CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1
Telephone (250) 414-7100 Fax (250) 414-7111

File 0550-06

December 6, 2012

N O T I C E

A REGULAR MEETING OF COMMITTEE OF THE WHOLE WILL BE HELD ON MONDAY, DECEMBER 10, 2012, AT 7:00 P.M., IN THE COUNCIL CHAMBERS, ESQUIMALT MUNICIPAL HALL, 1229 ESQUIMALT ROAD.

ANJA NURVO
CORPORATE OFFICER

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

A G E N D A

COMMITTEE OF THE WHOLE

Monday, December 10, 2012
7:00 p.m.
Esquimalt Council Chambers

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1. CALL TO ORDER

2. LATE ITEMS

3. APPROVAL OF THE AGENDA

4. MINUTES

(1) Minutes of the Regular Committee of the Whole, November 26, 2012 Pg. 1 – 5

5. STAFF REPORTS

Administration

(1) Council Procedural Issues, Staff Report No. ADM-12-059 Pg. 6 – 10

RECOMMENDATION:
That the COTW provide such direction to staff as the COTW considers advisable, and direct staff to prepare a report and revisions to Council Procedure Bylaw No. 2715, 2009, as amended, for Council's consideration.

Development Services

(2) Addition of Old Esquimalt Road to the Esquimalt Community Heritage Register, Staff Report No. DEV-12-043 Pg. 11 – 16

RECOMMENDATION:
That the Committee of the Whole: Support the Heritage Advisory Committees recommendation and recommend that Old Esquimalt Road be added to Esquimalt's Community Heritage Register.

6. MAYOR'S AND COUNCILLORS' REPORTS

(1) Report from Mayor Barbara Desjardins, Re: Commuter Rail Service Pg. 17 – 68

7. PUBLIC QUESTION AND COMMENT PERIOD
Excluding items which are or have been the subject of a Public Hearing.
Limit of two minutes per speaker.

8. ADJOURNMENT

Corporation of the Township of Esquimalt

COMMITTEE OF THE WHOLE

Monday, November 26, 2012
Esquimalt Municipal Hall – Council Chambers
7:00 p.m.

MINUTES

PRESENT: Mayor Barbara Desjardins (Chair), Councillor Lynda Hundleby, Councillor Robert McKie, Councillor Tim Morrison, Councillor David Schinbein

REGRETS: Councillor Meagan Brame, Councillor Dave Hodgins

STAFF: Laurie Hurst, Chief Administrative Officer
Jeff Miller, Director of Engineering and Public Works
Pat Mulcahy, Human Resources Manager
Anja Nurvo, Manager of Corporate Services
Jeremy Denegar, IT Manager
Ritchie Morrison, Communications Coordinator
Marlene Lagoa, Sustainability Coordinator
Louise Payne, Recording Secretary

1. CALL TO ORDER

Chair Desjardins called the meeting to order at 7:00 p.m.

2. LATE ITEMS

There were no late items.

3. APPROVAL OF THE AGENDA

MOTION: Moved by Councillor McKie/Councillor Hundleby:
That the Agenda be approved as circulated.

CARRIED UNANIMOUSLY.

Mayor Desjardins expressed Council's condolences on the passing of Andy Katschor, former Parks Manager for Esquimalt.

4. MINUTES

(1) Regular Committee of the Whole, October 22, 2012

MOTION: Moved by Councillor Hundleby/Councillor McKie:
That the minutes of the Regular Committee of the Whole held October 22, 2012 be adopted as circulated.

CARRIED UNANIMOUSLY.

5. STAFF REPORTS

Administration

(1) Council Chamber Reconfiguration and Audio/Visual Upgrade, Staff Report No. ADM-12-056

The IT Manager presented Staff Report No. ADM-12-056 regarding options on the preferred orientation, reconfiguration and location of both the Council and staff tables in the Council Chamber as well as information on audio/visual equipment upgrades to allow improved sightlines and Internet video streaming of Council meetings.

Council Comments:

- Need more workspace for each Councillor on Council table(s) with a lockable drawer underneath;
- Need electrical outlets on Council table(s) for charging of electrical devices for longer meetings;
- To improve sightlines to Council from the gallery, suggested an elevated Council table and enhanced visibility of Council name plates;
- Special table designated for Media;
- Display of pictures of past and present Councils in the Council Chamber – part of our heritage; (*Staff to provide clarification on EOC requirements in Council Chamber in their report)*
- Computer screens should be inset into the Council table(s);
- Use of a "clear" podium to avoid blocking sightlines with current wooden podium;
- Better audio equipment for staff table;
- Suggestion for a monitor in the foyer, for "overflow" at meetings;
- Lighting in the Council Chamber needs to be improved;
- Accessibility should be a factor in the final configuration;
- Need to consider other functions in final configuration (i.e. committee meetings, EOC, etc.).

The CAO advised that staff would bring a report to Council with options and costs in January, 2013. At the upcoming December meetings of Council, different configurations would be demonstrated, for Council's input.

Council requested that staff provide an email to each member of Council attaching the photographs of the optional configurations for Council Chamber.

(2) Paperless Agendas, Staff Report No. ADM-12-057

The IT Manager presented Staff Report No. ADM-12-057 regarding options for devices to access electronic Agendas by Council, and answered questions from Council.

Council Comments:

- Need paper copies of Agendas for public;
- Need "document" version where Council can add their comments to the electronic Agenda package; *Staff advised that this information would be included in a report to Council as there may be costs involved;*

- Use of a municipally-owned device for a variety of meetings with different groups? *Staff advised that some groups do not use tablets or other devices for Agenda packages; may just need a different user account at a different meeting;*
- One option is that Council members be provided with a $700 allowance per term of office for the purchase and maintenance of electronic devices to access and use electronic versions of Agendas for Council meetings.

The CAO advised that a report would be brought to Council with options and costs, for their consideration.

(3) Social Media Update, Online Communications Working Group – Ritchie Morrison, Communications Coordinator

The Communications Coordinator presented an update on social media initiatives for the municipality, including a new Facebook page and Twitter account, and answered questions from Council.

Council Comments:

- Does municipality own a Camcorder? *Staff to purchase – is already in budget;*
- Residents having difficulty finding Council contacts on webpage – suggest "Council Contact" on home page.

(4) Electric Vehicle Charging Station Investigation, Staff Report No. ADM-12-055

The Sustainability Coordinator presented Staff Report No. ADM-12-055 regarding her investigation into electric vehicle charging stations, and answered questioned from Council. She noted that the provincial funding requires that the charging station be installed and in the ground by March 31st, 2013. She also noted that if the municipality accepts the provincial funding, the charging station must be operated for a minimum five years.

Council Comments:

- Estimated costs are steep for the few electric vehicles in the community; *Funds from the Sustainability Reserve Fund could be used for this project;*
- Need cost recovery for this "service"; suggestion for a "membership fee" to recover costs; *Staff to include cost recovery information in report to Council;*
- Esquimalt was the second municipality in the region to pass a "Zero Emission" bylaw to allow for these electric vehicles;
- Could be an economic driver in the community, for visitors;
- A charging station could be incorporated into the Esquimalt Village Plan;
- Prefer Municipal Hall/Library site for a "double cord" charging station.

Engineering and Public Works

(5) Petition Request for Removal of Left Hand Turn Restriction on McNaughton Avenue, Staff Report No. EPW-12-027

The Director of Engineering and Public Works presented Staff Report No. EPW-12-027 and answered questions from Council.

Council Comments:

- Need input for the whole area ("more global perspective");
- Safety concerns with some drivers finding short cuts through this area;
- Opportunity for a left-hand turn lane? *Staff to check on rights of way available.*

(6) Petition Request for Pedestrian Controlled Signal Light for Crosswalk – 1100 Block Esquimalt Road, Staff Report No. EPW-12-028

The Director of Engineering and Public Works presented Staff Report No. EPW-12-028 and answered questions from Council.

Council Comments:

- Support staff recommendation because of cost issue; up to drivers to be alert to pedestrians;
- This crosswalk is about safety for seniors and is important for accessibility to shopping; need some sort of lighting at this crosswalk;
- Study needs to be done on speed between crosswalks in this area.

The Director of Engineering and Public Works was directed to prepare a report for Council's consideration, providing cost effective ways to improve the sightlines, a review of the crosswalks in the area, and an option to maintain the flow of traffic and the safety of pedestrians.

6. PUBLIC QUESTION AND COMMENT PERIOD

Darwin Miller, resident and owner of the Renaissance Residence, expressed concern for his elderly tenants using the crosswalk at the 1100 block of Esquimalt Road. He noted that the "Walk" signs are too high for motorists to see.

Muriel Dunn, resident, stated that the current Council/staff configuration was not user-friendly to the gallery. She stated that improvements need to be made the crosswalk on Old Esquimalt Road first.

Peter Ryan, resident, stated that the current Council/staff configuration was not user-friendly. As Esquimalt's representative on the Victoria Police Board, he thanked Acting Mayor Morrison for his attendance at the volunteer appreciation dinner.

Lorne Argyle, resident, expressed his dissatisfaction with the current Council/ staff configuration.

Muriel Dunn, resident, expressed concern with the cost of "environmentally friendly" leaf bags.

7. ADJOURNMENT

MOTION: Moved by Councillor McKie/Councillor Morrison:
That the Committee of the Whole Meeting of November 26, 2012 be adjourned at 9:41 p.m.

CARRIED UNANIMOUSLY.

_____
MAYOR OF THE CORPORATION
OF THE TOWNSHIP OF ESQUIMALT
THIS DAY OF , 2012

CERTIFIED CORRECT:

_____
ANJA NURVO
CORPORATE OFFICER

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1
Telephone (250) 414-7100 Fax (250) 414-7111

COTW Meeting: December 10, 2012
Staff Report No. ADM-12-059

REQUEST FOR DIRECTION

SUBJECT: Council Procedural Issues

ESSENTIAL QUESTION:

Whether the current Council Procedure Bylaw should be amended to clarify certain procedural issues that staff have identified.

BACKGROUND: See Staff Report Attached

RECOMMENDATION:

That the COTW provide such direction to staff as the COTW considers advisable, and direct staff to prepare a report and revisions to Council Procedure Bylaw No. 2715, 2009, as amended, for Council's consideration.

Submitted by: Writer _____

Reviewed by: A/CAO _____ Date: Dec 6/12.

STAFF REPORT

DATE: December 5, 2012 Report No. ADM-12-059

TO: Jeff Miller, Acting Chief Administrative Officer

FROM: Anja Nurvo, Manager of Corporate Services

SUBJECT: Council Procedural Issues

RECOMMENDATION:

That the COTW provide such direction to staff as the COTW considers advisable, and direct staff to prepare a report and revisions to Council Procedure Bylaw No. 2715, 2009, as amended, for Council's consideration.

BACKGROUND:

Staff has identified several procedural issues arising from the current Council Procedure Bylaw No. 2715, 2009, as amended (the "Bylaw"). Staff wishes to obtain direction on whether to prepare any revisions to the Bylaw for Council's consideration.

Pursuant to Section 124 of the *Community Charter*, any revision to the Bylaw requires advance posting and publication of notice to the public describing the proposed changes

ISSUES:

The following is a summary of the issues with the Bylaw that have been identified by staff.

1. RECONSIDERATION

The *Community Charter* and the Bylaw provide for very limited circumstances for matters to be brought back to Council for reconsideration. The excerpts of the relevant sections are attached.

Under Section 131 of the *Community Charter,* the Mayor may require Council to reconsider and vote again on **a matter that was the subject of a vote**, provided it is at the same meeting OR within 30 days of that meeting. **There are no restrictions on whether the initial resolution, bylaw, other matter or vote was affirmative or negative, adopted or defeated.**

Section 28(1) of the Bylaw provides all members of Council (including the Mayor) an opportunity to bring a matter back to Council for reconsideration. This is applicable to **a matter on which a vote has been taken** or to a bylaw which has been adopted.

However, Section 28(1) is very limited and is only applicable in the following circumstances:

(i) the Council member must have voted on the prevailing side; and
(ii) the motion to reconsider must be made at the next Council meeting.

In addition, Section 28(2) provides for another way a matter can be returned to Council:

"A Council member who voted affirmatively for a resolution **adopted** by Council may at any time move to rescind that resolution."

These sections of the Bylaw lead to the following results:

1. If Council adopted a motion, a Councillor who voted in favour of it may at any time bring the resolution back to Council and move to rescind that resolution.
2. If Council defeated a motion, the matter can only be brought back for reconsideration at the next Council meeting and only by a Council member who voted on the prevailing side (i.e. to defeat the motion).

Council should consider whether the Bylaw should be amended to provide for additional means for a defeated motion to be brought back to Council, other than under the limited circumstances set out in #2 above.

There are several options for Council's consideration, as set out below.

1. Include time limits in the bylaw:
   (i) The District of Saanich and City of Colwood bylaws provide that matters shall not be reintroduced or reconsidered by Council for a period of six months."
   (ii) Another option would be to provide that any defeated matter can only be brought back following a change of Council; thereby restricting consideration of previously defeated matters to once during each term of Council.
   (iii) Between the two above options would be a time limit of one year.
2. Include voting restrictions:
   (i) Saanich's bylaw states that matters cannot be reconsidered unless a motion is passed by a majority of the members present.
   (ii) Colwood's bylaw states that a motion to reintroduce requires the unanimous consent of Council.

Adding such provisions into our Bylaw would permit Council to reconsider matters where there may be additional information available, where circumstances have changed, or where a member of Council has changed his/her mind on the issue and wishes to bring the matter back to Council for further discussion.

By way of illustration, we have a situation where a motion was recently brought before Council and defeated. One of the Councillors who voted on the prevailing side (to defeat the motion) now wishes to bring the matter back for reconsideration, providing additional information in support of the motion. However, under a technical reading of the Bylaw, this would only have been possible at the Council meeting immediately following the one where the original motion was defeated.

Our Bylaw states that in the case of issues not provided for in our Bylaw, Robert's Rules of Order apply. However, in staff's opinion, Robert's Rules is not clear on the right of reconsideration, renewal or re-introduction of matters on which a vote has been taken and defeated. It is staff's recommendation that this procedural issue be clarified within our Bylaw, so that all members of Council, its Committees, staff, and the public are aware of the applicable rules.

2. PRESENTATIONS AND DELEGATIONS

In reviewing the Council Procedure Bylaw, staff has also identified a discrepancy and confusion with the way presentations and delegations are dealt with in Sections 19 and 20. Staff recommends that these provisions be revised to clarify the distinction between them, the appropriate use of each, and the time limits applicable to them.

Staff will also revise the application form for delegations, prepare a corresponding application form for presentations, and post both on the Township's website for ease of use by the public.

3. MISCELLANEOUS AMENDMENTS

At the COTW meeting held on August 13, 2012, staff provided a report on the priority targeted list for bylaw review and amendment. The Council Procedure Bylaw was identified in that report as being recommended for review and revision, for several reasons including:

- Update rules of procedure by eliminating unnecessary provisions;
- Update to ensure compliance with current practices;
- Clarify presentations versus delegations sections;
- Ensure compliance with Freedom of Information legislation;
- Revise COTW and Committee sections in accordance with current practice.

In addition, our current Bylaw was based on the sample bylaw prepared by the Ministry of Community, Sport and Cultural Development. That sample bylaw has been revised and updated. Staff recommends that our Bylaw be reviewed and revised to ensure consistency with the Provincial sample document.

Staff recommends that these additional proposed amendments be considered at the same time.

ALTERNATIVES:

1. That the COTW provide such direction to staff as the COTW considers advisable, and direct staff to prepare a report and revisions to Council Procedure Bylaw No. 2715, 2009, as amended, for Council's consideration.

2. That the COTW provide alternative direction to staff.

3. That the COTW request further information from staff.

COMMUNITY CHARTER

Mayor may require council reconsideration of a matter

131 (1) Without limiting the authority of a council to reconsider a matter, the mayor may require the council to reconsider and vote again on a matter that was the subject of a vote.

(2) As restrictions on the authority under subsection (1),

(a) the mayor may only initiate a reconsideration under this section

(i) at the same council meeting as the vote took place, or

(ii) within the 30 days following that meeting, and

(b) a matter may not be reconsidered under this section if

(i) it has had the approval of the electors or the assent of the electors and was subsequently adopted by the council, or

(ii) there has already been a reconsideration under this section in relation to the matter.

(3) On a reconsideration under this section, the council

(a) must deal with the matter as soon as convenient, and

(b) on that reconsideration, has the same authority it had in its original consideration of the matter, subject to the same conditions that applied to the original consideration.

