



City of Hamilton
GENERAL ISSUES COMMITTEE
ADDENDUM

Meeting #: 24-
Date: April 17, 2024
Time: 9:30 a.m.
Location: Council Chambers (GIC)
Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

5. COMMUNICATIONS

- *5.1 Correspondence from Steve Levene, Chief Operation Officer - Rapid Transit, Metrolinx, respecting Clarity on Decision Behind Operator Role(s) for the Hamilton Light Rail Transit program

Recommendation: Be received and referred to consideration of Item 8.1.

- *5.2 Correspondence respecting Item 8.1, Report PED23166(b), Light Rail Transit Operations Models, from the following individuals:

Recommendation: Be received and referred to consideration of Item 8.1.

- *a. Robyn Deshaies
- *b. Mary Love
- *c. Mary Henderson
- *d. Caitlin Craven, Executive Director, Hamilton Centre for Civic Inclusion
- *e. Shania Ramharrack-Maharaj, Stop Sprawl Students
- *f. Tara Bursey, Executive Director, Workers Arts and Heritage Centre
- *g. Medora Uppal, CEO, YWCA Hamilton

- *h. Hamilton-Brantford Building & Construction Trades Council
- *i. Canadian Union of Postal Workers (CUPW) Local 548
- *j. Hamilton & District Labour Council

6. DELEGATION REQUESTS

6.1 Delegation Requests, respecting Light Rail Transit, for today's meeting, from the following individuals:

- e. Anthony Marco, Hamilton & District Labour Council (In-Person)
 - *a. Anthony Marco - Presentation
- f. Stephen McBride (In-Person)
 - *a. Stephen McBride - Presentation
- *g. James Kemp (Virtually)
- *h. Michael Marson (In-Person)
- *i. Ian Borsuk, Environment Hamilton (Virtually)
- *j. Tracey Langille, CUPW Local 548 (In-Person)
- *k. T.H. Ponders (In-Person)
- *l. Don McLean, Hamilton 350 Committee (Virtually)
- *m. Declan Withers (In-Person)
- *n. Clint Crabtree, ATU Local 279 (Virtually)
- *o. Evan Ubene (In-Person)
- *p. Christine McNabb, Council of Canadians - Hamilton Chapter (Virtually)
- *q. Shelagh Pizey-Allen, TTCriders (Virtually)

*6.2 Delegation Request from Jeffrey McCabe, All Hands on Deck, respecting homeless and addiction issues, for a future meeting.

8. STAFF PRESENTATIONS

Members of the public can contact the Clerk's Office to acquire the documents considered at this meeting, in an alternate format.

8.1 Light Rail Transit Operations Models (PED23166(b)) (City Wide)

- *a. Staff Presentation - Light Rail Transit Operations Models (PED23166(d)) (City Wide)

8.2 Goods Movement Strategy (PED24049) (City Wide)

- *a. Goods Movement Strategy (PED24049) (City Wide) - WITHDRAWN

11. MOTIONS

11.2 Request for Funding Agreement to the Provincial Government

- *a. Request for Funding Agreement to the Provincial Government - WITHDRAWN

11.3 Revitalizing Hamilton Tax Increment Grant Application Criteria Exception for the Property Municipally Known as 75 James Street South, Hamilton

- *a. Revitalizing Hamilton Tax Increment Grant Application Criteria Exception for the Property Municipally Known as 75 James Street South, Hamilton - REVISED



Marnie Cluckie
City Manager, City of Hamilton
Hamilton City Hall
71 Main Street West
Hamilton ON L8P 4Y5

March 12th, 2024

Dear Marnie,

RE: Clarity on Decision Behind Operator Role(s) for the Hamilton Light Rail Transit program

Thank you for the ongoing collaboration between our teams with respect to the Hamilton Light Rail Transit (HaLRT) program. While there are many streams of work underway such as refinements to the route and key enabling works, we wanted to take the opportunity to provide additional clarity on decision making with respect to Operator roles and responsibilities.

Metrolinx is ultimately responsible for deciding which parties will be responsible for the various Operator roles for the HaLRT. However, as this project will be an integral part of the City of Hamilton, we value the City's insights and feedback. Over the past year, Metrolinx and the City of Hamilton have been discussing the roles of the Operator for the program. This includes what roles and responsibilities contribute to a successful Light Rail Transit system. Regardless of the model chosen, the City will retain authority over a number of key aspects including the setting of fares and decisions regarding the approach to fare enforcement.

In anticipation of the March 20, 2024 General Issues Committee, where City Council is expected to determine its recommended model for the Operator in Hamilton, we would like to clarify the main considerations that the Province and Metrolinx will be using to make its decision. These considerations include:

- (a) Experience in operating a Light Rail Transit system. This includes Passenger Interface and Transit Operational activities;
- (b) Ability for the successful Operator(s) to maintain the highest level of overall performance, with Metrolinx's ability to use appropriate commercial levers where the Operator(s) are not in compliance;
- (c) Risk to successfully operate HaLRT while integrating it with local and provincial transit systems; and
- (d) The City of Hamilton's feedback in their role to help operate the LRT.

Based on the above criteria and discussions with stakeholders and subject matter experts, Metrolinx will review the current and remaining capital, operations and maintenance activities, and decide how to package Operations responsibilities within a contractual framework. This review and decision will occur as part of Metrolinx's wider procurement strategy.

We look forward to the recommended model that the City of Hamilton will bring forward to Metrolinx after the March 20, 2024 General Issues Committee.

Yours very truly,



Steve Levene
Chief Operating Officer - Rapid Transit

CC Steven Hobbs, Chief of Staff to the President and CEO
Karla Avis-Birch, Chief Planning Officer, Metrolinx
Chris Pearson, Vice President, Rapid Transit Commercial Management, Metrolinx
Ellen Stassen, Executive Vice President, Rapid Transit Operations, Metrolinx
Kanivanan Chinniah, Head Sponsor, Rapid Transit
Jason Thorne, General Manager, Planning & Economic Development, City of Hamilton

April 15, 2024

Dear Hamilton City Council,

I'm asking that you vote against operating model 2 and instead **SUPPORT** operating model 4 where all aspects of operation and non-lifecycle maintenance are funded by HSR and ATU 107. I moved to Hamilton two years ago from a city where I struggled using transit due to its poor service quality. I've been so pleasantly surprised with HSR that I actually like taking the bus and prioritize it over driving my car in the city. I really care about this city's transit system.

I also really care about transit worker rights and I know that keeping LRT public will mean the working conditions of staff will continue to be prioritized and unionized. The privatization of public transit could not only lead to a lack of worker benefits and downward pressure on wages, but could also lead to poor service quality, rising costs, and a lack of municipal oversight. There won't be anybody holding private companies accountable for continuing Fare Assist programs and there will be nothing stopping the private company from raising the transit fares to make their pockets richer.

Our taxpayer dollars are going towards an LRT so it only makes sense to keep it public. I don't want to contribute to a system where some private company gets all our money while our community suffers. Many city councilors committed to public transit during the 2022 elections so I'm begging you to please keep the interests of the community in mind and support operating model 4 where all aspects of operation and non-lifecycle maintenance are funded by HSR and ATU 107.

Thank you,

Robyn Deshaies
Ward 3

-----Original Message-----

From: Mary Love

Sent: April 16, 2024 11:44 AM

To: clerk@hamilton.ca

Subject: Written delegation on LRT for April 17 GIC meeting

External Email: Use caution with links and attachments

Dear Mayor Horwath and City Councillors,

Hamilton is still at heart Steeltown, a city that believes in community, in the skill and dedication of its workers, and their right to a living wage.

The majority of Hamiltonians, so say surveys and polls, want public transit, in this case the LRT, to be publicly funded, publicly built and staffed by members of trusted local unions, and managed in the public interest.

As a regional GO transit rider, I am not at all impressed by Metrolinx and the way they run things. Our West Harbour GO station, for example, is stunning, but doesn't have a single human being on site to assist passengers: not ever! There are also as a result, no announcements. If the automatic display board doesn't reflect a track change that was made down the line, too bad for you! Several other people and I recently missed a train because of this lack of concern for passengers by Metrolinx. Since that lousy experience, I don't trust West Harbour Station, and take the train from the downtown station, which does have humans on site and therefore announcements.

Metrolinx sucks at community engagement too! They showed little flexibility and willingness to work with the Eglinton West community who protested Metrolinx's plan to destroy their neighbourhood playground and park to build one of their stations. The number of trees destroyed alone was appalling! I don't want our city to "partner with" an entity which runs roughshod over communities.

I believe that elected public officials such as yourselves must protect society from the current creeping (sometimes rampant!) commercialization of all our public spaces and services. Here's the tip of the Metrolinx iceberg: the other day on the way to Toronto, I was astounded to hear the quiet zone (second floor of GO train cars) described as "brought to you by Audible". Much as I love the idea of a couple of "free" books a month for passengers, this was a chilling cautionary note that Metrolinx is first and foremost a private corporation.

I therefore urge you all to do what's right for the historic, lasting character of our city, and vote to keep Metrolinx out! Please embrace the Hamilton principles of local work for local people, and truly public services run not for profit and corporate agendas, as Metrolinx clearly is, but for the public good.

I want to get onboard an LRT that will respect everyone, and leave no one behind. I only trust the ATU and other local unions to bring us that kind of rail.

Sincerely,

Mary Love
Transit rider from Ward 7

Sent from my iPhone

From: Mercanti, Cindy <Cindy.Mercanti@hamilton.ca>
Sent: Tuesday, April 16, 2024 12:46 PM
To: McRae, Angela <Angela.McRae@hamilton.ca>
Cc: Siahamis, Ayshea <Ayshea.Siahamis@hamilton.ca>
Subject: Resident - Communication with Mayor and Council - Case 0005564
Importance: High

This resident would like to share their views with the Mayor and Council re. the LRT.

The below was captured by our call agent at the Customer Contact Centre.

For Mayor and Council.

Citizen of Ward 3 would like to say that the LRT needs to be kept under the banner of HSR and not privatized. " The situation is getting out of hand financially.. doesn't think we need to be handing the running of it to an outside party whose going to make money off it. Keep it with HSR. The tax payer is going to get killed even more if it becomes private. No one benefits from the LRT except McMaster and a VERY SMALL number of the electorate. NOW you're going to hand it to someone else that is going to make a buck off it. The mayor needs to start thinking about the people of the city. Caller OBJECTS to privatizing the LRT. What is the mayor doing about this? What is the mayor doing about controlling the cost? Let the tax payers get to work, have a job and keep it in house. "

Caller details:
Mary Henderson



April 8, 2024

RE: The Operation and Maintenance of the Upcoming Hamilton Light Rail Transit (LRT)

The Hamilton Centre for Civic Inclusion (HCCI) fully supports the Keep Transit Public Campaign. We are asking that Hamilton City Council maintain its commitment to a fully public transit system by ensuring that the Operation and Maintenance (O&M) of the upcoming Hamilton Light Rail Transit (LRT) be kept public and operated and maintained by Hamilton Street Railway (HSR) and the Amalgamated Transit Union (ATU) Local 107.

