Ontario

Results-based Plan Briefing Book 2008/09

Ministry of Public Infrastructure Renewal

Ce document est disponible en français

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Ministry of Public Infrastructure Renewal

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PART I. PUBLISHED RESULTS-BASED PLAN 2008/09

MINISTRY OVERVIEW

The Ministry of Public Infrastructure Renewal was created in 2003, charged with planning for growth in Ontario and modernizing the province's public infrastructure, while caring for and protecting the environment. Since its creation, PIR has brought about a culture of continuous quality improvement when it comes to Ontario's critical public infrastructure. Bolstered by *ReNew Ontario,* the province's $30-billion-plus, five-year infrastructure investment plan, and with another 10-year, $60 billion plan in the works, Ontario is enjoying an infrastructure renaissance that is restoring public amenities — new health care facilities, new student places in schools, colleges and universities, better transportation and transit systems, new research and innovation infrastructure — and providing the foundation for enhanced prosperity and a better quality of life for all Ontarians.

The Ministry is responsible for infrastructure planning, policy analysis and recommendations on the government's infrastructure investments. The ministry develops a balanced infrastructure plan that targets investments in priority areas to accommodate growth and strengthen local economies. As well, PIR represents the government's partnership with the federal government, the City of Toronto and Waterfront Toronto to advance the revitalization of Toronto's waterfront.

The Ministry is responsible for implementing the *Places to Grow Act, 2005*. The Act enables decisions about growth to be made in ways that sustain and encourage a robust economy, build strong communities and promote a healthy environment and culture of conservation.

Rounding out the ministry's responsibilities is its role in providing policy direction and oversight of the agencies assigned to the ministry - the Ontario Realty Corporation (ORC), Infrastructure Ontario, the Liquor Control Board of Ontario (LCBO) and the Ontario Lottery and Gaming Corporation (OLG). The LCBO and the OLG generate revenue so the government can invest in public services and infrastructure for the public good. Since the transfer of OLG and LCBO to PIR in 2005-06, these agencies have generated about $3 billion annually in revenue for the Province.

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Ministry Vision

The Ministry of Public Infrastructure Renewal (PIR) is guided by a vision to achieve vibrant, safe, livable communities supported by modern, efficient and environmentally sustainable infrastructure to support a growing province and economy. The ministry looks to its agencies to be efficient in their operations, provide excellent customer service, a positive fiscal contribution and uphold the public's trust.

Mandate

The Ministry of Public Infrastructure Renewal is responsible for the implementation of the government's growth management policy through the development of growth plans in collaboration with its colleague ministries and in consultation with the local government sector, stakeholders and public bodies. The Ministry is the central agency responsible for managing infrastructure planning and capital priority setting for the Government of Ontario. The Ministry is also responsible for effective asset management policies and policies and programs for gaming, beverage alcohol, infrastructure financing, including alternative financing and procurement (AFP), and realty accommodation policy. It works with line ministries, agencies, the broader public sector and the private sector to ensure that the government's investments, including infrastructure projects, deliver the results intended.

Ministry Activities

The Infrastructure Policy and Planning Division develops and coordinates implementation of sound infrastructure strategies for the province, including central agency management of the provincial infrastructure planning process and budget development. The division leads negotiations with the federal government on new cost-shared infrastructure programs and leads the development of an asset management framework for the government. The division provides infrastructure economics and finance advice and analysis, as well as expertise on water economics. It also provides oversight for Waterfront Toronto and Infrastructure Ontario.

The Ontario Growth Secretariat leads the development and implementation of the government's growth management policy through working with local governments, Aboriginal communities and relevant stakeholders to create regional growth management plans, ensure planning compliance and facilitate implementation.

The Commercial Asset Strategy Division provides foresight and insight of the alcohol and gaming sectors and oversight of the Ontario Lottery and Gaming Corporation and the Liquor Control Board of Ontario. The program coordinates development of policy to support government direction in responsible gaming, responsible consumption of alcohol, and economic development in these sectors.

The Real Estate Division ensures that real estate policy and decisions support the broad range of government initiatives and directives. It provides direction and oversight to the Ontario Realty Corporation and works with ORC and ministries to support real estate planning and decision-making related to the use of Ministry-owned lands.

The Transit Policy Liaison Office provides leadership and support to the negotiations between the province, the federal government, the City of Toronto, and York Region regarding the funding arrangements for the Toronto-York Spadina Subway Extension. The program also provides secretariat support to the Move Ontario Trust established in March 2006.

Ministry Administration includes capacities to support all aspects of the Ministry's mandate, including legal services, communications, strategic planning, financial management and controllership, policy coordination, human resources and accommodation.

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Key Priorities and Results

The ministry leads the government's infrastructure planning process to ensure that funding is directed to government priorities and that all ministries' infrastructure plans reflect those priorities. PIR contributes to the province's competitive advantage, economic growth and a higher standard of living for the people of Ontario.

A Healthier Ontario: Strengthening Medicare for the Future

Investing in health care is one of the government's top priorities. PIR is helping by improving access to hospital services through new or renovated hospitals.

A Greener Ontario: Leading on the Environment

Whether through the sustainable land-use policies of Places to Grow, the Deposit Return Program, investing in transit or the reduction of electricity consumption in government facilities, PIR is contributing to the Government of Ontario's environmental agenda.

A Smarter Ontario: Excellence in Public Education

Ontario will be at its best only when every Ontarian has the opportunity to reach his or her full potential. Through *ReNew Ontario*, PIR is supporting the Ministry of Education in helping improve Ontario's learning environment by building and/or renovating schools.

A Stronger Ontario: Creating Jobs in Today's Economy

Through a variety of initiatives such as ReNew Ontario and Places to Grow, PIR helps strengthen Ontario's economic advantage and build opportunity for Ontarians by stimulating the economy and creating jobs through strong, liveable and environmentally sustainable communities and quality infrastructure.

A Better Ontario for Families: Improving Quality of Life

The government's infrastructure plan addresses the priority to invest in areas that need new infrastructure to attract growth and strengthen local economies, and where major population growth is expected so that public facilities and services are in place to meet increased needs. As well, the Places to Grow initiative is the Ontario government's initiative to manage growth and development in Ontario in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life.

