

Malinowski, Penny TRAN:EX

#279560

From: Richter, Kevin J TRAN:EX
Sent: August 24, 2018 9:30 AM
To: Ostropolski, Melissa TRAN:EX
Subject: FW: Follow up - Malahat status

From: Richter, Kevin J TRAN:EX
Sent: Thursday, August 23, 2018 6:42 PM
To: Papadopoulos, James TRAN:EX
Cc: Beale, William TRAN:EX; Robb, Katie GCPE:EX; Miska, Ed TRAN:EX; Bhatti, Ashok A TRAN:EX
Subject: Follow up - Malahat status

Please call if you wish to discuss.

Malahat Project Underway:

Malahat Village Safety Improvements - \$34M

- ~85% complete
- Improving to 4 lanes with wider shoulders, median barriers, and improved access to the highway

s.13

Malahat Engineering:

s.13

- Developing terms of reference for a consultant to review alternative routes/modes, and to develop concept options for emergency detours for the Malahat

s.13

South Island Multi Modal Transportation Plan

- Developing a detailed terms of reference for the consultant assignment s.13 which includes:
- Building on existing works, undertake the next level of engineering for an integrated rail, ferry, transit, cycling, and road transportation system;
- Identification of medium and long term projects to provide congestion relief for South Island Residents including West Shore, Peninsula, Mill Bay, Shawnigan and Sooke area through multi modal travel choices and certainty, by undertaken engineering on:

s.13

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BRIEFING NOTE FOR INFORMATION

DATE: August 24, 2018
PREPARED FOR: Premier John Horgan
MEETING: Minister Trevena and Island MLAs on September 5, 2018
ISSUE: E&N Railway Corridor

SUMMARY:

- In May 2018 government committed to using the E&N corridor within the CRD to facilitate the movement of people from the West Shore into the city and back. It was also indicated that rail did not seem to be a viable option at this time. Moreover, it was noted that rapid bus could be a transportation option in this area.
- Government's first priority along the E&N corridor is within the CRD and getting people moving into Victoria, but anticipates that discussions with the ICF will include the full corridor.
- ICF co-chairs Dr. Sayers and Mayor Kent met with Minister Trevena in May 2018, and:
 - reinforced that the E&N corridor is owned by the ICF;
 - expressed the ICF's continued position that a contiguous rail corridor (not just within the CRD) is critical;
 - re-stated the ICF's vision for the corridor which does not include commuter rail.

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- While recognizing that ownership of the E&N corridor resides with the ICF, TRAN staff will need to further analyze and refine the estimated costs for rail and bus transit along this section of the corridor, likely as part of a larger multi-modal transportation initiative.
- ICF Chair and Vice Chair met with Minister Trevena in May 2018 when it was agreed that that senior TRAN staff would meet and engage with the ICF representatives.
- A follow-up meeting between Dr. Sayers and TRAN senior staff was held on August 22nd, and was both cordial and positive. TRAN staff indicated a desire to move forward with a phased approach by assessing the state of the track in the CRD.
- As an initial phase, TRAN staff discussed undertaking engineering analysis to assess the condition of the rail corridor on the South Island. Dr. Sayers was supportive and agreed to take this request to the ICF Board for consideration.
- TRAN staff committed to working closely with the ICF on any future planning and assessment of the corridor within the CRD and possibly north to Duncan.

BACKGROUND:

The E&N rail corridor is owned and operated by the Island Corridor Foundation (ICF). The ICF is a non-profit society with a 12- person Board of Directors. The ICF has also recently appointed Larry Stevenson as its new Chief Executive Officer (CEO) effective August 1, 2018. (See Appendix 1 and 2 for list of Board members and CEO biography).

The ICF's articles provide that it may use the corridor for purposes consistent with its charitable purpose, which includes the provision of railway services and recreational trails.

Passenger train service ceased in 2011 due to track safety concerns, and in 2014, freight service ceased between Duncan and Parksville. Since then, the ICF has been unable to reintroduce service on Vancouver Island. The E&N is still considered an operational railroad. Municipalities, as road

authorities, pay crossing fees through signed road crossing maintenance agreements between the road authorities and the Island Corridor Foundation's rail operator, the Southern Railway of Vancouver Island. Regular safety inspections and required maintenance continue to be performed by the railway operator.

DISCUSSION:

Meetings/Consultations:

In March 2018, ICF Co-Chair Sayers wrote Premier Horgan on the future of the corridor, and Minister Trevena responded to (see Appendix 3), and subsequently met with, Dr. Sayers and Mayor Kent in May 2018. At that meeting, the ICF representatives indicated that maintaining a contiguous rail corridor along the full E&N was critical. Further, the representatives reinforced that the E&N corridor is owned by the ICF, and that their constitution enabled rail or trail uses only. Dr. Sayers and Mayor Kent also referenced the ICF's plan/vision for the corridor which includes a track infrastructure and rail services plan. Minister Trevena identified a number of points at the meeting including that:

1. the Province's first priority along the E&N corridor is within the CRD;
2. commuter rail along that section of the corridor did not appear viable;
3. the government, through MLA Mitzi Dean, had been in dialogue with other stakeholders along the corridor, including the Esquimalt and Songhees First Nations; and,
4. keeping the full rail corridor contiguous would be a significant challenge.

Minister Trevena agreed that there needed to be increased dialogue between the Province and the ICF, and asked the ADM of Policy and Programs, Deborah Bowman, to liaise directly with the ICF.

