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January 30, 2012

Chair and Members
Civic Works Committee
City of London
300 Dufferin Avenue
London ON N6A 4L9

Dear Chair and Members of the Civic Works Committee:

Re: Transit Vision 2040 Strategy

The Commission, at its January 25, 2012 meeting directed the Administration, with respect to Transit Vision 2040, forward a request to Municipal Council via the Civic Works Committee requesting:

Municipal Council endorse the Transit Vision 2040 Strategy as developed by the Canadian Urban Transit Association (CUTA) which includes endorsement of 6 major themes and 27 strategic directions, as referenced below, and supports undertaking aligning the future vision of London's public transit services with Transit Vision 2040 endeavouring to reach or exceed the performance targets outlined in the Vision.

Transit Vision 2040 includes the following 6 major themes and 27 strategic directions:

- 1) *Putting transit at the Centre of Communities*
 - *Develop a national transit policy framework*
 - *Strengthen transit's position as an investment in quality of life*
 - *Fully integrate transit with community planning*
 - *Fully integrate transit with community design*

- 2) *Revolutionize service*
 - *Expand regional rapid transit networks*
 - *Emphasize transit priority solutions*
 - *Enable a "quantum leap" in suburban transit*
 - *Support the revitalization of urban cores*
 - *Build service in smaller communities*
 - *Ensure seamless coordination of operations and governance at all levels*

- 3) *Focusing on customers*
 - *Accelerate a new customer orientation*
 - *Focus on serving customers with mobility challenges*
 - *Take a broad approach to mobility and expand choice*
 - *Customize fares*
 - *Enhance safety and security*
 - *Provide information when, where and how customers want it*

- 4) *Greening transit*
 - *Develop a greening strategy for the transit industry*
 - *Develop an energy strategy for the transit industry*
 - *Implement local greening and energy initiatives*

- 5) *Ensuring financial health*
 - *Establish suitable mechanisms for capital investment from senior governments*
 - *Establish suitable performance-based mechanisms for operating funding from senior governments*
 - *Maximize municipal government for support for transit operating costs*
 - *Use transportation pricing and alternative funding options more effectively*
 - *Seek efficiency gains*

- 6) *Strengthening knowledge and practice*
 - *Develop human resource strategies for a more diverse and competitive workforce*
 - *Develop transit resources for smaller communities*
 - *Identify and disseminate current knowledge and practice within the transit industry and among its stakeholders.*

The Transit Vision 2040 Strategy is consistent with London Transit's Long Term Growth Plan and with the direction of the Transportation Master Plan 2030 which is currently being finalized for presentation to Council in mid-2012.

Transit Vision 2040

National transit ridership and investment are both currently at all time highs, and transit is widely recognized as an important part of the solution to national challenges including economic prosperity, climate change, public health, safety and security.

Looking ahead, Canada's public transit industry faces pressures arising from the accelerating pace of change. Fast approaching opportunities and challenges will drive major shifts in how the transit industry can meet the needs of Canadians, and how society can offer transit the support it requires to succeed. Recognizing that the future is something to be shaped and not simply responded to, the CUTA has created Transit Vision 2040. This important new document sets a course for public transit to maximize its contribution over the next three decades.

Transit Vision 2040 is based upon an understanding of transit's role in supporting Canadian communities, an examination of the changes those communities are likely to experience, and an assessment of transit's potential to mitigate or reinforce changes and make communities more livable, economically robust and environmentally healthy. While the vision takes a long term view, it is intended to guide concrete short term actions by CUTA, its members and other stakeholders.

The vision integrates considerable input from a wide range of individuals and organizations. The project included workshops with CUTA's leaders and youth delegates, an online survey by some 650 individuals, and discussions with groups including the Canadian Institute of Planners, the Federation of Canadian Municipalities, the Transportation Association of Canada, and the Canadian Home Builders' Association. It also involved a peer review by a panel of over 20 thought leaders from a variety of disciplines. The American Public Transportation Association (APTA) and International Association of Public Transport (UITP) also provided advice, based upon their own visioning processes.

