



## INFORMATION ONLY COUNCIL REPORT

To: Mayor and Council

Date: June 25, 2024

From: Ron Mattiussi, Interim CAO

File No: P 24-07

Subject: **P 24-07, 2024 Transit Service Review**

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### INFORMATION SUMMARY

The purpose of this report is to advise Council on the scheduled annual transit service review as a partner in the Kelowna Regional Transit System and outline potential opportunities to enhance transit service delivery within the City. This report was prepared in consultation with BC Transit, who will be coordinating key aspects of the transit service review with local government and community partners of the Kelowna Regional Transit System and be presenting to Council.

### STRATEGIC AREA(S) OF FOCUS

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

**Pursue Economic Growth and Prosperity** – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

**Foster Safety and Well-Being** – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

### BACKGROUND

BC Transit is the provincial Crown Corporation responsible for the planning, funding and operation of all public transit throughout the Province outside of Metro Vancouver. BC

Transit delivers services and supporting infrastructure that is based on a combination of public policy objectives set by the Provincial Government, and priorities, routes and rates determined by local governments. Funding for regional transit systems across the province is shared between BC Transit, local governments, health authorities and operations revenue as prescribed by a legislative funding formula in the British Columbia Transit Act and British Columbia Transit Regulations. BC Transit provides transit service in the City of West Kelowna as part of the Kelowna Regional Transit System, and operations are contracted by BC Transit to TransDev Canada, a third party.

Updates from BC Transit will be presented at the workshop regarding ridership data, financial outlooks, system-wide infrastructure projects, operational status, and new BC Transit initiatives (*Attachments 1, 2, 3 and 4*).

### **Central Okanagan Transit Future Plan**

The Central Okanagan Transit Future Plan was completed in 2018 and provided a vision of the region's transit network until 2037. Since adopting the plan, many projects have been accomplished such as the introductions of the 97 Okanagan RapidBus and Frequent and Local routes throughout the region. A larger review of the plan was completed in 2023 with presentations to Council, which generated an update to each partner's Conventional Transit Three-Year Outlooks rather than a full update to the 2018 report (*see Attachment 4 for the draft West Kelowna outlook that was prepared Feb 2024*). This outlook is intended to be updated on an annual basis and informs part of the Transit Improvement Process (TIPs) that includes consideration of transit service improvements over the following 3-year period. The Plan recommends that transit service reviews are conducted throughout the duration of the plan to refine priorities and guide decision making for the transit system.

### **West Kelowna Transit Snapshot**

West Kelowna is currently serviced by conventional transit service<sup>1</sup> which includes the RapidBus route 97, a route 22 from Peachland to West Kelowna, a special weekday bus from Okanagan College to West Kelowna, as well as 7 local routes servicing both West Kelowna and Westbank First Nation residents (*Attachment 5*). The City is also serviced by community transit service which includes the handyDART service (*Attachment 6 outlines types of service*) providing specialized transit service to registered clients with accessibility issues<sup>2</sup>. The city has not made any significant enhancements to service hours in the City for the last two years and as a result, has not kept pace with the recommended improvements to the Highway 97 route as the key spine that all local routes connect to.

