**Attachment 1**

YORK REGION RAPID TRANSIT CORPORATION

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**Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget**

# Funding Transit That Delivers: A Budget 2026 Case for Continued Nation-Building Rapid Transit Investment

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By: York Region Rapid Transit Corporation

## List of Recommendations

- **Recommendation 1:** That the government restore and protect a dedicated $30 billion federal transit funding envelope, including $20 billion for Metro Region rapid transit investment

- **Recommendation 2:** That the government streamline transit funding application processes to accelerate transit investments, improve project delivery, and reduce administrative burden

- **Recommendation 3:** That the government recommit to a 2026 start of a multi-year rapid transit capital investment strategy

# Funding Transit That Delivers: A Budget 2026 Case for Continued, Nation-Building Rapid Transit Investment

**Pre-Budget Consultation Submission**
**Submitted to the House of Commons Standing Committee on Finance**

## Executive Summary

On behalf of the Board of York Region Rapid Transit Corporation, we are pleased to provide recommendations to inform Budget 2026 with respect to the implementation of the federal public transit funding.

Rapid transit infrastructure investment is a key driver of national economic performance, supporting growth in employment, productivity, competitiveness, housing, and environmental outcomes.

The benefits of rapid transit are clear:

- Transit investment creates jobs immediately, engaging builders, engineers, and suppliers
- Stations create long-term economic magnets, driving new businesses, offices, and mixed-use growth that increases economic prosperity, and expands the tax base
- Additional rapid transit alleviates congestion, increasing capacity within the overall transportation system which accelerates productivity by moving goods quickly, cutting delays, and lowering business costs
- High-quality transit supports major housing investment, unlocking higher-density, in-demand development exactly where communities need it most
- Clean-energy transit cuts emissions and builds resilience, accelerating the shift to a low-carbon economy.

As the federal *Build Communities Strong Fund* moves toward implementation, it is critical that its structure supports timely delivery, predictable funding, and continues to include critically needed investments in new rapid transit infrastructure.

This submission focuses on three key priorities:

1. Restore and protect a dedicated $30 billion federal transit funding envelope, including $20 billion for Metro Region rapid transit investment
2. Streamline transit funding application processes to accelerate transit investments, improve project delivery, and reduce administrative burden, and,
3. Recommit to a 2026 start of a multi-year rapid transit capital investment strategy

1. **Restore and protect a dedicated $30 billion federal transit funding envelope, including $20 billion for Metro Region rapid transit investment**

    - The full federal commitment of $30 billion introduced under the Canada Public Transit Fund represents a critical long-term investment in Canada's economic and social infrastructure.

    - A stable, predictable, and confirmed federal commitment to rapid transit is essential to advancing Canada's economic, environmental, and housing objectives. Rapid transit systems underpin labour mobility, support urban density, and enable emissions reductions at scale. To sustain and expand these benefits, the Government of Canada needs to reaffirm its leadership role through clear and sustained funding commitments.

    - Specifically, the Government must:

        - Reinstate the full $30 billion, ten-year commitment to the Public Transit Fund, including $20 billion for Metro Region rapid transit investment
          Long-term capital planning for transit systems depends on funding certainty. Municipalities and transit agencies require multi-year visibility to design, procure, and deliver complex projects such as rapid transit expansions. Restoring the full commitment signals federal reliability and enables local partners to proceed with confidence.

        - Restore the approximately $5 billion removed from the program
          Reductions to previously announced funding disrupts project pipelines and force jurisdictions to delay, downsize, or cancel critical investments. This not only increases long-term costs but also weakens the economic and environmental returns that transit infrastructure generates. Reinstating these funds is necessary to maintain continuity and avoid compounding project risks.

        - Legislate or otherwise ensure that transit funding remains in a dedicated, protected envelope
          Rapid transit funding must be insulated from reallocation or repurposing within broader infrastructure frameworks. When funding is diluted or absorbed into generalized programs, it introduces uncertainty, reduces transparency, and undermines the ability of transit agencies to plan effectively. A dedicated, protected envelope, ideally supported by legislative or regulatory safeguards, ensures that funds reach their intended purpose and are not subject to shifting policy priorities.

    - Transit funding should not be treated as interchangeable with other infrastructure categories. Unlike many capital programs, transit projects involve long planning horizons, complex procurement processes, and significant coordination across multiple orders of government. They also deliver uniquely broad public benefits, including congestion reduction, improved productivity, enhanced housing

affordability through transit-oriented development, and meaningful greenhouse gas reductions.

- Diluting, repackaging, or absorbing transit funding into broader infrastructure programs undermines these outcomes. It weakens accountability, complicates cost-sharing arrangements, and erodes the predictability required to deliver major projects efficiently. Dedicated funding, by contrast, provides clarity of purpose, strengthens governance, and supports a consistent pipeline of projects.

