

TORONTO TRANSIT COMMISSION

REPORT NO.

MEETING DATE: September 12, 2007

SUBJECT: Toronto-York Spadina Subway Extension –Impact Of Postponing The Project

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RECOMMENDATION

It is recommended that the Commission receive this report for discussion of the positive impacts of the Toronto-York Spadina Subway Extension Project (TYSSE) and provide the necessary direction regarding the postponement of the TYSSE project.

FUNDING

The draft 2008-2012 Capital Budget calls for the TYSSE project to commence as a fully funded project in 2008 with revenue service in early 2015. A one-year delay in the project would increase project costs by 4% or \$105.8 million.

As well, a delay in the project would jeopardize Provincial funding of the project through the Move Ontario Trust (\$670 million). The Trust requires that unless the terms of the Trust are unanimously amended, the first construction contract must be entered into no later than 365 days following the final approval of the Environmental Assessment for the project (resulting date of March 23, 2008). A delay in the project of one year would not allow this requirement to be satisfied and the Provincial Trust would then distribute the Trust funding to Durham, Peel, Halton and Hamilton transit systems as per the Trust Legislation.

A Federal commitment of funds (\$697 million, no allowance for inflation impacts) was announced and contribution agreements are currently being negotiated. The postponement of the project could jeopardize this Federal contribution.

BACKGROUND

At a meeting on July 20, 2007 the Commission requested the Chief General Manager to report back on the potential impact of postponing the extension of the Spadina Subway. This report responds to that request.

This report utilizes the Spadina Subway Extension EA report and the Building Canada Fund application for project funding draft report which includes a formal business case and cost benefit analysis for both the Toronto and York portions of the project. This report addresses the cost impacts and benefits on the entire TYSSE project from Downsview Station to the Vaughan Corporate Centre.

DISCUSSION

As outlined in Exhibit 1, the TYSSE project includes an 8.6 kilometer extension of the Spadina Subway line and includes six new stations serving Parc Downsview Park, the Keele/Finch intersection, two stations on York University property, Highway 407 and a terminal station in the Vaughan Corporate Centre. Full start up of the project is currently planned for early 2008 with revenue service in early 2015. An early construction requirement to satisfy the requirements of the

Provincial Move Ontario Trust will be ready for tendering in early fall 2007 (Steeles West Sewer Relocation). The Federal Environmental Assessment, governance, contribution agreements with funding partners and management aspects of the project are currently being finalized.

At the outset, it should be highlighted that in a very short period of time, both the Federal and Provincial governments have announced significant contributions to the TYSSE project that will allow the project to proceed to design and construction in the near future. The postponement of the project will potentially jeopardize these financial contributions and could put the implementation of the project at risk for an indeterminate period of time. The Provincial and Federal contributions to the project were made in recognition of the following strategic, national, provincial, local, transit and environmental benefits.

a) Strategic Benefits

From a strategic perspective, the project is expected to achieve the following objectives:

- Safer and faster movement of people and goods on Canada's major land transportation routes.
- Reduced production of greenhouse gases and airborne pollutants.
- Increased effectiveness of urban development and restructuring of urban growth patterns.
- Promote increased economic activity, including tourism.

b) National Significance

The TYSSE is a key infrastructure project of national economic significance for the following reasons:

- The Greater Golden Horseshoe (GGH) faces major challenges in global competitiveness, resulting in the need to invest heavily and strategically in key national transportation infrastructure projects that reduce congestion and will ensure our goods get to market and our people to work on time – in an economically and environmentally sustainable manner.

- The GGH is Ontario's and Canada's economic engine responsible for 70% of Provincial GDP and 29% of National GDP.

- The TYSSE is one of the key infrastructure projects of national economic significance required to keep Canada's economic engine moving and competitive.

- The project contributes to alleviating congestion on the GTA's most heavily utilized transit asset, the Yonge Subway line.

- Residents of the GTA already face the longest commute times in Canada – congestion is slowing commerce, reducing productivity and affecting residents' quality of life. Lost productivity in the GTA due to gridlock and congestion is estimated to cost the economy \$2 billion a year.

