

Negotiators' Agreement on Cost-Sharing and Construction of SkyTrain Extensions

The negotiators for the Province and the Greater Vancouver Transportation Authority (TransLink) have agreed upon the following terms for a proposed agreement between the Province and TransLink (the parties) for cost-sharing and construction of the SkyTrain extensions and will recommend them to their principals.

General

- The parties agree that any reference in this document to TransLink shall be deemed a reference to the Greater Vancouver Transportation Authority. The Province agrees to make good faith best efforts to permit the Greater Vancouver Transportation Authority to use TransLink as its legal name.
- 2 The parties reaffirm the principles underlying the Greater Vancouver Transportation Authority Act and the negotiators' Memorandum of Understanding of June 18, 1998.
 - 3 TransLink acknowledges the significant financial contribution by the Province to the construction of rapid transit and the implementation of a key transportation component of the Livable Region Strategy.
 - 4 The parties agree that rapid and cost-effective construction of the SkyTrain extensions described in this agreement is most desirable, and agree to work together to obtain municipal support for the project and ensure its early completion to a desirable standard. The parties agree on the importance of maintaining the construction schedule to control costs, and therefore agree to disclosure of information, early notification and consultation on matters related to this memorandum.
 5. The parties agree that the provisions of this memorandum will be reflected in a formal Agreement (the Agreement) between the parties, together with such additional and amended provisions as may be required to give effect to this memorandum. The Agreement will be enforceable through the courts or binding arbitration.
 - 6 The parties will obtain approvals as required to implement the Agreement. The Agreement will be subject to necessary legislation being passed and required approvals being obtained.

Construction of the "Partial T" Line

- 7 The extensions to the SkyTrain system will be constructed in two phases. The "L" line will be constructed from New Westminster through a station in or adjacent to Lougheed Mall to the vicinity of Vancouver Community College (VCC). The proposed Coquitlam extension is to be constructed from Lougheed Mall to Coquitlam Centre. Together, the "L" line and the proposed Coquitlam extension make up the "Partial T" line.
8. The parties will expeditiously review and confirm the alignment, station locations, scope and estimated cost of the "L" line to Commercial Drive. The parties agree that the scope will include a station at Braid in New Westminister (subject to New Westminister's agreement) and a major station at Commercial Drive including renovation for the existing station and mitigation for and related to the Grandview



- Cut. The Province confirms that it has budgeted \$1,167 million for the construction of the "L" line.
9. The parties will determine the alignment, station locations, scope, and cost for the proposed Coquitlam extension and confirm their agreement on these issues in a written agreement. The parties agree the scope for the proposed Coquitlam extension will include an extended tunnel section in the City of Port Moody. The parties will seek the agreement of the municipalities to the alignment and station locations for the proposed Coquitlam extension, and the Province will seek the necessary environmental approvals and permits.
 10. The Province, using Rapid Transit Project 2000 Ltd. as its agent will, upon receipt of the necessary environmental approvals construct the "Partial T" line and purchase SkyTrain cars for that portion of the line.
 11. The parties agree to cost share on an equal basis certain items not in the scopes to be reviewed under Clause 8 and determined under Clause 9 to a maximum of \$60 million, including the Lake City Station and selected street improvements in Burnaby, mitigation along the Fraser River in New Westminster and such additional items determined by the parties, including, without limitation, bus loops, station enhancements, and park and ride facilities. TransLink will pay its 50% share for each of these items when the item has been constructed based on a billing from the Province, which will contain reasonable details of the expenditures made to permit TransLink to confirm the nature of the expenditures.
 12. The parties will expeditiously review the proposed design of the Lougheed Mall station and either confirm or modify its alignment and configuration. If the configuration is modified, the related cost will be shared between the parties under Clause 11. If agreement cannot be reached on the alignment and configuration of the Lougheed Mall station, the matter will be referred back to the negotiators for resolution.
 13. Upon the later of the date when all of the "Partial T" line enters into revenue service and December 31, 2005, and so long as the revenue sources and taxing authorities contained in the GVTA Act as passed and as modified in this memorandum remain in effect as of that date, TransLink will pay to the Province an amount of \$650 million as its remaining share of the cost of construction for the "Partial T" line and shall have no further financial obligation.

