



## Executive Committee - Agenda

Date: Wednesday, August 28, 2024  
Time: 9:30 a.m. - 5:00 p.m.  
Location: Council Chamber, 2nd floor, City Hall

Call to Order: 9:30 a.m.  
Lunch: Noon - 1:30 p.m.  
Recess: 3:30 p.m. - 3:45 p.m.  
Adjournment: 5 p.m.

Chair: A. Sohi Vice-Chair: A. Paquette  
Members: T. Cartmell, K. Principe, K. Tang

**Please note:** Members of the public may choose to participate at Council and Committee meetings in person or remotely. You can request to speak up until your item has been dealt with. The public is invited to view in-progress meetings online via the Agenda, Council on the Web or City Council's YouTube Channel.

For additional information, contact the Office of the City Clerk at (780) 496-8178.

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### Pages

#### 1. Call to Order and Related Business

- 1.1 Call to Order and Land Acknowledgement
- 1.2 Roll Call
- 1.3 Adoption of Agenda
- 1.4 Approval of Minutes  
Addendum

3

- August 14, 2024, Executive Committee

- 1.5 Protocol Items

#### 2. Items for Discussion and Related Business

- 2.1 Select Items for Debate
- 2.2 Vote on Reports not Selected for Debate
- 2.3 Requests to Speak  
Refer to Summary of Agenda Changes

2.4	Requests for Specific Time on Agenda Refer to Summary of Agenda Changes	
<b>3.</b>	<b>Councillor Inquiries</b>	
<b>4.</b>	<b>Reports to be Dealt with at a Different Meeting</b> None	
<b>5.</b>	<b>Requests to Reschedule Reports</b> None	
<b>6.</b>	<b>Unfinished Business</b> None	
<b>7.</b>	<b>Public Reports</b>	
7.1	Ride Transit Program Funding Gap	11
7.2	Implementation of Transit Revenue Actions Addendum	43
7.3	2023 Alley Lighting Maintenance Tax Excess Revenue Council approval required	55
7.4	Affordable Housing Site - Sale of Land Below Market Value and Grant Funding - Parkdale Residential	59
<b>8.</b>	<b>Responses to Councillor Inquiries</b> None	
<b>9.</b>	<b>Private Reports</b> None	
<b>10.</b>	<b>Motions Pending</b> None	
<b>11.</b>	<b>Notices of Motion and Motions without Customary Notice</b>	
<b>12.</b>	<b>Adjournment</b>	



## Executive Committee - Minutes

August 14, 2024

9:30 a.m.

Council Chamber, 2nd floor, City Hall

Present: A. Sohi, A. Paquette, T. Cartmell, K. Principe, K. Tang

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### 1. Call to Order and Related Business

#### 1.1 Call to Order and Land Acknowledgement

Mayor A. Sohi called the meeting to order at 9:31 a.m., Wednesday, August 14, 2024, and acknowledged that Executive Committee meets on the traditional land of Treaty 6 Territory and the Métis homeland. The Chair also acknowledged the diverse Indigenous peoples whose ancestors' footsteps have marked this territory for centuries such as: Cree, Dene, Sauteaux, Blackfoot, Nakota Sioux, as well as Métis and Inuit, and now settlers from around the world.

#### 1.2 Roll Call

Mayor A. Sohi conducted roll call and confirmed the attendance of Members of Executive Committee.

Councillor K. Principe was absent with notice for a portion of the meeting.

Councillors S. Hamilton, M. Janz, A. Knack, J. Rice, E. Rutherford, A. Salvador, A. Stevenson and J. Wright; E. Robar, Interim City Manager; and K. Stolarz, Deputy City Clerk, B. Tyson and G. Goodin, Office of the City Clerk, were also in attendance.

#### 1.3 Adoption of Agenda

**Moved by:** A. Paquette

That the August 14, 2024, Executive Committee meeting agenda be adopted with the following change:

Addition:

- 7.4 Amended Single Source Request - Canadian Red Cross for Emergency Response Services

In Favour (4): A. Sohi, A. Paquette, T. Cartmell, and K. Tang

**Carried (4 to 0)**

**1.4 Approval of Minutes**

**Moved by:** T. Cartmell

That the minutes from the following meetings be approved:

- June 19, 2024, Executive Committee
- July 2, 2024, Special Executive Committee

In Favour (4): A. Sohi, A. Paquette, T. Cartmell, and K. Tang

**Carried (4 to 0)**

**1.5 Protocol Items**

There were no Protocol Items.

**2. Items for Discussion and Related Business**

**2.1 Select Items for Debate**

The following items were selected for debate: 6.1, 7.1 and 7.2.

**2.2 Vote on Reports not Selected for Debate**

**Moved by:** K. Tang

That the recommendations in the following reports be approved:

- 5.1 Transit Service Needs to Meet Population Growth
- 7.3 Below Market Sale Approval - City-Owned Heritage Homes in Wiikwêntôwin
- 7.4 Amended Single Source Request - Canadian Red Cross for Emergency Response Services

In Favour (4): A. Sohi, A. Paquette, T. Cartmell, and K. Tang

**Carried (4 to 0)**

### **2.3 Requests to Speak**

The following speakers were previously approved at the June 19, 2024, Executive Committee meeting:

- 6.1 Financial Loss During Major Construction Projects - Draft Policy
  1. T. Janes, Stony Plain Road Business Improvement Area
  2. B. Whidden, The Canadian Federation of Independent Business
  3. J. Rocher, Floc Boutique & Fellow by Floc
  4. P. Wiredu

**Moved by:** K. Tang

That Executive Committee hear from the following additional speakers, in panels when appropriate:

- 6.1 Financial Loss During Major Construction Projects - Draft Policy
  1. J. Stanton, The Alberta Craft Council
  2. C. Martin, Edmonton Chamber of Commerce
  3. S. Fraser, NAIOP and Cantiro
  4. R. Singh
  5. S. Bashir
  6. O. Abdelmadjid
  7. A. Tarrabain
  8. N. Wong

In Favour (4): A. Sohi, A. Paquette, T. Cartmell, and K. Tang

**Carried (4 to 0)**

### **2.4 Requests for Specific Time on Agenda**

There were no requests for items to be dealt with at a specific time on the agenda.

## **3. Councillor Inquiries**

There were no Councillor Inquiries.

**4. Reports to be Dealt with at a Different Meeting**

There were no Reports to be Dealt with at a Different Meeting.

**5. Requests to Reschedule Reports**

**5.1 Transit Service Needs to Meet Population Growth**

This item was not selected for debate and was dealt with as part of item 2.2. The following motion carried:

That the revised due date of October 9, 2024, Executive Committee, for the City Operations report CO02481, Transit Service Needs to Meet Population Growth, be approved.

**Due Date: October 9, 2024, Executive Committee**

**6. Unfinished Business**

**6.1 Financial Loss During Major Construction Projects - Draft Policy**

The following public speaker made a presentation:

- S. Bashir

The following public speakers made presentations and answered questions:

- P. Wiredu
- R. Singh
- S. Fraser, NAIOP and Cantiro
- B. Whidden, The Canadian Federation of Independent Business
- C. Martin, Edmonton Chamber of Commerce
- T. Janes, Stony Plain Road Business Improvement Area
- J. Stanton, The Alberta Craft Council

The following members of Administration's delegation answered questions:

- C. Walbaum, Acting Deputy City Manager, Integrated Infrastructure Services

- S. Padbury, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- B. Ferguson, Integrated Infrastructure Services
- M. Gunther, Employee and Legal Services
- K. Petrin, Deputy City Manager, Urban Planning and Economy
- A. Laliberte, Urban Planning and Economy

**Moved by:** A. Paquette

That Administration bring forward an unfunded service package for consideration by Council during the Fall 2024 Supplemental Operating Budget Adjustment to increase the budget for the Economic Investment Services branch by \$250,000 on a one time basis to fund the development of a Major Construction Business Support Grant one time program to be administered by the Stony Plain Road Business Association for eligible businesses affected by Valley Line West LRT construction considering criteria as outlined in Attachment 2 of the June 19, 2024, Integrated Infrastructure Services report IIS02125.

**Not put to vote**

At the August 14, 2024, Executive Committee meeting, Councillors A. Paquette and T. Cartmell requisitioned the June 19, 2024, Integrated Infrastructure Services report IIS02125 to City Council without a Committee recommendation.

## **7. Public Reports**

### **7.1 Financial Stability: Addressing Budget and Growth Challenges**

The following members of Administration's delegation made a presentation and answered questions:

- E. Robar, Interim City Manager
- S. Padbury, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- J. Graham, Financial and Corporate Services

The following members of Administration's delegation answered questions:

- C. Hotton-MacDonald, City Operations

- D. Lazenby, Office of the City Manager
- D. Jones, Community Services
- H. Rai, Financial and Corporate Services
- C. Walbaum, Acting Deputy City Manager, Integrated Infrastructure Services
- K. Petrin, Deputy City Manager, Urban Planning and Economy

**Moved by:** K. Tang

1. That the August 14, 2024, Financial and Corporate Services report FCS02478, be received for information.
2. That Attachments 2 and 3 of the August 14, 2024, Financial and Corporate Services report FCS02478 remain private pursuant to sections 24 (advice from officials), 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

In Favour (5): A. Sohi, A. Paquette, T. Cartmell, K. Principe, and K. Tang

**Carried (5 to 0)**

## **7.2 Funding Recommendation - Surplus School Site**

**Moved by:** A. Sohi

That Executive Committee recommend to City Council:

1. That a grant funding affordable housing agreement between the City of Edmonton and Civida, for an amount not to exceed \$8,000,000, as outlined in Attachment 2 of the August 14, 2024, Community Services report CS02425, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That Attachment 3 of the August 14, 2024, Community Services report CS02425 remain private pursuant to sections 24 (advice from officials) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

In Favour (5): A. Sohi, A. Paquette, T. Cartmell, K. Principe, and K. Tang



**7.3 Below Market Sale Approval - City-Owned Heritage Homes in Wîhkwêntôwin**

This item was not selected for debate and was dealt with as part of item 2.2. The following motion carried:

1. That the sale of the Dame Elize Chenier Residence at 9926 - 112 Street NW in the Wîhkwêntôwin neighbourhood, at below market value, as outlined in Attachment 4 of the August 14, 2024, Financial and Corporate Services report FCS02455, be approved, and that the agreement(s) be in form and content acceptable to the City Manager.
2. That the sale of the Lester Allyn House at 9932 - 112 Street NW in the Wîhkwêntôwin neighbourhood, at below market value, as outlined in Attachment 5 of the August 14, 2024, Financial and Corporate Services report FCS02455, be approved, and that the agreement(s) be in form and content acceptable to the City Manager.
3. That Attachments 4 and 5 of the August 14, 2024, Financial and Corporate Services report FCS02455 remain private pursuant to sections 16 (disclosure harmful to business interests of a third party), 24 (advice from officials) and 25 (disclosure harmful to economic and other interest of a public body) of the *Freedom of Information and Protection of Privacy Act*.