- The project will not only ease commutes and the flow of goods, but it is also estimated that the construction of the project will generate a total of 20,000 indirect and direct jobs resulting from construction.

- The project will integrate transit systems across the GTA and strengthen the transportation network on a regional scale.

c) Provincial Benefits

The TYSSE responds to two key provincial policy initiatives including the Provincial Policy Statement (PPS) in 2005 related to land use planning and development and Growth Plan for the Greater Golden Horseshoe in 2006.

The project will leverage these policy directions of the PPS:

- Promoting efficient land use and development patterns to sustain healthy liveable and safe communities.

- Requiring infrastructure to be provided in a coordinated, efficient and cost-effective manner to accommodate projected needs.
- Accommodating growth through intensification and redevelopment.
- Promoting the regeneration and vitality of existing built-up areas.
- Supporting long-term economic prosperity by providing for an efficient, cost-effective, reliable multi-modal transportation system that is integrated with adjacent systems and those and other justifications, and is appropriate to address projected needs.

As well, the TYSSE project contributes to the implementation of the Provincial Growth Plan (as outlined in the Places to Grow Act) as follows:

- The project leverages the Growth Plan overall aims and general policy directions to:
 - Shape the communities of the GGH in a more compact, transit-oriented urban form, especially by requiring that by 2015 all regions and single-tier municipalities will accommodate a minimum of 40% of each year's new residential units in their existing built-up area.
 - Develop vibrant, complete communities with a good mix of housing, shops, jobs, and services.
 - Create communities where it is easier for people to take transit, walk and bike to get around.
- The Growth Plan envisages that a significant portion of growth in the existing built-up area will occur in 25 Urban Growth Centres. One of these is the Vaughan Corporate Centre (VCC) at the terminus of the subway extension. The Growth Plan sets a minimum gross density target of 200 residents and jobs combined per hectare for the Centre's development, which will help support the viability and efficiency of planned transit service levels.
- The Growth Plan integrates the provision of new higher order transit with the development of the Urban Growth Centres. In particular, it shows the Spadina Subway Extension as a transit link to the VCC. Extending the subway will act as a catalyst to help the Centre achieve its growth objectives in a transit-oriented fashion.

- The Growth Plan also requires municipalities to develop and implement through their Official Plans and other supporting documents, a strategy and policies to phase in and achieve intensification, including Urban Growth Centres, intensification corridors and major transit station areas as a key focus for development, and use of any transit-supportive land use guidelines established by Ontario.

- In addition, the Growth Plan specifically states that:

- Priority will be given to infrastructure investments made by Ontario that support the policies and schedules in this Plan.

- Public transit will be the first priority for transportation infrastructure planning and major transportation investments.

The TYSSE contributes to the achievement of these objectives in a significant way.

d) Subway Network Benefits

The TYSSE project will connect the north-west part of the City of Toronto and south York Region to the midtown and downtown core. It serves transit trips from the major residential areas and south of the north-west to employment locations and major educational and medical institutions along the subway corridor. It also provides access from the rest of Toronto to trip attractors along the line such as Yorkdale Shopping Centre and Parc Downsview Park (PDP). There are also major travel destinations north of the current terminus of the line at Sheppard Avenue including York University and a number of major industrial areas (Downsview, Keele North) that are served by the existing Spadina Subway however passengers are currently required to transfer to surface service at Downsview to reach these destinations.

The expansion of the Spadina Subway to the VCC will bring the subway into York Region, the fastest growing Region in the GTA over the last ten years.

From a subway network perspective, the objective of Toronto and York Region is to extend the Spadina Subway beyond Sheppard Avenue to:

- Serve a major source of transit ridership to/from York University (a campus of 50,000 full-time and part-time students located three kilometers north of Downsview Station).

- Provide improved access to existing employment locations in the north west part of Toronto and in western York Region.

- Provide for a new inter-regional connection with the GO Transit Bradford Line at Sheppard Avenue.

- Provide opportunities for transit-oriented redevelopment at development nodes along the route including PDP, Keele/Finch, Steeles, and VCC.

