

Appendix **A-1**

October 8, 2013 City Council Resolution

Tracking Status

- [City Council](#) adopted this item on October 8, 2013 with amendments.
- See also [EX31.3 - Metrolinx Transportation Growth Funding - Dedicated Revenues](#)
- See also [CC37.17 - Scarborough Rapid Transit Options](#)

City Council consideration on October 8, 2013

CC39.5	ACTION	Amended		Ward:All
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Scarborough Rapid Transit Options: Reporting on Council Terms and Conditions

City Council Decision

City Council on October 8, 9, 10 and 11, 2013 adopted the following:

- A. City Council reconfirm its support for a Scarborough Subway, extending the Bloor-Danforth line along the McCowan Road corridor to Sheppard Avenue East (the "McCowan Corridor Subway"), subject to approval of the final alignment through an Environmental Assessment, to Part A.3. below, and to reaching agreements under Parts A.1. and A.2. below, and
1. Authorize the City Manager to negotiate an amendment of the Master Agreement, and, if necessary, a separate agreement with Metrolinx and the Province, to:
 - a. remove the Scarborough LRT from the description of the program to be constructed by Metrolinx under the Master Agreement (the "Program");
 - b. accept the redirection of a minimum of \$1.48 billion (in 2010 dollars) of Provincial funding to the City, for the purpose of the construction of the McCowan Corridor Subway, which amount shall be indexed by an appropriate cost escalation factor from 2010 to the date of transfer to the City, currently estimated at \$1.99 billion (the "Indexed Amount"), payable to the City in a manner to be agreed upon by the parties having regard to ensuring that the City's financing charges or contract payments related to the Indexed Amount are fully offset over the life of the City's financing, or contract payments in respect of the Indexed Amount;
 - c. amend the overall Program budget under the Master Agreement by reducing it by the \$1.48 billion (in 2010 dollars);

- d. ensure that the Master Agreement continues to apply to all interchange stations to which it currently applies;
- e. ensure that no funding currently allocated to other projects under the Master Agreement, except any savings from the Eglinton-Scarborough Crosstown up to a cap of \$650 million, is reallocated to the McCowan Corridor Subway; and
- f. make any further amendments to the Master Agreement as may be necessary to reflect the removal of the Scarborough LRT from the Program,

all on such terms and conditions as are satisfactory to the City Manager and Toronto Transit Commission Chief Executive Officer, in consultation with any other relevant City officials, and in a form acceptable to the City Solicitor, and authorize the City Manager and the Mayor and any other relevant City official as may be required to enter into any such agreement.

2. Authorize the City Manager to negotiate a contribution agreement with the Federal Government, and any other parties as may be required, to accept the announced federal contribution of up to \$660 million (inflated dollars) to the cost of constructing the McCowan Corridor Subway, upon such terms and conditions as are set out in this report and in the attached letter from the federal Minister of Infrastructure, Communities and Intergovernmental Affairs, including the requirement to undertake a P3 assessment, and upon such other terms and conditions as are satisfactory to the City Manager and the Toronto Transit Commission Chief Executive Officer, in consultation with any other relevant City officials, and in a form acceptable to the City Solicitor, and authorize the City Manager and the Mayor and any other relevant City official as may be required to enter into any such agreement.
3. Direct that no City revenues allocated to other services or programs provided by the City or City agencies be reallocated to the McCowan Corridor Subway, as determined by City Council at its July 16, 17, 18 and 19, 2013 meeting.
4. Direct the City Manager to report back directly to City Council if agreements cannot be reached under either of Parts A.1. or A.2. above.
5. Direct the City Manager to further negotiate the following with the Province and Metrolinx, and to report back to City Council with the results of such negotiations:
 - a. an agreement for the payment by the City to Metrolinx of such actual sunk costs as are independently verified as accurate by a third party auditor that were incurred by Metrolinx prior to or as a result of Council's July decision for work undertaken by Metrolinx on the Scarborough LRT project under the Master Agreement, including any potential costs associated with the LRT vehicle supply contract.
 - b. an agreement that defines the roles of the City and Metrolinx in the funding of operating and maintenance costs of new rapid transit projects,

including the Bloor-Danforth extension and the Metrolinx Program covered by the existing Master Agreement, inclusive of compensation by Metrolinx to the City for any costs which would have been borne by Metrolinx under the Master Agreement in respect of the Scarborough LRT related to operations, capital maintenance and such other costs as may be negotiated between the parties.

