

Mayors' Council on Regional Transportation

To: Mayors' Council on Regional Transportation
From: Carol Lee, Corporate Secretary
Date: October 16, 2009
Subject: Approval of 2010 10-Year Plan

Proposed Resolution:

That the Mayors' Council on Regional Transportation approves the **[name]** 2010 10-Year Transportation and Financial Plan.

PURPOSE

The purpose of this report is to provide information to the Mayors' Council on the statutory requirements of the *South Coast British Columbia Transportation Authority Act* with respect to the approval of a 2010 10-year plan and to offer a brief review of the consultation process and the plans submitted to the Mayors' Council and the Regional Transportation Commissioner.

BACKGROUND

In November 2007, the governance and planning provisions of the *Greater Vancouver Transportation Authority Act* were significantly amended. The name of the Act was also changed to the *South Coast British Columbia Transportation Authority Act* (the "Act").

The Act governs TransLink's planning processes:

1. Under sections 194 and 200 of the Act, TransLink must produce a 10-Year Base Plan that is updated annually and may also prepare one or more Supplemental Plans that show what additional services can be provided if expanded revenues were available;
2. Under section 202, by August 1st of each year TransLink must provide to the Mayors' Council on Regional Transportation ("Mayors' Council") and the Regional Transportation Commissioner ("Commissioner"), the Base Plan, any Supplemental Plans, and all bylaws and resolutions proposed or passed by the Board in relation to the revenue measures and borrowing limits associated with the Base and Supplemental Plans;

3. Under section 203, the Commissioner advises TransLink and the Mayors' Council of the reasonableness of the parameters and assumptions included in the Base Plan and any Supplemental Plans submitted by TransLink each year; and
4. Under section 204, the Mayors' Council reviews the Base Plan and Supplemental Plan and decides whether to approve any of the Supplemental Plan(s).

The Base Plan, together with any approved Supplemental Plans, forms TransLink's 10-Year Strategic Plan under the *Act*. The Strategic Plan must:

1. Identify the major actions TransLink will undertake during the plan period; and
2. Set out the relationship between the planned major actions and:
 - the regional growth strategy;
 - provincial and regional environmental objectives, including air quality and greenhouse gas emission reduction objectives;
 - anticipated population growth and the economic development of the service region; and
 - TransLink's long-term strategy (Transport 2040).

The *Act* also describes the requirements for consultation during preparation of the Base Plan and Supplemental Plan.

On July 31, 2008, the TransLink Board approved its first Base Plan, titled the "2009 10-Year Transportation and Financial Plan" ("2009 10-Year Plan"), under the *Act*. It was acknowledged during public consultation and in the document itself that the 2009 10-Year Plan was a transitional plan with an intended life of one year, after which a new 10-Year Plan would be developed to establish the funding mechanisms, investments and service levels needed to support expansion of the transportation network consistent with the goals of Transport 2040. It was expected that the plans developed in 2009 would include one or more Supplemental Plans.

DISCUSSION

Development of the 2010 10-year plans began in the fall of 2009. Technical analysis had to consider the requirement for developing a Base Plan utilizing only existing funding (with small increases allowed under the *Act*), as well as a Supplemental Plan that identified the service levels, programs and investments that would support Transport 2040, utilizing additional revenues.

Consultation

Consultation on the 2010 10-year plans proceeded through a multi-phase process, in which the challenges facing the region were identified, investment scenarios and potential funding mechanisms were debated, and specific plan options were discussed through a variety of forums and media. Approximately 2,000 people attended 60

presentations between February and May of this year, and 700 members of the public attended public meetings held throughout the region in June. The consultation process included dialogue with the Mayors' Council, Stakeholder Roundtable, municipalities, local First Nations, Metro Vancouver, the provincial government, and with TransLink's subsidiaries and employees.

Overall, the public, stakeholders and market research were supportive of a supplemental plan which would implement the goals of Transport 2040, and this level is reflected in "On Track to Transport 2040", the path that requires an additional \$450 million of funding. Strong support was expressed for substantial investment in expanded transit services and an expanded rapid transit network. There was also strong support for TransLink continuing its role as a multi-modal transportation authority, one which either maintains or expands its role in regional roads and bridges, and invests in and delivers regional cycling programs.

