

The logo for Edmonton Transit Service, featuring the word "Edmonton" in white text on a dark blue rectangular background.

Edmonton Transit Service

**Mass Transit System**  
**Sustainable Funding and Growth Plan**  
Interim Update

April 13, 2022

# Setting the Stage

Two key finance considerations:

- Expenditure planning
- Revenue planning

Framing the discussion:

- What is considered reasonable growth in expenditures to deliver service enhancements?
- What is considered reasonable to fund service enhancements?
- How do we pay for it?
  - User fees
  - Tax levy
  - Other tools → Today's discussion

# Setting the Stage

## **Service levels have been static**

Have not kept up with population growth.

## **Ridership recovery**

Steady recovery since 2021.

## **Revenue-cost ratio**

Similar to other Canadian mid-sized cities, significantly higher than comparable US cities (pre-pandemic).

## **Fare revenue may be changing**

The pandemic has challenged the ability to rely on transit fares as a stable revenue tool.

## **City Plan's goals for transit**

Revenue and service hours will need to increase to meet targets in the City Plan.

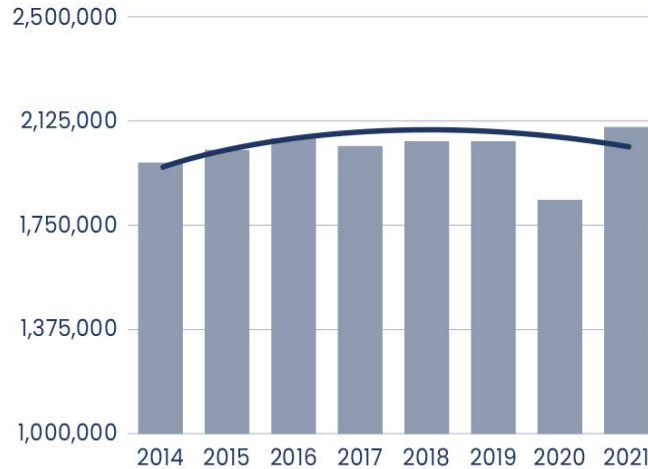
## **Diverse revenue sources**

Other Canadian cities have diversified transit funding sources.

# Setting the Stage

Existing revenue tools are not keeping up with growth.

Figure 1: Revenue Vehicle Hours/Year



Revenue Vehicle Hours per Capita/Year



# Setting the Stage

The pandemic has severely impacted the reliability of fare revenue to fund day to day operations.

Figure 3: 2019 ETS Funding Sources:



2020 ETS Funding Sources:



# Long List of Revenue Tools

Evaluated (colour)

Acknowledged (grey)

## REAL ESTATE BASED TOOLS

Dedicated Transit Funding  
Community Revitalization Levy  
Benefit Area Tax  
Real Estate Opportunities

## NOT STUDIED FURTHER

Redevelopment and Off-Site Levies  
Land Transfer Tax  
Negotiated Exactions  
High Value Homes Tax

## TRANSPORTATION BASED TOOLS

Parking Fee  
Motor Fuel Tax  
Vehicle Registration Fee  
Road Usage Charging  
Transportation Network Company Fee

## NOT STUDIED FURTHER

Variable Vehicle Tax  
Bridge Tolls  
Road Tolls  
Congestion Pricing

## OTHER TOOLS

Tourism Levy

## NOT STUDIED FURTHER

Government Transfers  
Regional Sales Tax

# Project Objectives



## Travel Choice

Will it boost ridership?



## Implementation

Can it be implemented?

What will it take?



## Alignment

Does it align with City priorities?



## Equity

Who is impacted?



## Revenue Potential

Is it stable revenue?



Fully meets objective



Partially meets objective



Does not meet objective

# Analysis



## **Meets majority** of objectives:

- Dedicated Transit Funding
- Real Estate Opportunities
- Parking Fees
- Vehicle Registration Fees



## **Did not** perform well:

- Benefit Area Tax
- Community Revitalization Levy (CRL)
- Motor Fuel Tax
- Road Use Charges
- TNC Fee
- Tourism Levy



# Evaluation

	TRAVEL CHOICES	IMPLEMENTATION	EQUITY	ALIGNMENT WITH CITY OBJECTIVES	REVENUE POTENTIAL
<b>REAL ESTATE BASED TOOLS</b>					
BENEFIT AREA TAX	✗	✗	✓	✗	✓
COMMUNITY REVITALIZATION LEVY	✓	✗	✗	✓	✗
DEDICATED TRANSIT FUNDING	✓	✓	✗	✓	✗
REAL ESTATE OPPORTUNITIES	✓	✗	✓	✓	✗
<b>TRANSPORTATION BASED TOOLS</b>					
MOTOR FUEL TAX	✓	✗	✗	✓	✗
PARKING FEES	✓	✗	✗	✓	✓
ROAD USAGE CHARGING	✓	✗	✓	✗	✓
TRANSPORTATION NETWORK COMPANY FEE	✗	✓	✗	✓	✗
VEHICLE REGISTRATION FEE	✓	✗	✗	✓	✓
<b>OTHER TOOLS</b>					
TOURISM LEVY	✗	✗	✓	✗	✗

## Next steps

1. Council direction on which tools to pursue.
2. Further analysis needed on revenue potential, risks, and implementation.
3. Collaboration with other orders of government.

# Discussion