

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
General Manager's Office

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: May 1, 2013	
SUBJECT/REPORT NO: Metrolinx - Regional Funding Tools (FCS13002) (City Wide)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: Carla Ippolito (905) 546-2424 ext. 2448
SIGNATURE:	

RECOMMENDATION

- (a) That the Provincial and Federal Governments continue to fund 100% of the cost of Big Move Metrolinx projects which is consistent with the Original Metrolinx Big 5 projects, exclusive of any new local taxes, fees and charges;
- (b) That Council endorse Metrolinx's 4 key principles to guide new funding outlined as follows:
 - i) Dedicated Revenue – the public can see exactly what they are paying for and have an assurance that funds are not diverted to other priorities.
 - ii) Fairness in Costs and Benefits – Distributes costs to everyone who benefits, recognizing that we all benefit from transportation infrastructure
 - iii) Equity across the Region – Ensures that no part of the region is left behind by having all areas pay their fair share and benefit from investment

- iv) Transparency and Accountability – Ensures transparency in administering funds and reporting on results;
- (c) That Metrolinx amends its description of Equity across the Region to read: “Ensures that no part of the Region is left behind by having all areas pay their fair share and immediately benefit from investment”;
- (d) That all participating municipalities NOT be put in a competitive disadvantage relative to municipalities outside the GTHA;
- (e) That staff be directed to forward a copy of this report (FCS13002) to Metrolinx for consideration in their Big Move Investment Strategy.

EXECUTIVE SUMMARY

Metrolinx (formerly the GTTA, or Greater Toronto Transportation Authority) was created by the Government of Ontario to develop and implement transportation plans for the Greater Toronto and Hamilton Area (GTHA). On November 28, 2008, the Metrolinx Board of Directors adopted a Regional Transportation Plan (RTP) - The Big Move: Transforming Transportation in the Greater Toronto and Hamilton Area. The RTP provides a strategic, long-term vision for a co-ordinated transportation system. It reaches 25 years into the future and guides decision-making on future infrastructure investments.

There are approximately \$16 Billion worth of projects currently underway.

(* Original Big 5 Projects)

1. Toronto – York Spadina Subway Extension
2. Union Pearson Express
3. York Region vivaNext Rapidways *
4. Eglinton Crosstown LRT *
5. Mississauga BRT Project
6. Scarborough Rapid Transit Extension *
7. Finch West LRT *
8. Georgetown South Project
9. Sheppard East LRT *
10. Union Station – Train Shed Revitalization

Refer to **Appendix A** of report FCS13002 for details on the projects and funding contributions.

The “Next Wave” of Projects was presented by Bruce McCuaig, President and CEO of Metrolinx, to the Toronto Board of Trade on November 29, 2012.

1. Brampton Queen Street Rapid Transit – 10 kms of upgraded transit along Queen Street.
2. Downtown Relief Line – New subway that will improve access to the regional core for residents from across the Greater Toronto and Hamilton Area (GTHA) and provide relief to the overflowing arteries of the Toronto transit system.
3. Dundas Street Bus Rapid Transit – 40 kms of bus service running in dedicated lanes, connecting Toronto, Mississauga and Halton.
4. Durham-Scarborough Bus Rapid Transit – 36 kms of bus service running in dedicated lanes connecting Scarborough Centre to downtown Oshawa via Pickering, Ajax and Whitby.
5. GO Rail Expansion - More two-way, all-day and rush hour service across the entire network and extending trains to Hamilton and Bowmanville.
6. Electrification of GO Kitchener line and Union Pearson Express – Upgrading diesel train service to electric propulsion for these two complementary transit services that share a substantial portion of their routing.
7. GO Lakeshore Express Rail Service – Phase 1 (including Electrification) – transforming GO Transit’s backbone from Hamilton to Oshawa into faster, more frequent and more convenient transit option by beginning the transition to an international-style Express Rail Service.
8. Hamilton Light Rail Transit – 14 kms of Light Rail Transit stretching from McMaster University to Eastgate Square.
9. Hurontario-Main Light Rail Transit: 23kms LRT line connecting Port Credit to downtown Brampton via Cooksville and Mississauga City Centre.
10. Yonge North Subway Extension: 6 km extension that will connect the City of Toronto to the Richmond Hill/Langstaff Urban Growth Centre.

It is anticipated that the Next Wave of projects will cost an ongoing \$2 Billion a year. This includes the capital cost of constructing the projects of \$34 Billion, construction financing and debt repayment, depreciation and operating and maintenance costs of the Next Wave projects.

