

**City of Kelowna**  
**Regular Council Meeting**  
**AGENDA**



Monday, August 22, 2022  
1:30 pm  
Council Chamber  
City Hall, 1435 Water Street

**Pages**

**1. Call to Order**

I would like to acknowledge that we are gathered today on the traditional, ancestral, unceded territory of the syilx/Okanagan people.

This Meeting is open to the public and all representations to Council form part of the public record. A live audio-video feed is being broadcast and recorded on kelowna.ca.

**2. Confirmation of Minutes**

5 - 9

PM Meeting - August 8, 2022

**3. Development Application Reports & Related Bylaws**

**3.1. O'Reilly Road 2605 - TA22-0003 - William and Maria Kitsch**

10 - 26

To review a Staff recommendation to NOT support a site-specific text amendment application to the RR1 – Rural Residential 1 zone to reduce the minimum parcel size for animal clinics, major from 2.0 hectares permitted to 1.31 hectares proposed.

**3.2. Penno Road 480 - OCP22-0009 (BL12422) - New North West Trading Inc., BCo845659**

27 - 35

To amend the Official Community Plan to change the future land use designation of the subject property from the IND - Industrial designation to the REC - Private Recreational designation.

**3.3. Penno Road 480 - BL12422 (OCP22-0009) - New North West Trading Inc., BCo845659**

36 - 36

**Requires a majority of all members of Council (5).**

To give Bylaw No. 12422 first reading in order to amend the Official Community Plan to change the future land use designation of the subject property from the IND - Industrial designation to the REC - Private Recreational designation.

- 3.4. Collett Road 467 - Z22-0018 (BL12425) - Peter Blom** 37 - 55
- To rezone the subject property from the RU1 – Large Lot Housing zone to the RU1c – Large Lot Housing with Carriage House zone to facilitate the construction of a carriage house..
- 3.5. Supplemental Report - Frost Rd 1055 - OCP21-0010 (BL12382) Z21-0032 (BL12383) - Highstreet Canyon Falls Apartments Ltd.** 56 - 58
- To waive the requirement for a Preliminary Layout Review Letter for OCP Bylaw Amendment Bylaw No. 12382 and Zoning Bylaw Amendment Bylaw No. 12383 and to forward the Bylaws for adoption.
- 3.6. Frost Rd 1055 - BL12382 (OCP21-0010) - Highstreet Canyon Falls Apartments Ltd.** 59 - 60
- Requires a majority of all members of Council (5).**
- To adopt Bylaw No. 12382 in order to amend the Future Land Use designation boundaries of portions of the subject property from the VC - Village Centre and NAT - Natural Areas designations to the VC - Village Centre and NAT - Natural Areas designations.
- 3.7. Frost Rd 1055 - BL12383 (Z21-0032) - Highstreet Canyon Falls Apartments Ltd.** 61 - 62
- To adopt Bylaw No. 12383 in order to rezone portions of the subject property from the A1 - Agriculture 1 and the RU1h - Large Lot Housing (Hillside Area) zones to the P3 - Parks and Open Space and the RM5 - Medium Density Multiple Housing zones.
- 3.8. McKinley Beach Dr 3700 - DP22-0098 - Kinnikinnik Developments Inc., Inc.No. BCo622664** 63 - 98
- To issue a Development Permit for the form and character of a new multiple dwelling housing development.
- 3.9. Frost Rd 988 and 1090 - DP22-0128 - 0954654 BC Ltd., Inc.No. BCo954654** 99 - 160
- To issue a Development Permit for the form and character of several commercial buildings located in the Ponds Village Centre.
- 4. Bylaws for Adoption (Development Related)**
- 4.1. DeHart Rd 855 - BL12204 (Z20-0080) - 1294603 B.C. Ltd., Inc.No. BC1294603** 161 - 161
- To adopt Bylaw No. 12204 in order to rezone the subject property from the RU1 – Large Lot Housing zone to the RU6 – Two Dwelling Housing zone.



4.2.	<b>McClure Rd 4628 - BL12320 (OCP22-0001) - Paul Andrew Mitchell and Ronda Ann Mitchell</b>	162 - 163
	<b>Requires a majority of all members of Council (5).</b>	
	To adopt Bylaw No. 12320 in order to amend the Official Community Plan for portions of the subject property from the S-RES - Suburban Residential designation to the NAT - Natural Areas designation.	
4.3.	<b>McClure Rd 4628 - BL12321 (Z21-0064) - Paul Andrew Mitchell and Ronda Ann Mitchell</b>	164 - 165
	To adopt Bylaw No. 12321 in order to rezone the subject property from the RU1 - Large Lot Housing zone to the RU2 - Medium Lot Housing and P3 - Parks and Open Space zones.	
5.	<b>Non-Development Reports &amp; Related Bylaws</b>	
5.1.	<b>10-Year Capital Plan (2022 - 2031)</b>	166 - 226
	To provide Council with the 10-Year Capital Plan for their adoption.	
5.2.	<b>Update to Development Cost Charge Program</b>	227 - 332
	To provide Council with the update to the Development Cost Charge program required to ensure capital financing is in place to support infrastructure investment to service the 2040 Official Community Plan's growth strategy and for Council to give reading consideration to the new DCC Bylaws.	
5.3.	<b>BL12420 Development Cost Charge Bylaw 2022</b>	333 - 344
	To give Bylaw No. 12420 first, second and third reading.	
5.4.	<b>BL12419 Development Cost Charge Reserve Reduction Bylaw</b>	345 - 351
	To give Bylaw No. 12419 first, second and third reading.	
5.5.	<b>Sewer Connection Area Financing Framework – Stage 3</b>	352 - 363
	To transfer reserve funds from completed sewer connection areas to support the sustainable funding of the City's Sewer Connection Area Program, that supports sewer service to properties currently on private septic systems.	
5.6.	<b>Knox Mountain Geotechnical Engineering Project Budget</b>	364 - 374
	To increase budget for the Knox Mountain Geotechnical Project to meet financial requirements to commence the works in 2022.	

**5.7. Transit Improvement Program – 3 year proposed budgets**

375 - 398

To receive Council approval for and execution of a Memorandum of Understanding for the Transit Improvement Program 3-year expansion initiatives for the period 2023-2026 and, to request Council support for free transit service on municipal election day.

**6. Mayor and Councillor Items**

**7. Termination**



**City of Kelowna  
Regular Council Meeting  
Minutes**

Date: Monday, August 8, 2022  
 Location: Council Chamber  
 City Hall, 1435 Water Street

Members Present Mayor Colin Basran, Councillors Maxine DeHart\*, Ryan Donn, Gail Given, Charlie Hodge, Mohini Singh, Brad Sieben\*, Luke Stack\* and Loyal Wooldridge

Staff Present Acting City Manager, Ryan Smith; City Clerk, Stephen Fleming; Development Planning Department Manager, Terry Barton\*; Planner, Jason Issler\*; Champion of the Environment, Chris Ray\*; Urban Forestry Technician, Tara Bergeson\*; Urban Forestry Supervisor, Andrew Hunsberger\*

Staff participating Remotely Legislative Coordinator (Confidential), Arlene McClelland

(\* Denotes partial attendance)

**1. Call to Order**

Mayor Basran called the meeting to order at 1:33 p.m.

I would like to acknowledge that we are gathered today on the traditional, ancestral, unceded territory of the syilx/Okanagan people.

As an open meeting, a live audio-video feed is being broadcast and recorded on kelowna.ca.

**2. Confirmation of Minutes**

Moved By Councillor Hodge/Seconded By Councillor Wooldridge

R0621/22/08/08 THAT the Minutes of the Regular Meetings of July 25, 2022 be confirmed as circulated.

Carried

**3. Development Application Reports & Related Bylaws**

**3.1 Teasdale Rd 1368, A22-0003 - Northview Orchards Ltd., Inc. No. 221199**

Councillor Sieben joined the meeting at 1:35 p.m.

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Councillor Stack joined the meeting at 1:38 p.m.

Moved By Councillor Singh/Seconded By Councillor Wooldridge

**Ro622/22/08/08** THAT Agriculture Land Reserve Application No. A22-0003 for Lot 3 Section 23 Township 26 ODYD Plan 2329 Except Plans 4697, 34964 and H12752 located at 1368 Teasdale Road, Kelowna, BC for a Non-Adhering Residential Use Permit pursuant to Section 25 of the Agricultural Land Commission Act, be supported by Council;

AND THAT the Council directs Staff to forward the subject application to the Agricultural Land Commission for consideration.

**Carried**

**3.2 Supplemental Report - Rimrock Rd 180 - Z22-0021 (BL12417) - Mohammad Yousuf Nasin and Sayeda Hashimi Nasin**

Moved By Councillor Given/Seconded By Councillor Donn

**Ro623/22/08/08** THAT Council receives, for information, the report from the Office of the City Clerk dated August 8, 2022 with respect to Zoning Bylaw No. 12417;

AND THAT Rezoning Bylaw No. 12417 be forwarded for further reading consideration.

**Carried**

**3.3 Rimrock Rd 180 - BL12417 (Z22-0021) - Mohammad Yousuf Nasin and Sayeda Hashimi Nasin**

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

**Ro624/22/08/08** THAT Bylaw No. 12417 be read a first, second and third time and be adopted.

**Carried**

**3.4 Water St 1659 - DP 22-0137 - The Wedge Enterprises Inc., Inc. No. BC1238448**

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Moved By Councillor Stack/Seconded By Councillor Hodge

**Ro625/22/08/08** THAT Council authorizes the issuance of Development Permit No. DP22-0137 for Lot 12 Block 6 District Lot 139 ODYD Plan 462 Except Plan KAP82841, located at 1659 Water Street, Kelowna, BC subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
2. The exterior design and finish the building to be constructed on the land be in accordance with Schedule "B";

AND THAT the applicant be required to complete the above noted conditions of Council's approval of the Development Permit application in order for the permits to be issued;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

Carried

**4. Bylaws for Adoption (Development Related)**

**4.1 Lawson Ave 1021 - BL12065 (Z20-0041) - Susan D. Glendinning**

Moved By Councillor Hodge/Seconded By Councillor Wooldridge

**Ro626/22/08/08** THAT Bylaw No. 12065 be amended at third reading by deleting the Legal Description that reads:

"Lot 2 District Lot 138 ODYD Plan 5065"

And replacing it with:

"Lot A District Lot 138 ODYD Plan EPP121306".

Carried

Moved By Councillor Hodge/Seconded By Councillor Wooldridge

**Ro627/22/08/08** THAT Bylaw No. 12065, as amended, be adopted.

Carried

**4.2 Sexsmith Rd 2996 - BL12177 (Z19-0072) - 2996 Sexsmith Holdings Ltd., Inc. No. BC1291161**

Moved By Councillor Hodge/Seconded By Councillor Given

**Ro628/22/08/08** THAT Bylaw No. 12177 be adopted.

Carried

**4.3 Sexsmith Rd 3030 - BL12178 (Z18-0116) - Jason G. Witt**

Moved By Councillor Given/Seconded By Councillor Hodge

**Ro629/22/08/08** THAT Bylaw No. 12178 be adopted.

Carried

**4.4 Sherwood Rd 639 - BL12264 (Z21-0067) - Yunfang Gao**

Moved By Councillor Hodge/Seconded By Councillor Wooldridge

**Ro630/22/08/08** THAT Bylaw No. 12264 be adopted.

Carried

**4.5 Fleet Ct 3480, 3508 - BL12388 (OCP20-0003) - Midwest Ventures Ltd., Inc. No. BC0046021**

Councillor DeHart declared a conflict of interest for items 4.5 and 4.6 as was declared previously and departed the meeting at 1:54 p.m.

Moved By Councillor Sieben/Seconded By Councillor Donn

R0631/22/08/08 THAT Bylaw No. 12388 be adopted.

Carried

4.6 Fleet Ct 3480, 3508 - BL12389 (Z20-0006) - Midwest Ventures Ltd., Inc. No. BC0046021

Moved By Councillor Sieben/Seconded By Councillor Donn

R0632/22/08/08 THAT Bylaw No. 12389 be adopted.

Carried

Councillor DeHart returned to the meeting at 1:55 p.m.

4.7 Greene Rd 658 - BL12395 (Z21-0107) - Ricki Chan

Moved By Councillor DeHart/Seconded By Councillor Donn

R0633/22/08/08 THAT Bylaw No. 12395 be adopted.

Carried

4.8 Feedham Ave 1649 - BL12413 (Z22-0031) - Sander Dokter and Brooke Dokter

Moved By Councillor DeHart/Seconded By Councillor Donn

R0634/22/08/08 THAT Bylaw No. 12413 be adopted.

Carried

## 5. Non-Development Reports & Related Bylaws

### 5.1 Climate and Environment Framework and Recommendations Report

Staff:

- Displayed a PowerPoint Presentation outlining the Climate Resilience and Environmental Stewardship Review and proposed recommendations and responded to questions from Council.

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R0635/22/08/08 THAT Council receive, for information, the staff report on the Climate and Environment Review, dated August 8, 2022;

AND THAT Council endorse the Framework and recommended initiatives outlined in the Climate Resilience & Environmental Stewardship Review: Framework and Recommendations Report;

AND FURTHER THAT Council direct the City Manager to work with staff in bringing information on Recommendations and resourcing requirements for priority Quick Starts and governance model to Council prior to the 2023 budget meeting.

Carried

## 5.2 2022 Community Wildfire Resiliency Plan Update

Staff:

- Displayed a PowerPoint Presentation outlining the proposed updates to the Community Wildfire Resiliency Plan and responded to questions from Council.

Moved By Councillor Donn/Seconded By Councillor Given

**Ro636/22/08/08** THAT Council receives, for information, the report from the Parks Services Department, dated August 8, 2022, with respect to the 2022 Community Wildfire Resiliency Plan;

AND THAT Council endorse the 2022 Community Wildfire Resiliency Plan as attached to the report from the Parks Services Department dated August 8, 2022.

**Carried**

## 6. Mayor and Councillor Items

Councillor Donn:

- Made comment on the activation of cooling centres in the city.

Councillor Hodge:

- Made comment on his recent staycation enjoying local restaurants and the vibrancy of live music events.

Councillor Wooldridge:

- Spoke to the upcoming Opera under the Stars event at UBC Okanagan on Wednesday, August 10th.

Councillor Stack:

- Spoke to the Rock the Lake concert and other events being held over the weekend bringing in a lot of people downtown.

Mayor Basran:

- Reminder of the Public Hearing tomorrow evening.

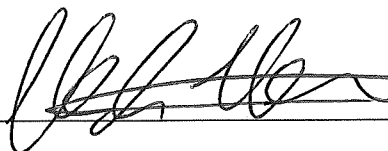
## 7. Termination

This meeting was declared terminated at 3:30 p.m.

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Mayor Basran

/acm




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City Clerk





the facility is in a high environmentally sensitive area. The property has been identified as a coniferous woodland sensitive ecosystem, and the process of grading, clearing and driveway construction would have an adverse impact on the ecology of the site.

Staff recognize the potential benefits of having an animal clinic, major in Kelowna that caters to native mammals, rodents and birds. However, the size, shape, ecology and grade of the subject site are not suitable enough to justify support for the proposed text amendment for the subject property.

**3.0 Proposal**

**3.1 Project Description**

The applicants are proposing to build a wildlife rehabilitation facility on the subject site that caters to small, non-predatory mammals and birds. The proposal is for a single structure with three outdoor enclosures where orphaned wildlife would receive medical care and rehabilitation. The primary building would be a 66.9 m<sup>2</sup> skidded mobile office trailer that would be serviced by a proposed 1-inch potable water line. Two outdoor aviaries and one outdoor animal enclosure would also be installed, along with on site parking for staff. The subject site does not currently have a sanitary sewer connection, and development engineering staff have concerns about whether the site could support a septic system. Development Engineering will provide a more detailed analysis should the text amendment be supported by Council.

Site Context

The site is located on O’Reilly Road near the intersection with Dunsmuir Road. The parcel is zoned RR1 with a future land use of R-Res – Rural Residential.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	RR3 – Rural Residential 3	Single Dwelling Housing
East	A1 – Agriculture	Agriculture
South	RR2 – Rural Residential 2	Single Dwelling Housing
West	RR3 – Rural Residential 3	Single Dwelling Housing

**Subject Property Map:**



**4.0 Current Development Policies**

<b>Objective 14.5 Protect and restore environmentally sensitive areas from development impacts.</b>	
Policy 14.5.1 Development Design in Environmentally Sensitive Areas.	Design new development to prioritize protection of environmentally sensitive areas as identified in Map 21.1 Natural Environment Development Permit area. Design the development to not disturb natural ecosystems, preserve environmentally sensitive features, adapt to natural topography and to avoid overall environmental impact. For those developments also in a Wildfire Development Permit Area (Map 20.2), ensure the development is also designed to minimize wildfire risk.  <i>The proposal would initiate development and impact the topography of a parcel that has been identified as a high environmentally sensitive area.</i>
Policy 14.5.9 Habitat Management Hierarchy.	Ensure the following sequence of management actions for all public or private projects be adhered to, in areas identified in Natural Environmental Development Permit Map 21.1, to achieve the “no net loss/net gain” principle of ESA: AVOID impacts to habitat through appropriate project siting and design;  <i>Siting of the proposed development in a high environmentally sensitive area would require site clearance, road construction and grading.</i>

**5.0 Application Chronology**

Date of Application Received: February 28, 2022  
 Date Public Consultation Completed: April 4, 2022

**6.0 Alternate Recommendation**

THAT Zoning Bylaw Text Amendment Application No. TA22-0003 to amend City of Kelowna Zoning Bylaw No. 8000 as outlined in the Report from the Development Planning Department dated August 22, 2022 for Lot 1 Section 16 Township 26 ODYD Plan KAP71228 located at 2605 O’Reilly Road, be considered by Council.

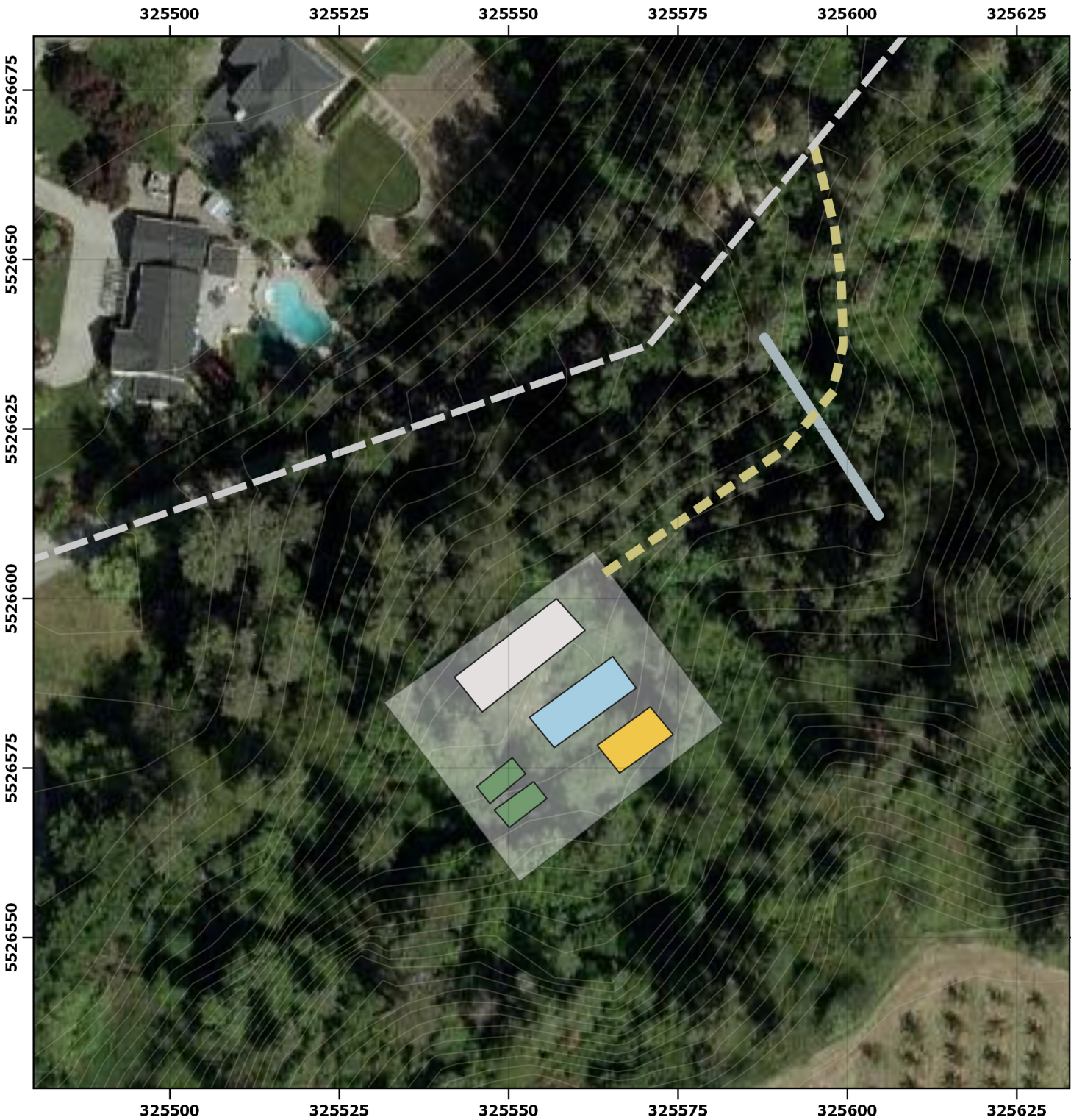
Should Council choose to proceed with the alternate recommendation the applicant will be required to complete an Environmental and Natural Hazard Development Permit prior to permits being issued for site works and construction on the site.

**Report prepared by:** Graham Allison, Planner I  
**Reviewed by:** Dean Strachan, Community Planning & Development Manager  
**Reviewed by:** Terry Barton, Development Planning Department Manager  
**Approved for Inclusion:** Ryan Smith, Divisional Director, Planning & Development Services

**Attachments:**

- Schedule A: Site Plan and Floor Plans
- Schedule B: Elevations

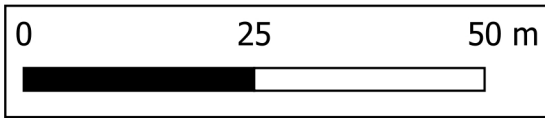




# Wild Things Rehabilitation Society Proposal

**LEGEND**

- Proposed Animal Enclosure
- Proposed Aviary Enclosure
- Proposed Parking
- Proposed Office Trailer
- Proposed Gravel Road
- Proposed Culvert
- Paved Laneway
- Pre-existing Clear Cut
- 1 Meter Contours



**SCHEDULE A**

This forms part of application # TA22-0003

Planner Initials GA

City of Kelowna  
DEVELOPMENT PLANNING



**Founder: Sydney Platz**



### Modular Office Trailer

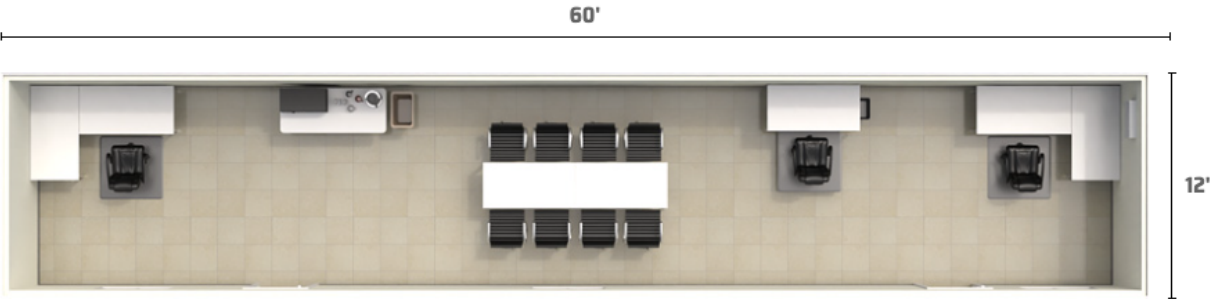
12' x 60' skidded mobile office trailer provides 720 sq. ft. of skidded mobile office space and is made with durable, high-quality materials that meet local building, electrical, mechanical and plumbing codes.

*Exact trailer model and dimensions are to be determined based on the location chosen on the site.*

#### Example Trailer Exterior:



#### Example Interior Layout with Dimensions:



<b>SCHEDULE</b>	<b>B</b>
This forms part of application # TA22-0003	
Planner Initials <b>GA</b>	 <b>City of Kelowna</b> DEVELOPMENT PLANNING



## Outdoor Enclosure Specifications

Two outdoor aviaries and one outdoor animal enclosure will be installed. All three structures are constructed onsite and are temporary in design permitting them to be relocated on the site or removed from the site easily. The small animal enclosure will house injured or orphaned small mammals. The outdoor aviaries will house injured or orphaned birds.

### Small animal enclosure

Material - wooden with wire mesh

Overall

71" H x 71" W x 38" L

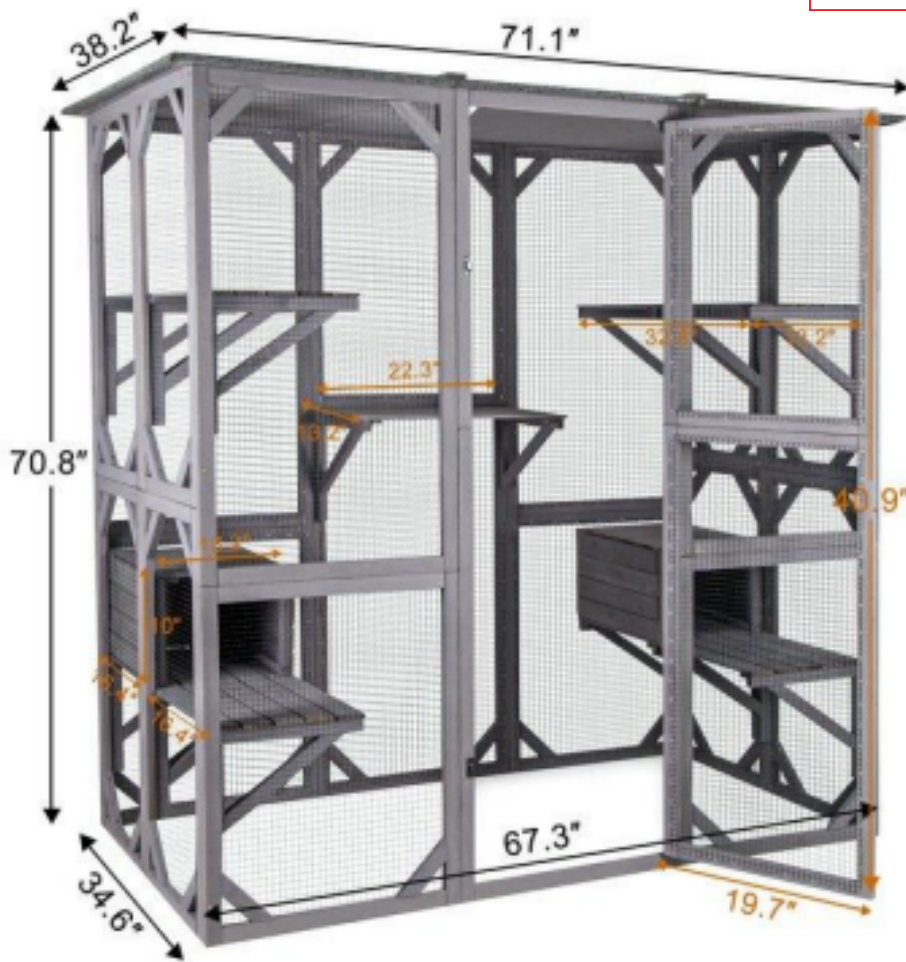
Interior

70" H x 70" W x 39" L

Door

41" H x 20" W

<b>SCHEDULE</b>	<b>B</b>
This forms part of application # TA22-0003	
Planner Initials	GA
 <b>City of Kelowna</b> <small>DEVELOPMENT PLANNING</small>	



**Aviary enclosure (x2)**

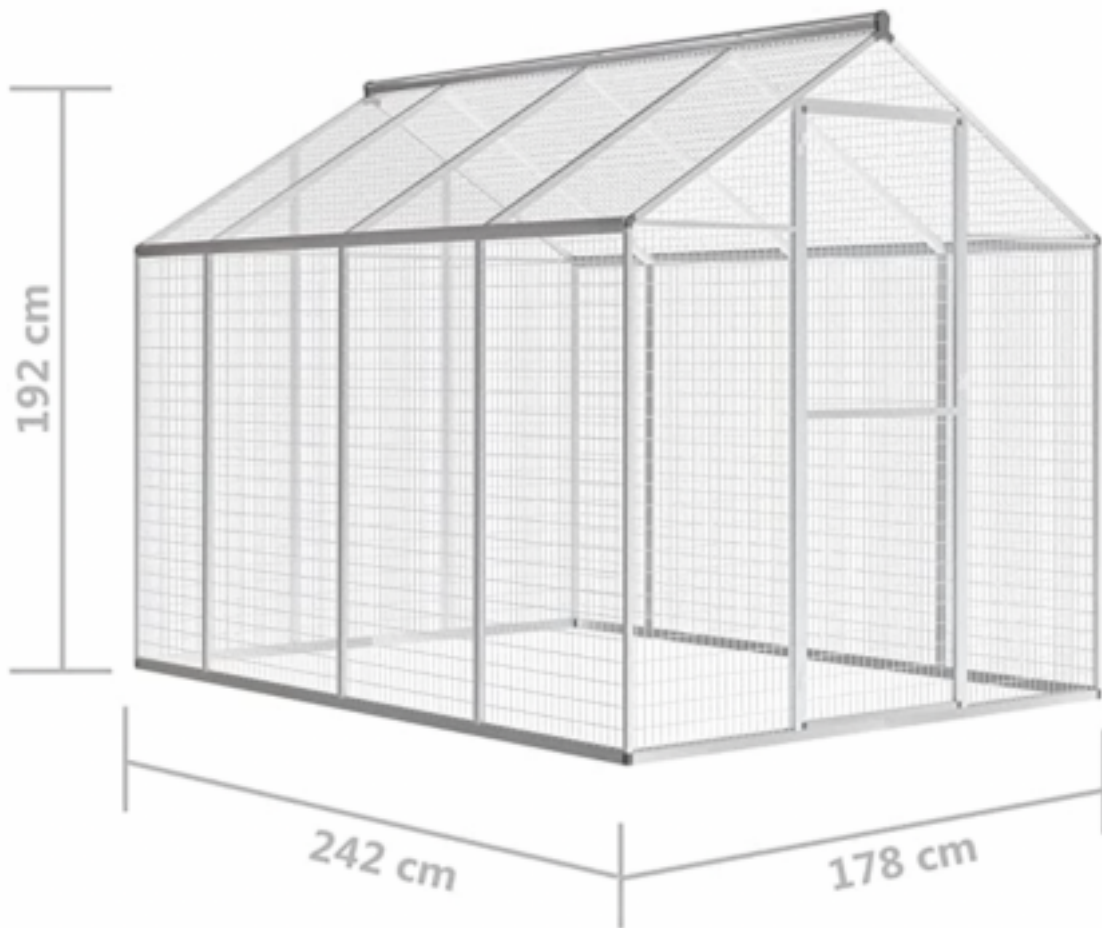
Material -Aluminum with wire mesh

Overall

70" L x95.3"Wx75.6"H

Interior

95.3" L x 70" W x 75.6" H



<b>SCHEDULE</b>		<b>B</b>
This forms part of application # TA22-0003		
Planner Initials	GA	 <b>City of Kelowna</b> <small>DEVELOPMENT PLANNING</small>



TA22-0003  
2605 O'Reilly Road

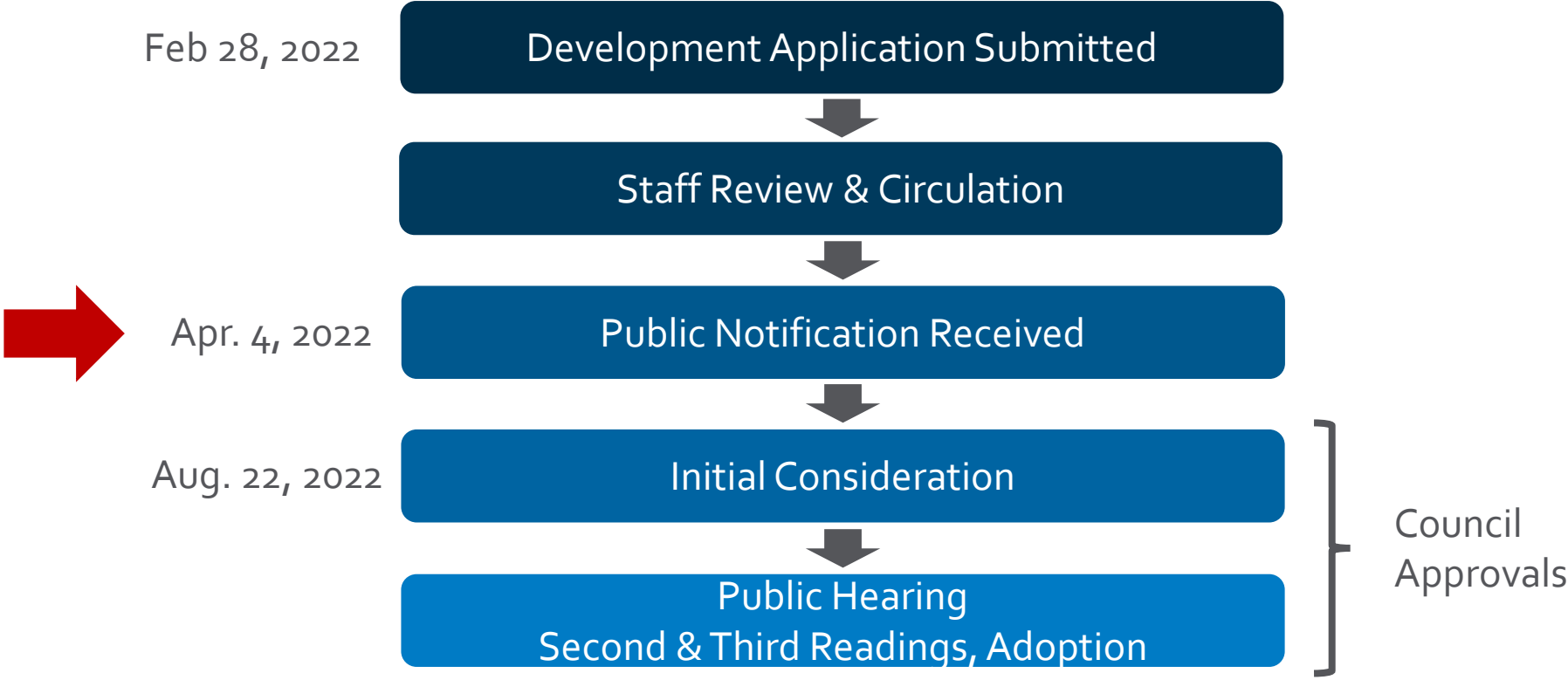
Zoning Bylaw Text Amendment

# Proposal

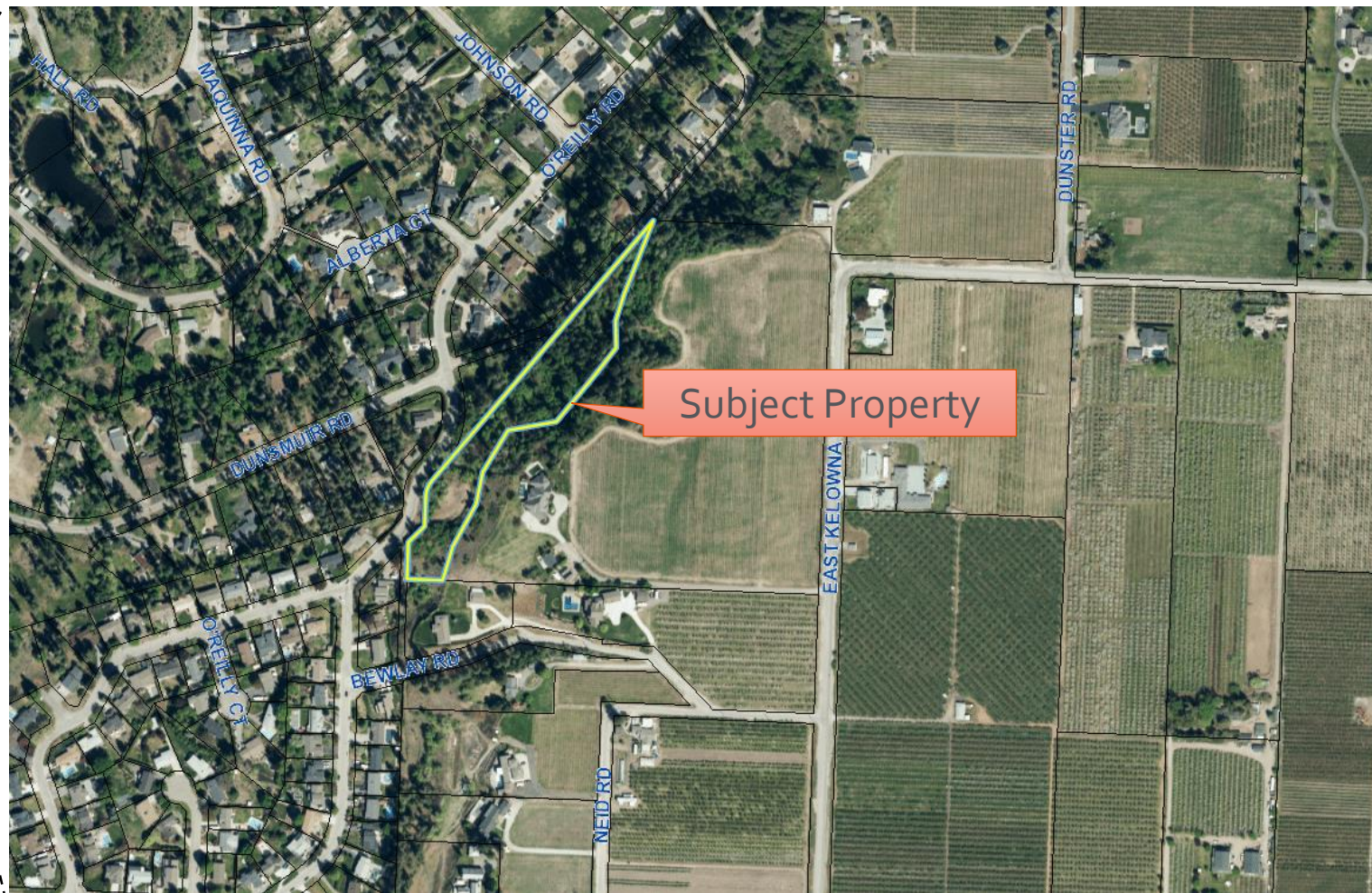
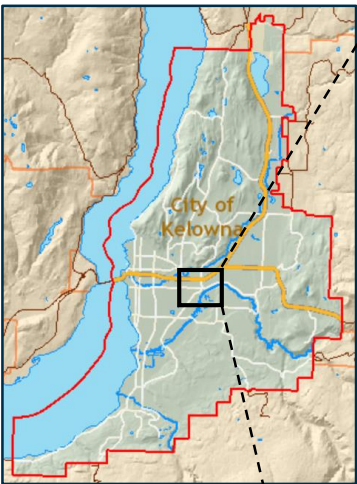
- ▶ To review a Staff recommendation to NOT support a site-specific text amendment application to the RR<sub>1</sub> – Rural Residential 1 zone to reduce the minimum parcel size for animal clinics, major from 2.0 hectares permitted to 1.31 hectares proposed.



# Development Process



# Context Map



Subject Property



# Subject Property Map



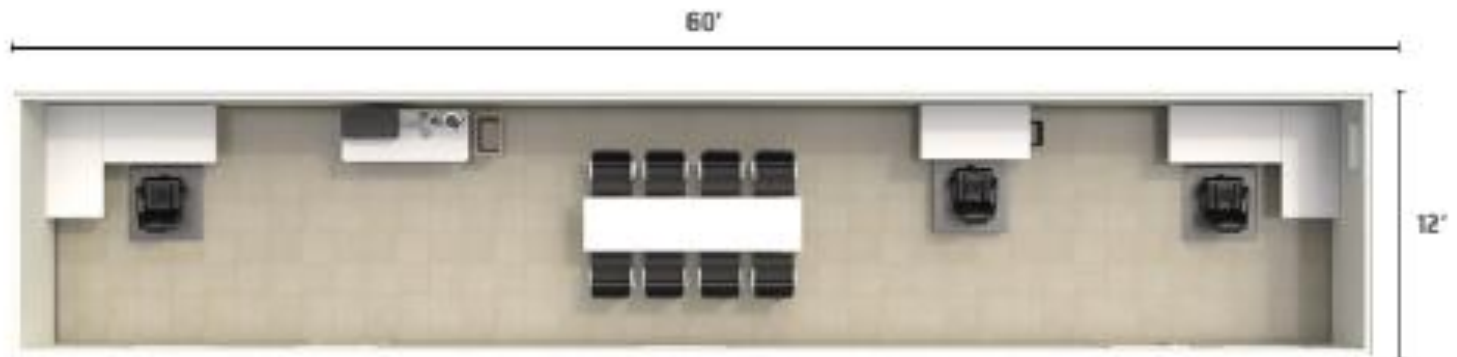


# Proposed Office

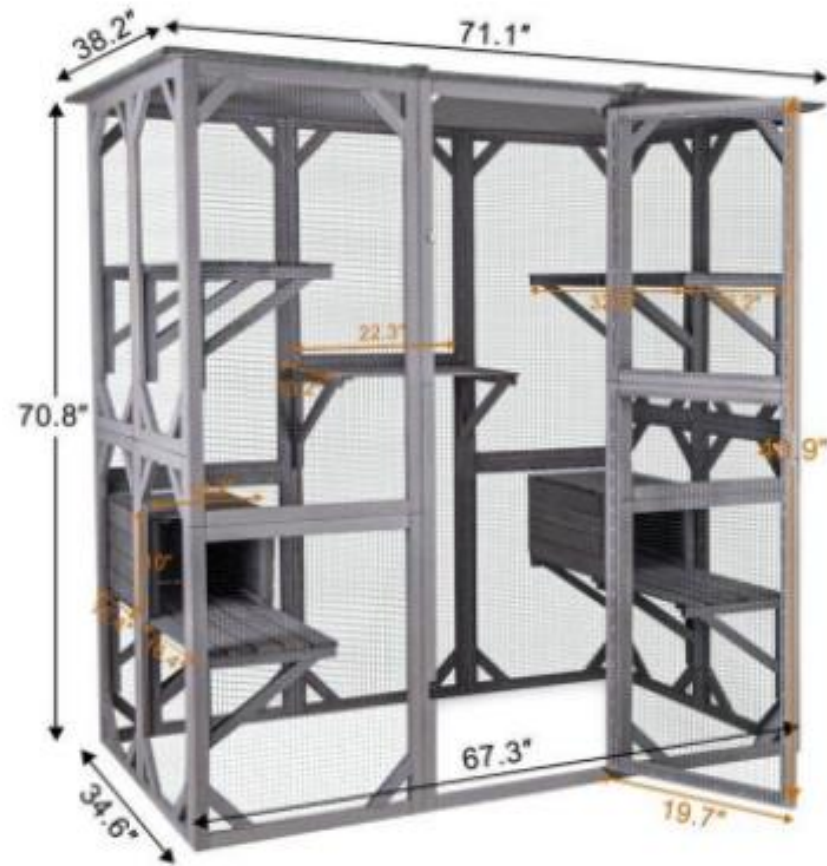
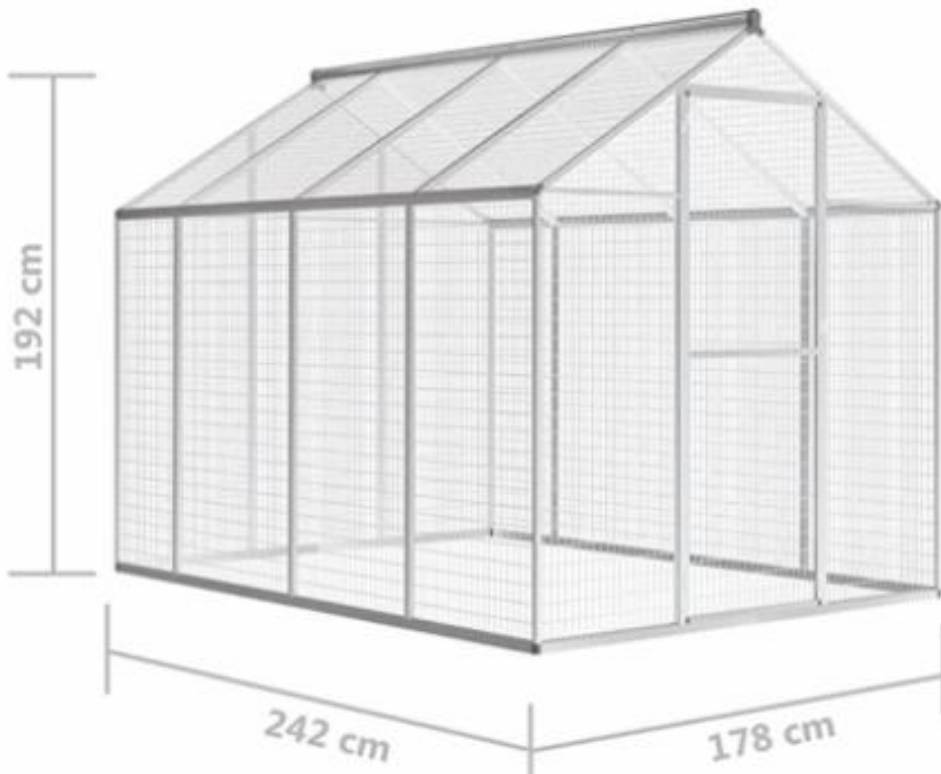
Example Trailer Exterior:



Example Interior Layout with Dimensions:



# Proposed Enclosures



# Project/technical details

- ▶ The proposal is to construct a wildlife rehabilitation facility on the subject site specializing on small, non-predatory birds and mammals.
- ▶ The facility would contain an office and multiple enclosures.
  - ▶ The primary building would be a 66.9 m<sup>2</sup> skidded mobile office trailer that would be serviced by a 1-inch potable water line and a 4-inch sanitary sewer line.
  - ▶ Two outdoor aviaries and one outdoor animal enclosure would also be installed, along with on site parking for staff.

# Staff Recommendation

- ▶ Staff recommend that council **not support** the proposed Text Amendment Application.
  - ▶ The RR<sub>1</sub> – Rural Residential zone stipulates a minimum lot size of 2.0 hectares for animal clinics, major to create a sizable buffer to prevent nuisances that would impact neighbouring properties.
    - ▶ The size, coupled with the narrow shape of the subject property would not mitigate the risks to neighbouring properties associated with the operation of a major animal clinic
  - ▶ The proposed location of the facility is in a high environmentally sensitive area.
    - ▶ The process of grading, clearance and driveway construction would have an adverse impact on the ecology of the site



## *Conclusion of Staff Remarks*





*Previous Council Resolutions*

Resolution	Date
THAT Council direct staff to bring forward the rationale for the OCP 2040 Map 3.1 Future Land Use designation for 480 Penno Rd	June 27, 2022
<p>THAT Council receives for information, the report from the Policy &amp; Planning Department dated July 25, 2022 regarding the Future Land Use for 480 Penno Road.</p> <p>THAT Council direct staff to bring forward for Council consideration a bylaw to amend the OCP 2040 Future Land Use Map 3.1 designation for 480 Penno Rd from "Industrial" to "Private Recreational".</p>	July 25, 2022

**Discussion:**

Background

During the October 26, 2021 Regular Meeting that followed the 2040 Official Community Plan Public Hearing, Council passed a resolution which directed staff to bring forward rationale for three items raised during the public hearing upon adoption of the Plan. These items included the Future Land Use designations for 1205 High Road and 4998 Gordon Drive, in addition to the building heights along the east side of Ellis Street. Subsequent to staff outlining the rationale for the Future Land Use designations, on June 27, 2022 Council passed the resolution requesting staff bring forward the rationale for the Future Land Use designation of 480 Penno Road (subject property).

The subject property’s Future Land Use designation rationale was provided in the July 25, 2022 Report to Council. The Report outlined that the 2040 OCP projects a significant increase in industrial development, such as storage, distributing and warehousing space over the next twenty years. As part of the 2040 OCP’s approach to addressing industrial land needs, the subject property has been designated as Industrial. The property is zoned P3 Parks and Open Space and continues to operate as a golf course. The zoning has not changed with the adoption of the 2040 OCP and the business can continue to operate. Should a rezoning application be processed, the property’s developable area, servicing and drainage management would be addressed at that time. If this property was not designated to support industrial uses in the future, the city may lack the availability of appropriate and adequately serviced industrial lands needed to support sustainable, resilient economic development in the region over the next twenty years.

At its Regular Meeting of June 27, 2022, Council brought forward comments of concern pertaining to the subject property being designated as Industrial, citing impacts on climate change, environment, and citizens’ quality of life. Further to Council’s July 25, 2022 resolution, staff has brought forward for Council consideration a bylaw to amend the subject property’s future land use from Industrial to Private Recreational.

Subject Property Map: 480 Penno Road



Development Application and Heritage Procedures Bylaw No. 12310

The purpose of the Bylaw is to establish procedures for the processing of land development applications, including amendments to the Official Community Plan. The Bylaw outlines that consultation requirements as identified in Council Policy No. 367 must be undertaken. This Policy establishes standards and procedures for applicant's public notification and consultation responsibilities in respect of development applications prior to initial Council consideration. This ensures transparent and consistent application of standards for the benefit of affected residents, the development community and the City.

As this proposed OCP amendment involves a major change to the Future Land Use class, public notification prior to consideration of first reading includes posting a development notice sign, conducting neighbour consultation and hosting a public information session. It is recommended that Council waive this pre-first reading public consultation requirement as the proposal has already garnered early public engagement, numerous media stories, and significant public correspondence including a letter from the property owner.

**Conclusion:**

Further to the June 27 and July 25, 2022 information reports, Council directed staff to bring forward a bylaw to amend the Official Community Plan to change the future land use designation of the subject property from Industrial to Private Recreational. The land use amendment proposal has received early public engagement.

**Internal Circulation:**

Divisional Director, Planning and Development Services  
Department Manager, Development Planning

**Existing Policy:**

Imagine Kelowna  
2040 Official Community Plan

**Financial/Budgetary Considerations:**

Tax Revenue: In 2021, the tax revenue of industrial lands located in the vicinity of the subject property was \$39,279 per hectare. The 2021 tax revenue for the subject property operating as a golf course was \$409.05 per hectare.

Development Cost Charges: DCC revenue is legislated to be used on a specific suite of projects that support growth and cannot be used for any other purpose without amending the DCC Bylaw which requires Ministry approval. There are a number of unknown variables that could significantly affect the actual DCC funds collected at time of property development. Notwithstanding, the following is a rough, conceptual scenario: It is assumed that if the 106 acre subject property successfully rezones to I2, it would build out to the allowable 60% site coverage. Furthermore, it is assumed that at least 30% of the site would be taken up by roads and environmental areas, plus most of the buildings would be large 1 storey industrial warehouses. In this conceptual scenario, the total useable area of the site would be approx. 74 acres (299,467 sqm). As such, the potential DCC revenue could be approximately \$17 million.

Submitted by: R. Miles, Long Range Policy Planning Manager

Approved for inclusion:



D. Noble-Brandt, Dept. Manager of Policy and Planning





City of  
**Kelowna**

# 2040

Official  
Community Plan

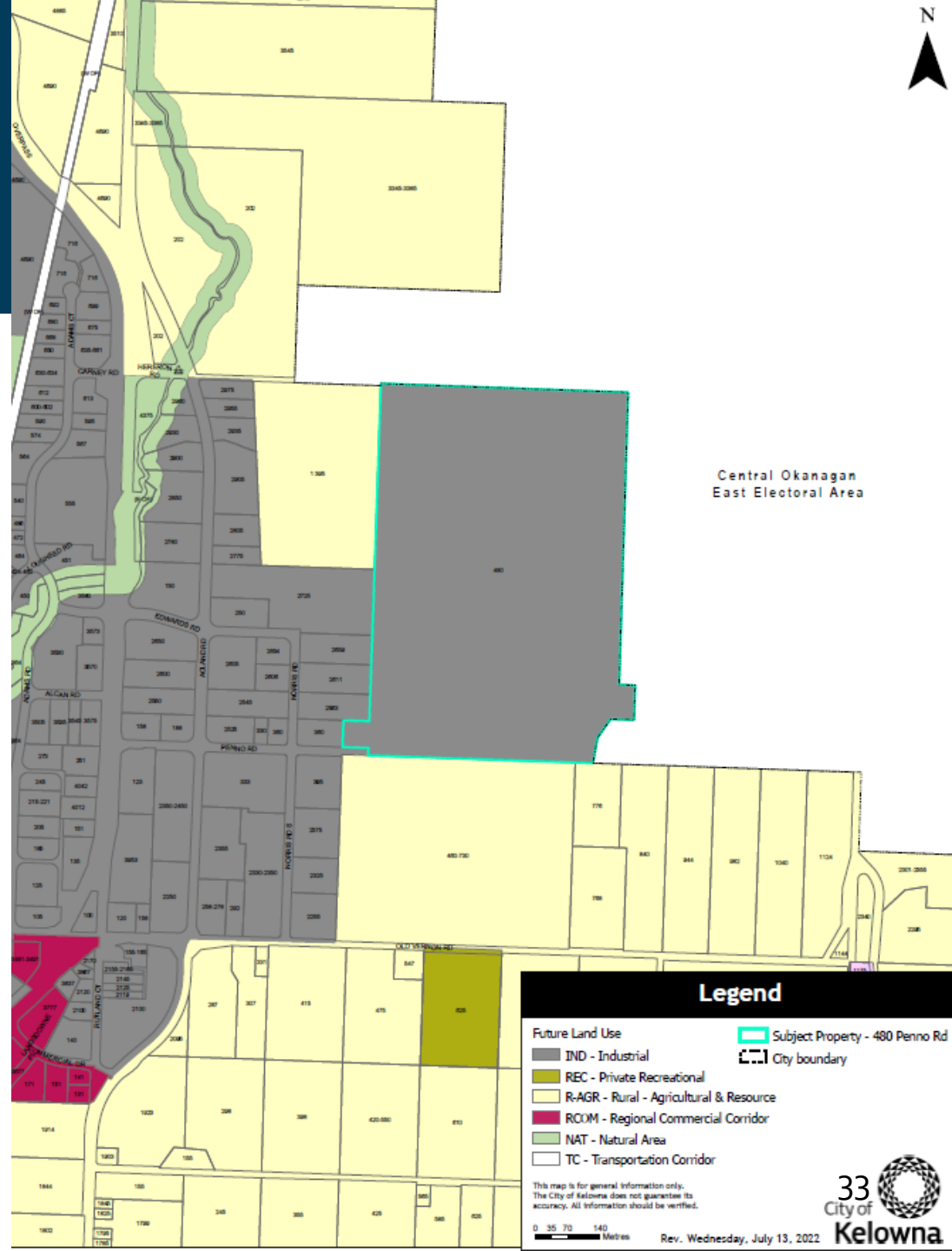
OCP22-0009: 480 Penno Road



# Subject Property Map



# Future Land Use



# Staff Recommendation

THAT Official Community Plan Map Amendment Application No. OCP22-0009 to amend Map 3.1 in the Kelowna 2040 – Official Community Plan Bylaw No. 12300 by changing the Future Land Use designation of Lot B, Plan EPP41714, District Lot 123, ODYD, located at 480 Penno Road, Kelowna, BC from the IND – Industrial designation to the REC – Private Recreational designation, as outlined in the Report from the Policy & Planning Department dated August 22, 2022, be considered by Council;

AND THAT the Official Community Plan Amending Bylaw No. 12422 be forwarded to a Public Hearing for further consideration;

AND THAT the requirement to hold a Public Information Session, conduct Neighbour Consultation and post a Development Notice Sign, prior to the Official Community Plan Map Amending Bylaw receiving first reading, in accordance with the Local Government Act, and the City of Kelowna's Development Application and Heritage Procedures Bylaw No. 12310, be waived.





City of  
**Kelowna**



# 2040 Official Community Plan

# CITY OF KELOWNA

## BYLAW NO. 12422

### Official Community Plan Amendment No. OCP22-0009 480 Penno Road

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A bylaw to amend the "*Kelowna 2040* – Official Community Plan Bylaw No. 12300".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT Map 3.1 – **Future Land Use** of "*Kelowna 2040* – Official Community Plan Bylaw No. 12300" be amended by changing the Future Land Use designation of Lot B District Lot 123 ODYD Plan EPP41714, located on Penno Road, Kelowna, B.C., from the IND – Industrial designation to the REC – Private Recreational designation;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this

Considered at a Public Hearing on the

Read a second and third time by the Municipal Council this

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

# REPORT TO COUNCIL



**Date:** August 22, 2022  
**To:** Council  
**From:** City Manager  
**Department:** Development Planning  
**Application:** Z22-0018 **Owner:** Peter Blom  
**Address:** 467 Collett Road **Applicant:** Mark Graham  
**Subject:** Rezoning Application  
**Existing OCP Designation:** S-RES – Suburban-Residential  
**Existing Zone:** RU1 - Large Lot Housing  
**Proposed Zone:** RU1c - Large Lot Housing with Carriage House

---

## 1.0 Recommendation

THAT Rezoning Application No. Z22-0018 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 1 Section 25 SDYD Plan 7071, located at 467 Collett Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU1c– Large Lot Housing with Carriage House zone, be considered by Council;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Development Planning Department dated August 22, 2022.

### Purpose

To rezone the subject property from the RU1 – Large Lot Housing zone to the RU1c – Large Lot Housing with Carriage House zone to facilitate the construction of a carriage house..

## 2.0 Development Planning

Staff support the proposal to rezone the subject property from RU1 – Large Lot Housing zone to the RU1c – Large Lot Housing with Carriage House zone. The subject property has a S-RES – Suburban Residential future land use designation, has a sanitary sewer connection, and is within the city's permanent growth boundary. As such, the proposed zone is consistent with the Official Community Plan's (OCP) objectives and the RU1c – Large Lot Housing with Carriage House zone and should integrate well within the surrounding neighbourhood.



**3.0 Proposal**

**3.1 Project Description**

The proposed rezoning from the RU1 – Large Lot Housing to the RU1c – Large Lot Housing with Carriage House zone to facilitate the construction of a carriage house. The proposed carriage house will be accessed via an existing driveway off Bellevue Road. The property abuts the agricultural land reserve (ALR), and a 4.0m landscape buffer will be required as a condition of a farm development permit prior to final adoption of the zone. The subject property has a Future Land Use Designation of S-RES – Suburban Residential and is within the City’s Permanent Growth Boundary. As such, the proposed zone is consistent with the Official Community Plan’s (OCP) objectives.

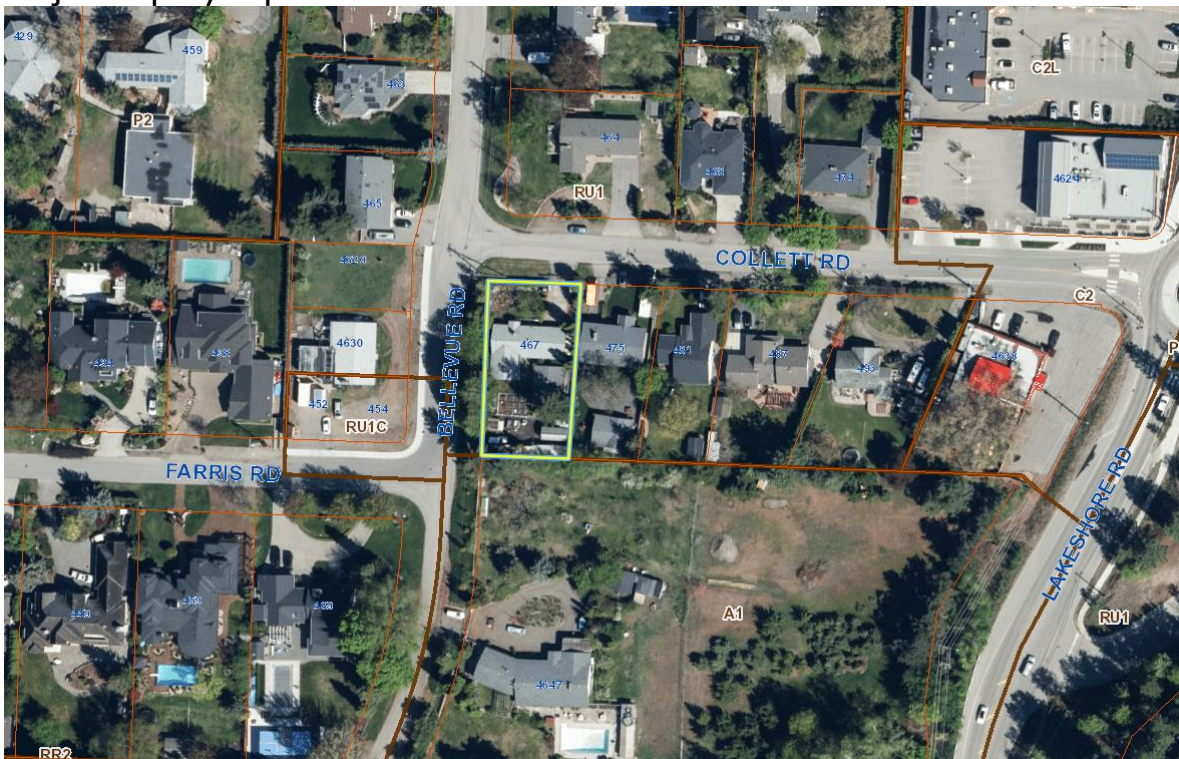
**3.2 Site Context**

The subject property is located at the intersection of Collett Road and Bellevue Road. The property is bordering an ALR parcel to the south. The parcel has a Future Land Use Designation of S-RES – Suburban Residential and is within the City’s Permanent Growth Boundary. The surrounding area consists primarily of RU1 – Large Lot Housing.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	Ru1 – Large Lot Housing	Single Dwelling Housing
East	Ru1 – Large Lot Housing	Single Dwelling Housing
South	A1 – Agriculture	Agriculture
West	Ru1 – Large Lot Housing	Single Dwelling Housing

**Subject Property Map:**



**4.0 Current Development Policies**

<b>Objective 7.2. Design Suburban Neighbourhoods to be low impact, context sensitive and adaptable.</b>	
Policy 7.2.1. Ground-Oriented Housing.	Consider a range of low density ground-oriented housing development to improve housing diversity and affordability and to reduce the overall urban footprint of Suburban Neighbourhoods. Focus more intensive ground-oriented housing where it is in close proximity to small scale commercial services, amenities like schools and parks, existing transit service and/or active transportation facilities.  <i>Proposed Carriage house would provide an additional , ground oriented dwelling contributes to diverse and affordable housing within suburban communities.</i>
<b>Objective 7.6. Support a variety of low-density housing.</b>	
Policy 7.6.1. Family-friendly multi-unit housing.	Encourage multi-unit developments near schools to include a variety of unit sizes, including three or more bedrooms  <i>Proposed Carriage house would provide an additional dwelling unit on a site near multiple schools</i>

**5.0 Application Chronology**

Date of Application Received: March 7, 2022  
 Date Public Consultation Completed: March 11, 2022

**Report prepared by:** Graham Allison, Planner I  
**Reviewed by:** Dean Strachan, Community Planning & Development Manager  
**Reviewed by:** Terry Barton, Development Planning Department Manager  
**Approved for Inclusion:** Ryan Smith, Divisional Director, Planning & Development Services

**Attachments:**

- Schedule A: Site Plan
- Attachment A: Development Engineering Memo
- Attachment B: Application Rationale

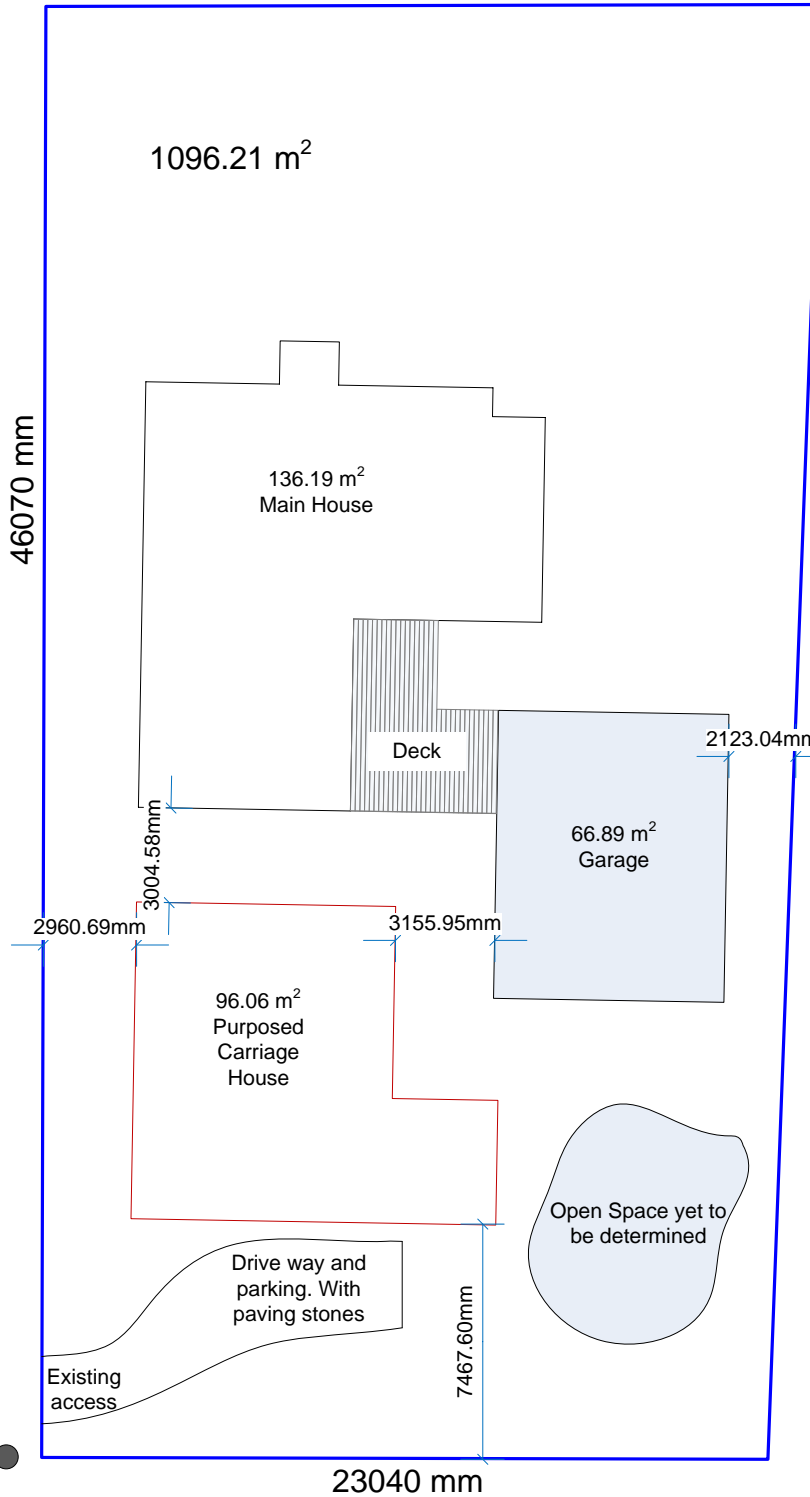


Collett Rd.

24490 mm

Utility Pole  
with Light

Belleveue Rd.



Total building coverage  
299.14 m<sup>2</sup> or 27.29% lot  
coverage

Carriage house 96.06 m<sup>2</sup> or  
8.76% lot coverage

46210 mm

Southward down  
hill grade.  
Drop of about 1 m  
over the entire  
depth of the  
property.

Utility Pole  
with Light

23040 mm

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**CITY OF KELOWNA**  
**MEMORANDUM**

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**Date:** April 4, 2022  
**File No.:** Z22-0018  
**To:** Community Planning Services (GA)  
**From:** Development Engineering Manager (NC)  
**Subject:** 467 Collett Road Lot 1 Plan KAP7071 Carriage House RU1 to RU1c

<b>SCHEDULE</b> _____ <b>A</b>	
This forms part of application # Z22-0018	
Planner Initials	<b>GA</b>
 City of <b>Kelowna</b> DEVELOPMENT PLANNING	

The Development Engineering Branch has the following comments and requirements associated with this application to rezone application to rezone the subject property from RU1 to RU1c for the construction of a carriage house.

**1. General**

- a. The following requirements are valid for one (1) year from the reference date of this memo, or until the application has been closed, whichever occurs first.  
The City of Kelowna reserves the rights to update / change some or all items in this memo once these time limits have been reached.
- b. There is a possibility of a high water table or surcharging of storm drains during major storm events. This should be considered in the design of the onsite system.

**2. Domestic Water and Fire Protection**

- a. The subject property is currently serviced with a 19mm PVC water service. One metered water service will be required for the development. The disconnection of the existing small diameter water services and the tie-in of a larger new 25mm service can be provided by City forces at the developer's expense.  
The developer will be required to sign a Third-Party Work Order and pre-pay for the cost of all service upgrades.
- b. For estimate inquiries please contact John Filipenko by email [jfilipenko@kelowna.ca](mailto:jfilipenko@kelowna.ca).

**3. Sanitary Sewer**

- a. Our records indicate that this property is currently serviced with a 100mm-diameter sanitary sewer service complete with inspection chamber (IC).
- b. A brooks box shall be installed over the inspection chamber if one does not exist.

**4. Road Improvements, Dedication, and Site Access**

- a. Dedicate a property line corner rounding that has a radius of 6.0m.
- b. Only one driveway, with a maximum width of 6m, will be permitted per frontage. No parking is permitted within City boulevard.

**5. Electric Power and Telecommunication Services**

- a. It is the applicant's responsibility to make a servicing application with the respective electric power, telephone, and cable transmission companies to arrange for service upgrades to these services which would be at the applicant's cost.
- b. If any road dedication or closure affects lands encumbered by a Utility right-of-way (such as Hydro, Telus, Gas, etc.) please obtain the approval of the utility. Any works required by the utility as a consequence of the road dedication or closure must be incorporated in the construction drawings submitted to the City's Development Manager.

  
\_\_\_\_\_  
Nelson Chapman, P.Eng.  
Development Engineering Manager

JF



This forms part of application

# Z22-0018

City of  
**Kelowna**  
DEVELOPMENT PLANNINGPlanner  
Initials

GA

**Design Rationale Statement**

Lot 1, Sec. 25, Twp. 28, Plan KAP 7071

467 Collett rd. Kelowna BC V1W1K8

Mark and Cathy Graham

Peiter Blom (Peter)

The design rationale is very simple.

We Plan to build an inobtrusive single floor 96 m<sup>2</sup> Carriage home that will have as little visual impact as possible. We plan to use earth tone Hardy Plank on the walls with white trim and a grey shingle roof (depending on what is available at the time). We have no intention to remove any trees around the build site.

In short, we plan to have as little visual impact on the neighbour hood as possible.

To our knowledge, there are no policies with respect to: form, materials, context, objectives, design philosophy, relationship to adjacent development, or any other requirements connected to this property.

Thank you

Mark Graham

**CITY OF KELOWNA**

**BYLAW NO. 12425**

**Z22-0018**

**467 Collett Road**

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A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot 1 Section 25, ODYD, Plan 7071 located at Collett Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU1c– Large Lot Housing with Carriage House zone.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

Z22-0018  
467 Collett Road  
Rezoning Application

# Proposal

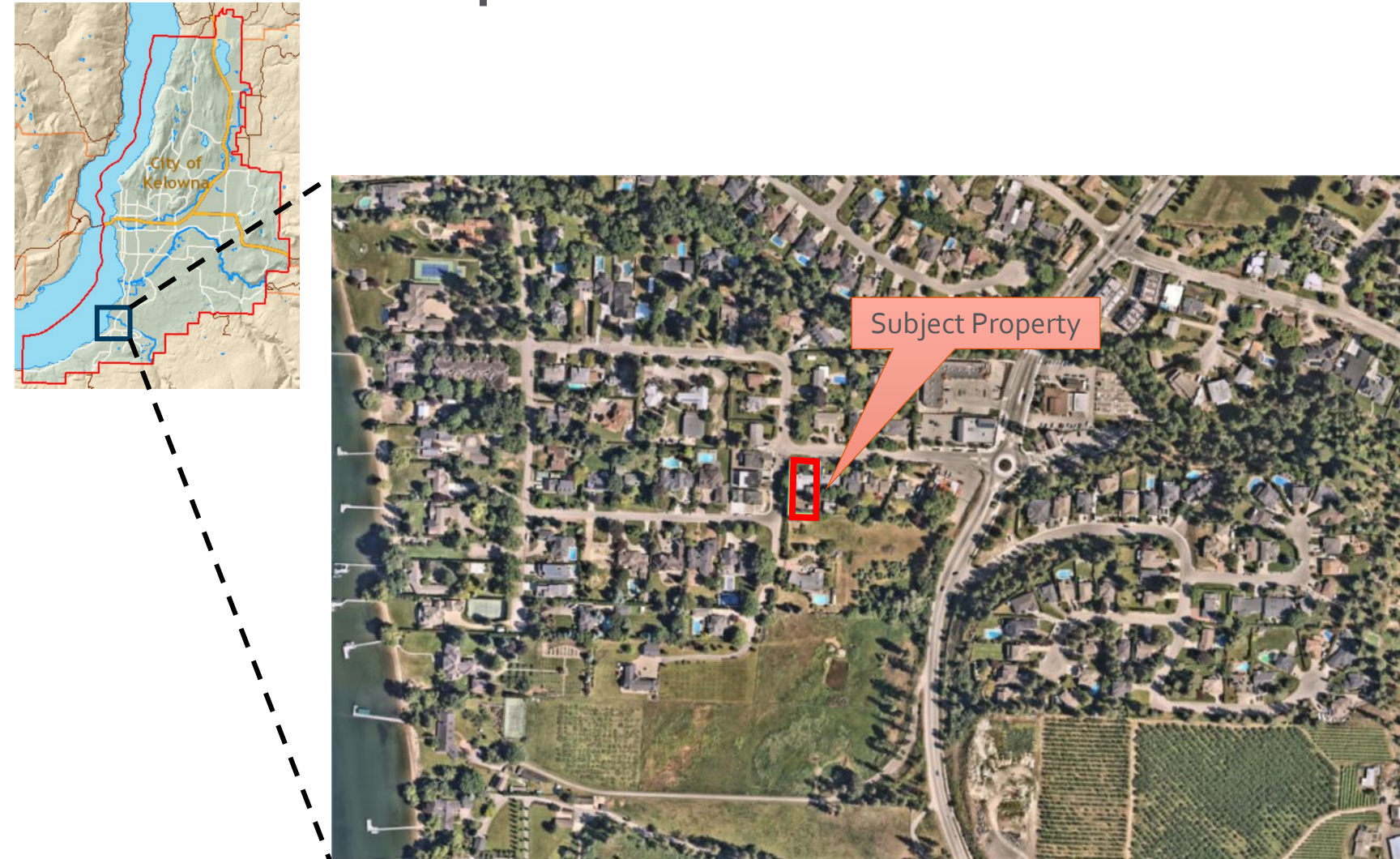
- ▶ To consider an application to rezone the subject property from RU1 – Large Lot Housing zone to the RU1c – Large Lot Housing with Carriage House zone.

# Development Process

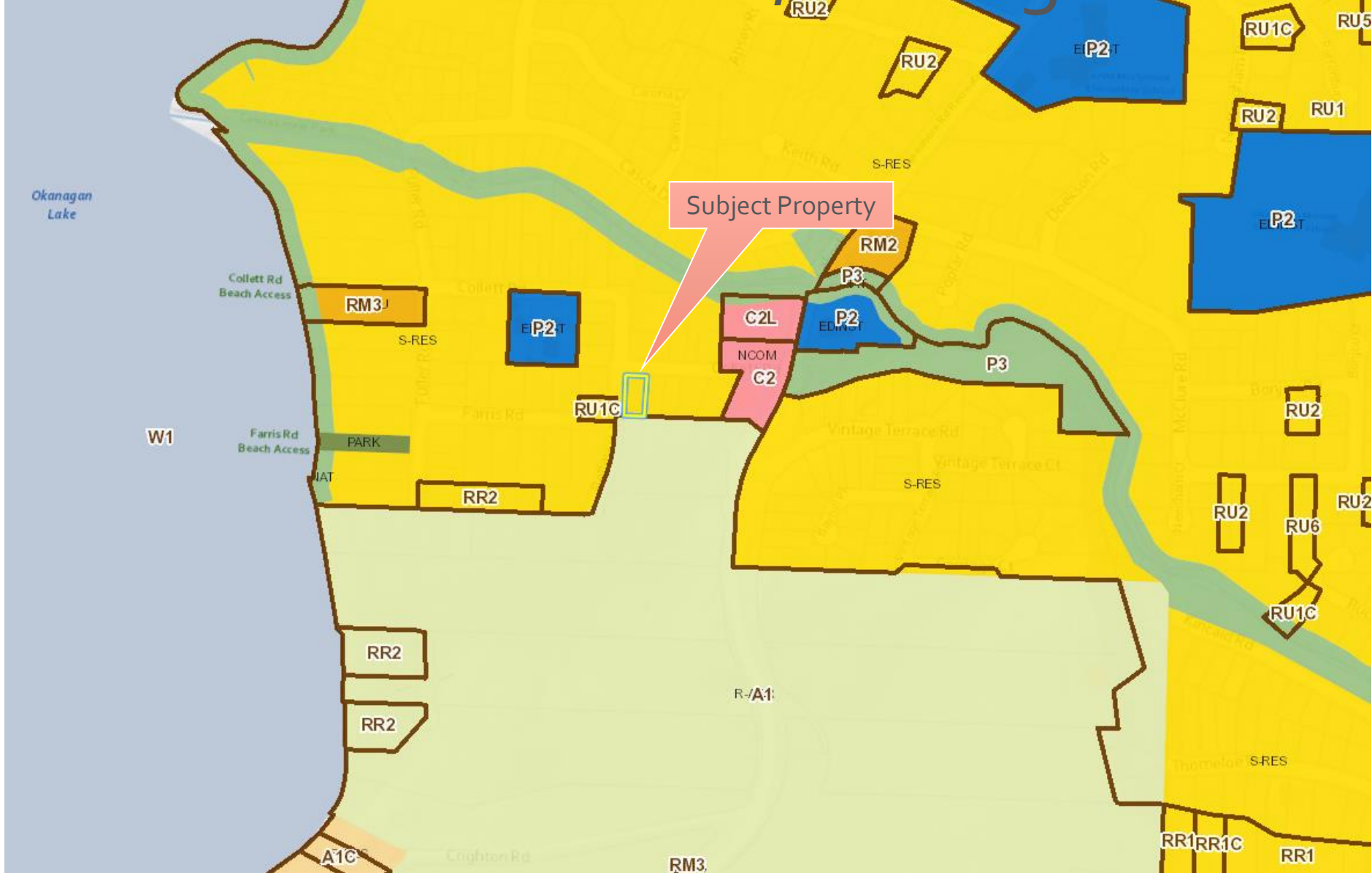




# Context Map



# OCP Future Land Use / Zoning





# Subject Property Map

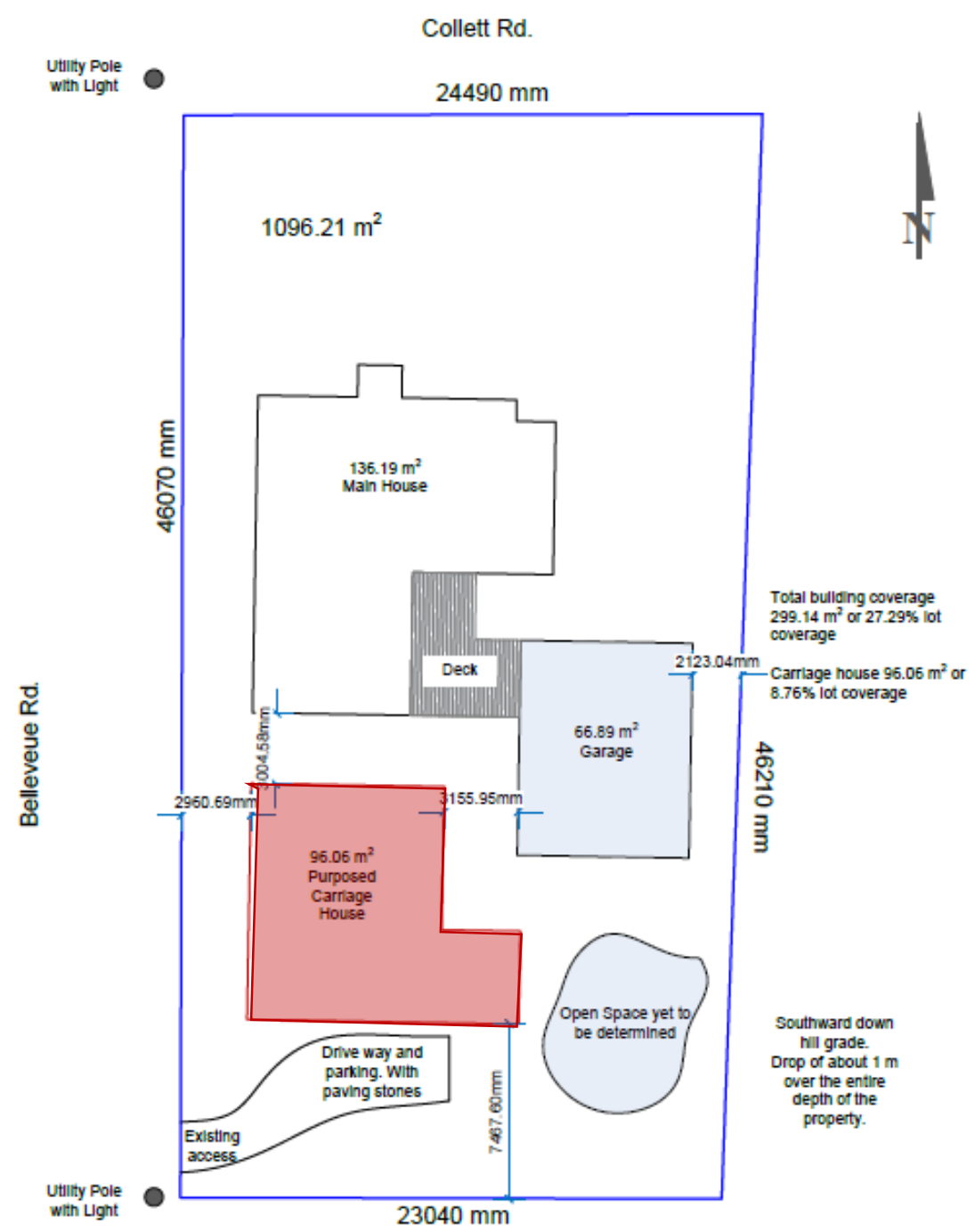




# Project Details

- ▶ The proposed rezoning from the RU1 – Large Lot Housing zone to the RU1c – Large Lot Housing with Carriage House zone.
- ▶ Would facilitate the construction of a carriage house behind the principal dwelling.
- ▶ Property borders the ALR, which requires the construction of a 4-metre landscape buffer.

# Site Plan



# Development Policy

- ▶ Meets the intent of Official Community Plan Suburban Residential Policies by providing modest residential growth within existing neighbourhoods
  - ▶ Proposed Carriage house would provide an additional ground-oriented dwelling contributes to diverse and affordable housing within suburban neighbourhoods.
  - ▶ Provides an additional dwelling unit on a site near multiple schools.

# Staff Recommendation

- ▶ Staff recommend **support** of the proposed rezoning to the RU1c – Large Lot Housing with Carriage House zone:
  - ▶ Consistent with the surrounding neighbourhood uses.
  - ▶ Future Land Use designation of S-RES supports the RU1c zone.



## *Conclusion of Staff Remarks*



# Report to Council



**Date:** August 22<sup>nd</sup> 2022

**To:** Council

**From:** City Manager

**Department:** Development Planning

**Application:** OCP21-0010/Z21-0032      **Owner:** Highstreet Canyon Falls Apartments Ltd., Inc. No. BC1311111

**Address:** 1055 Frost Road      **Applicant:** Highstreet Ventures Inc.

**Subject:** Report to Council - Supplemental

**Existing OCP Designation:** VC – Village Centre, NAT – Natural Areas

**Proposed OCP Designation:** VC – Village Centre, NAT – Natural Areas

**Existing Zone:** A1 – Agriculture 1, RU1h – Large Lot Housing (Hillside Area)

**Proposed Zone:** A1 – Agriculture 1, P3 – Parks and Open Space, RM5 – Medium Density Multiple Housing

**Recommendation:**

THAT Council waives the requirement for a Preliminary Layout Review Letter by the Approving Officer to be considered in conjunction with Final Adoption of OCP Bylaw Amendment Bylaw No. 12382 and Zoning Bylaw Amendment Bylaw No. 12383;

AND THAT Final Adoption of OCP Bylaw Amendment Bylaw No. 12382 and Zoning Bylaw Amendment Bylaw No. 12383 be considered by Council.

