



# Staff Report

## Request for Decision

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**TO:** Committee of the Whole – July 10, 2025

**AUTHOR:** Shelley Gagnon, General Manager, Community Services

**SUBJECT:** **Transit Improvement Program (TIP): 2026/27 – 2028/29 Service Improvements/Expansion Priorities**

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### OVERVIEW

#### Purpose of Report:

The purpose of this report is to present to the Committee the proposed three-year TIP's (Transit Improvement Program) priorities for conventional and custom transit services. The report requests a Committee decision to accept, reject or provide alternate direction with respect to the recommendations as presented below.

#### Recommendation(s):

**(1) THAT the 2026/27 Memorandum of Understanding for the Transit Improvement Program be prepared to include the following service improvements:**

**a) 2026/27:**

**i. Local Improvements (bundle):**

- **Route 2: increase frequency to 60 minutes Monday to Saturday; 30 minutes at peak times**
- **Modification of Route 1**
- **Introduce New Route 5 connector; re-align Route 1 and increase frequency to 60 minutes.**

**ii. Route 90: increase weekday frequency to 30-minute intervals for the full weekday service span**

**iii. Custom Transit: Increase in service span on weekends and weekdays**

**b) 2027/28:**

**i. Local Improvements: modify Route 2 from circular route to two-way bidirectional service**

**ii. Route 90: Phase 1 weekend improvements; increase frequency to 30-minute intervals on weekends and holidays between 8 a.m. and 6 p.m.**

**iii. Custom Transit: Increase in service span on weekends and weekdays**

**c) 2028-29:**

**Route 90: Phase 2 weekend improvements; increase frequency to 30-minute intervals on weekends and holidays between 5 a.m. and 10 p.m.**

- (2) AND THAT a Memorandum of Understanding outlining the service improvement priorities be brought forward for the Board's consideration in late Q3 2025 (or early Q4 2025).**

## BACKGROUND

As part of the annual planning cycle, BC Transit initiates a discussion with local governments to review the transit service (referred to as the Transit Improvement Program or TIP's) and identify the next three-years' service improvement and expansion priorities. The 3-Year TIP's priorities are presented to the local government in the form of a Memorandum of Understanding (MOU). If the priorities are supported by the local government, the associated financial requirements are then used by BC Transit to prepare a Provincial budget request for the following year. This information is also used by local governments to inform and prepare their financial planning and budget accordingly. The first-year priorities require formal commitment/approval, while year two and three priorities are for budget planning purposes. This advance planning is also required to provide the lead time necessary to acquire any additional fleet if required as part of the proposed expansion (this can take up 18 months). Following confirmation of improvement/expansion funding in the provincial budget, first year commitments are then formally incorporated into the subsequent Annual Operating Agreement.

When the Provincial budget was announced this past March, the TIP's priorities for 2025/26 conventional and custom service expansion hours were approved as outlined in the chart below. The financial implications of the priorities were included in the SCRD 2025-2029 Financial Plan.

Route 90: Address critical ridership levels on weekends	800 annual service hours	0 expansion vehicles	Mid-June 2025
Route 90: Increase frequency to 30 minutes on weekdays from 6am – 6pm	2,700 annual service hours	1 expansion vehicle	January 2026
Custom Transit (handyDART): Add peak capacity on weekdays and weekends	2,900 annual service hours	1 expansion vehicle	January 2026

These expansion hours represent an increase of approximately 10% in conventional service hours and 80% in custom service hours.

## DISCUSSION AND ANALYSIS OF OPTIONS

At an Intergovernmental Meeting on May 29, 2025, data on ridership and performance metrics along with draft 2026-2029 TIP's priorities were presented for information (the presentation can be found here: <https://www.youtube.com/watch?v=ONS3UODPLE0>). The TIP's three-year priorities are derived from the 2022 Transit Future Action Plan (TFAP), the 2024 Custom Transit Review, as well as analysis of ridership data and performance metrics. Other considerations include local initiatives and priorities as well as capital and infrastructure requirements for the proposed improvements.

Ridership on both conventional as well as custom transit now exceed pre-COVID levels. Route 90 continues to be the highest performing route, in terms of both total ridership as well as number of rides per hour. Ridership on weekends exceeds transit benchmarks. The 2025/26 approved Route 90 expansion hours, as noted above, will help address critical ridership levels and the growing ridership on this route. Route 2 ridership also continues to increase, and on weekdays is the second most productive route. Custom transit ridership decreased slightly in 2024, however the number of registered riders increased.

