2
REQUIRED PROVINCIAL FUNDING
YORK REGION 30 YEAR INFRASTRUCTURE PROJECTS

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, March 23, 2005, from the Commissioner of Planning and Development Services and the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair on behalf of Regional Council inform the Province of Ontario of the concern regarding the disconnect between the recent Provincial Policy Plans including the Greenbelt Plan and the Draft Provincial Growth Plan and the lack of Provincial commitment to long term infrastructure plans and funding.

2. Within the next 6 months, the Province of Ontario produce 30-year Transportation Master Plans and 10-year capital plans to complement the Growth Plan for the Greater Golden Horseshoe and that the following services/infrastructure be covered; Provincial highways, local and rapid transit funding, cross-boundary and boundary road funding, hospital and related human services funding, GO Transit and natural heritage implementation funding.

3. The Province of Ontario approve Municipal Transportation Master Plans and commit to Provincial infrastructure and funding identified therein in conjunction with land use plan approvals.

4. As part of the Provincial commitment to infrastructure, the Province immediately commit to funding arrangements for the following critical road and transit infrastructure projects in York Region:

    1. A Rapid Transit System in all four York Region Corridors.
    2. Full funding of GO Transit Expansion Plan.
    3. Highway 404, 427 and Bradford Bypass expansions.
    4. New interchanges (12 new or modified interchanges) and widening for 400 series highway.
    5. HOV lanes on 400 series highways.
    6. Support and funding for Travel Demand Management and commuter parking lots.
    7. Cross-boundary and boundary road improvements

5. That staff report back regarding the specific timing of infrastructure within the Provincial 10 year capital plan.

6. That this report be forwarded to the Provincial Ministries of Municipal Affairs & Housing, Environment, Health and Long-Term Care, Transportation and Public Infrastructure Renewal, and the area municipalities.

2. PURPOSE

The purpose of this report is to specifically identify Provincial infrastructure, including roads, transit and human services, that York Region requires over the next 30 years in order to accommodate Provincial growth forecasts.

Provincial forecasts including the new forecasts for 1.5 million people in York Region by 2031 are outlined. The report identifies a disconnect between this pace of growth and the lack of adequate Provincial funding for road and transit improvements as well as human services for our growing communities.

3. BACKGROUND

Recently, new population, employment and housing forecasts for the Greater Golden Horseshoe have been released that call for 600,000 new residents for York Region by 2031. The Province has also released the final Greenbelt Plan as well as the Draft Growth Plan for the Greater Golden Horseshoe (Growth Plan) that calls for a dramatic shift to a compact urban form with 40% of the Region’s future growth occurring through intensification. These strategic initiatives are commendable but have not been accompanied by a commitment to implementation.

With the exception of Quick Start funding, the start of gas tax funding and some other minor funding, the Province has not sufficiently funded transit for many years. Similarly the Province has not kept pace with freeway extensions and improvements to provide for approved growth. This has placed increased pressure on Regional and local roads and is threatening our quality of life and the vitality of our economy.

The Human Services sector is struggling to meet current needs because of historical under-funding. The new population forecasts will exacerbate the situation.

A separate report “Required Provincial Approvals, York Region 30 Year Infrastructure Projects“ is being presented to the April 6 Planning Committee that outlines a number of critical Environmental Approvals that are currently outstanding for required water and sewer system improvements. The Minister of Environment, the Honourable Leona

Dombrowsky in a letter dated October 1, 2004, outlined a more extensive process for obtaining EA approvals than has previously existed.

Collectively, these two reports identify a serious disconnect between growth forecasts and the provision of infrastructure in York Region.

4. ANALYSIS AND OPTIONS

The following sections illustrate why a serious disconnect exists between Provincial strategic long term planning for growth and the provision of infrastructure, human services and green infrastructure to support that growth. This disconnect calls into question the feasibility of the growth and York Region's fiscal capability to provide commensurate services.

4.1 Forecasts

In January 2005, the Province released new population, employment and housing forecasts for the Greater Golden Horseshoe. The forecast calls for 1.5 million residents in York Region by 2031, an increase of 600,000 persons over today's population. This new forecast is 140,000 people more than previously anticipated. These forecast figures are shown on Table 1 below.

Table 1 also identifies the significant increase in employment of 350,000 more jobs than today and in housing of 236,000 more units than today.

