TORONTO TRANSIT COMMISSION
REPORT NO.

MEETING DATE: DECEMBER 16, 2009

SUBJECT: TRANSIT CITY UPDATE – PROJECT APPROACH

ACTION ITEM:

RECOMMENDATION

It is recommended that the Commission:

1. Concur that staff proceed as quickly as possible with the delivery of the Eglinton Crosstown LRT and will be reporting back on any delays or impediments to proceeding.

2. Concur that staff report on the schedule for the Scarborough RT construction so that it can be completed in time for the Pan Am Games in the summer of 2015 and

3. Note that significant milestones have been met by the Transit City program:
   - Metrolinx and TTC are successfully transitioning to the Province of Ontario's new Transit Delivery Framework while continuing progress and momentum on the Transit City projects.

   - Construction commenced on the Sheppard East LRT in November 2009, and two sections of LRT right-of-way, road, and utilities will start in mid 2010, along with the major GO Rail Grade-Separation.

   - The Eglinton Crosstown LRT Transit Project Assessment Study recommendations were approved by the Commission on November 16, 2009, and by Toronto Council on December 3, 2009, and preparatory construction is scheduled to start in mid 2010.

   - The Etobicoke-Finch West LRT Transit Project Assessment Study recommendations are at this Commission meeting for approval and will be submitted to Toronto Council in January 2010.

   - The Scarborough RT Transit Project Assessment Study recommendations will be submitted to the Commission in early 2010.

   - The Scarborough-Malvern LRT Transit Project Assessment Study is expected to receive Ministry of the Environmental approval by the end of 2009.

   - Environmental Assessments have commenced for three LRV Maintenance and Storage Facilities to support Transit City lines.

- Transit City resources are expanding to provide engineering, design and construction including a dedicated consultation and communications unit.

BACKGROUND

At its meeting of March 21, 2007, the Commission endorsed the Transit City Light Rail Plan and has since received several updates. In November 2007, the Commission established four priority projects for implementation of Transit City starting with the Sheppard East LRT, Etobicoke-Finch West LRT, Eglinton Crosstown LRT and the Scarborough RT. At its meeting on February 18, 2009, the Commission received a status update for the Transit City Light Rail Plan. Since then the Commission has considered reports and recommendations on a number of issues related to Transit City that are discussed in the body of this report.

In May 2009, the Province of Ontario made unprecedented funding commitments to priority transit projects in Toronto with announcements of $4.6 billion for the Eglinton Crosstown LRT, $1.2 billion for the Etobicoke-Finch West LRT and $1.4 billion for the Scarborough RT. In June the Province of Ontario and Government of Canada announced a combined $950 million for the Sheppard East LRT.

Also in May 2009, the Province passed *Bill 163 – the Greater Toronto and Hamilton Area Transit Implementation Act, 2009* amending the *Metrolinx Act, 2006.* The Bill brought into force a number of significant changes strengthening the role and responsibilities of Metrolinx in the implementation and control of transit projects.

FUNDING

There is no financial impact as a direct result of the recommendations of this report.

DISCUSSION

The announcement of Provincial funding in spring 2009 for the Etobicoke-Finch West LRT, Eglinton Crosstown LRT and the Scarborough RT and Provincial and Federal funding for the Sheppard East LRT confirmed Provincial support for the TTC and City of Toronto priorities for implementation of Transit City lines. The funding commitments permitted Transit City to increase resources and commitments to focus on the delivery of these projects. As a result significant progress has been made since the last update report.

Coordination with the City of Toronto

The TTC-City of Toronto Transit City Steering Committee, co-chaired by TTC Chief General Manager, Gary Webster and Deputy City Manager, Richard Butts has been very successful in addressing and achieving consensus on a number of issues and in providing overall direction for TTC and City staff efforts to deliver Transit City.

