



STAFF REPORT ACTION REQUIRED

Long Term Transportation Plan and Funding (Investment) Strategy

Date:	September 24, 2012
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

This report outlines the approach to developing a long-term transportation plan and funding (investment) strategy to address the city's comprehensive transportation needs in the context of the City's Official Plan 5-Year Review process.

Recent decisions by Toronto City Council and Metrolinx will see the investment of \$8.7 billion dollars to expand Toronto's transit system with four new light rail transit lines scheduled for completion by 2020. The extension of the University/Spadina subway, construction of the Pearson Airport Air-Rail Link, and revitalization of Union Station, will further integrate the City's transit system with the regional transportation system.

Despite significant recent investment, Toronto's transportation infrastructure requires continued expansion and upgrading to support transit ridership demand, relieve congestion, and develop a comprehensive transportation network that improves accessibility and mobility city-wide. The Official Plan provides the policy framework for undertaking a comprehensive review of transportation and its role in supporting growth in the city. The Official Plan 5-year review will include the development of a long term transportation plan focussing primarily on the next phase of transit expansion (2020 to 2031), as well as on other broad transportation policies for goods movement, pedestrians, cyclists, and public roads.

The current economic climate and fiscal positions of all orders of government require renewed focus on dedicated funding tools for transportation network expansion. Re-examining the roles and responsibilities of municipal, provincial and federal governments in funding transportation infrastructure is also required. Council directed the development

of a funding (investment) strategy in order to achieve a realistic and sustainable approach to future investment in transportation infrastructure.

RECOMMENDATIONS

The City Manager recommends that,

1. Executive Committee authorize the City Manager to undertake public consultations seeking input from the citizens of Toronto on transportation infrastructure funding options using the attached documents as background.

a) Appendix A—Report dated August 29, 2012 from the Chief Planner and Executive Director headed "Official Plan Review: Transportation Planning Policy in Support of a Comprehensive Transit Plan", considered on September 13, 2012 by the Planning and Growth Management Committee as item PG17.17.

b) Appendix B—Discussion paper headed "Transportation Funding Strategy" prepared by the Deputy City Manager and Chief Financial Officer, dated September 24, 2012.

2. Executive Committee direct the City Manager to report back to Executive Committee in spring 2013 on the results of the public consultation and a recommended City position on funding tools for Council's endorsement and submission to Metrolinx.

Financial Impact

There is no financial impact resulting from the implementation of the report recommendations. The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

CC17.1: "Metrolinx Transit Projects in Toronto", February 8, 2012, Special Meeting of City Council

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CC17.1>

Council approved light rail transit projects for Eglinton Crosstown, Finch West and the Scarborough RT conversion as part of the Metrolinx "5 in 10 projects". Council also requested an expert advisory panel regarding transit on Sheppard Avenue East.

CC20.1: "Report from the Sheppard Transit Expert Advisory Panel Regarding Transit on Sheppard Avenue East", March 21 2012, Special Meeting of City Council

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CC20.1>

City Council directed the City Manager to prepare a long term funding strategy, outlining public and private revenue tools that could be implemented in the City of Toronto. City

Council also requested the City Manager to report back on a comprehensive transit plan as a part of the Official Plan update, in addition to holding public consultation.

EX 21.35: "Moving Forward: Improving Public Transit and Relieving Traffic Congestion through a Regional Funding Strategy", July 11, 2012, City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX21.35>

City Council directed the City Manager to work with Metrolinx to establish a working group representing the City of Toronto, Greater Golden Horseshoe municipalities, the Ontario Ministry of Transportation, the Ontario Ministry of Finance, the Ontario Ministry of Municipal Affairs and Housing, to provide input to the Metrolinx Investment Strategy.

PG16.6: "Request to Include Transit Priorities in Official Plan Review", July 11 2012, City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG16.16>

Council directed the City Manager, Deputy City Manager Cluster B, and the Acting Chief Planner to report to the September meeting of Planning and Growth Management Committee on the work arising from Council's direction at the February 8 and March 21, 2012 meetings of Council to develop a comprehensive transit plan.

PG16.8: "Request to Report on East Bayfront Light Rail Transit, July 11, 2012, City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG16.18>

City Council support and endorsed the East Bayfront LRT line as an added priority for Toronto's transit network.

PG17.17: "Report Official Plan Review: Transportation Planning Policy in Support of a Comprehensive Transit Plan", September 13th, 2012, Planning & Growth Management Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PG17.17>

The report responds to the request made by Council on July 11, 2012, as outlined above (PG16.6), and is included as Appendix A in this report.