The recommended three-year TIPs priorities are outlined below. Providing improvement priorities as far in advance as possible helps provide both the local government and BC Transit with the ability to forecast 3-year budgets that identify longer-term funding requirements. The annual revenues and costs are estimates only and updated projected costs for the initiatives will be completed over the summer and brought back with the MOU. Custom Transit expansion initiatives will also be costed over the summer and brought back with the MOU.

### Conventional Transit – Proposed Expansion Initiatives

#### Year 1: 2026 - 2027

AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2026/27	January 2027	1,500	2	\$24,500	\$366,104	\$207,600
		Description	Local Transit Improvements: <ul style="list-style-type: none"> <li>- Ridership is approaching critical on Route 2: Increase Route to 60 minutes, Monday -Saturday; 30 minutes at peak times</li> <li>- Modification of Route 1</li> <li>- Introduce New Route 5 (as per TFAP): Gibsons Connector; Re-align Route 1 and increase frequency to 60 minutes</li> </ul>			
2026/27	January 2027	1,800	3	\$29,401	\$551,653	\$320,081
		Description	Route 90: Weekday improvements, increase route frequency to 30 minute intervals for the full service span on weekdays			

**Year 2: 2027 - 2028**

AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2027/28	January 2028	2,300	1	\$37,567	\$438,226	\$214,516
		Description	Local improvements: Modifying Route 2 from circular to two-way bidirectional service. This will also help address high loads.			
2027/28	January 2028	2,800	1	\$45,734	\$465,895	\$221,099
		Description	Route 90: Phase 1 Weekend improvements, increase route frequency to 30-minute intervals on weekends and holidays between 8 a.m. and 6 p.m.			

**Year 3: 2028 - 2029**

AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2028/29	January 2029	2,500	1	\$40,834	\$457,894	\$221,734
		Description	Route 90: Phase 2 Weekend improvements, increase route frequency to 30-minute intervals on weekends and holidays between 5 a.m. and 10 p.m.			

**Custom Transit – Proposed Expansion Initiatives****Year 1: 2026 - 2027**

AOA Period	In Service	Annual Hours and Description	Vehicle Requirements
2026/27	January 2027	2,500 hours Increase in service span on weekends and weekdays	1

**Year 2: 2027 - 2028**

AOA Period	In Service	Annual Hours and Description	Vehicle Requirements
2027/28	January 2028	1,300 hours Increase in service span on weekends and weekdays	1

**Year 3: 2028 – 2029**

To be determined based on results of previous years' expansions.

As mentioned previously, the first-year priorities will require formal commitment/approval through a TIP's MOU in the fall while Year 2 & 3 initiatives may be further refined next year based on local government priorities and potential infrastructure constraints and are subject to change.

To assist BC Transit and Sunshine Coast Regional District (SCRD) to prepare the TIP's MOU for presentation to the Board in the fall, staff are seeking Board support for the 2026/27 – 2028/29 TIP's priorities. This will enable BC Transit and SCRCD staff to quantify the estimated annual hours, additional resources including staffing, fleet, infrastructure needs, and the order of magnitude costing associated with each priority and bring this information back to the Board, along with the MOU, for a final decision this fall.

All expansion implementations are dependent on receiving matching provincial funding to support these priorities. By presenting a clear, prioritized transit plan through the 3 Year TIPs MOU process, the Sunshine Coast Regional District will showcase to the province its commitment to transit and its integrated long-term plan for transit improvements in the region.

Infrastructure Considerations (not included in above cost estimates):

Satellite Parking Site: As per the "[Mason Road Lease Renewal and Site Plan Project Update](#)" staff report presented to the Board on December 12, 2024, the current transit operations and maintenance facility at Mason Yards will reach capacity once the 2025/26 TIP's priorities additional two fleet units are in service (~Q1 2026).

The next three-year TIP's priorities identify the need for additional buses (could be in-service by January 2027). A short-term strategy for parking is critical. Planning for a satellite parking site is underway and will be brought back to the Board for consideration in a separate report later this year.

Gibsons Exchange Station: The addition of Route 5 will require a simple exchange station (like the exchange station on Cowrie outside the Trail Bay mall in Sechelt). The exchange station provides an area where riders can change buses, and the buses can be parked for short durations of time. The exchange station will be required by 2027 when the route is in service. Planning for this new exchange station will be required.

