

REGIONAL DISTRICT OF NANAIMO

**BOARD MEETING
TUESDAY, JULY 22, 2008**

**CIRCULATED REPORT
FOR AGENDA**

PAGES

ADMINISTRATOR'S REPORTS

2-14

Pacific Coach Lines Agreement – Duke Point Ferry Service.

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: June 27, 2008

FROM: Laura Kiteley
Manager, Transit Operations

FILE: 2240-20-PCL

SUBJECT: Pacific Coach Lines Agreement – Duke Point Ferry Service

PURPOSE

To provide an update on the services being offered by Pacific Coach Lines (PCL) to the Duke Point Ferries and Vancouver Airport, and to report on an additional partnership opportunity between PCL, BC Ferries, RDN Transit and BC Transit.

BACKGROUND

At the May 15, 2008 Transit Select Committee meeting a letter was introduced into correspondence on a service that Pacific Coach Lines is going to offer between Duke Point Ferries and Vancouver Airport. At that time, PCL enquired as to whether RDN Transit would be interested in collaborating with them in some form. Staff worked closely with PCL staff to create an integrated service with PCL buses connecting to a number of transit's key routes at the exchanges. This in turn provides a coordinated, easy-to-use transit service for the Regional District of Nanaimo's transit customers.

As part of the Transit Business Plan Open Houses and Public Meetings that were held in the fall of 2007 and early winter 2008, improved services to the ferries was a key comment that staff heard at almost every meeting. Staff receive frequent calls on when there will be some sort of service to the Duke Point Ferry and, while there is not currently enough density to provide public transit to Duke Point, this option has presented itself as a viable alternative until public transit can service that area.

Staff met with the Union, who confirmed that they do not see the service as being in conflict; rather they indicated that the service would complement the current transit operations.

RDN Solicitors have prepared a legal agreement (*Attachment 1*) that provides PCL the ability to drop/pick up customers at RDN Transit bus stops located within the three main exchanges in Nanaimo – Woodgrove Centre, Country Club and the Downtown Exchange on Prideaux Street. This agreement was developed to recognize that PCL was using the RDN Transit exchanges and to cover off all legal issues that could arise as a result of this use. The agreement also specifies that RDN Transit has the right to introduce Duke Point Ferry service in the future.

As Woodgrove Centre is privately owned, PCL also obtained written agreement from the General Manager of Woodgrove, allowing them to drop/pick up customers at the transit exchange; the City of Nanaimo has also provided written agreement that PCL can use the Prideaux Street exchange, including approved routing for them to use when accessing Prideaux Street for picking up and dropping off customers.

Pending approval and signature of the agreement by the RDN Board, staff will work with BC Transit and PCL to develop and market the new service.

Staff approached PCL to see if they would agree to provide transit's monthly pass holders with a discount to use the Duke Point Ferry Service. PCL has agreed and their letter is attached (*Attachment 2*). In exchange for this discount the RDN would allow PCL riders, with a valid, current pass from that day, to access the RDN Transit system at no charge. From the inception of the service until September 30th, RDN monthly pass holders will receive a \$4.00 discount. As of October 1st, they will receive a \$5.50 discount, which is almost exactly what the RDN Day pass rate is. BC Ferries and BC Transit were both complimentary in the reciprocal arrangement that was struck, calling it true collaboration between partners.

As part of this reciprocal arrangement between PCL, RDN and BC Transit, the RDN Transit System will figure prominently in all marketing as it relates to the Duke Point Ferry service as a partner, referring to RDN transit stops and the RDN Transit System. In addition, PCL staff will create (for review by RDN staff) all written materials (brochures, media releases, their website, paper ads) and will distribute at their cost. A launch of the partnership will be done via media releases, a possible commercial and TV coverage.

BC Ferries, as part of this innovative partnership, are willing to create a separate web page that identifies the service and partnerships, as well as having the RDN and BC Transit web links for transit service and PCL's website for the PCL schedule. BC Ferries and PCL are also in discussions with Lamar about putting advertising on the buses, which brings in revenues to the transit system.

ALTERNATIVES

1. That the agreement to share the use of RDN exchanges with Pacific Coach Lines be approved and that staff work with Pacific Coach Lines on jointly reducing fares for passengers connecting between the two services.
2. That staff advise Pacific Coach Lines that the RDN is not interested in pursuing this arrangement.

FINANCIAL IMPLICATIONS

Approximately 75% of transit riders are currently monthly pass holders. As a result, this reciprocal agreement with PCL will directly benefit transit's pass holders but will not be a financial drain to the transit system as these customers would access the transit system with their pass so no lost revenues would be realized. They will have the added benefit of accessing the PCL bus at a discount, which will be another reason to purchase monthly passes.

