

TRANSIT VISION 2040 — FROM VISION TO ACTION

TRANSIT VISION 2040 defines a future in which public transit maximizes its contribution to quality of life with benefits that support a vibrant and equitable society, a complete and compact community form, a dynamic and efficient economy, and a healthy natural environment.



THEME 5: ENSURING FINANCIAL HEALTH

STRATEGIC
DIRECTION

5.4

Use transportation pricing and alternative funding options more effectively

ENSURING FINANCIAL HEALTH

Strategic Direction 5.4:

Use transportation pricing and alternative funding options more effectively

The eventual necessity of broad-based transportation pricing policies and programs in Canadian communities is widely recognized. Rationalizing the use of costly transportation resources depends on it. Decision-makers should accelerate consideration of measures that make the real cost of transportation options more evident to users, and that use incentives and disincentives to create a more equitable and sustainable balance among transit and private motor vehicle use. Transit fare policies, parking levies, road charges, tolls, fuel taxes and tax credits are some of the tools available. There are also opportunities to identify and act upon opportunities where transit is a wealth and revenue generator (e.g. land uplift capture) and where private capital can leverage major investment.

Municipalities and regions can use **vehicle use pricing**, **road pricing**, and **parking pricing** tools to create a more **equitable and sustainable balance** between transit and private motor vehicle use. These initiatives should be supported by transit service improvements.

A variety of **transit pricing and funding strategies** can be used to make transit more affordable relative to private automobiles.



PERFORMANCE INDICATORS AND TARGETS

Indicator 1: Degree of Application of Pricing Principles that Favour Transit Modal Choice

Pricing Targets:

By 2040, pricing principles that favour transit modal choice will be applied across Canada. Transit systems will work with municipalities and regions to implement transportation pricing strategies that are well-suited to local communities.

Transportation pricing strategies can include:

- Vehicle registration fees
- Vehicles insurance premiums based on distance driven
- Car sharing programs
- Road pricing
- Parking fees and taxes
- Reduced parking provision, including reduced parking subsidies
- Changes in transit fares
- Flexibility in transit fares based on distance and time of day
- Employee or student transit fare discounts
- Innovative transit funding strategies
- Fare integration or coordination between neighbouring transit systems

INITIATIVES AND BEST PRACTICES

Transit Pricing can be used to make transit more affordable. Particularly, many Canadian communities are addressing the need to offset peak-hour vehicle traffic congestion issues through a variety of tools including funding strategies to make lowering fares a possibility, establishing fare structures based on time of day and distance travelled, and providing discounted passes to certain community groups such as students and employees.

Toronto, Ontario

The Toronto Board of Trade and the Greater Toronto Civic Action Alliance have been instrumental in fostering a debate on **non-traditional revenue sources** for transit expansion. Among the measures under consideration are **road tolls, fuel taxes, sales taxes, parking supplements, congestion charges, land value capture, payroll taxes** and **vehicle charges**. The City of Toronto and Metrolinx are also engaged in assessing the potential for such measures as part of future investment strategies that will be required to create a long-term, sustainable, predictable fund to seriously expand transit capacity in large metropolitan areas.



Ottawa, Ontario

In response to a declining number of available parking spaces, and in preparation for the 2003/2004 “double cohort” year, the **University of Ottawa** initiated its **Hop to it!** Program in 1999. The program included **Eco Passes** for employees and an **OCTranspo student discount**, which later led to a **U-Pass** program. A **free shuttle** service also began operation between the main campus, its three satellite campuses, and Carleton University. Parking fees were also raised.



With each parking space valued at more than \$40,000 over its lifetime, the university has saved over \$1 million through reducing the need to build new spaces. Roughly 80% of commuters to the University of Ottawa use a form of sustainable transportation, including transit, cycling and walking.

Vehicle, Road, and Parking Pricing tools can be highly influential in transportation demand management. These strategies are often thought to use a “supply and demand” approach to transportation pricing, considering the available supply of transportation infrastructure as a finite “good”. A number of challenges and barriers must be addressed, such as public acceptance, social equity, and jurisdictional or legislative complexities, for the successful implementation of transportation pricing strategies.

Central Okanagan and Kelowna, British Columbia

In the 1990s, Okanagan's high levels of automobile dependency were threatening the region's high quality of life, while the existing transportation network could not be expanded due to the prevalence of lakes, mountains, and protected agricultural land. In 1999, the Regional District of Central Okanagan and City of Kelowna partnered to implement a **Transportation Demand Management (TDM) program** with the goal of reducing regional peak period traffic volumes by 12% below projected trend levels by 2013. The program included a **parking management strategy** that set the minimum monthly parking charge within the City of Kelowna at a minimum of 10% above monthly transit pass costs. This initiative aimed to provide a financial incentive to using transit. The TDM program additionally supports policies that **discourage single-occupant vehicle use**, such as **distance-based insurance policies** and **discounted employer bus passes**. A recent agreement with the University of British Columbia's Okanagan campus and the Kelowna Regional Transit System has also begun offering a **U-Pass** to students.



The establishment of Central Okanagan and Kelowna's transportation pricing strategies was paired with **transit improvements** to ensure sufficient modal choice; these included the development of a new transit station and hub, the introduction of double-decker buses into the transit system, and a new neighbourhood service.

PRICING & ALTERNATIVE FUNDING CHECKLIST

- Is the transit system ensuring that vehicle, road, and parking pricing strategies are paired with the provision of sufficient levels of transit service to maintain mobility levels for members of the community that have previously been reliant on the use of private motor vehicles?
- Is there a Transportation Demand Management policy in your town/city into which the transit system has had significant input? If so, is this reviewed on a regular basis?
- When municipal parking rates for long-term parking are set, is the policy to ensure that monthly fees exceed the cost of a transit pass?
- Does the municipality have a policy of reduced parking requirements for development within 600 metres of a rapid transit station?

This guide is one in a series designed to assist CUTA members with implementation of *Transit Vision 2040* strategic directions for which they are in a leadership role. It incorporates performance indicators used in annual reporting at a national level to track progress towards 2040 targets. While CUTA is taking the lead for ten of these 27 strategic directions, the remaining 17 fall within the responsibility of other stakeholders, and these guides have been developed in order to provide support to CUTA members and encourage progress toward the *Vision*. The guides summarize the goals and objectives of each strategic direction, propose performance indicators and targets, illustrate best practices from transit systems across the country and provide a checklist to assist members in reviewing their progress.