

**MANAGEMENT REPORT TO METROLINX**

<b>Report Title:</b>	Investment Strategy Workplan				
<b>Report Number:</b>	SII 08-001	<b>Date to Board:</b>	Jan 25, 2008	<b>Date to Committee:</b>	N/A
<b>Report To:</b>	<input checked="" type="checkbox"/> BOARD		<input type="checkbox"/> ADVISORY COMMITTEE <input type="checkbox"/> AUDIT COMMITTEE <input type="checkbox"/> GOVERNANCE COMMITTEE <input type="checkbox"/> HUMAN RESOURCES COMMITTEE <input type="checkbox"/> TECHNICAL ADVISORY GROUP <input type="checkbox"/> OTHER:		
<b>Report Referred From:</b>	N/A				
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<b>Item Class:</b>	IN CAMERA	<input type="checkbox"/>	DECISION	<input checked="" type="checkbox"/>	INFORMATION <input type="checkbox"/>

**1.0 RECOMMENDATION:**

*BE IT RESOLVED:*

**THAT** the Metrolinx Board approve the Transportation Investment Strategy workplan outlined in this staff report, including the proposed:

- a) Vision principles for the Investment Strategy;
- b) Strategy scope and key workplan components;
- c) Linkages to the Regional Transportation Plan (RTP) process and other key concurrent aspects of the Metrolinx workplan;
- d) Public and stakeholder consultation strategy; and
- e) Expert consultant engagement strategy,

**THAT** the Board use the RTP Advisory Committee and Multi-Disciplinary Expert Review Panel (MERP) to act as additional sources of advice to the Metrolinx Board and staff in developing the Investment Strategy; and,

**THAT** staff report back to the Board with:

- a) Regular status updates on the progress of the Investment Strategy workplan, including an interim draft report in summer 2008;
- b) Investment Strategy final options and recommendations in fall 2008, coordinated with the release of the final RTP; and
- c) A workplan to deliver the results of the Investment Strategy to the governments of Ontario and Canada, as input to their respective pre-budget consultations and policy development on a sustainable funding framework for regional transportation authorities.

## **2.0 PURPOSE & EXECUTIVE SUMMARY:**

Section 6(2)(k) of the *Greater Toronto Transportation Act (GTTA), 2006* mandates the Corporation to develop a Transportation Investment Strategy and rolling five-year capital plan for the Greater Toronto and Hamilton Area (GTHA).

The purpose of this staff report is to set out, for Board review and approval, a proposed workplan to develop the Investment Strategy, including:

- A set of vision principles to guide Strategy development, centred on the themes of dedicated, long-term, stable and transparent financing, sustained by the users and beneficiaries of our transportation system, as well as continued funding from all three orders of government;
- The scope of the Strategy, including a sustainable financing plan to implement the RTP as well as the continuous life-cycle demands for transportation capital expansion, optimization and renewal, and operations across our metropolitan region;
- Supporting policy and discussion papers to promote wide-ranging dialogue and input on key investment challenges and opportunities in transportation, including road value pricing, and accounting for the true costs of the economic, environmental and social impacts of transportation;
- Coordination and integration between the Investment Strategy and other Metrolinx workplans including the RTP process, MoveOntario 2020, Alternative Financing and Procurement (AFP), National Transit Strategy and Project Prioritization Framework;
- The importance of consultation outreach to the public, stakeholders and experts on the key transportation investment challenges, options and opportunities facing our region
- Requirement for external consultant resources to perform the independent technical research and analysis associated with Investment Strategy development;
- Critical path timelines to ensure completion of the final Investment Strategy for Board consideration in fall 2008, immediately following Board approval of the final RTP;

- A transition plan to operationalize the approved Investment Strategy into Metrolinx's first annual and rolling five-year capital plans, effective fiscal year 2009-10 and aligned with the start of the provincial budget planning cycle.

