To: Finance and Intergovernment Committee

From: Raymond Kan, Senior Regional Planner, Parks, Planning and Environment

Date: March 5, 2018

Meeting Date: March 16, 2018

Subject: TransLink Application for Scope Change to Approved October 2017 Application for Federal Gas Tax Funding from the Greater Vancouver Regional Fund

RECOMMENDATION
That the MVRD Board approve a scope change to TransLink’s 2017 application for Federal Gas Tax funding from the Greater Vancouver Regional Fund, replacing seven 40-foot hybrid buses to be purchased in 2019 with five 60-foot hybrid buses, as described in the report dated March 5, 2018, titled “TransLink Application for Scope Change to Approved October 2017 Application for Federal Gas Tax Funding from the Greater Vancouver Regional Fund”.

PURPOSE
To present for MVRD Board consideration TransLink’s request for a scope change to the 2019 conventional 40-foot hybrid bus expansion under Metro Vancouver’s Federal Gas Tax Fund Expenditures Policy (GVRF Policy).

BACKGROUND
At its meeting on October 27, 2017, the MVRD Board approved seven TransLink projects for federal gas tax funding from the GVRF. Project #2 comprised seven 40-foot hybrid buses as part of the transit vehicle expansion commitment set out in the 2017 Phase one Investment Plan (please refer to Attachment 1). TransLink has requested approval from the MVRD Board to obtain a scope change to the bus purchase (Attachment 2).

This report is being brought forward to consider TransLink’s scope change request.

REQUEST FOR SCOPE CHANGE TO APPROVED 2017 TRANSLINK APPLICATION
TransLink is seeking approval for a scope change to one project previously approved as part of the October 2017 application. The Board approved $7.29 million in GVRF funding towards the purchase of seven 40-foot hybrid buses for 2019 expansion. The proposed scope change is to procure five 60-foot hybrid buses in lieu of the seven 40-foot hybrid buses for the same amount of GVRF funding of $7.29 million – there is no financial implication to the proposed scope change.

As part of the Phase One Investment Plan, TransLink is implementing four B-Line routes starting in 2019 (Marine Drive (North Shore), 41st Avenue (Vancouver), Lougheed Highway (Pitt Meadows, Maple Ridge, Port Coquitlam, Coquitlam), and Fraser Highway (Langley City, Surrey). The service planning for these four B-Line routes have evolved since the 2017 GVRF Application. TransLink now wants to deploy 86 60-foot buses on these routes. A shortfall of five 60-foot buses remains. The scope change would fill the fleet gap.
METRO VANCOUVER STAFF ANALYSIS
A summary of staff’s analysis is presented below.

Application Completeness and Screening Criteria. TransLink’s application meets the application information requirements and screening criteria.

Integrated Criteria Evaluation. According to TransLink, each 60-foot hybrid bus emits about 20% less greenhouse gases, nitrogen oxides, and particulates than an equivalent 40-foot diesel bus on a seated passenger-km basis. TransLink is encouraged to improve their emissions methodologies so as to provide more detailed apples-to-apples comparisons (e.g. 60-foot hybrid compared to 40-foot hybrid). In the aggregate, the application is consistent and supportive of the MVRD Board’s policies on regional growth management, air quality, and climate protection, as well as the Board’s interest in economic prosperity. It should be noted that TransLink will be completing a Low Carbon Fleet Strategy in March 2018 that will guide future transit vehicle procurement decisions (TransLink will consult with key stakeholders, including Metro Vancouver, at that time).

Summary of Evaluation
The application was evaluated in against a list of integrated criteria as per the GVRF Policy.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description</th>
<th>MV Staff Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Project Category</td>
<td>Local roads and bridges, including active transportation, OR public transit</td>
<td>Meets criterion</td>
</tr>
<tr>
<td>Eligible Expenses</td>
<td>As set out in the 2014 Administrative Agreement.</td>
<td>Meets criterion</td>
</tr>
<tr>
<td>Plan Consistency</td>
<td>Projects <strong>must be consistent</strong> with TransLink’s existing Capital Plan and future 10-Year Investment Plan, as well as the Mayors’ Council Transportation and Transit Plan, Metro 2040: Shaping our Future, and the Regional Transportation Strategy.</td>
<td>Meets criterion</td>
</tr>
<tr>
<td>Corporate Policies</td>
<td>Projects must be consistent with applicable TransLink policies such as sustainability, environmental responsibility, emissions, and infrastructure.</td>
<td>Meets criterion</td>
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**Integrated Criteria: Regional Growth Strategy**

