



TOWN OF INNISFIL STAFF REPORT

STAFF REPORT NO: DSR-042-17

DATE: March 15, 2017

To: Mayor, Deputy Mayor and Members of Council

From: Tim Cane, Manager of Land Use Planning

Subject: Demand-Responsive Transit Implementation - Stage 1

Cross Reference: DSR-143-15, DSR-079-16

RECOMMENDATION:

That Staff be authorized to execute a Partnership Agreement with Uber to implement Stage 1 of a ridesharing transit service in Innisfil, with a target launch date of May 1, 2017, generally in accordance with the details specified in Attachment 1 to DSR-042-17;

That Staff continue discussions with the taxi companies that operate in Innisfil (Innisfil Taxi, Global Taxi and Barrie Taxi) to execute a Partnership Agreement for the provision of accessible rides during Stage 1 of the ridesharing transit service in Innisfil;

That Council direct Staff to refund the 2017 taxi licensing fees to the taxi companies that operate in Innisfil;

That Council advise the Ministry of Transportation (MTO) that the Town of Innisfil has established a ridesharing transit service in Innisfil, once operational, and is committed to providing minimum ongoing annual support of \$100,000 in 2017 and \$125,000 in 2018;

That Council advise the Ministry of Transportation (MTO) that the Town of Innisfil agrees to receiving and being responsible for the Dedicated Gas Tax funds from the Province of Ontario for the ridesharing transit service;

That Council request the City of Barrie and Town of Bradford West Gwillimbury to support the Town's application to the County of Simcoe for funding to support the Town's ridesharing transit service; and

That Council direct Staff to amend the Town's Taxi By-Law (No. 026-04) to exempt ridesharing for the duration of Stage 1 of the Town's transit service.

Executive Summary

Background

In September of 2015, a Transit Feasibility Study was completed. The study recommended that the Town consider a fixed-route bus service to address the current demand for public transit in Innisfil. However, when Council considered these options for fixed-route bus service during the 2016 Budget deliberations, it was determined that they would be too costly for the limited level of service that they would provide.

As a result, Council directed Staff to form a community advisory committee to assist with further assessing demand-responsive transit solutions. Staff has met with this committee on two occasions and they indicated that an “adaptable”, “progressive” and “innovative” solution was needed to efficiently address the public transit demand in Innisfil.

On June 15, 2016, Council gave Staff direction to issue a Request for Expressions of Interest (RFEOI) to solicit information from proponents to provide demand-responsive transit services in Innisfil. Overall, Staff received 3 submissions as a result of the RFEOI, which confirmed the viability and interest of introducing such a service within Innisfil.

Recommendations

Staff is recommending that the Town partner with Uber, on a Stage 1 basis, with a target launch date of May 1, 2017, to utilize their on-demand ridesharing platform (i.e. UberPool) to connect drivers with passengers travelling in the same direction. At this point, Staff feel that the use of UberPool is best aligned with the focus of Stage 1 of the service to retrieve data on the key origin and destination points for transit in Innisfil. Staff is also recommending that the Town partner with the local taxi companies for the provision of accessible rides during Stage 1 of the ridesharing transit service.

In this type of a transit system, the Town would not be required to pay significant upfront capital costs for items such as buses, in addition to their ongoing operational and maintenance costs. Rather, the Town would simply provide funding to cover or contribute to the difference between the Uber or taxi fare and a traditional bus transit fare (e.g. \$3-5).

Based on this type of a funding model, Staff is proposing that the following fares be charged for trips taken from anywhere within the Town to these key destinations within Innisfil (further details of the proposed service are identified in Attachment 1 to this report):

- \$3 for any trip to/from Innisfil Recreational Complex/Town Hall ‘campus node’
- \$4 for any trip to/from closest GO bus stop along Yonge St
- \$5 for any trip to/from Barrie South GO train station
- \$5 for any trip to/from Innisfil Heights Employment Area and Highway 400 carpool lot
- \$5 off any other trip within Innisfil boundaries

The purpose for Stage 1 of the demand-based service will be to give the opportunity to assess patterns of use. Based on this, Stage 2 of the demand-based service will confirm matters such as the optimal hours of operation, fare structure, and locations that may sustain fixed routes. Stage 2 will also consider further community partnerships for the provision of the transit service.

