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Item No. 4

Halifax Regional Council
April 8, 2008
Committee of the Whole

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: April 8, 2008

SUBJECT: 5 Year Approach to Transit Enhancements

ORIGIN

Staff are initiating this report to seek direction with respect to development of the 5 year capital plan for Metro Transit, and to provide information to inform the 2008/09 Business Planning and Budget debate.

RECOMMENDATION

It is recommended that:

This report and attached materials be referred to Committee of the Whole debate for the 2008/09 Budget, and further;

The draft capital budget materials be revised based on these priorities, recognizing that Committee of the Whole will debate the respective funding sources separate from their deliberations on these transit priorities.

BACKGROUND

On March 26, 2008 additional transit funding for HRM was announced by Infrastructure Canada through the Transit Trust. This additional funding has prompted the need to revise the current 5 year capital plan with respect to Metro Transit, and affords us with an opportunity to implement several complimentary projects over the next five years. This report will provide a brief overview of each project, the synergies, dependencies, and risks of each project.

This is a good news story, as the available funding mechanisms over the next five years are sufficient to support a tremendous step forward in developing one of the most responsive transit systems in the country.

* Revised 5 Year Capital Plan is shown in Attachment A

* Project Timelines proposed for Construction and Operation are shown in Attachment B (the slide)

Project	Cost (\$M)	Benefits/Impacts	Dependencies and Risks
Transit Garage	\$25.0	Supports transit service growth. Also minimizes deadhead mileage and reduction of GHG.	Without the garage there will be no further service expansion beyond 08/09
Service Expansion	\$27.0	Meeting the service demands, standards, and ridership growth. Reduction of GHG. Introduction of neighbourhood bus and expansion of UPass.	Dependant on a new garage facility.
Rural Express	\$3.5	Encourage development around economic hubs. Improve travel options. Reduce traffic congestion, parking requirements and GHG emissions. Broadens catchment area for employers.	Dependant on a new garage facility, and area rate approvals. Airport service depends on partnership with HIAA.
Transit Corridor	\$4.7	Improves transit competitiveness for services crossing the Halifax Peninsula.	Public consultation not yet undertaken.

Metro Link	\$13.2	Supports regional plan, higher order transit service. Reduce traffic congestion, GHG emission, parking. Improved transportation options.	Dependant on a new garage facility and the transit corridor. Availability of Northcille Recreation Center Lands.
Downtown Shuttle	\$4.9	Provides convenient free transfer from other transit services. Reduce GHG emissions. Reduce noise and exhaust fumes on downtown streets using diesel-electric buses. Provides free transit to passengers making short trips within downtown. Supports local businesses and tourism.	Dependant on a new garage facility. Alternative funding mechanisms.
Local Rural Transportation	\$1.5	Provides local transportation options within and between rural centres for medical, employment, education, shopping and social travel. Supports local business and services. Improve quality of life for local residents.	Availability of partnership opportunities.
Terminal Upgrades	\$5.7	Improved customer, safety, security, and overall experience. Improved service efficiencies, and capacity. Improved active transportation opportunities.	Land availability, and approvals. Traffic and neighbourhood impacts.
Fare Collection Technology	\$1.9	Expanded fare payment options. Reduction of fare evasion. Streamlining fare processing and data collection.	
Security	\$0.9	Improved safety and security for employees, passengers, property and residents of HRM.	Supplemental Federal funding

Harbour Link	\$27.0	Supports Regional Plan and Bedford West visioning exercise with higher order transit service. Supports Bedford West/South master plans. Reduce traffic congestion, GHG emissions, parking need. Postpones need for road improvements	External funding opportunities. Mill Cove in-fill timelines. Completion of CN overpass. Parking plan.
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DISCUSSION

In order to implement the projects described above, some decisions must be made by Council. They are:

1. Bayer's Road Traffic Congestion

Higher order transit can be fully effective only when transit can be competitive with, or exceed the performance of vehicle trip times. A dedicated transit lane is planned for Bayers Road, but may be insufficient to handle all future trip demands and may need to be accompanied by vehicle lane capacity in the longer term.

Bayers Road has significant impact on Metro Transit service delaying buses for up to 15 minutes in the peak hour. This has a negative impact on the overall travel time for Metro Transit passengers as well as a significant budgetary impact. The Bayers road choke point is costing Metro Transit an estimated \$370,000 per year in operational cost. This is a significant expense to the Halifax Regional Municipality and can be reduced through the construction of the Peninsula Corridor.

