

Making It Happen

Towards Integrated and Regionalized Transit Systems

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Abstract

Many regions across Canada are now integrating multiple transit systems under one regional authority. This trend is driven by the desire to provide more seamless, consistent, affordable and better planned transit services for customers, and to achieve operational and cost efficiencies between different municipalities (and in some cases private agencies). Other benefits include the opportunity to extend services to where they may not be currently available, to gain operational efficiency, to encourage more people to use public transit, and to attract additional senior government funding.

This report summarizes three case studies in Ontario and Alberta – Niagara Region, Ontario and Bow Valley Region and Calgary Region, Alberta – where there has been a focus on building regional transit systems. The report covers several stages of implementing a regional transit authority, beginning with identifying local and regional needs. It then describes some of common regional governance models and the criteria used to evaluate them, and then how a phasing strategy, roles and responsibilities, and funding strategy can be developed and determined. Lastly, the report summarizes some of the unique opportunities and challenges that have been faced in each of these case studies, and how they were addressed. The purpose of the report is to provide some insight and guidance to other municipalities, regions, and consulting companies who may be working on similar initiatives, and to highlight some of the key lessons that have been learned.

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1. Introduction

Many regions across Canada are now integrating multiple transit systems under one regional authority. This trend is driven by the desire to provide more seamless, consistent, affordable and better planned transit services for customers, and to achieve operational and cost efficiencies between different municipalities (and in some cases private agencies). Other benefits include the opportunity to extend services to where they may not be currently available (as local municipalities may have limited capacity or resources to provide additional routes), to encourage more people to use public transit, and to attract additional senior government funding. The need for regionalized transit systems also reflect recent shifts in trip patterns, as many commuting trips (for work, school, and medical services) no longer end in one downtown core area. Instead, the direction of travel can be quite diverse and the destinations are often spread across a region. Thus, close coordination of transit services between all member municipalities of a region is required.

Recently, several initiatives in Ontario and Alberta have focused on designing regional transit systems for areas involving smaller communities. Based on these experiences, this paper provides some guidance on how local and regional needs can be identified and balanced, and how the appropriate transit services and governance structures can be developed. It specifically focuses on three recent projects - the Bow Valley Region and Calgary Region in Alberta, and the Niagara Region in Ontario. In all three cases, it has been recognized that inter-municipal transit services are required to increase the mobility of their residents, employees, and visitors, and there needs to be a better integration of land use and transportation planning. Therefore, there is interest in establishing regional transit authorities. This paper discusses how the development of regional transit systems in these regions have been advanced and the lessons learned along the way, as well as the steps that were taken to try to secure the necessary political and public support for the establishment of these systems.

2. Where Are the Communities Now: Identifying Local and Regional Needs

A first step to developing a regional transit system is to identify the current local and regional needs. This is a foundational step that will guide the future regional transit authority's work. It will also set the tone of who will be engaged in the planning and consultation process, and how their considerations will be taken into account. If the interests and concerns of stakeholders are adequately heard and addressed, then they are much more likely to support the initiative over the long-term. That being said, there are many considerations that should be taken in this initial step, and these issues are discussed in this section.

2.1 Balancing Local with Regional Needs

A major impetus for creating regionalized transit systems is to provide more coordinated and well-funded inter-municipal transit systems that can be expanded effectively in the future. This goal, however, while generally supported by local municipalities, can sometimes be outweighed by other short-term municipal objectives and politics. There may be local concerns over the increased cost of providing a regional transit system and the loss of control of local routes. With the economic downturn in recent years, keeping municipal operating costs down has been a major focus of many towns and cities. Thus, while municipalities may support the idea of having a regional transit authority, it can be both challenging and time-consuming to establish one because of the financial requirements. This is further complicated by the challenges of discerning the local benefits of a regional entity, and determining how these local benefits should be paid for.

It can also be difficult deciding whether to invest in the core central services of a region or in the services of outlying communities. Investments in the central part of a region would likely show a higher benefit-cost ratio, due to the high volumes of use. However, it could also be argued that local improvements in regional communities are more desperately needed, as transit service tends to be more limited in such areas. Therefore, a question that a region as a whole needs to discuss and answer is: In an environment of limited resources, why should there be an investment in regional services? This question will likely be asked by the public, and therefore a regional government should be prepared to adequately answer it.

As well, there can be a wide range of needs and interests among the municipalities of a region. Teasing out these different needs and interests can again take a considerable amount of time, but is a necessary part of the process. To address and manage these different demands, and to balance local and regional interests, individual short- and long-term objectives, interests, and concerns should be identified first. From these individual objectives, common goals and visions can then be developed.

Another strategy to balance regional and local needs is to clearly identify the needs of those transit customers who make inter-municipal trips, and then use local operator experience to address these needs. While a regional entity may be focused on serving major medical, employment and educational centres, local operator experience can be used to design the routes so that other locations with a high demand are also served and the most efficient routing is used.

In addition, while a considerable amount of time can be spent on developing a common vision and goals, stakeholders can still lose sight of these goals as the process carries forward. Groups are especially prone to this when there is a significant time lapse involved. Thus, revisiting these goals and objectives from time to time at stakeholder meetings is imperative.

At the same time, experience has shown that local conditions can easily change and thus support for a regional transit authority can strengthen or waver over a short period of time. Identifying the sources of these changes is important, as is finding opportunities to address these changes.

Also, to ensure other regional needs are met and supported by the transit system, other related regional efforts should be identified and coordinated with the regional transportation planning process. This principle was applied by the Calgary Regional Partnership, who commissioned a regional transit plan (RTP) to be completed as their regional land use plan was being developed. As a result, both plans are now being implemented together in a coordinated manner.

2.2 Public Consultation

Another important step in the regional transit authority development process is to conduct thorough public consultations. Without public input, it can be difficult to determine whether new local or inter-municipal services will actually be used, and if the service levels and route coverage are adequate. Through public consultations, politicians can also gain the necessary insight and motivation to create a regional transit system. If there is adequate public support, then in turn there is a higher likelihood that there will be political support. Without any knowledge of what the public demand is, politicians can be more hesitant and sceptical about the success of creating a new regional transit system.

Public consultations can come in many forms, and it is beyond the scope of this paper to discuss the various types of consultation methods that can be used. In the case of the Calgary Regional Partnership, consultation on the feasibility and support for new commuter bus services was done through an online survey, workshops, a transit symposium, one-on-one meetings, and public meetings. These simple yet effective methods, however, were able to provide a considerable amount of valuable information, such as: where bus stops could be located; how much in fares users would be willing to pay; what specific departure times are favoured; what types of buses should be used; how important the age of the buses were to users; and where the regional buses should interface with the local buses.

In the case of Bow Valley, a general sense of the types of transit services required was developed through one-on-one meetings with specific stakeholder groups. However, the process would have also benefitted from a more in-depth public consultation process. At times, it was questioned exactly how many tourists, residents, and employees would use the proposed transit routes. Had there been a thorough public survey done, a more definitive answer would have been available to the decision-makers.

2.3 Balancing Private with Public Sector Needs

Balancing private and public sector needs is also an important part of the process when establishing a regional transit authority. One of the goals of establishing a new regional transit entity is to provide a more affordable and higher level of transportation service. As a result, the new transit services will likely directly compete with some of the existing transportation services within an area, such as taxi services, existing commercial bus services, and even existing public services provided by individual municipalities. Moreover, to encourage a sufficient level of ridership, some exclusivity would likely be given to the regional transit authority. Thus, the existing providers may feel like they are being “pushed” out of the area and may fear that they will face economic hardship.

