

**TO:** CITY MANAGER 2003 October 22

**FROM:** DIRECTOR PLANNING AND BUILDING Our File: 1750-20

**SUBJECT:** TransLink's "10-Year Outlook and Three-year Financial Strategy"  
Discussion Paper: Keeping Greater Vancouver Moving

**PURPOSE:** To provide Council with a review of the elements of TransLink's "10-Year Outlook and Three-year Financial Strategy" discussion paper.

---

**RECOMMENDATIONS:**

1. **THAT** Council request TransLink to formally recognize that the *10-year Outlook and Three-year Financial Strategy* must be coordinated with the underlying objectives of the GVRD's current regional growth strategy, the *Livable Region Strategic Plan (LRSP)*.
2. **THAT** Council request TransLink to confirm they will review the 10-year Outlook and their current financial plan in the context of the revised LRSP once it has been adopted by the GVRD Board.
3. **THAT** Council request TransLink to include input from the City, the Burnaby Board of Trade and Burnaby's mall operators in their investigation and consultation on the feasibility and equity of transportation and financial impacts related to the two parking tax options (increased parking sales tax and area/stall tax).
4. **THAT** Council forward copies of this report to TransLink Board of Directors; Pat Jacobsen, CEO TransLink; Glen Leicester, VP Planning TransLink; Johnny Carline, CAO and Commissioner GVRD; and Ken Cameron, Manager of Policy and Planning GVRD for their review and consideration.

**REPORT**

**1.0 SUMMARY**

TransLink's *10-year Outlook and Three-year Financial Strategy* is a complex multi-project proposal which has the potential to set the region's transportation course for the next decade. TransLink's consultation program is working to a tight time line targeting a recommendation to the TransLink Board at their meeting of 10 December 2003. Moreover, the timing of the

release of the discussion paper on 1 October 2003 and the need to have comment returned to GVTA staff by late 2003 November has resulted in limited discussion at the various regional staff committees and a compressed schedule for the production of this report. This report presents a number of overriding issues within the context of an overview of the *10-year Outlook and Three-year Financial Strategy* discussion paper.

TransLink's *10-year Outlook and Three-year Financial Strategy* never formally recognizes that the elements of the *10-year Outlook and the Three-year Financial Strategy* must be consistent with the objectives of the existing *Livable Region Strategic Plan* (LRSP) - the GVRD's current growth management strategy. As well, the discussion paper does not appear to commit TransLink to review their 10-year Outlook or active financial plan at the time the revised LRSP is adopted by the GVRD Board. The absence of these commitments as an important and basic point of departure for the discussion paper only fuels the concern that TransLink's proposed *Three-year Financial Strategy* is out-of-step with the GVRD's LRSP review process. This is particularly disturbing given the fundamental premise behind the formation of TransLink (GVTA) was that much closer integration between transportation and land use planning in the GVRD was needed. Moreover, the objectives for the 10-year Outlook as presented by TransLink staff are significantly different in emphasis from the LRSP's Transportation Choice Policies.

The overall mix of transportation projects proposed in the discussion paper does have an increased emphasis on the Major Road Network (MRN), particularly the proposal of 100% GVTA funding to the first \$221 million of MRN Major Capital Projects in the 2005-2007 period. This emphasis may potentially be exaggerated given the lack of financial certainty identified in the discussion paper post-2007. If adequate additional funding is not secured by 2008 then the projects initiated in the first three year period from 2005-2007 (RAV line, MRN Major Capital and the Fraser River Crossing) further unbalance the proposed program of projects as the second phase of projects (i.e. SkyTrain fleet replacement, SkyTrain fleet expansion, third SeaBus, bus fleet replacement, bus fleet expansion and the Northeast Sector Rapid Transit line) proposed in 2008-2013 may no longer be affordable.

The specific revenue sources proposed for the Three-year Financial Strategy (2005-2007), specifically an increased reliance on property tax, comes with the potential of significantly undermining the City's future ability to raise revenue of its own from property tax, if required. The proposed parking tax also may come with significant risk depending on the recommended structure in that it has the potential to shift more development to edges of the region. It is our understanding that TransLink will be proposing the Three-year Financial Strategy as an amendment to the existing TransLink *TransLink Strategic Transportation Plan*. This would require approval by the GVRD Board.

Even if the Federal government does decide in future to transfer a portion of gasoline tax as a method of dealing with urban issues, there is likely to be significant competition for this

revenue. TransLink would be well advised to develop a fall-back position to pre-empt TransLink's looming financial crisis in 2008.

Should Council wish to have a separate workshop with TransLink staff for a detailed discussion of the mix of strategies, financing options and municipal considerations proposed in the *10-year Outlook and Three-year Financial Strategy* discussion paper and this report, a request to TransLink staff would be timely at the Council meeting of 2003 October 27.

## 2.0 BACKGROUND

Council at their regular meeting of 2003 September 29 requested staff to prepare a report on TransLink's "*10-year Outlook and Three-year Financial Strategy*" discussion paper. This report is submitted in anticipation of TransLink's presentation to Council scheduled for their regular meeting of 2003 October 27. The purpose of this report is to summarize the main elements of TransLink's 10-year Outlook discussion paper, to identify the potential implications for the City of Burnaby and to put forward related recommendations for the consideration of Council.

It should be noted that a separate Council report on the related topic of GVTA governance appears elsewhere on the 2003 October 27 Council agenda.

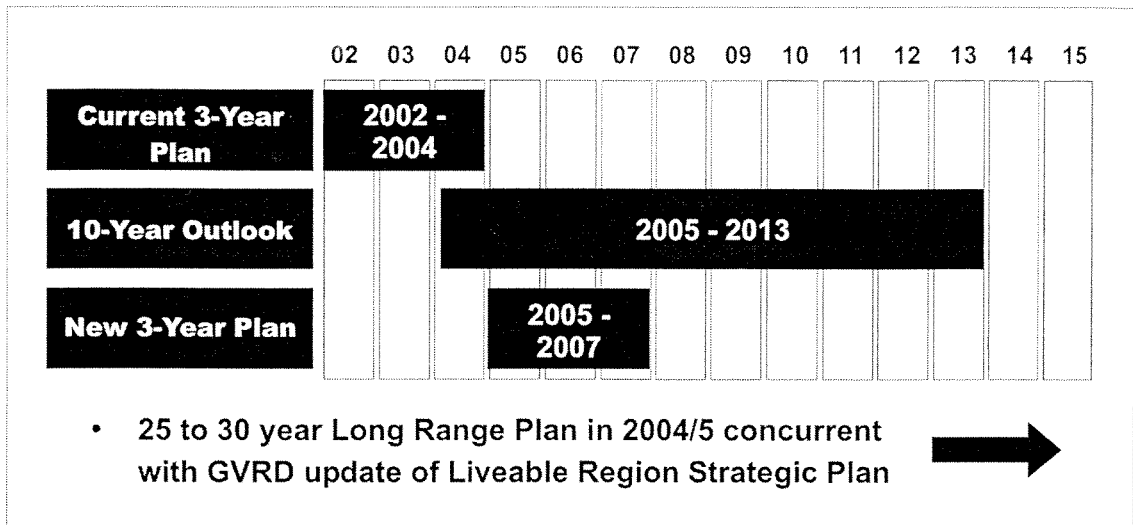
## 3.0 10-YEAR OUTLOOK PROCESS

It should be noted that the 10-year Outlook discussion paper states that the objective of the discussion paper itself is to facilitate dialogue, and TransLink anticipates there may be significant change to the package of specific transportation projects included in the discussion paper.