Overall, Staff is excited to embark on this exciting and innovative partnership with Uber (for general rides) and the local taxi companies (for accessible rides) to implement Stage 1 of a dynamic and flexible, demand-responsive transit service in Innisfil. This will position the Town as a national leader in adopting an approach to transit that is proactive and collaborative to ensure that the benefits of shared mobility and technology are secured for Innisfil residents.

1.0 BACKGROUND:

1.1 Transit Feasibility Study

In September of 2015, a Transit Feasibility Study was completed. The study recommended that the Town consider a conventional fixed-route bus service to address the current demand for public transit in Innisfil. However, when Council considered these options for fixed-route bus service during the 2016 Budget deliberations (\$270,000 annually for one bus and \$610,000 for two buses), it was determined that they would be too costly for the limited level of service that they would provide.

1.2 Transit Advisory Committee (TAC)

During the 2016 Budget deliberations, Council directed Staff to form a community advisory committee to assist with further assessing demand-responsive transit solutions. Staff met with this group twice (on February 2, 2016 and September 6, 2016).

TAC indicated that due to the Town's large geography and the distances between destinations, that an "adaptable", "progressive" and "innovative" solution was needed to efficiently address the public transit demand in Innisfil. TAC also emphasized that there is an immediate need to provide a transit solution to especially address the needs of youth, seniors, commuters (access to GO bus/train stations) and new residents.

Staff and TAC envisioned a ridesharing service where a proponent would pick up riders as they are requested. Through this partnership, the cost for using the ridesharing service would need to be similar to what passengers would otherwise pay for traditional bus transit.

Staff continues to engage with the Transit Advisory Committee and will meet with the group as part of the Stage 1 implementation.

1.3 Request for Expressions of Interest (RFEOI)

On June 15, 2016, Council gave Staff direction to issue a Request for Expressions of Interest (RFEOI) to solicit information from proponents to provide demand-responsive transit services in Innisfil. The purpose was to gauge interest and assess options from proponents interested in providing this service. Overall, Staff received 3 submissions as a result of the RFEOI, which confirmed the viability and interest of introducing such a service within Innisfil.

From these submissions, Uber emerged as the only company with an app-based platform (i.e. UberPool) that would facilitate ridesharing and the matching of 2 or more passengers on trips across the entire Town.

Staff also received a submission from a company with a local franchise interested in using their own vans to run a fixed transit route as well as an on-demand app-based service for single occupancy trips. This company however did not have the capability of an app that would facilitate the matching of 2 or more passengers on a single trip – a significant source of savings in a demand-based system. Though this company may not be part of Stage 1 of the transit service, Staff has met with them to discuss their ability to run a fixed route service as part of a future implementation phase of the Town's transit system. The data from Stage 1 will help confirm the most effective routes for a fixed route service. A future partnership for fixed routes with this company represents an alternative to traditional bus transit.

The third submission was from a company focused on traditional bus transit with fixed routes. Due to the direction from Council to implement an alternative demand-based transit system in Innisfil, Staff has thus far not engaged further with this company.

1.4 Additional Stakeholder Consultation

In addition to past consultation associated with the Transit Advisory Committee, the Transit Feasibility Study, and the “Our Place” Official Plan update, Staff also recently engaged directly with other stakeholder groups such as the Innisfil Accessibility Advisory Committee (IAAC), local taxi companies, Red Cross and Great Canadian Gaming. The purpose was to more specifically discuss with these groups the potential for community partnerships to help implement a demand-based transit system in Innisfil. Staff are continuing discussions to explore partnerships as part of any future Stage 2 implementation.