- Provide a strategic opportunity to integrate the transit systems operated by the TTC, York Region and GO Transit into a seamless integrated transit network irrespective of municipal

boundaries including a connection to the proposed Highway 407 Transitway, GO BRT services and east-west service in the Highway 7 corridor.

The extension of the Spadina Subway also provides a subway network opportunity to reduce passenger crowding on the Yonge Subway. The Yonge Subway is the most heavily-used rapid transit facility in the GTA carrying approximately 30,000 passengers per hour at peak times into the downtown area of Toronto. It operates close to capacity at peak times and is the backbone of the TTC subway network. The potential to increase capacity on the Yonge Subway line is limited by physical constraints related to station design/spacing and the current signaling system. The extension of the Spadina Subway provides an opportunity for up to 2,000 peak period passengers from the currently overcrowded Yonge Subway to switch to the Spadina Subway by providing an attractive alternative for passengers currently traveling from locations in the north-west over to Yonge Street to reach the downtown area.

The extension of the Spadina Subway is an important component in building a mature subway network that enhances the existing subway network and achieves other important transportation, land use, policy, environmental and economic objectives of all three levels of government.

e) Benefits to Existing Transit Users

The 36 Finch West bus has one of the highest number of daily passengers of all TTC's bus routes and many of the passengers on the 36 Finch West are destined to the Yonge Subway. The 196 York University Rocket currently provides express bus service between Downsview Subway Station and York University, carrying over 10,000 people per day on service with service as frequent as every 2.5 minutes in the morning peak period. Only three bus routes in the TTC system have more frequent A.M. peak period service.

All routes are subject to significant delays due to chronic traffic congestion on all major arterials. The worst areas are at the Keele/Finch and Dufferin/Finch intersections and on Finch Avenue between Keele and Dufferin. The delays to buses encountered in these areas cause the whole route to operate slowly and unreliably affecting the ability to maintain and attract transit riders who would otherwise drive to their destination.

The TYSSE will provide significant improvements in the quality, reliability and convenience of transit service in the corridor.

f) Alleviation of Traffic Congestion

Existing intersection conditions reveal poor overall levels of service at all major intersections within the corridor (at-capacity or over-capacity during the A.M. and P.M. Peak Hours). Most major intersections in the area experience notably high delays and high volume-to-capacity ratios, with numerous critical movements. These conditions directly affect the ability of transit operators to provide high quality transit service and to offer service that is competitive, on a travel time basis, with private automobile travel.

Significant queuing and traffic congestion exists on many of the arterial roads within the Study Area, in particular on:

1. Dufferin Street, north of Finch Avenue
2. Keele Street, south of Finch Avenue and north of Steeles Avenue
3. Finch Avenue, throughout the Study Area

The subway will contribute to reduced traffic congestion in the corridor and an increase in the transit modal split in one of the most congested areas of the City of Toronto.

g) Interregional Transit Benefits

The high level of transit services operated in the corridor by GO, TTC and York Region provides a significant opportunity for the TYSSE project to integrate transit services and provide additional choice and flexibility to use transit in the corridor.

With the construction of the TYSSE project, GO intends to construct a new GO Station platform on the Bradford GO line, south of Sheppard Avenue and this would provide a unique opportunity to construct a physical connection between the new GO platform and the Sheppard West Subway Station. This would allow commuters from Bradford, Newmarket, Aurora, Maple and King City to connect and transfer to the TTC Subway and bus system at a location other than Union Station.

Both York Region and TTC bus services which currently serve the York University campus would be reoriented to feed Spadina Subway stations located north of the University campus. An extensive rearrangement of bus service would be implemented to all stations upon commencement of revenue service of the subway. GO bus service to the campus and the shuttle bus service from the Bradford GO line to York University would be reoriented to feed the subway upon completion.

