



Transportation in Rural Communities:

A Barrier to Economic Development

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ABSTRACT

Transportation is a significant barrier to economic development in rural municipalities. Without access to a personal vehicle, seniors cannot access the services they need, and low-income families, youth, and residents with disabilities are severely restricted in their employment opportunities. Public transportation gives those without access to a car the ability to access employment, services and recreational activities. Thus, public transit can help improve quality of life and stimulate local economic activity. In this white paper, we discuss common barriers to implementing rural transportation networks, including revenue, ridership, staffing, and vehicle purchasing and maintenance. We also discuss best practices for implementing a rural transportation system. Our research methods include a roundtable discussion at the EDCO conference, notes on a presentation of Pelham Transit delivered at the OGRA conference, a review of two case studies, and a review of existing literature. Public transportation is an important driver of economic development because it improves access to employment, social events, retail outlets, and service for those with restricted mobility. With a rapidly ageing population in several rural communities, access to public transportation will become an increasingly important lifeline for many rural residents.

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INTRODUCTION

Rural municipalities face several challenges when providing services to their communities. Transportation is an issue that not only affects the quality of life for their citizens but has a direct impact on the economic development of a municipality. This impact is felt when the demographics that do not have access to or the ability to operate a personal vehicle cannot access basic needs in the community. As well, it hinders the ability to access jobs, utilise services and businesses, and retain talent. Transportation comes with barriers for municipalities considering implementing it. Through examples of different communities that have experienced this challenge, we will demonstrate who is affected, address common barriers, indicate best practices, and recommend different methods that may work in communities to help implement transit services in rural municipalities.

BACKGROUND

Personal vehicles provide a link between services, work, recreation, and the individual. If someone does not have access to a personal vehicle, they are less likely to be able to access the same level of service as someone with a vehicle. The gap in access to services is especially pronounced in rural communities that lack a comprehensive transportation network. Marr notes that the lack of rural transportation options in many rural municipalities produces a structural dependence on personal vehicles (101). However, not everyone has access to a car or can drive. An over-reliance on personal vehicles greatly hinders the ability of residents with less mobility to access services. Often, rural residents who do not have the ability or means to purchase and use their own car must rely on an informal network of family and friends to access essential services (Fletcher et al., 128). Informal networks can be unreliable which negatively affects mobility. Providing public transportation options to residents would help to remove this overall reliance on personal vehicles providing a formal network to allow everyone equal access to essential services.

Rural transportation is especially vital for senior citizens and people with mental or physical disabilities. They rely on the service to access recreational, social, and medical services. Improper rural transportation planning can hinder those that cannot take conventional forms of public transportation (Marr 102). Planning for everyone in the community is essential for ridership and the needs of the community. Seniors are more likely to use public transit than other groups because they face more restrictions than other age groups in relation to driving. Further restrictions to Ontario licencing for vehicle operation state that someone cannot hold a licence if they suffer from any disability that can interfere with their ability to drive a motor vehicle safely (Marr 102). These regulations can hinder the lives of seniors and people with disabilities because they cannot access basic services within or outside the community. Without access to a vehicle or the ability to operate a vehicle, seniors and people with disabilities need access to a consistent transportation network that will give them access to the necessities of life.

Youth is another demographic that is vulnerable to the lack of rural public transportation. Herold and Kaye utilise the United Nations' definition of youth is between the ages of 15 and 24 years (qtd. in Marr 103). This definition is key because the age for obtaining a licence can vary but in Ontario it is 16 (Marr 103). Herold and Kaye note that even if a youth obtains a licence at 16, there are legal barriers for several years until they can drive on their own, as well as access to a car can be a challenge for youth due to affordability (qtd. in Marr 103). Youth begin searching for outlets of responsibility such as a job or outings with friends. Careers are especially cumbersome to access when they do not have access to a personal vehicle and there is no public transportation to utilise (Maracle). This barrier is further recognized if the youth is part of a low-income or single-parent family.

