

DEVELOPER-FUNDED TRANSIT SERVICE OPTIONS TO SUPPORT EARLY ADOPTION OF TRANSIT IN NEW NEIGHBORHOODS

Recommendation

That the August 29, 2023, City Operations report CO01551 be received for information.

Requested Action		Information only	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		Climate Resilience	
City Plan Values	ACCESS		
City Plan Big City Move(s)	Community of communities	Relationship to Council's Strategic Priorities	Mobility Network
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">City Policy C539A - Transit Service PolicyGrowth Management Framework		
Related Council Discussions	<ul style="list-style-type: none">CO01320 On Demand Transit - Service Delivery Model, Community and Public Services Committee, October 11/14, 2022UPE01554 Growth Management Framework Update - Substantial Completion Standard - Additional Information, Urban Planning Committee, August 29, 2023		

Previous Council/Committee Action

At the October 11/14, 2022, Community and Public Services Committee meeting, the following motion was passed:

"That Administration provide a report exploring developer-funded transit service options to support early adoption of transit in new neighborhoods."

DEVELOPER-FUNDED TRANSIT SERVICE OPTIONS TO SUPPORT EARLY ADOPTION OF TRANSIT IN NEW NEIGHBORHOODS

Executive Summary

- Prior to 2018, peak period conventional bus service was provided in some new neighbourhoods through funding from the development industry (“Industry”), on an opt-in, voluntary basis, usually for a two-year period. The program ended due to equity issues and challenges in maintaining conventional bus service in some of the participating neighbourhoods at the end of the developer-funded service period.
- Since 2021, some newer neighbourhoods are being served through On Demand Transit service, which acts as bridge service by providing an appropriate transit option in communities that do not yet meet the minimum thresholds for conventional bus service.
- There are several factors to consider when exploring a developer-funded transit model for new areas, including:
 - benefits to residents in the community
 - level of interest, funding capacity and program development collaboration from Industry
 - integration into existing Transit Service Standards and the Annual Service Plan process
- Should Council choose to pursue the developer-funded program, public engagement will be needed with Industry and its partners, as well as residents in new neighbourhoods, to better understand needs and develop program parameters. Financial analysis will also be required to understand budget impacts.

REPORT

Prior to 2018, a developer-funded transit program provided peak period-only conventional bus service in new neighbourhoods. Industry funded the operating costs for one to two years of transit service, after which the City assumed the full financial obligation. This required either a budget increase or a service reduction in other areas. Before concluding in 2018, this program introduced transit service to several neighbourhoods including Big Lake, Allard, Chappelle, Orchards, Laurel, Maple, Rosenthal, Rapperswill and Ebbers.

Benefits of the program included providing opportunities to offer transit sooner to new and developing areas and to establish a base ridership for future transit use. There are some neighbourhoods in Edmonton that transitioned from developer-funded service to conventional bus service. Having access to developer-funded service also increased the attractiveness of the area to homebuyers by having transit as a mobility option.

However, several challenges with the program ultimately led to its elimination. Equity was a significant factor. Neighbourhoods transitioning from the developer-funded program to conventional transit service would receive service ahead of other communities with higher needs, leaving other areas with inadequate bus service. As a result of the program, transit service did not expand in a predictable manner and in some cases neighbourhoods with smaller populations received transit service ahead of more densely populated neighbourhoods.

Ridership thresholds in some newer neighbourhoods also did not meet service standards to maintain conventional bus service after transitioning from developer-funded service. For areas

DEVELOPER-FUNDED TRANSIT SERVICE OPTIONS TO SUPPORT EARLY ADOPTION OF TRANSIT IN NEW NEIGHBORHOODS

where transit ridership did not warrant continuing service, service was terminated. This resulted in frustration and lack of service for those who needed transit.

In addition, participation in the developer-funded program was voluntary and not all new neighbourhoods had the program in place. Within individual neighbourhoods, it was also not required that all Industry members had to participate in the program, leading to inequities.

