

**TO:** Mayors' Council on Regional Transportation

**DATE:** April 29, 2021

**RE:** **Policy Framework for Major Transit Project Contributions from Municipal and Local Partners**

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**APPROVED RESOLUTION:**

That the Mayors' Council on Regional Transportation:

1. Approve the proposed *Policy Framework for Major Transit Project Contributions* as set out in Attachment 1;
  2. Release this report publicly following approval; and,
  3. Receive this report.
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**PURPOSE**

This report presents a proposed *Policy Framework for Municipal and Local Partner Contributions to Major Regional Transit Projects* (Policy Framework) that incorporates input and direction from the Joint Finance and Governance Committee from several meetings in 2020 and 2021, as well as municipal and local partner consultations in October 2020. The proposed Policy Framework is provided in Attachment 1.

Management is seeking approval by the Mayors' Council of the proposed Policy Framework which will be used to guide discussions and agreements on local contributions for future major transit projects.

**BACKGROUND**

In 2019, at direction of the Mayors' Council, staff initiated development of a regional policy framework ("Policy Framework") for major transit project contributions by municipalities. The scope of the Policy Framework was expanded to also apply to major transit project contributions by other local partners, such as post-secondary or other large institutions. Further development of the Framework was put on hold during the first several months of the Covid-19 pandemic. Work resumed in the latter half of 2020.

The overarching policy objectives were developed through a series of engagement sessions with the Mayors' Council and Board in 2019 and 2020. In September 2020, the Joint Finance and Governance Committee received a report summarizing work to date to develop the Policy Framework and identify issues requiring further analysis and direction. In October 2020, management presented the main elements of the draft Policy Framework to the Joint Finance and Governance Committee, and proposed consultation with a Municipal Working Group on the draft approaches, which subsequently occurred.

From January through April 2021, the Joint Finance and Governance Committee received revised versions of the Framework and provided feedback to help further shape the Policy Framework. The Committee has recommended that the Policy Framework be approved by the Mayors' Council.

## DISCUSSION

In the past, municipalities or local partners have contributed to major transit projects in one or more of the following ways:

- Direct **monetary transfer** to TransLink or the project for construction of specific project components;
- Contribution of **land and/or property rights**; and/or,
- **In-kind contributions** such as staff time, planning and project assistance.

These partner contributions have been inconsistent and treated in an ad hoc way in the past.

The goal of the Framework is to provide greater clarity, consistency, transparency and fairness on local partner contributions by outlining the expectations for, and treatment of, these types of contributions towards major transit projects.

The intention is to apply the Policy Framework on a number of proposed or potential upcoming major transit projects, including Phase Two of the Surrey-Langley SkyTrain and the Burnaby Mountain Gondola, and potential new major transit projects to be identified through Transport 2050 and the new Mayors' Council Vision. Clarity and agreement on municipal and local partner contributions to major transit projects is required prior to completing a Full Business Case and prior to a project being approved by the Mayors' Council in a 10-Year Investment Plan.

The Policy Framework is intended to be a guiding document for informing discussions around expectations of local partners for contributions to major transit projects. The Framework itself would not be legally binding; however, specific contribution agreements between partners would be legally binding.

This Policy Framework only applies to certain applicable major transit projects as specified in the Framework. Examples of applicable major transit projects include:

- Rapid transit expansion, such as SkyTrain, Light Rail Transit (LRT), Bus Rapid Transit (BRT) or gondola projects, and
- Rapid transit infill stations

The Policy Framework categories elements of a major transit project into three categories:

- **Regionally-Identified (or Regional) Scope** – Elements of a project which meet the regionally identified problem or opportunity
- **Partnership Scope** – Scope that partially delivers benefits to the regional business case but also delivers outcomes that are of benefit to the municipality or local partner
- **Local Scope** – Scope that does not provide material benefit to the regional business case

A project may consist of one, two or all three of these scope elements.

For applicable major transit projects, Table 4 of the Policy Framework then identifies what the expectations for contributions are for local partners for these different scope elements. The Framework identifies where contributions are expected without compensation. The Framework also identifies how local contributions are to be valued for the purpose of the Full Business Case, which in turn is used to determine the senior government's share of project costs if applicable.

Regional scope elements are to be funded by the region, usually with senior government contributions. However, local partner contributions without compensation are still expected for regional scope items to facilitate the delivery of the project. Expectations of municipal or local partner contributions for local and partnership scope elements of major transit projects are more significant than for regional scope elements and may include monetary contributions.

The following items received discussion at the meetings of the Joint Finance and Governance Committee which are highlighted for greater awareness by the Mayors' Council:

- **Clarified that Bus Rapid Transit (BRT) running in physically separated lanes is included as an applicable project but not RapidBus** (i.e. the "R-series" services) as currently implemented in the region.
- **Indicated that temporary laydown space for construction activities on municipal property would generally be an expected contribution without compensation.** The one exception that would be reviewed on a project specific basis for regional scope elements is if the property is revenue generating as there is an opportunity cost to the municipality. If the element is local or partnership scope and the property is revenue generating, it would be an expected contribution without compensation.
- Clarified that municipal and local partner contributions were expected and required **cannot be used as credits or offsets towards required contributions for other major transit projects.**
- **Clarified that municipalities are expected to contribute Statutory Right of Ways (SRWs) to major transit projects,** regardless of whether they were secured for a project either on municipally held land or in negotiation with a third party when land is being subdivided or rezoned and that this contribution is expected to generally be without compensation.
- Confirmed that **in general permits are not required for major transit projects** as these typically follow a modified approvals process. However, where fees are required, there is a general expectation that they will be absorbed by the municipality as a contribution, including municipal staff time for the review process.
- **Clarified expectations for contributions vs compensation** – when municipalities and local partners are expected to contribute property to regional scope elements of projects vs situations when they could be compensated for property that is needed for project delivery.