### **3.0 BACKGROUND:**

#### **Capital Planning and Investment Framework**

At its October 26, 2007 meeting, the Board received and approved a staff report that placed the Investment Strategy workplan in the larger framework context of transitioning Metrolinx from the initial, pragmatic focus on "Quick-Win" project implementation to a more rigorous and regularized capital planning process. The framework depicted:

- The first and second tranche Quick-Win investments that, if approved, would create a robust almost \$1.0 billion two to five-year capital program for Metrolinx;
- Evidence that Metrolinx could work effectively with municipal, transit agency and provincial government partners and proceed with early tangible implementation initiatives – while the extensive technical analysis, due diligence and consultation outreach demanded by the RTP and Investment Strategy processes continued on parallel tracks;
- A head start on the transit AFP evaluation workplan, to demonstrate early progress in advancing the government's \$17.5 billion MoveOntario 2020 vision, in coordination with the over-arching RTP and Investment Strategy workplans (this action has the added advantage of beginning to meet the requirements of the governments of Ontario and Canada to evaluate the potential for AFP);
- A shared Project Prioritization Framework deployed by the both the RTP and Investment Strategy workplan streams to ensure consistency in developing the future Metrolinx capital program and implementation sequencing;
- The Investment Strategy and RTP development processes working closely in parallel, supported by multiple coordination inter-linkages, throughout calendar year 2008 – both tracking for a fall 2008 completion and leading into the 2009-10 and beyond provincial capital planning cycle.

#### **Metrolinx Corporate Strategic Plan**

Building on the legislative mandate prescribed by the *GTTA Act*, the Metrolinx Board developed and approved a Corporate Strategic Plan in October 2006 that highlighted the imperative of linking the RTP and the metropolitan region's transportation system to a model for sustainable funding and accountability.

The strategic directions identified by the Board included:

- Innovative funding models to address capital development *and* operations of the future transportation system;
- Consideration of a wide range of funding alternatives;
- A role for the private sector, development charges and federal government support in funding the transportation system;

The Corporate Strategic Plan took a first step at linking funding roles with responsibilities and accountabilities, establishing Metrolinx as the leadership organization for:

- Acting as the provincial government's authority for funding transportation system investments in the region;
- Ensuring that investment decisions meet the objectives of the RTP;
- Clarifying the roles and responsibilities between Metrolinx and our partners such as GTHA municipalities and their transit agencies, GO Transit and the Ministry of Transportation and Infrastructure Ontario; and
- Developing performance, accountability and reporting criteria for transportation projects and operations funded through Metrolinx.

#### **4.0 DISCUSSION:**

##### **Vision Principles**

The Investment Strategy should adopt the same three Metrolinx foundation pillars that underpin the RTP: Economy, Environment and People.

This “multiple-account” or “triple bottom-line” approach should help ensure that the Strategy is not purely driven by transportation business and financial case rationale, but should also embrace a holistic framework that allows investment decision-making to be shaped by a broader range of public policy objectives.

The draft starting vision principles to guide the Investment Strategy towards the Metrolinx vision for an integrated, multi-modal and sustainable transportation system in the GTHA could include:

- Over the next two years, the three orders of government should agree to establish a sustainable financing system to implement the long-term transportation network expansion and priorities identified in the Metrolinx RTP, and to protect and optimize our society's significant investment in the existing transportation infrastructure stock;
- The transportation investment challenge is a shared responsibility that requires access to a broad range of financing tools and revenue sources;

- Base funding levels should be permanent, predictable and non-fluctuating matched with the transportation needs of our metropolitan region as identified in the Metrolinx Investment Strategy;
- Existing and proposed transportation funding sources should be dedicated and reinvested to meet the continuous demand for expansion, renewal, maintenance and operations;
- Dedicated funding sources should not be pledged back to a single mode, but rather to the most integrated and sustainable transportation system solution identified by the Metrolinx planning process;
- Both taxpayers, and transportation customers and beneficiaries, should be responsible for covering the full, true cost of transportation;
- A range of funding sources should be encouraged, including private-sector participation, to meet the transportation investment challenge should be pursued, while maintaining the principles of public control, public interest and transparency;
- The Investment Strategy should support transportation priorities that stabilize greenhouse gas emission impacts, favour renewable energy sources, and foster stronger communities and public health;
- Metrolinx should enlist all citizens and transportation customers in the GTHA in continuing to define and refine the transportation investment priorities for our metropolitan region, and the appropriate investment options and strategies required; and
- Metrolinx is committed to performance measurement, benchmarking and public reporting, to demonstrate accountability for attainment or non-attainment of Investment Strategy objectives.

