



## AGENDA

### SPC ON TRANSPORTATION AND TRANSIT

October 23, 2019, 9:30 AM  
IN THE COUNCIL CHAMBER  
Members

Councillor S. Keating, Chair  
Councillor J. Davison, Vice-Chair  
Councillor G. Chahal  
Councillor S. Chu  
Councillor J. Farkas  
Councillor J. Magliocca  
Councillor E. Woolley  
Mayor N. Nenshi, Ex-Officio

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
  - 4.1 Minutes of the Regular Meeting of the Standing Policy Committee on Transportation and Transit, 2019 September 18
5. CONSENT AGENDA
  - 5.1 DEFERRALS AND PROCEDURAL REQUESTS  
None
  - 5.2 BRIEFINGS  
None
6. POSTPONED REPORTS  
(including related/supplemental reports)  
None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Street Safety and Neighbourhood Speed Limits Update, TT2019-1300

7.2 Sliding Scale Low Income Transit Pass – Long-Term Funding Options, TT2019-1004

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

11. ADJOURNMENT

Members of Council may participate remotely, if required.



## MINUTES

### SPC ON TRANSPORTATION AND TRANSIT

**September 18, 2019, 9:30 AM  
IN THE COUNCIL CHAMBER**

**PRESENT:**

Councillor S. Keating, Chair  
Councillor J. Davison, Vice-Chair  
Councillor G. Chahal  
Councillor S. Chu  
Councillor J. Farkas  
Councillor J. Magliocca  
Councillor E. Woolley  
Councillor G-C. Carra  
Councillor D. Farrell  
Councillor J. Gondek,

**ALSO PRESENT:**

City Manager D. Duckworth  
City Solicitor and General Counsel G. Cole  
General Manager M. Thompson  
Deputy City Clerk T. Mowrey  
Legislative Advisor L. McDougall  
Legislative Advisor A. de Grood

1. **CALL TO ORDER**

Councillor Keating called the Meeting to order at 9:30 a.m.

2. **OPENING REMARKS**

No opening remarks were provided.

3. **CONFIRMATION OF AGENDA**

**Moved by** Councillor Magliocca

That the Agenda for the 2019 September 18 Regular Meeting of the Standing Policy Committee on Transportation and Transit be confirmed.

**MOTION CARRIED**

4. **CONFIRMATION OF MINUTES**

4.1 Minutes of the Regular Meeting of the Standing Policy Committee on Transportation and Transit, 2019 June 26

**Moved by** Councillor Davison

That the Minutes of the 2019 June 26 Regular Meeting of the Standing Policy Committee on Transportation and Transit be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

**Moved by** Councillor Davison

That the following Administration Recommendations contained in Items 5.1.1 and 5.1.2 be approved in an omnibus motion:

5.1.1 Deferral Request Sliding Scale Low Income Transit Pass - Long-Term Funding Options and Motion Arising from 2019-0637, TT2019-1180

5.1.2 Status of Outstanding Motions and Directions, TT2019-1182

**MOTION CARRIED**

5.2 BRIEFINGS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Green Line Q3 2019 Update, TT2019-1073

Distributions with respect to Report TT2019-1073:

- A presentation entitled "Green Line LRT - Q3 Update", dated 2019 September 18;
- A letter written by Jeff Binks, President, LRT on the Green Foundation, Re: Green Line Q3 Update, dated 2019 September 16;
- A letter written Grace Su, Chair, Chinatown Business Improvement Area, Re: Green Line Q3 Update, dated 2019 September 17.

A confidential presentation, that is to remain confidential pursuant to Sections 16 (disclosure harmful to business interests of a third party), 24 (Advice from officials) and 25 (disclosure harmful to economic and other interests of a public body), of the *Freedom of Information and Protection of Privacy Act*, was received for the Corporate Record.

**Review by Date: 2029 December 01**

The following clerical corrections were noted to Report TT2019-1073:

- Cover Report, page 2 of 9, Administration Recommendations, by adding the words ",through the Standing Policy Committee on Transportation and

Transit," immediately following the words "direct Administration to return with a status report"; and

- Attachment 2, page 1 of 1, by deleting the Words "Attachment 3" in the document's title and substituting with the words "Attachment 2"

The following speakers addressed Committee with respect to Report TT2019-1073:

1. Terry Wong;
2. Vaneesa Cline; and
3. John McDermid.

**Moved by** Councillor Davison

That Report TT2019-1073, Green Line Q3 Update, be tabled, to the Call of the Chair.

**MOTION CARRIED**

Report TT2019-1073 was lifted from the table at this time.

**Moved by** Councillor Davison

That pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, Section 78(2)(a) be suspended, to allow Committee to complete the remainder of today's Agenda prior to the scheduled 12:00 noon recess, and further, that pursuant to Sections 16 (disclosure harmful to business interests of a third party), 17 (disclosure to personal privacy), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting in the Council Lounge, at 11:35 a.m., to discuss confidential matters with respect to Report TT2019-1073.

**MOTION CARRIED**

Committee moved into Public Meeting at 12:17 p.m. with Councillor Keating in the Chair.

**Moved by** Councillor Davison

That Committee rise and Report

**MOTION CARRIED**

Administration in Attendance during the Closed Meeting discussions with respect to Report TT2019-1073:

Clerks: T. Mowrey and L. McDougall. Legal: G. Cole. Advice: D. Duckworth, M. Thompson, A. Neill, R. Masters and M. Perpeluk, Observer: C. Male, G. Gerylo, J. Lea and L. Boychuk

**Moved by** Councillor Davison

That the **corrected** Administration Recommendation contained in Report TT2019-1073 be amended by adding new Recommendations 2 and 3, as follows:

**2. Request that Administration explore the option of creating one Council Committee to consider all Green Line Project-related reports and report back to Council on this matter on 2019 September 30 with a Terms of Reference; and**

**3. Direct that the confidential presentation, advice and discussions remain confidential pursuant to Sections 16 (disclosure harmful to business interests of a third party), 17 (disclosure to personal privacy), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2029 December 01.**

**MOTION CARRIED**

**Moved by** Councillor Carra

That with respect to **corrected** Report TT2019-1073, the following be approved, **as amended**:

That the Standing Policy Committee on Transportation and Transit recommends that:

1. Council Direct Administration to return with a status report, **through the Standing Policy Committee on Transportation and Transit**, no later than Q4 2019;
2. **Administration explore the option of creating one Council Committee to consider all Green Line Project-related reports and report back to Council on this matter on 2019 September 30 with a Terms of Reference; and**
3. **Council direct that the confidential presentation, advice and discussions remain confidential pursuant to Sections 16 (disclosure harmful to business interests of a third party), 17 (disclosure to personal privacy), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2029 December 01.**

ROLL CALL VOTE

For: (5): Councillor Keating, Councillor Davison, Councillor Chahal, Councillor Chu, and Councillor Carra

Against: (4): Councillor Farkas, Councillor Magliocca, Councillor Woolley, and Councillor Farrell

**MOTION CARRIED**

## 7.2 Green Line Technical Risk Committee – Q3 2019 Update, TT2019-1076

A presentation, entitled "Green Line, Technical and Risk Committee", dated 2019 September 18, was distributed with respect to Report TT2019-1076.

**Moved by** Councillor Chahal

That with respect to Report TT2019-1076, the following be approved:

That the Standing Policy Committee on Transportation and Transit recommends that Council direct Administration to have the Technical and Risk Committee return with a quarterly update report, no later than Q4 2019.

**MOTION CARRIED**

7.3 Parking Management Zone Change: Britannia, TT2019-0694

**Moved by** Councillor Farkas

That with respect to Report TT2019-0694, the following be approved:

That the SPC on Transportation and Transit recommends that Council:

1. Amend the Council Policy TP017 "Calgary Parking Policies" to add the new Britannia pricing area zone 25 as proposed in attachment 1; and
2. Direct Administration to implement the changes in Recommendation 1 by the end of 2019 December.

**MOTION CARRIED**

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

**Moved by** Councillor Woolley

That this meeting adjourn at 12:20 p.m.

**MOTION CARRIED**

The following items have been forwarded to the 2019 September 30 Combined Meeting of Council:

Consent:

- Green Line Q3 2019 Update, TT2019-1073
- Green Line Technical Risk Committee - Q3 2019 Update, TT2019-1076
- Parking Management Zone Change: Britannia, TT2019-0694

The next Regular Meeting of the Standing Policy Committee on Transportation and Transit is scheduled to be held on 2019 October 23.

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CHAIR

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ACTING CITY CLERK

UNCONFIRMED



Transportation Report to  
SPC on Transportation and Transit  
2019 October 23

ISC: UNRESTRICTED  
TT2019-1300

## **Street Safety and Neighbourhood Speed Limits Update**

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### **EXECUTIVE SUMMARY**

Traffic safety is a prominent concern of Calgarians, and one of the most common requests citizens have of The City. In 2018 Council directed Administration to prepare a speed limit reduction plan for neighbourhood streets. This would include a recommended speed for different street types, an implementation plan and complementary roadway design changes.

Three scenarios were developed to help guide a conversation on speed limit changes in Calgary's neighbourhoods. Each represents a possible approach to changing neighbourhood speeds and has a different expected result and outcome. An initial technical analysis will provide information on the credibility and feasibility of the scenarios. Engaging with Calgarians will provide information on citizen perceptions and expectations about safety and operations on their streets. Together, these components will inform an analysis of neighbourhood speed limit changes, ultimately resulting in a recommendation.

Administration recommends that engagement with citizens and businesses begin in 2019 and that the results be used along with data and research to complete an analysis and provide Council with a recommendation in early 2020.

#### **ADMINISTRATION RECOMMENDATION:**

That the SPC on Transportation and Transit recommend that Council:

1. Direct Administration to engage with Calgarians and business stakeholders on the subject of reducing neighbourhood speed limits and report the findings and a recommendation to Council through the SPC on Transportation and Transit no later than March 2020.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the 2016 May 2 Meeting of Council, Council adopted the Step Forward pedestrian strategy (TT2016-0250). This directed Administration to "work with the Province to ensure that the City Charter Initiative includes a legal framework to allow a reduction in the unposted speed limit, should The City of Calgary choose to implement residential speed limits in the future, or to make bylaws to permit new pedestrian safety techniques or walkability initiatives, if required." The City Charter was enacted by the Province in 2018 and includes this ability.

At the 2018 September 24 Meeting of Council, Council approved the Notice of Motion on Street Safety and Neighbourhood Speed Limits (C2018-0960) directing Administration to "provide a recommendation on whether the reduced speed limit should be 30 km/h and/or 40 km/h, as well as to what extent collector classification streets should receive speed limits, as part of an interim report as well as an engagement plan through the Standing Policy Committee on Transportation and Transit no later than Q2 2019." This report was deferred to October 2019 (TT2019-0833).

Speed limit reform in neighbourhoods has been discussed by Council several times over the past 40 years. Attachment 1 details this history.

### **BACKGROUND**

Transportation safety is a primary goal of The Calgary Transportation Plan, and it underlies all transportation services provided by The City. In support of this goal, The Safer Mobility Plan

## **Street Safety and Neighbourhood Speed Limits Update**

builds on earlier work and reinforces the adoption of Vision Zero; a strategy to continually reduce serious injuries and fatalities on Calgary streets.

Traffic collisions can cause life-altering consequences for all parties involved. Each year an average of 35,000 collisions occur in Calgary, and 10,000 occur in residential neighbourhoods where there is a high proportion of people walking and a high presence of children. 40 per cent of pedestrian and bicyclist traffic collisions in residential neighbourhoods result in a fatality or injury. Collisions cost the Calgary economy an estimated \$1.19 billion in 2018. Lower vehicle operating speeds lead to fewer collisions and lower levels of injury and damage for collisions that do occur. Reducing speed limits, supported by changes to the design and operation of the transportation network will result in safer neighbourhood streets.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

To fully understand the range of considerations, effects and consequences of a speed limit change, Administration developed an array of different speed limit scenarios. There are many options of different speeds that could be applied to different streets and understanding the outcomes and challenges associated with each is essential to a successful implementation. Any speed limit change will need to be reinforced in many ways such as through media, school engagements, leveraging the safety values of Calgarians, making changes to the driving environment and through enforcement. Three core scenarios were developed to provide realistic options along with important context such as the expected reduction in operating speed, reduction in collisions and casualties, and relative cost to implement. These scenarios were chosen to best cover changes that have different benefits and outcomes but are credible and feasible to implement.

1. Unposted speed limit of 30 km/h on both residential and collector streets
  - Largest expected reduction in collisions, injuries and fatalities
  - Requires significant modification to the driving environment
  - Consistent speeds in neighbourhoods that align with international best practice
2. Unposted speed limit of 30 km/h on residential streets with collectors posted at 50 km/h
  - Smallest expected reduction in collisions, injuries and fatalities
  - Requires some traffic calming
  - Inconsistent speeds across residential neighbourhoods
3. Unposted speed limit of 40 km/h on both residential and collector streets
  - Moderate expected reduction in collisions, injuries and fatalities
  - Requires significant modification to the driving environment
  - Consistent speeds across residential neighbourhoods

Attachment 2 shows these scenarios in more detail. Each of these scenarios will have a different effect on communities and stakeholders, and before recommending any scenario to Council, Administration needs to better understand these effects and the perspectives of citizens. Collector streets serve many functions and need a thoughtful approach to get to the outcome of reducing speeds and reducing collisions, injuries and fatalities in Calgary.