The Framework also states expectations regarding when local partners will be engaged in the process.

The Policy Framework recognizes that delivering major transit projects requires partnership at the local level and that early collaboration, cooperation and planning from municipalities and other local partners reduces the cost and risk of major projects. The actions that municipalities and local partners take in this regard are vital and integral to advancing the delivery of major transit projects.

## **Implementation**

Staff will communicate the Policy Framework to local partners and initiate discussions about expectations for local contributions with a focus on those municipalities or local partners who would host potential major transit projects as part of the 2022 10-Year Investment Plan.

The Framework is not a legally binding document – it provides policy guidance to decision makers and project partners.

Should this Policy Framework be approved by the Mayors' Council, it will be applied to upcoming projects in future Investment Plans. This Framework would act as a guideline when developing specific contribution agreements, which would be brought forward for Mayors' Council consideration as part of the major project approvals process. It will not be applied retroactively to past or existing projects that are being implemented in the current Investment Plan.

Clarity of the regional scope of the project will need to be determined in each project's business case. Municipal and local partner contributions will need to be agreed to prior to the project being included in an Investment Plan as these need to be known to determine the regional financial contributions to the project. As such, staff will work with those partners that have proposed or have potential projects that may be considered for funding and inclusion in upcoming Investment Plans.

The Framework will benefit from periodic refinements as we learn from experience.

## **CONCLUSIONS**

The proposed Policy Framework will provide greater clarity, consistency and fairness around expectations for local partner and municipal contributions to future major transit projects. This will benefit both TransLink and local partners in advance of preparing Full Business Cases and approving major transit projects in future Investment Plans.

## **ATTACHMENTS**

1. Policy Framework for Major Transit Project Contributions from Municipal and Local Partners

# Policy Framework for Major Transit Project Contributions from Municipal and Local Partners

*As approved by the Mayors' Council on Regional Transportation*

*April 29, 2021*

## Contents

1. Background .....	6
1.1. Need for this Policy Framework .....	6
1.2. Related Agreements and Frameworks .....	7
1.3. Definitions .....	8
2. Goals and Objectives .....	9
3. Policy Framework .....	10
3.1 Applicable Projects .....	10
3.2 Scope Categorization .....	12
3.3 Funding Responsibility .....	15
3.4 Regional Funding Framework .....	17
3.5 Securing use of Properties and Property Rights .....	17
3.6 Engagement and Project Governance Considerations .....	17
4. Policy Implementation .....	18
5. Review and Update of Policy Framework .....	18
APPENDIX A - Policy Process Diagram .....	19
APPENDIX B – Means of securing property rights .....	21

# 1. Background

TransLink has a mandate to plan for and operate a regional transportation system that provides for the efficient movement of people and goods. In this capacity, TransLink plans, funds, and delivers capital and operating investments in transit, major roads and regional bridges, regional cycling, and cost-sharing of some municipal walking and cycling projects.

Some capital investments in the Metro Vancouver transit system are considered “major transit projects” – these projects are identified through long-term regional planning and are carefully planned over the course of several years. However, in some cases, major projects may take a decade or more to develop.

Since TransLink’s formation in 1999, host municipalities have made material contributions to the implementation of certain major transit projects. These contributions have included:

- Direct **monetary transfers** to TransLink or the project for construction of project elements
- Contribution of **land and/or property rights**
- **In-kind contributions** such as staff time, planning and project assistance

In 2014, the Mayors' Council 10-Year Vision called for major projects to have a Project Partnership Agreement (PPA) between TransLink and the project’s host municipality. The PPAs are intended to outline land use assumptions and actions, investment in connecting municipal infrastructure as well as providing direct financial contributions where appropriate. In recent years, commitments to non-financial supportive measures have been formalized through Supportive Policies Agreements and/or project partnership agreements. These agreements generally outline objectives, principles and actions to achieve coordinated transport and land use outcomes as well as monitoring activities.

While the Supportive Policies Agreements provide the basis for coordination of transit investments and supportive local land use policies and actions, no such framework exists to guide how the project itself and any incremental scope to the project are cost-shared across regional and local levels or what the expectations are for local partners to contribute to major transit projects.

The development of this Policy Framework was initiated in late 2019 with the aim making partnerships and contributions more consistent for major transit projects<sup>1</sup>.

## 1.1. Need for this Policy Framework

Future TransLink investment plans will include major transit projects. Definitive policy guidance will enhance local and regional outcomes – in partnership with municipalities, stakeholders, and landowners. This guidance could include expectations for financial, property, property rights and/or in-kind contributions by local partners to major transit projects. This Framework is intended to guide TransLink Board and Mayors’ Council decision-making while informing partners on TransLink expectations for municipal and partner contributions.

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<sup>1</sup> This Policy Framework does not describe applicability to non-transit projects such as regional bridges. However, in time, some the policy principles may be tested for applicability to other major projects. “Major Transit Projects” are defined in Section 1.3.