An Investment Strategy is a critical component of the RTP implementation. As part of its Legislative mandate, the *Metrolinx Act*, Section 32.1 states:

“On or before June 1, 2013, the Corporation shall provide the Minister and the heads of the councils of the municipalities in the regional transportation area, with a copy of the Corporation’s investment strategy, including proposals for revenue generation tools that may be used by the province or the municipalities to support the implementation of the transportation plan for the regional transportation area.”

In light of this mandate, Metrolinx presented 25 Potential Revenue Tools in August 2012 at the Regional Municipal Treasurers’ Meeting. Metrolinx also hosted a series of public

roundtable meetings throughout the GTHA “The Big Conversation” during January and February 2013. The purpose of these meetings was to engage participants in discussions about the Big Move, current and future transportation projects and potential funding tools to support the plan. Feedback received from these meetings, highlighted four consistent themes:

recognition of the problem of congestion and impatience for a solution;
willingness to pay for a solution;
preferences for revenue tools easy to implement, administer and track; and
more information, along the way, about the Big Move and status of projects.

Detailed research, completed by AECOM and KPMG, was undertaken for each potential revenue tool which included how the tool works, case studies from other jurisdictions and an evaluation based on a set of criteria.

Based on this analysis, on April 2, 2013, Metrolinx released a short list of 11 investment tools. Refer to **Appendix B** of report FCS13002 “Investing in our Future” for more details.

Seven (7) Potential Big Investment Tools:

1. Employer Payroll Tax
2. Fuel Tax
3. Highway Tools
4. Parking Space Levy
5. Property Tax
6. Sales Tax
7. Vehicle Kilometres Travelled

Four (4) Potential Smaller Investment “Policy” Tools:

1. Development Charges
2. High Occupancy Toll (HOT)
3. Land Value Capture (LVC)
4. Transit Fare Increase

Metrolinx is also proposing to allocate 25% of the \$2 billion/year to support local transportation including roads, transit and bridges, active transportation and municipal controlled-access expressways. The municipal allocation formula and eligibility criteria have yet to be determined.

At this time, Metrolinx is seeking input from municipalities on the short-list of revenue tools in order to put together a smaller tool-kit of approximately 2-5 revenue tools to be presented to its Board on May 27, 2013.

The Toronto Region Board of Trade put forward four (4) dedicated revenue tools in its News Release dated March 18, 2013. The Board proposed regional sales tax, parking space levy, regional fuel tax, high-occupancy toll lanes. Refer to Appendix C of report FCS13002 for the News Release.

The view of staff is that GTHA transportation expansion projects, outlined in the Big Move document, require funding from both Provincial and Federal Governments. Our recommendation is that the Provincial and Federal Governments continue to fund 100% of the cost of Big Move Metrolinx projects which is consistent with the Original Metrolinx Big 5 projects. Staff are supportive of the short-list of revenue tools noted above, excluding any new local transit fare increases, property taxes, development charges and parking space levies.

The City of Hamilton's debt capacity is anticipated to peak at about 55 – 65% of operating revenues by 2017-2019. This would push the City's debt burden (i.e., about \$1 billion) to levels that could lower Hamilton's credit rating and impair fiscal flexibility. The City of Hamilton requires 100% capital funding to consider moving forward with these significant transportation priorities.

City Finance Staff is looking to Council for endorsement of Metrolinx's proposed principles to guide new funding, with the amendment to Equity across the Region to read "immediate" benefit from investment. It is important to ensure that the timing of the revenue collection is in line with the timing of the investments provided to the municipality.

City Finance Staff is also looking to Council for endorsement that all participating municipalities NOT be put in a competitive disadvantage relative to municipalities outside the GTHA. An example of this is a fuel tax within the GTHA which places retailers in an uncompetitive position relative to retailers that are outside of the GTHA.

Alternatives for Consideration – See Page 8.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

N/A.

Staffing:

There are no additional staffing requirements.

Legal:

N/A.

HISTORICAL BACKGROUND (Chronology of events)

Metrolinx, formerly the Greater Toronto Transportation Authority (GTTA), was created by the Government of Ontario to develop and implement transportation plans for the Greater Toronto and Hamilton Area (GTHA).

On November 28, 2008, the Metrolinx Board of Directors adopted a Regional Transportation Plan (RTP) which was named The Big Move: Transforming Transportation in the Greater Toronto and Hamilton Area. The RTP provides a strategic, long-term vision for a co-ordinated transportation system. It reaches out 25 years into the future and guides our decision-making on future infrastructure investments.

The estimated costs for these projects total \$50 billion, with \$16 billion worth of projects currently underway and \$34 billion still required to complete the next wave of projects. The Investment Strategy principles outlined in the Big Move document identifies a three-phased plan.

Phase One: Quick Wins

In late 2007, Metrolinx recommended to the Province a package of “Quick Win” transit investments across the GTHA. The Province approved and committed an estimated \$750 million towards these projects. (Refer to Appendix D of report FCS13002). Hamilton received \$29.8 million in Quick Wins funding. A report on the status of Hamilton’s Quick Wins projects is being forwarded to Public Works Committee shortly.

