

Report to Council



Date: July 26, 2021
To: Council
From: City Manager
Subject: Transit Improvement Program 3-year expansion initiatives
Department: Integrated Transportation

Recommendation:

THAT Council receives for information, the report from the Integrated Transportation dated July 26, 2021, with respect to the Transit Improvement Program 3-year expansion initiatives and free transit for youth under 12 initiative;

AND THAT Council approves entering into a Memorandum of Understanding with BC Transit setting out the City's intention to proceed with the service expansions detailed in year-1 (2022/23);

AND THAT the Mayor and City Clerk be authorized to execute the Memorandum of Understanding.

Purpose:

To receive Council approval for and execution of a Memorandum of Understanding for the Transit Improvement Program 3-year expansion initiatives for the period 2022-2025.

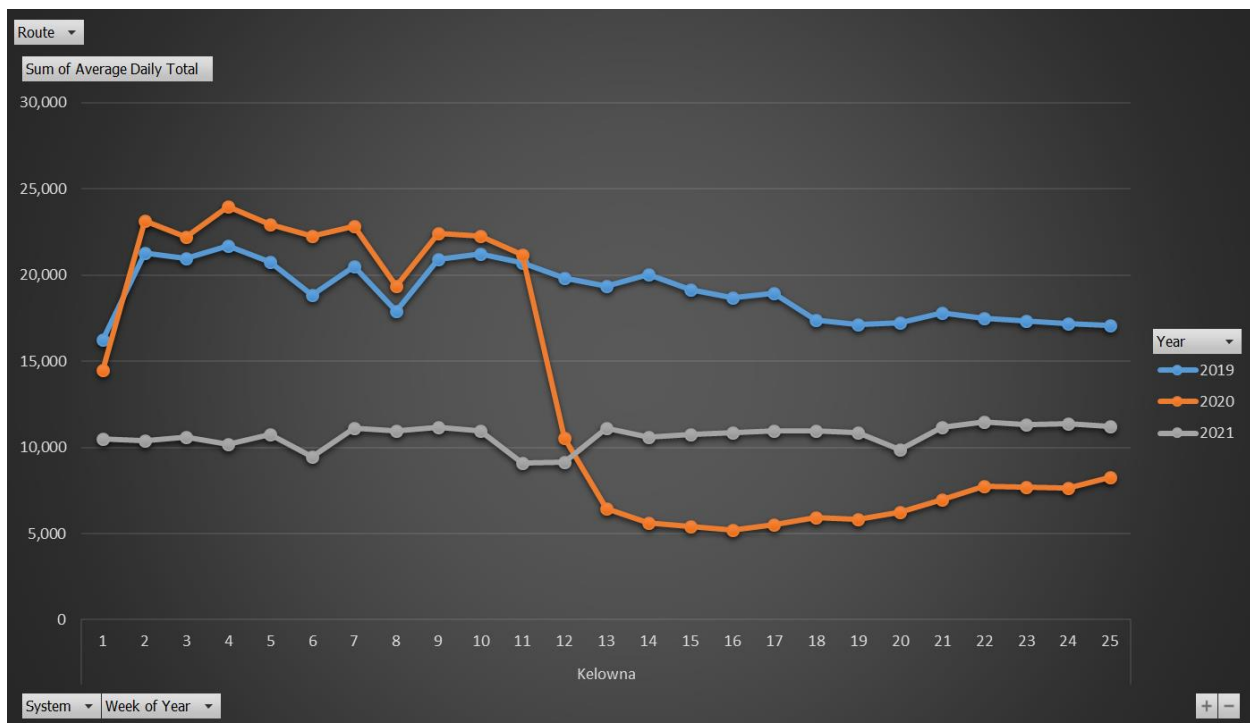
Background:

Each year, a Memorandum of Understanding (MOU) related to proposed transit expansion initiatives is signed by the Local Government, setting out the City's intention to proceed. The previous 3-year Transit Improvement Program (TIP) did not include any expansions due to COVID-19 pandemic conditions and the resulting significant uncertainties surrounding revenue loss stemming from ridership declines. Kelowna's share of Federal and Provincial Safe Restart Funding has allowed the City and BC Transit to work in partnership to maintain target essential service levels throughout the pandemic despite increasing costs and declines in revenues. Over the course of 2021 ridership has been steadily recovering and is exceeding earlier projections. This stronger than expected recovery combined with local post-secondary institutions pivoting back to on campus learning this fall warrants preparation for a return to 2019 ridership levels and eventually, growth. New targeted investments are proposed within the TIP with a focus in year one on off-peak service expansion. This annual report to Council takes the form of an update of proposed transit expansion initiatives and associated budgets and request to proceed with the MOU. It also includes details of a province-wide initiative to provide free access to transit for youth under the age of 12 years.

