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**Subject:** NRT OnDemand – Port Colborne Inclusion

**Report to:** Public Works Committee

**Report date:** Tuesday, July 13, 2021

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## Recommendations

1. That the report from the City of Port Colborne titled, “Transit Enhancement Opportunity” (Appendix 1 to Report PW 38-2021) **BE RECEIVED** for information;
2. That the Chief Administrative Officer **BE AUTHORIZED** to execute any amendments to the Agreement and/or Service Order between the Regional Municipality of Niagara and River North Transit, LLC (a.k.a. Via Mobility, LLC) in the amount of \$898,840 (excluding HST) to enable the inclusion of a turnkey, on-demand transit service pilot in Port Colborne to be branded and administered as part of the Niagara Regional Transit (NRT) OnDemand pilot;
3. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding (MOU) between Niagara Region and the City of Port Colborne to allow for Niagara Region to facilitate and administer the deployment of on-demand transit services within the City of Port Colborne as approved in the terms and value outlined in City of Port Colborne report 2021-15; and
4. That the Chief Administrative Officer **BE AUTHORIZED** to execute amendments and/or extensions to both the MOU and the Agreement/Service Order such that it facilitates the continuity of services as a result of the Niagara Transit Governance Study.

## Key Facts

- The purpose of this report is to seek Council’s approval to allow Port Colborne to integrate the City’s on-demand transit pilot into the Region’s existing NRT OnDemand pilot program, in order to capitalize on the Region’s preferred pricing, reduce administrative overhead, and facilitate ease of use for riders traveling between municipalities.
- PW 60-2019 and PW 41-2020 authorized the Chief Administrative Officer to execute agreements with Via Mobility for the deployment of on-demand transit in West

Niagara and Niagara-on-the-Lake, which successfully launched August 17, 2020 and November 23, 2020 respectively.

- In August 2020, the City of Port Colborne approached Niagara Region to revisit the potential for bringing NRT OnDemand to their municipality, much in the same manner that the service was expanded in Niagara-on-the-Lake.
- On January 11, 2021, Port Colborne's Council approved a pilot deployment for an \$898,840 (excluding HST) on-demand service to operate within its municipal boundaries (Appendix 1) from approximately June 2020 to the termination of Niagara Region's contract.
- That approval also included a request to Niagara Region to approve, prepare, manage, and integrate their service area with the existing NRT OnDemand service in addition to making a financial contribution of \$126,200 in 2021 and \$187,500 in 2022 to enable inter-municipal connections between Port Colborne and Fort Erie and Port Colborne and West Niagara.
- A new start date of January 2022 has been confirmed by Port Colborne staff. As a result, only the 2022 portions of the Agreement and funding are being requested. This will result in a total contract value of \$510,700 of which Niagara Region's portion would be \$187,500.
- On January 21, 2021 Niagara Region Council approved the renewal of the NRT OnDemand pilot for a second year.

## **Financial Considerations**

The City of Port Colborne currently spends \$303,700 (\$135,700 levy, \$168,000 Provincial Gas Tax (PGT) revenue and fares) for transit services (all figures referenced exclude HST). In order to move to an on-demand service, the City requires \$375,000 more than their current expenditure in 2022. Port Colborne City Council has approved an increase of half of that amount (\$187,500 to cover January through August 2022). The City of Port Colborne is requesting that Niagara Region pool resources by contributing \$187,500 in 2022.

The purpose of this Regional contribution is to facilitate the fulfillment of Niagara Region's mandate to provide planned inter-municipal connections (per CAO 8-2017, LNTC C-21-2018), which in this case, includes a new connection to Fort Erie Transit via Crystal Beach, to West Niagara and the Port Colborne Link. This connectivity would be the final component in truly connecting all of Niagara's municipalities through public transit, which is an important milestone in the ongoing transit governance work. It is important to note that the fees above are estimates based on annualized costs and will

be finalized once the exact start and end dates are confirmed. It would be staff's intention to align the end date with the other service areas in West Niagara and Niagara-on-the-Lake where applicable.