**7.4 Amended Single Source Request - Canadian Red Cross for Emergency Response Services**

This item was not selected for debate and was dealt with as part of item 2.2. The following motion carried:

That an amendment to the single-source agreement between the City of Edmonton and the Canadian Red Cross Society to increase the value to an amount not to exceed \$20,000,000, including GST, for the provision of emergency shelter and support services, as outlined in the August 14, 2024, Office of the City Manager report EFRS02613, be approved and that the amending agreement be in a form and content acceptable to the City Manager.

**8. Responses to Councillor Inquiries**

There were no Responses to Councillor Inquiries on the agenda.

**9. Private Reports**

There were no Private Reports on the agenda.

**10. Motions Pending**

There were no Motions Pending on the agenda.

**11. Notices of Motion and Motions without Customary Notice**

**11.1 Early Learning and Care (A. Paquette)**

Councillor A. Paquette stated that at the next regular meeting of City Council, the following motion would be moved:

That Administration work with the Edmonton Council for Early Learning and Care to bring forward an unfunded service package for consideration as part of the Fall 2024 Supplemental Operating Budget Adjustment to advance the early learning and childcare policy and advocacy goals related to the City Plan and the Edmonton Economic Action Plan as outlined in Attachment 1 of the September 18, 2023, Urban Planning and Economy report UPE00769.

- Notice of Motion Given: August 14, 2024, Executive Committee

**12. Adjournment**

The meeting adjourned at 4:41 p.m., Wednesday, August 14, 2024.

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Chair

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City Clerk

## RIDE TRANSIT PROGRAM FUNDING GAP

### Recommendation

That the August 28, 2024, City Operations report CO02505, be received for information.

<b>Requested Action</b>	Information only		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Urban Places</b>		
<b>City Plan Values</b>	THRIVE		
<b>City Plan Big City Move(s)</b>	A community of communities	<b>Relationship to Council's Strategic Priorities</b>	Mobility network
<b>Corporate Business Plan</b>	Serving Edmontonians		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• C451H - Edmonton Transit Service Fare Policy</li> <li>• C624 - Fiscal Policy For Revenue Generation</li> <li>• Community Safety and Well-Being Strategy</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• May 23, 2024 - CO02390, Ride Transit Program Funding Update</li> <li>• October 26, 2022 - CO01192 Ride Transit and Leisure Access Programs</li> <li>• October 26, 2022 - CO00576 Transit Fare Fines - Repayment Options</li> <li>• November 28, 2018 - CR_5804 Permanent Ride Transit Program - Transition</li> <li>• March 14, 2018 - CR_5409 Ride Transit Program Pilot Update</li> <li>• March 14, 2018 - CR_4704 Sliding Scale Model: Integration of a Low Income Transit Pass Program</li> </ul>		

### Previous Council/Committee Action

At the May 23, 2024 Executive Committee meeting, the following motion was passed:

That Administration provide a report with options to address the Ride Transit Program funding gap, including increased program funding, to support growing demand for discounted fare products and long-term program sustainability, with analysis of the implications of changes to fares and eligibility criteria.

## RIDE TRANSIT PROGRAM FUNDING GAP

### Executive Summary

- The Ride Transit Program plays a vital role in ensuring equitable access to mobility options for Edmontonians. The program has experienced significant growth over the past several years, and this has created financial pressure on the ETS fare revenue budget.
- As outlined in the May 23, 2024 report CO02390, Ride Transit Program Funding Update, there is a funding shortfall within the existing budget for the Ride Transit program due to growth in sales volume for the subsidized passes. This growth has put additional pressure on the Edmonton Transit Service (ETS) revenue budget, as the volume of subsidy is not fully funded.
- Exploring options to resolve the revenue shortfall requires exploring tradeoffs, while also considering the policy framework and impact of transit ridership levers.
- Options are presented to address the Ride Transit Program funding gap, including changes to program eligibility and adjusting the transit user fee schedule. Analysis of the overall fare revenue shortfall is outlined in the structural budget variance action plans as part of the Fall Supplemental Budget Adjustment process.
- Administration does not recommend changing the eligibility criteria for the Ride Transit Program. Program participants represent equity seeking communities, meet foundational eligibility categories and are at risk of being further marginalized if excluded from the program.
- Administration has prepared a transit user fee schedule update and will bring forward an updated user fee schedule during the Fall 2024 Supplemental Operating Budget Adjustment with additional pricing increases to take effect in 2025. The price increase will generate more revenue to partially address the funding gap for delivering the discounted fare program.
- The updated fee schedule aligns with City Policy C451H - Edmonton Transit Service Fare Policy, City Policy C624 - Fiscal Policy for Revenue Generation, and maintains comparable transit fees to similar sized transit services in Canada.
- Administration will also continue to explore options for predictable, sustainable funding for the Ride Transit Program to address future growth needs.

### REPORT

Thousands of Edmontonians rely on public transit to connect them to where they work, learn, play and live. ETS is focused on delivering a service that is convenient, reliable and safe. ETS provides mobility options through a range of services, including fixed-route bus service, Light Rail Transit (LRT), paratransit (through Dedicated Accessible Transit Service, also known as DATS) and On Demand Transit. Transit is an essential service for thousands of Edmontonians every day and a core service delivered by the City of Edmonton.

Since September 2017, the Ride Transit Program has provided a monthly fare discount on the regular adult monthly pass for eligible individuals and families experiencing low income. The program supports these Edmontonians to use transit in their daily lives to access work, education, recreation, appointments, healthcare and other activities within their communities. The program has been funded by the City of Edmonton and a grant from the Government of Alberta. This provincial grant was recently renewed for up to \$5.8 million for the 2024-2025 fiscal year.

## RIDE TRANSIT PROGRAM FUNDING GAP

The Ride Transit Program has experienced significant growth since it was introduced. The May 23, 2024 City Operations report CO02390 Ride Transit Program Funding Update provided an overview of the program, and presented a projected funding gap for 2024 of approximately \$10 million, with further growth in demand anticipated in future years. Options to address the funding gap, which could be pursued in combination, include amendments to the Ride Transit Program eligibility criteria; adjusting transit fare prices to increase revenue and help offset the revenue reduction caused by increased sales of the discounted Ride Transit passes; and considering increased funding for the program. In addition, ongoing support from the Government of Alberta through the low income transit pass grant can help offset some of the program's costs.

### Options to Address the Ride Transit Funding Gap

#### **1. Change Program Eligibility**

Ride Transit Program eligibility criteria was established in accordance with the original grant funding agreement with the Government of Alberta, and to align with the Leisure Access Program (LAP). As discussed in the October 26, 2022 City Operations report CO01192 Ride Transit and Leisure Access Programs, eligibility for the Ride Transit Program has expanded over the years to reflect emerging community needs (e.g., refugee eligibility) and to address barriers identified in program reviews.

In 2023, the majority of Ride Transit Program participating individuals and families were eligible for the program under one of these four categories:

- Have a Canada Revenue Agency Notice of Assessment (NOA) that demonstrates household income is within the Government of Canada's Low Income Cut-Off (LICO) criteria;
- Receive income support funding from the Government of Alberta;
- Receive Assured Income for the Severely Handicapped (AISH) from the Government of Alberta; or
- New Permanent Resident or arrived as a Refugee to Canada within the last year - this includes the Canada-Ukraine Authorization for Emergency Travel (CUAET).

These four eligibility qualifiers support access to transit fare for Edmontonians experiencing low income and newcomers to travel to work, education, recreation, appointments, healthcare and other activities. While removing eligibility from one of these four categories is possible, it could impact the quantity of funding received under the provincial grant agreement and would significantly reduce the affordability of public transit for those with lower income levels. Many Ride Transit Program participants represent equity-deserving communities; eligibility for the program removes barriers to accessing transit. Aligned with the Transit Fare Policy's affordability principle, Administration does not recommend removing program eligibility for the above categories.

In 2023, the Government of Canada announced it was phasing out the CUAET program - the last day to apply for a visitor visa under CUAET was July 15, 2023 and the last day to enter Canada to benefit from CUAET measures was March 31, 2024. The phase-out of CUAET will redirect these applicants to other eligibility categories or reduce the associated number of new Ride Transit

## **RIDE TRANSIT PROGRAM FUNDING GAP**

Program participants. Given the rapid population growth in Edmonton, any reduction is likely offset by program growth in other eligibility categories.

### **2. User Fee Schedule Adjustment**

The August 14, 2024 report FCS02478 Financial Stability: Addressing Budget and Growth Challenges outlined the need to strike a balance between delivering the service that Edmontonians rely on and keeping property taxes and user fees manageable. When the cost to provide services and the demand for user fee discounts increase faster than the tolerance for tax increases, adjustments to services and user fees are necessary.

#### **Transit Service Fare Policy**

Approved by Council in 2019, City Policy C451H- Transit Service Fare Policy directs how the ETS fare structure is set as part of the City's User Fee Schedule. It outlines principles related to a balanced user fee structure, equity, affordability and rewarding frequent riders. The Policy was informed by public engagement including focus groups and online surveys.

The Fare Policy discusses the balance between the individual benefit of using transit (associated with the user fee or fare) and the broader public benefit of having a municipal transit service. The Policy also sets a revenue-to-cost ratio, outlining that the cost of delivering transit should be offset by user fee revenues by a target of 40 to 45 per cent. As fare revenue has not fully recovered to pre-pandemic levels, this target has not been achieved over the last four years. The most recent data indicates that in June 2024 revenue covered 36 per cent of expenditures. As outlined in the 2023-2032 Operating Investment Outlook, Administration estimates it could take up to 2029 to fully recover fare revenue to pre-pandemic levels. This component of the policy creates a relationship where user fees will generally need to increase in relation to the cost of providing the service and is similar to approaches used by other Canadian cities. In addition, the Fare Policy is aligned with City Policy C624 - Fiscal Policy for Revenue Generation. Approved in 2020, this policy outlines that the cost of providing service must be shared, in some way, amongst the tax base and benefiting parties, and these costs be equitably distributed according to the accrual of benefits throughout the community.

Public engagement for the Fare Policy gathered feedback from Edmontonians about the policy principles and approach to setting fare prices. Edmontonians demonstrated support for a needs-based approach to faring, ensuring discounted fare options were provided to riders, based on income eligibility. As a result, the Transit Fare Policy established discount rates using income eligibility for Ride Transit Program participants and introduced a fare-free transit product for seniors experiencing low income. Some age-based discounts were also included for youth, seniors and children 12 and under.

#### **History of ETS Fare Pricing**

The user fee schedule for transit service is presented as part of the City's operating budget to demonstrate how the revenue budget will be achieved and outline the pricing structure for using the service. Over the past 10 years, fare changes for ETS have been minimal, as outlined in Attachment 1.