A significant accomplishment by TTC and City staff is the development of a standard cross-section for Transit City projects in 36 metre right-of-ways to accommodate dedicated transit lanes, two through lanes of traffic, bicycle lanes, sidewalks and, at major intersections, LRT stations and turning lanes. This standard cross-section provides for a consistent approach to implementation of City policy on all Transit City projects, and, while compromises were made in a number of areas, the end result is supported by TTC, City Urban Design and City Transportation Services staff and endorsed by the TTC-City of Toronto Transit City Steering Committee. Sheppard East, Etobicoke-Finch West and Eglinton Crosstown at-grade sections are being designed to the 36 metre right-of-way standard. Staff continue efforts to define the standard cross-sections for narrower rights-of-ways for Don Mills, Jane and Waterfront West LRT projects.

Similarly, TTC and City staff are working collaboratively to develop the streetscape and urban design template for Transit City. This effort recognizes that as a City-building initiative, LRT projects are expected to include more than just the basic transit infrastructure to ensure effective integration with the street. The streetscape and urban design approach is flexible in that it provides reasonable enhancement of urban design at major intersections, in Business Improvement Areas (BIA) and Avenues (as designated in the City's Official Plan) in recognition of the role of improved transit to support local economic development and as a catalyst for intensification. The Transit City urban design and streetscape plan is consistent with and complementary to, the City's street furniture plan.

The City of Toronto Economic Development Division is working with TTC to identify active businesses that may be impacted and displaced by LRT projects, and to assist such businesses to relocate within the City of Toronto. The City and TTC are developing an outreach program to engage with and inform Business Improvement Areas in LRT corridors and to work with the Toronto Association of Business Improvement Areas (TABIA) in ensuring that all BIAs in the City are aware of Transit City and the City-wide benefits of improved transit.

TTC and City staff are working closely to address emergency vehicle access to the LRT right-of-way. A review of emergency service vehicles used in other cities with LRTs was completed by Transit City. Significant progress has been made and concurrence is expected prior to the first right-of-way contract.

The City of Toronto is acquiring additional staff resources in a number of divisions to provide dedicated staff assignments to Transit City in areas such as real estate acquisitions, review of contract drawings and involvement in environmental assessments and streetscaping.

Environmental Assessment Process and Public Consultation

All Transit City projects, except the Sheppard East LRT (approved under the earlier regulation), are subject to the new Transit Projects Regulation of the Environmental Assessment Act (EA) process which allows for an assessment of potential environmental impacts to be completed and approved within six months including up to 120 days for consultation with the public.

TTC staff spearheaded the advocacy for the changes to the Provincial Environmental Assessment regulations and welcomes this new process as it streamlines the Provincial review process and recognizes the planning processes of transit agencies and municipalities.

The Transit City approach includes comprehensive preliminary planning and public consultation to be completed prior to the start of the formal Provincial environmental assessments process (the Notice of Commencement).

The preliminary planning includes consultation on the project in two rounds of public consultation (except the Eglinton Crosstown LRT which has had three rounds of consultation) though public information centres at a number of key locations in the project corridor. Round One introduces the project to the public, presented preliminary concepts and options, and identified major environmental issues. Round Two addresses the input from the public and presents the preferred alignment, stop and station locations, and mitigation of environmental issues. During the formal EA process, another round of public information centres is held.

Transit City public information centres are held as open houses and staffed by expert TTC staff and consultants and City Planning, Transportation, and Real estate staff, to provide attendees the opportunity to view information about the project at their own pace and to access staff and consultants with questions and comments in a non-intimidating environment. Public comments are also received through comment forms at information centres and through email provided through the project websites. Additional public information centres are held for special study areas and Transit City staff present project planning to specific neighbourhoods by invitation from City Councillors and community groups.

All eight Transit City projects have been through the first round of consultation and the four priority projects will have completed at least two rounds by the end of 2009. To date about 4,000 people have attended Transit City Open Houses.

Approach to Construction

Transit City is developing best practices for project management, construction management and construction phasing with the objective of reducing the time of construction and disruption for businesses and residents adjacent to the project, and those travelling through the area. The preferred approach at this time is to include all utility work in the main transit and road contracts and fully complete limited sections of LRT right-of-way and road prior to another section being started. A number of other innovations in contracting will be presented to utilities, consultants, and contractors through a workshop in January.

