>53,073.6</b>	<b>55,461.9</b>	<b>57,957.7</b>	<b>60,565.8</b>

The 2035 SOGR backlog is projected to total \$6.147 billion at the end of the 10-year budget cycle. While key investments have been made in the current cycle, offsetting additional requirements identified has further increased the backlog. These include:

- **e-Bus Procurement:** Unfunded SOGR requirements increased by \$854.8 million as of 2034, and \$1.277 billion as of 2035. This increase was largely driven by unit cost estimate increases for the fleet, as well as fleet adjustments to account for required service levels.
- **Streetcar, Bus and Subway Car Overhaul:** Unfunded SOGR requirements increased by \$169.1 million as of 2034, and \$277.2 million as of 2035. These updates are largely due to fleet plan changes requiring additional capital maintenance activities.
- **Subway Track:** Unfunded SOGR requirements increased by \$123.0 million as of 2034, and \$148.7 million as of 2035. Updated track assessments have identified new maintenance requirements that have accelerated asset replacement needs.

Overall, the Total Backlog as a % of Asset value in 2034 has slightly declined to 9.2% (from 10.7% in the previous budget cycle), reflecting an update to the total asset valuation arising from the asset management plan update. The final 10<sup>th</sup> year backlog amount now represents 10.1% of the total replacement value estimated (\$60.565 billion) by 2035.

## Capital Needs Constraints

The TTC's CIP is a rolling plan reviewed annually to incorporate new requirements based on asset condition assessment, revised estimates based on project design maturity, and economic factors. With updates made for 2026, the 2026-2040 Capital Investment Plan has identified capital investment needs that now total \$53.994 billion over the next 15 years, of which \$37.336 billion is unfunded. These unfunded capital investments amount to \$21.315 billion over the 2026–2035 period, with an additional \$16.021 billion identified for the subsequent five years of the CIP's 15-year planning horizon. The table below summarizes the requirements by mode portfolio:

**Table 11: 15-Year Unfunded Capital Needs by Mode**

Mode (\$ millions)	5-Year Unfunded Needs	10-Year Unfunded Needs	15-Year Unfunded Needs
<b>Subway</b>	1,093.5	8,000.5	15,308.4
<b>Buses and WT</b>	1,526.6	4,984.3	8,723.3
<b>Streetcar</b>	185.9	860.2	1,966.5
<b>Facility</b>	876.6	2,203.1	2,966.7
<b>Network Wide</b>	327.0	693.4	1,037.7
<b>Transform-TO</b>	1,859.6	4,573.7	7,333.8
<b>Total Unfunded Needs</b>	<b>5,869.2</b>	<b>21,315.2</b>	<b>37,336.4</b>

The TTC's priority for investment continues to be targeted to funding SOGR projects, which are key to sustaining a reliable transit system and setting the foundation for attracting new riders and retaining customer loyalty. Failure to maintain TTC assets in a state-of-good-repair will impact the quality and level of TTC services enjoyed by customers today and into the future.

**Table 12: 15 Year Unfunded Capital Needs by Category/Mode**

Category	5-year		10-year		15-Year				
	(\$ Millions)	Total	By Mode	Total	By Mode	Total	By Mode		
Health & Safety / Legislative / SOGR	\$1,856	Subway	246	\$6,413	Subway	1,232	\$13,907	Subway	3,553
		Buses & WT	1,160		Buses & WT	3,610		Buses & WT	7,079
		Streetcar	144		Streetcar	799		Streetcar	1,905
		Facility	215		Facility	567		Facility	913
		Network Wide	91		Network Wide	206		Network Wide	458
		Transform TO	0		Transform TO	0		Transform TO	0
Service Improvement	\$1,355	Subway	181	\$3,880	Subway	796	\$8,103	Subway	4,462
		Buses & WT	347		Buses & WT	1,165		Buses & WT	1,211
		Streetcar	15		Streetcar	35		Streetcar	35
		Facility	623		Facility	1,446		Facility	1,864
		Network Wide	187		Network Wide	438		Network Wide	531
		Transform TO	0		Transform TO	0		Transform TO	0
Growth	\$2,658	Subway	666	\$11,022	Subway	5,973	\$15,326	Subway	7,294
		Buses & WT	19		Buses & WT	210		Buses & WT	433
		Streetcar	26		Streetcar	26		Streetcar	26
		Facility	38		Facility	190		Facility	190
		Network Wide	49		Network Wide	49		Network Wide	49
		Transform TO	1,860		Transform TO	4,574		Transform TO	7,334
Total	\$5,869			\$21,315			\$37,336		

**To fully fund the CIP within the immediate five-year term would require a total of \$5.869 billion**, of which \$1.856 billion accounts for Health and Safety, Legislative, and SOGR requirements. Key projects in the immediate 2026-2030 window requiring funding include programs, such as bus procurement, track replacement, Line 4 re-signalling, and bus stop accessibility improvements.

**Within the 10-year window, the unfunded needs total \$21.315 billion**, of which \$6.413 billion accounts for Health and Safety, Legislative, and SOGR requirements. The expanded timeframe brings into focus further SOGR priority requirements for the

streetcar fleet SOGR, and mid-life rebuild programs, elevator overhauls, subway pump replacements, bus hoists, as well as HVAC replacements.

