

**EVALUATION OF REVENUE SOURCES
TO SUPPORT TRANSPORTATION IMPROVEMENTS IN METRO VANCOUVER**

RESULTS AND RECOMMENDATIONS FROM STEP 1 OF THE EVALUATION PROCESS

Prepared by:

Joint Technical Committee

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Submitted to:

Steering Committee

Comprising the Minister of Transportation and Infrastructure, the Chair and Vice-Chair of the Mayors'
Council for Regional Transportation and the TransLink Board Chair

DRAFT REPORT

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Executive Summary

In September 2010 the Province of British Columbia and Mayors' Council signed the *Livable Cities Agreement* that committed the two parties to work together to develop a sustainable funding strategy and transportation system for Metro Vancouver. Engagement between the Minister and the Mayors' Council on this issue resulted in an agreement to fund the Moving Forward Plan and explore new revenue sources. The intent of the current discussion is to develop a sustainable funding strategy that provides the balance of funding required for both the investments identified in the 2012 Supplemental Plan, as well as to provide the region additional capacity to fund future transportation investment needs.

The evaluation of funding sources is a three-step process, as shown in Figure ES 1. This report presents the results and recommendations from Step 1 of the process, which is to identify the preferred list of revenue sources that could be tapped to develop a new funding strategy. This document was produced at the request of the Minister of Transportation and Infrastructure and the Mayors' Council. It was drafted under the direction of the Joint Technical Committee (JTC), which was established by the *Livable Cities Agreement*. The JTC is comprised of members of the executive teams of the Ministry of Transportation and Infrastructure and TransLink, and the Chief Administrative Officers from the Cities of Vancouver and Surrey.

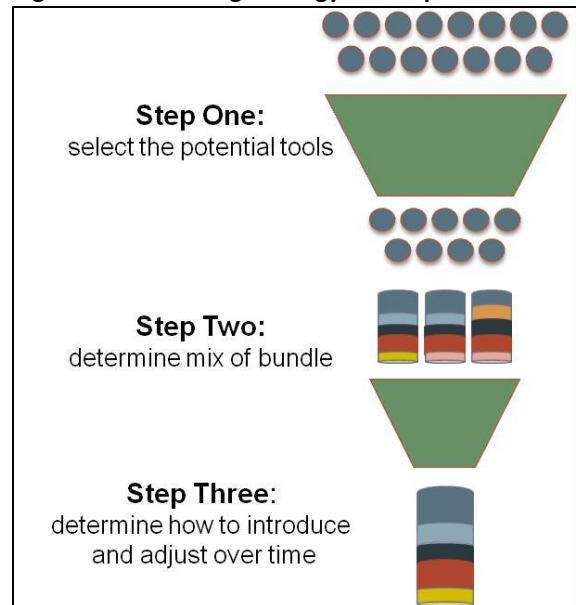
Revenue Sources

A "long list" of potential regional funding sources was developed over several years, based on a review of existing TransLink funding sources, past suggestions for alternative funding sources, and a scan of practices in other jurisdictions and consultation with and by the Mayors' Council. The list includes three main categories of funding sources:

- i) User Fees and Taxes which can shape the characteristics of transportation demand,
- ii) Broader Community Contribution Fees and Taxes which reflect the broader value of transportation investments regardless of personal usage patterns, and
- iii) Project-Specific revenue sources, where tolls or taxes assessed at or near the project location are used to recover costs of the project.

The sources being assessed are to address the regional proportion of funding. The assumption is that senior governments will continue to support major capital initiatives. The Province's contributions will be determined on a project by project basis and subject to annual budget decisions. The federal government's contributions will be subject to their funding program requirements.

Figure ES 1 - Funding Strategy Development Process



Evaluation Process

The criteria have been grouped into four accounts and ten criteria, based on: identified regional transportation objectives; stated provincial economic and public policy objectives; and, input obtained from the funding discussions between the Province and the Mayors' Council¹. Objectives addressed by the four accounts are:

- (1) Transportation system - meeting strategic transportation and regional growth objectives
- (2) Economic - the impacts on families and businesses in the region, and the broader impacts on the provincial economy
- (3) Fairness and transparency – the degree to which those who pay for services are able to benefit from those services, and the ability of the user to see this linkage
- (4) Financial – the ability to generate substantial and reliable revenues

The evaluations were made according to a five-point scale ranging from “nil or negative” to “very high”, based on the deemed ability of each potential funding source to achieve the goals and objectives reflected in each of the criteria.

The ratings reflect the range of revenue alternatives under consideration – they are scored in relative comparison to each other, but not to other public policy initiatives that might be considered by other agencies. Reference values for each evaluation rating were established. These provided clarity to the analysts around each of the criteria and the reference values used by the evaluation team for each scoring level. They also are intended to provide transparency and guidance for the reader.

In addition, a sensitivity test was conducted to determine if assigning different weights to criteria would significantly change the results. For this test, only the criteria that best matched the principles outlined in the *Mayors' Guiding Principles* were included in the evaluation.

Results and Recommendations

The revenue sources were first ranked on how well they performed cumulatively for the four accounts, as shown in Table ES 1. This approach uses equal weighting for all of the criteria in each account and equal weights for the four accounts. This may not be the desire of policy makers; summary tables are included in Section 6 of the report that can facilitate trade-offs between the different accounts. Table ES1 also shows the potential for each revenue source to satisfy the 2013 funding needs that arise from the need to provide a long-term replacement to the time-limited property tax that currently backstops the Moving Forward Plan.

¹ A range of criteria associated with implementation and administration were also developed and evaluated for each source. These criteria were deemed to be important considerations in respect to the later stages of the strategy development, once the preferred sources are identified, and alternatives are being developed for bundling, timing and phasing.

TABLE ES.2 - RANKED REVENUE SOURCES

| | USER FEES AND TAXES | BROADER COMMUNITY (BENEFICIARY) FEES AND TAXES | PROJECT FEES |
|-----------------------|---|---|---|
| High Ranking | <ul style="list-style-type: none"> • Road Pricing • Fuel Tax • Carbon Taxes • Parking Sales Tax • Vehicle Registration Fees • Transit Fares | <ul style="list-style-type: none"> • Property Taxes • Benefitting Area Tax | <ul style="list-style-type: none"> • Project Tolls |
| Medium Ranking | | <ul style="list-style-type: none"> • Flat Levy per property (Hydro Levy) • Regional Sales Tax • Parking Levy • Employer Payroll Tax • Development Cost Charges | <ul style="list-style-type: none"> • Tax Increment Financing |
| Low Ranking | <ul style="list-style-type: none"> • Vehicle Sales Tax • Rental Car Tax • Goods Movement Fee | <ul style="list-style-type: none"> • Hotel Tax | |

The majority of the highest ranked measures are user fees and taxes. Amongst the middle-ranking sources, all but one falls under the category of “Broader Community Fees and Taxes”. The remaining source, Tax Increment Financing, while similar in nature to the Broader Community Fee and Tax category, is likely to be applied only in connection with a specific project. The degree to which these sources would have to be tapped could depend on both the desired split between User Fees and Broader Community Fees that results when the sources are subsequently bundled together to develop a funding strategy, as well as the magnitude of the future revenue requirements.

Next Steps

The report is being submitted to the Mayors’ Committee on Regional Transportation, the TransLink Board and the Minister of Transportation and Infrastructure. The report can be used by decision makers to identify the types of revenue measures that warrant adoption to address both short term and long term funding needs. This information can also be used as input into Steps 2 and 3, as shown in Figure ES 1, of the development of the funding strategy.

Section 1 – Introduction and Study Purpose

Introduction

During the development and approval of TransLink’s 2012 “Moving Forward” Supplemental Plan, the Mayors’ Council indicated that it did not consider TransLink’s established revenue sources, as authorised in provincial legislation, to be sufficient to reach a consensus on a funding strategy for the proposed Plan.

Engagement between the Minister and the Mayors’ Council on this issue resulted in an agreement on funding the plan and exploring new revenue sources. In the short term, the *South Coast British Columbia Transportation Authority Act* was amended to enable a new 2 cent per litre fuel tax to cover a portion of the revenues needed to fund the Moving Forward Supplemental Plan.

It was agreed that the balance of the funding would come from a new long-term revenue source(s) that the Province and the Mayors’ Council would ideally agree upon in time for the Province to introduce enabling legislation in 2012. The intent of the new long-term funding sources is to provide the balance of funding required for the investments identified in the 2012 Supplemental Plan, as well as to provide the region with additional capacity to fund transportation investment needs in future Supplemental Plans. If new funding source(s) are not implemented before the end of 2012, the three-year Supplemental Plan would be funded by a time-limited property tax in 2013 and 2014 and some of the service and capital investment outlined in the plan would be reduced or deferred.

Objective of This Document

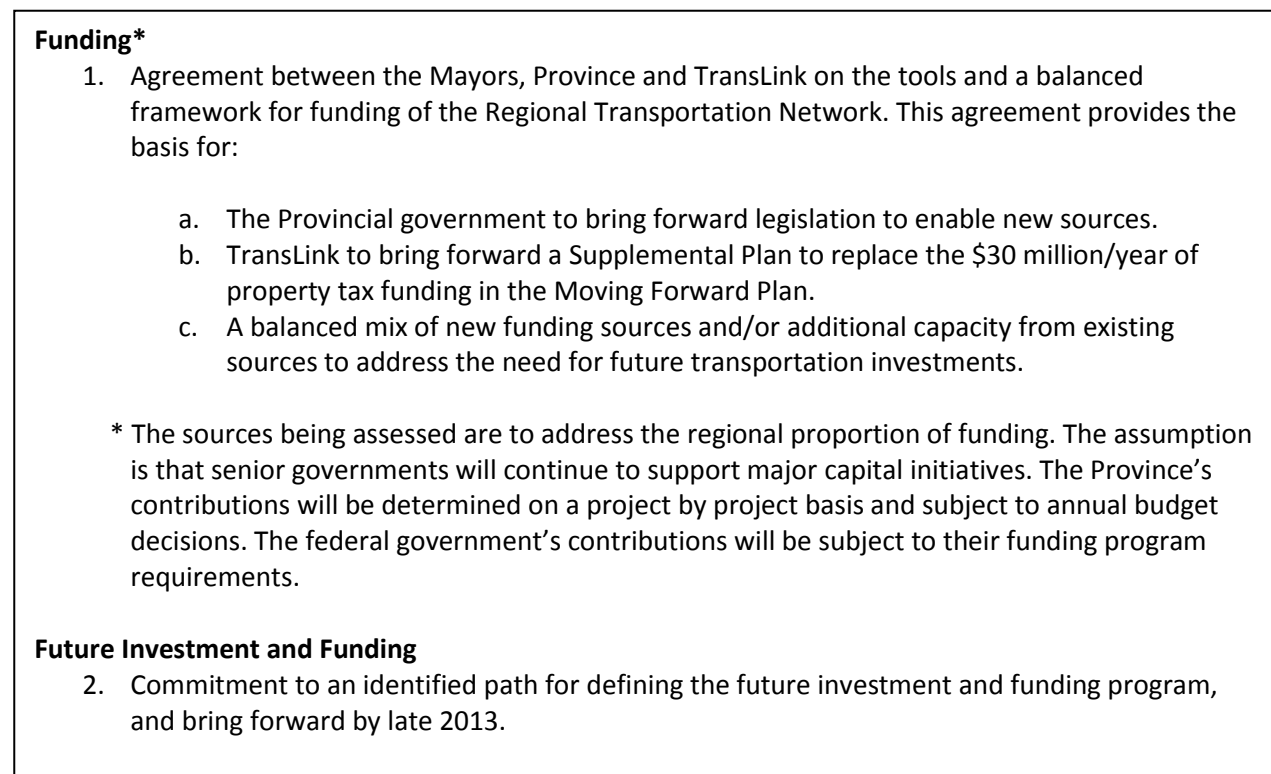
The evaluation of funding sources is a three-step process, as described in Section 3 of this report. This report presents the results and recommendations from Step 1 of the process. This document was produced under the direction of the Joint Technical Committee (JTC), comprised of members of the executive teams of the Ministry of Transportation and Infrastructure and TransLink, and the Chief Administrative Officers from the Cities of Vancouver and Surrey. A working group of staff from both the Ministry of Transportation and Infrastructure and TransLink provided the technical support for this process.

Section 2- What Does Success Look Like in 2012

The JTC endorsed a vision for a successful sustainable funding strategy outcome. The vision is presented in Figure 1. This vision built on the work done in previous collaborative efforts between the Province and the region, including:

- The Memorandum of Understanding on Liveable Cities (Appendix A.1)
- The Mayors' Council's Guiding Principles (Appendix A.2)
- The Provincial Transit Plan
- The 2012 "Moving Forward" Supplemental Plan

FIGURE 1 – WHAT DOES SUCCESS LOOK LIKE IN 2012



Section 3 – Evaluation Process

A three step evaluation process, as shown in Figure 2 below, was developed in order to evaluate individual funding measures as well as strategies for combining the preferred measures. This report presents the results from Step 1 only and the associated evaluation method that was used is described in Table 1.

