

May 15, 2019

BRIEFING NOTE (Updated with additional information provided to municipal staff)

SUBJECT: Fraser Valley Express (FVX) Proposed 2020-21 Expansion

SUMMARY

At its May 8th 2019 meeting the Regional and Corporate Services Committee of the FVRD considered BC Transit's proposal to expand FVX service to the Lougheed SkyTrain station starting in January 2021.

Staff report and presentation is attached for your information. BC Transit's deadline for final commitment is June 28, 2019. BC Transit submits expansion commitments to the province to seek the matching funding required for operating and capital costs in the next provincial budget.

This briefing note has been updated to incorporate additional background information and answers provided to local government staff about the proposal.

ISSUE

After reviewing the proposal the Committee approved the following resolution, as amended:

THAT the Fraser Valley Regional District Board confirm support in principle for the 2020/2021 expansion initiative to extend the Fraser Valley Express service to TransLink's Lougheed SkyTrain station at an annual net cost of \$494,000 subject to further discussions with BC Transit and service area participants regarding timing, costing and service levels;

In addition, the Committee requested more detailed information on the taxation implications for the partners should additional subsidy be required to support the service. This briefing note serves to provide the additional information requested.

DISCUSSION

Purpose of Expansion (the "Why"):

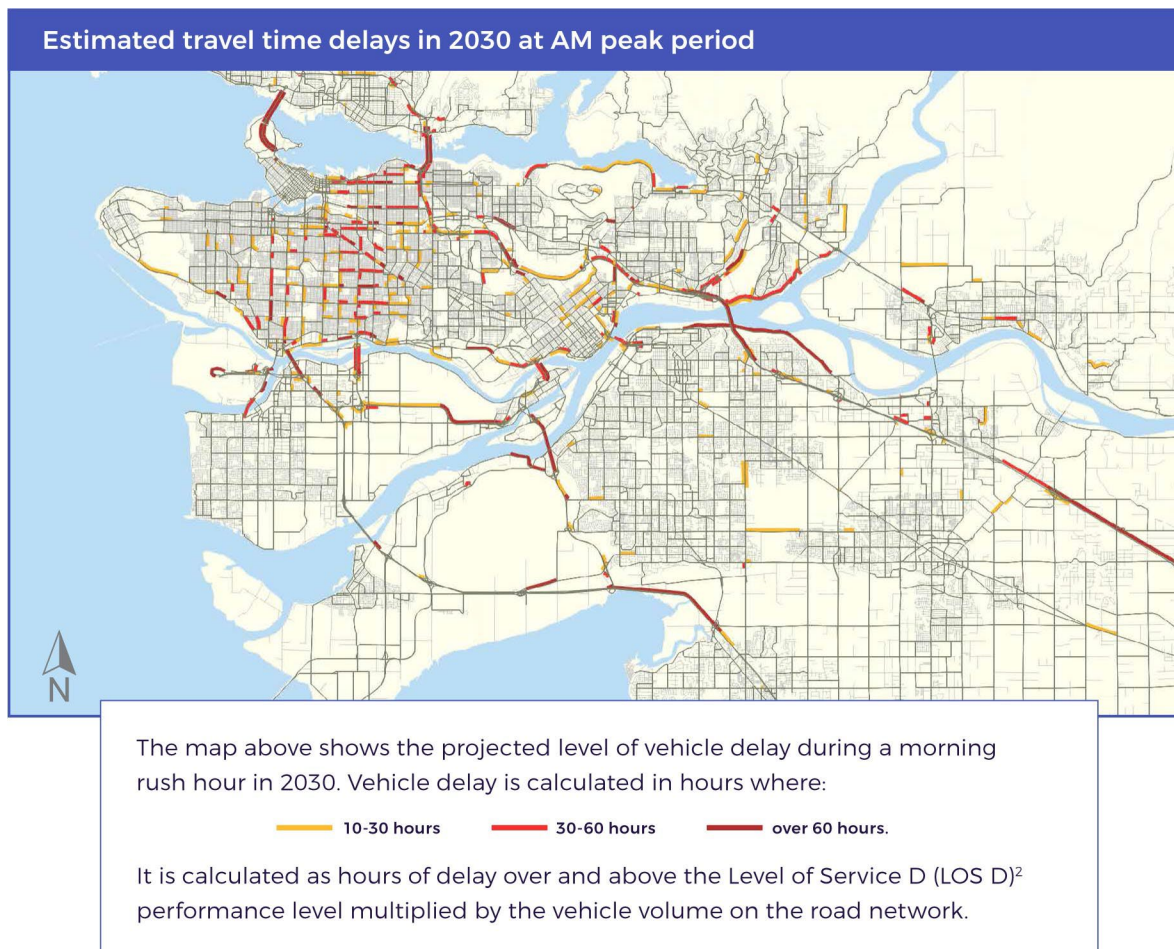
Strategic Issue: Reducing congestion on Highway 1 is a major concern of the province and local governments throughout the lower mainland. The FVRD and individual local governments have been actively lobbying senior governments to reduce congestion on Highway 1. Reducing the number of cars on the highway is an important component that transit can provide. A number of options to address congestion on Highway 1 are being considered by the province and TransLink.

