




**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
Transit Division

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	February 5, 2024
<b>SUBJECT/REPORT NO:</b>	HSR Ridership Recovery Outstanding Business List Item (PW21056(b)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Nancy Purser (905) 546-2424 Ext. 1876
<b>SUBMITTED BY:</b>	Maureen Cosyn Heath Director, Transit Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- a) That City Council, further to report PW21056(a), permanently provides delegated authority to the General Manager, Public Works to establish short-term fare promotions for the purposes of stimulating transit ridership recovery, encouraging new customers, and promoting the new network design;
- (b) That the General Manager, Public Works, or designate report back to City Council annually regarding any short-term fare promotion; and
- (c) That the 72-hour fare product priced at the equivalent of six (6) single rides be made a permanent fare concession effective March 1, 2024.

**EXECUTIVE SUMMARY**

On December 7, 2022, Council approved report PW21056(a), which provided delegated authority to the General Manager, Public Works to create and implement short-term fare promotions designed to assist with transit affordability and ridership recovery. The delegated authority ended on December 31, 2023. Part of the requirement of the delegated authority was an annual report back to Committee, which this fulfils. Beyond the prior use of delegated authority, this report seeks to make permanent the delegated authority to the General Manager, Public Works to establish short-term fare promotions for the reasons outlined in the Recommendations section.

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The pandemic saw significant drops in ridership at transit agencies globally but impactfully highlighted the number of citizens for whom transit was an essential service. It also demonstrated that marginalized groups bore the brunt of the economic impact, and historically, price-sensitivity and affordability have always been identified areas of concern with transit customers. As such, HSR recognized that it could both support the community and implement new fare programs to welcome new customers to transit during the recovery period.

At the beginning of the pandemic in 2020, ridership was as low as 20% of the year prior (2019), while 2023 saw ridership recover to as high as 96% of the 2019 levels as seen in Appendix “A” attached to Report PW21056(b). With the pandemic largely behind us, hybrid work models remain in place and travel patterns are permanently changed. Therefore, HSR must continue to introduce new options to attract new customers through programs that stimulate greater community uptake while also offering affordable fare options.

During 2023, HSR implemented three fare tactics to stimulate ridership: enhanced the loyalty program, introduced a half-price promotion for youth during July and August and extended the 72-hour unlimited use pass. Children ages 6 – 12 ride free with a PRESTO card became a permanent concession, and a 30-month affordable transit program (Fare Assist), rolled out at the beginning of 2024.

In the coming years, there will be disruptions on transit routes from many construction projects, including the Main Street 2-way conversion and the LRT construction. Additionally, the network redesign will both introduce new service and, in some cases, change existing service. Detours and routing changes can be disruptive, but also provide an opportunity to offer enhanced and targeted short-term promotions to support the customer experience and influence new customers to try transit. The ability to offer promotions on specific routes to alleviate traffic or encourage adoption of transit will be beneficial. Therefore, HSR also recommends making permanent the delegated authority to the General Manager of Public Works so that HSR can be nimble and innovative and introduce short-term fare options as needed.

**Alternatives for Consideration – N/A**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: N/A

Staffing: N/A

Legal: N/A

## **HISTORICAL BACKGROUND**

The following is a summary of the promotions initiated through delegated authority provided by Council on December 7, 2022 to assist with ridership recovery and address financial needs.

1. Children aged 6 – 12 ride free with a PRESTO card until April 30, 2023

This pilot program launched November 1, 2021 and concluded on April 30, 2023. In February 2022, the Hamilton Public Library partnered with us offering a free PRESTO card to children who were also library card holders. The Hamilton Public Library has extended this program for the foreseeable future with the allocation of additional funding to continue to provide PRESTO cards. Children ages 6 – 12 ride free with a PRESTO card was made a permanent fare concession by Council on April 12, 2023 through report PW23024.

2. Free Fare Faster – Loyalty

This program launched November 1, 2021 and has helped to address affordability issues for many of our riders, particularly during the height of COVID. This program, which allowed customers to receive free fare after 8 paid rides instead of 11 paid rides, continued into 2023 with a progressive increase throughout the year, returning to the regular 11 paid rides as of October 2, 2023. Over the life of this promotion many riders were able to receive 6 rides free on average per week versus 4 free rides per week when the level was set at 11. This program was intended to thank and welcome riders for their continued support during the pandemic and also provided affordability relief during a difficult time.

3. Summer Special - 50% off Youth Transit – Summer 2023

This program allowed youth to purchase youth fares, tickets or passes, at 50% off for the month of July and August. The promotion garnered an increase in youth ridership of 30,483 or 22%, compared to summer 2022. Based on this uptake, it will likely be repeated in the summer of 2024.

4. 72 hours for \$15 until December 31, 2023

This product has been made available on the PRESTO E-ticket platform since August 1, 2022, and is targeted largely at tourists or short-term visitors, who would typically be new customers to HSR. Customers who purchase this product have 72 hours of unlimited travel on HSR. To the end of 2023, 3,856 passes have been utilized with 18,089 trips taken.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

N/A

## **RELEVANT CONSULTATION**

N/A

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Youth will continue to be an important target audience. This group can be slow to adapt to transit as parents often provide rides to and from various destinations, and yellow school buses are the common means of transport to school for those outside of the school's transportation zone. Therefore, attracting youth can be difficult. Youth ridership remains slow to rebound from the pandemic. Education materials will be delivered to this group along with the school boards and parents to stimulate ridership.

Further promotions will be offered to continue to grow ridership in this demographic, noting that with the implementation of the Fare Assist program that addresses affordability for an entire household, we will not be actioning free fares for those 14 and under. As part of the evaluation process for the Fare Assist program, we will evaluate how improving pricing for youth 13 and 14 years of age could further benefit qualified low-income households.

The 72-hour pass has shown good growth in uptake over the last year. The data shows that more than 50% of the passes are purchased by unique customers, meaning they are new customers to the HSR, which suggests this fare concession is meeting the needs of its intended market. Visitors enjoy this product as it is easy to obtain and they have unlimited transit available for the entire three-day period. Regular HSR users have also found this product to be beneficial with a few loyal customers purchasing the pass multiple times since its inception as it offers a different fare choice to suit their particular usage pattern.

While many of these programs were implemented to increase ridership coming out of the pandemic, it highlights the greater need for Transit to continuously review fare concession offerings and its ability to think differently about responsiveness to service impacts. We know that over the course of the next 10 years, there will be many construction projects that will impact the effectiveness of transit and the flow of other vehicles, the largest being construction of the LRT. The ability to provide promotions for areas impacted by significant road construction projects would be designed to encourage single occupancy vehicle users to get on transit and will be beneficial for the environment, for the construction site, for the effectiveness of transit and for others utilizing the road.

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Additionally, with the implementation of the HSR (re)Designed network, the ability to encourage Hamiltonians to try new routes by offering specific discounts based on the route or time of day will help people get familiar with the new route and find out how easy it is to travel on the HSR.

**ALTERNATIVES FOR CONSIDERATION**

N/A

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PW21056(b) – HSR 2023 Ridership