Phase Two: MoveOntario 2020 The second phase began in 2009, when the Province announced an \$11.5 billion commitment for priority projects within the first 15 years. However, projects known as the Metrolinx Big 5 accounted for the majority of the funds at a total of \$9.8 billion.

* Viva Bus Rapid Transit	\$ 1.4 billion	100% Provincially funded
* Finch West LRT	\$ 1.0 billion	100% Provincially funded
* Scarborough Rapid Transit	\$ 1.8 billion	100% Provincially funded
* Eglinton Crosstown LRT	\$ 4.9 billion	100% Provincially funded
* Sheppard East LRT	<u>\$0.67 billion</u>	2/3 Provincial & 1/3 Federal
TOTAL	\$ 9.8 billion	

Phase Three: Metrolinx Investment Strategy

New and innovative funding mechanisms must be considered in order to fund the remaining 15 year plan priority projects and also those projects identified in the 16 to 25

year plan. The short-list of revenue tools is one step closer to an Investment Strategy. Metrolinx will present its final revenue tool-kit to its Board on May 27, 2013.

GTHA Roundtable

In March 2012, the City of Toronto's City Manager was directed by his Council to develop a Long-Term Transportation Plan and Investment Strategy and to work with regional counterparts to discuss potential regional tools for transit expansion.

In keeping with his Council directive, the City of Toronto's City Manager invited all GTHA City Managers to attend Roundtable discussions (July 16, 2012, January 30, 2013 and March 1, 2013). Hamilton staff was in attendance. The purpose of these Roundtable discussions was to identify areas of common ground with GTHA municipalities on transit funding options. Metrolinx was also in attendance.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

The 2012-2015 Corporate Strategic Plan, which was approved by Council on April 25, 2012, identifies Strategic Objective 1.4 "Improve the City's transportation system to support multi-modal mobility and encourage inter-regional connections".

RELEVANT CONSULTATION

Metrolinx
General Manager's Office, Finance & Corporate Services Department
City Manager's Office
Transportation Division, Public Works Department

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

Our recommendation is that the Provincial and Federal Governments continue to fund 100% of the cost of Big Move Metrolinx projects. City staff are supportive of the short-list of revenue tools, excluding any new local transit fare increases, property taxes, development charges and parking space levies. The City of Hamilton's debt capacity is anticipated to peak at about 55 – 65% of operating revenues by 2017-2019. This would push the City's debt burden to levels that could lower Hamilton's credit rating and impair fiscal flexibility. The City of Hamilton requires 100% capital funding to consider moving forward with the Big Move projects.

Metrolinx's 4 key principles to guide new funding are fair and reasonable. The dedication of revenue to transportation priorities allows the public to see exactly what they are paying for. Distributing costs to everyone who benefits is a sensible approach. Equity across the region will ensure each municipality is being treated fairly. Transparency and accountability is a critical component to the success of this funding program and any future funding program.

It is important to ensure that the timing of the revenue collection is in-line with the timing of the investments provided to the municipality. It is unfair to expect our constituents to pay into this funding program and not see the immediate benefits in their municipality. All participating municipalities should NOT be put in a competitive disadvantage relative to municipalities outside the GTHA. An example of this is a fuel tax within the GTHA where retailers are charging the extra tax relative to the retailers outside the GTHA who are not charging the extra tax.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

1. Receive the Metrolinx Investment Strategy as information and await recommendations from the Metrolinx Board to the Provincial Government regarding a prioritized Investment Strategy.

Pros: none

Cons: With no involvement in the discussions, Hamilton will have no influence as to the funding tools considered as part of the Investment Strategy report.

2. That Council consider new local "short-listed" revenue tools pending a commitment from the Provincial and/or Federal Governments regarding the Next Wave and the timing of the reinvestment strategy. A firm commitment regarding the reinvestment strategy and the timing of the re-investment strategy will allow the City to confirm the potential economic benefits and the potential timing of the economic benefits relative to the timing of the revenue capture.

Pros: The participating municipalities with potential reinvestments would have a stronger basis to establish potential cost/benefit analysis.

Cons: Any local taxes, fees and charges may divert funding from existing local deficiencies (e.g. \$195M annual infrastructure deficit).

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.4 Improve the City's transportation system to support multi-modal mobility and encourage inter-regional connections.

APPENDICES / SCHEDULES

Appendix A – Metrolinx Projects Currently Underway.

Appendix B – Powerpoint Presentation “Investing in our Future”.

Appendix C - Toronto Region Board of Trade, News Release, March 18, 2013.

Appendix D – Metrolinx Quick Wins Projects.