Lack of rural transportation causes a high burden to the low-income and single-parent families. The Senate of Canada states that these demographics often have difficulty maintaining a personal vehicle due to high costs (qtd. in Marr 103). This can perpetuate secondary issues through lack of job security and inability to access basic needs. Furthermore, they are dependent on the informal network previously noted which leads to unreliability. No access to rural transportation immediately puts them at a disadvantage to the rest of the community to build their credit, income, and quality of life.

BARRIERS

Revenues

Rural municipalities are faced with the burden of a large service area and a low population. Weber et al. note that this often leads to higher costs for services (qtd. in Fletcher et al. 124). Municipalities rely on property taxes to run the majority of their services, however, with a small tax base this becomes harder to pursue. Revenue sources are limited for rural municipalities which leads to a reliance on grants and subsidies to run transportation services. Financial barriers exist for rural transportation models because it can difficult to justify transportation systems that only carry small numbers of people to large distances (Majkut 2). Although the financial barriers are daunting and often seem insurmountable, the permanence of transportation is an important concept to consider when planning and budgeting. Furthermore, municipalities should look at transportation as an investment, not a temporary service. Building a transportation network can also be a costly endeavour, which may deter some from utilising the service because residents may not believe that a transportation system will last past its initial funding (vanRavenswaay). User fees will not cover the cost of transportation in any community and they should not be relied upon to make up the costs to run the services. An appropriate balance of funds, as well as a tailored service to the municipality, can address some of the main revenue concerns.

Ridership

Ridership can be a significant barrier to rural transportation. Many transportation services in rural communities are restricted to specific client groups such as the elderly (Fletcher et al. 131). Thus, many networks that currently exist in rural communities may not provide service to everyone in a community that needs it. It is important to note, however, that transportation systems have both immediate and long-term effects on the local economy by providing greater mobility to citizens. Public transportation provides greater access to jobs and business, which may help to stimulate local economies. Many riders are also skeptical of the logistics and safety of implementing a transportation network (Fletcher et al. 132). It is important for municipalities to engage in a public education program to dispel any fears that local citizens may have about public transportation.

Vehicles

Attaining and maintaining vehicles can also be a barrier to creating a rural transportation system. Buying, financing, and maintaining vehicles can be a very large budget item for municipalities looking to implement a rural transportation system. One way to reduce the costs associated with maintaining a functional fleet of buses is to contract out to a transportation carrier. Contracting out is a strategy used by both Ride Norfolk and Pelham Transit. In both these cases, the insurance coverage and liability are the responsibility of the carrier and the municipality then pays a fee to the carrier (Ontario Healthy Community Coalition 73; VanRavenswaay). This helps to reduce the overall cost of the transportation service.

Another possibility to reduce vehicle associated costs for the municipality is the institution of a rideshare program (“Transportation in Rural Communities”). Ridesharing removes the cost of providing vehicles for the municipality because the public themselves or private companies, like Uber, could provide the vehicles. In 2016, the Town of Innisfil began to work with Uber to provide

an on-demand transportation option for its residents (“The Story of Innisfil”). Through this system the municipality can subsidize fares for their residents and do not have to pay for the cost of maintaining a fleet of buses. The fee structure includes a standard fare of \$3 to \$5 for rides to different designated points of interest in Innisfil, and \$5 off any Uber fare outside the boundaries of the municipality (“Riding with Innisfil Transit”). This is more practical for the city because the system can service a larger area than a fixed route system at a lower cost.

Staff

Municipalities also have the issue of finding the staff to maintain the transit system. Often, it is not difficult to have one or two full-time employees that maintain the operations of the system. However, it can be difficult to maintain the cost of drivers due to the revenue issues noted above. Conversely, municipalities can run into an issue of accountability with volunteer drivers because there is no guarantee or obligation for them to be available. A solution that is different from solely budgeting for income of drivers is to contract out the driving services. If a private company already has paid, full-time drivers, they can be partnered with to provide services (vanRavenswaay). This can ensure that if there is a lack of drivers available for the day or lack of funds to pay individual drivers, the partnered organization will support and fix the issue. This relieves risk from the municipality to pay an entire team of drivers or attempting to ensure reliability from volunteers.

