



Island Corridor Foundation
Making Vancouver Island Rail a Reality

Island Corridor Foundation Strategic Priorities & Operations Plan

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NOTE TO READERS

*This is a **living document** that will be updated from time to time to respond to changing conditions and/ or new information. Suggestions for the Board's consideration may be submitted in writing to the Island Corridor Foundation.*

I. Introduction

The Island Corridor Foundation (ICF) is pleased to present its five-year Strategic Priorities and Operations Plan. The purpose of the Plan, which builds on the Foundation's original 2005 Business Plan, is to outline the ICF's goals and priorities within four key focus areas – Rail Infrastructure/Services; Heritage (train stations); Rail-with-Trails; and Corridor Communities. A five-year budget is included in Section VII. As a charitable foundation that is the title holder and custodian of over \$300 million in physical assets, accountable to a twelve-member Board of Directors appointed from over thirty member/corridor communities, the ICF is a very unique and complex organization that straddles both the business and non-profit realms. As such, the format of the original Business Plan has been modified and expanded to more closely resemble a broader strategic plan, but with business and financial elements within.

Though it may be amended from time to time to respond to changing conditions or new information, this document is intended to guide the work of the Foundation over the next five years. It is an important communications tool and source of information for the public in terms of the Foundation's intended activities and work plan in the years ahead. It will also be used to strengthen funding proposals to regional and senior levels of government as the Foundation pursues grants to commence the proposed Phase 1 rail infrastructure upgrades outlined in this document.

The Plan provides:

- a brief historical overview, along with information about the rail corridor, the Foundation's governance/staff structure and key organizational achievements to date;
- results from an online feedback form designed to gather comments and feedback from the public regarding an earlier, preliminary draft of the Plan released in the spring;
- a detailed summary of the four main focus areas, including key activities, opportunities, risks and key goals for implementation over the next five years;
- a five-year budget; and,
- a discussion of critical success factors for the years ahead.

In total, the Board has endorsed twenty-nine (29) operational goals within the four key focus areas. This includes approval of a preferred Phase 1 rail infrastructure option, which is presented in more detail in Section VI and Appendix 2.

Each spring, in conjunction with the Annual General Meeting, the ICF publishes audited financial statements. All related documents will be posted on the ICF's website (www.islandrail.ca) or available by request from the ICF office. The Foundation encourages Island residents to explore the Plan, and direct any questions or feedback to the ICF accordingly. The ICF Board and staff look forward to sharing the results of their work in the years ahead as the Foundation continues to work towards making Vancouver Island rail a reality.

II. History & Background

The Island railway was originally incorporated on September 27, 1883 by the E&N Railway Company, led by Sir Robert Dunsmuir, a renowned British Columbia (BC) coal baron and politician. To help subsidize construction of the railway, the federal and provincial governments contributed financially towards the project and granted more than 800,000 hectares of land on southeast Vancouver Island to the E&N Railway Company.

Approximately one-third of the land (nearly 270,000 hectares) was within the traditional territory of the Hul'qumi'num peoples, which today includes the First Nations communities of Cowichan, Stz'uminus, Penakut, Halalt, Lyackson and Lake Cowichan. With no mention or recognition of Hul'qumi'num rights, the land grant removed both the land and all natural resources found on or under the lands from Indigenous control, including traditional food sources, places of significant cultural importance, and resources that were used to meet essential material needs.

Construction of the railway was completed in 1886, and the initial rail operation ran for 115 kilometers from Esquimalt to Nanaimo. By the late 1880s, the line was extended into Victoria. In 1905, the Canadian Pacific Railway (CPR) wanted permission from the provincial government to build a line through southeast BC. The Province agreed to give permission, on the condition that CPR take over the Island railway, which at that time was struggling financially. The railway and land grants were transferred to the CPR and by 1925, the railway was a thriving operation.



Though the railway eventually developed into an important transportation, economic and social link between Island communities – both First Nations and non-First Nations, stretching from Victoria to Courtenay and across to Port Alberni - the initial land grant and rail operations had devastating and enduring impacts on the economic, social and cultural well-being of the Hul'qumi'num peoples.

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Today, through its [*2010 Declaration of Aboriginal Rights*](#), the ICF formally recognizes and acknowledges the Aboriginal title and rights of First Nations along the corridor in which the Foundation holds a fee simple interest. The focus of the ICF, as discussed throughout this document (and summarized on page 33), is on building and strengthening relationships with First Nations communities, as well as leading and/or supporting corridor-related projects, programs and initiatives that improve the prosperity and sustainability of local communities.

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Rail operations began to encounter challenges in the late 1990s and into the 2000s, when a variety of business changes occurred which created financial challenges for the rail operator and triggered considerable uncertainty regarding the sustainability of rail service on Vancouver Island. Local

governments and First Nations responded with significant concern regarding the economic impact of a possible rail closure on their communities. In an unprecedented scale of collaboration, they came together with one goal – to save the corridor and the railway and to ensure the corridor remained in public hands. The Island Corridor Foundation (ICF) was formed as a non-profit Society in 2003 as a result of this effort. Without such coordinated intervention, it is likely that the rail service would have been abandoned and the property sold off in parcels to private interests, forfeiting the valuable benefits of a continuous public transportation corridor forever.

The ICF subsequently applied to the Canadian Revenue Agency to become a registered charity under the Income Tax Act, which enabled the Foundation to provide official donation receipts. In 2005, the railway owners (CPR and Rail America) donated the railway corridor for tax credit, including the land, gravel rail beds, tracks, ties, culverts, related structures (i.e. bridges, trestles, tunnels), four historic train stations and timber rights along the corridor. At the time, the donation had an appraised value of \$366 million.

In 2006, the ICF entered into an agreement with a new railway operator, Southern Rail of Vancouver Island Limited (SVI) – a subsidiary of Southern Railway of British Columbia Limited (SRY), which is widely considered to be one of the most reputable short line operators in North America. In July of the same year, SVI took over the rail operations, including freight service and the daily VIA rail passenger service between Victoria and Courtenay. SVI and the ICF also began work on the development of an overall long-term infrastructure plan for rail upgrades and improvements.

The ICF has worked tirelessly over the past decade to secure federal, provincial and local contributions towards the rail infrastructure program, and to secure a new Train Service Agreement with VIA Rail to reinstate passenger service. Tremendous effort has also been invested in other key focus areas, including Heritage (historic train stations), Rail-with-Trails and Corridor Communities (charitable / community projects). These are discussed in detail in Section V – ICF Key Focus Areas.

Today, the ICF is a financially self-sustaining charitable Foundation that continues to benefit from strong participation by local governments and First Nations throughout the corridor, as well as the ongoing and generous support of a qualified, experienced and committed rail operator. While many challenges and opportunities lie ahead, the Foundation remains committed to protecting and improving the corridor for public use and making Vancouver Island Rail a reality

“The Island rail corridor is a rare and exceptionally valuable asset, brimming with opportunities for the long-term benefit of Vancouver Island. The ability of the ICF to successfully negotiate the donation of the continuous 290-kilometer corridor in 2005 was a remarkable and historic success. Consider the situation in Vancouver whereby the City recently agreed to pay CP Rail \$55 million to acquire a 9-kilometer section of the former Arbutus Corridor. We, as Island communities, cannot afford to underestimate the value of this incredible asset.” Mary Ashley, ICF Director-at-Large

III. The Corridor

The Corridor consists of the land, gravel rail bed, ties, tracks, culverts and related structures (bridges, trestles, and tunnels) that together form the railway system. It also includes the historic train stations and the land that they sit on.

The Corridor is approximately 30 meters (100 feet) wide through most of its length, and in a few densely-populated areas is somewhat narrower. In total, the Corridor is comprised of approximately 1,620 acres of land. It consists of two tracks: a 225-km section between Victoria and Courtenay (Victoria Subdivision/VIC) and a 64 km link between Parksville and Port Alberni (Alberni Subdivision/ALB). A third subdivision owned by the Island Corridor Foundation runs 26 kms between Duncan and Lake Cowichan. This track subdivision was abandoned in 1984 and the rail infrastructure has been removed. A trail for hikers and bikers runs the complete length of that corridor.

The corridors run through 5 regional districts, 14 First Nation communities, 14 municipalities and 13 unincorporated communities. The north-south line (Victoria Sub) goes through the most populated sections.

DID YOU KNOW?

APPROXIMATELY 80% OF THE POPULATION OF VANCOUVER ISLAND LIVES WITHIN 5 KILOMETERS OF THE RAILWAY, THE MAIN EXCEPTIONS BEING THE NORTH ISLAND AND SAANICH PENINSULA. THE RAIL CORRIDOR OFFERS TREMENDOUS POTENTIAL AS A GREEN TRANSPORTATION ALTERNATIVE, AND AS AN IMPORTANT CONNECTION BETWEEN COMMUNITIES BOTH PHYSICALLY AND SOCIALLY.



IV. The Foundation

Purpose

The Island Corridor Foundation is a non-profit society and federally registered charity established for the purposes of owning and managing the rail corridor on Vancouver Island. The Foundation recognizes the importance of this corridor as a link that connects communities economically, socially and culturally.

The objectives of the ICF are to:

- acquire, preserve and develop for purposes of the Foundation the Island Corridor which lies north-south from Victoria to Courtenay and east-west from Nanaimo to Port Alberni and from Duncan to Lake Cowichan on Vancouver Island;
- maintain the continuity of the Island Corridor as a continuous special use connection for all communities, while respecting and supporting First Nations interests and traditional lands and uses;
- contribute to safe and environmentally sound passenger and freight rail services along the Railroad;
- create trails, and facilitate opportunities for parks, gardens, greenways and other public areas for use of members of the public along the length of the Island Corridor;
- encourage a flexible infrastructure along the Island Corridor which will encourage a wide range of economic and trade activity for the benefit of all communities lying adjacent to the Island Corridor;
- preserve archaeological resources, historic landmarks, structures, artifacts and historic routes along the Island Corridor for historical purposes and for ongoing and future use by the community;
- conserve the environmental and spiritual features and functions of the Island Corridor in respect of the land, water and natural resources for the general benefit of the public; and
- do all such charitable activities which are incidental to and beneficial to the attainment of the purposes stated above.

Governance

Pursuant to the ICF's articles of incorporation, membership in the Foundation is limited to Regional District and First Nation governments whose territories are wholly or partly within the geographic area of the Corridor. The Foundation is governed by a board of 12 directors. An equal number of directors represent Regional Districts and First Nation governments – currently five each. Together, the members appoint two directors at large.

Sub-committees may be appointed by the board to oversee the operational activities of the Foundation. The board may appoint non-directors based on skills and experience, although the Chair of each sub-committee must be a director.

The current board is comprised of:

ICF Board of Directors (2017/2018)	
Chair and Director at Large	Dr. Judith Sayers
Vice Chair & Cowichan Valley Regional Director	Mayor Phil Kent
Director at Large	Mary Ashley
Alberni-Clayoquot Regional Director	Ken McRae
Capital Regional District Director	Ben Isitt, Councillor
Comox Valley Regional Director	Mayor Larry Jangula
Cowichan Tribes	Albie Charlie, Councillor
Halalt First Nation	Lonnie Norris, Business Development Manager
Lake Cowichan First Nation	Georgina Livingstone, Treaty Liaison / Housing, Lands and Resources Support
Nanaimo Regional District Director	Alec McPherson, Electoral Area A Director
Hupacasath First Nation	Jim Tatoosh, Councillor

The local government liaison sub-committee is open to all elected officials in corridor municipalities and regional districts. This committee meets twice per year and provides an opportunity for representatives of corridor regional districts and municipalities to discuss rail and trail issues and ideas with SVI and ICF staff & directors.