Discussion:

Ridership on the Kelowna Regional Transit system has been recovering throughout 2021 as the community opens up and gets moving again. As of early in June ridership on the Conventional transit system had reached 65% of 2019 levels from the same time frame recovering from a low in the spring of 2020 of only 30% of 2019 levels. System performance is exceeding projections shared in January of this year in which BC Transit was projecting ridership and revenue to recover to 55% of 2019 levels, reaching 65% by late 2022 to early 2023. Paratransit (HandyDART) ridership remains suppressed having declined nearly 70% between 2019/20 and 2020/21. The pace of Paratransit recovery is expected to increase as more of the population is fully vaccinated.

Average Daily Conventional Transit Ridership by Week – 2019, 2020, 2021



Passenger load restrictions on board buses were relaxed effective July 1, 2021¹ well ahead of the return to on-campus learning at The University of British Columbia Okanagan (UBCO) and Okanagan College (OC).² September 2021 service levels will slightly exceed those provided in the fall of 2019 at approximately 4,300 service hours per week³ which is expected to be sufficient to meet renewed demand from post-secondary students and the broader community through this fall and winter.

¹ 90% of full load accommodated as passengers are required to remain behind a red line near the front of buses.

² OC is projecting enrollment levels to reach 80% of fall 2019 levels in September of 2021 with up to 85% of classes being offered in-person.

³ 208,278 annual service hours per the 2021/22 Annual Operating Agreement and requirements under the Safe Restart funding agreement.

As part of the ongoing annual budgeting process with BC Transit, Staff have received and summarized the proposed three-year expansion initiatives and associated budgets for the period April 1, 2022 to March 31, 2025. The draft budgets reflect a return to investment in new service hours over the next three years in response to the steady recovery of ridership. Initiatives include an initial investment in new targeted off-peak (mid-day, evenings and weekends) services on select routes which are consistently experiencing high productivity in these periods as well as the introduction of Saturday service on the popular route 4 Pandosy Express. These investments can be achieved without the need for additional buses. Following this, and only when capacity constraints at the transit operating centre are addressed, more significant investments in peak service on the busiest routes is proposed. As ridership approaches pre-pandemic levels, peak-period constraints experienced regularly on select routes prior to the pandemic will return. Investments proposed for the final year of the program focus on continuing to address peak-period capacity and reliability needs while also expanding services on select higher-performing community bus routes. These initiatives also rely on completion of modifications to the current transit operations centre and/or completion of construction of the new facility as they would trigger the need for additional buses. Performance monitoring over the coming months will inform any refinements to the budgets and expansion priorities in year's 2 and 3 which will be reflected in the following year's program. Paratransit investments, which are derived from the 2018 Paratransit Services Review, will remain on hold through year 1 of the program. Expansions aimed at improving equity between the Paratransit and Conventional transit systems are re-introduced in years 2 and 3 of the program. They include the introduction of basis Sunday service and expansion of weekday span of service via use of Taxi Supplement⁴.

The Safe Restart Funding received in late 2020, with joint contributions from the provincial and federal governments, has provided relief and will support the continued provision of transit service up to March 2022 as reflected in the 2021-22 Annual Operating Agreement. The balance of the Local Transit Fund may be applied to reduce the City's share of expenses in future years⁵. This balance, or a portion thereof, may be applied at the City's sole discretion and will be detailed in upcoming City budgets. As such, no assumptions have been made towards the allocation of the remaining balance for the 2022/23 fiscal year or beyond. The City will have the opportunity to determine the amount to apply to the 2022/23 Annual Operating Agreement budget.