A publicly run transit system at all levels and across all modalities will lead to better connectivity, a more stable and accessible system of fares, the possibility of ensuring reduced and/or eliminating of fares, and better working conditions for transit workers.

We are concerned about privatization of transit across Ontario and the ongoing chronic underfunding of this and other public goods that further marginalizes residents, especially those on low incomes and who face accessibility and other barriers to using transit. Privatization can impact access to services, particularly for racialized, Black, and Indigenous residents who continue to face increased policing and scrutiny in public spaces. In the long run, it can limit the ability of cities like Hamilton to ensure that the needed equity lens (currently part of the LRT plan) remains central. Finally, the ability to move around the city is crucial for civic inclusion, and as we see more people pushed out of affordability in the city core and areas with highest access to social services, there is a strong case for expanding fare reductions to increase access. This conversation is easier to have if the system remains fully public and accountable to City Council.

We hope that City Council makes the right decision to ensure a strong and fully public transit option for Hamilton.

Sincerely,

A handwritten signature in black ink that reads "Caitlin Craven". The signature is written in a cursive, flowing style.

Caitlin Craven, Executive Director

Hamilton Centre for Civic Inclusion
423 King St E, Hamilton ON L8N1C5
(905) 297-4694 | ccraven@hcci.ca

Dear members of the LRT sub-committee,

I'm writing to you on behalf of Stop Sprawl Students, a community-club in Hamilton that promotes the creation of sustainable cities. We're asking that you reject the city staff recommendation to privatize the operations of the Hamilton LRT. Stop Sprawl Students supports environmental and labor advocates in the call to keep transit public.

A fully public transit system is far better than a privatized one as it puts the needs of the public first, including students. Some of the benefits include: lower fares for students (as discount programs can be run like the deal McMaster students have with the HSR), unionized staff (so workers can be treated properly and therefore care about their job more), alleviate stress about safe and reliable transportation (as it relates to the climate and housing crisis), and best of all if the city is the primary control then we as citizens can easily go to our city counselors with needs/suggestions for the LRT.

When light rail transit has service issues, it is far more important for the city to have the ability to directly intervene and fix operational problems, than have someone else to blame. By privatizing this function, the city loses this critical lever and therefore riders face the consequences.

From an environmental perspective, public transit needs to work to meet people's daily needs to be a viable enough option to leave the polluting car at home. Far too often, we've seen the privatization model fail transit riders. The supposed cost savings from private operation can only come from cutting corners and cutting wages. These cuts only hurt the City of Hamilton in the long run.

There is no reason why the City of Hamilton could not operate Light Rail itself, and build up its own expertise. In 2017, the city already voted to have the LRT publicly operated and maintained, and this decision is no different. Hamilton won't stop growing as a city – and will eventually need more rail transit. It only makes sense for the city to begin building operational experience now, and have the direct control needed to fix operational problems if they arise.

This is a generation-defining project that will be transformative for the city and it is crucial that it is done right.

Kind regards,

Shania Ramharrack-Maharaj
Stop Sprawl Students



April 12, 2024

Members of the LRT Sub-committee,

On behalf of the Workers Arts & Heritage Centre, we are asking you to reject the city staff recommendation to privatize the operation of the Hamilton LRT. As Canada's only labour history museum and multidisciplinary art centre, we are endorsers of the Keep Transit Public campaign.

We believe that profit should not be prioritized over dignity of work and accessibility. We also believe that the LRT should be staffed by workers unionized by ATU Local 107.

The disadvantages of the privatization/P3 delivery of public transit are evidenced in examples across Canada, and around the world. The prioritization of profit over people will impact staffing, wages, maintenance, and the wellbeing of those who operate *and* use the service, along with service, safety, affordability and reliability.

Hamiltonians depend on transit. They should be able to trust it and know that it is being managed with safety and accessibility in mind.

WAHC's vision as an organization is to build a society where all labour matters. The short term benefits of privatizing a social good like transit will have negative impacts for generations of workers, and citizens at large. We want to see Hamilton flourish and to do that we need to Keep Transit Public.

In solidarity,

Tara Bursey
Executive Director

Re: Item 8.1 Light Rail Transit Operations Models

Mayor Horwath and Council:

YWCA Hamilton is dedicated to championing the causes that impact our service users and our community. As the oldest and largest social service organization, we have seen every iteration of public transit in Hamilton, and we know that more women and gender-diverse people are impacted by this service than others as they represent the majority of public transit riders.

It is for this and other reasons outlined below that we have joined the call to Keep Transit Public. We write to request Council's support to ensure the future of the Hamilton Light Rail Transit (LRT) is operated maintained by the Hamilton Street Railway (HSR).

The privatization of public services leads to long-term service quality decline, cost inflation, staffing issues, decreased ridership, and undermines workers' rights, severely impacting our community's fabric. A notable example of this is the UK's bus service, which was privatized 40 years ago and remains one of the most expensive and unevolved.

By contrast, we know that maintenance and investment in public services enriches our communities.

The highest quality transit is publicly owned. This is an opportunity to strengthen transit, add climate consciousness to more commutes and increase the number of women in non-traditional climate-resilient, unionized public sector jobs and to move further along the path of becoming a city that leads this work.

Relinquishing control of the Hamilton LRT to private entities would sever local oversight, control, and accountability which has been integral that the HSR and ATU Local 107 have upheld for over 150 years through their dedication to providing safe, efficient, and reliable transit services. This decision challenges us to consider how transportation choices disproportionately affect people at the margins, especially women and gender-diverse people. Further, it highlights the necessity of a transit system that is accessible, reliable, and responsive to our community's evolving needs.

We believe it would be shortsighted to relinquish control of public infrastructure - paid for by residents - for short-term cost savings, when we can safeguard that infrastructure for generations to come. Our vision for a Hamilton where public transit and its expansions remain a public asset, responsive to the voices and needs of all its residents. A Hamilton that champions public transit as the cornerstone of an inclusive, bold, ambitious, vibrant, and sustainable city.

Medora Uppal



CEO – YWCA Hamilton

YWCA HAMILTON, MacNab Location
75 MacNab Street South
Hamilton, ON L8P 3C1
Tel. 905-522-9922

Putman Family YWCA
52 Ottawa Street North
Hamilton, ON L8H 3Y7
Tel. 905-393-9091

**YWCA HAMILTON PROVIDES MEANINGFUL,
ACCESSIBLE SERVICES TO CREATE
OPPORTUNITIES, AMPLIFY VOICES, AND
CO-CREATE GENDER INCLUSIVE AND
EQUITABLE COMMUNITIES.**

Charitable Registration BN: 11923 6792 RR0001

Hamilton-Brantford Building & Construction Trades Council

Chartered By The Building and Construction Trades Department AFL - CIO - CLC
1104 Fennell Avenue East, Hamilton, Ontario, Canada L8T 1R9 - 905-870-4003 mark@hbbs.ca



CBTU

CANADA'S BUILDING
TRADES UNIONS

Value on Display. Every Day.

Monday, April 15th, 2024,

To Hamilton City Council,

Whereas: The privatization and contracting-out of public services leads to safety issues, erosion of service quality, rising costs, short staffing, lack in workers benefits, downward pressures on wages, and long-term systemic issues;

And Whereas: Privatization of the operations and maintenance of the Hamilton LRT will limit local oversight, local control, and local accountability;

And Whereas: ATU Local 107 and the Hamilton Street Railway have delivered safe, efficient and reliable affordable public transit services to Hamiltonians for over a century and a half ;

And Whereas: over 9,000 signatures have been added to the Keep Transit Public campaign petition and more than 7 out of 10 citizens polled support HSR/ATU107 operations and maintenance of the LRT;

And Whereas: ATU 107 has clear and concise collective agreement language regarding existing fixed route services and higher order transit, including successor language around any new fixed route transit services within the urban boundary of Hamilton.

We join the call to Keep Transit Public and request that our City Council abide by the Collective Agreement and **support an LRT where *all* aspects of operations and *all* aspects of non-lifecycle maintenance are publicly run by Hamilton Street Railway and ATU 107.**

Executive Board
Hamilton – Brantford
Building & Construction

Trades Council

To our labour and community allies, please consider adding your organization and signature of support and solidarity to our request to City Council regarding the future Hamilton LRT.

Whereas: The privatization and contracting-out of public services leads to safety issues, erosion of service quality, rising costs, short staffing, lack in workers benefits, downward pressures on wages, and long-term systemic issues;

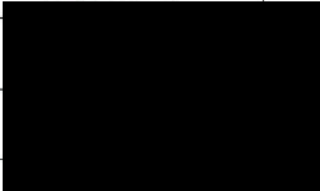
And Whereas: Privatization of the operations and maintenance of the Hamilton LRT will limit local oversight, local control, and local accountability;

And Whereas: ATU Local 107 and the Hamilton Street Railway have delivered safe, efficient and reliable affordable public transit services to Hamiltonians for over a century and a half ;

And Whereas: over 9,000 signatures have been added to the Keep Transit Public campaign petition and more than 7 out of 10 citizens polled support HSR/ATU107 operations and maintenance of the LRT;

And Whereas: ATU 107 has clear and concise collective agreement language regarding existing fixed route services and higher order transit, including successor language around any new fixed route transit services within the urban boundary of Hamilton.

We join the call to Keep Transit Public and request that our City Council abide by the Collective Agreement and **support an LRT where all aspects of operations and all aspects of non-lifecycle maintenance are publicly run by Hamilton Street Railway and ATU 107.**

| <u>Name of Organization</u> | <u>Position</u> | <u>Print Name</u> | <u>Signature</u> |
|-----------------------------|------------------------|-------------------|---|
| CUPW Local 548 | PRESIDENT | TRACEY LANGILLE |  |
| CUPW Local 548 | Secretary Treasurer | Michelle Byron | |
| | | | |
| | | | |
| | | | |

To our labour and community allies, please consider adding your organization and signature of support and solidarity to our request to City Council regarding the future Hamilton LRT.

