Region of Waterloo

Transportation Services

Transit Services

To:	Sustainability, Infrastructure, and Development Committee
Meeting Date:	April 8, 2025
Report Title:	Grand River Transit Business Plan

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1. Recommendation

That the Regional Municipality of Waterloo:

a) Receives the Grand River Transit (GRT) Business Plan for information;
b) Approves holding a Special Sustainability, Infrastructure, and Development Committee meeting on April 16, 2025 for the purpose of hearing public input on the GRT Business Plan; and
c) Directs staff to present the final version of the GRT Business Plan to the Sustainability, Infrastructure, and Development Committee on May 6, 2025 for a decision from the Committee in accordance with report TSD-TRS-25-005 dated April 8, 2025.

2. Purpose / Issue:

The Grand River Transit (GRT) Business Plan lays out transit investment priorities to increase speed and reliability of the service, provide more service to new areas and make transit easier to use for residents over the next 10 years and beyond.

The plan responds to transit priorities identified through the Region's Strategic Plan engagement, the Region's projected population growth, post-pandemic ridership recovery, changes to travel patterns in the community and commitments of Council. This is GRT's first Business Plan since the successful launch of ION light rail and its transformative impact on Waterloo Region.

GRT's Business Plan consists of three sections, a Conventional Bus and Train Business Plan, a MobilityPLUS and Kiwanis Transit Plan and Township Transit Strategy. They are supported by new technology and fares strategies.

GRT's priorities have been tailored based on extensive consultation with riders, staff from all Regional departments, Area Municipalities, community members, and partners from across Waterloo Region. Implementation of plan priorities will be subject to Regional Council's annual Plan and Budget process.

3. Strategic Plan:

The transit investment priorities of the GRT Business Plan serve as an important strategy to meet the Region's commitment to grow with care towards one million residents, and help achieve each priority of the Strategic Plan:

- **Homes for All** – sustained transit investments promote transit-supportive development and unlock access to affordable housing options.
- **Climate-aligned Growth** – frequent transit service reduces emissions, as well as the need and financial burden of rideshare services or car ownership.
- **Equitable Services and Opportunities** – all day, everyday transit service enhances social and economic resiliency by connecting our residents to community services and local jobs.
- **Resilient and Future Ready Organization** – a frequent transit network, supported by an updated fares strategy, optimizes use of the transit fleet and staff, making transit operations more efficient.

4. Report Highlights:

- The proposed investment priorities for each section of the GRT Business Plan will help make transit the easy transportation choice for more people by significantly expanding the service area of GRT, improving transit travel times, and better connecting communities across Waterloo Region.

GRT Conventional Bus and Train Plan (Appendix A)

- **Frequent transit network (FTN)**: Improve frequency to 10 minutes on weekdays (7 a.m. - 7 p.m.), and 15 minutes all other times, on 16 routes. An estimated 400,000 people and 200,000 jobs will be within 800 metres of the expanded FTN. On average, residents and visitors will be able to reach approximately 38,000 more people and 15,000 more jobs within a one-hour trip compared to today.
- **Consistent schedules**: Add trips to make schedules more consistent, so transit schedules are intuitive. GRT will focus on improving existing evening, weekend, and mid-day schedules to make transit easier to use.
- **Highway express**: Introduce rapid services to give riders up to 20 minutes back in their day. Services include combining 302 ION Bus with a direct highway connection between Fairway and Conestoga Stations, and introduce a new route connecting Conestoga and Sunrise Centre Stations.
- **New coverage areas**: Introduce routes serving the growing residential and industrial areas in Southeast Cambridge, Cambridge industrial areas, Southwest Kitchener, and North Waterloo.
- **Overnight network**: Launch 24/7 service on key routes, with 30-minute overnight frequency supporting shift workers, students, and core areas.

GRT MobilityPLUS and Kiwanis Specialized Transit Service Plan (Appendix B)

- **Service investment**: Introduce new staff resources, modernize technologies, and increase fleet to meet growing demand for MobilityPLUS services and work toward the target of no unmet trips.
- **Expand service hours**: Extend MobilityPLUS service hours, in coordination with GRT overnight service expansion, by using existing accessible taxi partnerships.
- **Improve MobilityPLUS customer experience**: Use new technology and improvements; collect data to improve MobilityPLUS services; evaluate conventional fare free policy; better understand customer needs; improve customer engagement and communications; and improve coordination between MobilityPLUS and Kiwanis Transit.

