



Public Transit Shelters and Benches
June 2023

OPTIONS PAPER

INTRODUCTION

Public transit has become an increasingly important service in the City of Nanaimo in recent years; its importance is expected only to grow in the years ahead. Nanaimo's *City Plan: Nanaimo Reimagined* and the 2021 *Transit Redevelopment Strategy* both emphasize the need to increase transit ridership in absolute terms, and as a percentage of travel modes. The provision of proper transit fixtures, including transit shelters and benches, will be critical to achieving the City's aims and will bring the City closer to the average percentage (21%) of shelters-per-transit stops in Canadian municipalities, as identified by the Canadian Urban Transit Association (CUTA).¹

Transit service in the City today is provided through a partnership between the Regional District of Nanaimo and BC Transit. Under the partnership, the Regional District is the operator of the system; BC Transit facilitates planning and delivery; and the City is the land use and road authority, and is responsible for providing all on-street fixtures including bus shelters and benches. To date, the City has addressed the need for shelters and benches through contracts with private contractors, and through collaboration with BC Transit. This approach has resulted in a patchwork of fixtures that includes:

- thirty-nine (39) dated bus shelters, funded, built and installed by a private contractor who uses the structures for advertising, and who is responsible for maintaining and repairing the structures
- approximately 300 benches at transit stops throughout the community, provided, maintained and used for advertising by a separate contractor
- ten (10) relatively new bus shelters, introduced by the City over the past ten (10) years, cost-shared by the municipality and BC Transit (through the *Transit Shelter Program*), and maintained by the City

The City receives a share of advertising revenues (a total of approximately \$73,000) each year from the private contractors in charge of the dated bus shelters and the benches. The City incurs minimal costs associated with these structures, but also has less-than-full control over the placement and appearance of the fixtures. The City exercises greater control over the publicly-funded shelters, but also bears the responsibility and costs for maintenance, repair and replacement.

The private companies that own and control the dated shelters and the benches exercise their rights and responsibilities through contracts with the City of Nanaimo. The imminent expiration of the two contracts —

¹ The number of new transit stops in Nanaimo, however, can be expected to grow over the next 20 years as the City invests in more transit service.

expected at the end of June 2024 — prompted the City's Transportation Division to commission Neilson Strategies Inc. to explore options for providing bus shelters and benches going forward. This *Options Paper* presents the consultants' work.

Options Paper

The remainder of the *Options Paper* is divided into four sections:

- *Section 1: Current Approach* — The paper begins by reviewing the City's current approach to providing shelters and benches. The parties involved and their respective roles and responsibilities are outlined, as are net revenues for City of Nanaimo taxpayers.
- *Section 2: Options to Consider* — Four options developed by the consultants are presented and described in detail in section 2.
- *Section 3: Assessment of Options* — In section 3 the four options are assessed against a common set of evaluation criteria. The criteria, which include cost to the City, are described at the beginning of the section, then applied to the separate options. Observations and conclusions are put forward.
- *Section 4: Recommendation* — An earlier version of this *Options Paper* was presented to the Transportation Division as a discussion piece. Exchanges with staff enabled the consultants to update the paper with a recommendation on a preferred option. The recommendation is presented in section 4 to end the *Paper*.

SECTION 1:

CURRENT APPROACH

The City's current approach to the provision of transit shelters and benches was introduced in the introduction to the paper. Figure 1.1 outlines the approach in greater detail.

SECTION 2:

OPTIONS TO CONSIDER

This section of the paper sets out four options for the City to consider in

Figure 1.1
Current Approach to Shelters & Benches

Fixtures

Nanaimo's network of fixtures includes 39 privately-owned shelters, most of which are over 20 years' old. There are 10 publicly-owned, newer shelters and approximately 300 privately-owned benches.

City of Nanaimo

The City has traditionally relied on third parties to provide most fixtures. Existing five-year contracts for the shelters and the benches were set to expire in June 2020, but were extended to June 2022. Two 12-month extension options take the contracts to June 2024.

