

<p>3. REQUEST BY CASINO SHUTTLE SERVICES</p>

COMMITTEE RECOMMENDATIONS AS AMENDED

- 1. That the Transit Commission authorize the General Manager to enter into an agreement on behalf of the Commission whereby 1029979 Ontario Inc. (a division of which operates as Casino Shuttle Services) will be allowed to operate a shuttle bus service taking passengers to and from downtown hotels and specified east and west end locations and the Rideau Carleton Raceway & Slots Facility under the terms and conditions set out in this report.**
- 2. That the contract be for a one-year period, rather than for the three-year period recommended in the report.**
- 3. That a report on the potential for expanding the Urban Transit Area (UTA) to the Rideau-Carleton Raceway and Slots facility, and to other areas, be prepared and presented to the Committee in June 2000.**

DOCUMENTATION

- 1. General Manager's report dated 7 Feb 00 is immediately attached.**
- 2. Extract of Draft Minute, Transit Services Committee meeting of 23 Feb 00, follows the report and contains a record of all votes.**

Our File/N/Réf.
Your File/V/Réf.

DATE: 7 February 2000

TO/DEST: Co-ordinator, Transit Services Committee

FROM/EXP: General Manager

SUBJECT/OBJET: **REQUEST BY CASINO SHUTTLE SERVICES**

DEPARTMENTAL RECOMMENDATION

That the Transit Services Committee recommend the Commission authorize the General Manager to enter into an agreement on behalf of the Commission whereby 1029979 Ontario Inc. (a division of which operates as Casino Shuttle Services) will be allowed to operate a shuttle bus service taking passengers to and from downtown hotels and specified east and west end locations and the Rideau Carleton Raceway & Slots Facility under the terms and conditions set out in this report.

BACKGROUND

The Commission has the exclusive franchise to operate a passenger transit service within the Urban Transit Area. The Regional Municipality of Ottawa-Carleton has the exclusive franchise for passenger transit services in the remainder of the Regional Area. In 1976, the Regional Municipality delegated its authority to operate the exclusive franchise in the balance of the Regional Area to the Commission. These franchises, granted under the Regional Municipality of Ottawa-Carleton Act apply with some exceptions to all passenger transportation for reward, except taxi service.

Casino Shuttle Services currently operates a shuttle service between any desired locations in Ottawa-Carleton and the Hull Casino. This service does not come within the exclusive franchise of the Commission and the Commission has no authority to prevent the service to the Hull Casino from operating. The shuttle service, operating as an inter-provincial transportation, is subject to the federal Motor Vehicle Transport Act, 1987, which requires that operating authority be obtained from provincial transportation authorities.

DISCUSSION

On 27 January 2000, the Commission received a request from Casino Shuttle Services to operate shuttle services between the locations set out at Schedule A of this report and the Rideau Carleton Raceway & Slots Facility using two 21 to 26 passenger luxury mini-buses. The raceway and slots facility is located outside the Urban Transit Area. The slots facility, being run by the Ontario Lottery Corporation, is hoping to open during the week of 14 February 2000 and will operate daily from 11:00 a.m. to 3:00 a.m. Early estimates project that an average of 5,000 to 8,000 patrons per day will visit the facility. Casino Shuttle Services proposes to operate its shuttle program from 10:00 a.m. to 4:00 a.m. daily. Casino Shuttle Services has an agreement with Leduc Bus Lines Ltd. to provide the buses and drivers for this service.

Passengers taking the service will be charged a fee of \$7.00 return. It is anticipated that, initially, in order to generate patrons coming to the facility, passengers will receive casino kits providing discounts for goods and services at the slots facility which will be of the same value as the cost of the return trip.

STAFF COMMENT

OC Transpo does not currently operate a regularly scheduled service to the Rideau Carleton Raceway and does not at this time have the equipment available to provide this service on a regularly scheduled or charter basis. Furthermore, the proposed service and the hours of operation of the slots facility extend beyond the daily times of transit operations.