1.4.1 Innisfil Accessibility Advisory Committee (IAAC)

Staff met with the IAAC on February 14, 2017 and received feedback on how to ensure that a demand-based transit system would also address the needs of those with various disabilities. The overall message from the IAAC was that there is an immediate need to provide transit that is both accessible and affordable to those with disabilities.

1.4.2 Canadian Red Cross

The IAAC identified that the Canadian Red Cross currently provides subsidized accessible transportation in Innisfil. Staff reached out to the Red Cross regarding a possible partnership where if the Red Cross was able to provide accessible transportation for all Innisfil residents, the Town would subsidize a portion of the cost for these trips. Though the Red Cross was unable to commit to a partnership for Stage 1, this may occur after further discussions and through a future implementation phase of the transit service.

1.4.2 Taxi Companies

Staff met with representatives of the three taxi companies (Innisfil Taxi, Global Taxi and Barrie Taxi) that operate in Innisfil on two occasions in February 2017. The taxi operators also provided considerations for the Town to implement a demand-based transit system and expressed a willingness to partner with the Town to provide accessible rides as part of a demand-based transit system.

However, the taxi companies had significant concerns of the Town partnering with Uber, citing issues such as Uber drivers not having sufficient insurance coverage or being adequately screened with safety and criminal record checks. Though Staff acknowledges these concerns, Staff feels that they can be appropriately addressed through a Partnership Agreement between the Town and Uber.

Staff will continue to consult with the local taxi companies during the implementation of a transit system. During Stage 1, many residents may still choose to use taxis, as this will still be the only way for passengers to flag down or ‘hail’ a trip from the street (without a booking in advance). A taxi will also still be the only way for a passenger to guarantee that they will not be in a ride with a stranger. Furthermore, prior to Stage 2, Staff will look to co-operate with the taxi companies by refining the hours of operation of the Town’s ridesharing service as ridership data from Stage 1 is analyzed.

2.0 ANALYSIS/CONSIDERATION:

Based on the consultation and assessment that has been undertaken thus far, Staff is recommending that the Town partner with Uber, on a Stage 1 basis, to utilize their on-demand ridesharing platform (i.e. UberPool) to connect drivers with passengers travelling in the same direction. At this point, Staff feel that the use of UberPool is best aligned with the focus of Stage 1 of the service to retrieve data on the key origin and destination points for transit in Innisfil. In this type of a transit system, the Town would not be required to pay significant upfront capital costs for items such as buses and bus shelters, in addition to the ongoing operational and maintenance costs. Rather, the Town would simply provide funding to cover or contribute to the difference between the Uber fare and a traditional bus transit fare (e.g. \$3-5).

The following considerations were undertaken by Staff and help support the recommendation to partner with Uber for Stage 1:

1. Uber is an international technology company with significant resources able to customize a demand-based system for Innisfil (e.g. customized app and fare structure and incentives to recruit drivers and promote increased ridership);
2. The use of UberPool throughout the Town that supports ridesharing opportunities and maximizes the cost-effectiveness of the demand-based system;
3. While a partnership in Innisfil is a first in Canada between Uber and a Canadian municipality, Uber has entered into similar partnerships in the United States;
4. Uber is currently exploring partnership with other agencies in the Province to complement traditional transit services (e.g. 'first mile/last mile' solutions for access to bus stops and alleviate parking congestion at GO stations);
5. Uber can provide the Town with supporting resources such as ride hailing devices (e.g. ipads) and marketing and communication tools to more effectively implement a local transit service;
6. Uber has the ability to not only collect data on key origin and destinations, but also analyze it, using some of the most technologically advanced algorithms available;
7. Uber is continuously exploring new services that could potentially be used in the Town to maximize the benefits of demand-based transit while supporting place making and community building (e.g. UberEats, UberWav, UberAssist and various other services to facilitate the movement of people and goods);
8. Uber and the Town share a common desire to be 'disruptive' and to innovate in order to improve traditional services and solve traditional challenges;
9. The ability to complement Uber services to accommodate accessibility and community members with limited access to technology (e.g. the use of the UberCentral platform);
10. A partnership with Uber positions the Town as a national leader in adopting an approach that is proactive, flexible, innovative and collaborative to ensure that the benefits of shared mobility and technological advancements are secured for Innisfil residents.