**Purpose:**

To waive the requirement for a Preliminary Layout Review Letter for OCP Bylaw Amendment Bylaw No. 12382 and Zoning Bylaw Amendment Bylaw No. 12383 and to forward the Bylaws for adoption.

**Background:**

On May 31<sup>st</sup>2022 after a public hearing Council gave third readings to OCP and Zoning Bylaw amendments related to the construction of a multi-family development proposal at 1055 Frost Road. At that time the staff recommendation included that final adoption be considered subsequent to the issuance of a Preliminary Layout Review (PLR) Letter for a proposed subdivision.

*Previous Council Resolution*

Resolution	Date
<p><i>THAT Official Community Plan Map Amendment Application No. OCP21-0010 to amend Map 3.1 in the Kelowna 2040 – Official Community Plan Bylaw No. 12300 by changing the Future Land Use designation of portions of Lot 1, DL 579, SDYD, Plan EPP74481, located at 1055 Frost Road, Kelowna, BC from the VC – Village Centre and the NAT – Natural Areas designations to the VC – Village Centre and the NAT – Natural Areas designations as shown on Map "A" attached to the Report from the Development Planning Department dated May 16<sup>th</sup> 2022, be considered by Council;</i></p> <p><i>AND THAT the Official Community Plan Map Amending Bylaw be forwarded to a Public Hearing for further consideration;</i></p> <p><i>AND THAT Council considers the Public Information Session public process to be appropriate consultation for the Purpose of Section 475 of the Local Government Act, as outlined in the Report from the Development Planning Department dated May 16<sup>th</sup> 2022;</i></p> <p><i>AND THAT Rezoning Application No. Z21-0032 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of portions of Lot 1, DL 579, SDYD, Plan EPP74481, located at 1055 Frost Road, Kelowna, BC from the A1 – Agriculture 1 zone and the RU1h – Large Lot Housing (Hillside Area) zone to the P3 – Parks and Open Space zone and RM5 – Medium Density Multiple Housing zone as shown on Map "B" attached to the Report from the Development Planning Department dated May 16<sup>th</sup> 2022, be considered by Council;</i></p> <p><i>AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;</i></p> <p><i>AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Development Planning Department dated May 16<sup>th</sup> 2022;</i></p> <p><i>AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the issuance of a Preliminary Layout Review Letter by the Approving Officer;</i></p> <p><i>AND FURTHER THAT final adoption of the Rezoning Bylaw be considered in conjunction with Council's consideration of a Development Permit and Development Variance Permit for the subject property.</i></p>	<p>First Reading May 16<sup>th</sup> 2022</p> <p>Second and Third Reading May 31<sup>st</sup> 2022</p>

**Discussion:**

Staff are recommending that Council waive the condition that final adoption be considered subsequent to the issuance of a subdivision PLR. As the requirement of a Development Permit and Development Variance Permit has been temporarily waived, decoupling the PLR will allow the amending Bylaws to receive final adoption by Council under Zoning Bylaw No. 8000. The applicant has satisfied all other outstanding conditions including entering into a servicing agreement for the development engineering requirements related to this application.

Should Council not support the recommendation to waive the condition, final adoption of the bylaws will be postponed until after the adoption of Zoning Bylaw No. 12375 and will require a Public Hearing to be held a second time.

**Conclusion:**

The applicants for OCP Bylaw Amendment Bylaw No. 12382 and Zoning Bylaw Amendment Bylaw No. 12383 have satisfied the conditions of adoption except for the issuance of a subdivision Preliminary Layout Review (PLR) letter. Staff are recommending this outstanding condition be waived.

**Submitted by:** Alex Kondor, Planner Specialist

**Approved for inclusion:** Terry Barton, Development Planning Department Manager

# CITY OF KELOWNA

## BYLAW NO. 12382

### Official Community Plan Amendment No. OCP21-0010 1055 Frost Road

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A bylaw to amend the "Kelowna 2040 – Official Community Plan Bylaw No. 12300".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT Map 3.1 – **Future Land Use** of "Kelowna 2040 – Official Community Plan Bylaw No. 12300" be amended by changing the Future Land Use designation of portions of Lot 1 District Lot 579 SDYD Plan EPP74481, located on Frost Road, Kelowna, B.C., from the VC – Village Centre and NAT – Natural Areas designations to the VC – Village Centre and NAT – Natural Areas designations as shown on MAP "A" attached to and forming part of this bylaw;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 16<sup>th</sup> day of May, 2022.

Considered at a Public Hearing on the 31<sup>st</sup> day of May, 2022.

Read a second and third time by the Municipal Council this 31<sup>st</sup> day of May, 2022.

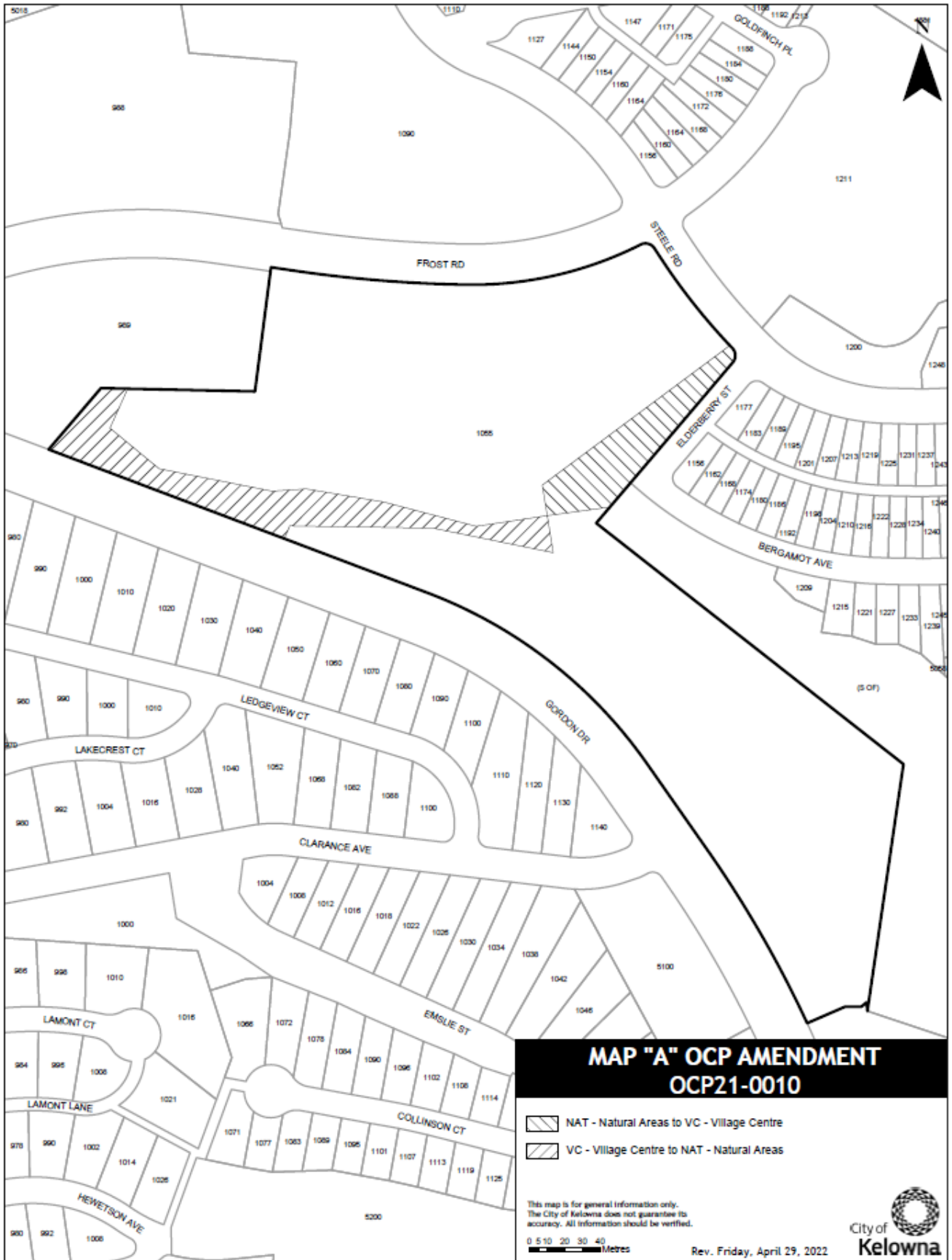
Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk





# CITY OF KELOWNA

## BYLAW NO. 12383

### Z21-0032

### 1055 Frost Road

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A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of portions of Lot 1 District Lot 579, SDYD, Plan EPP74481 located on Frost Road, Kelowna, BC from the the A1 – Agriculture 1 and the RU1h – Large Lot Housing (Hillside Area) zones to the P3 – Parks and Open Space and RM5 – Medium Density Multiple Housing zones as shown on MAP "B" attached to and forming part of this bylaw.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 16th day of May, 2022.

Considered at a Public Hearing on the 31<sup>st</sup> day of May, 2022.

Read a second and third time by the Municipal Council this 31<sup>st</sup> day of May, 2022.

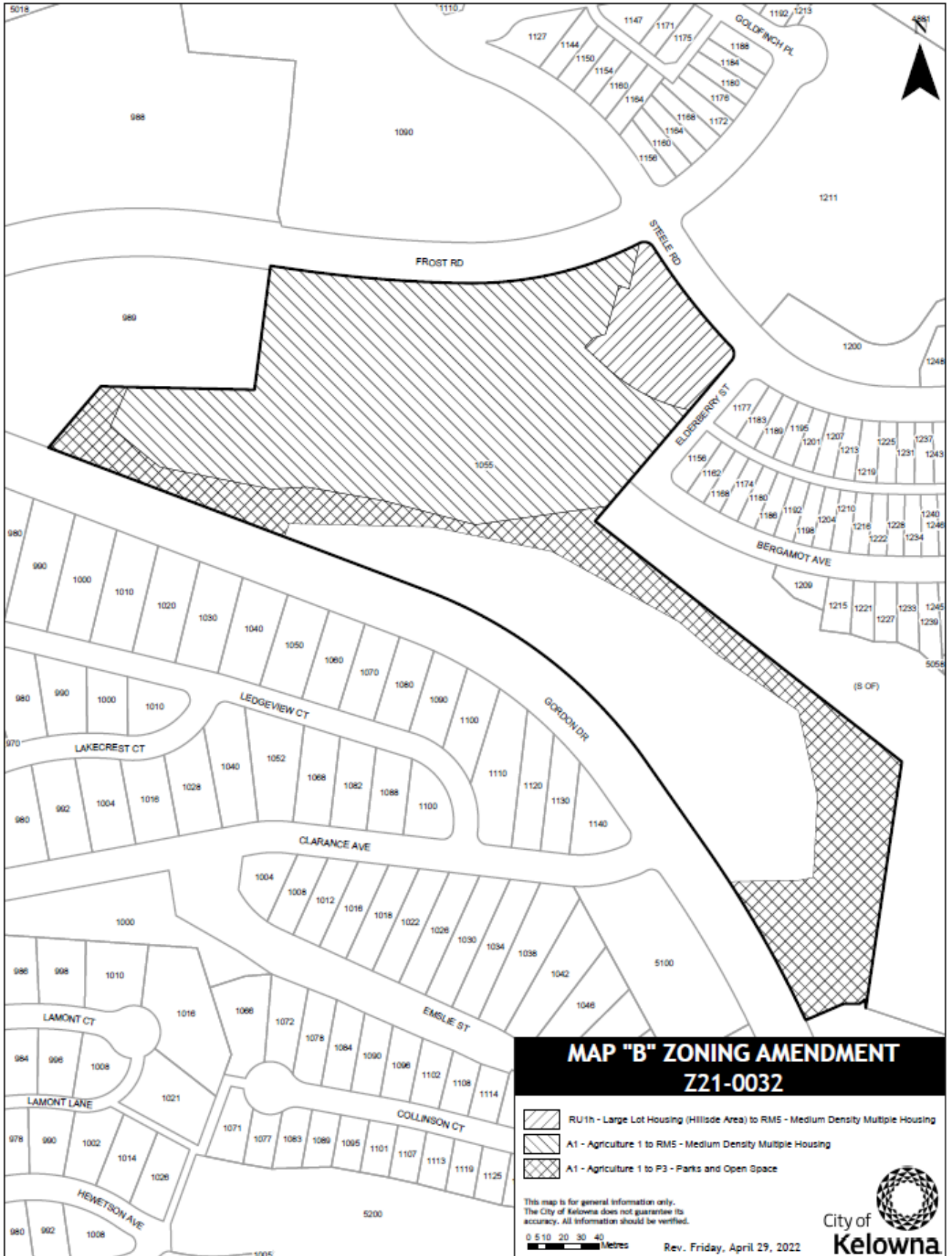
Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk



# REPORT TO COUNCIL



**Date:** August 22<sup>nd</sup>, 2022  
**To:** Council  
**From:** City Manager  
**Department:** Development Planning  
**Application:** DP22-0098      **Owner:** Kinnikinnik Developments Inc.,  
Inc.No. BCo622664  
**Address:** 3700 McKinley Beach Drive      **Applicant:** Andrew Gaucher  
**Subject:** Development Permit Application  
**Existing OCP Designation:** S-RES – Suburban Residential  
**Existing Zone:** CD18 – McKinley Beach Comprehensive Resort Development

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## 1.0 Recommendation

THAT Council authorizes the issuance of Development Permit No. DP22-0098 for Lot 2 Section 28 Township 23 ODYD Plan EPP76020, located at 3700 McKinley Beach Drive, Kelowna, BC subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
3. Landscaping to be provided on the land be in accordance with Schedule "C";
4. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

### Purpose

To issue a Development Permit for the form and character of a new multiple dwelling housing development.

## 2.0 Development Planning

Staff are recommending support for the form and character Development Permit for the new multiple dwelling housing development on the subject property. The application is consistent with many of the

Official Community Plan’s (OCP) Townhouse Design Guidelines including incorporating architectural entrance features, and designing private outdoor amenity space with access to sunlight. The townhouse form responds to the sloping property well with each unit at a different floor plate elevation to respond to the sloping nature of the property. This approach is preferred in order to minimize retaining walls and site disturbance (a key objective of the City’s Hillside Guidelines that would generally result from larger apartment building forms). The building uses several materials and colours in a modern style creating a unique design. The application meets the intent of the Future Land Designation of S-RES – Suburban Residential, which speaks to the need for designing suburban neighbourhoods to be low impact, context sensitive and adaptable. Staff believe the form and character is strong and will be incorporated well into the neighbourhood.

**3.0 Proposal**

**3.1 Project Description**

The subject property is located on a 1.285 acre site located on McKinley Beach Drive. The proposal consists of 9-units divided into three rowhouses, with three units each. The units are on free-hold lots with a party wall agreement between adjoining buildings. Each unit is 3 bedroom with 2.5 bathrooms. Each unit can accommodate two parking stalls within the garage, and one small stall within the driveway. The design follows the industrial-modern motif and aims to have a unique and recognizable roofline balanced with pedestrian scaled design. The height and massing of the buildings step along the streetscape to account for the sloping grade and to allow for architectural detailing and privacy.

**3.2 Site Context**

The subject property is located in the McKinley OCP Sector, and the surrounding area is primarily zoned CD18 – McKinley Beach Comprehensive Resort Development, and A1 – Agriculture 1. The surrounding area also has a Future Land Use Designation of S-RES – Suburban Residential, and R- AGR – Rural – Agricultural & Resource.

Specifically, adjacent land uses are as follows:

<b>Orientation</b>	<b>Zoning</b>	<b>Land Use</b>
North	CD18 - McKinley Beach Comprehensive Resort Development	Single-Family Dwelling
East	CD18 - McKinley Beach Comprehensive Resort Development	Vacant
South	CD18 - McKinley Beach Comprehensive Resort Development	Vacant
West	CD18 - McKinley Beach Comprehensive Resort Development	Single-Family Dwelling

**Subject Property Map: 3700 McKinley Beach Drive**



**3.3 Zoning Analysis Table**

Zoning Analysis Table		
CRITERIA	CD18 ZONE REQUIREMENTS	PROPOSAL
Development Regulations		
Max. Height	38.25 m	9.6 m
Min. Front Yard	0.0 m	4.4 m
Min. Side Yard (south)	0.0 m	1.2 m
Min. Side Yard (north)	0.0 m	1.2 m
Min. Rear Yard	0.0 m	13.0 m
Other Regulations		
Min. Parking Requirements	19	27

**4.0 Current Development Policies**

**4.1 Kelowna Official Community Plan (OCP)**

Objective 7.1 Create more complex communities in Suburban Neighbourhoods	
Policy 7.1.1. Area Structure Plan	Support development that is consistent with adopted Area Structure Plans (ASPs) in Suburban Neighbourhoods. Require amendments to ASPs where proposals include significant increases to the number of residential units beyond



	those signaled in an ASP or where proposals are likely to require significant changes to planned transportation, parks and utility infrastructure.
	<i>The proposal aligns with the ASP.</i>
<b>Objective 7.2. Design Suburban Neighbourhoods to be low impact, context sensitive and adaptable</b>	
Policy 7.2.2. Hillside Housing Forms	Encourage housing forms that best match to the topography and have the lowest amount of impact in hillside areas, such as minimum cuts and fills, for example, and provide the greatest environmental protection. Discourage housing forms and associated roadways that cause high amounts of slope disturbance and visual impact.
	<i>The proposal utilizes the at grade area and has low impact in the hillside.</i>
<b>Objective 7.2 Design Suburban Neighbourhoods to be low impact, context sensitive and adaptable</b>	
Policy 7.2.3. Integrate Nature	Integrate the design of active parks with adjacent natural areas while maintaining individual park standards. Reduce the impacts on parks on adjacent natural systems.
	<i>The proposal does not interfere with the "do not disturb area".</i>

**5.0 Application Chronology**

Date of Application Received: April 19<sup>th</sup>, 2022

Date Public Consultation Completed: N/A

**Report prepared by:** Tyler Caswell, Planner I  
Alissa Cook, Planner I

**Reviewed by:** Dean Strachan, Community Planning & Development Manager

**Reviewed by:** Terry Barton, Development Planning Department Manager

**Approved for Inclusion:** Ryan Smith, Divisional Director, Planning & Development Services

**Attachments:**

Attachment A: Draft Development Permit DP22-0098

Schedule A: Site Plan and Floor Plans

Schedule B: Elevations

Schedule C: Landscape Plan

Attachment B: Form and Character Guidelines Checklist

# Development Permit DP22-0098



This permit relates to land in the City of Kelowna municipally known as 3700 McKinley Beach Drive

and legally known as Lot 2 Section 28 Township 23 ODYD Plan EPP76020

and permits the land to be used for the following development:

## CD18 – McKinley Beach Comprehensive Resort Development

The present owner and any subsequent owner of the above described land must comply with any attached terms and conditions.

Date of Manager's Decision: August 22<sup>nd</sup>, 2022

Decision By: COUNCIL

Development Permit Area: Form & Character DPA

Existing Zone: CD18 – McKinley Beach Comprehensive Resort Development

Future Land Use Designation: S-RES – Suburban Residential

### **This is NOT a Building Permit.**

In addition to your Development Permit, a Building Permit may be required prior to any work commencing. For further information, contact the City of Kelowna, Development Services Branch.

### **NOTICE**

This permit does not relieve the owner or the owner's authorized agent from full compliance with the requirements of any federal, provincial or other municipal legislation, or the terms and conditions of any easement, covenant, building scheme or agreement affecting the building or land.

Owner: Kinnikinnik Developments Inc. No. BCo62264

Applicant: Andrew Gaucher

---

Terry Barton  
Development Planning Department Manager  
Planning & Development Services

---

Date

<b>ATTACHMENT</b> <u>    A    </u>	
This forms part of application # <u>DP22-0098</u>	
Planner Initials	<b>TC</b>
 City of <b>Kelowna</b> DEVELOPMENT PLANNING	

## 1. SCOPE OF APPROVAL

This Development Permit applies to and only to those lands within the Municipality as described above, and any and all buildings, structures and other development thereon.

This Development Permit is issued subject to compliance with all of the Bylaws of the Municipality applicable thereto, except as specifically varied or supplemented by this permit, noted in the Terms and Conditions below.

The issuance of a permit limits the permit holder to be in strict compliance with regulations of the Zoning Bylaw and all other Bylaws unless specific variances have been authorized by the Development Permit. No implied variances from bylaw provisions shall be granted by virtue of drawing notations that are inconsistent with bylaw provisions and that may not have been identified as required Variances by the applicant or Municipal staff.

## 2. CONDITIONS OF APPROVAL

- a) The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
- b) The exterior design and finish of the building to be constructed on the land be in accordance with Schedule "B";
- c) Landscaping to be provided on the land be in accordance with Schedule "C";
- d) The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect.

**This Development Permit is valid for two (2) years from the date of approval, with no opportunity to extend.**

## 3. PERFORMANCE SECURITY

As a condition of the issuance of this Permit, Council is holding the security set out below to ensure that development is carried out in accordance with the terms and conditions of this Permit. Should any interest be earned upon the security, it shall accrue to the Developer and be paid to the Developer or his or her designate if the security is returned. The condition of the posting of the security is that should the Developer fail to carry out the development hereby authorized, according to the terms and conditions of this Permit within the time provided, the Municipality may use enter into an agreement with the property owner of the day to have the work carried out, and any surplus shall be paid over to the property own of the day. Should the Developer carry out the development permitted by this Permit within the time set out above, the security shall be returned to the Developer or his or her designate. There is filed accordingly:

- a) An Irrevocable Letter of Credit **OR** certified cheque in the amount of **\$84,291.63**

Before any bond or security required under this Permit is reduced or released, the Developer will provide the City with a statutory declaration certifying that all labour, material, workers' compensation and other taxes and costs have been paid.


## 4. INDEMNIFICATION

Upon commencement of the works authorized by this Permit the Developer covenants and agrees to save harmless and effectually indemnify the Municipality against:

- a) All actions and proceedings, costs, damages, expenses, claims, and demands whatsoever and by whomsoever brought, by reason of the Municipality said Permit.

All costs, expenses, claims that may be incurred by the Municipality where the construction, engineering or other types of works as called for by the Permit results in damages to any property owned in whole or in part by the Municipality or which the Municipality by duty or custom is obliged, directly or indirectly in any way or to any degree, to construct, repair, or maintain.

**The PERMIT HOLDER is the CURRENT LAND OWNER.  
Security shall ONLY be returned to the signatory of the  
Landscape Agreement or their designates.**

<b>ATTACHMENT</b>		<b>A</b>
This forms part of application		
# DP22-0098		
Planner Initials	TC	 City of <b>Kelowna</b> DEVELOPMENT PLANNING

**MCKINLEY - ROW HOUSING**

CIVIC ADDRESS:  
CITY OF KELOWNA  
LOT 2, REM7 PLAN EPP8753, COVENANT PLAN EPP86507

PROPOSED ZONING:  
DATE: March 11 2022

ZONING REQUIREMENTS		LOT 2-1	LOT 2-2	LOT 2-3	LOT 2-4	LOT 2-5	LOT 2-6	LOT 2-7	LOT 2-8	LOT 2-9	
<b>ZONING</b>		CD-18									
<b>SITE AREA (sqm):</b>		1584.19	486.95	524.68	497.03	438.27	453.59	432.53	362.55	427.92	
<b>SITE WIDTH (m):</b>		26.32	9.14	10.36	10.36	9.14	10.36	10.36	9.14	10.67	
<b>SITE LENGTH (m):</b>		58.37	54.47	50.62	47.95	45.72	43.80	41.76	39.77	37.72	
<b>TOTAL LOT COVERAGE:</b>											
<b>BUILDING TYPE:</b>		A2I(sqm)	A1I(sqm)	A1I(sqm)	A1I(sqm)	A1I(sqm)	A1I(sqm)	A1I(sqm)	A1I(sqm)	A1I(sqm)	
<b>BUILDINGS (sqm):</b>		220.36	151.71	151.71	151.71	151.71	151.71	151.71	151.71	151.71	
<b>DRIVEWAYS (sqm):</b>		26.92	26.60	26.89	27.60	26.91	26.91	26.91	26.91	26.91	
<b>TOTAL (sqm):</b>		247.28	188.30	178.60	179.31	178.62	178.62	178.62	178.62	178.62	
<b>TOTAL (%)</b>		16%	37%	34%	36%	43%	39%	42%	49%	42%	
<b>BUILDING HEIGHT (meters)</b>											
<b>FRONT (m)</b>		5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	
<b>REAR (m)</b>		9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60	
<b>AVERAGE (m)</b>		7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	
<b>SETBACKS (meters)</b>											
<b>NORTH (SIDE)</b>		0.0	0.0	1.2	0.0	0.0	1.2	0.0	0.0	1.2	
<b>EAST (FRONT)</b>		0.0	3.0	4.5	4.2	4.4	4.4	4.4	4.3	4.4	
<b>SOUTH (SIDE)</b>		0.0	14.2	0.0	0.0	1.2	0.0	0.0	1.2	0.0	
<b>WEST (REAR)</b>		0.0	30.5	28.0	25.6	22.4	20.6	18.9	16.6	14.7	
<b>FLOOR AREA RATIO (FAR)</b>			0.2	0.4	0.3	0.4	0.4	0.4	0.4	0.5	
<b>PARKING REQUIREMENTS</b>											
<b>REQUIRED PARKING DWELLING (2 PER 1 per Suite)</b>		3	2	2	2	2	2	2	2	2	
<b>PROVIDED PARKING GARAGE (FULL)</b>		2	2	2	2	2	2	2	2	2	
<b>DRIVEWAY (SMALL)</b>		1	1	1	1	1	1	1	1	1	
<b>TOTAL</b>		3	3	3	3	3	3	3	3	3	

BUILDING INFORMATION		LEVEL 0			LEVEL 1			BLDG	TTL UNIT	UNIT	UNIT	UNIT	TTL NET	TTL GROSS
UNIT TYPE	DISCRIPTION	UNDEVELOPED	DEVELOPED	POS.	UNDEVELOPED	DEVELOPED	POS.	AREA	POS.	NET	GROSS	QTY		
A2I(sqm)	TYPICAL	13.0	70.6	45.9	40.7	111.0	18.4	151.7	64.3	181.6	235.3	8.0	1453.0	1882.6
A1I(sq)		140.0	762.0	494.0	438.0	1195.0	198.0	1638.0	692.0	1955.0	2533.0	1.0	15689.9	20263.8
A2I(sq)	A-TYPICAL	21.9	114.9	98.0	40.7	129.7	28.1	204.4	126.1	294.6	357.2	1.0	294.6	357.2
A2I(sq)		236.0	1237.0	1054.9	438.0	3934.0	302.0	2372.0	1356.9	3171.0	3845.0	1.0	3171.0	3845.0



LOCATION PLAN

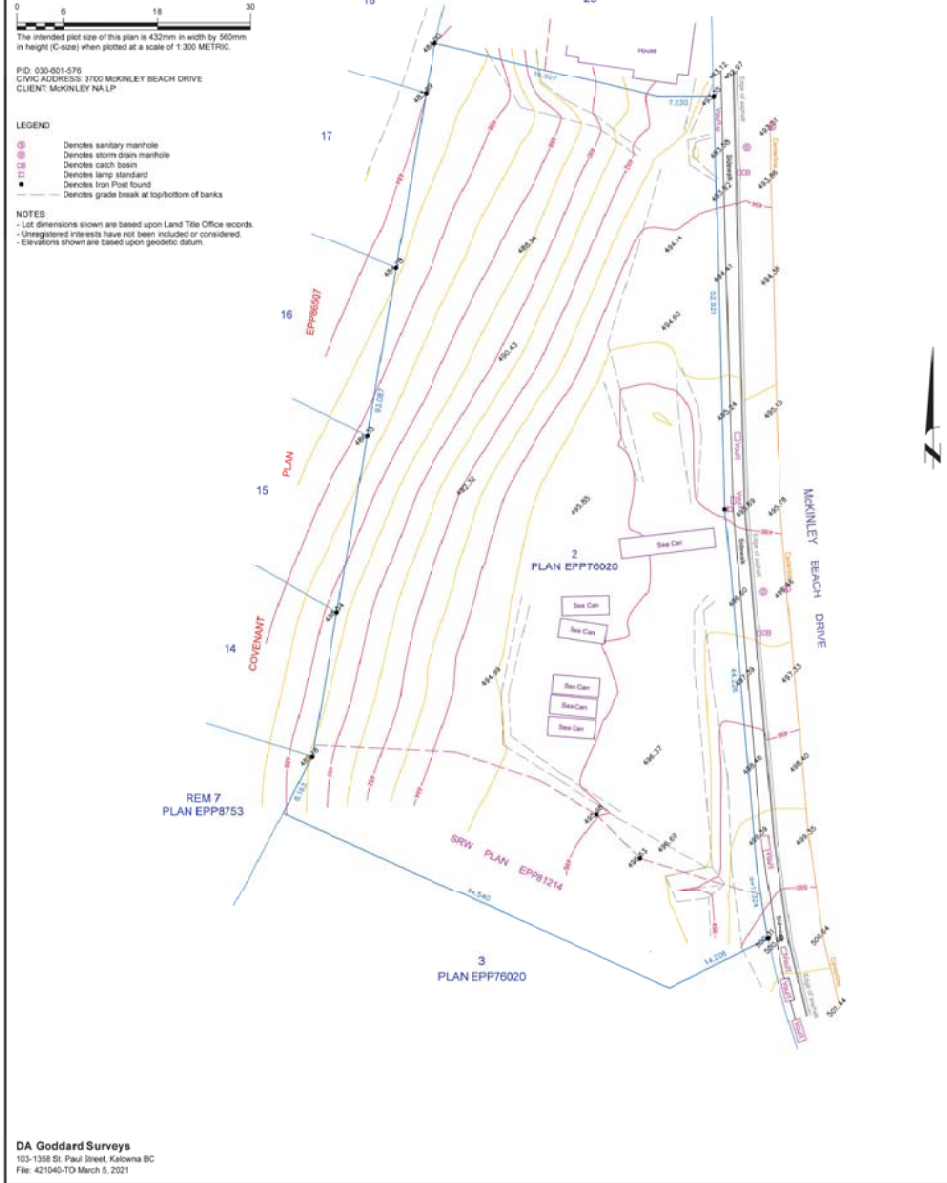
**SCHEDULE A**

This forms part of application  
# DP22-0098

City of Kelowna  
DEVELOPMENT PLANNING

Planner Initials **TC**

**TOPOGRAPHIC SITE PLAN OF LOT 2, SEC 28, TP 23, ODYD, PLAN EPP76020**



SURVEY

**ISSUED FOR DEVELOPMENT PERMIT A0.1**



100 - 1333 BLUE STREET  
KELOWNA, BC V1Y 4Y9  
p: 250-420-2550

www.BlueGreenArchitecture.com

KAMLOOPS  
KELOWNA

100

These drawings are the work of the firm on the basis of information provided by the client. The firm does not warrant the accuracy of the information provided. The client is responsible for the accuracy of the information provided. The firm is not responsible for any errors or omissions in these drawings.

DA Goddard Surveys  
103-1398 St. Paul Street  
Kelowna, BC  
V1Y 4Y9  
www.dagoddardsurveys.com

NO DATE RECORD OR REVISED

1 2203.18 REVISION FOR DEVELOPMENT PERMIT

NO DATE RECORD OR REVISED

**McKINLEY BEACH**  
KASHMERE  
ROW HOUSING  
KELOWNA, BC

SURVEY  
ZONING SUMMARY  
SITE IMAGERY

Job Number 21-892

Date 2022.03.18

Scale

Plan/Sheet Number 0

Drawing Number







**BLUEGREEN**

100 - 1123 ELUS STREET  
KELOWNA, BC V1Y 6Y9  
p 250 420 3550

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KAM.CO.PS  
 KELOWNA

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The drawings must not be copied, reproduced, or otherwise used for any purpose other than that for which they were prepared, and any such use is prohibited without the prior written consent of the architect.

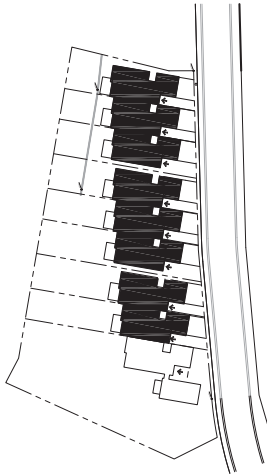
**SEEDS**  
STEPHENS WILSON ARCHITECTS  
CORPORATE DEVELOPER  
100 - 1123 ELUS STREET  
KELOWNA, BC  
V1Y 6Y9  
www.seeds.ca

NO.	DATE	RECORD OF REVISIONS
1	22.08.23	ISSUED FOR DEVELOPMENT PERMIT
2	22.08.23	ISSUED FOR DEVELOPMENT PERMIT
3	22.08.23	ISSUED FOR DEVELOPMENT PERMIT

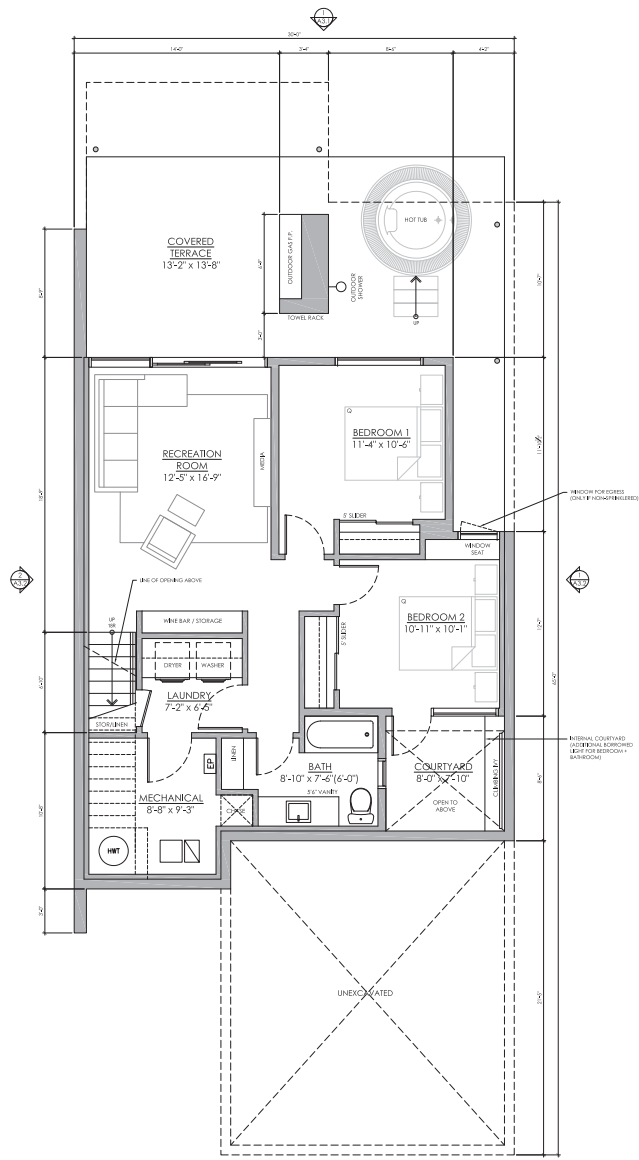
Project: **McKINLEY BEACH**  
KASHIMERE  
ROW HOUSING  
KELOWNA, BC

Sheet Title: **SITE PLAN LEVELS 0 + 1**

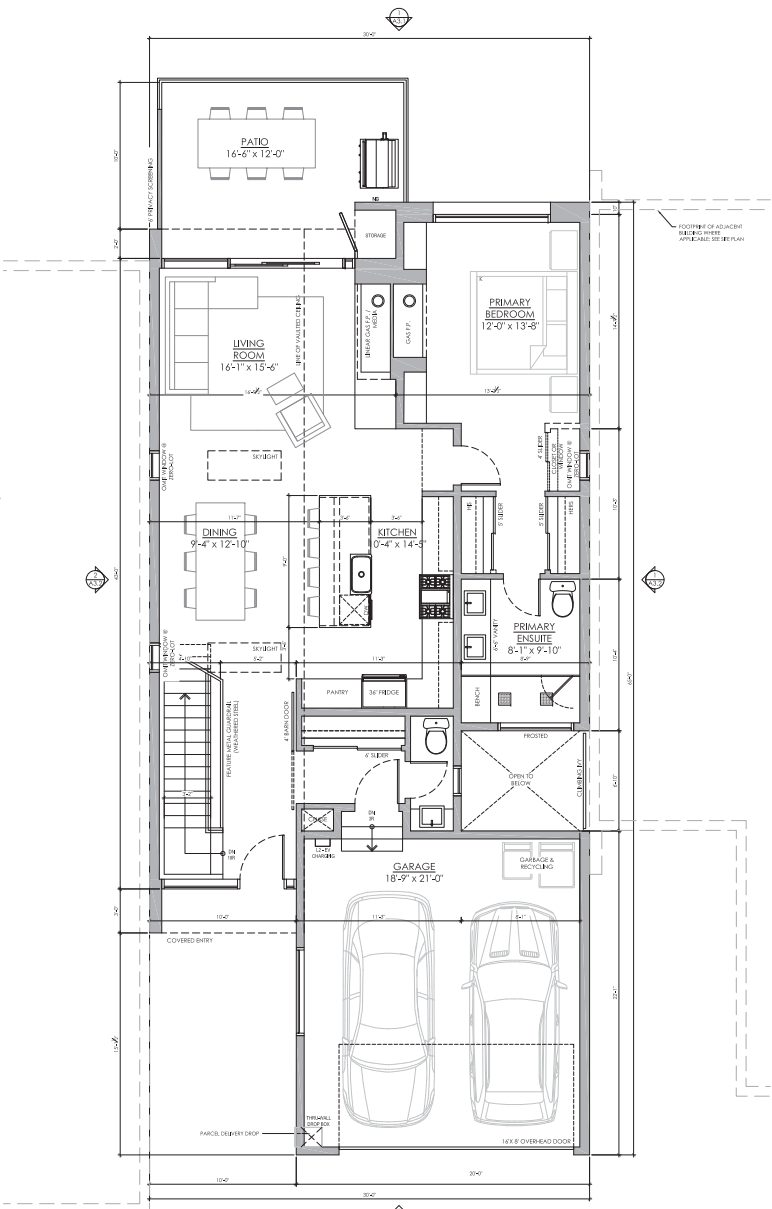
File Number: 21.892  
Date: 2022.08.03  
Scale: 1/16" = 1'  
Revision Number: 1  
Drawing Number:



KEY PLAN



LEVEL 0 - LOWER FLOOR PLAN



LEVEL 1 - MAIN FLOOR PLAN

UNIT TYPE	DISCUSSION	LEVEL 0			LEVEL 1			BLDG AREA	TTL UNIT NET	UNIT NET	UNIT GROSS	UNIT QTY	TTL NET	TTL GROSS
		UNDEVELOPED	DEVELOPED	POS	UNDEVELOPED	DEVELOPED	POS							
A1(sm)	TYPICAL	13.0	70.6	45.9	40.7	111.0	18.4	151.7	64.3	181.6	235.3	8.0	1453.0	1882.6
A1(s)		140.0	760.0	494.0	438.0	1195.0	198.0	1633.0	692.0	1955.0	2533.0	1.0	15639.9	20263.8
A2(sm)	A-TYPICAL	21.9	114.9	98.0	40.7	179.7	28.1	220.4	126.1	294.6	357.2	1.0	294.6	357.2
A2(s)		236.0	1237.0	1054.9	438.0	1934.0	302.0	2372.0	1356.9	3171.0	3845.0	1.0	3171.0	3845.0

**SCHEDULE A**

This forms part of application  
# DP22-0098

Planner Initials **TC**

100 - 133 BLUE STREET  
KELOWNA, BC V1Y 4Y9  
p: 250-420-3550  
www.BlueGreenofKelowna.com

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 KELOWNA

NO. DATE RECORD OF REVISIONS

1	2203.18	ISSUED FOR DEVELOPMENT PERMIT
2		
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Project: **McKINLEY BEACH**  
KASHMERE ROW HOUSING  
KELOWNA, BC

FLOOR PLANS  
BUILDING TYPE A1

Site Number: 21.892  
Date: 2022.03.18  
Scale: 1/4" = 1'  
Plan Number: 0  
Drawing Number:

ISSUED FOR DEVELOPMENT PERMIT **A2.0**

These drawings are a submission of services on the exclusive possession of the architect and shall not be used for any other purpose without the architect's prior written permission.

The following must not be copied, the general contractor shall verify all dimensions, structure and materials prior to commencement of work. Any errors or omissions are to be reported immediately to the architect.

**SEBAST**  
 ARCHITECTURE INCORPORATED  
 100 - 1123 ELLIS STREET  
 KELOWNA, BC  
 V1Y 4V9  
 www.sebast.ca

NO.	DATE	RECORD OF REVISIONS
1	22.08.18	ISSUED FOR DEVELOPMENT PERMIT
2	22.08.18	ISSUED FOR DEVELOPMENT PERMIT
NO.	DATE	RECORD OF REVISIONS
1	22.08.18	ISSUED FOR DEVELOPMENT PERMIT

**McKINLEY BEACH**  
 KASHMERE  
 ROW HOUSING  
 KELOWNA, BC

Sheet Title

FLOOR PLANS  
 BUILDING TYPE  
 A2

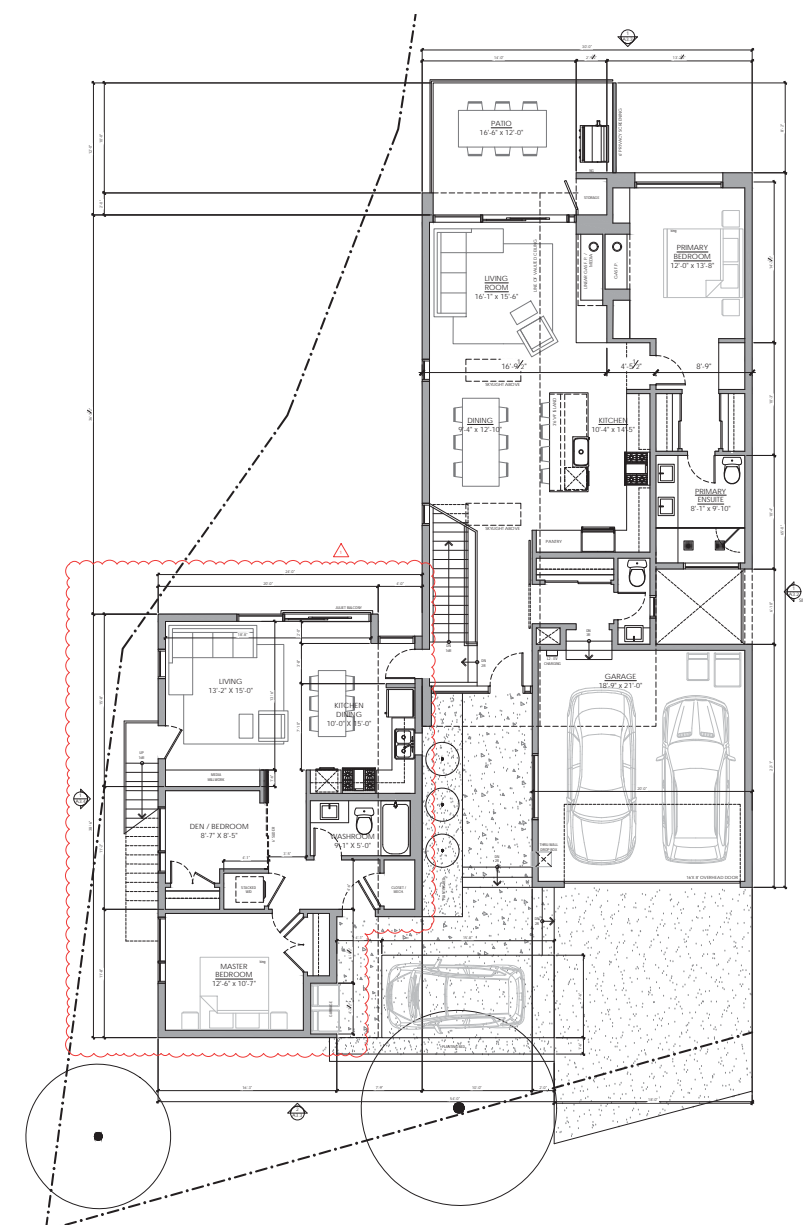
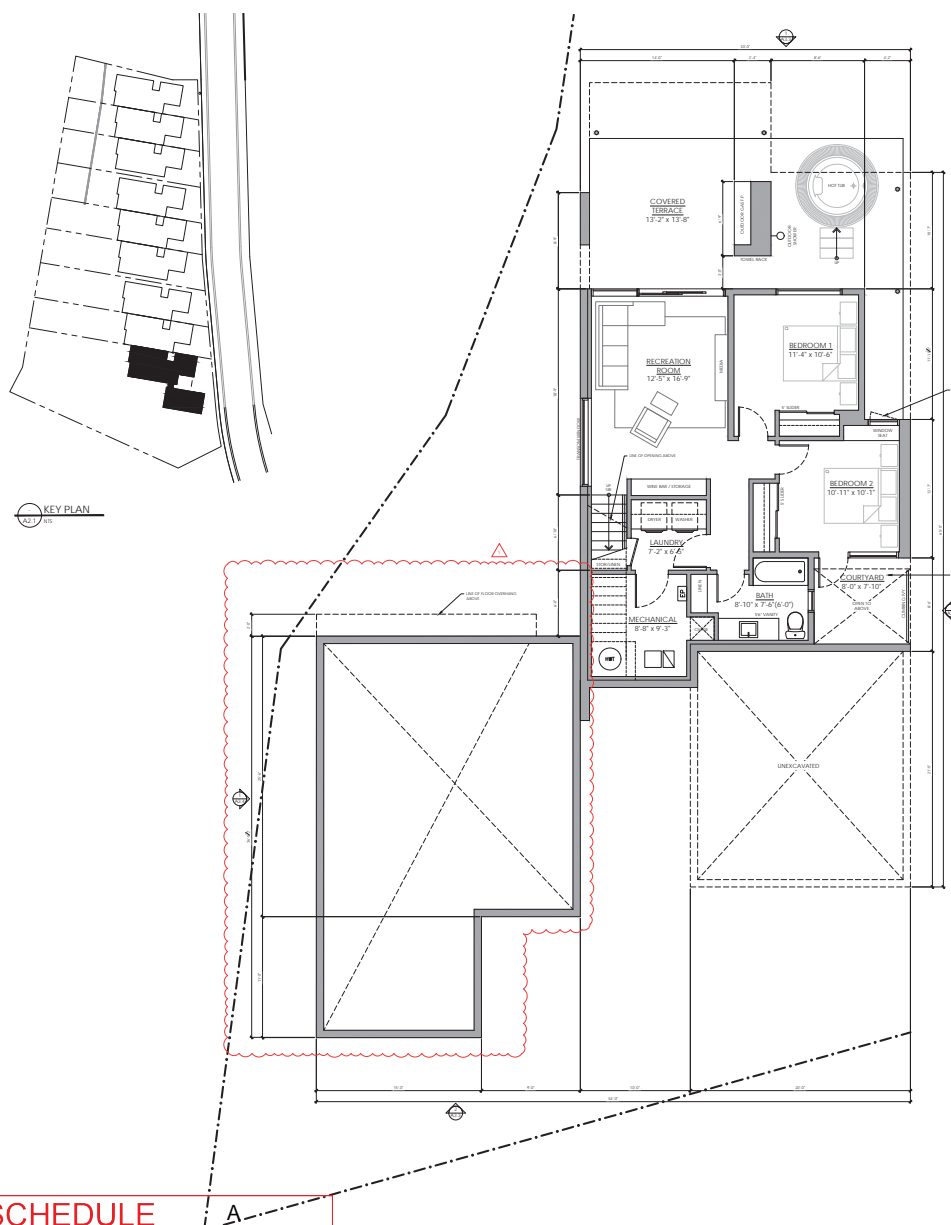
Job Number 21.892

Date 2022.08.03

Scale 3/16" = 1'

Revision Number 1

Drawing Number



**SCHEDULE A**

This forms part of application  
 # DP22-0098

Planner Initials **TC**

**City of Kelowna**  
 DEVELOPMENT PLANNING

LEVEL 0 - LOWER FLOOR PLAN

LEVEL 1 - MAIN FLOOR PLAN

BUILDING INFORMATION	UNIT TYPE	DESCRIPTION	LEVEL 0		LEVEL 1		BLDG AREA	TTL UNIT POS	UNIT NET	UNIT GROSS	UNIT QTY	TTL NET	TTL GROSS		
			UNDEVELOPED	DEVELOPED	UNDEVELOPED	DEVELOPED									
A1(um)	TYPICAL		13.0	70.6	45.9	40.7	111.0	38.4	51.7	64.3	181.6	735.3	8.0	1453.0	1892.6
A1(uf)			140.0	760.0	494.0	438.0	1195.0	198.0	1633.0	692.0	1955.0	2533.0	1.0	15639.9	20263.8
A2(um)	A-TYPICAL		21.9	114.9	98.0	40.7	179.7	28.1	200.4	126.1	294.6	357.2	1.0	294.6	357.2
A2(uf)			236.0	1237.0	1054.9	438.0	1934.0	302.0	2177.0	1765.9	3171.0	3665.0	1.0	3171.0	3665.0

**ISSUED FOR DEVELOPMENT PERMIT A2.1**

























PLANT LIST			
BOTANICAL NAME	COMMON NAME	QTY	SIZE/SPACING & REMARKS
<b>TREES</b>			
LIQUIDAMBAR STYRACIFLUA 'WORPLESDON'	WORPLESDON SWEETGUM	4	6cm CAL
ACER RUBRUM 'AUTUMN SPIRE'	AUTUMN SPIRE MAPLE	6	6cm CAL
<b>SHRUBS</b>			
BERBERIS THUNBERGII 'MADONNB' 'BRAF'	CHERRY BOMB JAPANESE BARBERRY	19	#02 CONT. /1.0M O.C. SPACING
FORSYTHIA X INFERMEDIA 'GOLDEN BELLS'	GOLDEN BELLS FORSYTHIA	7	#02 CONT. /2.0M O.C. SPACING
JUNIPERUS COMMUNIS 'PROSTRATA'	PROSTRATE JUNIPER	9	#02 CONT. /1.8M O.C. SPACING
JUNIPERUS HORIZONTALIS	CREeping JUNIPER	4	#02 CONT. /2.5M O.C. SPACING
MAHONIA AQUIFOLIUM	OREGON GRAPE	9	#02 CONT. /1.8M O.C. SPACING
ROSA 'WOODSH'	WOOD'S ROSE	7	#02 CONT. /2.0M O.C. SPACING
SPIREA RUMAYDA 'ANTHONY WATERER'	ANTHONY WATERER SPIREA	12	#02 CONT. /1.5M O.C. SPACING
VIBURNUM TREBLOM 'BAILEY COMPACT'	BAILEY COMPACT AMERICAN CRANBERRY	9	#02 CONT. /1.5M O.C. SPACING
<b>PERENNIALS, GRASSES &amp; GROUNDCOVERS</b>			
ARUNCUS DIKOLUS	GOAT'S BEARD	15	#01 CONT. /1.2M O.C. SPACING
CALAMAGROSTIS ACUTIFLORA 'KARL FORSTER'	KARL FORSTER FEATHER REED GRASS	21	#01 CONT. /1.0M O.C. SPACING
COREOPSIS 'RETRO TULI'	RETRO TULI TICKLEED	38	#01 CONT. /0.75M O.C. SPACING
HELICTOTRICHON SEMPERVIRENS	BLUE OAT GRASS	21	#01 CONT. /1.0M O.C. SPACING
SAIUA OFFICINALIS	COMMON SAGE	21	#01 CONT. /1.0M O.C. SPACING
SEDUM 'AUTUMN FIRE'	AUTUMN FIRE SEDUCECROP	26	#01 CONT. /0.9M O.C. SPACING
YUCCA FLAMENTOSA 'COLOURGUARD'	COLOURGUARD ADAM'S NEEDLE	38	#01 CONT. /0.75M O.C. SPACING

**LANDSCAPE NOTES**

- PLANT MATERIAL AND CONSTRUCTION METHODS SHALL MEET OR EXCEED CANADIAN LANDSCAPE STANDARDS.
- ALL SOFT LANDSCAPE AREAS SHALL BE WATERED BY A FULLY AUTOMATIC TIMED UNDERGROUND IRRIGATION SYSTEM.
- TREE AND SHRUB BEDS TO BE DRESSED IN A MINIMUM 75mm WOOD MULCH. DO NOT PLACE WEED MAT UNDERNEATH TREE AND SHRUB BEDS.
- GROWING MEDIUM SHALL BE PLACED 300mm MIN DEPTH IN ALL PLANTING AREAS. 50mm MIN DEPTH IN ALL DRYLAND AREAS. CONTRACTOR TO IMPORT GROWING MEDIUM OR SCREEN, AMEND & PLACE STOCKPILED ONSITE TOPSOIL. GROWING MEDIUM IS TO MEET TYPE 2P FOR PLANTING AREAS AND TREE FITS AS PER TABLE T-6.3.5.3 IN THE LATEST EDITION OF THE CANADIAN LANDSCAPE STANDARD.
- TURF AREAS FROM SOD SHALL BE NO. 1 GRADE GROWN FROM CERTIFIED SEED OF IMPROVED CULTIVARS REGISTERED FOR SALE IN B.C. AND SHALL BE TOLERANT OF DROUGHT CONDITIONS. A MINIMUM OF 150mm DEPTH OF GROWING MEDIUM IS REQUIRED BENEATH TURF AREAS. TURF AREAS SHALL MEET EXISTING GRADES AND HARD SURFACES FLUSH.
- SITE GRADING AND DRAINAGE WILL ENSURE THAT ALL STRUCTURES HAVE POSITIVE DRAINAGE AND THAT NO WATER OR LOOSE IMPEDIMENTS WILL BE DISCHARGED FROM THE LOT ONTO ADJACENT PUBLIC, COMMON, OR PRIVATE PROPERTIES.
- HYDROSEEDING DRYLAND SEED AREAS  
 DRYLAND SEED MIXTURE  
 BY WEIGHT BY SPECIES  
 BLUE BUNCH WHEAT GRASS 40% 22%  
 ROUGH FESCUE 25% 20%  
 IDAHO FESCUE 15% 19%  
 PERENNIAL RYEGRASS 10% 7%  
 SANDBERG BLUEGRASS 5% 13%  
 JUNE GRASS 4% 18%  
 CANADA BLUEGRASS 1% 1%  
 NATIVE SEED DRYLAND SEED MIXTURE  
 FERTILIZER 18-18-18 2, 50% SULPHUR COATED UREA 75KG/HECTARE  
 MULCH CANFOR COEPIRE 2,800KG/HECTARE  
 TACKIFIER GUAR 3% OF MIX

**SCHEDULE C**

This forms part of application  
 # DP22-0098

Planner Initials **TC**

City of Kelowna  
 DEVELOPMENT PLANNING

NO.	DATE	REVISION
1	22.03.21	Issue
2		
3		
4		

PROJECT NO.	220545
DESIGN BY	AM
DRAWN BY	NG
CHECKED BY	IB
DATE	MAR 21, 2022
SCALE	1:200
PAGE SIZE	24x36"
SCALE	



**L 1/2**

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MCKINLEY BEACH DRIVE

# SCHEDULE C

This forms part of application  
# DP22-0098

Planner Initials **TC**



City of  
**Kelowna**  
DEVELOPMENT PLANNING

### WATER CONSERVATION CALCULATIONS

LANDSCAPE MAXIMUM WATER BUDGET (WMB) = 221 cu.m. / year  
ESTIMATED LANDSCAPE WATER USE (EWU) = 123 cu.m. / year  
WATER BUDGET = 98 cu.m. / year  
\*REFER ATTACHED IRRIGATION APPLICATION FOR DETAILED CALCULATIONS

### IRRIGATION LEGEND

- ZONE #1- HIGH EFFICIENCY SUBSURFACE DRIP IRRIGATION FOR MODERATE WATER USE PLANTING AREAS  
TOTAL AREA: 76 sq.m.  
MICROCLIMATE: EAST EXPOSURE, PARTIALLY SHADED BY TREES AND BUILDING  
ESTIMATED ANNUAL WATER USE: 25 cu.m.
- ZONE #2- HIGH EFFICIENCY SUBSURFACE DRIP IRRIGATION FOR MODERATE WATER USE PLANTING AREAS  
TOTAL AREA: 139 sq.m.  
MICROCLIMATE: EAST EXPOSURE, PARTIALLY SHADED BY TREES AND BUILDING  
ESTIMATED ANNUAL WATER USE: 46 cu.m.
- ZONE #3- HIGH EFFICIENCY SUBSURFACE DRIP IRRIGATION FOR MODERATE WATER USE PLANTING AREAS  
TOTAL AREA: 153 sq.m.  
MICROCLIMATE: EAST EXPOSURE, PARTIALLY SHADED BY TREES AND BUILDING  
ESTIMATED ANNUAL WATER USE: 51 cu.m.

### IRRIGATION NOTES

1. IRRIGATION PRODUCTS AND INSTALLATION METHODS SHALL MEET OR EXCEED THE REQUIREMENTS OF THE WATER USE REGULATION BYLAW NO. 10480 AND THE SUPPLEMENTARY SPECIFICATIONS IN THE CITY OF KELOWNA BYLAW 7900(PART 6, SCHEDULE 5).
2. THE IRRIGATION SYSTEM SHALL MEET THE REQUIREMENTS, REGULATIONS, AND BYLAWS OF THE WATER PURVEYOR.
3. THE IRRIGATION SYSTEM SHALL BE EQUIPPED WITH AN APPROVED BACKFLOW PREVENTION DEVICE, WATER METER, AND SHUT OFF VALVE LOCATED OUTSIDE THE BUILDING ACCESSIBLE TO THE CITY.
4. AN APPROVED SMART CONTROLLER SHALL BE INSTALLED. THE IRRIGATION SCHEDULING TIMES SHALL UTILIZE A MAXIMUM ET VALUE OF 7\* / MONTH (KELOWNA JULY ET), TAKING INTO CONSIDERATION SOIL TYPE, SLOPE, AND MICROCLIMATE.
5. DRIP LINE AND EMITTERS SHALL INCORPORATE TECHNOLOGY TO LIMIT ROOT INTRUSION.
6. IRRIGATION SLEEVES SHALL BE INSTALLED TO ROUTE IRRIGATION LINES UNDER HARD SURFACES AND FEATURES.
7. IRRIGATION PIPE SHALL BE SIZED TO ALLOW FOR A MAXIMUM FLOW OF 1.5m<sup>3</sup>/SEC.
8. A FLOW SENSOR AND MASTER VALVE SHALL BE CONNECTED TO THE CONTROLLER AND PROGRAMMED TO STOP FLOW TO THE SYSTEM IN CASE OF AN IRRIGATION WATER LEAK.



PROJECT TITLE

**KASHMERE ROW HOUSING  
LOT 2 MCKINLEY**

Kelowna, BC

DRAWING TITLE

**WATER CONSERVATION/  
IRRIGATION PLAN**

REVISION / REVISION

NO.	DATE	DESCRIPTION
1	22.03.21	Review
2		
3		
4		

PROJECT NO.

DESIGN BY

DRAWN BY

CHECKED BY

DATE

SCALE

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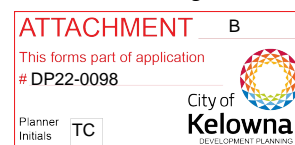
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DRAWING NUMBER

**L2/2**

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## FORM & CHARACTER - DEVELOPMENT PERMIT GUIDELINES

Consideration has been given to the following guidelines as identified in Chapter 18 of the City of Kelowna 2040 Official Community Plan:

RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE <i>(1 is least complying &amp; 5 is highly complying)</i>	N/A	1	2	3	4	5
<b>CHAPTER 3.0: TOWNHOUSES</b>						
<b>3.1 Townhouse Guidelines</b>						
<b>3.1.1 Relationship to the Street</b>						
Townhouse built form is addressing the street frontage and front doors are directly accessible from a public walkway.				✓		
Blank façades (without window openings) proposed along the street frontages.						✓
Prominent entrance features for the main front doors such as stoops, porches, recessed entries, and canopies are provided.				✓		
<b>3.1.2 Scale and Massing</b>						
Proposed built form is sympathetic to the neighbourhood context and providing sensitive transition to the adjacent context (existing and future buildings, parks, and open spaces)						✓
Built Form is establishing a consistent rhythm along the street frontage with articulation of individual units through integration of projections/ recesses (entries and balconies), change in materials of the façade.						✓
Townhouse block is comprising of maximum 6 units.						✓
<b>3.1.3 Site Planning</b>						
Proposed townhouse development is responding sensitively to topography, environmental features and enhancing privacy, livability, safety, and accessibility to the surrounding open space network (if applicable).						✓
Minimum building separation of 10-12 m is provided to accommodate sunlight, reduce overlook between buildings and neighbouring properties.		✓				
Building projections such as balconies are not provided within the setback areas, streets, and amenity areas of the proposed development.						✓
Front yard setbacks on internal roads are responding to the height of the townhouses, for 3 storeys townhouses greater setback is provided to improve livability and solar access.						✓
<b>3.1.4 Open Spaces</b>						
Front yards are designed to include a pathway from the fronting street to the primary entrance of the unit, landscaping, and semi-private outdoor amenity space.				✓		
Design of private outdoor amenity spaces is having access to sunlight.						✓

<b>RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE</b> <i>(1 is least complying &amp; 5 is highly complying)</i>	<b>N/A</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Design of private outdoor amenity spaces is having a railing or fencing to increase privacy.						✓
Design of private outdoor amenity spaces is having landscaped areas to soften the interface with the street or open spaces.					✓	
Balconies are designed to inset or partially inset and offer privacy, shelter, reducing building bulk and minimize shadowing impact.						✓
Minimum of 10% of total site areas is allocated to common outdoor amenity area.		✓				
Outdoor amenity area provides landscaping, seating, play space and other elements that encourage gathering or recreation.			✓			
Internal road network of townhouse development is serving as additional shared space and is provided with high-quality pavement materials (example: permeable pavers).	✓					
Useable spaces within the open space areas (for sitting, gathering, and playing) are provided.		✓				
<b>3.1.5 Parking</b>						
<b>Parking</b>						
Garage doors are appropriately recessed and designed to limit the visual impact.					✓	
Visitor parking with pedestrian connections to the townhouse units is provided in an accessible location (adjacent to townhouse blocks or centralized parking integrated with shared outdoor amenity space).	✓					
<b>3.1.6 Building Articulation, Features, and Materials</b>						
Façade is designed and articulated to reflect positive attributes of the neighbourhood character.						✓
Strategy to articulate façade: Recessing or projecting of architectural features to highlight the identity of individual units.					✓	
Strategy to articulate façade: main entrance and rooflines features, and other architectural elements have been incorporated in the design.						✓
Privacy of units is maintained on site and on adjacent properties by minimizing overlook and direct sight lines from the building. The following strategies have been incorporated in design: <ul style="list-style-type: none"> <li>• Off setting the location of windows in facing walls and locating doors and patios to minimize privacy concerns;</li> <li>• Use of clearstory windows;</li> <li>• Use of landscaping or screening; and</li> <li>• Use of setbacks and articulation of the building.</li> </ul>					✓	
Large townhouse developments with internal circulation pattern are providing modest variation between different blocks of townhouse units, such as change in colour, materiality, building and roof form.					✓	



DP22-0098

3700 McKinley Beach Drive

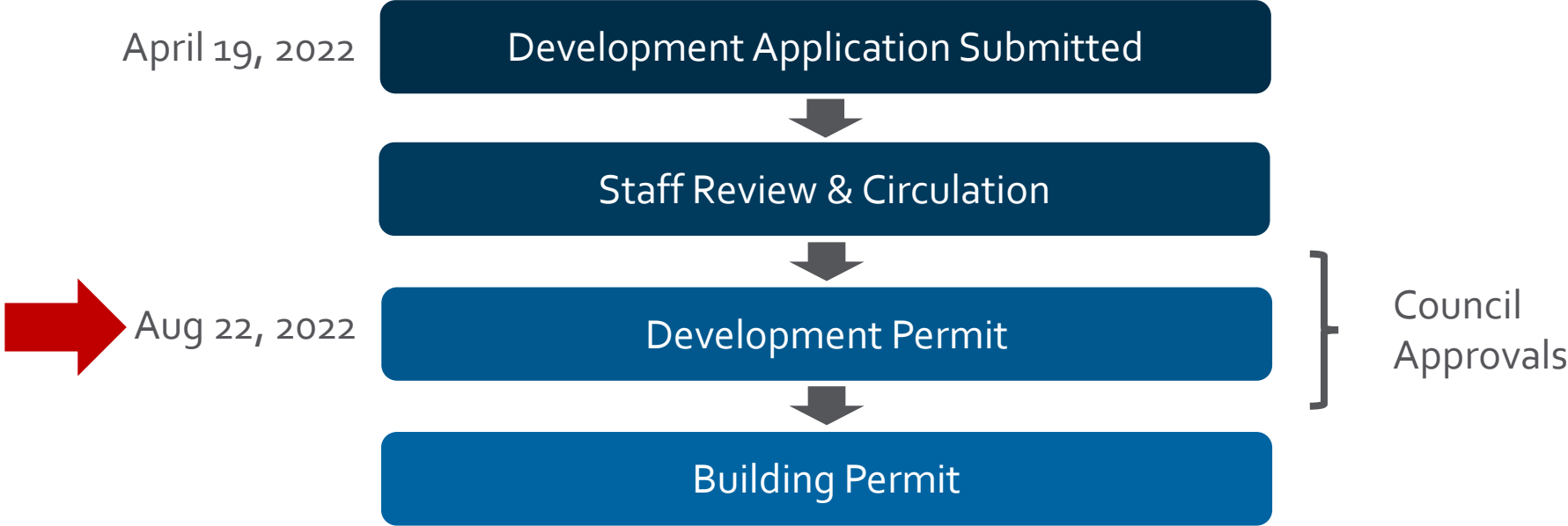
Development Permit Application



# Proposal

- ▶ To issue the Development Permit for the form and character of a new multiple dwelling housing development.

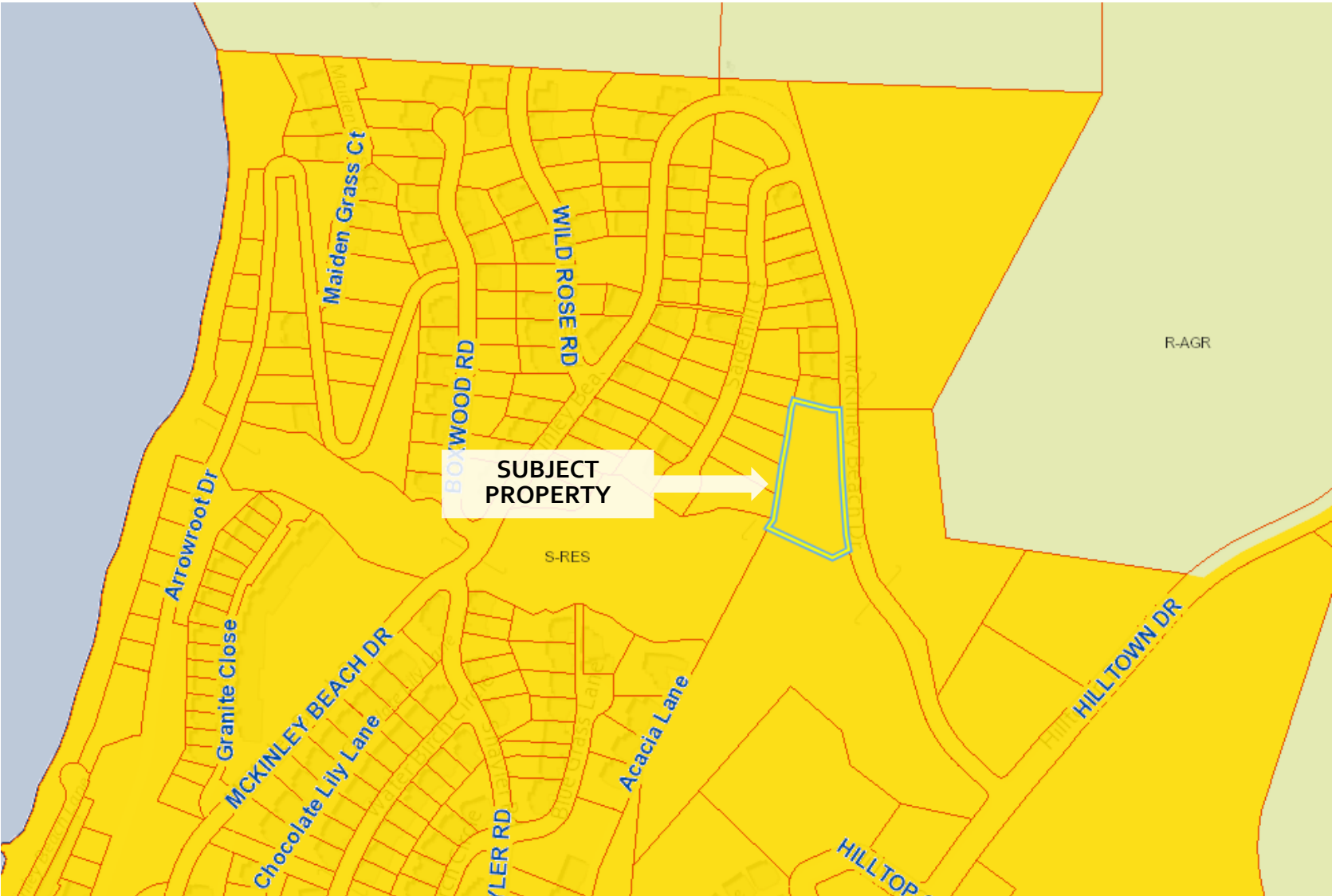
# Development Process



# Context Map



# OCP Future Land Use





# Subject Property Map

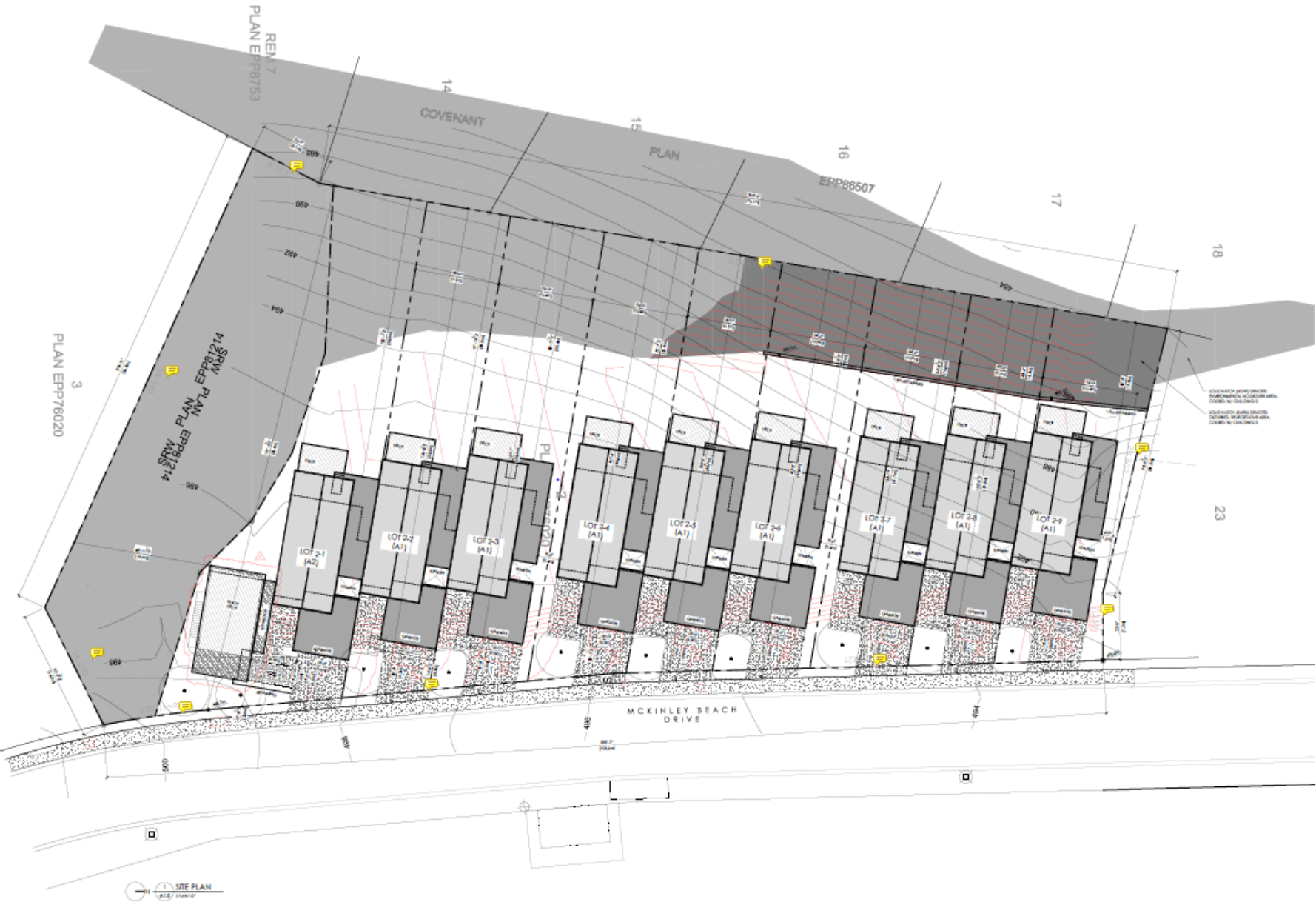




# Project Details

- ▶ The subject property is a 1.285-acre site along McKinley Beach Drive
- ▶ The project includes 9 rowhouse units, 3-bedroom, 2.5 bathroom
  - ▶ 9 units are divided into 3 blocks with 3 units each
- ▶ Units are on free-hold lots
  - ▶ Party wall agreement between adjoining buildings

# Site Plan

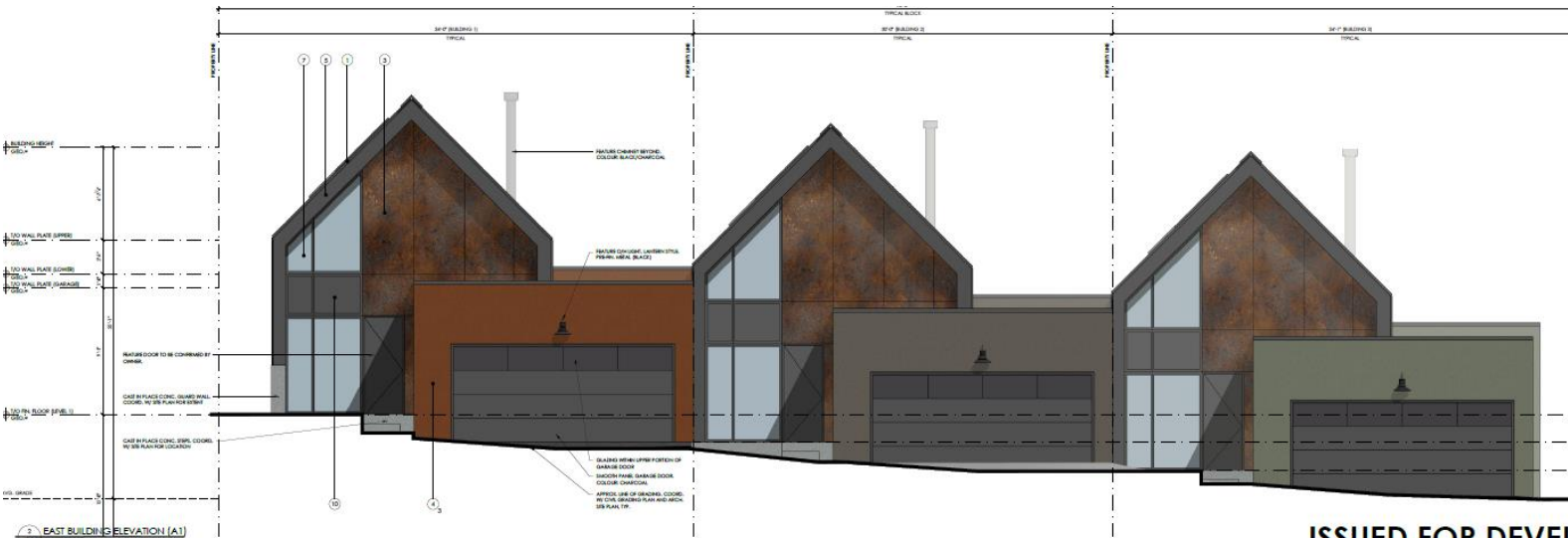


# West & East Elevations

East



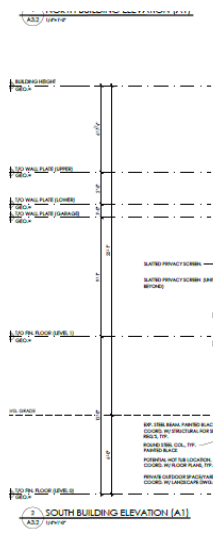
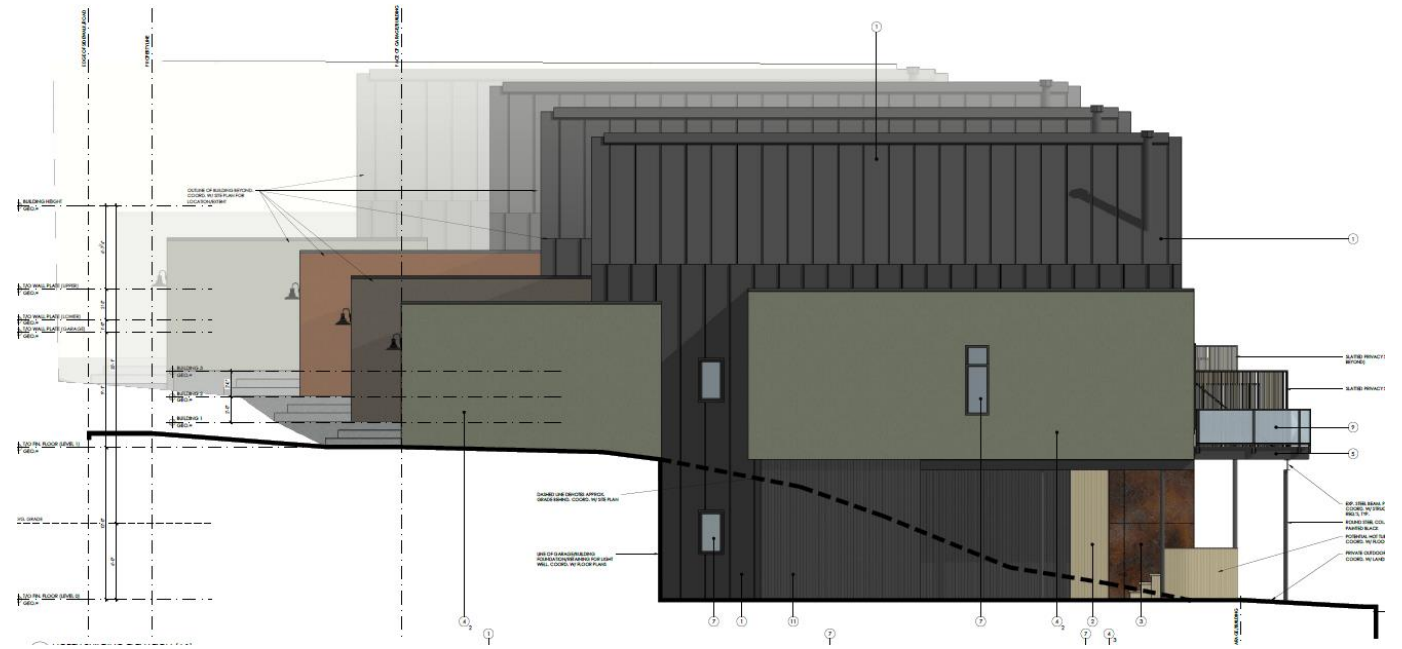
West



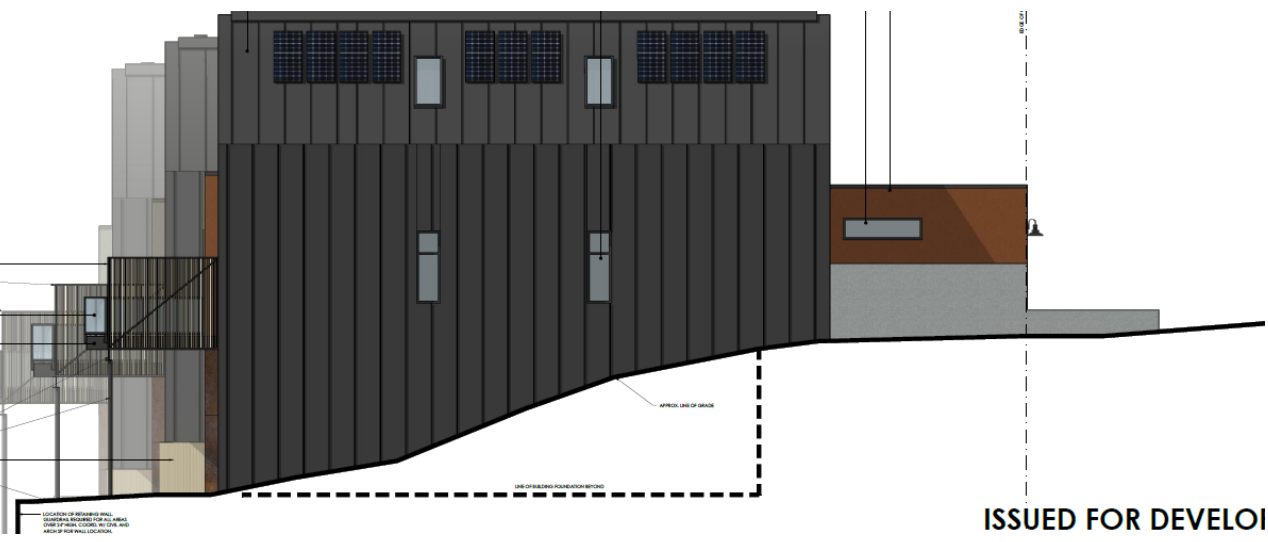
ISSUED FOR DEVELOPMENT

# Elevations

North



South



ISSUED FOR DEVELOPMENT



# Conceptual Rendering



STANDING SEAM METAL CLADDING



NON-COMBUSTIBLE WOOD SOFFIT/CLADDING - CEDAR LOOK



HOUSE NUMBER & CONCRETE WALL



WEATHERED STEEL CLADDING

# Landscape Plan



# Staff Recommendation

- ▶ Staff recommend **support** of the proposed development:
  - ▶ Consistent with Area Structure Plan
  - ▶ Meets the majority Form and Character Guidelines
  - ▶ Consistent with the surrounding neighbourhood uses



## *Conclusion of Staff Remarks*





## 2.0 Development Planning

Staff are recommending support the proposed form and character Development Permit for a commercial site located in the Ponds Village Centre. The subject property has been identified as commercial in both the Neighbourhood 3 Area Structure Plan and the 2040 Official Community Plan (OCP). If approved, the proposal will contribute to completing the vision of The Ponds Village Centre.

The proposal includes four commercial buildings that would contain roughly 7,773 m<sup>2</sup> of commercial space. These commercial businesses will provide for a large portion of the Upper Mission area, as there are currently limited commercial uses. The proposal meets the majority of the Form and Character Guidelines, as a variety of materials and colours are proposed. The Landscape Plan indicates that there will be trees, shrubs and grasses planted along all three street frontages with additional plantings located throughout the site.

This is the first of a two-part phase and the second phase will require a separate Development Permit. The applicant has indicated that no variances are required as part of the subject proposal. Overall, Staff believe the form and character is strong and the commercial businesses will be incorporated well into the neighbourhood.

## 3.0 Proposal

### 3.1 Background

Development of 'The Ponds' neighborhood is guided by the Neighbourhood 3 Area Structure Plan (ASP) created in 2007. The plan envisioned a substantial mixed-use 'Village Centre' with places to live, work, shop, and socialize, that will be the focal point of the community and would accommodate a range of residential housing forms, an elementary school, and an array of parks, pathways, and natural areas.

The subject property was identified as mixed use/commercial, and the objective of this site was to establish a conveniently located village centre of a scale sufficient to provide commercial services to meet the day-to-day needs of residents throughout the neighbourhood. The Village Centre in Neighbourhood 3 is planned to accommodate 150,000 – 300,000 ft<sup>2</sup> of commercial floor area. This means the Ponds Village Centre is going to accommodate a large portion of Upper Mission.

### 3.2 Project Description

The subject properties are 13.49 acres in size and are in the Ponds Village Centre. The proposed commercial development consists of four buildings, ranging in size and height. These buildings are sited throughout phase 1 of the site and will be entirely commercial uses.

