# AGENDA PACKAGE

**(Public Meeting)**

**REVISED – July 15, 2016**

**Friday, September 16, 2016, 11:15 a.m. – 12:30 p.m.**
Room 427/428, TransLink Office, 287 Nelson's Court, New Westminster, BC

# MAYORS' COUNCIL ON REGIONAL TRANSPORTATION
# PUBLIC MEETING MINUTES

Minutes of the Public Meeting of the Mayors' Council on Regional Transportation (Mayors' Council) held on **Thursday, May 26, 2016** at 12:46 p.m. in Room 423, 297 Nelson's Court, New Westminster, BC.

**PRESENT:**
Mayor Gregor Robertson, Vancouver, Chair
Mayor Linda Hepner, Surrey, Vice Chair
Mayor Wayne Baldwin, White Rock
Mayor John Becker, Pitt Meadows
Mayor Malcolm Brodie, Richmond
Mayor Karl Buhr, Lions Bay
Mayor Mike Clay, Port Moody
Mayor Jonathan Coté, New Westminster
Mayor Jack Froese, Langley Township
Director Bill Holmes, Electoral Area A (alternate)
Mayor Lois Jackson, Delta
Councillor Craig Keating, North Vancouver City (alternate)
Mayor John McEwen, Anmore
Councillor Darrell Penner, Port Coquitlam (alternate)
Mayor Nicole Read, Maple Ridge
Mayor Ted Schaffer, Langley City
Mayor Murray Skeels, Bowen Island
Mayor Michael Smith, West Vancouver
Mayor Richard Walton, North Vancouver District

**REGRETS:**
Mayor Derek Corrigan, Burnaby
Mayor Ralph Drew, Belcarra
Mayor Richard Stewart, Coquitlam
Chief Bryce Williams, Tsawwassen First Nation

**ALSO PRESENT:**
Michael Buda, Executive Director, Mayors' Council on Regional Transportation Secretariat

**PREPARATION OF MINUTES:**
Rae Ratslef, Recording Secretary, Raincoast Ventures Ltd.

## 1. Preliminary Matters

### 1.1 Call to Order
The Chair called the meeting to order at 12:46 p.m. Due notice having been given and a quorum being present, the meeting was properly constituted.

### 1.2 Adoption of Agenda
*Draft Agenda for the May 26, 2016 Public Meeting of the Mayors' Council on Regional Transportation was provided with the agenda material.*

**It was MOVED and SECONDED**

That the Mayors' Council on Regional Transportation adopts the agenda for its Public meeting scheduled May 26, 2016, as circulated.

**CARRIED**

### 1.3 Approval of Minutes

*Draft Minutes of the January 27, 2016 Public Meeting of the Mayors' Council on Regional Transportation was provided with the agenda material.*

**It was MOVED and SECONDED**

That the Mayors' Council on Regional Transportation adopts the minutes of its Public meeting held January 27, 2016.

**CARRIED**

## 2. Update on the 10-Year Transit and Transportation Plan

*Mayors' Council presentation titled "Update on Metro Vancouver 10-year Transit & Transportation Plan" was provided on-table at the meeting.*

Mr. Buda provided an overview of the 10-Year Transit and Transportation Plan, which was approved by the Mayors' Council on April 29, 2016 and submitted to the Province the same day. Mayors' Council and Provincial representatives met the following week to review high level questions. Since that time, there have been no other formal meetings, nor has the Province provided its formal written response to the Plan.

Discussion ensued on:

- Importance of receiving the Province's written response to the Plan
- Opposition to adding Regional Development Cost Charges (DCCs) to areas that do not receive any additional service, such as Langley, Surrey and Delta
- Concern regarding contemplation of an additional property tax
- Need for an open and thorough discussion on what is meant by "mobility pricing"
- Objective of mobility pricing to help manage demand and to replace the current challenging bridge tolling approach with something more fair and equitable
- Clarification that DCCs could not fund the entire gap in funding without affecting affordability and supply
- Need for a clear line of authority regarding who is financing and operating the business
- Importance of linking regional growth to the transit system
- Recognition of public concerns raised about accountability
- Concern about any increase in funding given the deficit in equity that exists in the Plan and in the absence of any clear commitments to a governance change
- Frustration that the Province has not provided a written response to the Plan and that there has been significant media attention
- Clarification that the Province has been asked to commit 33% of the funding for the entire vision, which is 20% of the amount the Province was being asked to commit a year ago
- Opportunity that currently exists to access federal funding subject to the ability to reach an agreement between the Mayors' Council and the Province.

## 3. Public Delegations

### 3.1 Written Submissions

*Report dated May 19, 2016 titled "Written Submissions from Public Delegates" was provided with the agenda material.*

**<u>It was MOVED and SECONDED</u>**

That the Mayors' Council on Regional Transportation receive for information the report dated May 19, 2016 titled "Written Submissions from Public Delegates".

**<u>CARRIED</u>**

### 3.2 Public Delegations

No items presented.

## 4. Termination

The Mayors' Council on Regional Transportation Public Meeting held May 26, 2016 terminated at 1:26 p.m.

Certified Correct:

| | |
|---|---|
| Mayor Gregor Robertson, Chair | Rae Ratslef, Recording Secretary<br>Raincoast Ventures Ltd. |

September 15, 2016

Report of the Mayors' Council Funding Strategy Committee

# ITEM 2.1: NEXT STEPS ON THE 10-YEAR VISION

## Purpose

This report describes two primary options for advancing the 10-Year Vision, and provides a recommendation on the preferred option on which the TransLink Board can draft a 2017 Investment Plan to take to public consultation in October, 2016.

## Background

Under TransLink's updated legislation, a 10-Year Investment Plan replaces the earlier "3-Year Base Plan with 7-Year Outlook" financial planning framework. Investment Plans serve as the strategic plan and long-term capital and operating plan for TransLink. All of the projects and services proposed in a Plan must be fully funded with reasonably anticipated revenue sources.

Under legislation, Investment Plans are developed by TransLink's Board and submitted to the Mayors' Council for approval, although greater collaboration between the Board and the Mayors' Council is encouraged. The first 10-Year Investment Plan (the "2017 Investment Plan") must be approved by the Mayors' Council by the end of 2016. See Annex A for a timeline of key milestones and deadlines related to this process.

Work on the 2017 Investment Plan – to be referred to publicly as "10-Year Vision: Phase 1" – began in June, under the guidance of the Mayors' Council Funding Strategy Committee meeting jointly with the Board Investment Plan committee. This work included a meeting of the Mayors' Council on July 28, and a series of in-depth engagement workshops with members of the Mayors' Council and senior local government and Metro Vancouver staff in August.

These engagement workshops provided detailed information and analysis on the financial modelling of revenues and expenditures for the 2017 Investment Plan, and proposed two different scenarios for expanding transit services, and improving road, cycling and pedestrian infrastructure.

*Phase 1 funding*

At a media event with the Premier and the Prime Minister in June, 2016, federal and provincial funding towards $740 million in Public Transit Infrastructure Fund (PTIF) "Phase 1" capital projects was announced. These funded projects include the purchasing of modernized rail vehicles, an additional SeaBus, the refurbishment of several Expo Line stations, and continued design work on the Broadway Subway and Surrey LRT projects.

Expanded or improved bus or rail service is NOT part of the federal Phase 1 capital announcement, although could be included in a 2017 Investment Plan, funded by additional regional revenues. Federal Phase 2 funding, which is expected to deliver up to a 50% share for the Broadway subway and the Surrey LRT at minimum, is expected in 2017.

Implementation Approach for 10-Year Vision

The legislative requirement for fully funded 10-Year Investment Plans makes it challenging to implement the 10-Year Vision in a single plan:

- Many projects and services in the Vision will not begin for many years and do not require immediate decisions and public announcements on confirmed new regional revenues.
- Some of the regional revenues identified in the Vision cannot be confirmed in time for the 2017 Investment Plan. For example, mobility pricing will require several years of study, consultation and pilot testing, and securing provincial support, before it can be considered confirmed. Phase 2 federal funding, which will likely deliver billions in federal funding, is likely to be confirmed soon, but not in time for including in the 2017 Investment Plan.
- Implementing the Vision "all-at-once" requires the introduction of a large new regional revenue source, and may exceed TransLink's delivery capacity – both areas of concern raised by many voters in the 2015 transportation referendum.

Given these limitations, the Funding Strategy Committee has proposed that the full 10-Year Vision be delivered in three steps or phases, through successive Investment Plans, each timed to the planned delivery of major tranches of Vision projects and services, and/or when revenue sources are expected to be confirmed:

1. **2017 Investment Plan:** PTIF Phase 1 capital projects + bus and rail service + roads/walking/ cycling projects (as dictated by revenues approved by Mayors' Council)
2. **2018 Investment Plan:** construction begins on subway and LRT + next tranche of bus and rail service expansion and roads/walking/cycling + Pattullo Bridge replacement
3. **2020 Investment Plan:** complete construction of subway, LRT and Pattullo + final tranche of bus/rail service expansion and roads/walking/cycling; mobility pricing begins

This phased approach is less likely to pressure TransLink's delivery capacity, and will result in smaller, fairer and more easily understood changes to regional taxes, fares and fees as new services are brought online over time.