Contractors

Pattison Outdoor Advertising holds the contract for the 39 privately-owned shelters. Creative Outdoor Advertising holds the contract for the 300 benches. Both contractors own, maintain, repair and replace their respective fixtures; both are also responsible for the providing the underlying platforms.

Maintenance of fixtures must conform to standards set out in contracts. The placement of existing shelters and benches is also set out in the contracts; locations for additional fixtures are determined by agreement. The companies sell advertising and provide a portion of revenues to the City each year. Both companies may remove fixtures at end of their respective contracts.

BC Transit

BC Transit paid 46.7% of the ten publicly-owned shelters through the *Transit Shelter Program*.

Cost to Taxpayers

In 2022, the City received approximately \$73,000 in combined revenues from the contractors as per contract terms. The City incurred \$18,000 in costs attributable to program. Net revenues for the City were \$55,000 in 2022 (a typical year).

its provision of transit shelters and benches going forward. Each option features a different role for the City and the private contractor(s) involved. The options are outlined in detail in the text; Figure 2.1 provides a summary of all four.

► **Option 1:**
Hybrid Model

This option would extend the City's reliance on one or more contractor to purchase, own and maintain the fixtures. In exchange for taking on these responsibilities, the contractors would receive — as they do today — the exclusive right to market and sell advertising on the fixtures, subject to certain constraints identified in the contracts (e.g., the need to respect advertising standards, and the need to provide a certain number of advertising spots to the City for civic and community notices). Each contractor would continue to provide the City a share of advertising revenues, with a per-fixture revenue minimum.

Option 1 would improve on the City's current approach in certain ways. Specifically, contracts under Option 1 would impose enhanced replacement, refurbishment and maintenance obligations on the contractors in an effort to address City concerns with the appearance of existing fixtures. Other municipalities such as the District of Saanich have successfully renewed contracts, including with Pattison Outdoor Advertising, that require contractors to replace 50% of existing shelters, and refurbish the remaining ones, over the term of the agreement. The City of Nanaimo under this option would pursue a similar replacement and refurbishment program, to be achieved over five years.

Maintenance requirements under the contract would not differ materially from those included in the existing contract with Pattison Outdoor Advertising (section 5.01), or in the existing contract with Creative Outdoor Advertising (section 7.8). What would differ, however, is the City's enforcement of these requirements. Under all new contracts, the City would assert its rights to correct unsatisfactory maintenance and/or repair on fixtures, and recover

costs from the contractors.

Finally, Option 1, similar to all options, would include an increase to the number of transit shelters in the coming years. All new shelters, over and above the existing 49, would be purchased by the City through BC Transit's *Transit Shelter Program*. The City would be responsible for maintaining these publicly-owned shelters once purchased.

► **Option 2:**
Corridor-Based Hybrid Model

This option, which is similar to the approach taken by the District of Saanich, would build out the inventory of publicly-owned transit shelters and benches, but continue to rely on contractors to provide and maintain most fixtures. Advertising on all of the fixtures, including any City-owned shelters, would be handled by the contractors.

Over time under Option 2, the contractor involved in the provision of transit shelters would focus its efforts on transit stops in the highest-traffic corridors in the City — the corridors, that is, with the greatest earnings potential for advertising revenue. Existing shelters owned by the contractor in these corridors would be replaced or refurbished over a five year period, in accordance with the new contract. The contractor would have the ability to add new shelters in these corridors, subject to City approval.

Through negotiated agreement, the contractor would transfer ownership and responsibility for existing shelters in other corridors to the City. The timeline of transfer would be determined based in part on the City's financial ability to receive, refurbish (or replace) and care for the fixtures. New shelters purchased by the City through BC Transit's *Transit Shelter Program* would be added to the City's inventory along these corridors or, if necessary, in higher volume corridors not serviced by the contractor. These new shelters would be under the control and care of the City.