**In the long-term, the 15-year unfunded requirements total \$37.336 billion**, of which \$13.907 billion accounts for Health and Safety, Legislative, and SOGR requirements. Long-term needs reflect growth and service improvement projects. However, crucial Health and Safety, Legislative, and SOGR requirements remain within the vehicle procurement and overhaul programs, bus hoist replacements, signalling/ electrical/ communications assets, track replacement and facility maintenance programs.

Despite the progress being made, the TTC's CIP, as a rolling plan, will continue to be updated to reflect revised unfunded capital requirements identified based on condition assessment of existing assets, new assets, or new initiatives, such as those for climate resiliency and adaptation. Without sustained and increased investment, the unfunded portion of the CIP will increase in value and the SOGR backlog will continue to grow.

### **Looking Forward: Addressing the TTC's Structural/Fiscal Imbalance**

Public transit is the backbone of any major metropolitan economy. The TTC's 2026–2035 Capital Budget and Plan of \$16.657 billion represents more than an infrastructure investment— it is a high-return economic strategy. Investing in the TTC will deliver significant economic, environmental, and social benefits, contributing to the vitality and well-being of Toronto, the Greater Toronto Area, the Province of Ontario, and Canada as a whole. This plan will also safeguard and optimize the TTC's asset base, ensuring the delivery of reliable, efficient transportation services across the city.

**The TTC's capital investment strategy continues to place the highest priority on SOGR requirements.** This approach reflects the critical need to maintain the reliability and safety of existing assets, which form the backbone of Toronto's transit network. Timely investment in SOGR is essential to prevent asset failure, avoid costly emergency interventions, and mitigate inefficient life-extension measures that compromise service quality and increase long-term costs.

While this prioritization is necessary to sustain core operations, it does have significant implications for the TTC's ability to advance capacity enhancement and growth-related programs. Under the current fiscal framework, many of these longer-term initiatives remain partially funded or unfunded. This constraint limits the TTC's ability to keep pace with projected population growth, address network congestion, and deliver service improvements that align with the City's mobility and climate objectives.

The scale of capital requirements over the next 15 years is significant. The TTC's updated CIP identifies \$53.994 billion in needs, of which \$37.336 billion remains unfunded. Within the immediate 10-year window, unfunded requirements total \$21.315 billion, including critical projects such as bus procurement, track replacement, Lines 1 and 2 capacity enhancement, as well as the Line 1 train maintenance and storage facility to enable the procurement of 25 growth trains. Without sustained and predictable investment, the TTC faces escalating risks to system reliability, customer confidence, and the achievement of broader economic and environmental goals.

To address these challenges, a **multi-level government funding model is imperative**. A coordinated, long-term funding framework supported by municipal, provincial, and federal partners will enable the TTC to close the funding gap, maintain assets in a state of good repair, and advance strategic priorities such as network modernization, electrification, and capacity expansion. These investments are not only essential for transit service delivery but also represent a high-return economic strategy, generating significant GDP growth and job creation benefits for Toronto and the broader region.

### **Diversity, Equity, and Inclusion Matters**

The TTC is an important contributor in creating access to opportunity and the conditions for an inclusive Toronto. The TTC serves a diverse customer base, reflective of the diversity of Toronto and the surrounding region. The geographic coverage and seamless integration of the TTC's multi-modal system enables it to serve equity-deserving communities across Toronto. TTC customers are diverse and use the system at different rates. For many, public transit is a primary mode of mobility. The TTC's commitment to equity and accessibility is also reflected in how it plans and delivers transit services and continues to seek ways to improve its approach.

The TTC continues to work toward creating new partnerships and strengthening current ones, based on respect and transparency, to foster and improve trust between the TTC and the community. The TTC is strongly committed to making Toronto's transit system barrier-free and accessible so that all customers can enjoy the freedom, independence, and flexibility to travel anywhere on the public transit system, regardless of ability. Inadequate financial support for public transit will have a significant implication on the achievement of an inclusive Toronto and the surrounding region.

The 2026-2035 Capital Budget and Plan provides full funding of \$293.6 million to complete the TTC's Easier Access Program, including an approved budget of \$130.5 million for 2026 to enable the continuation of capital works to make the remaining 11 of 70 subway stations accessible with elevators, wide fare gates and automatic sliding doors. The 2026 Capital Budget also provides funding for modernization across the transit system, including accommodating the maintenance and storage of 60 new low-floor streetcars, additional new accessible TTC and Wheel-Trans buses as well as accessibility improvements to approximately 67 bus stops for planned construction and 17 streetcar stops for design completion.

### **Innovation and Sustainability Considerations**

The TTC has two critical roles under Transform-TO that must be delivered to help Toronto achieve its goal of net-zero GHG emissions by 2040. One is to decarbonize its operations, particularly the bus fleet, and the other is to substantially increase service frequency as one of the city-wide actions required to enable a modal shift towards public transit and active transportation.