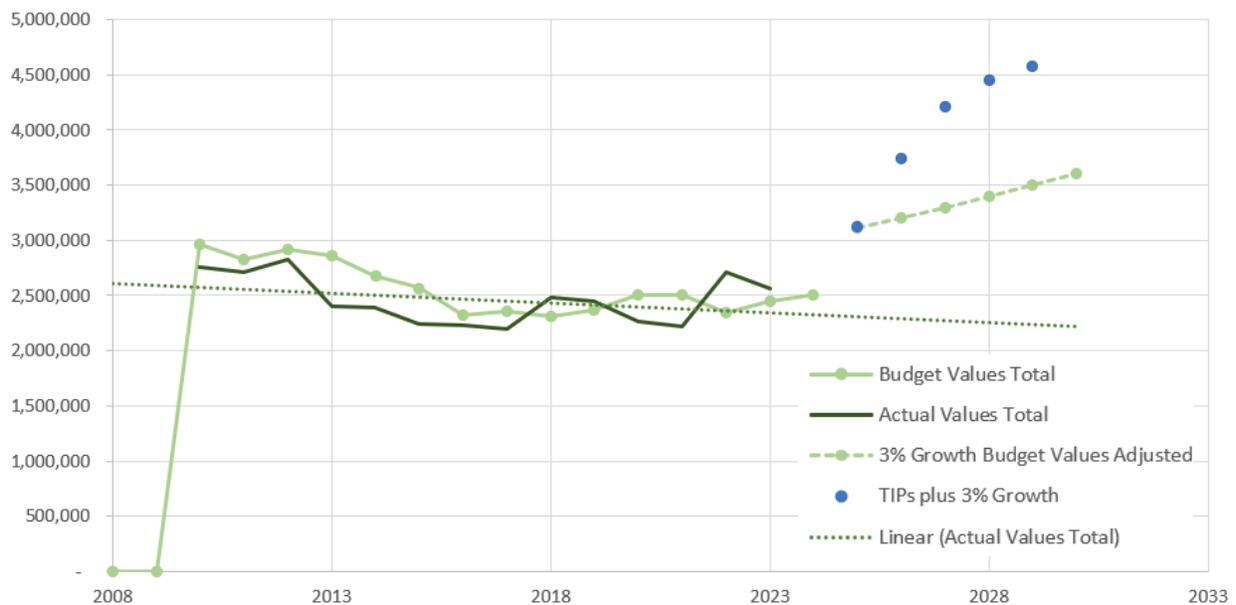
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<sup>1</sup> The CWK portion of the Revenue Service Hours for the 2024/2025 year is 16,900 hours for the conventional transit service and 11,200 hours for the community transit service.

<sup>2</sup> In the Kelowna Regional Transit System, approximately 82,000 trips via handyDART were taken in 2023/24, with 88,000 forecast in 2024/25.

Transit functions<sup>3</sup> transferred to the City in 2010, where the City’s annual budgets have essentially remained quite static<sup>4</sup> except for 3% inflationary projections (See *Figure 1 Budget Values Total line*). Transit costs associated with service hours as well as operational requirements both followed this similar trend (see *Figure 1 and Attachment 7*). It is noted that these were both impacted by decreased ridership levels during Covid which have since recovered to pre-covid levels. There have been no significant increases in operational budgets, including maintenance, replacement, equipment or staffing during this timeframe, despite growth in the number of bus stops and related recommended transit service level improvements in the 2018 Central Okanagan Transit Future Plan.

**Figure 1: 2008 – 2023 CWK Transit Total Budget Versus Actual Values (with 5 year projected budget and potential TIPs impact)**



Over this same timeframe, there have been no specific capital budget plans for transit expenditures, but it is noted that other road and pedestrian capital projects have included transit components<sup>5</sup>. Additionally, specific Federal and Provincial funding initiatives have permitted the construction of some specific transportation improvement projects that have focused solely or included significant transit improvements, such the Westbank and Boucherie Exchanges. However, the City does not currently contribute funds to a specific capital program for transit specific infrastructure programs, such as capital programs for roads or pedestrian (sidewalk) improvements<sup>6</sup>.

<sup>3</sup> Including operations and maintenance of transit infrastructure within City jurisdiction, capital planning for transit infrastructure, routing optimization adjustments, addressing complaints and requests from users, TIPs planning, noting that assistance from the Regional System has typically been provided where requested for all except the City operations and maintenance as the City grows its transit planning capacity.

<sup>4</sup> Budget values ranged from 1.8 to 2.5 million whereas actual transit costs ranged from 1.7 to 2.3 million.

<sup>5</sup> For example, this included transit enhancements such as bus pullouts and pads installed along Boucherie Road as part of the phased Wine Route improvements, and a bus shelter as part of the Mission Hill segment.

<sup>6</sup> A CWK Transit Reserve Fund (\$370,462.50) was established in 2011 with reserve funds transferred from the RDCO, which has been accruing interest, but no new funds have been added to this fund.

The 2018 Transit Future Action Plan identified the regional need for 20 additional buses and 50,000 service hours over the next 7 years, with the long-term vision forecasting a fleet of 230 buses over the next 25 years. In addition, the Provincial Transit Plan has a modal target of 7% ridership by 2035.

