



STAFF REPORT EXECUTIVE SUMMARY

STAFF REPORT NO: DSR-028-18

DATE: March 7, 2018

To: Mayor, Deputy Mayor and Members of Council

From: Tim Cane, Manager of Land Use Planning

Subject: Innisfil Transit: Launch of Stage 2

EXECUTIVE SUMMARY:

Council to consider the long term funding source for Innisfil Transit and that Stage 2 to be implemented to provide transit options for the town.

RECOMMENDATION:

That the Innisfil Transit Service Level Change request of \$350,000 be approved, with a 2018 impact of \$20 and .49% to bring the total blended rate impact to the average residential property to \$101 or 2.44% as outlined in DSR-022-18;

That the Stage 2 improvements to Innisfil Transit, as outlined in DSR-028-18, be launched in March 2018;

That the Town's Fees and Charges By-Law be updated based on the changes to Stage 2 of the Town's ridesharing transit service identified in DSR-028-18;

That Staff be authorized to extend the existing agreements with Uber (for general trips) and Barrie-Innisfil Taxi (for wheelchair accessible trips) for the duration of Stage 2 of the Town's ridesharing transit service;

That By-Law No. 031-18 be adopted to amend the Town's Taxi By-Law;

That the Town's 2018 taxi licensing fees be waived for the taxi companies that operate in Innisfil; and

That the Town's 2019 taxi licensing fees not be payable until Staff reports back to Council by March 2019 with an update report for Stage 3 of Innisfil Transit.



TOWN OF INNISFIL STAFF REPORT

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Date: March 7, 2018
To: Mayor, Deputy Mayor and Members of Council
From: Tim Cane, Manager of Land Use Planning
Subject: Innisfil Transit – Launch of Stage 2
Cross Reference: DSR-022-18; DSR-171-17; Aug. 9/17 Memo; DSR-042-17;
DSR-079-16; DSR-143-15

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BACKGROUND:

The Town's partnerships with Uber (for general trips) and Barrie Taxi (for accessible trips) were launched on May 15, 2017. This was after Council's approval of DSR-042-17 on March 15, 2017.

In addition to addressing immediate transit needs, one of the main purposes of the Innisfil Transit ridesharing service is to collect data on the demand for transit in Innisfil and to see how the service is being used. This information will help improve the service in future implementation stages and to support the Town's place making goals to improve our sense of place.

After receiving DSR-022-18 on February 21, 2018 to consider approval of Innisfil Transit as part of the 2018 Operating Budget, Council deferred the matter to be considered as part of this Stage 2 report.

Why did we decide on ridesharing transit?

After determining that a fixed-route bus service would be too costly (a \$270,000 start-up net capital and operating cost for one bus and \$610,000 for two buses) for the limited level of service that they would provide, Council directed Staff to pursue a more cost-effective demand-based transit solution to provide coverage across the entire Town.

In the summer of 2016, a Request for Expressions of Interest (RFEOI) was made. From this process, Uber emerged as the 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.

What is the fare to use the service?

In Stage 1, people have been able to book a trip wherever they need to go, 24 hours a day/7 days a week. There are three different types of trips that can be taken either using the Uber service (for general trips) or Barrie Taxi service (for wheelchair accessible trips):

