

Report to Council



Date: September 25, 2023
To: Council
From: City Manager
Subject: Transit Expansion Initiatives – 3 Year Outlook
Department: Integrated Transportation

Recommendation:

THAT Council receives for information, the report from Integrated Transportation dated September 25, 2023, with respect to the Transit Improvement Program 3-year expansion initiatives;

AND THAT Council approves the City entering into the Memorandum of Understanding with BC Transit attached to the report from Integrated Transportation, dated September 25, 2023, setting out the City’s intention to proceed with the service expansions detailed in Year-1 (2024/25);

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

Purpose:

To receive Council approval for an execution of a Memorandum of Understanding for the Transit Improvement Program 3-year expansion initiatives for the period 2024-2027.

Background:

Each year, a Memorandum of Understanding (MOU) related to proposed transit service expansion initiatives is signed by local governments, setting out each City’s intention to proceed with the identified service level. For Kelowna, this is subject to City Council’s annual budget deliberations. The MOU allows BC Transit to include local expansion hours within its proposed Service Plan to the Province budget to seek the matching funding. This annual report to Council takes the form of an update of proposed transit expansion initiatives and associated budgets and a request to proceed with the MOU.

Discussion:

Ridership on the Kelowna Regional Transit system has consistently exceeded pre-pandemic levels since mid-2022. Annual service hours are currently at the highest levels delivered in the system at 209,000 hour/year. Ridership as of week 25 (June 19-25), the final week of the school term was 111% of pre-pandemic levels. Week 30 (July 24-28) – 102%. Additional investment is needed to keep pace with demand and grow ridership.

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 of April 1, 2024, to March 31, 2027. The draft budgets and associated target service implementation dates reflect key investment priorities while considering the projected timing of the completion of capacity upgrades at the Hardy St. transit operating centre. Year two and three conventional transit expansion proposals are reliant on completion of these interim improvements which are in the design stage currently and targeted for completion by the end of 2024. An incremental return to investment in new service hours is proposed focusing first on expansions that do not trigger the needs for new buses. BC Transit has cautioned that fleet procurement lead times continue to be a challenge that may impact expansion initiatives province wide.

Conventional Transit:

Year-one targeted off-peak expansions on select major routes carries forward from the previous year's program after being postponed due to a one-time cap on Provincial transit funding. Year-one also includes initial investments stemming from the Rutland Local Area Transit Plan (LATP) and Mission Restructuring plan presented to Council in June 2023 as well as On-Demand service implementation in the Crawford neighborhood. This service will be the first of its kind in a BC Transit system and will serve to inform potential implementation of this service type elsewhere in the city.

Year-two proposals include continued investment in the frequency of service provided during off-peak service periods, expansion to the span of hours of service on major routes and further initiatives stemming from the Rutland LATP. Introductory coverage transit service in the Clifton Road area is also proposed to be investigated as this area continues to see increased new residential housing stock. Per the Central Okanagan Transit Service Guidelines, when considering service to new areas, minimum density targets should first be met to ensure new services a reasonable likelihood of success.

Year-three sees further investment stemming from the Rutland LATP and if required, minor investment stemming from the Mission Network Restructuring planned for year-one.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Est. Annual Revenue	Est. Annual Total Costs	Est. Annual Net Kelowna Share
2024/25	January	11,750	1	\$285,049	\$1,806,767	\$692,941
		Description	Improvements to off peak frequency – routes 8,10,97. On-time performance improvements – route 1. 98 Rutland/UBCO Express introductory service (Rutland LATP) Route 84 Academy Way implementation with additional service span on route 13. Mission network restructure.			
	September	3,100	0	\$75,204	\$482,250	\$181,883
		Description	Introductory On-Demand Service to replace 15 Crawford route.			
2025/26	September	10,100	1	\$248,093	\$1,480,539	\$555,985
		Description	Span & off-peak frequency improvements – routes 1, 5, 8, 10, 11. On-time performance improvements – routes 1, 8, 10, 11. Investigate introductory community service – Clifton Rd. area. Rutland near-term restructure initiatives – routes 10, 11, 14.			
2026/27	September	11,450	0	\$281,254	\$1,877,311	\$719,540
		Description	98 Rutland/UBCO Express full implementation (Rutland LATP). One-time performance improvements – route 16. Off-peak improvements – routes 10, 11 (Rutland LATP).			

