

Report to Council



Date: September 9, 2024
To: Council
From: Transit and Programs Manager
Subject: Transit Operations and Maintenance Facilities Project Updates
Department: Integrated Transportation

Recommendation:

THAT Council receives for information, the report from Integrated Transportation dated September 9, 2024, with regards to the Transit Operations and Maintenance Facilities.

Purpose:

To update Council on the status of the Transit Operations and Maintenance Facilities projects.

Council Priority Alignment:

Transportation

Background:

The Kelowna Regional Transit System operates throughout Central Okanagan, including Kelowna, Lake Country, West Kelowna, Westbank First Nation, Peachland, and the Regional District of Central Okanagan. All the buses operating within this system are stored and maintained at the existing Hardy Street Transit Operations and Maintenance (O&M) facility. The Region’s Transit Future Plan provides a long-term vision for the Kelowna Regional Transit System (KRTS) and a strategy that includes significant transit service level increases, which will require additional buses and consequently an expanded transit O&M facility.

The current KRTS fleet is comprised of 110 buses that include a mix of heavy-duty (70), medium-duty (5), and light-duty (35) vehicles. The Transit Future Action Plan, completed in 2018, identified the need for 20 additional buses and 50,000 additional service hours over seven years - with a forecast need for an additional 100 buses over 25 years.

The Hardy Street O&M facility was built in 1998 and was designed to support 70 conventional vehicles. Since that time, modifications were made to the site allowing it to support the current 110 bus fleet. The City of Kelowna owns the land for the Hardy O&M facility, which is leased to BC Transit.

To support transit service expansions needed to serve the growing region, a new O&M facility will be required and is being planned. The future new facility is a Council priority including, an advocacy priority with high orders of government.

Discussion

Hardy Street Transit O&M Facility

Both parties (BC Transit & City) agree on extending the operational life of the Hardy facility until the new facility is ready. Design work is well advanced to expand the existing site and allow for the inclusion of infrastructure to support battery electric buses. Changes will increase facility capacity to 125 buses, supporting transit service expansions until a new O&M facility is complete. Improvements include added bus storage capacity, electric bus charging infrastructure and improved administrative, maintenance and bus wash functions. No further additional capacity can be realized on the site.

This \$9 million dollar project is funded through a mix of Federal, Provincial and local contributions. After successful application to the Investing in Canada Infrastructure Program (ICIP), the Kelowna Regional Transit partner's share of project costs will be just over \$2.1 million, of which, Kelowna's share is approximately \$1.8 million and is being funded through the Annual Transit Operating Agreement. Construction is expected to be completed late summer of 2025 after which transit service expansions planned for the next few years can be accommodated.

Hollywood Road Transit O&M Facility

The Hollywood Transit O&M Facility will be located on the former Serwa family Lands, south of UBCO, which was purchased by the City of Kelowna. A rezoning report will come before Council shortly to take steps towards preparing the site for construction of the O&M facility.

Planning for the facility commenced in 2022, led by BC Transit with support from Infrastructure BC and the City of Kelowna. A Business Plan for the future Hollywood O&M facility is being developed to support a submission to the provincial budget process. The plan will also inform requests to secure local government funding commitments. Planning for the new facility is enabled by a \$3.65 million (\$972,000 local region share) ICIP grant, and includes a review of various facility capacity, funding and delivery schedule scenarios and considers approaches to scaling down, and ultimately ceasing operations at the Hardy facility. The target completion date for the new facility is presently between 2030 and 2032.

Conceptual site layout and functional plan options, with associated cost estimates, are being advanced and will be evaluated. A preferred option is expected to be selected this fall. The preferred option will be refined in an Indicative Design stage. This stage is a critical milestone required to meet the targeted Business Plan submission date to the Provincial Government in the summer of 2025.

Funding

BC Transit is actively pursuing funding opportunities to reduce the contribution required from local government partners. One potential source is the Canada Public Transit Fund (CPTF), which will allocate \$3 billion annually for public transit and active transportation infrastructure starting in 2026-27.

Since the CPTF program was recently announced, BC Transit and City staff are working together to gather details on the fund, potential contribution levels, and its applicability to the Project and to prepare an Expression of Interest for the KRTS. The region is eligible to apply under multiple funding streams, including a Baseline and Metro Funding Agreement streams¹, which could provide stable and predictable funding following applications made over the next 12 – 18 months. There will be significant engagement with the federal government to maximize the funding available to offset local government costs of the new transit O&M facility and subsequent battery-electric bus procurement.

The KRTS share of costs for the new facility may be funded through a lease fee payable over the asset’s life as a part of the community’s Annual Operating Agreements, or through a one-time contribution or combination of the two.

Status by Site:

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

Site	Completed tasks	Ongoing tasks and next steps
Hardy Transit Facility	ICIP grant approval Stakeholder engagement 60% design BC Transit secured construction management team	95%, 100% design stages Tender for construction Award Construction (2024-2025)
Hollywood Transit Facility	Property: ALR conditional exclusion ICIP grant approval (for business plan development) Initial options development & initial cost estimation	Rezoning/subdivision & final ALR exclusion Site servicing design including road access Stakeholder engagement Options & cost estimation refinement Preferred option identification Indicative Design/costing Business Plan completion & Provincial review CPTF application process Advocacy

Next Steps:

The Hollywood Transit Facility is currently in the final options refinement stage and will move to evaluation and selection of a preferred option this fall. BC Transit will continue to advance the Business

¹ Metro Region Agreements applications require development of Integrated Regional Plans that tie local transit and housing objectives together and propose priority regional transit and active transportation projects.

Plan for the Project to prepare for submission to the Provincial government in Spring 2025. Local Government Partners' support will be required with the submission.

Staff will soon bring forward a required rezoning bylaw for the property for consideration by Council. If approved the property will be subdivided. A development permit will be brought forward for further consideration by Council regarding the proposed facility's form and character.

The following table provides a high-level timeline for the next steps on the Hollywood Transit Facility project. The schedule is subject to change based on procurement model, and local, Provincial and federal funding.

Hollywood Transit Facility Targeted Project Milestones	Date
Rezoning and subdivision	Fall 2024
Completion of ALC exclusion process	Fall 2024
Selection of Preferred Design Option	Winter 2024-25
Completion of Indicative Design	Winter 2024-25
Completion of Class C Cost Estimate	February 2025
Completion of Business Plan	Spring 2025
Provincial/Federal/Local Government Approval Process	Summer-Winter 2025
Project Procurement	Winter 2025 – Spring 2027
Construction Commencement	Spring 2027
Substantial Completion	2030

Internal Circulation:

- Partnerships Office
- Strategic Land Development
- Financial Planning
- Infrastructure Engineering
- Community Engagement
- Existing Policy

TMP Policy 3.7 – Support BC Transit’s efforts to electrify the transit fleet by 2040.

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.

Considerations not applicable to this report:

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

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Attachment: Transit Facility Update Presentation

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