Figure 2.1
Overview of Options

Option	City of Nanaimo	Contractor	Advertising
Option 1: Hybrid Model	<ul style="list-style-type: none"> – City extends private ownership of existing shelters and benches, and allows new private ones to be added – City retains existing inventory of publicly-owned shelters – City adds publicly-owned shelters (BC Transit) as per expansion schedule 	<ul style="list-style-type: none"> – new contracts entered into with one or more contractor to continue providing (existing) 39 shelters and 300 benches – contracts require replacement of 50% of fixtures and refurbishment of remainder over 5 years – maintenance obligations enhanced 	<ul style="list-style-type: none"> – advertising allowed; managed by contractor(s) – City receives existing portion of earnings
Option 2: Corridor-Based Hybrid Model	<ul style="list-style-type: none"> – City takes ownership over time of current privately-owned shelters in secondary corridors, and half of all benches – City refurbishes or replaces acquired fixtures over time – City purchases and installs additional shelters (BC Transit program) as per schedule 	<ul style="list-style-type: none"> – shelter contractor retains shelters in high-volume (primary) transit corridors; replaces 50% and refurbishes remainder – transfers other shelters to City – maintenance obligations enhanced 	<ul style="list-style-type: none"> – advertising allowed; managed by contractor(s) – City receives portion of earnings
Option 3: Public Ownership Model (Staged)	<ul style="list-style-type: none"> – City takes ownership of all current privately-owned shelters and benches over ten years – City refurbishes or replaces acquired fixtures in accordance with schedule – City purchases and installs additional shelters (BC Transit program) as per schedule 	<ul style="list-style-type: none"> – contractors transfer shelters to City over time, under negotiated agreement 	<ul style="list-style-type: none"> – under 3a, advertising contacted to third party; City receives portion of earnings – advertising not allowed under 3b
Option 4: Public Ownership Model (Immediate)	<ul style="list-style-type: none"> – same as Option 3, except that City takes ownership during first five-year stage 	<ul style="list-style-type: none"> – no role for contractors 	<ul style="list-style-type: none"> – no advertising

Each contractor would be required to maintain and repair the fixtures under its ownership in accordance with contract terms. The City would be responsible for maintaining and repairing the growing number of fixtures it owned — a new responsibility for which the City would need to budget. Revenues earned on advertising would flow

largely to the contractors; however, as at present, the City would receive a negotiated portion of the earnings, with a minimum per-fixture amount established.

- **Option 3:**
Public Ownership Model (Staged)
Option 3 calls for a transition over two five-year stages (total of ten

years) to full public ownership of all existing and new transit shelters and benches. Through negotiated agreement, existing shelters owned and maintained by Pattison would be transferred to and controlled by the City, as would benches owned by Creative. The City would become responsible for maintenance, refurbishment and replacement. New shelters, over and above the existing 49, would be purchased by the City each year in accordance with an expansion schedule. New shelters would be purchased through BC Transit's *Transit Shelter Program*. They would be owned by BC Transit, as per the requirements of the program, but would be operated and maintained by the City. New replacement benches would be purchased, owned and maintained by the City (there is no cost-sharing program available for benches under BC Transit).

Advertising under Option 3 would be handled in one of two ways:

- > Option 3a would see the City award a contract to a third party to sell advertising across the full system of shelters and benches, pursuant to terms set out in the contract. The City would receive a portion of advertising earnings from the contractor. The City's share would be expected to be greater than that which is received under the City's current approach, since the contractor would not have maintenance, repair, replacement and refurbishment costs (once ownership over all existing fixtures had been transferred to Nanaimo).
- > Option 3b would eliminate all advertising in the system. Shelters and benches would be used by the City to showcase and communicate information on civic services (e.g., recreation programs, dog licences, garbage and recycling, other), community events and important public notices. Fixtures would no longer be used, however, for commercial advertising. The City would receive no advertising revenues to offset a portion of taxpayer costs under the option.