The purpose of Transit Vision 2040 is not to describe an ideal future. Rather, it illustrates a strategic response to the profound challenges facing Canadian communities – meeting broad goals through actions that foresee both opportunities and obstacles.

The principal indicator of progress toward Transit Vision 2040 will be the number of annual transit trips per capita, measured both nationally and locally. The vision includes general targets for per-capita ridership growth for five groups of communities according to population, as follows:

- Major metropolitan areas (2 million people or more)
- Large cities (400,000 to 2 million people)
- Medium-sized cities (150,000 to 400,000)
- Small and rural communities

For example, for medium sized cities the target for trips per capita by 2024 is 85 trips. In 2007, the average for this population group was 49. London Transit's trips per capita currently sit at approximately 61 trips per capita. An increase to 85 is consistent with the expected direction of London Transit's Long Term Growth Strategy, which in turn is expected to be reflected in the London Transportation Master Plan.

When overall population growth is factored in, the targets are equivalent to an 86% increase in national transit ridership, from 1.76 billion trips in 2007 to 3.28 billion trips in 2040. If current rates of transit operating cost-recovery from fares are maintained, this implies a corresponding 86% increase in government operating contributions, from \$2 billion in 2007 to \$3.7 billion in 2040 (2007 dollars).


Achievement of Transit Vision 2040 will require the full commitment of Canada's federal, provincial, territorial, regional and municipal governments in partnership with transit systems, suppliers and CUTA itself. Together these organizations will provide the leadership, knowledge, resources, innovation, determination and spirit of partnership that can make Transit Vision 2040 a reality, for the benefit of all Canadians.

The next steps in advancing Transit Vision 2040 includes promoting the strategy and having same endorsed by transit systems and Municipal Council's and have the systems use the Transit Vision 2040 as a framework for their own organizational strategic and business plans.

As previously indicated, the Transit Vision 2040 strategy is very much in keeping with London Transit's Long Term Growth Plan and the direction of the Transportation Master Plan 2030. As recommended, the Transit Vision 2040 Strategy will be incorporated in future Business Plans, commencing with the development of the 2011-2014 Business Plan and other related annual work plan initiatives.

LTC Administration requests the opportunity to present a 5 minute video on Transit Vision 2040 prepared by CUTA at the Civic Works Committee's February 13, 2012 meeting.