## RIDE TRANSIT PROGRAM FUNDING GAP

- In 2014, cash fare was priced at \$3.20. In 2016, it increased to \$3.25 and remained at this level for three years until it increased in 2020 to \$3.50. The cash fare has remained at this price for the last five years.
- In 2021, a single trip fare using Arc smart fare payment was introduced at \$2.75 to incentivize riders to transition to electronic fare payment and reduce the use of cash, and this fee replaced the ticket price in a former multi-ticket pack for all rider groups. It has remained at this price point for the past four years.
- The standard adult monthly fare price incrementally increased to \$97 in 2018. This price point was held for three years until a price increase to \$100 in 2021. It has remained at this price point for the past four years.

Compared to other large comparable municipalities that offer bus, LRT and paratransit service in Canada, ETS fares tend to be lower than most, as illustrated in Attachment 2. Calgary, Ottawa, Toronto and the Vancouver region have monthly fares priced higher than Edmonton. As of 2024, the standard adult monthly fare is priced at \$112 in Calgary, \$128.75 in Ottawa, \$156 in Toronto and between \$107.30 and \$193.80, depending on the zone, in Metro Vancouver. Cash fares are also higher in most of the comparator cities, including Calgary, Montreal, Ottawa and the Metro Vancouver region.

When considering price increases for transit fares, the single trip fare is assessed first, and serves as a reference point for establishing the remaining price points. To encourage the use of Arc electronic fare payment, the price point for cash fares is higher than the price for a single trip using Arc, and, as such, should increase if the single trip price increases. The standard adult daily and monthly fare caps also increase proportionally to the Arc single trip fare, so that the same number of trips are needed before reaching a fare cap. Once these rates are determined, the fare caps for seniors, youth and the Ride Transit Program would be adjusted in accordance with City Policy C451H and their eligible discount rates.

The user fee schedule approved by Council as part of the 2023-2026 budget included no changes to ETS fares for 2023 and 2024, and introduced a small fare increase to some categories in 2025 (Attachment 3).

### Impacts of Fare Price Point Increases

In addition to inflationary challenges which have resulted in higher costs for major expenses like fuel, labour, parts and maintenance, the increased demand for transit service has compounded these cost pressures. The user fee revenues collected to offset these service costs have not kept up with inflation and growth pressures, nor do they meet the cost recovery ratio target established in City Policy C451H. In addition, growth in the Ride Transit Program has exceeded the program's funding for providing discounted fare pricing to program users. As a result, adjustments to user fees are needed to address some of the funding gap.

As outlined in the May 23, 2024 City Operations report CO02390 Ride Transit Program Funding Update, ETS conducts fare revenue modelling to inform the budget process in a manner consistent across transit services in Canada. It examines anticipated rider demand, pricing of fare categories and impacts of price adjustments on rider behaviours by reviewing fare elasticities.

## RIDE TRANSIT PROGRAM FUNDING GAP

Fare elasticity refers to how ridership is impacted by a change in the price of fare. Income-based eligibility for fare discounts helps support equity and affordability for those who need it the most.

There are several other core levers of transit ridership, including both internal levers that a municipality has more control over and external levers that a municipality has less direct control over. In addition to faring, internal levers that ETS has been actively addressing include service factors (frequency, speed, reliability, coverage and span of service), safety and accessibility. Transit ridership in Edmonton is growing and has exceeded pre-pandemic 2019 levels.

Other factors may have a mitigating effect on negative ridership impacts associated with a price increase. Mitigating factors include:

- Forecasted population growth and related demand growth for transit service.
- Increasing costs of alternative modes of transportation such as vehicle ownership.
- Continued service improvements, including improved span of service, coverage and service frequencies. As an example, investments in growing off peak service in 2023 have grown ridership; weekend ridership has grown by as much as 50 per cent in some months. Although peak ridership generates the most fare revenue, transit services across Canada have seen a change in travel patterns, with fewer commuter trips and more off peak trips post-pandemic.
- Fleet renewal to modernize the fleet, improve rider comfort and improve service reliability.
- Accessibility improvements to reduce barriers and support more inclusion for persons with disabilities.
- Enhanced rider outreach and travel training support for youth, seniors and new riders.
- Continued implementation of the Enhanced Transit Safety Plan.
- Implementation of Transit Priority Measures and continued planning for the Mass Transit Plan.

### Transit Fare Price Adjustments

Administration explored the following fare price changes:

- Scenario 1: Arc single trip rate increases to \$3.25, standard adult monthly fare cap increases to \$110 and cash fare increases to \$4.00. Youth, Seniors and Ride Transit Program monthly fare caps are adjusted to align with City Policy C451H, with the youth and seniors' monthly cap set at 65 per cent (\$71.50) of the standard adult fare cap, and Ride Transit set at 35 per cent (\$38.50) and 50 per cent (\$55) of the standard adult fare cap depending on the eligibility tier.
- Scenario 2: Arc single trip rate increases to \$3.50, standard adult monthly fare cap increases to \$120 and cash fare increases to \$4.25. Youth, Seniors and Ride Transit Program monthly fare caps are adjusted to align with City Policy C451H, with the youth and seniors' monthly cap set at 65 per cent (\$78) of the standard adult fare cap, and Ride Transit set at 35 per cent (\$42) and 50 per cent (\$60) of the standard adult fare cap depending on the eligibility tier.

The corresponding increase in annual revenue and decrease to ridership for 2025 and 2026 are projected as follows, as a result of the proposed fare increases:



## RIDE TRANSIT PROGRAM FUNDING GAP

Net Revenue	2025	2026
Scenario 1	\$4.2 million	\$4.3 million
Scenario 2	\$7.8 million	\$8.0 million
Trip Volume (Ridership <sup>1</sup> )	2025	2026
Scenario 1	(0.5) million	(0.5) million
Scenario 2	(1.1) million	(1.1) million

In Scenario 1, \$0.7 million of the total increase in annual revenue is attributed to increasing Ride Transit fares each year. In Scenario 2, \$1.6 million of the total increase in annual revenue is attributed to increasing Ride Transit fares each year.

As a result of increasing fares in each Scenario, a decrease in trip volume (ridership) of between 0.5 and 1.1 million riders per year is projected as a result of analyzing fare elasticity, measuring the impact of price increases on ridership decisions. This represents less than two per cent of the overall system trip volume (ridership).

Based on the above analysis, Administration will advance Scenario 2 and bring forward an updated user fee schedule during the Fall 2024 Supplemental Budget Adjustment. This will include the following fare change for 2025 onward:

- Arc single trip fare is increased to \$3.50.
- Cash fare is increased to \$4.25.
- Standard adult monthly fare cap is increased to \$120.
- Youth and senior monthly fare caps are increased to equal 65 percent of the standard adult monthly fare cap, as outlined in the Transit Fare Policy.
- Ride Transit monthly fare cap is increased to equal 35 or 50 percent of the standard adult monthly fare cap.

Updating the user fee schedule based on Scenario 2 increases revenue by approximately \$8 million annually for 2025 and 2026.

### Multi-day Arc Pass

As outlined in the May 23, 2024 City Operations report CO02930 Ride Transit Program Funding Update, Administration is exploring new fare categories for transit riders, including multi-day Arc passes. Offering multi-day Arc passes would provide an additional fare option for weekend riders or occasional riders who may be using transit for multi-day civic events, visitors to Edmonton and hybrid workers who commute to work locations a few days a week.

Administration conducted a jurisdictional scan of transit services in other cities in Canada that offer multi-day passes (such as three-day passes), including Société de transport de Montréal, OC Transpo (Ottawa) and Réseau de transport de la Capitale (Quebec City). As an example, for three-day passes, the pricing is typically equivalent to six to eight trips using the single trip smart

<sup>1</sup> Ridership refers to the number of origin-to-destination trips taken on ETS buses and LRT, regardless of the number of transfers required to complete the trip.

## RIDE TRANSIT PROGRAM FUNDING GAP

fare rate. In Edmonton, this would mean the price could range from \$18 to \$24 using the approved 2025 Arc single trip fare price of \$3. These types of passes typically account for up to one per cent of total fare revenue in Canadian cities that offer them<sup>2</sup>. Administration is conducting an analysis on the potential demand, price points in the transit user fee schedule and implementation timelines.

### **3. Program Funding**

Overall fare revenue shortfall for ETS, including the Ride Transit Program related gap, was further explored in the structural budget variances action plan outlined in the August 14, 2024 report FCS02478 Financial Stability: Addressing Budget and Growth Challenges. The action plan included increased random fare inspections conducted by Transit Peace Officers, audio and visual reminders in the LRT system to encourage fare payment, actions to increase ridership, a multi-day Arc pass, rider outreach and education and enhanced safety measures.

### **Budget/Financial Implications**

The overall projected 2024-2026 fare revenue shortfall for ETS is expected to be \$13 million annually, including the Ride Transit Program funding gap of \$10 million, based on 2024 current projections. The following table outlines the estimated impact Scenario #2 could have on reducing the overall fare revenue shortfall:

<b>Impact to Overall Fare Revenue Shortfall*</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Projected Fare Revenue Budget Variance	(\$13.0)	(\$13.0)	(\$26.0)
Scenario #2 Additional Revenue Generated	\$7.8	\$8.0	\$15.8
<b>Remaining Fare Revenue Shortfall</b>	<b>(\$5.2)</b>	<b>(\$5.0)</b>	<b>(\$10.2)</b>

Increasing fare prices as outlined in Scenario #2 will fund the majority of the Ride Transit Program funding gap, however, a revenue shortfall for the program of \$2.2 million and \$2 million, respectively, will remain in 2025 and 2026. Further, an overall revenue shortfall of \$5.2 million and \$5 million, respectively, will remain in 2025 and 2026. This overall shortfall includes the impact from the Ride Transit program. As noted above, fare revenue shortfall remaining after fare prices are increased will be explored as part of the structural budget variances action plan work.

The proposed Transit User Fee Schedule with revised fees will be brought forward for Council's consideration in the Fall 2024 Supplemental Operating Budget Adjustment report later this fall, with corresponding Edmonton Transit Services revenue budget increases.

### **Community Insight**

The October 31, 2022 Communications and Engagement report CE01489 Budget 2023-2026 Community Insights provided details on the extensive engagement Administration conducted on the 2023-26 capital and operating budgets in summer 2022. The City engaged with the general

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<sup>2</sup> Primary research with transit services offering multi-day Arc passes

## RIDE TRANSIT PROGRAM FUNDING GAP

public, organizations and community groups, and harder-to-reach communities, tailoring the engagement approach to each group. Among the themes that emerged included:

- *Containing Costs:* Participants shared their concerns about escalating costs of living and the resulting pressure placed on businesses, families and individuals. While participants did not indicate strong comfort levels with raising taxes, members of partner and stakeholder groups were more supportive of the idea than the general public.
- *Transit and connectivity:* Participants shared a need to improve transit service, accessibility and connectivity throughout Edmonton, as well as concerns around the safety of transit.
- *Efficiency and Innovation:* Participants said they want the City to be transparent in demonstrating efficiency and innovation in service delivery. They asked that the City work at finding efficiencies, streamlining operations and identifying new revenue streams.