(4) If the original decision was the adoption of a bylaw or resolution and that decision is rejected on reconsideration, the bylaw or resolution is of no effect and is deemed to be repealed.

COUNCIL PROCEDURE BYLAW NO. 2715, 2009, AS AMENDED

Reconsideration by Council Member

28. (1) Subject to subsection (5), a Council member who voted on the prevailing side may, at the next Council meeting,

(a) move to reconsider a matter on which a vote, other than to postpone indefinitely, has been taken, and

(b) move to reconsider an adopted bylaw after an interval of at least 24 hours following its adoption.

(2) A Council member who voted affirmatively for a resolution adopted by Council may at any time move to rescind that resolution.

(3) Council must not discuss the main matter referred to in subsection (1) unless a motion to reconsider that matter is adopted in the affirmative.

(4) A vote to reconsider must not be reconsidered.

(5) Council may only reconsider a matter that has not

(a) had the approval or assent of the electors and been adopted,

(b) been reconsidered under subsection (1) or section 131 of the *Community Charter [mayor may require Council reconsideration of a matter]*,

(c) been acted on by an officer, employee, or agent of the City.

(6) The conditions that applied to the adoption of the original bylaw, resolution, or proceeding apply to its rejection under this section.

(7) A bylaw, resolution, or proceeding that is reaffirmed under subsection (1) or section 131 of the *Community Charter [Mayor may require Council reconsideration of a matter]* is as valid and has the same effect as it had before reconsideration.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1
Telephone (250) 414-7100 Fax (250) 414-7111

COTW Meeting: December 10, 2012
Staff Report No. DEV-12-043

REQUEST FOR DIRECTION

SUBJECT: Addition of Old Esquimalt Road to the Esquimalt Community Heritage Register.

ESSENTIAL QUESTION:
Whether to add Old Esquimalt Road to the Community Heritage Register, as the residents along the road have now been consulted and the BC Assessment Authority has confirmed there will be no impact to the property values of properties adjacent to the road.

BACKGROUND: **See Staff Report Attached**

RECOMMENDATION:

That the Committee of the Whole: Support the Heritage Advisory Committees recommendation and recommend that Old Esquimalt Road be added to Esquimalt's Community Heritage Register.

Submitted by: Writer Karen Hay

Reviewed by: ACAO Jeff Miller Date: Dec 5/12

STAFF REPORT

DATE: December 5, 2012 Report No. DEV-12-043

TO: Jeff Miller, Acting Chief Administrative Officer

FROM: Karen Hay, Planning Technician and Staff Liaison to the Heritage Advisory Committee

SUBJECT: Addition of Old Esquimalt Road to the Esquimalt Community Heritage Register.

RECOMMENDATION:

That the Committee of the Whole: Support the Heritage Advisory Committee's recommendation and recommend that Old Esquimalt Road be added to Esquimalt's Community Heritage Register.

BACKGROUND:

At the Heritage Advisory Committee meeting of September 19, 2012 the committee passed the following motion:

Moved by Liz Dill and seconded by Catherine McGregor that the Heritage Advisory Committee recommends Council add Old Esquimalt Road to the Esquimalt Heritage Register.
The motion CARRIED.

At the October 15, 2012 Regular meeting of Council concerns were raised that property owners in the area had not been notified ahead of time, and that property taxes of properties adjacent to the road may increase.

The BC Assessment Authority's Deputy Assessor has confirmed that there would be no change to property assessments if Old Esquimalt Road were placed on the heritage register. The Assessment Act requires the assessment authority to consider the impact of Heritage Designation on a property, but not the placement of a property on a Register.

An open house for residents, property owners and the public was held on November 20, 2012 from 4:00- 7:00 pm in the Council Chambers. Letters were mailed to 137 residents and property owners and a notice of the open house was placed on the Esquimalt.ca website from November 9 - 20th. The feedback at the open house and in response to the letter has been minimal (5 people have responded) and all have been supportive of the initiative.

A Statement of Significance has been prepared for Old Esquimalt Road, and is attached with the letter that was mailed to the roads adjacent property owners and occupants.

ISSUES:

1. Rationale for Selected Option
   Old Esquimalt Road has been identified as the oldest planned road in western Canada.

Recognizing Esquimalt's heritage features fosters pride in Esquimalt's unique identity and could lead to future tourism opportunities.

2. Organizational Implications
   Placement of a property on a heritage register in no way encumbers the local government. Changes could be made for safety or development; but inclusion on the Register ensures information is available for future Councils and citizens that the community has identified there is heritage character and heritage value in the property as it exists currently.

3. Financial Implications
   There are no current financial implications. There maybe an interest in the placement of 'point of interest' signage along the road in the future.

4. Communication
   The inclusion of Old Esquimalt Road on the heritage register has caught the interest of the local media. Articles have appeared in the November 23, 2012 edition of the Victoria News and the December 2, 2012 edition of the Victoria Times Colonist. Both articles have been positive in nature.

   The addition of signage for the road could also enhance local and tourist interest in the area.

ALTERNATIVES:

1. That the COTW receive Staff Report No. DEV-12-043 for information, provide any additional direction to staff as the COTW considers advisable, and direct staff to prepare a report for Council's consideration.

2. That the COTW provide alternative direction to staff.

3. That the COTW request further information from staff.

Township of
ESQUIMALT

137 Notices Mailed
November 8, 2012

1229 Esquimalt Road
Esquimalt BC V9A 3P1
PHONE: 250-414-7100
FAX: 250-414-7111
www.esquimalt.ca

November 5, 2012

Dear Resident of Old Esquimalt Road,

This letter is to inform you about an initiative the Esquimalt Heritage Advisory Committee has been working on over the past year, and to let you know about an **Open House** we will be hosting on **November 20, 2012 from 4:00 – 7:00 pm in the Council Chambers at 1229 Esquimalt Road.**

The members of the Heritage Advisory Committee would like to recognize the heritage significance of Old Esquimalt Road. Old Esquimalt Road has been identified as the oldest planned road in western Canada. As such, the Heritage Advisory Committee has recommended to Council that Old Esquimalt Road could be included on Esquimalt's Community Heritage Register.

A Community Heritage Register is an official list of sites identified as having heritage significance to a community. Esquimalt's heritage register currently contains 18 properties including: 16 private properties, Memorial Park and the Work Point guard house. Placement of properties and physical features on a heritage register helps highlight the unique identity and character of our community, and can facilitate access to heritage information.

The BC Assessment Authority has determined that there would be no impact to the property values of lots adjoining Old Esquimalt Road by placing the road on the heritage register. Also, placement of the road on the heritage register in no way encumbers the local government. The engineering aspects of the road could still be changed for safety or development. But, inclusion on the register ensures information is available for future Councils, staff and citizens that the community has identified there is heritage character and heritage value in the road as it exists currently, and in the location it has had for over 150 years. A Statement of Significance has been written to highlight the heritage value and the character defining elements of Old Esquimalt Road and is attached to this letter.

If you have questions or concerns about the inclusion of Old Esquimalt Road on Esquimalt's Community Heritage Register please join us at the **Open House on November 20, 2012,** or you may contact myself, Karen Hay, Planning Technician and Staff Liaison to the Heritage Advisory Committee by no later than November 30, 2012. The open house will be an opportunity to discover many of the other initiatives the Heritage Advisory Committee has been working on over the last few years. There will be an opportunity for you to nominate properties or features in Esquimalt you think should also be recognized for the heritage significance they add to our community.

With Best Regards,

Karen Hay

Karen Hay
Planning Technician and Staff Liaison to the Heritage Advisory Committee
Phone: 250-414-7179
karen.hay@esquimalt .ca

STATEMENT OF SIGNIFICANCE

Old Esquimalt Road

Description of Historic Place:

Old Esquimalt Road today runs west to east from the intersection of Park Terrace in Esquimalt to Wilson Street in the City of Victoria. Historically, Old Esquimalt Road was the original route of Esquimalt Road and embraced Park Terrace and Wilson Street. Wilson Street was so named in 1890 when Victoria absorbed the Victoria West portion of the Esquimalt District, and Park Terrace was so named at the request of area homeowners in 1932.

Heritage Value:

The significance of Old Esquimalt Road is the reminder of how it connects us to our past.

It is the first planned road in Western Canada and served as the only safe overland means of travel between the Naval Base on Esquimalt Harbour and the Hudson's Bay Company fort in Victoria. It remained the only road to the Fort until 1865 when the 'new' Esquimalt Road was built.

In 1851, Joseph Despard Pemberton accessed the hill near the road's starting point upon which he set out a triangulation network defining the boundaries of the District and Esquimalt and the suburban lots in what later became the Township.

Old Esquimalt Road was carved out of the wilderness in 1852 by the crew of *HMS Thetis*, commanding officer Captain Augustus Leopold Kuper, RN, under the direction of Lieutenant John Moresby, RN [later Admiral Sir].

The road also served as the dividing line between the Puget Sound Agricultural Company (a subsidiary of the Hudson's Bay Company), Constance Cove and Viewfield Farms.

The first Roman Catholic Church in British Columbia, St. Joseph's Mission[no longer extant], was built in 1858 by the Order of Mary Immaculate Brothers [OMI] on property that was adjacent to Old Esquimalt Road and just west of Memorial Park. One of the brothers, stationed here twice, was Father Charles Pandosy, an important figure in BC history. He conducted the first baptism of a First Nations child, called Mary, at this church.

Lampson Street School, [sometimes called Viewfield School and Esquimalt Public School] was built at the corner of Old Esquimalt Road and Lampson Street in 1903. The larger school was required when the first Free Public School in the Province of BC became overcrowded.

Memorial Park; which was dedicated to those Esquimalt residents, who made the supreme sacrifice during the First and Second World War, was built fronting both Old Esquimalt Road and Esquimalt Road. The childrens' Memorial Playground opened in 1924, and Memorial Park was dedicated in 1927.

Col. John Hall, a compatriot of General Sir Arthur Currie built his home on the road in 1908. He was instrumental in forming the 5th BC Regiment. His house 1211 Old Esquimalt Road called Longston is extant.

Robert Pooley, son of Charles and Elizabeth Pooley, chose to make his home on Old Esquimalt Road [extant and now addressed as 704 Warder Place]. Both Robert and Charles served as MLA for Esquimalt.

The Halfway House opened fronting Old Esquimalt Road in 1860. In 1861 it was one of the first Public Houses to receive a brewing license. The Halfway gained some notoriety when camels destined for the gold fields were kept in the paddocks off Old Esquimalt Road – even more so with the birth of three calves during their time there.

Old Esquimalt Road winds through a Garry oak meadow before crossing the confluence of Lampson and Head Street where it straightens before merging into Wilson Street.

Character-Defining Elements:

Key elements that define the heritage value of Old Esquimalt Road include:

- remains of the road in its original alignment;
- position in relation to several heritage designated properties;
- semi-rural character, narrow width, curved and hilly;
- prominence of indigenous species, including Gary Oak meadow and Douglas Fir;
- brass plaque commemorating the original survey marker.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

MAYOR'S AND COUNCILLORS' REPORTS

Report from: Mayor Barbara Desjardins

Subject: Commuter Rail Service

Agenda: Committee of the Whole December 10, 2012

RECOMMENDATION:

That the Committee of the Whole:
1. receive Mayor Desjardins Report entitled "Commuter Rail Service" for information; and
2. provide direction to staff as the COTW considers advisable;

BACKGROUND:

This report is further to Council's Strategic Priority regarding Multimodal Transportation Plan.

This past year, as Mayor, I have actively tried to get municipalities together to develop support and opportunities for transportation challenges. My focus has been on the return of the E&N Rail Service and to determine whether there is will to pursue intercity/commuter service along E&N corridor.

On June 25th, 2012 I hosted a meeting of Mayors of the region to hear a proposal by Graham Bruce of the Island Corridor Foundation. The purpose of this meeting was:

> "to discuss the 'Salish Express Implementation Plan' which is a proposed Monday to Friday rail commuter service that will serve employees working at the naval base and shipyards as well as a commuter service running between Victoria and Langford during the morning and afternoon rush hours. We need to ascertain the local government interest and whether they wish to pursue this alternate transportation system by undertaking the implementation plan. The plan details the scope of work and budget necessary to cost out a two year pilot service. There is a private concern prepared to put up 25% of the budget amount for the implementation plan.
>
> It will take approximately two months to complete the plan which will lay out, among other things, the type of train, operational costs, scheduling, fares, rail infrastructure improvements, station stops and improvements etc. From this, decision makers would be able to determine the potential viability of such a service and whether a pilot project has merit."

The result from this meeting was to seek support from CRD Board for funding this proposal. The CRD Board rejected this proposal citing the lack of a service which would allow it to fund the proposed plan.

As a follow up to this, the City of Langford commissioned a report and analysis, which is attached as Appendix A.

The "Langford Community Rail Service Assessment" states:

> "based on the analysis and assumptions contained in this report, it is concluded that a commuter rail service could be developed in the corridor at a reasonable cost and expectation of success and within a relatively short timeframe."

The following documents are also attached for information:

- Appendix B Comparative Finance and Governance for Commuter Train Service Langford to Vic West
- Appendix C Cost Sharing Representation.

I bring this information forward to Committee of the Whole for discussion and to determine whether we wish to direct staff to review this proposal and provide Council with a report for its consideration.

Respectfully submitted,

Barbara Desjardins

Mayor Barbara Desjardins

Encl.

Langford Community Rail Service Assessment

Prepared by Colledge Transportation Consulting Inc.
and DRE Transportation Solutions Inc.

November 2012

Table of Contents

Report Qualifications

The scope of this report does not permit demand/traffic modeling or detailed design and engineering cost estimates of the components of the rail service. Therefore, the findings of this report should only be interpreted as broad estimates regarding the feasibility of the proposed service and further planning and analysis would be required to proceed to the next stage of implementation.

Executive Summary

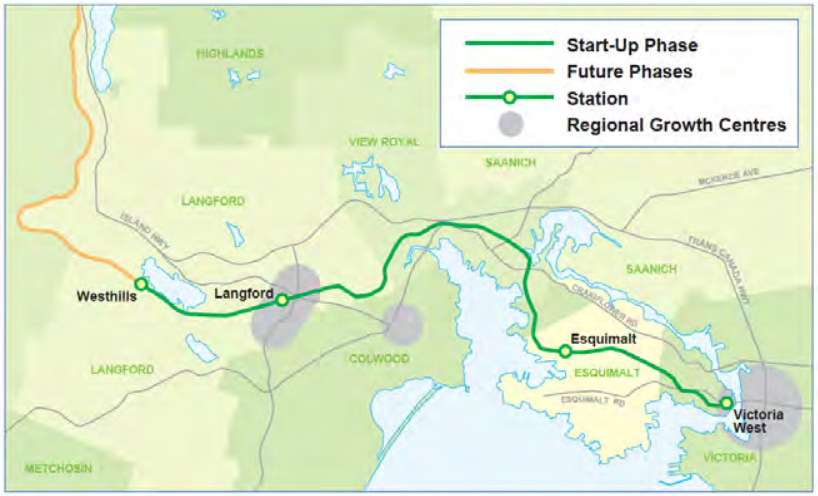
This report was commissioned by the City of Langford to examine the feasibility of a passenger rail service using the existing E&N rail corridor. Initially, the proposed *Westhills Express*[1] community rail service would operate daily on weekdays in the morning and afternoon peak periods between Westhills and Victoria.

There would be station stops in Westhills, Langford, Esquimalt and Victoria West. The rail service would be integrated with BC Transit bus services to provide convenient connections. In Langford there already exists a good bus interchange adjacent to the rail line. In Victoria West a new bus interchange would be constructed. The rail service could eventually be expanded to serve communities north of the Malahat using the E&N line that is owned by the Island Corridor Foundation (ICF).

Based on the analysis and assumptions contained in this report, it is concluded that a commuter rail service could be developed in the corridor at a reasonable cost and expectation of success and within a relatively short timeframe. The critical success factors are:

- Obtaining a **source of funding** to finance the capital costs and ongoing operating costs.
- Completing **rail infrastructure upgrades** in the Langford to Victoria corridor.
- Providing a **high quality train service** that gives customers value in terms of on-time service (reliable), convenience, price, comfort and safety/security. The service must be competitive with private vehicles in terms of end-to-end travel time in order to build ridership and maximize revenue and cost recovery.
- **Sound governance** with a full time General Manager to implement the service, including all aspects outlined in the implementation plan presented in section 4.1.