METROLINX - \$16 BILLION - CURRENT PROJECTS UNDERWAY

April-10-13

	CONTRIBUTIONS - MILLIONS				
	FEDERAL	PROVINCIAL	MUNICIPAL	REGIONAL	TOTAL
Toronto-York Spadina Subway Extension : Description: 8.6 kms extension of the Yonge-Spadina subway line from Downsview subway station in Toronto to Vaughan Metropolitan Centre	\$697 Building Canada Fund (2007)	\$870	\$526 Toronto	\$352 York	\$2,445
Union Pearson Express: Description: 25 minute express rail service between Union Station to Toronto Pearson Airport	\$0	\$456	\$0	\$0	\$456
York Region vivaNext Rapidways: Description: 41 kms of rapid transit in York Region	\$85	\$1,230	\$0	\$85 York	\$1,400
Eglinton Crosstown LRT: Description: 19 kms of new light rail transit along Eglinton Avenue	\$0	\$4,900	\$0	\$0	\$4,900
Mississauga BRT Project: Description: 18 kms of two-lane, grade-separated road along Highway 403 from Winston Churchill Blvd to Renforth Drive	\$83 Canada Strategic Infra. Fund	\$113 Includes \$48M of GO Transit Investments	\$63 Mississauga	\$0	\$259
Scarborough Rapid Transit Extension: Description: Upgrade and extension of the Scarborough RT along Progress Avenue	\$0	\$1,800	\$0	\$0	\$1,800
Finch West LRT: Description: 11 kms of light rail transit along Finch Avenue	\$0	\$1,000	\$0	\$0	\$1,000
Georgetown South Project: Description: an additional 10 GO trains on the Kitchener Line and 140 shuttles will operate on the new Union Pearson Express.	\$55.3 Infra. Stimulus Fund = \$8.3 Canada Strategic Infra. Fund = \$47	\$1,145	\$0	\$0	\$1,200
Sheppard East LRT: Description: 13 kms of light rail transit along Sheppard Avenue from Don Mills subway station to east of Morningside Avenue	\$333	\$667	\$0	\$0	\$1,000
Union Station - Train Shed Revitalization: Description: train shed roof replaced with glass atrium, replacing the tracks, new stairs and elevators etc.	\$0	\$250 GO Transit Capital Infra. Fund	\$0	\$0	\$250
TOTALS	\$1,253	\$12,431	\$589	\$437	\$14,710
	FEDERAL	PROVINCIAL	MUNICIPAL	REGION	TOTAL

Investing in our Future

April 2, 2013



theBIGmove



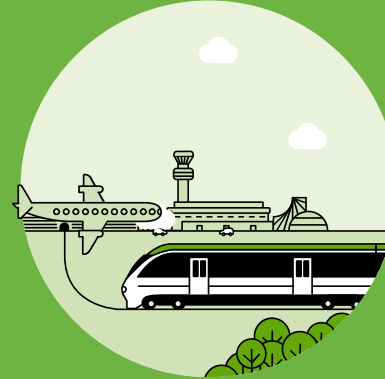
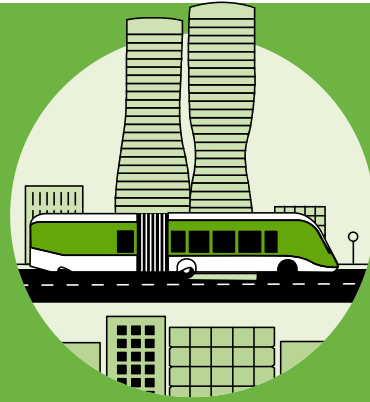
METROLINX
An agency of the Government of Ontario

GTHA's Global Competitiveness

- The GTHA is already one of the world's most attractive regions to live, work and invest in
- Other urban regions consistently outperform the GTHA on quality of transportation
- The GTHA *“suffers from traffic congestion problems, poorly integrated regional transit services and relatively underdeveloped transport infrastructure.”* OECD Territorial Review, 2010



Current Projects Underway (\$16B)



