

August 23, 2017

Contact: Vincent Puhakka
scarboroughtransitaction@gmail.com

Bonnie Lysyk, Auditor General
Office of the Auditor General for Ontario
20 Dundas Street West, Suite 1530
Toronto, Ontario M5G 2C2

Dear Ms. Lysyk,

RE: Request for Investigation

This request is from Vincent Puhakka, Brenda Thompson and Moya Beall on behalf of Scarborough Transit Action, Joy Robertson, President of Scarborough Residents Unite Neighbourhood Association and from two other concerned residents, Rosemary Frei and Joell Vanderwagen.

Our request focuses on two cases of planned infrastructure investment:

1. The Kirby and Lawrence East GO/SmartTrack stations, recently approved by Metrolinx.
2. The one-stop, six-kilometre subway extension of the Bloor-Danforth line to the Scarborough Town Centre.

1. BACKGROUND

A. 2014 AUDITOR GENERAL OF ONTARIO'S REPORT

The 2014 report reviewed the 2012 report's **value-for-money** audit of Metrolinx, in which it was recommended that:

"Metrolinx should ensure that all projects contemplated under the *Regional Transportation Plan* are subjected to a rigorous **cost/benefit analysis** that considers **financial, economic, environmental and social** needs and impacts and

that transit infrastructure investment decisions are made on the basis of that analysis."

The 2014 report advised that "little or no progress" had been made since 2012, but that:

"In **the 2014 budget**, the province committed to working with Metrolinx and municipalities to prioritize transit investments through the use of **business case analyses**."

<http://www.auditor.on.ca/en/content/annualreports/arreports/en14/408en14.pdf>

B. 2016 AUDITOR GENERAL OF ONTARIO'S REPORT

Last year, in response to the Auditor General of Ontario's investigation into the many serious inadequacies of the **environmental assessment** process, including concerns about streamlined processes such as the TPAP, the Ministry of the Environment and Climate Change made the following pledge to the Auditor General:

"We recognize that more needs to be done to ensure environmental assessments are timely, effective and properly based on environmental risk....

...We will further integrate the **assessment of climate change** and cumulative effects into the Ministry's decision-making process. The ministry has prepared a draft guide to consider climate change in environmental assessment and has made it available for public review. In 2017 we will finalize a draft guideline for public review for assessing cumulative effects for environmental assessments."

C. 2016 MANDATE LETTER TO THE MINISTER OF TRANSPORTATION

The Premier of Ontario's September 23, 2016, mandate letter to the Minister of Transportation called for:

"Greater transparency to the public and GO users in relation to GO RER [Rapid Express Rail] and LRT projects..."

D. 2016 MANDATE LETTER TO THE MINISTER OF THE ENVIRONMENT

The premier's September 23, 2016, mandate letter to the Minister of the Environment and climate Change charged the minister with important responsibilities. In particular, he/she is to:

"...support the government in ensuring **climate change mitigation and adaptation** are taken into account in the government decision-making process. This will include both greenhouse gas impact analyses for government policies, legislation and regulations, as well as adaptation considerations for **public infrastructure investments and government procurement** decisions."

E. EVIDENCE-BASED DECISION-MAKING

The premier emphasized in both mandate letters that:

...it is essential that we work collaboratively across every sector of government to support **evidence-based decision-making** to ensure that programs and services are effective, efficient and sustainable..."

2. OUR COMPLAINT

A. THE KIRBY AND LAWRENCE EAST GO STATIONS

Metrolinx undertook a **business case analysis** to evaluate which of several potential new GO Stations should be added to the GO Rail network. According to their findings, the proposed Kirby and Lawrence East GO stations did not qualify as appropriate investments. This is because together they would cost nearly \$200 million to build, while attracting insufficient new ridership. Indeed, it was determined that existing ridership might **decrease** because additional travel time on each line caused by the extra stations could prompt some riders to switch to driving by car. It was calculated that this would produce an additional 869.8 million kilometres of car travel over the next 60 years, thereby increasing traffic congestion, greenhouse gas emissions and traffic collisions. Moreover, according to the analysis, the societal cost of these negative impacts would total more than \$740 million.

However, Metrolinx officials ignored the business-case analysis and kept its advice secret. Despite the two stations' low rating, both were given the go-ahead for construction.

The proposed Kirby GO station, which would be on GO's Barrie line, is in Transportation Minister Steven Del Duca's riding.

The proposed Lawrence East GO Station would be on GO's Stouffville line and is part of Mayor Tory's SmartTrack plan. The existing Scarborough Rapid Transit (SRT) line,

beginning at Kennedy subway station, runs parallel to the GO track until it branches off to the Scarborough Town Centre (STC). Four existing stations on the SRT line (Lawrence East, Ellesmere, Midland and McCowan) are used by more than 16,000 passengers per day but will be removed if the one-stop Scarborough subway is built.

