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**Written Submission for the Pre-Budget Consultations in
Advance of the 2024-25 Budget**

***Ensuring Canada's Urban Transit Systems Are Ready to
Support Population Growth and Climate Action Targets***

By the TransLink Mayors' Council

July 28, 2023

RECOMMENDATIONS

Metro Vancouver's TransLink Mayors' Council on Regional Transportation asks that the Government:

1. **Accelerate the delivery of the Permanent Transit Fund (PTF) by two years** from the original commitment of 2026/27 to 2024/25 to avoid delaying the transit service expansion needed starting in 2024 to respond to record-setting population growth as a result of new federal immigration targets, meet national and provincial GHG emission targets, and make Metro Vancouver more affordable for families and businesses.
2. **Permanently double the Canada Community-Building Fund** and increase its annual escalator to 3.5% to better reflect construction cost inflation.
3. **Launch a tri-partite national commission together with provinces, local governments and transit agencies to develop a new funding model for public transit** that is more resilient and equitable by avoiding overreliance on regressive sources such as transit fares and property taxes.

These recommendations will be updated in October 2023 as our updated regional transit plan is developed and finalized.

OVERVIEW

Public transit in Canada's largest metropolitan areas is at an important and difficult crossroads.

In Canada's big cities, public transit has long been seen by most residents as a basic utility, like electricity, drinking water or roads: an essential service that keeps our cities moving, working and successful.

More than just an essential service that provides an affordable, efficient mobility choice, public transit makes critical contributions towards national and provincial priorities such as climate action, reducing cost-of-living pressures, settling record-setting numbers of new Canadians, and positioning Canada as a global competitor for talent and innovation.

Relentless population growth in our largest cities, super-charged by new federal immigration targets, only adds to these expectations, and exacerbates pressures faced by transit in Canada's big cities.

At the same time as these long-term expectations grow, transit is still struggling from the effects of the pandemic—both the immediate shocks of closed borders and movement restrictions, as well as the lingering recalibration of social and economic activity that followed. More recent inflationary pressures have only compounded this financial crisis, adding hundreds of millions of dollars in unexpected costs both to operate transit, and complete capital projects already in construction.

Given the twin shocks of the pandemic and inflationary pressures, combined with limited and reduced revenue tools, many transit systems are faced with an impossible decision: cut service and raise fares to preserve the existing system. Such a decision risks an erosion of service and subsequent slowing or even reversal of ridership growth which then often requires more service cuts and fare hikes, leading eventually to a “transit death spiral.”

There is an alternative to this bleak future. The crossroad.

This crossroad begins with the recognition that transit, like electricity, or drinking water, or roads, is an essential utility that keeps Canada's largest cities running. It also requires an acknowledgment that some of Canada's most pressing new challenges, from climate change to housing affordability to immigrant settlement to innovation, depend on vibrant, successful public transit systems in our largest cities.

This alternative path requires a commitment by all levels of government to support transit's near-term challenges but also to look beyond the near-term by continuing to invest in expanding transit services to ready our cities for the future.

Recent federal and provincial investments have been an essential ingredient to the success of Canada's largest transit systems. However, the sheer magnitude of this track-record – tens of billions of funding over the past decade – may be seen by some as “job done” and “boxed checked.” This is not the case: transit is an essential utility facing growing needs at the same time as it continues to struggle, acutely, from the pandemic and inflation without sufficient tools of its own to recover, grow and succeed. Now is not the time to turn away.

Now is the time for all three orders of government to recommit to the importance of transit and ensure that the resources are available to fulfill its role. Now is the time to put transit in Canada's largest urban regions firmly on the road to recovery and enable these cities to deliver the new and expanded service our cities, provinces and country needs to meet existing and future needs.

Growing pressures

In June 2023, Metro Vancouver's transit ridership recovery returned to 87% of pre-pandemic levels leading North America in ridership recovery. Metro Vancouver transit boardings are 60% higher than Seattle and Portland combined. Metro Vancouver transit boardings are now more than the entire Chicago area, an urban region with triple the population.

Although ridership still lags pre-pandemic levels region-wide, this does not mean the system is operating with excess capacity. In fact, our transit system is now at 115% of pre-pandemic levels in Metro Vancouver's fastest growing communities south of the Fraser River and in its eastern suburban communities.

TransLink, with the support of federal and provincial relief funding, has managed to avoid deep service cuts; however, the ongoing financial challenges have made adding new service impossible.

It is time for governments to shift away from a sole focus on transit "survival" and add an objective to ready transit systems for the needs of a growing population. This is essential to ensure governments' efforts to spur economic recovery and improve affordability are not compromised by traffic congestion and other mobility challenges.