The buildings are designed with several different materials and colours, which include vertical light and dark siding, brown and charcoal metal panel, sand stucco, brick, dry stack stone and light fibre cement panels. The architect has indicated that the colours and materials were chosen as they were inspired from the surrounding region including the Myra Canyon Trestles. The Landscape Plan shows that there will be shade trees located throughout the property including buffering Frost Road, Gordon Drive and Powerline Park, and perennial grasses, shrubs, deciduous and coniferous trees, as well as seating areas located throughout the subject property.

The subject properties are the first of two phases for the Ponds Commercial site. The applicant has indicated that the intention of phase two is to create smaller buildings that will be pedestrian oriented and have pedestrian connectivity throughout the site.

3.3 Site Context

The subject property is in The Ponds Village Centre, the Future Land Use Designation is VC – Village Centre and the property is in the Permanent Growth Boundary (PGB). The properties to the South are vacant, however, multi-family development is currently proposed. Canyon Falls Middle School and single-family developments currently surround the site.

The surrounding area has the Future Land Use Designations of VC – Village Centre, PSU – Public Services/Utilities, SMU – Suburban – Multiple Unit, NAT – Natural Area, EDINST – Educational / Institutional and S-RES – Suburban Residential.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	P3 – Parks and Open Space	Powerline Park
East	RU3 – Small Lot Housing	Single-Family Dwellings
South	C3 – Community Commercial and A1 – Agriculture 1	Vacant Properties
West	RU1 – Large Lot Housing	Single-Family Dwellings

**Subject Property Map: 988 & 1090 Frost Road**



3.4 Zoning Analysis Table

Zoning Analysis Table		
CRITERIA	C3 ZONE REQUIREMENTS	PROPOSAL
Existing Lot/Subdivision Regulations		
Min. Lot Area	1300 m <sup>2</sup>	31,668 m <sup>2</sup>
Min. Lot Width	40.0 m	265.0 m
Min. Lot Depth	30.0 m	108.0 m

Development Regulations		
Max. Floor Area Ratio	1.0	0.25
Max. Site Coverage (buildings)	50%	24.5%
Max. Height	10.0 m	15.0 m
Min. Front Yard	3.0 m	3.0 m
Min. Side Yard (West)	0.0 m	3.0 m
Min. Side Yard (East)	0.0 m	0.0 m
Min. Rear Yard	0.0 m	3.0 m
Other Regulations		
Min. Parking Requirements	234	311
Min. Bicycle Long-Term Parking	16	18
Min. Bicycle Short-Term Parking	10	36
Min. Loading Space	4	5

**4.0 Current Development Policies**

**4.1 Kelowna Official Community Plan (OCP)**

Objective 7.1 Create more complex communities in Suburban Neighbourhoods	
Policy 7.1.1 Area Structure Plan Consistency.	<p>Support development that is consistent with adopted Area Structure Plans (ASPs) in Suburban Neighbourhoods. Require amendments to ASPs where proposals include significant increases to the number of residential units beyond those signalled in an ASP or where proposals are likely to require significant changes to planned transportation, parks, and utility infrastructure.</p> <p><i>The proposed commercial site is consistent with the Area Structure Plan (ASP) developed for 'The Ponds Village Centre'. If approved, it will contribute to completing the neighbourhood village centre.</i></p>
Policy 7.1.2 Suburban Village Centre Services.	<p>Encourage the provision of a range of services by developing Suburban Village Centres that are scaled to support residential development in the surrounding neighbourhood. Such services may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Food, retail, services and programs;</li> <li>• Banks and credit unions;</li> <li>• Medical, health and wellness services;</li> <li>• Day cares and schools; and</li> </ul> <p>Places of worship and other community gathering spaces.</p> <p><i>The proposed commercial site will provide opportunities for food, retail, and other services into the Village Centre.</i></p>
Policy 7.1.4. The Ponds Village Centre.	<p>Support development in the Ponds Village Centre that includes the following characteristics:</p> <ul style="list-style-type: none"> <li>• A mix of commercial and residential development to a maximum height of approximately four storeys; and</li> </ul> <p>Orientation of buildings towards Frost Road, with minimal surface parking between the road and the buildings.</p> <p><i>This is the first of two phases. This phase will provide commercial along Frost Road with parking at the rear. The second phase will include residential.</i></p>



## 5.0 Application Chronology

Date of Application Received: June 1<sup>st</sup>, 2022

Date Public Consultation Completed: N/A

**Report prepared by:** Tyler Caswell, Planner

**Reviewed by:** Dean Strachan, Community Planning & Development Manager

**Reviewed by:** Terry Barton, Development Planning Department Manager

**Approved for Inclusion:** Ryan Smith, Divisional Director, Planning & Development Services

### Attachments:

Attachment A: Draft Development Permit DP22-0128

Schedule A: Site Plan and Floor Plans

Schedule B: Elevations

Schedule C: Landscape Plan

Attachment B: Applicant's Rationale

Attachment C: OCP: Form and Character Guidelines Checklist

# Development Permit DP22-0128



This permit relates to land in the City of Kelowna municipally known as 988 & 1090 Frost Road

and legally known as Lot 1 District Lot 579 SDYD Plan EPP29197 and Lot 3 District Lot 579 SDYD Plan EPP22118

and permits the land to be used for the following development:

### C3lp – Community Commercial (Liquor Primary) and C3 – Community Commercial

The present owner and any subsequent owner of the above described land must comply with any attached terms and conditions.

Date of Council's Decision August 22<sup>nd</sup>, 2022

Decision By: COUNCIL

Development Permit Area: Form & Character DPA

Existing Zone: C3lp – Community Commercial (Liquor Primary) and C3 – Community Commercial

Future Land Use Designation: VC – Village Centre

### **This is NOT a Building Permit.**

In addition to your Development Permit, a Building Permit may be required prior to any work commencing. For further information, contact the City of Kelowna, Development Services Branch.

### **NOTICE**

This permit does not relieve the owner or the owner's authorized agent from full compliance with the requirements of any federal, provincial or other municipal legislation, or the terms and conditions of any easement, covenant, building scheme or agreement affecting the building or land.

Owner: 0954654 BC Ltd., Inc. No. BC0954654

Applicant: Callahan Property Group

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Terry Barton  
Development Planning Department Manager  
Planning & Development Services


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Date of Issuance

**ATTACHMENT** A

This forms part of application  
# DP22-0128

Planner Initials TC

  
**City of Kelowna**  
DEVELOPMENT PLANNING

## 1. SCOPE OF APPROVAL

This Development Permit applies to and only to those lands within the Municipality as described above, and any and all buildings, structures and other development thereon.

This Development Permit is issued subject to compliance with all of the Bylaws of the Municipality applicable thereto, except as specifically varied or supplemented by this permit, noted in the Terms and Conditions below.

The issuance of a permit limits the permit holder to be in strict compliance with regulations of the Zoning Bylaw and all other Bylaws unless specific variances have been authorized by the Development Permit. No implied variances from bylaw provisions shall be granted by virtue of drawing notations that are inconsistent with bylaw provisions and that may not have been identified as required Variances by the applicant or Municipal staff.

## 2. CONDITIONS OF APPROVAL

- a) The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
- b) The exterior design and finish of the building to be constructed on the land be in accordance with Schedule "B";
- c) Landscaping to be provided on the land be in accordance with Schedule "C";
- d) The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect.

**This Development Permit is valid for two (2) years from the date of approval, with no opportunity to extend.**

## 3. PERFORMANCE SECURITY

As a condition of the issuance of this Permit, Council is holding the security set out below to ensure that development is carried out in accordance with the terms and conditions of this Permit. Should any interest be earned upon the security, it shall accrue to the Developer and be paid to the Developer or his or her designate if the security is returned. The condition of the posting of the security is that should the Developer fail to carry out the development hereby authorized, according to the terms and conditions of this Permit within the time provided, the Municipality may use enter into an agreement with the property owner of the day to have the work carried out, and any surplus shall be paid over to the property own of the day. Should the Developer carry out the development permitted by this Permit within the time set out above, the security shall be returned to the Developer or his or her designate. There is filed accordingly:

- a) An Irrevocable Letter of Credit **OR** certified cheque in the amount of **\$1,138,868.75**

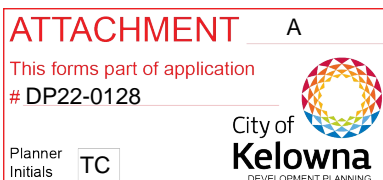
Before any bond or security required under this Permit is reduced or released, the Developer will provide the City with a statutory declaration certifying that all labour, material, workers' compensation and other taxes and costs have been paid.

## 4. INDEMNIFICATION

Upon commencement of the works authorized by this Permit the Developer covenants and agrees to save harmless and effectually indemnify the Municipality against:

- a) All actions and proceedings, costs, damages, expenses, claims, and demands whatsoever and by whomsoever brought, by reason of the Municipality said Permit.

All costs, expenses, claims that may be incurred by the Municipality where the construction, engineering or other types of works as called for by the Permit results in damages to any property owned in whole or in part by the Municipality or which the Municipality by duty or custom is obliged, directly or indirectly in any way or to any degree, to construct, repair, or maintain.



**The PERMIT HOLDER is the CURRENT LAND OWNER.  
Security shall ONLY be returned to the signatory of the  
Landscape Agreement or their designates.**

**PROJECT DATA (2022-04-28 / DR)**

**CIVIC ADDRESS:** 988 Frost Road, Kelowna, BC  
**LEGAL DESC:** Part of Lot A, District Lot 579, Plan EPP9618 EXCEPT Plans EPP9638 & EPP15721  
 Part of the S 1/2 of District Lot 579 SDYD EXCEPT Plans KAP77336, KAP86178, KAP86917, KAP87090, KAP87918, EPP9619, EPP9638, EPP12863 & EPP15721

**AHJ:** City of Kelowna - Bylaw 10500 (2011 OCP) - Bylaw 8000 (2011 Zoning)  
**Zoning:** C3rls - Community Commercial (Section 14 - CZ)

PROJECT STATS	PROPOSED	C3rls - REQ'D / PERM'D	COMPLIES (Y/N)
3.2) Principal Use:	Retail Store, Gen	Retail Store, Gen	Y
3.4.a) Subdivision Regs:	~265m W x 108m D	40m W x 30m D = 1200m2	Y
3.4.c) Lot Area:	31,688 m2 (341,087 sf)	1300m2	Y
3.5.a) FAR:	7,773 m2 (0.25x)	1.0x	Y
3.5.b) Lot Coverage:	7,773 m2 (24.5%)	50%	Y
3.5.c) Max Height:	10m-1sty (32'-10")	LESSER of 15m or 4 storey	Y
3.5.d) Front Yard:	3m (9'-10")	3m (9'-10")	Y
3.5.e) Side Yard:	3m (9'-10")	0m (0')	Y
Interior Side Yard:	0m (0')	0m (0')	Y
3.5.f) Rear Yard:	3m (9'-10")	0m (0')	Y

PARKING STATS (t8.3.2)	PROPOSED	REQ'D / PERM'D	COMPLIES (Y/N)
Primary Use:	Commercial	Commercial	Y
Vehicle per Min/Max:	4.00 per 100m2	3.0 / 4.0 per 100m2	Y
Vehicle Count Min/Max:	312	234 / 312	Y
Accessible (t.8.2.19):	16	7 (2 van)	Y

LOADING STATS (t8.4)	PROPOSED	REQ'D / PERM'D	COMPLIES (Y/N)
Primary Use:	Commercial	Commercial	Y
Loading per:	1 per 1500m2	1 per 1900m2	Y
Loading Count:	5	4	Y

BICYCLE STATS (t8.5)	PROPOSED	REQ'D / PERM'D	COMPLIES (Y/N)
Primary Use:	Commercial	Commercial	Y
Bicycles Long-term:	18	16 (1 per 500m2)	Y
Bicycles Short-term:	36	GREATER of 2 per ENTRY or 1 per 750m2	Y





**SCHEDULE A**

This forms part of application  
# DP22-0128

Planner  
TMOB TC



View 01: Gordon Dr

MAP



View 02: Frost Rd



View 03: Frost Rd



View 04 Frost Rd



DESIGN RATIONALE

INTRODUCTION

The proposed development is approximately seven acres in size and is located at the intersection of Gordon Drive and Frost Road in the Ponds area of Upper Mission in Kelowna. The development is bounded by the two roads to the west and south and by the Hydro right of way / Powerline Park to the north, with the remaining undeveloped property to the east.

The site is designated as a Village Centre and as such is designed to serve the immediate surrounding area, providing basic day to day services for the area and serves as a hub of activity for the surrounding community. The site plan offers a number of public spaces that provide a community amenity, creating small activity hubs and allows residents to travel shorter distances for day-to-day errands.

Strong visual references throughout the development - along the perimeter and within the development are critical in establishing this development as a "place maker" for the neighbourhood. The stylized wood trestle elements are a nod to the iconic train trestles in the outlying areas of Kelowna and have been integrated into the design of the buildings, signage and landscape to create elements that are recognizable character for the site. Along with the use of brick on some buildings, we have layered an historic patina on a modern design aesthetic to create a striking neighbourhood centre.

COLOURS AND MATERIALS

Materials and colours have been selected to create a rich and textured palette. Taking cues from the local environment, the colour palette is rich in natural earth tones from warm greys and blacks, through to ambers, taupes and reds. The materials used inherently provide much of the rendered colours - from brick, stone, stucco, metal panels and canopies.

PEDESTRIAN ORIENTED / CONNECTIVITY

The proposed development has been designed to incorporate fundamental qualities and characteristics required for a successful village retail development. The larger retail anchors are positioned to create a natural flow, drawing patrons across the development, inviting movement past medium and smaller stores infilling between the anchors. The retail units are designed to activate both the internal circulation system as well as along Frost Road, with ample glazing, a mix of materials and active entrances on all sides of the units. The following principles have been considered in the development of the site plan:

- Large sidewalks throughout the site create another level of public gathering areas that act as informal seating areas with benches and also can act as extension of patio areas associated with potential restaurant and café spaces.
- A localized internal vehicle circulation route provides access to all retail storefronts.
- Strong visual connections throughout the site promote shoppers circulating through the development.
- All retail, restaurants and service uses are at grade
- Strategically locating landscaping and street trees to maximize pedestrian comfort.

INTEGRATE NATURE

The overall plan integrates landscaping that reflects the surrounding natural environment. Street trees along the perimeter of the site as well as trees within the site create a comfortable, well planted development. The landscape design reflects the natural environment through the use of indigenous trees, shrubs and grasses, along with the use of hard landscaping materials including benches and planters using local aggregate in the mix.

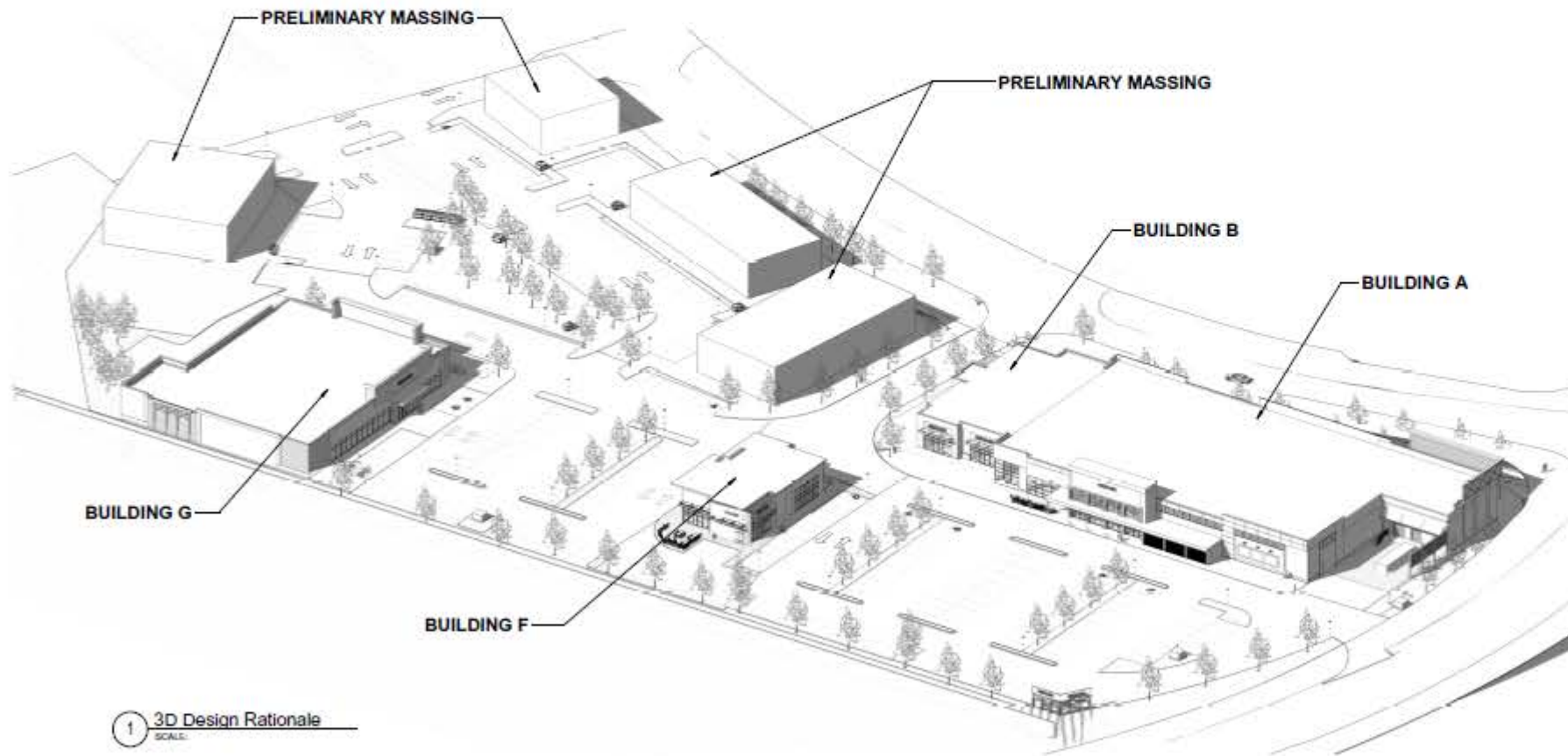
SOCIAL INTERACTION + CULTURAL / ARTISITIC EXPRESSION

The development integrates small-scale spaces where the public can experience and participate in local cultural programs, public events and performances. Opportunities for local art exist within the public spaces.

CPTED

CPTED principles are integrated into the design on all levels of the development from site layout, landscaping, lighting and individual building design. Considerations incorporated into the conceptual design include:

- View corridors throughout the development present long uninterrupted vistas
- Natural surveillance is maximized through visual connections to streets along the perimeter and through the development.
- Pathways with integrated landscaping will come with low plantings and high canopies to provide view corridors with no areas of concealment.
- Buffer plantings will include a number of plants to discourage traffic through the buffer areas.
- Lighting levels will be appropriate, balancing security with comfort and ambience.
- Landscaping used to screen the parking areas will be designed to allow visibility from the streets offering a good level of surveillance for cars and pedestrians.
- Exterior building materials will be impact resistant and come with graffiti resistant finishes (texturing and coating)
- Extensive glazing provides visibility and transparency and opportunities for "eyes on the street".



**SCHEDULE A**

This forms part of application # DP22-0128

Planner Initials TC







**SCHEDULE A**

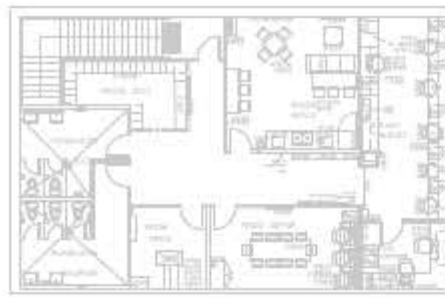
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# DP22-0128

TC

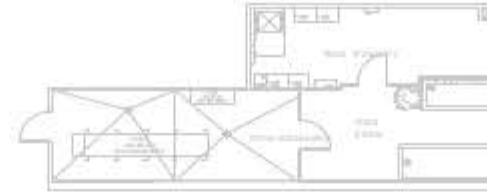
City of Kelowna  
DEVELOPMENT PLANNING







**BLDG A - MEZZANINE OFFICE**  
SCALE: 3/32" = 1'-0"

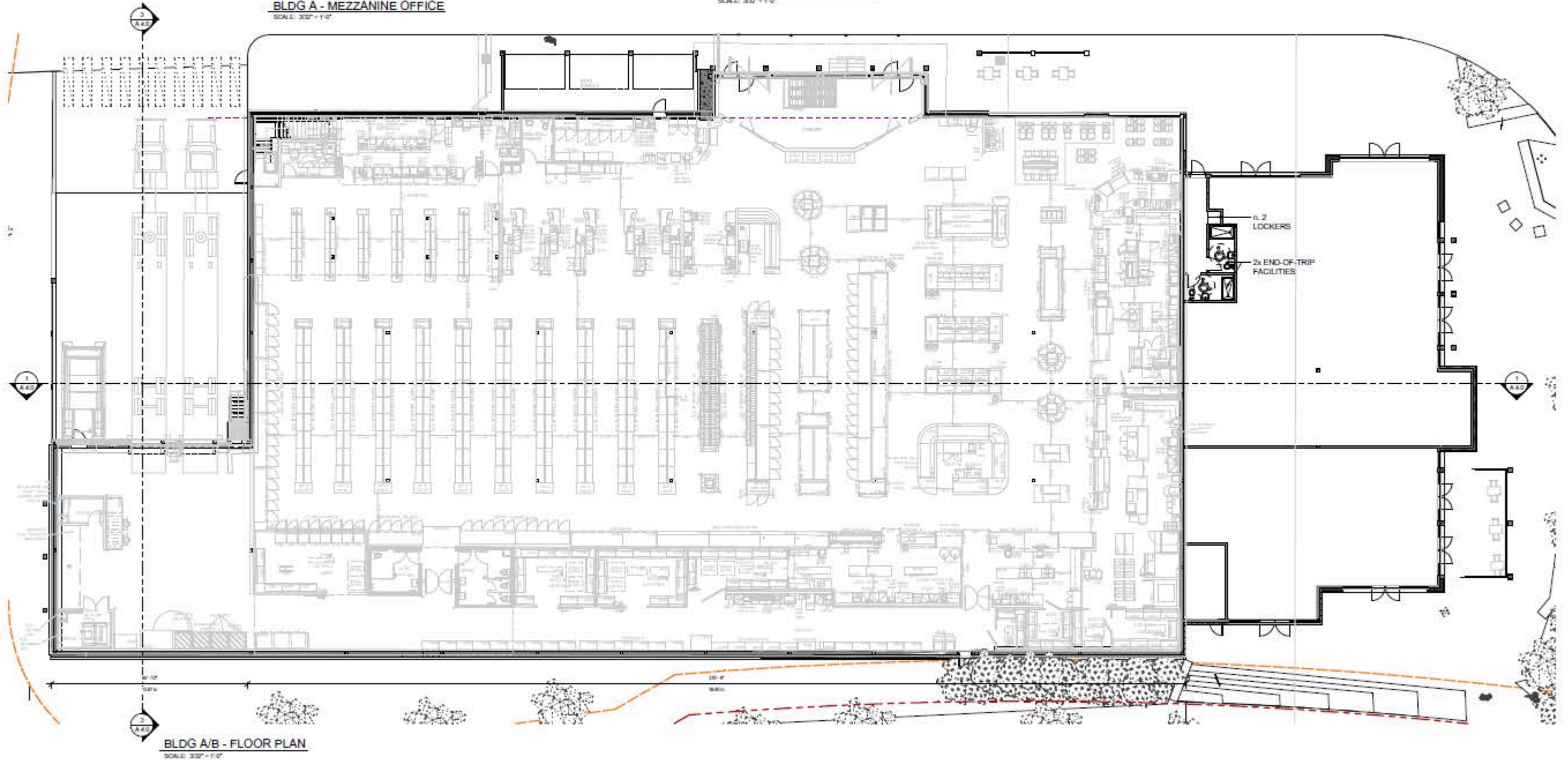


**BLDG A - MECH. MEZZANINE**  
SCALE: 3/32" = 1'-0"

**SCHEDULE A**

This forms part of application  
# DP22-0128

Planner  
Notes TC



**BLDG A/B - FLOOR PLAN**  
SCALE: 3/32" = 1'-0"

**PRINCIPALS**

Christopher Block  
M.Arch, Architect ABC, AAA,  
SAA, GAA, LEED AP BD+C

Marcus S. Prosser  
IDEX, CDP

**ADDRESS**

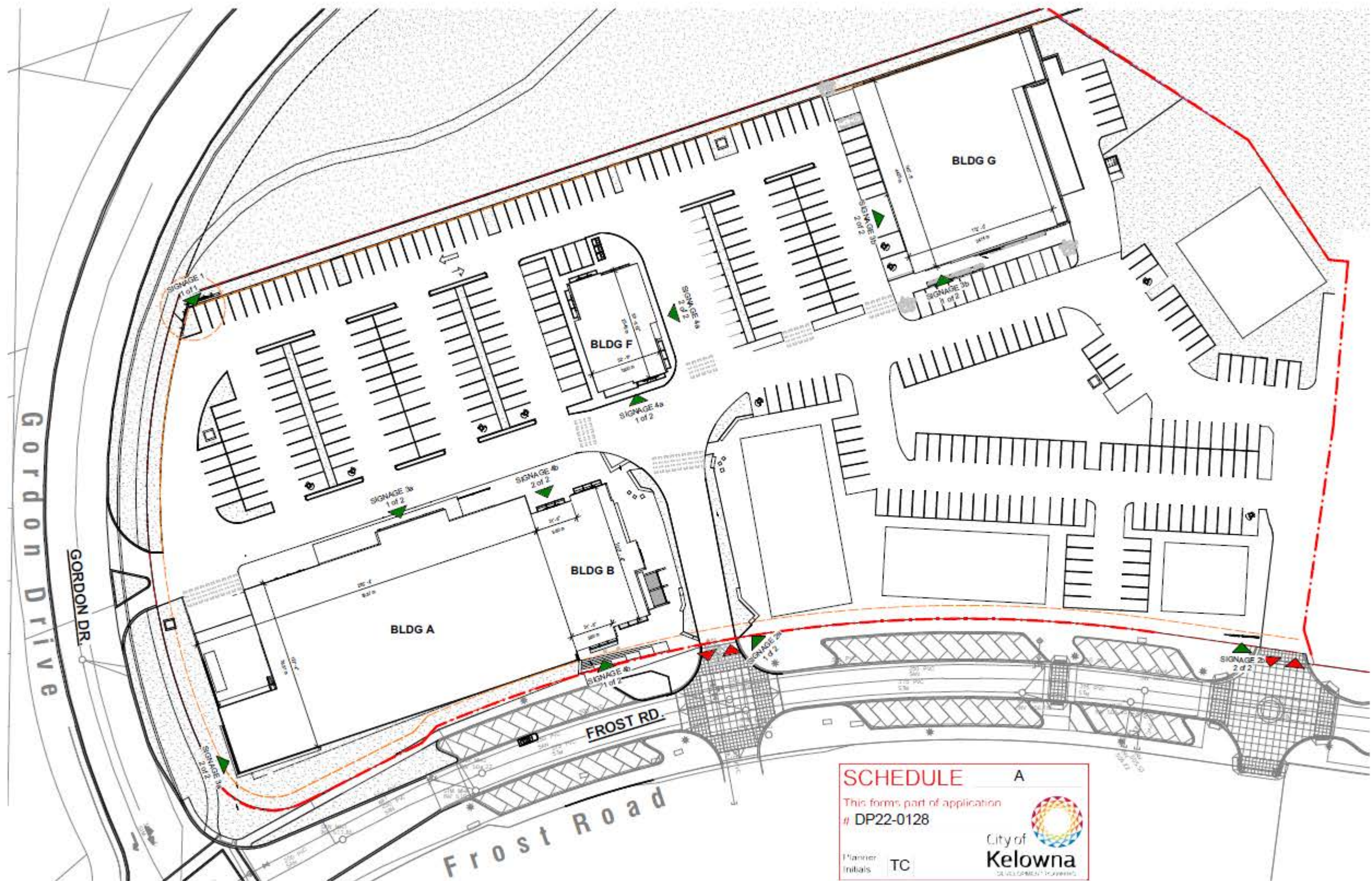
• The Metro Building  
180 350 Huron St  
Vancouver, BC Canada V6C 0B8

1 (250) 867-2282  
• office@coll8.ca  
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**SCHEDULE A**

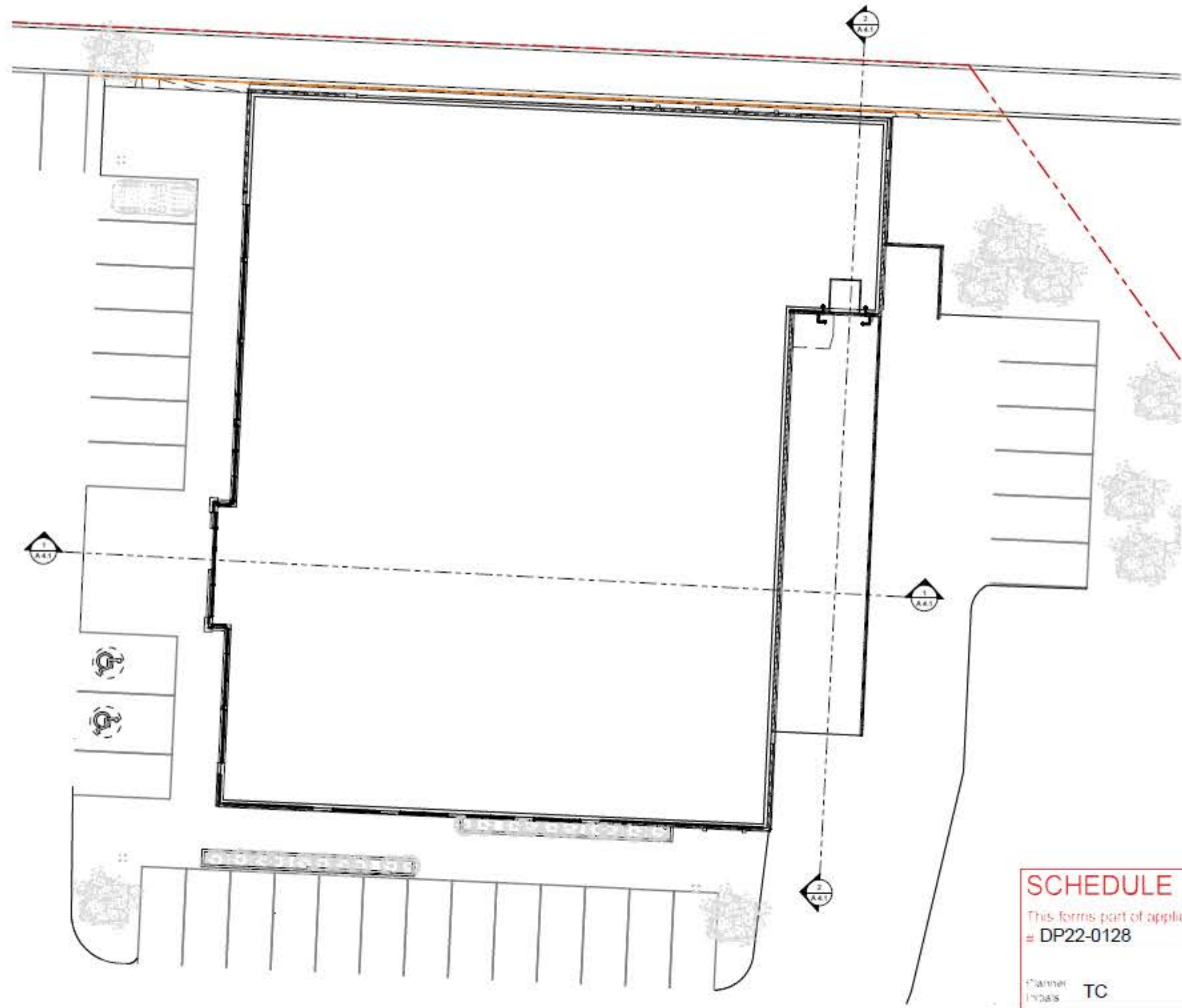
This forms part of application # DP22-0128

Planner Initials TC

City of Kelowna  
DEVELOPMENT SERVICES







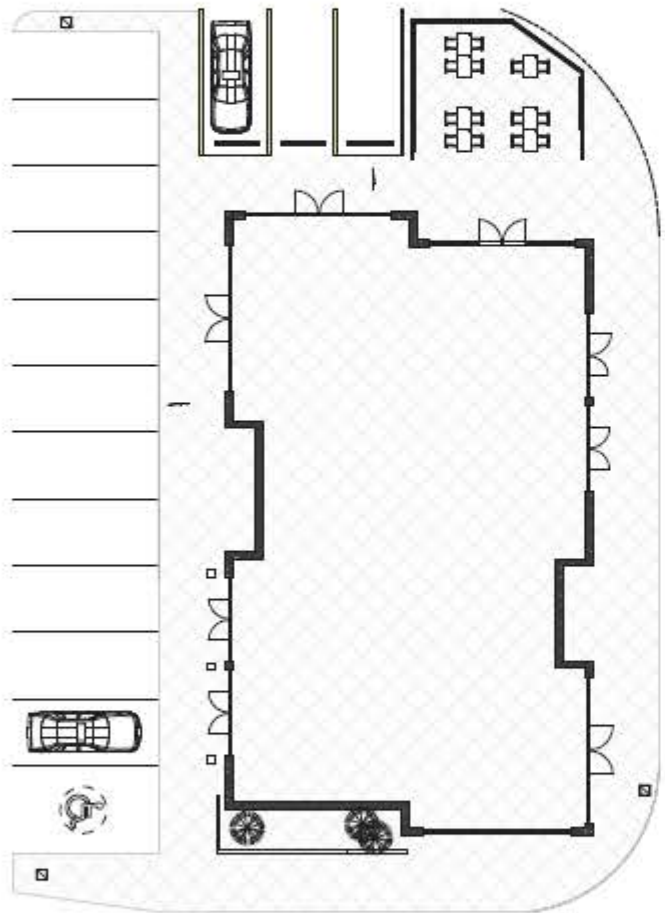
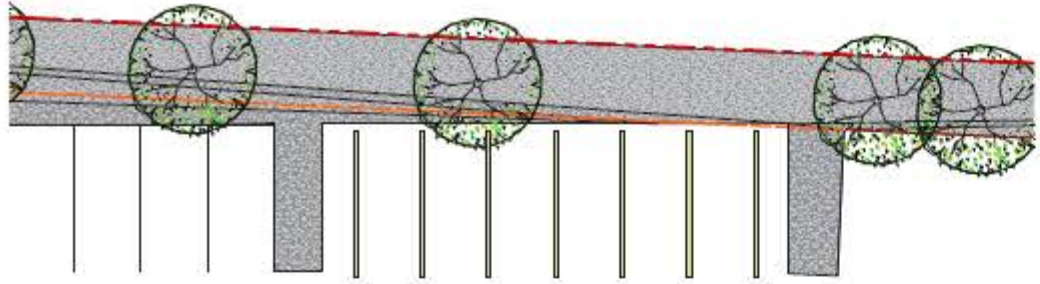
**SCHEDULE A**

This forms part of application  
# DP22-0128

Planner: TC  
TODAS

**3 BLDG G - FLOOR PLAN**  
SCALE: 3/32" = 1'-0"





**SCHEDULE A**

This forms part of application  
# DP22-0128

Planner Initials: TC



1 B3 FIN FLR  
SCALE: 3/32" = 1'-0"

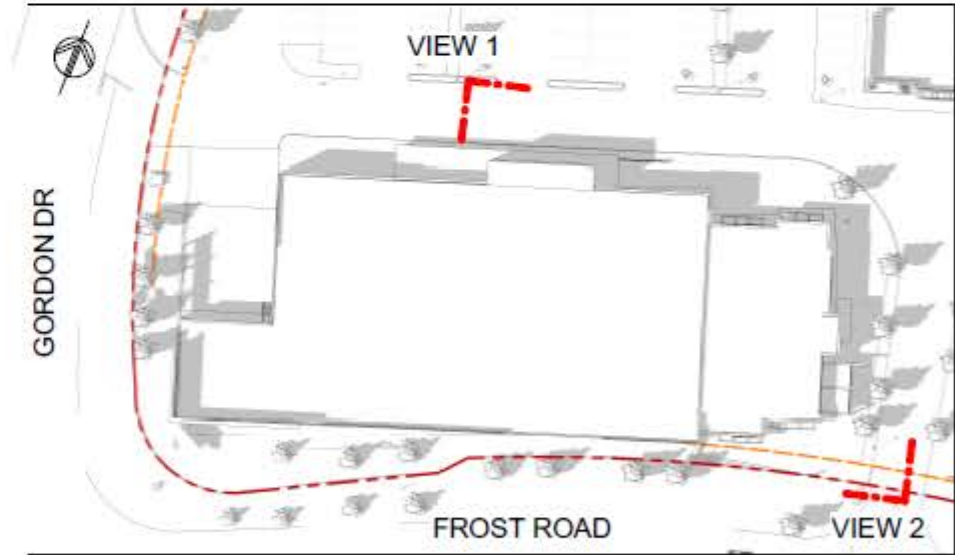




**BLDG A/B - VIEW 1 - NORTH**



**BLDG A/B - VIEW 2 - EAST**



**BLDG A/B KEY PLAN**

**PRINCIPALS**

Christopher Block  
 W.Arch., Architect AIBC, AIA,  
 SAA, OAA, LEED AP BD+C  
 Marcell S. Pirok  
 CKC, CCIT

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2022-05-25

**3D VIEWS BLDG A**

PROJECT NO: 22005  
 DATE: 05/24/2022  
 SCALE: 1" = 48'-0"



**SCHEDULE B**

This forms part of application # DP22-0128

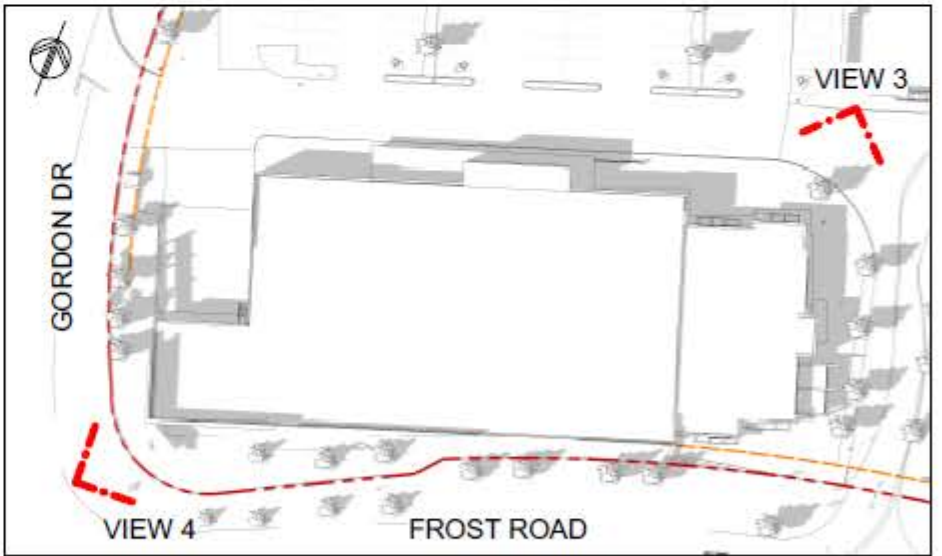
Planner Initials TC



**BLDG A/B - VIEW 3 - NORTH**

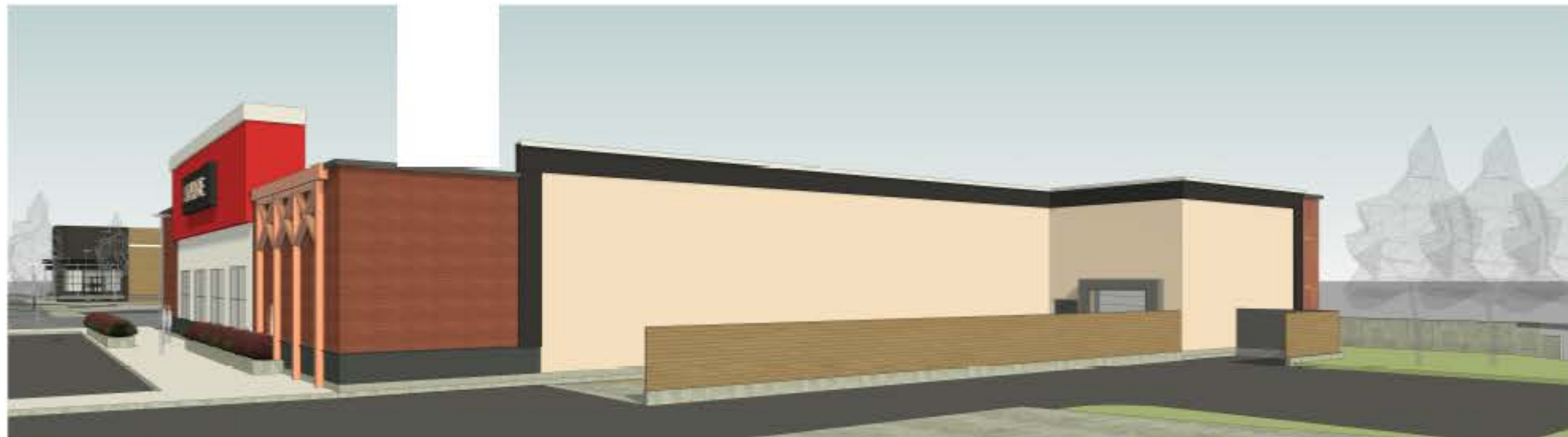


**BLDG A/B - VIEW 4 - SOUTH WEST**



**BLDG A/B KEY PLAN**





**SCHEDULE B**  
 This forms part of application # DP22-0128  
 Planner Initials TC  
  
 City of Kelowna  
 DEVELOPMENT PLANNING

**PRINCIPALS**

Christopher Block  
 M.Arch., Architect (B.C., A.A., S.A.A., S.A., LEED AP BD+C)  
 Marcel S. Priskew  
 CIVIL, CLP

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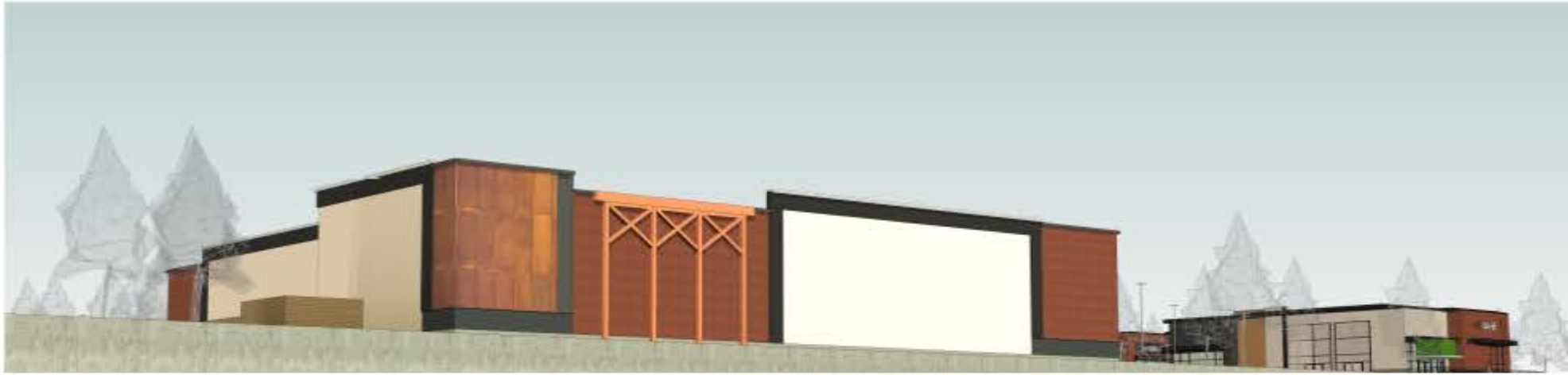


2022-05-20

**COMMERCIAL DEVELOPMENT SITE**  
 988 Frost Road, Kelowna, BC

3D VIEWS BLDG G

PROJECT No: 22055  
 DATE: 04/20/22  
 SCALE:



**SCHEDULE B**

This forms part of application  
# DP22-0128

Planner initials TC



City of  
**Kelowna**  
DEVELOPMENT PLANNING

**PRINCIPALS**

Christopher Block  
M.Arch, Architect ABC, AAA,  
SAA, OAA, LEED AP DD+C

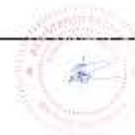
Marcel S. Prokhor  
CIOA, CCFP

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2022-05-25

**COMMERCIAL  
DEVELOPMENT SITE**  
988 Frost Road, Kelowna, BC

**3D VIEWS BLDG G**

PROJECT NO: 22005  
DATE: 04/29/22  
SCALE:





1 BLDG A/B - NORTH ELEVATION  
SCALE: 3/32" = 1'-0"

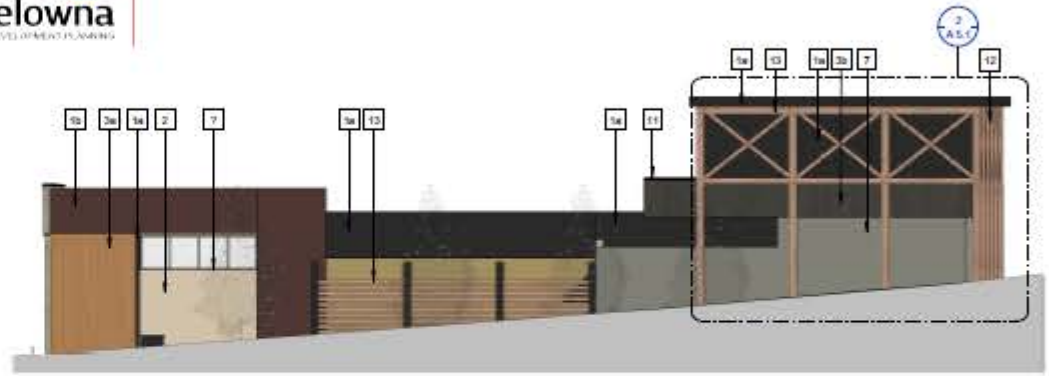


2 BLDG A/B - SOUTH ELEVATION - FROST ROAD  
SCALE: 3/32" = 1'-0"

**SCHEDULE B**  
This forms part of application # DP22-0128  
Planner Initials: TC  
City of Kelowna  
DEVELOPMENT PLANNING



3 BLDG A/B - EAST ELEVATION  
SCALE: 3/32" = 1'-0"

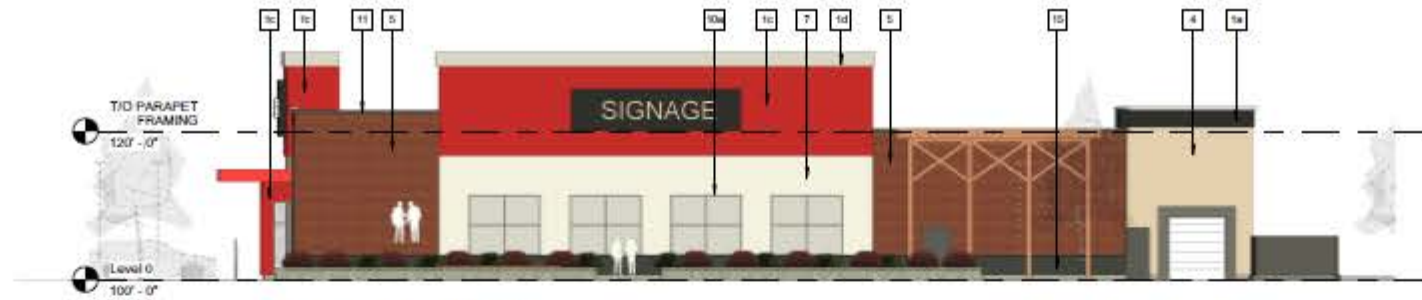


4 BLDG A/B - WEST ELEVATION - GORDON DR  
SCALE: 3/32" = 1'-0"

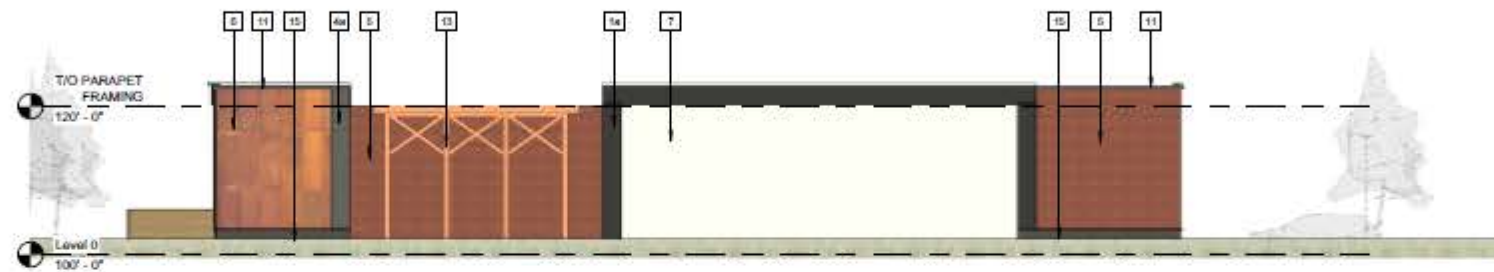
- 1a PRG-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: BLACK
- 1b PRG-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: DARK BROWN
- 1c PRG-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: RED
- 1d PRG-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: WHITE
- 2 FIBER CEMENT PANEL BOARD, COLOUR: SANDSTONE
- 3a VERTICAL WOODEN PLANKS
- 3b DARK GREY VERTICAL PLANKS
- 3c DARK GREY HORIZONTAL PLANKS
- 4 HORIZONTAL WOODEN PLANKS
- 5a BEIGE STUCCO
- 5b GREY STUCCO
- 6 EXPOSED, DARK RED BRICKS
- 7 METAL PANEL
- 8 DRYSTACK STONE
- 9 PRG-FINISHED METAL & GLASS CANOPY, PAINTED, COLOUR: BLACK
- 10 CANVAS AWNING, COLOUR: BLACK, FABRIC SHALL CONFORM TO CANULC 5159 PER BCBC 3.1.05.1.
- 10a CLEAR GLAZING IN ALUMINUM FRAME, COLOUR: CHARCOAL
- 10b SPANDREL GLASS
- 11 PRG-FINISHED METAL FLASHING, COLOUR: BLACK
- 12 EXPANDED METAL MESH
- 13 TIMBER
- 14 EXPOSED CONCRETE
- 15 BLACK STONE



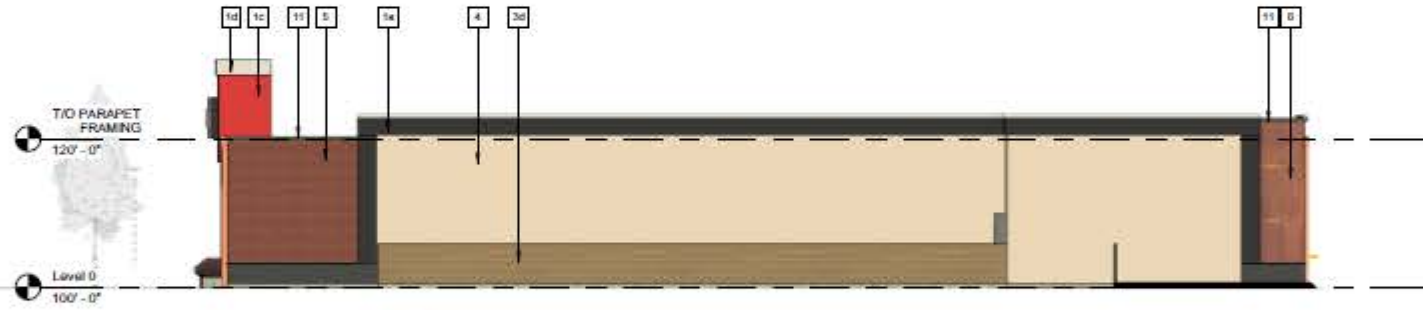
2022-05-20



**BLDG G - S ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG G - N ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG G - E ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG G - W ELEVATION**  
SCALE: 3/32" = 1'-0"

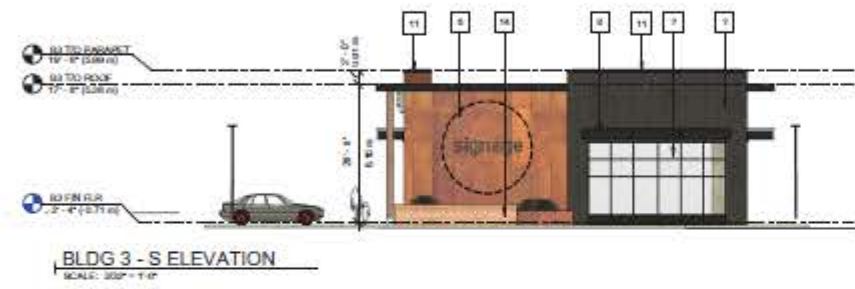
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- 1c PRE-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: RED
- 1d PRE-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: WHITE
- 1 FIBER CEMENT PANEL BOARD, COLOUR: SANDSTONE
- 1a VERTICAL WOODEN PLANKS
- 1b DARK GREY VERTICAL PLANKS
- 1c DARK GREY HORIZONTAL PLANKS
- 1d HORIZONTAL WOODEN PLANKS
- 4 BEIGE STUCCO
- 4a GREY STUCCO
- 5 EXPOSED, DARK RED BRICKS
- 8 METAL PANEL
- 7 DRYSTACK STONE
- 9 PRE-FINISHED METAL & GLASS CANOPY, PAINTED, COLOUR: BLACK
- 9 CANVAS AWNING, COLOUR: BLACK, FABRIC SHALL CONFORM TO CANULC 5108 PER BCC 3.1.1E.1.
- 10a CLEAR GLAZING IN ALUMINUM FRAME, COLOUR: CHARCOAL
- 10b SPANDREL GLASS
- 11 PRE-FINISHED METAL FLASHING, COLOUR: BLACK
- 12 EXPANDED METAL MESH
- 13 TIMBER
- 14 EXPOSED CONCRETE
- 15 SLACK STONE

**SCHEDULE B**

This forms part of application # DP22-0128

Planner Initials: TC





- 14 PRG FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: BLACK
- 13 PRG FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: DARK BROWN
- 12 PRG FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: RED
- 11 FIBER CEMENT PANEL BOARD, COLOUR: SANDSTONE
- 10 VERTICAL WOODEN PLANKS
- 9 DARK GREY VERTICAL PLANKS
- 8 DARK GREY HORIZONTAL PLANKS
- 7 BEIGE STUCCO
- 6 EXPOSED, DARK RED BRICKS
- 5 CORTEN METAL PANEL
- 4 DRYSTACK STONE
- 3 PRG FINISHED METAL & GLASS CANOPY, PAINTED, COLOUR: BLACK
- 2 CANVING AWNING, COLOUR: BLACK, FABRIC SHALL CONFORM TO CANULC 5581 FOR SCOPE 3.1.35.1.
- 16 CLEAR GLAZING IN ALUMINUM FRAME, COLOUR: CHROME
- 15 SPANDREL GLASS
- 14 PRG FINISHED METAL FLASHING, COLOUR: BLACK
- 13 EXPANDED METAL MESH
- 12 TIMBER COLUMN
- 11 RAMMED EARTH FINISH



**SCHEDULE B**  
This forms part of application # DP22-0128

Planner Initials: TC





# LOCAL IDENTITY - MATERIALS & CHARACTER

The creation of successful cultural landmarks require recognition of existing natural beauty combined with visionary placemaking.

**SCHEDULE B**  
 This forms part of application # DP22-0128  
 City of Kelowna  
 DEVELOPMENT PLANNING  
 Planner Initials: TC



VERTICAL LIGHT SIDING



VERTICAL DARK SIDING



METAL PANEL



BROWN METAL PANEL



CHARCOAL METAL PANEL



SAND STUCCO



RETAINING WALL



BRICK



DRYSTACK STONE



LIGHT FIBRE CEMENT PANEL



# LOCAL PRECEDENT - BUILDING & SITE DESIGN

Integration of natural elements and earth-friendly materials.



**SCHEDULE B**

This forms part of application # DP22-0128

Planner Initials: TC



BRICK VENEER & BLACK ALUM FASCIA PANEL



LANDSCAPING PLANTERS & CONCRETE



WOOD TRESTLES



ACCENT PANELS



VERTICAL DARK SIDING



ALUMINUM STOREFRONT



GLASS OVERHEAD DOORS



BROWN METAL PANEL

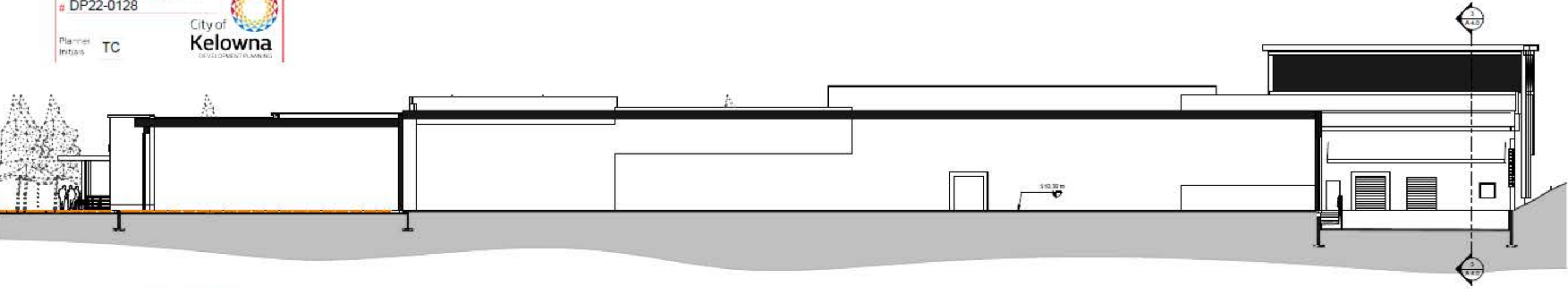


**SCHEDULE B**

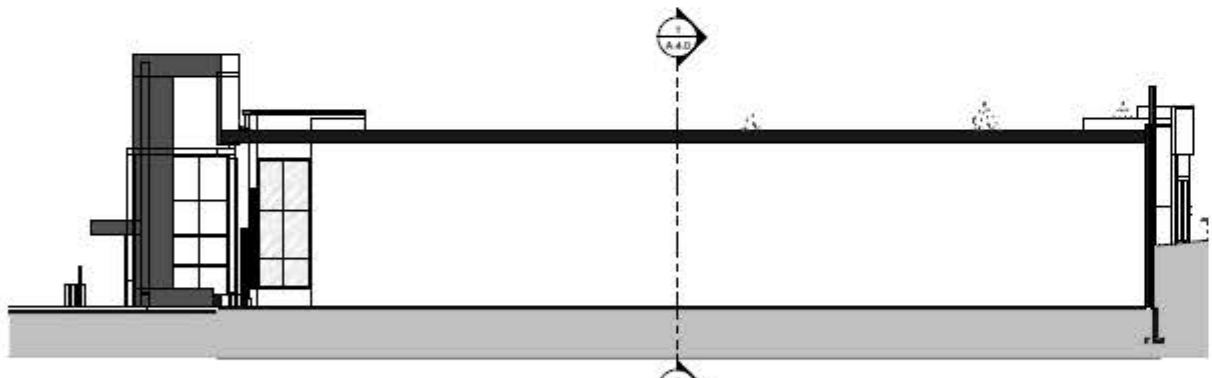
This forms part of application  
# DP22-0128

Planner  
Inbas TC

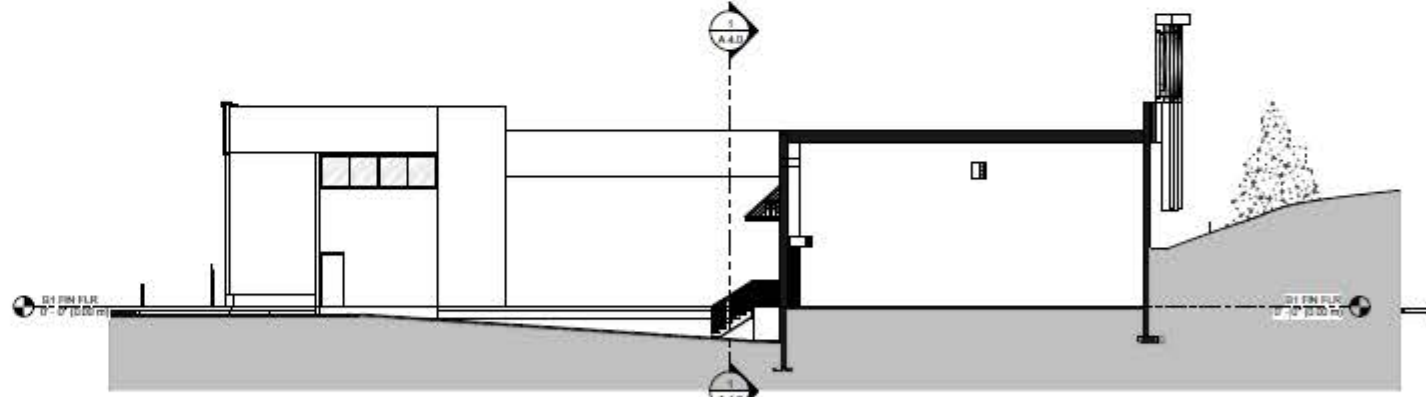
City of Kelowna  
DEVELOPMENT PLANNING



1 BLDG A/B - LONG  
SCALE: 3/32" = 1'-0"



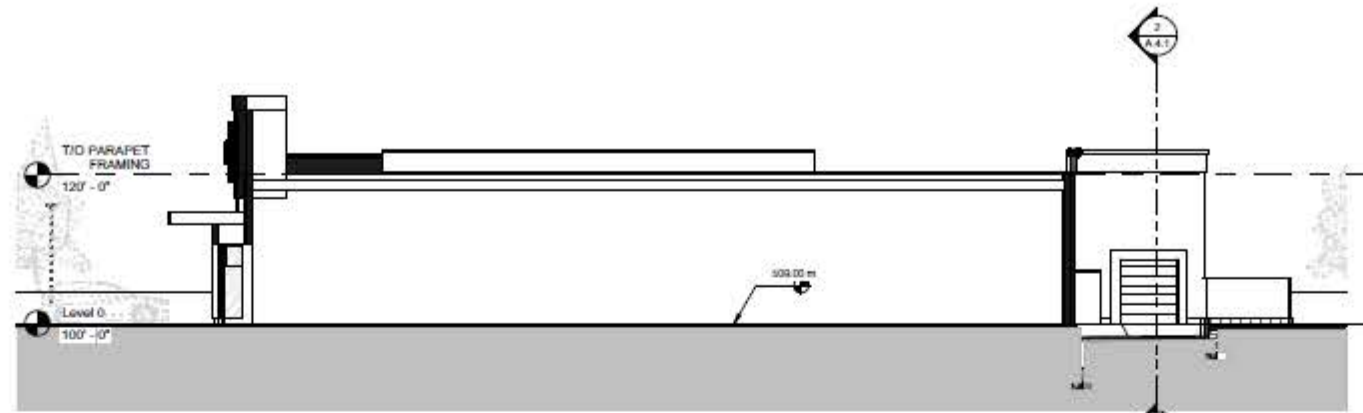
2 BLDG A - TRANSV  
SCALE: 3/32" = 1'-0"



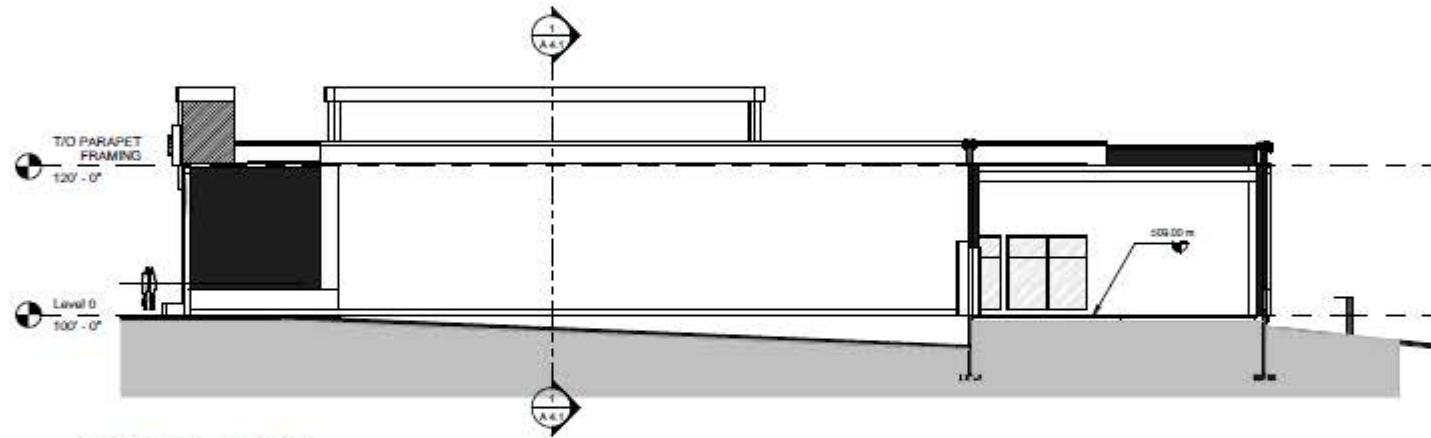
3 BLDG A - LOADING  
SCALE: 3/32" = 1'-0"



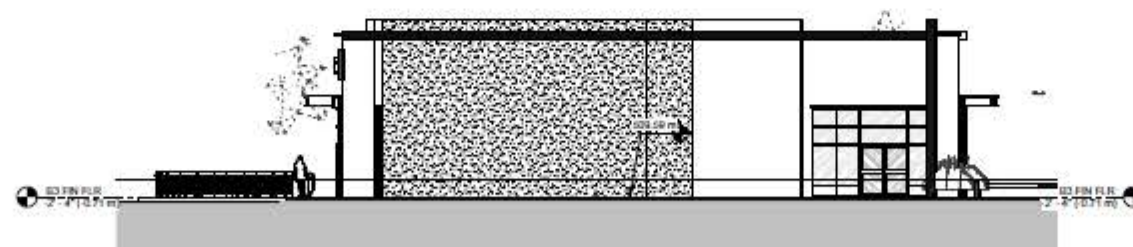




1 BLDG G - TRANSV  
SCALE: 3/32" = 1'-0"



2 BLDG G - LOADING  
SCALE: 3/32" = 1'-0"



4 BLDG F - LONG  
SCALE: 3/32" = 1'-0"

**SCHEDULE B**

This forms part of application  
# DP22-0128

Planner Initials **TC**



City of Kelowna  
DEVELOPMENT PLANNING

**PRINCIPALS**

Christopher Blod  
M.Arch, Architect AIBC, AIA,  
SAA, SAA, LEED AP BD-C

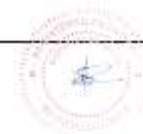
Marcel S. Proskow  
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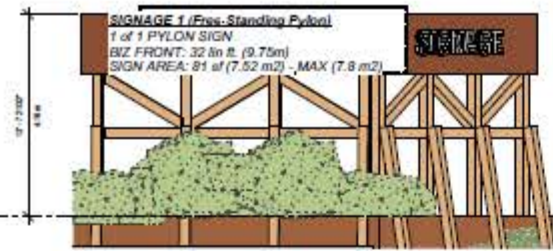
2022-05-25

**COMMERCIAL DEVELOPMENT SITE**  
988 Frost Road, Kelowna, BC

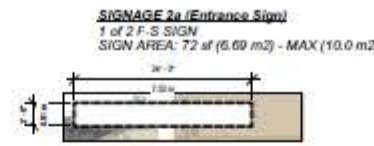
SECTIONS BLDG F & G

PROJECT No: 22005  
DATE: 05/24/2022  
SCALE: 3/32" = 1'-0"

124.1  
A4.1



SIGNAGE 1 - FREE-STANDING (PYLON)

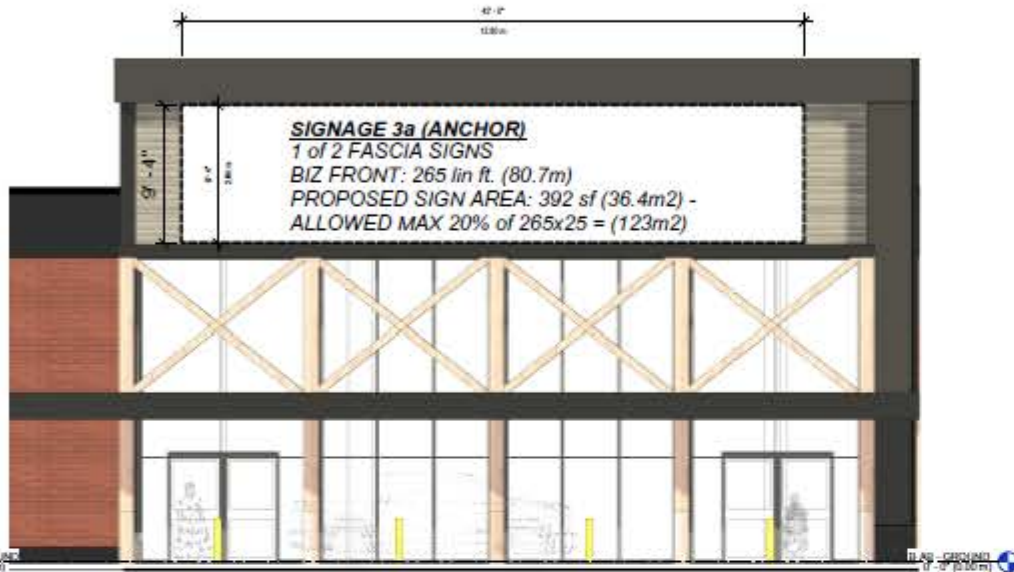


SIGNAGE 2a - ENTRANCE SIGN

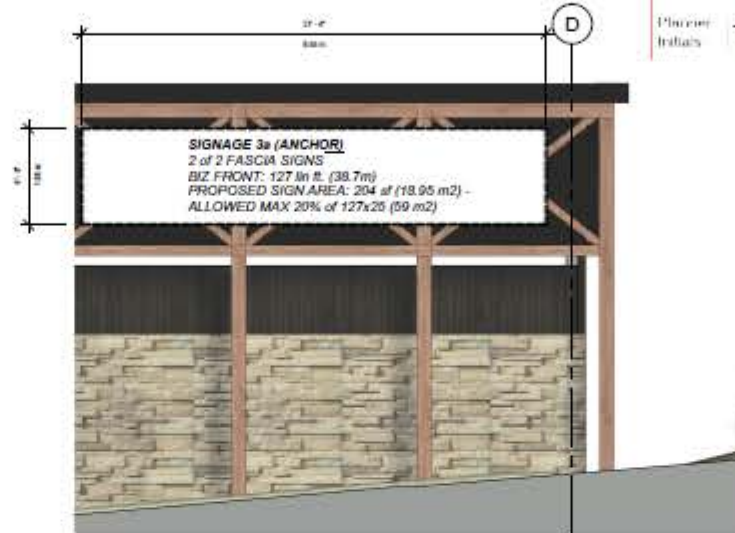


SIGNAGE 2b - ENTRANCE SIGN

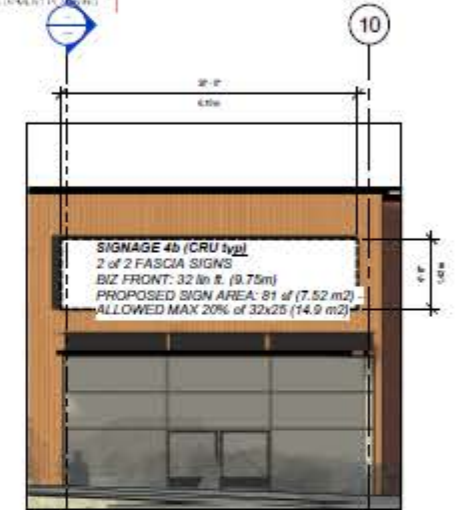
**SCHEDULE B**  
 This forms part of application # DP22-0128  
 City of Kelowna  
 DEVELOPMENT PERMIT  
 Project: TC



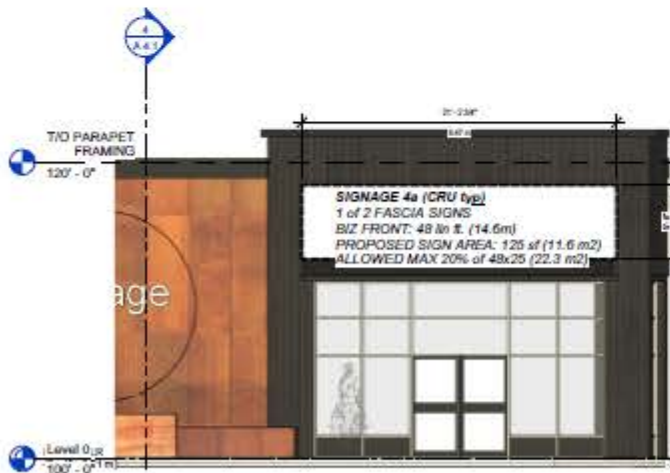
SIGNAGE 3a - 1 of 2 FASCIA ANCHOR



SIGNAGE 3a - 2 of 2 FASCIA ANCHOR



SIGNAGE 4b - 1 of 2 FASCIA CRU



SIGNAGE 4a - 1 of 2 FASCIA CRU



SIGNAGE 4a - 2 of 2 FASCIA CRU



SIGNAGE 3b - 1 of 2 FASCIA ANCHOR



CALLAHAN PROPERTY GROUP  
**COMMERCIAL DEVELOPMENT SITE**  
KELOWNA  
AUGUST 2022

**SCHEDULE C**  
This forms part of application  
# DP22-0128  
Planner Initials: TC  
City of Kelowna  
DEVELOPMENT PLANNING







**SCHEDULE C**

This forms part of application  
# DP22-0128

Planner Initials TC

City of Kelowna  
DEVELOPMENT PLANNING



SCALE: 1:400

ISSUED FOR:

NO.	DESCRIPTION	DATE
1	REVISION	2022-08-08
2	REVISION	2022-08-08
3	REVISION	2022-08-08



**SCHEDULE C**

This forms part of application  
# DP22-0128

Planner Initials TC



- LEGEND:**
- EXISTING TREES
  - PROPOSED TREES
  - PROPERTY LINE
  - DEVELOPMENT BOUNDARY
  - ASPHALT ROAD & PARKING (BY OTHERS)
  - CONCRETE PAVING (BY OTHERS)
  - EXISTING UNIT PAVERS
  - UNIT PAVERS TO MATCH EXISTING
  - UNIT PAVERS TO CONCRETE
  - DECORATIVE ROCK MULCH
  - SOD
  - SHRUB PLANTING
  - PERENNIAL/ORNAMENTAL GRASSES PLANTING
  - CORTEN STEEL PLANTERS
  - CAFETABLES (BY OTHERS)
  - OUTDOOR BENCH
  - CUBES/SEATING
  - BIKE RACK
  - LANDSCAPE SEATING WALLS
  - BENCHES ON LANDSCAPE SEATING WALLS
  - PERGOLA

ITEM	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
1	CONCRETE PAVING	100	SQ. M.	15.00	1500.00
2	UNIT PAVERS	200	SQ. M.	10.00	2000.00
3	GRAVEL WITH PLANTING	50	SQ. M.	20.00	1000.00
4	TREE PLANTING	5	NO.	200.00	1000.00
5	PERENNIAL/ORNAMENTAL GRASSES PLANTING	100	SQ. M.	10.00	1000.00
6	SHRUB PLANTING	50	NO.	20.00	1000.00
7	DECORATIVE ROCK MULCH	100	SQ. M.	10.00	1000.00
8	SOD	100	SQ. M.	10.00	1000.00
9	OUTDOOR BENCH	5	NO.	200.00	1000.00
10	BIKE RACK	5	NO.	200.00	1000.00
11	PERGOLA	1	NO.	1000.00	1000.00

- NOTES:**
- THIS DRAWING DEPICTS FORM AND CHARACTER AND IS TO BE USED FOR DEVELOPMENT PERMIT SUBMISSION ONLY. IT IS NOT INTENDED FOR USE AS A CONSTRUCTION DOCUMENT. THE LANDSCAPE DESIGN INDICATED HEREIN IS CONCEPTUAL; HOWEVER, IT REFLECTS THE MINIMUM ACCEPTABLE QUALITY AND SIZE.
  - ALL PLANT MATERIALS AND CONSTRUCTION METHODS SHALL CONFORM TO THE MINIMUM STANDARDS SET OUT IN THE CANADIAN LANDSCAPE STANDARD (CURRENT EDITION).
  - PLANT MATERIAL SELECTIONS INDICATED HEREIN ARE CONCEPTUAL ONLY. FINAL PLANTING SELECTIONS MAY VARY DEPENDING UPON AVAILABILITY.
  - ALL PLANTING BEDS SHALL HAVE AN APPROVED MULCH.
  - ALL LANDSCAPE AREAS ARE TO BE IRRIGATED WITH AN EFFICIENT AUTOMATIC IRRIGATION SYSTEM.





- LEGEND:**
- EXISTING TREES
  - PROPOSED TREES
  - PROPERTY LINE
  - DEVELOPMENT BOUNDARY
  - ASPHALT ROAD & PARKING (BY OTHERS)
  - CONCRETE PAVING BY OTHERS
  - EXISTING UNIT PAVERS
  - UNIT PAVERS TO MATCH EXISTING
  - UNIT PAVERS TO CONCRETE
  - DECORATIVE ROCK MULCH
  - SOD
  - SHRUB PLANTING
  - PERENNIAL/ORNAMENTAL GRASSES PLANTING
  - CORTEN STEEL PLANTER
  - CASTALIS (BY OTHERS)
  - OUTDOOR BENCH
  - CUBESEATING
  - BIKE RACKS
  - LANDSCAPE SEATING WALLS
  - BENCHES ON LANDSCAPE SEATING WALLS
  - PERGOLA

ITEM NO.	DESCRIPTION	QTY	UNIT	PRICE	TOTAL
1	...	...	...	...	...
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- NOTES:**
- THIS DRAWING DEPICTS FORM AND CHARACTER AND IS TO BE USED FOR DEVELOPMENT PERMIT SUBMISSION ONLY. IT IS NOT INTENDED FOR USE AS A CONSTRUCTION DOCUMENT. THE LANDSCAPE DESIGN INDICATED HEREIN IS CONCEPTUAL; HOWEVER, IT REFLECTS THE MINIMUM ACCEPTABLE QUALITY AND SIZE.
  - ALL PLANT MATERIALS AND CONSTRUCTION METHODS SHALL CONFORM TO THE MINIMUM STANDARDS SET OUT IN THE CANADIAN LANDSCAPE STANDARD (CURRENT EDITION).
  - PLANT MATERIAL SELECTIONS INDICATED HEREIN ARE CONCEPTUAL ONLY. FINAL PLANTING SELECTIONS MAY VARY DEPENDING UPON AVAILABILITY.
  - ALL PLANTING BEDS SHALL HAVE AN APPROVED MULCH.
  - ALL LANDSCAPE AREAS ARE TO BE IRRIGATED WITH AN EFFICIENT AUTOMATIC IRRIGATION SYSTEM.

**SCHEDULE C**

This forms part of application # DP22-0128

Planner Initials: TC





- LEGEND:**
- EXISTING TREES
  - PROPOSED TREES
  - PROPERTY LINE
  - DEVELOPMENT BOUNDARY
  - ASPHALT ROAD & MARKINGS (BY OTHERS)
  - CONCRETE PAVING (BY OTHERS)
  - EXISTING UNIT PAVERS
  - UNIT PAVERS TO MATCH EXISTING
  - UNIT PAVERS TO CONCRETE
  - DECORATIVE ROCK MULCH
  - SOD
  - SHRUB PLANTING
  - PERENNIAL/ORNAMENTAL GRASSES PLANTING
  - CORTEN STEEL PLANTERS
  - CASTABLES (BY OTHERS)
  - OUTDOOR BENCH
  - CUBE SEATING
  - BIKE RACKS
  - LANDSCAPE STAFFING WALLS
  - BENCHES ON LANDSCAPE STAFFING WALLS
  - PERGOLA

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
1	EXISTING TREES	10	EA	150.00	1,500.00
2	PROPOSED TREES	20	EA	200.00	4,000.00
3	PROPERTY LINE	100	FT	0.50	50.00
4	DEVELOPMENT BOUNDARY	100	FT	0.50	50.00
5	ASPHALT ROAD & MARKINGS (BY OTHERS)	100	SQ YD	10.00	1,000.00
6	CONCRETE PAVING (BY OTHERS)	100	SQ YD	15.00	1,500.00
7	EXISTING UNIT PAVERS	100	SQ YD	5.00	500.00
8	UNIT PAVERS TO MATCH EXISTING	100	SQ YD	5.00	500.00
9	UNIT PAVERS TO CONCRETE	100	SQ YD	5.00	500.00
10	DECORATIVE ROCK MULCH	100	CU YD	10.00	1,000.00
11	SOD	100	CU YD	10.00	1,000.00
12	SHRUB PLANTING	100	EA	10.00	1,000.00
13	PERENNIAL/ORNAMENTAL GRASSES PLANTING	100	EA	10.00	1,000.00
14	CORTEN STEEL PLANTERS	10	EA	100.00	1,000.00
15	CASTABLES (BY OTHERS)	10	EA	100.00	1,000.00
16	OUTDOOR BENCH	10	EA	100.00	1,000.00
17	CUBE SEATING	10	EA	100.00	1,000.00
18	BIKE RACKS	10	EA	100.00	1,000.00
19	LANDSCAPE STAFFING WALLS	100	FT	10.00	1,000.00
20	BENCHES ON LANDSCAPE STAFFING WALLS	10	EA	100.00	1,000.00
21	PERGOLA	10	EA	100.00	1,000.00

- NOTES:**
1. THIS DRAWING DERIVES FORM AND CHARACTER AND IS TO BE USED FOR DEVELOPMENT PERMIT SUBMISSION ONLY. IT IS NOT INTENDED FOR USE AS A CONSTRUCTION DOCUMENT. THE LANDSCAPE DESIGN INDICATED HEREIN IS CONCEPTUAL; HOWEVER, IT REFLECTS THE MINIMUM ACCEPTABLE QUALITY AND SIZE. ALL PLANT MATERIALS AND CONSTRUCTION METHODS SHALL CONFORM TO THE MINIMUM STANDARDS SET OUT IN THE CANADIAN LANDSCAPE STANDARD (CURRENT EDITION).
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  3. ALL PLANTING BEDS SHALL HAVE AN APPROVED MULCH.
  4. ALL LANDSCAPE AREAS ARE TO BE IRRIGATED WITH AN EFFICIENT AUTOMATIC IRRIGATION SYSTEM.

