Date: April 11, 2019
To: TTC Board

Summary

Transmittal letters from the City Clerk confirming that City Council on March 27 and 28, 2019, considered Items EX3.1 and EX3.12 together and has forwarded a copy of City Council’s decisions to the Toronto Transit Commission Board for information.

Contact

Kevin Lee
Head of Commission Services
416-393-3744
kevin.lee@ttc.ca
April 2, 2019

Mr. Rick Leary  
Chief Executive Officer  
Toronto Transit Commission  
1900 Yonge Street  
Toronto, Ontario  
M4S 1Z2

Dear Mr. Leary:

Subject: Executive Committee Item 3.1
Engagement with the Province on Toronto’s Transit System - First Quarter 2019 Status Report (Ward All)

City Council on March 27 and 28, 2019, considered this Item, and a copy is attached for your information or appropriate action.

Yours truly,

[Signature]

M. Toft/sb

Attachment

c. City Manager
Engagement with the Province on Toronto's Transit System - First Quarter 2019 Status Report

City Council Decision
City Council on March 27 and 28, 2019, adopted the following:

1. City Council allocate $2,000,000 from the Capital Financing Reserve Fund XQ0011 to provide funding for additional staff and third-party advice and services required to support engagement with the Province, including one Solicitor 3 Full-Time Equivalent staff position ($134,395.81) on a one-year contract basis.

2. City Council direct the City Manager to seek full cost-recovery from the Province for third-party services, City/Toronto Transit Commission staff-time, and any other resources employed arising from the City's participation in this engagement with the Province.

3. City Council request the Province of Ontario, as part of the ongoing discussions on transit in Toronto, to publicly disclose a value-for-money assessment for the projects outlined in the March 22, 2019, letter from the Special Advisor to Cabinet-Transit Upload and the Deputy Minister of Transportation to the City Manager and the Chief Executive Officer, Toronto Transit Commission.

4. City Council request the Province of Ontario to release for public consideration the report to Ontario Cabinet from the Province's Special Advisor to Cabinet – Transit Upload.

5. City Council authorize the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission, to guide a discussion and information exchange process between the Province of Ontario and the City of Toronto to further the Province of Ontario's stated transit objectives, specifically:
   a. more efficient and cost-effective construction of rapid transit projects; and
   b. improved regional transit service across the Greater Toronto Area.

6. City Council direct the City Manager to request full and open disclosure from the Province of Ontario on the contemplated new transit technology to ensure it is compatible and cost effective.

7. City Council request the City Manager to reiterate to the Province of Ontario, City Council's firm commitment to delivering the Relief Line as an urgent priority investment and, in the event that the timeline for delivering the Yonge Subway Extension and Relief Line are paired,
that the Yonge Subway Extension not lead to delaying the Relief Line beyond the accelerated 2029 anticipated completion date.

8. City Council request the City Manager to report back to the Executive Committee on the four transit priorities identified by the Province of Ontario in its letters dated March 22, 2019 and March 26, 2019, and on the potential impacts of these priorities as part of the transit network plan update.

9. City Council request the City Solicitor and the City Manager to explore opportunities to secure binding financial contribution agreements for funding commitments being made as part of the engagement with the Province of Ontario, including consideration of the City's transit priorities, and to report back to the Executive Committee as part of the transit network plan update.

10. Should the Province of Ontario introduce legislation affecting the City of Toronto's transit responsibilities, City Council request the City Manager to report to the next meeting of City Council with a comprehensive assessment of the potential risks, liabilities, implications, and to seek authority to engage with the Province of Ontario, as may be required.

11. City Council forward the report (March 7, 2019) from the City Manager to the Toronto Transit Commission Board for its information.

City Council Decision Advice and Other Information

City Council recessed its public session and met as Committee of the Whole in closed session on March 27, 2019 to consider confidential information on this Item as it pertains to security of the property of the municipality or local board.

City Council considered Items EX3.1 and EX3.12 together.

Committee Recommendations

The Executive Committee recommends that:

1. City Council allocate $2,000,000 from the Capital Financing Reserve Fund XQ0011 to provide funding for additional staff and third-party advice and services required to support engagement with the Province, including one "Solicitor 3" Full Time Equivalent staff position ($134,395.81) on a one-year contract basis.

2. City Council direct the City Manager to seek full cost-recovery from the Province for third-party services, City/Toronto Transit Commission staff-time, and any other resources employed arising from the City's participation in this engagement with the Province.

3. City Council authorize the City Manager to, at the City Manager's discretion, release to the Province confidential information deemed within the scope of this Review and contained in confidential reports and attachments previously before Council and its Committees, subject to the Province entering into a confidentiality agreement for the release of the information and/or data.

4. City Council forward the report (March 7, 2019) from the City Manager to the Toronto Transit Commission Board for its information.

5. City Council request the Province of Ontario to release for public consideration the report to
Committee Decision Advice and Other Information
The Executive Committee considered Items EX3.1 and EX3.12 together.

The Executive Committee requested the City Manager to report directly to City Council at its meeting on March 27 and 28, 2019 on the following:

a. the date of the first consultation meeting and timetable for future consultations;

b. a plan to advertise the consultations to the public to ensure maximum attendance and awareness;

c. the feasibility of providing updates through social media or emails to keep residents up to date on the issue; and

d. the feasibility of including a meeting with stakeholders in the consultation plan.

Origin
(March 7, 2019) Report from the City Manager

Summary
The Province of Ontario has proposed to "upload" the City's subway infrastructure. In December 2018, City Council considered item CC1.6 - Engagement with the Province on Toronto’s Transit System, and authorized the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission (TTC), to negotiate a joint Terms of Reference (ToR) to guide a discussion and information exchange process between the City and Province, subject to inclusion of the following:

- jointly agreed upon objectives which give consideration to the City's Guiding Principles (CC1.6 - Attachment 2);

- an evaluation of potential models and other policy options, including a comprehensive assessment of the potential risks, liabilities and implications; and

- the inclusion of a public consultation process which results in a meaningful exchange of concerns and/or opportunities raised in a transparent manner.

On February 12, 2019, a joint Terms of Reference between Toronto and Ontario was finalized that satisfies the conditions of Council identified in CC1.6 (see Attachment 1). In particular, the Terms of Reference outlines a process to evaluate a range of options. This includes options that do not contemplate a transfer of assets, but explore a realignment of responsibilities. In line with existing Council direction, City staff have begun engaging with the Province in accordance with the process described in the Terms of Reference.

This report responds to City Council's request for a report back in the first quarter of 2019, and includes details of the process (i.e. the Review), the range of options/models included in this Review, public consultation process, and identifies the required resources to complete the work.

This report was prepared in consultation with the Chief Executive Officer of the Toronto
Transit Commission.