FIGURE 2 – THREE-STEP EVALUATION PROCESS

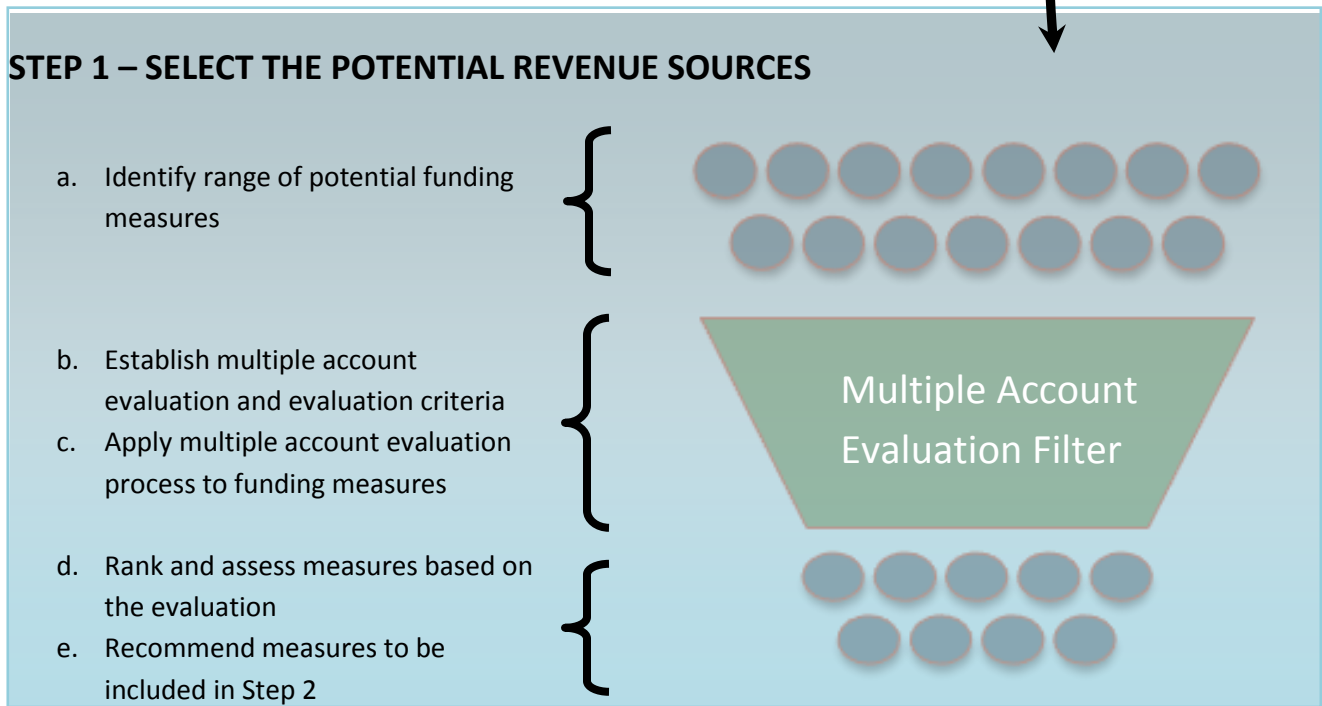
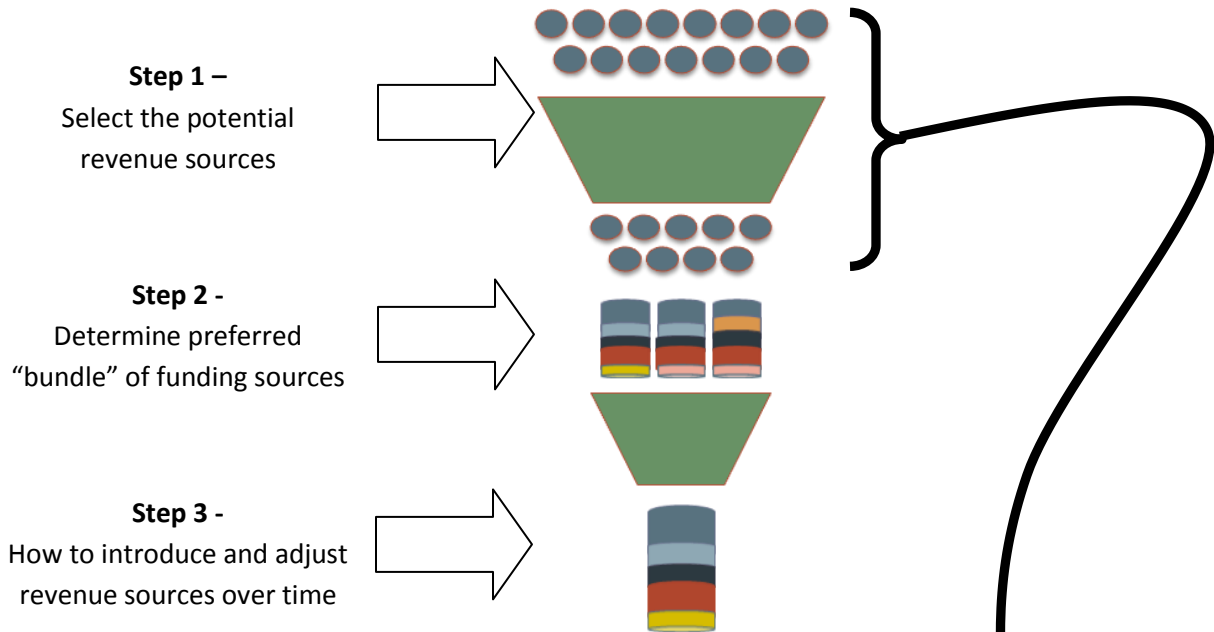


TABLE 1 – METHODOLOGY USED IN STEP 1 OF THE EVALUATION PROCESS

| ACTION | PROCESS |
|---|--|
| <p>a. Identify range of potential funding measures (See Section 4)</p> | <p>A "long list" of potential funding sources was developed based on a review of existing TransLink funding sources, past suggestions for alternative funding sources, and a scan of practices in other jurisdictions. The list includes two main categories of funding sources: i) user fees and taxes which can provide direct pricing signals that may affect travel behaviour, and ii) community contribution fees and taxes which reflect the broader value of transportation investments regardless of personal usage patterns; but may affect transportation behaviour indirectly by influencing land use or auto ownership decisions.</p> |
| <p>b. Establish multiple account evaluation and evaluation criteria (See Section 5)</p> | <p>The purpose of the evaluation framework is to explicitly recognize that there are specific objectives that the funding options have to meet and to facilitate a systematic, evidence-based assessment of the options.</p> <p>A multiple account evaluation, comprising four accounts, was developed. The accounts were developed based on identified regional transportation objectives, stated provincial economic and public policy objectives, and input obtained from the funding discussions between the Province and the Mayors' Council. Within these four accounts, ten criteria were established to facilitate more directed measurements.</p> |
| <p>c. Apply multiple account evaluation process to funding measures (See Section 6)</p> | <p>A subjective scoring system was applied in the evaluation. The system is a five point scale depicted by "clock faces" indicating that the funding source has either a very low, low, medium, high or very high utility in satisfying the criterion in question for each option. A scoring guide was prepared defining what constitutes each of the five "clock faces" for each specific criterion.</p> |
| <p>d. Rank and assess measures based on the evaluation (See Section 6)</p> | <p>The assigned scores for each criterion were aggregated to establish four summary scores for each funding measure - one for each of the four accounts. Four sets of rankings were prepared that presented the relative performance of the measures in each of the four accounts.</p> |
| <p>e. Recommend measures to be included in Step 2 (See Section 7)</p> | <p>Recommendations on which measures should be advanced to Step 2 of the evaluation process were made. These recommendations were based on the performance of the measures in the four accounts.</p> |

Section 4 – Description of Potential Regional Revenue Sources

The "long list" of potential regional funding sources to be evaluated was developed over an extended period of time which spanned several research and engagement initiatives. In 2008, TransLink conducted an extensive search and high-level review of a wide range of funding instruments in use across North America. This occurred after the completion of the Transport 2040 long range transportation strategy, to support the development of 10 Year Plan alternatives. Included in analysis were a number of sources that were subsequently eliminated from further examination by elected officials and stakeholders. In early 2011, the current sustainable funding discussions began and additional research was conducted by the IBI Group for TransLink on revenue sources that have been used for transportation funding and/or were connected to transportation demand. This approach was consistent with the principles expressed for funding in the Livable Cities MOU and Transport 2040.

That list of revenue sources was then presented to the Mayors' Council, who in turn consulted with elected officials throughout the region during a series of workshops in Spring 2011. The results of that process became the starting point for the current scope of this report. The list includes three main categories of funding sources:

- iv) User fees and taxes which can shape the characteristics of transportation demand,
- v) Community contribution fees and taxes which reflect the broader value of transportation investments regardless of personal usage patterns, and
- vi) Project-specific revenue sources, where tolls or taxes assessed at or near the project location are used to recover costs of the project.

The sources being assessed are to address the regional proportion of funding. The assumption is that senior governments will continue to support major capital initiatives. The Province's contributions will be determined on a project by project basis and subject to annual budget decisions. The federal government's contributions will be subject to their funding program requirements.

The regional revenue sources that were included in this review are summarised in Tables 2, 3, and 4. For comparative purposes, the expected revenue generation potential of each measure was estimated. The estimates are provided in Table 5.

TABLE 2 – “LONG LIST” OF POTENTIAL REVENUE SOURCES – USER FEES AND TAXES

| Funding Source | Description |
|--|--|
| Transit Fare Increase Greater than Inflation | Increase in the current fares paid by transit users in Metro Vancouver, including cash, tickets and passes of more than 2% inflation rate |
| Fuel Tax Increase | Increase in the fuel tax in Metro Vancouver on gasoline and diesel (currently 17 cents per litre) |
| Parking Sales Tax Increase | Increase in sales tax on amounts paid for off-street parking in Metro Vancouver |
| Road Pricing – Regional Tolls at Major Water Crossings | Charges for use of Metro Vancouver road network collected at major water crossings (bridges, tunnels), possibly varying by time of day. |
| Road Pricing – Area Cordons | Charges for use of the regional road network collected at entry and/or exit points to defined areas of Metro Vancouver, possibly varying by time of day. |
| Road pricing – Vehicle Distance Travelled (Full Network Pricing) | A variable charge for use of the regional road network based on distance travelled and time of day, collected monthly or per trip. |
| Vehicle Levy – Flat Fee | An annual charge per vehicle paid at the time of registration in Metro Vancouver. |
| Vehicle Levy – Variable by Vehicle Emissions | An annual charge per vehicle paid at the time of registration in Metro Vancouver, varying according to engine type, fuel use, or emissions. |
| Vehicle Levy – Variable by Proximity to Transit | An annual charge per vehicle paid at the time of registration, variable according to the availability of transit service nearby. |
| Container Fee | A charge on containers moving by road within or through Metro Vancouver. |
| Carbon Tax – Reallocation of Future Provincial Revenues | Re-allocation after 2012 of a share of any new incremental provincial carbon tax revenues generated in Metro Vancouver. |
| Carbon Tax – New Regional Carbon Tax | A new additional charge on carbon emissions, similar to the BC Carbon Tax, levied only within Metro Vancouver. |
| Rental Car Tax | A tax levied whenever a vehicle is rented in Metro Vancouver, with the rate potentially variable based on fuel efficiency. |
| Vehicle Sales Tax | An additional tax levied on vehicle sales within Metro Vancouver to collect revenue to be used to fund transportation in the region. |

**TABLE 3 – “LONG LIST” OF POTENTIAL REVENUE SOURCES –
BROADER COMMUNITY CONTRIBUTION FEES AND TAXES**

| Funding Source | Description |
|---|--|
| Property Tax – Additional | An additional tax on the assessed value of property, levied annually, with a portion allocated to fund public transportation. |
| Flat Levy per Property (Hydro Levy) | A levy administered at the same rate to all households and businesses within Metro Vancouver to be used to fund transportation in the region. |
| Parking Levy | A charge for off-street parking spaces in Metro Vancouver by number of stalls or land area (includes “free” as well as paid parking) |
| Regional Sales Tax | An additional tax on retail sales within Metro Vancouver to be used to fund transportation in the region. |
| Employer Payroll Tax | Regional payroll tax earmarked to fund transportation in the region. |
| Hotel Tax | Increasing the tax on the cost of hotel rooms in Metro Vancouver. |
| Land Value Capture – Development Cost Charges | A charge levied throughout Metro Vancouver at time of subdivision or building permit approval to fund transportation services. |
| Land Value Capture – Benefiting Area Tax | An incremental property tax or special tax assessment based on the benefit that accrues to land and improvements in Metro Vancouver as a result of proximity to a major transportation facility. |

**TABLE 4 – “LONG LIST” OF POTENTIAL REVENUE SOURCES –
PROJECT SPECIFIC**

| Funding Source | Description |
|---|---|
| Project Tolls for Newly Constructed Facilities | Charges for use of a new facility that would otherwise have been free to use, set at an amount to cover the cost of construction and operation. |
| Land Value Capture – Tax Increment Funding/ Financing | Financing based on the reallocation of incremental increases in property tax revenues that result from and would not occur without major new transportation facilities – above a baseline and within a defined area around those facilities – from the benefitting municipalities to TransLink. |

TABLE 5 - ESTIMATED REVENUE GENERATION POTENTIAL FOR EACH MEASURE

| REVENUE SOURCE* | RATE TO GENERATE \$10 MILLION | RATE TO GENERATE \$50 MILLION | RATE TO GENERATE \$100 MILLION |
|--|---|---|---|
| Transit Fare Increase Greater than Inflation | 3.3% increase (e.g. \$2.75 raised to \$2.85) | 16.7% increase (e.g. \$2.75 raised to \$3.20) | 33% increase (e.g. \$2.75 raised to \$3.65) |
| Fuel Tax | 0.46 cents per litre | 2.27 cents per litre | 4.55 cents per litre |
| Parking Sales Tax (1) | 4.5% increase (21% raised to 25.5%) | 23% increase (raised to 44%) | 47% increase (raised to 68%) |
| Parking Levy | \$25 per stall | \$65 per stall | \$115 per stall |
| Road Pricing - Regional Tolls at Major Water Crossings (2) | \$1.10 average per vehicle | \$1.35 average per vehicle | \$1.60 average per vehicle |
| Road Pricing - Area Cordons | TBD | TBD | TBD |
| Road Pricing - Vehicle Distance Travelled (Full Network Pricing) | 0.06 cents/km (\$6 per 10,000 km) | 0.33 cents/km (\$33 per 10,000 km) | 0.67 cents/km (\$67 per 10,000 km) |
| Vehicle Registration Fee - Flat Fee | \$7.50 per vehicle | \$38 per vehicle | \$75 per vehicle |
| Vehicle Registration Fee - Variable by Vehicle Emissions (3) | \$3.50 to \$10.50 per vehicle based on emissions | \$18 to \$53 per vehicle based on emissions | \$35 to \$105 per vehicle based on emissions |
| Vehicle Registration Fee - Variable by Proximity to Transit | \$5 to \$10 per vehicle | \$30 to \$45 per vehicle | \$60 to \$90 per vehicle |
| Goods Movement Fee | \$9 per container | \$45 per container | \$90 per container |
| Carbon Tax - Reallocation of Future Provincial Revenues | \$0.55/tonne (0.13 cents per litre of gas) | \$2.80/tonne | \$5.55/tonne |
| Carbon Tax - New Regional Carbon Tax | \$0.55/tonne (0.13 cents per litre of gas) | \$2.80/tonne | \$5.55/tonne |
| Vehicle Sales Tax (New Vehicles) | 0.35% | 1.8% | 3.5% |
| Rental Car Tax | 4% | 20% | 40% |
| Property Tax - Additional | \$8 increase per average household | \$40 increase per average household | \$80 increase per average household |
| Flat Levy per Property (Hydro Levy) | \$13 per year (\$1.05/mo) | \$64 per year (\$5.30/mo) | \$127 per year (\$10.60/mo) |
| Regional Sales Tax | 0.02% | 0.1% | 0.2% |
| Employer Payroll Tax | \$9 per employee | \$45 per employee | \$90 per employee |
| Hotel Tax | \$1 per hotel room night | \$5 per hotel room night | \$10 per hotel room night |
| Land Value Capture - Development Cost Charges | \$1,500 per single family \$650 per apartment \$1.25 per sq ft commercial | \$7,500 per single family \$3,250 per apartment \$6.25 per sq ft commercial | \$15,000 per single family \$6,500 per apartment \$10.25 per sq ft commercial |
| Land Value Capture - Benefiting Area Tax | TBD | TBD | TBD |
| Project Tolls for Newly Constructed Facilities (2) | e.g. Golden Ears Bridge toll rates range from \$2.50 to \$9.85 per vehicle, depending on vehicle class and whether or not the vehicle is registered and has a transponder. The GEB toll generated approx. \$30M in revenue in 2010. | | |
| Land Value Capture - Tax Increment Funding/Financing | TBD | TBD | TBD |

*Revenue Estimates do not include capital start-up costs and as they are for illustrative purposes only, assume no demand elasticity

- (1) Changes to demand based on price have not been calculated, therefore the rates needed to generate a stated revenue are likely underestimated.
- (2) Toll rates are per vehicle and vary by time of day, vehicle type and use of transponder.
- (3) Range indicates variable rates for low to high emission vehicles.

Section 5 – Evaluation Methodology

Multiple Account Evaluation Framework and Criteria

The purpose of the evaluation framework is to explicitly recognize that there are specific objectives that the funding options have to meet and to facilitate a systematic, evidence-based assessment of the options.

The criteria have been grouped into four accounts and ten criteria, and are summarised in Table 6. They have been developed based on identified regional transportation objectives, stated provincial economic and public policy objectives, and input obtained from the funding discussions between the Province and the Mayors’ Council. Objectives addressed by the four accounts are:

- (1) Transportation system - meeting strategic transportation and regional growth objectives
- (2) Economic - the impacts on families and businesses in the region, and the broader impacts on the provincial economy
- (3) Fairness and transparency – the degree to which those who pay for services are able to benefit from those services, and the ability of the user to see this linkage
- (4) Financial – the ability to generate substantial and reliable revenues

Scoring

The phase one evaluations are made according to a five-point scale ranging from “nil or negative” to “very high” based on their deemed ability to achieve the goals and objectives reflected in each of the criteria:

○ = Nil or Negative (0 pts) ◐ = Low (1 pt) ◑ = Medium (2 pts) ◒ = High (3 pts) ● = Very High (4 pts)

The ratings reflect the range of revenue alternatives under consideration – they are scored in relative comparison to each other, but not to other public policy initiatives that might be considered by other agencies. For example, revenue sources are compared against each other to determine which better encourages efficient vehicle choice or sustainable communities, but not against other programs – such as federal or provincial rebate programs for fuel efficient vehicles or Official Community Plans – that might also support those goals.