To address this issue, communications with existing transportation providers should be handled with care. They should be consulted early on in the planning process and the regional transit authority should try to create situations where both parties benefit. For example, the regional transit authority could contract the regional services out through a competitive bidding process so that they are delivered by existing private and/or public operators. To encourage a level playing field, the regional authority could also include specifications (e.g. maximum service delivery costs per

hour, minimum level of service, requirement for accessible buses, etc.) that place the private and public operators on equal footing.

Innovative private-public partnerships are also possible when the conditions are right. However, the focus of the system (e.g. to provide service to residents or to attract more tourists) needs to be clearly defined. For example, within Bow Valley, Alberta there is a strong interest from the ski resort industry to become part of the Bow Valley Regional Transit Services Commission (BVRTSC), which may be implemented shortly. The ski resorts are already providing transportation services to their respective ski mountains, and therefore are interested in joining the BVRTSC so that their services can be sustained in the long term and be better coordinated with those provided by the BVRTSC. At the moment, however, there are insufficient financial resources for the BVRTSC to fund the ski resort bus services. There is also a desire to focus first on transit services for residents and a few services for tourists. Therefore, the ski resort bus services may become part of the BVRTSC in the longer term.

3. Where Do the Communities Want to Go: Developing and Selecting a Governance Model

Once the local and regional goals and objectives are identified, then a governance model needs to be developed. In this next section, some of the common regional governance models are summarized, and some of the evaluation criteria that are often used to analyze these models are described.

It is important to note it takes time to transition into a new regional governance model, especially in cases where no regional governance system currently exists. As well, each region has its own needs and challenges. Therefore, there is no single governance model that can be applied to all regions.

3.1 Common Regional Governance Models

Various regional governance models are available, and they have been adopted in different regions across Canada and the United States (US) for transit and other types of services. These models include:

- Extended Municipal Services Model (an advanced form of the model recommended for the Niagara Region, Ontario)
- Inter-Municipal Partnership (adopted by Sacramento, California)
- Regionally Controlled Transit Agency (adopted by York Region, Waterloo and Grand River Transit, Ontario)
- Controlled Corporation
- Non-Profit Corporation
- Modified Regional Services Commission (to be adopted by Bow Valley, Alberta, and recommended for the Niagara Region and Calgary Region in the long-term)
- Crown Agency or Municipal Corporation (adopted by BC Transit, Metrolinx, Toronto and GO Transit in Ontario, and TriMet in Portland, Oregon)

The table below outlines the framework of each model, as well as the relative advantages and disadvantages that are typically associated with them. It should be noted that in some regions, due to variations in local legislation, there may be some differences in the powers and abilities that are associated with each type of governance body.

Table 1 – Description of Different Regional Governance Model (1,2)

Governance Structure (Examples)	Framework	Advantages	Disadvantages
Extended Municipal Services (Advanced form recommended for the Niagara Region, ON for the short- to medium-term)	<ul style="list-style-type: none"> • One or more municipalities and/or private contractor with existing transit systems will extend their operating region to encompass surrounding municipalities and provide inter-municipal transit services. They are also responsible for maintaining their own fleet vehicles and facilities • A regional department can be responsible for short- and long-term planning, and for marketing 	<ul style="list-style-type: none"> • Easy to setup and can provide services almost on an immediate basis • No governmental approvals or reporting requirements are necessary to establish this governance structure • No large initial investments necessarily required to purchase assets such as fleet vehicles or land • Experienced individuals already in place to assist with 	<ul style="list-style-type: none"> • Surrounding municipalities may not be fully represented or have full input regarding the decision-making process as the service provider incurs majority of expenses and therefore controls spending • If a regional transit committee is not formed, a region has little direct control over the transit services offered; also

Governance Structure (Examples)	Framework	Advantages	Disadvantages
	<ul style="list-style-type: none"> The regional department responsible for managing transit operations can report to the Regional Council through a transit committee, which is made up of regional councillors Alternatively, a regional transit advisor can be appointed by a governing body to ensure the contractor(s) offers services that are in the best interest of the region as a whole 	<p>policy making, route planning, implementation, operation, maintenance, and financing</p> <ul style="list-style-type: none"> Minimizes administrative costs by expanding an existing administrative system 	<p>difficult to achieve goals consistent with the greater regional transit plan</p> <ul style="list-style-type: none"> May be difficult to separate costs associated exclusively with new inter-municipal transit initiatives as cross-over exists between existing operations and new services; difficult to maintain transparency and monitor expenditures If a regional transit committee is not formed, services may not focus enough on the goals and vision of regional transit customers Could be difficult to agree on responsibilities and appropriate compensation for services delivered to the participating municipality
<p>Inter-Municipal Partnership (Sacramento)</p>	<ul style="list-style-type: none"> Municipalities enter into an agreement for provision of transportation services, creating the partnership, an oversight committee, and specifying membership Committee comprised entirely of councillors, entirely of other persons (e.g. members from Parks Canada or hotel associations), or a combination of both Committee has advisory role only; municipal councils ultimately responsible and accountable Is not a separate legal entity, therefore cannot hold land or borrow funds in its name. Must rely on the municipalities 	<ul style="list-style-type: none"> Relatively easy to form, requiring no approval from provincial government Allows board representation on the project steering committee Each council can expropriate on behalf of the partnership Exempt from property tax as lands held by municipal partners 	<ul style="list-style-type: none"> Not a separate legal entity and therefore cannot hold land or borrow funds; reliant on municipalities for these functions and shares limitations on debt Ultimate responsibility and accountability remains with municipalities; decision-making may prove cumbersome and overly complex as policies must be ratified by all councils May lead to concerns relating to favouritism as dedicated employees must be considered employees of one municipality Potential problems relating to excessive administrative burden and conflicts over workload
<p>Regionally Controlled Transit Agency (Waterloo, Grand River Transit, and York Region Transit, ON)</p>	<ul style="list-style-type: none"> A department within the regional government is responsible for managing the transit services and the region owns the service vehicles and maintenance facilities A transit board, made up of regional councillors and that reports to the regional council, is established as the main decision-making body Responsibilities of the board of directors are more comprehensive than under the inter-municipal partnership Board is accountable for all organized actions, including financial performance and execution of contracts 	<ul style="list-style-type: none"> No approvals from higher levels of government or reporting requirements are necessary to establish this governance structure Allows regional council to ensure regional goals are met Ensures communication between the regional transit system and other public works systems 	<ul style="list-style-type: none"> Large initial investments required to purchase assets such as fleet vehicles and land Need to obtain the services of experienced individuals to assist with policy making, route planning, implementation, operation, maintenance, and financing Administrative costs required to establish and expand the administrative system
<p>Controlled Corporation</p>	<ul style="list-style-type: none"> Municipalities are able to establish an autonomous, 	<ul style="list-style-type: none"> Establishment relatively straightforward and quick, but 	<ul style="list-style-type: none"> Lacks automatic GST exemption both on fares