**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
including Eglinton Crosstown**

Proposed Next Wave of Projects

SUBWAY EXPANSION

- Downtown Relief Line
- Yonge North Subway Extension

NEW RAPID TRANSIT

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

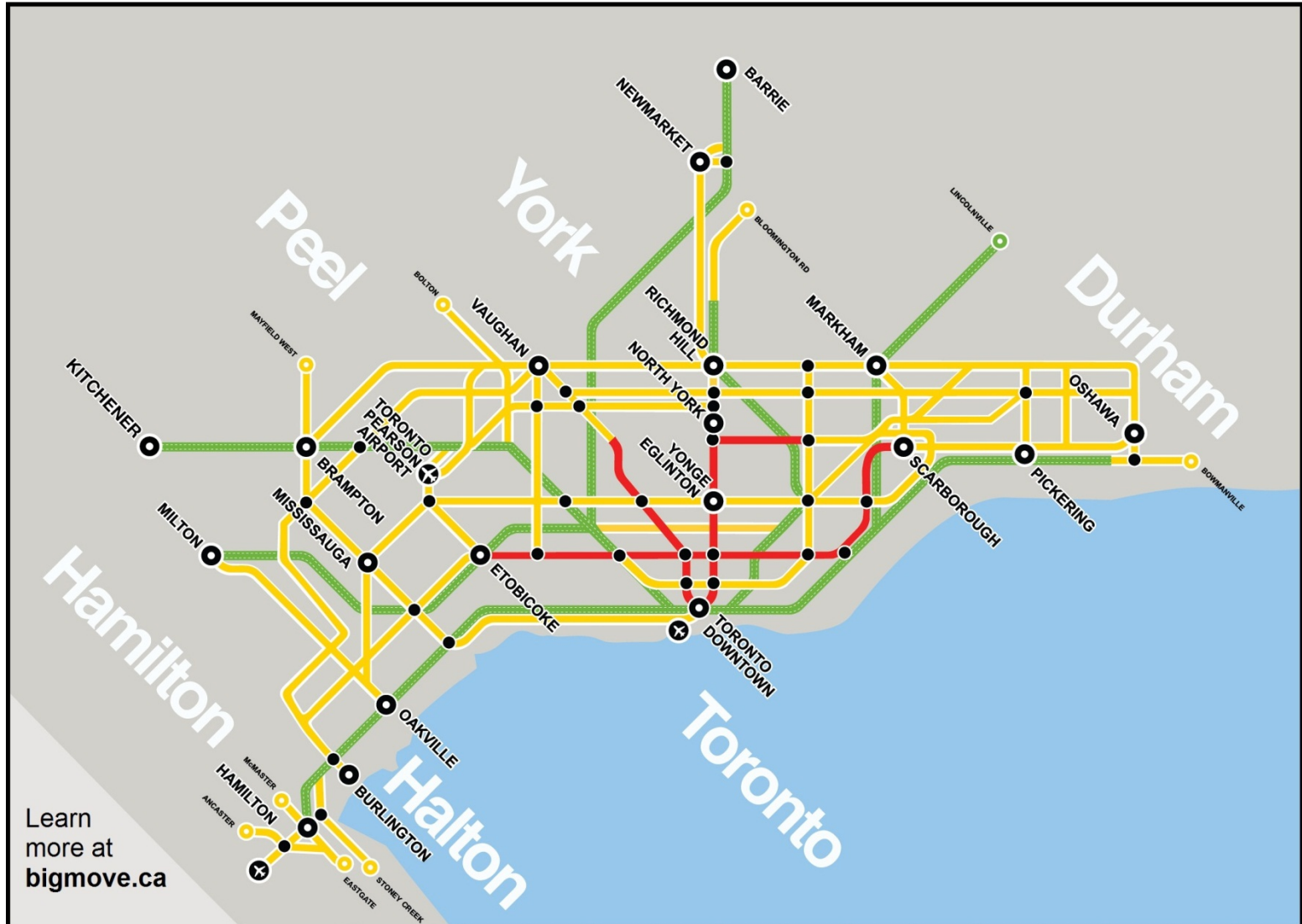
GO/UP ENHANCEMENT

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

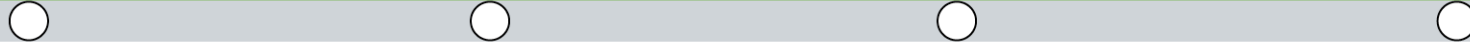
LOCAL

- Local transit
- Roads and highways
- Active transportation and integration

The Big Move



New Funding Required for Next Wave



\$34B

total capital construction cost

\$2B

per year ongoing



Scope of Investment Strategy

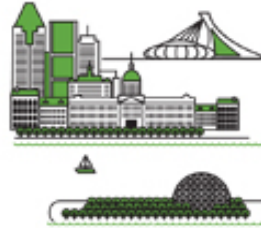
- Integrating Growth, Land Use and Transportation
- Optimizing System and Network Efficiency
- Integrating Infrastructure Decision-Making
- Funding through New Investment Tools



Best Practices from Other Jurisdictions



Vancouver



Montreal



Paris

- A *suite* of dedicated tools
- A combination of tools and direct government funding
- Key role for the private sector
- Ability to issue debt and maintain credit ratings
- Importance of accountability and transparency