To keep pace with anticipated regional growth, as well as significant population growth both anticipated and planned for by the new Official Community Plan (OCP) and reflected in the draft Transportation Master Plan (TMP), significant investment in transit infrastructure is required to support an effective system that supports enhanced coverage and growth in ridership levels. OCP policy related to accessibility, climate action, transportation and infrastructure supports these transit infrastructure enhancements, which are reiterated at a higher level in the draft TMP and noted as a meaningful investment in Council's Strategic Priorities<sup>7</sup>. Additionally, specific action items within the OCP and TMP support the creation of a separate capital program focused on transit service required to achieve proportional funding to achieve targets.

## **Challenges and Opportunities**

Transit planning as a partner to a Regional transit system which is impacted further by the overarching direction from the Province creates some unique challenges and opportunities in terms of both funding, timing and operational priorities. Current challenges to transit planning include:

- 1) Bus expansion limited by Regional Transit Operations and Maintenance Facility (OMF):
  - The current Hardy Street OMF<sup>8</sup> expansion anticipated for completion within the 2025/2026 fiscal cycle will allow for at least 12 additional buses to be added to the Kelowna RTS fleet.
  - Planning and design work is underway for a new OMF near Hollywood Road but it is not anticipated to come on-stream until 2031/2032, and will accommodate between 180 to 230 buses, noting that the delivery of proposed new electric battery and conventional buses over the coming years may also be constrained by market availability.
- 2) Service levels to all areas of the City:
  - Currently constrained by level of investment in service hours by the City, which in turn affects investment by the Province as their proportional funding allocations are triggered by the City's service requests through the Transit Improvement Process (TIPs).
- 3) Lack of residential density within core areas despite anticipated significant growth:

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<sup>7</sup> Council Strategic Priority related to Transportation "We will also pursue...meaningful investment to improve the existing public transit system in West Kelowna, including the number of routes and frequency of service, the incentives offered youth and others to encourage ridership, and the introduction of innovative offering such as on-demand transit

<sup>8</sup> Designed to support 70 conventional vehicles with modifications that support a fleet of 116 vehicles operating beyond its original design capacity

- Existing lower density areas have not historically met thresholds to trigger Provincial Transit funding for expansion requests, which reflect the historic lower service levels in less developed portions of the City.
- However, where high density redevelopment is anticipated at the OCP level and the City supports transit development in advance of the growth, the Province may have a more favourable outlook to proportionally fund the City's requested transit enhancements.

Despite the challenges with the transit framework noted above, there are opportunities that may be available for further investigation by the City or the Kelowna Regional Transit System on an on-going basis, or with a short or long-term perspective. This includes:

1) Route optimization:

- Route optimization is being completed by the Regional Transit Service on an on-going basis with input from City staff, where typical adjustments include items such as timing, bus stop relocation, etc., which utilize GIS based modeling software to maximize routing efficiencies. Eliminating a route or reallocating service hours would only typically be completed with additional public consultation and Council approval.
- Route optimization takes into consideration year-round public feedback in route adjustments.

2) New routes and route enhancements that may or may not require additional buses:

- New and enhanced routes which require additional service hours and/or buses must be done through the Transit Improvement Process (TIPs).

3) On-Demand Transit Service:

- BC Transit has an On-Demand transit service which is currently under Phase 1 Trial with the City of Kelowna.
- CWK has been in discussion with BC Transit regarding Phase 2 of this program. Should the City be selected for a potential trial location, BC Transit will work with staff through the summer and additional information regarding cost and timing would be provided to Council for consideration with additional information anticipated fall of 2024.

4) Enhanced transit related amenities:

- Enhanced transit related amenities have historically been funded only in association with other capital funded projects but could be funded through a specific capital reserve fund for items such as bus shelters, park and ride facilities, washrooms at key exchange locations, etc.
- Amenities support potential increased ridership by enhancing the user experience to both retain riders and grow ridership.

5) Modernization of the Custom Transit (handy DART) system:

- BC Transit is exploring ways to modernize their paratransit service (also known as handyDART) with digital booking similar to the trial On-Demand transit service where trips are booked online or via phone-call and software to handle dispatch and routing.

- Additional information will be provided by BC Transit as they continue their analysis, including the potential impact to service level and costing for each municipality.

## **DISCUSSION / WORKSHOP**

### **Where Do We Go From Here?**

Based on the City's OCP, TMP and current Strategic Priorities, investment is required to make meaningful improvements to the existing public transit system in West Kelowna to support anticipated growth. The following sections summarize opportunities to make substantive changes toward the goal of enhanced transit to serve our growing City.

