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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

# METRO VANCOUVER REGIONAL DISTRICT
# FINANCE COMMITTEE

**REGULAR MEETING**

**Thursday, April 21, 2022**
**8:00am**
**Meeting conducted electronically/in person pursuant to the Procedure Bylaw**
**28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia**
**Webstream available at http://www.metrovancouver.org**

## R E V I S E D A G E N D A[1]

**1. ADOPTION OF THE AGENDA**

**1.1 April 21, 2022 Regular Meeting Agenda**
That the Finance Committee adopt the agenda for its regular meeting scheduled for April 21, 2022 as circulated.

**2. ADOPTION OF THE MINUTES**

**2.1 March 10, 2022 Regular Meeting Minutes**
That the Finance Committee adopt the minutes of its regular meeting held March 10, 2022 as circulated.

**3. DELEGATIONS**

*Added* **3.1 Sarah Ross, Vice President, Transportation Planning & Policy, and Olga Kuznetsova, Vice President, Financial Services, TransLink**
Subject: Considering TransLink's 10-Year Investment Plan and Proposed Increase in Borrowing Limit

**4. INVITED PRESENTATIONS**

**5. REPORTS FROM COMMITTEE OR STAFF**

**5.1 Considering TransLink's 10-Year Investment Plan and Proposed Increase in Borrowing Limit**
That the MVRD Board:

[1] *Note: Recommendation is shown under each item, where applicable.*

April 20, 2022

a) Receive for information the report dated April 13, 2022 titled “Considering TransLink’s 10-Year Investment Plan and Proposed Increase in Borrowing Limit”; and
b) Send a letter to the Mayors’ Council on Regional Transportation communicating support for the alignment of TransLink’s 10 Year Investment Plan with the regional growth strategy and for the proposed increase to TransLink’s borrowing limit associated with the implementation of the Investment Plan.

**6. INFORMATION ITEMS**

**7. OTHER BUSINESS**

**8. BUSINESS ARISING FROM DELEGATIONS**

***9.*** **RESOLUTION TO CLOSE MEETING**

*Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.*

That the Finance Committee close its regular meeting scheduled for April 21, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (c) as follows:

“90 (1) A part of the meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(c) labour relations or other employee relations.”

**10. ADJOURNMENT/CONCLUSION**

That the Finance Committee adjourn/conclude its regular meeting of April 21, 2022.

Membership:
Dhaliwal, Sav (C) – Burnaby
Buchanan, Linda (VC) – North Vancouver City
Baird, Ken – Tsawwassen First Nation
Booth, Mary-Ann – West Vancouver
Brodie, Malcolm – Richmond
Carr, Adriane – Vancouver
Coté, Jonathan – New Westminster
Dingwall, Bill – Pitt Meadows
Froese, Jack – Langley Township
Harvie, George – Delta
Hurley, Mike – Burnaby
McCallum, Doug – Surrey
McCutcheon, Jen – Electoral Area A
McEwen, John – Anmore
Stewart, Richard – Coquitlam
West, Brad – Port Coquitlam

**METRO VANCOUVER REGIONAL DISTRICT**
**FINANCE COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Finance Committee held at 1:00 p.m. on Thursday, March 10, 2022 in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

**MEMBERS PRESENT:**
Chair, Councillor Sav Dhaliwal, Burnaby
Vice Chair, Mayor Linda Buchanan*, North Vancouver City
Chief Ken Baird*, Tsawwassen (arrived at 1:04 p.m.)
Mayor Mary-Ann Booth*, West Vancouver
Mayor Malcolm Brodie*, Richmond (arrived at 1:01 p.m.)
Councillor Adriane Carr*, Vancouver
Mayor Jonathan Coté*, New Westminster
Mayor Bill Dingwall*, Pitt Meadows (arrived at 1:01 p.m.)
Mayor Jack Froese*, Langley Township
Mayor George Harvie*, Delta
Mayor Mike Hurley*, Burnaby (arrived at 1:01 p.m.)
Mayor Doug McCallum*, Surrey
Director Jen McCutcheon*, Electoral Area A
Mayor John McEwen*, Anmore
Mayor Richard Stewart*, Coquitlam

**MEMBERS ABSENT:**
Mayor Brad West, Port Coquitlam

**STAFF PRESENT:**
Jerry W. Dobrovolny, Chief Administrative Officer
Amelia White, Legislative Services Supervisor, Board and Information Services

## 1. ADOPTION OF THE AGENDA

### 1.1 March 10, 2022 Regular Meeting Agenda

**It was MOVED and SECONDED**
That the Finance Committee adopt the agenda for its regular meeting scheduled for March 10, 2022 as circulated.

**CARRIED**

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

## 2. ADOPTION OF THE MINUTES

### 2.1 February 10, 2022 Regular Meeting Minutes

**It was MOVED and SECONDED**

That the Finance Committee adopt the minutes of its regular meeting held February 10, 2022 as circulated.

**CARRIED**

1:01 p.m. Mayor Brodie, Mayor Dingwall and Mayor Hurley arrived at the meeting.

## 3. DELEGATIONS

No items presented.

## 4. INVITED PRESENTATIONS

No items presented.

