

# DAILY COMMERCIAL NEWS

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## AND CONSTRUCTION RECORD

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Infrastructure

Ontario needs new transit-funding tools, construction alliance says

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Ontario should consider new transit funding tools to help meet growing transit infrastructure needs, says the Residential and Civil Construction Alliance of Ontario.

“We would like Queen’s Park to consider the enactment of legislation to guarantee long-term predictable and indexed funding,” says Andy Manahan, executive director of the RCCAO. “This legislation can be used as revenue covenants to secure commercial debt instruments to accelerate construction of transit infrastructure.”

In the RCCAO-commissioned study *Transportation Opportunities in the Greater Toronto Area (GTA)*, written by transportation expert Dr. Richard Soberman, the use of “revenue covenants” is encouraged as a new financial instrument to help municipalities avoid waiting for one-time cash injection boosts.

“Were the federal and provincial governments to enact legislation for gas-tax transfers, municipalities could issue ... bonds, the repayment of which would be guaranteed by the revenue derived from these transfers,” Soberman wrote in the study.

Soberman described the current approach to funding transit initiatives as “ask and pray.” The use of road tolls to fund GTA transportation needs with a move to region-wide pricing should also be considered, the study found. Gas tax transfers and a GTA-wide vehicle tax could also generate \$6 billion for transit needs, he noted.

The recent provincial budget included \$497 million for Greater Toronto Area and Hamilton transit improvements. In the budget, the Liberals endorsed key projects identified by Metrolinx, including upgrading GO rail tracks and signalling system on the Yonge Street subway, as well as developing bus rapid transit lines across the region.

Metrolinx was excited about the provincial vote of confidence in its initiatives.

“The budget allocation represents the near full funding of the recommendations made by the Metrolinx during its first year of deliberations,” said Rob Maclsaac, chairman of Metrolinx. “These funds are a critical start to a much larger capital program that will transform the way people get around Greater Toronto and Hamilton.”

In early March Metrolinx issued two final “green papers” in development of a regional transportation plan. One paper explored issues around road design, highway expansion and how technology can improve traffic flow. Among the topics discussed in the second paper were more efficient interregional transit and new ways of funding transit infrastructure.

“Transportation is a complex issue involving billions of dollars and having a long-term impact,” Maclsaac said in a release. “Ultimately, individual users will determine what works for them. That is why we want to hear from as many people as possible, so we can provide better transportation choices.”