



September 1, 2023

Attn: Jim Wakeham  
Manager, Facilities and Transit Management  
Community Services Department  
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 2024/25 and approve transit expansion priorities for the subsequent two years.

BC Transit confirms service expansion plans with local government partners on an annual basis to coordinate the development of three-year budgets and capital plans with the Provincial Service Plan. Confirmation of next year's desired level of transit service expansion is also required to support the procurement of buses.

As your transit system has service initiatives requiring expansion funding, we have attached a Memorandum of Understanding (MOU) to formalize the process of securing provincial funding on your behalf. This MOU summarizes specific transit expansion initiatives for the next three operating years from 2024/2025 through to 2026/2027. These initiatives are derived from recommendations outlined in the most recent 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, and/or the estimated increases to the Taxi Supplement budget for Custom Transit (if applicable). If your expansion requires additional vehicles, this is identified and factored into estimated total costs. Should vehicles be procured following MOU signoff and a decision is made to not pursue service expansion, the lease fees for the new vehicles will still be added to your operating budget for a minimum of one year. If expansion requests exceed available provincial funding, BC Transit's expansion prioritization process will be used to determine which projects receive funding.

One of the key challenges we continue to face through this process is the higher probability that demand for expansion vehicles will exceed the availability in each fleet category. More advanced lead times are required for procurement and delivery of buses, and bus orders need to be strategically timed to align with our deployment plans. While every effort is made to align bus orders with demand, some expansion initiatives will likely be impacted by the limited availability of certain vehicle types. Despite these challenges, we continue to work with our local government

partners to identify and develop expansion priorities, and to align our expansion initiatives with our overall fleet procurement plans.

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 29, 2023. 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

|               |                                  |
|---------------|----------------------------------|
| <b>Date</b>   | September 1, 2023                |
| <b>Expiry</b> | September 29, 2023               |
| <b>System</b> | Cowichan Valley Regional Transit |

### Proposed Transit Service Expansion Initiatives

The table below outlines expansion initiatives for the 2024/25 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 (2024/25)           |                      |                    |   |                          |                              |                                      |
|--|----------------------|--------------------|---|--------------------------|------------------------------|--------------------------------------|
| AOA Period   | Estimated In Service | Annual Hours       | Vehicle Requirements  | Estimated Annual Revenue | Estimated Annual Total Costs | Estimated Annual Net Municipal Share |
| 2024/25  | September            | 2,700              | 2   | 26,490                   | 496,510                      | 256,670                              |
|  |                      | <b>Description</b> | Implement priorities from South Cowichan Local Area Transit Plan, including service improvements to Eagle Heights. Introduce 7X Cowichan Lake trips on Saturday. Add an additional trip on the 6 Crofton-Chemainus. |                          |                              |                                      |
| PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES – YEAR 1 (2024/25)         |                      |                    |   |                          |                              |                                      |
| 2024/25  | September            | 1,400              | 1   | 3,844                    | 143,320                      | 52,138                               |
|  |                      | <b>Description</b> | Introduce basic Sunday service and extend weekday hours.  |                          |                              |                                      |
| PROPOSED INTER-REGIONAL TRANSIT EXPANSION INITIATIVES – YEAR 1 (2024/25) |                      |                    |   |                          |                              |                                      |
| 2024/25  | September            | 500                | 1   | 7,521                    | 93,970                       | 26,689*                              |
|  |                      | <b>Description</b> | Introduction of additional trips on the NCX Nanaimo Cowichan Express in the evening (Fridays and Saturdays).  |                          |                              |                                      |
| 2024/25  | September            | 0                  | 0   | 0                        | 0                            | 0                                    |
|  |                      | <b>Description</b> | No expansion for the CVX Cowichan-Victoria Express.   |                          |                              |                                      |

*\*The NCX Nanaimo-Cowichan Express route is cost shared with the Regional District of Nanaimo (RDN) and operated as a business unit of the RDN, so expansions must be submitted by the RDN. The Estimated Annual Revenue and Estimated Annual Total Costs represent the combined totals, while the Estimated Annual Net Municipal Share shown represents just CVRD's share of the service based on a 50/50 cost share with the RDN.*

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.