Niagara Region's contribution for inter-municipal trips will be accommodated in the 2022 Operating Budget, as staff had previously identified connecting Port Colborne and Fort Erie by way of inter-municipal transit in the 2020 budget, and thus those funds are now part of the NRT existing base budget. As a backup, should 2022 provide financial challenges to transit relating to the ongoing fallout of COVID-19, staff has identified that it is able to cover this portion of the pilot funding for the inter-municipal expansion through the Region's PGT. For 2022, Port Colborne would use the remainder of its transit reserve and any additional funding would be from its stabilization reserve. Refer to Appendix 1 for further detail.

Additionally, a Memorandum of Understanding between Niagara Region and the City of Port Colborne should provide consideration for indirect costs to NRT staff relating to the Contract Administration of the project on the City's behalf within the existing NRT OnDemand envelope. Items such as customer service inquiries, community engagement, paid advertising, signage, etc. will need to be accounted for in the MOU, similar to what exists for the West Niagara and NOTL service areas.

## **Analysis**

In 2019, staff brought forward report PW 60-2019 which outlined the on-demand simulation results for West Niagara. Based on a request from the Inter-municipal Working Group (IMTWG), and in alignment with the service area expansions outlined in CAO 8-2017 and LNTC-C 21/22/23-2018, those simulation results also contained a review of opportunities to bring on-demand services to Port Colborne and Fort Erie for the purposes of connecting the southern municipalities of Niagara. In addition, that report also referenced the need for additional discussions with Port Colborne and Fort Erie.

In August of 2020, City of Port Colborne staff asked Regional staff to assist the City in further investigating the feasibility of bringing on-demand transit (specifically NRT OnDemand) to Port Colborne. Between September and December, staff from the City, the Region and Via worked together to review existing ridership data, identify potential service options and quantify service parameters; a process that built off of the simulation results (PW 60-2019) done by the IMTWG.

The culmination of that work is the City of Port Colborne's report "2021-15 - Transit Enhancement Opportunity" (Appendix 1). That report outlines the difference between two options; (Option 1) maintaining the fixed-route community bus or (Option 2) fully integrating with NRT OnDemand that would service the entirety of the municipality and provide inter-municipal connections as identified above. City staff recommended their Council approve Option 2 – full integration with NRT OnDemand. Port Colborne Council unanimously approved that recommendation as well as one that requests Niagara Region to oversee the integration into the existing NRT OnDemand pilot, much in the same way as the Niagara-on-the-Lake expansion which launched in November 2020.

Staff at the City of Port Colborne have requested that, should Regional Council approve this service expansion, target launch date of January 1, 2022 be sought. This date is the result of the City desiring to have on-demand transit in place prior to the conclusion of the Niagara Transit Governance Study in recognition that a new entity will not have the capacity to change service models in the first few years after upload. The actual launch date will be finalized upon approval of this report and once a contract with the service provider can be established. Regardless of the start date, the end date will be set to align with the end date for the West Niagara service area. It is also worth reiterating that staff is requesting that the CAO be authorized to extend the length of the contract in order to maintain service continuity should the results of the governance work require a transition period.

Full integration with NRT OnDemand would require the City to have two dedicated vehicles in order to service the whole municipality and meet forecasted service demands. Additionally, this option would allow for ticket pricing continuity across the various Niagara Region Transit systems. Not only would integration with NRT OnDemand greatly enhance the rider experience in Port Colborne, it would also facilitate additional connectivity with the West Niagara municipalities, connection to the Welland Terminal, and to Fort Erie Transit through a connection in Crystal Beach.

### **Alternatives Reviewed**

The alternative is to decline the City's request for funding, partnership and integration of services. This would default the City to continue running the fixed-route community bus that only services a portion of the City's urban area and by extension, a small portion of its residents. This would also impact the residents of the surrounding municipalities as they would not benefit from the enhanced connectivity. From a rider perspective, providing a single online app and transit brand makes the user experience much simpler and highly efficient. Moreover, combining multiple transit agencies into a single service

also highlights the collaborative feasibility of the work being undertaken more broadly as part of the larger ongoing transit governance review. It is for these reasons that staff does not recommend declining the request from the City of Port Colborne.

### **Relationship to Council Strategic Priorities**

The IMT Service Implementation Strategy directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objectives 3.1 & 3.4) through advancing regional transit and facilitating the movement of people and goods.

