

REPORT FOR ACTION

Delivering Improved Accessibility: Bike Share Toronto's Modernized Rate Structure Update

Date: November 9, 2023

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

Bike Share Toronto is a convenient, affordable, and sustainable mobility option that is an integral component of Toronto's transportation network and one of North America's largest bike share systems. The program has seen tremendous growth, expanding from a system of 80 stations and annual ridership of 400,000 in 2011, to a network of over 780 stations, 8,800 bikes (including 1,825 e-bikes) and a projected ridership of 5.5 million in 2023 - an increase of 23 percent from 2022.

In 2023, Toronto Parking Authority (TPA) made recommendations to TPA's Board and City Council to modernize Bike Share Toronto's rate structure. The recommended changes - the first since 2017 - were intended to address the imbalance between volume growth and cost pressures that were degrading key operating metrics and ultimately undermining customer experience.

City Council's adoption of the new rate structure included several amendments regarding the development of new payment methods, special passes, an accelerated implementation schedule for a low-income pass and completion of an equity-based investigation into the impacts of the new rate structure on the inner suburbs.

The new Bike Share Toronto rate structure was launched on April 3, 2023. Since that time, the sale of annual memberships (32,000 YTD, + 10 percent v 2022) has continued to grow year over year. Use of e-bikes by both annual members and casual riders has increased exponentially (336,000 rides + 111 percent YTD) and overall customer satisfaction with the program, including the rate structure, remains at industry leading levels.

In response to the amendments included in Council's approval of the new rate structure, TPA has completed the development work to enable payment of annual memberships in three (3) installments, developed 100 special Ontario Disability Support Program

(ODSP) passes to be distributed by the YMCA, developed a seniors pass (65+ years) that Bike Share Toronto will pilot for one (1) year and extended corporate discounts to the staff and students at Toronto District School Board (TDSB) and Toronto Catholic District School Board (TCDSB).

In addition, TPA has worked with Toronto Community Housing (TCHC) to make \$5 annual memberships available to existing RGI residents and is working with Social Development, Finance and Administration Division (SDFA) to implement a \$5 annual membership available to TTC Fare Pass holders as early as the second quarter of 2024. Finally, TPA is carrying out an equity-based investigation into how the new rate structure is impacting users from the inner suburbs and adjusting its 2023 and 2024 expansion plans to reflect this input.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. Toronto Parking Authority Board of Directors direct the President, Toronto Parking Authority to implement discounted annual memberships for seniors (individuals over the age of 65) as a pilot program for a one (1) year period commencing on April 1, 2024;
2. Toronto Parking Authority Board of Directors seek City Council authority to request the Executive Director, Social Development, Finance and Administration to administer the provision of Bike Share Toronto's Reduced Fare Annual Memberships to eligible Fair Pass Program clients on behalf of the Toronto Parking Authority; and
3. Toronto Parking Authority Board of Directors refer this report to the Infrastructure and Environment Committee.

FINANCIAL IMPACT

Implementation of the discounted annual memberships for seniors (age 65 +), new payment methods, special passes, Reduced Fare Annual Memberships, and completion of an equity-based investigation into the impacts of the new rate structure on the inner suburbs is estimated to cost \$123,000. Sufficient funding is available in TPA's approved 2023 Operating Budget to cover these costs.

In addition, TPA will be required to absorb the foregone revenue associated with the discounted memberships and special passes. These amounts are dependent on the uptake on the discounted passes.

DECISION HISTORY

At its meeting of March 3, 2023, TPA Board of Directors approved, with amendments (PA2.4) the "Modernizing Bike Share Toronto Rate Structure" report submitted by the President, Toronto Parking Authority.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PA2.4>

At its meeting of March 20, 2023, Infrastructure and Environment Committee adopted with amendments (IE2.6) the "Modernizing Bike Share Toronto Rate Structure" report submitted by the President, Toronto Parking Authority.

<https://secure.toronto.ca/council/#/committees/2566/23213>

At its meeting of March 29, 2023, City Council adopted IE2.6 and approved the new rate structure for Bike Share Toronto, subject to the following amendments:

(1) City Council request the Toronto Parking Authority Board to request the Toronto Parking Authority to report back to the Infrastructure and Environment Committee in the fourth quarter of 2023 on:

- a. an equity based affordable rate plan for people with disabilities and seniors, for whom usage of E-bikes is an accessibility issue; and
- b. a proposal for subsidizing the Bike Share program's expansion and user rate structure with increased on and off-street parking levies; and
- c. an equity-based investigation to the impact of these rates on users from the inner suburbs who already have fewer modes of active transportation available than users in the downtown core.

