

MEETING DATE: JANUARY 12, 2005

SUBJECT: Post-Implementation Review - 133 Neilson Service To Morningside Heights

RECOMMENDATIONS

It is recommended that the Commission:

1. Approve making the currently-on-trial 133C NEILSON route extension to Morningside Heights part of the regular TTC network during the peak periods and early evening from Monday to Friday because of its satisfactory ridership and financial performance;
2. Approve the trial operation of new periods of service on the 133C NEILSON route to Morningside Heights during the midday from Monday to Friday, and during the daytime and early evening on Saturdays, Sundays and holidays, effective March 27, 2005; and
3. Forward this report to City of Toronto Councillors Cho, De Baeremaeker, and Soknacki, and to City of Toronto Works and Emergency Services.

FUNDING

The cost of operating the current trial peak and early evening services on the 133C NEILSON route extension is included in the 2005 Operating Budget. The operation of the recommended new trial services will result in little or no additional net operating cost because the increase in direct costs of \$140,000 is expected to be completely offset by increased revenue from passengers using the new services.

BACKGROUND

Based on approvals received as part of the *Service Improvements for 2003* report, the 133 NEILSON route was extended north from Finch Avenue to the new Morningside Heights neighbourhood in October, 2003. The service was initially provided during weekday peak periods on a temporary routing. Service in the early evening on weekdays was introduced in May 2004 and, in September 2004, the route was extended to be more consistent with the originally-approved permanent routing. The current routing is illustrated in Exhibit 1.

This report provides the post-implementation review of the new 133C NEILSON (Scarborough Centre Stn-Morningside Heights) trial services and also provides an analysis of, and recommendation for, additional periods of operation of the 133C NEILSON service to Morningside Heights.

DISCUSSION

The TTC uses a formal process for planning and evaluating service changes based on a set of Commission-approved service standards. Every new service that the TTC introduces is initially operated on a trial basis. After the trial period, when ridership on the service has approached a mature state, passenger counts are taken, the performance of the route is reviewed, and a recommendation is made regarding its future. All service changes are reviewed to ensure that the original objective of better service for customers has been

met. New routes and extensions, which have been introduced at an additional cost, undergo a ridership and financial review to check that the service has met established standards of acceptable financial performance. The overall review also considers comments that have been received from customers and the community, and the experience that has been gained in operating the service.

A service change, which has met its performance objectives, is recommended to be made a regular part of the TTC system. If a service change has been unsuccessful in some way, then a recommendation is made to either make further changes for another trial period or to remove the service.

The compulsory post-implementation review of every trial of a service change ensures that the success or failure of every service change is assessed consistently and fairly, and that there is full accountability to the Commission on matters which affect the service that is provided to customers.

Most service changes are successful, in that they attract as many or more people than projected, and have a financial performance that meets the TTC's minimum requirement. Of the 55 trial service changes made since 1998, 39 of the changes have been successful in their post-implementation review, and are now a regular part of the TTC system. The post-implementation reviews of the successful trial service changes are usually included in the annual report on Service Improvements.

Monday to Friday peak period service to Morningside Heights

The 133 NEILSON route was extended north from Finch Avenue to the new Morningside Heights neighbourhood in October 2003. The new 133C NEILSON (Scarborough Centre Stn-Morningside Heights) service initially operated during the peak periods from Monday to Friday, over a shorter, temporary routing. In September 2004, the 133C NEILSON service was expanded to operate over the present on-street loop, serving more of the Morningside Heights neighbourhood, because road and housing construction in the area had progressed enough that the originally-planned routing could be introduced. Monday to Friday peak period service operates every 20 to 22 minutes.

The new service was introduced as one of the service changes recommended in the report on *Service Improvements for 2003*. Before this service change was made, customers living in this new neighbourhood had a very long walk to the nearest bus stops at Finch Avenue East and Neilson Road or at Morningside Avenue and Old Finch Road.

It was projected that ridership on the new Monday to Friday peak period service would be approximately 320 customer-trips each day initially, and that this ridership would increase to approximately 875 customer-trips each day when the new residential area was fully built and occupied. Counts of passengers taken in the fall of 2004 on the new peak period service show that approximately 810 customer-trips are made each day on the new peak period service. Most of the residential area served by the new service is now occupied.

