

Report to Council



Date: January 18, 2021
To: Council
From: City Manager
Subject: Transportation Master Plan - Scenario 2 Projects
Department: Integrated Transportation

Recommendation:

THAT Council receives, for information, the report from Integrated Transportation, dated January 18, 2021, regarding proposed projects in Scenario 2 of the Transportation Master Plan.

Purpose:

To provide Council with an opportunity to review the Scenario 2 project list in greater detail, with a focus on roadways, prior to development of the draft Transportation Master Plan

Background:

Kelowna's streets will become busier as the city grows. Expanding vehicle capacity at the pace necessary to stay ahead of population growth and induced demand is not financially practical. It is also not desirable, given the impacts continually widening roads would have on neighbourhoods, businesses, agricultural lands, and the climate. This is why the long-term vision of the Transportation Master Plan (TMP) is to give people more choices to get around besides driving. Still, cars and trucks will play an important role in daily life for the foreseeable future.

In August 2020, Council directed staff to continue development of a draft TMP based on a list of actions referred to as "Scenario 2". Informed by public input, this scenario proposed a roughly 20 per cent increase in the average annual transportation budget over the next twenty years, funded by increases in development cost charges (DCC) and property taxes. In addition to major investments in walking, biking, transit, and other options, Scenario 2 would increase funding for roadways by roughly half, from an average of \$12 million to \$18 million annually¹. The roadway projects in Scenario 2 were carefully selected to improve roadway safety and traffic flow without tipping the scales to inducing more vehicle travel. The TMP Scenario 2 project list, maps, project definitions, and evaluation methodology are provided in the [TMP Scenarios Report](#).

¹ This average includes items in the Road Connections (\$12M) and Multimodal Corridors (\$6M) categories detailed in the TMP Scenarios Report.

This report contains three sections. First, a brief description of the different funding sources for roads and considerations related to the pandemic; second, an overview of road projects proposed in TMP Scenario 2 which are not in the City's current capital plans; and third, a summary of road projects in existing capital plans which are not in Scenario 2, and would be deferred beyond the plan's twenty-year horizon.

Funding Overview

Road projects are typically funded by a mixture of taxation² and development cost charges (DCCs). Senior governments may also contribute to road projects which benefit interregional travel and trade.

Many smaller projects, such as new traffic signals are funded entirely by taxation. Developers often contribute directly towards roads adjacent or connecting to individual development sites as a condition of Council approval. DCCs are often used to fund larger road projects related to growth across broader areas. The share of road projects funded by developers (through DCCs or direct contributions) varies. Roughly 30 per cent of the current DCC road program is funded by taxation.

Staff have been working under the premise that DCCs cannot be raised significantly in the near term. This follows market analysis suggesting there is limited room to increase DCCs in the short term without affecting the pace of housing construction.

Development cost charges are an important funding source but cannot be used for many types of capital projects: notably items in the transit³, maintenance and renewal, and neighbourhood street categories. They also cannot be used for operating expenses such as transit service or programs. These actions are largely funded by taxation, and will be pivotal to reducing greenhouse gas emissions, relieving congestion, and addressing the infrastructure deficit. Any further increases to road spending would require redirecting taxation from these categories and towards the municipal share of the DCC road program.

Additionally, analysis of long-term infrastructure costs using Model City has demonstrated that hillside neighborhoods generate insufficient tax revenue to fund the maintenance and renewal of infrastructure within them. Any new major road projects within hillside neighborhoods would further challenge this balance.

COVID-19 and the TMP

Scenario 2 proposed a roughly 20 per cent increase in the average annual transportation budget over the next twenty years. As such, fully funding the road projects outlined in this report, along with investments in walking, biking, and transit will require spending increases which are not reflected in the current 10-Year Capital Plan. Considering both the current uncertainty of the lasting economic impacts of Covid-19 and the long-term timeline of the TMP, staff are working to defer near-term tax increases by ramping up transportation investment slowly over the 20-year plan horizon. However, this will require larger funding increases and investment in the later stages of the plan. In the meantime, the 10-Year Capital Plan will be updated annually, informed by the TMP, and based on changing conditions. If the budgetary impacts of COVID-19 prove to be persistent, the Transportation Master Plan could be adjusted when it is next updated.

² Throughout this report, 'taxation' is meant to include both municipal property taxes and the Community Works Fund (federal gas tax)

³ Development cost charges can be used to fund transit infrastructure within road right-of-ways. For example, a bus stop along a DCC road project. They cannot be used to fund off-street infrastructure such as exchanges or operational facilities.

Discussion:

Road Projects in Scenario 2

The road projects in Scenario 2 were chosen through a comprehensive evaluation process to find the most cost-effective ways to mitigate increasing congestion and support the OCP Growth Strategy without undermining the City's efforts to shift towards sustainable modes.