ISSUE BACKGROUND

Transportation and Productivity

The movement of goods and people are fundamental drivers of economic growth requiring transportation infrastructure that supports accessibility and mobility across Toronto and the region. In 2009, the Organization for Economic Cooperation & Development (OECD), noted that transit infrastructure in the Toronto region is less developed than in several other OECD metropolitan regions, and has not kept pace with population growth.¹ In Toronto, round trips to and from work take an average of 80

¹ OECD Territorial Review- Toronto

minutes, which is the longest commute time out of 24 major global cities according to a 2011 report from the Toronto Board of Trade. Metrolinx has estimated congestion is costing the GTHA \$6 billion annually² and will grow to \$15 billion annually by 2031 without investment in expanding the transportation system (Metrolinx: 2006 data).

During the City's 2011 Core Service Review public consultation, transit was identified as one of the most vital City services by Toronto residents, with many suggesting the current system is out of date, and requires significant investment to be a viable alternative to other transportation modes. The City is currently updating an Economic Growth Plan, and in a recent June 2012 staff report to the Economic Development Committee noted that transportation is the most visible infrastructure need³. Addressing the transportation infrastructure needs of the Toronto area is critical to maintaining a globally competitive metropolitan region.

Metrolinx's Regional Transportation Plan

In 2008, Metrolinx approved The Big Move, a \$50 billion capital expansion plan investing in regional transportation for the GTHA. The Big Move contains multi-modal solutions such as rapid transit, road and highway projects. The Province of Ontario committed \$9.5 billion to support implementation of the first phase of the regional transportation plan. Following Toronto City Council decisions in February and March 2012, Metrolinx and the Province of Ontario approved the implementation of the following transit projects in Toronto:

- Eglinton Crosstown LRT from the Jane Street / Black Creek area to Kennedy Station with an in-service date of 2020,
- Scarborough RT / Sheppard LRT maintenance and storage facility, with a construction start of 2013 and substantial completion in 2016,
- Scarborough RT replacement and extension to Sheppard Avenue, with a construction start of 2014 and an in-service date of 2019,
- Sheppard East LRT from Don Mills Station to east of Morningside Avenue, with a construction start of 2014 and an in-service date of 2018; and,
- Finch West LRT from the Toronto-York-Spadina Subway Extension (TYSSE) to Humber College, with a construction start date of 2015 and in-service date of 2019.

The investment will result in \$8.4 billion (provincial) and \$0.3 billion (federal) in transit infrastructure in the City of Toronto, with construction estimated to be completed by 2020. Over the next 8-10 years the city will see considerable expansion of Toronto's transit infrastructure. In addition to the four light rail transit lines, construction of the Yonge-University-Spadina Subway to Vaughan (\$2.6B), and the Air Rail Link to Pearson

² Metrolinx (2006). http://www.metrolinx.com/en/regionalplanning/costsofcongestion/ISP_08-015_Cost_of_Congestion_report_1128081.pdf

³ <http://www.toronto.ca/legdocs/mmis/2012/ed/bgrd/backgroundfile-49803.pdf>

Airport will expand Toronto's transit network. The \$0.7 B revitalization of Union Station will enhance the capacity of the GTHA's most travelled transit hub.

The Big Move identifies several other unfunded rapid transit projects within Toronto, (see Appendix B, p.4). Metrolinx is currently developing an investment strategy to fund the next phase of implementation, and under *The Metrolinx Act* is required to report to the province and municipalities by June 2013.

Identifying the Next Phase of Transportation Investment

City Council has directed staff to begin planning for the next phase of transit expansion in the City of Toronto. A long term plan will seek to identify the transit priorities that will support city building objectives, integrate transit and land use planning, and complement other transportation modes.

The Metrolinx Big Move plan sets out the next phase of regional transit projects (see Appendix A, Attachment 4)). Many transit routes/alignments identified in past transit plans are currently reflected in The Big Move. The schedule of projects however is not an exhaustive list of Toronto's transit needs, nor necessarily reflects the priorities of the City in terms of timing of implementation. Reviewing the sequence of Toronto projects included in The Big Move and identifying other transit expansion priorities out to 2031 should be undertaken to match priorities with Toronto's needs, through a publicly accessible process.

The second stream of work requires the development of an investment strategy that complements Toronto's long term transportation plan in order to achieve a realistic and sustainable approach to future investment. At present transit and transportation capital projects comprise 45% of the City's \$23.586 B capital budget (2012-2021)⁴. The current economic climate and fiscal positions of all orders of government require renewed focus on the funding mechanisms required to support continued transportation investment. Re-examining the roles and responsibilities of municipal, provincial and federal governments in funding critical transportation infrastructure is necessary to ensure continued economic growth and prosperity in Toronto and the region.