ADM Bowman and ADM Kevin Richter, along with other TRAN staff, subsequently met with Dr. Sayers on August 22nd. At the meeting, Dr. Sayers reiterated that she and members of the ICF have requested a meeting with the Premier.

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Dr. Sayers also reiterated the ownership of the corridor lands by the ICF and their constitution requirements for rail or trail use on the track.

TRAN staff indicated a desire to move forward with a phased approach. The first phase would be for TRAN to undertake an engineering study to better understand the current condition of the rail corridor asset. This would include an engineering assessment of structures, culverts, rail bed and track, as well as assessing track intersection with roadways and safety issues. Although the precise geographical area of this work is to be determined, it would be within the South Island. The results would then be incorporated into Phase 2 works around a multi-modal South Island transportation study, in part to determine how rail could potentially fit into a broader transportation solution with other modes such as roads, transit and ferries. Dr. Sayers appeared supportive of this approach, and agreed to take the Ministry's request to undertake the first phase of works to the ICF Board, likely in September. Discussions at the meeting also touched on other issues, including ICF's vision and mandate, funding and engagement with the Esquimalt and Songhees First Nations.

Prior the meeting in May, ICF representatives also met with Minister Trevena in November 2017, and presented their track infrastructure and rail services plan. The first phase of the plan focused on the Victoria to Nanaimo segment and would provide infrastructure upgrades that would allow for: VIA Rail inter-city passenger service; a tourism excursion train operation; freight service; and a bud car commuter train service between Victoria and Langford. The infrastructure upgrades necessary to support these services has been estimated by the ICF at \$42.7M. The ICF has estimated that upgrading the rail lines from Nanaimo to Port Alberni and Courtenay to cost another \$52.4M. The estimate to upgrade the tracks from Langford to Vic-West was approximately \$6.5M, however this

DRAFT and CONFIDENTIAL ADVICE TO MINISTER AND CABINET FOR DISCUSSION

amount does not factor the other capital and operating or subsidies associated with implementing a commuter rail service.

In a letter dated May 23, 2018 to Premier Horgan, MLA Leonard Krog indicated that it is important that the government's position regarding the future of the E&N be clarified. See Appendix 4 for letter and response from Minister Trevena. Minister Trevena responded that once the CRD portion of the corridor is addressed, the government will be in a better position to consider the full E&N corridor. On June 13, 2018, MLA Krog announced his candidacy for the Mayor Nanaimo and that he plans to stay on as MLA until the municipal election in Fall 2018.

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First Nations Legal Action:

In January 2016, the Snaw-Naw-As First Nation filed a lawsuit against the federal government and the ICF to have land where the E&N railway crosses their reserve returned to them. In November 2016, Cowichan Tribes and the Halalt First Nation filed similar suits.

All three First Nations claim there is no reasonable expectation that operations on the E&N line will resume and that the lands should revert to the federal government for benefit of the First Nations. Canada's filed response to the Snaw-Naw-As action accepts that the land in question may revert to Canada upon the cessation of railway operations for the benefit of the First Nation.

The ICF argues that the railway is still being maintained, has not been discontinued, and that it intends to re-establish rail services such that there can be no reversion. ICF also asserts that its ownership of the E&N corridor is absolute such that the land would not revert to the federal government regardless of whether it has ceased to be used for railway purposes.

Should the courts rule in the First Nations favour, ownership of those lands may revert to the Federal government or the First Nations and similar arguments could be made for other portions of the corridor not currently subject to the legal challenges.

FINANCIAL IMPLICATIONS

Based on recent initial work undertaken by the Ministry of Transportation and Infrastructure, the costs associated with implementing either rail or bus transit on the E&N corridor between Westhills and Six Mile

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TRAN and BC Transit will need to undertake a detailed assessment of the E&N corridor (from Westhills to Vic West terminus), and refined costs with recommendations for providing BC Transit service along various segments of the E&N corridor.

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NEXT STEPS

Refinement of Cost Estimates

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TRAN staff (working closely with BC Transit) will need to further analyze and refine the estimated costs for rail or bus transit along this section of the corridor, likely as part of a larger multi-modal transportation initiative.

Meetings with the ICF

As follow-up to the May 2018 meeting between Minister Trevena and the ICF, senior TRAN staff met with Dr. Sayers on August 22nd. It was agreed that this meeting was the start of a renewed dialogue between TRAN and the ICF. The Ministry offered to provide a subsequent presentation to the ICF Board on its proposed Phase and is waiting for a formal response from Dr. Sayers and the ICF Board.

Attachments:

- Appendix 1 – ICF Board of Directors
- Appendix 2 – ICF Chief Executive Officer Larry Stevenson, Biography
- Appendix 3 – Correspondence with ICF
- Appendix 4 – Correspondence with MLA Leonard Krog
- Appendix 5 - Map of E&N Rail Corridor within the Capital Regional District
- Appendix 6 – Sampling of Media Articles Related to Premier Horgan's Comments on E&N May 2018

PREPARED BY:

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Transportation Policy & Legislation
(250) 356-2051

REVIEWED BY:

Kathy Kirby, Executive Director
Transportation Policy & Legislation
Deborah Bowman, ADM
Transportation Policy and Programs Department
Nancy Bain, EFO
Finance and Management Services Department

INITIALS

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Appendix 1 – ICF Board of Directors