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Ministry Contribution to Key Priorities and Results

A Smarter Ontario: Excellence in Public Education

A Stronger Ontario: Creating Jobs in Today's Economy

A Healthier Ontario: Strengthening Medicare for the Future

A Greener Ontario: Leading on the Environment

A Better Ontario for Families: Improving Quality of Life

The Ministry of Public Infrastructure Renewal (PIR) is guided by a vision to achieve vibrant, safe, livable communities supported by modern, efficient and environmentally sustainable infrastructure to support a growing province and economy. The ministry looks to its agencies to be efficient in their operations, provide excellent customer service, a positive fiscal contribution and uphold the public's trust.

Planning for Growth

Places to Grow is the Ontario government's initiative to manage growth and development in Ontario in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life.

- Places to Grow Act, 2005
- Greater Golden Horseshoe Growth Plan
    - PIR received the American Planning Association's Daniel Burnham Award for a comprehensive plan in 2007; a planning excellence award by the Canadian Institute of Planners, presented to the initiative that best enhances the social, ecological and environmental well-being of communities; and the Leonard Gertler Award of Distinction from the Ontario Professional Planners Institute, which noted that the plan "substantially impacts people in the province of Ontario and merits special recognition."
- Provincial Development Facilitator
- Toronto/York Subway extension
- MoveOntario transit projects
- Infrastructure investments matched to growth planning
- Brownfield redevelopment of government lands
- Growth Plan for Northern Ontario (underway)

Infrastructure Renewal & Asset Management

PIR works closely with other Ontario ministries and our partners such as hospitals, school boards, municipalities and transit systems to make strategic investments that will meet the needs of a growing population and economy.

- Five-year $30B plus infrastructure investment plan - *ReNew Ontario – by 2010* will have invested more than $5 billion in health care infrastructure, and more than 100 major hospital projects will have been funded under ReNew Ontario; more than $10 billion to renew & expand schools & post-secondary institutions; more than $11.4 billion in transportation infrastructure initiatives, including $5.2 billion for provincial highways and $4.5 billion for public transit, which have been enhanced through numerous one-time investments, including the Move Ontario transit and road and bridge initiatives and through the new MoveOntario 2020 transit plan.
- Federal-Provincial infrastructure programs
- Water Investment Strategy
- Life-cycle Asset Management
- Affordable loans for infrastructure renewal (Infrastructure Ontario)
- Strategic Land Acquisition
- Rural Infrastructure Investment Initiative (RIII)

Protecting the Environment

Whether through the sustainable land-use policies of Places to Grow, the Deposit Return Program or the reduction of electricity consumption in government facilities, PIR is contributing to the Government of Ontario's environmental agenda.

- Deposit Return Program
- Creating and Preserving Greenspace
- Reducing environmental impact of government buildings and Waterfront Toronto projects (e.g. LEED standard)
- Achieved 12% against original 10% energy reduction target in 2007; Achieve a total of 20% electricity reduction over baseline by 2012
- District Energy System for the first two new Toronto waterfront communities
- Construction of a Flood Protection Landform along the Don River to prevent flooding of downtown Toronto (West Don Lands)
- Energy savings from Deep Lake Water Cooling at Queens Park (off the grid).
- Pilot renewable energy at MOE HQ
- Invest almost $1 billion by 2010 to ensure safe drinking water and a sustainable environment
- $1.2 billion in affordable, longer-term financing for water and sewage projects committed from OSIFA loan programs since 2003.

Public Interest Objectives Achieved through PIR Agencies

PIR works with its agencies to balance revenue generation with social responsibility and public interest objectives.

- Infrastructure investment through Alternative Financing & Procurement (AFPs) To date, IO has been assigned more than 45 major infrastructure projects by the Government of Ontario.
- Agency revenues (OLG/LCBO/ORC)
- Value uplift on government land holdings (ORC and Waterfront Toronto)
- Multi-year Portfolio Plan
- Over 90% of the KPMG and Ombudsman's recommendations were implemented (OLG) regarding lottery retail ticket sales.
- Gaming revenue sharing to Municipalities (OLG)
- LCBO supports to Ontario Wine & Grape industries
- Reached an agreement with First Nations that is estimated to provide 133 First Nations with more than $3 billion over 25 years for critical investments in education, health and infrastructure.

Key Performance Measures

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Strategies to Achieve Key Priorities and Results

Higher Quality of Life for Ontarians

	Ontario Growth Secretariat	Infrastructure Policy & Planning Division	Commercial Assets Strategy Division	Real Estate Division	Transit Policy Liaison Office
Modern Public Infrastructure	✓	✓	✓	✓	✓
Maintain the Public Trust	✓	✓	✓	✓	✓
Sustainable, Livable Communities	✓	✓		✓	✓
Caring for the Environment / Energy Savings	✓	✓	✓	✓	✓
Health and Safety	✓	✓	✓	✓	✓
Economic Prosperity	✓	✓	✓	✓	✓
Value Uplift / Optimization	✓	✓	✓	✓	✓

* Legal Services, Communications and Corporate Services support the Minister, Deputy Minister and the above Divisions.

Planning for Growth

Over the next 30 years, the number of people living in Ontario is expected to grow by approximately 4 million. The Places to Grow initiative is the Ontario government's initiative to manage growth and development in Ontario in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life.

The *Places to Grow Act* received Royal Assent on June 13, 2005, and is the cornerstone of the government's approach to growth planning. By coordinating investments in public infrastructure to accommodate the unique needs of different areas of Ontario, PIR can help municipalities realize the full benefits of growth, promote a competitive economy, protect our environment and build strong, vibrant communities.

<u>Greater Golden Horseshoe Growth Plan</u>

The first growth plan – the Growth Plan for the Greater Golden Horseshoe – was released in June 2006 after extensive consultations with stakeholders and communities in the region. This Plan is a 25-year blueprint for growth in the fastest growing urban area in the country and its implementation is critical in supporting vibrant, transit-supportive, environmentally responsible communities. Land use planning, transportation and transit planning, brownfield redevelopment and protection of green spaces fall within this blueprint.

The success of the Growth Plan for the Greater Golden Horseshoe is reflected in the recognition it has received. The Plan earned the American Planning Association's Daniel Burnham Award for a comprehensive plan in 2007; a 2007 planning excellence award by the Canadian Institute of Planners, presented to the initiative that best enhances the social, ecological and environmental well-being of communities; and the Leonard Gertler Award of Distinction from the Ontario Professional Planners Institute, which noted that the plan "substantially impacts people in the province of Ontario and merits special recognition."