As shown in **Figure 1**, and stated in TransLink's 10-year Outlook discussion paper:

*"... it is proposed that the region commit to the 10-year Outlook so that there is a clear goal to strive for, while preserving the objectives outlined in our many regional plans. In addition, the necessary steps should be taken to ensure that funding is in place for the first three years, to guarantee that there is some certainty of tangible action."*

As shown in **Figure 1**, TransLink's current 3-year Plan expires at the end of 2004 requiring the need for a new three-year financial plan (2005-2007). The three-year plan (2005-2007) would ensure immediate funding requirements are met within the context of the broader 10-year Outlook. The advantage of the 10-year Outlook (2013) is it sets goals to strive for and in doing so, sets the stage for subsequent discussions with the Provincial and Federal governments regarding the need for sustained source(s) of senior government funding.



*TransLink's Overall Planning Schedule*

**Figure 1**

From a financial perspective the discussion paper states:

*“While making commitments for projects to be built and paid for in the future presents some risks, failure to secure immediate funding will put the transportation system in jeopardy. The latter course would simply substitute the financial risk for threats to the economy, environment and overall livability.”*

From a policy perspective, TransLink's 10-year Outlook discussion paper recognizes GVRD's *Sustainable Region Initiative* (SRI) will likely be recommending SRI related actions in the fall of 2003. It also states that TransLink will be developing a 20-year Plan in association with the LRSP when it is revisited and updated. However, to our understanding the GVRD has yet to formally initiate the LRSP review process. Moreover, although implied in the 10-year Outlook discussion paper, it is never formally recognized that the elements of the *10-year Outlook and the Three-year Financial Strategy* must be consistent with the objectives of the existing LRSP - the GVRD's current growth management strategy. As well, the discussion paper does not appear to commit TransLink to review their 10-year Outlook or active financial plan at the time the revised LRSP is adopted by the GVRD Board. The absence of these commitments as an important and basic point of departure for the discussion paper only fuels the concern that TransLink's proposed financial strategy is out-of-step with the GVRD's LRSP review process.

In reviewing the elements of the 10-year Outlook discussion paper we must be careful to assess the risk of which projects are being committed to under the three-year (2005-2007) financial strategy, recognizing that there is significant financial uncertainty associated with

the last six-years (2008-2013) of the 10-year Outlook.

#### 4.0 REGIONAL AND TRANSPORTATION SYSTEM CONTEXT

This section provides a brief summary of the context for the 10-year Outlook provided in the discussion paper and in presentations made by TransLink staff in support of the 10-year Outlook.

##### 4.1 The Transportation System Today

- **Daily Trips:** about 3.5 million trips made each day (74% by private vehicle, 13% by walking, 11% by transit, and 2% by bike). The bus network carries 525,000 passenger boardings (about 70% of the total transit trips).
- **Rush hour commuters:** 57% travel outside their home municipality to work.
- **Congestion:** In 1993 the cost of congestion was estimated to be \$110 million annually. Recent estimates indicate this cost has risen to a range of \$750 million to \$1 billion today.
- **Rapid transit expansion:** the core of the region's growth management strategy has fallen behind the schedule identified in the LRSP and is under-supplied compared to other major Canadian metropolitan areas (on a per capita basis).
- **Bus network:** is extensive with 175 routes, 8,000 bus stops and 111 lane-kilometers of dedicated bus or HOV facilities (with about 40% of these being located in Burnaby). Over 85% of the region's population is within a 10-minute walk of a bus stop. Approximately 47% of bus riders do not own or have access to a car and bus use is highest among youth, women and the elderly. Bus ridership is highest in Vancouver and Burnaby.
- **Regional transit destinations:** SFU and Metrotown are both significant regional transit destinations with a high transit mode share. It was recently reported that over 7.1 million shoppers use SkyTrain to reach Metropolis alone each year.
- **U-Pass results:** TransLink staff report that early results of the U-Pass program (a mandatory transit pass program for students) at UBC and SFU indicate transit ridership gains of 50% and 35% respectively.

##### 4.2 Regional Context

- **Housing:** growth in multi-unit housing is expected to result in more concentrated, higher density residential development.

- **Car ownership:** varies throughout the region, but overall remains high at 1.5 vehicles per household (1.2 million private vehicles in the GVRD - if parked end-to-end would reach St. John, NB).
- **Growth in private vehicles:** as many as 30,000 per year in the last decade and forecast to reach 1.4 million by 2013.
- **Aging population:** will have implications on transit (demand for, the design of and the amount of accessible transit).
- **Goods movement:** 360 million tonnes of cargo are moved to, from or within BC annually. Projections to 2021 estimate a 50% increase (majority of growth by rail). However, both marine and rail usually use trucks at either end of the shipment. Just-in-time delivery trucks are now effectively becoming warehouses on wheels. Overall truck movements in the peak hour are expected to increase from about 16,000 to over 21,000 by 2013 (or 13%), but daily truck movements are expected to increase by 50%.
- **YVR as a regional gateway:** As the second busiest airport in Canada for passenger and goods movement, and these volumes are expected to increase by 40% and 60% respectively by 2010.
- **Inter-regional travel:** as demand for travel between the GVRD and the adjacent communities increases, decisions will have to be made on inter-jurisdiction services, especially transit.
- **Kyoto:** Federal estimates show Greater Vancouver's target reductions of Green House Gas (GHG) emissions would need to be 35% lower than 2010 trends.

## 5.0 COMPARISON OF OBJECTIVES

**Figure 2** is a comparison of the transportation choice policies of the LRSP and the objectives of the 10-year Outlook discussion paper as presented by TransLink staff. Although the differences between the LRSP Transportation Choice Policies and the 10-year Outlook Objectives appear to be subtle, the collective shift in emphasis and focus is significant. Some of the levers or tools for changing travel behaviour have not been referenced at all (e.g. TDM, and priority for HOV on new MRN roads). Moreover, there appears to be a shift away from supporting the Growth Concentration Area to an objective of an even application of transportation benefits across the region which could lead to more development on the edges of the region.