| Supports the Regional Growth Strategy | The degree to which the project assists in achieving the five goals in **Metro 2040**. | Excellent. |
| Urban Centres and Frequent Transit Development Areas | Where applicable, the project is located in, or demonstrates tangible benefits to, the overall performance of Urban Centres and Frequent Transit Development Areas. | Good: subject to performance monitoring as buses are deployed |

**Integrated Criteria: Transportation Performance**
<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description</th>
<th>MV Staff Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline Targets</td>
<td>Demonstrates tangible beneficial effects on vehicle kilometres travelled and/or walk/cycle/transit mode share.</td>
<td>Good: subject to performance monitoring as buses are deployed</td>
</tr>
<tr>
<td>Other Transportation Outcomes</td>
<td>Demonstrates tangible beneficial effects on vehicle congestion, transit passenger congestion, transit ridership, and/or transportation safety for the duration of the project.</td>
<td>Good: subject to performance monitoring as buses are deployed</td>
</tr>
<tr>
<td>Project Type</td>
<td>Demonstrated value of the project type.</td>
<td>Good: subject to performance monitoring as buses are deployed</td>
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**Integrated Criteria: Regional Environmental Objectives**

<table>
<thead>
<tr>
<th>Supports the Integrated Air Quality and Greenhouse Gas Management Plan</th>
<th>Contributes to the achievement of one or more goals in the <em>Integrated Air Quality and Greenhouse Gas Management Plan</em>.</th>
<th>Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurable Beneficial Effects</td>
<td>Demonstrates tangible beneficial effects on greenhouse gas and common air contaminant emissions from on-road transportation sources for the duration of the project.</td>
<td>Good: subject to performance monitoring as buses are deployed</td>
</tr>
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**Integrated Criteria: Economic Development**

<table>
<thead>
<tr>
<th>Supports Regional Prosperity</th>
<th>Contributes to a regional transportation system that moves people and goods and aligns with regional prosperity.</th>
<th>Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurable Beneficial Effects</td>
<td>Tangible beneficial effects on the movement of people and/or goods for the duration of the project.</td>
<td>Good: subject to performance monitoring as buses are deployed</td>
</tr>
</tbody>
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**PREVIOUS GVRF APPLICATIONS**

Below is a summary of previous gas tax fund approvals by the MVRD Board.

September 23, 2016 – the MVRD Board approved $127.182 million in GVRF funds to TransLink for nine projects comprising replacement transit fleet vehicles only (84 community shuttles, 75 HandyDART vehicles, and 238 conventional buses). These projects were consistent with TransLink’s 2014 Base Plan and Mayors’ Council Transportation and Transit Plan.

November 23, 2016 – the TransLink Board and Mayors’ Council on Regional Transportation approved the 2017-2026 *Investment Plan – Phase One of the 10-year Vision (Phase One Investment Plan)*, which includes service expansion.
April 28, 2017 – the MVRD Board approved $121.280 million in GVRF funds to TransLink for six projects comprising expansion transit fleet vehicles, four electric battery buses for a pilot program, and equipment for deferred retirement of transit vehicles.

July 28, 2017 – the MVRD Board approved scope changes and $24.210 million in additional GVRF funds to TransLink for three projects approved in 2016. The scope changes involved the purchase of conventional CNG and hybrid buses, rather than conventional diesel buses.

October 27, 2017 – the MVRD Board approved $121.150 million in GVRF funds to TransLink for seven projects comprising expansion and replacement transit vehicles.

As of December 31, 2017, the balance in the GVRF was $168.491 million.

