



Movement Matters is a series of inspirational thought leadership events exploring new ideas about places, people and economies. Drawing on experience from leaders from around the globe, these sessions provide a burst of fresh thinking and a great opportunity for industry networking. To attend any of our events register at: www.steergroup.com/events

Event summary

BEYOND TRANSPORT MOBILITY

24 June, 2019

5.00pm-9.00pm

One King West Hotel

1 King St W

Toronto, ON M5H 1A1

With major city regions seeing rapid population growth and economic development, how can city and regional leaders plan and deliver mobility solutions that will ensure livability and prosperity?

Transportation investment can act as a catalyst to economic development and the creation of new housing and employment centers, but can also require significant funding and time. Agencies and regions planning for transit investment need to understand the wider case for investment from plan to platform to passenger, to ensure that projects are developed and implemented in a way that catalyzes regional development and addresses broader challenges such as the availability and affordability of housing and environmental sustainability.

Speakers' presentations

In this session held in Toronto, we brought together an expert panel with different perspectives on the industry in Los Angeles, New York, Seattle, Toronto and Vancouver:

- **Peter Rogoff** is CEO of Sound Transit serving the Seattle area. Since joining in 2016, Peter ushered in the Sound Transit 3 ballot measure, at \$54 billion the largest transit system expansion in North America. Peter's previous experience includes periods on the Senate Appropriations Committee, the Transportation Subcommittee and the Department of Transportation.
- **Kevin Desmond** is CEO of TransLink serving the Vancouver area. TransLink moves 500,000 people every day on bus, transit, ferry and para-transit services. Ridership has grown more than 18% since 2016 during which period TransLink has secured \$9 billion of investment, the largest ever in British Columbia.
- **Laurie Lombardi** is Interim Chief Planning Office at LA Metro serving Los Angeles. Laurie is focusing on funding initiatives including Measure M; a sales tax measure set to generate \$120 billion over 40 years to expand rail, rapid bus, and bike networks. She was previously at New York's MTA Capital Construction where she delivered the Second Avenue Subway and the Line 7 extension.
- **Joshua Engel-Yan** is Principal Sponsor of Metrolinx serving Toronto. He champions best practice project governance approaches to ensure that planned project benefits are defined, tracked and delivered as outcomes. He specializes in evidence-based transport planning and investment appraisal and oversaw work leading to the GO Expansion Full Business Case.

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Question 1: what are the key ingredients in a major transit or transportation project to support regional economic goals, growth and sustainable development?

Peter explained how in Seattle's ballot initiatives, voters were given a map of projects and the proposed tax increment to fund them. Once adopted, the map had the force of law, locking Sound Transit in for 25 years even if development patterns changed, which meant that the proposals had to be right. This was not a limitation when the local topography defined the possible transit corridors, but there was a need to consult planning authorities particularly because powers over land use are dispersed among 51 separate cities. Washington has no income tax so local sales taxes are important to each city, requiring careful choice of transit alignments to minimize any losses of local business. In addition, major employers, including large local tech firms, want to offer their employees transit-accessible employment. The East Link Extension connecting Seattle to Redmond via Bellevue is planned to open in 2023 and one firm wants to move jobs to Bellevue on the Extension's opening day.

Kevin said that, in the Vancouver area, TransLink's was established as an entity which could be a shaper and work closely with the regional land use planning entity. Metro Vancouver creates a Regional Growth Strategy (RGS) and then each municipality creates an Official Community Plan (OCP). As the transportation planning entity, TransLink can work with the RGS and OCPs to help shape accessibility and define where development will happen. Developers are beginning to see the benefits of investing on transit lines and bus routes. TransLink is also working closely with the host municipalities of the major projects, such as the Broadway subway project in Vancouver and the new SkyTrain project in Surrey. TransLink enters into specific policy agreements (SPAs) with the cities on issues such as sidewalks, station access, development density and housing affordability to ensure that the projects work well.

Laurie must work with the 88 different cities in Los Angeles county, but explained that most of the LA Metro board are elected officials who represent the sub-regions. For example, in developing the expenditure plan for Measure M, approved in November 2016, they set out a 40-year expenditure plan with around 70-line items based on extensive discussions with officials and with residents. Given the funding already in place, the need to address some corridors was obvious, but this was not always the case. While subways are popular, they are expensive, and there was a need to explain to some cities that bus rapid transit (BRT) was the best option for their requirements, in some cases mitigated by including BRT projects which could later be converted to light rail. Measure M also raised multi-regional planning funds: the local authorities can decide whether these are prioritized on local streets, on roads, buses or other items. Mike asked whether there was a need for development agreements with local authorities. Laurie said that they did: many of the initiatives have a target for affordable housing; some involved sensitive negotiation about the unpopularity of removing on-street parking to provide space for transit.

Joshua explained how Metrolinx used "benefits management" to ensure that the benefits identified in the original transportation case were delivered. This incorporated not only the business case but also regular check-ins on projects to confirm that they still deliver value. The project check-ins would confirm, for example, that arrangements would be in place for tasks such as moving utilities or working on stations. A critical issue was to maintain a broad overview of each project at all stages considering the context, including integration with other projects, as well as the details of how it would be delivered on time and on budget. One of the challenges has been rapid employment growth: projected 2031 downtown employment was exceeded in 2016.

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Question 2: how do you ensure that organizations have the delivery capacity and capability?

