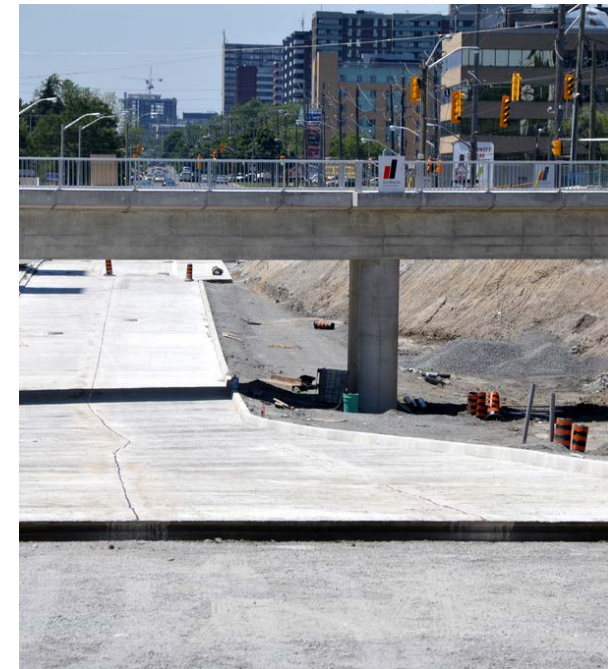


# Transportation Master Plan Advisory Task Force



*Your community, your say.*



## Financial Considerations for the TMP

Craig Binning  
Hemson Consulting Ltd.