## 5. REPORTS FROM COMMITTEE OR STAFF

### 5.1 Manager's Report

Report dated February 22, 2022, from Jerry Dobrovolny, Commissioner/Chief Administrative Officer, providing the Finance Committee with an update on the municipal finance reform initiatives, the Local Government Climate Action Program, the Recycling Depot Funding Strategy, the Spring Board Budget Review Meeting and the Finance Committee Work Plan.

1:04 p.m. Chief Baird arrived at the meeting.

Discussion ensued regarding the reporting of the municipal finance reform initiatives, the recycling collection for multi-family buildings and the possibility of a new program to replace the Climate Action Revenue Incentive Program (CARIP).

**It was MOVED and SECONDED**

That the Finance Committee receive for information the report dated February 22, 2022, titled "Manager's Report."

**CARRIED**

## 6. INFORMATION ITEMS

No items presented.

## 7. OTHER BUSINESS

No items presented.

## 8. BUSINESS ARISING FROM DELEGATIONS

No items presented.

## 9. RESOLUTION TO CLOSE MEETING

**<u>It was MOVED and SECONDED</u>**

That the Finance Committee close its regular meeting scheduled for March 10, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (c) and (g) as follows:

"90 (1) A part of the meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(c) labour relations or other employee relations; and

(g) litigation or potential litigation affecting the regional district."

**<u>CARRIED</u>**

## 10. ADJOURNMENT/CONCLUSION

**<u>It was MOVED and SECONDED</u>**

That the Finance Committee adjourn its regular meeting of March 10, 2022.

**<u>CARRIED</u>**

(Time: 1:17 p.m.)

| | |
|---|---|
| ______________________________ | ______________________________ |
| Amelia White,<br>Legislative Services Supervisor | Sav Dhaliwal, Chair |

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metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

| | |
|---|---|
| To: | Finance Committee |
| From: | Heather McNell, General Manager, Regional Planning and Housing Services |
| Date: | April 13, 2022 — Meeting Date: April 21, 2022 |
| Subject: | **Considering TransLink's 2022 Investment Plan and Proposed Increase in Borrowing Limit** |

**RECOMMENDATION**
That the MVRD Board:
a) Receive for information the report dated April 13, 2022 titled "Considering TransLink's 2022 Investment Plan and Proposed Increase in Borrowing Limit"; and
b) Send a letter to the Mayors' Council on Regional Transportation communicating support for the alignment of TransLink's 2022 Investment Plan with the regional growth strategy and for the proposed increase to TransLink's borrowing limit associated with the implementation of the Investment Plan.

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**EXECUTIVE SUMMARY**
TransLink regularly consults with the MVRD Board on major strategies and plans and is currently consulting on the 2022-2031 Investment Plan. Pursuant to the *South Coast British Columbia Transportation Authority Act,* prior to consideration by the Mayors' Council, TransLink is required to consult with Metro Vancouver.

TransLink faced unprecedented financial challenges during the COVID-19 pandemic, with significant impacts on transit ridership and fare revenues. The 2022 Investment Plan supports the region's pandemic recovery, and is focused on stabilizing TransLink's finances, maintaining the transit system, advancing strategic projects, and replacing lost revenue streams. TransLink is seeking an increase to its borrowing limit to support the delivery of capital expenditures for infrastructure projects identified in the plan. The 2022 Investment Plan advances the goals of *Transport 2050* and supports the regional growth strategy's objectives to reduce greenhouse gases, and align planned locations for growth (i.e. connecting and reinforcing Urban Centres and Frequent Transit Development Areas) with transit investment, but does so in a more limited way than previous investment plans given current financial constraints.

**PURPOSE**
The purpose of this report is to provide the Metro Vancouver Regional District (MVRD) Board with the opportunity to review TransLink's 2022 Investment Plan and the proposed increase to TransLink's borrowing limit associated with its implementation.

**BACKGROUND**
In 2014, the Mayors' Council approved its 10-Year Vision, which outlined major transportation investments for the region. Since then, the region approved the Phase One (2017) and Phase Two (2018) Investment Plans, which funded nearly 75% of the projects identified in the 2014 Vision. Due

to the impact of the COVID-19 pandemic, completion of the remaining investments has not yet been implemented. These outstanding investments are being carried forward for a new 10-Year Vision, now called *Transport 2050: 10 Year Priorities*, which is separate from the 2022 Investment Plan, a statutory requirement that must be fully funded. As a result, the 10-Year Investment Plan is primarily about stabilization, with the advancement of strategic projects such as the Surrey Langley SkyTrain project and the electrification of the bus fleet, and replacing lost revenue streams.

Pursuant to the *South Coast British Columbia Transportation Authority Act,* prior to consideration by the Mayors' Council, TransLink is required to consult with Metro Vancouver on the 10-Year Investment Plan. TransLink is engaging on the 10-Year Investment Plan between April 20 and May 1, 2022, and the TransLink Board and Mayors' Council on Regional Transportation will receive a summary report of the consultation, and will be considering approval of the Plan on May 26, 2022 (Attachment 1).

As part of its consultation with Metro Vancouver on the 10-Year Investment Plan, TransLink has provided information about its expected draws from the Greater Vancouver Regional Fund (GVRF) between 2022 and 2031 (Attachment 2). TransLink anticipates spending an additional $1.5 billion in GVRF funding over the ten-year period. The estimated GVRF balance at the end of 2031 is $360 million, with the fund being fully drawn down by 2034 due to a large planned fleet replacement in the 2032-2034.