The implementation of the Growth Plan for the Greater Golden Horseshoe was identified as a key commitment of the ministry.

Implementation Plan

- Work closely with the Ministry of Municipal Affairs and Housing (MMAH) to ensure that the GGH Growth Plan is adhered to by municipal governments as they lay out and implement new official plans; work with other ministries to develop and implement positive tools to support the Growth Plan, including further work on developing brownfields, Tax Increment Financing (TIFs) and planning tools such as the Development Permit System.
- Coordination of existing and future provincial land use policies through the G9 Ministers forum along with supporting ADM and Director tables.
- Strong and sustained support to assist all fronts in achieving municipal conformity and public acceptance, including training, youth engagement, innovative and interactive web-based learning tools and guidelines.
- Support a blue-ribbon panel of leading edge practitioners that will help to advance implementation efforts.
- Maintain province's leadership role at a national and international level through high-profile participation in conferences and collaborating with senior leaders from other jurisdictions.
- Oversee the administration of plan review to ensure accountable filing and tracking in the event of Ontario Municipal Board (OMB) challenges, and coordinate and support MMAH in OMB cases.
- Employ GIS and high-tech software to provide analysis and assess progress on intensification and increasing density levels.

Expected Results

- Promote sustainable growth by aligning land use planning, infrastructure and capital investments and policy and fiscal tools, to achieve strong communities and realize the benefits of growth without the negative impacts.
- Establish a fundamental change in how 110 municipalities are required to approach planning and implementation.

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Northern Growth Plan

On May 17, 2007, the provincial government announced that Northern Ontario will be the next region in the province to have a growth plan developed under the *Places to Grow Act*, 2005. The purpose of the Northern Plan is to align provincial policies and investments strategically to support sustainable economic and population growth. The development of the Northern Growth Plan has been identified as a key ministry commitment.

Implementation Plan

- Work with the Ministry of Northern Development and Mines (MNDM) to develop and implement a Growth Plan for Northern Ontario which will address its unique challenges, such as population decline, youth net out-migration loss and economic downturns.
- Legislation and Regulations Cabinet Committee approval of the regulation defining the Growth Plan area for the Northern Growth Plan; Cabinet approval of the Draft Plan and Final Plan.
- This initiative will involve extensive engagement of northern partners and other ministries including specific efforts to engage Aboriginal communities and other levels of government. This includes supporting a high-profile government outreach program of speaking engagements, conference and general meeting participation, youth engagement initiatives, communication products, media briefings, and web-based tools for eliciting input.
- Development of discussion paper to focus and facilitate northern input for a draft growth plan. Full public consultation for the development of a final Growth Plan.
- Regional forums and policy-specific forums to engage a wide cross-section of northern leaders in the Draft Plan's development.
- Conduct policy research and discussions from other jurisdictions (e.g., Ireland, Finland) on innovative practices and policies to achieving economic sustainability.
- Support a dedicated 16-member Ministers' table (G-North Table) that has been established to facilitate a collaborative and coordinated approach to the Plan's development. This includes support for related DM and ADM level tables.

Expected Results

- Increasing youth in-migration and growing a more competitive region through:
  - Leveraging current economic/industry assets and strengths to grow existing and emerging industries,
  - Enhancing relevant education and training opportunities to ensure a skilled labour force,
  - Helping to attract new people and investment to the North and
  - Making strategic investments in infrastructure to support regional growth priorities.

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Infrastructure Renewal and Asset Management

ReNew Ontario

The centrepiece of the government's infrastructure strategy is Renew Ontario. The government's $30-billion-plus investment plan represents one of the biggest infrastructure investment in the province's history. It directs infrastructure funding to those areas most important to Ontario society: health care, education, economic prosperity and economic growth. ReNew Ontario also identifies how the government will work with partners to find new sources of funding so that infrastructure can be modernized as quickly as possible, while remaining accountable to Ontarians for the ways in which their tax dollars are used.

Implementation Plan

- The government will implement a new $60 billion infrastructure plan over 10 years, once ReNew Ontario is completed. In the coming months, the ministry will work with the Ministry of Finance and other stakeholder ministries to begin work on this new plan.

Expected Results

- The $60 billion, 10-year infrastructure plan will position the province as a leader in modernizing public infrastructure, promote long-term planning, and create a renaissance in public infrastructure.
- Through ReNew Ontario, the government and its partners will have invested more than $30 billion by 2010 in infrastructure projects across the province.

Alternative Financing Projects

The government has committed to deliver critical public infrastructure projects across the province through innovative investment strategies and Alternative Financing and Procurement.

Implementation Plan

- Infrastructure Ontario (IO) has currently been assigned more than 40 Alternative Financing and Procurement (AFP). IO has a critical role in providing ministries with expertise and advice on new projects' suitability for delivery through innovative investment strategies, including AFP models.
- The Ministry provides oversight of Infrastructure Ontario's management of AFP projects that are currently under development and will work with IO to analyze the potential for new projects that would benefit from alternative financing solutions.

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Expected Result

- Critical new public infrastructure projects, committed through ReNew Ontario, will be delivered on time and on budget.
- The AFP model is used to achieve public value for money by procuring capital and related services through innovative financing solutions and by ensuring risk is transferred to those best able to manage it.

<u>Federal-Provincial Infrastructure Negotiations</u>

The Ministry was asked to take the lead in negotiating new partnership agreements with the federal government on infrastructure funding announced in the 2007 federal budget. Agreements are to reflect Ontario's priorities and approach to infrastructure funding and consistent with Ontario's "fair share" objectives on federal funding.

Implementation Plan

- On December 19, 2007, Cabinet authorized PIR to negotiate a framework agreement and related sub-agreements on the best terms possible. Negotiations are underway. PIR will report back to Cabinet prior to signing the framework agreement, potentially by the spring of 2008.

Expected Result

- The ministry expects to successfully negotiate the Building Canada Plan framework and funding agreements in 2008 and will aim to achieve funding for infrastructure renewal priorities.

<u>Toronto Waterfront</u>

The government has committed that it will continue to ensure that there is positive progress on Toronto's waterfront, in particular on the West Don Lands project.

Implementation Plan

- PIR works closely with Waterfront Toronto, the federal government, the City of Toronto and other partners (e.g., ORC) to achieve shared project priorities and to ensure timely project implementation. This includes the annual negotiation of a 10-year funding plan that realizes the overall vision for Toronto's waterfront.

