

Copy: Gary Webster  
Vince Rodo  
Lynn Hilborn  
Michael Roche  
Bob Boutilier  
Bill Frost  
Mitch Stambler

August 27, 2004

Councillor Howard Moscoe  
Chair – Toronto Transit Commission  
Toronto City Hall  
2<sup>nd</sup> Floor, Suite B30  
100 Queen Street West  
Toronto, Ontario  
M5H 2N2

Dear Chair Moscoe:

Re: TTC Ridership Growth Strategy Implementation

I have been requested to attend the September 1, 2004 meeting of the City's Budget Advisory Committee to present the implementation plan and financial implications of the Ridership Growth Strategy (RGS). The attached report outlines the material I plan to present and, by copy of this letter, I am distributing the material to you, the other Commissioners, and members of the Budget Advisory Committee.

We are proceeding to implement the Ridership Growth Strategy as directed by the Commission. However, City Council and Budget Advisory Committee have requested that we review the financial implications of the plan with them before we proceed. Our original RGS report, which was approved by the Commission in March 2003 and considered by City Council in May 2003, contained a detailed five-year implementation plan that described the financial implications of the plan annually from 2004 to 2008. Since that time, the implementation plan has been refined to reflect the specific timing of activities, but the overall financial implications of the plan have not changed significantly from what was laid out in the original plan. Refinements to the implementation plan have been provided to the Commission at various times in the past year, and the attached report provides the most-recent information regarding the financial implications of the plan.

As you are aware, Council dealt with the issue of funding for the Ridership Growth Strategy in July 2003 and referred the matter to City Finance staff for a report. To the best of my knowledge, they have not taken any action on this request, so we have now lost a year in the implementation of the Ridership Growth Strategy.

As stated above, we are in the process of implementing Ridership Growth Strategy improvements for early in 2005 and there is considerable lead-time required for hiring and training operators. If we are to proceed with these improvements, as the Commission has directed, we will need immediate resolution of this funding matter and confirmation of Council's approval of the strategy.

I suggest that one way of doing this would be for you, and members of the Commission as appropriate, to attend the September 1, 2004 Budget Advisory Committee meeting and table the following motion:

*It is recommended that City Council:*

1. *Approve, in principle, the TTC's Ridership Growth Strategy.*
2. *Pre-approve an increase in the existing \$224.5 million operating subsidy of the TTC by approximately \$11 to \$12 million in its 2005 Operating Budget for the implementation of the off-peak service improvements planned for January/February 2005.*

Sincerely,

Richard C. Ducharme  
Chief General Manager

11-55-47

Attachments: TTC's Ridership Growth Strategy – Implementation Status and Plan Report  
to Budget Advisory Committee – September 2004  
Exhibit 1  
Appendices A—E

Copy: TTC Commissioners  
Member of the City of Toronto Budget Advisory Committee  
Shirley Hoy (City of Toronto)  
Joe Pennachetti (City of Toronto)

**TTC's Ridership Growth Strategy  
Implementation Status and Plan  
Report to Budget Advisory  
Committee**

---

**September 2004**



## TTC's Ridership Growth Strategy - Implementation Status and Plan Report to Budget Advisory Committee – September 2004

---

### Background

This report outlines the steps being taken by the TTC in 2004 to implement the Ridership Growth Strategy, along with the staging plan for implementation in 2005 and beyond. The report responds to the Commission's direction of July 14, 2004 "to submit a report for information to the City Budget Advisory Committee on the Ridership Growth Strategy and associated budget implications". It also responds to a request from the City's Budget Advisory Committee that the TTC report on these matters in advance of the 2005 Budget process and a number of the motions passed by Council when it considered the TTC's 2004 budgets in April 2004. Appendix A provides a chronology of the motions passed by the Commission and Council related to the Ridership Growth Strategy, and copies of the recent correspondence between the TTC and the City on this matter are provided in Appendix B.

The TTC, at its meeting of March 19, 2003, approved the *Ridership Growth Strategy* (RGS) which provides a strategic ten-year plan for re-investing in transit services in the City. It was developed in response to the City's Official Plan that identifies transit investment as a critical component in achieving the goals of the plan while accommodating expected future growth in population and employment. The RGS undertook a comprehensive review of possible transit initiatives and, through a systematic "return on investment" approach, identified the most cost-effective investment plan for enhancing TTC services in the City over the next ten years. It describes the actions required to achieve the objectives of the Official Plan, from a transit perspective.

