



**GREATER VANCOUVER
BOARD OF TRADE**

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Submitted via online portal

Greater Vancouver Board of Trade
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Dear Vancouver City Council,

Re: GVBOT comments on the Climate Emergency Action Plan’s proposal for Transport Pricing

CEO
Bridgitte Anderson, ICD.D

2019 – 20
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On behalf of the Board of Directors and more than 5,000 Members of the Greater Vancouver Board of Trade (GVBOT), we respectfully submit this letter in response to the Climate Emergency Action Plan (CEAP) report dated October 22, 2020, that is being presented to Council on November 3, 2020. The GVBOT believes it is vital to address climate change and agrees with various elements outlined in the plan including but not limited to improving bus speeds and reliability, reductions in parking minimums where appropriate, the expansion of charging infrastructure, and improving the walkability of neighbourhoods. In short, there are a number of necessary and important initiatives planned.

That said, the Board has meaningful concerns with some recommendations, especially Recommendation D, “THAT Council direct staff to develop a Vancouver Transport Pricing Strategy and work toward implementation within the Metro Core by 2025 in accordance with Appendix A.”

In addition to pressing concerns around timing and implementing a charge to enter the city center when the core and its business have already been devastated by the pandemic, the GVBOT is particularly concerned that a city-centric strategy to transport pricing fails to ensure a holistic approach, regional cooperation, and clear policy goals. The strategy lacks consideration of goods movement, trade corridors and our region’s role as a gateway. We also note that implementing the policy would incur substantial costs that are not fully accounted for in the top-line costing presented to Council. The GVBOT supports a transport pricing strategy that takes a regional approach, prioritizes congestion management and fully integrates goods movement, when economic conditions have improved for businesses in our region.

The proposed city-centric transport pricing strategy is problematic in terms of timing and would be devastating for businesses in the downtown core, which are among the hardest hit by COVID-19

The GVBOT believes that implementing a City of Vancouver transport pricing strategy would be particularly ill-timed in light of the devastating impacts of COVID-19 on businesses in the downtown core. In recent months, the central business district (CBD) has been described as a ghost town with overall office occupancy at 10 to 40 per cent, depending on estimates. A city mobility pricing scheme would be punitive to businesses operating in the city centre and would exacerbate the burden they are already facing, especially “Main Street” retail businesses and those in the tourism sector.

The proposed mobility pricing scheme could exacerbate “the escape to the suburbs” for both large and small businesses

As we navigate the pandemic and work toward recovery, we must ensure we are doing all we can to help businesses survive instead of adding to the burden they already face. A staggering 98 per cent of all businesses in Vancouver are classified as small businesses and for those business owners, this policy would have a meaningful impact.

According to census population data and the City’s business licence estimates, while our city’s population has grown by over 40,000 since 2012, the city lost 1,356 businesses in the same period (excluding short-term rentals) - and this was before the destructive impacts of COVID-19. In other words, the City of Vancouver was already losing businesses prior to the pandemic, while other cities in the region were experiencing double digit increases (e.g.

Surrey has seen a 12-per-cent increase in commercial and industrial businesses since 2013). A transport pricing scheme specific to the City of Vancouver would further threaten the viability of businesses.

We have already heard from members that this policy could also cause them to relocate their offices to other municipalities, which could, depending on traffic patterns increase congestion due to other municipalities' relative lack of office space accessible to transit. We are concerned about the impacts to the city and CBD if that were to come to fruition, as it is unclear whether negative repercussions – including lower property tax revenue from commercial and retail businesses (relative to not implementing the policy), reduced employment within the City and reverse commuting – might happen, particularly if there is no regional mobility pricing system.

Proposed transport pricing mechanism lacks a regional and holistic approach, fails to consider regional congestion, movement of goods, and the gateway sector

The GVBOT has been supportive of a thoughtful and regional approach to mobility pricing in the past. Region-wide congestion management and establishment of a new source of revenue for transportation infrastructure to replace the increasingly diminishing gas tax and parking tax have always been central principles of a GVBOT supported pricing scheme.