**SHARED TRANSPORTATION INTERESTS**

Action 5.1.2 in *Metro 2050,* the draft regional growth strategy, notes that a key role for Metro Vancouver is to communicate to TransLink that Metro Vancouver's objectives for the regional transportation system are to:

a) support regional land use objectives, particularly focusing transit-oriented growth in Urban Centres and Frequent Transit Development Areas;
b) support energy consumption, greenhouse gas emission, and air quality objectives in part through increasing transit ridership growth and mode shifting; and
c) support the safe and efficient movement of vehicles for passengers, goods, and services.

Further, policy action 5.1.3 states the region's investment priorities to support growth by increasing transit services connecting Urban Centres as follows:

a) Priority 1: Major Transit Network
b) Priority 2: Frequent Transit Network
c) Priority 3: Local Transit Networks

Pursuant to the *South Coast British Columbia Transportation Authority Act*, TransLink's purpose is to provide a regional transportation system that:

a) moves people and goods; and
b) supports:
   i. the regional growth strategy,
   ii. provincial and regional environmental objectives, including air quality and greenhouse gas emission reduction objectives, and

iii. the economic development of the region.

**THE 2022 INVESTMENT PLAN**

TransLink, by statute, must have a 10-year Investment plan that is fully funded. It also must be updated every three years as a rolling 10-year plan. The last three-year update to the Investment Plan was adopted by TransLink in 2018. Last year, given the pandemic, TransLink received a one-year extension on its three-year update.

TransLink faced unprecedented financial challenges during the COVID-19 pandemic, with significant impacts on transit ridership and fare revenues. As a result, the 2022 Investment Plan will work toward funding stabilization with a focus on the first three years. Once approved, the 10-Year Investment Plan becomes TransLink's strategic and financial plan for the 2022-2031 plan period (Reference 1).

**Transit Service Stability**

The plan maintains current bus service levels for the next three years, which are 4% below pre-pandemic levels. This service level meets short-term projected demand. Beginning later this year, some service will be reallocated from existing frequent routes, while maintaining convenient frequencies, to minimize overcrowding and deliver high-urgency projects that were deferred due to the pandemic.

The plan maintains current service levels on SeaBus and increases service by 3% on HandyDART. For the West Coast Express, the plan proposes maintaining the same number of trains as pre-pandemic, but with the number of trains cars adjusted to reflect lower forecasted ridership. SkyTrain service on the existing system is nearing pre-pandemic levels, and the plan still contains expansion plans for the Broadway Subway and Surrey Langley SkyTrain extension.

The plan also advances support for bus priority infrastructure to improve reliability and speed. This investment is intended to both improve competitiveness and efficiency.

**High Priority Capital Projects**

The plan will provide new and continued funding for critical upgrades to SkyTrain power and control systems, capital replacement projects, the R6 Scott Road RapidBus and planning and infrastructure but not service for the R7 RapidBus. It also provides new funding for Surrey Langley SkyTrain and a new operations and maintenance centre.

**Climate Action**

In January 2022, TransLink adopted its corporate Climate Action Strategy, which sets a path to net-zero GHG emissions by 2050. The 2022 Investment Plan includes continued funding for the Low-Carbon Fleet Strategy that is critical to meeting TransLink's 2030 emissions target and getting to net-zero by 2050. It includes over $1.5B of investments to replace 34% of the current diesel bus fleet with battery-electric buses by 2030, and funding to design and construct critical charging infrastructure at bus depots, as well as investing in 84 new compressed-natural gas buses that will run on 100% renewable natural gas. These investments will reduce corporate emissions by 35% by 2030 based on 2010 levels. Although these efforts are moving strongly in the right direction, they still are not moving as quickly as needed to meet Climate 2050 targets. The MVRD Board has played an important role in reviewing and approving funding for many of these projects through the Greater Vancouver Regional Fund.

**Washroom Program Across the Network**
TransLink will begin to provide clean, safe, high-quality facilities to address customer requests for washrooms and improve accessibility. The 2022 Investment Plan funds capital and operating costs for the design, construction, and operation of multi-stall washrooms at six busy locations across the transit network.

**TRANSLINK'S NEXT 10-YEAR VISION**
Through a parallel process, TransLink is also updating its 10-Year Vision, now called *Transport 2050: 10-Year Priorities*. This plan will replace the Mayors' Council 10-Year Vision adopted in 2014 and is targeted for adoption by July 2022. Like the 2022 Investment Plan, *Transport 2050: 10-Year Priorities* will have a ten-year outlook. The difference between the two plans is that the 2022 Investment Plan is required by statute and must be fully funded. The 2022-2031 Investment Plan is primarily about stabilization. In contrast, the *Transport 2050: 10-Year Priorities* reflects implementation of the bold vision set out in *Transport 2050*. It builds on the 2014 Mayors Vision, incorporating remaining investments that were not implemented due to the pandemic, and identifies top priorities for the first decade of *Transport 2050*. It is not funded, and will be funded through future Investment Plans.

