

Date: 2023-11-06

Subject: **Brampton Transit 2023-2027 Business Plan – Supplementary Report**

Contact: Doug Rieger, Director, Transit Development

Report Number: Brampton Transit-2023-973

Recommendations:

1. That the report from Doug Rieger, Director, Transit Development to the Committee of Council Meeting of November 29, 2023, re: **Brampton Transit 2023-2027 Business Plan – Supplementary Report**, be received;
2. That the report from Doug Rieger, Director, Transit Development, to the Committee of Council meeting on May 10, 2023, re: **Brampton Transit 2023-2027 Business Plan** (attached to this report as Appendix A), be received; and
3. That the updated summary document of the Brampton Transit 2023-2027 Business Plan and the Service Guidelines documents attached to this report (as Appendix B and C), be endorsed to help guide the improvement and expansion of the Brampton Transit and Züm network and services, through the next five years (2023 to 2027), noting that future changes in services are still subject to change and subsequent approval through the annual budget process.

Overview:

- **At the Committee of Council Meeting of May 10, 2023, resolution CW183-2023 was passed which stated the following:**

That the report from Doug Rieger, Director, Transit Development, Transit, to the Committee of Council Meeting of May 10, 2023, re: Brampton Transit 2023-2027 Business Plan, be referred to Finance staff, to provide comment in consultation with Transit, and that reference to the Queen Street BRT be incorporated.

- **The 2023-2027 Brampton Transit Business Plan and the Service Guidelines document will help guide the improvement and expansion of the Züm/Brampton Transit network and services, through the next**

five years (2023 to 2027), noting that future changes in services are still subject to change and subsequent approval through the annual budget process.

- **Transit staff have worked in consultation with Finance to review the 2023-2027 Business Plan documents. The review concluded that 0.5% to 0.9% annual increases on the Tax Bill may be required to support the Transit Business plan over the next 5 years. These figures are expected to change based on the changing needs for transit in the community, changes in various revenue streams, as well as other potential funding sources (e.g., ZETF, Permanent Transit Fund). An example of this is how the dramatic increase in fare revenues in 2023 will help fund future increases in service.**
- **To support Council's direction, the updated summary document of the Brampton Transit 2023-2027 Business Plan (Appendix B) has also revised to include references to the Queen St BRT in sections 2.3 and 9.4 of the report.**

Background:

At the Committee of Council Meeting of May 10, 2023, the report titled Brampton Transit 2023-2027 Business Plan (Appendix A) from Doug Rieger, Transit Development, was presented to Council. The report sought Council's endorsement of the presented summary document of the Brampton Transit 2023-2027 Business Plan (Appendix B – Updated Version) and the Service Guidelines document (Appendix C).

At the May 10, 2023, meeting, resolution CW183-2023 was passed which stated the following:

That the report from Doug Rieger, Director, Transit Development, Transit, to the Committee of Council Meeting of May 10, 2023, re: Brampton Transit 2023-2027 Business Plan, be referred to Finance staff, to provide comment in consultation with Transit, and that reference to the Queen Street BRT be incorporated.

Current Situation:

The Business Plan's primary purpose is to ensure individual projects and plans are all effectively contributing to the organization's vision/strategic direction and that key activities are prioritized and staged to fit within the City's financial plan.

The Brampton Transit 2023-2027 Business Plan and the Service Guidelines document will help guide the improvement and expansion of the Brampton Transit and Züm network and services, through the next five years (2023 to 2027), noting that future

changes in services are still subject to change and subsequent approval through the annual budget process.

To support Council’s direction to reference the Queen St BRT, the summary document of the Brampton Transit 2023-2027 Business Plan (Appendix B) has also been updated to include the following statements in section 2.3;

Two other key higher order transit projects are in the planning stages and will be vital to meet both Brampton’s and the region’s long-term goals. This includes the extension of the Hazel McCallion LRT into downtown Brampton and the Queen St – Highway 7 BRT. While Brampton continues to support and advocate for these projects, federal and provincial investment is needed to build these critical pieces of transportation infrastructure. Even though both of these initiatives are presently envisioned to be operationalized beyond the span of the 2023-2027 Business Plan, should one be advanced, the relevant impacts will be incorporated into the annual service plan for that specific year.

