




**TO:** GENERAL COMMITTEE

**SUBJECT:** Transit Service to Commerce Park Drive Area

**PREPARED BY AND KEY CONTACT:** J. Zimmerman, Transit Coordinator, ext. 4305

**SUBMITTED BY:** B. Roth, Director of Leisure, Transit & Facilities 

**COMMISSIONER APPROVAL:** J. Sales, General Manager of Community Operations 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** JON M. BABULIC, CHIEF ADMINISTRATIVE OFFICER 

**RECOMMENDED MOTION**

1. That the pilot project of the Veteran's transit route servicing the Commerce Park Drive area be discontinued due to low ridership, effective Monday May 2<sup>nd</sup>, 2011.
2. That the cost of operating the route to May 2, 2011 be funded from the Ontario Gas Tax Funds for Public Transportation.

**PURPOSE & BACKGROUND**

3. The purpose of this report is to provide General Committee with information and a recommendation to discontinue the Veterans Transit route providing service to the Commerce Park Drive which was introduced as a pilot project in April 2009 in response to BIN Management Inc.'s concern with the lack of transit service to the area, affecting the mobility of the employees in the area, and the ability to attract business to the area.
4. On April 20<sup>th</sup>, 2009 Council passed Motion 09-G-149:
  - 1) "That in response to BIN Management's transit service request and financial support, a new transit route be implemented to operate from the Allandale Recreation Centre to Essa Road, Veteran's Drive to the Commerce Drive area and return providing two way transit service Monday to Friday from 7:00 am to 7:00 pm and 7:45 am to 7:00 pm on Saturdays, effective Monday, April 27, 2009.
  - 2) That BIN Management's contribution in the amount of \$20,000 be collected in full prior to the start of the expanded service.
  - 3) That the additional net cost in the range of \$104,500 to a maximum of \$136,400 to operate transit service to Commerce Park Drive area in 2009 be funded from the Ontario Dedicated Gas Tax Fund for Public Transit.
  - 4) That based on the success of the pilot project for the Commerce Park transit service staff will include a Program Change Form in the 2010 budget to include operating funding for a new transit route to service Commerce Park Drive area and the purchase of one expansion transit bus to service the area."
5. On December 14<sup>th</sup>, 2009 Council passed Motion 09-G-519:

1. Continue to service the Commerce Park Drive area for 2010 as a pilot project on the condition that BIN Management contribute up to \$53,000 for the year with payments to be received by the City in monthly instalments.
  2. That BIN Management's 2010 contribution is subject to an adjustment based on the target 10 boardings per hour vs. the average monthly boarding per hour, with such payments due on the first of each month.
  3. That the City's portion of the estimated net operating cost of \$65,600 to continue to operate the transit service to Commerce Park Drive area in 2010 be funded from the Ontario Dedicated Gas Tax Fund for Public Transit.
6. Bin Management Inc. in accordance with their agreement and Council Motion 09-G-149 contributed \$20,000 to the City and transit service started on Monday April 27, 2009. As well, in accordance with their agreement and Council Motion 09-G-519 they contributed \$45,493.60 in 2010.
  7. Transit ridership has remained low on the route and BIN Management Inc has indicated to staff they will no longer contribute funding for this pilot project in 2011. It is BIN Management Inc.'s position that their payment of municipal taxes and development charges should suffice for the City's continued delivery of this service.

#### **ANALYSIS**

8. The Veteran's transit route provides transit service to Commerce Park Drive via the Allandale Recreation Centre to Essa Road, Veteran's Drive to Commerce Park Road and returns to the Allandale Recreation Centre and connects with other transit routes.
9. The intended benefits of this new route included linking new residential areas with two way service along Veteran's Drive to the Commerce Park area and to the Allandale Recreation Centre, while meeting the objective of providing transit service to support economic development in the Commerce Park area.
10. Ridership for 2010 is low on this route as outlined in Appendix A. Barrie Transit's minimum standard for passenger boardings is 10 passengers per hour, for 2010 the average on this route was 3 passengers per hour. In 2009 the passenger boardings were approximately 2 passengers per hour.
11. In the chart below, the 2011 net operating cost of \$255,435 assumes the current ridership of 3 boarding's per hour.

| <b>2011 Cost</b>                    | <b>Operating Costs based on Potential Ridership</b> |                         |
|-------------------------------------|---|-------------------------|
|                                     | <b>10 Boardings/Hour</b>                            | <b>3 Boardings/Hour</b> |
| Cost to Operate Bus                 | \$277,035   | \$277,035               |
| Revenue                             | \$68,000  | \$ 21,600               |
| <b>Operating Cost After Revenue</b> | <b>\$209,035</b>                                    | <b>\$255,435</b>        |

12. Since this route has been in service there has been minimal increase in transit ridership. Staff recommend that the existing transit route be discontinued due to the poor ridership. Once the area is fully developed and there is additional development in the new annexed lands staff will re-evaluate the level of transit service to this area.