Relationship-building and communications with First Nations communities are undertaken primarily through the First Nations Liaison.

Management & Staff

The ICF management and staff structure has evolved over the years and continues to adapt to changing demands. In 2009, the ICF hired a full time Executive Director on contract, which also included record & bookkeeping services. At the time the ICF had no office or staff support. In subsequent years, the Executive Director was made the Chief Executive Office and tasked with (among many other things) making the Foundation financially self-sustaining and establishing an office. An official office was established at the Nanaimo Wellcox Yard in September of 2012.

The CEO is responsible for overseeing all of the assets of the ICF, and dealing with regulatory agencies, five regional districts, 14 First Nations, 14 municipalities, the federal and provincial governments, and the general public. This includes managing crossings and land use agreements, protecting the assets, managing relationships with the rail operator and use of the assets by the



Municipal representatives tour the track with SVI Roadmaster Al Kutaj on the first local government liaison day in July 2016

general public. The CEO is also responsible for presenting an annual budget for approval and to provide oversight to the budget and finances to the board of directors.

The Financial Officer, a professional accountant (CGA/CA), provides financial oversight to the board of directors, and the First Nation Liaison is responsible for communications with First Nations communities within the corridor. Both positions receive an honorarium.

Island Corridor Foundation Organizational Chart, 2017



A brief list of key organizational achievements since the ICF's inception include:

- successful application to the Canada Revenue Agency for charitable tax status and subsequent negotiation for donation of the entire rail corridor and related assets in exchange for a tax receipt;
- successful negotiation of detailed service agreements with the rail operator (SVI) and VIA Rail;
- completion of a long-term infrastructure plan, along with several related engineering assessments and transportation studies;
- establishment and ongoing management of hundreds of land use agreements, including a major fibre-optic line;
- full repayment of the CP Rail loan (\$125,000) at the Foundation's inception;
- stabilized the financial position of the Foundation within the first decade of operations (ICF is self-sustaining without any government grants or contributions for operations);
- successful negotiation of initial contribution (funding) agreements with member regional districts, the Province of BC and Government of Canada towards the rail infrastructure program (suspended in December 2015 due to Snaw-Naw-As legal case; revised Phase 1 infrastructure proposal requires renegotiation and for funding applications to be re-submitted to the provincial and federal governments);
- submission of detailed funding proposals, and ongoing communication with provincial and federal agencies to support the rail infrastructure program;
- finalized permissive tax exemption agreements with municipalities throughout the Corridor;
- ongoing management of numerous participant, stakeholder, government and community relationships with a continued and focused effort towards enhanced communications, including development of comprehensive website; and,
- active involvement in several economic studies and assessments to determine the viability of a broad range of rail services and products.

Participants

Major participant groups in the ICF include the rail operator (SVI), VIA Rail, corridor communities (First Nations and non-First Nations), rail users (passengers and freight) and trail users.

i. Rail Operator

The ICF is the owner (on behalf of its members) of the rail corridor, but is not in the business of operating the railroad. The Foundation was fortunate to enter an agreement with a new railway operator in 2006 - SVI, a subsidiary of SRY, which is owned by the Washington Corporation.

SVI is responsible for the operation and maintenance of the railway, and ensuring compliance with applicable federal and provincial transport regulations. SVI was instrumental in the development of the long-term infrastructure plan in collaboration with the ICF. As rail operator, SVI also determines, in collaboration with the ICF, the business case and long-term feasibility of rail service. SVI has developed a business plan around four types of rail service, three of which must be successful for the plan to be viable. They are:

1. Intercity Passenger Rail (VIA Rail service)
2. Freight Rail
3. Tourism / Excursion Rail
4. Commuter Rail

Each of these services is discussed in more detail in Section V.

Since signing on in 2006, SVI has supported the work of the ICF, repeatedly demonstrating an understanding and appreciation for the charitable and community development aspect to the ICF. Key contributions contemplated under a Long-Term Operating Licence agreement to be completed with ICF include:

- Commitment to operate the VIA Rail (intercity passenger service) under the terms of the VIA Rail Train Service Agreement completed in 2014 (refer to further detail in the next section);
- Confirmed contribution of \$500,000 towards bridge and trestle maintenance as part of the rail infrastructure program;
- Development of detailed trail guidelines and active participation in corridor trail projects to assist with ICF's recreation goals; and,
- Commitment of 20,000/year for ICF's First Nation conductor / engineer scholarship program (see Section V under "Communities").

ii. VIA Rail

VIA Rail is a crown corporation subsidized by Transport Canada to provide intercity passenger service throughout Canada. Intercity passenger service between Victoria and Courtenay was suspended in 2011 due to concerns regarding the condition of the rail infrastructure. In 2014, the ICF successfully negotiated a new Train Service Agreement (TSA) with VIA Rail to restore intercity passenger service subject to incremental implementation of the rail infrastructure program.

As is the case with most other transit services (e.g. bus and ferry), passenger rail in Canada is operated with a subsidy that covers the gap between passenger revenues and operational costs. Under the new TSA, VIA will provide upgraded passenger trains, liability insurance and a subsidy of up to \$1.4 million per year for ten years. SVI has agreed to accept the financial risk beyond the subsidy provided by VIA subject to the terms of the new TSA. Refer to Section V for more information.

iii. Communities

The ICF was initiated in 2003 by a dedicated coalition of Island communities (First Nations and non-First Nations) in response to a possible railway closure. Today, corridor communities continue to play a major role in the Foundation as well as the effort to restore rail service on Vancouver Island. Within the corridor, there are 5 regional districts, 14 First Nations communities and 14 municipalities. As members, Regional Districts and First Nations play a direct role in the governance of the Foundation (refer to the Governance section on page 6).

As per the Foundation's articles of incorporation, municipalities are not eligible for membership; however, they continue to support and contribute to the ICF through property tax exemptions trail development projects, heritage train station improvements and general support for Foundation objectives. Specific projects and key successes are discussed more in Section V.

Corridor Communities		
Regional Districts	First Nations	Municipalities
Alberni Clayoquot	Cowichan Tribes	Courtenay
Capital Regional District	Esquimalt Nation	Duncan
Cowichan Valley	Halalt First Nation	Esquimalt
Comox Valley	Hupacasath First Nation	Ladysmith
Nanaimo Regional District	Komox First Nation	Lake Cowichan
	Lake Cowichan First Nation	Langford
	Malahat First Nation	Lantzville
	Penelakut First Nation	Nanaimo
	Qualicum First Nation	North Cowichan
	Snaw-Naw-As First Nation	Parksville
	Snuneymuxw First Nation	Port Alberni
	Songhees First Nation	Qualicum Beach
	Stz'uminus First Nation	View Royal
	Tseshaht First Nation	Victoria

iv. Rail Users

There are two types of rail users – passengers and freight.

Passengers

Currently there is no regular passenger service on the north-south line (Victoria Sub); however, the first phase of infrastructure upgrades seeks to serve intercity travelers, commuters and tourists. Refer to Section V for further discussion.

On the east-west line (Alberni Sub), the tourism-focused Alberni Pacific Railway steam train carries passengers approximately 10 kilometers between Port Alberni's train station and the McLean Mill National Historic Site. The service is operated by the primarily volunteer-based Western Vancouver Island Industrial Heritage Society. This service is also discussed further in Section V.

Freight Users

Freight service is currently active between North Nanaimo and Wellcox Yard in downtown Nanaimo, along with trans-load operations at Wellcox Yard. Current freight users include six medium to large-scale Island based companies, including TimberWest, Northern Pressure Treated Wood, Catalyst Paper, Lafarge, Top Shelf Feeds and Superior Propane. Further details regarding the freight service are included in Section V.



Rail marine ramp at Wellcox Yard in Nanaimo.

v. Trail Users

Trail users include local Island residents and tourists accessing corridor trails for recreational activities, including walking, jogging, cycling, and sightseeing. Trail development has been a key priority for the ICF in partnership with member Regional Districts, First Nations, municipalities and SVI. For more details, please refer to Section V.



First Nations Communities – Relationships and Opportunities

The land grant that enabled construction and establishment of the Vancouver Island railway resulted in a devastating loss of land and natural resources to the region's Indigenous peoples and communities. Though the railway eventually developed to become an important physical (transportation) and social link between Island communities (First Nations and non-First Nations alike), and although First Nations communities were instrumental in saving the railway and establishing the Foundation, the lasting impact of the land grant and railway operations on First Nations communities cannot be understated or overlooked.

The ICF's relationships with local First Nations communities are critical to the long-term operation and sustainability of the railway, rail services and the Foundation itself. The ICF formally recognizes and acknowledges the title and rights of First Nations along the corridor, and the focus of the Foundation is on building and strengthening relationships with First Nations communities, as well as leading and/or supporting corridor-related projects, programs and initiatives that improve the prosperity and sustainability of local communities.

The ICF welcomes opportunities to work with First Nations communities throughout the corridor, wherever possible, to mitigate the impact of rail operations and to help facilitate corridor-related initiatives that help to strengthen, support and sustain First Nations peoples and communities – economically, environmentally and socially.

Key initiatives to date include:

- Establishment of a First Nation Liaison position to lead and focus on strengthening relationships and communications with First Nations communities throughout the corridor. The ICF Chair and Chief Operating Officer also meet, on a continuous and more informal basis, with leaders and representatives of local communities to discuss a broad range of concerns and explore project ideas;
- Development of a **First Nation trackman training and employment program** and **engineer/conductor scholarship program** to facilitate education and employment opportunities beginning with Phase 1 of the infrastructure program;
- The Phase 1 infrastructure program includes up to \$1 million for **safety, sound and sight barriers** to help mitigate the impact of rail operations on local First Nations communities;
- Ongoing meetings to explore potential for economic development opportunities, including (for example) the possibility of a destination campsite project within the corridor on the Chemainus River in partnership with the Halalt First Nation;
- Initial inquiries by the ICF of First Nations aggregate resources in consultation with First Nations communities throughout the corridor to ensure that wherever possible, materials required to complete the rail infrastructure upgrades are sourced locally and to the economic benefit of local First Nations communities.

The ICF encourages First Nations communities throughout the corridor to share their ideas, suggestions or concerns at any time. The Foundation remains committed to being responsive and approachable, open to exploring joint initiatives and opportunities for improvement, and helping to facilitate solutions and/or local projects of mutual interest and benefit to the local community. Input, ideas and opportunities to strengthen relations will continue to be sought through the First Nation Liaison, ICF management/staff, the Board and ICF representatives from local First Nations communities.

V. PUBLIC CONSULTATION – KEY FINDINGS

The ICF released a preliminary draft of this Plan in April 2017 for public input via an online feedback form. The online form was available until May 15th, 2017. The results were considered by the Board during the development of the goals for each key focus area, as described in the next section. For a full summary of the results, please refer to Appendix 1.