As cities continue to evolve and change, how we travel will as well. Part of successfully implementing a speed limit change will be adapting road designs so that new communities are built with different speeds in mind. An additional consideration is making a recommendation

## **Street Safety and Neighbourhood Speed Limits Update**

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which is a responsible and feasible step for today. This could include a speed limit change that is feasible for today, but a stepping stone to another change in the future.

### **Stakeholder Engagement, Research and Communication**

In researching this project, Administration examined other cities in Canada and internationally. Many cities are adopting speed limits of 30 km/h or 40 km/h for their neighbourhood streets. Different cities have taken different approaches to implementation, leading to different levels of success with the key determining factor being making changes to the driving environment such as traffic calming.

The combined information from public engagement, the Technical Advisory Committee, Calgary Police Service, the technical analysis of each scenario and the body of research on neighbourhood speed limits will allow Administration to finalize a recommended speed limit scenario in 2020.

### **Public Engagement and Communications**

In assessing the scenarios an important consideration in addition to technical analysis is the input of Calgarians. Speaking with citizens about their perceptions of traffic safety can help create a better understanding of the project's guiding principles. Success in achieving lower speeds on neighbourhood streets is rooted in Calgarians' attitudes about street safety. Simply changing signs or enforcing more often will not drive fundamental behaviour change on the streets that Calgarians live on. Meeting with members of the business community is another important step. Businesses can help to uncover the trade-offs that accompany each scenario for their industry which is vital to building an effective implementation plan.

### **Technical Advisory Committee**

A Technical Advisory Committee of expert citizens was formed in early 2019 and has met three times. The committee is comprised of professionals and experts with diverse perspectives on neighbourhood speed limits. Among the fields represented are communities, policing, schools, health care, academia, transportation safety and community planning. The Committee has assisted the project team in reviewing draft scenarios and their work will continue as recommendations are refined.

### **The City of Edmonton**

The City of Edmonton is developing a plan to change the default speed limit on neighbourhood streets using the same enabling legislation through their City Charter. Given this strong contextual alignment, collaboration by sharing data, planning and analysis methods and other expertise will have benefits to both cities. Administration is working with colleagues in Edmonton to achieve efficiency and consistency where it is mutually beneficial.

### **Calgary Police Service**

Throughout this project Calgary Police Service has been a vital partner, actively participating on the project team, providing feedback on scenarios and analysis, as well as sitting on the Technical Advisory Committee. Collaboration towards the common goal of street safety is essential for both organizations, and this partnership will continue as a recommendation on neighbourhood speed limits is refined and implemented.

## **Street Safety and Neighbourhood Speed Limits Update**

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### **Strategic Alignment**

Improving the safety of neighbourhood streets in Calgary directly supports the Calgary Transportation Plan (CTP) and its associated policy (TP011). Goal #2 of the CTP is “promote safety for all transportation system users.” Additionally, Council Directive M1 from the One Calgary service plan and budget identifies safety as a primary priority for transportation.

### **Social, Environmental, Economic (External)**

**Social:** Reduced speed limits lead to fewer collisions, injuries and fatalities, contributing significant social benefit to the community. Additional social benefits include reduced traffic noise and greater safety and comfort for people walking in their neighbourhoods.

**Environmental:** Reduced speed limits are expected to have negligible environmental impact in terms of emissions and energy use. A reduction in noise pollution is expected.

**Economic:** A safe, effective transportation network drives economic value by allowing for reliable and efficient travel and goods movement throughout the city. Additionally, reducing collisions provides considerable economic benefit by minimizing the over \$1 billion annual cost to the local economy.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

There is no operating cost impact associated with developing a recommendation for Council. Engagement efforts are anticipated to cost \$200 thousand, to be accommodated within existing traffic safety and community mobility budgets.

A speed limit reduction may affect the operating budgets of some business units. A detailed listing of operating cost implications for a recommendation will accompany the implementation plan in 2020.

#### ***Current and Future Capital Budget:***

There is no capital cost associated with developing a recommendation for Council. The capital costs of a recommended speed limit change, including any additional requirements or funding gaps, will be outlined in the implementation plan report in 2020.

### **Risk Assessment**

The risk of pursuing the proposed engagement plan is that the decision to reduce harms associated with our transportation network will be politicized, which could affect the effectiveness of implementation. The risk of not engaging Calgarians is that they may not support Council's final decision, making it more difficult to change the behaviours and attitudes around speed that are necessary to achieve the desired outcome.

### **REASON(S) FOR RECOMMENDATION(S):**

Public engagement will provide valuable input, which will better inform a final recommended plan for neighbourhood speed limits in Calgary when presented to Council in 2020.

Transportation Report to  
SPC on Transportation and Transit  
2019 October 23

ISC: UNRESTRICTED  
TT2019-1300

### **Street Safety and Neighbourhood Speed Limits Update**

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#### **ATTACHMENT(S)**

1. Attachment 1 – Summary of Previous Council Direction
2. Attachment 2 – Summary of Scenarios for Engagement
3. Attachment 3 – Engagement Plan



## **Street Safety and Neighbourhood Speed Limits Update**

### **Summary of Previous Council Direction, Policy and Neighbourhood Speed Limit Changes**

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Calgary City Council has considered lower speed limits in neighbourhood settings on various occasions in the past in different contexts and under different legislation. Approaches ranging from city-wide changes to one-off street speed limit changes have been explored or implemented. The following summarizes the history of this issue since 1980.

#### **1982 Feasibility Report:**

In 1981 Administration was directed to investigate the feasibility of implementing a 40 km/h speed limit on all residential streets within the city and report back through the SPC on Operations and Development. This motion was made in response to the large number of complaints made about speeding vehicles in residential neighbourhoods. At the 1982 February 22 Meeting of Council a report was presented discussing the feasibility of this (OD82-11).

The feasibility report focused on the legal complications that the then governing Highway Traffic Act of 1975 presented. Specifically, urban areas were permitted to adopt lower maximum speed limits, however the amount of signage needed to complete this was considered quite expensive and work intensive. Furthermore, as most complaints at the time focused on excessive speeding above 50 km/h it was thought that police resources could first focus on these violations. A recommendation that the Province of Alberta be requested to change the unposted speed limit on residential streets in urban areas was made at Committee but lost on a tie at Council.

#### **1992 Riverdale Avenue Report:**

After the 1982 feasibility report, there were several cases where communities asked for a speed limit change on individual streets. In 1992 Administration was requested through Council to investigate Riverdale Avenue SW where a recent petition had circulated on reducing the speed limit on that roadway. A large majority of residents were in favour of a reduced speed limit and were concerned with speeding traffic in their neighbourhood. Administration and Calgary Police Service conducted speed and traffic studies, ultimately recommending various signage improvements, but no speed limit change. At the SPC on Transportation Transit and Parking on 1992 May 26 these recommendations were carried, and two further amendments were made to 1) reduce the speed on Riverdale Avenue to 40km/h, and 2) to study reducing speeds on all neighbourhood streets in Calgary, specifically addressing a city-wide speed reduction. At Council, this final recommendation was amended to not address city-wide speed changes but a report addressing speed in general was undertaken.

#### **1992 Speed Reduction Report:**

Following the Riverdale Avenue report, Administration prepared a report analyzing speed reduction strategies for all neighbourhoods in the city. This report found that neighbourhood speed issues were being investigated one-by-one as complaints were raised by Council or communities. Addressing each in isolation was becoming inefficient and was causing other downstream effects on other nearby streets. The report explored various means for reducing

speeds and the relative compliance of each of these strategies. In general, it concluded that speed changes are better achieved through environmental changes such as traffic calming and narrower roadways than simply changing speed limits on existing roadways. The report introduced various traffic calming features like speed humps, speed buttons and rumble strips, and recommended piloting these to confirm their intended effects. The report introduced a method for determining where and when speed issues would warrant intervention and a procedure for consulting communities, planning and implementing any traffic calming changes. This recommendations in this report were approved at the 1992 November 30 meeting of Council

As in the 1982 report, the Highway Traffic Act at the time was seen as a significant barrier, adding considerable cost to a city-wide speed limit change. A recommendation was made that The City work with the Alberta Urban Municipalities Association (AUMA) to approach the Province to change the Highway Traffic Act to allow for a lower unposted speed in urban areas. Calgary alone approached the Province for this change. Without the broader support of more communities, the Province chose to not incorporate this change into the proposed Traffic Safety Act when that was drafted between 1999 and 2001.

## **2000 Feasibility Report**

In the 1990s following Riverdale Avenue speed limit change to 40km/h many other communities began to advocate for speed limit changes. In parallel with the traffic calming program used at the time, many other streets were changed to 40 km/h per hour. Examples of neighbourhood streets with signed 40km/h speed limits can still be seen in many communities.

In 1999 a Council motion directed Administration to again comprehensively review the feasibility of introducing a 40km/h speed limit for local streets in all neighbourhoods. Communities across the city had continued to request lower speeds on their streets and at the time, other Canadian cities were just beginning the trend of lower neighbourhood speed limits which renewed interest. At the 2000 February 15 meeting of the SPC on Transportation, Transit and Parking a report was presented again concluding that The City should approach the Province through AUMA to amend legislation to lower unposted speed limits in urban areas. This report again concluded that the cost constraints imposed by the Highway Traffic Act were the most significant barrier to introducing a citywide change.

## **Traffic Calming Policy:**

Following the 2000 report, the traffic calming program was formalized into Council Policy TP002 Traffic Calming Policy. This document contains a process and several implementation tactics for making neighbourhoods safer for all travel modes.

## **Step Forward Pedestrian Strategy:**

At the 2016 May 2 Meeting of Council, Council adopted the Step Forward pedestrian strategy (TT2016-0250). This strategy includes 49 actions all aimed at improving the safety and quality of walking in Calgary. One of the actions in this plan was to work with the Province of Alberta, through the development of the City Charter, to enable reduced unposted speed limits for residential areas. After Step Forward was approved, the ability to set our own unposted speed limit for Calgary entered City Charter negotiations. Progress continued throughout 2016 and 2017 and this item was included in the City Charter when presented to the legislature.



**City Charter:**

In 2018 the City of Calgary Charter Regulation (City Charter) was enacted by the Province. It includes the ability to set an unposted (default) speed limit for Calgary through The City's Traffic Bylaw. This provision significantly reduces the effort and cost needed to make large-scale changes to speed limits than under previous legislation.

Following this action from Step Forward being completed, at the 2018 September 10 Meeting of Council a Notice of Motion on Street Safety and Neighbourhood Speed Limits (C2018-0960) was presented to implement the new Charter authority. The Notice of Motion directed Administration to endorse and implement a reduced speed limit on neighbourhood streets, following recent international and Canadian best practice and the conclusions of Step Forward, and report through Council with a recommended plan. This work is currently underway.



# Scenario 1:

Residential Streets – 30 km/h  
Collector Roads – 30 km/h

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## Key Considerations:

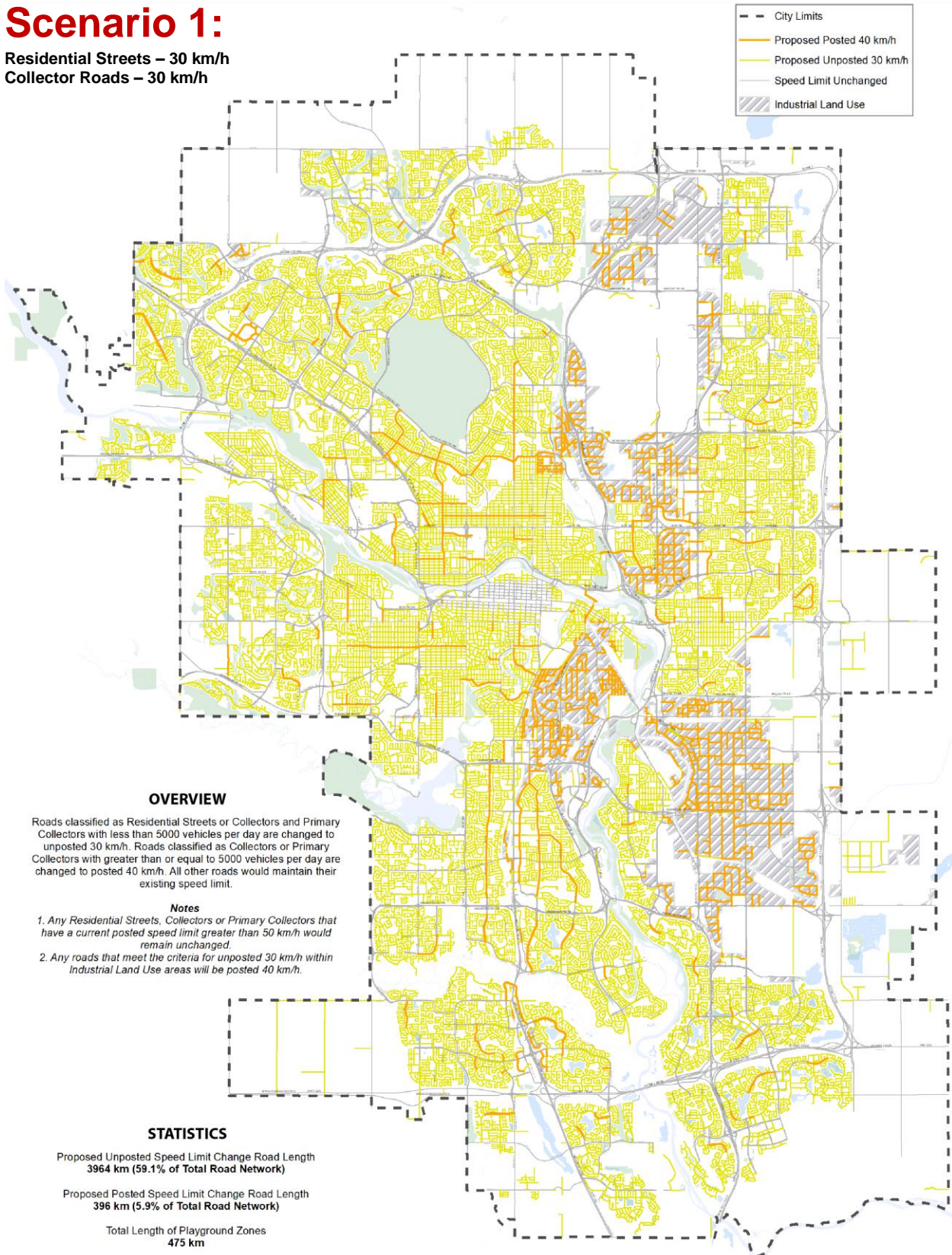
- Largest change from today
- Largest expected reduction in collisions, injuries and fatalities
- Largest impact to travel times
- Highest cost to implement
- Requires a significant modification to the geometric design of roadways
- Consistent speeds across residential neighbourhoods
- May diminish prominence of playground zones
- Allows for design standards to 30 km/h in new communities / traffic calming
- Consistent with international best practice