Reference values for each evaluation rating were established and are provided in APPENDIX C. These provided clarity to the analysts around each of the criteria and the reference values used by the evaluation team for each scoring level. As discussed above, these reflect the qualitative and subjective nature of some of the criteria while providing a common basis for understanding the scores. With agreement on “what it would take to achieve a particular level of score” for each criterion, any variability of results should be isolated to differing views on the part of evaluators as to the likelihood of a particular outcome being achieved.

TABLE 6 – EVALUATION ACCOUNTS AND CRITERIA

| CRITERION | DESCRIPTION |
|--|--|
| <i>ACCOUNT: Transportation System</i> | |
| Impact on sustainable transportation choices | Effectiveness of the revenue source in encouraging people to shift from single occupancy vehicle trips to more sustainable travel modes or in reducing vehicle kilometres travelled (VKT) by driving shorter distances or avoiding making trips. Impacts are measured as incremental, over and above changes in mode share and VKT if no action were taken. |
| Impact on transportation policy objectives | Effectiveness of the revenue source in supporting the following outcomes: reduced GHG emissions, system optimisation, complete communities, and economic growth and goods movement. |
| <i>ACCOUNT: Economic</i> | |
| Impact on regional economy – families | The relative additional burden placed on families. This burden is reduced when additional charges are more broadly based, when they are progressive versus regressive, and when individuals can reduce their costs by making choices that still reasonably meet their needs. |
| Impact on regional economy – small business | The relative additional burden placed on small business. This burden is reduced when the additional charges are more broadly based, when businesses can manage the increased costs by passing them on to customers, and when businesses can adapt their practices to mitigate the increased costs. |
| Impact on regional economy – larger employers | The relative additional burden placed on larger employers. This burden is reduced when additional charges are more broadly based, when employee attraction and retention are supported, and when businesses can adapt their practices to mitigate the increased costs. |
| Impact on provincial economy | The overall effect on the BC economy, either from economic activity which is lost to the BC economy entirely through transfers of business to other jurisdictions, from activity which would still occur in BC but might shift to less efficient areas outside Metro Vancouver, one time or ongoing, or from activity which is attracted to BC because of reduced transportation costs and/or increased levels of service owing to reduced congestion and related benefits of system optimization. |
| <i>ACCOUNT: Fairness and Transparency</i> | |
| Linkage between payments and benefits | The degree to which those who pay for services are able to benefit from those services, and the ability of the user to see this linkage. When the linkage and visibility are strong this may strengthen the positive impacts of price signals, encouraging travellers to use the system more efficiently. |
| <i>ACCOUNT: Financial Capacity</i> | |
| Provides net long term funding capacity | The degree to which long term funding could be generated. The funding amounts are net of operating costs and other expenses. |
| Provides long term reliable revenue stream | The predictability and variability of the revenue stream from year to year. Predictability was considered to come from established relationships between revenue and factors relatively well known in advance. Variability was considered to come from known volatility of the underlying activity. |
| Link between revenue trends and future needs | The degree to which revenues would grow at the same rate as, or slower than transportation demand. |

Section 6 – Presentation of Evaluation Results

The multiple account evaluation process attempts to capture the performance characteristics that are relevant to the objectives for funding as identified by the Mayors, Province and TransLink. The identified criteria within the framework are not necessarily all equally important for the decisions posed by this process, but in an attempt to preserve the integrity of the multiple account approach, the individual criteria within each account were given equal weight. Furthermore, the accounts were not combined into a composite score and instead the revenue sources were only ranked within each account.

Based on this approach, revenue sources were ranked according to their support for objectives of each account as shown in Tables 7, 8, 9, and 10. The detailed results from the evaluation of each of the 24 revenue sources are shown in APPENDIX D.

In the tables, the revenue sources are colour coded according to their evaluation scores:

- green: very-high or high score
- white: medium score
- purple: low or nil/negative

For ease of presentation, some revenue sources that were very similar in both operation and scoring were combined².

² These included combining the three variations of the Vehicle Levy into a single entry and the three variations of Road Pricing into a single entry.

**TABLE 7 – RANKINGS FOR
TRANSPORTATION ACCOUNT**

| Funding Options | Score |
|--|-------|
| Road Pricing | 3.17 |
| Fuel Tax | 2.50 |
| Parking Sales Tax | 2.00 |
| Carbon Tax - Allocation of Future Revenues | 2.00 |
| Carbon Tax - New Regional Tax | 2.00 |
| Parking Levy | 1.00 |
| Project Tolls | 1.00 |
| Tax Increment Funding | 1.00 |
| Vehicle Registration Fee | 0.67 |
| Vehicle Sales Tax | 0.50 |
| Rental Car Tax | 0.50 |
| Transit Fares > Inflation | 0.00 |
| Goods Movement Fee | 0.00 |
| Additional Property Tax | 0.00 |
| Flat Levy Per Property | 0.00 |
| Regional Sales Tax | 0.00 |
| Employer Payroll Tax | 0.00 |
| Hotel Tax | 0.00 |
| Development Charges | 0.00 |
| Benefiting Area Tax | 0.00 |

**TABLE 8 – RANKINGS FOR
ECONOMIC ACCOUNT**

| Funding Options | Score |
|--|-------|
| Tax Increment Funding | 3.75 |
| Carbon Tax - Allocation of Future Revenues | 2.25 |
| Carbon Tax - New Regional Tax | 2.25 |
| Additional Property Tax | 2.25 |
| Road Pricing | 2.17 |
| Transit Fares > Inflation | 2.00 |
| Fuel Tax | 2.00 |
| Parking Sales Tax | 2.00 |
| Vehicle Registration Fee | 2.00 |
| Flat Levy Per Property | 2.00 |
| Benefiting Area Tax | 2.00 |
| Parking Levy | 1.75 |
| Regional Sales Tax | 1.75 |
| Rental Car Tax | 1.75 |
| Hotel Tax | 1.75 |
| Development Charges | 1.75 |
| Project Tolls | 1.75 |
| Vehicle Sales Tax | 1.50 |
| Employer Payroll Tax | 1.50 |
| Goods Movement Fee | 1.00 |

**TABLE 9 – RANKINGS FOR
FAIRNESS AND TRANSPARENCY
ACCOUNT**

| Funding Options | Score |
|--|-------|
| Transit Fares > Inflation | 4.00 |
| Project Tolls | 4.00 |
| Fuel Tax | 3.00 |
| Parking Sales Tax | 3.00 |
| Road Pricing | 3.00 |
| Vehicle Registration Fee | 3.00 |
| Benefiting Area Tax | 3.00 |
| Parking Levy | 2.00 |
| Goods Movement Fee | 2.00 |
| Carbon Tax - Allocation of Future Revenues | 2.00 |
| Carbon Tax - New Regional Tax | 2.00 |
| Vehicle Sales Tax | 2.00 |
| Additional Property Tax | 2.00 |
| Employer Payroll Tax | 2.00 |
| Development Charges | 2.00 |
| Tax Increment Funding | 2.00 |
| Flat Levy Per Property | 1.00 |
| Regional Sales Tax | 1.00 |
| Rental Car Tax | 1.00 |
| Hotel Tax | 1.00 |

**TABLE 10 – RANKINGS FOR
FINANCIAL ACCOUNT**

| Funding Options | Score |
|--|-------|
| Project Tolls | 3.33 |
| Carbon Tax - Allocation of Future Revenues | 3.00 |
| Carbon Tax - New Regional Tax | 3.00 |
| Additional Property Tax | 3.00 |
| Road Pricing | 2.67 |
| Vehicle Registration Fee | 2.67 |
| Regional Sales Tax | 2.67 |
| Benefiting Area Tax | 2.67 |
| Transit Fares > Inflation | 2.33 |
| Fuel Tax | 2.33 |
| Flat Levy Per Property | 2.33 |
| Employer Payroll Tax | 2.33 |
| Tax Increment Funding | 2.00 |
| Parking Sales Tax | 2.00 |
| Parking Levy | 2.00 |
| Goods Movement Fee | 1.67 |
| Development Charges | 1.33 |
| Vehicle Sales Tax | 1.33 |
| Hotel Tax | 1.33 |
| Rental Car Tax | 1.00 |

| | |
|--|---|
| | High - Score of greater than 2.0 out of 4 |
| | Medium - Score of 2.0 out of 4 |
| | Low - Score of less than 2.0 out of 4 |

The frequency of high, medium, and low rankings among the four accounts received by each potential revenue source are presented in Table 11. This method shows how each revenue source performed across the four accounts, assuming the individual criteria within each account are weighted equally.

TABLE 11 – FREQUENCY OF TOP/MEDIUM/LOW RANKINGS FOR FOUR ACCOUNTS

| Funding Options | Top Ranks | Middle Ranks | Low Ranks |
|--|-----------|--------------|-----------|
| Road Pricing | 4 | 0 | 0 |
| Fuel Tax | 3 | 1 | 0 |
| Carbon Tax - Allocation of Future Revenues | 2 | 2 | 0 |
| Carbon Tax - New Regional Tax | 2 | 2 | 0 |
| Vehicle Registration Fee | 2 | 1 | 1 |
| Benefiting Area Tax | 2 | 1 | 1 |
| Transit Fares > Inflation | 2 | 1 | 1 |
| Additional Property Tax | 2 | 1 | 1 |
| Project Tolls | 2 | 0 | 2 |
| Parking Sales Tax | 1 | 3 | 0 |
| Tax Increment Funding | 1 | 2 | 1 |
| Flat Levy Per Property | 1 | 1 | 2 |
| Employer Payroll Tax | 1 | 1 | 2 |
| Regional Sales Tax | 1 | 0 | 3 |
| Parking Levy | 0 | 2 | 2 |
| Development Charges | 0 | 1 | 3 |
| Goods Movement Fee | 0 | 1 | 3 |
| Vehicle Sales Tax | 0 | 1 | 3 |
| Hotel Tax | 0 | 0 | 4 |
| Rental Car Tax | 0 | 0 | 4 |

One of the merits of the Multiple Account Evaluation (MAE) approach is that it can provide a tool for making informed trade-offs when there is no clear agreement about which accounts/objectives are most important, and/or in case where, on balance, there are not clear performance differences between the results for some or all of the alternatives being considered. Table 12 summarizes the performance ratings detailed in Tables 7-10 (for which each of the criteria within an account had equal weightings). The “clock-face” scoring system, defined in Section 5, is used for this table instead of the numeric scores provided in Tables 7-10 that were provided for ranking transparency. This scoring system was chosen so as to present a simpler summary view and to try and mitigate any overly precise distinctions in performance that may have been implied by a numeric to two decimal place rating.

Table 12- MULTIPLE ACCOUNT EVALUATION SUMMARY

| Funding Options | Transportation System | Economic | Fairness & Transparency | Financial Capacity |
|--|-----------------------|----------|-------------------------|--------------------|
| Road Pricing | ● | ● | ● | ● |
| Fuel Tax | ● | ● | ● | ● |
| Carbon Tax - Allocation of Future Revenues | ● | ● | ● | ● |
| Carbon Tax - New Regional Tax | ● | ● | ● | ● |
| Vehicle Registration Fee | ○ | ● | ● | ● |
| Benefiting Area Tax | ○ | ● | ● | ● |
| Transit Fares > Inflation | ○ | ● | ● | ● |
| Additional Property Tax | ○ | ● | ● | ● |
| Project Tolls | ○ | ● | ● | ● |
| Parking Sales Tax | ● | ● | ● | ● |
| Tax Increment Funding | ○ | ● | ● | ● |
| Flat Levy Per Property | ○ | ● | ○ | ● |
| Employer Payroll Tax | ○ | ● | ● | ● |
| Regional Sales Tax | ○ | ● | ○ | ● |
| Parking Levy | ○ | ● | ● | ● |
| Development Charges | ○ | ● | ● | ○ |
| Goods Movement Fee | ○ | ○ | ● | ● |
| Vehicle Sales Tax | ○ | ● | ● | ○ |
| Hotel Tax | ○ | ● | ○ | ○ |
| Rental Car Tax | ○ | ● | ○ | ○ |

○ = Nil or Negative (0 pts) ● = Low (1 pt) ● = Medium (2 pts) ● = High (3 pts) ● = Very High (4 pts)

Sensitivity Analysis

Notwithstanding the multiple account evaluation approach outlined above, elected officials may wish to weigh certain criteria and accounts more heavily than others; however, at the time of this evaluation, no attempt had been made to assign different weights to either the ten criteria or to the four accounts. In lieu of this discussion, a sensitivity test was undertaken to test whether using different weights would radically change the rankings as shown in Tables 11 and 12.

The revenue sources were also categorized in “User Fees” and “Broader Community (Beneficiary) Fees” to more clearly show the trade-offs that will be required when it comes to bundling the revenue sources and finding a balance between users and beneficiaries.

Establishing the Relative Weights

This sensitivity test built on the criteria that best matched the principles outlined in the *Mayors’ Guiding Principles*. Only those criteria that were mentioned in the guidelines were included and they were each weighted equally:

- Impact on sustainable transportation choices
- Impact on transportation policy objectives

- Linkage between payments and benefits
- Provides longer term funding capacity
- Provides long term reliable revenue stream
- Level of administrative ease and efficiency

The points given to each criterion were then added up and divided by six to create a comparable scoring index to that used in Tables 7-10. Table 13 shows how the revenue sources ranked.

TABLE 13 - RANKING ACCORDING TO MAYORS' GUIDING PRINCIPLES

| Funding Option | Score (Out of 4.0) |
|---|---------------------------|
| Road Pricing | 2.8 |
| Fuel Tax | 2.7 |
| Carbon Tax - Allocation of Future Revenue | 2.7 |
| Carbon Tax - New Regional Tax | 2.7 |
| Project Tolls | 2.5 |
| Parking Sales Tax | 2.3 |
| Vehicle Registration Fee | 2.2 |
| Additional Property Tax | 2.0 |
| Transit Fares > Inflation | 1.8 |
| Land Value Capture - Benefiting Area Tax | 1.8 |
| Parking Levy | 1.7 |
| Regional Sales Tax | 1.7 |
| Land Value Capture - Tax Increment Funding | 1.7 |
| Flat Levy Per Property | 1.5 |
| Employer Payroll Tax | 1.5 |
| Land Value Capture - Development Cost Charges | 1.5 |
| Vehicle Sales Tax | 1.3 |
| Goods Movement Fee | 1.2 |
| Rental Car Tax | 1.0 |
| Hotel Tax | 1.0 |

The results of the sensitivity analysis generally reinforce the ordering of the initial aggregate rankings, with a small number of exceptions. When comparing Tables 11 and 13, the sources that changed the most in their rankings were:

- Project tolls and parking sales tax (10th ranked to 2nd ranked) and parking sales tax (11th ranked to 6th ranked) – higher scores, placing both among the top six rankings;
- Parking levy (15th ranked to 11th ranked), regional sales tax (14th ranked to 12th ranked) and development cost charges (16th ranked to 13th ranked) – somewhat higher scores, placing all three in the middle of the Table 12 rankings; and
- Tax increment financing (4th ranked to 16th ranked) – significantly lower ranked in Table 12.

