

DATE: September 16, 2021

FILE: 8500-20 / Comox Valley

TO: Chair and Directors
Regional District Board

Supported by James Warren
Deputy Chief Administrative Officer

FROM: James Warren
Deputy Chief Administrative Officer

J. Warren

RE: **Comox Valley Regional Transit Service Expansions**

Purpose

The purpose of this report is to seek direction from the Comox Valley Regional District (CVRD) Board on proposed transit improvements.

Recommendations from the Deputy Chief Administrative Officer:

1. THAT a 500 hour custom transit expansion be approved for implementation in January 2023 in order to extend handyDART service into the evenings, at an estimated cost to Comox Valley Regional District of \$14,885 annually.
2. THAT the custom transit expansion priorities identified through the Transit Improvement Program for 2024 and 2025 align with the Comox Valley Transit Future Plan, and that Comox Valley Regional District will review and confirm these initiatives on an annual basis.

Executive Summary

BC Transit annually requests confirmation from the CVRD through their Transit Improvement Program (TIP) on our intentions with respect to expansion over the coming three years (Appendix A).

- 2,500 hours per year for the conventional transit system has been proposed to achieve a three per cent mode share target by 2038.
- Modest custom transit expansions to address evening and holiday handyDART service as well as redesign of underperforming community bus areas are also proposed.
- BC Transit is requesting CVRD commitment to these expansions by the end of September 2021, in particular for the first year so that provincial funding and fleet requirements can be secured.
- CVRD staff are recommending that the board defer decisions on the conventional transit expansions until next year as a number of projects are underway or upcoming that should be considered further.
- CVRD staff do recommend supporting the custom transit expansions as these help align the handyDART and conventional transit service levels as well as fix underperforming service.

Prepared by:

M. Zbarsky

Michael Zbarsky, B.Sc, ASCT
Manager of Transit and Facilities

Concurrence:

A. Mullaly

Alana Mullaly, RPP, MCIP
General Manager of Planning and
Development Services

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

Comox Valley Transit Management Advisory Committee	✓
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Background/Current Situation

Recent estimates indicate that transit use accounts for approximately two per cent mode share in the Comox Valley. The Comox Valley Transit Future Plan includes a target of three per cent by 2038. In order to achieve these targets BC Transit recommend that an annual investment of 2,500 service hours be added into the conventional transit system.

BC Transit annually requests confirmation from the CVRD through their TIP on our intentions with respect to expansion over the coming three years (Appendix A). BC Transit has proposed 2,500 hours per year for the conventional transit system, to achieve mode share targets, which could be guided by the upcoming Transit Future Action Plan or based on board direction. The TIP also includes modest custom transit expansions to address evening and holiday handyDART service as well as redesign of the underperforming community bus areas (No. 21 Cape Lazo/Point Holmes and No. 22 Huband Road/Seal Bay). The expansions are summarized in table 1 below.

Table 1. BC Transit Proposed 2023-2025 Expansions

Implementation*	Transit Type	Service Hours	Previously Identified Service Priority	CVRD Annual Cost **
2023	Conventional	2,500	Investment required to achieve 3 per cent mode share	\$250,149
	Custom	500	Extend handyDART service in evenings	\$14,885
2024	Conventional	2,500	Investment required to achieve 3 per cent mode share	\$154,072
	Custom	600	Additional peak handyDART/Route No. 21 and 22 Redesign	\$18,054
2025	Conventional	2,500	Investment required to achieve 3 per cent mode share	\$150,566
	Custom	100	Introduce statutory holiday handyDART service	\$3,157

*All start dates are currently targeted for January.

**Net of revenue associated with expansion.

BC Transit are requesting CVRD commitment to the local share of costs for these expansions by the end of September 2021. CVRD staff are recommending that the board not support the conventional transit expansions proposed by BC Transit at this time. A number of projects are underway or upcoming that should be considered further as they relate to transit service. These include:

- Transit Infrastructure Study – Fall 2021 completion
- Transit Operation and Maintenance Facility Study – Winter 2021/22 completion
- Transit Future Action Plan – Summer 2022 completion
- Transportation Alternatives Assessment – Winter 2021/22 completion
- 5th Street Bridge Rehabilitation project - Fall 2021 completion
- 3,600 hour transit expansion - March 2022 implementation

Deferring decisions until next year’s TIP process, tentatively summer 2022, would allow these projects to be progressed further or completed. CVRD would then have a better understanding of the implications of each and be in a better position to determine commitments toward public transit.