Chair and Director at Large:	Dr. Judith Sayers
Vice-Chair and Cowichan Valley Regional District:	Mayor Phil Kent, Duncan
Director at Large:	Mary Ashley
Alberni Clayoquot Regional District:	Ken McRae
Capital Regional District:	Ben Isitt, Councilor
Comox Valley Regional District:	Mayor Larry Jangula
Cowichan Tribes:	Albie Charlie, Councilor
Halalt First Nation:	Lonnie Norris, Business Development Manager
Lake Cowichan First Nation:	Georgina Livingstone
Stz'uminus First Nation:	Ray Gauthier, CEO of CSDC
Nanaimo Regional District:	Alec McPherson
Hupacasath First Nation:	Jim Tatoosh, Councilor



Appendix 2 – Larry Stevenson, Biography

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Appendix 3 – Correspondence with ICF



June 6, 2018

Dr. Judith Sayers, Chair
Island Corridor Foundation
PO Box 375 Stn A
Nanaimo BC V9R 5L3

Reference: 277145

Dear Dr. Sayers,

Re: Island Rail Service and E&N Corridor

Thank you for meeting with me last week in Victoria. It was a pleasure to meet with you and Mayor Kent to discuss the E&N corridor and the Island Corridor Foundation's interests.

I appreciate the foundation's efforts in support of a vision for Vancouver Island rail service, and I commend you for your tireless work, passion and dedication to the E&N corridor.

Our government is committed to making life in B.C. more affordable, improving the services people count on, and building a strong, sustainable and innovative economy. As I mentioned at our meeting, I am interested in pursuing a lasting, practical and affordable use for the E&N corridor in the Capital Regional District that will purpose the corridor for the benefit of southern Vancouver Island's growing population and ease traffic congestion.

At our meeting, we discussed the need for continued dialogue between the provincial government and the Island Corridor Foundation in order to explore opportunities and find an equitable solution for revitalizing the use of the corridor.

I have asked the ministry's Assistant Deputy Minister for Transportation Policy and Programs, Deborah Bowman, to lead this dialogue on my behalf. Her office will be in contact with you to schedule a meeting in the near future. It is my hope that a mutually beneficial solution for both the Province and the Island Corridor Foundation can be achieved.

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Ministry of Transportation
and Infrastructure

Office of the Minister

Mailing Address:
Parliament Buildings
Victoria BC V8V 1X4



- 2 -

Thank you again for meeting with me, and I look forward to being kept apprised of the progress we hope to achieve together.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Claire Trevena".

Claire Trevena
Minister

Copy to: Mitzi Dean
MLA, Esquimalt-Metchosin

His Worship Mayor Phil Kent
City of Duncan
Chair, Island Corridor Foundation

Grant Main
Deputy Minister

Deborah Bowman, Assistant Deputy Minister
Transportation Policy and Programs Department

Appendix 3 – Correspondence with ICF



APR 24 2018

Dr. Judith Sayers, Chair
Island Corridor Foundation
PO Box 375 Stn A
Nanaimo, BC V9R 5L3

Reference: 275730

Dear Dr. Sayers,

Re: Island Rail Service and E&N Corridor

Premier John Horgan has shared with me your recent letter regarding the E&N corridor and Island Corridor Foundation's interest in Island rail service.

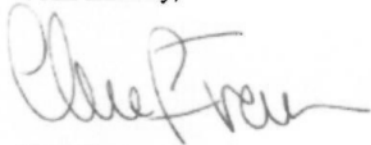
I appreciated the opportunity to meet with representatives of the Southern Railway of Vancouver Island late last year as well as representatives of the Island Corridor Foundation board. I am familiar with the work that the foundation has engaged in over the past several years.

The E&N rail line and its future is a matter of interest for the provincial government. I would like to invite you to meet with me in June, once the current session of the House concludes, to discuss a way forward and how to address our mutual interests in the corridor.

Staff in my office will contact you to arrange a mutually convenient time for the two of us to meet in person.

Thank you again for taking the time to write and I look forward to meeting with you.

Yours sincerely,



Claire Trevena
Minister

Copy to: Premier John Horgan

Grant Main
Deputy Minister

Deborah Bowman, Assistant Deputy Minister
Transportation Policy and Programs Department

Ministry of Transportation
and Infrastructure

Office of the Minister

Mailing Address:
Parliament Buildings
Victoria BC V8V 1X4



ISLAND CORRIDOR FOUNDATION

Box 375 Stn A Nanaimo, BC V9R 5L3
office 250 754 7254 | fax 888 662 4197
islandrail.ca

March 23, 2018

Premier John Horgan

Parliament Buildings

Victoria, B.C.

Dear Premier

Re: Island Rail Service

As the current owner of the Island Rail Road the ICF Directors were pleased to read of your desire for a quick decision regarding the future use of the corridor. We are thankful you agree that another study is not necessary.

We met with Minister Trevena last November and presented a track infrastructure and rail services plan between Nanaimo and Victoria and made mention another study was not necessary. The first phase of the plan presented would allow for VIA inter-city passenger service; a tourism excursion train operation; freight service; and a bud car commuter train service between Victoria and Langford.

The ICF and our rail operator, Southern Rail of Vancouver Island, are keen to work with you in providing a transportation service that in phases will benefit all the people of Vancouver Island. Unfortunately we have not received a reply from the minister.

I think it is fair to say that most if not all of the Island MLA's are in favour of restoring rail service as is the majority of Islanders. The AVICC has several times endorsed resolutions calling for the restoration of rail services.

It is noted that your own municipality, Langford, is not. That being said it is also true that some of our First Nation members have varying opinions concerning the use of the corridor.