[1] *Westhills Express* is the working name for the proposed service.



The main findings of this report are as follows.

- The road corridors linking the West Shore to downtown are congested and near capacity/breakdown because the inter-municipal roadway network cannot support east-west travel demand. Even if other routes such as the Trans Canada Highway were widened to six lanes between Millstream Interchange and Admirals/McKenzie it could not accommodate the travel demand.
- A rail-based transportation solution is needed to reduce dependence on the automobile and to address the growing traffic congestion issues in the corridor connecting West Shore communities with Victoria.
- Several studies in the CRD have identified solutions to address the mobility needs of people in the region. However these solutions are likely more than a decade away because they involve green field rights-of-way that are extremely costly and contentious because the land is owned by various parties whose interests don't necessarily coincide with those seeking transportation improvements.

- The E&N corridor offers a major strategic advantage because it is already assembled and ready for transportation—a contiguous route linking the fastest growing West Shore communities with Victoria. A rail solution also offers the potential to shape demand by allowing more compact communities through transit-oriented development. The Westhills Master Plan community and Goldstream Village in Langford are good examples of this potential.
- Upgrading the E&N rail corridor to allow rail-transit would provide a relatively less costly transportation solution that could be implemented within about three years, and that would be supported by some 93% of Langford and Colwood residents, based on a recent survey.
- The most critical need is to upgrade the rail infrastructure that is the backbone of the system. This includes track ties, ballast and new/upgraded crossing signals to provide automatic warning devices at road crossings.
- It is assumed that the majority of this infrastructure upgrade to accommodate passenger rail traffic will be funded through the $15 million federal-provincial commitment that has been secured by the ICF. Based on discussions with Southern Railway (SRY), these funds will be used to pay for upgrades of the line between Victoria and Courtenay. The rehabilitation work could commence by fall 2013.
- Since the infrastructure upgrades are being funded by third parties, the cost would not be borne by the *Westhills Express* and is assumed to be a net benefit to the business case presented in this report.
- Another material benefit to the business case is the work funded separately through the E&N Rail Trail Humpback Connector project. This includes the installation of crossing improvements at several road-rail crossings in the corridor that will also be sufficient to allow a safe and reliable rail service. The value of confirmed improvements slated for construction is $1.3 million, with another $600,000 to $850,000 of improvements being planned.
- Apart from the government and trail-funded improvements, some additional infrastructure is required. This includes new spurs at Westhills and Victoria West, as well as a siding near Esquimalt to allow for trains to pass in order to accommodate the return of VIA Rail, as well as a potential second future Westhills train. In addition, a maintenance facility, station platforms, fare collection system and communications equipment are required. The total capital cost for these items is $5.4 million.
- The capital cost for train equipment consisting two Diesel Multiple-Units and a coach car is estimated at $11.8 million. To minimize the upfront capital requirement, it is assumed that this equipment is acquired under a lease arrangement and the lease costs included in operating costs that are estimated to be $3.5 million a year.
- Based on the 2011 CRD travel survey, the total travel demand in the corridor is about 60,000 trips (AM and PM peak total), of which about 49,000 trips are made by automobile drivers/passengers and 6,600 trips by transit (the remainder of trips are made by active transportation modes such as bicycling and walking). The overall rail-transit market in the Langford-Victoria corridor is estimated to be in the order of 1,600 to 2,800 daily weekday trips.
- Assuming *Westhills Express* ridership of 1,600 to 2,800 revenue-passengers a day and an average introductory fare of $3.00 per trip, the potential annual revenue stream is $1.3 to $2.3 million. Given the estimated annual operating cost of $3.5 million, the operating loss would be approximately $1.2 to $2.2 million a year.
- Total annual revenue as a percentage of annual operating costs is in the range of 38.1% to 64.6%. In the short term, cost recovery would likely be at the low end of this range. If the service were successful in attracting passengers, the longer-term steady state cost recovery would be at, or possibly exceed, the upper end of the range, depending on the quality of the service and measures taken to attract passengers. By comparison, the West Coast Express commuter service in the Lower Mainland had a cost recovery ratio of 44.6% in its early days and today the ratio is greater than 90%.

1. Introduction

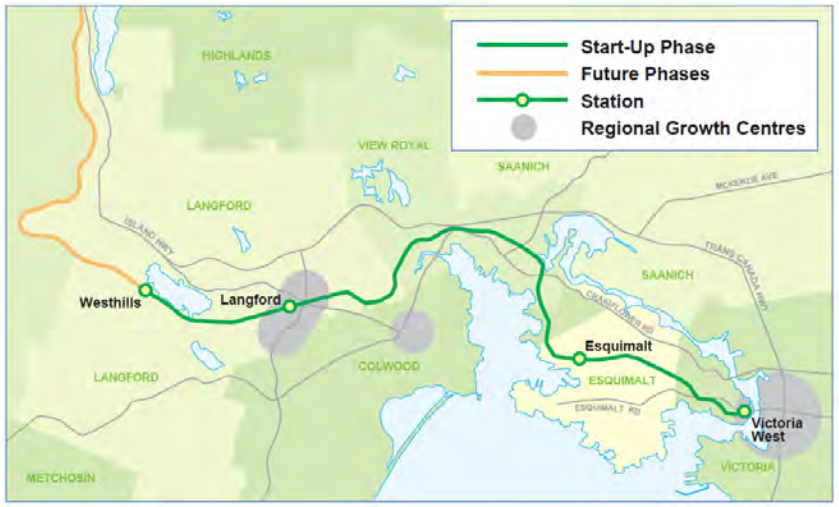
This report was commissioned by the City of Langford to examine the feasibility of a passenger rail service using the existing E&N rail corridor. Initially, the proposed ***Westhills Express***[1] community rail service would operate daily on weekdays in the morning and afternoon peak periods between Westhills and Victoria.

There would be station stops in Westhills, Langford, Esquimalt and Victoria West. The rail service would be integrated with BC Transit bus services to provide convenient connections. In Langford there already exists a good bus interchange adjacent to the rail line. In Victoria West a new bus interchange would be constructed. The rail service could eventually be expanded to serve communities north of the Malahat using the E&N line that is owned by the Island Corridor Foundation.

Traffic congestion for commuters in Greater Victoria is a major and growing problem. This is particularly evident in the fastest growing West Shore communities that are expected to account for more than half of the total regional population growth by 2038.

Extensive analysis by BC Transit has shown that Light Rail Transit (LRT)—typically defined as electric, rail-based technology with a single car or multiple cars operating on an exclusive right-of-way at street level—would deliver "a superior level of benefits" compared to other solutions. However, the capital cost to construct an LRT system is huge and development is more than a decade away, even if the funding challenges can be overcome.

A rail-based transportation solution is urgently needed today! Referendums in Langford and Colwood in 2008 indicated a 93% approval rating for a commuter rail service. The *Westhills Express* seeks to fulfill this desire by establishing, within a relatively short timeframe, a convenient, safe and eco-friendly travel alternative to the automobile



with reasonable start-up and on-going operating costs. The purpose of this study is to evaluate the cost and ridership potential for a Langford community rail service. The scope of work includes an assessment of:

- Estimated demand for rail in the Langford-Victoria corridor, including the potential effects of Seaspan's $8 billion shipbuilding contract from the federal government and corresponding employment levels at Victoria Shipyards;
- Required track upgrades and related infrastructure requirements such as automatic warning devices at road crossings to enhance safety and service reliability to meet customer needs;
- Rail equipment options, including the viability of a hybrid rail-bus vehicle, as well as a scenario with two train sets to provide more frequent service;
- The impact of recent developments including the relocation of the Blue Bridge and development of the Humpback Trail; and
- The safety aspects relative to meeting the regulatory requirements for a commuter rail operation.

[1] *Westhills Express* is the working name for the proposed service.

2. Regional Transportation Planning Context

2.1 Previous Studies

A number of transportation planning studies have been completed in Greater Victoria to address the mobility needs of the region. The most relevant studies and an assessment of each are shown in Exhibit 1.

The two foundational studies are the Capital Regional District (CRD) Regional Growth Strategy (2003) and the Regional Transportation Strategy, *Travel Choices* that was adopted in 2005. Many of the principles and strategies set forth in these plans are consistent with the rail-based system being advocated by Langford and other municipalities in the region. For example, these studies recognize the need for integrated land use and transportation planning, promoting compact urban settlement and increasing transportation choice. Such principles are the cornerstone of the Westhills development in Langford that is based on environmental stewardship and sustainability.

It is important to note that many other studies have quite different objectives and scopes and are therefore not directly comparable with this report. For example, the Victoria Regional Rapid Transit study involved extensive consultation and examined 14 potential corridor alignments as a rapid transit connection between Victoria with the West Shore. The estimated capital cost for LRT was estimated to be $950 million. In contrast, this report only considers the E&N alignment and adopts an incremental approach in order to reduce the financial commitment/risk to allow implementation in a shorter timeframe.

Finally, most Official Community Plans support transit to link residential, commercial and major work areas and promote less reliance on automobiles, as well as transit-supportive land use policies. The OCP's in Langford, Esquimalt and Colwood specifically support development of the E&N corridor as a transit corridor with commuter rail service.

Exhibit 1: E&N Corridor Studies

Study/Sponsor	Purpose	Assessment
Evaluation of the E&N Railway Corridor: Foundation Paper (2010) – Ministry of Transportation and Infrastructure	Part of Province's commitment to examine the viability of the E&N rail corridor. Provides a summary of the different business markets including freight, intercity passenger, tourist excursion and commuter rail. Also assesses the condition of rail infrastructure.	These studies focus on the entire rail corridor from Victoria to Courtenay with consequent high capital costs to preserve the corridor ($70 - $130 million). Study concludes that commuter rail service could become feasible if development densities and employment increase and recommends building the commuter market by operating VIA southbound through Duncan and Cowichan Valley. **Careful coordination required with *Westhills Express* to avoid diluting ridership.**
E&N Railway Corridor: Development Strategies for the Island Corridor Foundation (2010) – Ministry of Transportation and Infrastructure	Related to Foundation Paper, this study is intended to assist the ICF identify potential approaches to advance the long-term vision for the railway building on current actions of corridor stakeholders.	
Salish Express: E&N Intercity Rail Pilot Assessment (April 2011) – BC Transit completed the study for ICF	Responds to Provincial study recommendations to build the market by implementing service enhancements to VIA service.	Proposed 1-year pilot study that reverses previous VIA service to start in Nanaimo and operate southbound. Study concluded that intercity rail market is small, costs high and growth potential quite limited. **Careful coordination required with *Westhills Express* to avoid diluting ridership.**
Regional Transportation Plan Issues and Opportunities (July 2012) – CRD	First step towards framing key transportation issues for the CRD to support development of a Regional Transportation Plan (RTP).	A more integrated approach to regional transportation focused on: regional multimodal network, public transit, active transportation, mobility hubs and TDM. Stakeholders endorse commuter rail on E&N line but report authors do not indicate strong support for it.
Transit Priority Planning Report to Victoria Regional Transit Commission (May 2012) – BC Transit	Update to VRTC on transit priority planning and requirements within Capital Region.	The main east-west road corridors are congested and near capacity/breakdown. This is supported by MoTI study of Highway 1 corridor long-term options indicating **forecast traffic demands are beyond the theoretical capacity of the Highway because of the lack of municipal roadway network to support east-west travel demands.**

2.2 Key Trends and Developments in the West Shore

Population and employment growth are key drivers of travel demand. The Victoria CMA population is projected to grow by about 105,000 people by 2038. West Shore communities are expected to account for the majority of this growth, adding 60,000 of the total population increase.[2] This represents an increase in the West Shore population base of 82% from the 2011 level.

In 2011, the West Shore accounted for about 20% of regional employment and population. By 2038, the West Shore population share is expected to expand to 26.9%. A profile of the West Shore communities compared with the Victoria planning area is provided in the following table. The West Shore is defined as the Cities of Langford and Colwood and the Districts of Highlands, Metchosin and Sooke, including First Nations, and the Juan de Fuca Electoral Area.

Demographic & Transit Characteristics (2011)

	West Shore	Victoria Planning Area	Proportion
Population	68,669	344,889	19.9%
Employment	38,197	183,284	20.8%
Households	26,899	153,441	17.5%
Workplaces	21,200	175,631	12.1%
Transit Mode Share	13% (AM peak, from district)	5% (AM peak, to district)	N/A

Source: 2011 CRD O-D Household Travel Survey. The Victoria planning area consists of 13 incorporated municipalities in the CRD, the Juan de Fuca Electoral Area, Salt Spring Island and the southern part of the Cowichan Valley Regional District. This area corresponds to the area in the Regional Growth Strategy.

The West Shore communities have long supported growth and have the land area available to accommodate residential and mixed-use developments. With respect to Langford, infill growth has occurred throughout the City, as well as other areas including the City Centre, Westhills, Happy Valley/Walfred, Kettle Creek and Bear Mountain. Since mid-2010, there have been about 900 residential building permits issued in the City of Langford.

Projected future growth hotspots in Langford are: the City Centre, Westhills, Happy Valley, Kettle Creek, Belmont, Latoria, Langford Landing, Bear Mountain and South Skirt Mountain. The Westhills development accounted for one-third of all building permits since 2010 and the additional build out is projected at 400 units a year for a total of 2,300 single family homes, 3,000 condominiums and 700 townhouses. This development will add 4 million square feet to the business core.

Seaspan Shipyards, located in Esquimalt, is a major West Shore employer. In October 2011 the company was awarded an 8-10 year, $8 billion contract by the federal government to build Coast Guard and civilian ships. The BC Chamber of Commerce stated that the value of the contract to the provincial economy will "outweigh the 2010 Winter Olympics by a factor of ten."

Based on consultations with Seaspan, the majority of work related to the federal contract will occur at its Vancouver yard. However, the project will impact employment in Esquimalt because of work transferred from Vancouver to allow that facility to increase its capacity to accommodate the federal contract. Employment at Victoria Shipyards has already doubled to an average of 650 workers (fall 2012) and is expected to increase to about 1,000 by mid-2014.

About 40% of the employees at Victoria Shipyards commute from the Western Communities. There are two shifts per day: 0630-1500 with 250 to 300 employees, and 1930-0400 with 450 to 500 employees. Seaspan is very supportive of the proposed rail service and indicated that it would be most valuable for those workers finishing the afternoon shift because it can take up to 30 minutes to drive from the parking lot at Esquimalt to Craigflower Road, a distance of only 1.5 km.

[2] Victoria Regional Rapid Transit study, Volume 1, August 2011. The Victoria CMA population is projected to grow from approximately 349,000 in 2008 to 454,000 by 2038, a 30% increase.

The Department of National Defense (DND) is another major employer with its shipyard adjacent to Seaspan's facility in Esquimalt. On average DND employs about 5,500 people. The peak activity is during the summer months when up to 6,000 people may be at the base due to two training programs. DND indicated that about 40% of the travel to/from the base during peak hours is from outside Esquimalt based on its own traffic survey. The majority of employees (about 75%) live in the Western Shore and adjacent areas (see blue and dark green shading on the map in Exhibit 2).

2.3 Nature of the Market: Corridor Travel Characteristics [3]

Relative Significance of the Corridor

Residents in the region make a total of about 1 million trips a day, or about 3 trips per person. The AM peak period (0600-0859) accounts for 182,000 of these trips, of which West Shore residents took 36,700 trips for all modes of travel. In other words, West Shore travelers represent one-fifth of the total morning peak trips in the entire regional planning area (Exhibit 3). As the West Shore population continues to increase relatively faster than that of the region, it will exert greater pressure on transportation in the Langford-Victoria corridor.

Travel by Time of Day

About 58,000 or 35% of the total daily trips that originate in West Shore communities occur between 0900 and 1500 (Exhibit 4). There are 36,700 trips in the AM peak (0600-0900), or 22% of the total daily trips. Another 41,000 trips occur in the PM peak (1800-midnight), or 24%. It is common in urban areas of Canada to have more trips in the PM peak than the morning peak since the AM peak is dominated by trips to work/school and the PM peak has more stops (e.g., groceries, gym).