Below is a description of major road investments proposed in the Transportation Master Plan which are not fully funded in the City's current 10-Year Capital Plan or 20-Year (2030) Servicing Plan. Note that the stated cost estimates are preliminary and include presumed contributions from senior governments.

Clement Extension

Scenario 2 includes the extension of Clement Ave as a two-lane road from Spall to Hwy 33, as well as funding to secure land for a potential future extension to McCurdy. The preliminary cost estimate for these two items is \$28 million.

This long-standing project is recommended for consideration in conjunction with dedicated transit lanes on Harvey in the Regional Transportation Plan. Further analysis is anticipated as part of the next phase of the Ministry of Transportation and Infrastructure's Central Okanagan Planning Study.

Gateway Road Projects

The Okanagan Gateway is a key area of future employment growth, including UBC Okanagan and YLW. The number of trips to and from the Gateway is expected to increase by 65 per cent by 2040⁴. Despite ongoing efforts to encourage biking and transit, it will be challenging to shift a majority of these trips away from driving outside of the university area.

Scenario 2 includes several recommendations from the recently completed Okanagan Gateway Transportation Study, summarized in the table below:

Project	Description	Est. Cost
Hollywood Rd (McCurdy to John Hindle)	Completion of the Hollywood Rd corridor from McCurdy Rd to John Hindle Dr	\$28 million
Rutland Rd (Old Vernon to YLW)	Extension of the Rutland corridor to YLW, incorporating parts of Acland Rd.	\$13 million
John Hindle Extension	Extension of John Hindle Dr using the existing highway flyover to connect with the new Rutland Rd corridor.	\$10 million
	Total	\$51 million

Intersection Capital Programs

The City has historically focused on building new road connections or widening existing roads. The rising cost of acquiring land along corridors makes this approach challenging. Since intersections govern the capacity of roads in urban areas, expanding intersections can be a more effective way to increase vehicle capacity moving forward. Scenario 2 proposes two new ongoing capital programs for intersections:

⁴ Transportation Master Plan: Existing and Future Conditions Report, p.120

Project	Description	Est. Cost
Intersection Capacity Program	Ongoing capital program for expanding major intersections. Details of individual projects have not been determined but will likely include locations such as Benvoulin at Springfield; Gordon at Springfield; and Glenmore at High.	\$30 million
Road Safety Program	Ongoing capital program for safety improvements at intersections with higher collision rates. This program will allow the City to improve one or two intersections every year, as the scale of works at each location will vary.	\$30 million
	Total	\$60 million

Major 'New' Road Projects in TMP Scenario 2

The table below summarizes other major road projects which have not been included in the City's capital plans to date. These projects performed well in the TMP evaluation process and three of them are also included in the Regional Transportation Plan.

Project	Description	Est. Cost
Glenmore Rd (Union to John Hindle)	Widen Glenmore Rd to four lanes between Union Rd and John Hindle Dr, including a multi-use pathway.	\$13 million
Glenmore Rd (John Hindle to Lake Country)	Safety improvement for Glenmore Rd between John Hindle Dr and Lake Country in response to anticipated increases in traffic volumes. The work will involve straightening corners, shoulder widening, and intersection improvements.	\$10 million
McCurdy Rd (Rifle to Hwy 97)	Extend McCurdy Rd from Highway 97 to Dilworth Dr, shortening trip distances reducing out-of-direction travel between Glenmore, Rutland, and the Highway 97 commercial corridor.	\$14 million
Burtch Rd (Springfield to Glenmore)	Enhance Burtch Rd as a north-south corridor to create a stronger connection between Glenmore, Capri -Landmark, and the Mission.	\$20 million
	Total	\$57 million

Scenario 2 increases the average annual transportation budget by 20 per cent, and funding for roadways by 50 per cent. Still, tradeoffs will need to be made when considering the many competing priorities for transportation funding, particularly from other categories of investment more directly aligned with the Imagine Kelowna vision.

Road Projects Not in Scenario 2

In addition to new project ideas, staff reevaluated road projects in the current 10-Year Capital Plan. Projects which provide city wide benefit and best support the TMP Goals and OCP Growth Strategy have been prioritized. The evaluation process is documented in the [TMP Scenarios Report](#). The following table highlights major road projects from the 10-Year Capital Plan which are not in the TMP Scenario 2 list. While many of these projects still provide value, they do not provide as high a return on investment as competing projects and are less aligned with current policy direction. These projects will likely not be achievable within the twenty-year horizon of the TMP; however, they may still be pursued at a later date. If desired sooner, tradeoffs would need to be considered such as either increasing the transportation budget or removing other projects from the TMP Scenario 2 list.