Consultation input provided a variety of perspectives on how to fund the new Supplemental Plan. There was recognition that TransLink needed a diversified funding base to be sustainable in the long-term. There was understanding that increases to funding sources currently allowed for under the legislation would have to play a part in the funding strategy. There was considerable support for introducing a Transportation Improvement Fee (a form of vehicle charge), especially one that used a variable fee structure. Filling in the remaining funding "gap" to achieve the "On Track to Transport 2040" generated a variety of opinions, but consistent messages included support for new sources that would have an impact on transportation use, and more substantial and stable funding from senior government. The 10-Year Plan Public Consultation Report is provided under separate cover.

Drastic Cuts Plan

The proposed Drastic Cuts 2010 10-Year Transportation and Financial Base Plan (the "Drastic Cuts Plan"), meets the requirements of the legislation for a base plan and can be implemented within existing funding sources and small increases allowed for under the legislation. It requires drastic cuts to transit and other services, and would reverse the gains TransLink has made since its creation in 1999. If implemented, the Drastic Cuts Plan would move the region sharply and perhaps irreversibly away from the goals of Transport 2040 and the emerging directions in the regional growth strategy. It would not support provincial and regional greenhouse gas emission reduction targets, and would not provide the transportation services and investments to support a growing and thriving economy. Every effort was made during development of this plan to minimize service reductions and maintain at least a minimal state of repair in existing infrastructure.

On Track Plan

Development of the proposed On Track to a Sustainable Region 2010 10-Year Transportation and Financial Plan (with Supplement) (the “On Track Plan”), was guided by the goals and strategies of Transport 2040, and application of four principles:

1. Maintain existing services;
2. Maintain assets in a state of good repair;
3. Upgrade existing services and expansion without new infrastructure; and
4. Expand with new infrastructure.

The proposed plan includes two program components, as follows:

Maintenance and Upgrade Program

The first part of the proposed On Track Plan describes the services, programs and investments TransLink would provide applying the first three principles described above; in other words, without expanding existing transportation infrastructure. Portrayed as a “moderate” level of investment scenario during consultation, this portion of the plan can be implemented using existing funding sources, at increased levels, as well as introduction of a new Transportation Improvement Fee, which is permitted under the legislation. The Maintenance and Upgrade Program requires about \$275 million annually in additional average revenue over Base Plan levels, utilizing the identified funding methods.

While it would eliminate projected deficits and maintain TransLink’s services at roughly current levels, alone the Maintenance and Upgrade Program would not allow for expansion to serve future growth, and would achieve only a small improvement in the transit mode share over the 10-Year Plan period.

The Maintenance and Upgrade Program and associated appendices meet the requirements of a Supplemental Plan under the Act.

Expansion Program

The second part of the proposed On Track Plan describes the Expansion Program that TransLink would undertake to get “On-Track” with the goals of Transport 2040, if sufficient funding were to become available. It articulates an aggressive expansion of the rapid transit network, significant expansion of the Frequent Transit Network, and fully funded roads, bridges and cycling programs to meet forecast demand and help to shape regional growth and economic activity consistent with the Regional Growth Strategy. Portrayed as a “significant” level of investment during public consultation, this portion of the plan would require on the order of \$200 million in additional average annual revenue above that associated with the Maintenance and Upgrade Program, with these additional revenues starting to flow in 2013.

Implementing the Expansion Program would provide a major step towards achievement of the goals and strategies of Transport 2040. The transit mode share would rise to be over 15% by 2019, from 11%, with corresponding increases in transit ridership, 58% of the region's population would be within easy walking distance (400 metres) of the Frequent Transit Network, which is a 30% increase over 2009, and substantial reductions in GHG emissions would be expected, especially after the Expansion Program has been fully implemented. Together with the Maintenance and Upgrade Program, the level of investment described in the Expansion Program is required and would be consistent with the Provincial Transit Plan, the emerging directions of the Regional Growth Strategy and the broad consensus heard throughout the consultation process.

In a resolution passed by the TransLink Board of Directors on July 29, 2009, the On Track Plan was approved and submitted to the Mayors' Council and the Commissioner. The TransLink Board recommended that the Mayors' Council approve the On Track Plan if additional revenues to support its full implementation are confirmed on or before October 31, 2009.

Funding Stabilization Plan

Development of an alternative Supplemental Plan known as the "Funding Stabilization 2010 10-Year Transportation and Financial Supplemental Plan" (the "Funding Stabilization Plan"), was initiated to provide an alternative Supplemental Plan in the event that additional funding is not available to the level identified to achieve the Expansion Program under the On Track Plan. The Funding Stabilization Plan would increase revenues from sources currently available under the Act to enable TransLink to minimize reductions to services and programs as much as possible while TransLink continues to pursue sufficient funding and prepares future supplemental plans that will renew progress toward the Transport 2040 goals. While the Funding Stabilization Plan would fall well below TransLink's objective to help build a sustainable region and be on track to the goals of Transport 2040, it would provide sufficient funding to keep TransLink largely whole in the near term.