Exhibit 3: Significance of West Shore Community Travel

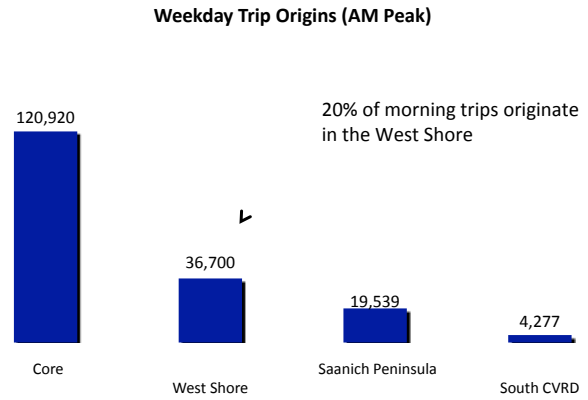
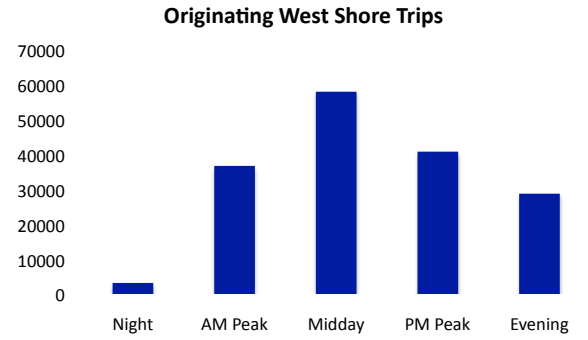
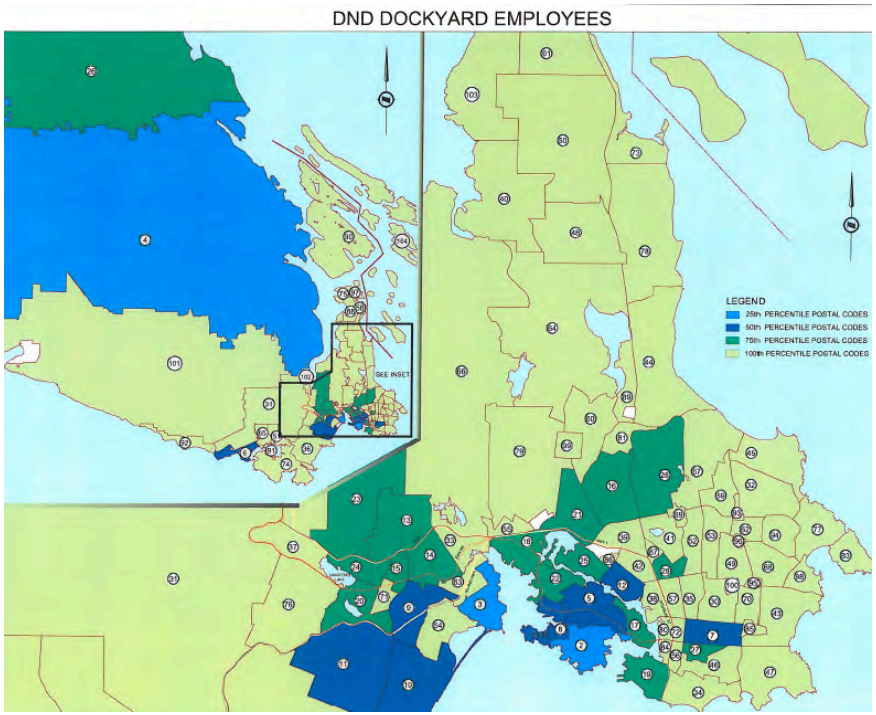


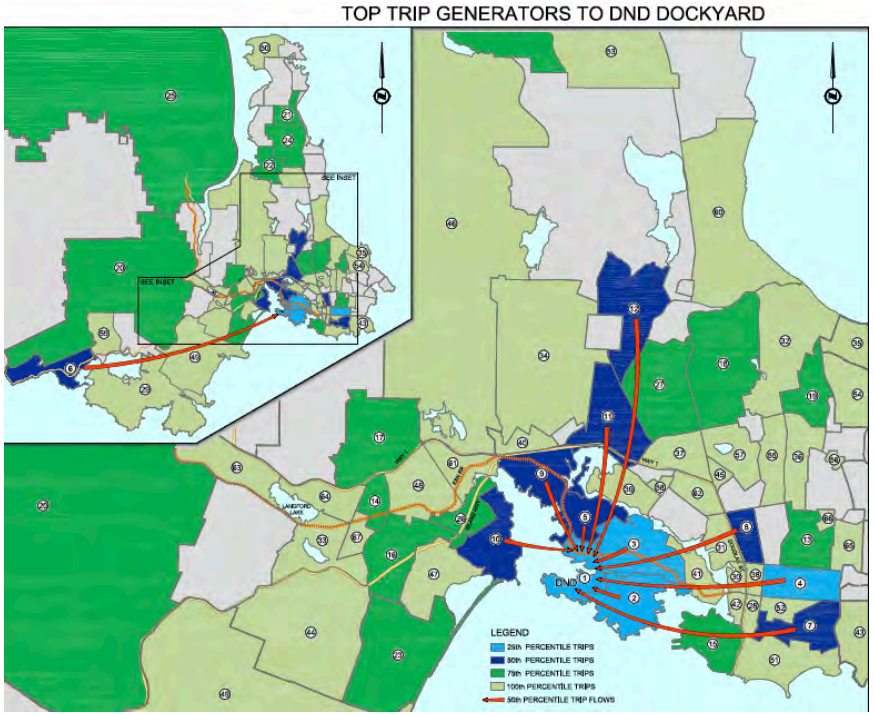
Exhibit 4: Distribution of Trips Originating in the West Shore



[3] Analysis in this section is based on the *2011 CRD Origin-Destination Household Travel Survey Daily Travel Characteristics Report*, released September 19, 2012.

Exhibit 2: DND Employee Locations and Trip Patterns





Source: DND and *2006 CRD Origin Destination Household Travel Survey*.

Travel by Trip Purpose

The top five reasons for travel in the AM peak for those trips that originate in West Shore communities *and cross municipal boundaries* are (total of **16,653 trips**):

	# Trips Leaving West Shore	% of AM Peak Total
Work	12,059	72
School	1,582	10
Pick-up/drop-off	1,271	8
Personal business	698	4
Return home	476	3

At the other end of the corridor, in Victoria the trip purposes for those trips leaving downtown are quite different (total of **4,441 trips**):

	# Trips Leaving Downtown	% of AM Peak Total
Work	2,503	56
Return home	605	14
School	604	13
Shopping	234	5
Personal business	133	3

There are two main implications for commuter rail. First, traffic in the corridor is likely to be directionally imbalanced at least at each endpoint of the corridor by a ratio of nearly 4:1 (i.e., 16,653 versus 4,441 trips).

Secondly, the proportion of work-related trips originating in Victoria and going outside the sub-region in the morning is relatively low. However, in the PM peak (not shown above), 72% of the downtown originating trips (18,909 trips) are to return home, suggesting that there would be a substantial return flow of travelers to the West Shore and other parts of the region in the afternoon/early evening.

Travel Patterns

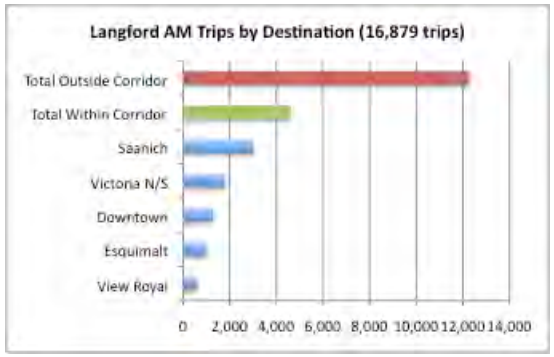
Exhibit 5 provides an analysis of the travel patterns based on the AM peak period trips originating in each city/town in the Langford-Victoria corridor based on the CRD travel survey. The focus is on trips crossing municipal boundaries that are the relevant trips for the proposed rail service. The top red bar on each graph indicates the total number of trips originating within in a particular city in the corridor and destined outside of the corridor (e.g., Langford to Saanich). People taking these trips would have no interest in Langford-Victoria commuter rail.

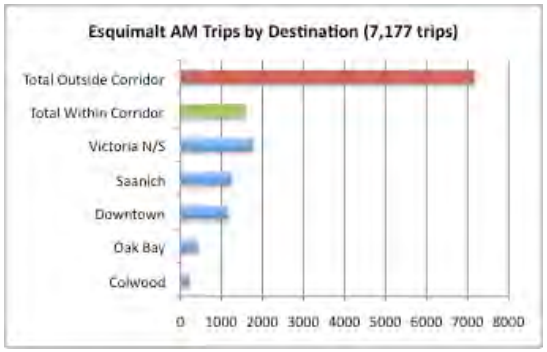
The second bar (green) indicates the total number of trips to destinations within the corridor from each origin—these trips, totaling 12,932 in the AM peak, represent the target market for community rail.[4] For trips originating in Langford, the AM peak generates a total of 16,879 trips, of which 4,617 (37.7%) are corridor trips while 12,262 trips (62.3%) are to destinations outside the corridor. Colwood has the largest proportion of corridor trips at 81.8% while the Downtown area generates the least proportion at 19.5%.

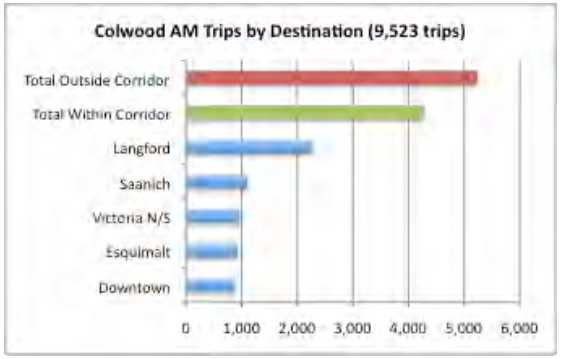
The remaining blue bars on each graph show the top five destinations for travelers in the AM peak. It is interesting to note that for most West Shore communities the top destination is frequently not on or near the E&N corridor. In fact, only about 10.6% of travelers go from West Shore communities to Downtown. The fact that these travelers are going to other regional activity/ growth centres is one of the principal reasons that the BC Transit LRT study reviewing a rapid transit link between Victoria and the West Shore recommended an alignment other than the E&N corridor (i.e, the recommended alignment followed the Old Island Highway to Colwood Interchange, then running between the Galloping Goose and the Trans Canada Highway to Uptown and then along Douglas Street to Downtown).

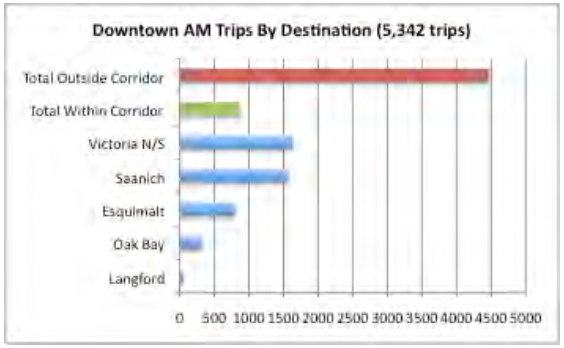
[4] However, the target market would also include trip origins/destinations from a broader catchment area that include communities such as Highlands and Metchosin which are factored into the ridership estimates developed in Section 3 below.

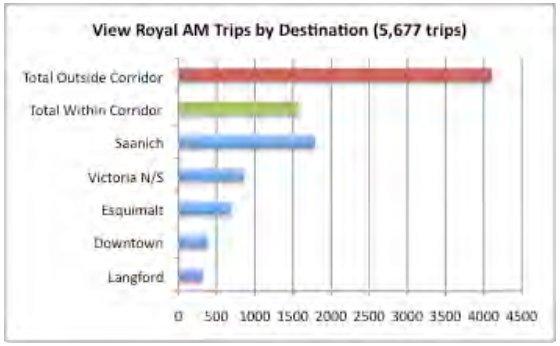
Exhibit 5: AM Peak Travel Profile from West Shore Origins











AM Peak Origins (0600-0859) - Trips by Destination

	View Royal	Esquimalt	Downtown	Victoria N/S	Saanich	Total Within Corridor	Total Outside Corridor	Total
Langford	613	1,010	1,267	1,775	3,007	4,617	12,262	16,879
						37.7%		
	Downtown	Esquimalt	Victoria N/S	Saanich	Langford	Total Within Corridor	Total Outside Corridor	
Colwood	879	928	959	1,102	2,282	4,284	5,239	9,523
						81.8%		
	Colwood	Oak Bay	Downtown	Saanich	Victoria N/S	Total Within Corridor	Total Outside Corridor	
Esquimalt	219	424	1172	1253	1788	1589	7177	8,766
						22.1%		
	Langford	Downtown	Esquimalt	Victoria N/S	Saanich	Total Within Corridor	Total Outside Corridor	
View Royal	317	384	687	853	1788	1569	4108	5,677
						38.2%		
	Langford	Oak Bay	Esquimalt	Saanich	Victoria N/S	Total Within Corridor	Total Outside Corridor	
Downtown	53	331	799	1573	1636	873	4469	5,342
						19.5%		
Totals	**2,081**	**3,077**	**4,884**	**6,556**	**10,501**	**12,932**	**33,255**	**46,187**
			10.6%			38.9%		

Source: 2011 CRD Survey, District profile data pages 69-90

3. Langford Community Rail Service Assessment

3.1 Proposed Service

The proposed weekday *Westhills Express* schedule is shown in Exhibit 6. Initially, there would be four southbound trains in the morning peak period (06:00-10:00) departing from Westhills on the hour with a twenty-four minute travel time to Victoria West. Similarly, there would be four weekday trains in the PM peak (16:30 - 20:30) operating on the half-hour from Victoria West, for a total of eight trains a day.

The rail service would be integrated with BC Transit bus services to provide convenient connections. In Langford there already exists a good bus interchange adjacent to the rail line at Station Avenue. In Victoria West, a new bus interchange would need to be constructed and three bus bays are proposed to provide seamless connections to the downtown business district and potentially to Hillside/Uptown and the University of Victoria, or as determined by BC Transit.

Given that planning is already underway for VIA Rail to resume operations on Vancouver Island it is assumed that a new siding will be required to allow trains to pass. At this stage, it is recommended the siding be constructed near Mile 3.2, close to Esquimalt. In addition, two spur tracks will be required, one in Westhills and one in Victoria West to allow trains to pass. The Westhills spur will also allow access to the maintenance shed where the train can also be stored during the midday layover after completing the morning runs.

There are 25 road-rail crossings between Langford and Victoria. Many have very low vehicular traffic and are located close to other crossings making them ideal candidates for closure to reduce the capital and maintenance costs of warning devices. In order to ensure a safe, on-time passenger rail service, low-use road-rail crossings should be eliminated where possible. Closing crossings will also save municipalities the costs of providing and maintaining warning devices. The candidates for closure are Russell Street (Victoria), Intervale (Esquimalt) and Burnette Road (View Royal) and a private crossing at Mile 5.6. Crossings should be closed if there are alternative means of access to properties near the crossing, and if the sightline approaches to a crossing are poor.

The regulatory requirements regarding crossing protection will be met due to the infrastructure upgrades that are being planned for the resumption of VIA service, as well as the improvements due to the CRD's E&N Rail Trail Humpback Connector project. This includes the installation of crossing improvements (new signal systems) at Wilson Avenue, Devonshire Avenue, Lampson Avenue, Hutchinson Avenue and Intervale Avenue that are also sufficient to allow a safe and reliable rail service. Further improvements are also being considered, but not yet approved for Hallowell Road and pedestrian crossings at Mile 1.05 and Mile 8.24

Exhibit 6: Westhills Express AM Weekday Service Schedule

From Westhills		From Victoria	
Station	Departure time	Station	Departure time
Westhills	06:00	Victoria West	06:30
Langford	06:05	Esquimalt	06:37
Esquimalt	06:17	Langford	06:49
Victoria West	06:24	Westhills	06:54
Westhills	07:00	Victoria West	07:30
Langford	07:05	Esquimalt	07:37
Esquimalt	07:17	Langford	07:49
Victoria West	07:24	Westhills	07:54
Westhills	08:00	Victoria West	08:30
Langford	08:05	Esquimalt	08:37
Esquimalt	08:17	Langford	08:49
Victoria West	08:24	Westhills	08:54
Westhills	09:00	Victoria West	09:30
Langford	09:05	Esquimalt	09:37
Esquimalt	09:17	Langford	09:49
Victoria West	09:24	Westhills	09:54

3.2 Equipment

The diesel-multiple-unit (DMU) equipment options that were examined include vehicles manufactured by Bombardier Transportation, Siemens, Budd (re-manufactured) and US Railcar Company. The broad specifications for a suitable vehicle are:

- EPA Tier 4 emissions standards;
- Federal Railway Administration (FRA) crash compliant;
- Reliability factors;
- Expandable capacity; and
- Ability to accommodate a large number of bicycles and mobility-impaired passengers with ease.