Communications and Consultation

Transit City has established a dedicated communications and consultation unit, reporting directly to the Transit City Program Manager, responsible for ensuring the public is well informed about the objectives of the Transit City program overall and about the specific projects. This unit is also assigning community liaison staff to work with the project manager, and are dedicated to informing local communities of specific projects and construction phases. These staff will provide technical information in a way that the public can understand. Transit City is developing a Community Relations guide and is developing outreach programs for specific stakeholders such as Business Improvement Areas (BIA).

Funded Project Updates

The Sheppard East LRT

The Sheppard East LRT Environmental Assessment was submitted to the Ministry of the Environment in January 2009 and received Ministry of Environment approval with conditions on May 7, 2009.

At its meeting on May 28, 2009, the Commission approved the staff recommendation that the Sheppard East LRT should connect to the Sheppard Subway line at subway platform level at Don Mills Station, permitting a convenient connection allowing customers to transfer between LRT and subway along a continuous platform without having to change levels.

In October 2009, the City of Toronto commenced preparatory sewer and watermain work between McCowan Road and Markham Road. In December 2009, work commenced on the detour road at the Agincourt GO Station which will facilitate the construction of an overpass for GO Rail to start in early spring.

In addition to the GO Rail overpass, two other major construction contracts will commence in 2010. In the spring the first stage of LRT right-of-way and road construction between East Highland Creek and Progress Avenue will commence. In summer 2010 the LRT right-of-way and road construction contract between Birchmount Road and West Highland Creek will start. Engineering design is proceeding for the all phases of the project.

The Sheppard East LRT team has had a number of meetings with the Sheppard East Village BIA regarding the development of the urban design plan and the construction phasing for the Sheppard East LRT. Construction Liaison Committees (CLC) will be established for each construction section. The first CLC will be established in early 2010. A dedicated Community Liaison Officer has been assigned to the Sheppard East LRT and will be the point of contact for the public on the project.

The Sheppard East LRT is 14 kilometres in length with 30 stops extending from Don Mills Station to Meadowvale Road, with connections to the future Scarborough RT extension and the Stouffville GO Line. It will be completed in late 2013.

Etobicoke-Finch West LRT

The Etobicoke-Finch West LRT preliminary planning is completed and the second round of public information centres was held in the first week of December. The formal Provincial Environmental Assessment review commenced on November 23, 2009, and Ministry of the Environment approval is expected in spring 2010.

The recommendations of the Etobicoke-Finch West LRT Transit Project Assessment Study are submitted to this Commission Meeting in a separate report, with a recommendation that staff be authorized to submit the Environmental Project Report (EPR) to the Ministry of Environment.

A Feasibility Study on the extension of the Etobicoke-Finch West LRT from the current planned terminus at Humber College to Woodbine Live! and Pearson Airport is being finalized. These extensions are not included in the current funding commitment.

The Etobicoke-Finch West LRT team has met with the Emery Village BIA to discuss the project plans and streetscaping. Further liaison with the BIA is planned for early 2010.

The Etobicoke-Finch West LRT is 17 kilometres in length with 30 stations between Yonge Street to Humber College and includes underground connections to the Yonge Subway at Finch Station and to the future extension of the Spadina Subway at Keele Station.

The design and engineering for the Etobicoke-Finch West LRT has commenced with geotechnical investigation and structural analysis of bridges. Construction is planned to start in 2011 with completion in 2015.

Eglinton Crosstown LRT

The preliminary planning for the Eglinton Crosstown LRT is completed and the third round of public information centres was held in the last week of November and first two weeks of December. The formal Provincial Environmental Assessment review commenced on November 23, 2009, and Ministry of the Environment approval is expected in spring 2010.

