



City of Richmond

Report to Committee

To: General Purposes Committee

Date: December 18, 2014

From: Victor Wei, P. Eng.
Director, Transportation

File: 01-0154-04/2014-Vol
01

Re: **Plebiscite to Enable New Regional Funding Source for *Regional Transportation Investments: A Vision for Metro Vancouver***

Staff Recommendation

That the report regarding a plebiscite to enable a new 0.5 per cent regional sales tax, termed the Metro Vancouver Congestion Improvement Tax, to support transportation investments in the Metro Vancouver area, dated December 18, 2014, from the Director, Transportation, be received for information.

J. Canavero

FOR Victor Wei, P. Eng.
Director, Transportation
(604-276-4131)

Att. 6

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER <i>He Ereg</i>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: <i>md</i>
APPROVED BY CAO/DEPUTY <i>He Ereg</i>	

Staff Report

Origin

On June 12, 2014, the Mayors' Council on Regional Transportation (the Mayors' Council) approved *Regional Transportation Investments: A Vision for Metro Vancouver* (the Vision), which outlines a 30-year vision for transportation improvements for the region as well as an investment and implementation plan for the next 10 years. As required by provincial legislation, a referendum must first be held if any new fees or taxes are used to expand the Metro Vancouver transportation system.

Accordingly, on December 11, 2014, the Mayors' Council approved the wording of the referendum to seek approval for a new regional revenue source to support the transportation investment and forwarded the proposed question to the Minister of Transportation & Infrastructure for approval (Attachment 1). On December 18, 2014, Minister Stone announced approval of a plebiscite with an amended question (Attachment 2).

This report provides information regarding the proposed investments for the region and for Richmond, and the proposed regional funding source.

Analysis

Planned Regional Transportation Investments

The Vision includes plans for \$7.5 billion (in 2015 dollars) in new capital spending for the region. The major components of the Vision are:

- A new rapid transit line along Vancouver's Broadway corridor from VCC-Clark to Arbutus Street within the first 10 years with a future extension to UBC, the timing of which is to be determined also within the 10 years. The City of Vancouver will be responsible for paying the incremental cost for a tunnelled line beyond technical and functional requirements.
- Three new light rapid transit lines in Surrey and the Langleys that will be phased in along 104th Avenue and King George Boulevard (both within the first seven years) and along Fraser Highway (within the first 12 years).
- A new tolled 4-lane Pattullo Bridge, expandable to 6-lanes if needed in the future, to be constructed as soon as possible.

Additional region-wide improvements include a 25 per cent service hour increase over today for bus transit including frequent bus and SeaBus services, new bus coverage areas, additional NightBus service, and a 30 per cent increase in HandyDART service hours.

Planned Transportation Investments for Richmond

Attachment 3 provides an overview of the planned investments for Richmond while Attachment 4 identifies sub-regional benefits. Table 1 below provides the planned timing of implementation of the improvements for the first 10 years of the Vision.

Table 1: Timing of Planned Richmond Transportation Investments

Category	Years 1-5	Years 6-10
Roads	<ul style="list-style-type: none"> Major Road Network (MRN) upgrades: annual proportionate funding share of \$20M budget Operations, maintenance and rehabilitation (OMR) on MRN: one-time 10% increase in lane-km allowance plus annual 1% increase in lane-km allowance 	
Transit Facilities		<ul style="list-style-type: none"> Highway 99-Steveston Hwy: rapid bus stations in line with Massey Tunnel replacement Steveston: off-street bus exchange
Canada Line Upgrades	<ul style="list-style-type: none"> Year 1: service increases with existing fleet Year 3: purchase of 12 additional cars and increased service 	<ul style="list-style-type: none"> Years 7-9: capacity upgrades at stations and platforms Year 9: purchase of 8 additional cars
B-Line Service	<ul style="list-style-type: none"> Richmond-Brighthouse Station to Metrotown via Knight St., Bridgeport Rd, Garden City Rd 	
Transit Service	<ul style="list-style-type: none"> Existing frequent all day corridors (e.g., #410): share of additional 304,000 annual service hours New frequent all day corridors (e.g., #401, #403, Bridgeport Rd-Knight St): share of additional 118,000 annual service hours Increased peak service (e.g., #402): share of additional 117,000 annual service hours Custom transit (HandyDART): share of additional 190,000 annual service hours 	
Cycling & Walking	<ul style="list-style-type: none"> New cycling infrastructure: annual proportionate funding share of \$11.6 million budget (by Year 6) with cost-sharing at up to 75% for regional priorities such as traffic-protected bikeways in Urban Centres and key links on the Major Bikeway Network New pedestrian infrastructure for access to transit services: annual proportionate share of \$5.0 million budget (by Year 6) 	

Plebiscite Question

The Mayors' Council originally proposed the following "yes/no" referendum question:

Do you support a one half percentage point (0.5%) increase to the Provincial Sales Tax in Metro Vancouver, dedicated to the Mayors' Transportation and Transit Plan, with independent audits and public reporting?