A vehicle that can operate on the rail and the road called a dual mode vehicle (DMV) was also examined. The DMV has both steel railway wheels and rubber tires for the road. The advantage of this type of equipment is that it can be used at the terminus stop to serve the downtown core by road thereby reducing the need for passenger to transfer to a bus. This vehicle was not selected for the service because it remains in a prototype phase, the seating capacity is too low and it is only being tested with a non-compatible propulsion system.

Based on the above and with consideration for the service requirements, cost and availability it was determined that the most suitable equipment is the DMU produced by US Railcar Company. The train set would consist of two DMU power units and one coach car that could be a bi-level car. One of the main reasons this equipment was chosen is that it is specifically built for the North American market and is the only service proven equipment that is FRA safety compliant (i.e., crash worthy frame). It is also quiet, fuel efficient, causes less wear and tear on the track, has relatively low maintenance costs and comes with several options in terms of modern and luxury interiors (see Exhibit 7).

The two power units would operate back-to-back providing good acceleration capabilities and fuel consumption. The seating arrangements would be similar to business class seating in an airplane adding to the appeal necessary to attract riders. Bicycles would be accommodated at one end of the train so they do not interfere with the free flow of foot passengers when entraining and detraining.

The total seating capacity of the selected two-unit DMU, plus one coach car is approximately 200 passengers. The equipment is also flexible and capacity can be increased to approximately 400 seats with the addition of up to two additional cars that are placed between the two end units.

3.3 Estimated Capital Costs

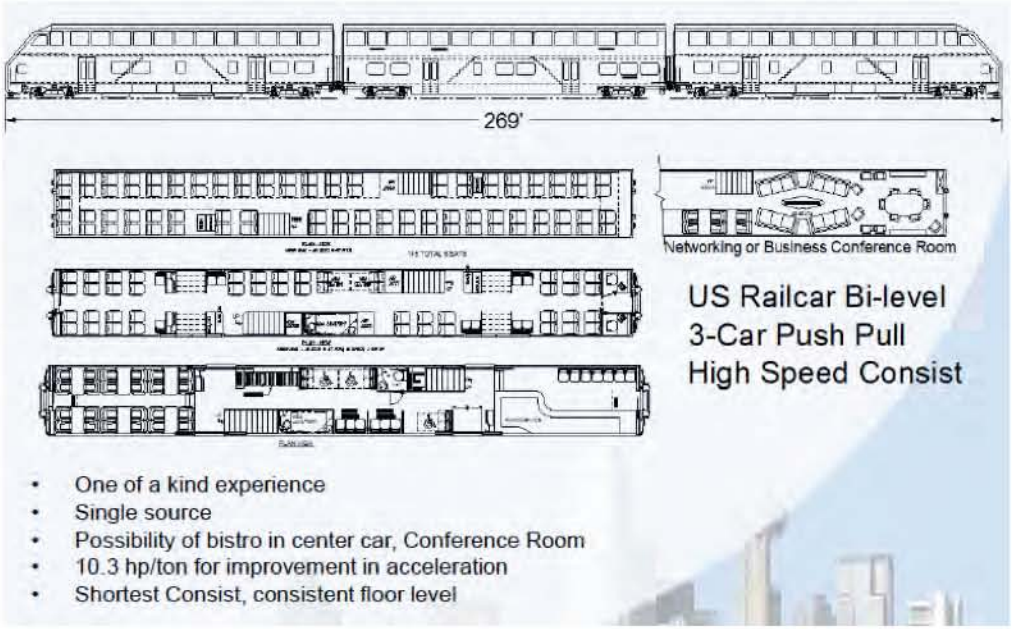
The estimated capital cost is $5.4 million as shown in Exhibit 8. New spur tracks would be constructed at Westhills and Victoria West to allow storage of the train. A siding would also be built near mile 3.2 (close to Esquimalt) to allow for trains to pass in order to accommodate the return of VIA Rail, as well as a potential future second Westhills train. The costs also include construction of station platforms and a terminus transit exchange, a fare collection system, communications equipment and automatic block signals for the spurs and siding.

Exhibit 8: Estimated Capital Costs (millions $)

Track-Related [1]	1.34
Station-Related [2]	1.86
Maintenance facility	0.80
Other [3]	0.49
Sub-total	4.49
Contingency (20%)	0.90
Total	5.39

1. Two spurs and one siding for a total of 1,075 ft of track, switches, automatic block signals.
2. Four station platforms, a fare collection system and transit exchange at Victoria West.
3. Project management, communications equipment and operator training.

Exhibit 7: Diesel-Multiple-Unit Equipment Profile & Options



The capital cost for the train set is estimated to be $11.795 million based on an initial quote from US Railcar Company and including delivery to the Island. However, it is assumed that the equipment will be financed under a lease arrangement and the associated lease costs are therefore included with the operating costs. It is common for the rolling stock not to be owned by the operating entity, as this is the case with West Coast Express and SkyTrain in the Lower Mainland.

The foregoing capital costs exclude costs associated with the renewal of infrastructure in the existing corridor that is being funded from the $15 million federal-provincial commitment that has been secured by the ICF. This major corridor upgrade includes track ties, switch ties, ballast and other components required to restore passenger rail service. Based on discussions with Southern Railway (SRY), the government funds will be used to pay for upgrades of the entire 140 miles between Victoria and Courtenay. The rehabilitation work is expected to commence by fall 2013 and take up to one year to complete.

Since these infrastructure upgrades are being funded by third parties, the costs would not be borne by *Westhills Express* and are therefore assumed to be a net benefit to the business case for the proposed service. The situation is similar with respect to the crossing protection devices being installed between Victoria and Westhills due to the Humpback Connector trail that are excluded from the capital costs. The value of confirmed improvements to be constructed is $1.3 million and another $600,000 to $850,000 of improvements is likely. These improvements are also a net benefit to the business case for the *Westhills Express*.

3.4 Estimated Operating Costs

The estimated annual operating cost is $3.5 million as shown in Exhibit 9 and based on the proposed service schedule outlined above. The largest cost item is the lease cost of the train set at $785,000 per year ($65,500 a month) based on a 25-year lease at 4.5% and a conservative salvage value of zero.

It is assumed there will be single-person train operators and that track rent and equipment maintenance are consistent with similar operations. With respect to liability insurance, it is assumed that a $150,000 rider is obtained on BC Transit's existing policy. Other options are possible such as arranging the insurance through the Municipal Insurance Association, however further analysis is required to determine the most appropriate alternative.

Exhibit 9: Estimated Annual Operating Costs ($)

Equipment lease	785,000
Train Crew	315,000
Fuel	150,000
Equipment Maintenance	562,000
Track Occupancy (rent)	200,000
Supervision & Administration	300,000
Marketing & Promotion	150,000
Other [1]	753,000
Sub-total	3,215,000
Contingency (10%)	320,000
Total	3,535,000

1. Insurance, equipment cleaning, fare collection system, communications and office equipment, track maintenance, consulting & legal fees and miscellaneous costs.

3.5 Estimated Demand and Ridership

The peak period market and the degree to which a rail-based transit system is able to attract travelers is the focus for the initial *Westhills Express* service. In future, it may be possible to adjust the service by offering a midday train given the significant number of travelers during this period (see Exhibit 4).

Use of the service and the ultimate success in building ridership critically depends on customer satisfaction that is a function of service quality. The key attributes in this regard are: on-time service (reliable), convenience, price, comfort and safety/security.

The primary market for rail consists of existing auto travelers and transit users during the AM and PM peak periods. To appeal to this segment of the market, rail must be time competitive for the overall trip from origin to final destination. The proposed travel time by rail would be 24 minutes, plus about 10 minutes by bus depending on the destination, compared to about 45+ minutes for private vehicles based on a recent small sample of interviews with professional drivers.

The service can also be expected to serve the broader market for business and personal travel (e.g., shopping, dining) and be used as a tool to shape demand. Experience in other markets shows that travelers will adjust their schedules around reliable and convenient rail-based transit service. This is important regarding the benefits of rail in reducing road traffic congestion, vehicle emissions and accident risk.

The estimated demand for the *Westhills Express* rail service is based on the assumption that rail-based transit will attract 20-40% of the total existing bus transit trips in the Langford-Victoria corridor and serve the broader market for work and personal travel. However, to be conservative a range of 10-20% is assumed. In addition, rail will also attract some existing automobile users assuming the service is reliable and competitive in terms of travel time and convenience. The range is assumed to be a conservative 2% to 3% of auto travelers.[5]

The estimated daily demand is shown in Exhibit 10 with more details provided in Appendix 1. Based on the above assumptions, **the potential demand for rail-transit is estimated to be approximately 1,600 to 2,800 trips per day.** It should be noted that this level of demand would not occur on opening day and should be interpreted as more of a steady state level that will take some time to develop and depend on the factors discussed above. One of the main risks in realizing the estimated demand is that the terminus of the line is at Victoria West because of the elimination and relocation of the Johnson Street Bridge (Blue Bridge). The key issue is the impact on travel time because of the transfer penalty to bus, thereby making rail service less competitive with existing auto travel and possibly bus transit. Therefore, smooth integration of rail with BC Transit buses at the Victoria West terminus (as well as in the West Shore) will be critical to the success of the rail service.

Although the Westhills development will incorporate a park-and-ride facility, the lack of available land in Langford for such a facility represents a risk to achieving the desired ridership. However, the convenient Station Road bus loop in Langford and the ability to accommodate bicycles on the train should mitigate the risks.

There are several strategies that can be employed to build ridership and potentially increase the foregoing demand estimates significantly. These strategies include for example: providing on-board amenities (e.g., Wi-Fi, plug-ins for laptop computers, reading lights), comfortable business-class style seating; employer support for transit passes to lower the cost to users; attractive station stops with amenities; effective advertising and promotion; park-and-ride and bicycle storage at station stops. Some of these areas are also a potential source of revenues to defray operating costs and improve the viability of the service.

Exhibit 10: Potential Demand in the Corridor
(Daily weekday trips for AM + PM peak)

		Potential Rail Share	
Market Segment	**Trips**	**Low**	**High**
Auto person-trips	48,969	2%	4%
Transit trips	6,616	10%	20%
Bicycle, walk, other	4,761	-	-
Total Trips per Day	60,346	1,641	2,792

[5] Source: *Evaluating E&N Commuter Rail*, Victoria Transport Policy Institute.

3.6 Revenue Potential

In general, rail-based transit tends to attract higher income travelers who are more sensitive to service quality than cost. Nevertheless, low fares would help attract riders and consideration should be given to a promotional fare to attract customers in the launch phase of the service. Fares can also be slightly higher than bus fares without a significant negative effect on rail ridership due to the perceived premium service and prestige of a modern, efficient rail service.

For the purposes of this analysis a one-way introductory fare of $3.00 is assumed. Based on an operating schedule of 260 days a year and a ridership of 1,600 to 2,800 revenue-passengers a day (low and high range estimates), the revenue potential is $1.3 to $2.3 million, including modest advertising/sponsor revenue of $100,000/year. Based on these assumptions, the total revenue as a percentage of total estimated operating costs is 38.1% to 64.6%.

By comparison, the West Coast Express service in the Lower Mainland had a cost recovery ratio of 44.6% in 2000, four years after start-up and today the ratio is greater than 90%.

Exhibit 11: Revenue Potential & Key Financial Indicators

	Low Ridership	High Ridership
Annual Ridership	416,000	728,000
Operating Revenue ($/year)	1,350,000	2,285,000
Operating Cost ($/year)	3,535,000	3,535,000
Operating Loss ($/year)	(2,185,000)	(1,250,000)
Cost Recovery	38.1%	64.6%
Subsidy per passenger trip ($)	5.25	1.72

If the average fare were $5.00 instead of the $3.00 used in the above figures, the total revenue would be $2.2 to $3.7 million and the cost recovery would improve to 61.6% to 105%.

4. Conclusions and Next Steps

Based on the analysis and assumptions contained in this report, it is concluded that a commuter rail service could be developed in the corridor at a reasonable cost and expectation of success and within a relatively short timeframe. The critical success factors are:

- Obtaining a source of funding to finance the capital and ongoing operating costs.
- Completing the infrastructure upgrades in the Langford to Victoria corridor. The most critical requirement is the track-related work needed to upgrade the line to accommodate passenger rail traffic, including track ties, ballast and new/upgraded crossing signals to provide automatic warning devices at road crossings.
- Providing high quality train service that gives customers value in terms of on-time service (reliable), convenience, price, comfort and safety/security. The service also needs to be competitive with private vehicles in terms of end-to-end travel time in order to build ridership and maximize cost recovery.
- Sound governance to implement the service, including all aspects outlined in the implementation plan presented below.

It should be noted that the scope of this report does not permit demand/traffic modeling or detailed design and engineering cost estimates of the components of the rail service. Therefore, the findings of this report should only be interpreted as broad estimates regarding the feasibility of the proposed service and further planning and analysis would be required to proceed to the next stage of implementation.

4.1 Implementation Plan

Exhibit 12 provides a preliminary implementation plan (not exhaustive) indicating the main work streams and timelines to advance the *Westhills Express* initiative. An important and immediate first step before going public with any of the results of this study is to make BC Transit, ICF and SRY aware of the results and seek their support to advance the project.

Exhibit 12: Preliminary Implementation Plan

ITEM / SAMPLE ACTIVITIES	YEAR 1				YEAR 2				YEAR 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Planning, Management & Admin												
Develop terms and conditions with Southern Railway (service operator), BC Transit and equipment supplier, as well as detailed implementation plan. Identify required resources for entire project from planning to Opening Day. Requires transportation consulting and legal expertise and a full-time General Manager.												
Funding												
Identify and secure funding sources for capital and operating costs.												
Equipment Procurement												
Develop RFP for equipment tender including specifications and work with selected supplier on delivery schedule and testing program.												
Transit Interface												
Work with BC Transit to develop integrated rail-bus service plan, coordinated ticket purchase system, integrated fare structure and administrative protocol.												
Transit Exchange Facility												
Confirm location of terminus in Victoria West, design facility, develop RFP for supplier tenders and work with selected supplier to implement.												
Station Platforms												
Develop key features and design of platforms for all station stops and develop RFP for supplier tenders and work with selected supplier to implement.												
Drivers												
Southern Rail to develop and implement driver training program and secure train crew.												
Track & Crossing Work												
Monitor progress of track work.												
Promotion and Marketing												
Develop detailed marketing and promotion campaign, including introductory fare policy and advertising strategy. Identify key partners for success.												
Opening Day	Community rail service on E&N corridor becomes a reality . . .											