Chicago



New York



London



Tools in Other Jurisdictions

	Regional Transportation Authority														
	Metrolinx	Chicago RTA	Georgia RTA	Hong Kong MTR	Los Angeles County Metro	Montreal AMT	New York City MTA	Paris RATP	Port Authority of New York & New Jersey	Portland Oregon TriMet	Public Transport Victoria Australia	SF Metropolitan Transportation Commission	Transport for London UK	Vancouver TransLink	Wash DC Metro Area Transit Authority
Cordon Charge													X		
Corporate Income Tax							X								
Fuel Tax			X			X	X			X				X	X
Land Value Capture				X				X							X
Parking Space Levy											X			X	
Payroll Tax							X	X		X					
Property Tax						X				X				X	
Sales Tax		X	X		X		X					X			
TIF										X			X		
Tolls: Highways/HOT/ Bridge/Tunnel		X	X				X		X			X		X	
Utility Levy														X	
Vehicle Kilometers Travelled Pilot										X Oregon State					
Vehicle Registration Tax						X									
Ability to Issue Debt		X		X	X	X STM	X	X	X	X		X	X	X	X

- Detailed research, completed for Metrolinx by AECOM/KPMG, provides information on 25 investment tools that have been identified as potential candidates for the Investment Strategy
- AECOM-KPMG report can be found on www.bigmove.ca
- Each investment tool profile includes information on how the tool works, case studies from other jurisdictions, and evaluations based on:
 - Revenue potential
 - Incremental costs to implement
 - Impact on travel behaviour and transportation network performance
 - The ability of the tool to provide for "smart charges" or dynamic pricing
 - Technical implementation considerations
 - Governance considerations
 - Equity and distributional impacts
 - Impact on overall economic efficiency

Proposed Principles to Guide New Funding

- **Dedicated Revenue**

The public can see exactly what they are paying for and have an assurance that funds are not diverted to other priorities

- **Fairness in Costs and Benefits**

Distributes costs to everyone who benefits, recognizing that we all benefit from transportation infrastructure

- **Equity across the Region**

Ensures that no part of the region is left behind by having all areas pay their fair share and benefit from investment

- **Transparency and Accountability**

Ensures transparency in administering funds and reporting on results



List of Potential Tools from global experience

- Auto Insurance Tax
- Car Rental Fee
- Carbon Tax
- Cordon Charge
- Corporate Income Tax
- Development Charges
- Driver's License Tax
- Employer Payroll Tax
- Fuel Tax
- High Occupancy Toll (HOT) Lanes
- Highway Tolls
- Hotel and Accommodation Levy
- Income Tax
- Land Transfer Tax
- Land Value Capture
- New Vehicle Sales Tax
- Parking Sales Tax
- Parking Space Levy
including pay-for-parking for transit stations
- Property Tax
- Sales Tax
- Tax Increment Financing
(Special Assessment Districts)
- Transit Fare Increase
- Utility Levy
- Vehicle Kilometres Travelled (VKT) Fee
- Vehicle Registration Fee

Rationale for Narrowing the Tools

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-
-
-
- From the 25, we selected seven high-performing “big” tools based on:
 - Revenue generation and cost
 - Ease of implementation and use
 - Public impacts, including transportation benefits and social fairness
- We also selected four smaller “high policy impact” tools based on ability to:
 - Improve travel behaviour, choice and capacity optimization on the existing highway system
 - Integrate land development and transportation investment decisions
 - Ensure transit users contribute directly to transit capital expansion costs
- The outcome:
 - A shorter list of 11 tools – a reasonable range of user, beneficiary and everyone pays tools – to eventually develop a recommended revenue toolkit
 - Symmetry with the potential investment tools being considered by the Toronto Region Board of Trade, City of Toronto and others

Potential Short List of Investment Tools

Seven Potential Big Investment Tools:

- Employer Payroll Tax
- Fuel Tax
- Highway Tolls
- Parking Space Levy
including pay-for-parking at transit stations
- Property Tax
- Sales Tax
- Vehicle Kilometres Travelled (VKT) Fee

Four Potential Smaller Investment "Policy" Tools:

- Development Charges
- High Occupancy Toll (HOT) Lanes
- Land Value Capture (LVC)
- Transit Fare Increase

Categorizing Investment Tools

User Pay Tools: recognizes the value to direct consumers of the infrastructure

- Fuel Tax
- Road Pricing (High Occupancy Tolls, Highway Tolls, Vehicle Kilometres Travelled Charge)
- Transit Fares

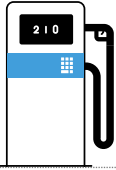



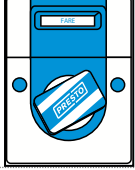
Beneficiaries Pay Tools: recognizes the economic value of infrastructure

- Property Tax
- Land Value Capture
- Development Charges
- Parking Space Levy including pay-for-parking at transit stations
- Payroll Tax