Section 7 – Technical Recommendations

Conclusions

Based upon the first approach of aggregating the rankings only, without making an attempt to apply weights to the different criteria, distinctions can be made between higher and lower performing potential revenue sources as seen in Table 14. These results were generally reinforced by the sensitivity testing for prioritizing a subset of the criteria. Table 14 also shows the potential for each revenue source to satisfy the 2013 funding needs that arise from the need to provide a long-term replacement to the time-limited property tax that currently backstops the Moving Forward Plan.

TABLE 14 –RANKINGS OF REVENUE SOURCES, BASED ON THE TECHNICAL EVALUATION

| REVENUE SOURCE | LONG TERM FUNDING CAPACITY ⁽¹⁾ | POTENTIAL TO ALSO SATISFY 2013 FUNDING NEEDS ⁽²⁾ |
|---|---|---|
| Road Pricing | \$100-200 million | |
| Fuel Tax | \$30-100 million | ✓ |
| New Regional Carbon Tax | > \$200 million | ✓ |
| Portion of New Provincial Carbon Tax ⁽³⁾ | > \$200 million | |
| Vehicle Registration Fee | \$100-200 million | ✓ |
| Value Capture- Benefiting Area Tax | \$30-100 million | |
| Transit Fares | \$30-100 million | |
| Additional Property Tax | \$100-200 million | ✓ |
| Project Tolls | \$100-200 million | |
| Parking Sales Tax | \$10-30 million | PARTIAL |
| Value Capture- Tax Increment Funding | \$10-30 million | |
| Flat Levy Per Property | \$10-30 million | PARTIAL |
| Employer Payroll Tax | \$30-100 million | |
| Parking Levy | \$10-30 million | |
| Value Capture- Development Cost Charges | \$10-30 million | |
| Goods Movement Fee | \$30-100 million | |
| Vehicle Sales Tax | \$10-30 million | |
| Hotel Tax | \$10-30 million | |
| Rental Car Tax | < \$10 million | |



Higher ranking
based on
technical
evaluation

Lower ranking
based on
technical
evaluation

(1) Net of operating and administrative costs, but does not include capital start-up costs

(2) 2013 Funding needs are defined as a \$30 M/yr replacement to the two-year time-limited property tax

(3) Depends on Provincial direction regarding future Carbon Tax rates

Incorporating the Sensitivity Testing Using the Mayors' Council Principles

Although the rankings derived from the initial evaluation results and the sensitivity analyses differ slightly, the rankings are similar enough that it is reasonable to place the sources into high, medium and low performing groups as shown in Table 15.

1. **High Ranked Sources**- evaluation results reinforced by sensitivity test.
2. **Middle Ranked Sources**- medium rankings reinforced by sensitivity test, or high and low rankings brought into question.
3. **Low Ranked Sources**-evaluation results reinforced by sensitivity test.

TABLE 15 - HIGH RANKED REVENUE SOURCES

| | USER FEES AND TAXES | BROADER COMMUNITY (BENEFICIARY) FEES AND TAXES | PROJECT FEES |
|-----------------------|---|---|---|
| High Ranking | <ul style="list-style-type: none"> • Road Pricing • Fuel Tax • Carbon Taxes • Parking Sales Tax • Vehicle Registration Fees • Transit Fares | <ul style="list-style-type: none"> • Property Taxes • Benefitting Area Tax | <ul style="list-style-type: none"> • Project Tolls |
| Medium Ranking | | <ul style="list-style-type: none"> • Flat Levy per property (Hydro Levy) • Regional Sales Tax • Parking Levy • Employer Payroll Tax • Development Cost Charges | <ul style="list-style-type: none"> • Tax Increment Financing |
| Low Ranking | <ul style="list-style-type: none"> • Vehicle Sales Tax • Rental Car Tax • Goods Movement Fee | <ul style="list-style-type: none"> • Hotel Tax | |

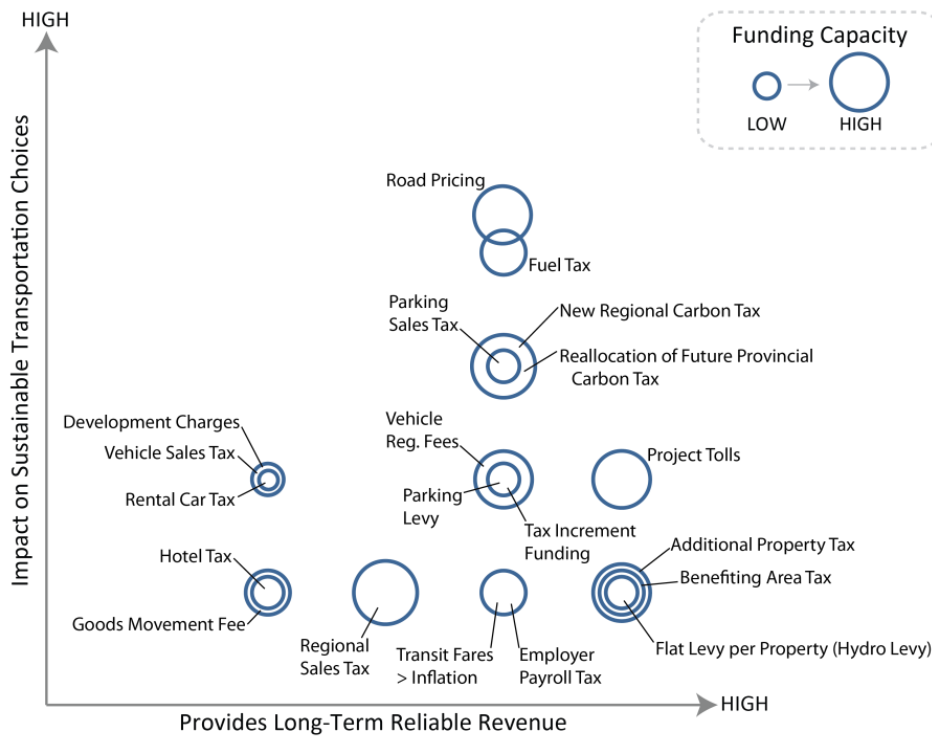
The highest ranking sources are generally “User Fees and Taxes”. Interestingly, all but one of the medium ranking revenue sources fall under “Broader Community Fees and Taxes”. The remaining source, Tax Increment Financing, would likely be applied only in connection with a specific project. The degree to which these sources have to be tapped into could depend on the split between users and beneficiaries in the final bundling of revenues as well as future revenue requirements.

Further Discussion on Medium Ranked Sources

This additional assessment focused on the medium ranking revenue sources for which the relative merits are less clear. As previously discussed, value or weight placed on each of the accounts or an individual criterion can help to differentiate the performance characteristics of revenue sources from one another. Trade-off visualizations can be produced using the specific criteria that are most important for a policy maker. As an example, Figure 3 assesses the revenue sources on the basis of three of the evaluation criteria:

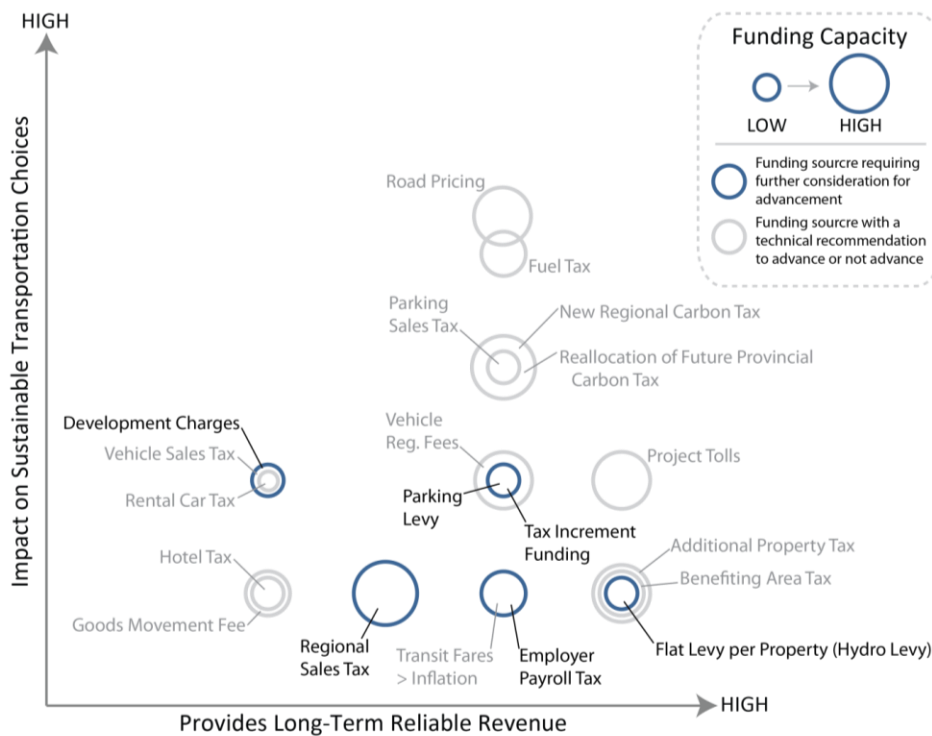
- Impact on Sustainable Transportation Choices (y-axis)
- Provides Long-Term Reliable Revenue Stream (x-axis)
- Provides Net Long-Term Funding Capacity (size of circle)

FIGURE 3 - FOCUSING THE ASSESSMENT OF REVENUE SOURCES



This visualization tool can then be adapted to focus on a subset of revenue sources in order to highlight specific performance differences. Figure 4 brings to the forefront only the six medium ranking sources.

FIGURE 4 - FOCUSING THE ASSESSMENT OF REVENUE SOURCES- MEDIUM RANKINGS ONLY

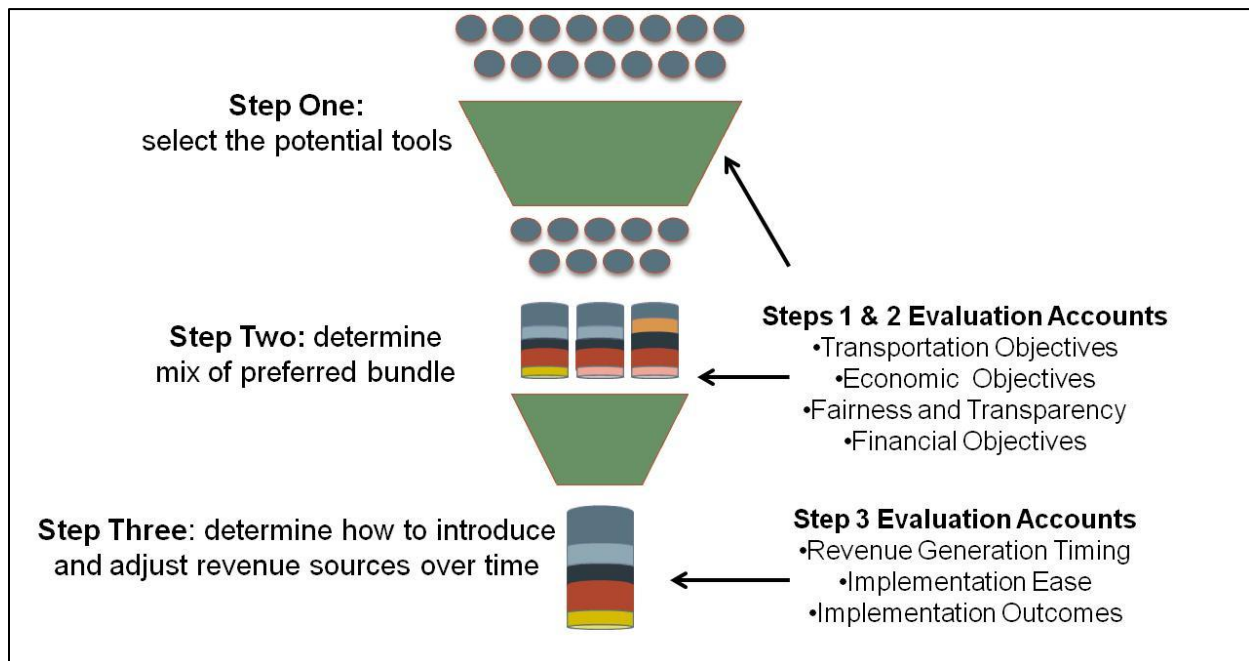


For these medium-ranking sources, this specific comparison shows that: Hydro Levy provides the highest level of reliability for long-term revenue; Tax Increment Funding, Development Charges and Parking Levy would likely have an impact in promoting sustainable transportation; and that Regional Sales Tax has the highest funding capacity potential. Differences in how each of these criteria is valued will influence views about which, if any, of these potential revenue sources should be pursued further.

Section 8 – Next Steps

This report is being submitted to the Mayors’ Committee on Regional Transportation, the TransLink Board and the Minister of Transportation and Infrastructure. The report can be used by decision makers to identify the types of revenue measures that warrant adoption to address both short term and long term funding needs. This information can also be used as input into Steps 2 and 3, as shown in Figure 5, of the development of the funding strategy.

FIGURE 5 – THREE-STEP STRATEGY DEVELOPMENT PROCESS



Appendix A – “Liveable Cities” Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

BETWEEN:

MAYORS’ COUNCIL ON REGIONAL TRANSPORTATION

c/o TransLink Offices
Suite 1600 – 4720 Kingsway
Burnaby, BC
V5H 4N2

(hereinafter called the “Mayors’ Council”)

OF THE FIRST PART

AND:

HER MAJESTY IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE PREMIER AND THE MINISTER OF TRANSPORTATION AND INFRASTRUCTURE

Parliament Buildings
Victoria, British Columbia
V8V 1X4

(hereinafter called the “Province”)

OF THE SECOND PART

WHEREAS:

- A. The Province of British Columbia and municipal governments in the Metro Vancouver area are committed to developing a long term strategy for promoting “Liveable Cities” in the region that are designed for sustainable growth and British Columbians’ needs in the 21st Century.
- B. “Liveable Cities” will require new and innovative policies that integrate a wide variety of federal, provincial, regional and local initiatives and policies that ensure the achievement of this overall goal.
- C. Efficient, affordable, carbon smart transportation infrastructure and services are an integral part of a “livable city” strategy that aspires to help plan for as well as shape population growth in new ways that create cleaner, safer, healthier communities and the efficient movement of people, goods and services.
- D. The combined resources of senior governments together with that of Metro Vancouver’s 21 municipalities are required to sustain and support the development of a transportation system that efficiently integrates the movement of people and goods across the entire region. This will be done at the lowest cost possible for taxpayers within a comprehensive network that will:

- Support environmentally sustainable cities with healthy populations and growing economies;
 - Provide a gateway for international commerce for Canada;
 - Foster lower carbon emissions, better air quality, reduced traffic congestion, and more convenient travel options; and
 - Encourage relatively lower housing costs, more affordable housing, and new municipal infrastructure and services.
- E. The Province, the Mayors' Council, and TransLink wish to work together to achieve the following goals represented in the transportation plans of the Province and TransLink, and the goals of the proposed Metro Vancouver "Livable Region Strategy" all of which have been broadly embraced by the public, stakeholders, and governments:
- Provide efficient, reliable, carbon reduced transit that contributes to the majority of trips made by public transit, walking, and biking; all allowing and encouraging people to reduce dependence on their vehicles, especially single occupancy trips, and offering healthy lifestyle choices;
 - Aggressively reduce GHG emissions and air contaminants from transportation to assist the province and municipalities in meeting their GHG and clean air targets;
 - Support population and employment density near transit hubs and along transit corridors, so the majority of jobs and housing are located along a frequent transit network, a network that needs to expand to accommodate existing needs/priorities and to shape sustainable future growth;
 - Promote vibrant neighbourhoods and communities that are more responsive to modern needs, including new demands for affordable housing, appropriate health services, as well as "green" residential and commercial development;
 - Provide safe, secure, accessible and affordable travel for the region's population;
 - Facilitate economic growth, productivity gains, and international trade through the efficient and effective management of the transportation network; and
 - Ensure that operating costs will be controlled by making use of existing administration and/or infrastructure systems in support of new revenue sources whenever possible rather than developing new ones.
- F. TransLink requires access to sufficient and stable long-term funding, for both capital and operating requirements, to help achieve these goals and change behaviours which will help shape transportation choices in the future.