The 20 – 25% cash fare users are users that ride infrequently and it is believed that this arrangement may actually convert some of the cash fare users to purchase monthly passes, due to the discount being offered by PCL, which would then provide an increase in revenues due to higher usage.

The agreement is subject to annual review with either party able to make changes if required. As this is a brand new service initial analysis indicates that the actual number of cash riders that may use this service may be as low as three to five people per week, with the balance of ridership coming from monthly fare holders.

The dollar value of the marketing that PCL has offered outweighs any potential revenues that may be lost due to the occasional cash fare user getting onto the bus.

SUSTAINABILITY

This partnership with PCL will encourage automobile users to leave their cars at home, as it provides a viable alternative to the car by using private and public transit to get to the Duke Point Ferry (and Vancouver Airport) using the RDN Transit system to/from the pickup/drop off point. Through innovative collaboration, reasonable options to using the car have enabled the public to choose to leave the car at home, allowing people to go green and do their part with convenience and ease.

SUMMARY/CONCLUSIONS

As part of the Transit Business Plan Open Houses and Public Meetings that were held in the fall of 2007 and early winter 2008, improved services to the ferries was a key comment that staff heard at almost every meeting. Staff receive frequent calls on when there will be some sort of service to the Duke Point Ferry and, while there is not currently enough density to provide public transit to Duke Point, this option has presented itself as a viable alternative until public transit can service that area.

Staff has met with the Union, who has confirmed that they do not see the service as being in conflict with the existing transit service.

RDN Solicitors have prepared a legal agreement drawn up (*Attachment 1*) that provides PCL the ability to drop/pick up customers at RDN Transit bus stops located within the three main exchanges in Nanaimo – Woodgrove Centre, Country Club and the Downtown Exchange on Prideaux Street. This agreement was developed to recognize that PCL was using the RDN Transit exchanges and to cover off all legal issues that could arise as a result of this use. The agreement also specifies that RDN Transit has the right to introduce Duke Point Ferry service in the future.

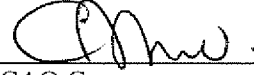
Staff approached PCL to see if they would agree to provide transit's monthly pass holders with a discount to use the Duke Point Ferry Service. PCL has agreed and their letter is attached. In exchange for this discount the RDN would allow PCL riders, with a valid, current pass from that day, to access the RDN Transit system at no charge. From the inception of the service until September 30th, RDN monthly pass holders will receive a \$4.00 discount. As of October 1st, they will receive a \$5.50 discount, which is almost exactly what the RDN Day pass rate is. BC Ferries and BC Transit were both complimentary in the reciprocal arrangement that was struck, calling it true collaboration between partners.

RECOMMENDATION

1. That the agreement with Pacific Coach Lines to share the use of RDN transit exchanges with Pacific Coach Lines be approved and that staff be directed to jointly reduce fares for passengers connecting between the two services.


Report Writer


General Manager Concurrence


CAO Concurrence

ATTACHMENT 1

SUBLICENCE OF USE

THIS AGREEMENT made the _____ day of _____ 2008.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, B.C. V9T 6N2

(the "Regional District")

OF THE FIRST PART

AND:

PACIFIC COACH LINES LTD.
(#BC0362538)
1209 -1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

(the "Licensee")

OF THE SECOND PART

WHEREAS :

A. The Regional District is the lessee of land described as:

that part of Lands held under a lease from the City of Nanaimo dated the 12th day of October 2005, known as 575 Prideaux Street shown crosshatched on described in Schedule "A" to this Agreement

(the "Prideaux Exchange");

and has per a licence at will to use that part of lands known and operated as the Country Club Mall shown crosshatched on described in Schedule "A" to this Agreement

(the "Country Club Exchange"); and

that part of lands known and operated as the Woodgrove Mall shown crosshatched on described in Schedule "A" to this Agreement

(the "Woodgrove Mail Exchange")

(collectively the "Licence Areas")

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- B. The Licensee wishes to be granted this licence of use for use of the Licence Areas as a bus exchange and the Regional District has agreed.
- C. The Regional District has obtained the consent of the owners of the Lands on which the Licence Areas are situated to the grant of this Licence.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the fee paid by the Licensee to the Regional District and in consideration of the premises and covenants and Agreements contained in this Agreement, the Regional District and the Licensee covenant and agree with each other as follows:

1.0 RIGHT TO USE

- 1.1 The Regional District grants to the Licensee, for a term that is the shorter of:
 - (a) three (3) years; or
 - (b) one (1) day less than the expiry of the Lease commencing on the 31st day of July, 2008, a right by way of licence for the Licensee, its servants, agents and employees to use the Licence Areas for the purpose of pick up and drop off of passengers, subject to earlier termination under this Agreement.
- 1.2 To facilitate the above purpose the Licensee shall have the right:
 - (a) to have access to each of the Licence Areas for drop off and pick up passengers and their belongings for transport to and from the Licence Areas and other destinations served by the Licensee to a maximum of four (4) round-trips Thursday to Monday inclusive;
 - (b) to park Licensee's buses on the Licence Areas for a maximum of five (5) minutes at a time.

