

REGION OF WATERLOO STRATEGIC PLANNING AND BUDGET COMMITTEE PROPOSAL

Date: January 6, 2023

For: Chair Michael Harris, Strategic Planning and Budget Committee, Kitchener Regional Councillor, Regional Chair Redman and Corporate Leadership Team

From: Dorothy McCabe, Mayor of Waterloo, Waterloo Regional Councillor

PROPOSAL:

A five year reduction of Grand River Transit's (GRT) fares to achieve an annual flat rate that is, at a minimum, 75% of the current 2023 annual adult fare.

REQUESTS:

- For staff to provide a cost-benefit analysis including the opportunity costs associated with significantly reducing GRT fares over five years with the goal of achieving an annual flat fare rate that is at a minimum 75% of the 2023 annual adult pass.
- For Council to prioritize GRT fare reduction over five years within the upcoming Strategic Plan.
- For Council to amend the Active Transportation (AT) policy to enable the ability to create multi-use paths, trails, separated cycling paths independent of roadworks and expansion projects.
- For Council and staff to de-couple the AT budget from the roadwork capital budget to enable the prioritization of AT projects and of climate change goals.
- For Council to prioritize funding connected to climate change initiatives and goals in the budget and in the Strategic Plan.

ISSUE:

Annual GRT fares are approximately \$23 million. While not insignificant, compared to the cost of a road or intersection widening and considering the positive community building impacts public transit has, covering the gradual reduction in fares is an achievable and important goal.

The annual adult fare pass is \$1,080. For families attempting to travel using annual transit passes, the cost is significant and is comparable to annual costs for a vehicle. To address affordability and climate change issues, the cost of transit fares need to drop.

Implementing an annual flat rate transit fee could significantly increase ridership thereby offsetting the revenue loss from reducing the cost of the annual passes.

Gas powered transportation is one of the largest sources of carbon emissions. To achieve the Region, local municipalities, environmental organizations and residents' climate change goals – as well as other regional goals - more targeted and urgent climate change action needs to be prioritized.

To reduce carbon emissions, to increase the equity and accessibility of our community, to reduce the significant and ongoing costs of road building, maintenance, widening and reconstruction, the Region must strategically re-align its transportation system priorities with a focus on significantly increasing GRT ridership combined with hyper-connected active transportation options.

Reducing GRT fares is a more cost effective, progressive and upstream approach as opposed to ongoing road and intersection widening. Fare reduction addresses a variety of other important, inter-connected upstream issues such as increased belonging, health, mental health, wellness, talent attraction, equity, accessibility and effective land use planning.

Reducing GRT fares strategically aligns with Regional and local municipalities' commitments to address the declared climate emergency and Council approved TransformWR's 50by30 and 80by50 goals.

POTENTIAL FUNDING SOURCES:

Some of Regional Council's AT, carbon reduction and climate change goals are at odds with roadworks projects currently in the capital budget. Understanding that capital and operating budgets should be considered separately, it is problematic and limiting to have the AT budget directly tied to the roadwork capital budget as this makes the necessary expansion of AT initiatives dependent on expensive, carbon intensive roads projects.

As per the above noted requests, it is imperative that Council and staff prioritize transportation related carbon reduction projects in its budget and its strategic planning process.

With respect to potential funding, the proposal is to stop road and intersection widening projects and reallocate these funds and the ongoing operating funding connected to those capital projects to the Active Transportation budget.

Building the LRT reduced urban sprawl by 50% and therefore saved the region an estimated \$300 M as new regional roads will not have to be built. Similarly, significantly improving GRT service will enable the Region to avoid having to build new roads.

BACKGROUND:

- **Climate Emergency:** In 2018 regional and local municipal councils declared a Climate Emergency and in 2020, councils approved TransformWR, Waterloo Region's Transition to an equitable, prosperous, resilient low carbon community with four calls to action and six transformative changes. Specifically:
 - **Transform the Ways We Move:** By 2050, most trips are taken using active transportation with the support of a robust public transportation system.
 - Five strategies were identified:

- Redesign, rebuild and maintain our transportation system to prioritize active transportation.
 - Continue to build a robust and accessible public transit system that conveniently serves people across the community.
 - Support people to walk, cycle or roll and build a culture of active transportation and public transit ridership.
 - Transition to low energy movement of commercial goods.
 - Build compact urban and settlement areas that are efficient for energy, services, infrastructure and transportation and make existing and new communities 'complete communities'.

- **Transportation** is about more than moving people and goods. Reducing fare costs is a **more cost effective financial solution** than road and intersection widening as reduced public transit fares solves multiple challenges. For example:
 - **Planning and Land development**
 - The construction of the ION reoriented development significantly and reduced sprawl by 50% which reduces regional and local municipalities' ongoing infrastructure servicing costs.
 - **Economic Development**
 - Knowledge economy talent prefers intensified, interconnected complete communities that enable live, work, play opportunities.
 - **Equity and Accessibility**
 - People of all ages, stages and abilities must be able to move through our communities with more connectedness, safety and accessible modalities
 - **Belonging and Wellness**
 - Reduced fares increase the ability of youth, in particular, to access our community. The Children and Youth Planning Table and other indexes indicate a high degree of disconnection among youth.
 - Increased use of public transit in combination with active transportation improves physical and mental health outcomes
 - **Climate Change Mitigation and Adaptation**
 - As is noted above.

- **Service Improvements** for Grand River Transit are also needed. For example, increased bus frequency to the suburbs across the region, more I-Express buses to and from Cambridge and to township locations are required and electric buses are needed.