**SCHEDULE C**

This forms part of application # DP22-0128

Planner Initials TC

City of Kelowna  
DEVELOPMENT PLANNING



# SCHEDULE C

This forms part of application # DP22-0128

Planner Initials TC



POWERLINE PARK

EXISTING SIDEWALK

EXISTING CONCRETE SIDEWALK

SOD PLANTING

EXISTING TURF

MATCH LINE - LDP 6

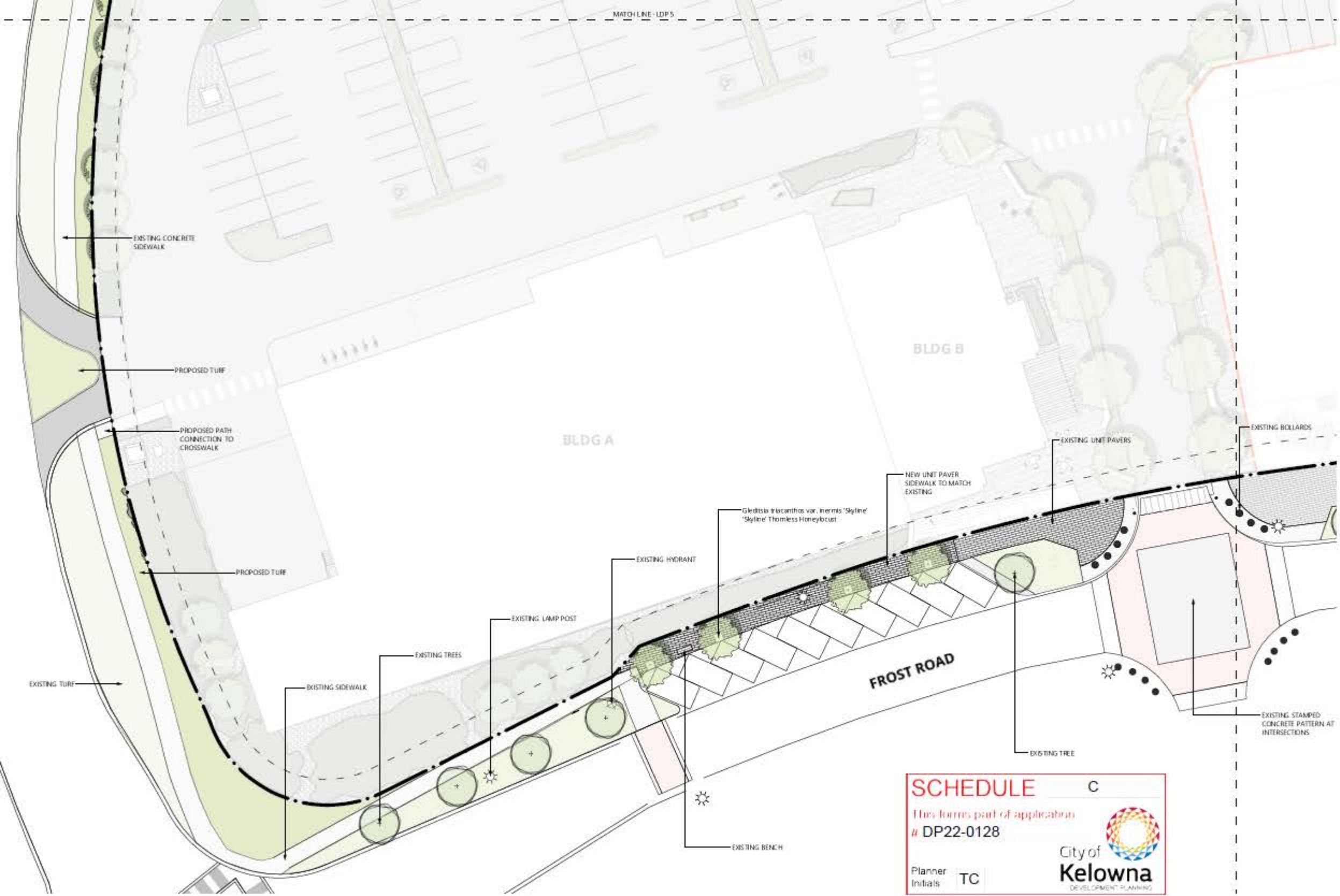
BLDG F

- LEGEND:**
- EXISTING TREES
  - PROPOSED TREES
  - PROPERTY LINE
  - DEVELOPMENT BOUNDARY
  - ASPHALT ROAD & PARKING (BY OTHERS)
  - CONCRETE PARKING (BY OTHERS)
  - EXISTING UNIT PAVERS
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  - BIKE RACK
  - LANDSCAPE SEATING WALLS
  - BENCHES ON LANDSCAPE SEATING WALLS
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ISSUED FOR:		
NO.	DESCRIPTION	DATE
1	REVISION FOR PERMIT	2022-11-14
2	REVISION FOR PERMIT	2022-11-18



**LEGEND:**

- EXISTING TREES
- PROPOSED TREES
- PROPERTY LINE
- DEVELOPMENT BOUNDARY
- ASPHALT ROAD & PARKING BY OTHERS
- CONCRETE PAVING BY OTHERS
- EXISTING UNIT PAVERS
- UNIT PAVERS TO MATCH EXISTING
- UNIT PAVERS TO CONCRETE
- DECORATIVE ROCK MULCH
- SOD
- SHRUB PLANTING
- PERENNIAL/ORNAMENTAL GRASSES PLANTING
- CORTEN STEEL PLANTERS
- CAFE TABLES BY OTHERS
- OUTDOOR BENCH
- CUBES/STACKING
- BIKE RACKS
- LANDSCAPE SEATING WALLS
- BENCHES ON LANDSCAPE SEATING WALLS
- PERGOLA

DATE	DESCRIPTION	BY	FOR	SCALE	STATUS
2022-01-28	ISSUED FOR PERMIT	CTQ	DP	1:200	ISSUED

- NOTES:**
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**SCHEDULE C**

This forms part of application # DP22-0128

Planner Initials: TC



ISSUED FOR:

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	2022-01-28
2	ISSUED FOR PERMIT	2022-01-28



**SCHEDULE C**

This forms part of application # DP22-0128

Planner Initials TC



**LEGEND:**

- LOW WATER REQUIREMENTS GRASSES / PERENNIALS
- MEDIUM WATER REQUIREMENTS SHRUBS
- HIGH WATER REQUIREMENTS SOY



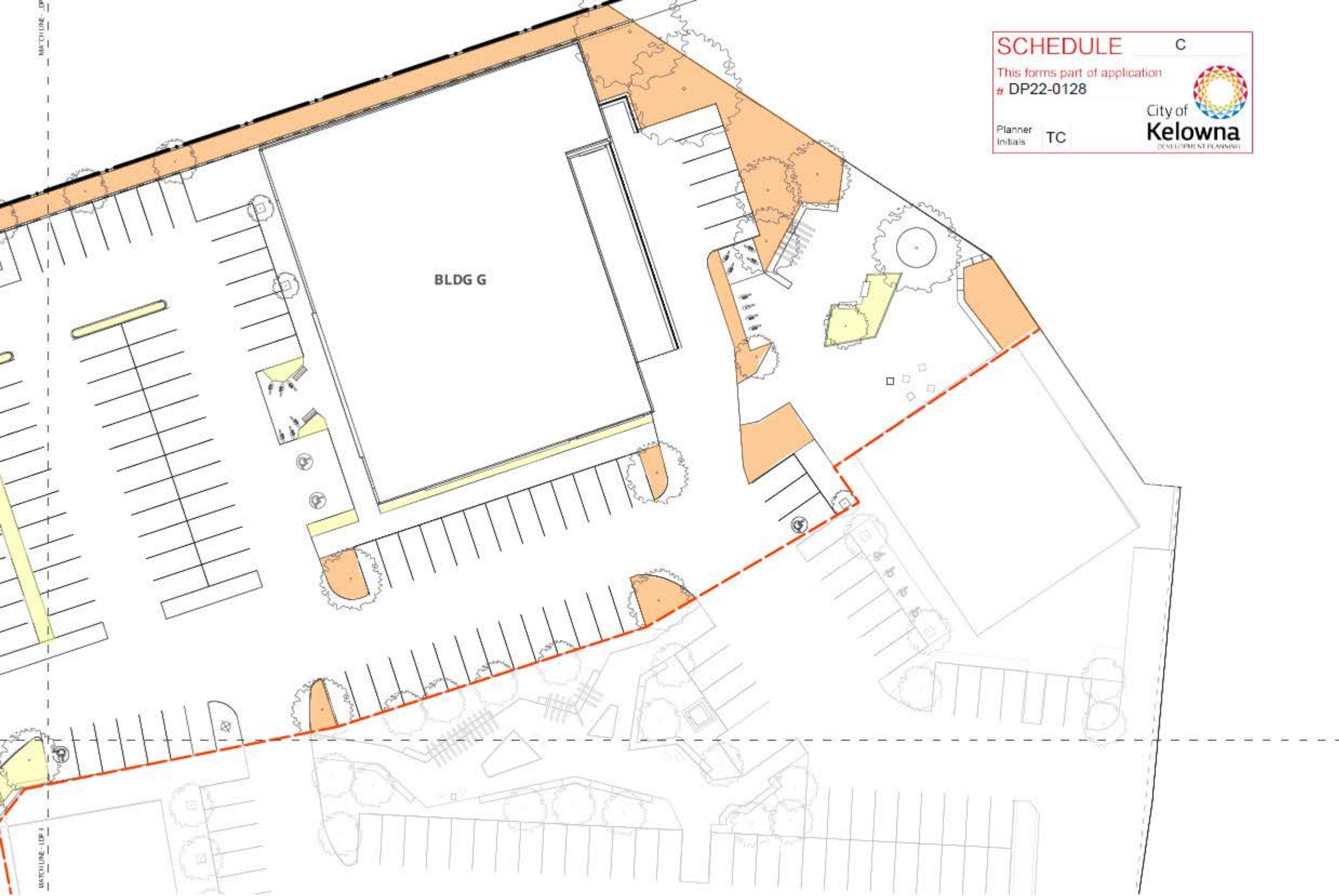
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ISSUED FOR:

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT SUBMISSION	2022-04-04
2	ISSUED FOR PERMIT SUBMISSION	2022-03-29





**SCHEDULE** C

This forms part of application  
# DP22-0128

Planner Initials TC

**LEGEND:**

- LOW WATER REQUIREMENTS GRASSES / PERENNIALS
- MEDIUM WATER REQUIREMENTS GRASSES
- HIGH WATER REQUIREMENTS SOIL

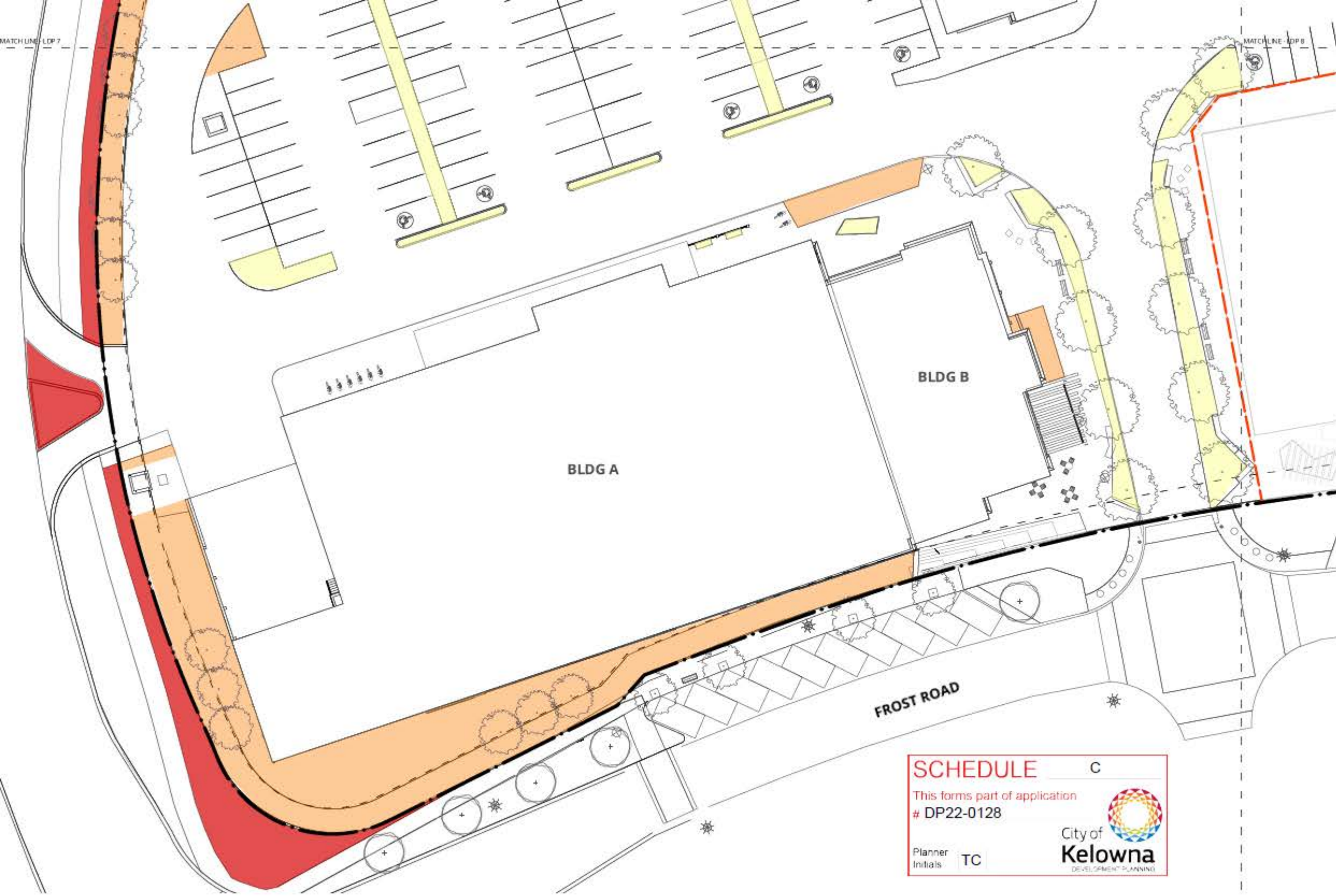
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ISSUED FOR:

NO.	DESCRIPTION	DATE
1	ISSUED FOR DESIGN DEVELOPMENT PERMIT	2022-11-14
1	ISSUED FOR DESIGN DEVELOPMENT PERMIT	2022-11-14





- LEGEND:**
- LOW WATER REQUIREMENTS GRASSES / PERENNIALS
  - MEDIUM WATER REQUIREMENTS SHRUBS
  - HIGH WATER REQUIREMENTS SOD

- NOTES:**
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**SCHEDULE C**

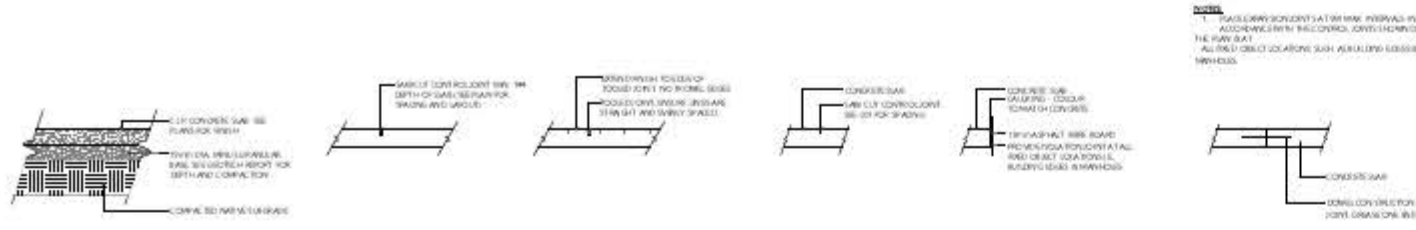
This forms part of application  
# DP22-0128

Planner Initials TC

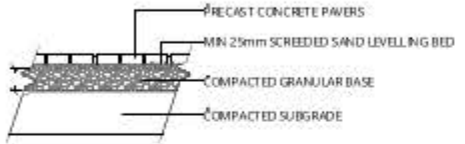
  
**City of Kelowna**  
DEVELOPMENT PLANNING

ISSUED FOR:

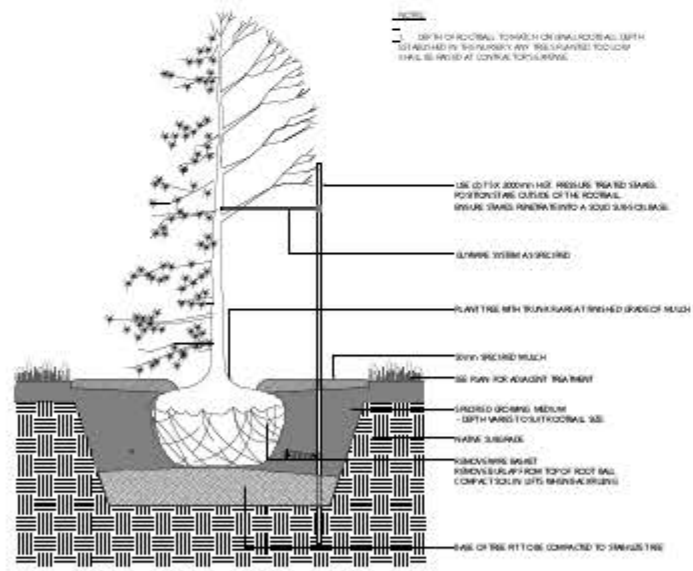
NO.	DESCRIPTION	DATE
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2	REVISED FOR DEVELOPMENT PERMIT	2022-08-24



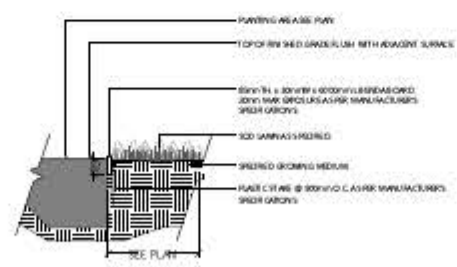
1 CONCRETE PAVING  
TOP 1/22



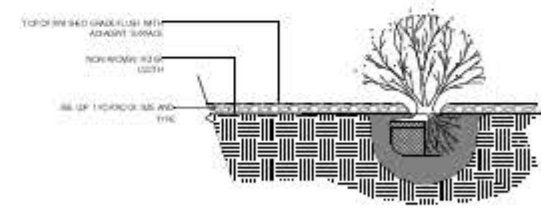
2 UNIT PAVERS  
TOP 1/22



3 TREE PLANTING  
TOP 1/22



4 SOD PLANTING  
TOP 1/22



5 GRAVEL MULCH WITH PLANTING  
TOP 1/22

**SCHEDULE C**

This forms part of application  
# DP22-0128

Planner Initials TC

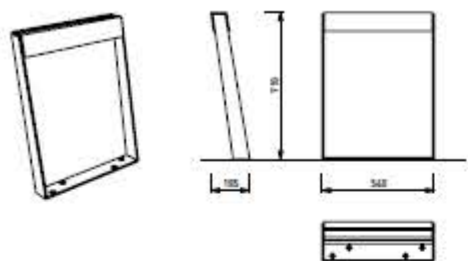


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ISSUED FOR:

NO.	DESCRIPTION	DATE
1	REVISED FOR DEVELOPER COMMENT	2022-08-04
2	REVISED FOR DEVELOPER COMMENT	2022-08-08





4 BIKE RACK  
TOP VIEW



4 BENCH  
TOP VIEW

**SCHEDULE C**

This forms part of application  
# DP22-0128

Planner Initials TC



SCALE: 1:400

ISSUED FOR:		
NO.	DESCRIPTION	DATE
1	ISSUED FOR DEVELOPMENT PERMIT	2022-08-04
2	ISSUED FOR DEVELOPMENT PERMIT	2022-09-20

August 4, 2022

Mayor and Council:



We are pleased to have Council consider our application for the first buildings of Phase I of the Ponds Commercial development on Frost Road in the Upper Mission area. This development has been long awaited by the South Mission community and in a time when many retailers are reducing their brick and mortar footprint and opting for more online consumer communication. We expect this to come as a very welcomed addition to the south slopes.

In addition to market conditions over the past decade, the connectivity brought by the construction of South Perimeter Road to the Crawford community were major factors in tenant commitments which were required in order to submit this Development Permit application. This development as planned will be anchored by two major tenants as seen in the current submission which will act as an impetus for the next Phase in which we will see smaller CRUs housing additional amenities needed in the Upper Mission community.

Respecting the policies in OCP 2040, it is our intention to create smaller buildings that communicate with the adjacent roadways and are even more pedestrian oriented. Entrances to the CRUs will be accessible and visible from the public road where possible, encouraging pedestrian entry.

Given the smaller scale nature of the buildings in Phase 2, the design and layout will foster even greater pedestrian connectivity throughout the entire site. Smaller buildings along Frost Road will provide additional glazing and storefronts to activate the street, and pedestrian pathways between the buildings will provide further finer scale connections through the site to the road system, providing pedestrians and cyclists multiple accesses to the site.

The buildings in the second phase will be grouped around an extensive green area in the centre of the site, which will break up the parking into smaller well landscaped parking enclaves and will also act as a social centre for the site as a whole.

Pedestrian routes along wide sidewalks front all the buildings and create a continuous loop throughout Phase 2 seamlessly connecting with the pedestrian sidewalks provided in Phase 1. The continuous pedestrian loop is fully integrated to the central green space through multiple pedestrian connections, further enhancing the social nature of the central greenspace.

**Compliance with OCP 2040 Policies**

**Policy 7.1.2. Suburban Village Centre Services**

Encourage the provision of a range of services by developing Suburban Village Centres that are scaled to support residential development in the surrounding neighbourhood. Such services may include, but are not limited to:

- **Food, retail, services and programs;**
- **Banks and credit unions;**
- **Medical, health and wellness services;**
- Daycares and schools; and
- Places of worship and other community gathering spaces.

**Policy 7.1.3. Pedestrian Oriented Village Centres.**

Promote human scaled, walkable Suburban Village Centres. Approaches shall include, but not be limited to:

- **Locating retail, restaurants and service uses at grade;**
- **Public gathering places such as urban plazas;**
- **Providing clear, comfortable pedestrian routes through surface parking lots; and**
- **Strategically locating landscaping and street trees to maximize pedestrian comfort.**

**Policy 7.1.4. The Ponds Village Centre.**

Support development in the Ponds Village Centre that includes the following characteristics:

- **A mix of commercial and residential development to a maximum height of approximately four storeys; and**
- **Orientation of buildings towards Frost Road, with minimal surface parking between the road and the buildings.**

**Policy 7.2.4. Boulevard and Neighbourhood Trees.**

Encourage subdivision plantings of **street trees** and individual **lot trees** to create a comfortable suburban environment over the long term.

**Policy 7.3.1. Private Open Space.**

Encourage the development of private open space amenities as part of new multi-unit residential development in Suburban Neighbourhoods.

We look forward to your favorable approval of this development to help keep people off the roads and shopping in their neighborhood.



Kim McKechnie  
Senior Manager, Land Development

**ATTACHMENT** B

This forms part of application  
# DP22-0128

Planner Initials **TC**

City of **Kelowna**  
DEVELOPMENT PLANNING





## FORM & CHARACTER – DEVELOPMENT PERMIT GUIDELINES

Consideration has been given to the following guidelines as identified in Chapter 18 of the City of Kelowna 2040 Official Community Plan:

SECTION 6.o: RETAIL, COMMERCIAL AND INDUSTRIAL						
RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE <i>(1 is least complying &amp; 5 is highly complying)</i>	N/A	1	2	3	4	5
<b>6.1 General Guidelines</b>						
<b>6.1.1 Relationship to the Street</b>	N/A	1	2	3	4	5
a. Orient the long side of each building to be parallel to the public street.						✓
b. Locate entries to be visible and directly accessible from the public street.		✓				
c. For buildings fronting highways, entries can be located away from the street, as long as there is a direct pedestrian connection to the site.			✓			
d. Avoid blank walls adjacent to the highway, streets, walkways, parks, or other amenity spaces.					✓	
<b>6.1.2 Site Planning and Landscaping</b>	N/A	1	2	3	4	5
a. Locate buildings to ensure good sight lines for vehicular and pedestrian traffic.				✓		
b. Provide direct, safe, continuous, and clearly defined pedestrian access from public sidewalks, parking areas, and transit stops to building entrances.			✓			
c. Use large canopy trees to define the public realm (e.g. at the sidewalk and property edge facing the street)						✓
d. Distribute trees and landscaping throughout the site in order to: <ul style="list-style-type: none"> <li>• Soften property edges facing the street;</li> <li>• Define internal roads, pedestrian routes, and open spaces;</li> <li>• Create pleasant pedestrian conditions;</li> <li>• Screen parking, loading, service, and utility areas;</li> <li>• Manage stormwater on-site; and</li> <li>• Break up large rows of parking by substituting a parking stall with a canopy tree in planter every 8-10 parking stalls;</li> </ul>					✓	
e. Provide on-site bio-retention facilities (e.g. bioswales, rain gardens) to collect, store and filter stormwater from parking areas.						✓
f. Use permeable materials such as paving blocks or permeable concrete in parking areas to maximize rainwater infiltration.		✓				
g. Pedestrian pathways should provide clear sight lines and connect the following: <ul style="list-style-type: none"> <li>• Parking areas to building entrances;</li> <li>• Main building entrances to public sidewalks (where applicable);</li> <li>• Main building entrances to transit stopes (where applicable);</li> <li>• Between buildings on adjacent lots.</li> </ul>			✓			


h. Provide separation between vehicular routes (especially truck access/loading) and pedestrian routes on-site to avoid conflict and distinguish pedestrian routes from driving surfaces by using varied paving treatments and/or raising walkways to curb level.			✓			
i. Base new development on an internal circulation pattern that allows logical movement throughout the site and that will accommodate, and not preclude, intensification over time.		✓				
<b>6.1.3 Site Servicing, Access, and Parking</b>	<b>N/A</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a. Design site accesses to provide the potential for future shared access with neighbours and to minimize curb cuts.				✓		
b. Where practical, link access drives and parking lots of adjacent properties in order to allow for circulation of vehicles between sites.						✓
c. The preferred location for main parking areas is at the rear and/or side of the building. Avoid locating large parking areas between the building and the street.					✓	
d. Where parking areas are visible from the street, screen them using strategies such as tree planting, berming, low walls, decorative fencing and/or hedging.			✓			
e. Break parking areas into smaller blocks defined by landscaping in order to minimize the amount of paved areas.				✓		
f. Locate loading, utilities, mechanical equipment and garbage collection areas away from public view by: <ul style="list-style-type: none"> <li>Integrating these facilities into the footprint of the building; or</li> <li>Screening using fencing, walls, and/or landscaping</li> </ul>					✓	
<b>6.1.4 Building Articulation, Features, and Materials</b>	<b>N/A</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a. Avoid facing unarticulated facades to the street and use projections, recesses, arcades, awnings, color, and texture to improve the pedestrian experience					✓	
b. Design primary entrances to face the street, exhibit design emphasis, and provide weather protection by means of canopy or recessed entry.		✓				
c. Design buildings such that their form and architectural character reflect the building's internal function and use (e.g. an industrial building, a large format retail mall).						✓
d. Design signage as an integral element of the building's façade and to be compatible in scale and design with the design, color and material of the building.					✓	
e. Allow for brand identification where there are multiple buildings and uses on a site, but avoid individual corporate image, color, and signage back-lit signs from dominating the site.						✓
f. Locate, size and design ground-mounted signs to be oriented to pedestrians as opposed to vehicles.		✓				
g. Provide shielded, down lighting to provide security and ambient lighting while minimizing light pollution and spill over lighting into adjacent properties.					✓	

h. Provide weather protection at building entrances close to transit stops, and in areas with pedestrian amenities.	✓					
i. Incorporate substantial, natural building materials such as masonry, stone, and wood into building facades.						✓
j. Use an integrated, consistent range of materials and colors and provide variety by, for example, using accent colors.						✓
<b>6.3 Large Format Retail</b>						
<b>6.3.1 Relationship to the Street</b>	N/A	1	2	3	4	5
a. Locate active uses at grade, such as restaurants, boutique shops, food concessions and waiting areas and use clear windows and doors to make the pedestrian level façade highly transparent	✓					
<b>6.3.2 Site Planning and Landscaping</b>	N/A	1	2	3	4	5
a. Break parking areas into smaller blocks defined by landscaped islands and pedestrian paths (min. 1.5 m wide) in order to minimize the amount of paved areas.		✓				
b. Design the internal circulation pattern to have direct connections to surrounding streets.						✓
c. Provide publicly-accessible open space on-site to provide places to linger.				✓		
d. Provide site furnishings, such as seating, bike racks, and shelters at building entrances and amenity areas.						✓
<b>6.3.3 Site Servicing, Access, and Parking</b>	N/A	1	2	3	4	5
a. Provide sheltered bicycle parking in visible and well-lit locations near building entrances and pedestrian walkways.						✓
<b>6.3.4 Building Articulation, Features &amp; Materials</b>	N/A	1	2	3	4	5
a. Design the façade of buildings with multiple storefronts so that each is defined through individual signage, entrances, canopies, and/or materiality.						✓
b. Wrap large format retail uses with smaller retail units around the periphery with individual entries accessed from the fronting sidewalk or open space.		✓				

**ATTACHMENT** C

This forms part of application  
# DP22-0128

Planner Initials TC



City of Kelowna  
DEVELOPMENT PLANNING



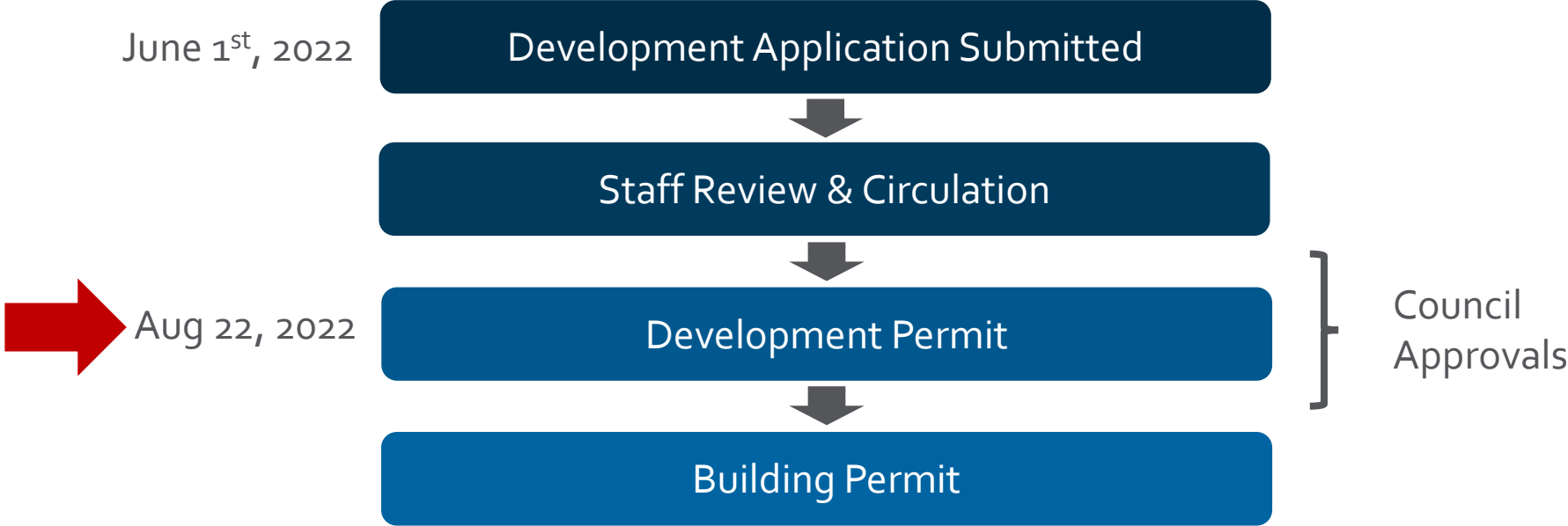


DP 22-0128  
988 & 1090 Frost Road  
Development Permit Application

# Proposal

- ▶ To issue the Development Permit for the form and character of several commercial buildings located in The Ponds Village Centre.

# Development Process

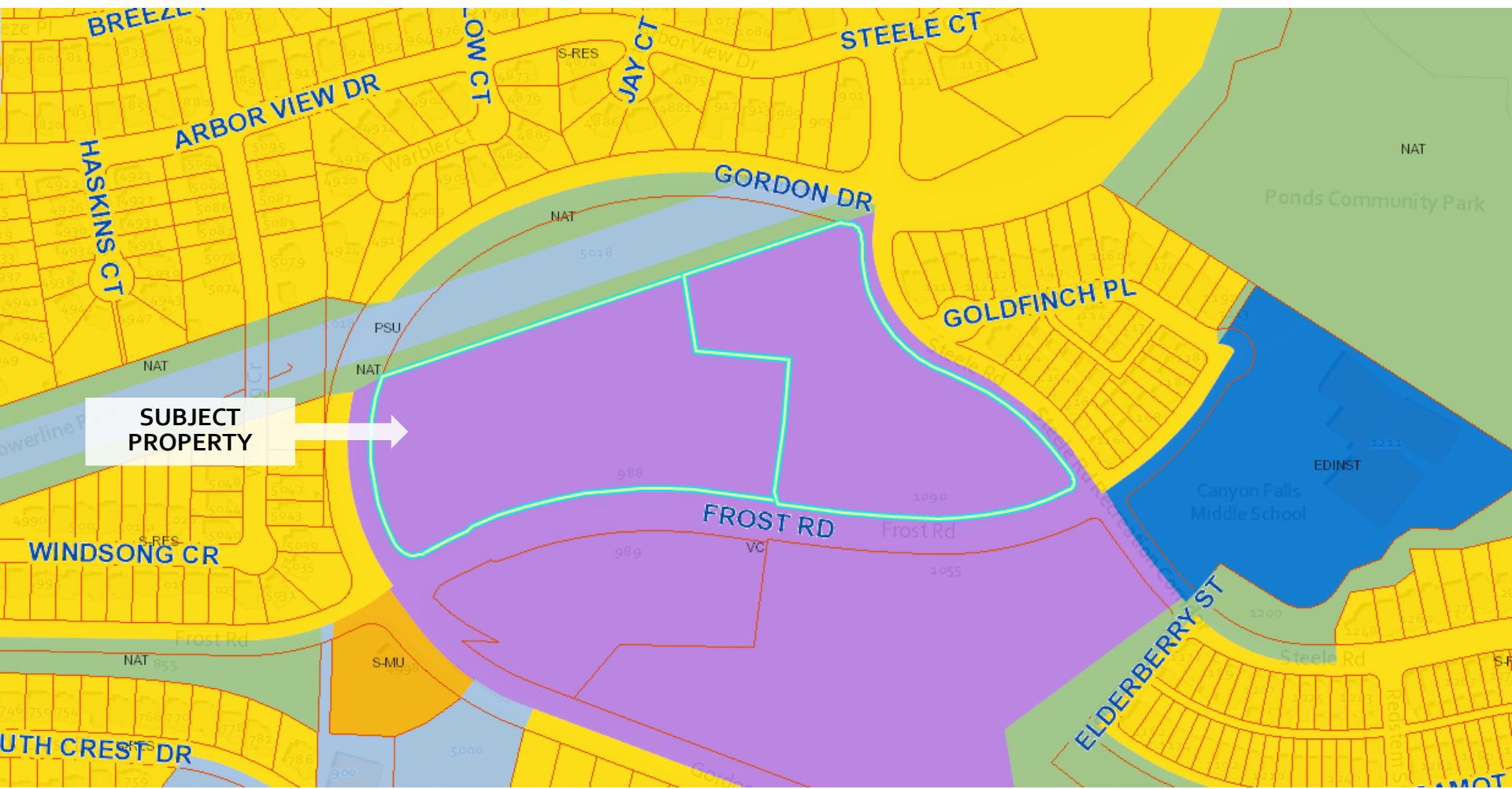




# Context Map



# OCP Future Land Use





# Subject Property Map





# Project Details

- ▶ The Development Permit is for four commercial buildings located in the Ponds Village Centre.
  - ▶ This is the first of two phases.
  - ▶ The buildings range in size and height.
- ▶ The proposal includes rough 7,773 m<sup>2</sup> of commercial space.
- ▶ Several materials and colours are used on the site that take inspiration from the local landscape.
- ▶ No variances have been identified as part of the application.

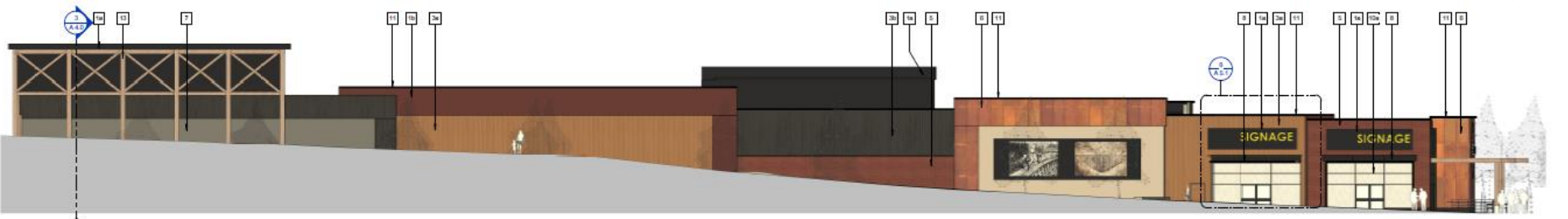
# Site Plan



# Elevations – Building A + B



1 BLDG A/B - NORTH ELEVATION  
SCALE: 3/32" = 1'-0"



2 BLDG A/B - SOUTH ELEVATION - FROST ROAD  
SCALE: 3/32" = 1'-0"

- 14 PRE-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: BLACK
- 15 PRE-FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: DARK BROWN



3 BLDG A/B - EAST ELEVATION  
SCALE: 3/32" = 1'-0"



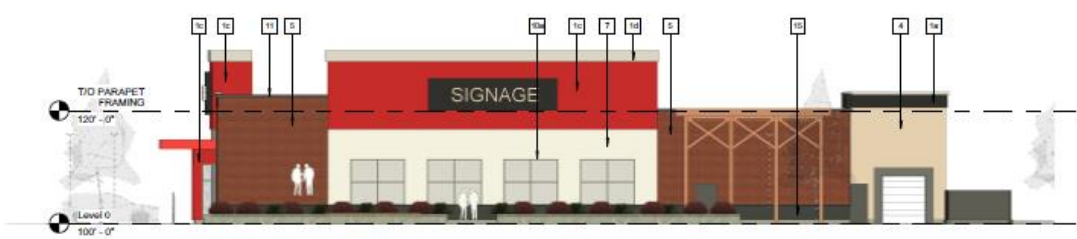
4 BLDG A/B - WEST ELEVATION - GORDON DR  
SCALE: 3/32" = 1'-0"



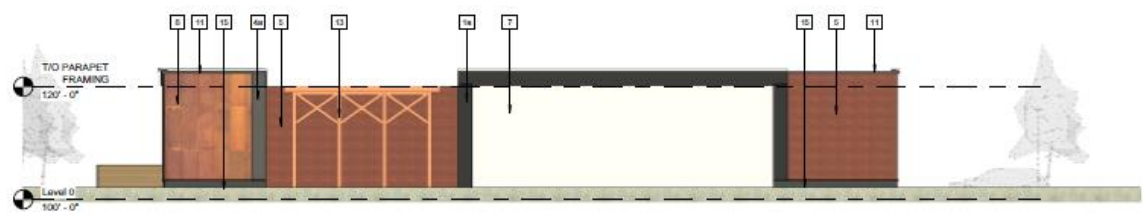
# Conceptual Rendering – Building A + B



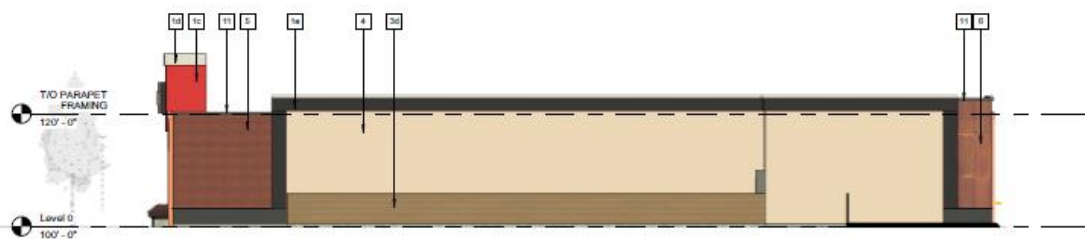
# Elevations – Building G



**BLDG G - S ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG G - N ELEVATION**  
SCALE: 3/32" = 1'-0"

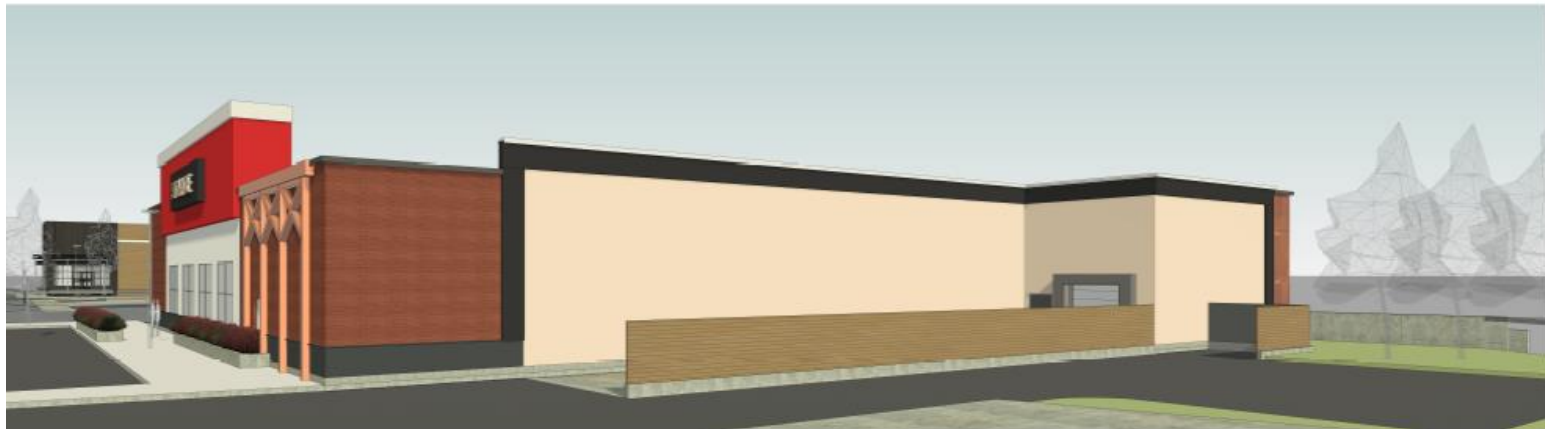


**BLDG G - E ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG G - W ELEVATION**  
SCALE: 3/32" = 1'-0"

# Conceptual Rendering – Building G

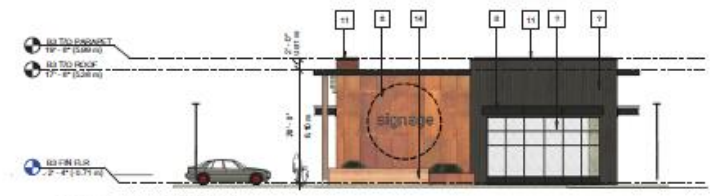




# Elevations – Building F



**BLDG 3 - E ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG 3 - S ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG 3 - N ELEVATION**  
SCALE: 3/32" = 1'-0"



**BLDG 3 - W ELEVATION**  
SCALE: 3/32" = 1'-0"

- 14 PRG. FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: BLACK
- 13 PRG. FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: DARK BROWN
- 12 PRG. FINISHED ALUMINUM COMPOSITE PANEL, COLOUR: RED
- 11 FIBER CEMENT PANEL BOARD, COLOUR: SANDSTONE
- 10 VERTICAL WOODEN PLANKS
- 09 DARK GREY VERTICAL PLANKS
- 08 DARK GREY HORIZONTAL PLANKS
- 07 BRICK STUCCO
- 06 EXPOSED, DARK RED BRICKS
- 05 CORTEN METAL PANEL
- 04 DRYSTACK STONE
- 03 PRG. FINISHED METAL & GLASS CANOPY, PAINTED, COLOUR: BLACK
- 02 CARVING AWNING, COLOUR: BLACK, FABRIC SHALL CONFORM TO CANADA'S SPIN PER ISO 22323:15.1
- 14A CLEAR GLAZING IN ALUMINUM FRAME, COLOUR: CHARCOAL
- 13A SPARKLE GLASS
- 12A POLISHED METAL FLASHING, COLOUR: BLACK
- 11A EXPANDED METAL MESH
- 10A TIMBER COLUMN
- 09A RAINWATER DRAIN

# Conceptual Rendering – Building F



# Materials



VERTICAL LIGHT SIDING



VERTICAL DARK SIDING



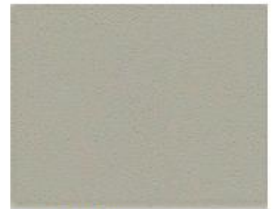
METAL PANEL



BROWN METAL PANEL



CHARCOAL METAL PANEL



SAND STUCCO



RETAINING WALL



BRICK



DRYSTACK STONE



LIGHT FIBRE CEMENT PANEL



# Landscape Plan



# Staff Recommendation

- ▶ Staff recommend **support** of the proposed development:
  - ▶ Consistent with Area Structure Plan
  - ▶ Meets many of the Village Centre Guidelines
  - ▶ Will provide commercial businesses to the residents in the region.



## *Conclusion of Staff Remarks*



**CITY OF KELOWNA**

**BYLAW NO. 12204**

**Z20-0080**

**855 DeHart Road**

---

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot 45 District Lot 358 ODYD Plan 40481 located at DeHart Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU6 – Two Dwelling Housing zone.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 12<sup>th</sup> day of April, 2021.

Public Hearing Waived by the Municipal Council this 12<sup>th</sup> day of April, 2021.

Read a second and third time by the Municipal Council this 10<sup>th</sup> day of May, 2021.

Adopted by the Municipal Council of the City of Kelowna this

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

# CITY OF KELOWNA

## BYLAW NO. 12320

### Official Community Plan Amendment No. OCP22-0001 4628 McClure Road

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A bylaw to amend the "*Kelowna 2040* – Official Community Plan Bylaw No. 12300".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT Map 3.1 – **Future Land Use** of "*Kelowna 2040* – Official Community Plan Bylaw No. 12300" be amended by changing the Future Land Use designation of portions of Lot D District Lot 167 and Section 25 Township 28 SDYD Plan KAP53791, located on McClure Road, Kelowna, B.C., from the S-RES – Suburban Residential designation to the NAT – Natural Areas designation as shown on Map "A" attached to and forming part of this bylaw;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 24<sup>th</sup> day of January, 2022.

Considered at a Public Hearing on the 8<sup>th</sup> day of February, 2022.

Read a second and third time by the Municipal Council this 8<sup>th</sup> day of February, 2022.

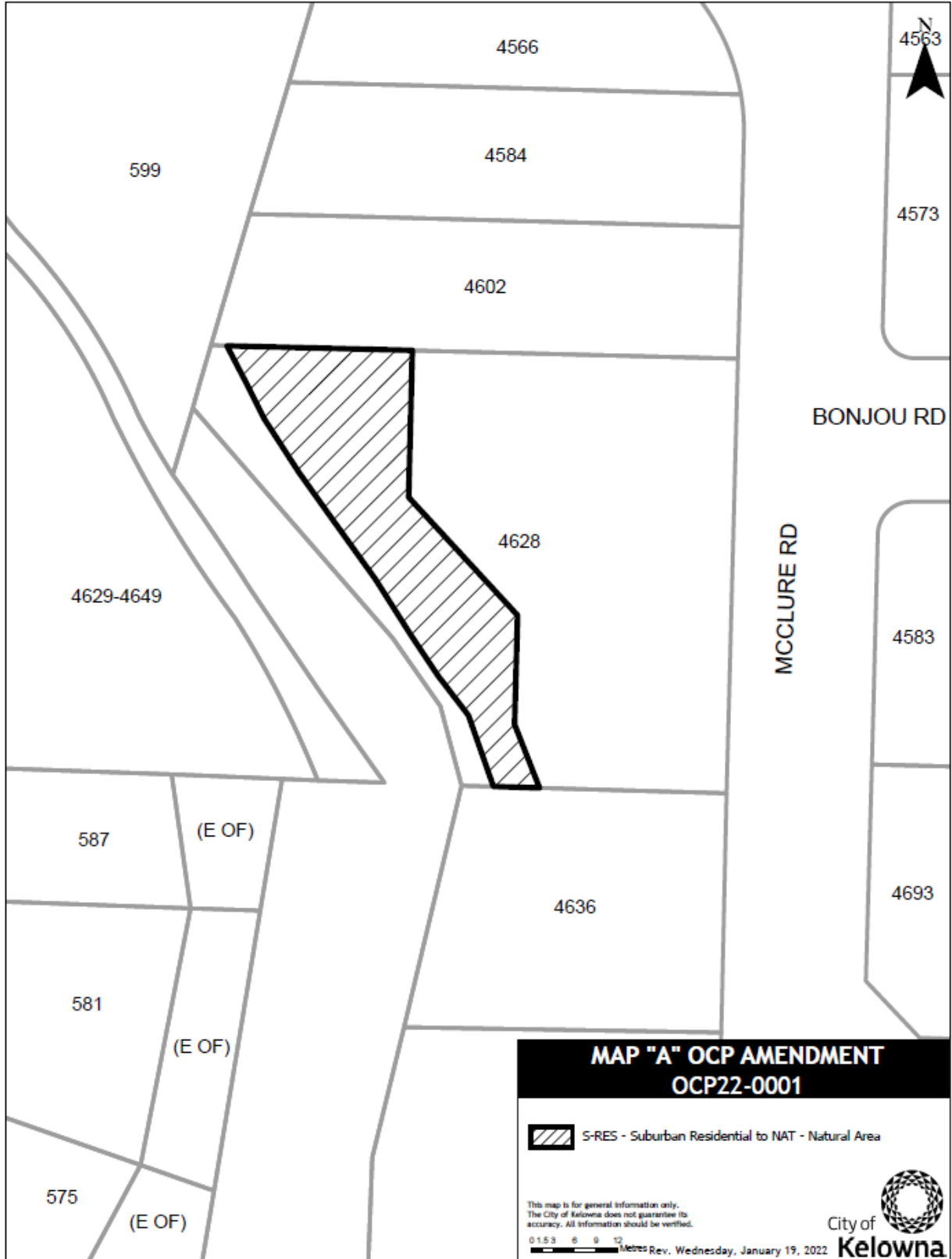
Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk





**CITY OF KELOWNA**

**BYLAW NO. 12321**

**Z21-0064**

**4628 McClure Road**

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A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot D District Lot 167 and Section 25 Township 28 SDYD Plan KAP53791 located on McClure Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU2 – Medium Lot Housing and P3 – Parks and Open Space zones as shown on Map "B" attached to and forming part of this bylaw.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 24<sup>th</sup> day of January, 2022.

Considered at a Public Hearing on the 8<sup>th</sup> day of February, 2022.

Read a second and third time by the Municipal Council this 8<sup>th</sup> day of February, 2022.

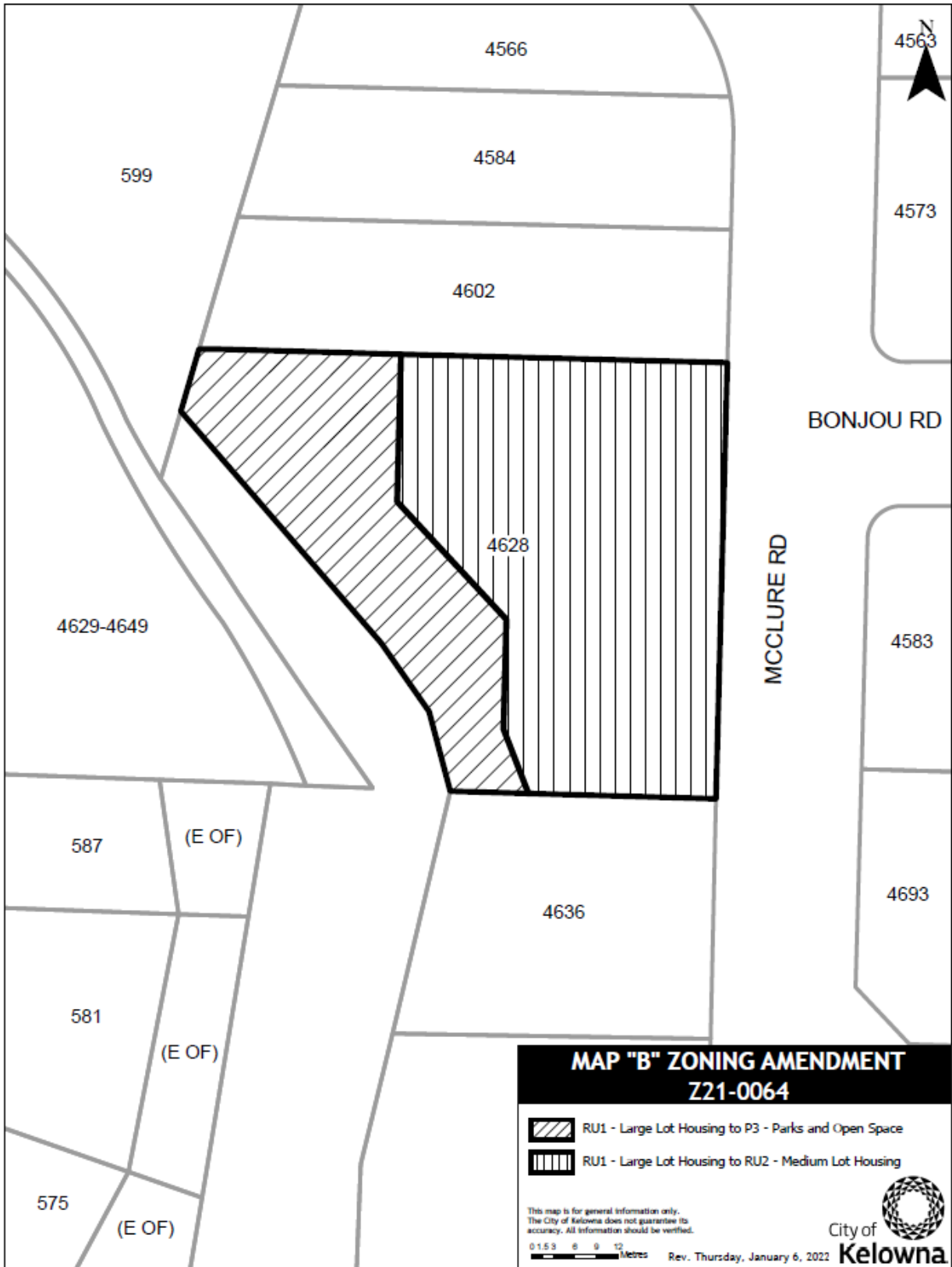
Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk



# Report to Council



**Date:** August 22, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** 10-Year Capital Plan  
**Department:** Financial Services

---

**Recommendation:**

THAT Council receives, for information, the third of three reports from Financial Services dated August 22, 2022, with respect to the 10-Year Capital Plan (2022 to 2031);

AND THAT Council adopts the 10-Year Capital Plan;

AND FURTHER THAT Council receives, for information, an update on the Frost Road project.

**Purpose:**

To provide Council with the 10-Year Capital Plan for their adoption.

**Background:**

This 10-Year Capital Plan (the Plan) forecasts infrastructure investment for 2022 – 2031. The Plan anticipates current and future cost pressures, stretches the limits of revenues by source, and makes the necessary decisions to put in place essential infrastructure to support a future Kelowna.

**Discussion:**

The City of Kelowna (the City) plans to invest \$1.63 billion in infrastructure in the next 10 years. Of this, 69% supports growth and improved services to the community while 31% renews aging infrastructure to maintain existing services. Overall, the City’s infrastructure investment has increased \$131 million from the previous plan across the 12 capital cost centres.

The City has \$744 million of unfunded projects in the next 10-years across all cost centres. Of this, 70% supports growth and improved services while 30% is needed to renew existing infrastructure. This has increased \$121 million from the previous plan. Three quarters of the unfunded projects are in Parks and Buildings.



The cost changes in the Plan are primarily due to factors beyond the City's control including labour shortages, supply chain challenges, rising interest rates, and increased energy costs. These impacts are coupled with rapid growth and community demand for enhanced services at a time when existing infrastructure requires replacement.

Despite these challenges, the City continues to deliver world-class infrastructure and services. Many capital projects continue to be completed; delivering on Council priorities, meeting the objectives of the Official Community Plan and community expectations. Capital investment focuses on the following areas:

- Renewal of critical infrastructure,
- Parks acquisition and development,
- Alignment with the adopted Transportation Master Plan (TMP): Transportation & mobility infrastructure making it easier for people to get around by vehicle, transit, cycling and walking.
- Flood protection infrastructure to protect the community against the effects of climate change and flooding,
- Community amenities like recreation centres and public space to keep pace with Kelowna's population growth and the evolving needs of its residents,
- Airport development aligned with post-pandemic passenger forecasts.
- Infrastructure investment aligned with the new Official Community Plan (OCP).

Staff reviewed this year's annual update of 10-Year Capital Plan with Council in two previous reports (June 27 and July 25, 2022). This report is intended for final review and endorsement by Council. A summary of the 10-Year Capital Plan is provided below. **The reader is directed to the attached 10-Year Capital Plan for complete details.**

### **Changes from the Previous Plan to This Plan**

Council was introduced to standardized change categories during the second of three Council Reports (July 25, 2022). The purpose of presenting changes in this way is to provide details for the changes while also offering at-a-glance insight into the types of changes occurring. **The reader is directed to view the Change Summary that is available by clicking the link on the last page of the 10-Year Capital Plan.**

When comparing the previous plan and this plan, in total there are:

- 611 P1 & P2 Projects and Programs;\*
- 39 of projects have been completed or are in-progress since the previous plan and subsequently been removed from this Plan;
- 53 projects are new in this year's Plan;
- 31 projects have been removed or cancelled;
- 48 projects have no scope or investment changes;
- 226 projects have resulted in changes due to the completion of the 2040 Official Community Plan (OCP), Transportation Master Plan (TMP), and 20-Year Servicing Plan;\* and
- 69 projects across 8 cost centres have seen significant cost increase or decrease greater than \$5 million dollars.\*

*\*Updated from last report on July 25, 2022.*

## Funded Investment

Overall, the City's infrastructure investment for funded projects (P1) has increased \$131 million from the previous plan across 12 capital cost centres. The following table compares the City's total investment for funded projects in each Cost Centre in this Plan to the previous plan.

**Table 1.** Summary of changes from the previous plan and this Plan for funded projects (\$ million).

Cost Centre	Previous Plan (\$ million)	This Plan (\$ million)	Difference (\$ million)
Real Estate and Parking	\$44	\$46	\$2
Buildings	\$240	\$290	\$50
Parks	\$226	\$248	\$22
Transportation	\$346	\$307	\$(39)
Solid Waste	\$63	\$61	\$(2)
Storm Drainage	\$47	\$45	\$(2)
Information Services	\$11	\$12	\$1
Vehicle or Mobile Equipment	\$50	\$55	\$5
Fire	\$13	\$14	\$1
Water	\$108	\$118	\$10
Wastewater	\$135	\$197	\$62
Airport	\$216	\$237	\$21
<b>Total</b>	<b>\$1,499</b>	<b>\$1,630</b>	<b>\$131</b>

The funding for all cost centre P1 projects come from 10 sources. Approximately 40% of funding will come from external sources such as Development Cost Charges, Grants, Community Works Fund, Developer, and Other Contributions. City funding sources such as General Taxation, Infrastructure Levy, Reserves, Borrowing, and Utilities are approximately 60%.

## Unfunded Investment

The unfunded, or P2 projects, forecast for the next 10-years increased by \$121 million compared to the previous 10-Year Capital Plan. The 10-Year Capital Plan forecasts \$744 million of unfunded capital investment across 12 cost centres.

**Table 2.** Summary of changes from the previous plan to this Plan for unfunded projects (\$ million).

Cost Centre	Previous Plan (\$ million)	This Plan (\$ million)	Difference (\$ million)
Real Estate and Parking	\$13	\$40	\$27
Buildings	\$217	\$442	\$225
Parks	\$48	\$113	\$65
Transportation	\$219	\$54	\$(165)
Storm Drainage	\$24	\$21	\$(3)
Information Services	\$1	\$1	\$0
Vehicle & Mobile Equipment	\$0	\$18	\$18
Fire	\$0	\$1	\$1
Water	\$28	\$38	\$10
Wastewater	\$73	\$16	\$(57)
<b>Total</b>	<b>\$623</b>	<b>\$744</b>	<b>\$121</b>

Unfunded capital projects occur in eight of the 12 cost centres. Buildings and Parks account for 75% of the unfunded projects in the Plan, Transportation accounts for 7%, Water, Wastewater and Storm Drainage is 10% and the remaining 8% consists of Vehicles and Real Estate & Parking.

### Infrastructure Deficit

The Infrastructure Deficit (ID) is comprised of the City’s share of funding for all the P2 projects. There is \$744 million in P2 projects, but some of these projects would be supported by developer contributions, grants, or external funding sources. These external funding sources have been deducted from the \$744 and the City’s share of funding to advance these projects is \$610 million. This is the City’s Infrastructure Deficit (ID) forecast for the next 10-years.

As a percentage of funded capital investment, the ID trended down in 2018 and 2019 due to the increased revenue from the Infrastructure Levy and the Parks DCC. The ID remained relatively constant as a percentage of funded capital (~30%) for 2020 and 2021 but has increased in 2022 due to global influences and the renewal needs identified in the Buildings cost centre.

**Table 3.** Summary of Infrastructure Deficit (ID) by year (\$million).

	2018	2019	2020	2021	2022
<b>ID (\$millions)</b>	\$463	\$396	\$388	\$430	\$610
<b>ID % of funded capital</b>	44%	31%	29%	29%	37%

### Frost Road Update

During the second of three presentations on the 10-Year Capital Plan to Council (July 25, 2022), Council inquired about the Frost Road Project (Frost 1 – Killdeer to Chute Lake). The following information is provided in response to Council’s inquiry.

#### *Previous Council Resolution*

<b>Resolution</b>	<b>Date</b>
THAT staff investigate low-cost alternatives to addressing traffic from the South Mission.	January 18, 2021

On January 18, 2021, Council heard a report from staff that looked at major changes to the DCC Roads Program proposed by the TMP. This included the deferral of Frost Road beyond 2040 due to competing priorities and cost constraints. Council directed staff to “staff investigate low-cost alternatives to addressing traffic from the South Mission”.

Council received a subsequent update on the project from the City Manager’s Office on September 15, 2021. This email provided the following information:

- Currently all funding in the South Mission Sector Road DCC program reserves (Sector B) is committed to the South Perimeter Road project and related improvements to Stewart Rd West and Casorso Road.



- The Contractor for SPR (Arthon) will receive a lump sum payment upon completion plus annual payments equal to 80% of South Mission Roads DCC annual revenue (approximately \$1 million) per year until SPR is fully paid. Repayment is projected to be complete by 2028.
- To accommodate increased traffic flow from SPR, the City needs to complete downstream improvements to Stewart Road West and Casorso Road. This will occur gradually over the coming years as traffic increases, starting 2022.
- The current DCC estimate for Frost Road is \$4 million and includes improvements to the Chute Lake Road intersection. The previous commitments for SPR and Stewart Rd account for all Sector B DCC revenue and sufficient reserve funding for Frost Rd is not available until 2035. This project may be advanced if development increases and funding becomes available.

Staff subsequently revised the TMP, 10-Year Capital Plan and DCC Program (underway) to include Frost Rd for construction in the 2035 timeframe. This timeframe recognizes that Sector B is already committed to funding the SPR as well as downstream improvements of Stewart Rd that will help develop a third north-south corridor to the area.

Developing a plan for advancing Frost Rd requires a clear understanding of project scope and cost. It is for this reason that the 2022 budget included \$120,000 for planning and design of Frost Rd. This budget is to confirm the road and intersection designs as well as an updated cost estimate. Additional considerations include the identification of any property requirements and impacts to existing utilities. Staff have selected a consulting firm, identified a project manager, and the work is underway. Furthermore, staff are exploring alternative funding arrangements that may be able to advance the planned construction timeframe and will return to Council with a report in Q2 of 2023.

**Financial/Budgetary Considerations:**

The 10-Year Capital Plan is based on sound financial information and assumptions and will be used to guide the Annual Capital Plan as part of the annual budgeting process. The 10-Year Capital Plan is a forecast of infrastructure investment, as Council’s approval of projects occurs during the annual budget process.

**Conclusion:**

This year’s update involved three touch points with Council. This is the final report and is intended for final review and adoption by Council.

**Internal Circulation:**

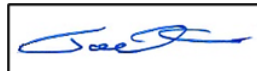
- Airport Finance & Corporate Services
- Asset Management & Capital Planning
- Building Services
- Fire Services
- Financial Planning
- Information Services
- Integrated Transportation
- Parks & Buildings Planning
- Utility Planning

**Considerations not applicable to this report:**

Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Existing Policy:  
Financial/Budgetary Considerations:  
External Agency/Public Comments:  
Communications Comments:

Submitted by:  
J. Shaw, Acting Divisional Director Financial Services

**Approved for inclusion:**



J. Shaw, Acting Divisional Director Financial Services

**Attachments:**

Attachment 1 - 10-Year Capital Plan (2022 – 2031)  
Attachment 2 - 10-Year Capital Plan Presentation

cc:

Divisional Director, Partnerships & Investment  
Divisional Director, Active Living and Culture  
Divisional Director, Corporate and Protective Services  
Divisional Director, Corporate Strategic Services  
Divisional Director, Financial Services  
General Manager, Infrastructure Division  
Fire Chief  
Department Manager, Infrastructure Operations



**80%**  
of citizens satisfied in level & quality of City services



**\$1.63 Billion**  
investment in new, upgraded, & renewed public infrastructure



**\$41 Million**  
project grant funding from provincial & federal governments



**52%**  
investment in Parks, Buildings, & Transportation



## EXECUTIVE SUMMARY

The City of Kelowna is located on the traditional, ancestral, and unceded territory of the syilx/Okanagan people.

The 10-Year Capital Plan (the Plan) forecasts infrastructure investment for 2022 – 2031. The Plan anticipates current and future cost pressures, stretches the limits of revenues by source, and makes the necessary decisions to put in place essential infrastructure to support a future Kelowna.

The City of Kelowna (the City) plans to invest \$1.63 billion in infrastructure in the next 10 years. Of this, 69% supports growth and improved services to the community while 31% renews aging infrastructure to maintain existing services. Overall, the City's infrastructure investment has increased \$131 million from the previous plan across the 12 capital cost centres. 52% of total investment is in Parks, Buildings and Transportation.

The City has \$744 million of unfunded projects in the next 10-years across all cost centres. Of this, 70% supports growth and improved services while 30% renews existing infrastructure. This amount increased \$121 million from the previous plan. 75% of the unfunded projects are in Parks and Buildings.

The changes in the Plan are primarily due to factors beyond the City's control. Labour shortages, supply chain challenges, rising interest rates, and increased energy costs. These impacts are coupled with rapid growth and community demand for enhanced services at a time when existing infrastructure requires replacement.

Despite these challenges, the City continues to deliver world-class infrastructure and services. Many capital projects continue to be completed; delivering on Council priorities, meeting the objectives of the Official Community Plan and community expectations.

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# 1 OVERVIEW

The 10-Year Capital Plan (the Plan) is reviewed and updated each year. Doing so, enables the City of Kelowna (the City) to respond to evolving community needs and other influencing factors.

The Plan forecasts \$1.63 billion in infrastructure investment required to accommodate growth, enhance services and renew existing infrastructure.

Guided by Council and Corporate Priorities, capital investment will focus on the following areas:

- Renewal of critical infrastructure, such as buildings.
- Parks acquisition and development.
- Alignment with the adopted Transportation Master Plan (TMP): Transportation & mobility infrastructure making it easier for people to get around by vehicle, transit, cycling and walking.
- Flood protection infrastructure to protect the community against the effects of climate change and flooding.
- Community amenities like recreation centres and public space to keep pace with Kelowna's population growth and the evolving needs of its residents.
- Airport development aligned with post-pandemic passenger forecasts.
- Infrastructure investment aligned with the new Official Community Plan (OCP).

## INFLUENCING FACTORS & EMERGING ISSUES

Kelowna is transforming into a more vibrant urban city. As one of the fastest growing cities in Canada, Kelowna is rapidly evolving. Its economy is diversifying, neighbourhoods are changing, and people are choosing new ways to get around. By 2040, Kelowna is expected to be home to another 45,000 people. This transition is exciting, bringing new energy, amenities, employment, and educational opportunities. Signs indicate that this pace is unlikely to let up.

This rapid change challenges the way Kelowna has grown in the past. For many, it means increased traffic, home price escalation and the transformation of a small town into a big city. This growth is also taking place in a time of great societal, technological and environmental change. Advances in technology are changing how we work, shop, travel and communicate. The impacts of a changing climate are increasingly being felt.



In this era of rapid growth and change, there are complex choices to be made. We must choose not only where we grow, but how we grow. We must choose how we invest and where we invest. We make these choices by recognizing and building on what we love about this city. These choices are rarely easy and often involve making difficult trade-offs. Kelowna is impacted by ongoing current events at the global and local level.

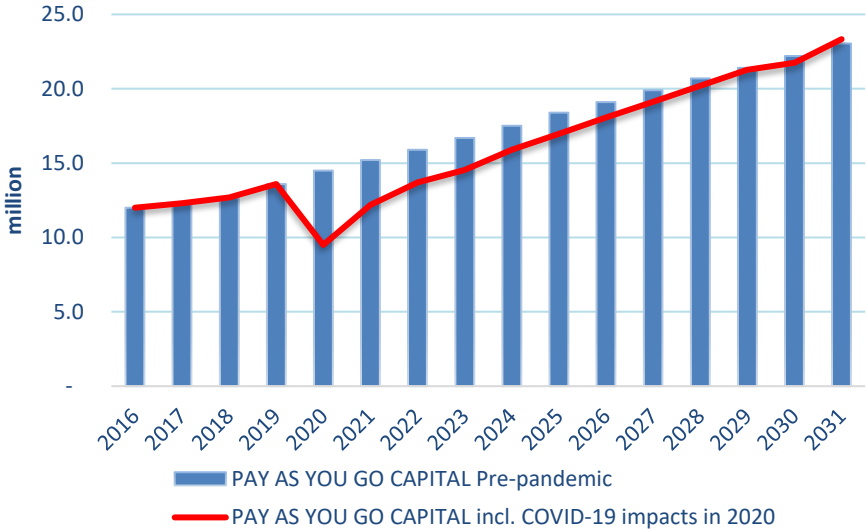
- **Global.** The factors influencing the Plan are beyond the City’s control; these include: labour shortages, supply chain challenges, inflation, rising interest rates, increased energy costs, COVID-19 recovery and climate change.
- **Local.** The City also faces a number infrastructure servicing challenges at the local level. These include rapid growth, community demand for more and enhanced services, and greater need to replace aging assets.

The City is responding to these challenges with progressive land use as well as transportation and infrastructure planning. The recently adopted OCP and Transportation Master Plan (TMP) have set the City on a path to sustainable service delivery, but there will still be challenges ahead.

**CHALLENGES AHEAD**

Rising costs of borrowing and ongoing COVID-19 recovery has direct impacts to the available funds to invest in public infrastructure.

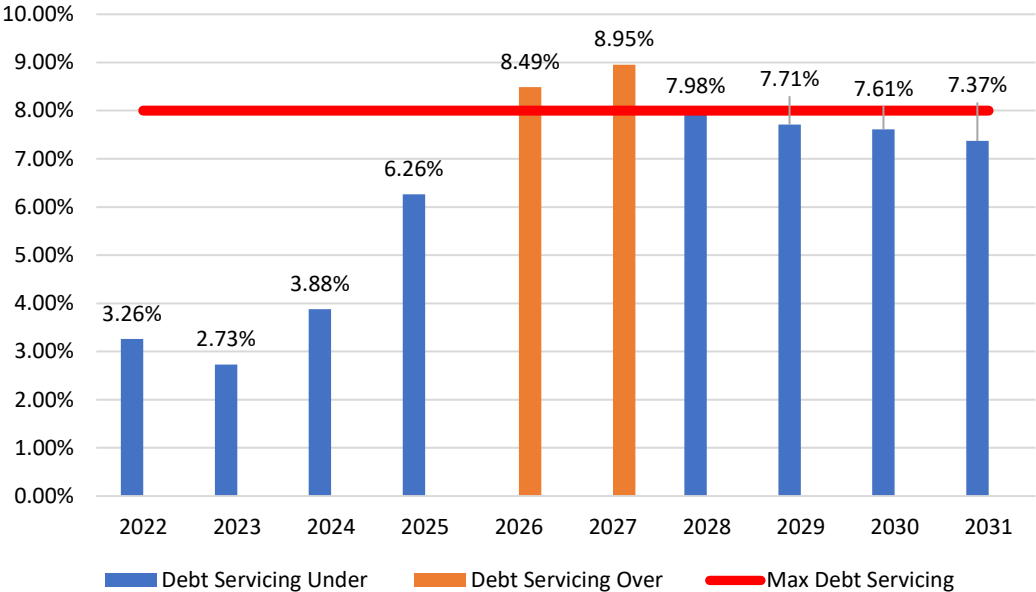
**COVID-19 Recovery.** The financial impacts related to COVID-19 have long-term implications. Pay-as-you-go (PAYG) capital funding decreased at the beginning of the Pandemic as a measure to mitigate funding uncertainty. Overall, forecasted PAYG decreased \$18 million between 2020 – 2030. There is a concentrated effort to return the PAYG funding to pre-pandemic levels and should reach that amount by 2031. Future PAYG decreases will impede this recovery.



**Figure 1.** Pay as you go Capital impacts due to COVID-19 Pandemic.

*Note: This graph has not been adjusted for inflation.*

**Borrowing Costs.** The current policy of debt repayment is to not exceed 8% of the taxation demand for supported debt and 15% of City-owned source revenues. Debt servicing, as a percentage of taxation demand, is anticipated to exceed this limit due to the borrowing costs of projects in the Buildings cost centre. This policy will need to be reviewed and amended, if necessary, to accommodate this increase.



**Figure 2.** Annual debt servicing as a percentage of taxation demand)

**WHAT ARE WE DOING?**

The City is taking a proactive approach to address these complex issues:

**Alternative Funding.** The City continues to review alternative funding options to help reduce the infrastructure deficit, such as a stormwater development cost charge and utility, community partnerships, fees and charges.

**Official Community Plan.** The recently endorsed 2040 OCP optimizes infrastructure investment through more compact development where services can be more efficiently used by a greater percentage of the community population.

**Transportation Master Plan.** The TMP was a 4-year process to define the City’s transportation vision and priorities over the next 20 years. The TMP works with the OCP to support growth, and help residents make more efficient and sustainable transportation choices through the development of reliable transit, improved road connections, comfortable bicycle routes and walkable neighbourhoods.

The proposed 10-Year Capital Plan was guided by the TMP's endorsed project list, but had to balance future expenditures with current funding projections. As such, some TMP projects are designated P2 in the Plan, while others have had their timing and scope adjusted. Funding for P2 TMP projects will be brought forward for P1 consideration within future annual budget processes. While the proposed Plan has maximized its use of available funding, it is insufficient to deliver the endorsed TMP project list. Recent and future inflation has made this challenge larger.

**Parks Master Plan.** Currently in-progress. This Master Plan will establish priorities between five park types: city-wide, recreation, community, neighbourhood and linear. As well as identify needs of different stakeholder groups and create a plan for future park development and renewal moving forward.

**Buildings Master Plan.** Currently in the planning stage. This Master Plan will create a vision and model to assess both infrastructure renewal and new construction to match growth; assess provision and distribution of built services and amenities across the City; and prioritize needs between the different building types. It will provide a tool with which City building expenditure can be planned. This plan will consolidate other functional building plans into one comprehensive document with an eye to ongoing renewal costs.

**Asset Management Program.** The City has advanced its asset management program and is considered one of the leaders in BC. Recent implementation of the computerized asset management system will better inform infrastructure planning, improve operational efficiency, and extend asset service life.

**Ongoing Monitoring.** There are many inputs and variables that are considered when preparing a capital project request. These inputs and associated standards are being refreshed to reflect current economic conditions and best practices in long-term capital financial planning. This will then inform updates to the methodology for determining the extent of the infrastructure deficit.

## CHANGES FROM THE PREVIOUS PLAN

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### Priority 1 Project Changes

Overall, the City's infrastructure investment in Funded Projects (P1) has increased \$131 million from the previous plan across 12 capital cost centres. The following table compares the City's total investment for funded projects in each Cost Centre in this Plan to the previous plan.



**Table 1.** Summary of changes from the previous plan and this Plan for funded projects (\$million).

Cost Centre	Previous Plan (\$ million)	This Plan (\$ million)	Difference (\$ million)
Real Estate and Parking	\$44	\$46	\$2
Buildings	\$240	\$290	\$50
Parks	\$226	\$248	\$22
Transportation	\$346	\$307	\$(39)
Solid Waste	\$63	\$61	\$(2)
Storm Drainage	\$47	\$45	\$(2)
Information Services	\$11	\$12	\$1
Vehicle or Mobile Equipment	\$50	\$55	\$5
Fire	\$13	\$14	\$1
Water	\$108	\$118	\$10
Wastewater	\$135	\$197	\$62
Airport	\$216	\$237	\$21
<b>Total</b>	<b>\$1,499</b>	<b>\$1,630</b>	<b>\$131</b>

### Big Changes for Funded (P1) Projects

**Buildings.** Cost escalation of approximately 40% on a significant number of projects driven by global and local factors – inflation, labour and material shortage, as well as overall increased construction costs.

**Parks.** Cost escalation of approximately 30% on a significant number of projects driven primarily by global influences – inflation, labour and material shortage.

**Transportation.** Overall capital program decreased relative to the current 10 Year Capital Plan. This decrease reflects a combination of several removed projects, updated funding projections, and a shift towards projects with higher levels of taxation support.

**Wastewater.** The anaerobic digester was elevated from P2 to P1 and cost escalation has increased Wastewater investment.

**Airport.** Capital projects have been aligned with 2022 Final Budget forecasted passenger numbers and regulatory requirements at the Airport. The Airport’s 10-year Capital Plan is subject to adjustment due to the fluidness of the Airport’s recovery from the COVID-19 pandemic. It will continue to be updated while developing the 2023 Preliminary Budget

### Priority 2 Project Changes

There is \$744 million in unfunded (P2) projects forecast in the next 10-years, an increase of \$121 million compared to the previous plan.

**Table 2.** Summary of changes from the previous plan to this Plan for unfunded projects (\$million).

Cost Centre	Previous Plan (\$ million)	This Plan (\$ million)	Difference (\$ million)
Real Estate and Parking	\$13	\$40	\$27
Buildings	\$217	\$442	\$225
Parks	\$48	\$113	\$65
Transportation	\$219	\$54	\$(165)
Storm Drainage	\$24	\$21	\$(3)
Information Services	\$1	\$1	\$0
Vehicle & Mobile Equipment	\$0	\$18	\$18
Fire	\$0	\$1	\$1
Water	\$28	\$38	\$10
Wastewater	\$73	\$16	\$(57)
<b>Total</b>	<b>\$623</b>	<b>\$744</b>	<b>\$121</b>

### Big Changes for Unfunded (P2) Projects

**Real Estate & Parking.** Additional funding to construct parkades within the South Pandosy and Downtown areas.

**Buildings.** Cost escalations caused several P1 projects to move to P2. Comprehensive condition assessments of existing buildings identified additional deferred maintenance that requires addressing in the near term. This cost centre accounts for nearly 60% of all unfunded projects.

**Parks.** Cost escalations caused several P1 projects to move to P2. Parks accounts for 15% of the unfunded projects.

**Transportation.** Net reduction. The Transportation P2 list was updated to reflect the TMP. The TMP refined the project list through a cost effectiveness lens, resulting in a smaller P2 list. Some projects were removed, some projects were elevated to P1, and some projects were moved beyond 2031. If inflation is persistent over a longer term, the value of P2 projects will increase in the absence of additional funding. Scenario 3 projects from the TMP are not included in the 10 Year Capital Plan P2 list, as the majority are beyond the 20-year planning horizon.

**Wastewater.** The anaerobic digester was moved from P2 to P1 reducing the deficit in this cost centre.

## INFRASTRUCTURE DEFICIT & FUNDING GAP

The Infrastructure Deficit (ID) measures the difference between the cost of all the P1 and P2 projects identified in the Plan and the funding available to complete those projects.

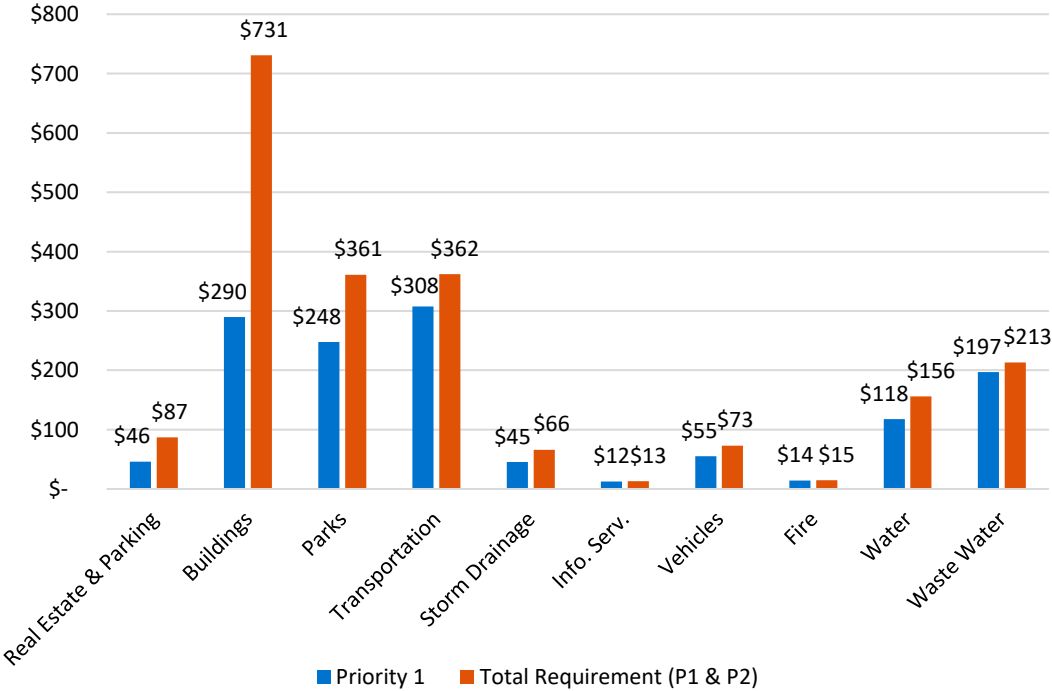
As a percentage of funded capital investment, the ID trended down in 2018 and 2019 due to the increased revenue from the Infrastructure Levy and the Parks DCC. The ID remained relatively constant as a percentage of funded capital (~30%) for 2020 and 2021, but has increased in 2022 due to global influences and the renewal needs identified in the Buildings cost centre.

**Table 3.** Summary of Infrastructure Deficit (ID) by year (\$million).

	2018	2019	2020	2021	2022
ID (\$millions)	\$463	\$396	\$388	\$430	\$610
ID % of funded capital	44%	31%	29%	29%	37%

### Funding Gap

The funding gap is determined by the available funding compared to the total funding needed for both P1 and P2 projects.



**Figure 3.** Investment Priority of funded projects versus funded & non-funded projects (\$ millions).



Currently, three cost centres are the primary contributors to this funding gap, they are:

**Buildings.** Total: \$442 million funding shortfall and accounts for close to 60% of the total unfunded investment in the Plan. There are several large projects totaling \$374 million that are unfunded, they are:

- Kelowna Community Theatre - \$102 million
- City Yards Replacement - \$81 million
- Kelowna Museum Replacement - \$75 million
- General Buildings Renewal (Services, Shell and General) - \$58 million
- Prospera Place Renovations - \$17 million
- Capital Opportunities & Partnership Fund - \$17 million
- Glenmore Recreation Activity Centre—Development - \$13 million
- Memorial Arena - Adaptive Reuse- \$11 million

**Transportation.** Total: \$54 Million. This funding gap has been reduced compared to the previous plan due to the adopted Transportation Master Plan earlier in 2022. There are several large projects totaling \$20 million, they are:

- Abbott DCC (Rose - Gyro), ATC - \$9 million
- KLO Rd Mission Creek Bridge Replacement - \$6 million
- Road Renewal - \$5 million.

**Parks.** Total: \$113 million. There are several large projects totaling \$70 million, they are:

- Sutherland Bay Park - Expansion, Including Poplar Point Dr Realignment - \$17 million
- Irrigation Renewal - \$12 million
- Boat Launch - Land Acquisition and Facility Renewal - \$12 million
- Gallagher Park - \$11 million
- Neighborhood Park Development- \$13 million
- Community Parks Development - \$8 million

## COMPLETED COMMUNITY CAPITAL PROJECTS

Despite challenging times, the City continues to deliver world-class infrastructure that supports community services. The most recent Citizen Survey (2022) indicates 80% of citizens are satisfied with the overall level and quality of City services. This Plan will continue to meet the community's expectation by delivering infrastructure that aligns with Council and community priorities. Some recent examples are:

## **Transportation & Mobility**

More trips by transit, carpooling, cycling & walking:

- Opened Ethel Street Active Transportation Corridor (ATC) between Rose and KLO Road, providing residents with access to a dedicated pedestrian and bike route separate from vehicle traffic all the way from Cawston Avenue to Raymer Avenue.
- Received a \$2.4 million senior government grant to extend the Houghton Road ATC from Rutland to the Okanagan Rail Trail
- Widened Lakeshore Road bridge over Bellevue Creek to two lanes of vehicle traffic, buffered bike lanes in each direction and added a multi-use pathway.

## **Vibrant Neighbourhoods**

Animated parks & public spaces and key sites are proactively planned:

- Opened Phase 3 of Glenmore Recreation Park featuring two sport fields and an off-leash dog park.
- Completed final phase of Rutland Centennial Park featuring a basketball court, ping pong tables, new landscaping and lighting.
- Improved the Cook Road boat launch, including parking lot upgrades.
- Completed designs for Tall Grass and Ballou neighbourhood parks and unveiled design and construction schedule for the future of City Park.