Governance Structure (Examples)	Framework	Advantages	Disadvantages
	<p>controlled corporation. The Lieutenant Governor can also often make regulations governing various forms of corporations that could be established and owned by one or more municipalities, including share corporations, with or without other non-municipal shareholders</p> <ul style="list-style-type: none"> Responsibilities of the board of directors are more comprehensive than under inter-municipal partnership Board is accountable for all organized actions, including financial performance and execution of contracts 	<p>depends on Minister approval</p> <ul style="list-style-type: none"> Allows broad representation on corporation's board Semi-autonomous body with separate liability from municipalities; ability to hold land in its own right Access to preferential borrowing rates and option to avail itself of appropriation powers and property tax exemption Provides clear lines of reporting, responsibility and authority for staff Income tax exempt 	<p>and expenditures on goods and services; appealing GST exemption is possible but is costly and time-consuming</p> <ul style="list-style-type: none"> Convoluted method to take advantage of municipal powers and grant eligibility that may result in claims from for-profit competitors that an unfair advantage has been obtained as a result of the controlled corporation's relationship with municipal stakeholders
Non-Profit Corporation	<ul style="list-style-type: none"> Municipalities form a non-profit corporation Structure similar to a Controlled Corporation, except expressed purpose is not for profit Non-profit corporations are less restricted in their financial relationship with municipal shareholders in terms of revenue support 	<ul style="list-style-type: none"> Similar to controlled corporation Income and property tax exempt Less restricted in financial relationship with municipal stakeholders than a controlled corporation; free to enter fee-for-service contracts, and can receive municipal grants 	<ul style="list-style-type: none"> Lacks automatic GST exemption both on fares and expenditures on goods and services; appealing GST exemption is possible but is costly and time-consuming Convoluted method to take advantage of municipal powers and grant eligibility, although absence of an overt profit motive enhances the success of grant approvals
<p>Modified Regional Services Commission</p> <p>(Durham Region Transit, ON) (Bow Valley, AB) (Recommended for the Niagara Region, ON for the long-term)</p>	<ul style="list-style-type: none"> Municipalities establish a regional services commission (this usually requires the approval of the provincial ministry of Municipal Affairs) The Region has the authority to determine the eligibility of persons to hold office as board members, the manner of selecting board members, the term of office, and the board rules, procedures, and policies. Board is responsible and accountable for all decisions and execution of contracts The regional council provides final approval for financial budget 	<ul style="list-style-type: none"> Enjoys many powers and advantages as an inter-municipal organization Less onerous than establishing a controlled corporation, but more so than establishing a regionally controlled transit agency, an inter-municipal partnership, or a non-profit corporation Can apply for direct provincial funding and grants aimed at provincial transit infrastructure and service growth related enhancements Able to establish own policies and operating procedures in a manner that reflects the unique needs of the business Have more direct access to the political decision-makers than a regional department Can still access regional resources (e.g. in-house training opportunities, software programs, and office space for a fee) There is still a formal linkage between a region and a regional commission A regional council is still able to review and comment on plans and reports Able to set fees and charges 	<ul style="list-style-type: none"> Establishment may be more time-consuming than other options, apart from a controlled corporation A municipal service board may not have the power to borrow money The municipalities may still own the assets related to the regional commission and the commission may not have authority to transfer the assets It still needs to compete with other regional departments for funding

Governance Structure (Examples)	Framework	Advantages	Disadvantages
		<p>outside the common standard that considers the mobility and economic needs of their passengers, but these fees must still be approved by the regional council if one exists</p> <ul style="list-style-type: none"> • Able to adjust service requirements in a timelier manner to meet the changing demands of their passengers • The member municipalities and the region sets the limits and conditions the commission delivers the transit services 	
<p>Crown Agency or Municipal Corporation</p> <p>(BC Transit) (Metrolinx, Toronto and GO Transit, ON) (TriMet, Portland, OR)</p>	<ul style="list-style-type: none"> • Board of directors is appointed by the province • The chair of the Board reports to the provincial cabinet minister • Members receive remuneration • Representation from public and the private sector • The Minister of Transportation sets strategies and policy framework 	<ul style="list-style-type: none"> • Enjoys subsidies and grants to assist with funding from provincial and federal governments • Exempt from property and income tax requirements and, most likely, GST 	<ul style="list-style-type: none"> • Can only exercise those powers and functions that are delegated to it and approved by legislation

3.2 Common Criteria Used to Evaluate Governance Models

To identify an appropriate governance model for a region, evaluation criteria should be developed. These criteria should reflect the vision and goals of the region, and should include the following categories:

- Achieves the goals consistent with broader regional governance and directives
- Promotes transparent and accountable decision-making
- Encourages clear and open communication
- Attracts/accommodates members from diverse backgrounds
- Promotes a varied, sustainable funding strategy
- Restrains costs (i.e., minimizes administration and financing expenses through unhindered decision-making and provides access to preferential borrowing rates, tax exemptions, and other cost-saving measures)
- Easy to establish and maintain the governance structure
- Provides independent control
- Easy to monitor and evaluate performance

This type of comprehensive evaluation serves as a way to document an important decision-making process and provides decision-makers with a clearer illustration of the trade-offs associated with the different governance models.

An example of an evaluation using the above criteria is shown in **Error! Reference source not found.**

Table 2 - Example Comparison of Longer Term Transit Governance Structures (2)

	Extended Municipal Services	Inter-Municipal Partnership	Regionally Controlled Agency	Controlled Corporation	Non-Profit Corporation	Modified Regional Services Commission	Crown Agency
Achieves Goals Consistent with Broader Regional Governance and Directives	○	◐	●	◐	◐	●	●
Promotes Transparent and Accountable Decision-Making	◐	◐	◐	○	◐	●	●

	Extended Municipal Services	Inter-Municipal Partnership	Regionally Controlled Agency	Controlled Corporation	Non-Profit Corporation	Modified Regional Services Commission	Crown Agency
Encourages Clear and Open Communication	●	●	●	●	●	●	●
Attracts/Accommodates Members from Diverse Backgrounds	○	●	●	●	●	●	●
Promotes a Varied, Sustainable Funding Strategy	○	●	●	○	●	●	●
Restrains Costs	●	●	●	●	●	●	○
Easy to Establish and Maintain the Governance Structure	●	●	●	●	●	●	●
Provides Independent Control	○	●	○	●	●	●	○
Easy to Monitor and Evaluate Performance	○	●	●	○	●	●	●

● Best Suited to meet Criteria ● Adequately Suited to meet Criteria ○ Poorly Suited to meet Criteria

4. How Do the Communities Get There: Determining Phasing Strategy, Roles and Responsibilities, and Funding Strategy

4.1 Determining a Phasing Strategy

As expected, due to resource or other constraints, it takes time to implement a long-term governance structure and to achieve the ultimate transit vision of a region. As such, a phasing strategy is usually required. This phasing strategy and the shaping of the governance structure may be influenced by which transit services are most in demand. For example, in Bow Valley, there has been a latent demand for a commuter service between the Towns of Banff and Canmore. As well, there have been on-going concerns over the parking situation at some of the recreational sites within Banff National Park. These parties (Towns of Banff and Canmore, and Parks Canada) therefore all have some influence over what interim transit governance structure will be put in place. In the case of Parks Canada, while they are unable to be a member of the Commission (approval from Parliament would be difficult), they will continue to be a funding contributor. This example, therefore, illustrates that when developing an interim governance structure, the short-term service demands should be carefully considered.

Some interim solutions that can be used to provide regional transit services in advance of creating a regional transit agency include contracting out services to a municipal transit agency. In other words, a form of the extended municipal services model could be used as an interim solution before a regional agency is established. This may be desirable if there is not yet the political support for a regional transit agency. It will likely prove the benefits of regional transit services and garner more support for a regional transit agency. This has been considered for the Calgary Region.

Regional transit governance structures of smaller regions may also start with a small number of members, and be expanded over time as political and funding support grows and risks decrease. As mentioned before, since the discussions of establishing a regional transit agency in Bow Valley began, the ski resorts of the area have expressed a strong interest in being a part of the regional agency. However, this will not be possible in the near term. Therefore, initially, the BVRTSC will only consist of the member municipalities – Canmore, Banff and Improvement District #9; however in the long-term the ski resorts and possibly the accommodation sector may join the Commission. This approach allows the transit agency to be established more quickly and then be allowed to grow and mature as the agency gains more experience in planning regional transit services.