Strategic Choice

As was presented at the July 28, 2016 meeting of the Mayors' Council, and at the 10-Year Investment Plan Engagement Workshops delivered in early-August, the Funding Strategy Committee has developed two different scenarios or options for next steps on the 10-Year Vision, for consideration:

1. **Begin Implementation of the 10-Year Vision:** Keep the Mayors' Vision on track, and begin implementation of its first tranches of new transit, road, cycling and pedestrian improvements, starting in January, 2017, with new regional taxes, fees and fares.

2. **Delay Implementation of the 10-Year Vision:** Delay roll-out of new services from the Vision until federal and provincial partners clarify and finalize commitments to more of the 10-Year Vision. Provide regional matching capital funding for already-announced PTIF Phase 1 projects only, by selling surplus TransLink property (no changes to taxes or fees).

See Table 1 below for a summary of the new services and revenues proposed for each option. Figure 1 shows a region-wide overview of new transit service proposed under each option. Table 2 provides a sub-regional breakdown of new bus service hours proposed in Option 1.

***TABLE 1:*** *Summary of Options 1 and 2*

| | Proposed projects and services | Regional revenues required |
|---|---|---|
| **OPTION 1: Begin Implementation of the Vision** | • Phase 1 capital projects: new rail fleet, SeaBus, Expo station upgrades, subway & LRT design work continues<br>• 40% of the bus service expansion proposed in the Vision, resulting in a 10% increase in bus service, starting in early 2017<br>• 35% of the rapid transit service increases on existing lines proposed in Vision, resulting in an 18% lift in service<br>• Phase-in of MRN, walking & cycling projects<br>• Implementation of 5 new B-Lines<br>• Planning and design for 2 additional B-Lines for 2018 Investment Plan | • "Phase 1" federal and provincial capital contributions<br>• Sale of surplus TransLink property<br>• 10 cent fare increase in mid-2017 (in addition to planned regular inflationary increases)<br>• Modest fee on new development in the region, implemented no later than 2020<br>• $3 increase on average property tax bill each year, starting in mid-2017<br>• Gas Tax Funds |
| **OPTION 2: Delay Vision** | • Phase 1 capital projects only: new rail fleet, SeaBus, Expo station upgrades, subway & LRT design work continues | • "Phase 1" federal and provincial capital contributions<br>• Sale of surplus TL property |

***FIGURE 1:*** *Overview of Investments – Option 1 and 2*

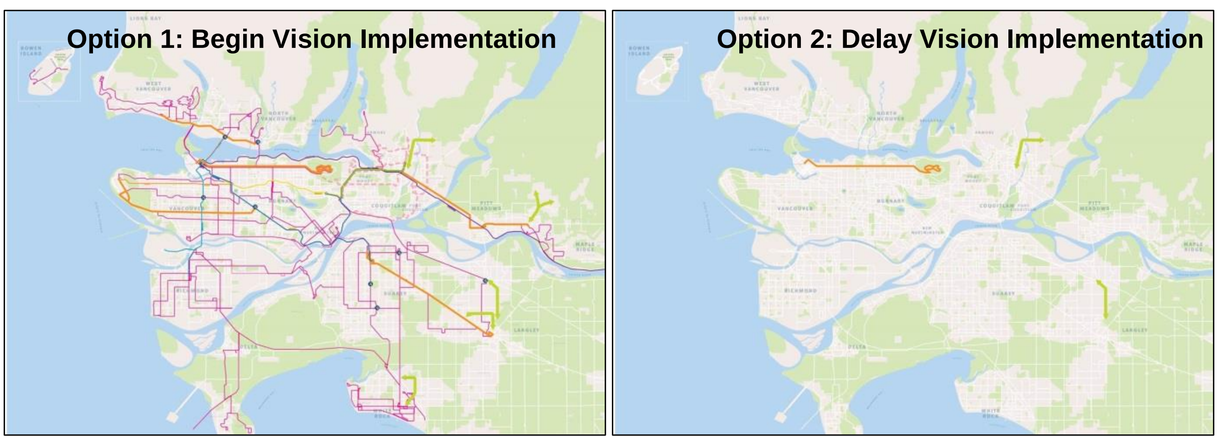



***TABLE 2:*** *Regional bus service expansion, proposed in Option 1*

| Sub-region | % increase in bus service compared to today | Distribution of Expanded Bus Service |
|---|---|---|
| Burnaby / New Westminster | 7% | 8% |
| Delta / Tsawwassen First Nation | 12% | 2% |
| Maple Ridge / Pitt Meadows | 64% | 15% |
| North Shore | 14% | 14% |
| Tri-Cities/Anmore/Belcarra | 10% | 7% |
| Richmond | 7% | 5% |
| Surrey/Langleys/White Rock | 16% | 29% |
| Vancouver / UBC | 6% | 21% |
| **Entire region** | **10%** | **100%** |

More details on required regional taxes, fares and fees, as well as proposed service improvements under each option are available in Annex B and Annex C. The information in Annex B and C are largely unchanged from the material presented at the Mayors' Council meeting on July 28, 2016 and at the Engagement Workshops in August, 2016, although adjustments to service improvements and description of financial data has been made to reflect feedback collected at the workshops.

## Alternatives

1. That the Mayors' Council ask the TransLink Board to draft a 2017 Investment Plan that will begin to implement the 10-Year Vision, based on the fair, modest regional revenue increases and substantial service expansion proposed in "Option 1," and bring this draft 2017 Investment Plan to public consultation in October, 2016.

2. That the Mayors' Council ask the TransLink Board to draft a 2017 Investment Plan that delays implementation of the 10-Year Vision, based on the capital revenues and procurement proposed in "Option 2," and bring this draft 2017 Investment Plan to public consultation in October, 2016.

3. That the Mayors' Council receive the September 9, 2016 report of the Funding Strategy Committee, and defer a decision on the next steps on the 10-Year Vision until the October 6, 2016 meeting of the Mayors' Council, pending further discussion and additional analysis.

## Summary/Conclusion

There has not been any substantial increase to transit service in Metro Vancouver since 2009. Since then, the region's population has grown by 250,000 – the size of the City of Burnaby. The result: overcrowded buses, growing road congestion, more pressure on the region's affordability challenge – a transportation system pushed to the breaking point.

Against that backdrop, in June, 2014, the Mayors' Council released its 10-Year Vision as the region's blueprint for readying its transit and transportation system for a growing population and economy. This Vision remains the foundation for TransLink's budgeting and planning processes and must be the guiding document for the province's engagement in and support for TransLink.

After 2 years, a failed referendum, growing pressures on the system, relentlessly rising project costs due to inflation, and continued uncertainty about the scope and specifics of federal and provincial support for the Vision, the Mayors' Council is faced with a strategic choice:

- keep working to secure all the funding and other commitments needed to deliver the entire Vision, and delay implementation of the Vision until this work is done; or
- begin implementing the first phase of the Vision now, using available regional revenues, and put the ball back in the court of federal and provincial governments to demonstrate to residents their support for delivering the remainder of the Vision.

The Funding Strategy Committee and the Board Investment Plan Committee's preferred approach to delivering the 10-Year Vision is in three phases, through Investment Plans in 2017, 2018 and 2020, with the 2017 Investment Plan based on the revenues and service expansion outlined in "Option 1" above.

## RECOMMENDATIONS:

The Funding Strategy Committee recommends that the Mayors' Council on Regional Transportation:

1. Ask the TransLink Board to draft a 2017 Investment Plan that will begin to implement the 10-Year Vision, based on the fair, modest regional revenue increases and substantial service expansion proposed in "Option 1," and bring this draft 2017 Investment Plan to public consultation in October, 2016; and,

2. Direct the Funding Strategy Committee to continue working with the Board Investment Plan Committee to oversee the development of the 2017 Investment Plan process, including the planned public consultation in October, 2017; and,

3. Receive this report.

**ANNEX A**

## KEY MILESTONES: IMPLEMENTING THE 10-YEAR VISION

### 2016

| | |
|---|---|
| **April 29:** | Mayors' Council approves Funding Strategy as a new blueprint to advance the 10-Year Vision, and submits to Province of BC |
| **June 9:** | Investment Plan development process initiated at joint meeting of Mayors' Council and TransLink Board |
| **June 22:** | Mayors' Council Funding Strategy Committee begins weekly joint meetings with TransLink Board Investment Plan Committee to oversee the development of the 2017 Investment Plan |
| **July 28:** | Mayors' Council meeting to review progress on 2017 Investment Plan |
| **August 9, 10, 16:** | 2017 Investment Plan Engagement Workshops with Mayors' Council members and senior staff from local governments and Metro Vancouver |
| **September 16:** | Mayors' Council meeting |
| **September 16:** | Infrastructure Canada consultations on Phase 2 program finishes |
| **September 23:** | Board approval of public consultation plan for draft 2017 Investment Plan |
| **October 6:** | Mayors' Council meeting |
| **October 11-31:** | Public consultation on 2017 Investment Plan (proposed) |
| **Late-October:** | Federal pre-budget consultations begin |
| **Early-November:** | Board approves final 2017 Investment Plan for referral to Mayors' Council (proposed) |
| **Mid-November:** | Final 2017 Investment Plan to Mayors' Council for consideration (max. 90-day approval period) |

### 2017

| | |
|---|---|
| **January – April:** | First tranche of transit service expansion proposed in the Vision begins |
| **February/March:** | Federal Budget 2017 (includes PTIF Phase 2 funding program) |
| **May 9:** | Provincial election |