- The province's recent announcement to extend HOV/Bus lanes on Highway 1 to 264th in Langley and hopefully to Abbotsford and beyond in the future is part of that strategy.
- The province's support of the proposed FVX expansion (through BC Transit funding) is seen as contributing to increasing transit ridership and reducing single occupancy vehicle use on Highway 1.
- TransLink is exploring the use of congestion or mobility charges in the lower mainland as a means of addressing congestion. Highway 1 between Abbotsford and Langley was modelled

for the purpose of this initiative. The Board has considered staff reports in 2017 and 2018 on the TransLink's congestion charge initiative discussing the implications for FVRD residents should mobility pricing be imposed. The Final Independent Commission's (MPIC) report identifies the potential location of a screen line on Highway 1 between Abbotsford and Langley. When and if congestion (or decongestion) charging is implemented in Metro Vancouver, depending on the options selected, FVRD residents will be looking for ways to reduce commuting costs, with transit as a viable option.

TransLink has recently initiated a *Regional Transportation Strategy* looking out to the 2050's <https://www.translink.ca/Plans-and-Projects/Regional-Transportation-Strategy.aspx> so we will likely to be hearing more about addressing congestion and other issues as part of that process.

Modelling of congestion time delays by 2030 (Metro Vancouver Mobility Pricing Study)



Cost savings: Currently when FVX customers want to travel to Lougheed Sky Train Station, they must disembark at the Carvolth exchange (currently the terminus of FVX) and board a Translink bus that takes them the rest of the way. The FVX is a stand-alone service, meaning that the FVX fare is not transferrable to any other service. With this proposal, cost savings would be generated by eliminating the TransLink fare between Carvolth exchange and Lougheed station. Cost savings for FVX customers could be substantial, especially for those paying cash fare – which we know is the majority of customers:

Current Cash Fares (one way)

Carvolth to Lougheed	\$2.95	
Carvolth to Granville Station	\$7.15	via SkyTrain
Lougheed to Granville Station	\$4.20	
FVX to Carvolth	\$5.00	

two-way trip

	Current	Proposed
FVX	\$10.00	\$10.00
Carvolth to Lougheed	\$5.90	--
Lougheed to Granville	\$8.40	\$8.40
	\$24.30	\$18.40
	\$5.90	daily savings

- Individual travelling into Vancouver twice a week - savings of **\$613 per year**.
- Individual travelling into Vancouver every weekday for 42 weeks - savings of **\$1,239 per year**
- This represents a 24% saving for FVX customers travelling to Vancouver via SkyTrain.

Past census data shows that the incomes of Fraser Valley transit riders are generally more modest. In the interest of poverty reduction, savings of this magnitude could make a difference for regular transit users living on fixed or more modest incomes.

