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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE 2, 2015</b>
<b>FROM:</b>	<b>ART ZUIDEMA CITY MANAGER</b>
<b>SUBJECT:</b>	<b>RAPID TRANSIT FUNDING OPPORTUNITIES</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Manager, with respect to funding opportunities for Rapid Transit in London:

- a) the following report regarding federal, provincial and local investments and associated funding opportunities **BE RECEIVED** for information; and
- b) Civic Administration **BE DIRECTED** to take necessary steps to participate in the *Moving Ontario Forward* consultation process, and pursue available opportunities to advocate for Rapid Transit funding for London.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Civic Works Committee - June 19, 2012: London 2030 Transportation Master Plan
- Civic Works Committee - October 7, 2013 - Transportation Infrastructure Gap
- Civic Works Committee - October 7, 2013 – Bus Rapid Transit Strategy
- Civic Works Committee – April 7, 2014 – Timelines for Major Environmental & Engineering Reports
- Civic Works Committee – July 21, 2014 – Rapid Transit Corridors Environmental Assessment Study Appointment of Consulting Engineer

<b>BACKGROUND</b>
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Transit is a priority for governments across Canada. Canada is now the fastest growing nation in the G7, and this growth is concentrating in urban areas. As Canada’s cities grow, the demands for efficient, accessible and convenient transit systems will increase. Citizens want accessible, convenient and affordable mobility options to get around their communities. Effective transit systems increase citizens’ quality of life, support poverty-reduction and social inclusion, reduce environmental impacts of transportation, and stimulate local economies. As Canada grows, transit becomes paramount to the success of its cities, its provinces and the nation.

Transit is clearly identified in London City Council’s *2015-2019 Strategic Plan*. The Strategic Plan makes a commitment to “implement and enhance safe mobility choices for cyclists, pedestrians, transit users and drivers through the provision of complete streets, connected pathways and enhanced transit services.” Transit is a major component of the draft London Plan, and an important feature of the Downtown Plan and Smart Moves 2030 Transportation Master Plan. London City Council has invested in transit and transportation for many years. The launch of Shift, London’s Rapid Transit Initiative, in February 2015 marks the beginning of the next phase of transit in London. An Environmental Assessment (EA) is currently underway to establish the best routes for rapid transit, optimal modes and technology, and the detailed right-of-way cross



sections for each route. Plans for *Shift* are well underway, but partnerships with other governments will be required to make it a reality.

The Government of Canada and Province of Ontario have recognized the importance of transit to Canada's cities. Both governments have recently announced new funding opportunities. At the May 26, 2015 Council meeting, Administration was directed to provide a report regarding potential opportunities for the City of London to seek funding for Rapid Transit:

*That the Civic Administration BE REQUESTED to submit a report to the June 2, 2015 Civic Works Committee providing information with respect to the Moving Ontario Forward program and outlining opportunities that may be available for London to seek federal and provincial funding to advance Rapid Transit in London.*

This report fulfills this motion. It provides an overview of federal, provincial and local investments in transit, and outlines associated opportunities for the City of London to pursue funding for *Shift*, London's Rapid Transit Initiative.

### **Federal Investment in Transit**

The Federal Government recognizes the importance of investing in infrastructure as a way to stimulate the economy, improve Canada's competitive position, and enhance the quality of life for Canadians. The 2015 Federal Budget states:

"Our continued ability to compete successfully on the global stage depends on the quality of our public infrastructure. Whether in highways, water treatment, public transit or cultural facilities, investments in infrastructure help Canadian companies reach global markets, protect our environment and support our cities and communities. [...] The Government of Canada has made a historic commitment towards public infrastructure, making significant investments to build roads, bridges, ports, subways, commuter rail and other public infrastructure across the country, in recognition of the importance of modern and efficient public infrastructure for the country's economic prosperity and quality of life."

In March 2014, the Government of Canada launched the New Building Canada Plan, the largest federal infrastructure plan in Canada's history. This 10-year (2014-2024), \$53 billion fund invests in infrastructure to "promote economic growth, job creation, productivity gains and a high quality of life for Canadians." The New Building Canada Plan includes four components:

- Community Improvement Fund (\$32 billion) – gas tax fund and GST rebate for municipalities to invest in roads, public transit, recreation facilities and community infrastructure;
- New Building Canada Fund (\$14 billion) – this fund provides \$4 billion for projects of national significance and \$10 billion for projects of regional and local significance;
- P3 Canada Fund (\$1.25 billion) – a merit-based fund administered by PPP Canada Inc. to support projects delivered through private-public partnership; and
- Existing infrastructure funding (\$6 billion) – continuing to fund existing infrastructure programs.

The City of London currently receives funds through this program. In 2014, the City received \$21 million dollars from the federal Gas Tax Allocation, which was used to for water, wastewater, roads, bridges, bicycle lanes, bus replacements and other capital projects within federal guidelines.



One of the major announcements in the 2015 Federal Budget, *Strong Leadership: A Balanced-Budget, Low-Tax plan for Jobs Growth and Security*, was the creation of a dedicated Public Transit Fund. As the Federal Government's largest targeted infrastructure program, this new fund commits \$750 million over two years, starting in 2017-2018, and \$1 billion per year ongoing thereafter. This commitment reflects successful advocacy efforts from the Federation of Canadian Municipalities (FCM). In their 2015 budget submission, FCM requested \$1 billion new federal investment dedicated to municipal transit projects, advocating that every \$1 invested in public transit generates \$3 in economic growth.

Funds under the new Public Transit Fund will not be available until 2017, and program details have yet to be announced. The criteria and project thresholds are unknown. Administration awaits further details and will evaluate potential opportunities for the City of London to pursue these funds.