Funding for the Ridership Growth Strategy was discussed by City Council in July 2003 and referred to City Finance staff to report on the suggestions made for funding the strategy. This report is still pending.

In April 2004, Council approved the TTC's Operating Budget for 2004 and included \$250,000 for implementing the first elements of the strategy in 2004 but, as noted in the chronology in Appendix A, the approval of operating funds for 2005 was conditional on Council approval of the Ridership Growth Strategy. In addition, Council also deferred approval of capital funding for the RGS initiatives, and specifically the purchase of the 100 additional buses required for peak period service improvements, pending Council approval of the overall strategy. In April 2004 the Budget Advisory Committee also requested that the TTC report on the "Ridership Growth Strategy and its financial implications in the 2005 Budget prior to the 2005 budget process".

At its meeting of May 12, 2004, following a reassessment of expected TTC ridership and fare revenues in 2004, the Commission approved \$500,000 of additional funding in 2004 to accelerate the implementation of the first phase of the RGS service improvements. The Commission also directed staff to *“implement the first phase of the Ridership Growth Strategy improvements no later than January 1, 2005”*. At its July 14, 2004 the Commission received a presentation (see Appendix C) outlining further discussions that were held with the Chair and the Vice-Chair of the Commission resulting in direction to spend of a further \$450,000 in 2004 to accelerate the implementation of the RGS. Formal pre-approval of this expenditure was obtained from the Chair and Vice-chair on August 24, 2004 and will be brought forward to be confirmed by the Commission at its meeting of September 22, 2004. Based on this direction, TTC staff is implementing the first phase of the RGS as outlined below. In total, \$1.2 million will be spent in 2004 on RGS implementation.

### **Ridership Growth Strategy**

The City’s Official Plan provides a framework for making Toronto an attractive and successful city that is sustainable and environmentally-friendly while accommodating a 20% increase in population and a 30% increase in employment by 2031. As there are no new major roads planned for the city, transit is expected to accommodate an increasing share of all travel in the city. To achieve this goal, transit must be made attractive enough to encourage people to choose less auto-oriented lifestyles and reduce their auto use.

The RGS identifies the most cost-effective ways of achieving these objectives. It includes a comprehensive program of investing in improved service, initially through more frequent service on major routes and, eventually, through longer hours of service throughout the system. As shown in Exhibit 1, it also identifies 39 kilometres of roadway in the City where partially exclusive transit right-of-ways are needed. Providing faster, more reliable transit service in these key corridors will be critical to attracting new passengers to transit and creating transit-oriented “Avenues” in the city. The RGS also identified fare strategies, the rehabilitation of the Scarborough RT, commuter-parking expansion and enhanced transit signal priority as cost-effective improvements. The RGS focuses on short-term and medium-term improvements that can achieve results in the next 10 years. It was noted in the RGS report that subway expansion is required from a longer-term “city building” perspective but, because of the lengthy construction periods involved, does not provide short-term benefits.

### **Implementation of the RGS Initiatives**

As requested by Council in April 2004, in motions #148 and #164 listed in Appendix A, related to the TTC’s 2004 Operating and 2004-2008 Capital budgets, the following is an outline of the implementation plan and financial implications of the RGS.

The first phase of the RGS involves more-frequent service on 45 major routes in the system at both peak and off-peak times (see list in Appendix D). Off-peak service can be implemented more quickly, as additional off-peak service makes use of existing vehicles, but improved peak period service cannot be implemented until additional vehicles are acquired. The second phase of the RGS involves improvements to the guaranteed base level of service on all routes with a

minimum of 20-minute service guaranteed on all routes from 6:00am to 1:00am seven days per week.

#### *Off-peak Service Improvements on Major Routes*

The first phase RGS off-peak service improvements requires the hiring and training of approximately 100 additional operators and 12 maintenance personnel. There is a six- to eight-month lead-time to arrange training resources and to hire and train operators. This hiring and training program is now underway and it will allow all of the planned off-peak service improvements to be implemented by February 2005. Approximately 20% of the off-peak service improvements have now been scheduled to begin operation in September/October 2004, with the remainder to begin operation in January/February 2005. The current implementation plan for the off-peak RGS service improvements will cost \$1.2 million in 2004 and \$11 million to \$12 million in 2005.

