



June 1, 2017

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

**Re: 3 Year Expansion Initiatives**

Dear Jerry,

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 initiatives for the subsequent three operating years of 2018-2019 through to 2020-2021. 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.

Expansion initiatives are an important component to sustaining and growing a successful transit system. This investment in your transit system comes with several considerations. To support council/board decision making, we have provided order-of-magnitude costing for each initiative based on the estimated annual expansion hours required. Where proposed expansion is dependent on other infrastructure investment, this dependency will be noted in the proposed expansion initiatives table. If your expansion requires additional vehicles, this is identified and is factored into your estimated total costs. Please keep in mind that should funding be secured to support your expansion initiative and you determine that expansion is no longer desired, the lease fees related to the new buses will still be added to your operating budget for a minimum of a one year period.

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.

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. If your proposed expansion requires additional vehicles in 2018-2019, a commitment from your council/board is required by mid-June to ensure sufficient time for BC Transit included your requirements in our procurement process. It is important to note

that in the event expansion requests exceed the available funding, a prioritization process is used known as the Transit Enhancement Process.

Following confirmation of the provincial budget, I will confirm with you if sufficient funding is available and initiate an implementation plan, including the development of more detailed costing based on routing and schedules. 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', is positioned above the typed name.

Rob Williams  
Senior Regional Transit Manager  
BC Transit

## Expansion Memorandum of Understanding

<b>Date</b>	June 1, 2017
<b>Expiry</b>	June 15, 2017
<b>System</b>	Kelowna Conventional

### 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 EXPANSION INITIATIVES						
AOA Period	In Service Date	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2018/19	Sept-18	5,000	2*	\$75,892	\$532,148	\$207,796
		Description	Based on the results of the Transit Future Action Plan, these resources will be used for the introduction of expanded service to UBCO via John Hindle Drive as the well as the realignment of existing services to Glenmore. In addition, new service will also be introduced to the Academy Way neighborhood and improve on-time performance with Core Transit services.			
2020/21	Sep-20	5,000	2	\$75,892	\$650,601	\$305,975
		Description	These resources will be used for the Rutland route realignment project that will be finalized as part of the Transit Future Action Plan process. On-time performance will also be improved on Core Transit services.			

\*The local share of lease fees for the 2 vehicles required for the 2018/19 expansion will be covered through Gas Tax funding, which is reflected in the estimated annual municipal share figures outlined above.

## Approval

On behalf of the City of Kelowna, 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: \_\_\_\_\_ Position: \_\_\_\_\_

On behalf of BC Transit, prepared by

Signature:  \_\_\_\_\_ Date: June 1, 2017

Name: Rob Williams Position: Senior Regional Transit Manager