Yours truly,

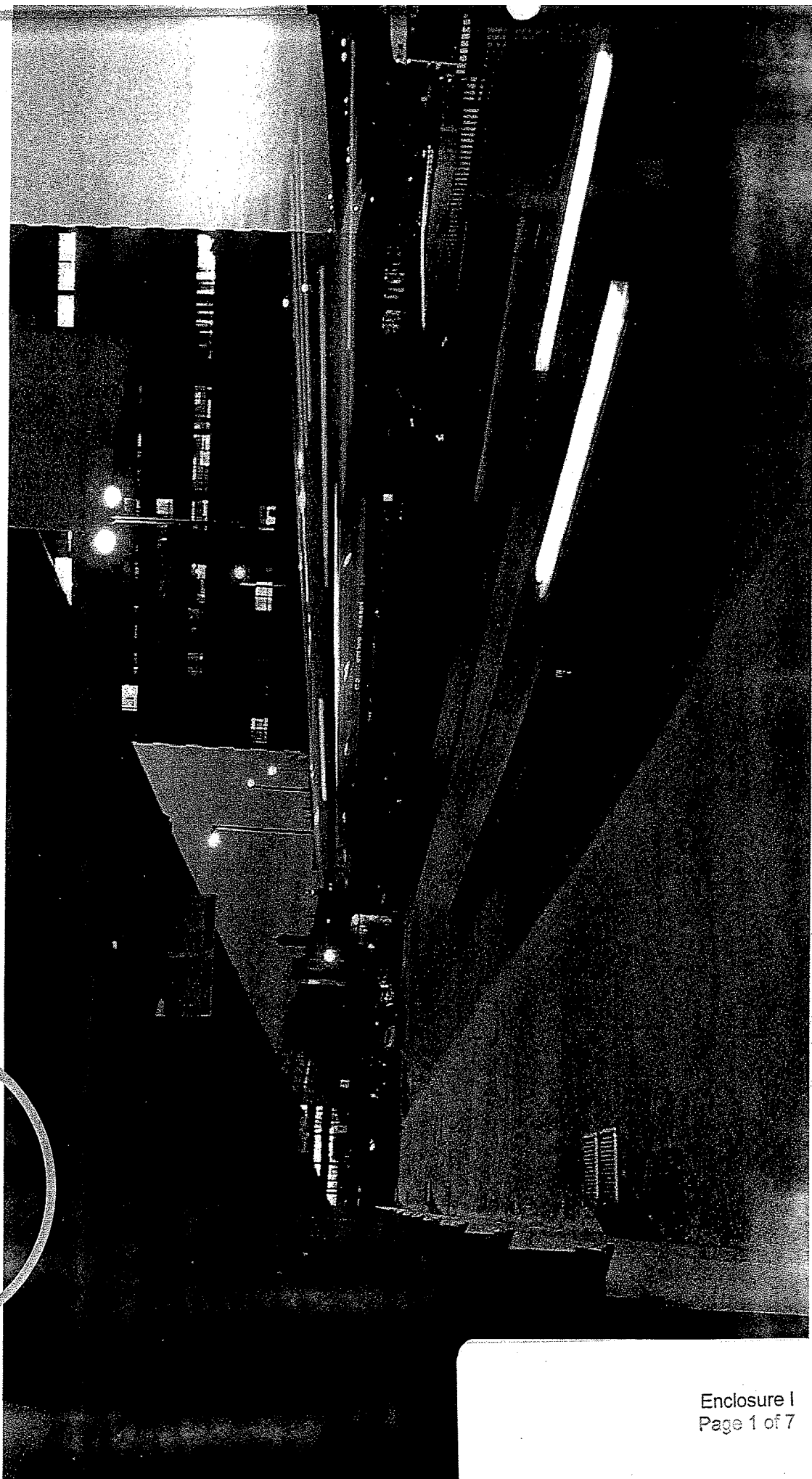
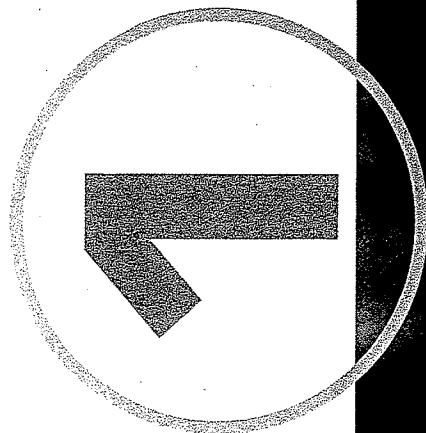