The purpose for Stage 1 of the demand-based service will be to give staff the opportunity to gauge public interest and patterns of use, including matters such as origins and destination of all trips taken, as well as time of day and day of week. Based on this information, Stage 2 of the demand-based service will confirm matters such as the optimal hours of operation, fare structure, and locations that can sustain fixed routes.

Particularly, in light of the opportunities offered by a Stage 1 partnership with Uber, Staff will be using the following success measures to evaluate the lessons learned from Stage 1:

1. Extent of demographics using the service (maximizing to reach all sections of the community);
2. Connections between residential, commercial, employment and institutional destinations;
3. Geographic spread of rides within the Town and usage within Innisfil's settlements;
4. Number of rideshare, multi-occupancy trips;
5. Trips that generate linkages with other transit services such as the Barrie South GO Station, Go bus stops along Yonge Street and County transit connections;
6. Rate of expenditure to supply a demand-based transit service and methods that maximized value/length of program;
7. Level of social media traffic/'buzz'
8. Community feedback
9. Impact on other Town community building/economic development initiatives

A total of \$100,000 was approved by Council for the purposes of implementing demand-responsive transit in the Budget for 2017, while an additional amount of \$125,000 was approved for 2018. Staff is recommending that Stage 1 of the demand-based service conclude when the \$100,000 budgeted amount is used up.

Preliminary analysis from Uber estimates that the \$100,000 amount for 2017 may be able to provide Town-wide transit service for approximately 6-9 months. As such, if the transit service begins on May 1, the funding is likely to last until the end of the year. This approximation is a 'bitter-sweet' number in that if the funding is exhausted in less than 9 months, this demonstrates success and higher ridership than anticipated. If funding for the service covers a longer time frame, it may not necessarily be attracting as many riders.

Attachment 1 provides a summary of the proposed details of Stage 1 of the ridesharing transit service. Overall, the focus will be on providing access and 24 hour daily service from locations throughout Innisfil to the Town's key destinations and transit hubs.

3.0 OPTIONS/ALTERNATIVES:

Council can adopt the recommendations of this report or can request Staff to make additional modifications. Particularly, Council is welcome to provide direction and comments on any element of what Staff is proposing for Stage 1 of the service (e.g. pricing structure, hours of operation and the destinations to which a subsidy would be provided).

4.0 FINANCIAL CONSIDERATION:

A total of \$100,000 was approved by Council for the purposes of implementing demand-responsive transit in the Budget for 2017, while an additional amount of \$125,000 was approved for 2018. Staff is recommending that Stage 1 of the demand-based service conclude when the \$100,000 budgeted amount is used up.

To supplement this funding from the Town, Staff is also recommending that Council request funding from the County of Simcoe. Up to \$50,000 or 50% of annual costs may be eligible from the County of Simcoe.

Furthermore, once the Town's demand-responsive system is in place, the Town may qualify for Provincial Gas Tax funding that is earmarked for transit.

There are also opportunities to explore partnerships with local businesses and organizations to reduce costs and to cover the difference between an Uber or taxi fare and a traditional bus fare. For example, in order to encourage Uber trips to Tanger Outlets in Cookstown, the Town may request that Tanger provide funding to offer a discounted rate to encourage shoppers and recruit staff. A similar partnership may also be possible for other destinations and community partners such as Georgian Downs OLG Slots and Friday Harbour. The Town will also explore potential funding partnerships and contributions from the development community.

To recognize that Stage 1 of the Town's ridesharing service may take away some of the business from the local taxi companies, Staff is recommending that the 2017 taxi license fees be refunded back to their accounts. Thus far in 2017, the Town has collected approximately \$5,150 in licensing fees.