The Province has approved the following "yes/no" plebiscite question (see Attachment 5 for a sample mail-in ballot):

Do you support a new 0.5% Metro Vancouver Congestion Improvement Tax, to be dedicated to the Mayors' Transportation and Transit Plan?

While the terms referendum and plebiscite are commonly used interchangeably, the latter term specifically denotes a vote that is advisory or consultative rather than legally binding on the government.

Proposed New Regional Funding Source

Funding for the \$7.5 billion in capital investments outlined in the Vision is to be achieved through new regional revenues (\$2.5 billion), partner government funding contributions (\$4.0 billion) and increased user revenues (\$1.0 billion). The Mayors' Council originally proposed a new regional funding source of a regional 0.5 per cent increase to the Provincial Sales Tax (PST). The Mayor's Council selected this revenue option as the best and preferred funding source for the following reasons:

- Fair: as everyone pays and everyone benefits from the transportation and transit system, versus other considered options including regional increase to BC Carbon Tax and an annual vehicle registration fee.
- Lowest Cost per Household: most economically balanced between different sectors of the economy, and has the lowest cost per household with no household forecast to spend more than 0.2 per cent of income on this new tax. This is partly because many basic necessities are exempt from the PST (food, shelter, children's clothes, medicine, and transportation expenses), which account for a higher share of expenditure by low-income households. The cost to the average household would be about \$125 per year.

The Province has now approved a proposed regional funding source of a 0.5 per cent regional sales tax, the Metro Vancouver Congestion Improvement Tax, which would be separate and distinct from the PST. If approved, the tax would be applied as a sales tax to the majority of goods and services that are subject to the PST and are sold or delivered within the region.

The proposed revenue source would generate approximately \$250 million per year, which is less than the previous estimated required amount of \$285 million per year necessary to implement the investments in a timeframe consistent with the Vision. The Vision assumes that the revenue source will grow over time as population and economic activity increases in the Metro Vancouver area. In addition, the intended development and introduction of mobility pricing as a revenue mechanism within five to eight years is anticipated to also address any funding gap.

Should the plebiscite be approved and the revenue source be implemented, the new sales tax would come into effect April 1, 2016 at the earliest. Should the plebiscite not be approved, the last opportunity to seek a new regional funding source is in 2018 coincident with the next municipal elections. Further, if the new regional funding source is not approved and/or senior government partner funding does not materialize on the levels or schedule assumed, then the likely result is timeline changes to the delivery of the projects.

Concurrently, the Mayors' Council will continue to move towards the introduction of mobility pricing within five to eight years as a revenue mechanism and system management tool with the formation of an Independent Commission on Mobility Pricing to oversee the required policy, technical, communications, and engagement tasks necessary to achieve this timeline (see Attachment 6).

Plebiscite Administration

Minister Stone has confirmed that the vote will be administered by Elections BC as a mail-in ballot plebiscite under the *Election Act* with administration costs to be provided by the Province. Ballots will be sent out beginning March 16, 2015 and eligible voters will have a six-week period until May 29, 2015 to mail in their response. The Province will consider a regional result of 50 per cent plus one to constitute majority support for the question.

Plebiscite Campaign

The Mayors' Council will next develop an engagement strategy for the campaign as well as an advocacy strategy to secure the required funding from the federal government. Organizations

both for and against the proposed regional sales tax have formed. The Better Transit and Transportation Coalition¹, comprised of business groups, unions and environmental organizations, will campaign for the “yes” vote while the Canadian Taxpayer’s Federation intends to oppose the proposed tax.

Financial Impact

None.

Conclusion

As part of the development of the Vision, staff worked with the Mayors’ Council and TransLink staff to provide input on Richmond’s desired transportation improvements. Staff will continue to liaise with both groups to advance the identified projects for Richmond as part of the plebiscite package.



