

Ministry of Infrastructure

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December 17, 2025

David Lindsay
Board Chair
Ontario Infrastructure and Lands Corporation (Infrastructure Ontario)
1 Dundas Street West, 20th Floor
Toronto, Ontario
M5G 1Z3

Dear Mr. Lindsay,

I am pleased to share our government's 2026-27 priorities for Infrastructure Ontario.

Agencies are a part of government and are expected to act in the best interests of the people of Ontario. In a time of economic uncertainty, agencies play a critical role in supporting our commitment to Protect Ontario by improving service delivery, driving innovation, and ensuring responsible stewardship of public resources – all while adhering to government policies and directives.

In accordance with the Agencies and Appointments Directive, agencies are required to align their goals, objectives and strategic direction with our government's priorities. As Chair, you are responsible for ensuring that Infrastructure Ontario's business plan clearly demonstrates how the agency will fulfill these expectations. Progress and achievements must be reported through your annual report, and compliance with these requirements will be monitored and reported to Treasury Board/Management Board of Cabinet annually.

This letter sets out my expectations for 2026-27, with a focus on how Infrastructure Ontario will contribute to protecting Ontario by delivering better services and driving innovation and value for money.

Protect Ontario

1. Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic resilience, particularly in light of ongoing U.S. tariff threats and

- economic uncertainty.
2. Procure from Ontario and Canadian businesses whenever feasible.
 3. Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.

Deliver Better Services

4. Focus on a user-centered client/customer experience by simplifying interactions, improving satisfaction, and expanding and optimizing digital service offerings.
5. Identify opportunities to enhance efficiency, improve services, drive innovation, and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.
6. Eliminate unnecessary bureaucracy and red tape by applying lean methodologies or other modalities to achieve operational efficiency.

Drive Innovation & Value for Money

7. Find innovative solutions to use public resources efficiently and to effectively deliver on the agency's mandate while operating within agency's financial allocation, supported by accurate financial reporting, effective internal controls, and proactive fraud management practices.
8. Prudently and responsibly manage workforce size. Where an agency requires an increase in workforce size, the agency must provide the Minister with an HR plan for approval that provides the rationale based on government priorities and/or agency mandate.
9. Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks, and provide it to the Minister for approval by March 31st, 2026.
10. Provide to your oversight minister by October 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority and the

accompanying outcomes and performance measures that can be utilised if measurements are not currently in place.

I am also sharing several priorities specific to Infrastructure Ontario:

1. Entity Wide:

- Coordinate with the Ministry of Infrastructure (MOI) and Cabinet Office to ensure Infrastructure Ontario's mandate is aligned with the province's top policy priorities.
- Update approaches to project cost estimation and project management to reflect evolving market conditions and lessons learned, ensuring transparent cost recovery and reporting on all projects, programs, and initiatives in support of effective and efficient service delivery.
- Contribute to the development of accurate and timely financial information to support government approvals, using a consistent and evidence-based approach to budgeting.
- Provide information and advice to MOI as requested to support policy development and the delivery of the provincial capital plan.
- Support Ministry led initiatives to advance nation-building infrastructure projects alongside federal and provincial counterparts including the East West Energy Corridor feasibility study.
- Prioritize Ontario and Canadian-made goods and services in public sector capital infrastructure procurements while ensuring timely delivery of the provincial capital plan.

2. Commercial Advisory

- In consultation with MOI, continue to provide commercial advice and services to ministries, agencies and broader public sector entities on financial, strategic or other matters including developing, evaluating, structuring, and negotiating commercial transactions in a transparent manner.
- Provide commercial solution design and project development advice by incorporating market insights into conceptual solutions, defining contract specifications related to data/information, among others, to de-risk transactions, and building market readiness to ensure competitive outcomes.
- Support ministries in transaction strategy and execution by designing and implementing innovative transaction structures and commercial processes, maximizing competition, minimizing risk premiums, and ensuring contracted outcomes align with government objectives.
- Provide post-contract support to ministry teams ensuring counterparties meet

obligations and offer guidance on contract renegotiations or expansions as needed to enhance the probability of achieving desired public outcomes.

