



The Regional Municipality of Durham

Report

To:	Committee of the Whole
From:	Commissioner of Finance and Commissioner of Community Growth and Economic Development
Report:	#2025-COW-20
Date:	May 14, 2025

Subject:

Sole Source Procurement for the preparation of the GO Lakeshore East Extension Transit Station Charge Background Study

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That a sole source contract for the preparation of the Transit Station Charge Background Study be awarded to a consultant team led by N. Barry Lyon Consultants (NBLC), including Watson & Associates Economists Limited, with an upset limit of \$175,000, to be funded from the anticipated Transit Station Charge (TSC), with interim financing to be sourced at the discretion of the Commissioner of Finance;
- B) That authorization be provided to proceed with the Transit Station Charge Background Study as soon as possible as per the GO Transit Station Funding Act, 2023;
- C) That the Region advise the Province that it will contribute all the funds it collects from the Transit Station Charge over 30 years following approval of the TSC by-law after deducing financing and any other related costs, toward the cost of the four new GO Train Stations;
- D) That the Commissioner of Finance be authorized to execute the necessary agreements and contracts to implement the above-noted actions; and

- E) That a copy of Report #2025-COW-20 be forwarded to the area municipalities for their information.
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Report:**1. Purpose**

- 1.1 The purpose of this report is to seek Council authorization to award a sole source contract to N. Barry Lyon Consulting (NBLC) and Watson & Associates to undertake the TSC Background Study under the Transit Station Funding Act (the Act).
- 1.2 This report complements the resolution passed unanimously at the Regional Council meeting held on March 26, 2025, requesting the province to expedite the release of the regulations to the Act.

2. Background

- 2.1 The GO Lakeshore East Extension to Bowmanville has been a long-standing priority for Durham Region, the City of Oshawa, the Municipality of Clarington, and the province. It proposes a 20-kilometre extension of rail service from its current terminus in Oshawa, along the CP Rail line, with four new GO Train stations, two in the City of Oshawa and two the Municipality of Clarington.
- 2.2 In 2018, the Province announced that while it would continue to pay for the cost of extending rail infrastructure, but that it would no longer pay for the design and construction of new GO stations. As there is no scenario in Durham Region whereby a single developer will come forward to pay for/build these new GO Train stations, the Region must take the initiative to ensure four new stations are operational on the opening day of service.
- 2.3 On December 4, 2023, the Transit Station Funding Act (Bill 131) received Royal Assent, which enables municipalities to support the delivery of new GO Stations by paying for the costs of station design and construction upfront, and collecting a transit station charge levied on new development surrounding the proposed GO Stations. To implement a TSC, the Act requires the completion of a “Background Study”, and a by-law to establish the amount of the charge, which must also be approved by the Minister of Infrastructure.
- 2.4 The requirements for the prescribed Background Study will be detailed in the impending regulations to the Act. The Province has not indicated an anticipated date of release at this time. While awaiting the release of the regulations for the Act, N.

Barry Lyons Consulting (NBLC) was engaged in April 2024 to conduct a preliminary Economic Study to identify land value capture potential using current and future market projections, and assess the financial feasibility of a TSC as a funding tool for the proposed stations. Watson & Associates was retained as a subconsultant to NBLC to undertake financial testing using growth forecasts and identify projected transit station charge revenues.

3. Previous Reports and Decisions

- 3.1 On March 26, 2025, Regional Council unanimously endorsed a motion requesting the Province to expedite the release of the regulations to enable the Region to proceed with a TSC by-law (Attachment 1).
- 3.2 On September 25, 2024, Regional Council received a confidential briefing on the Durham Station Implementation Strategy and the interim findings of the GO Lakeshore East Transit Station Charge Economic Study.
- 3.3 In April 2024, Committee of the Whole and Council considered Report #[2024-COW-14](#) which recommended the Region's response to the Ontario Regulatory Registry posting related to the "Proposal to create regulation to support implementation of the GO Transit Station Funding Act, 2023".
- 3.4 In April 2024, Committee of the Whole and Council considered Report #[2024-COW-13](#) which recommended the sole source procurement for the Economic Study to undertake the analysis necessary to prepare the Region for the future prescribed Bill 131 Background Study.

4. Importance of Being in a State of Readiness

- 4.1 Regional staff continue to advance efforts towards implementing a TSC under the Act, including assessing the financial feasibility of a TSC as a funding tool for four new stations through a preliminary TSC Economic Study. However, the Province has yet to release the necessary regulations under the Act that allow the Region to proceed with the Background Study, public consultation process, and other requirements necessary to adopt a TSC by-law.
- 4.2 During this interim period, there have been several residential and mixed-use development applications brought forward to the City of Oshawa and the Municipality of Clarington proposing significant new units adjacent to the planned GO Station sites. To ensure the viability and effectiveness of the Region's station funding program, it is essential that commitments from the developers of these

projects are obtained in the absence of a TSC by-law. It is critical that the province expedite the release of the regulations under the Act, and that the Region remain in a state of readiness to proceed with next steps upon their release.