**Established Regional Objectives**
The regional transportation system is a crucial element for facilitating the orderly management of growth and supporting prosperity of the Metro Vancouver region which is projected to grow from approximately 2.7 million residents today to 3.8 million by 2050. As noted above, one of Metro Vancouver's roles is to communicate to TransLink the region's objectives for the regional transportation system as set out in the regional growth strategy. As *Metro 2050* and *Transport 2050* were developed together and with the intent of integration, the 10 -Year Investment Plan was considered in relation to the draft *Metro 2050*, which is currently under consideration by the MVRD Board.

A main tenet of the regional growth strategy is the concentration of transit-oriented growth within a framework of Urban Centres and Frequent Transit Development Areas. The Transit-Oriented Affordable Housing study has demonstrated that lower income households, particularly renter households, tend to depend on and use transit more often (Reference 3). Given the scale and geographic reach of the investments, the 10-Year Investment Plan and future Investment Plans will shape growth patterns by serving transportation demand in the region and continue to support opportunities, in collaboration with municipalities and other partners, for new affordable rental housing development near frequent bus corridors and rapid transit stations.

The implementation of the 2022 Investment Plan and future Investment Plans will also support the priorities for the expansion and enhancement of the transit network throughout the region, and reinforce the region's Urban Centres and Frequent Transit Development Areas consistent with policy action 5.1.3 of *Metro 2050*. It is anticipated that the 2022 Investment Plan will address remaining service gaps through transit service expansion and enhancements over time, work towards reducing energy consumption and emissions, and maintain and encourage transit ridership growth and support active transportation mode share in the region.

Further, the planned improvements to pedestrian and cycling infrastructure will make active transportation modes more attractive and viable choices for daily travel, reduce dependence on private passenger vehicles, and lower vehicle kilometres travelled and the associated greenhouse gas emissions, and support the creation of complete, walkable communities.

## PROPOSED BORROWING LIMIT

TransLink is required by the *South Coast British Columbia Transportation Authority Act* to consult with the MVRD Board prior to approval of an investment plan that proposes an increased borrowing limit. The 2022 Investment Plan proposes that TransLink's borrowing limit be increased to $6.8 billion from its current $5.5 billion to support the delivery of TransLink's share of capital expenditures for infrastructure projects identified in the plan.

## ALTERNATIVES

That the MVRD Board:

1. Receive for information the report dated April 13, 2022 titled "Considering TransLink's 2022 Investment Plan and Proposed Increase in Borrowing Limit"; and
2. Send a letter to the Mayors' Council on Regional Transportation communicating support for the alignment of TransLink's 2022 Investment Plan with the regional growth strategy and for the proposed increase to TransLink's borrowing limit associated with the implementation of the Investment Plan.

2. That the MVRD Board receive for information the report dated April 13, 2022, titled "TransLink's 2022 Investment Plan and Increase in Borrowing Limit" and provide staff with alternate direction.

## FINANCIAL IMPLICATIONS

The 2022 Investment Plan requires an increase to TransLink's established borrowing limit. The increase will support delivery of the regional share of the capital expenditures in the plan. TransLink, as required by legislation, is consulting with the Finance Committee and MVRD Board at their respective April 2022 meetings.

The 2022 Investment Plan also assumes future contributions in Federal Gas Tax Funds from the Greater Vancouver Regional Fund to fund expansion projects, and the continuation of the program to fund planned transit vehicle replacement and rehabilitation. The MVRD Board remains the approval authority for the allocation of funds from the Greater Vancouver Regional Fund. Staff note that the MVRD Board's *Federal Gas Tax Fund Expenditures Policy* is a 10-year agreement entered into by member jurisdictions in 2014 and is expiring at the end of 2023 and the renewal of the agreement will be considered by the MVRD Board during 2023.

**CONCLUSION**

TransLink has prepared a 2022 Investment Plan to support the region's pandemic recovery and the stabilization of TransLink's finances, while advancing the strategies and actions of the recently approved *Transport 2050* within context of existing financial constraints.

TransLink faced unprecedented financial challenges during the COVID-19 pandemic, with significant impacts on transit ridership and fare revenues. The 2022 Investment Plan supports the region's pandemic recovery, and is focused on stabilizing TransLink's finances, maintaining the transit system, advancing strategic projects, and replacing lost revenue streams.

The 2022 Investment Plan advances the goals of *Transport 2050* and supports the regional growth strategy's objectives to reduce greenhouse gases, and align planned locations for growth (i.e. connecting and reinforcing Urban Centres and Frequent Transit Developent Areas) with transit investment, but does so in a more limited way than previous investment plans given current financial constraints. The 2022 Investment Plan also proposes that TransLink's borrowing limit be increased to support the delivery of TransLink's share of capital expenditures for infrastructure projects identified in the plan.