Commissioner's Review

On September 3, 2009, the Commissioner issued an opinion on the three plans that were submitted by the TransLink Board. The highlights of the Commissioner's findings are:

- The Plan's economic assumptions (e.g. future inflation, interest rates and fuel prices) are not unreasonable; and transit ridership forecasting is adequate (with reservations noted);
- TransLink's approach of adding supply to capture market share, in the absence of demand management policies to boost transit ridership, is increasingly costly, especially for TransLink's expansion scenario;
- TransLink's capital planning priorities are rational;

- As a preliminary indication, Commissioner's' approval is warranted for only the first of TransLink's four proposed fare increases;
- A balanced funding formula (set in the *South Coast British Columbia Transportation Authority Act*) is satisfied, allowing access to an additional 3 cents per litre fuel tax;
- The achievement of the Transport 2040 goals is of limited value in assessing reasonableness; and
- The Plan (except the expansion scenario) is financially sustainable, provided higher borrowing limits are authorized for one of the Plan options.

The Commissioner observed that, unless the Mayors' Council approves one of two "supplement" options involving some higher taxes and fares, there will be drastic cuts in transit service. This was not recommended, unless keeping tax increases of any kind (including gas taxes) to the absolute minimum is the overriding consideration.

In the Commissioner's opinion, the Mayors' Council's choice between the "supplement options" depends on the appetite for higher taxes and levies on citizens, relative to perceived benefits. On this aspect, the Commissioner did not make a recommendation but observed that the choices are:

- "*Funding Stabilization*" which maintains today's level of transit service, buys some time for further planning and funding efforts; needs an extra \$130 million per year from existing revenue sources; and uses the existing borrowing limit (\$2.8 billion). This stabilizes service at a level much higher than a few years ago; and
- "*Maintain and Upgrade*" which strengthens existing services; lays groundwork for future expansion; needs an extra \$275 million per year from revenue sources in the Act, including a new vehicle levy; and borrows up to \$3.9 billion, which is beyond the existing limit. This is a positioning option which might only pay off with future expansion.

If the Mayors' Council does not approve either the On Track Plan or the Funding Stabilization Plan, then the Drastic Cuts Plan will prevail and will become the Strategic Plan under which TransLink would operate in 2010. TransLink will immediately begin the process of implementing the Drastic Cuts Plan.

Voting

In accordance with Section 211(2) of the *South Coast British Columbia Transportation Authority Act*, on the issue of the approval of a Supplement, each member of the Mayors' Council has the right to cast one vote for every 20,000, or portion of that number, of the population of the municipality or treaty first nation that they represent.

The following table represents the number of weighted votes that each member municipality and treaty first nation will carry in the vote on our 2010 10-Year Plan Supplement. A decision for or against the Supplement will be determined by a simple majority of weighted votes i.e. 59 weighted votes.

MUNICIPALITY	MEMBER	WEIGHTED VOTES
Anmore	Mayor Hal Weinberg	1
Belcarra	Mayor Ralph Drew	1
Bowen Island	Councillor Peter Frinton	1
Burnaby	Mayor Derek Corrigan	11
Coquitlam	Mayor Richard Stewart	6
Delta	Mayor Lois Jackson	5
Langley City	Mayor Peter Fassbender	2
Langley Township	Mayor Rick Green	5
Lions Bay	Mayor Brenda Broughton	1
Maple Ridge	Mayor Ernie Daykin	4
New Westminister	Mayor Wayne Wright	3
North Vancouver City	Councillor Craig Keating	3
North Vancouver District	Mayor Richard Walton	5
Pitt Meadows	Mayor Don MacLean	1
Port Coquitlam	Mayor Greg Moore	3
Port Moody	Mayor Joe Trasolini	2
Richmond	Mayor Malcolm Brodie	9
Surrey	Mayor Dianne Watts	20
Tsawwassen	Chief Kim Baird	1
Vancouver	Mayor Gregor Robertson	29
West Vancouver	Mayor Pamela Goldsmith-Jones	3
White Rock	Mayor Catherine Ferguson	1
Total		117