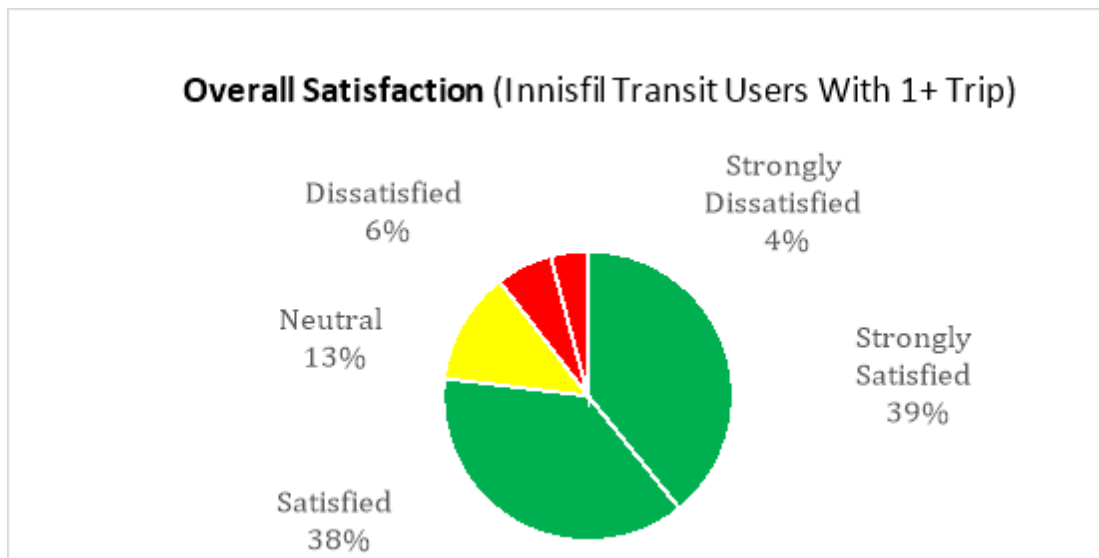
- 1) Key Destination Request: When a trip is booked from within Innisfil to one of the following destinations, the passenger pays \$3-\$5 (one-way):
 - \$3 for each trip to/from Innisfil Recreational Complex/Town Hall area
 - \$4 for each trip to/from GO bus stops along Yonge St
 - \$5 for each trip to/from Barrie South GO train station
 - \$5 for each trip to/from Innisfil Heights Employment Area
- 2) Custom Destination Request: A \$5 discount applies to any other trips that have a start and/or end point within Innisfil boundaries.
- 3) Accessible Vehicle Request: residents can request a wheelchair accessible vehicle through Barrie Taxi. The price of this trip follows the same fare structure as for the Uber trips.

This fare structure is not proposed to be changed for Stage 2 at this time.

What do residents think of the service?

A Transit Survey was available from mid-July to the end of September in 2017. The purpose of the survey was to receive community feedback on the ridesharing transit service and to understand how residents are using the service, if they have any concerns/issues and how the service could be improved in future implementation stages.

There were nearly 200 responses to the survey and as outlined in DSR-171-17 and shown on the following graph, of all users that had taken at least 1 transit trip, a total of 77% of respondents indicated that they were 'Satisfied' or 'Strongly Satisfied' with the Town's transit service, while 10% were "Dissatisfied" or "Strongly Dissatisfied".



A number of comments were received through the Transit Survey that reflect the strong level of satisfaction that residents have had with the Town's ridesharing transit service. There were particularly heartwarming accounts of the direct impact the service has had on providing employment opportunities and independence that has enriched the well-being of individuals and their families. This is particularly the case for those such as youth and seniors without a driver's license or automobile.

Comments on the survey also reflected some of the challenges of the service, such as the availability of drivers at certain times of the day (e.g. early mornings or late nights). Though Innisfil Transit provides door-to-door convenience, it may not have the same predictability as a fixed route system. However, as indicated in the 2017 results, as the demand for the service has grown and the number of local drivers has increased, trip completion rates have also increased from 65% over the first two months to 75% over the last two months of 2017. For comparison, a City of Barrie staff report dated May 5 2014 refers to a 72% reliability rate (including on-time measure of within 5 min) for a four month period of Dec. 2013 to March 2015. Uber is also providing incentives to drivers to help ensure that trip completion rates continue to improve.

2017 Innisfil Transit Results: May 15 to December 31

The following are highlights from the first 7½ months of the Town's ridesharing transit service. Overall, between May 15 and December 31 of 2017, a total of 26,688 Uber trips were taken, while there were no wheelchair accessible trips taken through Barrie-Innisfil Taxi (this indicates that people with accessible needs may also be choosing to use the Uber service if they can be transferred in and out of their mobility device, or they may be using the accessible service provided by the Canadian Red Cross).

As shown in the following graph, the number of trips increased significantly from a monthly average of 2,874 trips from June to September, to an average of 4,723 trips from October to December. This substantial increase in monthly trips reflects the popularity of the service and is why the Town's 2017 subsidy rose to \$150,000 (greater than the initial estimate and base allocation of \$100,000 for 2017), or an average subsidy of about \$5.62 per passenger. This reflects the efficiency of the system and compares to what would have been a substantially higher subsidy of approximately \$33 per passenger that was forecast for the 1-bus route in the Town's Transit Feasibility Study.

