



P.O. Box 1749  
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**Item No. Info Item 1**  
**Transportation Standing Committee**  
**October 28, 2021**

**TO:** Chair and Members of Transportation Standing Committee

Original Signed

**SUBMITTED BY:**

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Dave Reage, MCIP, LPP, Executive Director, Halifax Transit

Original Signed

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Jacques Dubé, Chief Administrative Officer

**DATE:** August 24, 2021

**SUBJECT:** **Free Ferry for COVID Recovery Program**

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**INFORMATION REPORT**

**ORIGIN**

At the June 8, 2021, meeting of Halifax Regional Council the following motion was PUT and PASSED:

THAT Halifax Regional Council

*Request a supplemental report regarding a subsidized Ferry program as a part of the Halifax Regional Municipality Covid Recovery program.*

**LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter, 2008, c. 39,:*

Subsection 69(1) of the *Halifax Regional Municipality Charter* provides the legislative authority for the municipality to provide a public transportation service.

Section 102 of the *Halifax Regional Municipality Charter* provides that Council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.

By-law U-100, the *User Charges By-law*

Clause 4(1)(b) states that Council, by resolution, or the CAO, may waive, in whole or in part, any user charges in Schedule 1 where, in the opinion of Council or the CAO, such a waiver would be beneficial to the Municipality.

## **BACKGROUND**

As part of the June 8, 2021 Regional Council discussion on the *Options to Support Business Recovery with Parking Programming*, a motion was passed for a supplementary report on subsidizing ferry service as part of the COVID Recovery program.

In their discussion, Council referenced an e-mail, dated June 7, 2021, received from representatives of the five urban core Business Improvement Districts (BIDs), that requested:

*“Unrelated to parking, but important to encourage mobility throughout our urban core, we would like to see a free day on the Downtown Halifax - Alderney ferry, every week from June to September.”*

This e-mail is affixed to the report as Attachment A.

## **DISCUSSION**

The definition of ‘free’ ferry service is not charging passengers cash or tickets for a trip on the Halifax Transit ferry service between Halifax Ferry Terminal and Alderney and Woodside Ferry Terminals. It does not impact passengers that would use transfers from buses or have passes. When service is free, it directly decreases the revenue that Halifax Transit is able to collect from these trips.

Halifax Transit has historically offered free ferry service on Canada Day, Natal Day, New Year’s Eve, and occasionally to passengers with bicycles in support of Bike Week. In addition, ferry and bus service has been offered to veterans and military personnel, and their accompanying family, on Remembrance Day. With the exception of Bike Week and Remembrance Day, these initiatives have not necessarily been aligned with attracting the public to specific events, but more so the need to quickly and safely move large volumes of passengers and decrease vehicle congestion around the event sites. Many other municipalities across Canada also have similar service incentives during events when increased passenger loads are anticipated.

In March 2021, the Downtown Dartmouth Business Commission and Downtown Halifax Business Commission paid the fares for ferry passengers on the Halifax Transit ferry service for trips between the Halifax and Alderney Ferry Terminals from 11 a.m. to 2 p.m., Monday March 15 to Saturday March 20, as part of their March Break Adventure program. The Business Commissions’ remitted approximately \$3800 back to Halifax Transit to cover fares during this time period. During these three hours of free service, ridership increased approximately 66% over ridership during the same time period in the weeks before and after March Break 2021, and was up 35% comparable to March Break 2019 when the ferry was not free to passengers.

However, it is unknown how much of this increase can be attributed to the waived fares, versus March Break event programming, community marketing for events close to the ferry terminals, and weather. For example, Wednesday, March 18 saw the highest ridership in a three-week period (771 boardings); however, Sunday March 21 also saw the third highest amount of boardings (474), during the 11 a.m. to 2 p.m. for the same three-week span, and the fare was not waived.

## **Linking Free Ferry to Covid Recovery Program**

This summer, and continuing through the fall, two COVID-compliant venues are showcasing a wide variety of free programming in Grand Parade and Dartmouth Ferry Terminal Park. Programming began July 15 at Grand Parade, and July 22 in Dartmouth, and occurs on Thursday, Friday, Saturday evenings, and Sunday afternoons. In addition, Discover Halifax and Develop Nova Scotia are holding promotions for bars, restaurants, and music venues under the banner *Patio Lanterns Festival*, which is running from July 15 to October 11, 2021. There are events planned daily however the majority are targeted for Thursday through Sunday and there will be coordination with the programming at Grand Parade.