Larry E. Ducharme
General Manager

Enclosure

1 - Transit Vision 2040 – Executive Summary

Executive Summary



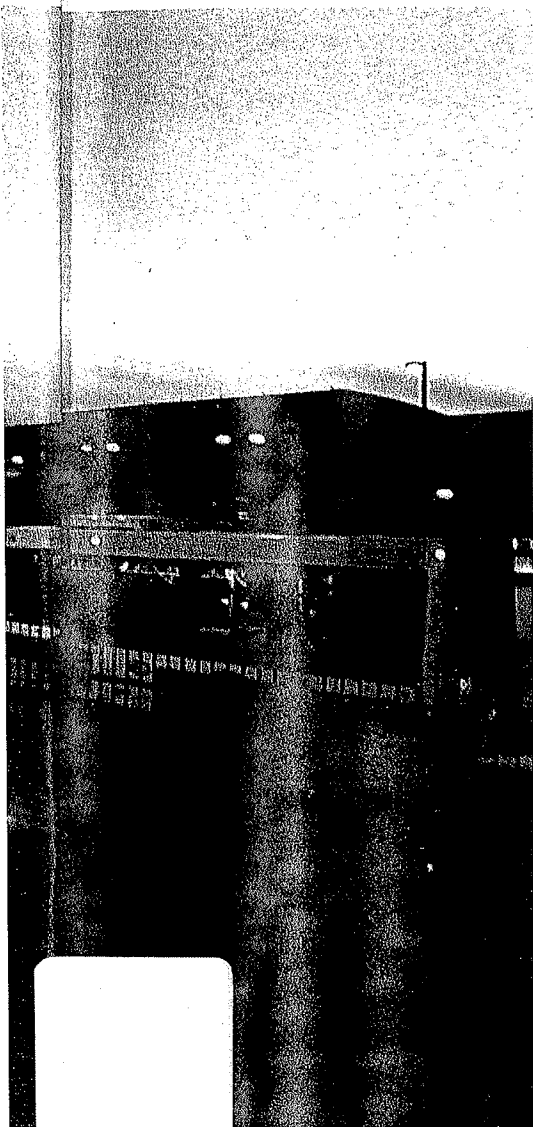
TRANSIT IN CANADA

Transit today. Public transit contributes substantially to the quality of life enjoyed by Canadians. For over 100 years, Canada's transit industry has supported our communities' most vital goals: a vibrant and equitable society, a complete and compact community form, a dynamic and efficient economy, and a healthy natural environment.

Transit is widely recognized as an important part of the solution to national challenges such as climate change, public health, and safety and security. Indeed, transit's profile among the Canadian public and decision makers is the strongest in decades, and transit ridership and investment are both at all-time highs. In our largest metropolitan areas, governance structures are evolving to better support comprehensive, integrated transit solutions. Transit systems are responding to shifts in demographics and customer expectations, and are adopting new technologies to improve efficiency and reduce environmental impacts. There are challenges as well, including a trend toward rising costs and fares that could lessen transit's competitive edge as the main alternative to car use in urban areas.

A forward view. The path ahead, however, is not free of risks. The costs of providing transit service are rising inexorably. Pressures on government finances are leading to higher transit fares, which in turn reduce the competitiveness of transit as the most significant alternative to car use in our cities. The urgency around climate change and other environmental problems is driving the development and adoption of new, cleaner technologies that can both complicate operations and increase costs.

As we near the end of the millennium's first decade, Canada's public transit industry faces an unprecedented need to grow and evolve from within, while it simultaneously faces many changes posed by a world in flux. Looking ahead, a fast-approaching array of opportunities and challenges will drive major shifts not only in how the transit industry can meet the needs of Canadians, but in how Canadians can best offer the support transit needs to do its job.



THE REALITY OF CHANGE

As the years unroll toward the Vision's horizon of 2040, transit systems and the communities they serve must evolve together. Neither will be buffered from changes that affect the other, and both must deal with numerous trends that are unfolding across Canada and around the world.

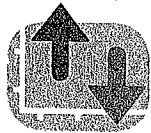


Society. By 2040, Canadian society will wear a different face. Accelerating urban growth and aging of the population will drive an increase in the number of Canadians who rely on transit to get around, but who may also require a higher standard of accessibility and security.



Culture / Community form.