The initial routes proposed by Casino Shuttle Services provided limited opportunities for transit users to make use of OC Transpo services and extend their trip to the raceway and slots facility. Therefore OC Transpo staff suggested that the shuttle service provide service between the Greenboro Transit Station and the raceway and slots facility. This would generally involve a short detour along the proposed route. Casino Shuttle Services is prepared to offer this service on the two routes to and from east and west end locations.

In order to ensure that the operators of the shuttle service can defray some of the initial capital cost of establishing this service, it is proposed that the service be permitted for an initial period of three years. Given the fact that the Commission and the Region hold the exclusive franchises to operate this type of service and could be surrendering a potentially profitable operation, it is suggested that an initial annual fee of \$2,000.00 per vehicle (or \$4,000) be charged for authorization of the service. This fee can be renegotiated annually following consideration of reported passenger volumes using the service.

POTENTIAL COMMISSION AUTHORIZATION

Should the Commission authorize the operation of this service, Casino Shuttle Services would be required to enter into an agreement which would include the following conditions:

- stipulate the type of vehicles to be used, the specific routes to be used by the shuttles and restrict the use to passengers going to and coming from the raceway and slots facility;
- authorize the alteration of routes and addition of further vehicles upon the approval of the General Manager of OC Transpo;
- requires tracking of passenger volumes using the shuttle services on a daily basis and reporting of the results to the General Manager on a quarterly basis;
- require that a copy of a current Safety Standards Certificate for the vehicle be provided to the Commission;
- require proof of liability coverage of \$8 million for the carrier, the Commission and the Region;
- require that the carrier indemnify the Commission and the Regional Municipality from any liability from the operation of the service;
- require that the carrier provide at the Greenboro Transit Station bilingual, weatherproof signage approved by the General Manager or his delegate setting out departure times for the shuttle service to the raceway and slots facility;

PUBLIC CONSULTATION

Public consultation is not required for this matter.