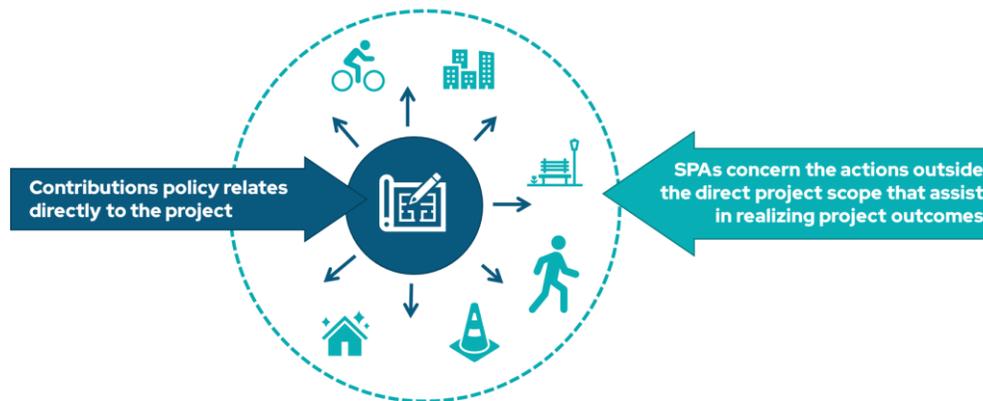
## 1.2. Related Agreements and Frameworks

TransLink has developed or is developing a variety of frameworks and workstreams that relate to this Policy Framework. They include:

- **Project Partnership Agreement** – an umbrella term comprising multiple agreements between TransLink and local partners. It was initiated by the Mayors' Council in the 10-Year Vision to increase certainty around the planning, policies, and other investments. These can include:
  - **Memorandums of Understanding (MOU)** - A statement of intent summarizing the project objectives and collective elements agreed to by TransLink and the local partner to illustrate mutual support for the project.
  - **Supportive Policies Agreement (SPA)** – Agreements between TransLink and local partners that includes commitments for actions that are outside the project's direct scope but that influence the likelihood of achieving project objectives (e.g., supportive land use and connecting infrastructure).
  - **Municipal Access Agreement** - An agreement (entered into to allow construction in municipal rights of way) that sets out how local partners will provide TransLink with access to certain streets or other lands necessary for the construction, and day-to-day maintenance of the project.
  - **Street Use Agreement** – A licence for permanent transit infrastructure to occupy or encroach on streets or highways.
- **TransLink Business Case Framework** - A decision-making and analytical framework that explains what is required to complete a Business Case. Business cases are often required for major projects and the Business Case Framework describes the process to select a preferred intervention to a clearly identified problem or opportunity.
  - **Regional Business Case** – A business case initiated by TransLink to address specified problems or opportunities.
- **Transit Service Partnerships Policy Framework** – Adopted in early 2020, this sets out expectations for transit service expansion where it is requested by a third party and costs are shared between the requestor and TransLink. The framework primarily considers operational costs and considerations, whereas this framework concerns contributions to major transit projects.
- **Broader Funding Work Program** – TransLink's on-going work to identify and assess potential revenue streams and strategic sources of funding. This broader funding strategy includes the Development Cost Charge for regional transit infrastructure and land value capture studies. These measures are beyond the scope of this Policy Framework, which does not attempt to make recommendations on altering regional funding formulae.

This Policy Framework focuses on local contributions directly towards a major transit project, including financial, land/right-of-way, and/or in-kind contributions. The local contributions in this Policy Framework also focus on the land, capital, and construction costs of the project as opposed to any on-going operations and maintenance responsibilities of a local partner, which are outside the scope of this policy and usually addressed through the project's Master Agreement.

## Relationship between contributions Policy and Supportive Policies Agreement (SPA)



### 1.3. Definitions

This document uses several terms to describe and refer to that are key components and concepts related to this Policy Framework. These are described below:

**Major Transit Project (Projects)** – While “major projects” are defined in TransLink’s legislation as projects that have a capital value of over \$50M, this Policy Framework includes projects that may have a capital value that is less than \$50M in the definition of a major transit project. The list of applicable projects is provided in section 5.1 below.

**Municipal Access Agreement** – An agreement that sets out how a local partner will provide TransLink with access to certain streets or other lands necessary for the construction, and day-to-day maintenance of the project.

**Project Evaluation Framework** – Tool within a business case for assessing alternatives and variants of a project for effectiveness against a predefined set of objectives.

**Regional Benefits** – The benefits that pertain to the region and TransLink outlined in a major project business case

**Right of Way (ROW)** - A public road held in common, allowing for the passages of persons and vehicles

**Road Dedication** – The process of transforming a parcel of fee-simple land into a legal road.

**Scope Element** – Components of a project that are determined to contribute to regional, local or partnership outcomes. Throughout the document reference is made to:

**Local Scope Elements** - Scope that does not provide material benefit to the regional business case and are primarily contributing to municipal or local partner outcomes.

**Partnership Scope Elements** – Scope that partially delivers benefits to the regional business case but also delivers outcomes that are of benefit to the municipality or local partner.

**Regional Scope Elements** - Elements of a project which clearly align to the regionally identified problem or opportunity.

**Statutory Right of Way (SRW)** – A type of easement to maintain public services or infrastructure on fee simple land.

## 2. Goals and Objectives

### Policy Goals:

- **Encourage municipal and local partners to take action in advance of project delivery to reduce costs or increase benefits.** Prior to project construction, there are a range of actions, including securing of corridors for priority regional projects, that municipalities or other local partners may pursue that could accelerate project delivery and preserve project options, thus reducing project costs and/or increasing project benefits.
- **Fairly and consistently allocate the regional and local share of project costs of major transit projects between regional and local partners.**
- **Provide for transparency to decision-makers and the public.** The Policy Framework will provide for a clear basis and rationale for those cases in which a municipal/local contribution is required for a project.

