



Corporate Report

NO: R125

COUNCIL DATE: July 14, 2008

REGULAR COUNCIL

TO: Mayor & Council DATE: July 14, 2008
FROM: General Manager, Engineering FILE: 0500-01
SUBJECT: TransLink Transportation Strategy (Transport 2040) and
2009 10-Year Transportation and Financial Plan

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. receive this report as information;
2. receive as information the draft 2040 Transport 2040 Strategy (copy attached as Appendix I to this report) and the draft 2009 10-Year Transportation and Financial Plan (copy attached as Appendix II to this report);
3. advise TransLink that its Strategy and Plan must give priority to expanded and enhanced service to the South of the Fraser Area as articulated in this report; and
4. authorize staff to forward a copy of this report and the related Council resolution to TransLink as input into the process of completing the development of the Transport 2040 Strategy and the 2009 10-Year Financial Plan.

BACKGROUND

Over the last six months, TransLink staff has developed a draft 30-Year Strategy called the "Transport 2040 Strategy" and a draft 2009 10-Year Transportation and Financial Plan in accordance with their governing legislation. Both of these documents were released to local governments in late June with a request that comments be provided back to TransLink in July so that the TransLink Board can consider the completed Strategy and Plan by August 1st. TransLink is holding public consultation meetings regarding the documents in July with preliminary input from the public consultation meetings having been provided to local governments on July 7, 2008 (even though not all of the planned public meetings had been held). Given the significance of the Strategy and Plan and their complexities, the amount of time that has been allocated to local governments to respond to these documents is unreasonable. However, this report is being forwarded to Council for consideration to meet the deadlines set by TransLink for input from local

governments. Once TransLink issues its final documents, we will conduct a full review on any changes or new issues arising and will report back to Council.

Under the new legislation, the TransLink Long Range Transportation Strategy will be updated every 5 years and an updated 10-year Transportation and Financial Plan must be adopted annually.

The following text provides a summary of each of the Transport 2040 document and the 2009 10-Year Financial Plan, with the Transport 2040 Strategy included as Appendix I and the 2009 10-Year Transportation and Financial Plan included as Appendix II.

Transport 2040 Strategy

Vision

The Strategy articulates a Vision for the region where transportation is based on providing balance between economic, environmental and social needs. Priority is given to non-car movement, with reductions in greenhouse gas emissions, full integration between transportation and land use with the Frequent Transit Network, a feature of the South of Fraser Area Transit Plan (SoFA TP), forming the basis of this integration. The vision also recognizes the Pacific Gateway status of the region and envisages transportation as being affordable and efficient.

Goals

To achieve this Vision, the Strategy has been based on achieving 6 strategic goals:

1. Aggressively reducing greenhouse gas emissions;
2. Most trips being transit, walking and cycling based;
3. The majority of jobs and housing being located on the Frequent Transit Network;
4. Travel that is safe and accessible;
5. Economic growth and goods movement supported by efficient management of the network; and
6. Stable and sufficient funding that influences travel choice.

Strategies

Four high-level strategies have been developed as a means of delivering the goals:

1. Make early investments in transportation to encourage development of transit, walking and cycling communities;
2. Maximize use of transportation assets and keep them in good repair;
3. Build and operate a safe, secure and accessible transportation system; and
4. Diversify revenue sources and innovative forms of funding.

10-Year Transportation and Financial Plan

The materials distributed by TransLink for review did not define what services and programs are included in the Plan for delivery over the next 10 years. The documentation available only identifies higher-level requirements, issues, goals and general elements. Staff has been unable to obtain more detailed information on the actual programs and projects that are included in the 10-Year Plan.

Goals

The 10-Year Plan contains the following goals:

- Continuously improve operational efficiencies (per passenger costs currently one of lowest in North America).
- Invest in region's roads and bridges.
- Expand the transit system and services.
- Deliver major projects.
- Continue current expansion strategies.
- Achieve ridership increases of at least 2.3% per year to 2012 and 1.5% per year thereafter.

