

AN EVOLVING PICTURE: FEDERAL TRANSIT INVESTMENTS ACROSS CANADA



Saint John Transit

At the launch of Saint John Transit's new Comex service, operators display a new bus acquired with financial support from the federal government's Public Transit Capital Trust

Across Canada, transit systems are benefiting from more vigorous financial commitments by provincial and federal governments. Nationally, transit ridership is growing quickly—advancing 16% over the five years ending in 2006—which is requiring greater support from senior levels of government for transit infrastructure renewal and expansion.

The Government of Canada has a particularly important role in providing financial resources for investments in transit. Federal contributions motivate complementary investments by provinces, territories and municipalities. They raise transit's public profile, and confirm its vital role in building more sustainable communities with a better quality of life.

This issue paper explores the various funding mechanisms through which the federal government supports transit, and highlights some examples of how federal support has made important transit projects possible in Canadian communities.

Funding mechanisms

In 2007, the **Building Canada Fund** replaced several other infrastructure funds that have been in place since as early as 2001 (namely the Canada Strategic Infrastructure Fund, the Highways and Border Infrastructure Fund, and the Municipal Rural Infrastructure Fund). Building Canada will offer \$8.8 billion over the period from 2007 through 2014 for a variety of eligible investments including public transit projects. Provincial and territorial governments and municipalities are expected to match federal contributions, and the projects to be funded will be determined through both collaborative and competitive processes.

This CUTA issue paper is a follow-up to Issue Paper 21, *Building Success: Federal Transit Investments Across Canada* (February 2007).

In 2005, the federal government launched the New Deal for Cities and Communities. It committed to transfer a portion of federal gas tax revenues to municipalities for environmentally sustainable infrastructure, including transit. Through the federal **Gas Tax Fund**, those revenues are now helping to build transit infrastructure wherever provinces and cities have made it their priority. Annual gas tax transfers will rise from \$600 million in 2005-2006 to \$2 billion in 2009-2010 and remain constant thereafter until at least 2014—a total of \$13 billion over this period. The funds are allocated on a per-capita basis, and spending decisions rest with municipalities.

The **Public Transit Capital Trust** has involved \$900 million in federal funding for transit capital projects (rapid transit expansion or renewal, transit stations, rolling stock and transit technologies) from 2006 through 2009. Funds are allocated on a per-capita basis to provinces and territories, and then on a ridership basis within provinces.

Several smaller federal initiatives also provide more targeted support to Canada's transit systems. The **Transit-Secure Program** will contribute \$80 million from 2006 through 2009 to enhance passenger rail and urban transit security. The \$40-million **Urban Transportation Showcase Program** has supported eight multimodal demonstration projects in Canadian communities, each of which has highlighted innovative transit improvements. The federal **tax credit for public transit passes** represents yet another form of federal support for transit.

Despite these advances, critical needs remain. In a recent survey, Canadian transit systems reported \$20 billion in currently unmet requirements for infrastructure expansion, replacement and renewal over the five years from 2008 through 2012.^a Without greater investment, the ability of communities to maintain transit systems and respond to growth will be at risk. Canada remains the only OECD nation without a federal policy of predictable, long-term support for transit—a situation that will only be remedied through a permanent program of direct federal investment in transit infrastructure expansion and renewal.

The transit industry does acknowledge, however, the federal government's greatly expanded and very effective efforts in transit investment over the last few years.

Saint John, New Brunswick

Projects underway to support service expansion

In September 2007, Saint John Transit celebrated the launch of its new Comex service. Four express routes offer a bus rapid transit quality connection from the suburban communities of Grand Bay-Westfield, Hampton, Quispamsis and Rothesay to Uptown Saint John. Comex operates during the morning and afternoon peak periods, five days a week. Free park and ride lots help riders reach the service.

The federal Public Transit Capital Trust supported the purchase of new low-floor buses as part of the Comex service, and is also enabling construction of a new \$20-million transit operations facility that is scheduled to open in May 2009. Saint John Transit has outgrown its current facility, which limited opportunities for service expansion.



Saint John Transit

Quebec City, Quebec

Electric minibuses aid Old Quebec's environment

In February 2007, Quebec City's local government and the Réseau de transport de la Capitale (RTC) began testing the use of electric minibuses inside the walls of Old Quebec. The tests were followed by an order for eight additional buses, to enable the launch of an environment-friendly shuttle service for Old Quebec in the spring of 2008. The compact vehicles are well suited to navigating the narrow, winding streets of the historic area.

The new service is part of an integrated travel management program to reduce noise and emissions by increasing walking and transit use. It will operate every 10 to 15 minutes, seven days a week, and rides will be free for two years. The \$12.2 million project is being funded through Transport Canada's Urban Transportation Showcase Program, provincial and local governments, and the RTC.



Réseau de transport de la Capitale

Brampton, Ontario

On the road to a new bus rapid transit system

The City of Brampton's AcceleRide bus rapid transit initiative will improve transit service in high demand corridors and better integrate Brampton Transit with other systems in the Greater Toronto Area. The project will improve access for Brampton residents to major destinations including the Vaughan Corporate Centre, York University, GO Transit, Mississauga Transit and York Region's VIVA service.

AcceleRide is supported by federal and provincial investments, with the federal government committing \$95 million toward the \$280 million project. Detailed planning is now underway, with the initial phase in three corridors scheduled for implementation between 2010 and 2012.



Brampton Transit

Gatineau, Quebec

STO boosts security for passengers and facilities

In 2007, the Société de transport de l'Outaouais (STO) completed its security plan, with financial support from the first round of Transit-Secure funding. A follow-up component is now underway, with a federal grant of \$150,000 to provide security training and information to transit employees. Several aspects of this project are being undertaken in cooperation with OC Transpo, which operates in neighbouring Ottawa.