Expected Results

- Timely implementation of the projects identified in Waterfront Toronto's 10-year funding agreement.

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- Positive and visible progress on the West Don Lands including: brownfield redevelopment with buildings built to LEED Gold standards; a District Energy System for the area; construction of a Flood Protection Landform (FPL) that will prevent flooding of the downtown core in the event of a 100-year storm event; a 19.6 acre park to be completed by 2010-11; a new LRT line; and the provision of 1,500 units of Affordable Housing, with 120 units available by 2009-10.

Water Systems Infrastructure

Ensuring Ontario's municipal water and wastewater services are financially sustainable and affordable is a key government priority.

Implementation Plan

The ministry is preparing to launch consultations in 2008 on a strategy to address the financial and organizational issues facing the municipal water and wastewater sector. In addition, the second phase of the $40 million funding program for small water systems (announced in August 2007) will be launched by the ministry in 2008.

Expected Results

- New policy framework will help transition the municipal water and wastewater sector to financial sustainability and address affordability issues.
- Launching the second phase of PIR's $40M small water systems funding program will help address affordability issues.

Toronto-York Spadina Subway Extension

The Ministry leads the negotiations between the province, the federal government, the City of Toronto, and York Region regarding the funding arrangements for the Toronto-York Spadina Subway Extension. In addition, the Ministry provides secretariat support to the Move Ontario Trust established in March 2006.

Implementation Plan
- The ministry will work closely with its federal and municipal partners to secure federal funding for the project, and ensure effective governance and project management of the project
- The ministry will work with the Ministry of Finance and the Ministry of Transportation to ensure effective provincial coordination of provincial priorities

Expected Results
- Federal Treasury Board approval of the project and Building Canada Fund application.
- Execution of a Contribution Agreement for the project
- Start of construction by Spring 2008

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Protecting the Environment

There are few if any issues more important to Ontarians, and to their government, than the environment. Infrastructure development, however important, must not come at the expense of our precious greenspaces, and over the past four years PIR has been unwavering in its commitment to protecting the province's environment.

Preserving farmland and protecting greenspace is a central priority of the Growth Plan for the greater Golden Horseshoe, as it will be for future growth plans. More than one billion dollars from the OSIFA loan program has been committed to water and sewage projects in municipalities across the province, and PIR's deposit return project has been an unqualified success, resonating with Ontarians who understand that fairly simple and easy measures – like bringing wine bottles back to the beer store – can have big impacts on the reducing landfill amounts and preserving precious greenspace.

The ministry has also been a leader in energy conservation, setting and meeting a goal of reducing by 10 percent the amount of electricity consumption in Government-owned buildings.

Implementation Plan

- PIR leads or participates in Climate Change/Environment initiatives including Energy Use Reductions, Green Buildings, promoting Ontario Foods in government cafeterias, Adaptation, and the Growth Plan for the Greater Golden Horseshoe.

Expected Results

- Energy Use Reductions: Reduction of energy consumption from the grid by 20% over the 2002-2003 baseline of 603.0 million kwh by 2012.
- Green Buildings: Integrating internationally recognized standards (e.g., LEED and BOMA Go Green Plus) and techniques (e.g., green roofs, compact-fluorescent lighting) into new and existing facilities, as appropriate, to reduce the environmental impact of government buildings.
- Adaptation: Research agenda to develop risk identification and mitigation strategies for adapting infrastructure to climate change in collaboration with expert organizations.
- Growth Plan for the Greater Golden Horseshoe: sets targets, timelines and investment priorities for achieving denser development patterns that make better use of existing urban lands and increased transit use.

Achieving Public Interest Objectives

PIR works with its agencies to balance revenue generation with social responsibility and public interest objectives. The ministry constantly reviews provincially controlled assets to evaluate their appropriate role and to ensure that they are managed effectively to support the public interest and produce results that benefit Ontarians.

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Real Estate Portfolio Management

The government has committed to ensure the balanced pursuit of strategic provincial interests in the management of the province's real estate portfolio.

Implementation Plan

PIR will recommend, guide and support strategic decisions that balance real estate priorities in the context of prudent fiscal management. PIR will work with the ORC and government ministries and agencies to achieve results. Key plan elements include:

- Develop policies and frameworks to guide decisions about the portfolio
- With the ORC, identify real estate assets for disposal, redevelopment and acquisition
- Make essential annual investments in the Capital Repair Program
- Advance key greening initiatives including taking first steps to achieve a total 20% electricity reduction from the grid over the 2002-2003 baseline of 603.0 million kwh
- Develop a comprehensive Toronto Accommodation Plan for government employees and programs
- Develop a strategic acquisition program

Expected Results

- Maintain the integrity of core government real estate assets
- Demonstrate leadership in the fight against climate change
- Identify major real estate assets to be retained and strategic opportunities to support the delivery of public services in the City of Toronto
- Ensure the government's real estate meets the needs of infrastructure and growth priorities

Cost Drivers and Risks

In achieving these government priorities and results, the ministry also faces the following challenges:

Growth Planning

- Municipalities are required to bring their Official Plans into conformity by June 2009. This is a complex exercise and will require a coordinated effort to ensure the timely implementation of the Plan.
- Some stakeholders will require additional engagement/education to better understand the benefits of increased densities that help to create more livable, transit-friendly communities.
- Ontario's economy is becoming more urban and more concentrated in the GTA/Central Ontario creating population decline challenges for northern and rural regions
- The North's economic landscape is changing as industries adapt existing practices to become more globally competitive coupled with the emergence of more knowledge-based sectors. The development of the Northern Growth Plan is viewed as a significant initiative to cohesively plan the North's economic future and will require extensive consultation with northerners to ensure a shared vision and to maintain a supportive momentum

Infrastructure Planning

- Changes affecting the construction market like increased oil prices, dollar strength, financial crisis and/or interest rate changes
- Changes in cost of skilled labour and labour supply issues
- Technological changes that make existing infrastructure obsolete or require new investments
- Public opposition to major projects leading to more extensive Environmental Assessments and delays
- Federal government decision to provide more funding, change funding or change timing for the federal-provincial infrastructure programs or create new programs, creating matching pressures
- Federal government decision to strengthen crime measures, creating additional capacity pressures on provincial justice infrastructure

