



July 11, 2024

Attn: Jim Wakeham
Manager, Facilities and Transit Management
Cowichan Valley Regional District
175 Ingram Street, Duncan, BC V9L 1N8

Re: Transit Improvement Program - 3 Year Transit Expansion

Dear Jim,

The purpose of this letter is to confirm transit service expansion plans for 2025/26 and the subsequent two years. BC Transit confirms service expansion plans with local government partners on an annual basis. This process supports BC Transit in developing operating and capital budget submissions that reflect the growth trajectory established through service expansion funding commitments.

As your transit system has service initiatives requiring expansion funding, we have attached a Memorandum of Understanding (MOU) to formalize your request for provincial funding to support service expansion. This MOU summarizes specific transit expansion initiatives for the next three operating years from 2025/2026 through to 2027/2028. These initiatives are derived from recommendations outlined in the most recent transit service plan(s) received by your Council/Board and validated in collaboration with local government staff.

Transit service expansion investments are important components to sustaining and growing a successful transit system. These investments in your transit system come with several considerations. To support Council/Board decision making, we have provided updated order-of-magnitude costing for each transit service initiative. These are based on the estimated annual increase to revenue service hours. If your expansion requires additional vehicles, this is identified and factored into estimated total costs. As always, if expansion requests exceed available provincial funding or vehicle availability, BC Transit's expansion prioritization process will be used to determine which service priorities receive funding.

As we experienced through our 2023 Transit Improvement Program, we expect to see significant demand for expansion resources coming from local governments this year. While we are making every effort to increase the availability of expansion resources to meet this demand, we expect that we will be unable to fulfill all requests that we receive through this process. In addition to the extraordinary demand, the transit industry continues to experience more advanced lead times for the procurement and delivery of buses, and more limited availability of certain vehicle types. Despite these challenges, we are continuing to support key expansion priorities in the short term while ensuring that the identified demand is reflected in our long-term capital planning process.

By conveying proposed transit service expansion initiatives as far in advance as possible, we are seeking to achieve four important goals:

1. Ensure 3-year expansion initiatives are consistent with the expectations of local governments.
2. Provide local government partners with enhanced 3-year forecasts that identify longer term funding requirements.
3. Ensure transit system infrastructure investments needed to support transit service expansion plans are aligned with transit service expansion initiatives identified in both local government and BC Transit's 3-year operating budgets and the long-term capital plans.
4. Attain a commitment from local governments that allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions.

Upon confirmation of your Council/Board's commitment to the expansion initiatives, we will include your request in BC Transit's Service Plan funding request to the Province. Following confirmation of the provincial budget, I will confirm with you if supporting provincial funding was secured and initiate a transit service implementation plan and work with local government to advance any capital infrastructure planning that may be required to ensure alignment with transit service expansion initiatives. I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions regarding these proposed initiatives.

We ask that a signed copy of this letter be returned to BC Transit by September 20, 2024. If you are unable to meet this deadline, please contact me at your earliest convenience.

Yours truly,

Seth Wright
Senior Manager, Government Relations
BC Transit

Three-Year Transit Expansion Plan

Proposed Transit Service Expansion Initiatives

The table below outlines expansion initiatives for the 2025/26 fiscal year with an estimated costing based on the hourly rates of your existing system. Please ensure that these initiatives are consistent with your local government expectations. Upon receipt of this MOU, we will confirm funding from the Province on your behalf. Please keep in mind that should vehicles be procured to support your expansion following agreement to the MOU and a determination is made that an expansion is no longer desired by the local government, the lease fees related to the new vehicles will still be added to your operating budget for a minimum of one-year.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES – YEAR 1 (2025/26)						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2025/26	September	400	0	3,986	49,199	22,243
		Description	Introduce Saturday service on 7X Cowichan Lake Express			
2025/26	January	4,350	3	43,343	785,466	405,935
		Description	Implement priorities from South Cowichan Local Area Transit Plan, including service improvements to Eagle Heights. Add an additional trip on the 6 Crofton/Chemainus. Route 34 connections to NCX.			
PROPOSED INTER-REGIONAL EXPANSION INITIATIVES – YEAR 1 (2025/26)						
2025/26	September	625	0	24,514	195,210	79,552
		Description	CVX: Introduce Sunday service on Cowichan-Victoria Express.			
2025/26	September	1,000	0	15,344	131,584	54,804 ¹
		Description	NCX: Introduction of Sunday service and on time performance improvements on Nanaimo-Cowichan Express.			
PROPOSED CUSTOM EXPANSION INITIATIVES – YEAR 1 (2025/26)						
2025/26	n/a	-	-	-	-	-
		Description	No expansion			

¹ NCX Service is cost-shared 50/50 with Regional District of Nanaimo, so the estimated net municipal share of this expansion for the CVRD is \$27,402

The table below outlines expansion initiatives for year two and three of the three-year transit service expansion initiatives with an estimated costing based on the hourly rates of your existing system. Please ensure that these initiatives are consistent with your local government expectations. Upon confirmation of your local government's intent to commit to the expansion and budget, we will proceed with the request to secure funding from the Province on your behalf.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES – YEARS 2 (2026/27) & 3 (2027/28)						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2026/27	September	2,925	1	31,259	502,825	252,025
		Description	Introduce new Core Routes in Duncan and North Cowichan. Introduce service to the new hospital in the Bell McKinnon area.			
2027/28	January	4,100	2	43,816	671,849	346,325
		Description	Improve service levels on the core routes in Duncan and North Cowichan. Additional hours for service reliability.			
PROPOSED INTER-REGIONAL EXPANSION INITIATIVES – YEARS 2 (2026/27) & 3 (2027/28)						
2026/27	September	900	0	37,150	303,452	124,621
		Description	CVX: Add one additional midday trip on Cowichan-Victoria Express.			
2026/27	September	500	0	6,917	75,752	33,466ⁱⁱ
		Description	NCX: Opportunity to add service to new areas based on routing review of Nanaimo-Cowichan Express.			
2027/28	n/a	-	-	-	-	-
		Description	No expansion			
PROPOSED CUSTOM EXPANSION INITIATIVES – YEARS 2 (2026/27) & 3 (2027/28)						
2026/27	January	1,000	1	3,036	144,440	54,619
		Description	Custom service improvements.			
2027/28	January	1,000	0	3,036	113,988	34,934
		Description	Custom service improvements.			

ⁱⁱ NCX Service is cost-shared 50/50 with Regional District of Nanaimo, so the estimated net municipal share of this expansion for the CVRD is \$16,733

Approval

On behalf of the Cowichan Valley Regional District, I/we are confirming to BC Transit to proceed with the request for funding to the Province on our behalf for the 2025/26 Fiscal year, and that we will budget accordingly for the initiatives identified above and will review and confirm on an annual basis as per the advice provided and with the knowledge a more detailed budget will follow as service details and capital initiatives are confirmed.

Signature: _____

Date: _____

Name: _____

Position: _____

Signature: _____

Date: _____

Name: _____

Position: _____

On behalf of BC Transit

Signature: _____

Date: _____

Name: Seth Wright _____

Position: Senior Manager,
Government Relations _____