The Investment Strategy vision principles are presented here in draft form only as they will be influenced by and tied to the Metrolinx RFP visioning process (Report P&P 08-003 – subject to Board approval).

## **Workplan Scope and Key Components**

### **REGIONAL TRANSPORTATION PLAN: EXPANSION FOR GROWTH**

The RTP, as the strategic, long-term vision for a coordinated transportation system across our metropolitan region, is a key input to the Investment Strategy. Using a Project Prioritization Framework, the RTP will set out short-term, medium-term and 25-year network priorities that will be matched up with financing options and strategies developed in the Investment Strategy. Like the RTP, the Investment Strategy will take on an integrated, multimodal transportation scope including the following networks and systems:

RTP System Component	Investment Strategy Cost Component
<b>Transit</b>	<p>A coordinated, seamless system of inter-regional trains, subways, light rail transit (LRT), bus rapid transit (BRT) and local bus routes including flexible shuttle and jitney services – all to provide attractive, competitive alternatives to single-occupancy vehicle travel across the GTHA.</p> <p>(The Investment Strategy’s transit component will factor in and reconcile transit system and project priorities identified in the RTP, MoveOntario 2020 vision, AFP evaluation workplan, GO Transit capital plan, Metrolinx transit procurement initiative, and Quick-Wins first and second tranche investment package).</p>
<b>Mobility Hubs</b>	<p>An inter-linked hierarchy of “connectivity places” throughout the metropolitan region where attractive, intensive concentrations of residential, employment, retail and recreational opportunities that converge around a multimodal transit station.</p> <p>These hubs are easily accessible via pleasant, safe walking and cycling environments.</p>
<b>Active Transportation</b>	<p>Creating safer and more comfortable transportation systems to encourage walking, cycling and non-motorized modes – conditions that are also essential to encourage well-planned, transit-supportive communities, improved physical fitness and a more mobile, healthier population.</p>
<b>Transportation Demand Management (TDM)</b>	<p>Integrated package of TDM and Intelligent Transportation System (ITS) measures and initiatives to optimize use of the entire transportation system, potentially including: Smart Commute, road pricing system, land use and parking management, smart cards and electronic payment, and traveller information and trip planning systems.</p>
<b>Highways and Roads</b>	<p>A plan to eliminate strategic missing links in the inter-regional road system and to transform major roads from single-occupancy auto and truck routes to optimized multimodal corridors that incorporate high-occupancy vehicle lanes, transit priority measures, and real-time traffic information and road pricing systems.</p> <p>Future road development should not undermine or impede sustainable transit and active transportation development.</p>
<b>Movement of Goods and Services</b>	<p>Strategies to reduce the congestion, environmental and land use impacts of truck-based freight systems, promote inter-modal and more energy-efficient marine and rail freight movements, and strengthen the GTHA’s role in the Ontario-Quebec strategic trade corridor and access to US and other international trade gateways.</p> <p>These strategies should also address conflicts and tradeoffs between freight and passenger transportation priorities on the shared rail network.</p>

Mirroring the RTP, the Investment Strategy will also formulate and present three investment scenarios for consideration – current trend, moderate and bold scenarios – ranging from incremental financial resources required to simply extend current practices, to intensive new resources required to achieve global best practices and positive quantum-leap change in mobility choices and societal behaviours.

Both the Investment Strategy and RTP will share the identical 25-year planning outlook to year 2031. Furthermore, the Investment Strategy will incorporate a lifecycle approach to asset management to match the long lifespan and amortization schedule typically associated with hard transportation assets – in some cases, up to a 50-year outlook.

### **OPTIMIZATION, RENEWAL AND CONTINUOUS IMPROVEMENT**

The Investment Strategy is expected to surpass the project scope and order-of-magnitude cost of the system plans and project priorities identified in the RTP. While both the RTP and the Investment Strategy will feature regional transportation expansion needs to meet the demands of population and economic growth, the Investment Strategy will go beyond to address the renewal and rehabilitation of the existing, substantial and aging inter-regional transportation infrastructure stock.