Commercial Enterprises

- Lower US Dollar and increased cross-border casino competition
- Growth rates of overall provincial economy have varying impacts on both alcohol and gaming
- Court decisions on problem gambling litigation and resulting new requirements for responsible operation

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Real Estate Planning

- Weakening demand in real estate markets
- High utility rates affecting accommodation costs
- Costly environmental remediation for aging government buildings
- Municipal objections to paying fair market price for provincial properties
- Increased lobby to permanently protect government owned lands for greenspace
- Economic conditions that could affect land values/negotiating position of the province
- Unexpected environmental remediation costs
- Program changes affecting accommodations requirements
- Availability of suitable sites for infrastructure projects

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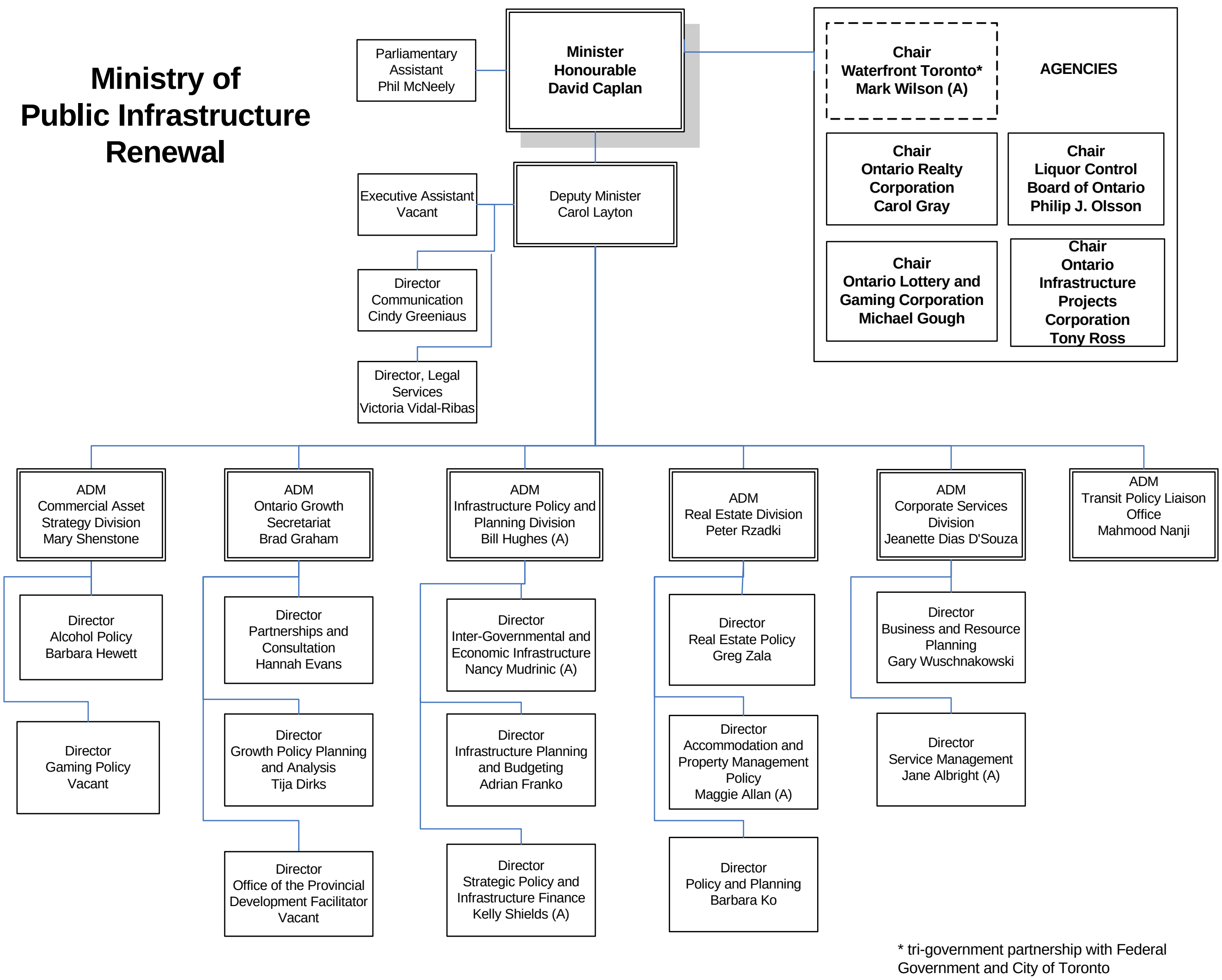
Ministry Organization Chart



As of April 16, 2008

Ontario

Legislation

The following is a list of the legislation for which the Ministry of Public Infrastructure Renewal has primary legislative or administrative responsibility.

Statutes Administered by PIR

- *Capital Investment Plan Act, 1993,* S.O. 1993, c.23.
  In respect of the Ontario Realty Corporation as conferred by subsection 3(4) of the Act

- *Liquor Control Act,* R.S.O. 1990, c. L. 18.

- *Ministry of Government Services Act*, R.S.O. 1990, c. M. 25.
  In respect of the Ontario Realty Corporation and all real property matters. Specifically, sections. 6, 7, 8, 9(2), 11, 12, 16, 17, 19.

- *Ontario Infrastructure Projects Corporation Act, 2006,* S.O. 2006, c.9, Schedule I.

- *Ontario Lottery and Gaming Corporation Act, 1999*, S.O. 1999, c.12, Schedule L.

- *Places to Grow Act, 2005*, S.O. 2005, c. 13.

- *Toronto Waterfront Revitalization Corporation Act, 2002,* S.O. 2002, c.28.

PIR Authority Over Particular Sections of Statutes

- *Education Act*, R.S.O. 1990, c. E. 2 and R.R.O. 1990, Reg. 296, ss. 18(k).
  In respect of the powers and duties of the Ministry of Government Services described in subsection 18(k).

- *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A, Part IX.1.
  In respect of the powers and duties of the Chair of the Management Board of Cabinet under Part IX.1, Ownership and Use of Corridor Land.

- *Environmental Assessment* Act, R.S.O. 1990, c. E. 18, and R.R.O. 1990, Reg. 334, s.7.
  In respect of the power of the Chair of the Management Board of Cabinet to carry out an undertaking referred to in section 7 of the Regulations.