Plan Elements

The 10-Year Plan contains the following elements:

- *Continue expansion strategy* - Support prior commitments, respond to demand for more transit service and road improvements throughout the Region.
- *Maintain & rehabilitate road network* – includes Pattullo Bridge.
- *Road Planning* – includes Pattullo Bridge replacement.
- *Transit Planning* - rapid transit in Surrey along with a network of bus rapid transit lines.
- *Bus expansion* - 157 new buses and 400,000 more service hours through 2009 and 2010; the Frequent Transit Network will also be expanded.
- *Reduce greenhouse gas emissions* - utilize new bus technologies.
- *Real time schedule information* - use Facebook, Mobile and text messaging.
- *Accessibility* - 100% accessible fleet, expand HandyDart.
- *Safety* - cctv, lighting, public warning system and increased police presence.
- *Cycling* - extend the bicycle network and achieve a fully bicycle accessible transit system.

Funding

- Under new Legislation, the base 10-Year Plan must be fully funded with existing revenues;
- Current TransLink revenues include:
 - Hydro levy: \$1.90/month/dwelling unit (\$18 million in 2007);

- Property tax: approximate average of \$90/dwelling unit (\$247 million in 2007);
- Fuel tax: 12.5 cents/litre (\$267 million in 2007); and
- Transit Fares: (\$327 million in 2007).

The total revenues received by TransLink in 2007 amounted to \$859 million.

Other sources of TransLink funding include:

- Reserves (accumulated operating funds) of \$410 million;
- Property tax revenue can grow by up to 3%/year (excluding replacement tax);
- Replacement tax can be assessed to generate a maximum of \$18 million per year from all property tax classes;
- Short term fares can grow by 2% per year; and
- Borrowing up to \$2.8 billion, which amount cannot be exceeded.

A supplementary 10-Year Plan(s) can be developed to enhance the funded Base 10-Year Plan when additional revenue sources have been identified.

- Revenue from fuel taxes can be increased by 3 cents/litre, but there must be at least two other revenue sources that together provide double the revenue as the fuel tax.

Options for other revenues include:

- Transit fare increases;
- Parking taxes;
- Property tax increases;
- Vehicle levy; and/or
- Other

The total revenues expected from the fuel tax and the other sources would be approximately \$64 million per year.

Issues Raised by TransLink

- *Report Timelines* – Under new Legislation, the Base 10-Year Financial Plan must be sent to the Mayors' Council and the Transit Commissioner by August 1; TransLink has only provided a very limited time for consultation on this Plan.
- *Funding* - Reserve funds will supplement the TransLink operating budget through 2011 at the current levels of service; but new revenues are required by 2012 to maintain service levels.
- *Services* - without new funding, service cuts will be necessary in 2012.
- *Supplemental Plans* - may be prepared if new revenues are available, but considerable time will be necessary to develop a plan that the public and municipalities will support.

DISCUSSION

The general direction of the Transportation Strategy (Transport 2040) is supportable. Similarly, the draft 2009 10-Year Financial Plan demonstrates an understanding of the main issues and influences affecting the Region and has a series of goals and strategies designed to respond to these issues and influences. The identified goals align well with the plans being developed and implemented by the City such as the Official Community Plan, the Transportation Strategy, the Sustainability Charter and the Social Plan. The attention given to the Frequent Transit Network and its role as the foundation for future high-density development aligns well with the strategies being developed within Surrey's Transportation Strategy and the Livability Accord. However, the draft 2009 10-Year Financial Plan shows no significant expansion of transit service for Surrey and, in fact, a cut in service beyond 2011. This is because legislation requires that the Plan be developed based on currently available funding as opposed to projected needs. The goals and strategies for expanding transit service, shifting the modal split from the automobile to transit/other modes and reducing greenhouse gases, are not achievable within the currently available TransLink funding.