(2) City Council directed that Bike Share members be permitted to pay for their annual membership in three consecutive monthly instalments, provided that the full annual membership is due immediate if any payment is missed or if the membership is cancelled.

(3) City Council direct the Executive Director, Social Development, Finance and Administration and the Chief Technology Officer, in consultation with the Toronto Parking Authority, to undertake best efforts to expedite the delivery of the low-income fare pass program for Bike Share Toronto in the third quarter of 2023.

(4) City Council request the Toronto Parking Authority Board to request the President, Toronto Parking Authority, for a one-year pilot project, to create 100 special Bike Share Toronto annual memberships, which cost the usual membership fee but which include the use of e-bikes without the additional \$0.10 per minute charge, and to work with City staff or a non-profit organization to make them available to individuals who receive Ontario Disability Support Benefits.

(5) City Council request the Toronto Parking Authority Board to request the Toronto Parking Authority to engage the Toronto District School Board and the Toronto Catholic District School Board to enter into the corporate discount program.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.IE2.6#>

COMMENTS

Bike Share Toronto launched its new rate structure on April 3, 2023. The new rate structure was intended to incentivize cycling as a transportation option, provide customers with simplicity and choice and increase revenue and productivity management to offset the increase in operating expenses due to inflation, system expansion, electrification of the network and increased investment in the customer experience.

City Council's adoption of the new rate structure included several amendments regarding the development of new payment methods, special passes, an accelerated implementation schedule for a low-income pass and completion of an equity-based investigation into the impacts of the new rate structure on the inner suburbs.

Since the implementation of the new rate structure, Bike Share Toronto has seen continued growth in ridership, the sale of annual memberships and the use of e-bikes by both annual members and casual riders. Table 1 below provides an operational summary of the Bike Share Toronto program both before and after implementation of the new rates.

Table 1: Bike Share Toronto Operational Performance 2022 v 2023 April 1- September 30, 2023

April 1- September 30 ,2023	Ridership			Total Revenue			Avg. Trip Duration (Min)		
	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change
Member- Ebike	230,184	117,203	96%	\$377,619	\$7,702	4803%	16.4	17.4	-6%
Member- Iconic	2,760,164	2,234,611	24%	\$339,245	\$149,980	126%	13.7	13.3	3%
Member Total	2,990,348	2,351,814	27%	\$716,864	\$157,681	355%	13.8	13.3	3%
Casual- E-Bike	64,493	33,513	92%	\$510,461	\$119,492	327%	34.6	22.5	71%
Casual- Classic	822,174	955,486	-14%	\$3,495,474	\$3,219,284	9%	35.0	25.9	48%
Casual Total	886,667	988,999	-10%	\$4,005,934	\$3,338,934	20%	18.8	17.4	8%

Since the implementation of the modernized rate structure, e-bike ridership among members has surged by 96 percent, resulting in a revenue increase of \$370,000. Moreover, the duration of trips has decreased by about one (1) minute, indicating that the new rate structure has had limited to no effect on trip duration. Concurrently, regular

bike usage among members has increased by 24 percent. In addition, there has been a 92 percent increase in e-bike ridership by casual riders accompanied by a revenue boost of approximately \$400,000 since the rate changes came into effect.

In a recent customer satisfaction survey encompassing over 1,000 participants, Bike Share Toronto gauged the sentiment of both members and casual riders. The findings underscored a remarkable level of satisfaction, with an impressive overall satisfaction score of 90 percent. Notably, 78 percent of members rated Bike Share Toronto as good or great value for money on the price of an annual membership. These results are in-line with the results received in 2022, with overall satisfaction scores of 92 percent. The results position Bike Share Toronto as an industry leader, showcasing its commitment to delivering a top-tier experience and maintaining a robust reputation within the community.

Since Council's approval of the new Bike Share Toronto rate structure, TPA has been working to develop the new rates, special passes, extension of the corporate discount to TDSB and TCDSB and equity-based investigation into how the new rates are impacting the inner suburbs. An update on each of these initiatives is provided below.

Equity-Based Affordable Rate Plan for People With Disabilities and Seniors for Whom Usage of E-bikes is an Accessibility Issue

To improve accessibility to Bike Share Toronto for people with disabilities and seniors, TPA is proposing to initiate a one (1) year pilot program where seniors that are age 65 and over would be eligible for a 20 percent discount on the price of annual membership. Seniors currently make up approximately five (5) percent of Bike Share Toronto's overall ridership and through this new pilot program, TPA will measure the impact of ridership within this demographic to determine the long-term program outlook and feasibility of making the program permanent.