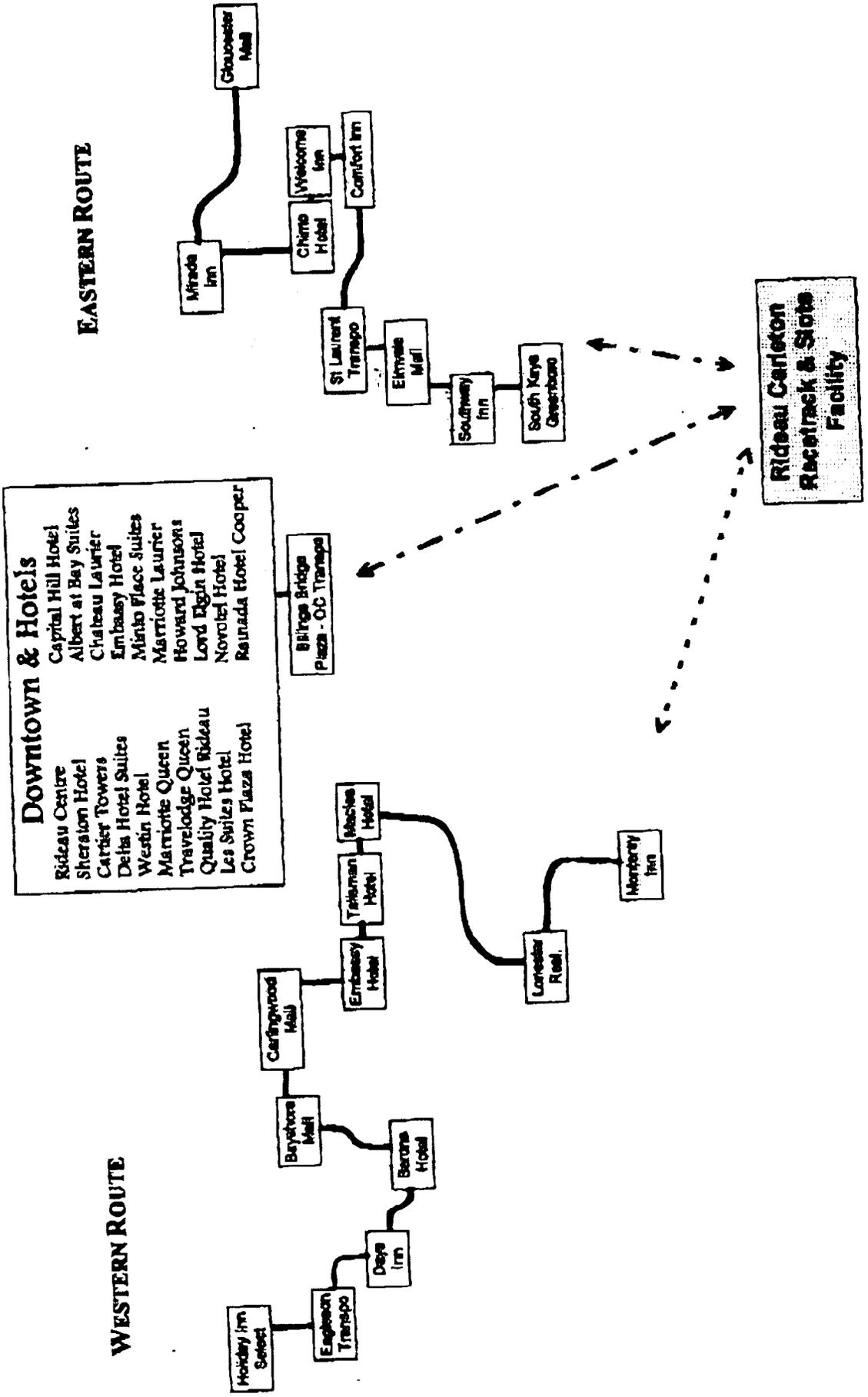
FINANCIAL IMPLICATIONS

OC Transpo will receive revenues by way of the payment of annual fees. Given current equipment restrictions, OC Transpo is not in a position to operate this service. Any potential revenue losses from not operating this service directly can only be accurately forecast following an extended period of operation of the slots facility, which has yet to occur.

*Approved by
Gordon Diamond*

Rideau Carleton Shuttle Services

SHUTTLE ROUTES & COVERAGE (PHASE I)



Extract of Draft Minute
Transit Services Committee
23 February 2000

REQUEST BY CASINO SHUTTLE SERVICES

- General Manager's report dated 7 Feb 00

Mr. David Butler, Operator, Casino Shuttle Services, said his company has been operating for a few years. It provides luxury transportation to the Casino de Hull and, with the recent development of the Rideau-Carleton Racetrack and Slots facility, it is anticipated that a good portion of the business will shift to Ontario. Because of this, the company approached OC Transpo for permission and it has put this proposal forward for consideration.

Mr. Paul Macdonnell, President, Amalgamated Transit Union, said the ATU has evaluated whether OC Transpo can provide a similar service under the same wage scale and whether or not the service would be profitable. He said he had to agree with staff that the company does not have the equipment to provide the service at this time. Mr. Macdonnell posited that if the facility were put into the Urban Transit Area (UTA), the increased taxation income might allow regular service to be provided, without too much impact on the shuttle service, which primarily services hotels. The OC Transpo service would be used by the general public and by people employed at the racetrack/slots facility. Mr. Macdonnell said a sister Union, CUPE Local 5500, has also requested that any approval be granted only for a short period to allow time to look at other alternatives. He alluded to the constant requirement, for a public organization, to run things more efficiently and more profitably, noting this creates difficulties for both Commissioners and for union members. Mr. Macdonnell said it has been reported that the Hull Casino makes a net profit of \$500,000 per day, and even though it has to pay a sizable portion of the transit tax, it can likely afford to do so. He asked why the citizens of Ottawa-Carleton wouldn't be able to travel to the Rideau-Carleton facility at a reasonable cost.