Peter said that this was partly a challenge of dealing with a changing scale. Ten years after opening, the light rail system was now being extended out in five different directions under the \$54 billion Sound Transit 3 program. With so many things happening in the period to 2024, there was a need to identify strategic priorities. Initially, there had been little communication between planning, design, engineering, construction, and operating staff, who all worked independently in separate locations. The municipalities would get to know the planning team and then suddenly find themselves talking to a different team. Two major changes were introduced. First, on the project side, teams now include planning, design, engineering, construction, and operating staff “from cradle to grave”, with the leadership shifting between the three functions (“flipping the triangle”) as the project develops. Second, on the agency side, all the Executive Directors have been co-located on one floor as a team. Culture change can take up to six years but as the authority has grown to over 1,000 employees, new recruits are introduced to six clear corporate values around which performance management and reviews are driven. Perhaps the most important value is collaboration; all staff are responsible for the quality of the service given to the customer, even though this is contracted out to other agencies.

Kevin faced a different situation. TransLink had no \$54 billion program, but was racing to grow and expand in a region where demand is insatiable. The infrastructure is ageing: SkyTrain’s original Expo line is around 33 years old now, SkyTrain operates for over 20 hours a day, and there is demand for it to operate overnight Friday and Saturday. This means a focus on systemizing their approach to asset management with a need to integrate their processes before 2025, when the Broadway subway and SkyTrain extension in Surrey opens, a new operating base is built and 200 new cars will have been delivered and commissioned. Achieving this against a background of growing demand presents a major challenge. TransLink make extensive use of consultants, but needs to be able to deliver their scope, schedules and budgets more effectively in-house.

Laurie stressed the importance of maintenance, which must be included in budgets and discussed at the planning stage. At New York, she worked in lockstep with New York City Transit ensuring the operators were part of the program team. LA Metro is not just about planning and building: there are cross-departmental charters to ensure commitments from teams including operations, planning, construction and community relations. LA Metro is a young system and it is already facing challenges of deferred maintenance as the Blue Line is currently shut down for a major overhaul of everything from signal systems to track repair, which would have been unheard of in New York. Capital expenditure is shiny and brings ribbon-cutting, but it would be wonderful to “put a ribbon around state of good repair”.

Joshua said that Metrolinx had just released the request for proposals for the biggest part of the 30-year Design Build Finance Operate Maintain (DBFOM) GO commuter rail expansion program. Building both maintenance and operations into the contract meant giving bidders good information on the condition of the assets to enable them to price their bids. When evaluating projects and requesting funding for them, it was important to look at life cycle, rather than just capital costs. One of the advantages of DBFOM approaches is the need to understand and budget for life cycle maintenance at the time of the funding request.

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Q&A

Mike opened the discussion and took questions from members of the audience.

The first question came from a delegate who had just returned from the UITP conference in Stockholm where there had been much debate over integration between modes and new technologies, such as e-scooters, mobility as a service (MAAS) and transit signal priority (TSP). Are the administrative and political systems ready to tackle these challenges and others, including autonomous vehicles and transportation network companies.

Peter agreed that the technology changing rapidly while the regulatory regime moved slowly, was a challenge. His son working at a tech firm in Seattle, had been given not only a free ORCA card transit pass but also \$150 per month in Lyft credits. Many tech companies also allow staff to work at home one day a week: at Philadelphia's SEPTA, Friday ridership has fallen so low that a weekend schedule would be sufficient. Councils initially supported taxi companies' efforts to restrict Uber and Lyft, but they are now so popular that they must accept them. Kevin had also been in Stockholm and noted the discussion of MAAS and the emergence of electric scooters and bikes. He saw a coming "fight for right of way" and how to allocate space for a more diverse range of types of movement and vehicles. Will parking be needed and, if so, will it all be on-street with no need for separate garages? Every municipal body faces a different mix of issues and TransLink now gets questions on its future approach to services such as bike and scooter share, making it possible that it becomes a de facto regulator.

The second question was related to the experience in Manchester (UK) where they tried to introduce congesting charging in but lost in a referendum. What persuades North Americans to vote for taxes?

Peter said that their ballot measure got 54% of the vote despite asking for a tax increase of \$290 per person and that two main factors may have contributed. First, road congestion around Seattle had doubled in five years with "anywhere-to-anywhere" times, rising rapidly from 20-25 minutes to 45 minutes or even 60-90 minutes on a bad day. Second, just before the ballot, a two-station extension to the light rail to Capitol Hill and University of Washington had opened and created a 60-70% rise in light rail ridership. This dispelled any doubts about whether expensive transit would be used. Laurie said that LA required 67% of the vote, and got 72%, partly helped by presentational points: a half-cent tax seemed small and those voting on a local ballot measure would know that the revenue came back to the community. In addition, properties within a 3-mile radius of a station paid an extra 3% local contribution, reflecting the value they received. Taken together, these apparently small contributions provided a large amount of funding.

The third question related to high speed rail and how projects in California and plans for linking Portland-Seattle-Vancouver could/should be integrated locally?

Kevin said that three years ago, the Governor of Washington and the Premier of British Columbia began with help from Microsoft, what has now become the Cascadia Innovation Corridor. As TransLink CEO, Kevin chairs the Transportation, Housing & Connectivity committee, which is thinking about this question and trying to draw in Portland and Oregon. High-speed rail has huge potential but will only have a few stations: a key issue is where they will be and what connecting transportation will be needed at the nodes they create. Peter said that the role of local transit would be to feed the passengers to the station and hoped that any high-speed rail station would be located on their existing or planned network. There are however, challenges to acquiring new right of way for high-speed line particularly through large and increasingly dense and expensive cities.

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Mike closed the meeting with a summary, identifying three themes:

- **Change** - about the way people are using transit systems, and how infrastructure such as high-speed rail might impact cities;
- **Optimism** - about the availability of funding, and the ability of transit systems to work with communities to bring new cities and economic prosperity; and
- **Realism** - about politicians' near-term goals and ambitions, and the need to partner with other agencies and to understand land-use planning.

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