2.0 RESERVATION OF RIGHTS

- 2.1 Subject to the provisions of section 1.0, the Regional District hereby reserves to itself from the grant made by it to the Licensee under sections 1.1 and 1.2 above the right for the Regional District, its agents, employees, contractors and subcontractors to have full and complete access to the Licence Areas to carry out any operations associated with the Regional District's use of the Licence Areas in particular, and without the generality of the foregoing, for members of the public to have full and complete access to the Licence Areas for purposes related to the operation of a public transit service including access to and egress from transit vehicles.

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3.0 LICENCE FEE

3.1 In consideration of the right of use, the Licensee shall pay to the Regional District the sum of Ten (\$10.00) Dollars payable upon execution of this Agreement.

4.0 LICENSEE COVENANTS

4.1 The Licensee hereby covenants with the Regional District:

- (a) to pay compensation to the Regional District forthwith on demand for any damage any of the Licence Areas or the Lands on which the Licence Areas are situated caused by the Licensee in the exercise of any of its rights hereunder except to the extent of negligence on the part of the Regional District;
- (b) to pay all taxes, fees, charges or rates charged upon the Regional District or the owner of the Lands by reason of or arising from the Licensee's use of the Licence Areas;
- (c) not to place, install, maintain or replace any structures, improvements, signs or other works upon or within any of the Licence Areas under the terms of this Agreement other than signage which may be installed or placed in accordance with Schedule "B";
- (d) not to breach any covenants of the Regional District as tenant contained in Lease between the Regional District and the City of Nanaimo dated the 12th day of October, 2005;
- (e) not to permit or allow the idling of buses in the Licence Areas except in accordance with any policy or bylaw of the Regional District;
- (f) to refer to the co-use of transit exchanges arrangement established by this Agreement in its marketing campaigns;
- (g) to resolve any issues arising from the Licensee's use of the Licence Areas to the reasonable satisfaction of the Regional District;
- (h) nothing in this Agreement shall prevent the Regional District from extending transit service to the Duke Point Ferry Terminal.

5.0 INDEMNIFICATION

5.1 The Licensee releases and will indemnify and save harmless the Regional District, its elected and appointed officers, employees and agents from and against all lawsuits, damages, costs, expenses, fees or liability which the Licensee or any of them or anyone else may incur, suffer or allege by reason of

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or connected in any way with the use of the Licence Areas by the Licensee or the carrying on upon the Licence Areas on the Lands on which the Licence Areas are situated of any activity in relation to the Licensee's use of the Lands. The Licensee shall be responsible for any damage to the Licence Areas occurring as a result of the Licensee exercising its rights under this Agreement.

6.0 LICENCEE AT WILL

- 6.1 The Licensee acknowledges that the Regional District holds the Licences for the Country Club Exchange and Woodgrove Mall Exchange as a licensee at will. The Licensee acknowledges and agrees that the Regional District may terminate this Licence in respect of the Country Club Exchange and the Woodgrove Mall Exchange if the owners of the Lands in which such Licence Areas are located terminate the Regional District's Licence for the Country Club Exchange or the Woodgrove Mall Exchange respectively, and the Licensee releases and saves harmless the Regional District from and against any and all claims, actions, causes of action, demands or liabilities, including liability for economic loss arising from or connected with such termination.

7.0 TERMINATION

- 7.1 The Regional District or the Licensee (the "**Terminating Party**") may terminate this Licence on thirty (30) days written notice to the Licensee (the "**Terminated Party**"). In the case of termination of this Licence under this section, the Terminated Party shall release the Terminating Party from any and all claims, actions, causes of action, demands or liabilities, including liability for economic loss arising from or connected with such termination.

8.0 INSURANCE

- 8.1 (a) the Licensee will take out and maintain during the term of the License a policy of general public liability insurance against claims for bodily injury, death or property damage arising out of the use of the premises by the Licensee in the amount of not less than five million dollars per single occurrence or such greater amount as the Regional District may from time to time designate, naming the Regional District as an insured party thereto and shall provide the Regional District with a certified copy of such policy or policies;
- (b) all policies of insurance shall contain a clause requiring the insurer not to cancel or change the insurance without first giving the Regional District thirty days prior written notice;

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- (c) if the Licensee does not provide or maintain or enforce the Insurance required by this Agreement, the Regional District may take out the necessary insurance and pay the premium for periods of one year at a time and the Licensee shall pay to the Regional District as additional License fees the amount of the premium immediately on demand;
- (d) if both the Regional District and the Licensee claims to be indemnified under any insurance required by this Agreement, the indemnity shall be applied first to the settlement of the claim of the Regional District and the balance, if any, to the settlement of the claim of the Licensee;
- (d) the deductible on the policy of the Insurance shall be not more than five thousand dollars.

