

Investment Strategy Overview

April 24, 2008
Update

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Metrolinx Mandate

- *Greater Toronto Transportation Act, 2006* mandates Metrolinx to:
 - Create an integrated, multimodal Regional Transportation Plan (RTP) for the Greater Toronto and Hamilton Area (GTHA)
 - Fund, or arrange and manage the funding for, integrated transportation across the GTHA
 - Facilitate coordinated decision-making and investment among GTHA municipalities
 - Develop an Investment Strategy and rolling Five-Year Capital Plan for the RTP

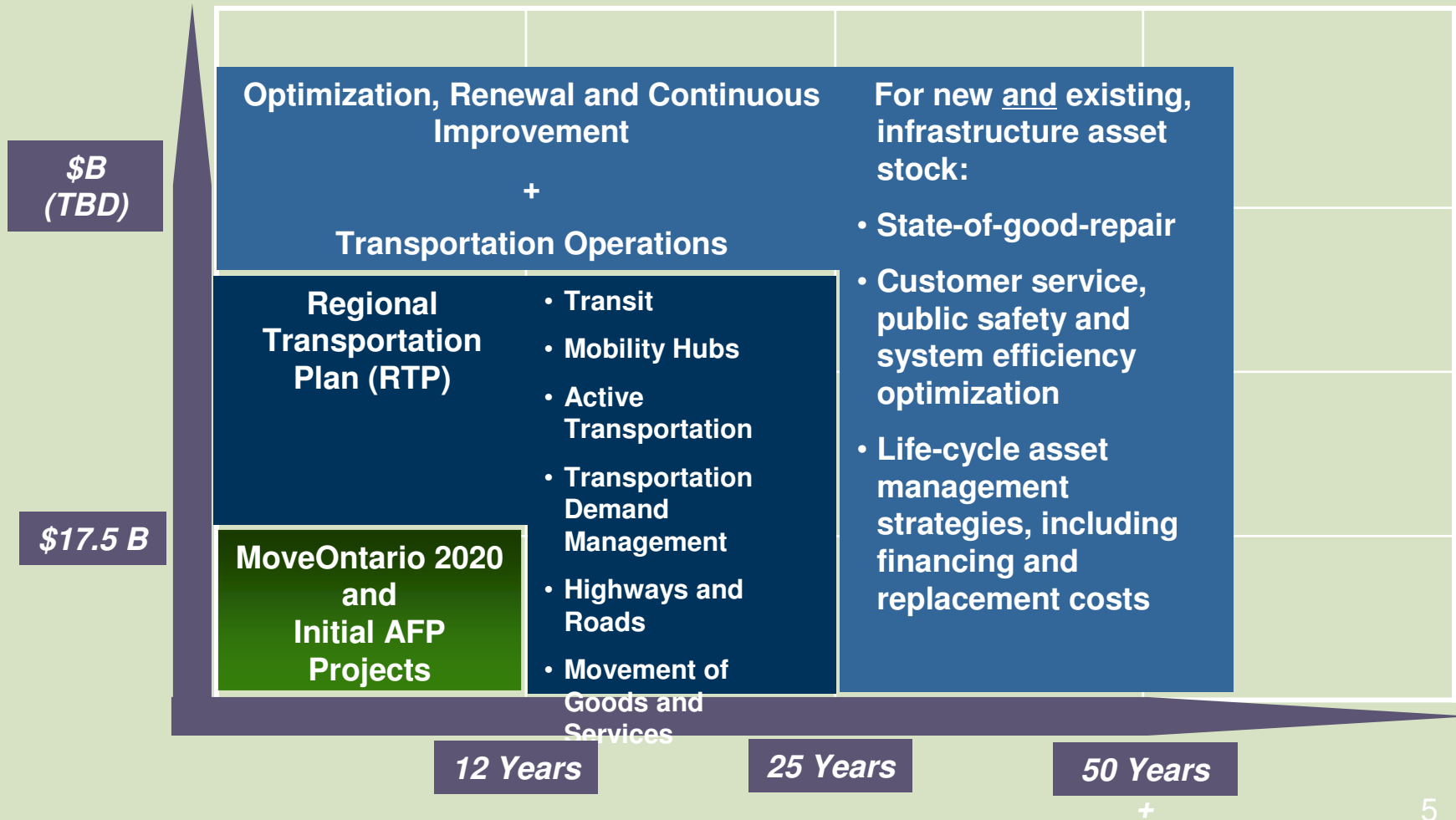
Investment Strategy Vision

- Fair and equitable full-cost transportation pricing
- Access to a *range* of dedicated, long-term funding sources and tools
- Dedicated funding pledged back to support integrated *multimodal* solutions
- A shared responsibility by all three orders of government
- A meaningful role for private-sector participation
- Importance of public and stakeholder consultation/ engagement
- Commitment to performance measurement

Investment Strategy Purpose

- Develop a suite of potential dedicated, sustainable revenue sources and financing tools to:
 - Fund and implement RTP network expansion and priority initiatives over the next 25-years
 - Maintain and renew existing and future regional transportation infrastructure stock over the life-cycle
 - Sustain operating costs over the life cycle
- Breakdown the long-term strategy into:
 - The first Metrolinx Annual and Five-Year+ Capital Plans effective FY 2009-10