#### ***Invest in the OCP***

Support increased delivery of transit service in advance of expected density increases, as well as services that connect neighbourhoods to the key growth areas identified in the OCP, such as the Westbank Urban Centre, with the following recommendations:

#### **1) Financial Framework**

- Develop a separate capital program for Transit to invest in and save for existing and future capital investments, similar to roads or sidewalks. As part of the capital program, Council may also wish to consider priorities for the existing Transit Reserve Fund, and to consider support for staff preparation of transit related shelf-ready infrastructure plans consistent with Council's strategic priorities that could be potentially funded from a capital program.
- To be considered in budget deliberations for fall 2024 and beyond.

#### **2) Increase investment in capital transit projects**

- Consider capital projects for larger transit improvements such as:
  - i. Park and Ride facilities, washrooms to support Westbank and Boucherie exchanges, additional bus shelters.
  - ii. Additional expansion to Elliott Road exchange to accommodate growth in Westbank Centre.
- To be considered in budget deliberations for fall 2024 and beyond.

#### **3) Increase Operational Budget related to Transit Service**

- Consider increases in operational budget (over and above 3%) to support transit infrastructure maintenance, replacement, repairs, and equipment proportional to anticipated service level and infrastructure expenditures.
- Consider additional staff resources (FTEs) required to support increased operations and maintenance requirements associated with transit infrastructure.
- To be considered in budget deliberations for fall 2024 and beyond.

#### **4) Increase Transit Service Levels to support current users and anticipated growth**

See Attachment 8 for potential Transit Improvement Process and 3-year MOU process as part of this 2024 Transit Service Review. These items will be reviewed with Council for feedback and inclusion into the TIPS program. Generally, potential improvements include:

- Consider increasing service hours on the conventional transit system beyond the base level 3% growth on specific routes within West Kelowna to address bus frequency, peak time user pass-bys and comfort, increased evening spans, and weekend service to support increased ridership opportunities.
- Consider increased route expansions to service new growth areas.
- Consider routing adjustments to increase ridership potential along more densely developed streets along a general route.
- Potential projects include items such as:
  - i. Frequency of Hwy 97 to align with opening of George Pringle Secondary School in September 2027.
  - ii. Gellatly/Goats Peak route extension to accommodate build out of Shorerise/Goats Peak development.
  - iii. Improved evening and weekend service within growing residential areas (Glenrosa, Tallus Ridge, Shannon Ridge, etc.)
- Consider future service increases as part of the ongoing TIPS process which is repeated annually.

#### ***Promotional Opportunities***

Consider additional transit service promotion to elevate potential ridership levels through the following type of initiatives that have been successfully implemented in other jurisdictions:

- 1) Examine other incentive programs for City youth and senior transit passes as an extension to the existing program that offers free transit for youth under 12 years of age<sup>9</sup>.
- 2) Consistent with 2024 Parking Study recommendations and in support of OCP transportation and growth policies, "consider free transit pass provision within identified areas of the City to promote transit use matched to densification".
- 3) Promote the ProPASS system to the business community and other public sector employers operating within the City.
- 4) Consistent with 2018 Parking Study recommendations and to promote transit supportive policy as a leader in the business community, consider subsidized transit pass provision for public sector employees to promote transit use to and from civic facilities either within identified growth areas or along key transit routes.

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<sup>9</sup> A number of municipalities throughout the Province have implemented programs that offer free transit passes to youth up to 18 and some up to 24 years in age. In some cases, youth passes are matched with free transit for seniors.

5) Consider in budget deliberations for fall 2024.

### ***Planning, Policy and Regulatory Tools***

The City's regulatory bylaws and related standards<sup>10</sup> can be utilized to ensure additional investment in the City's future transit system including:

- 1) **Amending development design standards** to ensure they include a transit-oriented focus<sup>11</sup>:
  - Ensure review of the Works and Services Bylaw (currently underway) and related development standards includes consideration of the new growth areas (road design drawings, infrastructure design specifications, etc.).
- 2) Consider **development contributions** towards transit improvements to ensure they are adequate to support a transit system that keeps pace with anticipated growth including:
  - Ensure review of the DCC Bylaw and potential new Amenity Charge Contribution (ACC) Bylaw, as applicable, considers transit infrastructure such as washrooms near high density exchanges, lighting, CCTV, Benches/shelters and potentially space for future exchanges or park and ride areas.

