



Regional Board Report

Request for Decision

To: Regional Board
From: Associate Director of Engineering Services
Date: May 15, 2025
Subject: Regional Transportation Service

Voting Entitlement: *All Directors – Weighted Corporate Vote - Majority (LGA s.210)*

Purpose: To receive an update following the Board's direction and approval of the Regional Transportation Service concept on October 24, 2024.

Executive Summary:

In alignment with the 2023-2026 RDCO Board Strategic Priority to 'Define and explore a Regional Transportation Service', staff presented a Regional Transportation Service concept to the Board for consideration on October 24, 2024. The Board approved the concept, which included developing regional transportation plans, facilitating regional transportation coordination, and delivering regional transportation education and programming. These initiatives are necessary to build and maintain a healthy, thriving, and connected future for the Central Okanagan. Improving the movement of people and goods, preparing for growth and technology innovations, and ensuring transportation infrastructure can accommodate future needs.

The Board directed staff to seek guidance from the Ministry of Housing and Municipal Affairs to establish a Regional Transportation Service and report back with findings. The Ministry of Housing and Municipal Affairs response is incorporated into this report's recommendations. Should the Board resolve to continue towards establishing a Regional Transportation Service, staff will engage with Electoral Area Directors and municipal and First Nation local governments to obtain consent, as required under the Local Government Act. Once all service participants have provided consent, approval is required by the Ministry of Housing and Municipal Affairs before the Board can adopt an amending bylaw and complete the service establishment process.

The Regional Transportation Service concept approved by the Board is anticipated to be of a similar cost magnitude as previously undertaken by the Sustainable Transportation Partnership of the Central Okanagan (STPCO). Considering staffing and program delivery components, the annual budget is estimated at approximately \$400,000 per year. Financial contributions from Electoral Area East and Electoral Area West are expected to remain substantially unchanged, excluding inflationary adjustments. Financial contributions from additional proposed service participants (Kelowna, West Kelowna, Lake Country, Peachland, and WFN) are projected to be similar in magnitude to annual contributions from 2014 – 2020. All service costs would be funded through the same basis used for other regional services: total property value. Communities that have not continued Regional Transportation taxation during the 2021-2025 transition may experience an increase in taxation when returning Regional Transportation funding to 2020 levels.

If approved, staff estimate that this service will be established and ready to operate in 2026. Pending Board approval, and prior to 2026, staff will collaborate with the City of Kelowna to complete the

transition of service responsibilities to the RDCO. During the first 12 months of operation (estimated to begin in January 2026), staff will focus on updating programming agreements, finalizing the terms of reference for the Regional Transportation Technical Advisory Committee, establishing monitoring and reporting systems for regional transportation plans, and advocating for near-term grants to support regionally significant transportation infrastructure.

Recommendation(s):

THAT the Regional Board receives the Regional Transportation Service report from the Associate Director of Engineering Services dated May 15, 2025, for information;

AND THAT the Regional Board directs staff to obtain the written consent of the Central Okanagan Electoral Area East Director and Central Okanagan Electoral Area West Director to expand the boundary of the regional transportation service to include the City of Kelowna, City of West Kelowna, District of Peachland, District of Lake Country and Westbank First Nation.

AND THAT the Regional Board directs staff to seek the consent, by resolution, of the City of Kelowna, City of West Kelowna, District of Peachland, District of Lake Country and Westbank First Nation to participate in the regional transportation service;

AND FURTHER THAT staff report back to the Regional Board.

Respectfully submitted by: Travis Kendel, Associate Director, Engineering Services

Report Approved by: Danielle Noble-Brandt, Director of Development and Engineering Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

Strategic Plan Alignment:

- | | |
|---|--|
| <input type="checkbox"/> Emergency preparedness | <input type="checkbox"/> Truth and reconciliation |
| <input type="checkbox"/> Health and wellness | <input type="checkbox"/> Environment and climate – Regional priority only |
| <input checked="" type="checkbox"/> Regional transportation | <input type="checkbox"/> Growth and development – Electoral Area priority only |

Background:

Transportation is vital to connecting people and places across the region to support the Central Okanagan’s growing population, economy and quality of life. Regional transportation planning and programming was previously coordinated by the Sustainable Transportation Partnership of the Central Okanagan (STPCO).