6. Commit to funding the City's share of the cost of construction of the McCowan Corridor Subway by:

- a. implementing a residential property tax rate increase, dedicated to funding the McCowan Corridor Subway, in the following amounts:

Year	Percentage
2014	0.5%
2015	0.5%
2016	0.6%

and implementing a property tax rate increase on the non-residential property tax classes of 1/3 of such a residential rate increase, in accordance with current City policy;

- b. directing the Deputy City Manager and Chief Financial Officer to prepare a Development Charge By-law to include the City's share of capital costs in respect of the McCowan Corridor Subway for Council's consideration;
- c. requesting the Province of Ontario to make appropriate amendments to the Development Charges Act for the purposes of the McCowan Corridor Subway Project similar to those made by the Province for the Toronto York Spadina Subway Extension project; and
- d. directing staff to aggressively pursue the Federal P3 screen process, so that any project cost savings arising from a P3 partnership with the City can be applied to reduce any dedicated tax rate increases needed to support the Scarborough Subway.
7. Direct the appropriate City officials to seek the necessary approval under the Environmental Assessment Act using the Transit Project Approval Process as set out in Ontario Regulation 231/08, as amended, and to ensure that the process considers the impact of the McCowan Corridor Subway on the transit network as a whole.
8. Direct the City Manager to report to the Executive Committee on the feasibility of maintaining the abandoned S.R.T. line and converting it to a public park similar to Manhattan's High Line, once the S.R.T. is decommissioned.
9. Refer Toronto Transit Commission and City costs associated with initial work to be done in 2014 in respect of the McCowan Corridor Subway to the Budget Committee to be addressed as part of its 2014 budget deliberations.

10. Authorize the City Manager, and as required, the Mayor and other appropriate City officials, to enter into any other agreements with any parties as may be additionally necessary to give effect to City Council's decision, and to authorize the appropriate City officials to take all actions necessary to give effect to City Council's decision.

City Council Decision Advice and Other Information

City Manager, Joe Pennachetti gave a presentation to City Council on this Item.

Background Information (City Council)

(October 3, 2013) Report from the City Manager on Scarborough Rapid Transit Options - Reporting on Council Terms and Conditions

<http://www.toronto.ca/legdocs/mmis/2013/cc/bgrd/backgroundfile-62259.pdf>

(October 3, 2013) Attachments 1 to 8 to the City Manager's Report dated October 3, 2013

<http://www.toronto.ca/legdocs/mmis/2013/cc/bgrd/backgroundfile-62260.pdf>

(October 1, 2013) Report from the City Manager on Scarborough Rapid Transit Options: Reporting on Council Terms and Conditions - Notice of Pending Report (CC39.5)

<http://www.toronto.ca/legdocs/mmis/2013/cc/bgrd/backgroundfile-62243.pdf>

(October 8, 2013) Presentation from City Manager - Scarborough Rapid Transit Options: Reporting on Council Terms and Conditions (CC39.5a)

<http://www.toronto.ca/legdocs/mmis/2013/cc/bgrd/backgroundfile-62393.pdf>

Communications (City Council)

(October 2, 2013) E-mail from Sharon Yetman (CC.Supp.CC39.5.1)

(October 3, 2013) E-mail from Sharon Yetman (CC.Supp.CC39.5.2)

(October 4, 2013) E-mail from Hamish Wilson (CC.Supp.CC39.5.3)

(October 7, 2013) E-mail from Janice M. Durst (CC.Supp.CC39.5.4)

(October 7, 2013) E-mail from Jack Brannigan (CC.New.CC39.5.5)

