

Rise and Report (Items Released from Closed Meeting)

On March 22, 2024, the Metro Vancouver Regional District (MVRD) Board of Directors authorized the following information to be released to the public:

TransLink's 2024 Investment Plan and Borrowing Limit

That the MVRD Board:

- a) Immediately release from closed, the report dated March 15, 2024 titled "TransLink's 2024 Investment Plan and Borrowing Limit";
- b) Support TransLink's proposed 2024 Investment Plan as aligned with Metro 2050, the regional growth strategy, as presented in the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit";
- c) Receive for information the materials regarding TransLink's required increase to its borrowing limit as presented in the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit"; and
- d) Direct staff to send letters to the Provincial Minister of Transportation and Infrastructure, Parliamentary Secretary for TransLink, TransLink Board, and Mayors' Council on Regional Transportation noting that the 2024 Investment Plan is aligned with Metro 2050.

Released: March 22, 2024

Blaney Bog Regional Park Reserve – Purchase of 13820 224th Street, Maple Ridge

That the MVRD Board:

- a) authorize and approve the purchase of the fee simple interest in the property located at 13820 224th Street in the City of Maple Ridge, Parcel Identifier: 008-398-232 (the Property), for \$1,630,000 plus or minus applicable taxes, disbursements, closing adjustments, and applicable transaction and closing costs (the Purchase Transaction);
- b) authorize the Director, Real Estate Services, on behalf of MVRD, when satisfied, to enter into, negotiate, execute and deliver all agreements, notices, statements, and other documents necessary or desirable to effect completion of the Purchase Transaction contemplated in recommendation a).

Released: April 25, 2024

CLOSED MEETING

To: MVRD Board of Directors

From: Heather McNell, Deputy Chief Administrative Officer Policy and Planning

Date: March 15, 2024 Meeting Date: March 22, 2024

Subject: **TransLink's 2024 Investment Plan and Borrowing Limit**

RECOMMENDATION

That the MVRD Board:

- a) Immediately release from closed, the report dated March 15, 2024 titled "TransLink's 2024 Investment Plan and Borrowing Limit";
 - b) Support TransLink's proposed 2024 Investment Plan as aligned with Metro 2050, the regional growth strategy, as presented in the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit";
 - c) Receive for information the materials regarding TransLink's required increase to its borrowing limit as presented in the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit"; and
 - d) Direct staff to send letters to the Provincial Minister of Transportation and Infrastructure, Parliamentary Secretary for TransLink, TransLink Board, and Mayors' Council on Regional Transportation noting that the 2024 Investment Plan is aligned with Metro 2050.
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EXECUTIVE SUMMARY

TransLink is required to consult with the MVRD Board prior to the approval of an Investment Plan. The 2024 Investment Plan proposes increases to property taxes and transit fares to support investments in transit service. It contains expansion projects across all modes, including bus (3 percent service increase plus transit priority investments), SeaBus, Canada Line, and local government cost-share funding. In response to TransLink's near-term transit service needs, and to get a head-start on future expansion investments, a modestly-scaled 2024 Investment Plan has been prepared to serve as a bridge before the anticipated larger 2025 *Access for Everyone* Investment Plan. The 2024 Investment Plan also proposes an increase to TransLink's borrowing limit from \$6.8 billion to \$8.5 billion to support necessary investments in regional public transit.

This report is initially being provided to the MVRD Board in closed as TransLink's public comment period on the Investment Plan is launching the morning of March 22, 2024, concurrent with the Metro Vancouver Board meeting (Reference 1). TransLink requested that the information be provided to the Board with sufficient time to consider the Investment Plan, with the intent of releasing the report from closed so that the discussion on the Investment Plan would occur in the open part of the meeting.

Staff recommend that the MVRD Board support and resolve that the 2024 Investment Plan is aligned with *Metro 2050*, the regional growth strategy. Board members are also welcome to participate in the public comment period on the Investment Plan that will extend until April 5, 2024.

PURPOSE

The purpose of this report is to provide the MVRD Board with the opportunity to review the projects and programs and the proposed increase to TransLink's borrowing limit associated with the TransLink's 2024 Investment Plan.

This matter is being presented at a closed meeting pursuant *Community Charter* provision(s) Section 90(2)(b):

the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

BACKGROUND

TransLink is required by the *South Coast British Columbia Transportation Authority Act* to consult and provide an opportunity to the MVRD Board to review the projects and programs associated with an investment plan that proposes an increased borrowing limit, prior to submitting it to the Province (Attachment 1).

