

To: CAO for the Regional and Corporate Services Committee

Date: 2019-05-08

From: Alison Stewart, Manager of Strategic Planning

File No: 8330-02-19744

**Subject: BC Transit Update and Service Expansion Planning 2020-21**

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### RECOMMENDATION

**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 Sky Train station at an annual net cost of \$494,000 subject to further discussions with BC Transit regarding timing and service levels;

**AND THAT** BC Transit and the FVRD undertake more detailed costing analysis relating to the potential 2021-2022 service expansions to:

- North Fraser Valley: subject to public engagement and local government support, implement transit service on the north side of the Fraser River between the District of Kent and District of Mission.
- Agassiz-Harrison and Hope: subject to municipal approval, improve and expand regional services in the eastern Fraser Valley based on items identified in the Transit Future Action Plan.
- Cultus Lake: year-round service subject to local government support.

### STRATEGIC AREA(S) OF FOCUS

Support Environmental Stewardship  
Foster a Strong & Diverse Economy  
Support Healthy & Sustainable Community  
Provide Responsive & Effective Public Services

### PRIORITIES

Priority #4 Tourism

### BACKGROUND

Each year BC Transit evaluates numerous expansion requests from Local Government partners throughout the province, including the Fraser Valley Regional District (FVRD). The purpose of this evaluation process is to secure commitment from both the provincial government and local partners, allowing BC Transit to proceed with its strategic planning for the upcoming three year funding cycle.

By communicating proposed expansion initiatives as far in advance as possible, BC Transit is trying to achieve three important goals:

1. Ensure 3 year expansion initiatives are aligned with the expectations of local governments.
2. Attain a commitment from local governments to allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions.

3. Provide local government partners with enhanced 3 year forecasts to identify longer term funding requirements.

## DISCUSSION

The FVRD currently coordinates three sub-regional transit services: the Fraser Valley Express (FVX #66), the Agassiz-Harrison Connector (AGH #11) and the Hope service (Hope #22). Two of the services, the FVX and Hope #22 have been implemented in the last four years. There is potential for further expansion within BC Transit's proposed 3 year expansion cycle for the development of additional sub-regional transit services. A summary of the three transit services, and most recent ridership estimates is attached.

In accordance with BC Transit's strategic planning process, the FVRD is considering several service expansions, as outlined below. Some expansions may be identified through the ongoing Transit Future Action Plan (TFAP) process. It is important to note that expansion funding may be used not only for increased service levels (increased frequency, service span or coverage), but also for addressing issues of reliability and on-time performance – all of which are key to sustaining and growing a successful transit system.

The feasibility of any potential transit expansion within the FVRD is dependent on new storage and maintenance facilities in Chilliwack and Abbotsford – both of which are operating beyond their designed capacity. The City of Abbotsford is currently working with the province and BC Transit on the development of a new transit facility for the Central Fraser Valley (CFV) system. While early in the construction phase, this new facility will address existing operational issues and allow for future growth and service expansion on the CFV system.

Initiatives in years 2 and 3 of the expansion planning horizon will require more detailed planning by BC Transit prior to any meaningful consideration by the FVRD and its member municipalities. For example, the implementation of transit service between the District of Kent and District of Mission will include community engagement and surveying, routing and costing analysis, and a summary of the necessary next steps if the service were to proceed. Likewise, any potential expansion of the Cultus service will require similar analysis by BC Transit and community support. Any additional analysis relating to the FVRD will have to align with BC Transit's existing work plan and their ability to undertake additional planning projects.

**FVX expansion:** The proposed expansion of the FVX to directly serve the Lougheed Sky Train station in Burnaby is the most extensive service expansion since the service's introduction in 2015. The expansion, if supported, is currently planned for January 2021 implementation. The proposal follows on discussions at the February 26, 2019 Committee of the Whole Budget Review, where the Board was informed of ongoing discussions between BC Transit and TransLink to extend FVX service to the Lougheed Sky Train station. This will significantly increase convenience for FVX customers wishing to access TransLink's Sky Train network, including connections to Surrey, Coquitlam, downtown Vancouver and Vancouver International Airport. It will also improve access for Metro Vancouver residents working and visiting the Fraser Valley.

The FVX has been successful from its introduction with double digit gains every year. In 2018, the system carried an average 19,300 rides per month (232,000 riders annually). While it is difficult to predict the take-up of service expansions, the most recent expansion of doubling FVX service on weekends and holidays has resulted in an almost doubling (92%) of ridership on those days, indicating a significant pent up demand for the improved service.

Extending the service to Sky Train has been a repeated request from FVX customers destined for locations in Burnaby and beyond. With few public facilities or amenities at the Carvolth exchange, a direct connection to Sky Train will improve customer experience and make transit a more viable commuting option. Improved customer experience will also come from the introduction of HOV/Bus lanes further into the Fraser Valley which will improve transit reliability.

This proposed expansion will add 6,000 hours of service to the route and will require four additional buses. This represents a 45% increase in the number of hours currently provided on the route. The estimated municipal cost of this expansion is \$494,000, net of estimated additional revenues. With significant ridership growth on the FVX, revenues were approximately \$787,000 in 2018. The service's income statement for 2018 shows there was a total overall surplus of \$262,335 and as of December 31, 2018 the FVX surplus account is sitting at \$376,320. 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. Without more clarity from BC Transit on the proposed level of service and whether there could be an option to phase the expansion in over time, the additional subsidy required is not clear.

#### **Timeline:**

##### **2020/21**

- Extend the Fraser Valley Express service to TransLink's Lougheed Sky Train station at an annual net cost of \$494,000;

##### **2021/22**

- North Fraser Valley: subject to public engagement and local government support, implement transit service on the north side of the Fraser River between the District of Kent and District of Mission.
- Agassiz-Harrison and Hope: subject to local government approval, improve and expand regional services in the eastern Fraser Valley based on items identified in the Transit Future Action Plan.
- Cultus Lake: year-round service, subject to local government support. The net local cost for this expansion has not been determined.

These initiatives will be formalized in a Memorandum of Understanding (MOU) between the FVRD and BC Transit to initiate the work.

## **COST**

With the exception of the 2020/21 FVX expansion to Lougheed Sky Train station in Burnaby (approximately \$494,000), the costs relating to year 2 and 3 are currently unknown and will require further analysis by BC Transit.

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. The current tax requisition level is \$695,930.

## **CONCLUSION**

The 3 year expansion initiative process helps determine the expectations of local governments and allows BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions. The BC Transit strategic planning process also allows local governments the ability to identify longer term funding requirements and budget accordingly. Staff will return with more detailed costing analysis when it has been provided by BC Transit.

## **COMMENTS BY:**

**Stacey Barker, Director of Regional Services**

Reviewed and supported.

**Mike Veenbaas, Director of Financial Services**

Reviewed and supported.

**Jennifer Kinneman, Acting Chief Administrative Officer**

Reviewed and supported.