



Exploring Transportation Funding Solutions for the GTA

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A Lost Generation of Infrastructure Investment in the GTA



We're already building the next generation of infrastructure!



Building next generation requires new funding

Metrolinx Big Move: A \$50 billion, 25 year plan



= \$2 billion/year for 25 years

- Predictable federal/provincial funding critical (\$8.4 billion already committed), but...
 - Both facing serious deficits
 - No jurisdictions fund 100% of transit from senior government grants
- **Need to identify new sources of revenue to pay for next generation of infrastructure**

Other Jurisdictions use many revenue tools

Large Revenue Generators (+ \$1b/year)

- Regional parking surcharge on non-residential spaces
- Regional sales tax
- Gas tax
- Road tolls/congestion charge

Medium/Small Revenue Generators (<\$1b/year)

- Development charges
- Service efficiencies
- Non-fare transit revenues
 - Advertising, shop rents
- Vehicle registration fees
- Use of public-private partnerships

Evaluation Criteria for Revenue Tools

1. How much money generated; cyclical/stable
2. Who has jurisdiction to collect this revenue: municipalities/province/federal
3. Ease of implementation: how much does it cost to set up and collect annually
4. Public policy impact: impact on travel patterns/demand/land use
5. Fairness/Equity: geography within region; income; ability to actually change behaviour; user pays
6. Politics of revenue tool

Regional Parking Surcharge

A surcharge is levied on non-residential parking spots, including at offices, retailers, commercial enterprises and recreation sites. The charge is applied either as a flat fee per space, or based on the total area covered by parking. The charge can be applied to all off-street parking spots, or only those with existing paid parking.

- Surcharge of \$1/day/spot in GTA generates \$1 billion/year

Benefits

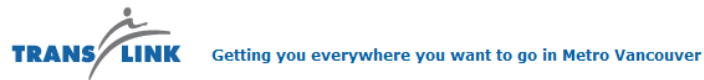
- Raising parking charges can encourage commuters to use alternative modes of travel
- Applies equally in downtown and suburban locations
- May encourage land use intensification
- Easy to collect through property tax system
- Has gained support from civic politicians, even those opposed to higher taxes

Limitations

- Strongly opposed by businesses when implemented in other jurisdictions
- No guarantee that any reduced travel will be on most congested routes
- Each municipality would have to implement separately without a regional coordination agency

Regional Parking Surcharge: Examples

Vancouver: An additional tax is levied on all commercial paid parking lots in the region



Parking Tax

As of July 1, 2010, the responsibility for the Parking Tax payable at commercial parking lots within Metro Vancouver was transferred from the [Social Service Tax Act](#) to the [South Coast British Columbia Transportation Authority Act](#) and administration of the tax has been transferred to TransLink.

Use the links below or on the left for additional information about the Parking Tax, registration, remittance and more.



About the Parking Tax

Learn more about the Parking Tax and the service region covered.
[More about the tax...](#)



Registration

If you sell parking rights you must register for a parking tax licence.
[Register now...](#)

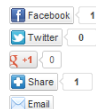
CBCnews | British Columbia

Group opposes Metro Vancouver parking tax increase

Last Updated: Thursday, January 7, 2010 | 12:20 PM PT CBC News

A coalition of business interests in Vancouver handed out flyers and leaflets in the downtown core Thursday morning to protest the tripling of the provincial sales tax on parking.

The tax, which applies to off-street paid parking lots in Metro Vancouver, increased to 21 per cent from seven per cent at the beginning of 2010. It is the first increase since 1999.



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Nottingham: Currently implementing a scheme to charge businesses with 11 or more parking spaces \$425/year per space



Workplace Parking Levy begins in Nottingham

A levy which charges employers for their staff to park at work has begun in Nottingham.

Employers with 11 or more parking spaces now have to pay Nottingham City Council £288 a year per space under the Workplace Parking Levy.

Many employers have decided to pass on some or all of the charge to their staff while some have reduced their numbers of car parking spaces.



The Capital FM Arena is paying most of the levy for its employees

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NEWS

Drivers 'oppose work parking levy' in Nottingham

Only two in 10 people support a workplace parking levy in Nottingham, a poll for the BBC has indicated.

In April 2012 the city will become the first in the UK to charge for parking at work and the poll found 70% of those who knew about the tax opposed it.