COMMENT

1. Official Plan Review: Transportation Planning Policy in Support of a Comprehensive Transit Plan (Appendix A)

The City is currently undertaking a 5 year review of the Official Plan. At the September 13, 2012 meeting of the Planning and Growth Management Committee, the Acting Chief

⁴ TTC (26%), Transportation Services (9%), Spadina Subway Extension (8%) and Union Station (2%)

Planner presented a report "Official Plan Review: Transportation Planning Policy in Support of a Comprehensive Transit Plan" (see Appendix A), in response to Council direction from the July 11, 2012 meeting of Council.

As requested by Council, Appendix A provides an overview of past and present transit plans that were either approved or vetted by City Council, the former Municipality of Metropolitan Toronto, the TTC and the Province of Ontario. Many of the corridors/alignments identified are included in the current City of Toronto Official Plan and/or the Metrolinx "Big Move", providing a comprehensive list of transit corridors/alignments to be considered as potential priorities in the next phase of expansion.

The Official Plan (OP) sets the policies for transit and transportation planning. The current OP is based on an urban structure which includes centers and corridors. Growth is encouraged in the centers and in designated avenues served by transit and where improvements in public transit are anticipated over time. As noted in Appendix A, since the adoption of the Official Plan by City Council in 2002 (and approved by the Ontario Municipal Board in 2006), 80% of the growth has occurred in the identified growth areas.

City Planning will seek to strengthen existing transportation policies in the OP to be more directive in terms of how transportation infrastructure decisions, and especially transit expansion decisions, should be made. Strengthening the OP's transit policies is important because it guides both public and private sector capital investment decisions, provides a public process for establishing the City's investment priorities and provides certainty concerning the City's infrastructure planning direction.

The development of Toronto's Long Term Transportation Plan (present to 2031) will build upon a decision making framework for prioritizing future transit expansion routes/alignments to be embedded in the Official Plan. The prioritization framework will guide decision making for the next phase of expansion, and give clearer direction on the principles that will guide investment decisions post 2031.

2. Toronto's Long Term Transportation Plan (Present to 2031)

The time horizon for the Official Plan 5-Year Review and the Long Term Transportation Plan is set to 2031. As identified through the report to Council by the Sheppard Transit Expert Advisory Panel, determining growth projections, particularly employment growth becomes more uncertain the longer the time horizon. The Metrolinx 25 year plan released in 2008 identifies priorities to approximately the same time frame.

Toronto's Regional Transportation Priorities in The Big Move (2008-2033)

The Metrolinx Big Move Plan was developed through a consultative process with municipalities. A significant number of Toronto routes/alignments were included within the regional plan, and present an opportunity to enhance the integration of Toronto's

transit network with the regional transportation system.

A primary objective of Toronto's Long Term Transportation Plan will seek to refine the sequence of priorities outlined in the regional transportation plan, by applying the decision making framework for transit prioritization to be developed through the Official Plan Review process. By applying the criteria and involving the public in prioritizing Toronto's projects contained in The Big Move, the intention is to ensure the next phase of regional transit projects implemented meet Toronto's city building objectives. In spring 2013, a report to Council will outline Toronto's prioritization of projects included in Metrolinx's regional transportation plan, to inform the development of the regional agency's Investment Strategy.

Toronto's Other Transportation Priorities (Present-2031)

The regional plan does not address all of Toronto's transportation and transit infrastructure needs, as indicated in Appendix A (see attachments 2 and 3). The second objective of the City's Long Term Transportation Plan is to identify other priorities for the City out to 2031. Building on the prioritization framework developed through the OP review process, the intention is to establish a plan for Toronto's other transportation priorities, which could include possible City requested adjustments to the Metrolinx Big Move Plan.

For example, at the July 2012 meeting of Council, motion PG16.18 requesting East Bayfront LRT be listed as a transit priority was considered with motion PG16.16. Council directed staff report to Planning and Growth Management Committee (Appendix A) on the development of a Long Term Transportation Plan through the Official Plan Review process. The East Bayfront LRT was endorsed as a priority by Council, and will be included in the list of routes/alignments that will undergo a publicly consulted prioritization process to develop a long term plan.

