



Island Rail Corridor

Interests and Possible Uses Assessment

Fall 2022 Municipal and Key Stakeholder Engagement Summary Report



Ministry of
Transportation
and Infrastructure



ISLAND
CORRIDOR
FOUNDATION

Acknowledgement

The BC Ministry of Transportation and Infrastructure and the Island Corridor Foundation acknowledge that the Island Rail Corridor lies within the traditional territory of 14 First Nations on Vancouver Island:

- Esquimalt Nation
- Songhees Nation
- Malahat Nation
- Cowichan Tribes
- Ts'uubaa-asatx Nation (Lake Cowichan First Nation)
- Halalt First Nation
- Stz'uminus First Nation
- Penelakut Tribe
- Snuneymuxw First Nation
- Snaw-Naw-As First Nation
- Qualicum First Nation
- Hupačasath First Nation
- Tseshaht First Nation
- K'ómoks First Nation

This report was prepared by Lucent Quay Consulting Inc., on behalf of the Ministry of Transportation and Infrastructure and the Island Corridor Foundation. Lucent Quay is a Vancouver-based communications and engagement firm retained by the Ministry to support the engagement process and provide independent analysis of the engagement input.

Note that the input received reflects the interests and opinions of individuals who participated in this engagement process.

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1 Engagement Background

1.1 Purpose

The Ministry of Transportation and Infrastructure (MoTI) is partnering with the Island Corridor Foundation (ICF) to facilitate engagement with municipal and regional district staff and Indigenous Groups whose jurisdictions are transected by the corridor regarding interests and possible future uses for the Island Rail Corridor (IRC).

The purpose of engagement during fall 2022 was to understand interests and potential short, medium and long-term opportunities for the IRC as a transportation corridor, subject to funding and ensuring First Nations interests are appropriately addressed. The goal was to confirm stakeholder and First Nations interests and concerns related to the corridor, seek factual information around use of the corridor (regardless of mode and including non-transportation related use), and to identify potential funding opportunities (financial or in kind) to help defray costs.



Engagement was conducted in two separate streams – MoTI conducted meetings with municipal and regional government staff and key stakeholders, while MoTI and ICF jointly conducted meetings with First Nations.

1.2 Participation

On August 29, 2022, MoTI sent invitations to staff at 29 municipal/regional governments and key stakeholder groups. Between September 8 and November 4, 2022 MoTI met with 23 of these groups. At the recommendation of the Township of Esquimalt, a meeting was subsequently scheduled with the Department of National Defence - CFB Esquimalt on December 1, 2022.

Similarly, on August 26, 2022, MoTI sent invitations to 14 First Nations, in whose territory the IRC located. As of December 1, 2022, MoTI and IRC met with nine First Nations located along the corridor and received written correspondence from four Nations.

Island Rail Corridor Overview Map



Connects 13 municipalities, 5 regional districts, and several First Nations.

Bisects 8 Reserves (7.2 km). Directly adjacent to 1 Reserve.

2 Engagement Overview

2.1 Island Rail Corridor Background

The Island Rail Corridor (formerly known as the E&N Rail Corridor) is approximately 289 km long, running between Victoria and Courtenay with connections between Parksville and Port Alberni and to the Nanaimo waterfront. The railway is currently owned by the ICF and operated under contract by the Southern Railway of Vancouver Island. The rail line has fallen into disuse in recent years, except for freight traffic on a spur line in the Nanaimo area, and restoration of rail service would require substantial funding from government.

In April 2020, MoTI commissioned an “all-in” condition assessment of the entire Island Rail Corridor (Victoria to Courtenay [Victoria subdivision], Parksville to Port Alberni [Port Alberni subdivision], Wellcox Spur and Wellcox Yard). This assessment was undertaken to establish a complete and accurate picture of the railway infrastructure, from ties and track to grade crossings and bridges. The condition assessment includes estimated costs to upgrade infrastructure to restore rail freight operations and passenger service. It also includes the estimated cost of upgrading the rail line to meet the standards needed to implement a Commuter Service with frequent train service between Victoria and Langford, as well as Inter-City service between Victoria and Courtenay.



Subsequently, ICF completed its own business plan in May 2022 proposing to restore passenger and freight rail service to Vancouver Island by upgrading the existing Island Rail Corridor.

As a result of the court-imposed timeline for the Federal Government to make a funding decision by March 2023, the Ministry initiated an engagement process, involving meetings with municipal and regional district staff, key stakeholders and First Nations groups.