Construction of the Proposed Extension West of the Vicinity of Vancouver Community College

14. The parties acknowledge that the City of Vancouver is undertaking a study (the City of Vancouver study) of potential technologies applicable west of Commercial Drive, with financial support from the parties.
15. TransLink acknowledges that the Province wishes any proposed extension to the west of the vicinity of VCC to be constructed using SkyTrain technology.
16. The parties agree that it is desirable to seek agreement on the endpoint for the proposed extension to the west and undertake its construction expeditiously after the completion of the "Partial T line".



17. The parties acknowledge that the City of Vancouver is evaluating alternate routes west of Commercial Drive, and that the selection of a route from Commercial to the vicinity of VCC has cost and alignment implications for the proposed extension west of the vicinity of VCC. The parties will identify the implications of the alignment decision and possible options to deal with these by July 15, 1999.
18. The parties agree that the City will have the opportunity to select its preferred alignment option from Commercial to the vicinity of VCC, in consultation with the parties, and that this decision will be made by July 31, 1999. Notwithstanding other provisions of this agreement, if there are any cost savings within the "L" line associated with the preferred alignment option, the parties will discuss ways in which savings will be applied to the work within those mitigation measures listed in clause 11 or credited to the extension to the west (if any such extension is agreed to), or other mutually agreed-to elements so that any saving may be shared by the parties.
19. Any westerly extension toward Granville Street will be cost shared 67% province/33% TransLink. The Province may elect to alter the cost sharing by increasing its share of the cost between the vicinity of VCC and Cambie Street and decreasing its share of the cost from Cambie Street to Granville Street by an equal amount. The Province will cost share only if the extension utilizes SkyTrain technology. Any extension beyond Granville Street will be funded fully by TransLink.
20. After the cost sharing is determined, the parties, in consultation with the City, will make good faith best efforts to determine, by March 31 of 2000, the endpoint for the proposed extension to the west using SkyTrain technology. This determination will give full consideration to the results of the City of Vancouver study.
21. The Province agrees that if agreement on an endpoint for the proposed extension to the west cannot be reached, it will not construct rapid transit beyond the vicinity of VCC.
22. If the parties agree on an endpoint, they will agree on scope and station locations and the estimate for construction to the endpoint and reflect these in a written agreement.
23. On confirmation of the estimate for construction to the agreed endpoint, subject to all necessary environmental approvals and permits, the Province will enter into construction agreements for the extension.

Other Agreements

24. Translink will pay, from its funds, for system upgrades and to maintain the guideway and accommodate the new Mark 11 vehicles up to a total cost of \$94 million. TransLink will, as previously committed, pay from its existing funds for the purchase of 20 Mark 11 vehicles. Payment will be made when system upgrades and guideway maintenance are complete based on a billing from the Province, which will contain reasonable details of the expenditures made to permit TransLink to confirm the nature of the expenditures.
25. The parties agree that there will be provisions for scope changes beyond those specifically provided for in this agreement, and for variances from budget. Related costs or savings will be charged or credited as follows:


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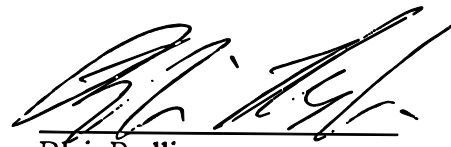
- a) Costs or savings arising from scope changes required by either party after finalization of the Agreement will be charged or credited to the party requiring the change.
 - b) Costs or savings arising from scope changes agreed by the parties will be charged or credited to the project cost.
 - c) Cost variances related to construction or other factors not related to change of scope will be borne by or credited to the Province.
26. The province and TransLink will conclude lease arrangements for the guideways in both the existing system and the system extensions for a nominal cost, providing for TransLink use on terms consistent with those in the Order in Council passed on March 30, 1999 and the relevant prior Memorandum of Understanding. The Agreement will be subject to the conclusion of such lease arrangements.
 27. TransLink will provide access to the existing system, personnel, control room and technology upon finalization of this Negotiators' Agreement to facilitate the construction of the project.
 28. TransLink agrees to enter into good faith negotiations with Bombardier to conclude an agreement to operate and maintain the SkyTrain system at a cost not greater and a performance level not lower than that which TransLink would achieve if it operated the system at an equivalent service level. Negotiations on this agreement will commence not later than September 1, 1999 and conclude by December 31, 1999.
The Province may participate on the TransLink negotiation team. If the Province disputes TransLink's assessment of the costs and performance TransLink could achieve through operation of the system directly, the parties agree to refer the determination of such cost and performance to the negotiators first and to a third party in the event that the negotiators are unable to agree.
 29. For simplicity of continuing operations, the parties prefer that the agreements to document the terms for Bombardier's operation and maintenance of the SkyTrain system be bilateral as between the Province and TransLink and Bombardier and TransLink, but a tripartite agreement will be acceptable if legally required to protect the interests of the Province. An agreement between the Province and TransLink (or tripartite agreement) will include an indemnification for costs to the Province under the Province's agreement with Bombardier should TransLink cancel its agreement with Bombardier for other than performance or cost reasons or other grounds specified within the agreement(s) documenting the terms for Bombardier's operation and maintenance of the SkyTrain system.
 30. The Province will in good faith make best efforts to ensure that ICBC will not issue insurance to automobile and small truck owners or operators required to have such insurance if a motor vehicle fee duly levied against the owners or operators by TransLink is not fully paid. TransLink agrees to compensate ICBC for administration costs legitimately incurred to apply this requirement.
 31. The Province will support and facilitate in good faith discussions between ICBC and TransLink and make best efforts to ensure that ICBC will provide the capability for TransLink to issue separate bills for the motor vehicle levy. TransLink agrees to compensate ICBC for costs legitimately incurred to issue these bills.
 32. In recognition of the administrative complexity of the existing provisions relating to collection of taxes on parking stalls, the Province will provide TransLink the



authority to levy after October 1, 2001 an ad valorem tax on parking charges of up to 21%, and the Province agrees to collect TransLink's charge as part of its mechanism for collection of sales tax. TransLink will compensate the province for costs that it incurs for the provision of this service.

- 33. If the Province is unable to provide the ad valorem parking tax for TransLink identified in Clause 32 the Province will in good faith make best efforts to provide an alternative revenue source or revenue sources of equal value to TransLink, and the Agreement will be subject to confirmation of such a revenue source or revenue sources.
- 34. TransLink agrees that before it applies the parking tax described above in clause 32, it will undertake consultation as required under the Greater Vancouver Transportation Authority Act and identify the proposals set out in its Strategic Transportation Plan requiring the use of this tax.
- 35. TransLink will work with the Province and make best efforts to ensure that the Province is granted prompt access to municipal roads and property for the construction of the SkyTrain extensions at no cost to the Province. The Agreement will be subject to the granting of this access or the Province obtaining the required access through legislation.



 Ken Dobell
 Negotiator for TransLink

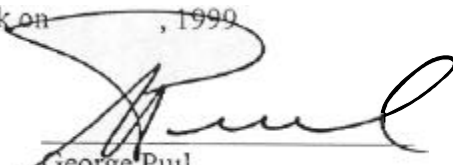

 Blair Redlin
 Negotiator for the Province

Date of Agreement June 20, 1999

Ratification

This agreement is ratified for the Province and TransLink on _____, 1999


 The Hon. Joy MacPhail
 Minister of Finance and Minister Responsible for Transit


 George Poul
 Chair, TransLink