Through the third round of Transit-Secure funding, the STO has also been awarded just over 75% of the projected \$600,000 cost to implement security improvements at its facilities in 2008-2009.



Société de transport de l'Outaouais

Toronto, Ontario

Investments enhance transit fleets

Major capital investments have been made possible by federal funds allocated to the City of Toronto through the Public Transit Capital Trust and the federal Gas Tax Fund. Enabled investments by the Toronto Transit Commission in renewed and expanded bus and rail fleets include:

- The purchase of 328 low-floor buses (including 148 diesel-electric hybrids)
- Payments toward 156 new Toronto Rocket subway trains, with delivery starting in 2009
- Fleet vehicle overhauls to ensure safety and reliability

A draft contribution agreement under the Canada Strategic Infrastructure Fund, once finalized, will enable other investments in fleet and infrastructure improvements, including the beginning of integrated GTA farecard implementation. The federal government has also agreed in principle to funding a portion of the Toronto-York Spadina Subway Extension project through the Building Canada Fund.



Toronto Transit Commission

Windsor, Ontario

New terminal offers a modern transit experience

Transit Windsor has successfully redeveloped its downtown transit terminal—on time and under budget—through a public-private partnership involving federal, provincial and local governments and Greyhound Canada. The landmark \$7.4-million project was made possible through a federal contribution of \$2.7 million through the Public Transit Capital Trust.

The new Windsor International Transit Terminal opened in the summer of 2007, replacing an undersized facility that was more than 65 years old. The terminal has 16 platforms for Transit Windsor and Greyhound buses, and its open, airy design offers accessibility, comfort and security to customers of both services. The project sits next to several major arts facilities, and will be sure to influence future redevelopment projects in the area.



City of Windsor

North Bay, Ontario

New bus terminal serves riders and staff

In May 2007, North Bay opened its new, fully accessible downtown Transit Terminal. The project was supported by the federal Gas Tax Fund and provincial contributions.

The terminal, which also houses administrative staff and specialized transit dispatchers, provides a secure indoor waiting space where customers can buy a coffee, buy a bus pass or get information on local transit service. Transit operators enjoy their new modern lunchroom and report facilities.

To complement its new terminal, North Bay Transit is also using senior government funds to purchase fully accessible buses and continue toward its goal of full accessibility by 2012.



City of North Bay

Edmonton, Alberta

Meeting the demands of Alberta's growth

An important expansion of Edmonton's light rail system is underway, supported by both the Gas Tax Fund and the Infrastructure Canada-Alberta Program. Four new stations and an additional 7.5 km of tracks are under construction in the South LRT corridor. The first phase of construction from Health Sciences to South Campus will be in service by April 2009, and the second phase to Century Park will be operating by early 2010.

The Gas Tax Fund is also supporting the expansion and renewal of Edmonton's rail and bus fleet, including \$21.8 million to buy 57 buses in 2007-2008.

In addition, Edmonton Transit's second allocation of \$2.2 million under the Transit-Secure Program will be used to improve security response and agency coordination by:

- Equipping security vehicles with global positioning systems and automatic vehicle location equipment to speed dispatch and response times
- Linking camera and alarm systems to help security officers make quicker, more informed decisions
- Creating a training simulation environment to help security personnel effectively manage the new system
- Merging the incident reporting systems of Edmonton Transit and other emergency responders



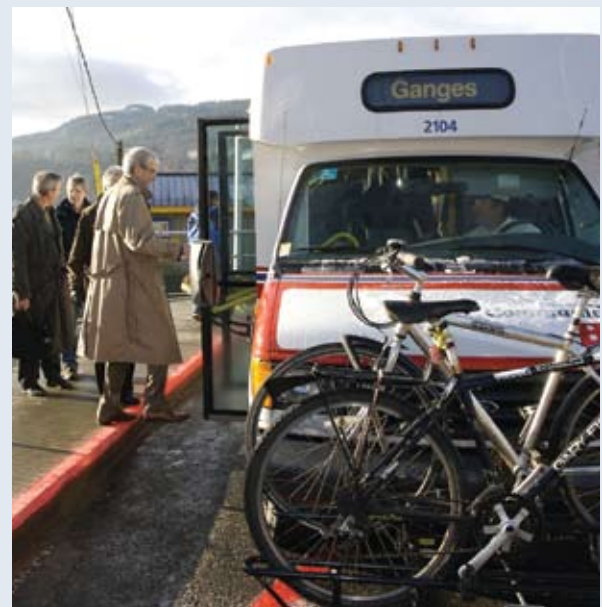
Edmonton Transit

Salt Spring Island, British Columbia

Visitors and residents enjoy new transit system

Salt Spring Island celebrated the launch of Canada's newest transit service, the Salt Spring Island Transit System, in January 2008. Four routes will run from 7:00 a.m. until 6:00 p.m., six days a week. They serve medical, recreational, educational and shopping destinations within Ganges Village, and provide links to other destinations.

A contractor, Ganges Faerie Minishuttle, will operate the routes using two 20-passenger buses purchased with funding from the federal Gas Tax Fund and the provincial government. The buses are fully accessible and carry bike racks. Operating costs will be met by rider fares as well as support from BC Transit, Capital Region District (the regional government for Vancouver Island's southern tip) and local taxpayers.



BC Transit

References:

- a) Canadian Urban Transit Association, *Transit Infrastructure Needs for the Period 2008-2012*, 2008 (available at www.cutaactu.ca)

The Canadian Urban Transit Association (CUTA) is the voice of Canada's public transit industry. For additional information including research reports, industry updates, news bulletins and more, please contact us or visit our website.



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