**Figure 2**  
**Comparison of LRSP Policies and 10-year Outlook Objectives**

LRSP Transportation Choice Policies	10-year Outlook Objectives	Difference Under the 10-year Outlook
<ul style="list-style-type: none"> <li>Implement a transit-oriented and automobile-restrained (transportation) system</li> <li>Provide a variety of transit services (flexibility for different demands)</li> </ul>	<ul style="list-style-type: none"> <li>Make transit a real option</li> </ul>	<i>No reference to an automobile-restrained transportation system.</i>
<ul style="list-style-type: none"> <li>Assign priority for increased roadway capacity first to HOV, goods movements, inter-regional movements and then SOV</li> </ul>	<ul style="list-style-type: none"> <li>Reduce gridlock especially for goods movement</li> </ul>	<i>No distinction made between capacity for SOV travel and HOV or inter-regional movements.</i>
	<ul style="list-style-type: none"> <li>Maximize economic potential</li> </ul>	<i>LRSP assumed growth would be coming and had to be managed while 10-year Outlook seeks to maximize unqualified economic development.</i>
<ul style="list-style-type: none"> <li>Transportation system supports the protection of the Green Zone, the development of complete communities and a compact metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>Maintain and enhance the environment</li> </ul>	<i>No reference to supporting the development of complete communities or a compact metropolitan region.</i>
<ul style="list-style-type: none"> <li>Pursue Transportation Demand Management (TDM)</li> <li>Implement transportation facilities with priority given to areas identified for above-trend population and employment growth</li> </ul>	<ul style="list-style-type: none"> <li>Share benefits and costs equitably</li> </ul>	<i>No reference to TDM and a suggestion of an "even application" of benefits which may impact the success of the growth concentration area.</i>
<ul style="list-style-type: none"> <li>Monitor implementation of policies and conduct periodic reviews</li> </ul>		<i>No reference to monitoring or reviews.</i>

## 6.0 PROPOSALS

**Appendix 'A' (attached)** provides a summary of which proposals currently contained within the discussion paper are within each of the two periods:

- Three-year Financial Strategy (2005-2007)

- 10-year Outlook, excluding the first three years (2008-2013)

What follows is a description of the potential implications, from a Burnaby perspective, of the specific proposal included in the discussion paper under each of the two horizons.

### 6.1 Three-Year Plan (2005-2007)

It should be noted that while some of these projects will be started before 2007, not all will be completed by 2007.

- **Rapid Transit (RAV line \$321 million, NE Sector \$75 million):** The NE Sector line's optimum route and technology are proposed to be determined in early 2004. Commitment to the NE Sector line in the 2005-2007 period is limited to establishing a project office, engineering work, and property procurement, totaling \$75 million (or about 19% of TransLink's commitment of \$400 million). Construction is scheduled to begin on the RAV line in 2005 and by 2007 TransLink will have already committed \$321 million (87% of TransLink's commitment of \$370 million) to the construction of the RAV line. *Impact: If additional funding is not generated to match the requirements of the 10-year Outlook then the financial viability of the NE Sector Rapid Transit Line could become doubtful while the RAV Line may be past the point of no return.*
- **SkyTrain Capacity - Millennium and Expo lines (not costed separately):** A 5% increase to peak-period SkyTrain capacity will be achieved through "full deployment" of the 60 new Mark II vehicles. Some four-car Mark II trains will be introduced to the system. *Benefit: Increased capacity on the Expo line should help to relieve rush hour congestion.*
- **34 expansion Mark II SkyTrain vehicles (\$84 million):** Additional SkyTrain vehicles are required to meet the forecast future demand on the Burrard Peninsula. *Benefit: Increased capacity on both the Expo and Millennium SkyTrain Lines in Burnaby.*
- **Trolley fleet replacement (not costed separately):** A new 245 vehicle low-floor accessible trolley fleet will be introduced resulting in these buses being wheelchair accessible. *Benefit: This would result in improved accessible access to points in the City of Vancouver now served by the trolley fleet (e.g. Vancouver General Hospital). It will also offer improvement to the limited section of Route No. 19 trolley service within Burnaby (Kingsway, Willingdon and Central Boulevard from Boundary Road to Metrotown Station).*
- **Bus service improvements to post-secondary institutions (not costed separately):** The discussion paper makes specific mention of SFU under this



initiative but makes no reference to BCIT. Moreover, the extension of No. 43 (a limited stop express service now serving UBC via 41<sup>st</sup> Avenue) from Joyce Station to BCIT, recommended as part of the 2003 to 2005 improvements under the Burnaby New Westminister Area Service Plan, has now been deferred to 2006-2007 for implementation. *Impact: BCIT as the fourth largest post-secondary institution in the province should be included in the next round of U-Pass expansion as well as receiving the transit improvements identified as part of the Burnaby/New Westminister Area Transit Plan process for 2005.*

- **Transit signal priority (not costed separately):** Traffic signal priority measures are proposed for the 97 B-Line bus service operating between Lougheed Mall and Coquitlam Centre via North Road. *Benefit: Improved transit access to Burnaby via the Lougheed Town Centre Station on the Millennium Line from the NE Sector in advance of the construction of the NE Sector Rapid Transit line.*
- **Cycling (\$15 million):** \$13 million of the \$15 million is targeted for cost-sharing with municipalities and some funding will also go directly to specifically identified projects including upgrading the BC Parkway, and implementing the Central Valley Greenway. *Benefit: Correction of long-standing issues on the BC Parkway and assistance with the implementation of the Central Valley Greenway.*
- **Increased funding for HOV facilities (not costed):** Although no budget has been assigned to this item, the discussion paper raises the possibility for increased funding for those elements of the MRN which carry HOV facilities. *Benefit: As Burnaby has about 40% of the region's HOV lane kilometers, Burnaby could stand to benefit significantly if Transit Related Road Infrastructure Program (TRRIP) was increased for HOV lanes.*
- **Community shuttle (potential cost savings):** Capitol Hill (existing bus route No. 137) was identified for possible conversion to a community shuttle service as part of the Burnaby New Westminister Area Service Plan as referenced in the discussion paper. However, the discussion paper also proposes community shuttle on the south slope. *Impact: This latter proposal is contrary to the proposal of consolidating existing bus routes No. 114 and No. 115 into one improved east-west service serving Edmonds Station via Rumble and Clinton. Moreover, with the proposed 1,200 student Southeast Burnaby Secondary School proposed to open as early as 2004, those students living in the south slope portion of the new school's catchment area will require a frequent regular south slope bus service.*

- **Priority for truck flows (not costed):** The discussion paper suggests priority treatment for trucks on the region's Major Commercial Transportation System (MCTS). *Impact:* Elements of the MCTS within Burnaby include Hastings, the Trans Canada Highway, Canada Way, Marine Way and Boundary Road.
- **New bus heavy maintenance facility (\$200 million in total):** New transit maintenance facilities proposed in the discussion paper include Vancouver in 2005 (to replace an aging Oakridge), North Shore in 2007 (to replace North Vancouver), and a new heavy maintenance facility in 2007. To our understanding, early work undertaken by TransLink indicates that the Big Bend area in Burnaby may be the preferred location for the new bus heavy maintenance facility of about 20 acres in size. *Impact:* Staff are not aware of an available site that would appropriately accommodate the proposed bus heavy maintenance facility within the prevailing Big Bend Development Plan which includes a business centre designation on most of these lands, should TransLink confirm that this in their preferred location.
- **MRN Major Capital (\$221 million + \$600 million for the Fraser River Crossing with the latter to be fully off-set by tolls):** Currently TransLink has accumulated \$125 million in borrowing capacity and anticipates an additional \$105 million by 2007 for a total borrowing capacity of \$230 million in 2007. Originally TransLink anticipated being able to leverage this borrowing capacity by cost-sharing on MRN Major Capital projects (1/3 TransLink, 1/3 Provincial funding, and 1/3 Federal funding). However, senior government funding has yet to emerge, therefore TransLink is recommending 100% GVTA funding for the group of MRN projects shown in **Figure 3**.