Effective September 1, 2021 all youth aged 12 and under will not be required to pay fare to ride transit. This province-wide initiative spearheaded by the Provincial Government is intended to support families and create a culture of transit ridership while supporting GHG emissions reduction goals. The initiative is intended to be revenue neutral. The Province has committed funding to off-set foregone revenues which for the Kelowna Regional System amounts to \$93,954.70 for the period September 1, 2021 to March 31, 2022⁶.

⁴ Taxi Supplement utilizes taxi services in the community to fulfill requests for travel by Paratransit 'Handy Pass' holders.

⁵ LTF may be applied to off-set unexpected budgetary increases in the current AOA, support service expansions, off-set revenue declines or lease fees.

⁶ BC Transit developed an 'indexed mode share model' to determine revenue compensation for each local government that considers base-line ridership among youth as well as the population of children aged 5-12.

PROPOSED CUSTOM EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirement	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23	NA					
		Description	No planned expansion			
2023/24	September	0	0	\$25,580	\$186,500	\$36,543
		Description	Introduce basic weekend handyDART service on Sunday, by means of Taxi Supplement.			
2024/25	September	0	0	\$69,980	\$535,000	\$108,229
		Description	Expand handyDART service hour span of weekday service to reflect Conventional hours of operation by means of Taxi Supplement.			

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirement	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2022/23	September	5,000	0	\$93,210	\$645,107	\$250,697
		Description	Weekend frequency improvement on 8 University & 10 North Rutland. Weekend span improvement on 1 Lakeshore. Introductory Saturday service on 4 Pandosy Express. Additional resources allocated for on-time performance improvements as needed.			
2023/24	September	10,850	5	\$256,146	\$1,488,907	\$638,436
		Description	Initiatives from the Transit Future Action Plan, including investing in frequent and rapid route with a focus on improving service to the Rutland area, investment to maintain service reliability, and expansion to bring Route 11 into the Rutland area.			
2024/25	September	5,950	0	\$162,480	\$764,156	\$244,891
		Description	Initiatives from the Transit Future Action Plan: investing in frequent and rapid routes, investment to maintain service reliability, investment in higher performing local routes, and the Upper/Lower Mission Service Restructure.			
NOTE: Work is underway via a Facility Master Plan to address vehicle capacity constraints at the current Kelowna facility; however, this work is on-going therefore year 2 and 3 options will be subject to further review and approval by BC Transit to ensure that additional vehicles can be accommodated						

Conclusion:

Reliable, safe and equitable transit service will play a critical role in the continued recovery from the impacts of the COVID-19 pandemic. Targeted investment in service will ensure that transit is able to support the recovery and ultimately return to the strong ridership growth experienced in the years prior to the pandemic. Providing free access to transit for youth under age 12 will support a culture of transit ridership thereby supporting ridership growth and the City's sustainability objectives.

Internal Circulation:

Strategic Transportation Planning Manager
Financial Services, Revenue Supervisor
Financial Services, Financial Analyst
Financial Services, Budget Supervisor

Financial/Budgetary Considerations:

Net new cost for Conventional and Custom transit to be considered for the 2022 budget is estimated at \$83,565. Estimated net new cost for Conventional and Custom Transit to be considered for the 2023 budget is \$392,124. Estimated net new cost for Conventional and Custom Transit to be considered for the 2024 budget is \$567,692.

External Agency/Public Comments:

BC Transit has reviewed and approved the report and attachments.

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements
Existing Policy
Personnel Implications
Communications Comments
Alternate Recommendation

Submitted by:

Mike Kittmer

M. Kittmer, Transit Service Coordinator

Approved for inclusion:



J. Vos, Divisional Director, Infrastructure

Attachment 1 - TIPS 2022-23 to 2024-25 Kelowna

Attachment 2 - BCT Fare Free Transit Allocation - Kelowna-City of Kelowna

Attachment 3 - Transit Improvement Program Presentation

cc: Divisional Director, Financial Services
Divisional Director, Infrastructure
Divisional Director, Planning & Development Services

C. Mossey, Senior Manager Government Relations, BC Transit
M. Boyd, Director of Corporate and Strategic Planning, BC Transit
M. Lockley, Planning Manager, BC Transit