- *Conservation Authorities Act*, R.S.O. 1990, c. C. 27, s. 32.
  In respect of the powers and duties of the Minister of Government Services described in section 32.

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- *Fish and Wildlife Conservation Act, 1997*, S.O. 1997, c. 41, s. 81.
  In respect of the powers of the Chair of the Management Board of Cabinet, described in section 81, regarding agreements for the acquisitions of land.

- *Public Lands Act*, R.S.O. 1990, c. P. 43, ss. 46(2).
  In respect of powers of the Minister of Government Services described in subsection 46(2).

- *Registry Act*, R.S.O. 1990, c. R. 20, s. 114
  In respect of the powers and duties of the Minister of Government Services described in section 114.

- *Surveys Act*, R.S.O. 1990, c. S. 30, s. 61.
  In respect of powers of the Minister of Government Services described in 61 regarding the installation of survey monuments on lands.

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Agencies, Boards and Commissions (ABCs)

Ontario
Ministry of Public Infrastructure Renewal

The Ontario Lottery and Gaming Corporation delivers gaming entertainment to maximize economic benefits for the people of Ontario in an efficient and socially responsible manner.

Employees - 8,148
Assets - $3.3 Billion
Revenues - $6.1 Billion
Net profit contributed to the province: $1.7 billion.

Infrastructure Ontario is responsible for managing Ontario's major infrastructure projects using alternative financing and procurement methods and providing public sector institutions with low-cost loans to build and renew local infrastructure, as well as providing project management services.

Employees - 126
Assets - $2.3 Billion
Revenues - $132.1 Million

The Liquor Control Board of Ontario controls importation, distribution, pricing and sale of beverage alcohol in the province in an efficient and socially responsible manner. LCBO directly operates 6,000 retail stores, five warehouses and 200 retail agency stores across Ontario.

Employees - 5,374
Assets - $733.6 Million
Revenues - $3.9 Billion
Net profit contributed to the province - $1.3 billion.

Waterfront Toronto is a tri-government partnership between federal, provincial and city governments, created to oversee and lead waterfront renewal.

Employees - 49
Assets - $67.1 Million
Revenues - $47.1 Million

The Ontario Realty Corporation manages the Government of Ontario's real estate portfolio, comprising approximately 6,000 buildings and 95,000 acres of land.

Employees: 310
Assets: $175.2 Million
Revenues: $55.6 Million

Note: All figures are as of fiscal year 2006-07

Agencies that report to the Ministry of Public Infrastructure Renewal and their financial data:

Ontario Realty Corporation (ORC)

ORC manages on behalf of the provincial government one of Canada's largest real estate portfolios: around 6,000 buildings, comprising some 50-million square feet of space, and 95,000 acres of land on behalf of the government. ORC aims to optimize value through the rationalization of the portfolio, promote high professional standards and enhance customer service while ensuring real estate decisions reflect public policy objectives of the government.

The Net Consolidation Adjustments for ORC are:

$	2008-09
Operating	165,162,900
Capital	(610,899,400)
Total	**(445,736,500)**

Ontario Infrastructure Projects Corporation (Infrastructure Ontario)

Infrastructure Ontario is responsible for managing Ontario's major infrastructure projects using alternative financing and procurement methods and providing public sector institutions with low-cost loans to build and renew local infrastructure, as well as providing project management services.

The Net Consolidation Adjustments for IO are:

$	2008-09
Operating	96,555,000
Capital	(9,291,000)
Total	**87,264,000**

Waterfront Toronto

Waterfront Toronto is a tri-government partnership between federal, provincial and city governments, created to oversee and lead waterfront renewal. Waterfront Toronto's 10-year funding plan was first approved by all three levels of government in September 2005. It fully commits each level of government's $500 M commitment to waterfront revitalization and provides for a comprehensive, waterfront-wide revitalization strategy that achieves the overall vision set forth by Waterfront Toronto while respecting the individual priorities of each level of government.

The 10-year Waterfront Toronto funding is re-evaluated, updated and approved by all three levels of government on an annual basis. The current Waterfront Toronto 10-year funding plan maintains the tri-government partnership, identifies clear deliverables that are to be accomplished in the 10-year time frame and clarifies annual government contributions for the next 10 years.

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The Net Consolidation Adjustments for TWRC are as follows:

$	2008-09
Operating	54,691,700
Capital	(35,608,000)
Total	**19,083,700**

Ontario Lottery and Gaming Corporation (OLG)

The OLG mandate is to deliver gaming entertainment to maximize economic benefits for the people of Ontario in an efficient and socially responsible manner. The Crown agency is responsible for four business divisions: Lottery Products, Charity and Aboriginal Casinos, Commercial Casinos and Slots-at-Racetracks.

Liquor Control Board of Ontario (LCBO)

The LCBO is a Government of Ontario Crown Corporation established in 1927 to control importation, distribution, pricing, and sale of beverage alcohol in the province in an efficient and socially responsible manner. The corporation directly operates 600 retail stores, 5 warehouses and 200 retail agency stores across Ontario.

The OLG and LCBO are classified as Operational Enterprise Agencies and consolidated into the Province's financial statements on the modified equity basis. Each of the agencies' net incomes are reported on one line (Income from Investment in Government Business Enterprises) and each of the agencies' net assets are reported on one line (Investment in Government Business Enterprises). For additional financial information, see the respective annual reports available on the agencies' websites.

Profits distributed to the Province by LCBO and OLG (e.g. dividends) are deposited into the Consolidated Revenue Fund and recorded by PIR as revenues.

Ontario

MINISTRY FINANCIAL INFORMATION

The following table depicts the ministry's investment in 2008-09 to key priorities and results.

Ministry Planned Expenditures 2008/09

	Ministry Planned Expenditures ($M) 2008/09
Operating	**92.0**
Capital	**389.4**

Note: Totals do not include consolidation adjustments of ($339.4M) for the Ontario Realty Corporation, the Ontario Infrastructure Projects Corporation and the Toronto Waterfront Revitalization Corporation.