(i) Fraser River Crossing (tollled)	\$600 m
(ii) North Fraser Perimeter Road	\$60 m
(iii) Fraser Highway Widening	\$45 m
(iv) Dollarton Bridge Twinning	\$8 m
(v) Coast Meridian with overpass to Kingsway	\$60 m
(vi) 204 <sup>th</sup> Street Overpass	\$18 m
(vii) Main Street Widening	\$5 m
(viii) Murray-Clarke Connector	\$25 m
<b>Total</b>	<b>\$821 m</b>

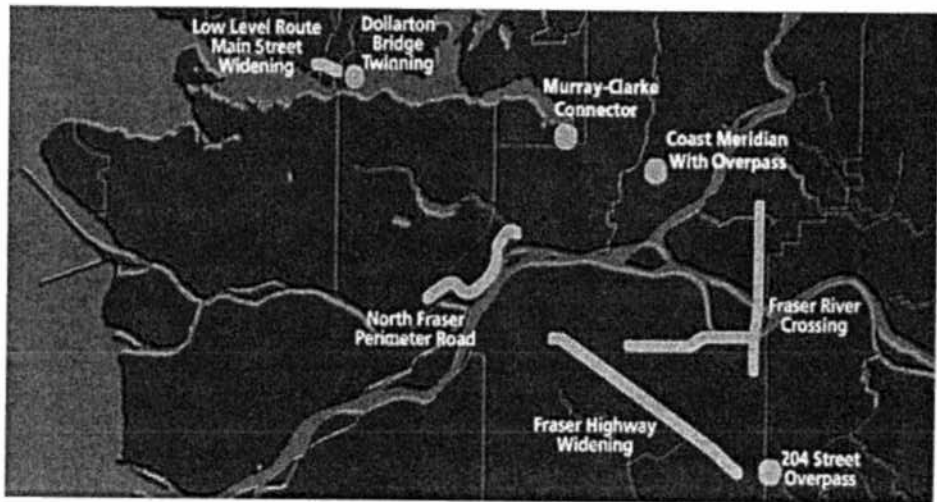
\* These projects are presented as candidates for implementation as part of the public discussion. Cost-sharing may be sought from the province for some of these projects.

*Risk:* If GVTA proceeds with 100% funding it may set a precedent that could discourage senior governments from funding MRN Major Capital projects in a significant and sustained way in future. *Impact:* There are no projects in Burnaby within this category. It should be noted that the Stormont-McBride connector was referenced as a potential MRN Major Capital project in TransLink's fall 2001 package on "choices". However, TransLink staff note that with the lack of senior government match-funding that the MRN Major Capital

**Figure 3**

program is now significantly over-subscribed. Moreover, the Stormont-McBride connector was not advanced as a candidate project as there does not appear to be "local acceptance" for this particular project (as shown in the TransLink MRN Major Capital evaluation table included in **Appendix 'B' attached**).

The projects shown in **Figure 4** have not been presented as a well coordinated group of strategic improvements to advance the transportation policies of the LRSP; no priority seems to be assigned to HOV (with the exception of the Murray-Clarke connector) or inter-regional goods movements over SOV; and it is unclear how these projects will assist in the protection of the green zone (with the exceptions of the Coast Meridian Overpass and the Murray-Clarke Connector which would both support housing being developed within the portion of the Growth Concentration Area in the Northeast Sector). Moreover, TransLink's own assessment of these projects (included in **Appendix 'B' attached**) indicates that four (4) of the seven (7) projects proposed in the discussion paper do not support the LRSP.



*Location of proposed MRN Major Capital Projects*

**Figure 4**

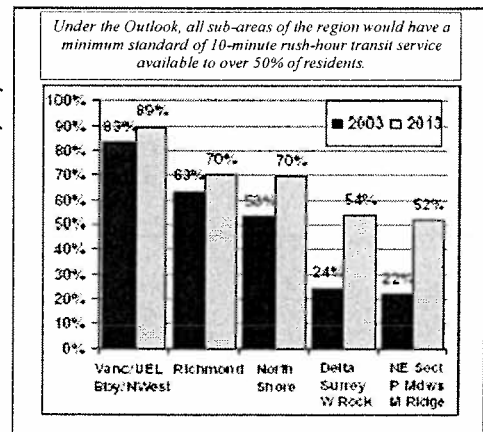
- **Improving Existing Regional Road (MRN) Efficiency (not costed):** The text of the discussion paper references the need to, "... review how regional funded roads are regulated and how these sometimes competing local and regional priorities can be reconciled". Later in the discussion paper specific reference is made to further parking removals and additional turn restrictions. Currently TransLink cannot regulate the use of MRN roads except to ensure that all MRN roads accommodate trucks. *Impact: Additional parking removals and/or additional left turn restrictions if proposed for either*

*Hastings or Kingsway could potentially have significant impacts to both local circulation and on-street parking supply.*

- **Expanded use of assets (potential revenue source):** The discussion paper makes reference to the GVTA's considerable asset base and the potential to use this asset base to generate additional revenue. The two potential examples given include opening Waterfront Station to private ferry operators and using the proposed new heavy maintenance facility for buses to service other private sector buses or transit buses from other parts of the province. Sponsors and partnerships are also referenced.
- **Transportation Demand Management (TDM):** The majority of the discussion paper is supply-side focused. Premier Campbell stated at a recent Council of Council's meeting that, "We can not build our way out of congestion." The other side of the equation is trying to strategically manage the demand for transportation services. Unless we manage travel demand we will not be able to prevent increased traffic congestion and longer travel times by private and commercial vehicles. This would require even more investment to achieve the same results. However, demand-side management appears to be an after thought with no commitments being made and no resources allocated to TDM during any period of the 10-year Outlook. Moreover, TransLink should also consider favoring funding sources which also help to curb single occupant vehicle (SOV) demand for facilities which are expensive to provide and to ensure that MRN funding that is provided is tied to the inclusion of priority treatments for HOV, goods movement, cycling and walking.