- 4.3 While the regulations are necessary to complete the Background Study, staff, in consultation with NBLC and Watson & Associates, have identified early portions of the work, including the economic components and analyses, that can be completed during the interim period, considering the active development applications. Proceeding with these early components will ensure that the Region is prepared to advance other requirements of the Background Study upon the release of the regulations, as well as the public consultation process and the TSC by-law.

5. Financial Implications

- 5.1 The Region's Purchasing By-law #16-2020, Sec. 7.2 Limited Tendering (sole/single source purchases) permits the acquisition of goods and services through limited tendering under specific circumstances outlined in Appendix C of the By-law. Section 1.1 of Appendix "C" permits sole source purchases where the goods or services can be supplied only by a particular supplier, to ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative.
- 5.2 NBLC was initially engaged in 2019 to review and recommend a rail alignment that would generate the best outcomes from a development perspective and in 2021 to assist the Region in creating a modified, market-driven Station Implementation Strategy. NBLC has continued to work with the Region, providing the foundational research and analysis for the strategy that was used as the basis for the Economic Study to examine the efficacy of a TSC for the GO Lakeshore East Extension. Through their research and analysis not just within Durham Region but across other municipalities in the Greater Toronto and Hamilton Area, NBLC and Watson & Associates have gained extensive knowledge, relationships, and strategic insights to enable this work to proceed and would be difficult to replace through an alternative source. Continuing the project with the same consultants will give the project the best chance for positive outcomes as well as meeting project timelines.
- 5.3 Staff recommend that a sole-source contract be awarded to NBLC including Watson & Associates, with an upset limit of \$175,000 to undertake the Background Study, in order to ensure the Region's preparedness to advance the TSC program and minimize risks to the TSC program and development activity timelines.

- 5.4 Potentially, the Region will be required to undertake long term debt to cover the upfront contribution to the costs of the new GO Train stations, which will trigger associated financing costs. Debt is likely required due to the unpredictable timing of revenues from the TSC over the 30-year period, and the contribution amount from the Region will be the net revenue after accounting for financing and other administrative costs associated with the debt.
- 5.5 It is recommended that the Commissioner of Finance be authorized to use interim financing to cover the \$175,000 necessary for the TSC Background Study. As the project proceeds, the interim financing could be restructured to become part of the long-term debt to upfront the cost of the four new GO stations with recovery through the new TSC. However, in the unlikely event the project does not advance, the Region would be unable to recover the interim financing.

6. Relationship to Strategic Plan

- 6.1 The GO Lakeshore East Extension to Bowmanville will improve mobility and travel options, supports transit-oriented development and in particular, housing, and aligns with/addresses the following Strategic Direction(s) and Pathway(s) in the Region's 2025-2035 Strategic Plan:

a) Connected and Vibrant Communities

- C1. Align Regional infrastructure and asset management with projected growth, climate impacts, and community needs.
- C2. Enable a full range of housing options, including housing that is affordable and close to transit.
- C3. Improve public transit system connectivity, reliability, and competitiveness.
- C4. Improve road safety, including the expansion and connection of active transportation networks to enhance the range of safe mobility options.
- C6. Continue to revitalize and transform downtowns into hubs of economic, social, and cultural connection.
- C7. Create accessible, lively, and culturally welcoming public spaces, including opportunities to access nature.

b) Environmental Sustainability and Climate Action

- E2. Collaborate with partners on the low-carbon transition to reduce community greenhouse gas emissions across Durham Region.

c) Strong Relationships

- S1. Enhance inclusive opportunities for community engagement and meaningful collaboration.
- S2. Build and strengthen respectful relationships with First Nations, Inuit, Métis, and urban Indigenous communities.
- S3. Collaborate across local area municipalities, with agencies, non-profits, and community partners to deliver co-ordinated and efficient services.
- S4. Advocate to the federal and provincial government and agencies to advance regional priorities.
- S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.

6.2 This report aligns with/addresses the following Foundation(s) in the Region's 2025-2035 Strategic Plan:

- a) People: Making the Region of Durham a great place to work, attracting, and retaining talent.
- b) Processes: Continuously improving processes to ensure we are responsive to community needs.

