

Scarborough Rapid Transit Options: Reporting on Council Terms and Conditions

October 8, 2013

Report from the City Manager and CEO, Toronto
Transit Commission

Council Terms and Conditions for McCowan Corridor Subway

- ▶ City Council confirmed support for the McCowan Corridor Subway alignment proposed in the July 16, 2013 report to Council, contingent on several terms and conditions
- ▶ Council's Terms and Conditions (McCowan Corridor Subway)

Directive	Council Term/Condition	Satisfied
1.A	New Federal Funding Equal to 50% of Net Capital Costs	Yes
1.B	Provincial contribution of \$1.8 billion (\$2010)	No
1.C	Other funding under the Master Agreement not to be reallocated	Yes
1.D	No reallocation of existing City revenues from other services	Yes

- ▶ As a result, Council's July 16, 2013 decision as a whole has not come into effect and the City Manager does not have authority to amend the Master Agreement with Metrolinx. The Scarborough LRT remains in the Master Agreement.
- ▶ **Should Council continue to support a subway option, the City Manager requires new direction and authority from Council**

Report Recommendations: Two Options

A. Subway

City Council reconfirm its support for a Scarborough Subway, extending the Bloor-Danforth line along the McCowan Road corridor to Sheppard Avenue East subject to approval of an Environmental Assessment

- Amend Master Agreement to remove the Scarborough LRT
- Enter into an agreement with Metrolinx for a minimum of \$1.48B
- Enter into an agreement with the federal government for up to \$660M
- City Council commit to fund \$910M
 - Development charges - \$165M
 - Property tax - \$745M

OR

B. LRT

City Council reconfirm its support for the Scarborough LRT under the current Master Agreement

Funding for a McCowan Corridor Subway

Expenditure Estimate:	(\$millions)			
Subway Option Cost Estimate (\$2010)	\$2,300			
SRT Life Extension, Decommissioning & Demolition (\$2010)	\$170			
Total Cost (\$2010)	<u>\$2,470</u>			
Total Subway Option Cost Estimate (\$ inflated)	<u>\$3,560</u>			
Funding Sources:	Provincial Funding of \$1.48 B (\$2010)		Provincial Funding of \$1.8 B (\$2010)	
	(\$inflated)		(\$inflated)	
Federal Funding	\$660	19%	\$420	12%
Provincial Transfer ¹	\$1,990	56%	\$2,450	69%
City	<u>\$910</u>	<u>26%</u>	<u>\$690</u>	<u>20%</u>
Total Funding for Subway Options	\$3,560	100%	\$3,560	100%
City Funding:				
Estimated Development Charges	\$165		\$115	
Estimated Tax Supported Cost	\$745		\$575	
Total Residential Tax Increase 2014 -2016	1.6%		1.1%	
Estimated Future Annual Debt Service Charge	\$38		\$26	

1. Provincial Contribution net of \$85 million sunk costs

Financial Impact

- ▶ A dedicated tax increase of 1.6% is required over next three years

Year	Percentage
2014	0.5%
2015	0.5%
2016	0.6%

- ▶ Per City policy, 1/3 of the residential rate increases applies to non-residential property tax classes
- ▶ TTC and City start up funding will be required and will be addressed as part of the 2014 Capital Budget process

Other Issues

- ▶ Cost over-runs
- ▶ Operations and maintenance
- ▶ Automatic train control
- ▶ Pressures on 2014-2023 Capital Plan
 - Transit SOGR
- ▶ Debt service ratio

Comparison of McCowan Corridor and RT Corridor Subway Options



	To Sheppard Avenue	
	McCowan	RT
Cost (\$2010)	\$2.5B	\$2.9B to \$3.0B
Cost (\$ inflated)	\$3.56B	\$4.14B to \$4.28B
Route Length (km)	7.6	10.2
Above/Below Grade	Below Grade (Tunnel)	At-Grade (Partly Elevated)
New Stations	3	4
New Trains	7	10
Residents & Employees within walking access of stations	24,000	33,000
Priority Neighbourhoods Served	1	3
Annual Ridership projected to 2031	36-39M	39M
Peak Hour Ridership Projected to 2031 in peak direction	9,500 – 14,000 persons/hr	13,600 persons/hr
Technology Capacity	30,000 persons/hr	30,000 persons/hr
Customer Impacts	Maintain SRT during construction	SRT shutdown Warden to Kennedy Station Clsr on BD line Less convenient TTC GO transfer at Kennedy
Community Impacts	Noise contained	Noise from wheel squeal on tight curves Visual impact of large elevated structure
Operational Impacts		Service impacts due to exposed winter-fall conditions on 3.0% gradient Increased wheel/track wear

Scarborough LRT Option

- ▶ Second option is to support the Scarborough LRT, which remains in the Master Agreement
- ▶ The current estimate for the Scarborough LRT is \$1.48 billion (\$2010), and is fully funded by the Province
- ▶ The EA for the project was approved by the TTC and Council in 2010
- ▶ Scheduled to be constructed from 2015-2020; Metrolinx would build, maintain and own the project

Council Decision

- ▶ Subway or LRT