



Line 2 East Extension

Business Case Analysis

4/3/2019

1. Executive Summary

The Scarborough Rapid Transit (SRT) line, known as Line 3 Scarborough (Line 3), operates between Kennedy Station and McCowan Station. Major components of Line 3 have reached the end of their normal service life. The vehicles are over 30 years old and are in need of replacement. A number of assessments have been conducted over the past 15 years of alternative methods to replace, extend or rehabilitate Line 3. At their meeting on October 8, 2013,¹ City Council approved replacing Line 3 with an extension of the Line 2 Bloor-Danforth.

Consistent with City Council direction in March 2017 ([EX23.1](#)) City and TTC staff have advanced the design of the Line 2 East Extension express from Kennedy Station to Scarborough Centre, underground via McCowan Road, with the Triton bus terminal concept at the planned Scarborough Centre Station.

This Business Case Analysis compares the subway extension to a base case of replacement bus service. In this analysis, the Strategic Case finds that the Line 2 East Extension would achieve the project objectives through providing improved connectivity and connections between the subway and surface transit, meeting the demand of passengers with the grade-separated vehicles, and increased passenger comfort and experience. The project as proposed also encourages active transportation and high quality public spaces, supporting Municipal and Provincial policies to encourage investment and development in Scarborough Centre to transform it into a vibrant urban node.

The Economic Case finds that Line 2 East Extension shows significant travel time benefits, which together with all other economic benefits result in total present value of benefits of approximately \$3.5 billion over the 60 year appraisal period. Assessed against a total cost, over 60 years, of approximately \$5.3 billion, the Line 2 East Extension has an overall Benefit Cost Ratio of 0.66.

The Financial Case for the Line 2 East Extension can be found in the April 2019 ([EX4.1](#)) report.

The Business Case Analysis concludes that the subway extension should be advanced to replace Line 3 and meet the transit ridership demand between Scarborough Centre and Kennedy Stations, and to help transform Scarborough Centre into a vibrant urban node.

¹<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CC39.5>