## **Environmental Protection**

Adaptable in the face of climate change:

- Awarded \$9 million Environmental Quality Grant from senior government for the Kelowna septic system elimination and sewer connection project, which includes eliminating over 600 aging septic fields from Central Rutland, Rio/Rialto, and a creek crossing for future servicing of the Hall Road connection area.
- Reduced greenhouse gas emissions at the Glenmore Landfill through the collection of landfill gas and reuse.
- Added Electric vehicle charging stations.
- Improved flood protection to Mill Creek.

## 2 SUSTAINABLE SERVICE DELIVERY

### 10-YEAR CAPITAL PLAN

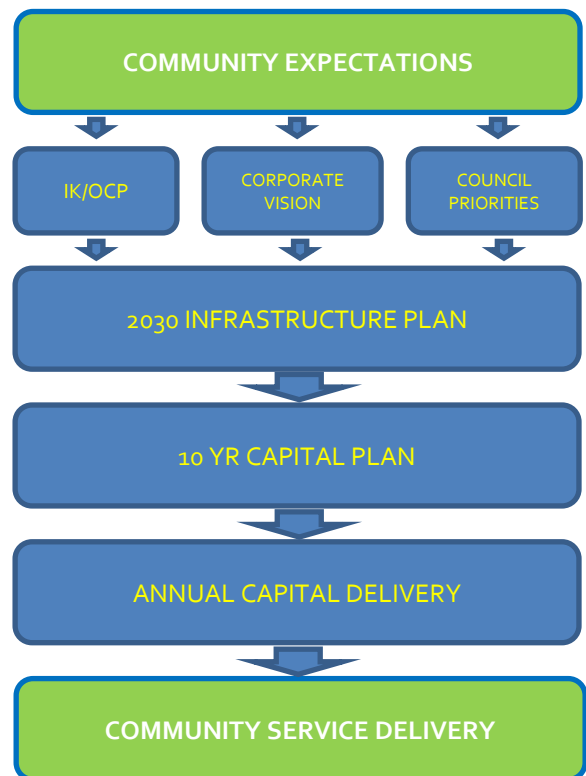
The 10-Year Capital Plan is part of the City's rigorous capital planning process that supports Council priorities, Imagine Kelowna and the Official Community Plan and provides the framework for long-term planning and fiscal sustainability. It is updated annually to better respond to emerging issues and changing community needs. The 10-Year Capital Plan serves two purposes:

1. Deliver on Council priorities and community needs by prioritizing infrastructure investment within limited funding.
2. Outline the financial constraints and the associated impacts on infrastructure and service delivery.

### INFRASTRUCTURE PLANNING PROCESS

Economic resiliency is a Council priority aimed at efficient and sustainable service delivery supported by well-maintained world class infrastructure. The City's infrastructure planning process starts with understanding community expectations and ends with providing infrastructure that delivers the expected services to the community.

Council endorsed the 2030 Infrastructure Plan in April 2016 and set the direction for infrastructure investment until 2030. The 2030 Infrastructure Plan is the City's long-term strategic capital plan and is the link between the higher-level planning documents including Imagine Kelowna, the Official Community Plan, Council and Corporate Priorities and the infrastructure delivery plans which include the 10-Year Capital Plan and the Annual Capital Plan. Recognizing that emerging issues and community priorities change, the 10-Year Capital Plan was developed and updated annually to respond to these changing conditions. The Annual Capital Plan is, in turn, directed by the 10-Year Capital Plan and in the end, the City turns these plans into actual public infrastructure that supports services the community depends on.





Adequate financing needs to be in place to schedule and undertake each capital investment. The 10-Year Capital Plan looks at revenue sources such as utility rates, taxes, fees, development cost charges, grants, reserves or borrowing. As the City faces competing priorities, difficult decisions need to be made to optimize the spending to provide the most value to citizens and balance needs versus wants.

The 10-Year Capital Plan provides the framework for long-term planning and fiscal management and allows the City to look ahead and answer four fundamental questions:

1. "What do we need?"
2. "Why do we need it?"
3. "How are we going to pay for it?"
4. "How much will it cost to operate and maintain?"

Answering these questions allows the City to anticipate current and future cost pressures, stretch the limits of revenues by source, and make the necessary decisions to put in place essential infrastructure to support a future Kelowna. By doing so, this plan will help maximize the investment in the community where and when it is most needed.

## CONSIDERATIONS

The 10-Year Capital Plan contains infrastructure projects for all City service areas. Several documents have been used in this Plan's preparation. These include:

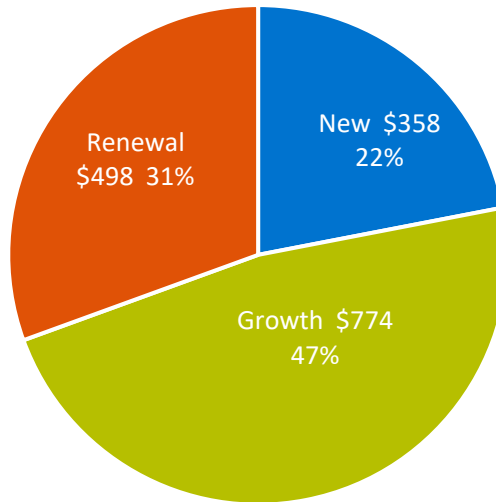
- Imagine Kelowna
- Council priorities 2019 – 2022
- 2030 Infrastructure Plan
- 10-Year Capital Plan 2021 – 2030 (last year's plan)
- 2040 Official Community Plan
- 2040 Transportation Master Plan
- 20 – Year Servicing Plan & Financing Strategy
- Principles & Strategies for Financial Strength & Stability
- Infrastructure Master Plans and Asset Management Plans
- 2045 Airport Master Plan and Airport 10-Year Capital Plan



## 3 FUNDED PROJECTS

### INFRASTRUCTURE INVESTMENT

This 10-Year Capital Plan forecasts \$1.63 billion in infrastructure investment required to accommodate growth, enhance services, and renew existing infrastructure assets.



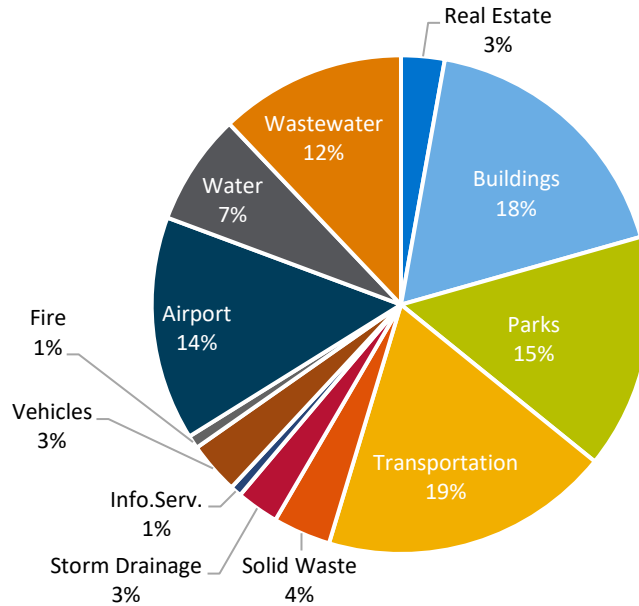
**Figure 4.** Funded new, growth, & renewal investment by total amount and per cent.

Recognizing these future demands, infrastructure required to support growth accounts for \$774 million (47%) of total investment and new infrastructure to support enhanced or improved services accounts for \$358 million (22%) of the plan. There is approximately \$498 million (31%) allocated to renew existing infrastructure to maintain existing services.

The Plan forecasts \$1.13 billion in infrastructure to accommodate growth and improve services to the community. This new and growth infrastructure will require additional funding to operate and maintain. Renewal of existing infrastructure is assumed to have no additional operational impacts because budgets are currently in place to support existing infrastructure.

## COST CENTRE FORECAST

The 10-Year Capital Plan forecasts \$1.63 billion of capital investment across 12 cost centres.



**Figure 5.** Investment for each cost centre by per cent.

Investment in capital projects is allocated across the various cost centres. Transportation, Parks and Buildings cost centres account for 52% of overall investment to deliver on Council Priorities, invest in infrastructure renewal and meet community expectations. Water, Wastewater, Storm Drainage and Solid Waste is 26% to meet regulatory requirements. The Airport is 14% to align with post-pandemic passenger forecasts and to meet regulatory travel requirements. The remaining 8% supports Fire, Vehicles, Information Services and Real Estate & Parking.

## MAJOR CHANGES FOR FUNDED PROJECTS

Significant changes between this update and the previous 10-Year Plan are listed below:

**Real Estate & Parking.** Overall net investment in Real Estate and Parking infrastructure has increased by \$2 million.

- Electric Vehicle Infrastructure and Strategic Initiatives - New project added at a cost of \$1 million.
- Parking Infrastructure – Net investment increase of \$1 million.

**Buildings.** Overall net investment in Buildings infrastructure has increased by \$49 million. The primary driver of these year over year changes are cost escalations of approximately 40%.

- Parks and Recreation Buildings – Net investment increase of \$43 million
  - Kelowna Community Campus - Net investment increase of \$32 million.
  - Capital News Centre – Expansion- Net investment increase of \$11 million.
- Building Renewal, Rehabilitation & Infrastructure Upgrades- Net investment increase of \$5 million.

**Parks.** Overall net investment in Parks infrastructure has increased \$22 million. The primary drivers of these changes are revised project scope, timing related to the 20-Year Servicing Plan and cost escalation.

- DCC Parkland Acquisition- Net investment increase of \$33 million.
- Neighbourhood Park Development – Net investment decrease of \$4 million
- Community Park Development – Net investment decrease of \$12 million
  - Casorso Park – Net investment decrease of \$5 million.
  - Gallagher Park – Net investment decrease of \$8 million and dropped to P2.
- Recreation Park Development – Net investment decrease of \$5 million.
- City-wide Park Development – Net investment decrease of \$400k
  - Bluebird Beach Park DCC – Net investment increase of \$5 million
  - Kerry Park - Future Phases - Net investment increase of \$3 million.
  - Sutherland Bay Park – Expansion, including Poplar Point Dr Realignment – Net investment decrease of \$8 million and dropped to P2.



- Linear/ Natural Area Park Development – Net investment increase of \$7 million.

**Transportation.** Overall net investment in Transportation infrastructure has decreased by \$39 million (relative to the last 10-Year Capital Plan). Key changes are due to the reprioritization process that occurred through the TMP to better align with Imagine Kelowna and the 2040 OCP. An accounting of changes was presented to Council on Jan 18, 2021; some notable examples of removed projects are listed below:

- Ridge Rd (Cara Glen - Union) - Project removed with a cost of \$30 million. This project was 100% Development construct in the previous plan.
- Gallagher 1 (Lago Vista - Gallagher) - Project removed with a cost of \$12 million.
- Sexsmith 5 (Longhill - Acland) – Project removed with a cost of \$10 million.
- Union / Valley Realignment – Project removed with a cost of \$3 million

**Solid Waste.** Overall net investment in Solid Waste infrastructure has decreased by \$2 million.

- Stockpiles and Reprocessing Areas Relocation – Net investment decrease of \$3 million.
- Landfill Liner Design and Construction - Net investment increase of \$1 million.

**Storm Drainage.** Overall net investment in Storm Drainage infrastructure has increased by \$2 million.

- Brandt's Creek Climate Change Resiliency Projects - Project added at a cost of \$1 million.
- Stormwater Pond Asset Renewal Program - Project added at a cost of \$1 million.

**Information Services.** Overall net investment in Information Services infrastructure has increased by \$1 million.

- Major Systems Projects- Net investment increase of \$1 million.

**Vehicle or Mobile Equipment.** Overall net investment in Vehicle or Mobile Equipment infrastructure has increased by \$5 million to renew existing vehicles, accommodate growth and modernize fleet to reduce GHG emissions.

**Fire:** No significant net increase/decrease to Fire.

**Airport.** Overall net investment in Airport infrastructure increased by \$21 million due to the alignment of projects with 2022 Final Budget passenger forecasts. The Airport's 10-year Capital Plan is subject to adjustment due to the fluidness of the Airport's recovery from the COVID-19 pandemic and will continue to be updated while developing the 2023 Preliminary Budget.

- Airport Terminal Expansion South- Project removed at a cost of \$37 million.
- Airport Parking, Roadways, Terminal Building Renovations and Airport Mill Creek Realignment - Net investment increase of \$24 million.
- Airport Airside Pavement Rehabilitation - Net investment increase of \$18 million.
- Airport Land Purchases, Car Rental Facility, Airside Equipment and Combined Operations Building – Net investment increase of \$16 million.

**Water.** Overall net investment in Water infrastructure has increased by \$10 million related to the alignment with the OCP growth scenario.

- Kelowna Water Integration Plan - Project added at a cost of \$8 million.
- PRV Upgrades (Potable System) - Project added at a cost of \$2 million.

**Wastewater.** Overall net investment in Wastewater infrastructure has increased by \$62 million related to alignment with the OCP growth scenario.

- Digestion Facility - P2 elevated to P1 at a cost of \$50 million.
- New Harvey Downtown (Water St) Crossing - P2 elevated to P1 at a cost of \$10 million.

## OPERATIONS & MAINTENANCE IMPACTS

Infrastructure investment decisions should consider asset lifecycle costs which includes both capital and operating expenses. Municipal infrastructure is designed to last a long time, varying from 20 – 100 years, and the operating expense can amount to 70 - 80% of the lifecycle cost, which is why it is important to consider operational impacts when making capital investment decisions.

The Plan forecasts \$1.13 billion in infrastructure to accommodate growth and improve services to the community. This new and growth-related infrastructure will require additional funding to operate and maintain. The operational impacts for the General Fund and Utilities will require approximately \$15.93 million and \$17.25 million respectively of additional funding by 2031. The General Fund cost centres will be

primarily funded by taxation while Utilities and Solid Waste will be accounted for in their respective funding models.

Renewal of existing infrastructure is assumed to have no operational impacts because operational budgets are currently in place to support existing infrastructure.

**Table 4.** Forecasted operational and maintenance (O&M) impacts for each service area based on historical data.

Cost Centre (General Fund)	New + Growth Capital Investment (\$ million)	O&M Capital Investment % (10-Year Average)	O & M Forecast by 2031 (\$ million)
Real Estate & Parking	\$40	12.49%	\$5.00
Buildings	\$176	1.35%	\$2.38
Parks	\$94	2.87%	\$2.70
Transportation	\$241	1.75%	\$4.22
Storm Drainage	\$30	3.89%	\$1.17
Information Services	\$4	2.72%	\$0.11
Vehicles & Equipment	\$10	3.68%	\$0.37
<b>Total</b>	<b>\$595</b>	<b>2.70%</b>	<b>\$15.93</b>

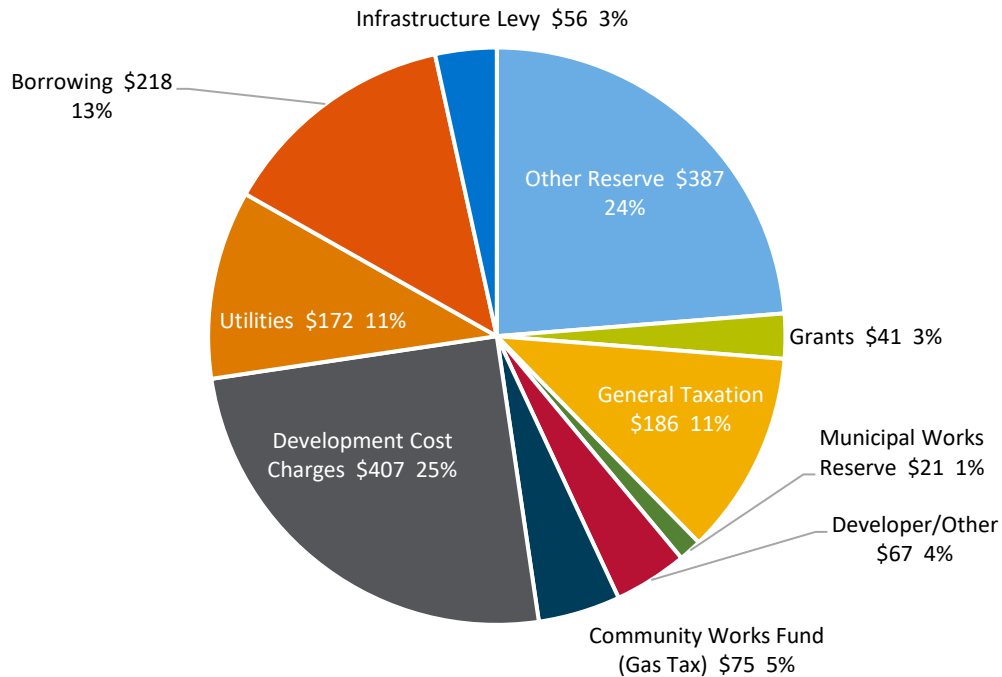
Cost Centre (Utilities & Self-funded)*	New + Growth Capital Investment (\$ million)	O&M Capital Investment % (10-Year Average)	O & M Forecast by 2031 (\$ million)
Solid Waste (Self-funded)	\$52	10.51%	\$5.47
Water (Utility)	\$66	2.55%	\$1.68
Wastewater (Utility)	\$137	7.37%	\$10.10
<b>Total</b>	<b>\$255</b>	<b>6.80%</b>	<b>\$17.25</b>

\* Information for Airport and Fire cost centres not included.

# 4 FUNDING SOURCES

## FUNDING SOURCES

The funding for all cost centre P1 projects come from 10 sources.



**Figure 6.** Funding sources for 10-Year Capital Plan (\$ millions). Total \$1.63 billion.

Approximately 40% of funding will come from external sources such as Development Cost Charges, Grants, Community Works Fund, Developer, and Other Contributions. City funding sources such as General Taxation, Infrastructure Levy, Reserves, Borrowing and Utilities are approximately 60%.

### General Taxation

The City's capital program has increased to keep pace with the demands of a growing community while at the same time relying less on taxation as a primary funding source. At \$186 million over the next 10 years, General Taxation contributes 11% of the capital investment. Grants, user fees, reserves, and borrowing make-up a larger share of the funding for the capital program. For example, the capital plan from six years ago was \$848 million and funded 18% from taxation whereas today the Plan is \$1.63 billion and funded 11% from taxation.



### Infrastructure Levy

The Infrastructure Levy (IL) was approved in 2019 with an increase occurring in the 2020 budget, and ongoing thereafter. The amount to be contributed to the IL reserve over the next 10 years is \$56 million (\$5.6 million annually). It is worth noting that the IL is not indexed with inflation.

**Table 5.** Projected appropriations from infrastructure levy (\$ millions).

Cost Centre	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Parks	1.3	1.7	1.4	1.4	1.9	1.7	0.9	3.0	0.1	-	13.3
Transportation	3.0	2.3	1.7	2.3	1.3	3.9	4.2	4.1	4.4	4.2	31.5
Storm Drainage	1.6	1.9	2.6	1.9	3.3	-	-	-	-	-	11.3
<b>Total</b>	<b>5.9</b>	<b>5.9</b>	<b>5.7</b>	<b>5.6</b>	<b>6.5</b>	<b>5.6</b>	<b>5.1</b>	<b>7.1</b>	<b>4.5</b>	<b>4.2</b>	<b>56.1*</b>

*\*Total appropriations of \$56.1 million are net of the reserve opening balance and investment interest earned on the reserve funds.*

### Municipal Works, Community Works & Other Reserves

Reserve funds are used to fund infrastructure to prevent large fluctuations in annual general taxation requirements. There is a total of \$387 million (24%) in total general reserve funding. Community Works Fund reserve, which is funded from Gas Tax, accounts for \$75 million. The Solid Waste reserve accounts for \$61 million. The Municipal Works reserve was established in 2015 and will fund \$21 million worth of Buildings renewal projects in the next 10 years.

### Development Cost Charges

Development cost charge (DCC) funding accounts for \$407 million (25%) of all capital investment. The timing of DCC projects must coincide with the availability of DCC revenues. Should revenue not be realized due to slower growth, the timing of DCC projects may be adjusted.

### Utilities

Utilities' funding sources are primarily from user fees collected for services such as Water and Wastewater. Approximately \$172 million will be re-invested in projects that directly benefit the respective services where fees were collected.

## Borrowing

Debenture borrowing of \$218 million (13%) is required to fund significant buildings projects. The debt analysis only reports on debt according to the General Fund and the taxation impact of these borrows.

**Table 6.** Infrastructure Projects that require borrowing.

Cost Centre	Project	Year	Borrowing (\$ million)
Buildings	Kelowna Community Campus Building, Site Work/Field Relocation & Net-zero Carbon Emissions	2023	\$154.6
	Capital News Centre - Expansion, 2 Ice Sheets & Multi-use Facility	2025	\$34.7
	North Glenmore Fire Hall (Station #5) - Construction	2024	\$6.4
	City Hall - Envelope Renewal	2025	\$7.5
	Mission Activity Centre - Construction	2025	\$8.8
	City Yards - New offices	2029	\$6.3
		<b>Total</b>	<b>\$218.3</b>

## Grants

Consistent with the City's Financial Principles & Strategies, the Plan uses only confirmed grants as part of the financial strategy. As grants become available this will reduce reliance on taxation and other funding sources. A total of \$40.7 million (3%) is budgeted in the Plan to be funded from confirmed provincial/federal grants. Storm Drainage and Airport Cost Centres have been approved for up to \$22 million of the federal Disaster Mitigation and Adaption Fund grant and Wastewater Cost Centre has been approved for up to \$9 million of the federal Investing in Canada Infrastructure Program grant. Both grants require the City to come up with its share of funding to leverage the full amount.

**Table 7.** Federal/Provincial funding (\$ millions).

Cost Centre	Project	Assumed Funding (\$ million)	
Transportation	Pedestrian Bridge Renewal	\$0.1	
Storm Drainage	Mill Creek Flood Protection	\$13.8	
Airport	Mill Creek Realignment	\$3.3	
	Airport Biosecurity	\$2.7	
	Airport Combined Operations Building	\$7.1	
	Airside Lighting and Supporting Infrastructure	\$0.1	
	Airport Runway End Safety Area	\$4.6	
Wastewater	Sewer Connections	\$9.0	
		<b>Total</b>	<b>\$40.7</b>

## Developer & Other Contributions

Developer and Other Contributions provide \$67.2 million (4%) towards capital projects in this Plan.

**Table 8.** Developer, Community, & Other Contributions (\$ millions).

Cost Centre	Assumed Funding (\$ million)
Real Estate	\$2.3
Buildings	\$0.4
Parks	\$0.5
Transportation	\$13.8
Information Services	\$0.5
Airport	\$44.0
Water	\$1.5
Wastewater	\$4.2
<b>Total</b>	<b>\$67.2</b>

## FUNDING TYPES

Funding types include General Fund and Self-Funded. Each funding type consists of various funding sources.

### General Fund

There are nine capital Cost Centres funded from the General Fund (Real Estate, Buildings, Parks, Transportation, Storm Drainage, Information Services, Vehicles, Fire, Solid Waste).

The General Fund is made up of several funding sources including Taxation, Gas Tax, Surplus/Reserves, DCC Reserves, Debenture/Borrowing, Federal/Prov Grants, Developer/Community Contributions, Municipal Works Reserve, Utility revenue and the Infrastructure Levy. The commitment from all funding sources is \$1.08 billion.

**Table 9.** General Fund funding (\$ millions).

General Funding Source	Amount (\$ million)
Other Reserve	\$189
General Taxation	\$186
Municipal Works Reserve	\$21
Developer/Other	\$17
Community Works Fund (Gas Tax)	\$75
Development Cost Charges	\$296
Utilities	\$7
Infrastructure Levy	\$56
Borrowing	\$218
Grants	\$14
<b>Total</b>	<b>\$1,079</b>

Revenues from landfill tipping fees contribute to the Solid Waste reserve in the General Fund, in turn the Solid Waste Cost Centre is funded from the Solid Waste reserve. Water and Wastewater are primarily funded from their dedicated self-funded reserves and not the General Fund. The Airport is fully-funded from its own self-funded reserve and is not funded by the General Fund.

### Utility Fund

Water and Wastewater utility revenue funding provides \$7 million towards General Fund capital investment in this Plan. Airport utility revenue does not contribute to the General Fund capital investment.



### Water and Wastewater.

Water and Wastewater infrastructure is funded primarily from Utility, DCC reserves, Grants, Reserves and Developer/Community/Other Contributions. The cost for Water and Wastewater capital projects is \$314.8 million and is funded from the following sources.

Table 10. Water & Wastewater Utility funding (\$ millions).

Water and Wastewater Funding Source	Amount (\$ million)
Development Cost Charges	\$111.8
Dev/Community/Other Contributions	\$5.7
Utility Revenue	\$164.8
Grant	\$9.0
Reserve	\$23.5
<b>Total</b>	<b>\$314.8</b>

### Airport

The Airport's capital projects are split by business segment: Airside, Groundside, Terminal, and Airport Improvement Fee. Each segment maintains a reserve where the net of revenues and expenditures are contributed for future use of that business segment, including capital development.

In the event the capital funding required exceeds the funds available for capital development the Airport will reassess the timing and scope of the project as well as the ability to increase fees and the capacity to take on additional debt when determining the best way to fund the development.

During the 10-year term, additional debt is forecasted to be taken out for capital development within the Airport Improvement Fee (AIF) business segment. Airport debenture affects the overall debt capacity of the City and these impacts must be considered holistically.

Table 119. Airport Funding Sources 10-Year Capital Plan (\$ millions).

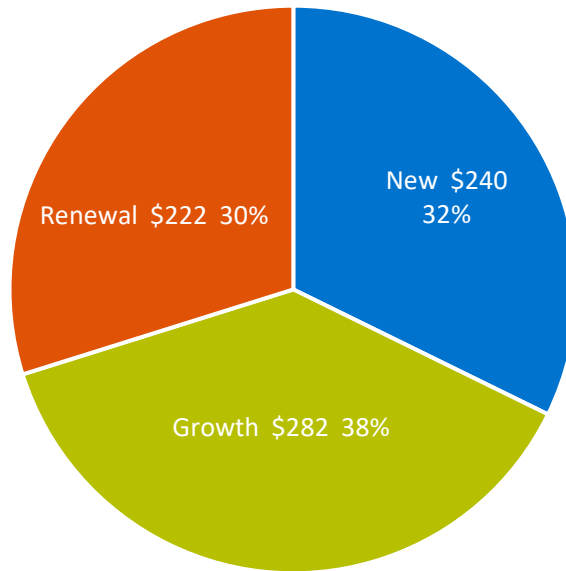
Airport	Amount (\$ million)
Reserves	\$174.8*
Developer/Other	\$44.0
Grants	\$17.8
<b>Total</b>	<b>\$236.6</b>

\*35.0 million will initially be funded through debt, with annual debt repayments funded through the AIF reserve.

## 5 UNFUNDED PROJECTS

### UNFUNDED INFRASTRUCTURE INVESTMENT

Infrastructure projects that are lower priority and not fully funded are deemed Priority 2 (P2) projects. The unfunded projects (P2) forecast for the next 10-years increased to \$744 million.

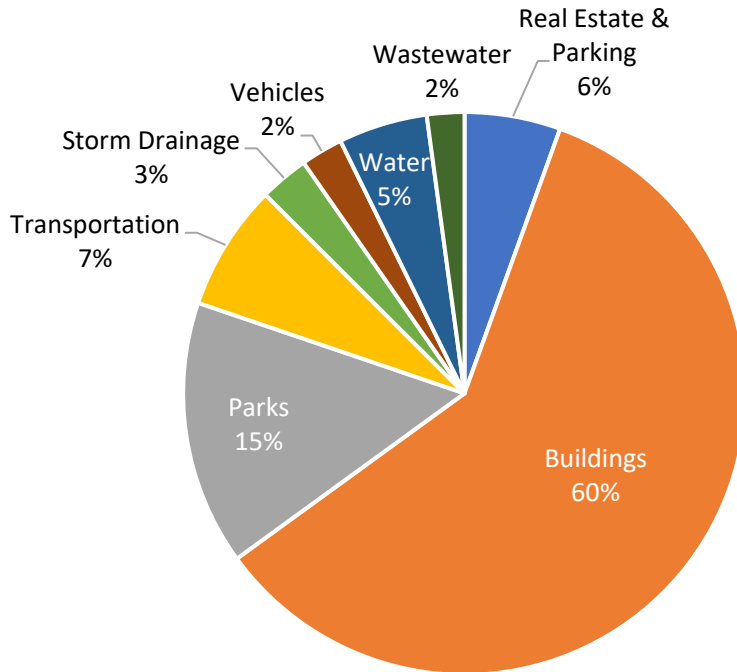


**Figure 7.** Unfunded new, growth, & renewal investment by total amount and per cent.

P2 projects to support growth accounts for \$282 million (38%) and new infrastructure to support enhanced or improved services accounts for \$240 million (32%). There is approximately \$222 million (30%) for renewal of existing infrastructure to maintain existing services. Without increased funding these projects remain unfunded and contribute to the Infrastructure Deficit.

## COST CENTRE FORECAST

The 10-Year Capital Plan forecasts \$744 million of unfunded capital investment across eight cost centres.



**Figure 8.** Unfunded investment for each cost centre per cent.

Unfunded capital projects occur in eight of the 12 cost centres. Buildings and Parks account for 75% of the unfunded projects in the Plan, Transportation accounts for 7%, Water, Wastewater and Storm Drainage is 10% and the remaining 8% consists of Vehicles and Real Estate & Parking.

## INFRASTRUCTURE DEFICIT

The Infrastructure Deficit is comprised of the City's share of funding for all P2 projects net of funding from other sources including DCCs, grants, utilities and/or partnerships. The City's share of the P2 projects is \$610 million and represents the City's Infrastructure Deficit for the next 10-years.

**Table 10.** Infrastructure deficit for unfunded project (\$ millions).

Infrastructure Funding Category	Cost	Funding	
		City	Other*
Renewal	\$222	\$211	\$11
Growth	\$283	\$206	\$77
New (enhance service)	\$239	\$193	\$46
<b>Total</b>	<b>\$744</b>	<b>\$610</b>	<b>\$134</b>

\*Other includes DCC's, Grants, Utilities and Partnerships.

## MAJOR CHANGES FOR UNFUNDED PROJECTS

The total value of unfunded P2 projects have increased by \$121 million to \$744 million in this Plan. The main drivers for the increase are noted below. This list does not include many of the smaller changes related to cost increases and reductions, project additions and deletions and impacts related to changes in project timing.

**Real Estate and Parking.** Overall net investment in Real Estate and Parking infrastructure has increased by \$27 million.

- New Parkades - Design and Construction - Net investment increase of \$28 million. The previous Plan only included the design phased as the construction phase was beyond the previous plan's time horizon.

**Buildings.** Overall net investment in Buildings infrastructure has increased significantly. Primarily driven by cost inflation of approximately 40%, previous P1's becoming P2's, and improved data on existing asset conditions. This has resulted in a net increase of \$224 million:

- Kelowna Museum - Replacement Construction- Net investment increase of \$70 million. The previous 10-Year Capital Plan only had the design amount, this plan has design and construction amounts.
- General Building Infrastructure Renewal (Services, Shell and General) - Net investment increase of \$41 million.
- Kelowna Community Theatre - Replacement Construction- Net investment increase of \$27 million.
- City Yards - Replacement Construction- Net investment increase of \$21 million.
- Prospera Place - Renovations- Net investment increase of \$16 million.

**Parks.** Overall net investment in Parks infrastructure has increased significantly driven by cost inflation of approximately 30%, revised Park Development projects and limited forecasted funding by 2031. This has resulted in a net increase of \$65million.

- Sutherland Bay Park - Expansion, Including Poplar Point Dr Realignment- Moved from P1 to P2. Total: \$17 million.
- Gallagher Park- Moved from P1 to P2. Total: \$11 million.
- Community Parks Development - Pacific Court Park renamed as Generic Community Park. Total: \$8 million.
- Neighborhood Park Development- Moved from P1 to P2. Total: \$13 million.



**Transportation.** Overall investment in Transportation infrastructure has decreased \$164 million due to integration of the recently adopted TMP resulting in revised projects and timing. Some projects were removed, some projects were elevated to P1, and some projects were moved beyond 2031. If inflation continues, P2 projects in transportation may grow by an additional \$90m between 2026 and 2031.

- Clement 2- Hwy 33 Ext. (Clem & Hwy 33-1): Construction pushed beyond 2031 and planning elevated to P1 net decrease of \$59 million.
- Master Planned Primary AT Routes- Project removed. Total: \$14 million.

**Storm Drainage.** Overall net investment in Storm Drainage infrastructure has decreased by \$3 million.

- Trench Place - Geotechnical - Project removed. Total: \$2 million.
- Small dam upgrades - Project removed. Total: \$1 million.

**Information Services.** No significant net increase/decrease.

**Water.** Overall net investment in Water infrastructure has increased by \$10 million. This cost centre is funded from the Water utility and as project needs arise utility rates will be brought to Council for consideration.

- Water Filtration Land Purchase - Project added. Total: \$10 million.

**Wastewater.** Overall net investment in Wastewater infrastructure decreased due to the inclusion of DCC funding for the growth component of the Digester and additional funding requirement for downtown growth based on the OCP. This has resulted in a net decrease of \$57 million.

- Digestion Facility- P2 elevated to P1. Total: \$44 million.
- New Harvey Downtown (Water St) Crossing- P2 elevated to P1. Total: \$11 million.

# 6 APPENDIX

Click on the cost centre names below to view its detailed financials.

 <p><a href="#">300-Real Estate &amp; Parking</a></p>	 <p><a href="#">308-Information Services</a></p>
 <p><a href="#">301-Buildings</a></p>	 <p><a href="#">310-Vehicles</a></p>
 <p><a href="#">302-Parks</a></p>	 <p><a href="#">311-Fire</a></p>
 <p><a href="#">304-Transportation</a></p>	 <p><a href="#">312-Airport</a></p>
 <p><a href="#">305-Solid Waste</a></p>	 <p><a href="#">313-Water</a></p>
 <p><a href="#">306-Storm Drainage</a></p>	 <p><a href="#">314-Wastewater</a></p>

## 7 CHANGE SUMMARY

For a summary of changes between the previous plan and this Plan, follow this link: [Change Summary](#)





City of  
**Kelowna**

# 10-Year Capital Plan Update

(2022 – 2031)

August 22<sup>nd</sup>, 2022



# Meeting Agenda

- ▶ Overview
- ▶ Investment Summary
- ▶ Cost Centres Review
- ▶ Frost Rd Update
- ▶ Next Steps





## Current Situation

- ▶ Supply chain challenges
- ▶ Labour Shortages
- ▶ Inflation
- ▶ Interest rates pressures
- ▶ Energy costs
- ▶ Covid-19 Recovery

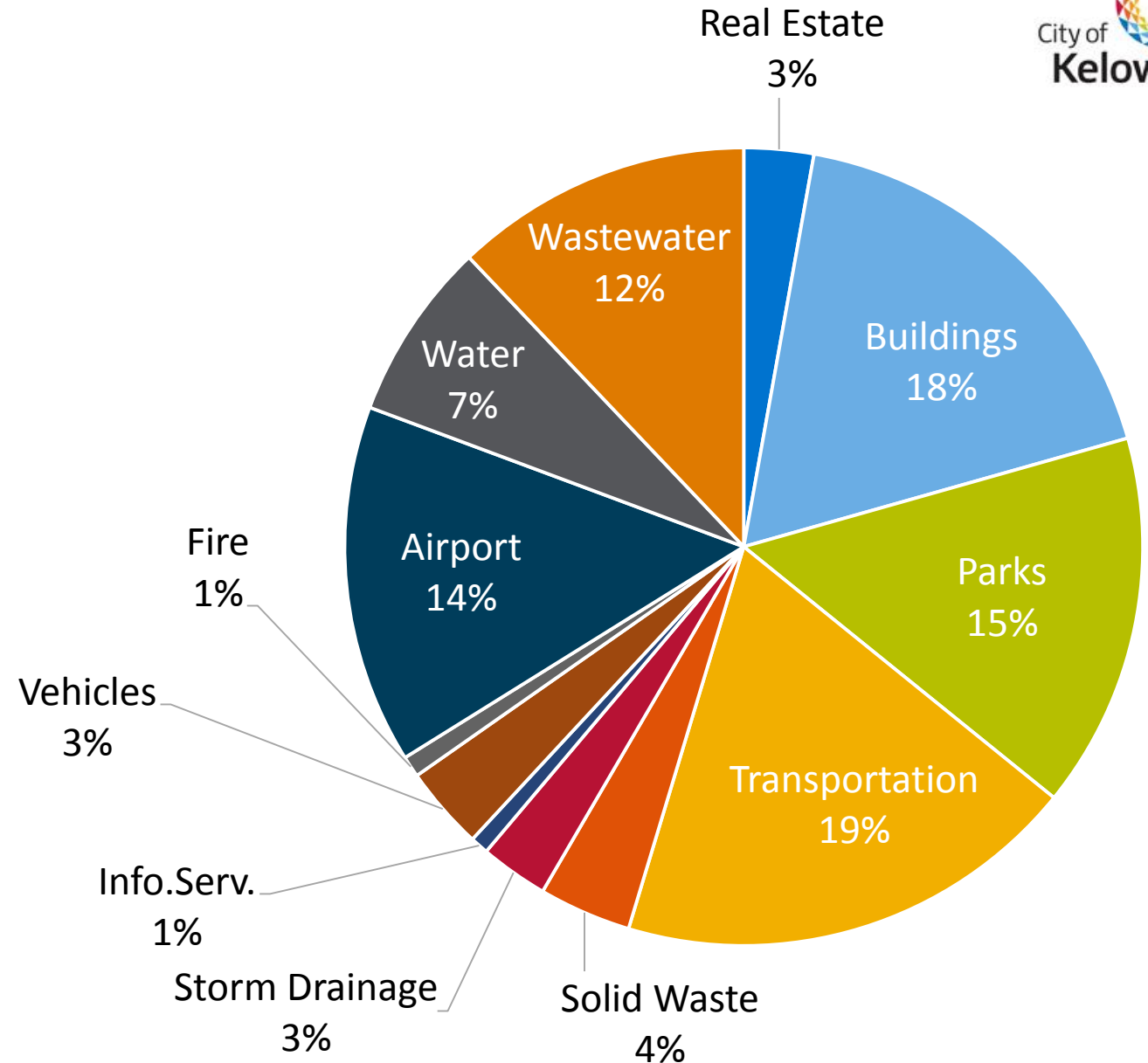


# Alignment with Council Priorities & Community Expectations



# Funded Summary

- ▶ Total \$1.63 billion
  - ▶ New / Growth: 69%
  - ▶ Renewal: 31%
  
- ▶ Funding Sources
  - ▶ External: 40%
  - ▶ City: 60%





# Unfunded Summary

- ▶ Total \$774 million
  - ▶ New / Growth: 70%
  - ▶ Renewal: 30%

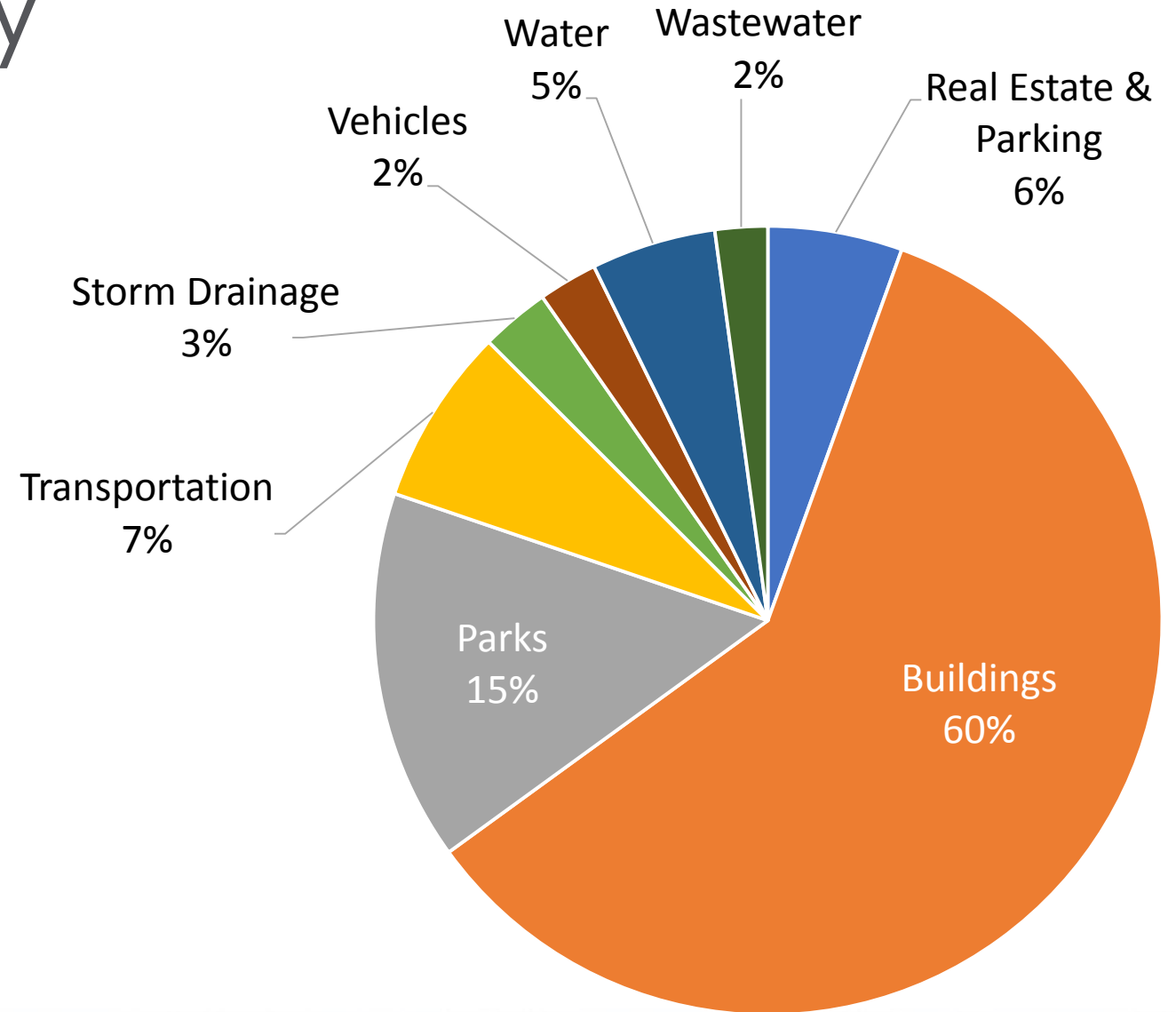
## ▶ Funding Sources

### ▶ Confirmed

- ▶ DCCs
- ▶ Utilities

### ▶ Potential

- ▶ Grants
- ▶ Partnerships



# Infrastructure Deficit

- ▶ City's share of unfunded projects
  - ▶ Infrastructure Deficit = P2's less Confirmed & Potential funding
    - ▶ \$744 M - \$134 M = \$610 M

	2018	2019	2020	2021	2022
<b>ID (\$millions)</b>	\$463	\$396	\$388	\$430	\$610
<b>ID % of funded capital</b>	44%	31%	29%	29%	37%

# Compared to the Previous Plan

	Total P <sub>1</sub> & P <sub>2</sub> projects	611
✓	Completed or In-Progress	39
★	New	53
⊗	Cancelled or Removed	31
⊘	No changes	48
↑↑	OCP/TMP/20-YSP/MP	226
\$\$\$/-\$\$\$	+/- \$5mil	69

# Transportation

- ▶ Investment
  - ▶ \$307 million (19%)
  - ▶ Decrease \$39 million
- ▶ Big Projects & Programs (P1)
  - ▶ Active transportation & transit
  - ▶ Road improvements for growth
  - ▶ Road & bridge renewal
- ▶ Unfunded Projects (P2)
  - ▶ Active transportation & transit
  - ▶ Transportation renewal
- ▶ Share of Infrastructure Deficit- 4%



*Making it easier for people to get around  
by vehicle, transit, cycling & walking.*



# Buildings

- ▶ Investment
  - ▶ \$290 million (18%)
  - ▶ Increase \$50 million
- ▶ Big projects & programs (P1)
  - ▶ Kelowna Community Campus
  - ▶ CNC Expansion
  - ▶ North Glenmore Firehall
- ▶ Unfunded projects(P2)
  - ▶ Buildings Renewal
  - ▶ Kelowna Community Theatre
  - ▶ City Yards Replacement
  - ▶ Kelowna Museum Replacement
- ▶ Share of Infrastructure Deficit- 72%



*Expanding recreational, cultural,  
& protective services facilities  
to support a growing community.*

# Parks

- ▶ Investment
  - ▶ \$248 million (15%)
  - ▶ Increase \$22 million
- ▶ Big projects and programs (P1)
  - ▶ DCC parkland acquisition
  - ▶ Park Development
- ▶ Unfunded Projects (P2)
  - ▶ Park infrastructure renewal
  - ▶ Sutherland Bay Park
- ▶ Share of Infrastructure Deficit- 12%



*Creating vibrant, animated spaces for the community to connect, enjoy & experience.*

# Kelowna International Airport

- ▶ Investment
  - ▶ \$237 million (14%)
  - ▶ Increase \$21 million
- ▶ Big Projects and Programs\*
  - ▶ Terminal expansion
  - ▶ Airside pavement
  - ▶ Hotel
  - ▶ East Lands development
  - ▶ Combined operations building
  - ▶ Airside equipment
- ▶ Unfunded Projects (P2)
  - ▶ None



*Continuing to be  
Your Link to the World.*

\*Aligned with 2022 Budget, expected to change as part of the 2023 Budgeting process

# Wastewater

- ▶ Investment
  - ▶ \$197 million (12%)
  - ▶ Increase \$62 million
- ▶ Big Projects & Programs (P1)
  - ▶ Renewal
  - ▶ Biosolids Digestion
  - ▶ Septic removal projects
- ▶ Unfunded Projects(P2)
  - ▶ Wastewater New Treatment Process
  - ▶ Water St Lift Station



*Ensuring environmental stewardship,  
community preparedness, & resiliency while  
meeting regulatory requirements.*



# Water

- ▶ Investment
  - ▶ \$118 million (7%)
  - ▶ Increase \$10 million
- ▶ Big Projects & Programs (P1)
  - ▶ Inner City water transmission & storage projects.
  - ▶ Renewal & regulatory upgrades
  - ▶ Installation of water meters
- ▶ Unfunded Projects(P2)
  - ▶ Water Filtration Land Purchase
  - ▶ Mission Creek South Connector



*Delivering high-quality drinking water  
& reliable irrigation water  
to all City customers.*

# Solid Waste

- ▶ Investment
  - ▶ \$61 million (4%)
  - ▶ Decrease \$2 million
- ▶ Big Projects and Programs (P1)
  - ▶ Expansion of the landfill footprint
  - ▶ Stockpiles and Reprocessing Areas
  - ▶ New stormwater management program
- ▶ Unfunded Projects(P2)
  - ▶ None



*Operating a progressive, environmentally-aware site to manage, reduce, & divert waste that considers today's regional needs & future demands.*

# Storm Drainage

- ▶ Investment
  - ▶ \$45 million (3%)
  - ▶ Decrease \$2 million
- ▶ Big Projects and Programs (P1)
  - ▶ Mill Creek Flood Protection
  - ▶ Renewal
- ▶ Unfunded Projects(P2)
  - ▶ Airport component of the Mill Creek Flood Protection
  - ▶ Several stormwater major system components & lake outlets across the City
  - ▶ Downtown Drainage Project
- ▶ Share of Infrastructure Deficit- 3%



*Utilizing natural & engineered solutions to improve resiliency, flood mitigation, & water quality in a changing climate.*

# Real Estate and Parking

- ▶ Investment
  - ▶ \$46 million (3%)
  - ▶ Increase \$2 million
- ▶ Big Projects and Programs (P1)
  - ▶ General Land, Acquisition
  - ▶ New Parkades
- ▶ Unfunded Projects(P2)
  - ▶ New Parkades
- ▶ Share of Infrastructure Deficit- 6%



*Investing in strategic land acquisition & providing state-of-the-art, well-maintained parking facilities.*



# Vehicles and Equipment

- ▶ Investment
  - ▶ \$55 million (3%)
  - ▶ Increase \$5 million
- ▶ Big Projects & Programs (P1)
  - ▶ Vehicle & Equipment Renewal
  - ▶ Additional vehicles to support growth
- ▶ Unfunded Projects(P2)
  - ▶ Vehicles & equipment demand caused by growth and service improvements
- ▶ Share of Infrastructure Deficit- 3%



*Maintaining a reliable, sustainable fleet while Going Green & reducing GHGs.*

# Information Services

- ▶ Investment
  - ▶ \$12 million (1%)
  - ▶ Increase \$1 million
- ▶ Big Projects & Programs (P1)
  - ▶ Front Office Equipment and Server and Data Storage
  - ▶ Major System Projects
  - ▶ Communications Network & Fibre Optics
- ▶ Unfunded Projects(P2)
  - ▶ City Front Office Equipment
  - ▶ Server & Data Storage Equipment



*Transforming into a digital-first City  
by supporting hardware, software, &  
system infrastructure.*

# Fire

- ▶ Investment
  - ▶ \$14 million (1%)
  - ▶ Increase \$1 million
- ▶ Big Projects & Programs (P1)
  - ▶ Vehicle/Equipment Renewal
  - ▶ Communication Systems
- ▶ Unfunded Projects (P2)
  - ▶ Engine Company



*Responding to calls with well-trained personnel equipped with the necessary equipment & tools when the community needs it the most.*

# Frost Rd Project

- ▶ In response to Council inquiry on July 25, 2022
- ▶ January 18, 2021: Council Resolution
  - ▶ *THAT staff investigate low-cost alternatives to addressing traffic from the South Mission*
- ▶ Sector B funding constraints
- ▶ South Perimeter Road & Stewart Rd improvements
- ▶ Refining Frost Rd scope & cost estimates
- ▶ Staff to return Q2 2023



# Next Steps

- ▶ Adoption of 10-Year Capital Plan
- ▶ Return to Council with Frost Rd Recommendation



*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).

# Report to Council



**Date:** August 22<sup>nd</sup>, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Update to Development Cost Charge Program  
**Department:** Financial Services

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**Recommendation:**

THAT Council receives, for information, the report from Financial Services dated August 22<sup>nd</sup>, 2022, with respect to the Development Cost Charge program update;

AND THAT Council endorse the updated 20-Year Servicing Plan and Financing Strategy,

AND THAT Development Cost Charge Bylaw No. 12420 and Development Cost Charge Reserve Reduction Bylaw No. 12419, be given reading consideration;

AND THAT the interest on the amount borrowed for the anerobic digestor be included in the Development Cost Charge rate calculations,

AND FURTHER THAT Council direct Staff to submit the new Development Cost Charge Bylaws and supporting documentation to the Ministry of Municipal Affairs for their review and approval prior to fourth reading and adoption by Council.

**Purpose:**

To provide Council with the update to the Development Cost Charge program required to ensure capital financing is in place to support infrastructure investment to service the 2040 Official Community Plan’s growth strategy and for Council to give reading consideration to the new DCC Bylaws.

**Background:**

Development Cost Charges (DCCs) are designed to assist local governments in recovering costs expended on core infrastructure needed to support development. DCCs facilitate development by providing a method to finance capital projects related to public roads, water, sanitary sewer, drainage and parkland acquisition and development.

The foundation document to the DCC Bylaw is the 20-Year Servicing Plan & Financing Strategy that details the infrastructure projects and financing required to service growth as outlined in the 2040 Official Community Plan (OCP). The 20-Year Servicing Plan and DCC Bylaw are interrelated and for simplicity will be collectively termed herein as the 'DCC program'.

The last update to the DCC Program was February 2020 with the inclusion of a new Parks Development DCC. Prior to that, the DCC Program was updated in April 2019 to bring project cost estimates in line with market construction and land acquisition costs. The last major update to the DCC Program that reviewed growth forecasts and infrastructure servicing strategy was in 2011 in conjunction with the 2030 OCP. With the recent adoption of the 2040 OCP, an amendment to the DCC Program is required to ensure capital financing is in place to support infrastructure investment to service the anticipated growth by 2040.

A previous report to Council (September 13th, 2021) outlined the proposed changes to the DCC program.

Resolution	Date
<p>THAT Council receives, for information, the report from the Infrastructure Engineering Manager dated September 13, 2021, with respect to updating the 20-Year Servicing Plan and the associated Development Cost Charge Bylaw (No. 15015);</p> <p>AND THAT Council direct Staff to move forward with stakeholder engagement prior to returning to Council for reading consideration.</p>	<p>September 13<sup>th</sup>, 2021</p>

Since that time, staff have received feedback from key stakeholders including Urban Development Institute (UDI), Canadian Home Builders Association, UBCO, and Okanagan College (Attachment 1).

**Discussion:**

Summarized below are the DCC program inputs, challenges and proposed changes that have been reviewed with key stakeholders. The reader is directed to the attached 20-Year Servicing Plan & Financing Strategy for complete details (Attachment 3).

The 2040 OCP estimates Kelowna’s population will grow by 25% adding an additional 45,000 residents. Housing needs related to the 2040 population projections anticipate that demand for apartment, townhomes and compact family-friendly housing options will outpace the demand for single-detached housing.

Commercial, Institutional, and Industrial land uses were estimated based on the non-residential land available for development. Modest growth in each of the non-residential categories is expected in the 2040 planning horizon.

The DCC program is comprised of 234 infrastructure and parkland acquisition projects valued at \$1.3 billion and revenue from the DCC program is legislated to be used exclusively to fund this large capital



program that extends to 2040. The DCC program is funded from DCCs (65%), City funding (29%), and developer constructed works and grants (6%). An important element of the funding strategy for this update is that the City's share of funding (29%) is the same as the previous program. Assumed grants are not part of the financing strategy and if the City receives provincial/federal grants the DCC program will be updated to reflect the financial benefit of grant revenue.

**Table 1-** Total DCC Capital Program recoverable costs (\$ Millions).

Service	Developer Funded		City Funded		Government Funded	Total
	Developer Construct	DCCs	Tax	Utility	Grants/ Partnership	
Transportation	40.4	311.2	167.2		9.0	527.8
Water	3.6	32.1		26.2		61.9
Wastewater Trunks	4.1	38.4		20.1		62.7
Wastewater Treatment		85.0		36.8		121.8
Drainage		9.2	28.0		20.8	57.9
Parkland Acquisition		217.8	26.7			244.5
Parks Development		142.4	74.7			217.1
<b>Totals</b>	<b>48.1</b>	<b>836.1</b>	<b>296.6</b>	<b>83.1</b>	<b>29.8</b>	<b>1,293.8</b>

Construction and land acquisition increases. Global supply chain issues, inflation, labour shortage and an oversupply of construction projects flooding the market have caused upward pressure on construction costs, with tender costing coming in significantly higher than engineering estimates. Construction and land costs in the DCC program have not been updated in three years and since that time construction costs have increased on average by 20% and land costs have increased more than 40%. All project costs in this update reflect 2021 costs so are approximately 1 year old and may not reflect the recent surge in construction and land costs. If construction and land costs continue to trend upward, the DCC Program costs may need to be updated within a year to keep pace with inflation.

Secondary Suites and Carriage Houses. It is estimated that 30% of single-family homes in Kelowna will be built with suites or carriage houses. Council agreed in 2008 to charge a flat fee DCC of \$2,500 for all secondary suites and carriage houses which would normally be charged a much higher rate (equivalent to a condominium); with the revenue difference borne by taxation and utility funding. The current practice was flagged by the Ministry as an area that needed to be amended because it provided a specific land use subsidy which is not permitted, as any subsidy must be applied evenly for all land uses.

In response to the Ministry's concern, this update has introduced a new category for Carriage Houses and assessed a higher DCC in the range of \$23,000 - \$28,000, to better reflect the actual infrastructure impact of these stand-alone units.

Secondary suites are often exempt from paying DCCs because their construction value is less than the \$50,000 minimum required to trigger DCCs as defined by the Local Government Act. For this update, it

is proposed that suites are not assessed a DCC. Simply stated, once the developer pays their residential DCC for the base build, the secondary suite can be constructed with no further DCCs levied. With the expected increase in suites and their associated demand on infrastructure, tax/utility funding used previously to subsidize suites has been carried forward and applied to the municipal tax assist to offset the infrastructure burden that suites may cause. The Ministry agreed that increasing the municipal assist is an equitable and transparent approach to addressing the incremental infrastructure impacts caused by suites on the overall program.

The municipal assist increase to offset the infrastructure burden caused by suites is unique to Kelowna with most communities not accounting for these impacts and allowing the program to absorb them.

Industrial DCCs. The City has some of the lowest Industrial DCCs in the province, which does not fully fund the servicing demands of the shifting 'light industrial' development trend. To better reflect the true cost for servicing, the Industrial category has been split into two categories – Light Industrial and Heavy Industrial. The Light Industrial DCC is approximately 50% of the Commercial DCC rate and is more in line with the cost of servicing this development form. The Heavy Industrial DCC is consistent with the previous DCC program and collects DCC based on a gross site area for land intensive industrial developments like gravel extraction, wrecking yards, outdoor storage and asphalt and concrete plants.

Storm Drainage DCC. DCC legislation permits the inclusion of a Drainage DCC to fund the infrastructure required to meet the demands placed on drainage systems and natural flood zones by development. The recent floods of 2017 and 2018 have demonstrated a need to better manage the City's major drainage systems which include the City's creeks and streams.

The City's growth strategy focuses development in the core area and urban centres, densifying development and putting more demand on the drainage system. A new Drainage DCC is proposed to fund the work along the City's primary drainage corridors and outfalls. The first major project is capacity improvements to Mill Creek that runs through the City's core area and is an area of future development densification.

The project funding split assigns 25% to growth and 75% to City funding sources and equitably accounts for improvements necessary to remedy existing deficiencies along Mill Creek as well as the demand from new development.

Parks Acquisition DCC for Commercial/Industrial. Council approved the Parks Development DCC in February 2020 and as part of the preferred scenario Council directed staff to explore the inclusion of a Parks Acquisition DCC for the Commercial and Industrial DCCs. This Parks Acquisition DCC is now included in Commercial and Industrial DCC rates.

Shift to City Wide DCCs. The City's DCC program dates to the 1980's and, back when it was first developed, area specific DCCs were used extensively as there were many suburban areas of the City that had unique servicing demands. With the recent adoption of the 2040 OCP, the City's land use plan is shifting with more emphasis on development within the core area and urban centres. This change has caused the City to rethink the area specific approach and move to a municipal-wide approach where

appropriate. The proposed DCC program assesses DCCs on a municipal-wide basis for all service areas except Transportation where the sectors were consolidated from six in the current program to three for the proposed DCC program. The three sectors within Transportation were retained as there are unique transportation servicing challenges to each sector that warrant the sector approach.

Anerobic Digester. The City is planning the construction of a large anerobic digester in 2030 to reduce the amount of biosolids produced at the wastewater treatment plant. This large capital investment (\$78 million) will require borrowing and the interest is included in the DCC rate calculations. The Ministry requires Council resolution for inclusion of interest on the amount borrowed in the DCC rate calculations. Staff are working on the feasibility study for the digester and will bring future report(s) to Council for consideration. Should the strategy for solid waste management change the DCC Bylaw will be amended.

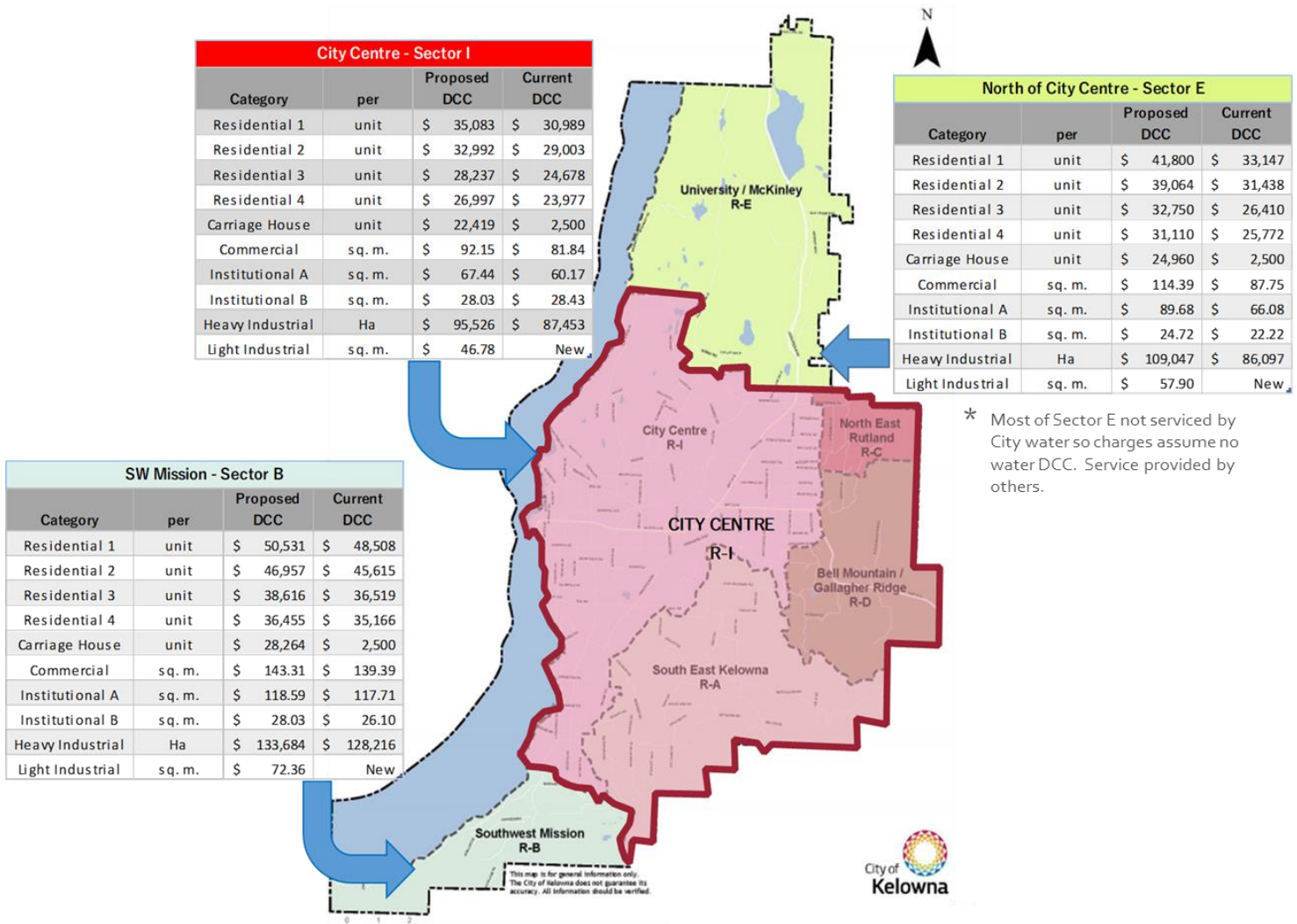
#### Changes to DCC Bylaw.

- The DCC Bylaw has been updated to align with the new Zoning Bylaw. The new Zoning Bylaw is anticipated to be adopted by Council in September 2022 after Ministry approval.
- The new Carriage House and Light Industrial categories have been added to the DCC Bylaw and the new Drainage DCC has been included.
- Secondary suites are no longer required to pay DCCs and the existing Council approved subsidy has been carried forward but is now shown as a municipal assist factor for transparency.
- There are 4 residential dwelling categories based on the existing density gradient formula that encourages higher density developments through lower DCCs.
- The Residential 5 category (small apartment < 600 sq. ft.) was rolled up into the Residential 4 category (apartment). A review of occupancy patterns determined that the difference in occupancy between Residential 4 and the Residential 5 category was not enough to warrant a separate rate, particularly given that micro suite units of less than 300 sq. ft. are already exempt, per legislation.
- The proposed DCC program assesses DCCs on a municipal-wide basis for all service areas except Transportation where the sectors were consolidated from six in the current program to three for the proposed DCC program.
- In addition to the new DCC Bylaw (12420), a new DCC Reserve Reduction Bylaw (12419) was developed to draw down existing reserves for the sectors that were consolidated as part of this update. The two Bylaws will work together to fund the program but only the DCC Bylaw (12420) will be the 'forward-facing' Bylaw that will be used to collect DCCs.
- A legal review of the DCC Bylaw was completed and there were several housekeeping edits to improve readability, transparency, and consistency with the Local Government Act.

#### **Financial/Budgetary Considerations:**

DCCs have increased on average by 14% since the last update in 2019 and are dependent on where development is occurring in the City (Figure 1 and Attachment 2). City Centre area encompasses about 87% of the forecasted growth in the City and DCCs have increased less than 5% per year for the past 3-

years leading up to this update. The average overall DCC increase in this area is 13% since the last update and is within recent inflation for construction and land.



**Figure 1- Total combined DCC by land use and sector.**

Southwest Mission is nearing buildout with some of the infrastructure already in place. Encompassing 5% of the forecasted growth, this area is seeing the smallest DCC increase but still has the highest overall DCCs due to high costs of extending services to this area. The average overall DCC increase in this area is 4% since the last update.

North of City Centre encompasses 8% of forecasted growth and DCC rates have increased in the range of 4% to 12% per year since the last update in 2019. The average overall DCC increase in this area is 25% since the last update.



In addition to inflationary impacts, this increase reflects the large transportation infrastructure projects needed to support growth in this area including:

- Acland 2 (Airport Way – John Hindle Dr) \$15.2 million
- Commonwealth Rd. \$10.5 million
- Glenmore 5 (Union – John Hindle) \$10.5 million
- Glenmore Rd Safety Upgrades (John Hindle – Lake Country) \$14.8 million
- Hollywood Rd and ATC (various phases). \$27.3 million

The Local Government Act requires municipalities to provide a level of financial assistance through a municipal assist factor (MAF) which reflects Council’s desire to encourage development and is largely a political decision. The way the City has historically applied the MAF for the purpose of DCC calculation is different than most municipalities in BC and not consistent with best practice. The difference is how existing reserves are accounted for in the DCC calculation and is negligible when reserve balances are low, but when the reserve balances are high the difference in the municipal assist amount is appreciable.

The Council approved subsidy for secondary suites was carried forward in this update but it is now shown as part of the municipal assist as opposed to buried in the DCC calculations. The Ministry agreed that increasing the municipal assist is an equitable and transparent approach to addressing the incremental infrastructure impacts caused by suites,

*Table 2 - Municipal assist factors for both the base MAF and the secondary suite assist.*

	Municipal Assist Factors (%)				
	Transportation	Water	Sewer	Drainage	Parks
<b>Base</b>	15%	1%	1%	1%	8%
<b>S. Suites</b>	1%	1%	1%	1%	3%
<b>Total</b>	<b>16%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>11%</b>

**Communications:**

The DCC Program update has been ongoing for two years with many touch points with UDI, CHBA and external stakeholders (see Attachment 1).

In general, external stakeholders are appreciative of the level of engagement and opportunity to provide industry feedback. Their remaining concerns are shown below (italicized) with the City’s rationale following:

- *Secondary Suites and how the subsidy is now shown as part of the municipal assist. Their preference would be to present the secondary suite subsidy as a stand-alone item like the current practice.*
  - The current practice was flagged by the Ministry as an area that needed to be amended because it provided a specific land use subsidy which is not permitted, as any subsidy must be applied evenly for all land uses. The Ministry agreed that increasing the municipal assist

is an equitable and transparent approach to addressing the incremental infrastructure impacts caused by suites,

- *Historic accounting of the municipal assist amount and how it did not align with best practice.*
  - The City changed the accounting practice as part of this update and is now in-line with best practice.
- *The shift from sector based to city wide for water infrastructure is inequitable to Sector B development.*
  - The City has provided justification for growth related infrastructure and completed analysis of Sector B reserves. Sector B DCCs remain the highest in the community but they have the smallest percent increase in this update compared to other sectors, in part based on the outcomes of this analysis. The shift from sector based to city wide for Sector B sewer and water has provided a financial benefit to this area through reduced DCCs.
- *The DCC increase negatively affects housing affordability.*
  - The City's residential DCCs represent only a small part (3-5%) of the purchase price of residential housing and **DCCs as percentage of housing price are equal to or less than what they were 10-years ago**. DCCs fund critical infrastructure that support growth and facilitate development and housing supply by providing a method to finance infrastructure investment needed to support development. Without DCCs, development and housing supply would be constrained because developments that triggered upgrades would be burdened with 100% of the cost, making many developments unviable. Although not desirable, the overall average DCC increase of 14% is well within inflationary escalation for construction and land in the past 3-years since the last update. **Several other BC communities struggling with the same inflationary challenges are proposing DCC rates increases in excess of 30% and as high as 85%.**

#### **Legal/Statutory Procedural Requirements:**

The Local Government Act requires the Inspector of Municipalities to approve local government DCC bylaws. The following process, which is recommended by the DCC Best Practices Guide, is being followed by staff for amending the DCC Bylaw.

- Development of draft DCCs by staff – Jun 2020 – Sep 2021
- Report to inform Council – Sep 2021
- Stakeholder engagement – Oct 2021 – June 2022
- Council readings (1st, 2nd and 3rd) of proposed DCC Bylaw – August 2022,
- Submission of DCC Bylaw and Supporting Documentation to Ministry of Community Services – Aug 2022,
- Statutory approval from Inspector of Municipalities – 8 weeks (estimate)
- Fourth Reading and adoption of DCC Bylaw by Council - Nov 2022 (estimate)

#### **Legal/Statutory Authority:**

The DCC Bylaw (12420) sets out the charges collected from developers for public roads, water, sewer, drainage and public parkland acquisition and development when subdividing or constructing, altering, or

extending a building, pursuant to the Local Government Act. DCC Reserve Reduction Bylaw (12419) was developed to draw down existing reserves for the sectors that were consolidated as part of this update. The two Bylaws will work together to fund the program but only the DCC Bylaw (12420) will be the 'forward-facing' Bylaw that will be used to collect DCCs.

The new DCC rates will be in force immediately after the adoption by Council of the DCC Bylaw. The Local Government Act provides in-stream protection of up to 1-year from changes to DCC rates for subdivision and building permit applications provided the application is complete and all application fees have been paid prior to DCC Bylaw adoption date.

**Conclusion:**

The City has demonstrated its commitment to achieving a balanced approach for this DCC update. While key cost drivers (land and construction costs) are entirely beyond the City's control, the City has contained the size of the DCC program and implemented improvements that reflect the true cost of servicing growth while at the same time ensuring the DCC program is understandable, transparent and aligns with best practice.

**Internal Circulation:**

- Divisional Director, Infrastructure
- Divisional Director, Planning & Development Services
- Divisional Director, Partnerships & Investments
- OCP Project Planner
- Parks & Buildings Planning Manager
- Utility Planning Manager
- Strategic Transportation Planning Manager
- Transportation Engineering Manager
- Financial Analyst, Infrastructure
- City Clerk
- Senior Airport Finance and Corporate Services Manager

**Considerations not applicable to this report:**

- Existing Policy:
- External Agency/Public Comments:

**Submitted by:**

J. Shaw, Acting Financial Services Director

**Approved for inclusion:**



- Attachment 1 – Stakeholder Engagement
- Attachment 2 – Proposed DCC Rate Schedule
- Attachment 3 – 20-Year Servicing Plan and Financing Strategy
- Attachment 4 – DCC Presentation

**Attachment 1 – Stakeholder Engagement**

<b>Stakeholder Engagement</b>	<b>Date</b>
City/UDI DCC Working Group Meeting #1	Jan 20, 2020
Council Report – 20-Year Servicing Plan Update	Mar 16, 2020
City/UDI DCC Working Group Meeting #2	Jul 17, 2020
Council Report – 20-Year Servicing Plan – Water, Wastewater, Drainage	Aug 10, 2020
City/UDI DCC Working Group Meeting #3	Feb 19, 2021
Ministry of Municipal Affairs Meeting	Mar 3, 2021
SLT DCC Update #1	Apr 14, 2021
SLT DCC Update #2	July 22, 2021
Council Report - DCC Program Update (including proposed DCC rates)	Sep 13, 2021
City/UDI/CHBA Stakeholder Engagement meeting	Sep 17, 2021
Draft 20-Year Servicing Plan circulated to UDI	Oct 8, 2021
Letter to UDI - City response to questions	Dec 3, 2021
Letter to UDI - City response to questions	Dec 17, 2021
Ministry of Municipal Affairs Meeting	Dec 17, 2021
Letter to UDI – City response to questions	Jan 28, 2022
Letter to UDI – City response to questions #4	Feb 4, 2022
Letter to City – UDI’s feedback on DCC Update	Feb 16, 2022
UDI meeting with City Manager, Senior Leaders and staff	Mar 11, 2022
Letter to UDI – City response to UDI questions from Mar 11 meeting	Apr 29, 2022
Okanagan College meeting	Jun 17 <sup>th</sup> , 2022
City/UDI/CHBA stakeholder engagement meeting	July 18 <sup>th</sup> , 2022
University of British Columbia Okanagan	Jul 22 <sup>nd</sup> , 2022
Email to UDI/CHBA – City response to questions from Jul 18 <sup>th</sup> meeting	Aug 2 <sup>nd</sup> , 2022



**Schedule A – Proposed DCC Rates**

Land Use	Service Area	Roads			Water	Sanitary Sewers		Drainage	Parks		Total*		
	Sector	R-I	R-B	R-E	W-A	Trunks	Treatment		Acquisition	Development	Inner City/ Common	South-West Mission	North of Inner City
	Unit of Measure	Inner City/ Common	South Mission	North of Inner City	City-wide	City-wide	City-wide	City-wide	City-wide	City-wide	Combined	Combined	Combined
<b>Residential 1</b>	Single-detached or Units/Ha <= 15 Per lot or unit	\$11,903	\$27,352	\$19,619	\$998	\$1,908	\$4,772	\$702	\$8,337	\$6,462	\$35,083	\$50,531	\$41,800
<b>Residential 2</b>	15 < Units/Ha <= 35 Per Lot or Unit	\$10,760	\$24,725	\$17,735	\$903	\$1,725	\$4,314	\$492	\$8,337	\$6,462	\$32,992	\$46,957	\$39,064
<b>Residential 3</b>	35 < Units/Ha <= 85 Per lot or unit	\$7,998	\$18,378	\$13,182	\$671	\$1,282	\$3,207	\$281	\$8,337	\$6,462	\$28,237	\$38,616	\$32,750
<b>Residential 4</b>	> 85 Units/Ha Per Unit	\$7,287	\$16,745	\$12,011	\$611	\$1,168	\$2,922	\$211	\$8,337	\$6,462	\$26,997	\$36,455	\$31,110
<b>Carriage House</b>	Carriage house Per unit	\$4,504	\$10,349	\$7,423	\$378	\$722	\$1,806	\$211	\$8,337	\$6,462	\$22,419	\$28,264	\$24,960
<b>Commercial</b>	Per Square Metre (Minimum charge equivalent to 93 sq. m)	\$39.42	\$90.57	\$64.96	\$3.31	\$6.32	\$15.80	\$2.81	\$13.80	\$10.70	\$92.15	\$143.31	\$114.39
<b>Institutional A</b>	Per Square Metre (Minimum charge equivalent to 93 sq. m)	\$39.42	\$90.57	\$64.96	\$3.31	\$6.32	\$15.80	\$2.60	Exempt	Exempt	\$67.44	\$118.59	\$89.68
<b>Institutional B</b>	Per Square Metre (Minimum charge equivalent to 93 sq. m)	\$0.00	\$0.00	\$0.00	\$3.31	\$6.32	\$15.80	\$2.60	Exempt	Exempt	\$28.03	\$28.03	\$24.72
<b>Heavy Industrial</b>	Per Hectare (Minimum charge equivalent to 0.405 ha)	\$29,402	\$67,560	\$48,460	\$5,536	\$10,580	\$26,464	\$5,267	\$10,296	\$7,980	\$95,526	\$133,684	\$109,047
<b>Light Industrial</b>	Per Square Metre (Minimum charge equivalent to 93 sq. m)	\$19.71	\$45.28	\$32.48	\$1.65	\$3.16	\$7.90	\$2.11	\$6.90	\$5.35	\$46.78	\$72.36	\$57.90

Note: \* Some parts of Kelowna are not serviced by the City's Water or Wastewater services. These areas would not be subject to the DCC for these specific services. (ex. most of Transportation sector R-E is not serviced by Kelowna's DCC Water program, so the combined total rate does not include the water charge. These areas may be subject to charges from other water service providers, including the Glenmore Ellison Irrigation District, Rutland Waterworks and the Black Mountain Irrigation District.)



City of  
**Kelowna**

Development Cost Charge Program

20 -Year Servicing Plan &  
Financing Strategy

August 22<sup>nd</sup>, 2022

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# EXECUTIVE SUMMARY

The purpose of the 20-Year Servicing Plan & Financing Strategy is to provide a detailed analysis of the major servicing required to accommodate growth as outlined in the 2040 Official Community Plan (2040 OCP) and provides the foundation document for the Development Cost Charge (DCC) Bylaw. In conjunction with the proposed 2040 OCP and Transportation Master Plan (TMP), the 20-Year Servicing Plan has been updated to reflect future infrastructure demands for the community. The 20-Year Servicing Plan informs the DCC Bylaw which sets out the charges imposed on developers to offset infrastructure expenditures incurred by the City to service the needs for new development. The 20-Year Servicing Plan and DCC Bylaw have been maintained and administered by the City of Kelowna for more than 30 years.

The 20-Year Servicing Plan and DCC Bylaw are interrelated and for simplicity will be collectively termed herein as the ‘DCC Program.’

The *Local Government Act* limits the infrastructure eligible for recovery through DCCs to roads, water, sanitary and drainage infrastructure as well as parkland acquisition and development. Although this provides an essential framework to service growth, there are many other infrastructure needs required to satisfy the demands of a growing community that are not DCC eligible such as protective services, transit service, recreation/cultural and operational facilities. As well, DCCs only cover a portion of the upfront capital investment for the eligible categories and do not support long-term operation, maintenance, or renewal costs of infrastructure.

Minor DCC Bylaw updates, to bring project estimates in line with updated market construction and land acquisition costs, occur regularly, most recently in April 2019. In February 2020, a new Parks Development DCC category was added to the DCC Program. The last major update to the DCC Program was in 2011 in conjunction with the 2030 OCP.

The current DCC Program aligns closely with the B.C. Best Practice Guide but there are several changes in this proposed update that will help to make it more understandable, transparent, and better reflect the true cost of servicing different forms of development.

The 2040 OCP estimates an additional 45,000 residents and a total population of nearly 190,000 by 2040. Housing needs related to the 2040 population projections anticipate that demand for apartment, townhomes and compact family-friendly housing options will outpace the demand for single-detached housing.

Commercial, Institutional, and Industrial land uses were estimated based on the non-residential land available for development. Modest growth in each of the non-residential categories is expected by 2040.

The DCC Program is comprised of 234 infrastructure and parkland acquisition projects valued at \$1.3 billion and revenue from the DCC Program is legislated to be used exclusively to fund this large capital program that extends to 2040. The DCC Program is funded from DCCs (65%), City funding (29%), and developer constructed works and grants (6%). An important element of the funding strategy for this update is that the City’s share of funding (29%) is the same as the previous program. Assumed grants are not part of the financing strategy and if the City receives provincial/federal grants the DCC Program will be updated to reflect the financial benefit of grant revenue.

**Table 1: Total DCC Capital Program recoverable costs**

Major Services – Funding Sources (\$ Millions)*						
Service	Developer Funded		Municipal Funded		Government Funded	Total
	Developer Construct	DCCs	Tax	Utility	Grants/ Partnership	
Transportation	40.4	311.2	167.2		9.0	527.8
Water	3.6	32.1		26.2		61.9
Wastewater Trunks	4.1	38.4		20.1		62.7
Wastewater Treatment		85.0		36.8		121.8
Drainage		9.2	28.0		20.8	57.9
Parkland Acquisition		217.8	26.7			244.5
Parks Development		142.4	74.7			217.1
<b>Totals</b>	<b>48.1</b>	<b>836.1</b>	<b>296.6</b>	<b>83.1</b>	<b>29.8</b>	<b>1,293.8</b>

\*Numbers presented may not sum to totals due to rounding

Summarized below are the big moves and challenges addressed in the current update:

1. Construction and land acquisition increases. Global supply chain issues, inflation, labour shortage and an oversupply of construction projects flooding the market have caused upward pressure on construction costs, with tender costing coming in significantly higher than engineering estimates. Construction and land costs in the DCC Program have not been updated in more than three years and since that time construction costs have increased on average by 20% and land costs have increased more than 40%. All project costs in this update reflect 2021 cost so are approximately 1 year old and may not reflect the recent surge in construction and land costs.

The estimates have been reviewed by City staff and professional consultants and are considered reasonable on an aggregate basis. There are 234 infrastructure and parkland acquisition projects that each have detailed costing. It is probable that some unit costs may be high and some low, but the aggregated average is within reasonable engineering estimates. Also, the project contingency is in the 25% range for most projects which is on the low end for what Engineers and Geoscientists British Columbia (EGBC) recommends based on the level of project design. As noted, construction and land costs are based on 2021 costs and have not been updated to reflect recent inflationary increases. If construction and land costs continue to trend upward, the DCC Program costs may need to be updated within a year of the adoption of this update to keep pace with inflation.

Secondary Suites and Carriage Houses. It is estimated that 30% of single-family homes in Kelowna will be built with suites or carriage houses. Council agreed in 2008 to charge a flat fee DCC of \$2,500 for all secondary suites and carriage houses which would normally be charged a much higher rate (equivalent to a condominium); with the revenue difference borne by taxation and utility funding. The current practice was flagged by the Ministry as an area that needed to be amended because it provided a specific land use subsidy which is not permitted, as any subsidy must be applied evenly for all land uses.

This update has introduced a new category for Carriage Houses and assessed a higher DCC in the range of \$23,000 - \$28,000, to better reflect the actual infrastructure impact of these stand-alone units.

Secondary suites are often exempt from paying DCCs because their construction value is less than the \$50,000 minimum required to trigger DCCs as defined by the Local Government Act. For this update, it is proposed that suites are not assessed a DCC. Simply stated, once the developer pays their residential DCC for the base build the secondary suite can be constructed with no further DCCs levied. With the expected increase in suites and their associated demand on infrastructure, tax/utility funding used previously to subsidize suites has been carried forward and applied to the municipal tax assist to offset the infrastructure burden that suites may cause. The Ministry agreed that increasing the municipal assist is an equitable and transparent approach to addressing the incremental infrastructure impacts caused by suites.

Industrial DCCs. The City has some of the lowest Industrial DCCs in the province that do not fully fund the servicing demands of the shifting 'light industrial'



development trend. To better reflect the true cost for servicing, the Industrial category has been split into two categories – Light Industrial and Heavy Industrial. The Light Industrial DCC is approximately 50% of the Commercial DCC rate and is more in line with the cost of servicing this development form. The Heavy Industrial DCC is consistent with the previous DCC Program and collects DCC based on a gross site area for land intensive industrial developments like gravel extraction, wrecking yards, outdoor storage, and asphalt and concrete plants.

2. Storm Drainage DCC. DCC legislation permits the inclusion of a Drainage DCC to fund the infrastructure required to meet the demands placed on drainage systems and natural flood zones by development. The recent floods of 2017 and 2018 have demonstrated a need to better manage the City's major drainage systems which include the City's creeks and streams. A new Drainage DCC is proposed to fund the work along the City's primary drainage corridors and outfalls. The first major project is capacity improvements to Mill Creek that runs through the City's core area and is an area of future development densification.

The project funding split assigns 25% to growth and 75% to City funding sources. This proportion is based on the anticipated growth by 2040. The 75% of project funding coming from City funding sources equitably accounts for improvements necessary to remedy existing deficiencies along Mill Creek.

The Mill Creek Flood Protection project is supported by a \$22 million federal grant that reduces the overall project cost and reduces both the City and DCC share of funding equitably.

3. Parks Acquisition DCC for Commercial/Industrial. Council approved the Parks Development DCC in February 2020 and as part of the preferred scenario Council directed staff to explore the inclusion of a Parks Acquisition DCC for the Commercial and Industrial DCCs. This new Parks Acquisition DCC is now included in Commercial and Industrial DCC rates.
4. Shift to City Wide DCCs. Primary objectives of this DCC update are to align with best practice and, where possible, simplify and make the program more understandable for the development community. The City's DCC Program dates to

the 1980's and, back when it was first developed, area specific DCCs were used extensively as there were many suburban areas of the City that had unique servicing demands. With the recent adoption of the 2040 OCP and TMP, the City's land use plan is shifting with more emphasis on development within the core area and urban centres. This change has caused the City to rethink the area specific approach and move to a Municipal-wide approach where appropriate. The proposed DCC Program assesses DCCs on a Municipal-wide basis for all service areas except Transportation where the sectors were consolidated from six in the current program to three for the proposed DCC Program. The three sectors within Transportation were retained as there is unique transportation challenges to each sector that warrant the sector approach.