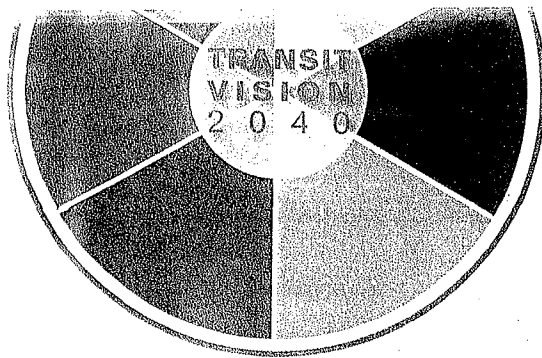
Today's emerging movements toward smart growth and energy conservation will bring about new frameworks for urban development. Canadian cities will strengthen their urban cores and reshape suburban communities to offer more intensive and diverse uses, and to more efficiently accommodate a growing population. However, expectations for personal mobility will increasingly conflict with the physical limitations of urban systems, and travellers will suffer the delay and cost consequences of mounting congestion.



Economy. The risks posed by deteriorating urban mobility to economic competitiveness will become increasingly evident in the face of growing congestion, rising travel costs, and demographic conditions that limit the supply of workers. More and more, the competitiveness of local economies will depend on preserving quality of life through innovative, flexible public transit solutions that return maximum value to travellers in exchange for their time and money, and to governments in exchange for their investments in capital and operating needs.



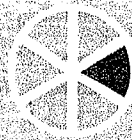
Environment. Canadian communities face increasingly climate-constrained conditions. A low-carbon energy paradigm will drive market- and technology-based changes that protect the environment but increase public and private costs. Public support for energy-efficient strategies will translate into more sustainable community design and greater individual willingness to adopt new travel behaviours, but it will also strengthen the imperative for transit systems to green their internal operations.



This Vision for 2040 does not describe an idyllic state. The profound challenges facing Canadian communities demand a more strategic approach—one that outlines the directions that must be taken to meet broad goals by anticipating, or responding to, the opportunities and obstacles that are expected. These actions are grouped within several major themes.

Putting transit at the centre of communities. Without a more transit-supportive social and political culture, Canadian communities are unlikely to offer the enhanced context and resources

that transit needs to fulfill its potential. Canada's governments will collaborate to develop a national transit policy framework that is integrated and consistent, that clarifies roles and responsibilities, and that sets meaningful objectives for transit. This framework will benefit from efforts to embed into decision-making processes a stronger common understanding of transit's support for quality of life objectives, grounded in a "triple bottom line" perspective. More tangibly, success for transit will also require a more integrated approach to planning and designing vital, sustainable communities. Transit's role and needs will be more evident as primary considerations within community plans, and greater priority will be placed on the creation of mutually supportive transit systems and land use environments through progressive development and design principles.



Revolutionizing service. Transit systems across Canada will greatly improve the availability, frequency, reliability and speed of their services.


Regional rapid transit networks will be expanded to boost capacity, increase efficiency and maintain competitiveness for longer trips. Transit priority solutions will provide financial and service benefits by helping transit services avoid the effects of traffic congestion. In the suburban communities where future growth will be concentrated, accelerated investment in infrastructure and operations will accompany progressive approaches to development and redevelopment in order to enable a "quantum leap" in transit's role and effectiveness. Urban cores that face continued intensification will also require efforts to renew and upgrade aging transit facilities and services. Of course, successfully tying together all these improvements—rapid transit and surface transit, both urban and suburban—will require seamless coordination to bridge gaps in governance, planning and operations. In smaller communities, the establishment of formal transit services can be facilitated by support from provincial governments and the involvement of local transportation providers and major employers.




Focusing on customers. Based on a recognition of the primacy of travellers' needs, Canada's transit industry will rely on creativity and flexibility to satisfy a customer base that is growing more

discriminating and diverse. Future growth in the number of seniors and persons with disabilities will transform the transit market and require the greatest possible integration of conventional and specialized services, accompanied by customer-oriented services to manage demand and maximize satisfaction. Transit services that improve travel options for pedestrians, cyclists and car users will be extended, and transit systems will increasingly seek a role as the hub of all travel options within their communities. Transit systems will respond to market needs and technological opportunities by adopting flexible fare structures and systems that permit fares to be customized in a way that maximizes value to, and revenue from, the customer base. Customers will also enjoy enhanced safety and security, as well as timely, accurate and convenient access to customized information that helps them make the most of their transit experience.