Extensive public engagement also took place between 2017 and 2018 to inform the revised Transit Fare Policy. This feedback was used to develop a draft of four core principles for the Fare Policy: balanced, equitable, affordable and rewarding. Further engagement took place for the development of the Fare Policy, split into two streams:

- The first stream was a qualitative review of the draft principles through focus groups and workshops with seniors, those with lower incomes, monthly pass holders, individuals with other barriers, and community organizations. This was supplemented with further input through the Edmonton Insight Community, testing adjusted wording of the four principles.
- The second stream was an online survey on fares and approaches to cost recovery - over 3,700 respondents completed the survey in July 2018.

Administration regularly collects feedback from transit riders through 311, rider research, community engagement and customer service interactions. The monthly transit rider satisfaction survey collects 3,000 responses from transit riders annually, gathering insights on travel patterns, perceptions of transit, reasons for transit use and satisfaction along the transit journey. One of the key components captured in the survey is satisfaction with value for money. In 2023, satisfaction with value for money was 67 per cent. In addition, feedback in open-ended comments demonstrated that one of the top reasons for recommending transit to friends or family was the affordability of transit.

## GBA+

Transit is accessed by a diverse representation of riders, including youth, seniors, those experiencing low income, persons with disabilities, Indigenous peoples, newcomers, parents with children and other marginalized communities. Factoring in the needs of different marginalized groups and their expectations in terms of contributing to the cost of transit, i.e. transit fare, is complex. There are several equity considerations, including but not limited to:

### Cash Fare and Single Trip Rates

Increases in cash fare and single trip rates may disproportionately impact marginalized communities such as those experiencing low income or newcomers to Canada (less than five years) who have not accessed discounted fare products or fare programs like Transit Access

## **RIDE TRANSIT PROGRAM FUNDING GAP**

Grant (TAG) and Providing Accessible Transit Here (PATH). Administration remains committed to helping those eligible for concession fares to access those fares.

TAG and PATH provide free transit fare products to social agencies supporting equity-deserving groups and are intended to partially mitigate these challenges. Over the years, Administration has worked to improve access to these programs by increasing the number of agencies participating in the programs and the number of fare products provided. Additionally, children 12 and under continue to ride for free with a fare-paying rider.

### Ride Transit Program

As outlined in the May 23, 2024 City Operations report CO02390 Ride Transit Program Funding Update, the Ride Transit Program is accessed by a diverse representation of intersecting identities and marginalized communities experiencing low income - this is validated through sales and survey data received through program applications. This program mitigates some of the challenges experienced by Edmontonians experiencing low income and newcomers to Canada by offering income-based discounts to those who need the most financial support.

### Seniors

There are seniors with multiple intersecting identity factors who are impacted differently with changes to the transit user fee schedule. To support seniors experiencing low income, ETS offers a two-tiered low income annual pass program for seniors which provides a free annual pass for seniors ages 65 and over with incomes below \$29,380 in 2023/2024 and a \$139 annual pass for seniors with incomes between \$29,381 and \$32,318 in 2023/2024. In 2023, more than 14,000 seniors accessed the low income seniors fare program. A user fee price change does not impact seniors who are eligible for this fare category.

Seniors who do not meet the income thresholds for the low income annual pass program pay fares in accordance with the Transit Fare Policy and will still receive a discount of 35 per cent on the standard adult fare category, along with youth riders. This enables equity among seniors and youth riders, where they receive the same age-based discount.

### Fare Capping and Pay-As-You-Go Fare Payment

Fare caps include daily and monthly maximum prices for all transit riders in Edmonton. Once the cap is reached, riders travel the remainder of the period fare-free. Riders can also load their Arc card incrementally throughout the month to spread out the cost of using transit rather than having to pay the full cost of a monthly transit pass at the start of the month. Fare capping also ensures that riders who typically pay for single rides individually through cash or tickets, but use transit frequently, do not pay more than those who purchase passes. These measures mitigate some of the impacts of pricing changes while supporting more equitable distribution of fares and increased affordability.

## **Attachments**

1. ETS Fare History 2014-2024
2. Transit Fare Jurisdictional Scan 2024
3. Approved Transit User Fee Schedule 2024-2026

ETS Fare History 2014-2024

Fare Type		2014	2015	2016	2017	2018	2019	2020**	2021	2022	2023	2024
Cash Fare	Price	\$3.20	\$3.20	\$3.25	\$3.25	\$3.25	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
	% Change	0.0%	0.0%	1.6%	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Adult Tickets (10)	Price	\$24.00	\$24.00	\$24.75	\$25.50	\$26.25	\$26.25	\$27.00	\$27.75	\$27.75	\$27.75	\$27.75
	% Change	0.0%	0.0%	3.1%	3.0%	2.9%	0.0%	2.9%	2.8%	0.0%	0.0%	0.0%
Youth/Senior Tickets (10)	Price	\$21.00	\$21.00	\$21.50	\$22.25	\$23.00	\$23.00	\$19.00	\$19.75	\$19.75	\$19.75	\$19.75
	% Change	0.0%	0.0%	2.4%	3.5%	3.4%	0.0%	-17.4%	3.9%	0.0%	0.0%	0.0%
Arc Pay-As-You-Go Single Trip	Price	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2.75	\$2.75	\$2.75	\$2.75
	% Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%	0.0%
Adult Monthly Pass	Price	\$89.00	\$89.00	\$91.50	\$94.25	\$97.00	\$97.00	\$97.00	\$100.00	\$100.00	\$100.00	\$100.00
	% Change	0.0%	0.0%	2.8%	3.0%	2.9%	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%
Seniors Monthly Pass	Price	\$14.00	\$14.00	\$14.50	\$15.00	\$15.50	\$15.50	\$34.00	\$35.00	\$35.00	\$35.00	\$35.00
	% Change	0.0%	0.0%	3.6%	3.4%	3.3%	0.0%	119.4%	2.9%	0.0%	0.0%	0.0%
Youth Monthly Pass	Price	\$69.00	\$69.00	\$71.00	\$73.00	\$75.00	\$75.00	\$72.50	\$73.00	\$73.00	\$73.00	\$73.00
	% Change	0.0%	0.0%	2.9%	2.8%	2.7%	0.0%	-3.3%	0.7%	0.0%	0.0%	0.0%
Senior Annual Pass	Price	\$125.00	\$125.00	\$128.75	\$132.50	\$136.50	\$136.50	\$374.00	\$385.00	\$385.00	\$385.00	\$385.00
	% Change	0.0%	0.0%	3.0%	2.9%	3.0%	0.0%	174.0%	2.9%	0.0%	0.0%	0.0%

## Attachment 1

Fare Type		2014	2015	2016	2017	2018	2019	2020**	2021	2022	2023	2024
Senior Low Income Tier 1 Annual Pass / Fare Cap	Price	N/A	N/A	N/A	N/A	N/A	N/A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	% Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%	0.0%	0.0%
Ride Transit Pass Base and Tier 1	Price	N/A	N/A	N/A	\$35.00	\$35.00	\$35.00	\$34.00	\$35.00	\$35.00	\$35.00	\$35.00
	% Change	N/A	N/A	N/A	N/A	0.0%	0.0%	-2.9%	2.9%	0.0%	0.0%	0.0%

*\*\* City Policy C451H - Edmonton Transit Service Fare Policy was redesigned and approved in 2019. The new fare pricing took effect in February 2020 to align with the policy.*

**Transit Fares Jurisdictional Scan 2024**

Cities have been ordered largest to smallest by population size in each service category.

City	Adult Cash Fare	Adult - Smart Fare Single Trip	Adult Monthly Fare Cap / Pass	Youth Monthly Fare Cap / Pass	Senior Monthly Fare Cap / Pass	Low Income Monthly Fare Cap / Pass
<b>Conventional transit service: bus service and LRT/subway</b>						
Toronto	\$3.35	\$3.30	\$156.00	\$128.15	\$128.15	\$123.25
Vancouver region	\$3.20 - \$4.65	\$2.60 - \$4.90	\$107.30 - \$193.80	\$61.35 (all zones)	\$61.35 (all zones)	See footnote <sup>1</sup>
Montreal <sup>2</sup>	\$3.75	\$3.75	\$100.00	\$60.00	Free	<i>No low-income pass</i>
Calgary	\$3.70	\$3.70	\$112.00	\$84.00	\$112.00	\$5.80 (tier 1) \$40.25 (tier 2) \$57.50 (tier 3)
Edmonton	\$3.50	\$2.75	\$100.00	\$73.00	\$35.00	\$35.00 (tier 1) \$50.00 (tier 2)
Ottawa	\$3.85	\$3.85	\$128.75	\$99.25	\$49.00	\$58.25

<sup>1</sup> The BC Bus Pass Program offers a discounted bus pass for low income seniors (65 and older) and those receiving disability assistance. The cost of the pass is \$45 per year.

<sup>2</sup> City of Montreal (Zone A) fares

## Attachment 2

City	Adult Cash Fare	Adult - Smart Fare Single Trip	Adult Monthly Fare Cap / Pass	Youth Monthly Fare Cap / Pass	Senior Monthly Fare Cap / Pass	Low Income Monthly Fare Cap / Pass
Waterloo Region	\$3.75	\$3.00	\$96.00	\$96.00 <i>No age-based fare</i>	\$96.00 <i>No age-based fare</i>	\$48.00
<b>Conventional transit services: bus service only</b>						
Mississauga	\$4.25	\$3.40	\$141.00	See footnote <sup>3</sup>	\$65.00	\$70.50
Winnipeg	\$3.25	\$2.90	\$111.65	\$80.85	\$55.85	\$55.83
Brampton	\$4.50	\$3.40	\$141.25	\$118.00	Free <sup>4</sup>	\$70.63
Quebec City	\$3.75	\$3.50	\$97.25	\$64.85	\$64.85	<i>No low-income pass</i>
Hamilton	\$3.50	\$2.70	\$118.80	\$99.00	\$41.50	<i>No low-income monthly pass. Hamilton's low income program provides a 30% discount on the single-trip fare.</i>
London	\$3.50	\$2.65	\$95.00	\$72.00	<i>No senior monthly pass</i>	\$72.00

<sup>3</sup> MiWay offers a PRESTO loyalty program - once riders pay for 11 trips during any one week (Monday to Sunday) using their PRESTO card, they can ride free on MiWay for the remainder of the week.

<sup>4</sup> Seniors ages 65 and older with a Brampton Transit Senior Identification Card receive a free annual pass.