ISLAND CORRIDOR FOUNDATION

Box 375 Stn A Nanaimo, BC V9R 5L3
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islandrail.ca

Mr. Premier when you consider that, greenhouse gas emissions, traffic congestion, island economic development opportunities and ease of travel for people, will all be positively affected by a good rail system then now is the time to make it happen.

I have also included a copy of the ICF 'Strategic Priorities & Operations Plan' which gives you a factual account of the ICF.

We are ready to help and await your reply.

Yours Truly

Dr. Judith Sayers CM

Appendix 4 – Correspondence with MLA Leonard Krog

CLIFF # 276950



LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

May 23, 2018

Honourable John Horgan
Premier of British Columbia
PO Box 9041 Stn. Prov. Govt
Victoria, BC V9W 9E1



Leonard Krog, MLA
Nanaimo

Dear Premier,

I read the coverage of your comments about light rail, and have read Glen Migneault's email to you of May 16th. I have spent a number of years communicating with some of the folks to whom Glen's email was sent, and indeed by speeder several years ago travelled to the Alberni Summit on the rail line. As many of Glen's group know my late grandfather John Krog, who surveyed the waterworks that brought the very water to Victoria from the Sooke Hills also surveyed the E&N graded to Cameron Lake.

All of us appreciate and we do not expect government to invest however the many 10's of millions of dollars in one fell swoop it would take to restore the whole line up the east coast of Vancouver Island. I think it is important that you clarify and issue a statement very clearly as to what is the government's position on the future of the E&N. There are many of us that are still devoted to the concept of ensuring the preservation of the line and its eventual upgrade to full use, both for passenger and freight transportation, let alone the incredible tourism opportunities that exist.

These people who have worked so hard deserve a meeting, and the people of Vancouver Island and my Nanaimo constituents to whom I have made commitments need clarity from you. I appreciate the many burdens and responsibilities you have as Premier, but for many of us the E&N still remains an important issue.

Sincerely,



Leonard Krog, MLA
Nanaimo

CC: Glenn Migneault Jake Peake Harvey Alphonse Sturgill Jimmy Jr Lanny Seaton Minister Claire Trevena MLA Doug Routley PS Mitzi Dean MLA Adam Olsen MLA Sonia Furstenau

Nanaimo Constituency Office
4-77 Victoria Crescent
Nanaimo BC V9R 5B9
T 250-714-0630 F 250-714-0859
leonard.krog.mla@leg.bc.ca
www.leonardkrog-mla.ca

Legislative Office
East Annex Parliament Buildings
Victoria BC V8V 1X4



June 8, 2018

Leonard Krog
MLA, Nanaimo
77 Victoria Crescent, Suite 4
Nanaimo BC V9R 5B9

Reference: 276950

Dear Leonard,

Re: E&N Corridor

Premier John Horgan shared with me your letter of May 23, 2018, regarding the future of the E&N corridor.

As you know, our government is committed to making life in B.C. more affordable, improving the services people count on, and building a strong, sustainable and innovative economy. Both the Premier and I recognize the importance of the full E&N corridor to Vancouver Island residents, and we also recognize its potential to serve as a future transportation corridor. We are also cognizant of the efforts that have been undertaken by the ICF and others in the pursuit of reinstating rail service on Vancouver Island.

The Province's immediate goal is to revitalize the southernmost portion of the E&N corridor to get people in the Capital Regional District (CRD) moving to and from the West Shore as quickly and efficiently as possible. The West Shore communities in Greater Victoria are among the fastest growing in Canada. Revitalizing the E&N corridor in the CRD is an opportunity we want to pursue, which is why we are committed to exploring ways to use the southernmost portion of the corridor to its full capability. Revitalizing passenger rail on this section of the corridor presents challenges, and is likely not the easiest or most affordable way to reduce the congestion we see today.

This work is complex and involves a number of stakeholders, including the Island Corridor Foundation (ICF), which owns the corridor, local governments and First Nations. Last month, I met with Dr. Judith Sayers and Mayor Kent to discuss our mutual interests and have directed ministry staff to continue to engage with representatives of the ICF on this matter. I also recently met with Mr. Jack Peake in his role as chair of the E&N Railway Roundtable Group.

Once the CRD portion of the corridor is addressed, the provincial government will be in a better position to consider the full E&N corridor. It is my hope that a mutually beneficial solution for both the Province and the Island Corridor Foundation can be achieved.

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Office of the Minister

Mailing Address:
Parliament Buildings
Victoria BC V8V 1X4



- 2 -

Thank you for taking the time to write.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Claire Trevena".

Claire Trevena
Minister

Copy to: Premier John Horgan

Mitzi Dean
MLA, Esquimalt-Metchosin

Sonia Furstenau
MLA, Cowichan Valley

Adam Olsen
MLA, Saanich North and the Islands

Doug Routley
MLA, Nanaimo-North Cowichan



Appendix 5 – Map of E&N Rail Corridor within the Capital Regional District

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Appendix 6
Sampling of Media Articles Related to Premier Horgan's Comments on E&N May 2018.

