



London
CANADA



The Way Ahead: London's Bus Rapid Transit Strategy – Business Case

London Transit Commission

October 7, 2013

WHAT IS BUS RAPID TRANSIT?

Typical BRT Features

- **Frequent service**, allowing riders to use the service without needing to consult a schedule.
- **Limited key stops** along the BRT corridors.
- **Transit priority measures** including traffic signalization, queue jumps up to and including HOV lanes.
- **Distinct buses**: BRT services will use distinctly branded, higher-capacity, **articulated buses**.
- **Enhanced stations**: bus stops with larger, more prominent waiting areas, larger shelters, seating, etc

BRT Strategy in London

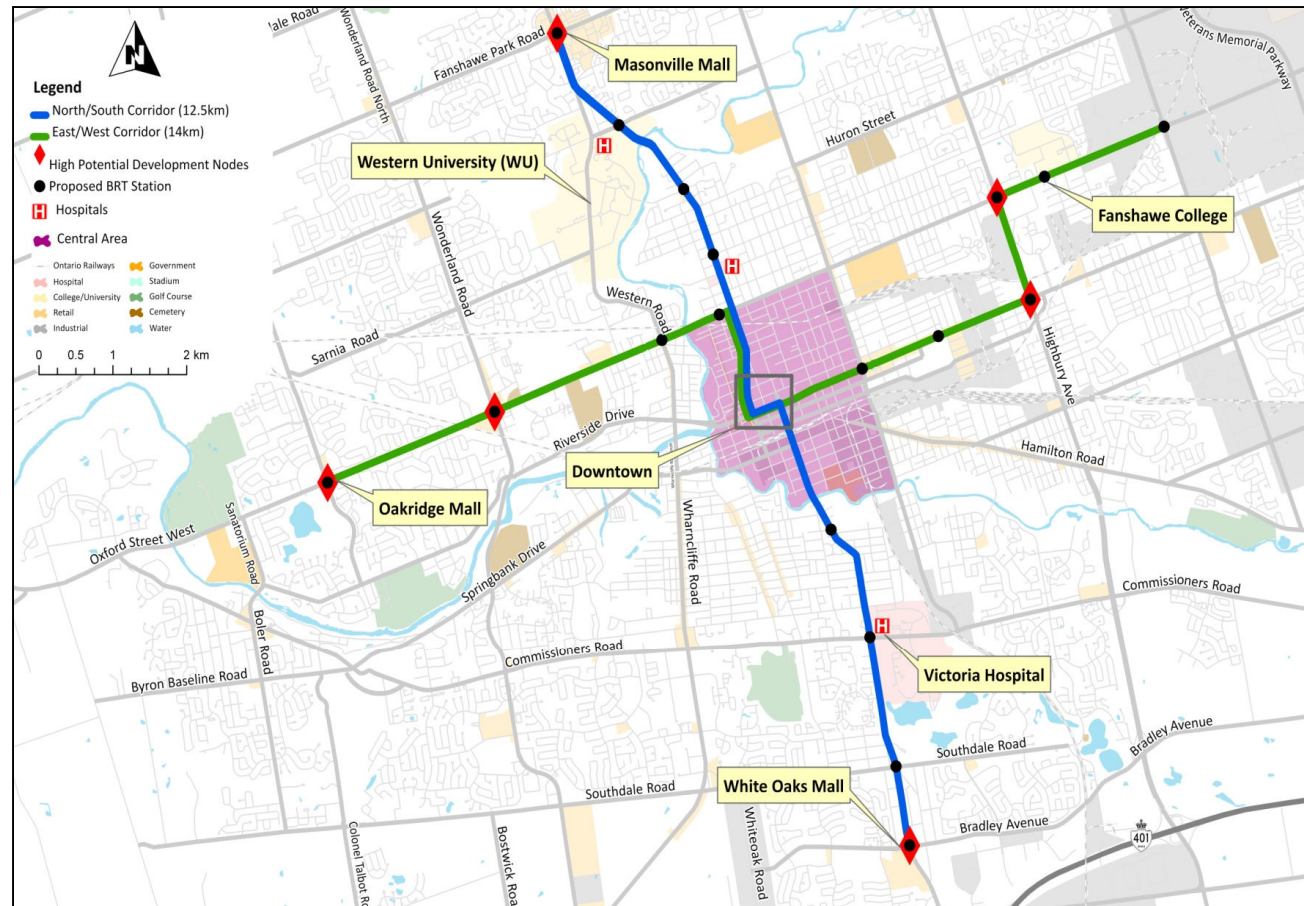
- BRT network along two corridors – north-south along Richmond and Wellington and east-west along Oxford and Dundas Street
 - HOV lanes and other transit priority measures, where feasible
 - articulated buses along BRT corridors
 - enhanced stations
- Enhanced local feeder services to support ridership along BRT corridors



The BRT strategy will transform London's public transit service – serving as the backbone for a redefined route structure

WHAT IS LONDON'S BRT STRATEGY?