The 20% of the improvements that are already scheduled for September/October will result in an annualized cost of approximately \$2 million in 2005 if they remain in place throughout the year. These service improvements could be removed in January 2005 if, by October 11, 2004, the Commission were to reverse its decision to begin implementation of the RGS service improvements. If this were to occur, the \$1.2 million of costs in 2004 would have been spent, but there would be no annualized impact on the TTC's 2005 operating budget.

Delaying implementation of planned January/February 2005 RGS service improvements, pending further approvals, would have both cost and timing implications. Given the long time frames involved in the hiring and training process, a delay that interrupts the current process would mean that the deferred service improvements could not be implemented until the fall of 2005. There would also be a cost premium of approximately \$350,000 involved in restarting the training program later in 2005.

If the timing of TTC's budget approval next year is similar to 2004, delaying a decision on implementation until April 2005 could lead to a repetition of the current situation: with direction to proceed in April 2005, it would take until November 2005 or January 2006 to fully implement the changes, at which time it could be questioned whether we have the authority to implement the changes because of the large annualized effect in 2006. This illustrates that it is very difficult to implement large-scale transit service changes using the normal timing of one-year budget approvals.

#### *Peak-Period Service Improvements on Major Routes*

Implementation of the proposed peak period service improvements on major routes will require the acquisition of 100 more buses. These buses were identified in the TTC's 2004-2008 Capital budget for delivery in 2006 but were deferred pending Council's consideration of the overall financial implications of the RGS. TTC will be seeking Council approval for the purchase of 230 replacement buses in late 2004 and, with Council approval, the 100 additional RGS buses could be added to this bus order. Council approval at that time would allow the RGS buses to be delivered during 2006 and additional peak period service to be operated starting in the fall of 2006. The additional peak period service called for in the RGS will add approximately \$9.1 million in annualized operating costs once the new vehicles are put into service.

### *Improving the Guaranteed Base Service*

Phase 2 of the service improvements identified in the RGS involve improvements to the guaranteed base level of service provided by the TTC. The proposals examined in the RGS involve operating all services from 6am to 1am, seven days per week, and guaranteeing that all services operate at least every 20 minutes throughout the day. Implementing these changes would increase operating costs by \$40M per year, and it was proposed that these changes be implemented in a staged way between 2005 and 2008. The Service Planning Department is currently undertaking a more-detailed review of these proposals on a route-specific basis and will bring forward a revised implementation plan for Phase 2 of the RGS in the fall of 2004.

### *Additional Capital Projects Included in the Ridership Growth Strategy*

The RGS also recommended a number of capital projects that are summarized in Appendix E. These projects have been identified in the TTC's Capital Budgets and will be brought forward for approval as part of the TTC's 2005-2009 Capital Budget request.

## **Summary**

To summarize the current status of implementing the Ridership Growth Strategy:

- Hiring and training is proceeding for the 100 additional operators required to implement all of the RGS phase 1 off-peak service improvements by January/February 2005. This will increase cost \$500,000 in 2004.
- 20% of the additional off-peak service on major routes has been scheduled for September/October 2004. This additional service will cost an additional \$700,000 in 2004 and will have an annualized cost of approximately \$2 million in 2005.
- The annualized cost of operating all of the planned off-peak service improvements starting in January/February 2005 will be \$11 million to \$12 million

- Due to the time required to initiate an expanded training and hiring process, if the service improvements planned for January/February 2005 are deferred until the 2005 budget approval in April, they can not be fully implemented until late 2005 or early 2006. This is similar to the situation at present for 2004 and 2005 where approvals in 2004 are required to allow implementation in 2005. Deferral of the January/February improvements to later in the year will result in a cost premium of \$350,000 to restart the training and hiring process.
- Additional requests for funding capital projects related to the RGS will be brought forward for approval by the TTC as part of the 2005-2009 Capital Budget process.