Neither of these roles can be delivered without funding for the state of good repair of existing transit assets. Without the necessary reductions in direct, indirect, and avoided emissions by the TTC, the City as a whole will not be able to do its part to address the climate emergency.

Some of the key innovation and sustainability projects, which include \$1.666 billion in funding in the 2026-2035 Capital Budget and Plan, are the Green Bus Program, Decarbonization of Facilities, Energy Efficiency Retrofit and Climate Adaptation/Resilience projects. These projects will contribute to the reduction of city-wide GHG emissions as buses and buildings are a significant source of Toronto's carbon footprint.

### Corporate Plan Alignment

The TTC uses the Strategic Directions outlined in the 2024-2028 TTC Corporate Plan to inform resource allocation requirements in both the Operating and Capital budget submissions and to establish investment priorities through the annual budget process. The 2026-2035 Capital Budget and Plan has been developed in accordance with this framework, ensuring that resource allocations and any new investments are aligned with and advance the Board's direction as well as the Corporate Plan's five strategic directions and intended outcomes.

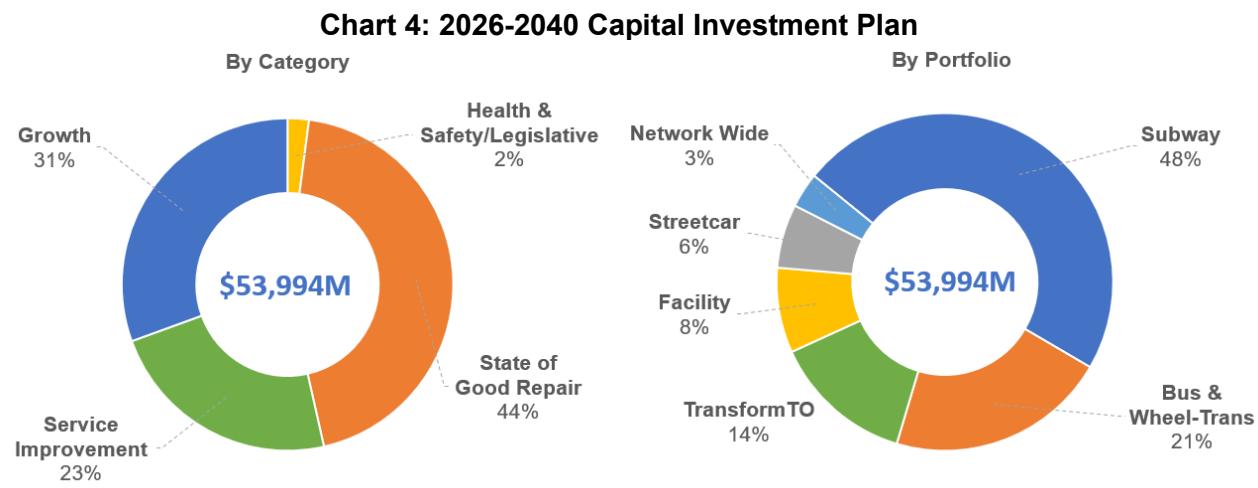
As outlined in the TTC's Corporate Plan - Moving Toronto, Connections Communities, priority investment in state-of-good-repair is a key objective to sustain a reliable transit system. Failure to maintain TTC assets in a state-of-good-repair will impact the quality and level of TTC services enjoyed by customers today.

### Financial Impact

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#### 2026-2040 Capital Investment Plan

The 2026-2040 CIP identifies a total of \$53.994 billion in investment required, of which \$37.336 billion is unfunded. The TTC CIP organizes projects by category and mode/portfolio, which are summarized in the chart and table below.



**Table 13: 2026-2040 Capital Investment Plan (\$ Millions)**

Project Category	Funded		Unfunded		Total CIP
	\$	%	\$	%	
Legislative	530.9	69%	233.8	31%	764.6
Health and Safety	226.8	63%	133.9	37%	360.7
State of Good Repair	10,423.9	43%	13,539.3	57%	23,963.3
Service Improvement	4,314.7	35%	8,103.4	65%	12,418.1
Growth	1,161.1	7%	15,326.0	93%	16,487.1
<b>Total</b>	<b>16,657.4</b>	<b>31%</b>	<b>37,336.4</b>	<b>69%</b>	<b>53,993.8</b>

Mode	Funded		Unfunded		Total CIP
	\$	%	\$	%	
Subway	10,384.8	40%	15,308.4	60%	25,693.2
Buses and WT	2,727.0	24%	8,723.3	76%	11,450.3
Streetcar	1,338.9	41%	1,966.5	59%	3,305.4
Facility	1,435.2	33%	2,966.7	67%	4,401.9
Network Wide	771.4	43%	1,037.7	57%	1,809.1
Transform-TO	-	0%	7,333.8	100.0%	7,333.8
<b>Total</b>	<b>16,657.4</b>	<b>31%</b>	<b>37,336.4</b>	<b>69%</b>	<b>53,993.8</b>

*For a full breakdown of the 2026-2040 Capital Investment Plan, refer to Attachment 1 of this report.*

### Real Estate Investment Plan (REIP) Update

As a companion document to the CIP, the REIP sets out the strategic direction for the planning and management of the TTC's real estate assets and the 15-year priorities in support of TTC's capital programs and operational needs. The 2026 update to the REIP includes initiatives focused around TTC's recently acquired Kipling Lands, which will support new facilities in the city's west end and adds more TTC priorities to advance accessibility throughout the network. The update also identifies a number of City of Toronto building initiatives involving TTC's real estate, which focus development around TTC's transit stations.