## Safety Considerations:

	Total Collisions	Casualty Collisions	Vulnerable User Casualty Collisions
Collision History	10,250 / year	680 / year	260 / year
Anticipated Reduction in Speed	Residential streets 5-10 km/h Collector roads 8-15 km/h		
Reduction in Collisions (Percent)	Residential 10 - 20% Collector 16 - 30%	Residential 15 - 30% Collector 24 - 45%	Residential 15 - 30% Collector 24 - 45%
Reduction in Collisions (Number)	1,320 - 2,530 / year	140 - 270 / year	50 - 100 / year
Value of Collision Reduction	\$38.5 - 74.3 M / year	\$32.2 – 61.7 M / year	\$12.3 – 23.5 M / year

# Scenario 1:

Residential Streets – 30 km/h  
Collector Roads – 30 km/h



# Scenario 2:

Residential Streets – 30 km/h  
Collector Roads – 50 km/h

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## Key Considerations:

- Smallest change from today
- Moderate expected reduction in collisions, injuries and fatalities
- Least impact to travel times
- Lowest cost to implement
- Requires some traffic calming
- Differing speeds across residential neighbourhoods
- Allows for design standards to 30 km/h in new communities / traffic calming
- Consistent with international best practice on residential streets only

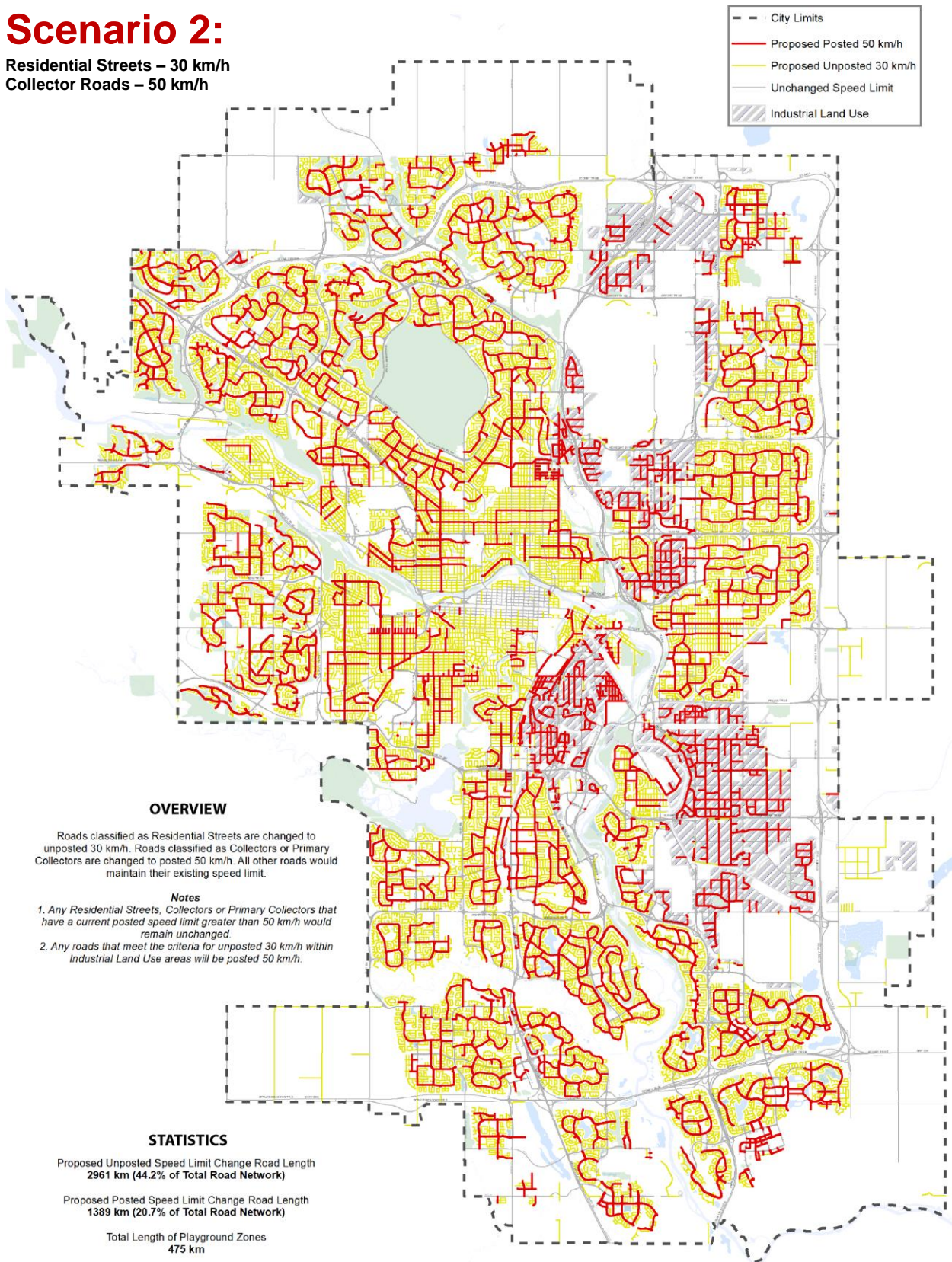
## Safety Considerations:

	Total Collisions	Casualty Collisions	Vulnerable User Casualty Collisions
Collision History	10,250 / year	680 / year	260 / year
Anticipated Reduction in Speed	Residential streets 5-10 km/h Collector roads 2-4 km/h		
Reduction in Collisions (Percent)	Residential 10 - 20% Collector 4 - 8%	Residential 15 - 30% Collector 6 - 12%	Residential 15 - 30% Collector 6 - 12%
Reduction in Collisions (Number)	750 - 1,490 / year	70 - 140 / year	30 - 50 / year
Value of Collision Reduction	\$21.9 – 43.7 M / year	\$15.4 – 30.8 M / year	\$5.9 – 11.7 M / year



## Scenario 2:

Residential Streets – 30 km/h  
Collector Roads – 50 km/h



# Scenario 3:

Residential Streets – 40 km/h  
Collector Roads – 40 km/h

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## Key Considerations:

- Moderate change from today
- Moderate expected reduction in collisions, injuries and fatalities
- Moderate impact to travel times
- Moderate cost to implement
- Requires a significant modification to the geometric design of roadways
- Consistent speeds across residential neighbourhoods
- Maintains playground zones
- Designing new communities / traffic calming to 30 km/h would require significant signage
- Not aligned with international best practice

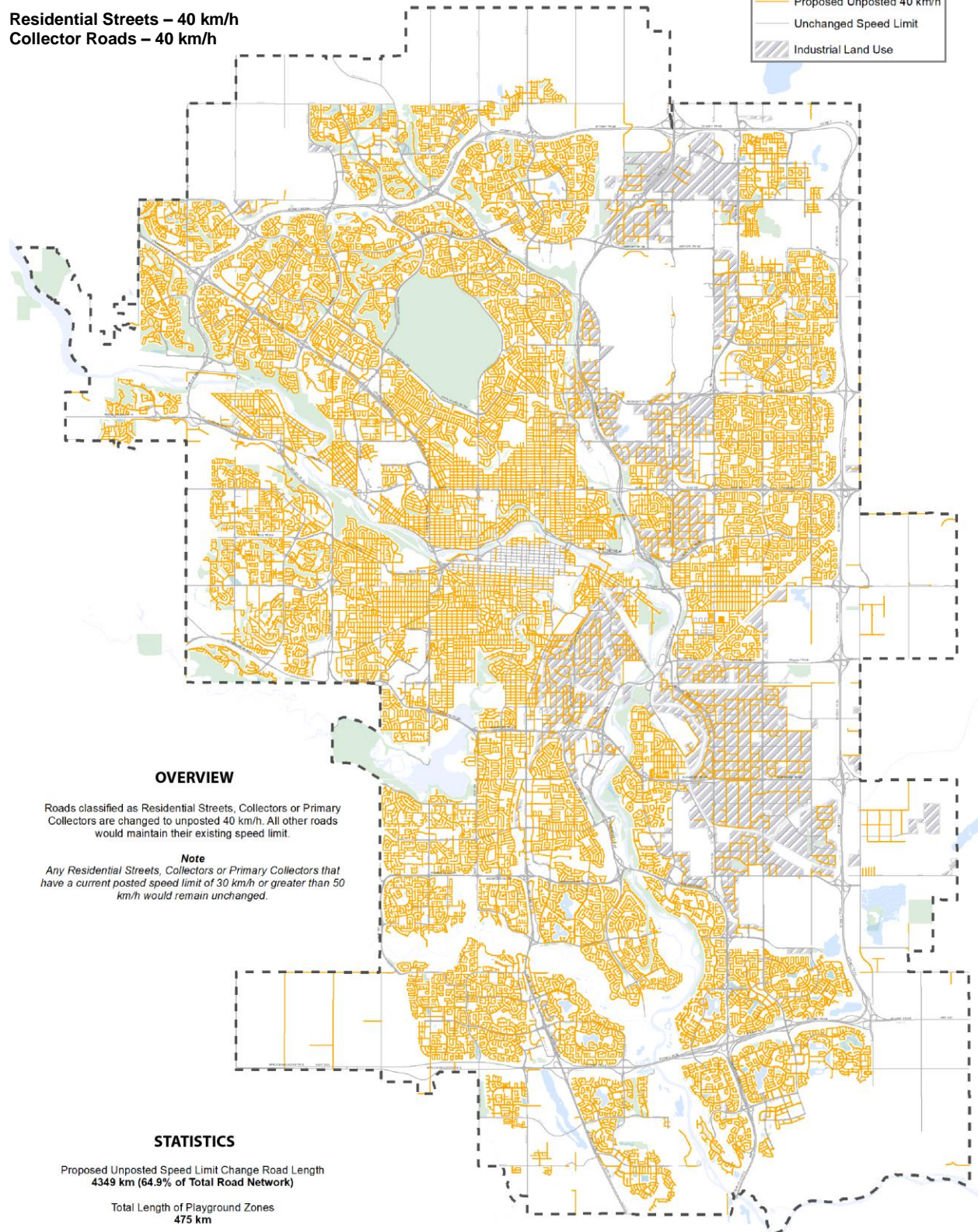
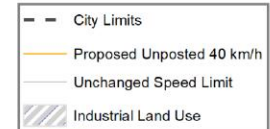
## Safety Considerations:

	Total Collisions	Casualty Collisions	Vulnerable User Casualty Collisions
Collision History	10,250 / year	680 / year	260 / year
Anticipated Reduction in Speed	Residential streets 1-5 km/h Collector roads 4-8 km/h		
Reduction in Collisions (Percent)	Residential 2 - 10% Collector 8 - 16%	Residential 3 - 15% Collector 12 - 24%	Residential 3 - 15% Collector 12 - 24%
Reduction in Collisions (Number)	500 - 1,320 / year	60 - 140 / year	20 - 60 / year
Value of Collision Reduction	\$14.4 – 38.5 M / year	\$13.2 – 32.2 M / year	\$5.0 – 12.3 M / year



## Scenario 3:

Residential Streets – 40 km/h  
Collector Roads – 40 km/h



### OVERVIEW

Roads classified as Residential Streets, Collectors or Primary Collectors are changed to unposted 40 km/h. All other roads would maintain their existing speed limit.

#### Note

Any Residential Streets, Collectors or Primary Collectors that have a current posted speed limit of 30 km/h or greater than 50 km/h would remain unchanged.