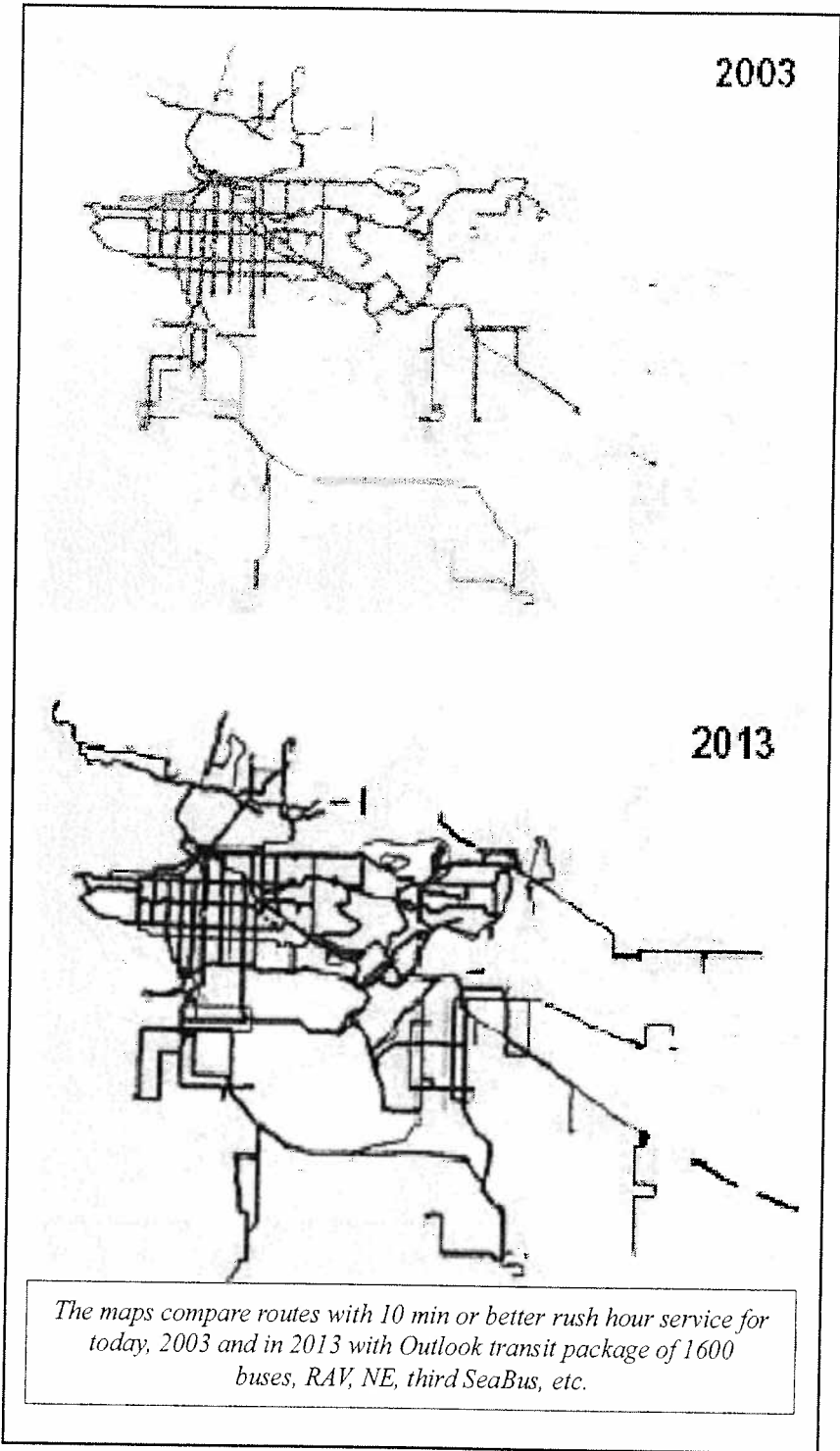
**6.2 10-Year Outlook (2008-2013)**

- **10 minute peak period bus service (not costed separately):** is proposed to be introduced to at least 50% of residents in all sub-regions of Greater Vancouver. *Benefit:* Although not a significant direct benefit to Burnaby as shown in Figure 5, it could result in a considerable increase in access to employment in Burnaby from points east (Surrey, Langley, Coquitlam, Port Moody and Port Coquitlam) as shown in Figure 6.



**Distribution of 10-minute Bus Service Benefits**

**Figure 5**



**Routes Proposed for 10-minute  
Rush Hour Service**

**Figure 6**

- **72 replacement Mark II SkyTrain vehicles (\$300 million):** Currently, a mixed fleet of the smaller Mark I vehicles and the newer, larger Mark II vehicles serve both the Millennium and Expo SkyTrain lines. The 72 SkyTrain replacement vehicles will be brought into service before the existing 114 Mark I vehicles reach the end of their useful lives. Given the lead time required for this process it may need to be started before 2013. *Benefits:* Expo and Millennium Line would have a consistent operating fleet of larger vehicles.
- **Existing SkyTrain Station Upgrades (not costed separately):** Upgrades to the automatic train control (ATC) system and improvements to station lighting are proposed for the Expo Line. *Benefit:* ATC improvements could result in improved reliability and the station lighting improvements could increase personal safety. *Impact:* TransLink staff acknowledge that the existing pedestrian overpass at Metrotown is nearing or at practical capacity at certain periods now, but it has not been included for upgrading within the 10-year Outlook. It should be noted that there is an opportunity to advance partnership discussions with the developer of the future third office tower at Metrotown.
- **Potential West Coast Express station in north Burnaby (not costed):** A potential new station in north Burnaby is referenced, but there is no specific commitment or timing. Although to our understanding TransLink had initiated a technical feasibility study for this station, no results have been released to date. *Benefit:* Potential to significantly increase access to employment destinations along the Willingdon corridor (Heights, Brentwood, Canada Way, BCIT, Discovery Place, and Metrotown) from the NE Sector in advance of the NE Sector Rapid Transit line being constructed.
- **Bus service expansion (\$141 million):** These improvements would be focused on the metropolitan core, post-secondary & high school, core bus riders, suburb-to-suburb. *Benefits:* Bus service improvements to these markets should significantly benefit Burnaby in all cases.
- **Commitment to completing the rapid transit network (\$49 million for RAV line, \$325 million for NE Sector, and Western Extension of Millennium line \$0 - not costed):** As currently proposed, the completion of the NE Sector Rapid Transit line (2013) would lag RAV by 4 years (2009) and Western Extension of the Millennium line would lag the completion of the RAV line by about nine (9) years (2018). *Impact:* As stated in the separate Council report on the implication of the RAV Line, these delays could significantly undermine the overall land use shaping ability of the Millennium SkyTrain line. Moreover, additional Provincial and Federal funding may be required, depending on the recommended NE Sector line's alignment and technology (anticipated in 2004).

## **7.0 COSTS**

In order to sustain the package of transportation projects proposed in the Three-year Financial Strategy (2005-2007), TransLink's annual budget would have to increase to \$829 million, a \$189 million (or 30%) increase over their current budget of \$640 million. The majority of these new costs are stated to be debt-service costs.

To sustain the package of transportation projects proposed in the latter six years of the 10-year Outlook, TransLink's annual budget would have to increase to \$1.18 billion per year by 2013, a \$540 million (or 84%) increase over the current \$640 million. Furthermore, the GVRD Finance Committee recently released some long range cost projections for capital projects they are planning and their own budget needs were projected to be increasing by \$85 million (or 23%) over the actual GVRD expenditures for 2002 of \$371 million.

## **8.0 FUNDING**

### **8.1 TransLink's Three-year (2005-2007) Funding Principles**

TransLink based the Three-year Financial Plan on the following principles:

- the financial plan should represent a balance between user fees and general taxation, reflecting both individual and general benefits;
- the financial plan should be based on existing revenue sources available under the GVTA Act;
- senior government funding will not likely materialize before 2007;
- fare increases should be limited to the rate of inflation to protect transit ridership; and
- the accumulated reserve should be maintained at a level sufficient to mitigate risk.

### 8.2 Three-year Financial Strategy (2005-2007)

As shown in **Figure 7**, with no rate increases or no new funding sources, revenues are forecast by TransLink to increase by 13% to around \$730 million by 2007. However, as expenditures described above climb faster than revenues, the deficit is forecast to be close to \$100 million by 2007 and the accumulated reserve would be depleted in 2006.