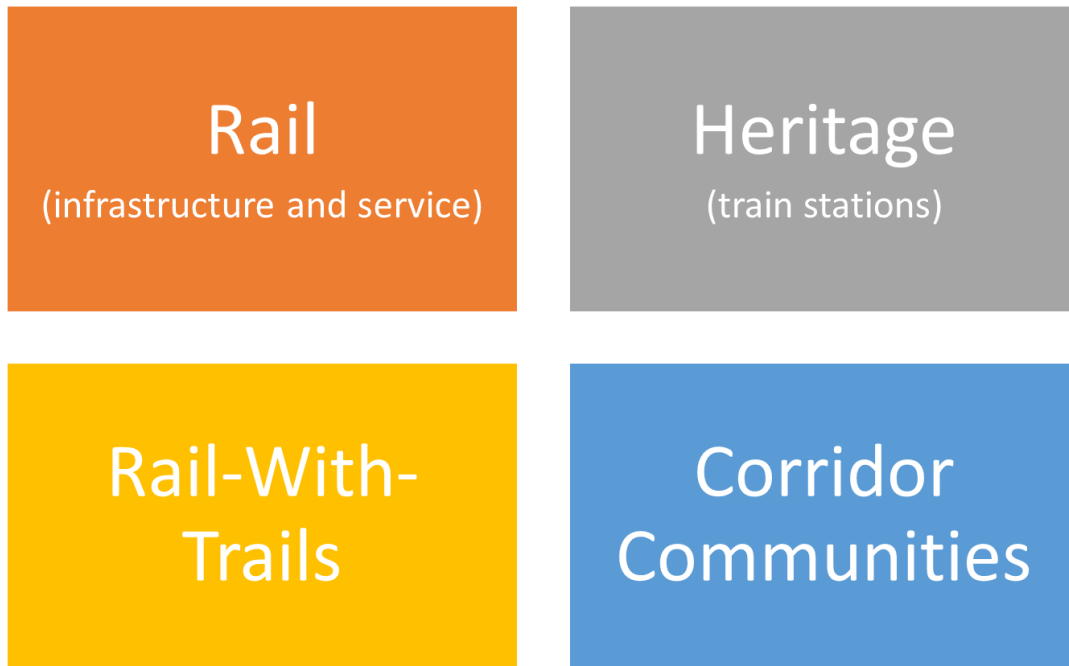
Key findings are as follows:

- A total of 438 people responded, which exceeded the ICF's goal of 400. Though a self-selection bias is introduced when surveys are openly available for completion (as opposed to random sampling), the ICF wanted to afford all residents an opportunity to provide input.
- 94.1% of respondents indicated that it was either important (8.6%) or very important (85.5%) that the rail corridor is preserved for public use in the long-term future
- 70.9% of respondents reported that they are supportive of rail service on Vancouver Island
- The strongest support for rail service was reported by respondents in Greater Victoria (93.9% of 82 respondents), the Cowichan Valley (78% of 92 respondents) and Greater Nanaimo (73.5% of 64 respondents). Port Alberni had 100% support, but only 15 respondents.¹
- Support for rail service amongst respondents was more mixed in the Comox Valley (58.2% supportive; 32.8% unsupportive of 67 respondents), and in the Parksville / Qualicum Beach area (33.4% supportive; 53.3% unsupportive of 75 respondents).
- The majority (76%) of respondents indicated that their level of support for rail service would not change if an incremental approach to rail upgrades meant that not all communities could be served initially.
- 69.1% of respondents reported they were supportive of the continued development of rail-with-trails. There is an element of support for the development of trails without rail, this appears to be strongest north of Nanaimo.
- When asked to allocate \$100 amongst the ICF's four key focus areas, respondents assigned an average (mean) of \$60.35 to rail infrastructure/service; \$32.45 to rail-with-trails, \$15.54 to heritage train stations and \$12.79 to community and charitable projects.
- For those respondents in favour of rail service, there was support for prioritizing rail repairs/upgrades and services incrementally based on economic feasibility; seeking government funding accordingly.

¹ The responses from the Alberni Valley were augmented by a written submission prepared on behalf of over 125 members of the Western Vancouver Island Industrial Heritage Society (WVIIHS), Alberni Pacific Railway (APR) and Port Sub Railroaders, The East End Track Gang (EETG) a division of the Canadian Railroad Historical Association (CRHA), and the Friends of the Port Sub (FOPS).

VI. ICF Key Focus Areas

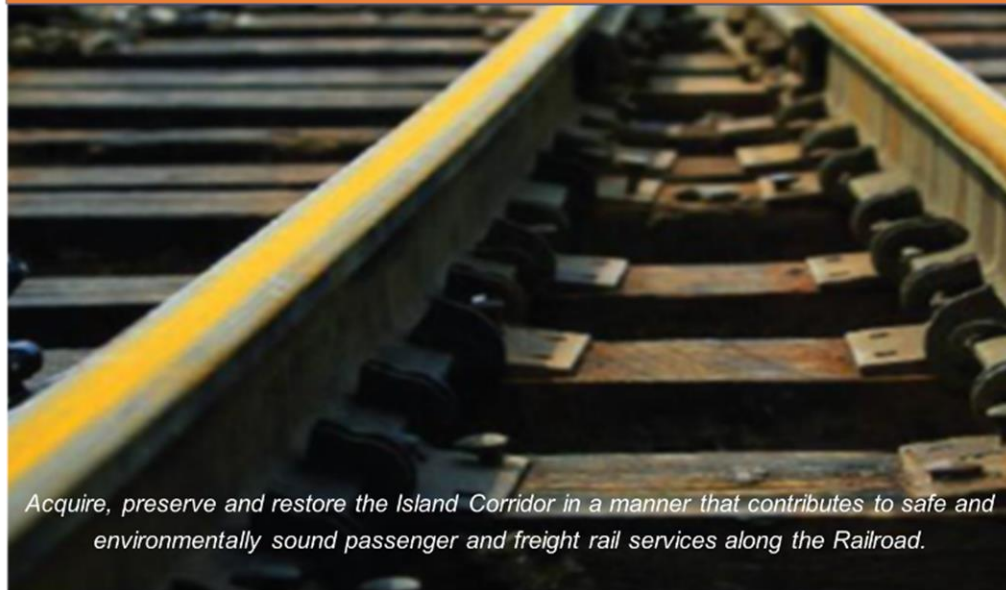
The business of the ICF is currently focused on four key areas:



In the pages that follow, the ICF defines its vision in each of the four key focus areas describing the current situation, identifying opportunities and risks, and setting out short, medium and long-term goals.

In addition to work within the four key focus areas, daily operations of the ICF include managing hundreds of land use agreements and records, administration related to board, committee and community meetings, local community relations, member/stakeholder communications, managing encroachments, drainage, graffiti, illegal dumping / solid waste and dangerous tree concerns along the corridor.

Rail – Infrastructure & Service



Acquire, preserve and restore the Island Corridor in a manner that contributes to safe and environmentally sound passenger and freight rail services along the Railroad.

North-South Line (Victoria Sub) - Rail Infrastructure

The ICF acquired the railway corridor and all related assets in recognition of the corridor as a vital connection between communities, and with high levels of community support for the continuation of the railway and rail service.

During its first decade, a key focus area for the ICF was on securing the funding necessary to improve track conditions between Victoria and Courtenay based on an incremental approach to the upgrades.

This approach involved a proposal for investment in more affordable packages of prioritized infrastructure needs (immediate to long-term), undertaken in viable business segments while the ICF and SVI work to grow both the passenger and freight markets, and raise the capital required for subsequent phases.

A BC Ministry of Transportation review of a proposal for the first phase of upgrades and cost estimates was completed in 2015, and final approval of \$7.5 million in provincial funding was confirmed in July.² This approval, at the time, was part of a \$20.9 million project³ that would have restored intercity passenger (VIA) rail service for a minimum of ten years on the full length of the north-south line (Victoria Sub). Federal sign-off of the matching funds (\$7.5 million) was delayed due to the election. Then, with the change in government in October of 2015, materials and presentations had to be resubmitted to the new Minister in charge of Infrastructure Canada.

In the interim (December of 2015), the Snaw-Naw-As First Nation (located in Nanoose Bay) filed a lawsuit in the BC Supreme Court asking for the return of approximately one mile of the corridor lands that was originally expropriated in the early part of the 20th century to build the railway. The ongoing legal proceedings are complex and will likely require a significant amount of time to resolve.

² See: <https://news.gov.bc.ca/releases/2015TRAN0079-001151>

³ For details, refer to the Business Plan submitted to Infrastructure Canada at: http://www.islandrail.ca/wp-content/uploads/2016/08/Business-Case-14-11-07_Infrastructure-Canada.pdf

“The ICF has been a strong collaboration between First Nations and Regional Districts from its inception and was driven by First Nations and Local Governments alike in order to preserve the Corridor from being sold and rail being discontinued on Vancouver Island...The ICF recognizes and acknowledges the aboriginal title and rights of First Nations along the corridor in which the ICF holds a fee simple interest and strongly urges the governments of Canada and BC to justly and equitably settle with the affected First Nations with respect to that title.”

~ICF [Declaration on Aboriginal Title](#), May 2010 (excerpt)

While the ICF remains optimistic regarding long-term upgrades along the full length of the north-south line (Victoria Sub), the SVI and ICF have identified and costed a series of Phase 1 rail infrastructure options that may be pursued while efforts continue in good faith towards a negotiated settlement with the Snaw-Naw-As First Nation. This approach is aligned with the feedback form findings described in Section V, in that the focus is on improvements between Nanaimo and Victoria, and are intended to expedite the launch of specific services and products. A summary of the proposed Phase 1 infrastructure program that the Board has resolved to pursue is attached as Appendix 2. The total estimated cost of the project is \$42.7 million. Further details about the proposed Phase 1 infrastructure improvements are discussed in the next section.

Phases 2, 3 and 4 infrastructure improvements (Nanaimo to Courtenay) have also been identified, but no decisions will be finalized until the Snaw-Naw-As legal case is resolved. The feedback form results suggest that support for rail may be more mixed in the Parksville/Qualicum Beach area and in the Comox Valley, but strong in the Alberni Valley. Therefore, in addition to efforts to settle the Snaw-Naw-As claim, the ICF will also prioritize further consultation with corridor communities and members north of Nanaimo to better understand their needs and desires with respect to future use of the corridor.

North-South Line (Victoria Sub) - Rail Services

While the ICF is the title holder (on behalf of its members) of the railway corridor, the Foundation is not responsible for railway operations, which includes determining the financial viability of services offered. The ICF does, however, have a significant stake in railway operations, and the Foundation therefore works very closely with the rail operator to provide input and support.

SVI has expended resources studying various rail business cases for Vancouver Island, and continue to believe that there is potential for rail as an integrated part of transportation on Vancouver Island in the long term. SVI has undertaken economic assessments and prepared a business plan around four “pillars” of rail services, including intercity (VIA Rail) passenger service, freight service, tourism excursion trains and commuter rail. SVI’s business plan depends on the long-term success of at least three of the four pillars, with intercity passenger service being a required core service. The proposed Phase 1 infrastructure project supports the launch of the following “pillars”, most likely on an incremental or phased basis as determined by SVI:

- Intercity passenger service between Nanaimo and Victoria
- Freight service between Nanaimo and Duncan, as well as trans-load operations at Wellcox Yard

- A cruise ship excursion train between Nanaimo and Chemainus, along with possible development of other tourism excursion trains to destinations between Nanaimo and Victoria
- Commuter service between Langford (or possibly Shawnigan Lake or Duncan) and Victoria

SVI Rail Service Pillar #1 - Intercity Passenger Service (Nanaimo to Victoria)

Approximately 80% of the population of Vancouver Island lives within 5 kilometers of the rail corridor. As such, the railway offers tremendous potential as a “green” transportation alternative, and as an important physical and social connection between communities. In 2014, the ICF and SVI successfully negotiated a new Train Service Agreement with VIA Rail to restore intercity passenger service subject to incremental implementation of the rail infrastructure program. Under the new TSA, VIA will provide rehabilitated and upgraded passenger trains (including renovated interiors and bicycle storage), liability insurance and a subsidy of up to \$1.4 million per year for ten years. SVI has agreed to accept the financial risk for the service beyond the VIA subsidy amount provided, all subject to the terms provided within the new TSA.

The new TSA gives the ICF and SVI full control over scheduling of intercity passenger train service. This will enable significant improvements over the former VIA Rail service, which was limited to one daily train with one or two cars running north from Victoria in the morning and returning from Courtenay in the afternoon, carrying nearly 40,000 passengers per year. This service operated far below the potential capacity of the rail corridor.