2.2 Engagement Purpose

In late August, 2022, the Ministry issued invitations to 29 municipal and regional government and key stakeholders groups, as well as 14 First Nations, to participate in meetings to provide an update on completed and planned corridor-related studies.

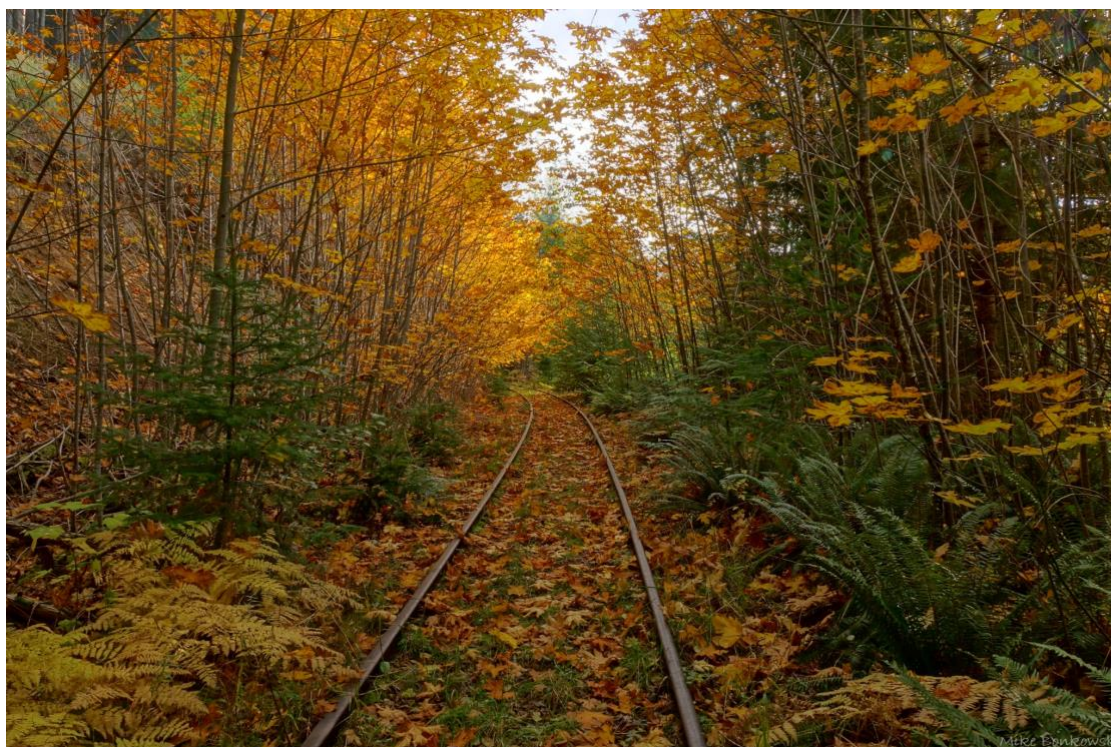
The purpose of this engagement is to identify potential short, medium and long-term opportunities for the use of the IRC as a transportation corridor, or other potential uses. Feedback received will be considered by both the provincial and federal governments and inform their decision with respect to funding and continued use of the corridor, in advance of the court-imposed deadline.

2.3 Local & Regional Governments and Key Stakeholder Participation

MoTI invited and conducted meetings with municipal and regional district staff and key stakeholders as noted in the table below:

| Invited Stakeholders | Meeting Status |
|--|----------------------------------|
| <i>Municipalities:</i> | |
| City of Colwood | September 22, 2022 |
| City of Courtenay | Unable to confirm a meeting date |
| The Village of Cumberland | Unable to confirm a meeting date |
| City of Duncan | September 9, 2022 |
| Corporation of the Township of Esquimalt | September 8, 2022 |
| District of Highlands | Unable to confirm a meeting date |
| Town of Ladysmith | September 27, 2022 |
| City of Langford | October 31, 2022 |
| District of Lantzville | September 12, 2022 |
| District of Metchosin | Unable to confirm a meeting date |
| City of Nanaimo | September 26, 2022 |
| Municipality of North Cowichan | September 29, 2022 |
| City of Parksville | Unable to confirm a meeting date |
| City of Port Alberni | September 27, 2022 |
| Town of Qualicum Beach | September 29, 2022 |
| District of Sooke | September 9, 2022 |
| City of Victoria | September 13, 2022 |
| Town of View Royal | September 12, 2022 |
| <i>Regional districts:</i> | |
| Alberni-Clayoquot Regional District | September 22, 2022 |
| Capital Regional District | September 13, 2022 |
| Comox Valley Regional District | September 8, 2022 |
| Cowichan Valley Regional District | September 29, 2022 |
| Nanaimo Regional District | September 9, 2022 |
| <i>Other stakeholders:</i> | |
| BC Transit | September 13, 2022 |