2. Location and timing of the Lacewood Terminal

Metro Transit's Lacewood terminal is over capacity and is now making it difficult to enhance service in the Clayton Park area. The Lacewood terminal was initially intended to be a temporary terminal when it was commissioned in 1991 and has been the sole terminal location for Metro Transit in the Clayton Park area ever since.

Metro Transit has investigated opportunities to move this terminal to a more suitable location and have come to the conclusion that the Northcliffe Recreation Centre site would be the most beneficial to Metro Transit and the Halifax Regional Municipality. Moving terminals can be a very costly undertaking as extending routes for all trips and all days of a year creates a large operational expense. The Northcliffe Recreation Centre is currently on a number of routes and would require little modifications to existing route schedules and would be a minimal cost. The terminal will require only a portion of the site, allowing opportunity for further transit-supportive development.

If the Northcliffe site is not the selected location, Metro Transit will be forced to extend the current routes to an alternate location. At 190,320 trips that service this terminal per year, the cost of moving these trips by only one minute equates to a \$222,000 operational expense per year.

3. Location of the Satellite Garage

The selection of the new transit facility has to be carefully considered as there are significant implications to costs and service delivery. Considerations have to be given to minimizing deadhead mileage/time and reliable access and egress from the facility.

Fleet and service expansion beyond the 2008/2009 fiscal year will be dependant on the completion of the new satellite transit facility.

4. Cost Recovery/Service Standard, and Fare Increase

Metro Transit will be conducting a follow up transit strategy that will investigate the future expansion of transit services in HRM as well as a detailed fare strategy that will address current fares and future technological advancement. A recommendation to Council with respect to a fare increase should come forward for the 09/10 fiscal year, to support a portion of the operating costs for Transit service expansions. The HRM Regional Plan warned that, as transit services are extended beyond the most obvious and lucrative markets, the ability of fares to offset the cost of operation will decrease. It must be acknowledged that, as transit coverage expands , the burden of future operating budgets is certain to increase.

5. Funding Mechanisms

In order to properly fund transit services outside the urban tax boundary a decision on whether to implement transit funding model recommendations brought forward as part of Tax Reform, either as part of the full Tax Reform, or a piece for early implementation should be considered. Under the current tax structure these services would have to be funded through an area rate, with public consultation and approval with each area receiving the service.

Potential risks to achieving the projects and timelines proposed are, getting timely area rate approvals, and determining the appropriate catchment area to properly apply these rates.

BUDGET IMPLICATIONS

If approved by Council, the Proposed Capital Budget for 2008-09 would be amended to reflect the 5 year capital plan as shown in Attachment C. Formal approval would occur as part of the normal 2008/09 Budget debate and approval process. The proposed gross capital budget for Metro Transit would increase by \$6.3 million dollars in 08/09 with additional debt funding. The additional \$6.3 million dollars is part of the \$28 million dollars proposed for Council's consideration during the 2008/09 budget debate, at the Committee of the Whole meeting on April 1st.

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Council could choose to reject this approach, and suggest alternatives. There may be some ways to modify this approach, and still work within the constraints. The constraints are: 1) Human resource constraints such as the ability to recruit, hire and train staff, 2) Operating budget constraints such as funds to pay for salaries, fuel and maintenance, 3) Physical constraints such as the number of buses that can be safely and effectively serviced at the existing garage in Burnside and 4) Regulatory and Legal constraints.

ATTACHMENTS

Attachment A - Project Descriptions

Attachment B - Project Timelines for Construction and Operation

Attachment C - 5 Year Capital Plan for Metro Transit (Revised)


FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN


This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

A copy of this report can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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(Original Signed - Dale MacLennan)