*Attachment 2 provides an overview of TTC's updated Real Estate Investment Plan*

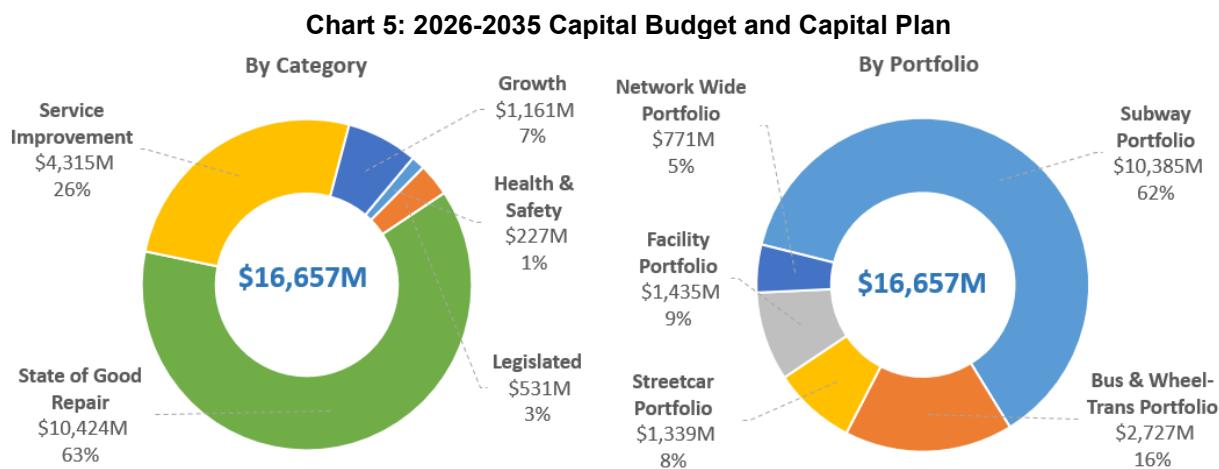
### 2026-2035 Capital Budget and Plan

The recommended 2026-2035 Capital Budget and Plan totals \$16.657 billion. A total of \$16.522 billion of the recommended 10-Year Capital Plan is allocated to the TTC's base capital program and \$135.0 million to transit-expansion-related projects, as summarized in Table 14 below:

**Table 14: 2026-2035 Capital Budget and Plan Base vs Expansion**

(\$ Millions)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10-Year Total
Base Program	1,605.9	2,150.5	2,144.1	2,056.1	1,840.1	1,712.3	1,566.0	1,359.1	1,231.6	856.8	16,522.4
Expansion	28.7	80.9	12.0	9.1	4.3						135.0
<b>Total</b>	<b>1,634.6</b>	<b>2,231.4</b>	<b>2,156.1</b>	<b>2,065.2</b>	<b>1,844.4</b>	<b>1,712.3</b>	<b>1,566.0</b>	<b>1,359.1</b>	<b>1,231.6</b>	<b>856.8</b>	<b>16,657.4</b>

In addition to the base capital program and transit-expansion-related project summary, the TTC maintains two views of its capital projects – one categorized according to project type and a second based on strategically grouping all its capital project needs, combining conventional SOGR, Service Improvement, and Growth projects within six distinct portfolios. Chart 5 below outlines the funding breakdown by both the project category and portfolio views:

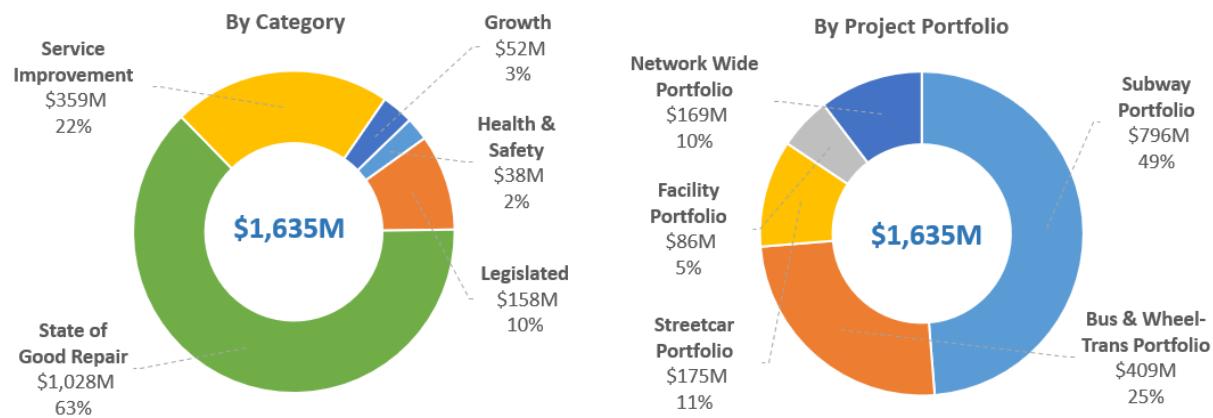


*For a full breakdown of the 2026-2035 Capital Budget and Plan, refer to Appendix B.*

## 2026 Capital Budget

Representing the first year of the TTC's 10-Year Capital Plan, the proposed Capital Budget for 2026 is \$1.635 billion. Chart 6 provides an overview of how the recommended 2026 Capital Budget is allocated by project category and portfolio.