### STATISTICS

Proposed Unposted Speed Limit Change Road Length  
4349 km (64.9% of Total Road Network)

Total Length of Playground Zones  
475 km



## Street Safety and Neighbourhood Speed Limits Update

### Engagement Plan

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At the City of Calgary, Engagement is defined as purposeful dialogue between The City and stakeholders to gather information to influence decision making. Public engagement about neighbourhood speed limits will follow the guidelines from Council's Engage policy (CS009).

The Residential Speed Limit Review team has identified three primary scenarios for how to achieve reduced vehicle operating speeds in residential areas. Engaging with Calgarians will provide information that will assist Council in making a final decision on which, if any, of these scenarios to implement.

### Engagement Overview:

#### Goals:

The goals of engagement for the project are:

- **Inform Calgarians of the scenarios:** The project will provide Calgarians with information to facilitate project understanding in terms of the project goals, the three scenarios being considered, and the tools that The City would use to support whichever scenario is adopted by council.
- **Prioritizing scenarios relative to their impacts:** The project team will ask Calgarians questions about their values as they relate to life and travel within their communities. This, along with technical analysis of the scenarios, will create a thorough and well-rounded package of information for Council to consider when making their decisions.

#### Scope:

Engagement will allow the project team to better understand Calgarians' values regarding neighbourhood speed limit changes, as well as which trade-offs Calgarians are most willing to accept to increase safety. This understanding will complement the project team's technical findings, input from the Calgary Police Service and other partners, and the strategies being employed by a parallel effort in the City of Edmonton, when a recommendation is made to Council.

Because engagement is not a representative process, engagement opportunities and questions will not be structured to give the impression of voting for one scenario over another.

The traffic calming measures that are needed to successfully implement the proposed scenarios are not open for engagement. The project team will strive to ensure residents understand the design implications of each scenario.

#### Outcomes:

The main outcomes of engagement will be to:

- Understand gaps in information or misunderstandings of stakeholders regarding traffic safety and project scope, and use the information for additional communication campaigns,
- Provide an analysis of how stakeholder needs and desires align with each of the proposed scenarios; and,
- Engage a wide spectrum of Calgarians.

## Engagement Strategy:

### Public Engagement:

In order to engage a broad and diverse sample of Calgarians, a suite of online tools will be developed to allow the public to be informed about project goals and potential impacts, and to provide input to the project in the form of prioritizing value statements that reflect the potential trade-offs inherent to each scenario.

In addition to this, the project team will be meeting with key internal and external stakeholders to help inform the technical analysis.

### Stakeholders:

In support of the broad public engagement tools discussed above, the project team will deploy targeted engagement for two key external stakeholder groups:

1. Ethnocultural communities – The input of Calgarians with linguistic and cultural barriers that prevent easy participation through online tools will be sought by working with partner organizations with relationships and resources to connect with these communities.
2. Businesses / Commercial stakeholders – in order to ensure that the recommended implementation plan supports local businesses and their employees, targeted engagement activity (working groups, one-on-one sessions) will be conducted with a spectrum of commercial stakeholders, with a primary focus on goods movement, livery and rideshare operators, regional transit operators, and land developers.

External Stakeholders requiring targeted engagement in addition to online engagement	Internal Stakeholders
<ul style="list-style-type: none"><li>• Ethnocultural communities</li><li>• Commercial/service-based stakeholders<ul style="list-style-type: none"><li>◦ Goods movement industry</li><li>◦ Taxi and ridesharing operators</li><li>◦ Regional transit operators</li><li>◦ Bussing companies</li></ul></li><li>• Development Industry</li><li>• Public sector<ul style="list-style-type: none"><li>◦ Alberta Justice</li><li>◦ Alberta Health Services</li><li>◦ School Boards (CBE, CSSD)</li><li>◦ Other municipalities</li></ul></li></ul>	<ul style="list-style-type: none"><li>• ALT and senior managers</li><li>• Calgary Neighbourhoods</li><li>• Calgary Police Service</li><li>• Calgary Transit</li><li>• Community Planning and CPAG partners</li><li>• Council</li><li>• Environmental &amp; Safety Management</li><li>• Fleet Services</li><li>• Urban Strategy and Main Streets program</li><li>• Waste &amp; Recycling Services</li></ul>

### Engagement Tactics:

**Online engagement:** Given the City-wide scope of this project, the majority of the project engagement will be through The City's Engage Portal.

Both the project website and the Engage Portal will include a mapping tool that will allow stakeholders to compare current travel times for their typical routes against travel times under the different proposed speed scenarios. There will also be online resources to understand the

relationships between speed limits, road design, vehicle operating speeds, and the frequency and severity of collisions.

In addition, participants will be asked to prioritize value statements related to their desired experience of their community and the city. Factors related to the possible scenarios include: ability to enjoy public and private spaces in neighbourhoods, personal commuting travel time, supporting local businesses, the number and severity of collisions, and accommodation for children and seniors.

**Business stakeholder engagement:** The project team will host a series of workshops with different industries and sectors likely to be most impacted by the proposed changes to better understand potential impacts to their business. These will be divided into:

- Development industry,
- Bussing and goods movement; and,
- Other impacted businesses.

#### **Project Milestones:**

<b>October 2019</b>	<b>T&amp;T Committee Update Report</b>
<b>November 2019</b>	<b>Council review of Committee Report</b>
<b>November-December 2019</b>	<b>Promotion of on-line engagement resources and targeted stakeholder meetings</b>
<b>January 2019</b>	<b>Analysis of engagement input</b>
<b>February 2019</b>	<b>T&amp;T Committee Final Report Recommendation</b>

#### **Reporting Back:**

##### What We Heard Report

Following the Engage Policy, the City will communicate with stakeholders how their input was incorporated into City decision-making and in cases where input was not used in influencing decisions or changing project outcomes, the reasoning why. A What We Heard and What We Did report will be completed following engagement and included in the final report to Council.



Transportation Report to  
SPC on Transportation and Transit  
2019 October 23

ISC: UNRESTRICTED  
TT2019-1004

## **Sliding Scale Low Income Transit Pass – Long-Term Funding Options**

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### **EXECUTIVE SUMMARY**

As part of the direction received from Council for the 2019 sub-service review program (C2019-0883) and TT2019-0637 RouteAhead Update, this report provides analysis and recommendations for a long-term sustainable funding model for the sliding scale Low Income Transit Pass (LITP) program.

Pilot funding from the Provincial government will end in 2019, and the sliding scale fare structure is currently unfunded for 2020 onward. Funding gap scenarios are presented that account for the uncertainty of continued funding from the Provincial government, as well as increased subsidy costs from program growth. The current budget constraints being experienced by The City and direction for 2020 reductions in tax support make it challenging to allocate significant additional tax support towards the program to make up the funding gap. As such, this report includes an analysis of various options of fare structure revisions, additional tax support, and removing tax support from the sliding scale. Revisions to the LITP fare structure are recommended for each funding gap scenario, based on the principles of maintaining a three-band sliding scale and reflecting equity among bands in the proportion of income that would be allocated towards transit. Approved revisions to the LITP fare structure will be reflected in the user fees for the 2019 November budget adjustments, based on the outcome of Provincial funding decisions. The recommended funding model options address the program's 2020 onward funding gap in a sustainable manner, while still providing significant income-based subsidies that are aligned with the ability to pay.

The financial impacts of additional discounts for seniors and youth are also provided, as requested in a Motion Arising to TT2019-0637 RouteAhead Update.

### **ADMINISTRATION RECOMMENDATION:**

That the Standing Policy Committee on Transportation & Transit recommend that Council:

1. Direct Administration to continue advocacy with the Government of Alberta for permanent funding for the sliding scale Low Income Transit Pass program.
2. Direct Administration to address the sliding scale Low Income Transit Pass program funding gap at the 2019 November budget adjustments with a sliding scale fare structure and budget request submission that reflects the recommended options in this report, based on the outcome of Provincial funding decisions.
3. Receive for information Options 3 and 4 under Scenario C, as Administration's final submission for sub-service review of the sliding scale Low Income Transit Pass program.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

See Attachment 1.

### **BACKGROUND**

In partnership with The City, the Government of Alberta is currently contributing \$4.5 million per year (plus a five per cent contingency) from 2017 to 2019 for the sliding scale fare structure for the Low Income Transit Pass (LITP) program. The funding for the sliding scale fare structure was treated as a pilot, intended to inform the future of the program's structure and funding based on program uptake and user benefits. The City's previous single-rate LITP was

## **Sliding Scale Low Income Transit Pass - Long-Term Funding Options**

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introduced in 2005, with passes costing \$44 per month prior to the implementation of the sliding scale in 2017 April.

The number of participants in the LITP program has more than doubled since the implementation of the sliding scale, with most of growth occurring in the lowest-price Band A (\$5.30 in 2019; 95% discount off Adult Monthly Pass). Surveys conducted in 2018 have shown that approximately 75 per cent of new LITP customers previously purchased other regular Calgary Transit fare products, and approximately 25 per cent were not previous transit users, including new Calgarians.

The program currently supports more than 66,000 low income Calgarians through the economic recovery by making it easier for them to access employment, supports and services in the community. Low income Calgarians have been clear that the program has made significant positive impacts in their day-to-day lives, and this program has strong alignment with The City's poverty reduction and economic strategies. A comprehensive overview of the current state and benefits of the program was presented in Attachment 5 of TT2019-0637 RouteAhead Update, with key research and data also included in Attachment 2 of this report.

The sliding scale fare structure does not currently have a long-term sustainable funding model as the Provincial grant ends in 2019 and The City has been using one-time funds to cover increasing subsidy costs. Council approved one-time funding of \$4 million in 2018 and \$6 million in 2019 to manage the revenue impacts of the increased program uptake, but funding required to make up this gap has not been identified for 2020 onward. In addition, the Government of Alberta has not yet provided an update on the status of the funding partnership beyond 2019, although active advocacy is taking place at the political and administration levels.

A long-term sustainable funding model for the LITP program is required to cover the approximately \$11 million funding gap for 2020 onward. This funding gap is the annual financial change in Calgary Transit revenues directly resulting from the introduction of the sliding scale. If the Province renews the pilot funding at the current rate of \$4.5 million, the funding gap that will need to be resolved in 2020 will be \$6.5 million. Given the current budget challenges of Calgary Transit (44 per cent Revenue/Cost ratio, \$9.3 million budget reduction in 2019) and The City as a whole tied to the economic downturn, and further reductions of \$26.5 million and \$52.5 million in tax support being evaluated for 2020, a more financially-sustainable sliding scale fare structure needs to be considered.

The analyses and recommendations in this report constitute the sub-service review for the sliding scale LITP funding model.

## **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

### **LITP Funding Model**

The existing Provincial pilot funding provides \$4.5 million per year, ending in 2019. The City has requested a long-term agreement with the Province beyond 2019 as well as funding to cover the program's entire \$11 million cost. A request has been made to provide a funding decision before 2019 November to inform The City's 2019 November budget adjustment submission, but no commitments have been made at this point. As a result, the following funding gap scenarios have been considered, with options and recommendations on a sustainable funding model for each scenario:

### Sliding Scale Low Income Transit Pass - Long-Term Funding Options

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- **Scenario A:** Government of Alberta provides \$11 million in annual funding for the LITP program from 2020 onward (LITP Funding Gap = \$0)
- **Scenario B:** Government of Alberta renews the pilot annual funding of \$4.5 million for the LITP program from 2020 onward (LITP Funding Gap = \$6.5 million)
- **Scenario C:** Government of Alberta discontinues funding for the LITP program beyond 2019 (LITP Funding Gap = \$11 million)

Administration created principles to guide the development of sustainable funding model options; these principles focused on maintaining a three-band sliding scale fare structure and reflecting equity among bands in the proportion of income that will be allocated towards transit (Attachment 3). This approach recognizes varying income levels in citizens below the Low Income Cut Off (LICO), and provides a 'relative' price to the LITP based on a household's income, while still providing the greatest advantage to those earning the least.

Given the significant total subsidy for the LITP program from other sources (regular fares, tax support, grants) and The City's budget challenges, funding model options focused on making up the funding gap within the program through a more financially-sustainable structure. Adult Single Ride and Adult Monthly Pass fares are proposed to increase by three per cent in 2020 (to \$3.50 and \$109 respectively) to manage increased costs from inflation, parts, technology, utilities and contractual services. Given service reductions implemented in 2019 and carrying forward into 2020, it is not recommended to pursue additional increases across other fares to make up the LITP program funding gap.

Similarly, it is not recommended to implement further service reductions to make up the program's funding gap. A reduction of 80,000 annual service hours was implemented in 2019 September as part of the 2019 July budget reductions, and reduction scenarios are being evaluated for the 2020 budget adjustments. Further service reductions will negatively impact all Calgary Transit customers, but will disproportionately impact low-income Calgarians because lower productivity routes and time periods that provide connectivity for 'captive riders' will see the most severe reductions.

The following scenarios and funding options have been developed to address the funding gap for the LITP program, consisting of combinations of Provincial funding, additional municipal tax support and revised LITP fares. More detailed information on each option is provided in Attachment 4.

***Scenario A: Government of Alberta provides \$11 million in annual funding for the LITP program from 2020 onward (LITP Funding Gap = \$0).***

In this scenario, the entire funding gap would be made up from Provincial funding, and no further tax support or changes to the LITP fare structure would be required.

