Agenda – Executive Policy Committee – June 21, 2006

REPORTS

Item No. 1 **Rapid Transit Task Force Final Report, Section 7**
File TT-8

ADMINISTRATIVE RECOMMENDATION:

That the report be received as information.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 1, 2006, the Executive Policy Committee referred Section 7 of the Rapid Transit Task Force Report dated September 2005 to the Administration for report back in ninety (90) days.

COUNCIL DECISION:

On February 22, 2006, Council amended the recommendation of the Executive Policy Committee and adopted the following:

1. That the Implementation Plan of Transit Improvements, as shown in Table E2 contained in the administrative report dated January 30, 2006, be approved in principle as the first stage of implementation of the recommendations of the Rapid Transit Task Force.

2. That capital funding authorizations recommended in the Implementation Plan for each of the years 2006 – 2011 be referred to the Capital Budget review process in each of those years, including:

    A. That Federal Gas Tax revenues specified for transit purposes and to be transferred to the City in 2007, 2008, and 2009 under the auspices of the Canada – Manitoba Agreement of November 18, 2005 be allocated to those projects in the implementation plan identified to be funded by such revenues.

    B. That Federal Gas Tax revenues specified for transit purposes and to be transferred to the City in 2006 and 2007 under auspices of Federal Bill C-66 be allocated to those projects in the implementation plan identified to be funded by such revenues.

    C. That Innovative Transit Program funding in each year be allocated to those projects in the implementation plan identified to be funded by the Innovative Transit Program.

3. That subject to approval of the proposed "Articulated Electric Hybrid Buses" project in the City's 2006 Capital Budget and the completion of an agreement with the Federation of Canadian Municipalities (FCM) for funding assistance through the Green Municipal Funds program, Federal Gas Tax revenues specified for transit purposes and to be transferred to the City in 2006 and 2007 under the auspices of Federal Bill C-66 be approved to prepay the savings-based and low-interest FCM loans at the earliest opportunity.

DECISION MAKING HISTORY:

COUNCIL DECISION (continued)

4. That any changes in operating costs resulting from transit projects approved in the Capital Budget process for each of the years 2006 – 2011 be referred to the Operating Budget review process in each of those years.

5. That the Council Decision of July 23, 2003, to provide the Director of Planning, Property and Development with authorization "to negotiate such property acquisitions as the Transit Department through its Consultants may identify for completion of Stage 1 of the Southwestern Corridor and Stage 1 of the Eastern Corridor . . . and to report back with the results thereon", be amended to extend that authority to include property acquisitions identified by the Transit Department for Stage 2 of the Southwestern Corridor and Stage 2 of the Eastern Corridor.

6. That Section 7 of the Rapid Transit Task Force Report dated September 2005 be referred to the Executive Policy Committee for report back to Council by June 28, 2006.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT

RE:	**Section 7 (Rapid Transit Policy Recommendations) of the Rapid Transit Task Force Report**
FOR SUBMISSION TO:	**Executive Policy Committee**
ORIGINAL REPORT SIGNED BY:	**Dave Wardrop, Director of Transit**
REPORT DATE:	**2006-05-25**

RECOMMENDATION:

That this report be received as information.

Report Summary

Key Issues:

1. On October 19th, 2005, Executive Policy Committee received the final report of the Rapid Transit Task Force and recommended to Council that the Administration review the report of the Rapid Transit Task Force and report back to Executive Policy Committee on analysis of options and advice with respect to:

    - Implementation of the Report's recommendations
    - A priority list of short-term improvements that can be undertaken in 2006-2007
    - Timelines for potential implementation
    - Costs of options being recommended
    - Funding options for potential project costs

2. On February 22nd, 2006, Council adopted the recommendations contained in the administrative report entitled *"Rapid Transit Task Force Recommendations – Implementation Plan of Transit Improvements"* and directed that Section 7 (Rapid Transit Policy Recommendations) of the Rapid Transit Task Force be referred to Executive Policy Committee for report back to Council by June 28th, 2006.

3. The report of the Rapid Transit Task Force included two sections of recommendations:

    - A very detailed set of recommendations was included in ***Section 6: Rapid Transit System Recommendations***. In brief, these system recommendations included the implementation of an integrated set of transit improvements (new vehicles, stop and station upgrades, intelligent transportation systems (ITS) technology, transit priority measures, and park and ride) in designated Quality Corridors. These recommendations were based on an extensive review of options outlined in earlier

parts of the Rapid Transit Task Force Report. Subsequent to adoption of the Task Force report by Council, an implementation plan for the recommended improvements was prepared by the Administration. Council approved this implementation plan on February 22nd, 2006, and the Transit Department has since initiated work on the transit improvements.