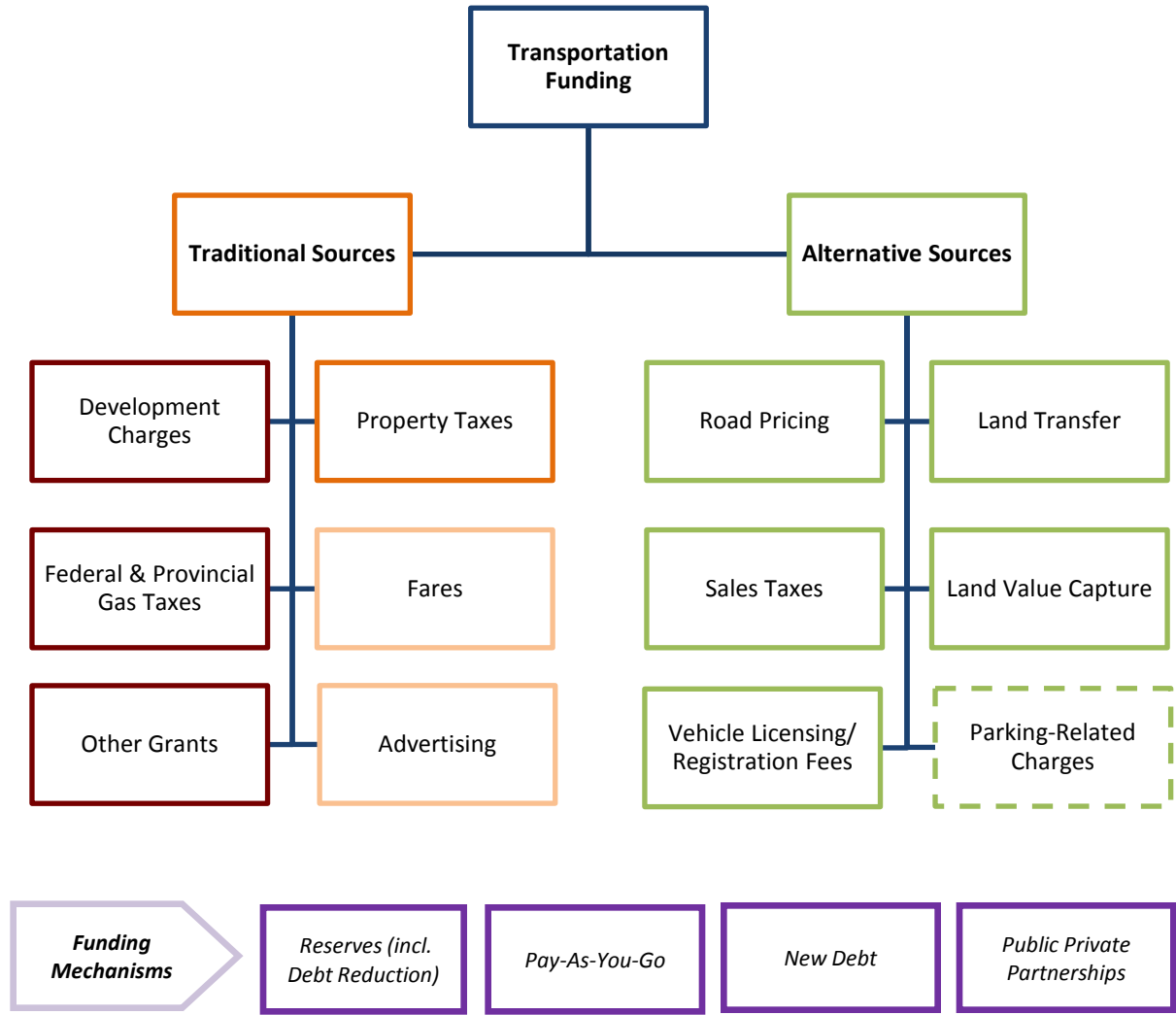
Wednesday, February 10, 2016



# Revenue Options

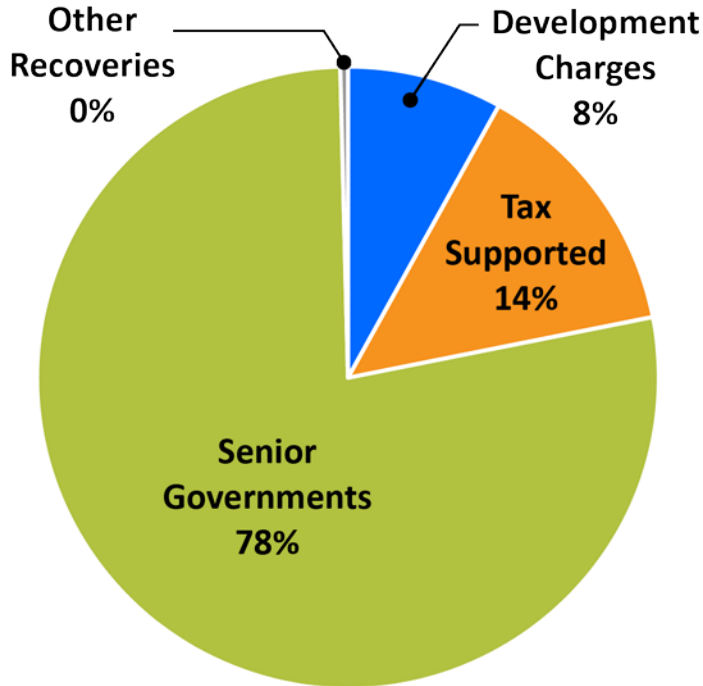
## Legend

- Capital & Operating
- Primarily Capital Related
- Primarily Operating Related (Transit)
- Requires Legislative Permission