4.2 Roles and Responsibilities of Different Parties

To ensure the successful creation and operation of a regional transit agency, there are certain roles and responsibilities that the member municipalities, regional government, provincial government, and public/private transportation providers could take on. Some of these roles and responsibilities will change as the governance structure evolves, while others may remain more or less the same. This section describes some of these general responsibilities of each party.

Municipalities

- Explore and implement new tools to fund public transit services, such as a new or increased parking fee, and a property value capture tax. In the short-term, these sources of funding can be used to fund local transit services, where a municipality may have more control over how the services are operated. In the longer term, they may be used to help fund the regional transit system as a whole.
- Work with the regional government to identify key transit corridors and potential transit priority measures for these corridors.
- Work with the regional government to establish transit routes, minimum service levels, etc.
- Develop policies and plans that encourage transit-oriented development (TOD).
- Coordinate with the region to identify TOD sites.
- Coordinate with the region to identify and implement transit-supportive infrastructure (e.g. bus shelters, pedestrian and cycling paths that connect to transit stops/stations, park-and-ride lots, and transit vehicle storage facilities and maintenance facilities) and to protect lands along key transit corridors.

Regional Government/Entity

- Work with member municipalities and provincial government to develop a vision, goals, strategic plans, and policies for regional transit services offered over the short-, medium-, and long-terms.
- Develop financing plans to achieve the short-, medium- and long-term strategic plans. These plans should include measures for evaluating performance, cost and revenue allocation schemes, a fare schedule, a funding strategy, and operating and capital budgets. If services are delivered in-house, then detailed operating plans should also be developed.
- If deemed appropriate, form contracts with existing public and/or private transit service providers to deliver the regional transit services. Depending on whether the regional government owns the transit fleet and maintenance facilities, the operator may also own and/or maintain the transit vehicles. Contract arrangements will provide valuable opportunities for the region to distribute risk and encourage cost savings and innovation on major projects and service initiatives. However, the region may as a result incur additional administrative costs. They will also need to be flexible in providing private entities with leverage in managing risk (e.g. by granting some authority in determining transit fares and service levels). Contracts should address minimum number of trips per day, weekend service and off-peak period trips, key sites to be serviced, and so on.
- Look for opportunities to create partnerships with the private sector and institutional facilities to expand the transit program (e.g. university transit pass and employer pass).
- Apply to federal/provincial grants to help fund capital and operating costs.
- Convey the extensive and wide-ranging benefits of transit to the provincial and federal governments and explain how they could invest and/or reallocate their own funds to provide more support to transit.
- Consult with key stakeholders and the general public on short-, medium-, and long-term strategic plans, policies, and programs.
- Provide education and guidance to municipalities on transit-oriented developments (TODs).
- Coordinate with municipalities to identify and implement transit-supportive infrastructure (e.g. bus shelters, pedestrian and cycling paths that serve transit stops/stations, park-and-ride lots, and transit vehicle storage and maintenance facilities) and to protect lands along key transit corridors.
- Market the regional transit services and develop a branding scheme to identify transit services with an image synonymous with reliable and convenient transportation. Uniform colors and slogans should be used throughout stations and ads, and on fleet vehicles.

Provincial Government

- Work with the region to develop strategic plans that are supportive of provincial goals.
- Work with the region to help establish the regional transit agency.
- Help fund some the capital and operating costs of the regional transit system, by implementing new funding tools, such as increasing the provincial sales tax by a small amount, introducing a vehicle registration levy, and increasing the gasoline and diesel taxes. The new revenue would then be remitted to the region for the purpose of funding sustainable transportation systems.

Private/Public Transportation Providers

- If the regional transit services are delivered by contractors, then the winning operators would be responsible for scheduling, implementing, maintaining and operating the region's transit services. As part of their responsibilities, the contracted service operators would also be expected to develop scheduling and operating plans that outline the specific transit goals, objectives, and tactical plans that will be used to meet the short- and medium-term strategic plans of the region. Methods of measuring and monitoring performance guidelines and customer satisfaction measures should also be included in the operating plans.

4.3 Funding Strategies and Cost Allocation

Funding Strategies

This section describes some of the potential funding options that regional governments and municipalities could consider using to fund the costs of providing a regional transit system, and some of their relative advantages and disadvantages. Some of these would be within the control of municipalities/regional governments, while others would require provincial approval. Regional governments may wish to pursue the former type of funding tools in the short- to medium-term, and gradually build up the support for the latter type of funding tools so that they can be implemented in the long-term.

An important consideration for the short-term, if a regional transit agency is yet to be established, is who will collect the revenue from the funding sources. The regional government will also need to decide how the funds will be transferred to the region if they are not yet a legal entity with the ability to tax or own assets, as they will be responsible for contracting out the transit services. One possibility is that the province could collect the revenue, and through an agreement with the region, remit the funds to the region. Other possibilities include having the municipalities collect the funds and remit them to the region.

Financing Means under the Control of Municipalities/Regional Governments

i) Fare increases – Raise fare levels (if transit services already exist) to increase revenue cost-ratios. This is a measure that is relatively easy to implement. However, it is also usually looked upon by users negatively, as it involves more out-of-pocket costs. As a result, ridership by choice riders could drop, thereby reducing the overall revenue collected. Typically, bus fare elasticity is approximately -0.3 in the short term (i.e., a 10% increase in fares would reduce ridership by approximately 3%) and approximately -0.6 in the long term, while metro rail elasticity is approximately -0.4 in the short term and 1 in the long term (3). Rail fare elasticity may be positive over the long-term as commuting distances have grown steadily with time and rail transit tends to be a more efficient mode for trips involving greater distances.

ii) New Transit Media and Fare Collection Technology – Develop new types of fare media, which in turn could be used to increase ridership. Examples include employer and community passes, as well as the university transit pass (U-Pass). Introducing new types of transit passes is relatively easy to implement and is a transparent procedure that can easily be understood by the public. It can also attract more riders from specific target groups, is politically popular, and can provide a relatively stable stream of revenue. It should be noted, however, that although the introduction of new fare media and fare collection technology can significantly increase ridership, an increase in revenue is not necessarily guaranteed. Nonetheless, the potential to generate revenue with this strategy still exists, and the considerable increase in ridership would certainly help sustain the regional transit system in the long-term and help achieve environmental and socio-economic objectives.

In an employer pass program, employers sign up their employees for transit passes for one year at a discounted price and the costs are deducted through payroll (some employers also provide an additional subsidy). Employer transit passes have been implemented in many transit systems and have successfully captured new riders and fare revenues. Since 2000, Winnipeg, Manitoba has been offering the EcoPass program, where employers are encouraged to provide a 5%-100% discount on monthly transit passes (4). In return, Winnipeg Transit provides a rebate to the employer of up to one-third of the subsidy provided by the employer. The employer benefits by spending less on parking-related costs, and enhancing their ability to retain and recruit employees. Between 2000 and 2004, the EcoPass program increased transit ridership by 45%, increased ticket sales by 500%, and increased net revenues by 30%-35% (4).

A community bus pass is where developers of large multi-family residential developments (i.e., apartments) or well defined areas developed by a common development corporation (i.e., subdivisions) are provided with incentives (e.g. density bonuses or reduced parking requirements) and in exchange provide households with community transit passes for household members. BC Transit, the provincial transit agency in British Columbia, and TransLink in Metro Vancouver, have developed community pass programs for higher density and multi-family developments in the City of

Victoria and for the UniverCity community of Simon Fraser University, respectively. These community pass programs have been successful in attracting new riders and revenues for both systems.

The U-Pass program is another initiative that has been adopted by post-secondary institutions across Canada and the US. At the University of British Columbia, transit ridership has grown significantly since the introduction of the U-Pass and transit is now the primary mode of travel (5).