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Greening transit. In the environmental arena, the transit industry faces a two-sided challenge: to provide maximum support for local and national sustainability, while minimizing its own ecological footprint. Success will require each transit system to find a way of meeting environmental expectations without subverting parallel objectives related to the effectiveness and efficiency of transit service. As a whole, the industry will develop forward-thinking strategies for greening in general, and for energy efficiency in particular. These strategies will address issues related to climate change and energy policy, research and development, technology, legislation, market conditions, financing and other sector-level concerns. At a more local level, individual transit systems will pursue on-the-ground initiatives related to procurement practices, materials management and waste disposal, as well as an accelerated transition to less-polluting and renewable energy sources for vehicle propulsion and other aspects of operations.



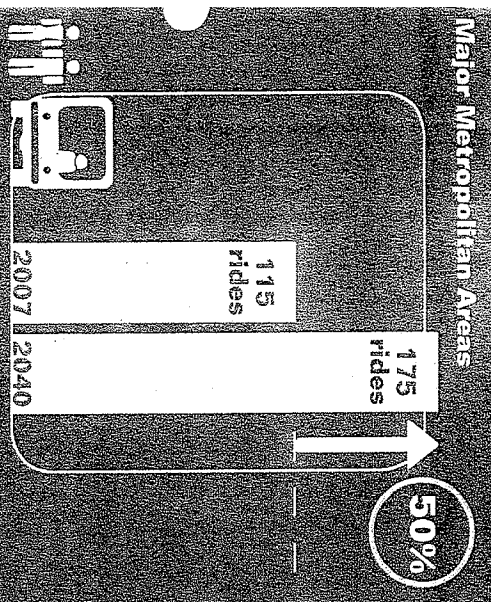
Ensuring financial health. Despite positive trends in provincial and federal government funding, communities will face a growing transit infrastructure gap as well as a seriously constrained potential to fund the dramatic growth in operations anticipated by this Vision. These threats to transit's financial health will be overcome. First, upper orders of government will establish mechanisms that guarantee predictable, reliable and adequate capital funding for transit. Those same orders of government will also establish performance-based mechanisms for operating funding, ideally generating the required revenues through transportation pricing strategies that create equity among modes and encourage transit ridership. Local governments will respond to this assistance by working to maximize support for their portion of operating costs. This will be particularly important as overall operating costs are expected to grow substantially over time. To some extent, their success may rely on the application of new transportation pricing tools that use incentives and disincentives to generate revenue and motivate more sustainable travel behaviour by consumers. Finally, even with success in these envisioned areas, transit systems will seek continuous improvements in efficiency that reduce capital or operating costs.



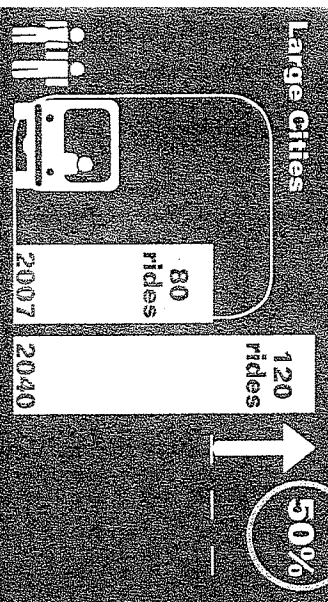
Strengthening knowledge and practice. Many of the strategic directions within this Vision will require the transit industry, as a whole, to strengthen its ability to understand challenges and find effective solutions. In the area of human resources, creative approaches to attracting and retaining skilled labour will be required in view of expectations for a dramatically more competitive labour market. In facing their unique challenges, transit systems in smaller communities will benefit from programs that develop and distribute nationally-applicable tools and resources. Other issues where transit systems will benefit from support for centralized knowledge sharing include technology, governance, transit-supportive development, innovative financing and alternative service delivery mechanisms. In addition to greening and energy efficiency, which were discussed previously, guidance on appropriate roles for the private sector in transit service development and delivery is another area where national knowledge sharing will be a benefit.