The proposed discount ensures that seniors can enjoy the benefits of Bike Share Toronto for less than \$10 per month. Under the pilot, the 10 cent per minute fee would be maintained for the use of e-bikes keeping access to the system affordable and competitive.

Subsidizing Bike Share Toronto Rates and Expansion Through Parking Revenues

TPA is a self-funding agency of the City of Toronto. Under the terms of the City of Toronto - Toronto Parking Authority net income sharing agreement, TPA returns 85 percent of the net profit it generates on an annual basis. These funds are used as general revenue by the City of Toronto to fund other municipal programs and services, including affordable housing, public transit, and park land development. Since 2002, TPA has returned over \$1.4 billion to the City.

The operation and capital expansion of TPA's Bike Share Toronto program is directly funded by parking revenues. Between 2021 and 2025, TPA has made a significant capital commitment of \$28.5 million for expansion, electrification, and investments in customer experience. These investments will ensure the long-term viability and growth of the program. Additionally, TPA fully funds the annual operating deficit of the bike

share program, which typically ranges between \$3 - \$4 million dollars. This operating loss is expected to grow as subsidized passes limit the recovery of operating expenses related to ridership from these passes.

While TPA is supportive of making Bike Share Toronto accessible to all Torontonians, subsidizing access to the system will continue to erode TPA's ability to reinvest in the operation and advance further capital expansion. To ensure that the Bike Share Toronto operating loss is kept stable, additional rate adjustments will likely be required to keep pace with the growth in demand, physical size of the system and subsidies being provided to user groups.

TPA continues to work with City Finance and Treasury Services to renegotiate the City of Toronto - Toronto Parking Authority net income share agreement to reflect the additional capital-intensive programs, including Bike Share Toronto and TPA's Electric Vehicle (EV) Charging program that TPA has assumed responsibility for since the approval of the 2017 income sharing agreement. While increased parking rates are expected to generate additional revenue for TPA, development of a new financial model with the City is critical to ensuring that TPA is sufficiently able to access the retained earnings needed to support further capital investments in these programs. As early as 2025, TPA will need to significantly reduce its capital expenditures in these programs if a new financial model is not in place.

Equity-Based Investigation to Assess the Impact of the April 1, 2023 Rate Changes

TPA is executing an ambitious expansion of Bike Share Toronto that will see the system reach all 25 wards of the City by 2026. The system will be supported by 1,000 stations and 10,000 bikes, including 2,000 e-bikes.

The Bike Share Toronto expansion plan identifies 110 areas of the City for station expansion in 2023. New locations are prioritized based on proximity to transit stations, cycling infrastructure and other nearby Bike Share stations. This ensures that new locations fit seamlessly within the existing network, that new Bike Share stations are located in areas that support increased cycling activity and that first and last mile mobility options are provided as part of Bike Share Toronto's integration with public transit.

A key objective for Bike Share Toronto is to make the system more accessible to all residents in the City, including low-income households. Bike Share Toronto's 2024 expansion reflects this objective by including 211 of 375 stations to be installed in Neighbourhood Improvement Areas (NIAs), many of which have higher concentrations of low-income and newcomer populations. City staff have relayed the importance of diversity and equity in engaging these communities due to unique cultural, linguistic, and socio-economic barriers that are often missed in traditional engagement strategies. The development of a consultation and engagement strategy that addresses these context sensitive considerations will encourage ridership and membership uptake in new communities.

As part of the expansion, TPA has developed a multi-year engagement plan that will seek input from residents and businesses in NIAs. The first year of engagement has

included three (3) areas: Jane and Finch, Scarborough Southwest, and Thorncliffe Park and Flemingdon Park. To date, engagement has included workshops with local community leaders, an online survey distributed through the Bike Share Toronto newsletter and in-person community pop-up events.

Early insights indicate the need for greater education and outreach with local communities about the Bike Share Toronto program, how it works and how the system can be accessed. Specific feedback was also provided around potential locations for Bike Share stations, the need for stations to be co-located with public transit and cycling infrastructure. Feedback from both on-site and online engagement has informed new locations in both 2023 and 2024.

Payment Installments Program

TPA has developed an option for annual members to pay for their memberships in three (3) consecutive equal installments. Should annual members cancel their plan at any time before the three (3) installments have been paid, the members will be responsible for the full membership cost.

Implementation of this new payment feature will be communicated clearly on the Bike Share Toronto website, providing members with comprehensive information and a smoother subscription process. This feature will be implemented on Bike Share Toronto's website and payment platforms on, or before December 4, 2023.

Bike Share Toronto Low Income Program

Since the introduction of the new Bike Share Toronto rate structure, TPA has explored best options for bringing in a reduced annual membership rate as quickly and efficiently as possible to make Bike Share Toronto more accessible to all Torontonians, regardless of income. To this end, TPA has worked with TCHC and SDFA to develop new options to make Bike Share Toronto more affordable for low-income residents of the City.