- Restoring and protecting transit funding is therefore not only a matter of fiscal commitment. It is a prerequisite for effective delivery. Without it, Canada risks falling behind in building the integrated, high-capacity transit systems needed to support growing populations, competitive cities, and a low-carbon economy.

**2. Streamline transit funding application processes to accelerate rapid transit investments, improve project delivery, and reduce administrative burden**

- Streamlining the Metro Region Agreement process represents a strategic step toward accelerating transit infrastructure delivery across the country.

- By reducing procedural complexity and eliminating unnecessary administrative layers, this approach enables transit agencies and municipalities to move more efficiently from planning to implementation. A more agile process ensures that critical infrastructure projects can advance at the pace required to meet growing demand.

- A simplified framework eases the administrative burden on municipalities and partner agencies. Resources that would have been spent navigating lengthy approvals can instead support project design, community engagement, and implementation.

- Replace full Integrated Regional Plans with a streamlined "Capital Plans and Housing Needs Assessment" model, backed by a regional alignment framework that ensures municipal consistency while eliminating unnecessary duplication. This approach focuses planning on the core elements that directly influence infrastructure and housing delivery, guiding capital investment priorities and quantified housing needs.

- Ultimately, modernizing the agreement process will help deliver transit infrastructure that keeps pace with growth, economic needs, and climate goals. Furthermore, this approach aligns with the *Build Communities Strong Fund*, which aims to strengthen economic productivity, create jobs, and foster resilient communities.

- It reflects a commitment to timely, coordinated, and efficient public investment.

**3. Recommit to a 2026 start of a multi-year rapid transit capital investment strategy**

- To ensure that announced infrastructure priorities translate into tangible outcomes, we strongly urge the government to move beyond policy intent and commit to execution with urgency and clarity.

- This requires establishing and publicly releasing a detailed, time-bound implementation schedule that outlines key milestones, responsible agencies, procurement timelines, and anticipated delivery phases.

- Such a schedule should be transparent, regularly updated, and accompanied by clear accountability mechanisms to track progress and address delays as they arise.

- Timely implementation is more than an administrative milestone, it's a catalyst for stronger project outcomes, cost certainty, and long-term sector confidence. When governments move decisively, Canada's infrastructure ecosystem performs at its best, delivering greater value for communities and supporting a resilient domestic supply chain.

    - Construction inflation erodes purchasing power, but timely action protects it. Moving projects forward on schedule shields budgets from rising material, labour, and financing costs. Staying on track ensures that what can be built today remains affordable tomorrow, preserving scope and maximizing the impact of public investment. A Buy-Canada approach amplifies this benefit by keeping more of that spending circulating in the domestic economy.

    - Stable timelines strengthen Canadian supply chains.
      Predictable project schedules give Canadian manufacturers and suppliers the confidence to invest in equipment, workforce expansion, and production capacity. This reduces bottlenecks, shortens lead times, and builds a more resilient made-in-Canada supply chain that is less vulnerable to global disruptions.

    - Clear signals empower Canadian contractors and manufacturers.
      When firms know projects are advancing, they can hire, train, innovate, and compete. Certainty encourages investment in Canadian equipment, technology, and talent, boosting competition, driving innovation, and expanding Canada's domestic infrastructure delivery capacity. A Buy-Canada commitment ensures these benefits stay at home, supporting good jobs and stronger local industries.

- A firm commitment to immediate implementation, backed by transparent timelines and disciplined execution, is essential to restoring confidence, maximizing value for public funds, and ensuring Canada can meet its infrastructure objectives efficiently and at scale.

**About York Region Rapid Transit Corporation**

- York Region Rapid Transit Corporation is a Municipal Services Corporation of its sole shareholder, The Regional Municipality of York, under Ontario's Municipal Act, 2001.

- YRRTC is staffed with a cross-functional team experienced in capital planning and delivery, design, engineering, project management, and community engagement.

- York Region Rapid Transit Corporation plans, designs and delivers rapid transit infrastructure on behalf of our Shareholder, York Region, to connect the Region's urban centres, destinations and other GTA transit lines.

**Conclusion**

- The federal transit funding envelope represents a generational opportunity to strengthen Canada's rapid transit systems, drive national economic growth, and ensure communities have the reliable, modern infrastructure they need to thrive.

- To achieve its full potential, the program must:
    - Restore the $30 billion federal transit fund, including $20 billion for Metro Region rapid transit,
    - Simplify transit funding processes to speed up delivery, and,
    - Confirm a 2026 start for a multi-year rapid transit investment plan.

- A balanced and efficient funding program structure will ensure that transit investments deliver maximum value, supporting jobs, housing, productivity, and sustainable growth across Canada.

- Effective transit funding is not only about the scale of investment, but the certainty, flexibility, and efficiency with which it is delivered.

Yours sincerely,

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Chair, York Region Rapid Transit Corporation

Steven Del Duca, Mayor, City of Vaughan
Vice-Chair, York Region Rapid Transit Corporation

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