

# **Hamilton LRT Presentation to Hamilton General Issues Committee**

Ministry of Transportation

June 2021

# Context : The Provincial and Federal funding is to support an LRT from McMaster to Eastgate

- **March 2020** - Hamilton transportation task force report, with recommendation to look at higher-order rapid transit options for the \$1B provincial commitment to build transportation infrastructure in the City of Hamilton.
- Metrolinx directed to develop benefits report, a technical review of rapid transit options within \$1B funding envelope.
- **February 2021 – Minister Mulroney confirms Hamilton LRT as one of five priority transit projects**, publishes technical review and urges Federal Government to fund updated LRT plan.
- **May 2021 – Funding commitment of \$3.4 billion** from the Provincial and Federal government for the LRT line from McMaster to Eastgate
- **Today June 2nd – Engagement with the City of Hamilton on the Hamilton LRT from McMaster to Eastgate**

# Provincial / Federal Funding Announcement

- On May 13, 2021, the Province announced a funding commitment of \$1.7 billion to advance the Hamilton LRT project. Along with a \$1.7 billion commitment from the federal government, this brings investment into the project to a **total of \$3.4 billion to support construction.**
- Through this partnership, the province and federal government are taking a significant step towards advancing an LRT project that will offer frequent and reliable connections on a 14-kilometre line **from Eastgate Square through downtown Hamilton to McMaster University.**
- Given that funding availability has now been confirmed, Metrolinx is advancing the work on an LRT from McMaster to Eastgate, with route optimizations to be discussed.



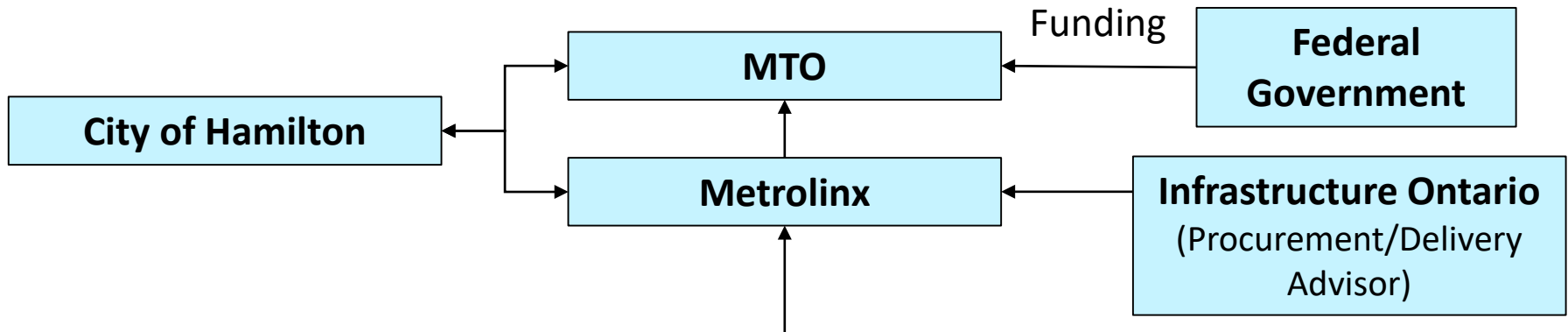
# Project Funding and O&M

- The estimated preliminary construction cost of the project is \$3.4 billion per the 2019 Turner and Townsend (T&T) report – this figure will be refined as design and analysis progresses.
  - The federal government will cover up to \$1.7 billion towards the construction costs. All remaining capital costs will be borne by the Province i.e. \$1.7 billion towards construction as well as any additional costs involved (e.g. financing).
  - **In addition, the province, as owner of the asset, will assume lifecycle maintenance costs of the project.**
- **The province is looking to the City of Hamilton to confirm its previous commitment to cover the day-to-day Operation and Maintenance (O&M) of a future LRT project.**
  - In 2019 per the T&T Report, the O&M costs over a 30-year period were estimated to be \$600M (in 2019 dollars). This translates to a gross O&M cost of approximately \$20M a year in current dollars.
  - The 2019 T&T report remains the most recent O&M estimate available for the project and does provide a reasonable order of magnitude for the City of Hamilton.
- Metrolinx will confirm further this range when updated analysis will be available. Final O&M numbers will be depending on the P3 contract award.
  - In addition, MTO/Metrolinx/IO will also work with the City of Hamilton to seek input on the development of a procurement strategy that will support getting shovels in the ground the soonest.