- Compared to the system recommendations, a more general set of recommendations was included in ***Section 7: Rapid Transit Policy Recommendations***. This administrative report provides background information for issues raised by the Task Force's policy recommendations for consideration by elected officials.

4. The policy recommendations were grouped into five parts: *Access, Customer Service, Economic Development, Governance,* and *Guiding Future Development*. In the "Discussion" part of this report, background information is provided for each.

Implications of the Recommendation:

General Implications

(x) None

( ) For the organization overall and/or for other departments

( ) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Policy Implications

(x) No

( ) Yes

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Environmental Implications

(x) No

( ) Yes

Human Resources Implications

(x) No

( ) Yes

Financial Implications

(x) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Report

REASON FOR THE REPORT:

At its meeting on March 1st, 2006, the Executive Policy Committee referred Section 7 (Rapid Transit Policy Recommendations) of the Rapid Transit Task Force Report dated September 2005 to the Administration for report back in ninety (90) days.

HISTORY:

On September 29th, 2004, Council adopted a recommendation of Executive Policy Committee to reallocate $43 million of the Canadian Strategic Infrastructure Fund agreement from the Bus Rapid Transit project to community recreation and leisure facility projects, to allocate $7.5 million of the BRT funding to transit modernization initiatives, to pursue funding for transit modernization from other sources (including the Green Municipal Funds Program), and to establish a Rapid Transit Task Force to recommend a long-term rapid transit plan for the City.

In October 2004, the Mayor appointed the Rapid Transit Task Force, with Councillor Wyatt as Chair and Councillors Pagtakhan and Gerbasi as members. In addition, a six-person Advisory Council of citizens was appointed to support the Rapid Transit Task Force in its work.

The Rapid Transit Task Force officially commenced its work on December 15th, 2004 with approval of its work plan by EPC Secretariat and Council approval of its project budget. The Task Force was to submit its report to Executive Policy Committee by June 30th, 2005. In July 2005, Council granted a 90-day extension to this deadline. The Task Force completed its final report in September 2005.

On October 19th, 2005, Executive Policy Committee received the final report of the Rapid Transit Task Force and recommended to Council:

1. That the Rapid Transit Task Force – Made in Winnipeg Rapid Transit Solution – Final Report dated September 2005, be received as information.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

3. That the Administration review the report of the Rapid Transit Task Force and report back to Executive Policy Committee on analysis of options and advice with respect to:

    - Implementation of the Report's recommendations
    - A priority list of short-term improvements that can be undertaken in 2006-2007
    - Timelines for potential implementation
    - Costs of options being recommended
    - Funding options for potential project costs

On October 26th, 2005, Council adopted the October 19th, 2005 recommendations of Executive Policy Committee with respect to the final report of the Rapid Transit Task Force.

On February 8th, 2006, Executive Policy Committee concurred in the recommendations contained in the administrative report entitled *"Rapid Transit Task Force Recommendations – Implementation Plan of Transit Improvements"* and recommended adoption of same by Council.

On February 22nd, 2006, Council adopted the recommendations contained in the administrative report and directed that Section 7 (Rapid Transit Policy Recommendations) of the Rapid Transit Task Force be referred to Executive Policy Committee for report back to Council by June 28th, 2006.

On March 1st, 2006, Executive Policy Committee referred Section 7 of the Rapid Transit Task Force Report dated September 2005 to the Administration for report back in ninety (90) days.

DISCUSSION:

Overview

The report of the Rapid Transit Task Force included two sections of recommendations:

1. A very detailed set of recommendations was included in ***Section 6: Rapid Transit System Recommendations***. In brief, these system recommendations included the implementation of an integrated set of transit improvements (new vehicles, stop and station upgrades, intelligent transportation systems (ITS) technology, transit priority measures, and park and ride) in designated Quality Corridors. These recommendations were based on an extensive review of options outlined in earlier parts of the Rapid Transit Task Force Report. Subsequent to adoption of the Task Force report by Council, an implementation plan for the recommended improvements was prepared by the Administration. Council approved this implementation plan on February 22nd, 2006, and the Transit Department has since initiated work on the transit improvements.

2. Compared to the system recommendations, a more general set of recommendations was included in ***Section 7: Rapid Transit Policy Recommendations***. This administrative report provides background information for issues raised by the Task Force's policy recommendations for consideration by elected officials.

The Task Force's Rapid Transit Policy Recommendations

The rapid transit policy recommendations were grouped into five parts: *Access, Customer Service, Economic Development, Governance,* and *Guiding Future Development*. Each of these is discussed below.

1. ACCESS

Recommendation 1A:
The proposed Rapid Transit System follow principles of Universal Design.