The extension of rapid transit to East Bayfront from Union Station is a key cornerstone of waterfront revitalization efforts. Both the City's Central Waterfront Secondary Plan and Waterfront Toronto's revitalization plan identify higher order transit as a prerequisite for realizing the full redevelopment potential of waterfront lands.

3. Transportation Funding (Investment) Strategy (Appendix B)

As directed by Council during the March 21, 2012 special meeting, a funding (investment) strategy is being developed that will complement the City's long term transportation plan. The Deputy City Manager and Chief Financial Officer has outlined a transportation funding (investment) strategy in Appendix B of this report for public consideration and input.

Funding Toronto's Transit Priorities in The Big Move (2008-2033)

The funding (investment) strategy (see Appendix B) identifies a variety of revenue options that should be considered for public consultation, to help the City recommend a position to Metrolinx for its investment strategy report. Metrolinx is currently committed to spend \$8.7 billion (\$0.3 billion is federal funding), plus a share of the next \$40 billion of Big Move capital expenditures in Toronto. These expenditures should address all the major regional transportation improvement investments in Toronto over the next 15 to 20 years.

The City of Toronto cannot afford to undertake this level of funding on its own. If new taxes were implemented in Toronto to support these investments without comparable taxes and expenditures throughout the GTHA, Toronto would suffer from the resulting tax differentials. The Big Move must be implemented and funded on a regional basis.

The list of funding tools under consideration (see Table 1) will be assessed against a set of criteria to determine preferred options for dedicated funding to transportation investment (see Appendix B, p.6). The proposed strategy outlined in Appendix B will also be included in a public consultation process. Results of the public input will inform a final report to Council in spring 2013.

Table 1: Taxes and Levy/Fees

Universal Taxes	Taxes and Fees Related to Road Users	Revenues Specific to Landowners
<ul style="list-style-type: none">• Personal Income Tax• Sales Tax• Payroll Tax	<ul style="list-style-type: none">• Highway Tolls• Fuel Tax• Vehicle Tax	<ul style="list-style-type: none">• Property Tax• Parking Levy• Land Transfer Tax• Development Charges

Funding Toronto's Other Transit Priorities (Present-2031)

The funding (investment) strategy outlined in Appendix B also identifies potential funding for Toronto's other transportation priorities. A transfer of revenues from Metrolinx to Toronto would help address local transportation priorities and perhaps some portion of City capital costs incurred as a consequence of the major transportation investments. If the City develops transportation priorities beyond those contemplated in the Big Move over the same period, these projects would have to be considered and funded within the City's capital and operating budget process.

The development of a Long Term Transportation Plan will provide clear priorities for future transit expansion and investment. This will enable the City to more effectively engage intergovernmental partners on funding needs and respond to future infrastructure funding programs delivered by the Province of Ontario and the Federal Government.

4. Provincial and Federal Partners

The Provincial Government announced in Budget 2011, its 10 year infrastructure plan, called Building Together, which identifies transportation as a key investment category. City staff are monitoring the plan which is currently under development.

In Budget 2011 and Economic Action Plan 2012, the Federal Government announced plans to develop a Long Term Infrastructure Plan (LTIP) that extends beyond the expiry of the Building Canada Plan in 2014. Infrastructure Canada is currently engaging with provinces, territories and the Federation of Canadian Municipalities, to build knowledge and help inform the priorities of the next federal funding package for infrastructure. As directed by Council, the City Manager is preparing a submission to Infrastructure Canada on the preferred program structure and key investment categories (which include transportation) for Toronto.

5. Engaging Stakeholders and the Public

Key Stakeholders

Investing in transportation across the region is a popular topic, with an active community involved. A range of key stakeholders (i.e. Board of Trade, Civic Action) are engaging the public on the need for regional transportation investment and funding tools to implement The Big Move plan. City staff will be monitoring these activities to better inform the City's own public consultation process.