11-55-47

Attachments

- Exhibit 1: Proposed Surface Rapid Transit ROW Construction Projects
- Appendix A: Chronology of Commission and Council Motions related to the Ridership Growth Strategy
- Appendix B: TTC Ridership Growth Strategy Implementation correspondence
- Appendix C: Implementing the Ridership Growth Strategy -- presentation to the July 14<sup>th</sup> Commission meeting
- Appendix D: Ridership Growth Strategy Phase 1 – Service Improvements
- Appendix E: Summary of Other Capital Projects included in the Ridership Growth Strategy



## APPENDIX A

### Chronology of Commission and Council Motions related to the Ridership Growth Strategy

#### TTC Commission Meeting - March 19, 2003

The Commission approved the Ridership Growth Strategy and also approved:

*2 (d) in principle the timetable and funding for the Ridership Growth Strategy report,*

*2 (e) that the Commission direct the City's Executive Management Team to include full costing of the Ridership Growth Strategy in the 2004 Budget*

#### City Council Meeting – May 21, 22, 23 2003

Motion to “implement a one percent property tax increase in 2004, 2005, and 2006, across the entire tax base, to be dedicated to the Subway Expansion Plan and Ridership Growth Strategy” .

- Motion fails, but is referred to the Policy and Finance Committee

#### City Council Meeting – July 22, 23, 24, 2003

- Receives for information a report from the Policy and Finance Committee (report #8, clause #35) that both the City Council Motion, noted above, and the TTC's Ridership Growth Strategy report, have been referred “to the Chief Financial Officer and Treasurer for report thereon to the Ad Hoc Committee on the Five-Year Fiscal Plan”.
- The City's Clerk's office indicates there is no indication in the Ad Hoc committee's minutes of September 2003, May 2004 or July 2004 , that they ever received a report from the Chief Financial Officer regarding the City Council's motion of May 2003 or the TTC's Ridership Growth Strategy.

#### City Council Meeting – April 19, 20-23, and 26-28 2004

- City Council adopted the Policy and Finance Committee recommendation to adopt the 2004 Budget Advisory Committee recommendation that:

*“the TTC Conventional operating budget include \$0.25 million net to commence the implementation of the Ridership Growth Strategy in 2004, conditional upon Council approval of such strategy during 2004, and that*

*“the 2004 Operating Budget for the TTC be further amended by requesting the TTC to advance commencement of the implementation of the Ridership Growth Strategy to an earlier date if ridership projections actualize better than anticipated thus creating budget room; and further, that the TTC review the matter at its earliest convenience.”*

- City Council also adopted the following motions related to the TTC’s 2004 Operating and Capital Budgets:

*Motion 148: ” The Chair of the TTC report to the Budget Advisory Committee, through Policy and Finance Committee to Council, prior to the 2005 Budget process, on the Ridership Growth Strategy and its financial implications in the 2005 Budget.*

*Motion164: “the Chair of the TTC report to the Budget Advisory Committee, through Policy and Finance Committee to Council, prior to the 2005 Budget process, on the Ridership Growth Strategy and its financial implications for the 2005 and that the purchase of 100 additional buses in 2006 at \$71.016 million for the Ridership Growth Strategy be deferred pending Council’s consideration of the Strategy.*

#### TTC Commission Meeting – May 12, 2004

- The Commission adopted the following motions:

*“ to adjust the ridership projection from 410 million rides in 2004 to 410.3 million rides and assign the additional \$500,000 to the Ridership Growth Strategy”and,*

*“to implement the first phase of the Ridership Growth Strategy no later than January 1, 2005.”*

#### TTC Commission Meeting – July 14, 2004

- The Commission received the presentation attached as Appendix C, and approved the following:
  - *“that staff be requested to submit a report for information to the City Budget Advisory Committee on the Ridership Growth Strategy and associated budget implications in 2005”*
- Subsequently, on August 24, 2004 the Chair and Vice-chair provided formal pre-approval of the expenditure of an additional \$450,000 for RGS implementation in 2004. This will be brought forward to be confirmed at the Commission Meeting of September 22, 2004 .