- Developed as an integral part of the London 2030 Transportation Master Plan



BUSINESS CASE FOR LONDON'S BRT STRATEGY

- What is the Business Case?
 - a broad-based assessment of the benefits and costs of the BRT Strategy as defined by the TMP2030
 - the assessment examines financial, mobility, environmental and economic and social community impacts
 - the Business Case provides, in quantitative and qualitative terms the ROI associated with BRT Strategy
- Why a Business Case?
 - the Business Case is 1 of 4 key considerations necessary to secure support and investment for the BRT Strategy
 - the other considerations include:
 - related financial plan / investment strategy
 - a Transportation Master Plan – which has public transit as key element of the plan
 - an Official Plan that integrates land use and transportation supporting effective and efficient urban form

- What is the Business Case - Methodology
 - the methodology is referred to as MAE (Multiple Account Evaluation) which:
 - is transit industry's tool of choice for evaluating rapid transit investment
 - meets Federal and Provincial assessment requirements
 - in quantitative and qualitative terms measures financial, transportation, environmental, economic development and social/community impacts

LONDON'S BRT – RETURN ON INVESTMENT

	Criteria	BRT Strategy Net Present Value 2012\$ M (unless otherwise noted)
Transportation User Account	Transportation User Benefits (NPV \$M)	735
	Qualitative User Benefits	✓✓✓
Environmental Account	GHG Emissions (NPV \$M)	2
Financial Account	Net Incremental Capital Costs (NPV \$M)	(300)
	Net Incremental Operating Costs (NPV \$M)	(114)
	Benefits Less Costs (NPV \$M)	323
	Benefit-Cost Ratio	1.8
	Economic Rate of Return	11.3%
Economic Development Account	ECONOMIC IMPACTS DURING CONSTRUCTION	
	Employment (person-years)	3,500
	Income (2012\$ M)	129
	GDP (2012\$ M)	288
	LONG-TERM ECONOMIC IMPACTS, 2030	
	Employment (person-years)	110
	Income (2012\$ M)	9
	GDP (2012\$ M)	20
	Land Value Uplift (\$M)	90
Social Community Account	Land Use Shaping	✓✓
	Impacts on Socio-Demographic Groups	✓✓

✓ = slightly positive impacts; ✓✓ = positive impacts; ✓✓✓ = very positive impacts.

LONDON'S BRT – RETURN ON INVESTMENT

- Qualitative user benefits of BRT Strategy
 - will reverse recent deterioration in service quality (as transit network copes with operating at full capacity during peak times)
 - latent demand for transit services (not captured in ridership results)
- BRT Strategy is a key ingredient for supporting intensification of residential and employment growth within London's built areas and especially in the downtown area
 - BRT can make intensification more cost-effective and attractive to developers, as explored under London ReThink process
- BRT Strategy to provide significant benefits for several socio-economic groups, incl. the elderly, students and Millennials
- All of the above benefits will contribute to make London a more attractive destination for residents – helping retain young talent – and for businesses

CONCLUDING COMMENTS

- Londoner's transit needs are outgrowing the capacity of the current system
 - current service deficit of 200,000 service hours
 - ridership to service growth ratio of 4 to 1
 - 77% increase in service quality complaints since 2010
 - current mode share of 12.5% - exceeds the City's 2020 transit mode share target of 10% (per 2004 TMP)
 - continuing with the base case – simply results in costing more to carry the same or less
- London's BRT Strategy is a unique once-in-a-generation opportunity to transform the scale and quality of London's transit network, consisting of
 - two BRT corridors and
 - an enhanced feeder network based on restructured local transit services
- There is a strong business case for a BRT Strategy in London
 - results compare favourably to other rapid transit business cases in Ontario