At its meeting on November 17, 2009, the Commission approved the recommendations of the Joint TTC and City of Toronto Eglinton Crosstown Light Rail Transit Project Assessment Study. On December 3, 2009, City Council also approved the recommendations and authorized staff to submit the EPR to the Ministry of Environment.
The Eglinton Crosstown LRT is 33 kilometres in length between Kennedy Station to the property line of Pearson Airport including a 10 kilometer tunnel from Laird Drive to Keele Street and 20 kilometres at-grade from Laird Drive to Kennedy Station and from Keele Street to Pearson Airport. In total 41 underground stations and at–grade stops are included.

Eglinton Crosstown LRT team is progressing on the design and engineering activities are underway as follows:

- developing project implementation plan and schedule;
- designing sections of on street right-of-way in the east and west ends;
- designing the west tunnel boring machine (TBM) launch area at Black Creek Drive;
- developing TBM specification and tunnel liner design and issuing the RFP; and
- award of the TBM procurement in June 2010

Construction is planned to start in mid 2010.

The Eglinton Crosstown LRT will open in sections that can be operated as LRT as follows:

- the westerly section from Eglinton West Station on the University Subway to Commerce Drive in 2016;
- the easterly section from Eglinton West Station to Kennedy Station in 2018; and
- Commerce Road to Pearson Airport in 2020.

Scarborough RT

The Scarborough RT has been incorporated into the Transit City Department and was included in the provincial funding announcements in conjunction with the Transit City project funding announcements.

The Scarborough RT preliminary planning is concluding. The next round of public information centres and the start of the formal Provincial Environmental Assessment review are planned for January 2010. The recommendations of the Scarborough RT Transit Project Assessment Study will be submitted to the Commission in early 2010, with a recommendation that staff be authorized to submit the EPR to the Ministry of Environment.
Construction on the Scarborough RT is currently scheduled to start in 2012 and be

completed in 2016. However, this schedule would have the Scarborough RT under construction during the Pan Am Games. Every effort should be made to ensure that the Scarborough RT be completed prior to the Pan AM Games in order to provide much needed transit service improvements to Scarborough generally, and for the Pan Am Games. Staff are determining the feasibility, schedule and requirements to accelerate the Scarborough RT and are in discussions with the City of Toronto and Metrolinx regarding project delivery, streamlining approvals and processes to facilitate the early implementation.

Maintenance and Storage (M&S) Facilities

Program requirements and functional designs are being developed for three Transit City Maintenance and Storage facilities to serve the four priority LRT projects and sites have been identified as follows:

- Sheppard Avenue and Conlins Road – This site, owned by the Ministry of Transportation (MTO), will be provided for the facility to support the Sheppard LRT and the Scarborough RT.
- Finch Avenue and Jane Street – This site will support the Etobicoke-Finch West LRT.
- Eglinton and Black Creek area - The site, formerly occupied by Kodak, has been identified for the facility to support the Eglinton Crosstown LRT.

Negotiations are proceeding for the Eglinton and Finch sites. However, consistent with the City's usual property acquisition process, on November 30, 2009, City Council authorized City staff to initiate the expropriation process for these sites.

Preliminary planning and Transit Project Assessment Studies are proceeding for all three Maintenance and Storage facilities.

Unfunded Projects Updates

The Scarborough Malvern LRT EPR has been submitted to the Ministry of Environment and approval is expected by the end of 2009.

Preliminary planning for the Waterfront West LRT, Jane LRT and Don Mills LRT requires consideration of implementing LRT in narrow rights-of-way. These narrower roadways present more challenges in accommodating the elements of transit operations, pedestrian realm, and urban planning. The preliminary planning and environmental assessments for Waterfront West LRT, Jane LRT and Don Mills LRT are expected to concluded in spring 2010.

Extensions to Transit City Light Rail Lines

As reported to the Commission in February, a number of requests to extend Transit City projects have been considered by the Commission and City Council. The TTC 2010 – 2014 Capital Budget includes funding for additional environmental assessments of these extensions and staff will report to the Commission in mid-2010 on the priority and sequencing of these additional studies.