The 10-Year Plan as currently presented falls far short of what the region requires in terms of transit service. The Plan should be developed based on transportation and transit infrastructure that is needed in the Region over the next 10 years to progress toward the goals that are articulated in the Transport 2040 Strategy and the recently announced Provincial Transit Plan. Such a Plan would represent a true picture of the funding needed by TransLink, which in turn would be a proper basis for considering options for achieving sufficient funding in a stable, sustainable and appropriate manner (Goal #6 of the Transport 2040 Strategy).

General Comments:

Consultation

The Transport 2040 Plan states that TransLink is committed to engaging with stakeholders, governments and the public in a way that is meaningful and effective. However, both plans that are the subject of this report have been developed with little to no opportunity for input and this abbreviated "consultation phase" offers little possibility for the draft Strategy and Plan to be amended before it is submitted to the TransLink Board for consideration before August 1st.

Further, comments on the draft 10-Year Financial Plan are difficult to provide in any meaningful way since only overview information about the Plan is available for review. There is no listing of specific projects or infrastructure that is included in the Plan. The 10-Year Plan should include a detailed listing of specific projects and infrastructure that is contemplated by the Plan in each year.

It is unreasonable for TransLink to move forward with a Strategy and Financial Plan that will affect every local government in the Region without allowing meaningful input by the affected local governments and then making modifications to these documents to address concerns and issues that are raised.

Broader consultation with the public is being done through a series of open houses by TransLink. The draft Consultation Interim Report of July 2 is attached as Appendix III.

Funding

General Comment:

The primary issue with respect to the operation of TransLink since its inception in the late 1990's has been inadequate funding. This fundamental problem remains to this day. In the absence of sustainable and sufficient resources for TransLink to fund the necessary infrastructure and related operational costs associated with meeting the goals of the Strategy, the Strategy is doomed to failure.

Specific Comments:

In developing funding estimates, TransLink is required to operate within a number of required legislative parameters as outlined in the Background section to this report.

TransLink has made a number of assumptions in their estimates of future revenue streams. These include:

- Fuel sales growth assumed at 0%.
- Hydro rate increase at 7.5% for 2009 and 2010 - higher than inflation thereafter.
- Long-term interest rates of 5.5% per year.
- Background ridership increases are assumed at 2.3% until 2012 and 1.5% thereafter.

Funding is the most significant issue for TransLink. The Transport 2040 Strategy identifies very ambitious goals – for example, “By 2040, most (over 50% of) trips are by transit, walking and cycling”. While this is a noble and desirable aspiration, TransLink cannot even maintain the current system or fund the provisions of the SoFA Transit Plan under the current revenue sources. The new Transport 2040 Plan is even more ambitious than the recently announced Provincial Transit Plan. To achieve delivery of the expanded and accelerated transit improvements contained within the Provincial Plan, \$11.1 billion of new funding is required with the following funding sources identified by the Province:

- Provincial commitment – up to \$4.75 billion,
- Request to Federal Government – \$3.1 billion,
- TransLink – \$2.75 billion, and
- Local Governments – \$500 million.

The Provincial Plan did not address operating costs to TransLink as a result of the new infrastructure proposed under the Plan, estimated at \$100 million a year.

If the expansion of service announced in the Provincial Plan was provided, by 2012, the TransLink deficit would be:

- \$150 million/year operating deficit (identified in the draft 2009 10-Year Financial Plan), plus
- \$100 million for additional operating costs associated with the Provincial Transit Plan, plus
- \$200 to \$300 million per year for repayment of capital improvements that will be funded through borrowing

This is a deficit of \$500 million/year. This represents a 58% increase over current TransLink revenues. While accumulating additional debt to achieve the necessary transit expansions will be necessary, new revenues must be found to enable retirement of that debt over a reasonable amortization period.

To address the shortfall and avoid service cuts, TransLink intends to pursue a broad-based funding system that includes user fees and appropriate tax revenues involving all orders of government. Local Mayors have recently made it clear that their property taxpayers are already stretched and that a larger share of the Federal and Provincial tax revenue from this region needs to flow back to enable TransLink to meet its goals. TransLink has indicated that they will begin work on a Supplementary 10-Year Plan this summer and initiate dialogue with the Region's local governments in September.