Table 1
2031 Forecast Summary – York Region
(000's)

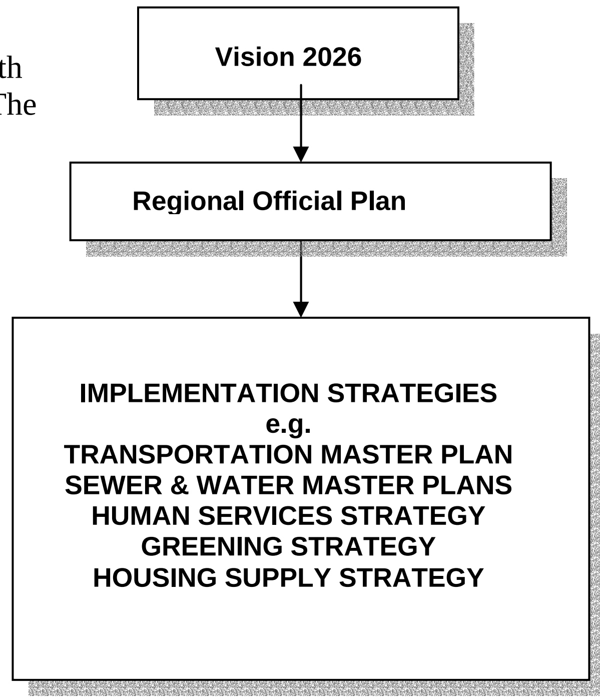
	2004 Existing	Updated 2031 Forecast (More Compact and Current Trends)	2005-2031 Growth *	2005-2031 % Increase (Compact Scenario) *	Increase From Current 2031 Forecast *
Population	890	1,450 – 1,530	610	69	140
Employment	430	750 – 780	350	81	46
Housing	264	490 – 510	236	89	71

Note: * Figures based on Compact Scenario only.

York Region's Official Plan already identifies significant growth over the next 2-3 decades. The new Provincial forecasts call for significant growth over and above the regionally approved forecasts in our ROP. Of particular note is the fact that much of this growth occurs in the next 10-15 years making the need for infrastructure and services particularly acute.

The recently released Provincial Greenbelt Plan 2005 and Draft Growth Plan together require growth to occur in a much more compact form. The Draft Growth Plan requires a system of centres and corridors with 40% of our annual growth to occur in built up areas by 2015. This will require a considerable shift in the public's housing preferences and a new way of doing business in order to expedite centres and corridors development.

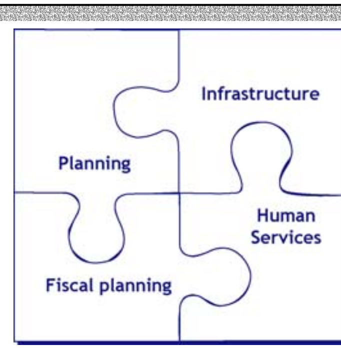
4.2 Regional Strategic Planning Documents



The Region of York has in place a comprehensive growth management plan that incorporates previous forecasts. The Regional approach utilizes a hierarchy of documents including Vision 2026, the Regional Official Plan and a series of implementing strategies.

These plans are based on a sustainable approach to development. This is articulated in the Regional Official Plan as a balancing of; Healthy Communities, a Sustainable Natural Environment and a Vital Economy.

The Region has always prided itself on this approach to strategic planning. The Region attempts to make growth decisions
in a prudent and responsible way that not only integrates; Communities, Economy
and the Environment, but considers; Land Use, Infrastructure Requirements, Provision of Human Services and Fiscal Implications.



From the direction proposed in recent Provincial documents, it appears that these components are not as fully co-ordinated as they should be at the Provincial level. Without Provincial commitment to infrastructure approvals and funding, the Region will not, on its own, be able to provide infrastructure and services on time in a fiscally responsible manner.

4.3 Infrastructure Master Plans

The Region has prepared a series of Master Plans that identify the transportation, sewer and water systems needed to support the growth in the Regional Official Plan. These

Master Plans are detailed documents that identify specific transit, roads as well as sewer and water treatment and transmission facilities.

The specific timing of these facilities is detailed in the Region's 10-year capital plan and longer term Development Charges By-law, which is updated regularly. All of these systems are in keeping with the approved ROP and the previous set of Provincial forecasts.

Many of the road and transit requirements outlined in the Transportation Master Plan require significant Provincial funding, whereas the water and sewer requirements outlined in their respective Master Plans require only Provincial environmental approvals since they are funded by the Region's Rate Budget and development charges.