### **Other Pertinent Reports**

- PW 1-2021 Niagara Regional Transit (NRT) OnDemand Contract Renewal
- PW 41-2020 NRT On-Demand – Niagara-on-the-Lake Inclusion
- PW 60-2019 On-Demand Transit – Pilot Authorization (Simulation Results)
- CAO 8-2017 Niagara Region’s Transit Service Delivery and Governance Strategy

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**Prepared by:**  
Robert Salewytch  
Program Manager, Transit Services  
Public Works Department

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**Recommended by:**  
Bruce Zvaniga, P. Eng.  
Commissioner of Public Works (Interim)  
Public Works Department

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**Submitted by:**  
Ron Tripp, P.Eng.  
Acting Chief Administrative Officer

This report was prepared in consultation with Heather Talbot, Financial and Special Projects Consultant, and reviewed by Matt Robinson, Director, GO Implementation Office.

### **Appendices**

Appendix 1                      2021-15 – Transit Enhancement Opportunity



## PORT COLBORNE

Corporate Services Department  
Clerk's Division

Municipal Offices: 66 Charlotte Street  
Port Colborne, Ontario L3K 3C8 • [www.portcolborne.ca](http://www.portcolborne.ca)

T 905.835.2900 ext 106 F 905.834.5746  
E [amber.lapointe@portcolborne.ca](mailto:amber.lapointe@portcolborne.ca)

January 21, 2021

Ann-Marie Norio  
Regional Clerk  
Administration – Office of the Regional Clerk  
Niagara Region

**Via E-Mail**

Dear Ms. Norio:

### **Re: Resolution – Transit Enhancement Opportunity**

Please be advised that, at its meeting of January 11, 2021, the Council of The Corporation of the City of Port Colborne resolved as follows:

That Corporate Services Department Report 2021-15 be received;

That the City of Port Colborne request the Region of Niagara to submit a service order to Via Mobility LLC to amend its master terms agreement for the deployment of a turnkey, on-demand transit service to include the service area of Port Colborne and the integration and alignment of the Port Colborne service into the Niagara Regional Transit (NRT) OnDemand mobile application; and

That subject to approval by the Niagara Region's Public Works Committee and Council:

- Port Colborne Transit be integrated into the NRT OnDemand program (including related Provincial Gas Tax Funding) as outlined in this report;
- The City of Port Colborne provide funding to the Niagara Region as outlined in this report;
- The City of Port Colborne extend its appreciation to the City of Welland for their long-standing service as the City of Port Colborne Transit provider and for that contract to stop when the OnDemand service begins;
- The City of Port Colborne extend its warmest thank you to the Port Colborne Transit Advisory Committee for their previous service and for that committee to be dissolved;
- The Chief Administrative Officer and Director of Corporate Services / Treasurer be authorized to sign and execute the necessary documents to complete the approved recommendations in this report.

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January 20, 2021

Resolution – Transit Enhancement Opportunity

A copy of the above-noted report is enclosed for your reference.

Sincerely,



Amber LaPointe  
City Clerk

Encl.

ec: R. Salewytch, Program Manager – Transit Services, GO Implementation Office,  
Niagara Region, Public Works Department  
B. Boles, Director of Corporate Services / Treasurer, City of Port Colborne



**Subject: Transit Enhancement Opportunity**

**To: Council**

**From: Corporate Services Department**

Report Number: 2021-15

Meeting Date: January 11, 2021

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**Recommendation:**

That Corporate Services Department Report 2021-15 be received;

That the City of Port Colborne request the Region of Niagara to submit a service order to Via Mobility LLC to amend its master terms agreement for the deployment of a turnkey, on-demand transit service to include the service area of Port Colborne and the integration and alignment of the Port Colborne service into the Niagara Regional Transit (NRT) OnDemand mobile application; and

That subject to approval by the Niagara Region's Public Works Committee and Council:

- Port Colborne Transit be integrated into the NRT OnDemand program (including related Provincial Gas Tax Funding) as outlined in this report;
  - The City of Port Colborne provide funding to the Niagara Region as outlined in this report;
  - The City of Port Colborne extend its appreciation to the City of Welland for their long-standing service as the City of Port Colborne Transit provider and for that contract to stop when the OnDemand service begins;
  - The City of Port Colborne extend its warmest thank you to the Port Colborne Transit Advisory Committee for their previous service and for that committee to be dissolved;
  - The Chief Administrative Officer and Director of Corporate Services / Treasurer be authorized to sign and execute the necessary documents to complete the approved recommendations in this report.
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**Purpose:**

This report proposes service level enhancements to the current Port Colborne Transit program. It proposes moving from a fixed-route model to an on-demand model that

provides transit services to the whole City of Port Colborne (the “City”), increases the days of operation by one day per week, and the hours of service per day from 11 hours to 15 hours.