9.0 NOTICES

9.1 It is hereby mutually agreed:

Any notice required to be given under this Agreement shall be deemed to be sufficiently given:

- (a) to be delivered at the time of delivery and
- (b) if mailed from any government post office in the Province of British Columbia by prepaid registered mail addressed as follows:
 - (i) if to the Regional District of Nanaimo:
6300 Hammond Bay Road
Nanaimo, B.C. V9T 6N2
 - (ii) if to the Licensee:
Pacific Coach Lines Ltd.
1209 - 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

or at the address a party may from time to time designate, then the notice shall be deemed to have been received seventy-two hours after the time and date of mailing. If, at the time of mailing the notice, the delivery of mail in the Province of British Columbia has been interrupted in whole or in part by reason of a strike, slow-down, lock-out or other labour dispute, then the notice may only be given by actual delivery of it.

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10.0 INTERPRETATION

- 10.1 That when the singular or neuter are used in this Agreement they include the plural or the feminine or the masculine or the body politic where the context or the parties require.
- 10.2 The headings to the clauses in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.
- 10.3 That this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, administrators and permitted assignees.
- 10.4 This Agreement shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
- 10.5 All provisions of this Agreement are to be construed as covenants and agreements as though the word importing covenants and agreements were used in each separate paragraph.
- 10.6 If any section of this Agreement or any part of a section is found to be illegal or unenforceable, that part or section, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected thereby and will be enforceable to the fullest extent permitted by law.
- 10.7 This Agreement shall not be interpreted as granting any interest in the Lands to the Licensee

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
by its authorized signatories:)
)
)
_____)
Print Name:)
)
)
_____)
Print Name:)
)

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PACIFIC COACH LINES LTD. by its)
authorized signatories:)
)
_____)
Print Name:)
)
_____)
Print Name:)
)

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SCHEDULE "A"

Licence Areas

The license areas are as follows:

1. Woodgrove Centre, at the existing transit exchange in the back of the Woodgrove Centre, located at 102-6631 Island Highway North, Nanaimo, BC. The licensee is permitted to stop at the designated and identified transit stop agreed to designated stop at the exchange.
2. Country Club Centre, at the existing transit exchange, located at 3200 Island Highway North, Nanaimo. The licensee is permitted to stop at the designated and identified transit stop agreed to designated stop at the exchange.
3. Prideaux Street Exchange, at the existing transit exchange located at the corner of Prideaux and Fitzwilliam, Nanaimo BC, at the designated and identified transit stop at the exchange.

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SCHEDULE "B"

Signs Permitted

1. Within each of the Licence Areas, the Licensee may place not more than two (2) signs, of the following maximum dimensions:

Prideaux Exchange:	10" x 16"
Country Club Exchange:	10" x 16"
Woodgrove Exchange:	10" x 16"
2. The signs shall not be illuminated or electronic;
3. The signs shall contain no third party advertising; and
4. The wording of the signs shall relate exclusively to the use of the Licence Areas for pick up and drop off of the Licensee's passengers.

ATTACHMENT 2

Sent: June 27, 2008 5:57 PM
To: Kiteley, Laura
Subject: RDN - PCL Partnership

Hi Laura,

Further to our discussions regarding partnership with the Regional District of Nanaimo (RDN), Pacific Coach Lines (PCL) will extend a discounted fare to all RDN monthly pass holders.

The introductory fare for the general public will be \$39.00 (effective until September 30, 2008) from points in Nanaimo to the Vancouver International Airport (YVR). This fare will include the cost of the coach service, ferry fees and GST. RDN monthly pass holders will receive a special rate of \$35.00 for this same service.

Starting October 1, 2008, our regular rates will apply which will be \$45.50, with RDN monthly pass holders special price being \$40.00.

The RDN special prices will be offered to RDN monthly pass holding passengers only, in exchange for accepting PCL passengers (with tickets) onto RDN transit buses at no additional charge, as a part of the continuation of their journey and for access to RDN transit exchanges as mutually agreed upon, currently being Woodgrove Centre, Country Club Exchange and the Prideaux Exchange.

This agreement will be subject to review on an annual basis.

Please do not hesitate to contact me with any questions regarding this matter.

Thank you kindly,

Thomas Choe
General Manager, Operations



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