Joan Caravan
Transportation Planner
(604-276-4035)

JC:jc

- Att. 1: Draft Mayors’ Council Transmittal Letter to Minister Stone re Transportation and Transit Referendum
- Att. 2: Minister Stone’s Letter to Mayors’ Council re Recommendations on Question and Proposed New Revenue Source
- Att. 3: Regional Transportation Investments – Richmond
- Att. 4: Regional Transportation Investments – Benefits by Sub-region
- Att. 5: Transportation and Transit Plebiscite – Sample Mail-in Ballot
- Att. 6: Mayors’ Council Resolution re Mobility Pricing in Metro Vancouver

¹ Founding Coalition members include the Vancouver Board of Trade, David Suzuki Foundation, Downtown Surrey Business Improvement Association, Unifor Local 111, Tourism Vancouver, Greater Vancouver Gateway Council, and the B.C. Chamber of Commerce. The Coalition is anticipated to gain new members.

ANNEX B: Draft Transmittal Letter to Minister Stone

December 11, 2014

Honourable Todd Stone
Minister of Transportation and Infrastructure
P.O. Box 9055 Stn Prov Govt
Victoria, BC V8W 9E2

Sent via e-mail

Dear Minister Stone,

On behalf of the Mayors' Council, I am pleased to present our recommendation for the referendum question for your consideration and for a public mail-in vote starting in mid-March, 2015. The full text of the proposed ballot question is attached.

The mayors have come together in an unprecedented consensus around a plan to accommodate one million more residents expected in our region by 2040 by fighting congestion to keep people and our economy moving. This plan, which we shared with you in June, 2014, has been broadly and positively received by business, labour, environmental and health groups and individuals.

With the enclosed recommended referendum question, I believe we have met all the conditions laid out by the province. Last February, at your request, we began to develop a fully-costed plan that defines the priority investments for the region over the next decade, so that residents would know what they would be getting and how it would be paid. You have confirmed that the province, historically, cost-shares major capital projects, and we have assumed this practice will continue with this new plan. Finally, again responding to provincial requirements for new rapid transit projects, we developed a financial model, business case and public support for an extension of the Millennium Line tunneled along Broadway and the construction of two LRT lines in Surrey/Langley.

To fund this new plan, we identified several near-term regional revenue sources, including a regional carbon tax, a vehicle registration fee, and a small increase to the provincial sales tax within the region. We also committed to move towards comprehensive mobility pricing for roads and transit within the next 5 to 8 years to increase fairness, efficiency and revenue (see attached for a resolution we shared with you in October, 2014, calling for provincial support to develop a mobility pricing approach through an independent commission).

On June 24, you acknowledged receipt of our plan and confirmed we had fulfilled your requirements. You asked us to look again at proposed revenue sources, and you reiterated the need to ensure our plan was affordable for families, for the region and for the provincial economy.

Through the fall, the mayors worked with staff, conducted in-depth market research and consulted with Provincial officials and stakeholders to arrive at a revenue source that will most efficiently deliver the benefits of the investment plan for the region.

Based on all of this work, we have determined that a half percentage point (0.5%) increase to the provincial sales tax (PST), collected within Metro Vancouver, is the most fair, efficient, and affordable

revenue source. The PST applies to all residents, businesses and visitors; and to drivers and transit users, all of who benefit and rely upon an effective and reliable transportation system. As a result, it has the lowest cost per household, and the least impact for lower income families.

We request that the government approve the attached referendum question promptly, commit to implement the results of a successful referendum, and agree to support our efforts to raise awareness of the proposed investments and the referendum so that voters are able to make an informed choice.

Traffic congestion is one of the top issues in this region among residents and business, and it's worsening steadily. In the face of immediate and ongoing growth, transportation is the most critical challenge that we face. We cannot afford to fail in our efforts in the coming months. The cost of doing nothing would be the highest cost of all.

We trust that you and your colleagues will work with us to deliver our plan and cut congestion.

Sincerely,

Mayor Richard Walton
Chair, Mayors' Council on Regional Transportation

Cc: Mayors' Council on Regional Transportation

Attachments: Referendum Question on Regional Transportation and Transit
Mayors' Council Resolution on Mobility Pricing, October 17, 2014

Ministry of Transportation and Infrastructure, Transportation Sector, Cariboo Chilcotin Coast Region, Kootenay Rockies Region, Northern B.C. Region, Provincewide, Thompson / Okanagan Region, Vancouver Coast & Mountains Region, Vancouver Island / Coast Region

Re: Mayors' Council Recommendations

/2014/12/re-mayors-council-recommendations.html

Thursday, December 18, 2014 11:35 AM

Dear Mayor Walton:

Thank you for your letter of Dec. 11, 2014, providing me with the Mayors' Council recommendations respecting the question to be taken to voters in spring 2015 and the proposed new revenue source.