Option 3 would represent a significant change from the City's current approach. The option would not, however, be entirely unique to

Nanaimo. The City of Kelowna owns all of the shelters and benches in its transit system. The City of Kamloops is transitioning to a model of full public ownership with the assistance of BC Transit's *Transit Shelter Program*. Both Kelowna and Kamloops rely on contractors to sell advertising across the systems; both cities receive a portion of revenues to help offset municipal costs. The District of Saanich allows advertising on the 27 shelters within the municipality that are privately owned. The District does not allow commercial advertising, however, on the 170 publicly-owned shelters in the system.

An important consideration with Option 3 concerns the willingness of the existing contractors to transfer the fixtures to the City. The contracts in place with Pattison (shelters) and Creative (benches) stipulate that the companies are entitled to remove the physical fixtures at the expiration of their respective contracts. The City would (presumably) seek to negotiate a transfer of ownership of the fixtures at their depreciated values. Agreement by the City under Option 3a to award the future advertising contract to the current private owner (Pattison) of the 39 shelters may help to secure the cooperation of at least one party. Under Option 3b, an undertaking by the City to leave the fixtures free of advertising (rather than to contract for advertising with a competitor firm) may help to secure the cooperation of the both parties, as may the ability of the parties to avoid demolition and disposal costs, and the potential for negative publicity. In selecting Options 3a or 3b, however, the City would need to accept the possibility that the parties may be unwilling to cooperate, and would remove the existing fixtures.

➤ **Option 4:
Public Ownership Model (Expedited)**

Option 4 is similar to Option 3b in featuring full public ownership of and control over transit stop fixtures, along with no commercial advertising in the system. Where Option 4 differs from the earlier option is on the speed of implementation. Whereas Option 3b would transition all current and future fixtures to full public ownership in two stages over a period of ten years, Option 4 would move to full public ownership at the end of only five years.

SECTION 3: ASSESSMENT OF OPTIONS

This section of the paper assesses each of the options against a set of evaluation criteria. The criteria are introduced and explained first; the assessment of the options follows.

Evaluation Criteria

There are four criteria to use in the assessment of the options:

- *Cost to Taxpayers* — The City would incur some level of capital and operating expense under all of the options. Capital expenses would include the cost to purchase the shelters and benches, as well as the cost to prepare and install the platforms on which new (not replacement) fixtures are set. Operating costs would include staff time and contractor costs for maintenance and repair of the fixtures. Electricity costs would also need to be considered. Advertising revenues expected under some options would offset costs.
- *City Control* — The City's level of control over the choice of fixture types, placement of fixtures, standards of maintenance and repair, acceptable fixture lifespans, advertising content and levels, and other factors is important to consider under all of the options.
- *Contractor Acceptance* — All of the options require some level of acceptance, or "buy in", on the part of the existing private contractors who own most of the shelters and all of the benches in place today. For each option, this criterion tests the likelihood that such buy-in would exist.
- *Impact on City Operations* — The City's current approach relies heavily on the two private contractors, Pattison and Creative, to own and maintain the fixtures and their associated platforms. City staff in Public Works collect garbage from the shelters' bins and undertake minor clean-up. The bulk of maintenance, repair and refurbishment, however, is the responsibility of the contractors, as is inventory management. Going forward, responsibility for these tasks would

Figure 3.1
Overview of Assessment

Options	Cost to Taxpayers	City Control	Contractor Acceptance	Impact on City Operations
Option 1: Hybrid Model	○	○	●	○
Option 2: Corridor-Based Hybrid Model	○	●	●	●
Option 3: Public Ownership Model (Staged)	●	●	3a: ● 3b: ○	●
Option 4: Public Ownership Model (Expedited)	●	●	○	●

○ = low ● = moderate ● = high

vary by option.

