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June 17, 2016

Mr. Bruce McCuaig President and CEO - Metrolinx 97 Front Street West, Toronto, ON M5J 1E6

Dear Bruce:

RE: Lawrence East Station

Thank you for your email of June 15, 2016, regarding the Lawrence SmartTrack station. I appreciate the opportunity for dialogue and collaboration on the Initial Business Case (IBC) for this station.

From the City of Toronto's perspective, a SmartTrack station on the Souffville Corridor at Lawrence is of critical strategic importance. We do not believe that the strategic and economic benefits of this station location have been adequately described and quantified in the final IBC for the station. We understand the need to balance the value of network access with the impact on travel time savings for riders boarding the system upstream. However, a key objective of SmartTrack is to improve local access to higher order rapid transit within Toronto. The IBC does not strike the right balance for the Lawrence station.

Travel Demand

The base assumptions in the Metrolinx projections of future travel demand for the Lawrence station need to be adjusted. The Metrolinx base network assumes an extension an extension of Line 2 from Kennedy Station to Sheppard Avenue along McCowan Road with a station on Lawrence Avenue (approximately 2km east of the SmartTrack station location). Given that the City is no longer recommending that a subway station be constructed on Lawrence, the potential SmartTrack station will play a more critical role in the transit network in Scarborough, providing an important rapid transit connection to downtown Toronto.

The City's travel demand modelling predicts that removing the potential Lawrence East subway station would increase AM peak hour boardings at the potential Lawrence SmartTrack station from 500 to 1,100 riders – representing a 120% increase. This projection is based on Lawrence Avenue East buses providing a connection to the SmartTrack station and then operating express to Kennedy Station. Even with a connection to Kennedy Station, approximately 600 people in the AM peak hour are projected to choose SmartTrack over the subway. These figures are preliminary, but the trends are representative and reasonable.

Metrolinx staff note that sensitivity testing was undertaken with respect to a TTC fare on SmartTrack. However, further work should be done to reflect the implications of an integrated fare for the TTC and SmartTrack. Our modelling work suggests that an integrated fare has a significant positive effect on travel demand on the entire SmartTrack system. This impact is particularly important at the potential Lawrence station because it is envisioned to play such a critical role in the local transit network in Scarborough.

Development Potential

We agree that minimum planned densities of people and jobs within the area surrounding a transit station are an important guideline for providing a station. We would point out that by the calculations in the Metrolinx IBC, the area around the Lawrence station is already planned for densities in excess of 150 people and jobs/hectare. While the IBC rightly identifies that the development trends around the station area have been slow in the past, our projections of population and employment growth to 2041 indicate that development in the Lawrence East corridor will be stronger in the future – as seen in the detailed comments attached.

Moreover, the parcel fabric in this station area – large lots with minimal encumbrances – creates excellent opportunities for transit-oriented development that would take advantage of accessibility improvements provided by a major transit station. As such, we anticipate that with a Lawrence station, much more development would occur than your IBC suggests. Rather than assuming a 5-10% growth rate, the IBC should factor in 15-20% growth.

Transit Connections

In addition to the opportunities for transit-oriented development in the station area, a significant portion of the travel demand projected for this station is also expected to result from bus transfers. The importance of a Lawrence station as a transfer point from local buses to the rapid transit network cannot be overstated. The Lawrence bus is the second busiest route in Scarborough, carrying around 35,000 passengers per day.

Detailed Comments

I have attached more specific comments on the IBC that build on the points in this letter. As we both move forward with recommendations on the integration of SmartTrack and GO RER, I trust that this material will help build the case for the inclusion of a station at Lawrence for Metrolinx.

John Livey

Deputy City Manage

Detailed Comments

Modelling Assumptions/Results

In section 4.5.3 "Station Access", it is assumed that the 54 Lawrence East bus will operate at 7 minute headways. We expect the combined headway of the different branches to be 4 minutes by 2031 and 3.5 minutes by 2041. These buses will all serve the SmartTrack station at Lawrence.