### Sliding Scale Low Income Transit Pass - Long-Term Funding Options

**Scenario B: Government of Alberta renews the pilot annual funding of \$4.5 million for the LITP program from 2020 onward (LITP Funding Gap = \$6.5 million).**

Option	Additional Tax Support	Additional LITP Fare Revenue	2020 Pass Price (Bands A/B/C)	Discount off Adult Monthly Pass
1 Current Program	\$6.5 million	-	\$5.45 \$38.15 \$54.50	95% 65% 50%
2 Modified Program	\$3.25 million	\$3.25 million	\$13.10 \$38.15 \$54.50	88% 65% 50%
3 <b>Recommended Modified Program</b>	-	<b>\$6.5 million</b>	<b>\$18.55</b> <b>\$43.60</b> <b>\$59.95</b>	<b>83%</b> <b>60%</b> <b>45%</b>

Given The City's direction for significant reductions in tax support for 2020, Option 3 is recommended as the most financially sustainable funding model for Scenario B while still maintaining equitable LITP rates aligned with the ability to pay (Attachment 3). The LITP program will continue to be heavily subsidized by tax support, Provincial funding and regular fares under this option. The remaining funding gap will be made up within the program while continuing to provide significant income-based subsidies to low income Calgarians. It should be noted that the proposed 83 per cent discount off the Adult Monthly Pass for Band A is closely aligned with the original Band A recommendation of 85 per cent discount off the Adult Monthly Pass when the sliding scale was introduced (CPS2016-0494 Options for Sliding Scale Implementation). Option 3 also provides certainty on the long-term future of the program by allowing it to be more self-sustaining with a stable funding model.

**Scenario C: Government of Alberta discontinues funding for the LITP program beyond 2019 (LITP Funding Gap = \$11 million).**

Option	Additional Tax Support	Additional LITP Fare Revenue	2020 Pass Price (Bands A/B/C)	Discount off Adult Monthly Pass
1 Current Program	\$11 million	-	\$5.45 \$38.15 \$54.50	95% 65% 50%
2 <b>Recommended Modified Program</b>	<b>\$4.5 million</b>	<b>\$6.5 million</b>	<b>\$18.55</b> <b>\$43.60</b> <b>\$59.95</b>	<b>83%</b> <b>60%</b> <b>45%</b>
3 Modified Program	-	\$11 million	\$24.00 \$54.50 \$81.75	78% 50% 25%
4 No Sliding Scale	-	\$11 million	\$54.50	50%

Option 2 is recommended for Scenario C because it maintains LITP fares at rates more aligned with a household's ability to pay, while still revising the fare structure to make significant contributions towards the program's \$11 million funding gap (Attachment 3). As per the sub-



## **Sliding Scale Low Income Transit Pass - Long-Term Funding Options**

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service review, this Option provides a material reduction in The City's support for the operating expenditures of the sliding scale compared to 2019. Similar to Scenario B, the recommended revised fare structure will maintain equity among the bands in household transit costs, while retaining rates more aligned with the ability to pay for all bands. It is not feasible to allocate \$11 million in additional tax support to the program under The City's budget constraints, and it will also be challenging to allocate \$4.5 million in additional tax support to make up program's remaining funding gap under Option 2. However, while a funding partnership with the Province is the ideal state and continued advocacy will be undertaken, additional municipal tax support to backstop discontinuation of that funding would be an investment in the significant social, economic and societal benefits from the sliding scale LITP program. Investments in affordable transit for low income citizens have been shown to contribute to the overall vitality of cities, and improves labour supply and mobility, economic and community participation, and reduced use of costly health and emergency services (Attachment 2). The portion of the funding gap from program growth would be made up through the revised fare structure, for a more financially-sustainable and stable funding model.

### **Financial Impacts of Additional Discounts for Seniors and Youth**

As requested in the Motion Arising to TT2019-0637 RouteAhead Update, the financial impacts of additional discounts for Seniors and Youth are as follows:

- The total annual revenue impact for allowing seniors age 70 and over to access transit service at no charge is currently \$1.9 million, expected to grow to \$2.4 million by 2023.
- The total annual revenue from youth fares is \$25.7 million. The annual revenue impacts of additional 25%, 50% and 75% discounts to current youth fares are \$6.1 million, \$12.3 million and \$19.1 million respectively.
- The annual revenue impact of allowing youth age 6-17 to use transit service at no charge on weekends and public holidays is \$0.8 million.

More detailed information and context on the impacts of providing additional discounts to seniors and youth is provided in Attachment 5. Comparisons of Calgary Transit fares with other municipalities are provided in Attachment 6.

### **Stakeholder Engagement, Research and Communication**

Calgary Neighbourhoods (CN) and Calgary Transit have worked very closely with internal stakeholders from various business units to develop and operationalize the sliding scale fare structure through Fair Entry and Calgary Transit's pass sales. The work on a long-term sustainable funding model for the sliding scale LITP has also been undertaken in collaboration with Finance and Corporate Initiatives.

In the development of the initial model, CN held regular meetings to solicit input and feedback from key stakeholders including the community group Fair Fares. Further discussions have also taken place on the funding gap, coordinated Provincial advocacy and options for long-term sustainable funding for the LITP program.

Advocacy and communication with the Government of Alberta over 2019 has included the YYCMatters Provincial election campaign, annual and quarterly program evaluation reports submitted to the Ministry of Community & Social Services, meetings with members of Administration from the Ministries of Transportation and Community & Social Services, and

## **Sliding Scale Low Income Transit Pass - Long-Term Funding Options**

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letters from Members of Council and General Managers to the relevant Ministers and Deputy Ministers.

Point-of-application and point-of-sale surveys have been conducted with LITP customers in 2017 and 2018 to quantify usage and outcomes of the program. Detailed surveys will also be conducted in 2020 to monitor the impact of a revised fare structure on customers and outcomes.

### **Strategic Alignment**

The approach outlined in this report is aligned with a number of key priorities and guiding documents, including Council direction for 2020 budget adjustments, Council Priority of a Prosperous City (P4), RouteAhead, the Enough for All poverty reduction strategy, the Social Wellbeing policy, and Calgary's Economic Strategy.

### **Social, Environmental, Economic (External)**

**Social:** A sliding scale fare structure for the LITP provides fares better aligned to the ability to pay for many low income Calgarians, supporting them during the economic recovery, enhancing their mobility options and social connections, and enabling them to become more active community members. Investments in affordable transit for low income citizens have been shown to contribute to the overall vitality of cities, and improves labour supply and mobility, economic and community participation, and the use of appropriate health and social service agencies rather than more costly health and emergency services (Attachment 2).

**Environmental:** An affordable transit service for all Calgarians is consistent with achieving The City's environmental goals by providing alternatives to private vehicle use.

**Economic:** The sliding scale for the LITP has supported low income Calgarians through the economic recovery by making it easier for them to access employment, appointments and services in the community. Access to affordable transit increases the ability of those with low incomes to improve economic self-sufficiency and increase their contributions to our city economically. Affordable transit for all contributes to a city where people want to live, work and invest, and improves Calgary's labour supply and mobility.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

The current funding model for the sliding scale LITP program is not sustainable due to the conclusion of the pilot Provincial funding at the end of 2019 and significant increases to The City's subsidy costs from program growth. The sliding scale fare structure is currently unfunded for 2020 onward, with no base funding allocated for sustainment. The recommended funding model options in this report address the program's funding gap in a sustainable manner based on the outcome of Provincial funding decisions. Depending on the scenario, the funding gap is recommended to be significantly or fully covered through a revised sliding scale fare structure, while still providing significant income-based subsidies (\$27 million) to low income Calgarians for affordable access to transit. A \$4.5 million investment in additional tax support is recommended if the Province discontinues the pilot funding beyond 2019. Based on the funding gap scenario that materializes from Provincial funding decisions, the recommended funding model option for that scenario will be brought to the 2019 November budget adjustments to be considered against other City needs and the current financial constraints.

## **Sliding Scale Low Income Transit Pass - Long-Term Funding Options**

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### ***Current and Future Capital Budget:***

There are no capital budget implications associated with the recommendations in this report.

### **Risk Assessment**

A funding commitment beyond 2019 for the sliding scale LITP program has not been made by the Government of Alberta. Without a long-term sustainable funding partnership, the funding gap for the program is significantly higher, which would require additional tax support, service reductions or greater increases to the sliding scale fares as outlined in this report. Administration will continue advocacy and negotiation efforts leading into the fall budget periods for the Province and The City.

LITP sales have grown at an unprecedented rate since implementation of the sliding scale fare structure in 2017 April; pass sales grew by 44 per cent in 2017 and a further 33 per cent in 2018. While program growth is expected to slow to approximately 14% in 2019 and stabilize between 3-4 per cent in 2021, unforeseen growth beyond projections will continue increasing the program's funding gap. This will increase financial pressures on Calgary Transit's operating budget, and may require further tax support, sliding scale adjustments or service reductions to manage the operating cost gap.

### **REASON(S) FOR RECOMMENDATION(S):**

The current funding model for this program is not sustainable due to significant increases to The City's subsidy costs from program growth and the conclusion of the Provincial grant at the end of 2019. The recommended funding model options in this report address the program's 2020 onward funding gap in a sustainable manner based on the outcome of Provincial funding decisions, while still providing significant income-based subsidies to low income Calgarians that are aligned with the ability to pay.

### **ATTACHMENT(S)**

1. Attachment 1 – Sliding Scale Low Income Transit Pass Program: Recent Council Direction
2. Attachment 2 – Low Income Transit Pass Program Research and Data Summaries
3. Attachment 3 – Principles for Sustainable Low Income Transit Pass Funding Model Options
4. Attachment 4 – Evaluation of Low Income Transit Pass Funding Model Options
5. Attachment 5 – Financial Impacts of Additional Discounts for Seniors and Youth
6. Attachment 6 – Comparison of Calgary Transit Fares with other Municipalities



### **Sliding Scale Low Income Transit Pass Program: Recent Council Direction**

At the 2019 July 22 Combined Meeting of Council, report TT2019-0637 RouteAhead Update was approved with the recommendation that Council “3. Direct Administration to develop recommendations for a long-term sustainable funding model for the Low Income Transit Pass program, and report back through the SPC on Transportation & Transit by Q3 2019”.

At that same meeting, Council approved a Motion Arising from Councillor Chahal to:

“3. Direct Administration to report back to Council on 2019 September 30 on the following financial impacts in order to inform potential provincial advocacy:

- a. Eliminating the user fees charged for residents 70 years of age or older for the Senior Regular and the Senior Low Income passes, thereby allowing anyone 70 years of age or older to ride Transit at no charge without the need to produce a pass or fare;
- b. Reducing the cost of Youth fares and monthly passes, over several scenarios, up to the total elimination of these charges; and
- c. Enhancing the Low Income Transit Pass to provide free transit to individuals under 18 years of age on weekends and public holidays.”

These items were deferred to the 2019 October 23 meeting of the SPC on Transportation & Transit at the 2019 September 18 meeting of the SPC on Transportation & Transit.

At the 2019 July 16 Strategic Meeting of Council, report C2019-0883 Initial Work Plan for Sub-Service Reviews was approved with the recommendation that Council “1. Approve the sub-service reviews contained in Table 1 of Attachment 3, released to the public during the presentation at the 2019 July 16 Strategic Meeting of Council, to be completed for the November 2019 adjustments to the One Calgary 2019 – 2022 Service Plans and Budgets.” Sub-Service 2 listed in Table 1 was “Bus and C-Train Operations – Low-Income Transit Pass Funding Model”. In addition, Administration committed that each of the six sub-services would undergo two types of review; one that addresses the financial and non-financial impacts of discontinuing The City’s provision of the sub-service and another that reviews the trade-offs of implementing a material reduction to the tax support of the sub-service.

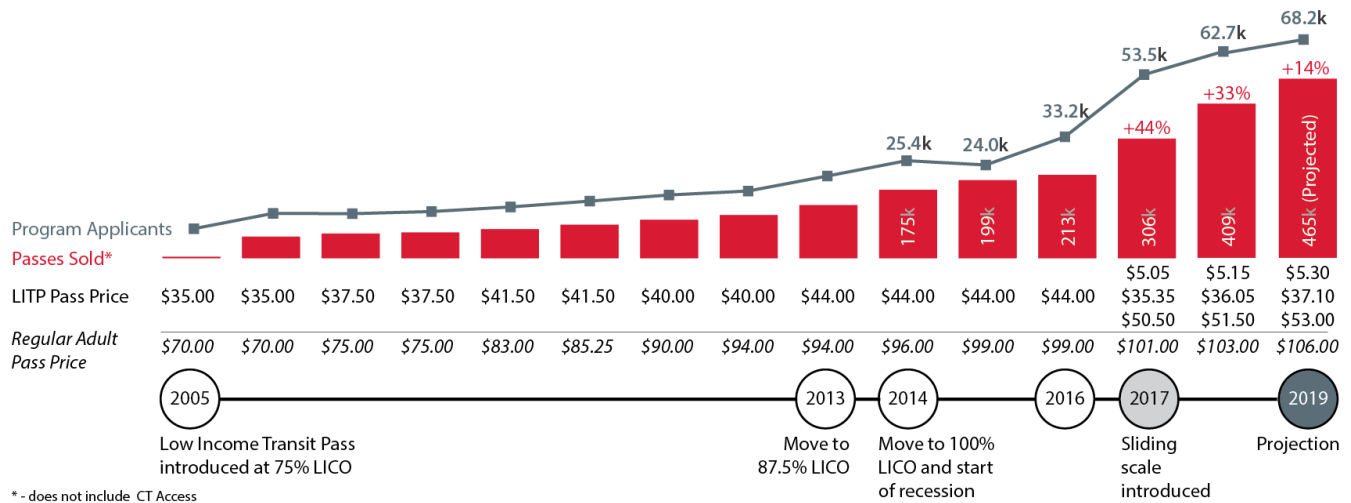
At the 2018 June 25 Regular Meeting of Council, report TT2018-0617 RouteAhead Update was approved with the recommendation that Council “1. Direct Administration to use the attached Fare and Revenue Framework in the development of transit fares as part of One Calgary 2019-2022.”