Customer experience: Ease of travel is one of the most fundamental aspects driving transit ridership growth. The more times customers have to change from one service to another, or change one form of payment to another, the less likely they are to take transit. If the goal of reducing congestion on Highway 1 is to be realized, increasing transit ridership on Highway 1, utilizing the recently announced HOV/Transit lanes, will be a key element. The more convenient and easy to understand a service is, the more likely people who have not previously taken transit will consider transit as a viable alternative to driving.

Customer comfort: At recent Transit Future Action Plan open houses, the public generally expressed support for the FVX but some customers indicated that the lack of facilities at Carvolth was an issue. Customers with health issues (pregnancy, prostate issues for example) or with small children, were concerned about the lack of public washroom facilities noting that it was a challenge, especially in non-peak times when the TransLink 555 (the link to Lougheed Station) bus runs less frequently. Also important

to consider is that there is a bigger challenge when waiting for return trips home to Abbotsford or Chilliwack, which are significantly less frequent.

Is TransLink supportive?

FVRD and BC Transit staff are in regular contact with TransLink on a range of operational and planning issues. As noted above, TransLink is concerned with increasing congestion on Highway 1 and other key locations within Metro Vancouver. TransLink staff are supportive in principle and should the project move forward more specific discussions will take place to establish next steps and roles/responsibilities.

TransLink staff have also indicated that increasing ridership on the FVX and general population and employment growth in the Carvolth exchange area is leading to the 555 buses having capacity issues. The expanded FVX service will reduce pressure on the 555 service. The FVRD does not currently contribute to TransLink Services. The extension of the FVX to Lougheed Station also establishes a step towards more integrated transportation solutions connecting people between Metro Vancouver and the Fraser Valley.

The FVX will not compete with the 555 service as the FVX will not pick-up at Carvolth west-bound or drop-off at Carvolth east-bound.

Ridership

Total ridership for the FVX was estimated to be 232,000 in 2018.

According to BC Transit, it is estimated that the FVRD generates over 800,000 trips each day, with Abbotsford accounting for over 65% of them. Of those daily trips, only 1% are made using transit, while driving accounts for approximately 90% of all daily trips. This compares with approximately 3% of all trips in Kelowna and Kamloops that use transit and 8% in Victoria (Source) The regional and inter-regional travel in the FVRD represents a large portion of the demand. It is estimated that over 10-20% of all daily trips in the FVRD are regional in that they are made between Fraser Valley communities. For inter-regional travel between the FVRD and Metro Vancouver, it is estimated that this accounts 5%-15% of daily travel in the region.

Approximately 55%-60% of boardings on the FVX in the Fraser Valley (Chilliwack and CFV) occur in Abbotsford, however the home communities of these passengers are not known. An additional complication is that the FVX directly competes with the UFV Student Union Shuttle between Chilliwack and the Carvolth exchange (UFV shuttle picks up and drops off in the Carvolth Park & Ride parking lot), meaning that some customers may, for example, use the UFV Shuttle to travel from UFV Abbotsford to UFV Chilliwack then use Chilliwack transit and the FVX on the return trip. These customers will not be recorded as boarding in Abbotsford.

Estimated stop activity per weekday, including Carvolth exchange:

Abbotsford	37.6%
Chilliwack	23.6%
Carvolth	38.9%

The most recent FVX expansion of doubling service on weekends and holidays has resulted in an almost doubling of ridership (92%) on those days.

Public interest & long range planning

The extension of an express bus route to the Lougheed SkyTrain Station was considered in both the Central Fraser Valley and Chilliwack Transit Future Plans' 25 year vision (2012-2013).

Recent survey results (2019) from the Transit Future Action Plan (Chilliwack) indicates support for expanding into Metro Vancouver. Respondents were asked to identify their top two priorities for the FVX, and expanding service into Metro Vancouver had the most individual votes and received 36%.