Whereas: The privatization and contracting-out of public services leads to safety issues, erosion of service quality, rising costs, short staffing, lack in workers benefits, downward pressures on wages, and long-term systemic issues;

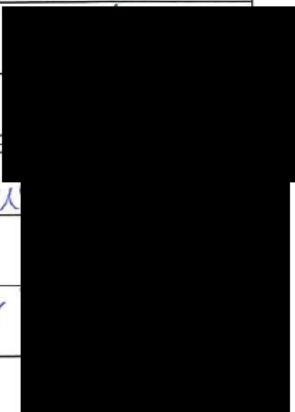
And Whereas: Privatization of the operations and maintenance of the Hamilton LRT will limit local oversight, local control, and local accountability;

And Whereas: ATU Local 107 and the Hamilton Street Railway have delivered safe, efficient and reliable affordable public transit services to Hamiltonians for over a century and a half ;

And Whereas: over 9,000 signatures have been added to the Keep Transit Public campaign petition and more than 7 out of 10 citizens polled support HSR/ATU107 operations and maintenance of the LRT;

And Whereas: ATU 107 has clear and concise collective agreement language regarding existing fixed route services and higher order transit, including successor language around any new fixed route transit services within the urban boundary of Hamilton.

We join the call to Keep Transit Public and request that our City Council abide by the Collective Agreement and **support an LRT where all aspects of operations and all aspects of non-lifecycle maintenance are publicly run by Hamilton Street Railway and ATU 107.**

| <u>Name of Organization</u> | <u>Position</u> | <u>Print Name</u> | <u>Signature</u> |
|-----------------------------|---------------------|-------------------|---|
| CUPW 548 | Recording Secretary | Andrew Gross |  |
| CUPW 548 | 3RD VICE PRESIDENT | Jeena Dhillon | |
| CUPW 548 | GRIEVANCE OFFICER | Kathy Boudreau | |
| CUPW 548 | 2ND VICE PRESIDENT | Ronny Datta | |
| CUPW 548 | 1ST VICE PRESIDENT | TERRY LADLEY | |



Attention: Hamilton City Council

Re: Support for Keeping LRT Operations Public and Saving ATU 107 Jobs

[The following statement from the Hamilton and District Labour Council represents all of our affiliate locals as a whole, but also includes specific signatories from many HDLC and allied locals who wished to express their support specifically.]

On behalf of the 50,000 affiliate members of the Hamilton and District Labour Council, we are writing to express our strong support for keeping the Light Rail Transit (LRT) project in Hamilton under public ownership for its operations and maintenance, rather than contracting it out to a private corporation.

Public ownership of the LRT is crucial for ensuring that the interests of the community and its workers are prioritized over profit-driven motives. When public services are operated by the government, there is greater accountability, transparency, and control over the quality of service provided to the residents of Hamilton.

Furthermore, we wish to extend our unwavering support to the hardworking members of the Amalgamated Transit Union Local 107 who play an integral role in the operation and maintenance of public transit services in our city. These dedicated workers have shown their commitment to serving the community with professionalism, reliability, and dedication. It is essential that their rights, wages, and working conditions are protected and respected in any decisions regarding the future of the LRT project.

Contracting out the LRT operations and maintenance to a private corporation would jeopardize the jobs and livelihoods of these workers, lead to lower wages, reduced benefits, and diminished job security. Additionally, privatization often results in higher costs for taxpayers and inferior service quality due to the focus on maximizing profits rather than serving the public interest.

In summary, the Hamilton and District Labour Council and our affiliates support publicly owned, operated and maintained transit and are opposed to contracting out

the HSR jobs of the Amalgamated Transit Workers Local 107 to a private corporation for the purposes of operating and maintaining Metrolinx's Light Rail Transit project.

In Solidarity,

Anthony Marco
President, Hamilton and District
Labour Council

Jillian Watt
President, CUPE 7800
Hamilton Health Sciences

Tracey Langille
President, CUPW 548
Postal Workers

Jason Lucas
Temporary President, CUPE 5167
City of Hamilton Workers

Leah McGrath Reynolds
Acting President, CUPE 3906
McMaster Education Workers

Darren Green
Chair, Hamilton Steelworkers Area
Council

Susan Lau
President, OPSEU Local 241
Mohawk College Support Staff

Kelly Tosato
President, UFCW 175 & 633
Food and Commercial Workers

Daryl Jerome
District Chair, OSSTF 21
HWDSB Teachers and Support Staff

Deanna Allain
Chair, PSAC Hamilton Area
Federally Regulated Workers

Heather Giardine-Tuck
President, OPSEU Local 240
Mohawk College Instructors

Emily Heikoop
President, Unifor 5555
McMaster University Support Staff

Michelle Johnston
President, IFPTE Local 160
The Society of United Professionals

Ron Wells
President, USW 1005
Steelworkers at Stelco

Barry Naidoo
President, Hamilton-Wentworth
Occasional Teachers Local

Frank Crowder
President, USW 7135
Steelworkers at National Steel Car

Larry Feudo
President, AFM 293
Hamilton Musicians Guild

Nancy Castelli
Acting President, CUPE 3396
HWCDSEB Education Workers

Susan Lucek
President, COPE 527
HWDSB Education Workers

Betty Palmieri
President, OPSEU 206
Healthcare Workers

Karen Shimoda
President, CUPE 1404-06
Healthcare Workers

Tamara DuFour
President, HWETL-DECE
HWDSB Education Workers

Malcolm Buchanan
Congress of Union Retirees of Canada
Hamilton Chapter

Mark Ellerker
Chair, Hamilton/Brantford
Building Trades

Insulators Heat & Frost Local 95
David Gardner, Business Manager

Bricklayers Local 1
Dave Martin, Business Manager

Bricklayers Local 2
Tristan Rawlings, Business Manager

Boilermakers Local 128
Stirling Munn, Business Manager

Carpenters Local 18
Garry Baverstock, Business Manager

Cement Masons Local 598
Tony Mollica, Business Manager

Electricians Local 105
James Bonnell, Business Manager

Elevator Constructors Local 90
Brad Brave, Business Manager

Ironworkers Local 736
Steve Pratt, Business Manager

Labourers Local 837
Riccardo Persi, Business Manager

Millwrights Local 1007
Dan Steel, Business Manager

Millwrights Local 1916
Brad Brave, Business Manager

Painters Local 205 & Glaziers Local
1795 – Painters & Allied Trades District
Council 46

Plumbers Local 67
Nathan Bergstrand, Business Manager

Refrigeration Local 787
Andrew Tarr, Business Manager

Sheetmetal & Roofers Local 537
Dave Harrison, Business Manager

Teamsters Local 879
John McCann, Business Manager

Hamilton LRT

Public transit for the public by the public.

Keeping LRT Operations Public

I could make the case for a publicly owned and operated light rail transit service.

Instead, I'll allow some of you to do it from your 2022 election commitments...

“Do you support keeping all operations related to running public transit by HSR (ATU 107) including LRT (operations, maintenance and administrative support) publicly funded? Are you willing to stand up to the province to demand that transit should operate publicly in the city?”*

“YES.”

Max Francis
Ward 5 Councillor

“YES.”

Tom Jackson
Ward 6 Council

* from the ATU 107 2022 Election Survey

“...a publicly funded system – more so than a public-private partnership, will ensure that the focus is not just on profits for private companies, but on access and quality. Public transit is a public good, and so it should remain for the HSR and LRT.”

Esther Pauls, Ward 7 Councillor
from the ATU 107 Election 2022 Survey

“...council needs work with the province to keep it public. The City must have oversight of and responsibility for the operation of its system in order to provide and maintain safe, dependable transit throughout the city. Reliable, consistent, publicly provided service reduces traffic and congestion, provides equitable travel to places of employment, education and other services, and is part of a forward-looking climate-resilient plan for the city.”

Craig Cassar, Ward 12 Councillor
from the ATU 107 Election 2022 Survey

“Public transit is a public good and it ought to remain in the public realm and sphere because it is for our people. It's about ensuring that our people are getting from point A to point B and as a public good we should be hiring our own public people in order to ensure that they are getting great living wage jobs and keeping Hamilton more affordable.”

Tammy Hwang, Ward 4 Councillor
from the ATU 107 Election 2022 Survey

“There is a lot of evidence that points to the failure of P3s. And I believe public services deliver the best return on investment, highest degree of accountability and best quality of service. I would certainly support the LRT being public transit in this city with ATU unionized workers operating, maintaining and supporting it.”

Nrinder Nann, Ward 3 Councillor
from the ATU 107 Election 2022 Survey

“...oppose the Provincial government should they try to privatize Hamilton’s local transit system. I am confident, however, that the LRT Memorandum of Understanding lets the City determine this.”

Cameron Kroetsch, Ward 2 Councillor
from the ATU 107 Election 2022 Survey

“I fully support keeping all operations related to running public transit publicly funded and ensuring that they are operated, maintained, and supported by the HSR and ATU 107.”

Andrea Horwath, Mayor
from the ATU 107 Election 2022 Survey

Thanks to many of you for making the first part of
my delegation so easy!

You've seen the polling, but let's dig a bit deeper...

Of those who are **DECIDED** in every ward and across the city, the number is not just two-thirds; the supporters of HSR OPERATIONS are overwhelming...

| | | |
|-----------------------|------------------------|------------------------|
| Ward 1 - 97.4% | Ward 6 - 93.4% | Ward 11 - 100% |
| Ward 2 - 88.8% | Ward 7 - 84.3% | Ward 12 - 67% |
| Ward 3 - 98.5% | Ward 8 - 86.3% | Ward 13 - 88.9% |
| Ward 4 - 91.7% | Ward 9 - 68.2% | Ward 14 - 75.8% |
| Ward 5 - 93.7% | Ward 10 - 88.6% | Ward 15 - 55.8% |

City-Wide - 89.6%

Who's in charge?

| Ministry of Transportation January 22, 2024 | Metrolinx Communications February 1, 2024 | Metrolinx COO March 12, 2024 |
|--|--|--|
| <p>“Metrolinx will be responsible for undertaking all lifecycle maintenance activities to the specifications of its choosing, which has been the case of all provincially owned LRT projects.”</p> <p>“The model for operations and some aspects of non-lifecycle maintenance activities, including determining which party will be responsible to perform such activities, is subject to future Provincial decision-making.”</p> | <p>“In general, when Metrolinx releases procurement documents for projects more details are made available at that time. We don’t have anything to share with you right now as we’re not at that stage quite yet. We will continue to keep you informed as the project progresses.”</p> | <p>“Metrolinx is ultimately responsible for deciding which parties will be responsible for the various Operator roles for the HaLRT.”</p> <p>At the bottom of the list on considerations for Operations: “The City of Hamilton’s feedback in their role to help operate the LRT.”</p> <p>“This review and decision will occur as part of Metrolinx’s wider procurement strategy.”</p> |

The Low-Risk YES Vote!

If this Council's vote REALLY MATTERS in swaying LRT Operations, we ask Councillors to follow their election commitments and follow the polling to vote YES for LRT Operations.

If, ultimately, Metrolinx is going to swoop in and disenfranchise this Council, then you should especially feel fine with voting YES for LRT Operations so that you can stand by your constituents and commitments and let Metrolinx take the hit.

Don't do Metrolinx's work for them by costing ATU 107 jobs with your vote. If Metrolinx and the Ministry of Transportation wished to gut union jobs in Hamilton, let them make the choice and take the responsibility.