The provision of a subway station at Highway 407 protects for the future construction of a Highway 407 Transitway and a future linkage between east-west transit facility and the Spadina Subway.

h) Commuter Parking Benefits

Although extensive feeder bus service is expected to result in a higher percentage of Spadina Subway riders accessing the line by bus, for some commuters, the provision of commuter parking at stations is an important convenience to entice people to use transit for a portion of their trip. The TYSSE project will include the provision of the following supply of commuter parking spaces:

STATION	CAPACITY	LOCATION
Finch West	400 spaces	Hydro ROW
Steeles West	up to 2500 spaces	Hydro ROW
Highway 407	up to 1000 spaces	Land Owned by Ontario

As the existing lots on the Yonge and Spadina lines are at or near capacity, the provision of additional capacity on the Spadina line will provide more opportunities for this segment of TTC ridership and alleviate existing congestion at the Finch commuter parking lots in particular. As well, by providing spaces in York Region, these trips are intercepted within York thereby not adding to congestion on Toronto arterial roads.

i) Land Use Intensification

Both York and City staff are proceeding with the necessary planning studies to enhance the population and employment in the catchment area of stations to achieve population and employment densities supportive of investments in rapid transit.

There are significant opportunities for transit oriented development at Sheppard West, Keele, Finch, Steeles West and VCC stations. Upon completion, almost the entire York University academic core will be within a 500 metre walk of a subway station and the Provincial Archives Building (270,000 sq.ft. of space currently under construction) will have a direct entrance connection to York University Station.

j) Transit Ridership

Daily subway ridership is projected to be around 85,200 trips in the opening year under policy density scenarios developed by York and City staff. This results in annual ridership of 26.1 million per year of which 25% (or 6.5 million per year) is new ridership to the TTC. Post 2015 ridership growth rates are estimated to average 3.6% in the first five years, 3.2% in the subsequent five years and 1.5% annually thereafter.

Summary/Sequences of Cancellation/Postponement of the Project

In recognition of the above benefits of the TYSSE project, the cancellation or postponement of the project would have the following implications:

- The ridership benefits of the project would not materialize and existing transit users would continue to receive a quality of service below that of a subway.

- Transit modal splits in the corridor would not improve and auto congestion levels would continue to deteriorate.

- Growth in the corridor would continue to be auto-oriented with the resulting impact on Municipal and Provincial policy objectives to encourage transit oriented growth centres. In particular, opportunities for intensification at Sheppard West, Finch West, Steeles West and VCC Stations would be lost and road capacity constraints would limit the ability of these nodes of development to reach mature levels.

- York University would continue to be served only by buses and the Provincial Archives Building, which was predicated on direct connection to the subway, would be not served by rapid transit.

- The interregional benefits of the project would not materialize and valuable interregional transit connections to improve the flexibility and choice for transit users would be lost.

- The capacity of existing commuter parking lots would continue to be constrained.

- Congestion on the Yonge Subway line would continue to worsen with the resulting impact on the ability to consider any extension of the Yonge Subway line north of Finch Avenue.

- Important environmental benefits to Municipal, Provincial and Federal governments would be lost with the resulting impacts on the quality of the environment in the GTA.

- The economic competitiveness of the GTA would be negatively affected and the economic impacts of congestion would continue to grow.

- The direct and indirect job impacts of the construction of the line would be eliminated or deferred.

- Some portion of the local benefits of the project (property taxes, jobs, etc.) would likely accrue to other municipalities in response to revised growth patterns.

- The Provincial and Federal contributions committed to the project (\$670 million and \$697 million respectively) may be lost and the opportunity to involve the Federal government, for the first time, in funding a Toronto subway project will have been lost for an indeterminate period of time. It is important that the City capitalize on the funding opportunity that are presently available from the City's funding parties.

- The capital cost of the project will increase. For every year the project is delayed, the cost of the project is expected to increase by approximately \$106 million.

JUSTIFICATION

Subway investments are, by their very nature, long term strategic investments in City building that need to be sustained through the ups and downs of the economic cycle. The Spadina Subway project is important to the future objectives of the City of Toronto, York Region, the City of Vaughan, the Province of Ontario, the Federal government, transit operators in the GTA and major institutions including York University.

The postponement/deferral of the project is therefore not recommended.

August 17, 2007

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Attachment