

Dear colleagues,

Infrastructure Ontario (IO) is pleased to confirm the expanded pipeline of infrastructure and real estate projects coming forward as part of the Government of Ontario's historic investments in public infrastructure.

IO, recognized as the P3 Agency of the Year for the Americas, will continue to deliver large and complex projects using the Alternative Financing and Procurement (AFP) model.

IO's 2017 Market Update includes 15 social infrastructure projects and 17 civil infrastructure projects. The total estimated capital cost of the AFP projects on the pipeline is \$15.8 billion. The majority of projects are Design-Build-Finance and Design-Build-Finance-Maintain models. All project details are subject to change and further Government approvals.

The new pipeline of social infrastructure projects increases the renewal and modernization of public services in hospitals, courts and detention facilities.

In civil infrastructure, Light Rail Transit (LRT) and Regional Express Rail (RER) projects delivered in cooperation with Metrolinx continue to move forward. Ten projects in RER have already proceeded and three are anticipated to come to market in the coming year. Building on market soundings and ongoing due diligence, future packages of regional transit projects are anticipated with Metrolinx. IO also looks forward to collaborating with the Ministry of Transportation on a number of future road projects.

In addition, the Macdonald Block Reconstruction Project will modernize a critical hub of Ontario government operations and deliver an efficient, accessible and environmentally responsible workplace.

Close to \$300 million of medium and smaller projects that support the renewal of the provincial real estate portfolio will be brought to market which includes capital repair and Ministry leasehold improvement projects which are also important investments in publicly owned assets.

IO will continue to work with the City of Toronto on their George Street Revitalization project for potential AFP delivery.

In short, this market update is a call to action. It is an invitation to the best in the industry – big and small, local and international – to team up, partner with IO, and successfully deliver high quality investments that benefit Ontarians.

While IO's portfolio of work will be demanding, we remain committed to fairness and our exceptional standard of project due diligence. We will ensure competitiveness within the market and continue to engage partners to understand market capacity to both bid on and build projects successfully.

This outlook builds on the \$19.5 billion of AFP projects completed to date and the \$15.8 billion of projects currently in construction (as of August 31, 2017).

### ***Improving Access to Hospital, Court, Justice, and Detention Facilities with Social Infrastructure Projects***

As part of the 2017 Budget, Ontario proposed to spend an additional \$9 billion to support the construction of new hospital projects across the province. IO in cooperation with the Ministry of Health and Long-Term Care will move forward with six new health care projects: Hamilton Health Sciences, Niagara Falls Hospital, Trillium Health Partners, Weeneebayko Area Health Authority, Kingston General Hospital and Windsor Regional Hospital.

The new AFP justice facilities include the Halton Consolidated Courthouse in cooperation with the Ministry of the Attorney General as well as correctional complexes in Thunder Bay and Ottawa with the Ministry of Community Safety and Correctional Services. Together these investments will help to increase access to justice and social services in modern, accessible facilities.

### ***Making Progress on LRT and Regional Express Rail Projects with Metrolinx***

IO has already begun procurements for the first package of Metrolinx's RER program. Ten projects are in procurement already with three to come in the short term. These projects include track work, redeveloping Metrolinx GO transit stations, and improving rail crossings.

IO and Metrolinx will move forward on the second package of projects in the RER program, which includes off-corridor works such as building new stations and the redevelopment of existing stations including platforms and parking structures.

The third package of work includes complex in-corridor work such as new signaling, electrification and train control systems, new and expanded track construction, vehicle procurement and maintenance and operation of the entire Metrolinx transit fleet.

The approach on the future RER packages of work continues to be assessed, and will continue to be informed by due diligence including market insights.

Concurrent with progress on the RER program, IO and Metrolinx are proceeding with LRT projects. Eglinton Crosstown LRT is under construction. Hurontario and Finch West LRT projects are in the RFP open phase and contracts are expected to be awarded in 2018.

### ***Modernizing and Transforming Real Estate Assets***

IO's management of the Government's Real Estate Portfolio represents further opportunity for industry partners of all sizes and in all regions.

A significant step forward in rationalizing the portfolio is the Macdonald Block Reconstruction Project. IO will continue preparations and next steps on procurement related to Macdonald Block, which will be delivered using the Design-Build-Finance-Maintain model.

Close to \$300 million of medium and smaller capital repair projects and Ministry leasehold improvements are projected to come to market this year.

IO's continued strategic management of the realty portfolio includes divesting of properties deemed surplus to government needs. Revenues from the sales of significant properties, such as the LCBO and Ontario Power Generation buildings in downtown Toronto, support the investment of public transit through the government's Trillium Trust.

On behalf of the dedicated team at Infrastructure Ontario, I look forward to working with all partners to deliver the ambitious list of infrastructure and real estate projects that expand investments in Ontario's publicly owned assets.

Sincerely,



Ehren Cory  
President and CEO  
Infrastructure Ontario

*Disponible en français*