**Background Information (Committee)**


**Background Information (City Council)**


**Communications (Committee)**


(March 19, 2019) E-mail from George Turner (EX.Supp.EX3.1.2)

(March 19, 2019) E-mail from Mark Cretu (EX.Supp.EX3.1.3)

(March 19, 2019) E-mail from Ian Collins (EX.Supp.EX3.1.4)


(March 20, 2019) E-mail from Hamish Wilson (EX.Supp.EX3.1.6)

(March 21, 2019) Submission from Helen Lee (EX.Supp.EX3.1.7)


(March 20, 2019) E-mail from Yvonne Pigott (EX.New.EX3.1.11)

(March 20, 2019) E-mail from Elizabeth Littlejohn (EX.New.EX3.1.12)

(March 21, 2019) Submission from John Cartwright, Toronto and York Region Labour Council (EX.New.EX3.1.13)

**Communications (City Council)**

(March 25, 2019) E-mail from Hamish Wilson (CC.Supp.EX3.1.14)

(March 26, 2019) Multiple Communications from 22 individuals, with the subject line: "Please Vote to Save Our Subway" (CC.New.EX3.1.15) ([http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-93009.pdf](http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-93009.pdf))

(March 27, 2019) Multiple Communications from 1,057 individuals, with the subject line: "Stand strong against Ford's subway takeover" (CC.New.EX3.1.16)
(March 27, 2019) E-mail from Frederick W. Harrison (CC.New.EX3.1.17)
(March 27, 2019) Petition from Councillor Josh Matlow, Ward 12, Toronto-St. Paul's, regarding "Save our Subway", containing the names of approximately 3,868 persons, filed during the Routine Matters portion of the meeting (CC.New)

**Speakers**
Patricia Burke Wood, CodeRedTO
John Cartwright, Toronto and York Region Labour Council
Carlos Santos, Amalgamated Transit Union, Local 113
John Sewell, Defend Toronto
Mosheh Herdsman
Hamish Wilson
Miguel Avila-Velarde
Mathura Karunanithy
Alan Kasperski
Adina Lebo, CARP Toronto
Patience Evbaghaaur
Helen Lee
Councillor Gord Perks
Councillor Shelley Carroll
Councillor Jim Karygiannis
Engagement with the Province on Toronto’s Transit System – Q1 2019 Status Report

Date: March 7, 2019
To: City Council
From: City Manager
Wards: All

SUMMARY

The Province of Ontario has proposed to "upload" the City's subway infrastructure. In December 2018, City Council considered item CC1.6 - Engagement with the Province on Toronto’s Transit System, and authorized the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission (TTC), to negotiate a joint Terms of Reference (ToR) to guide a discussion and information exchange process between the City and Province, subject to inclusion of the following:

- jointly agreed upon objectives which give consideration to the City's Guiding Principles (CC1.6 – Attachment 2);
- an evaluation of potential models and other policy options, including a comprehensive assessment of the potential risks, liabilities and implications; and
- the inclusion of a public consultation process which results in a meaningful exchange of concerns and/or opportunities raised in a transparent manner.

On February 12, 2019, a joint ToR between Toronto and Ontario was finalized that satisfies the conditions of Council identified in CC1.6 (see Attachment 1). In particular, the ToR outlines a process to evaluate a range of options. This includes options that do not contemplate a transfer of assets, but explore a realignment of responsibilities. In line with existing Council direction, City staff have begun engaging with the Province in accordance with the process described in the ToR.

This report responds to City Council's request for a report back in Q1 2019, and includes details of the process (i.e. the Review), the range of options/models included in this Review, public consultation process, and identifies the required resources to complete the work.

This report was prepared in consultation with the Chief Executive Officer of the TTC.
RECOMMENDATIONS

The City Manager recommends that:

1. City Council allocate $2,000,000 from the Capital Financing Reserve Fund XQ0011 to provide funding for additional staff and third-party advice and services required to support engagement with the Province, including one "Solicitor 3" FTE staff position ($134,395.81) on a one-year contract basis.

2. City Council direct the City Manager to seek full cost-recovery from the Province for third-party services, City / TTC staff-time, and any other resources employed arising from the City's participation in this engagement with the Province.

3. City Council authorize the City Manager to, at his discretion, release to the Province confidential information deemed within the scope of this Review and contained in confidential reports and attachments previously before Council and its Committees, subject to the Province entering into a confidentiality agreement for the release of the information and/or data.

4. City Council forward this report to the Toronto Transit Commission Board for its information.

FINANCIAL IMPACT

The City Manager will, within existing authority, retain third-party advice and support as required on matters such as provincial accounting requirements, valuation of assets, real-estate valuation, public consultation, management and research activities, and management and coordination services for the Expert Advisory Panel to be provided by the Institute on Municipal Finance and Governance. One "Solicitor 3" FTE staff position in Legal Services will also be hired on a one-year contract basis to provide legal support throughout the duration of this Review.

Total funding for activities and advice to support Stage 1 of the Review is currently estimated at $2.0 million and will be allocated from Capital Financing Reserve Fund XQ0011. The City will be seeking full cost recovery from the Province for its expenditures to engage in this Review, including the cost of temporarily re-assigned City and TTC staff to a dedicated internal project team to support the City in these discussions.

The City Manager will report back to City Council to request additional funding to support subsequent stages of this process, as required.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.
DECISION HISTORY

At its meeting of May 22, 2018, City Council considered MM41.36 *Keeping Toronto’s Transit in Toronto’s Hands*, which stated “that the City of Toronto should continue to own, operate and maintain the Toronto subway system and that transit within the City of Toronto should not be uploaded or otherwise transferred, in whole or in part, to the Province of Ontario”, and that transit within the City should remain publicly owned through the TTC.


At its meeting of December 13, 2018, City Council considered CC1.6 *Engagement with the Province on Toronto’s Transit System*, which reaffirmed its support for keeping the TTC in the City of Toronto, while authorizing the City Manager to negotiate a joint Terms of Reference for a discussion with the Province having regard to the City’s Guiding Principles, an evaluation of potential models and other policy options, and the inclusion of a meaningful public consultation process. Council further authorized the City Manager to engage in the discussion with the Province based upon the joint Terms of Reference, and requested the City Manager to report to Council in Q1 2019 with an update on the process.


ISSUE BACKGROUND

In May and December 2018, City Council passed resolutions stating a position that ownership of the Toronto Subway System should not transfer to the Province of Ontario. The subway system forms a critical part of an integrated and co-ordinated multi-modal network, with customers having access to seamless connections within the system. This integrated network serves approximately 530-million riders annually; approximately 85 percent of the Greater Toronto and Hamilton Region’s transit riders.

Through the provincial government’s election platform, the engagement of a Special Advisor to Cabinet (August 2018), public statements, and formal correspondence to the Mayor and City Manager, the Province has indicated a desire to “assume responsibility for subway infrastructure from the City, including the building and maintenance of new and existing subway lines” and to engage with the City in a discovery and information exchange process to that end.

In December 2018 City Council considered the report CC1.6, which provided authority to the City Manager and CEO TTC to negotiate a joint Terms of Reference with the Province. Subject to the completion of a joint ToR, the City Manager was authorized to
engage with the Province. This authority was subject to a ToR that addressed specific terms and conditions:

- “a jointly agreed upon set of objectives which give consideration to the City's following principles set out in Attachment 2—Guiding Principles”;
- “an evaluation of potential models and other policy options, including a comprehensive assessment of the potential risks, liabilities and implications, to achieve both the Province and City objectives; and
- “the inclusion of a public consultation process which results in a meaningful exchange of concerns and/or opportunities raised in transparent manner”.

The City Manager and CEO TTC have worked with the Province to develop a Terms of Reference that reflects the direction provided by Council, and that establishes how the two orders of government will engage in this matter. The City Manager and CEO TTC finalized the Terms of Reference on February 12, 2019 (Attachment 1 to this report), which includes the conditions set forward by Council.

Please see the section "Background" in Attachment 1 – Terms of Reference for full history on this issue.

COMMENTS

The Terms of Reference provides the framework for engaging in a discussion with the Province on alternative models and how to best align responsibilities for transit in Toronto. The ToR does not represent an agreement to implement any particular realignment option, including the province’s proposed "Upload" option.

1. Objectives and Principles

City Council directed the City Manager to ensure the parties establish a set of jointly agreed upon objectives, which give consideration to the City's Guiding Principles reflected in CC1.6 – Attachment 2.

The ToR outlines the following objectives for the joint review:

- The accelerated implementation of priority expansion projects;
- The integration of transit services across modes and agencies (e.g. TTC, Metrolinx, other 905 transit agencies);
- The modernization and enhancement of the existing subway system, while ensuring the system is maintained in a state of good repair;
- The continuity of safe, reliable service to all residents whom depend on it for mobility; and
- A long-term sustainable, predictable, funding model for the existing transit system and future transit needs.

The City's Guiding Principles are reflected in the Objectives & Principles in the ToR and will guide both the City and the Province throughout the overall review and engagement
process. The City's Guiding Principles will also be incorporated into the evaluation framework for assessing potential realignment options.