2024 INVESTMENT PLAN

The proposed 2024 Investment Plan is intended to be a modest precursor to a more substantial 2025 Investment Plan. Key objectives of the 2024 Investment Plan are to:

- Stabilize TransLink's financial situation and its structural deficit;
- Enable new regional revenue tools and confirm senior government support;
- Address urgent transit service needs (e.g., overcrowding and off-peak convenience issues); and
- Best position TransLink to roll out subsequent phases of the *Access for Everyone* plan in 2025 and beyond.

Projects

Some of the more significant investments in the 2024 Investment Plan include:

- Expand bus service by 3 percent to all parts of the region beginning in September 2024;
- Invest \$21 million in 2025 on transit priority projects;
- Begin SeaBus daily service 15 minutes earlier;
- Increase peak service on the Canada Line;
- Improved late-night service of HandyDART; and
- Extend local government cost-share programs for 2025.

Financing

The detailed terms of TransLink's proposed incremental revenues are contained in Attachment 1 and Reference 1. Some of the key revenue sources include:

- A one-time 2024 increase of \$80 million to the property tax requisition (to be removed in 2025);
- Fare increases of 2.3 percent in 2024, 4 percent in 2025, 3 percent in 2026 and 2 percent inflationary increases in 2027 and beyond; and
- Contributions from the Canada Community-Building Fund, via the Greater Vancouver Regional Fund.

Alignment with Metro 2050

Metro Vancouver staff have reviewed the investments in the proposed 2024 Investment Plan and have concluded that it aligns with *Metro 2050's* policy actions in several notable ways, including:

- The support of growth in the region's transit-oriented Urban Centre and Frequent Transit Development Area framework by delivering and improving effective regional transportation options (1.2.2, 1.2.7 and 1.2.25 of *Metro 2050*);
- The emphasis on corridor-based Major Transit Network projects (e.g., investing in Bus Rapid Transit corridors, Canada Line, and SeaBus) supports the regional land use framework and priority transit networks (5.1.2(a) and 5.1.3 of *Metro 2050*);
- The broad-based expansion of bus services enables reduced energy consumption and greenhouse gas emissions (GHGs) (5.1.2(b) of *Metro 2050*); and
- The extension of local government cost-share programs for 2025 will provide significant funding for active transportation and streets projects (5.1.7 and 5.1.14(a) of *Metro 2050*).

The development of *Metro 2050* was closely coordinated with that of *Transport 2050*, the Regional Transportation Strategy. The policy directions of the two strategies align with the overarching objective of "Access for Everyone". Between the two plans, *Metro 2050* takes the regional policy lead on coordinating regional land use and transportation strategic direction (e.g., Urban Centre growth framework, transit-oriented development, parking, transportation demand management), while *Transport 2050* contains regional transportation policy on expanding regional transit service and advancing the growth vision of *Metro 2050* (e.g., Mobility as a Service, fleet de-carbonization, and more detailed investment planning for transit, cycling and walking projects).

Substantial growth throughout the region is occurring faster than anticipated in *Metro 2050*. To support and advance the shared regional goals and objectives of *Metro 2050*, it is essential to support that growth with transit investments that shift travel modes and reduce GHGs. While the 2024 Investment Plan is modest in terms of enhancements, it is foundational to supporting the much needed infrastructure in the region by first addressing TransLink's structural funding gap, while setting up the next Investment Plan that will seek to advance the key projects in phase 1 of the *Access for Everyone* plan.

ALTERNATIVES

1. That the MVRD Board:
 - a) Immediately release from closed, the report dated March 15, 2024 titled "TransLink's 2024 Investment Plan and Borrowing Limit";
 - b) Support TransLink's proposed 2024 Investment Plan as aligned with Metro 2050, the regional growth strategy, as presented in the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit";
 - c) Receive for information the materials regarding TransLink's required increase to its borrowing limit as presented in the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit"; and
 - d) Direct staff to send letters to the Provincial Minister of Transportation and Infrastructure, Parliamentary Secretary for TransLink, TransLink Board, and Mayors' Council on Regional Transportation noting that the 2024 Investment Plan is aligned with Metro 2050.

2. That the MVRD Board receive for information the report dated March 15, 2024, titled "TransLink's 2024 Investment Plan and Borrowing Limit" and provide staff with alternate direction.

FINANCIAL IMPLICATIONS

The 2024 Investment Plan requires an increase to TransLink's established borrowing limit by \$1.7 billion (i.e., from \$6.8 billion to \$8.5 billion). The increase will support delivery of the regional share of the capital expenditures in the plan. The additional borrowing limit may result in additional liability and borrowing costs that must be serviced by ratepayers in the region, however it is not anticipated to have financial implications for Metro Vancouver.