Appendix 1: Derivation of Demand Estimates

Derivation of Demand Estimates (based on Weekday AM Peak Trips)														
	Total Market		Auto Share		Transit Share		Auto Trips		Transit Trips		Total	Total	Rail Market	
Origin	Trips From	Trips To	Trips From	Trips To	Trips From	Trips To	Trips From	Trips To	Trips From	Trips To	Auto Trips	Transit Trips	LOW [1]	HIGH [2]
Langford	4,617	2,758	87%	88%	11%	7%	4,017	2,427	508	193	6,444	701	199	334
Colwood	4,284	2,148	81%	92%	12%	3%	3,470	1,976	514	64	5,446	579	167	279
View Royal	1,569	900	82%	88%	12%	5%	1,287	792	188	45	2,079	233	65	109
Esquimalt	1,589	3,424	78%	85%	15%	6%	1,239	2,910	238	205	4,150	444	127	213
Downtown	873	3,702	66%	54%	21%	24%	576	1,999	183	888	2,575	1,072	159	292
Highlands	492	70	87%	100%	1%	0%	428	70	5	0	498	5	10	16
Metchosin	1,455	384	89%	98%	4%	0%	1,295	376	58	0	1,671	58	39	62
Sooke	1,328	188	86%	86%	13%	3%	1,142	162	173	6	1,304	178	44	75
Juan de Fuca	384	8	81%	85%	10%	0%	311	7	38	0	318	38	10	17
			Total											
Total AM Peak Demand	16,591	13,582	30,173								24,485	3,308	821	1,396
Total Daily Demand	33,182	27,164	60,346								48,969	6,616	1,641	2,792
Notes:														
1. The low range assumes rail will attract 10% of transit trips and 2% of auto trips.														
2. The high range assumes rail will attract 20% of transit trips and 3% of auto trips.														
Source: 2011 CRD Origin-Destination Household Travel Survey														

Comparative Finance and Governance for Commuter Train Service Langford to Vic West

October 2012

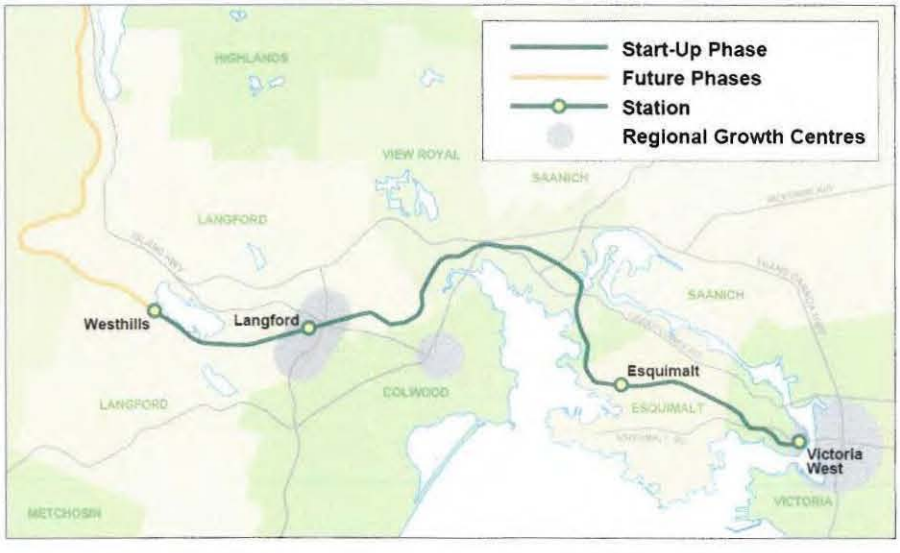


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Table of Contents

1. Introduction

This report was commissioned by the City of Langford. Earlier reports by various consultants have been done on providing similar type of rail oriented train service and governance including:

a) 2008 West Shore Tram Line Assessment by Colledge and DRE for C4CR;

b) 2008 Crossing and Safety Study for ICF by T. Watt;

c) 2008 Governance Options for Commuter Rail Service, Langford to Victoria for C4CR;

d) 2010 Evaluation of the E&N Corridor Foundation Paper by IBI Group for MOTI;

e) 2010 E&N Rail Corridor Development Strategies for the ICF by IBI Group for MOTI;

f) 2011 Victoria to Langford Rapid Transit Study by B C Transit;

g) 2011 Pilot Study Salish Express, Duncan to Victoria for B C Transit and ICF;

f) 2012 E&N Bridge Safety Assessment Report by MOTI-AESL- 10 year cost estimates;

g) 2012 B C Transit Independent Review Panel report "Modernizing the Partnership";

h) 2012 CRD Regional Transit Local Funding Sources Technical Analysis;

i) 2012 Langford Community Rail Service Assessment by Colledge/DRE.

This report does not determine any new cost and revenue estimates, but relies on these earlier reports as sources.

2. Capital Cost Estimates

The following Table compares capital cost estimates from various reports.

Capital Cost Description	Colledge/DRE Westhills Express Langford-Victoria 2012	MOTI IBI - E&N 2010 Corridor Langford-Victoria	BC Transit/ICF Salish Express 1-2 yr Pilot Duncan - Victoria
Track related	$1,340,000 2 spurs 1 siding, switches, auto block signals	$5,000 survey $110,000 veg removal, $240,000 env. remediation,	$80,000 for 2 sidings
1/4 wood ties replaced by Federal/BC $ grants	Assumed $0	$2,140,000 track, Ballast ,$1,860,000 tail,$140,000 slope protect,$110,000 culvert drainage	Assumed $0
Road Crossing protection signals	CRD Trail Assumed$0	$2,780,000	$1,400,000 at 4 crossings
4 Station related Westhills, Langford, Esquimalt. Vic West	$1,560,000 4 platforms, fare collection, system, Transit exchange at Vic West.	$1,880,000 $420,000 fare collection	6 Stations, Duncan, Cobble Hill, Westhills, Langford,Esq. Vic West. temporary $75,000
Transit exchanges/Parking	$300,000	$11,000,000	$0
Operations Preparation	$490,000 Project mgmt, comm Equip, operator training	$380,000	$0
Maintenance Facility	$800,000	$5,970,000	$0 - out of existing facility in Nanaimo
Equipment	Leased	Purchased	Leased
Vehicles self-propelled	U S Railcar $11,795,000 (if purchased)	$22,400,000	$0
Spare Equipment	$0	$2,250,000	$0

Capital Cost Description	Colledge/DRE Westhills Express Langford-Victoria 2012	MOTI IBI - E&N 2010 Corridor Langford-Victoria	BC Transit/ICF Salish Express 1-2 yr Pilot Duncan - Victoria
Other	--	$800,000 signals, comm$7,300,000 design, mgmt, insurance	$0
Contingency	20 % $900,000	25% $9,430,000	$0
Distance	15 km	15 km	64 km
Total	$5,300,000	$69,530,000	$1,550,000

The table above compares the capital cost estimates, all at high level planning accuracy only, from three most recent commuter train reports for southern Vancouver Island prepared for different clients, the Province of B C, a Crown Corp.(B C Transit) and ICF, and the City of Langford, with each one prepared by different consultants.

These estimates are not based on detailed designs and engineering costs. Therefore the report should only be interpreted as broad estimates regarding the feasibility. Further planning and analysis would be required to proceed to the next stage of implementation.

2.1 Track Improvements

The assumption that the track related improvements funded by the Federal and Provincial $15 million in grants will be done before the commuter train commences operation is fundamental to two of these comparisons. They also assume that the grant funding will be applied over the full 140 mile length of the E&N corridor on Vancouver Island.

2.2 Road Crossing Signalization

Another scenario of the VIA train resuming operation with 3 refurbished BUDD cars , starting in Nanaimo and travelling south to Victoria in the morning, would assure the road crossings are adequate for commuter train operation. This assumption has reduced some capital costs.

Alternatively , the expenditure of $50,000 to retain a professional Engineering consulting firm to undertake "RTD 10 Safety Assessments" of 9 previously reviewed intersections and 14 other intersections not yet reviewed in Victoria, Esquimalt, View Royal and Langford would remove planning uncertainty and clarify the issue.

If the decision is to assign crossing upgrades, if required, to each municipality rather than the commuter train project, then the municipality bearing the cost of about $400,000 per crossing would be more accountable for the decision to spend the signal upgrade money or perhaps avoid the expense and close the crossing where there is alternative road access available to the neighbourhood affected. This would also reduce train whistle noise at the crossing.

The relative cost for the safety assessments by location, would be:

Victoria	$15,500 + HST
Esquimalt	$ 8,000 + HST
View Royal	$15,500 +HST
Langford	$ 7,500 +HST
Total	**$46,500 + HST**

2.3 Lease vs. Purchase

The cost of rail equipment, the passenger cars, could be leased instead of purchased. Leasing would transfer the cost to Operations instead of Capital.

2.4 Train Stations and Platforms

The option of making each municipality responsible for the cost of building a train station platform and shelter in each community instead of sharing the cost as a train cost is also up for discussion. The budget for each platform and station is $300,000. It appears that Westhills is prepared to pay for and build a platform and train station, and build significant park and ride parking to enhance their development.

As the City of Victoria removed the rail blue bridge, the City of Victoria should be responsible for building a new platform and train station ($300,000) and bus exchange ($300,000) at the new Vic West location, for VIA operation and commuter train service.

2.4 Replace Rail Blue Bridge

None of the reports considered the cost of replacing the rail blue bridge from Vic West to downtown Victoria, even though there is a right of way preserved for that connection. However the consultants agree that the effectiveness and ridership of commuter rail is diminished by the removal of that rail connection to downtown Victoria, as rail passengers will now have to transfer to busses or bicycles or walk longer distances to get to work destinations.

The rail bridge was removed and not replaced as the City of Victoria Council refused to bear all of the rail bridge cost. The City was looking for another party or parties to share 1/3 of the cost The province had not agreed to pay for a share, and there was insufficient time for the CRD to organize local cost sharing among some of the municipalities, even though some of them were willing to contribute to some of the rail bridge cost.

Preliminary cost estimates by the City of Victoria staff were in the range of $12,000,000 to replace the rail bridge to Wharf Street. That estimate would have to be updated now that so many changes have occurred.

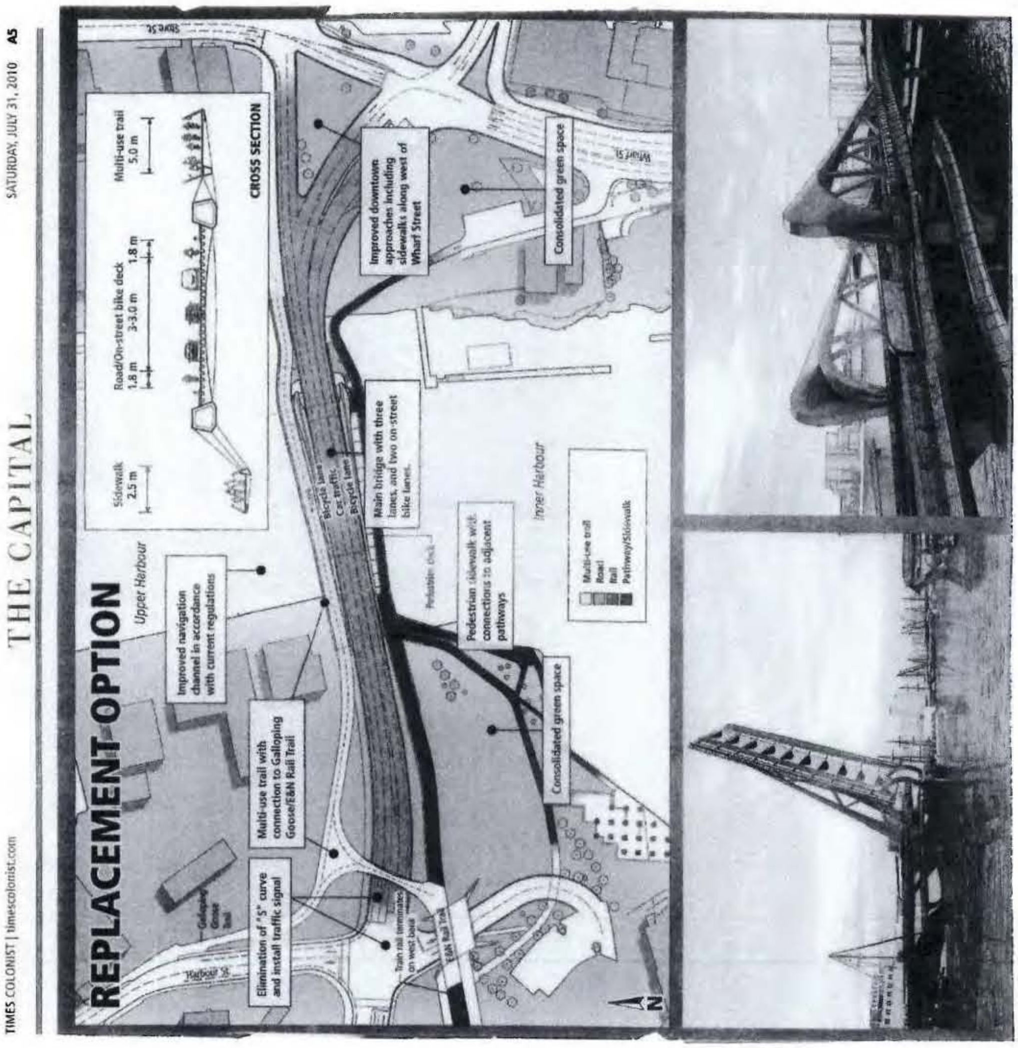
2.5 Bridge Inspection and Assessment on E&N

The February 2012, AESL Report for the MOTI, Phase 2 Evaluation report assessed bridges from mile 1.3 to mile 65.1 on the E&N. Load carrying capacity was assessed for passenger cars 132,000 lb. or 263,000 lbs. for freight and 286,000 lbs. for heavier freight.

Cost estimates to operate bridges for the next 10 years for passenger loading:

Bridge Mile Post	Maintenance	Essential Repair	Projected Repairs	Strengthening	Total
1.30	$ 4,500	$0	$5,500	$0	$10,000
4.0	$ 3,000	$0	$9,000	$0	$12,000
4.5	$3,000	$0	$4,200	$0	$ 7,200
5.2	$3,000	$0	$0	$0	$ 3,000
5.34	$4,000	$0	$0	$0	$ 4,000
5.45	$3,000	$0	$0	$0	$ 3,000
5.80	$3,000	$0	$0	$0	$ 3,000
				Total cost 10 years	**$42,200**

The report found "minor surface corrosion, but no structurally significant damages", or "no immediate concerns", or "good condition with no loss" on all these bridges in the service area of the commuter train from Victoria to Langford.


TIMES COLONIST | timescolonist.com
THE CAPITAL
SATURDAY, JULY 31, 2010 A5
REPLACEMENT OPTION
Upper Harbour
Inner Harbour
CROSS SECTION
Elimination of "S" curve and install traffic signal
Multi-use trail with connection to Galloping Goose/E&N Rail Trail
Improved navigation channel in accordance with current regulations
Main bridge with three lanes, and two on-street bike lanes.
Pedestrian sidewalk with connections to adjacent pathways
Consolidated green space
Improved downtown approaches including sidewalks along west of Wharf Street
Consolidated green space

3. Operating Cost Estimates

Description	Colledge/DRE 2012 Langford to Victoria Westhills Express	MOTI, IBI Langford to Victoria 2010	B C Transit Pilot Salish Express Duncan to Victoria 2011
Equipment Lease	$785,000	na	$1,620,000
Train Crew	$315,000	na	$1,300,000
Fuel	$150,000	na	$80,000
Equip.Maintenance	$562,000	na	$390,000
Rent track	$200,000	na	$0
Supervision /Admin	$300,000	na	$30,000
Marketing & Promo	$150,000	na	$20,000
Insurance	$150,000	na	TBD($500G-$2Mil)$0
Fare collect/comm & office equip/track mtce/ legal/consult.	$603,000	na	$330,000
Contingency	$320,000 10%	page 30	$0
		10 hrs/day/250 day/yr=7,500 train hrs	
Total	$3,535,000	$3,500,000	$1,555,000 + Insurance

3.1 Liability Insurance

Normally it is the passenger train operator's responsibility to carry passenger liability insurance, so in this case it would be Southern Rail of Vancouver Island.

Alternative arrangements for liability insurance coverage will depend on the "Governance" model chosen.

If the "Intermunicipal Commission" model is chosen, with 4 municipalities that are all member of the Municipal Insurance Association (MIA), then their existing insurance policies will cover commuter rail (i.e. there is no exclusion for commuter rail). MIA staff have discussed this with their reinsurers who have expressed no concerns in terms of wanting to add exclusion or requiring higher premiums.

There will be requirements for risk management programs of commuter rail service, but this will be a condition of receiving certification form the B C Safety Authority.

However as the City of Langford is not currently a member of the MIA, as it buys liability insurance privately; the conversion to MIA may cost the City of Langford an additional $80,000 +/- in higher premiums to join MIA.

CRD self-insures. A commuter train "insurance rider" would need to be purchased at a premium to be determined with a large deductible.

In summary, obtaining liability insurance for commuter train service coverage is not a deal breaker, but a cost to be managed.

4. Operating Revenue Estimates

Predicting ridership accurately has been the challenge in all these studies. One of the most important factors in attracting more ridership is to have exceptional customer service in terms of reliable station to station transit time compared to the alternatives.(auto/bus travel time) Having modern equipment that contribute to the look and feel will convey a positive customer perception and in turn will impact willingness to pay for the service. Colledge/DRE suggested an "introductory fare" of $3.00, but fares could be higher if the quality and convenience is there. It has been indicated to me that fares for rail can be 2.5 to 3 times that of bus fares, as per the WCE example. Colledge/DRE noted that a fare of $5.00 would produce a cost recovery of 105%.

ICF and C4CR considered "Trial runs" and "Pilot" one year operation to better assess the ridership demand. MOTI consultant IBI just omitted revenue projections in their report. Colledge/DRE were cautious in estimating only 20% of existing bus riders would switch to commuter train, whereas normal trends are in the range up to 40% will convert. Colledge/DRE estimated only 3% of car riders will switch to commuter train. It could be much more than 3%.