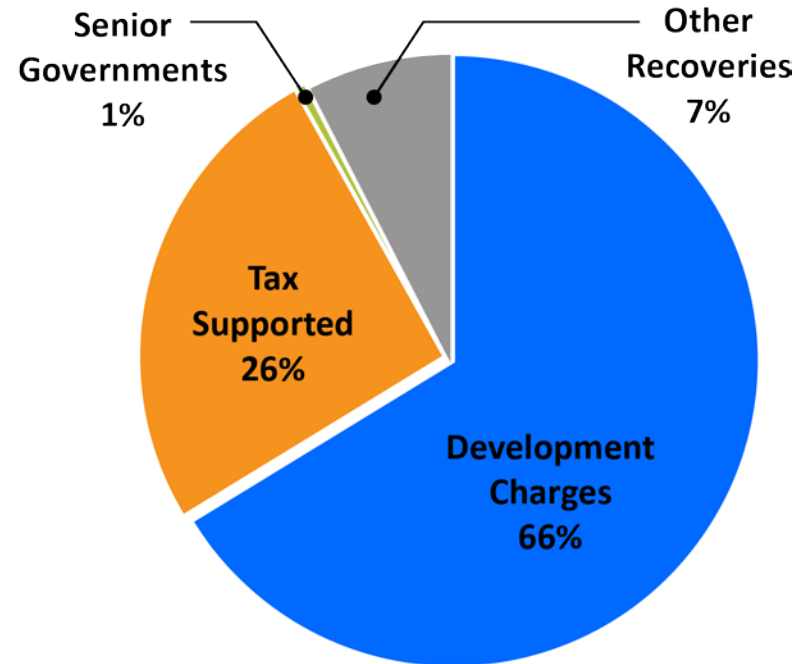


# Present Capital Funding (based on 10-year forecast)

**Transit: Region & Metrolinx \$278M/year**



**Roads: 2016 Budget \$168M/year**



**Senior Government Funding of transit critical**

# Gross Capital Cost Draft 2016 TMP Summary

	Cost Based on Population at 2041	Cost Based on Population Growth Increment 2016-2041
Gross Cost for New Capital	\$14.91B	
State of Good Repair	\$7.50B	
<b>Total Cost</b>	<b>\$22.41B</b>	
<b>Total Cost Per Year (26 years)</b>	<b>\$0.86B</b>	

- Includes Yonge Subway (\$3.1B) & RT Corridors (\$3.6B)
- Excludes senior government funding, which would be required for key projects to proceed
- Funding sources to be determined – senior government grants critical for some projects

Gross costs higher than current 10-year forecast average



## Recent Developments: DCs and Bill 73

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- Elimination of 10% discount for Transit
  - In range of additional \$1.1 to \$1.4 million per year based on current funding levels
- New planned service level section for Transit
  - Increase DC transit funding potential as compared to restrictive “10-year historic service level” approach
  - Highly prescriptive study requirements

Recent DCA changes will provide higher transit DC funding opportunities



# Revenue Sources: Grants

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- Federal Government has indicated more money will be available for infrastructure
- Metrolinx
  - Projects identified in forthcoming Regional Transportation Review may be eligible for Provincial funding

Continue to pursue Federal and Provincial funding



# Revenue Sources: Alternative Sources

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- *Municipal Act* review is underway
  - Land transfer taxes taken off the table by the Minister
- AMO still advocating for *City of Toronto Act* charges Province-wide
  - Sales taxes, parking levy, vehicle registration etc.
  - For example, Toronto's prior \$60/vehicle fee would raise approximately \$41 million/year in York
- Province examining road pricing alternatives (such as HOT lanes)

Continue to pressure Province for alternative revenue tools



# Financing Approaches: Debt & PPPs

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## Debt

- Important financing tool - given existing debt commitments future debt issuance requires careful consideration

## PPPs

- Province will likely push for more Infrastructure Ontario involvement in Provincially funded projects

Debt and PPPs will continue as financing approaches to consider





# Regional Revenue Sources

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Average annual costs in TMP are greater than current 10-year plan

- Likely consequences:
  - Upward pressure on DC rates
    - With greater ability to fund growth-related Transit projects
- Operating costs arising from TMP projects will result in upward pressure on property tax rates beyond 2018
- Continued importance of attracting senior government funding

Greater funding from multiple revenue sources required



# Next Steps

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- Estimate amount of each funding source available
- Estimate impact on Region's DC rates:
  - Roads capital project costs
  - Recent DCA changes and transit funding
- Integrate forthcoming operating cost analysis



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## Discussion

