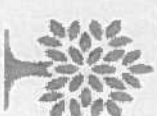
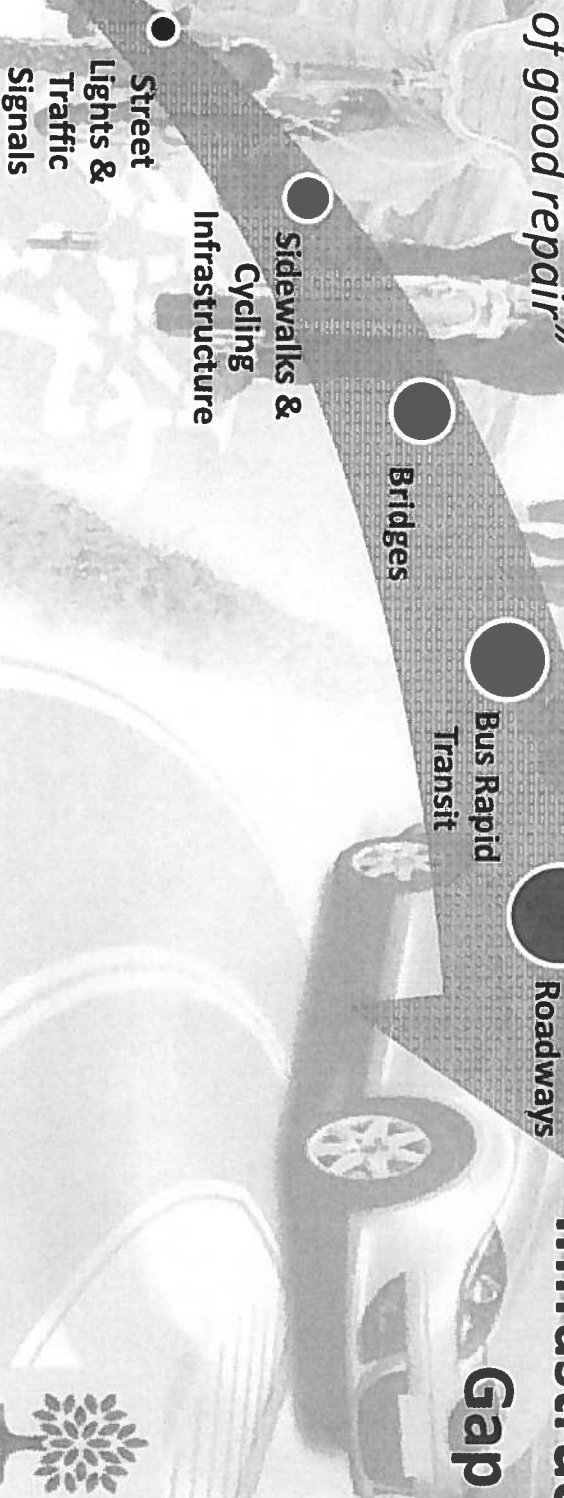


# Transportation System Sustainability

*“providing transportation mobility choices while ensuring that roads and bridges remain safe and in a state of good repair”*

## Transportation Infrastructure Gap



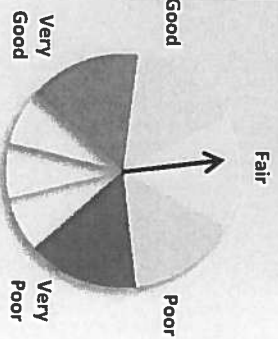
## Transportation

### Infrastructure Needs

The implementation of the transportation system improvements identified through the 2030 TMP, combined with the existing lifecycle renewal funding constraints, are financially challenged.

- The City owns, operates and maintains approximately \$2.1 billion of transportation infrastructure.
- Routine and regular evaluations are undertaken of all the transportation assets. Underfunding of lifecycle needs has led to deterioration of assets.