**Attachment**

1. Correspondence from Mayors' Council on Regional Transportation, dated April 5, 2022, re: Draft 2022-2031 Investment Plan.
2. Correspondence from TransLink, dated April 6, 2022, re: Greater Vancouver Regional Fund (GVRF) Information for Metro Vancouver Consultation

**References**

1. 2022-2031 Investment Plan Public Consultation Discussion Guide available online at engagetranslink.ca on April 20, 2022
2. *Transport 2050*
3. Transit-Oriented Affordable Housing study

51930174

MAYORS' COUNCIL
On Regional Transportation
400 – 287 Nelson's Court
New Westminster, BC V3L 0E7
info@mayorscouncil.ca

TRANSLINK

April 5, 2022

Councillor Sav Dhaliwal
Chair, Board of Directors
Metro Vancouver
Metrotower III, 4515 Central Boulevard
Burnaby BC V5H 0C6

Dear Chair Dhaliwal:

TransLink has initiated the public consultation process for its Draft 2022-2031 Investment Plan. The Draft Plan is the product of several years of collaboration between the Mayors' Council, the TransLink Board and the Province of British Columbia, supported by regional and municipal staff. Originally due in June 2021 as per the *South Coast British Columbia Transportation Authority* Act, TransLink received an extension via an Order in Council to deliver an investment plan by May 31, 2022 , to allow more time to assess ridership recovery and the financial situation after the acute period of the pandemic. Consultation will commence on April 20 and conclude on May 1, 2022.

Consultation with Metro Vancouver is an important part of the process to review the Draft Plan. TransLink staff has and will continue engaging with Metro Vancouver planning staff throughout the development of the Draft Plan. In April, TransLink staff will present an overview of the Draft Plan to Metro Vancouver's Board; this consultation will focus on the Draft Plan's role in supporting the Regional Growth Strategy, as well as the Plan's proposed allocation of funding from the Greater Vancouver Regional Fund.

In addition to the required TransLink consultation with Metro Vancouver regarding the Draft Plan, legislation requires the Mayors' Council to formally consult with the Metro Vancouver Board regarding any increase to TransLink's borrowing limit proposed in a draft investment plan. Specifically, Section 31(1.1) of the *South Coast British Columbia Transportation Act* (SCBCTA Act) states:

> *Before the mayors' council on regional transportation approves an investment plan that proposes an increase in the amount the authority may borrow, the mayors' council on regional transportation must consult with the Greater Vancouver Regional District board of directors.*

In accordance with this provision, and to fulfill TransLink's consultation obligations with respect to the amount TransLink may borrow, I am writing to inform the Metro Vancouver Board of Directors that the Mayors' Council plans to consider approval of a 2022-31 Investment Plan that would increase TransLink's established borrowing limit. TransLink currently has an established borrowing limit of $5.5 billion. The Draft Plan proposes an increase of $1.3 billion to the amount TransLink may borrow so that the revised borrowing limit, in accordance with Section 31(1) of the SCBCTA Act, becomes $6.8 billion. The proposed increase supports the delivery of the regional share of capital expenditures in the Plan, including critical expansion projects (Surrey Langley Skytrain and supporting infrastructure) and the advancement of real estate development initiatives.

If you have any questions, please do not hesitate to contact me, or to have your staff liaise with TransLink staff. We look forward to Metro Vancouver's continued support for investment in transit and transportation in the region.

Sincerely,

Mayor Jonathan Cote
Chair, TransLink Mayors' Council on Regional Transportation

Enclosure

cc: Dean Rear – Chief Financial Officer, Metro Vancouver
Lorraine Cunningham – Chair, TransLink Board of Directors
Kevin Quinn – Chief Executive Officer, TransLink
Mike Buda – Executive Director, TransLink Mayors' Council on Regional Transportation

To: Metro Vancouver

From: TransLink

Date: April 6, 2022

Subject: Greater Vancouver Regional Fund (GVRF) Information for Metro Vancouver Consultation

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**Purpose**

This memo is to provide information to Metro Vancouver on TransLink's current and proposed future use of Greater Vancouver Regional Fund (GVRF) in the draft 2022-2031 Investment Plan.

The information provided includes:

A. Current status of GVRF as of December 31, 2021;
B. Active and approved in principle projects with GVRF funding as of December 31, 2021;
C. Summary of anticipated GVRF funding and usage; and
D. Cash flow projections for GVRF usage for planned projects during the Investment Plan period.

## A. Current status of GVRF

*Fund Balances*

The table below shows the total funding TransLink has received since the Federal Gas Tax Funding program began in 2005 and the funds available as of December 31, 2021. TransLink generally applies for funds in conjunction with its budget cycle or on approval of an investment plan depending on the timing of large capital projects.

**Greater Vancouver Regional Fund**
(as of December 31, 2021)

*In millions*

| | |
|---|---|
| Approved GVRF Funds | $1,611.9 |
| Interest earned on funds received[1] | 62.7 |
| Unapproved GVRF Funds[2] | 548.1 |
| **Total Gas Tax Funds** | **$2,222.7** |
| Less | |
| Funds applied to completed projects | $(1,015.5) |
| Funds for approved projects[3] | (935.2) |
| Interest allocated to projects | (14.5) |
| **Funds available for use** | **$257.5** |

1. Represents interest earned-to-date on funds received as of December 31, 2021
2. Represents funds held at UBCM as of December 31, 2021
3. Includes $358.5M approved for program year 2022

**B. Active projects with GVRF funding**

The table below lists all active and approved in principle projects as of December 31, 2021 that received GVRF funding and provides information on project costs, funding and anticipated funds remaining to be spent. GVRF savings from approved projects are returned to the GVRF pool to be applied for in future projects.