Financial Approval by: _____
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Report Approved by:  _____
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Report Approved by:  _____
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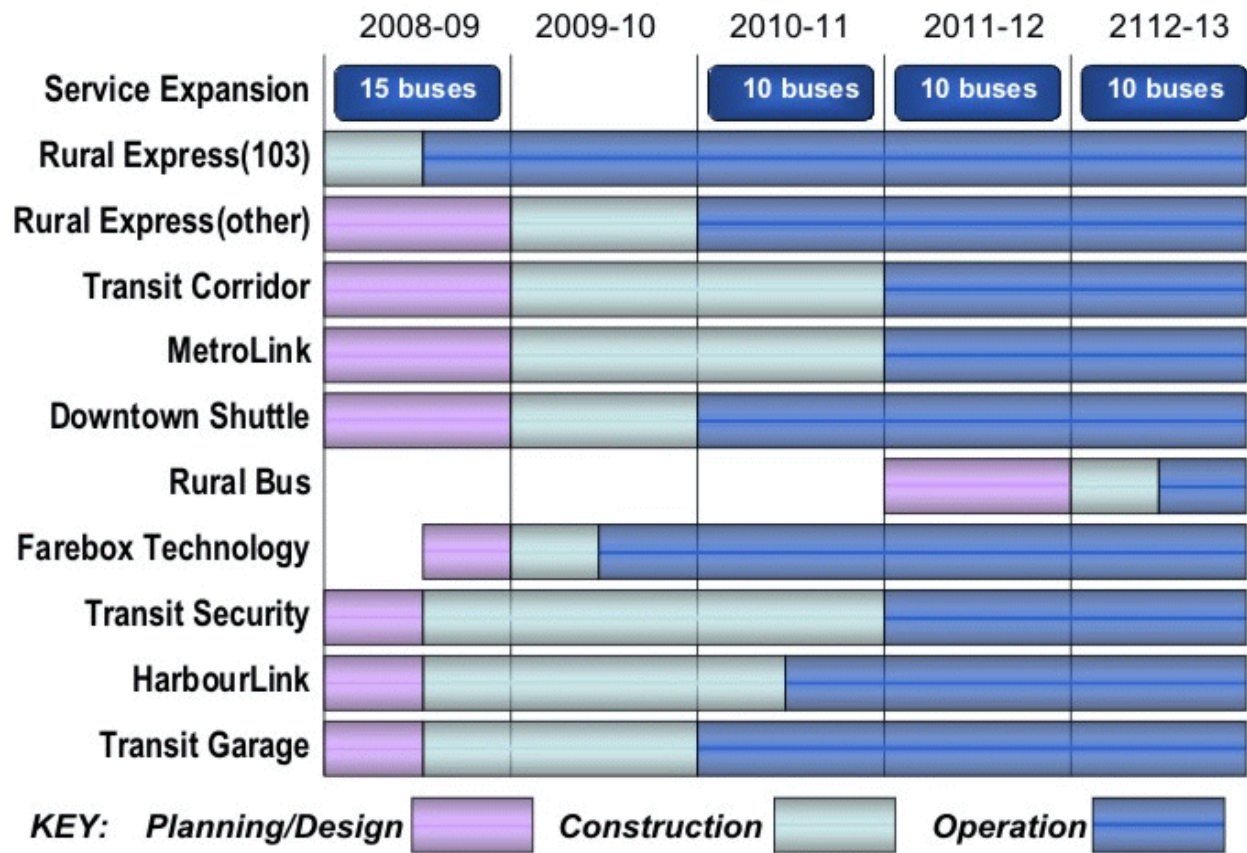
Project Name	Project Description	Estimated Budget	Estimated Completion Date
New Transit Facility	<p>New transit maintenance facilities are required to accommodate planned growth in public transit service included in the Public Transit Functional Plan and Regional Transportation Plan.</p> <p>The present facilities are nearing capacity and future fleet growth will require additional storage, maintenance and dispatching facilities.</p> <p>A new proposed transit facility will be situated to minimize deadhead travel and associated costs for buses serving the Halifax Peninsula and surrounding area.</p> <p>The facility will be constructed to strict environmental design standards and include accommodation for new transit technologies such as diesel/electric hybrids buses and other alternate fuel vehicles.</p>	\$25,000,000	Spring 2010
Electronic Fare Collection System	<p>The Public Transit Functional Plan includes the implementation of electronic fare collection such as smart Card technology.</p> <p>Electronic fare collection simplifies the payment of fares for the transit user making transit easier and more attractive to use.</p> <p>Electronic fare collection addresses multi-fare structures such as child, senior, adult and student fares; reduces fare evasion; reduces loading (dwell times) times at bus stops improving schedule adherence and travel times; and reduces fare disputes between customers and transit operators.</p> <p>Electronic fare collection also allows for improved transferring and fare collection between various services with differing fares such as the MetroLink service which charges a premium fare.</p> <p>Data collection and evaluation provided through electronic fare collection is also used to improve route and service planning. Electronic fare collection also assists transit marketing with customer loyalty programs and promotional programs.</p>	\$1,900,000	Fall 2010