Given the relatively small investment required by CVRD, staff do recommend supporting the custom transit expansions (handyDART and Community Bus). These expansions are identified in the Comox Valley Transit Future Plan and will help align the handyDART and conventional transit service levels as well as fix underperforming community bus service.

Only the commitment to the first year of expansions would be binding as BC Transit would proceed with securing the provincial share of funding and additional required fleet. Years two and three could be reconsidered as part of next year's TIP process.

Policy Analysis

Not relevant.

Options

The CVRD Board has the following options with respect to service levels:

1. Commit to the full three-year expansion plan as identified by BC Transit through the TIPS.
2. Commit to only the custom transit expansions.
3. Do not commit to any expansions hours at this time.
4. Direct staff to come back with a different option for consideration.

Staff are recommending Option 2 as this allows time to consider other relevant projects that may impact the conventional transit service while still pursuing needed custom transit improvements.

The provision of public transit addresses many of the board's strategic planning key service outcomes and Rethink Comox Valley principles. This includes mobility of citizens, reduced Green House Gas (GHG) emissions and alternatives to gas fueled private automobiles as well as caring for the community including vulnerable populations and addressing poverty. According to Statistics Canada, transportation is the second largest annual household expense. As part of the board's 2020 strategic planning process it was acknowledged that a broader transportation dialogue was needed and to focus on taking action toward reducing the significant GHG emissions resulting from transportation in the Comox Valley and the need to pursue alternative modes.

Financial Factors

The CVRD costs shown above are not currently included in the 2021-2025 financial plan for the Comox Valley Transit Service. Any desired expansions would need to be accounted for in the upcoming 2022-2026 financial plan and require increased use of operating reserves and/or increased requisition. The total CVRD cost of all expansions is \$590,883 annually (\$554,787 conventional, \$36,096 custom).

The current financial plan has requisition levels at \$2,300,000, resulting in an estimated residential tax impact for a home assessed at \$500,000 at \$57.60. The future expenditure reserve for the service will have \$1,120,779 by year end with a balance by the end of 2025 anticipated to be \$667,041.

It should also be noted that additional CVRD costs will result from some of the other projects currently underway. For example, the CVRD share of costs for all of the transit exchanges identified in the infrastructure study could be up to \$125,000 dollars on an annual basis over the life of the asset (~12 years).

Legal Factors

The annual operating agreement between BC Transit and the CVRD stipulates responsibilities of each partner. The CVRD is solely responsible for decisions on service levels and fares.

Regional Growth Strategy Implications

The provision of effective public transit within the Comox Valley has been identified in the Regional Growth Strategy (RGS) as key to reducing the environmental impact of new and existing development, providing a reliable alternative to the use of private automobiles, and providing measurable reductions in greenhouse gas emissions.

The RGS includes policies and targets aimed at densifying growth, jobs and schools in core settlement areas around transit corridors, increasing transit mode share and increasing transit service frequency.

Intergovernmental Factors

Transit Management Advisory Committee members are supportive of the recommendations in this report.

Interdepartmental Involvement

Any desired service improvements would be led by staff from Planning and Development Services with assistance from other departments including financial services and corporate services.

Citizen/Public Relations

Provision of public transit not only allows everyone to have more transportation choices but underpins a range of social objectives by allowing residents who may be disadvantaged to be able to participate in their local community. Importantly, access to good transit allows people with low incomes, youth and aged people, and people with disabilities to live independently and be able to affordably access medical, health, community, social and economic opportunities year round. Transit ridership has been increasing steadily (28 per cent in the last five years).

