

Charlottetown Transit

Organization

City of Charlottetown, Trius Tours

Status

Ongoing. Service commenced 2005.

Overview

In 2005, the City of Charlottetown partnered with a private bus operator to manage and run a small, local transit system. The system serves Charlottetown's 32,000 residents on five routes six days a week. In a departure from more conventional transit systems, Charlottetown Transit uses heritage style diesel trolley buses that are considered more in keeping with the City's heritage values.

As a public-private partnership, the system operator keeps the \$2 transit fares and receives support from the City of Charlottetown in the form of an annual operating subsidy that is set up on a declining scale. The current subsidy is worth over \$600,000, but will decline to \$375,000 at the end of the five-year contract term at which point it is anticipated that the service will have grown to seven routes and an annual ridership of 250,000. The operator, Trius Tours, is fully responsible for all management of the system, including marketing, operations and all system maintenance. In 2006, Charlottetown's transit services represented just over 1.5% of the City's \$37 million operating budget.

To date, the system has been very well-received with ridership growth surpassing early estimates. In January 2007, the City received \$530,000 in funding from the provincial government to expand and improve the system with the addition of a new bus, the construction of 11 bus shelters (the first in the City) and the development of a pilot park-and-ride facility at an outlying mall.

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Resources

Route and timetable information can be found at the either of these web sites:

www.City.charlottetown.pe.ca/residents/transit_routes.cf
mwww.thebus.ca

Community context

The City of Charlottetown is a community of over 32,000 people located on the south shore of Prince Edward Island. On April 1, 1995, the Charlottetown Areas Municipalities Act came into effect to create the new City of Charlottetown by amalgamating the six communities of Hillsborough Park, East Royalty, West Royalty, Winsloe, Sherwood, Parkdale, and the City of Charlottetown. Covering an area of 42.6 kilometres, Charlottetown is Prince Edward Island's administrative, commercial and tourism centre.

Over the past several years, Charlottetown has been unique among other Canadian provincial capitals with its lack of a multiple bus public transit system. An earlier privately-run transit service, Charlottetown Urban Transit Systems Limited, operated from late 1979 to 1981, but eventually shut down after ongoing deficits and the failure to attract subsidies from the City or province.

A second, single bus system, Charlottetown Transit, was operated by the City on a 5-day service schedule on two relatively circuitous routes designed primarily to allow seniors without access to cars to do their shopping. The service was operated by Trius Tours, the same operator that now operates the larger system, and was supported by an annual \$60,000 grant from the City. With the limited routes and waits as long as three hours between buses, the service became used almost exclusively by older residents and seniors.

Policy context

When Charlottetown amalgamated with six neighbouring communities in 1995, the municipality became responsible for a greatly expanded street network and transit service area.

The City's 2005 Official Community Plan (amended) identified the policy of increasing transit services "within the bound of" the City's fiscal resources.

In 2000, a Public Transit Coalition was formed by 12 environmental, business and community organizations. As a result of the group's pressure, the City of Charlottetown brought in a consulting firm in 2000 to report on the feasibility of a larger public transit system for the City. Among the report's recommendations was the establishment of a system with three fixed routes that would service greater Charlottetown. While the final report was well-received by the general public, Charlottetown's City Council determined that the estimated costs of launching the recommended service, including the cost of developing the internal capacity (e.g., trained drivers and maintenance staff) would have been too great. In 2003, the City put out a request for proposals for private operators to operate the system on a public-private partnership model.

After reviewing three proposals received, Council voted in 2004 to proceed with the development of a public-private partnership with Trius Tours, a Charlottetown-based commercial tour bus operator and the company that had operated Charlottetown's one-bus system, to develop a larger, multi-route system to better serve Charlottetown's business, student and seniors communities.

Rationale and objectives

Despite its role as an administrative and commercial centre for the province, Charlottetown had difficulties in developing and operating an effective public transportation system. With two post-secondary institutes -- University of Prince Edward Island and Holland College -- and a significant seniors population the demand for equitable and efficient transit system has been consistent and significant.

With extremely limited public transportation options, Charlottetown residents' travel has effectively been restricted to taxis or private cars. An early 1980s study conducted by Transport 2000 PEI, a non-profit public transportation advocacy

and research group, determined that sole dependence on the automobile for private transportation causes mobility problems for a large percentage of the area's population. The study found that 40% of the Charlottetown area residents were without independent means of transportation and that many residents were forced to take expensive taxi trips, ride with friend and relatives or not make trips at all.

The public-private partnership transit delivery model was adopted by the City of Charlottetown in recognition of the City's limited financial capacity and human resources. By using an established coach company, the City could minimize infrastructure and training issues while providing an appropriately-sized transit system for the small City.



One of Charlottetown Transit's trolley look- alike buses

Actions

Following an extensive independent study, the City of Charlottetown entered into a public-private partnership agreement with Trius tours, a Charlottetown-based commercial tour bus operator. Under the agreement, Trius agreed to manage and operate a small, multi-bus system for Charlottetown on five routes. In addition to overall operation, maintenance and management, Trius is also responsible for all marketing.

Under the terms of the agreement, Trius receives an annual operating subsidy from the City. The operating subsidy was set up on a declining balance, so that by the end of the contract's five year term, the subsidy will have decreased from over \$600,000 to \$375,000. The reduction in the operating subsidy will be offset through a projected increase in system riders and total fares collected. The increase in transit users will be partly generated by the

expansion of the service to seven routes by 2008. Annual ridership is projected to grow to 250,000 by 2010.

