

## **NANAIMO - COWICHAN EXPRESS 1,000 HOUR SUNDAY SERVICE EXPANSION**

### **RECOMMENDATION**

That the Board approve the Nanaimo - Cowichan Express 1,000 hour Sunday Service Expansion starting August 31, 2025, and amend the 2025-2029 Financial Plan accordingly.

### **BACKGROUND**

On October 22, 2024, staff presented the Transit Improvement Program – Three Year Expansion Plans report at the Regular Board Meeting. This report includes the three-year Memorandum of Understanding (MOU) (Attachment 1) for future transit expansion plans within the Regional District of Nanaimo (RDN) Transit Service area and interregional transit service. The Board passed the following motion:

*‘That the Board approve the BC Transit – Transit Improvement Program – Three Year Transit Service Expansion Plans Memorandum of Understanding for 2025 – 2026 and the subsequent two years.’*

This report summarizes the 2025–2026 transit service expansions confirmed by BC Transit for the 2025-2026 fiscal year. For additional context, please see Attachment 2.

Starting August 31, 2025, with the fall schedule change-over, implementation of the Nanaimo/Cowichan Express (NCX) service expansion will see the introduction of Sunday service and improvements to on-time performance, supported by 1,000 additional annual service hours. No new vehicles are required for this expansion. On or about May 23, BC Transit informed the RDN of its intention to implement the NCX service expansion in August 31, 2025 instead of January of 2026. In response to this recent notification from BC Transit, staff have prepared a report, with a recommendation to amend the 2025-2029 Financial Plan to accommodate this increase in service. The CVRD was notified of BC Transit’s plan to implement the NCX hours in September of 2025 and have been gearing up for the introduction of these additional service hours..

Due to current challenges with bus delivery timelines, BC Transit is working to deliver all non-bus expansions service hours in September 2025. This approach ensures that all expansion hours are fully allocated within the fiscal year funding window and implementing no-bus expansions in September is a key component of this strategy.

The Cowichan Valley Regional District (CVRD) has indicated a preference to implement Sunday service on the NCX in September 2025. This aligns with CVRD’s other interregional expansion priority to introduce Sunday service on the Cowichan Victoria Express (CVX). BC Transit’s Scheduling team has coordinated Sunday schedules on routes 66 CVX and the 70 NCX to support bi-directional travel between Victoria and Duncan throughout the day.

Additionally, Sunday-level service on the NCX will align with service levels provided on statutory holidays for fixed-route transit, ensuring consistency and improved accessibility for all riders.

### **FINANCIAL IMPLICATIONS**

The 1,000 hours that will be allocated to additional Sunday service trips on the 70 NCX Interregional Service in September 2025 falls under Southern Community Transit, with an estimated annual cost of \$131,584. This amount will be cost-shared with BC Transit, covering 46.69% of the total cost, leaving the remaining \$54,804 to the RDN. Additionally, the 70 NCX shares 50% of the cost with the Cowichan Valley Regional District Transit (CVRD), resulting in an estimated total cost of \$27,402 to both the RDN and CVRD, with an estimated annual revenue of \$15,344. There are no BC Transit leased buses required for this expansion.

The partial-year operating budget for 2025, is \$61,517, cost-shared under the BC Transit model. The Regional District of Nanaimo (RDN) will contribute 53.31%, resulting in an estimated net share of \$28,722. An additional \$6,976 is expected to be recovered through user fees (transit fares), resulting in a total net partial-year cost of \$25,819 to the RDN and the Cowichan Valley Regional District (CVRD). RDN's portion of the cost will be \$12,910 due to the cost-sharing model of the NCX service with CVRD.

An amendment to the 2025–2029 Financial Plan is required to add these expansion hours with the net cost of \$12,910 being funded from operating reserve.

### **STRATEGIC PLAN ALIGNMENT**

Planning and Managing for Growth - Understand and develop an inter-connected framework of strategies and plans to manage growth to support complete communities, including planning, transportation, infrastructure, and fiscal sustainability.

### **REVIEWED BY:**

- T. Moore, Chief Financial Officer
- C. Crabtree, General Manager, Corporate and Transportation Services
- D. Holmes, Chief Administrative Officer

### **ATTACHMENTS:**

1. Transit Improvement Program 3 Year Expansion MOU 2024-25 to 2026-27
2. D. Marshall, Sr. Mgr., Transportation Services, RDN, re BC Transit's 2025-26 Expansion Initiatives



August 26, 2024

Attn: Darren Marshall  
Senior Manager, Transportation Services  
Regional District of Nanaimo  
6300 Hammond Bay Road, Nanaimo, BC  
V9T 103

**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

<b>Date</b>	August 26, 2024
<b>Expiry</b>	September 29, 2024
<b>System</b>	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 (2025/26)						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2025/26	January	16,100	8	354,737	2,590,934	1,149,780
		Description	Strategy 2 from the RDN Transit Redevelopment Strategy			
2025/26	January	250	0	5,865	33,938	12,228
		Description	Route 99 Extension on Baylis Rd., Dorman Rd. (Electoral Area H)			
2025/26	January	1,000	0	15,344	131,584	54,804*
		Description	NCX: Addition of Sunday service and on time performance improvements on Route 70 Nanaimo Cowichan Express.			
PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES – YEAR 1 (2025/26)						
2025/26	January	3,000	3	10,253	364,424	138,398
		Description	Expand weekend and introduce holiday service to more closely reflect Conventional Transit Service (2000 hours). Weekday span improvements (1000 hours).			

\* As the Nanaimo Cowichan Express is cost shared 50/50 with the Cowichan Valley Regional District, the RDN share of costs is 50% of this amount.

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.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES – YEARS 2 & 3 (2026/27 & 2027/28)						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2026/27	January	18,500	9	433,976	2,927,394	1,273,209
		Description	Strategy 6,7 and 8 from the RDN Transit Redevelopment Strategy			
2026/27	January	500	0	6,917	75,752	33,466*
		Description	NCX: Opportunity to add service to new areas based on routing review.			
2027/28	January	9,400	7	220,507	1,710,207	815,151
		Description	Strategy 9, 10 and 11 from RDN Transit Redevelopment Strategy.			
PROPOSED CUSTOM TRANSIT EXPANSION INITIATIVES – YEARS 2 & 3 (2026/27 & 2027/28)						
2026/27	January	2,100	0	6,815	210,436	63,282
		Description	Weekday span improvements.			
2027/28	January	2,000	1	6,490	222,453	77,628
		Description	HandyDart service increase as determined by demand.			

\* As the Nanaimo Cowichan Express is cost shared 50/50 with the Cowichan Valley Regional District, the RDN share of costs is 50% of this amount.

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.

DocuSigned by:

Sky Snelgrove

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Signature: \_\_\_\_\_

Date: 10/23/2024

Name: Sky Snelgrove

Position: Deputy Corporate Officer

Signed by:

Vanessa Craig, Chair

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Signature: \_\_\_\_\_

Date: 10/23/2024

Name: Vanessa Craig

Position: RDN Board Chair

On behalf of BC Transit

Signed by:

Seth Wright

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Signature: \_\_\_\_\_

Date: 10/25/2024

Name: Seth Wright

Position: Sr. Manager, Gov't Relations