## Low Income Transit Pass Program Research and Data Summaries

This attachment provides key research and data summaries on the current state and benefits of Calgary Transit's Sliding Scale Low Income Transit Pass Program. A comprehensive overview of the program can be found in Attachment 5 of TT2019-0637 RouteAhead Update.

**Figure 1: Low Income Transit Pass History (2005-2019 Projected)**



**Table 1: 2019 Sliding Scale Fare Structure and Pass Sales**

Band	Pass Price (2019)	Low Income Cut-Off Range	Percent Discount off the Adult Monthly Pass	2019 YTD (Sept) Pass Sales	% of Total YTD (Sept) Pass Sales
A	\$5.30	0%-50% LICO	95%	229,000	67%
B	\$37.10	50%-85% LICO	65%	98,100	29%
C	\$53.00	85%-100% LICO	50%	14,800	4%

**Figure 2: Low Income Transit Pass Sales by Band**

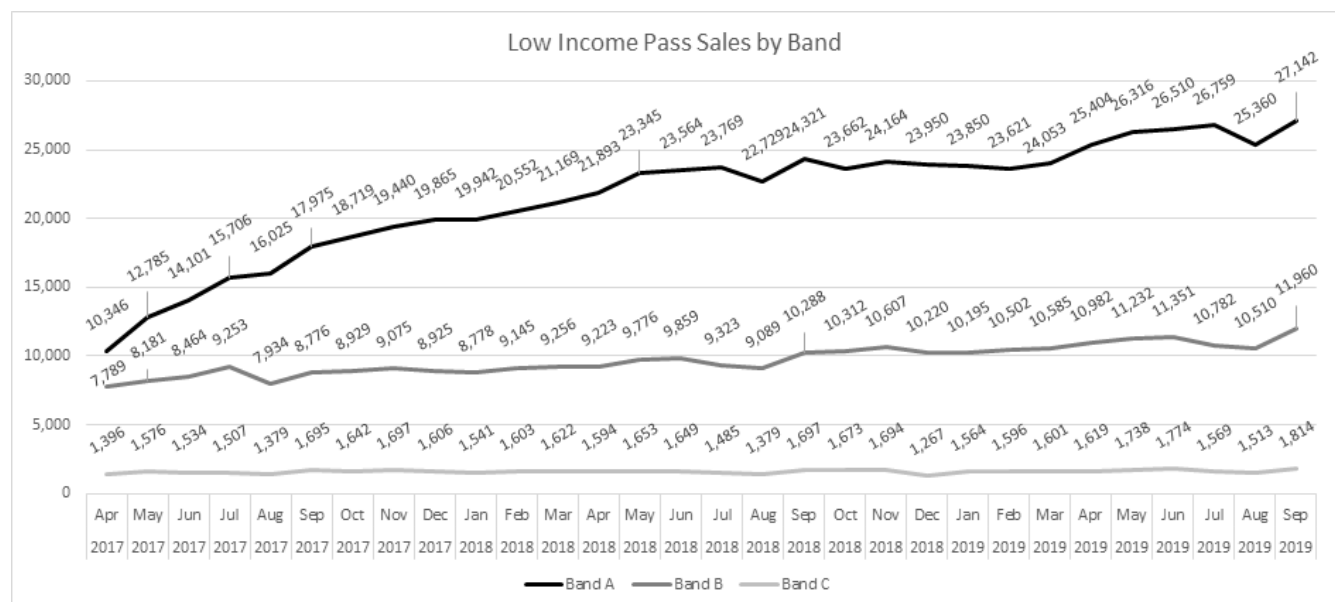
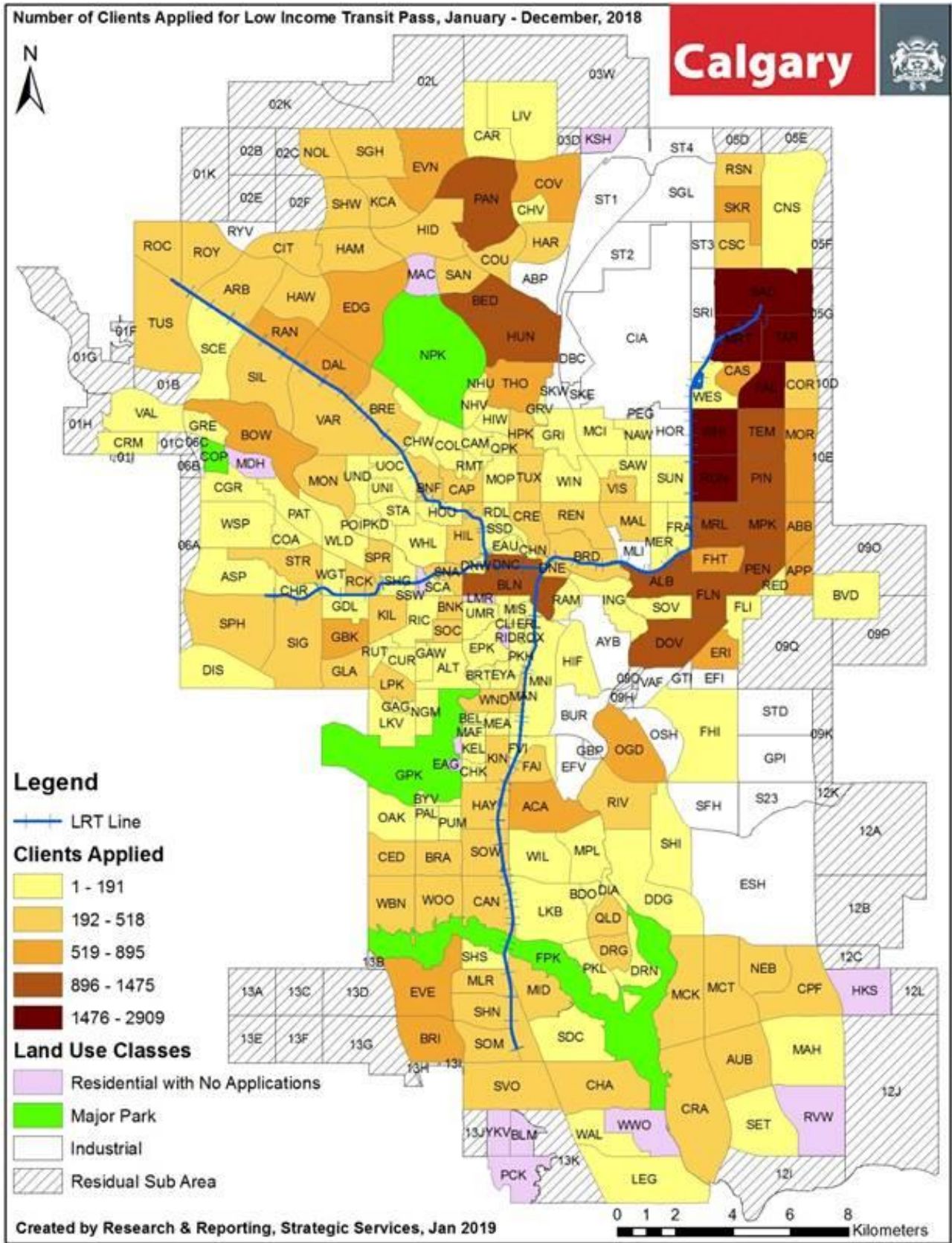




Figure 3: Distribution of Low Income Transit Pass Applicants across Calgary





## Direct Customer Impact

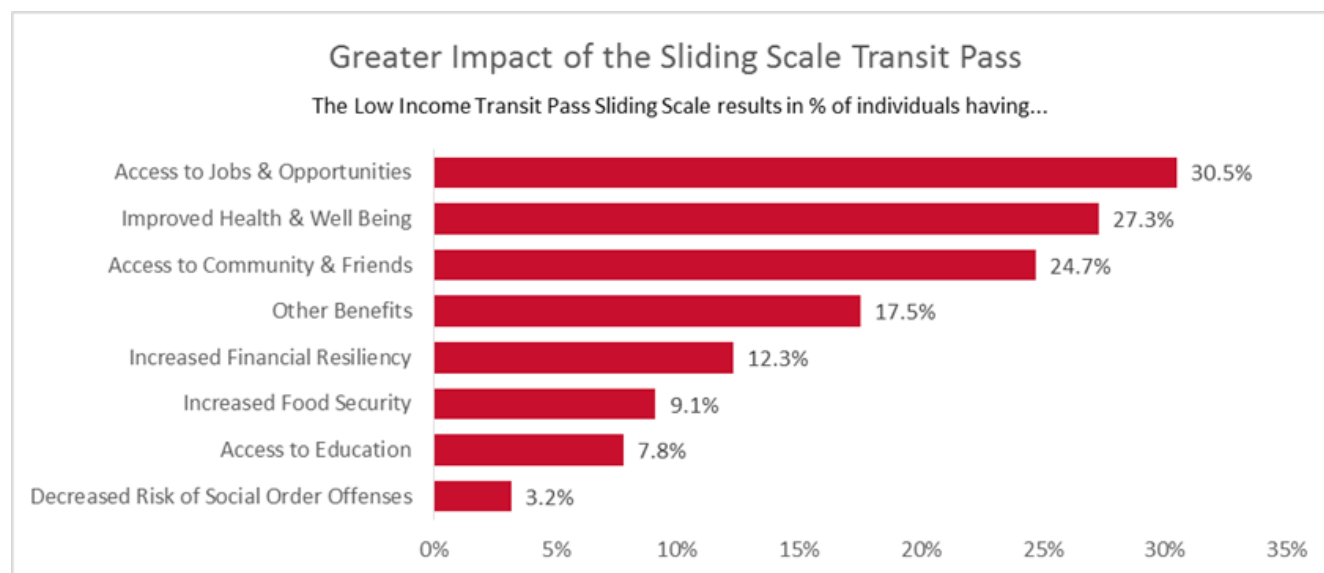
Calgary Neighbourhoods surveyed low-income transit pass customers in fall 2018. The analysis of this data indicated that customers were identifying significant positive impacts of the new sliding scale fare structure. These included:

- 78 percent of respondents said it made it easier to *maintain social supports* through family and friends;
- 84 percent said it was easier to get to *medical and other appointments*;
- 74 percent of respondents agreed the LITP allowed household members to *look for jobs*;
- 91 percent said it *saves their household money*; and
- 87 percent agreed that it *increased their use of Calgary Transit*.

A similar survey was also undertaken in 2017, with 2018 survey responses indicating even greater positive impacts of the program compared to 2017 survey results.

*United Way Research* – Over the course of the summer and fall of 2018, the Women’s Centre partnered with Fair Fares to further engage customers to identify the impact the Low Income Transit Pass program has had in light of the introduction of the sliding scale fare structure. The United Way undertook an analysis of the data collected.

The analysis outlined the proportion of Calgarians who identified a particular benefit within the data collected:



## Transit Low Income Subsidies Research

This section provides an overview of research available on the larger societal and economic impacts of transit low income subsidies. A research study by the Canadian Centre for Economic Analysis (2016) suggests that the return on investment includes employment opportunity and employability as well as health care savings through decreased health care utilization (emergency room visits and hospitalization). This analysis also found that income-subsidized transit passes accrue benefits to all levels of government. One other research study (Stewart et al., 2013) spoke to the decrease in negative interactions between homeless youth and transit staff because of access to affordable transit.

Studies on the introduction of low cost transit options are also telling of its significant impacts on employment and general quality of life. For example, a study that examined employment among disadvantaged areas near the Colombian city Medellin, found that access to employment opportunities doubled for low-income target

populations when a low-cost transit option was introduced (Bocarejo, et al. 2014). As more expansive means of travel, such as automobiles, are often inaccessible for lower income people, their job search ranges tend to be more limited (Blumenberg and Ong, 2001), commute times to work tend to be longer, even though distances to their work are shorter (Taylor and Ong, 1995). Studies examining low-income and public transit also found that policies that improve access to transit can reduce spatial inequities including access to social supports further than walking distance (Stewart et al., 2013) and alternative housing locations thereby reducing concentrations of poverty in neighbourhoods (Pathak, Wyczalkowski, & Huang, 2017).

Most other research pertaining to transit subsidies highlights qualitative benefits to affordable access. “Public transit in particular is more than just a mode of transport: It is a means for people with limited means to fully participate in economic, social, and political life.” (Hertel et al., 2016) Qualitative benefits include: increased access to service and supports; informal supports through family and friends; decreased social isolation and increased safety; increased transit use as well as the ability to travel and access the community more easily (Hertel et al., 2016).