Advancing the regionally coordinated transportation activities will improve the movement of people and goods, creating a region where more people can choose sustainable and affordable transportation options. This approach supports regional economic growth, reduces future greenhouse gas emissions, and prepares the region for future population growth and technological innovations.

The STPCO dissolved in 2020 with the goal to transfer the STPCO's functions to the RDCO through the establishment of a regional transportation function or "service" at the RDCO.

The 2023-2026 RDCO Strategic Priorities state that the that Regional District will act to '*Define and explore a Regional Transportation Service*' and '*Collaborate with partner municipalities and MOTI to advance regionally significant capital projects.*' Through a staff-initiated technical committee, subject matter experts from member municipalities, Westbank First Nation, MOTI, and BC Transit explored, defined, and endorsed a draft service concept inclusive of all community partner feedback that the Board approved on October 24, 2024.

The regional transportation service concept approved by the Regional Board includes the same functions performed by the STPCO before it dissolved, listed below:

- Review, advise, and report to the Regional Board on matters related to Regional Transportation Planning through a multi-jurisdictional technical advisory committee;
- Administer the Regional Transportation Technical Advisory Committee;
- Develop, monitor and report on Regional Transportation strategies, plans, initiatives, and actions;
- Operationalize the Regional Transportation Plan and successive documents in collaboration with service participants;
- Seek grants and other funds to undertake Regional Transportation Service works;
- Undertake Regional Transportation education and public participation programming.

The approved service concept aligns with the direction through the Regional Transportation Plan (RTP), which was reviewed and endorsed by the City of West Kelowna, District of Lake Country, District of Peachland, City of Kelowna, Westbank First Nation, and the Regional District of Central Okanagan in 2020.

The RTP states:

"Through the RTP development process, the STPCO partners have had several discussions regarding the next steps for the STPCO, how best to implement the RTP, the principles of good governance and the importance of an organization's mandate, membership, and structure. The partners have agreed that a new, more effective, and simpler governance structure would be beneficial to oversee implementation of the RTP."

"The current preference among the partners is to dissolve the STPCO and align with and transfer the current functions to the RDCO. A number of challenges with this approach must be resolved over the next two years as the regional service is formalized. These include questions related to staff capacity, mandate, scope, membership, voting structure and cost sharing. However, as a starting point, the STPCO LGA Board has recommended that the STPCO be dissolved and directed staff to transfer some of the regional functions formerly carried out under the STPCO to the RDCO effective January 1st, 2021."

"To implement the RTP and monitor progress, the STPCO LGA Board has recommended the creation of a regional technical committee administered by the RDCO and initially facilitated by City of Kelowna staff, while a formal regional service is created. Additionally, the Board recommended that the RDCO administration place regional transportation on the agenda at two Regional Board meetings each year to promote discussion and cooperation on regional transportation issues."

During the October 24, 2024 meeting, the Board passed the following resolution:

THAT the Regional Board approve the proposed Regional Transportation Service concept as outlined within the report from the Associate Director of Development and Engineering Services on October 24, 2024.

AND THAT the Regional Board directs staff to report back to the Board with financial plan impacts and drafted bylaw(s) for consideration.

The Ministry of Housing and Municipal Affairs has provided guidance to staff, which has been incorporated into the subsequent recommendations for Regional Board consideration. Should the Board resolve to continue towards establishing a Regional Transportation Service, staff will engage with the Electoral Area Directors, and Municipal and First Nation local governments to obtain consent.