NOW THEREFORE, the parties set out in this memorandum agree:

1. To work together in a cooperative and collaborative way to address the goals of "Livable Cities", including the development of a long term, sustainable funding strategy that maximizes TransLink's available revenue sources and invites open and ongoing dialogue between the parties on potential new funding solutions.

2. That transportation planning is a key component of successful livable cities and should include principles as listed below:
 - a. Investments in transit should be appropriate to support higher population densities that are designed to best utilize land at the lowest cost possible for taxpayers and the environment;
 - b. Transportation planning should be an integral component of community planning;
 - c. Communities should be developed to encourage alternatives to vehicle traffic, with direct emphasis on pedestrian, cycling and transit;
 - d. Transit investments must be justified through a comprehensive business case which considers all factors including; ridership, expenses and revenue sources to name a few;
 - e. Transportation Demand Management principles should be developed that will assist in the achievement of the overall transportation goals; and
 - f. Transit and road and bridge improvements need to be coordinated and implemented in a timely and expedited fashion to support the success of TransLink's 2040, the Provincial Transit Pacific Gateway and other Provincial plans that will help stimulate growth and job creation.

3. To recognize that any strategy for livable cities with a viable long-term transportation plan will anticipate open dialogue on transportation funding sources that may include, but not be limited to, the items listed below:
 - a. Funding sources included in current and future legislative authority;
 - b. Reallocation of existing revenue sources;
 - c. Potential new and innovative revenue sources that will shape transportation choices in favor of transit, cycling and walking, as well as greenhouse gas emission reductions;
 - d. A means of capturing some of the increase in land value created by the provision of rapid transit along the region's strategic corridors;
 - e. Other revenue generating activities that take advantage of the market created by transit users; and
 - f. Efficient and effective use of "Smart Card" technology to increase ridership beyond peak periods, improve efficiencies (reduce operating costs and increase the productivity of the transit fleets), reduce fare evasion and in general, generate greater fare revenue (user pay).

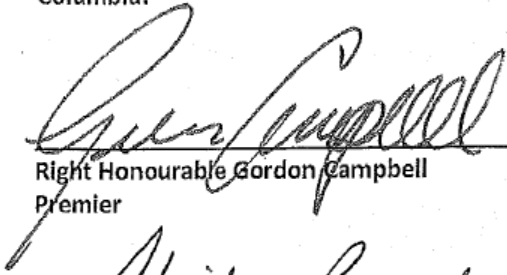
4. To recognize that BC has a significant comparative advantage in generating clean and green renewable electricity that could be used to reduce the carbon footprint of the transportation sector in the region.

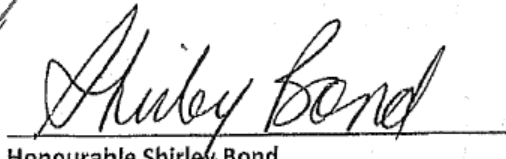
5. To continue to engage the Federal Government in ongoing discussions on funding support, including future capital contributions for new transit and transportation infrastructure and/or the potential reallocation of existing funding (i.e. federal fuel tax).

6. To review existing regulatory and policy frameworks to enhance the achievement of provincial, regional or local transportation goals as listed below:
 - a. Joint review of planning and engineering of municipal and provincial arterial roads to ensure safety and efficiency in operations;
 - b. Review of procurement practices related to transit and road and bridge projects to ensure transparency, value and appropriate structure;
 - c. Review of contracting process to ensure innovation in contracting methods including components of financing, design and standardized contract language; and
 - d. Efficient methods of obtaining appropriate zoning on publicly owned holdings to maximize benefits and minimize taxpayer or user costs.
7. To review best practices from other jurisdictions and seek expert advice to help develop a "Made in BC" solution.
8. To leverage existing processes including the Steering Committee, Joint Technical Committee and any other appropriate new mechanisms to ensure follow-up to this MOU.
9. To consult with a wide and diverse list of public and private stakeholders in order to ensure maximum acceptance of the outcome of the deliberations undertaken by the parties under this MOU.


DATED this 23rd day of September, 2010.

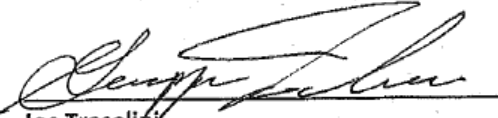
Signed on behalf of Her Majesty
In Right of the Province of British
Columbia:


Right Honourable Gordon Campbell
Premier


Honourable Shirley Bond
Minister of Transportation and Infrastructure

Signed on behalf of the Mayors' Council
on Regional Transportation:


H. Peter Fassbender
Chair


Joe Trasolini
Vice Chair

Appendix B - Mayors' Council Guiding Principles for Funding Regional Transportation

1. System expansion should not occur at the expense of maintaining existing or future system performance and the ongoing state of good repair of infrastructure.
2. Transportation projects will undergo a rigorous alternatives review including full life cycle cost analysis prior to approval.
3. Capital projects expanding or improving the network will be evaluated on impact to the overall network's ability to move goods and people and support land use objectives.
4. Revenue sources should provide pricing signals to link desired user behaviour to overall transportation objectives.
5. Funding should be generated from the goods movement sector to offset costs attributed to the transportation of good throughout Metro Vancouver, recognizing its role as a gateway to the Province and the Nation.
6. Collectively, funding sources should be reliable and predictable, but adjustable against each other as revenue levels change over time.
7. Funding options should be economically efficient in their administration and collection.
8. Transit fare rates should be sensitive to public affordability.
9. Historically, property taxes have been a foundational funding source that reflect the broad benefits of the transportation system but should not increase.
10. As newer more effective revenue sources are introduced, reductions should be considered for funding sources that make the funding mix inconsistent with the principles stated herein.
11. As the Metro Vancouver Region is a key conduit within the provincial and national goods movement strategy, senior levels of government should provide continuing funding to support the transportation needs of the region and the country.
12. Collaboration should exist between TransLink, the Province and Metro Vancouver to ensure alignment with the Regional Growth Strategy and the stated outcomes of regional transportation funding and investment.
13. Funding sources chosen should support sound environmental policy, including legislated reduction of green house gases, and manage demand efficiently.

Approved by resolution of the Mayors' Council on May 3rd, 2011

Appendix C – Scoring System for Each Criterion

The phase one evaluations are made according to a five-point scale ranging from “nil or negative” to “very high” based on their deemed ability to achieve the goals and objectives reflected in each of the criteria:

 = Nil or Negative (0 pts)  = Low (1 pt)  = Medium (2 pts)  = High (3 pts)  = Very High (4 pts)

The ratings reflect the range of revenue alternatives under consideration – they are scored in relative comparison to each other, but not to other public policy initiatives that might be considered by other agencies. For example, revenue sources are compared against each other to determine which better encourages efficient vehicle choice or sustainable communities, but not against other programs – such as federal or provincial rebate programs for fuel efficient vehicles or Official Community Plans – that might also support those goals.






Reference Values for each Evaluation Rating

This section provides additional clarity around each of the criterion and the reference values used by the evaluation team for each scoring level. As discussed above, these reflect the qualitative and subjective nature of some of the criteria while providing a common basis for understanding the scores. With agreement on “what it would take to achieve a particular level of score” for each criterion, any variability of results should be isolated to differing views on the part of evaluators as to the likelihood of a particular outcome being achieved.

A. Alignment with Policy Objectives

A.1. Transportation System Account

Impact on sustainable transportation choices – This was assessed in terms of how effective the revenue source would be in encouraging people to shift from single occupancy vehicle trips to more sustainable travel modes – car pooling, transit, biking or walking – or in reducing vehicle kilometres (VKT) by driving shorter distances or avoiding making trips, over-and-above changes already caused by increases in fuel prices during the past decade.

-  No incremental reduction in VKT per capita for single occupancy vehicles or shift in modal share to more sustainable transportation choices.
-  Would slow the increase in VKT per capita for single occupancy vehicles, but not measurably increase the modal share of walking, cycling, and transit
-  Would halt the increase in VKT per capita for single occupancy vehicles and contribute to small increases in the modal share of walking, cycling, and transit
-  Would encourage a minor reduction in VKT per capita for single occupancy vehicles and corresponding increases in modal share for walking, cycling, and transit, possibly localized to particular areas within Metro Vancouver
-  Would significantly reduce VKT per capita for single occupancy vehicles and increase the modal share of sustainable modes, particularly walking and cycling, across the region

Impact on transportation policy objectives – This was assessed in terms of how effective the revenue source would be in supporting the following outcomes: reduced GHG emissions (greater vehicle fuel efficiency and use of lower carbon fuel); system optimisation (modal integration, resilience, and more efficient use of infrastructure by spreading peak travel demand); complete communities (mixed use, higher density, and transit/cycling/walking oriented); and economic growth and goods movement (reduced congestion and increased travel time reliability for goods and people).

- Nil or negative effect – would have no effect on any of the four outcomes
- Would support one out of four outcomes
- Would support two out of four outcomes
- Would support three out of four outcomes
- Would support all four of the outcomes

A.2. Economic Account






Impact on regional economy – families: This was assessed according to the relative additional burden placed on families. This burden is reduced when additional charges are more broadly based (more people paying means less individual impact to gain a given total revenue amount), when they are progressive versus regressive (when the costs fall more heavily on people who have more resources to pay them) and when individuals can reduce their costs by making choices that still reasonably meet their needs (such as taking another travel route or mode with a lower cost to them). Evaluation scores were assigned as follows:

- The proposed charge scores low on all three characteristics: it is focused on a narrow group as opposed to broadly based; it is regressive as opposed to progressive according to income; and people have minimal choices available;
- The proposed charge scores well on one of the three characteristics: it is broadly based, OR it is progressive OR it allows for choices to limit people's costs;
- The proposed charge scores well on two of the three characteristics: broadly based, progressive with income and provides for cost-limiting choices by individuals;
- The proposed charge scores well on all three characteristics: It is broadly based, it is progressive with income AND it allows for cost-limiting choices by individuals;
- The proposed charge represents a reallocation of existing charges, with no offsetting loss in benefits, so in the aggregate it has little or no effect on families, although there may be some individual variations in effects.

Impact on regional economy – small business: A small business is defined as having a small number of employees and relatively low volume of sales. Examples include owner-operated convenience stores and restaurants, tradespersons, small scale manufacturing, and home businesses.






Impacts were assessed according to the relative additional burden placed on small business. This burden is reduced when additional charges are more broadly based (not all paid by small business, and evenly distributed among the small businesses), when businesses can manage the increased costs by passing

them on to customers, and when businesses can adapt their practices to mitigate the increased costs (such as reducing energy/fuel use, relocating their operations within the region). Evaluation scores were assigned as follows:

-  The proposed charge scores low on all three characteristics: it is concentrated on a subset of the businesses; costs cannot be passed onto customers, and businesses have minimal choices to reduce their costs;
-  The proposed charge scores well on one of the three characteristics
-  The proposed charge scores well on two of the three characteristics
-  The proposed charge scores well on all three characteristics
-  The proposed charge represents a reallocation of existing charges, with no offsetting loss in benefits, so in the aggregate it has little or no effect on small businesses, although there may be some individual variations in effects.

Impact on regional economy – larger employers: A larger employer either has a larger number of employees within Metro Vancouver or has employees in Metro Vancouver that are part of a larger global corporate structure. Examples include utilities, factories, educational and medical institutions, department stores, chain restaurants, banks.

Impacts were assessed according to the relative additional burden placed on larger employers. This burden is reduced when additional charges are more broadly based (not paid only by large employers, evenly distributed among large employers), when employee attraction and retention are supported (transportation costs and service levels for employees are attractive compared to other employers / regions), and when businesses can adapt practices to mitigate the increased costs (such as reducing energy/fuel use, relocating their operations within the region). Evaluation scores were assigned as follows:

-  The proposed charge scores low on all three characteristics: it is concentrated on a subset of the businesses; employee attraction and retention is impacted by increased transportation costs, and employers have minimal choices to reduce their costs;
-  The proposed charge scores well on one of the three characteristics
-  The proposed charge scores well on two of the three characteristics
-  The proposed charge scores well on all three characteristics
-  The proposed charge represents a reallocation of existing charges, with no offsetting loss in benefits, so in the aggregate it has little or no effect on employers, although there may be some individual variations in effects.

Impact on provincial economy: This was assessed in terms of the overall effect on the BC economy from multiple perspectives. The worst case would be where economic activity is lost entirely, perhaps through transfers of business to jurisdictions outside the province, such as cross-border shopping or movement of goods through seaports in the USA instead of BC, or perhaps through higher business costs that result in activities not occurring at all. A less severely negative case would be where the

activity would still occur in BC, but might shift to areas outside Metro Vancouver with potential costs to the BC economy, one-time or ongoing. Alternatively, the net effects on the economy could be insignificant, or there could even be net positive effects if a revenue source directly alters behaviour or manages transportation demand in a way that reduces transportation costs and/or improves service levels by reducing congestion and optimizing use of the transportation system. Evaluation scores were assigned as follows:

- The proposed charge would result in significant lost economic activity to the BC economy through leakage or transfer to jurisdictions outside the province, or by deterring the activity altogether;
- The proposed charge could lead to significant shifts of activity to parts of BC outside Metro Vancouver, and/or to some loss of economic activity to jurisdictions outside BC, with moderate disruptive effects on the provincial economy;
- The proposed charge could lead to modest shifts of activity to parts of BC outside Metro Vancouver, with minor disruptive effects on the BC provincial economy;
- The proposed charge would have no significant net effect on the BC provincial economy;
- The proposed charge could support increases in or shifts of economic activity in BC owing to net reductions in transportation costs and/or increased levels of service resulting from reduced congestion levels and related benefits of system optimization

A.3. Fairness and Transparency Account

Linkage between payments and benefits: This was assessed in terms of the degree to which those who pay for services are able to benefit from those services, and the ability of the user to see this linkage. When the linkage and visibility are strong this may strengthen the positive impacts of price signals, encouraging travellers to use the system more efficiently. Evaluation scores were assigned as follows:

- Incremental revenue from this source provides only indirect benefits to the payer in return for the payment; others who are not paying also benefit. There is no evident link between the payment and transportation and the amount of payment used to fund transportation is difficult to calculate.
- Incremental revenue from this source provides only indirect benefits to the payer in return for the payment; others who are not paying also benefit. The link between the payment and transportation is diffuse and the amount invested in transportation is difficult to calculate.
- Incremental revenue from this source provides only indirect benefits to the payer in return for the payment; others who are not paying also benefit. Payment is linked to use of transportation, but the amount of payment invested in transportation service may be difficult to calculate.
- Incremental revenue from this source provides some direct benefit to the payer in return for the payment, but most benefits are indirect and also accrue to others who are not paying. Payment is clearly linked to use of transportation and the amount of payment is visible or is relatively easy to calculate.

- Incremental revenue from this source is invested wholly in the service for which the payer is making payment – the classic full “user-pay” model. Payment is clearly related to use of the transportation service and the amount of payment is readily visible or easy to calculate.