Through discussion with TCHC, it was determined that eligibility for the reduced Annual Membership rate could be verified through TCHC's existing database of tenants under its market rent, affordable housing, or subsidized rent (Rent-Geared-to-Income) programs. The Reduced Fare Annual Membership rate of \$5 will be available to thousands of eligible Torontonians this year and support TCHC's commitment to connect residents to services and opportunities and help foster great neighbourhoods where people can thrive. Specifically, 90 percent of TCHC residents would qualify for a Bike Share Toronto Reduced Fare Annual Membership.

Implementing the verification process through TCHC can be put in place immediately and does not require extensive digital or operational development or significant set-up costs. The reduced annual membership rate will be available beginning December 4, 2023, through [the Bike Share Toronto website](#) and will be promoted through traditional media and all social channels. TPA, in partnership with TCHC, will also be hosting a number of 'Open Houses' and community events in order to promote this program.

TPA is working with SDFA to make the Reduced Fare Annual Membership rate of \$5 available to clients of the Fair Pass Transit Discount Program (Fair Pass). This initial roll-out will involve TPA providing SDFA with up to 3,500 Reduced Fare Annual Memberships for distribution to eligible Fair Pass clients in 2024. To access Bike Share Toronto's Reduced Fare Annual Membership, applicants will require a valid credit card and an email address to create a member account on Bike Share's website.

By making the Reduced Fare Annual Membership available to Fair Pass transit users, this initiative will advance the City's commitments under the Poverty Reduction Strategy to address transportation inequity by improving affordability and multi-mode connectivity. City Council authority is required to provide Bike Share's Reduced Fare Annual Memberships to eligible Fair Pass clients.

Contingent on the timing of SDFA's report to City Council and adoption of the recommendation, it is anticipated that the Reduced Fare Annual Memberships will be made available to eligible Fair Pass clients as early as March 2024.

Special Annual Membership Passes for Ontario Disability Support Program Recipients

TPA has partnered with the YMCA to make 100 special Annual Memberships available to existing recipients of the Ontario Disability Support Program (ODSP) on a one (1) year piloted basis. These modified memberships will not include the additional per-minute cost for the use of electric bikes.

This initiative recognizes that for people with disabilities, having better access to e-bikes provides an additional means of transportation around the city. The provision of a no cost per minute e-bike fee annual membership for recipients of ODSP ensures them increased e-bike access. TPA will closely monitor activity within this program over the coming months and assess the feasibility of making it a permanent program within the rate structure.

Existing ODSP recipients can apply for memberships by visiting any Toronto YMCA branch and presenting supporting documentation for eligibility verification or obtain more information on how to apply at www.bikesharetoronto.com. These special memberships will be available beginning December 4, 2023, and will be promoted by both Bike Share Toronto and the YMCA through traditional media and all social channels. Members will require a valid credit card to sign up and overage charges will continue to apply.

Collaboration with Toronto's School Boards in Bike Share Toronto's Corporate Discount Program

TPA has engaged TDSB and the TCDSB in regard to extending Bike Share Toronto's Corporate Rate to faculty, staff, and students (at least 16 years of age). The ongoing negotiations involve the drafting of Memoranda of Understanding (MOUs) and the fine-tuning of terms to ensure a seamless and mutually beneficial partnership. TPA expects to onboard both the TDSB and TCDSB into the Bike Share Toronto Corporate Discount Program by Spring, 2024.

Conclusion

Since the implementation of the new rate structure on April 3, 2023, Bike Share Toronto ridership continues to grow at a rapid rate. The number of annual memberships has increased by 10 percent and ridership of e-bikes has increased exponentially amongst both members (+96 percent) and casual riders (+92 percent), bringing the average weekly e-bike ridership to over 16,000 trips compared to the 6,000 weekly trips average in 2022.

TPA will continue to monitor the existing performance of the program, use of the specific Bike Share Toronto payment products and operation of the discounted annual memberships, including the Reduced Fare Annual Membership. In addition, TPA will continue to engage communities in the inner suburbs to identify and remove barriers so that Bike Share Toronto is accessible to all residents of the City of Toronto.

CONTACT

Jeffrey Dea, Vice President Business Development, Toronto Parking Authority
437-243-6545, jeffrey.dea2@toronto.ca

Justin Hanna, Director Bike Share Toronto, Toronto Parking Authority
416-509-3805, Justin.Hanna@toronto.ca

SIGNATURE

W. Scott Collier, President
Toronto Parking Authority