It is anticipated that a renewed passenger service would initially seek to serve weekday southbound passengers, likely with two daily return trips from Nanaimo (morning departures) to Victoria (returning late afternoon). Based on scheduling improvements and ridership projections, SVI anticipates a maximum operating ratio of approximately 90% to begin with for intercity passenger service. Incremental growth will be sought through opportunities to serve other markets on the weekends and/or at off-peak travel hours. While these products will be based on market research and demand, possibilities include integration with corridor trail networks for cycling/hiking trips and linkages with other transportation and tour operators (bus/ferry).

SVI Rail Service Pillar #2 - Freight Service (Nanaimo to Duncan) and Trans-Load

Freight service is currently active between North Nanaimo and Wellcox Yard in downtown Nanaimo, and the Phase 1 rail infrastructure improvements will make it possible to expand service to Duncan to initially meet the demand for transporting agricultural grain feed.

Trans-load operations at Wellcox Yard are also established and growing. In 2016, SVI handled 518 freight cars at Wellcox Yard - this is expected to increase to 1,000 in 2017. Freight is shipped by SVI's

sister company, Seaspan Ferries, via SRY'S Annacis Rail Marine Terminal completed in 2012. At its New Westminster interchanges, SRY provides connections to four Class 1 railways – CNR, CPR, BNSF and UP – allowing customers to reach North America and export market destinations using



whatever route is most competitive. This is unique to SRY in the BC Lower Mainland - no other rail operator in Canada offers access to four Class 1 railways. This is a significant competitive advantage available to Island-based freight customer looking to access national and international markets, and expand their economic growth potential.

In April 2017, SVI acquired the Wellcox Rail-Marine Slip in Nanaimo from Seaspan Ferries. This will allow for unlimited access to the ramp (which was previously shared with Seaspan Ferries truck trailer drop service) and daily sailings between the Island and the Mainland. SVI projects a required capital investment of approximately \$2 million to upgrade the ramp to continue to support trans-load operations going forward.

SVI Rail Service Pillar #3 - Tourism Excursion Trains (Nanaimo to Duncan)

The Phase 1 rail infrastructure improvements will enable cruise ship excursions originating at the Nanaimo cruise ship port, along with development of special event and/or themed train excursions between Nanaimo and Victoria. A feasibility study of the cruise ship excursion train was completed in September of 2014, followed by an economic impact study in February of 2016. Both studies were funded jointly by the Nanaimo Port Authority and SVI.



The feasibility study concluded that in order to break even, the service would need to host fifteen excursion events per season, including cruise ship excursions and special events trains. Currently, the Nanaimo Port Authority books an average of five major cruise ships per year, but the facility was built to accommodate many more. The goal for the excursion train is to stabilize operations at twenty cruise ship excursions per year, and thirty special event or themed excursions. Assuming 20 cruise ship calls per year and 30 special events or themed excursions, the total economic impact in Years 1 through 5 is estimated at \$22.8 million per year, and \$5.9 million in Year 6 and beyond. The incremental impact per ship is estimated at \$300,000, and permanent job creation is estimated at 9.9 FTE.

Regarding cruise ship excursions, industry experts advised that they are popular in other destinations, and that such a unique and accessible product offering would significantly strengthen Nanaimo's appeal as a port of call. They recommended a maximum one-hour trip offering high quality hospitality and a broadly appealing destination.

“...the excursion train is a differentiator for Nanaimo in competition with other local coastal British Columbia ports that do not have such an excellent shore excursion capability right dockside, and thus generates a superior economic impact for the region.” Tourism Excursion Train Economic Impact Study

SVI Rail Service Pillar #4 - Commuter Rail (Langford to Victoria)

As of the date of this plan discussions continue on the possibility of an inter-municipal commuter train service from Langford to Victoria. The initiative involves four municipalities (Victoria, Langford, View Royal and Esquimalt) along with the Capital Regional District and the owner of Focus Equities, the developer behind Bayview Place in Victoria and the Westhills development in Langford.

In early March 2017, the Province of BC announced the establishment of a working group to provide input on a feasibility study of the proposed commuter service. The working group involves representatives from the Ministry of Transportation, local government, BC Transit, the Victoria Regional Transit Commission (VRTC), BC Safety Authority and SVI. The study is scheduled for completion in the summer of 2017. The Songhees and Esquimalt First Nations have been invited to participate in the working group.

The ICF and SVI are actively working to support the ongoing efforts of the local communities. If a service is established, the Foundation would also contribute land for construction of a platform station and park & ride facility in the Westhills community.

East-West Line (Alberni Sub) - Rail Infrastructure

The east-west (Alberni Sub) line is active and remains an integral part of the ICF's vision of a 'rail bridge' linking the port at Port Alberni and the Nanaimo port at the Wellcox yard. A tremendous amount of volunteer work on the part numerous local groups and organizations has been invested on the line, specifically between Parksville and Coombs, and also between Port Alberni and the McLean Mill National Historic Site. The Foundation and SVI continue to support these efforts, most recently by providing professional advice regarding track and bridge requirements, assisting the City of Port Alberni with a track maintenance plan, and through the 2010 Freight Opportunity Investment Study.

Recent efforts have succeeded in bringing together the previously independent railroad organizations within the region in mutual support of a single entity to raise funds for the preservation of the rail line. Funds raised are to be used solely for track and bridge upgrades to initially maintain the steam train, speeder and hi-rail access, the operators of which assist with ensuring the line remains clear and free of brush, rock slides and other hazards. There is also a plan to use the single voice of the unified organizations to make recommendations to the ICF in the future on where specific upgrading of the line should take place and with what priority.

East-West Line (Alberni Sub) - Rail Services

A successful tourist train is in operation on the line - the Alberni Pacific Railway steam train carries passengers approximately 10 kilometers between the City's historic train station and the McLean Mill National Historic Site, which features a rare, surviving example of an early 20th century sawmill and logging operation. The site is accessible by road and rail, however the steam train ride is aimed at significantly enhancing the visitor experience. The steam train service is operated in partnership by the Western Vancouver Island Industrial Heritage Society and the McLean Mill Society, under an agreement with the ICF. The McLean Mill Society is actively positioning itself as the number one visitor attraction on Vancouver Island through the development of a unique "back-in-time" visitor experience and high-quality visitor services, activities and facilities that complement and strengthen the appeal of the McLean Mill National Historic Site as a tourist destination. The Society is also promoting the steam train and mill site for special events, including seasonal/holiday festivities and weddings.

The Alberni Pacific Railway steam train and McLean Mill stand to benefit from increased cruise ship traffic to Nanaimo in that it offers a distinct, heritage-focused visitor experience much different than the activities contemplated as part of the Nanaimo excursion train. Further, the average number of passengers per cruise ship call is 1,500. The Nanaimo excursion train could accommodate approximately 200 passengers, leaving an estimated 1,300 (per cruise ship call) seeking other Island experiences within a one-hour transportation range, which would include Port Alberni.

Also active on the Alberni Sub is the Western Vancouver Island Industrial Heritage Society's annual hosting of the Motorcar Operators West - a California-based group of railroad "speeder" car enthusiasts, who complete a round-trip jaunt by rail from Parksville to Port Alberni. Historically, speeder cars were used to take rail workers to repairs on the line or to undertake track inspections. The Society also regularly hosts the British Columbia Institute of Technology's Conductor Training program – each term, students spend up to three days in Port Alberni for immersive practical experience on the railway.



BCIT students on Western Vancouver Island Industrial Heritage Society's 1954 ALCO diesel electric locomotive in June, 2017. (Photo from WVIHS)

Opportunities

- The survey findings (see Section V) support an incremental approach to infrastructure upgrades and services on the north-south line (Victoria Sub), particularly between Nanaimo and Victoria, and also on the east-west line (Alberni Sub).
- The ICF had previously confirmed federal, provincial and regional funding commitments. Those funding commitments are now on hold due to the Snaw-Naw-As legal claim.
- A new Train Service Agreement with VIA Rail to restore and improve intercity passenger service is in place.
- Rail operator SVI is very supportive of the restoration of rail on Vancouver Island, and has made numerous contributions above and beyond the commitments and responsibilities outlined in the operating agreement.
- SVI's flexible business plan is comprised of four "pillars" of rail service, which can be phased or packaged based on market demand and public interest.
- The east-west line (Alberni Sub) is active, and benefits from significant involvement by local volunteers who are highly supportive, active and engaged in preserving rail along that particular line. Both the McLean Mill (Alberni Pacific Railway) steam train and annual speeder car events boost tourism to the region and there is potential for growth.
- The demand for trans-load freight operations is growing, and SVI offers unique and invaluable connections to the Mainland (and onwards to national and international markets) for Island-

based freight customers via their rail marine terminal on Annacis Island and in partnership with sister company Seaspans Marine Corporation.

- Feasibility and economic impact studies related to the development of tourism excursion (cruise ship excursions and special event/themed trains) on the north-south line (Victoria Sub) are positive, and the Alberni Pacific Railway steam train is an integral component of the McLean Mill Society's strategic and operational plans.
- The working group established to review the commuter service between Langford and Victoria is organized and making progress. Rail is an environmentally-friendly form of transportation with potential to ease traffic congestion and reduce emissions in the Capital region and beyond.

Risks

- Senior government funding being declined or significantly delayed due to the Snaw-Naw-As legal claim could impact rail infrastructure program. This is mitigated by continued efforts to reach a settlement with the Snaw-Naw-As First Nation and an incremental approach to infrastructure upgrades that focuses on a smaller section (between Nanaimo and Victoria, as opposed to the entire north-south line) to support the launch of specific products while negotiations are ongoing.
- Delays have caused concern amongst ICF communities and membership. While Regional District member contributions towards the bridge and structural repairs were at one time confirmed, that situation has now changed with Nanaimo Regional District opting out in 2015.
- The Snaw-Naw-As case has presented challenges for the ICF's relationships with other First Nation corridor communities. The ICF must continue with efforts to build trust and strengthen relationships through regular communications and collaboration in areas of community interest and concern.
- If senior government funding is approved and the rail infrastructure project commenced, the long-term sustainability of rail service depends on the ability of the rail operator and the Foundation to establish and grow at least three of the four service "pillars" (intercity passenger, commuter, tourism and freight). This is mitigated, however, by the fact that SVT's business plan is flexible and can be implemented using several different combinations of service scenarios.
- Survey results in terms of support for rail were not as strong in the regions north of Nanaimo - Comox Valley respondents were mixed (58.2% supportive; 32.8% unsupportive of 67 respondents), and respondents from the Parksville / Qualicum Beach area were generally not supportive (33.4% supportive; 53.3% unsupportive of 75 respondents). As removal of the railway would be a decision not easily or affordably reversed, it would require extensive consultation and engagement with ICF members and local communities throughout the region to more accurately and reliably determine their preferences for the corridor.
- Ongoing work and activity on the Alberni Sub depends, to a significant degree, on the continued involvement of several local organizations and hundreds of volunteers. There may be some risk associated with whether this level of volunteerism can be sustained in the long-term. This is mitigated by the fact that the key organizations currently have the support of local government, and the McLean Mill Society recently hired a full-time Executive Director and published a five-year, growth-oriented Strategic Priorities and Operations plan.