| Invited Stakeholders | Meeting Status |
|--|----------------------------------|
| Destination BC | October 28, 2022 |
| BC Cycling Coalition | Unable to confirm a meeting date |
| Friends of Rails to Trails Vancouver Island | September 14, 2022 |
| BC Trucking Association | October 28, 2022 |
| Vancouver Island Economic Alliance | September 28, 2022 |
| Department of National Defence – CFB Esquimalt | December 1, 2022 |



2.4 Engagement Topics and Materials

MoTI invited participation in the engagement through letters distributed by email to First Nations on August 26, 2022 and to municipal and regional district staff and key stakeholders on August 29, 2022. A sample of the Municipal and Key Stakeholder engagement notification letter is included in Appendix A

In advance of each scheduled meeting, an agenda of proposed discussion topics and links to recent related reports, was circulated to meeting participants. Proposed meeting topics were as follows:

- Engagement purpose and scope
- Key facts about the corridor
- Location of the corridor in relation to municipalities, regional districts and First Nations
- Rail service cost estimates
- Overview of the *South Island Transportation Strategy* (included as relevant and appropriate)
- Recent legal imperative
- Proposed discussion topics including potential future use of the corridor, influence on travel locally and regionally, conditions required to achieve future vision and objectives
- Potential next steps

A brief presentation deck was used to support the discussion, as appropriate. It is included in Appendix B.



3 Municipal and key stakeholder groups engagement results

3.1 Vision/Potential Use of the Corridor

- Strong support for maintaining IRC as a transportation corridor, with general recognition that in the short to medium term, an end-to-end rail or transit bus service may not be affordable and that the Highway 1 and Galloping Goose corridors are the more immediate priority from a demand perspective.
- Support for IRC use as an active transportation corridor in the shorter term (including active investment and management by some municipalities and regional districts), with protection for future transit use, so as to maintain the corridor – once it's gone it will be impossible to recreate.
- Within the Capital Regional District (CRD), BC Transit's current focus is on serving West Shore communities along Highway 1 (where demand is highest), using rapid bus for the foreseeable future; north of the CRD, there is an opportunity to improve service between communities and an alternative to the Malahat Highway in the event of an emergency closure.
- The City of Port Alberni promotes the corridor as a heritage rail corridor.
- Demand for goods movement on Vancouver Island does not appear to be large enough to warrant end-to-end rail freight service at this time; however, the existing rail freight service at the northern end of the corridor provides an important service, and in the very long term, there is potential for the entire IRC to be a successful corridor for autonomous long combination vehicles as demand for freight and presence of distribution centres on the Island increase (e.g. Duke Point, West Shore, etc.) and source production increases (e.g. Port Alberni's production of lumber).
- Communities along the IRC are making concerted efforts to densify and to create employment centres that promote making shorter commuting trips, to reduce reliance on the private automobile. Several regional districts are actively developing regional trail plans that include the IRC – funding for and timing of construction is still to be determined.
- Most communities do not anticipate that reinstatement of IRC would have a significant impact on population or highway traffic volumes in the short to medium term; however, it is also recognized that 70% of Vancouver Island's population lives within five kilometres of the corridor, and that the future potential of IRC is significant.
- Several communities have established specific targets for reducing total vehicle-kilometres-travelled and/or increased percentage share of travel by transit and active transportation; however, none rely on IRC to achieve these.
- Most communities also already use or would like to use the IRC as a utility corridor including sewer, water and telecommunications.

3.2 Potential Challenges

- BC Transit noted that any short- to medium-term incorporation of transit service on IRC would compete with transit ridership on existing routes.
- CRD staff noted that the southern terminus of the IRC is north of the Johnston Street Bridge, meaning that the City of Victoria would not be connected, yet it remains a key peak commuting target origin and destination.