MEETING FUTURE DEMANDS

Recommendations #1 and #2

- Accelerate the delivery of the Permanent Transit Fund (PTF) by two years
- Permanently double the Canada Community-Building Fund

At the same time as Translink is managing its ongoing financial crisis and growing demands on service, it also must prepare for longer term needs that are often driven by national and even global trends as well as provincial and federal legislative requirements:

Population growth and affordability

TransLink's 30-year regional transportation plan, [Transport 2050](#), plans for the region's population to grow by over one million people by 2050 and the related demands on the transportation network. Compounding the impact of this growth is the type of growth expected:

- Densifying urban areas like Metro Vancouver lead to transit usage growing at a faster rate than population because denser cities make transit more useful and convenient. This type of transit-oriented development growth is anticipated and planned for in *Transport 2050* and underpins the plan's focus on aggressively expanding transit service across the region.
- The majority of population growth is occurring in the fastest growing neighbourhoods South of the Fraser and in the Tri-Cities. These areas have lagged historically in transit investment and expansion, but with population exploding in these affordable communities, *Transport 2050* will

direct a disproportionate share of new transit service to these areas with the most pressing needs.

- Most importantly, the majority of population growth in Metro Vancouver will come from immigration, driven by record-high federal immigration targets. New Canadians tend to rely disproportionately on transit, especially in the early years of settlement.

Most new Metro Vancouver residents over the next 30 years will be new Canadians who will settle in fast-growing, rapidly densifying transit-oriented communities. These trends bring enormous benefits to the region, province and country and its economy and vibrancy, but also super-charge the demands on our system.

Ensuring that new transit comes online as this new transit-oriented population arrives is critical not just to Metro Vancouver, but also for the province and the country.

Climate action

The Government of BC is striving for net-zero GHGs by 2050 in its *CleanBC Roadmap to 2030*. Metro Vancouver's regional government and TransLink are working together to identify an implementation pathway for the region to meet its target to reduce GHG emissions from passenger cars and trucks by 65% by 2030 (relative to 2010 levels). The accelerated national and provincial transition to emissions-free and low-emission passenger cars and light trucks will help the region meet about 50-60% of its 2030 targets; the remainder will need to come from making more efficient use of existing transportation modes, including a modal shift to transit and active transportation.

Every year that GHG emissions are not reduced contributes to worsening climate change impacts and makes achieving the targets in the remaining time period even more difficult. Achieving the 2030 targets are critical to minimize those compounding impacts, while also setting the region on a trajectory to become carbon neutral by 2050.

Urgency of action

In 2021, following recommendations of the Federation of Canadian Municipalities and regions including Metro Vancouver, the Government of Canada committed to the creation of a Permanent Transit Fund (PTF) of \$3 billion per year, beginning in 2026-27. This new source of permanent and stable funding was welcomed by communities as it will enable transit agencies to carry out long-term project planning and delivery of services to meet the needs of our growing population.

With the recent approval of TransLink's [Transport 2050 Strategy](#) and unanimous approval from the region's mayors for its first phase – *Access for Everyone, the 10-Year Priorities* (2024-2033) – our region is ready to come to the table with the provincial and federal governments to determine how the PTF and other sources of funding can be utilized to move forward with new transit projects and active transportation infrastructure to meet the demands of our growing population.

The first step in implementing the *Access for Everyone Plan* will be the approval of the first phase of projects in 2024. Since TransLink has already allocated existing federal infrastructure funding sources to projects already in service, in procurement or under construction, and with the Permanent Transit Fund currently scheduled to begin in 2026, this leaves a gap where no other new source of federal funding

has been identified to support transit expansion in Metro Vancouver beyond the Canada Community-Building Fund.

By accelerating the PTF to begin in 2024 and doubling the Canada Community-Building Fund the Government of Canada has an opportunity to ensure TransLink and other transit agencies are able to continue adding services to meet public demand and avoid delaying new projects that have been identified as a priority.

FIXING OUR OUTDATED MODEL OF FUNDING PUBLIC TRANSIT

Recommendation #3

Launch a tri-partite national commission together with provinces, transit agencies and local governments to develop a new funding model for public transit to ensure that transit agencies have the resources needed for the increased operating and capital requirements to meet national, provincial and local expectations of public transit services and provide essential transportation services to serve record-setting population growth.

Accessing the Permanent Transit Fund starting in 2024 will help TransLink to get started on implementing the first phase TransLink's 10-Year Priorities outlined above. With ambitious plans to make unprecedented expansion to bus service and build out one of North America's largest BRT networks in the coming years, it is imperative that we get started now to identify sustainable sources of funding that will support future expansion.

TransLink and the Mayors' Council have initiated discussions with the Government of British Columbia to modernize transit funding sources to support TransLink's continued financial recovery and ensure resources will be available to expand the network as Metro Vancouver's population grows. Only new approaches, with all governments working together in innovative ways, will allow us to achieve the objectives described in *Transport 2050*.

Bringing all levels of government together to chart a new path for funding public transit, including how to fund the higher operating costs of a fast-action bus-based approach, will be essential for meeting Canada's GHG reduction targets and keeping life affordable for urban communities.

Canada is calling on transit to deliver much more – in services, and benefits – for the nation and its communities than ever before. Transit systems are ready get to work, together with our senior government partners.