Investing in our Region
Investing in our Future

May 27, 2013
GTHA is facing consequences of its success:

- Transit and transportation systems have not kept pace with growth
- Crowding on transit has worsened
- Commute times have slowed
- Greenhouse gas emissions have risen
- Region’s economy has suffered
We have a plan – The Big Move

Implementation has begun with a total of $16B for the First Wave

To continue to implement we need stable funding - $2B annually for the Next Wave
Big Move Projects Underway

York Region vivaNext Bus Rapidways
Mississauga Bus Rapid Transit
Union Pearson Express
Union Station Revitalization
Toronto –York Spadina Subway Extension
The Georgetown South Project
Toronto Light Rail Transit
The Basis for the GTHA Solution

- Global scan of best practices
- Extensive technical analysis
- Based upon four key principles:
  1. Dedication of revenue
  2. Fairness
  3. Equity across the region
  4. Accountability and transparency
The Basis for the GTHA Solution

Engagement with the public, stakeholders and municipalities:

• People recognize the problem and are impatient
• People want reliable and frequent service
• People want accountability and transparency
• People recognize the need to pay for it, but want revenue to be dedicated
Next Wave

Relief Line
Yonge North Subway Extension

Brampton Queen Street Rapid Transit
Dundas Street Bus Rapid Transit
Durham-Scarborough Bus Rapid Transit
Hamilton Light Rail Transit
Hurontario-Main Light Rail Transit

GO Rail Expansion
GO Lakeshore Express Rail Service - Phase 1 (including Electrification)
Electrification of GO Kitchener line and Union Pearson Express

Local transit
Roads and highways
Active transportation & integration
Building Trust and Accountability

Recommendations include:

- Municipal nominations to the Metrolinx Board
- Creating a GTHA Transportation Trust Fund
- Enhancing public engagement and reporting
- 10-year review and 20-year reauthorization
Role for the Federal Government

• By 2031, projects will generate $25-30B in government revenue, including $12B for the federal government

• Federal government currently provides about 15% of capital funding, in comparison to 41% in the U.S.

• Building Canada Fund provides a foundation, but National Transit Strategy is recommended, as well as federal contribution of one-third of capital costs
1. Integrating transportation, growth and land use planning
2. Maximizing the value of public infrastructure investments
3. Optimizing the transit and transportation system by improving efficiency
4. Putting in place dedicated investment tools
• Transportation Planning Policy Statement
• Land Value Capture
• Publicly-Owned Land
Maximizing Value of Public Infrastructure

- Connecting Locational Decisions
- Project Delivery and Partnerships
- Project Evaluation and Selection
Optimizing Efficiency of the System

- Benchmarking
- Service and Fare Integration
- Customer Experience
Provide an effective mechanism to fund regional and local projects:

- 75% to Next Wave Rapid Transit projects
- Up to 25% to a Big Move Partnership Initiative, consisting of:
  1. Up to 15% allocated on a matching basis to support local roads, transit and bridges
  2. Up to 5% for improvements to area highways
  3. Up to 5% for multimodal and other transportation initiatives
Choosing the Tools

• Worldwide best practice review identified 25 tools

• Short list released in April

• Further input and selection criteria used to develop final advice:
  o Strong, predictable and durable revenue
  o Reasonable cost and ease of implementation
  o Price signals to encourage efficient transportation choices
  o Promotion of economic competition
  o Promotion of social fairness and equity
Recommended Investment Tools

<table>
<thead>
<tr>
<th>Investment Tool</th>
<th>Annual Revenue</th>
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</thead>
<tbody>
<tr>
<td>HST 1 percentage point</td>
<td>$1.3 billion annually</td>
</tr>
<tr>
<td>Business Parking Levy</td>
<td>$350 million annually</td>
</tr>
<tr>
<td>Fuel &amp; Gasoline Tax</td>
<td>$330 million annually</td>
</tr>
<tr>
<td>Development Charges</td>
<td>$100 million annually</td>
</tr>
</tbody>
</table>

