

TO: CITY MANAGER

1997 SEPTEMBER 16

FROM: DIRECTOR PLANNING AND BUILDING
DIRECTOR FINANCE
DIRECTOR ENGINEERING

Our File: 08.420

SUBJECT: TRANSPORTATION GOVERNANCE AND FUNDING IN GREATER VANCOUVER

PURPOSE: To advise Council on an approach to the Negotiations on Transportation Governance and Funding

RECOMMENDATIONS:

1. **THAT** Council endorse the approach and principles for Regional Transportation Governance and Funding as outlined in Section 3.0 of this report.
2. **THAT** a copy of this report be forwarded to Councillor G. Puil, Chair, Greater Vancouver Regional District and to all member municipalities in the GVRD.

REPORT

1.0 INTRODUCTION

On 1997 April 05 the Greater Vancouver Regional District and the Province signed a "Framework Agreement for Negotiations on Regional Transportation Governance and Funding in Greater Vancouver". This agreement initiated negotiations between the two parties with a view to developing an agreement governing the planning, funding, development operations and maintenance of major roads, transit and transportation demand management initiatives.

Recognizing that this is a complex subject with far reaching implications for the City of Burnaby, Council requested staff prepare a report defining principles to be advanced by Burnaby for consideration in the Negotiations which are expected to conclude by the end of September.

2.0 TRANSPORTATION GOVERNANCE FUNDING ISSUES

2.1 Governance

Regional transportation is currently planned, funded and operated by a multiplicity of agencies, the most prominent of which are the Ministry of Transportation and Highways and BC Transit (Table 1). In this context, the Greater Vancouver Regional District is responsible for land use and transportation plans but has no mandate for delivering "regional" transportation services (here defined as transportation facilities which accommodate travel between municipalities). As there is no managing or coordinating structure for this regional transportation component, the transportation priorities of provincial agencies, rather than regional goals, have tended to shape regional transportation priorities. In this respect, the Governance negotiations are intended to address the relative lack of integration of transportation plans on a strategic level.

**TABLE 1
 TRANSPORTATION AGENCIES IN GREATER VANCOUVER**

AGENCY	RESPONSIBILITY
BC Transportation Financing Authority (Crown Corporation)	Plans and funds transportation capital projects throughout BC, but with no direct input from the GVRD or member municipalities
Ministry of Transportation & Highways	Plans, funds, constructs and maintains a system of provincial highways extending throughout the Province.
BC Transit (Crown Corporation)	Plans, funds and operates public transit systems throughout the Province. Transit Board comprised of Provincial appointees, with no direct input from the GVRD.
West Coast Express (Crown Corporation)	Operates the commuter rail system from Mission to Vancouver.
Vancouver Regional Transit Commission	A commission comprising six mayors and one Vancouver councillor appointed by the Province and responsible for determining the level of transit service and for setting fare levels.
Municipalities	Planning, funding, construction and maintenance of all local transportation facilities including roads, cycle routes, pedestrian facilities that are not the responsibility of any of the above agencies.

While the Region moves toward a transportation mandate, the Province is aiming towards a withdrawal from their current role in the planning and funding of regional transportation. The recent declassification initiative reflects an intention to focus Provincial funding on transportation facilities that perform a provincial travel function in providing for the movement of people and goods to or through the Region from other parts of Lower Mainland, BC and the United States.

2.2 Financing

The Livable Region Strategic Plan and Transport 2021 have identified the need for more funding for regional transportation, particularly transit and transportation demand management (TDM) programs. Planned spending on transit over the next five years, however, will fall short of the level required to achieve the GVRD objectives of reducing single occupant vehicle travel and increasing transit ridership. As shown in Table 2, the estimated costs of developing, operating and maintaining the road and transit network needed to meet Transport 2021 objectives would be approximately \$917 million compared to the \$671 million in current spending.

Table 2
Annual Regional Transportation Expenditures
 (\$ millions)

	Current Funding	Transport 2021 Expenditures	Additional Funding Required
Transit	551	728	177
TDM	Project by Project	25	25
Roads	120	164	44
Total	671	917	246

The Negotiations are intended to address this funding shortfall by increasing funding for transportation at a time when the Province is seeking to reduce the provincial deficit.

3.0 REGIONAL TRANSPORTATION GOVERNANCE AND FUNDING APPROACH

3.1 An Agreement for Regional Transportation

Recognizing that the development of the regional transportation system in Greater Vancouver requires a new governance structure, reliable and sustainable funding from the Province and a commitment to a long term plan for improvements to the transportation system it is recommended that the Province and the GVRD sign a ten year contractual agreement for regional transportation. This contractual agreement would consist of the following elements:

- (i) a new governance structure for the planning, funding, development, maintenance and operation of the regional transportation system.
- (ii) development of an agreed network of major roads.
- (iii) a cost-sharing agreement between the Province and local governments in the GVRD to fund transportation capital and operating costs over a ten year period.
- (iv) assignment of tax sources and rate-setting responsibilities to local government to fund regional transportation.
- (v) a ten year capital program for major upgrading to the regional transportation system including transit, major roads and transportation demand management based on Transport 2021, the BC Transit Ten Year Development Plan, the South Coast Region Systems Plan, the Greater Vancouver Regional Transportation Demand Management Project and the capital programs of individual municipalities.
- (vi) a process for renewal and succession of the ten year contractual agreement.