2. Evaluation of Options

City Council directed that the ToR should provide for an evaluation of a range of potential models and other policy options in addition to the Province's proposed "upload" model. The evaluation should also consider a comprehensive assessment of the potential risks, liabilities and implications to achieving both parties' objectives, as articulated above.

Over the next few months, the City and Province will jointly undertake a two-stage options definition, evaluation and refinement process. Stage 1 consists of defining and evaluating a finite set of options, including models that do and do not contemplate the transfer of assets. At the end of Stage 1, staff will report to Council with a recommendation on the options evaluated, and seek direction on the option(s) to proceed to Stage 2 of the evaluation.

A formal timeline for the evaluation is currently being developed in collaboration with the Province. Activities are expected to proceed rapidly, reflecting the desire of the Province to introduce legislation as early as Q2 2019.

Stage 1- Evaluation of Potential Options/Models

The ToR describes a joint evidence-based evaluation process through which a number of potential models for realigning transit responsibilities will be evaluated by the City/TTC and Province that will include:

1. The proposed "upload" model, in which the Province would assume ownership of, and responsibility for, subway infrastructure from the City, including the building and maintenance of new and existing subway lines, while the responsibility for day-to-day operations, including labour relations, remains with the City.
2. Other options that consider the potential transfer of asset ownership from the City to the Province (e.g., the Province assumes ownership of, and responsibility for, new transit expansion projects only, etc.).
3. Options that do not consider the transfer of assets, but include a realignment of responsibilities (e.g., the Province assumes responsibility for the delivery of new transit expansion projects, etc.).

The City/TTC and Province are currently in the process of defining the options to be jointly evaluated. The City has identified three option streams that address the joint
problem statement in the ToR. These streams are generally described below and will be proposed to the Province:

- **Stream 1 – Provincial Ownership of the Subway Network/ the "Upload":** The Province takes ownership of and responsibility for the subway network and all subway assets. The Province, as owner, assumes responsibility for funding and delivery of all new and planned capital projects, including maintenance. The TTC would continue to operate the full network, collect and retain fare box revenues, and set all operations policy.

- **Stream 2 – Provincial Ownership Role in Subway Expansion Only:** Options where the City/TTC maintain full ownership of the existing subway network. All subway transit expansion projects would be done as joint ventures between City/TTC and the Province, with a variety of potential ownership options including:
  - Province fully owns and delivers new subway lines, not including extensions to existing lines (i.e. Crosstown LRT model);
  - Joint ownership of all subway expansion components; and
  - Province fully owns all subway expansion components, including extensions to existing lines.

The TTC would continue to operate the full network, collect and retain fare box revenues, and set all operations policy.

- **Stream 3 – Realignment of Transit Responsibilities:** Options that would be defined by a broader realignment of transit responsibilities, including governance, funding, transit service integration, and transit expansion planning and project delivery. A realignment may or may not include changes to asset ownership. Options in this stream would include examination of dedicated transit funding tools and governance changes required to support integration and collaboration across the region.

The final list of options to be evaluated as part of this exercise will be jointly developed with the Province and give due consideration to all options that have the potential to meet the objectives and problem statement identified in the ToR.

Option definition will include, at a minimum, the scope and distribution of risks and liabilities under consideration, and an identification of both functional and funding roles and responsibilities (i.e. who does what and who pays for what).

Each option will be assessed against a joint evaluation framework, which will include the following (non-exhaustive) considerations:

- achievement of objectives;
- financial and operational implications;
- risks and impacts;
- feasibility/implementation considerations;
- governance implications; and
- other considerations (i.e., City's Guiding Principles).
The City’s Guiding Principles (CC1.6) will be foundational to the evaluation of the impacts, risks, and benefits under each option being evaluated. The evaluation process will include consideration of the potential customer/user and employee impacts, and define how input received though the public consultation process will be integrated.

Following the evaluation of options, City staff will report back to City Council on the results of Stage 1 analysis. The report will identify the option(s) to be carried forward to Stage 2, including the risks and benefits. This report back is anticipated for Q2 2019.

Stage 2- Design of End State

Subject to Council direction, Stage 2 of the exercise would be to undertake refinement of the option(s) carried forward. This stage would include defining the specific responsibilities of the parties to inform future governance decision-making and funding frameworks. The Province has indicated that a review of existing intergovernmental funding transfers for transit may be included as part of this process.

Stage 2 would also include further definition of the specific design characteristics of the end state to enable both parties to optimally fulfill their respective roles/functions and responsibilities. Measures to mitigate risks in the end state option will also be addressed. At the conclusion of Stage 2, a report back to respective governing bodies will be required that will discuss the next steps in the process and obtain the required municipal and provincial approvals prior to proceeding further.

3. Public Consultation

City Council requested the Terms of Reference to include a public consultation process which results in a meaningful exchange of concerns and/or opportunities associated with the scope of the review.

The Terms of Reference acknowledges “that meaningful public consultation is a required input to effective decision-making. To that end, during the process, the parties will conduct consultation with the public, including other key stakeholders.” The City will undertake public consultation throughout the duration of the Review and has developed a consultation plan to ensure meaningful input is obtained. City staff will work collaboratively with the Province to undertake joint consultation activities where appropriate.

The objectives of the public consultation to support Stage 1 of this review will be to:

- Establish with the public a baseline understanding of the Review, including the current state of transit responsibilities between the City and Province, options under assessment and evaluation framework, and timelines for the Review;
- Obtain public input and feedback on the options to inform the Review; and
- Obtain public input and feedback on the evaluation process to inform the Review. The City’s Guiding Principles (CC1.6) will be a key input into development of the proposed evaluation framework.

The public and key stakeholders will be engaged through a variety of methods to ensure the widest possible reach and inclusion of Toronto’s diverse communities. Methods will
include, but are not limited to public meetings, tele-town halls, webinars, pop-ups, and online engagement (surveys, website, etc.). Third party research services may also be retained to undertake public opinion polling to inform staff analysis. Dedicated pages on the City’s website (www.toronto.ca) will be launched shortly to keep the public informed.

The City will also establish an Expert Advisory Panel to obtain input and feedback on best practice in key areas. These areas include: transit operations and service delivery, public governance and finance, social impact analysis, land-use planning and transit oriented development, corporate finance, and labour relations. The City intends to engage the Institute on Municipal Finance and Governance (IMFG) at the University of Toronto for advice and support in establishing the Expert Advisory Panel. The Panel will be appointed by the City Manager, in consultation with the CEO TTC, and will report to the City Manager. The selection process for panel members will include consideration to ensuring balanced representation from Toronto’s diverse communities.

A summary of the public consultation activities that will be undertaken is provided in Table 1 below. The consultation plan and activities for subsequent stages of the Review will be included in future reports back.

Table 1: Summary of Engagement Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Description</th>
</tr>
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</table>
| Public Meetings                | • Four public meetings- one in each community council district  
• Open-house style meeting with presentation  
• Provide information and updates regarding the Review  
• Feedback will be collected on comment forms  
• Attendees will also be directed to online survey |
| Tele-Town Hall and Series of Webinars | • Call-in/Dial-out public meeting and staff webinars and Q&A sessions  
• Educate/promote awareness of the Review and answer questions  
• Easy way for people to tune-in from any location |
| Third Party Research           | • Third party research support to undertake statistically valid public opinion research  
• Methods to be employed by third party researcher may include online survey and other methods to be jointly determined |
<p>| Online Survey                  | • Online survey to be hosted on Toronto.ca webpage to collect public input and feedback |</p>
<table>
<thead>
<tr>
<th>Activities</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop-Ups</td>
<td>• A series of pop-up information booths in public spaces (e.g. markets, subway stations) to educate/promote awareness of the Review, potential changes, and direct public to other methods of engagement (e.g., online, public meetings, etc)</td>
</tr>
</tbody>
</table>
| Expert Advisory Panel | • Skills-based expert panel to obtain objective feedback and advice based on international best practice on range of areas  
|                     | • Appointed by the City Manager in consultation with CEO TTC                                                                                  |

4. Project Governance and Oversight

A joint project steering committee has been established with the Province with membership from both parties as described in the ToR. The steering committee meets on a bi-weekly basis, with technical sub-committees on topics such as the options assessment and opportunities to advance transit expansion projects meeting more frequently.