Commentary:
On December 12th, 2001, Council adopted the Universal Design Policy. This policy recognizes that all citizens of the City of Winnipeg have a variety of different needs and abilities that should not exclude them from participating in community life or accessing municipal services. Universal Design is an approach to design that attempts to create environments, programs, and services that respond to the needs of the widest range of the population to the greatest extent possible. Rather than treating access issues after the fact, the Universal Design policy requires the City to incorporate Universal Design principles into the earliest stages of project development. All projects undertaken by the Transit Department, including those in the implementation plan of transit improvements approved by Council on February 22nd, 2006, will integrate the principles of Universal Design.

Recommendation 1B:
The proposed Rapid Transit System be designed and marketed to encourage use by existing Handi-Transit users.

Commentary:
As discussed above, the design of any future Rapid Transit System will integrate the principles of Universal Design. As examples, the system will include the operation of fully-accessible low-floor vehicles on rapid transit services, will accommodate the needs of those with physical disabilities at rapid transit stations, will provide convenient transferring facilities between Handi-Transit vehicles and rapid transit vehicles at stations, and will provide high quality service information that permits all types of passengers to use the system with ease.

2. CUSTOMER SERVICE

Recommendation 2A:
A public education campaign be developed on the redesigned Diamond Lanes.

Commentary:
As outlined in the report *"Rapid Transit Task Force Recommendations – Implementation Plan of Transit Improvements"* approved by Council, detailed feasibility studies of the Task Force's recommendations on diamond lanes and queue jumps will be undertaken and recommendations for implementation will be prepared. As part of the feasibility studies, public consultation will be undertaken in each affected Quality Corridor. As new diamond lanes and queue jumps are implemented, comprehensive information describing the purpose of these new facilities, their locations, the type of vehicles permitted to use them, and the traffic regulations regarding their use will be communicated to the public at large.

Recommendation 2B:
Origin/Destination Studies to be completed every three to five years to ensure Transit is meeting customer needs.

Commentary:
At 5-year intervals between 1962 and 1992, the Transportation Planning Division of the predecessors of the Public Works Department conducted comprehensive city-wide origin-destination surveys of work and post-secondary travel in Winnipeg. These surveys provided essential data in the preparation of the City's transportation plans (including roads, bridges, transit, cycling), in the assessment of land development impacts on the transportation system, and in the preparation of the original and first update of Plan Winnipeg.

Due to budget constraints, these surveys were discontinued after 1992. Since then, the City has relied on travel data collected from 20% of households in the national census conducted by Statistics Canada every 5 years. Such data has been available to the City for the 1996 and 2001 censuses. While the census data does provide some value, it is limited in sample size (data for many origin-destination flows are often suppressed by Statistics Canada for reasons of confidentiality) and the data fields available for analysis are not necessarily those required for urban transportation planning. In comparison, the origin-destination surveys previously conducted by the City provided a much fuller set of data that permitted more complete analysis.

During preparation of the 2006 operating budget, a joint *Request for Approval (RFA)* was submitted through the Planning, Property, and Development Department (on behalf of that department, the Public Works Department, and the Transit Department) to reinstate the City-conducted origin-destination surveys every five years. The surveys would establish comprehensive baseline and trend data to support planning at various levels (Plan Winnipeg, secondary plans, and department operational planning); for the review and assessment of development applications; to model the impacts of development proposals on traffic congestion, travel times, transit and cycling use; and to assess options to improve the transportation system in response to projected changes in travel demand.

The RFA proposed that annual amounts be budgeted to enable a comprehensive origin-destination survey to be undertaken every five years, with the initial survey being undertaken in 2010. Due to budget limitations, however, the RFA was not approved.

Changes have been made, however, in the City's administrative structure and coordinating mechanisms to improve the integration of long range transportation planning with land use planning. As part of the "Integrated Planning" initiative, a Senior Transportation Planner position was assigned to the Planning, Property, and Development Department. The Planning Executive Advisory Committee (PEAC), comprised of the directors of the Planning, Property and Development, Public Works, Transit, Water and Waste, and Community Services departments, meets monthly to deal with land use, transportation, and servicing issues related to major land development and economic development initiatives. More recently, the Directors of Planning, Property, and Development, Public Works, and Transit, at the request of the CAO, have completed a Transportation and Land Use Planning Integration Initiative. As a result of that study, administrative arrangements will be implemented at levels in the organization that deal with transportation planning, land use planning, and development matters to improve the coordination of these functions.

Recommendation 2C:
Transit build on the existing DART service and pilot a shuttle bus project to provide enhanced feeder service to the Rapid Transit System.