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## **Background:**

The City of Welland has been the long-standing service provider of a fixed route transit system in the City. The current route is identified in Appendix A. In 2019, the current service had approximately 35 individual riders per day (note 2019 numbers were used as COVID-19 impacted 2020 comparatives). At the time of writing this report the City is operating month to month with the City of Welland as the previous contract has expired.

On November 25, 2019 the Niagara Region presented a proposal for Niagara Region Transit (“NRT”) OnDemand to City Council. As an outcome of that meeting, staff were directed to review transit options.

The NRT OnDemand system has since been launched in the Town of Grimsby, Town of Lincoln, Town of Niagara-on-the-Lake, Town of Pelham, Township of Wainfleet, and the Township of West Lincoln.

Recent discussions with the Niagara Region identified they are currently in contract discussions with their service provider (VIA Mobility LLP) and, should the City wish to join, the City could do so in the June 2021 timeframe.

As Council is aware, Niagara Region and the local area municipalities have been engaged in a multi-year transit governance study to determine the feasibility and desirability of consolidating transit services under a single entity. A transition that, if approved, could happen between 2022 and 2023. Staff understand the Niagara Region will present the plan to the Councils of local area municipalities in the first half of 2021.

Salient to any amalgamation planning City Staff understand the service being offered at the time of consolidation will be the service that is continued with no new service additions being considered by the new transit entity for a number of years thereafter as it focuses on transitioning the operation of the service and seeks to undergo a network evaluation and design process.

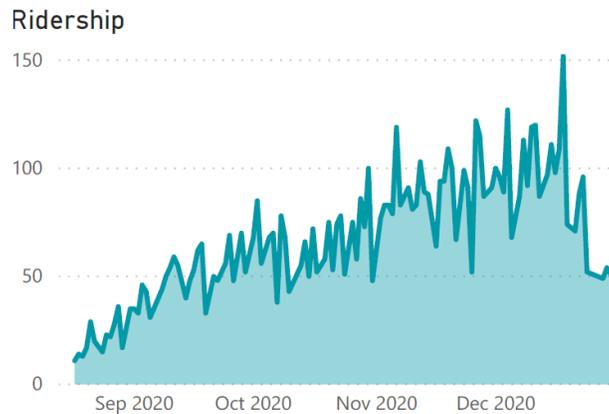
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## **Discussion:**

In presenting this report City Staff identify that the City of Welland has been and continues to be a tremendous partner in providing transit to the City.

The NRT OnDemand system is currently in full operation in a number of municipalities in the Niagara Region as identified above. The website for the service is as follows: [www.niagararegion.ca/transit/on-demand/default.aspx](http://www.niagararegion.ca/transit/on-demand/default.aspx).

The following chart highlights the growth in usage of the current NRT OnDemand system in the other municipalities identified above. Staff highlight this growth has occurred despite the COVID-19 pandemic.



Key comparisons of the current and proposed NRT OnDemand options are provided in chart form below:

	Current	NRT OnDemand
Area Serviced	Appendix A – Limited / Fixed	Appendix B – All of Port Colborne (including Fort Erie Crystal Beach Area)
Number of Days	Monday - Friday (5 days)	Monday – Saturday (6 days)
Number of Hours	7am to 6pm (11 hours)	7am 10pm (15 hours)
Route adjustments^	Lead time required	Dynamic
Data	Limited	Significant
Boarding location	Bus stop or flag stop on route	Estimated average walk 55 to 80 m from location submitting pick-up request from (Wheelchair accessible trips will be door-to-door)
Pick-up time	Per pre-published schedule	Estimated 8 minutes or less from request pick-up time (assuming daily volume doubles from 2019 levels)
How to get a ride	Go to bus stop or flag a bus at pre-determined time	Use app or call phone number
Ride Sharing	Yes	Yes

^ The dynamic/full City coverage provided by the OnDemand system is something that ensures no matter how or where the City grows going forward the Transit system can accommodate.