The levy will start at £253-per-space-per-year, yet the majority of those interviewed - 70% - did not think the cost would stop people driving to work.

NOP interviewed 750 people between 11 and 14 March about the scheme.



• Parking levy: Your stories



SEE ALSO
• Parking Levy opinion poll results
28 Mar 10 | People and Places

RELATED INTERNET LINKS
• Nottingham City Council

The BBC is not responsible for the content of external internet sites

NEWS

Boots passes on Nottingham Workplace Parking Levy to staff

Alliance Boots is to pass on much of the cost of Nottingham's Workplace Parking Levy to its staff.

The city council charge, which will be used to pay for transport improvement schemes, will be introduced in April.

Boots' site in Beeston has about 4,500 car parking spaces with 3,000 of them within the city boundary.



Money raised will be used to help pay for Nottingham's train network.

Regional Sales Tax

A special purpose sales tax that is applied in a given jurisdiction. This tax is often allocated to a specific government service (like transportation) or allocated to specific projects.

- \$1 billion/ year based on an additional 1% sales tax levied in the GTA

Benefits

- Easy to collect through existing mechanisms
- Popular with regional residents
- Transparent in terms of how much is paid
- Can be allocated exclusively to transportation projects
- A way to tax visitors who benefit from local infrastructure
- Equitable in that it is paid for by car drivers as well as cyclists and pedestrians

Limitations

- Sales tax has no impact on travel behaviour and will not reduce congestion
- Regressive, since it is the same rate regardless of income
- Requires provincial cooperation to implement and collect
- May lead consumers to make purchases outside of the region
- Sales tax revenue closely tied to boom-bust economic cycles

Regional Parking Surcharge: Examples

Los Angeles: Pass measure R in referendum which will raise \$40 billion over 30 years, nearly all dedicated to transportation projects

Los Angeles Times

Villaraigosa wants voters to extend sales tax to fund transit

L.A. Mayor Antonio Villaraigosa will pitch his proposed November ballot measure to L.A. County voters in his State of the City speech Wednesday evening.

April 18, 2012 | By Ari Bloomekatz, Los Angeles Times

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Faced with a congressional stalemate over transportation funding, Los Angeles Mayor Antonio Villaraigosa wants county voters to approve an indefinite extension of a half-cent sales tax used for transit projects.

A proposed November ballot measure will be a centerpiece of Villaraigosa's State of the City address Wednesday evening at Paramount Studios in Hollywood, according to the mayor's office.



Los Angeles Mayor Antonio Villaraigosa will give his State of the City address... (Al Seib / Los Angeles Times)



NOT WAITING FOR WASHINGTON: MAYOR VILLARAIGOSA LAYS OUT JOBS AND TRANSPORTATION PLAN DURING 7TH STATE OF THE CITY ADDRESS

Measure R Continuation Would Create Jobs, Perform Highway Improvements, and Complete Transit Projects in 10 Years Instead of 30

LOS ANGELES — Mayor Villaraigosa vowed during his seventh State of the City address that he will ask voters in November to continue the Measure R half-penny sales tax originally passed in 2008. Currently, Measure R is set to expire in 2039.

"It's time for some common sense for the common good," said Mayor Villaraigosa. "By continuing Measure R, we will be creating jobs, performing highway improvements, and completing light rail and subway projects in one decade, instead of three."

Seattle: Regional sales tax hike of 0.5% in Seattle and surrounding area to fund \$17.9 billion transit expansion over 20 years

The Seattle Times
Winner of Eight Pulitzer Prizes

Local News


45°F

Sales tax takes a hike for Sound Transit

A sales-tax hike of 0.5 percent, or a nickel per \$10 purchase, took effect today in King County, Pierce County, and urban areas of Snohomish County. The money will fund a Sound Transit expansion.

By Seattle Times staff

Today, in King, Pierce and Snohomish counties, you're getting the sales-tax increase most of you said you wanted.

A sales-tax hike of 0.5 percent, or a nickel per \$10 purchase, took effect today to fund a Sound Transit expansion.

Voters last fall approved Proposition 1, which called for the higher sales tax to extend light rail to Lynnwood, north Federal Way and the Overlake Transit Center, near Microsoft, by the early 2020s. The \$17.9 billion plan is supposed to expand express-bus service 17 percent and boost capacity by two-thirds on Sounder commuter trains between Pierce County and Seattle.