**Summer:** Development of 2018 Investment Plan begins (includes $50M/year in provincially controlled revenue source + Phase 2 capital funding)

**September:** Deadline for Pattullo Bridge funding confirmed (in an Investment Plan) in order to avoid closure of bridge before replacement is complete in 2022

**October:** Public consultation on 2018 Investment Plan

**November:** 2018 Investment Plan to Mayors' Council for approval (max. 90 days to approve)

**2018**

**Throughout:** Bus and rail service expansion approved in 2017 Investment Plan continues to roll-out

**Winter/Spring:** Procurement of bridge, subway and LRT projects (with sufficient funding approved in 2018 Investment Plan)

**October 20:** BC municipal elections

**2019:**

- B-Lines planned in 2017 Investment Plan enter service
- New rapid transit rolling stock and SeaBus approved in 2017 Investment Plan begins to enter service as orders are delivered.
- Development of 2020 Investment Plan begins in early-2019, for approval in late-2019 (includes mobility pricing)

**2020-2026**

- Remaining tranches of transit service expansion proposed in the Vision, as approved in 2018 and 2020 Investment Plans, begins, including 7 more B-Lines, a further 15% increase in bus service hours (in addition to 10% increase in 2017-2019) and increased SkyTrain, Canada Line, West Coast Express and SeaBus service
- Major rapid transit expansion projects enter service
- Implementation of Regional Fee on Development for Transportation (2020) and mobility pricing (2021-22)

**ANNEX B**

## SERVICE IMPROVEMENTS FOR OPTION 1 & 2

### Investment Highlights of Option 1 – Implementing the Mayors' Vision

The Option 1 approach would commit to implementing the first 3 years of the 10-Year Vision. Improvements would begin rolling out in January 2017, ensuring that the Investment Plan quickly and directly benefits residents in every municipality. Option 1 includes:

- **Transit** – Purchasing new fleet and increasing service on the Expo Line, Millennium Line, Canada Line, West Coast Express, SeaBus, and 50 different bus routes over the next three years, as well as expanding bus service to new communities and implementing new B-Line rapid bus services.
- **Roads –** Providing expanded funding for municipalities to maintain and upgrade the Major Road Network (MRN) over the next three years.
- **Walking and cycling** – Providing expanded funding for municipalities to build new bicycle infrastructure and provide new funding for investment in safe walking access to transit over the next three years.
- **Major capital projects** – Funding pre-construction activities for new light rail transit South of the Fraser and an extension of the Millennium Line along Central Broadway.

Additional highlights of the Option 1 investments are outlined by mode in the tables below.

**Table B-1. Roads Investments in Option 1**

| Major Road Network Investment* | Description |
|---|---|
| **MRN Expansion:**<br><br>A 10% increase in lane-km in 2018, and 1% annual increases in other years | **Increase MRN OMR funding by 10% in order to designate new roads as part of the Major Road Network.** Municipalities will then receive regional funding for improvements to those roads.<br><br>This investment would provide for annual 1% growth in the length (lane-kilometres) of the Major Road Network, plus an additional one-time 10% increase in MRN lane-km in 2018. Roads would be selected for MRN designation through a regional process. Criteria will be finalized in collaboration with RTAC.<br><br>This would be the first time the MRN has been significantly expanded since it was established in 1999. |
| **MRN Minor Capital Upgrades:**<br><br>2017: \$10 million<br>2018: \$20 million<br>2019: \$20 million | **Provide municipalities with funding for minor capital upgrades to the MRN,** such as adding lanes, widening roads, and improving safety and efficiency at intersections.<br><br>Project evaluation criteria would be finalized in collaboration with RTAC. TransLink would provide a 50% cost share for these projects.<br><br>This would reinstate regional funding for this project type. Dedicated funding for minor capital projects was eliminated in 2013 due to financial constraints. |
| **MRN Structure Rehabilitation and Seismic Upgrades:**<br><br>2017: \$6.5 million<br>2018: \$13 million<br>2019: \$13 million | **Provide municipalities with funding to rehabilitate and make seismic retrofits to MRN structures,** such as overpasses, retaining walls, and bridges.<br><br>Project evaluation criteria, as well as cost share requirements, would be finalized in collaboration with RTAC.<br><br>This is the first regional funding for this project type and would address backlogs of seismic upgrade projects. |

** Investment levels are incremental to current/base programs.*

**Table B-2. Transit and System Management Investments in Option 1**

| Transit Investment* | Description |
|---|---|
| **Expand the transit fleet** | **Purchase new trains and buses,** including:<br>• 28 new Expo and Millennium Line train cars<br>• 22 new Canada Line train cars<br>• 5 new West Coast Express train cars<br>• 1 new SeaBus<br>• Approximately 175 buses and 25 HandyDART vehicles<br><br>These new trains and buses would be delivered beginning in 2018 and would be used to increase transit service across the region. While the new trains and buses are being manufactured, immediate service increases would be delivered by **extending the useful life of buses that are otherwise scheduled to be retired**. |
| **Upgrade transit facilities** | **Invest in state of good repair** on the Expo and Millennium Line.<br><br>**Upgrade passenger facilities** to improve capacity, safety, and accessibility**,** including: Expo Line stations, Canada Line stations, Phibbs Exchange, Lonsdale Quay Bus Exchange, Metrotown Bus Loop, and other train stations and bus exchanges. |
| **Increase transit service across the region** | **Address overcrowding and improve reliability** by increasing service on: the Expo Line, Millennium Line, Canada Line, West Coast Express, SeaBus and 50 different bus routes. These lines and routes currently carry 222 million passenger boardings a year. Service increases would begin in early 2017, and be rolled out over the course of 2017 through 2019.<br><br>**Provide bus service to communities that do not have any transit today**, including: Silver Valley in Maple Ridge, Morgan Creek and Clayton in Surrey, Willoughby in Langley, and Burke Mountain in Coquitlam. New services would be implemented in 2017 and 2018.[1]<br><br>**Provide new B-Line express bus services** that run across the region every 15 minutes or more often, all day, all week on: Fraser Highway, Lougheed Highway, Marine Drive, 41st Avenue, and Hastings Street. These corridors currently serve more than 26 million passenger boardings a year. New B-Lines would be implemented by 2019.[2] Planning and design for 2 additional B-Lines (Scott Road and Metrotown/Richmond-Brighouse), with service to be implemented through 2018 Investment Plan. |
| **Prepare for new rapid transit** | **Fund pre-construction activities for new rapid transit, including:**<br><br>**Engineering and design** to prepare for procurement of the Millennium Line Extension along Central Broadway and new rapid transit South of the Fraser.<br><br>**Upgrades to SkyTrain train control and maintenance facilities** for the Millennium Line Extension along Central Broadway.<br><br>**Utility relocation, road widening, bridge replacement, and exchange upgrades** for new rapid transit South of the Fraser.<br><br>This will ensure both rapid transit projects stay on schedule, as well as make them competitive candidates for future federal funding. |
| **Invest in system management** | **Fund transit priority projects,** such as bus lanes and queue jumpers, and conduct feasibility studies in partnership with municipalities.<br><br>**Fund demand management projects** to increase transit, walking, and cycling use. |

** Investment levels are incremental to current/base programs.*

[1] New Willoughby and Burke Mountain bus services will begin in 2016.
[2] New Hastings B-Line bus service will begin in 2016.

### Table B-3. Walking and Cycling Investments in Option 1

| Walking & Cycling Investment* | Description |
|---|---|
| **Pedestrian Infrastructure:**<br><br>2017: $2.5 million<br>2018: $5 million<br>2019: $5 million | **Provide funding to improve pedestrian infrastructure around transit,** such as sidewalks, crosswalks, and pedestrian signals.<br><br>Project evaluation criteria and program parameters would be finalized in collaboration with RTAC. TransLink would provide a 75% cost share for projects that are regional priorities and a 50% cost share for smaller projects. |
| **Cycling Infrastructure:**<br><br>2017: $6 million<br>2018: $11.9 million<br>2019: $11.9 million | **Provide funding for municipalities to improve cycling infrastructure,** such as building bike lanes and multi-use paths.<br><br>Project evaluation criteria and program parameters would be finalized in collaboration with RTAC. TransLink would provide a 75% cost share for projects that are regional priorities, such as traffic-protected bikeways or connecting cycling paths across the region, and a 50% cost share for smaller projects. |
| **TransLink-Owned Cycling Infrastructure:**<br><br>2017: $2.3 million<br>2018: $4.6 million<br>2019: $4.6 million | **Build new secure bicycle parkades** on the Evergreen Extension, West Coast Express, and Canada Line stations, as well as at Carvolth Exchange.<br><br>**Maintain and upgrade the BC Parkway**, a 26-kilometre long multi-use path that is parallel to the Expo Line and connects Surrey, New Westminster, Burnaby, and Vancouver.<br><br>**Maintain the Canada Line pedestrian and bicycle bridge.** |

** Investment levels are incremental to current/base programs.*

### Investment Highlights of Option 2 – Delaying the Mayors' Vision

The Option 2 approach would delay the implementation of the 10-Year Vision. While Option 2 includes new capital investments, it does not include any new operating investments:

- **Transit** – Purchasing new fleet for the Expo Line, Millennium Line, Canada Line, West Coast Express, SeaBus. No funding for expanded service.
- **Walking and cycling** – Providing new funding for bike parkades.
- **Major capital projects** – Funding pre-construction activities for new light rail transit South of the Fraser and an extension of the Millennium Line along Central Broadway.