## Approved Transit User Fee Schedule 2024-2026

ETS Fares and Passes	2024 Fee	2025 Fee	2026 Fee
<b>Cash Fare</b>	\$3.50	\$3.75	\$3.75
<b>Flat-Rate Fare (Pay-as-You-Go Rate)*</b>			
Intra Edmonton Trip Rate	\$2.75	\$3.00	\$3.00
<b>Tickets</b>			
90-min Ticket (All Ages)**	\$3.50	\$3.75	\$3.75
24-hour Pass	\$10.25	\$10.50	\$10.50
<b>Monthly Passes and Pay-Go Monthly Caps</b>			
Youth (6-24 years)***	\$73.00	\$66.00	\$66.00
Adult	\$100.00	\$102.00	\$102.00
Senior	\$35.00	\$36.00	\$36.00
<b>Subsidized Passes and Pay-Go Monthly Caps</b>			
Adult/ Youth Subsidized Pass - Ride Base and Tier 1	\$35.00	\$36.00	\$36.00
Adult/ Youth Subsidized Pass - Ride Tier 2	\$50.00	\$51.00	\$51.00
<b>Student Passes****</b>			
UPASS Per Semester	\$149.76	\$149.76	TBD
<b>Senior Annual Passes*****</b>			
Regular	\$385.00	\$396.00	\$396.00
Low Income - Base and Tier 1	\$0.00	\$0.00	\$0.00
Low Income - Tier 2	\$139.00	\$140.00	\$140.00
<b>Charter Rates</b>	\$154.00	\$157.00	\$160.00
<b>Other Arc Fees*****</b>			
Arc Card	\$6.00	\$6.00	\$6.00
Regional 90-min Ticket	\$8.00	\$8.00	\$8.00
Regional 24-hour Pass	\$16.00	\$16.00	\$16.00

\* Flat rate fare is the pay-as-you-go rate per trip for all trips made in the month until the cap value is reached.

\*\* A 90-min ticket provides for unlimited travel on ETS intra-City service for all fare paying age groups.

\*\*\* Youth pass decreased in 2025 in alignment with Transit Fare Policy C451H.

## Attachment 3

\*\*\*\* ETS receives 83.2% of the U-PASS fees, with the remainder split between the City of St. Albert, Strathcona County, City of Spruce Grove, City of Fort Saskatchewan and City of Leduc. Current U-PASS agreements end August 2025, with \$180 per term. 2026 fee subject to agreement renewal in 2025.

\*\*\*\*\* This is not in alignment with the Transit Fare Policy C451H. discount percentage for seniors.

\*\*\*\*\*Regional rates are subject to regional agreement.

# Edmonton Transit Service

## **CO02505 - Ride Transit Program Options to Address Funding Shortfall**

**Executive Committee  
August 28, 2024**

Craig McKeown, Deputy City Manager, City Operations  
Carrie Hotton-MacDonald, Branch Manager, Edmonton Transit Service  
Sarah Feldman, Director, Transit Planning, Ridership and Revenue,  
Edmonton Transit Service

# Transit Fare Revenue Gap

## Contributing Factors

- Sales in deeply discounted Ride Transit program exceed forecast
  - \$6 million negative pressure in 2023
  - \$10 million negative pressure in 2024
- Changes to travel patterns affecting type of fare products riders choose
  - Hybrid workers using short-term fare products, as an example
- Fare evasion is <5%, accounts for some revenue not captured
- Riders using Capital Line, Metro Line and Valley Line Southeast are not tapping Arc cards consistently
  - Some of these riders may have paper fare or U-Pass

## Income-based Fare Supports

- **Fare-free annual transit pass for seniors** experiencing low income; sliding scale model to provide additional support
- **Providing Accessible Transit Here (PATH) program** with social agency partnerships for people who are unhoused or at risk of homelessness
- **Transit Access Grant** with social agency partners for people who are in urgent need of short-term support
- **Ride Transit low income transit pass program** with sliding scale model

# Ride Transit Program Budget and Grant Funding

(\$000s)	2019A	2020A	2021A	2022A	2023A	2024F
<b>FARE REVENUE</b>						
Ride Transit Pass Revenue	(7,554)	(3,666)	(5,047)	(6,152)	(9,104)	(11,032)
Provincial Grant Revenue per Agreement	(4,500)	(4,500)	(4,500)	(4,500)	(5,475)	(5,800)
Estimate Full Retail Value of Ride Transit Passes Sold	19,497	9,817	13,840	16,492	24,025	30,711
<b>Actual Revenue Subsidy on Passes</b>	<b>7,444</b>	<b>1,651</b>	<b>4,293</b>	<b>5,839</b>	<b>9,446</b>	<b>13,879</b>
<b>Subsidy Amount Budgeted</b>	<b>(3,292)</b>	<b>(3,292)</b>	<b>(3,292)</b>	<b>(3,292)</b>	<b>(3,292)</b>	<b>(3,292)</b>
<b>Program Revenue Shortfall / (Surplus)</b>	<b>4,151</b>	<b>(1,641)</b>	<b>1,001</b>	<b>2,547</b>	<b>6,154</b>	<b>10,587</b>
<b>OPERATING EXPENSES</b>						
Program Administration Expenses	1,403	1,510	1,292	1,685	1,223	1,519
<b>Expense Budget</b>	<b>2,101</b>	<b>2,101</b>	<b>2,101</b>	<b>2,101</b>	<b>2,101</b>	<b>2,101</b>
<b>Program Expense Shortfall / (Surplus)</b>	<b>(698)</b>	<b>(591)</b>	<b>(809)</b>	<b>(416)</b>	<b>(878)</b>	<b>(582)</b>
<b>Net Program Shortfall / (Surplus)</b>	<b>3,453</b>	<b>(2,232)</b>	<b>192</b>	<b>2,131</b>	<b>5,276</b>	<b>10,005</b>

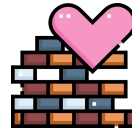
# Analysis of Program Eligibility Criteria

Majority of individuals and families participating in Ride Transit qualified through:

- Low Income Cut-Off (LICO) criteria
- Income support from Government of Alberta
- Receive Assured Income for the Severely Handicapped (AISH)
- New Permanent Resident or arrived as a Refugee to Canada within the last year



Support equity



Foundational  
elements



Fare Policy  
affordability principle

**Recommendation to not remove eligibility for the current groups**

# Funding Context

Transit is funded through a combination of **tax levy, transit user fees, non-fare revenue and grants, as well as transfers from reserves**



**City Policy C624 - Fiscal Policy for Revenue Generation:** cost sharing between tax base and benefiting parties



**City Policy C451H - Transit Service Fare Policy:** relationship between user fees and cost of providing service



**Costs to provide transit service have increased and transit user fee revenue has decreased, despite strong ridership**



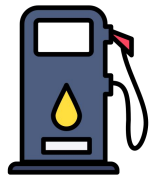
**Similar patterns in other large cities:** Vancouver, Montreal, Ottawa, Toronto



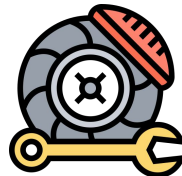
# Analysis of Transit User Fees

Transit fare prices have **not kept pace** with the increase in costs to provide transit service.

## Examples of price increases for 2019-2023:



**↑ 25%**  
FUEL

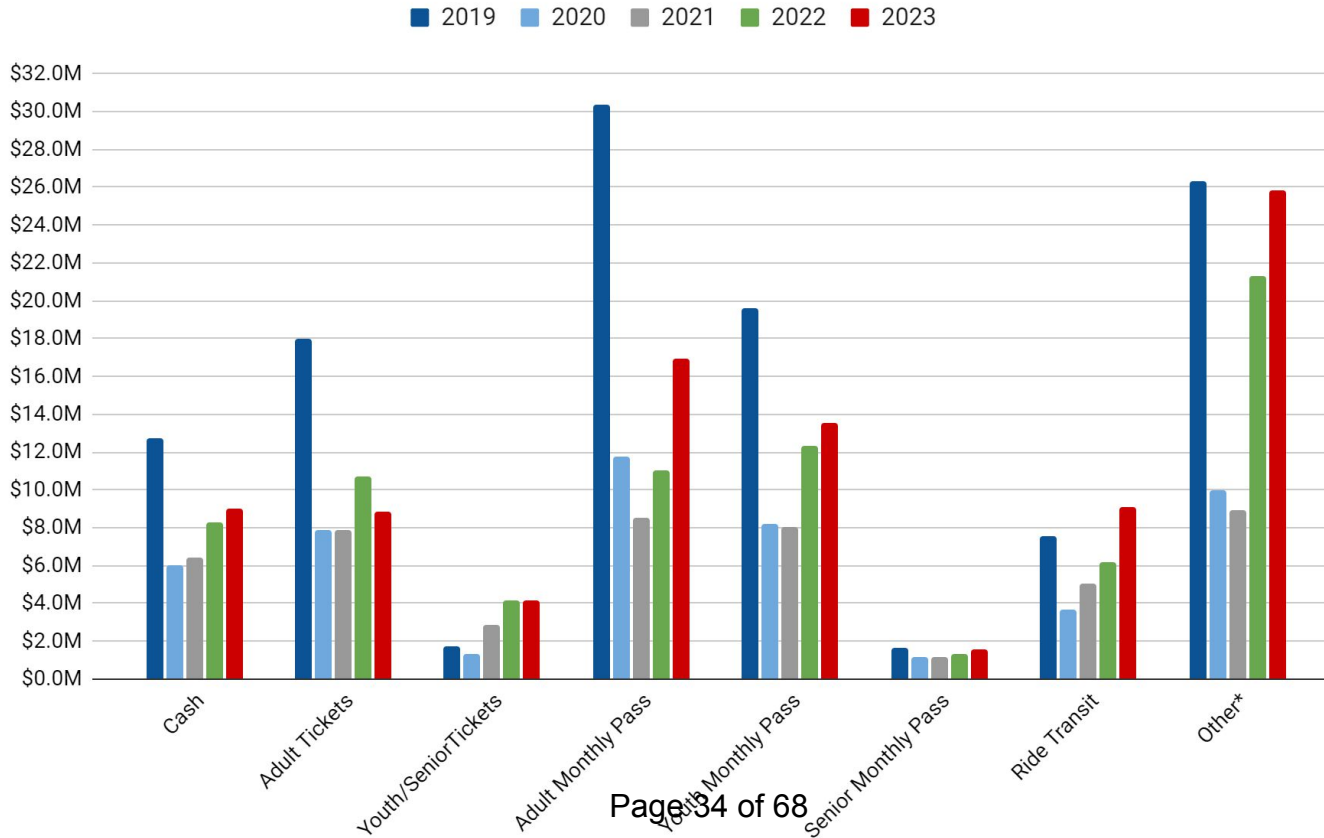


**↑ 22%**  
PARTS



**↑ 24%**  
40' BUSES

# Fare Revenue By Major Category



# Comparison To Other Canadian Cities - 2024 Fees

City	Adult Cash Fare	Adult - Smart Fare Single Trip	Adult Monthly Fare Cap / Pass	Youth Monthly Fare Cap / Pass	Senior Monthly Fare Cap / Pass	Low Income Monthly Fare Cap / Pass
<b>Conventional transit (bus and LRT) 2024 Fee Schedule</b>						
Toronto	\$3.35	\$3.30	\$156.00	\$128.15	\$128.15	\$123.25
Vancouver region	\$3.20 - \$4.65	\$2.60 - \$4.90	\$107.30 - \$193.80	\$61.35 (all zones)	\$61.35 (all zones) 2	See footnote
Montreal <sup>1</sup>	\$3.75	\$3.75	\$100.00	\$60.00	Free	<i>No low-income pass</i>
Calgary	\$3.70	\$3.70	\$112.00	\$84.00	\$112.00 <sup>3</sup>	\$5.80 (tier 1) \$40.25 (tier 2) \$57.50 (tier 3)
Edmonton	\$3.50	\$2.75	\$100.00	\$73.00	\$35.00	\$35.00 (tier 1) \$50.00 (tier 2)
Ottawa	\$3.85	\$3.85	\$128.75	\$99.25	\$49.00	\$58.25
Waterloo Region	\$3.75	\$3.00	\$96.00	\$96.00 <i>No age-based fare</i>	\$96.00 <i>No age-based fare</i>	\$48.00

Note: 1) Montreal fares are for Zone A only (City of Montreal)

2) The BC Bus Pass Program offers a discounted bus pass for low income seniors (65 and older) and those receiving disability assistance. The cost of the pass is \$45 per year.