Trevena - E&N corridor

CBCV

Friday, May 18, 2018, 08:12

By CBC On the Island²

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Horgan/Dean - E&N corridor

CHEK

Friday, May 18, 2018, 17:23

By CHEK News at Five

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Horgan/Trevena/Mariash/Screech - E&N light rail

CIVI

Wednesday, May 16, 2018, 17:00

By CTV News Live @ 5¹

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Region's politicians laud movement on corridor

Times Colonist (Victoria)

Thursday, May 17, 2018

Page A03

By Bill Cleverley & Lindsay Kines²

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Horgan/Desjardins - E&N corridor
CFAX
Wednesday, May 16, 2018, 13:02
By CKNW

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Ministry of
Municipal Affairs
and Housing

X REFERENCE
279642

BRIEFING NOTE FOR INFORMATION

Date: August 24, 2018
Prepared For: Honourable John Horgan, Premier
Title: Broadway Subway and Surrey Newton-Guildford LRT Projects
Issue: Overview of Broadway Subway and Surrey Newton-Guildford LRT Projects
Briefing Date: August 28, 2018

SUMMARY:

- **June 28, 2018 – The Mayors' Council of Regional Transportation approved Phase Two of a 10-Year Vision for transportation and transit investments in Metro Vancouver.**
- **Phase Two is estimated at \$7.65 billion over ten years.**
- **The Province committed to fund 40% (estimated at \$2.54 billion) of the capital cost of Phase Two of the Mayors' Vision. The Province is also funding and delivering the replacement of the Pattullo Bridge, estimated at \$1.377 billion.**
- **The federal government, through Infrastructure Canada and the Investing in Canada Infrastructure Program, committed to fund \$2.2 billion for rapid transit projects within the Lower Mainland.**
- **Two key transit projects in Phase Two are the Millennium Line Broadway Extension (Broadway Subway) estimated at \$2.83 billion and a new Light Rail Transit line in Surrey estimated at \$1.65 billion. These two significant transit projects will collectively receive \$1.82 billion of the capital funding allocated by the Province.**
- **The Broadway Subway will be delivered by the Province while the Surrey LRT will be delivered by TransLink.**
- **Business cases for these projects have been approved at both provincial and federal levels, with the projects scheduled to be formally announced on September 4 with the federal government, TransLink, the City of Vancouver and the City of Surrey.**

BACKGROUND:

In 2014, the Mayors' Council on Regional Transportation approved a 10-Year Vision for transportation and transit investments and service increases in Metro Vancouver. The Vision will be delivered in three phases and through three separate, overlapping 10-Year Investment Plans.

The Phase One Investment Plan was approved in 2016 and is currently underway. The provincial and federal governments contributed \$246 million and \$370 million, respectively, to this Plan. It included rail and bus transit service increases, new SkyTrain, Canada Line and West Coast Express cars, as well as other capital investments.

The Phase Two Investment Plan was approved by the Mayors' Council and TransLink Board on June 28, 2018. The Plan includes investments of \$7.65 billion over 10 years (capital, operating and financing costs), and builds on work underway under Phase One.



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Phase Two includes:

- Existing Expo and Millennium Lines – major upgrades and capacity expansion including additional SkyTrain cars;
- Millennium Line – extension of the existing line, mostly underground, along Broadway to Arbutus Street (Broadway Subway);
- Surrey Light Rail Transit – developing light rail transit (LRT) along 104 Ave and King George Boulevard;
- Conventional bus and HandyDART – service level increases;
- Surrey-Langley rapid transit line – early works;
- Other investments – improvements to bus infrastructure, the major road network, cycling and walking infrastructure; and,
- Planning – for a potential gondola to SFU Burnaby Mountain campus and for future potential rapid transit to UBC Point Grey campus.

The Province committed to funding 40% of Phase Two of the Mayors' Vision, estimated at \$2.54 billion. This is in addition to the estimated \$1.377 billion the Province committed to fund and deliver the replacement for the Pattullo Bridge. The federal government through Infrastructure Canada and its Investing in Canada Infrastructure Program, has committed \$2.2 billion over 11 years for transit in the Lower Mainland.

Of the provincial and federal funding for Phase Two, approximately \$1.37 billion from Canada and \$1.82 billion from the Province has been allocated towards the rapid transit projects in Vancouver and Surrey. The Province also committed to introduce legislation to enable TransLink to increase the regional fuel tax by 1.5 cents per litre, which is expected to generate an estimated \$30 million annually. This measure is anticipated to be included in Budget 2019 but has not yet been confirmed.

TransLink is funding its share of the Plan through a variety of modest increases across a range of sources (e.g. fares, development cost charges, property taxes, parking rights taxes), borrowing and private financing and other revenue streams such as Federal gas taxes and local government contributions. The Province further committed to legislation to enable the region to realize its proposed parking rights tax increase (currently capped at 21%), and this is expected to be introduced this fall.

Millennium Line Broadway Extension (Broadway Subway)

5.7 km extension of the existing Millennium Line SkyTrain service, from VCC-Clark to a new station at Arbutus Street, mostly tunneled beneath the Broadway Corridor.

The project includes six underground stations at: Great Northern Way; Main; Cambie; Oak; Granville; and Arbutus. (See Attachment 1 for a map of the Broadway Subway.)

Construction of the Broadway Subway is expected to begin in 2020 with service commencing in 2025. It's estimated that this project will result in 7,190 direct jobs and 5,270 indirect jobs, and support economic and urban development within the region.



Broadway Subway – Key Milestones	
Deliverable	Date
Announcement	September 2018
Request for Qualifications	October 2018
Request for Proposals	Winter 2018/19
Construction Start	Early 2020
Completion & Commencing Service	Late 2025

The total cost of the project is estimated at approximately \$2.83 billion, \$47 million of which was funded through the Phase One Investment Plan. Cost estimates may be refined through additional technical analysis, public input and design modifications and will be finalized at the end of the procurement process.

The Broadway corridor is the second largest employment centre in BC. It is the most densely populated area in Metro Vancouver not served by rail transit and faces significant transportation challenges.