CASE STUDIES

The following are case studies of the transit systems in Pelham and Collingwood-Blue Mountain-Wasaga Beach. The information about Pelham was shared with us by the Town’s Recreation and Culture Director and her presentation at the Ontario Good Roads Association Conference. The information for the Collingwood case study was found through *Accelerating Rural Transportation Solutions* and through a roundtable discussion we facilitated at the Economic Developers Council of Ontario Conference in February of 2018.

Pelham Transit

Pelham Transit began its service in September of 2015. Initial funding for the service was provided through the Ministry of Transportation Community Transportation Pilot Grant. Pelham transit received \$100,000 which is the largest grant receivable through the pilot grant program (vanRavenswaay). The municipality partnered with the transportation company Pelham Cares to help provide service to the elderly in the community (vanRavenswaay). Pelham also partnered with Sharp Bus Lines to provide vehicles, driver and maintenance for the transit service (vanRavenswaay). The partnerships fostered by Pelham Transit in the early stages of the service were integral to the initiation and maintenance of service in the community.

Pelham Transit offers both conventional and specialised transit to service its citizens. Providing these types of services is required under the *Accessibility for Ontarians with Disabilities Act*, which stipulates that all municipalities that offer a conventional service must provide a comparable level of transportation to persons with disabilities (Dillon Consulting 14). Pelham transit offers a single route, conventional service that runs throughout the day. When Pelham Transit began service they provided one morning trip, two midday trips, and one evening trip per day with roughly 111 riders a month (vanRavenswaay). By 2017, service had been expanded to three morning trips, three midday trips, and one evening trip per day with roughly 450 riders a month (vanRavenswaay). Pelham's year-by-year ridership has been on a steady rise and service four times more people in 2017 than in 2015. This upward trajectory demonstrates the success of Pelham's conventional transportation program.

The specialised transit system offered by Pelham has also achieved success by helping to connect elderly citizens to much-needed services. Pelham's specialised service is delivered through their partnership with Pelham Cares which provides on-call service for the elderly, and

people with disabilities (vanRavenswaay). The on-call service adds versatility for transit users who may not be able to access the bus stops along Pelham Transits bus route.

Pelham's success was grounded in public consultation that helped the town determine which areas in the city riders needed to access the most. These consultations informed where Pelham Transit placed their bus stops for the transit line (vanRavenswaay). This helped the town optimise citizen access to local jobs, retail locations, and services. The Pelham transit line also links with other transit systems in the region to provide citizens with access to services outside Pelham, and to connect students with Brock University and Niagara College in Niagara Region (vanRavenswaay). This helps to stimulate economic growth and educational partnerships in Pelham.

To supplement funding received through provincial grants and fares, Pelham has also sold advertising space on their buses (vanRavenswaay). Selling advertising space is an alternative revenue source for a public transportation system, especially if grant and fare revenues do not seem to be enough to cover all operating costs. Pelham transit has also implemented several cost-saving strategies to maximise revenues. For instance, Pelham Transit has contracted their fixed route service to Sharp Bus Lines who provides vehicles, drivers, and bus maintenance (vanRavenswaay). Contracting out the service helps to reduce the cost borne to the municipality for providing the service and ensures effective service as Sharp has the expertise and ability to service a growing ridership base.

Colltrans – Wasaga Beach/ Blue Mountain Link

The Municipalities of Collingwood and Wasaga Beach were connected in 2011 as a pilot project with support from the County of Simcoe. In 2013, the municipalities of Blue Mountains and Collingwood started a pilot project that was funded through a public-private partnership with the two municipalities, Blue Mountain Resorts Limited, and the Blue Mountain Village

Association. The system was mainly used by people who were commuting to work and school, especially into the Blue Mountain resort and village (Ontario Healthy Community Coalition 10). It is important to note that The Blue Mountains are located in Grey County, however, Collingwood and Wasaga Beach are located within Simcoe County.