The proposal from the Niagara Region is to manage the entire program, including Provincial Gas Tax reporting. Through their service provider, they proposed the use of

two vehicles for the City. As the City would be part of the larger network, should demand spike at certain times vehicles from other locations could be redirected to support those higher demand times.

Pricing of the current and OnDemand option are similar from the rider's perspective. The following table of fares enables trips that begin and end with the City of Port Colborne:

	Current (lasted updated 2018)			NRT OnDemand		
	Cash Fare	10-ride Card	Monthly Pass	Cash Fare	10-ride Card	Monthly Pass
Adults	\$3.00	\$25.00	\$85.00	\$3.00	\$27.00	\$85.00
Seniors (65+)	\$3.00	\$21.00	\$65.00	\$3.00	\$22.50	\$65.00
Elementary and High School	\$3.00	\$21.00	\$75.00	\$3.00	\$22.50	\$65.00
Children	\$1.50 (12 and under riding alone) Free (12 and under riding with paying adult)			5 and under free (Note: As of February 1 <sup>st</sup> , 2021 the child age for Regional service will change to 12 and under)		

Niagara Region also offer fares that permit intermunicipal travel using the existing fixed route network of Niagara Region Transit, such as Route 25 (Port Colborne Link). The fare table below permits riders to travel anywhere in Niagara.

	OnDemand		
	Cash Fare	10-ride Card	Monthly Pass
Adults	\$6.00	\$45.00	\$160.00
Seniors (65+)	\$5.00	\$40.00	\$130.00
Elementary and High School	\$5.00	\$40.00	\$130.00
Children	5 and under free (Note: As of February 1 <sup>st</sup> , 2021 the child age for Regional service will change to 12 and under)		

## Financial Implications:

The financial implications of the current service level and the estimated financial impact of the new OnDemand service level are identified in the chart below:

	2021 – Current	2021 – OnDemand*	2022 – OnDemand*^
Current Net Levy Impact of Transit~	\$135,700	\$135,700	\$135,700
Increase cost for increase level of service with OnDemand	N/A	\$252,400	\$375,000
	<b>\$135,700</b>	<b>\$388,140</b>	<b>\$510,700</b>
City of Port Colborne	N/A	\$126,200	\$187,500
Niagara Region	N/A	\$126,200	\$187,500
	N/A	<b>\$252,400</b>	<b>\$375,000</b>

~ The gross cost before Provincial Gas Tax revenue and user fees is \$303,700. The net cost in the budget was \$165,700. The net cost above of \$135,700 reflects the projected revenue of approximately \$30,000 in a non-COVID period.

\* The figures above assume no change in usage from the 2019 level and that Niagara Region through its Public Works Committee and Council, approve matching funding as part of their intermunicipal transit mandate since a connection to Fort Erie Transit would be established (anticipated in the Crystal Beach area). Through discussions with Niagara Region, staff understand the Niagara Region already has these funds budgeted and are financially involved with the NRT OnDemand programs in other local area municipalities. As noted the recommendation to this report is contingent on funding approval from the Niagara Region.

^ These figures are in present value dollars and may be subject to increases close to inflation. These will be dependent on negotiations between the Niagara Region and their service level provider.

These increased costs are not anticipated to have a permanent impact on the City's portion of the tax levy if the local area municipalities transit systems are consolidated into one transit entity.

For this reason, staff propose the following funding option:

- For 2021 the estimated funding requirement of \$126,200 be funded from the transit reserve that currently has a balance of \$150,000. Staff identified this

potential reserve usage in Report 2020-144, Reserve and Reserve Fund Policy dated October 13, 2020.

- For 2022, the remainder of the transit reserve would be used, and any additional funding would be internally funded from the stabilization reserve. These funds would be replenished/repaid by maintaining the current net transit levy budget up to \$135,700 in subsequent years after uploading the transit system to a regional transit entity. After the balance funded from the stabilization reserve is repaid, the net transit levy amount would be removed from the City's budget.

The risk to this funding model is the uploading process takes longer, does not happen or the City is asked to fund the regional transit entity on a go forward basis (which, at the time of writing this report, staff understand to not be the case). If the transition takes one year longer into 2023 staff propose the same funding strategy in 2022 be used (internally fund from reserves). If the transition takes longer than 2023 and/or does not gain approval staff will review other funding options and/or options to adjust service levels. The levy impact of \$187,500 (2022 estimated cost) is approximately 0.9%.