GRT Township Transit Strategy (Appendix C)

- **Consistent schedules:** Enhance fixed-route services for Wilmot and Woolwich.
- **New coverage areas**: Introduce future fixed routes for North Dumfries and Wellesley to connect to GRT's core network.
- **Airport service**: Introduce a new frequent, all-day, fixed route service to Breslau and the Region of Waterloo International Airport, with connections to GO and intercity services at the future Kitchener Central Station and Sportsworld Station.
- **New on-demand transit**: Add on-demand transit zones in each Township to support access to fixed-routes and expand GRT's township service area.
- **Alternative delivery models**: Investigate opportunities for alternative service delivery models, such as co-mingling specialized transit and rural-on demand transit to enhance operational efficiencies.

New Fare Strategies (Appendix A):

- **Kids ride free:** Provide support to families and caregivers by introducing free transit for children 12 years and under, riding with a fare-paying customer.
- **More discounts for those in need:** Enhance GRT's Affordable Transit Program to provide bigger discounts to those with the greatest financial need.
- **Fare pricing:** Future fare price increases will be proposed to match annual service expansion, inflation, and to align to comparable transit systems.
- **Support employers and employees:** Expand transit business account offerings using GRT Pay.

5. Background:

GRT publicly launched the Business Plan initiative in June 2024. This plan will guide staff in operationalizing the sustainable transportation commitments and transit priorities identified by the Region, Area Municipalities, riders, and the community.

GRT's Business Plan illustrates that the maximum possible transit investment is necessary to support the future needs of the Region. Public transit is one of the few dedicated, scalable services the Region is responsible for that helps achieve multiple strategic priorities. By connecting people, jobs, and homes across the Region's communities, GRT helps the Region avoid costs by reducing car dependency and minimizing demand for road widening, promoting transit-oriented development instead of sprawl, and unlocking access to Regional investments in affordable housing. GRT's fiscal resiliency is enhanced with fare revenues and increased ridership.

Without sustained new investment, population growth will outpace ridership growth and move the Region away from its targets for active and sustainable travel. Significant transit investment is critical for maintaining ridership growth to help the Region achieve its strategic priorities and grow with care towards one million residents.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Representatives from all seven Area Municipalities were involved in workshops, shared communications, promoted engagement, and participated in leadership meetings to share transit priorities and shape the GRT Business Plan.

Public: The engagement strategy for the Business Plan displays GRT's commitment to collaboration with our customers, Area Municipalities and partners. Over a nine-month period, through public meetings, dedicated workshops, events, pop-ups, digital media and other mediums, GRT:

- Collected over 2,500 survey responses on how we can improve our service and customer experience.
- Received over 450 ideas on what our future service network could be.
- Hosted and attended over 30 events throughout Waterloo Region to for ideas on what is working and what needs attention in transit.
- Facilitated over 12 workshops with community groups and stakeholders to hear what matters to the residents they support.
- Worked with the Region of Waterloo's Public Health Neighbourhood Nursing team to get new perspectives on transit from residents in each municipality.
- Provided additional dedicated sessions specifically for MobilityPLUS users and Township residents to ensure their specific needs were reflected in the plan.

The output of this engagement was a Business Plan that was influenced, shaped and directed by residents from across Waterloo Region that is reflective of the community's current and future transit needs.

A detailed summary of GRT's plan, tactics and results can be found in Appendix D.

7. Financial Implications:

As transit service expands, additional resources are required to operate and maintain the system. Transit revenue projections and operating, maintenance and debt servicing cost estimates are based on the investment priorities of the GRT Business Plan.

The total estimated operating costs to achieve all priorities of the GRT Business Plan by 2035, in today's values, are shown in Table 1 for demonstrative purposes. Transit operating costs will be refined on an ongoing basis as staff prepares annual service expansion plans, which will be subject to Regional Council's review and approval through the Region's annual Plan and Budget process.