| Active Projects with GVRF Funding (Dollar amounts in millions) | Forecast Final Cost | Approved Funding | Expenditures to Dec 31, 2021 | Funding spent to Dec 31, 2021 | Unspent funds |
|---|---|---|---|---|---|
| SkyTrain Mark I Vehicle Refurbishment | 28.0 | 24.4 | 26.4 | 14.7 | 9.6 |
| 2018 Conventional Bus - Replacement | 65.1 | 61.9 | 65.0 | 61.9 | - |
| Electric Battery Bus Purchases - Pilot | 9.6 | 6.9 | 8.9 | 6.9 | - |
| 2019 Conventional Bus – Replacement | 32.6 | 30.0 | 32.0 | 30.0 | - |
| 2019 Community Shuttle Vehicles - Replacement | 10.3 | 10.8 | 10.3 | 10.0 | 0.8 |
| 2020 Conventional Bus - Replacement | 32.4 | 31.6 | 12.5 | 11.8 | 19.8 |
| 2020 Conventional Bus - Expansion | 100.6 | 97.8 | 16.5 | 14.8 | 82.9 |
| 2020 HandyDART Vehicles - Replacement | 6.3 | 6.1 | 0.1 | 0.0 | 6.1 |
| 2020 HandyDART Vehicles - Expansion | 1.6 | 1.6 | 0.0 | 0.0 | 1.6 |
| 2020 Community Shuttle Vehicles - Expansion | 2.5 | 2.4 | - | - | 2.4 |
| 2021 Conventional Bus - Expansion | 46.8 | 107.8 | 0.1 | 0.0 | 107.8 |
| 2021 HandyDART Vehicles - Replacement | 6.5 | 6.4 | 0.1 | 0.0 | 6.4 |
| 2021 Community Shuttle Vehicles - Replacement | 14.1 | 13.7 | 11.7 | 10.9 | 2.8 |
| Mark 1 500-800 Refurbishment | 10.4 | 17.2 | 1.2 | 1.1 | 16.2 |
| 2022 HandyDART Vehicles - Replacement | 6.8 | 6.5 | - | - | 6.5 |
| 2022 Community Shuttle Vehicles - Replacement | 15.9 | 15.3 | - | - | 15.3 |
| 2021 CMBC Service Support Vehicles - Replacement | 1.2 | 1.4 | - | - | 1.4 |
| 2021 BCRTC Service Support Vehicles - Replacement | 0.4 | 0.4 | - | - | 0.4 |
| BCRTC Elevating Devices Escalators Replacement | 10.3 | 5.5 | 0.0 | 0.0 | 5.5 |
| Port Coquitlam Transit Centre Infrastructure (LCFS) | 30.6 | 27.8 | 0.1 | 0.1 | 27.7 |
| 2021 HandyDART Vehicles - Expansion* | 1.6 | 1.6 | - | - | 1.6 |
| 2021 Community Shuttle Vehicles - Expansion* | 0.9 | 2.4 | - | - | 2.4 |
| 2023 Conventional Bus (Electric) - Replacement* | 88.7 | 86.1 | - | - | 86.1 |
| BCRTC Elevating Devices Elevators Replacement* | 11.8 | 11.2 | - | - | 11.2 |
| 2023 Community Shuttle Vehicles - Replacement* | 6.9 | 6.7 | - | - | 6.7 |
| 2023 Conventional Bus (CNG) - Replacement* | 46.1 | 44.4 | - | - | 44.4 |
| 2023 HandyDART Vehicles - Replacement* | 7.0 | 6.8 | - | - | 6.8 |
| Next Generation SeaBus Design* | 2.7 | 2.5 | - | - | 2.5 |
| Marpole Transit Centre* | 308.2 | 298.1 | - | - | 298.1 |
| **Total** | **906.0** | **935.2** | **184.8** | **162.4** | **772.8** |

* Approved in principle projects with approved GVRF funding. All other projects are active.

## C. GVRF funding and usage assumed in the Investment Plan

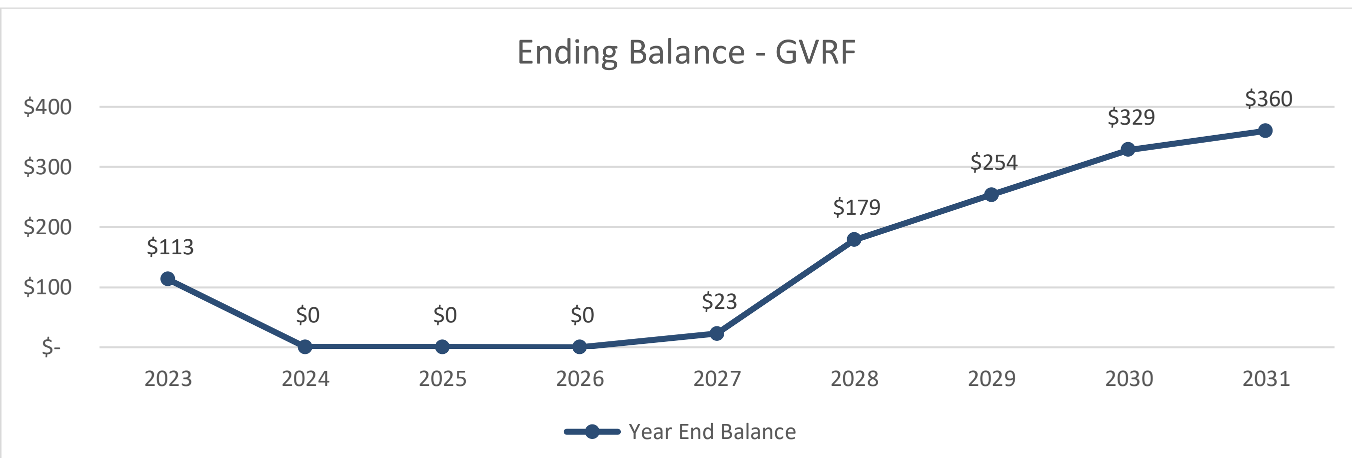
*New funding assumed in the Investment Plan*