Another option is the SmartCard technology, which can help remove several barriers to using transit, such as finding exact change and figuring out the fare amount when traveling from one municipality to another. Transit systems that have introduced SmartCards have found that additional ridership is generated simply by the introduction of the card. The SmartCard is already being used by the Banff local transit service (6), and has been highly recommended for the new regional transit system (7). It is also expected to be introduced by TransLink in Metro Vancouver by 2013 (8).

iii) Property Taxes – The taxes for residential, commercial, and industrial properties could be raised in all the member municipalities of a region to generate more funding for a regional transit system. This would be technically feasible, and it would produce a consistent stream of revenue. However, it may not be a viable or equitable option, as not all property owners benefit from the improved transit services equally. Therefore, it may not receive much political support.

iv) Advertising – Transit advertising opportunities are relatively easy to establish, cost-effective, and are well supported by the public. The most common forms of transit advertising include posters at transit stops/stations, posters inside and outside transit vehicles, and vinyl bus wrapping.

Currently, most systems use advertising revenues to cover less than 5% of the annual operating costs. However, a 2009 study conducted through the Transit Cooperative Research Program has found that if aggressive campaigns are made to improve transit advertising programs (e.g. surveying advertisers to identify deficiencies in the transit media's product and image, and repositioning transit advertising to elevate its importance and update its image), the revenue generated could increase (9).

v) Parking Fees – Parking fees at lots or meters could be increased or implemented to generate funding for transit. As well, an area parking tax could be developed and applied against all lands surfaced for parking in shopping centres, churches, municipalities, schools, etc. In addition to generating revenue for transit service, a parking levy would encourage more people to use alternative forms of transportation, as the cost to use a passenger vehicle would increase. The process of how the funds are collected and used is also relatively easy to understand.

TransLink in Metro Vancouver has a 21% charge on fees paid for off-street parking and this tax is expected to generate approximately \$46 million in 2010 (10). TransLink also implemented an area parking tax in 2006 of \$1.02 per square metre or approximately \$30.00 per parking stall. However, although this area parking tax generated approximately \$25 million annually, it was removed by the province of BC in 2007 after intense pressure from the business community (11). Their main objection to the tax was that it was not applied to the parking areas of municipalities, churches and all schools.

vi) Development Cost Levy – A levy could be charged against new lands being developed to help pay for the costs of providing transit services to these lands. Currently, York Transit on Ontario collects development charges to help cover a portion of their capital costs. In 2008, York Transit received approximately \$1 million from development cost charges (12).

This funding mechanism encourages more developers to choose sites that are already serviced by transit. However, it can be difficult to get widespread public support and the amount of revenue received will depend on the level of development within an area, which may fluctuate over time.

vii) Public-Private Partnerships – Public-Private Partnerships (P3s) are increasingly used throughout the world where governments have inadequate capital funding to deliver on projects and services in a timely and cost-effective manner. In a P3, the government acts as the owner, regulator and policy maker, guiding the delivery of the product or service, while the private sector typically designs, constructs, operates, funds, and/or maintains the project. Under the P3 model, although the government pays for most of the project costs over a long term (e.g. 35 years), the payments to the private sector are based on performance and can be reduced if performance requirements are not met (1).

viii) Federal/Provincial Grants – Within Canada, most existing funding programs and grants are not exclusive to transit. One exception is the federal program, New Deal for Public Transit. Nonetheless, there are many projects that do receive grant funding. Therefore, regional governments should apply for these grants whenever possible. The purchase of capital assets such as buses, which have concrete benefits, is particularly easier to fund. The benefits of

grant funding include the ease of implementation, the widespread public and private support that is generally received, and the high level of transparency that is involved in how the funds are spent. Grants, however, are usually a one-time source of funds. Therefore, they are not a good source of consistent funding.

Financing Means Not Under the Control of Municipalities/Regional Governments

i) Road and Bridge Tolls – With the development of new technologies, tolls can be imposed on drivers in a variety of ways. They can be used at certain roadways, certain lanes or across certain cordons. Automated tolling minimizes the cost of fee collection and congestion impacts, and tolls can be activated or increased during peak traffic hours to regulate travel demand. Road/bridge tolling has been implemented in many different countries and cities across the world, as it can help recover construction costs, delay the timeframe required for additional road construction and road maintenance, change travel behaviour, and reduce traffic congestion. However, road tolls require significant political will and public support to be implemented. Therefore, large information campaigns informing the public about the concrete benefits of tolling are necessary.

ii) Vehicle Registration Tax and Car Rental Tax – A vehicle registration tax is based on the weight of the vehicles and the type of driving for which it is insured (e.g. used regularly for work or just for pleasure trips). This type of funding tool allows road users to bear a larger proportion of the costs associated with transportation, and it can generate a significant amount of regular revenue for transit. Since 1997, the Central Puget Sound Regional Transit Authority in the State of Washington has implemented a 0.3% motor-vehicle tax to fund transit expansion. In 2009, combining this with a 0.8% car rental tax, approximately \$70 million of revenue was collected (13).

iii) Property Value Capture Tax – As transit services can enhance an area's economic, cultural, and social accessibility, the value of properties within the vicinity of a transit terminal/exchange typically increases. A property value capture tax allows some of this increased value to be used to fund the necessary public amenities to support the community. This type of taxing system has been used in the United Kingdom (UK) and US for many decades. The City of Boston, for example, collects a "betterment tax" to fund public infrastructure costs. The tax is individually assessed and is based on the overall cost of the betterment and parcel-specific factors such as length of frontage and the parcel's land area (14).

Another related funding mechanism is acquiring and managing real estate. For example, TransLink in Metro Vancouver is able to acquire properties in support of the regional transportation system, as well as hold and manage properties (15). The sale and lease of land assets could generate additional revenue, promote transit-oriented development, and increase transit ridership. The revenue generated, however, would be variable from year to year.

iv) Cargo Tax – Truck traffic carrying cargo places a significant strain on roads. To account for this impact, a tax could be placed on all cargo carried by trucks within a region, and the revenue collected could be used to fund transportation improvement projects, including transit. This tax would be cost-effective. However, it may be difficult to implement, as a sophisticated system would have to be devised to track the cargo coming into and out of a region. Although it has yet to be implemented in Metro Vancouver, TransLink did consider introducing this tax recently (16).

v) Sales Tax – Sales tax revenues are used to fund transit projects throughout North America. Since 1997, the Central Puget Sound Regional Transit Authority has used a sales tax (now at the rate of 0.9%) to fund transit expansions (17). In Dallas, a 1% sales tax generates \$350 million a year for Dallas Area Rapid Transit (18). Los Angeles has also recently raised its sales tax by 0.5% to fund transit projects (19), and transit agencies in the Portland, Minneapolis, and Chicago Regions also depend on sales tax revenues. The challenge, however, is to get enough public and political support to increase the sales tax (a referendum would be required). Sales tax revenue could also vary from year to year, as the amount of money spent on goods and services depend on the health of the economy.

vi) Gasoline Tax – Currently, all provinces in Canada charge a gasoline tax. A portion of the revenue from this tax could be remitted to a region for the purpose of funding transit. This, in fact, is already occurring in some regions. In addition, if the gas tax of a province is particularly low in comparison to other provinces, a region could make a request to their provincial government to increase the tax rate within their own jurisdiction. The additional revenue could then be used to fund sustainable transportation projects. In Metro Vancouver, the province currently collects \$0.15/L on behalf of TransLink on all fuel sold in the region (**Error! Bookmark not defined.**). It should also be noted that between 2007/08 to 2013/14, Canadian municipalities will also receive a total of \$11.8 billion from the federal gas tax fund (20).