Current DCC Projects Not in Scenario 2

Project	Description	Est. Cost
Casorso Bridge Widening	Widening of Casorso Rd bridge and adjacent roundabouts from 2 to 4 lanes	\$15 million
Gallagher 1	Extension of Loseth Rd to Gallagher Rd in the Kirschner Mountain area	\$12 million
Benvoulin Rd (Casorso to KLO)	Widening of Benvoulin Rd from 2 to 4 lanes from KLO Rd to Casorso Rd	\$10 million
Sexsmith (Longhill to Hwy 97)	Four-laning and urbanization of Sexsmith	\$10 million
Lone Pine	Connection between Hwy 33 and potential future development on the northern slope of Mine Hill	\$4 million
Guisachan (Ethel to Nelson)	Urbanization including curb, gutter, boulevard, and sidewalks	\$3 million
Union / Valley Realignment	Realignment of the Union / Valley intersection to directly connect Union to Sexsmith	\$3 million
Frost Rd (Kildeer to Chute Lake)	The extension of Frost Rd from Kildeer to Chute Lake Rd	\$3 million
Dehart (Lakeshore to Gordon)	Urbanization and widening from two to four lanes	\$2 million
	Total	\$43 million

Ridge Rd

Ridge Rd is a north-south arterial road which was included in the Glenmore Highlands [Wilden] Area Structure Plan. However, due to impacts on sensitive wetlands, Knox Mountain Park, adjacent residents, and the high cost of construction (most recently estimated at \$30 million), Ridge Rd is no longer recommended. Upper Canyon Dr will serve as the primary major road corridor in Wilden, which will need to be considered as the area grows.

South Perimeter Rd 'Phase Two' (Gordon – Chute Lake)

This is an east-west connection from Gordon Dr to the Kettle Valley area which was included in the Southwest Mission Sector Plan. Detailed cost estimates have not been developed but will likely fall in the \$15-\$30 million range.

The TMP has been developed using the OCP Growth Scenario, which does not include Thomson Flats. For Kettle Valley residents, taking the longer South Perimeter route would only be attractive at peak times when there are significant delays on Lakeshore and Gordon. Without additional demand from Thomson Flats, it is unlikely this connection would occur given its cost, limited projected usage, and the strategic direction to focus on projects with citywide benefit.

Conclusion:

The vision of the Transportation Master Plan is that Kelowna will be a city with vibrant urban centres where people and places are conveniently connected by diverse transportation options that help us transition from our car-centric culture. This will help Kelowna be a more sustainable, safe, equitable, and healthy city in the future. It is also a financially responsible approach which recognizes the high cost of road construction, the limited space available for new roads, and the mounting challenge of maintaining the infrastructure we have today.

The road projects in Scenario 2 were chosen through a comprehensive evaluation process. Projects which align with the OCP Growth Scenario, offer benefits for residents across the city, and support multiple modes of travel in addition to driving have been prioritized.

Next Steps:

Staff have been working on Phase 4 of the Transportation Master Plan, which includes a phasing, funding, and implementation plan for the Scenario 2 project list.

The TMP is being coordinated with the Official Community Plan and 20-Year Servicing Plan. In early 2021, staff will return with a comprehensive report for the 20-Year Servicing Plan that balances service levels and costs across parks, utilities, and transportation to determine the total financial cost to service the 2040 OCP.

A draft of the Transportation Master Plan is in development and anticipated to be shared with Council and the public in spring 2021.

Internal Circulation:

- Communications
- Development Engineering
- Development Planning
- Financial Services
- Infrastructure Delivery
- Infrastructure Engineering
- Infrastructure Operations
- Parks & Buildings
- Planning & Development Services
- Policy and Planning
- Real Estate
- Utility Services

Considerations applicable to this report:

Financial/Budgetary Considerations:

Information in this report contains “forward-looking information”. Except for historical fact, this report contains projected financial performance of the corporation with plans and bylaws that have not yet been adopted by Council and is based on what staff believe to be reasonable assumptions. There can be no assurance that forward-looking information will prove to be accurate as future events, such as the adoption of the 20-Year Servicing Plan & Financing Strategy and 2040 Infrastructure Plan, could differ from the information in this report.

Considerations not applicable to this report:

- Legal/Statutory Authority
- Legal/Statutory Procedural Requirements
- External Agency/Public Comments
- Communications Comments

Submitted by: C. Noonan, Transportation Planner

Reviewed and Approved by: M. VanZerr, Strategic Transportation Planning Manager

Approved for inclusion:



A. Newcombe, Divisional Director, Infrastructure

Attachment 1 - TMP Scenario 2 Projects Presentation
Attachment 2 - TMP Scenarios Report

cc: Deputy City Manager
Acting, Divisional Director, Financial Services
Divisional Director, Corporate Strategic Services
Divisional Director, Infrastructure
Divisional Director, Partnership & Investments
Divisional Director, Planning & Development Services
Infrastructure Operations Department Manager