

RouteAhead 2021 Annual Update

RECOMMENDATION(S):

That the Infrastructure and Planning Committee recommends that Council:

1. Endorse in principle the RouteAhead 10-year update scope and direct Administration to proceed with updating RouteAhead and RouteAhead Project Prioritization with a programmatic approach, returning to Council no later than Q4 2022.
2. Advocate for permanent transit operating funding to the provincial and federal governments.
3. Direct Administration to continue advocacy with the Government of Alberta on a long-term funding extension for the Low Income Transit Pass program and to develop recommendations for a long-term sustainable funding model for the Low Income Transit Pass program.

HIGHLIGHTS

- RouteAhead is Calgary Transit's 30-year strategic plan outlining the future direction for transit in the city of Calgary.
- First adopted in 2013, Council is provided an annual report on the current state of Calgary Transit and progress towards RouteAhead goals and vision.
- What does this mean to Calgarians? Transit is an important line of service to Calgarians. As the city grows, changes, and faces uncertainty with the COVID-19 pandemic, it is important to measure progress towards achieving service goals and building a better transit system for Calgarians.
- Why does this matter: progress on the goals and policies of RouteAhead mean Calgary is making it easier, faster, and more convenient for people to get around by transit and providing more transportation options.
- Calgary Transit has seen ridership and revenues recover slightly since the first onset of the COVID-19 pandemic; however, public health measures and changing travel patterns mean ridership is still only at approximately 39 per cent of pre-pandemic levels, with 75 per cent of pre-pandemic service as of mid-January 2022.
- Customer reporting indicates increased concerns for safety and cleanliness on transit.
- Current projections show a ridership recovery to 60-75 per cent of pre-pandemic levels by the end of 2022, dependent on public health guidelines, telework policies, in-person learning, and other pandemic-related factors. Calgary Transit is remaining nimble and introduced new measures throughout 2021 to retain and grow ridership, and to benefit customers.
- Continued work is required to advocate for capital and operating funding and funding for the Low Income Transit Pass program, in order to continue work towards the goals of RouteAhead.
- Since RouteAhead is now ten-years old, a refresh of the document is required to ensure it remains relevant and uses the most up-to-date information available.
- New projects, fleet electrification, and growing transit ridership will require investments in transit operational funding.
- Strategic Alignment to Council's Citizen Priorities: A city that moves
- Background and Previous Council Direction is included as Attachment 1.

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DISCUSSION

The RouteAhead Plan

RouteAhead, a 30-year Strategic Plan for Transit in Calgary, has guided investments in operating and capital funding for the past ten years. RouteAhead is founded and organized around three-core principles encompassing the customer experience, transit network, and financing transit. Attachment 2 provides a brief overview of RouteAhead, while Attachment 3 provides a detailed look at the customer experience, transit network, and financing transit in 2021.

Now that RouteAhead is 10-years old, it is appropriate to conduct a review to ensure it aligns with the 2020 Municipal Development Plan and Calgary Transportation Plan, Council's strategy, as well as updated population, growth, and infrastructure planning scenarios for the City. The RouteAhead 10-Year Review will return to Council no later than Q4 2022. Further details on the RouteAhead 10-Year Update are also found in Attachment 3.

The original RouteAhead document contains a description of the desired future rapid transit network and scoring for each individual capital project required to achieve that network. In December 2020, Council approved an updated prioritized rapid transit project list to guide future investment. The list from December 2020 will be updated again for 2023-2026 budget planning in conjunction with Council priorities and will involve a programmatic approach to prioritizing projects which considers not only Transit capital projects, but other capital projects from across the organization. Further details on project prioritization are found in Attachment 5.

Customer Experience

A key outcome of RouteAhead is a greater focus on responding to the opinions and feedback of Calgary Transit customers. Building confidence with customers that transit is a safe choice is top of mind to help recover from the pandemic. Measuring customer confidence is tracked through weekly online surveys to gather feedback on how Calgary Transit is meeting customer's needs, quality of service, and responsiveness to concerns. These weekly surveys complement regular engagement tools like the Call Centre and Twitter account. In addition, feedback is gathered through monthly surveys, which provides insight into customers returning to using transit, service cleanliness, and other customer preferences.

