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SMART COMMUTE INITIATIVE FUNDING AGREEMENT

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, April 21, 2004, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The Region enter into the contribution agreement with Transport Canada for the Smart Commute Initiative (SCI) project and the Regional Chair and Clerk be authorized to sign the agreement on the Region's behalf, subject to the prior review of the Regional Solicitor.
2. The Region enter into the Memorandum of Understanding (MOU) with the municipal partners of the SCI project and the Regional Chair be authorized to sign the MOU on the Region's behalf, subject to the prior review of the Regional Solicitor.
3. The Commissioner of Transportation and Works be authorized to take any steps required to implement the SCI project as outlined in this report.
4. Staff report back on the launch of the Smart Commute Association and at other milestones.
5. Copies of this report be forwarded by the Regional Clerk to the Clerks of the local municipalities in York Region, the City of Toronto, the City of Hamilton and the Regions of Durham, Peel and Halton.

2. PURPOSE

This report seeks authorization to formalise the funding agreement negotiated with Transport Canada for the Smart Commute Initiative, a GTA+Hamilton-wide transportation demand management project, and authorization to hire contract staff to begin the work of delivering the programs and services of the Smart Commute Association.

3. BACKGROUND

3.1 Smart Commute Initiative

The Smart Commute Initiative is a GTA+Hamilton-wide project with the objective of delivering transportation demand management (TDM) programs and services to manage the demand for commuter transportation in the GTA+Hamilton area through the use of innovative strategies to create more travel choices, offer incentives for shared forms of travel and reduce the dependency on single-occupant vehicle travel. This initiative will

deliver an array of TDM strategies including ride-matching for carpooling and emergency ride home; program modules such as employer vanpools; TDM in development review, and a regional marketing and education campaign.

TDM programs and services will be delivered through a two-tier organisational structure consisting of a GTA+Hamilton level organisation (the Smart Commute Association (SCA)), and a network of up to nine new transportation management associations (TMA) across the GTA+Hamilton area. It proposes three TMAs in York Region: the existing Black Creek Regional TMA and two new ones, one serving Markham and Richmond Hill and the other serving Newmarket and Aurora.

The \$7.9 million cost of implementing the Smart Commute Initiative will be funded in part by the \$2.5 million funding from the Federal Urban Transportation Showcase Program (UTSP). The remaining budget will be financial and in-kind contributions from the participating municipalities, totalling \$2.9 million, and the private sector, totalling \$2.5 million.

3.2 Regional Council Commitment

Regional Council on April 17, 2003 approved York Region's participation in the Smart Commute Initiative and endorsed \$120,000 in 2004 and \$230,000 in each of 2005 and 2006. Similar commitments have been made by the Councils of the City of Toronto, City of Hamilton, Durham Region, Peel Region and Halton Region for their respective shares of the cost of this project.

On January 22, 2004, Regional Council authorised staff to take the lead in implementing the Smart Commute Initiative through adopting, without amendment, Clause No. 10, Report No. 1 of the Transportation and Works Committee. By adopting the foregoing clause, Regional Council has authorised the following:

- 1. Staff be authorized to take the lead in the implementation of the Smart Commute Initiative by being the recipient of the Federal funds until a permanent organisational structure and administration is set up for this Initiative.*
- 2. Staff be authorized to discuss the terms of a funding agreement on behalf of the GTA+Hamilton with the Federal Urban Transportation Showcase Program for the Smart Commute Initiative.*
- 3. Staff be authorized to discuss the terms of a Memorandum of Understanding with the other municipal partners of the Smart Commute Initiative to outline the respective roles and responsibilities of the municipal partners.*
- 4. Staff be authorized to begin discussions with representatives of the other municipal partners of the Smart Commute Initiative to develop a permanent organisational and administrative structure for the Smart Commute Initiative.*

5. *Staff report back on the results of the discussions related in recommendations 2, 3 and 4.*
6. *Copies of this report be forwarded by the Regional Clerk to the Clerks of the local municipalities in York Region, the City of Toronto, the City of Hamilton and the Regions of Durham, Peel and Halton.*

4. ANALYSIS AND OPTIONS

Following Regional Council's authorization, staff have been in discussions with Transport Canada and the other municipal partners in this project.

4.1 UTSP Contribution Agreement

Through discussions with Transport Canada staff, a final draft contribution agreement between Transport Canada and York Region has been developed. The draft contribution agreement defines the contractual obligations of York Region as the representative of the Smart Commute Initiative in implementing the project in order to receive the \$2.5 million funding from UTSP. In this role, York Region is representing all the municipal partners involved in the Smart Commute Initiative.