PRESENTATION TO GENERAL ISSUES COMMITTEE, CITY OF HAMILTON, 17 April 2024, by Stephen McBride

Madam Mayor and members of the General Issues Committee, my name is Stephen McBride, I'm a Professor of Political Science at McMaster University, but speaking here in my capacity as a resident of Ward 1.

In my presentation I'm going to be making some general points about P3s and subcontracting to private sector partners. The evidence and references for these statements are provided in a background report, prepared by my research associate at McMaster, Ms. Joy Schnittker, which I supplied to the City Clerk's office.

Here I will link some general points to the options outlined for the committee in two staff reports on the LRT Operations Models .

Looking at the evidence from other examples and at the staff reports presented to this committee leads me to the conclusion that the City would be better served by **Option 4** than by Option 2 (which is the option recommended in the January 29 report).

Why is this?

I'll just mention **3 reasons** .

First:

Costs

Despite claims made on behalf of P3 / subcontracting arrangements that they produce cost savings, there is lots of evidence that they cost more in the long-run. Often there is the appearance of cost savings up front, but if lifetime costs are factored in, all that is happening is a transfer of financial obligations from the current generation of taxpayers to a subsequent one. The staff reports don't sufficiently distinguish between front-end and long-term costs of the various models and while Option 2 receives a high grade on p. 12 of the January 29th report for cost certainty, influencing the overall scoring, the conclusion on the next page that the option is "likely to be one of the lowest cost options for the city" seems quite tentative.

With intergenerational transfer of costs goes a loss of accountability. Future decision makers (and citizens) inherit costs they had no part in incurring.

To the extent that cost savings are realised they come from wages and salaries. Such savings have corresponding costs: the loss of a general community benefit that comes from having well paid employees spending their wages and salaries in the city and contributing to community prosperity;

And, to the extent that wages and salaries would have been targeted at acquiring or developing existing in-house expertise on LRT operations, future expertise is lost.

Second:

Risk Transfer?

One of the most common arguments for P3 type arrangements is that risks are transferred from the public partner to the private operator.

There are a number of problems with this.

Risk transfer is priced into the contract.

If the price is accurate there is no benefit to the city. If the price is too high (it will be in the interests of the private operator to maximize the risks involved and get as high a price as possible for assuming them) the public partner loses money, and the private operator maximizes their profit.

Moreover, numerous studies, including one by the Auditor General of Ontario, show that quantifying risk is notoriously difficult – it is very hard to know if the public partner is getting value for money or if it is paying too high a premium.

Further, there are many examples where transferred risks end up coming back to public sector which must pay for them again or see a catastrophic loss of public services. When this happens the public pays twice – once to have the risk transferred; and again to bail out the system when the private partner is unable to keep their part of the deal.

It is notable that in the scoring system which produced a recommendation for Option 2 – risk transfer “Risks and Liabilities” (weighted at 25 percent of the total package on page 12 in the January 29th report) was scored at 9 (highly beneficial for the city) and Option 4 at 5.

As noted above the “scientific basis” for this scoring is dubious. It is a highly subjective exercise that, in this case, favoured option 2 over option 4.

Third:

Finally, but not least, Customer experience

In option 2 the City retains responsibility for interface with the LRT’s passengers & customers. It is accountable to the public for the operations of a system it does not operate or control. It’s the public face of a system it pays for but does not control.

If customer experiences are negative what then? It’s a bad idea to separate accountability from control of operations.

If operations and customer experience were combined, complaints could be addressed properly because the City would have control over the operating branch.

Reviewing the evidence and options it seems Option 4 is a much better option for the citizens and taxpayers of Hamilton.

Public-Private Partnerships and Light Rail Transit: Background report prepared for presentation at General Issues Committee, City of Hamilton, 17 April 2024

By Joy Schnittker
McMaster University

Overview

Public-Private Partnerships (P3s) are often presented as having four main (overlapping) benefits: (1) Funding; (2) Value for Money; (3) Risk Transfer; and (4) Fosters Collaboration. This report will dispute these benefits by highlighting the practical issues and trade-offs of P3s and provide empirical examples of these problems in Light Rail Transit projects across Canada.

(1) FUNDING

P3 Model Argument

Raise private money to pay for capital costs of infrastructure; off balance sheet accounting allows for cash strapped municipalities to ‘buy now, pay later’.

Issues

- P3 financing almost always has a **higher interest rate** and is usually paid over a longer period than direct municipal borrowing (Loxley, 2012, 2020; Siemiatycki 2023).
- **Ties up municipal funding** for more years on average than publicly financed projects (Loxley, 2020).
- **Prevent municipalities from refinancing debt** because the debt is held in the private sector (Loxley, 2020).
- In addition to their high cost because of premiums on the use of private capital, governments **lost control of project management and their key civic assets over the long-term** (Siemiatycki, 2023).

Examples

Ottawa LRT:

- In planning for the second stage of the LRT network in Ottawa, the City wanted the existing P3 to assume maintenance responsibility for it. That would require the original lenders’ consent because it was a major scope change. In turn, the lenders wanted a large addition of equity in the P3 which would be a cost to the City. To get around this, the City assumed responsibility for the debt to the lenders transferring their investment risk to the public sector (Munro, 2022).
- A 2023 report to councillors confirms the situation has grown worse, with the city now on the hook for 51 per cent of the \$4.91-billion funding plan (Skura, 2023).

Eglinton Crosstown LRT:

- Taxpayers have already paid an extra \$237 million to the consortium (including EllisDon, SNC-Lavalin, Aecon, ACS-Dragnados) to settle a previous claim that the private-sector firms were not responsible for the earlier delays (James, 2020).
- New projected cost overruns, totalling \$332 million likely allocated to taxpayers (James, 2020).
- Officials suggest that Toronto City Council is considering an “indefinite deferral” of the operation of the Eglinton Crosstown LRT (ECLRT) due to the city’s financial challenges (Declerq, 2023).
 - The city will ostensibly lose the capacity to direct or oversee a major piece of the city’s transit infrastructure.

(2) VALUE FOR MONEY

P3 Model Argument

P3s are warranted by the private sector's superior ability to deliver value for money, through economies of scale, and more efficient and innovative use of labour and materials.

Issues

- Project costs are often underestimated as they **fail to include transaction costs**.
 - Transaction costs include the costs of negotiating, monitoring, and (sometimes) re-negotiating contracts, both before awarding the contract and after (Vining and Boardman, 2008; Forrer et al, 2010).
 - Transaction costs increase within complex contracting situations high asset specificity, high complexity/uncertainty, and low competitiveness (Vining and Boardman, 2008).
 - Monitoring and reporting of P3s is poor and deficiencies take a long time to get addressed. The average time taken to resolve minor deficiencies was 13 months, more than three times the maximum time allowed, with some still in dispute after three years (Sanger, 2015).
 - **Exiting a P3 contract is very expensive**, with high compensation costs (Loxley, 2020).
 - Can also result in **significant legal costs** if risk have not been properly identified in contract negotiation (Skura, 2023).
- **Municipal governments often lack to proper contract or project management skills** to adequately negotiate contracts in their favour (Forrer et al, 2010; Loxley, 2012).
- All major consulting/accounting companies in Canada have a vested interest in promoting P3s and all are members of the CCPPP lobby group (Loxley, 2012)
- **High discount rates** favour P3s, and create the illusion of value for money, by shrinking back-end costs in terms of present value, compared to the public model (Loxley, 2020)
- **Cost-savings are often produced by cutting labour costs** by using non-unionized labour, cutting wages, pensions, and other benefits, or reducing hours or conditions of work (Loxley, 2020; Ohemeng and Grant, 2008).

- P3s may **shift spending** from the community to business centres **elsewhere** in the country **or abroad** (Loxley, 2020).
 - Little of this money trickles down. Construction associations have been critical of P3s because most of their smaller and medium-sized businesses don't benefit much (Sanger, 2015).

Examples

Ottawa LRT

- In Ottawa, a city council decision to cancel a light rail P3 project in 2006 led to a \$175 million claim for breach of contract from Siemens, and an eventual settlement of \$37 million (Loxley, 2020).
- The Ottawa LRT opened more than a year after the date specified in the contract. Taxpayers ended up responsible for large sums above and beyond the \$2.1 billion budget. Even after opening, it was unclear whether the city or the private consortium that built the LRT was responsible for minor matters like ensuring the trains stayed on the rails (McGrath, 2022).
- The use of P3 limited choice of LRT vehicles, as Bombardier and Siemens (2 of three vehicle suppliers that met the requirements of the project) had exclusive agreements with consortia that bid unsuccessfully for the project, so were legally unable to supply vehicles. That left Alstom, which proposed a new (untested) vehicle with a host of problems, including vehicles that are unreliable in Canadian winters, require constant repairs, contain safety concerns and continual system failures (NUPGE, 2022).
- The Ottawa LRT Report raises concerns that the P3 model led both the city and the Rideau Transit Group (RTG) to prioritize their liabilities, legal rights, and responsibilities instead of ensuring a reliable LRT system (Moscrop, 2023).
- Workers have been seriously injured during Stage 2 construction (Trick, 2022).

Eglinton Crosstown LRT:

- Metrolinx incurred about \$436 million in sunk and additional costs between 2009 and 2018— \$125 million for cancelling and delaying two projects, \$286 million for costs over and above contract values, and \$25 million to manage issues with the company contracted to supply vehicles for the Eglinton Crosstown. (AGO, 2018).
- The budget for the project has increased by \$1 billion between 2018-2022, with work still needing to be done (King, 2022).
- In 2022, Crosslinx Transit Solutions has \$260 million in unresolved claims against Metrolinx and Infrastructure Ontario (King, 2022).
- Delays: 260 non-conformance and quality control issues identified and that track work did not meet specifications in 2023. At the time, crews were tearing up a platform at the Sloane stop and Eglinton Avenue East after it was discovered that a section of concrete was uneven (Gismondi, 2023).
- There are other hidden costs within projects, including the (so-called) importance of incentives. Metrolinx and Infrastructure Ontario provided multiple \$20 million incentives to meet deadlines. On one hand, this scheme could reward a contractor that delivers, but at the same time, it could potentially result in cutting corners (Gismondi, 2023b).

- An auditor general report in 2018 highlighted that Metrolinx had paid an additional \$49 million in contract amendment costs after it prematurely entering a contract for the light rail vehicles before the light rail project designs were completed. Metrolinx was then required to scope down the vehicle contract due to other project changes (Emanuelli, 2023).

Edmonton LRT:

- Worker injuries at Edmonton's long-delayed \$1.8-billion Valley Line Southeast have been piling up at a rate far higher than industry and provincial averages, according to recent data and a report. In 2020, the company recorded 59 disabling injuries, equating to more than one per week (Wilson, 2023).

