

Committee of the Whole (2) Report

DATE: Tuesday, September 19, 2023

WARD(S): ALL

TITLE: BUDGET AMENDMENT FOR SHARED MOBILITY PILOT
PROJECT AND TRANSPORTATION INNOVATION PILOT
PROGRAM

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To obtain Council approval for a budget amendment to Capital Projects IM-7215-19 for the Shared Mobility Pilot Project and IM-7221-22 for the Transportation Innovation Program to reflect external grants received and to apply this grant funding towards project implementation.

Report Highlights

- Two innovative transportation projects have recently received funding from other levels of government.
- The additional grants received are funding the increased scope in both projects.
- Budget amendments to these capital projects are needed to properly account for and administer the receipt of these grant and partnership funds.
- Administrative recovery for the increased budget amounts resulting from the receipt of grants will be funded through Development Charges.

Recommendations

1. That Council approve a budget increase to IM-7215-19 for the Shared Mobility Pilot Project in the amount of \$283,696 (inclusive of administrative recovery) with

funding to be recovered from committed external grant funding and Development Charges;

2. That Council approve a budget increase to IM-7221-22 for the Transportation Innovation Program in the amount of \$643,750 (inclusive of administrative recovery) with funding to be recovered from committed external grant funding and Development Charges; and
3. That the inclusion of this matter on a Public Committee or Council agenda with respect to increasing the Capital Budget as identified in this report, be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2022.

Background

In Q1 2022, Vaughan, in partnership with York Region Transit and Metrolinx, undertook a Shared Micro-Transit Pilot Project (“Pilot Project”) to and from the Maple and Rutherford GO stations.

The purpose of the pilot was to reduce the reliance on driving to these GO stations by offering more convenient ways to get to and from the stations. Staff were able to secure several partnerships and funding as a result of the innovative nature of this pilot project.

In October 2020, the City received a grant from the Federation of Canadian Municipalities to fund 50% of the pilot project, up to a maximum of \$357,171.

In October 2021, Metrolinx and the City entered into an agreement whereby Metrolinx would contribute \$100,000 towards the pilot project in exchange for a license to share the data collected by the pilot project.

The pilot project reached a successful conclusion in May 2023, with York Region Transit, who operated the pilot project, choosing to continue the service offered by the pilot project as part of their permanent Mobility On-Request service.

The Transportation Innovation Program (TIP) was approved by Council in June 2023. Subsequently, Vaughan, in partnership with the City of Markham, was awarded \$2.5 million from the Ontario Vehicle Innovation Network (OVIN) to establish Demonstration Zones activated by the TIP.

The TIP is a transparent, streamlined, and fair process established to partner with companies who wish to test their innovative and/or emerging transportation technologies that align with the City’s transportation and mobility objectives, helps achieve the vision and goals of the Vaughan Transportation Plan and advances the MoveSmart Mobility Management Strategy.

The program will offer companies access to city space and infrastructure to demonstrate their innovative solution in a controlled, real-world environment. It will be a key hub of commercial activities, especially for academic researchers, start-ups and Small and Medium Enterprises (SME) that may not otherwise have the resources to demonstrate or promote their solutions to potential customers and partners. All demonstration projects will be conducted in a controlled, operational environment and in accordance with applicable laws, regulations and approvals.

The TIP is designed in consultation with industry and ecosystem support partners such as York Region, Ontario Centre of Innovation (OCI), York University, ventureLAB, Alectra, York Region Transit (YRT) and Toronto Transit Commission (TTC). In January 2023, the Ontario Vehicle Innovation Network (OVIN) sought applications to fund an Innovation Demonstration Zone with \$2.5 million available over a 2-year period. In February 2023, the City of Vaughan and City of Markham submitted a joint funding application for the OVIN Demonstration Zone at OVIN's request. Subsequently, OVIN awarded the grant to the joint Vaughan and Markham proposal, which will deliver the Demonstration Zones through the TIP framework.

Previous Reports/Authority

[Staff Communication SC1., Shared Mobility Feasibility Study Findings, June 16, 2020 Committee of the Whole \(2\)](#)

[Micro-Transit Pilot Project, September 14, 2021, Item 19, Committee of the Whole \(1\)](#)

[Vaughan Transportation Innovation Program, June 6, 2023, Item 22, Committee of the Whole \(2\)](#)

Analysis and Options

IM-7215-19: Shared Mobility Pilot Project

The Shared Micro-Transit Pilot Project proved to be a successful and worthwhile endeavor to test a new form of potentially lower-carbon transportation in Vaughan. The budget amendment request to IM-7215-19 (Shared Mobility Pilot Project) is necessary to reflect previously committed grants to fund the entire project. The committed grants leveraged previously approved City contributions with funding provided by the City's partners at the Federation of Canadian Municipalities and Metrolinx.

IM-7221-22: Transportation Innovation Program

The award of OVIN funding to the joint Vaughan and Markham proposal will enable the acceleration of the Transportation Innovation Program. These funds will jumpstart the process of identifying private partners, enable quicker implementation of enabling transportation infrastructure, and highlight Vaughan and Markham as places for innovators to work with as they bring new products to market.

As the Lead Applicant for the OVIN Innovation Demonstration Zone, Vaughan will be responsible for receiving grant funds and distributing them to our partners at Markham and SmartCentres, among others. The budget amendment request to IM-7221-22 (Transportation Innovation Program) is necessary to reflect the expected funds to be received in 2023, and to distribute these funds as outlined in partnership agreements.

The first instalment amounting to \$625,000 is to be paid out in 2023; the balance of the \$2.5 million grant will be paid out in 2024 and 2025. Budget amendments reflecting these additional funds will be requested through the 2024 and 2025 annual budget processes.

The table below summarizes the timing related to the grant payout:

IM-7221-22	2023	2024	2025	Total
Approved Grant	625,000.00	1,750,000.00	125,000.00	2,500,000.00
Approved Grant including 3% admin	643,750.00	1,802,500.00	128,750.00	2,575,000.00

Financial Impact

As noted previously, the funding source for the budget amendments requested for IM-7215-19 and IM-7221-22 is committed grants from other government parties. The only financial impact will be from the City's standard 3% administrative recovery, which will be drawn from Development Charges. No other financial impacts are expected. The table below summarizes the total impact in 2023 for each capital project.

Capital Project Account	Approved Budget	Incremental Budget	Total Balance
IM-7215-19	\$ 676,323.00	\$ 283,696.00	\$ 960,019.00
IM-7221-22	\$ 672,876.12	\$ 643,750.00	\$ 1,316,626.12

Operational Impact

This report has been prepared in consultation with and reviewed by Financial Planning and Development Finance.

Broader Regional Impacts/Considerations

The budget amendment to IM-7221-22 (Transportation Innovation Program) is needed to meet our financial obligations to the City of Markham with respect to our partnership to deploy the OVIN Innovation Demonstration Zones.

Conclusion

The proposed budget amendment requests are needed to reflect committed grant funding provided by external government agencies, and to fulfill certain partnership obligations in delivering the Transportation Innovation Program. Outside of standard administrative recoveries, there is no financial impact to the City.

For more information, please contact: Selma Hubjer, Director, Infrastructure Planning and Corporate Asset Management, ext. 8674

Attachments

N/A

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