66 Fraser Valley Express – Rapid Transit

- | | |
|--|--|
| <input type="checkbox"/> Introduce Highway 1 bus lanes | <input type="checkbox"/> Expand Park & Ride facilities |
| <input type="checkbox"/> Increase midday trip frequency | <input type="checkbox"/> Other (please describe) |
| <input type="checkbox"/> Increase peak trip frequency | <input type="checkbox"/> This does not affect me |
| <input type="checkbox"/> Expand service into Metro Vancouver | |

Other (Please Describe)

According to a 2016 FVX implementation review report prepared by BC Transit shortly after implementation, Chilliwack and Abbotsford respondents were evenly split between taking the FVX for work or shopping/recreation purposes. Metro Vancouver residents using the service were primarily (more than 60%) using it for shopping/recreation and school (UFV). Additionally, while the FVRD does not receive a large number of complaints on the FVX service, of the 34 written customer complaints/requests received in the last 11 months (not including phone calls):

- 14% were related to a bus leaving early or arriving late
- 26% were requests for better fare integration with other regional transit services, including TransLink's service.
- 29% were requests for higher level of frequency – starting earlier and ending later. (50% of these requests for extended service were so they can connect to TransLink's system better)
- 29% were requests for connection to the sky train station – these requests ramped up after greyhound ended service last year.

Ridership Potential

FVRD Trip Diary Report (2014):

