



September 1, 2023

Attn: Darren Marshall
Senior Manager, Transit Operations, Transportation and Emergency Services
Regional District of Nanaimo
6300 Hammond Bay Road, Nanaimo, BC V9T 6N2

Re: Transit Improvement Program - 3 Year Transit Expansion

Dear Darren,

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

Date	September 1, 2023
Expiry	September 29, 2023
System	Regional District of Nanaimo

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	January ¹	9,400	8	204,192	1,694,286	817,455
		Description	Strategy 1, 3, 4 and 5 from the RDN TRS, as well as to add service on Sundays and Mondays on 99 Deep Bay.			
PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES – YEAR 1 (2024/25)						
2024/25	September	2,000	3	6,702	214,778	89,568
		Description	Expand weekend and introduce holiday service to more closely reflect Conventional transit service.			
PROPOSED NCX TRANSIT EXPANSION INITIATIVES – YEAR 1 (2024/25)						
2024/25	January	500	1	7,521	93,970	57,377 ²
		Description	Introduction of additional evening service			

¹ The introduction of Sunday and Monday service on the route 99 Deep Bay is tentatively scheduled for April 2024, while the remainder of the expansion is anticipated in January 2025 in accordance with bus delivery timelines.

² As the NCX is cost shared with the CVRD, the actual RDN cost of this service is 50 per cent of the Estimated Annual Net Municipal Share.

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.

As the Nanaimo Operations and Maintenance Facility is nearing capacity, future expansion initiatives are subject to available space and operational functionality or pending capital improvements that enhance capacity.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES – YEARS 2 & 3 (2025/26 & 2026/27)						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2025/26	September	16,100	7	354,737	2,325,619	982,075
		Description	Strategy 2 from the RDN Transit Redevelopment Strategy			
2026/27	September	18,500	9	407,618	2,784,108	1,207,020
		Description	Strategy 6,7 and 8 from the RDN Transit Redevelopment Strategy			
PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES - YEARS 2 & 3 (2025/26 & 2026/27)						
2025/26	January	1,000	0	3,418	91,874	27,185
		Description	Weekday span improvements.			
2026/27	January	2,100	1	7,177	212,419	72,069
		Description	Weekday service improvements.			
PROPOSED NCX TRANSIT EXPANSION INITIATIVES - YEARS 2 & 3 (2025/26 & 2026/27)						
2025/26	April	1,000	0	15,344	128,704	53,269
		Description	Addition of Sunday service and on-time performance improvements.			
2026/27	April	500	0	7,672	66,605	27,835
		Description	Opportunity to add service to new areas based on routing review.			

Approval

On behalf of the Regional District of Nanaimo, I/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: _____

Date: _____

Name: _____

Position: _____

Signature: _____

Date: _____

Name: _____

Position: _____

On behalf of BC Transit

Signature: _____

Date: _____

Name: Seth Wright

Position: Senior Manager,
Government Relations