Information and Data Sharing

A shared inventory of records will be established to facilitate the process and establish common understanding of facts and data to support informed decision-making. The City received an initial information request from the Province in mid-February, and is in the process of evaluating and responding to this request. In late February, the City submitted its preliminary request for information from the Province, covering topics such as information or documentation relating to provincial definition of the TTC Subway Assets considered as part proposed "upload" scenario, any analysis completed to-date on benefits to be realized through “upload”, any analysis conducted on best practices related to delivering transit infrastructure, and clarity regarding intergovernmental funding programs in the context of this discussion.

Some of the documents requested by the Province include confidential reports and attachments previously before Council and its Committees. As Council approval is required to release such information, this report recommends that the City Manager be authorized to do so, subject to the Province entering into a confidentiality agreement for the release of the information and/or data.

Internal and External Resources

The City and TTC have established a dedicated team of staff with technical competencies required to support the City’s participation in the joint process with the Province. Technical expertise in intergovernmental relations, corporate finance, transit service planning, transit operations, city planning, real estate, and legal, are being assigned to ensure that the City’s key objectives and interests are protected throughout
this process. Staff are also recommending that a temporary lawyer position be added to
the 2019 Legal Services Operating Budget in order to ensure that a dedicated lawyer
can be provided to support these negotiations. This technical team and the Expert
Advisory Panel described above will provide advice to the City-TTC Executive Team.

Additionally, the City will be retaining third-party advice and services as necessary,
including on matters related to provincial accounting requirements, an independent
valuation of the subway assets and related real estate, public consultation, and
management and research support.

Summary

Establishment of the Joint Terms of Reference with the Province initiates a review of the
current alignment of roles and responsibilities in planning, funding and delivery of transit
services in the City of Toronto.

As detailed in this report, dedicated resources from across the City and TTC are being
assigned to ensure the City's interests and objectives as identified in the Guiding
Principles are reflected throughout this review. City staff will to continue to report back
to City Council as necessary, including at the conclusion of Stage 1 of this review.

CONTACT

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SIGNATURE

__________________
Chris Murray
City Manager

ATTACHMENTS

Attachment 1 – Province of Ontario-City of Toronto Realignment of Transit
Responsibilities Review – Terms of Reference
CONTEXT

The Province of Ontario (the “Province”), the City of Toronto (the “City”) and the Toronto Transit Commission (TTC), collectively, the parties (the “parties”), have maintained a longstanding partnership with respect to advancing public transit initiatives.

The parties acknowledge that the TTC subway system is an important component of an integrated transit network serving Toronto – which includes TTC surface transit (i.e., streetcar and bus services) and Wheel-Trans – as well as the Greater Toronto and Hamilton Area (GTHA) – which includes transit services provided by Metrolinx and other municipalities.

BACKGROUND

The provincial government’s election platform, titled, A Plan for the People, included a commitment to:

• “Assume responsibility for subway infrastructure from the City, including the building and maintenance of new and existing subway lines (the “upload”); and,
• Keep responsibility for day-to-day operations, including labour relations, with the City”.

The Province committed to developing a plan to upload components of the TTC subway system, which is intended to generate the following benefits to public transit riders and residents:

• “Expedited implementation of a greater number of priority regional transit projects, made possible by the Province’s ability to accelerate procurement, permitting and approvals, and to effectively undertake capital construction;
• An enhanced ability to plan a more efficient regional transit network across the GTHA, with improved connectivity achieved, for example, through fare and service integration; and,
• A greater fiscal flexibility to invest in and deliver additional transit projects, and to address essential deferred maintenance needs, which would be effected through amortized provincial capital expenditures on owned assets”.

City Council on May 22, 2018 passed a resolution (2018.MM41.36) stating a position that “the City of Toronto should continue to own, operate and maintain the Toronto subway system and that transit within the City of Toronto should not be uploaded or otherwise transferred, in whole or in part, to the Province of Ontario”.

1
On August 31, 2018 the Premier of Ontario appointed a “Special Advisor to Cabinet – Transit Upload” (the “Province's Special Advisor”) to help deliver on the Province’s commitment to assume responsibility for TTC subway infrastructure. The mandate for the Special Advisor is specified in the Special Advisor to Cabinet – Transit Upload and Transit Upload Advisory Panel: Terms of Reference document, which was posted to the Ministry of Transportation (MTO) website on November 28, 2018.

On November 15, 2018, the Province presented its 2018 Economic Outlook and Fiscal Review, which affirmed the commitment to develop a plan to upload responsibility for TTC subway infrastructure.

On November 29, 2018, the Minister of Transportation, in a letter to the Mayor of the City of Toronto:

- Requested the support of the City to engage in a discovery exercise with the Province, with the intent of reaching a joint understanding of: the fair valuation of the assets and liabilities encompassing the TTC subway system; the TTC’s current backlog of deferred maintenance on subway assets; and, the costs to operate the subways, disaggregated from the bus/streetcar network.
- Consistent with the intention of accelerating key subway projects in Toronto, proposed the participation of Infrastructure Ontario, with the existing work of the City, TTC and Metrolinx, in the Relief Line project to examine opportunities to advance design and delivery.

On December 13, 2018, Toronto City Council considered the report, CC1.6 Engagement with the Province on Toronto's Transit System. In doing so, City Council:

- Reaffirm its support for keeping ownership of the TTC with the City of Toronto and requested the Province to “demonstrate clearly and with evidence the goals they believe can only be achieved through a change in subway ownership”;
- Indicated interest in working with the Province to get the Relief Line subway built as a priority and as quickly as possible;
- Authorized the City Manager, in consultation with the Chief Executive Officer, TTC, to negotiate with the Province a Terms of Reference (“ToR”) in order to guide a discussion and information exchange process between the Province and City on the alignment of transit responsibilities. As directed by Council, the ToR would have regard to:
  - A set of mutually-agreed objectives, based upon a suite of principles, per the report CC1.6 (see Appendix A);
  - An “evaluation of potential models and other policy options, including a comprehensive assessment of the potential risks, liabilities and implications, to achieve both the Province and City objectives”; and,
  - The “inclusion of a public consultation process, which results in a meaningful exchange of concerns and/or opportunities raised in a transparent manner.”
- Conditional upon a joint ToR having been developed in accordance with Council direction and to the satisfaction of the City Manager, Council authorized the City Manager in consultation with the CEO, TTC to engage with the Province based upon the joint ToR.
• Directed the City Manager to retain a third party validator for the City to determine all asset values.

Following City Council direction in December, the parties began development of a Terms of Reference to reflect the direction of both the Province and City Council.

As such, this Terms of Reference ("ToR") document, prepared without prejudice, outlines the core elements that are proposed as forming the basis of the review and engagement process to be undertaken by the parties, effective February 8, 2019.

PROBLEM STATEMENT

The parties jointly recognize the need to pursue alternative approaches to the planning, funding, decision-making and delivery of transit in Toronto, and spanning the broader region as is the provincial interest. This approach would enable, to the maximum extent possible:

• The accelerated implementation of priority expansion projects;
• The integration of transit services across modes and agencies (e.g. TTC, Metrolinx, other 905 transit agencies);
• The modernization and enhancement of the existing subway system, while ensuring the system is maintained in a state of good repair;
• The continuity of safe, reliable service to all residents whom depend on it for mobility; and
• A long-term sustainable, predictable, funding model for the existing transit system and future transit needs.