Increasing the gasoline tax could have some direct impact on travel behaviour, and it would be a regular source of revenue. However, the public may not necessarily understand the benefits of increasing the gas tax. That being said

though, as concerns over climate change, air pollution, and the other environmental impacts of transportation increases, there may be more public support in the long-term.

It should be noted, however, the revenue generated could vary over time, as fuel consumption is related to the state of the economy. As well, the fuel efficiency of vehicles has continued to improve. Therefore, in the long-term, there is a potential for overall fuel consumption to decrease, thereby generating less gasoline tax revenue.

vii) Carbon Tax – Carbon taxes are taxes based on fossil fuel carbon content, and therefore a tax on carbon dioxide emissions. The advantage of carbon taxes is that it establishes a direct link between a region’s activities involving fossil fuels and its environmental impact. More importantly, it can help change corporate and individual behaviours, including travel behaviour. However, they require provincial or federal legislation to be implemented.

In 2008 a carbon tax was introduced in BC. In the first year, \$10 was charged for every tonne of carbon, and this rate will increase by \$5 per tonne annually for at least four years (the tax is paid at the time of retail purchase or use of fossil fuels). Over the first three years, approximately \$2.3 billion is expected to be collected (21). Although this tax will be revenue neutral until 2012, there have been strong recommendations by the public to use a portion of the revenue to fund public transit.

viii) Employer Tax – Employers are a major beneficiary of improved transit systems, as they are able to attract a wider range of employees and they can reduce the amount of parking they provide to employees. However, employers are often not required to financially contribute to transit systems. Recognizing this, Washington State currently allows regional transit authorities to levy \$2.50 per employee per month to fund transit operations (22). This type of tax would generate a regular stream of revenue for transit and it would be cost-effective; however, it might be politically difficult to implement.

Cost Allocation

Cost allocation is another area that is often contentious when establishing a regional transit authority. When a system is truly regionalized, the costs of the regional transit services should theoretically be shared by all municipalities within that region (e.g. they could be charged a certain fee based on population or ridership), regardless of the level of service they receive. However, before all municipalities within a region are actually provided with transit services, it may be difficult to argue that all municipalities should be charged the same rate.

An interim solution recommended for the Niagara Region is to have a portion of the overhead costs (i.e., marketing and administrative costs) paid by all the municipalities of the region and the rest covered by those municipalities receiving direct transit services (23). The direct operating costs (e.g. the labour, fuel, and maintenance costs of the transit services) would also be covered by the municipalities directly receiving service. The fees charged to the municipalities receiving service could be based on ridership, level of service, population, or a combination of these strategies.

In the case of Bow Valley, it has also been recommended the overhead costs be covered by the member municipalities. Meanwhile the direct operating costs would be covered by the Towns of Banff and Canmore, and Parks Canada. Improvement District #9 (ID #9) would not be contributing to the direct operating costs, as all the net operating costs associated with the park transit service (which is the only service that would serve ID #9) would be covered by Parks Canada. While this is a variation of what was proposed for the Niagara Region, the principles are still the same.

5. Case Studies

Throughout this report, the experiences of the Bow Valley, Niagara, and Calgary Regions have been highlighted. This section will therefore only summarize what has occurred in each region thus far with regards to regional transit, and discuss some of the specific challenges and opportunities that are more unique to each situation, and the approaches that were used to address them.

5.1 Bow Valley, Alberta – Implementation of the Bow Valley Regional Transit Services Commission

Overview

In the Bow Valley, a regional transit commission is being proposed between Banff, Canmore, and Improvement District #9 (ID #9). The Bow Valley Regional Transit Services Commission (BVRTSC) would build upon the

successful local Banff transit system, and provide a new regional Canmore-Banff transit service as well as seasonal routes serving popular camping and hiking sites. With additional funding sources, other additional transit services may be provided in the future. This is a unique case study due to the special partnerships that have been formed between the municipalities and the private sector (e.g. ski resorts and accommodation sector) and Parks Canada.

Opportunities

The Bow Valley region is well known for its natural landscapes and its summer and winter recreational opportunities. Each year, over 3 million people visit Banff National Park to enjoy its hiking, camping, and skiing opportunities, as well as its breath-taking landscapes. The region is therefore heavily dependent on tourism. It is also this dependency on tourism that has motivated the region to improve its transportation system. In many other resort municipalities and national parks, such as Whistler, BC and Acadia National Park, Maine, innovative transit initiatives have been implemented to accommodate the tourism sector. To remain competitive with these and other tourist destinations, the Bow Valley Region needs to offer a new transit service product that will enhance the experience of their visitors. A new regional transit system would enable residents and visitors to move through the region more easily and more economically, as they may be able to avoid renting/owning a vehicle, or relying on a tour operator to access the various attractions offered.

Another opportunity is the involvement of Parks Canada. With the Banff National Park being such an important component of the region, Parks Canada plays a large role in how the region develops. In the case of transportation, Parks Canada has been very supportive of implementing a regional transit system, as it could potentially reduce the parking pressures at popular hiking/camping sites, as well as the overall impacts of transportation on the Park's ecosystems. Parks Canada, therefore, has expressed interest in helping fund a regional transit system.

In addition to Parks Canada, other organizations have also been eager to have a regional transit system established. As mentioned earlier, the ski resorts are currently providing transportation services to their customers. However, they would like to transfer these services to a regional entity so that they can focus on providing winter recreational opportunities. In fact, it was this particular issue that initiated the discussion of establishing a regional transit agency. Therefore, although the ski resort industry may not be an immediate member of the BVRTSC, they may become a financial contributor in the near future.

Challenges

That being said, the private sector's interest to be a part of the BVRTSC did introduce a set of challenges to this initiative. The ski resort bus services would have increased the total cost of the regional system substantially (and therefore the cost to the municipalities, even though the ski resorts would have also been funders). Moreover, although the accommodation sector expressed an interest to provide more financial support to the transit system (some accommodation facilities already fund the ski resort bus service and/or the Banff local transit service), the industry as a whole has been facing financial difficulty. There was also a concern that perhaps the Commission should initially be guided by municipal needs rather than private interests. Furthermore, there was a concern that if the private sector is included the size of the Commission might be too large to manage at the beginning. It was therefore decided that, given the recent economic downturn and the reasons mentioned above, the BVRTSC would initially consist of only municipal members. The ski resort bus services would also remain under the responsibility of the ski resorts until such time there are sufficient funds and experience to bring these services under the management of the BVRTSC.

As well, Parks Canada's involvement has created a unique challenge in terms of the cost allocation scheme. As they are a federal department, they are unable to pay for the overhead costs of a regional service (e.g. marketing and administrative costs) or be a member of a regional commission (due to a possible conflict of interest). Therefore, a unique cost-sharing scheme that would allow Parks Canada to fund the direct operating costs of the park bus service, and compensate the Commission for not being able to contribute to the other costs had to be devised. The eventual recommendation was that Parks Canada would purchase buses and lease them to the Commission for a nominal fee, thereby reducing the Commission's operating costs.

Another level of complexity was the difference the municipalities' ability to pay. While Banff and Canmore have a relatively equal resident and visitor tax base to rely on, ID #9 has a much smaller residential population and not as many temporary accommodation facilities. ID #9's access to tax revenue is therefore much more limited. As explained above, this challenge has been overcome by requiring ID #9 to only contribute to the overhead (marketing and administrative) costs of the transit system.

Over the last couple of years, much like most parts of the world, the economy of Alberta has also been declining. Although the province is now slowly recovering, the municipalities have had difficulties in finding enough funds for

their municipal programs, and many have had to increase their tax rates (this, in fact, occurred in the midst of this particular initiative). As a result, garnering support for spending additional funds on a regional transit system has been another challenge, and the argument for transit service has had to be strengthened by describing in detail the potential benefits (qualitatively and quantitatively) each stakeholder would receive.