**Table 2: Number of areas for current and proposed DCC Program.**

Service	Previous (# of areas)	Proposed (# of areas)
Water	Area specific (3)	Municipal-wide (1)
Wastewater Trunks	Areas specific (3)	Municipal-wide (1)
Wastewater Treatment	Municipal-wide (1)	Municipal-wide (1)
Storm Drainage	N/A*	Municipal-wide (1)
Parks acquisition & Development	Municipal-wide (1)	Municipal-wide (1)
Transportation	Area specific (6)	Area specific (3)

\* Storm Drainage is a new DCC proposed in this update.

5. Updated DCC rates. DCCs have increased since the last update in 2019 and are a dependent on where development is occurring in the City (Figure 1 and Table 3). All DCCs except Transportation are city-wide and uniform across the City. Transportation DCCs vary based on three sectors resulting in 3 different DCC rates.
6. Municipal Assist. The *Local Government Act* requires municipalities to provide a level of financial assistance through a municipal assist factor (MAF) which reflects Council's desire to encourage development and is largely a political decision. The way the City has historically applied the MAF for the purpose of DCC calculation is different than most municipalities in BC and not consistent with best practice. The difference is how existing reserves are accounted for in the DCC calculation and is negligible when reserve balances are low, but when the reserve balances are high the difference in the municipal assist amount is appreciable. The City's current approach is defensible but has been changed to align with best practice.

The Council approved subsidy for secondary suites was carried forward in this update but it is now shown as part of the municipal assist as opposed to buried in the DCC calculations.

**Table 3- Municipal assist factors for both the base MAF and the secondary suite assist.**

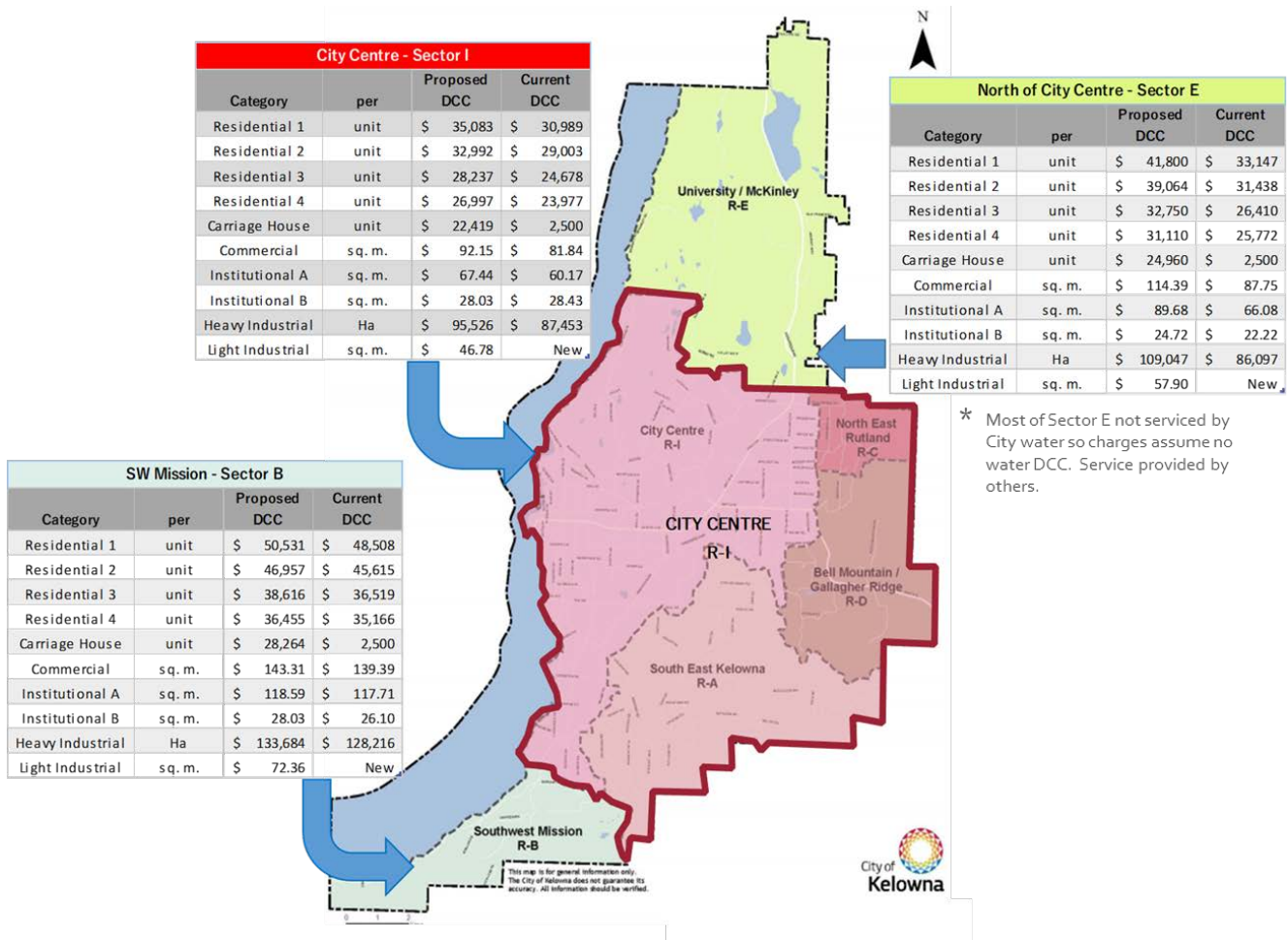
Municipal Assist Factors (%)					
	Transportation	Water	Sewer	Drainage	Parks
<b>Base</b>	15%	1%	1%	1%	8%
<b>S. Suites</b>	1%	1%	1%	1%	3%
<b>Total</b>	<b>16%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>11%</b>

7. Changes to DCC Bylaw.

- The DCC Bylaw has been updated to align with the new Zoning Bylaw. The new Zoning Bylaw is anticipated to be adopted by Council in September 2022 after Ministry approval.
- The new Carriage House and Light Industrial categories have been added to the DCC Bylaw and the new Drainage DCC has been included.
- Secondary suites are no longer required to pay DCCs and the existing Council approved subsidy has been carried forward but is now shown as a municipal assist factor for transparency.
- There are 4 residential dwelling categories based on the existing density gradient formula of development units per hectare that encourages higher density developments through lower DCCs.
- The Residential 5 category (small apartment < 600 sq. ft.) was rolled up into the Residential 4 category (apartment) because these units have similar infrastructure demand based on the average population per unit. Legislation also exempts micro-suites < 300 sq. ft. from DCCs.
- The proposed DCC Program assesses DCCs on a Municipal-wide basis for all service areas except Transportation where the sectors were consolidated from six in the current program to three for the proposed DCC Program. The three sectors within Transportation were retained as there are unique transportation challenges to each sector that warrant the sector approach.
- In addition to the new DCC Bylaw (12420), a new DCC Reserve Reduction Bylaw (12419) was developed to draw down existing reserves for the sectors that were

consolidated as part of this update. The two bylaws will work together to fund the program but only the DCC Bylaw (12420) will be the ‘forward-facing’ bylaw that will be used to collect DCCs.

- A legal review of the DCC Bylaw was completed and there were several housekeeping edits to improve readability, transparency, and consistency with the *Local Government Act*.



**Figure 1: Total combined DCC by land use and sector.**

These rates include all DCCs (i.e., water, wastewater, drainage, parks, and transportation). DCC rates are for comparative purpose and actual rates may differ based on services received. For example, development in Southeast Kelowna would not pay Wastewater DCCs because there is no service in that area and the total DCC would be lower than that shown. Similarly, water service for the area north of the Inner City is supplied primarily from other water purveyors so the Water DCC is not included but may be assessed by another water purveyor or the City depending on the location of the development.



DCCs have increased since the last update in 2019 and are dependent on where development is occurring in the City (Figure 1 and Appendix A). City Centre represents about 85% of the new residential units and DCCs have increased less than 5% per year for the past 3-years leading up to this update and are well within recent inflation for construction and land. Cumulative increase in residential DCCs, excluding carriage houses, for the three years since the last update is approximately 14%.

Southwest Mission is nearing buildout with some of the infrastructure already in place. This area is seeing the smallest increase of less than 3% per year since the last update in 2019 but still has the highest overall DCCs due to high costs of extending services to this area at the southern boundary of the City. Cumulative increase in residential DCCs, excluding carriage houses, for the three years since the last update is approximately 4%.

The DCC rates for North of the Inner City have increased in the range of 4% to 12% per year since the last update in 2019. Cumulative increase in residential DCCs, excluding carriage houses, for the three years since the last update is approximately 24%.

In addition to inflationary impacts, this increase reflects the large transportation infrastructure projects needed to support growth in this area including:

- Acland 2 (Airport Way – John Hindle Dr) - \$15.2 million
- Commonwealth Rd - \$10.5 million
- Glenmore 5 (Union – John Hindle) - \$10.5 million
- Glenmore Rd Safety Upgrades (John Hindle – Lake Country) - \$14.8 million
- Hollywood Rd and ATC (various phases) - \$27.3 million

The new Light Industrial DCC reflects the impacts of servicing this development type and is comparable to the Industrial DCC levied by other similar communities. The Heavy Industrial rate remains one of the lowest in the province.

In summary, the City has demonstrated its commitment to achieving a balanced approach for this DCC update. While key cost drivers (land and construction costs) are entirely beyond the City's control, the City has contained the size of the DCC Program and implemented improvements that reflect the true cost of servicing growth while at the same time ensuring the DCC Program is understandable, transparent and aligns with best practice.

**Table 4: Proposed DCC Rates.**

Land Use	Service Area	Roads			Water	Sanitary Sewers		Drainage	Parks		Total*		
	Sector	R-I	R-B	R-E	W-A	Trunks	Treatment		D-A	Acquisition	Development	Inner City/ Common	South-West Mission
						Unit of Measure	Inner City/ Common	South Mission		North of Inner City	City-wide		
<b>Residential 1</b>	Per unit or lot Single-detached or Units/Ha <= 15	\$11,903	\$27,352	\$19,619	\$998	\$1,908	\$4,772	\$702	\$8,337	\$6,462	\$35,083	\$50,531	\$41,800
<b>Residential 2</b>	Per unit or lot 15 < Units/Ha <= 35	\$10,760	\$24,725	\$17,735	\$903	\$1,725	\$4,314	\$492	\$8,337	\$6,462	\$32,992	\$46,957	\$39,064
<b>Residential 3</b>	Per unit 35 < Units/Ha <= 85	\$7,998	\$18,378	\$13,182	\$671	\$1,282	\$3,207	\$281	\$8,337	\$6,462	\$28,237	\$38,616	\$32,750
<b>Residential 4</b>	Per unit > 85 Units/Ha	\$7,287	\$16,745	\$12,011	\$611	\$1,168	\$2,922	\$211	\$8,337	\$6,462	\$26,997	\$36,455	\$31,110
<b>Carriage House</b>	Per unit	\$4,504	\$10,349	\$7,423	\$378	\$722	\$1,806	\$211	\$8,337	\$6,462	\$22,419	\$28,264	\$24,960
<b>Commercial</b>	Per Square Metre	\$39.42	\$90.57	\$64.96	\$3.31	\$6.32	\$15.80	\$2.81	\$13.80	\$10.70	\$92.15	\$143.31	\$114.39
<b>Institutional A</b>	Per Square Metre	\$39.42	\$90.57	\$64.96	\$3.31	\$6.32	\$15.80	\$2.60	Exempt	Exempt	\$67.44	\$118.59	\$89.68
<b>Institutional B</b>	Per Square Metre	\$0.00	\$0.00	\$0.00	\$3.31	\$6.32	\$15.80	\$2.60	Exempt	Exempt	\$28.03	\$28.03	\$24.72
<b>Heavy Industrial</b>	Per Hectare	\$29,402	\$67,560	\$48,460	\$5,536	\$10,580	\$26,464	\$5,267	\$10,296	\$7,980	\$95,526	\$133,684	\$109,047
<b>Light Industrial</b>	Per Square Metre	\$19.71	\$45.28	\$32.48	\$1.65	\$3.16	\$7.90	\$2.11	\$6.90	\$5.35	\$46.78	\$72.36	\$57.90

Note: \* Some parts of Kelowna are not serviced by the City's Water or Wastewater services. These areas would not be subject to the DCC for these specific services. (ex. most of Transportation sector R-E is not serviced by Kelowna's DCC Water program, so the combined total rate does not include the water charge. These areas may be subject to charges from other water service providers, including the Glenmore Ellison Irrigation District, Rutland Waterworks and the Black Mountain Irrigation District.)

# 1 INTRODUCTION AND BACKGROUND

## 1.1 OVERVIEW OF SERVICING PLAN AND FINANCING STRATEGY

Located at the core of one of the fastest growing metropolitan areas in Canada, the City of Kelowna is home to a population of over 143,000 residents, making it the largest community in the Regional District of Central Okanagan. Kelowna's population is projected to grow by 45,000 to nearly 190,000 by 2040. To accommodate growth, the City has identified infrastructure investment valued at \$1.3 billion to fund transportation, utilities (water, sanitary sewer, and drainage) and parks infrastructure and land acquisition.

The 20-year Servicing Plan and Financing Strategy serves as the foundation for City's Development Cost Charge (DCC) program. The 20-Year Servicing Plan and DCC Bylaw are interrelated and for simplicity will be collectively termed herein as the 'DCC Program.'

This update to the DCC Program is considered a 'Major' DCC amendment as defined by the BC Best Practice Guide and includes a comprehensive review of growth forecasts, infrastructure servicing demand, construction and land costs, and principles and fundamentals to ensure the DCC Program aligns with best practices in a fair and equitable manner.

## 1.2 GUIDING LEGISLATION AND MUNICIPAL PLANS AND POLICIES

The DCC Program was developed to be consistent with the following legislation, plans and policy guides:

*Local Government Act,*

The *Development Cost Charge Best Practice Guide* (BPG),

City of Kelowna Development Cost Charges Bylaw No. 10515, 2020 as amended,

City of Kelowna 2040 Official Community Plan, adopted January 2022,

City of Kelowna 2040 Transportation Master Plan, adopted January 2022,

City of Kelowna 10-year Capital Plan 2021-2030,

City of Kelowna Asset Management Plans,

Kelowna and UDI DCC Review, 2018,

City of Kelowna 2030 Official Community Plan, Bylaw No. 10500, as amended,

City of Kelowna Zoning Bylaw No. 8000, 2022 as amended,

Various capital planning programs and cost estimates.

## 1.3 STAFF AND STAKEHOLDER CONSULTATION

The DCC Program update has been ongoing for more than two years in parallel with updates to the 2040 OCP and TMP. Along the way, the cross departmental project team has had extensive communication with stakeholders including Urban Development Institute (UDI), Canadian Home Builders Association (CHBA), University of British Columbia (UBCO), Okanagan College, Council, Ministry of Municipal Affairs, members of the Senior Leadership Team and City Staff. Major stakeholder touch points are listed in Appendix C.

### 1.3.1 Consultation with City Staff

The DCC Program update engaged City staff at key phases of the project. Three key working groups were engaged throughout the course of the assignment.

**Steering Committee:** This committee was composed of staff and senior management from Finance, Infrastructure, Policy and Planning and Development Services. The Steering Committee provided direction to the project team.

**Technical Team:** Composed of representatives from Finance, Infrastructure, Policy and Planning and Development Services. The team was consulted regularly and responsible all aspects of the update.

**Senior Leadership Team sub-committee:** The Senior Leadership sub-committee, including the City Manager, was consulted three times throughout the study process to communicate recommendations and ensure continued support for the DCC Program fundamentals and rates.

### 1.3.2 External Stakeholders Industry

To date, UDI, CHBA and other stakeholders have been consulted throughout the DCC Program update (Appendix C). Several meetings and correspondence have occurred leading up to this update.

### 1.3.3 Council Engagement

The following public meetings were held with Council to keep them informed on the process, infrastructure impacts and rates:

- 2040 Infrastructure Impact Analysis August 12<sup>th</sup>, 2019
- 20-Year Servicing Plan Update – March 16<sup>th</sup>, 2020
- DCC Program Update September 13<sup>th</sup>, 2021



### **1.3.4 Ministry Consultation**

Several meetings with the Ministry of Municipal Affairs were held to discuss policy and process issues with regards to costing, the treatment of funding agreements and partnerships, and program implementation. Feedback from these meetings was used to refine assumptions in the DCC Program to ensure they align with Ministry expectations and expedite the approval.

## 2 KEY ELEMENTS OF THE DCC REVIEW

The last major amendment to the DCC Program was in 2011 in conjunction with the 2030 OCP. Minor DCC Program updates, to bring project cost estimates in line with updated market construction and land acquisition costs, occur regularly, most recently in April 2019. In February 2020, a new Parks Development DCC category was added to the program.

The proposed DCC Program ensures that the benefiter of municipal services pay infrastructure costs in a fair and equitable manner. The proposed DCC Program creates certainty by providing stable charges to the development industry and by allowing timely construction of infrastructure necessary to accommodate growth.

Policy recommendations from this review were assessed against the BC DCC Best Practice Guide to ensure conformity with local practice and precedent. Five outlines key elements, decisions and supporting rationale used in the update, while also indicating whether the proposed approach aligns with the Best Practice Guide.

**Table 5: DCC Key Elements and Best Practice**

Key element	Proposed DCC Update	Rationale	Aligns with Best Practice Guide?
<b>Time Frame</b>	20 years	Aligns with 2040 OCP, TMP and capital planning time frames	✓
<b>City-wide or area-specific charge?</b>	Citywide and area-specific	Each capital program gives due consideration for the geography of service provision and benefit. Allocation of growth and capital projects have been reviewed to consolidate service area geographies in a manner that ensures equitable allocation of cost and benefit from infrastructure investment.	✓
<b>Grant Assistance/ Cost Sharing</b>	Yes	Select transportation and drainage projects will be partially funded via sharing agreements. Grant assistance included in this program reflects approved grants and reflects qualification for inclusion per Ministry direction.	✓

Key element	Proposed DCC Update	Rationale	Aligns with Best Practice Guide?
<b>Developer Contribution</b>	Yes	Select transportation, water and wastewater projects include assumptions for developer contributions, including for frontage improvement requirements.	✓
<b>Interim Financing</b>	Yes	Projects do not require interim financing, however, interest on long-term debt financing has been included for certain projects.	✓
<b>Benefit Allocation</b>	25% to 100%	Benefit to existing and benefit to growth is calculated on a project-by-project basis following service-specific assumptions. 100% is used to reflect exclusive benefit to new development. 25% is used to reflect estimated benefit to new residents based on proportion of new population growth to total population.	✓
<b>Municipal Assist Factor</b>	1% to 15%	The calculation of the municipal assist factors was updated to align with the DCC Best Practices Guide. Kelowna is contributing the minimum allowable assist factor of 1% for water, wastewater, and drainage programs. A municipal assist of 15% is maintained for transportation programs, and 8% for parkland acquisition and parks development programs to offset cost impacts to development and recognize the broader benefit of some of the projects that may not be fully captured by the BTE allocations.	✓
<b>Secondary Suite Assist</b>	1% to 3%	Municipal assist to support infrastructure burden caused by secondary suites is included.	✓

Key element	Proposed DCC Update	Rationale	Aligns with Best Practice Guide?
<b>Units of Charge</b>	Per unit/parcel, per sqm of gross floor area, and per site area	<p>Residential units are assessed on a per lot or unit basis, distinguished by density (in terms of units per ha) in line with anticipated occupancy.</p> <p>Commercial, Institutional and Light Industrial are assessed on a per square meter gross floor area basis, as impact on infrastructure correlates with floor space.</p> <p>Heavy Industrial uses are assessed on a site area basis, as these the impact of these uses correlates more with land area than built space.</p>	✓



## 3 GROWTH PROJECTIONS AND EQUIVALENCIES

### 3.1 OVERVIEW OF THE 2040 OCP

Kelowna’s 2040 Official Community Plan (2040 OCP) serves as the guiding document for planning for growth up to 2040. The 2040 OCP addresses land uses, mapping, and policies to reflect the community’s vision and clearly signals where development will be prioritized and supported via planned delivery of infrastructure and amenities.

### 3.2 RESIDENTIAL GROWTH

Kelowna’s population is projected to grow by approximately 45,000 by 2040 raising the City’s population to 190,000.

*Table 6: Projected Residential Growth by Unit Type 2021-2040*

Type	Density	New Units	Persons Per Unit	New Population
<b>Residential 1</b>	SFU	4,186	2.64	11,060
<b>Residential 2</b>	15 – 35 UPH	2,392	2.39	5,710
<b>Residential 3</b>	35 – 85 UPH	3,356	1.78	5,960
<b>Residential 4</b>	> 85 UPH	13,602	1.62	22,010
<b>Carriage House</b>	Per Unit	299	1.00	300
<b>Secondary Suite</b>	Per Unit	1,495	1.00	1,500
<b>Total Residential OCP Growth to 2040</b>		25,330	1.84	46,540

Data from the 2016 Census and recent trends in building permit data indicates an overall shift in new residential development towards multi-family units and more compact housing forms. As a result, the DCC Program includes the following housing types, in line with categorizations suggested by the Best Practices Guide:

**Residential 1** - (Single-family homes and multi-family development less than 15 dwelling units per hectare) – The City is projecting an additional 4,186 new Residential 1 units which may contain secondary suites. Census data shows no difference in the number of people living in single-family homes relative to lot size. Therefore, the burden on the City’s infrastructure, based on lot size, is the same for single-family homes and on average there are 2.64 people per unit. However, some single-family units are expected to also include secondary suites (see below).

**Secondary Suites and Carriage Houses** - Secondary Suites and Carriage Houses. It is estimated that 30% of single-family homes in Kelowna will be built with suites or carriage houses. Council agreed in 2008 to charge a flat fee DCC of \$2,500 for all secondary suites and carriage houses which would normally be charged a much higher rate (equivalent to a condominium); with the revenue difference borne by taxation and utility funding. The current practice was flagged by the Ministry as an area that needed to be amended because it provided a specific land use subsidy which is not permitted, as any subsidy must be applied evenly for all land uses.

This update has introduced a new category for Carriage Houses and assessed a higher DCC in the range of \$23,000 - \$28,000, to better reflect the actual infrastructure impact of these stand-alone units.

Secondary suites are often exempt from paying DCCs because their construction value is less than the \$50,000 minimum required to trigger DCCs as defined by the Local Government Act. For this update, it is proposed that suites are not assessed a DCC. Simply stated, once the developer pays their residential DCC for the base build the secondary suite can be constructed with no further DCCs levied. With the expected increase in suites and their associated demand on infrastructure, tax/utility funding used previously to subsidize suites has been carried forward and applied to the municipal assist to offset the infrastructure burden that suites may cause. The Ministry agreed that increasing the municipal assist is an equitable and transparent approach to addressing the incremental infrastructure impacts caused by suites.

**Residential 2** – Multi-family developments with a density greater than 15 and less than or equal to 35 residential dwelling units per hectare (duplex, triplex, four-plex and row housing). The City is forecasting an additional 2,392 Residential 2 units by 2040. Census data indicates that these units have similar household size with on average 2.39 PPU.

**Residential 3** – Multi-family developments with a density greater than 35 and less than or equal to 85 residential dwelling units per net hectare (generally row housing and up to four storey apartment buildings). The City is forecasting an additional 3,356 Residential 3 units by 2040. Census data indicate that these units have average household size of 1.78 PPU.

**Residential 4** – Multi-family developments with a density greater than 85 residential dwelling units per net hectare (generally apartments greater than four storeys). The City is forecasting an additional 13,602 Residential 4 units by 2040. Census data indicates that on average there are 1.62 people per unit living in apartments.

Previous versions of the DCC Program included a Residential 5 category for small apartment units 55.8 square metres (approximately 600 square feet) or less, which qualified for a reduced DCC rate on the assumption that these units typically are home to fewer residents on account of their small size. A review of occupancy patterns determined that the difference in occupancy between Residential 4 (apartment units) and the Residential 5 category was not enough to warrant a separate rate, particularly given that micro suite units of less than 29 square metres are already exempt, per legislation. As such, the previous Residential 5 category has been rolled up into the Residential 4 category, resulting in an adjustment to overall per unit equivalencies to reflect the blended category.

### 3.3 NON-RESIDENTIAL GROWTH

Estimated future growth for non-residential land uses is noted in Table 7. To estimate the future commercial, industrial, and institutional growth projections, the basis of the current DCC Bylaw was reviewed, along with the amount of available non-residential land available for development. Growth in each non-residential category is stated in terms of the way the DCC is calculated – per square meter of gross floor area for Commercial, Institutional and Light Industrial uses, and per net hectare of site area for Heavy Industrial land uses (Table 7).

**Table 7: Projected Non-Residential Growth by Type 2021-2040**

Land Use	Calculation Method	New Development
<b>Commercial</b>	Square metres of GFA	313,000
<b>Institutional</b>	Square metres of GFA	210,000
<b>Light Industrial</b>	Square metres of GFA	187,000
<b>Heavy Industrial</b>	Hectares of Site Area	40

Note: Figures have been rounded

#### **Light and Heavy Industrial**

Historically, industrial development has been primarily land-extensive in nature, often resulting in buildings with modest gross floor area and coverage ratios when compared to the total area of the development site.

However, given the changing nature of industrial-type work and shifting development trends, it is becoming increasingly common for ‘light industrial’ type employment, such as some commercial, production, distribution, and repair-focused activities, to occur in higher-density built forms. As these activities can locate on smaller sites with more gross floor area and higher coverage ratios, including multi-story development in some cases, the land

area of site may not reflect the amount of employment and customers, or subsequent demand for services, occurring thereon.

The City has some of the lowest Industrial DCCs in the province that do not fully fund the servicing demands of the shifting ‘Light industrial’ development trend. To better reflect the true cost for servicing the Industrial category has been split into two categories – Light Industrial and Heavy Industrial. The distinction between the two industrial categories will be based on the Zoning Bylaw with Zones I1 and I2 categorized as Light Industrial and Zones I3 and I4 categorized as Heavy Industrial. The Light Industrial DCC is approximately 50% of the Commercial DCC rate and is more in line with the cost of servicing this development form

The forecast for industrial demand to 2040 was prepared in terms of land area, with a total forecast of 95 hectares of industrial land. Based on a review of city-wide industrial zoning, 55 ha of the industrial land supply growth projection is assumed to be Light Industrial in nature. Assuming an average development density of 0.34 FSI for Light Industrial projects, in line with higher end assumption of the OCP and recent market studies<sup>1</sup>, results in a forecast of just under 187,000 square metres of Light Industrial growth by 2040.

### 3.4 EQUIVALENT UNITS

Equivalency factors are established to reflect the relative demand on infrastructure from each of the land use categories. The land use category, Residential 1, serves as the baseline for the assessment of impacts on infrastructure of all other residential and non-residential categories.

One (1) Equivalent Unit = 1 Single Family (Residential 1) Unit

**Transportation, Water and Wastewater Trunks and Treatment:** The relative demand on the transportation, sewer and water systems is determined using estimated number of persons per unit for residential growth, and equivalent population per square metre and per hectare of site area for non-residential growth. These equivalencies mirror the approach employed in the previous DCC Program.

**Drainage:** The demand on the storm drainage system of developing a parcel of land is expressed as the amount of stormwater run-off that must be accommodated by the system. The accepted parameter for expressing imperviousness in stormwater run-off calculations

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<sup>1</sup> Rollo + Associates, *Commercial Demand Study for City of Kelowna*, November 2018



is the “run-off coefficient”. The run-off coefficient reflects the ratio between the impervious area on a parcel and the total area of the parcel. Run-off coefficients are then used to determine equivalency factors necessary to develop Equivalent Drainage Units (EDUs), the basis for calculating drainage DCCs.

**Parkland Acquisition and Park Development:** Parks Acquisition and Development DCC assumes an equal weighting between all residential unit types, primarily to reflect the relative increase in demand for parks space that comes from higher density development. Non-residential rates are based on the same equivalencies used for transportation, water, and wastewater, but have been adjusted down by 50% to account for the reduced demand for parkland generated by businesses compared to residential uses.

**Light Industrial Equivalencies:** The built form of the emerging "Light Industrial" buildings is much more dense than traditional Heavy Industrial uses and has a much higher level of employment and customers per hectare. For the DCC services, employment is deemed the key driver of the demand for services. Non-residential land uses with higher employment density generate greater demand for services and should, therefore, be subject to higher DCC rates. The Light Industrial DCC is approximately 50% of the Commercial DCC rate and is more in line with the cost of servicing this development form.

**Table 8: Equivalency Factors by Land Use and Unit Type**

Equivalency Factors	Transportation	Water & Wastewater Trunks and Treatment	Drainage	Parks
Residential 1 (per dwelling unit)	100%	100%	100%	100%
Residential 2 (per dwelling unit)	90%	90%	70%	100%
Residential 3 (per dwelling unit)	67%	67%	40%	100%
Residential 4 (per dwelling unit)	61%	61%	30%	100%
Carriage House (per dwelling unit)	38%	38%	30%	100%
Commercial (per square metre)	0.33%	0.33%	0.40%	0.17%
Institutional (per square metre)	0.33%	0.33%	0.37%	0.17%
Light Industrial (per square metre)	0.17%	0.17%	0.30%	0.08%
Heavy Industrial (per hectare)	247%	555%	750%	124%

## 4 MAJOR SERVICING REQUIREMENTS

### 4.1 SUMMARY OF CAPITAL PROGRAM

The key elements for determining the DCC rates include recoverable infrastructure costs, growth forecasts and equivalencies described earlier in this report.

As specified by the *Local Government Act*, the DCC recoverable costs for the projects include construction costs, engineering, design, administration, contingency, and financing costs on long-term debt where appropriate. The DCC recoverable cost is calculated on a project-by-project basis after accounting for benefit to existing (described below), capital grants, subsidies, developer contributions, or other deductions consistent with legislation.

For some projects, a portion of the project may provide benefit to the existing residents and businesses in Kelowna. This benefit to existing (BTE) and associated net costs are funded from City sources, such as property taxes and utility rates. The amount of City funding, along with the municipal assist factor, is identified as Total Municipal Costs. An overview of the DCC costs by infrastructure type is provided in Table 9.

**Table 9: DCC Costs by Service (\$millions)**

Service	Total Capital Costs	Cost Sharing <sup>1</sup>	Opening Reserve	DCC Recoverable Program Costs <sup>2</sup>	Total Municipal Costs <sup>3</sup>
<b>Transportation</b>	\$527.8	\$49.3	\$74.9	\$236.4	\$167.2
<b>Water</b>	\$61.9	\$3.7	\$19.3	\$12.7	\$26.2
<b>Sewer Trunks</b>	\$62.7	\$4.1	\$5.2	\$33.3	\$20.1
<b>Sewer Treatment</b>	\$121.8	-	(\$7.4)	\$92.4	\$36.8
<b>Drainage</b>	\$58.0	\$20.8	-	\$9.2	\$28.0
<b>Parkland Acquisition</b>	\$244.5	-	\$35.4	\$182.4	\$26.7
<b>Park Development</b>	\$217.1	-	\$1.0	\$141.4	\$74.7
<b>Total</b>	<b>\$1,293.8</b>	<b>\$77.9</b>	<b>\$128.4</b>	<b>\$707.8</b>	<b>\$379.7</b>

Note: (1) Cost sharing includes approved government grants and anticipated developer contributions.

(2) Net of DCC reserve balances collected under previous DCC Program

(3) Includes municipal assist factor and benefit to existing development.

## 4.2 GEOGRAPHIC SECTOR COST ALLOCATION

The BC Best Practice Guide allows DCCs to be calculated on a municipal-wide or area specific (sector) basis, however, the recommended practice is that DCCs are established on a municipal-wide basis, unless there is a significant disparity between development and benefiting users. A municipal-wide charge has been applied to all service areas except Transportation where the sectors were consolidated from six in the previous program to three for the proposed DCC Program. The three sectors within Transportation were retained as there is unique transportation challenges to each sector that warrant the sector approach. These sectors include:

Sector I – City Centre (including City Centre, Southeast Kelowna, Rutland, Black Mountain)

Sector B – South Mission

Sector E – North of Inner City (including University, McKinley, Airport and north Industrial)

## 4.3 COST ALLOCATION: BENEFIT TO EXISTING & GROWTH

For each capital project, costs are allocated between benefit to existing residents (BTE) and new growth. To determine the proper allocation for each project, individual projects were reviewed using the following criteria:

- Projects that are required solely to accommodate new growth. These projects would not be contemplated if no new growth were forecasted and one hundred percent (100%) of the benefit and cost (net tax assist) of each project in this category has been assigned to new growth.
- Projects that are required for growth but also provide benefit to existing residents either through improvement to service levels or renewal of existing infrastructure. For these projects the BTE was determined by quantifying the level of service improvement and asset renewal costs and summing these two as a percentage of the overall project:

BTE = Level of Service Improvement + Asset Renewal Compensation

Level of service improvement BTE was based on engineer analysis, or the percent of growth expected by 2040 (25%), where appropriate. The asset renewal BTE was assessed based on the depreciated value of assets being replaced as part of the project.

The following table indicates, in general terms, the percentage of costs that are attributable to existing residents according to the type of services.

**Table 10: Benefit to Growth Shares by Service**

Service	Benefit to existing (%)
<b>Transportation</b>	0% to 94%
<b>Water</b>	0% to 58%
<b>Sewer Trunks</b>	0% to 73%
<b>Sewer Treatment</b>	30%
<b>Drainage</b>	75%
<b>Parkland Acquisition</b>	0%
<b>Park Development*</b>	0% to 52%

Note: \*Park development is assumed 100% to growth but is netted down to account for project components that are ineligible for DCC funding, in line with statutory limitations of the LGA.

#### 4.4 MUNICIPAL ASSIST

Legislation requires municipalities to contribute an ‘municipal assist factor’ (MAF) to pay for municipal parks and infrastructure. The assist factor is a percentage of the development related costs that is paid by the municipality and is in addition BTE (described above). No guidance is provided by the Ministry as to the magnitude of the assist factor; some local governments set it as low as one percent, while others have set it as high as 50%. The assist factor reflects Council’s desire to encourage development and is largely a political decision. A comparison of assist factors is set out in the table below. These MAF’s include an assist to support secondary suites discussed in the next section.

**Table 11: Municipal Assist Factor**

Community	Municipal Assist Factor (%)				
	Transportation	Water	Sewer	Drainage	Parks
<b>Kelowna</b>	16%	2%	2%	2%	11%
<b>Surrey</b>	5%	10%	10%	10%	5%
<b>Langley</b>	1%	1%	1%	1%	1%
<b>Abbotsford</b>	10%	1%	1%	10%	5%
<b>Chilliwack</b>	10%	10%	10%	10%	10%
<b>Coquitlam</b>	1%	1%	1%	1%	1%
<b>Richmond</b>	1%	1%	1%	1%	1%
<b>Kamloops</b>	10%	1%	1%	1%	1%
<b>Vernon</b>	1%	N/A	1%	1%	N/A



## 4.5 SECONDARY SUITE MUNICIPAL ASSIST

The Council approved subsidy for secondary suites was carried forward in this update but it is now shown as part of the municipal assist as opposed to buried in the DCC calculations. The Ministry agreed that increasing the municipal assist is an equitable and transparent approach to addressing the incremental infrastructure impacts caused by suites,

The secondary suite municipal assist is included with the municipal assist described in Section 4.4 and increases the MAF used in the previous DCC Program by the amounts shown in Table 12.

**Table 12: Secondary Suite Municipal Assist Factor**

	Municipal Assist Factors (%)				
	Transportation	Water	Sewer	Drainage	Parks
<b>Base</b>	15%	1%	1%	1%	8%
<b>S. Suites</b>	1%	1%	1%	1%	3%
<b>Total</b>	<b>16%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>11%</b>

The unit count for secondary suites has been removed from the DCC calculations because the secondary suite assist included in the DCC rate calculations, as reductions from the DCC recoverable capital costs, more than accounts for any infrastructure needs associated with secondary units. It would be inequitable, to include the secondary suite unit count in the DCC rate calculation as any associate costs have been removed; including the units would artificially reduce the DCC rates and the City would not fully fund the development-related costs associated with meeting the increased needs arising from all other development.

## 4.6 INTEREST ON LONG-TERM DEBT

Per the Best Practices Guide interest is permitted to be included in a DCC where fixed-capacity infrastructure, such as a Wastewater Treatment Plant ('the Plant'), needs to be constructed before growth can occur, and before adequate DCCs can be collected. The City has identified the Wastewater Treatment Digester project as eligible for interest recovery of growth's share as the project expands the Plant's capacity to facilitate future growth. The interest on long-debt financing must utilize a rate not more than the prevailing Municipal Finance Authority debenture rate and end by the year 2040. The amount is identified in Appendix A of the Wastewater Treatment Servicing Plan & Financing Strategy.

## 4.7 DCC CAPITAL PROJECTS BY SERVICE

The DCC Program was developed by reviewing infrastructure plans and identifying those projects required to meet the demand to accommodate growth as identified in the 2040 OCP. All project costs were updated to reflect current construction and land acquisition costs. Project details for each service category of infrastructure are included below.

### 4.7.1 Transportation


The Transportation DCC Program includes new roads and bridges, capacity improvements, active transportation corridors, sidewalks, street improvements, intersection improvements and signalization. The program and calculations are shown in Appendix A.

### 4.7.2 Total Program Costs

The total cost of the Transportation DCC Program is approximately \$527.8 million. These costs include the construction of new transportation infrastructure, engineering, contingency, project administration, interest, and land costs, where applicable.

*Table 13: Transportation DCC Program Costs (\$millions)*

Total Capital Costs	Cost Sharing	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$527.8	\$49.3	\$74.8	\$236.5	\$167.2



Sector:	City Centre (R-I)	South Mission (R-B)	North of City centre (R-E)
	\$207.2	\$17.3	\$12

### 4.7.3 Allocation of Benefit and Tax Assist

The Transportation program identifies the proportion of the costs attributable to new growth for each project. The City share of funding is comprised of renewal costs and level of service improvements as described previously (see Section 4.3). Level of service assumptions are based on the nature of the improvement and are summarized below.

*Table 14: Transportation Level of Service BTE Assumptions*

Project Type	Assumed BTE
Major Intersection Capacity Improvements	33%
Traffic Signals & Roundabouts	33%
Road Safety Improvements	33%
Urban Centre New Population Share	46%
Stand Alone Biking Projects	50%

The BTE for infrastructure renewal is determined on a project-by-project basis and is added to the level of service BTE. See Appendix A for total BTE for individual projects.

#### **4.7.4 Consideration of Local Contributions by Development**

Per s.506, Division 11, Part 14 of the *Local Government Act*, provision of local services is a direct developer responsibility, the functions or services of which are not to be included in the determination of DCC rates. To this effect, when a DCC eligible roads project includes an anticipated local share (i.e., developer construct frontage improvement), the gross cost of the project is netted down to reflect the local share to be provided by developers.

A provision for the local share is included in the Transportation capital program as an assumed percentage of the total program cost, set at 10% for projects where a developer contribution is anticipated (Appendix A). This assumption that development preceding road construction will build some of the road project as part of their frontage improvements reduces the project value and lowers the recoverable DCC. Without this assumption Transportation DCCs would be higher.

#### **4.7.5 Municipal Assist Factor**

A municipal assist of 16% is applied for the Transportation DCC Program which is comprised of an 15% municipal assist plus 1% tax assist for secondary suites.

## 4.7.6 Traffic Generation and Calculation of Road Impact

The demand for transportation infrastructure is based on persons per unit associated with each land use as described in Section 3.4.

*Table 15: Equivalent Units for Transportation*

Land Use	Base Unit	Equivalent Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.00
<b>Residential 2</b>	Dwelling Unit	0.904
<b>Residential 3</b>	Dwelling Unit	0.672
<b>Residential 4</b>	Dwelling Unit	0.612
<b>Carriage House</b>	Dwelling Unit	0.378
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0017
<b>Heavy Industrial</b>	Site Area (ha)	2.47

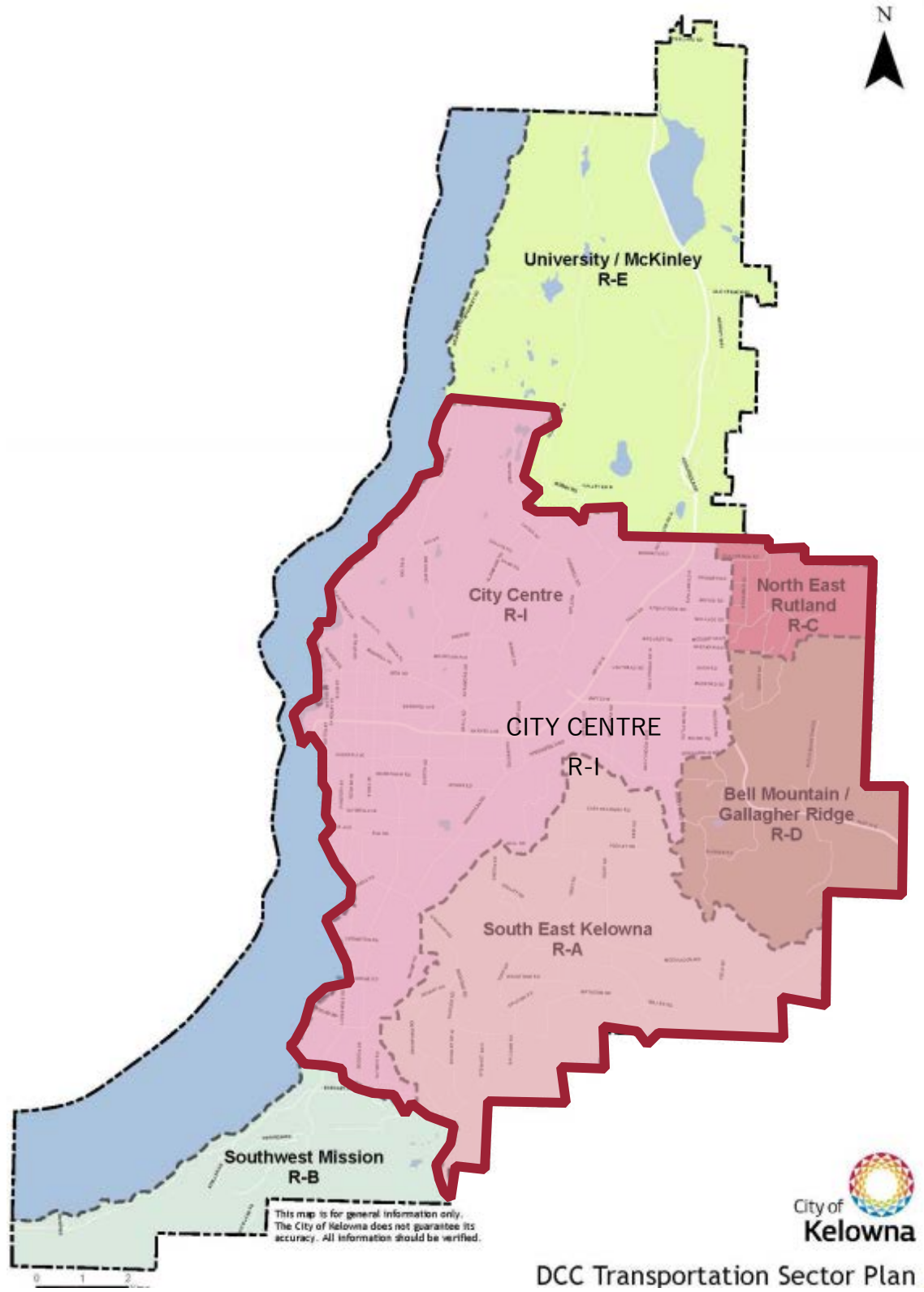
## 4.7.7 Geography of Charges

The Transportation DCC Program uses a sector approach to determine the allocation of project costs. A common sector rate (R-I City Centre) applies across the entire City. Additional area specific rates apply to the north and south sectors of the City,

As part of this update, the number of Transportation sectors was reduced from 6 to 3. Sectors R-A South East Kelowna, R-C North East Rutland and R-D Bell Mountain/Gallagher Ridge were combined with Sector R-I City Centre. Sectors R-B South Mission and R-E North of Inner City were retained as there is unique transportation challenges to each sector that warrant the sector approach. A map of the Transportation program sectors is provided in Figure 1 on the following page.



Figure 2: DCC Transportation Service Sector Plan.



#### 4.7.8 Water

The City is one of five major water purveyors operating within Kelowna's municipal boundaries. The City provides water service to approximately 80,000 of its 140,000 residents with the remainder of the City serviced primarily by four independent irrigation districts.

The Water DCC Program includes new and upgraded mains, pump stations, disinfection facilities and reservoirs. The DCC Program and calculations are shown in Appendix A.

##### **Total Program Costs**

The total cost of the water program is approximately \$61.9 million. These costs include the construction of new water infrastructure, plus engineering, contingency, project administration and land costs, where applicable.

*Table 16: Water DCC Program Costs (\$millions)*

Total Capital Costs	Cost Sharing	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$61.9	\$3.7	\$19.3	\$12.7	\$26.2

##### **Allocation of Benefit**

Allocation is assumed 100% for growth related projects that are not replacing an existing asset or improving service levels. For projects that replace or upgrade existing infrastructure, the cost for renewal and service level improvement are accounted within the Benefit to Existing category and funded from City sources.

##### **Municipal Assist Factor**

A municipal assist of 2% is applied for the Water DCC Program which is comprised of a 1% municipal assist plus a 1% an assist for secondary suites.

##### **Water Demand and Calculation for Equivalent Population**

The Water DCC is based on the need for additional infrastructure to meet the demands of growth. Persons per unit are used to project demand for water service as described in Section 3.4 and summarized below.

**Table 17: Equivalent Units for Water**

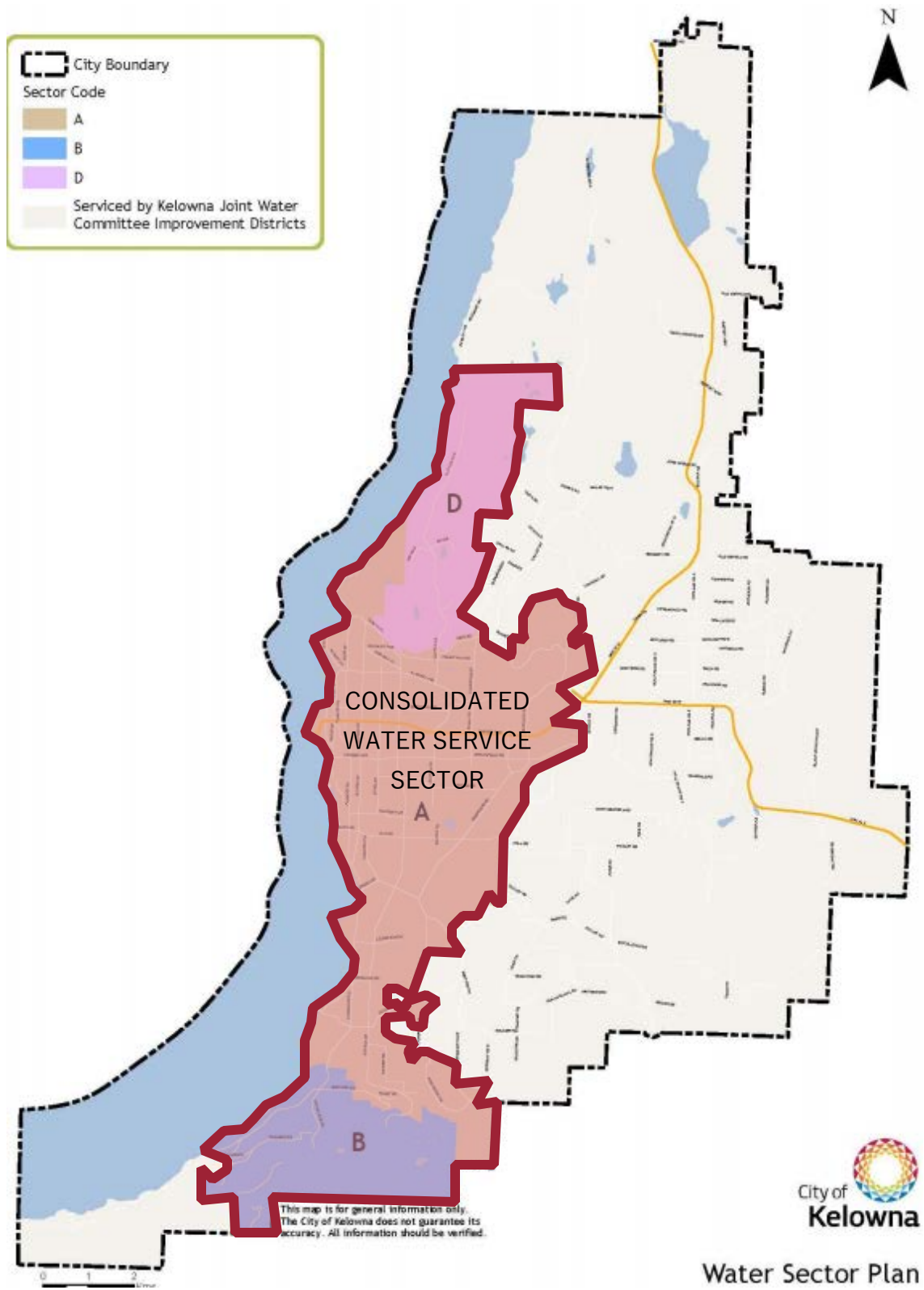
Land Use	Base Unit	Equivalent Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.000
<b>Residential 2</b>	Dwelling Unit	0.904
<b>Residential 3</b>	Dwelling Unit	0.672
<b>Residential 4</b>	Dwelling Unit	0.612
<b>Carriage House</b>	Dwelling Unit	0.378
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0017
<b>Heavy Industrial</b>	Site Area (ha)	5.545

**Geography of Charges**

The Water DCC Program applies only to the area within the City’s water utility boundary. Areas outside this boundary are not subject to the City’s DCCs but may be subject to separate charges administered by the other water purveyors.

Previous versions of the DCC Program divided the service area into three distinct sectors. For this DCC Program the three sectors have been combined into one consolidated city-wide sector. The geography of this service sector is shown in Figure 3 on the following page.

Figure 3: Water DCC Service Sector Plan.





#### 4.7.9 Wastewater Trunks

The City’s wastewater utility provides wastewater service for approximately 100,000 of its 140,000 residents. The Wastewater Trunks DCC Program includes new trunk sewer mains, sanitary pump stations and sewer upgrades.

##### Total Program Costs

The total cost of the Wastewater Trunk DCC Program is approximately \$62.7 million. These costs include the construction of new wastewater infrastructure, plus engineering, contingency, and project administration.

*Table 18: Wastewater Trunk DCC Program Costs (\$millions)*

Total Capital Costs	Cost Sharing	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$62.7	\$4.1	5.3	\$33.2	\$20.1

##### Allocation of Benefit

Allocation is assumed 100% for growth related projects that are not replacing an existing asset or improving service levels. For projects that replace or upgrade existing infrastructure, the cost for renewal and service level improvement are accounted within the Benefit to Existing category and funded from City sources (Appendix A).

##### Municipal Assist Factor

A municipal assist of 2% is applied for the Wastewater Trunks DCC Program which is comprised of a 1% municipal assist plus a 1% assist for secondary suites.

## Wastewater Trunk Demand and Calculation for Equivalent Population

The demand for wastewater infrastructure is based on the persons per unit associated with each land use as described in Section 3.4 and summarized below.

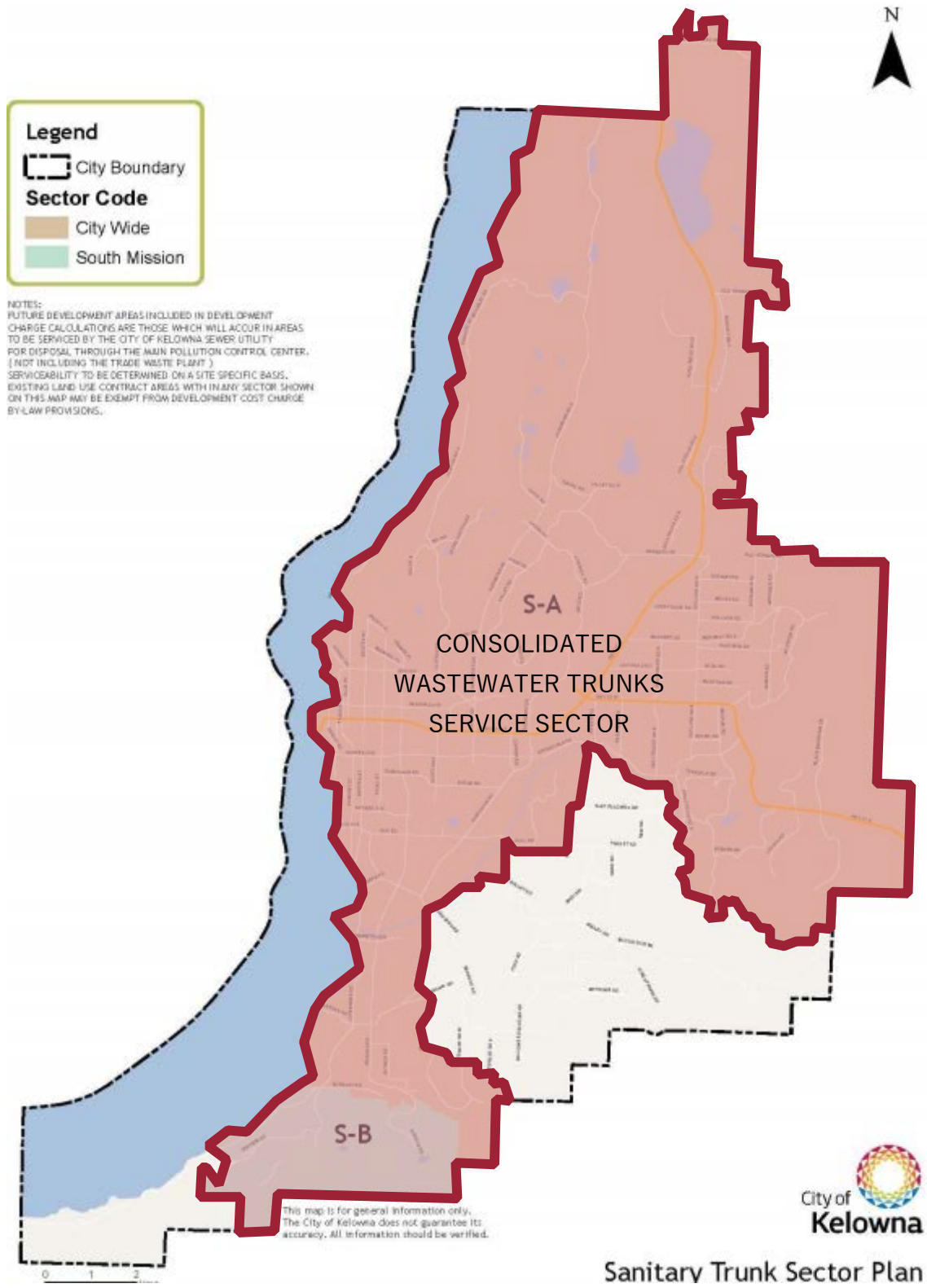
*Table 19: Equivalent Units for Wastewater Trunks*

Land Use	Base Unit	Equivalent Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.000
<b>Residential 2</b>	Dwelling Unit	0.904
<b>Residential 3</b>	Dwelling Unit	0.672
<b>Residential 4</b>	Dwelling Unit	0.612
<b>Carriage House</b>	Dwelling Unit	0.378
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0017
<b>Heavy Industrial</b>	Site Area (ha)	5.545

## Geography of Charges

Previous versions of the DCC Program divided the service area into two distinct sectors. For this DCC Program these two sectors have been combined into one consolidated sector (Figure 4).

Figure 4: Wastewater Trunk DCC Service Sector Plan.



#### 4.7.10 Wastewater Treatment

The Wastewater Treatment DCC Program includes the wastewater treatment digester and associated debt financing costs.

##### Total Program Costs

The total cost of the Wastewater Treatment DCC Program is approximately \$121.8 million. These costs include the construction of new wastewater digester, plus engineering, contingency, project administration, and carry over reserve fund balances, where applicable, plus eligible debt financing costs.

*Table 20: Wastewater Treatment DCC Program Costs (\$millions)*

Total Capital Costs	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$121.8	\$(7.4)	\$92.4	\$36.8

##### Allocation of Benefit to Existing

As the wastewater treatment digester serves both growth and existing resident within the Wastewater service area, the benefit to growth is calculated relative to the change in service capacity and change in population within the service area. This equates to a 31% benefit to existing, and 69% benefit allocated to growth.

##### Municipal Assist Factor

A municipal assist of 2% is applied for the Wastewater Treatment DCC Program which is comprised of a 1% municipal assist plus a 1% assist for secondary suites.

##### Wastewater Treatment Demand and Calculation for Equivalent Population

Equivalent units for Wastewater Treatment are calculated on an occupancy per unit basis, in the same manner as the Wastewater Trunks program.



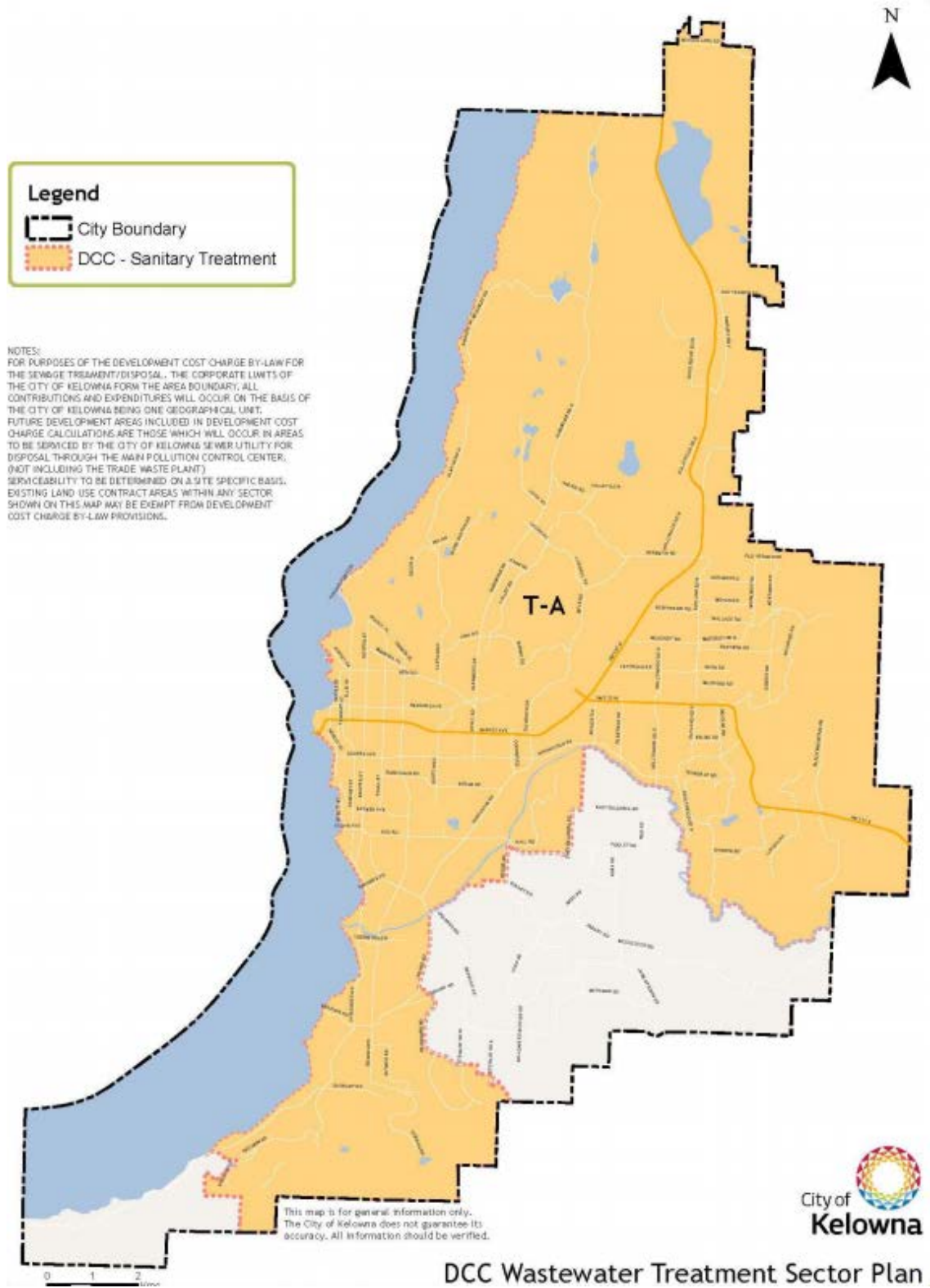
**Table 21: Equivalent Units for Wastewater Treatment**

Land Use	Base Unit	Equivalent Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.000
<b>Residential 2</b>	Dwelling Unit	0.904
<b>Residential 3</b>	Dwelling Unit	0.672
<b>Residential 4</b>	Dwelling Unit	0.612
<b>Carriage House</b>	Dwelling Unit	0.378
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	0.0033
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0017
<b>Heavy Industrial</b>	Site Area (ha)	5.545

**Geography of Charges**

The Wastewater Treatment DCC Program applies to the same geography as the Wastewater Trunks program (Figure 5).

Figure 5: Wastewater Treatment Service Sector Plan.



#### 4.7.11 Stormwater Drainage

The previous DCC Program did not include a separate Drainage DCC but did fund minor drainage infrastructure associated with road works. This includes catch basins, manholes and drainage mains needed for drainage on DCC roads.

The recent floods of 2017 and 2018 have demonstrated a need to better manage the City's major drainage systems which includes the City's creeks and streams. A new Drainage DCC is introduced to fund major system drainage work. The primary focus of drainage works in the next few years is Mill Creek that runs through the City's core area and is an area of future development densification. Future drainage works will focus on other major creeks and streams throughout the City.

#### Total Program Costs

The total cost of the Drainage DCC Program is \$57.9 million. These costs include the construction of new drainage infrastructure, plus engineering, contingency, project administration, where applicable.

*Table 22: Drainage DCC Program Costs (\$millions)*

Total Capital Costs	Grant Funding	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$57.9	\$20.8	\$0	\$9.1	\$28.0

#### Allocation of Benefit

Allocation of benefit to growth is estimated at 25% based on the projected population growth as a share of total population by the 2040.

#### Municipal Assist Factor

A municipal assist factor of 2% is applied for the Drainage DCC Program which is comprised of a 1% municipal assist plus a 1% assist for secondary suites.

### Drainage Demand and Calculation for Equivalent Population

The impact on the storm drainage system by development is expressed as the amount of stormwater run-off that must be accommodated by the system as described in Section 3.4. Run-off coefficients are used to determine equivalency factors necessary to develop Equivalent Drainage Units (EDUs), the basis for calculating drainage DCCs.

*Table 23: Equivalent Units for Drainage*

Land Use	Base Unit	Equivalent Drainage Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.000
<b>Residential 2</b>	Dwelling Unit	0.700
<b>Residential 3</b>	Dwelling Unit	0.400
<b>Residential 4</b>	Dwelling Unit	0.300
<b>Carriage House</b>	Dwelling Unit	0.300
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.004
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	0.0037
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0030
<b>Heavy Industrial</b>	Site Area (ha)	7.500

### Geography of Charges

The City's creeks and streams act as major drainage corridors and provide flood protection for the entire City. For this reason, the Drainage DCC is assessed at a city-wide level.



#### 4.7.12 Parkland Acquisition

The Parkland Acquisition DCC Program includes acquiring parkland for neighbourhood, community, recreational, city-wide, and linear parks throughout the city. The program is consistent with the City's OCP, and Linear Parks Master Plan. The program and calculations are shown in Appendix A.

##### Total Program Costs

Total cost of the Parkland Acquisition DCC Program is \$244.5 million.

*Table 24: Parkland Acquisition DCC Program Costs (\$millions)*

Total Capital Costs	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$244.5	\$35.4	\$182.4	\$26.7

##### Allocation of Benefit

The City's Parkland Acquisition program is intended to maintain a parkland provision standard of 2.2 ha of parkland per 1,000 residents as the city grows. As such, 100% of Parkland Acquisition costs are assumed to be associated with growth.

##### Municipal Assist Factor

A municipal assist of 11% is applied for the Parkland Acquisition DCC Program which is comprised of an 8% tax assist plus a 3% tax assist for secondary suites.

##### Parkland Acquisition Calculation for Equivalent Population

The City reviewed its parkland demand and land uses as part of the 2020 update to the DCC Program which introduced a Park Development DCC Program. This approach assumes an equal weighting between all residential unit types, primarily to reflect the relative increase in demand for parks space that comes from higher density development and the high cost of land in the core area.

Per Council direction as part of Parks Development DCC, this DCC Program update includes a commercial and industrial Parks acquisition DCC. The Parks equivalency for non-residential use are 50% of those used for water, wastewater, drainage, and transportation to reflect the reduced demand generated by non-residential uses on parks.

**Table 25: Equivalent Units for Parkland Acquisition**

Land Use	Base Unit	Equivalent Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.00
<b>Residential 2</b>	Dwelling Unit	1.00
<b>Residential 3</b>	Dwelling Unit	1.00
<b>Residential 4</b>	Dwelling Unit	1.00
<b>Carriage House</b>	Dwelling Unit	1.00
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.0017
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	Exempt
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0008
<b>Heavy Industrial</b>	Site Area (ha)	1.2350

**Geography of Charges**

The Parks Acquisition and Development programs are applied municipal-wide consistent with past practice.

**4.7.13 Park Development**

The Park Development DCC Program includes park improvements neighbourhood, community, city and linear parks throughout the city. The program is consistent with the City’s 2040 OCP, and Linear Parks Master Plan. The program and calculations are shown in Appendix A.

**Total Program Costs**

Total cost of the Park Development DCC Program is \$217.1 million.

**Table 26: Park Development DCC Program Costs (\$millions)**

Total Capital Costs	Opening Reserve	DCC Recoverable Program Costs	Municipal Costs
\$217.1	\$1.0	\$141.4	\$74.7

**Allocation of Benefit**

Like Parkland Acquisition, projects in the Park Development program are assumed to be 100% growth related. However, certain park improvements, such as washrooms, are not considered DCC recoverable per legislation in the *Local Government Act*. These ineligible capital improvements must be municipal funded.

### Municipal Assist Factor

A municipal assist of 11% is applied for the Park Development DCC Program which is comprised of an 8% municipal assist plus a 3% tax assist for secondary suites.

### Park Development Calculation for Equivalent Population

Park Development equivalencies follow the same approach as described for the Parkland Acquisition program.

*Table 27: Equivalent Units for Park Development*

Land Use	Base Unit	Equivalent Unit Per Base Unit
<b>Residential 1</b>	Dwelling Unit	1.00
<b>Residential 2</b>	Dwelling Unit	1.00
<b>Residential 3</b>	Dwelling Unit	1.00
<b>Residential 4</b>	Dwelling Unit	1.00
<b>Carriage House</b>	Dwelling Unit	1.00
<b>Commercial</b>	Gross Floor Area (m <sup>2</sup> )	0.0017
<b>Institutional</b>	Gross Floor Area (m <sup>2</sup> )	Exempt
<b>Light Industrial</b>	Gross Floor Area (m <sup>2</sup> )	0.0008
<b>Heavy Industrial</b>	Site Area (ha)	1.2350

### Geography of Charges

The Parks Acquisition and Development programs are applied municipal-wide consistent with past practice.

# 5 DCC RATE SUMMARY

## 5.1 SUMMARY OF PROPOSED DCC RATES

A summary of the combined charges for each land use category based on the three Transportation sectors (Table 28). The three sectors include:

**City Centre** – Sector I (including City Centre, Southeast Kelowna, Rutland, Black Mountain)

**South Mission** - Sector B

**North of City Centre** – Sector E (including University, McKinley, Airport and north Industrial)

*Table 28: Combined DCC Rate by Location*

Land use	Unit	City Centre	South Mission	North of City centre*
<b>Residential 1</b> (Single-detached or < 15 UPH)	Per Unit or Lot	\$35,083	\$50,531	\$41,800
<b>Residential 2</b> (15< Unit/HA <= 35)	Per Unit or Lot	\$32,992	\$46,957	\$39,064
<b>Residential 3</b> (35< Unit/HA <= 85 UPH)	Per Unit	\$28,237	\$38,616	\$32,750
<b>Residential 4</b> (>85 UPH)	Per Unit	\$26,997	\$36,455	\$31,110
<b>Carriage House</b>	Per Unit	\$22,419	\$28,264	\$24,960
<b>Commercial</b>	GFA (m <sup>2</sup> )	\$92.15	\$143.31	\$114.39
<b>Institutional</b>	GFA (m <sup>2</sup> )	\$67.44	\$118.59	\$89.68
<b>Light Industrial</b>	GFA (m <sup>2</sup> )	\$46.78	\$72.36	\$57.90
<b>Heavy Industrial</b>	Site Area (ha)	\$95,526	\$133,684	\$109,047

(\*) Areas outside of the Kelowna's water service area are not subject to the City's water DCC. Development in this area may be subject to charges from other water service providers, including the Glenmore Ellison Irrigation District, Rutland Waterworks and the Black Mountain Irrigation District.



**Table 29: Detailed Proposed DCC Rates**

Land Use	Service Area	Roads			Water	Sanitary Sewers		Drainage	Parks		Total*		
	Sector	R-I	R-B	R-E	W-A	Trunks	Treatment		D-A	Acquisition	Development	Inner City/ Common	South-West Mission
	Unit of Measure	Inner City/ Common	South Mission	North of Inner City	City-wide	City-wide	City-wide	City-wide	City-wide	City-wide	Combined	Combined	Combined
<b>Residential 1</b>	Per unit or lot Single-detached or Units/Ha <= 15	\$11,903	\$27,352	\$19,619	\$998	\$1,908	\$4,772	\$702	\$8,337	\$6,462	\$35,083	\$50,531	\$41,800
<b>Residential 2</b>	Per unit or lot 15 < Units/Ha <= 35	\$10,760	\$24,725	\$17,735	\$903	\$1,725	\$4,314	\$492	\$8,337	\$6,462	\$32,992	\$46,957	\$39,064
<b>Residential 3</b>	Per unit 35 < Units/Ha <= 85	\$7,998	\$18,378	\$13,182	\$671	\$1,282	\$3,207	\$281	\$8,337	\$6,462	\$28,237	\$38,616	\$32,750
<b>Residential 4</b>	Per unit > 85 Units/Ha	\$7,287	\$16,745	\$12,011	\$611	\$1,168	\$2,922	\$211	\$8,337	\$6,462	\$26,997	\$36,455	\$31,110
<b>Carriage House</b>	Per unit	\$4,504	\$10,349	\$7,423	\$378	\$722	\$1,806	\$211	\$8,337	\$6,462	\$22,419	\$28,264	\$24,960
<b>Commercial</b>	Per Square Metre	\$39.42	\$90.57	\$64.96	\$3.31	\$6.32	\$15.80	\$2.81	\$13.80	\$10.70	\$92.15	\$143.31	\$114.39
<b>Institutional A</b>	Per Square Metre	\$39.42	\$90.57	\$64.96	\$3.31	\$6.32	\$15.80	\$2.60	Exempt	Exempt	\$67.44	\$118.59	\$89.68
<b>Institutional B</b>	Per Square Metre	\$0.00	\$0.00	\$0.00	\$3.31	\$6.32	\$15.80	\$2.60	Exempt	Exempt	\$28.03	\$28.03	\$24.72
<b>Heavy Industrial</b>	Per Hectare	\$29,402	\$67,560	\$48,460	\$5,536	\$10,580	\$26,464	\$5,267	\$10,296	\$7,980	\$95,526	\$133,684	\$109,047
<b>Light Industrial</b>	Per Square Metre	\$19.71	\$45.28	\$32.48	\$1.65	\$3.16	\$7.90	\$2.11	\$6.90	\$5.35	\$46.78	\$72.36	\$57.90

Note: \* Some parts of Kelowna are not serviced by the City’s Water or Wastewater services. These areas would not be subject to the DCC for these specific services. (e.g., most of Transportation sector R-E is not serviced by Kelowna’s DCC Water program, so the combined total rate does not include the water charge. These areas may be subject to charges from other water service providers, including the Glenmore Ellison Irrigation District, Rutland Waterworks, and the Black Mountain Irrigation District.)

# 6 IMPLEMENTATION

## 6.1 TIMING OF COLLECTION

Municipalities collect DCCs at subdivision approval or building permit issuance. The City collects DCCs for detached and attached single family residential developments at time of subdivision approval. All other development will be levied DCCs at time of building permit.

In the case of a phased development, DCCs are payable for the approved phased based on the type and density of development at the time of the subdivision or building permit application. Future phases of development will be assessed later in accordance with the DCC Bylaw at the time of subdivision or building permit approval of each future phase.

## 6.2 IN-STREAM APPLICATIONS

The new DCC rates will be in force immediately after the adoption by Council of the DCC Bylaw. The *Local Government Act* provides in-stream protection of up to 1-year from changes to DCC rates for subdivision and building permit applications provided the application is complete and all application fees have been paid prior to DCC Bylaw adoption date.

In-stream protection applies to both building permit and subdivision applications received prior to the adoption of the new DCC Bylaw.

### **For building permit (BP), development permit and rezoning applications:**

The application is determined to be complete including receipt of applicable fees and;

The related building permit is issued and DCC paid prior to 1-year from the Bylaw adoption date.

### **For subdivision applications:**

Application for Preliminary Layout Review (PLR) is considered complete including receipt of applicable fees and;

Conditional approval does not lapse during the 1-year exemption period and final subdivision approval and DCC are paid prior to 1-year the anniversary date.

New DCC rates apply in all circumstances for BP and Subdivision applications 1-year after the Bylaw adoption date. All BP or subdivision application extensions beyond the 1-year anniversary are subject to the new DCC rates.

## 6.3 DCCS ON REDEVELOPMENT AND EXPANSION PROJECTS

When an existing building or development undergoes an expansion or redevelopment the developer is responsible for the applicable DCCs but may receive a DCC credit for the existing development or building on the original site.

For example, if a single-family lot is subdivided into two to construct two small lot single family residential units, then DCCs are credited for the existing single-family lot.

## 6.4 DCC REBATES AND CREDITS

When development precedes the construction of infrastructure improvements identified in the DCC Program, the developer will be responsible to ‘front-end’ the capital costs for the required trunk works, services and frontage improvements.

Developers may be eligible for DCC credits to offset the capital expenditures provided the work is identified in the DCC Program, is not directly attributable to the development and is not otherwise required through the Subdivision and Servicing Bylaw 7900. DCC credits are only available for the oversizing component of the infrastructure. In other words, the component of the capital costs between local and trunk requirements is eligible for DCC credits. It is expected that developers are responsible for the capital costs associated with the local standard as described below.

### 6.4.1 DCC Credit for Developments Fronting DCC Roads

This policy explains the standard service component and oversizing component, clarifies the developer’s responsibility and identifies DCC Credit eligibility. The overarching intent of this policy is to improve consistency and clarity for developments adjacent to DCC projects. *All bolded items have definitions provided at the end of the section.*

When development precedes construction of a road identified in the DCC Program, the Developer will be required to construct the following works to the standard identified in the DCC Program and Bylaw 7900, without DCC credits:

- If the development flanks a road identified in the DCC Program, dedicate the required right-of-way to the road centreline and construct the **Standard Service Component** of the road improvements.
- If a DCC road is required through the development, dedicate the required right-of-way and construct the **Standard Service Component** of the road improvements.

If the developer is asked to construct the **Oversizing Component** at the same time as the Standard Service Component, the developer will receive DCC credits for the works associated with the Oversizing Component only.

**DCC Credit** – The total DCC credit will be the lower of:

1. The applicable DCCs payable for the development for the service and sector for which the works were completed. For example, if the developer constructs road improvements for a DCC road in Sector E, the associated Oversize costs would be deducted from the Sector E Road DCCs only, to the maximum DCC amount payable; or
2. The value of the DCC project as estimated in the latest version of 20 Year Servicing Plan & Financial Strategy; or
3. The actual cost of construction of the project as verified by contract tender costs provided by the developer.

Prior initiating any works, the developer is responsible to identify the scope of works qualifying as Oversizing Component eligible for DCC credits. The City will review the developer's scope of work and cost estimates and provide direction on works that are eligible for DCC credit.

**Standard Service Component** – Includes all frontage elements that would be required for a road of that classification as per Bylaw 7900, which may include but not be limited to: storm infrastructure, sidewalk, curb, boulevard, parking, bike lane, street lighting and first travel lane. The Standard Service Component is the developer's responsibility and must be constructed regardless of whether the road is a DCC project.

**Oversizing Component** – The trunk works beyond the Standard Service Component. The Oversizing component may include 3<sup>rd</sup> and 4<sup>th</sup> travel lanes of a 4-lane arterial road, centre median, traffic signals, and active transportation corridor. Oversizing Component does not include works directly attributable to the development or any infrastructure required by the developers **TIA**.

**Traffic Impact Assessment (TIA)** – A study to assess the impacts of a proposed development on the City's existing transportation network.



## 6.5 MONITORING AND ACCOUNTING

The City undertakes annual reporting on DCC revenues and expenditures. In addition to the annual report, the City tracks all projects in the DCC Program. This tracking system monitors the status of the project from the conceptual stage through to its final construction, and includes information about the estimated costs, the actual construction costs, and the funding sources for the projects. The construction costs are based on the tender prices received, and the land costs based on the actual price of utility areas and or other land and improvements required for servicing purposes. The tracking system indicates when projects are completed, their actual costs, and includes new projects that are added to the program.

It is recommended that this practice continue to ensure transparency and facilitate regular updates to the calculation.

## 6.6 ANNUAL INDEXING AND COMPREHENSIVE REVIEWS

The Best Practice Guide recommends updating construction and land costs in the DCC Program on an annual or biennial basis, to ensure that costs resulting from inflation are covered. In British Columbia, the *Community Charter* allows municipalities to index their DCC rates in accordance with the percentage change in the applicable consumer price index, without triggering the need for a formal by-law amendment process. The applicable index is the British Columbia consumer price index. Municipalities may use the provision a maximum of once per year for up to four years.

A more comprehensive review of the DCC Program should be undertaken every five years. While the LGA does not mandate regular DCC bylaw reviews, the City would benefit from a regularly scheduled comprehensive DCC update and public process. For example, the City may choose to review its growth forecasts, servicing needs, and project funding every 5 years, involving key stakeholders throughout the process. This, coupled with annual rate indexing, would improve transparency and predictability for the development industry.