	2005	2006	2007
<b>Expenditures</b>			
Operating Costs	558	582	606
Debt Service Costs	155	185	223
<b>Total Expenditures</b>	<b>713</b>	<b>767</b>	<b>829</b>
<b>Revenues (no fare or tax increases)</b>			
Transit	263	271	285
Taxation			
Fuel	268	276	282
Property	129	131	134
Hydro	16	17	17
Parking	12	12	12
	425	436	445
<b>Total Revenues</b>	<b>688</b>	<b>707</b>	<b>730</b>
<b>Annual Deficit</b>	<b>(25)</b>	<b>(60)</b>	<b>(99)</b>
<b>Accumulated Surplus/(Deficit)</b>	<b>22</b>	<b>(38)</b>	<b>(137)</b>

*Note: Revenue figures do not include toll revenues for FRC.*

Figure 7

As shown in **Figure 8**, a mix of increases to transit fares, parking charges, and property taxes are proposed in the discussion paper. These new charges will generate approximately \$92 million in 2005 increasing to \$99 million by 2007<sup>1</sup>.

	2005	2006	2007
6% fare increase April 2005	11	15	15
Parking charges	25	25	26
Property tax increase (\$61 for avg. home)	56	57	58
<b>Total Revenue Increase:</b>	<b>92</b>	<b>97</b>	<b>99</b>

Figure 8

As shown in **Figure 8**, proposed revenue increases for 2005 and 2006 are significantly higher (\$67 million and \$37 million respectively) than the deficits shown in **Figure 7**. TransLink is suggesting that these additional funds be added to the anticipated 2004 year-end accumulated surplus of \$47 million in order to create a “transportation trust”. This fund would grow from \$113 million in 2005 to \$151 million in 2007. TransLink is further proposing that the trust be split into a capital component (to allow for more “pay-as-you-go” financing) and an operating component in the range of 10% of the annual operating budget (to allow for a “cushion” against unforeseen circumstances).

<sup>1</sup> Reflecting increases in ridership and taxation base growth.



### 8.3 10-Year Outlook (2008-2013)

As shown in **Figure 9**, TransLink estimates that by 2013, assuming normal volume increases - without tax or rate increases - revenues would reach about \$820 million, leaving a funding gap of \$370 million<sup>2</sup> (about the equivalent of GVRD's current operating budget). As shown in **Figure 10**, TransLink goes on to describe a number of funding sources which could potentially bridge this forecast shortfall.

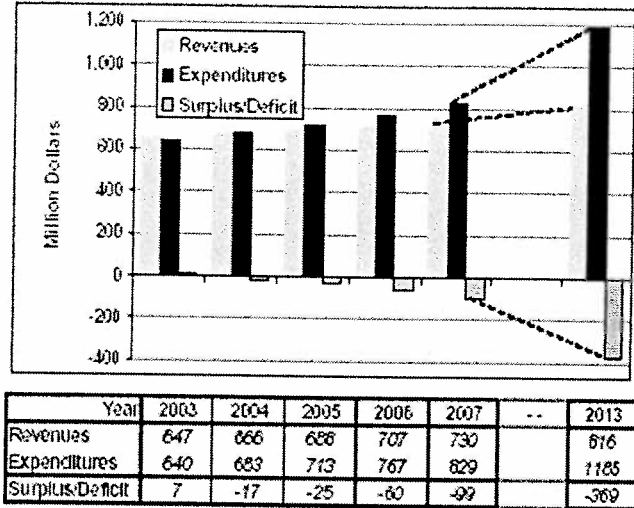


Figure 9

Figure 10  
 TransLink's Estimate  
 of Potential Revenue to Off-set  
 2013 Projected Shortfall

Projected 2013 <b>funding gap</b> of \$370 million. <sup>2</sup>	(\$370 million) <sup>2</sup>
The 2005-2007 Three-year Funding Strategy proposed in the discussion paper would provide \$110 million from <b>existing revenue sources</b> available under the GVTA Act.	\$110 million
Transfer of \$0.05/liter of <b>Federal gas tax</b> would amount to \$130 million commencing in 2008.	\$130 million
Provincial gas tax and fare increases assumed at the same level as <b>inflation</b> .	\$50 million
<b>Remaining shortfall</b> <i>sub-total</i>	(\$80 million)

<sup>2</sup> If transit fares were increased with the assumed rate of inflation, this gap is estimated to decrease to \$300 million.

TransLink goes on to suggest that,

*"... it is likely that at least one 'new' source of revenue, such as a sales tax or some form of vehicle-related charge, such as tolls, will be required to help close the gap and raise revenues in the range of \$100 to \$200 million, by 2013 ."*

## 8.4 Financial Issues

### The First Three Years (2005-2007)

- **GVTA's increased reliance on property tax:** During the regional discussions that preceded the creation of TransLink under the GVTA Act, there was considerable dialogue on the risk of TransLink targeting property tax as a significant revenue source. During this dialogue repeated reassurance was given that TransLink would not target property tax (beyond the reallocated hospital levy already being drawn from property tax) as a revenue source even though legislated as a revenue source by the GVTA Act. GVTA's "base" revenue from property tax fluctuates from year to year in response to changes in assessed property values (see **Figure 11**).

As shown in **Figure 11**, property tax increases were used for the first time directly in 2002 by the GVTA in response to the financial crisis of 2001.<sup>3</sup> The discussion paper notes that this resulted in 0.9% or \$22 increase to the average homeowner's property bill and generated \$20 million for TransLink. As a point of reference, the discussion paper also notes that the 2003 TransLink component for the average homeowner's<sup>4</sup> property tax bill has since increased to \$89 (\$84 for Burnaby as shown in **Figure 11**). It should be noted that Burnaby assumed no increase in assessed value for years 2004 and 2005 (making it a conservative estimate) while TransLink has already assumed future property tax growth from growth in the tax base (or total assessed property values) of \$12 million (growing from \$122 million in 2003 to \$134 million in 2007 as shown in **Figure 11** and **Figure 7** respectively).

---

<sup>3</sup> Following the vehicle levy being passed by both the GVTA Board and the GVRD Board, the Provincial government of the day refused to implement its collection of the vehicle levy via ICBC.

<sup>4</sup> \$2,500 of total residential tax (for all bodies) generated from an average assessed value in the GVRD of \$309,000 (or \$2,285 for the average assessed value of \$292,400 in Burnaby).

**Figure 11**  
**Estimated GVTA Property Tax**

Year	Average Burnaby Property <sup>5</sup>				Revenue (millions)		
	Assessed Value	Base Tax	Tax Increase	Total Tax	Base <sup>6</sup>	Increase	Total
1999 <sup>7</sup>	\$275,900	\$58	-	\$58	\$88 M	-	\$88 M
2000	\$265,300	\$56	-	\$56	\$90 M	-	\$90 M
2001	\$264,300	\$55	-	\$55	\$93 M	-	\$93 M
2002	\$267,800	\$55	\$22	\$77	\$95 M	\$20 M	\$115 M
2003	\$292,400	\$84	-	\$84	\$122 M	-	\$122 M <sup>8</sup>
2004 <sup>9</sup>	\$292,400	\$84	-	\$84	\$122 M	-	\$122 M
2005	\$292,400	\$84	\$58 <sup>10</sup>	\$142	\$129 M	\$56 M	\$185 M

The property tax increase proposed for 2007 would result in TransLink receiving \$97 million more annually than in 1999 - the year TransLink was created. The risk is that there are four (4) major agencies (GVRD, GVTA, provincial schools and the local municipality) now all competing for a limited amount of property tax revenue (as there is a practical limit to how much revenue can be generated from property tax). Moreover, preliminary numbers recently released by GVRD's Finance committee during their review of the RAV line indicated they will also be requiring incremental property tax

<sup>5</sup> On assessed value of the average Burnaby residential property.

