



**STAFF REPORT  
ACTION REQUIRED**

**TTC Charges for Replacement Bus Service during BIA Street Festivals**

<b>Date:</b>	January 28, 2013
<b>To:</b>	Economic Development Committee
<b>From:</b>	General Manager, Economic Development and Culture
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

---

The purpose of this report is to provide information requested by the Economic Development Committee at its meeting on November 8, 2012, regarding TTC special event charges for the Gerrard India Bazaar and Cabbagetown Business Improvement Areas (BIAs).

**RECOMMENDATIONS**

---

**The General Manager, Economic Development and Culture recommends that:**

1. The Economic Development Committee receive this report as information.

**Financial Impact**

There are no financial implications resulting from the adoption of this report.

**DECISION HISTORY**

At its meeting on November 8, 2012, the Economic Development Committee referred item # ED18.8 <http://www.toronto.ca/legdocs/mmis/2012/ed/bgrd/backgroundfile-51504.pdf> to the General Manager of Economic Development and Culture for a report to the January 30, 2013, Economic Development Committee providing the following information:

1. the year in which the Toronto Transit Commission started charging the Gerrard India Bazaar BIA and Cabbagetown BIA for streetcar replacement costs associated with street closures for BIA festivals;
2. a copy of the Toronto Transit Commission policy regarding replacement rates to BIAs, the rate schedule and correspondence to affected BIAs and Economic Development and Culture, outlining the replacement rate schedule and cost formula;
3. a table of charges by relevant BIA by amount and by year; and
4. calculation of the charges to affected BIAs had the costs been based on cost recovery rather than on excursion rate.

At its meeting on March 26, 2012, Economic Development Committee (EDC) referred a letter from Councillor Fletcher requesting Economic Development staff to report on whether the TTC improperly charged excessive rates for bus replacement service during the Gerrard India Bazaar BIA's Festival of South Asia.

<http://www.toronto.ca/legdocs/mmis/2012/ed/bgrd/backgroundfile-46049.pdf>

At its meeting on September 18, 2012, EDC received a report from the General Manager of Economic Development and Culture dated June 11, 2012, indicating it would be inappropriate for the Economic Development & Culture Division to examine whether the TTC charges in the past were 'improper or excessive' and requested a report to the October 16, 2012, meeting of EDC on the TTC policy for replacement services during festivals and specifically if it is based on cost recovery.

<http://www.toronto.ca/legdocs/mmis/2012/ed/bgrd/backgroundfile-49806.pdf>

At its meeting on November 8, 2012, EDC received a report from the General Manager of Economic Development & Culture dated October 22, 2012, forwarding a letter from the TTC Chief Executive Officer detailing the charge/cost-recovery policies of the TTC. EDC referred the item to the General Manager of Economic Development & Culture for report providing further information including a calculation of costs had they always been based on cost recovery rather than chart rates.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.ED18.8>

## **ISSUE BACKGROUND**

For the vast majority of BIA street festivals, TTC charges represent a very minor component of total event costs, and therefore, are not a pressing issue. However, up until 2012, TTC charges for the Gerrard India Bazaar's Festival of South Asia and the Cabbagetown BIA's Cabbagetown Festival were an issue due to their significant share of the total event budget. For 2012, the TTC established a more appropriate cost-recovery approach for BIA festivals, which saw charge of actual rates rather than charter rates for additional TTC resources required to accommodate a BIA street festival. With regard to

the events noted above, the additional TTC resources amounted to the establishment of temporary bus routes to fill in service gaps created by festival-related streetcar re-routing.

## **COMMENTS**

Regarding the information requested by the Economic Development Committee at its meeting on November 8, 2012, and as noted above, staff have determined that the TTC commenced charging the Gerrard India Bazaar BIA's Festival of South Asia in 2003, the first year of the festival. The Cabbagetown Festival has a longer history than the Festival of South Asia, but the BIA could only provide TTC charge information from 2003 onward. However, according to the TTC, it began charging for event-related service disruptions in 1996.

With respect to the TTC's policies regarding replacement rates and related correspondence (item #2), an October 9, 2012, letter from TTC Chief Executive Office, Andy Byford, to Economic Development Chair, Councillor Michael Thompson, provides the most thorough account of past and present protocols for such charges (Attachment No. 1). As far as staff can determine, the TTC tends not to provide detailed breakdowns of costs to BIAs along with their event-related invoice. Therefore, staff cannot provide relevant correspondence provided to BIAs regarding TTC rate schedules and cost formulas.

The table appended to this report as Attachment No. 2 identifies the TTC charges for both events from 2003 to 2012. It also provides an estimated charge per year based upon the cost-recovery protocol established by the TTC in 2012. With respect to the Festival of South Asia, the table demonstrates that there have been, in effect, four distinct charging protocols applied to the event. From 2003 to 2008, the BIA was charged the full charter rate, with the exception of 2004/2005 during which time the charges were waived due to streetcar track replacement work taking place along the 506 streetcar line.

For 2009 and 2010, the TTC Commission approved a motion to "provide 50% of the diversion fees" for the Festival of South Asia, thereby reducing the BIA's charge by one-half. In 2011, the TTC applied a formula whereby the BIA paid the first \$10,000 of the costs, with the remainder being shared by the TTC and the BIA. In 2012, the TTC established "a more appropriate cost recovery process," for BIA street festivals whereby labour and replacement vehicle costs would be charged at actual rates rather than charter rates. This approach is outlined by Mr. Byford in Attachment No. 1.

With respect to the Cabbagetown Festival, the BIA was charged the full TTC charter rate for each year up to 2010. In 2012, the new cost recovery approach was applied. The charges were waived in 2004, 2005 and 2011 due to construction activity.

## **CONCLUSIONS**

The attached table (Attachment No. 2) demonstrates the considerable disparity in charge amounts between the TTC's former charter rate and new actual rate approaches. Both the Gerrard India Bazaar and Cabbagetown BIAs are very satisfied with the new approach to TTC charges commenced in 2012

## **CONTACT**

Mike Major  
Manager, BIA Office  
Tel: 416-392-0623  
Fax: 416-392-1380  
Email: mmajor@toronto.ca

Henry Byres  
Economic Partnership Advisor, BIA Office  
Tel: 416 392-1134  
Fax: 416 392-1380  
Email: hbyres@toronto.ca

## **SIGNATURE**

---

Michael H. Williams, General Manager  
Economic Development and Culture

## **ATTACHMENTS**

Attachment No. 1 – October 9/12, letter from TTC Chief Executive Office, Andy Byford  
Attachment No. 2 – BIA Street Festivals – TTC Charge Comparison Table