Investment Strategy Scope



Coordination with RTP

- The RTP is the Investment Strategy's foundation for:
 - Regional transportation system concepts, from “Business and Usual” to “Bold” route network and level-of-service scenarios
 - Regional modelling scenarios and estimates for:
 - Transit and “active transportation” trips and modal share
 - Walking distance from rapid transit corridors
 - Transportation energy consumption
 - Congestion costs to autos and commercial vehicles
 - Transportation capital investment and transit operating cost requirements over the next 25 years

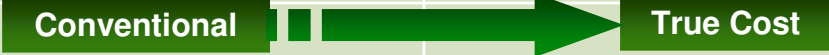
Investment Strategy Detail (1/3)

- Integrated multimodal transportation system
- Estimated direct estimated costs:
 - Full system build-out over the next 25 years
 - Capacity optimization and modernization
 - State-of-good repair over the life cycle
 - Annualized operating cost
- Estimated true/external costs:
 - Congestion, public health, air and water pollution, environmental degradation, climate change and carbon footprint impacts

Investment Strategy Detail (2/3)

- Dedicated revenues and financing tools:
 - Traditional direct government grants and subsidies
 - Beneficiary fees: including land value capture
 - User fees and taxes: including road and parking pricing, actual vehicle-km travel charge and carbon-based taxes
 - Debt instruments: borrowing against assets and dedicated revenues
- Implementation feasibility evaluation:
 - Economic competitiveness, environmental, social, urban planning and development, and role of technology impacts
 - Fiscal policy, other public policy, legislative and governance/institutional impacts

Financial Empowerment Options

<i>Traditional government sources</i>	Capital fund, grant, trust, etc. Operating subsidies	
<i>Beneficiary fees</i>	Property tax Development charges Participation/contribution agreement by developers Land value capture Sales tax Payroll tax	
<i>User fees</i>	<div style="text-align: center;">  </div> Gas tax Driver license fees Vehicle registration fees and sales tax Parking tax Tolls on specific transportation facilities System-wide real-time capacity pricing Transit fares	True Cost Impact fees to capture cost of: <ul style="list-style-type: none"> <input type="checkbox"/> Economic congestion <input type="checkbox"/> Community barriers effect <input type="checkbox"/> Accidents and public health <input type="checkbox"/> Air and water pollution <input type="checkbox"/> Resource depletion <input type="checkbox"/> Vehicle manufacturing and disposal <input type="checkbox"/> Climate change and carbon footprint
<i>Debt financing</i>	Borrowing/mortgaging Equity investments Infrastructure bonds Tax increment financing	

Investment Strategy Detail (3/3)

- Scenario development based on:
 - RTP transportation system concepts and scenarios
 - External/international model jurisdictions for dedicated transportation revenues and financing tools
 - Tax-shifting scenarios to achieve overall taxation neutrality
 - Potential realignment of provincial and municipal roles and responsibilities for transportation (PMFSDR)
 - Twin objectives of:
 - A sustainable strategy to fund transportation infrastructure
 - Incentives/disincentives to promote smart, sustainable transportation and lifestyle choices

Early Implementation Action (1/2)

- Metrolinx “QuickWins” approved in the 2008 Ontario Budget (\$744M), including:
 - Bolton GO park-and-ride
 - Durham BRT
 - Halton BRT
 - Hamilton A and B Lines
 - Mississauga Dundas and Hurontario Corridors
 - Pearson Airport/Renforth Gateway
 - Toronto Yonge-University-Spadina Subway Capacity Improvements
 - York-VIVA BRT, Yonge and Highway 7 Corridors
 - Plus: BikeLinx (\$5M)

- Implementation start: Some projects as early as 2009-10

Early Implementation Action (2/2)

- Metrolinx “Big 7” undergoing Benefits Case, and Alternative Financing and Procurement (AFP) evaluation:
 - Eglinton Crosstown Rapid Transit
 - Finch West Rapid Transit
 - Scarborough Rapid Transit (upgrade and extension)
 - Sheppard East Rapid Transit
 - “SuperGO” Lakeshore East and West electrification
 - York-VIVA Highway 7 and Yonge Street (full build)
 - Yonge Subway Extension north to Richmond Hill
- Implementation start: As early as 2009-10 for some “breakout” projects (subject to evaluation and Metrolinx Board approval)

Key Deliverables: Summary

- A draft Investment Strategy or “green paper” consultation document
- Stakeholder engagement (coordinated with RTP consultation process)
- Final 25-year Investment Strategy
- Special report on options for a GTHA Road and Parking Pricing Strategy
- Investment Strategy implementation priorities:
 - Metrolinx 2009-10 Capital Plan
 - Metrolinx 2009-10 to 2013-14 Five-Year Capital Plan
 - Metrolinx 10-Year Strategic Capital Plan

Critical Path

Assignment start	May 2008
Draft Investment Strategy or “Green Paper” Consultation Document	July 2008 for Metrolinx Board approval
Focussed Public/Stakeholder Consultations	August to September 2008
Final Investment Strategy	October 2008 for Metrolinx Board approval
Proposed Metrolinx 2009-10 Capital Plan Proposed Metrolinx Five to 10-Year Capital Plans	November 2008 for Metrolinx Board approval