At the centre of the asset renewal challenge is the Toronto Transit Commission (TTC), by far the largest, most capital intensive and most mature of all transit systems in the GTHA. State-of-good repair accounts for \$3.6 billion or 81% of the TTC's five-year base budget forecast. But in varying degrees, all transit systems and road authorities face similar asset-maintenance challenges.

The Investment Strategy will identify and cost-out the estimated life-cycle renewal rehabilitation needs of transit and transportation assets across the GTHA, recognizing four starting principles:

- Renewal and rehabilitation are key to optimizing system efficiency, customer service levels and public safety;
- Investments solely in expansion and capacity improvements will be ineffective without complementary long-term, sustainable funding commitments to continuously reinvest in and renew the existing transportation stock;
- The scale of current and looming transportation renewal needs exceeds the fiscal capacity of municipal property tax payers, or any single order of government, and will require a shared sustainable cost-sharing approach that draws from a menu of existing and new funding tools and revenue sources; and
- The solution will also entail the development and implementation of sound, life-cycle asset management strategies that correctly forecast and pre-allocate dedicated funds to support infrastructure modernization and replacement.

## **OPERATIONS**

The sheer expansion of transit and other transportation infrastructure and services envisaged in the RTP will create new unprecedented demands for additional operating funding assistance.

The GTHA is recognized internationally for two of the most efficient transit operations in the world. The TTC and GO Transit achieve the highest operating cost recovery rates in North America, and out-perform many large Asian and European systems in this regard. In Toronto and across the GTHA, however, transit operating subsidies are vulnerable to cutbacks in periods of economic downturns, increased energy, labour and other input costs, and expansion into new markets.

The Investment Strategy will estimate the long-term operating subsidy impact for the existing transportation system, and for the new and improved networks identified in the RTP, under the current trend, moderate and bold scenarios. In developing the operating cost model, Metrolinx will also table a range of assumptions scenarios on transit revenue and operating cost-recovery levels.

## **FINANCIAL EMPOWERMENT OPTIONS**

The Investment Strategy workplan will develop, for Board consideration, the scale and range of financial resources that will be required to deliver and sustain the RTP vision, a continuous renewal and reinvestment approach to asset management, and strategic operations over the life cycle.

Metrolinx will develop the proposed suite of financial empowerment options in consultation with GTHA municipalities, the Province of Ontario and federal government. The goal of a financially self-sustaining transportation system in the GTHA could result in a transformational financing landscape which goes beyond the dedicated funding available today – a five-cent and two-cent per litre share of the existing federal and provincial gas taxes, respectively.

The Investment Strategy will identify and benchmark options for a diverse, sustainable range of dedicated financing tools and revenue sources currently available to regional transportation authorities in leading Canadian and international metropolitan jurisdictions. This perspective will allow the Metrolinx Board to assess and quantify how other competing metropolitan regions around the world partner with local and senior governments to allocate and assign accountability for transportation funding instruments.

Regional transportation authority funding benchmarks for Metrolinx could include the Agence métropolitaine de transport (AMT, Greater Montreal), TransLink (Greater Vancouver), a representative US metropolitan transportation authority, Transport for London (Greater London, UK), and best practices drawn from systems in Continental Europe and Asia.

A recommended option for Metrolinx financial empowerment could entail a hybrid approach based on external best practice and modified to suit a GTHA application. The financing tools and revenue sources to be evaluated by the Investment Strategy could include:

<b>FINANCIAL EMPOWERMENT OPTIONS</b>	
<b>Conditional government block funding</b>	<ul style="list-style-type: none"> <li>• Transportation capital fund, grant or trust</li> <li>• “Social” transportation funding assistance</li> <li>• Transportation public safety and security funding assistance</li> </ul>
<b>Broad beneficiary fees</b>	<ul style="list-style-type: none"> <li>• Property tax</li> <li>• Development charges</li> <li>• Mechanisms to capture property value increases due to infrastructure investment</li> <li>• Regional sales tax</li> <li>• Payroll tax</li> </ul>
<b>User fees</b>	<ul style="list-style-type: none"> <li>• Gas tax</li> <li>• Driver license fees</li> <li>• Vehicle registration fees and/or vehicle sales tax, including differential fees based on vehicle emissions profile</li> <li>• Vehicle emissions testing fees</li> <li>• Proceeds from highway and road enforcement fines</li> <li>• Vehicle-km travelled charge, potentially as an evolution of or substitute to dedicated gas taxes</li> <li>• Regional parking tax</li> <li>• Concessions and rents</li> <li>• Infrastructure improvement fee</li> <li>• Transit fares</li> <li>• Tolls applied to specific transportation facilities</li> <li>• Variable, real-time and area-wide capacity pricing</li> </ul>
<b>Debt instruments</b>	<ul style="list-style-type: none"> <li>• Borrowing against owned assets and dedicated revenue streams</li> <li>• Transportation infrastructure bonds</li> <li>• Tax increment financing</li> </ul>
<b>True Cost of Transportation (User fees 2.0)</b>	<p>Impact fees or taxes to capture external costs of transportation, including:</p> <ul style="list-style-type: none"> <li>• Economic cost of congestion</li> <li>• Community and quality of life degradation, including aesthetics, “barrier effect” and noise</li> <li>• Accidents and public health costs</li> <li>• Air and water pollution</li> <li>• Depletion of ecosystem, green space and natural resources</li> <li>• Vehicle and parts manufacturing, disposal and recycling</li> <li>• Climate change and carbon footprint</li> </ul>

## ROAD VALUE PRICING AND TOLLING

A significant transportation user-pay and pay-per-use tool is tolling and road pricing – a tool that is in limited application in the GTHA (Highway 407 Electronic Toll Route), but is gaining more widespread application in metropolitan regions around the world to finance new infrastructure, combat congestion and encourage smarter mobility patterns by customers.

The current leading practitioners of area-wide and cordon-based congestion pricing include London, UK, Milan, Singapore, Stockholm and, in the near future, possibly Los Angeles, Montreal and New York City.

Metrolinx staff recommend - consistent with identifying and reviewing a full range of potential financial tools and revenue sources – that the Investment Strategy should work closely with municipalities and provincial government to examine the benefits and disadvantages of a GTHA-wide “Road Value Pricing Strategy.”

The objectives of a road value pricing study are multidimensional and extend beyond the Investment Strategy to other aspects of the Metrolinx and RTP mandates:

Objective	Benefits of Value Pricing
<b>Investment Strategy</b>	New dedicated revenue generation to build and support a sustainable, multimodal transportation system, including transit alternatives to highways and roads  Deferred need for “free” lane widening and highway expansion
<b>Customer Service</b>	Faster, more reliable trip times: opportunity to bypass highway and road congestion pinchpoints – subject to toll
<b>Transportation Demand Management and Capacity Optimization</b>	Fewer and shorter trips Modal shift from single occupancy autos to rideshare Shifting trips from peak to non-peak periods
<b>Transit</b>	Modal shift from single occupancy autos to transit
<b>Broader policy objectives</b>	Faster-moving strategic trade corridors Vehicle emission reduction – cleaner air

The study terms of reference will examine the five key categories of road value pricing:

- **Area-wide pricing:** Charges are applied on a total distance traveled basis on all roads across metropolitan region. This application relies on advanced Geographic Positioning System (GPS) and transponder technologies, and is capable of varying the charges by real-time congestion levels, route selection and time of day.

- **Cordon pricing:** Charges are applied to motorists when they enter a designated congested area or cordon point. These systems can charge either a fixed or variable fee and can be implemented using transponder and camera systems.
- **Tolls on individual highway and corridors:** Specific routes can be tolled using rates that vary by time of day or dynamically with traffic conditions,
- **Toll lanes:** Tolls are applied only on single or multiple lanes within the highway corridor, which also includes “free” alternative lanes. These toll lanes take the form of congestion-free express lanes or High-Occupancy Toll (HOT) lanes where solo drivers can pay a toll to use the HOV lanes.
- **Vehicle use pricing:** Pay-per-use tools can include pay-as-you-drive per-km vehicle use and insurance charge, mandatory parking fees for all on-street and off-street parking in commercial and residential zones; vehicle impact fees to cover the economic, environmental and social costs of vehicle use and parking.

