Infrastructure Ontario Market Update

Letter from the President and Chief Executive Officer
Fall 2013

Ontario
Infrastructure Ontario

Dear Colleagues,

Infrastructure Ontario (IO) continues to partner with the private sector to deliver better public services and renew important public infrastructure.

The Fall 2013 Market Update confirms the Government's plan to proceed with eleven significant new Alternative Financing and Procurement (AFP) infrastructure projects and other real estate projects delivered by Infrastructure Ontario. This is in addition to projects that are currently in the planning and procurement stages. It is estimated that these projects support over 18,000 jobs on average each year over the next seven years in construction and supply chain industries across the Province.

The infrastructure projects and real estate initiatives in this market update will make a real contribution to the Ontario economy. This means more economic opportunities for businesses – big, medium and small – and better public services for all Ontarians.

Ontario continues to be a leading jurisdiction for Alternative Financing and Procurement projects and the Government of Ontario continues to demonstrate confidence in IO's ability to deliver valuable public infrastructure assets. IO will deliver planned projects and additional new projects, particularly high-priority provincial and municipal transportation projects.

Over the next several years, IO will play a much larger role on civil infrastructure projects in partnership with the Ministry of Transportation, Metrolinx and other public sector partners.

IO and Metrolinx intend to move forward with rapid transit projects beginning with the Eglinton Crosstown. On select large and complex transit projects with significant scope and risk that require integrated systems, such as Eglinton Crosstown, IO and Metrolinx will explore ways to enhance the AFP model to increase apprenticeships, further improve health and safety and continue to enable companies of various sizes to compete and participate in AFP projects.

IO and Metrolinx will also collaborate on other projects such as the Sheppard East and Finch West LRT projects. IO will work with Metrolinx to determine the appropriate AFP delivery model for GO Transit parking structures and a number of grade separation projects, and also work to advance other selected transit-oriented development opportunities. IO will also work with the Ministry of Transportation to determine the appropriate AFP delivery model for the extension of Highway 427 which was announced in Budget 2013.

Building on the successful track record in social and civil projects, IO is also beginning to work in new sectors. This is consistent with the recommendations of the Drummond Commission and the Jobs and Prosperity Council. For example, IO will work with the Ministry of Energy and Hydro One on the Northwest Transmission Line.

Investment in postsecondary education infrastructure is important, and based on progress on the Humber College and Sheridan College projects, IO will move forward in partnership with the Ministry of Training, Colleges and Universities and Seneca College to expand learning facilities using the AFP delivery model.

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IO will continue to be a leader in the development of hospital infrastructure in Ontario. As planned, projects will continue to move forward including Burlington's Joseph Brant Hospital, Cambridge Memorial Hospital and the University of Ottawa Heart Institute.

Our outlook for the future builds on recent progress. We have moved ahead on the procurement of a number of major projects including St. Michael's Hospital. We also recently reached financial close on the Ottawa LRT Confederation Line including Highway 417. We are making excellent progress on projects under development such as Humber River Regional Hospital and the 2015 Pan/Parapan American Games Athletes' Village and major venues. We have reached completion on a number of key projects: Bridgepoint Health, Niagara Health System, Waterloo Region Courthouse and the OPP Modernization project.

Infrastructure Ontario will continue to revitalize important assets such as the urban park and waterfront trail at Ontario Place and maximize the value of assets such as the LCBO Headquarters.

Also, IO will continue to implement the vision for the Seaton Lands in Durham Region. New approaches to Ontario Place in Toronto and the OPG Lakeview Site in Mississauga will be pursued with local partners as well as the private sector.

As the Government continues to rationalize its real estate footprint, Infrastructure Ontario will move forward with new procurements for real estate project management services as well as long-term retrofit or energy service initiatives. These opportunities represent an ongoing commitment to make the most of government real estate assets in partnership with the private sector, all the while safe-guarding the public interest.

IO will continue to serve as a centre of excellence regarding the AFP delivery model and share information about the made-in-Ontario approach. Studies by the Conference Board of Canada suggest that IO is a leader in delivering public investment with the private sector. IO has received delegations from over 30 countries and has been sought as an expert advisor by the National Governors Association in the United States. All of this supports opportunities for Ontario-based companies to do more business in markets outside of Ontario.

Attached is the new project status chart which includes updated information on current AFP and real estate projects. Please note that the dates, models and cost ranges indicated for each project are our best estimates and are subject to change and government approvals.

I believe that there is significant opportunity for IO to drive innovation and demonstrate continuous improvement in partnership with you. IO remains committed to building public infrastructure and delivering better public services that are the backbone of a stronger economy.