3) Calgary does not offer a monthly pass for seniors. The seniors annual pass is priced at \$154.50 and the low income seniors annual pass is priced at \$31.

## Previous Transit Fare Adjustments

Cash Fare	Arc Card Single Trip	Standard Adult Monthly Pass
<ul style="list-style-type: none"><li>• 2014: \$3.20</li><li>• 2016: \$3.25</li><li>• 2020: \$3.50</li></ul> <p><b>Price has remained at this price for the past five years.</b></p>	<ul style="list-style-type: none"><li>• 2022: \$2.75</li></ul> <p><b>Price has remained at this price point for the past three years.</b></p>	<ul style="list-style-type: none"><li>• 2018: \$97</li><li>• 2021: \$100</li></ul> <p><b>Price has remained at this price for the past four years.</b></p>

# User Fee Changes for February 2025

Approved in 2023-26 Budget for 2025	Scenario 1	Scenario 2
<p><b>Cash fare:</b> \$3.75</p> <p><b>Arc single trip:</b> \$3.00</p> <p><b>Monthly fare caps:</b></p> <ul style="list-style-type: none"><li>• Standard Adult: \$100 → \$102</li><li>• Youth: \$73 → \$66</li><li>• Seniors: \$35 → \$36</li><li>• Ride Transit- Tier 1: \$35 → \$36</li><li>• Ride Transit- Tier 2: \$50 → \$51</li></ul>	<p><b>Cash fare:</b> \$4.00</p> <p><b>Arc single trip:</b> \$3.25</p> <p><b>Monthly fare caps:</b></p> <ul style="list-style-type: none"><li>• Standard Adult: \$110</li><li>• Youth/Senior: \$71.50</li><li>• Ride Transit- Tier 1: \$38.50</li><li>• Ride Transit- Tier 2: \$55</li></ul>	<p><b>Cash fare:</b> \$4.25</p> <p><b>Arc single trip:</b> \$3.50</p> <p><b>Monthly fare caps:</b></p> <ul style="list-style-type: none"><li>• Standard Adult: \$120</li><li>• Youth/Senior: \$78</li><li>• Ride Transit- Tier 1: \$42</li><li>• Ride Transit- Tier 2: \$60</li></ul>



## Fare Revenue and Trip Volume Changes

<b>Impact to Overall Fare Revenue Shortfall*</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Projected Fare Revenue Budget Variance	(\$13.0)	(\$13.0)	(\$26.0)
Scenario #2 Additional Revenue Generated	\$7.8	\$8.0	\$15.8
<b>Remaining Fare Revenue Shortfall</b>	<b>(\$5.2)</b>	<b>(\$5.0)</b>	<b>(\$10.2)</b>
<b>Impact to trip volumes</b>	<b>(1.1)</b>	<b>(1.1)</b>	<b>(2.2)</b>

## Considerations & Trade-offs

- Policy framework
- Revenue budget shortfall
- Cost increases for core service components
- History of fare price adjustments
- Jurisdictional analysis of fare prices for similar transit services
- Impacts of price increases on trip volumes
- Ridership levers and tools
- Equity-related impacts and Gender Based Analysis Plus insights
- Continued income-based fare supports for riders

## Next Steps

- Advance Scenario 2 and bring forward an updated user fee schedule during the Fall 2024 Supplemental Budget Adjustment
- Continue to explore options for predictable, sustainable funding for the Ride Transit Program to address future growth needs



**Thank you. Questions?**



## IMPLEMENTATION OF TRANSIT REVENUE ACTIONS

### Recommendation

That Administration implement the next steps required to advance Items P-18 (create an online store for ETS souvenirs or merchandise) and P-17 (enhance ETS fare collection for special events to decrease fare evasion and increase revenues) as outlined in the August 28, 2024 City Operations report CO02506, and that Administration bring forward budget adjustments when actual revenues can be confirmed.

<b>Requested Action</b>	Council decision required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Urban Places</b>		
<b>City Plan Values</b>	THRIVE.		
<b>City Plan Big City Move(s)</b>	A community of communities	<b>Relationship to Council's Strategic Priorities</b>	Mobility Network
<b>Corporate Business Plan</b>	Serving Edmontonians		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• C451H - Edmonton Transit Service Fare Policy</li> <li>• C624 - Fiscal Policy for Revenue Generation</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• February 21, 2024, OCM02233 Operating Budget Amendment 12 Update</li> <li>• May 23, 2024, CO02390 Ride Transit Program Funding Update</li> <li>• April 23, 2024, FCS02361 Spring 2024 Supplemental Operating Budget Adjustment</li> </ul>		

### Previous Council/Committee Action

At the May 23, 2024, Executive Committee meeting, the following motion was passed:

That Administration provide a report on the process to implement items P-18 (create an online store for ETS souvenirs or merchandise) and P-17 (enhance ETS fare collection for special events

## IMPLEMENTATION OF TRANSIT REVENUE ACTIONS

to decrease fare evasion and increase revenues) as outlined in Attachment 7 of the April 23, 2024, Financial and Corporate Services report FCS02361.

### Executive Summary

- Two ideas for generating additional revenue for transit were identified as part of the Spring 2024 Supplemental Operating Budget Adjustment: creating an online store for ETS merchandise and enhancing ETS fare collection for special events.
- An online store to sell transit merchandise is offered in several Canadian cities. In addition to the revenue generating potential, it can contribute to a positive brand for the City of Edmonton. Next steps to implement this revenue action are to administer a Request for Proposal process, confirm the service delivery model and develop a plan for the launch.
- Enhancing ETS fare collection for special events can also improve the flow of participants at Commonwealth Stadium by providing a streamlined approach to transit fare collection.
- Implementing a fee on a per-ticket basis to provide transit access would improve access control and flow of participants at events, reduce fare collection staffing costs during events, and incentivize the use of transit for event attendees.

## REPORT

As part of the response to Operating Amendment 12 (OP12) during the 2023-2026 budget deliberations, Administration developed several revenue generating actions. Revenue options were presented as part of the Spring 2024 Supplemental Operating Budget Adjustment. Creating an online store for ETS souvenirs or merchandise and enhancing fare collection for special events will generate some revenue.

### ETS Online Store For Merchandise

Transit agency merchandising has become a growing trend over the past few years. In Canada, transit agencies like Metrolinx, TransLink, Toronto Transit Commission (TTC) and Société de transport de Montréal (STM) have established online stores that offer a large variety of merchandise that highlight popular elements of their local transit. The stores include a range of branded products such as clothing and apparel, drinkware, toys, seasonal items and other keepsakes.

In addition to potential revenue, the online stores provide an additional stream for engagement with the public and transit enthusiasts, helping to improve the brand recognition and reputation of the transit agency. Along with a catalogue of standard industry products, transit agencies use the online stores as a way to promote the transit service. Examples of this include new products aligned with the launch of a new service (e.g., opening of a new station or LRT line), nostalgic items featuring retro-brands or vintage fleet and holiday-themed products ranging from tree ornaments to festive sweaters. In Edmonton, there has been a generally positive and enthusiastic response from the public, as observed in the media and social media, since the idea of an ETS online store was shared publicly in Council reports earlier this year.

The City of Edmonton assessed various models used by other transit agencies for delivering an online store. Many of these agencies use a third party vendor that manages the 'storefront',

## IMPLEMENTATION OF TRANSIT REVENUE ACTIONS

inventory, point of sale, shipping and all aspects of customer interaction. The transit agency receives a percentage of the revenue generated from the sale of merchandise as a royalty for the use and sale of the brand. This model eliminates the set-up costs for the storefront and eliminates the need to hold and manage inventory, limiting the financial risk for the City. While the transit agency ultimately determines the products offered, the vendor would provide recommendations on which products are marketable. ETS would be able to do some outreach with the public to help determine the types of products to offer. The agreements generally contain a clause requiring the transit agency to buy-out unsold merchandise after a certain period of time. An alternative approach in which the transit agency directly operates a storefront (online or other) is not recommended as the operating expenses would likely exceed the revenue generated; this approach could be revisited in future years should the sales volume exceed expectations.

The next step in the process to establish an online store is to launch a Request for Proposal (RFP) process. This would allow potential vendors to submit proposals for how they would manage the storefront in partnership with ETS, providing detailed information on product selection, procurement approaches (in alignment with City Policy C556B Sustainability Procurement Council Policy), customer relations management and the revenue sharing model. Through the RFP process, Administration will be able to assess and partner with a vendor that best aligns with the City's requirements. Administration anticipates the online store could launch in Q2 2025, and a budget adjustment would be brought forward through a future budget adjustment once actual revenue amounts are confirmed.

### Enhance Fare Collection for Special Events

ETS supports various civic events throughout the year through Park and Ride service, additional LRT service and charter bus service. Demand for transit service is highest for event locations that are not easily accessible by other modes due to limited parking availability or locations that do not have attractions, such as bars and restaurants, in the vicinity where attendees may go before or after the event. Events at Commonwealth Stadium reflect both of these characteristics. As a result, ETS often transports over 50 per cent of all Stadium event attendees within a short time frame before and after the events. For example, for the Garth Brooks concerts in 2022, ETS transported approximately 26,000 riders each night through a combination of LRT service and bus Park and Ride service, out of approximately 57,000 total event attendees.

In alignment with City Policy C451H - Transit Fare Policy, event attendees are required to pay a fare for using transit. Administration has implemented several approaches to adjust fare collection for major events, including:

- Transit Peace Officers manage fare collection boxes at access/egress points at major stations and during take-away service at Stadium LRT station. Riders can place cash or tickets in the collection boxes, or scan their Arc card using mobile validators.
- Proactive communication before events to remind participants to purchase their transit fare in advance.
- Ensuring ticket vending machines are restocked in advance of events.

## IMPLEMENTATION OF TRANSIT REVENUE ACTIONS

Despite employing these methods for several years, the large volume of attendees at major Commonwealth Stadium events make it challenging to ensure that all event goers have paid the appropriate fare as they leave the event, which creates the potential revenue not being collected.