Paratransit:

Year-one Paratransit (HandyDART) investments focus first on adding capacity during weekday peak periods, via Taxi Supplement, to address increasing un-met trips stemming from high demand. Taxi Supplement utilizes taxi services in the community to fulfill requests for travel by Paratransit 'HandyPass' holders. These rides are dispatched by the operating company, and the customer pays a standard handyDART fare for their trip. Years two and three expansions are derived from the 2018 Paratransit Services Review and are intended to improve equity between the Paratransit and Conventional transit systems. Collectively the proposed investments will utilize existing fleet vehicles to expand service on weekends and weekdays outside of peaks.

PROPOSED CUSTOM EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Est. Annual Revenue	Est. Annual Costs	Est. Annual Net Kelowna Share
2024/25	April	0	0	\$5,000	\$39,000	\$7,991
		Description	Expand availability of Taxi Supplement program during peak times (9-11am; 2-4pm) on weekdays.			
2025/26	April	415	0	\$829	\$58,394	\$18,622
		Description	Introduce basic weekend custom service on Sundays with dedicated HandyDART vehicles.			
2026/27	April	1040	0	\$2,078	\$147,364	\$47,008
		Description	Expand HandyDART service hour span of weekday service to reflect Conventional hours of operation.			

Conclusion:

Ridership on the Kelowna Regional Transit System has surpassed pre-pandemic levels and targeted investment in new service will ensure that the system can support additional growth. This year's program sees a proposed return to significant investment in new service hours while considering the current operating centre capacity constraint. Any refinements to expansion priorities detailed in years 2 and 3 will be reflected in the following year's program.

Internal Circulation:

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

Considerations applicable to this report:

Financial/Budgetary Considerations:

Net new cost for transit services based in the City's calendar-year fiscal are detailed in the table below.

CONVENTIONAL AND PARATRANSIT 3-YEAR SUMMARY					
Fiscal Year	Service Type	Est. Annual Revenue	Est. Annual Total Costs	Est. Annual Net Kelowna Share	Total Net Share
2024	Conventional	25,068	160,750	60,628	66,621
	Paratransit	3,750	29,546	5,993	
2025	Conventional	417,883	2,621,780	999,525	1,015,489
	Paratransit	1,872	53,546	15,964	
2026	Conventional	259,147	1,612,796	610,503	650,415
	Paratransit	1,766	125,122	39,912	
TOTAL Net New Municipal Share of Operating Costs					1,732,525

External Agency/Public Comments:

BC Transit has reviewed and approved the report and attachments.

Existing Policy:

TMP Policy 3.2 – As growth is focused along Transit Supportive Corridors, add corresponding increases to transit service to support growth and build transit ridership.

TMP Policy 3.9 – Focus the bulk of new service investment on the best performing routes that offer the highest return in terms of emissions and congestion reduction.

TMP Policy 3.10 - Provide access to a base level of transit service (every 30 minutes during peak travel periods) in areas with densities that meet performance standards to ensure the financial viability of service (based on the Transit Service Guidelines - Central Okanagan Region).

TMP Policy 3.11 – Work with BC Transit to explore new ways of providing on-demand transit service in places where base level, fixed-route transit service is not viable.

Considerations not applicable to this report:

Communications Comments:

Financial/Budgetary Considerations:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Submitted by: M. Kittmer, Transit Service Coordinator

Approved for inclusion: M. Logan, Infrastructure General Manager

Attachment 1 – TIPS MOU 2023-24 to 2025-26 Kelowna
Attachment 2 - Transit Improvement Program 3-year outlook presentation

cc: Divisional Director, Partnership & Investments
Divisional Director, Financial Services
Divisional Director, Corporate Strategic Services
C. Mossey, Senior Manager Government Relations, BC Transit
C. Purvis, Planning Manager, BC Transit
M. Boyd, Director of Corporate and Strategic Planning, BC Transit