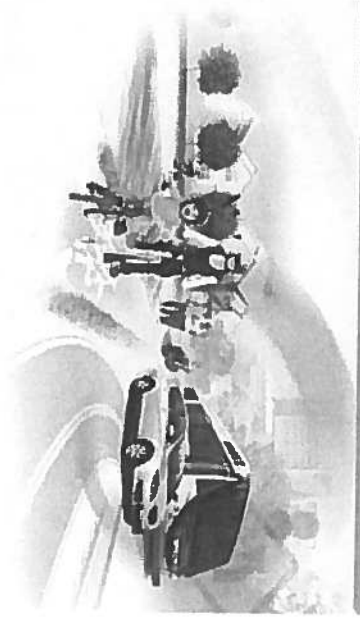
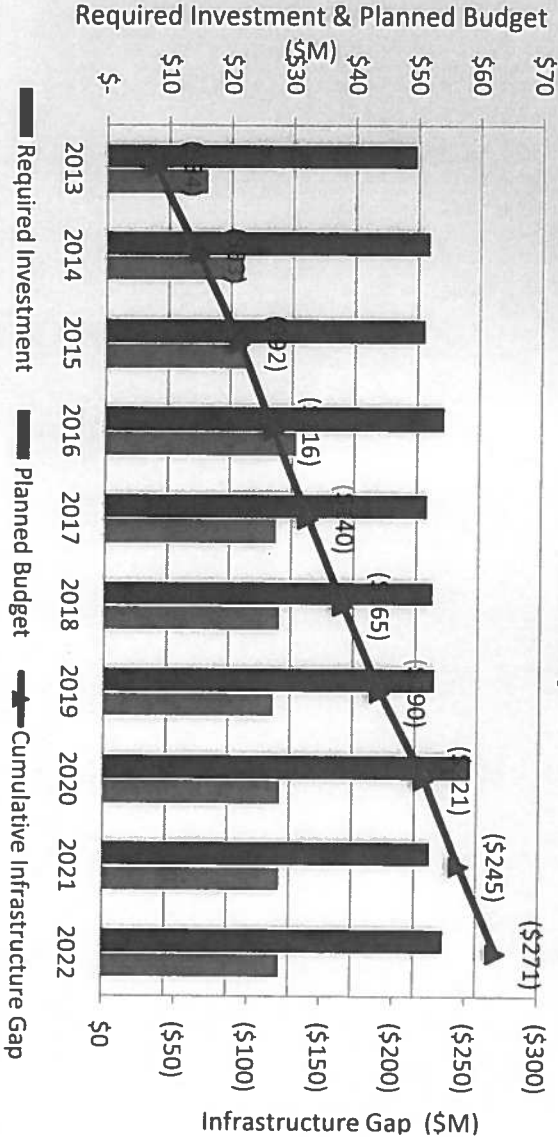
- **Roadways** - 25% of Local, Secondary and Arterial roads are in Very Poor or Poor Condition
- **Sidewalks** – 83% are in Good condition, deficiencies growing rapidly
- **Structures** – 16 % are in Poor condition
- **Signals and Streetlights** – 47% of Lighting and 49% of Signals were rated to be in Poor or Very Poor condition



# Existing Transportation Infrastructure Lifecycle Gap

| Existing Transportation Infrastructure – Lifecycle Funding Gap |                 |                             |                                |
|----------------------------------------------------------------|-----------------|-----------------------------|--------------------------------|
| Replacement Value                                              | Current Funding | Existing Infrastructure Gap | Infrastructure Gap In 10 Years |
| \$2,047,053,000                                                | \$ 16,400,000   | \$ 34,000,000               | \$ 271,000,000                 |

Lifecycle Gap



## Existing Roadways (10 Year Gap)

Roads Gap => Over \$200 M  
Bridges & Structures => \$30 M  
Lighting & Signals => \$30 M

