November 18, 2022

Dear Raj,

Many thanks to you and your colleagues for meeting with the Royal Orchard Community last evening to address our questions and concerns about the Yonge North Subway Extension project. I am sorry I had to leave early, so I could not stay to thank each one of you personally at the end of the meeting.

My questions and comments today however go to the core of this, and other major transit projects currently planned for by Metrolinx. The most fundamental question: Given the extremely high cost increases that are bound to impact all of Metrolinx as well as Ontario Government capital projects, is there sufficient capital in the system, raised in an open and transparent manner, for all projects to be executed as currently planned. And I am talking here of projects being undertaken by all public sector organizations such as OPG, Hydro One, hospitals, municipalities, post secondary institutions, school systems, highways etc. Just the cost of deferred maintenance (in hundreds of billions taking all needs into account) is going to be impossible to meet. Ultimately, all of these must be paid by the taxpayer, one way or another, and there is only so much debt the society can manage.

So, the question I asked was: where would the much-increased funding requirement for all Metrolinx projects come from, and indeed if the business cases for all projects are still supported by new costs and benefit matrices. For the GTA subway expansion projects, one additional thing to consider is the fact that with hybrid work becoming entrenched in our society, whether the decreasing benefits (from lower transit ridership) further erode project viability. Some of the capital projects I personally have been associated with these past 3-4 years, or was aware of in my most recent corporate responsibility, have had their cost estimates go up anywhere between 30 to 100 percent - and that too for projects much simpler and more detailed in terms of requirements than the subway extension projects, which are still costed at Class 5, with minimal project definition. Therefore, my fundamental questions to Metrolinx are:

1. Do you have an updated cost estimate of YNSE project which considers:

   - greater detailing of the project since the initial Class 5 construction cost estimate,
   - construction cost escalation since 2018-2019, when the initial project cost estimates were likely made,
   - the supply chain disruptions and construction labour shortages, which are impacting all construction projects these days, leading to much higher costs,
   - delays in schedule to-date, if any, relative to the anticipated schedule in the initial business case, and finally,
   - considerably higher inflation and interest rates which will directly impact the prospective Project Cos. bids.

Given the size, scope and expertise within Metrolinx, and its accountability to the Ontario public, I was hoping that cost estimates are routinely updated for such matters to ensure continued project viability. However, I was disappointed to learn from your team that this was simply "work in progress". I hope I did not misunderstand Metrolinx's response.

2. Do we have an updated traffic study given the increasing acceptance of hybrid work across GTA and indeed the entire society, and the significant decline in ridership already being experienced by TTC?
This is the second leg (other than project cost) of YNSE’s viability. Once again, your team’s response was that it understood this matter and that work was underway to develop a new ridership forecast.

In the spirit of ongoing consultations, the Royal Orchard Community requests that it be provided with the most up to date project cost, ridership, and cost benefit estimates when available and approved by Metrolinx Management and Board.

3. My third question was based on your team’s two responses above: Without answering questions 1. and 2. fully, how does Metrolinx decide if the project is indeed still viable. More specifically, I asked whether, perhaps, all major construction work and financial commitments should be deferred till such time as this analysis has been completed, and the project still deemed viable. Once again, I was surprised at your team’s response that construction work will continue to proceed while the business case is being updated. Again, please let me know if I misunderstood your Team’s response.

Proceeding with major construction projects before an updated business case to address the significant matters I have identified above is fundamentally against the basic tenants of good project management. And one would not expect our leading provincial agency such as Metrolinx to operate in this manner. A comment I made, which received resounding approval from all those at the meeting, was my hope that the project does not proceed “come hell or high water”, and that citizens of Ontario and Royal Orchard residents specifically are not held hostage for a much longer than currently advised period of construction - while Metrolink looks to fund much higher costs of the project from government, municipalities, and developers. A primary concern of ours as citizens and Royal Orchard residents – that the gap in funding is not made up by giving unfettered development rights and densities to developers while ignoring sound planning principles and impact on existing communities. I sincerely hope that this is not the case.

My next set of questions/suggestions/urgings at the meeting were as follows:

Over the past 3 years, Metrolinx has made significant commitments to the Royal Orchard Community regarding noise levels, vibration, depth of tunnels, and the floating slab construction - to name just a few. Promises have also been made that Metrolinx would be responsible for any damage to structures under which the tunnels are built - both during construction and the operating phases of YNSE. Now I have personally worked with Infrastructure Ontario and winning Project Cos. on multiple projects, the highest profile being the $1 billion plus CAMH redevelopment. And it is my experience, and that of many other hospitals that have used Infrastructure Ontario’s help, that it is hard enough to hold contractors responsible for project specifications and deliverables that are clearly written in the contracts. To expect the contractors to meet any requirements that are not clearly spelled out, however reasonable they might be, is like pulling teeth. The contractors ask for extras from day one of the contract for any requirements not clearly spelled out - or simply refuse to meet them. Therefore, if Metrolinx wishes to live up to its commitments to Royal Orchard Community, which we totally trust it to do, it is our request that, as a minimum, the bidding documents and project specifications provided to contractors bidding on YNSE contracts should clearly and explicitly include the following:

a) Acceptable noise and vibrations specifications, as well as floating slab construction, they must deliver on.
b) In their bids ask the contractors to confirm this expectation and to identify their competency and experience in meeting these specifications.

c) Include formal and procedure bound monitoring of Metrolinx's work during construction and operations of the subway line to make sure these requirements are being met.

d) Requirement for the contractors to fix any damage to properties during construction and at least 20 years of post construction operations due to subway operations, with an expedited dispute resolution clause such that Royal Orchard residents do not have to go to courts against giant corporations to make their case.

e) Hefty penalties for not meeting any of the specified requirements -- including withholding payments and fines that hurt -- so you have the contractor's full attention.

During the meeting yesterday, while we were appreciative of all the commitments Metrolinx had made to our community regarding noise, vibration etc., I raised the point that unless all these expectations were very clearly documented in YNSE specifications and related bidding documents to the various bidders, there was no hope that the expected results would be achieved. More importantly, our community would be helpless, and held hostage, if these requirements were not clearly spelled out or met. None of us have the energy, wherewithal, and financial resources to take on Metrolinx and/or the contractors should these specifications not be made crystal clear - and thus not met.

Therefore, it was my request, on behalf of my community, that we be allowed to review the project specifications and bidding documents before they are issued to potential bidders to ensure that contractors would be held accountable for delivering the expected results. This step would clearly reflect and support Metrolinx's expressed desire for ongoing consultation with the Royal Orchard Community and listening to its concerns. RORA is willing to do this review in complete confidence providing any assurances in this regard that Metrolinx requires.

In closing Raj, the issues I raised at last evening's meeting and in this email are very basic and foundational in terms of planning and execution of mega projects such as YNSE. I trust none of this is new to Metrolinx and your colleagues - but is of critical importance to us. I sincerely hope that your team and senior management would find these helpful.

Thank you once again for meeting with the Royal Orchard Community to answer its questions and address its concerns.

With my best wishes,

Dev Chopra