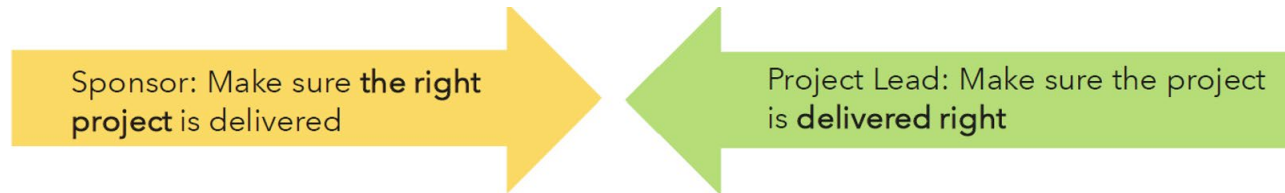
# Proposed Approach Moving Forward

- MTO will work with the City of Hamilton to develop an Agreement In Principle to outline formalize general roles and responsibilities with respect to capital construction, O&M and lifecycle costs.
- MTO will also work with the federal government to formalize the flow of federal funding to the province for the project.
- Metrolinx is also actively building a team to deliver the project.
  - The previous Technical Advisor and Commercial Support teams have been activated to minimize ramp-up time and ensure continuity.
  - Previous design and project documentation are being reviewed and compiled to identify gaps and priority work.
  - Project schedule, commercial strategy and work sequencing is in progress.
- Metrolinx will re-establish project level technical discussions with City of Hamilton to support further analysis on the project.

# Project Relationship Structure



## Joe Costigan Jr.: Sponsor - Kris Jacobson: CPG Project Lead



- Metrolinx Capital Project Group(CPG) manages the project costs, schedule and execution through day to day delivery.
- The sponsor is accountable for project outcomes, optimising benefits, funding and can help ensure the project is appropriately resourced.
- New approach to procurement possible with early works potentially starting ahead of broader project.

# Building Transit Faster Act

- MTO is also proposing to prescribe the Hamilton LRT project as a priority transit project under the *Building Transit Faster Act* (BTFA).
  - The BTFA introduces measures that streamline project delivery and support the accelerated completion of the province's priority transit projects.
- It is expected that prescribing the Hamilton LRT project as a priority project under the BTFA could help the government deliver this project on accelerated timelines.
  - Many of the measures in the BTFA are intended as a backstop in their application, with Metrolinx expected to make every reasonable effort to negotiate before using the measures in the Act.
- The draft regulation was posted for comment on the Ontario Regulatory Registry for 45 days from March 8 to April 23, 2021
  - A total of 68 comments were received during the posting period. The majority (76%) of comments did not oppose or support prescribing Hamilton LRT as a priority project under the BTFA, but rather expressed support for the Hamilton LRT project more generally.
- The Province is now in the process of reviewing comments and, pending any further comments from the City of Hamilton, preparing the draft regulation submission for government approval.

# Next milestones and steps

- The City of Hamilton to confirm their agreement to cover the day-to-day Operation and Maintenance costs related to an LRT from McMaster to Eastgate (**excluded: lifecycle maintenance costs**).
  - This would be formalized via an Agreement In Principle between the City and the Province outlining roles and responsibilities around the project.
- MTO, Metrolinx and Infrastructure Ontario to explore potential procurement strategies for the project.
- MTO to seek government approval of the draft regulation prescribing the Hamilton LRT as a priority transit project under the BTFA.