DESCRIPTION	Colledge/DRE Commuter 2012 Westhills Express	MOTI IBI Commuter 2010	B C Transit ICF Salish Pilot 1 year
Ridership/Day	1,600@$3 low	1,050 Base	560@ $2.50 low
Ridership/Day	2,800@$3 high	1,350 TDM	1,350@$2.50 by year 2026
Annual riders	416,000	262,500 -- 481,250	97,125--140,000
Revenue	$1,350,000 (low)	NA ???	$104,000
		page 24	
VIA annual riders		40,000	

The MOTI report never estimated revenues or fares.

The BC Transit Salish Pilot report severely discounted ridership due to the removal of the rail blue bridge. The Pilot study limited 1 or 2 year life span severely restricts attracting car drivers from switching to commuter train. The B C Transit report was restricted to using the catchment area forecasts from the MOTI E&N Foundation Paper.

However, the potential demand for commuter train should not be underestimated; The Canada Line (TransLink) quickly exceeded forecasted ridership figures, as well as forecasts for passenger cars required and infrastructure requirements, including connecting bus service. Once operational, commuter rail service typically produces an immediate public demand for expansion.

There is a real need to improve the transportation of commuter train passengers from Vic West to downtown work locations and offices, which would make the commuter train service more attractive.

The **West Coast Express Ltd.** (WCE) commuter train runs from Mission to Vancouver on CPR tracks. WCE has increased ridership every year over the past 17 years, and is now at about 92% cost recovery, after starting about 44%. WCE had its first year of operation April 1996 to March 1997and carried 1.4 million riders. In year 2, ridership increased to 1.6 million, a gain of nearly 15%. Year 3 ridership was 1.8 million, a gain of 30% over year one. The financial picture for WCE also improved dramatically. In year 2000, after 5 years of operation, the cost recovery was 45%, by 2004; it was up to 64%. Today it is more than 90%. Between 2000 and 2004 operating costs decreased by 13%, while revenues increased by 25% and the net subsidy decreased by 43%.

West Coast Express is an operating subsidiary of TransLink and is primarily a "contracting out" company. Station attendants are contracted from the Commissionaires. Train crew is contracted from CPR. Train maintenance is contracted from VIA Rail.Train and bus drivers are contracted from Cantrail Canada. Trains run every 30 minutes, 5 times in the AM and 5 times in the PM peaks. Many of their train riders then transfer to busses to be distributed to their destinations around the city downtown.

We have heard that West Coast Express Ltd. may have recently been designated as the "official commuter train authority for B C". The senior staff of West Coast Express perhaps could become "technical advisors" for this Victoria-Langford commuter train service. We believe they would consider "contracting out "their services to provide technical assistance to advance the analysis. If the Westhills Express were to gain the blessing of WCE, it would be a significant step in making the concept a reality.

BC Transit cost recovery in 2011/12 is 33.3% for the provincial transit system. The Victoria Regional Transit cost recovery is 47%. However the bus service does not pay for road maintenance costs, traffic signals, etc. so a valid comparison is difficult.

Colledge/DRE projected revenue as a % of operating costs in the range of 38% to 65%, with recovery at the low end to start. If the commuter train service is successful in attracting passengers in the longer term, ridership could raise or exceed the upper range of these revenue projections.

Even at the start, Langford/Victoria commuter train recovery rate (38%) is higher than BC Transit provincial system (33%).

5. Net Estimates

Description	Colledge/DRE Westhills Express	MOTI IBI 2010	BC Transit btotal $8,
Revenues	$1,350,000	na ?	$104,000
Expenses	$3,535,000	$3,500,000	$1,555,000
Net Loss/year	-$2,185,000	na ?	-$1,451,000

5.1 Full Capacity Estimate

I have been asked to prepare a full capacity revenue and net loss projection as a comparison.

There would be 4 trips in the morning, making 8 in and out, and 4 in the afternoon, for another 8 in and out, totaling 16 train trips a day. The train is operated 260 days a year, Monday to Friday, but does not run on weekends. There are 200 seats on the 3 passenger cars.

16 trips X 200 seats per train = 3,200 passengers per day full capacity

3,200 x 260 days = 832,000 passenger capacity per year.

832,000 x $3 = $ 2,496,000 Full Capacity Revenue
$ 150,000 Other revenue (Advertising, concessions, naming rights)
Expenses $ 3,535,000

Net Loss $ 889,000 at full Capacity

If however the fare was increased from $3 to $4.25, the commuter train could break even at full capacity.

Revenues 832,000 x $4.25 = $3,536,000 = Expenses $3,535,000

6. Sources of Funding

6.1 Operating Sources

CRD's August 2012 "Regional Transit Local Funding Options Technical Analysis", 64 page report outlines all the funding options.

User Fares

The proposed $3.00 one way train fare is comparable to the current $2.50 bus fare Langford to Victoria.

Property tax

B.C.Transit charges property owners a property tax to contribute to the Transit operating deficit. Transit Levy is 0.2208 in 2012, which represents just over 5% of the total residential home tax.

Municipalities or the CRD could levy a commuter train property tax to recover $2,000,000 of the operating deficit.

basis of cost allocation		Esquimalt	Langford	VICTORIA	VIEW ROYAL
Taxable General assessment	annual cost	$185,529	$424,044	$1,260,669	$132,758
	cost /type household	$29.85	$24.20	$26.76	$32.31
	cost/capita	$10.83	$13.55	$15.24	$13.54
	tax Increase to fund $2m	1.3%	2.2%	1.16%	2.46%
Converted General Assessment	annual cost	$160,904	$411,553	$1,311,661	$115,882
	Cost /type household	$26.31	$23.48	$27.84	$28.20
	cost/capita	$9.55	$13.15	$15.85	$11.82
	tax increase to fund $2m	1.15%	2.16%	1.21%	2.15%
50%/50% Taxable General Assessment	Annual Cost	$211,051	$434,421	$1,218,422	$136,086
	cost /type household	$34.52	$24.79	$25.87	$33.12
	cost/capita	$12.52	$13.89	$414.73	$13.88
	tax Increase to fund $2m	1.15%	2.28%	1.12%	2.52%

I would like to acknowledge the contribution of City of Langford Director of Finance, Steve Ternent in providing the tax impact and cost sharing calculations.

Fuel Tax
Only B C Transit charges a fuel tax of 3.5 cents per litre in the Victoria Transit service area.

Naming Rights
Selling the naming rights for the commuter train, on an annual basis, could raise operating revenue. This naming right contract should be offered on a competitive bid basis.

Advertising
There could be a revenue source from advertising panels on the inside of the train cars, as in the subways, or on advertising panels at train stations.

Concessions Revenues
Revenues could be obtained from food and confectionary stands at stations.

6.2 Capital Cost funding
The host municipality could be held responsible for the construction of the train station and platform in each municipality.($300,000)

Each municipality could also be held responsible for road crossing signalization over the E&N track and the preparation of safety assessments for the remaining crossings.

Federal Gas Tax
Federal gas tax funding locally is coordinated by the CRD with BC Transit , who make recommendations to the UBCM. Putting Commuter train service higher on the local regional capital priorities is the issue, where it has to compete with all the other regional initiatives. But if CRD Parks can get millions in Gas Tax for funding the capital cost to build the Humpback trail on the E&N, then surely Commuter train service should be able to get a share of the GAS TAX pie. The Commuter Train Commission should commission a separate report on this potential source of capital funding immediately.

6.3 Casino Revenue Funding
There is a remarkable overlap coincidence of the Commuter train market collection area of the E&N track corridor in the Capital Region and the Casino Revenue sharing municipalities.

E & N Corridor	Commuter train Catchment Area	Casino Revenue Sharing Partners
Victoria	Victoria	
Esquimalt	Esquimalt	Esquimalt
View Royal	View Royal	View Royal
Langford	Langford	Langford
	Colwood	Colwood

E & N Corridor	Commuter train Catchment Area	Casino Revenue Sharing Partners
	Sooke	Sooke
	Metchosin	Metchosin
	Highlands	Highlands

Except for Victoria, the same municipalities have population that could ride the commuter train to travel to work, and already share casino revenue based on their respective populations.

Casino revenue is discretionary revenue to each municipality, and may only continue for the next 8 years. I recognize that each Council may have already made financing/spending commitments for their casino revenue and this suggestion for a group regional transportation project reaching consensus will lead to some tough decisions for each Council.

Annual Casino Revenue Budget 2012

Municipality	2012 population	Casino Revenue Estimate 2012
View Royal	9,806	$1,900,000
Langford	31,286	$1,250,000
Esquimalt	16,851	$360,000
Colwood	16,851	$340,000
Sooke	12,172	$240,000
Metchosin	4,984	$104,000
Highlands	2,203	$45,000
Total	**93,916**	**$4,239,000**

If the casino revenue sharing partner municipal Councils were to agree jointly on a common goal to fund, in a relative fair basis, the $5,300,000 Capital Cost for the commuter train startup costs over the next 2 years, they would send a huge signal to the City of Victoria, the Island Corridor Foundation and the senior federal and provincial governments that we are all in this together.

Do we jointly have the intention to optimize the E&N rail corridor in our region that connects us together and up island? The senior governments had the faith to put their $15 million into the Vancouver Island rail corridor. Now it is up to local Councils to do the same.

7. Governance

7.1 Island Corridor Foundation (ICF)

ICF is the owner of the E&N corridor, land and rail tracks. They do not operate trains, but instead have "contracted out" for 25 years the maintenance and operation of trains to "Southern Railway of Vancouver Island Ltd." (SRY) a subsidiary of Washington Marine Group.

ICF would issue a "Licence" to the 'governing body' chosen to permit the commuter train service to run within the service area (Langford to Victoria).

7.2 Victoria Regional Transit Commission (VRTC)

BC Transit has the legal authority to "plan, acquire and construct public passenger transportation and ***rail transit systems*** that support regional growth strategies, official community plans and economic development".

This VRTC Commission is run by B C Transit for the"Victoria Transit Area", which is Sooke to North Saanich. The Commission is currently 7 elected representatives from Victoria, Saanich, Esquimalt, Colwood and Sidney, appointed by provincial cabinet, which makes the appointments.

The size of the Commission, representation on the Commission and whether the provincial Cabinet or municipal Councils make the appointments have become stumbling blocks, as reported by the "B C Transit Independent Review Panel",(Panel) August 2012. The Panel could not reach consensus on this issue and only reported Pros and Cons of transferring public transit responsibilities to CRD, compared to remaining with the current governance structure under the Crown corporation B C Transit and they added a 3rd alternative which addresses some of the concerns with the current model. The Panels 10 page Chapter this issue from their final report is attached as "Schedule B".

West Shore municipalities are currently under represented on the VRTC by one Transit Commissioner. If Commuter train operations were assumed by VRTC, other regional Commissioners may not have the same priorities for the Commuter train service as the four E&N communities.

VRTC Service Standards:

Ridership	24,850,000
Cost/capita	$209.22
Passenger/capita	69.8
Hours/capita	2.25
Operating cost/hour	$92.93
Cost/ride	$3.00
Revenue/Cost	46.9%

The legislated funding formula for VRTC:

Provincial Share	31.7%
Commission Share	68.3%

Fuel tax is 3.5 cents per litre in the service area

If the VRTC model is chosen, you should ensure the legislated funding formula is applied to commuter train service as well as conventional transit so that the province pays its 31.7 % of the commuter train operating costs.

7.3 Capital Regional District (CRD)

The CRD currently does not have the legal authority for "transportation " as a ***regional*** function. The CRD Board could request the province to amend its Letters Patent for such a transportation authority, which may take 6+/- months to do.

CRD could also respond to the united request of 4 municipal Councils on the E&N to establish a ***"LOCAL SERVICE"*** area to be established just in the four E&N municipal boundaries. The CRD Bylaw would also establish a "Commuter Train Commission" with just the 4 Mayors or Alternates or some other weighted vote representation model from each of the 4 member municipal Councils that participate in the local commuter train service. Other municipal councils could join, at their choice, as long as they share the cost.

The CRD provides excellent budgeting, cost sharing determination skills, financial statement preparations, which do ***not*** have to be consolidated with the municipal financial statements. Through CRD it would be easier to borrow debt collectively (through one referendum), rather than 4 referendums, one in ***each*** municipality. They would provide good dispute resolution know how and framework, lower legal cost due to a less complicated legal structure but a longer lead time to start up. CRD tends to "staff up" for a new function with its in-house union staff rather than "contract out".

There would be less of a startup and ongoing administrative burden on each municipal administration if done through CRD. Commuter train liability insurance cost through CRD would need to be considered. Mayors, Alternates and employees could be provided with Indemnity from legal claims for doing their work properly in providing commuter train service.

7.4 Intermunicipal Commission

This would occur from the joint united actions of the 4 member Municipal Councils of VICTORIA, ESQUIMALT, VIEW ROYAL and LANGFORD. An ***INTERMUNICIPAL SERVICE*** could be established by the four Councils, pursuant to section 14 of the Community Charter, for "commuter train service" jointly by 2 or more municipalities within their boundaries. They would need to adopt an Intermunicipal service By Law prior to delivering the service. It would define how the service would be provided, directly or by one municipality designated as the 'operator' or by a contractor engaged jointly by the municipalities, or by a franchisee, or by a Commission.

The Regulatory Bylaw for the commuter train service could be jointly enacted by the 4 participating Councils or by **one** designated Council, which in consultation arrangements and the other municipalities agree not to exercise the powers. If jointly, there needs to be exact careful coordination of the content to ensure regulatory conformity.

A participant withdrawal process needs to be agreed to and documented in the bylaw under Part 24 and how other municipalities could join in the function at a later date. The intermunicipal Train Commission composition would be defined, terms of reference of the commission set out, role in setting fares and other regulatory matters.

There could be a P3 arrangement, a "public private partnership" that shares the risk by providing an opportunity for profit or loss if efficiencies are realized or not. Councils could provide "assistance" to a P3 partner.

Commission members and employees could be given protection from liability as "municipal public officers" under section 287 of the Local Government Act. This protection would not be available under a "Society'" model or "Company "model so those Society and Company options are no longer considered in this report.

Inter-municipal agreements are more complex to negotiate, but are under the direct control of the Councils. Each municipality is responsible for its own long term debt or Borrowing Referendum, so if 3 succeeds and one fails, it may be a problem.

New staff would be hired, or service delivery could be contracted out, but would need to be managed by one of the municipalities. I strongly recommend a full time manager be hired to organize all this start up coordination and administration, and project management of the commuter train service. It cannot be done off the side of someone's desk.

8. Summary

All three governance options for providing commuter train service are capable of delivering the service, with slightly differing methods. There is no apparent fail grade to any of the options. Each option has its strengths and weaknesses. To help evaluate the 3 options, I have applied the same criteria for evaluation as used by the B C Transit Independent Review Panel for its comments on the VRTC. I have evaluated with a sliding scale of 0 to 4, from "worst" (zero) to "best" (4).The following Table is that evaluation.

Comparative Scale
Worst----------Worse----------Better----------Best
0 1 2 3 4

Rating Criteria	VRTC B C Transit	CRD Commuter train Commission local service	Inter-municipal Commuter Train Commission
Accountability	2	3	4
Strategic Vision	3	3	4
Performance	3	2	1
Transparency	4	4	4
Knowledge	3	2	2
Participation	2	4	4
Continuity	0	0	0

Rating Criteria	VRTC B C Transit	CRD Commuter train Commission local service	Inter-municipal Commuter Train Commission
Impartiality	2	3	4
Effective &Efficient	2	2	4
Delivering Performance	3	3	4
Potential to cost share with BC	2	0	0
Liability Insurance	3	2	3
Total	**29**	**28**	**34**

9. Implementation Strategy

When considering the totals, the 3 options are all fairly even in the comparison. This evaluation would change if the B C government changes its current governance of the B C Transit's Victoria Regional Transit Commission in response to the Independent Review Panel's 18 recommendations for appointments to the Commission, representation improvements for the West Shore's growing population, improved accountability of the B C Transit Executive and restoring the balance in the provincial-municipal transit partnership.

If the provincial Cabinet makes those changes, it makes most sense to start with the BC Transit option locally at the VRTC.

