

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, June 25, 2021 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **MEMORANDUM OF UNDERSTANDING WITH INFRASTRUCTURE ONTARIO**

KEY ISSUE

Staff request for Toronto and Region Conservation Authority's (TRCA) Board of Directors approval to enter a Memorandum of Understanding (MOU) setting the guiding principles of a formalized long-term relationship between TRCA and Infrastructure Ontario (IO), allowing for a variety of infrastructure, planning, environmental and real estate initiatives that provide mutual benefits to both organizations. The MOU and successive service delivery or service level agreements (SLA's) would allow TRCA and IO to utilize each other's skills and capacities on a sole source basis subject to entering into appropriate agreements.

RECOMMENDATION

WHEREAS both TRCA and IO play integral roles regarding land management and governance within our joint jurisdiction including co-management, regulation and stewardship of lands required to realize priority TRCA and IO projects and programs.

WHEREAS both organizations agree on the importance of enhancing our ability to work cooperatively and on collaborating more closely to achieve mutual benefits;

THEREFORE, LET IT BE RESOLVED THAT TRCA staff be directed to enter into a MOU and service agreements with IO, which includes general guiding principles of a long-term partnership between the two organizations, to advance mutually beneficial infrastructure, planning, real estate and environmental initiatives;

THAT the CEO be authorized to enter into subsequent Service Level Agreements and Letter Agreements, on a sole source basis, as necessary subject to CFOO and legal review and approvals, to deliver services more efficiently as they arise;

AND FURTHER THAT authorized TRCA officials be directed to take whatever action may be required to implement the agreements, including the obtaining of necessary approvals and execution of any documents

BACKGROUND

TRCA works closely with municipal, provincial, and federal government partners as well as local businesses, community organizations, Indigenous communities, and other stakeholders to protect the environment, educate its constituents about environmental conservation and sustainability, and create climate-resilient communities.

TRCA manages a diverse portfolio of ecological services, infrastructural assets, and educational programs in close collaboration with its partner municipalities. In many instances across TRCA's jurisdiction TRCA runs programs, builds green infrastructure, and issues permissions related to provincially owned and IO managed lands (e.g., Gatineau hydro corridor where The Meadoway

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project is underway) and infrastructure projects involving IO project delivery teams, (e.g., Metrolinx transit, and hospital/healthcare projects).

Infrastructure Ontario (IO) is a Crown agency of the Province of Ontario focused on creating a connected, modern and competitive Ontario, working with both public and private sector partners. IO's main areas of focus include four lines of business:

- Major Projects - acting as procurement and commercial lead for all major public infrastructure projects in the Province.
- Real Estate Services - Manages the provincial government real estate portfolio through asset planning, facilities contract management, and real estate advisory services.
- Infrastructure Lending - Providing financial lending to support the renewal of public sector infrastructure by delivering affordable long-term loans to eligible clients.
- Commercial Projects - Providing advice and negotiation support to the government and public sector partners regarding commercial transactions, including major land developments.

RATIONALE

TRCA and IO have an opportunity to align in a number of different program areas for mutual benefit. While some agreements with IO and its partners are already in place related to The Meadoway and the Oak Ridges Corridor Conservation Reserve, this relationship can be further codified and strengthened through the establishment of a MOU to establish the principles of collaboration and partnership and provide for the possibility for fee-for-service or other agreements to implement shared priorities.

These partnership areas may include:

1) Optimizing Real Estate portfolios

- a. Office/operational support - Both TRCA and IO operate office and field locations within TRCA's jurisdiction. Scheduled for completion in 2022, TRCA's new administrative Head Office will serve as a model for sustainable office infrastructure in Canada's low-carbon future. It is envisioned that there may be potential opportunities to lever IO's accommodation and portfolio management expertise in support of managing TRCA's office portfolio. This may include the ability to leverage provincial best practices and technologies to operationalize new staffing models to achieve more efficient office and accommodation practices for TRCA's workforce. Furthermore, co-location opportunities might also be present for the province on TRCA lands.
- b. Greenspace Acquisition Plan and Support for Priority Projects – TRCA's Greenspace Acquisition Strategy seeks to add 800 hectares to its 16,250 hectare portfolio during the 2021-2030 plan duration. In addition, the Board endorsed Trail Strategy for the Greater Toronto Region includes several segments of proposed trail segments on IO managed lands. There are many significant opportunities of joint interest on trails including but not limited to:
 - i. The Meadoway project that seeks to create a 16km natural trail linkage within a Hydro One corridor co-managed by IO;