In addition, The Province of Ontario funding for the Etobicoke-Finch West LRT also included the Finch East LRT from Yonge Street to Don Mills Road and Don Mills Station. Metrolinx has requested that the TTC initiate the environmental assessment for the Finch East LRT when the Etobicoke-Finch West environmental assessment is completed.

Provincial Funding and Project Implementation Governance

In May 2009 the Province passed *Bill 163 – the Greater Toronto and Hamilton Area Transit Implementation Act, 2009* amending the *Metrolinx Act, 2006.* The Bill brought into force a number of significant changes strengthening the role and responsibilities of Metrolinx in the implementation and control of transit projects. In a letter dated June 4, 2009, the Provincial Deputy Minister of Transportation informed the Toronto City Manager (letter attached) that, consistent with the new *Metrolinx Act, 2006* and provincial financing objectives, the Province is implementing a new framework for delivering transit projects in the Greater Toronto and Hamilton Area, including the Sheppard East LRT, Eglinton Crosstown LRT, Etobicoke-Finch West LRT and Scarborough RT.

The new *Metrolinx Act 2006* and the Province's transit project delivery framework significantly change the way that transit projects are funded, delivered and operated and have extensive implications for the TTC's Transit City program.

The Act provides for the Province to own and control "regional transit projects" as designated by the Minister of Transportation. The letter from the Deputy Minister indicates that the four funded Toronto projects, the Sheppard East LRT, Eglinton Crosstown LRT, Etobicoke-Finch West LRT and Scarborough RT will be designated as regional transit projects and that Metrolinx will act for the Province to deliver these projects. As such Metrolinx will:

- have full ownership of the transit assets, vehicles, and related infrastructure of these projects;
- approve the project scope, budget and delivery schedule;
- be responsible for overseeing project planning, procurement and implementation including approving the issuing of Requests for Proposals to procure construction services and equipment including vehicles; and
- enter into construction and operating agreements with municipal governments, transit agencies and third-party service operators.

The letter also notes that Infrastructure Ontario will act as the delivery agent on behalf of Metrolinx for the Etobicoke-Finch West LRT and Scarborough RT as Alternative Financing

and Procurement projects.

Implications of the New Transit Project Delivery Framework

The Province's new transit delivery framework, and the roles and responsibilities provided to Metrolinx, have significant implications for the TTC and the delivery of Transit City projects. Metrolinx, as owner of the projects is responsible for approval of scope, budget, schedule, procurement, and delivery of the four funded projects and has responsibilities for delivery of the designated projects.

Since June, senior TTC and City staff have been meeting regularly with Metrolinx and Infrastructure Ontario to develop the transition to the new transit project delivery framework and facilitate the expeditious delivery of the Toronto transit projects.

Metrolinx staff have been very receptive to understanding how the TTC works, and specifically, how Transit City is delivering the projects that have been identified as TTC, City of Toronto and Province of Ontario priorities. Metrolinx recognizes the complex and effective program management infrastructure and resources that Transit City has developed, and the high level of expertise that is resident in Transit City and the TTC in general. In addition, the discussions about project delivery over the past few months have demonstrated a common appreciation that the funded transit projects are not stand-alone facilities but are part of an integrated, high quality transit network, that relies on and expands the TTC systems, and are important City building initiatives that will enhance the urban environment and provide LRT transit service to areas of the City now without.

Funding of Transit Projects

Since the June 2007 announcement by Premier McGuinty of the Move Ontario 2020 plan for transit in the GTAH and commitment of Provincial funding, the City of Toronto has provided funding to start the planning, design and engineering on the Transit City program conditional on receiving reimbursement by the Province.

As a first step toward delivery of the four funded projects Metrolinx is reimbursing the City of Toronto costs incurred for these projects prior to March, 31 2009.

The second step is the Interim Funding Memorandum of Agreement (MOA) between the City of Toronto TTC and Metrolinx for costs projected to December 2009, for the design, engineering, property acquisition and construction of the four funded projects. This MOA was the subject of a report to the August 26, 2009 Commission Meeting which noted that this agreement would permit work on these projects to continue while other agreements for program management and project delivery were being negotiated. The Commission authorized the Chief General Manager to enter to the Agreement subject to the Agreement

meeting certain principles. The Interim Funding Agreement is being executed.