Performance on the specific Customer Commitment measures in 2021 were:

- Safe: 76%
- Helpful: 79%
- Informative: 75%
- Easy to Use: 78%
- Cleanliness: 73%

Ratings in 2021 for all six measures are trending downwards compared to ratings in 2018 and 2019 (surveys were suspended in 2020 due to the pandemic). More details on the Customer Commitment and Research program can be found in Attachment 3.

In supporting the commitment for an easy-to-use transit system, Calgary Transit launched phase 2 of the My Fare Mobile Ticketing System in fall 2021, making the UPass available to participating post-secondary institutions on the mobile app.

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Starting in February 2022, Calgary Transit will introduce My Fare for senior and low-income passes, creating more user-friendly pass options for customers.

Calgary Transit is exploring and evaluating alternative service delivery in order to sustain critical service and leverage emerging technologies for the benefit of customers, including:

- Expansion of fare products offered on My Fare;
- Enhancements to trip planning applications that include shared mobility, regional transit, and integration of My Fare;
- Modest investments in infrastructure at key stations to build multi-modal integration (mobility hubs), including additional cycling infrastructure, eScooter availability, carshare parking and electric vehicle charging; and
- Exploration of new service delivery methods like On Demand.

Network Planning

Calgary Transit continues to make progress on the planning and construction of RouteAhead's existing 10-year network objectives. Preliminary construction began on 52 Street in 2021, preparing the corridor with transit priority measures to become a future MAX route when funding permits.

Calgary Transit implemented network modifications to continue to respond to reduced revenue and ridership in 2021, some service reductions were maintained, and back-of-house and management staffing levels were also adjusted. Four existing bus routes in the southeast were reviewed to develop a more effective and efficient bus network supporting connectivity and ridership growth. Goals of this review included improving connections to key destinations, providing more direct routes that are easier to understand, reducing travel time, operating at higher service levels on higher ridership corridors, reducing duplication of service, improving efficiency and productivity of service, and increasing ridership.

Regional Transit

Calgary Transit continues to work our partners at the Calgary Metropolitan Region Board (CMRB) by contributing to the planning of future regional transit connections in their Growth and Servicing Plans.

Regional transit currently operates in Calgary. A public system, Airdrie Transit, provides two connections into Calgary (Downtown and Rundle Station). On-It Regional Transit, a private system, currently operates two commuter services: Okotoks to Downtown Calgary and Cochrane to Downtown Calgary via Brentwood Station.

In 2021, Calgary Transit expanded fixed-route service outside the corporate boundary for the first time to neighbouring Chestermere. The extension of MAX Purple runs on weekdays for two-trips in the morning rush hour and two-trips in the evening rush hour.

Calgary Transit is also contributing to ongoing discussions related to future regional rail connections including the Calgary – Banff Rail project and the High Speed Rail project between Calgary and Edmonton. As these projects progress, Calgary Transit will explore multi-modal connections to enable these systems.

Finances

Transit is critical to a sustainable city and meeting climate strategy goals. Finding ways to maintain service levels during and post-pandemic is recommended from a social, environmental

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and economic perspective. Nevertheless, operating funding for transit comes from both tax-support and revenues from fares, parking fees, advertising, and other sources. With reduced revenues from the pandemic, The City is unable to maintain service at the planned budgeted levels. Economic recovery considerations and budget constraints are influencing the implementation of the RouteAhead plan. Some of the important impacts are highlighted in this section.

Ridership Impact to Finances

After sharp ridership declines in 2020, Calgary Transit ridership grew to 39 per cent of pre-pandemic levels in January 2022; however, revenue generation is still strained.