2017 Results: Innisfil Transit

Total trips:

- 26,688

Total Town subsidy:

- \$147,234

Ridership:

- 3,493 different people have taken at least one Innisfil Transit trip

Unique drivers:

- 1393 unique drivers have provided an Innisfil Transit trip

Top destinations:

- Innisfil Heights Employment Area (1286 pick-ups, 1087 drop-offs)
- Innisfil Recreational Complex (1076 pick-ups, 1055 drop-offs)
- Barrie South GO (993 pick-ups, 997 drop-offs)
- Innisfil GO Bus Stops (684 pick-ups, 623 drop-offs)

Match rates:

- Average of 17% of trips have matched (two or more riders in the car) – grew from 10% in July 2017 to 25% in December 2017

Average wait time: (from request to pick up)

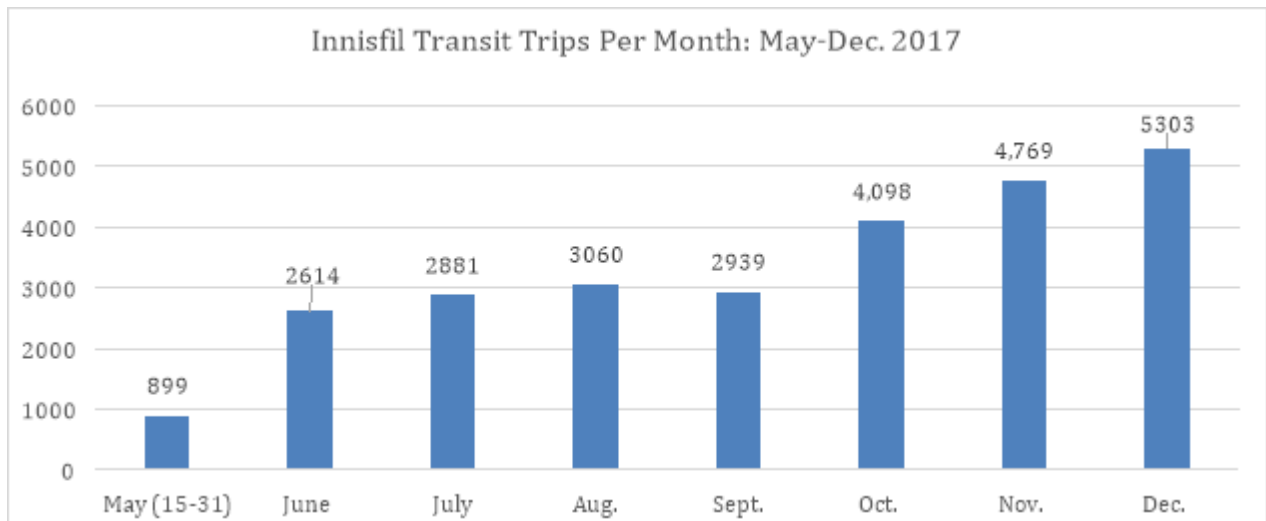
- 9:10 minutes – decreased from 9:03 minutes over May 15 to July 15 to 8:32 minutes over Nov. 1 to Dec. 31

Peak hours for trips: (in order of most popular)

- 3-5PM on Weekdays (12% of total trips)
- 7-9AM on Weekdays (8% of total trips)
- 4-10PM on Fridays (7% of total trips)
- 10PM – 2AM on Weekends (7% of total trips)

Trip completion rate: (% of requested trips that are completed)

- 71% - increased from 65% over first 2 months (May 15 – July 15) to 75% over last 2 months of 2017 (Nov. 1 - Dec 31)



Uber estimates that the significant growth in monthly trips will continue into 2018 and will result in a total of nearly 90,000 Innisfil Transit trips in 2018. This represents a Town subsidy of about \$500,000 for these trips. However, Uber also estimates that increases in monthly trip numbers will moderate towards the end of 2018 and into 2019 once the base number of regular Innisfil Transit users reaches about 5% of the Town's population.

ANALYSIS/CONSIDERATION:

Launch of Stage 2 – March 15, 2018

Based on the results and positive community impact of the ridesharing transit service, Staff recommends that the following relatively minor improvements as part of Stage 2 be launched in March 2018:

- The Alcona Lakeshore Library be added as a \$3 flat fare destination; and
- The Lefroy Community Centre be added as a \$3 flat fare destination.

These improvements reflect comments heard from the Transit Survey, as residents expressed the need for more flat fare destinations. Adding the Alcona Lakeshore Library and the Lefroy Community Centre as flat fare destinations aligns with the Town's placemaking goals to connect people to key community destinations. With respect to comments about families wanting to request up to 4 seats, inclusion of this improvement would impact the ability to POOL rides within the broader system. However, staff and Uber can provide alternatives (i.e. multiple ride booking, using Uber Central) to assist families wanting to travel together.