The third step is the long term relationship agreement between the TTC, City of Toronto and Metrolinx to provide for the TTC, through the Transit City Program Manager, to deliver the funded projects on behalf of Metrolinx. This Project Governance Agreement will ensure that Metrolinx meets its responsibilities as owner of the transit assets, while optimizing the expertise and resources of the TTC and utilizing the program management organization established in the Transit City Department to ensure the momentum to deliver the projects is maintained, and the projects are integrated into the TTC system. The project governance is expected to include an executive committee comprised of the Toronto City Manager, the Chief General Manager of the TTC, the CEO of Metrolinx and the CEO of Infrastructure Ontario. A report to the Commission regarding the Project Governance Agreement is expected in early 2010.

The fourth step in the delivery of the funded transit projects is the development of a comprehensive agreement between Metrolinx and the TTC for each of the projects the Sheppard East LRT, Etobicoke-Finch West LRT, Eglinton Crosstown LRT and the Scarborough RT, defining the scope, budget, schedule and delivery as determined by the Metrolinx board and as agreed for implementation by the TTC. These agreements will be completed once the project scopes have reached a level of design that will provide for reliable costs estimates. The Project Agreements will also provide for the TTC to operate and maintain the LRT lines.

Protocols between TTC and Metrolinx will be developed to address issuance of RFPS, property acquisition, communications, payments and invoicing and other functions.

Project Scope

The Provincial and Federal funding announcements for Transit City projects noted that the scope and budgets of the projects would be determined by the TTC and Metrolinx.

The discussions between TTC and Metrolinx staff have addressed the scope of these projects as further design has provided updated cost estimates. The scope and cost of each of the four projects is being reviewed in detail to determine phases of implementation and value engineering.

CONCLUSION

Transit City has continued with planning and design of the Etobicoke-Finch West LRT, Eglinton Crosstown LRT and Scarborough LRT, and started the construction of the Sheppard East LRT concurrently, with extensive and comprehensive discussions with Metrolinx regarding project scope, implementation, development of funding, governance agreements and protocols. Significant progress has been made on Transit City projects while making the

transition to the Province's new transit delivery framework.

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Attachment 1 – Letter from Provincial Deputy Minister of Transportation

Metrolinx will also have full ownership of the assets, vehicles and related infrastructure of the projects listed above. The term of any operating agreement with service providers will be limited to less than 75 percent of the lifespan of the asset. With respect to construction, Metrolinx will be responsible for approving the issuing of Requests for Proposals (RFPs) to procure construction services and equipment, including vehicles. With respect to operations and maintenance of provincial assets, Metrolinx will establish performance and maintenance criteria, and policies governing fares, services, and other components within the context of operating agreements developed with municipalities, transit authorities and service providers.

Metrolinx will work cooperatively with the City of Toronto to ensure that these projects are effectively integrated with existing municipal transit services.

2. Commitment to partnerships, cooperation and consultation

Metrolinx will seek to partner with municipal governments and their transit agencies to lever the considerable existing capacity, expertise and skills to ensure efficiency, knowledge and speed of implementation while meeting the government's regional transit objectives. The Province recognizes that substantial municipal planning, development and implementation resources have been invested to date in the Toronto Transit City and York VIVA projects. Metrolinx will endeavour, within the context of the new framework, to build from the current project teams and existing arrangements and enter into construction and operating agreements with municipal governments, their transit agencies and third party service providers, consistent with Metrolinx's new role as owner of the related assets under construction.

3. Responsibility for project scope, budget and timing decisions

The Province has directed Metrolinx to set in place mechanisms to define the project scopes, project budgets and project delivery schedules, and requires that any changes in scope proposed by a municipality obtain the approval of Metrolinx in order to proceed. In order to focus our investment on the goal of developing new regional transit, Metrolinx will also be directed to abide by detailed provincial project cost eligibility criteria. This will focus funding for the projects on the specific project scope as defined by Metrolinx, including standards for "baseline" transit infrastructure costs and unit costs applied appropriately to the specific projects within established budgets.