FEDERAL GAS TAX ADMINISTRATIVE AGREEMENT

The renewed Administrative Agreement on Federal Gas Tax Fund in British Columbia came into effect in April 2014. The Agreement sets out the roles and responsibilities of the federal government, provincial government, and UBCM for the administration of the Federal Gas Tax Fund. The Agreement also sets out the following:

- The GVRF pools 95% of the MVRD and its member municipalities’ per-capital allocation of federal gas tax funds to support regional transportation projects proposed for funding by TransLink.
- The MVRD Board must approve all eligible projects proposed by TransLink for funding.
- The MVRD must notify UBCM of the eligible projects that it has approved for funding, after which the UBCM may provide funding to TransLink.
- In order to receive GVRF funding, TransLink must sign a Funding Agreement with UBCM.
- The remaining 5% of federal gas tax funds is allocated among local governments in Metro Vancouver through the Community Works Fund.
- Requests for new projects, amendments to the scope of prior approved projects, and use of approved but unspent funds for other projects must receive approval from the MVRD Board.

On May 27, 2016, the MVRD Board adopted the Greater Vancouver Regional Fund Policy, which establishes the process and criteria for approving expenditures from the GVRF for regional transportation projects proposed by TransLink. The Union of British Columbia Municipalities (UBCM) holds the GVRF monies in trust, and transfers the requested amount of funds to TransLink only upon notification by the MVRD Board of its approval. The GVRF Policy sets out the application process, information requirements, and evaluation criteria to respond to TransLink’s request for GVRF funding. Under the Policy, the MVRD Board will issue a call for proposals on an annual basis by April 1. The deadline for TransLink to submit final proposals is September 1. The MVRD Board makes its decisions by November 30.
**ALTERNATIVES**

1. That the MVRD Board approve a scope change to TransLink’s 2017 application for Federal Gas Tax funding from the Greater Vancouver Regional Fund, replacing seven 40-foot hybrid buses to be purchased in 2019 with five 60-foot hybrid buses, as described in the report dated March 5, 2018, titled “TransLink Application for Scope Change to Approved October 2017 Application for Federal Gas Tax Funding from the Greater Vancouver Regional Fund”.

2. That the MVRD Board endorse in principle the report dated March 5, 2018, titled “TransLink Application for Scope Change to Approved October 2017 Application for Federal Gas Tax Funding from the Greater Vancouver Regional Fund” and refer it to the Mayors’ Council on Regional Transportation for comment prior to final consideration by the MVRD Board.

**FINANCIAL IMPLICATIONS**

If the MVRD Board approves alternative one, the UBCM will be notified within 7 business days of the Board’s decision. There is no net financial impact of the proposed scope change as the amount requested from the GVRF remains the same at $7.29 million, and the expenditure was already approved by the Board. The UBCM currently holds in a special account $168.491, as of December 31, 2017, available for eligible regional transportation projects.

If the MVRD Board approves alternative two, the Metro Vancouver report and recommendations, along with the TransLink application, would be forwarded to the Mayors’ council for comment prior to final consideration by the Board.

**SUMMARY / CONCLUSION**

TransLink is seeking approval for a scope change to one project previously approved as part of the October 2017 GVRF application. The Board approved $7.29 million in GVRF funding towards the purchase of seven 40-foot hybrid buses for 2019 expansion. The proposed scope change is to procure five 60-foot hybrid buses in lieu of the seven 40-foot hybrid buses for the same amount of GVRF funding of $7.29 million – there is no financial implication to the proposed scope change. The 60-foot hybrid buses will be part of a fleet of 60-foot buses serving four new B-Line routes as part of the *Phase One Investment Plan* implementation.

TransLink’s application is consistent and supportive of the MVRD Board’s established policies on regional growth management, air quality management, and climate protection. Each 60-foot hybrid bus emits about 20% less greenhouse gases, nitrogen oxides, and particulates than an equivalent 40-foot diesel bus on a seated passenger-km basis. The four new B-Line routes serve high demand and rapidly developing corridors in the region that connect Urban Centres and Frequent Transit Development Areas (Marine Drive in the North Shore; 41st Avenue in Vancouver; Lougheed Highway connecting Pitt Meadows, Maple Ridge, Port Coquitlam, and Coquitlam, and Fraser Highway connecting Langley City and Surrey.

With these considerations, staff recommend support for the scope change as proposed and presented under alternative one.
Attachments (Doc #24639163)
1. Projects in Approved October 2017 Application for Federal Gas Tax Funding

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