(3) RISK TRANSFER

P3 Model Argument

An advantage of P3s is the transferring of risk from taxpayers to investors. The private sector is contractually obligated to deliver the project on-time or on-budget or suffer financial consequences, giving them a greater incentive to stick to the schedule and budget.

Issues

- P3s have come to be seen less as a genuine partnership and more as a **complex form of contracting that privatizes profits and socializes risk**.
- **Private sector participants are often risk averse** and require high premiums to accept risk (Vining and Boardman, 2008).
 - Research indicates that the higher the revenue uncertainty, the lower the actual transfer of risk to the private sector (Vining and Boardman, 2008).
 - In fact, several major players have left the P3 market due risk transfer aversion (Saddleton, 2020; CBC News, 2022), leaving the government to absorb more risk to foster partnerships.
- The **government remains the residual risk holder**: if a P3 operator fails or backs out due to low profits, all risks revert to the public sector and are often magnified (Loxley, 2020).
 - City administration, council and the public would not accept the project not being completed, and that's a risk that can't be transferred (Lambert et al, 2023)
 - The Auditor General of Ontario reported in 2014 that P3 projects have created an estimated \$28.5 billion in liabilities and commitments still outstanding to private corporations—a cost Ontarians will have to pay back in the future. Other P3 projects in Ontario would bring total liabilities to over \$30 billion owing to P3 consortiums and financiers, the equivalent of \$6,000 per household (AGO, 2014).
- **Little is known about risk transfer** because there have been few serious studies on the subject. Risk transfer is hard to evaluate as P3 contracts are subject to cost overruns, reductions in scope, and delays, which main be hidden in contract negotiation (Loxley, 2012, 2020).

- Consultants (such as Deloitte) have **refused to disclose their risk** data on the grounds of commercial confidentiality, despite the P3 justified purely based on risk calculations (Loxley, 2012, 2020; NUPGE, 2022).
- There is **no independent verification of risk transfer assumptions** being made in P3 VfM assessments across the country (Sanger, 2015; AGO, 2014).
 - Agencies such as Infrastructure Ontario rely on the professional judgment and experience of external advisers to make these cost assignments, not on empirical data that supports the valuation of risk (AGO, 2014).
- Failure to transfer project and demand risk can have serious consequences on municipalities, leaving them with **unforeseen deficits and financial burdens**, and can lead to cuts in other services (Loxley, 2020).

Examples

Ottawa LRT:

- Arrangement sought to allow the city to offload the geotechnical risk associated with the LRT project to RTG, saving taxpayers an estimated \$100 million (Steele, 2022).
 - A sinkhole emerged impacting subsequent stages of the project.
 - Soured working relationship between the city and RTG, due to disagreements regarding who was responsible for the sinkhole. Created adversarial relationship as the city's insisted on enforcing its contractual rights (Steele, 2022).
 - RTG sued the city for damages to recover the significant costs incurred and address consequences of the sinkhole (Chianello, 2021).
 - RTG and city filed competing insurance claims (Chianello, 2022).
 - The City's enforcement of its contractual rights contributed to the breakdown in the relationship between parties and may have repercussions on maintaining and operating the Confederation line and result in future P3 projects costing more as the public sector must take on more risk to maintain partnerships (Steele, 2022).

Eglinton Crosstown LRT:

- In an AFP project, a private-sector consortium is paid a premium to bear most of the risks of project delays and cost overruns. Under the Eglinton Crosstown LRT AFP contract, the responsibility for some risks was not fully transferred to the AFP consortium, and Metrolinx eventually settled the claim against it based on its analysis of the risk allotment in the contract (Emanuelli, 2023).
 - According to the Auditor General, Metrolinx should have only paid \$66 million of the \$237 million delay claim, since the parties had initially agreed that the AFP consortium would assume the risks for the remainder of those additional costs (Emanuelli, 2023)
- Major traffic delays caused by ongoing construction has devastated businesses in the area – push to provide financial compensation for local businesses and residents due to loss of income and quality of life, pay for traffic wardens at hot spots along Eglinton Avenue and provide free TTC bus rides along Eglinton until project is complete (DeClerq, 2023). That is an additional cost to the public purse.

Edmonton LRT:

- During the procurement process in 2019, Edmonton sought a design-build-finance with vehicle supply procurement process. However, the city learned that the market's risk appetite shifted and that the proposed deal was not palatable to market participants, such as including vehicles in the procurement and risk allocation. Edmonton revisited the procurement and removed vehicles from the scope of work and risk-sharing for utilities and pipelines were adjusted (CCPPP, 2021).
- In an August 2023 audit into the P3 process for the Valley Line, Edmonton's city auditor noted that transferring financial risk away from the city "also reduces the amount of control it has over detailed design and construction." (Lambert et al, 2023)

(4) FOSTERS COLLABORATION**P3 Model Argument**

P3s promote cooperation and collaboration to address complex public policy problems.

Issues

- **Discrepancies in project goals** may lead to considerable issues: profit maximization (private) versus service quality and delivery (public).
- Transparency and accountability issues are increased when more complex relationships are introduced. (Lindquist, 2018; McGuire, 2008).
 - For instance, the **chain of democratic accountability is broken** during outsourcing and P3s. The traditional hierarchal accountability structures (including ministerial responsibility in Canada) are difficult or impossible to use as those delivering the services are not government employees, and therefore they are not answerable to Parliament (Wilks, 2017).
 - P3 accountability relies on designation of expectations and equal benefits, and thus **poor understanding or specification of such goals can lead to long-term problems** (Hodge and Greve, 2007).
 - Promote informational exchange, mutual benefit, communication, shared meanings, understanding, conflict resolution, etc. This requires **effective resources and capacity that may be eroded through austerity cuts and histories of privatization locally** (Loxley, 2012, 2020).
 - all major consulting/accounting companies in Canada have a **vested interest in promoting P3s** and all are members of the CCPPP lobby group (Loxley, 2012; Sanger, 2015).
- **High need for data confidentiality can limit meaningful public accountability and consultation** (Loxley, 2020; NUPGE, 2022).
 - Commercial confidentiality is used to justify redacting the most important information if contracts and other documents are made public (Sanger, 2015).
 - Common practice to withhold information from citizens and prevent public input into decisions about P3s (Loxley, 2020).

Examples

Ottawa LRT:

- Whereas the City traditionally had a hands-on, leading role in projects, given the lesser role it played under this model, the City was left in a position where it had limited insight or control over the OLRT1 project (Moscrop, 2023).
- The private builder was responsible for designing, building, financing, and maintaining the LRT for a set price. In this model, the builder's motivation lies in meeting the contract terms, ensuring the design, construction, and maintenance are done in a way that recoups their investment and maximizes profits (Moscrop, 2023).
- Several of RTG's subcontractors file lawsuits over unpaid work (Blewett, 2019).
- The commissioner said the LRT was rushed into service when it opened in 2019 and "egregious violations" of public trust occurred when the consortium gave completion deadlines that were "entirely unrealistic" and when the City of Ottawa didn't tell the public testing criteria was lowered to allow Rideau Transit Group to pass the final testing (Steele, 2022; NUPGE, 2022).
- The City of Ottawa settled maintenance disputes with RTG, including a commitment by RTG to fix issues over the long-term. But the public will not be able to access terms of the settlement (Porter, 2023).
- While Alstom made the trains for the Ottawa LRT, Thales Canada Inc. created the computerized signalling system that would control the braking, propulsion, doors, track sensors and other movement-related functions. Thales project manager Michael Burns told the commission his company and Alstom were working in silos and not collaboratively (Syed, 2022).

Eglinton LRT:

- The Auditor General of Ontario discovered that Metrolinx and Infrastructure Ontario were again negotiating with the Eglinton Crosstown consortium for a multi-million-dollar settlement, with no substantial changes in Metrolinx's process to document the validity of allegations [due to poor oversight and accountability of consultants VfM analyses] and evidence to demonstrate the value of the claims made by the consortium and to inform Metrolinx in its negotiations. The fact that this negotiation was occurring was not transparently disclosed to us during our follow-up work but instead came to our attention through other means (AGO, 2018).
- There has been a significant push by councillors demanding for a public inquiry into the Eglinton Crosstown project (CBC News, 2022; Jeffords, 2022).
- Metrolinx received a notice in 2023 indicating that CTS intends to litigate and stop withing with the TTC – this is viewed as an unacceptable delay tactic by CTS, prioritizing legal claims over completing the project (Demarco, 2023).

Edmonton LRT:

- Maintenance and operations present one set of challenges (Riebe, 2022):
 - The Valley Line West LRT from downtown to Lewis Farms, now under construction, is a partial P3 where the city owns the vehicles, and the group of companies builds and operates the trains.

- eventually, when cars from the southeast leg run on the Valley Line West LRT track, there may be problems blending the systems and determining responsibility for maintenance and quality control.
- You cannot draw a discrete line around this P3 because the cars go off your track and onto somebody else's and now you've lost control.
- The city completed an audit on the Valley Line Southeast LRT project, but it was unable to take a comprehensive look at delays (i.e. cracked concrete piers, faulty cables) many on council were hoping for. The City says it cannot legally audit contractor TransEd for those details, as the city can only look at project oversight (contract transparency and financial interests and liability of the city; Swensrude, 2023; Thompson, 2023).
- While you cannot blame the P3 for the cracks in the structures, people are critical of this P3s because most details of the contracts are private and lack transparency, which have weakened the city's oversight and accountability to the public (Riebe, 2022).

Tramlink, London UK (EPSU, 2012):

- Transport for London terminated a P3 contract for light rail services in south London in 2008. This contract was a 99-concession under which the company invested £80 million, and the government invested £125 million.
- The contract was ended after the company refused to cooperate with new ticketing system which would have generated more passengers but no more profit.
- It cost the TfL £100 million to buy out the P3.