Attachments: Appendix A – TIPS from BC Transit



August 26, 2021

Attn: Michael Zbarsky
Manager of Transit and Sustainability
Comox Valley Regional District
770 Harmston Avenue
Courtenay, B.C. V9N 0G8

Re: 3 Year Transit Expansion Initiatives – 2022/23 to 2024/25

Dear Mike,

Each year, BC Transit confirms service expansion plans for the coming year with local government partners, and also confirms service expansion priorities for the subsequent two years. This process ensures that 3-year expansion initiatives are consistent with the expectations of local governments, and allows BC Transit to proceed with securing the funding and resources to implement service expansions.

BC Transit is actively working towards the goal of achieving a 100% zero emission fleet by 2040. Our CNG transition is nearing the tail end of its investment activity, and planning for the next phase of battery electric bus deployments is well underway. 2022 will see the first 10 heavy duty battery electric buses deployed in Victoria, with plans to begin purchasing only electric buses in all fleet classification by 2028. Electrification transition planning is also underway to identify the opportunities and constraints associated with a rollout across the province. A change of this magnitude to our provincial fleet will have a significant impact on our business, and in particular our 3 year expansion planning process.

One of the key challenges that we will face through this process in the coming years will be a higher probability that demand for expansion vehicles will exceed the availability in select fleet categories. More advanced lead times will be required for procurement and delivery of buses, and bus orders will need to be strategically timed to align with our deployment plans. While every effort will be made to align bus orders with demand, some expansion initiatives may be impacted by the limited availability of certain vehicle types. Despite these challenges, we will 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.

With increasing demand for transit expansion across the Province, BC Transit is often faced with municipal requests for expansion that exceed the availability of either matching Provincial funds or available buses. As a result, our Expansion Evaluation Process will be initiated to determine which projects are prioritized and will proceed. An overview of our Expansion Evaluation Process has been attached to this letter for your reference. It outlines the process that BC Transit will follow to prioritize expansion requests, address value for investment, and ensure alignment with funding availability. It considers a variety of factors through a performance based multiple account evaluation, using a

mixture of qualitative and quantitative criteria. The evaluation would occur following the deadline for receipt of approved expansion MOUs from local governments, and the outcome shared in early Fall.

We ask that a signed copy of this letter be returned to BC Transit by August 31, 2021. If you are unable to meet this deadline, please contact me at your earliest convenience to discuss further. Following confirmation of the provincial budget in February, we will confirm with you that supporting provincial funding has been secured and initiate a transit service implementation plan. 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.

Yours truly,

A handwritten signature in black ink that reads "M. Moore". The signature is written in a cursive, flowing style.

Myrna Moore
Senior Manager, Government Relations
BC Transit

Three-Year Transit Expansion Plan

Proposed Transit Service Expansion Initiatives

The following outlines the expansion initiatives identified for your transit system along with a high level annual costing based on the hourly rates of your system. Please ensure that these initiatives are consistent with the expectations of your local government. 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						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23	January	2500	1	\$27,317	\$493,724	\$250,149
		Description	Investment required to achieve a 3% mode share			
2023/24	January	2500	1	\$34,005	\$325,242	\$154,072
		Description	Investment required to achieve a 3% mode share			
2024/25	January	2500	1	\$38,994	\$327,196	\$150,566
		Description	Investment required to achieve a 3% mode share			

PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23	January	500	0	\$860	\$42,199	\$14,885
		Description	Later evening service to align with conventional transit			
2023/24	January	600	0	\$1,504	\$52,421	\$18,054
		Description	Route #21/22 Redesign			
2024/25	January	100	0	\$215	\$9,037	\$3,157
		Description	Introduce Custom Transit holiday service to align with conventional transit on Stat holidays			

Approval

On behalf of the Comox 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 2022/23 fiscal year. Furthermore, I/we confirm that the expansion priorities identified for 2023/24 and 2024/25 align with our expectations, and that we will review and confirm these initiatives on an annual basis as per the advice provided and with the knowledge that a more detailed budget will follow as service details are confirmed.

