

To: Regional and Corporate Services Committee
From: Alison Stewart, Manager of Strategic Planning

Date: 2020-12-08
File No: 8330-02-19744

Subject: Three-Year Transit Expansion Initiatives Letter – FVX Expansion

RECOMMENDATION

THAT the Fraser Valley Regional District Board confirm its continued support for the previously approved 2021/2022 expansion initiative to extend the Fraser Valley Express service to TransLink's Lougheed Town Centre Sky Train subject to discussion with municipal partners;

AND THAT BC Transit and the FVRD reaffirm its request to undertake more detailed costing analysis and consultation relating to potential expansion of transit service on the north side of the Fraser River between the District of Kent and District of Mission.

AND FURTHER THAT BC Transit reassess the existing Cultus Lake service to ensure it is meeting the community's current needs and expectations.

STRATEGIC AREA(S) OF FOCUS

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

BACKGROUND

At its May 22, 2019 meeting, the FVRD Board confirmed support in principle for 2020/2021 expansion initiatives, including extending the Fraser Valley Express service to TransLink's Lougheed Sky Train station. Support for the FVX expansion was confirmed independently by Abbotsford and Chilliwack Councils and both Councils later provided statutory consent to amend the "Fraser Valley Express Sub-regional Transit Service Area Bylaw No. 1236, 2013" to accommodate the expansion (adopted April 28, 2020).

In late April 2020 the BC Transit Board of Directors announced the deferral of all planned 2020-21 expansion initiatives until 2021-22 in order to focus on maintaining services and supporting recovery in the face of COVID-19. This meant that BC Transit delayed the January 2021 FVX expansion to Lougheed Town Centre in Burnaby until the following fiscal year. BC Transit is now reinitiating some of the initiatives that were put on hold, including expansion planning. With recently announced transit-specific *Safe Restart* funding supporting local governments, additional assistance from BC Transit and a

healthy year-end 2019 FVX Appropriated Surplus balance of \$756,650, there is comfort in recommending that the service expansion proceed as planned. Public details of the *Safe Restart* funding shall be announced shortly.

This memorandum provides an update on BC Transit's "Three-Year Transit Expansion Plan" received on November 20, 2020 (Appendix A) which, among other things, resets the timelines for the FVX expansion to Lougheed Town Centre Skytrain station. Given very tight time-lines, this recommitment must be provided to BC Transit "as soon as possible" to be included in the province's February 2021 budget.

DISCUSSION

Each year BC Transit evaluates numerous expansion requests from Local Government partners throughout the province and communicates back to Local Government through its annual Transit Improvement Program letters, also known as TIPs. 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.

Because of COVID, the annual TIPs letters were not sent out earlier in the year, in fact all expansions were deferred for a year. BC Transit is now in the process of reinitiating some of the initiatives that were put on hold, including expansion planning. BC Transit is asking local governments to confirm their support for proposed expansions previously approved in 2019 in order to be incorporated in the provincial budget in February 2021.

As a result of the COVID-19 emergency, the BC Transit Board of Directors announced on April 21, 2020, that all transit expansions slated for the 2020-21 fiscal year will be delayed until 2021-22. This meant that the approved FVX expansion to Lougheed Town Centre in Burnaby would not take place as expected in January 2021. This expansion was incorporated in the FVRD's 2020 5-year financial plan and budgeted accordingly. In preparing the FVRD's draft 2021 5-year financial plan, the expansion has been pushed back into the 2022 time frame.

New Timelines (as per Provincial Fiscal Year)

2021/22

Extend the Fraser Valley Express service to TransLink's Lougheed Sky Train station at an annual net cost of \$494,000. Implementation could take place in January 2022, a year later than originally intended, should the FVRD wish to move forward on this initiative.

2022/23

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.

Initial planning work (scoping) has been undertaken on the North of the Fraser initiative and the potential expansion generated interest during the Transit Future Action Plan (TFAP) process. Completion of the TFAP and further planning work on this initiative has been delayed due to the COVID-19 emergency.

Expansion of the Cultus Lake service will only be considered subject to community and local government interest and support. At this point there is a more pressing need to reassess the existing service to ensure it is meeting the community's current needs and expectations.

COST

Under BC Transit's funding formula, the province funds 46.69% of conventional transit systems and local governments 53.31%. Revenues collected from the transit systems are used to reduce the local property tax share of the costs.

According to BC Transit, "The estimated costing remains unchanged from the Expansion Memorandum of Understanding (MOU) previously approved by your local government, and we anticipate that these estimates will be subject to further inflationary increases."

Through the federal-provincial *Safe Restart* Agreement, BC Transit will be receiving \$86 million "... to support municipal partners who receive fare revenue as part of the provincial-municipal partnership to deliver BC Transit services throughout the province." The release of further details on when and how the funding will be allocated has been limited by the provincial election, however based on public information indications are that revenue losses and other costs will be covered for the 2020-21 and 2021-22 fiscal years. This will help maintain the healthy FVX surplus which, per the FVRD's 2020 5-year financial plan, will be used to reduce the tax impact as the expansion is implemented. At year-end 2019, the appropriated surplus balance for the FVX service sat at \$756,650.

More details with respect to the *Safe Restart* funding will be provided by BC Transit in the coming weeks. It is likely that ridership levels may take some time to recover as the economy slowly reopens, and public confidence in transit services rebuilds. Safety measures that have already been implemented will remain in effect until such time the COVID-19 emergency ends.

CONCLUSION

BC Transit is in the process of reinitiating some of the initiatives that were put on hold, including expansion planning. The purpose of the updated TIPs letter is to re-confirm the desire to proceed with the deferred expansion initiative in 2021/22, as well as identify expansion priorities in future years. These initiatives, of most note the FVX expansion to Lougheed Centre Skytrain station, was previously approved by the Board and incorporated into the 2020 5-year financial plan in 2019.

Given very tight time-lines (letter received November 20, 2020), this recommitment must be provided to BC Transit "as soon as possible" to be included in the province's February 2021 budget.

COMMENTS BY:

Stacey Barker, Director of Regional Services: Reviewed and supported.

Kelly Lownsborough, Chief Financial Officer/ Director of Finance: Reviewed and supported. BC Transit has committed to providing further information on Safe Restart funding in the coming weeks. It is anticipated that the funding will alleviate pressures experienced due to the global pandemic.

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.