Sincerely,

Bert Clark

Bert Clark
President and CEO
Infrastructure Ontario

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List of Projects
Fall 2013

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Project**	Model	Issue RFQ	Issue RFP	Location	$^{x}
St. Michael's Hospital – Patient Care Tower	DBF	December 2012	August 2013	Toronto	C*
Sheridan College – Phase 2 Mississauga Campus Expansion	DBF	January 2013	October 2013	Mississauga	F*
Union Station Tourist Information Centre	DBB	N/A	October 2013	Toronto	G*
ErinoakKids Centre for Treatment and Development	DBF	January 2013	October 2013	Multiple locations (GTA)	E*
Eglinton Crosstown**	DBFM	January 2013	Fall 2013*	Toronto	A*
Highway 407 East – Phase 2	DBFM	March 2013	Fall 2013*	Durham Region	A*
Joseph Brant Hospital - Redevelopment Project – Phase 1	DBF	April 2013	Winter 2014*	Burlington	C*
Hawkesbury and District General Hospital Redevelopment	BF	May 2013	Fall 2013*	Hawkesbury	E*
Trillium Health Partners Credit Valley Hospital – Priority Areas Redevelopment/Expansion	BF	June 2013	Winter 2014*	Mississauga	E*
Cambridge Memorial Hospital - Main Capital Redevelopment Project	BF	June 2013	Fall 2013*	Cambridge	D*
Casey House Hospice - New Replacement Facility	BF	August 2013	Winter 2014*	Toronto	G*
Halton Healthcare Services – Milton District Hospital Redevelopment	DBFM	September 2013	Winter 2014*	Milton	C*
University of Ottawa Heart Institute – Cardiac Life Support Services	BF	September 2013	Winter 2014*	Ottawa	C*
Ontario Place Waterfront Park and Trail	TBD*	N/A	Winter 2014*	Toronto	H*
LCBO Headquarters Land Disposition	D/R*	N/A	Spring 2014*	Toronto	C*
Real Estate Project Management Service Provider Contract	SO*	N/A	Spring 2014*	Province-wide	B*
Mackenzie Health – New Vaughan Hospital	DBFM*	Winter 2014*	Summer 2014*	Vaughan	A*
Finch LRT	DBFM*	Spring 2014*	Fall 2014*	Toronto	A*
Groves Memorial Community Hospital – Replacement Hospital Project	DBF*	Summer 2014*	Fall 2014*	Fergus	F*
William Osler Health System – Etobicoke General Hospital – Phase 1 Patient Tower	DBFM*	Spring 2014*	Winter 2015*	Etobicoke	C*
St. Thomas Elgin General Hospital – Emergency, Ambulatory and Mental Health Project	BF*	Fall 2014*	Winter 2015*	St. Thomas	F*
Centre for Addiction and Mental Health – Phase 1C	DBFM*	Winter 2015*	Summer 2015*	Toronto	H*

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Project**	Model	Issue RFQ	Issue RFP	Location	$^{x}
Toronto East General Hospital – Phase 1 New Patient Care Tower	DBF*	Spring 2015*	Fall 2015*	Toronto	H*
Brockville General Hospital –Mental Health, Complex Continuing Care and Rehabilitation – Phase 2	BF*	Spring 2015*	Fall 2015*	Brockville	E*
Orleans Family Health Hub	BF*	Summer 2015*	Fall 2015*	Ottawa	H*
West Park Healthcare Centre – Replacement Patient Care Building and Renovation of Main Building	DBFM*	Summer 2015*	Fall 2015*	Toronto	H*
Sheppard LRT	DBFM*	Summer 2015*	Winter 2016*	Toronto	A*
Seneca College – King Campus Expansion	DBF*	TBD*	TBD*	King City	F*
Hotel Dieu Grace Hospital, Windsor, Angioplasty and Ambulatory Care Expansion	BF*	TBD*	TBD*	Windsor	F*
Mount Sinai Hospital – Surgery / Critical Care / Emergency Room Redevelopment – Phase 3A	BF*	TBD*	TBD*	Toronto	H*
Highway 427 Extension**	TBD*	TBD*	TBD*	York Region	H*
VIVA Gold Bus Rapid Transit**	DBF*	TBD*	TBD*	York Region	C*
GO Parking Structures**	TBD*	TBD*	TBD*	Multiple locations	H*
GO Port Credit Station Development**	TBD*	TBD*	TBD*	Mississauga	H*
GO Transit corridor improvements**	TBD*	TBD*	TBD*	Multiple locations	H*
Metrolinx grade separation**	TBD*	TBD*	TBD*	Multiple locations	H*
Northwest Transmission Line**	TBD*	TBD*	TBD*	North	H*

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Notes
* Model types, dates and costs are subject to final approvals
** Projects and/or IO/AFP delivery subject to approval by Treasury Board / Management Board of Cabinet

Model Definition
BF – Alternative Financing and Procurement Build Finance
DBB – Design Bid Build
DBF – Alternative Financing and Procurement Design Build Finance
DBFM – Alternative Financing and Procurement Design Build Finance Maintain
D/R – Disposition / Redevelopment
SO – Services Outsourcing
TBD – To be determined

Estimated Project Cost Order of Magnitude Definition

For DBB model projects, the estimate is based on construction costs.

For AFP projects, the estimate is based on construction costs for BF models and estimated design and construction costs for DBF and DBFM models.

For D/R and SO models, the estimate is based on transaction value.

A – Greater than $1B	E – Between $100M and $149M
B – Between $500M and $1B	F – Less than $100M (>$50M)
C – Between $200M and $499M	G – Less than $50M
D – Between $150M and $199M	H – To be determined