OBJECTIVES & PRINCIPLES

Consistent with the direction received by the Province and City, the following objectives and principles (presented in no particular order) will guide the evidence-based review and engagement process in order to assess the potential realignment of transit responsibilities:

• **Good Governance**: A governance framework that: ensures transparency and accountability to the people of Toronto and the GTHA; reflects the importance of transit users within the region; and, is responsive to the needs of the communities that rely upon the transit network.

• **Safety & Reliability**: A safe and secure transit network, while ensuring the accessibility and connectivity of transit services in Toronto.

• **Efficient & Integrated System**: Greater efficiency – supported through key policy initiatives – in the planning, implementation and operation of transit, thereby enabling an integrated transit network that complements the City's planning objectives, and provides seamless connections between transit services.
• **Effective Decision-Making to Enable Delivery:** A more effective and clearer decision-making structure for transit projects and service delivery, which is evidence-based, and also allows for the advancement of priority expansion initiatives currently underway.

• **Financial Sustainability:** A long-term funding model that: provides stable, consistent funding for effective system planning and management; is fiscally prudent with due regard for the taxpayers of Toronto and Ontario; and, fairly divides financial obligations between the orders of government.

## OVERVIEW OF REVIEW & ENGAGEMENT PROCESS

The parties agree to undertake the following activities:

### Stage 1 – Evaluation of Potential Options/Models

- The parties will identify a finite number of options to be assessed, in order to evaluate the best approach to address the objectives and principles as defined in this ToR. The options will include:
  - The proposed “upload” model, in which the Province would assume ownership of, and responsibility for, subway infrastructure from the City, including the building and maintenance of new and existing subway lines, while the responsibility for day-to-day operations, including labour relations, remains with the City.
  - Other options that consider the potential transfer of asset ownership from the City to the Province (e.g., the Province assumes ownership of, and responsibility for, new transit expansion projects only, etc.).
  - Options that do not consider the transfer of assets, but include a realignment of responsibilities (e.g., the Province assumes responsibility for the delivery of new transit expansion projects, etc.).

- The Province recognizes that the City/TTC are undertaking multiple initiatives aimed at improving performance against shared objectives and commits to better understanding these in order to inform options.

- The options to be defined will include (non-exhaustive) the following:
  - The scope and distribution between the parties of the assets under consideration;
  - The scope and distribution between the parties of the liabilities under consideration;
  - Functional roles and responsibilities (e.g., with respect to planning, delivery, operations, maintenance, etc.); and,
  - Funding responsibilities (e.g., state of good repair costs, operating costs, maintenance costs, capital costs, etc.).

- The parties agree that the options will be evaluated based upon the following dimensions (non-exhaustive):
  - Achievement of objectives;
- Financial and operational implications;
- Risks and impacts;
- Feasibility/implementation;
- Governance implications; and,
- Other considerations (i.e., City’s Guiding Principles).

• In order to support the technical definition/details and the evaluation of the options the parties commit to an ongoing reciprocal sharing of data, information and documentation (see Appendix B).

• In addition, to facilitate the timely evaluation of options, the parties will draw upon previous analyses and studies conducted by the parties.

• The parties acknowledge that meaningful public consultation is a required input to effective decision-making. To that end, during the process, the parties will conduct consultation with the public, including other key stakeholders.

• The parties shall identify the options/end states to be carried forward into Stage 2 of the process, and report to respective governing bodies on the results of Stage 1 analysis.

Stage 2 – Design of End State

• Informed by Stage 1, the parties will further refine the potential realignment of responsibilities under the options/end states, including:
  - Specific responsibilities of the parties as to inform the future governance, decision-making and funding frameworks; and,
  - Specific design characteristics of the end state, which would enable the parties to optimally fulfill their respective responsibilities and roles/functions.

• Consideration will also be given to additional measures required to mitigate risks identified through the evaluation undertaken in Stage 1.

• Upon completion of this stage of the process, the parties will discuss next steps, subject to provincial and municipal report-backs and subsequent decision-making.

RULES OF ENGAGEMENT

The applicable principles and provisions of the Agreement on Cooperation and Consultation between the City of Toronto and the Province of Ontario (TOCCA), dated May 12, 2016, will guide the review and engagement process.

Building upon this foundation for collaboration, the parties further commit to the following:

• Principles-Based Discussion: The parties agree to an ongoing dialogue matched to the objectives and principles articulated in this ToR.
• **Partnership:** The parties shall, at all times, engage in good faith, without prejudice, and in a manner consistent with the authorities and mandates conferred by their respective orders of government. Outputs of this process are expected to inform final provincial and municipal decision-making.

• **Reciprocal Exchange of Information:** The parties will share – in a timely and transparent manner – all relevant and requested data, information and documentation, in order to support the broader consultation, within reasonable timeframes.

• **Transparency & Communications:** The parties shall mutually determine the requirements for public disclosure of information in the interest of ensuring transparency. In addition, the parties will plan and implement joint communications activities marking milestones associated with the ongoing process.

• **Confidentiality:** All persons designated by the parties to partake in the review and engagement process shall be deemed to be bound by the confidentiality obligations contained in TOCCA. Moreover, the public release of information shall be subject to the provisions of the *Freedom of Information and Protection of Privacy Act* and the *Municipal Freedom of Information and Protection of Privacy Act*, where applicable.

**COMPOSITION & STRUCTURE**

Collaboration amongst the parties will be structured in accordance with the following framework:

**Steering Committee**

The Steering Committee will enforce the mutually-consented principles, and will carry out the scope of work as outlined in this ToR document. The Steering Committee membership includes the following:

**Ontario**
- Province’s Special Advisor
- Deputy Minister, MTO
- Assistant Deputy Minister, MTO
- Executive Director, MTO

**Toronto**
- Special Advisor
- Executive Director, Corporate Finance
- Representative
- Representative

The Steering Committee will convene bi-weekly, and may meet more frequently, as required. Furthermore, the parties agree that:

• Meetings will alternate between Queen’s Park and City Hall locations;
• The agenda will be jointly agreed upon no later than three (3) business days before a meeting;
• Meeting organization, agenda setting and minute taking will alternate between MTO secretariat staff and City/TTC secretariat staff, depending upon the meeting location;
• An agenda forecast will be established and maintained; and,
• Meeting participation is limited to Steering Committee membership, unless there is agreement by all parties to include additional participants.
The Steering Committee may establish, as necessary, Technical Working Groups to carry out the review contemplated in this ToR.

- The Technical Working Groups will include representatives of each party, and may include additional representatives from Metrolinx and/or Infrastructure Ontario, as deemed appropriate by the Steering Committee; and,
- The purpose, membership and mandate of each Technical Working Group will be outlined as an addendum to this ToR document.

**Secretariat Support**
A dedicated team of MTO and City/TTC staff will be made available to the Steering Committee to undertake the following (non-exhaustive):

- General secretariat duties;
- Agenda setting and agenda forecast management;
- Issues management; and,
- Meeting organization and minute-taking.
Executed by the parties on the dates written below.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Name: Michael Lindsay
Title: Special Advisor to Cabinet – Transit Upload
Date of Signature:

CITY OF TORONTO

Name: Chris Murray
Title: City Manager
Date of Signature:

Name: Richard Leary
Title: Chief Executive Officer, TTC
Date of Signature:
APPENDIX A – CITY OF TORONTO’S GUIDING PRINCIPLES (CC1.6)

| Good Governance | • Accountability  
| • Responsiveness to Community  
| • Transparency |

| Policy & Operations | • Safety and Security of the System  
| • Preserving Mobility Options and a Seamless Journey  
| • Ensure Accessible Local Service  
| • Alignment of Infrastructure Investments with the City’s Planning Objectives  
| • Advance priority expansion projects underway |

| Funding | • Financial Sustainability of the transit system and the implications for the City as a whole  
| • Fair Allocation of Financial Obligations |
APPENDIX B – DISCOVERY EXERCISE/INFORMATION SHARING

In order to carry out the scope of work, the parties commit to the reciprocal sharing of data, information and documentation.