| <b>PROPOSED CONVENTIONAL EXPANSION INITIATIVES – YEARS 2 &amp; 3 (2025/26 &amp; 2026/27)</b>           |                             |                     |   |                                 |                                     |   |
|--|-----------------------------|---------------------|---|---------------------------------|-------------------------------------|---|
| <b>AOA Period</b>  | <b>Estimated In Service</b> | <b>Annual Hours</b> | <b>Vehicle Requirements</b>   | <b>Estimated Annual Revenue</b> | <b>Estimated Annual Total Costs</b> | <b>Estimated Annual Net Municipal Share</b> |
| 2025/26  | September                   | <b>1,600</b>        | <b>1</b>  | <b>15,942</b>                   | <b>214,106</b>                      | <b>107,433</b>                              |
|  |                             | <b>Description</b>  | Introduce Phase 1: New Core Routes in Duncan and North Cowichan.  |                                 |                                     |   |
| 2025/26  | September                   | <b>400</b>          | <b>0</b>  | <b>TBD</b>                      | <b>TBD</b>                          | <b>TBD</b>                                  |
|  |                             | <b>Description</b>  | Improve service on 34 Ladysmith-Chemainus to provide improved connections with 70 NCX Nanaimo-Cowichan Express.                                   |                                 |                                     |   |
| 2026/27  | September                   | <b>4,700</b>        | <b>3</b>  | <b>46,380</b>                   | <b>651,932</b>                      | <b>329,252</b>                              |
|  |                             | <b>Description</b>  | Phase 2: Improve service levels on the core routes in Duncan and North Cowichan. Introduce service to the new hospital in the Bell McKinnon area. |                                 |                                     |   |
| <b>PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES – YEARS 2 &amp; 3 (2025/26 &amp; 2026/27)</b>         |                             |                     |   |                                 |                                     |   |
| 2025/26  | September                   | <b>0</b>            | <b>0</b>  | <b>0</b>                        | <b>0</b>                            | <b>0</b>                                    |
|  |                             | <b>Description</b>  | No expansion.   |                                 |                                     |   |
| 2026/27  | September                   | <b>2,000</b>        | <b>1</b>  | <b>5,601</b>                    | <b>213,601</b>                      | <b>74,039</b>                               |
|  |                             | <b>Description</b>  | Custom service improvements for evenings and weekends to align with conventional service, plus service consideration to First Nation communities  |                                 |                                     |   |
| <b>PROPOSED INTER-REGIONAL TRANSIT EXPANSION INITIATIVES – YEARS 2 &amp; 3 (2025/26 &amp; 2026/27)</b> |                             |                     |   |                                 |                                     |   |
| 2025/26  | September                   | <b>1,000</b>        | <b>0</b>  | <b>15,344</b>                   | <b>128,704</b>                      | <b>26,634*</b>                              |
|  |                             | <b>Description</b>  | Addition of Sunday service to the NCX Nanaimo – Cowichan Express.   |                                 |                                     |   |
| 2025/26  | September                   | <b>TBD</b>          | <b>TBD</b>  | <b>TBD</b>                      | <b>TBD</b>                          | <b>TBD</b>                                  |
|  |                             | <b>Description</b>  | Improvement of CVX Cowichan – Victoria Express according to ridership trends.   |                                 |                                     |   |

|         |           |                    |  |       |        |         |
|---------|-----------|--------------------|--|-------|--------|---------|
| 2026/27 | September | 500                | 0  | 7,672 | 66,605 | 13,917* |
|         |           | <b>Description</b> | Expand service to new areas based on routing review of the NCX Nanaimo – Cowichan Express. |       |        |         |
| 2026/27 | September | TBD                | TBD  | TBD   | TBD    | TBD     |
|         |           | <b>Description</b> | Improvement of CVX Cowichan – Victoria Express according to ridership trends.              |       |        |         |

## Approval

On behalf of the Cowichan Valley Regional District, we are confirming to BC Transit to proceed with the request for funding to the Province on our behalf for the 2024/25 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:   
 Name: Aaron Stone

Date: Sept 28, 2023  
 Position: Chair Person

Signature:   
 Name: ~~Patrick Robins~~  
Danielle Myles Wilson

Date: Sept 28, 2023  
 Position: ~~Carleton Place office~~  
CAO

## On behalf of BC Transit

Signature:   
 Name: Seth Wright

Date: October 3, 2023  
 Senior Manager,  
 Position: Government Relations