Goals

Goals – Rail Service & Infrastructure	<u>Timeline</u> Short Term = 1 to 2 years Medium Term – 3 to 5 years Long term = 5+ years
1.1 Prepare and resubmit funding proposal to the Government of Canada (Infrastructure Canada) and the Province of BC (Ministry of Transportation and Infrastructure) for the proposed Phase 1 infrastructure program. (see Appendix 2)	Short-term/Immediate
1.2 Reconfirm funding contributions from impacted regional districts (CRD, CVRD) within the Phase 1 infrastructure program service area.	Short-term/Immediate
1.3 Confirm ACRD funding commitments for track improvements on the east-west line (Alberni sub).	Short-term
1.4 Engage with impacted First Nations within the Phase 1 infrastructure program area concerning interest in/design of safety, sight & sound barriers.	Short-term
1.5 Reconfirm agreement with VIA Rail for intercity passenger service.	Short-term
1.6 Continue working towards a settlement on the Snaw-Naw-As legal case.	Ongoing
1.7 Finalize long-term operating licence agreement with SVI.	Short-term
1.8 Commence Phase 1 infrastructure upgrades.	Short to Medium-term (depending on funding)
1.9 Approve the phased launch of rail services on the north-south line (Victoria Sub) in collaboration with SVI.	Short to Medium-Term (depending on funding)
1.10 Work with SVI to implement First Nations scholarship and employment program. (also listed as a goal under “Corridor Communities” section)	Short to medium term, subject to infrastructure funding
1.11 Undertake further consultation and engagement with communities north of Nanaimo, including Port Alberni, to better determine their priorities, preferences and desires with respect to rail service and future use of the corridors.	Medium-Term
1.12 Assist in strengthening the operating arrangements amongst the McLean Mill Society, Alberni Pacific Railway and SVI.	Ongoing
1.13 Encourage a comprehensive study of rail freight opportunities on the Alberni sub (including the reduction of truck traffic on the Alberni Highway) for current industrial operations in the Alberni Valley. This involves a coordinated approach with SVI, the Port Alberni Port Authority, the Nanaimo Port Authority and the BC Ministry of Transportation.	Medium to Long-term

Heritage – train stations

Preserve archeological resources, historic landmarks, structures, artifacts and historic routes along the Island Corridor for historical purposes and for ongoing and future use by the community.



Heritage

Overview / Current Situation

Station revitalization and upgrades is another key focus area for the ICF, recognizing that the buildings provide a unique opportunity to develop a meaningful heritage showcase linking communities up and down the corridor. During the peak operating years, there were more than fifty stations along the Corridor, all of which have stood witness to historic events that have shaped Island communities over the past century.

There are seven stations located in Duncan, Ladysmith, Nanaimo, Parksville, Port Alberni (owned by the City of Port Alberni), Qualicum Beach and Courtenay, and all except for two (Ladysmith and Parksville) have been formally designated as heritage sites through federal or provincial legislation. Current uses are as follows:

Station	Current Use	Tenants
Duncan	Museum	Community / Non-Profit
Ladysmith	Vacant	Not Applicable
Nanaimo	Restaurant (2 nd unit currently available for lease)	Commercial (net lease revenue of \$93,565 in 2016)
Parksville	Pottery Studio	Community / Non-Profit
Port Alberni	Port Alberni Steam Train to McLean Mill National Historic Site	Community / Non-Profit
Qualicum Beach	Municipal Office Use	Community / Non-Profit
Courtenay	Vacant (intent to blend commercial and non-profit uses pending completion of renovations)	Not Applicable

Where the use is community / non-profit, the premises are typically leased for a nominal annual fee, in exchange for ongoing maintenance and upkeep, or similar terms.

Opportunities

- The survey findings suggest moderate support for continued station revitalization and upgrades in collaboration with local communities, particularly to prevent decay and where grants may be available. There is interest in expanding commercial leases and providing food/beverage services and washroom amenities within the stations.
- The heritage train stations throughout the corridor are generally important to communities.
- The successful rebuilding project in Nanaimo has yielded important lessons learned, particularly with respect to restoration of heritage buildings. The ICF is pleased to have worked with a knowledgeable and experienced Island-based contractor (Tectonica Management Inc.) in all three station renovation projects.
- Heritage revitalization projects can often leverage provincial and/or federal grant funding, particularly where they involve partnerships and improve community use of historic buildings. The Cowichan Valley Historical Society (tenant in the Duncan station) recently received confirmation of an \$81,000 grant for museum entrance improvements and the development of two cultural galleries.
- Commercial lease revenue from the Nanaimo train station is an important revenue stream for the ICF. Inclusion of commercial lease spaces in future station restoration projects, perhaps blended with community non-profit spaces, is an important opportunity for generating revenue to manage and maintain the assets (stations) in the long-term.
- Potential for new local community station stops to respond to recent growth and development – for example, in Oyster Bay, a master-planned community on Stz'uminus First Nation land just north of Ladysmith.



The Courtenay Rotary Club recently completed critical upgrades at the Courtenay train station, including a new roof and upper siding. The ICF is now working to partner with another local organization to complete interior renovations and attract new tenants.



Risks

- The capital resources of the Foundation for station renovations and upgrades are limited; projects depend on the ICF's ability to source partnerships with communities and/or the private sector. Where local volunteers are involved, the commitment level can become onerous and project demands can sometimes exceed volunteer capacity. This is an important consideration for project planning and partnerships.
- Several stations along the Corridor are in a state of disrepair, and require major upgrades if they are to be restored to a useful condition.
- While there may be room in the market for lease increases, particularly where stations have been improved, the financial resources of community /non-profit tenants are typically limited. Blending of multiple uses (commercial and community /non-profit) within stations may be a way of mitigating this challenge.
- The survey findings also suggest that while corridor communities may support work in this area, some feel that efforts should be limited and the main focus should be rail infrastructure improvements and the restoration of service.

Goals

Goals – Heritage (train stations)	<u>Timeline</u> Short Term = 1 to 2 years Medium Term – 3 to 5 years Long term = 5+ years
2.1 Work with the City of Duncan and Cowichan Valley Historical Society to complete station upgrades.	Short Term (underway)
2.2 Collaborate with local communities and partners/stakeholders to establish a new Victoria terminus station.	Short term, subject to infrastructure funding and launch of commuter/intercity service
2.3 Secure local partnership(s) in Courtenay to complete Phase 2 of the station upgrades and establish tenancy.	Short to Medium Term
2.4 Obtain building assessments and explore possibilities for local partnerships to improve the Ladysmith station.	Medium Term, unless approached directly by willing partners.
2.5 In partnership with the local community, research alternate use opportunities for the Qualicum Beach train station.	Medium-term.
2.6 Initiate discussions with local communities where recent or projected growth/development may warrant a new local station stop, including (if there is interest) Stz'uminus (Oyster Bay), Songhees and Halalt First Nations.	Short-term, subject to funding for Phase 1 infrastructure program.

Rail-With-Trails



Create trails, parks, gardens, greenways and other public areas along the length of the Island Corridor.

*“Trail development has never been an ‘either/or’ scenario for the ICF; it’s always been rail **with** trails, and we are truly fortunate to be working with a rail operator that supports us in that.”*

~ Andre Sullivan, Chair – Nanaimo Region Rail Trail Partnership

Trails

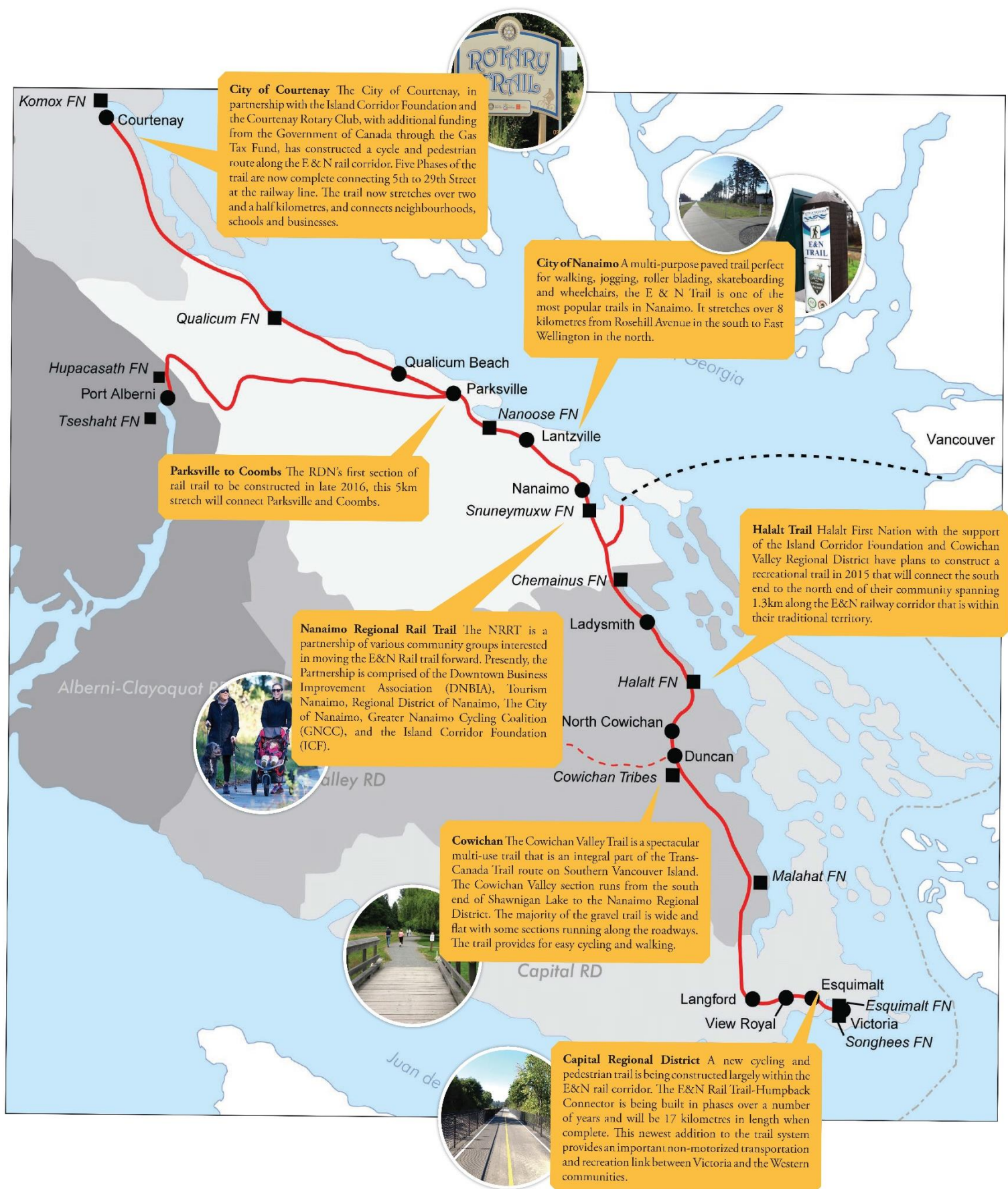
Overview / Current Situation

Over the past decade, the ICF has worked closely with corridor communities to create a larger system of rail-with-trails, linking communities and rural areas along the 290-kilometre corridor. Corridor communities generally support the development of rail-with-trails, recognizing the tremendous value for recreation opportunities and promotion of active transportation.

Rail-with-trail projects make efficient use of rail rights-of-way, transforming often under-utilized spaces into active, non-motorized, multi-use transportation corridors. If well designed; with appropriate setbacks, separations and crossings; rail-with-trails can provide many benefits to both operators and the communities through which the rights-of-way run. Along with this opportunity comes the task of ensuring consistent design, covering all aspects of trail development with the additional challenge of ensuring safety for both rail and trail users. To that end, the ICF and SVI collaborated on the development [Rail-with-Trail Design Guidelines](#) in 2009.