To be clear, we continue to be in support of a regional pricing mechanism. The City's proposed approach to transport pricing and other transportation options considered in this report seem to emphasize raising revenue in order to fund certain priorities. It does not seem to acknowledge the regional transportation system including trade corridors, regional bottlenecks and the regional implications of a City of Vancouver pricing scheme on the movement of goods.

Regional Approach

To avoid unintended consequences that could worsen bottlenecks and emissions in Greater Vancouver, mobility pricing can not be implemented in a vacuum. Addressing road pricing on a municipal level will lead to an uncoordinated patch work of pricing systems that could potentially lead to undesirable outcomes outside of the priced CBD. For example, if offices relocated to less densely populated areas with less frequent transit service and decreased walkability, the result could be increased congestion and emissions. A mobility pricing strategy must be implemented at the regional level to ensure a comprehensive and integrated approach to optimize the flow of people and goods through the whole region.

Further, while congestion certainly is and has been a challenge in the downtown core, according to the City of Vancouver's own statistics, overall vehicle traffic to the core has been declining absent this policy (see figure 1 below). While this data is dated, it is instructive to why a holistic approach is required.

**Figure 1: Population and Job Growth vs. Vehicle & Person Trips
Downtown Vancouver, 1996-2011 (Peak Periods: 7-9 am, 11am-1pm, 3-6 pm)**



Source: City of Vancouver estimates based on screenline counts and census information. Change in population & job numbers have been rounded to the nearest 1%, and screenline counts to the nearest 5%.

In the same report, it was noted that “transit trips in the region are up 50% since 1999 (Source: TransLink) and that is not counting last year (2010), which was the first full year of operation of the Canada Line and upgrades to the Expo Line SkyTrain. Census data show that most of the new commute trips into downtown over the past 15 years were taken up by transit...” These data note both the large gains from increased transit service to the core and also highlight that much of the continued growth in vehicular traffic is in other areas across the Metro region. This is just another reason why a regional approach is needed to make meaningful strides to improving mobility. This review should also seek to continue to build up the CBD as the preeminent employment centre for the province.

TransLink’s Transportation 2050 for the region has been under development for two years, has involved extensive engagement and the draft report is due to be completed in 2021. This strategy has six key pillars, one of which is mobility pricing. From there it will be considered by Metro Vancouver Mayor’s Council. This should form the basis of a regional pricing strategy and in doing so will address many of the concerns identified in this letter related to the Vancouver-only approach. This approach provides the City of Vancouver with a way to make progress on its CEAP proposed pricing but in a regional context.

Where is the transit capacity?

When developing and implementing a mobility pricing scheme, a whole system approach should be taken to ensure transit, roads, and other transportation infrastructure is sufficient to handle changes to traveller behaviour. Specifically, a robust, reliable, affordable and comprehensive public transportation network, capable of absorbing an increase in ridership must be in place for mobility pricing to significantly alter behaviour and decrease road traffic. In short, enhanced regional mobility/increased transit options, that considers goods movement as well as overall costs, should come first, before mobility pricing.

While expansion of the Millennium Line along Broadway will help, that project is still many years from being completed and many of the existing transit lines were already operating near capacity prior to COVID-19. In light of the pandemic and with transit ridership currently sitting at around 43 per cent (as of September 2020) of pre-pandemic levels, it is unlikely that TransLink is in a position to increase, upgrade or improve transit services in Metro Vancouver. Without public and private investments in wide-ranging alternative, intermodal transportation solutions it will be difficult to transition individuals out of their cars.

Clear Policy Goals

Determining a clear objective is necessary in developing an appropriate mobility pricing scheme. With Greater Vancouver’s growing population and increasing density placing greater demand on its roads, managing congestion and funding public transit are some key goals that mobility pricing would help achieve.

The policy goals of road pricing as outlined in the City of Vancouver’s CEAP report are unclear. The report states that road pricing can, “encourage individuals to choose a sustainable mode of transportation or shift departure times, routes or destinations, all of which will free up road space for other transportation and public uses, while enabling more reliable travel times and managing congestion for those without immediately available alternatives to driving. Transport pricing also provides a sustainable source of revenue to support climate emergency actions...” (p.30). While there are many benefits attributable to road pricing, they can not be taken for granted and are only achieved when they are prioritized and set as policy goals that inform the road pricing strategy.

