

# Up to \$1B annually for transit in federal budget; most destined for larger cities

BY JOHN IVISON, NATIONAL POST   APRIL 16, 2015



Motorists merge from four lanes into one as they enter the Lions Gate Bridge. Vancouver-area mayors are pushing for a \$7.5-billion transit plan that will be subject of a transit referendum.

**Photograph by:** DARRYL DYCK, THE CANADIAN PRESS

OTTAWA — The Harper government is set to promise up to \$1 billion a year to Canada's biggest cities for transit projects in this year's federal budget, municipal sources suggest.

The budget is likely to be short of new spending commitments, as Finance Minister Joe Oliver attempts to balance Ottawa's books, but he is set to announce transit funding for such cities as Vancouver, Toronto and Ottawa.

The Federation of Canadian Municipalities called for new federal investments of at least \$1 billion annually for big city transit projects, to be matched by provincial and municipal governments, for a total program value of \$3 billion a year.

It also called for a funding commitment of 15-20 years, based on five-year planning, with the allocation based on transit ridership, which would see most money going to the biggest cities.

Sources suggested the commitment would not amount to \$1 billion in Year One but would build to reach that amount.

The FCM budget submission pointed out that every dollar invested in transit generates \$3 worth of economic growth, and that the \$2 billion invested in transit projects across Canada in 2007 generated 22,570 full-time equivalent jobs. Aside from direct employment in construction projects, the FCM also looked at the impact of congestion. The average commuter spends the equivalent of 32 working days a year travelling. The average daily commute in the Greater Toronto Area and Metro Montreal is 75 minutes longer than London, New York and Los Angeles. A recent C.D. Howe Institute study estimated traffic congestion cost the Toronto region up to \$11 billion in lost productivity a year.

The political attraction for the federal government is that it may get credit for spending most of the money in places where it needs to win votes — the suburban areas around the big cities, particularly Toronto and Vancouver. FCM research suggests 64 per cent of Canadians believe improved public transit will make life better in their communities.

Conservative strategists say there is little political bang for the buck unless federal involvement in specific projects is highlighted. A recent study by the Canadian Urban Transit Association estimated transit capital needs of \$53.5 billion from 2012 to 2016. About \$40 billion of this will come from existing funding commitments from all levels of government, including \$4 billion over five years from Ottawa. CUTA estimated the federal share of eliminating this shortfall at about an additional \$1 billion a year.

Vancouver-area mayors are pushing for a \$7.5-billion transit plan that will be subject of a transit referendum. When Prime Minister Stephen Harper visited the West Coast in February, he said he did not want to get in the middle of a local vote but that money would be available for infrastructure projects. The Mayors' Council plan includes light rail in Surrey, B.C., a Broadway subway and 400 new buses. The mayors are asking for approval to increase sales tax by 0.5 per cent to help fund the project. Toronto mayor John Tory has proposed construction of an \$8-billion "surface subway" system called SmartTrack.

This month, James Moore, the industry minister, said the Harper government has delivered on infrastructure.

"I think you're going to see some very large-scale announcements in every part of the country to the benefit of productivity, to the benefit of infrastructure and to the benefit of quality of life for everyday Canadians," he told CTV News.

© Copyright (c) Postmedia Network Inc.