**Chart 6: 2026 Capital Budget Overview**



## Capital Funding Sources

Capital projects are financed through various sources, including funds secured from all three orders of government. However, the City of Toronto is the primary funder of TTC capital needs at an approximate two-thirds share of total funding. The TTC's capital funding sources over the 10-year period are summarized in Table 15 below and further in Appendix C:

**Table 15: 2026-2035 Capital Plan by Funding Source**

Funding Sources (\$ Millions)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10-Year Total	%
<b>City of Toronto</b>	1,025.0	1,685.7	1,540.7	1,492.7	1,183.6	1,028.8	879.0	775.6	836.5	475.9	10,923.3	65.6%
<b>Provincial</b>	179.3	142.2	211.5	210.7	256.8	271.0	278.3	228.3	135.3	123.0	2,036.5	12.2%
<b>Federal</b>	395.2	352.8	348.2	323.9	369.9	383.7	389.7	337.8	240.0	227.7	3,369.1	20.2%
<b>Other Revenue</b>	35.1	50.6	55.7	37.9	34.1	28.7	18.9	17.4	19.7	30.2	328.4	2.0%
<b>Total Funding</b>	<b>1,634.6</b>	<b>2,231.4</b>	<b>2,156.1</b>	<b>2,065.2</b>	<b>1,844.4</b>	<b>1,712.3</b>	<b>1,566.0</b>	<b>1,359.1</b>	<b>1,231.6</b>	<b>856.8</b>	<b>16,657.4</b>	<b>100%</b>

## Operating Impacts of Completed Capital Projects

Costs and benefits (savings) to be realized from the completion of capital projects have been identified over the 10-year period, including, but not limited to, costs related to Streetcar Infrastructure and Purchase programs and Information Technology Systems as well as projected savings related to the procurement of all-electric buses. The completion of these capital projects will result in estimated net expenses of \$16.1 million to be realized over the 10-year planning period and an operating impact of \$6.3 million in 2026, which has been incorporated in the recommended 2026 Operating Budget.

**Table 16: Operating Impacts of Capital**

\$Millions	2026 Budget	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2026- 2030	2031- 2035	2026- 2035
Cost Savings	(2.7)	(2.4)	(2.4)	(0.6)	(2.6)	(10.7)	(15.1)	(25.7)
Expense	9.0	9.0	9.3	3.0	0.5	30.8	11.0	41.8
<b>Total (Net)</b>	<b>6.3</b>	<b>6.6</b>	<b>6.9</b>	<b>2.4</b>	<b>(2.1)</b>	<b>20.1</b>	<b>(4.1)</b>	<b>16.1</b>

## **Economic Impact of Investing in the TTC**

Using the economic model established in partnership with the University of Toronto's Mobility Network, approval of the 2026-2035 Capital Budget and Plan is estimated to contribute \$17.0 billion in gross domestic product, \$41.3 billion in economic activity and almost 250,000 jobs.

In 2026 alone, approval of the recommended 2026 Capital Budget is estimated to generate \$4.3 billion in economic activity and nearly 26,000 jobs across Canada.

## **Contact**

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## **Attachments**

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- Appendix A Decision History
- Appendix B 2026 – 2035 Capital Budget and Plan Summary
- Appendix C 2026 – 2035 Capital Funding Summary
- Appendix D 2026 Capital Complement

- Attachment 1 – 2026-2040 Capital Investment Plan Summary
- Attachment 2 – 2026-2040 Real Estate Investment Plan Summary
- Attachment 3 – Intergovernmental Funding in the 2026 Operating Budget and 10-Year Capital Plan

## Appendix A: Decision History

At its meeting on January 10, 2025, the TTC Board approved the 2025-2034 TTC Capital Budget and Plan of \$14.615 billion over the 10-year period, with \$1.618 billion approved in the 2025 Capital Budget.

[Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan Update](#)

At its meeting on January 27, 2025, the TTC Board approved a reallocation of \$8.5 million of permanent savings from the SRT Life Extension project and an increase to the total project cost for the Easier Access III program to fund the Contract award for Old Mill Station. In addition, the TTC Board authorized the recommended budget adjustments to the TTC's 2025-2034 Capital Budget and Plan to be included in the TTC's Capital Variance Report submission to the City of Toronto for the four months ended April 30, 2025, for City Council consideration and approval.