## APPENDIX A – RATE CALCULATION



**CITY OF KELOWNA  
2040 TRANSPORTATION SERVICING PLAN & FINANCING STRATEGY (2022)  
DCC CALCULATION (\$000s)**

DCC Sector	Target Year	PROJECT	FROM	TO	TOTAL CAPITAL COST In \$000	NON-DCC REVENUE SOURCES					Net FOR DCC CALC'S	DCC Bylaw 12419 (Zero Charge) Sector Allocations			DCC Bylaw 12420 Sector Allocations		
						By Developer	Current Agreements	Benefit to Existing	Net Benefit Growth	Municipal Assist Factor 16%		A South East Kelowna	C North East Rutland	D North of Hwy 33	B South Mission	E North of Main City	I Main City/ Common
<b>TRANSPORTATION - ROADWAYS</b>																	
I, E	2036-2040	Acland 2 (Airport Way - John Hindle Drive)	Airport Way	John Hindle Drive	\$15,239.0	\$1,523.9	\$0.0	\$0.0	\$13,715.1	\$2,194.4	\$11,520.7	\$0.0	\$0.0	\$0.0	\$0.0	\$2,304.1	\$9,216.5
B, I	2026-2030	Benvoulin Capacity Optimization	Casorso Road	KLO Road	\$4,003.0	\$400.3	\$0.0	\$598.9	\$3,003.8	\$480.6	\$2,523.2	\$0.0	\$0.0	\$0.0	\$2,018.5	\$0.0	\$504.6
I	2026-2030	Burch 2 (Springfield - Benvoulin)	Burch 2 (Springfield - Benvoulin)	Benvoulin Road	\$11,225.0	\$1,122.5	\$0.0	\$844.4	\$9,258.1	\$1,481.3	\$7,776.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$7,776.8
B, I	2026-2030	Burch 3 (Glenmore - Springfield)	Glenmore Drive	Springfield Road	\$18,063.0	\$1,806.3	\$0.0	\$2,102.1	\$14,154.6	\$2,264.7	\$11,889.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$11,889.8
I	2026-2030	Casorso Roundabouts	\$2,523.0	\$262.3	\$0.0	\$494.5	\$1,866.2	\$298.6	\$1,567.6	\$0.0	\$0.0	\$0.0	\$0.0	\$1,254.1	\$0.0	\$313.5	
I	2026-2030	Clement 1 (Eliza to Graham)	\$2,360.0	\$236.0	\$0.0	\$482.7	\$1,841.3	\$262.6	\$1,378.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,378.7	
I	2031-2035	Clement 2 Extension (Spall - Hwy 33)	Spall Road	Highway 33	\$37,440.0	\$3,744.0	\$0.0	\$0.0	\$33,696.0	\$5,391.4	\$28,304.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$28,304.6
I	2031-2035	Clement 3 Extension - Land from Highway 33 to McCurdy	Highway 33	McCurdy Rd	\$4,186.0	\$0.0	\$0.0	\$0.0	\$4,186.0	\$669.8	\$3,516.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3,516.2
I	2021-2025	Commonwealth Rd	Under review	Under Review	\$10,501.0	\$0.0	\$5,000.0	\$306.8	\$5,194.2	\$811.1	\$4,383.1	\$0.0	\$0.0	\$0.0	\$0.0	\$4,383.1	\$0.0
B	2031-2035	Frost 1 (Killdeer - Chute Lake)	Killdeer Road	Chute Lake Road	\$4,069.0	\$406.9	\$0.0	\$0.0	\$3,662.1	\$585.9	\$3,076.2	\$0.0	\$0.0	\$0.0	\$3,076.2	\$0.0	\$0.0
I, E	2031-2035	Glenmore 5 (Union - John Hindle)	Union Road	John Hindle Drive	\$16,577.0	\$1,657.7	\$0.0	\$2,248.5	\$12,670.8	\$2,073.3	\$10,643.5	\$0.0	\$0.0	\$0.0	\$0.0	\$2,128.7	\$8,514.8
I, E	2031-2035	Glenmore Rd Safety Upgrades (John Hindle - Lake Country)	John Hindle Drive	Lake Country	\$14,818.0	\$1,481.8	\$0.0	\$2,408.8	\$10,927.4	\$1,748.4	\$9,179.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,835.8	\$7,343.2
B	2036-2040	Gordon Bridge over Bellevue Creek	\$2,871.0	\$0.0	\$0.0	\$2,163.2	\$707.8	\$113.2	\$594.6	\$0.0	\$0.0	\$0.0	\$0.0	\$594.6	\$0.0	\$0.0	
I	2036-2040	Gordon Dual Left Turns (Sutherland - Bernard)	Sutherland Avenue	Bernard Avenue	\$6,757.0	\$675.7	\$0.0	\$1,266.1	\$4,815.2	\$770.4	\$4,044.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4,044.7
I	2036-2040	Hollywood 3 Rd (McCurdy - Stremel)	McCurdy Rd	Stremel	\$2,846.0	\$284.6	\$0.0	\$50.1	\$2,511.3	\$401.8	\$2,109.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2,109.5
I	2036-2040	Hollywood 4 Rd (Stremel - Hwy 97)	Stremel	Hwy 97	\$7,795.0	\$779.5	\$0.0	\$381.2	\$6,634.3	\$1,061.5	\$5,572.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5,572.8
I, E	2031-2035	Hollywood 5 Rd (Hwy 97 - Rail Trail)	Highway 97	Rail Trail	\$7,474.0	\$747.4	\$0.0	\$47.6	\$6,679.0	\$1,068.6	\$5,610.4	\$0.0	\$0.0	\$0.0	\$0.0	\$1,122.1	\$4,488.3
I, E	2026-2030	Hollywood 6 Rd (Rail Trail - Sexsmith)	Rail Trail	Sexsmith Rd	\$789.0	\$78.9	\$0.0	\$141.7	\$568.4	\$90.9	\$477.5	\$0.0	\$0.0	\$0.0	\$0.0	\$95.5	\$382.0
I, E	2021-2025	Hollywood 7 DCC (Sexsmith - Appaloosa) Improvements	Sexsmith Road	Appaloosa Road	\$1,776.0	\$0.0	\$0.0	\$14.6	\$1,761.4	\$281.8	\$1,479.5	\$0.0	\$0.0	\$0.0	\$0.0	\$295.9	\$1,183.6
I, E	2026-2030	Hollywood 7 Rd (Sexsmith - John Hindle)	Sexsmith Rd	John Hindle Dr	\$13,114.0	\$1,311.4	\$0.0	\$568.6	\$11,234.0	\$1,797.4	\$9,436.6	\$0.0	\$0.0	\$0.0	\$0.0	\$1,887.3	\$7,549.2
I	2036-2040	Lakeshore 3 Bridge over Wilson Creek	\$2,806.0	\$0.0	\$0.0	\$2,624.6	\$181.4	\$29.0	\$152.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$152.4	
I	2031-2035	Lakeshore 3 Rd (Richter - Cook)	Richter Street	Cook Road	\$13,826.0	\$1,382.6	\$0.0	\$682.4	\$11,761.0	\$1,881.8	\$9,879.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9,879.2
I	2021-2040	Major Intersection Capacity Improvements	Various	Various	\$9,273.0	\$0.0	\$225.0	\$9,897.8	\$19,600.2	\$3,136.0	\$16,464.2	\$3,075.7	\$651.9	\$289.6	\$0.0	\$0.0	\$12,447.0
I	2021-2025	McCulloch Area DCC (KLO/Hall/Spier)	\$3,391.0	\$339.1	\$0.0	\$291.7	\$2,760.2	\$441.6	\$2,318.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$441.6
I	2036-2040	McCurdy Extension (Hwy 97 - Dilworth)	Highway 97	Dilworth Drive	\$12,125.0	\$1,212.5	\$0.0	\$106.6	\$10,811.9	\$1,729.9	\$9,082.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$9,082.0
I	2021-2040	Road Safety Improvements	Various	Various	\$29,950.0	\$0.0	\$0.0	\$9,973.4	\$19,976.7	\$3,196.3	\$16,780.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$16,780.4
B	2036-2040	Rutland 2 (Old Vernon Roundabout)	Cornish Road	Old Vernon Road	\$5,341.0	\$534.1	\$0.0	\$431.3	\$4,375.6	\$700.1	\$3,675.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3,675.5
B	2026-2030	Sector B Top Lift Paving	Various	Various	\$1,777.0	\$0.0	\$0.0	\$0.0	\$1,777.0	\$284.3	\$1,492.7	\$0.0	\$0.0	\$0.0	\$1,492.7	\$0.0	\$0.0
B	2021-2025	South Perimeter 1 DCC (Gordon - Stewart) & Gordon 1 (Frost - South)	Gordon Drive	Stewart Road	\$10,597.0	\$0.0	\$0.0	\$0.0	\$10,597.0	\$1,695.5	\$8,901.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8,901.5
B	2026-2030	Stewart 3 (Crawford - Dehart)	Crawford Road	DeHart Road	\$7,077.0	\$707.7	\$0.0	\$551.0	\$5,818.3	\$930.9	\$4,887.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4,887.4
I	2021-2040	Traffic Signals & Roundabouts	Various	Various	\$11,663.0	\$0.0	\$0.0	\$3,883.8	\$7,779.2	\$1,244.7	\$6,534.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6,534.5
I	2025-2040	Urban Centre Streetscaping	Various	Various	\$13,545.0	\$0.0	\$0.0	\$6,230.7	\$7,314.3	\$1,170.3	\$6,144.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6,144.0
<b>SUBTOTAL - TRANSPORTATION - ROADWAYS</b>					<b>\$328,347.0</b>	<b>\$20,695.2</b>	<b>\$5,225.0</b>	<b>\$48,787.1</b>	<b>\$251,639.7</b>	<b>\$40,282.3</b>	<b>\$211,357.3</b>	<b>\$5,394.3</b>	<b>\$651.9</b>	<b>\$289.6</b>	<b>\$22,224.9</b>	<b>\$14,032.8</b>	<b>\$168,784.1</b>
<b>MULTIMODAL</b>																	
I	2021-2025	Lakeshore 4 (Lanfranco - Richter)	Lanfranco	Richter	\$4,605.0	\$460.5	\$0.0	\$327.0	\$3,817.5	\$610.8	\$3,206.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3,206.7
I	2036-2040	Richter 1 (Sutherland - KLO)	Sutherland Ave	KLO Road	\$31,330.0	\$3,133.0	\$0.0	\$2,707.2	\$25,489.8	\$4,078.4	\$21,411.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$21,411.4
I	2036-2040	Rutland Rd Multimodal Corridor (Robson - Leathhead)	Robson Road	320 m N of Leathhead	\$20,160.0	\$2,016.0	\$0.0	\$1,902.4	\$16,241.6	\$2,598.7	\$13,642.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$13,642.9
I	2026-2030	Sutherland Complete Street (Mill Creek Bridge - Spall)	Burch 2 Rd	Spall Rd	\$40,165.0	\$4,016.5	\$1,300.0	\$400.8	\$34,447.7	\$5,511.6	\$28,936.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$28,936.0
<b>SUBTOTAL - MULTIMODAL</b>					<b>\$96,260.0</b>	<b>\$9,626.0</b>	<b>\$1,300.0</b>	<b>\$5,337.5</b>	<b>\$79,996.5</b>	<b>\$12,799.4</b>	<b>\$67,197.1</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$67,197.1</b>
<b>ATC</b>																	
I	2026-2030	Abbott ATC (Rose - Cedar)	Rose Avenue	Cedar Avenue	\$10,916.0	\$1,091.6	\$0.0	\$5,685.6	\$4,138.8	\$662.2	\$3,476.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3,476.6
I	2031-2035	Bertram ATC (Sutherland - Cawston)	Sutherland Avenue	Cawston Avenue	\$6,731.0	\$673.1	\$0.0	\$3,644.4	\$2,413.5	\$386.2	\$2,027.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2,027.3
I	2026-2030	Burch 2 ATC (Springfield - Benvoulin)	Springfield Road	Benvoulin Road	\$931.0	\$93.1	\$0.0	\$465.5	\$372.4	\$59.6	\$312.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$312.8
I	2026-2030	Burch 3 ATC (Springfield - Glenmore)	Glenmore Drive	Springfield Road	\$1,605.0	\$160.5	\$0.0	\$802.5	\$642.0	\$102.7	\$539.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$539.3
I	2021-2025	Casorso 3 ATC (KLO - Barrera)	KLO Road	Barrera Road	\$6,048.0	\$604.8	\$0.0	\$3,142.9	\$2,300.3	\$368.1	\$1,932.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,932.3
I	2021-2025	Ethel 6 ATC (Cawston - ORT)	Cawston Avenue	ORT	\$2,642.0	\$264.2	\$0.0	\$1,376.0	\$1,001.8	\$160.3	\$841.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$841.5
I	2026-2030	Glenmore 3 ATC (Clement - High)	High Rd	Clement Ave	\$893.0	\$89.3	\$0.0	\$446.5	\$357.2	\$57.2	\$300.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$300.0
I	2026-2030	Glenmore 4 ATC (Yates - Dallas)	Yates Rd	Dallas Rd	\$847.0	\$84.7	\$0.0	\$607.2	\$155.1	\$24.8	\$130.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$130.3
I, E	2031-2035	Glenmore 5 ATC (Scenic - JHD)	Scenic Rd	John Hindle Drive	\$3,217.0	\$321.7	\$0.0	\$1,608.5	\$1,296.8	\$205.9	\$1,090.9	\$0.0	\$0.0	\$0.0	\$0.0	\$540.5	\$540.5
I	2031-2035	Hollywood 10 ATC (Hwy 33 - McCurdy)	Highway 33	McCurdy Rd	\$7,594.0	\$759.4	\$0.0	\$4,509.1	\$2,325.5	\$372.1	\$1,953.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,953.4
I	2031-2035	Hollywood 11 ATC (Mission Creek - Springfield)	Mission Creek	Springfield Road	\$827.0	\$82.7	\$0.0	\$466.1	\$278.2	\$44.5	\$233.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$233.7
I	2036-2040	Hollywood 3 ATC (McCurdy - Stremel)	McCurdy Rd	Stremel Rd	\$518.0	\$51.8	\$0.0	\$259.0	\$207.2	\$33.2	\$174.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$174.0
I	2036-2040	Hollywood 4 ATC (Stremel - Hwy 97)	Stremel Rd	Highway 97	\$1,183.0	\$118.3	\$0.0	\$591.5	\$473.2	\$75.7	\$397.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$397.5
I, E	2026-2030	Hollywood 5 ATC (Hwy 97 - Rail Trail)	Highway 97	Rail Trail	\$729.0	\$72.9	\$0.0	\$364.5	\$291.6	\$46.7	\$244.9	\$0.0	\$0.0	\$0.0	\$0.0	\$122.5	\$122.5
I, E	2026-2030	Hollywood 6 ATC (Rail Trail - Sexsmith)	Rail Trail	Sexsmith Rd	\$329.0	\$32.9	\$0.0	\$164.5	\$131.6	\$21.1	\$110.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$110.5
I, E	2026-2030	Hollywood 7 ATC (Sexsmith - John Hindle)	Sexsmith Rd	John Hindle Dr	\$3,077.0	\$307.7	\$0.0	\$1,538.5	\$1,230.8	\$196.9	\$1,033.9	\$0.0	\$0.0	\$0.0	\$0.0	\$516.9	\$516.9
I	2026-2030	Hollywood 9 ATC (Hollydell - Hwy 33)	Hollydell Road	Highway 33	\$5,006.0	\$500.6	\$0.0	\$2,569.1	\$1,936.3	\$309.8	\$1,626.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,626.5
I	2021-2025	Houghton 1 DCC (Nickel - Rails with Trails), ATC	Nickel Road	Rails with Trails	\$2,471.0	\$0.0	\$0.0	\$2,438.1	\$32.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
I	2021-2025	Houghton 2 ATC (Hollywood - Mugford)	Hollywood Rd	Mugford Rd	\$3,912.0	\$391.2	\$0.0	\$2,107.7	\$1,413.1	\$226.1	\$1,187.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,187.0
I	2036-2040	Lakeshore 2 ATC (Old Meadows - Dehart)	Old Meadows Rd	DeHart Rd	\$3,392.0	\$339.2	\$0.0	\$1,819.4	\$1,233.4	\$197.3	\$1,036.0	\$0.0	\$0				




**CITY OF KELOWNA  
2040 TRANSPORTATION SERVICING PLAN & FINANCING STRATEGY (2022)  
DCC CALCULATION (\$000s)**

DCC Sector	Target Year	PROJECT	FROM	TO	TOTAL CAPITAL COST In \$000	NON-DCC REVENUE SOURCES					Net FOR DCC CALC'S	DCC Bylaw 12419 (Zero Charge) Sector Allocations			DCC Bylaw 12420 Sector Allocations		
						By Developer	Current Agreements	Benefit to Existing	Net Benefit Growth	Municipal Assist Factor 16%		A South East Kelowna	C North East Rutland	D North of Hwy 33	B South Mission	E North of Main City	I Main City/ Common
I	2031-2035	Leon Lawrence ATC (Abbott - Richter)	Abbott St	Richter St	\$10,875.0	\$1,087.5	\$0.0	\$5,970.1	\$3,917.4	\$626.8	\$3,296.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3,296.6
I	2026-2030	Pandsey Village ATC	Raymer ATC	Abbott ATC	\$2,936.0	\$292.6	\$0.0	\$1,548.0	\$1,085.4	\$173.7	\$911.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$911.8
I	2026-2030	Rail Trail to Greenway ATC	Rail Trail	Mayer Rd	\$9,588.0	\$958.8	\$0.0	\$5,525.2	\$3,104.0	\$496.6	\$2,607.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2,607.4
I	2036-2040	Richter 1 ATC (Sutherland - KLO)	Sutherland Ave	KLO Road	\$2,401.0	\$240.1	\$0.0	\$1,200.5	\$960.4	\$153.7	\$806.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$806.7
I	2036-2040	Rutland Rd Multimodal Corridor ATC (Robson - Leathead)	Robson Road	320 m N of Leathead	\$1,575.0	\$157.5	\$0.0	\$787.5	\$630.0	\$100.8	\$529.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$529.2
I	2021-2025	Sutherland 1 ATC (Gordon - Burtch)	Gordon Drive	Burtch Road	\$3,134.0	\$313.4	\$0.0	\$1,739.6	\$1,081.0	\$173.0	\$908.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$908.1
I	2021-2025	Sutherland 1 ATC (Gordon - Burtch) Improvements	Gordon Drive	Burtch Road	\$445.0	\$44.5	\$0.0	\$400.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
I	2021-2025	Sutherland 2 DCC (Ethel - Gordon), ATC	Ethel Street	Gordon Drive	\$1,056.0	\$105.6	\$0.0	\$950.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
I	2036-2040	Sutherland Complete Street ATC (Mill Creek Bridge - Spall)	Mill Creek Bridge	Spall Road	\$1,011.0	\$101.1	\$0.0	\$505.5	\$404.4	\$64.7	\$339.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$339.7
I	2031-2035	UBCO MUP (Quail Ridge - Rail Trail)	Quail Ridge	Rail Trail	\$1,562.0	\$156.2	\$0.0	\$781.0	\$624.8	\$100.0	\$524.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$524.8
<b>SUBTOTAL - ATC</b>					<b>\$102,826.0</b>	<b>\$10,035.5</b>	<b>\$2,438.1</b>	<b>\$54,239.9</b>	<b>\$36,112.4</b>	<b>\$5,778.0</b>	<b>\$30,334.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,235.1</b>	<b>\$29,099.3</b>
<b>TOTAL - TRANSPORTATION</b>					<b>\$525,433.0</b>	<b>\$40,356.7</b>	<b>\$8,963.1</b>	<b>\$108,364.5</b>	<b>\$367,749.6</b>	<b>\$58,841.8</b>	<b>\$308,908.8</b>	<b>\$5,394.3</b>	<b>\$651.9</b>	<b>\$289.6</b>	<b>\$22,224.9</b>	<b>\$15,267.7</b>	<b>\$265,080.4</b>

Transportation DCC Rates (\$)	DCC Bylaw 12419 (Zero Charge)			DCC Bylaw 12420		
	A South East Kelowna	C North East Rutland	D North of Hwy 33	B South Mission	E North of Main City	I Main City/ Common
<b>Total DCC Project Costs</b>	<b>\$5,394,257</b>	<b>\$651,937</b>	<b>\$289,614</b>	<b>\$22,224,868</b>	<b>\$15,267,714</b>	<b>\$265,080,444</b>
<b>Adjustments:</b>						
Less: Carry Over (2022-01-01 Reserve Balances)	\$5,394,257	\$651,937	\$289,613	\$5,145,264	\$3,389,381	\$59,957,435
Sub-Total DCC Project Costs	\$0	\$0	\$0	\$17,079,604	\$11,878,333	\$205,123,009
Engineering/Administration 1.00%	\$0	\$0	\$0	\$170,796	\$118,783	\$2,051,230
<b>Total DCC Rate Recoverable</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,250,400</b>	<b>\$11,997,116</b>	<b>\$207,174,239</b>
<b>Equivalent Units</b>	<b>5</b>	<b>326</b>	<b>664</b>	<b>1,117</b>	<b>1,555</b>	<b>17,405</b>
<b>DCC Per Equivalent Unit</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15,448.36</b>	<b>\$7,715.51</b>	<b>\$11,903.45</b>
<b>DCC By Type of Development</b>						
Type	Unit Measure	Equiv. Factor	DCC Per Unit	DCC Per Unit	DCC Per Unit	DCC Per Unit
Residential 1	Dwelling Unit	100%	\$0.00	\$0.00	\$0.00	\$11,903.45
Residential 2	Dwelling Unit	90%	\$0.00	\$0.00	\$0.00	\$13,964.58
Residential 3	Dwelling Unit	67%	\$0.00	\$0.00	\$0.00	\$10,379.65
Residential 4	Dwelling Unit	61%	\$0.00	\$0.00	\$0.00	\$9,457.39
Carriage House	Dwelling Unit	38%	\$0.00	\$0.00	\$0.00	\$5,845.33
Commercial	Square Metre	0.33%	\$0.00	\$0.00	\$0.00	\$51.15
Institutional	Square Metre	0.33%	\$0.00	\$0.00	\$0.00	\$51.15
Heavy Industrial	Hectare	247%	\$0.00	\$0.00	\$0.00	\$38,158.23
Light Industrial	Square Metre	0.17%	\$0.00	\$0.00	\$0.00	\$25.58



 <b>CITY OF KELOWNA</b> <b>2040 WATER SERVICING PLAN &amp; FINANCING STRATEGY (2022)</b> <b>DCC CALCULATION (\$000s)</b>													
Target Quarter	PROJECT	DESCRIPTION	TOTAL CAPITAL COST	NON-DCC REVENUE SOURCES					Net FOR DCC CALC'S	DCC Bylaw 12419 (Zero Charge) Sector Allocations			DCC Bylaw 12420
				By Developer	Current Agreements	Benefit Existing	Net Benefit Growth	Municipal Assist Factor		A	B	D	A
			In \$000	2%					Central	South Mission	Clifton/Glenmore	City-Wide	
<b>WATER</b>													
Q2	Cedar Creek Stage 2	New 750 PVC wm	\$9,011.0	\$0.0	\$0.0	\$6,319.6	\$2,691.4	\$53.8	\$2,637.5	\$0.0	\$0.0	\$0.0	\$2,637.5
Q2	Clifton Main Upgrade 1	Upgrade 900m section of 200mm AC to 300mm	\$2,532.0	\$0.0	\$0.0	\$639.0	\$1,893.1	\$37.9	\$1,855.2	\$0.0	\$0.0	\$0.0	\$1,855.2
Q2	Clifton Main Upgrade 2	Upgrade to 600 DI (300 psi)	\$1,720.0	\$0.0	\$0.0	\$410.4	\$1,309.6	\$26.2	\$1,283.4	\$0.0	\$0.0	\$0.0	\$1,283.4
Q2	Clifton to Dilworth TM	Third and final section from Clifton to Dilworth reservoir	\$8,242.0	\$0.0	\$0.0	\$3,771.2	\$4,470.8	\$89.4	\$4,381.4	\$3,232.3	\$0.0	\$0.0	\$1,149.1
Q2	Ethel Main	Upgraded 300 PVC wm	\$471.0	\$0.0	\$0.0	\$148.0	\$323.0	\$6.5	\$316.5	\$316.5	\$0.0	\$0.0	\$0.0
Q2	Frost Pumpstation	New Cell	\$1,792.0	\$1,792.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Q2	Grainger Reservoir	New Cell	\$1,847.0	\$1,847.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Q2	Knox TM	Upgraded 900 DI TM	\$4,299.0	\$0.0	\$0.0	\$1,954.5	\$2,344.5	\$46.9	\$2,297.6	\$1,998.9	\$0.0	\$0.0	\$298.7
Q2	PZ 419 Reservoir Upgrade	New Cell	\$6,863.0	\$0.0	\$0.0	\$481.3	\$6,381.7	\$127.6	\$6,254.0	\$6,254.0	\$0.0	\$0.0	\$0.0
Q3	Poplar Pt to Knox TM	Install 3.3km of new transmission main at 1200mm	\$10,739.0	\$0.0	\$0.0	\$6,218.6	\$4,520.4	\$90.4	\$4,430.0	\$0.0	\$0.0	\$0.0	\$4,430.0
Q1	Skyline PS	Final build out to the pump station on the corner of High and Clifton Rd	\$1,978.0	\$0.0	\$0.0	\$667.5	\$1,310.5	\$26.2	\$1,284.3	\$0.0	\$0.0	\$1,009.6	\$274.7
Q1	Summit Reservoir - New Cell	New Cell	\$2,131.0	\$0.0	\$0.0	\$1,494.5	\$636.5	\$12.7	\$623.7	\$623.7	\$0.0	\$0.0	\$0.0
Q1	TM - Gordon to Clifton	Second section of Royalview bypass from Gordon to Clifton	\$2,579.0	\$0.0	\$0.0	\$180.9	\$2,398.1	\$48.0	\$2,350.2	\$2,044.6	\$0.0	\$0.0	\$305.5
Q1	TM - Knox Reservoir to Gordon	Reservoir to Gordon via Trench PI	\$6,108.0	\$0.0	\$0.0	\$3,250.0	\$2,858.0	\$57.2	\$2,800.9	\$2,436.8	\$0.0	\$0.0	\$364.1
<b>SUBTOTAL - WATER</b>			<b>\$60,312.0</b>	<b>\$3,639.0</b>	<b>\$0.0</b>	<b>\$25,535.5</b>	<b>\$31,137.5</b>	<b>\$622.8</b>	<b>\$30,514.8</b>	<b>\$16,907.0</b>	<b>\$0.0</b>	<b>\$1,009.6</b>	<b>\$12,598.2</b>
<b>ANNUAL OVERSIZING</b>													
Annual	Annual Oversizing	Annual Oversizing Component	\$1,438.0	\$0.0	\$0.0	\$0.0	\$1,438.0	\$28.8	\$1,409.2	\$1,409.2	\$0.0	\$0.0	\$0.0
<b>SUBTOTAL - ANNUAL OVERSIZING</b>			<b>\$1,438.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,438.0</b>	<b>\$28.8</b>	<b>\$1,409.2</b>	<b>\$1,409.2</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>TOTAL - WATER</b>			<b>\$61,750.0</b>	<b>\$3,639.0</b>	<b>\$0.0</b>	<b>\$25,535.5</b>	<b>\$32,575.5</b>	<b>\$651.5</b>	<b>\$31,924.0</b>	<b>\$18,316.2</b>	<b>\$0.0</b>	<b>\$1,009.6</b>	<b>\$12,598.2</b>

Water DCC Rates (\$)		DCC Bylaw 12419 (Zero Charge)			DCC Bylaw 12420
		A	B	D	A
		Central	South Mission	Clifton/Glenmore	City-Wide
<b>Total DCC Project Costs</b>		<b>\$18,316,190</b>	<b>\$0</b>	<b>\$1,009,649</b>	<b>\$12,598,186</b>
<b>Adjustments:</b>					
Less: Carry Over (2022-01-01 Reserve Balances)		\$18,316,190	\$0	\$1,009,649	\$0
Sub-Total DCC Project Costs		\$0	\$0	\$0	\$12,598,186
Engineering/Administration		\$0	\$0	\$0	\$125,982
<b>Total DCC Rate Recoverable</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,724,168</b>
<b>Equivalent Units</b>		<b>10,436</b>	<b>1,150</b>	<b>1,158</b>	<b>12,744</b>
<b>DCC Per Equivalent Unit</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$998.41</b>
<b>DCC By Type of Development</b>					
Type	Unit Measure	Equiv. Factor	DCC Rate Per Unit	DCC Rate Per Unit	DCC Rate Per Unit
Residential 1	Dwelling Unit	100%	\$0.00	\$0.00	\$998.41
Residential 2	Dwelling Unit	90%	\$0.00	\$0.00	\$902.54
Residential 3	Dwelling Unit	67%	\$0.00	\$0.00	\$670.82
Residential 4	Dwelling Unit	61%	\$0.00	\$0.00	\$611.22
Carriage House	Dwelling Unit	38%	\$0.00	\$0.00	\$377.78
Commercial	Square Metre	0.33%	\$0.00	\$0.00	\$3.31
Institutional	Square Metre	0.33%	\$0.00	\$0.00	\$3.31
Heavy Industrial	Hectare	555%	\$0.00	\$0.00	\$5,536.29
Light Industrial	Square Metre	0.17%	\$0.00	\$0.00	\$1.65


CITY OF KELOWNA 2040 WASTEWATER TRUNKS SERVICING PLAN & FINANCING STRATEGY (2022) DCC CALCULATION (\$000s)												
Target Quarter	PROJECT	DESCRIPTION	TOTAL CAPITAL COST  In \$000	NON-DCC REVENUE SOURCES					Net FOR DCC CALC'S	DCC Bylaw 12419 (Zero Charge) Sector Allocations		DCC Bylaw 12420 FOR DCC CALC'S
				By Developer	Current Agreements	Benefit Existing	Net Benefit Growth	Municipal Assist Factor  2.00%		A  Inner City	B  South Mission	
<b>WASTEWATER TRUNKS</b>												
Q2	BYRNS/BARON - Ph 2	Byrns to WWTF	\$10,596.0	\$0.0	\$0.0	\$1,557.7	\$9,038.3	\$180.8	\$8,857.6	\$0.0	\$0.0	\$8,857.6
Q4	Burch Trunk Upgrades	Upgrades of 750 and 1050PVC	\$3,505.0	\$0.0	\$0.0	\$1,853.1	\$1,651.9	\$33.0	\$1,618.8	\$0.0	\$0.0	\$1,618.8
Q3	Capri/Landmark Urban Centre	South East Quadrant Trunk Upgrades	\$3,325.0	\$0.0	\$0.0	\$1,689.6	\$1,635.4	\$32.7	\$1,602.7	\$0.0	\$0.0	\$1,602.7
Q1	Glenmore Connection	Cross - 200 m. North of Scenic	\$2,969.0	\$0.0	\$0.0	\$211.8	\$2,757.2	\$55.1	\$2,702.1	\$2,702.1	\$0.0	\$0.0
Q1	Guy LS Upgrade	Guy@Bay	\$1,936.0	\$0.0	\$0.0	\$1,086.2	\$849.8	\$17.0	\$832.8	\$832.8	\$0.0	\$0.0
Q1	Gyro LS (Lift Station)	Lakeshore - Swordy	\$2,212.0	\$0.0	\$0.0	\$211.8	\$2,000.2	\$40.0	\$1,960.2	\$490.1	\$1,198.6	\$271.5
Q1	Hall Rd Mission Creek Crossing	400mm	\$2,056.0	\$2,056.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Q2	Lakeshore Trunk - (Cook - Gyro)	Lakeshore Trunk - (Cook - Gyro)	\$2,390.0	\$0.0	\$0.0	\$846.5	\$1,543.6	\$30.9	\$1,512.7	\$0.0	\$0.0	\$1,512.7
Q2	Lakeshore Trunk - (Old Meadows - Lexington)	(Old Meadows - Lexington)	\$3,242.0	\$0.0	\$0.0	\$1,492.5	\$1,749.5	\$35.0	\$1,714.5	\$0.0	\$0.0	\$1,714.5
Q1	Lakeshore Trunk - (Swordy - Barrera/Casorso)	(Swordy - Barrera/Casorso)	\$2,390.0	\$0.0	\$0.0	\$811.2	\$1,578.8	\$31.6	\$1,547.2	\$0.0	\$0.0	\$1,547.2
Q2	New Harvey Downtown (Water St) Crossing	500m 750PVC600m Regraded Sewers	\$10,024.0	\$0.0	\$0.0	\$2,578.1	\$7,445.9	\$148.9	\$7,297.0	\$0.0	\$0.0	\$7,297.0
Q1	New Water Street Lift Station	Mechanical and Safety Upgrades	\$3,050.0	\$0.0	\$0.0	\$1,877.9	\$1,172.1	\$23.4	\$1,148.6	\$0.0	\$0.0	\$1,148.6
Q2	North End Tolko Linear Upgrades	1100m twin FM	\$2,188.0	\$0.0	\$0.0	\$0.0	\$2,188.0	\$43.8	\$2,144.2	\$0.0	\$0.0	\$2,144.2
Q2	North End Tolko New Lift Station	New Lift Station	\$1,837.0	\$0.0	\$0.0	\$0.0	\$1,837.0	\$36.7	\$1,800.3	\$0.0	\$0.0	\$1,800.3
Q2	Rose Ave LS (Lift Station)	Rose Ave @ Hospital	\$2,053.0	\$2,053.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Q2	Rutland Trunk	Ziprick to Houghton	\$1,692.0	\$0.0	\$0.0	\$685.9	\$1,006.2	\$20.1	\$986.0	\$0.0	\$0.0	\$986.0
Q4	South Glenmore Hydraulic Capacity Upgrades	Upgrades	\$2,057.0	\$0.0	\$0.0	\$1,468.7	\$588.3	\$11.8	\$576.6	\$0.0	\$0.0	\$576.6
Q3	Trunk Upgrades - Ball Diamonds S. of Clement to/through Bernard	Upgrade to 600PVC	\$3,607.0	\$0.0	\$0.0	\$2,618.0	\$989.0	\$19.8	\$969.2	\$0.0	\$0.0	\$969.2
<b>SUBTOTAL - WASTEWATER TRUNKS</b>			<b>\$61,129.0</b>	<b>\$4,109.0</b>	<b>\$0.0</b>	<b>\$18,988.8</b>	<b>\$38,031.2</b>	<b>\$760.6</b>	<b>\$37,270.5</b>	<b>\$4,025.0</b>	<b>\$1,198.6</b>	<b>\$32,046.9</b>
<b>ANNUAL OVERSIZING</b>												
Annual	Annual Oversizing	Annual Oversizing Component	\$1,200.0	\$0.0	\$0.0	\$352.9	\$847.1	\$16.9	\$830.1	\$9.6	\$0.0	\$820.5
<b>SUBTOTAL - ANNUAL OVERSIZING</b>			<b>\$1,200.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$352.9</b>	<b>\$847.1</b>	<b>\$16.9</b>	<b>\$830.1</b>	<b>\$9.6</b>	<b>\$0.0</b>	<b>\$820.5</b>
<b>TOTAL - WASTEWATER TRUNKS</b>			<b>\$62,329.0</b>	<b>\$4,109.0</b>	<b>\$0.0</b>	<b>\$19,341.8</b>	<b>\$38,878.2</b>	<b>\$777.6</b>	<b>\$38,100.6</b>	<b>\$4,034.6</b>	<b>\$1,198.6</b>	<b>\$32,867.4</b>

Wastewater Trunk DCC Rates (\$)	DCC Bylaw 12419 (Zero Charge)		DCC Bylaw 12420
	A Inner City	B South Mission	A City-Wide
<b>Total DCC Project Costs</b>	<b>\$4,034,610</b>	<b>\$1,198,629</b>	<b>\$32,867,408</b>
<b>Adjustments:</b>			
Less: Carry Over (2022-01-01 Reserve Balances)	\$4,034,610	\$1,198,629	\$0
Sub-Total DCC Project Costs	\$0	\$0	\$32,867,408
Engineering/Administration 1.0%	\$0	\$0	\$328,674
<b>Total DCC Rate Recoverable</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,196,082</b>
<b>Equivalent Units</b>	<b>16,282</b>	<b>1,116</b>	<b>17,399</b>
<b>DCC Per Equivalent Unit</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,907.98</b>
<b>DCC By Type of Development</b>			
Type Unit Measure Equiv. Factor	DCC Rate Per Unit	DCC Rate Per Unit	DCC Rate Per Unit
Residential 1 Dwelling Unit 100%	\$0.00	\$0.00	\$1,907.98
Residential 2 Dwelling Unit 90%	\$0.00	\$0.00	\$1,724.77
Residential 3 Dwelling Unit 67%	\$0.00	\$0.00	\$1,281.96
Residential 4 Dwelling Unit 61%	\$0.00	\$0.00	\$1,168.06
Carriage House Dwelling Unit 38%	\$0.00	\$0.00	\$721.94
Commercial Square Metre 0.33%	\$0.00	\$0.00	\$6.32
Institutional Square Metre 0.33%	\$0.00	\$0.00	\$6.32
Heavy Industrial Hectare 555%	\$0.00	\$0.00	\$10,579.99
Light Industrial Square Metre 0.17%	\$0.00	\$0.00	\$3.16

Target Year	PROJECT	TOTAL CAPITAL COST	NON-DCC REVENUE SOURCES					Net
			By Developer	Current Agreements	Benefit to Existing	Net Benefit Growth	Municipal Assist Factor	FOR DCC CALC'S
		In \$000						2.00%
<b>TREATMENT</b>								
2030	Wastewater Treatment Digester	\$78,000.0	\$0.0	\$0.0	\$24,225.9	\$53,774.1	\$1,075.5	\$52,698.6
2030	Provision for financing costs	\$35,568.0	\$0.0	\$0.0	\$11,047.0	\$24,521.0	\$490.4	\$24,030.6
<b>SUBTOTAL - TREATMENT</b>		<b>\$113,568.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$35,272.9</b>	<b>\$78,295.1</b>	<b>\$1,565.9</b>	<b>\$76,729.2</b>
<b>TOTAL - TREATMENT</b>		<b>\$113,568.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$35,272.9</b>	<b>\$78,295.1</b>	<b>\$1,565.9</b>	<b>\$76,729.2</b>

Wastewater Treatment DCC Rates (\$)				A
				City Wide
<b>Total DCC Project Costs</b>				<b>\$76,729,213</b>
<b>Adjustments:</b>				
Less: Carry Over (2022-01-01 Reserve Balances)				(\$7,428,153)
Sub-Total DCC Project Costs				\$84,157,366
Engineering/Administration				1.0% \$841,574
<b>Total DCC Rate Recoverable</b>				<b>\$84,998,940</b>
<b>Equivalent Units</b>				<b>17,810</b>
<b>DCC Per Equivalent Unit</b>				<b>\$4,772.42</b>
<b>DCC By Type of Development</b>				
<b>Type</b>	<b>Unit Measure</b>	<b>Equiv. Factor</b>	<b>DCC Per Unit</b>	
Residential 1	Dwelling Unit	100%	\$4,772.42	
Residential 2	Dwelling Unit	90%	\$4,314.16	
Residential 3	Dwelling Unit	67%	\$3,206.56	
Residential 4	Dwelling Unit	61%	\$2,921.64	
Carriage House	Dwelling Unit	38%	\$1,805.78	
Commercial	Square Metre	0.33%	\$15.80	
Institutional	Square Metre	0.33%	\$15.80	
Heavy Industrial	Hectare	555%	\$26,463.60	
Light Industrial	Square Metre	0.17%	\$7.90	

Appendix A – Rate Calculation | 54

		<b>CITY OF KELOWNA</b> <b>2040 DRAINAGE SERVICING PLAN &amp; FINANCING STRATEGY (2022)</b> <b>DCC CALCULATION (\$000s)</b>						<b>Net FOR DCC CALC'S</b>
		<b>Target Year</b>	<b>PROJECT</b>	<b>TOTAL CAPITAL COST</b> In \$000	<b>NON-DCC REVENUE SOURCES</b>			
<b>By Developer</b>	<b>Current Agreements</b>				<b>Benefit Existing</b>	<b>Net Benefit Growth</b>	<b>Municipal Assist Factor</b>	
			2.00%					
<b>DRAINAGE</b>								
2022-2026	Downtown Capacity and Habitat Improvements	\$5,887.0	\$0.0	\$0.0	\$4,415.3	\$1,471.8	\$29.4	\$1,442.3
2022-2026	Industrial Corridor Capacity Improvements	\$14,242.0	\$0.0	\$5,696.8	\$6,408.9	\$2,136.3	\$42.7	\$2,093.6
2022-2026	Mill Creek to Brandt's Creek Diversion	\$19,055.0	\$0.0	\$7,622.0	\$8,574.8	\$2,858.3	\$57.2	\$2,801.1
2022-2026	Mill Creek to Mission Creek Diversion Upgrades	\$12,638.0	\$0.0	\$5,055.2	\$5,687.1	\$1,895.7	\$37.9	\$1,857.8
2022-2026	YLW Mill Creek Capacity Upgrades	\$6,035.0	\$0.0	\$2,414.0	\$2,715.8	\$905.3	\$18.1	\$887.1
<b>SUBTOTAL - DRAINAGE</b>		<b>\$57,857.0</b>	<b>\$0.0</b>	<b>\$20,788.0</b>	<b>\$27,801.8</b>	<b>\$9,267.3</b>	<b>\$185.3</b>	<b>\$9,081.9</b>
<b>TOTAL - DRAINAGE</b>		<b>\$57,857.0</b>	<b>\$0.0</b>	<b>\$20,788.0</b>	<b>\$27,801.8</b>	<b>\$9,267.3</b>	<b>\$185.3</b>	<b>\$9,081.9</b>

Drainage DCC Rates (\$)			A
			City Wide
<b>Total DCC Project Costs</b>			<b>\$9,081,905</b>
<b>Adjustments:</b>			
Less: Carry Over (2022-01-01 Reserve Balances)			\$0
Sub-Total DCC Project Costs			\$9,081,905
Engineering/Administration			1.0% \$90,819
<b>Total DCC Rate Recoverable</b>			<b>\$9,172,724</b>
<b>Equivalent Units</b>			<b>13,060</b>
<b>DCC Per Equivalent Unit</b>			<b>\$702.33</b>
<b>DCC By Type of Development</b>			<b>DCC Per Unit</b>
<b>Type</b>	<b>Unit Measure</b>	<b>Equiv. Factor</b>	
Residential 1	Dwelling Unit	100%	\$702.33
Residential 2	Dwelling Unit	70%	\$491.63
Residential 3	Dwelling Unit	40%	\$280.93
Residential 4	Dwelling Unit	30%	\$210.70
Carriage House	Dwelling Unit	30%	\$210.70
Commercial	Square Metre	0.40%	\$2.81
Institutional	Square Metre	0.37%	\$2.60
Heavy Industrial	Hectare	750%	\$5,267.49
Light Industrial	Square Metre	0.30%	\$2.11

ACQUISITIONS		PARK TYPE	TOTAL CAPITAL COST	NON-DCC REVENUE SOURCES				Net FOR DCC CALC'S
				By Developer	Current Agreements	Benefit to Existing	Net Benefit Growth	
			In \$000					11.00%
<b>PARKLAND ACQUISITION</b>								
29 Hectares	City-Wide	99,904.0	\$0.00	\$0.00	\$0.00	\$99,904.0	\$10,989.4	\$88,914.6
5 Hectares	Community	19,606.0	\$0.00	\$0.00	\$0.00	\$19,606.0	\$2,156.7	\$17,449.3
23 Hectares	Linear	34,999.2	\$0.00	\$0.00	\$0.00	\$34,999.2	\$3,849.9	\$31,149.3
17 Hectares	Neighbourhood	63,754.7	\$0.00	\$0.00	\$0.00	\$63,754.7	\$7,013.0	\$56,741.7
24 Hectares	Recreation	24,460.0	\$0.00	\$0.00	\$0.00	\$24,460.0	\$2,690.6	\$21,769.4
<b>TOTAL - PARKLAND ACQUISITION</b>			<b>\$242,723.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$242,723.9</b>	<b>\$26,699.6</b>	<b>\$216,024.3</b>

Parkland Acquisition DCC Rates (\$)				A
				City Wide
<b>Total DCC Project Costs</b>				<b>\$216,024,267</b>
<b>Adjustments:</b>				
Less: Carry Over (2022-01-01 Reserve Balances)				\$35,428,144
Sub-Total DCC Project Costs				
	Engineering/Administration		1.0%	\$1,805,961
<b>Total DCC Rate Recoverable</b>				<b>\$182,402,083</b>
<b>Equivalent Units</b>				<b>21,879</b>
<b>DCC Per Equivalent Unit</b>				<b>\$8,337.04</b>
<b>DCC By Type of Development</b>				
Type	Unit Measure		Equiv. Factor	DCC Per Unit
Residential 1	Dwelling Unit		100%	\$8,337.04
Residential 2	Dwelling Unit		100%	\$8,337.04
Residential 3	Dwelling Unit		100%	\$8,337.04
Residential 4	Dwelling Unit		100%	\$8,337.04
Carriage House	Dwelling Unit		100%	\$8,337.04
Commercial	Square Metre		0.17%	\$13.80
Institutional	Square Metre		0.17%	Exempt
Heavy Industrial	Hectare		124%	\$10,296.46
Light Industrial	Square Metre		0.08%	\$6.90



ACQUISITIONS		PARK TYPE	TOTAL CAPITAL COST	NON-DCC REVENUE SOURCES				Net FOR DCC CALC'S	
				By Developer	Current Agreements	Ineligible / Benefit to Existing	Net Benefit Growth		Municipal Assist Factor
			In \$000					11.00%	
<b>PARK DEVELOPMENT</b>									
14 Hectares	City-Wide	55,180.0	-	-	\$15,467.0	\$39,713.0	\$4,368.4	\$35,344.6	
16 Hectares	Community	45,780.0	-	-	\$7,283.0	\$38,497.0	\$4,234.7	\$34,262.3	
27 Hectares	Linear	19,883.0	-	-	\$283.0	\$19,600.0	\$2,156.0	\$17,444.0	
9 Hectares	Neighbourhood	28,212.0	-	-	\$4,473.0	\$23,739.0	\$2,611.3	\$21,127.7	
27 Hectares	Recreation	66,695.0	-	-	\$29,811.0	\$36,884.0	\$4,057.2	\$32,826.8	
<b>TOTAL - PARK DEVELOPMENT</b>			<b>\$215,750.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$57,317.0</b>	<b>\$158,433.0</b>	<b>\$17,427.6</b>	<b>\$141,005.4</b>

Park Development DCC Rates (\$)		A
		City Wide
<b>Total DCC Project Costs</b>		<b>\$141,005,370</b>
<b>Adjustments:</b>		
Less: Carry Over (2022-01-01 Reserve Balances)		\$1,036,989
Sub-Total DCC Project Costs		\$139,968,381
Engineering/Administration	1.0%	\$1,399,684
<b>Total DCC Rate Recoverable</b>		<b>\$141,368,065</b>
<b>Equivalent Units</b>		<b>21,879</b>
<b>DCC Per Equivalent Unit</b>		<b>\$6,461.50</b>
<b>DCC By Type of Development</b>		
<b>Type</b>	<b>Unit Measure</b>	<b>Equiv. Factor      DCC Per Unit</b>
Residential 1	Dwelling Unit	100%      \$6,461.50
Residential 2	Dwelling Unit	100%      \$6,461.50
Residential 3	Dwelling Unit	100%      \$6,461.50
Residential 4	Dwelling Unit	100%      \$6,461.50
Carriage House	Dwelling Unit	100%      \$6,461.50
Commercial	Square Metre	0.17%      \$10.70
Institutional	Square Metre	0.17%      Exempt
Heavy Industrial	Hectare	124%      \$7,980.12
Light Industrial	Square Metre	0.08%      \$5.35

# APPENDIX B – STAKEHOLDER TOUCH POINTS

Stakeholder Engagement	Date
City/UDI DCC Working Group Meeting #1	Jan 20, 2020
Council Report – 20-Year Servicing Plan Update	Mar 16, 2020
City/UDI DCC Working Group Meeting #2	Jul 17, 2020
Council Report – 20-Year Servicing Plan – Water, Wastewater, Drainage	Aug 10, 2020
City/UDI DCC Working Group Meeting #3	Feb 19, 2021
Ministry of Municipal Affairs Meeting	Mar 3, 2021
SLT DCC Update #1	Apr 14, 2021
SLT DCC Update #2	July 22, 2021
Council Report - DCC Program Update (including proposed DCC rates)	Sep 13, 2021
City/UDI/CHBA Stakeholder Engagement meeting	Sep 17, 2021
Draft 20-Year Servicing Plan circulated to UDI	Oct 8, 2021
Letter to UDI - City response to questions	Dec 3, 2021
Letter to UDI - City response to questions	Dec 17, 2021
Ministry of Municipal Affairs Meeting	Dec 17, 2021
Letter to UDI – City response to questions	Jan 28, 2022
Letter to UDI – City response to questions #4	Feb 4, 2022
Letter to City – UDI’s feedback on DCC Update	Feb 16, 2022
UDI meeting with City Manager, Senior Leaders and staff	Mar 11, 2022
Letter to UDI – City response to UDI questions from Mar 11 meeting	Apr 29, 2022
Okanagan College meeting	Jun 17 <sup>th</sup> , 2022
City/UDI/CHBA stakeholder engagement meeting	July 18 <sup>th</sup> , 2022
University of British Columbia Okanagan	Jul 22 <sup>nd</sup> , 2022
Email to UDI/CHBA – City response to questions from Jul 18 <sup>th</sup> meeting	Aug 2 <sup>nd</sup> , 2022

## **APPENDIX C – AMENDED BYLAW**





City of  
**Kelowna**

# DCC Program Update

August 22<sup>nd</sup>, 2022



# Agenda

- ▶ Overview
- ▶ DCC Program Updates
- ▶ Proposed Rates
- ▶ Next Steps

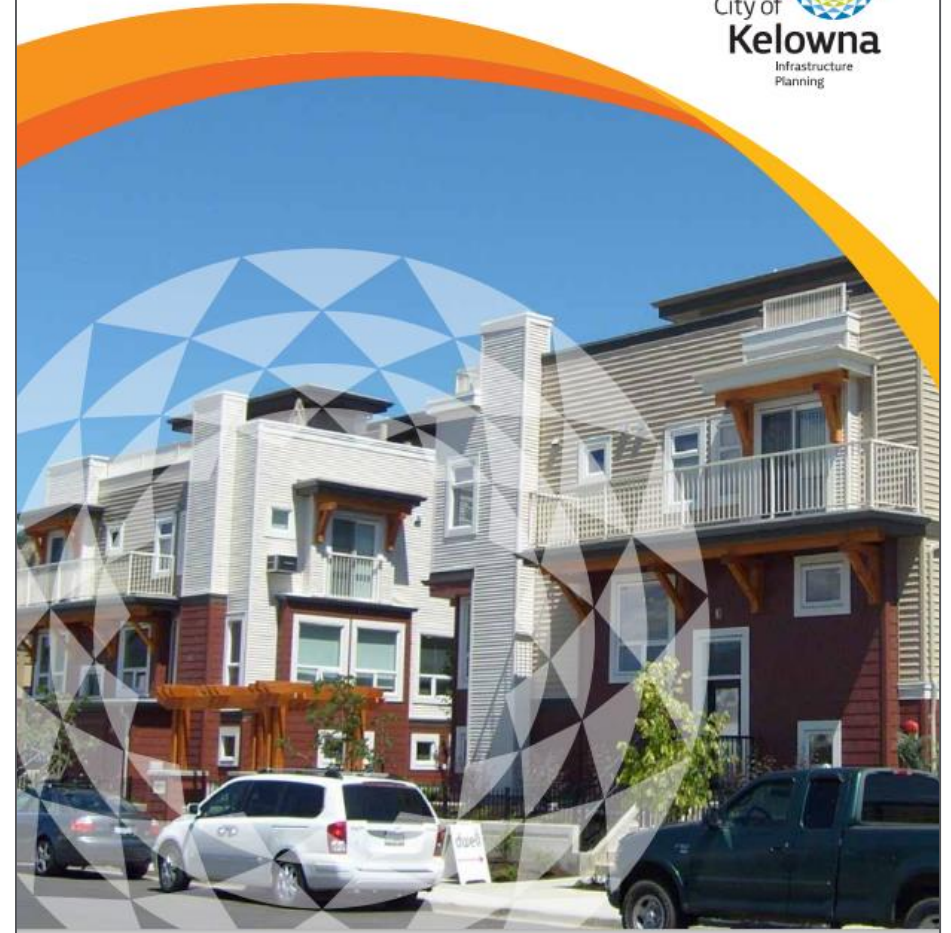


# DCC Program

- ▶ 20-Year Servicing Plan & Financing Strategy
- ▶ DCC Bylaw

20-Year Servicing Plan & Financing Strategy  
Development Cost Charge Rates

Effective June 13, 2011



CITY OF KELOWNA

2030 - 20 YEAR SERVICING PLAN  
AND FINANCING STRATEGY

# What Are DCCs?

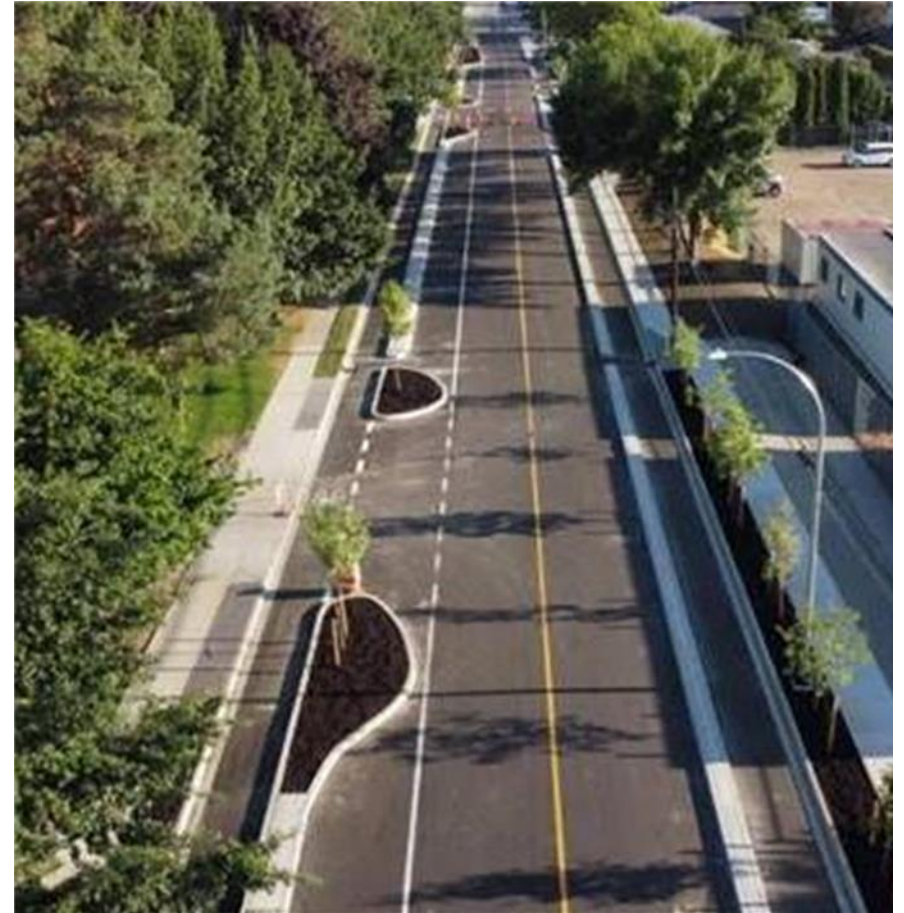
DCCs pay for the cost of expanding and upgrading the community's transportation, utility and park infrastructure to meet the needs and impacts of growth.

- ▶ DCCs are collected from developers at subdivision or building permit.
- ▶ DCCs are imposed by bylaw pursuant to the Local Government Act.
- ▶ DCCs facilitate development by providing a method to finance capital projects related to growth.
- ▶ Require approval from the Inspector of Municipalities.



# Eligible Infrastructure

- ▶ Transportation
- ▶ Sewage
- ▶ Water
- ▶ Drainage
- ▶ Parkland Acquisition & Improvement



# Ineligible Infrastructure

- ▶ Fire halls, police buildings,
- ▶ Recreation, cultural centers or libraries,
- ▶ City Hall, Works Yard,
- ▶ Arenas, sports field lighting, artificial turf, park buildings,
- ▶ Affordable housing,
- ▶ Childcare facilities,
- ▶ Operation & maintenance of City's infrastructure,
- ▶ New or upgraded works needed for the existing population.





# Why Update the DCC Program?

- ▶ Last DCC Program Update in 2019,
- ▶ Incorporate the impact of inflation on land & construction costs,
- ▶ Update the capital programs to reflect new 2040 OCP with 45,000 residents anticipated by 2040.
- ▶ Align transportation program with 2040 TMP,
- ▶ Update population data and how population & infrastructure demand is distributed across different development forms.

# DCC Update Objectives

- ▶ Infrastructure servicing plan & financial strategy to accommodate growth identified in 2040 OCP,
- ▶ Equitable approach that aligns with BC Best Practice Guide,
- ▶ Minimize rate increases,
- ▶ Simplify where possible and ensure transparency.



# Challenges & Big Moves



- ▶ Inflation since last update (2019)
  - ▶ >20% Construction
  - ▶ >40% Land
- ▶ New Storm Drainage DCC,
- ▶ Split Industrial category into Light and Heavy Industrial
- ▶ Secondary Suites and Carriage houses,
- ▶ Residential 5 category combined with Res 4,
- ▶ Parks Acquisition DCC for Commercial/Industrial,
- ▶ Shift to City wide DCC.



# Drainage DCC

## Existing Challenge:

- ▶ Program does not include Drainage DCC ,
- ▶ Urban core area planned for future development densification,
- ▶ Development increase runoff and demand on drainage system.

## Proposed Solution:

- ▶ Drainage DCC proposed to fund infrastructure along Mill Creek,
- ▶ DCC will be combined with DMAF grant & general revenue to fund project.





# Industrial DCC

## Existing Challenge:

- ▶ Kelowna Industrial DCC some of the lowest in province,
- ▶ Infrastructure demand based on land intensive industrial operations,
- ▶ Industrial type development shifting to 'light industrial'

## Proposed Solution:

- ▶ Split Industrial category in Light Industrial and Heavy Industrial,
- ▶ Heavy Industrial Category land intensive operations,
- ▶ Light Industrial calculated at 50% of Commercial DCC,
- ▶ Light/Heavy assessed based on Zoning Bylaw.



# Secondary Suites & Carriage Houses



## Existing Challenge:

- ▶ Secondary Suites & Carriage houses assessed \$2,500 flat rate DCC,
- ▶ Direct subsidy not permitted & flagged by Ministry,
- ▶ Does not accurately reflect infrastructure demand.

## Proposed Solution:

- ▶ Secondary suite not assessed DCC,
- ▶ Tax assist increased to match existing subsidy,
- ▶ Carriage houses assessed standalone DCC.



# Parks Acquisition DCC Commercial/Industrial

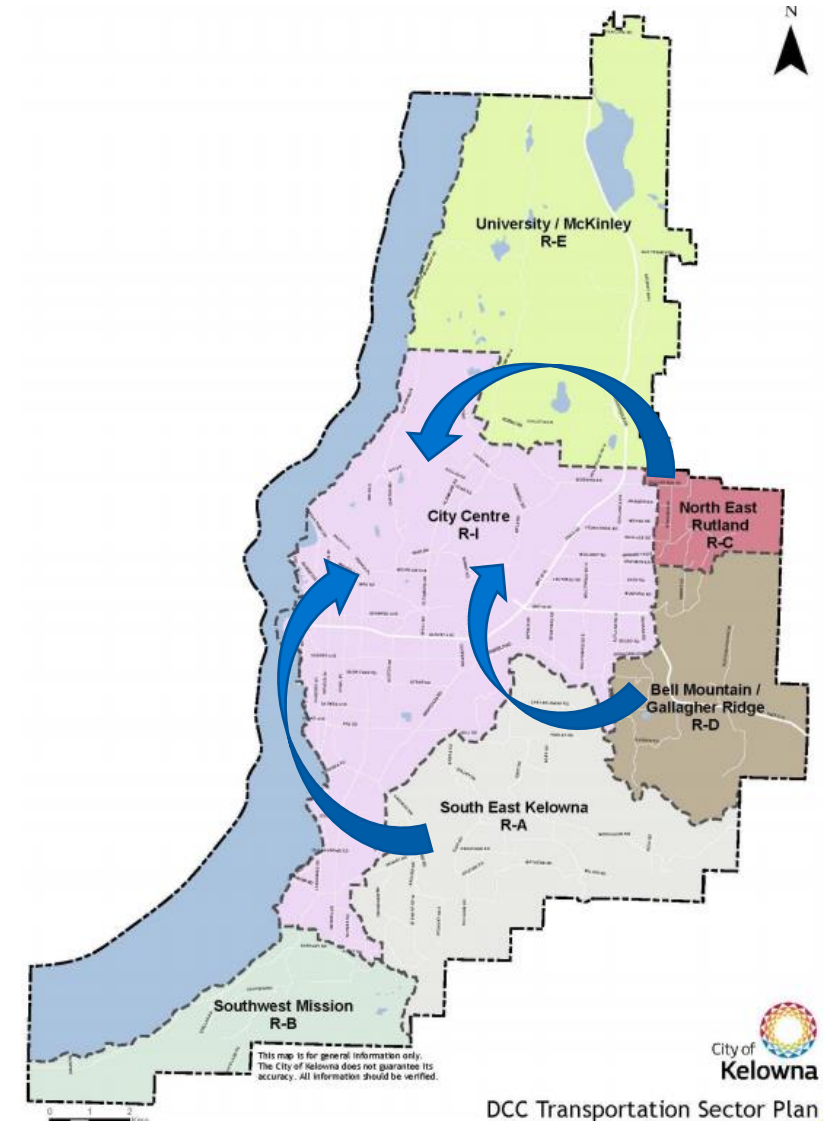
- ▶ Parks Development DCC added to DCC program in February 2020,
- ▶ Preferred scenario 'Model A – Full Implementation' included Commercial/Industrial Parks Acquisition DCC in Year 2.
- ▶ The has been added to the proposed DCC program.

**Table 1. Summary of Models for Parks Funding**

		Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation
<b>Parkland Acquisition</b>					
Existing DCCs	<i>Neighbourhood</i>	✓	✓	✗	✓
	<i>Community</i>	✓	✓	✓	✓
	<i>Recreation</i>	✓	✓	✓	✓
	<i>City-wide</i>	✓	✓	✓	✓
New Linear Parkland Acquisition DCCs			✓	✓	✓
New Commercial/Industrial Acquisition DCCs			Yr 2 ✓	Yr 2 ✓	Yr 2 ✓
5% Parkland dedication			✗	✓	✗
Reduce taxation assist to 1% + 3.4%					
Total Acquisition DCCs (per residential unit)		\$7,142	\$7,346	\$5,455	\$7,346
<b>Parkland Development</b>					
New DCCs	<i>Neighbourhood</i>		✓	✓	Yr 1 ✓
	<i>Community</i>		✓	✓	Yr 1 ✓
	<i>Recreation</i>		✓	✓	Yr 2 ✓
	<i>Linear</i>		✓	✓	Yr 2 ✓
	<i>City-wide</i>		✓	✓	Yr 3 ✓
New Commercial/Industrial Development DCCs			✓	✓	✓
Reduce taxation assist to 1% + 3.4%					

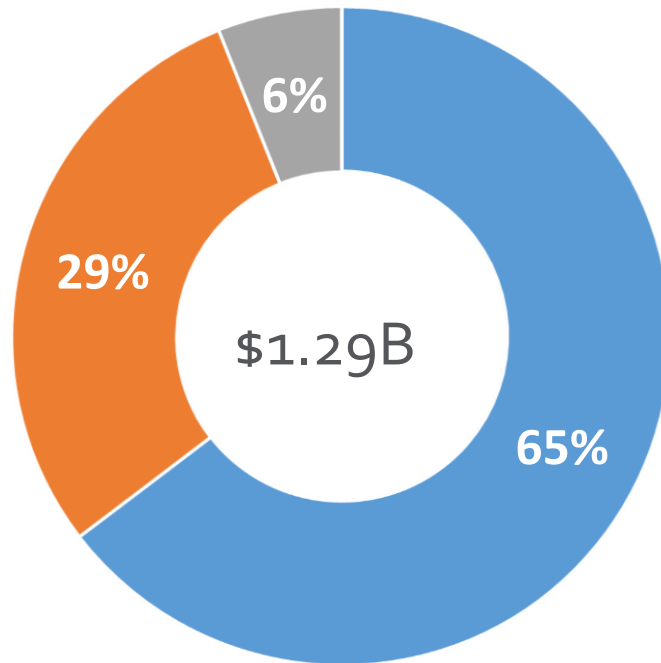
# DCC Sectors

- ▶ Water, Wastewater, Drainage & Parks assesses on a 'city-wide' DCC.
- ▶ Transportation has three sectors because of unique infrastructure needs.





# DCC Program

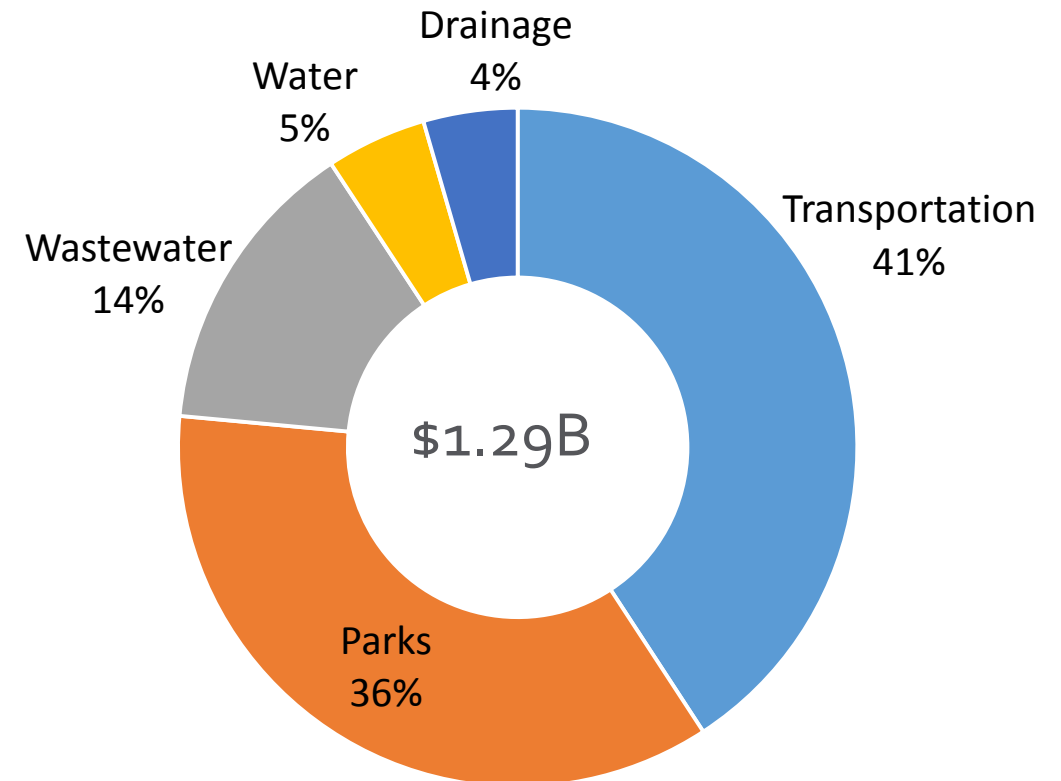


- DCC Recoverable
- Municipal Share
- Grant/Other

	Amount (\$ millions)
<b>Total Program</b>	<b>\$1,294</b>
DCC Recoverable	\$836
Municipal Share	\$380
Grant/Other	\$78

# DCC Services

	Amount (\$ millions)
<b>Total Program</b>	<b>\$1,294</b>
Transportation	\$528
Parks	\$462
Wastewater	\$184
Water	\$62
Drainage	\$58



# Municipal Assist Factor

## Municipal Assist Factors (%)

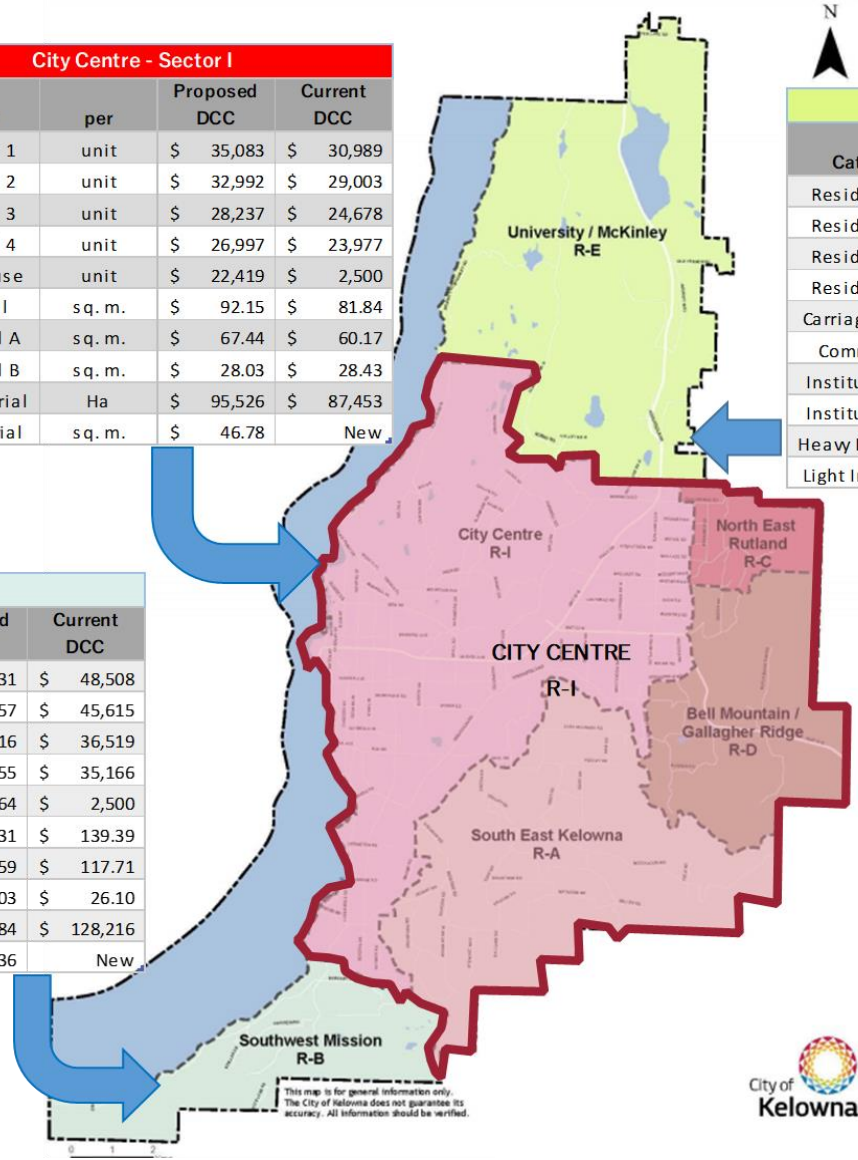
	Transportation	Water	Sewer	Drainage	Parks
<b>Base</b>	15%	1%	1%	1%	8%
<b>S. Suites</b>	1%	1%	1%	1%	3%
<b>Total</b>	<b>16%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>11%</b>

# Proposed DCC Rates

City Centre - Sector I			
Category	per	Proposed DCC	Current DCC
Residential 1	unit	\$ 35,083	\$ 30,989
Residential 2	unit	\$ 32,992	\$ 29,003
Residential 3	unit	\$ 28,237	\$ 24,678
Residential 4	unit	\$ 26,997	\$ 23,977
Carriage House	unit	\$ 22,419	\$ 2,500
Commercial	sq. m.	\$ 92.15	\$ 81.84
Institutional A	sq. m.	\$ 67.44	\$ 60.17
Institutional B	sq. m.	\$ 28.03	\$ 28.43
Heavy Industrial	Ha	\$ 95,526	\$ 87,453
Light Industrial	sq. m.	\$ 46.78	New

North of City Centre - Sector E			
Category	per	Proposed DCC	Current DCC
Residential 1	unit	\$ 41,800	\$ 33,147
Residential 2	unit	\$ 39,064	\$ 31,438
Residential 3	unit	\$ 32,750	\$ 26,410
Residential 4	unit	\$ 31,110	\$ 25,772
Carriage House	unit	\$ 24,960	\$ 2,500
Commercial	sq. m.	\$ 114.39	\$ 87.75
Institutional A	sq. m.	\$ 89.68	\$ 66.08
Institutional B	sq. m.	\$ 24.72	\$ 22.22
Heavy Industrial	Ha	\$ 109,047	\$ 86,097
Light Industrial	sq. m.	\$ 57.90	New

SW Mission - Sector B			
Category	per	Proposed DCC	Current DCC
Residential 1	unit	\$ 50,531	\$ 48,508
Residential 2	unit	\$ 46,957	\$ 45,615
Residential 3	unit	\$ 38,616	\$ 36,519
Residential 4	unit	\$ 36,455	\$ 35,166
Carriage House	unit	\$ 28,264	\$ 2,500
Commercial	sq. m.	\$ 143.31	\$ 139.39
Institutional A	sq. m.	\$ 118.59	\$ 117.71
Institutional B	sq. m.	\$ 28.03	\$ 26.10
Heavy Industrial	Ha	\$ 133,684	\$ 128,216
Light Industrial	sq. m.	\$ 72.36	New



\* Most of Sector E not serviced by City water so charges assume no water DCC. Service provided by others.



This map is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified.



# Stakeholder Engagement

- ▶ Met with UDI many times over the last two years,
- ▶ Also met with CHBA, UBCO and Okanagan College.
- ▶ Remaining concerns:
  - ▶ *Secondary Suites and how the subsidy is now shown as part of the municipal assist.*
  - ▶ *Historic accounting of the municipal assist amount & how it did not align with best practice.*
  - ▶ *The shift from sector based to city wide for water infrastructure is inequitable to Sector B development.*
  - ▶ *The DCC increase negatively affects housing affordability.*

# Housing affordability & DCCs

- ▶ Residential DCCs represent only a small (3–5%) of the purchase price.
- ▶ DCC facilitate housing supply by providing core infrastructure.
- ▶ DCCs as a percentage of housing price are equal to or less than what they were 10-years ago.

	2010	2022
<b>Single Family Home</b>		
Inner Core	4.30%	2.86%
Southwest Mission	5.03%	3.27%
North of Inner City	3.83%	2.43%
<b>Apartment (mid-high rise)</b>		
Inner Core	5.12%	5.07%
Southwest Mission	N/A	N/A
North of Inner City	5.60%	5.42%

# Proposed DCC increases are lower than DCC Updates in Other Jurisdictions

City	Year	Rate Adjustment
Metro Vancouver Sewerage	Proposed	+85%
Regional District of Nanaimo	Proposed	+39%
City of Coquitlam	Proposed	+33%
District of North Vancouver	2018	+40% to +80%
City of Markham	2022	+44%
District of Langley	2020	+80%
City of Toronto, ON	2018	+85%
	2022	+45%
City of Vancouver	2017	+25%
	2022	+25%

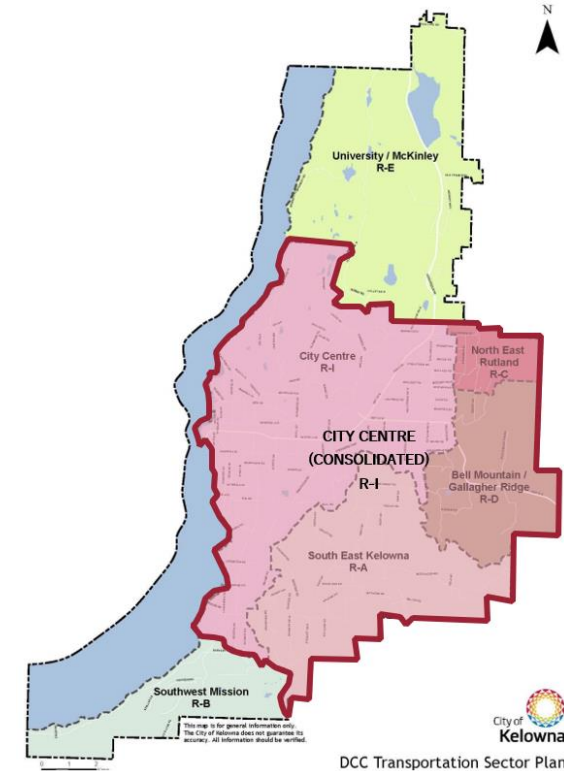
# DCC Rate Comparison: Residential 1 – Inner City

## Kelowna Rates

Scenario	Current	Proposed	Increase
\$/unit	\$30,989	\$35,083	\$4,095 (13%)

## Comparator Rates

Municipality	\$/ Unit
Langley Township (2022)*	\$57,603
Coquitlam (2022 proposed)*	\$69,669
Surrey (2022)*	\$57,842
Richmond (2019)*	\$49,937
Vernon (2020)	\$20,168
Kamloops (2020)	\$12,275





# DCC Rate Comparison: Residential 4 – Inner City

## Kelowna Rates

Scenario	Current	Proposed	Increase
\$/unit	\$23,977	\$26,997	\$3,020 (13%)

## Comparator Rates

Municipality	\$/ Unit
Langley Township (2022)*	\$32,470
Surrey (2022)*	\$32,132
Coquitlam (2022 proposed)*	\$28,517
Richmond (2019)*	\$20,309
Vernon (2020)	\$10,656
Kamloops (2020)	\$5,022



# DCC Rate Comparison: Commercial – Inner City

## Kelowna Rates

Scenario	Current	Proposed	Increase
\$/Square meter	\$81.84	\$92.15	\$10.31 (12%)

## Comparator Rates

Municipality	\$/ Square meter
Richmond (2019)*	\$180.49
Langley Township (2022)*	\$164.05
Surrey (2022)*	\$160.45
Coquitlam (2022 proposed)*	\$117.86
Kamloops (2020)	\$72.05
Vernon (2020)	\$45.79



# DCC Rate Comparison: Light Industrial (new) - Inner City

## Kelowna Rates

Scenario	Current <sup>1</sup>	Proposed	Increase
\$/Square meter	\$25.72	\$46.78	\$21.06 (82%)

## Comparator Rates

Municipality	\$/ Square meter
Richmond (2019)*	\$134.20
Langley Township (2022)*	\$103.21
Kamloops (2020)	\$88.33
Surrey (2022)*	\$76.65
Coquitlam (2022 proposed)*	\$64.53
Vernon (2020)	\$44.78



# DCC Rate Comparison: Heavy Industrial - Inner City

## Kelowna Rates

Scenario	Current	Proposed	Increase
\$/Hectare	\$87,453	\$95,526	\$8,073 (9%)

## Comparator Rates

Municipality	\$/ Hectare
Langley Township (2022)*	\$361,252
Kamloops (2020)	\$309,168
Surrey (2022)*	\$268,267
Coquitlam (2022 proposed)*	\$225,852
Vernon (2020)	\$156,742
Richmond (2019)*	\$108,814





# Implementation

- ▶ DCC Bylaw (12420) sets out charges,
- ▶ DCC Reserve Reduction Bylaw (12419) necessary to drawdown existing reserve balances of consolidated sectors.



# In-Stream Protection

- ▶ New DCC rates will be effective at bylaw adoption,
- ▶ Legislation provides one-year grace period for in-stream applications\*
  - ▶ Building permit applications,
  - ▶ Subdivision applications.

*\* Applications must be complete & received prior to adoption of the new bylaw.*

# Borrowing

- ▶ Wastewater anaerobic Digester will require borrowing to front-end this large investment (\$78 million),
- ▶ Project planned for 2030 but still requires additional pre-design work,
- ▶ Ministry requires Council resolution for inclusion of interest on the amount borrowed in the DCC rate calculations,
- ▶ DCC Bylaw will be amended if the strategy of solids management changes.

# Final Thoughts

- ▶ DCC program services expected growth to 2040 & aligns with OCP, TMP and Zoning Bylaw,
- ▶ DCC update achieves a balanced approach with new development funding growth related infrastructure,
- ▶ Key cost drivers (land and construction) are beyond City's control,
- ▶ DCC increases were minimized, and
- ▶ DCC program is understandable, transparent & aligns with best practice.



*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).



# CITY OF KELOWNA

## BYLAW NO. 12420

### Development Cost Charge Bylaw

---

WHEREAS a local government may, by bylaw, impose development cost charges;

AND WHEREAS development cost charges may be imposed for the purpose of providing funds to assist the municipality in paying the capital cost of providing, constructing, altering, or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities and providing parkland and improving parkland, to serve directly or indirectly, the development in respect of which the charges are imposed;

AND WHEREAS the Council of the City of Kelowna has considered the matters referred to in section 564(4) of the Local Government Act;

AND WHEREAS in the opinion of the Council, the charges imposed by this Bylaw are related to capital costs attributable to projects included in the City's financial plan, and projects consistent with the City's Official Community Plan.

NOW THEREFORE the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

#### PART 1 – SHORT TITLE

1.1 This bylaw may be cited for all purposes as "Kelowna Development Cost Charge Bylaw No. 12420".

#### PART 2 - DEFINITIONS

2.1 For the purpose of this bylaw, words and phrases that are not defined in this section shall have the meaning assigned to them in the *Local Government Act*.

2.2 In this bylaw:

**"Building"** means any **construction** used or intended for supporting or sheltering any use or occupancy and includes a mobile home.

**"Commercial"** means any use in any of the following **Zones**, except for Residential Dwelling Units and Airports, as defined by the **Zoning Bylaw**, in the CD<sub>12</sub> Zone:

- C<sub>1</sub> – Local & Neighbourhood Commercial
- C<sub>2</sub> – Vehicle Orientated Commercial
- CA<sub>1</sub> – Core Area Mixed Use
- VC<sub>1</sub> – Village Centre
- UC<sub>1</sub> – Downtown Urban Centre
- UC<sub>2</sub> – Capri-Landmark Urban Centre
- UC<sub>3</sub> – Midtown Urban Centre
- UC<sub>4</sub> – Rutland Urban Centre
- UC<sub>5</sub> – Padosy Urban Centre
- CD<sub>12</sub> – Airport
- CD<sub>17</sub> – Mixed Use Commercial – High Density
- CD<sub>18</sub> – McKinley Beach Resort

CD20 – University  
CD22 – Central Green  
CD 26 - Capri Centre  
HD2 - Residential and Health Support Services

**"Carriage House"** means a **Residential Dwelling Unit** that is authorized as a Carriage Housing under the **Zoning Bylaw**.

**"Construction"** includes building, erection, installation, repair, alteration, addition, enlargement, moving, locating, relocating, reconstruction, demolition, removal, excavation, or shoring.

**"Floor Area"** means the sum of the horizontal areas of each floor of a building measured from the face of the exterior walls, except motor vehicle and bicycle parking.

**"Group Home"** means a Group Home as defined in the **Zoning Bylaw**.

**"Heavy Industrial"** means any use, other than Residential Dwelling Units, in the I3 – Heavy Industrial Zone or the I4 – Natural Resource Extraction Zone, and also includes Airports, as defined by the **Zoning Bylaw**, in the CD12 Zone.

**"Light Industrial"** means any use, other than Residential Dwelling Units, in the I1 – Business Industrial Zone or the I2 – General Industrial Zone.

**"Institutional A"** means any use, other than Residential Dwelling Units or Institutional B uses, in any of the following **Zones**:

P1 – Major Institutional  
P2 – Education and Minor Institutional  
P3 – Parks and Open Space  
P4 – Utilities  
P5 – Municipal District Park  
HD1 – Kelowna General Hospital

**"Institutional B"** means schools up to Grade 12, dormitories for post-Secondary schools located on a post-Secondary school campus, and Group Homes in any of the **zones** included in the definition of Institutional A uses.

**"Lot"** means a Lot as defined in the **Zoning Bylaw**.

**"Residential Dwelling Unit"** means one or more habitable rooms with self-contained sleeping, living, cooking and sanitary facilities and direct access to the open air without passing through any other similar unit, and includes a mobile home as defined in the **Zoning Bylaw**, but does not include a Secondary Suite as defined by the **Zoning Bylaw**.

**"Residential 1"** means all Single Residential Lots larger than 375 square metres, regardless of density, and any other developments with a density of not more than 15 residential dwelling units per hectare.

**"Residential 2"** means developments with a density greater than 15 and less than or equal to 35 residential dwelling units per hectare.

**"Residential 3"** means developments with a density greater than 35 and less than or equal to 85 residential dwelling units per hectare.

**"Residential 4"** means developments with a density greater than 85 residential dwelling units per hectare.

**"Seasonal Agricultural Commercial"** means a seasonal (no more than 6 months per year) commercial development in an agricultural zone, including but not limited to seasonal fruit and vegetable sales, seasonal agricultural tourism business.

**"Seasonal Agricultural Industrial"** means a seasonal (no more than 6 months per year) industrial development in an agricultural zone, including but not limited to seasonal fruit and vegetable processing.

**"Single Residential Lot"** means a Lot on which Single Detached Housing is a permitted use, and which is zoned Agriculture or Rural Residential under Section 10 of the **Zoning Bylaw**, or an RU Zone under Section 11 of the Zoning Bylaw.

**"Site Area"** means the gross area of the site that is proposed for development in the building permit application.

**"Zone(s)"** means the areas into which the City is divided in accordance with the **Zoning Bylaw**.

**"Zoning Bylaw"** means the City of Kelowna Zoning Bylaw No. 12375 as amended and updated from time to time.

#### PART 3 – IMPOSITION of DEVELOPMENT COST CHARGES

- 3.1 Development Cost Charges for the purpose of providing funds to assist with each of the services set out in Schedule A, attached to and forming part of this bylaw, including providing and improving parkland, are hereby imposed on every person who obtains:
- (a) approval of a subdivision creating at least one additional **Single Residential Lot**, or
  - (b) a building permit for any additional **Residential Dwelling Unit(s)**, or any additional **floor area** for a **Commercial, Light Industrial, Institutional A** or **Institutional B** use
  - (c) a building permit involving additional **Site Area** for **Heavy Industrial** or **Seasonal Agricultural Industrial** uses.
- 3.2 Development Cost Charges imposed under section 3.1(a) must be paid before the approval of the subdivision plan, and Development Cost Charges under section 3.1(b) must be paid before the building permit is issued.

#### PART 4 – CALCULATION OF APPLICABLE CHARGES

- 4.1 The amount of development cost charges payable shall be calculated in accordance with Schedule A, as follows:
- (a) in the case of a subdivision, development cost charges for each of the services shown in Schedule A shall be the product of the number of additional **Lots** times the relevant amounts for the use in question, all as shown in Schedule A,
  - (b) in the case of a building permit for additional **Floor Area**, development cost charges shall be the product of the total **Floor Area** shown in the building permit plans, in square metres, times the relevant amounts for the use in question, all as shown in Schedule A,

(c) in the case of a building permit involving additional **Site Area**, development cost charges shall be the product of the **Site Area** shown in the building permit plans, in hectares, times the relevant amounts for the use in question, all as shown in Schedule A.

4.2 Despite section 3.1(b), if the total **Floor Area** shown in the building permit plans is 93 square metres or less, the development cost charges for that Floor Area shall be 93 times the relevant amounts shown in Schedule A.

4.3 Despite section 3.1(c), if the **Site Area** shown in the building permit plans is 0.405 hectare or less, the development cost charges for that Site Area shall be 0.405 times the relevant amounts shown in Schedule A.

4.4 For the purpose of calculating the amount of development cost charges payable for Roads, the boundaries of the Sectors referred to in Schedule A as "South Mission", "North of Inner City" and "Main City / Common" are shown on the map attached to and forming part of this bylaw as Schedule B.

4.5 For certainty, in the case of a development that includes **Residential Dwelling Units**, the amount of development cost charges for those units shall be added to the development cost charges payable in relation to any additional floor area for any other use.

#### PART 5 – REPEAL AND EFFECTIVE DATE

5.1 "Kelowna Development Cost Charge Bylaw No. 15015", and all amendments thereto, are hereby repealed.