$2 billion annually
Proposed HST Increase

• 1% increase to HST on currently taxable goods and services, generating $1.3B annually, net of a proposed mobility tax credit

• Spreads cost across the entire region, ensuring everyone contributes

• Per capita cost is about $158/year, or about 43 cents/day

• Province may find it administratively easier to implement province-wide; if so, revenue collected outside the GTHA should fund priorities in other parts of Ontario

• Regional sales tax used in places like New York City, Chicago and Los Angeles
Regional Fuel and Gasoline Tax

- 5 cent/litre tax applied in GTHA, on top of existing federal and provincial taxes, on fuel and gasoline sales, generating $330M annually
- Road users are major beneficiaries of The Big Move, and tax provides for a contribution from these groups
- Per capita cost is about $21/year or about 6 cents/day
- Some boundary issues are expected, but these are expected to be relatively low in impact
- GTHA average gasoline prices would still be lower than Montreal or Vancouver, where similar regional fuel and gasoline taxes are in place
Business Parking Levy

• Variable business parking levy on all off-street, non-residential parking, based on current value assessment, averaging 25 cents/day/space

• Business is a major beneficiary of The Big Move, and levy provides for a contribution that also has transportation and land use benefits

• Costs are borne by business, although where paid parking is in place, it is likely that costs would be passed on to users

• Since the levy would be variable, higher value locations pay more and lower value locations pay less, resulting in a balance across the region

• Parking levies are in place in Montreal, Sydney and Melbourne
Development Charges

- Development Charges legislation be amended and updated to better fund growth-related transit costs
- Land development is a key beneficiary of The Big Move
- Expected to increase charges by average of 15% and raise $100M annually
- Since development charges vary between municipalities, increases to existing charges would also vary
- Some funds would be retained by municipalities for their own transit projects, while balance would be transferred to Metrolinx for Next Wave projects
- Commonly used in Ontario, and the proposed amendments would reflect provisions put in place for the Toronto York-Spadina subway extension
• Everyone benefits from The Big Move; therefore, 64% of funds would come from the proposed HST increase
• Everyone using roads and highways benefits, so 15% of funds would come from fuel and gasoline tax
• Every business benefits, so 15% of funds would come from business parking levy
• Every land development benefits, so 5% of funds would come from development charges
## Impact on Families

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Household</td>
<td>$477/year or $1.31/day</td>
</tr>
<tr>
<td>Senior (limited driving and takes transit)</td>
<td>$140/year or $0.38/day</td>
</tr>
<tr>
<td>Student (does not own a car and uses transit)</td>
<td>$117/year or $0.32/day</td>
</tr>
<tr>
<td>Cost of congestion to the average household</td>
<td>$1,619/year or $4.43/day</td>
</tr>
<tr>
<td>Cost of Car Ownership</td>
<td>$8,000/year or $21.92/day</td>
</tr>
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Impact on the Economy

- **Productivity:** according to the Conference Board of Canada, “good public infrastructure will bolster productivity and add to the Province’s long-term potential”

- **Jobs and Economic Growth:** building our future system generates:
  - $110-130B in GDP growth in Ontario
  - 800,000-900,000 person-years of construction and long-term jobs
  - $25-30B in government revenue

- **Major Global Gateway:** investment in GTHA’s future as one of Canada’s business, trade and immigration gateways
• The Big Move builds a regional system to support an integrated regional economy; we all benefit from an effective system

• At same time, need to provide equity across the region:
  • About 41% of funds generated in the “416” area, and 42% of investments made in the “416” area
  • About 59% of funds generated in the “905” area, and 58% of investments made in the “905” area

• Does not include development charges or the Partnership Initiative
• Also proposing three complementary tools to support policy objectives:
  • HOT Lanes
  • Pay-for-Parking at Transit Stations
  • Land Value Capture
It’s Time to Invest in Our Future

- GTHA is one of world’s great urban regions
- Our transportation system has been holding us back
- We have an opportunity to turn this around
- Investment Strategy gives us the opportunity to make the decision to invest:
  - In our future
  - In our economy
  - In our quality of life