## James I. Hymas, 129 Humbercrest Boulevard, Toronto, Ontario M6S 4L4 jiHymas@himivest.com

Ulli S. Watkiss Clerk, City of Toronto Via eMail: <u>clerk@toronto.ca</u>

March 18, 2012

Dear Mr. Watkiss,

## **Re: Transit on Sheppard Avenue East**

I write to present my views on the captioned subject and ask that my comments be included on the public record; these comments are intended for distribution to Council for consideration at its meeting March 21, 2012, with respect to the "Report from the Expert Advisory Panel Regarding Transit on Sheppard Avenue East", item CC20.1.

The recommendation before council in favour of Light Rail Transit for Sheppard Avenue East<sup>1</sup> must be rejected: the degree of intellectual dishonesty in the report is breathtaking: there was no attempt to estimate differences in operating and capital maintenance costs between the options considered.

Toronto Transit Infrastructure Limited (TTIL) pointed out in material received by the Committee:<sup>2</sup> The decision to move the Eglinton Crosstown route to LRT above ground east of Laird running in a median will cost the City/TTC upwards of an additional \$15-\$20 million annually in operating costs. ... Holding storage, vehicles and property acquisition costs constant, the higher capital costs of the subway would be recovered from operating savings in less than 21 years, after which there would be significant cost savings to the project (based on most recent capital and operating costs available for subway from Yonge Street to Scarborough Centre).

The first part of the assertion, that the reckless decision to run a portion of the Eglinton Crosstown route at grade will lead to \$15-\$20-million in additional annual operating costs, was not challenged in the Report; in the absence of the barest attempt at rebuttal the assertion must be accepted as true by default.<sup>3</sup>

In order to place this number in context, it is illuminating to remember the highly publicized use of slightly less than \$19-million from prior year's surplus to<sup>4</sup> save pools

<sup>&</sup>lt;sup>1</sup> Report of the Expert Advisory Panel Regarding Transit on Sheppard Avenue East, (the "Report") March 15, 2012, available on-line at <u>http://www.toronto.ca/legdocs/mmis/2012/cc/bgrd/backgroundfile-45908.pdf</u> (accessed 2012-3-17)

<sup>&</sup>lt;sup>2</sup>Toronto Transit Infrastructure Limited *Summary of Subway Option, March 12, 2012 Option B: Subway Extension,* available on-line at <u>http://www.toronto.ca/legdocs/mmis/2012/cc/bgrd/CC20\_1\_app3\_9.pdf</u> (accessed 2012-3-17)

<sup>&</sup>lt;sup>3</sup> Operating costs are also ignored in the equally dishonest report by Cherise Burda and Graham Haines, *New Transit Plan for Toronto,* The Pembina Institute, March 2011, available on-line via <u>http://www.pembina.org/pub/2186</u> (accessed 2012-3-17)

<sup>&</sup>lt;sup>4</sup> Centrist city councilors derail Toronto Mayor Rob Ford's reckless budget, Toronto Star, 2012-1-18, available on-line at <u>http://www.thestar.com/opinion/editorials/article/1117744--centrist-city-councillors-derail-toronto-mayor-rob-ford-s-reckless-budget</u> (accessed 2012-3-17)

and homeless shelters, daycare services, and recreation programs including ice rink hours and library services.

Thus, council has already blithely assented to an increase in annual operating costs equal to the amount that caused such political problems earlier this year. We may well see these pools, homeless shelters, daycare services and recreation disappear in the future, as the money has already spent in a manner that that will actually degrade the quality of service provided on the Eglinton Crosstown route.<sup>5</sup>

The other important element of the TTIL assertion quoted above is that the "break-even" time (that is, the service time for which the increased capital cost of a subway on Sheppard East is exactly offset by reduced operating costs) is less than twenty one years. The Report does not provide any rebuttal to this critical assertion and so the break-even time cited by TTIL may be assumed to be correct.

Only twenty-one years to break-even! It should be clear that subways are preferable – even if higher initial costs mean a network cannot be put in place instantly. There will not only be significant cost savings over the period together with better service and higher capacity, but there will be more of a legacy for future generations. The obsession of the Report with the initial capital cost ignores the precept that 'only rich people can afford cheap things.' Let us build quality infrastructure that can be operated efficiently and that will provide a legacy to the Toronto of tomorrow – not gimcrack stop-gaps that will grossly inflate future operating budgets.

The panel's recommendation for LRT on Sheppard Avenue East must be rejected by council. Those councillors who profess to care about pools and homeless shelters, daycare services, and recreation programs must vote against the LRT, with its budget-destroying operating costs – it is simply too expensive, as is readily seen when an honest attempt is made to examine all costs.

Sincerely,

## James Hymas

cc: Mayor Rob Ford <u>mayor\_ford@toronto.ca</u> Councillor Sarah Doucette <u>councillor\_doucette@toronto.ca</u> Councillor Josh Colle <u>councillor\_colle@toronto.ca</u> Councillor James Pasternak <u>councillor\_pasternak@toronto.ca</u> Councillor Gloria Lindsay Luby <u>councillor\_lindsay\_luby@toronto.ca</u> Councillor Ana Bailao <u>councillor\_bailao@toronto.ca</u> Councillor Josh Matlow <u>councillor\_matlow@toronto.ca</u> Councillor Mary-Margaret McMahon <u>councillor\_mcmahon@toronto.ca</u> Councillor Chin Lee <u>councillor\_lee@toronto.ca</u> This letter will be published on the Internet

<sup>&</sup>lt;sup>5</sup> Quality of service being defined by rapidity of transit; Kennedy to Laird Avenue would take 14 minutes by an underground route; 24 minutes by surface (see Rob Ford citing TTC, <u>http://toronto.openfile.ca/blog/curator-blog/curated-news/2012/rob-ford-gives-his-answer-new-transit-plan-nope</u> (accessed 2012-3-17).