

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

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Alternative Financing and Procurement Projects

All projects subject to change and Government approvals

Social Infrastructure Projects

Project	Model*	Issue RFQ*	Issue RFP*	Location	\$*
Hospitals and Healthcare Facilities					
West Park Healthcare Centre	DBFM	September 2016	July 2017	Toronto	B
Orleans Family Health Hub	BF	Winter 2018	Summer 2018	Ottawa	F
Trillium Health Partners – Broader Redevelopment	DBFM	2020	TBD	Mississauga	A
Hamilton Health Sciences – Hamilton Redevelopment	DBF	2020	TBD	Hamilton	B
Niagara Falls Hospital	DBFM	2020	TBD	Niagara	B
Windsor Regional Hospital	DBFM	2021	TBD	Windsor	A
Weeneebayko Area Health Authority	DBF	2021	TBD	Moosonee/ Moose Factory	C
Kingston General Hospital	DBF	TBD	TBD	Kingston	C
Court, Justice and Detention Facilities					
OPP Modernization Phase 2	DBF	January 2017	July 2017	Multiple locations	D
Ottawa Correctional Complex	DBFM	Winter 2018	Summer 2019	Ottawa-Carleton	B
Thunder Bay Correctional Complex	DBFM	Winter 2018	Summer 2019	Thunder Bay	C
Halton Region Consolidated Courthouse	DBFM	Winter 2018	Summer 2018	Halton	C
Women and Youth Justice Facilities Redevelopment	BF	Spring 2018	Fall 2018	Greater Toronto Area and Eastern Ontario	D
Other Social Projects					
Macdonald Block Reconstruction Project	DBFM	August 2017	Winter 2018	Toronto	B
James Bradley Environmental Sciences Centre	DBFM	TBD	TBD	Greater Toronto Area	I

Light Rail Transit Projects with Metrolinx

Project	Model*	Issue RFQ	Issue RFP*	Location	\$ ^x *
Finch West LRT	DBFM	September 2015	February 2016	Toronto	A
Hurontario LRT	DBFOM	October 2016	August 2017	Mississauga/Brampton	A
Hamilton LRT	DBFOM	February 2017	TBD	Hamilton	A

Regional Express Rail Projects with Metrolinx

Project	Model*	Issue RFQ*	Issue RFP*	Location	\$ ^x *
Union Station Enhancement	DBF	February 2017	Winter 2018	Toronto	B
Lakeshore East, East Corridor Expansion Project	BF	March 2017	Fall 2017	Greater Toronto Area	C
Rutherford Station Project	DBF	May 2017	Fall 2017	Greater Toronto Area	C
Barrie Rail Corridor Expansion Project	BF	June 2017	Winter 2018	Greater Toronto Area	B
Lakeshore East, Central Corridor Expansion Project	BF	August 2017	Winter 2018	Greater Toronto Area	D
Davenport Diamond Rail Grade Separation	DBF	August 2017	Winter 2018	Toronto	D
Milton Corridor Upgrades Project	DBF	Fall 2017	Winter 2018	Greater Toronto Area	D
Lakeshore West Corridor	DBF	Fall 2017	Spring 2018	Greater Toronto Area	C
Lakeshore East Grading Package West Corridor Expansion	BF	2018	TBD	Greater Toronto Area	C
Package 2: Stations Works	TBD	TBD	TBD	Greater Toronto Area	I
Package 3: In-Corridor (Electrification)	TBD	TBD	TBD	Greater Toronto Area	I

Additional Civil Infrastructure Projects

Project	Model*	Issue RFQ*	Issue RFP*	Location	\$ ^x *
Highway 401 Expansion Project	DBF	March 2017	Fall 2017	Peel / Halton Regions	B
Highway 7	DBF	Spring 2018	TBD	Kitchener to Guelph	I
Port Credit Mobility Hub	TOD	March 2015	TBD	Mississauga	I

Real Estate Projects

All projects subject to change and Government approvals

Real Estate Traditional Delivery Projects Managed by IO

Project*	Issue RFQ*	Issue RFP*	Location	\$x*
Public Health Ontario Lab	N/A	Fall 2017	London	H
Life Safety Upgrades – 361 University Avenue	Summer 2018	Fall 2018	Toronto	G
Fire Management Centre	Spring 2018	Fall 2018	Red Lake	H
Superior Court of Justice Amalgamation – 330 University	Winter 2018	Spring 2018	Toronto	H
Macdonald Block Early Decant Project	September 2017	Fall 2017	Toronto	H
Macdonald Block Decant Project	Winter 2018	Spring 2018	Toronto	G

Real Estate Capital Repair Projects by Region Managed in Cooperation with the Project Management Service Providers and Vendor of Record Participants

Projects/Grouping	Estimated Number of New Projects in each Region			
	South	Central	East	North
Foundations/Structural	10	3	3	10
Cladding/ Fenestration	38	15	9	33
Electrical Systems	29	20	10	10
Elevator Systems	1	2	3	1
Life-Safety Systems	11	13	4	6
Roof Systems	33	10	16	30
Others such as above ground storage tanks, landscaping, retaining walls, parking lots washroom retrofits, etc.	18	18	9	15
Piping Systems	31	25	18	24
Boilers/HVAC	46	38	14	31
Total	217	144	86	160

References

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
DBFOM - Alternative Financing and Procurement Design Build Finance Operate Maintain
TOD – Transit-Oriented Development
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 the total capital costs.	
A – Greater than \$1B	F – Between \$50M and \$99M
B – Between \$500M and \$1B	G – Between \$20M and \$49M
C – Between \$200M and \$499M	H – Less than \$20M
D – Between \$150M and \$199M	I – To be determined
E – Between \$100M and \$149M	