Signature: _____

Date: _____

Name: _____

Position: _____

Signature: _____

Date: _____

Name: _____

Position: _____

On behalf of BC Transit

Signature: 

Date: August 26, 2021

Name: Myrna Moore

Position: Senior Manager, Government Relations



June 2021

TIP & Expansion Evaluation Process Overview

The Transit Improvement Program (TIP) and Expansion Evaluation Process is conducted each year. The process is led by the BC Transit Business Development Division and is completed in collaboration with the Finance & Asset Management Divisions and in consultation with Local Government Partners.

The program provides adequate lead-in time for the development and confirmation of provincial and municipal transit expansion budgets. It also includes information to inform the procurement and delivery of new transit vehicles well in advance (approx. 18 months) of the desired service implementation date. The program also highlights capital projects required to support service expansion initiatives.

Transit Improvement Program (TIP) – Description

The TIP tracks the expansion requests from local government partners for the next three fiscal years. These expansion requests are informed by priorities identified within planning documents such as Transit Future Plans, Service Reviews, Local Area Transit Plans, Service Discussion Documents or major capital initiatives necessary for the development of a transit system¹.

The TIP process seeks local government partner commitment to their expansion requests, thereby allowing BC Transit to proceed with securing sufficient funding within the Provincial Budget to support the expansion, and sufficient lead time to procure new transit vehicles².

The TIP is communicated to local government partners through an Expansion Memorandum of Understanding (MOU) letter that is issued to partners each year. The MOU ensures that there is alignment with local governments on their 3 year expansion priorities, and also seeks a local funding commitment on the year 1 expansion request in order to move forward with Provincial funding approval, vehicle procurement and any additional operational needs that may be required to support the expansion. **The MOU includes:**

- **Service expansion description**
- **Total annual hours**
- **Estimated costs, including Local Government contribution**
- **Estimated in service date (establishes part year hours and date is determined by scheduled delivery of new vehicles)**
- **Vehicle requirements**

¹ Priorities can often be included where plan development or review is underway during the TIP process time and the local partner would like to include future investment for draft service expansion initiatives that will be finalized before the following fiscal.

² The shift to Battery Electric Buses and the development of the Provincial wide Electrification roll out strategy is taking shape in 2021/22. Business Case and procurement timelines for new vehicle purchases may lead to a modification of the TIP timeline approval process.

Expansion hours are for increased service levels (increased frequency, service span or coverage), and/ or addressing issues of reliability and on-time performance where additional service hours are required to add travel and recovery time to a system.

When planning for expanded transit service, corresponding investments in new transit infrastructure are often required. Once identified in a planning document, potential infrastructure projects are incorporated into the BC Transit Long-Term Capital Plan. It is BC Transit's intention to also begin incorporating these potential projects into the TIP process. In coming years, local governments can expect to begin seeing infrastructure projects in their TIP MOU, as well as the forecasted year of delivery and estimated lease fee.

Expansion Evaluation Process – Description

BC Transit is often faced with municipal requests for expansion of transit service that exceed the availability of matching Provincial funds. As a result, it is necessary to evaluate all year 1 expansion requests and determine where available Provincial expansion funding should be allocated. An expansion evaluation process based on standard transit measures and alignment with provincial strategic objectives allows BC Transit to:

- Monitor, compare, and prioritize expansion requests
- Address value for investment by being performance focussed
- Reduce unpredictability regarding new service requests
- Ensure funding availability is better aligned with local needs and provincial funding
- Develop a three year plan with confidence

The process is a performance based multiple account evaluation (MAE). The evaluation uses a mixture of qualitative and quantitative criteria to measure the proposed service expansion. Each criteria are allocated a value and weight. The evaluation is specific to the expansion request, not the system-wide performance. **The MAE considers the following when allocating provincial expansion funds:**

- **Alignment to the goals and objectives in the [Mandate Letter](#)**
- **Identification in a transit planning document, such as a Transit Future Plan or service review**
- **Ridership productivity**
- **Operational performance**
- **Planning, land use and environmental context**
- **Vehicle and facility capacity, utilization and availability**
- **Social and economic value**

The quantitative indices focused on ridership productivity include the following:

- ***Boardings per service hour*** - (a boarding is an entry to a transit vehicle. A trip may consist of several boardings where transfers are used). This measures the effectiveness of a service.
- ***Boardings per service kilometre*** - monitors the level of productivity of a route. Longer regional services or systems that have a spread out urban form will not perform as well compared to compact urban communities.