**FINANCIAL EMPOWERMENT EVALUATION CRITERIA**

The Investment Strategy will identify criteria for evaluating the effectiveness of the proposed financing tools and revenue sources in meeting Metrolinx’s objectives for an integrated, sustainable transportation system in the GTHA:

Evaluation Criteria	Key Rationale
<b>Flexibility to apply funding across two or more transportation modes</b>	Promotes integrated, multimodal transportation solutions  Flexibility to apply funding and revenue source to capital and operating needs
<b>Economic efficiency</b>	Promotes smart, real-time transportation choices by customers  Promotes infrastructure capacity optimization through market-responsive pricing  Preserve and strengthen the international competitiveness of our metropolitan region
<b>Growth Plan objectives for our metropolitan region</b>	Promotes investment in transportation infrastructure to support urban growth centre (UGC) formation and intensification within the existing urban boundary area
<b>Regional distribution and equity</b>	Ensures that funding and revenue sources are primarily generated by users, beneficiaries and taxpayers within the GTHA metropolitan region

Evaluation Criteria	Key Rationale
<b>Stable long-term funding with no fluctuations in year-to-year funding levels</b>	<p>Promotes sound long-term planning outlooks, financing and transportation asset management strategies</p> <p>Funding and revenue stream growth aligned with regional economic and population growth, and resilient to economic and business cycle vagaries</p>
<b>Administrative cost</b>	<p>Relative low cost, ease and technological capacity in collecting, allocating and being accountable for the funding or revenue source</p>

**COLLABORATION WITH GOVERNMENT PARTNERS**

Practical venues for collaboration and coordination between the Investment Strategy and the three governments include:

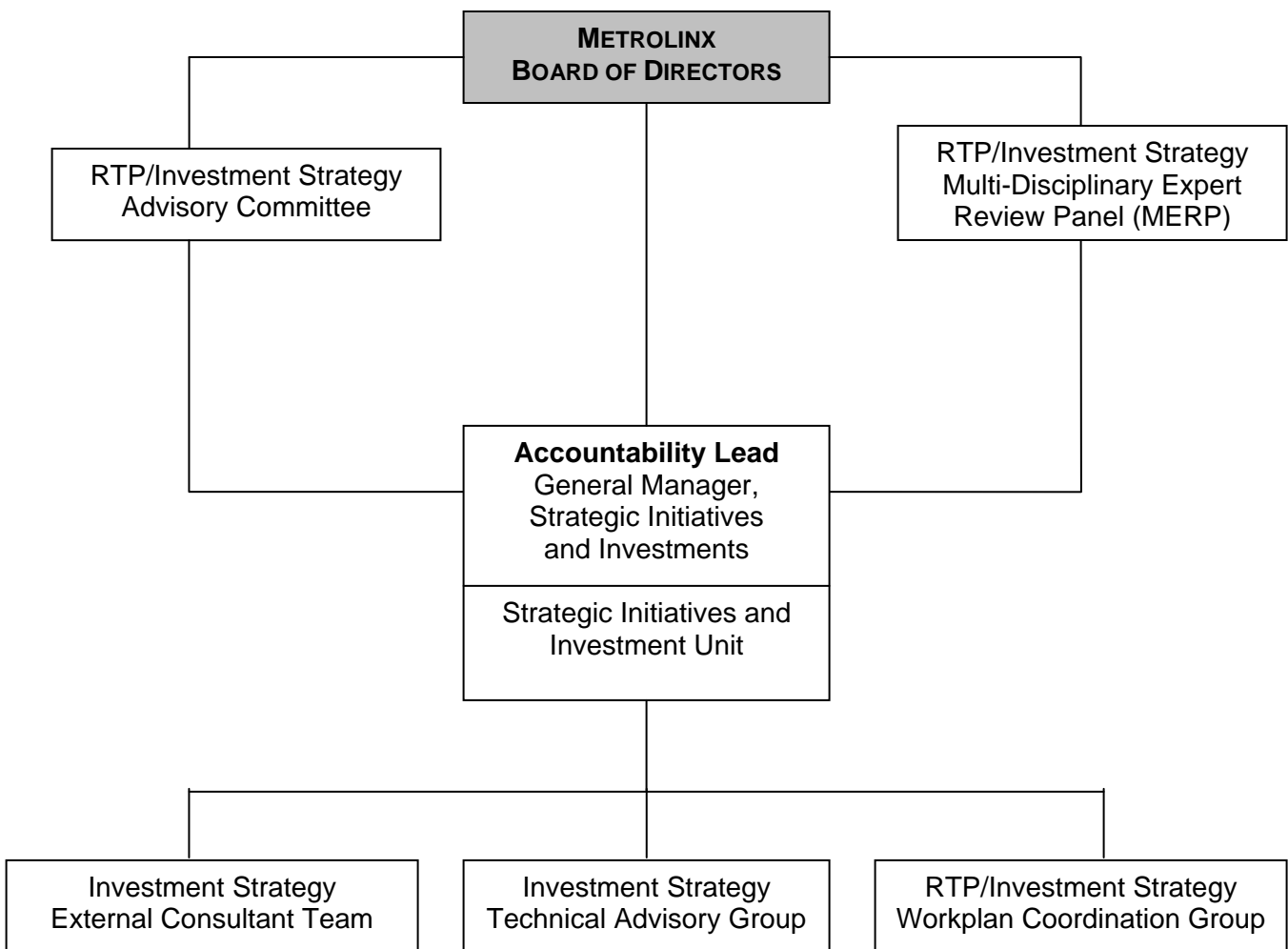
- Municipal needs and fiscal capacity assessment:** A foundation research requirement of the Investment Strategy is to quantify and aggregate the annual and five-year-plus transit and transportation budget forecasts of GTHA municipalities and provincial government, and the assumptions of the respective jurisdictions on funding sources. This would include collecting, and assembling in a common presentation format, the financial outlooks of municipalities as they affect: transit, roads, terminal projects and parking facilities. This information would be drawn from publicly available documents such as past and current capital budget plans, development charges studies, and the financial components of transportation and transit master plans.
- Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR):** Initiated by the Premier of Ontario in 2006, the PMFSDR panel is scheduled to report back to the government in spring 2008, potentially including recommendations for a realignment of provincial and municipal roles and responsibilities for transportation infrastructure in our metropolitan region. Any relevant implications of the PMFSDR process will be reflected in the Investment Strategy assumptions.
- National Transit Strategy:** With Board approval in October 2007, Metrolinx staff launched a collaborative workplan with the Greater Montreal and Greater Vancouver regional transportation authorities (AMT and Translink, respectively) to promote federal interest, and eventually funding participation, in metropolitan-scale transit infrastructure investment.

**Workplan Management, Accountability and Workplan Structure**

The Investment Strategy workplan will be led by the Metrolinx Board of Directors, supported by the existing RTP Advisory Committee and Multi-Disciplinary Review Panel (MERP).

Responsibility for carrying out the Strategy workplan and development will be assigned to the Metrolinx Strategic Initiatives and Investment Unit, who will in turn be supported by external consultant advisors and a new Investment Strategy Technical Advisory Group (TAG). The Investment Strategy TAG would comprise approximately 10 officials from GTHA municipal and transit partners, as well as the governments of Ontario and Canada, drawing on their experience in infrastructure finance and public policy.

To ensure the Investment Strategy moves forward in tandem with the RTP process, at least three formal venues will be established in the workplan structure to ensure synergy and coordination between both streams: At the leadership level, the Metrolinx Advisory Committee and the MERP will provide both the RTP and Investment Strategy with synchronized direction, advice and evaluation feedback. At the working level, a joint Strategy Workplan Coordination Group will meet regularly to ensure the RTP process provides the Investment Strategy with early input on emerging transportation system priorities, and project implementation ranking and phasing. The coordination group will also help ensure that during the consultation outreach phases, both the RTP and Investment Strategy communicate consistent messaging to the public and stakeholders about potential financing strategies, tools and revenue options under active consideration.