In addition, some stakeholders have been concerned that the introduction of the regional transit authority would effectively compete with existing transportation providers. These businesses have been part of Bow Valley for a long time, and there is a desire to protect them. Therefore, the idea of a regional public entity providing an inter-municipal transit service has been met with some resistance. To address this issue, it has been recommended that the new public transit services be delivered by existing transportation providers.

Planning Approach

To address the specific issues and to take advantage of the opportunities described above, multiple one-on-one meetings, teleconferences, and workshops with public and private stakeholders were held over the course of ten months. At these meetings and workshops, stakeholders had the opportunity to express their local and regional objectives, interests, and concerns. Their respective roles and responsibilities were also clarified at these consultations (e.g. current transit funding and operational arrangements and jurisdictional responsibilities). As well, the benefits associated with the regional transit system and how they were linked to the local and regional objectives were clearly explained. In the business plan, the benefits that each contributing party would gain were also described in detail. Solutions such as using local private operators to deliver the transit services were also proposed at the consultations and described in the business plan.

In addition, a considerable amount of time was spent on modifying the cost sharing scheme. This was the result of circumstances changing and new information being brought forward about each contributing parties' ability to pay. Although it was time-consuming, these iterations allowed many alternative cost-sharing schemes to be explored until an ideal one was reached (see the Cost Allocation section above).

As mentioned before, perhaps one element that would have made the planning exercise even more effective is a public survey. Such a survey would have helped determine more definitively which services are in highest demand, and what service features are required. While a public survey would have extended the duration of the consultations, it would have led to a more informed decision-making process.

Results and Current Status

At the time of this report, the representatives of each member municipality and Parks Canada have tentatively expressed their support for the formation of the BVRTSC. In summer 2010, a motion will be put forward to each municipal council to formally support this decision. It is also anticipated that within this timeframe, Parks Canada will make a formal decision on its contribution to the activities of the Commission. If all of the motions are passed, the next steps will include submitting a formal application to the Alberta Ministry of Municipal Affairs to establish the Commission, developing the marketing strategy, performance and customer-satisfaction standards, and selecting the transit operators for the new transit services through a competitive process.

5.2 Calgary Regional Partnership, Alberta – Regional Transit Plan

Overview

In the Calgary Regional Transit Plan (RTP) the feasibility of developing a network of express commuter bus services, which would connect the City of Calgary with outlying communities such as Airdrie and Cochrane, was examined. Also explored was a commuter rail system for the longer term, and a series of steps the Region and its member municipalities could take in the short- to medium-term to prepare for such a rail system. In moving forward, the Calgary Regional Partnership (CRP) Regional Transit Committee, which is made up of representatives from member municipalities, will provide the strategic policy directions and priority actions to implement the RTP. They will also work with Calgary Transit to initiate the two-way regional express bus service.

Opportunities

In the Calgary Region, the importance of transit is recognized in both regional and local planning efforts. For example, as the RTP was being developed, a regional land use plan (the Calgary Metropolitan Plan or CMP) was also being created. As well, the City of Calgary had concurrently produced an integrated Municipal Development Plan and Transportation Plan (called Plan-It). All of these plans aim to reduce the environmental footprint of the anticipated

regional growth and minimize the new acreage required to accommodate the forecasted growth. They also support the regional transit system and its strong integration with land use (through supporting growth nodes and corridors), and they recognize that in future years, the population of the region may be less concentrated in the City of Calgary (i.e., there will be more trips that are regional in nature).

Another advantage that the Region has is that the City of Calgary already has a strong transit system, to which the regional transit system can be closely linked and be built upon. As well, the City's municipal plan provides strong growth management policies and directions for the central geographical part of the CRP, and integrates well with the land use, transit and servicing policies of the CMP.

Another factor that could be in the Region's favour is its relative wealth, as it is a major centre for the energy industry (Calgary had the highest personal income per capita in Canada in 2009) (24). Therefore, while innovative funding strategies will still be required, in comparison to other regions in Canada, the individual municipalities have a greater ability to pay for a regional transit system.

Challenges

Unfortunately, the fact that the region is relatively wealthy can also discourage people from using public transit. Most residents can afford to purchase an automobile, making long commutes more manageable. Land is also fairly abundant and affordable in the regional communities, facilitating decentralized urban development and less efficient use of land. Together with the tendency to build lower density developments in regional communities, this trend perpetuates the need for a private automobile. Thus, at times it has been a challenge formulating a convincing argument that a regional public transit system will be successful in the Calgary Region.

Secondly, the Government of Alberta has historically had regulations that discourage public inter-municipal transit systems from being formed. To operate inter-municipal transit systems, an operating certificate had to be obtained from the provincial government, and these certificates have been mainly held by private operators. Thus, these certificate holders have been provided with a level of protection from other operators, making it more difficult for a new public transit operator to be given priority or exclusivity to a geographical area for the provision of inter-municipal transit services. Fortunately, the province is now pursuing a policy that will exempt municipalities operating inter-municipal bus routes from having to obtain an operating certificate.

Planning Approach

To ensure the RTP was coordinated with the CMP, it was developed with the CMP vision, strategies, and policies in mind. Information was also gathered from CRP politicians and staff through working committees and individual meetings. To help educate staff and politicians about regional public transit systems, a day-long transit symposium was also held in Calgary, which was attended by experts in a range of topics including commuter rail and service standards. Input from the participants was also collected at the transit symposium.

To garner more support and to coordinate the transit plan with the land use plan, public input on transit services was also obtained from the regional open houses and workshops held on for the CRP land use and growth management plan. Additional workshops focused on transit were also held.

To provide a stronger argument for a regional transit system, a public survey was conducted. The purpose of the survey was to determine the current level of satisfaction with the existing regional transit services provided by private sector companies, and to determine the potential demand for a new express bus service between the City of Calgary and the surrounding municipalities. The information gathered showed that there was indeed a latent demand for improved regional transit services from communities such as Airdrie and Cochrane. The survey therefore supported the recommendation of establishing a network of express regional bus services.

Aside from these consultations, extensive research was also conducted in the areas of regional transit governance, transit-oriented developments, transportation demand management strategies, regional transit hubs, and other related topics and issues.

Results and Current Status

Currently, the CRP is moving forward in implementing the Calgary RTP. The regional transit governance structure will likely be the next primary focus, as it will have important implications on many areas such as asset procurement and management, funding, administration, and the integration between transit and land use. The CRP will also be applying for provincial capital funding through the recently announced Green TRIP (Transit Incentives Program) initiative. These funds, if granted, will likely be used on expenditures such as: buses for the new regional and local

services serving the regional communities; additional light rail vehicles for the City of Calgary; land purchases to protect key transit corridors; maintenance facilities; and transit-oriented development plans.

5.3 Niagara Region, Ontario – Inter-Municipal Transit Plan

Overview

In the Niagara Region, there are currently three local transit systems operated by the public sector (i.e., individual municipalities) – Welland Transit, Niagara Falls Transit, and St. Catharines Transit. While these organizations mainly provide local services, they also offer some inter-municipal services, with a focus on serving the post-secondary institutions, Brock University and Niagara College (Welland and Glendale campuses). It is recognized, however, that the demand for inter-municipal services is growing (as inter-municipal work, school, shopping, and recreational trips increase and the smaller communities continue to grow) and that this demand cannot be met by the current capacities of the local transit agencies. In the recent Inter-Municipal Transit Plan, it has been recommended that more regional services be gradually added and that the governance structure be modified over time so that it becomes more regionally-focused. The long-term goal would be to establish a regional transportation commission that would manage the local and inter-municipal transit routes, as well as other modes of transportation.