It is currently a key bus route between Commercial Drive and UBC and transit demand within the corridor has exceeded the ability to provide service solely with buses, resulting in approximately half a million passengers passed up every year. Bottlenecks occur in both the transit and road networks resulting in service impacts for all users.

When the Broadway Subway begins operating, trains are expected to run every 3 to 4 minutes during peak periods, and every 6 to 8 minutes during off-peak periods.

The extension will be able to move 5,100 more passengers per hour per direction on this portion of the corridor than the existing 99 B-Line bus service it is replacing, a capacity increase of 250%.

The travel times saving from VCC-Clark to Arbutus are estimated to be 10 minutes in comparison to the B-Line bus. It will be built to allow for additional increases in capacity over time.

The current average weekday boardings are 56,500. With Broadway Subway, the forecasted daily ridership is expected to be 139,000 boardings daily by 2030.

Surrey Newton-Guildford LRT (SNG LRT)

10.5 km line extending from Surrey City Centre east along 104 Ave to Guildford Town Centre and south along King George Boulevard to Newton Town Centre.

It will operate at street level, primarily along the centre of 104 Ave and King George Boulevard., with 11 stops. It will be integrated with the local and regional cycling network, local bus and SkyTrain transit systems. (See Attachment 2 for a map of the SNG LRT.)

Construction of the SNG LRT project is anticipated to begin in 2020 with service commencing in 2024. It's estimated that this project will result in 3,960 direct jobs and 2,350 indirect jobs, as well as supporting economic and urban development, particularly in the South of Fraser Sub-region.

Surrey Newton-Guildford LRT – Key Milestones	
Deliverable	Date
Announcement	September 2018
Request for Qualifications	September 2018
Request for Proposals	Winter 2018/19
Construction Start	Spring 2020
Completion & SNG Commencing Service	Spring 2024



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The total cost of the project is estimated at approximately \$1.65 billion, with \$43 million funded through the Phase One Investment Plan. The cost estimate may be refined through additional technical analysis, public input and design modifications and will be finalized at the end of the procurement process.

The South of Fraser Sub-region is one of the fastest growing areas in the Lower Mainland, with population expected to increase by 400,000 by 2040 according to regional estimates. The Sub-region includes Surrey, Langley, Delta, White Rock and Tsawwassen First Nation.

The City of Surrey has planned for rapid transit along key corridors, envisioning it as a catalyst to support the development of the second urban core in Metro Vancouver. The SNG represents the first step in this network and is envisioned by the City as spurring and shaping growth along the Newton-Guildford Corridor.

Trains on the SNG LRT are expected to run every 5 minutes during peak periods, every 7.5 minutes during the mid-day, and every 10 minutes in the evenings.

While the initial time savings are estimated to be small over the existing bus service, the savings are expected to increase over time as vehicular traffic volumes increase. The time saving is estimated to be 18 minutes by 2045 (27 minutes for LRT vs 45 minutes for bus).

People will be able to travel from Guildford to Surrey Centre in approximately 9 minutes, and from Newton to King George Station in approximately 13 minutes.

The existing 96 B-Line, which the SNG LRT is replacing, currently has approximately 15,000 daily weekday boardings. This is forecasted to increase to 20,500 boarding by 2045. The SNG LRT is forecasted to have 62,000 boardings daily by 2045.

The line will operate within dedicated train-only lanes on the road. Along with modern intersection signal optimization technology this will allow the trains to bypass traffic queues and thus make it an attractive public transit choice.

DISCUSSION:

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Affordability and Density Along Transit Corridors

The Province is working with TransLink, the City of Vancouver and the City of Surrey to ensure that adequate and timely measures to promote densification and affordable housing occur along these two corridors. TransLink has adopted a 'Supportive Policies Agreement' (SPA) with each City, which commits them to a range of measurable outcomes. The Province is playing a key role in implementing these agreements, by jointly developing annual reporting on indicators such as:

- population growth;
- employment growth;
- development activity;
- zoned housing capacity; and,



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- o affordable housing (City of Vancouver plans to enable 6250 new units of affordable rental along the Millennium Corridor. Surrey estimates that there will be 2,800 new units of non-market rental or social Housing along the LRT).

Procurement/Delivery Models

The Broadway Subway will be delivered by the Province through a 'Design-Build-Finance' procurement model. Under this model, the contractor would be responsible for most construction risks, and the contract will include significant risk transfer relating to adverse geotechnical conditions and management of utility conflicts.

The SNG LRT will be delivered by TransLink through a 'Design-Build-Finance-Operate-Maintain and Rehabilitate' procurement model (P3). The model has been modified to include a short operating term (seven years compared to a more usual 30 year term). This was selected as the best method of delivery given the project involves a new line and technology not currently operated by TransLink. TransLink will be able to take over operations once the line is up and running and initial issues have been resolved.