For greater clarity, staff identify the funding model identified above is based on estimates and are subject to change. If Council approves this report, Council is approving a 50/50 cost share of the increased cost of the OnDemand service with Niagara Region (which will offset the costs of the connection to Fort Erie Transit) and that the City's portion be paid first from the transit reserve and second from the stabilization reserve, to be repaid by maintaining the levy post consolidation until the stabilization reserve is repaid.

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## **Conclusion:**

The City has a unique opportunity at this time to set its level of service with the cooperation of the Niagara Region prior to the anticipated creation of a consolidated regional transit entity.

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## **Appendices:**

- Current Transit Route
- Proposed Service Map (Port Colborne going into Fort Erie Crystal Beach Area)

Respectfully submitted,

Bryan Boles

Director of Corporate Services / Treasurer

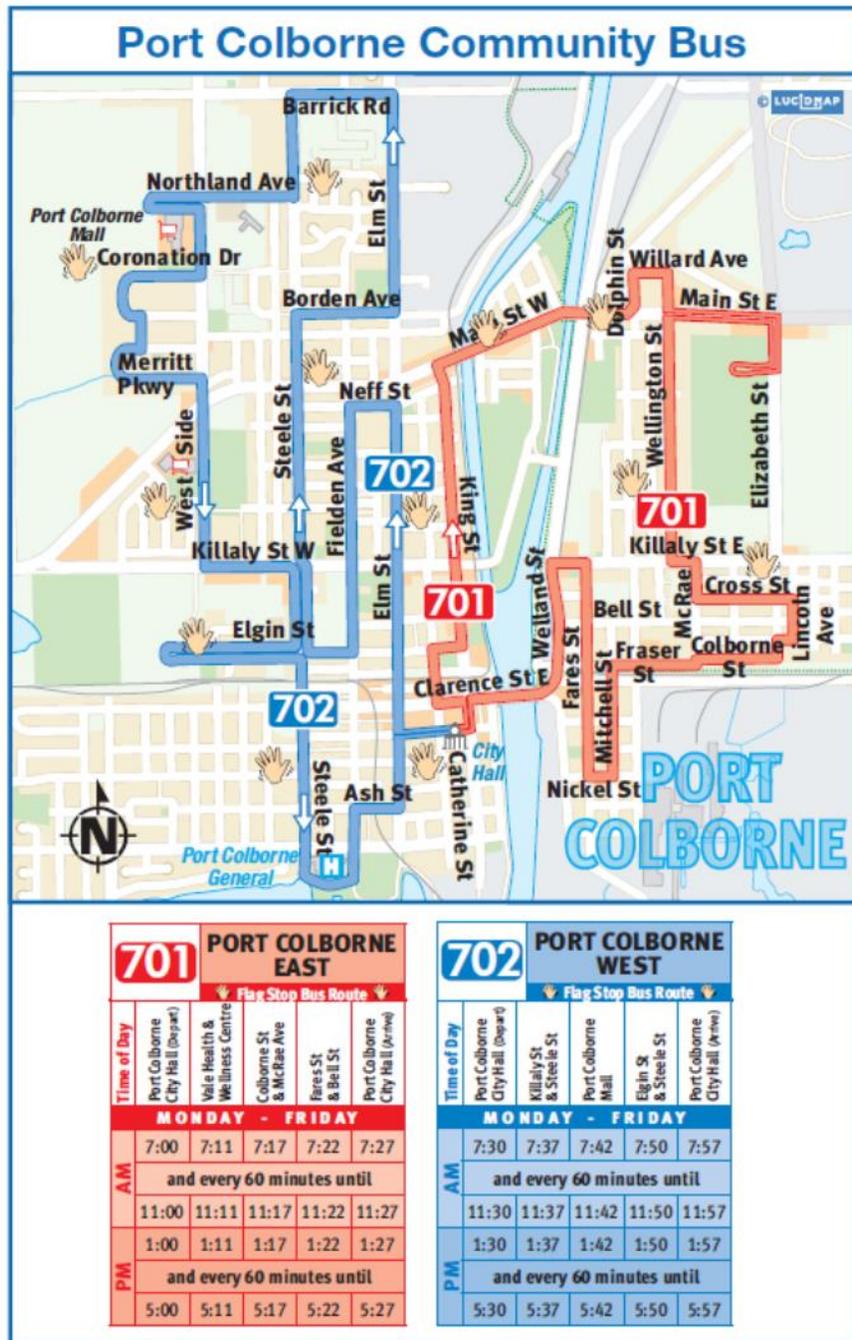
905-835-2900 ext. 105

Bryan.Boles@portcolborne.ca

**Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.

## Report 2021-15 Appendix A Current Transit Route



Please see City of Port Colborne or Welland Transit web site for fare structure information for Port Colborne Community and Link bus services