Commentary:
Since 1996, the Transit Department has tested an alternative concept of service delivery in low-density areas during periods of low demand. In a number of areas, regular fixed-route service has been replaced by a flexible dial-a-ride service (DART) that operates on demand when and where required. The major benefits to users are more direct travel, reduced walking distances, and a more secure ride. However, DART services operate less frequently than do the fixed-routes they replace. This is because a DART service is required to cover a larger geographic area than its fixed-route counterpart.

During the past decade, six DART services have been implemented. Four have been successful and remain in operation in the St. Amant, Southdale/Island Lakes, St. Norbert, and St. Boniface areas. Two resulted in significant ridership losses (in Westwood and Lakeside Meadows) and, after a trial period, the fixed-route services in the affected areas were reinstated.

Experience has shown that DART services work best during evenings and Sundays/Holidays when most passengers are making outbound trips to their homes and when the passenger demand is less than 20 passengers per bus hour. At higher levels of demand, fixed-route service is more cost-effective.

DART is an approach that is applicable for a niche travel market in areas of low residential density during periods of low demand. The replacement of fixed-route service by a DART service does not necessarily result in savings in transit operating costs. Rather, it permits a transit bus to cover a service area more completely than a fixed-route service can.

In conjunction with any future busway development, the transit route network will be reconfigured in the areas served by each busway. A major advantage of busways is that transit vehicles can operate both on the busways and on the regular street system. This permits the design of a very flexible route network that minimizes the need for passengers to transfer. Consequently, the transit network would include a variety of route types, including line-haul routes that operate exclusively along the busway, express routes that first circulate throughout a neighbourhood on the regular street system to pick up passengers and then operate at high speed on the busways to downtown, and feeder routes that connect with the line-haul routes at busway stations.

In most neighbourhoods, the passenger demand during weekday peak periods is likely to be sufficiently high to warrant the operation of direct express routes that use a combination of street and busway operation. During off-peak periods, however, it will likely be more cost-effective to serve some of the smaller neighbourhoods with feeder routes that connect with the line-haul routes at busway stations. In such situations, synchronization of each feeder route's schedule with that of the line-haul service is always required. In certain circumstances, it may be possible to adapt some of the features of DART (on demand routing or at-home pick-up, for example) to the feeder services to provide enhanced convenience for passengers.

3. ECONOMIC DEVELOPMENT

Recommendation 3A:
Partnerships with business in station construction, operation, and retail services should be explored.

Commentary:
During the development of any future busways, opportunities for public-private-partnerships (P3's) will be actively encouraged. For projects of the scale of rapid transit, such partnerships can lever private capital, can moderate the need for public funding, can accelerate construction schedules, can create economic development benefits, and can provide a diverse range of services to the public.

The opportunities are likely to be greatest in the development of the rapid transit stations. Where the volume of passenger activity at a station is projected to be sufficiently large to support ancillary commercial services (such as newsstands, coffee shops, etc.), private operators will be invited to make proposals to the City to provide such services. Where there is opportunity for joint development (in the case of a station being incorporated into a larger commercial, institutional, or residential facility), then the City will work with developers to create multi-purpose facilities that meet a range of needs.

Recommendation 3B:
The establishment of Memorandums of Understanding with the bus manufacturing industry on research and development should be considered.

Commentary:
For many years, the Transit Department has worked cooperatively with New Flyer Industries, a local manufacturer of urban transit buses, to test design enhancements on transit vehicles. This not only provides feedback to the manufacturer from a transit operator, but also permits the Transit Department to assess new features of vehicles prior to the development of detailed specifications for bus tenders. Transit staff routinely perform detailed inspections of new buses at the assembly plant prior to delivery of the buses to the department's garage. Not only does this permit manufacturing defects to be corrected at the plant, it also provides an opportunity for technical staff from both organizations to improve products and procedures. Examples include the resolution of steering issues on the Invero model and the development of new diagnosis/repair procedures for brake cams.

The department has also worked closely with the supplier of its Automated Passenger Counting System to build on that technology to develop a cost-effective approach to replace the existing Bus Radio Communication System, to add an Automatic Vehicle Location capability, and to develop integrated databases to support Control Centre and Customer Information applications.

It is important to note, however, that the Transit Department is structured and funded to be a service delivery operation with minimal research and development capacity. If the department were to assume a larger role in research and development, then it would be necessary that additional resources (research engineers, specialized equipment, and research space) be provided to support such an initiative. It is unlikely that there would be much opportunity to recover these additional costs, however.

4. GOVERNANCE

City Issues:

Recommendation 4A:
The Alternative Service Delivery Committee investigate the creation of a Winnipeg Transportation Authority to oversee both the road and transit systems. As part of the Winnipeg Transportation Authority, a Transit Land Development component should be considered.