The 2024 Investment Plan assumes the same future contributions from the Canada Community-Building Fund (CCBF), via the Greater Vancouver Regional Fund (GVRF), as compared with the 2022 Investment Plan. The MVRD Board has approval authority over the distribution of funds from the GVRF. The ten-year terms of the CCBF and GVRF expire in March 2024, and while confirmation is still pending, staff anticipate that the program will be extended for another ten-year term, with updated provisions as endorsed by the MVRD Board at its November 24, 2023 meeting.

CONCLUSION

TransLink is required by the *South Coast British Columbia Transportation Authority Act* to consult with the MVRD Board prior to the approval of an investment plan that proposes an increased borrowing limit. After the completion of the required consultation period, the TransLink Board and the Mayors' Council will be considering the 2024 Investment Plan for approval at a joint meeting on April 25, 2024.

The 2024 Investment Plan proposes significant new revenue sources, including increases to property taxes and transit fares. It contains expansion projects across all modes, including bus (3 percent service increase plus transit priority investments), SeaBus, Canada Line, and local government cost-share funding. Staff recommend that the MVRD Board support and send letters noting that the 2024 Investment Plan is aligned with *Metro 2050*.

ATTACHMENTS

1. TransLink Memorandum dated March 8, 2024, titled "2024 Investment Plan".

REFERENCES

1. [2024 Investment Plan Discussion Guide](#)

66480479

TO: Metro Vancouver Regional District Board of Directors

FROM: Kevin Quinn, Chief Executive Officer, TransLink

DATE: March 14, 2024

SUBJECT: 2024 Investment Plan

PURPOSE:

The purpose of this memo is to advise the Metro Vancouver Regional District Board of Directors (MVRD Board) of the proposed revenue and scope parameters for a 2024 Investment Plan. As per the South Coast British Columbia Transportation Authority (SCBCTA) Act, TransLink is required to consult with the MVRD Board on the proposed investment plan and increase to TransLink’s borrowing limit in advance of approval by the TransLink Board of Directors (TransLink Board) and the Mayors’ Council on Regional Transportation (Mayors’ Council).

This memo and a presentation from TransLink staff at the March 22, 2024, MVRD Board meeting, which provides the Board with an opportunity for questions and comments, will constitute consultation with MVRD on the 2024 Investment Plan. A response from the Chair of the MVRD Board to the Chair of the Mayors’ Council to the attached borrowing limit letter will confirm that TransLink has met its consultation requirements with MVRD on the borrowing limit.

Public consultation on the 2024 Investment Plan will be held from March 22 to April 5, 2024, on www.translinklistens.ca.

BACKGROUND:

Under the South Coast British Columbia Transportation Authority Act, the TransLink Board and the Mayors’ Council on Regional Transportation must approve a 10-Year Investment Plan at least once every three years. The Investment Plan must identify proposed transportation services, key initiatives, and capital investments, and detail how they will be funded.

Since the approval of the 2022 Investment Plan, population growth and the subsequent pressure on regional housing and transportation in our region has been growing much faster than previously anticipated. Our transit ridership has now recovered to 90 per cent of 2019 levels, leading our peers in Canada and the U.S. In many parts of the region, ridership has already far surpassed 2019 levels – with the South-East part of the region recording ridership levels that are now more than 120% higher than pre-pandemic.

Many parts of the region are now experiencing significant overcrowding on transit where more than 100% of all seating and standing space is occupied. For example, up to one-third of bus trips in Vancouver, Surrey, and Langley are now overcrowded at peak times – meaning people are frequently physically unable to fit on buses and are required to wait for the next one to come.

In order to respond to our urgent near-term transit service needs – and to begin the expansion investments in the *Access for Everyone* Plan that have long-lead times – the Mayors’ Council, the TransLink Board and the Government of British Columbia agreed that TransLink should undertake a bridging plan in 2024 using available assets and revenue tools within TransLink’s control, while the three parties continue to work on a larger 2025 Investment Plan.

The 2025 Investment Plan will need to enable significant new revenues sufficient to return TransLink to long-term financial sustainability – fixing our structural deficit and enabling the roll-out of the first major phase of the *Access for Everyone* Plan.

DISCUSSION:

From March 22 to April 5, 2024, TransLink will be undertaking public consultation on a proposed 2024 Investment Plan.