The lack of any rapid transit station on Lawrence would have a significant negative impact on the connectivity of the transit network. Riders travelling to points outside the downtown would be expected to remain on the bus to transfer to the subway. However, riders destined downtown would likely transfer to SmartTrack/RER at the Lawrence East station. Our modelling suggests that there would be approximately 2,080 boardings and 2,400 alightings per day at the Lawrence East station.

Finally, Metrolinx's model assumed a GO fare for all riders wishing to ride the SmartTrack/RER service. When assuming a TTC fare, the City's numbers suggest much smaller negative impacts on Incremental GO Ridership, Fare Revenue, Travel Time Savings and Auto Distances Saved than those found in the Business Case, as seen in the table 1 below.

Table 1: IBC Analysis Results

| Measure | Metrolinx IBC | City's preliminary modelling |
|--|---------------|------------------------------|
| Incremental GO Ridership / Incremental System | -12.8 | -0.25 |
| Ridership (Millions of trips) | | |
| Fare Revenue (Millions per annum) | -\$32.7 | -\$1.5 |
| Travel Time Savings (Millions of Person-Hours) | -37.6 | -0.65 |
| Auto Distances Saved (Millions of VKTs) | -181.7 | -4.6 |

Development Potential

When applying an 800 metre catchment area around a future Lawrence SmartTrack station, the present population amounts to 6,944 people, and the existing workforce totals 8,490.

As part of the IBC, Metrolinx undertook a soft site analysis which identified roughly 34 hectares of developable lands within 800 metres of the station. It was determined from the analysis the potential future gross floor area of the 34 hectares could result in approximately 1,972 new jobs & 16,293 new residents. This means the full build out of the area could see a total of approximately 10,462 jobs and 23,237 people within 800 metres of the Lawrence station.

To account for the projected growth in jobs and population within the catchment area for 2031, Metrolinx assumes a growth of 5-10% derived from the soft site potential. This would result in a population ranging between 7,759 - 8,573, and jobs ranging between 8,589 - 8,687 by 2031. This yields an 81-86 People and Jobs/hectare (P+J/ha). It should be noted that once the full build out of the area is realized, it would result in 168 P+J/ha.

The IBC analysis relies heavily on the market analysis saying that future demand for new development will be low. This discounts the fact that the area is unique in having such large swaths of developable land. To have roughly 34 hectares of identified soft sites within walking distance of a station presents a great city-building opportunity. Moreover, the existing context along the *Avenue* includes a number of tall buildings on relatively large sites, which has not been illustrated in the analysis. This is unique when compared to other Avenues across the city that generally have shallow sites containing plazas under multiple ownership. Such sites have to be consolidated and the lot depths and context can limit development potential. The existing context around Lawrence, together with the large and deep blocks that make up the soft sites, mean that greater height and density may be possible around the station.

With the inclusion of a Lawrence SmartTrack station, the assumed growth of 5-10% does not properly reflect the incentive this station will have on future development. We believe the 2031 anticipated growth should reflect roughly 15-20%. Table 2 below illustrates the difference in P+J/ha applying a higher growth percentage.

Table 2: Population and Jobs

| | | Population | % change | Jobs | % change | P+J/ha |
|-----------------|---------|------------|----------|--------|----------|--------|
| | Present | 6,944 | NA | 8,490 | NA | 77 |
| Metrolinx IBC | 2031 | 7,759 | 5% | 8,589 | 5% | 81 |
| | 2031 | 8,573 | 10% | 8,687 | 10% | 86 |
| City's Analysis | 2031 | 9,388 | 15% | 8,786 | 15% | 90 |
| | 2031 | 10,203 | 20% | 8,884 | 20% | 95 |
| | 2041+ | 23,237 | 234% | 10,462 | 23% | 168 |

Further information: James Perttula, 416-392-4744

Date: June 16, 2016