The contribution agreement sets out the standard conditions and requirements of Transport Canada in funding this project. The articles of the draft agreement include:

- The maximum amount of contribution from the Federal Government.
- York Region's obligations in carrying out the project, including satisfying environmental assessment requirements and sharing information with the UTSP Information Network.
- Process and procedure for getting payment of the Federal contribution.
- Accountability and record keeping requirements of the project.
- Reporting procedure of project progress.
- Description of the project and its expected outcomes.

4.2 Municipal Partners Memorandum of Understanding

The overall responsibility for delivering the Smart Commute Initiative will be held jointly by the municipal partners in the project. Complementary to the contribution agreement, the memorandum of understanding (MOU) will define the roles and responsibilities of the various municipal partners in the project, namely the City of Toronto, City of Hamilton and the Regions of York, Peel, Durham and Halton. The MOU will include the following:

- Description of the Smart Commute Initiative project as a UTSP project.
- Definition of the Smart Commute Initiative as a joint project of the municipal partners.
- An outline of the intent of the partners to formalise the future organizational structure of the Smart Commute Association (SCA).
- Description of the interim organizational setup of the SCA as a project office with up to five contract staff.

- Establishment of a staff level steering committee to oversee the operations of the SCA.
- Description of the cost sharing formula for the municipal partners.
- Description of the processes and procedures respecting York Region as the official recipient of the UTSP funds.

As part of the draft MOU, up to five staff for the SCA will be hired by York Region as contract employees. At least two of the SCA staff will be full-time contract staff, namely the Manager and Project Manager. The Manager will oversee and be responsible for the entire operations of the SCA while the Project Manager will be responsible for developing and delivering TDM programs and services of the SCA. The remaining staff of the SCA will be determined by the Manager and Project Manager. Funding for the Smart Commute Initiative is currently committed for a three year period from UTSP and the various municipal partners. Therefore, the staff of the SCA will be hired under one-year terms, renewable for a total employment period of three years.

As part of its contribution to the SCI and described in the draft MOU, the City of Toronto has offered to house the SCA office where the staff will be located.

4.3 Relationship to Vision 2026

The Vision 2026 goals include a vibrant economy, managed and balanced growth and responding to the needs of our residents. TDM programs impact positively on these goals by providing improved accessibility and travel options for workers and residents of the Region. Employers are positively impacted by the fact that with improved accessibility and travel choices, employee recruitment and retention are enhanced. Associated with the transportation improvements will be improvement in the natural environment due to reductions in green house gas emissions from transportation sources.

5. FINANCIAL IMPLICATIONS

The Smart Commute Initiative is a \$7.9 million project over a three-year period. It is eligible to receive up to \$2.5 million from the Federal Urban Transportation Showcase Program, with the remaining funds coming from municipal partners and the private sector, as shown below.

Partner	Contribution (\$ million)
Transport Canada – UTSP	\$2.5
Municipalities	\$2.9
Private sector and others	\$2.5
TOTAL	\$7.9

York Region's contribution to this joint GTA+Hamilton area project was endorsed by Regional Council on April 17, 2003, with expenditures of \$120,000 in 2004 and \$230,000 in each of 2005 and 2006. The 2004 expenditure is contained in the approved 2004 Transportation and Works Department operating budget.

Similar commitments have been made by the Councils of the City of Toronto, City of Hamilton, Durham Region, Peel Region and Halton Region for their respective shares of the cost of this project.

No further financial commitment is required as a result of this report.

6. LOCAL MUNICIPAL IMPACT

The implementation of the Smart Commute Initiative will provide improved accessibility and travel choices to workers and residents of York Region. With funds committed by the Federal Urban Transportation Showcase Program and York Region, the creation of two new TMAs in York Region can proceed. The expansion of the Black Creek Regional TMA and the development of the Markham-Richmond Hill TMA are proceeding as planned this year. The development of the Newmarket-Aurora TMA will require a greater amount of preparatory work and will be implemented across 2005 and 2006.

The appropriate local municipal staff have been involved in all deliberations with regard to the development of the new TMAs and the expansion of the Black Creek Regional TMA.

7. CONCLUSION

The GTA+Hamilton TDM project, the Smart Commute Initiative, is moving towards implementation. Funding and organisational agreements are being finalised between the various public sector partners. The contribution agreement for the \$2.5 million Urban Transportation Showcase Program funding has been finalised and ready to be signed by York Region and Transport Canada. The MOU setting out the organisational and funding arrangements between the municipal partners have been developed and will be finalised shortly. Once these agreements are completed, contract staff to deliver the programs and services of the Smart Commute Association will need to be hired.

This report seeks authorization to complete these agreements and hire the contract staff.

The Senior Management Group has reviewed this report.