Expansion of Conventional Service	<p>With the growth experienced in transit ridership, especially with the introduction of a U-Pass program for university students and demand for additional transit services, HRM has identified a number of service gaps between demand and service levels across the service area.</p> <p>This requires investment in conventional transit service to ensure service standards are met and demand is addressed. This is particularly important as new and expanded higher-order transit services such as high speed ferry service and bus rapid transit bring more new transit users onto the system. Expansion also allows service to be extended to new centres within or adjacent to the existing service area.</p>	\$27,000,000	Ongoing
Rural Express Transit	Express Bus in rural areas, beginning with development of park-and-ride lots on Highway 103 at exits four (Hubley) and five (Tantallon). A target date has been set as November, 2008 for operation of the service.	\$3,500,000 (\$6,600,000 with funds already committed)	Highway 103 - Fall, 2009 Remainder - Spring, 2011

<p>High Speed Ferry Service (HarbourLink)</p>	<p>The Halifax Regional Municipality's Regional Transportation Plan and Public Transit Functional Plan included investment in higher-order transportation services including high speed ferry service from Mill Cove in Bedford to downtown Halifax.</p> <p>Where the Halifax Harbour is a restriction to traditional transit route planning, the Public Transit Functional Plan considers the harbour as an under-used transportation corridor. Careful planning can provide an extensive and reliable transportation network connecting a number of points around the harbour with downtown Halifax and Dartmouth destinations.</p> <p>High Speed Ferry service complements the successful Bus Rapid Transit service (MetroLink) in providing fast, affordable travel to commuters, shoppers and visitors to HRM.</p> <p>The first route in the HarbourLink Project, Bedford to Halifax, has been approved by HRM Regional Council in principle subject to funding. A Bedford/Halifax Fast Ferry Cultivation Study was completed by TDV Global Inc. in 2006 and supports the feasibility of the high speed ferry service.</p> <p>The Bedford HarbourLink project is expected to reduce car traffic along the congested Bedford Highway into downtown resulting in significant savings in Greenhouse Gases (GHG's) and other pollutants, reducing downtown parking requirements, and improving traffic flow along the Bedford Highway. The route is well suited to serve two of the regional growth centres identified in the Regional Plan: Bedford South and Bedford West.</p> <p>The HarbourLink Project includes:</p> <ul style="list-style-type: none"> - the design and construction of two (2) high speed ultra low-wake, catamaran-hulled vessels with a capacity (PAX) of 250 passengers each. - design and construction of a bus/ferry terminal in Mill Cove, Bedford - redesign and improvements to existing Halifax Ferry Terminal to accommodate HarbourLink service. - design and construction of Park & Ride facilities at Mill Cove, Bedford and remote park & ride facilities with shuttle bus service to Mill Cove, Bedford. - design and construction of a railway overpass access to the Mill Cove terminal site for bus, car, pedestrian and cycling traffic. - acquisition of shuttle buses connecting surrounding residential areas to ferry terminal. 	<p>\$27,000,000</p>	<p>Fall, 2010 assuming site development (land in-fill) is completed.</p>
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<p>Bus Rapid Transit (MetroLink) service</p>	<p>Bus Rapid Transit (BRT) service is an important element of the Regional Transportation Plan and Public Transit Functional Plan. BRT provides high-quality, limited stop transit service along major corridors from outlying area into the downtown and other major destinations with free transfer to other transit services where necessary.</p> <p>BRT service reduces the number of single vehicle traffic into the downtown, reducing greenhouse gases (GHG's), parking requirements and improves traffic flow along major corridors.</p> <p>In 2005, with funding from the Urban Transportation Showcase Program and the Province of Nova Scotia, Halifax Regional Municipality introduced bus rapid transit service from the outlying communities of Portland Hills and Sackville.</p> <p>The MetroLink service has been extremely successful and serves as a showcase for other cities and transit agencies on providing BRT service in mixed traffic using technologies such as traffic signal pre-emption, and traffic signal priority and queue-jump lanes.</p> <p>The Public Transit Functional Plan includes the expansion of BRT to include service from the Clayton Park, Spryfield, Cherry Brook and Highway 101 corridors. The immediate next phase of BRT service is planned for the Clayton Park and Spryfield areas into downtown.</p> <p>The expansion of the next phase of MetroLink service includes:</p> <ul style="list-style-type: none"> - acquisition of 10 articulated buses. - design and construction of a centralized transit terminals in Clayton Park and Spryfield areas. - design and construction of Park & Ride facilities at the junction of Highway 102 and Northwest Arm Drive. - transit priority improvements. 	<p>\$13,200,000</p>	<p>Clayton Park - Summer, 2011 Spryfield - Spring, 2012</p>
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TRANSIT PROJECT TIMELINES