### Objectives:

- **Clarify which elements of major transit projects are in the regional interest,** by aligning criteria through the Business Case development process.
- **Clarify at what stage of project development contributions are needed,** and when these are formalized as agreements.
- **Identify the treatment of municipal or partner requests for additional scope to regional projects,** including how to define and allocate the resulting costs of these requests. During the planning and design of a major transit project, partners may request scope elements or scope changes. The Policy Framework is intended as a tool to guide the funding approach for considering such requested scope changes.
- **Clarify expectations and responsibilities for municipal/local partners to contribute to regional projects.** This clarity will aid local partners in their decision making well in advance of project construction that can help contain overall cost and risk.
- **Clarify expectations for municipal/local partner engagement in regional scope elements and vice versa.** The Policy Framework is intended to guide project specific processes for engagement of municipal/local partners in regional projects and TransLink engagement in municipal/local scope elements of projects.

## 3. Policy Framework

The Policy Framework addresses a set of interrelated policy components, as listed in Table 1.

**Table 1. Policy Framework Components**

Component	Policy Framework Provides Direction Regarding:
<b>3.1 Applicable Projects</b>	Which projects will be subject to this policy.
<b>3.2 Scope Categorization</b>	Classification of major project scope into defined categories: Local, Partnership or Regional.
<b>3.3 Funding Responsibility</b>	Expectations for parties designated to fund each category of scope and methods of valuing different types of contributions.
<b>3.4 Regional Funding Framework</b>	Changes (if any) to the regional funding portfolio to better reflect the distribution of costs of major projects.
<b>3.5 Securing use of Properties and Property Rights</b>	Valuation of municipally secured property and rights utilized by major projects to reflect the local partner's contribution to the project.
<b>3.6 Engagement and Governance Considerations</b>	How municipalities and local agencies are to be engaged in project development as a function of the project scope, contribution, and vice versa.

The following subsections describe the Policy Framework's direction in each of these five components.

### 3.1 Applicable Projects

This Policy Framework applies to major transit projects. For the purposes of the Policy Framework, Major Transit Projects are capital investments that generally have the following characteristics:

- **Expansion** – *The project will expand the service level/capacity of the regional transit network.*
- **Permanence** – *The project includes fixed infrastructure as a key element of scope.*
- **Planning Role** – *The project has the potential to serve as an organizing foundation for supportive local land use planning.*
- **Partnership** – *Actions and/or investments by the host municipality or local partner offer the opportunity to increase project benefits or reduce costs.*

In many cases, a Major Transit Project would have all four of the above-described characteristics; however, to the extent that a specific project reflects some or most of the characteristics, the Mayors' Council may consider the applicability of the policy on a case-by-case basis.

A deemed Major Transit Project does not mean that a municipal/local partner contribution will be required. The following sections help determine if a municipal/local partner contribution would be required.

**3.1.1 Applicable Project Types**

The Policy Framework is assumed to apply to certain project types, as follows:

- Rapid Transit Expansion – new or extended rapid transit lines, including SkyTrain, Light Rail Transit (LRT), Bus Rapid Transit (that requires dedicated and separated corridor infrastructure) (BRT) and heavy rail;
- Gondola projects;
- Rapid Transit Infill Stations – new stations on existing rapid transit lines; or,
- Bus interchanges and stations

**3.1.2 Project Types that are Not Applicable**

The Policy Framework will not apply to certain project types, as follows:

- State of good repair – maintenance and rehabilitation of the existing transit system;
- Bus service expansion without significant fixed infrastructure;
- Transit fleet renewal or expansion; and,
- Supporting transit facilities, such as storage and maintenance depots

**3.1.3 Projects Requiring Determination of Project Applicability**

Certain types of projects may or may not be subject to the policy insofar as contributions of any kind would not be required from local partners. Depending on their specific context, a determination of policy applicability will be made on a case-by-case basis by the Mayors’ Council, guided by the policy characteristics described above. If the above guidance does not deliver a clear determination, the considerations in Table 2 may help.

**Table 2. Project Types Requiring Determination of Project Applicability**

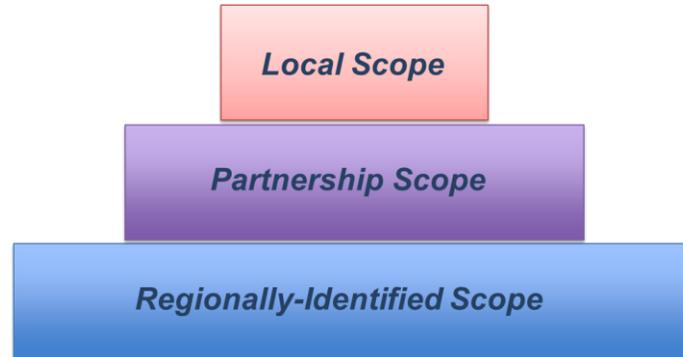
<b>Potential Project Type</b>	<b>Guiding Questions</b> (if the answer is “yes” to one or more of these questions, then the project would become an applicable project under this policy)
Station Upgrades to Existing Rapid Transit Stations	<ul style="list-style-type: none"> <li>• Will the project provide an opportunity for integrated land use development?</li> <li>• Would municipal/local partner actions contribute to a stronger business case?</li> <li>• Are the station upgrades needed to support ridership increases resulting from significant local area development?</li> </ul>

**Summary** – If the project is determined to be an applicable project under this Policy Framework, it may involve elements of partnership and may require municipal and/or local partner contributions to deliver effectively.

### 3.2 Scope Categorization

The Policy Framework identifies three categories of scope<sup>2</sup> for major transit projects:

- **Regionally-Identified Scope** (or “Regional Scope”) – Elements of a project which meet the regionally identified problem or opportunity (note the scope will not always be clear at the outset of a business case)
- **Partnership Scope** – Scope that partially delivers benefits to the regional business case but also delivers outcomes that are of benefit to the municipality or local partner
- **Local Scope** – Scope that does not provide material benefit to the regional business case



The Policy Framework establishes general expectations and guidance with respect to categories of scope. Determinations of what elements of project scope are considered Regional, Partnership, or Local scope will be determined by the specific context and requirements of individual projects and their business cases.

