

Delivering More:

A Market Driven Strategy to Delivering Transit Infrastructure

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OBJECTIVE

To adopt a Transit Oriented Development (TOD) Market Driven Strategy for the implementation of transit infrastructure that leverages the value of Metrolinx's transit network, service and real estate portfolio.

This strategy is driven by local real estate market conditions and/or the local need for additional transit. The 2041 Regional Transportation Plan supports TOD as Mobility Hubs, achieved through public and private collaboration, as a vital opportunity to maximize transit investment.

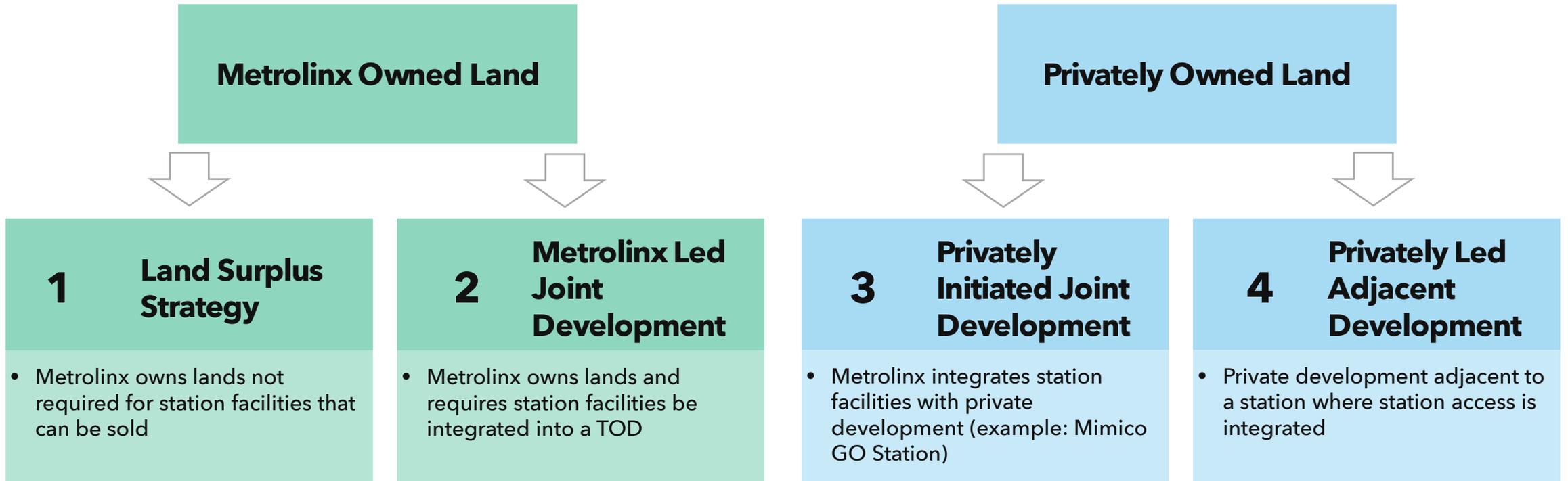
Recommendation:

THAT the Board direct staff to:

- Advance a TOD Market Driven Strategy for transit infrastructure, as set out in this December 6th 2018, presentation prepared by the Chief Planning & Development Officer,
- Develop a comprehensive implementation plan for this strategy, including a process for engaging third party delivery of transit infrastructure
- Direct the Metrolinx President & CEO, to undertake the necessary third-party negotiations, needed to advance this TOD Market Driven Strategy
- Report back regularly on progress

TRANSIT ORIENTED DEVELOPMENT (TOD)

Transit Oriented Development (TOD) is higher density, mixed-use development that is connected, next to or within a short walk of transit stations & stops, and is designed to encourage transit use.



OPPORTUNITY

What?

- Leverage third party investment to reduce the funding required from the Province for transit expansion
- Leverage existing real estate assets to increase ridership and revenue
- Enhance the GO customer experience through dense, mixed-use, integrated development at GO stations

Why?

- The Region is experiencing incredible growth that is projected to continue through 2041, placing an increasing value on and need for transit expansion
- The Province is undertaking significant transit expansion initiatives to address the demand for transit
- Metrolinx has identified the opportunity to both maximize the Province's investment in transit infrastructure as well as work with Third Parties to continue to expand transit even further

OPPORTUNITY

How?

- Metrolinx will partner with Third Parties (e.g. municipalities, land developers, etc.) to deliver new or improved transit infrastructure wherein Third Parties will fund the design and construction of infrastructure, and Metrolinx will operate it.
 - Metrolinx requirements will still be met for service, design, construction, consultation, etc.
 - Third Parties will coordinate project design, timing and integration with private development, if applicable, subject to the above

BENEFITS MANAGEMENT

Shifting to a **Market Driven Strategy** for the delivery of transit infrastructure has implications to the broader network. New transit infrastructure must still follow Metrolinx's stage-gate process with appropriate business cases.



POLICY & PRACTICE

By shifting our approach to a **Market Driven Strategy** Metrolinx will need to strike a balance between providing public information and maintaining a strong commercial negotiating position, to ensure best value for the Province.

Metrolinx is developing principles, policy and a governance framework that supports the strategy to ensure this balance is achieved.

STRATEGY RISKS

A **Market Driven Strategy** is accompanied by potential risks including but not limited to:

- Project Delivery Timing
- Real Estate Market Conditions
- Stakeholder, Public & Community Expectations

Metrolinx will work closely with external stakeholders to mitigate risks throughout the strategy implementation.

NEXT STEPS

Provided the Board of Directors endorses a Market Driven Strategy, the next steps to implement the strategy will include:

- Development of an in-take process for reviewing and assessing Third Party opportunities to fund and construct Metrolinx transit infrastructure (Q4 2018 to Q1 2019)
- Development of principles, policy and a governance framework that supports a Market Driven Strategy (Q4 2018 to Q1 2019)
- Outreach to Third Parties to test interest in this new strategy (Q1 2019 to Q2 2019)

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