Transit staff also took the opportunity to expand section 9.4 (Capital Costs) of the Business Plan summary document to reference what will be required from the Federal and Provincial governments to advance and construct the Queen St – Highway 7 BRT and the extension of the Hazel McCallion LRT into downtown Brampton.

This section now highlights the most recent cost estimates of these projects and includes a table that demonstrates that the funding that Brampton is requesting is comparable to other recent federal and provincial transit investments in the Greater Toronto Hamilton Area. This information is also included in Table 1 below.

Table 1 - Transit Investments Comparison Table

GTHA Rapid Transit Projects	Municipal Population (2021 Census)	Total Cost of Project(s)	Provincial Funding	Federal Funding	Provincial & Federal Funding per Capita	Change in Transit demand between 2009 and 2019	Covid Ridership Recovery (Aug. 2023)
City of Toronto* Scarborough Subway Extension Ontario Line Finch West LRT Eglinton Crosstown	2,794,356	\$39.8B	\$31.32B	\$8.48B	\$14,240	12%	↓22%
City of Hamilton Hamilton LRT	569,353	\$3.4B	\$1.7B	\$1.7B	\$5,970	3%	↓4%
City of Brampton Brampton LRT Extension (Tunnel) Queen St - Highway 7 BRT	656,480	\$3.3B	\$1.65B	\$1.65B	\$5,030	160%	↑30%

Notes: *City of Toronto projects does not include Yonge Subway Extension as it is primarily a York Region Project

Finance Review and Commentary:

The following summarizes the comments received from Finance staff.

OPERATING BUDGET

The 2023-2027 Transit Business Plan proposes an average annual increase to Operating Budget expenditures of \$17.7 million or 8.2% over the 5-year period. These increases are proposed to be funded through Fare Revenues, Provincial Gas Tax and Property Taxes, with the following distribution:

- Fare Revenues = \$9.3 million (52.7%)
- Provincial Gas Tax = \$1.5 million (8.6%)
- Property Tax Subsidy = \$6.8 million (38.7%)

CAPITAL BUDGET

The 2023-2027 Capital Program proposed in the Transit Business Plan requires funding in the amount of \$829 million or an average \$166 million per year.

Although a detailed funding plan is not included in the business plan, the business plan acknowledges the need for external funding for these programs to move forward.

To determine the feasibility of funding the proposed capital program, Finance staff prepared a 5-year funding plan, assuming the City's historical funding trends and distribution ratios are maintained, and that Federal and Provincial governments continue to provide similar support for Transit capital throughout the 5-year period.

The 5-year funding plan forecasts financial support from City sources of approximately 33% to 43% of the \$829 million or between \$275 million to \$359 million. Similar to previous years, the remaining 57% to 67% is presumed to be funded through the Federal and Provincial governments.

PROPERTY TAX PROJECTIONS

The 2023 Budget has already been approved by Council, resulting in a remaining forecast period of 2024-2027 for the proposed Transit Business Plan.

For the period of 2024-2027, the Operating Budget proposal in the Transit Business Plan may require annual increases of approximately 0.5% on the City's overall tax bill, to fund the \$7.1 million average annual increase.

Property tax implications related to the 2024-2027 Capital Budget proposed in Transit Business Plan are partially contingent on annual Transit Levy approvals through the

budget process. Should the full Transit Levy be approved each year, the annual impact on the City's overall tax bill would be approximately 0.4% per year.

The Transit Business Plan is projected to require increases to the City's overall tax bill in the range of 0.5% to 0.9% on an annual basis.

Transit has worked in consultation with Finance on the above commentary. Although important in estimating potential cost implications, the Business Plan's primary purpose is to ensure individual projects and plans are all effectively contributing to the organization's vision/strategic direction and that key activities are prioritized and staged to fit within the City's financial plan.

Also, as noted in the attached report and the Business Plan summary document, Brampton Transit operates with a healthy Revenue/Cost (R/C) ratio of 50% and leads our industry peer group. The R/C ratio is a measure that is often used in the transit industry and is an important indicator of how policies, fares, service, and finances impact the affordability of a transit system. The Business Plan forecasts revenues and costs for each of the next five years and are noted in Figure 2 below.

