

Metro Vancouver mayors will ask public to vote on new 0.5-per-cent regional sales tax to help fund transit growth (updated)

BY KELLY SINOSKI, VANCOUVER SUN DECEMBER 11, 2014

Metro Vancouver is proposing to ask the public to approve a 0.5 per cent increase to the provincial sales tax to generate funding to expand the regional transit and transportation system.

Photograph by: Gerry Kahrmann, Vancouver Sun

"Do you support a 0.5 per cent regional sales tax to help fund transit growth?" [Tell us on Facebook.](#)

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The clock is ticking for the Metro Vancouver mayors' council, which has just three months to launch a campaign to educate and convince the public to support a regional 0.5-per-cent increase in the provincial sales tax to fund transit expansion.

And as of yet, the council has no idea how it will pay for the "intense" campaign, which is expected to cost as much as \$4 million to provide mailouts and public engagement to ensure residents are fully informed about how to vote in a public referendum on the issue, slated for March.

The mayors' council is expected to canvass the provincial government, a yes-side coalition led by the Vancouver Board of Trade, and TransLink before coming up with a funding plan in early January.

"That needs to take place now," said Richard Walton, mayor of North Vancouver District and chairman of the mayors' council. "Recommendations will probably be forthcoming. It's a short period of time so we need to be very nimble and very quick."

The move comes after regional mayors voted 18-3 Thursday in favour of the regional sales tax increase, which would be the first of its kind in Canada and would be added on top of the existing seven-per-cent PST.

The referendum question, which still has to be approved by the provincial government, will be included on a yes or no referendum ballot that is to be mailed out in March, and requires a 50-per-cent vote plus one to pass. Voting will be conducted until mid-April and will take about six weeks to tally the results.

The proposed ballot asks: "Do you support a half percentage point (0.5%) increase to the Provincial Sales Tax in Metro Vancouver, dedicated to the Mayors' Transportation and Transit Plan, with independent audits and public reporting?" It then lists eight bullet points of where the money will go, including more buses, a new Pattullo Bridge, light rail for Surrey and a subway for Vancouver.

Mayors in Burnaby, West Vancouver and Maple Ridge were opposed to the public referendum, saying they felt a lack of governance at TransLink meant they had no accountability to ensure the proposed projects will go ahead.

"The deal killer for me is while we're out there making promises to the public for transportation, we don't have the ability to govern TransLink," Burnaby Mayor Derek Corrigan said. "We don't set the priorities. I can't guarantee that the public will see that money used efficiently."

They've also raised concerns that the plan relies on \$1.5 billion from both the provincial and federal

governments for major capital projects.

Walton argued the province has already committed \$650 million to Metro Vancouver and has spent about \$1.1 billion over the past decade. The federal government has also spent \$1 billion in the past 10 years as part of its share on the Canada and Evergreen SkyTrain lines and SkyTrain upgrades.

Although others mayors agreed they wished they had more governance on TransLink, they argued they had no choice but to support the proposed referendum to fulfil a \$7.5-billion transit expansion plan and set a vision for the next 30 years.

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If the referendum fails, the next opportunity to put new funding sources to the public is during the next municipal election in 2018, which could “set Vancouver back dramatically,” Walton said.

The regional sales tax is said to be the most affordable funding source for homeowners because it has a broader base than the other proposed sources, which included a vehicle levy or carbon tax.

The mayors’ council estimates the new tax, which would generate \$250 million annually, would cost the average homeowner \$125 per year, and low-income homeowners \$50. In comparison, a vehicle levy would cost \$170 per vehicle, while a regional carbon tax would cost the average homeowner \$250 per year. The mayors’ council has no set time limit for the proposed sales tax, which is expected to be used for both capital and operating costs as well as paying off debt on capital projects down the road.

The new tax would be on top of the taxes that TransLink already collects in property taxes, fares and gas taxes. TransLink was unable to provide the specific costs related to those taxes by press time.

TransLink is allowed to collect a maximum three-per-cent increase in property taxes each year, although most of that comes from growth, while the gas taxes have increased three times in the past decade — from nine cents to 17 cents per litre collected at the pump.

The mayors’ council also hopes to bring in some form of mobility pricing, such as tolls or charging drivers per distance travelled, in the next four to five years.

Coquitlam Mayor Richard Stewart said Thursday the mayors’ plan “isn’t everything but it’s an enormous jump forward,” noting that without transit expansion, Metro Vancouver will be raising a generation of car drivers.

“We need to move forward or we need to build more roads,” he said.

If the funding is approved, the mayors’ council expects it can move ahead quickly with bus, SkyTrain and cycling expansions and design work on Surrey’s light rail and Vancouver’s subway, while negotiating with the federal and provincial governments for additional funding. The mayors’ council hopes to start construction on a subway in Vancouver within the next five years and see the construction of Surrey’s first light rail in seven years.

B.C. Transportation Minister Todd Stone said he will review the proposed question and come back with a response “this side of Christmas.” He said the province will analyze any potential problems a regional sales tax could have for Metro communities, especially those such as Langley or Maple Ridge, which

neighbour cities in the Fraser Valley without the tax. But while he expects there will be some tweaks, Stone said the ballot largely falls within the province's wishes.

"I'm focused on the plan. I think substantially there's more than enough to work with here," he said. "There may be some tweaks or adjustments but I'm very confident I will be able to respond formally this side of Christmas and it will be focused on moving forward."

He said the province, which had ordered the mayors' council to hold the vote before June 30 next year, will bear the costs of the \$5-million referendum. But although he and the government will "be out there" telling the public about the importance of continuing to "attack congestion and get people out of their cars," Stone said the province will not contribute financially to either the yes or no campaign.

"The most compelling energies that could be out behind would be best made by many groups that are pulling together as part of a yes coalition," he said.

Stone noted that even Corrigan and the others opposed to the referendum won't be campaigning against it.

Corrigan said he will encourage his residents to research the referendum and vote, noting he only raised his concerns to show the public "this is no love-in. There are serious issues that need to be considered."

He added: "If they're successful, I wish them luck. If the public supports that idea, that's going to provide better long-term funding options for the region. But I don't think it's going to put them in a position for how that money is spent."

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The \$7.5-billion question: Do you support a 0.5% increase to the provincial sales tax in Metro Vancouver, dedicated to these transportation and transit improvements, with independent audits and a public review of spending? Yes or No.

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