### **Provincial Investments in Transit**

In April 2015, the Province tabled its 2015 Budget, *Building Ontario Up, Growing the Economy and Creating Jobs*. This budget reflected an unprecedented \$130 billion investment in infrastructure over 10 years, including a new \$31 billion fund for public transit, transportation and other priority infrastructure projects. This program, called *Moving Ontario Forward*, is the Ontario Government's plan "to build a seamless and integrated transportation network across Ontario." It includes two dedicated funds for priority infrastructure: \$16 billion in the Greater Toronto and Hamilton Area (GTHA) and \$15 billion for communities outside of the GTHA.

On May 21, 2015, the Ontario Ministry of Economic Development, Employment and Infrastructure released a discussion guide for forthcoming consultations about *Moving Ontario Forward – Outside the GTHA*. The discussion guide indicates that the \$15 billion designated for outside of the GHTA communities will be allocated as follows:

- Regional Funding - \$3.5 billion for the Connecting Links program, Natural Gas, Ring of Fire region investments, highway investments, Ontario Small Communities Fund and Small Communities Fund
- Signature Investments - \$11.5 billion for potential projects including highways, GO services outside the GTHA, municipal rapid transit projects including Ottawa, Waterloo and London, and an expanded Ontario Community Infrastructure Fund

The specific reference to rapid transit in London is a positive signal. The Province has recently announced major contributions to other cities' transit projects, these include:

- \$1.6 billion support for the Hurontario-Main Light Rail Transit (LRT) project connecting Mississauga and Brampton;
- \$1.2 billion for the Finch West LRT project in the City of Toronto;
- Up to \$1 billion for cross town LRT project in Hamilton linking the university to the downtown and other major nodes; and
- Investments in Kitchener-Waterloo and Barrie.

The consultation process for funding outside of the GTHA begins in June 2015. There will be opportunities for written and in person input from June to September. New programs for selecting infrastructure projects will be announced in 2016. Questions to be discussed during the consultation include:

- What is the long-term future of your transportation network, and how can *Moving Ontario Forward* support that?

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- What proposed transit projects would best serve and provide economic benefits to your community?
- What types of infrastructure projects could unlock tangible economic development opportunities in your communities?

This report seeks direction for Civic Administration to play an active role in the *Moving Ontario Forward* consultation process, and specifically to advocate for Rapid Transit as the priority investment in London. Administration will provide regular updates as this process proceeds.

It should also be noted that the Province announced plans for a high-speed rail (HSR) line connecting Windsor, London, Kitchener-Waterloo and Toronto in December 2014. An environmental assessment is underway for this project, with consultations taking place in 2015. Going forward it will be critical that all investments in transit – including HSR, local rapid transit projects, public transit services and other transportation networks – are well integrated.

### **Local Investments in Transit**

London City Council has identified transit as a priority. Council's 2015-2019 Strategic Plan includes this specific strategy which supports Building a Sustainable City:

#### *Convenient and Connected Mobility Choices*

Implement and enhance safe mobility choices for cyclists, pedestrians, transit users and drivers through the provision of complete streets, connected pathways and enhanced transit services.

Enhanced transit services are identified as a critical component in several important City of London plans and documents: The London Plan, London's draft official plan; the Transportation Master Plan; the London Transit Commission Business Plan; the Bicycle Master Plan; and, the Thames Valley Corridor Plan.

Through its annual provincial pre-budget submission, the City of London has advocated for continued and/or enhanced transit funding for close to a decade. In addition, through active membership in the Association of Municipalities of Ontario and the Large Urban Mayor's Caucus of Ontario, the City has voiced the need for maintained financial commitments and increased funding to expand transit capacity. Federally, London has identified transit as a priority through its federal pre-budget submissions, and has advocated for strengthened funding in transit infrastructure through membership in FCM and the Big City Mayor's Caucus.

In February 2015, the City of London launched *Shift*, London's Rapid Transit Initiative. *Shift* is a process to define where Rapid Transit in London will go, what it will look like, and how it will be implemented. *Shift* aims to find environmentally sustainable ways to move people in London faster and create great places to live and work.

More than 6,500 Londoners have engaged with *Shift* in some way over the past four months. The engagement process will be continuing throughout 2015. Detailed design for routes and plans for construction and funding will be finalized by early 2016.

London City Council has set aside approximately \$100 million for Rapid Transit implementation, funded primarily through development charges. Funding from other governments will be required to deliver Rapid Transit in London.

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<b>CONCLUSIONS</b>
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Transit is a priority for the Government of Canada, Province of Ontario, and City of London. Each government is recognizing that transit is a critical part of a city’s economic and social wellbeing, and supports the quality of life of citizens. *Shift*, London’s Rapid Transit Initiative is well underway and the City is in a good position to articulate the future needs for London and seek federal and provincial investments.

The *Moving Ontario Forward* consultations are an immediate opportunity to do so. City Council and Civic Administration will continue to pursue partnerships with other governments to deliver on the long-term transit needs of Londoners.

<b>PREPARED BY:</b>	<b>REVIEWED BY:</b>
<b>KATE GRAHAM DIRECTOR, COMMUNITY &amp; ECONOMIC INNOVATION</b>	<b>EDWARD SOLDO DIRECTOR, ROADS AND TRANSPORTATION</b>

<b>CONCURRED BY:</b>	<b>CONCURRED BY:</b>
<b>JOHN BRAAM MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>	<b>JOHN FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER</b>

<b>RECOMMENDED BY:</b>
<b>ART ZUIDEMA CITY MANAGER</b>

cc. Senior Leadership Team