Implementation Steps

1. Request the 7 casino revenue sharing Councils to jointly agree to fund capital for 2 years for the commuter train service as a common goal.
2. Request the 4 municipal Councils of Victoria, Esquimalt, View Royal and Langford confirm, by RESOLUTION, their intention to jointly deliver commuter train service at a cost to their municipal taxpayers for at least 68.3% of the annual deficits. (Province to pay for 31.7% of the deficit).
3. If all 4 Councils commit, by Resolution, then Councils jointly approach the Minister responsible for B C Transit, The Hon. Blair Lekstrom, to determine if the Minister supports provincial funding of 31.7% of commuter train deficits on the E&N within the 4 municipal boundaries through the VRTC at the same rate as bus transit is provided locally.
4. If B C government declines, then return to the 4 Councils for a commitment to pay for 100% of the operating deficits. If confirmed by all 4 Councils, then approach CRD Board and request, by 4 Council Resolutions, to prepare a Local Service for Commuter Train Service within the 4 municipal boundaries.
5. If the CRD local service fails, then implement the Intermunicipal Commuter Train Commission by adopting intermunicipal bylaws at the municipal councils.

APPENDIX 'A'

E&N Road Crossings Safety Assessments

Stantec Proposal - cost sharing by location.

Victoria :	Sitkum Rd	$3,000	
	Catherine St	$3,000	
	Mary St	$3,000	
	Russell St	$3,000	
	Esquimalt Rd.	$3,000	
	Wilson St	$ 500	
			Subtotal $15,500+GST
Esquimalt:			
	Devonshire Rd	$ 500	
	Lampson St	$ 500	
	Hutchison Av	$ 500	
	Intervale Av	$ 500	
	Colville/Admirals	$ 3,000	
	Maplebank Rd	$ 3,000	
			Subtotal $8,000 +GST
View Royal:			
	Thomas Rd	$3,000	
	Hallowell Rd	$ 500	
	Burnett Rd	$3,000	
	Kislinbury Prvt	$3,000	
	Atkins 6 mi Prvt	$3,000	
	Trail X Trillium	$3,000	
			Subtotal $15,500+GST
Langford:			
	Atkins Av	$3,000	
	VMP/ Goldstrm	$ 500	
	Jacklin Rd	$ 500	
	Peatt/ Phipps	$ 500	
	Trail X W of Peatt	$3,000	
			Subtotal $7,500 +GST
			TOTAL **$46,500+GST**

APPENDIX 'B'

Victoria Regional Transit Commission

The Victoria Regional Transit Commission is the only regional commission in operation in British Columbia. The Transit Commission was created in 1983 when local government responsibility for the public transit system was moved from the Capital Regional District (CRD) to the Transit Commission in order to improve efficiency of decision making, costs and effectiveness[28].

The seven member Commission is appointed by the Cabinet, which must select:

1) the Mayor of the City of Victoria;

2) a Councillor from the City of Victoria;

3) the Mayor of the District of Saanich;

4) a Councillor from the District of Saanich;

5) the Mayor of Esquimalt or Oak Bay;

6) one of the Mayor of Sidney; the Mayor of North Saanich; or, the Mayor of Central Saanich;

7) one of the Mayor of Colwood; the Mayor of Metchosin; the Mayor of View Royal; the Mayor of Langford; the Mayor of the Highlands; the Mayor of Sooke; or, the electoral area director of the Juan de Fuca electoral area[29].

Local government responsibilities for the Victoria Regional Transit System are held by the Victoria Regional Transit Commission including approving service plans, routes and local taxation and endorsing capital initiatives to improve transit service. The Commission does not have its own staff, and staff support is provided by BC Transit staff.

28 McCarthy (1983, October 20). "Estimates: Ministry of Human Resources." British Columbia. Legislative Assembly. Official Report of the Debates of the Legislative Assembly (Hansard). 33rd Parliament, 1st Session. Retrieved from http://www.leg.bc.ca/hansard/33rd1st/33p_01s_831020p.htm#07914.
29 British Columbia Transit Act, 1996 (BC) S25 (1).

As outlined in Table 1 on page 13, the sharing of costs for the funding of the Victoria Regional Transit System is different than for other transit systems. In addition, the Victoria Regional Transit System is the only transit system that is partially funded through a fuel tax, which contributes to the local government share of costs.

While the CRD population has changed significantly since the Commission was created in 1983, the makeup of the Commission as established in legislation has not. One of the concerns expressed by communities on the Westshore[31] is that while population growth in the CRD is focussed in the Westshore, the makeup of the commission favours municipalities in the central core. As outlined in Table 5[32] the population in the Westshore (including Sooke) has increased by almost 19,000 since 1996, while the rest of the region's population has only increased by 8,000. The high growth rate on the Westshore is anticipated to continue with the CRD estimating a doubling of the Westshore population by 2026.[33]

Table 5: Population Increase in the CRD

Municipality	1996	2011	% change (1996-2011)
Central Saanich	15,125	15,936	5.36%
Colwood	14,384	16,093	11.88%
Esquimalt	16,820	16,209	-3.63%
Highlands	1,479	2,120	43.34%
Langford	18,206	29,228	60.54%
Metchosin	4,890	4,803	-1.78%
North Saanich	10,750	11,089	3.15%
Oak Bay	18,457	18,015	-2.39%
Saanich	105,253	109,752	4.27%
Sidney	11,062	11,178	1.05%
Sooke	8,783	11,435	30.19%
Victoria	76,678	80,017	4.35%
View Royal	6,690	9,381	40.22%

31-The Westshore is composed of the communities of Colwood, Langford, View Royal, Metchosin, and the Highlands.
32-BC Development Region, Regional District and Municipal Population Estimates 1996-2006. Demographic Analysis Section, BC Stats, Government of British Columbia. January 2009.
Census 2011 – Population and Housing – Municipalities By Regional District. BC Stats, Government of British Columbia.
33-Population Forecast, 2026, Capital Region. Capital Regional District, Regional Planning Services, March 2001.

Some municipalities in the Greater Victoria area told the Panel that the Victoria Regional Transit Commission does not adequately represent local governments in the CRD. The concerns of the municipal representatives include:

- The Commission has representation from five of the municipalities, yet makes decisions that impact taxation rates in all municipalities;
- Appointments to the Victoria Regional Transit Commission are made by Cabinet, and not the local governments within the CRD;
- Regional planning undertaken by the CRD is not sufficiently integrated with the transit planning undertaken by BC Transit and the Commission; and,
- The Commission has no independent staff or resources to assist members to make the decisions they are asked to make.

The CRD proposed that the responsibilities of the Commission be transferred to the CRD. During discussions with the CRD Board they indicated that they would likely establish a transit committee if responsibility for transit moved to the CRD. In our discussions with local government representatives in the CRD, it was clear that not all local governments fully support the transfer of transit responsibilities to the CRD. Under our terms of reference the Panel was tasked to identify the pros and cons of implementing this request.

The Review Panel has identified the pros and cons of transferring public transit responsibilities to the CRD and compared this option with the pros and cons of remaining with the current governance structure. In addition, the Panel has made recommendations in this report that would result in local governments being responsible for appointments to regional transit commissions. As a result, the Panel has also identified the pros and cons of responsibility remaining with the Victoria Regional Transit Commission, but with members appointed by local governments, and without the membership as prescribed in the current legislation. Under this option the size of the Victoria Regional Transit Commission could be expanded, although the Panel would not recommend a commission larger than 11 members. Both the CRD option and the Panel's revised appointment process would require changes to existing legislation.

The Panel focussed on three main areas in our assessment: governance; service planning; and, decision making. In assessing these areas the panel first identified governance principles and objectives and then compared these to each option. The following table outlines the Panel's conclusions.

Accountability

Local governments are accountable to the citizens of their communities for the services they provide and the costs of those services. Transit is funded through the imposition of property taxes and elected representatives have an obligation to make informed, transparent decisions when making spending decisions for their communities.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

PRO:

- Long track record of improving transit throughout the service area.
- The Victoria Regional Transit System service area is based on transit service needs.

CON:

- The Victoria Regional Transit Commission only has representation from five communities, yet determines transit service levels and approves budgets that impact property taxes in all municipalities that receive transit services.
- The structure of the Victoria Regional Transit Commission as established in legislation does not reflect population growth patterns in the region.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- Appointments would be selected by local governments in the region to represent their interests.
- The Victoria Regional Transit System service area is based on transit service needs.
- A larger commission would allow better representation from CRD member municipalities.

CON:

- An 11 member Commission made up of local government nominees would not have direct representation from all local governments.
- The appointment process by local governments for members would have to be determined.

OPTION 3:
Governance by the CRD

PRO:

- The CRD Board has representation from all local municipalities and the Juan de Fuca electoral area.
- The CRD governance structure provides a weighted representative decision making model that is more representative and equitable than the Commission.

CON:

- CRD governance model is based on current population whereas transit investment is in part focussed on future population growth.
- CRD boundaries are not the same as the Victoria Regional Transit System.

In an election year, existing municipal directors may potentially lose their positions. A governance structure should provide the organization with the ability to make efficient and timely decisions even during a time of external or internal change. Continuity of experience and leadership and predictable and orderly transitions are very important attributes of any governing body.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

PRO:

- The Commission is provided with staff support by BC Transit, which means that knowledge on transit issues is maintained throughout the electoral process.

CON:

- The smaller number of members on the commission make it more susceptible to electoral losses that the larger CRD Board.
- Replacements are appointed by Cabinet which means the timing of replacements is at the discretion of the provincial government.
- The turnover of a large number of members may result in the new appointments not being fully versed in transit issues, which may result in a longer transition period.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO

- As Cabinet would no longer hold authority for appointments, local government would have the opportunity fill vacancies quickly.
- The Commission is provided with staff support by BC Transit, which means that knowledge on transit issues is maintained throughout the electoral process.

CON:

- The smaller number of members on the commission make it more susceptible to electoral losses than the larger CRD Board.

OPTION 3:
Governance by the CRD

PRO:

- The CRDs board structure results in a higher number of representatives which reduces the likelihood of an election resulting in wholesale change to its membership.
- The CRD's in house staff support also means that knowledge on transit issues is maintained during transition periods, which should limit the impact of a change in membership.

Governance

Strategic Vision

Transit planning is one part of regional transportation and land use planning. Regional transportation and land use decisions should be integrated with transit planning to allow local governments to implement their community vision.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

CON:

- The Victoria Regional Transit Commission is only responsible for transit planning and setting fares and service levels. There is inadequate communication between the Victoria Regional Transit Commission and CRD on transportation planning.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- Local government appointments to the Commission should reflect the strategic priorities of the region, and should help to provide a link between transit planning and regional planning.

CON:

- There would be no formal connection between transit planning and transportation (as is the case with the current Commission).

OPTION 3:
Governance by the CRD

PRO:

- Responsibility for transit planning and regional planning would be hosted within the same organization, which should result in a more integrated approach to regional planning.

Service Planning

Performance

Once the strategic vision for the region has been set, the governance structure should be able to implement the transit component of that vision. This involves:

- Identifying 5-10 year operating and capital requirements to implement the vision;
- Rolling three year plans to identify routes and rates;
- Approving annual budgets and services plan to implement the three year plan;
- Monitoring performance and outcomes against approved plans and budgets.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

PRO:

- Staff support provided by BC Transit has the capacity to undertake these functions.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- Staff support provided by BC Transit has the capacity to undertake these functions.

OPTION 3:
Governance by the CRD

CON:

- CRD would have to develop transit expertise.
- CRD has multiple priorities.

The governance structure considers the views of all local governments that will be impacted by a decision. This would include:

- Seeking input into a decision;
- Providing the necessary information to make an informed decision or recommendation;
- Providing the opportunity for feedback and fair consideration of that feedback before making a decision.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

CON:

- The Victoria Regional Transit Commission does not have representation from all local governments in the CRD.
- The current legislative appointment framework may not adequately represent areas that have experienced significant growth since 1983.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- Because local government selects the appointments to the commission, the Commission should better represent the broader community interests.
- Local governments can select members based on regional priorities (i.e. membership from fast growing communities).

CON:

- The Victoria Regional Transit Commission will not have representation from all local governments in the CRD.

OPTION 3:
Governance by the CRD

PRO:

- All local governments in the CRD are represented at CRD table.

Transparency

Decision making processes are transparent when roles and authorities are clearly defined. It is important that those impacted know the costs, options and implications of a decision. In order to be transparent enough information must be provided to make informed decisions.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

No Difference.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

No Difference

OPTION 3:
Governance by the CRD

No Difference

Knowledgeable

Informed decision making requires staff support that is knowledgeable and has the expertise required to provide appropriate advice to the transit governance structure.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

PRO:

- BC Transit will continue to provide professional staff support to the Commission as required under legislation.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- If the Panel's Recommendation 4 is adopted there is the option for the commission to appoint its own staff or continue using BC Transit.

OPTION 3:
Governance by the CRD

PRO:

- CRD has some transportation planning staff.

CON:

- The CRD would likely need to secure additional resources to provide adequate support.

Impartiality

Impartial advice is a key component of public sector decision making. The governance structure must have staff to support Commission members to make decisions. Staff must perform, and be perceived to perform, their duties in an impartial manner.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

CON:

- As the operator, BC Transit is providing advice to the commission on the efficiency, effectiveness and performance of its own activities. There is the potential that this advice may not be impartial.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- If the Panel's Recommendation 4 is adopted there is the option for the commission to appoint its own staff or continue using BC Transit staff.

OPTION 3:
Governance by the CRD

PRO:

- The CRD has existing staff resources which can provide independent advice to the Board on transit issues.

Effective and Efficient

Effective decision making includes the ability to make decisions to the benefit of the broader region, and to make decisions in a timely way.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

PRO:

- The Victoria Regional Transit Commission has a track record of serving the broader region and timely decision making.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- This governance structure maintains a small effective and efficient decision making structure.

OPTION 3:
Governance by the CRD

PRO:

- The CRD has demonstrated that its members can reach consensus on key issues.

CON:

- There is the potential that reaching consensus on decisions may be more difficult and may not be as timely as with a smaller Commission.

Delivering Performance

Public transit is a service that is subject to consumer choice and many consumers have other transportation options. Decision making needs to focus on increasing ridership, improving performance and running and efficient transit system.

OPTION 1:
Status quo.
Governance by the Victoria Regional Transit Commission

PRO:

- With responsibility for only one business, the Commission can focus exclusively on transit issues and make timely decisions.

CON:

- Some decisions may not take the larger transportation picture into account.

OPTION 2:
Governance by the Victoria Regional Transit Commission with members appointed by local government

PRO:

- With responsibility for only one business, the Commission can focus exclusively on transit issues and make timely decisions.

CON:

- Some decisions may not take the larger transportation picture into account.

OPTION 3:
Governance by the CRD

PRO:

- CRD has some experience in changing consumer behaviour (i.e. recycling, reducing water use).

CON:

- CRD is a monopoly service provider, and public transit operates in a competitive market.
- As transit is one of many issues for which the CRD has responsibility, the ability of the CRD to provide the necessary attention to transit may be impacted.

Cost Sharing Representation

(transit bus substity)

Item	Province	Victoria	View Royal	Esquimalt	Langford	West Shore*
Cost Sharing	31.00%	17.25%	8.63%	17.25%	17.25%	8.63%
1 person = 1 vote	MLA	Mayor	Mayor	Mayor	Mayor	Rotation
Capital Contributions:						
Station/Platform	$0	$300,000	$0	$300,000	$600,000	$0
Signals		own road X $	own road X $	own road X $	own road X $	
Safety Assess	$0	$15,500	$15,500	$8,000	$7,500	$0
Track, siding, mtce. facility, etc.	$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0

*(Colwood, Highlands, Metchosin, Sooke)

Economic Ridership Pricing Forecasts

	Colledge	Full Capacity	Full Capacity Break Even	Possible Break Even	Possible Higher Fare
Daily Riders	1,600	3,200	3,200	1,920	1,920
Annual Riders	416,000	832,000	832,000	499,200	499,200
Fare	$3.00	$3.00	$4.25	$7.08	$5.00
Revenues	$1,248,000	$2,496,000	$3,536,000	$3,535,000	$2,496,000
Expenses	$3,535,000	$3,535,000	$3,535,000	$3,535,000	$3,535,000
Net	-$2,287,000	-$1,039,000	$0	$0	-$1,039,000
Province	$708,970	$322,090	$0	$0	$322,090
Victoria	$394,508	$179,228	$0	$0	$179,228
View Royal	$197,254	$89,614	$0	$0	$89,614
Esquimalt	$394,508	$179,228	$0	$0	$179,228
Langford	$394,508	$179,228	$0	$0	$179,228
West Shore	$197,254	$89,614	$0	$0	$89,614
	$0	$0	$0	$0	$0