Though residents also identified other locations such as Nantyr Shores Secondary School, Tanger Outlet Mall, grocery stores and places in Barrie (e.g. Park Place, Costco, Walmart, Georgian College, etc.) that should be considered as flat fare destinations for Stage 2, Staff is not recommending that they be added at this time because of the higher Town subsidy that would be required. The requested locations in Innisfil can still be accessed for a flat fare to/from any one of the Town's existing flat fare destinations, while locations in Barrie can be accessed through the City of Barrie's bus system from the Barrie South GO station that is already a \$5 flat fare destination.

However, Staff is recommending that some additional flat fare locations that residents requested through the survey, be considered in 2019 as part of an expanded flat fare destination model when an increased amount of Gas Tax funding is anticipated along with potential corporate funding. This will also provide additional time to explore funding partnerships with local businesses (benefitting from the service) to support future improvements to the service (i.e. Friday Harbour, Tanger Outlets, etc.).

To assist with the continued implementation of Innisfil Transit through the next stage, Staff will continue to undertake a number of other initiatives to generate community awareness and to ensure the effectiveness of the service:

- Roll-out of the "Innisfil Transit" logo and other promotional materials
To implement Stage 1, Staff worked with Uber to create a postcard with clear instructions on how to use the Innisfil Transit service. A business card was also created to promote to residents the "innisfiltransit" code for a \$20 credit towards their first Innisfil Transit/Uber trip. These materials were distributed at locations throughout the community, while Staff also attended local events such as MakerFest, RibFest and the Farmer's Market to promote the service and answer any questions that residents had.

In addition to continuing to distribute these materials during Stage 2, Staff has also developed an "Innisfil Transit" logo that will be used on new promotional materials such as a brochure that has been prepared to clarify to residents the fare structure of Innisfil Transit and how they can use the service. Staff also felt that an Innisfil Transit logo would be important to distinguish and recognize the Innisfil Transit service as it

continues to evolve over the longer term. Staff also intends to begin placing “Innisfil Transit” pop-up banners at key high traffic destinations in the community to promote awareness of Innisfil Transit and assist with service delivery.

- Hosting Uber driver partner information sessions
Two sessions were held in 2017 at the Alcona Lakeshore Library (one in April and one in August) and Uber staff provided information to those interested in becoming Uber drivers. There were several residents that signed up to become Uber drivers during these sessions. Uber anticipates holding at least one such event again in 2018 in an attempt to increase the supply of local Uber driver partners. In addition to Uber offering incentives to drivers that make themselves available to drive at certain times of the day, this will support the continued reliability of the service.
- Continuing a ‘call-in’ registration system for residents until Uber’s phone-in service for Innisfil Transit is available
For residents that do not have a smartphone or the ability to request their own trips, Staff developed a registration system in Stage 1 to book trips on their behalf using the Uber Central platform. This service is currently available Monday to Friday during regular office hours from 8:30am-4:30pm. Thus far, 29 residents (primarily seniors) have been registered and 203 trips in 2017 were taken using the service. Computers are also available at the Town Hall, libraries and the Innisfil Recreational Complex for individuals to log into their Uber account to book their trip.

To help respond to comments received in Stage 1 that some residents do not have a smartphone or the ability to book their own Innisfil Transit trip, Uber has indicated that they anticipate to launch their own phone-in service for Innisfil Transit sometime in 2018. Innisfil will potentially become the first community in the world to have such a service from Uber and this will allow residents without a smartphone to phone Uber directly to request an Innisfil Transit trip. As such, the Town will no longer need to provide this function and Staff will advise Council and residents when this function through Uber is available.

- Uber gift cards available for sale at Town Hall
In response to comments from those unable to use the Uber app without a credit card, Uber gift cards have been available for purchase for \$25 from the Town Hall front desk. These gift cards can be loaded onto an individual’s Uber account instead of a credit card.
- Innisfil Transit Survey
A Transit Survey was available from mid-July to the end of September in 2017 for the purpose of receiving community feedback on Innisfil Transit. A similar survey will be available in the summer/fall of 2018 to receive additional feedback on the ridesharing transit service.