B. Alignment with Financial Objectives

B.4. Financial Capacity Account

Provides net long term funding capacity – This was assessed in terms of the degree to which long term funding could be generated. The funding amounts are net of operating costs and other expenses. The range of potential amounts is somewhat open-ended, with scores allocated as follows:

- The option would have the potential to raise \$10 million annually or less;
- ◐ The option would have the potential to raise \$10-30 million annually;
- ◑ The option would have the potential to raise \$30-100 million annually;
- ◒ The option would have the potential to raise \$100-200 million annually;
- The option would have the potential to raise \$200 million annually or more.

Provides long term reliable revenue stream – This was assessed in terms of the predictability and variability of the revenue stream from year to year. Predictability was considered to come from established relationships between revenue and factors relatively well known in advance, such as demographics or the general level of economic activity. Variability was considered to come from known volatility of the underlying activity, even if it were predictable, such as the profitability of commercial real estate development, which goes up and down very significantly according to the business cycle and other factors. Evaluation scores were assigned as follows:

- The revenue from this option is very difficult to predict and/or is known to be highly volatile;
- ◐ The revenue from this option may be somewhat predictable but is known to be highly volatile;
- ◑ The revenue from this option is reasonably predictable and is known to be only moderately volatile;
- ◒ The revenue from this option is quite predictable and is known to exhibit only limited volatility;
- The revenue from this option is very predictable and is known to be very consistent from year to year.

Linkage between revenue trends and future transportation needs – This was assessed in terms of the degree to which revenues would grow at the same rate as or slower than transportation demand. Evaluation scores were assigned as follows:

- The revenue from this option would decline as transportation demand increases;
- The revenue from this option would remain static as transportation demand grows;
- The revenue from this option would grow, but at a slower rate than transportation demand;
- The revenue from this option would grow proportionately (or at the same rate) as transportation demand;
- The revenue from this option would grow faster than growth in that demand.

C. Alignment with Implementation Objectives



C.5 Ease of Implementation Account

Level of TransLink authority to implement measure – This was assessed based on the degree to which implementation of the option for TransLink would require the involvement of others and hence the timeline would be more difficult to predict or control. Evaluation scores were assigned as follows:

- The option requires new provincial legislation to enable fund raising activities that are currently outside the TransLink mandate;
- The option requires provincial legislative action to change the terms of some fund raising activities currently enabled for TransLink, for example by raising limits on fund raising measures that TransLink has already “maxxed out”;
- The option requires the approval of both the Mayors Council AND the TransLink Commissioner;
- The option requires the approval of one or the other but not both of the Mayors Council and the TransLink Commissioner;
- The option can be implemented by TransLink without requiring assistance or approval from any other body.

Level of administrative ease and efficiency – This was assessed qualitatively based on the level of difficulty of getting administrative arrangements in place to implement the option, as well as the complexity of the ongoing collection of the revenue source once it is in place (e.g., the level of difficulty in adjusting the rate or adding/deleting scope of the application of the revenue source).






- Difficult/time-consuming to implement revenue source (e.g., legislatively and/or administratively) and complex/inefficient on-going revenue collection
- Difficult to moderately difficult and time-consuming to implement and moderately complex/inefficient on-going revenue collection
- Moderately difficult to easy to implement and moderately complex/inefficient on-going revenue collection

-  Moderately difficult to implement but with easy and efficient on-going revenue collection
-  Easy to implement (e.g., possibly already in place) and easy/efficient on-going revenue collection

Can be in place by January 1, 2013 – This was answered “Yes” or “No” in the assessment, with reasons as stated in Appendix D, but not scored on the five point (clock face) scale, so not included in the total clock faces score for the “Ease of Implementation” account except as a rounding factor (e.g., if the total score based on the other two criteria in this account was 2.5, the total clock face score was rounded up to 3 if the answer above was “yes” but rounded down to 2 if the answer was “No”).

C.6 Outcome of Implementation Account

Expected public acceptance – This was assessed based on the information available to TransLink as of November 2011, much of which was collected in 2010 and earlier. Where applicable, the ratings incorporate the implications of events that have occurred since the data were collected, including the implementation of additional fuel tax in Metro Vancouver and the events related to the implementation of the HST.

-  Generally not accepted
-  Acceptance by some people
-  Acceptance / rejection divided
-  Generally accepted
-  Widely accepted

Data on public preferences and other aspects of the criteria were collected primarily in 2010 and earlier on select revenue sources. Comprehensive market research on the complete list of sources currently being evaluated has not yet been undertaken. Since the data were collected, a TransLink supplement was approved including funding through additional fuel tax, and other events have occurred such as the referendum on the imposition of the Harmonized Sales Tax (HST). The evaluations here have been based largely on the available data, with notes made where applicable of any potential for differing results if new data were collected now or in future.

Provides 2013/14 funding capacity – This was assessed in terms of the ability of the proposed option to provide the \$30 million in additional revenue required in the 2013/14 fiscal year, assuming the option could be implemented. The likelihood of implementation was assessed under other criteria, so the evaluation scores here merely reflect the amount of revenue available, with a full black circle ● given for any option with the potential to raise the full \$30 million in 2013/14, and a half circle ◐ for any option that could be implemented, but could only raise less than the full \$30 million.

Appendix D: Summaries of Evaluation Scores and Rationales

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User Fees and Taxes

Funding Source: Transit Fare Increase Greater than Inflation

Description: Increase in the current fares paid by transit users in Metro Vancouver, including cash, tickets and passes of more than 2% inflation rate

| CRITERION | SCORE | RATIONALE | TOTAL |
|---|-------|---|-------|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Makes use of transit less attractive relative to other transportation modes. | |
| Impact on transportation policy objectives | | Objectives not supported with current fare structure. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Narrow focus in that only transit users pay (a relatively small market share); may be somewhat regressive if bears more on lower-incomes; people have other travel choices. | |
| Impact on regional economy – Small business | | Little direct impact on small business. Potential small loss of business due to increase in customer travel costs. | |
| Impact on regional economy – large employers | | Employee mobility impacted by fare increase for employers with large portion of transit riders. | |
| Impact on provincial economy | | Might lead to modest shift of economic activity outside Metro Vancouver to other BC regions. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Those who benefit from the service pay a significant portion of the cost. Amount paid and how it contributes to transportation benefits is easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Each 10% increase in fares, above inflation, yields about \$30 M annually. | |
| Provides long term reliable revenue stream | | Predictable from transit usage data, but higher fares will eventually slow or reverse demand growth. | |
| Linkage between revenue trends and future transportation needs | | Higher real fares will deter growth in transit demand, so transit revenue would grow more slowly than overall transportation demand. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink has authority to raise fares subject to approval by Mayors' Council and Commissioner. | |
| Level of administrative ease and efficiency | | Fare increases require a Supplemental Plan and approvals from the Mayors' Council and Commissioner. On-going collection of higher fares would be easy, as process already in place. | |
| Can be in place by Jan 1, 2013 | YES | Requires Supplement to be prepared and Mayors' Council and Commissioner approvals to be obtained during 2012. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research, but acceptance by transit users may reach limits if fares continue to rise. | |
| Provides 2013/14 funding capacity | | A 10% increase in fares, above inflation, yields about \$30 M, but a 10% increase including inflation (more palatable) would yield less than \$30M. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Fuel Tax Increase

Description: Increase in the fuel tax in Metro Vancouver on gasoline and diesel (currently 17 cents per litre)

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift and reduced vehicle kilometres (VKT) travelled by raising out of pocket costs of auto use | |
| Impact on transportation policy objectives | | Increased cost of fuel encourages shift to more fuel efficient vehicles. Increased cost of driving also encourages more efficient travel patterns and more compact land use. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Tax base is broad, total tax paid by individuals rises with their fuel consumption, and alternatives to fuel use are available to some but not all families. | |
| Impact on regional economy – Small business | | Broadly based, but some low margin businesses (transport) may not be able to pass on or adapt to reduce their costs. | |
| Impact on regional economy – large employers | | Broadly based, but some businesses (transport) may not be able to adapt and reduce their costs. | |
| Impact on provincial economy | | Might deter or shift some economic activity outside Metro Vancouver to other BC regions. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Those who create road-related costs and externalities help pay for them. Amount paid is easily calculated. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Currently raises \$22 M for every one cent per litre increase, but less incremental revenue expected for larger jumps in tax | |
| Provides long term reliable revenue stream | | Predictable from socio-economic data, but will decline over time due to price-elasticity, leakage across borders | |
| Linkage between revenue trends and future transportation needs | | Modal shift and reduced VKT, as well as increased use of fuel-efficient and alternate fuel vehicles, means revenue would grow at a slower rate than transportation demand. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires change to enabling legislation as current permitted rate is fully used. | |
| Level of administrative ease and efficiency | | Fuel tax increases require a Supplemental Plan and approval from the Mayors' Council. On-going collection of higher fuel taxes would be easy, as process is already in place. | |
| Can be in place by Jan 1, 2013 | YES | Likely that enabling legislation could be in place in time, administrative arrangements are already all in place. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Past acceptance by drivers may reach limits if rates continue to rise. Tolerance affected by market price fluctuations that hide small rate increases. | |
| Provides 2013/14 funding capacity | | A 1½ cent per litre increase in fuel tax would yield about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Parking Sales Tax Increase

Description: Increase in sales tax on amounts paid for off-street parking in Metro Vancouver

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift for trips by raising out of pocket costs of auto use, but only applies to off-street paid parking. | |
| Impact on transportation policy objectives | | Encourages system optimization as parking rates are typically higher for peak demand periods, and compact land use by raising the cost of single occupancy vehicle trips. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Applies to a narrow base of tax payers, is not progressive with income, but people do have choices to seek free parking or use modes that do not require parking (e.g., transit). | |
| Impact on regional economy – Small business | | Tax generally not paid by small business. Aside from some businesses in CBDs, most do not rely on commercial off-street pay parking to attract customers. | |
| Impact on regional economy – large employers | | Tax generally not paid by large employers; many have private parking for employees or customers. Little effect on employee retention. Possibly some impacts on businesses in CBDs. | |
| Impact on provincial economy | | Effects within Metro are likely too small / localized to shift economic activity outside Metro to other BC regions. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Tax applies only to a small sub-set of parking, generally in CBDs, as most parking is on-street or free. Amount and linkage of tax to transportation is clearly visible. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Raising \$30 million would require an additional 14 percentage point increase in the tax rate (to 35%). | |
| Provides long term reliable revenue stream | | Predictable revenue and low volatility based on past experience. | |
| Linkage between revenue trends and future transportation needs | | Provides price signals that could affect demand for auto parking, but also rises with inflation in parking prices. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires change to enabling legislation as current permitted rate is fully used. | |
| Level of administrative ease and efficiency | | Parking sales tax increases require a Supplemental Plan and approval from the Mayors' Council. On-going collection of higher taxes would be easy, as process is already in place. | |
| Can be in place by Jan 1, 2013 | YES | Likely that enabling legislation can be in place in time. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report | |
| Provides 2013/14 funding capacity | | A 14 percentage point increase in the parking sales tax rate (to 35%) would yield about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source:

Road Pricing – Regional Tolls at Major Water Crossings

Description:

Charges for use of Metro Vancouver road network collected at major water crossings (bridges, tunnels), possibly varying by time of day.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift and reduced vehicle kilometres (VKT) by raising costs of auto use for trips that cross toll locations. | |
| Impact on transportation policy objectives | | Variable tolls would spread travel demand and, by increasing cost of driving, encourage more efficient travel patterns (thus more compact land use) and use of more fuel efficient vehicles to offset toll costs. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Somewhat broadly based in that many trips cross water at some point; probably not progressive with income; people have some travel choices (including transit). | |
| Impact on regional economy – Small business | | Somewhat broadly based, but some transport/house call-related small businesses would pay higher proportion of tolls with limited means to avoid/recover costs. | |
| Impact on regional economy – large employers | | Somewhat broadly based. Increased cost for employee commutes for some businesses. Business operations could shift to off-peak periods to mitigate costs. | |
| Impact on provincial economy | | Might shift some economic activity outside Metro Vancouver but also provides transportation and economic benefits. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Revenues used to provide direct and indirect benefits to users. Amounts and payments transparent and easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Net revenue depends on number of crossings tolled, demand, and toll amount. | |
| Provides long term reliable revenue stream | | Relatively predictable based on historical and socio-economic data, but could decline in longer-term as VKT reduced. | |
| Linkage between revenue trends and future transportation needs | | Linked to auto use rather than total demand including transit and other modes, so modal shift and reduced VKT will limit long-term revenue growth. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation. | |
| Level of administrative ease and efficiency | | Toll technology proven elsewhere but initial setup would be difficult. Operation would benefit from collection mechanisms established for Golden Ears Bridge, but would still be complex. | |
| Can be in place by Jan 1, 2013 | NO | Insufficient time to enact enabling legislation and install tolling infrastructure. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Public preferences mixed (e.g. recent CBC poll showed <50% willing to pay tolls except for new facilities). | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, this source would raise significant revenue even at low rates. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source:

Road Pricing – Area Cordons

Description:

Charges for use of the regional road network collected at entry and/or exit points to defined areas of Metro Vancouver, possibly varying by time of day.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift and reduced vehicle kilometres travelled by raising costs of auto use for trips that pass toll locations. | |
| Impact on transportation policy objectives | | Variable tolls would spread travel demand and, by increasing cost of driving, encourage more efficient travel patterns (thus more compact land use) and use of more fuel efficient vehicles to offset toll costs. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Somewhat broadly based in that many trips cross cordons at some point; probably not progressive with income; people have some travel choices (including transit) | |
| Impact on regional economy – Small business | | Somewhat broadly based, but transport- and house call-related businesses would have limited means to avoid or recover tolls. | |
| Impact on regional economy – large employers | | Increased cost for employee commutes for some businesses. Business operations could shift to off-peak periods. | |
| Impact on provincial economy | | Might shift some economic activity outside Metro Vancouver but also provides transportation and economic benefits. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Revenues used to provide direct and indirect benefits to users. Amounts and payments transparent and easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Net revenue depends on number of locations tolled (cost of setting up and operating), and toll amount. | |
| Provides long term reliable revenue stream | | Relatively predictable based on historical and socio-economic data, but could decline in longer-term as VKT reduced. | |
| Linkage between revenue trends and future transportation needs | | Linked to auto use rather than total demand including transit and other modes, so modal shift and reduced VKT will limit long-term revenue growth. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation. | |
| Level of administrative ease and efficiency | | Technology proven elsewhere but cordon setup more difficult than water crossing. Operation would benefit from collection mechanisms established for GEB, but would still be complex. | |
| Can be in place by Jan 1, 2013 | NO | Insufficient time to enact enabling legislation and install tolling infrastructure. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Public preferences mixed (e.g. recent CBC poll showed <50% willing to pay tolls except for new facilities). | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, this source would raise significant revenue even at low rates. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Road pricing – Vehicle Distance Travelled (Full Network Pricing)

Description: A variable charge for use of the regional road network based on distance travelled and time of day, collected monthly or per trip.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-----------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift and reduced vehicle kilometres travelled (VKT) by raising out of pocket costs of auto use in proportion to trips made and distance travelled. | |
| Impact on transportation policy options | | Variable tolls would spread travel demand and, by increasing cost of driving, encourage more efficient travel patterns and thus more compact land use. Would also improve travel time reliability by managing demand and congestion. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based (all auto users pay); not progressive with income; people can avoid by using transit, cycling, or walking. | |
| Impact on regional economy – Small business | | Broadly based. Transport-related small businesses would have limited means to avoid or recover costs but tolls provide transportation benefits by managing demand. | |
| Impact on regional economy – large employers | | Broadly based. Increased cost for employee commutes for some businesses. Business operations could shift to off-peak periods to mitigate costs. | |
| Impact on provincial economy | | Provides significant transportation and economic benefits that might increase provincial economic activity | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Revenues used to provide direct and indirect benefits to users. Amounts and payments transparent and easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Potentially a very large source of revenue – estimated that 1 cent per km could raise \$150 million per year. | |
| Provides long term reliable revenue stream | | Relatively predictable based on historical and socio-economic data, but could decline in longer-term as VKT reduced. | |
| Linkage between revenue trends and future transportation needs | | Linked to auto use rather than total demand including transit and other modes, so modal shift and reduced VKT will limit long-term revenue growth. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation. | |
| Level of administrative ease and efficiency | | Start-up would require extensive infrastructure or application of new information and communication technology. Ongoing operation likely to be complex. | |
| Can be in place by Jan 1, 2013 | NO | Insufficient time to enact enabling legislation and install tolling infrastructure. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Public preferences mixed (e.g. recent CBC poll showed <50% willing to pay tolls except for new facilities) | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, this source would raise significant revenue even at low rates. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Vehicle Levy – Flat Fee