7. Conclusion and Next Steps

- 7.1 The preliminary TSC Economic Study found that land value capture is a viable approach to financing transit stations. However, there are active developments seeking to proceed in the interim period, prior to the enactment of the TSC by-law.
- 7.2 To ensure the success of the station funding program through the TSC, it is critical that the Region remain in a state of readiness to proceed with the Background Study and TSC by-law immediately following the release of the regulations to the Act. As such, it is critical that the Region to embark on the early stages of the Background Study as soon as possible. Regional staff will continue to collaborate with area municipalities, the province, Metrolinx, and other stakeholders in the development of the preliminary components of the Background Study.
- 7.3 Upon the release of the regulations to the Act, Regional staff will undertake the necessary public consultation and draft a by-law for Regional Council's consideration to implement the TSC.

7.4 This report was prepared in consultation with staff from Legal Services and the CAO's Office.

8. Attachments

Attachment #1: Resolution adopted at the Regional Municipality of Durham Council meeting held on March 26, 2025, requesting the Province of Ontario to Expedite Release of the Regulations for the GO Transit Station Funding Act, 2023.

Respectfully submitted,

Original signed by

Brian Bridgeman, MCIP, RPP, PLE
Commissioner of Community Growth and
Economic Development

Original signed by

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer



SENT VIA EMAIL

March 26, 2025

The Honourable Doug Ford
Premier of Ontario
Legislative Building, Queen's Park
Toronto, ON M7A 1A1

Dear Premier Ford,

**The Regional
Municipality of
Durham**

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**Alexander Harras
M.P.A.
Director of
Legislative Services
& Regional Clerk**

RE: Request to the Province of Ontario to release the regulations to enable the Region of Durham to proceed with a background study on Transit Station Charge(s) to support the funding and delivery of four new GO stations and Transit-Oriented Communities along the GO Lakeshore East Extension to Bowmanville, Our File: D21

Council of the Region of Durham, at its meeting held on March 26, 2025, passed the following resolution:

“WHEREAS residents, workers, and businesses in the Region of Durham rely on regional transportation to connect with one another, commute to and from work, and reach new customers;

AND WHEREAS current economic uncertainty reinforces the need to invest in our communities, invest in public infrastructure, build more homes, and strengthen the connections between residents, workers and businesses in the region;

AND WHEREAS the Region of Durham identifies the GO Lakeshore East Extension as a priority project that can drive economic development, transform and connect our communities and help achieve a more sustainable future;

AND WHEREAS the Province of Ontario committed to build and fund the GO Lakeshore East Extension in the 2022 provincial budget;

AND WHEREAS the Region of Durham and the Province of Ontario have worked collaboratively together on an innovative approach to transit-oriented community development;

AND WHEREAS the Province of Ontario introduced and passed the GO Transit Station Funding Act, 2023, to enable more GO stations, spur more housing and mixed-use communities around transit, and help make it more convenient to travel across the Greater Toronto Area and surrounding regions;

AND WHEREAS the Region of Durham estimates that the GO Transit Station Funding Act, 2023 will enable up to 16,000 new homes across four new transit-oriented communities in the next 30 years, providing much needed housing options in the Region of Durham;

AND WHEREAS the Region of Durham wishes to expeditiously pass a transit station charge by-law under the GO Transit Station Funding Act, 2023 to support the funding of the four new GO stations along the GO Lakeshore East Extension;

AND WHEREAS there are current development applications in the City of Oshawa and Municipality of Clarington that are within the area of future GO stations where a transit station charge would apply.

NOW THEREFORE BE IT RESOLVED: THAT the Council of the Regional Municipality of Durham hereby requests that the Province of Ontario expedite the release of regulations under the GO Transit Station Funding Act, 2023 to enable the Region of Durham to proceed with a background study and pass a Transit Station Charge By-law to support the funding of four new GO stations and Transit-Oriented Communities along the GO Lakeshore East Extension to Bowmanville.

AND THAT a copy of this resolution be sent to the Honourable Doug Ford, Premier of Ontario, the Minister of Transportation, the Minister of Infrastructure, all local Durham MPPs, and all Durham local area municipalities.”

Alexander Harras

Alexander Harras,
Director of Legislative Services & Regional Clerk

AH/sr

- c. Hon. Prabmeet Singh Sarkaria, Minister of Transportation
- Hon. Kinga Surma, Minister of Infrastructure
- Hon. P. Bethlenfalvy, Minister of Finance, MPP, Pickering/Ajax
- R. Cerjanec, MPP, Ajax
- L. Coe, MPP, Whitby
- Hon. T. McCarthy, Minister of Environment, Conservation and
Parks, MPP, Durham
- J. French, MPP, Oshawa
- L. Scott, MPP, Haliburton/Kawartha Lakes/Brock
- Hon. D. Piccini, Minister of Labour, Immigration, Training and Skills
Development , MPP, Northumberland/Peterborough South
- Town of Ajax
- Township of Brock
- Municipality of Clarington
- City of Oshawa
- City of Pickering
- Township of Scugog
- Township of Uxbridge
- Town of Whitby