As a result, free ferry service was considered during the following periods:

- a) Thursday and Friday – Halifax to Alderney/Woodside (both directions) – 5:30 p.m. to close;
- b) Saturday – Halifax to Alderney (both directions) – 5:30 p.m. to close; and
- c) Sunday - Halifax to Alderney (both directions) – 12:30 p.m. to 4:30 p.m.

The estimated lost revenue for all of the above periods for three months of duration are shown in the table below. These estimates are based on 2019 average daily boardings which are estimated to be higher than those anticipated in the summer of 2021.

Day of Week	Period	Average Daily Boardings (2019)	Total Number of Days	Total Boardings	Potential Revenue	
					Low Estimate	High Estimate
Thursday	5:30 p.m. to close	1,915	12	22,980	\$27,809	\$38,032
Friday		2,525	12	30,300	\$36,663	\$50,141
Saturday		2,419	12	29,028	\$35,119	\$48,030
Sunday	12:30 to 4:30 p.m.	2,027	12	24,324	\$29,438	\$40,260
				106,632	<b>\$129,029</b>	<b>\$176,463</b>

The low and high-estimate ranges reflect potential variations in the number of passengers who would pay cash or use tickets, as opposed to those passengers that would already hold a monthly or annual pass of which there would be no benefit.

The Business Improvement Districts requested one full day of free ferry. The following calculations, using the same formula as above, were prepared based on offering the service free one day a week for 12 weeks:

Day of Week	Time Period	Average Daily Boardings (2019)	Total Number of Days	Total Boardings	Potential Revenue	
					Low Estimate	High Estimate
Monday	All Day	<b>7,038</b>	12	84,456	\$102,194	\$139,764
Tuesday		<b>7,415</b>	12	88,980	\$107,661	\$147,240
Wed.		<b>7,782</b>	12	93,384	\$112,996	\$154,536
Thursday		<b>7,804</b>	12	93,648	\$113,313	\$154,970
Friday		<b>8,936</b>	12	107,232	\$129,749	\$177,449
Saturday		<b>6,366</b>	12	76,392	\$92,429	\$126,408
Sunday		<b>4,375</b>	12	52,500	\$63,520	\$86,871

Should Regional Council extend the Covid Recovery programing past the 12 weeks, or support additional community events through the autumn and winter, the above figures can be referenced as approximate maximum estimates of the cost given that ferry ridership declines after September in comparison to the summer months.

### Impact of COVID-19 on Ferry Revenue

The period from January to June 2021, compared to the same period in 2019, saw a reduction in overall ferry revenue of approximately 68%, from \$869,000 to \$276,000. As per the table below, revenue through the months of July to September accounts for approximately 37% of the overall ferry revenue during the year.

2019	Boardings	% of Total	Revenue	% of Total
Jan - March	323,514	17%	\$469,997	17%
April - June	430,048	23%	\$662,042	23%
July - Sept.	689,732	38%	\$1,072,830	37%
Oct. - Dec.	386,544	21%	\$621,412	22%
<b>Total</b>	<b>1,829,838</b>	<b>100%</b>	<b>\$2,826,281</b>	<b>100%</b>

The revenue from ferry ridership in July to September 2019 was \$1,072,830. If revenue were to remain reduced by 68% through the summer, the anticipated revenue through the same period in 2021 would be approximately \$343,305.

### Conclusion

Although it is possible that offering free ferry may increase ridership slightly and attract people to the downtowns, there is no evidence to suggest that the fares are currently a barrier, or a decision-making factor for those considering travelling downtown.

### FINANCIAL IMPLICATIONS

There are no financial implications associated with this information report, as no action is recommended. However, there would be a potential for lost revenue from cash and ticket fares of approximately \$38,000 to \$50,000 for 12 periods of free service. The potential for lost revenue is detailed in the table below.

Period of Free Service	Lost revenue (Low)	Lost Revenue (High)
Thursday - 5:30 p.m. to close	\$27,809	\$38,032
Friday - 5:30 p.m. to close	\$36,663	\$50,141
Saturday - 5:30 p.m. to close	\$35,119	\$48,030
Sunday - 12:30 p.m. to 4:30 p.m.	\$29,438	\$40,260

Subsidy of a complete day of free ferry for the span of 12 weeks would account for potential revenue losses estimated between \$63,520 and \$177,449, depending on the day (according to 2019 ridership).

### COMMUNITY ENGAGEMENT

No community engagement was required.