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- ii. Trail Strategy segments within the Parkway Belt West Plan including key linkages in the Humber, Don, and Etobicoke Creek trail watersheds;
 - iii. Seaton and Duffins Rouge Agricultural Preserve lands managed by IO in Durham Region that may provide restoration/ecosystem enhancement opportunities, and enhanced trail linkages within the Duffins Creek Watershed;
 - iv. Rouge Park and trail management on IO managed lands through service agreements; and
 - v. Oak Ridges Corridor Conservation Reserve stewardship including work to update our existing Management Agreement which is set to expire in 2027
- c. Reality Portfolio Analysis Support – TRCA has extensive reality holdings within the GTA, holding approximately 7% of the total land area within its jurisdiction. Although most of the TRCA lands highest and best use is for conservation and ecological protection, there exists opportunities to identify non sensitive lands that may support alternative public uses where revenue could be generated to offset operating costs or to support the acquisition of more important ecological lands of strategic importance as part of the TRCA Board endorsed Greenspace Acquisition Project. Furthermore, staff in both organizations have identified opportunities for each organization to work together to ensure better stewardship on their managed lands.

2) Support Transit Delivery

TRCA through our MOU and SLA's with Metrolinx continues to work in support of the provincial transit expansion program including the volunteer technical review related to flooding, erosion, natural heritage management stormwater management and coastal hazards.

In addition, TRCA under our MOU SLA for Waterfront Toronto has also led the Municipal Environmental Assessment for the Broadview & Eastern Flood Protection Project within this area IO is involved in supporting Metrolinx in the delivery of a transit hub and station associated with the Ontario Line. Advancing detailed design and implementation of the flood protection solution is critical to support transit improvements in the area, including the East Harbour Transit Hub and Broadview Extension. TRCA is well positioned to partner with both IO, and Metrolinx in addition to its ongoing partnership with Waterfront Toronto, Ports Toronto, and the City of Toronto on the implementation of this important flood protection project in support of Provincial, Federal and City objectives.

3) More Efficient Service Delivery

Through continuing management with IO there may be opportunity to support more effective and efficient service delivery. These areas include joint partnerships including but not limited to the following areas:

- i) Soil management functions in support of IO's role in delivering time sensitive provincial infrastructure projects in a cost effective and sustainable way for projects within or near our jurisdiction;
- ii) Support on securing environmental approvals involving all levels of government through leveraging TRCA's scientific expertise and networks;

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- iii) Achieving enhanced community and stakeholder engagement on joint projects
- iv) Opportunities to share public sector/agency best practices and to leverage GIS and other data within each organization such as TRCA's property/flood mapping layers within TRCA's ESRI environment and IO's Geoportal.

Additionally, the following TRCA services areas may be incorporated into the MOU for use by IO in support of developing commercial solutions, managing assets, and executing transactions:

- Service Area 1 – Watershed Studies and Strategies
- Service Area 2 – Water Risk Management
- Service Area 3 – Regional Biodiversity
- Service Area 4 – Greenspace Securement and Management
- Service Area 5 – Tourism and Recreation
- Service Area 6 – Planning and Development Review
- Service Area 7 – Education and Outreach
- Service Area 8 – Sustainable Communities

Finally, through IO role as procurement advisor for capital delivery, asset management and commercial advisory services, there may be opportunities for TRCA to leverage procurement opportunities under existing master service contract arrangements and to obtain better pricing on goods and services that are mutually utilized.

Based on the foregoing, staff recommend that TRCA enter into a MOU with IO and successive service agreements subject to CEO approval, covering the above areas of service to facilitate ongoing operations and to build an even stronger relationship between the two entities.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 1 – Green the Toronto region's economy

Strategy 3 – Rethink greenspace to maximize its value

Strategy 7 – Build partnerships and new business models

Strategy 12 – Facilitate a region-wide approach to sustainability

FINANCIAL DETAILS

There are no financial impacts from the execution of the non-binding MOU with IO. Where opportunities arise that are to the financial benefit to TRCA, utilizing IO as a sole source is desired to reduce financial impacts and provide more efficient public services.

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