Where municipalities and transit agencies wish to expand or build on the Metrolinx-defined scope and eligible baseline costs, they will be responsible for those additional costs. This would include, for example, upgrades to municipal utilities such as water or hydro systems that are not related to the transit service, or vehicles, other facilities or streetscaping that exceed baseline standards. In some cases, investments made prior to the assumption of provincial ownership and consistent with the eligibility framework may be eligible for funding, subject to conditions.

During this transition period, the Province asks that you consider the above as it may relate to existing or planned significant RFPs on announced provincially funded projects. It may be prudent to reconsider or discuss such RFPs with Metrolinx so that they may be issued in a manner consistent with the new ownership model. In return, Metrolinx has been instructed to work rapidly with your officials to allow the projects to proceed expeditiously.

4. A customer focused and rider oriented approach

A critical success factor for the Province will be ensuring that transit riders experience the benefits of a regionally integrated and inter-operable system. Metrolinx will be directed to be continually mindful of the importance of enhancing the customer service experience of transit users, and creating the seamless customer-first travel experience which is essential to the vision for a truly integrated regional transit system. For example, the introduction and adoption of the Presto farecard system will be a requirement for each of the recently announced projects. In addition to implementing the Presto system, the Province and Metrolinx will work with Toronto and other partners to monitor the evolution of technologies, and will consider how to plan for enhancements and improvements as part of an overall strategy to sustain the Presto electronic fare collection system.

5. Clear project governance including role of Infrastructure Ontario

The work ahead will require the participation and involvement of many, including municipalities, transit agencies and Infrastructure Ontario.

As part of the new ownership model, Metrolinx will be responsible for overseeing project planning, procurement and implementation. Municipal governments and their transit agencies have a critical role to play in the project implementation and outcomes. As a result, clear roles, responsibilities and relationships for all participants will be developed for project governance, project management and procurement activities. With due regard to efficiency and accountability, these models will build on what already has been developed by municipal governments while respecting the necessary adjustments to meet the requirements of ownership and control.

Conceptually, this might involve the Metrolinx Board entering into agreements with municipal governments to facilitate Metrolinx overseeing project management teams consisting of officials of the municipal government, transit agency, Metrolinx and other sources. Where requested by Metrolinx, Infrastructure Ontario may also play a project management role on projects. Any decision beyond the approved project scope would require Metrolinx Board approval. Further discussions between Metrolinx and affected municipal governments will be required to work out the details of this approach to project governance.

With respect to financing and procurement, Infrastructure Ontario will act as the delivery agent on behalf of Metrolinx for those projects that are determined by the Province to be viable candidates for Alternative Financing and Procurement (AFP). The Province's intention is to designate a portion of VIVA Next, and the Finch and Scarborough projects as AFP projects. Other provincially-funded projects may also be designated in the future. Public control and accountability for AFP projects will be safeguarded under the Province's Building a Better Tomorrow framework.

In conclusion, transforming the transportation system in the Greater Toronto and Hamilton area provides an opportunity for Metrolinx, in the spirit of partnership with municipal governments, to deliver the priority regional transit projects quickly and efficiently. Several transit projects, particularly in Toronto and York Region, are advanced enough to start construction in the near future. The cooperation of municipal governments, combined with the expertise, skills and capacities of their transit agencies will be critical to the success of this implementation.

In recent years the Provincial and City of Toronto governments have developed a working relationship based on mutual respect and cooperation. It is our intention to continue to work collaboratively with you to complete these projects as quickly as possible, while satisfying the requirements of the *Greater Toronto and Hamilton Area Transit Implementation Act.* To that end, I will be asking Metrolinx CEO Robert Prichard to get in touch with you immediately to move forward on project implementation for all of the announced projects within this framework.

I look forward to working with you to see these new regional transit projects implemented and making an important difference for the residents of the GTHA.

Sincerely,

Bruce McCuaig
Deputy Minister