The Canadian Centre for Economic Analysis’s research (2016) also highlighted the impact on social support agencies. Affordable transit access decreases time spent on transportation issues by support agencies. As a result, these agencies can support clients with other areas and more effective support can be provided.

It is important to note that over 30,000 income support recipients (Alberta Works and Assured Income for the Severely Handicapped (AISH)) accessed the City of Calgary’s Low Income Transit Pass (LITP) program in 2018. Certainly, there is benefit to those recipients in accessing transit. As well, a portion of these recipients receive a transportation supplement over and above their core benefit. The recipients of the transportation supplement are compensated for out of pocket expenses, including the cost of the LITP. As a result, any increase or decrease to the price of the LITP directly impacts payouts to transportation supplement recipients and the net investment in the LITP from the Government of Alberta could be less than the grant provided.

#### **Citations:**

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## **Principles for Sustainable Low Income Transit Pass Funding Model Options**

As part of the 2019 sub-service review program and direction from TT2019-0637 RouteAhead Update, Administration was directed to develop a long-term sustainable funding model for the Low Income Transit Pass (LITP) program. It was important to identify a set of principles to guide the development of funding options, given the vast number of potential scenarios and associated impacts to users and the tax rate.

The principles underlying the development of sustainable funding model options focused on maintaining a three-band sliding scale fare structure and reflecting equity among bands in the proportion of income that would be allocated towards transit.

### **Maintain a Three-Band Sliding Scale**

The sliding scale fare structure, introduced in 2017, is an investment in Calgary's most financially vulnerable citizens. It recognizes varying income levels in citizens below the Low Income Cut Off (LICO) while still being easy to understand and communicate, and operationally efficient to deliver. Rather than one flat rate, the three-band structure enhances the affordability of mobility options of these customers and enables them to become more active community members. The sliding scale fare structure has strong alignment with The City's poverty reduction and economic strategies, and currently supports more than 66,000 low income Calgarians through the economic recovery by making it easier for them to access employment, supports and services in the community. Affordable transit fares for low income citizens have been shown to contribute to the overall vitality of cities, and improves labour supply and mobility, economic and community participation, and reduced use of costly health and emergency services. Increases in Calgary Transit ridership combined with increased purchases per household since the launch of the sliding scale fare structure provide insight into the enabling nature of the program.

### ***Evaluation of Discontinuation of Sliding Scale***

As per the direction from the sub-service review, an option was evaluated to discontinue the sliding scale fare structure if the Province discontinues the pilot funding. The LITP fare structure would return to the previously-approved single rate of 50 per cent discount off the Adult Monthly Pass for all customers under LICO; all LITP customers would pay \$54.50 for a monthly pass in 2020. The net financial impact is estimated to be an additional \$11 million in revenues as purchasing patterns return to the single-rate LITP and regular fare products similar to 2016. This option would address the LITP program funding gap, but is not recommended because alternate fare scenarios have been established that maintain a more affordable three-band structure, aligned with a household's ability to pay, while still addressing the program's entire funding gap (Scenario C – Option 3). A more financially-sustainable sliding scale fare structure retains significant positive benefits and outcomes to low-income Calgarians and society overall, and is still operationally efficient to deliver.

Moreover, if a return to a 50 per cent discount is re-introduced, it is expected that a sizeable number of low income persons would be unable to afford the pass price. Proportionally, households could end up paying up to 18 percent of their income at the \$54.50 fare price. Based on detailed surveys conducted on LITP program participants, it is expected that these households, as they did previously, would most often switch to pay-as-you-go fares (e.g. tickets, cash fares), and travel less by transit. Many households remaining in the program would

purchase passes less frequently or purchase fewer passes per household. Regardless, the overall result is that for a great many household's access to employment, supports and services in the community will be significantly reduced compared all other options presented that retain a three-band sliding scale at more financially-sustainable rates.

This lack of access would have many negative impacts. Users of the program have indicated the more affordable pass provided an enhanced ability to seek and maintain employment. Increasing pass prices to \$54.50 for all income levels below LICO would therefore pose a challenge to seeking employment. Research indicates that job searches would be more geographically limited, thereby decreasing options available to the job seeker (Attachment 2).

Additionally, research indicates that significantly higher priced passes would make it more difficult to access medical and other appointments that could impact the frequency of more costly emergency health services (Attachment 2). Additionally, decreased access to social supports through family and friends are likely to increase social isolation, which is associated with poor health and mental health outcomes. Overall, the most financially vulnerable households would spend 10 -18 per cent of their income on transit, resulting in having less money available for other necessities thereby increasing their vulnerability.

Maintaining a sliding scale fare structure also advances various Council priorities and strategies. The Enough for All poverty reduction strategy identified the sliding scale fare structure as a key success in the 2017 Enough for All - Report to Community. In that report it states, "While the sliding scale Low Income Transit Pass is not a panacea, it is an incredibly important tool to combat poverty in Calgary." Within the refreshed Enough for All 2.0 (2019), the sliding scale LITP is identified as an important component in one of the key levers of change, transportation. The levers of change are seen as important areas of focus to be addressed in order to reduce poverty in Calgary. The Economic Strategy Update (PFC2019-0604) also highlighted the sliding scale fare structure as a significant contributor to improved livelihoods and diversity and inclusion of economic participation in Calgary.

### Reflect Equity among Bands

Equity is a principle supported through the Social Wellbeing Policy (CPS2018-0362). The policy aims to ensure all people can benefit equally from City services. A sliding scale fare structure attempts to better match a household's ability to pay with the price of a monthly transit pass. As a result, affordability is addressed as a potential barrier to participation in access to transit services. Focusing on equity, Administration has attempted to provide a 'relative' price to the LITP based on a household's income, while still providing the greatest advantage to those earning the least. In so doing, it is believed that persons with lower incomes will have better access to transit services than without the sliding scale fare structure.

In operationalizing the principle of equity, Administration has attempted to keep the proportional price of a pass relatively similar across the band price structure. Applying equity principles to the bands of sliding scale pricing system will affect the Band A price. Initial recommendations for Band A pricing (CPS2016-0494 Options for Sliding Scale Implementation) recommended setting the Band A price at 85 per cent discount off the adult monthly pass, and this was increased to 95 per cent discount after Council debate with the financial impact to be evaluated after implementation. The result is that individuals in the Band A income category pay less of their income (less than two per cent) compared to other bands (four to seven per cent) in the current state.

Table 1: Percent of income paid by fare type for current LITP fares

	Band Type	Fare Prices (2019)	Percent of Income paid by Household
Family of Four	Band A	\$5.30	1.1% - 1.7%*
	Band B	\$37.10	4.1% - 7.0%
	Band C	\$53.00	5.3% - 6.2%

The equity comparison (family of four) of the revised LITP fare structure options are shown in the table below. The percent of household income paid for transit for each band ranges from 3.5-8.5 per cent for the recommended options, with Band A still reflecting greater subsidies and lower percentages of income allocated to transit compared to the higher-income bands.

The impact of Scenario C – Option 4 (reverting to a single-rate LITP fare structure at 50 per cent off Adult Monthly Pass) is also reflected in Table 2 below. This option does not support the principle of equity, as households in lower income categories face greater proportional costs for transit than households with higher incomes. Households in Band A would pay between 11 and 18 per cent of income, while those in Band C would pay between 5 and 6 per cent.

Table 2: Equity analysis of revised LITP fare structure options (family of four). Recommended options for each scenario are denoted in bold.

Scenario/Option	Band Type	Fare Prices (2020)	Percent of Income paid by Household
Scenario B – Option 2: \$3.25 million from revised LITP fares, \$3.25 million additional tax support	Band A	\$13.10	2.6% - 4.3%*
	Band B	\$38.15	4.1% - 7.0%
	Band C	\$53.00	5.3% - 6.2%
<b>Scenario B – Option 3:</b> <b>\$6.5 million from revised LITP fares,</b> <b>no additional tax support</b>	<b>Band A</b>	<b>\$18.55</b>	<b>3.6% - 5.9%*</b>
	<b>Band B</b>	<b>\$43.60</b>	<b>5.0% - 8.5%</b>
	<b>Band C</b>	<b>\$59.95</b>	<b>5.8% - 6.8%</b>
<b>Scenario C – Option 2:</b> <b>\$6.5 million from revised LITP fares,</b> <b>\$4.5 million additional tax support</b>	<b>Band A</b>	<b>\$18.55</b>	<b>3.6% - 5.9%*</b>
	<b>Band B</b>	<b>\$43.60</b>	<b>5.0% - 8.5%</b>
	<b>Band C</b>	<b>\$59.95</b>	<b>5.8% - 6.8%</b>
Scenario C – Option 3: \$11 million from revised LITP fares, no additional tax support	Band A	\$24.00	4.6%-7.7%
	Band B	\$54.50	6.2%-10.6%
	Band C	\$81.75	7.9%-9.3%
Scenario C – Option 4: \$11 million from reversion to a single- rate fare for the LITP	Band A	\$54.50	10.9% - 17.9%*
	Band B	\$54.50	6.2% - 10.6%
	Band C	\$54.50	5.3% - 6.2%

\*Lower income levels reflect households in receipt of Alberta Works. Households earning less are not reflected in percentage range.



## Evaluation of Low Income Transit Pass Funding Model Options

The following scenarios and funding options have been developed to address the funding gap for the sliding scale Low Income Transit Pass (LITP) program, based on the outcome of Provincial funding decisions. Funding model options consist of combinations of Provincial funding, additional tax support and revised LITP fares.

### **Scenario A: Government of Alberta provides \$11 million in annual funding for the LITP program from 2020 onward (LITP Funding Gap = \$0).**

In this scenario, the entire funding gap would be made up from Provincial funding, and no further tax support or changes to the LITP fare structure would be required. Given that LITP fares are set as a percentage discount off the Adult Monthly Pass (AMP), LITP fares would increase by 3% in 2020, in line with the AMP.

### **Scenario B: Government of Alberta renews the pilot annual funding of \$4.5 million for the LITP program from 2020 onward (LITP Funding Gap = \$6.5 million).**

In this scenario, the remaining funding gap after accounting for Provincial funding renewal would be \$6.5 million annually. The 2019 gap is being made up through one-time funding from Council. This amount cannot be absorbed into Calgary Transit's budget without being offset by service reductions; funding through additional tax support/reallocation of existing tax room or revised LITP fares would be required to make up the gap in a long-term sustainable manner.

#### *Option 1: \$6.5 million funding gap is made up through additional tax support*

This option would require \$6.5 million in additional tax support, making the 2019 one-time funding from Council a permanent/base increase to Calgary's Transit's operating budget. No changes to the LITP fare structure would be required at this time. LITP fares would increase by 3% in 2020, in line with the AMP.

#### *Option 2: \$6.5 million funding gap is made up through a combination of additional tax support and revised LITP fares*

This option would require approximately \$3.25 million in additional tax support, as well as \$3.25 million from revised LITP fares as follows:

		Current Fare Structure		Revised Fare Structure	
Band	LICO Range	2020 Pass Price	Discount off AMP	2020 Pass Price	Discount off AMP
A	0-50% LICO	\$5.45	95%	\$13.10	88%
B	50-85% LICO	\$38.15	65%	\$38.15	65%
C	85-100% LICO	\$54.50	50%	\$54.50	50%

*Reflects 3% increase in AMP price proposed for 2020*

#### ***Option 3 - RECOMMENDED: \$6.5 million funding gap is made up from revised LITP fares***

This option would require \$6.5 million in funding from revised LITP fares as follows:

		Current Fare Structure		Revised Fare Structure	
Band	LICO Range	2020 Pass Price	Discount off AMP	2020 Pass Price	Discount off AMP
A	0-50% LICO	\$5.45	95%	\$18.55	83%
B	50-85% LICO	\$38.15	65%	\$43.60	60%
C	85-100% LICO	\$54.50	50%	\$59.95	45%

*Reflects 3% increase in AMP price proposed for 2020*

Given the City's direction for significant reductions in tax support for 2020, Option 3 is recommended as the most financially sustainable funding model for Scenario B while still maintaining equitable LITP rates aligned with the ability to pay (Attachment 3). The LITP program will continue to be heavily subsidized by tax support, Provincial funding and regular fares under this option. The remaining funding gap will be made up within the program while continuing to provide significant income-based subsidies to low income Calgarians. It should be noted that the proposed 83% discount off AMP for Band A is closely aligned with the original Band A recommendation of 85% discount off AMP when the sliding scale was introduced (CPS2016-0494 Options for Sliding Scale Implementation). The recommended revised fare structure maintains equity among the bands in household transit costs, while retaining a fare structure aligned with the ability to pay. Option 3 also provides certainty on the long-term future of the program by allowing it to be more self-sustaining with a stable funding model.

**Scenario C: Government of Alberta discontinues funding for the LITP program beyond 2019 (LITP Funding Gap = \$11 million).**

In this scenario, the entire \$11 million funding gap for the LITP program would need to be made up through additional tax support/reallocation of existing tax room or revised LITP fares.

*Option 1: \$11 million funding gap is made up through additional tax support*

This option would require \$11 million in additional tax support, with no changes to the LITP fare structure required at this time. LITP fares would increase by 3% in 2020, in line with the AMP.