- Funding for “and last mile” active transportation linkages and connections to local circulation routes, particularly on the west shore, is a significant challenge for small producers and local communities which rely heavily on grant funding and local taxes.
- Most agencies recognized that costs to upgrade the IRC/replace aging infrastructure to ensure safe and convenient use would be costly, particularly if it needs to be widened to accommodate multi-modal use; however, most organizations also commented on the beneficial effects of active transportation and the high success of the Galloping Goose Trail as evidence of the potential future success of IRC if it were developed as an end-to-end active transportation corridor.
- One of the challenges with the previous passenger rail service, and a potential challenge for the new service, is that travel times were too long for the corridor to be a viable commuter rail service.
- A challenge for existing islanders that a new rail service could potentially address is local shipping (major suppliers like FedEx and UPS to not provide service with sufficient frequency).

3.3 Potential Opportunities

- Due to the continued lack of clarity around the future of the IRC, most communities and regional districts currently don’t put much emphasis on it when making land use and official community plan decisions; however, most also recognize that if the IRC were to be developed as a transportation corridor, it likely would increase demand for housing and increased tourism.
- Continued adoption of electronic bikes is increasing the range of reliable travel distance for travel to/from work by active transportation modes; which may significantly increase the attractiveness of IRC as an alternative transportation corridor.
- Several agencies noted that existing private vehicle and truck traffic is subsidized by continued taxpayer funding for highway maintenance and upgrades and that some of these funds could potentially be redirected to funding clean service as part of a climate emergency response initiative.
- The intersection of Six Mile Road/Island Highway and Westhills areas are key existing hubs for trails and transit and could potentially accommodate an additional train hub/bike locker area that would facilitate West Shore residents to make more sustainable transportation choices.
- Some communities are protecting key roadway areas as potential future rail crossing locations so that the space is available in the future if needed; others are not.

3.3.1 Potential Sources of Funding

Without prejudice, participants identified the following potential sources of funding to help defray costs:

- Financial and in-kind support from communities and regional districts for active transportation and green space development, and for rail crossing safety infrastructure
- National Corridor Foundation grant funding for active transportation expansion
- Reallocation of provincial highway upgrade funding
- Private sector funding for rail freight expansion and/or long-term operations

3.3.2 Recommended Additional Engagement

Participants recommended that MoTI also consider meetings with the following groups:

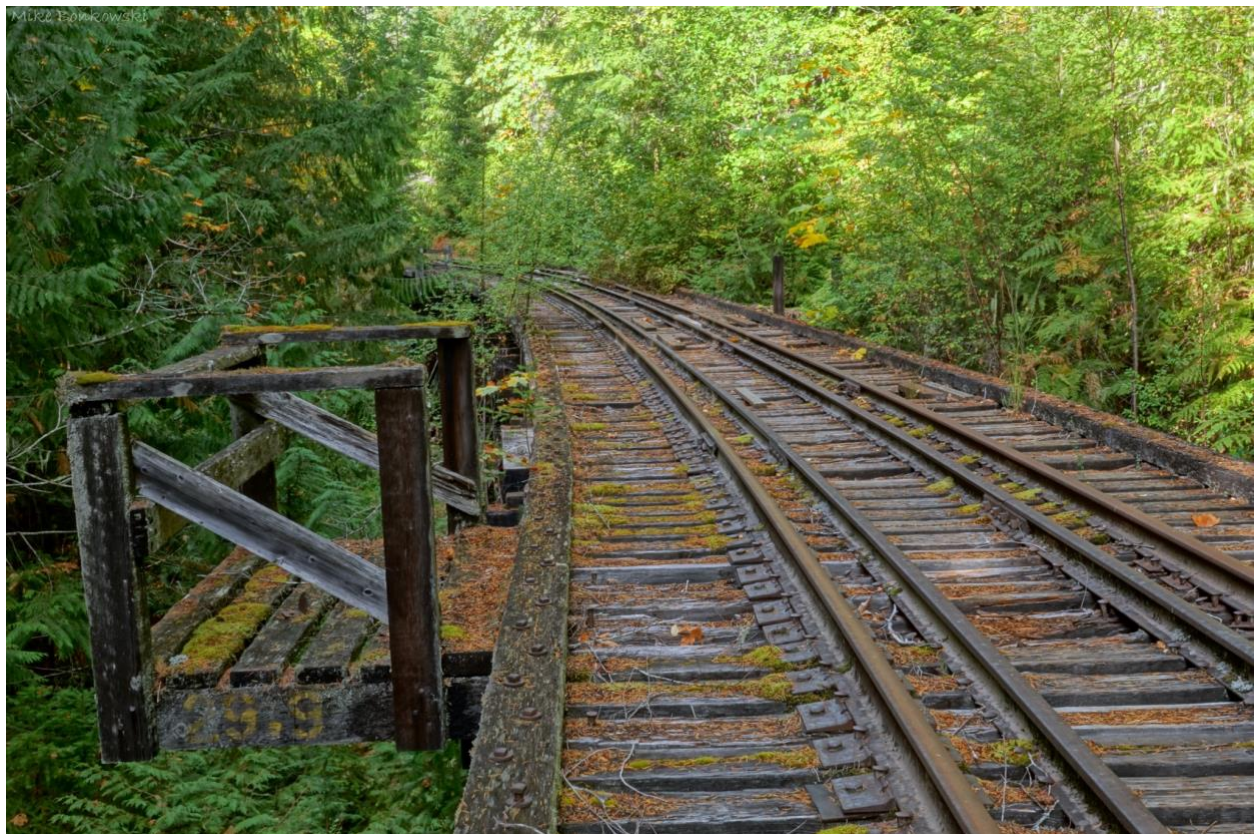
- Local chambers of commerce

- Tourism organizations
- City of Vancouver (regarding planning for the Arbutus Greenway)
- Department of National Defence Canada/CFB Esquimalt
- Nanaimo Port Authority
- Forestry producers in the north island
- Home Depot/Home Hardware and other major building product suppliers
- Seaspan and/or other marine transportation operators

4 Looking Ahead

4.1 Next Steps

The feedback provided and documented in this engagement summary report will be shared with the Government of Canada and other decision-makers in advance of the March 14, 2023, deadline, imposed by Federal Court of Appeal, to determine public interest and funding for the corridor. Additional technical analysis on the potential demand for freight service and the economic value of an alternative to the Malahat Highway will also be considered as part of the assessment.



Appendix A Notification Materials

Sample participation invitation letter



August 29, 2022

«Primary_Contact_First_Name» «Primary_Contact_Last_Name»
«Primary_Contact_Title»
«Stakeholders»
«Address»
«City», «Prov», «Postal_Code»

Dear «Primary_Contact_First_Name» «Primary_Contact_Last_Name»,

Re: Invitation to participate in engagement for the future of the Island Rail Corridor

The Ministry of Transportation and Infrastructure (ministry) is seeking to facilitate discussions with you and other interested parties on the future of the Island Rail Corridor (historic E&N Rail Corridor) on Vancouver Island and, ultimately, to support a decision by the federal government with respect to railway services along the Corridor. To support this work, the Ministry is inviting local governments and other key stakeholders to participate in an engagement process this fall. Concurrently, the Ministry is working with the Island Corridor Foundation (ICF) to engage with local First Nations. Given the complexity of the decision, and the constrained timeline, the ministry is focusing engagement efforts on government-to-government forums as well as other key stakeholders. Transport Canada is aware of this provincial-led engagement and understands that it will help inform further discussions.

About the engagement process

The purpose of this engagement is to understand interests and potential short-, medium-, and long-term opportunities for the Island Rail Corridor as a transportation corridor, subject to funding and ensuring First Nations interests are appropriately addressed. Our goal is to confirm stakeholder interests and concerns related to the corridor, seek factual information around use of the corridor (regardless of mode), and to identify potential funding opportunities (financial or in kind) to help defray costs. Your insights and suggestions will be considered along with insights from First Nations and ongoing technical analysis to help the Province's ongoing discussions with Transport Canada regarding the future of the corridor.

We recognize the tight time constraints to complete this complex assignment. We also value your input and participation. Ideally, we would like to meet with senior staff from your organization at least once between now and September 15, 2022, and then again later this fall after municipal elections have taken place and Mayors and Councils have been sworn in. Given the time constraints and continuing pandemic challenges, we suggest an online meeting via Zoom. Please see below for information on how to participate.

The Ministry has engaged support of Lucent Quay Consulting to help us plan and conduct the engagement process. To confirm your interest in participating, please contact Valder Belgrave at valderbelgrave@lucentquay.ca or 604.861.9774.