5.2 This bylaw shall come into full force and effect and be binding on all persons as of the date of adoption.

Read a first, second and third time by the Municipal Council this

Approved by the Inspector of Municipalities this

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

**Schedule 'A'**

<u>Land Use</u>	<u>Residential 1</u>	<u>Residential 2</u>	<u>Residential 3</u>	<u>Residential 4</u>	<u>Carriage House</u>	<u>Commercial</u>	<u>Light Industrial</u>	<u>Heavy Industrial</u>	<u>Institutional A</u>	<u>Institutional B</u>	<u>Seasonal Agricultural Industrial</u>	<u>Seasonal Agricultural Commercial</u>
Single-detached Residential or Units/Ha <= 15	15 < Units/Ha <= 35	35 < Units/Ha <= 85	85 < Units/Ha			minimum charge 93 sq. mtr. (\$/m <sup>2</sup> Floor Area)	minimum charge 93 sq. mtr. (\$/m <sup>2</sup> Floor Area)	minimum charge 0.405 hecare (\$/Hectare Site Area)	minimum charge 93 sq. mtr. (\$/m <sup>2</sup> Floor Area)	minimum charge 93 sq. mtr. (\$/m <sup>2</sup> Floor Area)	minimum charge 0.405 hecare (\$/Hectare Site Area)	minimum charge 93 sq. mtr. (\$/m <sup>2</sup> Floor Area)
	(\$/Lot or Unit)	(\$/Lot or Unit)	(\$/Lot or Unit)	(\$/Unit)	(\$/Unit)							

**SERVICES**

**Sector**

**ROADS**

South Mission	R-B	27,352	24,725	18,378	16,745	10,349	90.57	45.28	67,560	90.57	Exempt	33,780	45.28
North of Main City	R-E	19,619	17,735	13,182	12,011	7,423	64.96	32.48	48,460	64.96	Exempt	24,230	32.48
Main City/Common	R-I	11,903	10,760	7,998	7,287	4,504	39.42	19.71	29,402	39.42	Exempt	14,701	19.71

**WATER**

City-Wide	W-A	998	903	671	611	378	3.31	1.65	5,536	3.31	3.31	2,768	1.65
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**WASTEWATER TRUNKS**

City-Wide	S-A	1,908	1,725	1,282	1,168	722	6.32	3.16	10,580	6.32	6.32	5,290	3.16
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**WASTEWATER TREATMENT**

City-Wide	T-A	4,772	4,314	3,207	2,922	1,806	15.80	7.90	26,464	15.80	15.80	13,232	7.90
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**DRAINAGE**


City-Wide	D-A	702	492	281	211	211	2.81	2.11	5,267	2.81	2.81	2,634	1.40
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**PARKS**




Parkland Acquisition	P-A	8,337	8,337	8,337	8,337	8,337	13.80	6.90	10,296	Exempt	Exempt	5,148	6.90
Park Development	P-D	6,462	6,462	6,462	6,462	6,462	10.70	5.35	7,980	Exempt	Exempt	3,990	5.35

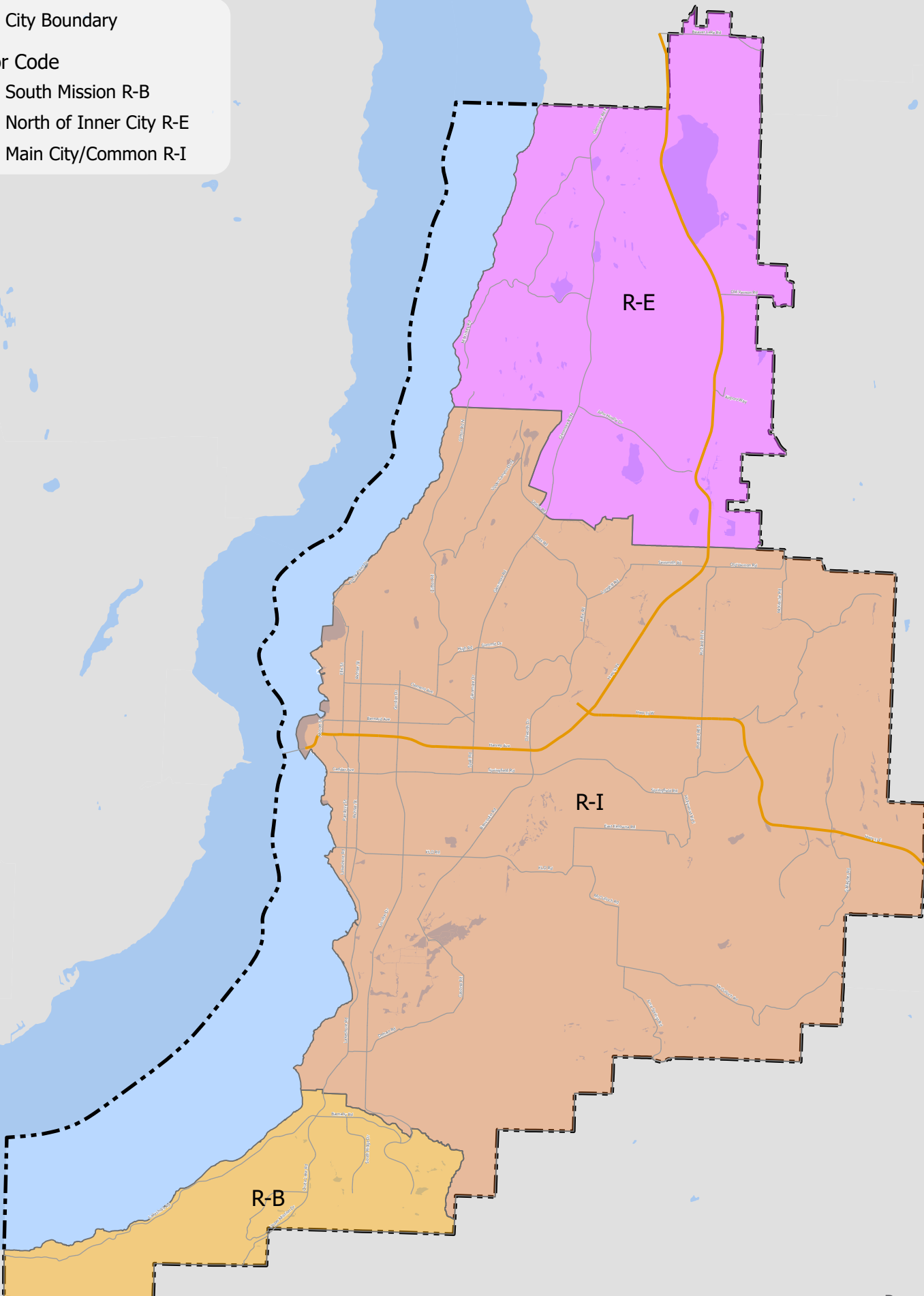



## Schedule 'B'

 City Boundary


Sector Code

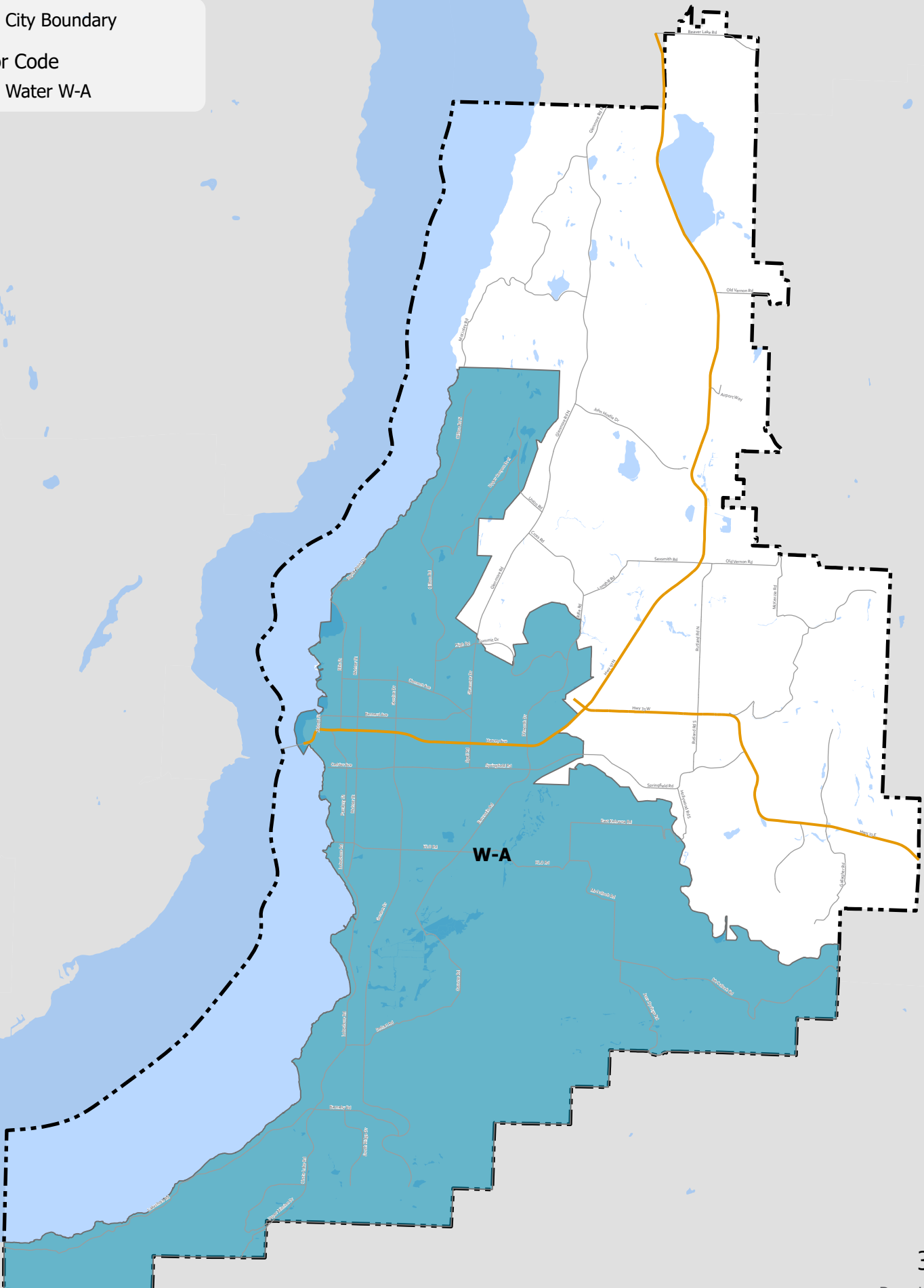
-  South Mission R-B
-  North of Inner City R-E
-  Main City/Common R-I



 City Boundary

Sector Code

 Water W-A

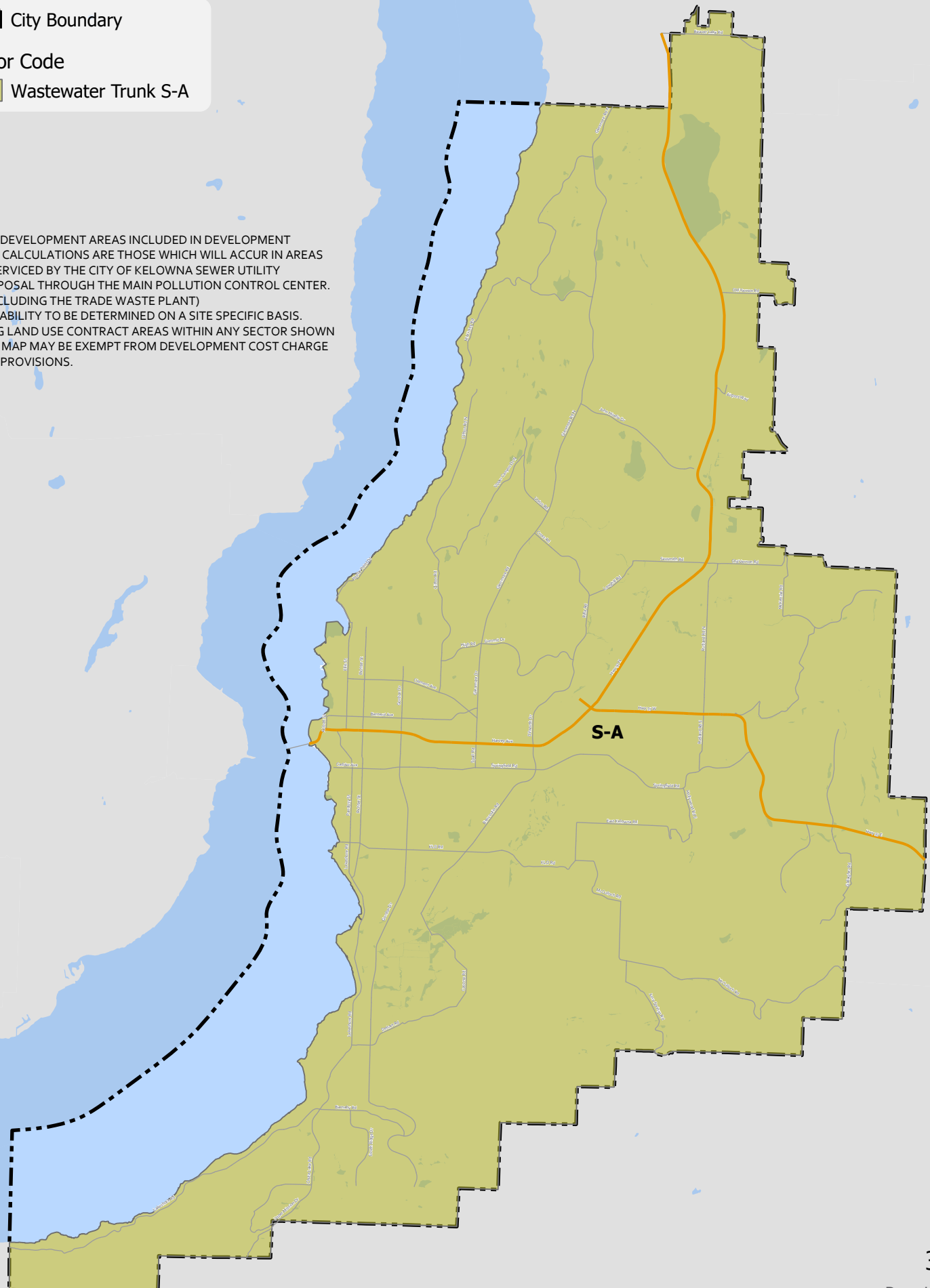


City Boundary

Sector Code

Wastewater Trunk S-A

NOTES:  
 FUTURE DEVELOPMENT AREAS INCLUDED IN DEVELOPMENT CHARGE CALCULATIONS ARE THOSE WHICH WILL ACCUR IN AREAS TO BE SERVICED BY THE CITY OF KELOWNA SEWER UTILITY FOR DISPOSAL THROUGH THE MAIN POLLUTION CONTROL CENTER. (NOT INCLUDING THE TRADE WASTE PLANT)  
 SERVICEABILITY TO BE DETERMINED ON A SITE SPECIFIC BASIS.  
 EXISTING LAND USE CONTRACT AREAS WITHIN ANY SECTOR SHOWN ON THIS MAP MAY BE EXEMPT FROM DEVELOPMENT COST CHARGE BY-LAW PROVISIONS.

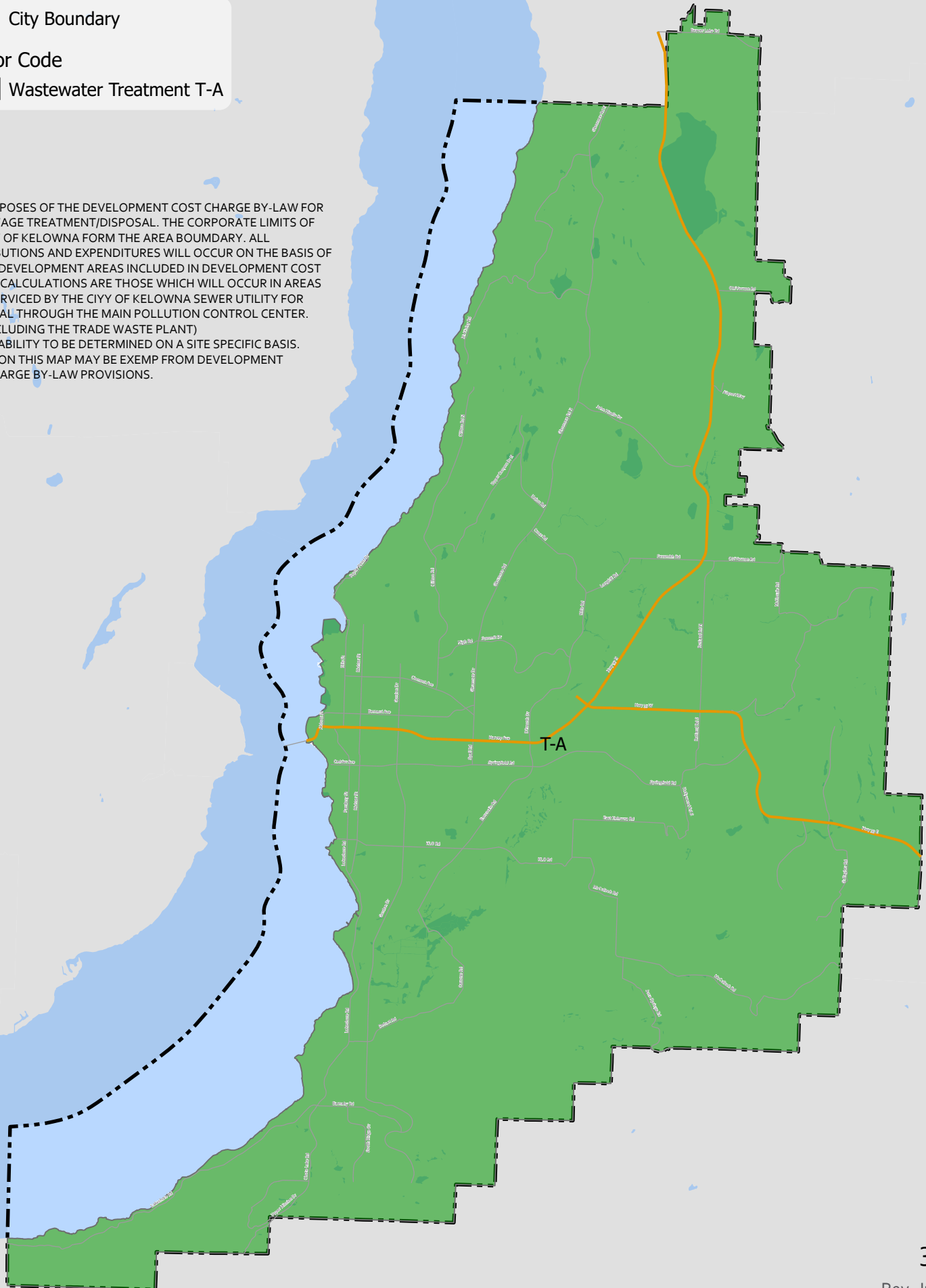


City Boundary

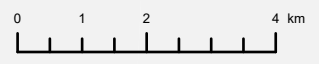
Sector Code


Wastewater Treatment T-A

NOTES:  
 FOR PURPOSES OF THE DEVELOPMENT COST CHARGE BY-LAW FOR THE SEWAGE TREATMENT/DISPOSAL, THE CORPORATE LIMITS OF THE CITY OF KELOWNA FORM THE AREA BOUNDARY. ALL CONTRIBUTIONS AND EXPENDITURES WILL OCCUR ON THE BASIS OF FUTURE DEVELOPMENT AREAS INCLUDED IN DEVELOPMENT COST CHARGE CALCULATIONS ARE THOSE WHICH WILL OCCUR IN AREAS TO BE SERVICED BY THE CIYY OF KELOWNA SEWER UTILITY FOR DISPOSAL THROUGH THE MAIN POLLUTION CONTROL CENTER. (NOT INCLUDING THE TRADE WASTE PLANT) SERVICEABILITY TO BE DETERMINED ON A SITE SPECIFIC BASIS. SHOWN ON THIS MAP MAY BE EXEMP FROM DEVELOPMENT COST CHARGE BY-LAW PROVISIONS.




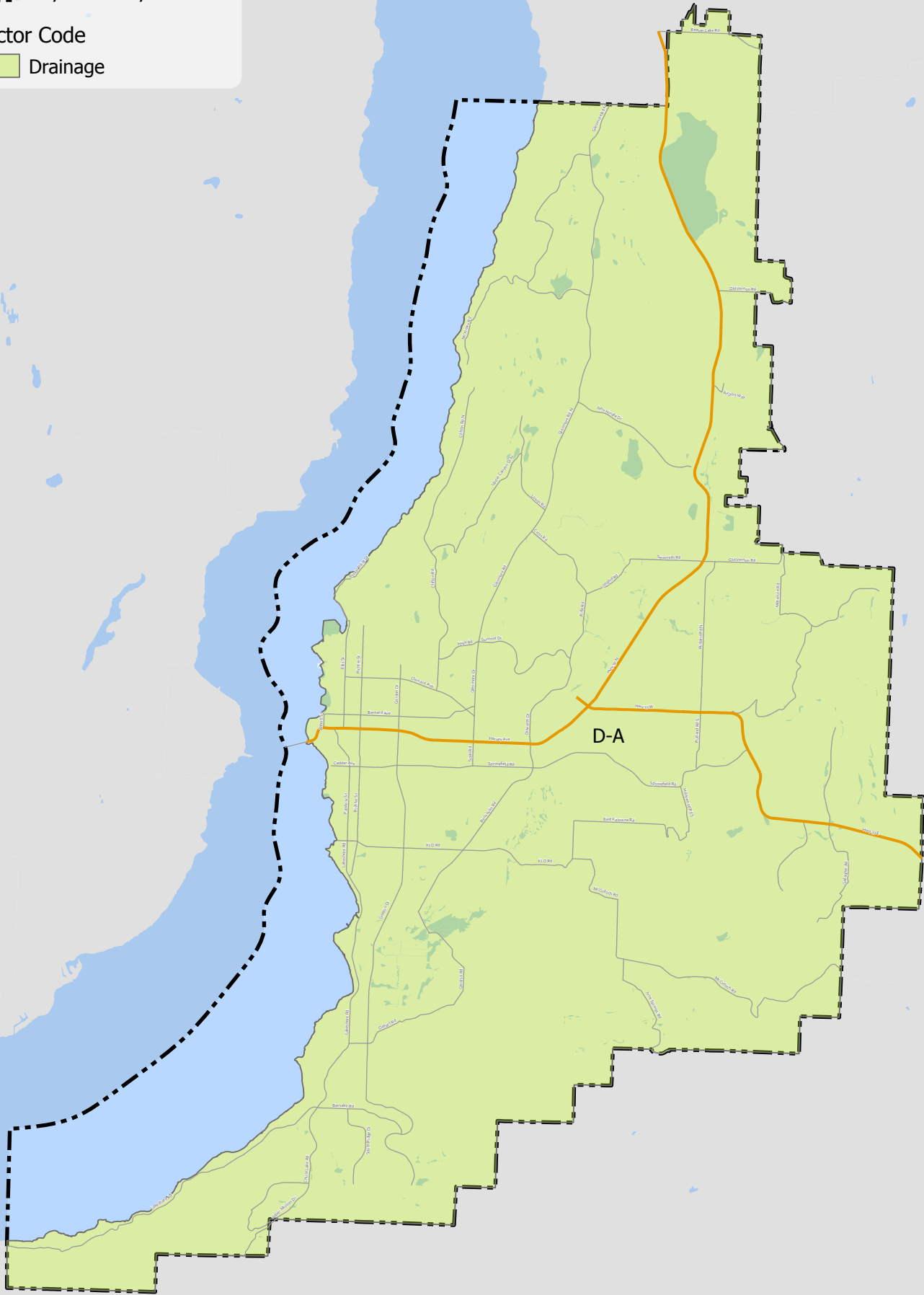





 City Boundary

Sector Code


 Drainage

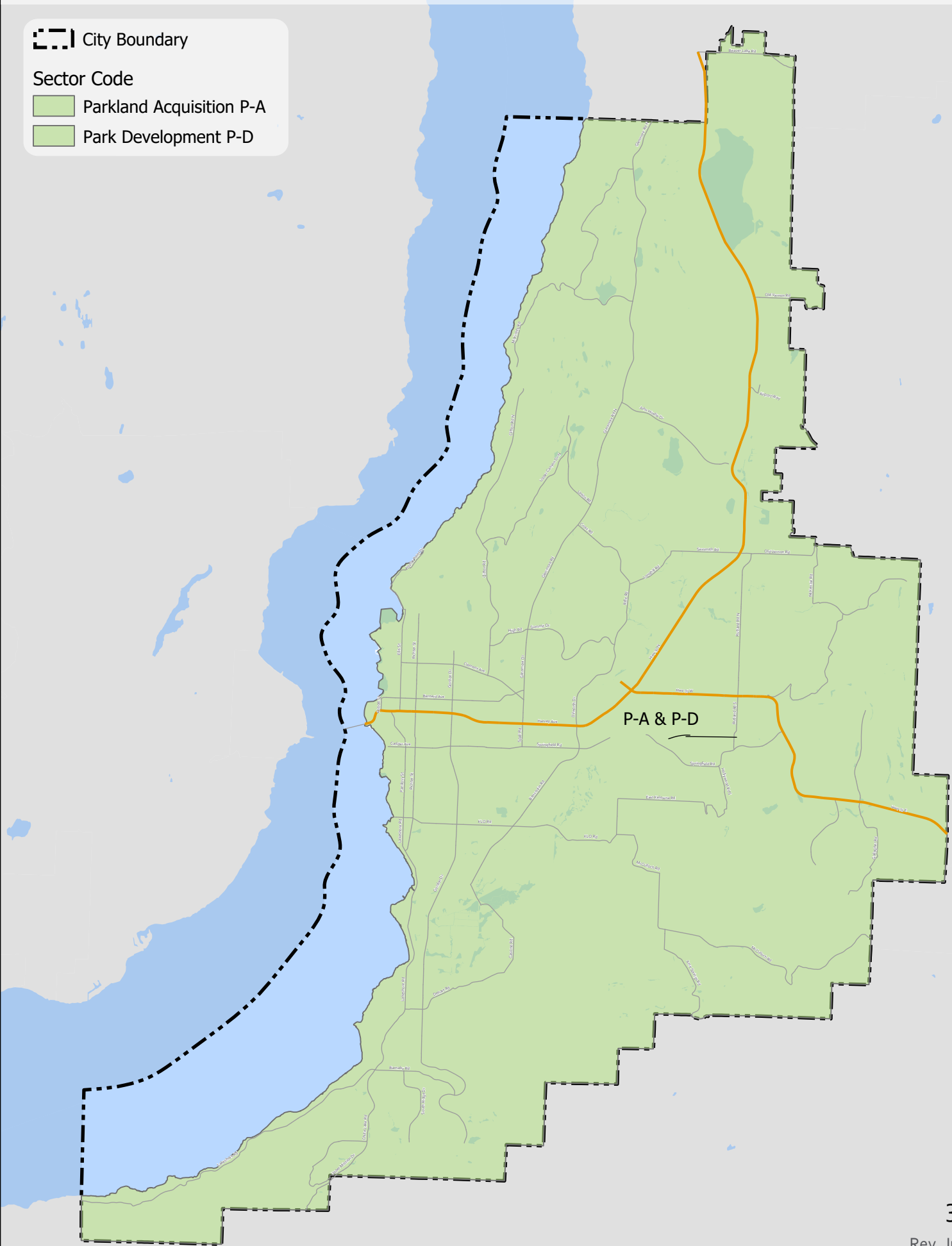


D-A

 City Boundary

Sector Code

-  Parkland Acquisition P-A
-  Park Development P-D



# CITY OF KELOWNA

## BYLAW NO. 12419

### Development Cost Charge Reserve Reduction Bylaw

WHEREAS Development Cost Charge Reserve Reduction Bylaw No. 12419 is for the purpose of drawing down existing sector-specific Development Cost Charge reserves and does not impose development cost charges;

AND WHEREAS the Development Cost Charge revenue previously collected in sector reserves must be used for the purpose for which it was collected and must be drawn down to zero;

AND WHEREAS Kelowna Development Cost Charge Bylaw No. 12420 imposes development cost charges pursuant to the Local Government Act;

NOW THEREFORE the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

#### PART 1 – SHORT TITLE

- 1.1 This bylaw may be cited for all purposes as “Development Cost Charge Reserve Reduction Bylaw No. 12419”.

#### PART 3 – IMPOSITION OF DEVELOPMENT COST CHARGES

- 3.1 There are no development cost charges imposed as part of this bylaw, as shown in Schedule A attached to and forming part of this bylaw.
- 3.2 This bylaw is in effect until repealed. The City of Kelowna will submit a bylaw to repeal this bylaw once the reserves are drawn down to zero.
- 3.3 Development cost charges are imposed in accordance with Kelowna Development Cost Charge Bylaw No. 12420.
- 3.4 The reserves to be drawn down are provided in the table below and their geographically areas shown in Schedule B, attached to and forming part of this bylaw:

Service	Sector	Assessment Area Methodology	Balance (\$)	Reserve No.
Roads	SE Kelowna R-A	Specified Area	5,394,256.89	R741
Roads	NE of Inner City R-C	Specified Area	651,936.86	R743
Roads	North of Hwy 33 R-D	Specified Area	289,613.16	R744
Water	Inner City W-A	Specified Area	18,316,190.28	R701
Water	South Mission W-B	Specified Area	0.00	R702
Water	Clifton/Glenmore W-D	Specified Area	1,009,649	R704
Wastewater Trunks	Inner City S-A	Specified Area	4,034,610.21	R721
Wastewater Trunks	South Mission S-B	Specified Area	1,198,628.62	R730

This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this

Approved by the Inspector of Municipalities this

Adopted by the Municipal Council of the City of Kelowna this

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

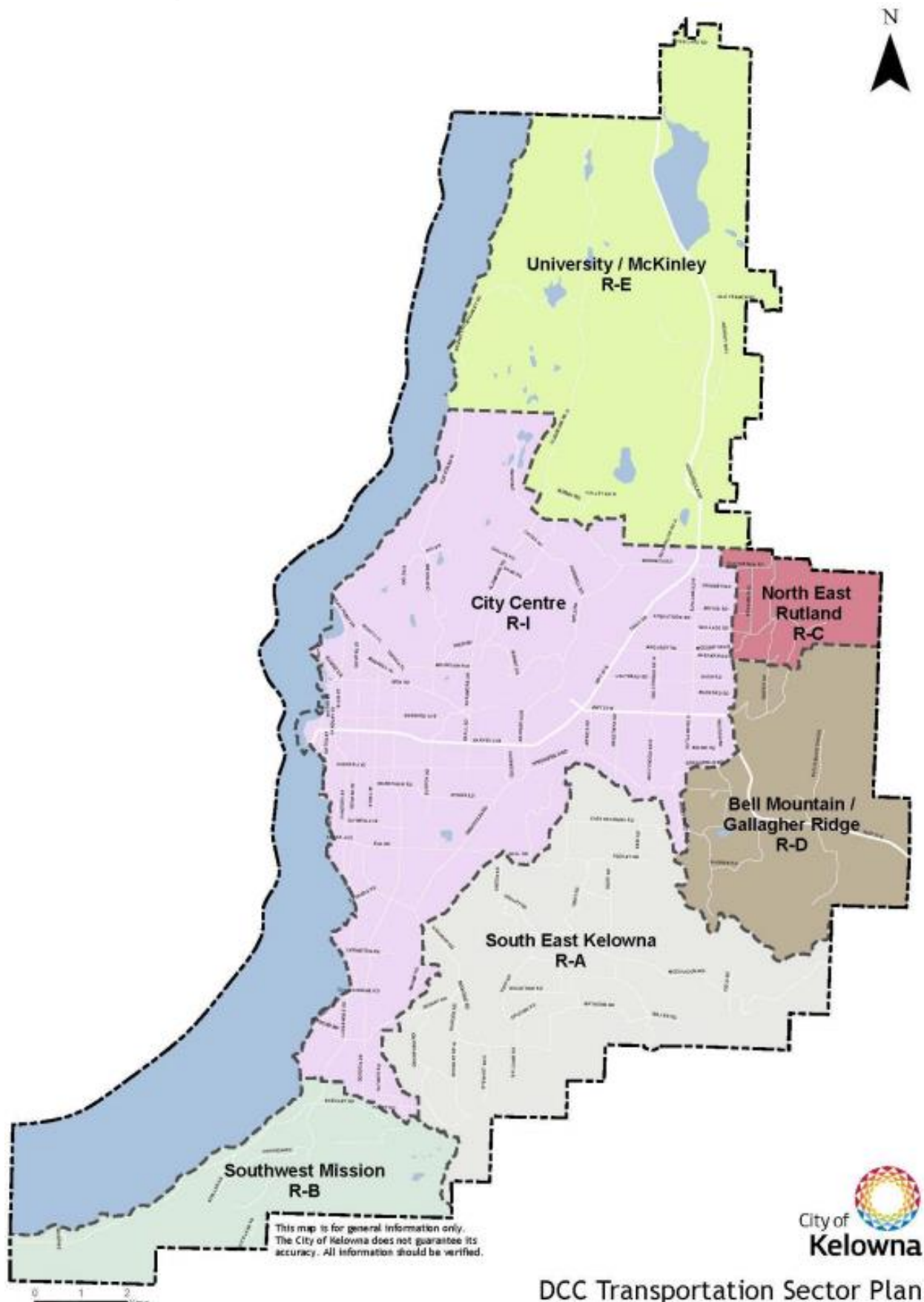
## Schedule A

<u>SERVICES</u>	<u>Sector</u>	<u>All Land Uses</u>
		\$/subdivision or building permit
<u>ROADS</u>		
SE Kelowna	R-A	0
NE of Inner City	R-C	0
North of Hwy 33	R-D	0
<u>WATER</u>		
Inner City	W-A	0
South Mission	W-B	0
Clifton/Glenmore	W-D	0
<u>WASTEWATER TRUNKS</u>		
Inner City	S-A	0
South Mission	S-B	0



**Schedule B – Service Area Maps**

Figure 1: DCC Transportation Service Sector Plan.



DCC Transportation Sector Plan

Figure 2: Water DCC Service Sector Plan

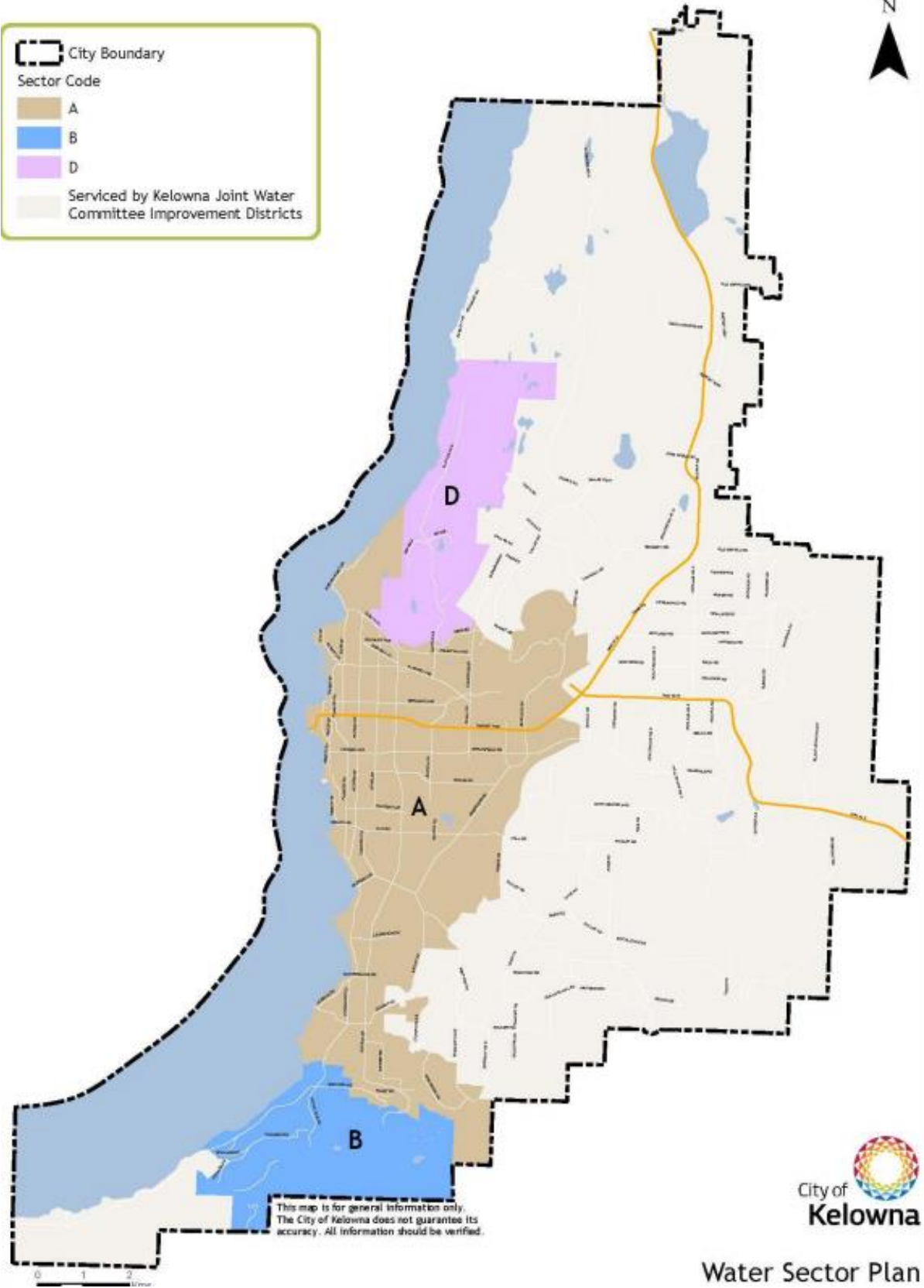
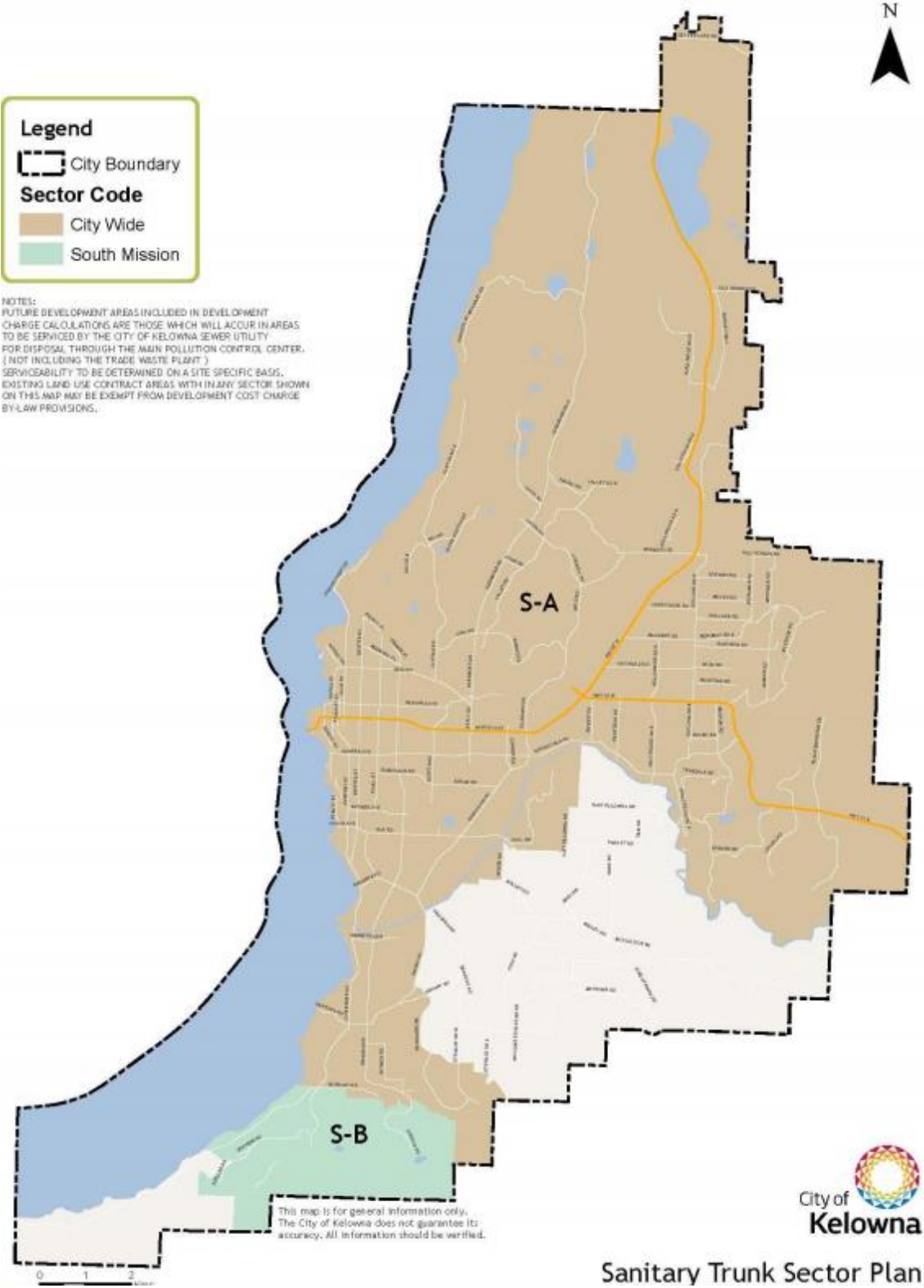


Figure 3: Wastewater Trunk DCC Service Sector Plan



# Report to Council



**Date:** August 22, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Sewer Connection Area Financing Framework – Stage 3  
**Department:** Utility Services and Financial Planning

---

**Recommendation:**

THAT Council receives for information, the report from Utility Services and Financial Planning dated August 22, 2022, with regard to the Sewer Connection Area Financing Framework – Stage 3;

AND THAT the balance of the Cary Road, Rutland – McKenzie Bench, Rutland North, and Southwest Rutland Sewer Connection Area Reserves, and the MFA Debt Sewer Reserve R816 be transferred to the Septic Removal Specified Area Reserve Fund;

AND THAT the balance of the 2405-DF000 deferred revenue account (related to the Clifton Road North Extension Connection Area), the balance of the North End Industrial Sewer Connection Area Reserve, and \$333,000 from the Septic Removal Specified Area Reserve Fund be transferred to R204 – CWME – Wastewater utility general reserve;

AND FURTHER THAT the Cary Road, Rutland – McKenzie Bench, Rutland North, Southwest Rutland, and North End Industrial Sewer Connection Area Reserves be closed.

**Purpose:**

To transfer reserve funds from completed sewer connection areas to support the sustainable funding of the City’s Sewer Connection Area Program, that supports sewer service to properties currently on private septic systems.

**Background:**

Throughout 2021 and 2022, staff have been working to modernize the financial framework for the City’s Sanitary Sewer Connection Area (SSCA) Program. To support the proposed framework, three stages of bylaw/policy amendments and development were identified:

1. **Stage 1:** Amend Sewerage System User Bylaw No. 3480 to permit an increased sewer development charge in select areas of the City where public sewers have been constructed as part of the SSCA program, and establish the Septic Removal Specified Area Reserve Fund.



2. **Stage 2:** Rescind and replace Sewer Connection Charge Bylaw No. 11540 to update connection area maps, cost estimates, prioritization list, and establish a formalized approach to coordinating with development.
3. **Stage 3:** Creation, closing, and updates to financial reserves necessary for future collection and management of funds collected for design and construction of sanitary sewer connection areas.

Council adopted all resolutions for Stage 1 and 2 on February 07, 2022, and April 04, 2022, respectively. Stage 3 is the focus of this report.

Stage 3 follows the guiding principles established during Stage 1:

1. **FAIR** - Fees collected under the authority of the revised bylaw must be fair.
2. **EFFICIENT** - Providing the greatest opportunity for sewer service connections and decommissioning of private, on-site sewage systems.
3. **FLEXIBLE** - Provide flexibility to accelerate sanitary sewer installation when coordination with development or capital works is possible.
4. **OPPORTUNISTIC** – Prioritize applications for senior government grants for projects where reserves exist. Ensure that customers capitalize on development opportunities, but not rely on it.
5. **EQUITABLE** - Once all public infrastructure within a connection area is completed, the benefits of surplus reserve funds, if any, resulting from grants, City/Developer contributions, and/or City/developer-built works must be applied to help initiate work in other connection areas. This addresses some issues regarding grant prioritization or opportunities that defer work to other areas.

**Discussion:**

The core component of Stage 3 is to create, close, transfer, and update financial reserve amounts to align with the new financial framework. The resolutions outlined in this memo will result in a Septic Removal Specified Area Reserve Fund balance of \$5.7M. This reserve was established to hold funding for sewer connection area projects identified in Sewer Connection Area Prioritization Bylaw No. 12343. These funds will be immediately available to leverage future provincial and federal grant opportunities and fund high priority connection area projects. The lack of available funds has historically been the greatest barrier to grant application success.

The majority of surplus funds outlined for transfer in this Report to Council are attributed to a mix of additional development within connection areas, surpluses from grants, and actuarial surpluses on MFA Debt amounts.

The transfers of these surpluses are supported by Council Policy 384 – Financial Reserves, the Community Charter, and recent legal reviews - see Legal/Statutory Authority section below for more details.

**Conclusion:**

Adoption of the recommendations in this report would complete Stage 3 of the proposed financial framework and result in funds immediately available for future grant applications. The new financial framework provides residents an affordable opportunity to connect to the City's sanitary system, improves funding conditions for future grant applications, and sets the stage for funding some higher priority works in absence of grants.

**Legal/Statutory Authority:**

As per the Septic Removal Specified Area Reserve Fund Bylaw No. 12316, the reserve is for the City to hold and manage the funds collected for the design and construction of sanitary sewer connection areas. Additionally, the establishment bylaw states that surplus funds from completed Sewer Connection Areas may be credited to this Reserve Fund.

As per 18g (2) of the Community Charter "If the amount to the credit of a reserve fund is greater than required for the purpose for which the fund was established, the council may, by bylaw, transfer all or part of the amount to another reserve fund."

**Existing Policy:**

The resolutions in this report align with Council Policy 384 – Financial Reserves.

**Internal Circulation:**

Community Engagement  
Grants & Special Projects  
Infrastructure Delivery  
Capital Planning & Asset Management  
Planning & Development Services  
Policy & Planning  
Utility Services

**Considerations not applicable to this report:**

Alternate Recommendation  
Communications Comments  
External Agency/Public Comments  
Financial/Budgetary Considerations  
Personnel Implications

**Prepared by:** J. Hager, Design Technician  
**Submitted by:** M. Antunes, Acting Financial Planning Manager  
**Approved for inclusion:** J. Shaw, Acting Divisional Director, Financial Services  
**Approved for inclusion:** M. Logan, General Manager, Infrastructure

**Attachment 1** –Sewer Connection Area Financing Framework – Stage 3 Presentation

cc: Divisional Director, Financial Services  
Divisional Director, Planning & Development Services  
City Clerk



# Sanitary Sewer Connection Area Financing Framework – Stage 3

Presentation to Council

August 22, 2022



# Objectives of the presentation

- ▶ Review of staged approach
- ▶ Summary of reserve transfers
- ▶ Outcomes and next steps
- ▶ Questions

# SSCA financial framework updates

- ▶ Stage 1: Amend *Sewerage System User Bylaw No. 3480* and establish *Septic Removal Area Specified Reserve Fund*
- ▶ Stage 2: Rescind and replace *Sewer Connection Charge Bylaw No. 11540*
- ▶ Stage 3: Creation, closing, and updates to financial reserves



# Guiding principles

- ▶ Guiding Principles for updated financing framework:
  - ▶ *FAIR*
  - ▶ *EFFICIENT*
  - ▶ *FLEXIBLE*
  - ▶ *OPPORTUNISTIC*
  - ▶ *EQUITABLE*

# Summary of reserve transfers

- ▶ Resolutions will result in a *Septic Removal Specified Area Reserve Fund* (Bylaw No. 12316) balance of ~\$5.7M
- ▶ Reserve surpluses are attributed to 20 years of:
  - ▶ Additional development within connection areas;
  - ▶ Grant surpluses;
  - ▶ Interest payments; and
  - ▶ Actuarial surpluses on MFA Debt.
- ▶ The wastewater utility has front-ended cost of construction for some connection areas – debts to be repaid from relevant surplus reserves
- ▶ Once transfers are completed, redundant reserves to be closed

# Setup for success

- ▶ SRSARF balance available to leverage future and current grants:
  - ▶ ICIP grant sewer projects in Rio/Terrace and Central Rutland
  - ▶ Open ICIP grant application for Okaview connection area
- ▶ Future grant application will follow the prioritization sequencing established by *Sewer Connection Area Prioritization Bylaw No. 12343* (Stage 2)

**ICIP:** Investing in Canada Infrastructure Program

**SRSARF:** Septic Removal Specified Area Reserve Fund

# Outcomes (slide from Stage 1 and 2)

- ▶ We have an improved plan
  - ▶ Improved health and environmental conditions
    - ▶ Ground and surface water quality
  - ▶ Financial
    - ▶ Grant reliant – setup for success
    - ▶ Shovel-ready grant projects
  - ▶ Responsible growth and development
    - ▶ New framework is required to achieve 2040 OCP (especially in Rutland)
    - ▶ Continuing to target highest impact areas

# Next steps

Core  
framework

- ▶ Stage 1 to 3 – COMPLETE



Supporting  
bylaws/policies

- ▶ *Subdivision, Development & Servicing Bylaw No. 7900* amendments
  - ▶ Standards and details for low pressure sewer (septic areas only)
- ▶ Review of *Council Policy No. 304 – Expanding or Adding Properties to Specified Areas*





*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).

# Report to Council



**Date:** August 22, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Knox Mountain Geotechnical Engineering Project Budget  
**Department:** Utility Services

---

**Recommendation:**

THAT Council receives for information, the report from Utility Services dated August 22, 2022, regarding budget required for the Knox Mountain Geotechnical Engineering Project;

AND THAT the 2022 Financial Plan be amended to include the addition of \$2,600,000 to the Knox Mountain Geotechnical Engineering Project with Funding of \$1,850,000 from the Slope Stability Reserve, and \$750,000 from the Community Works Fund Reserve as noted in the Financial/Budgetary Considerations section below.

**Purpose:**

To allocate the appropriate budget required for the Knox Mountain Geotechnical Project to meet financial requirements to commence the works in 2022.

**Background:**

Between 2020 and 2022, Council approved \$2,750,000 of funding towards the rehabilitation of a slope failure above 930 Bay Avenue (Knox Mountain Metals) that potentially impacted both that property and buried utilities along Royal View Avenue above. A consultant team was engaged through a competitive process to complete a preliminary design, detailed design and bid package for a geotechnical solution to mitigate this problem and to improve public safety. All project components were to be constructed on public lands.

In 2022, the project Consultant completed their preliminary design and provided an estimated cost of final design and construction at approximately \$6,000,000 to meet City scope objectives. Staff became concerned during the design review and identified significant construction and inflationary risks that could result in even higher construction costs. Key concerns were the quantity of earthworks and waste materials handling, as well as an uncertainty of being able to secure the specialized contractors necessary to complete this complex type of work. It was felt that to better control costs, that the City directly engage a design-build contractor specializing in this type of work in the hopes of obtaining an equivalent technical solution at a lower cost and with a better mitigation of construction risks.

In early spring 2022, staff conducted a value review with GSI International, a reputable and well-known design-build contractor of similar type geotechnical solutions. This contractor reviewed the quantities, cost estimate and other construction risks of concern of the proposed original design. This contractor subsequently presented an alternative design and construction package resulting in a lower construction cost of \$4,830,000 with a high degree of accuracy of that estimate.

Staff have reviewed the alternate solution and now feel confident that the solution will lead to better cost management, and meet our construction timing concerns. To meet the project requirements while incorporating ongoing construction inflation, completion of ancillary testing and contingency for potential scope items and funding staff costs, staff are requesting \$2,600,000 of budget to allocated to complete the project (refer to Tables 1 and 2).

**Discussion:**

The current project budget requires funding before staff can proceed with an award of a construction services contract. Staff recognize that this project is complicated both technically and legally. The City recognizes this opportunity to achieve a viable solution after years of monitoring, investigations, studies and reports. The project and cost estimate as proposed are exposed to the current inflationary conditions of the heavy construction industry. Further delay in project delivery would likely result in higher costs. Staff have determined this to be the best path forward.

**Financial/Budgetary Considerations**

Delays and deferrals of other capital projects in 2022 have resulted in sufficient capital funding to be in place for the recommended project timing. Tables 1 and 2 below summarize the estimated budget amendment requirements:

**Table 1. Cost Estimate and Budget Shortfall**

Item	Amount	Notes
Expenditures to Date	\$520,000	Geotechnical Investigation, Instrumentation Installation, Monitoring and Reporting, Solution Development, Preliminary Design and Cost Estimating
Projected Construction Cost	\$4,316,000	Design-Build Estimate – GSI International
Contingency & Administration	\$514,000	Applied 10% + administrative costs
<b>Updated Project Cost</b>	<b>\$5,350,000</b>	
Original Budget	(\$2,750,000)	From 2020, 2021 and 2022 Financial Plans
<b>Shortfall</b>	<b>\$2,600,000</b>	

**Table 2. Funding Sources**

Item	Amount	Notes
Slope Stability Reserve - R058	\$1,850,000	Reserve funds specific to these types of projects
Community Works Fund Reserve R837	\$750,000	Advanced from 2023 in the 10 Year Capital Plan
<b>Total</b>	<b>\$2,600,000</b>	

**Conclusion:**

By increasing the project's budget as proposed in this report, City staff will be able to initiate a Notice of Intent process to award final design and construction services, and move forward with the purchasing and construction phases of project delivery. Construction on the project is possible to commence in the fall 2022 and be completed by summer 2023.

**Internal Circulation:**

Community Engagement  
Financial Planning  
Infrastructure Delivery  
Capital Planning & Asset Management  
Risk Management  
Purchasing

**Considerations not applicable to this report:**

Alternate Recommendation  
Communications Comments  
Legal/Statutory Authority  
Existing Policy  
External Agency/Public Comments  
Personnel Implications

**Submitted by:** R. MacLean, Utility Planning Manager

**Approved for inclusion:** M. Logan, Infrastructure Delivery General Manager

cc: Acting Divisional Director, Financial Services  
City Clerk





City of  
**Kelowna**

# Knox Mountain Geotechnical Engineering Project

August 22, 2022



# Purpose

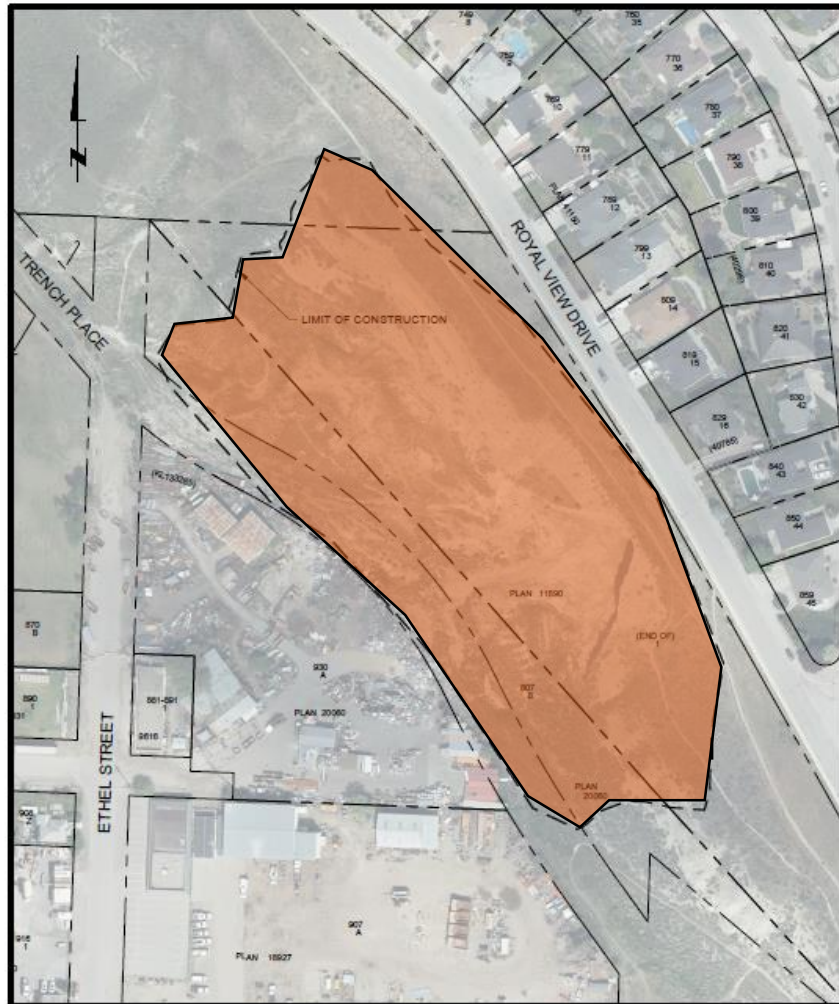
- ▶ To provide an update on the slope rehabilitation needs for the Knox Mountain Geotechnical Project.
- ▶ To present the budget needs to complete the final construction phase in 2022 and 2023.







# Solutions



Aerial perspective of failed slope (2021)





# Project Cost Summary

Item	Amount	Notes
Expenditures to Date	\$520,000	Geotechnical Investigations, Instrumentation, Monitoring and Reporting, Solution Development, Design and Cost Estimating
Projected Construction Cost	\$4,316,000	Design-Build Estimate
Contingency & Administration	\$514,000	Applied 10% + administrative costs
<b>Updated Project Cost</b>	<b>\$5,350,000</b>	
Original Budget	(\$2,750,000)	From 2020, 2021 and 2022 Financial Plans
<b>Shortfall</b>	<b>\$2,600,000</b>	



# Outcomes

- ▶ Meets the City's objectives
  - ▶ A safe public feature
  - ▶ Protection of neighbourhoods and local business
  - ▶ Environmental improvements
  - ▶ Protects key City Infrastructure
  - ▶ Secure pricing
- ▶ Construction is ready to proceed.
- ▶ Resilient and lower risk solution

# Thank You



# Report to Council



**Date:** August 22, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Transit Improvement Program – 3 year proposed budget  
**Department:** Integrated Transportation

---

**Recommendation:**

THAT Council receives for information, the report from Integrated Transportation dated August 22, 2022, with respect to the Transit Improvement Program 3-year expansion initiatives and free transit on election day.

AND THAT Council directs staff to enter a Memorandum of Understanding with BC Transit setting out the City’s intention to proceed with the service expansions detailed in year-1 (2023/24).

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

AND THAT Council provide approval for free transit within the City of Kelowna on municipal election day.

**Purpose:**

To receive Council approval for and execution of a Memorandum of Understanding for the Transit Improvement Program 3-year expansion initiatives for the period 2023-2026 and, to request Council support for free transit service on municipal election day.

**Background:**

Each year, a Memorandum of Understanding (MOU) related to proposed transit expansion initiatives is signed by the Local Government, setting out the City’s intention to proceed. This is subject to annual City Council budget deliberations each Fall. The MOU also allows BC Transit to include local expansion hours and infrastructure budget submissions in its draft Service Plan to the Province to seek the matching funding. The Transit Improvement Program (TIP) now includes major high-priority infrastructure investments that support future transit system development. This annual report to Council takes the form of an update of proposed transit expansion initiatives and associated budgets and request to proceed with the MOU. It also includes a one-time request to authorize free transit in Kelowna on election day beginning this fall and on election years thereafter.



**Discussion:**

Ridership on the Kelowna Regional Transit system has rapidly recovered through 2022 reaching a high point in mid-summer of 96% of pre-pandemic levels<sup>1</sup>. Effective September, service levels will be near those delivered prior to the pandemic and are expected to be sufficient to meet demand. Further investments will be needed to service additional ridership growth in the years ahead.

As part of the ongoing annual budgeting process with BC Transit, Staff have received and summarized the proposed three-year expansion initiatives and associated budgets for the period April 1, 2023, to March 31, 2026. The draft budgets reflect investment priorities and current conditions with an incremental return to investment in new service hours recognizing constraints the system faces, particularly capacity at the transit operations centre. Years one and two of the TIP focus on investments in service that can be delivered without the need for additional buses. Year-one targeted off-peak expansions carry-over from the previous year's program after being postponed due to a one-time cap on Provincial transit funding. Year-two proposals include continued investment in off-peak service while year-three sees a significant investment in new peak service and on-time performance improvements on frequent routes and RapidBus<sup>2</sup>. Custom (Paratransit) investments, which are derived from the 2018 Paratransit Services Review, will remain on hold through year 1 of the program. Expansions aimed at improving equity between the Paratransit and Conventional transit systems are re-introduced in years 2 and 3 of the program and will be achieved via Taxi Supplement<sup>3</sup>.

**Three Year Proposed Service Expansion Summary**

<b>PROPOSED CONVENTIONAL EXPANSION INITIATIVES</b>						
<b>AOA Period</b>	<b>In Service</b>	<b>Annual Hours</b>	<b>Vehicle Requirements</b>	<b>Est. Annual Revenue</b>	<b>Est. Annual Total Costs</b>	<b>Est. Annual Net Municipal Share</b>
2023/24	September	<b>5,200</b>	<b>0</b>	<b>\$122,235</b>	<b>\$654,860</b>	<b>\$226,871</b>
		<b>Description</b>	Weekend frequency improvement on 8 University, 10 North Rutland and 97 Okanagan. Weekday midday frequency improvement on 8 University and 97 Okanagan. Additional resources allocated for on-time performance improvements as needed.			
2024/25	September	<b>5,350</b>	<b>0</b>	<b>\$125,761</b>	<b>\$696,672</b>	<b>\$245,634</b>
		<b>Description</b>	Initiatives from the Transit Future Action Plan, including investing in frequent routes at off-peak times, add weekend service to route 4, investment to maintain service reliability, and the Upper/Lower Mission Service Restructure.			
2025/26	September	<b>11,000</b>	<b>5</b>	<b>\$258,575</b>	<b>\$1,726,702</b>	<b>\$773,121</b>

<sup>1</sup> Currently ridership is at 85% of pre-pandemic levels.

<sup>2</sup> Pending resolution of capacity constraints at the transit operating centre.

<sup>3</sup> Taxi Supplement utilizes taxi services in the community to fulfill requests for travel by Paratransit 'HandyPass' holders. These rides are dispatched by the operating company, and the customer pays a standard handyDART fare for their trip.

		<b>Description</b>	Initiatives from the Transit Future Action Plan: investing in frequent and rapid routes, investment to maintain service reliability, and expansion to bring Route 11 into Rutland Exchange. Additional resources allocated for on-time performance improvements as needed.
--	--	--------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*NOTE:* Work is underway via a Facility Master Plan to address vehicle capacity constraints at the current Kelowna facility; however, this work is on-going, and this option will be subject to further review and approval by BC Transit to ensure that additional vehicles can be accommodated

<b>PROPOSED CUSTOM (TAXI SUPPLEMENT) EXPANSION INITIATIVES</b>						
<b>AOA Period</b>	<b>In Service</b>	<b>Annual Hours</b>	<b>Vehicle Requirements</b>	<b>Estimated Annual Revenue</b>	<b>Estimated Annual Total Costs</b>	<b>Estimated Annual Net Municipal Share</b>
2024/25	April	0	0	\$15,013	\$199,052	\$51,292
		<b>Description</b>	Introduce basic weekend handyDART service on Sunday via taxi supplement.			
2025/26	April	0	0	\$44,248	\$586,084	\$150,977
		<b>Description</b>	Expand the handyDART service hour span of weekday service to reflect Conventional hours of operation, via taxi supplement.			

Performance monitoring and progress on interim improvements at the transit operating centre over the coming months will inform any refinements to the budgets and expansion priorities in years 2 and 3 which will be reflected in the following year's program.

The TIP now includes high-priority infrastructure investments that are anticipated to be cost-shared with BC Transit and eligible for Federal grant funding<sup>4</sup>. Local share of costs may be paid via lease fees within Annual Operating Agreements or as lump-sum payment upon project completion. Key initiatives include renewal and expansion of various transit exchanges, interim upgrades to the current transit operating centre and, further out, a new transit operations centre<sup>5</sup>.

<sup>4</sup> The current federal transit funding program is the Investing in Canada Infrastructure Program (ICIP) which funds up to 80% of eligible project costs.

<sup>5</sup> Handy upgrades will address constraints that are limiting the ability to expand service and accommodate electric buses. Upgrades are expected to extend the life of the facility to the end of the decade. The new operating centre will be constructed on the city's property at Hollywood Rd and John Hindle Drive ('Serwa' site).



PROPOSED TRANSIT SYSTEM CAPITAL INITIATIVES & STUDIES					
<b>Description</b>	<b>Transit Exchanges</b>				
Rationale	Four new transit facilities: Midtown Exchange, OC College, Mission Recreation Exchange, Kelowna Airport transit Hub and Rutland Park & Ride and Mobility Hub adjacent to the existing Transit exchange.				
<b>Project Planning Operating Budget for Studies</b>	<b>Proposed Scheduling of Study</b>	<b>Estimated In-Service Date</b>	<b>Estimated Total Capital Cost</b>	<b>Est. Annual Local Government Share of Lease Fee</b>	<b>Est. Annual Local Share of Lease Fee (Federal Funding Inc)</b>
Ongoing	2020/21	2023/24 - 2029/30	\$20,800,000	\$1,048,522	\$393,368
<b>Description</b>	<b>Operation &amp; Maintenance Facility</b>				
Rationale	The project includes a new O&M Facility and Interim facility refurbishments to support expansion of transit services.				
<b>Project Planning Operating Budget for Studies</b>	<b>Proposed Scheduling of Study</b>	<b>Estimated In-Service Date</b>	<b>Estimated Total Capital Cost</b>	<b>Est. Annual Local Government Share of Lease Fee</b>	<b>Est. Annual Local Share of Lease Fee (Federal Funding Inc)</b>
Complete	2020/21	2023/24- 2030/31	\$124,610,000	\$2,966,076	\$1,279,680
<b>Description</b>	<b>Transit Priority</b>				
Rationale	Transit priority measures are needed to improve the performance and reliability of the transit system.				
<b>Project Planning Operating Budget for Studies</b>	<b>Proposed Scheduling of Study</b>	<b>Estimated In-Service Date</b>	<b>Estimated Total Capital Cost</b>	<b>Est. Annual Local Government Share of Lease Fee</b>	<b>Est. Annual Local Share of Lease Fee (Federal Funding inc).</b>
\$200,000	2024/25- 2025/26	2029/30	\$24,000,000	\$1,209,833	\$453,886

*Projects have been identified through Transit Future Action Plans or Service Reviews. Projects costs are representative of an order of magnitude cost estimate which may have a high variance. Local government lease fees are provided with the Investing in Canada Infrastructure Program (ICIP) while the program is available and as well as the standard lease fee share.*

### **Free transit on election day**

The provision of free transit on election day is expected to have a negligible effect on revenue while reducing barriers to participating and increasing voter turnout. The initiative is proposed for service offered within the City of Kelowna only on both conventional and custom (HandyDART) service beginning on this year's municipal election on October 15<sup>th</sup> and on all municipal general voting days thereafter.

### **Conclusion:**

Ridership on the Kelowna Regional Transit System is nearing full recovery. Targeted investment in service will ensure that the system can service ridership levels at and above those experienced in the years prior to the pandemic. A focus on off-peak expansion in years one and two adds to mid-day, evening and weekend services that have not seen any significant investment in years. Year three sees a return to investment in peak-period service on high productivity routes pending completion of capacity enhancements at the current transit operating centre. Major transit infrastructure projects are included in the TIP for information. Projects include exchange enhancements, upgrades to the current transit operating centre, a new centre and transit priority measures under consideration for heavily congested transit corridors. Free access to transit on the Kelowna municipal election day is proposed to support residents in getting to and from polling stations.

### **Internal Circulation:**

Financial Planning Manager  
Strategic Transportation Planning Manager  
Financial Services, Revenue Supervisor  
Financial Services, Financial Analyst  
Financial Services, Budget Supervisor

### **Financial/Budgetary Considerations:**

Net new cost for transit services for the 2023 budget year is estimated at \$75,624 (Conventional only) and, in 2024, \$233,125 (Conventional) and \$17,097 (Custom). Estimated net new costs for 2025 are projected at \$421,463 (Conventional) and \$84,520 (Custom). Net new cost for infrastructure studies is estimated at \$100,000 per year in 2024 and 2025.

Revenue losses stemming from the provision of free transit on election day is projected to be below \$10,000 annually.

### **External Agency/Public Comments:**

BC Transit has reviewed and approved the report and attachments.

### **Considerations applicable to this report:**

#### Existing Policy

**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 3.4** – Apply transit priority measures along Transit Supportive Corridors, where appropriate.

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

**Considerations not applicable to this report:**

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

**Submitted by:** M. Kittmer, Transit Service Coordinator

**Approved for inclusion:** M. Logan, Infrastructure General Manager

Attachment 1 – TIPS MOU 2023-24 to 2025-26 Kelowna

Attachment 2 - Transit Improvement Program Presentation

cc: General Manager, Infrastructure

Divisional Director, Corporate Strategic Services

Division Director, Partnerships & Investments

C. Mossey, Senior Manager Government Relations, BC Transit

M. Lockley, Planning Manager, BC Transit

M. Boyd, Director of Corporate and Strategic Planning, BC Transit



July 28, 2022

Attn: Jerry Dombowsky  
Transit & Programs Manager  
City of Kelowna  
1435 Water Street  
Kelowna, BC V1Y 1J4

**Re: Transit Improvement Program - 3 Year Transit Expansion and Infrastructure Initiatives**

Dear Jerry,

The purpose of this letter is to confirm transit service expansion plans for 2023/24, approve transit expansion priorities for the subsequent two years and identify transit infrastructure initiatives required to support transit system growth.

BC Transit confirms service expansion plans with local government partners on an annual basis to coordinate the development of three-year budgets and capital plans with the Provincial Service Plan. Confirmation of next year's desired level of transit service expansion is also required to support the procurement of buses. This year, facility infrastructure requirements have been added to inform your multi-year budget development and ensure that infrastructure investments are advanced to align with proposed transit service expansion.

As your transit system has service initiatives requiring expansion funding, we have attached a Memorandum of Understanding (MOU) to formalize the process of securing provincial funding on your behalf. This MOU summarizes specific transit expansion initiatives for the next three operating years from 2023-2024 through to 2025-2026, as well as future capital initiatives required to support transit service. These initiatives are derived from recommendations outlined in the most recent service plan(s) received by your Council and validated in collaboration with local government staff.

Transit service expansion and infrastructure investments are important components to sustaining and growing a successful transit system. These investments in your transit system come with several considerations. To support Council decision making, we have provided updated order-of-magnitude costing for each Transit Service and Infrastructure Initiative. These are based on the estimated annual increase to revenue service hours, the estimated increases to the Taxi Supplement budget for Custom Transit (if applicable) and the estimated facility lease fees associated with future facilities and transit infrastructure.

There are a few key considerations when reviewing your initiatives. When a proposed expansion is dependent on an infrastructure investment, it will be shown in the proposed expansion table. Additionally, estimated lease fees for infrastructure projects are shown in a separate table. If your expansion requires additional vehicles, this is identified and factored into estimated total costs. Should vehicles be procured following MOU signoff and a decision is made to not pursue service expansion, the lease fees for the new vehicles will still be added to your operating budget for a

minimum of one year. If expansion requests exceed available provincial funding, BC Transit's service prioritization process will be used to determine which projects receive funding.

One of the key challenges we continue to face through this process is the higher probability that demand for expansion vehicles will exceed the availability in each fleet category. More advanced lead times are required for procurement and delivery of buses, and bus orders need to be strategically timed to align with our deployment plans. While every effort is made to align bus orders with demand, some expansion initiatives will likely be impacted by the limited availability of certain vehicle types. Despite these challenges, we continue to work with our local government partners to identify and develop expansion priorities, and to align our expansion initiatives with our overall fleet procurement plans.

By conveying proposed transit service expansion and capital initiatives as far in advance as possible, we are seeking to achieve four important goals:

1. Ensure 3-year expansion initiatives are consistent with the expectations of local governments.
2. Provide local government partners with enhanced 3-year forecasts that identify longer term funding requirements.
3. Ensure transit system infrastructure investments needed to support transit service expansion plans are aligned with transit service expansion initiatives identified in both local government and BC Transit's 3 year operating budgets and the long-term capital plans.
4. Attain a commitment from local governments that allow BC Transit to proceed with the procurement and management of resources necessary to implement transit service expansions.

Upon confirmation of your Council's commitment to the expansion initiatives, we will include your request in BC Transit's draft Service Plan funding request to the Province. Following confirmation of the provincial budget, I will confirm with you if supporting provincial funding was secured and initiate a transit service implementation plan and work with local government to advance capital infrastructure planning as required to ensure alignment with transit service expansion initiatives. I look forward to working with you on the continued improvement of your transit service and encourage you to contact me if you have any questions regarding these proposed initiatives.

We ask that a signed copy of this letter be returned to BC Transit by August 31, 2022. If you are unable to meet this deadline, please contact me at your earliest convenience.

Yours truly,



Chelsea Mossey  
Senior Manager, Government Relations  
BC Transit



## Three-Year Transit Expansion Plan and Capital Initiatives for Information

<b>Date</b>	July 28, 2022
<b>Expiry</b>	August 31, 2022
<b>System</b>	Kelowna Regional (City of Kelowna)

### Proposed Transit Service Expansion Initiatives

The table below outlines expansion initiatives for the 2023/24 fiscal year with an estimated costing based on the hourly rates of your existing system. Confirmation of next year's transit service expansion is required for provincial budgeting and the procurement of buses. Please ensure that these initiatives are consistent with your local government expectations. Upon receipt of this MOU, we will confirm funding from the Province on your behalf. Please keep in mind that should vehicles be procured to support your expansion following agreement to the MOU and a determination is made that an expansion is no longer desired by the local government, the lease fees related to the new vehicles will still be added to your operating budget for a minimum of one-year.

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2023/24	September	<b>5,200</b>	<b>0</b>	<b>\$122,235</b>	<b>\$654,860</b>	<b>\$226,871</b>
		<b>Description</b>	Weekend frequency improvement on 8 University, 10 North Rutland and 97 Okanagan. Weekday midday frequency improvement on 8 University and 97 Okanagan. Additional resources allocated for on-time performance improvements as needed.			

The table below outlines expansion initiatives for year two and three of the three-year transit service expansion initiatives with an estimated costing based on the hourly rates of your existing system. Please ensure that these initiatives are consistent with your local government expectations. Upon confirmation of your local government's intent to commit to the expansion and budget, we will proceed with the request to secure funding from the Province on your behalf.

<b>PROPOSED CONVENTIONAL EXPANSION INITIATIVES</b>						
<b>AOA Period</b>	<b>In Service</b>	<b>Annual Hours</b>	<b>Vehicle Requirements</b>	<b>Estimated Annual Revenue</b>	<b>Estimated Annual Total Costs</b>	<b>Estimated Annual Net Municipal Share</b>
2024/25	September	<b>5,350</b>	<b>0</b>	<b>\$125,761</b>	<b>\$696,672</b>	<b>\$245,634</b>
		<b>Description</b>	Initiatives from the Transit Future Action Plan, including investing in frequent routes at off-peak times, add weekend service to route 4, investment to maintain service reliability, and the Upper/Lower Mission Service Restructure.			
2025/26	September	<b>11,000</b>	<b>5</b>	<b>\$258,575</b>	<b>\$1,726,702</b>	<b>\$773,121</b>
		<b>Description</b>	Initiatives from the Transit Future Action Plan, including investing in frequent and rapid route with a focus on improving service to the Rutland area, investment to maintain service reliability, and expansion to bring Route 11 into the Rutland area. Additional resources allocated for on-time performance improvements as needed.			
<b>NOTE: Work is underway via a Facility Master Plan to address vehicle capacity constraints at the current Kelowna facility; however, this work is on-going and this option will be subject to further review and approval by BC Transit to ensure that additional vehicles can be accommodated</b>						

**PROPOSED CUSTOM (TAXI SUPPLEMENT) EXPANSION INITIATIVES**

<b>AOA Period</b>	<b>In Service</b>	<b>Annual Hours</b>	<b>Vehicle Requirements</b>	<b>Estimated Annual Revenue</b>	<b>Estimated Annual Total Costs</b>	<b>Estimated Annual Net Municipal Share</b>
2024/25	April	<b>0</b>	<b>0</b>	<b>\$15,013</b>	<b>\$199,052</b>	<b>\$51,292</b>
		<b>Description</b>	Introduce basic weekend handyDART service on Sunday via taxi supplement.			
2025/26	April	<b>0</b>	<b>0</b>	<b>\$44,248</b>	<b>\$586,084</b>	<b>\$150,977</b>
		<b>Description</b>	Expand the handyDART service hour span of weekday service to reflect Conventional hours of operation, via taxi supplement.			

### Proposed Transit Infrastructure Initiatives

To support future transit system development, the following capital infrastructure initiatives are provided for information. These initiatives align with your community’s Transit Future Plan/Service Review. Below is a description of the initiatives, project planning studies, estimated lease fees and fiscal year they are anticipated to be in-service. As infrastructure projects advance, more accurate schedules, and cost estimates will be developed. Please ensure that these initiatives are consistent with your local government expectations.

PROPOSED TRANSIT SYSTEM CAPITAL INITIATIVES & STUDIES					
<b>Description</b>		<b>Transit Exchanges</b>			
<b>Rationale</b>	Four new on-street transit facilities: A Midtown Transit Exchange, OC College, Mission Recreation Transit Exchange, Kelowna Airport (YLW) transit Hub and a Rutland Park & Ride and Mobility Hub adjacent to the existing Transit exchange.				
<b>Project Planning Operating Budget for Studies</b>	<b>Proposed Scheduling of Study</b>	<b>Estimated In-Service Date</b>	<b>Estimated Total Capital Cost</b>	<b>Estimated Annual Local Government Share of Lease Fee</b>	<b>Estimated Annual Local Government Share of Lease Fee (Federal Funding Included)</b>
Ongoing	2020/21	2023/24 - 2029/30	\$ 20,800,000	\$ 1,048,522	\$ 393,368
<b>Description</b>		<b>Operation &amp; Maintenance Facility</b>			
<b>Rationale</b>	The project includes a new O&M Facility and Interim facility refurbishments to the current facility to support expansion of transit services				
<b>Project Planning Operating Budget for Studies</b>	<b>Proposed Scheduling of Study</b>	<b>Estimated In-Service Date</b>	<b>Estimated Total Capital Cost</b>	<b>Estimated Annual Local Government Share of Lease Fee</b>	<b>Estimated Annual Local Government Share of Lease Fee (Federal Funding Included)</b>
Complete	2020/21	2023/24-2030/31	\$ 124,610,000	\$ 2,966,076	\$ 1,279,680
<b>Description</b>		<b>Transit Priority</b>			
<b>Rationale</b>	Transit priority measures are needed to improve the performance and reliability of the transit system.				
<b>Project Planning Operating Budget for Studies</b>	<b>Proposed Scheduling of Study</b>	<b>Estimated In-Service Date</b>	<b>Estimated Total Capital Cost</b>	<b>Estimated Annual Local Government Share of Lease Fee</b>	<b>Estimated Annual Local Government Share of Lease Fee (Federal Funding included)</b>
\$ 200,000	2024/25-2025/26	2029/30	\$ 24,000,000	\$ 1,209,833	\$ 453,886

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*Projects have been identified through Transit Future Action Plans or Service Reviews. Projects costs are representative of an order of magnitude cost estimate which may have a high variance. Local government lease fees are provided with the Investing in Canada Infrastructure Program (ICIP) while the program is available and as well as the standard lease fee share.*



## Approval

On behalf of the City of Kelowna, I/we are confirming to BC Transit to proceed with the request for funding to the Province on our behalf for the 2023/24 Fiscal year, and that we will budget accordingly for the initiatives identified above and will review and confirm on an annual basis as per the advice provided and with the knowledge a more detailed budget will follow as service details and capital initiatives are confirmed.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

### On behalf of BC Transit



Signature: \_\_\_\_\_

Date: July 28, 2022

Name: Chelsea Mossey

Senior Manager, Government  
Position: Relations



City of  
**Kelowna**

# Transit Improvement Program Three Year Outlook

August 22, 2022

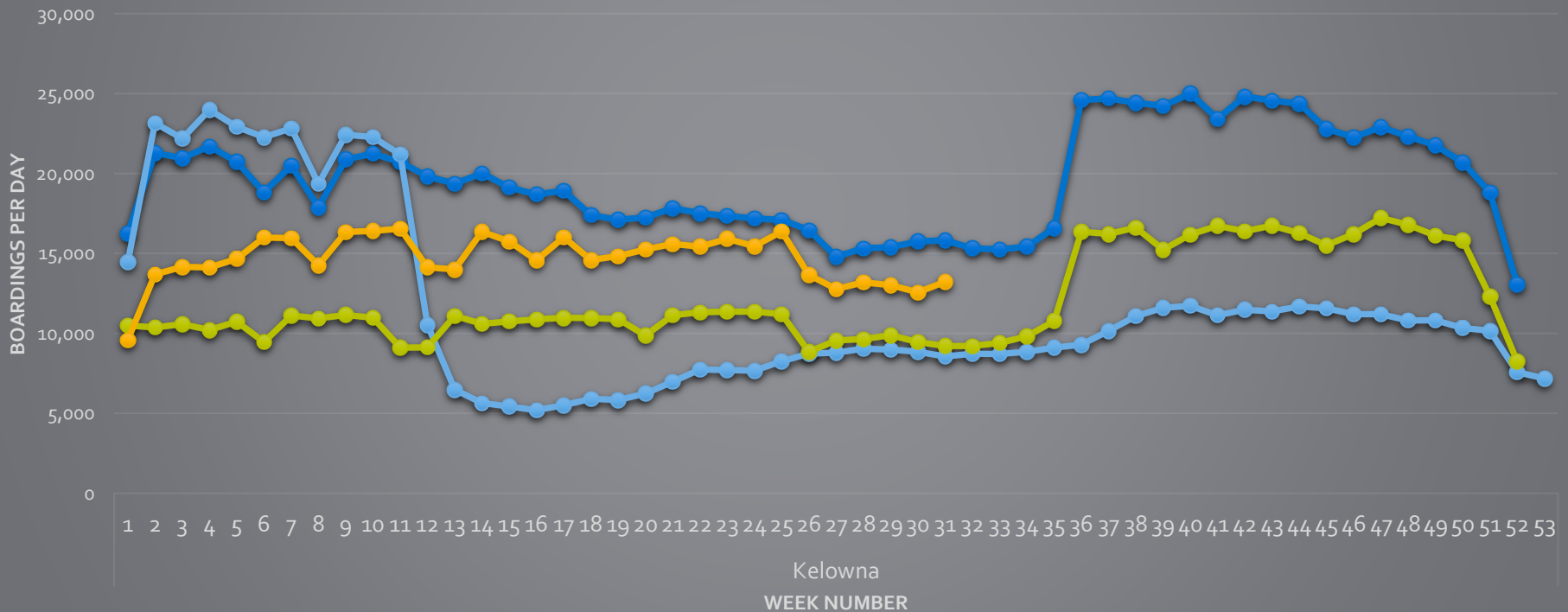
# Transit Improvement Program

- ▶ Details transit expansion priorities over a three-year horizon for both the Conventional and Paratransit systems.
- ▶ Three-year MOU is signed annually with BC Transit by the Local Government, setting out the City's intention to proceed with expansions detailed in the TIP.
- ▶ Enables BC Transit to move forward the local business plans including fleet and service hours

# Pandemic Recovery

## Average Per Weekday Boardings by Week Number

● Sum of Boardings Per Day 2019 
 ● Sum of Boardings Per Day 2020  
● Sum of Boardings Per Day 2021 
 ● Sum of Boardings Per Day 2022



# Prioritizing Investments

- ▶ Transit Future Action Plan - details investment priorities, guides decision making.
- ▶ Paratransit (custom) services review – details priorities with objective of improving productivity & reducing variability in service availability as compared to Conventional transit.
- ▶ Performance Analysis – ongoing route/trip level ridership and run-time analysis.
- ▶ Public input – service requests, inquiries.



# Conventional Transit Expansion Initiatives

PROPOSED CONVENTIONAL EXPANSION INITIATIVES						
AOA Period	In Service	Annual New Hours	Vehicle Requirements	Est. Annual Revenue	Est. Annual Total Costs	Est. Annual Net Municipal Share
2023/24	September	5,200	0	\$122,235	\$654,860	\$226,871
		<b>Description</b>	Weekend frequency improvement on 8 University, 10 North Rutland and 97 Okanagan. Weekday midday frequency improvement on 8 University and 97 Okanagan. Additional resources allocated for on-time performance improvements as needed.			
2024/25	September	5,350	0	\$125,761	\$696,672	\$245,634
		<b>Description</b>	Initiatives from the Transit Future Action Plan, including investing in frequent routes at off-peak times, add weekend service to route 4, investment to maintain service reliability, and the Upper/Lower Mission Service Restructure.			
2025/26	September	11,000	5	\$258,575	\$1,726,702	\$773,121
		<b>Description</b>	Initiatives from the Transit Future Action Plan: investing in frequent and rapid routes, investment to maintain service reliability, and expansion to bring Route 11 into Rutland Exchange. Additional resources allocated for on-time performance improvements as needed.			

# Custom (Paratransit) Expansion Initiatives

PROPOSED CUSTOM (TAXI SUPPLEMENT) EXPANSION INITIATIVES						
AOA Period	In Service	Annual Hours	Vehicle Requirements	Estimated Annual Revenue	Estimated Annual Total Costs	Estimated Annual Net Municipal Share
2024/25	April	0	0	\$15,013	\$199,052	\$51,292
		<b>Description</b>	Introduce basic weekend handyDART service on Sunday via taxi supplement.			
2025/26	April	0	0	\$44,248	\$586,084	\$150,977
		<b>Description</b>	Expand the handyDART service hour span of weekday service to reflect Conventional hours of operation, via taxi supplement.			

# Transit Infrastructure

PROPOSED TRANSIT SYSTEM CAPITAL INITIATIVES & STUDIES					
Description	Transit Exchanges				
Rationale	New transit facilities: Midtown Exchange, OC College, Mission Recreation Exchange, Airport Transit Hub and Rutland Park & Ride and Mobility Hub adjacent to the existing Transit exchange.				
Project Planning Operating Budget for Studies	Proposed Scheduling of Study	Estimated In-Service Date	Estimated Total Capital Cost	Est. Annual Local Government Share of Lease Fee	Est. Annual Local Share of Lease Fee (Federal Funding Inc)
Ongoing	2020/21	2023/24 -2029/30	\$20,800,000	\$1,048,522	\$393,368
Description	Operation & Maintenance Facility				
Rationale	The project includes a new O&M Facility and Interim facility refurbishments to support expansion of transit services.				
Project Planning Operating Budget for Studies	Proposed Scheduling of Study	Estimated In-Service Date	Estimated Total Capital Cost	Est. Annual Local Government Share of Lease Fee	Est. Annual Local Share of Lease Fee (Federal Funding Inc)
Complete	2020/21	2023/24-2030/31	\$124,610,000	\$2,966,076	\$1,279,680
Description	Transit Priority				
Rationale	Transit priority measures are needed to improve the performance and reliability of the transit system.				
Project Planning Operating Budget for Studies	Proposed Scheduling of Study	Estimated In-Service Date	Estimated Total Capital Cost	Est. Annual Local Government Share of Lease Fee	Est. Annual Local Share of Lease Fee (Federal Funding inc).
\$200,000	2024/25-2025/26	2029/30	\$24,000,000	\$1,209,833	\$453,886

# Free Transit on Election Day

- ▶ Saturday, October 15, 2022 (Saturday service level).
- ▶ Reduce barriers to participating & increase voter turnout.
- ▶ Offered by many other communities served by BC Transit.
- ▶ Applicable to Conventional and Custom transit.

# Recommendations

THAT Council authorizes the Mayor and City Clerk to execute the 3-year Memorandum of Understanding on behalf of the City of Kelowna for transit service over the 2023-2026 service periods.

AND THAT Council approve provision of free transit within the City of Kelowna on municipal election day for person travelling to polling stations.