Wasaga Beach and The Blue Mountains are heavily reliant on tourism and Collingwood is the regional economic hub (Ontario Healthy Community Coalition 11). The project began with a push from stakeholders about creating a regional transit service that would connect the three communities. The aim of the focus groups was mainly geared to accessibility for those in the communities that could not access basic needs (Ontario Healthy Community Coalition 12). This system would improve the daily lives of the community as well as improve travel for tourism, jobs, and overall growth.

The Collingwood-Wasaga beach collaboration was given \$36,000 from the county of Simcoe to create a pilot project for a connecting transit system (Ontario Healthy Community Coalition 12). One bus was serviced for 6 months with routes for three hours in the morning and three hours in the afternoon and did not run on Sundays. The municipalities contracted out the bus from Sinton Transportation (Ontario Healthy Community Coalition 12). Through contracting the bus, the main administrative concerns of licencing were met and they could extend the service.

The service link to the Blue Mountains started with \$40,000 through the Intrawest Resort and the Blue Mountain Village Association (Ontario Healthy Community Coalition 15). They had huge success within the winter months due to the large number of employees and visitors using the system to get to and from the village (Ontario Healthy Community Coalition 15). The project was extended to a five-year permanent service provider. The link to the Blue Mountains would support economic development within the Village because of the tourism industry. The Blue

Mountains generally employ more people during peak seasons and there was a need to get the employees to the village (Ontario Healthy Community Coalition 14). Furthermore, they were hoping to support sustainability by ensuring gas tax revenues, having a green transportation system, and providing expansion within the community (Ontario Healthy Community Coalition 14).

The municipalities implemented focus groups to speak to stakeholders that would be influenced by the transit system as well as implementing a regional approach ensures that more than population is benefitting from the investment. The Collingwood-Wasaga Beach system was quick to listen to the users and fixed the challenges promptly. To have a successful system, it is important to have input from those that are impacted. However, they still experience long travel destinations when moving by bus. There are only systems connecting Wasaga and The Blue Mountains to Collingwood, but there are no express buses to connect the two tourism hubs (“Transportation in Rural Communities”). By improving this aspect of transit and tourism, economic development can grow because there will be better access and efficiency.

BEST PRACTICES

There are several methods of implementing transit systems into municipalities. However, not all systems are the same and usually they need to be tailored to fit to their community. The following is a summary of different options that have worked in other municipalities that can assist in developing a transit system in rural communities. These options not only improve the quality of life, but they also benefit the economic development of the community.

Gas Tax and Governmental Grants

The Federal and Provincial gas tax can be applied to infrastructure in municipalities across the country. This fund is a stable way to plan for the implementation of a transit system. The funding can begin a pilot project in a community (Ontario Healthy Community Coalition 98). Also,

support from the funding of the given upper tier municipalities that can assist (Tindal 15). Provincial and Federal grants occasionally get announced for municipalities to utilise. These funding mechanisms usually require municipalities to have a strategic plan, future goals for their transit system, and be ready to commence service promptly (Tindal 16; vanRavenswaay). This demonstrates the importance of dedication to a transit system in the municipality. These methods are ways to help get a transit system running and allows time for the municipalities to plan and invest enough revenue to continue supporting transit plan.

Education

Education is an integral aspect of transit planning and operation that often gets overlooked. Vickie vanRavenswaay noted that educating new transit users and the elderly on how to use public transit was integral to the success of Pelham Transit. To demonstrate the importance of education vanRavenswaay used the example of an elderly woman in the community who used Pelham Transit every day to see her husband in the hospital. At first, the woman was hesitant and did not want to use the bus (vanRavenswaay). However, Pelham Transit took the time to work with the elderly woman to show her not only how to use a bus, but that the buses were safe to ride (vanRavenswaay). Educating the public on service that rural transportation provides and how to use a public transportation system allows citizens know about the transportation options they have available. Education can also help to alleviate concerns that citizens may have in relation to the logistics, safety, and continuity of transit services.