<sup>6</sup> Note the GVTA "base" revenue rises and falls due to the changes in assessed property values.

<sup>7</sup> Annualized 1999 budget as TransLink was created on April 1, 1999.

<sup>8</sup> 2003 second quarter report TransLink Board report.

<sup>9</sup> 2003 values were carried forward into 2004 for comparative purposes.

<sup>10</sup> \$61 for the average residential property in the GVRD bases on assessed value of \$309,000.

increases of about \$85 million by 2013 to service their capital funding requirements (based on GVRD's analysis this equates to a \$85 increase to the tax bill on the average assessed value of the home in the GVRD). While the GVTA has other funding alternatives, the local municipalities do not.

- **Parking Charges:** TransLink will be undertaking a further review and consultation program between now and the end of 2003 to assess the feasibility and equity issues associated with the two potential sources of new parking revenue (Increased parking sales tax and area/stall tax). TransLink has noted that this assessment will also consider which areas could be assessed and consider varying rates by location. This revenue source, depending on the approach, could have a TDM benefit. However, the assessment process must be as inclusive as possible (involving the City, mall operators and the Burnaby Board of Trade) to ensure that all of the implications are well understood prior to making a final parking tax recommendation. Caution will also need to be exercised to ensure that these new charges do not act in opposition to the objectives of the LRSP and shift more development to the edge of the region.
- **Bold plan in uncertain times:** TransLink is suggesting that \$221 million in MRN Major Capital<sup>11</sup> should be 100% TransLink funded in the absence of senior government funding and \$321 million (or 87% of TransLink's total contribution of \$370 million) be committed to the RAV line in the first three-years (2005-2007) of the 10-year Outlook . However, the financial resources to support the 10-year Outlook projects in the 2008-2013 period are far from secure. This effectively advances both the MRN Major Capital projects and the RAV line at the risk of other significant projects set for the later phase of the 10-year Outlook (i.e. SkyTrain fleet replacement, SkyTrain fleet expansion, third SeaBus, bus fleet replacement, bus fleet expansion and the Northeast Sector Rapid Transit line).

Beyond The First Three Years (2008-2013)

- **Federal gas tax:** There is no commitment from the current Federal government to share the revenue from the Federal gas tax. Moreover, there is likely to be significant competition for this revenue if it does become available. It should also be noted that in a recent GVRD report to the GVRD Corporate and Intergovernmental Committee, the notion of striking a task force to develop proposals for a comprehensive "*Financing the Sustainable*

---

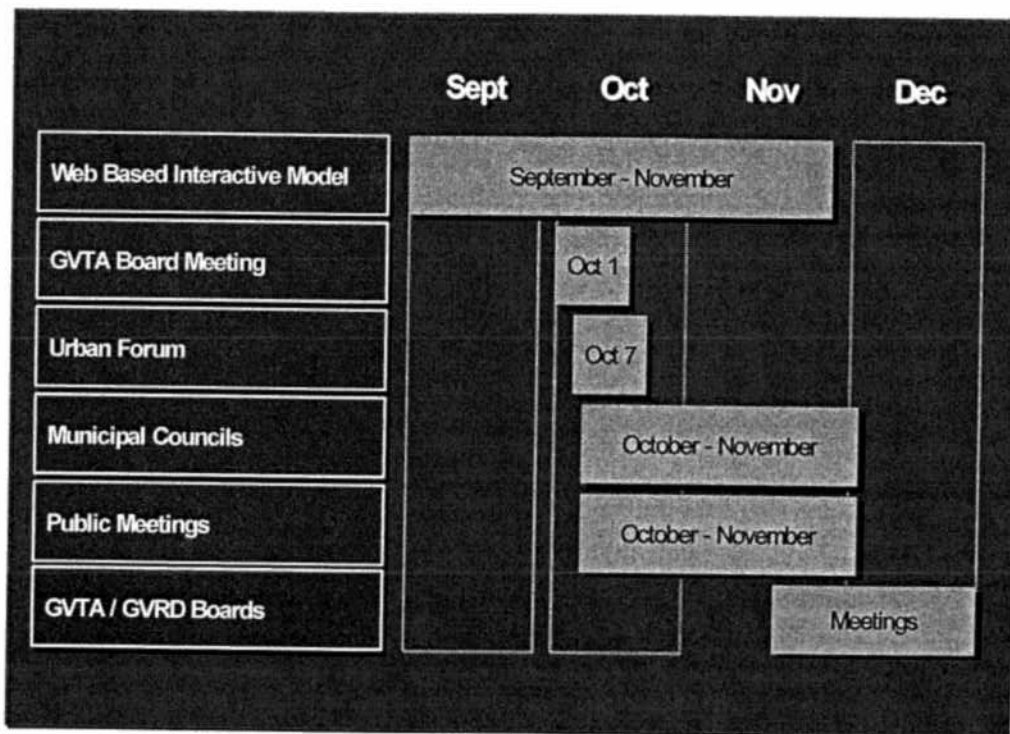
<sup>11</sup> Excluding the \$600 Fraser River Crossing which is to be essentially self-financed through tolls.

*Region's Future*” to consider a full range of additional funding options (e.g. development cost charges, demand-side charges, regional sales tax, inter-municipal equalization payments, targeted tax relief, PST and GST exemption, and federal gas tax) was tabled for consideration.

- **No fall back position has been identified:** The current 2008-2013 financial plan is relatively high risk as TransLink has yet to develop a fall back position if the Federal government does not agree to transferring gasoline tax to the extent required under the terms of the discussion paper.

## 9.0 CONSULTATION


As noted previously and as shown in **Figure 12**, TransLink staff will be presenting an overview of the *10-year Outlook and Three-year Financial Strategy* discussion paper to Council at their regular meeting of 2003 October 27. Since the adoption of their public consultation plan by the TransLink Board on 2003 October 1, TransLink staff have confirmed that they will be hosting a 10-year Outlook open house in Burnaby from 7-9 pm on Wednesday, 2003 November 19 at the Shadbolt Centre for the Arts. TransLink staff are also planning to attend a session of the Council of Councils tentatively scheduled for 2003 November 22 to solicit input on the discussion paper.



*TransLink's 10-Year Outlook  
 Consultation Schedule*

Figure 12

However, given the complexity of the issues up for consideration, as presented in the discussion paper, Council could consider requesting a working session with TransLink staff to allow a forum for detailed dialogue to take place, although the time available as shown in **Figure 12** would appear to be extremely limited.