Opportunities

In this case, one of the major advantages is that a regional government body – the Regional Municipality of Niagara (RMN) – already exists. Therefore, there are mechanisms already established that allow all of its twelve member municipalities to collaborate, share their resources, and to provide regionalized public services. The fact that the RMN is a legal entity also makes it easier for it to collect transit revenue, purchase and own capital assets, and to contract out services.

In addition, the RMN has emphasized the provision and continued enhancement of public transit as an important means of moving people around within the Region in its recent growth management strategy, Niagara 2031. The Niagara Transportation Strategy has also recognized the importance of providing alternative modes of transportation for inter-municipal and regional travel. Therefore, both plans support the argument of providing effective regional transit services.

Furthermore, as all three major urban centres of the Niagara Region (Cities of Welland, St. Catharines and Niagara Falls) are experienced transit service providers, all three cities understand the benefits and costs of regional transit services. The Niagara Specialized Transit system, which provides inter-municipal transit services to passengers with mobility challenges, has also shown that a regionally-coordinated transit system is possible and effective. Hence there is a general agreement that expanding the transit system and improving service levels would generate net benefits for the Region. As a result, in this particular study, less time has been spent convincing the public and politicians of the need for additional regional transit services. Instead, more time has been spent on defining how the services provided, cost-allocation schemes, and governance structures would change over the short-, medium-, and long-term. This is intended to provide the Region and its member municipalities with a better indication of what they can expect out of the regional transit system over the next 10 to 15 years, and what they can do to effectively plan for these changes.

Another opportunity for the Region is the future GO Transit services (Ontario's inter-regional transit system) that will likely connect Grimsby, Lincoln, St. Catharines, and Niagara Falls. These services will help build upon and support the region's local and inter-municipal transit services.

Challenges

Between the twelve municipalities in the region, there is a significant difference in terms of population and the level of transit services provided. Most of the population, as well as the transit services provided, are in the central urban areas, and these trends are not expected to change very much over the short-term. As such, some of the smaller communities are concerned about having a regional levy, which all member municipalities would have to pay regardless of whether or not they are receiving transit services. Some municipalities feel it is unfair to have to pay for a system that is not yet providing them with direct service.

The cost of providing enhanced inter-municipal transit routes is also a concern for the Region and its municipalities. In addition to the costs associated with increased frequency and operating hours, the routes serving the post-secondary institutions are currently entirely funded by these institutions. Under a regional transit model, the Region

would have to assume more responsibility for these costs, and municipalities may also have to contribute if they require further enhancements to the services.

Amongst the three municipalities that are already providing transit services, there is also some concern over the loss of control over their local routes. These municipalities would prefer that the Region simply provide some additional funding to the municipalities, who would then deliver the inter-municipal services. The problem is, however, that such a model will not necessarily guarantee the services provided by the different municipalities will be coordinated or the regional goals will be met.

An example of one of the areas that currently lack coordination is the fare system. The fare structures and policies between the three different systems are quite different, and as a result it can be difficult for a passenger wishing to travel between the three municipalities to determine how much they need to pay. As well, the Region will need to renegotiate the existing U-Pass programs to include the increased cost of providing more inter-municipal transit services. This will require consultations with each of the post-secondary institutions. Other areas that require better coordination include the customer information systems and the scheduling of the routes.

Planning Approach

The planning approach that was taken in this study was to develop a governance and cost-allocation strategy that strives to address the issues mentioned above. Firstly, as mentioned before, to address the smaller communities' concern about their lack of ability to pay it was recommended that a portion of the overhead costs (i.e., marketing and administrative costs) and the capital reserve fees (used to build up the ability to purchase capital assets in the future) be paid by all of the municipalities within the region and the rest be covered by those municipalities directly receiving transit services. The direct operating costs would also be covered by the municipalities directly receiving service. Under such a model, the financial burden on the smaller communities would be smaller.

Secondly, to justify the costs of providing an inter-municipal transit system, the economic, social, and environmental benefits of having an inter-municipal transit system had to be clearly shown. The final decision of whether or not these reasons are sufficient, however, still rested with the municipalities and the Region.

Thirdly, the proposed transit plan recommended that the local services remain within the control of the respective municipalities at least for the first five years. This would give all of the member municipalities an opportunity to build up their experience and work together to manage an inter-municipal transit system. Then, after year 5, when there is enough support for a multi-modal transportation authority to be established and it has been found that significant operational and cost-efficiencies would be gained through such an integration, a regional Commission would be initiated. In other words, the governance system would gradually change over time to become more regionalized.

It was also proposed that a coordinated fare system be implemented. The two options presented were: 1) one flat rate that would be used for all inter-municipal routes, with free transfers to the local transit system, and 2) a zone-based system, where travel anywhere within one zone would require a single fare and travel to another zone would require an additional fare to be paid. With either option, passengers would have to pay separate fares for local and inter-municipal transit services.

Finally, to educate stakeholders and the general public about this proposed plan and to get feedback, an online public survey and numerous workshops were held. The Niagara Region's website was also been used as a means of disseminating relevant information as it became available. These workshops generated useful discussions and provided an indication that there was support for an inter-municipal transit system.

Results and Current Status

The decision recently reached by the Niagara Region transit committee is that widespread support for a regionally-controlled transit agency would be difficult to achieve (the motion would have to pass a triple-majority vote). They have therefore endorsed a proposal presented by the municipalities, where the Region would buy buses for the inter-municipal routes and cover the net operating costs, while the three city transit commissions would jointly operate and manage the inter-municipal services. The anticipated start date of the new services is early summer of 2011. At the time of this report, the details of this arrangement have yet to be finalized and the plan has yet to be officially ratified by the Regional council.

Although this plan is not as ambitious as the option that was originally recommended, it is still a step in the direction of having a truly regional transit system. The ridership in the new and enhanced services will also help prove an expanded transit system is necessary.

6. Summary of Lessons Learned and Conclusion

Through the three case studies discussed above, there are five key lessons learned, and these are described below.

1. At the beginning of a regional transit planning process, local, regional, private, and public objectives, needs, and concerns should be clearly identified. Communications should be carefully managed with all stakeholders, especially with current transportation providers, and efforts should be made to balance these different interests and create win-win situations. Innovative private-public partnerships are possible when the conditions are right, and partnerships can be struck with the private sector by contracting out the delivery of the public transit services.
2. The benefits of having a regional transit authority and system should be described in as much detail as possible (and in quantitative terms whenever possible). Even if benefits cannot be quantified, they should be described qualitatively. As well, these benefits should be linked back to the local and regional objectives that have been identified. Strategic benefits such as enhanced mobility for employees and students, reduced greenhouse gases, etc., should also be duly noted.
3. Careful attention should be paid to the cost-allocation schemes that are used. The scheme should reflect the different member municipalities' ability to pay, their share of the total ridership, and the level of service they receive.
4. Local conditions can change quickly, and this can significantly impact a municipality's ability to pay or contribute to a regional authority. It is therefore important to keep abreast of local conditions, and to be ready to make any required changes to the services provided and the distribution of costs.
5. Thorough public consultation is of utmost importance. In the case of CRP (Calgary Regional Partnership), the public survey provided a lot of useful information on how the express bus service could be operated.

Overall, these five key lessons, as well as the other information provided in this report, should serve as a useful guide for other municipalities, regions, and consultants working on similar regional transit initiatives. As the need for public transit services increase (due to increases in gas prices, concerns of climate change, etc.), it is anticipated that more and more areas will become interested in integrating and improving their transit services. Indeed, a healthy and effective transit system is certainly an important component of a sustainable community.

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