Additional highlights of the Option 2 investments are outlined by mode in the tables below.

#### Table B-4. Transit and System Management Investments in Option 2

| Transit Investment* | Description |
| --- | --- |
| **Expand the transit fleet** | **Purchase new trains and buses,** including:<br>• 28 new Expo and Millennium Line train cars<br>• 22 new Canada Line train cars<br>• 5 new West Coast Express train cars<br>• 1 new SeaBus<br><br>These new trains and buses would be delivered beginning in 2018, but **service would not be expanded until additional operating funding is identified.** |
| **Upgrade transit facilities** | **Invest in state of good repair** on the Expo and Millennium Line.<br><br>**Upgrade passenger facilities** to improve capacity, safety, and accessibility**,** including: Expo Line stations, Canada Line stations, Phibbs Exchange, Lonsdale Quay Bus Exchange, Metrotown Bus Loop, and other train stations and bus exchanges. |
| **Prepare for new rapid transit** | **Fund pre-construction activities for new rapid transit, including:**<br><br>**Engineering and design** to prepare for procurement of the Millennium Line Extension along Central Broadway and new rapid transit South of the Fraser.<br><br>**Upgrades to SkyTrain train control and maintenance facilities** for the Millennium Line Extension along Central Broadway.<br><br>**Utility relocation, road widening, bridge replacement, and exchange upgrades** for new rapid transit South of the Fraser.<br><br>This will ensure both rapid transit projects stay on schedule, as well as make them competitive candidates for future federal funding. |

** Investment levels are incremental to current/base programs.*

**Table B-5. Roads Investments in Option 2**

| Major Road Network Investment* | Description |
| --- | --- |
| ***Not applicable. No expanded Roads investment in Option 2*** | |

** Investment levels are incremental to current/base programs.*

**Table B-6. Walking and Cycling Investments in Option 2**

| Walking & Cycling Investment* | Description |
| --- | --- |
| **TransLink-Owned Cycling Infrastructure** | **Build new secure bicycle parkades** on the Evergreen Extension, West Coast Express, and Canada Line stations, as well as at Carvolth Exchange. |

** Investment levels are incremental to current/base programs.*

ANNEX C

## REGIONAL REVENUE REQUIREMENTS FOR OPTION 1 & 2

### Table C-1. Capital Funding for Expansion

| Capital Funding | 10-Year Total | Option 1 | Option 2 |
|---|---|---|---|
| Federal PTIF | $370M | ✔ | ✔ |
| Provincial PTIF | $246M | ✔ | ✔ |
| Regional Contribution to PTIF* | $124M | ✔ | ✔ |
| Other Regional Contributions | $290M | ✔ | |
| GVRF Gas Tax Fund** | $150M | ✔ | |
| **Total Expansion Capital Funding** | | **$1,180M** | **$740M** |

| Capital Expenditures | 10-Year Total | Option 1 | Option 2 |
|---|---|---|---|
| PTIF – Fleet Expansion | $255M | ✔ | ✔ |
| PTIF – Other | $485M | ✔ | ✔ |
| MRN, Cycling, Walking | $190M | ✔ | |
| Other Capital | $80M | ✔ | |
| Expansion Bus Fleet | $170M | ✔ | |
| **Total Expansion Capital Expenditure** | | **$1,180M** | **$740M** |

*Regional contribution to PTIF includes revenues from sale of surplus property.
**GVRF Gas Tax Fund contributions represent portion for expansion only; Base program assumes other GVRF funds (not shown in above table).

### Table C-2. Revenue Sources for Expansion (Operating Expenditures and Regional Debt Service Costs)

| Revenue Sources | 10-Year Total | Option 1 | Option 2 |
|---|---|---|---|
| Additional Fare Increase | $90M | ✔ | |
| Fare Revenue from Service Expansion | $240M | ✔ | |
| Adjusted Property Tax | $340 | ✔ | |
| TransLink Contribution from Savings | $120M | ✔ | |
| Development Fee*** | $130M | ✔ | |
| **Revenue Sources for Expansion** | | **$920M** | **$ --** |

| Operating Expenditures | 10-Year Total | Option 1 | Option 2 |
|---|---|---|---|
| Bus Operating | $490M | ✔ | |
| Rail Operating | $180M | ✔ | |
| MRN O&M | $40M | ✔ | |
| Other Operating | $30M | ✔ | |
| Debt Service Costs | $180M | ✔ | |
| **Incremental Operating Expenditures** | | **$920M** | **$ --** |

***Development Fee revenues restricted to debt service costs for capital.

September 8, 2016

Mayors' Council on Regional Transportation

# ITEM 2.2: SUBMISSION TO FEDERAL CONSULTATIONS ON PHASE 2 PUBLIC TRANSIT INFRASTRUCTURE FUND

## Purpose

This report presents a draft submission to the Government of Canada's public consultation process on the design of the Phase 2 Public Transit Infrastructure Fund (PTIF). The deadline for submissions is September 16, 2016.

## Background

The Government of Canada's 2016 Budget, released in March 2016, launched a 10-year, $120-billion infrastructure plan, to deliver funding from a suite of existing and new capital funding programs managed by Infrastructure Canada, including the 10-year, $20 billion Public Transit Infrastructure Fund (PTIF). Phase 1 of this program was announced in Budget 2016 that delivered $3.4 billion to transit projects between 2016 and 2019 using a ridership-based allocation formula. Phase 1 delivered $370 million in federal funding to TransLink, that was matched by $246 million from the Province of BC and $125 million from TransLink for a total of $740 million to modernize and expand our rapid transit fleet (including SeaBus) and refurbish several SkyTrain stations. Phase 2 will deliver the remaining $16.6B between 2019 and 2027 likely to be announced in Budget 2017.

## Current Status

A public consultation process on Phase 2 PTIF was launched in June, and will conclude on September 16, 2016. See http://www.infraconsults.ca/ for more details.

## Analysis

Of 35 million Canadians, 22.5 million, or almost two-thirds, are serviced by public transit agencies, and 13 million live in one of four urban centres with extensive rail-based rapid transit networks: Metro Vancouver, the Calgary Region, Greater Toronto and the Montreal region. These four metro areas, as Canada's largest urban regions, face increased transit mode share, land supply limitations, high property costs, and complex inter-municipal planning challenges. Compared to medium-sized cities, these four urban transit networks serve 70% more revenue kilometers per capita, and 65% more revenue hours per capita than other cities in Canada. Transit operating costs in these cities are 50-100% more expensive than other cities.

The disproportionately higher transit costs for these four "rapid transit" cities are not reflected in more traditional funding allocation formulas that rely on population or ridership statistics. The design of Phase 2 PTIF must recognize these unique cost drivers and disproportionate benefits delivered by rail-based rapid transit networks.

**RECOMMENDATIONS:**

It is recommended that the Mayors' Council on Regional Transportation:

1. Approve the submission as attached in Annex 1 to Infrastructure Canada's consultations on the Phase 2 Public Transit Infrastructure Fund;

2. Share the submission with federal Minister Sohi by the September 16, 2016 consultation deadline;

3. Receive this report.

Michael Buda
Executive Director

**ANNEX 1**

# SUBMISSION

## Infrastructure Canada Consultations on Public Transit Infrastructure Fund

[DRAFT FOR CONSIDERATION BY MAYORS' COUNCIL]

**September 16, 2016**

MAYORS' COUNCIL
On Regional Transportation
400 - 287 Nelson's Court
New Westminster, BC V3L 0E7
info@mayorscouncil.ca

TRANS LINK

September 16, 2016

The Honourable Amarjeet Sohi
Minister of Infrastructure and Communities
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6

Dear Minister Sohi,

On behalf of the Metro Vancouver Mayors' Council on Regional Transportation (the "Mayors' Council") and TransLink, please accept this submission on the second phase of the Public Transit Infrastructure Fund (PTIF) program. We appreciate this opportunity to provide input and ideas to the development of the next phase of this important program.

As we have said to you many times since PTIF was launched in Budget 2016, this new program is a welcome and critical funding source for the expansion of rapid transit in Canada's largest cities, and for implementing Metro Vancouver's 10-Year Vision for Transit and Transportation (the "10-Year Vision").

This submission presents what we think is new and important data that shows Canada's biggest urban regions, including Metro Vancouver, face unique public transit needs and can deliver outsized benefits from investments in their transit systems. Based on this new data, we make several recommendations for the design of the Phase 2 PTIF program.

The 10-Year Vision reflects the consensus of 21 local governments and the Tsawwassen First Nation in Metro Vancouver, and is supported by the Province of B.C. and the largest coalition of community, environmental and business stakeholders in B.C.'s history. We look forward to working with our Federal and Provincial partners on these important projects to support economic and social growth.

We hope that this submission provides constructive recommendations towards the development and announcement of the Phase 2 PTIF program.