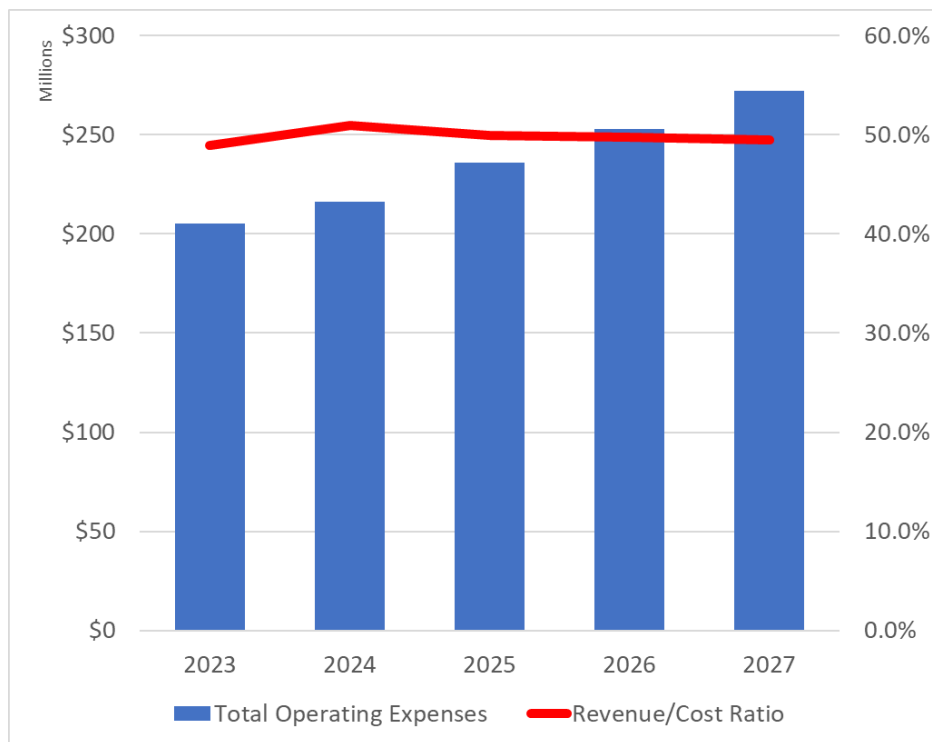


Figure 2 - Projected Total Operating Expenses and Revenue/Cost Ratios

Operating expenses are projected to increase to support the increase in service levels to help meet higher demand for Brampton Transit. While the operational costs increase,

the revenue-cost ratio is maintained through the course of the five years helping to ensure that the plan is also fiscally responsible.

These figures noted above by Finance staff are expected to change based on the changing needs for transit in the community, changes in various revenue streams, as well as other potential funding sources (e.g., ZETF, Permanent Transit Fund). An example of this is how the dramatic increase in fare revenues in 2023 will help fund future increases in service. In addition, any future changes in services are still subject to change and subsequent approval through the annual budget process.

Corporate Implications:

Financial Implications:

The recommendations in the attached report (Appendix A) to obtain Council's endorsement of the Brampton Transit 2023-2027 Business Plan and the Service Guidelines document will help guide the improvement and expansion of the Brampton Transit and Züm network and services and will have no direct financial impact. Future changes in services will be reviewed and presented to Council for approval through the annual budget process.

Strategic Focus Area:

The Brampton Transit 2023-2027 Business Plan supports the Brampton 2040 Vision: Living the Mosaic, by achieving the following enhanced strategic priorities:

- **Transit & Connectivity:** Focusing on transportation and a connected infrastructure that is safe, convenient, efficient, and sustainable by enhancing transit services.
- **Environmental Resilience & Sustainability:** Focusing on nurturing and protecting our environment for a sustainable future by enhancing energy and climate resilience.
- **Growing Urban Centres & Neighbourhoods:** Focusing on an economy that thrives with communities that are strong and connected by investing In Strategic Growth Areas

The 2023-2027 Brampton Transit Business Plan will help ensure that Brampton residents have a safe, convenient, efficient and well run public transit system that connects Brampton to the rest of the GTHA.

Conclusion:

Transit staff have worked in consultation with Finance to review the 2023-2027 Business Plan with the goal of estimating the financial implications to the City from both the Operating and Capital proposals. Future changes in services, funding sources and

other implications are still subject to change and subsequent approval through the annual budget approval process.

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Attachments:

Appendix A - Report titled Brampton Transit 2023-2027 Business Plan

Appendix B – Updated Summary Document - Brampton Transit 2023-2027 Business Plan

Appendix C – Brampton Transit Service Guidelines