### ATTACHMENTS

Attachment A - E-mail submitted from five downtown Business Improvement Districts (BIDs)

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Derek Nawrot, Supervisor – Scheduling & Service Planning, Planning and Customer Engagement, Halifax Transit 902.490.4636

## Attachment A – E-mail submitted from five downtown Business Improvement Districts (BIDs)

**From:** Paul MacKinnon [REDACTED]  
**Sent:** Monday, June 7, 2021 12:46 PM  
**To:** Gary Hurst [REDACTED]; Mayor [REDACTED] Mason, Wayne [REDACTED]; Ivy Ho [REDACTED]  
**Cc:** Horne, Victoria [REDACTED]; Dube, Jacques [REDACTED]; [REDACTED] Anguish, Brad [REDACTED]; Robert Risley [REDACTED] Rick Hollihan [REDACTED]; [REDACTED]; 'Scott Thomson' [REDACTED]; '2-Steve McMullin' [REDACTED]; David Boudreau [REDACTED]  
**Subject:** [External Email] RE: PARKING DOWNTOWN

*[This email has been received from an external person or system]*

June 7, 2021

Dear Mayor Mike Savage and HRM Councillors:

As in other cities across Canada, the loss of office workers, tourists, students, and other customers has hit the urban cores of Halifax and Dartmouth particularly hard during the pandemic. In a recent survey of Downtown Halifax businesses, 83% of retailers reported that their sales had decreased in the past year, with 100% of restaurants reporting the same. Almost 20% of ground floor businesses anticipate permanently closing by 2022. Many of them are hanging on only due to the federal wage and rent programs (both scheduled to end in September). It is critical that the latter half of 2021 sees a turnaround.

Available, convenient, affordable parking is a key component to any Downtown business district. We appreciate the efforts of HRM in investing in new technology and the ongoing work of HRM's parking division.

Parking is largely seen as a negative for Downtown visitors. People dislike looking for parking spaces and people dislike paying for parking, regardless of the price. The new technology and app have made paying for parking easier (though not cheaper), and continued promotion of availability of parking is required. We would ask that HRM Council and staff look at 2021 as a critical period for Downtown businesses and use parking as a means of helping.

In April, the five urban core Business Improvement Districts (BIDs), who have paid parking, requested that Council allot \$700,000, or 10% of average parking revenues, and have HRM Parking staff work with us to design a parking program. At that time, Council did not decide to allocate a specific figure, but did direct HRM staff to get BID input on a recommendation. That recommendation is now before you:

1. Implement a marketing strategy
2. Free on-street parking, Thursdays and Fridays, 4:00-6:00 pm (June 17 to September 11)
3. Provide free sign-ups for the HotSpot app to customers, June to August
4. Cover the cost of up to 200 businesses to get set up to provide validation to their customers, through HotSpot

## **Attachment A – E-mail submitted from five downtown Business Improvement Districts (BIDs)**

We believe all four components of this recommendation are valuable to reinvigorate Downtown customer visitation. Our specific comments and recommendations are as follows:

We support the marketing strategy as recommended.

We support free parking on Thursdays and Fridays, from June to September. As the different business areas feel different times are beneficial for their areas, we collectively would advocate for ***free 2 hour parking from 12noon to 6:00pm on Thursdays and Fridays.***

Regarding recommendations 3-4, we believe the goal should be the creation of a sustainable parking validation system, by which businesses can easily reimburse customers who park on-street to patronize their businesses. The best way to do this is to make signing up for the program easy, as has been outlined in the report. But to get it off strongly, it also needs to be made affordable to businesses who are desperately trying to recover. Therefore, we ask that HRM also ***subsidize the cost of validated parking, at least through the summer and into the fall.*** This investment, which could be several hundreds of thousands of dollars more than what has been recommended (depending upon participation), will lay the groundwork for a successful validation program. Please remember, that the funds being spent are not taxpayer dollars, but rather monies paid by Downtown customers, which can now be reinvested in the downtown, as a key component of the recovery plan.

Furthermore, we would like to recommend the following:

HRM re-instate **free 15 min parking** to facilitate continued pickup from online orders and take-out from restaurants. Many people who are doing this sort of pickup are not paying anyway, so the lost parking revenue would be negligible.

Unrelated to parking, but important to encourage mobility throughout our urban core, we would like to see a **free day on the Downtown Halifax - Alderney ferry**, every week from June to September.

As we stated in our April letter, the immediate goal is to assist in business survival. The long-term goal is to maintain the critical Downtown tax assessment base and reduce the barriers (perceived and real) to parking Downtown. We ask that you support the staff report, with the amendments we are asking for.

Sincerely submitted,

Downtown Dartmouth Business Commission  
Downtown Halifax Business Commission  
North End Business Association  
Quinpool Road Mainstreet District Association  
Spring Garden Area Business Association