Description: An annual charge per vehicle, including commercial vehicles, paid at the time of registration in Metro Vancouver.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Only small effect on behaviour; flat fee once paid provides no incentive to change mode choice for trips. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based (all vehicle owners); not progressive with income; some families can make choices that would reduce or eliminate the fee. | |
| Impact on regional economy – Small business | | Broadly based (all vehicle owners); likely less of an impact on business than on families; limited opportunities to adapt. | |
| Impact on regional economy – large employers | | Broadly based (all vehicle owners); likely less of an impact on business than on families; limited opportunities to adapt. | |
| Impact on provincial economy | | Might shift some economic activity outside Metro Vancouver to other BC regions (e.g., fleet owners). | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Some visible link between those who pay and the auto related externalities they create. Amount paid and how it contributes to transportation is easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | A rate of \$100 per vehicle could raise about \$130 million. | |
| Provides long term reliable revenue stream | | Vehicle ownership levels are predictable and not very volatile from year to year. | |
| Linkage between revenue trends and future transportation needs | | Vehicle ownership is only loosely tied to transportation demand, especially for second and other vehicles. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink has the authority, but not practical without ICBC role that may require legislative authorization. | |
| Level of administrative ease and efficiency | | Some effort required to establish a vehicle levy, including to get Mayors' Council approval of the rates, but straightforward to collect with help from ICBC. | |
| Can be in place by Jan 1, 2013 | YES | Likely that enabling legislation can be in place in time; administrative arrangements appear doable. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report | |
| Provides 2013/14 funding capacity | | A rate of \$25 per vehicle would raise about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Vehicle Levy – Variable by Vehicle Emissions

Description: An annual charge per vehicle paid at the time of registration in Metro Vancouver, varying according to engine type, fuel use, or emissions.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Only small effect on behaviour; flat fee once paid provides no incentive to change mode choice for trips. | |
| Impact on transportation policy options | | Supports increased fuel efficiency and reduced emissions. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based (all vehicle owners); not progressive with income; families can make choices that would reduce or eliminate the fee. | |
| Impact on regional economy – Small business | | Broadly based (all vehicle owners); likely less of an impact on business than on families; limited opportunities to adapt. | |
| Impact on regional economy – large employers | | Broadly based (all vehicle owners); likely less of an impact on business than on families; can adapt through fleet upgrades. | |
| Impact on provincial economy | | Unlikely to significantly deter economic activity in BC or cause it to be moved to other jurisdictions. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Those who create higher externalities due to emissions will pay more. Amount paid and how it contributes to transportation benefits is easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | An average rate of \$100 per vehicle, but varying by fuel efficiency, could raise about \$130 million. | |
| Provides long term reliable revenue stream | | Predictable, but if ownership shifted to lower emission vehicles, revenue would decline without rate increases. | |
| Linkage between revenue trends and future transportation needs | | Vehicle ownership is only loosely tied to transportation demand, especially for second and other vehicles. Shift to lower emission vehicles would further weaken link. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink has the authority, but not practical without ICBC role that may require legislative authorization. | |
| Level of administrative ease and efficiency | | Some effort required to establish a vehicle levy, including to get Mayors' Council approval of the rates, but straightforward to collect with help from ICBC. | |
| Can be in place by Jan 1, 2013 | YES | Likely that enabling legislation can be in place in time; administrative arrangements appear doable. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report. | |
| Provides 2013/14 funding capacity | | An average rate of \$25 per vehicle, but varying by fuel efficiency, would raise about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Vehicle Levy – Variable by Proximity to Transit

Description: An annual charge per vehicle paid at the time of registration, variable according to the availability of transit service nearby.

| CRITERION | SCORE | RATIONALE | PUB |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Only small effect on behaviour; flat fee once paid provides no incentive to change mode choice for trips. Transit proximity might increase likelihood of mode shift. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Narrower base (areas well served by transit); not progressive with income; people would have location choices to avoid paying the fee. | |
| Impact on regional economy – Small business | | Narrower base (areas well served by transit); likely less effect on business than on families; limited opportunities to adapt. | |
| Impact on regional economy – large employers | | Narrower base (areas well served by transit); likely less effect on business than on families; limited opportunities to adapt. | |
| Impact on provincial economy | | Unlikely to significantly deter economic activity in BC or cause it to be moved to other jurisdictions. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Payers receive direct and indirect transportation benefits. Amount paid and how it contributes to transportation benefits clear. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | An average rate of \$100 for vehicles, but varying by proximity to the Frequent Transit Network, might raise about \$130 M. | |
| Provides long term reliable revenue stream | | Vehicle ownership levels are predictable and not volatile, but effects on ownership of proximity to transit are not known. | |
| Linkage between revenue trends and future transportation needs | | Vehicle ownership is only loosely tied to transportation demand, especially for second and other vehicles. This link might weaken if proximity to transit is also considered. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink has the authority, but not practical without ICBC role that may require legislative authorization. | |
| Level of administrative ease and efficiency | | Some effort required to establish a vehicle levy, including to get Mayors' Council approval of the rates, but straightforward to collect with help from ICBC. | |
| Can be in place by Jan 1, 2013 | YES | Likely that enabling legislation can be in place in time; administrative arrangements appear doable. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report; could discourage support for transit service expansion if people expect rate increases. | |
| Provides 2013/14 funding capacity | | An average rate of \$25 per vehicle, but varying by proximity to the Frequent Transit Network, would raise about \$30 M. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Goods Movement Fee (Container Fee)

Description: A charge on containers moving by road within or through Metro Vancouver.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-----------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Limited effect on road-based choices due to lack of more sustainable alternatives (rail and water not considered substitutes for local container movements). | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives ECONOMIC | | | |
| Impact on regional economy – Families | | Limited effect on families, unless employed in goods movement sector. | |
| Impact on regional economy – Small business | | Relatively narrow base for charges (mainly port and goods industries); difficult to pass costs on in low margin industries; no opportunities to mitigate. | |
| Impact on regional economy – large employers | | Relatively narrow base for charges (mainly port and goods industries); no opportunities to mitigate; business may move to other ports. | |
| Impact on provincial economy | | Fierce price competition between ports means extra costs could shift some container traffic to other ports, out of BC. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Payments may have visual link to physical infrastructure for trucking but no significant link to transit benefits. Costs are transparent to payer. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | A charge of \$50 per container would raise about \$50 million. | |
| Provides long term reliable revenue stream | | Somewhat predictable from economic data, but volatile and susceptible to competition, border leakage. | |
| Linkage between revenue trends and future transportation needs | | Goods movements linked to economic growth, like other transportation demand, but possible shift to other modes and ports will negatively affect potential revenue growth. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation, possibly including federal legislation if ports are expected to collect revenue. | |
| Level of administrative ease and efficiency | | Administrative arrangements to establish payment process and collect revenues likely moderately difficult/complex. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that enabling legislation can be in place in time, administrative arrangements are likely difficult | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Expected to be generally supported – viewed as other people paying. | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, a \$30 charge per container would raise about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Carbon Tax – Reallocation of Future Provincial Revenues

Description: Re-allocation after 2012 of a share of any new incremental provincial carbon tax revenues generated in Metro Vancouver.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift and reduced vehicle kilometres by raising out of pocket costs of auto use, but price signal more diffuse than fuel tax as distributed over more carbon sources. | |
| Impact on transportation policy options | | Encourages increased fuel efficiency and use of lower carbon fuel and, by increasing cost of driving, encourages more efficient travel patterns and thus more compact land use. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Tax broadly applied to families and business for fuel, heating, etc.; somewhat progressive with income; opportunities to innovate and reduce tax burden. | |
| Impact on regional economy – Small business | | Tax broadly applied; might affect sales for some goods; opportunities to innovate and reduce tax burden. | |
| Impact on regional economy – large employers | | Tax broadly applied; might affect sales for some goods; opportunities to innovate and reduce tax burden. | |
| Impact on provincial economy | | Might shift some economic activity out of the Province, but not outside Metro Vancouver to adjacent regional districts. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Partly transport-related in that those who use carbon-based fuels pay tax. Amount paid can be calculated, but connection for non-transport carbon uses is less clear. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Greater revenue capacity than motor fuel tax, due to broader base on which tax is applied. | |
| Provides long term reliable revenue stream | | Predictable from socio-economic data, but will decline over time due to price-elasticity, leakage across borders. | |
| Linkage between revenue trends and future transportation needs | | Only partly related to transportation demand since other sectors also emit CO2; still somewhat vulnerable to changes in transport modes and fuel usage. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires change to enabling legislation. | |
| Level of administrative ease and efficiency | | Tax already in place, so collection of a higher rate would be easy. A process to remit a share to TransLink would have to be established. | |
| Can be in place by Jan 1, 2013 | NO | Substantial issues to be resolved and legislation amended. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report. | |
| Provides 2013/14 funding capacity | | If could be implemented in time, an additional rate of \$1.65 per tonne of carbon, assuming all Metro Vancouver share is allocated to TransLink, would raise about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Carbon Tax – New Regional Carbon Tax

Description: A new additional charge on carbon emissions, similar to the BC Carbon Tax, levied only within Metro Vancouver.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Encourages mode shift and reduced vehicle kilometres by raising out of pocket costs of auto use, but more diffuse price signal than fuel tax as distributed over more carbon sources | |
| Impact on transportation policy options | | Encourages increased fuel efficiency and use of lower carbon fuel and, by increasing cost of driving, encourages more efficient travel patterns and thus more compact land use. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Tax broadly applied to families and business for fuel, heating, etc.; somewhat progressive with income; opportunities to innovate and reduce tax burden. | |
| Impact on regional economy – Small business | | Tax broadly applied; might affect sales for some goods; opportunities to innovate and reduce tax burden. | |
| Impact on regional economy – large employers | | Tax broadly applied; might affect sales for some goods; opportunities to innovate and reduce tax burden. | |
| Impact on provincial economy | | Might shift economic activity outside Metro Vancouver to other BC regions or outside the Province. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Partly transport-related in that those who use carbon-based fuels pay tax. Amount paid can be calculated but connection for non-transport carbon uses is less clear | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Greater revenue capacity than motor fuel tax, due to broader base on which tax is applied. | |
| Provides long term reliable revenue stream | | Predictable from socio-economic data, but will decline over time due to price-elasticity, leakage across borders | |
| Linkage between revenue trends and future transportation needs | | Only partly related to transportation demand since other sectors also emit CO2; still somewhat vulnerable to changes in transport modes and fuel usage | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires change to enabling legislation. | |
| Level of administrative ease and efficiency | | Need to adjust current process to collect incremental tax only in Metro Vancouver; but ongoing administration expected to be easy. | |
| Can be in place by Jan 1, 2013 | YES | Substantial issues to be resolved and legislation amended, but possible that can be done in time for January 1, 2013. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report | |
| Provides 2013/14 funding capacity | | An additional rate of \$1.65 per tonne of carbon in Metro Vancouver would raise about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Rental Car Tax

Description: A tax levied whenever a vehicle is rented in Metro Vancouver, with the rate potentially variable based on fuel efficiency.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Higher rental cost might encourage some shift to other modes. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives, unless a variable rate discourages use of less fuel efficient vehicles. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Most costs borne by visitors and corporate sector, rather than families. | |
| Impact on regional economy – Small business | | Narrow base for charges –rental car companies. Visitor budget impacts have wider effects on tourism sector, especially attractions where driving is necessary. Difficult to mitigate. | |
| Impact on regional economy – large employers | | Narrow base for charges –rental car companies, but impacts for large tourism attractions and companies that rent vehicles. No impacts on employee retention. Difficult to mitigate. | |
| Impact on provincial economy | | Some impacts on tourism sector and demand for rental cars. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Limited linkage. People renting cars typically do not live in region or drive infrequently. Payments will not be visible, one of many taxes and charges for rental car. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | A 0.8 percent tax in Seattle raised \$2.5 Million per year. | |
| Provides long term reliable revenue stream | | Highly dependent on number of visitors, value of Canadian dollar, state of economy. | |
| Linkage between revenue trends and future transportation needs | | Tourist sector expected to grow as population and services increase. Indirect link to transportation needs. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | New taxation authority required from province. | |
| Level of administrative ease and efficiency | | Sales tax collection arrangements are in place; might require adjustments for rates in Metro Vancouver and establishment of a process to transfer a share to TransLink. More complex if tax rate based on fuel efficiency. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Expected to be supported – viewed as other people paying. | |
| Provides 2013/14 funding capacity | | Even if could be implemented in time, revenue would be relatively small. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Vehicle Sales Tax

Description: An additional tax levied on vehicle sales within Metro Vancouver to collect revenue to be used to fund transportation in the region.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Only small effect on behaviour; tax once paid provides no incentive to change mode choice for trips. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Narrow base (vehicle purchases); progressive, as higher incomes buy more expensive vehicles more frequently; choices available (including purchases from outside region). | |
| Impact on regional economy – Small business | | Specific impact on vehicle retailers – could result in significant lost sales to Fraser Valley depending on tax rate. | |
| Impact on regional economy – large employers | | Minor cost impacts for employers purchasing new fleets if purchased within Metro Vancouver. | |
| Impact on provincial economy | | Might deter or shift some economic activity outside Metro Vancouver to other BC regions | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Visible linkage to transportation and mitigating externalities of auto ownership, but not trip making. Payment is transparent, only moderately linked to benefits that result from infrequent purchases. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | A tax rate that doesn't shift all vehicle sales outside Metro Vancouver would bring in relatively small revenue. | |
| Provides long term reliable revenue stream | | Somewhat predictable, but can be very volatile depending on state of the economy. | |
| Linkage between revenue trends and future transportation needs | | Vehicle sales are only loosely tied to transportation demand since people may shift modes on some trips and still wish to purchase a vehicle, or may vary vehicle use. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation. | |
| Level of administrative ease and efficiency | | Provincial tax collection arrangements in place would require adjustments for rates in Metro Vancouver and establishment of a process to transfer a share to TransLink. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, a 1% tax rate could raise about \$30 million, assuming sales leakage outside Metro Vancouver is not significant. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Broader Community Contribution Fees and Taxes

Funding Source: Property Tax - Additional

Description: An additional tax on the assessed value of property, levied annually, with a portion allocated to fund public transportation.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choices, as people pay regardless of services used. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based; somewhat progressive if higher incomes own more real property; limited choices to minimize tax paid. | |
| Impact on regional economy – Small business | | Broadly based but tax increase may be felt disproportionately by small businesses located in high-rate CBDs; limited choices to minimize tax paid. | |
| Impact on regional economy – large employers | | Broadly based; no impact on employee retention; limited choices to minimize tax paid. | |
| Impact on provincial economy | | Unlikely to significantly shift much economic activity to other regions of BC. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | All owners derive benefits (including higher property values) from transportation. Payments are transparent but subject to concerns about distribution of payments versus benefits. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | A 50% increase in property tax rates would raise about \$150 million. | |
| Provides long term reliable revenue stream | | Very reliable and stable revenue source in short and longer term. | |
| Linkage between revenue trends and future transportation needs | | Will not grow as quickly as transportation demands unless rates are continually increased. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink has the authority to increase property taxes by 3% per year; more requires Mayors' Council approval. | |
| Level of administrative ease and efficiency | | Implementation requires inclusion in a Supplemental Plan and Mayors' Council approval. Collection systems in place. | |
| Can be in place by Jan 1, 2013 | YES | With approval of Mayors' Council which is subject to concerns about rates and competing municipal funding needs from this source. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report. | |
| Provides 2013/14 funding capacity | | A tax increase of \$25 per household would raise about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Flat Levy per Property (Hydro Levy)