(October 7, 2013) E-mail from Glenn Storey (CC.New.CC39.5.6)

(October 8, 2013) E-mail from Glenn Storey (CC.New.CC39.5.7)

(October 8, 2013) E-mail from Allan McCartney (CC.New.CC39.5.8)

(October 8, 2013) E-mail from Steve Indrigo (Communication number CC39.5.9 was not used) (CC.New.CC39.5.10)

(October 8, 2013) E-mail from Sean Boots (CC.New.CC39.5.11)

Motions (City Council)

1 - Motion to Adopt Item moved by Deputy Mayor Norman Kelly (Amended)

That City Council adopt Option A contained in the report (October 3, 2013) from the City Manager as follows:

- A. City Council reconfirm its support for a Scarborough Subway, extending the Bloor-Danforth line along the McCowan Road corridor to Sheppard Avenue East (the "McCowan Corridor Subway"), subject to approval of the final alignment through an Environmental Assessment, to Recommendation A(3) and to reaching agreements under Recommendations A(1) and A(2); and

- (1) Authorize the City Manager to negotiate an amendment of the Master Agreement, and, if necessary, a separate agreement with Metrolinx and

the Province, to:

- (a) remove the Scarborough LRT from the description of the program to be constructed by Metrolinx under the Master Agreement (the "Program");
- (b) accept the redirection of a minimum of \$1.48 billion (in 2010 dollars) of Provincial funding to the City, for the purpose of the construction of the McCowan Corridor Subway, which amount shall be indexed by an appropriate cost escalation factor from 2010 to the date of transfer to the City, currently estimated at \$1.99 billion (the "Indexed Amount"), payable to the City in a manner to be agreed upon by the parties having regard to ensuring that the City's financing charges or contract payments related to the Indexed Amount are fully offset over the life of the City's financing, or contract payments in respect of the Indexed Amount;
- (c) amend the overall Program budget under the Master Agreement by reducing it by the \$1.48 billion (in 2010 dollars);
- (d) ensure that the Master Agreement continues to apply to all interchange stations to which it currently applies;
- (e) ensure that no funding currently allocated to other projects under the Master Agreement is reallocated to the McCowan Corridor Subway, as determined by Council at its July 16th, 2013 meeting; and
- (f) make any further amendments to the Master Agreement as may be necessary to reflect the removal of the Scarborough LRT from the Program;

all on such terms and conditions as are satisfactory to the City Manager and TTC Chief Executive Officer, in consultation with any other relevant City officials, and in a form acceptable to the City Solicitor, and authorize the City Manager and the Mayor and any other relevant City official as may be required to enter into any such agreement.

- (2) Authorize the City Manager to negotiate a contribution agreement with the Federal Government, and any other parties as may be required, to accept the announced federal contribution of up to \$660 million (inflated dollars) to the cost of constructing the McCowan Corridor Subway, upon such terms and conditions as are set out in this report and in the attached letter from the federal Minister of Infrastructure, Communities and Intergovernmental Affairs, including the requirement to undertake a P3 assessment, and upon such other terms and conditions as are satisfactory to the City Manager and the TTC Chief Executive Officer, in consultation with any other relevant City officials, and in a form acceptable to the City Solicitor, and authorize the City Manager and the

Mayor and any other relevant City official as may be required to enter into any such agreement.