Ontario

MINISTRY OF PUBLIC INFRASTRUCTURE RENEWAL
Operating and Capital Summary by Vote

The Ministry of Public Infrastructure Renewal is responsible for the implementation of the government's growth management policy through the development of growth plans in collaboration with its colleague ministries and in consultation with the local government sector, stakeholders and the public. The Ministry is the central agency responsible for managing infrastructure planning and capital priority setting for the Government of Ontario. The Ministry is also responsible for effective asset management policies and policies and programs for gaming, beverage alcohol, infrastructure financing, including alternative financing and procurement (AFP), and realty and accommodation policy. It works with line ministries, agencies, the broader public sector and the private sector to ensure that the government's investments, including infrastructure projects, deliver the results intended.

Votes/Programs	Estimates 2008-09	Change from Estimates 2007-08		Estimates 2007-08	Interim Actuals 2007-08	Actuals 2006-07
	$	$	%	$	$	$
OPERATING AND CAPITAL						
Infrastructure and Growth Management Planning / Ministry Administration	481,132,900	(1,426,390,800)	(74.8)	1,907,523,700	600,416,924	376,924,431
Total Including Special Warrants						
Less: Special Warrants		(120,900,000)	(100.0)	120,900,000		
Total to be Voted	**481,132,900**	**(1,305,490,800)**	**(73.1)**	**1,786,623,700**	**600,416,924**	**376,924,431**
Special Warrants		(120,900,000)	(100.0)	120,900,000		
Statutory Appropriations	208,014	1,315	0.6	206,699	516,873	513,819
Ministry Total Operating and Capital	**481,340,914**	**(1,426,389,485)**	**(74.8)**	**1,907,730,399**	**600,933,797**	**377,438,250**
Assets						
Deposit and Prepaid Expenses		(761,300)	(100.0)	761,300		
Total Assets to be Voted				**761,300**		

Note: Totals do not include the 2008/09 Consolidation Adjustments:

OPERATING	
Ontario Infrastructure Projects Corporation	96,555,000
Ontario Realty Corporation	165,162,900
Toronto Waterfront Revitalization Corporation	54,691,700
	316,409,600
CAPITAL	
Ontario Infrastructure Projects Corporation	(9,291,000)
Ontario Realty Corporation	(610,899,400)
Toronto Waterfront Revitalization Corporation	(35,608,000)
	(655,798,400)

APPENDIX I: Annual Report 2007/08

Ontario

2007/08 Annual Report

Introduction

Strong public infrastructure is crucial to the safety and well-being of all Ontarians. It is necessary to ensure strong communities, healthy residents and a prosperous economy. Ontario as we know it depends on maintaining and revitalizing the infrastructure we have. Ontario as we dream it depends on our taking an innovative approach to meeting our infrastructure needs today and for generations to come.

Over the past four years, the Ministry of Public Infrastructure Renewal has taken precisely that innovative approach, with groundbreaking plans and initiatives to build vibrant, safe and livable communities. At the same time, it has created truly innovative ways of planning, financing, procuring and managing public assets while ensuring growth and resource protection. Now the province is enjoying an infrastructure renaissance that is restoring public services – new health care facilities, new student places in schools, colleges and universities, better transportation and transit systems, new research and innovation infrastructure – and providing the foundation for enhanced prosperity.

In 2007-2008, the ministry achieved several significant milestones, continuing a trend begun in 2003-2004. That was when the province's infrastructure deficit was identified as something that had to be eliminated, and the province's overall infrastructure needs were identified as an absolute priority for the people, and therefore the government, of Ontario.

Renew Ontario

An important development of the past year was the announcement of a new $60 billion 10-year infrastructure plan following the completion of ReNew Ontario. Under ReNew Ontario, the province is moving ahead with an extraordinary variety of critical infrastructure projects, all of which will contribute significantly to the prosperity of the province and an improved quality of life for its citizens.

Health and Education Infrastructure

In 2003, the state of the province's hospitals was a sobering indicator of the overall state of its infrastructure. The buildings in which Ontario's citizens receive the health care and education they need were crumbling and falling into disrepair. That state of affairs is being turned around.

By 2010 more than 100 major hospital projects will have been funded through ReNew Ontario and more than 60 of them will be completed. More than $5 billion will have been invested by 2010 to ensure that Ontario patients can benefit from shorter wait times and better health care services in state-of-the-art health care facilities closer to home. Health care investments under ReNew Ontario include redevelopment of hospitals, building over 15 new state-of-the art hospitals across the province, as well as more than five new cancer centres.

Since 2005-06, school boards have used government funding under the Good Places to Learn initiative to undertake more than 10,600 renewal projects addressing urgently needed repairs in more than 2,500 schools across Ontario. As well, $464 million was included in the 2007 Economic Outlook and Fiscal Review for post-secondary campus renewal and strategic capital projects.

Transportation Infrastructure

Ontario is a huge province, with communities spread across a vast expanse, connected by a network of highways without which the province could not function. In addition, the area of Southern Ontario known as the Greater Golden Horseshoe is the fastest growing region in North America, with ever-increasing demands being put on the transit systems that move commuters within and between its cities and towns. The transit and transportation infrastructure of this province is vital to both its economy and the quality of life of its citizens.

In 2007-08, the province provided $400 million for the Municipal Roads and Bridges Fund for communities outside Toronto. As well, the province is helping municipalities invest in local roadways designated as Connecting Links, which are specifically designated municipal roads that connect provincial highways. In 2006-07, the program invested $16 million to fund 37 projects and the 2007 Budget announced an additional one-time investment of $25 million to assist with municipal road improvements. The 2008 Budget announced a further investment of $16 million to fund 35 projects.

The gas tax program, implemented in October 2004, continues to support vital transit systems in communities across the province by providing two cents per litre of the provincial gas tax. This year, $314 million is being distributed to the 86 transit systems serving 108 communities across the province.

The province is committed to providing $11.5 billion of the funding for MoveOntario 2020 projects. Ontario is calling on the federal government to provide a minimum of $6 billion.

The Toronto-York Spadina Subway Extension project moved forward with the submission of a business case and Building Canada Fund application to the federal government. In addition, a subsequent $200 million contribution to the Move Ontario Trust was made to ensure the project is fully funded. This contribution is in addition to the $670 million contributed to the Move Ontario Trust in March 2006

Infrastructure Ontario's OSIFA Loan Program provides financing to municipalities for roads and bridges. Since 2003, the loan program has provided almost $465 million in low-cost financing for almost 300 road and bridge projects in small and rural towns.

Investments in international gateways such as Windsor, Niagara, Sarnia and Sault Ste. Marie will improve access and reduce congestion at busy border crossings, enhancing economic opportunities for these communities.