Commissioner J. Legendre wanted it clarified whether Mr. Macdonnell advocated enlarging the urban transit envelope to include the racetrack, as opposed to OC Transpo setting up the shuttle service itself. The latter replied he was not sure OC Transpo could physically provide the service. He put forth the view that, were this a government building as opposed to a casino, and were it a short distance from the UTA, the envelope would be expanded. The Rideau-Carleton facility is also an employment centre and if service can be provided at a reasonable cost, and at a profit, this should be done.

The Commission Chair, A. Loney, asked if staff could investigate whether Payments in Lieu of taxes would be higher if a government building was in, as opposed to not in, the UTA. Chair Loney also wanted to know whether staff have done any analysis of the possible revenues to OC Transpo of running the service out to the Racetrack.

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Dr. Helen Gault, Director, Planning and Development, said an investigation revealed that revenues were minimal compared to the cost of running the service to the racetrack, regardless of whether or not it is in the UTA. Two buses would be required and would run during the afternoon peak period. Dr. Gault indicated the Commission does not have the vehicles and couldn't provide the service, either this year or next year.

Commissioner W. Byrne indicated she intends to bring forward a Motion about the potential for expanding the service and requesting that staff report back in March. She asked whether the three year time frame of the contract will be enough time to evaluate whether or not the service will be provided. Mr. Macdonnell responded by saying this would only be a problem if there were restrictions on providing regular service. The Manager, Civil Litigation, regional Legal Department, Paul Hughes, indicated the report does not recommend any restrictions be placed on providing regular service to the racetrack.

Bob Mannion, President, CUPE Local 5500, said he felt a three year contract may be too long, whereas having a yearly contract will allow more flexibility to look at options. He pointed out this is not the kind of service OC Transpo has been providing, however different kinds of vehicles are available now, and the company should consider whether it wants to get into this kind of service in the future. Mr. Mannion spoke about the situation in the Outaouais, where other businesses developed as a consequence of the opening of the Casino. He posited that running bus service to the raceway could result in a deficit to begin with, but would improve with future growth.

The General Manager, Mr. G. Diamond, asked if there were any instances where transit service was provided to a government facility outside the UTA. Mr. Macdonnell cited the example of a processing plant built in Cumberland Township (now the City of Cumberland): part of the site plan agreement with the municipality was that transit service had to be available in order for the facility to be built. Mr. Sean Rathwell, OC Transpo, confirmed this was the case. He pointed out that the site is not in the UTA at this time, however staff are in the process of reviewing the UTA for several growth areas.

Commissioner Byrne wanted to know why the contract with Apollo Shuttle Services was for one year, while this one has a three-year timeframe. Mr. Hughes replied the change was made in light of concerns raised by the Committee about the operator having a longer time-frame to recover capital costs. Chair Loney posited that the shuttle service was available when the facility opened, which indicates that the operator had the vehicles in hand. This would suggest that no large capital outlay was needed that would require three years or more to repay.

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Commissioner Legendre alluded to the arrangement the STO has with the Casino de Hull, whereby the Casino pays the entire cost of Route 21 which serves that facility. He asked why OC Transpo would not approach the Rideau-Carleton facility with a view to negotiating a similar arrangement. Dr. Gault said discussions were held with the Ontario Lottery Corporation, the facility manager, to discuss possibilities for bus service. Commission staff put before the Lottery Corporation the cost of providing a shuttle or a direct service from downtown via the Transitway and there was no interest on their part in having this.

Commissioner Davis wanted additional information about the arrangement alluded to by Msrs. Macdonnell and Rathwell regarding transit service to a development outside the UTA in Cumberland. Dr. Gault replied that this is one of the small pockets that should be in the UTA but is currently outside it, and Commission staff will address this situation. Responding to a subsequent question, Dr. Gault explained this is done via a development application through the Planning Committee. Commissioner Davis expressed the view there is a contradiction in the fact it is the Planning Committee that can allocate resources for transit service when this should be the responsibility of the Transit Services Committee.