It is critically important, however, that planning for the LRT line along the Lougheed/Broadway corridor to Lougheed Town Centre, Coquitlam and New Westminster be initiated immediately and continue concurrently with these negotiations.

3.2 Transportation Governance and Funding Principles

It is recommended that any negotiated agreement be shaped by the following underlying principles which are considered to be fundamental and necessary for a balanced, fair, and effective integrated transportation system that responds to regional imperatives while respecting the needs of local municipalities.

3.2.1 Transportation Governance

(i) Regional Integration of the Transportation System

An integrated approach is needed for the strategic planning, funding and implementation of major roads, transit and transportation demand management.

(ii) Strategic Planning

The planning, funding and development of transit, major roads and transportation demand management must be linked to the goals of regional strategic plans (the Livable Region Strategic Plan, Transport 2021) and municipal Official Community Plans.

(iii) Separate Regional Transportation Authority

- ▶ **Mandate** - A separate Regional Transportation Authority should be established with a mandate for transit, major roads and transportation demand management.
- ▶ **Responsibilities** - The Regional Transportation Authority would be responsible for coordinating the planning and funding of transportation improvements based on input from transit agencies and individual municipalities.
- ▶ **Membership** - Members of the Regional Transportation Authority should be appointed by and from local municipal councils representing the major sub-areas of the Greater Vancouver Region.
- ▶ **Accountability** - The Regional Transportation Authority would be accountable to the public for the planning, development and implementation of transportation services.
- ▶ **Management** - The Regional Transportation Authority should have efficient administrative structure is required which utilizes staffing from existing government agencies without creating new bureaucratic structures.

(iv) Coordination of the Regional Transportation System

- ▶ **Integrated Transit System** - A seamless transit system must be maintained with the potential for decentralization of operations but with fully integrated planning, scheduling, marketing and fare systems.

- ▶ **Coordinated Major Roads Network** - Coordinated planning of the major roads network would be based on common standards for road design and operation agreed amongst individual municipalities.
- ▶ **Comprehensive Transportation Demand Management Programs** - Development of transportation demand management measures is to be based on a consensus amongst individual municipalities in support of their implementation.

3.2.2 Transportation Funding

(i) Adequate Funding

- ▶ **Funding Level** - Funding for regional transportation must be sufficient to support the objectives of Transport 2021 and the BC Transit Ten Year Development Plan.
- ▶ **Future Growth** - The transfer of taxation powers by the Province must ensure sufficient scope for growth to address the previous pattern of under-funding of transportation needs in the Region.

(ii) Appropriate Funding Sources

- ▶ **Transportation Related** - New funding sources for regional transportation should be related to the use of transportation.
- ▶ **Dedicated Funding** - Revenue raised from transportation sources are to be dedicated to transportation.
- ▶ **User Pay** - The user should pay a larger proportion of the costs of providing transportation services.
- ▶ **Property Taxes** - Residential property taxes are not to be used to fund regional transportation.

(iii) Pooling of Funds

Revenues for major roads, transit and transportation demand management should be pooled and disbursed to reflect a balance of regional and municipal transportation priorities.

(iv) **Provincial Funding**

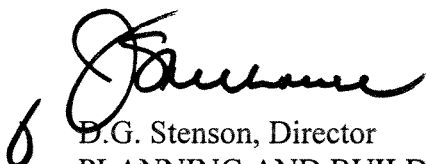
- ▶ **Current Levels** - It is vital that reliable and stable provincial funding for regional transportation be proportionally maintained at not less than current levels.
- ▶ **Provincial Responsibility** - Provincial responsibility is to include the debt servicing costs of SkyTrain and the capital costs of LRT committed in the BC Transit Ten Year Transit Development Plan and the entire cost of provincial highways in the major road network including water crossings and overpasses.

(v) **Regional Funding**


- ▶ **Funding Sources** - The Province must provide the region with its own assured funding sources (including exclusive access to the motive fuel tax revenues generated in the region) at a level sufficient to meet regional transportation needs.
- ▶ **Local Responsibility** - The region will have the responsibility for the operating costs of the transit system and for non-LRT capital costs and for the elements of the Major Road Network which are not provincial highways.

5.0 **CONCLUSION**

The Negotiations in Regional Transportation Governance and Funding currently underway between the Province and the GVRD are expected to conclude in the fall of this year with a set of proposals to change the way transportation is organized and funded in Greater Vancouver. Recognizing the implications of an agreement to the City of Burnaby this report is intended to present Burnaby's perspective as input to the negotiations. The report defines a set of principles to guide the governance and funding negotiations and recommends a ten year contractual agreement to assure stable and reliable funding for regional transportation improvements based on an agreed Transportation Capital Program.


D.G. Stenson, Director
PLANNING AND BUILDING


R. Earle,
DIRECTOR FINANCE


C. Sinclair,
DIRECTOR ENGINEERING

(This page is intentionally left blank.)