## APPENDIX B









**Appendix C**  
**July 14, 2004 Presentation Received by the Commission**



## **APPENDIX D**

### **Ridership Growth Strategy Phase 1 - Service Improvements on 45 Routes**

#### Service Improvements in September/October 2004

32 Eglinton West (midday, evening, Saturday, Sunday)  
100 Flemingdon Park (midday, Saturday, Sunday)  
41 Keele (am peak, midday)  
12 Kingston Road (am peak)  
47 Lansdowne (midday, evening)  
116 Morningside (am peak, midday, Saturday, Sunday)  
86 Scarborough (midday, Saturday, Sunday)  
85 Sheppard East (am and pm peak)  
53 Steeles East (am and pm)  
60 Steeles West (am peak, Saturday)  
95 York Mills (midday, Saturday)  
196 York University Rocket (midday)

#### Service Improvements in January/February 2005

7 Bathurst (evening, Saturday, Sunday)  
506 Carlton (midday, Sunday)  
25 Don Mills (midday, Saturday)  
505 Dundas (midday, Saturday)  
29 Dufferin (midday, evening, Saturday, Sunday)  
34 Eglinton East (midday)  
32 Eglinton West (evening)  
39 Finch East (midday, evening, Saturday, Sunday)  
36 Finch West (midday, evening, Saturday, Sunday)  
35 Jane (midday, evening, Saturday, Sunday)  
41 Keele (Saturday)  
504 King (midday, evening, Saturday, Sunday)  
47 Lansdowne (Saturday)  
54 Lawrence East (midday, Saturday, Sunday)  
52 Lawrence West (midday, evening, Saturday, Sunday)  
58 Malton (midday)  
129 McCowan North (midday, Saturday)  
133 Neilson (Sunday)  
63 Ossington (Saturday)  
72 Pape (Saturday)  
501 Queen (midday, Saturday)  
134 Progress (midday)  
86 Scarborough (evening)  
79 Scarlett Rd (evening, midday, Saturday)  
85 Sheppard East (midday)

**Appendix D (cont'd)**

**Ridership Growth Strategy Phase 1 - Service Improvements on 45 Routes**

Service Improvements in January/February 2005

- 510 Spadina (evening, Saturday, Sunday)
- 512 St Clair (midday, evening, Saturday)
- 53 Steeles East (midday, Saturday)
- 60 Steeles West (midday, Sunday)
- 81 Thorncliffe Park (midday, Saturday)
- 24 Victoria Park (Saturday)
- 89 Weston (Saturday)
- 165 Weston Rd North (midday, Saturday)
- 96 Wilson (midday, Saturday, Sunday)
- 95 York Mills (midday, Saturday)

## **APPENDIX E**

### **Summary of Other Capital Projects Included in the Ridership Growth Strategy**

#### Surface Transit Rights-of-Way

Environmental Assessment studies are underway for the construction of surface transit ROW's on a number of corridors identified in the RGS. It is expected that the EA studies for the three projects listed below will be completed in 2004 and this will allow design and construction activities to proceed in 2005. \$7 million in funding for the design and construction of the *Reserved Transit Lanes on St. Clair Avenue* project has been included in the TTC approved 2004-2008 Capital Budget. Funding for \$42 million and \$7 million respectively for the *Bus-only lanes – Downsview to York University* and *Yonge Street Bus Lanes from Finch to Steeles* projects, were identified as "below the line" in the TTC's 2004-2009 Capital Budget. Recent funding announcements by the Provincial and Federal Governments have specifically included funding for the construction of these projects and they will be included "above the line" in the TTC's 2005-2009 Capital Budget request.

Studies are proceeding on the potential for surface ROW's on Don Mills Road through the Don Valley Corridor Study and Sheppard Avenue east of Don Mills Road and funding for \$45 million per year has been identified "below the line" for the construction of projects such as these beginning in 2007.

#### Rehabilitation of the Scarborough RT

The RGS identified the over-capacity situation on the Scarborough RT as a significant constraint on ridership growth in Scarborough in the ten-year time horizon of the RGS and beyond. The TTC's current capital forecast includes "above the line" funding for RT fleet expansion at a cost of \$71 million and "below the line" funding for reconstruction of the RT line at a cost of \$47.7 million. Alternative scenarios are being assessed for vehicle replacement and/or change in vehicle technology but significant capital funding will be required to resolve the Scarborough RT capacity issue.

#### Traffic Signal Priority Expansion

Expansion of the traffic signal priority program was identified in the RGS as one of the most cost-effective ways of improving transit service quality and encouraging increased ridership. A 50% increase in the current program is recommended at a cost of \$600,000 per year.

#### Commuter Parking Expansion Phase II

Commuter parking expansion was also identified as a cost-effective improvement at selected locations and funding of \$1.8 million per year in 2007 and 2008 is recommended as part of the RSG program.