

# Report to Council



**Date:** July 25, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Transit Exchange Enhancement Studies  
**Department:** Integrated Transportation

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## **Recommendation:**

THAT Council receives for information, the report from Integrated Transportation dated July 25, 2022, with regards to the Transit exchange enhancement studies;

AND THAT Council provide approval in principle, proposed enhancements to various transit facilities and direct staff to initiate next steps toward advancing select projects to application for Investing in Canada Infrastructure Program funding.

## **Purpose:**

To update Council on the status of transit exchange infrastructure studies and to seek a motion to further develop projects and apply for senior government funding.

## **Background:**

In 2018, the Provincial and Federal Governments announced funding toward infrastructure projects. Under the Investing in Canada Infrastructure Program (ICIP), the Canadian government will invest \$3.917 billion in B.C. infrastructure including public transit infrastructure such as exchanges and maintenance facilities. British Columbia cost-shares infrastructure investments between the governments of Canada and British Columbia, local municipalities, and other partners such as post-secondary institutions. The ICIP program includes multiple years of funding for eligible transit projects which are approved on an application basis. Applications to the program are now due March 31, 2023, with final construction of approved projects no later than 2032<sup>1</sup>. Costs sharing under ICIP are split at 20% local government, 40% Province of B.C. and 40% Canada. Capital costs included in projects that are cost shared but ineligible for ICIP funding is shared between the City and BC Transit based on the parties' current share of Conventional Transit Services (53.31% City share / 46.69% BC Transit share).

BC Transit is working with local governments across B.C. to develop plans to take advantage of ICIP funding while it is available to improve the affordability of transit projects for local municipalities.

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<sup>1</sup> ICIP applications were initially accepted up to March 2025 with project completion by fall 2027.

Projects under study include:

- New transit operations facility
- Midtown (Orchard Park) exchange renewal.
- Mission Rec, Rutland, and Okanagan College exchange enhancements.
- Kelowna Airport (YLW) transit hub reconfiguration and expansion.

Each facility plays an important role in the transit system and in supporting the objectives within the City’s policy plans such as the Transit Future Plan, Transit Future Action Plan, Transportation Master Plan (TMP) and Official Community Plan. The TMP calls for a doubling of transit ridership by 2040 to approximately 12 million annual rides<sup>2</sup>. Achieving this ridership relies on ensuring the city’s transit exchanges and stations function effectively and efficiently, have capacity to serve growing ridership.

### Study Scope and Objectives

Midtown (Orchard Park Mall), Mission Rec, Rutland exchanges and YLW transit hub:

IBI Group was retained in 2020 to lead options development and evaluation for Midtown and Mission exchanges, design of a new YLW transit hub and to explore enhancement and expansion options for Rutland Exchange<sup>3</sup>. The project was introduced to the public via the [getinvolved.kelowna.ca](http://getinvolved.kelowna.ca) with an accompanying survey seeking the public’s thoughts and ideas about potential improvements.

Site	Scope	Objectives
Midtown (Orchard Park) Exchange & Mobility Hub	Problem definition, options development, screening, engagement, analysis & evaluation, cost estimation, preferred option identification.	Support future service levels, improve operations & amenities, incorporate future Cooper Road bikeway, address land impacts.
Mission Rec Exchange & Mobility Hub		Address operational challenges of current layout, reduce costs from on-site bus circulation, support future service levels and park enhancement plans.
Rutland Exchange & Mobility Hub		Extend Shepherd Road public plaza, enhance modal integration, add capacity for future service, operator washroom.
YLW Transit Hub	Design & cost estimation based on YLW Landside Redevelopment Plan concept	Enhance access/egress for buses at Hwy 97/Airport Way (via on-site turn-around) <sup>4</sup> , Rail Trail/transit facility integration, capacity for future service.

<sup>2</sup> A doubling from 2019 pre-pandemic annual ridership levels.

<sup>3</sup> A Local Area Transit Plan is being developed for Rutland in 2022/23 per direction from the Transit Future Action Plan. The plan will incorporate TMP transit initiatives specific to Rutland & identify specific service-level enhancements and future route alignments.

<sup>4</sup> Today, transit is unable to efficiently circulate in and out of YLW which limits options for enhancing transit service as is proposed in several city planning reports: YLW Master Plan, YLW Landside Redevelopment Plan, Transit Future Plan.

Okanagan College Exchange:

In September 2021, Watt Consulting was retained to lead options development and evaluation for enhancements to Okanagan College Exchange. Changes are required to address operational challenges associated with buses sharing the congested campus entrance with automobiles and to prepare the facility for future service expansion.

Site	Scope	Objectives
Okanagan College Exchange & Mobility Hub	Options development, screening, operational analysis & evaluation, cost estimation, preferred option identification.	Eliminate bus docking in campus entrance, add service capacity, improve transit operations, incorporate existing transit infrastructure, KLO/Casorso bikeway link.