SAPORTAREPORT

Greater Seattle found voters more willing to pay for transit than roads

Posted in Latest Reports
Date: May 6th, 2011, 2:10 pm

 Like  5 people like this.

By Maria Saporta

The Greater Seattle area could write the textbook on how to pass (and how not to pass) a regional transportation sales tax.

The story actually goes back to the late 1960s when Seattle voters turned down a referendum to build a rail transit system with a 20 percent local match for 80 percent federal funds.

Their loss was Atlanta's gain. In 1971, Atlanta voters in Fulton and DeKalb counties passed the MARTA Act, and the federal dollars flowed to the Atlanta region.

Speaker after speaker reminded 110 metro Atlanta leaders visiting Seattle on the 15th annual LINK trip that they should thank Seattle for their transit system.

Regional Gas Tax

An additional tax charged on every litre of gas and wrapped into the price charged at the pump

- \$1 billion/ year based on an additional \$.10

Benefits

- Provides an incentive to seek alternate modes of travel or travel fewer kilometers
- Encourages the purchase of more efficient vehicles
- Revenue collected and distributed through existing mechanisms
- Motorists familiar with this form of taxation

Limitations

- Gas tax has no impact on when drivers will reduce their travel, or on what routes – may leave most contested routes clogged
- Motorists may benefit only minimally from increased taxation to pay for transit in parts of the city that do not benefit them
- Gas tax revenue will fall as standard vehicle engines become more efficient

Gas Tax: Examples

Montreal: 1.5 cents per litre of all gas taxes collected in Greater Montreal is allocated to the region's transportation agency. Tax raises \$52 million per year.

Ontario: Province shares 2 cents per litre of all gas tax revenue collected with municipalities for transit, allocated 70% based on transit ridership and 30% based on population.

CBCnews | Montreal



1.5 cent per litre gas tax starts Saturday

Last Updated: Friday, April 30, 2010 | 1:32 PM ET CBC News

Drivers in the greater Montreal area were filling up at the pumps on Friday in anticipation of the implementation of a new 1.5 cents per litre gas tax on Saturday.



Internal Links

CBCnews | Montreal



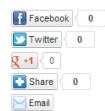
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Sales of gas guzzlers rise despite high pump prices

CBC News Posted: Apr 26, 2012 1:20 PM ET Last Updated: Apr 27, 2012 12:09 AM ET

Sales of the least fuel-efficient vehicles grew by more than any other segment last month, even though gasoline prices were near record highs in many parts of Canada.

Sales of large, luxury and sport utility vehicles in March rose 8.6 per cent over the same period last year, according to figures from DesRosiers Automotive Consultants. Year-to-date, the segment's sales are 17.3 per cent ahead of last year's pace.



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Municipality	Allocation
Brampton	\$7,248,122
Burlington	\$2,152,078
Durham Region	\$7,491,142
Hamilton	\$11,119,297
Milton	\$333,077
Mississauga	\$15,873,893
Oakville	\$2,343,559
Peel	\$732,175
Toronto	\$164,068,790
York Region	\$14,067,319
GTA Total	\$225,429,452

Road Tolls/Congestion Charge

Road Toll: Road tolls are added on existing highways in the GTA. Tolls can be either a fixed price or vary by time of day and by vehicle size

Congestion Charge: a toll cordon is set up to charge all vehicles entering a particularly congested part of the city

- \$1 billion/ year based on \$0.10/kilometer toll on all 400 series highways, QEW, the Gardiner Expressway and the Don Valley Parkway

Benefits

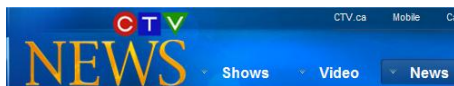
- Can be used to reduce congestion on most congested routes, or where value of trips is highest
- Provides an incentive to seek alternate modes of travel, carpool or travel fewer kilometers on tolled routes
- Puts an explicit price on travel
- May encourage infill development near transit as residents seek to avoid tolls

Limitations

- May lead to increased traffic on adjacent non-tolled routes
- Can be expensive to implement and collect revenue
- Often seen as pricing low income users off of the roads
- Viable travel alternatives are necessary for those looking to change travel, but these may not be available
- Pricing will primarily impact suburban motorists

Road Tolls: Examples

Toronto: road tolls are charged on Highway 407



Home: Highway 407 tolls going up this Wednesday

Highway 407 tolls going up this Wednesday



The 407 ETR video toll charge, for cars without a transponder, will rise by five cents to \$3.65 per trip.