The following revenue and scope parameters are proposed for the 2024 Investment Plan:

Table 1: Incremental Revenue Parameters Requested to Fund a 2024 Investment Plan
(1 year bridging plan to *Access for Everyone* Phase 1)

Beneficiary Group	Proposed Incremental Revenue
Transit Users	<ul style="list-style-type: none"> ○ Proposes following schedule of fare increases: <ul style="list-style-type: none"> ▪ Jul 1, 2024: 2.3% (as approved in the 2022 Investment Plan) ▪ Jul 1, 2025: 4% ▪ Jul 1, 2026: 3% ○ 2027+: 2% annual inflationary increase (consistent with 2022 IP)
Motor Vehicle Users	<ul style="list-style-type: none"> ○ No change to fuel tax or parking tax.
Property Owners	<ul style="list-style-type: none"> ○ One-year increase of \$80M to currently planned property tax revenues in 2024 which will reverse the following year.

Given the above revenue parameters, the following scope is feasible to include in this modest 2024 Investment Plan in order to address urgent transit service needs while maintaining the ability to hold the date when transit service cuts will be required to maintain financial sustainability (i.e. the “fiscal cliff”) to the beginning of 2026, similar to the current 2022 Investment Plan.

Table 2: Proposed Scope for 2024 Investment Plan (1 year bridging plan to *Access for Everyone* Phase 1)

Category	The 2024 Investment Plan continues to fund all services and projects funded in previous Investment Plans. Additional proposed investments under this plan include:
Bus Service	<ul style="list-style-type: none"> ○ Expand bus service by 160,000 ASH (3% increase) across the region, with implementation phased in September 2024, January 2025 and April 2025. ○ Implemented using existing bus fleet and for improved off-peak service only.
Bus Speed & Reliability	<ul style="list-style-type: none"> ○ \$21M in 2025 for transit priority projects, focused on corridors with high amounts of bus delay to both reduce customer delay and reduce operating costs.
SeaBus	<ul style="list-style-type: none"> ○ Start SeaBus service 15 min earlier (5:47am southbound / 6:01am northbound).
SkyTrain	<ul style="list-style-type: none"> ○ Extra trips on Canada Line for critical over-crowding and off-peak convenience.
HandyDART	<ul style="list-style-type: none"> ○ Improved late-night service of HandyDART.
Streets Program	<ul style="list-style-type: none"> ○ Extend local government cost-share programs for Streets (active transportation, Major Road Network infrastructure, and road safety improvements) for 2025.
Transit Fleet & Facilities	<ul style="list-style-type: none"> ○ Expansion buses, BRT readiness and related bus infrastructure.

The scope of this 2024 Investment Plan is a first modest step, meant to address urgent near-term transit needs and to serve as a one-year bridge to rolling out the full phase 1 of the *Access for Everyone* Plan that will be realized in 2025 Investment Plan. Likewise, revenue increases proposed in the 2024 Investment Plan are a first step towards achieving TransLink’s long-term sustainable funding strategy that will need to be actioned in a 2025 Investment Plan, including enabling new revenue tools in partnership with the Provincial government.

In terms of financial impacts, this 2024 Plan retains the fiscal cliff in early 2026 window (consistent with the current 2022 Investment Plan). Therefore, a significant 2025 Investment Plan will be required to avoid implementing the deep service cuts of the fiscal cliff.

In terms of policy alignment, this proposed scope is well aligned with *Transport 2050* objectives and *Metro 2050* objectives, specifically Strategy 5.1.2 in *Metro 2050*.

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

Borrowing Limit

Attached to this report is a letter from the Chair of the Mayors’ Council to the Chair of the MVRD Board regarding TransLink’s intention to raise our borrowing limit through this Investment Plan.

TransLink currently has an established borrowing limit of \$6.8 billion. The Draft Plan proposes an increase of \$1.7 billion to the amount TransLink may borrow so that the revised borrowing limit, in accordance with Section 31(1) of the SCBCTA Act, becomes \$8.5 billion. The need to increase the borrowing limit is mainly driven by inflationary pressures and construction cost escalations on TransLink's previously approved capital program. Additional capital for the next two years including Streets and Bus Reliability Programs also contribute to the need to revise the borrowing limit.