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Justice Infrastructure

It is often said that infrastructure is more than just bricks and mortar, as important as those things are. A healthy infrastructure system is an enabler of an extraordinary number of critical public services, among them a modern justice system that is up to the challenges of investigating and prosecuting crime in the 21st century.

An accelerated new courthouse construction program is now in place in Ontario, and investments are being made in the revitalization of existing courthouses around the province. Justice facilities from Cornwall to Thunder Bay are being consolidated, modernized and made accessible.

A new youth justice facility being built in Brampton will not only be designed specifically for youth in conflict with the law, but it will also meet the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED) "Silver" standard.

The new Durham Consolidated Courthouse will also meet that exacting standard. Construction of the new courthouse, which began in 2007, will consolidate justice services currently delivered from eight locations across Durham Region. It will house 33 courtrooms, five judicial hearing rooms and have space for related justice services.

Several other courthouses are being upgraded and renovated to improve the use of space and to increase access to the justice system. These include courthouses in London, Cobourg, Sarnia and Cornwall.

Municipal Infrastructure

The government announced the $300-million Municipal Infrastructure Investment Initiative (MIII) last fall and topped it up with an additional $150 million to respond to the tremendous infrastructure needs that municipalities identified. The funding builds on ReNew Ontario and supports the McGuinty government's plan for a strong and resilient economy, continued growth and better quality of life in communities across the province.

On March 28, 2008 the Premier announced the funding decisions that had been made under the MIII. Grants were awarded to 243 municipalities and Local Services Boards (LSBs) for projects with a total value (including municipal contributions) of more than $676 million.

The government of Ontario is all too aware that the areas of the province with denser populations have historically commanded a lot of attention when it comes to infrastructure. Over the past four years, however, the needs of rural and northern communities have taken on a significant importance when it comes to infrastructure.

The Province has invested $140 million through the Rural Infrastructure Investment Initiative in 2006-07. This funding allows municipalities to improve everything from local bridges and roads to water and wastewater systems, waste management processes to energy systems and sports and recreational facilities.

In addition, through the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF), the provincial and federal governments have committed $578 million to help small and rural municipalities with 280 infrastructure projects.

Planning for Growth

2007 was a year of national and international recognition for one of PIR's flagship initiatives. The Growth Plan for the Greater Golden Horseshoe was given an award for planning excellence by the Canadian Institute of Planners, presented to the initiative that best enhances the social, ecological and environmental well-being of a given community or a group of committees.

As well, in 2007 the Growth Plan won the Leonard Gertler Award of Distinction from the Ontario Professional Planners Institute (OPPI). The OPPI noted that "the plan represents work of such significance that it substantially impacts people in the Province of Ontario and merits special recognition."

Finally, PIR, on behalf of the Ontario Government, received the prestigious American Planning Association's (APA) Daniel Burnham Award for a comprehensive plan in 2007. This award honours the plan that best illustrates progress, community benefit and the contribution to the advancement of the planning profession. This is the only time a plan from outside the U.S. has ever won the award. The APA called the plan a "landmark, comprehensive plan that is both visionary and pragmatic," noting that the Growth Plan for the Greater Golden Horseshoe best represents the APA's slogan, "Making Great Communities Happen."

The Growth Plan is a framework, enabled by the Places to Grow Act, 2005, for implementing the Government of Ontario's vision for building stronger, prosperous communities by better managing growth in Ontario to 2031. It will plan for community infrastructure to support growth, and manage that growth by focusing on intensification areas and preserving greenspace.

Building on the success of the Growth Plan for the Greater Golden Horseshoe, a Growth Plan for Northern Ontario, tackling the unique challenges facing the North, is currently being developed in conjunction with several other key ministries dedicated to the North. It will promote northern prosperity by focusing on achieving a sustained pattern of growth, stimulating opportunities for youth so that they are encouraged to remain in the north, and improving infrastructure networks.

Environment

A key focus of the past four years at the Ministry of Public Infrastructure Renewal has been to revitalize and rebuild the province's infrastructure while also preserving and protecting Ontario's environment for future generations.

The Government of Ontario has donated more than 200 acres of natural heritage land to communities and organizations in some of the most heavily populated areas of Southern Ontario. In addition, PIR is helping to protect 2,000 acres of ecologically sensitive land in Rouge Park and the new Bob Hunter Memorial Park and 650 acres of land in Oakville. It is also using 189 acres of natural heritage land to create Hamilton's newest conservation area, Eramosa Park.

In 2006, work began in the West Don Lands, the first new neighborhood to be developed as part of the Toronto Waterfront Revitalization initiative. All the buildings that are part of the West Don Lands projects will be built to the LEED Gold standard.

PIR has met the goal of reducing by 10 percent the electricity consumption in Government-owned buildings through initiatives such as Energy Audits, Retrofits and Cogeneration.

The Deep Lake Water Cooling project was completed this year. Water from Lake Ontario is used as a reliable, safe and sustainable source of cooling for Toronto Office buildings. It is expected that in its first year, deep lake water cooling will save 10 million kilowatts – enough energy to power 1,000 homes.

One of the ministry's most successful and popular programs was launched in February 2007. PIR teamed up with the Ministry of the Environment, the LCBO and The Beer Store for the launch of the Ontario Deposit Return Program. The "Bag it back" program processed approximately 250 million containers in its first year, significantly increasing the number of these containers that have entered the recycling process while staying out of landfill sites.

Asset Management

Over the past several years the effective management of the government's assets has been a prime concern for PIR.

In 2007, PIR assisted in the successful conclusion of discussions for a new First Nations Gaming Revenue Agreement which will provide 133 First Nations communities with stable, long-term funding for investments in community, economic and cultural development, health and education. In addition, PIR continued to monitor the province's commercial assets to ensure they were operating effectively and efficiently and providing optimal value.

After four very successful years, the Strategic Asset Management Unit fulfilled its mandate and was wound down at the end of the fiscal year.

Ontario

Ministry Expenditures

	Ministry Interim Actual Expenditures ($M) 2007/08
Operating*	**84.7**
Capital	**516.2**
Staff Strength (as of March 31, 2008)	**179**

* Interim actual expenditures do not include the consolidation adjustments of (-$131.6M) for the Ontario Realty Corporation, the Ontario Infrastructure Projects Corporation and the Toronto Waterfront Revitalization Corporation.