Works Cited

- AGO. 2014. *Infrastructure Ontario— Alternative Financing and Procurement*. Auditor General of Ontario.
<https://www.auditor.on.ca/en/content/annualreports/arreports/en14/305en14.pdf>.
- AGO. 2018. *Metrolinx—LRT Construction and Infrastructure Planning Follow-Up on VFM Section 3.07, 2018 Annual Report*. Auditor General of Ontario.
https://www.auditor.on.ca/en/content/annualreports/arreports/en20/FU_107en20.pdf.
- Blewett, Taylor. 2019. “Subcontractor goes after RTG for Millions in Compensation for LRT Work.” *Ottawa Citizen*, November 19. <https://ottawacitizen.com/news/local-news/subcontractor-goes-after-rtg-for-millions-in-compensation-for-lrt-work>
- CBC News. 2022. “‘Disastrous’ LRT Experience Should End Public-Private Infrastructure Projects, Says Ontario NDP | CBC News.” *CBC*.
<https://www.cbc.ca/news/canada/ottawa/ottawa-lrt-report-reaction-provincial-federal-politicians-1.6669608> (April 8, 2024).
- CCPPP. 2021. *Advancing Urban Light Rail Transit in Canada*. Canadian Council for Public Private Partnerships. https://www.pppcouncil.ca/getattachment/3abda2e6-10c8-4fb0-b583-6c1cbd80137b/2021ValleyLineWestLRTCS_LR.pdf.
- Chianello, Joanne. 2021. “City Launches \$361M Lawsuit over Rideau Street Sinkhole.” *CBC News*. <https://www.cbc.ca/news/canada/ottawa/city-lawsuit-361m-rtg-sinkhole-1.6023199> (April 15, 2024).
- Chianello, Joanne. 2022. “LRT Builders Countersuing City of Ottawa for \$225M over Delay Dispute.” *CBC News*. <https://www.cbc.ca/news/canada/ottawa/lrt-builders-countersue-city-ottawa-225m-1.6427053> (April 15, 2024).
- DeClerq, Katherine. 2023. “Ontario May Have to Operate Eglinton Crosstown LRT amid Toronto’s Finances | CP24.Com.” *CP24*. <https://www.cp24.com/news/ontario-may-have-to-operate-eglinton-crosstown-lrt-due-to-toronto-s-finances-documents-suggest-1.6632917> (April 9, 2024).
- Demarco, Zoe. 2023. “More Delays? Eglinton Crosstown Builder to Sue, Stop Working With TTC.” *Storeys*. <https://storeys.com/eglinton-crosstown-lrt-delay-crossli/> (April 8, 2024).
- Emanuelli, Paul. 2023. “Poor Planning Results in High-Cost Project Delays.” *The Procurment Office*. <https://procurementoffice.com/poor-planning-results-in-high-cost-project-delays/> (April 15, 2024).
- EPSU. 2012. “UK: Remunicipalising Transport PPPs.” *EPSU*. <https://www.epsu.org/article/uk-remunicipalising-transport-ppps> (April 8, 2024).
- Forrer, John, James Kee, Kathryn Newcomer, and Eric Boyer. 2010. “Public-Private Partnerships and the Public Accountability Question.” *Public Administration Review* 70(3): 7-38475–84.
- Gismondi, Angela. 2023. “UPDATE: Legal Battle Brewing between Crosslinx Transit Solutions and Metrolinx.” *Daily Commercial News*.
<https://canada.constructconnect.com/dcn/news/infrastructure/2023/05/verster-calls-crosslinx-legal-action-on-crosstown-an-unacceptable-delay-tactic> (April 9, 2024).
- Gismondi, Angela. 2023b. “A Deep Dive into the Successes, Challenges of the Eglinton Crosstown West Extension.” *Daily Commercial News*.
<https://canada.constructconnect.com/dcn/news/infrastructure/2023/11/a-deep-dive-into-the-successes-challenges-of-the-eglinton-crosstown-west-extension> (April 15, 2024).

- Hodge, Graeme, and Carsten Greve. 2007. “Public-Private Partnerships: An International Performance Review.” *Public Administration Review* 67(3): 545–58.
- James, Royson James. 2020. “Royson James: Let the Eglinton Crosstown LRT Be a Lesson: Beware Public-Private Partnerships.” *Toronto Star*.
https://www.thestar.com/opinion/contributors/let-the-eglinton-crosstown-lrt-be-a-lesson-beware-public-private-partnerships/article_619c07cf-4dfa-5c95-ac5b-a4df3cdb5b51.html (April 8, 2024).
- King, Angelina. 2022. “Councilors, Public Getting Stonewalled When Asking Why the Eglinton Crosstown Project Is Delayed.” *CBC News*.
<https://www.cbc.ca/news/canada/toronto/secretive-eglinton-crosstown-delay-1.6660657> (April 8, 2024).
- Lachacz, Adam. “Valley Line LRT Delays Create P3 Model Questions | CTV News.” *CTV News*. <https://edmonton.ctvnews.ca/we-will-dig-deeper-questions-abound-over-delay-plagued-valley-line-lrt-and-the-p3-model-1.6023788> (April 8, 2024).
- Lambert, Taylor, Natasha Riebe, and Madeleine Cummings. 2023. “Unscheduled Delays.” *CBC News*. <https://www.cbc.ca/newsinteractives/features/construction-problems-edmonton-valley-line-LRT> (April 9, 2024).
- Lidquist, Evert. 2018. “The Limits to Defying Gravity: Horizontal Governance and Competing Values in Canada’s Westminster System.” In *The Handbook of Canadian Public Administration*, Toronto: Oxford University Press.
- Loxley, John. 2012. “Public-Private Partnerships After the Global Financial Crisis: Ideology Trumping Economic Reality.” *Studies in Political Economy* 89(1): 7–38.
- Loxley, John. 2020. “Asking the Right Questions: A Guide for Municipalities Considering P3s.” *Canadian Union of Public Employees*. <https://cupe.ca/guide-municipalities-p3s> (April 8, 2024).
- McGrath, John Michael. 2024. “Ottawa’s LRT Inquiry Should Raise Some Serious Questions about Public-Private Partnerships | TVO Today.” *TVO Today*.
<https://www.tvo.org/article/ottawas-lrt-inquiry-should-raise-some-serious-questions-about-public-private-partnerships> (April 8, 2024).
- McGuire, Michael. 2006. “Collaborative Public Management: Assessing What We Know and How We Know It.” *Public Administration Review* 66(1): 33–43.
- Moscrop, David. 2023. “Public-Private Partnerships Are a Deal With the Devil.” *Jacobin*.
<https://jacobin.com/2023/07/public-private-partnerships-deal-with-the-devil-p3s-canada-ottawa-ltr> (April 8, 2024).
- Munro, Steve. 2022. “The Ottawa LRT Report (Part IV).” *Steve Munro*.
<https://stevemunro.ca/2022/12/24/the-ottawa-lrt-report-part-iv/> (April 9, 2024).
- NUPGE. 2022. “Ottawa LRT Inquiry Exposes Problems with P3 Privatization Schemes | NUPGE Archives.” *National Union of Public and General Employees*.
<https://archives.nupge.ca/content/ottawa-lrt-inquiry-exposes-problems-p3-privatization> (April 8, 2024).
- Ohemeng, F.K., and J.K. Grant. 2008. “When Markets Fail to Deliver: An Examination of the Privatization and De-privatization of Water and Wastewater Services Delivery in Hamilton, Canada.” *Canadian Public Administration* 51(3): 475–99.
- Porter, Kate. 2023. “Ottawa LRT Is Safe, but Transit Boss Says Extra Precautions Can’t Be Used Long Term.” *CBC News*. <https://www.cbc.ca/news/canada/ottawa/light-rail-subcommittee-first-meeting-tbs-letter-1.6750740> (April 9, 2024).

- Riebe, Natasha. 2022. “P3 Model Not Responsible for Latest Valley Line LRT Issues, Edmonton City Councillor Says | CBC News.” *CBC*.
<https://www.cbc.ca/news/canada/edmonton/edmonton-city-council-valley-line-southeast-lrt-1.6550441> (April 8, 2024).
- Saddleton, Lucy. 2020. “Contractors Call for Changes to P3 Model to Address Issue of Risk Transfer.” *Canadian Lawyer Magazine*.
<https://www.canadianlawyermag.com/inhouse/news/features/contractors-call-for-changes-to-p3-model-to-address-issue-of-risk-transfer/327098> (April 15, 2024).
- Sanger, Toby. 2015. “Ontario Audit Throws Cold Water on Federal-Provincial Love Affair with P3s.” *Canadian Centre for Policy Alternatives*.
<https://policyalternatives.ca/publications/monitor/ontario-audit-throws-cold-water-federal-provincial-love-affair-p3s> (April 15, 2024).
- Siemiatycki, Matti. 2023. *Public-Private Partnerships: Is a Reassessment Underway?* Toronto Ontario: Ontario 360. <https://on360.ca/policy-papers/public-private-partnerships-is-a-reassessment-underway/> (April 8, 2024).
- Skura, Elyse. 2023. “Costs for LRT Expansion Keep Rising, but There’s No Going Back.” *CBC News*. <https://www.cbc.ca/news/canada/ottawa/costs-for-lrt-expansion-keep-rising-but-there-s-no-going-back-1.7020695> (April 9, 2024).
- Spurr, Ben. 2018. “Metrolinx Asks Court to Block Lawsuit over Eglinton Crosstown LRT Line.” *Toronto Star*. https://www.thestar.com/news/gta/metrolinx-asks-court-to-block-lawsuit-over-eglinton-crosstown-lrt-line/article_757208b8-11bf-5eb1-b43d-4864fbb72832.html (April 8, 2024).
- Steele, Alistair. 2022. “How the Rideau Street Sinkhole Opened up Critical Rifts in LRT Deal between City, RTG.” *CBC News*. <https://www.cbc.ca/news/canada/ottawa/rideau-street-sinkhole-lrt-inquiry-report-1.6666566> (April 8, 2024).
- Swensrude, Stephanie. 2023. “Audit Finds City of Edmonton Was Fair, Minimized Risk in Valley Line LRT Contracts - Edmonton | Globalnews.Ca.” *Global News*.
<https://globalnews.ca/news/9980036/city-of-edmonton-audit-valley-line-lrt/> (April 9, 2024).
- Syed, Fatima. “Public Inquiry Reveals How the Ottawa LRT Became the Wildest Ride in Town.” *The Narwhal*. <https://thenarwhal.ca/ottawa-lrt-public-inquiry/> (April 15, 2024).
- Thompson, Jeremy. 2023. “City Still Looking for Answers from TransEd after Valley Line LRT Audit.” *CTV News Edmonton*. <https://edmonton.ctvnews.ca/city-still-looking-for-answers-from-transed-after-valley-line-lrt-audit-1.6574120> (April 9, 2024).
- Trick, Sarah. “Ottawa’s Colossal LRT Debacle: A Brief-Ish History | TVO Today.” *TVO Today*.
<https://www.tvo.org/article/ottawas-colossal-lrt-debacle-a-brief-ish-history> (April 8, 2024).
- Vining, Aidan, and Anthony Boardman. 2008. “Public-Private Partnerships in Canada: Theory and Evidence.” *Canadian Public Administration* 51(1): 9–44.
- Wilks, Stephen. 2017. “Austerity and Outsourcing in Britain’s New Corporate State.” In *The Austerity State*, eds. Stephen McBride and Bryan Evans. Toronto: Toronto University Press.
- Wilson, Jim. 2023. “Data Reveals Unsafe Working Conditions at Edmonton LRT Project.” *Canadian Occupational Safety*. <https://www.thesafetymag.com/ca/topics/safety-and-ppe/data-reveals-unsafe-working-conditions-at-edmonton-lrt-project/467760> (April 9, 2024).

