

June 16, 2016

Attn: Jerry Dombowsky, Regional Programs Manager
City of Kelowna
1435 Water Street
Kelowna, BC
V1Y 1J4

Re: 3 Year Expansion Initiatives

Dear Jerry,

Last month, the Provincial Government announced their commitment to \$12.7 million in funding over the next three years to support transit expansion initiatives throughout the province. Because your transit system has been identified as a candidate for potential expansion, the attached Memorandum of Understanding (MOU) is provided to formalize the process of securing appropriate expansion funding on your behalf. Preliminary interactions with partners indicate there is a possibility that expansion requests may exceed the available funding.

The MOU lists the specific initiatives for the Annual Operating Agreement periods of 2017-2018 through to 2019-2020 derived primarily from recent service plans approved by your local government. Order-of-magnitude costing is provided to define the scope of transit service initiatives based on the proposed annual expansion hours.

If your proposed expansion requires additional vehicles in 2017-2018, a signed commitment from your council/board is required by mid-June to ensure sufficient time for BC Transit to procure buses. Please keep in mind that should your plans change after this date and you determine that expansion is no longer desired, you will be billed the lease fees related to the new buses for a minimum of a one year period.

Upon confirmation of your council/board's commitment to the expansion initiatives, we will include your request in BC Transit's draft Service Plan to the Province to seek the matching funding required for operating and capital costs. Following confirmation of the provincial budget, BC Transit will inform you of allowable funding and initiate an implementation plan, including the development of more detailed costing based on routing and schedules.

By communicating proposed expansion initiatives as far in advance as possible we are 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 that 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 that identify longer term funding requirements.

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 expansion initiatives.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Rob Williams', with a stylized flourish at the end.

Rob Williams
Senior Regional Transit Manager
BC Transit

Expansion Memorandum of Understanding

Date	June 16, 2016
Expiry	June 30, 2016
System	City of Kelowna Transit System

Expansion Initiatives Agreement

The following outlines expansion initiatives identified for your transit system along with a high level annual costing based on the hourly rates of your system. Please confirm these initiatives are aligned 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 CUSTOM EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Revenue	Total Costs*	Net Municipal Share
2016/17	Sept 2016	2,000	1	\$8,150	\$151,371	\$54,135
		City of Kelowna	Improve handyDART service during high-demand times			
2017/18	Sept 2017	500	-	\$2,037	\$34,732	\$9,532
		City of Kelowna	Improve Custom Transit (handyDART) based on results of Service Review and Transit Future Action Plan			
2018/19	Sept 2018	1,000	1	\$4,075	\$91,429	\$39,176
		City of Kelowna	Improve Custom Transit (handyDART) based on results of Service Review and Transit Future Action Plan			

* Vehicle costs do not reflect Standardized Lease Fees

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Revenue	Total Costs*	Net Municipal Share
2017/18	Sept 2017	500	-	\$9,291	\$53,047	\$18,989
		City of Kelowna	On Saturdays, improve service and extend service spans on frequent transit corridors that connect with key activity centers (Downtown, KGH, Rutland) to accommodate varying shift start-finish times			
	Sept 2017	2,000	1	\$37,163	\$249,931	\$113,698
		City of Kelowna	On Frequent Transit Network Routes (Route 1, 8, 97), improve service to ensure schedule reliability and to address over-crowding and pass-ups and continue to grow ridership.			
2018/19	Sept 2018	2,000	1	\$37,163	\$259,698	\$119,502
		City of Kelowna	Re-align Route 6 and Route 7 with new connection to UBCO via John Hindle corridor. Realignment will see expanded service on Route 6 to accommodate expected increased demand and optimization of Route 7.			
	Sept 2018	2,000	1	\$18,213	\$259,698	\$138,452
		City of Kelowna	On Frequent Transit Network routes (Route 1, 5, 8, 97) improve service to ensure schedule reliability and to address over-crowding and pass-ups to continue to grow ridership			
	Sept 2018	1,000	-	\$18,582	\$110,338	\$40,239
		City of Kelowna	Introduce expanded service to Kelowna International Airport			
2019/2020	Sept 2019	5,000	2	\$45,532	\$654,361	\$340,942
		Kelowna Regional	Improve service reliability, address overcrowding and optimize service. Expansion details and cost allocations to be determined			

* Vehicle costs do not reflect Standardized Lease Fees

Approval

I am confirming to BC Transit to proceed with the request for funding to the province on our behalf and that we are committed to budget accordingly as per the advice provided and with the knowledge a more detailed budget will follow as service details are confirmed.

Signature: _____

Date: _____

Name: Jerry Dombowsky

Position: Regional Programs Manager

On behalf of BC Transit, prepared by

Signature: 

Date: June 16, 2016

Name: Rob Williams

Position: Senior Regional Transit Manager