

Item No. 9.1.3

**Transportation Standing Committee
June 4, 2014**

TO: Chair and Members of the Transportation Standing Committee

SUBMITTED BY: Original signed

Jane Fraser, Director, Planning & Infrastructure

Original signed

Eddie Robar, Director, Metro Transit

DATE: May 3, 2014

SUBJECT: **Modified SmartTrip E-Pass for Carshare Operators**

ORIGIN

Transportation Standing Committee, March 5, 2014, Item 7.1.3., a motion was passed that requested a report on the possible implementation of a variation of the SmartTrip E-Pass program that will allow for the provision of annual transit passes to members of local carshare businesses.

LEGISLATIVE AUTHORITY

HRM Charter section 71 (1) (a) states: “The Municipality may solicit and encourage the establishment of new, and the establishment, development and expansion of existing institutions, industries and businesses in and around the Municipality.”

RECOMMENDATION

It is recommended that the Transportation Standing Committee not support modification of the SmartTrip E-Pass Program to accommodate clients of carshare operators.

BACKGROUND

At its meeting of March 5, 2014, Transportation Standing Committee reviewed a staff information report titled “Ideal Carsharing City”. That report addressed a number of measures suggested by Pam Cooley from CarshareHFX for HRM to implement that would create a better environment for carsharing to thrive. One idea suggested in the letter was to allow carshare companies to offer transit passes to their clients. The staff response outlined issues associated with such an undertaking (see Discussion section). The Transportation Standing Committee agreed that they wished to forward a recommendation to Regional Council to initiate this and requested a staff report.

The SmartTrip E-Pass is an annual transit pass that is made available to employers registered in HRM’s SmartTrip Program to make available to their workforce. The program was approved by Transportation Standing Committee on November 13, 2013, and by Regional Council on December 3, 2013.

DISCUSSION

Staff response in the information report to the proposal of providing SmartTrip E-Passes to carshare clients was as follows:

HRM is currently in the process of developing an annual SmartTrip E-Pass [*which has since been approved by Regional Council*] intended for use by employers who are members of the SmartTrip program. There is an opportunity to consider treating a carshare company and its clients in the same way that the SmartTrip program deals with employers and their employees. Under the program, HRM provides an incentive for each employee in the program and the incentive must be at least matched by the employer. This results in a lower monthly cost to the employee as the employer pays 87.5% of the cost of twelve monthly passes to HRM and can charge its employees no more than 75% of the monthly pass cost. To be consistent with the fundamentals of the program, a carshare operator would have to recover the “employer share” by building it into the cost of all memberships and not just the fees of the clients requesting an E-Pass.

It was recognized by the Transportation Standing Committee that it would be difficult for a carshare operator to participate in the SmartTrip E-Pass program the same way that an employer would. In particular, it was felt that paying the annual SmartTrip membership fee and the employer discount portion of the E-Pass by building that extra cost into all membership fees would impact the business significantly. However, the objective of the SmartTrip E-Pass program is for its clients to commit to a full year of transit use in exchange for paying only 75% of the cost of individual monthly passes and that the client’s employer would contribute equally with HRM in the discounting of the pass. That objective would be diminished if the employer contribution was to be waived and the client was to pay 87.5% of the cost of individual monthly passes.

The table below summarizes the difference between modifying the SmartTrip E-Pass program to accommodate carshare clients as proposed by the Ideal Carsharing City proposal and modification of the program to better replicate the program as it is currently offered to business partners.

	Portion of Transit Cost Paid		
	Program Approved by Council	Modified Program for Carshare (Not Recommended)	Recommended Program for Carshare
Discounted by HRM	12.5%	12.5%	12.5%
Discounted by Employer	12.5%		
Discount taken from all Carshare Memberships			12.5%
End cost to client	75%	87.5%	75%

CarshareHFX is currently the only company in Halifax offering carshare and reports just over 850 registered clients. Of those, approximately 3-5% would be expected to sign up for a SmartTrip E-Pass.

FINANCIAL IMPLICATIONS

The administration cost of the SmartTrip program and the E-Pass are funded through annual SmartTrip membership fees and a percentage of E-Pass revenue. Allowing carshare operators to access the program will add to the administrative cost and will require Legal Services resources to develop a new agreement to accommodate a modified program. With any modified program, HRM will still collect 87.5% of the cost resulting in no financial impact, but waiving of the annual membership fee will reduce the revenue HRM receives to cover administrative costs. The SmartTrip E-Pass has been demonstrated to be close to revenue/cost-neutral for Metro Transit and therefore expansion of the program to more potential clients should not have an impact on transit operations.

COMMUNITY ENGAGEMENT

No community engagement has been undertaken in association with this report.

ALTERNATIVES

The Transportation Standing Committee may choose to recommend to Regional Council modifications to the E-Pass program to accommodate clients of carshare businesses. Those modifications may include waiving of the employer discount and/or waiving of the annual SmartTrip membership fee. Such a recommendation should make it clear that this exemption is being offered specifically to carshare businesses in recognition of the unique role they play in the management of regional transportation demand.

ATTACHMENTS

There are no attachments

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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