Education is particularly important in rural communities given the culture of car ownership as a necessity. Fletcher et al. note that car ownership is an integral aspect of employability in rural communities (126). The extreme emphasis on car ownership may predispose many in the community to garner a negative attitude towards public transit because it may not be as efficient

as simply driving yourself to work or social events. Education can help to reduce this dependence on vehicles. Moving away from thinking that personal vehicles are the only effective way to increase your mobility allows for the development of creative solutions to the transit issues. Education programs can help rural residents who either cannot access a personal vehicle to understand all their transportation options, which will increase their mobility and access to employment.

Collaboration

A major impetus for transportation in rural municipalities is collaborating with communities that already have a working transportation system and collaborating with private industries to create a viable system. The case of Collingwood, Blue Mountains, and Wasaga Beach demonstrates how three communities could come together to work on a system that connected three major municipalities in the tourism region (Ontario Healthy Community Coalition 11). It has opened an outlet for other communities to work with each other to service a greater amount of people.

The second option for collaboration is developing a public-private partnership (P3). P3s do not always have the best reputation regarding accountability and risk (Tindal 116; Hanniman 5), however, minimal contracting for vehicles and staff can result in the onus being relieved from the municipality for these tasks and expenditures. Vehicles and drivers can be contracted out through a private industry as in the example from Pelham transit. This allows the municipality and public works departments to focus on routes, servicing, and administration while the professional contractors deal with the training, availability, and resources that will benefit the municipality's transit service (vanRavenswaay). The onus of moving populations within and outside communities is still the responsibility of the municipality and it creates a stronger partnership with other industries.

Collaboration in these ways can help small, rural municipalities move populations around in an effective and efficient way. It leads to better developments within their job force and can help to retain youth and families within the community as well as attract talent and tourism. Furthermore, it improves the quality of life which in turn improves economic development because the community can access their basic needs such as healthcare and social events that may be inaccessible without the transit system.

RECOMMENDATIONS

Through the research and sessions that we have been involved in, we recommend the following:

1. Apply for grant funding and utilise gas tax to develop a pilot program.

A key factor in developing and implementing a transit system is by planning to utilise these methods as funding for the projects. These methods of funding allow for municipalities to tailor their system to the community and continue to plan for the investment with traditional revenues in the municipality.

2. Collaborate with neighbouring communities, private organisations, and local employers.

Through collaboration, municipalities can focus on moving more people in an efficient and effective manner. Ridesharing organizations are private industries that can be collaborated with. Contracting with companies such as Uber can address trust and reliability issues within a community and the terms of the contract can be negotiated to benefit all stakeholders. It is worth working with the employers to develop a transit system that can benefit its employees (Crompton; Maracle). A transit system organized by the business can influence the economic development in the community by ensuring that employees have a secure method of getting to work. However, this method must be developed with the employees in mind because a fixed schedule must benefit those that are using it (Crompton). This method may involve changing the work schedule to accommodate more people.

3. Make transit an investment and not an expense.

Many municipalities do not consider transit an investment or do not consider it to be attainable. However, to improve economic development within a community, transit needs to be developed to assist in mobilizing those in the community that cannot access a car. By investing in transit, it benefits the municipality and can be considered a necessity for the community.

CONCLUSION

Transportation is a large barrier for rural municipalities that are looking to improve the quality of life for their community as well as invest in economic development opportunities. Several demographics of a community are affected by a lack of transportation. Seniors, youth, people with disabilities, and low-income families are demographics that may not have access to personal vehicles but need access to services they cannot reach without a car. A barrier that may be faced when trying to implement transportation services is revenue sources that are difficult to attain when faced with a small population. They may also have low ridership which leads to expensive service for a small number of people as well as barriers to accessing vehicles. Municipalities may have a difficult time addressing staffing concerns and reliability. Successful partnerships and collaboration are demonstrated in several municipalities that created transit systems that benefit the population. Municipalities can utilise the gas tax as well as apply for provincial and federal grants to implement transit projects. Training and education can improve the functionality of a transit system as well as the trust and ridership of a program. Through improving transit programs in a rural municipality, both the quality of life and economic development improve by moving people to their jobs, healthcare, and businesses that continue to grow the community.

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