Everyone Pays Tool: recognizes the broad social value of infrastructure

- Sales Tax


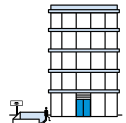
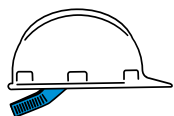
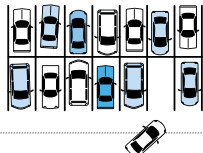

User Pay Tools

	Fuel Tax	High Occupancy Tolls	Highway Tolls	Vehicle Kilometres Travelled Charge	Transit Fares
					
HOW DOES IT WORK?	An additional excise tax levied on the sale of transportation fuels, calculated by volume purchased.	A charge on vehicles with one person who wish to use high occupancy vehicle (HOV) lanes. Vehicles that meet the high occupancy minimum travel for free.	Motorists pay a toll per kilometre travelled on designated highways.	Motorists pay charge for every kilometre they travel within a designated area or in all areas. A driver's VKT is recorded through odometer readings or GPS tracking.	A fare surcharge dedicated to capital projects is applied to all transit trips in the GTHA.
WHO PAYS?	Motorists	Motorists	Motorists	Motorists	Transit Riders
POTENTIAL ANNUAL REVENUES (GTHA)*	\$0.05/L = \$330 million	Variable rate = \$25 million	\$0.10/km = \$1.4 billion	\$0.03/km = \$1.6 billion	\$0.15 /ride = \$50 million
WHERE IS IT USED?	BC, Alberta and Quebec, US and Europe	HOTs are currently used in nine U.S. states.	Several U.S. states, Ireland, the United Kingdom and the Highway 407 in GTHA.	Austria and Germany on federal motorways.	

* Rates shown are used for illustrative purposes only and are not intended to recommend a particular rate.

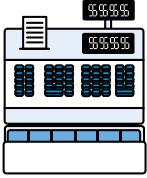


Beneficiaries Pay Tools

	Property Tax	Land Value Capture	Development Charges	Parking Space Levy	Payroll Tax
					
HOW DOES IT WORK?	A percentage-based tax is applied on the value of property owned by individuals and organizations.	Land Value Capture (LVC) aims to collect a share of the increased value in property development that results from transportation investment. Developments around transit stations benefit from greater accessibility and often have higher land values.	One-time levies imposed on new developments and eligible re-developments used to pay for growth-related infrastructure. DCs are determined by formula, and based on the type of dwelling or property.	A daily levy is charged to a property owner based on the amount of non-residential off-street parking spaces owned- including pay-for-parking at transit stations	A tax is paid by employers as a percentage of employees gross pay in a given period or as a flat tax based on the number of employees they have.
WHO PAYS?	Property Owners	Property Owners	Developers & New Property Owners	Property Owners	Businesses
POTENTIAL ANNUAL REVENUES (GTHA)*	5% increase on existing = \$670 million	\$20 million	15% increase on existing = \$100 million	\$1 /space /day = \$1.4 billion	0.5% = \$700 million
WHERE IS IT USED?	Used in Metro Vancouver and Montreal. Property taxes paid throughout the GTHA are used to fund local transportation, but are not dedicated.	Europe, South America, Asia. The Yonge North Subway corridor is currently under study to examine LVC potential.	Used across Ontario and in many other jurisdictions.	Vancouver, Melbourne, Sydney and Perth, Australia.	Paris, NYC. New York rates range between 0.11% and 0.34%, depending on an employer's total payroll expense.



Everyone Pays Tool

Sales Tax	
	
HOW DOES IT WORK?	A percentage rate applied on all goods and services.
WHO PAYS?	Consumers
POTENTIAL ANNUAL REVENUES (GTHA)*	1% = \$1.4 billion
WHERE IS IT USED?	Used extensively in the United States to fund transportation infrastructure. In Ontario consumers pay HST at a rate of 13%; revenues generated from this tax go toward the province's general revenues and are not dedicated to transportation.

** Rates shown are used for illustrative purposes only and are not intended to recommend a particular rate.*



- Strong, predictable and durable revenues
- Reasonable cost and ease of implementation
- Price signals to encourage efficient travel choices
- Promotes economic competitiveness
- Promotes social fairness and equity

Next Steps

- Seeking public and stakeholder input on the shorter list of potential dedicated investment tools
- Reaching out to and consulting with our municipal partners is a key next step in our engagement plan
- On track to publicly release our final report and recommendations at the Metrolinx Board meeting on May 27
- Have your say:
Learn more about the potential tools and join the Big Conversation at www.bigmove.ca



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www.metrolinx.com

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NEWS RELEASE

Toronto Region Board of Trade advances four dedicated revenue tools to fund The Big Move

Toronto, ON, March 18, 2013 – Congestion in the Toronto Region is not just a fact of life, it is changing how we live our lives. We all know it's not a change for the better. We can no longer defer the tough decisions on how to address our region's lack of mobility. Today, Toronto Region Board of Trade (the Board) is putting forward four revenue tools, for serious consideration, that must be dedicated to funding Metrolinx's, *The Big Move*. The tools are outlined in the Board's new discussion paper, *A Green Light To Moving The Toronto Region: Paying For Public Transportation Expansion*.