Commentary:
The type of organization structure used for urban transportation varies throughout Canada. In general, the nature of the organization structure depends on whether the transportation system covers a single or multiple municipalities, and on whether responsibility for the delivery of urban transportation services is jointly shared between a province and a municipality or is the exclusive responsibility of a municipality.

In very general terms, the approaches used by Canadian cities fall into three categories:

Municipal Departments for Roads and for Transit
This approach is common in situations *where urban transportation services are provided primarily in a single municipal jurisdiction and the assignment of responsibility for such services to the Council of that jurisdiction provides the most transparent governance*.

This approach is the one that is used in the Prairie Provinces. Urban transportation responsibilities are organized in municipal departments in each of the major cities (Winnipeg, Calgary, Edmonton, Saskatoon, Regina). The departments report through a Chief Administrative Officer or City Manager to a standing committee of City Council or directly to City Council. Mechanisms are set up within each municipal government to coordinate the development of policy and capital budgets amongst land use planning, roads, and transit functions.

Municipalities that neighbour these large "unicities" tend to be quite small in size. The neighbouring municipalities are usually responsible for their local roads. If one is sufficiently large to warrant transit service, the municipality either operates its own service or makes arrangements with the "unicity" for the extension of the transit system to the neighbouring municipality on a cost-shared basis (similar to the Intermunicipal Service Sharing Initiative recently adopted by Winnipeg's City Council).

Municipal Department for Roads and "Arms Length" Transit Commission
In some urban areas, multiple municipal jurisdictions often cover a contiguous metropolitan area. Until recently, this has been common in Ontario and Quebec. In such situations, each of the individual municipalities contains its own municipal department for roads and traffic. The planning for regional roads is usually a joint responsibility of the province and the municipalities in the region.

In these situations, transit commissions, which are "arms-length" organizations from local councils, are used to coordinate the delivery of transit service across the multi-jurisdictional service area. An independent board of directors, usually comprised of mayors and councillors of the municipalities served by the transit system, governs the transit commission. The input of local municipal councils with respect to transit service is normally restricted to the approval of the commission's budget each year.

In the past few years, the provincial governments in Ontario and Quebec mandated amalgamation initiatives in major cities. As a consequence, urban areas that were formerly governed by a number of municipalities have been merged into a single municipality (similar to the "Unicity" initiative in Winnipeg in 1971). In some cities, these changes resulted in the consolidation of all urban transportation functions into municipal departments. In Ottawa, for example, the transit function is now organized as a municipal department (as is the roads function) reporting through the City of Ottawa's administrative structure to a standing committee of City Council. Prior to amalgamation, a separate "arms-length" transit commission was responsible for urban transit in the former Ottawa-Carlton region.

In Quebec, some of the amalgamations have been reversed. As a result, transportation services in contiguous urban areas are still delivered across multiple

municipal jurisdictions. As was the case prior to the amalgamation initiative, the separate "commission" form of transit organization still predominates in Quebec cities. In the Montreal area, a provincial agency, the *Agence metropolitaine de transport*, has been established to coordinate the planning and financing of regional transit services. While the AMT operates the commuter rail service and some regional bus services, most transit services are still delivered by the transit commissions in the Montreal area.

"Arms Length" Transportation Authority (responsible for Roads and Transit)
In Vancouver, a unique set of circumstances led to the creation in 1999 of an "arms-length" transportation authority, called *TransLink*, for the Vancouver region. The purpose of the change was to shift responsibility for urban transportation from the provincial government to a locally accountable organization and to provide a coordination mechanism for the planning and delivery of urban transportation services across the 20 municipalities of the Vancouver region.

Prior to the creation of *TransLink*, a provincial crown corporation (BC Transit) was responsible for the planning and delivery of transit services in the municipalities that form the Greater Vancouver Regional District (GVRD). A major impetus for change, therefore, was to shift responsibility for transit (a local service) to the municipalities in which the service was delivered. The other motivation for change related to the statutory powers of the GVRD. While it provided some regional services to its member municipalities (sewage and solid waste disposal, water supply, and regional parks), the GVRD did not have powers to control land use planning or transportation. This collection of governance arrangements made it difficult to implement a coordinated approach to development and transportation across the region.

To improve governance and to coordinate transportation planning, *TransLink* was formed in 1999. In addition to taking over responsibility from the province for transit, *TransLink* was assigned responsibility for regional roads and bridges, regional cycling facilities, and transportation demand management programs to enable the coordination of urban transportation across the member municipalities of the GVRD. Each of the individual municipalities also has its own municipal department for roads and traffic. *TransLink* is directed by a board with political representation from each of the municipalities in the GVRD and from the Province.

Funding Sources for Urban Transportation
Because municipalities are creatures of the Provinces, the funding sources for urban transportation are determined by policies adopted by provincial governments. Consequently, even federal participation in the funding of urban transportation (the sharing of Federal Gas Tax revenues and the Public Transit Capital Trust, for example) must be coordinated through the Provinces.