***Option 2 – RECOMMENDED: \$11 million funding gap is made up through a combination of additional tax support and revised LITP fares***

This option would require \$4.5 million in additional tax support to make up the gap from discontinued Provincial funding, as well as \$6.5 million from revised LITP fares as indicated in the table below. This option meets the commitment to provide a sub-service review that includes a material reduction in The City's support for the operating expenditures of the sliding scale compared to 2019.

		Current Fare Structure		Revised Fare Structure	
Band	LICO Range	2020 Pass Price	Discount off AMP	2020 Pass Price	Discount off AMP
A	0-50% LICO	\$5.45	95%	\$18.55	83%
B	50-85% LICO	\$38.15	65%	\$43.60	60%
C	85-100% LICO	\$54.50	50%	\$59.95	45%

*Reflects 3% increase in AMP price proposed for 2020*

*Option 3 - \$11 million funding gap is made up from revised LITP fares*

This option would require \$11 million in funding from revised LITP fares as follows:

		Current Fare Structure		Revised Fare Structure	
Band	LICO Range	2020 Pass Price	Discount off AMP	2020 Pass Price	Discount off AMP
A	0-50% LICO	\$5.45	95%	\$24.00	78%
B	50-85% LICO	\$38.15	65%	\$54.50	50%
C	85-100% LICO	\$54.50	50%	\$81.75	25%

*Reflects 3% increase in AMP price proposed for 2020*



*Option 4 - \$11 million funding gap is made up by discontinuing the sliding scale fare structure and returning to a single-rate LITP fare structure*

As per the direction from the sub-service review, an option was evaluated to discontinue the sliding scale fare structure if the Province discontinues the pilot funding. The LITP fare structure would return to the previously-approved single rate of 50% discount off AMP for all customers under LICO (Low Income Cut Off):

		Current Fare Structure		Revised Fare Structure	
Band	LICO Range	2020 Pass Price	Discount off AMP	2020 Pass Price	Discount off AMP
A	0-50% LICO	\$5.45	95%	\$54.50	50%
B	50-85% LICO	\$38.15	65%	\$54.50	50%
C	85-100% LICO	\$54.50	50%	\$54.50	50%

*Reflects 3% increase in AMP price proposed for 2020*

This option would address the LITP program funding gap through an additional \$11 million in revenues as purchasing patterns return to the single-rate LITP and regular fare products similar to 2016. However, it does not align with the principles of maintaining equity through a sliding scale; further discussion on the impacts of this option can be found in Attachment 3.

Option 2 is recommended for Scenario C because it maintains LITP fares at rates more aligned with a household's ability to pay, while still revising the fare structure to make significant contributions towards the program's \$11 million funding gap (Attachment 3). Band A would be set at 83% discount off AMP, which is more in line with the original recommendation of 85% discount off AMP. The recommended revised fare structure will maintain equity among the bands in household transit costs, while retaining rates more aligned with the ability to pay for all bands. It is not feasible to allocate \$11 million in additional tax support to the program under the City's budget constraints, and it will also be challenging to allocate \$4.5 million in additional tax support to make up program's remaining funding gap under Option 2. However, while a funding partnership with the Province is the ideal state and continued advocacy will be undertaken, additional municipal tax support to backstop discontinuation of that funding would be an investment in the significant social, economic and societal benefits from the sliding scale LITP program. Investments in affordable transit for low income citizens have been shown to contribute to the overall vitality of cities, and improves labour supply and mobility, economic and community participation, and reduced use of costly health and emergency services. The portion of the funding gap from program growth would be made up through the revised fare structure, for a more financially-sustainable and stable funding model.



### **Financial Impacts of Additional Discounts for Seniors and Youth**

This attachment provides information on the financial impacts of providing additional discounts to seniors and youth, as per the Motion Arising to TT2019-0637 RouteAhead Update.

For context, Council approved the Calgary Transit Fare and Revenue Framework for One Calgary 2019-2022 as part of TT2018-0617 RouteAhead Update. This framework provides guidance on setting fares to manage the Revenue/Cost ratio (currently 44 per cent) and close the operating gap (cost per trip vs revenue per trip), with direction to provide subsidies focused on income rather than additional discounts for age or other criteria. This is also consistent with the direction from the Calgary Transit Zero-Based Review (PFC2016-0469).

The financial impacts of additional discounts for seniors and youth are significant and cannot be absorbed into Calgary Transit's existing operating budget without being offset by service reductions, additional funding (e.g. additional tax support, funding from other orders of government) or increases to other fares. Given the City's current budget challenges, recent service reductions and Council's direction to explore further reductions to municipal tax rates, it is not recommended to pursue these additional age-based discounts without an external funding source. While fare price is an important factor when considering travel choices, engagement and research on different customer groups (including seniors and youth) have indicated that investments in core service quality attributes are critical for driving ridership; this includes travel time, coverage/frequency, winter weather accessibility, personal safety, and crowding/access to seating.

#### ***Eliminating the user fees charged for residents 70 years of age or older for the Senior Regular and the Senior Low Income passes, thereby allowing anyone 70 years of age or older to ride Transit at no charge without the need to produce a pass or fare***

The total revenue impact for allowing all seniors age 70 and over to access transit service at no charge (all fare products, including annual passes) is \$1.9 million, expected to grow to \$2.4 million by 2023.

Of seniors who use Calgary Transit, 25-35 per cent use regular fare products to pay for transit service (e.g. tickets, cash, monthly passes), while the remaining use the annual pass programs. The total annual revenue specifically from the Seniors Regular Annual Pass (\$140 in 2019) and Seniors Low Income Annual Pass (\$25 in 2019) programs for customers 70 years of age and older is \$1.1 million; 45 per cent of passes sold are the Seniors Regular Annual Pass and 55 per cent are the Seniors Low Income Annual Pass.

The total administration cost for seniors annual pass programs for these users is estimated at \$233,000. Calgary Transit and Fair Entry do not have staff specifically dedicated to processing eligibility and sales for the Seniors Pass programs; rather, the staff also process other applications (e.g. monthly Low Income Transit Pass (LITP)), fare product sales and other front-line customer service tasks at the Customer Service Centres and Fair Entry locations. For example, greater than 50 per cent of seniors applying to transit subsidy programs also access other subsidy programs. Therefore, eliminating the need for a transit application would not eliminate the processing of these household applications.

Seniors are the fastest growing population cohort in Calgary, with Calgarians age 65-74 growing by 74 per cent over the past 10 years, and adults age 55-64 growing by 54 per cent (Calgary 2019 census). The population of Calgary seniors is expected to continue growing at a higher rate per year more than the general population over the next 10 years (Calgary and Region Economic Outlook 2017-2026). The Calgary Transit Zero-Based Review flagged this as a significant growing risk to transit revenues and the operating gap if further age-based discounts are provided. In terms of income-based eligibility, the 2016 federal census showed that 10.8 per cent

of seniors age 65-74 fall below the Low Income Cut-Off (similar to the general population), and 13.5 per cent of seniors age 75 and over fall below the Low Income Cut-Off. Pre-seniors age 55-64 have the lowest prevalence of low-income at 9.5 per cent.

It should also be noted that given the significant discounts already provided with the seniors annual pass programs relative to other municipalities, the Zero-Based Review recommended “aligning non-low income Seniors fare pricing with Youth discounts, including eliminating the regular senior annual pass and instead offering discounted cash fares, tickets and monthly passes”. Attachment 6 provides comparisons of Calgary Transit fares with other municipalities.

***Reducing the cost of Youth fares and monthly passes, over several scenarios, up to the total elimination of these charges***

The total annual revenue from youth fares, including tickets (\$2.35 in 2019), day passes (\$7.75 in 2019) and monthly passes (\$77 in 2019) is \$25.7 million. Most youth passes are purchased by parents of students aged 15 to 18 for whom the traditional yellow school buses are no longer an option. Administration costs for these fares is very low because the majority of fare product sales (except monthly LITP) takes place through external vendors, similar to regular adult fare products. Therefore, there would be no meaningful financial savings expected from administration costs. The table below shows the financial impacts of additional discounting of youth fares:

<b>Additional Discount</b>	<b>Youth Fare (single fare / monthly pass – 2019 rates)</b>	<b>Revenue Loss from Additional Discount</b>
25%	\$1.75 / \$57.75	\$6.1 million
50%	\$1.20 / \$38.50	\$12.3 million
75%	\$0.60 / \$19.25	\$19.1 million
100%	\$0.00 / \$0.00	\$25.7 million

***Enhancing the Low Income Transit Pass to provide free transit to individuals under 18 years of age on weekends and public holidays***

There is currently no transit fare required for children age five and under. The majority of youth (age 6-17) LITP holders use the LITP for weekday travel to school and employment, with approximately 75 per cent of youth LITP sales being in the lowest-price Band A (\$5.30 in 2019). Similarly, 81 per cent of regular youth ridership (excluding LITP) is from monthly passes, which are mainly used to travel to school and employment on weekdays. These customers will not benefit from no charge for transit on weekends and public holidays as they would still purchase monthly passes (LITP and regular) for weekday travel. More casual youth transit users would experience the benefits of this proposed scenario (e.g. single fares or day passes for personal travel, special events), with an estimated \$0.8 million in annual lost revenue and no meaningful reduction in administration costs for youth fare products.

### Comparison of Calgary Transit Fares with other Major Canadian Transit Systems

This attachment provides comparisons of Calgary Transit fares with other major transit systems across Canada. Specific emphasis is placed on seniors and youth fares, as per the Motion Arising to TT2019-0637 RouteAhead Update.

**Table 1: Comparison of 2019 Adult Fares in Major Canadian Cities**

Fare Option	Calgary	Edmonton	Ottawa	Montreal	Winnipeg	Vancouver	Toronto	Regina
Cash/Single Ticket	\$3.40	\$3.50	\$3.50	\$3.50	\$2.95	\$4.25	\$3.25	\$3.25
Ticket Book / Fare Card (per ride)	\$3.40	\$2.63	\$3.45	\$2.90	\$2.60	\$3.45	\$3.10	\$2.90
Day Pass	\$10.75	\$9.75	\$10.50	\$10.00	\$9.65	\$10.50	\$13.00	\$10.00
Monthly Pass	\$106.00	\$97.00	\$116.50	\$86.50	\$100.10	\$131.00	\$151.15	\$88.00
Low Income Monthly Pass	\$5.30 \$37.10 \$53.00	\$35.00 \$50.00	\$58.25	N/A*	N/A*	N/A	\$119.40	\$71.00

\*Low Income Monthly Passes are being evaluated by Montreal and Winnipeg for implementation in 2020 or later

**Table 2: Comparison of 2019 Youth and Seniors Fares in Major Canadian Cities**

Youth/Concession Fares								
Fare Option	Calgary	Edmonton	Ottawa	Montreal	Winnipeg	Vancouver	Toronto	Regina
Cash / Single Ticket	\$2.35	\$3.50	\$1.80	\$2.50	\$2.45	\$2.95	\$2.20	\$2.75
Ticket Book / Fare Card (per ride)	\$2.35	\$2.30	\$1.75	\$1.75	\$1.82	\$2.95	\$2.15	\$2.45
Day Pass	\$7.75	\$9.75	\$10.50	\$10.00	\$6.75	\$8.25	\$13.00	\$10.00
Monthly Pass	\$77.00	\$75.00	\$89.75	\$52.00	\$70.10	\$56.00	\$122.45	\$64.00
Low Income Monthly Pass	\$5.30 \$37.10 \$53.00	\$35.00 \$50.00	\$58.25	N/A*	N/A*	N/A	N/A	\$51.00

Seniors Fares								
Fare Option	Calgary	Edmonton	Ottawa	Montreal	Winnipeg	Vancouver	Toronto	Regina
Regular Annual Pass	\$140.00	\$136.50	N/A	N/A	\$553.80	N/A	\$1,347.00	\$270.00
Supplemented Annual Pass	\$25.00	\$59.25	N/A	N/A	N/A	\$45.00	N/A	N/A
Monthly Pass	N/A	\$15.50	\$44.50	\$52.00	\$50.05	\$56.00	\$122.45	\$30.00

*\*Low Income Monthly Passes are being evaluated by Montreal and Winnipeg for implementation in 2020 or later*

**Table 3: Comparison of 2019 Seniors and Youth Fares for Annual Unlimited Transit Travel**

City	Regular Seniors Annual Pass*	Low Income Seniors Annual Pass	Adult Monthly Pass Annual Equivalent / Annual Pass	Youth Monthly Pass Annual Equivalent / Annual Pass
Calgary	\$140.00	\$25.00	\$1,272.00	\$924.00
Edmonton	\$136.50	\$59.25	\$1,164.00	\$900.00
Brampton**	\$180.00	-	\$1,536.00	\$1,284.00
Regina	\$270.00	-	\$1,056.00	\$768.00
Hamilton	\$325.00	-	\$1,320.00	\$1,082.40
Ottawa	\$534.00	-	\$1,398.00	\$1,077.00
Montreal	\$624.00	-	\$1,038.00	\$624.00
Winnipeg	\$553.80	-	\$1,201.20	\$841.20
Vancouver	\$672.00	\$45.00	\$1,572.00	\$672.00
Mississauga	\$780.00	-	\$1,560.00	-
Toronto	\$1,347.00	-	\$1,662.60	\$1,347.00

*\*Annual pass or equivalent cost of 12 monthly passes*

*\*\*The City of Brampton has approved eliminating transit fares for seniors by 2022*