The operation of the new service has increased direct operating costs by approximately \$80,000 each year. One bus has been added to the TTC's scheduled fleet requirement to operate the service. Fare revenue generated from the current peak period passengers is approximately \$230,000 each year. Because the new peak period service generates more fare revenue than the related increase in operating costs, the new service meets the TTC's minimum financial standard. As a result, Monday to Friday peak period service is recommended as a regular part of the TTC route network.

Monday to Friday early evening service to Morningside Heights

New early evening service from Monday to Friday on the 133C NEILSON (Scarborough Centre Stn-Morningside Heights) branch was introduced in May 2004. The service operates every 26 minutes, until approximately 10:00 p.m. The new service was introduced as a result of a Commission direction at its meeting of February 25, 2004.

Counts of passengers taken in the fall of 2004 on the new early evening service show that approximately 100 customer-trips are made on the route each evening. The operation of the new service has increased direct operating costs by approximately \$37,000 each year, as one bus was added to operate the service. Fare revenue generated from the early evening passengers is approximately \$30,000 each year. The comparison of operating costs with the projected increase in ridership indicates that Monday to Friday early evening service meets the TTC's financial standard of a minimum of 0.23 new customers per net additional dollar of operating costs. As a result, Monday to Friday early evening service is recommended as a regular part of the TTC route network.

Customer comments

The new 133C NEILSON (Scarborough Centre Stn-Morningside Heights) service has been popular with customers living in the Morningside Heights area. Numerous calls and letters have been received from customers asking for additional periods of service, more frequent service, and changes and extensions to the routing. Many of these comments were received before the service began operating in October 2003, and before the on-street loop was expanded in September 2004. These comments indicate that customers who lived beyond a convenient walk of the other TTC services to the south were looking forward to the improvement in transit service that the new 133C NEILSON service would bring to the neighbourhood. Councillor Cho has also passed on comments about the service to the TTC, and has requested that additional periods of operation be evaluated as soon as possible.

Other specific requests received by the TTC from customers pertain to the installation of shelters at bus stops. This is a responsibility of the City of Toronto. Typically, City staff wait until a new service is confirmed as a permanent part of the TTC system before installing permanent fixtures such as shelters. Once this service has been confirmed as permanent, TTC staff will work with City staff to install shelters at appropriate stops. Similarly, there are a number of bus stops where paved platforms are required. Once the service is confirmed as permanent, TTC staff will ask City staff to install permanent bus stop platforms.

Operational issues

The routing through the Morningside Heights area is operationally satisfactory. Minor delays have occurred because of ongoing construction in the neighbourhood, but these are not significant, and will be eliminated once the area is fully constructed.

For a new service in a newly-developed area, ridership on the route is relatively high, and is being monitored carefully by TTC staff. If the average number of customers per bus exceeds the maximum standards, then service on the 133C NEILSON branch will be increased.

Future changes

Several future changes are expected to transit service in the Morningside Heights area. A routing change will likely be necessary when the final alignment of Finch Avenue at Staines Road is constructed. This routing change should allow 133C NEILSON buses to serve more of the south-east part of the Morningside

Heights area. TTC staff are continuing to work with City of Toronto staff on other changes to the road network in and near the Morningside Heights neighbourhood. Possible future routing changes, when roads and looping facilities permit, include an easterly extension of the 39/139 FINCH EAST routes, and a northerly extension of the 116 MORNINGSIDE route. Any recommended changes will be reported to the Commission in the annual report on service improvements.

Analysis of additional periods of operation of the 133C NEILSON route to Morningside Heights

As part of the post-implementation review of the new 133C NEILSON service to Morningside Heights, a review of additional periods of service on the new route was undertaken. Additional periods of operation are recommended for trial operation if the forecast ridership, in each case, would result in a service that has acceptable ridership and financial performance based on the TTC's approved standards.

It is recommended that new trial service on the 133C NEILSON (Scarborough Centre Stn-Morningside Heights) branch be provided during the midday from Monday to Friday, and the daytime and early evening on Saturdays, Sundays, and holidays. Service would operate every 20 to 30 minutes. The change would improve service by reducing the distance that customers in the area need to walk to their nearest bus stop. With these changes, service on the 133C NEILSON branch would operate from approximately 6:00 a.m. to 10:00 p.m., Monday to Saturday, and from approximately 9:00 a.m. to 10:00 p.m. on Sundays.