PROJECTED PER CAPITA RIDERSHIP GROWTH BY 2040

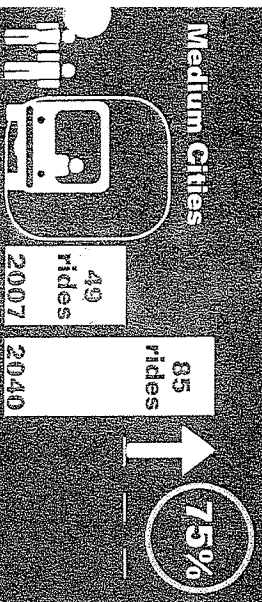
Major Metropolitan Areas



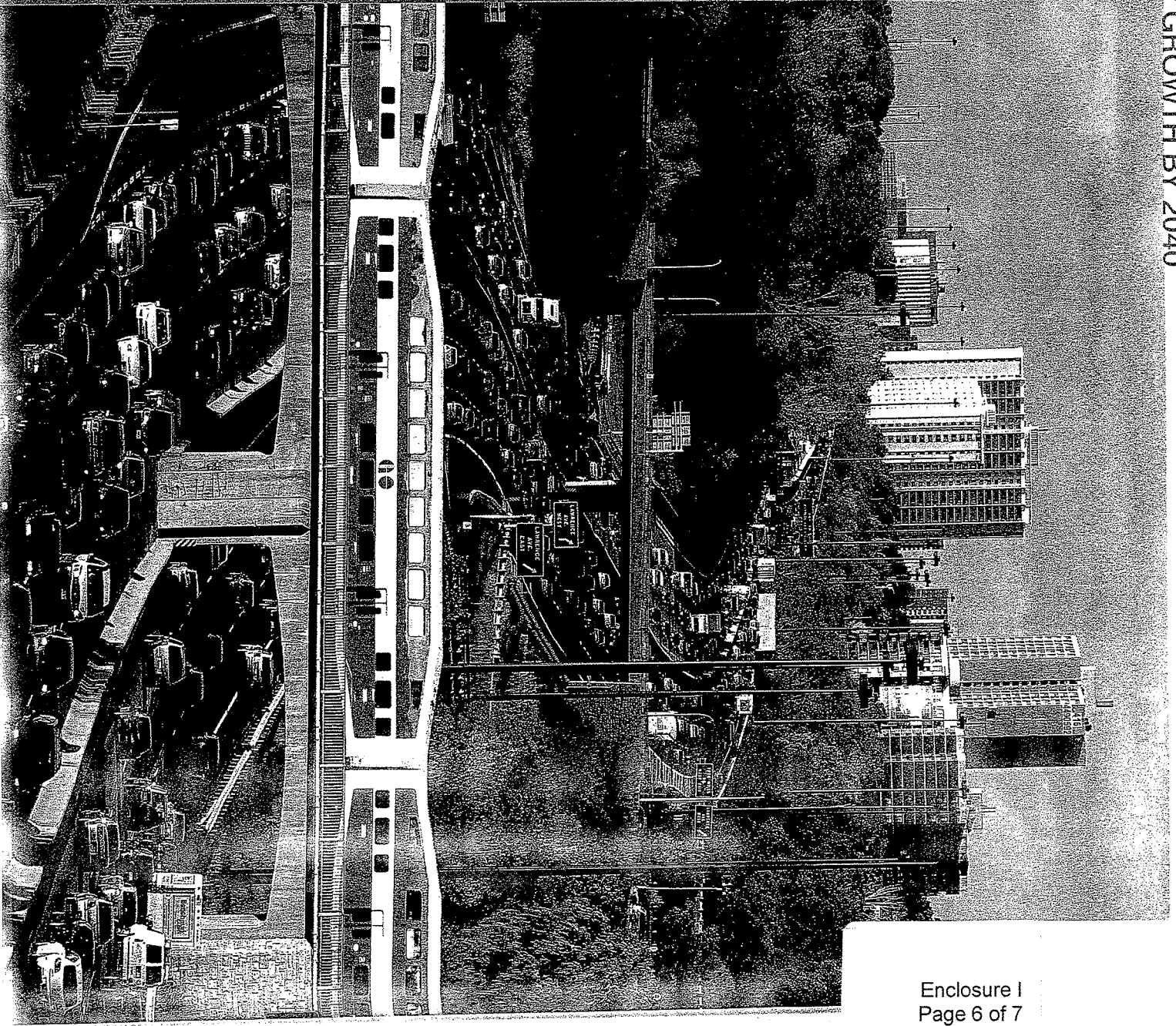
Large Cities



Medium Cities



Small Cities & Small/Rural Communities



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MOVING FORWARD

Moving from vision to action will require a number of initiatives including the implementation of tools to measure progress and the pursuit of short-term priorities.

Transit ridership targets and implications.

The most important indicator of progress toward the Vision will be the number of annual transit trips per capita, at both national and local levels. General targets for per-capita ridership growth by 2040 were developed for five groups of communities (according to population) to help identify the nature of service improvements that may be required:

- As a group, major metropolitan areas of 2 million people or more will see average ridership grow by about 50%, from 115 to 175 rides per capita annually. To do so, they will need to focus on seamless service integration and expansion of rapid transit and commuter rail services.
- Large cities of 400,000 to 2.0 million people will see average ridership increases of 50%, from 80 to 120 rides per capita annually. They will need to focus on extending rapid transit and transit priority systems.
- Medium cities of 150,000 to 400,000 will experience growth, on average, of 75%, from 49 to 85 rides per capita annually. They will do so by improving overall levels of service, and implementing transit priority measures with some higher-order transit services.

Small cities of 50,000 to 150,000 will see annual ridership grow by about 100% on average, from 25 to 50 rides per capita. Their key areas of effort will be very similar to those of medium cities.

- Small and rural communities of less than 50,000 people, and which have transit service, will see ridership grow by 100% on average from 15 to 30 rides per capita annually. Even while some of these communities may see a decline in overall population, the demand for transit will rise in response to demographics. This growth in ridership will be achieved by working with partners to increase basic levels of transit service, or to introduce transit service in communities that do not already have it.

