

NO: R134

COUNCIL DATE: July 27, 2009

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 22, 2009**

FROM: **General Manager, Engineering**

FILE: **0500-01**

SUBJECT: **2010 TransLink's 10-Year Transportation and Financial Plan**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Receive this report as information;
2. Support the “On Track to Transport 2040” scenario as described in this report as the basis for TransLink to complete its 2010 10-Year Transportation and Financial Plan subject to property taxes not being relied upon as the source of new revenues in support of this scenario; and
3. Authorize staff to forward a copy of this report and the related Council resolution to appropriate officials of TransLink and the Federal and Provincial governments.

BACKGROUND

During 2008 in accordance with their governing legislation, TransLink developed a draft 30-year strategy called “Transport 2040” and a draft “2009 10-Year Transportation and Financial Plan”. Both documents were released to local governments for comments. A Corporate Report considered by Council on July 14th, 2008, (R125; 2008) [See Appendix “A”], identified the following with respect to the TransLink Plans:

- The Transport 2040 Strategy demonstrated a positive direction for TransLink and in particular transit, but the funding model did not match the vision of the strategy.
- The draft 10-Year Financial Plan similarly identified positive goals and strategies, but indicated that they were unachievable with the current approach to funding TransLink.
- To shape communities, encourage modal shifts to transit and support fair and equitable opportunities to improve mobility, it is critical for TransLink to make early and large investments in transit infrastructure in the high growth communities including Surrey in priority over enhanced service for SkyTrain and the expansion of service in areas already fully developed.
- A significant increase in funding from TransLink is necessary for the operation, maintenance and capital improving of the Major Road Network.

DISCUSSION

A safe, reliable and efficient public transit system, which offers transportation choice and supports individual mobility is necessary to achieve the Region's sustainability goals and Green House Gas (GHG) emission targets as set by the Province. There are clear social, environmental and economic benefits for the region and the Province in the general directions of the TransLink 2040 Transportation Strategy. These are supported by Surrey.

The TransLink 2009 10-Year Transportation and Financial Plan identified goals that align well with Surrey's plans and strategies including the Official Community Plan, The Surrey Transportation Strategic Plan, The Sustainability Charter and the Social Plan. However, the 2009 10-Year Financial Plan identified a cut in the Region's service in 2010 and beyond due to funding deficiencies. This is because legislation requires that the Plan be developed based on currently available funding as opposed to projected needs. The goals and strategies identified in the TransLink 2040 Transportation Plan are not achievable within the currently available TransLink funding envelope.

The single, most significant challenge that TransLink has faced since its inception has been the ability to secure adequate and sustainable funding to expand and maintain the necessary transit and road services in a manner that accommodates demand and assists in shaping the Region's growth in a sustainable manner. This continues to be the major issue facing TransLink. TransLink requires significant new funding to achieve the laudable and very supportable vision and goals that it has set.

TransLink is currently moving towards an operating deficit of approximately \$150 million a year from 2010 onwards. Without increased revenues, TransLink will have to undertake dramatic reductions in transit service, eliminate funding for capital projects and reduce major road maintenance.

TransLink has been consulting on a 2010 10-Year Transportation and Financial Plan and has presented three scenarios for public and stakeholder comment. These are described in the following paragraphs and following each scenario description is a staff comment in relation to the outcomes of the scenario:

- 1. Drastic Cuts:** This Scenario will be implemented if new sources of funding are not approved. It is based on existing revenue sources including transit fares, property taxes and fuel tax revenues continuing as the main sources of funding. Under this scenario, there would be an estimated 40% reduction in transit service across the region, including an elimination of an effective Frequent Transit Network (FTN), reductions in SkyTrain hours of operation, no SkyTrain station improvements that are currently planned, a 25% reduction in major road maintenance funding, and no new cycling infrastructure. It has, however, the new tolled Pattullo Bridge.

Staff comments:

Clearly, implementation of this scenario would not support the Metro Vancouver Regional Growth strategy or Surrey's own growth strategies. It would result in increased automobile traffic and greenhouse gas emissions. It would not influence the new growth in the direction of increased sustainability.

- 2. Maintaining What We Have:** This scenario assumes additional funding of \$260 million per year to maintain the existing services and make some improvements. Under this scenario there would be some additional buses, SkyTrain station upgrades and some new cars, a new tolled Pattullo Bridge and the status quo would be maintained in relation to major road maintenance. There would be no new rapid transit lines. Funding would be realized from increased transit fares, fuel, property and parking sales taxes and a new transportation improvement fee applied as an annual levy to vehicles registered within Metro Vancouver. These additional revenue sources are achievable within the TransLink governing legislation.

Staff comments:

This scenario would result in maintenance of the existing system and would provide for modest transportation system improvements. It would not result in a significant reduction in greenhouse gas emissions and would not allow for significant expansion of transit within Surrey and the South of Fraser area. In other words, the current inequitable transit service across the region would remain. It would not significantly influence regional growth in the direction of a higher level of sustainability.

- 3. On Track to Transport 2040:** This scenario requires an additional \$450 million per year in revenues to deliver significant transportation expansions/enhancements in support of the Transport 2040 Plan. It would allow for significant increases in transit service including 400 additional buses, new rapid transit lines, increases in road improvement projects and major road maintenance and an increase in cycling infrastructure. TransLink would use funding sources already within their governing legislation, but would also require a commitment from other orders of government for additional funding from such sources as the carbon tax, property transfer tax, road user fees and/or a goods movement fee.

Staff comments:

This scenario would result in significant transportation system improvements with significant expansions in the number of buses, expansion of the Frequent Transit Network, construction of the Evergreen Line, Expo Line improvements and capacity upgrades and expansion of rapid transit on priority corridors, including in Surrey. This scenario would have a significant effect on growth patterns in the region with growth occurring in a significantly more sustainable pattern.

The draft TransLink 2010 10-Year Financial Plan was presented to the Mayor's Council on regional transportation in April 2009 and the Council resolved to support the "On Track to Transport 2040" (the \$450 million scenario) under the proviso that there would be no increases in property taxes. The Mayor's Council recognized that local governments rely on property taxes as their sole discretionary source of revenue in relation to the services for which they are mandated and expected to deliver. Local governments are already stretching available funding to deliver services at reasonable levels while attempting to maintain property taxes at levels acceptable to their citizens. Any additional property tax revenue room that is available should be left to local governments since this is their primary funding source for the vast array of services they need to deliver.

CONCLUSION

The single most significant challenge that TransLink has faced since its inception has been the ability to raise the funding required to deliver, expand and maintain the necessary services required to effectively shape and support sustainable development in the Region. It is recommended, given the outcomes of each of the scenarios, that Council resolve to support the “On Track to Transport 2040” scenario as the basis for TransLink to complete the 2010 10-Year Financial Plan but subject to property taxes not being relied upon as the source of new revenues in support of this scenario (i.e., the same position as was taken by the TransLink Mayor’s Council).

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VL/JB/PB/jkb:kd/brb

Appendix I: Corporate Report No. R125