Assessment

Figure 3.1 provides an overview of the assessment of the options against the criteria. All scores for each option are identified as relative scores — that is, relative to the scores for the other options. The assessment is explained for each criterion as follows:

➤ Criterion:

Cost to Taxpayers

The financial analyses undertaken for the assignment examined the anticipated costs to taxpayers under the different options. The analyses considered expected revenues along with the operating and capital expenses for two separate five-year periods: 2024 through

2028; and 2029 through 2033. Expenses and revenues for the different options were not examined for 2023. The consultants understood from discussions with the Manager of Transportation (in 2022) that the City would not be in a position to replace the current approach with one of the options until 2024. For all of the options, the financial analyses incorporate a number of assumptions that are important to understand. Consider the following points:

- > *Revenues* — For all of the options that continue to include commercial advertising, the analyses assume that the City would realize a minor increase over existing revenue levels on existing fixtures — specifically, a 5% increase at the beginning of each of the five-year periods. The models with advertising also assume that advertising would be featured on the new shelters purchased by the City (under the *Transit Shelter Program*) to grow the network.
- > *Expansion and Replacement of Shelter Network* — The network of transit fixtures in Nanaimo — in particular, the network of transit shelters — expands over time under all options. In each option, it is assumed that the City would add three (3) shelters per year, all of which would be cost-shared with BC Transit through the *Transit Shelter Program*. Three (3) new shelters per year would, over a 20 year period, bring the City closer to the average percentage (21%) of shelters-per-transit stops in Canadian municipalities, as identified by the Canadian Urban Transit Association (CUTA).²

In addition to the these three (3) additional shelters, a number of existing shelters would be replaced annually by the City. The number of replacement shelters the City would purchase would vary by option. Under Options 1 and 2, most replacements would be undertaken and funded by the private contractor — the City would incur no costs related to these replacements. In

Options 3 and 4, however, replacements would be the City's responsibility. All new shelters bought by the City to replace existing ones would be cost-shared with BC Transit.

It is assumed that the City would replace existing benches with new ones over time, at varying rates, under all options except Option 1. No increase in the number of benches is assumed.

- > *Asset Management* — None of the options includes any amount for the eventual replacement of fully-depreciated publicly-owned fixtures at the end of their lifespans. All costs to purchase replacement fixtures during the two five-year periods are included; however, asset management costs for replacement beyond these periods are not included.
- > *Operating Expenses (Maintenance)* — The consultants developed reasonable cost estimates for maintaining transit shelters and benches. The costs included in the analyses are higher on a per-unit basis than those incurred in Nanaimo today for the maintenance duties under the City's responsibility.
- > *Operating Expenses (Staff)* — Under the City's current approach, the City neither requires nor has any staff resources dedicated to managing the system. Under Options 2, 3 and 4 — all of which would transfer greater responsibility to the City — it is assumed that dedicated staff resources would be required. Two (2) FTE are added under each of these options at different points in time.
- > *Capital Costs* — The capital cost to purchase new shelters, both to expand the current network and to replace existing fixtures owned (or inherited) by the City, were provided by BC Transit. All shelters, it is assumed, would be purchased through the *Transit Shelter Program*. The cost of the replacement benches also came from BC Transit. These costs would be borne entirely

² The number of new transit stops in Nanaimo, however, can be expected to grow over the next 20 years as the City invests in more transit service.

by the City since there is no cost-sharing program for benches. The cost to provide the platforms for the new (not replacement) transit shelters was determined through discussion with the

Cities of Kamloops and Kelowna. Figure 3.2 shows the relative cost impacts of the options. Costs are presented for two five-year stages. All costs represent the total

Figure 3.2
Relative Cost Impacts of the Options (2022 Dollars)