In addition to the transit system, TransLink is also financially responsible for the upkeep of a very large group of other assets, including bridges and the Major Road Network. Additional investments and revenue streams will be necessary to replace or rehabilitate significant elements of these other assets that will have already exceeded their design life or will need replacement in the next few years, such as the Pattullo Bridge. In addition, the bus fleet is aging and the 10-Year Plan identifies approximately 25% of the capital program for bus replacement only.

Frequent Transit Network (FTN)

During the development of the South of Fraser Area Transit Plan (SoFA TP) the South of the Fraser Area local governments including Surrey expressed serious concern about the current inadequacies in transit service to the SoFA area and the intended rate of implementation of expanded or enhanced service to the SoFA area. TransLink staff made a commitment at that time to give priority to bringing the SoFA area in line with the levels of transit service provided in the remainder of the Region. This commitment must not be lost in the Transport 2040 Strategy or the 10-Year Financial Plan. The Strategy needs to be explicit in recognizing the need to invest heavily in transit and to do so in a timely manner in the high growth sectors of the Region (i.e., the SoFA area) so as to assist in shaping growth in a sustainable manner.

Based on the draft 2009 10-Year Financial Plan little, if any, of the expansion planned for the SoFA area will be possible. Further, the FTN map contained within the Transport 2040 Strategy shows a concentration of FTN routes within Vancouver, with relatively few routes elsewhere. This has been a longstanding concern, which was most recently expressed by the SoFA local governments during the SoFA Transportation Plan

development process. With the rapid growth in Surrey and the SoFA area and the increased timeline for achieving the Vision in the Transport 2040 Strategy, the Strategy needs to identify a much more dense grid of FTN routes and rapid transit within Surrey and the SoFA area, as well as the related funding to allow timely implementation of the new service.

Early Investment in High Growth Communities (such as Surrey):

The 2009 10-Year Financial Plan needs to show early investment in frequent transit service in the high growth communities, such as Surrey, to support high density mixed use development, which will ultimately allow TransLink to deliver the cost-effective transit service while allowing the Region to grow and function in a sustainable manner.

The Frequent Transit Network (FTN) and Land Use

The strategy describes the FTN as being the framework upon which future development and land use changes will happen. With high quality transit service, high density, mixed use and compact development will occur. The City has already supported, and will continue to support, the growth of the FTN through its road right-of-way (RoW) protection efforts. It will also encourage higher density development along identified transit corridors and transportation hubs, by working collaboratively with TransLink on major transit exchange projects located in the City Centre and town centres and by facilitating the implementation of transit priority on the FTN routes.

The timely expansion of transit service will be critical; otherwise there will be an increased reliance on cars, further congestion on our road network and the general undermining of sustainability objectives.

Service Expansion Plans

While addressing transit system congestion and reducing delays on existing corridors is important, significant focus and improvement is required on the South of Fraser Area to address the current service deficit. Extending transit service to poorly served and newly developing areas has significant potential to increase ridership and reduce greenhouse gas emissions. As such, there should be a greater emphasis on adding new service, which will provide a greater percentage of the region's population with a viable alternative to the private automobile. Service expansion should take priority over capacity increases on SkyTrain and on moderately congested existing FTN routes.

The existing TransLink plans still focus on enhancing service in Vancouver and projects such as the Evergreen Line, with bus rapid transit (BRT) South of the Fraser following. This raises considerable concern for Surrey as these SoFA Transit Plan projects will then not materialize in the "Base" 10-Year Plan and will be subject to TransLink's ability to generate additional revenues.

Currently in the South of Fraser there are 225 operating transit buses. The number of buses required to meet the objectives of the various plans is as follows:

- SoFA TP: 2031: 600 buses
2040: approx. 700 buses
- Provincial Transit Plan: 2031: approx. 910 buses
- Transport 2040 Strategy: about 1,100 buses will be required to allow for 50% transit ridership in the peak hour. This represents a 5-fold increase in buses and infrastructure for SoFA.
- The draft 2009 10-Year Financial Plan only provides for 170 new buses for the entire region.