[Making Old Mill Station Accessible](#)

At its meeting on February 24, 2025, the TTC Board approved the following cashflow adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Bloor-Yonge Capacity Improvements project by accelerating cashflow funding in 2025 by \$38.3 million and in 2026 by \$73.1 million, offset by reducing cashflow funding in years 2030 to 2033 inclusively by \$111.4 million total, with no debt impact, to align with the estimated project delivery schedule.

[Bloor-Yonge Capacity Improvements Project – Progressive Design-Build Development Phase](#)

At its meeting on May 21, 2025, in accordance with the City's Carry Forward Policy, City Council approved an incremental carry-forward addition of \$3.8 million applied to the TTC's existing carry-forward funding of \$66.6 million as submitted through the 2025 budget process.

[Adjustments to Capital Budget, Carry Forward Funding and Future Year Commitments](#)

At its meeting on June 23, 2025, the TTC Board approved the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$100.0 million with projects that have experienced delays and lower spending by \$100.0 million, with no debt impact.

[Financial and Major Projects Update for the Period Ended April 26, 2025](#)

At its meeting on July 17, 2025, the TTC Board received a mid-year 2025 update on the [TTC's Corporate Plan, Moving Toronto, Connecting Communities 2024-2028](#). The report highlighted key 2025 accomplishments to date, forecasted activities for the remainder of the year and a look-ahead to 2026. Additionally, the report identified key risks and issues, updated from the January 2025 Progress Report. Progress against commitments in the Corporate Plan, which helps inform the TTC's 2026 Budget process.

[TTC Corporate Plan 2024-2028: Mid-Year 2025 Progress Update](#)

At its meeting on July 17, 2025, the TTC Board approved expenditure adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Purchase of Wheel-Trans Buses Program by amending the 2025 Capital Budget by \$0 and the 2026-2031 cash flow funding estimates by \$34.931 million to reflect the procurement of 105 Wheel-Trans Buses and to align with the estimated project delivery schedule.

[Budget Adjustment for the Purchase of Gasoline Wheel-Trans Vehicles, and Introduction of Smaller Electric Vehicles](#)

At its meeting on December 10, 2025, the TTC Board approved 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$204.0 million with projects that have experienced delays and lower spending by \$204.0 million, with no debt impact. The TTC Board also approved expenditure and funding adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Procurement of Electric Buses and Charging Systems projects by increasing the 2025 Budget by \$16.7 million and the 2026-2034 Capital Plan estimates by \$119.7 million for a total of \$136.4 million to reflect the incremental matching Federal Funding through the Canada Public Transit Fund for the procurement of 50 electric buses and 155 charging systems.

[Financial and Major Projects Update for the Period Ended September 27, 2025](#)

## Appendix B: 2026-2035 Capital Budget and Plan Summary

Programs (\$ millions)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035
<b>Infrastructure Related Programs:</b>											
<i>Tracks:</i>											
1.1 Subway Track	45.687	46.562	35.691	35.871	36.660	30.139	30.568	30.767	31.205	30.586	353.736
1.2 Surface Track	61.765	88.521	126.231	79.098	66.540	66.335	50.576	52.084	53.636	49.696	694.482
<b>Signals, Electrical, Communications:</b>	<b>0.000</b>										
2.1 Traction Power	34.454	38.837	33.896	34.557	35.939	36.424	34.643	27.177	22.969	34.056	332.952
2.2 Power Distribution	12.116	11.556	16.974	25.615	24.292	24.491	18.859	18.674	18.879	9.870	181.326
2.3 Communications	26.267	29.591	27.605	25.230	25.666	20.473	20.421	20.613	15.715	25.328	236.909
2.4 Signal Systems	30.647	74.618	61.097	35.027	15.012	19.099	19.609	17.601	12.064	12.877	297.651
2.4 YUS/BD Resignalling	28.885	68.757	49.163	65.248	60.639	74.962	82.045	83.049	85.814	97.773	696.335
<b>Buildings and Structures:</b>	<b>0.000</b>										
3.1 Finishes	22.810	25.354	30.062	23.454	13.172	7.526	10.695	17.843	16.445	14.422	181.783
3.2 Equipment	137.606	333.112	198.555	133.013	100.042	91.932	49.012	34.890	27.238	37.368	1,142.768
3.3 Yards & Roads	7.679	9.711	11.581	16.053	16.239	16.503	15.590	15.629	16.145	8.765	133.895
3.4 Bridges & Tunnels	41.762	49.431	66.749	65.342	63.328	51.981	51.275	41.276	41.479	41.864	514.487
3.9 Fire Ventilation Upgrade	22.335	48.622	65.440	68.771	69.885	31.698	38.458	43.530	20.075	12.750	421.564
3.9 Easier Access Phase III	130.532	118.626	33.922	8.602	1.905	0.000	0.000	0.000	0.000	0.000	293.587
3.9 Sheppard Subway	0.300	0.299	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.599
3.9 Leslie Barns	1.101	2.346	2.883	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.330
3.9 Toronto Rocket Yard & Storage	7.634	29.100	28.708	24.475	8.881	3.113	4.214	0.000	0.000	0.000	106.125
Track Accommodation											
3.9 McNicoll Bus Garage	0.650	2.200	0.750	0.437	0.000	0.000	0.000	0.000	0.000	0.000	4.037
3.9 Line 1 Capacity Enhancement	33.787	76.118	127.375	218.568	205.073	117.575	89.981	100.263	27.031	26.830	1,022.601
3.9 Line 2 Capacity Enhancement	16.498	44.316	80.318	125.968	130.579	166.288	154.775	180.852	98.970	39.421	1,037.985
3.9 Corporate Initiatives	11.028	9.183	4.780	4.844	4.844	5.344	5.344	5.844	5.844	5.000	62.055
3.9 Bloor-Yonge Capacity Improvement	111.573	87.771	105.535	142.419	165.708	206.974	160.994	114.947	131.871	87.792	1,315.584
3.9 Other Buildings & Structures	119.622	204.464	193.755	217.173	214.119	186.351	126.691	101.346	44.765	30.492	1,438.778
<b>Tooling, Machinery and Equipment</b>	<b>0.000</b>										
5.1 Shop Equipment	10.024	11.915	12.892	10.639	8.099	8.513	7.306	8.125	11.690	9.171	98.374
5.2 Revenue & Fare Handling Equipment	0.533	4.500	0.500	0.362	1.312	1.312	1.562	1.562	1.562	0.563	13.768
5.3 Other Maintenance Equipment	2.694	1.863	1.750	1.118	1.133	1.152	1.165	0.964	0.953	0.942	13.734
5.4 Fare System	2.582	2.260	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.842