Rotary Trail in Courtenay



Many projects have been completed or are underway, including the new Parksville/Coombs trail which was officially opened on October 14, 2017. The Foundation is actively working with other local governments bordering the corridor to develop similar projects. The Parksville/Coombs trail To date, over 105 kilometers of rail-with-trails have been developed in partnership with the Capital Regional District, Cowichan Valley Regional District, the Regional District of Nanaimo, Halalt First Nation and several municipalities including Duncan, North Cowichan, Nanaimo, Lantzville, Qualicum, and Courtenay. Community groups have also been instrumental in trail development. Rotary clubs have assisted with trail developments in Cobble Hill, Nanaimo, Duncan, Chemainus and Courtenay. The most recent trail project

Opportunities

- The majority of survey respondents (69.1%) reported they were supportive of the continued development of rail-with-trails. Some indicated in the open-ended responses that they would prefer to see rail-to-trails projects, or the development of trails without rail - this appears to be strongest north of Nanaimo.
- In comparison to rail-trail conversions, rails-with-trails (RWT's) are less well known. While railway companies can be hesitant to share their rights-of-way with multi-use trails, SVI has recognized the value, and is actively involved and supportive of rail-with-trails development.
- Local governments and First Nations throughout the corridor, including ICF members, generally support Rail-with-Trail projects, within their own communities and throughout the Corridor.
- As one of six founding partners of the Nanaimo Region Rail Trail initiative, the ICF will continue to be directly involved and supportive of rail trail projects in the Nanaimo region. The NRRT partnership is comprised of the Downtown Business Improvement Association (DNBIA), Tourism Nanaimo, Regional District of Nanaimo, The City of Nanaimo, Greater Nanaimo Cycling Coalition (GNCC), and the ICF.
- The provincial government's 10-year transportation plan "BC On the Move" and related funding opportunities align well with the Rail-with-Trail projects.
- Active transportation projects are also typically eligible for federal infrastructure funding programs, including Building Canada and Gas Tax.

Risks

- Projects generally require significant capital funding, often requiring grants from senior levels of government.
- To link the entire corridor, existing structures (bridges and trestles) may need to be modified to accommodate trails, regardless of whether rail service is restored. They would require, at a minimum, safety features such as hand rails, guard rails, walkways and flooring. This will likely require significant investment, and should wait until the future of rail service is confirmed.
- While the ICF has always embraced a rail-with-trails approach, there is a movement (primarily north of Nanaimo) to convert the rail to trails. Though not a risk to trail development, it would be a significant departure from current practices, with lasting consequences for rail. Further exploration of this concept would require extensive consultation and engagement with ICF

members and local communities throughout the region to more accurately and reliably determine the level of public support.

Goals

Goals – Rail-with-Trails	<u>Timeline</u> Short Term = 1 to 2 years Medium Term – 3 to 5 years Long term = 5+ years
3.1 Collaborate with local communities on completion of rail-with-trail projects (ongoing), including the Maplebank and Hallowell Road connector in the CRD.	Short-term/immediate
3.2 Bring together all agencies involved in trail development on the Island to develop a full picture of trails constructed, gaps to be completed and connecting trails to the Island Corridor trail.	Medium term
3.3 Promote an Island Trail Strategy with partner organizations, such as the Tourism Association of Vancouver Island and the Vancouver Island Economic Association.	Medium Term
3.4 Support local community economic development opportunities related to trail projects, including (but not limited to) potential for camping, food & beverage, bike repairs etc. Efforts in this aspect will focus mainly on First Nations communities.	Medium term
3.5 Undertake further consultation and engagement with communities north of Nanaimo to better determine their priorities, preferences and desires with respect to rail service and future use of the corridor. (also under Rail Infrastructure and Services goals)	Medium-Term



Corridor Communities


Overview / Current Situation

The original Business Plan for the Foundation (2005-2009) prioritized two specific charitable activities for implementation – they included trail development and assisting First Nations communities throughout the corridor with service development enterprises. Trail development has grown to become a major focus area during the past decade, as detailed in the previous section. The ICF has developed two First Nations employment initiatives, which could be implemented in conjunction with the first phase of the rail infrastructure program. Both programs are specifically designed to facilitate permanent, full-time employment opportunities for local First Nations communities. The programs include:

1. A **First Nation trackman training and employment program** - this program is subject to funding being secured for rail infrastructure capital projects. It will consist of several weeks of training, including classroom and onsite. Successful graduates could be employed in the construction project and then with SVI for ongoing rail maintenance. Approximately 10 permanent FTE positions could be filled directly from this training program.
2. A **conductor/engineer scholarship program** specifically for members of corridor First Nations communities. It is estimated that SVI could hire 6 permanent conductor/engineers directly from this program. SVI is willing to commit \$20,000/year over 3 years to support the scholarship program.

The ICF has also made initial inquiries of First Nations aggregate resources in consultation with First Nations communities throughout the corridor. The purpose is to ensure that wherever possible, materials required to complete the rail infrastructure upgrades are sourced locally and to the economic benefit of local First Nations communities. Shipping of First Nations aggregate resources by rail to the Capital Regional District also offers significant potential for long-term, sustained economic benefits.

Highlights of other recent community-focused and/or charitable activities undertaken by the ICF include:

- Ongoing emphasis on strengthening relationships and communications with First Nations communities primarily through the ICF's First Nation Liaison, who maintains a close connection with Band Councils on behalf of the ICF, as well as attending important community events and cultural celebrations in First Nations communities throughout the corridor.
 - Partnering with community groups to restore the Courtenay and Nanaimo train stations (see Heritage – train stations section).
 - Becoming one of six founding partners in the Nanaimo Region Rail Trail Association, a partnership of various community groups interested in moving the rail trail project forward in the Nanaimo region.
 - The 'Island Explorer Excursion Train' owned by the West Coast Railway Association was on display at the Historic Nanaimo Train Station for two days in April, 2016 to mark the 130th anniversary of rail on Vancouver Island. The Nanaimo Port Authority, Southern Rail and the ICF hosted the event, with the support of several generous sponsors. Four sold-out rides on the historic F Series train took place Friday, providing fundraising opportunities for four charities – Cystic Fibrosis Canada; Big Brothers Big Sisters Central Vancouver Island; Nanaimo Travellers Lodge and the Young Professionals of Nanaimo.
- 
- The Island Explorer Excursion Train – four sold-out rides to mark the 130th Anniversary of rail on the Island benefitted four charities.*
- Ongoing work with First Nations within the corridor to identify areas requiring safety, sight and sound barriers to reduce the impact of future train service in local communities.
 - Support for the Western Vancouver Island Industrial Heritage Society's annual hosting of the Motorcar Operators West, a California-based group of railroad "speeder" car enthusiasts, who complete a round-trip jaunt by rail from Parksville to Port Alberni. Historically, speeder cars were used to take rail workers to repairs on the line or to undertake track inspections.
 - Communities throughout the corridor have taken advantage of the opportunity to install public utilities such as water and sewer lines. The ICF does not charge communities for the use of the corridor for public utilities, and where it's feasible to do so, it can offer significant efficiencies and cost-savings over installation that would otherwise disrupt built infrastructure (e.g. roads, buildings, green space, etc.) Other utilities installed within the corridor to support Vancouver Island communities include natural gas, hydro and fibre-optic cables.

- Support for Vancouver Island emergency preparedness and response – in the past, SVI has stationed five tanker cars holding over 350,000 liters of water throughout the corridor during wildfire season, which are available to assist the province with wildfire and interface fire response as needed, particularly in remote areas. To the extent that the rail line compared to highway system, the corridor would also be available following a major earthquake for evacuation and/or transport of critical supplies.

Maintaining a strong connection with corridor communities, and supporting local initiatives and priorities that align with the Foundation’s objectives will continue to be a key focus area for the ICF.



Speeder cars at the Port Alberni train station.

Opportunities

- Implementation of First Nations employment programs can begin immediately with the first phase of the rail infrastructure program.
- The survey findings included numerous community project ideas and suggestions for the ICF’s consideration.
- The ICF has indicated its intent to contribute land for construction of a rail platform and Park & Ride facility at the Westhills station facility in support of the local effort to establish a commuter service between Langford and Victoria.
- Potential to install more utilities within the corridor, providing important infrastructure for corridor communities; private for-profit utilities can also help to increase/diversify the Foundation’s revenue sources.
- SVI recognizes and is committed to supporting the community and charitable aspects of the publicly-owned ICF, which vary significantly from privately-owned railroads and to the benefit of Island communities.

Risks

- As there is no shortage of ideas for community and charitable projects, the ICF must continue to identify and prioritize specific projects, being mindful of the Foundation's capacity and priorities, project location (not favouring any region or community), opportunities for leveraged funding and potential for local involvement and contributions (in-kind or financial).
- Though survey respondents offered many ideas, there were also several suggestions to limit the ICF's involvement in community projects, focusing instead on improving rail infrastructure and services.

Goals

Goals – Corridor Communities		Timeline
		Short Term = 1 to 2 years Medium Term – 3 to 5 years Long term = 5+ years
4.1	Work with SVI to implement First Nations scholarship and employment program.	Short to medium term, subject to infrastructure funding.
4.2	Complete legal requirements for land contribution to support construction of a rail platform and Park & Ride facility at the Westhills station facility.	Short term, subject to infrastructure funding.
4.3	Continue efforts to improve communications and outreach through website publishing, social media engagement, member /community presentations and attendance at or hosting of community events.	Ongoing.
4.4	Inventory suggestions and ideas provided in the online survey for future consideration by the Board, as resources become available.	Short term.
4.5	Explore opportunities in both the public and private sectors to increase utility installation in the corridor.	Medium term, unless opportunities arise in the short term.

VII. Financial Analysis

The ICF is a financially self-sustaining, non-profit charitable Foundation. Audited annual financial statements are available on the Foundation's website under "[Financial Reporting](#)".

A five-year budget is presented below – note that this budget has been prepared using a “no railway” scenario, as that is the current situation. The budget will be amended to a “with railway” scenario if/when government funding is approved and a long-term agreement can be finalized with the rail operator.

Island Corridor Foundation - 5 Year Budget (Without Railway)

REVENUES	Year 1	Year 2	Year 3	Year 4	Year 5
Telus Lease	330,000	330,000	330,000	330,000	330,000
Fees & Leases	200,000	200,000	200,000	200,000	200,000
Total	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000
EXPENDITURES					
Planning	5,000	5,000	5,000	5,000	5,000
Engineering	20,000	20,000	20,000	20,000	20,000
Legal	75,000	75,000	50,000	30,000	30,000
Insurance	35,000	35,000	35,000	35,000	35,000
Salaries	146,000	146,000	146,000	146,000	146,000
Administration	48,000	48,000	48,000	48,000	48,000
Board Expenses	18,000	18,000	18,000	18,000	18,000
Travel	6,000	6,000	6,000	6,000	6,000
Audits & Accounting	20,000	20,000	20,000	20,000	20,000
Property Taxes & User Fees	10,000	10,000	10,000	10,000	10,000
Communication	20,000	20,000	20,000	10,000	10,000
Office Expense	15,000	15,000	15,000	15,000	15,000
Alberni Subdivision Rail Maintenance	20,000	20,000	20,000	20,000	20,000
Maintenance of Way	15,000	15,000	15,000	15,000	15,000
Contingency	20,000	20,000	20,000	20,000	20,000
Total	\$473,000	\$473,000	\$448,000	\$418,000	\$418,000
Surplus Funds	\$57,000	\$57,000	\$82,000	\$112,000	\$112,000

VIII. Critical Success Factors

With the support of Island communities, Foundation members and a committed rail operator, the Island Corridor Foundation has grown and developed over the past decade into a self-sustaining, registered Canadian charity responsible for over \$330 million worth of rail corridor assets on behalf of the local governments and First Nations that participate in shared ownership. Rail service is active within the corridor, and the ICF's initial focus on establishing contribution and service agreements, and assisting the rail operator with assessments of a broad range of rail opportunities has set the stage for significant growth in the years ahead.

