

February 19, 2021

Kennedy Stewart, Mayor
3rd Floor, City Hall
453 West 12th Ave
Vancouver, BC V5Y 1V4
Submitted via Email: kennedy.stewart@vancouver.ca

Dear Mayor Stewart,

On behalf of our organizations and member-businesses, we respectfully submit this letter in anticipation of the City of Vancouver's consultation that flows from Council's direction to assess the feasibility of transport pricing within the City of Vancouver.

The organizations represented in this letter have a meaningful stake in a well-functioning regional transportation network, including the central business district. We support the greening of our transportation system and believe that user-pay models, including mobility pricing, can and should be used in some instances to reduce congestion and unlock investment, however, this must be supported by a reliable and comprehensive public transit network. To that end, many if not all our organizations signed on to or were directly involved in the work and recommendations of the Metro Vancouver Mobility Pricing Independent Commission (Commission).

In that spirit, we are writing to ensure that the consultation being planned by the City of Vancouver regarding a new and entirely independent road pricing proposal is broad in scope as to its economic impact and ensures extensive and targeted engagement with the business community, as represented by this group. Our members have significant concerns with the proposal, as presented by staff in November 2020, and want to ensure that the consultation mechanisms being contemplated are proportional to the seriousness of the economic impact of the proposal.

What our members have collectively dealt with over the past year is unprecedented. In March of 2020, our world was turned upside down when the global health pandemic ground business to a halt. Many businesses permanently closed, laid off staff, experienced significant reduction in sales activity and faced increased operating costs. While a number of support programs have been implemented, businesses are still suffering. With recovery for so many forecasted to be in the three to five year range or longer for some sectors, it is critical that policy development redouble efforts to support economic recovery.

According to a regional study of businesses conducted and released in January:

- 62% are still experiencing decreased sales volumes as a result of the pandemic.
- More worrying still, seven-in-ten of businesses impacted by holiday spending report lower holiday season revenues compared to previous years.

- Businesses' bottom lines are being squeezed with the survey revealing that many companies are facing increased operating costs (36%). Unfortunately, those businesses among the hardest hit - smaller retail and hospitality, are among those most likely to have increased operating costs.
- Looking ahead, half of businesses (49%) expect their revenues in 3-6 months to still be lower compared to pre-pandemic and more than four-in-ten businesses expect to reduce their business investments in the next 12 months.

In addition:

- Hotel vacancy rates in downtown Vancouver are the worst in the entire province, with average occupancy below 10 per cent, according to the BC Hotel Association.
- According to Retail Insider, citing data from the Downtown Vancouver BIA and others, pedestrian traffic in Vancouver is only about 1/3 of what it was in 2019, and the Retail Council of Canada notes Vancouver retail has been particularly troubled.

As we emerge from the pandemic, businesses will not simply be returning to normal. COVID-19 is shaping and re-shaping our cities, downtowns and main streets and certain trends may persist that pose significant impacts to the success of businesses, i.e. remote workforce, enhanced e-commerce, consumer spending etc. They will be challenged to regain customers and revenue in what is an increasingly competitive and international business landscape.

Simply put, businesses are hurting and have been working overtime for the better part of a year to try and salvage their businesses and employment for workers. Our members would be concerned with this proposal at any time, but are especially so now given that it is being developed and prioritized during one of the most economically challenging times in decades.

We remain concerned about the impact that a fractured and non-regional approach to pricing in the region. The approach put forward is likely to place additional stress on supply chains, cause geographic disparities, and create new regional funding pressures while not being the most efficient means to solve stated objectives.

We also want to note the substantive time, resources and energy that has already been put into the study of mobility pricing through the Commission. Given the gravity and the impact of mobility pricing on the region, the Commission adopted an open and transparent approach to discussing options, consulting with stakeholders, and overall engagement. The Commission released an 11 page terms of reference document, adopted 13 key principles, included a broad and representative group of commissioners/representatives, and spent \$2.31 million.

The recent report brought forward to Council this past November detailed a proposed budget of \$1.5 million over the next two years. It would be our hope that the work being done would reflect the same level of involvement as the work already completed by the Commission without duplicating that work.

As such, we respectfully request that as consultation plans are being drafted, city staff ensure that the consultation scope is broad enough to include a meaningful discussion on the economic impact and commits to an extensive and open-minded consultation with the business community, as represented by this group.

We look forward to working on this important file.

Sincerely,



Samantha Howard
Director



Bridgitte Anderson
President and CEO



Charles Gauthier
President & CEO



Damian Stathonikos
President & CEO



Patricia Barnes
Executive Director



Neil Wyles
Executive Director



Dave Earle
President & CEO

CC:

Acting City Manager, Paul Mochrie
Deputy City Manager, Karen Levitt
General Manager of Planning, Urban Design, and Sustainability, Gil Kelley
General Manager of Engineering Services, Lon LaClaire
Director of Transportation, Paul Storer
Director of Civic Engagement and Communications, Maria Pontikis
Chief of Staff, Neil Monckton

Appendix A - Text of Approved Motion

D. THAT Council direct staff to assess the feasibility of transport pricing within Vancouver and the distribution of the cost and benefits of the policy across stakeholder groups;

FURTHER THAT staff report back to Council before the end of 2022 on stakeholder engagement and feedback and do so prior to bringing forward further recommendations related to transport pricing, in accordance with Appendix A;

FURTHER THAT staff consult with stakeholders including residents, students, post-secondary institutions, employer and employee organizations, and BIAs on the strategy;

FURTHER THAT staff ensure a pricing strategy supports Covid-19 pandemic recovery, and that the implementation of such a strategy considers the additional pressures experienced by Covid-19, especially by those that are in disproportionately impacted communities;

FURTHER THAT the additional revenue from such a strategy in part be used to improve access to the Metro Core through new investments and services, and to consider economic protections such as discounts and exemptions for vulnerable residents and businesses;

AND FURTHER THAT staff work with the Translink Mayors' Council, Metro Vancouver, the Province of British Columbia, Translink, and other regional partners, to assess the feasibility of a transport pricing strategy and consider the impacts on the wider Metro Vancouver region.