Greater Vancouver Regional Fund Projects

New capital investments proposed in the 2024 Investment Plan are limited to those fully funded by senior government contributions. With respect to the projects earmarked for GVRF funding, these are the changes proposed in the 2024 Investment Plan, as compared to the 2022 Investment Plan:

- GVRF funding will not be used to procure additional fossil-fueled non-revenue vehicles.
- Procurement of 31 replacement Battery Electric Buses (BEBs) in 2027 has been added to projects proposed to be funded from GVRF. These replacement buses were previously planned as 2025 bus replacement, to be funded from Zero Emission Transit Fund (ZETF). However, due to constraints of depot space and charging infrastructure, the retirement of existing buses has been delayed until 2027. Accordingly, these buses will no longer qualify for ZETF funding.
- Procurement of BEBs was identified in newly added years within the Investment Plan horizon (2032 and 2033).
- Timing of certain bus procurements has been adjusted to better align with the replacement schedule.
- Costs were adjusted to reflect most recent estimates.

Next Steps

Public consultation on Investment Plans is required by the *South Coast British Columbia Transportation Authority (SCBCTA) Act*. TransLink is planning to announce the launch of this public consultation on Friday, March 22 and have the consultation run for two weeks until April 5, 2024.

The SCBCTA Act also requires that TransLink consult with the MVRD Board on the overall Investment Plan and the raising of the borrowing limit. Given the short turnaround on this 2024 Investment Plan, this report and verbal briefing provided by TransLink staff will constitute the legislatively required consultation under the SCBCTA Act. TransLink staff will ensure a more robust engagement with Metro Vancouver in the development of the 2025 Investment Plan over the coming year.

Upon completion of the required consultation period, staff will return to the TransLink Board and the Mayors' Council for approval of the 2024 Investment Plan at the April 25th Joint Meeting of the Mayors' Council and Board.

Failure to approve a 2024 Investment Plan by or at the April 25, 2024 Joint Meeting of the Mayors' Council and TransLink Board will mean that TransLink will need to wait until the 2025 Investment Plan to make any service improvements or procure the additional buses needed for the first phase of the Access for Everyone Plan, including the first three BRTs.

CONCLUSION:

This report provides an overview of the proposed 2024 Investment Plan that includes urgently needed transit service investments and extension of important local government cost-share programs in 2025. This 2024 Investment Plan proposes to increase revenue sources within TransLink's control to fund these investments while a larger and more extensive 2025 Investment Plan is developed over the coming year.

ATTACHMENT:

- A. Letter from Chair of the Mayors' Council to Chair of the MVRD Board on TransLink's Borrowing Limit

March 13, 2024

Mayor George Harvie
Chair, Board of Directors Metro Vancouver Regional District
Metrotower III,
4515 Central Boulevard
Burnaby BC V5H 0C6

Dear Chair Harvie:

TransLink has initiated the public consultation process for its Draft 2024-2033 Investment Plan. This Draft Plan is proposed as a bridge to provide urgently needed near-term investments in transit service and extension of local government cost-share programs in 2024-2025 while a larger 2025 Investment Plan is developed to begin delivering the *Access for Everyone* Plan. Consultation on this proposed 2024 Investment Plan will begin on March 22 and conclude on April 5, 2024.

Consultation with Metro Vancouver on the Draft Plan is a legislatively required part of the development and approval of the Draft Plan. In March, TransLink staff will present an overview of the Draft Plan to Metro Vancouver’s Board.

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

Before the Mayors' Council on Regional Transportation approves an investment plan that proposes an increase in the amount the authority may borrow, the Mayors' Council on Regional Transportation must consult with the Greater Vancouver Regional District Board of Directors.

In accordance with this provision, and to fulfill TransLink’s consultation obligations with respect to the amount TransLink may borrow, I am writing to inform the Metro Vancouver Board of Directors that the Mayors’ Council plans to consider approval of a 2024-33 Investment Plan that would increase TransLink’s established borrowing limit. A response to this letter from the Metro Vancouver Board is requested by April 5, 2024 with any feedback you may wish to provide.

TransLink currently has an established borrowing limit of \$6.8 billion. The Draft Plan proposes an increase of \$1.7 billion to the amount TransLink may borrow so that the revised borrowing limit, in accordance with Section 31(1) of the SCBCTA Act, becomes \$8.5 billion. The need to increase the borrowing limit is driven by inflationary pressures and construction cost escalations on TransLink's capital program.

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

Sincerely,

Mayor Brad West
Chair, TransLink Mayors' Council on Regional Transportation
Enclosure

cc: Jerry Dobrovolny, Chief Administrative Officer, Metro Vancouver
Harji Varn, Chief Financial Officer, Metro Vancouver
Lorraine Cunningham, Chair, TransLink Board of Directors
Kevin Quinn, Chief Executive Officer, TransLink
Mike Buda, Executive Director, TransLink Mayors' Council on Regional Transportation