New Jersey Turnpike: a 28 mile, peak period trip on the New Jersey Turnpike costs \$6.65, \$4.90 during off peak periods. Taking pay route saves 20 minutes in travel time over free alternative

The New York Times

N.Y. / Region

Time, or Tolls? Doing the New Math for New Jersey Commuters



Drivers on the New Jersey Turnpike face a 53 percent toll increase. Reporters drove from East Brunswick to the Holland Tunnel to compare two routes.

TRANSPORTATION NATION

Traffic Is Down But Revenues Soar In Six Months After Toll Hike At NY-NJ Port Authority Crossings

By Ann O'Grady | 04/22/2012 - 6:57 pm



Public-Private Partnerships (PPP)

A model of delivering infrastructure in which the private sector partner enters into a long-term concession with a government agency to design-build-finance-operate and maintain a transportation facility over an extended period (25-99 years).

- How much private money raised depends on whether repayment of private investment comes through toll/transit fare revenue, or from government subsidies

Benefits

- Effective at delivering projects on time and on budget
- Long-term contract ensures that money is put aside for ongoing facility maintenance
- Can contribute to innovative facility designs
- Supports the implementation of road tolls

Limitations

- Do not create new money for transit where private investment is repaid through annual government payments
- Private sector borrowing more costly than money borrowed directly by government
- Long-term concessions can limit government flexibility to change toll rates or make future infrastructure plans
- Unbundling of individual facilities may lead to poor service coordination
- Meaningful public input in decision making can be reduced

Public-Private Partnership: Examples

Vancouver: The \$2 billion Canada Line opened in 2009 was designed-built-financed-operated and maintained through a PPP. ~\$700m privately financed up front, repaid through gov't subsidies

Croydon Tramlink, London: New tram system designed-built-operated-financed-maintained by through PPP. System had poor performance and was ultimately bought out by government

12°C Forecast | Traffic

thestar.com

What Toronto can learn from Vancouver on public-private transit

Article

Published On Fri Apr 6 2012

Email | Print |

Tess Kalinowski
Transportation Reporter

Recommend 10

She led the project that many consider a model for how Toronto can expand its transit network using public-private partnerships.

Jane Bird was CEO of Canada Line Rapid Transit Inc., the company that built the 19-kilometre LRT between downtown Vancouver, Richmond and the Vancouver airport — on time and on-budget when it opened in 2010.

CBCnews | British Columbia



LIVE Vancouver
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\$600K award upended for Cambie businesswoman

Last Updated: Friday, February 18, 2011 | 3:09 PM PT CBC News

The B.C. Court of Appeal has overturned a \$600,000 damage award to a woman who said her business suffered huge losses during construction of the Canada Line rapid transit system in front of her store.

Susan Heyes said her clothing business on Cambie Street in



Canada Line construction fouled traffic and eliminated parking on Cambie Street, causing local business losses. (CBC)



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BBC NEWS

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Safety concerns over Croydon tram

The "poor relationship" between two companies responsible for Croydon Tramlink may affect its safe operation, a report has said.

The Rail Accident Investigation Branch (RAIB) looked at a derailment close to Phipps Bridge, south London, in 2006.



The Wimbledon to Croydon tram derailed last May

The tram was carrying 180 passengers, many schoolchildren, when it derailed. No-one was injured in the incident.

London Evening Standard

Mayor 'forced' £98m buyout of Croydon tram service

Dick Murray, Transport Correspondent

Transport Editor

18 March 2008

Mayor Ken Livingstone has bought out Croydon Tramlink in a deal costing £98 million.

But the move has triggered accusations that he forced the deal through by deliberately undermining the company.

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Forget 'buy to let' - build to let is the way forward

	Amount of Money Generated	Jurisdiction	Ease of implementing	Public policy impact	Fairness/ equity	Political support
Regional Parking surcharge	++	Municipal	++	++	+ +	++
Regional sales tax	++	Province/ Federal	++	- -	+	++
Gas tax	++	Province/ Federal	++	++	+	+
Road tolls	+	Provincial/ Municipal	- -	++	- -	- -
PPP	- -	Prov./Fed/ Municipal	+-	+-	+-	+ -