As a project advances in more detail through planning and business case phases, its form and configuration will evolve, and the scope may shift from previous concepts - at each stage, documenting scope becomes critical. The Business Case will identify among the alternatives and variants which one best aligns with the regional problem or opportunity and may also identify which variants provide additional incremental benefits beyond what is required of a Regional Business Case. These incremental scope elements may be considered as either Local Scope or Partnership Scope and in turn require local partner contributions.

Table 3 sets out what is generally considered to be the regional scope of a major transit project.

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<sup>2</sup> The Policy Framework applies to the scope of major transit projects as delivered directly through the transit project. The Contributions Policy is distinct from and does not apply to other investments that may be related to or supportive of a major project as pursued by municipalities, other partners, or TransLink, including those agreed to through a Supportive Policies Agreement.

**Table 3. Guidance for Identifying Regional Scope**

<b>Project Type</b>	<b>Guiding Question(s)</b>	<b>Is this generally considered Regional Scope?</b>
Rail Extensions or New Rail Lines:  <i>Station Locations</i>	What is the regional network function of the station location?  How much ridership would the station serve?	Regional Scope will typically include locations that are forecast to serve significant daily ridership and provide connectivity to regionally significant destinations and/or the regional bus network
Rail Extensions or New Rail Lines:  <i>Scope of Identified Stations</i>	What station elements are needed to meet regional guidelines and standards and serve forecast demand?	Regional Scope will typically encompass stations that serve forecast transit ridership and meet TransLink’s Transit Passenger Facility Design Guidelines
Rail Extensions or New Rail Lines:  <i>Vertical Alignment (Tunnelling)</i>	Where is tunnelling required to meet technical or functional requirements?	Regional Scope is above grade for SkyTrain (or at grade if a fully separated right of way exists there) except where tunnelling is required for technical or functional requirements or where tunneling is more cost-effective. For LRT and BRT, Regional Scope is at grade except where tunnelling is required for technical or functional requirements or where tunneling is more cost-effective.
New Bus Rapid Transit Corridors	What scope elements are needed to meet regional objectives for BRT service?	Regional Scope includes the fixed infrastructure and service level to serve regional operational and customer objectives.
Station Upgrades for Existing Rapid Transit Stations/ bus stations	What scope elements are needed to meet regional objectives for an upgrade station?	Regional Scope typically includes capacity expansion to serve regional demand and station elements consistent with the TransLink Transit Passenger Facility Design Guidelines

**Summary** – Table 3 provides high level guidance on what types of projects generally constitute Regional Scope. Where analysis is needed to determine scope categorization, it is expected that the project’s Business Case provides the mechanism for providing this analysis and making scope determinations. Figure 1 presents a flowchart to assist in determining project applicability and scope categorization under this framework.