Amendments to Town’s Taxi By-Law

To support the implementation of Stage 1 of the ridesharing transit service, Council previously adopted the following amendments to the Town’s Taxi By-Law through DSR-073-17:

- That the Town’s partnership with Uber would be exempt from the Town’s Taxi By-Law during Stage 1 of the service; and
- That the taxi fare rates be permanently specified as a maximum rate to give the ability for taxi companies to charge lower fares.

In addition, Council directed Staff to refund the 2017 licensing fees back to the taxi companies that operate in Innisfil (Innisfil Taxi, Barrie-Innisfil Taxi and Global Taxi). These measures were intended to allow the taxi companies to adapt to changing markets while complementing the ridesharing transit model.

For Stage 2 of the ridesharing transit service, as outlined in Attachment 1 (By-Law No. 031-18), Staff is again recommending that the Town's partnership with Uber be exempt from the Town's Taxi By-Law. In addition, Staff is recommending that the requirement for an annual medical check be removed from the Town's Taxi By-Law. This reflects comments heard from the local taxi companies and helps ensure that similar requirements are in place for local taxi drivers as for Uber driver partners. However, the Town will still have the ability to require a medical check if there are reasonable grounds to believe that the conduct of a driver may endanger the health or safety of other persons. This aligns with the City of Toronto's current requirements for the licensing of vehicles-for-hire.

OPTIONS/ALTERNATIVES:

Council can adopt the recommendations of this report, or request that Staff make/consider additional modifications to Stage 2 of Innisfil Transit.

FINANCIAL CONSIDERATION:

Innisfil Transit

While Council initially approved \$100,000 for 2017 and \$125,000 for 2018 (funding from ARS) to implement a demand-based transit solution, an additional \$350,000 for 2018 is being requested to support the continued success of Innisfil Transit and launch of Stage 2 of the service. Since this Town funding is being augmented by Provincial Gas Tax funds in the amount of \$75,000 for 2018, there is approximately \$500,000 available for Stage 2 of Innisfil Transit. This is estimated to be sufficient to cover costs for 2018 and Staff will continue to pursue opportunities and funding partnerships to reduce costs to the Town. Since Innisfil Transit is currently being funded by ARS, a stable and consistent source of funding through the Operating Budget and tax levy is recommended.

Although the 2018 cost of approximately \$500,000 is projected to be higher than what was forecast for the 1-bus route, yet still lower than that forecast for the 2-bus route, the ridesharing transit system is able to provide convenient door-to-door coverage across the entire Town. In contrast, a bus service would only provide access to those within walking distance of the bus stops along the route. Though the Town's Transit Feasibility Study did not provide an estimated cost for buses to service all of Innisfil, it did indicate that the 1-bus route would be an approximate net cost of \$19,000 per kilometre, while the 2-bus route would be an approximate net cost of \$26,000 per kilometre.

Since there are approximately 460 kilometres of public roads in the Town; if we assumed it would cost approximately \$19,000 per kilometre to provide bus transit on all of these roads, this suggests it could cost in excess of \$8 million for a bus service to provide a comparable level of door-to-door coverage across the entire Town. Though this calculation could be considered extreme as it is subject to a wide range of assumptions, it nevertheless indicates that the estimated 2018 cost of \$500,000 for a demand-based ridesharing transit service across the entire Town represents a savings of several million dollars over a bus service that would provide a comparable level of coverage.

Furthermore, when considering financial considerations for Innisfil Transit for 2019, since the Town's funding for the ridesharing transit service is being complemented by Provincial Gas Tax funds, an increased funding commitment for 2018 from the Town will result in an increased amount of Gas Tax funds to be used in 2019. The Gas Tax funds are allocated to municipalities based on a formula that looks at a 70/30 split between ridership and total population, with eligible funding capped at 75% of municipal spending (although 60% is a more conservative estimate based on the BWG experience). Based on this funding formula and an increased financial contribution to \$500,000 from the Town for 2018, the Town may be eligible for additional funding in the range of \$300,000 to \$375,000 from Provincial Gas Tax to be used to enhance the service in 2019. Staff anticipates that combined with this increased amount of Provincial Gas Tax funding, an ongoing base funding commitment of \$500,000 annually from the Town will be sufficient in covering the costs of Innisfil Transit in 2019 and future years.

If the Innisfil Transit model was going to be successful (which it is proving to be), there was always going to be a need to find a long term funding source through the operating budget (similar to other municipalities). The success and uptake of the program has created real and tangible benefits for the community, but it has also accelerated the need to find ongoing operating funding. Future stages of the program will continue to look at savings and efficiencies as ridership increases (i.e. increased rider pooling, corporate funding, and new technologies). Staff remain committed to system improvements that will minimize costs and still serve the growing ridership base.