3. Development and Asset Management and Modernization

Development

- Continue to identify and pursue revenue-generating opportunities and innovative practices to support the implementation of the Transit-Oriented Communities (TOC) program, including design and execution of open market offerings for collect-and-compete sites. Additionally, overlay current market conditions on pursuit strategy.
- Continue to work with MOI, Ministry of Transportation, and Metrolinx to support the delivery of TOC projects in alignment with program objectives and continue to build the new aspects of the GO/LRT program, completing the transfer from Metrolinx to IO as required.
- Advise MOI, Ministry of Transportation, and Treasury Board Secretariat on any changes to the likely value to be realized from the program arising from modifications made by Metrolinx to the character of underlying transit projects.

Asset Management and Modernization

- Provide comprehensive management of MOI's real estate portfolio to ensure safe, secure, and well-maintained government-owned and leased properties, including:
 - Effective asset management, capital planning, and timely project execution.
 - Maintaining assets in good repair with clear and timely capital expenditure reporting.
 - Identifying barriers and operational improvements to accelerate the disposition of surplus lands.
- Advance strategic realty initiatives to enhance portfolio value and align with government priorities by:
 - Implementing the Centralization of Broader Real Estate Authority (CBREA) to optimize space utilization, maximize asset value, and improve oversight.
 - Supporting the Centre of Realty Excellence (CORE) to improve real estate data quality, conduct value enhancement assessments, and identify surplus properties for social purpose outcomes like housing or long-term care.
 - Consult on behalf of MOI with Indigenous communities on proposed ministry realty activities.

- Support the effective planning, procurement and delivery of Office Optimization projects by:
 - Ensuring proactive risk identification, assessment, delivery, and reporting of projects.
 - Maintaining effective facility management and adherence to Enterprise Real Estate Service Agreements.
 - Implementing modern workplace models and enterprise office standards.
 - Ensuring transparent and timely financial and schedule reporting.

4. Lending

- Continue to deliver and manage the Loan Program, including the Housing-Enabling Water Infrastructure program, in a manner that aligns with the government's policy goals, existing legislation, and authorities delegated to IO. IO should also continue to:
 - Engage with current and potential borrowers to ensure that they are aware of eligibility and credit worthiness requirements, steps to obtain a loan, and reporting requirements during loans.
 - Work with MOI and other partner ministries/entities to explore options to leverage the Loan Program and IO's lending expertise, and to develop and implement new targeted lending streams, to further the government's policy priorities.

5. Project Delivery

- Manage large, complex public infrastructure projects using a variety of contracting models. Continue to modernize and enhance delivery models, including procurement strategies and contract forms, to maintain competition, promote innovation, transfer risk appropriately, secure long-term asset performance, manage costs for the province, and deliver projects on schedule, on budget, and aligned with government priorities.
- Work with MOI and partner ministries to update and implement policies governing approvals, procurement, and delivery of major public infrastructure projects.
- Continue to work with capital ministries to support the development of delivery model options and recommendations for major public infrastructure projects, including determining the need for IO's support for asset management oversight during the operations and maintenance phase of projects.
- Continue to work with contract partners, MOI, and other stakeholders to identify barriers that may delay construction on major projects, communicate these barriers with MOI on a timely basis, discuss and find solutions to ongoing challenges impacting project timelines and costs, and support the

development and implementation of standardization practices and consider project disaggregation strategies to help manage costs and reduce delivery timelines.

- Support the implementation of Capital Consolidation by working with MOI and capital ministries on options to centralize capital delivery services.

In support of this direction, I expect IO to cooperate with MOI on the implementation of Government approved refinements and enhancements to IO's operations, where necessary, to ensure IO's continued success in execution of its mandate and client satisfaction with services provided by IO.

At our next meeting, I would be pleased to discuss these priorities, and I look forward to hearing how they will be reflected in the agency's upcoming business plan and in ongoing agency operations.

Thank you and your fellow board members for your continued commitment to Infrastructure Ontario. Your work and ongoing support is invaluable to our government and the people of Ontario.

Should you have any questions, please feel free to contact Ali Veshkini, Deputy Minister of Infrastructure, at 647-200-3104.

The Honourable Todd J. McCarthy
Acting Minister of Infrastructure

Sincerely,

A handwritten signature in blue ink, appearing to read 'Todd J. McCarthy', with a long, sweeping underline that extends to the left and then curves back under the name.

The Honourable Todd J. McCarthy
Acting Minister of Infrastructure

Attachment:

- Government Priorities for Agency Sector Chart