# Transportation Master Plan

| TMP Transportation Capital Cost            | 20 Year | 10 Year |
|--------------------------------------------|---------|---------|
| Municipal Road Widening & New Links        | \$827 M | \$499 M |
| Intersections and other Minor Improvements | \$60 M  | \$26 M  |
| Active Transportation                      | \$20 M  | \$16 M  |
| Parking                                    | \$24 M  | \$3 M   |
| Total Transportation Capital (2013 \$)     | \$931 M | \$544 M |

Implementation Strategy included a number of key deliveries to meet 2030 transportation mobility objectives:

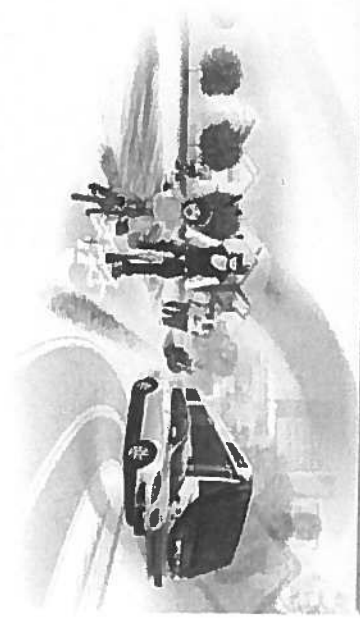
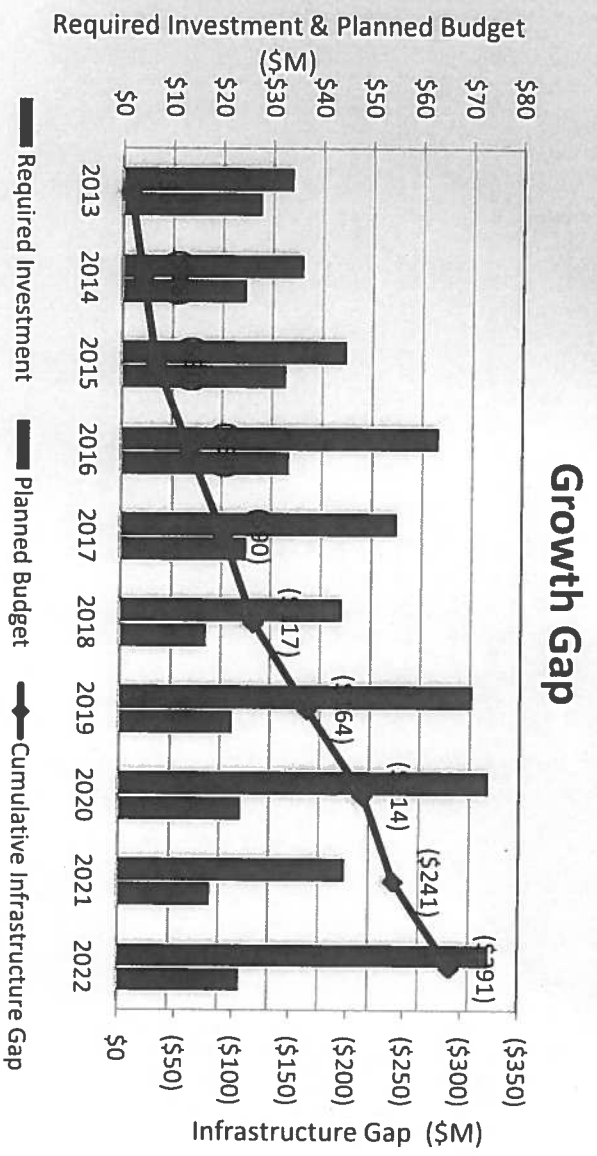
- Roads Plan
- Rapid Transit Plan
- Bike Plan
- Active Transportation Plan
- TDM Plan
- Parking Initiatives
- ReThink OP Policies

The implementation strategy is subject to the 2014 Development Charges process. The 2010 DC settlement removed \$90 M of near-term projects, resulting in a significant backlog.

