

Scarborough Rapid Transit Options

July 16, 2013

Report from the City Manager and CEO, Toronto Transit
Commission

REPORT RECOMMENDATIONS: 2 OPTIONS

- ▶ A. Support Scarborough LRT under the current Master Agreement

OR

- ▶ B. Support Scarborough Subway, and
 - Authorize City Manager to amend Master Agreement.
 - Enter into an agreement with Metrolinx with respect to funds allocated to the Scarborough LRT of \$1.8 billion (\$2010)
 - City Council commit to fund the City's share of the cost of constructing the subway
 - Development charges
 - Federal funding fair share
 - Property taxes (phased in 2014-16 (principal and interest))
- ▶ Authority to seek the necessary approval under the Environmental Assessment Act to use the Transit Project Approval Process (TPAP)

FINANCIAL RECOMMENDATIONS FOR SUBWAY OPTION

- secure provincial commitment to transfer:
 - \$1.8 billion capital allocation (indexed & financed)
 - operating and maintenance provisions

- seek Federal contribution

- seek DC Act legislative amendments

- prepare a development charges by-law amendment (based on maximum growth recovery (similar to TYSSE))

- begin tax increases in 2014

POTENTIAL FUNDING SOURCES

	Metrolinx Approved Budget for LRT (Adjusted from \$2010)		Metrolinx Figures per June 28, 2013 Letter (Adjusted from \$2010)	
(Nominal \$ millions from Report)				
		With Federal Assistance		With Federal Assistance
Subway Option Cost Estimate	\$3,283	\$3,283	\$3,283	\$3,283
Less Provincial Transfer	(\$2,448)	(\$2,448)	(\$1,991)	(\$1,991)
Net Capital Incremental Cost	\$835	\$835	\$1,320³	\$1,320³
Plus potential additional costs for SRT extension and decommissioning	\$250	\$250	\$250	\$250
Net Potential City Incremental Capital Cost	\$1,085	\$1,085	\$1,570	\$1,570
City Funding Sources:				
Federal Funding (50% of City share)		(\$418)		(\$660)
Development Charges	<u>(\$209)</u>	<u>(\$104)</u>	<u>(\$330)</u>	<u>(\$165)</u>
Total Potential Tax Supported Cost	\$876	\$563	\$1240	\$745
Total Residential Tax Increase in 2014 ²	1.7%	1.1%	2.4%	1.6%
Remaining increase in 2015 – 2016 if 0.5% implemented in 2014	1.2%	0.6%	1.9%	1.1%
Estimated Future Annual Debt Service Charge ¹	\$41	\$26	\$57	\$38

1. 30 year debt @ 4.2% p.a., for each \$100 million, debt servicing = \$6 million
2. Assumes 1% residential increase raises \$23.7 million in 2014.
3. Escalated net capital incremental cost at \$925 million (\$2010) per Table 1.

KEY FINANCIAL RISKS/ASSUMPTIONS FOR SUBWAY OPTION

- ▶ transfer of provincial allocations – amount, timing, inclusion of O & M provisions
- ▶ DC amendments, Federal funding participation
- ▶ debt market risk (future interest rate, 30 year term availability)

MAP: COMPARISON OF ROUTE ALIGNMENTS SUBWAY VERSUS LRT



COMPARISON OF LRT AND SUBWAY OPTIONS

	LRT	SUBWAY
ROUTE LENGTH	9.9KM	7.6 KM
NUMBER OF NEW STATIONS	7	3
SPEED (PROJECTED)	36 KM/H	40 KM/H
CUSTOMER CONVENIENCE ADVANTAGE	IMPROVED, EASIER TRANSFER AT KENNEDY STATION	ELIMINATE TRANSFER AT KENNEDY STATION
RESIDENTS & EMPLOYEES WITHIN WALKING ACCESS OF STATIONS	47,000	24,000
ANNUAL RIDERSHIP PROJECTED TO 2031	31 MILLION	36 MILLION
PEAK HOUR RIDERSHIP PROJECTED TO 2031 IN PEAK DIRECTION	8,000 PERSONS/HR	9,500 – 14,000 PERSONS/HR
TECHNOLOGY CAPACITY	15,000 PERSONS/HR	30,000 PERSONS/HR
TRAVEL TIME- KENNEDY TO SHEPPARD	15 MIN	10 MIN

MAIN BENEFITS OF TECHNOLOGY OPTION

SUBWAY

- HIGHER SPEED
- MOST-RELIABLE, HIGHEST-QUALITY SERVICE
- ELIMINATION OF TRANSFER AT KENNEDY STATION
- HIGHER RIDERSHIP (HIGHER SPEED AND ELIMINATION OF TRANSFER ATTRACT PEOPLE AWAY FROM OTHER SERVICES)
- NO NEED TO SHUT DOWN THE SCARBOROUGH RT DURING CONSTRUCTION OF A SUBWAY EXTENSION

LIGHT RAIL TRANSIT (LRT)

- GREATER OVERALL GEOGRAPHIC COVERAGE
- MORE STATIONS – BETTER LOCAL ACCESS
- LARGER POPULATION SERVED
- RELIABLE, HIGH-QUALITY SERVICE
- LOWER COST

Planning Considerations

- ▶ the network implications of the subway option have not been studied
- ▶ the LRT option focuses more on local travel needs, and provides opportunities for placemaking - creating complete communities within the City
- ▶ the subway option attracts a higher proportion of regional ridership
- ▶ adoption of subway technology could impact the ability to fund other priorities that are ultimately established through the Official Plan process

ASSESSING RAPID TRANSIT PROPOSALS

- ▶ "Feeling Congested" Phase 2 of City Official Plan Review (2013)
- ▶ Preliminary decision making framework for assessing rapid transit proposals currently being developed
- ▶ 8 criteria for assessing transit to build a great city:
 - Choice
 - Experience
 - Social Equity
 - Shaping the City
 - Healthy Neighbourhoods Public Health & Environment
 - Affordable
 - Supports Growth

IMPLICATIONS FOR TORONTO'S LONG TERM TRANSIT PRIORITIES

The decision to adopt subway technology could impact the ability to fund other transit priorities determined through the current Official Plan review process.

PRELIMINARY TOP 5 (NO SPECIFIC ORDER)	PRELIMINARY NEXT 5 (NO SPECIFIC ORDER)
<ul style="list-style-type: none">• DON MILLS LRT,• DOWNTOWN RELIEF LINE (EAST),• SCARBOROUGH MALVERN LRT• WATERFRONT EAST LRT.• WATERFRONT WEST LRT,	<ul style="list-style-type: none">• BLOOR- DANFORTH SUBWAY EXTENSION• DOWNTOWN RELIEF LINE (EXTENSION TO EGLINTON AVENUE),• EGLINTON LRT EXTENSION TO PEARSON AIRPORT.• JANE LRT,• STEELES WEST LRT/BRT,

City Planning staff will report in late 2013 on results.