Goods Movement

The Transport 2040 Plan identifies the importance of goods movement through the Region, particularly related to trade in the Asia-Pacific Rim. However, it does not provide any strategies to improve the movement of goods through the Region. Strategies in this important area need to be developed in consultation with the array of stakeholders that are involved in goods movement in and through the Region. The Strategy should not only address road-related goods movement but rail and water (Fraser River) modes as well.

MRN Funding

Surrey and other municipalities have identified a significant shortfall in operation and maintenance funding for MRN roads. Without increased TransLink funding, the major roads throughout the region will continue to deteriorate.

In addition, the MRN minor capital funding available to Surrey needs to be significantly increased to assist the City in tackling the critical roadway improvements necessary for a rapidly growing City. Without additional TransLink capital funding, road network improvements will increasingly occur on the non-MRN arterial roadways, which will negatively affect transit and goods movement.

Staff is not aware of any current TransLink plans for funding increases that would address these major issues.

CONCLUSION

The single most significant challenge that TransLink has faced since its inception is funding to deliver necessary services in a manner that assists to shape the Region's growth in a sustainable manner. This continues to be the major issue facing TransLink as evidenced by the draft 2009 10-Year Financial Plan. TransLink requires significant new funding sources.

The key points identified in this report can be summarized as follows:

- The Transport 2040 Strategy demonstrates a positive direction for TransLink and, in particular, transit. However, the current funding model does not match the “vision” of the Strategy.
- The draft 10-Year Financial Plan similarly speaks to positive goals and strategies, but indicates that they are unachievable with the current approach to funding TransLink.
- TransLink will be moving forward this September with the development of a Supplemental 10-Year Plan. Surrey is prepared to work with TransLink staff to identify the infrastructure needed to meet the goals of the SoFA Transit Plan, the Provincial Transit Plan and the Transport 2040 Strategy. Such a supplemental plan will assist in more accurately identifying the shortfall in TransLink funding over time, which will form a foundation for addressing the “funding problem” and ultimately seeking additional funding streams from the Provincial and Federal Governments.
- To shape communities and encourage modal shifts to transit, it is critical for TransLink to make early large investments in high frequency transit infrastructure in the high growth communities such as Surrey. Such investments should take priority over enhanced service for SkyTrain and expansion of service in areas that are already fully developed and not growing as rapidly.
- A significant increase in funding from TransLink is necessary for operating, maintenance and capital improvements for the Major Road Network.

Vincent Lalonde, P.Eng.
General Manager, Engineering

VL/JB/PB/brb

Appendix I - Draft 2040 Transport 2040 Strategy
Appendix II - Draft 2009 10-Year Transportation and Financial Plan
Appendix III - Draft Consultation Interim Report

TRANSPORT 2040 BACKGROUND

DRAFT 2009 10-YEAR TRANSPORTATION AND FINANCIAL PLAN

Consultation Interim Report

Following consultation in Fall 2007 on the key issues facing the region, and ongoing dialogue through Spring 2008 on the Transport 2040 framework, TransLink has presented the final draft of the Transport 2040 Strategy at consultation meetings. The 2009 10-Year Plan was also presented at these meetings. Please note that the public open houses included a one-hour session with staff and information boards followed by an hour and a half of presentations (Transport 2040 and the 2009 10-Year Plan) and discussion.