Further, claiming that transport pricing provides a sustainable source of revenue to support climate emergency actions is not a clear policy goal. Rather, it is a solution that fits a different policy goal – revenue generation. It should also be noted that the concept of a regional mobility pricing system was to provide a stable and regionally efficient revenue source due to other declining revenue sources, namely gas tax revenues. That would provide both the stability in revenues but meet the goals of reducing congestion, GHGs, and ensuring a more direct user-pay model. From the GVBOT’s view, it was not meant to be an entirely new source of revenue that would simply increase the cost of moving throughout the region.

The City’s plan is inconsistent with that policy and could result in either other municipalities going their own way or the rest of the region developing a system that does not include Vancouver, the funds for which will not be used to improve transportation in the City of Vancouver.

Gateway

The gateway sector in Greater Vancouver is a critical economic driver for our region, the province and the country. According to the World Trade Centre’s Regional Export Framework, in 2016, gateway activities in Greater Vancouver sent approximately \$440 million to municipal governments in tax revenue, provided nearly 135,000 jobs in the region and added over \$14.5 billion in local GDP. A mobility pricing strategy that fails to consider and jeopardizes the gateway function of our region greatly undermines the future prosperity of Greater Vancouver. While managing congestion and ensuring

predictable travel times are certainly important to the gateway sector, a siloed road pricing mechanism could notably worsen conditions and threaten competitiveness.

Cost

Overall, the plan is noted to cost \$500M over five years or \$100M per year to the city alone, not counting the cost to businesses or individuals. We note that a good portion of the recommendations in the transportation section of the report all appear to be focused on raising revenue. The word fee shows up 160 times, charge/surcharge 86, revenue 44, pricing 159, and tax 69 for a total of 518 mentions in the 371 page report.

In addition, there are some meaningful costs not included in the total. For example, the upfront cost of implementing the transport pricing program is mentioned to be \$1.6M and \$500,000 for operations annually. While the recommendation does not include a request to implement this policy, the current request should be viewed in light of the effects the policy would have. It is estimated that this would cost \$250M in upfront costs to get the pricing program up and running. It is noted that the \$250M would be paid back over 3 - 5 years, which means the City believes they could raise between \$50M - \$80M annually from the scheme.

Remote work

We also note that there are recommendations for city staff and resources to be allocated to:

"Promoting the Remote and Flexible Work Toolkit to organizations through marketing and direct outreach.

Providing additional resources, guidance and incentives to help employers shift and sustain employees to more frequent remote or flexible working, where possible and desired.

Promoting remote and flexible work options will be part of a larger employer commuting program, which sits as a strategy within the TDM Action Plan. This employer program will offer a suite of resources, services and support to employers to encourage more active and sustainable commuting, as well as trip reduction."

COVID-19 has accelerated a shift that will be at least semi-permanent. There is much research and debate regarding the effect that will have on employment centres and urban cores. Regardless, we do not believe that it should be a priority for taxpayer funded resources to be allocated towards encouraging one form of work over another. Businesses and employees should collectively decide which arrangement is best for their mutual flourishing.

A 2018 GVBOT report outlined key principles of mobility pricing. We urge Council to consider these principles, particularly the conditions of a holistic approach, regional cooperation, and clear policy goals, before adopting a package of high-level policies that may lead to unintended and significant consequences.

We would be remiss if we did not again recognize the value of many of the other recommendations found in the report. We are pleased to see measures to improve bus speeds and reliability, reductions in parking minimums where appropriate, the expansion of charging infrastructure, and improving the walkability of neighbourhoods. There are many positive actions that could improve quality of life and the city's resilience to climate change.

On behalf of the GVBOT thank you for the opportunity to express our support. For more than 130 years, the Greater Vancouver Board of Trade has worked to assist businesses to thrive and create wealth for our region through trade and economic development. When businesses can compete and succeed, they create the jobs and tax dollars required to fund the services that we all count on.

Sincerely,

Greater Vancouver Board of Trade, per;



Bridgitte Anderson
President and Chief Executive Officer
Greater Vancouver Board of Trade

CC:

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