	Five Year Total (2024-2028)					Five Year Total (2029-2033)				
	Option 1	Option 2	Option 3a	Option 3b	Option 4	Option 1	Option 2	Option 3a	Option 3b	Option 4
Operating Revenues										
From Existing Fixtures	389,520	389,520	389,520	-	-	408,996	408,996	408,996	-	-
From New Fixtures	45,460	45,460	45,460	-	-	125,619	125,619	125,619	-	-
Total Revenue	434,980	434,980	434,980	-	-	534,615	534,615	534,615	-	-
Expenses										
Maintenance (Existing)	90,461	164,048	277,620	277,620	540,097	90,461	265,000	527,478	527,478	926,242
Maintenance (New)	103,230	103,230	103,230	103,230	103,230	279,868	279,868	279,868	279,868	279,868
New Staffing	-	425,000	425,000	425,000	850,000	-	850,000	850,000	850,000	850,000
Total Expenses	193,691	692,278	805,850	805,850	1,493,327	370,329	1,394,868	1,657,346	1,657,346	2,056,110
Net Operating Expenses	(45,460)	257,298	370,870	805,850	1,493,327	(125,619)	860,253	1,122,731	1,657,346	2,056,110
Capital One-Time Expenses										
New Shelters	287,475	287,475	287,475	287,475	287,475	325,805	325,805	325,805	325,805	325,805
Replacement Shelters	-	68,065	272,260	272,260	819,450	-	136,130	258,647	258,647	819,450
BC Transit Contribution	(134,251)	(166,037)	(261,396)	(261,396)	(516,934)	(152,151)	(215,724)	(272,939)	(272,939)	(534,834)
Platforms (new)	225,000	225,000	225,000	225,000	225,000	255,000	255,000	255,000	255,000	255,000
Replacement Benches	-	150,000	750,000	750,000	1,500,000	-	600,000	750,000	750,000	-
Total One-Time Capital	378,224	564,503	1,273,339	1,273,339	2,314,991	428,654	1,101,211	1,316,513	1,316,513	865,421
Net Capital Expenses	378,224	564,503	1,273,339	1,273,339	2,314,991	428,654	1,101,211	1,316,513	1,316,513	865,421
Total Net Expenses (Op + Cap)	332,764	821,801	1,644,209	2,079,189	3,808,318	303,035	1,961,464	2,439,244	2,973,859	2,921,531

amounts for each five-year period, not the costs per year. As indicated in the figure, Option 1 is the lowest cost alternative. This finding is not surprising given that Option 1 is essentially an expansion of the *status quo* with continued reliance on private contractors for much of the system. All of the other options are considerably higher on account of the growing numbers of existing shelters and benches moved under City ownership, and the addition of staff resources. Options 3b and 4 are particularly expensive given the absence under these options of any offsetting revenues.

➤ **Criterion:
City Control**

There are several decisions that need to be made in managing the network of transit shelters and benches going forward. Key decisions relate to:

- types of shelters purchased
- placement (i.e., location) of new shelters
- number of privately-owned fixtures transferred to the City, along with the terms and rate of transfer
- standards of maintenance followed
- number of new shelters and benches acquired each year to expand the system
- advertising on the fixtures — including the types of advertising to allow, where to allow it, and whether to have advertising at all

The City would not have absolute control over any of these decisions under any of the options. Consider the decision related to types of shelters. Under every option the City would be required to purchase the types of shelters prescribed by BC Transit under the terms of its *Transit Shelter Program*. A decision by the City to deviate from the prescribed types would render purchases ineligible for cost-sharing.

The City would also need, pursuant to the terms of the Transit Shelter Plan, need to obtain BC Transit's concurrence with proposed locations for additional transit shelters. To gain full control over

placement decisions, the City would need to forego any cost-sharing. Other points to note are as follows:

- > Pattison and Creative own the bulk of the fixtures in the City at present. Neither contractor is obligated under the terms of its contract with the City to transfer fixtures to the municipality at the end of contract term. The City would need, under Options 2, 3 and 4, to negotiate any transfers, along with the cost of transfers and rate of transfer. In Option 2, the City would also need the contractor (Pattison) to agree on the designation of corridors by volume, and the resulting inventory of shelters that Pattison would continue to own and maintain.
- > Standards of maintenance are ostensibly the City's to determine under every option. With the exception of Option 4, however, the City would continue to rely on private contractors to maintain a portion — albeit decreasing — of the inventory of fixtures. The City would set out in new contracts, as it has under the current contracts, the maintenance standards it wished to achieve. These standards would be subject to negotiation, however, and would need to be enforced by City staff.
- > Decisions related to the numbers of new shelters and benches to add each year would be initiated by the City. The municipality's desired levels and rates of acquisition, however, would be constrained by the amount of funding available through the *Transit Shelter Program*, the shelter suppliers' ability to meet demand, and the City's own ability to install platforms.
- > Decisions about advertising would fall to the City alone if the City were establishing an entirely new, publicly-owned network of fixtures. Given, however, that the City is starting from a hybrid model that relies significantly on the involvement of commercial advertising contractors, decisions on advertising going forward would involve some level of negotiation under all models. The City's control over issue would be greatest under Option 4 which envisions full public ownership. The City could, however, be

forced to accept some ongoing advertising (as envisioned in Option 3a) in order to avoid:

- the risk of having all existing shelters and benches removed at the end of current contracts
- the cost of purchasing all existing fixtures from their current owners

While City control would not be absolute under any option, it would be relatively moderate under Options 2 and 3, and relatively high under Option 4.

➤ **Criterion:**
Contractor Acceptance

As identified under the previous criterion, all of the options would either require or, in the case of Option 4, benefit from the willingness of the private contractors to accept the path chosen. The range of options was not presented to the City's existing contractors — Pattison and Creative — as part of this assignment; it is not possible, therefore, to state definitively how the contractors would respond to the different models. Based on the experiences of other municipalities, however, as well as discussions with Nanaimo staff, the following points may be assumed:

- > The contractor(s) involved would likely accept and work with the City to implement Options 1, 2 and 3a, all of which feature continued advertising.
- > The contractor(s) would likely prefer to focus advertising in high-volume corridors, which could be achieved in Options 1, 2 and 3a.
- > Option 3a may achieve the greatest level of acceptance because it would allow the contractor(s) to focus their resources on advertising, and relieve them of responsibility for maintenance, replacement and refurbishment.

- > It is unlikely that the contractor(s) would support Option 3b or Option 4. The City could not expect strong cooperation under these options.

➤ **Criterion:**
Impact on City Operations

Nanaimo's current approach to the provision of transit fixtures does not have any significant impact on City operations. Every option being considered by the City would result in an increased impact on the municipality.

The relative degree of impact would be determined largely by the number of total shelters and benches under City control. Option 1 would result in the lowest number of fixtures under the City; Options 3 and 4 would result in the highest. Options 2, 3 and 4 call for the addition of dedicated staff to manage the function. Each of these options would also impact, to varying degrees, the Transportation Manager and existing management staff in Public Works and Finance. For all of these managers, the City's transit fixtures would be more "on the radar" than at present, or than under Option 1.

The relative impact on City operations would be greatest under Option 4. This option features the addition of two staff positions in the first five-year stage to facilitate the expedited transfer of existing fixtures to the municipality, manage the City's growing inventory, and provide the maintenance necessary for all fixtures. The transfer of all responsibility to the City in a five-year period under this option would also impact the departmental managers.

SECTION 4:
RECOMMENDATION

The assessment of the options against the evaluation criteria indicates that Option 1 would have the least impact on City finances and City operations. This option, however, would also offer the City the lowest level of control over the shelter and benches system.

Options 3a, 3b and 4 would provide greater control to the City since all

options envision public ownership of the full inventory of fixtures. Along with greater control, however, would come higher relative costs for the City, particularly for Options 3b and 4 which do not feature commercial advertising revenues to help offset expenses. The impact on City operations would also be highest under Options 3a, 3b and 4.

Option 2 — the hybrid option — would result in improvements to the current shelter and bench inventory at a cost that would be higher than that under Option 1, but considerably lower than the cost associated with the public ownership options. Option 2 would have a moderate impact on City operations, but would also provide greater control to the City over the system than the City has today. It is also an option that, in the consultants' view, would be acceptable to the private partners.³ Acceptability would allow for a smooth transition from the present situation.

Recommendation

The consultants recommend that the City endorse Option 2: Corridor-Based Hybrid Model.

³ Negotiations would be required to determine details around refurbishment and replacement of primary-corridor shelters, and

transfer of secondary-corridor fixtures to the City in keeping with the City's ability to absorb and renew the assets.