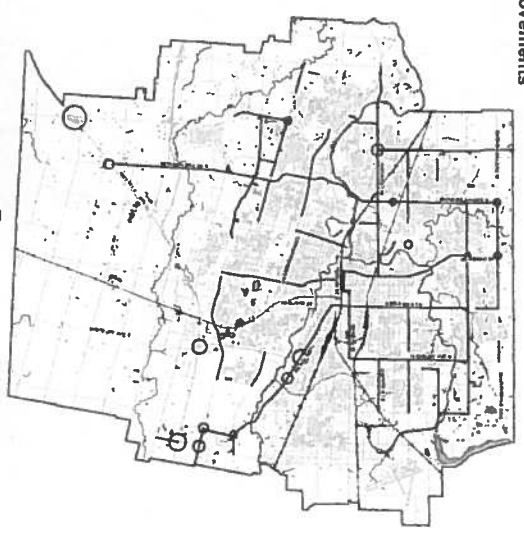


# Existing Transportation Infrastructure Growth Gap

| Future Transportation Infrastructure – Growth Related Funding Gap |                    |                                |                           |
|-------------------------------------------------------------------|--------------------|--------------------------------|---------------------------|
| Existing 10 Year Budget                                           | TMP 10 Year Budget | Infrastructure Gap In 10 Years | Tax Supported 10 Year Gap |
| \$253,000,000                                                     | \$ 544,000,000     | \$ 291,000,000                 | \$ 53,800,000             |



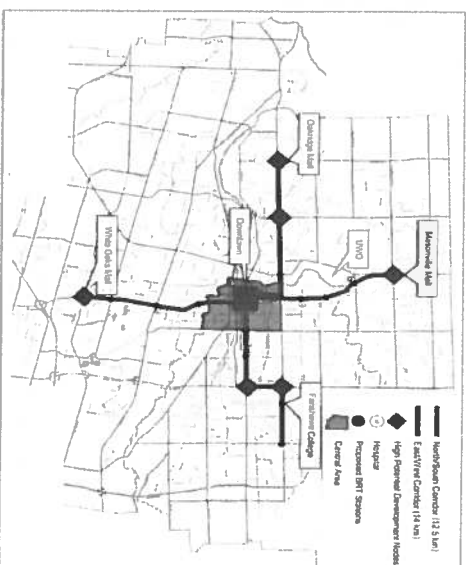
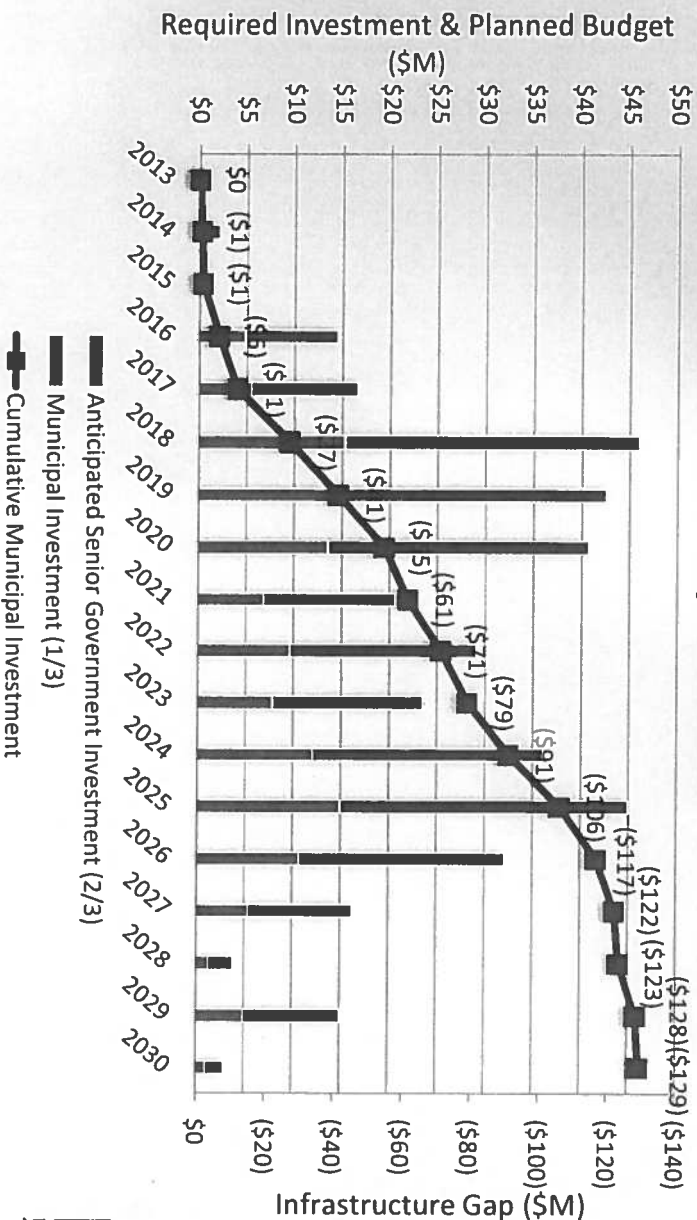
Road Improvements  
2013-2033



