

Transportation plan will be benefit: professor

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It's too early to say for certain, but you may pay for fees imposed on businesses as part of Metrolinx's transportation investment strategy.

However, reducing the traffic on our roads will save families in other ways, University of Toronto professor and Institute on Municipal Finance and Governance director Enid Slack said.

In its report to the province, the board of Metrolinx recommended a Greater Toronto and Hamilton Area-specific 1-per-cent increase to the HST, expected to bring in \$1.3 billion per year, a five-cent-per-litre fuel tax, anticipated to generate \$330 million annually, a commercial parking levy, estimated to raise \$350 million per year and new development charges to raise the \$2 billion annually.

The province says it will need the money to expand the region's transit system and alleviate congestion.

Metrolinx also proposed establishing high-occupancy toll lanes, pay parking at transit stations and a land-value capture system to advance Metrolinx's various policy goals.

The proposed commercial parking levy has a number of shopping centres concerned, Vaughan Mills mall general manager Stephen Gascoine said.

The Metrolinx report recommends an average parking levy of about 25 cents per space, per day, but Mr. Gascoine said he has reason to believe the daily charge to his mall could be up to \$1 for each of the facility's 6,500 spots.

"It's quite significant," he said. "We're opposed to it from our perspective as a shopping centre, as are our sister shopping

centres."

Municipal zoning doesn't permit Vaughan Mills and many other centres to charge for parking in their lots, so that really only leaves one way to pay the parking fee and that's increasing the tenants' rent, Mr. Gascoine said.

While individual businesses will find their own ways to deal with the added cost, most will be left deciding between upping their prices to maintain profit margins or cutting costs, such as staffing, he said.

Vancouver's transportation agency, TransLink, implemented a parking levy several years ago, which was decried by the business community and later replaced, he said, explaining his criticisms of the proposal are not meant to detract from the importance of improving the transportation system in the GTHA.

In any case, if retail businesses chose to pass along increased costs, it means Ontarians would ultimately be paying more than the \$477 per year Metrolinx initially suggested in its report for a family with one car.

A two-car family would pay \$977 extra per year, the agency said.

CAA South Central Ontario pointed out many of the tools proposed could easily be passed on to consumers.

The good news is not all businesses will necessarily elect to pass along the additional costs, Ms Slack said, adding it all depends on the company.

Moreover, any additional costs should be weighed against the potential savings, economic benefits and reduction in traffic congestion, which Metrolinx estimates is costing the average family \$1,600 annually, she said.

"There are also a lot of benefits to having

a good transit system," Ms Slack said. "The reality is that if we don't pay for it, we're not going to get it."

Regardless, neither the one-per-cent HST hike nor the five-cent fuel tax increase are very likely to have profound impacts on people's lives or the economy, Ms Slack said.

"At the margins they will, but not in other cases," she said. "Will it cause people to cross the border to save a couple of cents? It may, but I don't think that will be significant."

"Either way, we need to get on with it because it's going to take \$2 billion to improve the transportation system in the region."

The transit and transportation system in the GTHA is in dire need of improvement, Markham Board of Trade president and CEO Richard Cunningham agreed.

Opinion on the measures proposed seems predictably mixed, he said, while also stressing the importance of making up for decades of inaction on the transit file.

Beyond that, he also called for the creation of an auditor to ensure any money raised through new revenue tools ends up where it's meant to.

"No one likes new taxes and probably none of these are going to be favourably received," he said, noting someone has to do something to tackle congestion in the area. "The trouble is we're way behind where we should be on transit, so we've got to get caught up."

The most significant segment of Metrolinx's proposed investment strategy, the 1-per-cent HST increase, may have already hit a snag, given that federal Conservative Finance Minister Jim Flaherty has written a letter informing his provincial counterpart, Ontario Liberal Charles Sousa, that the agreement the province signed to authorize the merger of

the PST and GST doesn't allow for regional variations in the provincial share.

Mr. Flaherty further told Mr. Sousa while provincial tax policy is ultimately the provincial government's prerogative, the federal government does not support tax increases on Canadians, noting the federal government cut the GST by two per cent.

"I believe Ontarians pay enough taxes and governments at all levels and of all political stripes should be looking for ways to operate more efficiently, invest more strategically and work to keep the tax burden low," Mr. Flaherty said.

As a Whitby resident and Minister Responsible for the GTA, Mr. Flaherty wrote he is aware of the need to invest in transportation infrastructure and the challenges now facing commuters.

However, finding efficiencies in government and public-private partnerships are a better alternative to new taxes and fees, he said, citing the dedication of \$70 billion for infrastructure over the next decade in the 2013 budget as evidence the federal government is part of the solution.

The recommendations adopted by the Metrolinx board last week are just that: recommendations, stressed Mr. Sousa's press secretary Susie Heath.

The province isn't going to proceed with any of the agency's suggestions until it has an opportunity to contact Ontario residents and other stakeholders, she said.

The province has repeatedly asked the federal government to come to the table through a national transit strategy, given the negative economic, social and environmental impacts of GTHA congestion, she said.

