

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** MAY 6, 2010

**SUBJECT:** TRANSIT CITY –  
IMPLICATIONS OF 2010 PROVINCIAL BUDGET

## **ACTION ITEM**

### **REASON FOR CONFIDENTIAL INFORMATION:**

This report contains advice or communications that are subject to solicitor-client privilege

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### **RECOMMENDATION**

It is recommended that:

1. The Commission approve the recommendation as set out in the Confidential Attachment; and
2. The Commission authorize the public release of the confidential information and recommendation as set out in the Confidential Attachment, upon the execution of a Master Agreement and Project Delivery Agreements for Sheppard East, Etobicoke-Finch, Eglinton Crosstown and the Scarborough RT Projects.

### **FUNDING**

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 2008, the Province of Ontario and Government of Canada announced a combined \$950 million for the Sheppard East LRT.

Based on the Provincial funding announcements, TTC staff worked with Metrolinx to develop the implementation of the Transit City Projects, however, in the recently announced Provincial Budget, the Province instructed Metrolinx to defer approximately \$4 billion in transit projects. Although the exact impact on Transit City is unknown at this time, it will significantly impact the implementation of Transit City.

## **BACKGROUND**

In 2006, the Province of Ontario proclaimed the *Greater Toronto Transportation Authority Act, 2006* ("GTTA Act") to create a regional transportation entity ("Metrolinx"). The purpose of Metrolinx was to develop a Regional Transportation Plan to identify and prioritize large transit projects and create an integrated transit system in the Greater Toronto and Hamilton Area ("RTP"). On November 28, 2008, Metrolinx adopted the RTP which includes certain Transit City infrastructure projects as part of Metrolinx's list of "Top 15" priority projects.

The *Greater Toronto and Hamilton Area Transit Implementation Act, 2009* was proclaimed in May 2009 to rename the GTTA Act the *Metrolinx Act 2006* (the "Metrolinx Act") and to create a single transit agency responsible for implementing large transit and transportation projects. The Metrolinx Act 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 advised the Toronto City Manager that consistent with the new Metrolinx Act, a new framework was being implemented 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 Projects.

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

## **DISCUSSION**

The Metrolinx Act provides that the Province (or Metrolinx) is to own and control "regional transit projects" as designated by the Minister of Transportation. The Framework Letter indicates that the four funded Toronto projects, the Sheppard East LRT, Eglinton Crosstown LRT, Etobicoke-Finch West LRT and Scarborough RT (also referred to as the "four Transit City priority projects"), 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 Framework Letter also provides that Infrastructure Ontario will act as the procurement agent on behalf of Metrolinx for the Etobicoke-Finch West LRT and Scarborough RT as Alternative Financing and Procurement projects.

The dates for the implementation of the four Transit City priority projects (prior to the recent Provincial Budget) were:

- Sheppard East LRT – 2013
- Etobicoke-Finch LRT – 2015
- Eglinton Crosstown LRT
  - Phase 1 – Jane Street to Eglinton West Station - 2016
  - Phase 2 – Eglinton West Station to Don Mills Road - 2018
  - Phase 3 – Airport Connection - 2020
- Scarborough RT – 2016

It is anticipated that the scope of these projects and the implementation schedule will be impacted as a result of the recent Provincial Budget. This impact is unknown at this time.

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April 16, 2010  
55-2-1

Attachment: Transit City – Implications of 2010 Provincial Budget