



July 7, 2021

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

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

Dear Jerry,

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, appearing to read "Chelsea Mossey". The signature is written in a cursive, flowing style.

Chelsea Mossey
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	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23	September	5,000	0	\$93,210	\$645,107	\$250,697
		Description	Weekend frequency improvement on 8 University and 10 North Rutland. Weekend span improvement on 1 Lakeshore. Introductory service on 4 Pandosy Express on Saturdays. Additional resources allocated for on-time performance improvements as needed.			
2023/24	September	10,850	5	\$256,146	\$1,488,907	\$638,436
		Description	Initiatives from the Transit Future Action Plan, including investing in frequent and rapid route with a focus on improving service to the Rutland area, investment to maintain service reliability, and expansion to bring Route 11 into the Rutland area.			
NOTE: Work is underway via a Facility Master Plan to address vehicle capacity constraints at the current Kelowna facility; however, this work is on-going and this option will be subject to further review and approval by BC Transit to ensure that additional vehicles can be accommodated						
2024/25	September	5,950	0	\$162,480	\$764,156	\$244,891
		Description	Initiatives from the Transit Future Action Plan, including investing in frequent and rapid routes, investment to maintain service reliability, investment in higher performing local routes, and the Upper/Lower Mission Service Restructure.			
NOTE: Work is underway via a Facility Master Plan to address vehicle capacity constraints at the current Kelowna facility; however, this work is on-going and this option will be subject to further review and approval by BC Transit to ensure that additional vehicles can be accommodated						

PROPOSED CUSTOM EXPANSION INITIATIVES

AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23						
		Description	No planned expansion			
2023/24	September	0	0	\$25,580	\$186,500	\$36,543
		Description	Introduce basic weekend handyDART service on Sunday, by means of Taxi Supplement.			
2024/25	September	0	0	\$69,980	\$535,000	\$108,229
		Description	Expand the handyDART service hour span of weekday service to reflect Conventional hours of operation by means of Taxi Supplement.			

Approval

On behalf of the City of Kelowna, 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:

Name: Chelsea Mossey

Date: July 7, 2021

Position: Senior Manager, Government
Relations