



July 2, 2021

BY EMAIL: karen.needham@rdco.com

Karen Needham
Corporate Officer
Regional District of Central Okanagan
1450 KLO Road
Kelowna, BC V1W 3Z4

Dear Karen,

Re: Free Transit for Children 12 and Under Program Details – Kelowna/Central Okanagan Conventional and Community

As a follow up to the letter sent to you on June 16, 2021, BC Transit would like to outline the next steps in finalizing the Free Transit for Children 12 and Under program.

The Province, BC Transit and our Local Government Partners all share an interest in building a culture of transit ridership and reducing greenhouse gas emissions. Providing free transit to children age 12 and under is expected to advance progress towards these objectives.

As outlined in the contribution agreement with the Province, BC Transit will work with Local Government Partners to ensure that fares for children age 12 and under are set to zero in all 86 BC Transit systems across British Columbia by September 1, 2021.

The Province has committed to provide funding to BC Transit for the benefit of Local Government Partners for foregone fare revenue in conjunction with fares being lowered to zero for children age 12 and under. This letter outlines the provincial contribution(s) to your transit system(s) and your adjusted tariff schedule as a result of this program and confirms the applicable amendment to your 2021/22 Annual Operating Agreement with BC Transit.

BC Transit has developed a model to determine the fare revenue compensation for each Local Government Partner for the implementation of the Free Transit for Children 12 and Under program. To achieve this, BC Transit created an "indexed mode share" percentage for each community. The "indexed mode share" was created through the methodology below:

- BC Transit identified the Capital Regional District 2017 Household Travel Survey as an applicable base line data source to provide ridership levels of the targeted age group of the program. The survey indicated that 5.3% of transit rides are made by children age 5-12.
- As a percentage of the total population, children age 5-12 make up 6.89% in the Capital Regional District. Source: BC Stats 2019.
- From the above two points, children's transit use in the Capital Regional District is under-represented by a factor of 0.7685. This factor was then used to estimate the number of transit rides made by children age 5-12 in all other communities with BC Transit service by multiplying the factor by the children's share of population in each community. This is the "indexed mode share."

The "indexed mode share" was then applied to the total annual fare revenue from cash, tickets, and day-passes in 2019 from each Public Passenger Transportation System, which resulted in an estimated impact to fare revenue for each Local Government Partner. An additional indexed allocation was made to compensate for possible fare evasion as a result of a fare product not being implemented until Phase 2 of this program.

For your applicable transit system(s), the revenue allocation for the period September 1, 2021, to March 31, 2022, is presented below:

	Revenue Impact (September 1, 2021 – March 31, 2022)	Monthly Amount
Kelowna/Central Okanagan Conventional and Community	\$93,954.70	\$13,422.10

Effective September 2021, the monthly amount will be credited on your monthly BC Transit municipal invoice and will reduce your total amount owing.

In addition, BC Transit has adjusted the **Schedule "A": Tariff and Fares** section of your 2021/22 Annual Operating Agreement to formally reduce the fares of children 12 and under to zero. A copy of this revised Schedule "A" is included with this letter for your review and approval.

By signing below, your local government is agreeing to an amendment of your 2021/22 Annual Operating Agreement including fare structures, by September 1, 2021. This amendment includes:

- a) adjusting the Schedule "A" tariff schedule to ensure fares for children age 12 and under are set to zero;
- b) agreeing to receive the aforementioned provincial contribution towards estimated foregone fare revenue compensation

IN WITNESS WHEREOF, the parties have hereunto set their hand this ____ day of _____, 2021.



x

Karen Needham
Corporate Officer
Regional District of Central Okanagan

x

Chelsea Mossey
Senior Manager, Government Relations
BC Transit

This signed letter must be returned to BC Transit before September 1, 2021, in order for BC Transit to be able to facilitate your payments under this program. If you have any additional questions regarding the Free Transit for Children 12 and Under program, please feel free to contact me directly.

Regards,



Chelsea Mossey
Senior Manager, Government Relations



MH:kr

Attached: Schedule "A": Tariffs and Fares Schedule from 2021/22 Annual Operating Agreement

SCHEDULE "A": TARIFF AND FARES

APPENDIX 1: TARIFF NOTES

Conventional Transit Fares:

	<i>Effective as of Sept. 1, 2021</i>
a) Single Cash Fares:	
i) Adult/College Student	\$2.50
ii) Senior	\$2.50
iii) Student	\$2.50
iv) Child 12 and under	Free
v) Accessible Transit Attendant	Free
b) Tickets (sheet of 10):	
i) Adult/College Student	\$22.25
ii) Senior/Student*	\$20.25
c) One Day Pass:	
i) Adult/College Student	\$ 6.50
ii) Senior	\$ 6.50
iii) Student	\$ 6.50
d) Monthly Pass:	
i) Adult	\$70.00
ii) Senior*	\$45.00
iii) Student*	\$45.00
iv) College Student**	\$55.00
v) College Semester Pass**	\$176.00
e) U-Pass per semester	\$63.00
f) Transfers: allow for unlimited travel for up to 90 minutes from the time of issue.	
g) BC Bus Pass valid for the current calendar year and available through the Government of British Columbia BC Bus Pass Program.	
h) CNIB Identification Card available from the local office of the CNIB.	
i) BC Transit Employee Bus Pass.	
* Reduced fare with valid ID for seniors aged 65 and over, and students in full-time attendance to grade 12.	
** Reduced fare for full-time registered college students available only at Okanagan College and Sprott-Shaw Community College.	