Details on the water and sewer Provincial approvals are provided in the report "Required Provincial Approvals, York Region 30 Year Infrastructure Projects" which is also on the April 6 Planning Committee agenda.

4.3.1 Transportation Master Plan

The Transportation Master Plan (TMP) was adopted by Regional Council in June 2002. Since that time the Region has moved forward on a number of initiatives to implement the major recommendations of the TMP. Some of those initiatives are as follows:

- Annually updated the Region's 10-year road capital program to reflect the recommendations of the TMP, including advancing a number of major road works.
- Amended the Development Charges By-law to reflect the road and transit recommendations of the TMP.
- Significantly increased YRT services and achieved a greater than 10% growth in transit ridership in each year since the formation of YRT.
- Initiated a Public Private Partnership to move forward on the implementation of Rapid Transit services (Viva) in York Region.
- Developed a short and long term rapid transit network plan and proceeded with the first phase of implementation. First phase of services will commence operations in the Fall of 2005.
- Nearing completion of the Environmental Assessment Studies for the full implementation of rapid transit.
- Took a lead role in implementing Travel Demand Management (TDM) in the GTA through the establishment of the Smart Commute Association.
- Completed the Centres and Corridors study and implemented the ROPA.
- Traffic signal upgrades and Intelligent Transportation Systems pilot projects.

In this same time period, the rate of improvements to the Provincial road network has not kept pace with growth in York Region. This can be seen in the daily level of congestion that exists on the Provincial freeway network that spills over onto the adjacent Regional arterial roads. The proposed freeway extensions (Highway 404, Highway 427 and Bradford Bypass) have been in the planning and EA process for a number of years but are still years away from implementation.

In recent years, the Ministry of Transportation has refused to build new interchanges that are required due to growth. Therefore, York Region has been forced to implement these new interchanges, such as Highway 404/Elgin Mills Road and Highway 400/Teston Road. However, these new interchanges are part of the Provincial freeway network and should be implemented and paid for by MTO. Similarly, a number of interchange improvements are needed to add missing ramps or to expand the interchange. These improvements are appropriately implemented and funded by MTO rather than the Region.

The Province has funded the Quick Start rapid transit plan, which enabled York Region to implement the first phase of Viva. The Region now requires a similar commitment to the next phase of the full implementation of dedicated transitways in all four rapid transit corridors.

Recently, the Province has begun to provide a share of the Provincial gas tax. Although this additional source of revenue is welcome, the current allocation formula is primarily based on current transit ridership levels. Therefore, the funding from the gas tax is not adequate to pay for the cost of growing the transit network to accommodate the new riders in York Region.

The Province has also been noticeably absent from involvement in the GTA Smart Commute Association. The Federal government has provided funding to this initiative through the Urban Transportation Showcase Program, however, the Province has yet to join into this important initiative.

Another under-funded component of the transportation network is cross-boundary and boundary road improvements. The *Development Charges Act* does not allow the Region to collect for the component of road improvements that are due to traffic travelling through York Region. Therefore, any road improvements needed to accommodate traffic from Peel, Durham and Simcoe that travels through York Region to Toronto must currently be paid for through a tax levy. This is unfair to property tax payers of York Region. Therefore, the Province needs to play a role in funding the cost of cross-boundary and boundary road improvements.

A detailed list of 30-year transportation infrastructure requirements is contained in *Attachment 3*. This list includes all of the main funding and infrastructure requirements that the Province should be involved in. This list is based on the Council approved Transportation Master Plan. The next update of the TMP will utilize the new Provincial population projections and may identify the need for more Provincial infrastructure improvements or an accelerated rate of improvement.

4.4 Major Infrastructure Requirements

Key infrastructure improvements for roads and transit are required to accommodate the forecasted growth. The seven critical infrastructure improvements in York Region, for which Provincial funding arrangements are urgently required are:

1. Rapid Transit System in all 4 York Region Corridors
2. Full funding of GO Transit Expansion Plan
3. Highway 404, 427 and Bradford Bypass expansions
4. New interchanges (12 new or modified interchanges) and widening for 400 series highway
5. HOV lanes on 400 series highways
6. Support and funding for Travel Demand Management and commuter parking lots
7. Cross-boundary and boundary road improvements

It is important to note that the initiatives listed above are required to meet the Regional Official Plan forecast of 1.28 million people by 2026. The new Provincial Forecast of 1.5 million people by 2031 will require provision of these systems at an earlier date or may require additional infrastructure improvements.

Attachments 1 and *2* illustrate the location and timing of these key initiatives combined with the critical water and sewer infrastructure requirements.