Submitted on Wed, 04/10/2024 - 12:41

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
Virtually

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
James Kemp
n/a

Preferred Pronoun
he/him

Reason(s) for delegation request
PED23166b and accessibility concerns with the P3 Model using K/W's GRT as an example.

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Submitted on Wed, 04/10/2024 - 19:01

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
In-person

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Michael Marson

Preferred Pronoun
he/him

Reason(s) for delegation request
I would like to delegate on respecting Light Rail Transit for the April 17th General Issues Committee

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Submitted on Wed, 04/10/2024 - 18:57

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee

General Issues Committee

Will you be delegating in-person or virtually?

Virtually

Will you be delegating via a pre-recorded video?

No

Requestor Information

Requestor Information

Ian Borsuk

Environment Hamilton

Preferred Pronoun

he/him

Reason(s) for delegation request

I would like to delegate on item 8.1 for April 17th GIC.

Will you be requesting funds from the City?

No

Will you be submitting a formal presentation?

No

Submitted on Fri, 04/12/2024 - 14:55

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
In-person

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Tracey Langille
CUPE Hamilton Local 548

Preferred Pronoun
she/her

Reason(s) for delegation request
I would like to delegate on item 8.1 for April 17 GIC

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Submitted on Sun, 04/14/2024 - 10:14

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
In-person

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
T.H. Ponders

Preferred Pronoun
they/them

Reason(s) for delegation request
Speak on the LRT decision

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Submitted on Mon, 04/15/2024 - 11:45

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee

General Issues Committee

Will you be delegating in-person or virtually?

Virtually

Will you be delegating via a pre-recorded video?

No

Requestor Information

Requestor Information

Don McLean

Hamilton 350 Committee

Preferred Pronoun

he/him

Reason(s) for delegation request

For GIC April 17, to speak to Light Rail Transit

Will you be requesting funds from the City?

No

Will you be submitting a formal presentation?

No

Submitted on Mon, 04/15/2024 - 15:03

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee

General Issues Committee

Will you be delegating in-person or virtually?

In-person

Will you be delegating via a pre-recorded video?

No

Requestor Information

Requestor Information

Declan Withers

Preferred Pronoun

they/them

Reason(s) for delegation request

As a McMaster undergraduate student I am concerned about potential financial impacts on McMaster students of the decision on the management of LRT operations. I would like to take this opportunity to encourage council and whichever party takes on management of the LRT to adhere to the current supports in place for Mac students, including fees, cost-per-ride, and traditional flexibility when there are lags between the issuing and activating of Presto cards on the student plan.

Will you be requesting funds from the City?

No

Will you be submitting a formal presentation?

No

Submitted on Mon, 04/15/2024 - 16:33

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
Virtually

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Clint Crabtree
ATU Local 279

Preferred Pronoun
he/him

Reason(s) for delegation request
LRT Issues faced in Ottawa

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Submitted on Tue, 04/16/2024 - 02:40

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
In-person

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Evan Ubene

Preferred Pronoun
he/him

Reason(s) for delegation request
Hamilton LRT Keep Transit Public

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
Yes

Submitted on Tue, 04/16/2024 - 10:05

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
Virtually

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Christie McNabb
Council of Canadians - Hamilton Chapter

Preferred Pronoun
she/her

Reason(s) for delegation request
I will be speaking to the vote regarding the operations and maintenance models put forward for the LRT.

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Submitted on Tue, 04/16/2024 - 10:43

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
Virtually

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Shelagh Pizey-Allen
TTCriders

Preferred Pronoun
she/her

Reason(s) for delegation request
Speaking about the experience of Toronto transit riders with public-private partnerships.

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No

Committee Requested

Committee
General Issues Committee

Requestor Information

Requestor Information
Jeffrey McCabe
All Hands on Deck, Hamilton, ON

Reason(s) for delegation request
Homeless and addition issues

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No



Hamilton

Hamilton Light Rail Transit Project
Operational Models
General Issues Committee
April 17, 2024

Roles and Responsibilities

| Roles | Responsibilities |
|----------------------------|---|
| Owner | <ul style="list-style-type: none"> Metrolinx is the owner of LRT assets and infrastructure |
| Project Delivery | <ul style="list-style-type: none"> Metrolinx has a contractual responsibility for design, planning, construction, maintenance and operations, as well as the acquisition of property, and community/stakeholder engagement |
| Costs | <ul style="list-style-type: none"> Metrolinx is responsible for all capital costs, including land acquisition costs associated with the Project Metrolinx is responsible for lifecycle maintenance costs The City is responsible for operating and non-lifecycle maintenance costs |
| Revenues | <ul style="list-style-type: none"> The City will set fares and will be entitled to all fare box and certain non-fare box revenues |
| Operations and Maintenance | <ul style="list-style-type: none"> The Memorandum of Understanding does not set out which party will operate the LRT line (City or a third party through Metrolinx) |

Roles and Responsibilities

- MOU defines the **funding** responsibilities between the City and Metrolinx (regardless of who the operator is).
- MOU **does not** set out which party will operate the LRT (the City or a third party through Metrolinx).
- As Metrolinx remains the owner of the LRT assets and infrastructure, they will retain final approval over the selection of the operations model.
- LRT operations will be subject to performance standards set by Metrolinx.
- The MOU acknowledges the importance of achieving a seamless customer experience between LRT and HSR services.
- Regardless of who operates the system, Metrolinx, in consultation with the City, will set schedules and service levels. The City will set fares and is entitled to farebox revenues.
- If Operations is contracted to a third party, the contractor will be required to meet Metrolinx performance standards. **Under all scenarios, the LRT system will remain publicly owned.**

Elements of LRT Operations and Maintenance

The successful operation of an LRT line is comprised of activities related to asset management, facility operation, vehicle maintenance and operational service delivery.

| Performed by Third Party or by the City (Funded by City) | Performed by Third Party or by the City (Funded by City) | Performed by Third Party (Funded by Metrolinx) |
|--|---|--|
| Operational Activities: <ul style="list-style-type: none"> LRT B Line Operations LRT Vehicle Operations Passenger Interface Provider | Non-Life Cycle Maintenance <ul style="list-style-type: none"> Custodial Preventative Corrective Facility Operations: <ul style="list-style-type: none"> Property Management Activities | Lifecycle Maintenance <ul style="list-style-type: none"> Renewal of Assets |

This assessment is related to LRT Operational Activities only.
 There may be opportunities for the City to take on some non-lifecycle maintenance and facility operations activities; however, this is a decision which will be made by Council at a later date.

Province and Metrolinx Decision-Making Criteria

Province and Metrolinx decision-making criteria for the Operator role
(Ref: Metrolinx Correspondence March 12, 2024):

- (a) Experience in operating a Light Rail Transit system. This includes Passenger Interface and Transit Operational activities;*
- (b) Ability for the successful Operator(s) to maintain the highest level of overall performance, with Metrolinx's ability to use appropriate commercial levers where the Operator(s) are not in compliance;*
- (c) Risk to successfully operate Hamilton LRT while integrating it with local and provincial transit systems; and,*
- (d) The City of Hamilton's feedback in their role to help operate the LRT.*

Decision-Making Timeline

Stage 1: Present operational models and assessment criteria for how staff will assess models

July 26, 2023 LRT Sub-Committee

Stage 2: Present preliminary analysis of operational models

September 25, 2023 LRT Sub-Committee

Stage 3: Present final analysis as well as recommended operational model

January 29, 2024 LRT Sub-Committee

April 17, 2024 General Issues Committee

Consultation

LRT Project Office and Operational Models Working Group: Staff involving various city departments worked together throughout this assessment process.

Consultation with Metrolinx: A series of workshops arranged by Metrolinx provided necessary knowledge on key activities involved with operations and maintenance of LRT.

Strategic Advisory Services: Mike Murray (former Region of Waterloo Chief Administrative Officer) provided strategic advisory services throughout this assessment process, including a "lessons learned" presentation on Waterloo ION LRT at the December 11, 2023, LRT Sub-Committee.

Peer Review Services: Dennis Fletcher & Associates (DFA) provided peer review services.

Operational Activities

The term “LRT Operations” encompasses an extensive list of functions. For clarity, we have separated like activities into *bundles*.

Bundle 1 – LRT B Line Operations

Bundle 2 – LRT Vehicle Operations*

Bundle 3 – Passenger Interface Provider

*Note: Typical industry practice bundles together Bundle 2 (LRT Vehicle Operations) into Bundle 1. Staff have separated these bundles so the City can consider if it wants to provide either/neither or both Bundles 1 and 2.

Bundle 1 (LRT B Line Operations)

Responsibilities include (not an exhaustive list):

- LRT Operations Control Centre (24/7/365)
- Manage on-time service performance and disruptions
- Unplanned and emergency event management
- Scheduling and planning of service
- Establishing, monitoring and reporting operational performance
- Safety and security of the LRT line
- Power control authority for traction power with local hydro provider
- Training to third parties who access right of way (e.g., emergency services)



Bundle 2 (LRT Vehicle Operations)

Responsibilities include (not an exhaustive list):

- Driving LRT vehicles
- Safe operation of vehicles
- Adhering to schedules
- LRT driver staff management activities (e.g., staffing and forecasting, recruitment, training/testing, scheduling, performance management)



Bundle 3 (Passenger Interface Provider)

Responsibilities include (not an exhaustive list):

- Overall customer experience (e.g., call centre management, inquiries, issues management)
- Communications, social media and other channels
- Safety and security of employees and passengers
- Fare collection and/or enforcement, fraud investigation and ticketing
- Emergency event coordination



Potential Staffing Requirements

| Operational Bundles | Job Type | Approx. FTEs |
|--|---|---------------|
| Bundle 1: LRT B Line Operations | Controllers, Supervisors, etc. | Up to 15 FTEs |
| Bundle 2 : LRT Vehicle Operations | Operators, Trainers, Recruiters, Supervisors, etc. | Up to 70 FTEs |
| Bundle 3: Passenger Interface Provider | Safety and Security, Fare Enforcement, Customer Service and Communications Specialists, Supervisors, etc. | Up to 30 FTEs |

Note: The above information is based on the City's high-level assessment per review of the *2011 Preliminary Operations and Maintenance Plan* and learning from similar projects. This will be reassessed and confirmed at a later stage.

| Operational Activities | Operational Model 1 | | Operational Model 2 | | Operational Model 3 | | Operational Model 4 | |
|--|---|-------------|--|-------------|---|-------------|--|-------------|
| | Third party Performs all Operational Activities | | City performs Passenger Interface Provider Activities. | | City performs Passenger Interface Activities and LRT Vehicle Operations | | City performs all aspects of Operational Activities except for Facility Operations | |
| | City | third party | City | third party | City | third party | City | third party |
| Bundle 1: LRT B Line Operations | | x | | x | | x | x | |
| Bundle 2 : LRT Vehicle Operations | | x | | x | x | | x | |
| Bundle 3: Passenger Interface Provider | | x | x | | x | | x | |

Examples:

Model 2: Region of Waterloo Line, Hazel McCallion Line in Peel Region

Model 4: Eglinton Crosstown and Finch West lines in Toronto and Confederation Line in Ottawa

Assessment Criteria

1. **Customer experience:** to assess a seamless experience between all modes of transit, ease of information, and continuity for the public and to determine if the model fosters opportunities for enhanced Inclusion, Diversity, Equity and Accessibility (IDEA);
2. **Interface(s) between parties:** to assess the interface(s) between Metrolinx, the City and various third parties and to determine the associated complexities with shared activities;
3. **Risks and liability:** to assess the types of risks and liabilities to the City that exist for each model, their likelihood of occurrence, the consequences associated with each risk and the potential for mitigation; and,
4. **Cost to the City:** to assess the relative cost impact of each model to determine if this creates an additional funding liability for the City.