# Bus Rapid Transit Gap

| BRT Strategy – Funding Gap |                                             |                             |
|----------------------------|---------------------------------------------|-----------------------------|
| BRT Implementation Cost    | Municipal Portion of Funding Gap - 10 Years | Tax Supported - 10 Year Gap |
| \$ 378,000,000             | \$ 77,713,000                               | \$ 17,915,000               |

## Bus Rapid Transit



smart  
moves

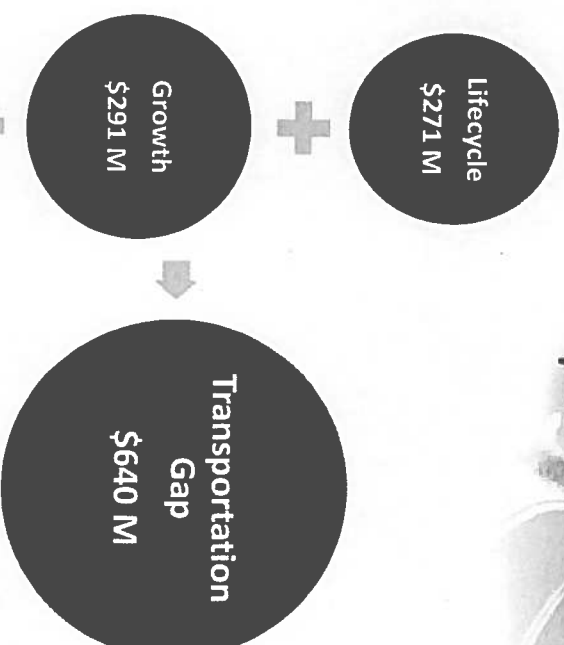
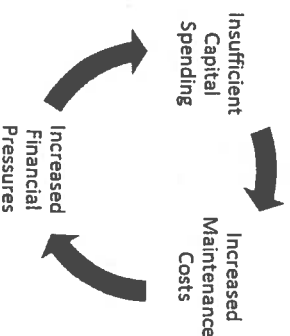
LONDON 2030  
TRANSPORTATION MASTER PLAN



LONDON  
CANADA

# Transportation Infrastructure Funding Gap

- Total funding required to address these gaps is significant.
- Historical underfunding of transportation infrastructure has led to an overall decline of infrastructure and an accumulation of a significant backlog of required works.
- The growing transportation gap will continue to put pressure on the operating and maintenance costs, which will lead to increased financial pressures.

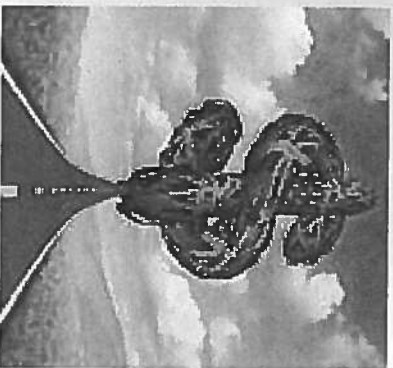


# Transportation Infrastructure Funding Gap

The cost of maintaining, operating, transforming and expanding London's transportation and public transit system is beyond the funding capacity of existing budgets and the combination of lifecycle, growth and BRT cannot be supported through debt within current debt cap limits under the corporate financial strategy.

Comprehensive **Financial Implementation Strategy** for Transportation Infrastructure is required to provide for long term sustainability.

- Financial contributions will be required through:
- Increased tax supported funding.
  - Targeted, cost-shared infrastructure funding from the Federal and Provincial governments.
  - Development Charges.
  - Increased and committed Gas Tax Revenues.
  - New revenue generating tools.



09/10/2013




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

London Transit Commission

October 10, 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

2

09/10/2013

WHAT IS LONDON'S BRT STRATEGY?

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

3

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 – examining financial, mobility, environmental , economic and social community impacts
  - provides, in quantitative and qualitative terms the ROI associated with BRT Strategy
  - It is not a financial plan (or budget)
- Why a Business Case?
  - it is 1 of 4 key requirements to secure support & investment for the BRT strategy, noting the other considerations include:
    - related financial plan / investment strategy
    - a Transportation Master Plan – having public transit as key element of the plan
    - an Official Plan that reflects integration of land use & transportation supporting effective & efficient urban form
  - Demonstrates public accountability – in terms in that it is good investment of public

4

09/10/2013

# BUSINESS CASE – LONDON'S BRT STRATEGY

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

5

# LONDON'S BRT – RETURN ON INVESTMENT

|                              | Criteria                                  | BRT Strategy<br>Net Present Value<br>2012\$ M<br>(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)                            | 268                                                                       |
|                              | LONG-TERM ECONOMIC IMPACTS, 2030          |                                                                           |
|                              | Employment (person-years)                 | 110                                                                       |
|                              | Income (2012\$ M)                         | 9                                                                         |
|                              | GDP (2012\$ M)                            | 20                                                                        |
| Social Community Account     | Land Value Uplift (\$M)                   | 90                                                                        |
|                              | Land Use Shaping                          | ✓✓                                                                        |
|                              | Impacts on Socio-Demographic Groups       | ✓✓                                                                        |

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

6

09/10/2013

#### 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
- The BRT supports capital cost avoidance of \$290 million related road widenings that would be required if there was no BRT. – The \$290 is at 100% cost to the City, while the expectation for the BRT is that the capital cost to the City is 1/3 of the \$383 million investment requirement. (other 2/3 would come from the Provincial and Federal Governments) or \$128 million.

7

#### 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% (pm peak) - exceeds the City's 2020 transit mode share target of 10%
  - continuing with the base case – simply results in costing more to carry the same or less, noting the cost is without the benefit of 2/3 subsidy expected from the senior levels of government
- London's BRT Strategy is a unique once-in-a-generation opportunity to transform the scale and quality of London's transit network..... it represents the most effective and efficient means to strategy to address the current service deficit and grow the service
- There is a strong business case for a BRT Strategy in London – the results compare favourably to other rapid transit business cases in Ontario

8

09/10/2013

#### NEXT STEPS

- Consistent with the approved communication strategy is the promotion of the Business Case and BRT Strategy to stakeholder groups including:
  - Advisory Groups - TAC, APTSAC
  - Community Groups/Organization – Chamber, Urban League, Seniors Western, Fanshawe College etc.
  - Local area MPP's and MP's
  - Provincial Government elected and administration re: MTO, Infrastructure, Finance
  - Federal Government elected and administration re: MTO, Infrastructure, Finance

The objective of the communication is to create informed relationships and garner support for the initiative.

- In terms of the communications with Provincial officials, it will be critical to have them onside before proceeding to the Federal stage, noting we look to the Province to support/participate in the presentation/discussions with Federal officials