

Ministry of Infrastructure

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December 14, 2017

Ms. Linda D. Robinson
Chair
Ontario Infrastructure and Lands Corporation
777 Bay Street, 9th Floor
Toronto, Ontario
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Mandate Letter for Ontario Infrastructure and Lands Corporation

Dear Ms. Robinson:

I am pleased to write you in your capacity as Chair of Infrastructure Ontario. Ontario's board-governed provincial agencies are vital partners in ensuring the delivery of high quality services to Ontarians. The people of Ontario depend on you to provide leadership to your agency's board, management and staff. Together with your fellow board members, the people of Ontario rely on you to establish the goals, objectives and strategic direction for the agency consistent with your agency's mandate, government policies, and my directions, where appropriate. I thank you for your willingness to serve and for the hard work you and the board do on behalf of Ontarians.

The government continues to put in place a number of important measures to enhance agency accountability, transparency and governance, including revisions to the Agencies and Appointments Directive (AAD). As you know, one of the key changes has been the introduction of agency mandate reviews and annual mandate letters. My ministry completed Infrastructure Ontario's agency mandate review in 2017. The review confirmed Infrastructure Ontario's mandate and its importance in delivering infrastructure and real estate priorities on behalf of government.

This is my ministry's first annual mandate letter setting out the government's key expectations for the agency(s) for which it is responsible. This new accountability measure helps Ontario to increase the public's knowledge and awareness of agency mandates and government priorities, and further promote the principles of openness and transparency.

This letter sets out my expectations for Infrastructure Ontario for the 2018-19 fiscal year, including priority actions and agency performance. The letter also summarizes the key achievements made by Infrastructure Ontario in partnership with the ministry.

While this is the first time a mandate letter for Infrastructure Ontario is being issued, I would like to acknowledge that Infrastructure Ontario has many considerable accomplishments in carrying out its mandate as set out in the *Ontario Infrastructure and Lands Corporation Act, 2011*.

Infrastructure Ontario currently administers a \$5.9 billion loan portfolio consisting of 1,000 active loans. To date, the Loan Program has advanced over \$8.8 billion to public sector clients since inception.

During the past decade, Infrastructure Ontario has substantially completed nearly 60 projects, worth over \$19 billion in capital cost, using the Alternative Financing and Procurement (AFP) model. The majority of these projects are health care and justice facilities. The agency has also constructed education and technology facilities, major sports venues, and transit and transportation infrastructure. In addition, a recent third-party review of Infrastructure Ontario has indicated that of 51 projects that have reached substantial completion by March 31, 2016, 96 per cent (49 projects) were completed on or below budget, which is considered better than industry standard.

Infrastructure Ontario has effectively managed the ministry's General Real Estate Portfolio, one of the largest public portfolios in Canada with 4,205 owned buildings, 987 of which fall under Infrastructure Ontario's responsibility and 131,000 acres of land (excluding provincial parks and natural areas), managing the investment in building repairs and upgrades to meet new standards and policies such as energy efficiency, accessibility and heritage.

Infrastructure Ontario has also found ways to leverage assets and continues to make progress on complex land divestments earmarked for the Trillium Trust. Net proceeds from the sale of the Liquor Control Board of Ontario (LCBO) Head Office Lands and the Ontario Power Generation Head office in Toronto will be credited to the Trillium Trust used to fund infrastructure projects in Ontario.

The key priorities for Infrastructure Ontario to deliver as we move into the 2018-19 business planning cycle are to continue to:

Engage in continuous refinement of Ontario's highly effective AFP model with consideration for best practices and improvements to the model.

- Deliver the highly successful AFP program on a cost recovery basis, as directed by the Minister.
- Work with the ministry to continue to strengthen the AFP model.
- Work with the ministry to develop ways to analyze and assess the performance of the AFP delivery model.
- Collaborate with the ministry to enhance the decision-making framework for delivery model selection for major public infrastructure projects.
- Support sponsoring ministries in their quarterly major public infrastructure project reporting requirements.
- Identify, in collaboration with the ministry, ways to support asset owners to manage proper maintenance needs and standards on AFP projects.
- Develop, in collaboration with the ministry, ways in which IO can engage with municipalities on delivering AFP projects.
- Consider, in collaboration with the ministry, new innovative solutions to deliver public infrastructure projects.

Support the promotion of community benefits through the AFP program.

- Support Metrolinx to implement the community benefit and apprenticeship initiatives on the Eglinton Crosstown LRT to include targeting apprentices or journeypersons from historically disadvantaged communities to perform 10 per cent of all trade or craft working hours required to construct the project, as per the Apprenticeship Declaration.
- Work with Metrolinx, other agencies and ministries, to incorporate apprenticeship initiatives into other projects, including other LRT projects, as per the 2014 Budget Commitment.
- Consider, in collaboration with the ministry, mechanisms for ensuring future procurements for major public infrastructure projects promote community benefits, as per the *Infrastructure Jobs and Prosperity Act* and the Long-Term Infrastructure Plan.

Deliver the highly successful Infrastructure Ontario Loan Program.

- Deliver the highly successful IO Loan Program on a cost recovery basis and in accordance with the province's policy goals for the program.
- Advise the ministry on potential enhancements to the IO Loan Program and financing models for community hubs.
- Engage with current, potential and unsuccessful lending partners in order to ensure that they are aware of eligibility and creditworthiness requirements, steps to obtain a loan, and reporting requirements during loans.
- Maintain the practice of providing advice and information to the ministry on loans at risk.

Provide responsible and innovative management of the ministry's realty portfolio based on the mandates and resources available to IO.

- Implement and meet the government's objective and targets to right-size the ministry's realty portfolio and keep it safe and sustainable.
- Manage the government's Realty Program in a manner that focuses on program needs and considers the market value of provincially-owned properties.
- Work, in collaboration with the ministry, to support provincial priorities relating to community hubs.
- Effectively implement the installation of the electric vehicle charging infrastructure for government-owned and leased properties.
- Successfully deliver on the Queen's Park Reconstruction Project, including a strategy to reduce greenhouse gas emissions.
- Work, in collaboration with the ministry, regarding the management of the General Real Estate Portfolio including opportunities to improve the realty model to make it more efficient and effective.
- Provide support to the Energy Management Program, part of the government's Climate Change Action Plan, in determining energy efficiency upgrades for the ministry's owned realty.

Provide administrative services on other programs as directed by the Minister.

- Administer the Natural Gas Grant Program and the Clean Water Wastewater Fund in cooperation with the ministry.
- Support the ministry in developing options to expand broadband infrastructure and improve connectivity in communities across the province.
- Assist the ministry with administration of other municipally-focused infrastructure programs under the new federal Investing in Canada Plan when directed to do so by the Minister.
- Support the ministry in assessing the provision of IO's realty advice and services to the Broader Public Sector.

Fulfill accountability and transparency in agency operations.

- Maintain an effective system of internal controls, risk management and compliance in accordance with applicable government policies and directives to promote transparency, accountability, and prudent use of public funds in agency operations.
- Refer to the Memorandum of Understanding as our primary administrative agreement that reflects the powers, authorities and accountabilities of as set out in the applicable statutes, regulations, directives and policies.
- Develop, report on, and be guided by requirements set out in the Agencies and Appointments Directive, including business plans and annual reports.

I look forward to another year of success through Infrastructure Ontario's support of the government's historic 13-year infrastructure plan and ongoing commitment to modernize publicly owned infrastructure and real estate assets.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob", with a stylized flourish extending to the right.

Bob Chiarelli
Minister