Sincerely,

Gregor Robertson
Chair, Mayors' Council Chair
Mayor, City of Vancouver

Linda Hepner
Vice-Chair, Mayors' Council
Mayor, City of Surrey

c Minister of Finance, Honourable Bill Morneau
BC Minister Responsible for TransLink, Honourable Peter Fassbender
BC Minister of Transportation and Infrastructure, Honourable Todd Stone
Metro Vancouver Regional District Chair, Mayor Greg Moore
Members of TransLink's Mayors' Council and Board of Directors

## EXECUTIVE SUMMARY

This submission provides analysis of the benefits and cost of delivering transit service in Canada's biggest urban areas, and recommendations on the design of the "Phase 2" Public Transit Infrastructure Fund (PTIF) program, on behalf of TransLink and the Mayors' Council on Regional Transportation.

Of 35 million Canadians, 22.5 million, or almost two-thirds, are serviced by public transit agencies, and 13 million live in one of four urban centres with extensive rail-based rapid transit networks: Toronto, Montreal, Calgary and Vancouver. The average annual cost of providing public transportation in Toronto, Montreal, Vancouver and Calgary is approximately $700 per resident[3], compared to just under $400 for mid-sized metro areas with 400,000 to 2 million residents and just over $200 for smaller city regions with 150,000 to 400,000 residents. Transit systems in Canada's four largest cities, which are built on rapid-transit backbones, are 40-70% more expensive than the bus-based transit systems in smaller cities, but provide much faster and higher capacity transit services.

**Canada's largest urban regions face increased transit mode share, land supply limitations, high property costs, and complex inter-municipal planning challenges. Compared to medium-sized cities[4], these four urban transit systems serve 70% more revenue kilometers per capita, and 65% more revenue hours per capita than other cities in Canada. Transit operating costs in these cities are 50-100% more expensive. These disproportionately higher transit costs for these four "rapid transit" cities are not reflected in funding allocation formulas that rely on population or ridership statistics.**

**RECOMMENDATIONS:**

1. **Transfer-based allocation approaches** are the most streamlined and efficient, and respect local accountability, but must be designed with some flexibility to accommodate varying contexts and needs.
2. The "**Revenue Passenger Kilometers**, as % of national total" metric should be used in transfer-based allocation approaches, instead of ridership (i.e. boardings or trips) or population.
3. Create and appropriately fund a **transfer-based rapid transit "tier"** in Phase 2 PTIF that is focused on investing in the improvement and expansion of rail-based rapid transit networks in Canada's largest urban regions; additional "tiers" focused on other types of transit systems should be designed to complement this rapid transit tier.
4. **Costs related to property** that is permanently encumbered by transit infrastructure should be considered eligible capital expenditures.
5. **Financing charges** should be considered eligible. Interest during construction represents a significant cost for transit infrastructure projects, and is part of the cost of producing a project.
6. **Revised payment schedules** should be considered to allow for upfront or more frequent payments. The current payment conditions puts additional financial burden on the region through increased debt service costs. More request payments would minimize additional financing and interest costs that can result from payment delays.
7. **Joint administration of agreements with ultimate recipients** (i.e. local governments) should be considered. The program could be streamlined by administering agreements jointly or directly with the Ultimate Recipient, rather than solely through a Province.

[3] CUTA, Canadian Transit Fact Book (2015) (2014 operating data).
[4] Medium sized urban regions are defined at having 400,001-2,000,000 residents.

## INTRODUCTION

In its 2016 budget, the Government of Canada introduced a new $20 billion Public Transit Infrastructure Fund (PTIF). Phase 1 of PTIF delivered $3.4 billion, allocated on the basis of ridership, investing $370 million in Metro Vancouver regional transit, covering up to 50% of eligible capital costs, matched by a $246 million contribution by the Province of BC covering up to 33% of eligible capital costs, with TransLink providing a minimum of an additional $125 million towards the remaining 17% share of capital costs, plus 100% of lifecycle operating costs.

This submission focuses on the proposed second phase of the PTIF program, and provides comments and recommendations on behalf of TransLink and its Mayors' Council on Regional Transportation (comprised of 21 municipalities, the Tsawwassen First Nation, and Electoral Area 'A') regarding urban transit needs and next steps for PTIF. The report includes the following section:

1. **Big City Transit:** Outlines the unique needs and benefits of public transit in major urban regions.
2. **Metro Vancouver's 10-Year Vision for Transit and Transportation:** Provides a summary of Metro Vancouver's Vision for transportation investments.
3. **PTIF Program Design:** Recommendations on the design of the Phase 2 PTIF program to maximize the efficiency and effectiveness of this new federal infrastructure investment program.

Metro Vancouver's 10-Year Vision is the output of an intensive planning process led by the TransLink Mayors' Council, reflecting years of consultation with residents and businesses on their transit needs. We look forward to working with Federal and Provincial partners on these critical projects to support economic and social growth in our region and hope that this report provides constructive recommendations towards the development and announcement of the Phase 2 PTIF program.

## 1. BIG CITY TRANSIT

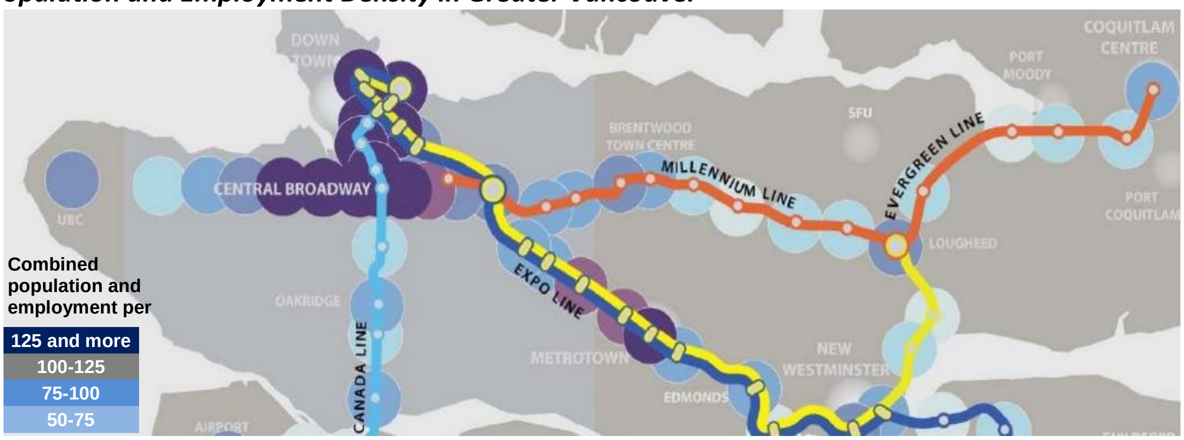
Of 35 million Canadians, 22.5 million, or almost two-thirds, are serviced by public transit agencies, and 13 million live in one of four urban centres with extensive rail-based rapid transit networks: Toronto, Montreal, Calgary and Vancouver. So while all of urban Canada relies on public transit systems that use buses, only Canada's four largest urban regions, which are home to more than 40% of the population, rely heavily on region-wide rail rapid transit systems using subways and/or LRTs.

### Rapid transit is a big city necessity

With population and employment density in Canada's cities reaching record levels, these four urban areas depend heavily on the people-moving capacity, speed, and space-efficiency that only rail-based rapid transit systems can deliver. In many urban regions, population and employment growth has been concentrated into small geographical areas as people and businesses seek to take advantage of the increased exchange of ideas, goods and services that this proximity provides. This increased exchange enhances productivity, economic competitiveness and innovation – which is why most people and firms locate in these dense urban centres. However, this economic potential is hampered by thesevere traffic congestion that typically comes along with this increased density. Once the concentration of people and activities reaches the levels seen in Canada's major cities, only high-capacity, space-efficient rapid transit can move the volumes of people needed to keep these economic engines of the country working efficiently.

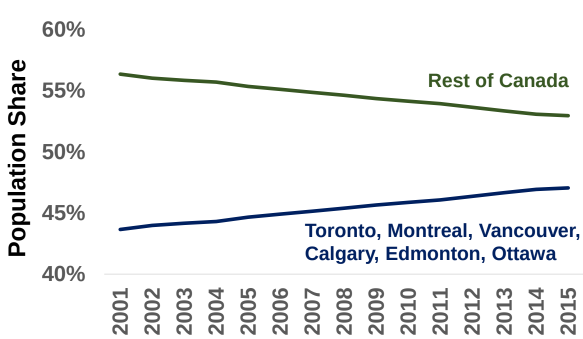
For example, the Broadway Corridor in Vancouver (the busiest bus route in North America), has the highest levels of population and employment density in the Metro Vancouver region without access to rapid transit. In 2015, over 500,000 passengers waiting for buses along Broadway were passed by. The Broadway Corridor is home to the second largest employment centre in British Columbia, which includes UBC and VGH and the office district in Central Broadway. With so many students and jobs in the Corridor, bus ridership along Broadway is higher than the Millennium Line and nearly as high as the Canada Line. The existing bus route carries 3,000 passengers/hour, which during peak hours is insufficient. Rapid transit allows for up 13,000 passenger/hour[5], alleviating a regional bottleneck and providing a foundation for long-term growth.