### **FINANCIAL IMPLICATIONS**

All conventional fixed-route transit service is cost-shared between BC Transit and the local government(s) according to a legislated formula whereby 54% is allocated by the local government(s), and 46% by BC Transit. In the Kelowna Regional Transit System, the local share is split between the Kelowna Regional local government partners according to the hours provided in each jurisdiction. Annual Operating Agreements (AOA's) address the City's portion of the transit service hours (see separate report presented this agenda for the 2024/2025 AOA).

Any changes to the local transit system such as new routes or additional service hours will require additional funding outside the AOA. Potential improvements or expansions identified in transit service reviews need to be incorporated into BC Transit's Transit Improvement Process (TIPs), which includes a projection over three fiscal years. When an improvement or expansion project goes into TIPs, BC Transit provides annual costing for the project in a Memorandum of Understanding (MOU). Any costs in Year 1 are financial commitments once the MOU is signed, while costs in Years 2 and 3 are shown for planning purposes and are re-evaluated the following year. All expansion initiatives are subject to provincial funding, which is released to BC Transit each February as part

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<sup>10</sup> Works and Services Bylaw and related development standards drawings, and Transportation Master Plan, as applicable.

<sup>11</sup> BC Transit established the Transit Service Guidelines specific to the Central Okanagan Region in 2020, available from their website: <https://www.bctransit.com/wp-content/uploads/604/447/2020-01-16-Central-Okanagan-Transit-Service-Guidelines-FINAL-DRAFT.pdf>

of the Provincial Budget. Further, infrastructure improvements require cost-shared studies which may require additional funding from the City, where the availability of Provincial or Federal<sup>12</sup> initiatives often assist in reducing the City's portion.

Proposed 3-year transit improvements based on estimated service hours and bus requirements have been presented for Council's information as part of the early TIPS consultation process. In consideration of any feedback provided by Council, BC Transit will provide more detailed costing analysis as part of a draft MOU which will be provided for Council consideration at a future meeting. To support any requested transit improvements for the Year 1 (2025-2026) timeframe, BC Transit will require a commitment from Council to sign the MOU either at the earlier Phase 1 July deadline, or at the later Phase 2 September deadline.

Additional opportunities to support transit service through revision to the capital investment program and operational budget, and consideration of transit promotional initiatives will be addressed through the future budgetary review process consistent with the City's master plans and direction of Council. Further review of development contributions towards transit improvements are also anticipated with updates to the City's development standards, regulatory and development or amenity cost charge bylaws, which would include engagement with the development community. These regulations or development standards would be presented for Council's future consideration with the applicable bylaw.

## **NEXT STEPS**

In follow-up to any feedback received through this workshop, BC Transit will complete preliminary costing for the potential 3-year transit improvements and expansions as part of TIPS. A draft MOU will then be prepared for Council's consideration at an upcoming meeting prior to finalizing any financial commitment associated with the Year 1 expenditures.

The future budgetary process will also include proposed amendments to address both operational and capital expenditures in line with Council's strategic priorities and master plan direction in support of transit service improvements.

## **REVIEWED BY**

Brent Magnan, Director of Development Approvals

Warren Everton, Director of Finance / CFO

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<sup>12</sup> No new Federal funding opportunities will be available until 2026 at the earliest.

Lisa Siavashi, Financial Services Manager / Deputy CFO

Allen Fillion, Director of Engineering & Operations

Corinne Boback, Legislative Services Manager / Corporate Officer

Trevor Seibel, Deputy CAO

**APPROVED FOR THE AGENDA BY**

Ron Mattiussi, Interim CAO

Powerpoint: Yes  No

Attachments:

1. Kelowna Regional Transit Annual Performance Summary (2023-2024)
2. BC Transit Annual Conventional Customer Satisfaction Survey (2023-2024)
3. BC Transit HandyDART Annual Customer Satisfaction Survey (2023-2024)
4. West Kelowna Conventional Transit Three-year Outlook (DRAFT - Feb 2024)
5. OCP Future Transit Network – Schedule 6 map
6. Types of Transit Service
7. Transit Budget Versus Actual 2008-2023 (with forecast trendlines and projections to 2029)
8. Summary of potential TIPS adjustments