The current Gas Tax agreement covers the 10-year period from 2014 to 2023. Under the agreement, the funds are indexed with inflation. For the remaining period of eight years to 2031 in 2022 Investment Plan, it is assumed that the agreement will be renewed, GVRF funding is assumed to continue, with growth rates similar to the current agreement. This assumption is based on the indications from Federal government that this program will continue.

**Federal Allocation Forecast**

| Program Year | Allocation from Canada |
|---|---|
| 2022 | $ 146 |
| 2023 | $ 153 |
| 2024 | $ 153 |
| 2025 | $ 156 |
| 2026 | $ 156 |
| 2027 | $ 159 |
| 2028 | $ 159 |
| 2029 | $ 162 |
| 2030 | $ 162 |
| 2031 | $ 165 |

The chart below shows the projected GVRF balance over the next ten years. As of December 31, 2021 there was $257.5 million available for project funding. During the period 2022-2031 TransLink anticipates allocations of $1.6 billion in funding from the Government of Canada, with TransLink utilizing $1.5 billion (see details in section D). These projects reflect investments in the transit fleet and advancing TransLink's Low Carbon Fleet Strategy. Compared to the plans under the previous Mayors' Vision, the conventional bus propulsion has changed from hybrid to electric as part of TransLink's Low Carbon Fleet Strategy. In addition, TransLink is no longer assuming that the fossil fuel buses (Community Shuttle and HandyDART vehicles) will be funded from the GVRF – a change since our previous applications. While the GVRF balance at the end of 2031 is forecasted to be $360 million, it is expected to be fully draw down by 2034 by a large fleet replacement coming due between 2032-2034.




GVRF funding is a very important part of capital funding source of TransLink and is fundamental to our ability to implement the Low Carbon Fleet Strategy, achieve the planned GHG reductions and support the Province's Clean BC mandate.

In the absence of GVRF funding, TransLink would have to borrow the funds to implement these projects. These borrowings would put further pressure on TransLink's debt limit. Furthermore, the additional borrowing exacerbates the net debt to operating revenue ratio. This is a ratio indicative of TransLink's ability to service its debt and it is closely monitored by the bond rating agencies. According to the opinion of these agencies, TransLink's net debt to operating revenue ratio is already high; further increases in this ratio, pushing it up to and potentially past the policy limit of 300% may negatively impact TransLink's credit rating and ability to borrow. Moreover, in order to be able to sustain higher levels of debt, TransLink would have to increase its revenue sources, resulting in a potential increase in pressure to the tax payer.

## D. GVRF Funding cash flow – 2023-2031

The table below includes the list of planned projects that are assumed to receive GVRF funding. The table identifies the cost, funding and funding cash flows. Cash flows for planned projects total $1,631.8 billion during the Investment Plan period.