Assessment Criteria

Ranking and Weighting of Assessment Criteria (1 is highest, 4 is lowest):

1. Customer Experience (35%);
2. Risks and Liability (30%);
3. Costs to the City (25%); and,
4. Interfaces between Parties (10%).

Customer Experience, Risks and Liability, and Costs to the City are similar in importance. Customer Experience is proposed as the highest in importance as it fundamentally addresses the success of the system. Interfaces between Parties criteria are given lesser importance, as these can be mitigated through coordination of operational activities.

Assessment Summary - Model 1

| Advantages | Disadvantages |
|--|--|
| <ul style="list-style-type: none"> • Provides the City with more cost certainty, minimal upfront cost and low ongoing cost with the lowest overall cost to the City • Consistent number of interfaces compared to Model 2, with moderate complexity • Consistent number of known risks compared to Model 2, with low to moderate overall risk | <ul style="list-style-type: none"> • Creates customer confusion • Complex schedule coordination • Potential for lack of alignment between fare enforcement and optimizing revenue • Least public profile (presence) • Least opportunity for City to influence Inclusion, Diversity, Equity and Accessibility (IDEA) |

Assessment Summary - Model 2

| Advantages | Disadvantages |
|--|--|
| <ul style="list-style-type: none"> • Seamless customer experience • Opportunity to influence IDEA • City controls alignment between fare enforcement and optimizing revenue • More public profile (presence) • More opportunity to consider socio-economic factors • Consistent number of known interfaces compared to Model 1, with reduced complexity (low to moderate) • Consistent number of known risks compared to Model 1, with low to moderate overall risk • Medium cost certainty, low upfront cost and low ongoing cost with the second lowest overall cost to the City | <ul style="list-style-type: none"> • Complex schedule coordination • Higher reputation/public perception risk for City compared to Model 1 |

Assessment Summary - Model 3

| Advantages | Disadvantages |
|--|---|
| <ul style="list-style-type: none"> • Seamless customer experience • Moderate opportunity for City to influence IDEA • Enable the City to control alignment between fare enforcement and optimizing revenue • More public profile (presence) • More opportunity to consider socio-economic factors | <ul style="list-style-type: none"> • Complex schedule coordination • High reputation/public perception risk for City compared to Model 2 • Highest number of known interfaces compared to other models, with moderate to high complexity • Highest number of known risks compared to other models (driver-related collision risks now transferred to the City), with medium to high overall risk • Low cost-certainty, medium upfront cost and medium ongoing cost, with the second highest overall cost to the City |

Assessment Summary - Model 4

| Advantages | Disadvantages |
|---|--|
| <ul style="list-style-type: none"> • Most seamless customer experience • Greatest opportunity for City to influence IDEA • Seamless schedule coordination • Controlled alignment between fare enforcement and optimizing revenue • Most public profile (presence) • Greatest opportunity to consider socio-economic factors | <ul style="list-style-type: none"> • Greatest reputation/public perception risk for City • Specific set of known interfaces, with moderate to high complexity • Known risks associated with Light Rail Vehicle and driver-related collisions (these risks are transferred to the City), with medium to high overall risk • Minimal cost certainty, high upfront cost and high ongoing cost with the highest overall cost to the City |

Assessment Scoring Summary (corrected)

| Assessment Criteria | Established Weights | Model 1 | Model 2 | Model 3 | Model 4 |
|--|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Customer Experience | 35% | 2 | 5 | 6 | 7 |
| Accountability - Interfaces between parties (No. of Interfaces, Complexity and Ease of Mitigation) | 10% | 6 | 7 | 5 | 6 |
| Risks and Liabilities (Consequence, Likelihood, Overall Risk) | 30% | 8 | 9 | 6 | 5 |
| Cost (Cost certainty, Upfront and Ongoing Cost) | 25% | 6 | 6 | 3 | 2 |
| <i>Weighted Scores</i> | | 5 (5.2) | 7 (6.7) | 5 (5.2) | 5 (5.1) |

* Scores 1 to 9: 1 is the least favourable to the City, and 9 is the most favourable to the City.

Recommended Model – Model 2

Model 2, City performs Passenger Interface Provider Activities, is recommended as the most preferred model for the City. Benefits include, but are not limited to:

- relatively seamless customer service, with the City providing the customer-facing functions;
- minimizes risks associated with the transitions from design and construction to operations and maintenance;
- minimizes the City's risk related to operational activities;
- provides greater cost-certainty to the City; and,
- is likely one of the lowest cost options for the City.

Recommended Model – Transitional Approach

Recommendation:

Certain functions operated by a third party for an initial “start-up” period, with the option for the City to assume responsibility for those functions after an established period.

For Hamilton LRT operations, Model 2 is selected for the start-up period with the option to transition to Model 4 after an initial 10-year period.

Recommended Model – Transitional Approach

Model 2 with transition to Model 4

1. City takes on the role as Passenger Interface Provider from the outset, which would provide a seamless customer service experience, create profile with transit customers and an opportunity to advance the City's objectives and policies related to Inclusion, Diversity, Equity and Accessibility.
2. Minimizes the risks associated with the transitions from the design and construction phase to the start-up, commissioning, operations and maintenance phases, as a single third party entity would be responsible for all activities.
3. Minimizes the City's risks related to operations for the initial operating period.
4. Provides opportunity for the City to observe and monitor LRT operation activities, driver management, LRT Line operation, and provide the necessary knowledge and experience for the City to make an informed decision about the risks, costs and benefits to taking on these activities in the future.
5. The City would have access to the systems and processes that had been developed for the initial operations period, which would make it more efficient for the City to put in place the necessary operating procedures.
6. The City would have the right to opt-in (*transition*) to Operations Model 4 (*Municipality performs all aspects of Operational activities except facility operations*) after an initial 10-year term.

Waterloo Region ION LRT

Waterloo Region ION LRT

- **Region of Waterloo roles:**
 - Own the LRT infrastructure; supply and own the LRT vehicles
 - Establish schedules and fares
 - Monitor overall system performance
 - Provide integrated customer service, including passenger security and fare enforcement
- **Private Partner (GrandLinq) roles:**
 - Design and construct the LRT system
 - Operate ION (for at least 10 years plus optional 5 year renewals to 30 years)
 - Maintain the ION LRT vehicles, facilities and system (for 30 years)
 - Provide short and long-term financing



Rationale for Waterloo Region's Approach

- **Cost:** Lower cost over the term of the agreement
- **Experience:** The private sector has more experience than the Region in designing, constructing, operating and maintaining an LRT system.
- **Customer Service:** Region retains customer service – seamless experience
- **Risks:** Risk allocated to party best able to manage it.
- **Coordination risk:** Having the same party responsible for design, construction, operations and maintenance of the system avoids finger pointing (fewer interfaces; more clear accountability)
- **Flexibility:** Allows for early termination of the operating agreement if necessary / desired by the Region
- **Incentives:** Payments and penalties based on performance during construction and operations and maintenance.

Lessons Learned – Operations and Maintenance

- ▶ O&M has been highly reliable – 96% of all trips completed – on time!
- ▶ O&M approach has been efficient and effective:
 - ▶ Contractor able to re-deploy operations and maintenance staff as needed
 - ▶ Contractor brings in specialized staff as needed to deal with specific issues (despite industry shortage of skilled people)
 - ▶ No “finger-pointing” between design, construction, operations and maintenance (effective risk transfer)

Lessons Learned – Operations and Maintenance

- ▶ Need sufficient, skilled people to monitor and manage contract
- ▶ Ensure contract is appropriately calibrated to incent desired performance
- ▶ Ensure contract provides enough flexibility to adjust service levels / frequency periodically to meet demand
- ▶ Need well-drafted, detailed contract AND good relationship with contractor (carrot and stick)

Recommendation

Recommendation

That the City endorse Operations Model 2 (*Municipality performs passenger interface activities*) to be selected as the City's preferred LRT operations model with the right to opt-in (*transition*) to Operations Model 4 (*Municipality performs all aspects of Operational activities except facility operations*) after an initial 10-year term.



Hamilton

QUESTIONS?

CITY OF HAMILTON MOTION

General Issues Committee Date: April 17, 2024

MOVED BY COUNCILLOR JP Danko.....

SECONDED BY COUNCILLOR.....

Revitalizing Hamilton Tax Increment Grant Application Criteria Exception for the Property Municipally Known as 75 James Street South, Hamilton - REVISED

WHEREAS the Revitalizing Hamilton Tax Increment Grant Program (the Program) is intended to incentivize property owners within strategic commercial districts to develop, redevelop or otherwise improve properties and/or buildings in a manner that will support the broader revitalization of the commercial district as well as generate new municipal property tax revenue through increased property assessments;

WHEREAS Applicants must meet Council approved Program eligibility and grant criteria;

WHEREAS Program applications are subject to a comprehensive review by the City of Hamilton's Economic Development Division and approval of all Program applications are at the absolute discretion of City Council and subject to the availability of funds.

WHEREAS above grade improvements/developments commenced prior to submitting an application are ineligible under this Program.

WHEREAS the development at 75 James Street South, Hamilton received final Site Plan Approval making the development otherwise eligible under the Program; and,

WHEREAS Hi-Rise Group Inc., the registered owner of 75 James Street South, proceeded with above grade development prior to formally submitting an application for the Program and would like to apply for the Program subsequent to the above-grade construction commencing on-site;

THEREFORE, BE IT RESOLVED:

- (a) That, on a one-time basis, staff be directed to accept the Program application submitted by Fengate Hamilton Lands GP Inc., the registered owner of 75 James Street South, and,
- (b) That staff be directed to review, process and bring a report back to the General Issues Committee for consideration with a recommendation on the application submitted by Fengate Hamilton Lands GP Inc., respecting 75 James Street South, in accordance with all other applicable Council approved Program terms.