Regional Municipalities

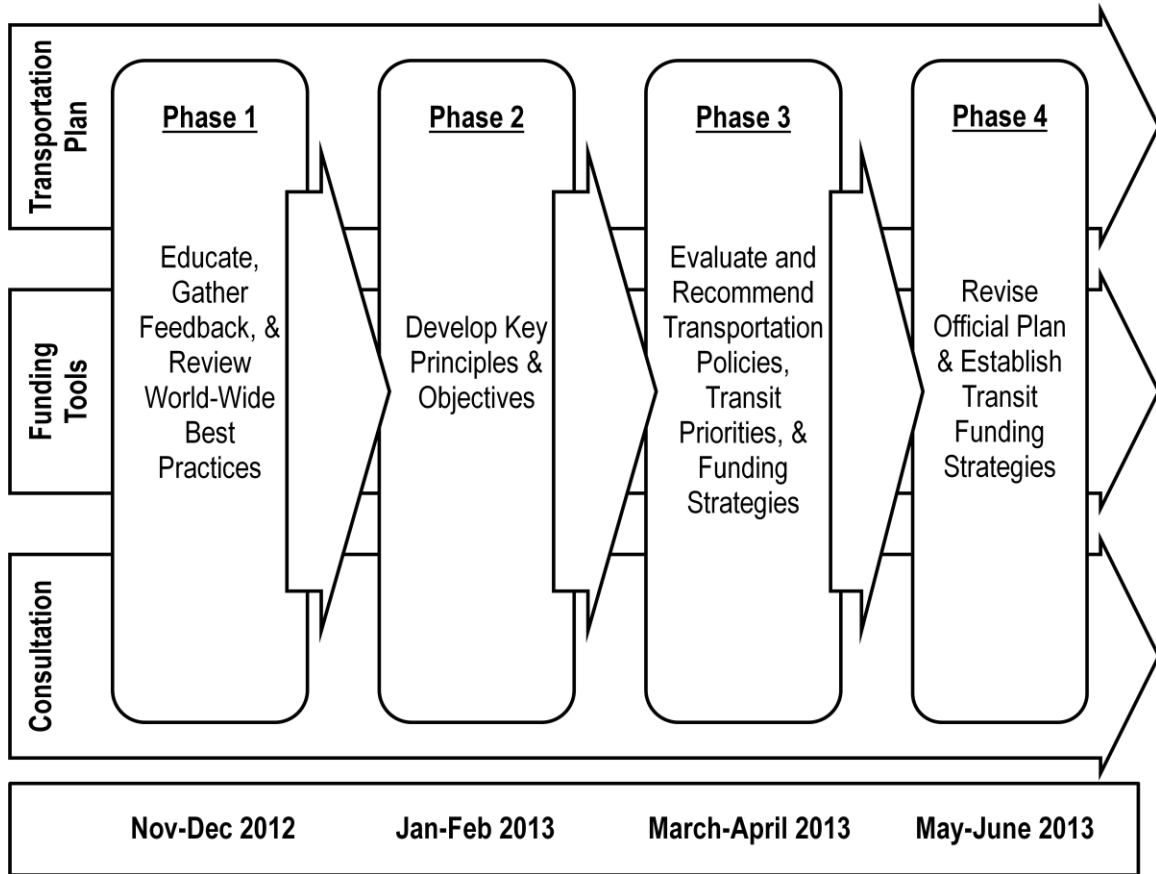
As directed by Council in June 2012, the City Manager and senior staff have been engaging with Metrolinx and GTHA counterparts on the Toronto region's transportation needs. In July and September of this year, the City Manager convened roundtables with GTHA City Managers/Chief Administrative Officers to discuss transportation infrastructure issues in their respective municipalities and potential funding tools. The Deputy City Manager and Chief Financial Officer conducted a similar roundtable with other Chief Financial Officers across the region. These regional dialogues will be continued as Toronto's long term transportation plan and funding (investment) strategy progresses.

Public Consultation

The City Manager has been directed by Council at the March 21, 2012 meeting to conduct a public consultation on Toronto's long term transportation plan and funding (investment) strategy (Diagram 1). The consultation process will build onto the Official Plan Review public consultations for transportation policies as outlined in Appendix A, and the funding tools outlined in Appendix B.

A range of engagement methods will be used to consult with the public including public sessions, social media and online tools. The consultation plan including public information, timelines and opportunities for input will be communicated to the public and members of Council through the City's website.

Diagram 1: Public Consultation Process



CONCLUSION

In summary, the City will be engaging in an aggressive process to develop a long term transportation plan that meets city building objectives, integrates with the regional Metrolinx Big Move Plan, and is informed by broad public consultation. A transportation funding (investment) strategy has also been proposed in Appendix B for public consultation to help inform the Metrolinx Investment Strategy. The development of Toronto's Long Term Transportation Plan and Funding Strategy will provide greater clarity to public and private sector partners on the direction of the City's transportation infrastructure investment. Addressing the critical transportation infrastructure needs of Toronto is an important step to ensuring that Toronto, Ontario and Canada continue to be competitive in the global economy.

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SIGNATURE

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ATTACHMENTS

Appendix A: Official Plan Review: Transportation Planning Policy in Support of a
Comprehensive Transit Plan
Appendix B: Transportation Funding (Investment) Strategy