| | | | | GVRF Funding CF | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Program Year | Project Descritpion | Project Cost | Total GVRF Funding | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 2023 | 2024-2028 Conventional Bus Replacements (Trolleys)* | 414.6 | (373.1) | - | (35.1) | (1.9) | (53.6) | (214.6) | (67.9) | - | - | - |
| | 2024 Conventional Bus Replacements (RNG)* | 76.4 | (68.8) | - | (68.8) | - | - | - | - | - | - | - |
| | Service Support Vehicles Replacement | 1.8 | (1.6) | (0.4) | (1.2) | - | - | - | - | - | - | - |
| | 2023 BCRTC Service Support Vehicles Replacement | 0.3 | (0.2) | (0.2) | - | - | - | - | - | - | - | - |
| **2023 Total** | | **493.1** | **(443.8)** | **(0.6)** | **(105.1)** | **(1.9)** | **(53.6)** | **(214.6)** | **(67.9)** | **-** | **-** | **-** |
| 2024 | 2026 Conventional Bus Replacements (BEB)* | 470.4 | (423.3) | - | - | - | (423.3) | - | - | - | - | - |
| | 2025-2029 Conventional Bus Replacements (Trolleys)* | 199.2 | (179.3) | - | - | (16.7) | (2.3) | (19.4) | (65.4) | (75.5) | - | - |
| | Service Support Vehicles Replacement | 1.7 | (1.5) | - | (0.4) | (1.2) | - | - | - | - | - | - |
| | 2024 BCRTC Service Support Vehicles Replacement | 0.2 | (0.2) | - | (0.2) | - | - | - | - | - | - | - |
| **2024 Total** | | **671.5** | **(604.3)** | **-** | **(0.6)** | **(17.9)** | **(425.7)** | **(19.4)** | **(65.4)** | **(75.5)** | **-** | **-** |
| 2025 | Service Support Vehicles Replacement | 1.6 | (1.4) | - | - | (0.4) | (1.1) | - | - | - | - | - |
| | 2025 BCRTC Service Support Vehicles Replacement | 0.5 | (0.4) | - | - | (0.4) | - | - | - | - | - | - |
| **2025 Total** | | **2.1** | **(1.9)** | **-** | **-** | **(0.8)** | **(1.1)** | **-** | **-** | **-** | **-** | **-** |
| 2026 | Service Support Vehicles Replacement | 2.0 | (1.8) | - | - | - | (1.5) | (0.3) | - | - | - | - |
| | 2026 BCRTC Service Support Vehicles Replacement | 0.3 | (0.3) | - | - | - | (0.3) | - | - | - | - | - |
| **2026 Total** | | **2.3** | **(2.1)** | **-** | **-** | **-** | **(1.8)** | **(0.3)** | **-** | **-** | **-** | **-** |
| 2027 | 2029 Conventional Vehicles Replacements (BEB)* | 114.5 | (103.0) | - | - | - | - | - | - | (103.0) | - | - |
| | Service Support Vehicles Replacement | 2.1 | (1.9) | - | - | - | - | (1.5) | (0.3) | - | - | - |
| | 2027 BCRTC Service Support Vehicles Replacement | 0.2 | (0.2) | - | - | - | - | (0.2) | - | - | - | - |
| **2027 Total** | | **116.7** | **(105.1)** | **-** | **-** | **-** | **-** | **(1.7)** | **(0.3)** | **(103.0)** | **-** | **-** |
| 2028 | Transit Police NRV Replacement | 1.7 | (1.5) | - | - | - | - | - | (0.4) | (1.2) | - | - |
| | Service Support Vehicles Replacement | 1.5 | (1.4) | - | - | - | - | - | (1.2) | (0.2) | - | - |
| | 2028 BCRTC Service Support Vehicles Replacement | 0.2 | (0.2) | - | - | - | - | - | (0.2) | - | - | - |
| **2028 Total** | | **3.4** | **(3.1)** | **-** | **-** | **-** | **-** | **-** | **(1.8)** | **(1.3)** | **-** | **-** |
| 2029 | 2031 Conventional Bus Replacements (BEB)* | 93.7 | (84.3) | - | - | - | - | - | - | - | - | (84.3) |
| | Service Support Vehicles Replacement | 1.8 | (1.6) | - | - | - | - | - | - | (0.4) | (1.2) | - |
| | Transit Police NRV Replacement | 1.2 | (1.1) | - | - | - | - | - | - | (0.3) | (0.8) | - |
| | 2029 BCRTC Service Support Vehicles Replacement | 0.1 | (0.1) | - | - | - | - | - | - | (0.1) | - | - |
| **2029 Total** | | **96.8** | **(87.1)** | **-** | **-** | **-** | **-** | **-** | **-** | **(0.8)** | **(2.0)** | **(84.3)** |
| 2030 | 2032 Conventional Bus Replacement (BEB)* (Note 1) | 93.3 | (84.0) | - | - | - | - | - | - | - | - | - |
| | 2030 BCRTC Service Support Vehicles Replacement | 2.1 | (1.9) | - | - | - | - | - | - | - | (1.9) | - |
| | Service Support Vehicles Replacement | 1.7 | (1.5) | - | - | - | - | - | - | - | (0.4) | (1.2) |
| **2030 Total** | | **97.1** | **(87.4)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(2.2)** | **(1.2)** |
| 2031 | 2033 Conventional Bus Replacements (BEB) * (Note 1) | 146.3 | (131.7) | - | - | - | - | - | - | - | - | - |
| | Service Support Vehicles Replacement | 1.9 | (1.7) | - | - | - | - | - | - | - | - | (0.4) |
| | 2031 BCRTC Service Support Vehicles Replacement | 0.6 | (0.5) | - | - | - | - | - | - | - | - | (0.1) |
| **2031 Total** | | **148.8** | **(133.9)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(0.5)** |
| **Total** | | **1,631.8** | **(1,468.6)** | **(0.6)** | **(105.7)** | **(20.6)** | **(482.1)** | **(236.0)** | **(135.4)** | **(180.6)** | **(4.2)** | **(86.0)** |

Note 1: These projects are expected to be initiated during the Investment Plan period, but the funding cash flows are expected past 2031.
* Part of TransLink's the Low Carbon Fleet Strategy (BEB, RNG, Trolleys).

**Conclusion**

Draft 2022 Investment Plan assumes continuing availability of GVRF funding, indexed to inflation. The projects planned in the Investment Plan will utilize most of the current and anticipated GVRF funds that will be available during the period. As of December 31, 2021, there was $257.5 million in funds remaining to be spent on active and approved projects. Draft 2022 Investment Plan anticipates spending an additional $1.5 billion of the GVRF funding on fleet replacements during the plan period enabling TransLink reduce the GHG impact of the transit system and keep the fleet in a state of good repair. GVRF funding remains a key component of the capital funding sources, and is critical to TransLink implementing its Low Carbon Fleet Strategy, achieving GHG emission reductions targets and contributing towards achieving Clean BC mandate of the Province.