The system is unique in Canada in its use of historically-themed trolley look-alike buses that were selected to fit in better with Charlottetown's historic feel and to support the City's important tourist industry. The trolleys have a capacity of 41 people, with 24 passengers seated and 17 standing.

The service began in the fall of 2005 and operates from 6:30 AM to 6:45 PM Monday to Saturday. Route # 1 serving the University of Prince Edward Island runs on extended hours to 11pm Monday to Saturday. Cash fares are \$2 and discounted ticket books of 20 tickets are available for \$34, or \$1.70 per ticket. Monthly passes will be available in the spring of 2007. Morning and evening rush-hour headways are 20 minutes, while non-rush hour headways are typically 35 minutes to one hour.

As a private operator, Trius has been particularly dedicated to ongoing marketing of the service to help ensure that rider targets are met. When the service was launched, a special 9-page insert was included in local newspapers and there was considerable media coverage (radio, TV and newspapers). Transit timetables and maps are widely available at area universities, City Hall and local businesses. Users can also access an on-line trip planner.

More recently, Charlottetown Transit has partnered with Queen Charlotte Junior High School, Staples Business Depot and the Upper Room Hospitality Ministry Food Bank on a 'Go Green' transit program to encourage students to use Charlottetown Transit for extra-curricular travel outside the parameters of the normal school bus system. For every student who uses the transit system for school related extra-curricular activities, Charlottetown Transit donates \$0.50 of the \$2.00 bus fare to the school. The school uses \$.25 to help enhance extracurricular programs and to establish a green courtyard at the school and donates \$.25 to the local food bank. Students also receive a ballot from the driver every time they ride the Charlottetown Transit for extra-curricular travel

for a monthly prize draw of \$20 worth of school supplies. Most of the students using the system are grade 7 and 8 students traveling home from after school band practice and grade 9 students going to Monday evening band practice.

Results

To date, the service has exceeded ridership expectations and important fare revenue targets have been met. Monthly ridership has grown steadily from 6,000 riders a month at the start of service in October, 2005 to over 12,000 monthly riders by January, 2007. By 2010, annual ridership is projected to have grown to over 20,000 per month or 250,000 annually. The route that serves the University of Prince Edward Island is currently the system's most popular, generating 35% of total ridership.

Participants

In 2005, the City formed a public/private partnership with Trius Tours, a local tour bus operator, to operate the local transit service. The City also brought in an outside consultant to develop guidelines for the service and to help develop the service routes. Sears Canada has agreed in principle to participate in a new park-and-ride project being tested in 2007.



A portion of Charlottetown Transit's bus fleet

Resources

The total cost of operating the Charlottetown Transit service is estimated to cost between \$900,000 and \$950,000. Currently, the system's private operator receives a \$600,000 subsidy that is set to decline each year to \$375,000 by 2010. At that time, 65% of system costs are expected to be covered by transit fares, a percentage that is well

above what most typical public systems generate in transit fares. In 2006, the subsidy and associated costs represented 1.8% of the City of Charlottetown's \$37 million budget. Charlottetown Transit has 14 full-time employees and two part-time employees.

Lessons learned

While Charlottetown Transit was launched only in the fall of 2005, there are some early lessons learned in developing and managing it. These include:

- **Passenger amenity infrastructure is important:** When the service was launched, there were no formal bus shelters. The lack of shelters made waiting more difficult for riders, particularly during winter months and rainy days. Charlottetown Transit is in the process of constructing new transit shelters and passenger amenities.
- **Customer service is key:** As a private sector business, Trius Tours, brought it's dedication to customer service to Charlottetown Transit. The company conducted its own research in developing the route network and met businesses and schools to determine "pocket demands." Trius has also carried out extensive and ongoing marketing and promotion. New marketing programs will target the City's significant tourist market. Their entrepreneurial spirit and energy has helped drive ridership numbers.
- **Privately operated transit systems can be a viable option for smaller centres:** As a small City with no publicly-owned transit system upon which to build, the City of Charlottetown understood that the costs of developing a system "from scratch" could be cost prohibitive. By entering into a public-private partnership model for public transit delivery, Charlottetown avoided the additional costs associated with setting up a stand-alone transit department, including driver training, bus maintenance and operations.

Trius was able to bring these skills and facilities to the transit service and reduce both start-up costs and annual operating subsidies.

Next steps

In January 2007, the province announced \$530,000 in funding for the Charlottetown Transit System. The funding was made possible through the Public Transit Capital Trust Program and will be used to purchase one new transit bus, construct 11 bus shelters (the first in the system) and to develop a park-and-ride terminal at an outlying mall. The new bus will replace an older one which is at the end of its service life.

The City is hoping to boost the number of people using its transit system with a new park-and-ride pilot project. The City has approved spending \$50,000 in transit funding from the federal government on the project. Sears Canada has agreed in principle to donate a portion of its surface parking lot for the five-month pilot study and Charlottetown Transit will actively monitor and track lot and system use (i.e., ridership). The park-and-ride service will be launched in 2007. A final decision on whether the service will be offered on a permanent basis will be made by the spring of 2008.

Charlottetown Transit is also exploring expanding its successful 'Go Green' transit program to a second high school.



The first of 11 new bus shelters to be installed in 2007