About the Island Rail Corridor

The Island Rail Corridor (formerly known as the E&N Rail Corridor) is approximately 289 km long, running between Victoria and Courtenay with connections between Parksville and Port Alberni and to the Nanaimo waterfront. The ICF owns the railway and operates it under contract by the Southern Railway of Vancouver Island. The rail line has fallen into disuse in recent years, except for freight traffic on a spur line in the Nanaimo area, and restoration of rail service would require substantial funding from government.

In April 2020, the Ministry commissioned an “all-in” condition assessment of the Island Rail Corridor. The condition assessment includes estimated costs to upgrade infrastructure to restore rail freight operations and passenger service. It also includes the estimated cost of upgrading the rail line to meet the standards needed to implement a commuter service with frequent train service between Victoria and Langford, as well as inter-city service between Victoria and Courtenay. ICF completed a business plan in May 2022 proposing to restore passenger and freight rail service to Vancouver Island by upgrading the existing Island Rail Corridor.

Thank you in advance for your consideration and feedback. We look forward to your involvement.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Staite'.

Janelle Staite, P.Eng
Deputy Director
South Coast Region

Cc: «Secondary_Contact_Name», «Secondary_Contact_Title»

Appendix B Engagement materials

Engagement PowerPoint presentation

BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Island Rail Corridor Review:

Interests and corridor possibilities

Local government and key stakeholder engagement

Fall 2022

1

BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Purpose and scope

Purpose:

- Understand possibilities for use as a transportation corridor given recent studies and new information
- Understand First Nations' concerns and interests in the corridor

Scope:

- Share and understand new information
- Seek input/ideas on potential short, medium and long-term options, including interests and feasibility

2

BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Key facts

Today:

- ICF owns and manages the corridor
- Limited freight service + 17 km of trails

History:

- Pass. rail ceased in 2011
- Once daily roundtrip (Victoria-Courtenay-return)
- 4.75 hr per one-way trip; with multiple stops
- Approx. (avg). 110 pass./day

3

BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Corridor area

Connects **13** municipalities, **5** regional districts, and **14** First Nations

- Bisects **8** Reserves (**7.2 km**)
- Directly adjacent to **1** Reserve

4

BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Directly affected Reserves

| | | | |
|--|---|--|--|
| Qualicum - adjacent does not bisect Qualicum First Nation | Nanoose - 1,429.3 metres bisected Nanoose First Nation | Oyster Bay 12 - 1,231.9 metres bisected Oyster Bay First Nation | Squamish-one 11 - 550.3 metres bisected Squamish First Nation |
| Halalt 2 - 1,536.4 metres bisected Halalt First Nation | Cowichan 1 - 720.9 metres bisected Cowichan First Nation | * Esquimalt - 554.4 metres bisected Esquimalt First Nation | Sunneymun - 1,026.3 metres bisected Sunneymun First Nation |

* Esquimalt - 145.6 metres bisected
New Songhees 1A - 145.6 metres bisected
Songhees First Nation

5

BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Recent rail service estimates

| Estimated Impact | Condition Assessment (WSP for MOTI, 2020) | Initial Business Case (ICF, 2022) |
|--------------------------|--|--|
| Cost | \$729 million (upgrades) \$595 (commuter rail) "all in" estimate | Est. \$431 million |
| Service | Freight + commuter + intercity/regional rail | Freight + commuter + intercity/regional rail |
| Assumed Frequency | 2 routes; 4 trains daily | 4 routes; 3-8 trains daily |
| Freight vol/yr | No est. | 4000 freight carloads/yr |