In general, there is no fixed relationship between the type of organization structure used for urban transportation and the types of funding sources available to an urban area to build, maintain, and operate its transportation system. Rather, the sources of available funding are determined directly by policies adopted from time to time by the relevant provincial government.

In most cities, authorized sources of funding include some combination of local funds, provincial grants, and federal funds that flow through the Province. The following table illustrates approaches that are used in various parts of the country:

Province	City	Funding Sources	
		Operating	**Capital**
Alberta	**Calgary** **Edmonton**	Local Property Tax User Charges (eg. transit/parking rates) Provincial Unconditional Municipal Grant Program (annual per capita grant for all municipal services)	Local Property Tax Provincial Transportation Grant (annual grant determined by amount of gasoline sold in each city, at rate of $0.05/litre)
British Columbia	**Greater Vancouver**	Local Property Tax Provincial Gas Tax ($0.115/litre) Hydro Levy ($1.60/month/household) Sales Tax on Paid Parking (7%) Parking Charges Transit Fares Vehicle Registration Fees Benefiting Area Charges Tolls on New Facilities	Provincial Grants for Specific Projects
	Greater Victoria	Provincial Transit Operating Grant User Charges (eg. transit/parking rates)	Provincial Transit Capital Grant Provincial Grants for Specific Projects
		Provincial Gas Tax for Transit – based on $0.025/litre) – used for capital and operating purposes	
Manitoba	**Winnipeg**	Local Property Tax User Charges (eg. transit/parking rates) Provincial Transit Operating Grant	Local Property Tax Provincial Bus Replacement Grant
Ontario	**All Municipalities**	Local Property Tax User Charges (eg. transit/parking rates)	Provincial Grants for Specific Projects Ontario Transit Vehicle Progarm (one-third of bus replacement costs)
		Provincial Gas Tax for Transit (annual grant – based on $0.02/litre – used for capital and operating purposes	
Quebec	**Greater Montreal**	Local Property Tax User Charges (eg. transit/parking rates) Vehicle Registration Fee ($30 per year) Provincial Gasoline Tax ($0.015/litre) – dedicated to transit	Local Property Tax Provincial Grants for Specific Projects
	Quebec City	Local Property Tax User Charges (eg. transit/parking rates) Vehicle Registration Fee ($30 per year) – dedicated to transit	Local Property Tax Provincial Grants for Specific Projects

Transit Land Development Component

With respect to the Task Force's recommendation on a *Transit Land Development Component*, there is no known example of any transit department, transit commission, or transportation authority in Canada being assigned a land development mandate. While there are certainly examples where public-private-partnerships have been used for joint developments at rapid transit stations (see Recommendation 3A above) or where

developers have been encouraged to develop adjacent land in a manner that supports public rapid transit investments, such initiatives are generally pursued within the framework of established mechanisms municipalities have in place for development and economic development purposes.

Provincial Issues:

Recommendation 4B:
The City champion "Yield to Bus" legislation.

Commentary:
In the early 1990's, the City requested the Province to amend the Highway Traffic Act to make it a requirement for motorists to yield to buses attempting to merge left from a bus stop or a bus bay. This is similar to legislation currently in effect in Quebec, Ontario, and British Columbia. After much consideration, Provincial staff declined to recommend to Cabinet that such an amendment be made. The two major concerns were the perceived risk of increased collisions between private vehicles and buses pulling away from a bus stop and the difficulties of enforcing such a regulation. Since that decision, the Transit Department has employed a voluntary program of "Yield to Bus" in Winnipeg. Decals that request motorists to give way to buses are affixed to the rear left corner of each bus in the transit fleet. This voluntary program has worked reasonably well and will be supplemented with Transit Signal Priority measures as part of the program of transit improvements recently approved by Council.

Recommendation 4C:
The benefit for large EcoPass employers be increased.

Commentary:
The EcoPass program is a marketing initiative of the Transit Department to encourage employers to subsidize monthly transit passes for their employees. For each 20% discount the employer provides to its employees, the Transit Department provides a 10% discount on the bulk purchase of passes by the employer. In this way, the Transit Department sells passes at a 10% discount that translates into a 30% discount off the full pass price for the transit user. This arrangement has had good success in attracting new users to transit, while protecting transit revenues. While most employers participating in the program to date have opted for an arrangement that provides employees with a 30% discount, others have designed their programs to provide 50% or 100% discounts to their employees. The program is very flexible to meet the specific needs of each workplace.

Recommendation 4D:
City Council negotiate with the Province to restore the historical 50% share subsidy of Transit, a higher proportion of Handi-Transit funding and dedicate a portion of the Provincial gas tax to Transit improvements.