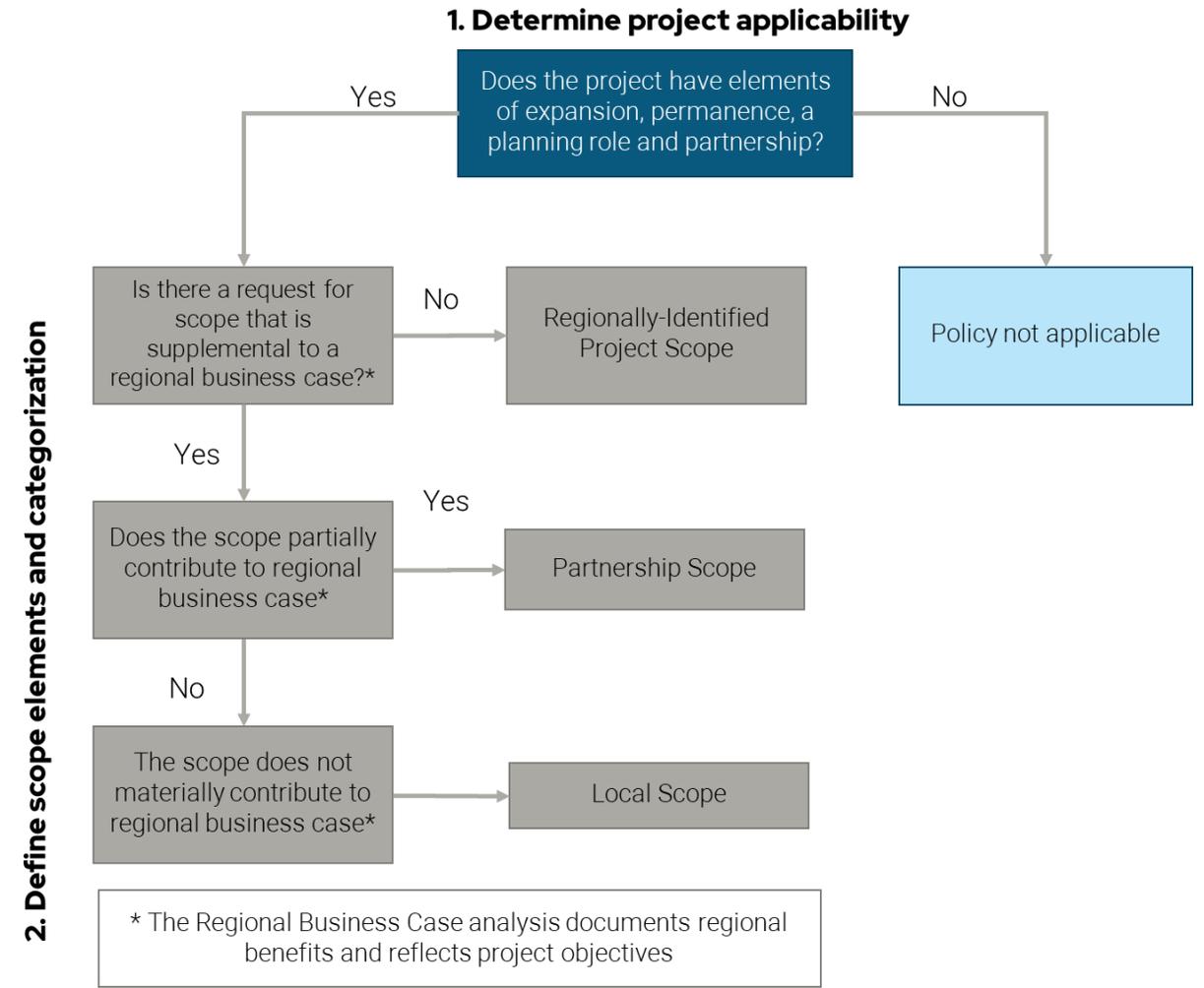


Figure 1 – Illustration of how guiding questions can be applied to determine project applicability and scope categorization

### 3.3 Funding Responsibility

The Policy Framework sets out contribution expectations from municipalities and local partners based on (a) the identified project scope elements and (b) the type of contribution.

Local partners are not required to contribute monetarily to any project elements that are identified as regional scope. However, for regional scope elements it is expected that host municipalities and institutions contribute to the project in-kind and by providing property rights to facilitate successful Project delivery. Table 4 summarizes these expected contributions by the municipality or local partner.

In certain cases, TransLink (or the project) may compensate or reimburse host municipalities for these contributions towards the project. Where TransLink (or the project) does not compensate a municipality or local partner for a contribution, these contributions may be valued for the purpose of determining senior government contributions to the project.

Financial (out-of-pocket) contributions are only expected where certain components being requested are determined to be supplementary to the regional scope as defined in the Business Case. Table 4 assigns funding responsibility in terms of out-of-pocket (cash) contributions as follows:

- **Regionally-Identified Project Scope** – Regionally-identified and scoped projects are by their nature delivering regional benefits and are therefore funded by TransLink and senior government.
- **Partnership Scope** – to be funded jointly by TransLink (and possibly senior governments) and the requesting municipality or local partner. Municipal or other local partner contributions would be guided by the relative share of local and regional benefits.
- **Local Scope** – to be funded wholly by the requesting municipality/local partner.

Municipal and local partner contributions where expected (according to Table 4) cannot be used as credits or offsets towards required contributions for other major transit projects.

Host municipalities and local partners are important stakeholders in the development and delivery of Projects. Thus, they are expected to engage and assist with project planning and delivery, offering staff time, use of streets and roads where applicable, and potentially land. Without the support of local partner actions and contributions, major transit projects would carry higher cost and risk.

**Table 4. Municipal and Local Partner Contributions by project scope and contribution type**

Type of municipal / partner contribution to the project or TransLink		Should local partners expect to contribute (without compensation) towards:			Is the cost or value generally included in the overall cost of the project for the purposes of business case appraisal?	How does the policy value these contributions for the business case and for compensation as applicable?
		Regional project scope elements?	Partnership scope elements? (if applicable)	Local scope elements? (if applicable)		
<b>1. Monetary Transfer</b>	<b>1.1</b> Monetary contribution to project cost	No	Project Specific*	Yes	Yes	Dollar value or amount
<b>2. Land and/or property rights</b>	<b>2.1</b> Municipal property/land - Permanent	Generally no, but project specific*	Project Specific*	Yes	Yes	Market value of the property
	<b>2.2</b> Municipal property/land - Temporary (e.g., construction/ laydown)	Generally yes, but project specific*	Yes	Yes	Yes	Zero or \$1 if property is not revenue generating. (If revenue generating, then valued at cost of forgone revenue)
	<b>2.3</b> Street use and/or Access Agreement (e.g., road access)	Yes	Yes	Yes	No	Zero or \$1
	<b>2.4</b> Statutory Right of way	Yes	Yes	Yes	Yes <sup>+</sup>	Standard industry practices
	<b>2.5</b> Other rights purchased or secured from a third party. (e.g., Reserved Road Dedications or SRWs)	Yes	Yes	Yes	Yes	Standard industry practices
<b>3. In-kind and other contributions</b>	<b>3.1</b> Fees for permitting and approval for works in host locality <sup>#</sup>	N/A <sup>#</sup> or Generally yes	Yes	Yes	If material	Standard costs for approvals and permits
	<b>3.2</b> Staff input, review time, project planning and other staff services	Yes	Yes	Yes	No	Zero or \$1
	<b>3.3</b> Other in-kind contributions, municipal assets or relocations, or utility connections	Project Specific*	Project Specific*	Yes	If material	Project specific

\* Depending on the specific project, this may be considered as either a contribution or be eligible for compensation by the project

<sup>+</sup> Prior to this Framework, there has not been a consistent approach to including the costs of Statutory Rights of Way within a project's business case.

<sup>#</sup> At early stages, it may not be known who would deliver the project - TransLink, the Province or a P3. Permits are rarely required for major transit projects as they often follow a modified approvals process where most permits are not required. Electrical permitting fees may be required though.

### **3.4 Regional Funding Framework**

TransLink's funding portfolio includes a mix of revenue sources, including user-pay, taxation and beneficiary-pay mechanisms. Taken together, these streams reflect a regional approach to paying for and delivering regional transportation. Regional scope projects are funded via the regional funding framework including senior government contributions.