As an early action under the broader process, the Province will submit a data/documentation request to the City/TTC within five (5) business days of the execution of this ToR. In response, the City/TTC will make best efforts to make available information within fifteen (15) business days of receipt of the request.

Moreover, to support the discovery exercise, the parties agree:

- To generate a shared inventory of records that will be accessible by all parties;
- To determine the scope and inventory of the data, information and documentation to be shared between the parties;
- To make available – as assigned and in a timely and transparent manner – the data, information and/or documentation identified as part of the exercise;
- That the Province, through MTO, will manage and administer a virtual data room that will serve as a web-based repository/portal to facilitate the sharing of data, information and documentation; and,
- To work collaboratively to enable a common baseline/foundation of fact, which includes an objective accounting and technical assessment of the TTC subway network in order to establish a mutual understanding of:
  - the fair valuation of the assets and liabilities encompassing the TTC subway system;
  - the TTC’s current backlog of deferred maintenance on subway assets; and,
  - the costs to operate the subways, disaggregated from the bus/streetcar network.

In addition, the parties recognize that the following undertakings are key components of discovery:

- The TTC’s review of deferred maintenance on its subway system;
- MTO’s procurement – in consultation with the City/TTC – of an independent third party to undertake an open book financial and technical valuation of TTC subway assets, the condition/state of repair of these assets, and the associated liabilities; and,
- The City's valuation of TTC assets as directed by City Council.
Supplementary Report - Engagement with the Province on Toronto's Transit System - Q1 2019
Status Report

Date: March 26, 2019
To: City Council
From: City Manager
Wards: All

SUMMARY

This supplementary report responds to Executive Committee's request for the City Manager to report directly to the March 27 and 28 City Council Meeting with additional details regarding the public consultation plan. This report also provides an update on correspondence received by the Province on March 22nd and March 26th, with respect to transit expansion and ongoing discussions on roles and responsibilities under the Terms of Reference (ToR).

FINANCIAL IMPACT

The cost of resources and support for the consultation resulting from engaging with the Province on the Toronto Transit System, as outlined in the February 12, 2019 ToR, is estimated at $350,000. The budget is for Stage 1 of the Review and is included in the City Manager's recommendation to allocate $2 million from the Capital Financing Reserve Fund XQ0011 (See Recommendation #1, EX3.1).

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its March 21, 2019 meeting, Executive Committee requested the City Manager to report directly to City Council at its meeting on March 27 and 28, 2019 on the following:

- The date of the first consultation meeting and timetable for future consultations;
- A plan to advertise the consultations to the public to ensure maximum attendance and awareness;

Supplementary Report - Engagement with the Province on Toronto's Transit System
• The feasibility of providing updates through social media or emails to keep residents up to date on the issue; and
• The feasibility of including a meeting with stakeholders in the consultation plan.

Report Link:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX3.1

COMMENTS

Status of Discussions with the Province

The City and TTC held a technical briefing with provincial officials from the Ministry of Transportation, Infrastructure Ontario and Metrolinx on March 8, 2019 in which the City and TTC provided a comprehensive overview of the transit expansion program. The purpose of the briefing was to ensure senior provincial staff were informed on the current status of projects. The scope of the briefing provided the following:

• An overview of Line 1 capacity and TTC State of Good Repair requirements. This work is foundational to address safety concerns and growth on the network.
• The Relief Line and Bloor-Yonge Station Improvement projects were highlighted; both projects are required to help address Line 1 capacity.
• Update on projects that are ready to proceed to procurement and construction—the Line 2 East Extension (L2EE) and SmartTrack Stations Program;
• Update on projects currently in planning and early design phases – Eglinton East LRT extension, Waterfront Transit Network, and the Eglinton West LRT extension (Toronto Segment).

During the briefing, the City and TTC also advised that information presented was in the process of being updated as part of a report to City Council and the TTC Board.

On March 22, 2019, the City Manager received a letter from the Province's Special Advisor to Cabinet - Transit Upload and the Deputy Minister of Transportation. This letter is included as Attachment 1. The letter outlines the Province's interests in specific transit expansion projects, which are identified as Provincial priorities (i.e. Line 2 East Extension, Relief Line South, Eglinton West LRT, and Yonge Subway Extension). The letter describes the Province's interest in assuming responsibility for planning, design and delivery of the four projects, and outlines potential changes in scope. The Province's letter also referenced the March 8th technical briefing and included statements which did not accurately reflect the content and discussion of the briefing (e.g. cost estimates for Line 2 East Extension and Relief Line South).

On March 25, 2019, the Steering Committee as described under the ToR, met and discussed the Province's March 22nd letter. The City and Province had a productive discussion and clarified where the Province misunderstood information presented in the March 8th technical briefing on transit expansion projects. The Province also confirmed a commitment to the process outlined in the ToR to review the alignment of transit responsibilities between the parties.

Supplementary Report - Engagement with the Province on Toronto's Transit System
A second letter from the Province was received on March 26th. The Province confirmed in the letter an interest to continue discussions "on an accelerated basis, with respect to how transit responsibilities for the priority expansion projects may be distributed between the orders of government." The Province confirmed that statements in the March 22nd letter, reflect the Province's "sense of urgency, but should not be taken as being suggestive of changes to the process under the ToR."

The letters are being presented to City Council for information. The City has an interest in continuing to advance transit expansion in Toronto, and establishing a constructive dialogue with the Province to advance priority projects. The process outlined under the ToR will be utilized to continue to inform the Province on the City's interests and priorities.

A full update on the transit expansion program will be presented to the April 9th meeting of Executive Committee and April 11th meeting of the TTC Board.

**Public Consultation Plan**

As described in EX3.1, a public consultation plan has been developed to ensure meaningful public input into Stage 1 of the Review as described in the joint ToR. City staff have developed this plan in consultation with the TTC and are currently in discussions with the Province regarding their participation in the consultation process.

A variety of consultation methods will be used throughout this review, including third party research, a series of public meetings, tele-town halls, webinars, pop-up events at subway stations, an online survey, and an Expert Advisory Panel. The Expert Advisory Panel will include representation of a diversity of perspectives across key stakeholders, including the transit-user and labour relations perspectives. In addition to these methods, it is feasible to hold an additional meeting to engage other stakeholders in the consultation plan. City staff, in consultation with TTC, will explore opportunities to include additional stakeholder perspectives that aren't captured in the Expert Panel.

The first consultation meeting is being planned for May, subject to the status of the technical work on options development, analysis, and evaluation. The information produced as part of the ongoing work on options analysis is an input to the public consultation process. The public will be informed of the timing of public meetings well in advance of the first meeting. At least one meeting will be held in each community council area.

Third party public consultation expertise has been retained to ensure the consultation is meaningful and robust. A comprehensive communications and promotions strategy will ensure maximum public awareness to encourage attendance and participation in the consultation. The communications plan will include, but is not limited to print, digital, and social media. It will also include outreach to multilingual audiences.

The Strategic Communications Division will provide regular updates through a variety of channels including media relations, social media and the City’s website, to keep...
residents up-to-date on the issue. In addition, an internal communications strategy will provide information to 311, members of Council, City staff and agencies, as required.

Public consultation will continue throughout the Review, with additional consultation activities for Stage 2 of the Review, and any subsequent phases to be established and undertaken as the review progresses.

CONTACT

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Karen Thorburn, Project Director, Corporate Initiatives, Strategic & Corporate Policy
Email: Karen.Thorburn@toronto.ca, Tel: 416-392-2720

SIGNATURE

Chris Murray
City Manager

ATTACHMENTS

Attachment 1 - March 22, 2019 letter from Special Advisor to Cabinet - Transit Upload and Deputy Minister of Transportation
Attachment 2 - March 26, 2019 letter from Special Advisor to Cabinet - Transit Upload and Deputy Minister of Transportation
March 22, 2019

Chris Murray
City Manager
City of Toronto
11th Floor, East Tower, City Hall
100 Queen Street West
Toronto, ON
M5H 2N2

Dear Mr. Murray and Mr. Leary:

Our sincere thanks for hosting the workshop on March 8, 2019, which allowed provincial and municipal officials to discuss the current status of priority expansion transit projects in Toronto.