Commentary:

Operating Funding:

The operation of transit service is funded from three major sources each year:

- System Generated Revenues (fare, advertising, and charter revenues)
- Province of Manitoba Operating Grant
- City of Winnipeg Operating Grant

Prior to 1993, a formula was used to determine the amount of the Provincial operating grant. Subject to a maximum, it amounted to approximately 50% of the difference between total operating expenses and system-generated revenues. The other 50% was funded through the City's tax-supported budget. Since 1993, the Province has provided the City was a fixed operating grant each year.

The Province also provides other grants to the City for transit. A portion of the *General Support Grant* provided to the City is allocated to the Transit Department to offset the department's share of the Province's Health and Post-Secondary Education Tax Levy (payroll tax) paid by the City.

On an ad hoc basis, the Province also makes *Special Purpose Grants*. In the 1990's, such grants were received by the City to help fund the acquisition of Handi-Transit buses and the expansion of Handi-Transit service through the use of private companies. More recently, such grants have been received to assist with the funding of Handi-Transit service.

The following table shows the distribution of transit revenues by source over the 1991 – 2005 time period:

Year	System-Generated		Provincial Grants		City Grant		Total Revenues
	Amount	%	Amount	%	Amount	%	
1991	$40,510,635	52.0%	$17,983,910	23.1%	$19,359,949	24.9%	$77,854,494
1992	40,631,269	50.7%	18,688,003	23.3%	20,822,951	26.0%	80,142,223
1993	41,356,639	51.6%	17,800,440	22.2%	20,983,299	26.2%	80,140,378
1994	42,260,674	52.6%	17,757,959	22.1%	20,292,920	25.3%	80,311,553
1995	40,712,402	47.8%	17,970,531	21.1%	26,524,994	31.1%	85,207,927
1996	43,123,850	49.8%	17,438,112	20.2%	25,997,694	30.0%	86,559,656
1997	46,229,670	50.7%	17,466,125	19.2%	27,421,233	30.1%	91,117,028
1998	47,341,698	52.9%	17,424,946	19.4%	24,810,325	27.7%	89,576,969
1999	48,368,246	53.3%	17,468,007	19.2%	24,937,807	27.5%	90,774,060
2000	49,558,703	52.7%	17,429,311	18.5%	27,099,804	28.8%	94,087,818
2001	51,052,596	52.1%	17,895,165	18.2%	29,064,879	29.7%	98,012,640
2002	50,775,521	51.9%	17,959,463	18.4%	29,080,826	29.7%	97,815,810
2003	52,591,168	51.1%	18,474,043	17.9%	31,882,724	31.0%	102,947,935
2004	56,491,418	52.6%	17,998,257	16.8%	32,854,438	30.6%	107,344,113
2005	58,570,878	51.2%	20,568,541	18.0%	35,217,303	30.8%	114,356,722

Capital Funding:

Major capital requirements for transit are funded through the City's Capital Estimates. The capital program includes provision for specific projects, such as the replacement of the Bus Radio Communications System and the replacement of buildings. It also includes funding for two recurring programs: the Transit Bus Replacement Program and the Innovative Transit Program. The Province provides an annual grant for the Transit

Bus Replacement Program to partially offset the costs of bus replacements. In the 2005 Capital Budget, for example, the Province contributed $3.8 million towards the $12.5 million cost of bus replacements.

Effective with the 2006 Capital Budget, additional funding is being provided by the Federal Government through the Public Transit Capital Trust. The recent Federal Budget committed funding from this source for the years 2006 to 2009. The City of Winnipeg's share for 2006 is approximately $14.4 million. Amounts for the years 2007, 2008, and 2009 have not yet been finalized. Furthermore, $11.6 million in funding from the transit portion of the Federal Gas Tax agreement will be provided for transit purposes over the 2007 to 2009 time period.

Several of the transit improvements outlined in the report *"Rapid Transit Task Force Recommendations – Implementation Plan of Transit Improvements"* and approved by Council on February 22nd, 2006 are planned to be funded from these Federal sources.

Federal Issues:

Recommendation 4E:
City Council lobby the Federal government for legislation to provide municipalities with first right of refusal on railway lands that are to be offered for sale.

Commentary:
During the federal parliament that dissolved in November 2005, proposed legislation (Bill C-44: Transportation Amendment Act) would have required railway companies to offer to urban transit authorities and municipalities the next right of refusal (after the federal and provincial governments) to acquire (at net salvage value) any railway right-of-way that a railway company had received permission to abandon. The legislation had received First Reading and was on the order paper when parliament was dissolved. It is not yet known whether the current federal government has plans to pursue this initiative. As a number of railway corridors exist in Winnipeg that could potentially be used for transit and active transportation corridors, such legislation would be of much potential benefit to the City.