- (3) No City revenues allocated to other services or programs provided by the City or City agencies be reallocated to the McCowan Corridor Subway, as determined by Council at its July 16th, 2013 meeting.
- (4) Direct the City Manager to report back directly to Council if agreements cannot be reached under either of Recommendations A(1) or A(2).
- (5) Direct the City Manager to further negotiate the following with the Province and Metrolinx, and to report back to Council with the results of such negotiations:
 - (a) an agreement for the payment by the City to Metrolinx of such actual sunk costs as are independently verified as accurate by a third party auditor that were incurred by Metrolinx prior to or as a result of Council's July decision for work undertaken by Metrolinx on the Scarborough LRT project under the Master Agreement, including any potential costs associated with the LRT vehicle supply contract.
 - (b) an agreement that defines the roles of the City and Metrolinx in the funding of operating and maintenance costs of new rapid transit projects, including the Bloor-Danforth extension and the Metrolinx Program covered by the existing Master Agreement, inclusive of compensation by Metrolinx to the City for any costs which would have been borne by Metrolinx under the Master Agreement in respect of the Scarborough LRT related to operations, capital maintenance and such other costs as may be negotiated between the parties.
- (6) Commit to funding the City's share of the cost of construction of the McCowan Corridor Subway by:
 - (a) implementing a residential property tax rate increase, dedicated to funding the McCowan Corridor Subway, in the following amounts:

Year	Percentage
2014	0.5%
2015	0.5%
2016	0.6%

and implementing a property tax rate increase on the non-residential property tax classes of 1/3 of such a residential rate increase, in accordance with current City policy;
 - (b) directing the Deputy City Manager and Chief Financial Officer to prepare a Development Charge By-law to include the City's

share of capital costs in respect of the McCowan Corridor Subway for Council's consideration; and

- (c) requesting the Province of Ontario to make appropriate amendments to the Development Charges Act for the purposes of the McCowan Corridor Subway Project similar to those made by the Province for the Toronto York Spadina Subway Extension project;
- (7) Direct the appropriate City officials to seek the necessary approval under the Environmental Assessment Act using the Transit Project Approval Process as set out in Ontario Regulation 231/08, as amended, and to ensure that the process considers the impact of the McCowan Corridor Subway on the transit network as a whole.
- (8) Refer TTC and City costs associated with initial work to be done in 2014 in respect of the McCowan Corridor Subway to the Budget Committee to be addressed as part of its 2014 budget deliberations.
- (9) Authorize the City Manager, and as required, the Mayor and other appropriate City officials, to enter into any other agreements with any parties as may be additionally necessary to give effect to these recommendations, and to authorize the appropriate City officials to take all actions necessary to give effect to these recommendations.

Amended by Motion 5b by Councillor Pasternak and Motion 6 by Councillor Mammoliti.

Vote (Adopt Item)

Oct-08-2013 7:19 PM

Result: Carried	Majority Required - CC39.5 - Kelly - motion 1 as amended
Yes: 24	Ana Bailão, Michelle Berardinetti, Raymond Cho, Josh Colle, Gary Crawford, Vincent Crisanti, Glenn De Baeremaeker, Mike Del Grande, Frank Di Giorgio, Doug Ford, Rob Ford, Mark Grimes, Norman Kelly, Chin Lee, Giorgio Mammoliti, Peter Milczyn, Ron Moeser, Frances Nunziata (Chair), Cesar Palacio, James Pasternak, Anthony Perruzza, David Shiner, Karen Stintz, Michael Thompson
No: 20	Paul Ainslie, Maria Augimeri, Shelley Carroll, Janet Davis, Sarah Doucette, John Fillion, Paula Fletcher, Mary Fragedakis, Mike Layton, Gloria Lindsay Luby, Josh Matlow, Pam McConnell, Mary-Margaret McMahon, Joe Mihevc, Denzil Minnan-Wong, John Parker, Gord Perks, Jaye Robinson, Adam Vaughan, Kristyn Wong-Tam
Absent: 0	

2 - Motion to Adopt Item moved by Councillor Paul Ainslie (Redundant)

That City Council adopt Option B contained in the report (October 3, 2013) from the City Manager as follows:

- B. City Council reconfirm its support for the Scarborough LRT project under the Master Agreement, and not support a Scarborough Subway.

Ruling by Speaker Frances Nunziata

Speaker Nunziata ruled motion 2 by Councillor Ainslie redundant due to Council's adoption of motion 1 by Deputy Mayor Kelly as amended.

3 - Motion to Amend Item (Additional) moved by Councillor Glenn De Baeremaeker (Carried)

That City Council direct the City Manager to report back to the Executive Committee on the feasibility of maintaining the abandoned S.R.T. line and converting it to a public park similar to Manhattan's High Line, once the S.R.T. is decommissioned.

