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EXTENSION OF THE SMART COMMUTE INITIATIVE

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, January 23, 2007, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Region agrees to an extension to December 31, 2007 of the Smart Commute Initiative Memorandum of Understanding dated as of the 22nd day of May, 2004.

2. The Regional Chair and Regional Clerk are authorised to execute on the Region's behalf such amending agreement to give effect to the extension, subject to the prior review of Legal Services.

3. Staff continue to work with other partners in discussions with Ministry of Transportation staff on options for the continuation of the Smart Commute project and to report back later in the year on the results of these discussions.

4. The Regional Clerk forward a copy of this report to the cities of Toronto, Hamilton and Mississauga, the Regions of Durham, Peel and Halton, the Towns of Newmarket, Aurora, Richmond Hill and Markham and the City of Vaughan.

2. PURPOSE

The purpose of this report is to seek Council approval to extend the Smart Commute Initiative financial and operating partnership with the other primary municipal partners to the end of 2007. The other primary municipal partners are the cities of Toronto, Hamilton and Mississauga and the Regions of Durham, Peel and Halton. They will also be seeking approval or already have approval from their respective Councils for this extension.

3. BACKGROUND

Regional Council on June 22, 2006 adopted Clause 6 of Report No. 6 of the Planning and Economic Development Committee that recommended the following:

> "Committee and Council authorise the continuing funding of the Smart Commute Initiative and the Transportation Management Associations' activities to the sum of $180,000 per year at $60,000 per year each for Smart

> Commute 404-7 and Smart Commute-Central York, $30,000 per year for Smart Commute North Toronto Vaughan, and $30,000 maximum per year for York Region's share to maintain the Smart Commute Initiative programs and services."

The Smart Commute Initiative is a joint municipal project of the Regions of York, Durham, Peel, and Halton and the Cities of Toronto, Hamilton and Mississauga to deliver transportation demand management (TDM) programs and services across the GTA+Hamilton region through a two-tier structure consisting of an umbrella group, the Smart Commute Association, and a network of local transportation management associations (TMAs) such as Smart Commute 404-7 (Markham, Richmond Hill), Smart Commute Central York (Newmarket, Aurora) and Smart Commute North Toronto-Vaughan.

TDM are measures that increase the efficiency of our transportation infrastructure whereby travel demand are optimised through measures that reduce vehicular travel, increase vehicle occupancies and promote the use of other alternative modes of travel. TDM provides services and programs that improve public transit use, carpooling, walking and cycling that leads to a reduction in single-occupant-vehicle (SOV) use.

Transport Canada and the regional and single-tier municipalities (primary municipal partners) provide funding to the Smart Commute Association and the TMAs while local municipal partners such as Towns of Markham, Richmond Hill and Newmarket and the City of Vaughan provide funding to their local TMAs.

The financial and operating arrangements of the Smart Commute Initiative are also captured within a Memorandum of Understanding that binds the primary municipal partners to their respective roles and responsibilities in the delivery of the Smart Commute Initiative.

York Region is the lead member of this partnership by being the "host" organisation for the Smart Commute Association and provides the necessary corporate services to support the project. York Region is also the legal representative of the primary municipal partners as the signatory in the funding agreement with Transport Canada.

Both the current financial and operating arrangements of the municipal partnership (the Memorandum of Understanding) and the financial support from Transport Canada (the funding agreement) for Smart Commute will end on March 31, 2007.

4. ANALYSIS AND OPTIONS

York Region and the Greater Toronto and Hamilton region has been experiencing significant and sustained growth over the last two decades. This growth is projected to continue for the next 25 years as presented in the Growth Plan for the Greater Golden

Horseshoe region as part of Places to Grow. This continuing growth has resulted in increasing traffic congestion across the entire Greater Toronto and Hamilton region.

Implementing the necessary transportation infrastructure to manage traffic congestion has become a major preoccupation of the municipalities in the Greater Toronto and Hamilton region. However, overcoming the financial, environmental and other constraints in implementing transportation infrastructure has become difficult if not challenging. Sustainability of the entire Greater Toronto and Hamilton region as an environmentally, economically and socially vibrant urban region is now a critical public issue. Therefore, finding transportation solutions that are less demanding from the standpoint of impacts on the natural environment, public finances and our social and community well-being must be pursued as vigorously as possible. The single occupant vehicle or commuting alone in a car is recognised as the most intrusive of all travel modes while alternative modes such as public transit, carpooling, walking and cycling are the most acceptable modes. Thus, opportunities to implement and enhance TDM programs such as Smart Commute should be supported as part of an overall plan for sustainability in York Region and the Greater Toronto and Hamilton region.

With the knowledge of Transport Canada funding ending for the Smart Commute Initiative by March 31, 2007, the municipal partners have been deliberating various options to continue this important project. This and the requirements of the funding agreement with Transport Canada are driving the need to extend the timeline of the Memorandum of Understanding.

4.1 Obligations to Transport Canada

In the agreement with Transport Canada, the primary municipal partners are obligated to prepare the last progress report, an annual report as well as an overall project report. This rather large reporting requirement will take the project team several months beyond March 2007 to complete. As such, the Memorandum of Understanding must be extended to allow the partners to meet this requirement.

4.2 Replacing Federal Funding

It is the consensus of the partner municipal staff that the obvious replacement for Federal funding should be Provincial funding. The functions and resulting benefits of the activities of the Smart Commute Initiative are complementary to a number of Provincial initiatives and areas of responsibility. A key area of activity of the Smart Commute Initiative is the establishment of Carpool Zone, a free web-based ride-matching service, and the media promotion of carpooling. This activity is a perfect fit with the current Provincial program of implementing and expanding a high occupancy vehicle lane network across the Provincial highway system.