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Attachments: (2)

1. Broadway Subway Map
2. Surrey Newton-Guildford LRT Map



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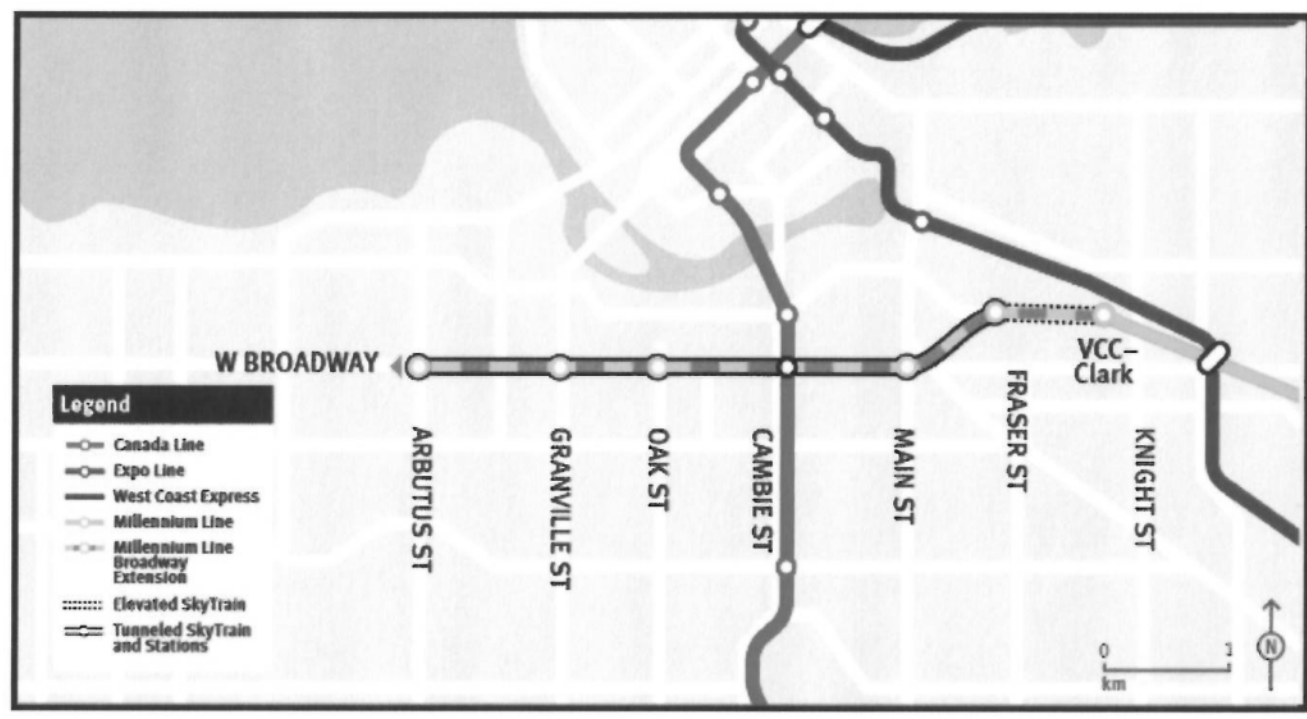
David Pyatt OBO
August 23, 2018

August 24, 2018



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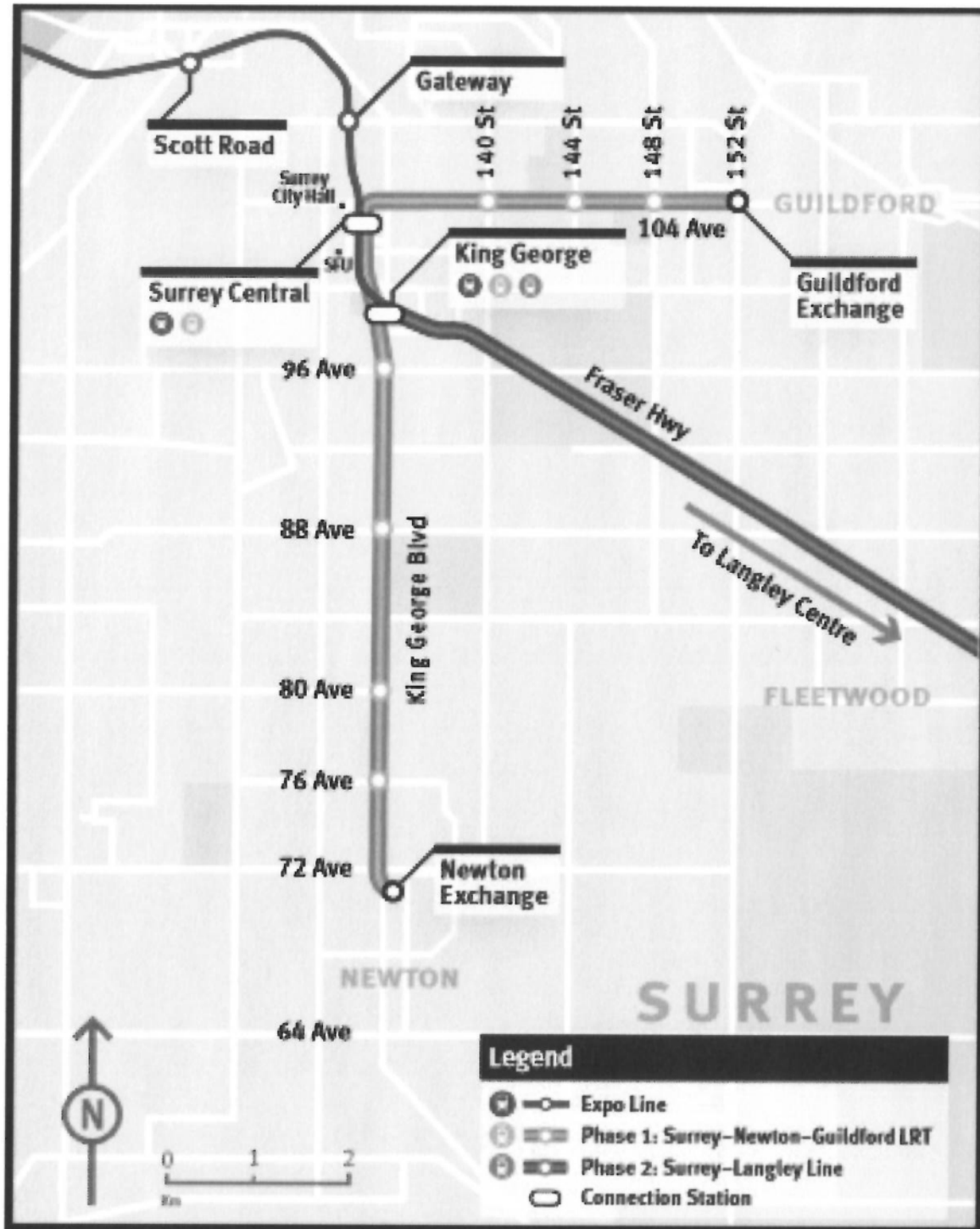
Attachment 1: Broadway Subway Map