Vote (Amend Item (Additional))

Oct-08-2013 7:20 PM

Result: Carried	Majority Required - CC39.5 - De Baeremaeker - motion 3
Yes: 33	Paul Ainslie, Ana Bailão, Michelle Berardinetti, Raymond Cho, Josh Colle, Gary Crawford, Vincent Crisanti, Glenn De Baeremaeker, Mike Del Grande, Frank Di Giorgio, John Fillion, Paula Fletcher, Doug Ford, Rob Ford, Mary Fragedakis, Mark Grimes, Norman Kelly, Mike Layton, Gloria Lindsay Luby, Giorgio Mammoliti, Pam McConnell, Mary-Margaret McMahon, Peter Milczyn, Ron Moeser, Frances Nunziata (Chair), Cesar Palacio, James Pasternak, Anthony Perruzza, Jaye Robinson, David Shiner, Karen Stintz, Michael Thompson, Kristyn Wong-Tam
No: 11	Maria Augimeri, Shelley Carroll, Janet Davis, Sarah Doucette, Chin Lee, Josh Matlow, Joe Mihevc, Denzil Minnan-Wong, John Parker, Gord Perks, Adam Vaughan
Absent: 0	

4 - Motion to Amend Item moved by Councillor Frank Di Giorgio (Lost)

That City Council amend Recommendation A(6)(a) by reducing the tax rate increase in 2014 by 0.25 percent and extending the tax rate implementation period from three to four years so that it now reads as follows:

- (6) Commit to funding the City's share of the cost of construction of the McCowan Corridor Subway by:

- (a) implementing a residential property tax rate increase, dedicated to funding the McCowan Corridor Subway, in the following amounts:

Year	Percentage
2014	<u>0.25%</u>
2015	0.5%
2016	0.6%
2017	<u>0.25%</u>

and implementing a property tax rate increase on the non-residential property tax classes of 1/3 of such a residential rate increase, in accordance with current City policy;

Vote (Amend Item)

Oct-08-2013 7:16 PM

Result: Lost	Majority Required - CC39.5 - Di Giorgio - motion 4
Yes: 21	Ana Bailão, Michelle Berardinetti, Raymond Cho, Gary Crawford, Vincent Crisanti, Glenn De Baeremaeker, Mike Del Grande, Frank Di Giorgio, Doug Ford, Rob Ford, Mark Grimes, Norman Kelly, Giorgio Mammoliti, Peter Milczyn, Ron Moeser, Frances Nunziata (Chair), Cesar Palacio, James Pasternak, David Shiner, Karen Stintz, Michael Thompson
No: 23	Paul Ainslie, Maria Augimeri, Shelley Carroll, Josh Colle, Janet Davis, Sarah Doucette, John Fillion, Paula Fletcher, Mary Fragedakis, Mike Layton, Chin Lee, Gloria Lindsay Luby, Josh Matlow, Pam McConnell, Mary-Margaret McMahon, Joe Mihevc, Denzil Minnan-Wong, John Parker, Gord Perks, Anthony Perruzza, Jaye Robinson, Adam Vaughan, Kristyn Wong-Tam
Absent: 0	

5a - Motion to Amend Motion moved by Councillor James Pasternak (Lost)
That motion 1 by Deputy Mayor Kelly be amended by adding the following:

City Council direct that Recommendation (3) does not preclude funds derived under City's Surplus Management Policy, allocated to the Capital Financing Reserve, be used for this and other transit projects.