BUDGET PROPOSAL SUMMARY

Project Description		Unspent/Uncommitted						TOTAL	
		Past Years	2008-09	2009-10	2010-11	2011-12	2012-13		
		Approved Gross	Total Gross	Total Gross	Total Gross	Total Gross	Total Gross		
Metro Transit									
F1	CB200427	Satellite Garage Facility		19,600	5,400	0	0	0	25,000
F2	CBX01034	200 Ilseley Avenue-Safety Upgrades	0	320	340	360	0	0	1,020
F3	CBX01044	Ferry Terminal Pontoon Protection (Bundle)	0	350	350	350	0	0	1,050
F4	CBX01057	Transit Facilities Upgrades (Bundle)	0	1,000	339	400	425	450	2,614
F5	CBT00432	Bus Stop Accessibility	345	0	125	125	125	125	500
F6	CBT00437	Bus Shelters-Replacement	114	0	105	105	105	105	420
F7	CIU00875	Scheduling Software Upgrades	125	560	130	136	137	140	1,103
F8	CMU00974	Downtown Shuttle	1,300	2,000	0	0	2,916	0	4,916
F9	CMU00975	Peninsula Transit Corridor	0	500	4,214	0	0	0	4,714
F10	CMU00981	MetroLink	0	1,500	1,500	5,100	5,100	0	13,200
F11	CMU00982	Transit Security	0	100	362	413	0	0	875
F12	CMU01095	Transit Strategy	0	280	0	0	0	0	280
F13	CMU01124	Woodside Ferry Midlife Rebuild	0	0	0	0	2,000	0	2,000
F14	CMX01104	Rural Community Transit	3,100	445	2,100	1,000	0	1,500	5,045
F15	CMX01109	New/Expanded Transit Stations	0	0	1,710	0	1,082	2,873	5,665
F16	CMX01110	Farebox Technology	0	0	1,900	0	0	0	1,900
F17	CMX01123	New Conventional Ferry	0	200	0	0	0	0	200
F18	CV300751	Harbour Link	0	1,000	22,000	4,000	0	0	27,000
F19	CVD00429	Access-A-Bus Vehicle	434	0	0	440	0	0	440
F20	CVD00430	Access-A-Bus Replacement	1,606	440	440	440	450	450	2,220
F21	CVD00431	Midlife Bus Rebuild	1,310	655	655	655	655	655	3,275
F22	CVD00433	Service Vehicle Replacement	412	60	60	60	60	60	300
F23	CVD00434	Conventional Transit Bus Expansion	10,266	6,000	0	7,000	7,000	7,000	27,000
F24	CVD00435	Conventional Transit Bus Replacement	17,391	3,000	4,500	3,200	4,400	7,200	22,300
F25	CVD00436	Bi-annual Ferry Refit	1,234	550	470	500	450	470	2,440
			34,537	38,560	46,700	24,284	24,905	21,028	\$155,477

Available Funds	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
5 Year Capital Plan Envelopes	30,260	28,000	21,284	21,905	23,728	125,177
Additional Transit Trust Funds (\$13 m)		13,000				13,000
Strategic Growth Reserve (\$2m for DTS from Strategic Growth)	2,000					2,000
Add'l Funds proposed as part of \$28M for 08/09	6,300					6,300
Additional Gas Tax Assumption years 3 to 5			3,000	3,000	3,000	9,000
Ferry Replacement Reserve (Borrow then repay)		5,700			-5,700	0
Total Available to work with:	\$38,560	\$46,700	\$24,284	\$24,905	\$21,028	\$155,477

Go Forward Impact of Growth Factor Adjustment to Debt Policy may result in some additional capacity in years 2 to 5.
 There are likely other funding opportunities that will reduce the capital requirement.
 HRM would be able to consider disposal of the garage facility at Thornhill Drive

Operating Budget Considerations:

Savings from deadhead reduction
 Revenue from fare increase
 Captured "lost" fares post Farebox project
 New Operating Cost of Capital (Allowing 7% for projects we can't more accurately estimate)
 Provincial connectivity and neighbouring municipalities - Opportunities for cost sharing
 Possible P3 opportunity for the Millcove terminal of the Harbour Link.
 Naming rights and revenue/marketing opportunities for the Harbour Link service.