This workshop, and the spirit of collaboration embraced by all participants, was eminently consistent with the joint Terms of Reference (ToR), signed on February 12, related to the "Ontario-Toronto Realignment of Transit Responsibilities Review."

It was, amongst other things, an excellent example of the importance of the timely exchange of relevant data, and a demonstration that both levels of government are committed to a thoughtful exploration of how to achieve our shared objectives.

In addition, it served to further confirm that the province and city are jointly committed, as a top priority, to discussions concerning the distribution of responsibilities for expansion projects, while, at the same time, we pursue the mutually-agreed discovery exercise concerning the value and condition of the existing subway network. This dual focus – that is, on advancing new subway projects and collectively undertaking due diligence on the TTC’s current subway system – aligns with both the review process outlined in the ToR and the province’s commitment to the upload initiative.

While the workshop was productive, it is evident that we are not aligned on key issues related to the design/delivery of priority expansion projects. It is also clear that this lack of alignment is likely to persist until responsibility for the design/delivery of these projects is transferred to the province.

We would note the following incongruencies between the province and the city/TTC with respect to the design and delivery of priority projects:

1. **Scarborough Subway Extension:** To replace the existing Scarborough Rapid Transit line, City Council has approved, and design is progressing, on a one-stop subway extension of Line 2 (i.e., the Bloor-Danforth Line), terminating at Scarborough Town Centre. However, the province is committed to a three-stop extension of Line 2, with the same terminus point.

2. **Eglinton West Extension:** The city/TTC has identified a preferred concept for a surface extension of the Eglinton Crosstown light rail transit (LRT) line, running westward. However, the province proposes that a significant portion of this extension be subterranean, which has not been considered in a material way as part of the current design.
3. **Relief Line South:** Planning work undertaken by the TTC contemplates utilizing existing technology and traditional delivery methods. It also does not establish the Relief Line as a project that is "free-standing" from Line 2. The province would propose alternate delivery methods and an approach that would create such a free-standing project, which would enable the procurement of a truly unique transit artery spanning the city that is not beholden to the requirements of the technologically-outdated Line 2.

4. **Yonge Subway Extension:** The province believes that planning and design work for this critical extension should progress in-parallel with design work related to the Relief Line, so that the in-service date for the extension is fast-tracked to the greatest extent possible.

We acknowledge that the province and city must work together in order to achieve our joint intention of accelerating the implementation of priority transit projects. The provincial will to do so is strong. To this end, the province is actively considering significant financial commitments towards these critical expansion projects.

With major financial commitments by the Government of Ontario will come the expectation that the province will have a leadership role in the planning, design, and delivery of these projects. The province has proven expertise and capabilities when it comes to building transit infrastructure, as well as unique abilities to expedite planning and construction through various legislative and regulatory mechanisms.

As we continue our discussions under the ToR regarding the distribution of responsibilities for priority expansion projects, we request that the city/TTC provide all updated cost projections related to the Relief Line South and Scarborough Subway Extension, including all relevant supporting materials. Per our meeting on March 8, we were informed that the city’s preliminary cost estimates for both the Relief Line South and the Scarborough Subway Extension have significantly increased to nearly double or greater than the figures released publicly. It is obviously critical that we understand the updated cost estimates of these projects as soon as possible.

Finally, appreciating that, over the next several weeks, you will be delivering a series of report-backs to City Council related to our engagement under the ToR, please advise as to how we could support you in doing so. We would certainly welcome the opportunity to jointly communicate to our respective decision-makers the collective progress we have made, including in terms of reviewing responsibilities for the priority expansion projects.

We look forward to continuing our constructive dialogue.

Sincerely,

Michael Lindsay  
Special Advisor to Cabinet – Transit Upload

Shelley Tapp  
Deputy Minister of Transportation
March 26, 2019

Chris Murray
City Manager
City of Toronto
11th Floor, East Tower, City Hall
100 Queen Street West
Toronto, ON
M5H 2N2

Rick Leary
Chief Executive Officer
Toronto Transit Commission (TTC)
TTC Head Office
1900 Yonge Street
Toronto, ON
M4S 1Z2

Dear Mr. Murray and Mr. Leary:

We appreciated yesterday’s productive Steering Committee meeting. Pursuant to the meeting, we wanted to follow-up to clarify specific references in our letter to you, dated March 22, 2019.

- First, as an overarching comment, and as was mentioned during yesterday’s meeting, the purpose of our letter was to provide clear statements of provincial intent vis-à-vis our priority transit expansion projects. We understood that it was our shared opinion that such statements were helpful in constructively advancing the dialogue under the joint Terms of Reference (ToR) for the "Ontario-Toronto Realignment of Transit Responsibilities Review."

- We are seeking to continue our discussions with you, on an accelerated basis, with respect to how transit responsibilities for the priority expansion projects may be distributed between the orders of government. We have, we believe, collectively recognized that these conversations must proceed apace, in order that we might get on with delivering much-needed transit infrastructure in Toronto. Our statements in the letter of March 22, 2019 reflect our sense of urgency, but should not be taken as being suggestive of changes to the process agreed under the ToR.

- Notwithstanding the above, we would reiterate that, with major financial commitments by the Government of Ontario will come the expectation that the province will have a leadership role in the planning, design, and delivery of these projects.

- We believe the next step in the process is for provincial officials to provide further details regarding the province’s preferred approach to designing and implementing our priority transit expansion projects. To that end, we would suggest convening a meeting with senior city/TTC staff during the week of April 1, 2019. Before we do so, we require your assurance, given the associated commercial sensitivities, that this information will be protected under the confidentiality provisions of the Toronto-Ontario Cooperation and Consultation Agreement (TOCCA), consistent with the ToR.

- We acknowledge, in light of the helpful clarification you provided at our Steering Committee meeting, that the city’s/TTC’s revised project cost estimates for the Relief Line South and Scarborough Subway Extension projects represent estimates in anticipation of formal work that will reflect greater specificity in design. We accept that the actual budget figures remain to be determined, and we appreciate that the city/TTC is committed to providing to the province the revised cost estimates for these projects, which will serve as key inputs to inform our joint discussions related to potential funding.
Finally, in terms of the rundown of priority project design/delivery incongruencies outlined in our letter, we wanted to highlight the following:

- With respect to the Scarborough Subway Extension, we recognize that the city/TTC and province share the intention for a station to be located at Scarborough Centre. However, under the province's preferred three-stop extension of Line 2, the project would proceed northward from the station at Scarborough Centre.
- With respect to the Eglinton West Extension, we recognize that tunnelling options for the project have been considered as part of previous assessment, but that these options are not preferred by the city/TTC.
- With respect to the Relief Line South, we recognize that the city/TTC is contemplating a different technology for the project than that currently deployed for Line 2.

We trust that the above provides further clarity, consistent with the conversation during our meeting on March 25, 2019. We look forward to confirming with you our collective next steps, and to continuing the productive dialogue.

Sincerely,

Michael Lindsay
Special Advisor to Cabinet – Transit Upload

Shelley Tapp
Deputy Minister of Transportation
April 2, 2019

Mr. Rick Leary
Chief Executive Officer
Toronto Transit Commission
1900 Yonge Street
Toronto, Ontario
M4S 1Z2

Dear Mr. Leary:

Subject: Executive Committee Item 3.12
Save Our Subway - Ensuring Torontonians Know the Facts (Ward All)

City Council on March 27 and 28, 2019, considered this Item, and a copy is attached for your information or appropriate action.

