

Report to Council



Date: September 23, 2024
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 23, 2024, with respect to the Transit Improvement Program 3-year expansion initiatives;

AND THAT Council directs staff to enter into a Memorandum of Understanding with BC Transit setting out the City’s intention to proceed with the service expansions detailed in year one (2025/26);

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

Purpose:

To approve and execute a Memorandum of Understanding for the Transit Improvement Program, outlining the 3-year expansion initiatives.

Council Priority Alignment:

Transportation

Background:

Each year, local governments sign a Memorandum of Understanding (MOU) with BC Transit related to proposed transit service expansion initiatives, outlining each community’s intention to proceed with the identified service level. In Kelowna, this process is subject to City Council’s annual budget deliberations. The MOU allows BC Transit to include local expansion hours in its proposed Service Plan to the Province’s budget to seek matching funding. This annual report to Council serves as an update on proposed transit expansion initiatives and associated budgets, along with a request to proceed with the MOU.

Discussion:

Ridership in the Kelowna Regional Transit System reached a record high in 2023, increasing by nearly one million rides over the prior year and 2024 ridership continues to increase driven in part by population growth. Passenger trips totaled 6,113,825 for conventional transit and 83,810 for paratransit. Annual service hours totaled 210,162 for conventional transit, of which 168,129 were delivered within Kelowna providing 1.04 hours of service per capita, a slight decline over the prior 4-year average. Investments proposed in the program will return service hours provided per capita to levels not achieved since 2019 (1.13 service hours per capita) by 2027. In 2023, 34,580 hours of service were provided on the paratransit system (HandyDART) in the region (Ridership and service hour figures are based on BC Transit’s fiscal year from April 1, 2023, to March 31, 2024).

As part of the annual budgeting process with BC Transit, staff have reviewed and summarized the proposed three-year expansion initiatives and associated budgets for April 1, 2025, to March 31, 2028, and summarized the financial implications based in the City’s calendar year fiscal for years 2025 to 2027. The draft budgets and target implementation dates prioritize key investments, taking into consideration the completion of capacity upgrades at the Hardy Street transit operations centre next fall. As a result, the bulk of expansion is focused on years 2 and 3 of the program to align with the targeted completion date of the facility upgrades after which additional buses can be placed into service. Proposals are derived from expansion priorities in local plans and ongoing analysis of system performance.

Proposed investments in new service hours and requisite new buses are based on BC Transit's current best assessment and will be verified during the planning and scheduling phases. In addition to the ongoing facility capacity constraints that extend into 2025, BC Transit has cautioned that the transit industry continues to experience extended lead times for the procurement and delivery of buses, however, we are optimistic the proposed expansions can be achieved. BC Transit is supporting key expansion priorities in the short term while ensuring that identified demand is integrated into their long-term planning process.

Conventional Transit:

The table below outlines the 3-year expansion initiatives for conventional transit from 2025 to 2028 based in BC Transit’s April 1 to March 31 fiscal, along with estimated net costs to the City of Kelowna. Revenue projections are based on current fare rates and BC Transit ridership forecasts. The forthcoming fare review may result in changes to fare rates as early as fall 2025, which would impact revenue projections and net costs in years two and three.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	Est. In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2025/26	January 2026	17,750	7	\$436,006	\$3,596,982	\$1,595,786
		Description	<ul style="list-style-type: none"> Route 98 Rutland/UBCO Express full implementation. Rutland LATP Phase 2 restructuring and off-peak improvements. Mission network restructuring. Route 84 service expansion. 			

2026/27	June 2026	10,800	4	\$278,290	\$2,227,632	\$977,805
		Description	<ul style="list-style-type: none"> Span, on time performance, and off-peak frequency improvements to Frequent Transit Network (FTN) routes. Potential introductory service to Clifton Rd. area neighborhoods. Additional frequency and weekend service on Routes 13 and 84. 			
2027/28	September 2027	17,600	7	\$453,510	\$3,837,016	\$1,717,953
		Description	<ul style="list-style-type: none"> Peak service improvements on Rapid, and Frequent Transit Network routes. On time performance improvements on FTN routes. 			

Paratransit:

This section outlines the expansion initiatives for paratransit (HandyDART), along with estimated costs.

PROPOSED PARATRANSIT EXPANSION INITIATIVES						
AOA Period	Estimated In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Est. Annual Total Costs	Est. Annual Net Municipal Share
2025/26	April 2025	415	0	\$829	\$71,087	\$22,850
		Description	Introduce basic weekend custom transit service on Sundays with dedicated HandyDART vehicles.			
2026/27	April 2026	1,040	0	\$2,215	\$144,643	\$45,966
		Description	Expand the HandyDART service hour span of weekday service to reflect Conventional hours of operation.			

The proposed paratransit initiatives for years one and two are remaining priorities from BC Transit’s 2018 HandyDART review, which enhances equity between conventional and paratransit services. Expansion initiatives for year three will be explored based on paratransit usage and continuous feedback, ensuring that the system remains accessible and responsive to user needs.

Conclusion:

Ridership in the Kelowna Regional Transit System has reached unprecedented levels. In response, proactive service expansions are being proposed to keep pace with growth and meet the rising demand. Targeted investments in new services are crucial to supporting this growth, including improvements to both Kelowna’s conventional bus system and paratransit service (HandyDART).

The phasing of expansions considers the target completion date of fall, 2025 for capacity upgrades to the Hardy Street operations and maintenance facility. This year’s Transit Improvement Program proposes

modest service expansions in 2025, followed by significant investments in new service hours over the subsequent two years. Kelowna’s estimated share of costs for proposed expansion in 2025 is \$17,138. In 2026 the cost is \$2,124,876 and \$1,073,045 in 2027. Years 2 and 3 expansion priorities will be further refined and incorporated into next year’s program.

Internal Circulation:

Financial Planning
Financial Services

Considerations applicable to this report:

Financial/Budgetary Considerations:

Net new costs for transit services based on the City’s calendar fiscal year 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 Est. Net Share
2025	Conventional	\$0	\$0	\$0	\$17,138
	Paratransit	\$622	\$53,315	\$17,138	
2026	Conventional	\$575,151	\$4,710,798	\$2,084,689	\$2,124,876
	Paratransit	\$1,869	\$126,254	\$40,187	
2027	Conventional	\$290,315	\$2,392,821	\$1,061,554	\$1,073,045
	Paratransit	\$554	\$36,161	\$11,492	
TOTAL Net New Municipal Share of Operating Costs					\$3,215,058
<i>NOTE: As a result of BC Transit’s April – March fiscal year, a proportion of the municipal share of operating costs for proposed expansions in 2027/28 would be realized in 2028. These costs are excluded in the total shown</i>					

Existing Policy:

TMP Policy 3.1 – 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.

Consultation and Engagement:

BC Transit has reviewed and approved the report and attachments.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Communications Comments:

Submitted by: M. Kittmer, Transit and Programs Manager

Approved for inclusion: M. Logan, Infrastructure General Manager

Attachment(s):

Attachment 1 – TIPS MOU 2025-26 to 2027-28 Kelowna

cc: Deputy Chief Financial Officer
Communications Director
Divisional Director, Partnership & Investments
Divisional Director, Planning, Climate Action & Development
Manager Government Relations, BC Transit
Planning Manager, BC Transit