BACKGROUNDER
Better Transit and Transportation for a Better British Columbia: Pre-Budget Submission to B.C. Budget 2017

On October 16, 2017, the Mayors’ Council on Regional Transportation made a submission to the Select Standing Committee on Finance and Government Services as part of its consultations on the 2018 provincial budget, calling on the Province of British Columbia to support the next phase of the 10-Year Vision for Metro Vancouver Transit and Transportation.

Ongoing investment into Metro Vancouver transit and transportation is essential. The region is expected to welcome one million new residents and 600,000 new jobs by 2040, adding a potential three million automobile trips per day. If we fail to take action to meet the increasing demand with adequate new service and infrastructure, Metro Vancouver will become increasingly more time-consuming, frustrating and expensive for drivers, transit riders, cyclists and pedestrians, as well as the economy which depends on people and goods being able to move efficiently throughout the region.

The Mayors’ Council recommends that the Province of British Columbia takes the following action in Budget 2018 to address critical congestion, affordability and sustainability in the Metro Vancouver region by advancing the next phase of the 10-Year-Vision, the Phase Two Plan:

1. 40% Provincial Capital Contribution

   The Mayors’ Council asks the Province of B.C. to include in Budget 2018 confirmation of 40% provincial capital funding, as committed to in the recent provincial election – more than $2.5 billion – for the next phase of the 10-Year-Vision’s transit, road, bridge, walking and cycling projects. This will ensure critical rapid transit projects such as the Broadway Subway and Surrey LRT, which have already secured $2.2 billion in federal funding, also have the matching provincial funding they need to proceed.

2. A fair, affordable regional revenue source: Provincial Carbon Tax

   The Mayors’ Council asks the Province of B.C. to dedicate a fair share of incremental Provincial Carbon Tax revenues generated by proposed carbon tax increases over the next four years as the region’s remaining funding contribution to the Phase Two transit and transportation investments in Metro Vancouver. This “Metro Vancouver Transit Carbon Tax Transfer” program will close the regional funding gap, without asking residents from outside of Metro Vancouver to contribute provincial tax revenues collected from their regions, and would pave the way for Phase Two service improvements to proceed as scheduled.

The “Regional Funding Gap”

Moving forward with the next phase of the 10-Year Vision’s – the Phase Two Plan – requires TransLink to contribute funding for the remaining 30% capital share (after a ~30% federal capital contribution and 40% provincial capital contribution), plus 100% of lifecycle operating expenses, of the transit, roads, cycling and walking projects in the Phase Two Plan.

TransLink will be contributing the majority of the regional share from increased ridership revenue due to transit service expansion, sale of surplus property and contributions from operational savings, leaving $60 million to $80 million annually remaining as the “regional funding gap.”
A Fair Funding Strategy: Reinvesting the Provincial Carbon Tax in Metro Vancouver

The Mayors’ Council proposes that a portion of the new Provincial Carbon Tax revenues raised by the proposed annual $5 increase between 2018 and 2022 from the carbon tax revenues generated only by transportation activities in Metro Vancouver, be allocated towards the regional funding gap. This emissions-based approach would generate approximately $19 million in new Carbon Tax revenue for Metro Vancouver regional transit in 2018/19, increasing to $90 million by 2021/22 – a level sufficient to close the regional funding gap.

This “Metro Vancouver Transit Carbon Tax Transfer” program would not ask B.C. residents from outside of Metro Vancouver to contribute to our region’s transportation network, and in fact would only reinvest the share raised within this region from the transportation sector itself, to improve the transportation network.

Why should the province help pay the region’s share of its transit plan?

Metro Vancouver local governments and taxpayers have already contributed close to $1.5 billion, or 70%, to the $2.1-billion Phase One Plan of the 10-Year Vision approved in November 2016. They are doing so through a combination of transit fare increases, TransLink surplus property sales, and a change to the TransLink property tax – more than the region’s fair share.

For the Phase Two Plan, TransLink has already identified the majority of their regional funding requirement. The remaining $60-80 million annually, is the “regional funding gap.” The Mayors’ Council is looking to work with the Province of B.C. to identify a new, fair and affordable regional revenue source, such as a share of the new Provincial Carbon tax, to close this remaining funding gap. TransLink will still provide the majority of the regional funding share of the Phase Two Plan, and close to half of the life-cycle capital and operating cost of the 10-Year Vision – again, more than our fair share.

The 10-Year Vision will also deliver substantial benefits towards provincial responsibilities, including GHG reduction, regional affordability, facilitating goods movement in the Gateway and job creation.
BENEFITS TO ALL BRITISH COLUMBIANS

Investing in Metro Vancouver transit and transportation improvements will help the Government of British Columbia achieve its Budget 2018 goals to “make life more affordable, improve services and create a sustainable economy for tomorrow and generations to come.”

Congestion

Metro Vancouver’s traffic congestion costs British Columbia as much as $1.7 billion annually. By completing the 10-Year Vision, including its full complement of transit service expansion, road, walking and cycling improvements, as well as mobility pricing, by 2045 we could reduce road congestion by up to 20 percent and save commuters as much as 30 minutes on their daily travels.

Job creation and economic growth

Investment in 10-Year Vision projects and services will produce net economic benefits of increasing GDP by an average of $400 million more per year in the first 10 years and $1 billion more per year in the last 20 years of the plan. The Mayors’ Plan will create a net of 4,500 new jobs in the region by 2025 and 10,000 new jobs by 2045 compared with the status quo prior to the Vision.

Affordability

Metro Vancouver faces many challenges to foster affordable development. Reducing transportation costs by providing greater access to transit is key to our region’s affordability crisis. Not only does integrating transit and housing development increase housing supply and slow the growth of housing prices, but it also decreases private transportation costs (e.g. car expenses, fuel, parking, insurance, etc.) for residents, making the region more affordable overall.

Climate change

The region’s overall goal is to reduce GHG emissions from all sources by 33% below 2007 levels by 2020 and 80% below 2007 levels by 2050. Achieving these targets requires a decrease in driving through mode shift to public transit, multiple-occupancy vehicles, cycling and walking, which is made possible through transit infrastructure investment and road usage charging as proposed in the 10-Year Vision. The Vision will reduce greenhouse gas emissions from road vehicles by 13% or 655Kt CO2e per year.

About the 10-Year Vision

The Mayors’ Council developed the 10-Year Vision for Metro Vancouver Transit and Transportation as a plan to reduce congestion and get our region moving after too many years of under-investment in the local transportation network. The 10-Year Vision is the blueprint for the future of Metro Vancouver’s transportation system and a comprehensive plan for urgently-needed investments. It will sequence investments across the region over three “phases” and deliver a wide range of improvements, including a 25% increase in bus service, a 30% increase to HandyDART, improvements to the existing rail lines, new rapid transit along Broadway and in Surrey and Langley, new SeaBus service, a replacement of the aging Pattullo Bridge, $550 million for roads, walking and cycling.

About the Mayors’ Council on Regional Transportation

The Mayors’ Council on Regional Transportation is the collective voice of Metro Vancouver residents on transit and transportation. Our members include representatives from each of the 21 municipalities in TransLink’s service area, as well as Electoral Area ‘A’ and the Tsawwassen First Nation. We are responsible for approving TransLink’s transportation plans, identifying local funding, and negotiating with multiple levels of government to make those plans a reality.

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