Table 1. Estimated additional costs and future operating budget required to achieve GRT Business Plan (for demonstrative purposes only)

Transit Services Operating Costs* ($ million, unless noted) *Excludes ION Stage 2 and Kitchener Central Station	**Approved 2025 Transit Services Operating Budget**	**Additional Costs to Achieve GRT Business Plan** (2025 Dollars)	**Estimated 2034 Transit Services Operating Budget** (2025 Dollars)
Operating Expenditures (Operations, Maintenance, Fuel, Wages, etc.)	195	67	262
Debt Servicing Costs and Transfer to Reserves	39	13	52
Total Operating Cost	**234**	**80**	**314**
Revenue (**Includes increases to Fares, Provincial Gas Tax, and Advertising based on new services and ridership)	(85)	(30)**	115**
Net Operating Cost	**149**	**50**	**199**
Approximate frontline FTEs Note: Additional FTEs beyond frontline will be required but are not included (e.g., Supervisors, Dispatch, Planning & Scheduling, Security, HR, Customer Service, Finance, etc.)	593 Operators 63 Mechanics 27 Fleet Attendants	381 New Operators 23 New Mechanics 8 New Fleet Attendants	974 Operators 86 Mechanics 35 Fleet Attendants

Transit Services Operating Costs* ($ million, unless noted) *Excludes ION Stage 2 and Kitchener Central Station	**Approved 2025 Transit Services Operating Budget**	**Additional Costs to Achieve GRT Business Plan** (2025 Dollars)	**Estimated 2034 Transit Services Operating Budget** (2025 Dollars)
Approximate Total Annual Service Hours (Includes MobilityPLUS)	1,000,000 Hours (2024)	625,000 New Service Hours	1,625,000 Total Service Hours
Estimated Annual Ridership (Bus and Train & Township)	25.7 Million (2024)	6.8 Million New	32.5 Million Total

GRT identifies and implements operational efficiencies to lower costs, optimize existing labour, and maximize revenues each year. For example, staff routinely interline routes, adjust service schedules, review and consolidate bus stops, and introduce transit priority measures that improve on-time performance for savings on operators and maximize use of vehicles in revenue service. This comprehensive performance optimization saved over $7 million in transit operating costs in 2024. The plan's fares strategy is coupled with expanded advertising availability and corporate business account partnerships. GRT's approved interim fleet decarbonization strategy prioritizes hybrid buses for fuel savings without impacting labour or service costs associated with range and charging limitations of current electric bus technologies (TSD-TRS-24-011).

The GRT Business Plan identifies $798 million in major transit capital projects over the 2025–2035 timeframe, and approximately $544 million is currently accommodated within the approved 2025-2034 Transit Capital Program. A general summary of the new costs for major projects in the Transit Capital Program are identified in Table 2. These projects are assumed to continue to be funded from a combination of grants from senior levels of government, Regional Development Charges, and debt financing.

Table 2. Estimated additional capital costs required over ten years to achieve GRT Business Plan (for demonstrative purposes only)

Major Transit Services Capital Projects* ($ million, unless noted) *Excludes ION Stage 2 and Kitchener Central Station	**Approved 2025-2034 Transit Services Capital Plan**	**Estimated New Capital Costs to Achieve GRT Business Plan** (2025 Dollars)	**Total** (2025 Dollars)
Bus Fleet / Support Vehicles (**Vehicle replacement and expansions accommodated in approved Capital Plan)	$487	No Change**	$487

Major Transit Services Capital Projects* ($ million, unless noted) *Excludes ION Stage 2 and Kitchener Central Station	**Approved 2025-2034 Transit Services Capital Plan**	**Estimated New Capital Costs to Achieve GRT Business Plan** (2025 Dollars)	**Total** (2025 Dollars)
Replace Transit Garage (Cambridge Garage Replacement and Expansion facility study to refine preliminary estimate and prepared candidate project for Canada Public Transit Fund)	$10	$240	$250
Stop / Station Improvements (New Stops and Customer Amenities; Station/Stop Capacity and Accessibility Improvements; New LRT Platform Accesses)	$43	$14	$57
Transit Priority Measures (Signals and Road Infrastructure)	$4	No Change	$4
Total	**$544**	**$254**	**$798**

8. Conclusion / Next Steps:

The GRT Business Plan's transit investment priorities will guide staff in preparing future annual service expansion, subject to Regional Council's annual Plan and Budget process. GRT will continue to source funding from senior levels of government.

All public engagement contributors will be notified and receive final project summaries. GRT will routinely monitor and share progress towards achieving plan priorities and will reassess strategic alignment of the plan as part of a midpoint review by 2030.

9. Attachments:

Appendix A: Project Summary - GRT Conventional Bus and Train Plan and Fares Strategy

Appendix B: Project Summary - GRT MobilityPLUS and Kiwanis Transit Specialized Service Plan

Appendix C: Project Summary - GRT Township Transit Strategy

Appendix D: Project Summary - GRT Business Plan Engagement

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