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Attachment 2: Surrey Newton-Guildford LRT Map





BRIEFING NOTE FOR INFORMATION

DATE: August 28, 2018

PREPARED FOR: Honourable Claire Trevena, Minister of Transportation and Infrastructure

MEETING: September 6, 2018

ISSUE: Generation for Seven Generations (G7G) – proposal to construct an electric railway through Northern BC to Alaska

SUMMARY:

- G7G is seeking Minister Trevena's support for a proposed electric railway project linking Northern Alberta to tidewater in Alaska, with the corridor passing through Northern British Columbia.
- The estimated construction costs, as estimated in a pre-feasibility study, are in the order of \$28-34B.

BACKGROUND:

Generation for Seven Generations Limited (G7G) is a British Columbia – Alberta Corporation. G7G states on its website that "All G7G projects will be supported and approved by directly-affected First Nations complete with equity ownership." At this time G7G does not have any other proposed projects other than the proposed rail project. Biographies for G7G executives are provided in Appendix 1.

G7G, which has been advancing the idea of connecting the Alberta oil sands and Valdez for the past eight years, and a competing proponent, Alberta Alaska Rail Development Corp., A2A, are each seeking government, industry and First Nations support and financing.

DISCUSSION:

The proposed rail corridor project is, a purpose-built electric railway to carry oil, potash, grain and lumber, approximately 2,450 km long, from Ft. McMurray and Peace River regions of Alberta connecting to the Pacific tidewater ports of Valdez and Anchorage, Alaska. The proposed route is provided in Appendix 2.

The following is taken from G7G's website:

A Game-Changing – Nation-Building Infrastructure

Canada is rich in natural resources, especially in the Western Provinces of British Columbia, Alberta and Saskatchewan plus the Yukon and Northwest Territories. Unfortunately many of these resources are land-locked with difficult, uneconomic or congested access to Pacific tidewater for export.

The majority of the Canadian people, led by the First Nations, are in favour of the extraction of the resources, but they are adamantly opposed to supertankers filled with oil, either refined products, dilbit or raw bitumen, shipped from Canadian West Coast ports. The concern is the inevitable spill, however unlikely, and the devastating consequences that will occur. The Exxon Valdez catastrophe in Valdez, Alaska is proof that this concern is warranted. Any proposal advocating supertanker expansion in B.C. coastal waters is being, and will be, fought against with every means available and necessary. The First Nations have a Traditional, Cultural and Legal Right to protect their Traditional Territory. They have been the stewards of



this territory since the beginning of time and will continue to maintain this responsibility until the end of time.

Pre-Feasibility study

In March 2013, G7G and AECOM approached Alberta Energy with a funding request to investigate the feasibility of building a railway capable of carrying bitumen and petroleum products between northern Alberta (Fort McMurray) and tidewater at the Port of Valdez, Alaska. Alberta provided \$1.8 million for a study, which was conducted by Van Horne Institute in 2015. This study followed a 2006 study by the State of Alaska and Yukon Government to connect the Alaska Railroad from its eastern terminus at Delta Junction to the North American rail network at Fort Nelson, B.C. The Port of Valdez was selected as the endpoint for oil export as it has been in operation for almost 40 years. A further objective of the G7G/AECOM proposal was that First Nations be engaged throughout the planning and design process and acquire 50% profit share/equity ownership as well as employment opportunities in building and operating the new railway and oil shipment facilities.

The pre-feasibility study, prepared by the Van Horne Institute, estimated the project's capital cost for the new railway as well as tidewater access and oil handling facilities to be between \$28 and \$32B for 1.0 million barrels per day and \$30 to \$34B for 1.5 million barrels per day (\$2013 CAD). Annual operating costs are estimated to be \$1.9 to \$2.3B per year for 1.0 million barrels per day and \$2.7 to \$3.5B for 1.5 million barrels per day. However, this does not include the cost of necessary prior studies and design, including a full feasibility study, preliminary and potentially detailed engineering, financial studies and funding submissions, environmental studies and preparation of formal Canadian EA and US environment impact statement submissions, surveys, mapping and other preparatory activities.

The pre-feasibility study concluded that the Alberta to Alaska Railway and tidewater access project will be challenging to build. The project's estimated capital cost, which ranges from \$28B to \$34B depending on the volume of petroleum product shipped, tidewater access option selected and final cost and schedule, would be a large infrastructure project and involves substantial risk. Further study is required to better delineate these challenges and seek ways to reduce and either defray or diversify project cost and risk.

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FINANCIAL IMPLICATIONS:

- None

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Appendix 1- Biographies

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Appendix B – Proposed rail route

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