According to a June 18, 2017 *Toronto Star* article, the proposed Lawrence East GO Station is favoured by Mayor Tory because it would supposedly stand in for the current SRT Station after it's removed (see link below). However, the Metrolinx study calculated that only 1,400 new daily passengers would use the new station by 2031. It is possible that this number may end up being even lower, because it is not yet known whether the fare would be based on TTC or GO rates. The business case analysis also indicated the new station would result in a net loss of about 500 GO riders per day because of the increased travel time it would create. Nevertheless, the station was approved.

The *Toronto Star's* June 18, 2017 article and a subsequent June 26 editorial (see link below) exposed the political nature of these decisions. It is yet another instance of transit infrastructure decisions that run counter to evidence-based advice.

<https://www.thestar.com/news/gta/2017/06/18/secret-metrolinx-report-raises-questions-about-approval-of-new-go-stations.html>

<https://www.thestar.com/opinion/editorials/2017/06/26/we-need-answers-on-proposed-go-stations-editorial.html>

B. SCARBOROUGH SUBWAY EXTENSION (SSE)

I. The aging **SRT line** from Kennedy subway station to the STC was to be replaced by an approved and fully provincially-funded **light rail transit (LRT)** line on the same corridor, and extended to Centennial College and Sheppard Avenue, with seven stops. However, under Mayor Rob Ford this plan was cancelled in favour of a subway tunnel from Kennedy station to the STC. Originally, the SSE was to have three stations but was drastically scaled back to one station -- while at the same time the cost escalated to \$3.5 billion. The province is still committed to contributing its original funding amount of \$1.48 billion.

Concurrently, there was a plan to extend the Eglinton Crosstown LRT eastward from Kennedy station, along Kingston Road, to U of T Scarborough, with a total of 17 stops. This is known as the **Eglinton East LRT (EELRT)**. Together, the seven-stop LRT and 17-stop EELRT would provide a network with a total of 24 stops, serving a large geographic area and a wide variety of trips. However, the escalated cost of the SSE has almost completely consumed the funding that could have paid for the EELRT, thus postponing this important project indefinitely.

At the heart of the matter is the fact there has never been a **comparative analysis** of the one-stop subway project with the previously planned and fully-funded seven-stop LRT, or with the combination of the seven-stop LRT and 17-stop, shovel-ready EELRT.

Unfortunately, the SSE is subject to the less rigorous **Transit Project Assessment Process** (TPAP) that does *not* require an *assessment of options*. Therefore, we are asking you to investigate whether a **comprehensive cost/benefit analysis** should be conducted of the SSE versus the seven-stop and 24-stop LRT network options. This analysis would ensure that the contribution from the provincial government provides Ontario taxpayers with the best value for money.

We note that such issues have been the subject of considerable review by your office in the past (see below). We feel that the provincial government has fallen far short of its commitments to implementing your recommendations.

ii. TRANSPORTATION AND CLIMATE CHANGE

A study of carbon emissions related to Toronto's **Sheppard subway line** was recently completed by University of Toronto researchers (link below). They found that because of low ridership, it could take as long as 30 years for subway service on Sheppard to eliminate the carbon footprint created by the line's construction and operation. If this is the case with Sheppard, how much larger will the carbon footprint be for the **SSE**, which will require much more extensive construction due to the significant depth of the line and the large amount of infrastructure at its terminus, including a deep subway station and a 34-bay bus terminal that is as large as the Toronto Eaton Centre?

<http://urbantoronto.ca/news/2017/07/blue-snake-first-look-upcoming-scarborough-centre-subway-station>

<https://www.thestar.com/news/gta/2017/03/11/transit-construction-can-cause-greenhouse-gas-emissions-that-take-decades-to-offset-study-says.html>

<http://www.sciencedirect.com/science/article/pii/S1361920916300621>

The draft TPAP Executive Summary document contains no mention of climate change impacts.

http://www.scarboroughsubwayextension.ca/assets/02_executive-summaryv2.pdf

The six-kilometre tunnel for the SSE will involve the consumption of vast amounts of fuel by the construction machinery, and the use of massive amounts of concrete and rebar, which must be produced and transported to the site. Then, once in service, the energy consumed by operating long trains with low ridership over the six-kilometre length will add significantly to the carbon footprint. In addition, the low ridership per kilometre will require a high operating subsidy for that line - causing a financial drain on

the transit system as a whole and further undermining the TTC's ability to provide good service at affordable fare levels.

It is clear that the proponents of this project have paid no heed to the Ministry of the Environment and Climate Changes draft guide "Consideration of Climate Change in Environmental Assessment in Ontario," which the ministry referred to in its response to the 2016 Auditor General of Ontario's investigation. The draft guideline states that:

Proponents should seek to determine as early as possible in the environmental assessment process, whether there are likely to be relevant climate change considerations associated with the project that should be addressed in more detail. In the case of some projects being planned under streamlined environmental assessment processes, a proponent might conclude that an undertaking is sufficiently minor in scale and short in lifespan that a climate consideration cannot be practically carried out or is not applicable. In this instance, the proponent should provide a rationale where possible in the environmental assessment documentation as to why the consideration of climate change could not be completed or is not applicable.