Servicing Garage: Additional fleet units added through expansion increase the pressure on the servicing garage. The garages capacity will need to be monitored over the next few years as this may impact the ability to further expand until a new Operations and Maintenance Facility can be constructed.

The resourcing required related to the Infrastructure Considerations will be brought forward during the 2026-2029 budget process, some of which may be cost-shared with BC Transit.

## **OPTIONS:**

Staff have provided the following options for the Committee's consideration regarding the Transit Improvement Program priorities.

***Option 1 - That the 2025/26 Memorandum of Understanding for the Transit Improvement Program be prepared to include the three-year service priorities as outlined above in the report.***

### *Financial Considerations*

While some base level costing for each initiative has been provided, the resourcing and financial implications (operating and infrastructure) of the TIP's priorities will be further costed over the summer and brought back to the Committee in the fall along with the MOU for consideration.

### *Organizational Considerations*

Transit service expansion will result in an increase in service hours, additional FTEs, additional fleet requirements, and increased demands on the servicing garage. Resources will also be necessary to plan and implement that satellite parking site required for further expansion.

### *Staff Recommendation*

Staff recommend this option. Should the Committee choose to go with Option 1, a recommendation could be considered as provided in the Overview section on page one of this report.

## ***OPTION 2 – Defer any service expansion for one year.***

With this option, services would remain status quo for 2026/27 with no financial or organizational implications. There would be no TIP's priorities identified in 2026/27, with the three-year priorities deferred to begin in 2027/28 through 2029/30. Staff would return in the spring of 2026 with an updated TIP's report and recommendations for the Committee's consideration.

### *Staff Recommendation*

Staff do not recommend this option. Should the Committee choose to go with Option 2, a recommendation could be considered, as follows:

- (1) THAT the Three-Year Transit Improvement Program (TIP) priorities be deferred by one year, with no service expansion identified for the 2026/27 year.**
- (2) AND THAT that BC Transit and staff return in the fall of 2025 with the Memorandum of Understand for the following expansion priorities:**
  - (a) No expansion in Year 1 (2026/27)**
  - (b) Year 2 Priorities (2027/28):**

- i. **Local Improvements (bundle):**
  - **Route 2: increase frequency to 60 minutes Monday to Saturday; 30 minutes at peak times**
  - **Modification of Route 1**
  - **Introduce New Route 5 connector; re-align Route 1 and increase frequency to 60 minutes**
- ii. **Route 90: increase weekday frequency to 30-minute intervals for the full weekday service span**
- iii. **Custom Transit: Increase in service span on weekends and weekdays**

**(c) Year 3 Priorities: 2028/29:**

**Local Improvements: modify Route 2 from circular route to two-way bidirectional service**

**Route 90: Phase 1 weekend improvements; increase frequency to 30-minute intervals on weekends and holidays between 8 a.m. and 6 p.m.**

**Custom Transit: Increase in service span on weekends and weekdays**

## **FINANCIAL IMPLICATIONS**

BC Transit has provided an initial estimate of the annual costs associated with the proposed conventional service expansion hours. Estimated costs include variable hourly costs related to the increase in service hours, additional fleet lease fees, as well as BC Transits inputs into any fixed and administrative costs. Once the three-year priorities have been confirmed, BC Transit and the SCRD will conduct another round of costing (including Custom Transit expansion costs).

The resourcing required and financial impacts (operating and infrastructure) of the three-year TIP's priorities will be presented in the subsequent report this fall along with the MOU. In the meantime, for taxational context, the estimated cost of raising \$100,000 of taxation would result in an increase of \$0.50 per \$100,000 of assessment value. The current rate per \$100,000 for Transit is \$22.20.

## **STRATEGIC PLAN IMPLICATIONS**

n/a

## **TIMELINE**

Throughout the summer, BC Transit and SCRD staff will conduct another round of costing related to the proposed 2026/27 through 2028/29 TIP's initiatives. This information will be brought back in the fall in the form of a TIP's Memorandum of Understanding for the Boards consideration.

## **SUMMARY AND CONCLUSION**

BC Transit and the SCRD consider service improvements and expansion opportunities on an annual basis (known as the Transit Improvement Program or TIP). The next three years of

TIP's (transit improvement priorities) have been presented, and staff will return in the fall with the financial implications related to the improvement priorities along with the MOU for consideration.

Reviewed by:			
Manager	X -A. Kidwai	CFO/Finance	X - A. Taylor X - B. Wing
GM		Legislative	
CAO	X-T. Perreault	Other	