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Toronto M4 W 3C8

June 12, 2012

Frances Pritchard, City Clerk's Office
City of Toronto Executive Committee

Re: EX 21.35 Councillor Matlow's Motion "Moving Forward: Improving Public Transit and Relieving Traffic Congestion through a Regional Funding Strategy"

I welcome this opportunity to share my thoughts on Councillor Matlow's motion to establish a working group of appropriate officials to provide input into the preparation of a regional funding strategy for improving public transit. We have a limited window of opportunity over the coming year to provide input into the Metrolinx Investment Strategy that is to be forwarded to the Premier by June 2013. As such, Councillor Matlow's motion before you is most timely and deserves the full support of your Committee and City Council. Here is why.

1. WE ARE ALL IN THIS TOGETHER

- Our transportation network is the glue that holds our region together but it has not kept up with our existing and future collective transportation needs
- The 6 million people now living in the Greater Toronto Hamilton Area (GTHA) will grow to 9 million by 2031 with the City of Toronto exceeding 3 million by 2031
- The Greater Golden Horseshoe (GGH) will grow to over 11 million by 2031
- This is like adding the equivalent of Greater Montreal into the region
- Today, the TTC carries over 500 million riders which is equivalent to the entire population of the United States, Canada and Mexico yet it is entirely funded by City of Toronto
- This is not a sustainable model for the City of Toronto
- The success of our collective economy and quality of life will depend on our ability to develop a bold funding strategy to build, operate and maintain the kind of transportation network needed to serve the demands of a 10 million person region

2. THE METROLINX BIG MOVE PLAN

- The Metrolinx "Big Move" regional transportation plan was unanimously adopted by the Board of Directors in November 2008 but no funding strategy is in place to make it a reality four years later
- VISION WITHOUT EXECUTION IS HALLUCINATION!

- The true cost of building, operating and maintaining the kind of transit network we need to serve the transportation demands of a 10+ million person region is in the order of \$75+ Billion
- Toronto needs funding for the Downtown Relief Line, transit stops along the proposed Union to Pearson Georgetown corridor at Liberty, Eglinton and Woodbine to serve local communities, a Waterfront LRT and to radically improve the frequency of service on all TTC streetcar and major bus routes in addition to many other specific initiatives
- Mississauga needs funding for the Hurontario LRT line, Hamilton needs funding for the Downtown LRT line
- Funding is needed to transform the existing GO train network from a commuter service into a regional rapid transit service by introducing all day GO train service and electrification of the entire GO network
- If we are serious about this we need to generate a minimum of \$3 Billion per year from new revenue sources over the next 25 years
- The good news is that it is indeed possible to secure this level of funding

3. HOW TO PAY?

- The \$8+ Billion commitment from the Province for the Eglinton, Sheppard, Finch and Scarborough RT replacement is a wonderful down payment but given the \$15.5 Billion provincial deficit, additional funds must come from other sources
- A National Transit Strategy from the Federal government is needed but Toronto and the GTHA need to have skin in the game to show that we are doing our part
- It is essential to embrace a regional approach regarding new funding tools in order to generate the magnitude of funds needed
- Many possibilities exist and they all involve tough choices but the key is that the funding tools must be totally dedicated to transportation
- The range of tools now used by many other cities and regions in North America include a REGIONAL SALES TAX, A REGIONAL NON RESIDENTIAL PARKING LEVY, A REGIONAL GAS SURCHARGE, A REGIONAL EMPLOYER LEVY, REGIONAL VEHICLE REGISTRATION TAX, INCOME TAX, REGIONAL ROAD TOLLS AND/OR TOLLS ON HOT LANES
- It is essential to remember that nothing is free and without new revenue the existing problem will only get much worse
- Toronto and the GTHA must be prepared to make tough choices and live with the consequences of those choices

4. LESSONS LEARNED FROM AROUND THE WORLD

- KEEP IT SIMPLE!
- Link funding tools to specific transportation projects
- Use existing revenue collection mechanisms
- Pick revenue tools that are broad based across the entire population instead of targeting one sector

- Learn from a 2008 Los Angeles County referendum that resulted in a 67% approval for an increase in the county wide sales tax for new transit lines with the Mayor advancing a 30 year construction program in 10 years
- Learn from the upcoming July 31 Atlanta regional referendum to increase the sales tax by 1% over a 10 county wide area
- Recognize that Seattle has adopted a vehicle registration tax and Vancouver has adopted a regional gas tax surcharge for Metro Vancouver
- Recognize that the New York City metropolitan region of New York, New Jersey and Connecticut has a regional employer tax in place
- Many U.S. cities including New York also have a municipal income tax

5. REGIONAL DIALOGUE

- WE MUST TALK WITH EACH OTHER, LISTEN, AND COMMUNICATE!
- The most important question to answer is “WHAT IS IN IT FOR ME?”
- Get personal and compare revenue options with every day price comparisons
- Place a value on lost time stuck in gridlock, full costs of owning and operating a car and personal health
- Education and an understanding of the facts is essential before you can decide on solutions

BOTTOM LINE

- Fixing our transportation mess is not about ideology!
- Mayor Hazel McCallion stated last week advocated for gas taxes, sales taxes, income taxes and vehicle registration taxes and stated that “If you don’t want tax increases, you’re not going to get service”
- Even Toronto Sun columnist Michael Strobel on May 13, 2012 advocated road tolls!
- Everyone must understand that this problem will not go away and will require strong leadership from all political parties
- May 2012 Environics poll indicated 9 out of 10 people in the City of Toronto and 905 thought “that traffic congestion has reached a crisis proportions and were willing to consider radical solutions to gridlock including a new dedicated sales tax”
- Supporting Councillor Matlow’s motion will give Toronto a unique opportunity to play a key role in a regional discussion on how to best move forward

Yours truly,

Paul J. Bedford FCIP, RPP

Moving Forward



Geographical Context

- 6 million people today
- 8.62 million people by 2031
- 30 municipalities
- 4 levels of gov't
- 10 transit agencies
- 8,242 km²



GTHA Big Potential Tools Estimated \$1B+ per year in Revenues or Financing

Road Pricing	10+ cents per km charge on provincial and municipal expressway network
Parking Pricing	\$1 per weekday per non-residential parking space
Gas Tax	20+ cents per L
Transit Fares	50%+ operating cost recovery from farebox
Transit Operating Grant	50%+ operating subsidy from government
Transit Capital Grant	50%+ capital subsidy from government
Sales Tax	1%+ regional sales tax
Debt Financing	Supported by dedicated revenue stream

Getting Personal Cost Per Month

				
Road Pricing Toronto-Oakville 10¢/Km 60Km day	Cable TV	Cell phone	GO Train Oakville to Union 60Km day	TTC Metropass
\$120 Month	\$40-50 Month	\$50-100 Month	\$233 Month	\$126 Month

- ### Top 10 Re-Cap
1. Earmark revenues to projects
 2. Simple easy-to-understand revenue tool(s)
 3. Engage and educate the public
 4. Public champions
 5. Benefit and value for everyone
 6. Equity and fairness in cost allocation and pricing
 7. Performance reporting and accountability
 8. Trial first, followed by implementation decision
 9. Careful and strategic timing
 10. Matching funds and other incentives