Consent is required by 2/3 of the current and proposed electoral area and municipal participants to amend the service establishing bylaw. If consent is given, the amending bylaw will be brought to the Regional Board for the first three readings. Final approval will be required by the Ministry of Housing and Municipal Affairs before the final bylaw reading and adoption can be completed. Westbank First Nation would be incorporated into the service through the existing contractual service agreement following service establishment and agreement by both parties.

Resourcing Requirements:

The Regional Transportation Service is expected to be of similar cost magnitude as previously undertaken by the STPCO. Considering staffing and program delivery components, the annual budget is estimated at approximately \$400,000 per year, which is approximately the same as the annual STPCO budget, accounting for inflation. Instead of contributing funds to the STPCO for the delivery of regional transportation services each year, as done previously, the regional partners would instead provide the funding to the RDCO to deliver the same services. Financial contributions from Electoral Area's East and West are estimated to remain substantially unchanged.

Financial contributions from additional proposed service participants (Kelowna, West Kelowna, Lake Country, Peachland, and WFN) would be similar in magnitude as annual contributions from 2014 – 2020 (during the STPCO years), though would reflect an increase compared to the interim years (2021 – current) while service delivery and activities have not been fully operational.

Community	Allocated Service Cost
Westbank First Nation	\$15,000
City of Kelowna	\$266,000
District of Peachland	\$11,000
District of Lake Country	\$29,000
City of West Kelowna	\$64,000
RDCO Electoral Area West	\$8,000
RDCO Electoral Area East	\$7,000
Total:	\$400,000

To support the work undertaken by the proposed Regional Transportation Service, the RDCO would include a request for a single FTE to support the program in 2026 and onwards. The costs associated with that FTE are included within the total allocated service costs in the table above.

It is important to note that for many Central Okanagan local governments, the allocated services costs will be net-neutral and have little to no impact on taxation. If a local government has discontinued taxation for Regional Transportation, there will be a net-increase in taxation to fund Regional Transportation at 2020 levels.

Next Steps:

The next steps are as follows:

1. Regional Board resolve that staff obtain Electoral Area Director, Municipal and First Nation consent to amend the bylaw, and include the new participants.
2. If consent is obtained, give the amending bylaw first three readings.
3. If 1st, 2nd & 3rd readings are approved by the Board, submit the amending bylaw to the Ministry of Housing and Municipal Affairs for Inspector approval.
4. Once Inspector approval is obtained, the Board could adopt the amending bylaw and make necessary financial plan updates to support the initiation of service in 2026.

Regional transportation planning and programs are crucial for fostering sustainable growth and enhancing the quality of life in the Central Okanagan. As the region faces significant growth pressures and an increase in housing approvals, it is imperative that transportation infrastructure and services are developed in tandem with housing initiatives. This comprehensive coordination ensures that residents have access to efficient, reliable, and diverse transportation options, reducing congestion and environmental impact while promoting economic vitality. By integrating transportation and housing planning at regional levels, all local government parties can create cohesive, connected communities that support the mobility needs of all residents, ultimately leading to a more resilient and thriving Central Okanagan.

Considerations:

Organizational/External:

- The Regional Transportation Service will require dedicated RDCO resources to meet Service mandates.

Financial:

- Total annual service cost is expected to be approximately \$400,000, which is similar to the STPCO cost magnitude to deliver the same services from 2014 - 2020.
- If a local government has discontinued taxation for Regional Transportation, there will be a net-increase in taxation to fund Regional Transportation at 2020 levels.

Legal/Statutory Authority:

- *RDCO Transportation Demand Management Extended Service Establishment Bylaw No. 831, 1999*
- *Local Government Act*
 - The Regional District has the authority to amend the scope of the existing Transportation Demand Management Service, converting that service into an all-encompassing Regional Transportation Service.

Attachment(s):

1. Regional Transportation Planning Matrix
 2. Electoral Area Briefing Note
 3. RTS PowerPoint Presentation
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