Description: A levy administered at the same rate to all households and businesses within Metro Vancouver to be used to fund transportation in the region.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choices, as people pay regardless of services used. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based; not progressive with income; little choice available to people who wish to minimize charges. | |
| Impact on regional economy – Small business | | Broadly based; might be able to pass through to customers; little choice available to minimize charges. | |
| Impact on regional economy – large employers | | Broadly based; no impact on employee retention; little choice available to minimize charges. | |
| Impact on provincial economy | | Little or no effect outside Metro Vancouver or on BC provincial economy. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Payers receive only indirect benefits. Payment amounts are transparent and easy to understand, but not easily linked to transportation services received. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Doubling the current hydro levy would raise \$18 million per year. | |
| Provides long term reliable revenue stream | | Very stable and resilient revenue source (varies only with rate of household formation.) | |
| Linkage between revenue trends and future transportation needs | | Some link between household formation and increased demand for transportation services. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires change to enabling legislation as current permitted rate is fully used. | |
| Level of administrative ease and efficiency | | Implementation requires inclusion in a Supplement and approval from Mayors' Council. Collection systems in place. | |
| Can be in place by Jan 1, 2013 | YES | With policy approval would be simple legislative change | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report. | |
| Provides 2013/14 funding capacity | | A doubling of the current rate would raise \$18 million per year. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Parking Levy

Description: A charge for off-street parking spaces in Metro Vancouver by number of stalls or land area (includes “free” as well as paid parking)

| CRITERION | SCORE | RATIONALE | SUM |
|---|-----------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Levy absorbed by businesses, so provides little price signal, but might result in gradual reduction of parking spaces. | |
| Impact on transportation policy objectives | | Might support complete communities if tax encourages replacement of off-street parking with denser development. | |
| Alignment with Policy Objectives ECONOMIC | | | |
| Impact on regional economy – Families | | Limited impact on families – costs primarily borne by business. | |
| Impact on regional economy – Small business | | Tax levied only on sub-set of businesses with off-street parking. Difficult to mitigate, but might be some ability to pass on costs. | |
| Impact on regional economy – large employers | | Significant cost to businesses and employers with large parking lots, particularly retail. Employee retention not affected. | |
| Impact on provincial economy | | Might shift some economic activity outside Metro Vancouver to other BC regions. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Payers (i.e., businesses) are not users and receive only indirect benefits. Might have some ability to signal levy by adjusting parking rules or charging employees who use parking. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Raising \$30 million would require an annual charge of \$40 per parking stall. | |
| Provides long term reliable revenue stream | | Predictable revenue and low volatility based on past experience. | |
| Linkage between revenue trends and future transportation needs | | Economic and business expansion likely would increase parking spaces provided, but shift to transit and denser mixed use development expected to limit growth. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink’s legislative still provides for a parking levy, but new regulation would be required to re-enable the tax. | |
| Level of administrative ease and efficiency | | Administratively difficult to establish and both complex and inefficient to administer. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that administrative process can be re-established and regulations brought into force in time for January 1, 2013. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Past initiatives in this area have given rise to significant public concerns and have been withdrawn. | |
| Provides 2013/14 funding capacity | | If this source could be implemented in time, a rate of \$40 per parking stall would raise about \$30 million. | |

Contribution Score Key ○ = Nil or Negative ◐ = Low ◑ = Medium ◒ = High ◓ = Very High

Funding Source: Regional Sales Tax

Description: An additional tax on retail sales within Metro Vancouver to collect revenue to be used to fund transportation in the region.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choices, as people pay regardless of services used. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based; progressive if higher incomes buy more goods and services; people have choices to manage the amount of charges they pay. | |
| Impact on regional economy – Small business | | Broadly based; consumption tax could affect sales; limited opportunities to adapt to minimize charges. | |
| Impact on regional economy – large employers | | Broadly based; consumption tax could affect sales; limited opportunities to adapt to minimize charges. | |
| Impact on provincial economy | | To the extent it suppresses demand within Metro Vancouver could have an indirect effect on BC economy. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Questions of fairness since high-volume consumers may not be heavier users of transportation. Payments easy to calculate and understand but link to transportation could be obscure. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Potentially a very large source of revenue depending on rates; has been estimated 0.4% would yield \$200 million. | |
| Provides long term reliable revenue stream | | Somewhat predictable but can vary considerably with overall economy and level of retail activity which can be volatile. | |
| Linkage between revenue trends and future transportation needs | | Transportation demand and overall level of economic activity are linked. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation. | |
| Level of administrative ease and efficiency | | Sales tax collection arrangements are in place; would require some adjustments for rates in Metro Vancouver and establishment of a process to transfer a share to TransLink. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report. | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, an incremental 0.06% tax rate would raise \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Employer Payroll Tax

Description: Regional payroll tax earmarked to fund transportation in the region.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choices, as employers pay regardless of services they or employees use. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Broadly based; could be progressive with incomes; very limited or no choices available for people to minimize their charges. | |
| Impact on regional economy – Small business | | Broadly based, difficult to pass through as there is competition from Fraser Valley. | |
| Impact on regional economy – large employers | | Broadly based, potential leakage to Fraser Valley by employees and companies to avoid tax. | |
| Impact on provincial economy | | Could lead to shifts of economic activity to other BC regions with minor disruptive effects on BC economy. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Economic activity and employment benefit from improved transportation. Payment transparent but link to transportation indirect. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | A \$70 per employee charge could generate \$85 million per year. | |
| Provides long term reliable revenue stream | | Somewhat predictable, varies with income and employment. | |
| Linkage between revenue trends and future transportation needs | | Transportation demand and employment are both linked with and change with economic activity. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Requires enabling legislation. | |
| Level of administrative ease and efficiency | | Expected to be moderately difficult to set up and administer. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report; recent CBC poll suggests some preference for income tax, but may not be for increases. | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, a \$25 per employee charge would generate about \$30 million per year. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Hotel Tax

Description: Increasing the tax on the cost of hotel rooms in Metro Vancouver.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choices, as people pay regardless of services used. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | People living within the region are less likely to use hotels in the region. | |
| Impact on regional economy – Small business | | Narrow base for charges –hotels. Visitor budget impacts will have wider effect on tourism sector. Difficult to mitigate. | |
| Impact on regional economy – large employers | | Narrow base for charges –hotels, but could affect broader tourist sector and corporate travel. No impacts on employee retention. Difficult to mitigate. | |
| Impact on provincial economy | | Some impacts on tourism sector. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Limited linkage. People staying in hotels typically do not live in region. Payments will not be visible, one of many taxes and charges on hotel bill. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Approximately 27,000 hotel rooms in MV and 10 Million hotel room nights per year. | |
| Provides long term reliable revenue stream | | Highly dependent on number of visitors – value of Canadian dollar, state of economy. | |
| Linkage between revenue trends and future transportation needs | | Tourist sector expected to grow as population and services increase. Indirect link to transportation needs. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | New taxation authority required from province. | |
| Level of administrative ease and efficiency | | Sales tax collection arrangements are in place; might require adjustments for rates in Metro Vancouver and establishment of a process to transfer a share to TransLink. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Expected to be supported – viewed as other people paying. | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, a rate of about \$3 per hotel room night would yield about \$30 million. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Land Value Capture- Development Cost Charges

Description: A charge levied throughout Metro Vancouver at time of subdivision or building permit approval to fund transportation services.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Assume structured to encourage sustainable travel choices (e.g. low parking requirements, car share, on site transit, bicycling). | |
| Impact on transportation policy options | | Assume structured to support complete communities (e.g., lower charges for transit-oriented development). | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Might increase housing cost if not absorbed by developer. Narrow base (only new development); somewhat progressive with income; people can avoid by buying existing housing. | |
| Impact on regional economy – Small business | | Might increase cost of new commercial property and discourage development. Narrow base (new development); can avoid by using existing commercial space. | |
| Impact on regional economy – large employers | | Might increase cost of new property and discourage development. Narrow base (new development); no impacts on employee retention; can avoid by using existing space. | |
| Impact on provincial economy | | Might slightly dampen development in areas subject to charges and shift some activity outside Metro Vancouver. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | New development generates need for and benefits from transportation service. Payments visible to developer but not to end purchaser. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Estimated revenues \$20-\$30 million per year | |
| Provides long term reliable revenue stream | | Somewhat predictable but can vary widely due to ups and downs of property and development markets. | |
| Linkage between revenue trends and future transportation needs | | Factors that drive development (population, GDP growth) also affect transportation demand, but development is more volatile if the economy slows or contracts. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Development cost charges exist in BC, but funding transit services is not allowable under current legislation. | |
| Level of administrative ease and efficiency | | Development cost charge system already in place, but might need some initial set up to flow funds to TransLink. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Per IBI research report | |
| Provides 2013/14 funding capacity | | If it could be implemented in time, estimated revenues are \$20-\$30 million per year. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Land Value Capture- Benefiting Area Tax

Description: An incremental property tax or special tax assessment based on the benefit that accrues to land and improvements in Metro Vancouver as a result of proximity to a major transportation facility.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choice, as people pay regardless of services used. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | Increases housing costs near major transportation facilities; narrow base; may be somewhat progressive with incomes; people can avoid or reduce cost by moving further away. | |
| Impact on regional economy – Small business | | Increases cost of commercial space near major transportation facilities. Narrow base (within benefitting area). Can avoid by relocating away from benefitting area. | |
| Impact on regional economy – large employers | | Increases cost of commercial space near major transportation facilities. Narrow base (within benefitting area); no effect on employee retention, can relocate away from benefitting area. | |
| Impact on provincial economy | | Might cause some economic activity to move outside Metro Vancouver | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Paid by those who benefit directly or indirectly from new transportation facilities. Amounts visible on property tax bills. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Depending on what areas are defined as benefitting and the level of tax set, could raise significant revenues. | |
| Provides long term reliable revenue stream | | Property taxation is a very reliable and stable revenue source. | |
| Linkage between revenue trends and future transportation needs | | Will not grow as quickly as transportation revenue requirements unless rates are continually raised, but will increase as new infrastructure expands number of benefitting properties. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink legislation contemplates a benefitting area tax but not clear how it would work | |
| Level of administrative ease and efficiency | | Moderately difficult to define benefitting area and moderately difficult to administer especially if benefitting areas change. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Assumed similar to additional property tax. | |
| Provides 2013/14 funding capacity | | Revenue dependent on investment in new (rapid) transit infrastructure (none by 2013/14). | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Project-Related Revenue Sources

Funding Source: Project Tolls for Newly Constructed Facilities

Description: Charges for use of a new facility that would otherwise have been free to use, set at an amount to cover the cost of construction and operation.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-----------|---|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Could encourage mode shift and reduced vehicle kilometres travelled by raising out of pocket costs of auto use, but might also divert trips to less efficient routes. | |
| Impact on transportation policy objectives | | By managing demand, tolls could improve trip travel time reliability. | |
| Alignment with Policy Objectives - ECONOMIC | | | |
| Impact on regional economy – Families | | Relatively narrow base of users of the facility; probably not progressive with income; people have travel choices available to avoid paying the toll. | |
| Impact on regional economy – Small business | | Some transport and house call-related small businesses would be impacted by tolls with limited means to avoid/recover costs. | |
| Impact on regional economy – large employers | | Businesses located near limited number of toll points could be affected. Little effect on employee retention. Could shift to off-peak operations to mitigate costs. | |
| Impact on provincial economy | | If preserves choices and adds benefits, unlikely to shift economic activity outside Metro Vancouver. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Visible linkage between paying toll and receiving a benefit. Toll payments and amounts transparent and easily understood. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Fully funds individual road infrastructure projects (but makes no additional contribution to broader funding needs). | |
| Provides long term reliable revenue stream | | Predictable revenue (although Golden Ears experience has fallen short of projections). | |
| Linkage between revenue trends and future transportation needs | | Revenue depends on rates set for cost recovery and grows with demand for the infrastructure. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | TransLink would require approval from the Mayors' Council to implement or raise this measure. | |
| Level of administrative ease and efficiency | | Technologies and administrative arrangements in place for Golden Ears Bridge, but complex to set up and integrate new locations. | |
| Can be in place by Jan 1, 2013 | NO | No tolling projects will be coming on line by Jan 1, 2013. | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Available data suggests enhanced willingness to pay when a specific improvement results (72% in recent CBC poll). | |
| Provides 2013/14 funding capacity | | Only pays for new infrastructure avoiding need for other funds, but does not contribute to transportation generally. | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High

Funding Source: Land Value Capture – Tax Increment Funding/Financing

Description: Reallocation of incremental increases in property tax revenues that result from and would not occur without major new transportation facilities – above a baseline and within a defined area around those facilities – from the benefitting municipalities to TransLink.

| CRITERION | SCORE | RATIONALE | SUM |
|---|-----------|--|-----|
| Alignment with Policy Objectives - TRANSPORTATION SYSTEM | | | |
| Impact on sustainable transportation choices | | Has no effect on transportation choice, as people pay regardless of services used. | |
| Impact on transportation policy options | | Provides little or no support for policy objectives. | |
| Alignment with Policy Objectives – ECONOMIC | | | |
| Impact on regional economy – Families | | No impact – reallocation from municipalities to TransLink of a portion of future windfall property tax revenue arising from new public investment. | |
| Impact on regional economy – Small business | | No impact (as for families). | |
| Impact on regional economy – large employers | | No impact (as for families and small businesses). | |
| Impact on provincial economy | | No impact on provincial economy. | |
| Alignment with Policy Objectives - FAIRNESS AND TRANSPARENCY | | | |
| Linkage between payments and benefits | | Collected from owners of properties that increase in value as a result of transportation investment (not users). Amount directly attributable to transportation difficult to calculate for any given property. | |
| Alignment with Financial Objectives - FINANCIAL CAPACITY | | | |
| Provides net long term funding capacity | | Funding depends on magnitude and extent of transportation investment and effect on property values. | |
| Provides long term reliable revenue stream | | Once established, property taxation is a very reliable and stable revenue source. | |
| Linkage between revenue trends and future transportation needs | | Will not grow as quickly as transportation requirements unless rates raised but will increase in "lumpy" steps as new infrastructure expands number of benefitting properties. | |
| Alignment with Implementation Objectives - EASE OF IMPLEMENTATION | | | |
| Level of TransLink authority to implement measure | | Would require enabling legislation. | |
| Level of administrative ease and efficiency | | Moderately difficult to define benchmarks and benefiting area and moderately difficult to administer as benchmarks and benefiting areas change. | |
| Can be in place by Jan 1, 2013 | NO | Unlikely that all issues can be resolved and legislative changes made in time for January 1, 2013 | |
| Alignment with Implementation Objectives - OUTCOME OF IMPLEMENTATION | | | |
| Expected public acceptance | | Expected to be higher than for other new taxes, as this represents a reallocation of taxes already paid. | |
| Provides 2013/14 funding capacity | | Dependent on major new transportation investment, such as rapid transit (none contemplated by 2013/14). | |

Contribution Score Key: = Nil or Negative = Low = Medium = High = Very High