***Population and Employment Density in Greater Vancouver***

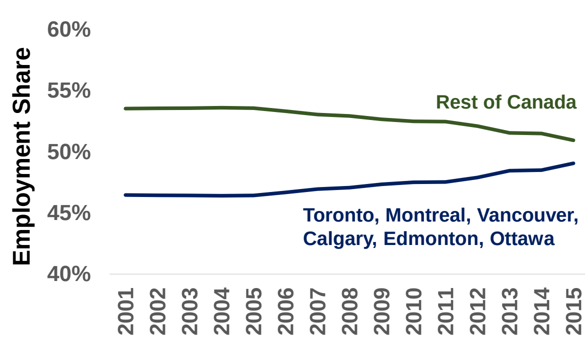



Although rapid transit systems create indirect socio-economic benefits which far outweigh their cost, the financial benefits of these investments are often not directly accrued by the public transit agencies which must fund ongoing operations. Studies suggest that $1 invested in urban transit systems may generate $1.15-$1.75 in Canadian GDP[6], and that $1 invested in a high-catchment urban area like Metro Vancouver provides more access to employment than $1 invested in smaller catchment area cities. This is particularly true from regions home to many new Canadians like Metro Vancouver, Toronto, and Montreal, who tend to use more on public transit for their commute.

**Population Share: Cities vs. Rest of Canada**




**Employment Share: Cities vs. Rest of Canada**

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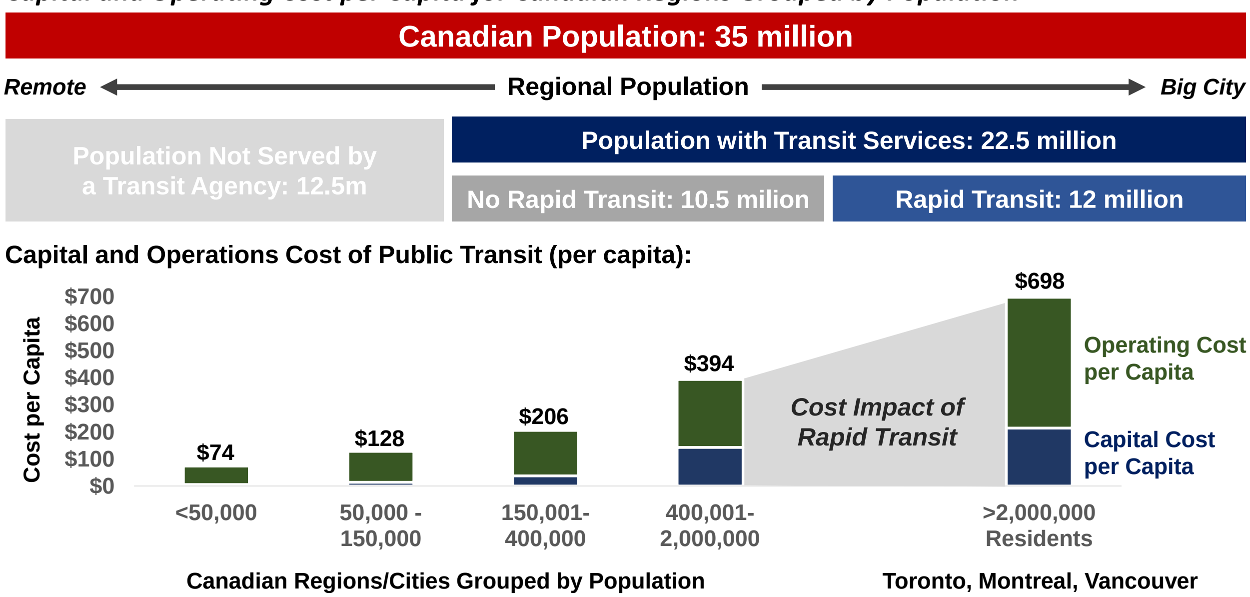
[5] TransLink, UBC Line Rapid Transit Study (2013).
[6] Residential and Civil Construction Alliance of Ontario, Creating and Effective Canadian Infrastructure Bank (2016).

As population and employment growth in these four cities continue to outpace the rest of the country by a factor of 2, driven by the arrival of almost 70% of the new Canadians who settle in Canada each year – who disproportionately rely on transit to get around their new communities – continued investment by senior governments in urban transit systems that reflects these disproportionate costs and benefits is needed to maintain economic, social, and environmental progress. Failing to invest in urban public transit will either constrain population and economic growth, or lead to further urban "sprawl" over time, causing unintended costs and less sustainable, affordable communities in the future.

**Rapid transit is expensive**

Because denser urban regions need rail-rapid transit systems to function efficiently, the average annual cost of providing public transportation in Toronto, Montreal, Vancouver and Calgary is approximately $700 per resident[7], compared to just under $400 for mid-sized metro areas with 400,000 to 2 million residents and just over $200 for smaller city regions with 150,000 to 400,000 residents. Transit systems in Canada's four largest cities, which are built on rail-based rapid transit backbones, are 40-70% more expensive per capita than the bus-based transit systems in smaller cities..

***Capital and Operating Cost per Capita for Canadian Regions Grouped by Population[8]***



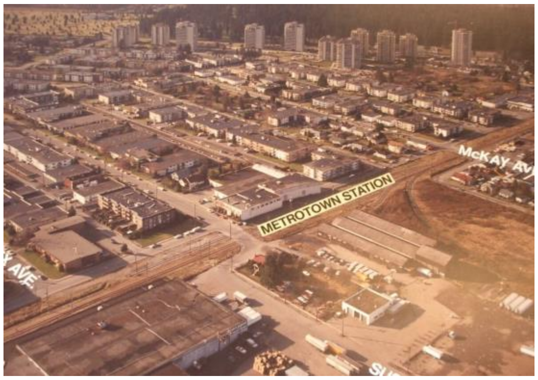

Canada's largest urban regions face land supply limitations, high property costs, and complex inter-municipal planning challenges. Compared to medium-sized cities[9], these three urban transit systems serve 70% more revenue kilometers per capita, and 65% more revenue hours per capita than other cities in Canada. Transit operating costs in these cities are 50-100% more expensive. **These disproportionately higher transit costs for these four "rapid transit" cities are not reflected in funding allocation formulas that rely on population or ridership statistics.**

[7] CUTA, Canadian Transit Fact Book (2015) (2014 operating data).
[8] CUTA, Canadian Transit Fact Book (2015) (2014 operating data).
[9] Medium sized urban regions are defined at having 400,001-2,000,000 residents.

**Development (and future population growth) depends on transit**

Rapid transit is not only required to manage existing density; it's also needed to foster future density to support sustainable and affordable development in rapidly growing communities. In the words of Tom Prendergast, CEO of New York's Metropolitan Transportation Authority (and former TransLink CEO), "Every place in New York where you see density, there was a subway first".[10]

***Aerial View of Metrotown Station in Burnaby, BC Before and After the SkyTrain System***

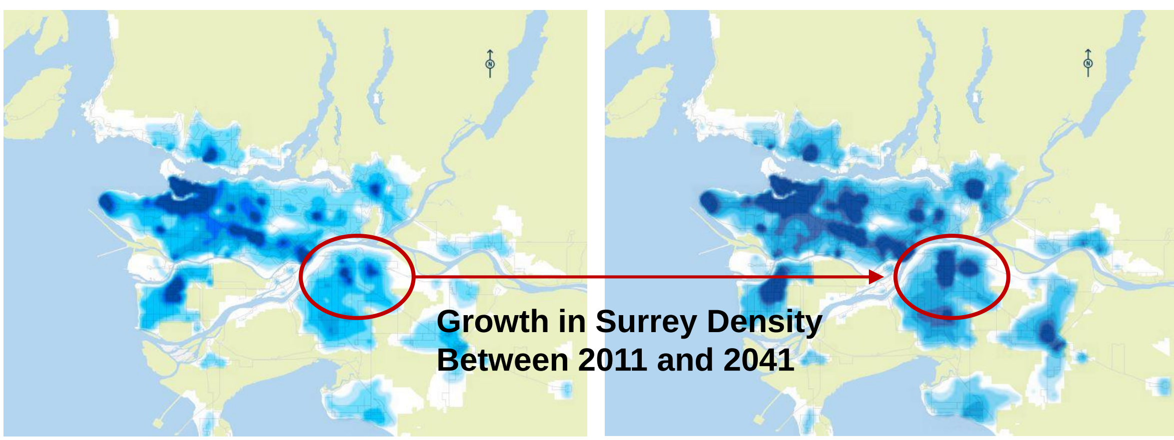


**Before SkyTrain (estimated 1983)**


**After SkyTrain (2016)**

Supporting affordable and sustainable development is particularly important for Surrey and other communities south of the Fraser River, which are among the fastest growing in Canada. Surrey alone adds an estimated 800 residents per month (2% growth/year).[11] The area is forecast to attract 28% of new jobs in the region, and 26% of its new residents over the coming three decades[12].