J.S. Belhouse, Director  
PLANNING AND BUILDING

Attachments (2)

*P:\David Clutton\WordPerfect\dac0913.wpd*

- cc: Director Finance
- Director Engineering
- City Clerk

Appendix 'A'

10-Year Outlook Discussion Paper  
City of Burnaby Summary of Timing and Costs

	2005-2007	2008-2013	Sum	Notes
	Cap. Cost (\$M)	Cap. Cost (\$M)	Cap. Cost (\$M)	
<b>Making Transit a More Viable Choice (p.11)</b>				
<i>Increasing Transit Ridership (p.11)</i>				
U-Pass expansion	?		?	Not costed
Employer passes	?		?	Not costed
TravelSmart marketing		?	?	Not costed
Improve customer info.		?	?	Not costed
<b>Expanding the Transit Network (p.12)</b>				
<i>Rapid Transit (p.12)</i>				
34 SkyTrain cars - expansion	84	116	200	Says total of \$170M in the body of the report
72 SkyTrain cars - replacement		300	300	
Build RAV Line	321	49	370	
Build NES Line	75	325	400	
Study UBC Line		?	?	Not costed
King George Busway		120	120	p. 31 states RAV + NES + KGB = \$80 million
<i>Make Use of Waterways (p.13)</i>				
Private access to Waterfront Stn		?	?	Not costed
Up to 7 passenger ferries	three	four		Not costed
Additional SeaBus		10	10	Don't know if need to replace existing vessels
<i>Expanding Bus Service (p.14 and 15)</i>				
Expand to 1,600 buses (+400)	59	141	200	
Additional service hours	see note	?	?	360,000 hours stated for 2005-2007
Replace 1,300 buses (inc 245 trolleys)*	312	288	600	
Transit facilities	200		200	p.31 says only \$500M
U-Pass to other post-sec.	?		?	
<i>Leverage the Rapid Transit (p.14)</i>				
SkyTrain to VCC	?		?	Not costed
Granville Station entrance	?		?	Not costed
Station improvements (lighting)	?		?	Not costed
5% peak-hour capacity incr.	?		?	Not costed
<i>West Coast Express (p.15)</i>				
Spare locomotive	10		10	Total cost of items listed below
Expand Maple Meadows Park & Ride	included		included	included in the \$10 million
Expand PoCo Park & Ride	included		included	included in the \$10 million
Albion station	included		included	included in the \$10 million
Expanded TrainBus	included		included	included in the \$10 million
North Burnaby station		?	?	No commitment
<b>Non-transit</b>				
<i>Cycling (p.16)</i>				
Rise to \$6M per annum	15	39	54	
<i>Addressing Road Congestion (p.17)</i>				
Fraser Crossing	600		600	Previously considered by Board
<i>MRN Major Capital Projects- Sub-total</i>	221	210	431	p. 31 states \$400 million
- NFRP	60		60	Coquitlam - Queensborough Bridge
- Fraser Hwy. widening	45		45	Surrey
- Dollarton twinning	8		8	Dollarton Highway
- Coast Meridian	60		60	Coquitlam
- 204th overpass	18		18	Langley
- Main St. widening	5		5	North Vancouver
- Murray-Clarke Connector	25		25	Port Moody, related to Barnet HOV
- Roads, 2008-2013		210	210	
Ops / maint / rehab	108	162	270	p. 21 states \$81 million in 2005-2007
Minor Capital	80	120	200	Unchanged (p. 33 states 60 million in 2005-2007)
GVTA-owned bridges	32.5		32.5	
Improve road efficiency (ideas listed)	0	0	0	Will look at things
Streamlined border crossings	0	0	0	Finish existing work; no further projects
Regional roads - structures	0	0	0	Review; possible cost implications
<i>Continue to Improve Efficiency (p.21)</i>				
Limited room for additional savings	0	0	0	
<i>Intelligent Transportation Systems (p.22)</i>				
SmartCard		included	included	Total cost of items listed below
Adv. Traveller Info. Systems		included	included	
Adv. Traffic Mngmt. Systems		included	included	
Incident Mngmt. Systems		included	included	
Transit Info. Systems		included	included	
<i>Reduce Demands on the Network (p.23)</i>				
Coordinate land use and transportation		0	0	Discussion only, no commitment
Employment location		0	0	Discussion only, no commitment
Density around transit		0	0	Discussion only, no commitment
<i>Demand-Side Actions (p.23)</i>				
Funding - taxes & user fees		0	0	Discussion only, no commitment
Road user priorities		0	0	Discussion only, no commitment
Facilitating goods movement		0	0	Discussion only, no commitment
<i>AirCare Review in 2004 (p.24)</i>				
Review the program	0		0	
	2,118	1,900	4,018	
TransLink Summary Values	1,900	2,000	3,900	
Difference	218	-100	118	

NOTES:

The reasons for the above differences are unclear.

When the time period was not specified in the text of the discussion paper it was assigned to the 2008-2013 period.

\* Costs associated with the expansion to 1,600 buses seem to include community shuttle, HandiDart (including a 3% service increase)

Project	A. FIRST SCREENING CRITERIA -			B. SECOND SCREENING CRITERIA			Criteria						
	1. Local Acceptance	2. Included in STP (Approved by GTA)	3. Within GTA Mandate	1. Complete existing project or enhance proposed investment	2. Support for Goods Movement	3. Supports Major Development Plan / LRSPP	4. Enhance Municipal Major Arterial Network	5. Committed Provincial Cost-Sharing / Availability of senior govt funding	6. Municipal cost-sharing				
David Avenue	X	?	X		X	X	X						Possible for 2007
Coast Meridian with Overpass	X	X	X		X	X	X						Include for 2007
loco Road Widening	X	X	X		X	X	X						Defer to 2008 process
Fraser Highway Widening	X	X	X	X	X	X	X						Include for 2007
204 Street Overpass	X	X	X	X	X	X	X						Include for 2007
Blundell Interchange @ Hwy 99	X	No-Prov	No-Prov				X						Prov Responsibility
Stormont-McBride Connector		X	X				X						Defer to 2008 process
Main St / Low Level Rd Widening	X	X	X	X	X	X	X						Include for 2007
Lougheed Hwy / Pinetree interchange	X	X	X	?			X						Defer - L'heud Corridor/Pitt Bridge
Lougheed Hwy Corridor Widening (west)	X	X	X	?			X						Defer - L'heud Corridor/Pitt Bridge
North Fraser Perimeter Road	X	X	X	X	X	X	X						Include for 2007
Hwy 1 / 216 St interchange	X	No-Prov	No-Prov				X						Prov Responsibility
Hwy 99 / 24 Ave interchange	?	No-Prov	No-Prov				X						Prov Responsibility
Murray-Clarke Connector	X	X	X	X	X	X	X						Include for 2007
Lougheed Corridor East Improvements	X	No-Prov	No-Prov	?	X	X	X						Prov Responsibility
Dollarton Bridge Twinning	X	X	X	X	X	X	X						Include for 2007
Low Level Route (west end)	X	?	?	?	X	X	X						Defer to 2008 process



Notes  
 \*Must meet A1 and A2 or A3  
 MRN projects recommended by TransLink

Four (4) of the seven (7) recommended projects do not support the LRSPP