Waiving Taxi Licensing Fees

Waiving the 2018 taxi licensing fees represents a cost of about \$5,150. The Town's Community Development Standards Branch (CDSB) administers the Town's taxi licensing program and has indicated that this amount can be absorbed through revenues that CDSB receives in their operating budget.

CONCLUSION:

Overall, Staff is very pleased with the results of Innisfil Transit and looks forward to continuing with the implementation of Stage 2. The Town's transit partnerships to implement a dynamic and flexible, demand-responsive transit service have captured significant media attention and interest from communities across the world.

The partnerships with Uber and Barrie Taxi have provided a convenient door-to-door service that is available to all people in Innisfil. The actual 2017 costs and the projected 2018 costs are confirming that the cost of a fixed-route bus system to service all of Innisfil would have been far greater and a less convenient option than through the current ridesharing transit service.

Furthermore, the responses to the Town's Transit Survey show that residents have a strong level of satisfaction in using the ridesharing transit service and also desire to see its continued implementation. Many of the comments from the survey, particularly the one below, indicate the significant impact that our initiative has had on improving their overall quality of life:

"Thank you for piloting this program. The town's partnership with Uber has made a world of difference to me and my family. It has given me a means to travel to and from work when it would have been impossible otherwise. It has markedly increased our income and contributed to the overall well-being of our family." –user comment from Innisfil Transit Survey

Staff will next update Council in early 2019 with the results of Stage 2 and prior to the launch of Stage 3 improvements to Innisfil Transit. Staff is committed to continuing to improve the service based on learnings from previous stages of Innisfil Transit.

PREPARED BY:

Paul Pentikainen, Senior Policy Planner

APPROVED BY:

Tim Cane, Manager of Land Use Planning

Attachments:

1. By-Law No. 031-18 to Amend Town's Taxi By-Law

THE CORPORATION OF THE TOWN OF INNISFIL

BY-LAW NO. 031-18

A By-Law of The Corporation of the Town of Innisfil to amend the Town's Taxi By-Law (No. 026-04) to exempt its provisions from the Partnership Agreement between the Town of Innisfil and Uber for Stage 2 of the Town's ridesharing transit service, and to remove the annual medical check requirement.

WHEREAS Section 156 of the *Municipal Act, 2001*, as amended, provides that municipalities may pass by-laws for licensing, regulating and governing of owners and drivers of taxicabs;

WHEREAS the Town's Taxi By-Law (No. 026-04) is currently in force to license, regulate and govern the owners and drivers of taxicabs in the Town of Innisfil;

WHEREAS the Town's Partnership Agreement with Uber has been in effect since May 2017 to provide a ridesharing transit service;

WHEREAS on March 7, 2018, in consideration of DSR-028-18; the Council of the Corporation of the Town of Innisfil passed a resolution to authorize Staff to extend the existing Partnership Agreement with Uber for the duration of Stage 2 of Innisfil Transit;

AND WHEREAS the launch of Stage 2 of the Town's ridesharing transit service will occur on March 15, 2018, the Council of the Corporation of the Town of Innisfil deems it necessary and expedient to amend the Town's Taxi By-Law to exempt its provisions from the Partnership Agreement between the Town of Innisfil and Uber, in addition to waiving the annual medical check requirement.

NOW THEREFORE the Corporation of the Town of Innisfil enacts the following amendments to the Town's Taxi By-Law (No. 026-04) as follows:

1. That the provision in Section 8.1 be replaced with the following:

"8.1 Notwithstanding anything in this by-law, this by-law does not apply to the activities contemplated in the Partnership Agreement between the Town of Innisfil and Uber that will be in effect for the duration of Stage 2 of the Town's ridesharing transit service, as extended, and outlined in DSR-028-18."

2. That the existing licensing requirements outlined in Section 11(f) be replaced with the following:

11 (f) "as may be required by the Town, when there are reasonable grounds to believe that, by reason of illness, injury or any other physical or mental impairment, the conduct of a driver may endanger the health or safety of other persons, the driver shall provide a medical certificate from a medical doctor that he/she is able to undertake their duties with no medical deficiencies which could impair their ability to be a driver."

That this by-law comes into force and takes effect on the date of passing.

PASSED THIS 7th DAY OF March, 2018.

Gord Wauchope, Mayor

Lee Parkin, Clerk