During the midday from Monday to Friday, it is projected that approximately 370 customer-trips would be made on the new service, of which approximately 260 would be new to the TTC, and would be attracted by the new service. An additional bus would be required to provide this service at a direct operating cost of \$59,000 per year.

During the daytime on Saturdays, it is projected that approximately 515 customer-trips would be made on the new service, of which approximately 360 would be new to the TTC. During the early evening on Saturdays, it is projected that approximately 105 customer-trips would be made on the new service, of which approximately 70 would be new to the TTC. These new Saturday services would have a direct operating cost of \$39,000 per year.

During the daytime on Sundays, it is projected that approximately 315 customer-trips would be made on the new service, of which approximately 220 would be new to the TTC. During the early evening on Sundays, it is projected that approximately 70 customer-trips would be made on the new service, of which approximately 50 would be new to the TTC. These new Sunday services would have a direct operating cost of \$42,000 per year.

The comparison of operating costs with the projected increase in ridership for these services indicates that Monday to Friday midday and Saturday, Sunday, and holiday daytime and early evening service would meet the TTC's financial standard of a minimum of 0.23 new customers per net additional dollar of operating costs. These recommended new services would begin operation on March 27, 2005.

The comparison of operating costs with the projected increase in ridership during the late evenings, seven days a week, indicates that late evening service would not meet the TTC's financial standard of a minimum of 0.23 new customers per net additional dollar of operating costs. As a result, new late evening service is not recommended. The addition of late evening service would be further evaluated as part of the post-implementation review of any new periods of service which are introduced.

Table 1, below, summarises the financial performance of all periods of operation of the 133C NEILSON service.

Table 1: Financial performance, 133C NEILSON service		
Time period	Customers gained per net \$ spent (must be >0.23)	Status and recommendation
Monday-Friday peak periods	Revenues exceed costs	<ul style="list-style-type: none"> • Now operating as a trial service • Meets financial standard • Recommended as permanent
Monday-Friday midday	Revenues projected to exceed costs	<ul style="list-style-type: none"> • New proposal • Meets financial standard • Recommended for trial period of operation
Monday-Friday early evening	Actual: 2.34 cust/\$	<ul style="list-style-type: none"> • Now operating as a trial service • Meets financial standard • Recommended as permanent
Monday-Friday late evening	Projected: 0.18 cust/\$	<ul style="list-style-type: none"> • New proposal • Does not meet financial standard • Not recommended for trial operation
Saturday daytime	Projected: 17.55 cust/\$	<ul style="list-style-type: none"> • New proposal • Meets financial standard • Recommended for trial period of operation
Saturday early evening	Projected: 2.32 cust/\$	<ul style="list-style-type: none"> • New proposal • Meets financial standard • Recommended for trial period of operation
Saturday late evening	Projected: 0.11 cust/\$	<ul style="list-style-type: none"> • New proposal • Does not meet financial standard • Not recommended for trial operation
Sunday daytime	Projected: 0.99 cust/\$	<ul style="list-style-type: none"> • New proposal • Meets financial standard • Recommended for trial period of operation
Sunday early evening	Projected: 1.02 cust/\$	<ul style="list-style-type: none"> • New proposal • Meets financial standard • Recommended for trial period of operation
Sunday late evening	Projected: 0.16 cust/\$	<ul style="list-style-type: none"> • New proposal • Does not meet financial standard • Not recommended for trial operation

JUSTIFICATION

The Monday-Friday peak period and early evening services on the 133C NEILSON route have performed well, and have met the minimum standards for new services, and so are recommended as a regular part of the TTC route network. Furthermore, an analysis of additional periods of operation of this service concludes that new Monday-Friday midday, and daytime and early evening service on Saturday, Sunday, and holidays

should be introduced on a trial basis. The direct cost of providing these services will be \$140,000 per year and it is expected that these costs will be completely offset by new fare revenue from the passengers using the services.

January 5, 2005

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Attachment: Exhibit 1 – 133 NEILSON route map