5.0 CONCLUSION:

As a Town, we face numerous challenges in connecting our community. This includes lower population densities, a wide geographic area, and limited capital resources. Traditional bus transit has been ruled out at this time in order to avoid a challenging financial path with limited service potential. Staff and Council has not viewed this as a sustainable model for the future, particularly amidst significant technological advancements and innovations in the transportation industry, where the number of self-driving vehicles is anticipated to grow significantly by the end of the decade.

As an alternative, Staff recommends a partnership with Uber (for general rides) and the local taxi companies (for accessible rides) to provide a Stage 1 public transit model that will provide a template for municipalities across North America. Particularly, this type of a municipal partnership with Uber will be the first in Canada. Success gives Uber a municipal partner and new opportunity to connect people within our rapidly growing community. Success gives the Town a more sustainable and cost effective transit model that can be enhanced and further refined through future implementation phases and technological advancements.

Overall, Staff is excited to embark on this exciting and innovative partnership with Uber (for general rides) and the local taxi companies (for accessible rides) to implement a dynamic and flexible, demand-responsive transit service in Innisfil. There is a strong demand for transit as shown in the Town's Transit Feasibility Study as well as public input from other strategic planning initiatives such as the preparation of the Town's new "Our Place" Official Plan. Staff considers demand-based transit as not only critical infrastructure to support Innisfil's development as a complete community, but as a key ingredient for 'placemaking' initiatives that enhance our sense of place.

Furthermore, the proposed approach to implementing demand-responsive transit services in Innisfil is directly aligned with Council's direction from the 2016 Budget deliberations. It also supports the "Connect" pillar of the updated Inspiring Innisfil 2020 and its objective to "Create transportation options" for residents. Increasing transportation options for residents, particularly for youth to access employment and for seniors to access health services, supports the "Sustain" pillar of Inspiring Innisfil 2020 and the goal of promoting community sustainability. This will also support achievement of the Town's future poverty reduction strategy that is also identified as a strategic objective of Inspiring Innisfil 2020.

Perhaps above all, Innisfil is a progressive and forward-thinking municipality that is not afraid to do things differently. Town Staff and Council will continue to embrace a culture of innovation and always seek ways to tackle issues and challenges outside of traditional municipal models.

A Stage 1 partnership between the Town and Uber represents exactly this - it positions the Town as a national leader in adopting an approach to transit that is proactive, flexible, innovative and collaborative to ensure that the benefits of shared mobility and technological advancements are secured for Innisfil residents.

PREPARED BY:

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Jason Reynar, Chief Administrative Officer

Attachments:

1. Details of Stage 1 of Ridesharing Transit Service

Attachment 1: Details of Proposed Stage 1 of Ridesharing Transit Service

Pricing/Cost (for both general and accessible trips)

- \$3 for any trip to/from Innisfil Recreational Complex (or any other facility such as Town Hall at this 'campus node')
- \$4 for any trip to/from closest GO bus stop along Yonge St
- \$5 for any trip to/from Barrie South GO train station
- \$5 for any trip to/from Innisfil Heights Employment Area, including the Highway 400 carpool lot
- \$5 off any other trip within Innisfil boundaries
- Passengers will pay these flat rates to the Town through the Uber app (for general trips) or taxi company (only for accessible trips), and the difference between the flat rate and the Uber or taxi fare will be billed to the Town (for example, since the average Uber fare from Alcona to the IRC would otherwise be \$11, and if a \$3 flat rate is paid by the passenger, the Town would be billed \$8 for this trip)
- Only residents with an Innisfil billing address will qualify for the municipal subsidy on Uber trips
- If there are multiple passengers in a trip, each passenger will be required to pay the Town flat rate
- The municipal subsidy will only apply to completed trips – any no-shows will be billed to the resident
- Fares will not be any higher during peak periods
- Trips beyond the municipal boundary of Innisfil can still be completed but the rider will be billed for the difference in the flat fee as soon as the trip leaves the municipal boundary (e.g. a person going to a medical appointment in Barrie would be billed \$5 flat rate plus the Uber rate for that portion of the trip beyond the Town boundary)