Programs (\$ millions)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035
<b><i>Environmental Issues</i></b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>								
6.1 Environmental Program	12.795	15.627	17.513	14.661	9.831	8.323	9.455	6.646	6.339	9.163	110.353
6.1 Safety Program	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.765	9.765
<b><i>Computer Equipment &amp; Software</i></b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>								
7.1 IT Systems/Infrastructure	100.016	91.315	51.982	39.930	20.552	18.386	16.925	17.631	15.516	25.194	397.447
<b><i>Other:</i></b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>								
9.1 Furniture & Office Equipment	0.120	0.040	0.207	0.030	0.045	0.030	0.020	0.020	0.010	0.000	0.522
9.2 Service Planning	24.846	24.144	24.060	20.314	14.017	15.081	11.877	3.583	3.051	3.000	143.973
<b>Subtotal - Infrastructure Related Programs</b>	<b>1,059.348</b>	<b>1,551.759</b>	<b>1,410.974</b>	<b>1,437.819</b>	<b>1,314.512</b>	<b>1,211.005</b>	<b>1,013.060</b>	<b>945.916</b>	<b>710.266</b>	<b>613.688</b>	<b>11,268.346</b>
<b><u>Vehicle Related Programs:</u></b>											
4.11 Purchase of Buses	163.436	295.268	243.502	180.449	7.965	0.617	0.266	0.264	0.684	0.702	893.153
4.11 Purchase of Wheel Trans Buses	10.808	6.940	19.605	4.002	2.783	0.000	0.000	0.000	0.000	0.000	44.138
4.12 Purchase of Subway Cars	143.552	61.609	235.112	193.383	296.493	319.949	397.929	284.919	387.047	106.180	2,426.173
4.13 Bus Overhaul	75.153	72.716	81.317	78.857	83.757	82.631	86.032	84.526	89.528	85.214	819.731
4.15 Streetcar Overhaul	60.767	52.113	41.517	48.312	27.558	0.000	0.000	0.000	0.000	0.000	230.267
4.16 Subway Car Overhaul	59.327	64.730	71.441	79.283	76.743	76.802	58.308	41.693	42.328	41.555	612.210
4.18 Purchase of Streetcars	8.022	6.740	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	14.762
4.21 Purchase Non-Revenue Vehicles	17.235	21.411	21.357	18.060	15.460	10.782	3.056	0.147	0.118	7.999	115.625
4.22 Rail Non-Revenue Vehicle Overhauls	5.603	7.004	7.049	5.070	3.122	1.246	1.280	1.578	1.614	1.429	34.995
4.23 Purchase Rail Non-Revenue Vehicle	2.646	10.125	12.182	10.921	11.653	9.252	6.061	0.084	0.000	0.000	62.924
<b>Subtotal - Vehicle Related Program</b>	<b>546.549</b>	<b>598.656</b>	<b>733.082</b>	<b>618.337</b>	<b>525.534</b>	<b>501.279</b>	<b>552.932</b>	<b>413.211</b>	<b>521.319</b>	<b>243.079</b>	<b>5,253.978</b>
<b>TOTAL - BASE PROGRAM</b>	<b>1,605.897</b>	<b>2,150.415</b>	<b>2,144.056</b>	<b>2,056.156</b>	<b>1,840.046</b>	<b>1,712.284</b>	<b>1,565.992</b>	<b>1,359.127</b>	<b>1,231.585</b>	<b>856.767</b>	<b>16,522.324</b>
<b><u>Transit Expansion Programs:</u></b>											
SRT Bus Replacement Infrastructure	25.820	27.384	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	53.204
Waterfront Transit	0.862	3.797	12.000	9.077	4.331	0.000	0.000	0.000	0.000	0.000	30.067
Toronto-York Spadina Subway Extension (TYSSE)	2.000	49.765	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	51.765
<b>TOTAL - TRANSIT EXPANSION PROGRAM</b>	<b>28.682</b>	<b>80.946</b>	<b>12.000</b>	<b>9.077</b>	<b>4.331</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>135.036</b>
<b>TOTAL - BASE &amp; TRANSIT EXPANSION PROGRAM</b>	<b>1,634.579</b>	<b>2,231.361</b>	<b>2,156.055</b>	<b>2,065.233</b>	<b>1,844.371</b>	<b>1,712.284</b>	<b>1,565.992</b>	<b>1,359.127</b>	<b>1,231.585</b>	<b>856.767</b>	<b>16,657.360</b>