**WORKPLAN CRITICAL PATH AND COORDINATION WITH RTP PROCESS**

	Investment Strategy	RTP Workplan
Jan 2008	Workplan launch (Subject to Board approval)	RTP development process
Feb - Mar 2008	External consultants engaged Investment Strategy TAG engaged RTP/Investment Strategy Coordination Group engaged	
Mar - Jul 2008	Investment Strategy and Road Pricing Discussion Paper in development	
July 2008	Draft Investment Strategy and Draft Road Pricing Discussion Paper for Board approval and release Investment Strategy Public/Stakeholder Consultation plan for Board approval	RTP final consultation round (to September 2008)
Aug - Oct 2008	Investment Strategy and Road Pricing Public/Stakeholder Consultations	Final RTP report for Board approval and release (September 2008)
Oct 2008	Final Investment Strategy and Road Pricing Reports for Board approval and release	
Oct - Dec 2008	Metrolinx First Annual and Five-Year Capital Plans including: <ul style="list-style-type: none"> <li>• Early initiatives identified in RTP (new Transit-AFP and MoveOntario 2020 implementation initiatives)</li> <li>• GO Transit capital plan</li> <li>• Metrolinx transit procurement initiative</li> <li>• Sustainable operating cost model</li> </ul>	
March 2009+	2009-10 Ontario Budget <ul style="list-style-type: none"> <li>• Assignment of initial Metrolinx funding tools and revenue sources</li> </ul>	

## **FINANCIAL MATTERS:**

The costs of initiating the Strategy workplan, including consultant assignment costs, have been approved by the Board in the 2007-08 Metrolinx operating budget. Future costs to complete the Strategy final report, as well as the supporting communications and public/stakeholder engagement plan, and policy discussion papers, will be incorporated in the Metrolinx 2008-09 operating budget to be approved by the Board.

## **5.0 HUMAN RESOURCES MATTERS:**

The Strategy workplan, including consultant management services and support to the Metrolinx Board, RTP Advisory Committee and MERP, will be carried out by the current and budgeted staff complement of the Strategic Initiatives and Investments unit.

## **6.0 ENVIRONMENTAL MATTERS:**

Using the best information available, the Strategy will attempt to incorporate the estimated staging, timelines and cost of completing the Environment Assessment requirements associated with transit and transportation priorities identified in the RTP.

## **7.0 COMMUNICATION MATTERS:**

Metrolinx staff will develop a communications and public/stakeholder engagement plan to support the Investment Strategy, coordinated with the RTP communications plan. The Investment Strategy communications plan will include:

- Posting of the draft Strategy and supporting policy discussion papers on the Metrolinx website in summer 2008;
- Public/stakeholder consultation process during the summer-fall 2008 period, as the draft Strategy and supporting discussion papers transition to final form; and
- A public/stakeholder awareness campaign, including inter-governmental relationship building, focussed on the fall 2008 to spring 2009 period.

## **8.0 LEGAL MATTERS:**

The Strategy will address the public policy and legislative reforms that will be required to implement an innovative, diverse range of financing tools and revenue sources to implement a sustainable Transportation Investment Strategy in our metropolitan region.

## 9.0 CONCLUSION:

Board approval of the workplan is required no later than January 2008 in order to fulfill the analytical, consultation and review imperatives to complete the Investment Strategy by fall 2008.

The proposed Investment Strategy is expected to require fiscal and policy reforms by all three orders of government – therefore early government understanding and buy-in for the range of funding and revenue options under consideration will be a critical success factor.

The Investment Strategy is the essential companion document to the RTP. Like the RTP, the Investment Strategy will be bold and visionary. The Strategy is expected to be the first metropolitan region-wide quantification of transportation capital expansion, optimization and renewal and operating costs over the life cycle. The forecast of investment need and financing alternatives will be inter-generational in magnitude, to match the RTP's planning horizon to 2031 and the 50-year lifespan of many fixed transportation assets.

The Strategy will identify a creative, diverse suite of financing tools – benchmarked against the world's most successful metropolitan regions -- to build and maintain a transportation system vital to economic, environmental and social sustainability of the GTHA.

Respectfully submitted,

Approved for Submission to the Board



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John Howe, General Manager  
Strategic Initiatives and Investments

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W. Michael Fenn, CEO

*Appendices:*

N/A
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*Staff & Others  
Consulted:*

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*Notifications:*

N/A
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*Special Instructions:*

N/A
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