Drivers/Vehicles

- All Uber driver-partners are subject to a pre-screening process, including a criminal history and motor vehicle record check - the partnership agreement with Uber will look at potential approaches that may enhance this pre-screening process to ensure public safety
- Uber drivers typically use their own vehicles, which range from 4-door sedans to 6-person mini vans
- Vehicles cannot be more than 10-years old and must show proof of a motor vehicle safety inspection
- Each vehicle and driver must hold 2 million dollars in liability insurance – the partnership agreement will further explore measures to minimize any risk of liability to the Town

Safety/Security

- In addition to the screening requirements for drivers and vehicles, the Uber app has several features to enhance safety for riders and drivers before, during and after a ride, including:
 - When a rider is matched with a driver, they see the driver's name, license plate number, photo, and rating so they know who's picking you up ahead of time

- Each trip is GPS tracked in real-time, and a record of the trip is maintained by Uber
- A rider can share their trip with friends and family so they can follow the route in real time
- After each trip, riders and drivers are given the opportunity to rate one another based on their trip experience - the rating system works to make sure that both riders and drivers are respectful when using Uber

Accessibility

- Most Uber vehicles are able to accommodate families with strollers as well as people who do not require additional assistance, as well as those that are able to transfer out of their wheelchair or other mobility device
- Though the UberX platform cannot currently accommodate Innisfil passengers who have a disability and require assistance, Uber currently offers uberWAV, (a wheelchair accessible vehicle) and uberASSIST (door-to-door assisted transportation) services in Toronto, and is looking at expanding these offerings to other Canadian municipalities in 2017
- Until UberWav and UberAssist vehicles are available in Innisfil, it is recommended that the Town explore a partnership with taxi companies to provide accessible trips at the same rates as for general trips

Network/Technology

- The UberPOOL product provides door-to-door service and riders will request a ride using the Uber app on their mobile phone from either their home or at one of the identified destinations
- The Uber platform matches riders with the nearest available driver and while a rider is on route, other riders travelling in the same direction will be matched
- Once a trip begins, the driver-partner uses a navigation system that optimizes routing based on real-time and historic traffic data
- Town will only be billed for the single ride if UberPool picks up multiple riders
- Wait times for the service are anticipated to be no more than 15-20 minutes

Alternative Request Modes

- To accommodate residents who want to utilize the service without a smartphone, Uber will provide the Town with 5 iPads for community hubs. Using the uberCENTRAL platform, riders will be able to request a ride via the iPad. Rides will be billed directly to the Town, but the Town could bill back the cost to the resident if that resident does not have a credit card.
- iPads will be available at:
 - Town Hall
 - Nantyr Shores Secondary School
 - Sandy Cove Acres
 - Innisfil Recreational Complex
 - Lakeshore Library (Alcona)

Data

- Uber will provide the Town with aggregated monthly trip numbers, distance, average fare and trip length. Uber can also offer the Town of Innisfil with aggregated 'heat' maps indicating travel from any point of the Town by time of

day and day of week. This information will be valuable in shaping Stage 2 of the demand-responsive service.

Incentives

- To ensure there are sufficient drivers in Innisfil, Uber will offer a \$100 bonus for any Innisfil resident who registers to drive and completes 10 trips in the Town.
- Uber will incentivise Innisfil residents to use the proposed service by providing a \$20 credit to any new user. This would be on-top of the existing discounts offered by the Town.

Launch of the Service

- In order to ensure adequate marketing and outreach, Staff is recommending that the ridesharing partnership not be launched until May 1. This will provide time for the Partnership Agreements to be finalized, while Uber has also indicated that this will provide sufficient time to recruit additional driver partners within Innisfil.