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## Appendix C: 2026-2035 Capital Funding Summary

FUNDING SOURCE (000's)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2035
2026-2035 Budget Submission	1,634,579	2,231,361	2,156,056	2,065,233	1,844,377	1,712,284	1,565,992	1,359,127	1,231,585	856,767	16,657,360
Provincial Gas Tax Subsidies (PGT)	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	86,622	866,222
Investing in Canada Infrastructure Program (ICIP) - PTIF2	41,755	33,400	40,239	54,440	63,406	72,438	61,195	45,397	-	-	412,270
Ontario / City New Deal	50,956	22,179	84,640	69,618	106,737	111,982	130,506	96,275	48,726	36,378	758,000
Total Provincial Subsidies	179,334	142,202	211,502	210,680	256,765	271,043	278,324	228,294	135,349	123,001	2,036,493
Canada Community Building Fund (formerly FGT)	183,951	191,309	191,309	191,309	191,309	191,309	191,309	191,309	191,309	191,309	1,905,730
Federal Subsidy - ZETF	77,311	-	-	-	-	-	-	-	-	-	77,311
Federal Subsidy - Streetcar Program	11,239	11,550	11,857	593	-	-	-	-	-	-	35,239
Investing in Canada Infrastructure Program (ICIP) - PTIF2	46,636	37,304	44,942	60,803	70,817	80,457	67,900	50,255	-	-	459,113
Canada Public Transit Fund	76,079	112,665	100,063	71,190	107,821	111,982	130,506	96,275	48,726	36,378	891,686
Total Federal Subsidies	395,215	352,828	348,171	323,894	369,946	383,748	389,715	337,839	240,035	227,687	3,369,079
MX Recovery	3,264	3,959	3,883	-	-	-	-	-	-	-	11,106
Other - Pattison	113	113	113	-							339
Total Other Funding	3,377	4,072	3,996	-	-	-	-	-	-	-	11,445
City - Other Revenue	31,700	46,567	51,701	37,943	34,097	28,710	18,908	17,422	19,748	30,203	317,000
Development Charges	205,505	268,796	304,628	304,833	220,214	62,666	38,248	16,677	232,201	5,350	1,659,117
Debt	265,304	489,689	201,746	178,710	152,838	65,988	23,615	105,000	275,974	108,702	1,867,566
Recoverable Debt	554,144	927,208	1,034,312	1,009,172	810,516	900,128	817,183	653,894	328,279	361,825	7,396,661
Total City Funding	1,056,653	1,732,259	1,592,387	1,530,658	1,217,665	1,057,493	897,953	792,993	856,201	506,079	11,240,344
<b>TOTAL FUNDING</b>	<b>1,634,579</b>	<b>2,231,361</b>	<b>2,156,056</b>	<b>2,065,233</b>	<b>1,844,377</b>	<b>1,712,284</b>	<b>1,565,992</b>	<b>1,359,127</b>	<b>1,231,585</b>	<b>856,767</b>	<b>16,657,360</b>

## Appendix D: Capital Complement

To ensure the TTC has the capacity to successfully deliver its capital program, a total of 60 capital positions, to be funded from the 2026 Capital Budget, will be added to the TTC's capital complement in 2026, as detailed below:

<b>2025 TTC Capital Complement</b>	<b>3,285</b>
<b>Bus and Streetcar Shuttle Requirements to facilitate closures to complete capital work</b>	<b>(109)</b>
Bus Operators	(98)
Streetcar Operators	(11)
<b>Direct Project Work</b>	<b>169</b>
Charging Infrastructure and Renewable Energy Projects	18
Climate Adaptation and Decarbonization of Facilities	12
Commercial Management and Procurement and Category Management	26
Engineering and Construction Overhead	16
Major Projects – Bloor-Yonge, Line 1, and Line 2	24
Subway Escalator Overhaul	5
Surface Track Work	3
Traction Power SOGR Work	7
Transit Planning and Wayfinding	6
Vehicle Overhaul – Bus, Streetcar, Subway	10
Vehicle Procurement – e-Bus, New Subway Train	13
Workcar and Crane Operation – Track Support	9
All Other Changes	20
<b>2026 Total Capital Complement Change</b>	<b>60</b>
<b>2026 TTC Capital Complement</b>	<b>3,345</b>