"In today's ultra-competitive global economy, our competitors are investing in infrastructure that is helping them attract investment, jobs, and skilled workers. We, too, must act or fall behind," said Carol Wilding, President & CEO, Toronto Region Board of Trade. "We can't continue to turn our back on solutions. We must implement dedicated revenue tools to improve our mobility, economic competitiveness, and quality of life. The debate is no longer if we need new revenue tools, but which ones."

The Board is advancing for discussion, four revenue tools that are balanced, fair, and economically responsible. They are:

Revenue Tool	Approx. mid-range rate	Annual Revenue Potential
Regional Sales Tax	1%	\$1.0 - 1.6B
Parking Space Levy	\$1 per space per day	\$1.2 - 1.6B
Regional fuel tax	10-cent/litre	\$640 - 840M
High-occupancy toll lanes	30-cent/km for single drivers	\$25 - 45M

Combined, the proposed tools can raise much more than the \$2-billion needed annually to further construction of The Big Move. The exact dollar amount or percentage for each revenue tool would be negotiated by the province, the municipalities, and a variety of other stakeholders. Collection of this additional revenue must be dedicated, transparent and accountable, and applied region-wide to provide region-wide solutions to region-wide challenges.

"The dedicated revenue tools that we are putting forward are balanced, fair, economically responsible, and should be given serious consideration," said Ms. Wilding. "For those who disagree with our proposed recommendations, as a responsible stakeholder, we ask that you respond with an alternative. Simply saying no is no longer an option."

The Toronto Region's transportation network has failed to keep up with our population growth, putting economic growth, prosperity and quality of life at risk. Our average round trip commute is longer than most of our competitors. Our region is losing approximately \$6-billion a year in productivity and that is headed to \$15-billion by 2031. This is represented in lost jobs, lost sales, less investment, and greater costs.



The Board's four revenue tools are being advanced after much public research, stakeholder consultation, and economic analysis. During the past three years the Board has consulted with its members, transportation experts, and leaders in business, academia, and government. It has worked with its Board of Directors and committees representing a wide range of industries and stakeholder organizations. It has conducted focus groups, reviewed extensive public polling and surveyed its members.

What has emerged is an ever increasing understanding and sophistication of the nature of the challenges we face and solutions we need. Our membership reflects this view. In our 2012 member survey, two thirds agreed that new dedicated sources are required to fund expanded regional transportation.

In recommending these four revenue tools, the Board recognizes they may not be the ones ultimately included in the Metrolinx financing strategy that must be presented to the province by June 1. Each funding tool comes with implementation challenges and, of course, critics. As this debate continues, greater public support may be found for a different combination

We know tough decisions will have to be made. Simply looking to government to tighten belts and consider alternative financing methods such as land value capture, public-private-partnerships, and more federal dollars won't be enough. These are merely "table stakes." All are necessary but they won't come close to raising the revenue needed. To succeed, everyone will have to contribute. All levels of government, the public, and the private sector.

While there is still much work to be done, the foundation of public support has never been stronger. Our campaign is built on this strong foundation. Today the Board is also launching a public campaign. In the coming weeks a multi-media advertising component will commence. Its objective is to persuade the public that their participation — in whatever funding method chosen — is necessary to solving congestion. New revenue tools will only be advanced with public support. The Board is encouraging all to visit our campaign website www.letsbreakthegridlock.com and join in this endeavour. Also engage us on social media using our #LetsBreakGridlock hashtag.

"Talking about our congestion has become a regional obsession. So too, has avoiding real solutions," said Ms. Wilding. "We can't continue to turn our back on solutions. We must implement dedicated revenue tools to improve our mobility and our economic competitiveness."

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About Toronto Region Board of Trade (www.bot.com)

Founded in 1845, Toronto Region Board of Trade is the chamber of commerce for Canada's largest urban centre, connecting more than 200,000 business professionals and influencers throughout the Toronto Region. The Board fuels the economic, social and cultural vitality of the entire Toronto Region by fostering powerful collaborations among business, government, thought leaders, and community builders. Toronto Region Board of Trade plays a vital role in elevating the quality of life and global competitiveness of Canada's largest urban centre.

For further information:

Scott Brownrigg
Toronto Region Board of Trade
416-862-4514
sbrownrigg@bot.com