Key Considerations

There are several considerations when exploring a developer-funded transit model for new areas, including:

- Benefits to developing community residents of earlier access to transit service.
- Supports achieving substantial completion of the developing area and creating complete communities and 15-minute districts.
- The capacity of Industry to bear the additional cost required to fund the program, especially given the context of other charges and levies in place or under consideration
- Level of interest from Industry.
- Mutually agreed principles to guide the program's development, such as voluntary versus mandatory participation from Industry members and terms for the agreement.
- Integration with Transit Service Standards and prioritization in the Annual Service Plan process.
- The City's ability to transition new neighbourhoods to conventional bus service when ridership thresholds are maintained.

Should a new developer-funded program proceed, future parameters must include mutually agreed terms with Industry and mechanisms to ensure service continuity without creating inequities in the bus network. This requires maintaining service levels through ongoing, regular investment in transit service hours to meet population, housing and related transportation needs.

On Demand Transit service currently provides a first kilometre/last kilometre transit option for some new neighbourhoods, helping riders connect to the nearest transit hub to access the conventional bus network, as part of the revised bus network. As a result of the revised bus network, On Demand Transit is the most suitable option for a developer-funded program and would align with the current bus network.

Council direction is needed to inform next steps, including further engagement with Industry, its members and residents in new neighbourhoods.

Community Insight

In 2023, Administration gauged interest in a developer-funded program with representatives from Urban Development Institute - Edmonton Metro and National Association for Industrial and Office Parks (NAIOP) - Commercial Real Estate Development Association - Edmonton Chapter.

DEVELOPER-FUNDED TRANSIT SERVICE OPTIONS TO SUPPORT EARLY ADOPTION OF TRANSIT IN NEW NEIGHBORHOODS

Conversations with representatives of Urban Development Institute - Edmonton Metro included the following themes:

- They requested that any developer-funded program be voluntary and not use a levy structure.
- Benefits of the developer-funded program that markets new development as transit supportive.
- Recognition of the previous developer-funded program's structure and discussion about neighbourhoods that currently have conventional service in part due to the developer-funded program.
- Recognition that On Demand Transit may provide more flexibility during the development process and could be further explored if discussions continue.
- Willingness to explore next steps.

Conversations with representatives of the NAIOP - Edmonton Chapter included the following themes:

- Recognition that commercial property owners pay taxes and expect an appropriate level of municipal services.
- Requiring any developer-funded program to be voluntary.
- Improving their understanding of how industrial and commercial areas of the city are served by transit and the connection to transit service standards.
- Recognition of the previous developer-funded program's structure.
- Willingness to explore next steps.

GBA+

When making transit network decisions, Edmonton Transit Service (ETS) considers community feedback, alignment with City Policy C539A - Transit Service and resource availability. However, some equity-seeking groups may have difficulty providing feedback, engaging or otherwise communicating their needs for reasons outside of their control. As a result, the transit needs of these equity-seeking communities may not be fully captured when making transit network decisions.

A preliminary review of Edmonton's transit network with an equity lens was presented in the City Operations report CO01450 Transit Network Equity Analysis on November 22, 2022. Ongoing reviews of the network help ensure alignment with GBA+ principles. This aims to identify equity-seeking populations receiving inadequate transit service to meet their needs, remove barriers and continually work towards an equitable transit network that enables mobility for all Edmontonians. While the initial review included areas with lower-income households and higher levels of Indigenous populations and seniors, ETS will conduct a more comprehensive review of equity-seeking groups in 2023 to determine where additional service improvements or policy changes would be beneficial to help reduce barriers and serve more users.

DEVELOPER-FUNDED TRANSIT SERVICE OPTIONS TO SUPPORT EARLY ADOPTION OF TRANSIT IN NEW NEIGHBORHOODS

Equity considerations were a significant concern of the previous developer-funded transit program which ultimately led to its elimination in 2018. Neighbourhoods transitioning from the developer-funded program to conventional transit service would jump the queue of priority areas needing conventional bus service, leaving other areas in the city with inadequate bus service. Any future developer-funded transit program should include mutually agreed terms with Industry and mechanisms for service continuity without creating inequities in the bus network. This would require maintaining service levels through ongoing, regular investment in transit service hours to meet population, housing and related transportation needs.

ENVIRONMENT AND CLIMATE REVIEW

This report was reviewed for environment and climate risks. The environmental risks and opportunities summarized below were identified using City-developed environment and climate screening criteria. In consideration of developer-funded transit service:

- Depending on the program model, providing earlier service and establishing early transit ridership patterns could support Edmontonians' transition to a low-carbon future.