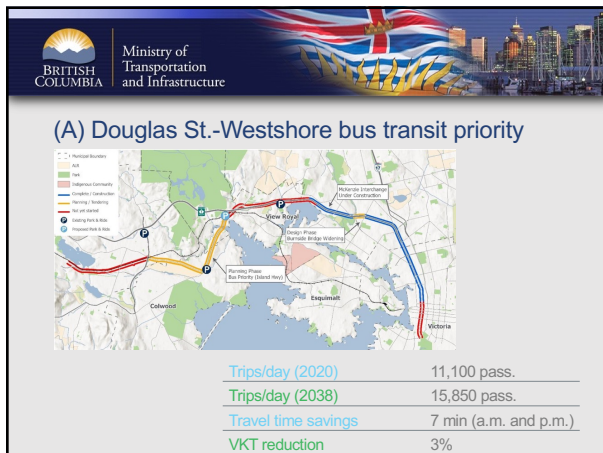
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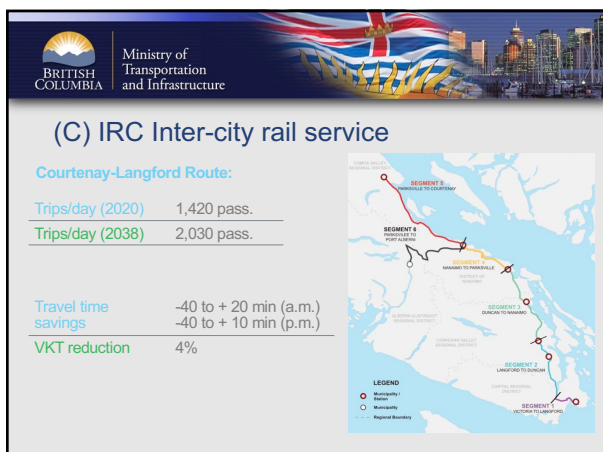
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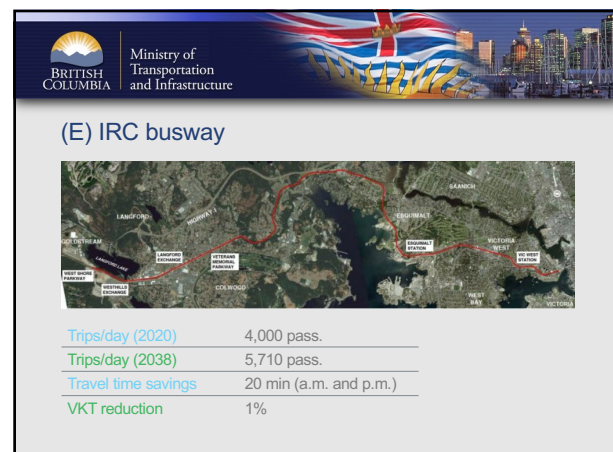
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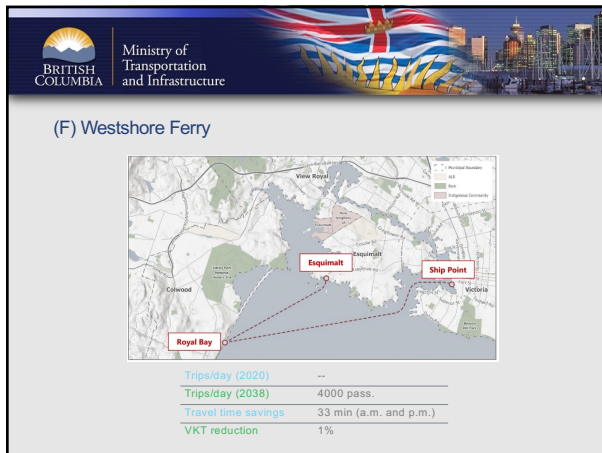
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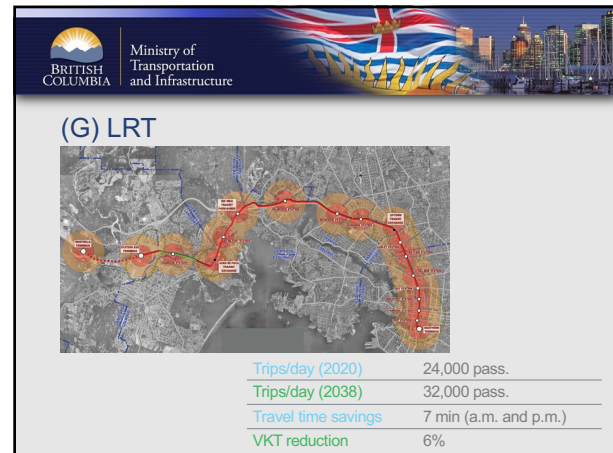
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BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Recent legal imperative

Federal Court of Appeal decision:

- 14 Sep 2021 ruling
- 14 Mar 2023 deadline

Key conditions:

- Canada to determine public interest and funding

...Given the comprehensive information now available about the condition of the railway, the work that needs to be done and the projected costs to do so, a period of 18 months from the date of this judgment should be sufficient for Canada to determine whether it will approve funding for infrastructure improvements on the segment of the corridor that includes the SFN Reserve...

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BRITISH COLUMBIA Ministry of Transportation and Infrastructure

Discussion

- Questions about the studies?
- How do you see the corridor used?
- How will it influence travel in the region?
- How would we collectively make this happen?
- Suggested information sharing and next steps?

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