**Status by Site**

Individual studies for each site are in varying stages of progress as summarized in the table below:

Site	Completed tasks	Ongoing tasks and next steps
Midtown (Orchard Park Mall) Exchange	<ul style="list-style-type: none"> <li>✓ Engagement</li> <li>✓ Options development &amp; cost estimation</li> </ul>	<ul style="list-style-type: none"> <li>○ Refine designs/cost estimates.</li> <li>○ Preferred option identification.</li> <li>○ Tenure negotiation.</li> <li>○ Council motion to advance Mission to ICIP application.</li> </ul>
Mission Rec Exchange	<ul style="list-style-type: none"> <li>✓ Screening &amp; evaluation</li> </ul>	
Rutland Exchange	<ul style="list-style-type: none"> <li>✓ Engagement</li> <li>✓ Interim &amp; ultimate options developed</li> <li>✓ Cost estimation</li> </ul>	<ul style="list-style-type: none"> <li>○ Council motion to advance both projects.</li> <li>○ Design/cost estimate refinement.</li> <li>○ business case development, ICIP application.</li> </ul>
Okanagan College Exchange	<ul style="list-style-type: none"> <li>✓ Engagement</li> <li>✓ Options development &amp; cost estimation</li> <li>✓ Screening &amp; Evaluation</li> </ul>	
YLW Transit Hub*	<ul style="list-style-type: none"> <li>✓ Engagement</li> <li>✓ Options development*</li> </ul>	<ul style="list-style-type: none"> <li>○ Reinstate study in coordination with YLW.</li> <li>○ Options refinement &amp; cost estimation.</li> <li>○ Preferred option identification.</li> </ul>

\*Alternate placement and layout options to that proposed within the 2019 YLW Landside Redevelopment Plan were explored to examine trade-offs and to inform evolving YLW site plans. Planning of the future transit facility is expected to be restarted in coordination with an update to the YLW Landside Redevelopment Plan.

## Next Steps

City of Kelowna approval in principle, of preferred facility concepts and associated preliminary cost estimates, is required to advance ICIP applications. With this in place, Project Terms Sheets<sup>5</sup> may be developed and business cases initiated to prepare select projects for application to the ICIP.

At present, Rutland and Okanagan College Exchanges projects are furthest advanced and will be put forward to the ICIP. Steps will be taken over the coming months to further develop the Mission Rec project at which time it will be determined if Mission Rec is advanced sufficiently within the available schedule, to also be submitted to the ICIP. Midtown and YLW projects require more significant development and as such, will be put forward to a future senior government infrastructure funding program that is anticipated to replace the ICIP.

Staff request Council's approval in principle to advance further project development, develop business cases and submit application to ICIP for Rutland, Okanagan College and Mission Rec projects. Applications are due by March 31, 2023, with project delivery no later than 2032. The Midtown (Orchard Park Mall) and YLW projects would be considered for application to a future funding program that is anticipated to replace the ICIP.

## Internal Circulation:

Financial Planning  
Infrastructure Engineering  
Senior Airport Development  
Park & Building Services  
Sport & Event Services  
Community Engagement

## Financial/Budgetary Considerations:

Project design development costs are estimated at approximately \$50,000 to \$75,000. The City and BC Transit will share in these costs at the traditional cost split of 53.31% Kelowna/43.69% BC Transit<sup>6</sup>. Designs and cost estimates will be refined for projects anticipated to advance to ICIP application. Further options refinement, cost estimation, evaluation and stakeholder engagement will be undertaken for remaining projects.

Preliminary construction cost estimates have been developed for each project and are summarized below. Estimates are based on preferred or highest-ranking options identified through the study process and includes contingencies of 40% of construction/design/site investigation costs as well as additional contingency for projected annual inflation. The estimated city share of capital construction

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<sup>5</sup> A Project Term Sheet sets out the principles of agreement between the City and BC Transit to the scope of work, approach to project management, funding, and project delivery.

<sup>6</sup> The City's share of costs for further development of ICIP candidate projects will not be incurred until substantial completion of approved projects or until it's determined that a given project application has been unsuccessful.

costs is based upon ICIP cost splits of 40% federal, 40% provincial and 20% local and assumes all project costs to be eligible<sup>7</sup>.

Facility	Preliminary cost Estimate	Estimated City share (20%)	Target construction period (subject to change)
Rutland Exchange	\$3,000,000	\$600,000	2024/25
Okanagan College Exchange	\$1,240,000	\$248,000	2023/24
Midtown Exchange	\$10,395,000*	\$2,040,000	2025-2030
Mission Rec Exchange	\$4,060,000*	\$812,000	
YLW Transit Hub	TBD	TBD	
		\$3,700,000**	

\*Estimate based on the current highest ranked options. Excludes land tenure costs at Midtown. Tenure approach (e.g., lease, acquisition) will be determined through continued collaboration with area property owners.

\*\*The city's share of project costs will be funded through a mix of transit reserve, Community Works funding and taxation. Total does not reflect the share of costs for YLW.

Of the estimated \$600,000 local share of costs for Rutland Exchange enhancements, \$280,000 was approved within the city's 2022 transportation capital budget and was estimated based on an earlier pre-study cost estimate. Staff will submit a budget request as part of the 2023 Capital Budget for additional funding required to support the Okanagan College exchange project and the balance of budget required for Rutland Exchange in 2024. As remaining projects are further refined; financial and budget implications will be considered in future transit capital budgets and/or subsequent transit Annual Operating Agreements (AOA). The City of Kelowna has options to fund its share of project costs via a one-time contribution or via lease fees within the transit AOA. In each option, the City would only begin incurring costs once facilities are substantially completed.

**Considerations not applicable to this report:**

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

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**Submitted by:** J. Dombowsky, Transit and Programs Manager

**Approved for inclusion:** M. Logan, Infrastructure General Manager

<sup>7</sup> Some ineligible costs may be cost-shared with BC Transit at tradition splits and others may be the full responsibility of the local government (e.g., non-transit enhancements considered for delivery in conjunction with the project).

City Manager

July 25, 2022

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Attachment: Transit Exchange Enhancement Studies Presentation

cc: Divisional Director, Corporate Strategic Services  
Divisional Director, Infrastructure  
Divisional Director, Planning & Development Services  
Divisional Director, Partnerships & Investments  
C. Mossey, Senior Manager, Government Relations, BC Transit  
M. Lockley, Planning Manager, BC Transit