The Policy Framework acknowledges that a regional Land Value Capture mechanism may be considered by the Mayors' Council for the regional funding framework, as a tool to better support local benefits of transit investment.

A municipality may also implement a Land Value Capture mechanism within its jurisdiction to provide for its financial contribution to a project for Local or Partnership Scope elements.

### **3.5 Securing use of Properties and Property Rights**

Municipalities (and other local partners) may make contributions to major projects in the form of property and property rights (e.g., statutory rights of way, license, etc.) and other in-kind contributions. In some cases, the municipality may be in a better position in advance of project implementation to secure such properties or rights. Or they may already hold ownership of such assets. Additionally, municipalities may also be able to identify the most appropriate mechanism for securing access for a project, whether this is a no-build covenant, new road dedication or Statutory Right of Way. Table 5 in Appendix B lists the types of land and property agreements commonly required by major transit projects.

Should a major project require municipally secured properties and/or property rights, licences or leases will need to be formalized. The valuation of these property rights will be ascribed in accordance with Table 4 on the previous page.

Occasionally, property rights transferred to the Project may not rest with TransLink, but rather with the Province or BC Transportation Financing Authority. Over time, various agreements between host partners and the Province have not consistently conferred the same rights from municipalities to projects. Applying consistency in this area is important because, increasingly, the ability to generate revenue from commercial retail units and other ventures is an important source of funding for both TransLink and projects. Generating revenue in such a manner is contingent on the provision of flexible use rights. TransLink will seek more consistency in this area by engaging with municipalities, local partners, and the Province.

### **3.6 Engagement and Project Governance Considerations**

Collaboration between agencies is essential to successful project implementation. While each project has a unique scope and set of contributors, all partners have a vested interest in the success of implementation. Each partner has an expectation of engagement even if they are not technically making a financial or in-kind contribution. That said, TransLink encourages local partners to contribute to projects so they have the opportunity to shape benefits and outcomes beyond what is strictly defined as Regional Scope. However, different features of the project (e.g., Local Scope) may have implications for who is the ultimate decision maker and the level of engagement expected of each party at each stage.

To support implementation, TransLink will create a guide to ensure Project governance reflects how municipal and local partners can engage at various project stages. This guidance will address how TransLink could participate in the planning and design of Local Scope elements. It will also clarify how local partners without elected representation on the TransLink Board or Mayors' Council (such as a local institution making contributions) can engage in the project.

## 4. Policy Implementation

Upon approval by the TransLink Board and Mayors' Council, the Policy Framework will govern all municipal and local partner contributions for future major transit projects. It will guide regional decision-making for major project scope determinations and funding and other local contributions and approvals.

Subsequently, TransLink will prepare a Policy Implementation Plan to outline more detailed processes and technical considerations, including defining a process and mechanisms to support implementation of the policy, such as:

- Incorporation into Memorandums of Understanding
- Incorporation into Partnership Agreements
- Integration with Supportive Policies Agreements (if applicable)
- Decision processes for local contributions, including levels of approval needed on a project-by-project basis, and fit within project development path
- Treatment and valuation of properties and property rights from municipalities and other local partners
- Engagement and project governance guidance to support the Policy Framework

See **Appendix A** for an initial schematic of such a potential process.

## 5. Review and Update of Policy Framework

This Framework is intended to be a living document and will be reviewed on a regular basis. TransLink will update this Policy Framework as the practice of developing major transit projects and determining local contributions evolves and to reflect learnings from the development of specific major transit projects.

# APPENDIX A - Policy Process Diagram

This Policy Framework is intended to work alongside TransLink’s Business Case Framework, which provides the structure for defining the regional scope of the project. Due to the complex nature of major projects, the scope will evolve as the project progresses through the strategic planning and business case process.

As the project moves from strategic planning to implementation, there are two parallel and interrelated workstreams: the project’s business case development and partner engagement. Figure 2 illustrates the two parallel workstreams and conceptual stage gates for key decisions. At each stage gate of the Business Case process, decision makers will help clarify the regional scope of the solution that meets the regionally identified problem as determined through the Business Case’s project-specific assessment framework. Variants assessed as second best to the regional scope or provide additional benefit can be considered to be supplemental to the Regional Business Case and may be considered as either Local Scope or Partnership Scope.