**2011 Population and Employment Density** | **2041 Population and Employment Density**




**Canada's Trade Gateways rely on transit**

Cities with significant port operations must manage non-local heavy truck traffic related to marine-cargo movement. Vancouver's road and rail networks move 27% of Canada's marine-related cargo

[10] Tom Prendergast, speaking at the Moving the Future conference in 2014.
[11] City of Surrey (2015).
[12] City of Surrey (2015).

respectively[13], meaning that existing road systems must not only accommodate local traffic but also trade-related non-local traffic. As a result, public transit investments and increased transit ridership in Metro Vancouver create disproportionate benefits by freeing up road capacity to support nationally important Gateway trade and goods movement

As a "gateway" to international trade, Metro Vancouver is home to 27 marine cargo terminals, three Class 1 railroads, and the nation's largest drayage trucking sector. Our ports traded with 170 world economies, and handled 138 million tonnes of cargo in 2015 valued at $200b.[14] This marine-cargo activities has a substantial impact on Metro Vancouver road systems. Approximately 37% of heavy truck traffic in Metro Vancouver is due to our role as a trade gateway (i.e. non-local traffic).[15]

***Truck Traffic on Metro Vancouver's Road System (trucks/peak hour)*** [16]


**"With 37% of heavy truck traffic in Metro Vancouver supporting goods movement and trade through the Asia Pacific Gateway, the Vancouver Fraser Port Authority strongly supports investments in public transit to reduce road congestion and improve transportation system efficiency while increasing the quality of life of Lower Mainland residents."**

***Peter Xotta, Vice-President Planning & Operations***

PORT of vancouver

[13] Measured in tonnes; see table: SUMMARY OF TRANSIT METRICS BY JURISDICTION
[14] Port of Vancouver (2016).
[15] TransLink Regional Goods Movement in Metro Vancouver (2016).
[16] TransLink Regional Goods Movement in Metro Vancouver (2016).

### Table 1: SUMMARY OF KEY "RAPID-TRANSIT CITY" METRICS

| | Metro Vancouver | Greater Toronto | Montreal Region | Calgary Region | Rest of Canada | Canada |
|---|---|---|---|---|---|---|
| **Demographic and Population Metrics** | | | | | | |
| **Population,** as % of Canadian Total[i] | **7.0%** | 17.1% | 11.4% | 4.0% | 64.5% | **100.0%** |
| **Population,** as % of pop. of those regions served by transit[ii] | **11.0%** | 29.5% | 12.3% | 5.6% | 47.2% | **100.0%** |
| **Population Growth** (10-year average)[iii] | **1.5%** | 1.6% | 1.1% | 2.8% | 0.9% | **1.1%** |
| **% of Total New Canadians**[iv] | **11.6%** | 32.8% | 16.6% | 6.3% | 38.9% | **100.0%** |
| **% of Population Growth Due to New Canadians**[v] | **86.1%** | 87.9% | 98.4% | 34.1% | 48.1% | **67.3%** |
| **Transit Utilization Metrics** | | | | | | |
| **Trips,** as % of national total, 2014[vi] | **11.3%** | 34.7% | 23.8% | 5.3% | 30.2% | **100.0%** |
| **Boardings,** as % of national total, 2014[vii] | **11.6%** | 34.7% | 25.5% | 5.6% | 28.2% | **100.0%** |
| **Revenue Passenger Kilometers,** as % of national total[viii] | **14.7%** | 38.7% | 22.3% | 8.1% | 24.3% | **100.0%** |
| **Commuting Public Transit Mode Share**[ix] | **19.7%** | 23.3% | 22.2% | 15.9% | 9.2% | **16.2%** |
| **Transit Asset Metrics** | | | | | | |
| **Bus fleet,** per 100,000 Residents[x] | **63** | 65 | 87 | 85 | 72 | **71** |
| **Light/Heavy Rail fleet,** per 100,000 Residents[xi] | **12** | 15 | 27 | 15 | 3 | **10** |
| **Commuter Rail fleet,** per 100,000[xii] | **2** | 9 | 10 | 0 | 0 | **4** |
| **Transit Financial Metrics** | | | | | | |
| **2014 Transit Operating Cost,** per 100,000 Residents [xiii] | **$36m** | $43m | $53m | $30m | $21m | **$33m** |
| **2010-2014 Capital Spending,** per 100,000 Residents[xiv] | **$23m** | $249m | $116m | $72m | $40m | **$108m** |
| **Other Metrics** | | | | | | |
| **Traffic Index Ranking (1=most congested)**[xv] | **1** | 2 | 3 | 6 | n/a | **n/a** |
| **Congestion Level (travel time vs. free flow)**[xvi] | **34%** | 28% | 26% | 19% | n/a | **n/a** |
| **Tonnes of Marine Cargo (% of Canadian Total)**[xvii] | **26.7%** | 0.3% | 5.7% | 0.0% | 67.3% | **100.0%** |
| **Estimated Regional GDP (% of Canadian Total)**[xviii] | **7.4%** | 19.0% | 10.2% | 7.2% | 63.4% | **100.0%** |
| **Estimated Employment (% of Canadian Total)**[xix] | **7.2%** | 17.7% | 11.4% | 4.5% | 63.7% | **100.0%** |

*See endnotes for sources and references for each metric.*

## 2. METRO VANCOUVER'S 10-YEAR VISION FOR TRANSIT AND TRANSPORTATION

### About TransLink

Metro Vancouver's transportation network is managed jointly by municipalities, the regional district, TransLink and the Province of B.C., with Port Metro Vancouver, federally regulated railways, the YVR Airport Authority and BC Ferries as important stakeholders. TransLink is the regional transportation authority, with a service area close to 3 times larger than the City of Toronto.

TransLink is the first North American transportation authority to be responsible for the planning, financing and managing of all public transit in addition to major regional roads and bridges, and walking and cycling networks.


TransLink's revenues and taxation authorities are the most robust and diverse in Canada, with a $0.17 per litre regional fuel tax, fare revenues with the second-highest fare box recovery in Canada, property tax and other smaller revenue sources including a parking levy and bridge tolling. New revenue sources including development charges and mobility pricing are being explored.

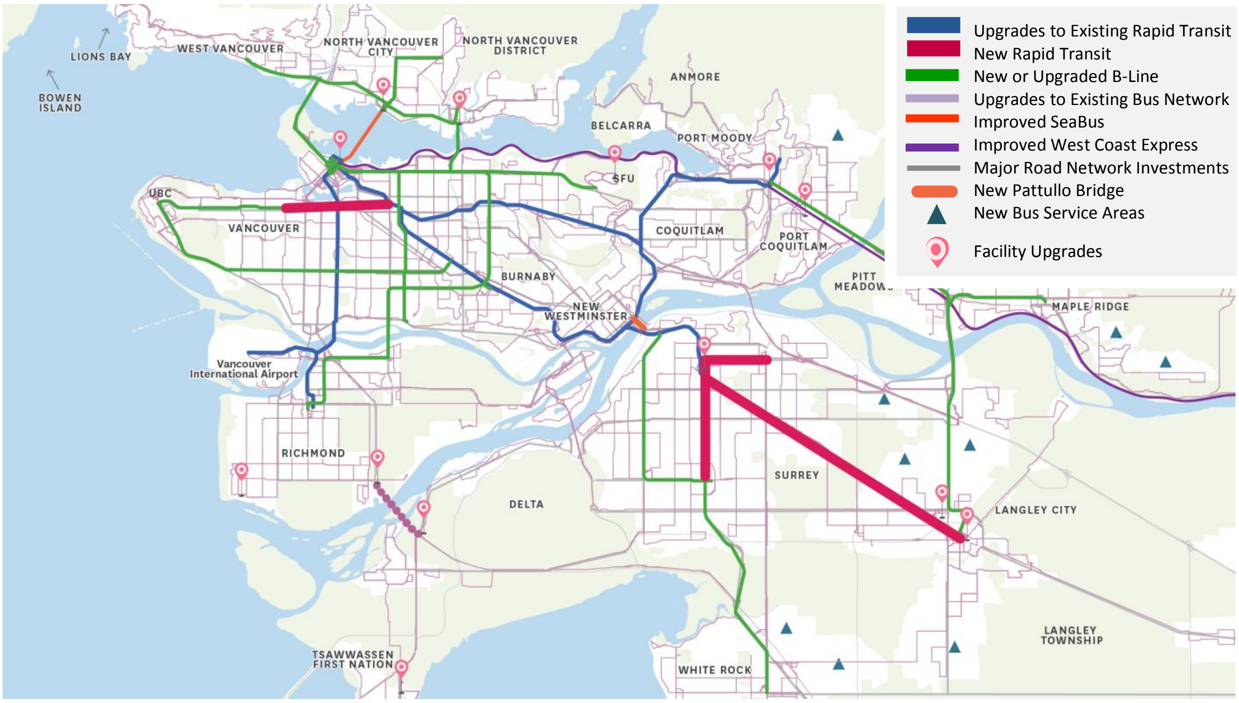
### About the 10-Year Investment Vision

The need for a strategy to keep the region moving was behind the development in 2014 by the TransLink Mayors' Council of a common vision for the future of our transportation system. This plan reflects the consensus of the local governments in Metro Vancouver, and is supported by the Province of B.C. and the largest coalition of community, environmental and business stakeholders in B.C.'s history.

This transit and mobility plan is unique in Canada. It weaves a region-wide, multimodal web – from active transportation to light rail to bus to roads and bridges – that supports our long-term Regional Growth Strategy, facilitates the movement of trade goods through the Pacific Gateway, and incorporates life-cycle operating costs to ensure long-term sustainability. Most significantly, this Plan commits to introducing a comprehensive region-wide approach to pricing road usage in tandem with the major rapid transit investments. It is this combination of pricing and major transit investment that will drive the greatest returns in terms of increasing transit ridership, reducing congestion, and reducing greenhouse emissions.