At this point, Chair Loney read two Motions from Councillor Byrne, one to reduce the term of the contract to one year and the other, requesting staff report back by March 2000 on the potential of expanding the UTA.

Commissioner Legendre saw a linkage between the two Motions since presumably this is one area staff will be investigating for inclusion in the UTA. In the event the envelope is expanded, the first Motion could have an impact, because there may not be any interest in maintaining the shuttle service. Chair Loney indicated that including an area in the UTA doesn't mean a lot of buses have to service it, keeping in mind that the company doesn't have the vehicles to do this.

Commissioner Byrne agreed the Motions are linked. The first one will provide an opportunity to examine the data staff have already gathered, and gives OC Transpo the potential to look at whether it can provide the service: it may also be that the two services are compatible. Commissioner Byrne said that limiting the contract to one year will give the Commission the possibility of providing the service.

Commissioner Davis asked for additional details about the pick-up locations and the routes taken by the shuttle service. Mr. Butler provided the information, noting the schedule is still under development. He added the service is currently running from downtown every hour on the hour and from the east and west every two hours.

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Commissioner Legendre spoke against the Motion to reduce the term of the contract, positing that the earlier argument about providing stability to the contractor still holds. The proponent has heard the Commission will be looking at including the area in the UTA, and perhaps this increases his level of risk, but he can still pull out, even with a three-year term. Replying to a question from Commissioner Byrne, Mr. Hughes confirmed there is no restriction under the contract against OC Transpo operating the service to the facility.

Commenting on the Motion to expand the UTA, Chair Loney felt that asking for a report back in March doesn't give staff enough time to carefully review the issue. He informed the Committee there will be problematic areas, for example, including Stittsville would double property taxes. Dr. Gault pointed out it was one thing to consider the racetrack area, but staff would benefit from additional time to put together the big picture on the UTA in this transition year.

Commissioner Davis asked about the process, specifically, does the Commission impose it and will it have to go to the Transition Board. Dr. Gault said she was unsure what the process would be in light of new legislation, Bill 25. Commissioner Davis posited it was unrealistic to expect any clarification on this matter until after the next election and the completion of the Transition Board's work.

Chair Loney suggested that any attempt at enlarging the Urban Transit Area from its current size will have to come from the Transit Services Committee and Regional Council. He said he could not imagine that the Board, in trying to protect the rural area, would suggest this course of action. Chair Loney proposed staff be given more time to take a broader look at this matter. Responding to a question from Commissioner Holmes, Chair Loney clarified the June report would have a range of options, from maintaining the status quo to including the entire boundary of the new City included in the UTA. He added that a proposal somewhere in the middle of this range was likely to get approval from both Regional Council and the Transition Board.

The Committee then considered the following Motions:

Moved by W. Byrne

That a report on the potential for expanding the Urban Transit Area (UTA) to the Rideau-Carleton Raceway and Slots facility, and to other areas, be prepared and presented to the Committee in June 2000.

CARRIED, as amended

Extract of Draft Minute
Transit Services Committee
23 February 2000

Moved by H. Kreling

That the Transit Services Committee recommend the Commission authorize the General Manager to enter into an agreement on behalf of the Commission whereby 1029979 Ontario Inc. (a division of which operates as Casino Shuttle Services) will be allowed to operate a shuttle bus service taking passengers to and from downtown hotels and specified east and west end locations and the Rideau Carleton Raceway & Slots Facility under the terms and conditions set out in this report.

CARRIED

Moved by W. Byrne

That the contract be for a one-year period, rather than for the three-year period recommended in the report.

CARRIED, as amended

YEAS: M. Bellemare, W. Byrne, D. Holmes, H. Kreling, A. Loney.....5

NAYS: C. Doucet, J. Legendre.....2