Attachment 3 provides a detailed list of the infrastructure requirements the Province must fund. Many of the transit and highway projects require provincial approvals, funding and often construction. The projects are identified by a short (2005-2011), medium (2012-2021) and long term (2022-2031) time schedule. *Attachment 4* (30 year Roads Infrastructure Needs) and *Attachment 5* (30 Transit Infrastructure Needs) illustrate the location of a number of these initiatives.

Other Regional projects such as arterial roadway improvements are not listed here because they are funded primarily by the Region.

4.5 Human Services and Green Infrastructure

Like investment in transportation, funding for human services has also not kept pace with growth. Human service providers in York Region have documented the extent and impact of historical under-funding in healthcare in the report *Fair is Fair* (2002) and in social services in the report *Towards a New Model of Social Services Funding* (2003). Updated data indicates York Region continues to be significantly under-funded. For example, York Region's funding for hospitals in 2004/05 was 48% of the Provincial average and 92% of the comparable GTA average (i.e. excluding Toronto). In children's social services, York Region's funding for 2004/05 was 44% of the Provincial average and 78% of the comparable GTA average.

Unlike sewer and water services where development simply can not proceed without capacity, human services and transportation, especially transit, have been allowed to slip into a deficit situation. This results in long waiting lists and unmet needs for health care and social services. It also results in a lack of accessibility to existing services because of congestion and inadequate public transit.

The natural environment system is another area of concern. Great strides have been made on natural environment policy starting with the Regions Greenland's System approach in the ROP. Progress has continued with the Greening Strategy, the Regions Securement Strategy, the ORM Plan and recently the Provinces Greenbelt Plan. These initiatives were commendable efforts to protect the natural environment which is a key tenant of the Regions balanced approach to development.

The issue again lies with implementation. The Oak Ridges Moraine Conservation Plan and the Greenbelt Plan 2005 have not been accompanied by a green infrastructure investment initiative. In order to enhance the natural environment and to link and strengthen systems, significant strategic investment is required. This initiative includes land owner support, plantings, trail systems and investment in Lake Simcoe.

Commensurate investment by all levels of government in these soft services (human service and the natural environment) as well as land services is required if we are to retain our high quality of life.

4.6 Linking Infrastructure Investment to Growth

York Region has in good faith been planning for growth levels identified by the Province. York Region has taken 30% of the GTA's growth over the last 5-10 years. York Region has been a leader in proposing a system of centres and corridors, higher intensification, identifying a Greenlands system and a progressive transportation system. These forward looking initiatives assumed that provincial, infrastructure funding and human service delivery would be commensurate with growth.

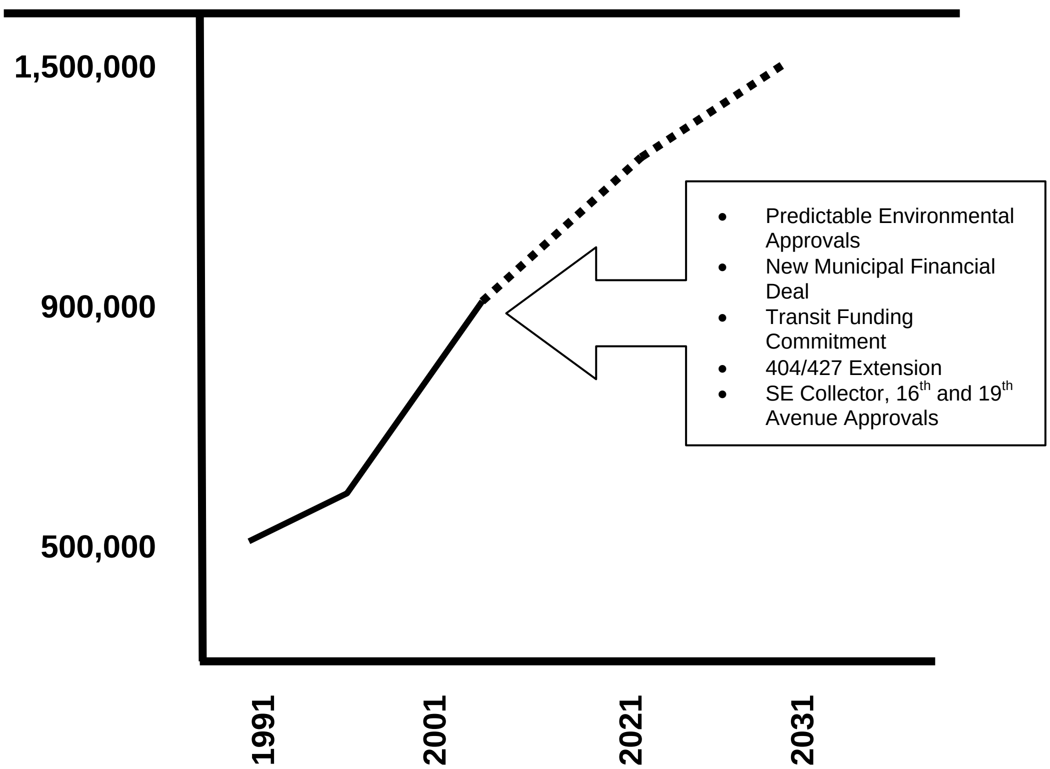
No municipality including York Region can provide this infrastructure and services without support from senior levels of government.