Development of this ten-year transportation vision, with over $7.5 billion in capital projects and $3.9 billion in life-cycle operating costs, followed a rigorous priority-setting exercise that addressed the region's most pressing transit and transportation needs while ensuring it was affordable and delivered strategic benefits to the region, the province and country. The Vision includes 34 capital projects and a major expansion of transit operating hours including a 25% increase in bus service across the region. Each of the projects was evaluated for their impacts including direct and indirect jobs and expenditures.

*Overview of 10-Year Investment Vision Projects*




**Integrated planning to maximize benefits**

This plan coordinates transportation investments with local and regional land use plans to support vibrant communities, spur economic development, and protect the environment as the population grows. Although there are 34 capital projects in the plan, these projects support one another; for example, increased bus service drives ridership to new rapid transit. Projects cannot be cherry-picked for implementation without comprising the plan's benefits. This 10-year plan will:

- Build new rapid transit in Vancouver, Surrey and Langley.
- Add 400 new, low- or zero-emission buses to our fleet to expand bus service by 25%.
- By 2045, enable 70% of residents to walk to high-quality frequent transit – up from 50% today
- Reduce roadway congestion by 20%.
- Invest over $200 million in walking & cycling, adding 2,700km of new bike lanes to our already extensive region-wide network.
- Invest $1.7 billion in new road and bridges, including in rehabilitation and seismic upgrading.
- Deliver a comprehensive region-wide approach to pricing road usage introduced in tandem with these major transit investments.

**Road pricing innovation**

Pricing road usage is a key component of implementing the 10-Year Vision, helping to influence driver behaviour and increase mode shift to public transit. Road pricing is forecasted to decrease congestion and regional GHGs and increase capacity for trade-related use of our road system; however it requires robust public transit services as an appealing transportation alternative for would-be drivers.

Metro Vancouver's 10-Year Vision provides Canada with an opportunity to "pilot" an innovative world-leading approach to pricing road usage. This region's track record of providing innovative transportation solutions, and the regional political will to implement road pricing, will provide valuable learnings for Canada overall.

**Transit cuts congestion and GHGs**

The cost of congestion grows exponentially with population and employment density, and is disproportionately high in Canada's largest cities, resulting in costs of up to $700 per resident[17]. In Vancouver, where 37% of heavy truck traffic is due to our role as a trade gateway, traffic congestion continues to be among the nation's most severe.[18] If unmitigated, Metro Vancouver's traffic congestion, which costs the region as much as $1.7 billion annually, will prevent the region from meeting its GHG emissions targets from transportation.

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.[19] 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.

By reducing congestion by 20%, the Plan will save commuters 20-30 minutes per day in travel time on some of the region's most congested corridors. And by reducing congestion and reliance on the private automobile, this plan will also contribute to maintaining air quality in the Lower Mainland in addition to cutting greenhouse gas emissions from road vehicles by 13% or 655Kt $CO_2e$ per year.

**Good transit is linked to housing affordability**

Canadian cities face many challenges to foster affordable development. Housing and transportation costs in these cities comprise a growing share of income. In Metro Vancouver, owners with mortgages paid 40% of their pre-tax income for housing and transportation on average (renters paid 49%), higher than any other major city if Canada.[20] Lower income renter households earning less than $50,000 can spend up to 67% of their pre-tax income on housing and transportation costs.[21]

Reducing transportation costs by providing greater access to transit is key to our region's affordability crisis. To that end, the 10-year Plan aligns rapid transit expansion with both existing and planned high-density mixed-use development, allowing households to decrease their share of income spent on transportation. 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.

**10-Year Vision: Ready to implement**

This is a plan that has been years in the making, and is now nearing procurement ready. Its major projects have completed engineering design and are beginning pre-construction work. Public consultation processes are beginning this fall. This is a plan that is both shovel-ready and shovel-worthy.

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[17] HDR, Inc. TransLink Current and Projected Costs of Congestion in Metro Vancouver (2014); C.D. Howe Institute. Tackling Traffic: The Economic Cost of Congestion in Metro Vancouver (2015).
[18] TomTom Traffic Index (2016).
[19] Metro Vancouver, Regional Growth Strategy (Updated 2015).
[20] Metro Vancouver, The Metro Vancouver Housing And Transportation Cost Burden Study (2015).
[21] Metro Vancouver, The Metro Vancouver Housing And Transportation Cost Burden Study (2015).

## 3. RECOMMEDNATIONS FOR PHASE 2 PTIF PROGRAM DESIGN

### RECOMMENDATION #1: Allocation

One of the critical features for an efficient, effective Phase 2 PTIF program is the choice of allocation approach. Traditionally, funding programs like PTIF have been allocated using a transfer-based approach (like the Gas Tax Fund or Phase 1 PTIF), or an application-based approach (like the Building Canada Fund), or combination of the two. Under a transfer-based approach, provinces or local governments are allocated funding based on a formula based on population, ridership, utilization, service levels, or other factors. Under an application-based approach, agencies apply for funding for specific projects to be awarded against specified criteria.

The advantage of a transfer-based approach is that funding can be provided to local agencies in a timely manner and respects local expertise and accountability. Application-based approaches facilitate clear communication of federal priorities, but can be more timely and complex to administer and can limit local agency control.

Phase 2 PTIF's allocation approach must recognize the disproportionately high costs of delivering and expanding rapid transit networks (currently only present in 4 cities) as compared to those cities who rely mainly on bus service. This recognition may be best managed by using an appropriate allocation metric, and by creating two or more "tiers" of transfer-based funding programs within Phase 2 that reflect these cost differentials; or, by delivering a portion of Phase 2 funding through an application-based program that uses its criteria to recognize and respond to these cost differentials.

***Recommendations – allocation:***

1. TransLink's Mayor's Council supports the positions adopted by FCM and CUTA which recognize that transfer-based allocation approaches are efficient and respect local expertise and accountability, but must be designed with some flexibility to accommodate, in the case of transit, the varying contexts and needs facing different types of transit systems in Canada.

2. It is recommended that the "Revenue Passenger Kilometers, as % of national total" metric be used, instead of ridership (i.e. boardings or trips) or population, whenever transfer-based allocation approaches are used. Revenue passenger kilometers (RPK) is the metric most often used by other major transportation sectors (i.e. air travel) because it reflects not just usage (by passenger) but also the size or extent of the service area. Given the same ridership, larger service areas are more costly to service than smaller ones, but also deliver region-wide benefits and efficiencies.

3. Create and appropriately fund a transfer-based rapid transit "tier" in Phase 2 PTIF that is focused on investing in the improvement and expansion of rail-based rapid transit networks in Canada's largest urban regions; additional "tiers" focused on other types of transit systems should be designed to complement this rapid transit tier.

**RECOMMENDATION #2: Administration**

The following administrative design changes could be considered independent of any potential changes to the funding allocation approach. These proposed changes will streamline program application and administration, and improve accountability.

***Recommendations – program administration:***

1. **Costs related to property** (including land acquisition, real estate fees and related costs) that is permanently encumbered by transit infrastructure should be considered eligible capital expenditures. Property costs are a direct and necessary cost for successful implementation of rapid transit infrastructure projects, and they represent a growing cost driver, particularly in Metro Vancouver where market costs continue to rise.

2. **Financing charges** should be considered eligible. Interest during construction represents a significant cost for transit infrastructure projects, and is part of the cost of producing a project. Including financing charges as an eligible expenditure would be consistent with eligible expenditures of the Federal Gas Tax program, which includes any related debt financing charges specifically identified with an asset.

3. **Revised payment schedules** should be considered to allow for upfront or more frequent payments. The current payment conditions puts additional financial burden on the region through increased debt service costs. It would be preferable to revise payment to be transferred as a lump sum into a dedicated account for approved projects to draw on (similar to the administration of the Federal Gas Tax program), or to increase the payment frequency from semi-annual to monthly. A revised payment schedule would allow for more consistent cash flow for individual projects, tied directly to a project's budget schedule. This approach would also minimize additional financing and interest costs that can result from payment delays.

4. **Joint administration of agreements with ultimate recipients** should be considered. The current PTIF program is established through a bilateral agreement between Canada and the Province, which identifies transit agencies as eligible Ultimate Recipients for funding. The program could be streamlined by administering agreements jointly or directly with the Ultimate Recipient, rather than solely through the Province. This change would reduce program administration and overhead, including related administrative costs, and minimize potential for delayed payments.

**END-NOTES** (sources for Table 1)

[i] Statistics Canada (2015) (accessed 2016).

[ii] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[iii] Statistics Canada (2015) (accessed 2016).

[iv] Statistics Canada, Immigration by Census Metropolitan Area (2014/15 combined with 2013/14) (accessed 2016).

[v] Statistics Canada, Immigration by Census Metropolitan Area (2014/15 combined with 2013/14) (accessed 2016).

[vi] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[vii] Available through aggregation of agency data from CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[viii] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[ix] Statistics Canada, National Household Survey, (2011).

[x] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[xi] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[xii] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[xiii] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[xiv] CUTA Canadian Transit Fact Book (2015) (2014 operating data).

[xv] TOM TOM Traffic Index (2015).

[xvi] TOM TOM Traffic Index (2015).

[xvii] Statistics Canada, Shipping in Canada (2011) (adjusted to 2014); Association of Canadian Port Authorities (2014) (accessed 2016).

[xviii] Chambre de Commerce du Montreal Metropolitan, Secondary Analysis of Conference Board of Canada Regional GDP Data (2015).

[xix] Statistics Canada, Labour Force Survey (2015).