As I committed, I have carefully considered the wording of the Mayors' Council proposal and am pleased to advise you that the Province is prepared to support your question and proposed revenue source, with some minor refinements that reflect input from Elections BC in order to meet their ballot fairness requirements.

Revenue Source

In support of the Mayors' request for a regional sales tax, government has approved a plebiscite on whether to enable a 0.5% regional sales tax to implement regional transportation and transit priorities as proposed by the Mayors' Council. This tax would be separate and distinct from the Provincial Sales Tax (PST). If approved, the Metro Vancouver Congestion Improvement Tax would be applied as a sales tax to the majority of goods and services that are subject to the PST and are sold or delivered within the region.

Question

In response to your suggested question, government has approved an amended question which substantially reflects the wording proposed by the Mayors' Council. The question will allow the voters of Metro Vancouver to have their say on whether or not the Mayors' vision and funding source meets their needs for today and future years.

The final approved question is provided as an attachment to this letter.

Vote Administration

The vote will be administered by Elections BC as a mail-in ballot plebiscite under the Election Act. Costs of administering the vote will be provided by the Province. Provincial funds will not be provided for either proponent or opponent groups.

Consistent with your recommendation on the voting period, I can also confirm that ballots will be sent out beginning March 16, 2015. To provide time for public dialogue and to allow voters to fully inform themselves about their choices, the voting period will extend until May 29, 2015. With respect to the outcome of the vote, government will consider a regional result of 50% +1 to constitute majority support for the question.

Transit expansion is vital to economic development in Metro Vancouver and will be a critical component of ensuring that the region is able to accommodate the million additional people expected over the next 30 years. I appreciate your efforts to date and look forward to a positive outcome that will benefit the residents of Metro Vancouver and the economy of British Columbia.

Sincerely,

Todd G. Stone
Minister

To view the Metro Vancouver Transportation & Transit Plebiscite please click on the following link:

http://www.newsroom.gov.bc.ca/downloads/Transit_Plebiscite_Dec_18_14.pdf

(http://www.newsroom.gov.bc.ca/downloads/Transit_Plebiscite_Dec_18_14.pdf)

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STORIES**

REGIONAL TRANSPORTATION INVESTMENTS RICHMOND



Richmond is growing and facing transportation-related challenges, including congestion, long and unreliable commute times, air pollution and capacity constraints. Congestion is bad for the air we breathe, it's damaging to our economy, it erodes family time and it impacts our health. With over one million new residents expected in Metro Vancouver over the next 30 years, we need to take action to reduce congestion by investing in our region's transportation system.

WE NEED TO TAKE ACTION TO REDUCE CONGESTION BY INVESTING IN OUR REGION'S TRANSPORTATION SYSTEM

The Mayors' Council, after an extensive review of current and future transportation needs and potential investments in Metro Vancouver, has identified priority transportation improvements to reduce congestion and travel time, and to provide commuters, travellers and businesses with more transportation choices. For drivers, the Vision will reduce congestion on the roads, through improved transit service, and will provide a real alternative to driving. For transit users, the Vision will improve and extend bus service and expand the rapid transit system. The Vision will also enable cycling to become a safer and viable travel choice.