During the development of the RouteAhead plan, Council approved the guiding principle of targeting a revenue/cost (R/C) ratio of 50/50 to 55/45. The projected 2021 revenue/cost ratio is 23/77, with the deficit funded by support from other levels of government. A significant drop in revenues of \$106M due to COVID-19 and mitigation measures from savings across Calgary Transit of \$82M resulted in a net shortfall of \$24M in 2021. Calgary Transit is continuing to monitor and adjust service to help cover the revenue shortfall.

Long Term Funding for the Low Income Transit Pass (LITP) Program

The LITP program provides continued support for low-income Calgarians through the pandemic and economic recovery by making it easier for them to access employment, appointments, and services in the community. At its peak in 2019, the LITP program had 66,700 applicants and 463,000 passes sold. The program saw more than 40,000 approved applicants and over 233,000 passes sold in 2021. The current funding model is not sustainable due to significant increases to The City's subsidy costs from program growth, and City funding required to make up the gap has not been identified beyond 2023.

The LITP program revenue shortfall is currently funded through an annual contribution from the Provincial government from 2020-2022 of \$4.5M and annual City contribution starting in 2020 of \$6.5M, in addition to low income transit pass revenue from users of \$8.7M. The City will receive \$1.125M in 2023 before the current provincial funding agreement ends on March 31, 2023. The Government of Alberta has not provided an update on the status of the funding partnership beyond 2023. While \$6.5 million has been allocated in the City's budget on an annual basis as of 2020, a long-term sustainable funding model for the program is needed in advance of the 2023-2026 budget cycle.

On Demand Transit Service

Two-ongoing pilot projects in Calgary using the On Demand service model have shown the benefits and challenges of this service. The pilot projects have showed On Demand is ideal for the phased introduction of transit service in new communities, and it can replace fixed-route service in existing communities to respond to significant reductions in ridership. Evaluation of the pilot projects has shown the On Demand model can achieve operational savings and greenhouse gas reductions under certain operating conditions.

Service Investments

The key challenge to delivering transit service as envisioned in RouteAhead continues to be operating funding. Higher service levels defined in RouteAhead and a progression from introductory service to base service and Primary Transit Network (in some corridors) were established to make transit a more convenient and competitive travel mode. Growth in Calgary

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and City budget cuts have increased the operating shortfall and hindered progress towards RouteAhead's transit service level goals. Attachment 4 outlines this challenge in further detail, along with the challenge of providing transit to an ever-growing city.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

IMPLICATIONS

Social, Environmental, Economic (External)

Attachment 6 summarizes the Social, Environmental and Economic Implications.

Service and Financial Implications

No anticipated financial impact

Administration has responded to economic conditions brought on by the pandemic by focusing on improved efficiency and effectiveness of service delivery and support.

Calgary Transit implemented moderate strategic investments in the rapid transit network, actively developing communities, and industrial employment areas. A long-term sustainable funding model is needed for the Low Income Transit Pass program beyond 2022.

Current and Future Capital Budget: There are no capital budget implications associated with the recommendations in this report

The strategies identified in this report include capital infrastructure that will be identified in future reports. Furthermore, major capital projects, fleet and facilities associated with Calgary Transit asset management, renewal and expansion will be identified in the RouteAhead 10-Year Update.

RISK

There is potential for unforeseen funding impacts on capital and operating as summarized in Attachment 7.

ATTACHMENT(S)

1. Attachment 1 – Previous Council Direction, Background
2. Attachment 2 – Introduction to RouteAhead
3. Attachment 3 – RouteAhead Annual Report
4. Attachment 4 – Progress Towards Service Goals
5. Attachment 5 – Rapid Transit Project Prioritization
6. Attachment 6 – Social, Environmental and Economic Implications

**Transportation Report to
Infrastructure and Planning Committee
2022 February 3**

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7. Attachment 7 – Risks

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Doug Morgan	Operations	Approve
Sharon Fleming	Calgary Transit	Approve
Francois Bouchart	Capital Priorities and Investment	Consult