Yours truly,

for City Clerk

M. Toft/sb

Attachment

c. City Manager
Executive Committee

Report Item

EX3.12 Amended Ward: All

Save Our Subway - Ensuring Torontonians Know the Facts

City Council Decision
City Council on March 27 and 28, 2019, adopted the following:

1. City Council request the City Manager, in consultation with the Chief Executive Officer, Toronto Transit Commission, to create and implement a public information campaign regarding City Council’s position on a transit upload, affirmed by City Council in Item CC1.6 at its meeting on December 4, 5, and 13, 2018, the importance of the public's engagement in the public consultations on the upload, and the objectives of the following Terms of Reference for the upload:

   a. the accelerated implementation of priority expansion projects;

   b. the integration of transit services across modes and agencies, such as the Toronto Transit Commission, Metrolinx, and other suburban (905) transit agencies;

   c. the modernization and enhancement of the existing subway system, while ensuring the system is maintained in a state of good repair;

   d. the continuity of safe, reliable service to all residents who depend on it for mobility; and

   e. a long-term sustainable, predictable, funding model for the existing transit system and future transit needs.

2. City Council direct the City Manager to use multiple channels to inform the public about the information campaign including, but not limited to:

   a. advertisements on Toronto Transit Commission vehicles, stations, and shelters; and

   b. public messages in Toronto Transit Commission stations.

City Council Decision Advice and Other Information
City Council considered Items EX3.1 and EX3.12 together.

Committee Recommendations
The Executive Committee forwards the item to City Council without recommendations.

City Council Decision Advice and Other Information
The Executive Committee considered Items EX3.1 and EX3.12 together.

**Origin**

(February 27, 2019) Member Motion from Councillor Josh Matlow, seconded by Councillor Joe Cressy

**Summary**

City Council on February 26, 2019, referred Motion MM3.10 to the Executive Committee.

At its meeting of December 4, 5 and 13, 2018, City Council reaffirmed its position that the Toronto Transit Commission should stay in Toronto's hands. It did not specifically speak to the question of separating the subway from its surface route feeder lines. As outlined in the subway upload Terms of Reference, negotiations with the Province regarding the future of our transit system is being done at a staff-to-staff level, with little opportunity for public involvement. This risks leaving Toronto residents in the dark about its most important asset.

While staff-led negotiations continue, Premier Doug Ford's government has already begun efforts to frame the narrative, claiming that they are taking Toronto's subway in order get new transit built. Every day we see public statements from Provincial Cabinet Ministers and Members of Provincial Parliament outlining their rationale for uploading Toronto's subway system.

The City of Toronto must also articulate the risks of a potential upload.

Torontonians deserve to know the truth - that nothing is actually stopping the Province from building transit in Toronto right now. Uploading the existing subway does not affect the Ford government's ability to construct and own new lines or extensions. In fact, the Province is currently building, and will own, the Eglinton Crosstown.

The public should be aware that because the Province of Ontario contributes less, per transit rider, to the Toronto Transit Commission than any other state/regional government in North America or Europe, they have had to pay a larger share, through the fare box, than in any other comparable system.

Torontonians should also know that with Toronto's subway, the Province would gain control of lucrative air rights above stations and adjacent properties, owned and paid for by Torontonians.

"The better way" would be for the Toronto Transit Commission to utilize these public assets to invest in fact-based transit plans and work with City planners and communities to build much-needed public amenities for Toronto residents, including affordable housing, childcare, and recreation space; and, to have a partner in Queen's Park that invests in Toronto, rather than one that sells the value of our subway to spend elsewhere.

The Toronto Transit Commission is a complex network involving four rapid transit lines, 570 bus routes, 10 streetcar routes, and 570 million annual riders. It is an integrated network and Torontonians deserve to know what the implications would be if one of the components were removed from City ownership and control.

It would be preferable for every order of government to work cooperatively to improve transit for residents. In response to a unilateral announcement and messaging campaign by Premier Ford's government about its intention to upload Toronto's subway (along with its land and air rights), it is necessary to provide the public with factual information about the consequences of
such a move.

**Background Information (Committee)**

(February 27, 2019) Member Motion from Councillor Josh Matlow, seconded by Councillor Joe Cressy on Save Our Subway - Ensuring Torontonians Know the Facts

(http://www.toronto.ca/legdocs/mmis/2019/ex/bgrd/backgroundfile-130284.pdf)

**Communications (Committee)**

(March 21, 2019) Multiple Communications from 4,165 individuals, with the subject line: "Stand strong against Ford's subway takeover [EX3.1 and 3.12]" (EX.Supp.EX3.12.1)

(http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-92347.pdf)

(March 14, 2019) Letter from Carolyn Johnson and Angelo Bertolas, York Quay Neighbourhood Association (EX.Supp.EX3.12.2)

(http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-92347.pdf)

(March 19, 2019) E-mail from Yvonne Buckingham (EX.Supp.EX3.12.3)

(March 19, 2019) Letter from John Sewell and Barbara Hall (EX.Supp.EX3.12.4)

(March 19, 2019) E-mail from Lyn Cummins (EX.Supp.EX3.12.5)

(March 19, 2019) E-mail from Mark Cretu (EX.Supp.EX3.12.6)

(March 19, 2019) E-mail from Ian Collins (EX.Supp.EX3.12.7)

(March 21, 2019) Multiple Communications from 374 individuals, with the subject line: "Please Vote to Save Our Subway [EX3.1 and 3.12]" (EX.Supp.EX3.12.8)

(http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-92510.pdf)

(March 19, 2019) E-mail from Jini Stolk (EX.Supp.EX3.12.9)


(http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-92536.pdf)

(March 20, 2019) E-mail from Hamish Wilson (EX.Supp.EX3.12.11)

(March 20, 2019) E-mail from Lesley Monette (EX.Supp.EX3.12.12)

(March 20, 2019) Letter from Hana Syed, Scarborough Campus Students' Union, University of Toronto Scarborough (EX.New.EX3.12.13)

(http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-92571.pdf)

(March 20, 2019) E-mail from Yvonne Pigott (EX.New.EX3.12.14)

(http://www.toronto.ca/legdocs/mmis/2019/ex/comm/communicationfile-92572.pdf)

(March 20, 2019) E-mail from Elizabeth Littlejohn (EX.New.EX3.12.15)

(March 21, 2019) Submission from John Cartwright, Toronto and York Region Labour Council (EX.New.EX3.12.16)

(March 21, 2019) E-mail from Susan Atkins (EX.Sup.EX3.12.17)

**Communications (City Council)**

(March 25, 2019) E-mail from Hamish Wilson (CC.Supp.EX3.12.18)

(March 26, 2019) Multiple Communications from 22 individuals, with the subject line: "Please Vote to Save Our Subway" (CC.New.EX3.12.19)

(http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-93008.pdf)

(March 27, 2019) Multiple Communications from 1,057 individuals, with the subject line: "Stand strong against Ford's subway takeover" (CC.New.EX3.12.20)

(http://www.toronto.ca/legdocs/mmis/2019/cc/comm/communicationfile-93012.pdf)

(March 27, 2019) E-mail from Frederick W. Harrison (CC.New.EX3.12.21)

(March 27, 2019) Petition from Councillor Josh Matlow, Ward 12, Toronto-St. Paul's, regarding "Save our Subway", containing the names of approximately 3,868 persons, filed during the Routine Matters portion of the meeting (CC.New)

**Speakers**
Patricia Burke Wood, CodeRedTO
John Cartwright, Toronto and York Region Labour Council
Carlos Santos, Amalgamated Transit Union, Local 113
John Sewell, Defend Toronto
Mosheh Herdsman
Hamish Wilson
Miguel Avila-Velarde
Mathura Karunanithy
Alan Kasperski
Adina Lebo, CARP Toronto
Patience Evbaghaur
Helen Lee
Councillor Gord Perks
Councillor Shelley Carroll
Councillor Jim Karygiannis