Recommendation 4F:
City Council lobby for transit incentive programs, such as the EcoPass program, to be eligible for a tax deduction.

Commentary:
Under the federal *Income Tax Act*, employer-provided parking and transit benefits are both taxable. In reality, most employees receive free parking as a benefit without paying tax on it. While the Canada Revenue Agency cannot identify the extent of the problem, surveys have found that about 80% of auto commuters receive free or subsidized parking. In comparison, there are relatively few programs where employers subsidize transit passes and, where they exist, almost all employee recipients do pay tax on the transit benefits.

When deciding how to get to work, most commuters only consider out-of-pocket driving costs like parking fees. Tax-exempt parking benefits are thus a major incentive to commute by car, rather than by transit. Over the past decade, a coalition of business, labour, health and environmental groups has urged the federal government to give tax-exempt status to employer-provided transit benefits. Tax exemption for transit benefits would level the playing field and treat transit riders equitably. It would also offer employers a powerful incentive to offer transit benefits to their employees.

Recently, the 2006 Federal Budget included provision for a Tax Credit for Public Transit. Effective July 1st, 2006, Canadians who purchase monthly transit passes will be able to claim a 15.5% credit in their income tax returns. This non-refundable tax credit applies to all transit users, including children, students, adults, and senior citizens. The tax credit will be claimable by the individual or the individual's spouse for eligible transit costs incurred by the individual, the individual's spouse, and the individual's children that are under 19 years of age.

The budget did not propose any change in regulations concerning the taxable benefit status of employer-provided transit benefits. Participants in Winnipeg Transit's EcoPass program, therefore, will still be required to declare the employer-paid portion of their transit passes as a taxable benefit. They will, however, be able to claim their monthly transit pass costs under the tax credit program.

5. GUIDING FUTURE DEVELOPMENT

Recommendation 5A:
City Council be open to shared transit service agreements with outside municipalities if it is shown to be cost neutral to the City of Winnipeg.

Commentary:
City Council's approval of the *Intermunicipal Service Sharing Initiative* on December 12th, 2005 to identify potential shared service opportunities in the Capital region through an expression of interest process is consistent with this policy recommendation.

Recommendation 5B:
Options for improving transit service to important destinations, such as the Airport, should be considered.

Commentary:
Service levels throughout the transit network are determined by the relative demand for transit and are provided within resources approved by Council. Frequent service is operated to major destinations within the city limits. With respect to the Airport, a non-express transit service currently operates to/from downtown approximately every 20 minutes between 6:00 am and 1:00 am the following morning each day. The bus stop at the Airport has been upgraded and prominent transit information kiosks are located at each arrival area at the airport terminal. The department has had preliminary discussions with the Winnipeg Airports Authority about providing new types of service (a direct express route linking the Airport with Polo Park and downtown hotels, for example) in anticipation of the opening of the new Airport terminal building.

Recommendation 5C:
City Council consider land-use charges for new developments that would be dedicated to transit system improvements.

Commentary:
This matter is for consideration by City Council.

Recommendation 5D:
City Council should adopt a formal policy to acquire rail rights-of-way for future rapid transit and active transportation purposes as outlined in this report and Plan Winnipeg Policy Plate B.

Commentary:
For rights-of-way identified in Plan Winnipeg as being required for future rapid transit and active transportation purposes, the City does, in fact, negotiate with the railways to purchase or lease the required lands. For example, the City has concluded an agreement with CN for the transfer and/or lease of railway lands required for the Southwestern Transit Corridor. There are ongoing discussions with the railways for the timely acquisition of other railway lands required for future urban transportation purposes identified in Plan Winnipeg.

Recommendation 5E:
Design and construction of the BRT system should consider conversion to LRT in the future.

Commentary:
In fact, the designs for the busway running ways, bridges, and underpasses are planned to accommodate the weights, utilities, and turning radii required for LRT should a future decision be made to convert to an LRT system.

Recommendation 5F:
City Council should maintain Transit Works outlined in Plan Winnipeg Policy Plate B for future long term development. The recommendations made in this report are complementary to the existing Plan Winnipeg. Council should be urged to adopt this report's recommendations into the next review of Plan Winnipeg.

Commentary:
This matter is for consideration by City Council.

Financial Impact Statement **Date:** May 25, 2006

Project Name: **Section 7 of Rapid Transit Task Force Report**

COMMENTS:

The recommendation in this report has no financial implication.

Original Signed By Jason Ruby

Acting Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Planning, Property and Development Department

THIS REPORT SUBMITTED BY:

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Division	Planning and Schedules
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File No.	0652-00