Vote (Amend Motion)

Oct-08-2013 7:17 PM

Result: Lost	Majority Required - CC39.5 - Pasternak - motion 5a
Yes: 20	Michelle Berardinetti, Raymond Cho, Gary Crawford, Vincent Crisanti, Glenn De Baeremaeker, Mike Del Grande, Frank Di Giorgio, Doug Ford, Rob Ford, Mark Grimes, Norman Kelly, Chin Lee, Giorgio Mammoliti, Peter Milczyn, Frances Nunziata (Chair), Cesar Palacio, James Pasternak, David Shiner, Karen Stintz, Michael Thompson
No: 24	Paul Ainslie, Maria Augimeri, Ana Bailão, Shelley Carroll, Josh Colle, Janet Davis, Sarah Doucette, John Fillion, Paula Fletcher, Mary Fragedakis, Mike Layton, Gloria Lindsay Luby, Josh Matlow, Pam McConnell, Mary-Margaret McMahon, Joe Mihevc, Denzil Minnan-Wong, Ron Moeser, John Parker, Gord Perks, Anthony Perruzza, Jaye Robinson, Adam Vaughan, Kristyn Wong-Tam
Absent: 0	

5b - Motion to Amend Motion moved by Councillor James Pasternak (Carried)
That Part 1.e. of motion 1 by Deputy Mayor Kelly be amended to read as follows:

- e. ensure that no funding currently allocated to other projects under the Master Agreement, except any savings from the Eglinton-Scarborough Crosstown up to a cap of \$650 million, is reallocated to the McCowan Corridor Subway; and

Vote (Amend Motion)

Oct-08-2013 7:18 PM

Result: Carried	Majority Required - CC39.5 - Pasternak - motion 5b
Yes: 28	Paul Ainslie, Michelle Berardinetti, Raymond Cho, Josh Colle, Gary Crawford, Vincent Crisanti, Glenn De Baeremaeker, Mike Del Grande, Frank Di Giorgio, John Fillion, Doug Ford, Rob Ford, Mary Fragedakis, Mark Grimes, Norman Kelly, Chin Lee, Giorgio Mammoliti, Pam McConnell, Joe Mihevc, Peter Milczyn, Ron Moeser, Frances Nunziata (Chair), Cesar Palacio, James Pasternak, Jaye Robinson, Karen Stintz, Michael Thompson, Adam Vaughan
No: 16	Maria Augimeri, Ana Bailão, Shelley Carroll, Janet Davis, Sarah Doucette, Paula Fletcher, Mike Layton, Gloria Lindsay Luby, Josh Matlow, Mary-Margaret McMahon, Denzil Minnan-Wong, John Parker, Gord Perks, Anthony Perruzza, David Shiner, Kristyn Wong-Tam
Absent: 0	

6 - Motion to Amend Motion moved by Councillor Giorgio Mammoliti (Carried)
That Motion 1 by Deputy Mayor Kelly be amended by adding a new Part 6 (d) as follows:

- d. City Council direct staff to aggressively pursue the Federal P3 screen process, so that any project cost savings arising from a P3 partnership with the City can be applied to reduce any dedicated tax rate increases needed to support the Scarborough Subway.

Vote (Amend Motion)

Oct-08-2013 7:19 PM

Result: Carried	Majority Required - CC39.5 - Mammoliti - motion 6
Yes: 29	Paul Ainslie, Ana Bailão, Michelle Berardinetti, Shelley Carroll, Raymond Cho, Josh Colle, Gary Crawford, Vincent Crisanti, Glenn De Baeremaeker, Mike Del Grande, Frank Di Giorgio, Doug Ford, Rob Ford, Mark Grimes, Norman Kelly, Chin Lee, Gloria Lindsay Luby, Giorgio Mammoliti, Peter Milczyn, Denzil Minnan-Wong, Ron Moeser, Frances Nunziata (Chair), Cesar Palacio, James Pasternak, Anthony Perruzza, Jaye Robinson, David Shiner, Karen Stintz, Michael Thompson
No: 15	Maria Augimeri, Janet Davis, Sarah Doucette, John Fillion, Paula Fletcher, Mary Fragedakis, Mike Layton, Josh Matlow, Pam McConnell, Mary-Margaret McMahon, Joe Mihevc, John Parker, Gord Perks, Adam Vaughan, Kristyn Wong-Tam
Absent: 0	

Source: Toronto City Clerk at www.toronto.ca/council