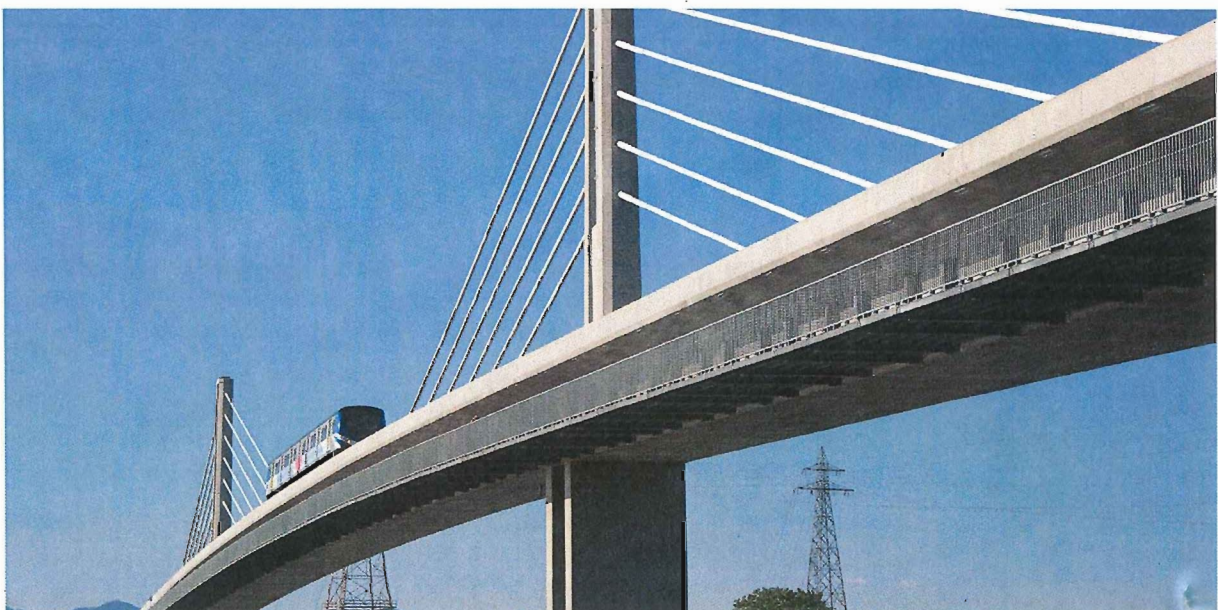
CANADA LINE UPGRADES - EXPANDING CAPACITY TO MEET AN 85% INCREASE IN RIDERSHIP BY 2045

Ridership demand on the Canada Line has grown since opening in 2009 and is expected to grow by another 85% by 2045. TransLink is currently undertaking the Canada Line Service Review to meet the increasing demand expected in the next 30 years. This Vision will provide service and infrastructure upgrades needed in the next 10 years, including:

- 12 additional train cars to increase capacity and alleviate crowding on the Richmond branch of the Canada Line
- Extension of platforms to accommodate future 3-car configuration
- Enhancement of stations to accommodate greater passenger volumes

Key Benefits

- ✓ Less congestion
- ✓ Shorter commute times
- ✓ Increased travel reliability and capacity
- ✓ Better transit service means fewer cars on the road



EVERYONE BENEFITS FROM TRANSPORTATION INVESTMENTS

To provide a fast and efficient transportation system in a growing region, the Vision is proposing new and better service, expanded infrastructure and other investments to keep the region's people and goods moving, including:



B-LINE – CONNECTING RICHMOND-BRIGHOUSE STATION TO METROTOWN

- New B-Line: Richmond-Brighouse Station to Metrotown via Knight Street, Bridgeport Road and Garden City



BUS – INCREASE IN SERVICE FOR MORE RELIABLE, MORE FREQUENT AND EXTENDED SERVICE

- Improve and expand frequent all-day service: service that runs at least every 15 minutes in both directions throughout day and into the evening, every day of the week, e.g., Railway Avenue
- Improve and expand frequent peak service: service that runs at least every 15 minutes during highest-demand time periods, e.g., Cambie Road, No. 1 Road/Garden City Road, No. 3 Road, Bridgeport Road/Knight Street
- Increase the frequency and span of service on the existing NightBus network



EXISTING RAIL UPGRADES

- Upgrades and expansion to fleet and stations on existing rapid transit lines, including the Canada Line, to reduce overcrowding and improve the transit experience
- Canada Line upgrades and additional fleet vehicles to address an expected 85% increase in ridership



BUS EXCHANGE UPGRADES

- Expansion, upgrade or reconfiguration of transit facilities: e.g. new exchanges in Steveston and on Highway 99 at Steveston Highway and Highway 17A



CYCLING/WALKING IMPROVEMENTS

- Investments in cycling routes in partnership with municipalities: 2,700 kilometres of bikeways including 300 kilometres of fully traffic separated routes region-wide
- Investments in bike parking at transit stations
- Better connections to transit through pedestrian improvements at or near transit stops and stations



ROAD INVESTMENT

- An additional \$36 million per year will go towards maintaining and upgrading the Major Road Network (MRN), in a cost-share with municipalities around the region



FOR ADDITIONAL INFORMATION:

Website
Email

mayorscouncil.ca
info@mayorscouncil.ca



ALL MUNICIPALITIES

Key Messages

1. A million more people are moving to Metro Vancouver by 2040. Our region is congested now and will get worse if we fail to act.
2. The Mayors' plan will cut congestion by providing improved transportation and transit service to people everywhere in Metro Vancouver.
3. The plan includes improvements and expansion to rail, bus and SeaBus, and safer, less congested roads.
4. The Mayors' plan will protect our economy, our environment, and help people spend more time with their families instead of being stuck in traffic.
5. The cost of doing nothing is the highest cost of all. It means more congestion, more pollution, more time in traffic, and puts our economy at risk.

Benefits by sub-region:








% Population living within walking distance of FTN*			
	2011	2045	% growth, 2011 to 2045
Burnaby & New West	70%	81%	10%
North Shore	30%	50%	20%
North East Sector incl. Pitt Meadows & Maple Ridge	27%	57%	30%
Richmond	39%	62%	20%
South of Fraser	20%	53%	35%
Vancouver & UEL	92%	94%	2%
TOTAL (Entire Region)	50%	70%	20%

% Jobs within walking distance of FTN*			
	2013	2045	% growth, 2011 to 2045
Burnaby & New West	80%	90%	10%
North Shore	61%	77%	15%
Northeast Sector incl. Pitt Meadows & Maple Ridge	50%	78%	30%
Richmond	54%	74%	20%
South of Fraser	31%	67%	35%
Vancouver & UEL	93%	95%	2%
TOTAL (Entire Region)	65%	80%	15%

*FTN or Frequent Transit Network includes B-Lines and Rapid Transit (service at least every 15 minutes, all day and into the evening, every day of the week).

METRO VANCOUVER TRANSPORTATION & TRANSIT PLEBISCITE

The region's mayors have developed a Transportation and Transit Plan called ***Regional Transportation Investments – a Vision for Metro Vancouver***. The Mayors' Transportation and Transit Plan will:

-  Add bus service and new B-Line rapid bus routes
-  Increase service on SkyTrain, Canada Line, SeaBus, and West Coast Express
-  Maintain and upgrade the region's major roads
-  Build a new Pattullo Bridge
-  Build rapid transit connecting Surrey Centre with Guildford, Newton, and Langley
-  Build rapid transit along Broadway in Vancouver
-  Extend the region's cycling and pedestrian walkway networks

A new *Metro Vancouver Congestion Improvement Tax* would be applied as a 0.5% sales tax on the majority of goods and services that are subject to the Provincial Sales Tax and are sold or delivered in the region.

More detail can be found at: www.websiteaddress.ca.

Revenues would be dedicated to the Mayors' Transportation and Transit Plan. Revenues and expenditures would be subject to annual independent audits and public reporting.

Do you support a new 0.5%
Metro Vancouver Congestion
Improvement Tax, to be dedicated
to the Mayors' Transportation and
Transit Plan?

YES NO



NEXT STEPS TOWARDS MOBILITY PRICING IN METRO VANCOUVER

WHERE AS The foundation of the Mayors' Council Vision is built on implementing comprehensive mobility pricing on road and transit networks within 5-8 years; and,

WHERE AS Mobility pricing will help ease congestion, generate revenue to invest in the transportation network and provide an opportunity for a tax shift away from other existing, less effective and fair revenue sources; and,

WHERE AS To design a mobility pricing system that is suitable for Metro Vancouver, significant work is required, including collaboration with the provincial government, and engagement with road users, transit riders and businesses; and,

WHERE AS Beginning this work immediately with all partners including the provincial government will ensure mobility pricing is ready to deploy within 5-8 years; therefore,

BE IT RESOLVED THAT

1. A "Mobility Pricing Independent Commission" be created, led by the Mayors' Council, with TransLink, Municipalities, and partner agencies, to oversee all the required policy, technical, communications, and engagement work in order to implement mobility pricing on the road network in Metro Vancouver within 5 to 8 years;
2. The Minister of Transport and Infrastructure recommit his officials to support the development of mobility pricing;
3. The provincial government coordinate their review of the provincial tolling policy with the work of the *Mobility Pricing Independent Commission*;
4. The TransLink Board support this call for a *Mobility Pricing Independent Commission* and the necessary development and implementation work to enable it.

*ADOPTED, Mayors' Council on Regional Transportation
October 17, 2014*