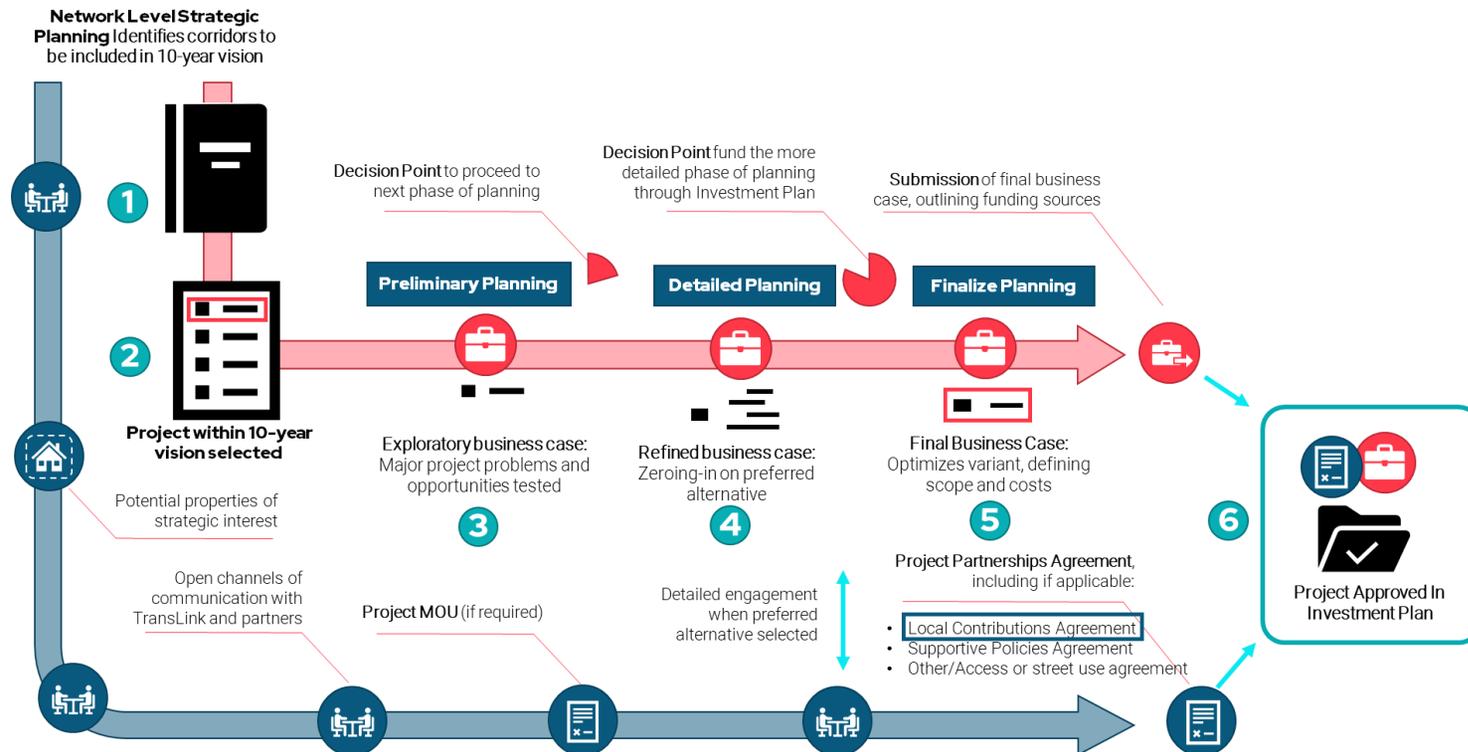


Figure 2 – Process diagram indicating parallel components of business case development (red) and partner/contribution engagement (blue)

**Table A: Business Case Stage Gate in Relation to Municipal Contributions Policy Framework**

Stage number (refer to Figure 2)	Description of phase as it relates to the Policy Framework
1 Major project horizon identified	Major transit projects are typically identified in the 30-year Regional Transportation Strategy (RTS) which subsequently guides the development of a Vision for investments and actions to pursue over a 10- to 15-year horizon. Local partners are engaged throughout the development of the Strategy and Vision.
2 Project selected for study/feasibility	When a project within the RTS is identified for further study, funding is usually allocated to begin scoping the project. In the early stages of project planning, elements such as technology, corridor alignments, and station locations and designs are still to be specified. The full project scope, requirements and costs are still subject to significant change and will be determined through later stages of business casing. Local partners may assist in providing early input, identifying local planning implications or opportunities.
3 Preliminary Planning	At this early stage of preliminary planning, an Exploratory Business Case will set out the project’s objectives and begin to define a solution that clearly links to those objectives. Local partners will be engaged regarding problem definition, key issues driving the problem, key benefits, and identification of project alternatives. The business case will be brought to decision makers with a recommendation to either proceed to advance to the next stage or discontinue the planning analysis.
4 Detailed Planning	As project details are examined, specific project requirements and scope become more clearly defined as part of the Refined Business Case. There may be multiple alternatives but a thorough project evaluation should identify the one alternative that best meets the region’s project objectives. Any additional project elements or benefits should be documented through this process and if necessary, carried through to the next phase. By moving through each phase of the business case process, decision makers are confirming a limited set of regional solutions to a regionally-identified problem.
5 Final Planning	A Full Business Case will put forward an optimized variant of a preferred alternative and will have been refined through detailed design and engagement with local partners. Also known as a Reference Concept Design, at this stage there should be sufficient detail for partners and the project team to become aware of necessary land, rights of way or other requirements in order to deliver the project. This is when project agreements are developed, outlining responsibilities and other contributions towards the project.
6 Business case approval	In order to have a project funded and included in a 10-Year Investment Plan, Project Partnerships Agreements are required to be included with the Full Business Case. The Full Business Case will describe a total project cost and identify proposed funding sources to help pay for the project. In turn, the accompanying contributions agreements should identify the components of the total cost that the local partner will contribute towards.

## APPENDIX B – Means of securing property rights

*Table 5: Types of properties and property rights commonly required by major transit projects.*

Land / area required for project:	Reason for Project Requirement	Mechanism typically used to provide or secure access
<b>A) Use of local road or and streets</b>	A1. Permanent access (Permanent Right of Access for Project Infrastructure)	Street Use Agreement
	A.2 Temporary access (use for construction or laydown)	Access Agreement
<b>B) Use of locally held property/land (Fee simple)</b>	B1. Temporary access (use for construction or laydown)	
	B2. Permanent access (Permanent Right of Access for Project Infrastructure)	
	B.3 Property take	Transfer of Title to project or TransLink (at project's option) via sale and purchase agreement
<b>C) Use of, or access to, over or on, third-party land</b>	C1. Permanent - Road widening, or new road dedication.	Street Use Agreement (if right owned by the municipality)
	C2. Permanent - Access on, over, or under third party property	Statutory Right of Way (if right not owned by the municipality)
	C3. Temporary – Access on, over or under third party property	Property Lease
	C4. Property Take	Sale and purchase agreement