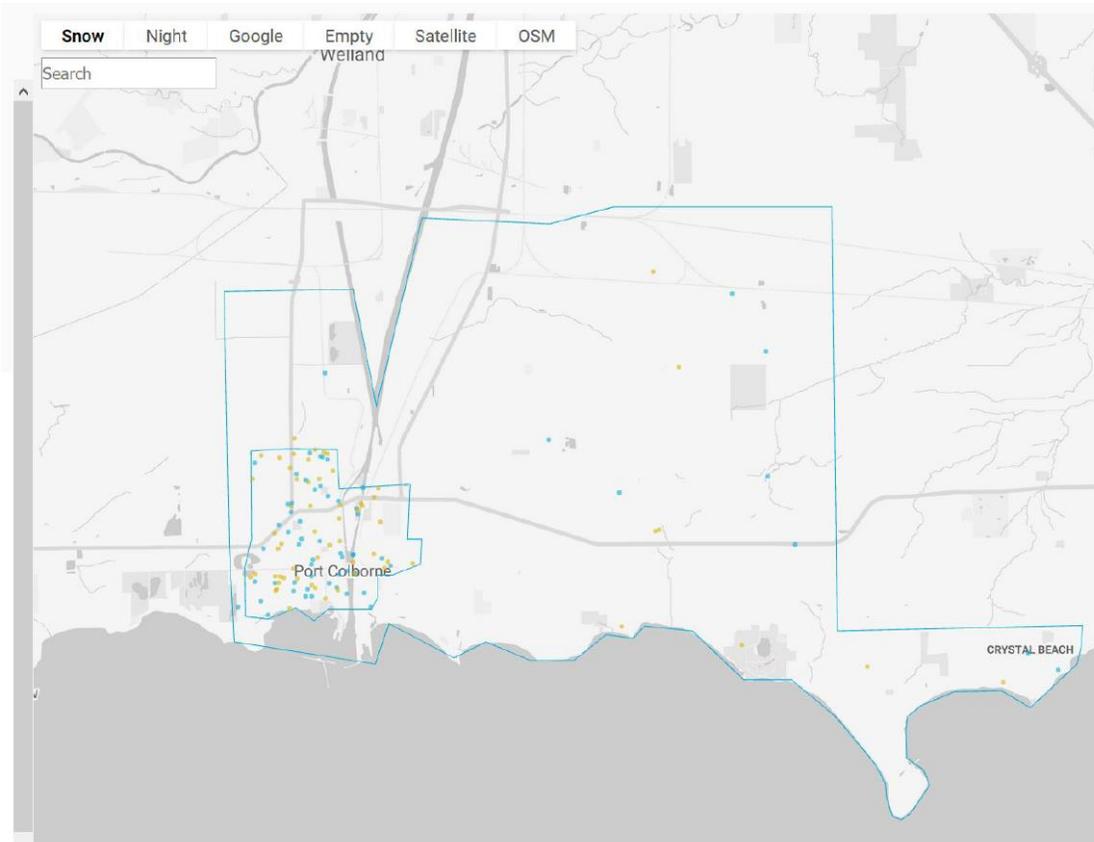


### Flag Stop for Port Colborne only

You can board the bus by waving to the driver as the bus approaches. Look for the waving hand symbol on the maps, which highlights areas where Flag Stop is in effect.

## Report 2021-15 Appendix B

### Proposed Service Map (Port Colborne going into Fort Erie Crystal Beach Area)



Note the map above was created by the Niagara Region's service provider. The Service area is outlined by the blue line around the City. An additional blue line around the more densely populated area of the City highlights where the greater portion of rides are anticipated. The dots being blue and yellow indicate algorithmic pick-up and drop-off examples used to calculate the average wait time of 8 minutes and walking distance to a pick-up location of 55m to 80m.

Most importantly this map highlights this transit proposal would service all of the City and not just the central urban area.