As outlined, the ICF has identified four focus areas to improve and sustain rail and related services in the coming years, and the following factors have been identified as critical to those efforts

1. Rail operator - ensuring a long-term commitment (through a long-term operating licence agreement) with Southern Rail of Vancouver Island to maintain and expand rail service opportunities is critical to the long-term sustainability and growth of rail on Vancouver Island.
2. Rail infrastructure - securing funding towards the first phase of the rail infrastructure program on the north-south line between Nanaimo and Victoria is critical to the restoration of the railway and rail service. Project scope must be balanced with the need to resolve the Snaw-Naw-As Nation legal case in a manner that is consistent with the ICF's Declaration on Aboriginal Title and that respects and maintains positive relationships with ICF members and corridor communities. Support for rail infrastructure upgrades and service north in the Parksville/Qualicum Beach area and the Comox Valley appears, based on the survey results, to be more mixed. Further consultation and engagement will be required to better understand local community preferences.
3. Rail services – SVI's business plan depends on three of the four rail service “pillars” being successful in the long-term. These include intercity passenger (as the core service), freight, commuter and tourism excursions. Increased and sustained profitability for the rail operator is key to the long-term retention and renewal(s) of ICF's agreement with SVI. This is mitigated in the short-term by the fact that SVI's business plan is flexible and can be implemented using several different combinations of service scenarios. Although intercity passenger service is considered to be a “core” service, it could be phased in beginning with service between Nanaimo and Victoria. The other three “pillars” or products (commuter, tourism excursion, freight) may be phased depending on market demand and public interest.
4. Rail-With-Trails – this has been an area of much success during the Foundation's first decade. Continued development of rail-with-trail projects in collaboration with local communities and the rail operator depends on strong working relationships amongst all parties, and (in most cases) availability of senior government funding opportunities. It is also critical that the ICF continue to communicate the message that rail-with-trail development is not mutually exclusive; that the railway does not need to be decommissioned in order for trail development to continue throughout the corridor; and that corridor communities are very fortunate to be working with a rail operator that supports the development of both. The ICF acknowledges that there is an element of support for rail-to-trail conversion, and that this appears to be concentrated primarily in areas north of Nanaimo – the full financial and operational impacts of any such initiatives would need to be carefully analyzed in consultation with local communities and within a broader discussion related to the future of rail service and corridor utilization.

5. Community and Member Relations – negotiation of contribution (funding) agreements with all levels of government and related service agreements (SVI and VIA Rail) requires a tremendous amount of time and effort, and lengthy delays are not unusual. The Foundation has successfully negotiated several complex agreements over the past decade in support of the rail infrastructure project and restoration of rail service, but the process has encountered many delays. Due to this, an element of frustration is evident amongst corridor communities and the public. To retain and increase public support, it is critically important that the Foundation retains its First Nations Liaison and continues its efforts to improve communications (e.g. recent efforts include website enhancement, hosting of Community Roundtables, establishing the Local Government Liaison program and opening of the AGM to the public) and continues its work to secure capital funding as soon as possible.

APPENDIX 1 – ICF Feedback Form Results

1

ISLAND CORRIDOR BUSINESS PLAN UPDATE



Feedback Form Results – May, 2017

2

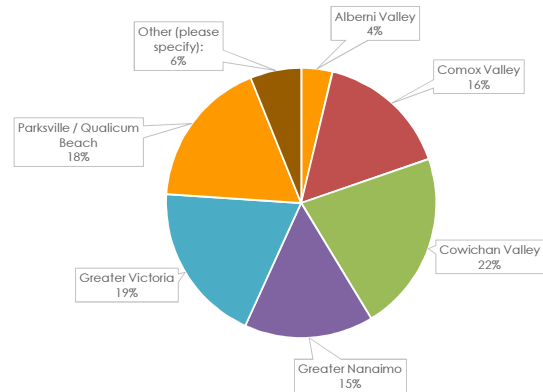
About the Feedback Form:

- Available on the ICF website April 7 - May 15, 2017
- ICF actively promoted the feedback form through Facebook advertising, email broadcasts, local media and at the AVICC conference (April 8) and the ICF Annual General Meeting (April 27)
- Total Respondents – 438 (goal was 400)
- Blanket distribution (as opposed to random selection)
- Self-selection bias in the results - this occurs when the characteristics that cause respondents to self-select creates abnormal conditions in the group.
- ICF's priority was to provide as many people as possible with an opportunity to share their thoughts, comments and feedback.

3

In which geographic area do you reside?

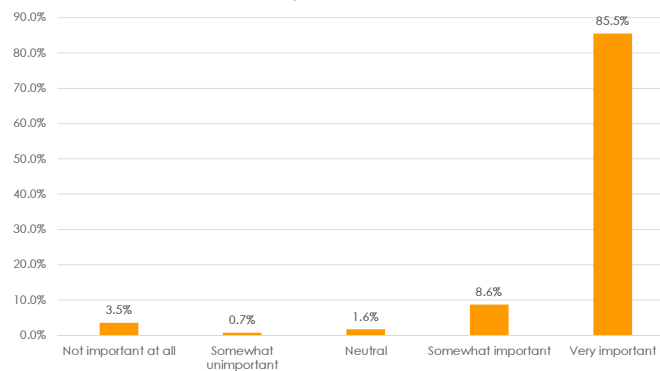
Respondents to this question = 426



4

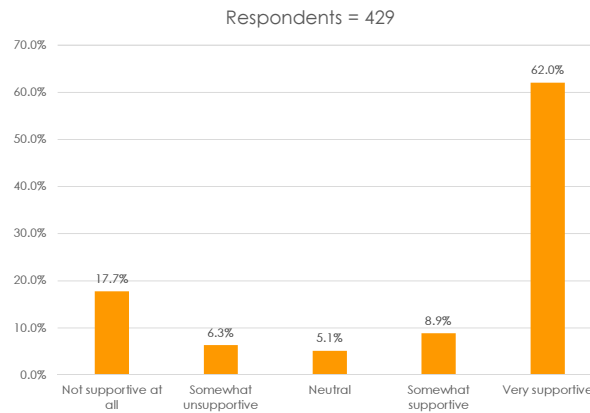
How important is it to you that the Island rail corridor is preserved for public use in the long-term future?

Respondents = 428



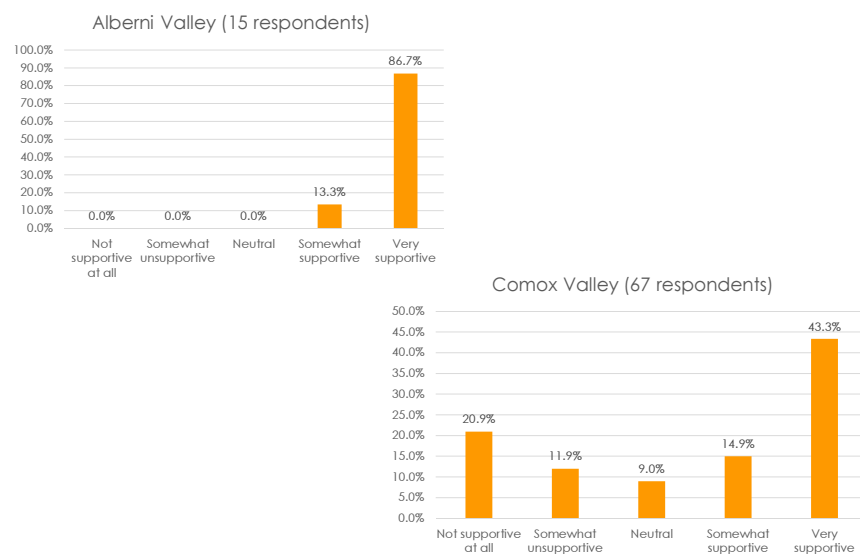
5

How supportive are you of rail service on Vancouver Island?



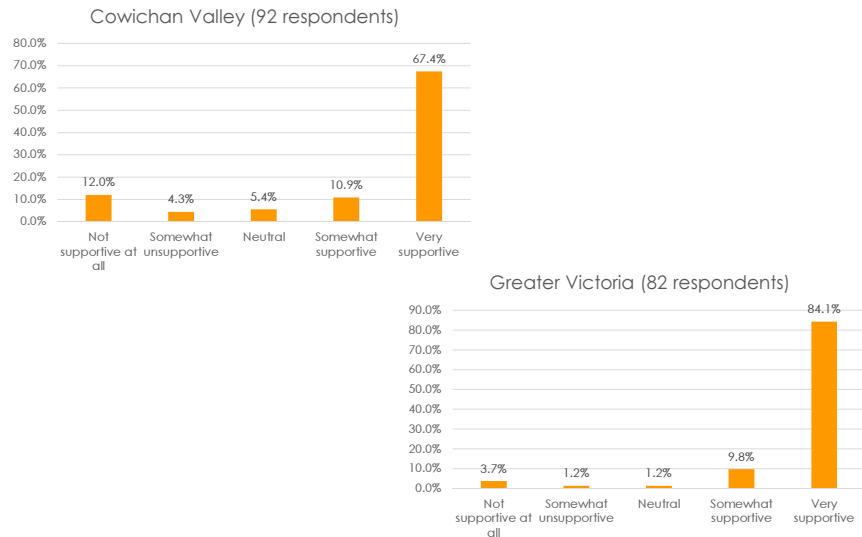
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Support for Rail Service by Area



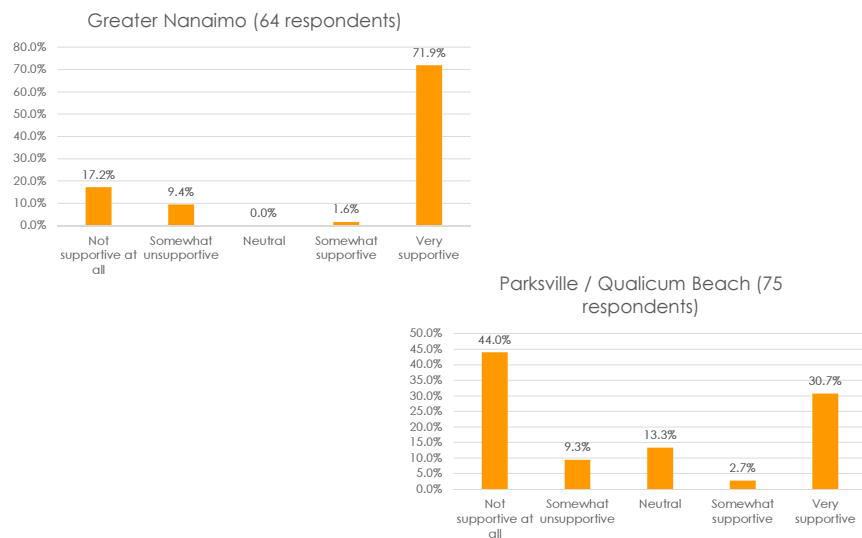
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Support for Rail Service by Area



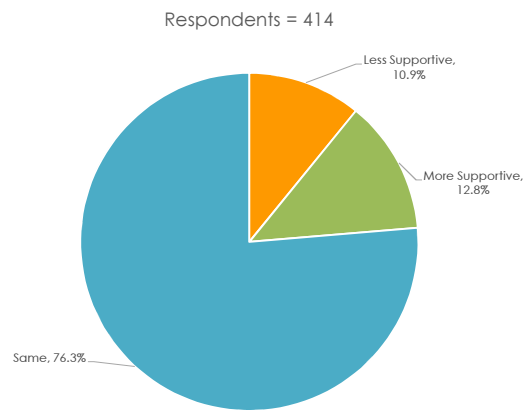
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Support for Rail Service by Area



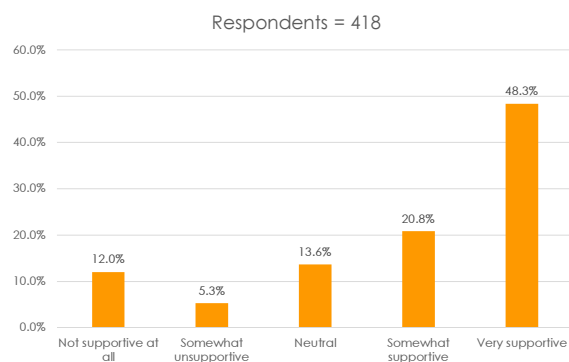
9

Would your level of support for rail service on Vancouver Island change if taking an incremental approach to track infrastructure upgrades meant that not all communities / regions could be served initially?