Figures 4.1a - Trips from Abbotsford

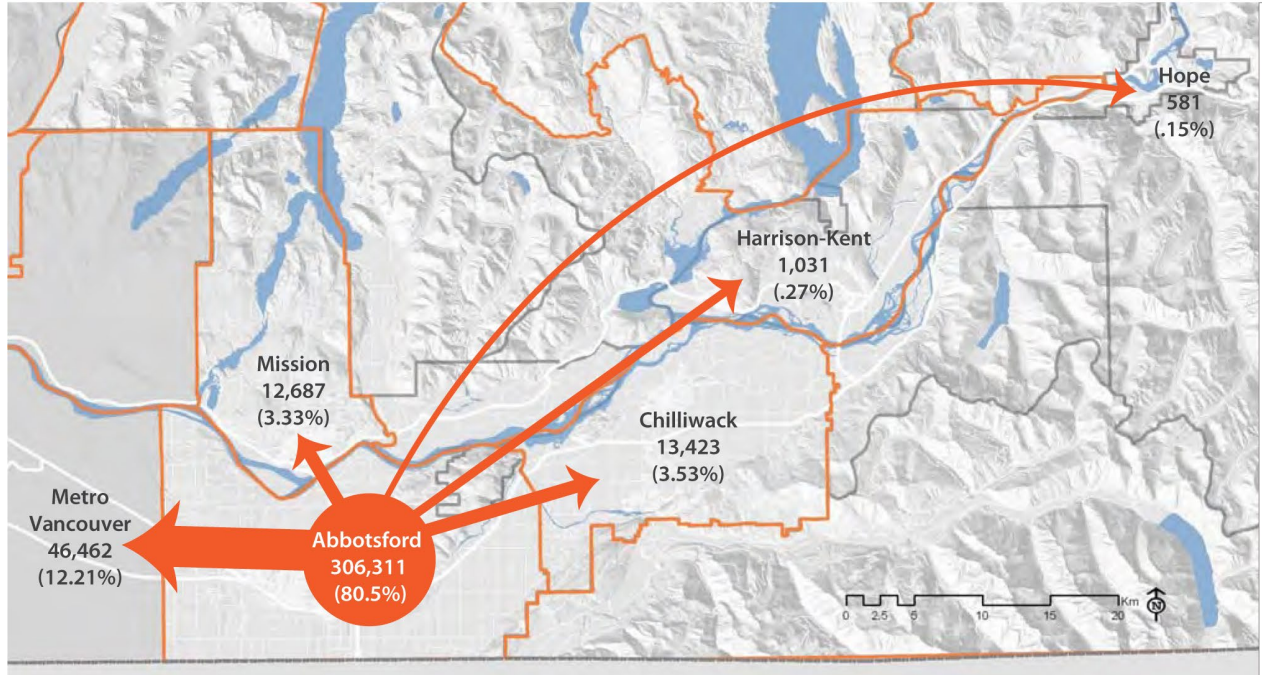
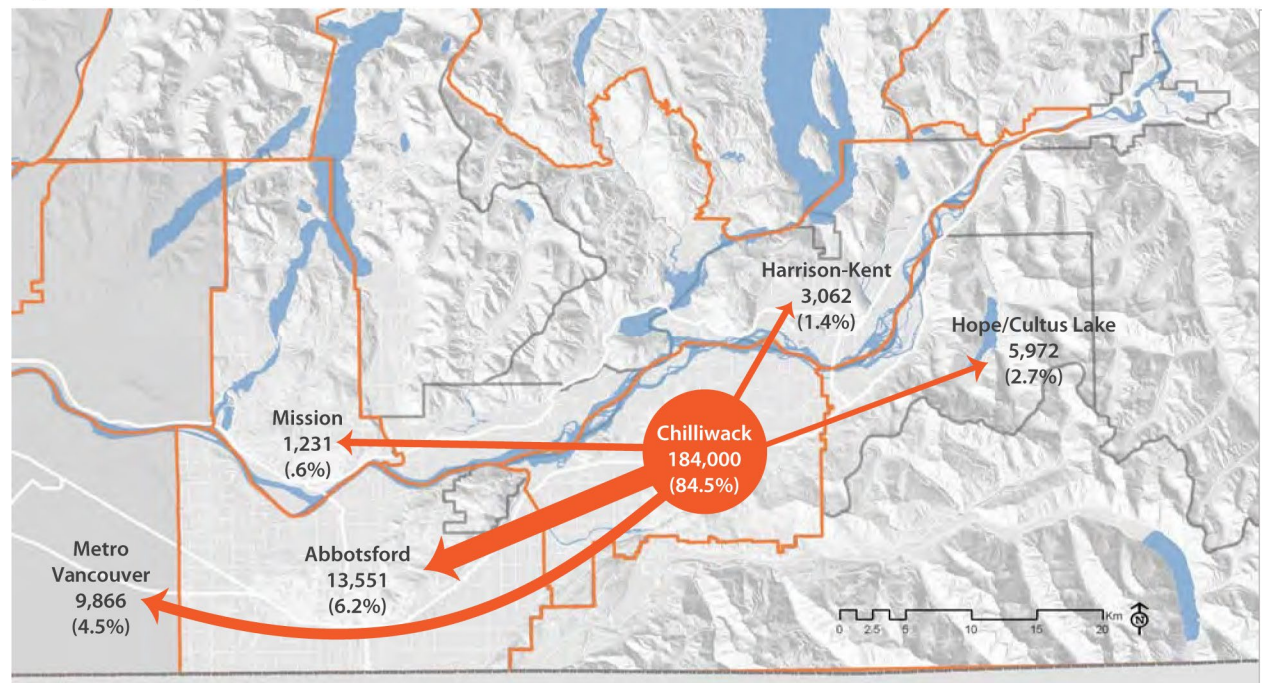


Figure 4.2a - Trips from Chilliwack



Financial:

Costs for the service are shared by the municipal partners per the *Fraser Valley Express sub-regional transit service area establishment Bylaw No. 1236, 2013* as amended.