- **Cost per Passenger trip** - is a measure of how expensive a service is to operate relative to the volume of people using the service.
- **Cost Recovery** - is a measure of the cost of providing the service versus the rate of return through the fare box.
- **Passengers per Capita** – this is a relative measure of the overall service level.

Each expansion has a maximum number of available points and each expansion request is evaluated against others regardless of system or community size³. Regardless of score, **some factors can prevent expansion from being feasible. These may include:**

- **Capacity of the operational facility**
- **Unfunded critical infrastructure** - requirements to enable the expansion to occur (for instance a new exchange)
- **Vehicle availability**

The expansion evaluation process flags these issues so that consideration can be given as to whether they can be addressed in time to enable expansion to occur within the fiscal year being evaluated. If not, the expansion request would be passed over in favour of the next highest rated expansion request and the priority would be moved to the following fiscal year TIP process. This then allows time for the factors preventing expansion to be suitably addressed.

The intent is to provide municipalities with the information regarding their expansion requests in early fall each year in order to allow for insertion into the municipal or regional budgeting process. This is the same information that BC Transit includes into the draft Service Plan each September to solicit matching provincial funding.

During the year of implementation, there is the possibility that not all provincial expansion hours and budget are fulfilled. This could be due to a number of factors, including:

- The development of schedules resulting in less hours being required than originally projected
- A local partner can no longer commit to the expansion hours and budget agreed to

Should this occur, provincial expansion funding would be offered to the next highest rated expansion request. **However, any expansion within the first budget year requiring additional vehicles where the local partner determines that expansion is no longer required, will result in the local partner being billed the lease fees related to the new buses for a minimum of a one year period.**

³ Depending on the scope of the expansion requests, BC Transit may do mutually exclusive evaluation processes for conventional and custom services.

7 Step TIP & Expansion Evaluation Process⁴

- **Step 1: Identify**
February to March – In collaboration with local governments, BC Transit identifies appropriate and approved expansions for each transit system. Asset Management commences the draft business case for vehicle purchase based on the early estimates from the initial TIP list.
- **Step 2: Costing and MOU Letters**
April – The BC Transit Finance Department forecasts costs associated with each expansion request and this information is incorporated into the MOU letter. BC Transit then distributes the Expansion MOU letters to local partners.
- **Step 3: Review & Approve**
June to August – Amendments to the MOU's (if required), presentation to Committees/Boards or Councils for official approval/commitment and signing.
- **Step 4: Draft 3 Year Service Plan**
Mid-August to December – Signed MOU's inform the:
 - Draft 3-year Service Plan to present to the province for budget commitment of their share.
 - 3-year BC Transit Capital Plan
 - Confirm the fleet business cases for vehicle procurement
 - Confirm capital business cases to secure funds for infrastructure needed to support the expansions.
- **Step 5: Expansion Evaluation**
September – Year 1 expansion requests identified in the signed MOU's are evaluated using the MAE to prioritize the local government partner requests for expansion.
- **Step 6: Final service Plan**
December – Amendments are usually made to the draft 3-year Service Plan following information provided by the Province regarding available funding. Should the local expansion requests exceed the funding identified in the provincial budget, the completed MAE process is used to identify those expansion requests that will be funded in the following year.
- **Step 7 : Confirmation**
 - February – Provincial budget finalized and the Service Plan Budget & Prioritized Expansion Projects are communicated with Local Partners. Service implementation planning commences and critical paths determined for confirmed service priorities⁵.

⁴ Months specified against each step are the typical process undertaken prior to 2019. The TIP and evaluation process has been augmented in 2020 & 2021 due to the planning and funding impacts of the pandemic.

⁵ Implementation for approved expansions typically occurs in the fall or January of the following year to allow sufficient time for detailed service planning and vehicle delivery.