Clearly the SSE is not 'minor in scale and short in lifespan.' Yet in a glaring omission, the TPAP does not include consideration of climate-change impacts, nor explain why this is so.

It is essential that the **24-station LRT network alternative** be contrasted with the **SSE** in terms of climate change mitigation and adaptation. Not only would LRT construction involve comparatively smaller amounts of materials and energy, but its operation would be much more cost-effective and energy-efficient because it would serve a wider area and attract a higher ridership. This alternative clearly provides greater financial, economic, social and environmental benefits.

In addition to assessment of individual projects, it is necessary in transportation to consider the function of **entire networks** in their potential for increasing transit use, and decreasing auto use and emissions. The most important factor in attracting high transit ridership is the existence of a complete, comprehensive network easily accessible to riders.

Thus, the trade-off between ONE high-cost project versus a LARGER NETWORK of lower-cost projects must always be included in such evaluations.

lii. OTHER COMPLAINTS AND APPEALS

In February 2017, Scarborough Transit Action and several concerned residents lodged a complaint with the City of Toronto's Auditor General regarding the SSE, citing the

absence of evidence-based decision-making and the poor value for money that we perceive in the subway option. Our action was in part triggered by the controversial memo that the TTC's CEO, Andy Byford, had given to Toronto City Council. The memo misleadingly concluded that the LRT option would be as costly as the subway. We asked the Toronto Auditor General for a recommendation that a comparative assessment be done of the options. We await her report.

Scarborough Transit Action and our sister organization, TTCRiders, have also appealed to the Premier of Ontario and the Minister of the Environment and Climate Change, in a letter that was also signed by more than 20 community organizations and 600 residents. The letter asked, in light of the TPAP, that the premier and the minister require a comparative evaluation of the options. Their responses were disappointing: the premier passed our concerns to the Minister of Transportation and Minister Murray's staff advised us to participate in the TPAP.

We certainly will participate in the TPAP. However, it is clear that it is designed only to move the project forward, not to objectively assess alternatives and environmental costs and benefits. We see further possibility of lack of objectivity in the fact that AECOM is conducting the TPAP and is also designing the station at the STC. (See links below to the letter, the response from the Minister of the Environment and Climate Change and the contract award for the SSE station design.)

<http://www.ttcriders.ca/wp-content/uploads/2017/04/Letter-to-environment-minister.pdf>

<http://scarboroughtransitaction.ca/wp-content/uploads/2017/02/STA-SSE-Response-Letter-05-09-17-2.pdf>

http://www.merx.com/English/Supplier_menu.asp?WCE=Show&TAB=3&PORTAL=MERX&State=8&id=1123961&src=osr&FED_ONLY=0&PrevStateId=2&ACTION=&rowcount=&lastpage=&MoreResults=&hcode=IkTsuL6Wxlbj%2bXIB2uOIDQ%3d%3d

CONCLUSIONS

We have highlighted two issues for the attention of the Auditor General of Ontario:

1. The political overruling of the results of the **business case analysis** regarding the proposed Kirby and Lawrence East GO Stations.

A diversion of funds to less-needed stations may result in under-funding and delay of higher-priority stations. As Metrolinx itself has acknowledged, this could undermine the overall efficiency of GO Transit service and its attractiveness to riders, which in turn may contribute to increased auto emissions and traffic congestion. Most importantly, this act

should not go unchallenged as it represents another step in the significant degradation of the planning and decision-making process.

2. The lack of a **comprehensive cost-benefit analysis** of the Scarborough subway project in **comparison** to the seven-stop LRT plus 17-stop EELRT, along with the absence of thorough environmental assessments of the three options.

The Premier of Ontario, the Minister of the Environment and Climate Change, the Minister of Transportation and Metrolinx officials continue to ignore your office's repeated calls for transparency and accountability to the public. These powerful decision-makers act with impunity by not conducting rigorous cost/benefit analyses that consider financial, economic, environmental and social needs and impacts, and by not making transit-infrastructure-investment decisions based on those analyses.

The monumental subway tunneling project will absorb funds that could instead pay for a larger, cost-effective transit network that will attract and serve far more riders. A complete network also will serve to reduce auto use, auto emissions and congestion. Given that there is no transportation case to be made for the subway project, the decision is clearly a political one that, we must emphasize again, **should not go unchallenged.**

We hope that you can help us in our efforts to make the government live up to its commitments.

Sincerely,

Vincent Puhakka, Brenda Thompson and Moya Beall, on behalf of Scarborough Transit Action, Joy Robertson, President, Scarborough Residents Unite Neighbourhood Association and Rosemary Frei and Joell Vanderwagen