Consultation Meetings and Public Open Houses:

- Local Government Transportation Forum, Saturday, June 21
- Stakeholder Transportation Forum, Monday, June 23
- Mayors' Council, Wednesday, June 25
- Regional Administrative Advisory Committee (RAAC), June 25
- Major Road and Transportation Advisory Committee (MRTAC), June 26
- Metro Vancouver Technical Advisory Committee (TAC), June 27
- Public Open Houses:
 - Vancouver and area, Jewish Community Centre, Tuesday, June 24 (partial)
 - South of Fraser, SFU Campus, Thursday, June 26

TransLink will be presenting at the following future consultation meetings:

- Public Open Houses:
 - North-East Sector, Port Moody City Hall, Tuesday, July 8
 - Vancouver and area, Plaza 500 Hotel, Wednesday, July 9
 - North Shore, Lonsdale Quay Hotel, Thursday, July 10
 - Maple Ridge and Pitt Meadows, Maple Ridge Municipal Hall, Monday, July 14
- Langley City Council working session, Monday, July 7
- TransLink Stakeholder Roundtable, Wednesday, July 16
- Metro Vancouver Board, Friday, July 18 (subject to confirmation)

The following are the highlights of “what we heard” from participants at the events that have taken place to date. Minutes from the Local Government and Stakeholder Forums and the Vancouver and South of Fraser public open houses have been attached to this report.

A. Transport 2040 – A Transportation Strategy for Metro Vancouver, Now and in the Future

- Overall support for Goals and Strategies including their *stretch* character
- Overall support for the tone, level and presentation of the draft document
- Some confusion between a *Strategy* and a *Plan*

- Scope of Strategy
 - Recommend acknowledgement of connections to adjacent regional districts and broader potential geographic scope (Pemberton to Hope)
 - Recommend development of specific plan for eastern portion of region
 - Recommend acknowledgement of intercity, Cascadia corridor connections
- Alignment with other strategies, and processes
 - Assurance of plan alignment with Metro Vancouver's Regional Growth Strategy and the Provincial Transportation Vision (including Provincial Transit Plan)
 - Request confirmation of demographic data and trend analysis
- Land use and transportation
 - Support for strong links
 - Ensure transit is both shaping and serving
 - Support for agreements on municipal and TransLink commitments
- Major links and services
 - Identify West Coast Express (WCE) and TransLink's commitment to it. Is TransLink considering expanding the WCE Service?
- Cycling policy
 - Ensure cycling policy, long range vision and network are adequately discussed (including bike sharing and bike storage)
- Ensure there is scope for consideration of waterways been considered for goods movement or passenger travel.
- For goods movement consider more clarity
 - Consider role of non-road modes including rail and waterways and role of gateway points
 - Consider methods to discuss goods movement in more detail or show on maps.
 - Consider showing key goods movement locations/gateways.
- Safety and security
 - Need to clarify that Strategy #3 is intended to include all modes
- Consideration of emerging issues
 - Impact of rising fuel costs and role of non-fossil energy
- Transit fares and structure
 - Need for affordability and equity
 - Role of controlled access and smart cards
- Support for diversification of funding – should consider:
 - Real estate
 - Tolling and other forms of road pricing
 - Gas tax – consider a percentage instead of a flat rate
 - Broadening reach of U-Pass and consider community applications
- Need to clarify and align maps of Frequent Transit Network and Major Road Network

- Need to clarify maps as concepts or vision or identification of the existing state
- Consider role of maps in assisting municipal planning
- Consider density of projected corridors over 30 year period, especially in developing communities
- Consider showing more than Frequent Transit Network including regional links and underlying transit network
- Ensure strategies encourage trip reduction as well as mode shift
- Support needed for car sharing and other alternatives
- Various comments to refine document including
 - Include a list of participating stakeholders
 - Specific suggestions to improve charts quotes and illustrations
- Timing for municipal comments in this phase is tight

B. 2009 - 10-Year Transportation and Financial Plan

- Appetite for supplemental plan and process to develop it
 - UBC to Commercial rapid transit line
 - Increased support for cycling
 - North Fraser Perimeter Rd
 - More transit investment and service
 - Expanded U-Pass
 - Investment in transit villages including Surrey Central Station
- Funding
 - Discussion on how the gap will be closed and TransLink's requirement for new revenue
 - Concern about funding implications with respect to other regional needs and municipal funding needs
 - Queries about system resiliency due to uncertainty around assumptions
- Clarity on relationship with Provincial Transit Plan