When viewed together in the context of overall population growth, these targets are equivalent to an 86% increase in total national transit ridership, from 1.76 billion trips in 2007 to 3.28 billion trips in 2040. Assuming continuation of current operating cost-recovery from transit fares, this ridership growth implies an increase in government operating contributions of 86%, from \$2 billion in 2007 to \$3.7 billion in 2040 (in constant 2007 dollars).

Monitoring and reporting indicators.

Achievement of this Vision will require progress monitoring and reporting. This process will begin with the establishment of key indicators as well as a data collection and evaluation program for each strategic direction, a task that will be helped by categorizing the strategic directions into three groups according to their principal purpose—support, investment or service. Progress evaluations will vary in terms of their nature (qualitative or quantitative), their scope (national or local), and how supporting data is gathered (general observation, opinion polls or local measurement).

Short-term priorities. A series of actions by transit stakeholders will be required to achieve this Vision. In the short term, priority actions will either exploit immediate opportunities or represent the first steps of critical longer-term strategies. Two key priorities are:

- **Development of CUTA's Strategic Plan,** which will review CUTA's vision statement, and identify specific actions CUTA must take to organize itself internally and the way in which it should engage stakeholders to fulfil the vision; and,
- **Development of a monitoring and reporting plan,** which will outline a framework for gathering and assessing information that is needed to measure progress toward key indicators over time.

Additional short-term priorities have been identified for each of the six strategic directions.