The disconnect between growth forecasts and Provincial Policy framework and Provincial investment has manifested itself in the form of increased congestion, lack of human services and delays in infrastructure approvals. Public concern about these issues is growing. The Region of York is supportive of the Provinces leadership in the areas of compact development and environmental protection. However, committing to Provincial forecasts without a commitment or guarantee of required infrastructure and human services would be untenable. It is essential that planning and approvals be tied to the ability to supply services. If this is not possible York Region may not be able to accommodate the additional growth identified by the Province.

The Region of York requires additional time to study the impact of the new forecasts and the Draft Growth Plan in more detail over the coming months. The April 6th, 2005 report to Committee on the Draft Growth Plan has recommended the Province be requested to provide a 6-month extension in the review period for the draft Growth Plan. At the same time it is recommended that the Province over the next 6 months prepare the 30-year infrastructure master plans and service plans necessary to compliment their aggressive growth plans. It is further recommended that the Province prepare and commit to 10-year capital plans that spell out the timing; for Provincial highway improvements, municipal transit funding, cross-boundary and boundary road improvements, hospital funding, GO Transit improvements and natural heritage enhancement. The timing of these Provincial infrastructure improvements is schematically illustrated on Chart 1.

Chart 1

York Region Growth Rate and Required Infrastructure



4.7 Relationship to Vision 2026

Several of Vision 2026's goals are relevant to the discussion of infrastructure. The relevant goals include:

- Managed and Balanced Growth
- Infrastructure for a Growing Region

- A Vibrant Economy
- Enhanced Environment, Heritage and Culture
- Responding to the Needs of our Residents

A careful balance of infrastructure investment is required to retain our quality of life.

5. FINANCIAL IMPLICATIONS

Some transportation capital projects are funded by the York Region budget process including the rate budget and tax levy as well as through development charges. The York Region transit initiative, however, requires a commitment to substantial funding by the Province and the Federal Government. In addition, Provincial funding commitment is required for GO Transit, Provincial highway improvements, and cross-boundary and boundary road improvements. Greater human services funding and capital investment as well as investment in enhancing our natural environment is required. These funding commitments are required if York Region is to continue to accept significant levels of growth.

Development charges have been created to recover the cost of capital infrastructure required due to growth. However, the current Provincial legislation prevents full cost recovery by the Region for several key services, particularly transit. The shortfall must be recovered by the Regional tax levy or user rates, placing a significant pressure on the Region’s financial position. Legislation must be changed to allow full cost recovery for these services. To keep pace with growth, the Region will be required to incur significant debt to finance infrastructure, which will negatively impact the Region’s financial position.

As indicated in the 2005 budget discussion, meeting municipal responsibilities over the next decade and beyond will be increasingly onerous given York Region’s fiscal capability and increasing responsibilities. This will be even more difficult given the Provinces new forecast which calls for 140,000 more people in York Region than current forecasts.

6. CONCLUSION

New Provincial population, employment and housing forecasts call for an increase of 600,000 residents, 350,000 jobs and 236,000 housing units in York Region between now and 2031. The Province’s Draft Growth Plan proposes a dramatically more compact form of development, including 40% intensification.

In order to accommodate this growth the Region needs significant infrastructure investment in transit, housing, 400 series highways, GO Transit, human services and natural environment enhancement. To this point investment has lagged behind needs creating service deficits in these areas.

This disconnect between growth forecasts and the provision of services requires a new approach to growth and infrastructure. Stronger links are required to guarantee services, and to link growth to Provincial investment.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are included with this report.)