Administration currently collects a facility use fee for events at Commonwealth Stadium, which helps offset the operating costs of the venue. This fee is collected at the point of sale through a third-party ticket vendor. Collecting an additional facility use fee for larger events could fund transit fare revenue for Stadium events, and participants would use their event ticket as proof of payment to ride transit. This approach would make using transit more convenient for event attendees, supporting greater transit usage for events, while also reducing administrative burden for the City in collecting transit fare for these events. It would also speed up the flow and movement of riders as they exit the event. Riders with Arc cards would not need to tap their Arc cards if they have a ticket for a major Commonwealth stadium event.

The recommended additional facility use fee price is \$1.50 per ticket, which was established based on the average cost of additional transit service for major Stadium events, total attendance at these events and a cost recovery target in line with City Policy C451H. Administration recommends that this fee is applied only for larger events at Commonwealth Stadium, such as concerts, since smaller events are more sensitive to ticket pricing, as the event organizers are typically smaller or newer organizations, or are attracted to Edmonton through a competitive bid process. The established methods of fare revenue collection are adequate for smaller events.

The additional Stadium ticket fee would be implemented as a distinct transit fare surcharge to proactively communicate to event goers that their transit fare is included in their event ticket. This process would be initiated in 2025, and the ETS fare revenue budget would be adjusted during a subsequent budget adjustment once the actual revenues are confirmed. The facility use fee could be implemented for 2026 events, as major Stadium event tickets generally go on sale up to one year in advance. This timing would also allow for time to inform event promoters about the surcharge.

### **Budget/Financial Implications**

The ETS online store is estimated to generate \$15,000 in annual net revenue, starting in 2025. This estimate is based on Administration's understanding about the revenue generated by other Canadian transit agencies, such as TransLink and Metrolinx, for similar initiatives using a third party vendor and an online store delivery model. Revenue is difficult to estimate without further understanding of the business model and associated revenue sharing, as well without testing the market to understand the demand for the store merchandise. As such, Administration is providing a conservative estimate at this time. Implementation of an ETS online store would be implemented within the existing budget.

The special event surcharge is estimated to generate \$44,000 in annual net revenue, starting in 2025. Based on recent historical averages, Administration anticipates that this would apply to approximately one to two major Stadium events per year (average number of major Stadium events annually is 1.5). Gross revenue was estimated by applying the \$1.50 surcharge to the average attendance for major events, less farebox revenue already received on major Stadium

## IMPLEMENTATION OF TRANSIT REVENUE ACTIONS

events. This resulted in \$44,000 in additional annual revenue. Implementation of a special event surcharge would not incur additional costs.

### Community Insight

Since the concept of launching an ETS online store was released, public response about the initiative through social media and other feedback mechanisms has been generally positive. During special events at Commonwealth Stadium, event attendees often share feedback on social media platforms about their transit experience, including wanting a convenient and easy-to-use option for fare payment. Comments are also commonly shared about the need to quickly and safely exit the event to return home. Simplifying transit fare payment for event attendees addresses these needs. There may be some who are also concerned about ticket pricing and could be sensitive to the additional surcharge. Ticket pricing affordability has been part of the general public discourse over the last couple of years.

ETS collects feedback through 311, the online feedback form, the rider research program as well as outreach/engagement activities. Once these initiatives have been implemented, Administration will monitor feedback from these channels.

### GBA+

While the additional transit additional facility use fee marginally increases the overall surcharges for major events at Commonwealth Stadium, it is a more equitable fare collection approach. The approach supports affordable access to transit, as the contributions from all event attendees significantly lowers the fare cost per event attendee. Those who do not use transit to attend an event help subsidize those who do. This collective cost sharing method contributes to improved service overall for riders who may be more likely to use transit as a lower cost transportation option due to affordability concerns. In addition, the additional facility use fee will reduce crowding and improve people flow at Stadium LRT station and Commonwealth Stadium during major events, further supporting people with limited mobility.

The RFP process will provide Administration a better understanding of how the online store will operate and potential ways to reduce barriers to accessing the store.





# Edmonton Transit Service

## **CO02506 - Implementation of Transit Revenue Actions**

**Executive Committee  
August 28, 2024**

Craig McKeown, Deputy City Manager, City Operations  
Carrie Hotton-MacDonald, Branch Manager, Edmonton Transit Service  
Sarah Feldman, Director, Transit Planning, Ridership and Revenue,  
Edmonton Transit Service

## Online Store

- Transit services offering online stores to promote and enhance a **positive image in the community**, and provide additional revenue stream
- Positive reception from public since idea was shared
- **Request for proposal** process to engage a store vendor



# Enhance Fare Collection for Special Events at Commonwealth Stadium



# Commonwealth Ticket Facility Use Fee

- Multiple approaches used to support special event fare collection
- Commonwealth facility use fee has **several benefits:**
  - ◆ Reduces potential for lost revenue
  - ◆ Convenience for event goers and encourages increased transit use
  - ◆ Reduces administrative burden
  - ◆ Facilitates movement of riders
- Process initiated in 2025, for future events

**Thank you. Questions?**



## 2023 ALLEY LIGHTING MAINTENANCE TAX EXCESS REVENUE

### RECOMMENDATION

That Executive Committee recommend to City Council:

1. That the excess revenue of \$52,373 collected as part of the 2023 Alley Lighting Maintenance Special Tax be applied to the 2025 Alley Lighting Maintenance Rates.
2. That the 2025 Operating Budget be adjusted to reduce the revenue collected through 2025 Alley Lighting Maintenance Special Taxes by \$52,373, offset by an equivalent transfer from the Financial Stabilization Reserve.

<b>Requested Council Action</b>	Decision required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	N/A		
<b>City Plan Values</b>	N/A		
<b>City Plan Big City Move(s)</b>	N/A	<b>Relationship to Council's Strategic Priorities</b>	Conditions for service success
<b>Corporate Business Plan</b>	Managing the corporation		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• Bylaw 19974 - A Bylaw to authorize the City of Edmonton to impose a special tax for the repair and maintenance of the Alley Lighting</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• March 12, 2024, Financial and Corporate Services report FCS02317 - Bylaw 20767 - To authorize the City of Edmonton to impose a special tax for the repair and maintenance of Alley Lighting</li> <li>• March 14, 2023, Financial and Corporate Services report FCS01645 - Bylaw 20389 to authorize the City of Edmonton to impose a special tax for the repair and maintenance of the Alley Lighting</li> <li>• March 14, 2023, Financial and Corporate Services report FCS01656, Operating Financial Update - December 31, 2022</li> <li>• February 22, 2022, Financial and Corporate Services report FCS01038, Bylaw 19974 to authorize the City of Edmonton to impose a special tax for the repair and maintenance of the Alley Lighting.</li> </ul>		



## 2023 ALLEY LIGHTING MAINTENANCE TAX EXCESS REVENUE

### Executive Summary

- A special tax rate is applied annually to properties benefiting from alley lighting.
- The rate is intended to fairly reflect the cost to repair, maintain and power alley lights.
- Due to a higher conversion rate to LEDs and fewer calls for service, actual costs in 2023 for alley lighting were \$1,119,713, compared with budgeted cost of \$1,172,086 approved in the 2023 operating budget, resulting in \$52,373 of excess revenue collected.
- Excess revenue raised in one year is used to reduce the requirement in future years so that revenue aligns with the intended use in the bylaw.
- Administration recommends the 2023 excess revenue of \$52,373 be applied to reduce the amount of special alley lighting taxation revenue required through 2025 Alley Lighting Maintenance Special Taxes.

### REPORT

On an annual basis, Administration brings forward a bylaw to impose a special tax for areas that benefit from alley lighting to address lighting repair, maintenance and energy consumption. This special tax rate is calculated each year to fairly reflect the cost to repair, maintain and power alley lights across the city.

Factors used to determine the rate include:

- review of past actuals and applying a weighted average of last two years;
- timing of LED conversions on alley lighting; and
- EPCOR support costs for working near their overhead power lines, for which the City pays.

In 2023, the rate established was \$1.37 per assessable metre, equating to a total special tax requirement of \$1,172,086. However, the actual costs incurred for the year to maintain and power the alley lights was \$1,119,713, resulting in excess revenue of \$52,373.

There were reduced costs for the program resulting from:

- fewer service calls than originally anticipated; and
- increased number of LED conversions completed, resulting in less maintenance costs.

As this is an annual ongoing process, adjustments are expected when actual expenditures incurred are different from the estimates made each year.

In accordance with section 386(2) of the *Municipal Government Act*, which speaks specifically to special taxes, if there is any excess revenue, the municipality must advertise the use to which it proposes to put the excess revenue. Administration recommends the 2023 excess revenue of \$52,373 be applied to the calculation of 2025 Alley Lighting Maintenance Special Tax.

The excess revenue was not used to reduce the 2024 Alley Lighting Maintenance Special Tax due to:

- timing of year-end financial results and confirmation of 2023 alley lighting maintenance costs;
- the requirement for advertising and waiting a 60-day petition period in accordance with legislative requirements; and



## 2023 ALLEY LIGHTING MAINTENANCE TAX EXCESS REVENUE

- the timing of the taxation bylaw approval in March 2024 would have overlapped the petition period.

Excess revenue raised in one year is used to reduce the requirement in future years so that revenue aligns with the intended use in the bylaw.

### Budget/Financial Implications

The excess revenue that was collected in 2023 of \$52,373 is within the Financial Stabilization Reserve and will be used to offset required future special alley lighting taxation revenues. As these funds were originally collected through a special tax with an associated budget for revenue and related expenses, there is no tax-levy impact. Administration recommends reducing the 2025 operating revenue budget (2025 Alley Lighting Maintenance Special Taxes) and increasing the transfer from the Financial Stabilization Reserve to offset this decreased revenue. This will offset the tax requirements that will be calculated as part of the 2025 Alley Lighting Maintenance Special Tax.

### Legal Implications

In accordance with section 386 of the *Municipal Government Act* the special tax revenue must be applied to the specific purpose stated in the special tax bylaw. A municipality must advertise the use to which it proposes to put the excess revenue if there is any excess special tax revenue raised.

The proposed use that this excess special tax revenue be applied to the 2025 Alley Lighting Maintenance Rates was advertised in the Edmonton Journal on Saturday, April 20, 2024 and Saturday, April 27, 2024. The municipality must allow for a 60 day petition period following the advertisement. No sufficient petition was received in accordance with section 223 of the *Municipal Government Act*, therefore this recommendation can be approved anytime after June 26, 2024. The advertisement identified that this matter would go to the August 28, 2024 Executive Committee meeting if property owners wanted to speak about this resolution, then onto the September 10, 2024 City Council meeting for approval.

### Community Insight

Alley lighting maintenance costs are assessed annually only to property owners along alleys that have lighting. The change in rate is communicated to the affected property owners with the receipt of their annual tax assessments.

Advertising of the proposed resolution was done in accordance with the requirements of the *Municipal Government Act*, which includes waiting a 60 day petition period.

### GBA+

The special tax for Alley Lighting Maintenance is imposed on those who are within the benefiting areas. A GBA+ was not completed for this report as the City does not collect information about the identities of the property owners, including those who pay the special tax for the specific services.



## AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE AND GRANT FUNDING - PARKDALE RESIDENTIAL

### Recommendation

That the sale of land in Parkdale, Lots 1 to 3, Block 4, Plan 5850R, as outlined in Attachment 1 of the August 28, 2024, Financial and Corporate Services report FCS02515, to Jasper Place Wellness Centre, on the terms and conditions outlined in Attachment 2 of the August 28, 2024, Financial and Corporate Services report FCS02515, be approved, and that the agreement(s) be in form and content acceptable to the City Manager.

<b>Requested Action</b>	Committee decision required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Urban Places</b>		
<b>City Plan Values</b>	LIVE		
<b>City Plan Big City Move(s)</b>	Inclusive and compassionate	<b>Relationship to Council's Strategic Priorities</b>	Community safety and well-being
<b>Corporate Business Plan</b>	Serving Edmontonians		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• Climate Resilience Policy (C627)</li> <li>• Public Engagement Policy (C593A)</li> <li>• City Land Assets for Non-Profit Affordable Housing (Council Policy C437A)</li> <li>• Affordable Housing Investment Guidelines (C601)</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• November 1, 2023, Community Services report CS_01753, Affordable Housing Investment Program Fall 2023 Grant Award</li> </ul>		

## **AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE AND GRANT FUNDING - PARKDALE RESIDENTIAL**

### **Executive Summary**

- The sale of the Parkdale site will enable the Jasper Place Wellness Centre to develop the site for affordable housing. The Jasper Place Wellness Centre proposal would see approximately 24 supportive housing units built, contributing to the City's housing goals. Jasper Place Wellness Centre will be required to enter into an Affordable Housing Agreement as a condition of the sale.
- An affordable housing grant of up to \$900,000, which falls within Administration's delegated authority under Bylaw 16620 - City Administration Bylaw, will be available to assist in the site's development. The City's land and grant contribution will assist Jasper Place Wellness Centre in keeping rents affordable (targeting below \$400 per month or 42 per cent of market rents) and in pursuing additional funding and/or financing from other levels of government.
- Executive Committee approval is required as the proposed below market value sale is outside of Administration's delegated authority.

### **REPORT**

The site at 8116-115 Avenue NW had been listed for sale on the City of Edmonton website for 18 months prior to Jasper Place Wellness Centre approaching the City on the potential to purchase the land below market value under Council Policy - C437A City Land Assets for Non-Profit Affordable Housing. The proposed affordable housing development site is a former bus turn around lot that is zoned Medium Scale Residential RM h16 in the Parkdale neighbourhood, which has a 10.8 per cent non-market affordable housing ratio as per the City's Non-Market Housing Inventory; 39 per cent of renter households in this neighborhood are in Core Housing Need.

Jasper Place Wellness Centre intends to build two, 12-unit buildings on the site. The building form, known as a "Healing House" is the same as the Bridge Healing Transitional housing that Jasper Place Wellness Centre operates in the Glenwood neighbourhood. The Healing House building design allows for small self-contained units that have access to shared facilities and can support many forms of housing along the spectrum including permanent supportive housing, transitional housing, near market housing or market housing. Pending funding agreements with other levels of government, Jasper Place Wellness Centre plans to operate these as permanent supportive housing or transitional housing. To secure operational funding, Jasper Place Wellness Centre must first be the owner of the land or have a conditional sales agreement in place.

For Jasper Place Wellness Centre to develop potential supportive housing on this site, a grant on top of a land sale below market value is needed to make the project viable. The expected cost of development on this site is estimated to be approximately \$5 million. An affordable housing grant of up to \$900,000 will be available to assist in the development of the site. The full amount of the \$900,000 will be conditional to the development being transitional or supportive housing. The total grant amount will be determined once all grant contributions and financing parameters are set. The land and grant contribution of the City will assist Jasper Place Wellness Centre in keeping rents low (targeting below \$400 per month) and meet the requirements necessary to pursue additional funding and/or financing from other levels of government and philanthropic organizations.

## **AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE AND GRANT FUNDING - PARKDALE RESIDENTIAL**

### **Jasper Place Wellness Centre**

Jasper Place Wellness Centre, established in 2006, oversees over 200 units of housing spanning various affordability levels and building designs. The Healing House building design integrates insights from its history in operating various housing and housing first programs. Currently, Jasper Place Wellness Centre has developed three buildings (36 units) in this design that are in operation. Two more Healing House design buildings are currently in construction.

The appeal of the Healing House building design is:

- the ability to function along the housing spectrum;
- the common spaces within allowing the development of community for tenants;
- the ability to bring density to established neighborhoods on standard lots (12 units under a supportive housing use); and
- the value of securing supportive/affordable housing at a low per door cost.

Jasper Place Wellness Centre with the support of local philanthropists, are planning a portfolio approach to develop another 20 buildings. Jasper Place Wellness Centre intends to position the building at the 8116 - 115 Avenue NW site as a proof of concept of this portfolio approach where the City's contribution will help solidify the project to attract other levels of government funding and stimulate philanthropic donations. For the 8116 - 115 Avenue site, Jasper Place Wellness Centre is working with the Edmonton Chamber of Commerce and Royal Alexandra Hospital Foundation on fundraising and has already secured a number of private donors, dependent on the ability of Jasper Place Wellness Centre to secure the land.

### **Next Steps:**

If the recommendations are approved, Administration will execute the Sale Agreement(s). The City and Jasper Place Wellness Centre will work toward fulfilling the conditions precedent, including execution of the Affordable Housing Agreement(s), and closing the transaction by Q2 2025. It is anticipated that construction may commence by Q3 2025.

### **Budget/Financial Implications**

The market value of the site is approximately \$734,000. Since 2015, City Council has approved below market value land sales to non-profit housing providers with cumulative market values totalling \$38 million. The ongoing operating expenses will be the responsibility of Jasper Place Wellness Centre.

City contributions of up to \$900,000 will come from the Housing Accelerator Fund. The unique design elements of these buildings, the speed of developing new supportive/affordable housing in the next three years and the ability to pilot a new philanthropic approach align with the goals of scaling of the housing sector identified under the "Capacity Building of the Affordable Housing Sector" action of Edmonton's Housing Accelerator Fund action plan.

### **Legal Implications**

As per section 70(2) of the *Municipal Government Act*, a disposition of land for below market value does not need to be advertised if it is to be used by a non-profit organization as defined in

## **AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE AND GRANT FUNDING - PARKDALE RESIDENTIAL**

section 241(f) of the *Municipal Government Act*. As the proposed approval is for the disposition of the land to a non-profit organization, advertising is not required.

Section 35 of Bylaw 16620 - City Administration Bylaw enables the City Manager to approve agreements for disposition of a fee simple interest in land for fair market value or more, up to certain monetary limits. Approval is needed as this disposition will be below fair market value.

Section 651.3 of the *Municipal Government Act*, as modified by the *City of Edmonton Charter Regulation*, enables the City to enter into an affordable housing agreement and register the agreement by way of caveat on title.

### **Community Insight**

The City of Edmonton creates opportunities for the development of affordable housing by assisting non-profit organizations through the land development process. As part of this work, the City may provide land, capital funding and organizational support. Public engagement typically takes place around zoning changes, if required. Like any other residential project, zoning regulates the built form and permitted uses, so community approval is not necessary to determine the location, design, type of housing or cost to tenants.

The City proactively shares information about new affordable housing developments with communities. As a project progresses, the developer/operator may decide to hold additional meetings, distribute project information and find other ways to build relationships with the community. This is intended to help build relationships and ensure the long-term success of each project. Among other things, the sale agreement is conditional on the purchaser providing a communications and engagement plan to the City's satisfaction.

The Parkdale Parcel was listed on the City of Edmonton's property sale webpage in August 2022. Additionally, an email was sent to everyone subscribed to the City's Land Sale Mailing List notifying them that the subject property was now for sale. After 18 months on the market, developers/buyers expressed limited interest in constructing a market-value development on site.

### **GBA+**

Housing is a significant barrier for anyone who lacks personal references, employment or has limited resources, compelling them to stay in living arrangements that do not meet their needs for stable and secure housing. This is especially so for those who have experienced or are currently experiencing homelessness, which are the priority population targeted by the Healing House buildings on the Parkdale site.

The design of the Healing House buildings is based on the Eden Alternative, which shows that 10 to 12 people living together creates a sense of community that helps to remove issues seen in larger institutional housing such as loneliness, helplessness and boredom. Through these designs with smaller occupancy limits, the buildings can replicate a 'home-like' feeling and environment. This provides many benefits, such as less social isolation, stronger relationships and behavioural changes like minimizing substance use.

## **AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE AND GRANT FUNDING - PARKDALE RESIDENTIAL**

Overall, the Healing House buildings constructed on the Parkdale site will align with The City Plan goal of creating a healthy, urban, climate-resilient city where all Edmontonians have access to housing that meets their needs.

### **Attachments**

1. Parkdale Site Plan
2. Parkdale - Sales Agreement(s) Terms and Conditions





Parkdale Site Plan





**Parkdale - Sales Agreement(s) Terms and Conditions**

<b>Legal Description</b>	Plan 5850R, Block 4, Lots 1-3
<b>Municipal Address</b>	8116 - 115 Avenue NW as shown on Attachment 1
<b>Land Area</b>	0.34 Acres (more or less)
<b>Current Zoning</b>	Medium Scale Residential (RM h16)
<b>Buyer</b>	Jasper Place Wellness Centre
<b>Purchase Price</b>	\$1.00
<b>Closing Date</b>	TBD - Q2 2025
<b>Condition Precedents</b>	The sale agreement is conditional on the following conditions: <ul style="list-style-type: none"> <li>a. Community Engagement Plan Condition;</li> <li>b. Soils Condition;</li> <li>c. Affordable Housing Agreement Condition;</li> <li>d. Development Permit Condition;</li> <li>e. Development Funding Condition; and</li> <li>f. Such other conditions precedent as negotiated between the City and the Buyer.</li> </ul>
<b>Performance Fee</b>	\$5,000 (\$2,500 for each development) as security for completion of construction, and obtaining Environmental Certification (25% decrease in energy consumption and greenhouse gas emissions against 2015 National Energy Code for Buildings (NECB) or such other environmental certification as agreed to by the City and the Buyer on or before the Development Completion Date.
<b>Buy Back Option</b>	If the Buyer has not commenced construction on or before the Development Commencement Date, the City has the option to buy back the land at the Purchase Price
<b>Development Commencement Date</b>	One (1) year following the Closing Date
<b>Development Completion Date</b>	Three (3) years following the Closing Date

**Agreements:**

The Sale Agreement(s) resulting from the sale shall be in a form acceptable to the Legal Services Branch, and in content acceptable to the Branch Manager of the Real Estate Branch (the "Branch Manager"). Approval of the sale of the Sale Land shall include the approval of

## Attachment 2

such corrective, conformance and incidental amendments to the Terms and Conditions and the form and content of the Sale Agreement(s) as necessary or desirable to give effect to or implement the sale of the Sale Land, all as may be subsequently approved by the Branch Manager.