Per the Bylaw, the split as negotiated between the two parties (City of Abbotsford and City of Chilliwack):

City of Abbotsford	63.8%
City of Chilliwack	36.2%

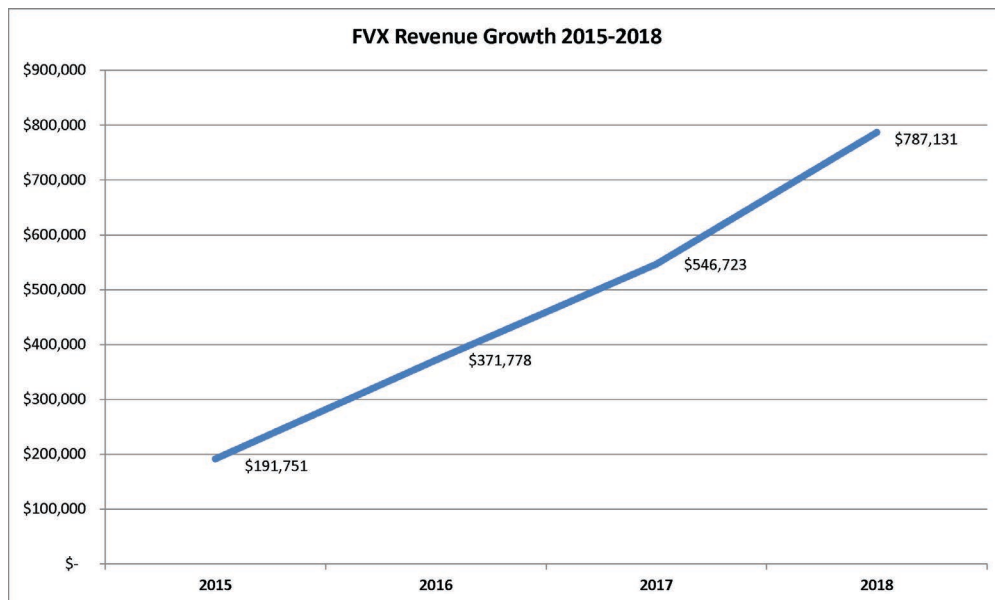
Current tax requisition level:

City of Abbotsford	\$444,003
<u>City of Chilliwack</u>	<u>\$251,927</u>
Total	\$695,930

2018 revenues: (used to offset funding required from taxes)

Total	\$787,131
-------	-----------

FVX revenue growth 2015-2018:



Proposal:

PROPOSED EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2020/21	Jan-21	6,000	4	\$141,696	\$1,061,843	\$494,436
		Description	Expanding service to Lougheed Skytrain Centre			

AOA = Annual Operating Agreement

BC Transit's share of transit system funding is set in legislation. BC Transit funds 46.69% of conventional transit systems with the remaining 53.31% funded by local government. The municipal share is made up of property taxes offset by revenue collected from the transit system fares.

Revenue growth has been strong from the outset, successfully funding expansions without incurring an additional tax subsidy. Per the staff report, it is possible that additional ridership and resulting revenues will cover the additional cost of the service, but the expansion as currently proposed by BC Transit, may require an additional subsidy from taxpayers.

Should an expanded FVX service require partial taxation subsidy, it is estimated to cost \$0.15 per \$100,000 of assessed value for every \$100,000 increase in taxation subsidy.

Tax Scenarios:

- Total net municipal share \$494,436 per the proposal
- 2018 income statement - surplus of \$262,335.

potential shortfall	63.8% Abbotsford	36.2% Chilliwack
\$ 494,436	\$ 315,450	\$ 178,986
\$ 230,000	\$ 146,740	\$ 83,260
\$ 100,000	\$ 63,800	\$ 36,200
\$ 0	\$ 0	\$ 0

Scenario 1-

- Assessed value \$700,000 home
- \$0.15 per \$100,000 of assessed value for every 100,000 increase in taxation subsidy

potential shortfall	Additional tax
\$ 494,436	\$ 5.19
\$ 230,000	\$ 2.42
\$ 100,000	\$ 1.05
\$ 0	\$ 0