10

How supportive are you of the continued development of rail-with-trails within the corridor?



11

Imagine you had \$100 to spend on the four focus areas - how would you spend it?

Focus Area	Average (Mean) Amount Allocated
Rail Infrastructure & Services	\$60.35
Heritage (train stations)	\$15.54
Rail-With-Trails	\$32.45
Corridor Communities (charitable/community projects)	\$12.79

12

Goals – Rail Infrastructure & Services

Commonly-mentioned themes

- General support for prioritizing rail repairs/upgrades and services incrementally based on economic feasibility; seeking government funding accordingly.
- Interest in (as first phase) CRD Victoria/Langford commuter service and passenger/freight service between Duncan/Victoria or Nanaimo/Victoria; future focus on services to Courtenay and Port Alberni.
- Support for tourism trains where feasible (some examples given - cruise ship excursion, ski trains, wine trains).
- Improve corridor maintenance (vegetation, trees, litter).
- Modernize service if established (scheduling, ticketing apps, bike racks, food service).
- Importance of First Nations relations, importance of reaching a settlement with Snaw-Naw-As.
- An element of support for removing rail and focusing more (or exclusively) on trail – not nearly as broadly supported as restoring rail, but still a key theme.

13

Goals – Heritage (train stations)

Commonly mentioned themes:

- Support for continued community/heritage group involvement in rehabilitation/improvement initiatives; pursue grants.
- Support for maintaining current assets to prevent decay; more major renovations and/or construction of new stations where/when warranted (Ladysmith & Courtenay as priority for renovation; Victoria as priority for construction if needed).
- Interest in expanding leases (commercial and/or community uses, such as museums). Food/beverages services received many mentions.
- Integration of heritage information and services for tourists and trail users.
- Suggestions to use locally sourced materials, Island-based suppliers and incorporate "green" technologies.
- Addition of park & ride facilities, along with bike storage.
- Some suggestions to limit work in this area; focus more on train service/infrastructure.

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Goals – Rail With Trails

Commonly mentioned themes

- Strongly opposing viewpoints:
 - Concern that trails may replace rails; that restoring rail service and infrastructure should be the priority
 - Concern that rail is not viable and should be replaced with trails (support for this suggestion appears to be strongest north of Nanaimo)

For continued rail-with-trails:

- Develop plan in consultation with communities, including how trail will be addressed where there are bridges & trestles.
- Continue to develop and market rail-with-trail system; seen as key tourism asset.
- Support for seeking third party funding and engaging with local partners as much as possible.
- Key trail issues: accessibility (designed for users of all ages & abilities), safety, mapping, user facilities (rest-stops/washrooms), signage (including heritage information), connectivity and ensuring access is for non-motorized use only.

15

Goals – Corridor communities / charitable projects

Commonly mentioned themes:

- Several suggestions to limit or not make this a major focus; focus more on train service/infrastructure.
- Support for public education programs to build awareness about the importance/benefits of rail service and the rail corridor.
- Engage more with communities, First Nations and local partners to identify and fund projects, and to improve communications (specific mentions of employment and business opportunities with First Nations).
- Host, participate in or sponsor community events where there are opportunities to raise awareness.
- Corridor beautification in urban areas/near stations (parks, community gardens, picnic areas).
- Other ideas – free/low cost travel to support charitable projects; special event trains with proceeds to charities; engage with schools for work experience programs; support local tourism & trail initiatives; support local fundraisers that involve cycling/running/walking events within the corridor.

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Other Advice for the Board

- Again, strongly opposing viewpoints, ranging from:
 - Focus on securing funding to restore rail incrementally (*"just get something going, somewhere"*); start small and build momentum and support for subsequent phases.
- To
 - Remove rail in favour of rails IQ trails (conversion). This suggestion appears to be supported most strongly on the Victoria sub, north of Nanaimo.
- Recommendation that any future service terminating in Victoria must include a shuttle bus to downtown.
- Consider other ways to raise funds to restore the railway (some examples: crowdsourcing, "buy a tie" sponsorships, property sales or limited development within the corridor, timber harvesting).
- Showcase and promote a vision, be bold.
- Improve transparency and communications; consider revisions to governance structure (suggestion to include technical advisory body).
- Strengthen relationships with communities and First Nations.

APPENDIX 2 – Rail Infrastructure Program & Costing

Vancouver Island Rail - Summary Matrix of Infrastructure Upgrade Options & Estimated Costs

Rail Service Segments / Upgrade Options					
Work Item	Phase 1	Phase 2			
	Nanaimo-Victoria	Segment 1 Nanaimo-Parksville	Segment 2 Parksville-Qualicum	Segment 3 Qualicum-Courtenay	Total Phase 2 Nanaimo-Courtenay
	Intercity Passenger + 263K (Freight / Excursion)	Intercity Passenger + 263K (Excursion / Freight)	Intercity Passenger + 263K (Excursion / Freight)	Intercity Passenger + 263K (Excursion / Freight)	Intercity Passenger + 263K (Excursion / Freight)
Rail Joint Rehabilitation	\$ 558,356	\$ 178,172	\$ 51,803	\$ 297,476	\$ 527,451
Tie Renewals	\$ 15,931,605	\$ 5,175,463	\$ 1,574,826	\$ 8,833,053	\$ 15,583,342
#Tie Renewals	120,011	41,746	12,705	71,261	\$ 125,712
Re-Ballasting / Surfacing	\$ 5,012,898	\$ 1,403,663	\$ 408,113	\$ 2,343,560	\$ 4,155,336
Qty.Ballast (tonnes)	69,448	33,400	9,711	55,765	\$ 98,875
Bridge Repairs	\$ 8,058,835	\$ 2,253,364	\$ 3,948,301	\$ 10,078,770	\$ 16,280,435
Siding Rehab.	\$ 630,081	\$ 312,154	\$ -	\$ 180,413	\$ 492,567
Port Siding Rehab.	\$ 249,887	\$ -	\$ -	\$ -	\$ -
Viewscaping	\$ 611,086	\$ 220,535	\$ 64,120	\$ 368,206	\$ 652,861
Crossing Improvements - Commuter	\$ 400,000				\$ -
Safety/Sight/Sound Barriers	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Grade Separation - Lantzville Road		\$ 2,500,000			\$ 2,500,000
Bridge Trail / Walkway	\$ 500,000				\$ -
Special Risk Contingency - Crossing Safety Improvements	\$ 1,200,000	\$ 420,000	\$ 420,000	\$ 840,000	\$ 1,680,000
Totals before Contingency	\$ 34,152,748	\$ 12,463,351	\$ 6,467,164	\$ 22,941,478	\$ 41,871,993
Contingency* (See Note 2 below)	\$ 8,538,187	\$ 3,115,838	\$ 1,616,791	\$ 5,735,370	\$ 10,467,998
Totals Including All Contingencies	\$ 42,690,936	\$ 15,579,188	\$ 8,083,955	\$ 28,676,848	\$ 52,339,991

Notes:

- 1 All estimate costs have been indexed at 2% per annum to 2018\$
- 2 *Estimating Class D = Potential Variance Range +/- 20 to 30% including all contingencies applied.
Reference Canadian Construction Association - Guide to Cost Predictability in Construction -
An Analysis of Issues Affecting the Accuracy of Construction Cost Estimates - Prepared by
the Joint Federal Government / Industry Cost Predictability Task Force - November 2012

Vancouver Island Rail Infrastructure Upgrade Project








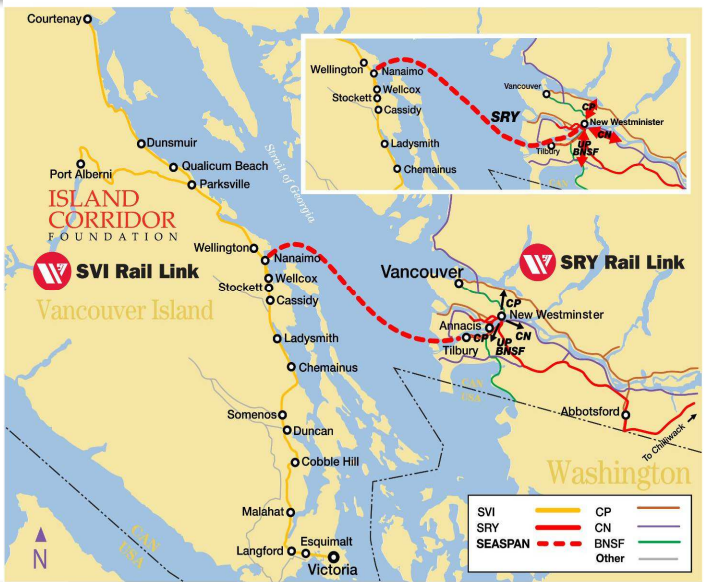

ISLAND
CORRIDOR
FOUNDATION



7 July 2017



SVI Rail Link



7 July 2017

Vancouver Island Rail Infrastructure Upgrade Project

2



SVI Rail Link

Immediate Phase 1 - Nanaimo to Victoria

Total \$42.7M Upgrade

Infrastructure providing:

1. Intercity VIA Passenger Rail
 - Twice daily return service Nanaimo-Victoria
2. Cruise Ship Excursion Train – Nanaimo to Chemainus
3. Development opportunities for Excursion/Tourism Rail services on the rail corridor – Nanaimo / Cowichan Valley / Victoria / Malahat
4. Freight Rail
 - Nanaimo-Duncan – Agricultural Feed Grain
 - Nanaimo-Wellington – Propane
 - Other opportunities for freight expansion – Nanaimo – Greater Victoria
5. Commuter Rail – Track Base Improvements*
 - Langford - Victoria
 - Shawnigan Lake / Cowichan Valley - Victoria

*All subject to commuter equipment selected

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Vancouver Island Rail Infrastructure Upgrade Project

3



SVI Rail Link

Pending Snaw-Naw-As Settlement Phase 2 – Nanaimo - Courtenay

Total \$52.4M Upgrade

Infrastructure providing:

- Linkage to Port Alberni Subdivision
- Intercity VIA Passenger Rail
- Freight Rail Service
- Excursion/Tourism Rail Development


Breakdown by Segment:

1. Nanaimo to Parksville = \$15.6M
2. Parksville to Qualicum Beach = \$8.1M
3. Qualicum Beach to Courtenay = \$28.7M

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Vancouver Island Rail Infrastructure Upgrade Project

4

 **SVI Rail Link**

Port Alberni Subdivision Ongoing Parksville – Port Alberni

Alberni Station to McLean Mill

- 500 Ties - replacement completed
- Bridge Repair – two bridges
- McLean Mill Steam Train Tourist Attraction
- Speeder car tourist run

Provides infrastructure for:

- “Rail Bridge” – Port to Port
- Excursion/Tourism Rail Development

Potential Phased Upgrade by Segments:

1. Parksville – Coombs
2. Coombs – Port Alberni

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Vancouver Island Rail Infrastructure Upgrade Project

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