Other major activities of the Smart Commute Initiative include incentives and promotion of public transit use and walking and cycling to work. Encouraging these active forms of transportation are complementary to the work of the Provincial Ministries of Public Infrastructure Renewal and Long Term Health Promotion.

Staff are engaged in discussions with Provincial staff in exploring funding options. These discussions are likely to extend beyond March 31, 2007.

4.3 Permanent Organisation Options

Staff of the municipal partners have also been discussing organisational changes to the current set-up for the continuing operations of the Smart Commute Initiative. York Region is currently the "host" organisation for the Smart Commute Association. This set-up has always been viewed as a temporary measure. As the municipal partners pursue alternative funding sources, the opportunity exists to also develop a more permanent set-up for the Smart Commute Association as part of the funding options being deliberated.

Various options are being examined including incorporating the Smart Commute Association as a non-profit organisation, continuing with a partner "host" organisation and absorption into a Provincial ministry or into the Greater Toronto Transportation Authority. The deliberations on these permanent options for Smart Commute are still in preliminary stages and will be reported upon in a later report.

For the municipal partners and other agencies involved to fully explore and assess the options will take some time and will not conclude until sometime later in the year.

For this and the other reasons discussed above, staff is recommending that the current organisational set-up of the Smart Commute Initiative be continued until the end of 2007. This would require an amendment to the Memorandum of Understanding that was signed by the primary municipal partners in 2004.

4.4 Impacts on York Region

There are two areas of impact on York Region resulting from our involvement in the Smart Commute Initiative.

First, TDM is a necessary and important part of our transportation system. Increasingly, it must take a larger share of the commuter travel market to ease the need for expensive infrastructure expansion to accommodate growth. Applied properly, TDM measures are cheap and effective alternatives to SOV travel. With rapid growth continuing and major growth projected for York Region over the next 25 years, it is imperative that York Region and the Greater Toronto and Hamilton region continue to support and enhance the availability of TDM. TDM has to be an important part of our transportation system for York Region and the Greater Toronto and Hamilton region to have a sustainable future.

Second, as the "host" organisation for the Smart Commute Initiative, the demands placed upon York Region are higher than the demands on the other primary municipal partners. York Region must provide the corporate services including human resources, legal and finance (accounting and purchasing) necessary for Smart Commute to operate as an organisation. This corporate services demand has stabilised, is predictable and manageable after over two years of operation. Once the obligations of the funding agreement with Transport Canada have been fulfilled, the corporate services demand on York Region will decline substantially.

The term of the Memorandum of Understanding can be extended by agreement of York Region and the other primary municipal partners. The extension of the term of the MOU has been discussed by the representatives of the primary municipal partners and there is a consensus that each of their respective municipalities will agree to the proposed extension. All other provisions in the MOU will remain constant.

The Human Resources and Legal departments of York Region have been consulted and are in agreement with the proposed extension of the Memorandum of Understanding. Both departments will assist in preparing and getting the extension completed once it is approved by Regional Council.

4.5 Relationship to Vision 2026

Vision 2026 includes actions areas such as:

- Promoting clean air policies and initiatives.
- Promoting alternative transportation methods that improve air quality, such as public transit and cycling.
- Ensuring mobility through accessible and affordable transportation.
- Providing for alternative forms of transportation such as walking and cycling.

The Smart Commute Initiative and TMAs are taking actions in all of these areas.

5. FINANCIAL IMPLICATIONS

On June 22, 2006, Regional Council approved an annual budget of $180,000 per year for 2007/08 and 2008/09 for York Region’s share of the Smart Commute Initiative. There is no change to this requirement as reflected in the proposed 2007 budget. The other primary municipal partners have all proposed in their 2007 budget their respective share of the Smart Commute Initiative costs. The proposed Smart Commute Initiative budget, once the contributions of the primary municipal partners are combined, will cover basic staffing costs as well as basic program and service costs, assuming no Federal or Provincial funding. This represents a scaled-down version of the current operations of the Smart Commute Initiative.

Pending the discussions with the Province and other potential partners, the municipal partners intend to continue this partnership project in a scaled-down mode until new sources of funding can be identified. As mentioned earlier, a later report will present the full discussions with the Province and other potential partners and will also propose the permanent organisational set up and funding arrangements for the Smart Commute Initiative.

6. LOCAL MUNICIPAL IMPACT

TMAs help local municipalities to attract and maintain businesses in the municipality. Its goal is to reduce local GHG and air pollution from SOVs and improve air quality in general. For the community as a whole, the benefits include reduced traffic congestion, increased system mobility, road and parking cost savings, reduced traffic collisions, environmental protection, more efficient land use and liveable communities. More importantly, benefits to individual employees or commuters include reduced personal stress, improved physical health and travel cost savings.

7. CONCLUSION

The project timelines for the Smart Commute Initiative are coming to an end. However, obligations to Transport Canada necessitate an extension of the Memorandum of Understanding among the primary municipal partners of the project. It is also imperative because of growth pressures that York Region and the primary municipal partners continue to support Smart Commute until deliberations on a permanent organisational set-up are concluded. Therefore, staff recommends Regional Council approve an extension to December 31, 2007 of the Memorandum of Understanding with the primary municipal partners in the Smart Commute Initiative.

For more information on this report, please contact Loy Cheah, Manager, Transportation Planning, Infrastructure Planning Branch at 905-830-4444 ext. 5024 or loy.cheah@york.ca.

The Senior Management Group has reviewed this report.