



INFORMATION REPORT

TO:	Mayor and Members Light Rail Transit Sub-Committee
COMMITTEE DATE:	November 29, 2016
SUBJECT/REPORT NO:	Review of Toronto Light Rail Transit (LRT) Projects Operating and Maintenance Terms (PED16229) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Carla Ippolito (905) 546-2424 Ext. 2448
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SIGNATURE:	

Council Direction:

Not applicable.

Information:

This information report is a summary on how the City of Toronto is managing Light Rail Transit (LRT) Operating and Maintenance Agreements. The Executive Committee of Toronto City Council discussed their Transit Network Plan on November 1, 2016, including information on the proposed Operating and Maintenance Agreement structure and costs of their LRT projects. On November 8, 2016, Toronto City Council adopted the plan and a “Summary Term Sheet” which will form the basis of the Agreements between the Province of Ontario and the City of Toronto.

Key Terms

The key terms outlined in the “Summary Term Sheet” as it relates to the Operations and Maintenance of the Toronto LRTs (Eglinton Crosstown, Finch West, Sheppard East, Proposed Eglinton West, and Proposed Eglinton East) are as follows:

- Province will own the system, tracks, stations and vehicles and be responsible for all lifecycle maintenance costs;
- Toronto Transit Commission (TTC) will operate LRTs (*Note: Metrolinx has always assumed the TTC would operate the new LRTs as the TTC has a history and the infrastructure to support LRT operations.*);
- City of Toronto is responsible for operating and maintenance costs;

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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- City/TTC will set the fare and service level, in consultation with Metrolinx; and,
- City/TTC will retain farebox revenues and non-farebox revenues.

Timing of Operating & Maintenance Agreement

As part of the Toronto Metrolinx LRT Program Master Agreement, an operating agreement is to be finalized at least two years (2019) in advance of the launch of revenue services (2021).

Provincial Gas Tax Revenues

During their discussions on the Operating and Maintenance Agreement, Toronto received confirmation that Provincial ownership of the system and the proposed operating and maintenance structure will not negatively affect allocation of Provincial Gas Tax Revenue.

Operating and Maintenance Costs

The report to Toronto City Council included estimates of operating costs and the annual net financial impact, once projected revenues were taken into account. These costs were provided by Metrolinx and verified by the TTC. The Eglinton Crosstown LRT has an estimated annual gross cost of \$80 million (in 2021 dollars) with an estimated annual net financial impact of \$39 million (again in 2021 dollars). The Finch West LRT has an estimated annual gross cost of \$51.5 million (in 2022 dollars). The estimated annual net financial impact is still being calculated for the Finch West LRT.

It is important to note that the operating costs of LRT systems in Toronto will be significantly different than the costs in Hamilton. The Eglinton Crosstown LRT, for example, is a 19 km corridor, including 10 km of underground sections which are more expensive to operate and maintain. Some of the stops are stations providing connections to other transit services. The Finch West LRT is 11 km with 16 surface stops, a below-grade terminus stop and an underground interchange station.

While the information regarding the Operating and Maintenance terms in Toronto provides insight into how Metrolinx and Municipalities are negotiating these agreements, it is important to note that City of Hamilton staff have received no indication that the agreement in Hamilton will be identical.

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