13. Transit riders using the Veterans transit route currently, when discontinued, will be able to walk to their destinations in the Commerce Park Drive area from Mapleview Drive that has two-way transit service.

#### **ENVIRONMENTAL MATTERS**

14. There are no environmental impacts related to the recommended motion.

#### **ALTERNATIVES**

15. The following alternatives are available for consideration by General Committee:

##### **Alternative #1**

General Committee could choose to continue to operate the Veterans Transit Route at a net cost of \$255,435 to be funded by Ontario Gas Tax Funds for Public Transportation. However, as 2011 ridership is likely to continue being substantially below Barrie Transit's standard of 10 passenger boardings per hour, this course of action would not represent a balance between service demand and financial resources available to operate Barrie Transit.

#### **FINANCIAL**

16. The 2011 Business Plan does not include funds for this pilot project. The 2011 projected operating cost is \$277,035 with funding of approximately \$21,600 from fare revenues. The remainder of \$255,435 would be funded by Ontario Gas Tax Funds for Public Transportation.
17. The Ontario Gas Tax Funds for Public Transportation are used by the City to offset operating costs of providing transit service for growth as well as capital fleet acquisition. It is important to maximize these funds in the most cost effective manner to achieve efficient service delivery. Discontinuing the Veterans route would allow the City to use this portion of the Ontario Gas Tax Funds for Public Transportation for future transit service improvements that would benefit all transit riders.
18. The Veteran's Transit route is presently costing approximately \$23,000 per month, which is approximately \$21,300 per month after revenue. Therefore, the cost to run the Veteran's Transit route for 4 months until May 2<sup>nd</sup>, 2011 will be approximately \$85,200 to be funded from the Ontario Gas Tax Funds for Public Transportation.
19. If the Veterans Route to Commerce Park is discontinued as of May 2, 2011, in accordance with this report's recommendation, the City will have expended \$421,306 of provincial gas tax funding as noted in the chart below.

|                                  | <b>2009<br/>(8 months)</b> | <b>2010<br/>(12months)</b> | <b>2011<br/>(4months)</b> | <b>Total Cost to May 2, 2011</b> |
|----------------------------------|----------------------------|----------------------------|---------------------------|----------------------------------|
| <b>City's After Revenue Cost</b> | \$156,000                  | \$245,600                  | \$ 85,200                 | \$486,800                        |
| <b>BIN Mgmt. Contribution</b>    | (\$ 20,000)                | (\$ 45,494)                | (\$ 0)                    | (\$ 65,494)                      |
| <b>Total Cost to City</b>        | \$136,000                  | \$200,106                  | \$ 85,200                 | <b>\$421,306</b>                 |

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**LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN**

20. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- ☒ Strengthen Barrie's Financial Condition
21. This report is linked to Council's Goal of "Strengthen Barrie's Financial Condition" as it relates to balancing service demands with financial resources.

## 2010 - Route Summary

| Route 37 VETERAN'S                        |                        |  |                           |
|---|------------------------|--|---------------------------|
| Monday to Friday                          |                        | 7:00 AM to 7:00 PM = 12 Hours per day      |                           |
| Saturday                                  |                        | 7:45 AM to 7:00 PM = 11.25 Hours per day   |                           |
| MONTH                                     | Average Boarding's/Day | Total Service Hours Counted                | Average Riders/Hour/Month |
| January                                   | 33                     | 201.75                                     | 2.8                       |
| February                                  | 39                     | 178.5                                      | 3.2                       |
| March                                     | 38                     | 201  | 3.2                       |
| April                                     | 35                     | 154.5                                      | 3.1                       |
| May                                       | 30                     | 226.5                                      | 2.5                       |
| June                                      | 30                     | 178.5                                      | 2.7                       |
| July                                      | 34                     | 272.25                                     | 2.8                       |
| August                                    | 30                     | 237  | 2.6                       |
| September                                 | 36                     | 285  | 3.0                       |
| October                                   | 39                     | 273  | 3.2                       |
| November                                  | 45                     | 285  | 3.7                       |
| December                                  | 48                     | 179.25                                     | 4.0                       |
| Average number of riders per day for 2010 |                        | Average number of riders per hour for 2010 |                           |
| 36  |                        | 3  |                           |