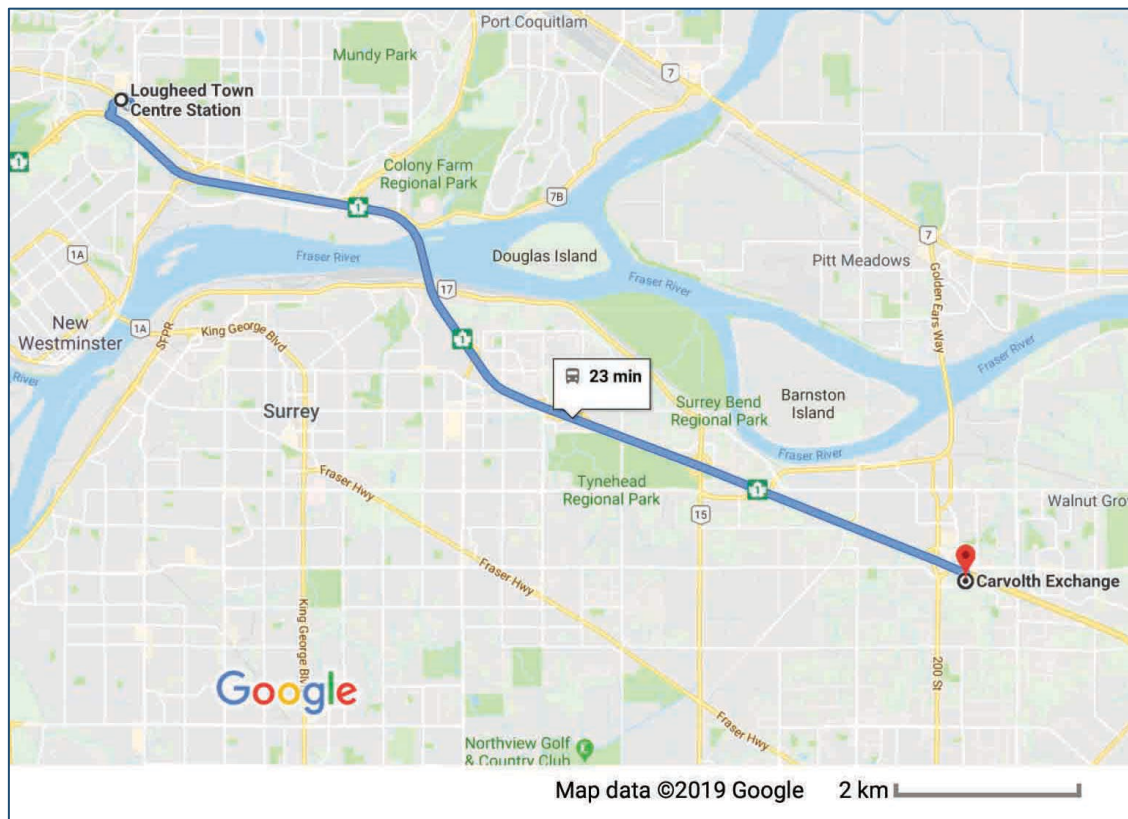
Scenario 2 -

- Assessed value \$500,000 home
- \$0.15 per \$100,000 of assessed value for every 100,000 increase in taxation subsidy

potential shortfall	Additional tax
\$ 494,436	\$ 3.71
\$ 230,000	\$ 1.73
\$ 100,000	\$ 0.75
\$ 0	\$ 0

Additional information:

- BC Transit confirms that the expansion would be an extension of the current service levels of 17 trips per weekday and 8 trips on weekends/holidays to the Lougheed Station.
- There is an opportunity to phase-in the expansion. However, BC Transit indicates that from a service design perspective, it may be more strategic to do it all at once or there is a risk over-complicating the service with resulting variations. One of the reasons the route is currently so effective is because it is simple and easy to use for customers.
- Proposed service extension will require approval from TransLink, who is aware of the proposal at the staff level.
- Lougheed station provides connections to the Expo and Millennium lines and the Evergreen extension to Coquitlam.
- Proposed route: The buses will stop at Carvolth, but only to drop off passengers at the Carvolth exchange west-bound and pick up passengers east-bound. Metro Vancouver customers will continue to access TransLink services.



- TransLink SkyTrain, B-Line & Seabus Network:



- Transit Future Plan [Abbotsford-Mission] 2013:

