

City of Kelowna
Regular Council Meeting
AGENDA



Monday, April 17, 2023
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

4 - 12

PM Meeting - April 3, 2023

3. Public in Attendance

3.1 Better World Club, Willowstone Academy (Winners of 2023 Sustainable Development Challenge)

4. Development Application Reports & Related Bylaws

4.1 Rezoning Bylaw Supplemental Report to Council

13 - 14

To receive a summary of notice of first reading for Rezoning Bylaws No. 12510 and 12511 and to give the bylaws further reading consideration.

4.2 Rezoning Bylaw Readings

To give first, second and third reading to rezoning bylaws.

The following bylaws will be read together unless Council wants to separate one of the bylaws.

4.2.1 Polo Rd 2019 - BL12510 (Z23-0005) - 1383931 B.C. Ltd., Inc.No. BC1383931

15 - 16

To give Bylaw No. 12510 first, second and third reading in order to rezone the subject property from the RU1 – Large Lot Housing zone to the RU2 – Medium Lot Housing zone.

4.2.2	Sexsmith Rd 2930 - BL12511 (Z22-0019) - Reid Industrial Centre Ltd., Inc.No. BC1326474	17 - 17
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To give Bylaw No. 12511 first, second and third reading in order to rezone the subject property from the A2 – Agriculture / Rural Residential zone to the I2 – General Industrial zone.

5. Non-Development Reports & Related Bylaws

5.1	2023 BC Growing Communities Fund Allocation	18 - 26
	To amend the 2023 Financial Plan to include the receipt of \$26,228,000 of grant funds under the BC Growing Communities Fund.	
5.2	2023 Tax Distribution	27 - 47
	To establish tax class ratios that will be used in the preparation of the 2023 tax rates.	
5.3	Amendment No. 1 to Five Year Financial Plan 2022 - 2026 Bylaw	48 - 55
	To amend the Five Year Financial Plan (2022-2026) as required by the Community Charter to include the authorized transfers and amendments which occurred in the 2022 year.	
5.4	BL12501 - Amendment No. 1 to the Five Year Financial Plan 2022-2026 Bylaw No. 12338	56 - 57
	To give Bylaw No. 12501 first, second and third reading.	
5.5	Miscellaneous Fees and Charges Bylaw No. 9381 – Amendment	58 - 68
	To obtain Council's approval to amend the Miscellaneous Fees and Charges Bylaw No. 9381.	
5.6	BL12513 - Amendment No. 11 to Miscellaneous Fees and Charges Bylaw No. 9381	69 - 69
	To give Bylaw No. 12513 first, second and third reading.	
5.7	Approved Products List	70 - 118
	To rescind Council Policy No. 266: Approved Products List and replace it with an Administrative Policy to improve administration efficiency.	
5.8	BL12512 - Amendment No. 23 to the Subdivision, Development and Servicing Bylaw No. 7900	119 - 120
	To give Bylaw No. 12512 first, second and third reading.	

5.9	Water and Wastewater Service Agreements with District of Lake Country	121 - 169
	To secure water supply for Kelowna's far north end area and provide wastewater disposal services to the District of Lake Country via agreements with the District of Lake Country	
5.10	Pickleball and Tennis Long Term Parks Planning	170 - 185
	To endorse the long-term parks planning strategy concerning outdoor pickleball and tennis court provision in Kelowna	
5.11	Non-Market Lease of 1360 Bertram Street to Pathways Abilities Society	186 - 263
	To obtain Council approval for the 60-year non-market lease agreement (the "Lease") between the City of Kelowna (the "City") and Pathways Abilities Society ("Pathways").	
5.12	2022 Progress Report - OCP and Transportation Master Plan	264 - 348
	To provide Council with the first annual Progress Report for the 2040 Official Community Plan and Transportation Master Plan.	
5.13	Sustainable Urban Forest Strategy - Goals and Strategies	349 - 420
	To provide Council with an update on the progress of the Sustainable Urban Forest Strategy and to discuss its vision, goals, and strategies.	

6. Mayor and Councillor Items

7. Termination



**City of Kelowna
Regular Council Meeting
Minutes**

Date:	Monday, April 3, 2023
Location:	Council Chamber City Hall, 1435 Water Street
Members Present	Mayor Tom Dyas*, Councillors Ron Cannan, Maxine DeHart, Charlie Hodge, Gord Lovegrove, Mohini Singh, Rick Webber and Loyal Wooldridge*
Members participating Remotely	Councillor Luke Stack*
Staff Present	City Manager, Doug Gilchrist*; Acting City Manager, Mac Logan*; City Clerk, Stephen Fleming; Community & Neighbourhood Services Manager, Mariko Siggers*; Divisional Director, Planning & Development Services, Ryan Smith*; Development Planning Department Manager, Terry Barton*; Community Planning & Development Manager, Dean Strachan*; Planner Specialist, Adam Cseke*; Planner, Tyler Caswell*; Policy & Planning Department Manager, Danielle Noble-Brandt*; Sustainability Coordinator, Tracy Guidi*; Divisional Director, Active Living & Culture, Jim Gabriel*; Event Development Supervisor, Chris Babcock*; Sport & Event Services Manager, Doug Nicholas*; Revenue Supervisor, Patrick Gramiak*; Parking Services Manager, Dave Duncan*; Deputy City Clerk, Laura Bentley*; Legal and Administrative Coordinator, Lisa Schell*
Staff participating Remotely	Legislative Coordinator (Confidential), Arlene McClelland
Guest	Ellen Boelcke*, Civic & Community Awards Steering Committee Chair
Guests Remotely	John Frittenberg* and Michael Roma*, Consultants

(* Denotes partial attendance)

1. Call to Order

Mayor Dyas called the meeting to order at 1:30 p.m.

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 and a delayed broadcast is shown on Shaw Cable.

2. Confirmation of Minutes

Moved By Councillor Wooldridge/Seconded By Councillor DeHart

THAT the Minutes of the Regular Meetings of March 20, 2023 be confirmed as circulated.

Carried

3. Committee Reports

3.1 48 Annual Civic Awards Finalist Announcement

Staff:

- Thanked members of the Civic Awards Committee and volunteers involved in the process.
- Introduced the presentation and Ellen Boelcke, Civic & Community Awards Steering Committee Chair.

Councillor Stack joined the meeting remotely at 1:33 p.m.

Ellen Boelcke, Civic & Community Awards Steering Committee Chair

- Displayed a PowerPoint Presentation.
- Identified the Civic & Community Award finalists in each category.

4. Development Application Reports & Related Bylaws

4.1 TA23-0001 (BL12500) - Amendments to Multiple Sections of Zoning Bylaw - 2 of 3 - City of Kelowna

Staff:

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

Moved By Councillor Cannan/Seconded By Councillor DeHart

THAT Zoning Bylaw Text Amendment Application No. TA23-0001 to amend City of Kelowna Zoning Bylaw No. 12375 as outlined in Schedule 'A' be considered by Council;

AND THAT the Zoning Bylaw Text Amending Bylaw No. 12500 be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Zoning Bylaw Text Amending Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

Carried

4.2 BL12500 (TA23-0001) - Amendments to Multiple Sections of Zoning Bylaw 2 of 3 - City of Kelowna

Moved By Councillor Wooldridge/Seconded By Councillor DeHart

THAT Bylaw No. 12500 be read a first time.

Carried

4.3 TA23-0002 (BL12475) - Spelling and Grammar Changes - Zoning Bylaw No. 12375 - 3 of 3

Staff:

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

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

THAT Zoning Bylaw Text Amendment Application No. TA23-0002 to amend City of Kelowna Zoning Bylaw No. 12375 as outlined in Schedule 'A' be considered by Council;

AND THAT the Zoning Bylaw Text Amending Bylaw No. 12475 be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Zoning Bylaw Text Amending Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

Carried

4.4 BL12475 (TA23-0002) - Amendments to Multiple Sections of Zoning Bylaw 3 of 3 - City of Kelowna

Moved By Councillor Wooldridge/Seconded By Councillor DeHart

THAT Bylaw No. 12475 be read a first time.

Carried

4.5 Polo Rd 2019 - Z23-0005 (BL12510) - 1383931 B.C. Ltd., Inc. No. BC1383931

Staff:

- Displayed a PowerPoint Presentation summarizing the application.

Moved By Councillor Wooldridge/Seconded By Councillor Cannan

THAT Rezoning Application No. Z23-0005 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of a portion of Lot 12 District Lot 131 ODYD Plan 18771, located at 2019 Polo Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU2 – Medium Lot Housing zone as shown on Map "A" attached to the Report from the Development Planning Department dated April 3, 2023, 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 Attachment "A" attached to the Report from the Development Planning Department dated April 3, 2023;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered subsequent to the issuance of a Preliminary Layout Review Letter by the Approving Officer.

Carried

4.6 Sexsmith Rd 2930 - Z22-0019 (BL12511) - Reid Industrial Centre Ltd., Inc. No. BC1326474

Staff:

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

Moved By Councillor Wooldridge/Seconded By Councillor Lovegrove

THAT Rezoning Application No. Z22-0019 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of Lot 34 Section 3 Township 23 ODYD Plan 18861, located at 2930 Sexsmith Road, Kelowna, BC from the A2 – Agriculture / Rural Residential zone to the I2 – General Industrial 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 Attachment "A" attached to the Report from the Development Planning Department dated April 3rd, 2023.

Carried

4.7 Rezoning Bylaw Supplemental Report to Council

Staff:

- Confirmed no correspondence had been received for the rezoning of Russo Street.

4.8 Russo St 4195 - BL12498 (Z22-0044) - Nacionia Mae Sigurdson and Shane Bernard Cartier

Moved By Councillor DeHart/Seconded By Councillor Wooldridge

THAT Bylaw No. 12498 be read a first, second and third time and be adopted.

Carried

4.9 Raymer Ave 712-722 - DP22-0203 - Cellar Door Holdings Ltd., Inc. No. 1299686

Staff:

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

Moved By Councillor Wooldridge/Seconded By Councillor Lovegrove

THAT Council authorizes the issuance of Development Permit No. DP22-0203 for Lot 16 District Lot 135 ODYD Plan 3929, located at 712-722 Raymer Ave, 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 amount of 125% of the estimated value of the Landscape Plan, as determined by a Registered Landscape Architect;

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 2 (two) years from the date of Council approval, with no opportunity to extend.

Carried

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

5.1 **Band Road 1150 - BL12456 (Z21-0083) - 1320467 B.C. Ltd., Inc. No. BC1320467**

Moved By Councillor Wooldridge/Seconded By Councillor DeHart

THAT Bylaw No. 12456 be adopted.

Carried

5.2 **Gordon Dr 4998 - BL12474 (OCP22-0007) - 0954654 BC LTD**

Moved By Councillor Lovegrove/Seconded By Councillor Hodge

THAT Bylaw No. 12474 be adopted.

Carried

5.3 **OCP Amendment regarding Temporary Use Permit Designation - BL12496 (OCP23-0003) - City of Kelowna**

Moved By Councillor Lovegrove/Seconded By Councillor Hodge

THAT Bylaw No. 12496 be adopted.

Carried

6. **Non-Development Reports & Related Bylaws**

6.1 **Climate Resilient Kelowna Strategy - Vulnerability and Risk Assessment**

Staff:

- Displayed a PowerPoint Presentation providing an update on the outcomes of Phase 2 of the Climate Resilient Strategy, Vulnerability and Risk Analysis and responded to questions from Council.

6.2 **2023 Meet Me on Bernard**

Staff:

- Displayed a PowerPoint Presentation outlining the proposed change to the 2023 Meet Me on Bernard program and responded to questions from Council.

Moved By Councillor Wooldridge/Seconded By Councillor Webber

THAT Council hear from the Executive Director of the Downtown Kelowna Association and to respond to questions from Council.

Carried

Mark Burley, Executive Director of the Downtown Kelowna Association

- Commented that most concerns are with the 400 to 500 blocks.
- Responded to questions from Council.

Moved By Councillor Lovegrove/Seconded By Councillor Wooldridge

THAT Council receive for information, the report from the Event Development Supervisor, dated April 3, 2023, regarding activities related to the 2023 Meet Me on Bernard program;

AND THAT Council approve an earlier opening date of the May long-weekend for the 200 block of the Meet me on Bernard program;

AND THAT Council approve an earlier opening date of the May long-weekend for patio extensions utilizing only parking stalls for those businesses on the 300-500 blocks wishing to participate;

AND FURTHER THAT Council direct staff to work with the DKA regarding any further amendments to the Meet Me on Bernard program for the 2023 season, particularly for the 400-500 block and report back.

Carried

6.3 Festivals Kelowna - Service Agreement

Staff:

- Displayed a PowerPoint Presentation outlining the renewal of the three year service agreement with Festivals Kelowna and responded to questions from Council.

Moved By Councillor Hodge/Seconded By Councillor Lovegrove

THAT Council approve the City entering into a three (3) year agreement with the Festivals and Special Events Development Society of Kelowna (Festivals Kelowna) as per the general terms and conditions of the agreement attached as schedule A to the report from the Active Living & Culture Division, dated April 3, 2023

AND THAT the Sport & Event Services Manager, or a designate thereof, be authorized to execute all necessary documents pertaining to the Service Agreement with Festivals Kelowna.

Carried

The meeting recessed at 3:22 p.m.

Mayor Dyas and City Manager left the meeting at 3:22 p.m.

The meeting reconvened at 3:31 p.m. with Deputy Mayor Hodge in the Chair and General Manager, Infrastructure Mac Logan acting for the City Manager.

6.4 Indoor Recreation Facility Strategy (IRFS)

Staff:

- Displayed a PowerPoint Presentation regarding an overview of the indoor recreation Facility Strategy planning process and responded to question from Council.
- Introduced Consultants John Frittenberg, President of the JF Group and Michael Roma, Managing Partner with Parks & Strategies, participating remotely.

John Frittenberg and Michael Roma Consultants

- Continued with staff's PowerPoint Presentation.
- Spoke to reasons for investing in recreation facilities.
- Spoke to Strategic and Tactical Planning phases.
- Spoke to Needs Assessment and Prioritization and identified 2022 results.
- Provided an Action Plan Summary over the next 5 to 10 years.
- Responded to questions from Council.

Moved By Councillor Cannan/Seconded By Councillor Lovegrove

THAT Council receives, for information, the report from the Active Living & Culture Division, dated April 3, 2023, regarding the activities related to the development of an Indoor Recreation Facility Strategy;

AND THAT Council accepts the Strategic Planning framework, and related directions, as outlined in the report.

Carried

6.5 Downtown Kelowna Association 2023 Budget

Staff:

- Displayed a PowerPoint Presentation summarizing the proposed Downtown Kelowna Association 2023 budget and responded to questions from Council.

Moved By Councillor Cannan/Seconded By Councillor Webber

THAT Council approves the Downtown Kelowna Association 2023 Budget as attached to the report of the Revenue Supervisor dated April 3, 2023.

AND THAT Council approves the 2023 levy of \$1,148,954 on Class 5 and Class 6 properties located within the boundaries of the Kelowna Downtown Business Improvement Area.

Carried

6.6 Uptown Rutland Business Association 2023 Budget

Staff:

- Displayed a PowerPoint Presentation summarizing the proposed Uptown Rutland Business Association 2023 budget and responded to questions from Council.

Moved By Councillor Lovegrove/Seconded By Councillor Wooldridge

THAT Council approve the Uptown Rutland Business Association 2023 Budget as attached to the report of the Revenue Supervisor dated April 3, 2023;

AND THAT Council approve the 2023 levy of \$222,547 on the Class 5 and Class 6 properties located within the boundaries of the Uptown Rutland Business Improvement Area.

Carried

6.7 Complimentary 2-hr Saturday Parking and Transit for Downtown Kelowna Promotions

Staff:

- Displayed a PowerPoint Presentation outlining the proposed Complimentary Saturday Parking and Transit for Downtown Kelowna Promotions and responded to questions from Council.

Moved By Councillor Lovegrove

THAT Council make an amendment to add free transit on April 29, 2023 and September 23, 2023.

The motion failed due to lack of Secunder.

Moved By Councillor Wooldridge/Seconded By Councillor DeHart

THAT Council receives, for information, the report from the Real Estate/Transit & Programs departments dated April 3, 2023, with respect to complimentary 2-hour on-street parking and transit service on select Saturdays in 2023;

AND THAT Council approves waiving the first 2-hours of on-street parking fees in the downtown area on April 29th, September 23rd, and the five (5) Saturdays in December 2023;

AND THAT Council approves complimentary transit service, within City of Kelowna service boundaries, on the five (5) Saturdays in December 2023;

AND FURTHER THAT Council directs staff to bring forward an amendment to Delegation of Authority to Enter into Leases and Licences of Occupation Bylaw No. 11550 to delegate authority to staff for future requests from business improvement area associations for complimentary parking.

Carried

6.8 Accessibility Advisory Committee Terms of Reference

Staff:

- Displayed a PowerPoint Presentation outlining the proposed Accessibility Advisory Committee Terms of Reference and responded to questions from Council.

Moved By Councillor Wooldridge/Seconded By Councillor Webber

THAT Council defer further consideration of the Accessibility Advisory Committee Terms of Reference;

AND THAT Council direct staff to consult with people with lived experience on the Terms of Reference prior to coming back to Council;

AND THAT Council direct staff to bring forward considerations for including a Councillor on the Accessibility Advisory Committee.

Carried

Deputy Mayor Hodge and Councillor Lovegrove - Opposed

7. Bylaws for Adoption (Non-Development Related)

7.1 BL12488 - Amendment No. 13 to the Solid Waste Bylaw No. 10106

Moved By Councillor Lovegrove/Seconded By Councillor Hodge

THAT Bylaw No. 12488 be adopted.

Carried

8. Mayor and Councillor Items

Councillor Wooldridge left the meeting at 5:00 p.m.

Councillor Cannan:

- Spoke to those with accessibility issues not having access to Knox Mountain.

City Clerk:

- Will circulate to Council previous reports regarding Knox Mountain access.

Councillor Lovegrove:

- Spoke to their attendance at the Farmers Market reopening.

Councillor Stack:

- Extensive public consultation was undertaken regarding Knox Mountain access and encouraged everyone to read the reports.

Councillor DeHart:

- Spoke to their attendance at the Chamber of Commerce AGM on behalf of Mayor Dyas.
- Spoke to their attendance at the Farmers Market reopening.
- Spoke to their attendance at the Ukrainian Catholic Bazaar.

Deputy Mayor Hodge:

- Spoke to their attendance at the Kelowna Heritage Society AGM on behalf of Mayor Dyas.
- Spoke to their attendance at the Farmers Market reopening.
- Will be bringing forward a Notice of Motion to send a letter to the Province regarding a derelict houseboat on ferry docks on the lake.

Councillor Singh:

- Spoke to their attendance at the successful Hearts and Hands for Ukrainian Fundraiser.

Councillor Lovegrove:

- Will be bringing forward a Notice of Motion declaring a climate crisis at the next meeting.

9. Termination

This meeting was declared terminated at 5:10 p.m.

Mayor Dyas

/acm



City Clerk

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Department: Office of the City Clerk
Subject: Rezoning Bylaw Supplemental Report to Council

Recommendation:

THAT Council receives, for information, the report from the Office of the City Clerk dated April 17, 2023 with respect to two rezoning applications;

AND THAT Rezoning Bylaws No. 12510 and 12511 be forwarded for further reading consideration.

Purpose:

To receive a summary of notice of first reading for Rezoning Bylaws No. 12510 and 12511 and to give the bylaws further reading consideration.

Background:

Zoning bylaws that are consistent with the OCP do not require a public hearing. Public notice is given before first reading with signage on the subject property, newspaper advertisements, and mailouts in accordance with the Local Government Act and Development Application & Heritage Procedures Bylaw No. 12310.

Discussion:

The two Rezoning Applications were brought forward to Council for initial consideration on April 3, 2023. Notice of first reading was completed as outlined above.

Correspondence was received as per the following table:

Address	Application	Bylaw	Recommended Readings	Correspondence Received
2019 Polo Road	Z23-0005	12510	1 st , 2 nd , 3 rd	0
2930 Sexsmith Road	Z22-0019	12511	1 st , 2 nd , 3 rd	0

These applications were brought forward with a recommendation of support from the Development Planning Department. Staff are recommending Council proceed with further readings of the Bylaw.

Conclusion:

Following notice of first reading, staff are recommending that Council give Rezoning Bylaws No. 12510 and 12511 further reading consideration.

Internal Circulation:

Considerations applicable to this report:

Legal/Statutory Authority:

Local Government Act s. 464(2)

Legal/Statutory Procedural Requirements:

Following the notification period under s. 467 of the Local Government Act, Council may choose to:

- give a bylaw reading consideration,
- give a bylaw first reading and advance the bylaw to a Public Hearing, or
- defeat the bylaw.

Considerations not applicable to this report:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by: P Selzer, Legislative Technician

Approved for inclusion: S Fleming, City Clerk

cc: Development Planning

CITY OF KELOWNA

BYLAW NO. 12510

Z23-0005

2019 Polo Road

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 12375".

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

1. THAT City of Kelowna Zoning Bylaw No. 12375 be amended by changing the zoning classification of a portion of Lot 12 District Lot 131 ODYD Plan 18771 located on Polo Road Kelowna, BC from the RU₁ – Large Lot Housing zone to the RU₂ – Medium Lot Housing zone 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, second and third time by the Municipal Council this

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk



CITY OF KELOWNA

BYLAW NO. 12511

Z22-0019

2930 Sexsmith Road

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 12375".

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

1. THAT City of Kelowna Zoning Bylaw No. 12375 be amended by changing the zoning classification of Lot 34 Section 3 Township 23 ODYD Plan 18861 located on Sexsmith Road Kelowna, BC from the A2 – Agriculture / Rural Residential zone to the I2 – General Industrial 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

Mayor

City Clerk

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: 2023 BC Growing Communities Fund Allocation
Department: Financial Services

Recommendation:

THAT Council receives, for information, the report from the Financial Services Department dated April 17, 2023 with respect to the 2023 BC Growing Communities Fund;

AND THAT the 2023 Financial Plan be amended to include the receipt of the \$26,228,000 grant funds, and the contribution of the funds to reserve;

AND FURTHER THAT Council direct staff to return to Council to present a project plan to use the grant funds.

Purpose:

To amend the 2023 Financial Plan to include the receipt of \$26,228,000 of grant funds under the BC Growing Communities Fund.

Background:

As the provincial population is projected to continue to increase over the next ten years, many communities struggle to keep pace with housing supply and associated infrastructure. On February 10, 2023, the B.C. Provincial Government announced the Growing Communities Fund providing a one-time grant to all 188 of B.C.'s municipalities and regional districts, with a focus on fast growing communities. The principal objective of the fund is to increase local housing supply through the investment in community infrastructure and amenities.

The grants were distributed using a formula that incorporated an initial \$500,000 per municipality or regional district, and a further adjustment for population size and per-capita population growth between 2016 and 2021, to help with the additional pressures experienced by faster-growing communities. These funds can be used to address each community's unique infrastructure and amenities demands such as recreation facilities, parks, and water-treatment plants, as well as other community infrastructure.

Discussion:

As a condition of the grant, the funding must be placed in a segregated reserve fund established by bylaw under section 188 of the *Community Charter* for the Capital and Planning purposes of the Growing Community Fund.

Staff are working together to prepare a plan of priority projects to be presented to Council for budget approval. Until that time, staff are recommending that the City of Kelowna’s portion of the Growing Communities Fund, \$26,228,000, be contributed to a Growing Community Fund Reserve and allocated out to be used under the following broad categories:

Staff are also considering the use of funds be allocated as (approximate):

- 50% - To be used to reduce debt servicing impacts of the PRC replacement,
- 35% – To be used to fund capital projects reducing the infrastructure deficit and leveraging DCC funds,
- And 15% To be used to advance additional Council Priorities.

Upon the completion of the allocation plan, specific figures will be brought to Council for approval considering both Council priorities and infrastructure needs.

Conclusion:

The Growing Communities grant funds have been received by the City, and staff are working to develop a specific funding plan corresponding to the high-level categories outlined in this report. A report containing these specific projects will be provided to Council in the near term and projects identified in this year’s update to the 10-Year Capital Plan.

Internal Circulation:

N/A

Considerations applicable to this report:

N/A

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Considerations not applicable to this report:

Submitted by:

Joe Sass, CPA, CA – Finance Director

Approved for inclusion:



J. Shaw, Acting Divisional Director Financial Services

Growing Communities Fund

April 17, 2023

Growing Communities Fund

- ▶ One-time grant to all BC Municipalities and Regional Districts
- ▶ Focus on fast growing communities
- ▶ Kelowna's share \$26M

Growing Communities Fund

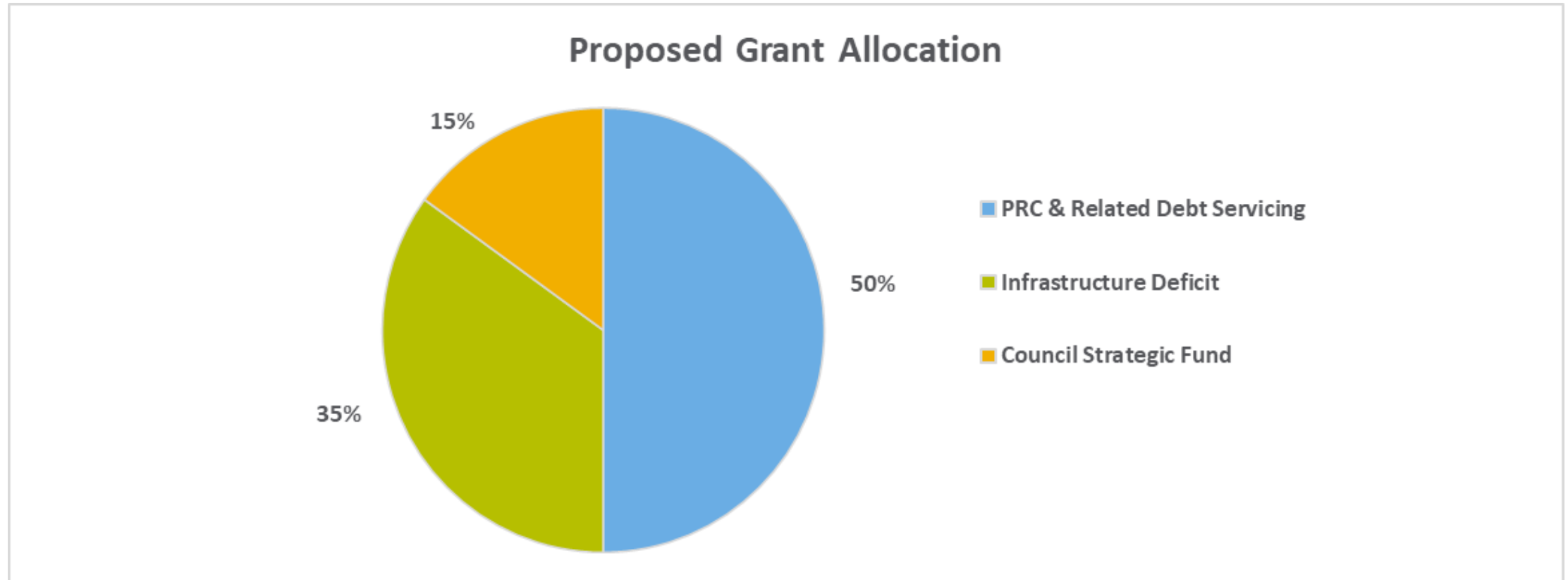
▶ Principal Objective:

To increase local housing supply through the investment in community infrastructure and amenities.

Growing Communities Fund

- ▶ Recreation facilities
- ▶ Water-treatment plants
- ▶ Parks
- ▶ Local road improvements and upgrades
- ▶ Improvements that facilitate transit service
- ▶ Storm water management
- ▶ etc.

Growing Communities Fund



Growing Communities Fund

- ▶ Next steps:
 - ▶ Project list
 - ▶ Reserve bylaw
 - ▶ Update 10-Year Capital Plan



Questions?

For more information, visit kelowna.ca.

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: 2023 Tax Distribution Policy
Department: Financial Services - Controller

Recommendation:

THAT Council approve a Municipal Tax Distribution Policy as outlined in the Report dated April 17, 2023, for the year 2023 that will result in a modification of the 2022 Tax Class Ratios to reflect the uneven market value changes which have been experienced between property classes, as follows:

<u>Property Class</u>	<u>2022 Tax Class Ratios</u>	<u>2023 Tax Class Ratios</u>
Residential/Rec/NP/SH	1.0000:1	1.0000:1
Utilities	6.0783:1	5.7720:1
Major Industrial	7.5328:1	8.5581:1
Light Industrial/Business/Other	2.5451:1	2.4594:1
Farm Land	0.2052:1	0.2307:1
Farm Improvements	0.4905:1	0.5149:1

AND THAT Council approve development of 2023 tax rates to reflect the 2023 assessment changes in property market values.

Purpose:

To establish tax class ratios that will be used in the preparation of the 2023 tax rates.

Background:

The 2023 assessment roll is based on market values established on July 1, 2022. The market value change to assessments is outlined in the following table:

<u>Property Class</u>	<u>Market Increase/(Decrease)</u>
Residential/Rec/NP/SH	15.99%
Utilities	19.22%
Major Industrial (no properties)	0.00%
Light Industrial/Business/Other	19.22%
Farm Land	-0.25%
Farm Improvements	7.17%

Additional background information is attached to this report on the following:

- The B.C. Assessment Authority and the Assessment System
- The Taxation System
- Historical Council Policy - Tax Class Ratios
- The 2023 Revised Assessment Roll

Discussion:

Under Provincial legislation, Community Charter section 165(3.1)(b), municipalities must set out objectives and policies in relation to the distribution of property value taxes among the property classes. The current Council policy is to modify tax class ratios to provide an effective tax increase that is the same for all classes. Market value changes that result in uneven changes between property classes result in a tax burden shift to the class experiencing greater market value increases unless tax class ratios are modified to mitigate this shift. Over time, this can lead to changes in the tax ratios of one, or several, property classes if their market change is different from the residential class, which is used as the base.

From 2022 information on municipalities with a population of over 75,000, Kelowna has the fifth lowest Business Class ratio and was one of nine municipalities that had a Business class ratio under 3.00. To remain competitive, Kelowna ensures that business and light industry property tax ratios remain below the average of BC municipalities with populations greater than 75,000. A maximum of 3.00 is to be considered for these classes and any impacts from this cap will be reported to council.

There is a Provincial regulation capping the Utility class multiple at 2.5 times the Business property class ratio; this equates to a maximum of 6.1484 for the current year. The Utility Class ratio remains close to the maximum ratio that can be used and could impact the tax sharing in future years, however the impact would be minimal due to the smaller assessment in that property class. Farm Land tax rates are set by statute and for 2023 are \$0.55/1,000 of assessed value; 2022 rate was \$0.54/1,000 of assessed value.

Impact on Properties Within Each Property Class

It is important to be aware that the tax rates established as a result of new tax class ratios are designed to avoid shifts between property classes; however, the rates established are based on the average market value increase for the entire class or classes.

The establishment of tax class ratios that prevent shifts between classes does not eliminate potential shifts within a property class where a property has experienced a market value change that is greater than the average for that class.

The establishment of modified tax class ratios provides a basis for an equitable distribution of general municipal taxes between classes; however, the establishment of the required tax rate will be dependent on the final tax demand as determined by Council during Final Budget deliberations.

Conclusion:

Tax class ratios for 2023 have decreased in relation to the residential class with the exception of Major Industrial class and Farm Improvement class. This reflects the market value changes experienced in those classes in comparison to the residential class. The Farm Land tax rate will be at fifty-five cents per thousand of assessed value, as set by statute.

Internal Circulation:

Divisional Director, Financial Services

Considerations applicable to this report:

Legal/Statutory Authority:

Community Charter section 165(3.1)(b)
Taxation (Rural Area) Act Regulation B.C. Reg 387/82(5)

Existing Policy:

As included in the Five Year Financial Plan Bylaw:

- Council will annually review and modify tax class ratios to provide an effective tax change that is the same for all classes.
- The impacts on other property classes from administering a ratio cap on the Light Industrial/Business classes will be reported to Council.
- Regularly review and compare the City's relative position in terms of distribution of taxes to other similarly sized municipalities in British Columbia.

Financial/Budgetary Considerations:

The approved tax class ratios will be used to establish the 2023 property tax rates.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

External Agency/Public Comments:

Communications Comments:

Submitted by:

Patrick Gramiak, Revenue Supervisor

Approved for inclusion:



Joe Sass, Finance Director, Financial Services

BACKGROUND INFORMATION

The B.C. Assessment Authority and the Assessment System

The B.C. Assessment Authority is an independent body created by the Provincial Legislature and is charged with the responsibility of preparing an Assessment Roll for all of the properties in British Columbia.

Taxing authorities, at various levels of government (e.g. Provincial, Municipalities, Regional Districts, Hospitals, School Districts) use the Assessment Roll to assist them with the distribution of the taxes required to operate their corporations.

July 1st of the previous year is the assessment valuation date for properties listed in the assessment roll.

Although the Assessment Roll preparation is the responsibility of the Assessment Authority, for use by various taxing jurisdictions, B.C. Assessment has nothing to do with the actual levying of taxes, other than for its own operating levy.

The Taxation System

City Council is responsible only for the General Municipal portion of the property taxes appearing on the Kelowna tax bill that is sent to property owners in May of each year. The City of Kelowna is responsible for the billing and collection of taxes levied by other taxing jurisdictions such as the School District, however City Council has no direct control over these levies.

The General Municipal tax levy is the City's primary revenue source, which is used to pay for the services that it delivers to its citizens such as fire and police protection, street and parks maintenance, library, new road construction, etc.

The provision of water, sewer and airport services is funded by way of user rates. These costs are not included in the general municipal tax levy.

The Assessment System managed by B.C. Assessment and the Taxation System managed by the City of Kelowna are two separate systems, subject to different Acts of Legislature and meant for two different purposes.

Over the years, the taxation system has changed substantially and has been constantly reviewed and amended by the Province in an attempt to provide a more equitable and understandable method of sharing the taxation requirements within each municipality.

Prior to the present system, which provides the authority for Municipalities to set the tax class ratios, uneven market fluctuations between classes resulted in shifts in the taxation burden from one property class to another.

Tax Class ratios represent the relative tax amounts that each class will pay as a ratio of the residential tax class. For example, if the tax class ratio of the Business to Residential class is 2.50:1, this means that for

each dollar of market value the Business Class tax rate will be two and one-half times that of the Residential Class.

The ability to establish different tax rates for each class of property means that municipalities can avoid shifts of taxation between classes of property, unless there is a deliberate political decision to do otherwise.

The differential tax rate powers granted to municipalities are not, however, designed to prevent shifts of taxation between properties within a particular class.

Historical Council Policy - Tax Class Ratios

From 1984, when City Council was granted the authority to establish tax class ratios, to 1988, there was very little market value movement in the City. As a result, there was no need to adjust the tax class ratios to prevent shifts in the tax burden from one property class to another.

This changed slightly in 1989 and the City chose to modify the tax class ratios at that time to reflect the difference in market movement between the residential class and the business class.

In 1991 there was a more dramatic change in the market values of residential property which necessitated a more significant change in the tax class ratios to ensure that the residential class did not experience a greater percentage tax increase, on average, than other property classes that year.

The following is a historical recap of the tax class ratios which were established from 1991 through to 2022 based on market value shifts that occurred during that period (some years are omitted to condense the information):

<u>Property Class</u>	<u>1985</u>	<u>1991</u>	<u>1997</u>	<u>2003</u>	<u>2009</u>	<u>2015</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Residential/ Supportive Housing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utilities	2.21	3.00	3.03	3.76	6.15	5.13	5.55	5.47	4.92	4.92	6.08
Major Industry	1.74	2.49	3.20	2.93	3.96	3.48	6.62	6.42	6.04	5.85	7.53
Light Industry/ Business	1.74	2.40	2.02	2.04	2.72	2.13	2.38	2.36	2.17	2.26	2.55

The 2023 Assessment Roll

The following is the 2023 split between market and non-market changes as provided by B.C. Assessment:

	<u>(ooo's)</u>		<u>Market</u>	<u>Non-Market</u>
	<u>2023</u>	<u>2022</u>		
Res/Rec/NP/SH	52,559,581	45,312,287	13.61%	2.38%
Utilities	58,060	48,698	19.64%	-0.41%
Major Industrial	0	0	0.00%	0.00%
Light Ind/Bus/Other	8,927,670	7,488,235	17.57%	1.65%
Farm Land	22,049	22,104	1.61%	-1.86%
Farm Improvements	572,004	533,722	8.23%	-1.05%
Totals	62,139,364	53,405,046	14.11%	2.24%

The 2023 Assessment Roll includes a total of \$1,197.31 million in non-market change values added and summarized as follows:

	<u>(million's)</u>
Residential/Rec/NP/SH	\$ 1,079.98
Utilities	\$ (0.20)
Major Industrial	\$ -
Light Industrial/Business & Ot	\$ 123.56
Farm Land/Farm Improvemer	\$ (6.03)
Total	\$ 1,197.31



City of
Kelowna

Tax Distribution Policy 2023



2023 Tax Distribution Policy

Purpose

- ▶ To establish the methodology for “Tax Class Ratios” or distribution of taxation demand among property classes resulting in the 2023 tax rate

2023 Tax Distribution Policy

Background

- ▶ Provincial legislation empowers local governments to distribute property taxes among property classes
- ▶ There are nine property classes within the City of Kelowna:
 - Residential
 - Utilities
 - Business/Other
 - Rec/Non-Profit
 - Major Industrial
 - Farm Land
 - Supportive Housing
 - Light Industrial
 - Farm Improvements

2023 Tax Distribution Policy

Tax Class Ratio

- ▶ Used to calculate the Municipal Tax Rate for each Property Class
- ▶ A multiple of the tax rate in comparison to the residential rate (base rate)

2023 Tax Distribution Policy

Two Common Tax Distribution Methodologies

Fixed Tax Class Ratio Method

- ▶ Leads to tax burden shifts between classes due to differential changes in market values

Fixed Share Method

- ▶ Compensates for differential changes in Market values between Property Classes
- ▶ Provides an equal effective tax increase for all classes
- ▶ Most common method used by municipalities

2023 Tax Distribution Policy

Fixed Share Tax Distribution

- ▶ The “Fixed Share” method has been supported by Council since 1989
- ▶ Compensates for market shifts between property classes
- ▶ Provides an effective tax increase that is the same for all property classes

2023 Tax Distribution Policy

STEP 1 - CALCULATE ASSESSMENT CHANGE			
Property Class	2022 Assessment Totals	2023 Assessment Totals	Assessment Percentage Change
Res/Rec/NP/SH	45,312.29	52,559.58	15.99%
Utilities	48.70	58.06	19.22%
Major Industrial	0.00	0.00	0.00%
Light Ind/Business/Other	7,488.24	8,927.67	19.22%
Farm Land	22.10	22.05	-0.25%
Farm Improvements	533.72	572.00	7.17%
	(In millions)		

2023 Tax Distribution Policy

STEP 2 - IDENTIFY REASONS FOR CHANGE			
Property Class	Percentage Change	Non -Market Change	Market Change
Res/Rec/NP/SH	15.99%	2.38%	13.61%
Utilities	19.22%	-0.41%	19.64%
Major Industrial	0.00%	0.00%	0.00%
Lgt Ind/Business/Other	19.22%	1.65%	17.57%
Farm Land	-0.25%	-1.86%	1.61%
Farm Improvements	7.17%	-1.05%	8.23%

2023 Tax Distribution Policy

- ▶ Fixed Share method modifies the Tax Class Ratios to account for market change
- ▶ The effective tax increase is equal among all property classes

STEP 3 - MODIFY THE TAX CLASS RATIOS				
Property Class	Market Change	2022 Tax Class Ratios	2023 Tax Class Ratios <i>(Modified)</i>	2023 Preliminary Budget Effective Tax Increase
Res/Rec/NP/SH	13.61%	1.0000	1.0000	3.80%
Utilities	19.64%	6.0783	5.7720	3.80%
Major Industrial	0.00%	7.5328	8.5581	3.80%
Lgt Ind/Bus/Other	17.57%	2.5451	2.4594	3.80%
Farm Improvements	8.23%	0.4905	0.5149	3.80%

2023 Tax Distribution Policy

Comparison with 2022

Property Class	Market Change	2022 Tax Class Ratios	2023 Tax Class Ratios
Res/Rec/NP/SH	13.61%	1.0000	1.0000
Utilities	19.64%	6.0783	5.7720
Major Industrial	0.00%	7.5328	8.5581
Lgt Ind/Business/Other	17.57%	2.5451	2.4594
Farm Land	1.61%	0.2052	0.2307
Farm Improvements	8.23%	0.4905	0.5149

2023 Tax Distribution Policy

2022 Tax Class Ratios

PROPERTY CLASS	MUNICIPAL	SCHOOL	BC ASSESSMENT	RDCO & HOSPITAL
Res/Rec/NP/SH	1.00	1.00	1.00	1.00
Utilities	6.08	10.78	13.36	3.50
Supportive Housing	1.00	0.08	0.00	1.00
Major Industrial	7.53	2.98	13.36	3.40
Light Industrial	2.55	2.98	2.97	3.40
Business/Other	2.55	2.98	2.97	2.45
Recreation/Non-Farm Land	1.00	1.72	1.00	1.00
Farm Land	0.21	5.91	1.00	1.00

2023 Tax Distribution Policy

2022 Ratios: >75,000 Population

Municipality	Business	Utilities	Major Ind.	Light Ind.
Saanich	4.80	9.41	2.55	2.55
Coquitlam	3.80	18.22	11.72	3.07
Victoria	3.65	12.17	3.45	3.53
Nanaimo	3.61	9.69	3.61	3.61
Langley	3.50	14.35	2.30	2.53
New Westminister	3.44	9.16	7.67	3.69
Burnaby	3.31	9.76	12.92	2.79
Kamloops	3.19	10.18	13.67	4.34
Vancouver	3.09	18.08	22.24	3.09
Maple Ridge	2.95	16.58	5.90	2.95
Abbotsford	2.90	16.18	-	2.00
North Vancouver	2.80	25.47	8.21	3.85
Surrey	2.76	23.90	13.88	1.92
Kelowna	2.55	6.08	7.53	2.55
Delta	2.53	19.66	10.36	2.16
Prince George	2.50	6.95	9.80	5.08
Richmond	2.41	23.25	4.53	2.41
Chilliwack	2.29	14.75	1.89	1.89
<i>Average</i>	3.12			

2023 Tax Distribution Policy

Fixed Share Tax Distribution

- ▶ Business Tax Class Ratio below cap of 3.00 :1
 - ▶ Remains below 2022 Provincial Average
- ▶ Utility Tax Class Ratio below legislated provincial cap of 2.5 times Business Tax Class Ratio

2023 Tax Distribution Policy

Fixed Share Tax Distribution

- ▶ Provides stability and predictability
- ▶ Provides a basis for an equitable distribution of Municipal taxes between property classes

Property Class	Market Change		2023 Tax Class Ratios	2023 Preliminary Budget Effective Tax Increase
Res/Rec/NP/SH	13.61%		1.0000	3.80%
Utilities	19.64%		5.7720	3.80%
Major Industrial	0.00%		8.5581	3.80%
Lgt Ind/Business/Other	17.57%		2.4594	3.80%
Farm Improvements	8.23%		0.5149	3.80%



*That concludes my report.
Questions?*

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Amendment No. 1 to Five Year Financial Plan 2022 - 2026 Bylaw
Department: Financial Services

Recommendation:

THAT Council receives, for information, the Report from Financial Services dated April 17, 2023 with respect to amendments to the Five Year Financial Plan 2022-2026 Bylaw;

AND THAT Bylaw No. 12501 being Amendment No. 1 to the Five Year Financial Plan 2022-2026 Bylaw No. 12338 be advanced for reading consideration.

Purpose:

To amend the Five Year Financial Plan (2022-2026) as required by the Community Charter to include the authorized transfers and amendments which occurred in the 2022 year.

Background:

The City of Kelowna, in compliance with section 165(1) of the Community Charter (Financial Management), amends the financial plan annually to provide for expenditures required after the adoption of the Five Year Financial Plan Bylaw. These expenditures, in all cases, do not impact taxation demand but rather result in the shift of funding from one source to another and/or shifts in expenditures within, or from one municipal purpose area to another. Budget transfers and amendments included in the amended financial plan are permitted under Council Policies #262 Financial Plan Amendment Policy, and #261 Financial Plan Transfer Policy.

Council Policy #262, Financial Plan Amendment Policy, states that amendments may increase the City's total budget only where funding is by a source other than taxation (i.e.: provincial grants, private contributions, etc.). Council approval is required for amendments greater than \$200k.

Council Policy #261, Financial Plan Transfer Policy, allows the transfer of funds within the approved financial plan in order to meet the City's internal control objectives, to provide a means for a predictable operating result and to ensure the early detection and management of over-expenditures. Council

consent is required if the transfer involves the cancellation of an approved program or project. Transfers cannot be used to fund new programs or projects without prior Council consent.

All transfers and amendments, including those that do not require Council approval throughout the year, are presented in an amended Five Year Financial Plan bylaw. The attached Schedule A summarizes the authorized transfers and amendments that occurred throughout the 2022 fiscal year. The following are a few transfers and amendments of note that are being brought before Council for the first time.

Corporate and Protective Services Division:

Social Disorder/Employee Safety Committee Budget Amendment: The City's growing homeless population and an increase in social disorder has created an increase in unsafe situations that the City's outside frontline staff face on a regular basis. The 2022 budget was amended by \$175k, funded from the Worksafe Certificate of Recognition reserve, to establish a committee to develop and implement potential solutions to improve conditions for frontline staff.

Infrastructure Division:

Transportation Safety Strategy Budget Transfer: Based on public feedback, objectives were developed as part of the Transportation Master Plan to reduce transportation related injuries and fatalities. Excess Integrated Transportation consulting services budget of \$80k was transferred to assist in the development of a transportation safety strategy that would work to identify an appropriate safety policy, target and series of actions to help achieve this goal.

Transportation Capital:

Transit Minor Betterment Grant Budget Amendment: The City entered into a partnership with the Minister of Transportation and Infrastructure (MOTI) to improve two bus shelters located at Highway 33 at Gerstmar Rd and Highway 33 at Brayden Rd. The 2022 budget was amended by \$135k to include grant funding provided by MOTI.

Parks Capital:

Park Development Budget Transfer: The Parks Capital projects for Ballou Park, Tower Ranch Park 1 and Gopher Creek Linear Park were over budget due to increased construction and labor costs, unexpected scope changes and re-design fees. Conversely, the Rutland Centennial Park project was completed underbudget due to scope adjustments and project efficiencies. Budget in the amount of \$531k was transferred from the Rutland Centennial project to support the shortfall for the above-mentioned projects.

Fire Capital:

Fire Vehicle and Equipment Renewal Budget Transfer: Fire apparatus identified for replacement in 2022 included one bush truck, two fire engines, and one ladder truck. Due to supply chain challenges, the replacement of fire engine 7 has been delayed until 2024 in the hope that there will be reduced pressure on supply chains and result in a more economical replacement. The 2022 budget allocated to this fire engine was reallocated as \$263k for the acquisition of an additional bush truck one year in advance of the scheduled purchase, and \$57k towards the acquisition of fire engine 1 as the cost was greater than expected. The remaining budget was contributed to the Fire Equipment reserve to support the anticipated cost of the delayed replacement.

Water Capital:

South End SOMID Decommission Upgrades Budget Transfer: The construction cost bid for the Frazer Lake Dam came in higher than anticipated due to increased construction and materials cost. A budget transfer of \$366k was completed to move reserve funding from the South End Water Upgrades main project to cover the additional expenses.

Legal/Statutory Authority:

Community Charter section 165.

Considerations not applicable to this report:

Discussion:

Conclusion:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by:

J. Grills, Budget Supervisor

Approved for inclusion:



J. Sass, CA, CPA Director of Financial Services

Attachment:

1. Amendment No. 1 to the Five Year Financial Plan 2022-2026 Council Presentation

A decorative graphic on the left side of the slide, consisting of overlapping triangles in shades of green and blue, with three blue downward-pointing arrows stacked vertically.

2022 - 2026 Amendment to the Five Year Financial Plan

April 17, 2023
Council Chambers

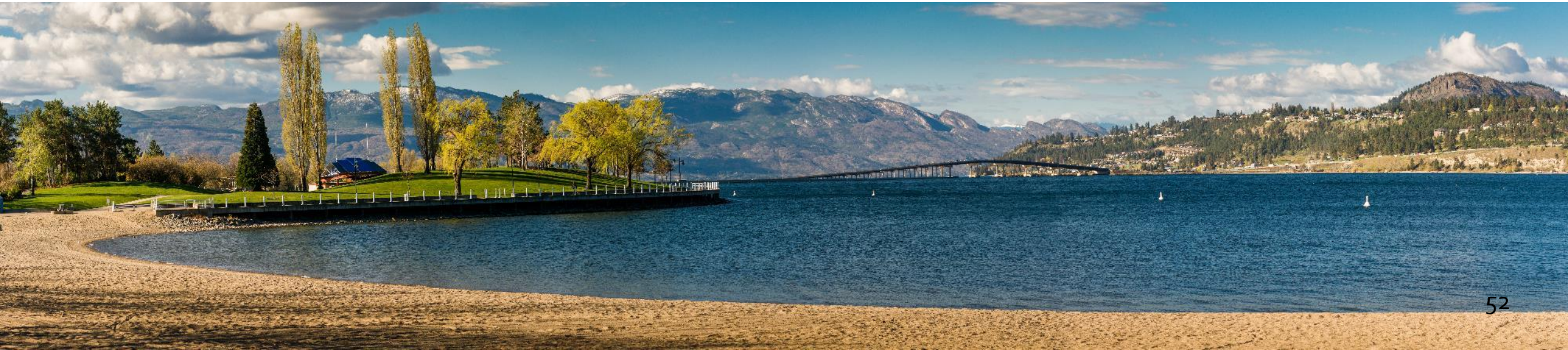
[#kelownabudget](#)
kelowna.ca/budget





Financial Plan background

- ▶ 2022 Financial Plan adopted by bylaw
- ▶ Changes during the year
 - ▶ Emergent events
 - ▶ New Council directed initiatives
 - ▶ New legislation or regulations





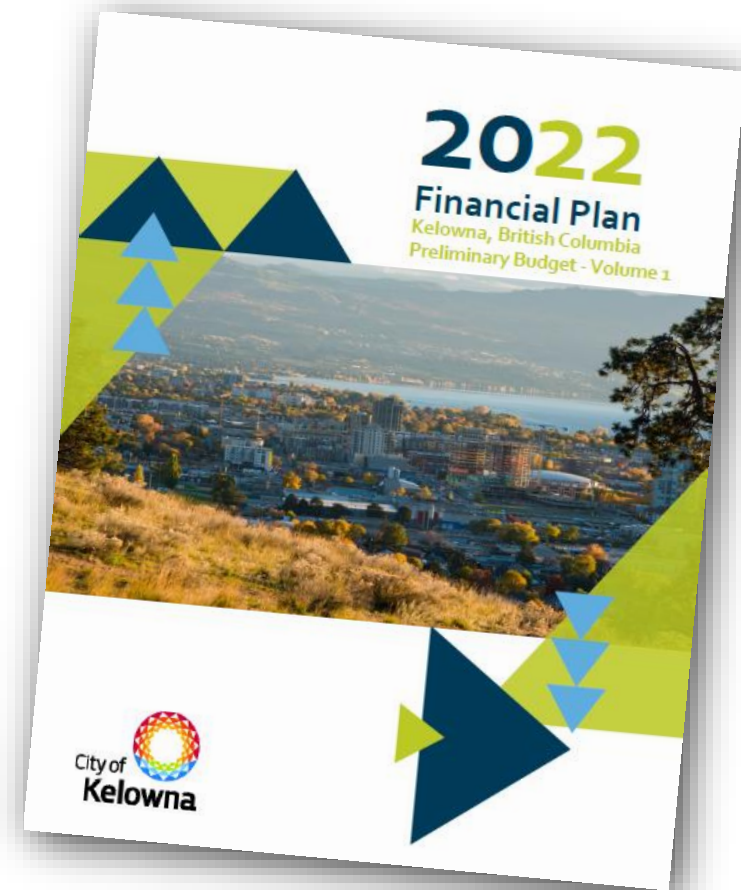
Financial Plan changes

- ▶ Financial Plan changes permitted under:
 - ▶ Transfer Council Policy #261
 - ▶ Transfer of funds within approved financial plan
 - ▶ Cancel or new project require Council approval
 - ▶ Amendment Council Policy #262
 - ▶ Increase budget non-tax funding
 - ▶ Over \$200K require Council approval
- ▶ Community Charter requirement



Financial Plan amendment

- ▶ Amend 2022-2026 Five Year Financial Plan Bylaw 12338
- ▶ Adjust 2022 only
- ▶ No impact on 2022 taxation demand





City of
Kelowna

Questions?

For more information, visit
kelowna.ca/budget

CITY OF KELOWNA

BYLAW NO. 12501

Amendment No. 1 to the Five Year Financial Plan 2022-2026 Bylaw No. 12338

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

1. THAT the Five Year Financial Plan 2022-2026 Bylaw No. 12338 be amended by deleting Schedule "A" in its entirety and replacing with them new Schedule "A" as attached to and forming part of this bylaw;
2. This bylaw may be cited for all purposes as Bylaw No. 12501 being "Amendment No. 1 to the Five Year Financial Plan Bylaw, 2022-2026, No. 12338."

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

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

Schedule "A"

Financial Plan 2022 - 2026

	2022 Amended Budget	2022	2023	2024	2025	2026	2027-2030
Revenue							
Property Value Tax	167,107,316	167,107,316	179,522,375	191,801,552	204,813,609	215,669,897	940,159,269
Library Requisition	7,044,000	7,044,023	7,184,903	7,328,602	7,475,174	7,624,677	32,054,448
Parcel Taxes	6,968,388	3,420,974	3,941,636	3,965,038	3,804,203	3,456,841	12,662,470
Fees and Charges	149,430,006	150,005,535	213,977,187	225,910,172	239,006,280	246,465,323	1,063,681,066
Borrowing Proceeds	7,117,811	7,158,600	-	26,053,200	10,560,000	-	3,830,000
Other Sources	102,632,669	77,169,881	70,729,573	59,588,315	55,953,135	60,148,606	276,738,529
	440,300,190	411,906,329	475,355,674	514,646,879	521,612,401	533,365,344	2,329,125,782
Transfer between Funds							
Reserve Funds	2,514,347	2,319,917	1,018,987	1,018,987	1,018,987	1,018,987	4,075,949
DCC Funds	39,553,199	37,425,860	28,264,914	34,031,463	36,559,002	35,863,936	165,616,918
Surplus/Reserve Accounts	240,632,423	206,914,336	78,307,796	52,726,789	65,029,541	56,828,498	207,146,830
	282,699,969	246,660,113	107,591,697	87,777,239	102,607,530	93,711,421	376,839,697
Total Revenue	723,000,159	658,566,442	582,947,371	602,424,118	624,219,931	627,076,765	2,705,965,479
Expenditures							
Municipal Debt							
Debt Interest	3,702,099	3,694,690	4,162,325	6,044,860	8,532,854	10,050,872	39,490,366
Debt Principal	9,593,546	8,847,932	7,654,270	7,885,874	10,911,346	13,248,530	48,035,228
Capital Expenditures	330,494,687	273,558,700	155,020,452	154,084,439	148,709,078	133,443,167	576,459,501
Other Municipal Purposes							
General Government	37,103,554	35,548,877	39,501,887	40,473,724	41,466,844	42,621,132	182,734,891
Planning, Development & Building Services	34,256,816	33,173,416	26,023,038	26,596,068	27,400,651	27,371,013	119,155,373
Community Services	98,904,869	99,961,295	103,041,317	106,205,449	109,481,906	112,688,935	485,206,409
Protective Services	94,740,432	90,581,801	84,395,912	89,607,971	94,403,331	98,854,158	430,467,334
Utilities	27,123,959	25,659,161	23,515,668	24,184,209	25,281,998	25,981,311	111,405,897
Airport	19,974,967	19,974,967	30,114,952	31,423,042	32,757,421	35,275,058	150,430,052
	655,894,929	591,000,839	473,429,821	486,505,636	498,945,430	499,534,177	2,143,385,050
Transfers between Funds							
Reserve Funds	28,860,451	28,603,562	30,285,675	30,427,080	30,193,089	31,158,937	124,289,996
DCC Funds	-	-	-	-	-	-	-
Surplus/Reserve Accounts	38,244,779	38,962,041	79,231,875	85,491,402	95,081,412	96,383,651	438,290,433
	67,105,230	67,565,603	109,517,550	115,918,482	125,274,501	127,542,588	562,580,429
Total Expenditures	723,000,159	658,566,442	582,947,371	602,424,118	624,219,931	627,076,765	2,705,965,479

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Miscellaneous Fees and Charges Bylaw No. 9381 – Amendment
Department: Financial Services - Controller

Recommendation:

THAT COUNCIL receive for information the report of the Miscellaneous Fees and Charges dated April 17, 2023;

AND THAT Bylaw No. 12513 being Amendment No. 11 to the Miscellaneous Fees and Charges Bylaw 9381 be advanced for reading consideration.

Purpose:

To obtain Council’s approval to amend the Miscellaneous Fees and Charges Bylaw No. 9381.

Background:

Historically, the City of Kelowna has not accepted credit cards as a form of payment for property taxes. While this has been a common request from our customers, the Revenue Branch has been unable to provide this option due to software limitations. Starting this year, with an upgrade in software, the Revenue Branch will now be able to provide this option for our customers. However, providing this option results in an annual operating cost of approximately \$6k for the licensing fee plus 2.3% per transaction amount.

Discussion:

It is best practice for local governments to recover credit card transaction costs directly from the customers that benefit from the optional convenience of paying their property taxes with a credit card. This is due to the significant difference in cost incurred for the different payment options. While transaction costs average 0.25% per debit transaction, the merchant cost incurred for each credit card transaction currently averages 2.3%. These costs could become significant, and the Revenue Branch recommends that they not be borne by all citizens but instead be recovered directly from the customers that choose to use this option to pay.

The following table is a survey of credit card processing fees charged by other B.C. Municipalities:

Municipalities	Credit Card Processing Fee for Property Taxes
Abbotsford	1.75%
Burnaby	1.75%
Kamloops	1.75%
New Westminster	1.75%
Port Moody	1.95%
Richmond	2.00%
White Rock	2.00%
Whistler	2.20%

Based on this analysis, the Revenue Branch recommends the following addition to Bylaw No. 9381:

Credit Card Processing Fee for Property Tax Payments 2.3 % of transaction amount

A 2.3% fee per transaction amount is in line with what other B.C. municipalities charge and will offset the City of Kelowna’s annual operating costs. Accepting credit card payments is a discretionary service. Only customers who choose to pay using a credit card will be charged this processing fee, making the impact to taxation negligible.

Conclusion:

The Revenue Branch recommends amending the Miscellaneous Fees and Charges Bylaw No. 9381 with Bylaw No. 12513, Amendment No. 11 to include the Credit Card Processing Fee for Property Tax Payments, totaling 2.3% of the transaction amount.

Considerations applicable to this report:

Legal/Statutory Authority:

Pursuant to Section 194 of the Community Charter, S.B.C. 2003, c.26, a council may impose fees in respect of services provided by the municipality.

Financial/Budgetary Considerations:

The ongoing licensing fee and the credit card processing costs and recovery budgets will be incorporated into the 2024 Financial Plan. The 2023 licensing cost will be funded through a reallocation of previously approved operating budgets within the Financial Services Division.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Submitted by:

Patrick Gramiak, Revenue Supervisor

Approved for inclusion:



Joe Sass, Finance Director, Financial Services

Fees & Charges Bylaw No.9381 2023 Fee Addition Recommendation



Purpose

To obtain Council's approval to amend the Miscellaneous Fees and Charges
Bylaw No. 9381



Background

Historically, the City of Kelowna has not accepted credit cards as a form of payment for property taxes. Starting this year, with a software upgrade, the Revenue Branch will now be able to provide this option for our customers.

- Yearly software maintenance fee: \$6k
- Fee per transaction: 2.3%



Discussion

It is best practice for local governments to recover credit card transaction costs directly from the customers that benefit from the optional convenience of paying their property taxes with a credit card.

- Current average cost per credit card transaction: **2.3%**

The Revenue Branch recommends that these fees not be borne by all citizens but instead be recovered directly from the customers that choose to use this option to pay.

Discussion

The following table is a survey of credit card processing fees charged by other B.C. Municipalities:

Municipalities	Credit Card Processing Fee for Property Taxes
Abbotsford	1.75%
Burnaby	1.75%
Kamloops	1.75%
New Westminster	1.75%
Port Moody	1.95%
Richmond	2.00%
White Rock	2.00%
Whistler	2.20%



Recommended Fee Addition

Credit Card Processing Fee for Property Tax Payments 2.3 % of transaction amount



Conclusion

The Revenue Branch recommends amending the Miscellaneous Fees and Charges Bylaw No. 9381 with Bylaw No. 12513, Amendment No. 11, to include the Credit Card Processing Fee for Property Tax Payments, totaling 2.3% of the transaction amount.



CITY OF KELOWNA

BYLAW NO. 12513

Amendment No. 11 to Miscellaneous Fees and Charges Bylaw No. 9381

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Miscellaneous Fees and Charges Bylaw No. 9381 be amended as follows:

1. THAT Miscellaneous Fees and Charges Bylaw No. 9381 be amended by adding the following to Schedule "A" in its appropriate location:
" 17. Non-Refundable Credit Card
Processing Fee for Property Tax Payments 2.3% of transaction amount".
2. This bylaw may be cited for all purposes as "Bylaw No. 12513, being Amendment No. 11 to Miscellaneous Fees and Charges Bylaw No. 9381."
3. 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

Mayor

City Clerk

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Rescind Council Policy No. 266: Approved Products List
Department: Financial Services Division

Recommendation:

THAT Council receives, for information, the report from the Financial Services Division, dated April 17, 2023, regarding Council Policy 266;

AND THAT Council Policy No. 266, being Subdivision, Development & Servicing – Approved Products List, be rescinded;

AND THAT Bylaw No. 12512, being Amendment No. 23 to Subdivision Development and Servicing Bylaw No. 7900, be forwarded for reading consideration;

AND FURTHER THAT Council Policy No. 265, being Engineering Drawing Submission Requirements, be revised as outlined in the Report from the Financial Services Division dated April 17, 2023.

Purpose:

To rescind Council Policy No. 266: Approved Products List and replace it with an Administrative Policy to improve administration efficiency.

Background:

In 2002, Council adopted [Policy 266: Approved Products List](#) to control what products are approved for City owned and maintained infrastructure. The purpose of this policy is to ensure product consistency and high quality and long-lasting infrastructure that supports service delivery. To meet this objective, the Approved Products List (APL) identifies infrastructure products that are acceptable for installation in City infrastructure systems. The APL is comprehensive and includes sewer and water pipes, valves, manholes, and appurtenance, traffic signs, signals and markings, roadway lighting and irrigation products. New products are added to the list regularly and the list will continue to grow in the future. The current policy requires Council’s approval for any change to the Approved Products List prior to new products being incorporated in construction of City owned asset. Products and materials for infrastructure construction are constantly changing, and the process required to bring this highly technical information to Council for approval is inefficient.

As a replacement to Policy 266, Staff have developed an Administrative Policy that ensures multi-departmental review of any changes to the Approved Products List and final approval by the General Manager, Infrastructure (see attached Approved Products List – Administrative Policy).

Conclusion:

The rescindment of Policy 266, if approved by Council, will allow staff to implement the new Approved Products List - Administrative Policy that ensures quality control, consistency of infrastructure and, is more efficient and responsive to the constantly changing construction industry.

Internal Circulation:

General Manager, Infrastructure
Development Engineering Manager
Infrastructure Delivery Department Manager
Utility Services Manager
City Clerk

Considerations applicable to this report:

Existing Policy:

Existing Council policies and bylaws with reference to Policy 266: Approved Products List will need to be redirected to the new Approved Products List - Administrative Policy. Both the [Subdivision, Development & Servicing Bylaw \(7900\)](#) and [Council Policy 265 – Engineering Drawing Submission](#) need to be amended to reference the Administrative Policy (see Attachment 3 – Schedule A).

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by:

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

Approved for inclusion:



J. Shaw, Acting Divisional Director, Financial Services

Attachments:

Attachment 1 – Approved Products List – Administration Policy.docx

Attachment 2 – Approved Products List

Attachment 3 – Schedule A – Text Amendment to Bylaw 7900 and Policy 265.docx

Attachment 4 – Presentation.pptx

PURPOSE

To ensure City infrastructure is high quality, long lasting, and supports service delivery. To meet this objective, the **Approved Products List** (APL) identifies infrastructure products that are acceptable for installation in the City's infrastructure systems. The APL Committee (the Committee) reviews and assesses products and determines if a product should be added or removed from the APL. The City maintains a manageable product inventory that encourages competitive pricing as well as provides designers and builders with a clear understanding of which products are acceptable for installation.

POLICY SCOPE

The Committee reviews products from Suppliers that formally request their product be added to the APL through the application process. The Committee ensures that they meet the objectives of the APL prior to acceptance. Only products that obtain the Committee's approval are included in the APL. Previously approved products are also subject to review periodically to ensure they continue to meet the objectives of the APL, and that they are still available. This replaces the previous Council Policy 266: Approved Products List.

ADMINISTRATION GUIDELINE

The APL Committee consists of City Staff from several divisions and departments to ensure a multidisciplinary review and approval process. The Chair of the Committee is the Technical Services Supervisor. The following positions or their designate make up the Committee. Other subject area experts will be included in the working group as required but will not have a vote on recommendations.

- Technical Services Supervisor (Chair)
- Infrastructure Delivery Department Manager
- Development Engineering Manager
- Infrastructure Operations Department Manager
- Utility Services Department Manager
- Integrated Transportation Department Manager

The Committee will forward recommendations to General Manager, Infrastructure for final decision.

Products will be reviewed by the Committee on a semi-annual basis, or as deemed necessary. Any infrastructure that will become City-owned and maintained must use products from the APL unless otherwise approved by the committee. The current APL is available on the City of Kelowna's website.

PRODUCT REVIEW PROCESS

Any supplier requesting a product be added to the APL must complete and submit a Product Review Request Form to the Chair of the Committee (**Appendix A**). All necessary specifications, references and certificates of compliance must be included with the request. Each product requires a separate application. Requests are only reviewed if complete in full. Incomplete or partial submissions will be rejected.

1. The procedure for approval is as follows:
 - 1.1. The product review request form (**Appendix A**) must be sent to the following email address DrawingReviewOps@kelowna.ca c/o Committee Chair. Any requests for application status should be made through the same email address.
 - 1.2. Appendix "B" Evaluation Criteria will be used as a guide in evaluating proposed products.
 - 1.3. The supplier will supply all necessary specifications, references, and certificate of compliance for their product as outlined in Appendix A. Additional information may be requested by Committee at any time.
 - 1.4. If the product passes the initial review, a sample or demo may be requested from the supplier. The supplier is responsible for all costs associated with supply and delivery of the proposed product to the City for review.
 - 1.5. If the supplier does not respond to requests for further information, product demonstrations, etc. for a period of one year from the date initial request, the application will be rejected. The supplier will have to resubmit their application.
2. Upon completion of the final decision, notification of approval or rejection will be sent to the supplier and others as determined by the committee. If rejected, the notification outlining the committee's decision will include a reason the product was not accepted.

The General Manager, Infrastructure's decision is final. The supplier may resubmit their product for review after one year provided they can demonstrate that the product or supporting information has changed appreciably. Any comments or concerns with the decision should be addressed to the Committee Chair in writing.

Once products have been approved and the notification sent to the supplier, a copy of the Approval letter will also be sent to appropriate City staff to amend the APL. Only after approval will the product be added to the APL.

Products under review will not be permitted to be installed in advance of approval, unless approved by the Committee and only under special circumstances.

Maintenance of the Approved Products List:

The Supplier is responsible to notify the Committee Chair of any changes to their product(s). Products on the APL will be reviewed periodically to ensure they continue to meet the City's requirements. The supplier will be notified by the Committee if their currently approved product is under review. Additional information as noted in Appendix A may be requested at this time. If any supplier fails to provide the information requested or the product no longer meets the City's needs, the product may be removed from the APL. Notification will be sent to the supplier. Once removed from the APL the supplier will have to reapply in order to be added back on the APL.

The General Manager, Infrastructure has the sole discretion to remove products immediately from the APL if they suspect the product is faulty. The supplier would be informed that their product was removed from the list and the reasons for its removal. Reinstatement of the product would require the supplier to follow the full application procedure.

It is the responsibility of all APL users to ensure they have the most current version.

DRAFT

Effective Date	Revised Date	Approved by	Signature
April 17 th , 2023		General Manager, Infrastructure	



Approved Products List – Administrative Policy

PRODUCT REVIEW REQUEST FORM - APPENDIX "A"

TO:

Approved Products Review Committee
1495 Hardy Street
City of Kelowna, BC, V1Y 7W9
email: DrawingReviewOps@kelowna.ca

FROM:

DATE: _____

PRODUCT NAME:

PROPOSED PRODUCT USE:

A review will not be considered unless the following is provided:

- Product Specification.
- Product Information Brochures.
- Product representative contact _____
- Product References (Installer and End users)
- Product Certificate of Compliance (CSA, ASTM, AWWA, etc.)
- Documentation or Letter Describing the following;
 - Sustainability of the Product, Company and Manufacturing process
 - History of the product
 - Why the City should use the product and any potential benefits to the City
 - Identify Maintenance and Training requirements, and / or special tools or equipment required.
 - Availability of the product and replacement parts
 - Cost to supply and maintain the product
 - Provide location within the existing APL, where the proposed product would best fit

Please indicate any additional information that is supplied with this request form:

- Other information: _____

APPROVED PRODUCT EVALUATION CRITERIA - APPENDIX "B"

1. Does the product fill a deficiency within materials we have on hand presently?
2. Is the product easier to maintain and/or require less maintenance?
3. Is the product of better cost/quality than what we use presently?
4. Is product a safer or more environmentally friendly product?
5. Are replacement parts readily available and are they competitively priced?
6. Is training required for the maintenance or installation of the product?
7. Are new tools, equipment or procedures required to handle, install or maintain the product?
8. Does the product have a proven track record of excellent performance?

The **Approved Products List (APL)** provides a list of approved products that can be installed on City of Kelowna owned infrastructure. Any use of an alternate product requires the approval of the APL Committee.

The following products have been reviewed and are approved in accordance with the **Approved Products List - Administrative Policy**.

- 1. Water Distribution**
 - 1.1. Watermain and Service Pipe
 - 1.2. Fittings and Appurtenances
 - 1.3. Valves
 - 1.4. Hydrants and Hydrant Paint
 - 1.5. Brass Service Fitting
 - 1.6. Kiosks
- 2. Sanitary Sewer**
 - 2.1. Sanitary Mains and Services
 - 2.2. Fittings and Appurtenances
 - 2.3. Manholes
 - 2.4. Pressure Systems
- 3. Stormwater**
 - 3.1. Storm Mains and Services
 - 3.2. Fittings and Appurtenances
 - 3.3. Manholes and Drywells
 - 3.4. Containment Devices and Oil-Grit Separators
- 4. Highway**
 - 4.1. Traffic Signs
 - 4.2. Traffic Painting
- 5. Roadway Lighting**
 - 5.1. Luminaires
 - 5.2. Photocell
 - 5.3. Poles
 - 5.4. Bases
 - 5.5. Electrical Service Disconnect
- 6. Traffic Signals**
- 7. Landscape and Irrigation**
 - 7.1. Controller
 - 7.2. Fittings and Appurtenances

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
1	Water Distribution					
	<p>Products must conform to CSA Standard, where applicable.</p> <p>All bolts to be stainless steel or high-strength low-alloy steel bolts. All bolts & unprotected metallic fittings to be protected with petrolatum primer and tape. Chipped or damaged epoxy coated fittings must be repaired as per manufactured specifications</p> <p>All PVC Watermains to be pigmented Blue</p>					
1.1	Watermain and Service Pipe					
	PVC	IPEX Royal	PVC DR 18, PR235 AWWA C900	100 to 900mm		
	PVC	IPEX Royal	PVC DR 25, PR165 AWWA C900	350 to 1500mm	<p>Only if approved by the City Engineer.</p> <p>Not to be used for pump mains or where there might be frequent transient pressure fluctuations, or where potential pressure zone changes could occur.</p>	
	Ductile Iron	Canada Pipe US Pipe	Ductile C151	400mm and up.	<p>Only if approved by City Engineer.</p> <p>Soil conditions must be investigated to determine need for cathodic protection. Must be installed with Polyethylene encasement per manufacturer regardless of soil conditions. (See Bylaw 7900 Water Design section)</p> <p>Pipe to be cement mortar lined to AWWA C-104.</p>	
	Watermain HDPE					

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Service Pipe	Great Lakes Copper	Type k Copper	min. 19mm 3/4") max. 50mm (2")	Must conform to CSA HC.7.6 & ASTM B88	
	IPEX	Polyethylene	min. 25mm (1") max. 50mm (2")	Only Series 160 or 200 conforming to CAN/CSA-B137.1-M. Due to its thicker wall, all plastic pipe's ID are smaller than copper; confirm flow capacity. Add trace wire for plastic service pipe.		
	Rehau	MUNICIPEX*	min. 25mm (1") max. 50mm (2")	Due to its thicker wall, all plastic pipe's ID are smaller than copper; confirm flow capacity. Add trace wire for plastic service pipe.		
1.2	Fittings and Appurtenances					
	Refer to Section 2.3 for Manhole products					
	Watermain Fittings - PVC	IPEX	PVC 5 degree CIOD bend	All Sizes	C900 / 905 / 907. Pressure Class to meet or exceed mainline.	
		Galaxy Plastics Ltd	PVC 5 degree CIOD bend	All Sizes	C900 / 905 / 907. Pressure Class to meet or exceed mainline.	
		Pro-Line Fittings	PVC 5 degree CIOD bend	All Sizes	C900 / 905 / 907. Pressure Class to meet or exceed mainline.	
		Royal	PVC 5 degree CIOD bend	All Sizes	C900 / 905 / 907. Pressure Class to meet or exceed mainline.	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Watermain Fittings – Ductile Iron	TC / ACS	Ductile Iron	100 – 600 mm	C-153 Fittings only	
		Sigma	Ductile Iron	100 – 600 mm	C-153 Fittings only	
		Corporation	Ductile Iron	100 – 600 mm	C-153 Fittings only	
	Anti-corrosion Petrolatum Products	Petro Coating Systems Ltd.	Paste & primer, Mastic, Tape		See City of Kelowna Standard Drawings.	
		Denso North America	Denso Paste, LT tape		See City of Kelowna Standard Drawings.	
	Restraining Joints				Restraining Joints are not to be used on AC or CI Watermain.	
		Ford Meter Box Co. / Uni-Flange	UFR1300C UFR1350C UFR1390C UFR1309-C UFR1399-C	100 – 600 mm 100 – 600 mm 100 – 600 mm 100 – 450 mm 100 – 450 mm		
		Smith Blair	115 165 136 (PVC Fittings)	100 – 600 mm 100 – 600 mm 100 – 200 mm		
		Sigma	PV – LOC Series Zip Flange	100 – 600 mm 100 – 600 mm	PV-LOC is directional only for PVC. Install according to manufacturer instructions. Zip Flange is a flange adaptor for DI pipe.	
		EBA Iron	Series 1500 PVC Series 2800 Series 1900 Series 2946	100 – 300 mm 350 – 600 mm 100 – 300 mm 400mm	Series 1500 is only for C900 (i.e., 100-300mm)	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		IPEX	Polyethylene	min. 25mm (1") max. 50mm (2")	Only Series 160 or 200 conforming to CAN/CSA-B137.1-M. Due to its thicker wall, all plastic pipe's ID are smaller than copper; confirm flow capacity. Add trace wire for plastic service pipe.	
		Rehau	MUNICIPEX*	min. 25mm (1") max. 50mm (2")	Due to its thicker wall, all plastic pipe's ID are smaller than copper; confirm flow capacity. Add trace wire for plastic service pipe.	
	Service Saddles			19 – 50mm		
		Robar	2616 2626 2706	50 – 300 mm 100 – 450 mm 100 – 600 mm	Dbl-bolt Dbl-bolt Dbl-strap with stainless steel straps	
		Canada Pipe	SC-2	100 – 400 mm	With stainless steel straps	
		Ford	FS313 202 BS	100 – 300mm 100 – 762 mm	With stainless steel straps	
		Cambridge Brass	812 8403 8407	100 – 300 mm 100 – 300 mm 300mm & larger	Two-piece – 4 bolts Single piece – 2 bolts Two-piece – 4 bolts	
	Service Tapping Saddles			100mm & larger		
		Robar	All	100mm & larger	Manufactured steel for metal pipe only.	
		Smith-Blair	All	100mm & larger	Manufactured steel for metal pipe only.	
		JCM	All	100mm & larger	Manufactured steel for metal pipe only.	
		Robar	All	100mm & larger	Stainless steel for all pipe types.	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Smith-Blair	All	100mm & larger	Stainless steel for all pipe types.	
		Smith-Blair	All	100mm & larger	Stainless steel for all pipe types.	
	Couplings				All couplings to be Fusion Bonded Epoxy Coated Ductile Iron	
		Ford	FC1-ESH FCA-ESH FC2W Ultra Flex	100 – 300 mm 100 – 600 mm 100 – 300 mm		
		Robar	1506&1506R 1596 Vantage 1696,2-bolt stainless	100 – 600 mm 100 – 300 mm 100 – 200mm		
		Smith Blair	441 421	100-400 mm 100-300mm		
		Viking Johnson	Maxi-Fit & Maxi-Step	All sizes		
		Romac	XR 501 Extended Range	100 – 300 mm	All Romac to be epoxy coated	
		IPEX Royal Galaxy Plastics Ltd, Pro-Line Fittings	PVC Repair & High Deflection Couplings	All sizes	C900 / 905 / 907. Pressure class To meet or exceed mainline.	
	Service Valve Boxes	Meuller	A-726 A-728	20 – 25 mm 37 – 50 mm	c/w Stainless Steel Rods & SS-RHD or MD-RHD Clevis Ends. Nelson Valve Box with Water Lid. Riser pipe to be notched out an mounted over service and supported by precast concrete patio block. Or as required by ID.	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Trojan Industries	VSB1 VSB2	20 – 25 mm 37– 50 mm	c/w Stainless Steel Rods & SS-RHD or MD-RHD Clevis Ends. Nelson Valve Box with Water Lid. Riser pipe to be notched out and mounted over service and supported by precast concrete patio block. Or as required by ID.	
	Main Valve Boxes	TC / ACS	MR-6	Minimum 375mm	Nelson Type Lid	
		Dobney Foundry Armtec	MR-6		Nelson Type Lid	
1.3	Valves					
	Valves	Gate Valves – Resilient Wedge				
		Mueller	A-2362 A-2361	50 – 100 mm 100 - 1370 mm	250 PSI 250 PSI – DI	
		TC / ACS	3100 PO x PO 3200 PO x FL 3300 MJ x MJ 3400 MJ x FL 3500 FL x FL 3700 Thrd x Thrd	100 – 300mm 100 – 300mm 100 – 300mm 100 – 300mm 50mm – 300mm 50mm – 75mm	250 PSI – DI	
	Valves	Butterfly Valves				
					All design recommendations to be approved by the City Engineer. Installation requires placement within chamber for access and maintenance.	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Air Valves	Vent-O-Mat	RBX			
1.4	Hydrants					
	Hydrants	Terminal City	C-71-P		TCH1A only c/w Storz Fitting	
		Canada Valve	Mueller-Century		c/w Storz Fitting	
	Hydrant Paint				DULUX PAINTS (High gloss, lead free enamel. Self-priming with rust inhibitor)	
		METALCLAD	218419	P-1 RED	STOCK COLOUR	
		METALCLAD	218412	P-2 BLUE	STOCK COLOUR	
		METALCLAD	218413	P-3 YELLOW	FFR1Y32	
		METALCLAD	218414	P-4 GREEN	STOCK COLOUR	
		METALCLAD	218427	P-5 ORANGE	STOCK COLOUR	
		METALCLAD	218420	P-6 BLACK	STOCK COLOUR	
1.5	Brass Service Fittings					
	Brass Service Fittings				No Lead Brass	
	Corporation Stops	Mueller	B-25008	20 – 50 mm	Full port only	
		A.Y. McDonald	74701BQ	20 – 50 mm	Full port only	
		Ford	FB 1000	20 – 50 mm	Full port only	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Cambridge Brass	Series 301	20 – 50 mm	Full port c/w new mueller gasket	
	Curb Stops				Stop & Drains NOT permitted	
		Mueller	B-25209	20 – 50 mm	Full port only	
		A.Y. McDonald	76100Q	20 – 50 mm	Full port only	
		Ford	B44 Series	20 – 50 mm	Only full port models 333,444, 555, 666 & 777	
	Service Line Couplers	Ford	C44 Series	20 – 50 mm	Models C44-1 to C44-88	
		Mueller	H-15403	20 – 50 mm	H15403, H15404 & H12940	
		Cambridge Brass	Series 118 & 119	20 – 50 mm		
1.6	Kiosks					
	Pressure Reducing Stations	Valid Manufacturing	KXXA89-150-47-01	89”Hx150”Wx47D	Quad Door Kiosk with end Cabinet	
	Air Valve	Valid Manufacturing	HRV344227-170165	25-100mm	Insulated heated enclosure where above ground air valves are utilized.	
2	Sanitary Sewer					
	All Concrete used in construction shall be sulphate resistant cement Type HS (Type 50) or alternate cement type may be approved by the City Engineer. All manhole cast iron, steel or ductile iron components shall be coated with an asphalt varnish.					
2.1	Pipe Mains and Services					

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		IPEX "Ring-Tite" Royal "Flex-Lox"	PVC DR35	For 200mm diameter and up.	Must meet CSA B182.2 Gasket joint.	
		IPEX "Ring-Tite" Rehau "BondLoc" Royal "Flex-Lox"	PVC DR28	100 – 150mm (All Makes)	Must meet CSA B182.2 Gasket joint	
		IPEX "Blue Brute" Royal "FlexLox"	Pressure Pipe for Sewer Forcemains	100 – 300mm 350 – 900mm	Colour to be White with "SEWER FORCEMAIN" Printed on it. Must meet CSA B137.3, C900, Class 235 (DR 18), gasket joint.	
		Langley Ocean Pipe A.E. Concrete Armtec	Reinforced Concrete	300 – 3000mm	Concrete pipe must meet CSA A257 Series-14, C 789M-95a specification for Precast Reinforced Concrete Pipe. Sulphate resistant ASTM E 632.	
2.2	Fittings and Appurtenances					
	Couplings	IPEX Royal Galaxy Plastics Ltd. Mission Rubber (Flex-Seal)	PVC Gasketed Corebell Adaptor Shielded Transitional PVC 100 to 675mm	100 – 675mm 100 – 675mm 100 & up	Must not be plasticized PVC. Shear band and clamps to be 316 Series stainless steel. Clamps must be nut & bolt design. Bushings to be integral.	
	Inserted Service Connections	Galaxy Plastics Ltd. Inserta Fittings Co. Royal	EZ Tee Inserta Tee Fat Boy, PVC gasket type	100mm	May be used on existing mains 200mm & larger or on new mains 375mm & larger	
		Galaxy Plastics Ltd. Inserta Fittings Co. Royal	EZ Tee Inserta Tee Fat Boy, PVC gasket type	150mm	Refer to STD DWG SS-50 for Manhole requirement. May be used on existing mains 300mm & larger or new mains 375mm & larger	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Galaxy Plastics Ltd. Inserta Fittings Co. Royal	EZ Tee Inserta Tee Fat Boy, PVC gasket type	200mm	Manhole required on services 200mm and up. Special Approval required for existing mains 300mm & larger or new mains 375mm & larger	
	Inspection Chambers	Royal Galaxy Plastics	Sewer Gasketed Fittings	100 – 200mm	Single service IC's only. With provision for "add-a-flap" check valve (PICF04*SS).	
	Inspection Chamber Caps & Lids	Royal Galaxy Plastics	191-LL (Red/Green)	200mm	PVC. Must be locking type. Red in colour for sanitary sewer	
	Service Boxes	Langley Concrete Kon Kast	WM-37-1 No. 1480	590 x 410mm 545 x 370mm	Brooks style box. State "Sanitary" or "Storm" on cover.	
	45 Degree Wye	Royal IPEX Galaxy Plastics Ltd.	Services	All	PVC gasket type. No wye saddles allowed.	
	Service Bends	Royal Galaxy Plastics Ltd.	Service sweep Fittings	All	Long radius sweeps only. PVC Gasketed. PVC Gasketed Sewer Fittings	
	Gaskets	IPEX Rehau Royal	"Ring-tite" PVC "BondLoc" PVC "Flex-Lox" PVC	200 – 1200mm		
2.3	Manholes					
	Manhole Frame & Cover	Terminal City Ironworks Dobney Foundry Trojan Industries Westview Sales Armtec/AE Concrete	Adjustable C18 & C44 C44A TR40 C23 C18	762mm (30 in)	Refer to Supplementary Standard Detail Drawings for required lettering on manhole covers. Refer to installation specifications.	
	Manhole Grade Rings	Kon Kast Langley Concrete AE Concrete	720 – 723 MH-6 915	50 - 150mm	760mm diameter opening 760mm, 565 Sloped rings	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Manhole Barrel Sections	Kon Kast Langley Concrete	Concrete	1050 – 2400mm	Refer to Standard Detail Drawings	
	Manhole Rungs		Aluminum		Refer to Standard Detail Drawings	
	Manhole Barrel Lids (donuts)	Kon Kast Langley Concrete	Concrete	1050 – 2400mm	Refer to Standard Detail Drawings 760mm diameter opening	
	Manhole Barrel Bases	Kon Kast Langley Concrete	Concrete	1050 – 2400mm	Refer to Standard Detail Drawings	
	Flow Control	Galaxy Plastics Ltd.	Inlet Control Device	100mm & larger	For use in Flow Control Manholes Debris Screens	
	Internal Drops	Royal Reliner/Duran	PVC A-4 A-6 B-8 B-10	100 - 200mm 100mm 150mm 200mm 250mm	Refer to Standard Detail Drawings Inside drop bowl.	
2.4	Pressure Systems					
3	Stormwater					
3.1	Pipe Mains and Services					
	Pipe mains	IPEX "Ultra Rib" Royal "Kor Flo"	Ribbed PVC	200 – 600mm	Must meet CSA B182.4 Concentric ribbed pipe only is accepted. (storm only). No spiral ribbed pipe.	
		(as above)	Perforated PVC	200 – 600mm	With perforations as per Standard Drawing SS-S53	
3.2	Fittings and Appurtenances					

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Refer to Section 2.2 for Fittings and Appurtenances products unless otherwise listed below.					
	Inspection Chamber Caps & Lids	Royal Galaxy Plastics	191-LL (Red/Green)	200mm	PVC. Must be locking type. Green in colour for storm drainage	
	Culverts	Langley Concrete Ocean A.E. Concrete Armtec Atlantic Industries	Non-reinforced Concrete Reinforced Concrete Reinforced Concrete Arch Reinforced Concrete Box Corrugated Steel Multi-Plate BOSS 2000 HDPE Ribbed	See manufacturer spec's	Concrete pipe must meet CSA A257 Series-14. Soils testing required for suitability when specifying metal pipe. C 789M-95a Specification for Precast Reinforced Concrete Box Sections for Culverts, Storm Drains, and Sewers. C 850M-95b Specification for Precast reinforced concrete Box Sections for culverts, Storm Drains and Sewers with less than 0.6 m of cover subjected to Highway Loadings. Note: Corrugated steel pipe (CSP) limited to driveway and road crossings only. Not to be used contiguous with collection pipe networks.	
	Headwall	Langley Concrete, Ocean Pipe, Tri-Kon, AE Concrete	Pre-cast concrete headwalls		Grills required for 450mm and larger and pipes longer than 30m	
	Headwall Inlet	Kon Kast	Inlet structure with grillage Model 1487		Grills required for 450mm and larger pipes longer than 30m.	
	Catch Basin Rollover Frame and Grate	Westview Dobney Foundry Ltd. Terminal City Ironworks Trojan Industries	RB7 frame & grate B-39M – modified grate T-K7	632mm (~25in)	Specified by design engineer where location of driveway letdowns are unknown.	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Catch Basin Combined Side & Gutter Inlet	Westview Sales Ltd. TC/ACS Dobney & Trojan	TR-39B – 3-piece storm with side inlet	627mm (~25in)	To be used with standard barrier curb or as specified by design engineer.	
3.3	Manholes and Drywells					
	Refer to Section 2.3 for Manhole products unless otherwise listed below.					
3.4	Containment Devices and Oil/Grit Separators					
	¹ Units are to be verified by Canadian Environmental Technology Verification Program (Canadian ETV) and have sufficient capacity to meet regulatory requirements for water quality to receiving waters					
		Armtec	Pro-Eco-Lite Headwalls	300mm – 2000mm		
		Armtec Downstream Defender	Swirl-type oil/water separator ¹			
		Armtec Hydro-Brake	Vortex flow control		Alternate to orifice control. Must be engineered and design verified by Armtec.	
		Contech Construction - CDS Technologies	Swirl-type oil/water separator ¹			
		Contech CON/SPAN	Concrete Detention & Infiltration		Large volume underground detention. Open bottom optional for infiltration.	
		Imbrium Stormceptor – Langley Concrete	Swirl-type oil/water separator ¹			
		Infiltrator Water Technologies	Infiltrator systems		Where infiltration is recommended.	
		PolyDrain - Interceptor A-67	Drain systems		Interceptor trench drains.	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Snout – Best Management Products	Enhanced trapping hood system for gravity separation.		Installed in minimum 1050mm manhole barrel to replace standard catch basin. Use of these devices to be limited to intersections and not used as primary outfall treatment device.	
		Stormtech Chambers	Chamber / Infiltrator			
4	Highway					
4.1	Traffic Signs					
	Sign-Street Name					
	Sign-Traffic					
	Sign Bases					
	Sign Posts					
	Sign Fasteners					
4.2	Pavement Markings					
	Thermal Plastics					
	Paint					
5	Roadway Lighting					

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
5.1	Luminaires					
	LED Cobra Luminaires					
	Cobra	GE GE	31W_ERL1_0_04_B3_30A_GRAY_ILR 31W_ERL1_0_04_C3_30A_GRAY_ILR		31W, LED, 4000 Lumens, Type II Wide, 3000K 120V-277V, ANSI C136.41 7 Pin, Gray, IP66, Tool-less Entry, Optional Secondary Enhanced Surge Protection	
	Cobra	GE GE	39W_ERL1_0_05_B3_30A_GRAY_ILR 39W_ERL1_0_05_C3_30A_GRAY_ILR		39W, LED, 5000 Lumens, Type II Wide, 3000K 120V-277V, ANSI C136.41, 7 Pin, Gray, IP66, Tool-less Entry, Optional Secondary Enhanced Surge Protection	
	Cobra	GE GE	47W_ERL1_0_06_B3_30A_GRAY_ILR 47W_ERL1_0_06_C3_30A_GRAY_ILR		47W, LED, 6000 Lumens, Type II Wide, 3000K 120V-277V, ANSI C136.41, 7 Pin, Gray, IP66, Tool-less Entry, Optional Secondary Enhanced Surge Protection	
	Cobra	GE GE	71W_ERL1_0_08_B3_30A_GRAY_ILR 71W_ERL1_0_08_C3_30A_GRAY_ILR		71W, LED, 8000 Lumens, Type II Wide, 3000K 120V-277V, ANSI C136.41, 7 Pin, Gray, IP66, Tool-less Entry, Optional Secondary Enhanced Surge Protection	
	Cobra	GE GE	82W_ERL1_0_10_B3_30A_GRAY_ILR 82W_ERL1_0_10_C3_30A_GRAY_ILR		82W, LED, 10000 Lumens, Type II Wide, 3000K 120V-277V, ANSI C136.41, 7 Pin, Gray, IP66, Tool-less Entry, Optional Secondary Enhanced Surge Protection	
	Cobra	GE GE	136W_ERL1_0_15_B3_30A_GRAY_ILR 136W_ERL1_0_15_C3_30A_GRAY_ILR		136W, LED, 15000 Lumens, Type II Wide, 3000K 120V-277V, ANSI C136.41, 7 Pin, Gray, IP66, Tool-less Entry, Optional Secondary Enhanced Surge Protection	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
LED Decorative Luminaires						
Post Top		Phillips	PDP10050W64LED3KMPPCCLE2 UNIVRCD7MGY		Post Top, LED 4000 Lumens, Type II 3000 K 120-277V, Flat glass dimmable, UL/CSA listed, 10 KV/KA surge protection, Gray, 7 pin photoeye receptical, meets ANSI C136.31, UL8750, UL1598, B2-U2-G1	
		Phillips	PDP10050W64LED3KMPPCCLE5 UNIVRCD7MGY			
Decorative Post Top		King Luminaire	K123R-B2AR-II-50(SSL)-1042-120: 277-3K-HSS-K14		WELLINGTON STYLE Luminaire , LED,4000 Lumens, Type II Wide, 3000K 120V-277V, with Photoeye receptical and side shield	
Decorative Post Top		King Luminaire	K425R-T1AR-II-50(SSL)-4004-120: 277-3K-HSS-K14		ACCORN STYLE Luminaire , LED,4000 Lumens, Type II Wide, 3000K 120V-277V, with Photoeye receptical and side shield	
Decorative Pendant		King Luminaire	47W_ERL1_0_06_B3_30A_GRAY_ILR		AURORA SAG STYLE Luminaire , LED,4000 Lumens, Type II Wide, 3000K 120V-277V, with Photoeye receptical and side shield, c/w Plumbizer	
Decorative Pendant		King Luminaire	47W_ERL1_0_06_C3_30A_GRAY_ILR		HARBOUR STYLE Luminaire , LED,4000 Lumens, Type II Wide, 3000K 120V-277V, with Photoeye receptical and side shield, c/w Plumbizer	
5.2	Photocell					
		INTERMATIC	LED4536SC		LOCKING TYPE 120-277 Volt	
5.3	Poles					
	Galvanized Powder Coated Green Poles					

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Davit	Nova Pole, Valmont	122-30-A2206A-F5 10020-07		22x6 Single Davit, C/W 10"-11" BCD, Galv. & Powder Coated Green	
	Davit	Nova Pole, Valmont	122-30-A3008A-F5 10170-07		30x8 Single Davit, C/W 10"-11" BCD, Galv. & Powder Coated Green	
	Double Davit	Nova Pole, Valmont	102-75-60202C-F5		Type 2C Double Davit Arm, Type 1 Flange Galv. & Powder Coated Green	
	Double Davit Pole	Nova Pole, Valmont			Type 2 Shaft, 6.5 m, Type 1 Flange, Galv. & Powder Coated Green	
	Post Top	Nova Pole, Valmont			6 metre Galv. & Powder Coated Green	
	Post Top	Nova Pole, Valmont			7.5 metre Galv. & Powder Coated Green	
Decorative Powder Coated Black Poles						
	Decorative Base	Nova Pole, Valmont			Henderson With Transition adapter Powder Coated Black	
5.4	Bases					
	Decorative Base					
		Nova Pole, Valmont			Henderson With Transition adapter Powder Coated Black	
	Service Bases					
		Nova Pole	Open Top Service Base	NTB36 Open Top	Open top service base for use with Davit and Post Top poles. Powder Coated Kelowna Green	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Nova Pole	Closed Top Service Base	NTB36 Closed Top	Closed top service base for use as a remote service with any pole style. Powder coated Kelowna Green for davit and post top poles and powder coated Black for decorative pole locations	
5.5	Electrical Service Disconnect					
		Valid Manufacturing	BSDA6A18		Base Service Disconnect	
6	Traffic Signals					
7	Landscape and Irrigation					
7.1	Controller					
	Controller	Toro	Sentinel V3		Configured to communicate with Sentinel Central Control c/w level 3 surge protection	
		Rain Bird	ESP LXMEF		Configured to communicate with Rain Bird IQ Central Control	
		Rain Bird	ESP LXD		For decoder systems; configured to communicate with Rain Bird IQ Central Control	
	Controller Kiosk	Valid Manufacturing	Dwg# KSDA48-36-16-02	48"Hx36"Wx16"D W/MW and lockable handles		
	Controller Kiosk Base	Leko Precast Ltd.			Per Detail Drawing	
7.2	Fittings and Appurtenances					

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Backflow Prevention Assembly - DCVA	Apollo	4A-100 Series	Up to 2"		
		Apollo	4A-100 Series	2 1/2" or greater		
		Watts	Series 709w/NRS	2 1/2" or greater		
	Pressure Regulating Valve	Watts	LF25 AUB-DU-Z3	Up to 2" , lead free, double union		
		Watts	Watts PV 10M	Greater than 2"		
	Hydrometer	Hydrometer (1.5")	Netafim	LHM15EM11AAFME	ER register preprogrammed. Output: gal/pulse red: 0.1 green: 1.0 Instructions: wire controller to red wire only. Decoder systems require manufacturer's decoder cable. Other systems require PE39 cable	
		Hydrometer (2")	Netafim	LHM2EM11AAFME	ER register preprogrammed. Output: gal/pulse red: 0.1 green: 1.0 Instructions: wire controller to red wire only. Decoder systems require manufacturer's decoder cable. Other systems require PE39 cable	
		Hydrometer (3")	Netafim	LHM3EM11AAFME	ER register preprogrammed. Output: gal/pulse red: 0.1 green: 1.0 Instructions: wire controller to red wire only. Decoder systems require manufacturer's decoder cable. Other systems require PE39 cable	

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Electrical Control Valve	Hunter	ICV			
		Rain Bird	PEB			
		Toro	P-220			
	Low Flow Control Valve	Hunter	ICV			
		Rain Bird	PEB			
		Toro	TPV			
	Low Flow Filter	Rain Bird	QKCHK			
		Rain Bird	PRB-QKCHK			
	High Flow Filter	Amiad	Amiad 1.5" Super		Installed as per Detail Drawings.	
	Air Relief Valve	Rain Bird	ARV050	0.5" air relief valve		
		Rain Bird	Air/Vacuum Relief Valve Kit	0.75" air relief valve w/ compression tee and flush cap		
		Toro	T-YD-500-34	0.5" air relief valve		
	Isolation Valve	Red & White	206	Up to 2"		
		Clow	Resilient Wedge Gate Valve Model C509 w/flanged ends	3"		
		Clow	Resilient Wedge Gate Valve Model C515 w/flanged ends	4" or greater		

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Quick Coupler Valve	Rain Bird	5-RC			
	Sprinklers - Sprayhead	Hunter	PRO-SPRAY PRS30			
		Hunter	PRO-SPRAY PRS40			
		Rain Bird	PRS-SAM Series			
		Toro	PRX-COM Series			
	Sprinklers - Rotor	Hunter	PGJ			
		Hunter	I-20			
		Hunter	I-25			
		Hunter	I-40			
		Rain Bird	3500 SAM			
		Rain Bird	5000 PL SAM PRS			
	Sprinklers - Rotor	Rain Bird	5500			
		Rain Bird	6504			
		Rain Bird	8005			
		Toro	Mini 8			
		Toro	T5			

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
		Toro	T7			
	Drip Emitter / Bubblers	Hunter series			Installed as per Detail Drawings.	
		Rain Bird series			Installed as per Detail Drawings.	
		Toro series			Installed as per Detail Drawings.	
	Sub-surface Dripline	Hunter	PLD			
		Rain Bird	XFS			
		Toro	DL2000 Series			
		Netafim	Techline HCVXR			
	Root Zone Watering System	Hunter	RZWS		w/ root watering sock	
		Rain Bird	RWS Series		w/ root watering sock	
	Valve Box / Extensions	Carson Industries	LLC Specification Grade		Locking lid w/stainless steel bolt and washer	
		NDS Manufacturing	Pro Series			
		Rain Bird	VB-SPR (Super Jumbo Valve Box)		for Auto Flush Filter	
	Meter Vault	Kon Kast	1102			
	Meter Vault Lid	Kon Kast	1102B			
	Irrigation Vault	Kon Kast	1102			

Section	Material	Manufacturer	Make/Model	Size Range	Comments/Conditions	Date Approved mm/yyyy
	Irrigation Vault Base	Kon Kast	1102B			
	Irrigation Vault Lid	Excel Metal Fab	3974-2		c/w locking hinge for support when open	
	Irrigation Vault c/w Base	Kon Kast	1132			
	Irrigation Vault Lid	Excel Metal Fab	11040-4	3974-2		
	Vault support jack	Excel Metal Fab	VPSS-1 - with s/s pipe clamp and 1/8 rubber liner		Specify pipe size and adjustment length when ordering	
	Vault sealant foam	Dow	Great Stuff Pro		to be utilized around vault openings	
	Wire Splice Box	Carson Industries	LLC Specification Grade		Locking lid w/stainless steel bolt and washer. Grey in color	
		NDS Manufacturing	Pro Series		Locking lid w/stainless steel bolt and washer. Grey in color	
	Pipe	PVC	CSA			
		HDPE	UL, ULC, CSA			
		PE	UL, ULC, CSA			
	Fittings	PVC	CSA			
		HDPE	UL, ULC, CSA			

Schedule A – Proposed Text Amendments

No.	Section	Current Wording	Proposed Wording	Reason for Change
1.	Bylaw 7900 Schedule 4 Introduction	Policy 266 (Approved Products List).	Approved Products List.	Rescindment of Council Policy 266
2.	Bylaw 7900 Schedule 4 Introduction	n/a	<p>Delegation of Authority for Approved Products List</p> <p>Provided that all necessary prerequisites of the <i>Community Charter the Local Government Act</i>, other applicable federal and provincial enactments, City bylaws, and City policies have been met, the General Manager, Infrastructure is assigned the authority to approve and amend the Approved Products List on behalf of the City;</p>	Delegate authority for approval of and amendments to the Approved Products List to the General Manager, Infrastructure.
3.	Bylaw 7900 Schedule 4 Section 0.1	Policy 266 (Approved Products List).	Approved Products List.	Rescindment of Council Policy 266
4.	Bylaw 7900 Schedule 4 Section 5.2.2	Approved Products List 266 and Council Policy 265.	Approved Products List 266 and Council Policy 265.	Rescindment of Council Policy 266
5.	Bylaw 7900 Schedule 4 Section 7C.1	x) Specify all irrigation components from a coordinated manufacturer’s line listed in the Subdivision, Development & Servicing	x) Specify all irrigation components from a coordinated manufacturer’s line listed in the Subdivision, Development & Servicing	Rescindment of Council Policy 266

		Approved Products List Policy 266.	Approved Products List Policy 266 .	
6.	Bylaw 7900 Schedule 5 Section 2.1.2	A list of approved waterworks products is provided by the City of Kelowna. See Council Policy 266	A list of approved waterworks products is provided by the City of Kelowna. See Approved Products List.	Rescindment of Council Policy 266
7.	Council Policy 265 – Engineering Drawing Submission Requirements. Section C	“The Professional of record responsible for the design confirms that the drawing set provided complies with Bylaw 7900, Council Policy 265 and 266. Any discrepancies or deviations are noted below: “	“The Professional of record responsible for the design confirms that the drawing set provided complies with Bylaw 7900, Council Policy 265 and Approved Products List. Any discrepancies or deviations are noted below: “	Rescindment of Council Policy 266



City of Kelowna
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Council Policy

Engineering Drawing Submission Requirements

Established January 25, 1999

Contact Department: Utility Planning

Guiding Principle

- To define standards for drawing submissions to the City.

Purpose

- The purpose of this policy is to outline the minimum standards and requirements the City will accept in the submissions of work(s) and services.

Statement

- These procedures support submissions consistent with Bylaw 7900 - Subdivision, Development & Servicing. The City Engineer or designate will review each submission for conformance.

A. GENERAL

Drawings may combine various services on one plan but must be clear, readable and agreed upon by the City Engineer or designate prior to the acceptance of Issued for Construction drawings. Refer to the table below for requirements.

Drawing Submission Options			
	Combining Services	Color	Greyscale
Preliminary Designs	Yes	Yes	Yes
Detail Designs	Yes	Yes	Yes
Issued for Construction	Yes	Yes	Yes
Record Drawing	No	Yes	Yes

B. DRAWING STANDARDS

Drawings shall clearly show the existing, proposed and to be abandoned locations of all utilities using offsets from property lines or boundaries of rights-of-way.

Dimensioning and "offset measurements" required by this policy may be minimized on the construction drawings. However detailed field measurements are required on the record drawings, for City records, in accordance with this policy.

Elevations shall be relative to geodetic datum. The horizontal coordinates shall be referenced to the UTM NAD 83 coordinate system. A minimum of one (1) reference bench mark with elevation shall be shown on each design drawing.

Chainage shall increase from left to right and from bottom to top on a drawing. North should be at the top or right side of a drawing. North arrow should be placed on the drawing as to not obstruct the design elements.

Where a City of Kelowna standard drawing exists, it shall be sufficient to refer to the appropriate drawing by reference number and date of issue. Where a standard drawing does not exist, or is unsuitable for a particular case, detail drawings shall be provided.

All drawings shall be signed and sealed by an appropriate Professional registered in British Columbia.

Sheet Sizes

Drawing shall be submitted using the following standard sheet sizes (outside dimensions):

ANSI D 558.8 x 863.6 (22 x 34)

ANSI B 279.4 x 431.8 (11 x 17)

All drawing submissions must be produced using ANSI D paper size, unless mutually agreed otherwise. ANSI B paper size to be utilized as a fully scalable half-size plot (field reviews).

Title Block

The City A size block shell shall be used for all drawings. The title shall describe the contents of the drawing (e.g. key plan, road, etc.) and shall clearly indicate the location of the works by road name(s). Do not include developer name or legal descriptions in title area.

Scales

The following scales shall normally be used:

Location Plans	-	1:2500; 1:5000; 1:10000
Composite Plans	-	1:500
Details	-	1:100; 1:500; 1:75, 1:20; 1:10
Plan/Profile	-	Horizontal 1:500 or 1:250
	-	Vertical 1:25 or 1:50
Cross-Sections	-	Horizontal 1:100
	-	Vertical 1:25 or 1:50

Dimension, Units and Text

All Dimension must be shown in metric and maintain an accuracy of minimum of 2 decimals places. All text shall be Leroy font and maintain a ratio of 1:10 between the text height and printed line thickness.

- Minimum printed text height is 1.5mm
- Maximum printed text height is 5mm
- Standard text height is 2mm

Legend

The legend shall be contained on the City's standard sheet size.

Media Submissions

Drawings shall be submitted using the following media types:

- Preliminary or design drawings - paper and/or electronic (PDF)
- Record drawings - paper and/or electronic (PDF)
- Record drawings - AutoCAD drawing format and all digital files (i.e. AutoCAD)

Digital files submitted to the City of Kelowna must be in a current AutoCAD drawing file format. The information may be supplied on either CD, flash drive or other method. The submission must include all files required to create the project. Any AutoCAD objects used to create the drawing must remain intact and may not be exploded or modified.

Drawing and Plotting Appearance

The City's Civil3D template can be downloaded from the City's website. The template is based on AutoCAD conventions and plotted drawing appearance, including a title block. All drawing submission must follow the layering, symbology and line types as contained in the template.

The following information must be included on all drawings;

Plan View;

- a) Offset of pipelines from property lines.
- b) The Infrastructure, diameter, and material of pipe. (e.g. WAT 250mm PVC DR 25)
- c) Offset of service connections from nearest property line.
- d) The locations of manholes, clean-outs and services relating to property lines.
- e) Information on any curves or deflections, if applicable, to pipe design.
- f) Easements; existing and/or required. Reference applicable plan number on the drawing.
- g) Future works as required.
- h) The extent of work required of the City of Kelowna to make the connection(s) to existing live mains.
- i) The location of hydrants, valves, end of the main, services and other appurtenances tied to the nearest property line.
- j) Note the location of any abandoned infrastructure.

Profile View;

- a) Surface profiles (existing and design, if applicable) over proposed main.
- b) Infrastructure, Length, diameter, material and grade of pipe (e.g. WAT 84 m - 200 mm PVC DR 25 @ 1.15%).
- c) Profiles of invert and crown of pipes.
- d) Percent grades to two decimal places.
- e) Bedding, backfill and surface restoration requirements.
- f) Location, diameter, material and invert elevation of all crossing utilities (existing and abandoned).
- g) Profile only of any existing, proposed or abandoned infrastructure.
- h) storm, sanitary sewers, water and culverts.

C. REQUIRED DRAWINGS

Each set of drawings shall include the following drawings and shall be presented in the same order:

Cover Sheet

The cover sheet shall note the consultant's name and phone number, a description of the project, the City project number, legal description of the lands involved, a site location plan and a drawing index of all the drawings provided in the submission. The following statement must be contained on the cover sheet;

"The Professional of record responsible for the design confirms that the drawing set provided complies with Bylaw 7900, Council Policy 265, and Approved Products List. Any discrepancies or deviations are noted below: "

Legend and General Notes

The legend and note sheet shall contain the project legend and general project notes any specific notes must be contained on the appropriate drawing.

Composite Plan

The composite plan shall show the area being served with lot numbers, and all active and proposed Works and Services. Geodetic survey monuments will be shown.

Removal Plan

The removal plan shall show any infrastructure or objects that will be removed during the proposed Works and Services.

Road Drawings (Plan/Profile)

Both plan and profile stationing must be tied to a property line or road boundary. Drawings shall show width of road, road structure, width of shoulders and the offset of curb from property line.

Chainages of the B.C. and E.C. of horizontal curves shall be shown together with the delta angle, centreline radius, tangent length, and centreline arc length. Curb radii are not required if the centreline radius and road width are shown, except on curb returns at intersections and at the end of cul-de-sacs.

The percent grade to two (2) decimal places shall be shown on the profile, together with the following information on vertical curves:

- a) The chainage and elevations of B.C., E.C. and P.I.
- b) The external value, e.
- c) The length of vertical curve.
- d) The chainage and elevation of the low spot of sag curves.
- e) K value of vertical curvature (crest on sag).

Profiles are to show all relevant surface features including:

- a) Existing ground elevation along the centreline of proposed roadway and/or the edge of existing asphalt.
- b) Existing curbs, gutters and sidewalks.
- c) Elevation of private driveways, doorways, and sidewalks at property line, and any other relevant information.
- d) The designed gutter and/or centreline grade.

On super-elevated curves and crossfall sections, the drawings shall show a profile of each gutter with pertinent gutter elevations either on the profile or in tabular form. At all intersections, the drawing shall show a profile of each curb return with pertinent gutter elevations.

The profile shall be shown at true centreline length and projected above to the plan in as close a relationship as possible. The plan shall show the location of catch basins (using road chainage) and catch basin leads.

Water Drawings

Plan and Profile

The following information shall be shown:

The top half of a Plan/Profile sheet shall show the Plan view, and shall show the legal layout, with legal descriptions of all properties, the location of all sidewalks, catch basins, underground utilities such as sewer, storm, water, telephone, television, fibre, power, manholes, valves, hydrants, and all survey monuments, etc.

Drawings shall also show existing dwellings, fences, trees, hedges, unusual ground features, existing roads and driveways including the type such as asphalt, concrete or gravel.

Baselines and proposed works are to be referenced to legal corner(s) on each sheet. Dimensions of road allowances are to be shown on each sheet.

Plan View:

The following information shall be shown on the PLAN VIEW:

- a) Information as detailed under "General" and "Drawing Standards".
- b) The location of hydrants, valves, end of the main, services and other appurtenances dimensioned from the nearest property line.
- c) Size, type, make & model of pipes, valves and fittings. This information can be placed on drawing as note or as a table.

Profile View:

The following information shall be shown on the PROFILE:

- a) Information as detailed under "General" and "Drawing Standards".
- b) Invert elevations of fittings or other appurtenances.

Storm Sewer and Sanitary Sewer Drawings

Plan and Profile -infrastructure must be separated, refer to Section A.

The top half of a Plan/Profile sheet shall show the Plan view, and shall show the legal layout, with legal descriptions of all properties, the location of all sidewalks, catch basins, underground utilities such as sewer, water, telephone, television, power, manholes, valves, hydrants, and all survey monuments, etc.

Drawings shall also show existing dwellings, fences, trees, hedges, unusual ground features, existing roads and driveways including the type such as asphalt, concrete or gravel.

Baselines and proposed works are to be referenced to legal corner(s) on each sheet. Dimensions of road allowances are to be shown on each sheet.

The drawings shall show the structural details of all manholes and chambers, etc. not covered by standard drawings. Where the sanitary sewers and storm drains or other utilities are to be installed in a common trench, a typical cross-section showing vertical and horizontal distances between pipes and classes of pipe and bedding shall be shown.

Plan View:

The following information shall be shown on the PLAN VIEW:

- a) Information as detailed under "General" and "Drawing Standards".
- b) Unique Manhole identification numbers.
- c) For pipes servicing lots, inverts of connections at property line. Inverts to be "boxed in" for easy identification and dimensions from nearest property line.
- d) For pipes servicing lots, basement elevations on each house.
- e) For sanitary sewer, where service connections are required, location of existing septic tanks.
- f) For storm drainage, features such as ditches, culverts, streams, channels, etc.
- g) Size, type, make & model of pipes, valves, and fittings. This information can be placed on drawing as note or as a table for information to servicemen and to confirm parts are on approved products list. For pipes servicing lots, basement elevations on each house.
- h) A table including catch basin information, coordinates and rim elevations.

Profile View:

The following information shall be shown on the PROFILE (bottom of sheet):

- a) Information as detailed under "General" and "Drawing Standards".
- b) Invert elevations at both inlet and outlet of manholes.
- c) Designation of manhole stationing.
- d) Unique manhole identification number.
- e) For pipes servicing lots, basements elevation with symbols.
- f) For pipes servicing lots, service connection symbols for invert elevation at the property line.
- g) Rim elevations of proposed or adjusted manholes, as required.

Lot Grading Plan

Shall be at 1:500 scale and identified as per key plan system if more than one sheet is required. Plan shall note:

- a) The pre-development contour lines. This topography shall extend a minimum 30.0 m outside the development site;
- b) all existing corner lot elevations (un-circled);
- c) all proposed corner lot elevations (circled);
- d) The proposed building envelope with the Minimum Basement Elevation (MBE) noted;
- e) The slope of the lot (directional arrow), noting a minimum 1% grade on the lots;
- f) The minor (5 year return) storm sewer system with the flows noted per section and the accumulated flows from all upstream sections. Provision must be made for upstream development potential where applicable;
- g) The major (100 year return) system. The Consultant shall note wherever the major system is not in the pipe or the roadway, showing the routing and flows for the 100 year return storm;
- h) All swales proposed to affect the submitted Storm Water Management Plan;
- i) Indicate how the development proposal will affect adjacent lands. Attempts should be made to "meet" existing elevations along the development boundary;
- j) A legend noting all items proposed in the Storm Water Management Plan. Applicable "General Notes" should also be included.

Storm Water Management Plan (SMP)

- a) Site and surrounding area (400 m minimum outside development) showing roads and major features (1:2500 scale). A small location plan of the watershed is also to be included.

(December, 2019)

- b) Contours of existing ground (1.0 m intervals where slope <20%, 2.0 m >20%) for the site and surrounding area mentioned above.
- c) Major flood routing (1:100 year); show as arrows and indicate if in pipe or on surface show an "open" arrow for surface routes and the same arrow "shaded" for routes in pipes).
- d) Detention pond details, if applicable.
- e) Area, in hectares, of development and the total area of drainage basin.
- f) Directional arrows of flow within the site and on surrounding areas.
- g) Sub-catchment boundaries, coefficients and areas.
- h) Pipe system including size, grade, and minor and major flows (a table may be utilized).
- i) The subject development is to be highlighted.

Erosion and Sediment Control Plan

This plan is to detail methods and procedures that will be used to prevent or minimize soil displacement and transport of sediment from the Development site. This is to include methods to prevent or minimize soil transport onto adjacent properties or onto existing roads adjacent to the site (i.e. tracking from vehicles). Preventative methods of soil displacement on the site are to be detailed. The drawing shall show the following:

- a) Existing contours of the site at an interval sufficient to determine drainage patterns.
- b) Final contours if the existing contours are significantly changed.
- c) Final drainage patterns/boundaries.
- d) Existing vegetation such as significant trees, shrubs, grass, and unique vegetation.
- e) Limits of clearing and grading.
- f) Erosion and sediment control measures (temporary and permanent) including locations, names and details, in accordance with "Best Management Practices for Erosion and Sediment Control - Upland Works, City of Kelowna" and "Land Development Guidelines for the Protection of Aquatic Habitat - DFO + BCMOE".
- g) Storm Drainage systems including drain inlets, outlets, pipes, and other permanent drainage facilities (swales, waterways, etc.).

The plan must have a narrative section describing the land, the disturbing activity and details of the methods used for controlling erosion and sedimentation. Include a description of the procedures for construction and maintenance of the control measures. Note the persons involved in maintenance and provide a maintenance schedule that is to be followed.

Street Lighting Plans

Shall be a plan view (1:500) of the street lighting proposal. There shall be General Notes included on the Plan noting reference(s) to the Municipal Standards and Specifications and the appropriate design criteria. Generally, street lights shall be located at all intersections and within 1.0 m of the side property lines. Any street lighting plan(s) should be accompanied with the photometric calculations. All designs must be signed and sealed by a Professional Engineer qualified to do street light calculations.

Traffic Signal (Control Devices) Plans

Traffic signal designs are highly specialized and will therefore be prepared, signed and sealed by a Professional Engineer qualified in this area of expertise.

Traffic signals will be designed in general accordance with Sections 402.6 of the Ministry of Transportation Electrical and Traffic Engineering Manual. Contrary to this manual the City uses NEMA phase designations as opposed to the Ministry movement designations. Traffic signal designs will also conform to the British Columbia Motor Vehicle Act and the Manual of Uniform Traffic Control Devices for Canada.

Traffic signal timing/coordination plans will typically be provided by the City. In the case where this work is to be provided by the Developer; a qualified traffic Professional Engineer with PTOE certification is retained by the Developer.

The following information shall be shown on the PLAN VIEW:

- a) Information as detailed under "General" and Drawing Standards".
- b) The plan will be at a scale of 1:200 with north arrow oriented at 0 degrees.
- c) Existing and proposed civil information including roadway, sidewalks, letdowns, underground utilities, signing and road markings.

- d) The designed signal including pole locations, controller location, conduits (power and communications), junction boxes, wiring/cablings, point of electrical service and any additional information required by the City.
- e) General notes.
- f) Existing signal equipment to be retained and/or removed.
- g) City colour code chart.
- h) Pole coordinate table.
- i) Signal display schematic.
- j) Intersection illuminance table.
- k) Loop detector coordinate table (if applicable).
- l) Image sensor table (if applicable)
- m) References to Supplementary Standard Drawings.
- n) A table to provide pole coordinates and top of base elevation.

The following information shall be shown on the ELEVATION VIEW:

- a) Information as detailed under “General” and Drawing Standards”.
- b) The plan will be at a scale of 1:75.
- c) Elevation and description for each signal pole including corresponding concrete base type, signal displays, luminaire, pushbuttons, signs and image sensor (if applicable).
- d) Pre-approved product list for applicable equipment to be supplied.
- e) References to Supplementary Standard Drawings.

Street Signs and Road Markings Plans

Provide a plan which clearly shows existing and proposed traffic road markings and signage. All details will be to MUTCD standards (Manual of Uniform Traffic Control Devices for Canada prepared by the National Committee on Uniform Traffic Control) unless otherwise accepted by the City. Additional reference to the Ministry of Transportation and Highways - Manual of Standard Traffic Signs and Pavement Markings may be used when specific signs are required that are not denoted in the MUTCD. The plan will be at a scale of 1:500.

The following information shall be shown on the Plan:

- a) Information as detailed under “General” and “Drawing Standards”.
- b) Existing and proposed roadway, sidewalks, letdowns, signing and road markings.
- c) Existing signing and road markings to be retained and/or removed.
- d) The designed road markings.
- e) The designed signing including overhead signs mounted on pole structures.
- f) The sign offset and method of installation as denoted on Supplementary Standard Drawings.

Traffic Control Plan

Detailed routes for traffic including vehicle, cyclist and pedestrians, construction traffic and Traffic Control on existing roads affected by construction shall be prepared and implemented in accordance with the current Traffic Control Manual for Work on Roadways, the Manual of Uniform Traffic Control Devices for Canada, all City of Kelowna Bylaws that pertain to Traffic Control and all WorkSafeBC regulations.

Construction Details

Show all proposals for construction which are not covered or specifically detailed in the City Standards and Specifications. Where there is a City Standard, it is expected to refer to the Drawing Number. It is not necessary to include or provide work(s) for which there is a Standard Drawing.

Electrical, Gas and Communication Utilities

Per appropriate authority (individual utilities may provide separate drawings).

Road Cross-Section Plans

Shall be scaled at 1:100 horizontal and 1:50 vertical and shall note the existing ground elevation, the proposed elevations of the road centreline, the curb and gutter (or road edge) and property lines. Cross-sections are required at 20.0 m intervals. The City Engineer may waive or reduce the number of sections required where the information is not beneficial. Additional sections may be required or requested where excessive cuts or fills are involved.

D. DRAWING SUBMISSIONS

The first complete design submission shall consist of:

- a) One complete electronic set (PDF);
- b) Two complete paper sets of drawings;
- c) Two lot grading plans;
- d) Soils report (to verify road structure design) (Soils reports shall be required on all new road construction design) in accordance with Subdivision, Development & Servicing Bylaw;
- e) Utility calculations for water, sanitary, storm sewer to confirm that designed is in accordance with Subdivision, Development & Servicing Bylaw;
- f) Owner/consulting engineering confirmation letter;
- g) Quality Control and Assurance Plans for:
 1. Design;
 2. Construction; and
 3. Record-keeping all in accordance with Schedule 3 of the Subdivision, Development & Servicing Bylaw.

Subsequent design submissions requiring changes to the previous submission shall consist of:

- a) One complete electronic set (PDF);
- b) Two complete sets of paper drawings;
- c) A complete construction cost estimate;
- d) All submissions subsequent to first submission shall have highlighted with yellow any changes made by the Design Engineer which are in addition to "Red Line" changes required by the City;
- e) Items "Red Lined" must be addressed by the Design Engineer. Failure to do so will result in submissions being returned.

The Issued for Construction submission shall consist of:

- a) One complete sealed electronic set (PDF).
- b) A complete construction cost estimate.
- c) Four complete hard copy sets of sealed drawings.
- d) Electronic digital files.

E. CONSTRUCTION ESTIMATE

The construction cost estimate shall be broken down in a format as approved by the City Engineer or designate. These items and costs will be reviewed and amended where or if necessary.

F. RECORD DRAWINGS AND SERVICE INFORMATION

Record drawings, new and decommissioned service connection cards, hydrant data sheets and construction estimate must be submitted to the City Engineer or designate. Record drawings shall include relevant construction and design information. Notes shall be modified to reflect actual construction. Any existing infrastructure that has been abandoned in place must remain on the drawing and be labeled accordingly. Any infrastructure removed during construction must be deleted from the record drawings.

AutoCAD data that is forwarded to the City by the Consultant must conform to the requirements and formats set out herein. The AutoCAD data submission must be same file that was used to generate the hard copy. Failure to comply will result in work being returned to the Consultant for correction at the Consultant's expense.

Service connection cards, Service disconnect cards and hydrant data sheets in the format provided by the City are to be forwarded to the City Engineer or designate at the time of submission of the record drawings. The service records shall clearly detail the location of all services. If connections are skewed to the property line, the connection shall be located at the main by showing the distances from property lines as well as located at the property line. The hydrant data sheets must be supplied for each hydrant and include fire flow data to confirm that they meet Bylaw 7900.

The following procedures shall be followed in the submission of "Record" drawings for municipal acceptance:

- a) Record drawings and service information must be submitted within 90days of the issuance of substantial completion.
- b) Sealed record drawings and all information noted within section F. One marked-up set of the record prints may be returned to the Consultant for revisions.
- c) Drawings must be signed and sealed by an appropriate professional registered in British Columbia. The drawings must contain either no disclaimer or the following statement.

"I hereby give assurance that the new works shown on this drawing were inspected during construction and substantially reflect the installed works in all material aspect"

- a) Record drawings shall include the following drawings:
 - a. All drawings contained in the issued for construction set.
 - b. Design drawings not requiring "Record" but shall be included as paper prints for City records are:
 - c. Storm Water Management Plan.
 - d. Erosion and Sediment Control Plan.
 - e. Road cross sections.
- b) The Professional Engineer shall also submit the "Assurance of Professional Field Inspection and Compliance Form"
- c) Final inventory sheets of infrastructure installed in format as provided by the City Engineer or designate.

Amendments

RESOLUTION: R1114/19/12/09


REPLACING: R375/10/04/26; R1039/08/11/24; R445/01/06/04; R59/99/01/25

Council Policy 266 – Approved Products List

April 17, 2023

What is the Approved Products List?

- ▶ Comprehensive list of products approved for installation in City infrastructure projects,
- ▶ 100's of products including pipes, fittings, valves, hydrants, manholes, irrigation and street lighting.
- ▶ Suppliers & manufacturers must apply, and their products evaluated prior to acceptance,
- ▶ Council Approval is required.



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250-469-8500
kelowna.ca

POLICY 266

Council Policy
Subdivision, Development & Servicing –
Approved Products List
APPROVED July 29, 2002

RESOLUTION: R874/18/09/17
REPLACING: R375/10/04/26, R602/09/05/25, R59/99/01/25, R651/00/07/24, R650/02/07/29
DATE OF LAST REVIEW: September 2018

This policy specifies the Approved Products to be used in the construction of Works and Services in the City of Kelowna. This list will be expanded and amended from time to time.

The purpose of the Policy is to:

- (a) Standardize the products used across the City;
- (b) To limit the number of certain products that can be used within the City, to ensure that staff is trained to maintain those items, and to limit the inventory necessary for maintenance;
- (c) To make it easier for contractors & suppliers to select products for use and minimize errors.

See Subdivision, Development & Servicing Bylaw 7900 Schedules 4 & 5 and Standard Detail Drawings for detailed information on design and construction requirements. For Development Projects, any requests for project specific variances shall be made to the **City Engineer (Development Engineering Manager)** who will determine if the request warrants review by the respective Civic Operations Manager responsible for those products.

Manufacturers or Suppliers that would like products considered for inclusion need to submit their request in writing or by email to the **Civic Operations Engineering Technical Support Coordinator** along with all supporting technical information. The Coordinator will determine if the request warrants review by the respective Civic Operations Manager responsible for those products.

TABLE OF CONTENTS

- A. WATERWORKS DIVISION**
 - 1. Watermain and Service Pipe
 - 2. Fittings & Appurtenances
 - 3. Valves
 - 4. Hydrants and Hydrant Paint
 - 5. Brass Service Fittings
 - 6. Kiosks
- B. SANITARY SEWER AND STORM DRAINAGE WORKS**
 - 1. Sanitary Sewer and Storm Drainage Pipes
 - 2. Fittings and Appurtenances
 - 3. Manholes & Drywells
 - 4. Containment Devices and Oil/Grit Separators
- C. PARKS, LANDSCAPING AND IRRIGATION**
 - 1. Irrigation Products
- D. STREET LIGHTING**
 - 1. LED Cobra Luminaires
 - 2. LED Decorative Luminaires
 - 3. Photocell
 - 4. Galvanized Powder Coated Green Poles
 - 5. Decorative Powder Coated Black Poles

Purpose of Policy

- ▶ Ensure high quality and long-last infrastructure,
- ▶ Standardize products for consistency,
- ▶ Limit inventory for maintenance efficiency,
- ▶ Make it easier for contractors & suppliers to source products.



Why Rescind the Policy?

- ▶ Improve administration efficiency,
- ▶ Suppliers constantly contacting City for inclusion of their products,
- ▶ Technical information and analysis is required to support each product evaluation,
- ▶ Inefficient to prepare Council report for each product request,
- ▶ Backlog of requests waiting for approval.

What will it be replaced with?

- ▶ Council Policy would be replaced with Administration Policy,
- ▶ Administration Policy includes:
 - ▶ Product Review Request Form and process (available on City Website),
 - ▶ Multi-department evaluation committee that reviews each requests,
 - ▶ Sign-off by General Manager, Infrastructure
- ▶ Council approval no longer required.

Next Steps

- ▶ Rescind Council Policy 266,
- ▶ Amend Bylaw 7900 – Subdivision, Development & Servicing Bylaw,
- ▶ Amend Policy 265 Engineering Drawing Submission Requirements.
- ▶ Implement APL Administration Policy.



Questions?



CITY OF KELOWNA

BYLAW NO. 12512 Amendment No. 23 to Subdivision, Development and Servicing Bylaw No. 7900

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Subdivision, Development and Servicing Bylaw No. 7900 be amended as follows:

1. THAT **SCHEDULE 4 – GENERAL** be amended by deleting “Policy 266 (Approved Products List) and replace it with “Approved Products List”;
2. AND THAT **SCHEDULE 4 – GENERAL** be amended by adding the following after “Policy 266 (Approved Products List)”:

 “Delegation of Authority for Approved Products List

 Provided that all necessary prerequisites of the *Community Charter* the *Local Government Act*, other applicable federal and provincial enactments, City bylaws, and City policies have been met, the General Manager, Infrastructure is assigned the authority to approve and amend the Approved Products List on behalf of the City”;
3. AND THAT **SCHEDULE 4 – Section 0.0 General Design Considerations, 0.1 General** be amended by deleting “Policy 266 (Approved Products List)”;
4. AND THAT **SCHEDULE 4, Section 5 Roadway Lighting, 5.2 Codes, Rules Standards and Permits, 5.2.2** be amended by deleting “266”;
5. AND THAT **SCHEDULE 4, Section 7 Landscape and Irrigation, 7C.1 (x) General Irrigation Requirements** be amended by deleting “Policy 266”;
6. AND FURTHER THAT **Schedule 5, CONSTRUCTION STANDARDS, Section 1. CONSTRUCTION SPECIFICATIONS, 2.1 General, 2.1.2** be amended by deleting “See Council Policy 266” and replace it with “See Approved Products List”.
7. This bylaw may be cited for all purposes as “Bylaw No. 12512, being Amendment No. 23 to Subdivision, Development and Servicing Bylaw No. 7900.”
8. 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

Mayor

City Clerk

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Water and Wastewater Service Agreements Between Kelowna and the District of Lake Country
Department: Infrastructure

Recommendation:

THAT Council receives for information the report from the Infrastructure General Manager dated April 17, 2023, with respect to Water and Sewer Service Agreements between Kelowna and the District of Lake Country;

AND THAT the Mayor and City Clerk be authorized to execute the Bulk Water Supply Agreement and the Sewer Services Agreement on behalf of the City of Kelowna;

AND FURTHER THAT the 2023 Financial Plan be amended to include \$1.3 million for the Beaver Lake Service Area Sewer Extension project funded from the Wastewater Utility.

Purpose:

To secure water supply for Kelowna’s far north end area and provide wastewater disposal services to the District of Lake Country via agreements with the District of Lake Country.

Background:

In 2020, City of Kelowna staff entered negotiations with the District of Lake Country (DLC) and Okanagan Indian Band (OKIB) staff to craft agreements on mutually shared services that would benefit each community. This work culminated in the Memorandum of Understanding (MOU) between the parties which was signed in February 2022.

Over the past year, the negotiation of several legal agreements has been conducted between the three partners and the Government of Canada. The parties are actively finalizing six separate legal agreements for the following subjects:

MOU Ref #	Agreement Description	Status
1	<i>Water supply agreement between Kelowna and the District of Lake Country</i>	<i>Subject of this report</i>
2&3	Water and sewer agreement between Kelowna and OKIB	Under Final Review
4a	Sewer permit agreement between Kelowna, OKIB and Canada	Complete
4b	Rail Trail Agreement between Kelowna and OKIB	Under Final Review
4c	Commonwealth Road permit between Kelowna, OKIB and Canada	Being developed
5	<i>Sewer Agreement between Kelowna and the District of Lake Country</i>	<i>Subject of this report</i>

Discussion:

The Bulk Water Supply Agreement (MOU Reference #1) and the Sewer Services Agreement (MOU Reference #5) between Kelowna and Lake Country are ready for execution. Both agreements are attached to this report: Bulk Water Supply Agreement (Attachment #1) and, the Sewer Services Agreement (Attachment #2)

a. Bulk Water Supply Agreement Highlights.

Service Area: The District of Lake Country has provided water to the City of Kelowna for distribution to most properties in the Beaver Lake Industrial area. However, DLC has continued to directly service properties within Kelowna on Shanks Road, properties north of Beaver Lake Road, as well as one property on Indian Reserve #7 (IR#7). This agreement transfers the responsibility of providing water service to all customers within the Kelowna municipal boundary to the City of Kelowna, including properties on IR#7. Servicing OKIB lands on IR#7 is the subject of Agreement 2&3 as referenced in Table 1.

Term: The agreement is for 20 years. Kelowna must provide a request to renew at least 5 years before the end of term.

Capacity: The agreement specifies a supply capacity limit as of the date of signing based on existing, agreements and design demand expectations of the developed area. The capacity limit incorporates the built form of IR#7 as of 2022. As part of the MOU the three parties agreed that water and sewer growth costs would only be applied to OKIB properties for development that exceeds the built form in 2022. For the City of Kelowna, the agreement provides the capacity to service our existing built form only. The City cannot apply Development Cost Charges (DCC's) for DLC infrastructure. Therefore, the City will have to purchase additional capacity from DLC under this agreement to allow for development in the Service Area. The City may recover these costs from developers wishing to increase their water allotment by using the Local Service Area process for individual properties. Schedule B of the Bulk Water Supply Agreement includes a parcel-by-parcel allotment of the agreement service capacity. This allotment is based on the design demand from our Subdivision, Development and Servicing Bylaw #7900.

Water Rates: Water rates for Kelowna will be determined by DLC council in a manner that is derived from their cost of providing water in a rate setting process that is open and transparent. This is similar to the

method that Kelowna will determine DLC's cost of wastewater and how the City determines the cost of providing wastewater service to UBC Okanagan.

b. Sewer Services Agreement Highlights

Service: The agreement allows DLC to send excess treated wastewater effluent to Kelowna for further treatment and disposal in Kelowna. DLC currently discharges their treated effluent to ground and that system is at capacity. The agreement allows DLC to determine a long-term solution to their disposal capacity challenge. Only treated effluent will be received by Kelowna.

Term: The agreement term is ten years.

Capacity: The agreement limits the wastewater discharge to 15 litres per second. In general, Kelowna's collection system can handle this capacity for the duration of the term. Upgrades to the McCarthy lift station and an extension of the gravity sewer on Beaver Lake Road are required to receive DLC effluent. Operationally there are advantages to the City in receiving treated effluent as it will dilute wastewater in the area and should reduce odour generation in our system between Jim Bailey Crescent and the Airport.

Wastewater Rates: Council approved a rate of \$0.30 per cubic metre to charge DLC on November 14, 2022. This rate reflects the operating impact (only) of this temporary service agreement and was set within the context of the entire package of agreements between Kelowna, DLC, and OKIB. There are no capital improvement or recovery cost charges applied to DLC during the term of the agreement.

Cost of connection and capacity improvement: Contrary to the intention of previous water supply agreements, the City of Kelowna has not, and legally cannot, charge water DCCs to pay to DLC for growth in Kelowna's supply area. An estimate of the DCCs not collected in the past for development that has been approved by Kelowna exceeds \$2 million. To address this past gap, this Sewer Services Agreement commits Kelowna to fund the infrastructure needed to provide the capacity upgrades and necessary sewer pipe extension to allow DLC to connect to our sewer. It is requested that the 2023 Financial Plan be amended to create and fund \$1,300,000 for the Beaver Lake Service Area Sewer Extension Project funded from the Wastewater Utility. The project will be constructed by the City to facilitate DLC's treated effluent disposal needs with a connection provided in 2023 and pump station upgrades completed before the end of 2024.

Conclusion:

The water and sewer agreements are two key components in the suite of agreements envisioned in the 2022 MOU between Kelowna, DLC and OKIB. The water agreement clarifies key terms and allows the City to commit to providing water to OKIB as envisioned in the MOU. The commitments, both financial and technical, are consistent with the broader goals of resolving the many issues being addressed by the MOU.

Internal Circulation:

Communications
Financial Planning
Revenue Services

Considerations applicable to this report:

Financial/Budgetary Considerations:

The wastewater fees will recover the additional operating costs for Kelowna.

Communications Comments:

A formal signing ceremony will be held to jointly complete several OKIB, DLC and Kelowna agreements.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Submitted by: M. Logan, Infrastructure General Manager

Approved for inclusion: D. Gilchrist, City Manager

Attachment 1 – Bulk Water Supply Agreement

Attachment 2 – Sewer Services Agreement

cc: Divisional Director, Corporate Strategic Services
Acting Division Director, Financial Services

BULK WATER SUPPLY AGREEMENT

BETWEEN:

DISTRICT OF LAKE COUNTRY

AND:

CITY OF KELOWNA

Dated for Reference: April 17, 2023

Copy _____ of _____

BULK WATER SUPPLY AGREEMENT

Dated for reference the 17th day April 2023.

BETWEEN:

DISTRICT OF LAKE COUNTRY, a municipality under the laws of British Columbia having an office at 10150 Bottom Wood Lake Road, Lake Country, British Columbia, V4V 2M1

("DLC")

AND:

CITY OF KELOWNA, a municipality under the laws of British Columbia having an office at 1435 Water Street, Kelowna, British Columbia, V1Y 1J4

("Kelowna")

BACKGROUND

- A. DLC's municipal council has approved the entering into of this Agreement;
- B. Kelowna's municipal council has approved the entering into of this Agreement;
- C. DLC's Waterworks System has capacity to handle the supply and sale of water, as a commodity, to Kelowna as contemplated in this Agreement;
- D. DLC and Kelowna wish to enter into this Agreement to confirm the covenants, terms and conditions upon which water shall be supplied by DLC to Kelowna; and
- E. The supply of water provided within this Agreement is in the spirit of cooperation outlined in a Memorandum of Understanding made as of January 25, 2022, between DLC, the Okanagan Indian Band (OKIB) and Kelowna.

SECTION 1. DEFINITIONS

In this Agreement, the following terms shall have the following meanings ascribed to them:

- a. **"Agreement"** means this agreement, titled "Bulk Water Supply Agreement", including the recitals and schedules hereto, as may be amended and supplemented from time to time in writing;
- b. **"Bulk Meter"** means an apparatus located or to be located at the locations shown in the map attached as Schedule A and approved by DLC for measuring and recording the quantity of bulk water passing from DLC's Waterworks System to

Kelowna's Waterworks System for supply of water to End Users in the Supply Area;

- c. **"Connection Works"** means the supply mainline works necessary to connect DLC's Waterworks System to Kelowna's Waterworks System used to supply water to the Supply Area in accordance with this Agreement;
- d. **"Design Demand"** means the theoretical water demand equal to the sum of the calculated demands of individual properties in the Supply Area, as calculated in accordance with Kelowna's *Subdivision, Development and Servicing Bylaw 7900*, as amended from time to time. For clarity, the Design Demand will be used for infrastructure planning, as well as calculating the cost of DLC Waterworks System growth requirements;
- e. **"Effective Date"** means January 1, 2023;
- f. **"End User"** means a property owner or occupier ultimately utilizing water supplied from DLC to Kelowna in accordance with this Agreement;
- g. **"MOU"** means the Memorandum of Understanding made as of January 25, 2022, between Lake Country, OKIB and Kelowna;
- h. **"Party"** means a party to this Agreement;
- i. **"Peak Day Supply Capacity"** means the maximum daily quantity of water that the DLC's Waterworks System has the capacity to provide to the Supply Area in accordance with this Agreement;
- j. **"Supply Area"** means those areas shown outlined on the map attached as Schedule A, and includes the areas within the existing water supply agreements, being:
 - (i) the Bulk Water Agreement between Winfield and Okanagan Centre Irrigation District (subsequently renamed District of Lake Country) and Kelowna dated December 9, 1994; and
 - (ii) the Amended City of Kelowna Water Supply Agreement between Kelowna, DLC and Hiram Walker & Sons Ltd. dated September 1, 1999;
- k. **"Term"** shall have the meaning ascribed to it in Section 3.a below;
- l. **"Water Bylaw"** means DLC's *Water Regulation and Rates Bylaw No. 984, 2016*, as amended, revised, consolidated, or replaced from time to time;
- m. **"Waterworks System"** means the system of water mains and pipes, pumps, and other facilities and equipment used to supply potable water.

SECTION 2. INTERPRETATION

- a. The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:
 - (i) Schedule A – Map of Water Supply Area
 - (ii) Schedule B – Water Demand Analysis Memorandum
- b. Any act or enactment referred to herein is a reference to an enactment of the Province of British Columbia and regulations thereto, as amended, revised, consolidated or replaced from time to time, and any bylaw referred to herein (as may be cited by short title or otherwise) is a reference to an enactment of the municipal council of DLC or the municipal council of Kelowna (as the case may require), as amended, revised, consolidated or replaced from time to time.

SECTION 3. EFFECTIVE DATE / TERM OF AGREEMENT

- a. This Agreement shall take force and be of effect as of the Effective Date.
- b. Subject to a termination in accordance with subsection 3.d or Section 8, or to a renewal in accordance with subsection 3.c, this Agreement shall have a term of twenty (20) years from the Effective Date (the “Term”).
- c. If Kelowna wishes to renew this Agreement for a further term after the expiry of the Term, Kelowna shall give a written notice to DLC of its desire to renew no later than five (5) years prior to expiration of the Term. Upon receipt of such a written notice, DLC and Kelowna agree that they will meet and communicate with one another in good faith in an attempt to negotiate a new agreement for a renewal term on terms and conditions that may be mutually agreeable. If a new agreement for a renewal term is not negotiated and entered into by the date that is three (3) years prior to the expiry of the Term, then there shall be no renewal.
- d. The Parties agree and acknowledge that if any of the “Proposed Specific Agreements” identified in section 3 of the MOU is not ratified and entered into by the date that is two (2) years from the Effective Date, then, unless the Parties have otherwise by then mutually agreed to waive the requirement for any such Proposed Specific Agreement(s) to be entered into, this Agreement may be terminated by either Party, at their sole discretion, by delivering at least one (1) year’s written notice to the other Party.

SECTION 4. WATER SUPPLY

- a. During the Term, DLC shall supply water, in an amount not to exceed the Design Demand or the Peak Day Supply Capacity, to Kelowna for distribution to and use within the Supply Area, subject to the terms and conditions of this Agreement.

- b. The initial and baseline Design Demand at the commencement of this Agreement shall be 1,800,000 cubic metres per year. The parties agree that the Design Demand may be increased during the Term, proportionally with any increases to the Peak Day Supply Capacity, in accordance with subsection 4.e. below.
- c. The initial and baseline Peak Day Supply Capacity at the commencement of this Agreement shall be 5,200 cubic metres per day (60 litres per second). The parties agree that the Peak Day Supply Capacity may be increased during the Term, up to a maximum Peak Day Supply Capacity of 10,000 cubic metres per day (115.7 litres per second), in accordance with subsection 4.e. below.
- d. Notwithstanding any limitations of water supplied under this Agreement, in the event of a fire in the Supply Area, DLC will provide a flow rate of up to 225 litres per second for a period of three (3) hours.
- e. DLC and Kelowna acknowledge and agree that developmental growth will occur in the Supply Area during the Term, and DLC will bill Kelowna for any required costs for DLC to incrementally increase the Design Demand and Peak Day Supply Capacity (above their initial and baseline amounts). Kelowna agrees to pay for capacity increases and amendments to the Design Demand and Peak Day Supply Capacity in this Agreement based on an agreed funding formula that is fair to both parties, to be established in the same manner as described for rates and charges in subsection 5.b below and confirmed as a fee in the Water Bylaw. Kelowna agrees to pay the required fee(s) for any increases in Design Demand and Peak Day Supply Capacity in advance of development occurring.
- f. Upon confirmation of increases to the Design Demand/Peak Day Supply Capacity, receipt of the fee(s) associated with such increases by DLC from Kelowna and construction and implementation of necessary works by DLC (if any), DLC agrees to maintain the increased capacity in DLC's Waterworks System to provide an adequate supply of water in accordance with the terms and conditions of this Agreement.
- g. Subject to the Peak Day Supply Capacity, the quality and quantity of water to be provided by DLC under this Agreement will be substantially the same as the quality and quantity of water provided by DLC to the users of water within the municipal boundaries of DLC. DLC is not obligated to provide water at a greater level or degree than the level or degree to which water is provided elsewhere within the DLC.
- h. DLC makes no representation or warranty that the level or degree of water provided under this Agreement will be maintained or continued to any particular standard, other than as stated expressly herein. DLC does not guarantee water pressure, water quality, continuous supply. DLC reserves the right at any time, without notice, to change the operating pressure, water source, to turn on or turn off water, or to change the direction of flow within DLC's water main(s).

- i. DLC shall not be liable for any damage or other loss caused by changes in water pressure, water source, shutting off water, changes in direction of flow, or by water containing sediments, deposits, or other foreign matter.
- j. Kelowna acknowledges and agrees that there may be from time-to-time interruptions or reductions in the volume of water, and that DLC will not be held liable for any losses, costs, damages, claims or expenses arising from or connected with a temporary interruption or reduction in the volume of water provided under this Agreement.
- k. Nothing in this Agreement shall obligate DLC to supply water when the licensing, supply or infrastructure is unavailable; and without limiting the foregoing, supply or infrastructure will be considered unavailable when:
 - (i) the proposed supply of water would exceed limits under applicable water licences and permits;
 - (ii) DLC's water supply is limited by watershed or water source limitations;
 - (iii) DLC's water distribution or treatment capacity is inadequate; or
 - (iv) the fire flow would be insufficient or inadequate to comply with health, safety and fire requirements in effect under applicable enactments.
- l. Where water supply is to be shut off by DLC or restricted for reason of shortage of water supply, DLC will give at least seven (7) days' notice to Kelowna, but no notice or shorter notice may be given where safety of life or property is at risk.
- m. Where water supply is to be temporarily shut off for maintenance, renovation, replacement, disinfection, or other operation of DLC's waterworks system for greater than 12 hours, DLC will use its best efforts to give at least two (2) weeks' notice to Kelowna for scheduled work, but no notice or shorter notice may be given where safety of life or property is at risk.
- n. The Design Demand has been determined based on the design demand and allocation of water in the Supply Area, as outlined in the memorandum attached as Schedule B. Other than for determining the baseline Design Demand, Schedule B does not direct or restrict Kelowna in the distribution of water within the Supply Area.

SECTION 5. RATES AND COLLECTION OF FEES

- a. Kelowna shall pay DLC the rates and charges established under the Water Bylaw for the water supplied by this Agreement, as measured using the Bulk Meter.

- b. DLC agrees that the water rates and charges payable by Kelowna will be fair and reasonable and derived with reference to DLC's cost of supplying water in accordance with this Agreement and in a rate setting process that will be open and transparent.
- c. DLC will, on or about the twentieth day of each of January, April, July and October of each year during the Term of this Agreement, invoice Kelowna for the water supplied to Kelowna for the previous quarter. Kelowna shall pay the full amount of the invoice within 30 days of the date of the invoice. Interest shall accrue on amounts overdue at the same interest rate that is applicable to overdue user fees or rates as set out in the Water Bylaw.
- d. Kelowna shall be responsible for the collection of all water rates, fees and other charges required to be paid by End Users pursuant to this Agreement.

SECTION 6. INSTALLATION, OWNERSHIP AND REPAIR/MAINTENANCE OF WORKS

- a. Kelowna, in consultation with DLC and with design approval from DLC, shall be responsible for design, construction and installation of the Connection Works.
- b. With the exception of the Bulk Meters, the Connection Works shall be owned by Kelowna and Kelowna shall be responsible for maintenance, repair and/or replacement of those Connection Works as may be necessary.
- c. Upon commencement of this Agreement, the existing Bulk Meter as shown on the map attached as Schedule A, will continue to be used until a new permanent Bulk Meter is installed on the former Hiram Walker transmission main line, also shown on the map attached as Schedule A.
- d. Any newly constructed Bulk Meters shall be owned by DLC, and DLC shall be responsible for maintenance, repair and/or replacement of the Bulk Meters as may be necessary. DLC shall require easements or land title for the maintenance and operation of the newly constructed Bulk Meters.
- e. DLC and Kelowna acknowledge and agree that:
 - (i) all Waterworks Systems owned or installed by DLC and located outside the Supply Area within DLC's boundaries are and will remain the property of DLC, and no interest, right or title to such water works shall be conveyed to Kelowna under this Agreement; and
 - (ii) all water distribution infrastructure owned or installed by Kelowna within the Supply Area is and will remain the property of Kelowna, and no interest, right or title to such Waterwork Systems shall be conveyed to DLC under this Agreement.

- (iii) all water supply infrastructure owned by DLC within the Supply Area will be transferred by DLC to Kelowna and will become the property and responsibility of Kelowna; with the exception of water infrastructure on Beaver Lake Rd that is part of the DLC Beaver Lake Water Supply System.
- (iv) DLC and Kelowna will work collaboratively to complete the required works necessary for the transfer of assets by end of 2025.
- f. Representatives of DLC may at any time enter upon Kelowna property for the purpose of ensuring compliance with the terms of this Agreement.

SECTION 7. LIABILITY

- a. DLC does not warrant or guarantee the continuance or quality of any of the water supply provided under this Agreement and shall not be liable for any damages, expenses, or losses occurring by reason of suspension or discontinuance of such supply for any reason which is beyond the reasonable control of DLC, including without limitation: pandemic, acts of God, forces of nature, soil erosion, landslides, fire, lightning, washouts, floods, storms, serious accidental damage, strikes or lockouts, vandalism, negligence in the design or supervision or construction of its systems, or in the manufacture of any materials used therein, or other similar circumstances.

SECTION 8. DEFAULT / TERMINATION

- a. If, at any time during the term of this Agreement, invoices remain unpaid by Kelowna as at the date that is one (1) year after the date of the invoice, DLC may give six (6) months notice of termination of this Agreement.
- b. Should either party be in breach of its covenants or undertakings under this Agreement, other than a failure by Kelowna to pay, which remains unrectified for a period of ninety (90) days following written notification of such breach, the party not in breach may, at its option and without prejudice to any other rights or remedies it might have, immediately terminate this Agreement.
- c. In addition to the rights of termination set out in subsections 8.a and 8.b, DLC may, at its option, terminate this Agreement for any reason (without cause) upon giving at least three (3) years' notice to Kelowna.

SECTION 9. DISPUTE RESOLUTION

- a. In the interest of cooperative and harmonious co-existence, the Parties agree to use their best efforts to avoid conflict and to settle any disputes arising from or in relation to this Agreement. The Parties acknowledge and agree that this Section 9 does not limit either Party's respective rights under Section 8.

- b. In the event that the Parties fail to resolve matters, the Parties shall seek a settlement of the dispute by utilizing the dispute resolution procedures set out in subsection c. below, and recourse to the Courts shall be a means of last resort, except when public health or safety is concerned.
- c. In the event of any unresolved dispute between the Parties arising from or in relation to this Agreement, the dispute shall be determined by the award of a single arbitrator appointed pursuant to the provisions of the British Columbia *Arbitration Act* (the "Act"). The award of the arbitrator shall be made pursuant to the provisions of the Act and the decision shall be final and binding upon the parties. Unless otherwise agreed, the arbitration shall take place at Kelowna, British Columbia.

SECTION 10. COMMUNICATIONS AND AGREEMENT PROTOCOL

- a. Both parties to this Agreement will appoint one or more representatives, with notice to the other party of such appointments as the principal contacts for official communications about this Agreement, and as the principal contacts for operational matters pursuant to this Agreement. The parties further agree to establish a communications protocol to manage issues arising under this Agreement.

SECTION 11. ACKNOWLEDGEMENT OF RIGHTS

- a. Nothing contained in this Agreement will be deemed to limit or affect the legal rights, duties or obligations of DLC or Kelowna. The Parties agree that nothing in this Agreement will affect the cooperation or consultation covenants the parties have entered into pursuant to other Agreements.

SECTION 12. GENERAL

- a. **Time.** Time shall be the essence of this Agreement and the transactions contemplated in this Agreement.
- b. **Notice.** Any notice required or permitted to be given under this Agreement shall be sufficiently given if delivered personally or if sent by prepaid registered mail to the City or District Manager at the address indicated on page one provided that any party shall be entitled to designate another address by giving notice of it to the other party in accordance with the terms of this Agreement. Any notice so mailed shall be deemed to have been received, except during a period of interruption of normal postal service, on the fourth business day following the date of mailing.
- c. **Further Assurances.** Each party shall from time to time execute and deliver or cause to be executed and delivered all such further documents and instruments and do or cause to be done all further acts and things as any of the other party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

- d. **No Assignment.** No party may assign its rights under this Agreement without the prior written consent of the other party.
- e. **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the parties to it, their respective heirs, executors, administrators, and other legal representatives and, to the extent permitted in this Agreement, their respective successors and assigns.
- f. **Extended Meanings.** Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.
- g. **Headings.** The headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- h. **Fees.** Each party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel and other advisors) incurred by it in connection with this Agreement and the transactions contemplated herein.
- i. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement and contains all of the representations, warranties, covenants and agreements of the respective parties, and may not be amended or modified except by an instrument in writing executed by all parties. This Agreement supersedes all prior agreements, memoranda, and negotiations between the parties.
- j. **Jurisdiction.** This Agreement shall be construed in accordance with and governed by the laws of British Columbia.
- k. **Counterparts.** This Agreement may be signed in counterparts and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by fax or any other form of electronic transmission.

For and on behalf of:

DISTRICT OF LAKE COUNTRY

Mayor Blair Ireland

Director of Corporate Services
Matt Vader

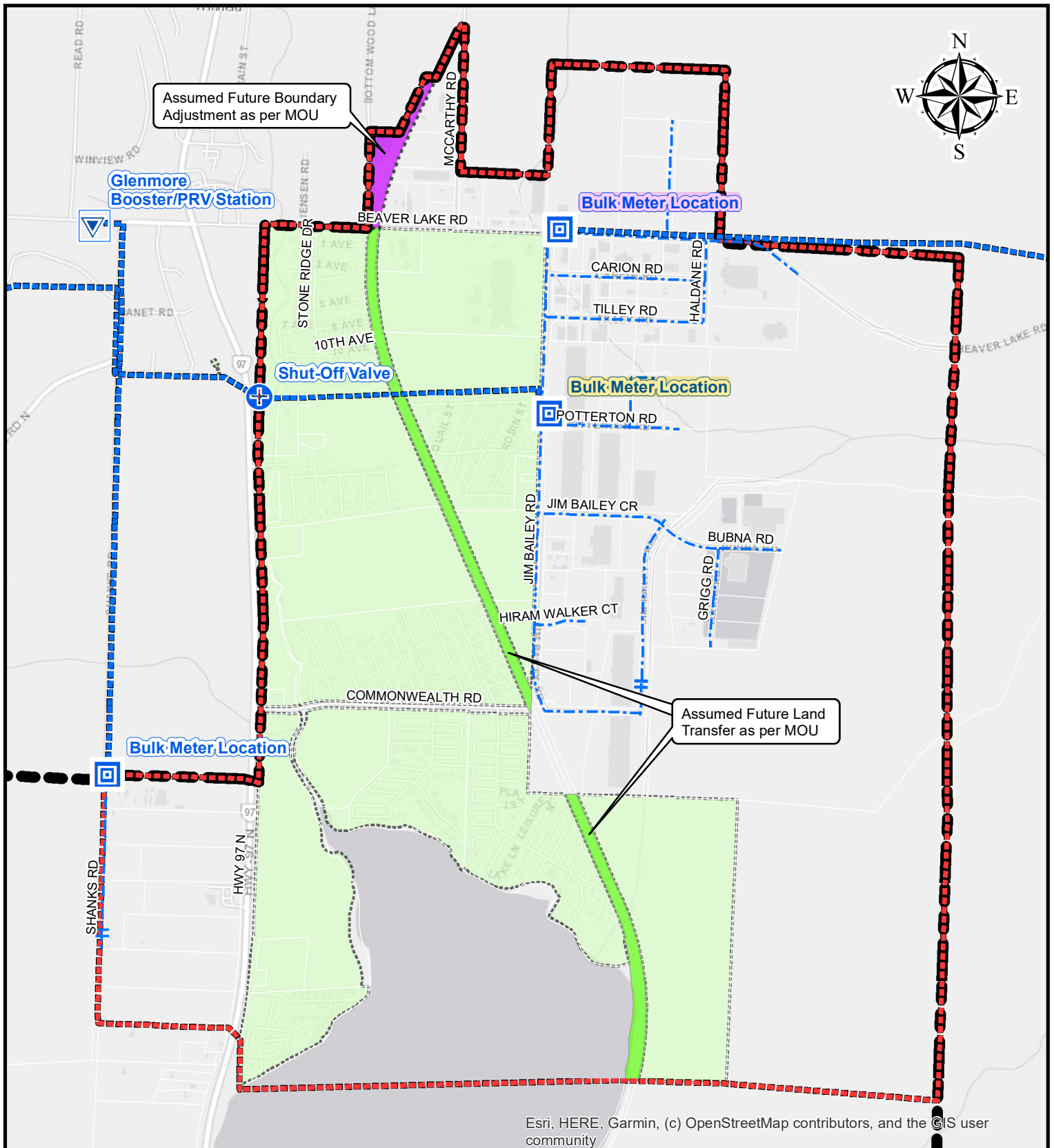
For and on behalf of:

CITY OF KELOWNA

Mayor Thomas Dyas

City Clerk – Stephen Fleming

SCHEDULE "A" – Map of Water Supply Area



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

Figure A1. Beaver Lake Service Area (BLSA) - Water

Legend		
	DLC Glenmore Booster-PRV Station	
	Bulk Meter Locations	
	DLC to Kelowna Supply Mains	
	CoK Water Mains	
	Lot Lines	
	BLSA Boundary	
	IR # 7	

City of Kelowna

0 100 200 300
Meters

January 2023

SCHEDULE "B" – Memorandum - Beaver Lake Service Area Water Demand Analysis

Memo

Beaver Lake Service Area Water Demand Analysis

Prepared for: Kevin Van Vliet, Utility Services Manager
Topic: Beaver Lake Service Area - Water Demand Analysis
District of Lake Country Water Supply to City of Kelowna
Original Date: September 8, 2022
Revised: March 20, 2023, Revision 3
Prepared by: Rod MacLean, P. Eng., Utility Planning Manager, City of Kelowna
Reviewed by: Jim Hager, Utility Planning Design Technician,
Luke Dempsey, P. Eng., Utility Planning Engineer
Robinson Puche, Utility Planning Technologist

1. BACKGROUND

The Beaver Lake Service Area (BLSA) of the City of Kelowna (the City), along Highway 97 and bounded by the District of Lake Country (the District) to the north, is an important industrial, agricultural and residential area of the City (see Figure 1 in the Appendix A). The BLSA contains the largest quantity of available land for future industrial development within Kelowna, and includes residential and commercial development within Okanagan Indian Band's (OKIB) I.R. 7, and agricultural connections along Shanks Road.

The BLSA has been historically supplied water from the District primarily through two water supply agreements (Hiram Walker and Carion-Derreault) and historical supply to some City commercial properties administered by the District along Beaver Lake Road and agricultural properties on Shanks Road. The supply infrastructure is generally fed by a pumped intake from Okanagan Lake and through a transmission system originally constructed by Hiram Walker in the 1970s, and is now owned and operated by the District. The Hiram Walker agreement between the City and District alone guarantees a full industrial supply to those properties (see attached Table A-1). Fire flows and peak flow conditions are supplemented through a pressure reducing valve through the second potable water supply off the District's Beaver Lake System.

In January 2022, the City, OKIB and District signed a memorandum of understanding (MOU) to resolve several outstanding issues between the three governments that have gone unresolved for many years. The motivating factors include OKIB's desire for water and sewer for properties under its jurisdiction, a joint interest to complete the Okanagan Rail Trail through OKIB lands, ongoing joint water supply issues, wastewater effluent capacity concerns in the District, and road quality issues on Beaver Lake Road.

As part of the MOU, the District has agreed to continue providing water to all properties in the BLSA. The District will deliver water to two service points in the City, and the City Water Utility will be responsible for all servicing. The City will collect water demand charges from new development and pay fees to the District that reflect operations, maintenance, and growth-related expenses. OKIB has agreed that all properties that develop from this point forward within I.R. 7 will pay equivalent water demand charges. The City will supply water to OKIB or its subsidiary who will distribute the water to customers within the Reserve and collect all capital and monthly operating fees to remit to the City. The City's will service customers in the Shanks, Beaver Lake and McCarthy Road areas located within its municipal boundary.

The purpose of this memo is to determine the current design demand of all properties within BLWS A boundary, and project future water supply to an ultimate development demand anticipated in 2075.

2. WATER SUPPLY ANALYSIS

a. Current Supply

Water is currently supplied to 127 properties in the BLSA (see Table 1). Current supply is metered and billed for all current City Utility customers. For this analysis, data was extracted from City billing information from 2018 and 2021. Lake Country provided bulk water meter measurements for 2019 to 2021, and these numbers were used to reconcile for gaps in the metering data for those properties on Beaver Lake Road, Shanks Road and McCarthy Road. Agricultural supply values were provided by the District for Shanks Road.

Table 1. Beaver Lake Water Supply Service Area Statistics

Sub-Area	Area Served (ha)		Properties Connected		Current Metered Consumption ²	
	Current (2021)	Ultimate (2075)	Current (2021)	Ultimate (2075)	Average Day (L/s)	Average Day (m ³ /day)
Carion Properties	17	17	23	23	1.7	55,116
Hiram Walker Properties	56	56	24	39	6.2	194,009
DLC Metered City Properties	32	32	22	24	4.0	125,346
Future Industrial ¹	-	158	-	30		-
Sub-totals-City	105	264	69	116	11.9	168,008
Shanks Road	21	26	8	9	2.1	66,483
Sub-totals-City	126	289	77	125	14.0	262,616
OKIB	2	149	2	12		
Totals	128	438	79	137	14.0	779,274

Notes:

1. Based on CTQ Development Conceptual Design - Spring, 2022.

2. Current metering estimate from City from 2018-2021, and reconciled with DLC bulk metering at 9835 Jim Bailey Road from 2019-2021.

b. Current Demand Design Criteria

In discussions with staff, the District requested that the City reduce the impact of the industrial demand requirement. Over the years, actual water supply to properties in the industrial area were found to be significantly lower (5 to 15 times lower in some cases) than the capacity maximums in the Hiram Walker agreements. This has led to an oversizing of supply infrastructure necessary to meet actual demands. Lake Country, which is currently providing additional water disinfection processes to its supply, are wanting to eliminate some over-capacity to properties outside of the Hiram Walker agreement, and reduce costs.

In this analysis of current demand, the City used a land use-based assessment code for each property to model the current system demand more accurately, instead of the requirements in the governing agreements. These land use codes are provided by the BC Assessment Authority and available on the City property information system. This method of demand analysis more accurately reflects the actual water consumption of these commercial and industrial properties.

Upon review of current land use, it was found that only 6 of the 125 properties are currently designated within the 400 level of classifications, or high industrial use. The remainder were designated in the 200 level, with

commercial use. Of the 200 level properties, over 90 percent of those were designated 273 – Storage and Warehousing. Population based water supply demand requirements were then taken from Bylaw 7900 and applied to the properties BCAA land use in Table 2. Note that fire flow requirements are ignored since the design requirement for the area is constant at 225 l/s for 3 hours.

Table 2. Water Supply Design Criteria for Current Land Uses

Zoning	Applicable BCC Land Uses	Per Capita Demand (L/ha/day)	MDD (L/cap/day)	Population Density (Pop./ha)
Industrial	<u>400 Level</u> 464 - Metal Fabricating Industries 474 - Miscellaneous & Other	100,000	1800	55.56
Commercial	<u>200 Level</u> 200 - Store(s) And Service Commercial 201 - Vacant IC&I 208 - Office Building (Primary Use) 216 - Commercial Strata-Lot 218 - Strata-Lot Self Storage-Business Use 222- Service Station 228 - Automobile Paint Shop, Garages, Etc. 273 - Storage & Warehousing (Closed)	22,500	1800	12.5
Residential	SF & MF		1800	
Agriculture	Unit rates based on 685 mm/yr per unit area and 5 USgpm/ac for MDD.			

In the original water supply agreements, the water supply design demand of each property was established using Industrial zoning, assuming a maximum day demand and fire flow requirement for industrial use. The water supply design demand for each property within the Hiram Walker properties has been hard coded in that agreement (See Table 3). This demand requirement, expressed in this report as population requirement per hectare, has been summarized in Table 3 for the applicable areas under agreement.

Table 3. Design Criteria for Agreements and Adjusted Current Demand

Area	Agreement or Bylaw	Zoning	Governing Agreement MDD	Zoning or Agreement Density (people/ha)	Adjusted Current Unit Densities ²	
					Current Use	People/ha
Carion Properties	Carion-Derreault	Ind.	1,800,000 L/d	58.87	Heavy Ind Light Ind	55.56 12.5
Hiram Walker Properties	Hiram Walker	Ind.	8,500,000 L/d (98.4 l/s)	84.28	Heavy Ind Light Ind	55.56 12.5
DLC Metered Properties	Bylaw 7900	Ind.	DLC	55.56	Ecotex ³ Heavy Ind Light Ind	84.2 55.56 12.5
Shanks Road	City Ag Policy	Ag MF Com	5 gpm/ac 600 l/cap/d 1800 l/cap/d	up to 685mm 300 workers 189 workers		No change
OKIB	Bylaw 7900	MF Com	N/A	25		No change
New Lands	Bylaw 7900	Ind/Com	N/A		Heavy Ind Light Ind	55.56 12.5

Notes:

1. Unit demands (MDD) assume 1,800 l/cap/day (Bylaw 7900).
2. Adjusted population based on 7900 and current BC Assessment Land Use
3. Ecotex is the largest water users in the area. Their consumption is the only property actually in line with the unit densities in the historical Hiram Walker water agreement.

c. Current System Design Demand

This section applies the criteria in the previous section to estimate the current design demand based on existing constructed development in the BLSA. Each property's land use assessment was determined, and a population equivalent was determined for each. The current constructed design demand is summarized in Table 4.

Table 4. Summary of Current Constructed Design Demand (2021)

Sub-Area	2021 Metered ¹ demands (lps)	Current Design Demand (l/s)		Current Demand (m ³ /year)	
		ADD	MDD	ADD	MDD
Carion Properties	1.75	2.64	5.28	83,200	166,500
Hiram Walker Properties	6.15	8.38	16.77	264,400	528,700
DLC Metered City Properties	3.97	4.56	9.13	143,900	287,800
Future Industrial	-	-	-	-	-
Sub-totals-City	11.9	15.6	31.2	491,500	983,000
Shanks Road ²	2.11	7.3	25.8	230,900	813,200
Sub-totals-City	14.0	22.9	57.0	722,400	1,796,200

Notes:

1. Current metering estimate from City from 2018-2021, and reconciled with DLC bulk metering at 9835 Jim Bailey Road from 2019-2021.
2. Based on 685 mm/yr Irrigation

d. Current System Demand in OKIB Lands

A similar analysis was completed for the OKIB lands, assuming that their existing lands and properties were serviced. Currently, most properties are serviced privately, and in some instances, water may be supplied by Lake Country in a separate arrangement. Data was collected using GIS, recent population statistics and current air photography from Spring 2022.

According to BC Assessment data for 2021, there were 1,553 residential units housing a population of 2,404 people. This calculates to over 19 units per hectare over a developable area of approximately 124 hectares. This unit development range coincides with a Residential 2 Zoning in City of Kelowna Development Cost Charges Bylaw 10515, which states:

"Residential 2" – developments with a density greater than 15 and less than or equal to 35 residential dwelling units per net hectare (generally small lot single family, row housing).

To determine the current bylaw demand (see Table 5), the flow calculations assume the full 2 people per unit requirement to meet a design 3,318 population.

Table 5. Summary of Current Demand (2021) of OKIB Lands

Sub-Area	2021 Metered ADD (lps)	Current Demand (l/s)		Current Demand (m3/year)	
		ADD	MDD	ADD	MDD
OKIB ¹		34.6	69.1	1,089,900	2,179,700

Notes:

1. Based on projected residential flow criteria from City of Kelowna Bylaw 7900.
2. Assumes all CP holders are connected.

Together with the City flows from Table 4, the current average annual daily demand (ADD) supply to the City, including OKIB, is estimated at 59L/s, and the maximum day demand (MDD) is 128 L/s.

3. FUTURE GROWTH AND WATER SUPPLY

The water supply to the BLSA is anticipated to increase over the next 50 years. This includes approximately 158 hectares of land to the east of the current development. For this analysis, it is assumed that the ultimate buildout for the entire area will occur in the Year 2075.

Growth will include intensification within existing areas, and expansion to the new development areas to the east. Water supply along Shanks Road is not expected to increase, and is therefore left at current levels.

For this analysis, all agreement water supply maximums and quantities were ignored. Instead, all industrial properties were applied a hybrid unit population density formula starting with current values identified in Table 2, and assuming land uses that ultimately result in 30 percent heavy industrial use and 70 percent light industrial (or Commercial). The future unit density calculation determined as follows:

$$30\% \times 55.56 \text{ people per ha (Industrial)} + 70\% \times 12.5 \text{ people per ha (Commercial)} = 25.4 \text{ people per ha (Hybrid)}$$

This hybrid population density was applied to each relevant industrial property, and water demands were then calculated and projected for all existing and future areas.

- a. **OKIB Ultimate Growth:** From this point in the analysis, OKIB lands are assumed to be included. These lands will be serviced by the City of Kelowna, and any water supply will be accounted for in the bulk water supply metering for the 2,830 people that live there today. For this analysis, it was assumed that the lands will densify their population. Upon review, it was determined that the highest population on OKIB was found to be the Holiday Park Resort at 30 units per hectare. It is not anticipated that densities will increase beyond this. A reasonable estimate is to increase, on average, to an average of 25 units per hectare. This results in an ultimate population of 6,250 people requiring an average day demand of 65 l/s.

Table 6 provides a summary of the ultimate water requirements for the BLSA.

Table 6. Summary of Ultimate Demand Requirement

Sub-Area	Ultimate Demand (l/s)		Ultimate Demand (m ³ /year)	
	ADD	MDD	ADD	MDD
Carion Properties	4.52	9.05	142,600	285,300
Hiram Walker Properties	14.83	29.66	467,700	935,500
DLC Metered City Properties ¹	8.49	16.98	267,700	535,500
Future Industrial	30.39	60.77	958,200	1,916,500
Sub-totals City	58.2	116.5	1,836,200	3,672,800
Shanks Road ²	7.3	25.8	230,900	813,200
Sub-totals City	65.6	142.2	2,067,100	4,486,000
OKIB ³	65.1	130.1	2,052,100	4,104,100
Total JBWSA	130.6	272.4	4,119,200	8,590,100

Notes:

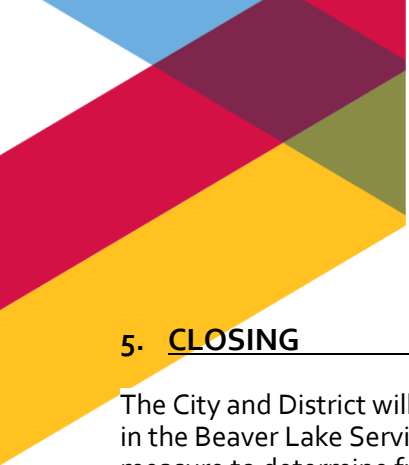
1. Currently serviced by City or Lake Country.
2. Based on 685 mm/year Irrigation
3. Based on projected residential flow criteria from City of Kelowna Bylaw 7900.

4. DISCUSSION

Since 2018, the City and District have agreed philosophically to the bulk water supply noted in Section 1. Over this period, new industrial development continues to occur without an agreement in place, thus precipitating the MOU and efforts to determine a solution.

In 2019, the City used the general philosophy applied in Section 2 of this memo to calculate a capped service request based on a "light Industrial" water use scenario for the Owner of 250 Beaver Lake Road. This analysis follows that spirit of reducing flows from the higher industrial categories.

The analysis summarized in this memo uses this same philosophy based on existing land use, and forms the basis for determining infrastructure needs and revenue formulae. At this stage, it is suggested that the Current ADD be used as the base demand to the City.



5. CLOSING

The City and District will use this analysis to determine analyzing future growth and project into new development in the Beaver Lake Service Area. The City believes that using a demand-based approach provides a more stable measure to determine future supply infrastructure.

ATTACHMENT

- A. Table A-1. Detailed Water Demand Analysis by Property and Agreement Area.

Table A-1. Detailed Water Demand Analysis by Property and Agreement Area

Area or Agreement Original Sub-Area No.	Carion-Derrault Agreement																										
Property / Address	390 CARION RD Burro (City DB has it as 390 Jim Bailey Rd)	350 CARION RD	310 CARION RD	270 CARION RD BC Dock & Marina	180 CARION RD Valens Farms	230 CARION RD Valens Farms	100 CARION RD (3 buildings) Strata	9505 HALDANE RD	9455 HALDANE RD	155 CARION RD (Multiple Worker Trailers)	229 CARION RD	269 CARION RD	309 CARION RD	389 CARION RD	392 TILLEY RD	324 TILLEY RD	272 TILLEY RD	156 TILLEY RD	131 TILLEY RD	181 TILLEY RD	311 TILLEY RD	351 TILLEY RD	DLC Water Meter Reconciliation 9835 Jim Bailey Road WM Estimate (September, 2022)	391 TILLEY RD	Subtotals Current Development		
Current Demands																											
Year of Meter Reading	2018	2018	2018	2021	2021	2021	2021	2021	2018	2018	2018	2018	2021	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019-21	2018	23 units	
Start	8,993	711	1,269	579	11,693	1,145	37,329	48,783	5,983	76	1,423	3,656	22,592	198	17,262	934	2,029	2,489	918	3,909	1,745	5,770		9,705			
End	8,012	559	1,039	503	397	1,144	32,089	46,465	5,694	48	1,365	3,547	21,005	160	15,824	905	1,903	2,300	846	3,436	1,507	5,523		9,540			
Water Usage (m ³)	981	152	230	76	11,296	1	5,240	2,318	289	28	58	109	1,587	38	1,438	29	126	189	72	473	238	247	30,000	165	55,380		
Period of Usage (days)	364	364	364	370	370	370	370	370	364	364	364	364	370	364	364	364	364	364	364	364	364	364	365	364	364		
OKIB Units 2022 (Per BCAC)																								12			
Population 2022 (Per BCAC)																											
2022 Unit Density (people/ha)																											
ADD (L/d)	2,695	418	632	205	30,530	3	14,162	6,265	794	77	159	299	4,289	104	3,951	80	346	519	198	1,299	654	679	82,192	453	151,003	1.75 l/s	
MDD (L/d)	5,390	835	1,264	411	61,059	5	28,324	12,530	1,588	154	319	599	8,578	209	7,901	159	692	1,038	396	2,599	1,308	1,357	164,384	907	302,006	3.50 l/s	
Estimated Current Design Demand based on BCAA Land Use and Bylaw 7900																											
Lot Area (ac)	1.07	0.99	0.98	0.98	1.68	1.94	2.69	9.98	7.36	2.29	1.00	0.50	1.00	0.53	0.53	0.50	0.50	2.29	1.92	1.10	1.17	0.59		0.63	42.2		
Lot Area (Ha)	0.43	0.40	0.40	0.39	0.68	0.79	1.09	4.04	2.98	0.93	0.41	0.20	0.40	0.22	0.21	0.20	0.20	0.93	0.77	0.44	0.47	0.24		0.25	17.1		
Irrigated or Developable Area (Ha)																											
Land Use	273	222	273	273	273	273	273	273	273	208	273	273	273	273	273	273	273	474	273	273	273	273		216			
2022 Units																											
Density by Land Use (people/ha or unit)	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	55.56	12.50	12.50	12.50	12.50		12.50			
Unit Demand (L/cap/day)	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900		900			
MDD multiplier	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		2			
Population Equivalent	5	5	5	5	8	10	14	50	37	12	5	3	5	3	3	3	3	51	10	6	6	3		3	253		
ADD (L/d)	4,858	4,489	4,466	4,443	7,639	8,832	12,260	45,436	33,508	10,439	4,557	2,272	4,544	2,431	2,408	2,276	2,272	46,337	8,718	5,003	5,340	2,677		2,864	228,072	2.6 l/s	
MDD (L/d)	9,715	8,978	8,932	8,887	15,279	17,665	24,521	90,872	67,016	20,879	9,115	4,544	9,087	4,862	4,817	4,553	4,544	92,673	17,437	10,007	10,681	5,354		5,727	456,143	5.3 l/s	
Peak hour																											
Annual (ML/y)	1.8	1.6	1.6	1.6	2.8	3.2	4.5	16.6	12.2	3.8	1.7	0.8	1.7	0.9	0.9	0.8	0.8	16.9	3.2	1.8	1.9	1.0		1.0	83	10.6 l/s	
BCAA Land Use (Current)	273	222	273	273	273	273	273	273	273	208	273	273	273	273	273	273	273	474	273	273	273	273	273	216			
Ultimate Design Demand as per Agreements or 7900 (worst Case)																											
Lot Area (ac)	1.07	0.99	0.98	0.98	1.68	1.94	2.69	9.98	7.36	2.29	1.00	0.50	1.00	0.53	0.53	0.50	0.50	2.29	1.92	1.10	1.17	0.59		0.63	42.2		
Lot Area (Ha)	0.43	0.40	0.40	0.39	0.68	0.79	1.09	4.04	2.98	0.93	0.41	0.20	0.40	0.22	0.21	0.20	0.20	0.93	0.77	0.44	0.47	0.24		0.25	17.1		
Irrigated or Developable Area (Ha)																											
Land Use	273	222	273	273	273	273	273	273	273	208	273	273	273	273	273	273	273	474	273	273	273	273		216			
SF Density by Land Use (units/ha)																											
People per unit																											
Unit Demand (L/cap/day)	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900		900			
MDD multiplier	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		2			
Ind'l Density by Agmt or Zone (pp/ha)	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87	58.87		58.87			
Population Equivalent	25	23	23	23	40	46	64	238	175	55	24	12	24	13	13	12	12	55	46	26	28	14		15	1,006		
ADD (L/d)	22,878	21,141	21,034	20,927	35,979	41,596	57,742	213,986	157,809	49,165	21,463	10,699	21,399	11,450	11,343	10,721	10,699	49,101	41,060	23,564	25,151	12,608		13,487	905,000	10.5 l/s	
MDD (L/d)	45,756	42,283	42,068	41,854	71,957	83,193	115,484	427,971	315,618	98,330	42,926	21,399	42,797	22,899	22,685	21,441	21,399	98,202	82,121	47,128	50,302	25,215		26,973	1,810,000	20.9 l/s	
Annual (ML/y)	8.4	7.7	7.7	7.6	13.1	15.2	21.1	78.1	57.6	17.9	7.8	3.9	7.8	4.2	4.1	3.9	3.9	17.9	15.0	8.6	9.2	4.6		4.9	330		
Hybrid Ultimate Design Demand																											
Lot Area (ac)	1.07	0.99	0.98	0.98	1.68	1.94	2.69	9.98	7.36	2.29	1.00	0.50	1.00	0.53	0.53	0.50	0.50	2.29	1.92	1.10	1.17	0.59		0.63	42.2		
Lot Area (Ha)	0.43	0.40	0.40	0.39	0.68	0.79	1.09	4.04	2.98	0.93	0.41	0.20	0.40	0.22	0.21	0.20	0.20	0.93	0.77	0.44	0.47	0.24		0.25	17.1		
Developable Area (Ha)																											
Future Zoning	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300		300			
SF Density by Land Use (units/ha)																											
People per unit																											
Unit Demand (L/cap/day)	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900		900			
MDD multiplier	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		2			
Ind'l Density by Land Use (pp/ha)	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42	25.42		25.42			
Population Equivalent	11	10	10	10	17	20	28	103	76	24	10	5	10	5	5	5	5	24	20	11	12	6		6	434		
ADD (L/d)	9,879	9,129	9,082	9,036	15,536	17,961	24,933	92,399	68,142	21,230	9,268	4,620	9,240	4,944	4,898	4,629	4,620	21,202	17,730	10,175	10,860	5,444		5,824	390,778	4.5 l/s	
MDD (L/d)	19,757	18,258	18,165	18,072	31,071	35,923	49,866	184,798	136,284	42,459	18,535	9,240	18,480	9,888	9,795	9,258	9,240	42,403	35,460	20,350	21,720	10,888		11,647	781,557	9.0 l/s	
Annual (ML/y)	3.6	3.3	3.3	3.3	5.7	6.6	9.1	33.7	24.9	7.7	3.4	1.7	3.4	1.8	1.8	1.7	1.7	7.7	6.5	3.7	4.0	2.0		2.1	143		

Table A-1. Detailed Water Demand Analysis by Property and Agreement Area

Area or Agreement Original Sub-Area No.	Kelowna Customers Billed by Lake Country							Kelowna - Shanks Road												
	670 BEAVER LAKE RD	9580 MCCARTHY RD (FLWR Group)	9590 MCCARTHY RD	9595 MCCARTHY RD	9640 MCCARTHY RD	DLC Water Meter Reconciliation 9835 Jim Bailey Road WM Estimate (September, 2022)	9750 MCCARTHY RD - Ecotex	Subtotals - Other Properties	ALR - 4085 & 4133 SHANKS RD + 7980 Hwy 97 (Jealous ALR)	Jealous Farm Worker Housing	Jealous Commercial	ALR - 8038 SHANKS RD (Jammyery)	ALR - 4351 SHANKS RD (Shanks Rd Nursery 75% Developed)	ALR - 4295 SHANKS RD (95% Orchards)	ALR - 4265 SHANKS RD (Orchards 90%)	ALR - 8070 HWY 97 N (Serviced?)	4161 & 4235 SHANKS RD (Orchards & Forage) NOT ALR	DLC Shanks Road WM Estimate (September, 2022)	Sub-Total Shanks Road	
Current Demands							97%	3	units									2019-21	66,483	units
Year of Meter Reading		2018																		
Start		10,369																		
End		955																		
Water Usage (m ³)		9,414				60,000		125,167	1.45 l/s									66,483		
Period of Usage (days)		364				365												365		
OKIB Units 2022 (Per BCAC)																				
Population 2022 (Per BCAC)						12														
2022 Unit Density (people/ha)																				
ADD (L/d)		25,863				164,384	141,330	343,359	3.97 l/s									182,145	182,145	
MDD (L/d)		51,725				328,767	282,659	686,718	7.95 l/s	0	0	0	0	0	0	0	0	364,290	364,290	
Estimated Current Design Demand based on BCAA Land Use and Bylaw 7900																				
Lot Area (ac)	1.82	1.03	1.95	2.10	1.94	5.04	79.6	10.38		8.42	6.92	9.86	9.86	2.46	7.00	4.25	4.25	63.4		
Lot Area (Ha)	0.74	0.42	0.79	0.85	0.79	2.04	32.2	4.20		3.41	2.80	3.99	3.99	1.00	2.83	1.72	1.72	25.7		
Irrigated or Developable Area (Ha)								4.20			2.80	2.99	3.79	0.90	2.83	1.72	1.72	21.0		
Land Use	200	400	200	200	200	400		A-7900	R-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900			
2022 Units																				
Density by Land Use (people/ha or unit)	12.50	12.50	12.50	12.50	12.50	84.20														
Unit Demand (L/cap/day)	900	900	900	900	900	900			300	900										
MDD multiplier	2	2	2	2	2	2			2	2										
Population Equivalent	9	5	10	11	10	172	438		150	189								339		
ADD (L/d)	8,100	4,500	9,000	9,900	9,000	154,800	394,200	78,834	45,000	170,100	52,556	56,163	71,140	16,815	53,163	32,278	32,278	608,328	7.0 l/s	
MDD (L/d)	16,200	9,000	18,000	19,800	18,000	309,600	788,400	339,391	90,000	340,200	226,261	322,389	322,389	80,434	228,876	138,961	138,961	2,227,860	25.8 l/s	
Peak hour																				
Annual (ML/y)	3.0	1.6	3.3	3.6	3.3	56.5	144	28.8	16.4	62.1	19.2	20.5	26.0	6.1	19.4	11.8	11.8	222		
BCAA Land Use (Current)						273														
Ultimate Design Demand as per Agreements or 7900 (worst Case)																				
Lot Area (ac)	1.82	1.03	1.95	2.10	1.94	5.04	79.6	10.38	1.00	8.42	6.92	9.86	9.86	2.46	7.00	4.25	4.25	64.4		
Lot Area (Ha)	0.74	0.42	0.79	0.85	0.79	2.04	32.2	4.20		3.41	2.80	3.99	3.99	1.00	2.83	1.72	1.72	25.7		
Irrigated or Developable Area (Ha)								4.20		3.41	2.80	3.99	3.99	1.00	2.83	1.72	1.72	25.7		
Land Use	200	400	200	200	200	400		A-7900	R-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900			
SF Density by Land Use (units/ha)																				
People per unit																				
Unit Demand (L/cap/day)	900	900	900	900	900	900			300	900										
MDD multiplier	2	2	2	2	2	2			2	2										
Ind'l Density by Agmt or Zone (pp/ha)	55.56	55.56	55.56	55.56	55.56	55.56														
Population Equivalent	41	23	44	47	44	113	1,790		150	189								339		
ADD (L/d)	36,900	20,700	39,600	42,300	39,600	101,700	1,610,820	78,834	45,000	170,100	52,556	74,885	74,885	18,683	53,163	32,278	32,278	632,661	7.3 l/s	
MDD (L/d)	73,800	41,400	79,200	84,600	79,200	203,400	3,221,640	339,391	90,000	340,200	226,261	322,389	322,389	80,434	228,876	138,961	138,961	2,227,860	25.8 l/s	
Annual (ML/y)	13.5	7.6	14.5	15.4	14.5	37.1	588	28.8	16.4	62.1	19.2	27.3	27.3	6.8	19.4	11.8	11.8	231		
Hybrid Ultimate Design Demand																				
Lot Area (ac)	1.82	1.03	1.95	2.10	1.94	5.04	79.6	10.38		8.42	6.92	9.86	9.86	2.46	7.00	4.25	4.25	63.4		
Lot Area (Ha)	0.74	0.42	0.79	0.85	0.79	2.04	32.2	4.20		3.41	2.80	3.99	3.99	1.00	2.83	1.72	1.72	25.7		
Developable Area (Ha)																		#REF!		
Future Zoning	300	300	300	300	300	300		A-7900	R-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900	A-7900			
SF Density by Land Use (units/ha)																				
People per unit																				
Unit Demand (L/cap/day)	900	900	900	900	900	900			300	900										
MDD multiplier	2	2	2	2	2	2			2	2										
Ind'l Density by Land Use (pp/ha)	25.42	25.42	25.42	25.42	25.42	25.42														
Population Equivalent	19	11	20	22	20	52	815		150	189								339		
ADD (L/d)	17,100	9,900	18,000	19,800	18,000	46,800	733,500	78,834	45,000	170,100	52,556	74,885	74,885	18,683	53,163	32,278	32,278	632,661	7.3 l/s	
MDD (L/d)	34,200	19,800	36,000	39,600	36,000	93,600	1,467,000	339,391	90,000	340,200	226,261	322,389	322,389	80,434	228,876	138,961	138,961	2,227,860	25.8 l/s	
Annual (ML/y)	6.2	3.6	6.6	7.2	6.6	17.1	268	28.8	16.4	62.1	19.2	27.3	27.3	6.8	19.4	11.8	11.8	231		

Table A-1. Detailed Water Demand Analysis by Property and Agreement Area

Area or Agreement Original Sub-Area No.	OKIB I.R. #7												Kelowna Future Development						
Property / Address	2a 485 Beaver Lake Rd	2b 715 Beaver Lake Rd	3 8495 Hwy 97N	4a 720 Commonwealth	4b 415 Commonwealth	5 Holiday Park	6a 7841 Hwy 97N	6b 9020 Jim Bailey Rd.	7 9450 Jim Bailey Rd.	9 E of Hwy 97N	8850 Jim Bailey Road Wedge (Existing City Service)	Southern Property (Industrial) 8355 Jim Bailey Rd	Subtotal OKIB Lands	8055 Jim Bailey Road	8055 - Lake Country Area	425 Beaver Lake Rd.	Subtotals New Development		
Current Demands													0 units						
Year of Meter Reading																			
Start																			
End																			
Water Usage (m ³)																			
Period of Usage (days)																			
OKIB Units 2022 (Per BCAC)		149	57	236	220	468	23	154	16	230			1,553	Units					
Population 2022 (Per BCAC)		292	114	438	249	508	26	322	28	427			2,404	people					
2022 Unit Density (people/ha)		13	6	14	35	30	1	26	180	16			19.4	pp/ha					
ADD (L/d)		262,800	102,600	394,200	224,100	457,200	23,400	289,800	25,200	384,300			2,163,600	25.0 l/s					
MDD (L/d)		525,600	205,200	788,400	448,200	914,400	46,800	579,600	50,400	768,600			4,327,200	50.1 l/s					
Estimated Current Design Demand based on BCAA Land Use and Bylaw 7900																			
Lot Area (ac)	34.60	24.54	24.46	40.70	15.32	38.55	65.73	14.58	0.22	36.40	3.52		298.6						
Lot Area (Ha)	15.51	11.70	9.90	16.47	6.20	15.60	26.60	5.90	0.09	14.73	1.42		124.1						
Irrigated or Developable Area (Ha)	15.51	11.70	9.90	16.47	6.20	15.60	26.60	5.90	0.09	14.73	1.42		124.1						
Land Use	I-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	C406							
2022 Units		149	57	236	220	468	23	154	16	230			0						
Density by Land Use (people/ha or unit)	12.50	2	2	2	2	2	2	2	2	2	12.50								
Unit Demand (L/cap/day)	900	900	900	900	900	900	900	900	900	900	900								
MDD multiplier	2	2	2	2	2	2	2	2	2	2	2								
Population Equivalent	194	298	114	472	440	936	46	308	32	460	18		3,318	people					
ADD (L/d)	174,488	268,200	102,600	424,800	396,000	842,400	41,400	277,200	28,800	414,000	16,026		2,985,913	35 l/s					
MDD (L/d)	348,975	536,400	205,200	849,600	792,000	1,684,800	82,800	554,400	57,600	828,000	32,051		5,971,826	69 l/s					
Peak hour														138 l/s					
Annual (ML/y)	63.7	97.9	37.4	155.1	144.5	307.5	15.1	101.2	10.5	151.1	5.8		1,090						
BCAA Land Use (Current)																			
Ultimate Design Demand as per Agreements or 7900 (worst Case)																			
Lot Area (ac)	34.60	24.54	24.46	40.70	15.32	38.55	65.73	14.58	0.22	36.40	3.52	60.91	359.5	104.11	49.90	197.63	352		
Lot Area (Ha)	15.51	11.70	9.90	16.47	6.20	15.60	26.60	5.90	0.09	14.73	1.42	24.65	148.8	58.14	20.20	80.00	158		
Irrigated or Developable Area (Ha)	15.51	11.70	9.90	16.47	6.20	15.60	26.60	5.90	0.09	14.73	1.42	0.00	124.1	42.14	14.64	58.00	115	72%	
Land Use	I-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	I-7900							
SF Density by Land Use (units/ha)		35	35	35	35	35	35	35	35	35	35								
People per unit		2	2	2	2	2	2	2	2	2	2								
Unit Demand (L/cap/day)	900	900	900	900	900	900	900	900	900	900	900	900		900	900	900			
MDD multiplier	2	2	2	2	2	2	2	2	2	2	2			2	2	2			
Ind'l Density by Agmt or Zone (pp/ha)	55.56											55.56		55.56	55.56	55.56			
Population Equivalent	862	819	693	1,153	434	1,092	1,862	413	6	1,031	100	0	8,465	2,341	814	3,222	6,377		
ADD (L/d)	775,500	737,100	623,700	1,037,654	390,600	982,800	1,675,800	371,700	5,609	928,025	89,743	0	7,618,232	88.2 l/s	2,107,230	732,193	2,899,753	5,739,176	66.4 l/s
MDD (L/d)	1,551,000	1,474,200	1,247,400	2,075,309	781,200	1,965,600	3,351,600	743,400	11,218	1,856,050	179,486	0	15,236,463	176.3 l/s	4,214,460	1,464,386	5,799,507	11,478,353	132.9 l/s
Annual (ML/y)	283.1	269.0	227.7	378.7	142.6	358.7	611.7	135.7	2.0	338.7	32.8	0.0	2,781	769.1	267.3	1,058.4	2,095		
Hybrid Ultimate Design Demand																			
Lot Area (ac)	34.60	24.54	24.46	40.70	15.32	38.55	65.73	14.58	0.22	36.40	3.52	60.91	359.5	104.11	49.90	197.63	352		
Lot Area (Ha)	15.51	11.70	9.90	16.47	6.20	15.60	26.60	5.90	0.09	14.73	1.42	24.65	148.8	58.14	20.20	80.00	158		
Developable Area (Ha)	12.41	11.70	9.90	16.47	6.20	15.60	26.60	5.90	0.09	14.73	1.42	19.72	140.7	42.14	14.64	58.00	115	72%	
Future Zoning	300	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	R-7900	300		300	300	300			
SF Density by Land Use (units/ha)		25	25	25	25	25	25	25	25	25	25								
People per unit		2	2	2	2	2	2	2	2	2	2								
Unit Demand (L/cap/day)	900	900	900	900	900	900	900	900	900	900	900	900		900	900	900			
MDD multiplier	2	2	2	2	2	2	2	2	2	2	2			2	2	2			
Ind'l Density by Land Use (pp/ha)	25.42											25.42		25.42	25.42	25.42			
Population Equivalent	315	585	495	824	310	780	1,330	295	4	737	71	501	6,247	1,071	372	1,474	2,917		
ADD (L/d)	283,500	526,500	445,500	741,182	279,000	702,000	1,197,000	265,500	4,006	662,875	64,102	450,900	5,622,065	65.1 l/s	963,900	334,800	1,326,600	2,625,300	30.4 l/s
MDD (L/d)	567,000	1,053,000	891,000	1,482,364	558,000	1,404,000	2,394,000	531,000	8,013	1,325,750	128,204	901,800	11,244,131	130.1 l/s	1,927,800	669,600	2,653,200	5,250,600	60.8 l/s
Annual (ML/y)	103.5	192.2	162.6	270.5	101.8	256.2	436.9	96.9	1.5	241.9	23.4	164.6	2,052	351.8	122.2	484.2	958		

SEWER SERVICES AGREEMENT

BETWEEN:

DISTRICT OF LAKE COUNTRY

AND:

CITY OF KELOWNA

Dated for Reference: April 17, 2023

Copy _____ of _____

SEWER SERVICES AGREEMENT

This agreement made effective as of the 1st of January, 2023.

BETWEEN:

City of Kelowna
1435 Water Street
Kelowna, British Columbia, Canada
V1Y 1J4

(“Kelowna”)

AND:

District of Lake Country
10150 Bottom Wood Lake Road,
Lake Country, British Columbia, V4V 2M1

(“DLC”)

(collectively, the “Parties”)

WHEREAS:

- A.** Kelowna’s Municipal Council has approved this Agreement.
- B.** DLC’s Municipal Council has approved this Agreement.
- C.** Kelowna has constructed sewerage-works for the collection and treatment of sewer waste from properties within its boundaries including lands within the Okanagan Indian Band (OKIB) and industrial lands in northern area of Kelowna. This system has surplus capacity to handle the flows contemplated in this Agreement.
- D.** The said Parties deem it to their mutual interest to enter into this Agreement.
- E.** The Services provided within this Agreement are in the spirit of cooperation outlined in the Memorandum of Understanding made as of January 25, 2022, between DLC, the OKIB and Kelowna. Through this Agreement, DLC addresses interim wastewater disposal needs while determining and implementing a longer-term strategy for its wastewater management.

THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement, the following terms shall have the following meanings ascribed to them:

“**Agreement**” means this agreement, including the recitals and schedules hereto, as may be amended and supplemented from time to time in writing.

“**Effective Date**” means January 1, 2023;

“**DLC Sewer System**” means the system of sanitary sewer mains, collection laterals and treatment facilities constructed by DLC for the purpose of collection, conveyance and treatment of sanitary waste from DLC.

“**Lake Country Wastewater Treatment Facility**” means the treatment facilities constructed by DLC for the purpose of treatment of sanitary waste from DLC Sewer System and production of wastewater effluent.

“**MOU**” means the Memorandum of Understanding made as of January 25, 2022, between DLC, OKIB and Kelowna.

“**Municipal Sewer System**” means Kelowna’s system of sanitary sewer mains and sewage treatment facilities.

“**Municipal Specifications**” means the engineering and design standards in accordance with the Kelowna Subdivision, Development and Servicing Bylaw No. 7900, as amended or replaced from time to time.

“**OKIB**” means the Okanagan Indian Band, which is a reserve within the meaning of the *Indian Act*, R.S.C. 1985, c. 1-5.

“**Party**” means a party to this Agreement.

“**Point of Connection**” means the point where the Lake Country Wastewater Treatment Facility is connected to the Municipal Sewer System, as shown highlighted in yellow on the map of the Beaver Lake Service Area attached as Schedule A.

“**Service(s)**” means the municipal services provided by Kelowna that are described in section 4.1.

“**Term**” means a period of time which this Agreement remains in force and effect, as described in section 3.0.

2.0 INTERPRETATION

2.1 The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

2.1.1 Schedule A – Map of Beaver Lake Service Area

- 2.2 Any act or enactment referred to herein is a reference to an enactment of the Province of British Columbia and regulations thereto, as amended, revised, consolidated or replaced from time to time, and any bylaw referred to herein (as may be cited by short title or otherwise) is a reference to an enactment of the municipal council of DLC or the municipal council of Kelowna (as the case may require), as amended, revised, consolidated or replaced from time to time.

3.0 EFFECTIVE DATE / TERM

- 3.1 Subject to earlier termination under sections 3.2 or 10.0 below, the term of this Agreement shall be for a period of ten (10) years commencing on the Effective Date.
- 3.2 This Agreement may be terminated by either Party, at their sole discretion, by delivering a written notice thirty-six (36) months prior to the termination.
- 3.3 If at the end of the Term DLC wishes to continue the Services, DLC may, not later than twenty-four (24) months prior to the expiration of the Term, give Kelowna a written notice of DLC's intention to enter into a new sewer services agreement. Upon receipt of such a written notice, DLC and Kelowna agree that they will meet and communicate with one another in good faith in an attempt to negotiate a new agreement for a renewal term on terms and conditions that may be mutually agreeable. If a new agreement for a renewal term is not negotiated and entered into by the date that is twelve (12) months prior to the expiry of the Term, then there shall be no renewal. The new sewer services agreement shall provide that DLC will pay Kelowna a fee for Services and any other fees, as applicable.
- 3.4 The Parties agree and acknowledge that if:
- 3.4.1 the conveyance of DLC's wastewater effluent through the Point of Connection to the Municipal Sewer System in accordance with this Agreement has not actually commenced by the date that is two (2) years from the Effective Date; or
 - 3.4.2 any of the "Proposed Specific Agreements" identified in section 3 of the MOU is not ratified and entered into by the date that is two (2) years from the Effective Date, unless the Parties have otherwise by then mutually agreed to waive the requirement for any such Proposed Specific Agreement(s) to be entered into,
- then this Agreement may be terminated by either Party, at their sole discretion, by delivering at least one (1) year's written notice to the other Party.

4.0 SERVICES

- 4.1 During the Term, Kelowna, through the Municipal Sewer System, will provide the conveyance, treatment and disposal of wastewater effluent discharged from the DLC Wastewater Treatment Facility. DLC may discharge up to a peak flow rate of fifteen (15) litres per second of discharge.

- 4.2 Any required extension of or connection to Services on or within Kelowna will become the property of Kelowna upon certification of the completion of such works to the satisfaction of Kelowna.
- 4.3 The quality and quantity of the Services to be provided under this Agreement will be substantially the same as the quality and quantity of services provided by Kelowna to their utility customers. Kelowna is not obligated to provide Services at a greater level or degree than the level or degree to which the same Service is provided elsewhere within Kelowna. Kelowna makes no representation or warranty that the level or degree of Services provided under this Agreement will be maintained or continued to any particular standard, other than as stated expressly herein. DLC acknowledges and agrees that there may be from time-to-time interruptions or reductions in the level of Service, and that Kelowna will not be held liable for any losses, costs, damages, claims or expenses arising from or in connection with a temporary interruption or reduction in the level of Services provided under this Agreement.
- 4.4 At all times the wastewater effluent from the DLC Sewer System shall be treated by and discharged from DLC Wastewater Treatment Facility and be consistent in quality to that permitted to be ground discharged under DLC's operational certificate and discharge permits.
- 4.5 DLC will comply with all Kelowna regulations and bylaws and other statutes relating to the subject matter of this Agreement as may be applicable from time to time.

5.0 PAYMENT FOR SERVICES

- 5.1 DLC will pay Kelowna for the Services as follows:
- 5.1.1 Kelowna will determine a Service fee for DLC in accordance with the Kelowna Sewerage System User Bylaw, 1972, No. 3480, as amended or replaced from time to time.
- 5.1.2 DLC will pay Kelowna for the Services based on monthly or bi-monthly invoices provided by Kelowna.
- 5.1.3 DLC shall pay the full amount of the invoice within thirty (30) days of the date of the invoice. Interest shall accrue on amounts overdue at the rates found in the City of Kelowna *Utility Billing Customer Care Bylaw No. 8754*, as amended or replaced from time to time.
- 5.2 Kelowna agrees that the Service fee payable by DLC will be fair and reasonable and derived with reference to Kelowna's cost of providing the Services in accordance with this Agreement and in a rate setting process that will be open and transparent.
- 5.3 DLC will pay for the installation of a sewer meter to be owned and operated by Kelowna. The sewer meter will be used to measure wastewater effluent flows from the Lake Country Wastewater Treatment Facility into the Municipal Sewer System and the measurements used for billing purposes. Kelowna will be responsible for meter reading, maintenance and renewal upon acceptance.

5.4 Kelowna will not apply any capital improvement cost charges issued for the Services during the initial Term of this Agreement.

5.5 DLC will be responsible for all infrastructure and land costs necessary within the municipal boundaries of the District of Lake Country to the Point of Connection to connect to the Municipal Sewer System.

6.0 DESIGN AND CONSTRUCTION OF RELEVANT INFRASTRUCTURE WITHIN KELOWNA

6.1 Because Kelowna has not paid growth costs for water capacity in the past, Kelowna will be responsible for the design and construction of all sewer system infrastructure and land costs necessary within the boundaries of Kelowna to the Point of Connection.

6.2 Kelowna and DLC will phase in increased flows up to the allowable maximum over time to allow Kelowna to phase in any sewer system improvements needed to accommodate those increasing flows. Kelowna agrees to complete these improvements, to allow for the maximum volume, by December 31, 2024.

7.0 OWNERSHIP OF DLC SEWER SYSTEMS

7.1 DLC shall at all times retain ownership of their infrastructure.

7.2 Except with the prior written consent of DLC, Kelowna will not utilize the DLC Sewer System, including Lake Country Wastewater Treatment Facility, or establish any connection thereto, except for the purpose of providing Services under this Agreement.

7.3 Kelowna will not be responsible for administration, operation, maintenance or renewal requirements of the DLC Sewer System, including the Lake Country Wastewater Treatment Facility.

8.0 REPAIRS AND MAINTENANCE

8.1 Kelowna will be responsible for all operation and maintenance of the Municipal Sewer System up to the Point of Connection. Kelowna will notify DLC should any stoppages of Service occur due to maintenance or short-term system failure.

8.2 DLC will promptly (within 48 hours) notify Kelowna of any breakdown in the DLC Sewer System or Lake Country Wastewater Treatment Facility that requires any repair or maintenance work that may affect DLC wastewater effluent quality or quantity received by Kelowna under this Agreement.

9.0 RIGHTS OF ACCESS

9.1 Representatives of Kelowna may at any time enter upon DLC property for the purpose of providing any of the Services required in accordance with this Agreement and ensuring compliance with the terms of this Agreement.

10.0 TERMINATION FOR BREACH OF AGREEMENT

- 10.1 If, at any time during the term of this Agreement, invoices remain unpaid by DLC as at the date that is one (1) year after the date of the invoice, Kelowna shall have the right, without prejudice to any other right or remedy, to terminate this Agreement, after giving DLC six (6) months written notice.
- 10.2 Should either Party be in breach of its covenants or undertakings under this Agreement, other than a failure by DLC to pay for Services, which remains unrectified for a period of one (1) year following written notification of such breach, the Party not in breach may, at its option and without prejudice to any other rights or remedies it might have, terminate this Agreement after providing one (1) year's written notice to the party in breach.

11.0 LIABILITY

- 11.1 Kelowna does not warrant or guarantee the continuance or quality of any of the services provided under this Agreement and shall not be liable for any damages, expenses, or losses occurring by reason of suspension or discontinuance of the Services for any reason which is beyond the reasonable control of Kelowna, including without limitation acts of God, forces of nature, soil erosion, landslides, lightning, washouts, floods, storms, serious accidental damage, strikes or lockouts, vandalism, negligence in the design and supervision or construction of the reserve systems, or in the manufacture of any materials used therein, and other similar circumstances.

12.0 COMMUNICATIONS AND CONTRACT PROTOCOL

- 12.1 All the Parties to this agreement will appoint one or more representatives, with notice to the other Parties of such appointments as the principal contacts for official communications about this Agreement, and as the principal contacts for operational matters pursuant to this Agreement. The Parties further agree to establish a communications protocol to manage issues arising under this Agreement.

13.0 DISPUTE RESOLUTION

- 13.1 In the interest of cooperative and harmonious co-existence, the Parties agree to use their best efforts to avoid conflict and to settle any disputes arising from or in relation to this Agreement.
- 13.2 In the event that the Parties fail to resolve matters, the Parties shall seek a settlement of the dispute by utilizing the dispute resolution procedures set out in subsection 13.3 below, and recourse to the Courts shall be a means of last resort, except when public health or safety is concerned.
- 13.3 In the event of any unresolved dispute between the Parties arising from or in relation to this Agreement, the dispute shall be determined by the award of a single arbitrator appointed pursuant to the provisions of the British Columbia Arbitration Act (the "Act"). The award of the arbitrator shall be made pursuant to the provisions

of the Act and the decision shall be final and binding upon the parties. Unless otherwise agreed, the arbitration shall take place at Kelowna, British Columbia.

14.0 HEADINGS

14.1 Headings that precede sections are provided for the convenience of the reader only and shall not be used in constructing or interpreting the terms of this Agreement.

15.0 ENTIRE AGREEMENT

15.1 This Agreement and schedules attached to this Agreement constitute the entire Agreement between the Parties and there are no undertakings, representations or promises express or implied, other than those expressly set out in this Agreement.

15.2 This Agreement supersedes, merges, and cancels any and all pre-existing agreements and understandings in the course of negotiations between the Parties.

16.0 NOTICE

16.1 The address for delivery of any notice or other written communication required or permitted to be given in accordance with this Agreement, including any notice advising the other Party of any change of address, shall be as follows:

(a) to Kelowna:

City of Kelowna
1435 Water Street
Kelowna, British Columbia, Canada
V1Y 1J4

Attention: City Clerk

(b) to DLC:

District of Lake Country
10150 Bottom Wood Lake Road,
Lake Country, British Columbia, Canada
V4V 2M1

Attention: Director of Corporate Services

16.2 Any notice mailed shall be deemed to have been received on the fifth (5th) business day following the date of mailing. If the notice is faxed or emailed it will be deemed to have been received on the first (1st) business day following the date of transmission. For the purposes this section, the term "business day" shall mean Monday to Friday, inclusive of each week, excluding days which are statutory holidays in the Province of British Columbia.

16.3 The Parties may change their address for delivery of any notice or other written communication in accordance with section 16.1.

17.0 SEVERANCE

- 17.1 In the event that any provision of the Agreement should be found to be invalid, the provision shall be severed and the Agreement read without reference to that provision.
- 17.2 Where any provision of the Agreement has been severed in accordance with section 17.1 and that severance materially affects the implementation of this Agreement, the parties agree to meet to resolve any issues as may arise as a result of that severance and to amend this Agreement accordingly.

18.0 AMENDMENT

- 18.1 The Agreement shall not be varied or amended except by written agreement of both Parties.
- 18.2 No waiver of the terms, conditions, warranties, covenants, and agreements set out herein shall be of any force and effect unless the same is reduced to writing and executed by all parties hereto and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar) and no waiver will constitute a continuing waiver unless otherwise expressly provided.

19.0 GOVERNING LAWS

- 19.1 The provisions of this Agreement will be governed and interpreted in accordance with the laws of British Columbia or Canada, as applicable.

20.0 ASSIGNMENT

- 20.1 The rights and obligations of the Parties may not be assigned or otherwise transferred. An amalgamation by a Party does not constitute an assignment.

21.0 ENUREMENT

- 21.1 The Agreement enures to the benefit and is binding upon the Parties and their respective heirs, executors, administrators and successors.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

On behalf of the **CITY OF KELOWNA**

Mayor Thomas Dyas

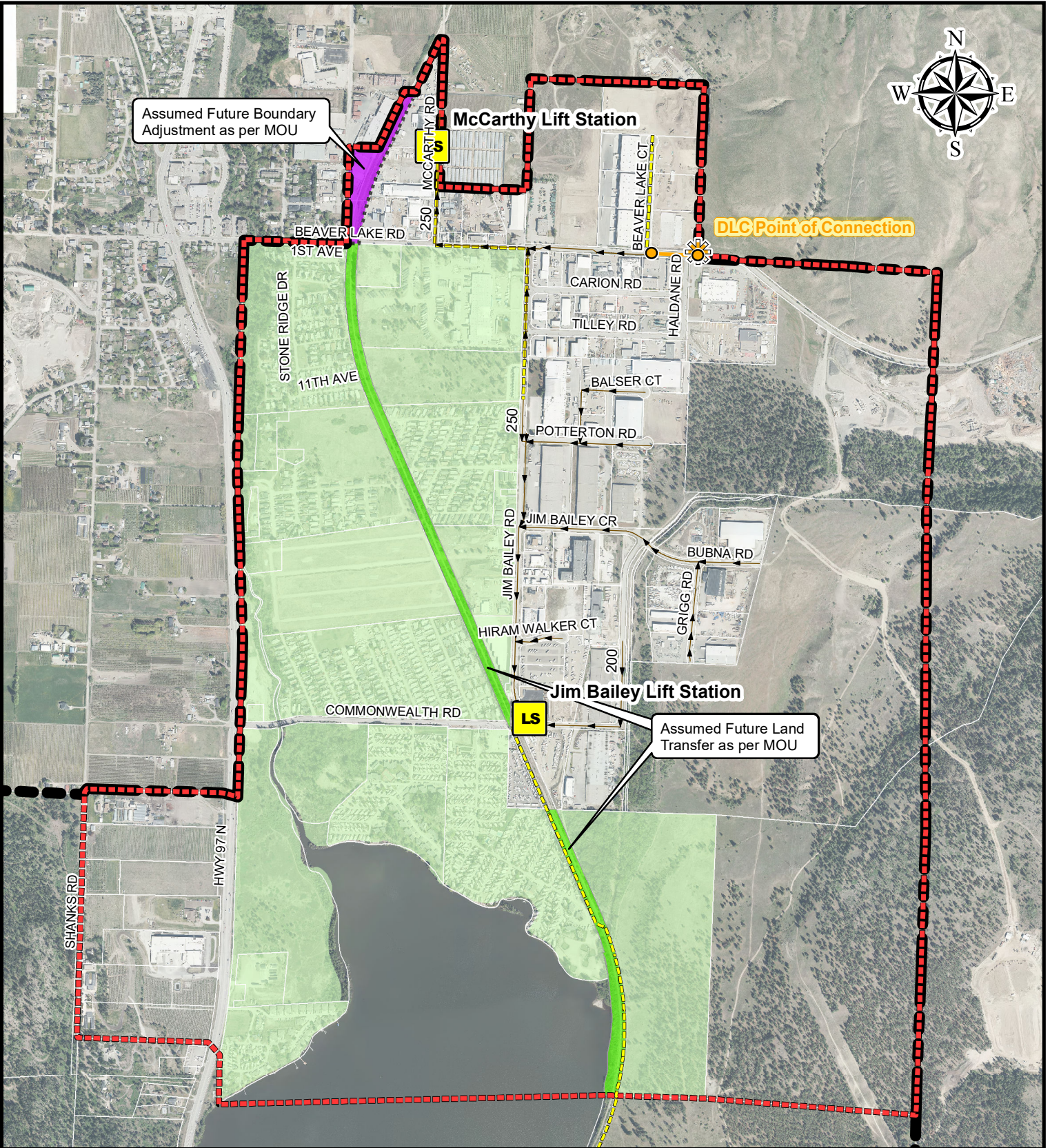
City Clerk – Stephen Fleming

On behalf of the **DISTRICT OF LAKE COUNTRY**

Mayor Blair Ireland

Director of Corporate Services – Matt Vader

SCHEDULE "A" – Map of Beaver Lake Service Area



Beaver Lake Service Area (BLSA) - Waste Water

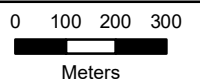
Legend

- DLC Point of Connection
- Sanitary Lift Station
- New MH

- New Sewer
- Fortmain
- Gravity Sewer
- Lot Lines

- BLSA Boundary
- IR # 7
- City Boundary

- Assumed Future Boundary Adjustment as per MOU
- Assumed Future Land Transfer as per MOU



January 2023



LAKE COUNTRY

Life. The Okanagan Way.



City of
Kelowna

Water and Sewer Agreements

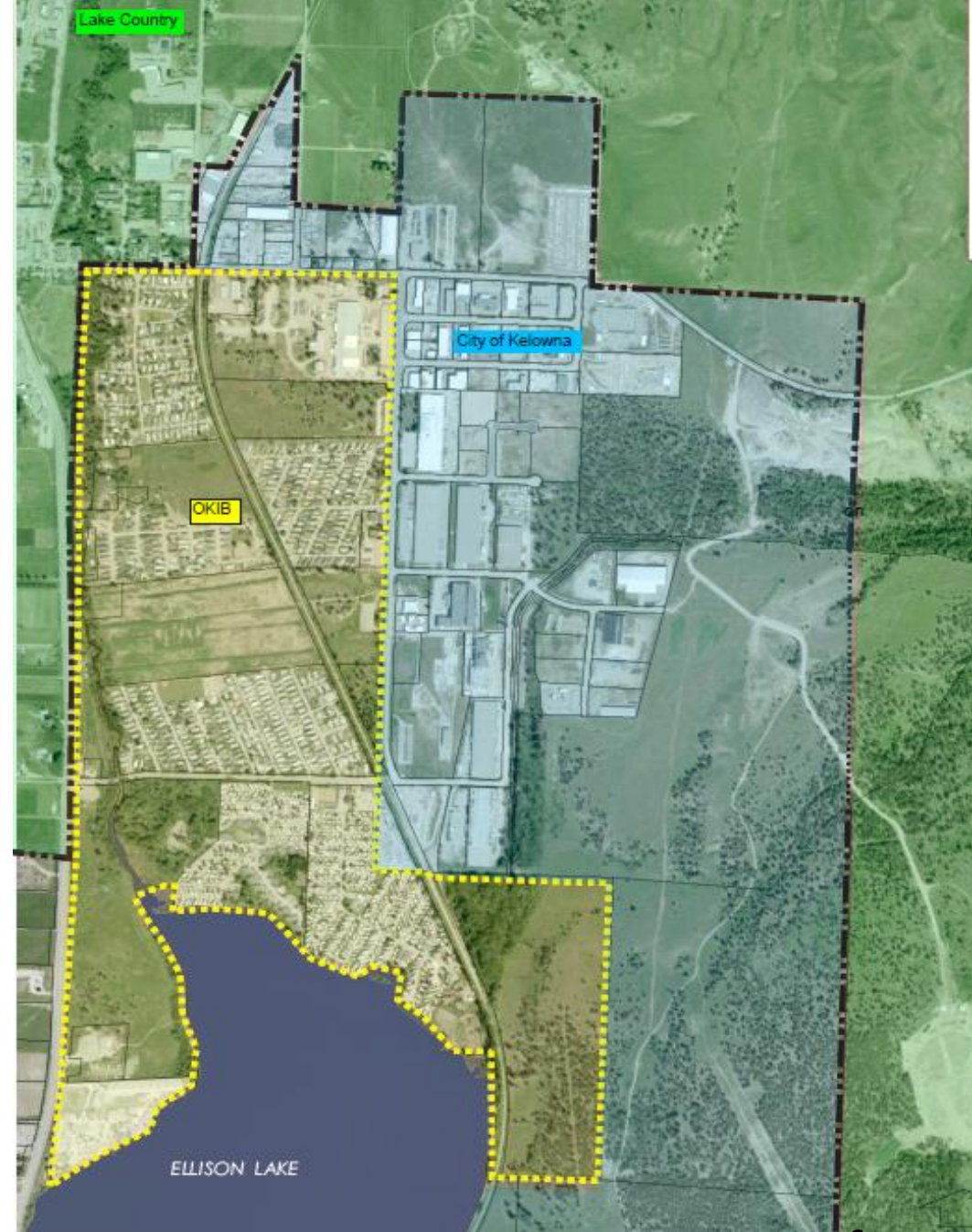
with District of Lake Country

April 17, 2023



Outline

- ▶ Legal Agreements being developed
- ▶ Water Agreement
- ▶ Sewer Agreement
- ▶ Questions



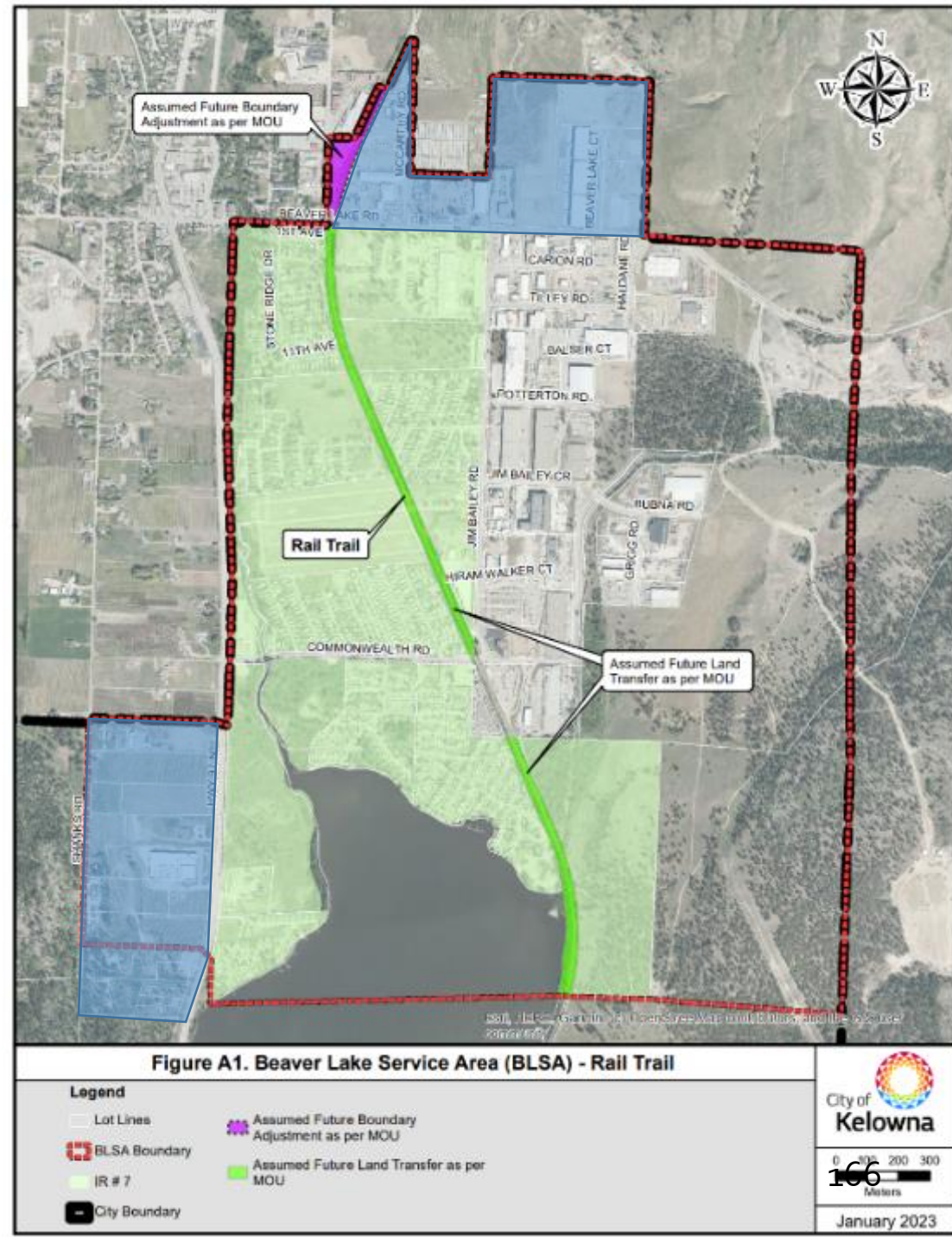
Legal Agreements from MOU

Ref #	Description	Stage
1	<i>Bulk Water. Kelowna & DLC</i>	<i>Subject of this Report</i>
2 & 3	Water and Sewer. Kelowna & OKIB	Under final review
4a	<i>Sewer Permit. Kelowna, OKIB & Canada</i>	<i>Complete</i>
4b	Rail Trail Permit. Kelowna & OKIB	Under final review
4c	Commonwealth Road Permit. Kelowna & OKIB	Development commencing Q2 2023
5	<i>Wastewater Service. Kelowna & DLC</i>	<i>Subject of this Report</i>
6	Beaver Lake Road. Kelowna, OKIB & DLC	Planned to commence in 2024
7	Municipal Boundary Adjustment. Kelowna & DLC	Preliminary discussion stage



Water Agreement

- ▶ Service Area
 - ▶ Continued service to industrial lands
 - ▶ Adds properties within Kelowna that currently serviced and billed by DLC
 - ▶ Adds OKIB lands





Water Agreement

- ▶ 20 year term. Renewable
- ▶ Defined capacity based on current built form
 - ▶ No capacity growth fees for OKIB's built form (2022)
 - ▶ Other properties allotted capacity
 - ▶ Capacity allotted in Schedule B
- ▶ Growth in supply capacity will cost City
 - ▶ Require development to fund growth in supply via LAS
- ▶ Water supply rates set by DLC Council



Sewer Agreement

- ▶ Receive excess treated effluent
- ▶ 10 year term
- ▶ City fund necessary works within Kelowna (\$1.3 M)
 - ▶ Long term assets

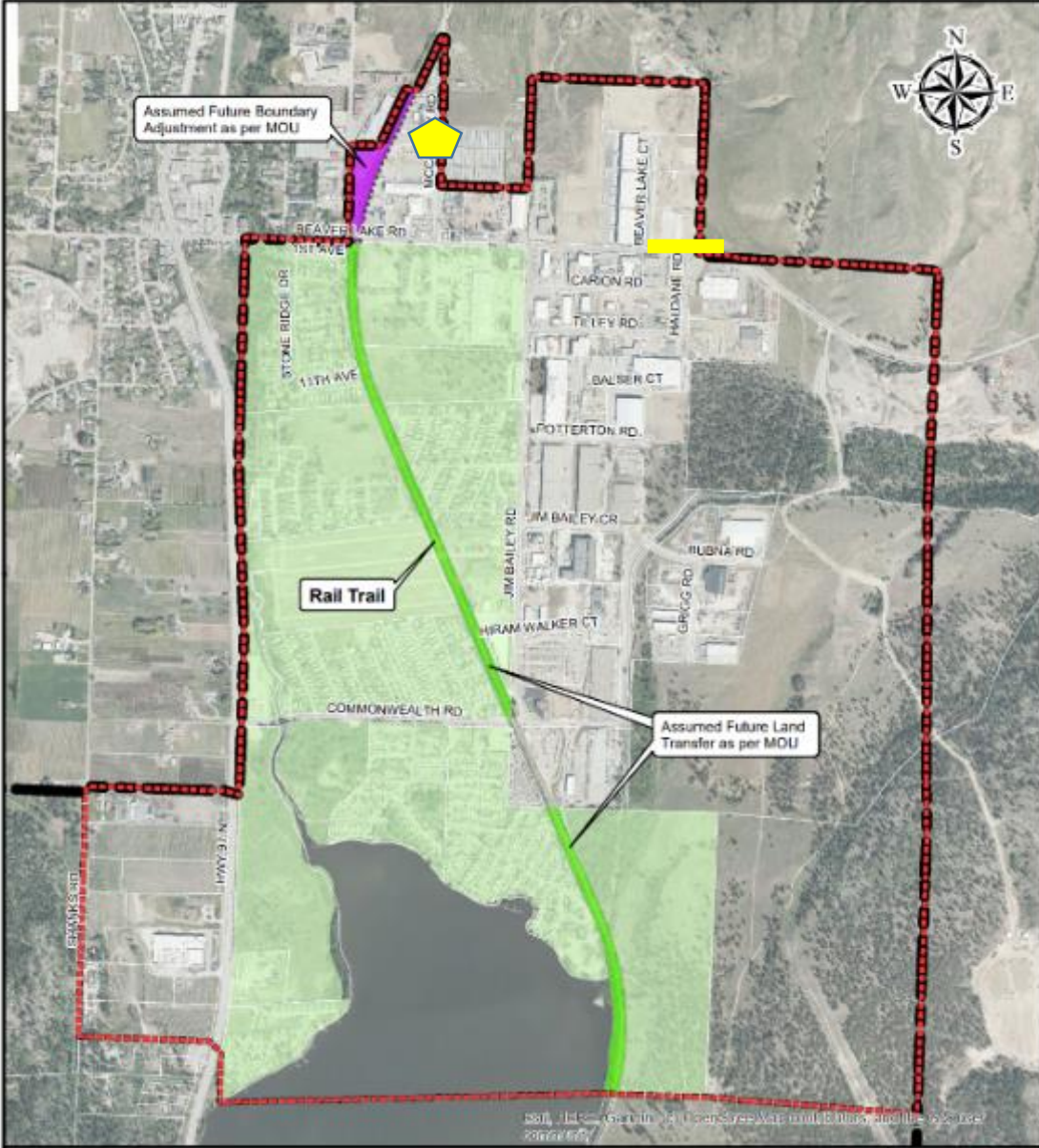


Figure A1. Beaver Lake Service Area (BLSA) - Rail Trail

Legend	
Lot Lines	Assumed Future Boundary Adjustment as per MOU
BLSA Boundary	Assumed Future Land Transfer as per MOU
IR # 7	
City Boundary	

City of Kelowna
0 100 200 300 Meters
168
January 2023



Thank you
Questions?

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Pickleball and Tennis Long Term Parks Planning
Department: Parks & Buildings Planning

Recommendation:

THAT Council receives for information, the report from Parks & Buildings Planning dated April 17, 2023, with respect to future strategy for outdoor pickleball and tennis courts within the city’s parks system;

AND THAT Council directs staff to proceed with the design of both Glenmore Recreation Park and DeHart Park in accordance with this strategy.

Purpose:

To endorse the long-term parks planning strategy concerning outdoor pickleball and tennis court provision in Kelowna.

Background:

The sports of pickleball and tennis are easy to learn, fun to play and exceptionally social. These user characteristics have accounted for a dramatic rise in new memberships within both sports and retains active players that maintain their lifestyle well into their 80’s and 90’s, while simultaneously attracting younger enthusiasts to both sports.

Current recreational user demand surpasses the City’s existing outdoor court inventory. Within the 2015 Kelowna Tennis Strategy, a standard of one public tennis court per 4,180 population was recommended which translates to 34 courts based on the 2021 census to meet the City’s current needs but does not account for future use.

In Kelowna there are presently 12 existing pickleball courts and 26 existing tennis courts throughout the city’s park system, along with a club operated tennis facility at Okanagan Mission Tennis. In addition, there are a minimum of nine new pickleball and three new tennis courts being added to our city inventory within the 2023-24 capital construction budget. Even with these additions, supply of courts will still not meet current user needs.

Pickleball

With our warmer temperatures, British Columbia has become a national 'hotspot' for pickleball, and the provincial association has witnessed a 600% increase in membership since its inception in 2017. At the end of 2022, the provincial association reported a total membership of 13,025 players participating in 82 affiliated and associated clubs including those established in Kelowna.

Pickleball Kelowna membership is currently held at 600, but their numbers are adversely limited by the lack of available court facilities in the city. Club registration for the 2023 season sold out within 15 minutes of its term opening and the club retains a waiting list of 100 people. Additionally, the pickleball clubs' membership is also limited in total available court hours as they must share with public use.

Tennis

The sport of tennis has experienced a 250% growth in frequent adult players over the past decade and a 300% growth in frequent players under the age of 12 (Tennis Canada). This resurgence in popularity is due in large part to the international success of young Canadian tennis players such as British Columbia's own Vasek Pospisil (from Vernon) or Calvin Thalheimer (and other high-level athletes here in Kelowna), as well as other prominent young Canadians like Bianca Andreescu, Francoise Abanda, Dennis Shapovalov, and Felix Auger Aliassime.

Discussion:

The increasing popularity and local growth in membership within the sports of pickleball and tennis is placing rising pressure on our current inventory to deliver further access to both outdoor and indoor courts that can accommodate tournament play, athlete development, as well as improved overall user experiences for the public. In direct response to these mounting user demands, a future court provision has been conceived to meet immediate and future growth needs for both sports that is aligned with the City's program delivery model, and includes centralized Feature Destination Courts and decentralized, neighbourhood-based Satellite Hub Courts.

Feature Destination Courts will allow the purposeful development of new and enhanced facilities at central locations within Kelowna. These courts would showcase better-quality court surfacing and key amenities such as shelters, washrooms, changerooms, lighting, and bleachers in addition to conformance to provincial sports association standards, dimensions and court quantities required for tournaments. The Feature Destination Courts are intentionally situated beside primary transportation routes, are close to nearby ancillary tourism services such as hotels, restaurants, stores, etc. which are crucial for national and provincial tournament consideration, as well as the provision of suitable transit facilities and proper on-site parking.

Feature Destination Courts are proposed at Parkinson Recreation Park for the sport of pickleball and Mission Recreation Park for the sport of tennis. The two central locations meet all stated criterion plus will benefit from shared amenities associated with future sports and recreation facility developments in our 10-year Capital Plan, such as the CNC Expansion and Activity Centre projects in Mission Recreation Parks or the Parkinson Recreation Park redevelopment. Perhaps most importantly, new and enhanced pickleball and tennis courts at Feature Destinations will help to attract better coaches to the City of Kelowna and in this manner also enhance the development of our local athletes.

It is of note, that Kelowna has lost provincial and national hosting opportunities as the city does not meet the minimal numbers of sport courts to be considered for further pickleball and tennis tournaments. Others in the valley have been quick to capitalize on the opportunity to host these types of sporting events.

Satellite Hub Courts are intentionally decentralized to best serve the citizens of Kelowna at the community or neighbourhood park-level through increased hours of court availability that does not compete with local clubs for outdoor court time. The supportive amenities at these locations will be more limited than those found at Feature Destinations to promote short-term and informal use.

Existing pickleball and tennis courts already in our city inventory will comprise much of the proposed Satellite Hub Courts but will be balanced with newer courts developed in upcoming community and neighbourhood parks, such as those proposed in the Glenmore Recreation Park and DeHart Community Park projects for 2023-24. Furthermore, the city's annual Parks Operations budget allows existing local courts to be modernized through court resurfacing or twinning opportunities such as the resurfacing of Hartwick Park and Jack Robertson Park in 2023.

Currently, there are no indoor pickleball or tennis court facilities within the City of Kelowna system that provide year-round play for public or club use. However, the city continues to explore opportunities and partnership options for future developments. Any proposed indoor facilities would be aligned with the City's program delivery model.

Conclusion:

The City of Kelowna recognizes the growing user demand within the sports of pickleball and tennis in British Columbia, as well as our evident local need for more provisions for outdoor courts. Our long-term parks planning initiative to create Feature Destination Courts and Satellite Hub Courts throughout the city is an immediate response to this call-to-action. Furthermore, the planning initiative will allow incremental growth and expansion for both new and existing pickleball and tennis facilities that are coordinated with existing capital and operational funding.

Internal Circulation:

Active Living & Culture
Community Communications
Infrastructure
Parks and Building Planning
Parks Operations
Partnerships
Financial Services.

Considerations applicable to this report:

Existing Policy

Parks Master Plan: Phase 1

The first phase of the *Parks Master Plan: Our Kelowna - As We Play* serves as a framework to help guide Council and city staff in making long-range park planning, capital development or rehabilitation project decisions to sustain Kelowna's portfolio of parks, trails, and natural areas over the next forty years. This

phase emphasizes the historic development of parks within Kelowna, plus current recreation trends, best practices, and vision statement with key park implementation goals and objectives.

Kelowna Tennis Strategy – provides recommendations on the number of outdoor tennis courts required to meet local community needs as well as an approach to determining the implications of the City's participation in a project to develop an indoor tennis facility.

Kelowna Community Sport Plan – a comprehensive document that provides a framework for the local sport system to guide decision-making and provide direction for strategic leadership.

The Indoor Recreation Facility Strategy - is intended to bring clarity to the City's thinking about the future provision of indoor sport and recreation infrastructure and establish rationale for why and how the City will make investment decisions about important community assets.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Submitted by: S. Johansson, Parks and Open Space Planner

Reviewed by: R. Parlane, Parks & Buildings Planning Manager

Approved for inclusion: D. Edstrom, Divisional Director, Partnership & Investments

Attachment 1 - Pickleball and Tennis - LT Parks Planning Initiative Presentation

cc: Divisional Director, Corporate Strategic Services
Divisional Director, Partnership & Investments
Acting Divisional Director, Financial Services
Divisional Director, Planning & Development Services

Long-term Parks Planning Initiative:

Pickleball and Tennis Outdoor Court Provision

April 3, 2023

Long-term Parks Planning Initiative

▶ **Purpose:**

- ▶ endorse long-term parks planning initiative concerning outdoor pickleball and tennis court provision.

▶ **Background:**

- ▶ both pickleball and tennis are exceptionally social sports.
 - ▶ participants can play into their 80 - 90's.
 - ▶ large uptake in youth enrollment
- ▶ *2015 Kelowna Tennis Strategy*
 - ▶ 1 public tennis court/ 4,180 population
 - ▶ 34 courts (2021 census)



Long-term Parks Planning Initiative

▶ **Background**

- ▶ current user demand far surpasses our existing city outdoor inventory
 - ▶ 12 existing city pickleball courts
 - ▶ 26 existing city tennis courts.
 - ▶ 1 club operated facility – OMTC
 - ▶ 1 commercial, private racquet facility
- ▶ new court facilities (2023-24)
 - ▶ 9 pickleball courts and 3 tennis courts.
 - ▶ amongst Glenmore Recreation Park and DeHart Community Park.
- ▶ similar user demand/ service requests for indoor court facilities



Long-term Parks Planning Initiative

▶ Pickleball

- ▶ B.C. has become national 'hotspot'
 - ▶ 600% increase in membership.
 - ▶ Pickleball B.C. - inception 2017
 - ▶ 13,025 players in 82 affiliated and associated clubs
 - ▶ Kelowna is the 2nd largest club in B.C.
 - ▶ 600 members + 100 waiting list
 - ▶ memberships sell out in 15 minutes/ registration opening.
- ▶ 8% of all Canadian households
 - ▶ 3.06 million people (Pickleball Canada).
 - ▶ 1 person/ playing monthly
 - ▶ 45% play over 4 times/ month (1.3 M)



Long-term Parks Planning Initiative

▶ Tennis

- ▶ Tennis Canada - inception 1890
 - ▶ resurgence in popularity.
- ▶ emergence of young Canadian stars
 - ▶ BC's - Vasil Pospisil or Calvin Thalheimer.
 - ▶ 250% increase in national membership.
 - ▶ 300% increase in players < 12 years.
- ▶ Okanagan Mission Tennis – 1920
 - ▶ 400 members in 2022.
 - ▶ 10% yearly increase (40 players).
 - ▶ 2023 already sold out.
- ▶ only 2 indoor courts in Kelowna
 - ▶ Global Fitness and Racquet Club.



*Futures Tennis
Tournament*



Calvin Thalheimer



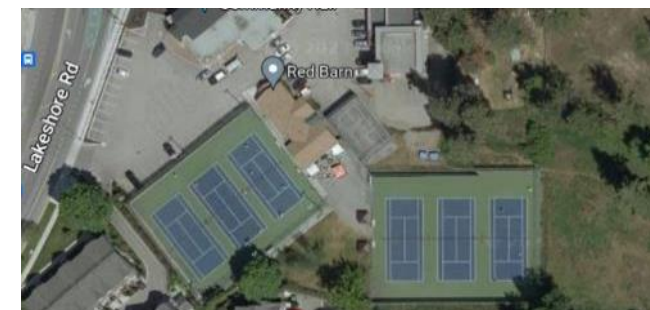
2022 OMTC



Bianca Andreescu



Francoise Abanda



Okanagan Mission Tennis Club

Long-term Parks Planning Initiative

▶ For Information

- ▶ Rising pressure on our current city inventory to deliver:
 - ▶ more access to outdoor courts.
 - ▶ ability for tournament play.
 - ▶ national and provincial associations
 - ▶ athlete development.
 - ▶ improved overall user experiences.
 - ▶ wait times
 - ▶ supportive amenities
- ▶ Long-term parks planning initiative conceived to:
 - ▶ meet immediate, and future growth, needs for both pickleball and tennis.



Long-term Parks Planning

► Satellite Hubs: Tennis



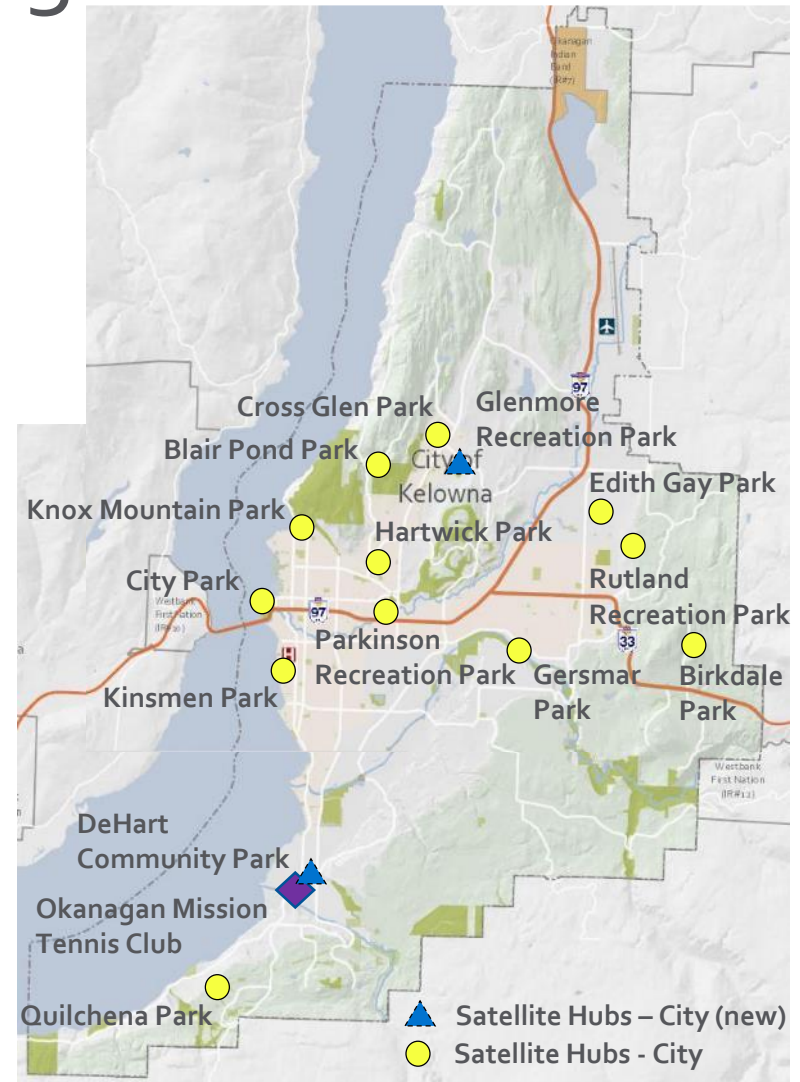
Edith Gay Park – community / double



Cross Glen Park – nhbd. / single court



Parkinson Recreation Park – six courts



Long-term Parks Planning

► Feature Destination: Tennis



Mississauga Tennis Complex + Ontario Tennis



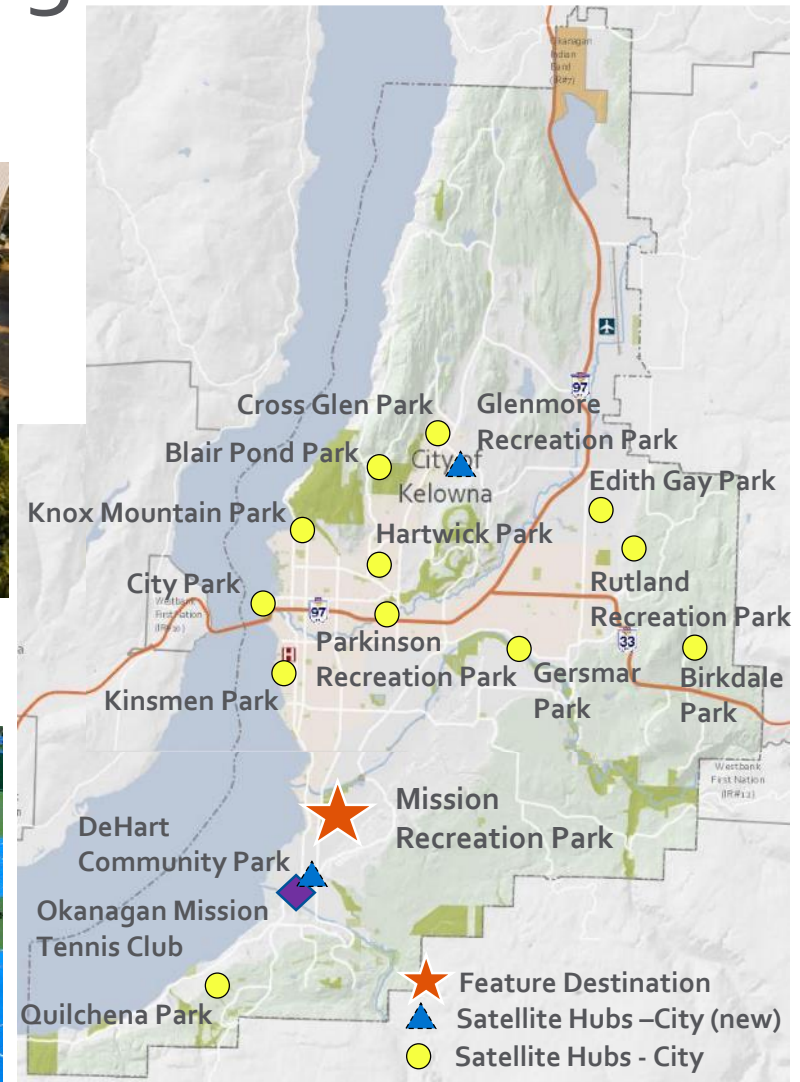
Futures Tennis Tournament, Kelowna



Stanley Park Tennis Facility, Vancouver



City of Surrey Tennis Facility



Long-term Parks Planning

▶ Satellite Hubs: Pickleball



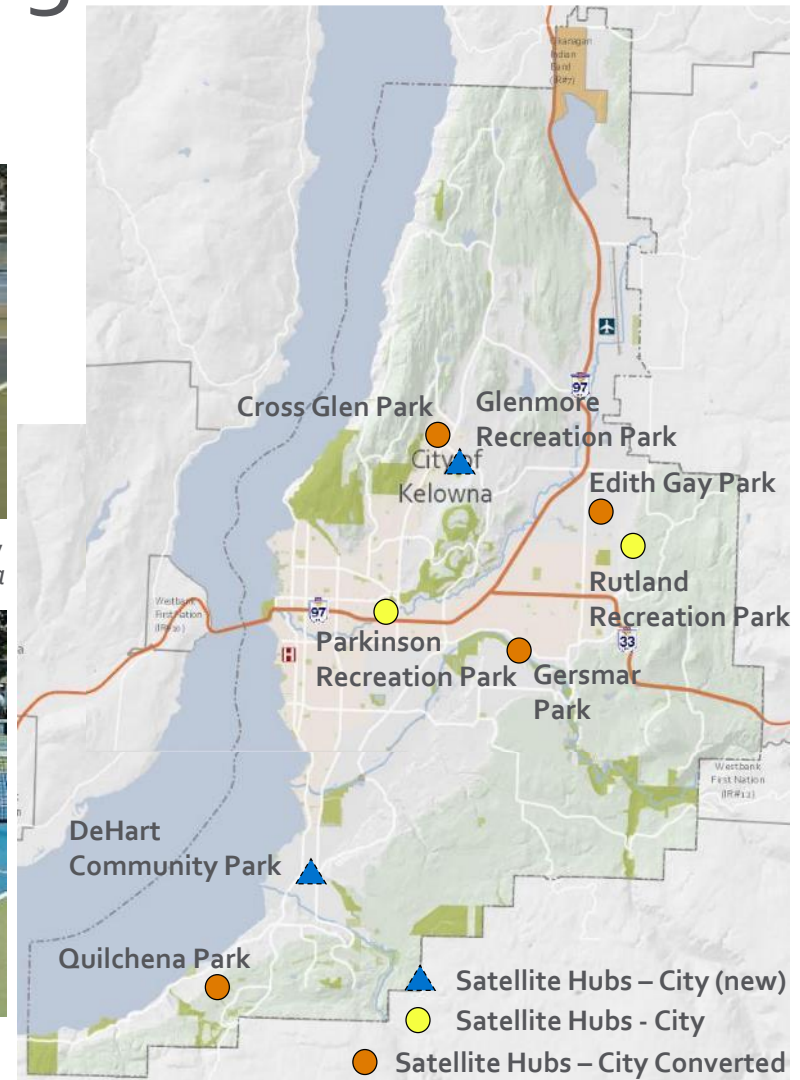
Parkinson Recreation Park – 'dedicated' pickleball courts, City of Kelowna



2019 Nationals, City of Kelowna



Rutland Recreation Park – 'dedicated' pickleball courts, City of Kelowna



Long-term Parks Planning

► Feature Destination: Pickleball



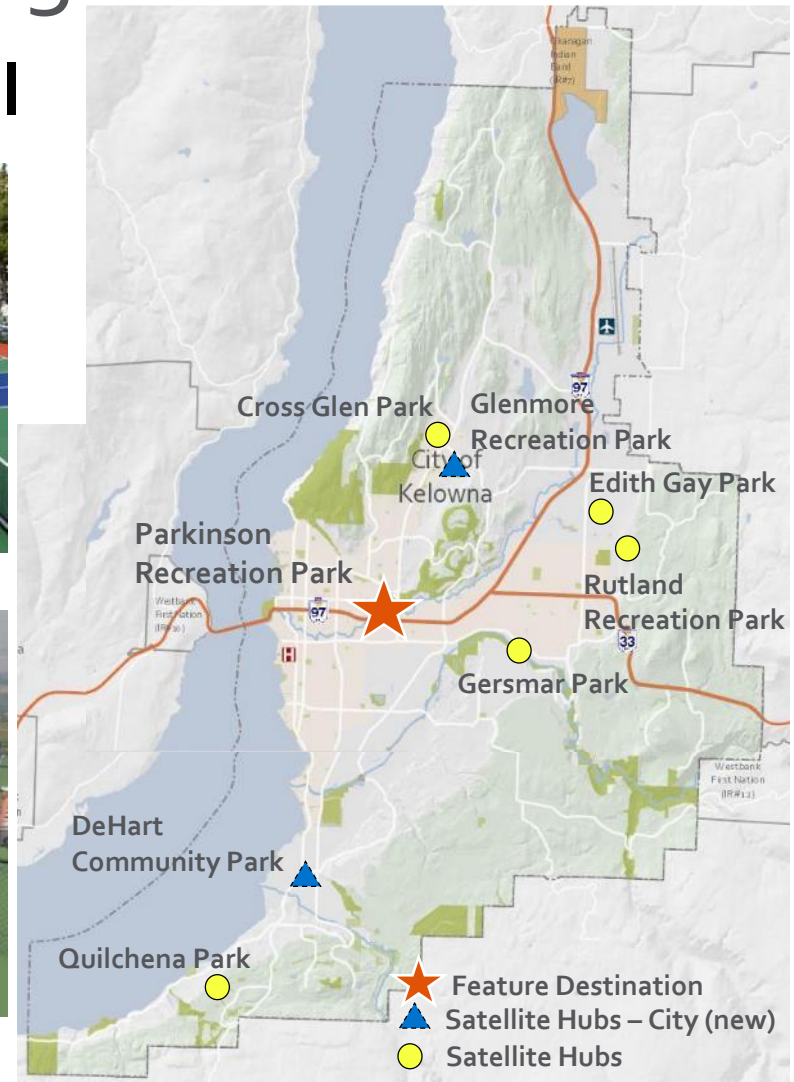
*Little Valley Pickleball Complex,
St. George, Utah*



Clear Creek Park, Cincinnati, Ohio



*City of Vernon – 'dedicated' pickleball courts
w/ overhead shade/shelter complex*

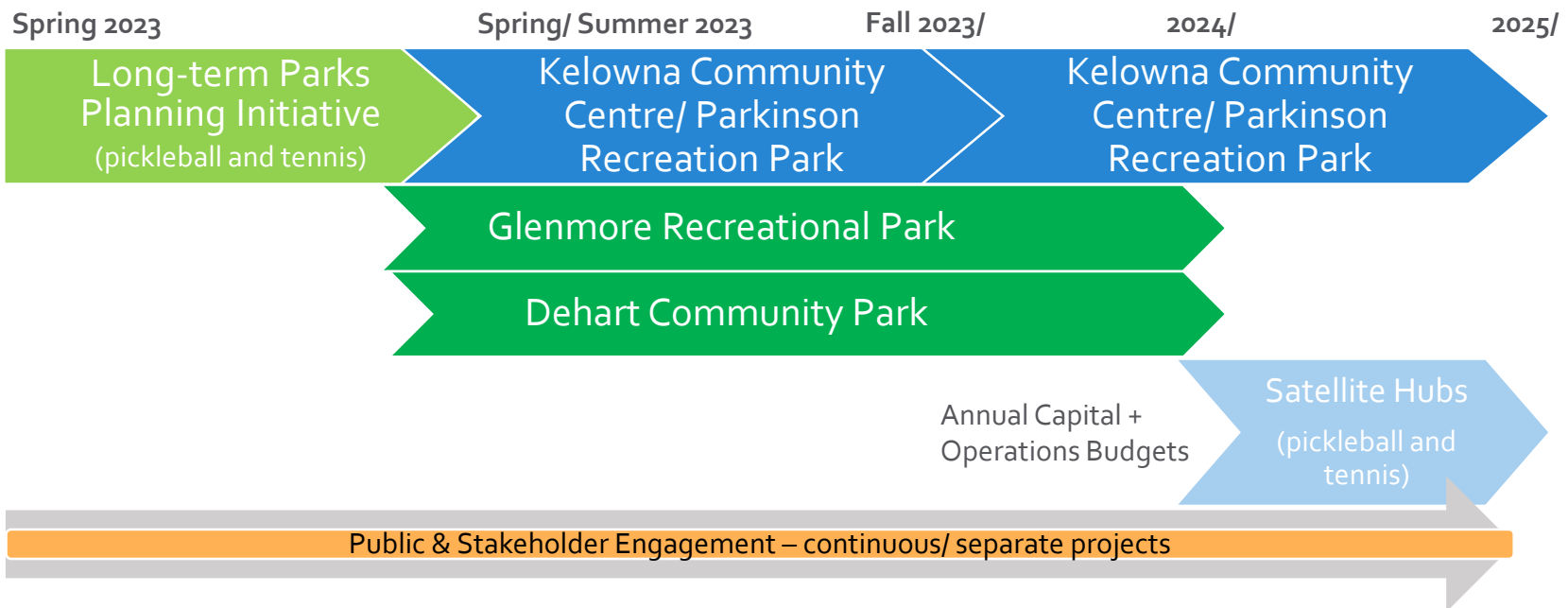


Long-term Parks Planning Initiative

► Next Steps:

Parks Master Plan: Phases 2 and 3

- ✓ Community Sport Plan
- ✓ Indoor Recreation Facility Strategy
- ✓ Kelowna Tennis Strategy





Questions?

For more information, visit kelowna.ca.

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Non-Market Lease of 1360 Bertram Street to Pathways Abilities Society
Department: Real Estate

Recommendation:

THAT Council receives, for information, the report from the Real Estate department dated April 17, 2023, with respect to a 60-year non-market lease agreement between the City of Kelowna and the Pathways Abilities Society;

AND THAT Council approves a 60-year non-market lease of the city-owned property at 1360 Bertram Street to the Pathways Abilities Society, as per the general terms and conditions of the agreement attached as Schedule A to the report from the Real Estate department dated April 17, 2023;

AND FURTHER THAT the Mayor and City Clerk be authorized to execute the Lease Agreement and all documents necessary to complete this transaction.

Purpose:

To obtain Council approval for the 60-year non-market lease agreement (the "Lease") between the City of Kelowna (the "City") and Pathways Abilities Society ("Pathways").

Background:

In its recently released 2023-2026 priorities, Council identified affordable housing as a key focus area, with action items that include increasing the availability of rental units with below market rents and pursuing partnerships with organizations for the creation of low-cost affordable housing projects.

Pathways is a non-profit organization that provides services to adults with developmental disabilities in Kelowna and the surrounding areas. The organization's mission is to empower those with diverse abilities in participating more fully and independently in the community around them through the provision of day services, business services, residential opportunities, and integrated career opportunities. In particular, the residential service provides assistance to individuals to live independently in a manner conducive to their lifestyle choices.

The proposed agreement extends the City and Pathways' long-standing relationship at 1360 Bertram Street, which has been under a non-market lease to the society since 1945. On-site uses since that time have included a training and education facility (the Sunnyvale Workshop) and, more recently, the site of Pathways' employment services.

In 2016 Pathways secured funding from BC Housing to develop the Bertram Street property into an affordable housing apartment building. Since then, the City has been working closely with BC Housing and the Pathways to adapt the project to best meet the evolving needs of the community (including the closure and consolidation of a portion of Fuller Avenue in 2017 to create a larger development site).

The proposed partnership between the City and Pathways, with the support of BC Housing, addresses the affordable housing priority identified by City Council and provides a direct and tangible response to the affordable housing shortage Kelowna is currently facing. The attached Lease Agreement was created to set out the terms of the relationship between the City and Pathways based on shared common principles and establishes a legal framework that details the responsibilities and accountabilities of each party.

Throughout the preparation of the Lease Agreement, the parties have consistently acted in the spirit of collaboration, good faith, and with the shared goal of increasing the availability of affordable housing opportunities to the citizens of Kelowna. Notwithstanding the collegial approach to these negotiations, the Lease Agreement prepared is a comprehensive agreement and has undergone considerable internal and legal review.

Discussion:

The City's historically preferred model to support the delivery of non-market housing is to form a three-way partnership with the City (as landowner), BC Housing (as development funder) and the society (as operator). Under this model, City lands were leased to BC Housing, who then sub-leased them to the operating society.

In 2022 BC Housing notified the City of a policy change which requires the society to enter into the lease agreement directly with the landowner in order to satisfy Canadian Mortgage and Housing Corporation lending requirements (see attached Schedule B). As a result, the proposed Lease Agreement (and future leases for similar purposes) will be directly between the City and the operating society, and not include BC Housing as an interim leasee.

Staff have worked closely with Pathways and BC Housing in developing the Lease Agreement, the key terms of which are as follows:

1. The City provides Pathways with a sixty (60) year lease of 1360 Bertram Street at a cost of ten dollars (\$10.00);
2. Pathways is solely responsible for all expenses relating to the leased property during the term, including, without limitation, realty taxes, utilities, maintenance and repair expenses, and insurance costs;

3. Concurrently with the Lease Agreement, BC Housing and Pathways will enter into an Operating Agreement (Schedule C) for a term of forty (40) years, which establishes resident criteria, maintenance standards, and reporting requirements that will allow Pathways to provide affordable housing units at below market pricing to the residents of Kelowna;
4. The City and Pathways will enter into an Operating Agreement (Schedule A of the attached Schedule A Lease Agreement) for a term of twenty (20) years, commencing upon the expiration of the BC Housing Operating Agreement, which establishes resident criteria, maintenance standards, and reporting requirements that will allow Pathways to provide affordable housing units at below market pricing to the residents of Kelowna;
5. The proposed housing project dedicates fifty-eight (58) units to households with low- to moderate incomes and ten (10) units to Pathways clients;
6. Pathways is solely responsible for the ongoing maintenance and repair of the property;
7. Pathways is solely responsible for all day-to-day operations, management decisions, and staffing of the housing facility;
8. The City remains the legal owner of the property; and
9. Pathways will provide appropriate support and will work in collaboration with many stakeholders operating in the community, to ensure the success of this housing facility.

Although the City has recently adopted a practice of including mandatory contributions to major capital renewal reserve funds and, in the case of longer-term leases, demolition funds within our non-market leases, in this instance the requirement for such contributions by Pathways would result in a direct increase in rents, as these are the society's sole means of cost recovery. It is understood that such a requirement would therefore be contrary to the purpose of providing affordable housing. Pathways has advised that in lieu of a capital reserve fund for major repair items, they would seek funding from BC Housing and/or the Canadian Mortgage and Housing Corporation for initiatives as the need arises.

The City will solely bear the contingent liability for the demolition of the building upon the expiration of the Lease Agreement.

As Kelowna continues to grow, the City and Pathways seek to work collaboratively in being proactive and responsive to the housing needs of our citizens. This Lease Agreement provides an opportunity to expand the availability of affordable housing to low- to moderate-income households, while also supporting the growth and independence of individuals with diverse abilities within our community. Occupancy of the first residents of the new building is anticipated in May.

Existing Policy:

The proposed non-market lease aligns with Council Policy 347 – Non-Market Leasing of Civic Lands and Buildings; for this reason, staff are recommending a non-market lease within these Lease and Operating Agreements.

Notice of the proposed disposition will be publicized in accordance with section 24 of the Community Charter.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by: J. Säufferer, Department Manager, Real Estate

Approved for inclusion: D. Edstrom, Director, Partnerships and Investments

Attachments: Schedule A – Lease Agreement City and Pathways
Schedule B – BC Housing Change Advice regarding Provincial Subleases
Schedule C – Operating Agreement: BC Housing & Pathways
Schedule D – PowerPoint



1. Application

Doak Shirreff Lawyers LLP
Barristers and Solicitors
200 - 537 Leon Avenue
Kelowna BC V1Y 2A9
250.763.4323

2. Description of Land

PID/Plan Number	Legal Description
030-401-577	LOT 1 DISTRICT LOT 139 OSOYOOS DIVISION YALE DISTRICT PLAN EPP78052

3. Nature of Interest

Type	Number	Additional Information
LEASE		

4. Terms

Part 2 of this Instrument consists of:
(b) Express Charge Terms Annexed as Part 2

5. Transferor(s)

CITY OF KELOWNA

6. Transferee(s)

PATHWAYS ABILITIES SOCIETY	S0004315
123 FRANKLYN ROAD	
KELOWNA BC V1X 6A9	

7. Additional or Modified Terms



8. Execution(s)

This instrument creates, assigns, modifies, enlarges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

YYYY-MM-DD

City of Kelowna
 By their Authorized Signatory

Print Name:

Print Name:

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

ALISON J. McLEOD
 Barrister & Solicitor
 Doak Shirreff LLP
 #200 - 537 Leon Avenue
 Kelowna, BC V1Y 2A9

YYYY-MM-DD

2023-03-29 AM 2:48

Pathways Abilities Society
 By their Authorized Signatory

Print Name: Charisse Daley

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

TERMS OF INSTRUMENT - PART 2

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Ground Lease - 555 Fuller Ave, Kelowna BC

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WHEREAS:

- A. The Lessee wishes to provide housing for persons with special housing requirements and/or limited income and agrees to lease the Lands for this purpose.
- B. The Commission, a representative of the Province, has agreed to provide financial assistance in connection with the foregoing.
- C. The Lessor is the owner of the Lands and has agreed to lease to the Lessee the Lands for the Term upon the terms, conditions and provisos herein so that the Lessee may renovate or construct the Building and otherwise use, occupy and enjoy the Lands.

WITNESS that in consideration of the rents reserved and the covenants and agreements set forth below, the parties agree as follows:

THE LESSOR HEREBY DEMISES AND LEASES UNTO THE LESSEE AND THE LESSEE DOES HEREBY TAKE AND RENT THE LANDS, TO HAVE AND TO HOLD THE LANDS UNTO THE LESSEE FOR AND DURING THE TERM AS HEREIN PROVIDED.

IN CONSIDERATION OF THE SUM OF TEN DOLLARS (\$10.00) AND OTHER GOOD AND VALUABLE CONSIDERATION PAID AND PROVIDED BY THE COMMISSION TO BOTH THE LESSOR AND THE LESSEE, BOTH THE LESSOR AND THE LESSEE COVENANT AND AGREE WITH THE COMMISSION THAT THE COMMISSION WILL HOLD AND ENJOY THE RIGHTS, BENEFITS, PRIVILEGES, AUTHORITY AND DISCRETIONS GRANTED TO THE COMMISSION IN THIS LEASE.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

- 1.1 Capitalized terms used in this Lease have the meanings specified in this section 1.1, unless otherwise provided in this Lease:
 - (a) "Additional Rent" means all sums, costs, expenses and other amounts, if any, payable by the Lessee to the Lessor pursuant to this Lease, including, without limitation, Realty Taxes, payments in lieu of Realty Taxes, Utilities and all sums payable by way of indemnity under this Lease, but excluding Basic Rent;
 - (b) "Alterations" means all alterations, changes, replacements, substitutes, additions and improvements to the Building;
 - (c) "Approved Lender" means any Mortgagee approved by Canada Mortgage and Housing Corporation for the purpose of making loans under the *National Housing Act* (Canada);
 - (d) "Architect" means the architect qualified as such pursuant to the laws of the province of British Columbia who is supervising the design, construction, repair, renovation and/or reconstruction of the Building;
 - (e) "Basic Rent" means ten dollars (\$10.00);

25000.262/11307354.2

Ground Lease - 555 Fuller Ave, Kelowna BC

- (f) "Building" means the building(s) and all other structures to be constructed on the Lands, together with all Alterations or repairs thereto and all improvements from time to time constructed upon or affixed or appurtenant to the Lands;
- (g) "City" means the City of Kelowna;
- (h) "Commencement of Construction" means the later of the date when the first building permit for the Building is issued to the Lessee by the City and the date when the Lessee's contractor commences any work on the Lands related to construction of the Building;
- (i) "Commission" means British Columbia Housing Management Commission or its successors in function;
- (j) "Corporation" means Canada Mortgage and Housing Corporation or its successors in function, or the Commission;
- (k) "Eligible Occupant" means a person who, during the time that such person is an occupant in the Building, meets the criteria prescribed in an Operating Agreement or prescribed in a separate document provided by the Commission and delivered to the Lessee from time to time; the parties acknowledge that as of the date hereof, "Eligible Occupant" means a person who, as of the date of commencement of residency, has Low and Moderate Income;
- (l) "General Instrument" means the Form C - *Land Title (Transfer Forms) Regulation* pursuant to the *Land Title Act* (British Columbia), and all schedules and addenda to the Form C;
- (m) "Insured Loan" means a loan in respect of which an insurance policy has been issued under the *National Housing Act* (Canada) and is in force;
- (n) "Interest Adjustment Date" means the date from which the principal amount of the Insured Loan together with interest thereon becomes payable by regular instalments;
- (o) "Lands" means all of the Lessor's interest in the land described in the General Instrument, including every incidental right, benefit or privilege attaching to that land or running with it;
- (p) "Lease" means this Lease;
- (q) "Lease Commencement Date" means the date this Lease is registered at the Land Title Office;
- (r) "Lessee" means Pathways Abilities Society;
- (s) "Lessor" means the City of Kelowna;

- (t) “Losses” means liabilities, actions, judgments, claims, losses, damages, fines, penalties, expenses, professional and other fees and disbursements, and costs;
- (u) “Low and Moderate Income” represents the maximum income for eligibility to occupy a residential unit within the Building and means:
 - (i) For residential units with less than two (2) bedrooms, a gross household income that does not exceed the median income for families without children, as determined by the Commission from time to time (for 2023, this figure is \$82,310.00); and
 - (ii) For residential units with two (2) or more bedrooms, a gross household income that does not exceed the median income for families with children, as determined by the Commission from time to time (for 2023, this figure is \$120,990.00);
- (v) “Mortgage” means a registered mortgage or registered mortgages granted by the Lessee in accordance with section 16.1 upon or in respect of the interest of the Lessee in the Lands and the Building or any part thereof and includes any deed of trust and mortgage to secure any bonds or debentures issued thereunder;
- (w) “Mortgagee” means a mortgagee or mortgagees under a Mortgage and includes any trustee for bondholders or debenture holders under a deed of trust and mortgage to secure any bonds or debentures issued thereunder;
- (x) “Operator” means a non-profit organization with which the Commission has entered into an Operating Agreement;
- (y) “Operating Agreement” means an agreement or agreements entered into or to be entered into between the Commission and an Operator that relate to the management of the Building and the provision of housing to Eligible Occupants;
- (z) “Permitted Encumbrances” means the charges and encumbrances, if any, registered on title on the Lease Commencement Date and any other charges specifically approved in writing by both the Commission and the Lessor;
- (aa) “Personnel” of a party means, as applicable, the elected officials and directors, officers, employees, servants and agents of that party;
- (bb) “Province” means Her Majesty the Queen in Right of the Province of British Columbia;
- (cc) “PRHC” means the Provincial Rental Housing Corporation;
- (dd) “Prime Rate” means the floating annual percentage rate of interest established from time to time by the main branch of the Bank of Montreal located in Vancouver, British Columbia, or its successor, as the base rate that will be used to determine rates of interest charged by it for Canadian dollar loans to

customers in Canada and designated by the Bank of Montreal as its “prime rate”;

- (ee) “Realty Taxes” means all assessments for taxes, rates, duties (including school taxes, local improvement rates and other charges levied pursuant to the *Hospital District Finance Act* (British Columbia), the *Municipal Finance Authority Act* (British Columbia) or otherwise and all other charges for services used in or supplied to the Lands and the Building (including penalties and interest) that now are or will or may be levied, rated, charged or assessed against the Lands, the Building, and all other structures, machinery, equipment, facilities and other property of any nature whatsoever located thereon or therein, charged by any municipal, parliamentary, legislative, regional, school or other authority;
- (ff) “Review Date” means the date on which the constitution and bylaws of the Lessee are approved in writing by the Commission;
- (gg) “Term” means sixty (60) years commencing on the Lease Commencement Date;
- (hh) “Trustee” means a trust company duly authorized to carry on business in the Province of British Columbia and appointed by the Corporation, or the Lessor if the Corporation has no interest in the Lands and the Building, for the purposes of Article 9 of this Lease; and
- (ii) “Utilities” means all charges, rates and levies on account of utilities, including for heat, electricity, gas, telephone, television, internet and other costs and expenses of a similar nature, and, if not included in Realty Taxes, for water and garbage collection.

1.2 Any reference in this Lease to legislation will be deemed to include all regulations thereto, all amendments and re-enactments thereof and all successor legislation.

ARTICLE 2 PAYMENT OF RENT

2.1 Basic Rent

The Lessee covenants and agrees with the Lessor to pay to the Lessor as rent the Basic Rent for the Term on the Lease Commencement Date.

2.2 Net Lease

All Basic Rent and Additional Rent required to be paid by the Lessee hereunder will be paid at such location as the Lessor may stipulate from time to time without any deduction, abatement or set-off whatsoever, it being the intention of this Lease that:

- (a) all expenses, costs, payments and outgoings incurred in respect of the Lands, the Building and any other improvements on the Lands or for any other matter or thing affecting the Lands, will, unless otherwise expressly stipulated herein to the contrary, be borne by the Lessee; and

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- (b) the Basic Rent and Additional Rent payable under this Lease will be absolutely net to the Lessor and free of all abatements, set-off or deduction of any costs, payments and outgoing of every nature arising from or related to the Lands, the Building, or any other improvements on the Lands, and the Lessee will pay or cause to be paid all such costs, payments and outgoings.

ARTICLE 3
PAYMENT OF TAXES

3.1 Payment of Realty Taxes if Lands Not Exempt

Save as otherwise provided in section 3.2, the Lessee will, during the Term, no later than the day immediately preceding the date or dates on which the Realty Taxes become due and payable, pay and discharge or cause to be paid and discharged the Realty Taxes and, if requested by the Lessor, will deliver to the Lessor for inspection receipts for payments of the Realty Taxes within fourteen (14) days of such payment. Not later than thirty (30) days following receipt of any tax assessment or notice the Lessor will deliver a copy of such assessment or notice to the Lessee.

3.2 Payment in Lieu of Realty Taxes if Lands Exempt

The Lessee covenants and agrees with the Lessor that if during the Term all or any part of the Lands, Building, structures, machinery, equipment and facilities thereon and therein and any other property of any nature whatsoever thereon and therein are exempt from Realty Taxes in whole or in part, then the Lessee will, in each and every year during the Term that such exemption occurs, pay to the Lessor as Additional Rent, at the same time as Realty Taxes would be payable if such exemption were not available, an amount equal to the amount that would be payable as Realty Taxes if such exemption were not available.

3.3 Right to Appeal Assessment

The Lessee will have the right from time to time to appeal, in its own or the Lessor's name, any assessment of the Lands or Building or any Realty Taxes referred to in sections 3.1 and 3.2, provided that such appeal will be at the sole expense of the Lessee.

3.4 Business Tax and License Fees

The Lessee covenants with the Lessor to pay or cause to be paid during the Term when due every tax and permit and license fee (including penalties and interest) in respect of any and every business carried on, in or upon the Lands or Building or in respect of the use or occupancy of the Lands or Building by the Lessee (and any and every sublessee, permittee and licensee), other than such taxes as corporate income, profits or excess profit taxes assessed upon the income of the Lessee (or such sublessee, permittee and licensee), whether such taxes or permit and license fees are charged by any municipal, parliamentary, legislative, regional or other authority.

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3.5 Other Taxes

The Lessee will pay when due all goods and services taxes, value-added taxes, sales taxes and consumption based taxes, rates, levies and assessments, including penalties and interest, that are from time to time payable by the Lessee as a result of its rights and obligations contained in this Lease, including but without derogating from the generality of the foregoing, such taxes, rates, levies and assessments payable as a result of any payment obligations herein of the Lessee to the Lessor.

3.6 Pro-rating Obligations

In the first and last years of the Term, the Lessee's obligations under sections 3.1 and 3.2 will be pro-rated according to the portion of the year included in the Term, such pro-rating to be on a per diem basis.

3.7 Application of Sections 3.1 and 3.2

Sections 3.1 and 3.2 will not apply during such time as the Building is used or is intended to be used to house Eligible Occupants, it being the intent of the parties that the Lands and Building will be exempt from Realty Taxes or payments in lieu of Realty Taxes if the Building is intended to be used to house Eligible Occupants.

ARTICLE 4
CONSTRUCTION OF BUILDING

4.1 Lessee to Construct Building

The Lessee will construct the Building, together with other facilities ancillary thereto and connected therewith, on the Lands in substantial accordance with the drawings, specifications (including materials to be used), elevations, location on the Lands and exterior decoration and design and all other documents and information upon which the issuance of the building permits by the City are based and that have been approved by the Lessor and the Commission. No changes will be made to such drawings, specifications, elevations, location, exterior decoration and design, other documents or information, or to the requirements of such building permits without the approval of the Lessor and the Commission, provided that the Commission may approve minor changes allowed by the building permit(s) for the Building without the approval of the Lessor.

4.2 Substantial Completion of Building

For the purposes of this Article 4, the Building will be deemed to have been substantially completed when the Architect has certified to, or otherwise satisfied, the Lessor and the Commission that, with respect to the Building:

- (a) all work of a structural nature has been properly completed;
- (b) all building equipment and services, including elevators (if any), heating systems and air-conditioning systems (if any), and utilities have been completed, are operating properly and are available for use by tenants of the

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Lessee, and all lobbies, stairwells and other areas intended for the common use of tenants of the Lessee are completed except for work of a superficial nature, which is both minor in character and of a type that, owing to the likelihood of damage, may reasonably be deferred until the Building is partially or substantially occupied by tenants of the Lessee;

- (c) all building bylaws and regulations of the City have been complied with by the Lessee;
- (d) all rentable space is completed for occupancy except for work of a superficial nature that is dependent upon unascertained requirements of individual tenants of the Lessee, and work that is reasonably and customarily performed by tenants of the Lessee;
- (e) all areas are clean and all surplus building material and rubbish have been removed;
- (f) the Building is in a condition in which it can be occupied by tenants of the Lessee, and any work that is still unfinished can be completed promptly and is work the incompleteness of which will not be objectionable to a tenant of the Lessee acting reasonably;
- (g) the Building has been constructed in all respects in a good and workmanlike manner and in accordance with the drawings and specifications, location on the Lands and the exterior decoration and design approved in writing by the Lessor, and in compliance with all building permits issued by the City; and
- (h) a certificate of completion has been issued in respect of the Building pursuant to the *Builders Lien Act* (British Columbia).

4.3 Termination of Lease on Failure to Construct

Subject to sections 4.6 and 18.2 and Article 23, if Commencement of Construction has not taken place within one hundred and eighty (180) days of the Lease Commencement Date, or if construction of the Building is not substantially completed in accordance with the requirements of section 4.1 within one hundred and eighty (180) days after the second anniversary of the Lease Commencement Date, the Lessor will have the option at any time thereafter to terminate this Lease, and in such event this Lease will terminate and be of no further force or effect and without any reimbursement or compensation to the Lessee, unless the Lessor consents in writing to extend the deadline for Commencement of Construction, such consent not to be unreasonably withheld.

4.4 Landscaping

Within one hundred and eighty (180) days of substantial completion of the Building, the Lessee will landscape the Lands and thereafter maintain the landscaping in accordance with landscaping plans that have been approved by the Commission and the Lessor.

4.5 Alterations After Substantial Completion

After substantial completion of the Building, the Lessee will not make or permit to be made any Alterations affecting the structure of the Building or the exterior appearance of the Building without the written approval of the Lessor and the Commission, which approval the Lessor and the Commission will not unreasonably withhold. No Alterations involving an estimated cost of more than thirty thousand dollars (\$30,000.00) (in 2022 dollars) will be undertaken until the Lessee has submitted or caused to be submitted to the Lessor and the Commission such drawings, specifications (including the materials to be used), elevations (where applicable), locations (where applicable), exterior decoration and design and such other documentation and information as the Lessor and the Commission may request in connection with the proposed Alterations, and until all of the same have been approved in writing by the Lessor and the Commission, which approval the Lessor and the Commission will not unreasonably withhold. The Lessee covenants and agrees with the Lessor and the Commission that, subject to section 4.6, all Alterations undertaken by or for the Lessee once begun will be prosecuted with due diligence to completion.

4.6 Unavoidable Delays

If, by reason of strike, lock-out or other labour dispute, material or labour shortage not within the control of the Lessee, fire, explosion, flood, wind, water, earthquake, act of God or other similar circumstances beyond the reasonable control of the Lessee and not avoidable by the exercise of reasonable effort or foresight by the Lessee, the Lessee is, in good faith and without default or neglect on its part, prevented or delayed in achieving Commencement of Construction or substantial completion of the Building in accordance with section 4.2 or the repair of the Building or any part or parts of the Building which under the terms of this Lease the Lessee is required to do by a specified date or within a specified time, the date or period of time within which such work was to have been completed will be extended by the Lessor by a reasonable period of time at least equal to that of such prevention or delay, and the Lessee will not be deemed to be in default if it performs and completes the work in the manner required by the terms of this Lease within such extended period of time or within such further extended period of time as may be agreed upon from time to time between the Lessor, the Lessee and the Commission.

ARTICLE 5 BUILDERS LIENS

5.1 Builders Liens

In connection with all labour performed on or materials supplied to the Lands, including but not limited to the construction of the Building, the Lessee will comply with, and will cause any contractor hired by it to comply with, the provisions of the *Builders Lien Act* (British Columbia), and with all other statutes applicable in connection therewith and in force from time to time, including any provision or statute requiring or permitting the retention of portions of any sums payable by way of holdbacks.

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5.2 Discharge of Builders Liens

If and whenever any builders lien, or other lien or claim arises or is filed against the Lessor's interest in the Lands in connection with work, labour, services or materials supplied to or for the Lessee or for the cost of which the Lessee may in any way be liable, the Lessee will, within fifteen (15) days after receipt of notice of such lien or claim, procure the discharge thereof, and the discharge of any certificate of pending litigation registered in respect of any such lien or claim, by payment or giving security or in such other manner as may be required or permitted by law; provided, however, that in the event of a bona fide dispute by the Lessee of the validity or correctness of any claim for any such lien, the Lessee will not be bound by the foregoing, but will be entitled to defend against the same in any proceedings brought in respect thereof after first paying into a court of competent jurisdiction the amount claimed or sufficient security therefor, and such costs as the court may direct. The Lessor may pay and discharge any lien claim if, in its reasonable judgement, the Lands or the Lessor's interest in the Lands becomes liable to forfeiture or sale, or is otherwise in jeopardy. The Lessee will reimburse to the Lessor any amount paid by the Lessor in discharging a lien claim and the Lessor's reasonable expenses in connection therewith.

5.3 Notice by Lessor

Pursuant to section 3(2) of the *Builders Lien Act*, the Lessor may file in the Land Title Office notice of its fee simple interest in the Lands and for all purposes of this Lease the construction of the Building by the Lessee will be deemed not to be done at the request of the Lessor.

ARTICLE 6 RESTRICTIONS ON OPERATIONS AND USE

6.1 Use

Unless otherwise agreed to in writing by the Lessor and the Commission, during such time that an Operating Agreement is in place, the Lessee covenants and agrees with the Lessor and the Commission that neither the Lands nor Building nor any part of the Lands or Building will be used for any purpose except that of housing Eligible Occupants on a non-profit basis, subject always to the laws, bylaws, regulations and permits governing the use of the Lands and Building from time to time. In the event that, at any period during the Term, an Operating Agreement is not in place and the Commission has provided written confirmation to the Lessor that it does intend to find a replacement Operator or extend the Operating Agreement, then the Lessee covenants and agrees with the Lessor that neither the Lands nor Building nor any part of the Lands or Building will be used for any purpose except in accordance with the operating requirements attached hereto as Schedule 'A'. For greater certainty, the Lessee shall have no obligation to comply with the operating requirements attached hereto as Schedule 'A' for so long as an Operating Agreement is in place, and neither shall the Commission or an Approved Lender if either of the foregoing parties should attorn as tenant to the Lessor pursuant to the terms of this Lease.

Unless otherwise agreed to in writing by the Lessor and the Commission, the Lessee covenants and agrees with the Lessor and the Commission that neither the Lands nor

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Building nor any part of the Lands or Building will be used for business, trade or manufacture without the written approval of the Lessor and the Commission, which approval the Lessor and the Commission may arbitrarily withhold. If, however, the Lessor and the Lessee determine that it is not practical or commercially reasonable to continue to carry on the use described in section 6.1, the Lessee may commence to use and occupy the Lands and Building for another use, including a commercial use that is approved by the Lessor, and if it elects to do so:

- (a) the Basic Rent will be adjusted, from time to time, to reflect the fair rental value of the Lands, without reference to the Building, given the use to which the Lands and Building are put, from time to time. If the parties cannot agree on the Basic Rent or the dates when the Basic Rent is to be adjusted, the Basic Rent and/or adjustment dates will be settled by arbitration pursuant to Article 20; and
- (b) the Lands and Building will not be exempt from Realty Taxes.

6.2 No Nuisance

The Lessee will not carry on, or suffer or permit to be carried on, upon the Lands anything which would constitute a nuisance to the Lessor or to any neighbouring properties or their owners or occupants provided, however, the occupation of the Lands and Building by Eligible Occupants in accordance with the terms of this Lease shall not constitute a nuisance.

6.3 No Subdivision

The Lessee covenants that it will not subdivide the Lands or the Building pursuant to the *Strata Property Act* (British Columbia).

6.4 Constitution

The Lessee agrees that without the prior written consent of the Commission, it will not amend or permit its constitution to be amended or varied in any way from the constitution filed in the British Columbia Corporate Registry as of the Review Date. If the Review Date is not established by the Commission, the Lease Commencement Date will be deemed to be the Review Date.

6.5 Restriction on Contracting

The Lessee covenants that:

- (a) it will not pay directly or indirectly to any of its directors or their relatives by blood or marriage (including common-law marriage) any money obtained from the operation of the Lands or the Building, or from the operation of other premises leased from the Lessor, or otherwise received from the Lessor, the Commission or the Province, without the express written consent of the Lessor, the Commission and/or the Province, as the case may be;

- (b) it will not, by contract or otherwise, pay to any of its former directors or their relatives by blood or marriage (including common-law marriage), pursuant to any contract or arrangement made when the former director was a director of the Lessee, money obtained from the operation of the Lands or the Building, or from the operation of other premises leased from the Lessor, or otherwise received from the Lessor, the Commission or the Province, without the express written consent of the Lessor, the Commission and/or the Province, as the case may be;
- (c) subject to sub-paragraphs (a) and (b), the Lessee may enter into bona fide arm's length contracts with occupants of the Building for the provision of services in furtherance of the good management of the Lands and the Building; and
- (d) notwithstanding the foregoing, the Lessee may reimburse its directors or occupants of the Building for out-of-pocket expenses incurred for the proper management of the Lands or the Building but only upon the proof of such expenditure by the production of bona fide receipts.

The Lessor may not terminate this Lease on account of a breach of this section 6.6 but such directors will forthwith and forever be disqualified from such directorship.

6.6 Permitted Encumbrances

During the Term, the Lessee, at its expense, will perform and observe all of the obligations of the Lessor and may enjoy all of the rights of the City as Lessor (but not those rights of the City in its regulatory capacity) set out in the Permitted Encumbrances. None of the Permitted Encumbrances will merge or be deemed to have merged with the Lessor's title to the Lands, and accordingly all Permitted Encumbrances will be deemed to be in full force and effect. The Lessor will execute such documents as might reasonably be requested by the Lessee to enable it to comply with its obligations and to enjoy its rights in respect of the Permitted Encumbrances. The Lessee further covenants and agrees with the Lessor that if the City exercises any of its rights in its regulatory capacity under the Permitted Encumbrances, such exercise will not be a breach of the Lessor's covenant for quiet enjoyment.

ARTICLE 7 REPAIRS AND MAINTENANCE

7.1 Lessor Not Obligated to Repair

The Lessor will not be obliged to furnish any services or facilities or to make repairs or Alterations in or to the Lands or the Building, and the Lessee hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Lands and the Building and all expenses related thereto.

7.2 Repairs by the Lessee

Reasonable wear and tear excepted, so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building:

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- (a) the Lessee at the Lessee's cost and expense will put and keep in good order and condition, or cause to be put and kept in good order and condition, the Lands and Building (and any equipment located thereon and therein), both inside and outside, including but not limited to fixtures, walls, foundations, roofs, stairways, elevators (if any) and similar devices, heating and air conditioning equipment, sidewalks, yards and other like areas, water and sewer mains and connections, water, steam, gas and electric pipes and conduits, and all other fixtures and appurtenances to the Lands and the Building and machinery and equipment used or required in the operation thereof, whether or not enumerated herein, and will, in the same manner and to the same extent as a prudent owner, make any and all necessary repairs and, subject to section 4.5, Alterations, ordinary or extraordinary, foreseen or unforeseen, structural or otherwise, and keep the Building and any and all fixtures and equipment therein fully usable for the purposes for which the Building was constructed. Such repairs and Alterations will be in all respects to a standard at least substantially equal in quality of material and workmanship to the original work and material in the Building, and will in each case be performed only in accordance with all applicable terms and conditions of the Permitted Encumbrances;
- (b) the Lessee will not commit or suffer waste to the Lands or the Building or any part thereof; and
- (c) if the Lessee does not fulfil its obligations set out in this Article 7, the Lessor or the Commission, through their agents, servants, contractors and subcontractors, may, but will not be obliged to, enter (without hindrance by the Lessee) upon the Lands and the Building as required for the purpose of making any repairs necessary to put the Lands and the Building in good order and condition, provided that the Lessor or the Commission will make such repairs only after giving the Lessee not less than fourteen (14) days written notice of its intention to do so, except in the case of an emergency when no notice will be required. Any costs and expenses (including overhead costs) incurred by the Lessor or the Commission in making such repairs to the Lands and Building will be reimbursed to the Lessor or the Commission, as the case may be, by the Lessee on demand, together with interest at the Prime Rate plus three percent (3%) per annum, calculated and compounded monthly, from the date incurred until the date paid.

7.3 Removal of Ice and Snow from Sidewalks

The Lessee covenants and agrees with the Lessor that if the Lessee at any time fails to keep the public sidewalk adjacent to the Lands reasonably clean from rubbish, ice and snow during the times and to the extent lawfully required of an owner, the Lessor, through its agents, servants, contractors and subcontractors, may remove such rubbish, ice and snow and the Lessor will not be required to give the Lessee any notice of its intention to do so. Any costs and expenses incurred by the Lessor in removing such ice and snow will be reimbursed to the Lessor by the Lessee on demand, together with interest at the Prime Rate plus three percent (3%) per annum, calculated and compounded monthly, from the date incurred until paid.

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ARTICLE 8
ADDITIONAL RENT

8.1 All Defaults in Payment as Additional Rent

If the Lessee defaults in the payment of any sums required to be paid by it pursuant to the terms of this Lease, or fails to fulfil any of its obligations under this Lease, the Lessor may (but will be under no obligation to do so) pay such sums or fulfil such obligations on behalf of the Lessee, and any losses, costs, charges and expenses suffered by the Lessor as a result, including sums payable by way of indemnity, whether or not expressed in this Lease to be rent, may at the option of the Lessor be treated as and deemed to be Additional Rent, in which event the Lessor will have all remedies for the collection of such sums, costs, expenses or other amounts when in arrears as are available to the Lessor for the collection of rent in arrears.

ARTICLE 9
INSURANCE

9.1 Insurance During Construction of Building

Prior to the Commencement of Construction of the Building, and throughout the entire period of construction until substantial completion of the Building pursuant to section 4.2, the Lessee will effect or will cause its contractor or contractors to effect and maintain in full force the following insurance coverage:

- (a) wrap-up liability insurance with limits of not less than Five Million Dollars (\$10,000,000), or such other amount as the Lessor and the Commission may require from time to time, per occurrence, issued in the joint names of the Lessee, the Lessor, the Commission, the Lessee's contractors, any subcontractors and their respective Personnel, protecting them against claims for bodily injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Lands from any cause, including the risks occasioned by the construction of the Building; and
- (b) all-risk course of construction insurance issued in the joint names of the Lessee, the Lessor and the Commission, protecting them from all loss or damage of or to the Building and all fixtures, equipment, improvements and building materials on the Lands from time to time, both during and after construction (but which may be by different policies effected from time to time covering the risk during different phases of construction of the Building, provided that at no time will the Building be uninsured) against fire, earthquake, flood and all other perils from time to time customarily included in the usual all-risks builders' risk form of policy applicable to similar properties during construction and effected in the Province of British Columbia by prudent owners, and such other perils as the Lessor or the Commission may reasonably require to be insured against, to the full replacement value thereof at all times.

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9.2 Commercial General Liability Insurance

The Lessee will effect and keep in force commercial general liability insurance with limits of not less than Five Million Dollars (\$5,000,000), or such other amount as the Lessor and the Commission may require from time to time, per occurrence, against public liability claims for bodily injury, death and property damage (including loss of use) arising from the Lessee's use and occupancy of the Building and from any occurrence or accident on the Lands or Building. Such insurance will be written on an occurrence basis and will provide for blanket contractual liability, including liability assumed by the Lessee under this Lease. The policy will also contain a cross liability or severability of interests clause and will name the Lessor, the Commission and their respective Personnel as additional insureds with respect to third party claims arising out of the Lessee's operations pursuant to this Lease.

9.3 All Risk Property and Pressure Vessel Insurance

Immediately following substantial completion of the Building and at all times thereafter during the Term, the Lessee will effect and maintain property insurance in the joint names of the Lessor, the Commission and the Mortgagee (if any) as their interests may appear, to the full replacement value of the Building and fixtures on the Lands, protecting them against "All Perils" of loss or damage including flood, sewer backup and earthquake, and will include boilers and pressure vessels, protecting against usual perils, including damage caused by rupture of steam pipes. The policies described in this section 9.3 will contain a clause directing insurers to make losses payable to the Lessee, the Lessor, the Commission and the Mortgagee as their interests may appear.

9.4 Insurance - Additional Provisions

The following provisions will apply to all policies of insurance which are referred to in this Article 9:

- (a) the policies will be primary and non-contributing with respect to any policy or self-insured fund otherwise held or established on behalf of the Lessor or the Commission;
- (b) the stated amount of value insured under property policies will be of sufficient amount that none of the Lessee, the Commission nor the Lessor will become co-insurers with respect to any loss claimed against the insurance;
- (c) each policy will be written on a form acceptable to the Lessor and the Commission and with insurers licensed to do business in the Province of British Columbia and acceptable to the Lessor and the Commission;
- (d) any deductible amounts applying to a claim against a policy will be of an amount approved by the Lessor and the Commission;
- (e) each policy will contain a clause requiring that the insurers provide to the Lessor and the Commission a minimum of sixty (60) days prior written notice of

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any cancellation (except for cancellation resulting from non-payment of premiums, in which case applicable statutory provisions will apply); and

- (f) all premiums and deductibles required under said policies will be paid by the Lessee to the insurers and proof of such payment will be submitted to the Lessor and the Commission.

In addition to the notification obligations of the insurers required by section 9.4(e), the Lessee will provide to the Lessor and the Commission a minimum of sixty (60) days prior written notice of any cancellation, lapse or material change resulting in reduction of coverage, either in whole or in part, in respect of any of the policies of insurance which are referred to in this Article 9.

9.5 Evidence of Insurance

Prior to the Lease Commencement Date the Lessee will provide the Lessor and the Commission with evidence of all insurance required to be taken out pursuant to this Lease, in the form of one or more detailed certificates of insurance, in such form(s) and contents as the Lessor and the Commission requests. Each certificate of insurance must identify the Lease number, policy holder and subject matter, and must not contain any disclaimer. Thereafter, and throughout the Term, forthwith upon request by the Lessor or the Commission, similar evidence of renewals, extensions or replacement of such insurance will be provided in the form of such certificate(s) of insurance. In addition, if requested by the Lessor or the Commission at any time, the Lessee will forthwith deliver to the Lessor or the Commission, as applicable, a certified copy of each insurance policy requested.

9.6 Payment of Loss Under Insurance Policies

The insurance monies payable under the policies of insurance referred to in this Article 9, will, notwithstanding the terms of the policy or policies, be paid to the Trustee on behalf of the Lessee, the Lessor, the Commission and the Mortgagee. The Lessee, the Lessor and the Commission agree that the Trustee will, subject to section 10.5, pay for all restoration, reconstruction or replacement of the loss or damage in respect of which such insurance monies were paid to the Trustee out of such insurance monies in accordance with certificates of the Architect or such other person as the Lessee, the Lessor and the Commission may agree upon and who is in charge of such restoration, reconstruction or replacement, after receiving such other certificates, evidence or opinions as the Trustee will require for the purpose of being satisfied that such restoration, reconstruction or replacement is being properly carried out. If the Lessee fails to restore, reconstruct or replace the loss or damage in respect of which the insurance monies were paid to the Trustee within a reasonable time, the Lessor and the Commission will be entitled to effect such restoration, reconstruction or replacement and the Trustee will pay such insurance monies to the Lessor or the Commission in the same manner that the Trustee would have done had the Lessee effected such restoration, reconstruction or replacement.

9.7 Workers Compensation Coverage

At all times during the Term, the Lessee will, and will cause its Personnel and all others engaged in or upon any work on the Building or the Lands to, comply with the *Workers Compensation Act* (British Columbia) (the "WCA") and the requirements and regulations under the WCA in respect of the Building and the Lands. Without limiting the generality of the foregoing, the Lessee will:

- (a) require as a condition of any agreement made with respect to construction, repair, renovation or demolition of the Building, whether with contractors, materialmen or otherwise, that there is full workers compensation insurance coverage in place in respect of all workers, employees, servants and others engaged in or upon any work, and that all workers, contractors or other persons require the same of their workers and subcontractors. The Lessee will immediately notify the Lessor and the Commission of any dispute involving third parties that arises in connection with obtaining and maintaining the workers compensation insurance coverage required hereby if such dispute results or may result in the required insurance coverage not being in place, and the Lessee will take all reasonable steps to ensure resolution of such dispute forthwith. The Lessee will further ensure that no amount payable pursuant to the WCA is left unpaid so as to create a lien on the Lands or the Building. If the workers compensation insurance coverage required by this section 9.7 is not in place, the Lessor and the Commission will be entitled to have recourse to all remedies specified in this Lease or at law or equity; and
- (b) be deemed to be, and is hereby designated and appointed by the Lessor as, the "Prime Contractor" as that term is defined in section 118 of the WCA for the purposes of the WCA and related regulations, including the Occupational Health and Safety Regulation (the "OHS Regulation"), and the requirements and regulations of WorkSafeBC, and will in that capacity strictly comply with all requirements applicable to that designation, as they may be amended from time to time. Notwithstanding the foregoing, with the prior written consent of the Lessor, a contractor hired by the Lessee to perform work on the Lands on its behalf may be designated as the Prime Contractor instead of the Lessee.

9.8 Release of Lessor and Commission from Liability for Insured Loss or Damage

The Lessee hereby releases the Lessor and the Commission and their respective Personnel, whether or not the Lessor, the Commission and their respective Personnel have been negligent, from any and all liability for loss or damage caused by any of the perils against which the Lessee will have insured or is obligated to insure pursuant to the terms of this Lease or any applicable law, or self insures if it elects to do so under section 9.9, the intent being that the Lessee's policies of insurance will contain a waiver of subrogation in favour of the Lessor and the Commission or, if the Lessee elects to self insure under section 9.9, the Lessee will release the Lessor and the Commission from any and all liability for loss or damage caused by the perils referred to in sections 9.1(b) and 9.3 to the same extent as if the Lessee had taken out insurance.

9.9 Lessor May Insure

If the Lessee fails to insure as required under this Article 9, the Lessor may effect the missing insurance in the name and at the expense of the Lessee and the Lessee shall promptly repay the Lessor all costs incurred by the Lessor in doing so. For clarity, the Lessor has no obligation to effect such insurance.

9.10 Insurance Exemption for Corporation and PRHC

Notwithstanding anything contained in this Lease, if for any reason and at any time the Corporation or PRHC is the Lessee, the Corporation or PRHC, as the case may be, will not be under any obligation to take out and keep in force any of the insurance required to be taken out and kept in force under sections 9.1(b) and 9.3 of this Article.

ARTICLE 10
DAMAGE OR DESTRUCTION

10.1 Rent Not to Abate

Subject to the provisions of sections 10.5 and 10.6, the partial destruction or damage or complete destruction by fire or other casualty of the Building will not result in the termination of this Lease or entitle the Lessee to surrender possession of the Lands or the Building or to demand any abatement or reduction of the Basic Rent or Additional Rent or other charges payable under this Lease, any law or statute now or in the future to the contrary notwithstanding.

10.2 Lessee's Obligation When Building Partially Damaged or Destroyed

Subject to the provisions of sections 10.5 and 10.6, the Lessee covenants and agrees with the Lessor and the Commission that in the event of partial damage to or partial destruction of the Building, the Lessee will either:

- (a) replace any part of the Building damaged or destroyed with a new structure in accordance with any agreement which may be made by the Lessee with the Lessor and the Commission; or
- (b) in the absence of any such agreement, repair or replace such damage or destruction to a standard comparable to the standard of the structure being repaired or replaced.

10.3 Lessee's Obligations When Building Completely or Substantially Destroyed

Subject to the provisions of sections 10.5 and 10.6, the Lessee covenants and agrees with the Lessor and the Commission that in the event of complete or substantially complete destruction of the Building, the Lessee will either:

- (a) reconstruct or replace the Building with a new structure or structures in accordance with any agreement which may be made by the Lessee with the Lessor and the Commission; or

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- (b) in the absence of any such agreement, replace the Building with a new structure or structures comparable to the structure or structures being replaced.

10.4 Replacement, Repair or Reconstruction

Any replacement, repair or reconstruction of the Building or any part thereof pursuant to the provisions of section 10.2 or 10.3 will be made or done in compliance with section 4.5 and Article 7.

10.5 Special Provisions Where Approved Lender or Corporation is Mortgagee

- (a) If the Building is damaged or destroyed to the extent of at least twenty-five percent (25%) of the full replacement cost of the Building, and at the time of such damage or destruction the Mortgagee is an Approved Lender, and such Mortgagee notifies the parties that the insurance monies made available by reason of the casualty causing such damage or destruction will not be applied in repairing, reconstructing or replacing the Building, and the right to so elect is reserved to the Mortgagee under the terms of the Mortgage, then the Lessee may decline to repair, reconstruct or replace the Building and instead elect to terminate this Lease, provided that the Lessee makes such election within sixty (60) days after the date on which the Building was so damaged or destroyed and notifies the Lessor and the Commission of its election forthwith after making it. If the Lessee does not elect to so terminate this Lease, then the Lessee will repair, reconstruct or replace the Building or any part thereof damaged or destroyed in accordance with section 10.2 or section 10.3, as the case may be, and section 10.4;
- (b) If the Mortgagee is the Corporation and it attorns to the Lessor as tenant and undertakes to be bound by and perform the covenants and agreements of the Lease, and subsequently during the Term the Building is damaged or destroyed to the extent of at least twenty-five percent (25%) of the full replacement cost of the Building, the Corporation as tenant may at its option either repair, reconstruct or replace the Building so damaged or destroyed or decline to repair, reconstruct or replace the Building and instead elect to terminate this Lease, provided that the Corporation as tenant makes such election within sixty (60) days after the date on which the Building was so damaged or destroyed and notifies the Lessor and the Commission of its election forthwith after making it. If the Corporation as tenant does not so elect to terminate this Lease, then the Corporation as tenant will repair, reconstruct or replace the Building or any part thereof damaged or destroyed in accordance with section 10.2 or section 10.3, as the case may be, and section 10.4;
- (c) As soon as reasonably possible, but not later than one hundred and eighty (180) days following the date of termination of this Lease by the Lessee pursuant to section 10.5(a) or section 10.5(b), the Lessee will demolish and completely remove the Building and all foundations and debris from the Lands and restore the Lands to a neat and level condition in a good and workmanlike manner. Any insurance money payable by reason of any fire or other casualty causing

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such destruction will, notwithstanding the provisions of Article 9, be distributed as follows:

- (i) firstly, to reimburse the Lessee for all costs and expenses necessarily incurred by the Lessee in the demolition and removal of the Building and all foundations and debris from the Lands and the restoration of the Lands as aforesaid;
- (ii) secondly, to pay and satisfy the Mortgage, if any;
- (iii) thirdly, to pay the balance of the insurance monies, if any, as follows:

A. to the Lessor, the amount calculated as follows:

amount payable = (balance of insurance monies) x (days in expired portion of the Term ÷ total days in Term); and

B. to the Lessee, the amount calculated as follows:

amount payable = (balance of insurance monies) x (days remaining in the Term ÷ total days in Term),

provided however that any amount so payable to the Lessee will be paid directly to the Commission;

- (d) If this Lease is terminated pursuant to this section 10.5, then upon the Lessee substantially completing the work required by section 10.5(c), the Lessor will forthwith refund to the Commission a portion of the prepaid Basic Rent that has been paid pursuant to this Lease, calculated as follows:

amount payable = (prepaid Basic Rent) x (days remaining in the Term as of the date of such substantial completion of work ÷ total days in the Term),

provided however that the Commission hereby assigns such refund to all Mortgagees, if any, and such refund will be paid by the Lessor to such Mortgagees in the same priority as registration of their Mortgages, if any;

- (e) Notwithstanding anything contained herein, in the event the Lessee terminates this Lease in accordance with this section 10.5, this section will nevertheless survive such termination and remain in full force and effect and be binding upon the parties and their respective successors and assigns so long as any obligations of the parties under this section 10.5 or any part thereof remains unperformed; and
- (f) The provisions of this section 10.5 are subject always to the provisions of section 10.6.

10.6 Destruction or Damage During Last Five Years of Term

(a) In the event of the complete or substantial destruction of the Building during the last five (5) years of the Term, the Lessee may, at its option, either reconstruct or replace the Building so destroyed or damaged in accordance with section 10.3 or decline to do so, and instead elect to terminate this Lease, provided that the Lessee makes such election within sixty (60) days after the date on which the Building was so destroyed and notifies the Lessor of its election forthwith after making it;

(b) As soon as reasonably possible, but not later than one hundred and eighty (180) days following the date of termination of this Lease by the Lessee pursuant to section 10.6(a), the Lessee will demolish and completely remove the Building and all foundations and debris from the Lands and restore the Lands to a neat and level condition in a good and workmanlike manner. Any insurance money payable by reason of any fire or other casualty causing such destruction will, notwithstanding the provisions of Article 9, be distributed as follows:

(i) firstly, to reimburse the Lessee for all costs and expenses necessarily incurred by the Lessee in the demolition and removal of the Building and all foundations and debris from the Lands and the restoration of the Lands as aforesaid;

(ii) secondly, to pay and satisfy the Mortgage, if any;

(iii) thirdly, to pay the balance of the insurance monies, if any, as follows:

A. to the Lessor the amount calculated as follows:

amount payable = (balance of insurance monies) x (days in expired portion of the Term ÷ total days in Term); and

B. to the Lessee the amount calculated as follows:

amount payable = (balance of insurance monies) x (days remaining in the Term ÷ total days in Term),

provided however that any amount payable to the Lessee will be paid directly to the Commission;

(c) If this Lease is terminated pursuant to this section 10.6, then upon the Lessee, substantially completing the work required by section 10.6(b), the Lessor will forthwith refund to the Commission a portion of the prepaid Basic Rent that has been paid pursuant to this Lease, calculated as follows:

amount payable = (prepaid Basic Rent) x (days remaining in the Term as of the date of substantial completion of such work ÷ total days in the Term),

provided however that the Commission hereby assigns such refund to all Mortgagees, if any, and such refund will be paid by the Lessor to such Mortgagees in the same priority as registration of their Mortgages, if any; and

- (d) Notwithstanding anything contained herein, in the event the Lessee terminates this Lease in accordance with this section 10.6, this section 10.6 will nevertheless survive such termination and remain in full force and effect and be binding upon the parties and their respective successors and assigns so long as any obligations of the parties under this section 10.6 or any part thereof remains unperformed.

ARTICLE 11 INSPECTION AND EXHIBITION BY LESSOR

11.1 Inspection by Lessor and Commission

The Lessor and the Lessee agree that it will be lawful for representatives of the Lessor and the Commission to enter the Lands and the Building at all reasonable times during the Term, with prior written notice to the Lessee, to examine the condition thereof. If the Lessor or the Commission determines that any of the repairs described in section 7.2 are required, notice of such required repairs will be given by the Commission or the Lessor to the Lessee, and the Lessee will within thirty (30) days after every such notice, or such longer period as provided in section 18.1(d), repair and make good accordingly.

11.2 Exhibition by Lessor

During the final year of the Term, the Lessor will be entitled to display upon the Lands the usual signs advertising the Lands and Building as being available for purchase or lease, provided such signs are displayed in such a manner as not to unreasonably interfere with the Lessee's use and enjoyment of the Lands and the Building.

ARTICLE 12 OBSERVANCE OF GOVERNMENTAL REGULATIONS

12.1 Compliance

The Lessee covenants to competently and faithfully observe and comply with all laws, bylaws and lawful orders which apply to the Lands and the Building or the Lessee's occupation of or activities on the Lands or in the Building, and to not use or occupy or permit to be used or occupied the Lands or the Building or any part thereof for any illegal or unlawful purpose or in any manner which would result in the cancellation or threatened cancellation of any insurance, or in the refusal of any insurer to issue any insurance as requested. If any law, bylaw or lawful order is directed at or places a duty or obligation upon the Lessor, with reference to the Lands and Buildings, then the same will be performed and observed by the Lessee, at its cost, in the place and stead of the Lessor.

ARTICLE 13
RIGHTS OF LESSOR AND LESSEE

13.1 As Landlord and Tenant

All rights and benefits and all obligations of the Lessor and the Lessee under this Lease will be rights, benefits and obligations of the Lessor and the Lessee respectively in their capacities as landlord and tenant respectively under this Lease.

ARTICLE 14
EXCLUSION OF LIABILITY AND INDEMNITY

14.1 Limitation of Liability and Release

Neither the Lessor nor the Commission nor their respective Personnel or contractors will be liable for, and the Lessee hereby releases the Lessor, the Commission and their respective Personnel and contractors from all Losses, including without limitation, Losses as a result of:

- (a) any bodily injury or death, however caused, suffered or sustained in or about the Lands or the Building;
- (b) any property damage or other loss or damage of any nature whatsoever, however caused, to the Lands or the Building, or to any property belonging to the Lessee or to any other person in or about the Lands or the Building; or
- (c) any challenge whatsoever as to the validity of this Lease, the Lessor's authority to enter into this Lease, or the use of the Lands and the Building under this Lease,

whether such Losses arise from an exercise of the Lessor's or the Commission's respective rights or privileges herein or otherwise, unless resulting from the respective negligence or unlawful acts of the Lessor, the Commission or their respective Personnel or contractors, as the case may be.

14.2 Exclusion of Liability

Notwithstanding section 14.1, neither the Lessor nor the Commission nor their respective Personnel or contractors will be liable for:

- (a) consequential, business, economic or indirect loss or damage of any nature whatsoever, however caused, which may be suffered or sustained by the Lessee or any other person who may be in or about the Lands or the Building; or
- (b) any loss against which the Lessee is obligated to insure or has insured.

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14.3 Indemnification

The Lessee hereby agrees to indemnify and save harmless the Lessor, the Commission and their respective Personnel and contractors from and against all Losses which the Lessor, the Commission or their respective Personnel or contractors may suffer or incur arising out of, or in any way connected with this Lease; provided, however, that such indemnity will not apply to the extent, if any, to which such Losses result from the respective negligence or unlawful acts of the Lessor, the Commission or their respective Personnel or contractors, as the case may be. Without derogating from the generality of the foregoing, the Lessee agrees to indemnify and save harmless the Lessor, the Commission and their respective Personnel and contractors in respect of all Losses:

- (a) as a result of bodily injury or death, property damage or other damage arising from the conduct of any work by or any act or omission of or relating to or arising from the occupation or possession of the Lands and the Building by the Lessee or any assignee, subtenant, Personnel, contractor, invitee or licensee of the Lessee;
- (b) suffered or incurred by the Lessor, the Commission or their respective Personnel and contractors that arise, whether directly or indirectly, from any breach by the Lessee, its Personnel, contractors or any other person for whom the Lessee is responsible in law, of any of its covenants and obligations under this Lease; or
- (c) as a result of any challenge whatsoever as to the validity of this Lease, the Lessor's authority to enter into this Lease, or the use of the Lands and the Building under this Lease.

14.4 Indemnification Survives Termination of Lease

The obligations of the Lessee to indemnify the Lessor, the Commission and their respective Personnel and contractors will apply and continue notwithstanding the termination or expiration of this Lease.

14.5 Indemnity Exemption for PRHC

None of the provisions of the Lease, including section 25.2(g) which require the Lessee to indemnify the Lessor or the Commission will apply if PRHC is the Lessee under this Lease.

ARTICLE 15 SUBLETTING AND ASSIGNING

15.1 Subletting and Assigning by Lessee

The Lessee will not sublease, assign, transfer, sell or encumber its interest in the Lease or enter into any agreement for the purpose of sub-leasing, assignment, transferring, selling or encumbering its interest in the Lease, the Building or the Lands, except as expressly permitted in this Lease, or with the prior written consent

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of the Lessor and the Commission, which consent the Lessor and the Commission may arbitrarily withhold; provided, however, that if the Lessee is PRHC, the Corporation or a Mortgagee which is an Approved Lender, the Lessor and the Commission will not unreasonably withhold their consent. The Lessee may sublet or grant licences or other rights to occupy or use any part of the Building to:

- (a) Eligible Occupants; or
- (b) staff and other personnel authorized by the Lessor and the Commission who are required to operate and maintain the Building and the Lands for the purposes of this Lease.

15.2 Copies of Subleases

If requested by the Lessor or the Commission, a copy of any or all such subleases will be forwarded to the Lessor or the Commission, as the case may be, within thirty (30) days after entering into such subleases, together with particulars of registration (if any) in the Land Title Office.

15.3 Where Mortgagee is Approved Lender, Commission or Corporation

If a Mortgagee which is an Approved Lender, the Commission or the Corporation takes an assignment of the rents payable to the Lessee by holders of occupation rights granted by the Lessee pursuant to section 15.1, the Lessee is permitted to enter into such assignment of rents, without the consent of the Lessor or the Commission, as collateral or additional security for an Insured Loan, if such Mortgagee has registered that assignment in the Land Title Office as a charge against the interest of the Lessee in the Lands and the Building or any part thereof. The Lessor agrees that such an assignment of rents will have priority over any similar assignment of those particular rents granted to the Lessor by this Lease.

ARTICLE 16 MORTGAGE

16.1 Mortgaging by Lessee

The Lessee may mortgage its leasehold interest in the Lands and the Building only with the prior written consent of the Lessor, which consent may not be unreasonably withheld, and the Commission, which consent may be arbitrarily withheld. Notwithstanding any such Mortgage, the Lessee will be and remain liable for the payment of all Basic Rent and Additional Rent, and the performance of all of its obligations set out in this Lease.

16.2 Tripartite Agreement

At the request of the Mortgagee, the Lessor will execute and deliver to the Mortgagee an agreement among the Lessee, the Lessor and the Mortgagee, or between the Lessor and the Mortgagee, which will be binding and enforceable against the Lessee (if a party thereto), the Lessor and the Mortgagee and their successors and assigns,

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whereby the Lessor will agree with the Mortgagee to afford to the Mortgagee the rights and remedies afforded to Mortgagees under this Lease.

ARTICLE 17
BANKRUPTCY OF LESSEE

17.1 Bankruptcy of Lessee

Subject to the provisions of section 18.2(c), if the Term is at any time seized or taken in execution by any creditor of the Lessee, or if the Lessee makes a general assignment for the benefit of creditors, or institutes proceedings to subject itself to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it, or files an application or petition or answer or consent seeking reorganization or readjustment of the Lessee under any law of Canada or any province thereof relating to bankruptcy or insolvency, or consents to the filing of any such application or petition, or consents to the appointment of a receiver, or if the Lessee or its directors pass any resolution authorizing the dissolution or winding-up of the Lessee, or if a receiver, interim receiver, trustee or liquidator of all or any part of the property of the Lessee is appointed or applied for by the Lessee, or if a judgment, decree or order is entered by a court of competent jurisdiction adjudging the Lessee a bankrupt or insolvent or subject to the provisions of any applicable legislation determining the proceedings for reorganization, arrangement, adjustment, composition, liquidation, dissolution or winding-up or any similar relief under any law of Canada or any province thereof relating to bankruptcy or insolvency has been properly instituted, then, subject to Section 24.1, this Lease will, at the option of the Lessor, immediately become terminated.

ARTICLE 18
DEFAULT BY LESSEE

18.1 Re-entry on Certain Defaults by Lessee

Subject to the provisions of sections 18.2 and 24.1, if and whenever:

- (a) Basic Rent or any part thereof is not paid on the day appointed for payment thereof; or
- (b) the Lessee defaults in payment of Additional Rent or any other sums required to be paid to the Lessor or the Commission by any provision of this Lease, and such default continues for forty-five (45) days following any specific due date on which the Lessee is to make such payment or, in the absence of such specific due date, for forty-five (45) days following notice by the Lessor or the Commission requiring the Lessee to pay the same; or
- (c) the Building is abandoned or remains vacant for more than thirty (30) days; or
- (d) the Lessee defaults in performing or observing any of its other covenants or obligations under this Lease, or any contingency occurs which by the terms of this Lease constitutes a breach hereof or confers upon the Lessor the right to re-enter or forfeit or terminate this Lease, and the Lessor has given to the

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Lessee notice of such default or the happening of such contingency, and if at the expiration of forty-five (45) days after the giving of such notice the default or contingency continues to exist, or in the case of a default or contingency which cannot with due diligence be cured within the period of forty-five (45) days aforesaid, if the Lessee does not commence the rectification of such default or contingency within the said forty-five (45) day notice period and thereafter promptly and diligently and continuously proceed with such rectification; or

- (e) this Lease expires or is forfeited or terminated pursuant to any other provision contained herein, including, without restricting the generality of the foregoing, the termination of this Lease pursuant to the provisions of sections 4.3 or 10.5,

then and in every such case, it will be lawful for the Lessor at any time thereafter without notice or demand, with or without process of law and by forced entry if necessary, to enter into and upon the Lands and the Building, or part thereof in the name of the whole, and, if this Lease has not already expired or been forfeited or terminated, to terminate this Lease by leaving upon the Lands notice in writing of such termination. If the Lessor terminates this Lease pursuant to this section 18.1, or otherwise as a result of default of the Lessee, or if the Lessee has forfeited this Lease, the Lessee will be liable to the Lessor for the rents and all other amounts to be paid and the covenants to be performed by the Lessee up to the date of such termination or forfeiture.

18.2 Notice to and Remedies of Mortgagee

The following provisions will apply with respect to any Mortgagee:

- (a) no re-entry, termination or forfeiture of this Lease by the Lessor will be valid against the Mortgagee who has filed with the Lessor a notice of Mortgage and specified an address for notice in accordance with Article 26, unless the Lessor has first given to the Mortgagee written notice of the default or contingency entitling the Lessor to re-enter, terminate or forfeit this Lease, specifying the nature of that default or contingency, and stating the Lessor's intention to take such proceedings and requiring the Mortgagee:
 - (i) to cure the default or contingency specified in the notice within a period of sixty (60) days from the date of receipt of that notice by the Mortgagee; or
 - (ii) if the default or contingency is other than the failure to pay Basic Rent or Additional Rent or any other sums required to be paid to the Lessor by any provision of this Lease, and if the default or contingency cannot reasonably be cured within such sixty (60) day period, then to immediately commence to cure the same and to diligently prosecute to conclusion all acts necessary to cure the default or contingency,

and the Lessor hereby grants the Mortgagee access to the Lands and the Building for that purpose. If the default or contingency is cured within the period specified, or in the circumstances referred to in 18.2(a)(ii), if cured

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within a reasonable period, the Mortgagee will be entitled to continue as tenant for the balance of the Term remaining at the date of the notice of default or contingency providing that the Mortgagee attorns as tenant to the Lessor and undertakes to be bound by and to perform and observe all of the Lessee's obligations, covenants and agreements under this Lease until such Mortgagee as tenant assigns its leasehold estate as permitted by this Lease and delivers to the Lessor an agreement from the assignee which is enforceable and binding on the assignee and its heirs, executors, successors, administrators and assigns as of the date of the assignment and by which the assignee agrees with the Lessor to attorn as tenant to the Lessor and to be bound by and to perform and observe all of the Lessee's obligations, covenants and agreements under this Lease. If the Mortgagee consists of more than one mortgagee, each having a separate charge upon the Lessee's interest in this Lease, and more than one of them wishes to cure the default or contingency specified in the notice aforesaid, then the Lessor hereby agrees to permit curing of the default or contingency specified as aforesaid by that Mortgagee that is willing to cure the default or contingency and attorn as tenant as aforesaid and whose charge ranks in priority over the charge or charges held by the other Mortgagee or Mortgagees willing to cure and attorn as aforesaid, except that in the event that any Mortgagee has commenced a foreclosure action, the provisions of section 18.2(b) will apply;

- (b) in the event the Mortgagee commences foreclosure proceedings against the Lessee, whether or not the Lessee is in default of the performance of its covenants and agreements with the Lessor under this Lease at the time such foreclosure proceedings are commenced, the Lessor will not re-enter, terminate or forfeit this Lease after the commencement of foreclosure proceedings on the ground of any default or contingency entitling the Lessor to re-enter, terminate or forfeit this Lease if the Mortgagee:
 - (i) has given to the Lessor notice of the foreclosure proceedings;
 - (ii) is actively prosecuting the foreclosure proceedings;
 - (iii) except for the bankruptcy or insolvency of the Lessee, which will be governed by section 18.2(c), cures the default or contingency within a period of sixty (60) days from the date of receipt of notice from the Lessor specifying the nature of the default or contingency, or if the default or contingency is other than the failure to pay Basic Rent or Additional Rent or any other sums required to be paid to the Lessor by any provision of this Lease and if such default or contingency cannot reasonably be cured within such sixty (60) day period, immediately commences to cure the same and to diligently prosecute to conclusion all acts necessary to cure the default or contingency; and
 - (iv) performs and observes all of the Lessee's covenants and agreements under this Lease, except for any obligation to cure the bankruptcy or insolvency of the Lessee and except for the obligations of the Lessee which the Mortgagee is exempt from fulfilling, pursuant to the terms of

this Lease, and without undue delay diligently prosecutes to a conclusion the foreclosure proceedings commenced by the Mortgagee;

provided, however, that if the Mortgagee is an Approved Lender, the Corporation or the Commission, the curing of the default or contingency may be delayed until the earlier of the date of the assignment of this Lease to a third party or an Approved Lender, the Corporation or the Commission acquiring the Lessee's interest in this Lease. In the event that the Mortgagee acquires the Lessee's interest in the Lands and Building pursuant to the foreclosure proceedings, the Mortgagee will thereupon become subrogated to the rights of the Lessee under this Lease, provided it attorns to the Lessor as tenant and undertakes to be bound by and perform the covenants and agreements of this Lease until such Mortgagee as Lessee assigns its leasehold estate as permitted by this Lease and delivers to the Lessor an agreement from the assignee which is enforceable and binding on the assignee and its heirs, executors, successors, administrators and assigns as of the date of the assignment and by which the assignee agrees with the Lessor to attorn as tenant to the Lessor and to be bound by and to perform the covenants and agreements of this Lease. If the Mortgagee consists of more than one mortgagee and more than one of them commences foreclosure proceedings, the right to cure any default or contingency granted by this section 18.2(b) to a foreclosing Mortgagee will be deemed granted to them in the order of priority of the charges held by the foreclosing mortgagees;

- (c) if this Lease is subject to termination or forfeiture pursuant to Article 17 by reason of the bankruptcy or insolvency of the Lessee and the Mortgagee has filed with the Lessor a notice of Mortgage in favour of the Mortgagee and specified an address for notice in accordance with Article 26, the Lessor will give to the Mortgagee notice of the bankruptcy or insolvency of the Lessee entitling the Lessor to terminate or forfeit this Lease and stating the Lessor's intention to take such proceedings and requiring the Mortgagee to cure the Lessee's default under this Lease (except for the bankruptcy or insolvency of the Lessee), and the Lessee's default will be deemed to have been sufficiently cured if the Mortgagee:
- (i) takes possession and control of the Lands and Building, or causes a receiver to be appointed under the terms of the Mortgagee's charge or by a court of competent jurisdiction, which receiver will take possession and control of the Lands and Building, and the Lessor hereby grants the Mortgagee or such receiver access to the Lands and Building for that purpose;
 - (ii) cures every default under this Lease (except for the bankruptcy or insolvency of the Lessee) within a period of sixty (60) days from the date of receipt by the Mortgagee of the notice from the Lessor of the bankruptcy or insolvency of the Lessee, or if such default or defaults are other than the failure to pay Basic Rent or Additional Rent or any other sums required to be paid to the Lessor by any provision of this Lease and if such default or defaults cannot reasonably be cured within such sixty (60) day period, immediately commences to cure the same

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and to diligently prosecute to conclusion all acts necessary to cure such default or defaults; provided, however, that if the Mortgagee is an Approved Lender, the Commission or the Corporation, the curing of the default or contingency may be delayed until the earlier of the date of the assignment of this Lease to a third party or an Approved Lender, the Commission or the Corporation acquiring the Lessee's interest in this Lease; and

- (iii) subject to the right of an Approved Lender, the Commission or the Corporation to delay the curing of the default or contingency as set out in section 18.2(c)(ii), attorns as tenant to the Lessor and undertake to observe, be bound by and perform the obligations, covenants and agreements of the Lessee under this Lease until such Mortgagee, as tenant, assigns its leasehold estate as permitted under this Lease and delivers to the Lessor an agreement from the assignee which is enforceable and binding on the assignee and its heirs, executors, successors, administrators and assigns as of the date of the assignment and by which the assignee agrees with the Lessor to attorn as tenant to the Lessor and to observe, be bound by and perform the obligations, covenants and agreements of the Lessee under this Lease.

If the Mortgagee consists of more than one mortgagee, the right to take possession and control, to cure any default and to assume the Lease as aforesaid will be deemed granted to them in the order of the priority of their respective charges;

- (d) any re-entry, termination or forfeiture of this Lease made in accordance with the provisions of this Lease as against the Lessee will be valid and effectual against the Lessee even though made subject to the rights of any Mortgagee to cure any default of the Lessee and to continue as tenant under this Lease; and
- (e) no entry upon the Lands or into the Building by the Mortgagee for the purpose of curing any default of the Lessee will release or impair the continuing obligations of the Lessee.

18.3 Remedies of Lessor and the Commission are Cumulative

The remedies of the Lessor and the Commission specified in this Lease are cumulative and are in addition to any remedies that the Lessor and the Commission may have at law or equity. No remedy will be deemed to be exclusive, and the Lessor and the Commission may from time to time have recourse to one or more or all of the available remedies specified herein, or at law or equity. In addition to any other remedy provided in this Lease, the Lessor and the Commission will be entitled to restrain by injunction any violation or attempted or threatened violation by the Lessee of any of the covenants or agreements contained herein.

18.4 Waiver by Lessor and Commission

The failure of the Lessor or the Commission to insist upon the strict performance of any covenant or agreement contained in this Lease will not waive such covenant or

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agreement, and the waiver by the Lessor or the Commission of any breach of any covenant or agreement of the Lessee under this Lease will not constitute a waiver of such covenant or agreement in respect of any other breach. The receipt and acceptance by the Lessor of rent or other monies due hereunder with knowledge of any breach of any covenant or agreement by the Lessee will not constitute a waiver of such breach. No waiver by the Lessor or the Commission will be effective unless made in writing.

ARTICLE 19
DISPUTE RESOLUTION

19.1 Dispute Resolution

The Lessee will agree to enter into a dispute resolution process with the City, which may include arbitration, to address any potential disagreement regarding the Lease and the Commission is entitled to participate if it is the mortgagee.

ARTICLE 20
ARBITRATION

20.1 Arbitration

If a disagreement arises pursuant to sections 4.3, 4.6, or 6.1, the same will be settled by arbitration. The arbitration will be conducted by a single arbitrator chosen by the Commission which arbitrator will be at arm's length from the Commission. The costs and expenses of the arbitration will be dealt with as follows:

- (a) each party will bear its own expense of preparing and presenting its case to the arbitrator, irrespective of whether any such expense was incurred or contracted for prior to the appointment of the arbitrator, including the expenses of appraisals, witnesses and legal representation; and
- (b) the fees of the arbitrator will be shared by the parties equally unless the arbitrator decides otherwise.

The *Arbitration Act* (British Columbia) will apply with respect to the arbitration. If an Approved Lender or the Corporation holds a Mortgage of the Lessee's leasehold interest in the Lands and Building, any notice of arbitration given under this section by one of the parties to the others will be given at the same time to such Mortgagee, if it has specified an address for notice, and such Mortgagee so notified will be given a reasonable opportunity by the parties to participate in the arbitration proceedings if it considers such proceedings may affect the Mortgage security.

ARTICLE 21
SURRENDER OF LEASE

21.1 Surrender of Lease

Subject to the obligations of the Lessee contained in sections 10.5(c) and 10.6(b), at the termination or expiration of the Term, whether by forfeiture, default or lapse of

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time, the Lessee will surrender the Lands and Building to the Lessor in the condition in which they were required to be kept by the Lessee pursuant to the provisions of this Lease.

ARTICLE 22

QUIET ENJOYMENT, OWNERSHIP OF LESSEE'S FIXTURES AND OWNERSHIP OF BUILDING

22.1 Covenant for Quiet Enjoyment

Subject to the Lessor's and the Commission's rights herein, and subject to the Permitted Encumbrances as extended or modified from time to time, if the Lessee pays the rent hereby reserved and all other amounts payable hereunder, and observes and performs all of the obligations, covenants and agreements of the Lessee herein contained, the Lessee may peaceably enjoy and possess the Lands and Building for the Term, without any interruption or disturbance whatsoever from the Lessor or any other person, firm or corporation lawfully claiming through, from or under the Lessor, provided however that the enforcement by the Lessor, in its capacity as a civic body, of laws, bylaws and orders that touch and concern the Lands and Building will not be a breach of the Lessor's covenant set forth in this section 22.1.

22.2 Ownership of Lessee's Fixtures

The Lessee, tenants or occupants of the Building have the right of property in, or the right to remove, fixtures or improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the Building or the Lands. The Lessee will make good, or will cause such tenants to make good, any damage to the Building caused by any removal of the tenants' fixtures.

22.3 Ownership of Building

The Building will become the absolute property of the Lessor, free and clear of all liens, charges, encumbrances, equities or claims of any kind or nature whatsoever, save and except for the Permitted Encumbrances, upon the expiration or earlier termination of the Term or any permitted period of overholding, but will be deemed, as between the Lessor and the Lessee during the Term, to be the separate property of the Lessee and not of the Lessor but subject to and governed by all the provisions of this Lease, provided always that the Lessor's absolute right of property in the Building, which will arise at the expiration or earlier termination of the Term or any permitted period of overholding, will take priority over any other interest in the Building that may now or hereafter be created by the Lessee without the prior written consent of the Lessor, and provided that all dealings by the Lessee with the Building which in any way affect title thereto will be made expressly subject to this right of the Lessor and the Lessee will not assign, encumber or otherwise deal with the Building separately from any permitted dealing with the leasehold interest under this Lease, to the intent that no person will hold or enjoy any interest in this Lease acquired from the Lessee who does not at the same time hold a like interest in the Building.

ARTICLE 23
OVERHOLDING

23.1 Overholding

The Lessee covenants and agrees with the Lessor that if the Lessee will hold over and the Lessor will accept rent after the expiration of the Term, the new tenancy thereby created will be a tenancy from month to month and not a tenancy from year to year and will be subject to the covenants and conditions herein contained so far as the same are applicable to a tenancy from month to month, provided however that the monthly Basic Rent payable by the Lessee will be the then market rental value of the Lands and the Building as determined from time to time in the bona fide opinion of the Lessor's Director of Real Estate or his or her successor in function, and such monthly Basic Rent will be paid in advance. The Lessee will also pay monthly as Additional Rent one-twelfth of the then current sums described in section 3.1 or 3.2 hereof, as the case may be.

ARTICLE 24
ADDITIONAL RIGHTS OF THE COMMISSION

24.1 Notice to Commission

Unless otherwise agreed in writing by the Commission and unless failure of the Lessor to act in the circumstances would result in an emergency situation, the Lessor may not exercise any of its rights which arise as a result of a default by the Lessee under this Lease until ninety (90) days (the "Notice Period") after receipt by the Commission of written notice describing the Lessee's default.

If at the expiration of the Notice Period:

- (a) the Commission has not cured such default or in the case of a default which cannot, with due diligence, be cured within the Notice Period, if the Lessee does not commence to cure the default within the Notice Period and thereafter diligently proceed to cure the default; or
- (b) the Commission has not given the Lessor a notice in writing (the "Attornment Notice") advising the Lessor that the Commission or its nominee will attorn as tenant under this Lease;

then the Lessor will be at liberty to proceed to exercise any of the powers given to it under this Lease.

Upon receipt of the Attornment Notice the Lessor will enter into the necessary agreement with the Commission or its nominee allowing it to attorn as tenant under the Lease.

24.2 Rights of Commission Not Limited

The Lessee and the Lessor agree that the rights given to the Commission pursuant to Article 24 are not to be construed in any manner whatsoever so as to limit or

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otherwise prejudice the rights of the Commission as against the Lessee under any Operator Agreement or any other agreement between the Commission and the Lessee or the Commission and the Lessor.

24.3 Commission May Perform Obligations of Lessee

Where the Commission chooses to perform an obligation of the Lessee under this Lease in order to avoid forfeiture, the Lessor will accept that performance as if the same had been performed by the Lessee.

ARTICLE 25 ENVIRONMENTAL MATTERS

25.1 Definitions

For the purposes of this Article 24:

- (a) "Contaminants" mean any pollutants, contaminants, deleterious substances, underground or aboveground tanks, asbestos materials, urea formaldehyde, dangerous substances or goods, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance which is now or hereafter prohibited, controlled or subject to Environmental Laws; and
- (b) "Environmental Laws" means any statute, law, regulation, order, bylaw, standard, guideline, permit and other lawful requirement of any governmental authority having jurisdiction over the Lands or Building, now or hereafter in force and relating in any way to the environment, health, occupational health and safety, product liability or transportation of dangerous goods, and includes the principles of common law and equity.

25.2 Lessee's Covenants and Indemnity

The Lessee covenants and agrees as follows:

- (a) not to use or permit to be used all or any part of the Lands or Building for the sale, storage, manufacture, disposal, handling, treatment, use or any other dealing with Contaminants, without the prior written consent of the Lessor, which consent may be arbitrarily or unreasonably withheld;
- (b) to strictly comply, and cause all persons for whom it is at law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Lands and Building;
- (c) to promptly provide to the Lessor a copy of any environmental site investigation, assessment, audit or report relating to the Lands or Building and conducted by or for the Lessee at any time before, during or after the Term, or any renewal or extension thereof. The Lessee hereby waives the requirement for the Lessor to provide a site profile for the Lands pursuant to the *Environmental Management Act* (British Columbia), any regulations enacted pursuant thereto, or any similar or successor legislation;

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- (d) to promptly provide to the Lessor on request such written authorizations as the Lessor may require from time to time to make inquiries of any governmental authorities regarding the Lessee's compliance with Environmental Laws;
- (e) to promptly notify the Lessor in writing of the existence or release of any Contaminant on, in or under the Lands or Building or of any other occurrence or condition at the Lands or any adjacent property that could contaminate the Lands or the Building or result in the non-compliance of the Lands or Building with Environmental Laws, or subject the Lessor or Lessee to any fines, penalties, orders, investigations or proceedings under Environmental Laws;
- (f) on the expiry or earlier termination of this Lease, or at any time if requested by the Lessor or required pursuant to Environmental Laws, to remove from the Lands and Building all Contaminants, and to remediate any contamination of the Lands or any adjacent or other affected property resulting from Contaminants, in either case brought onto, used at, created upon or released from the Lands by the Lessee or any person for whom the Lessee is at law responsible. The Lessee will perform these obligations promptly at its own cost and in accordance with Environmental Laws. All such Contaminants will remain the property of the Lessee, notwithstanding any rule of law or other provision of this Lease to the contrary and notwithstanding their degree of affixation to the Lands or Building; and
- (g) without limiting the generality of Article 14, to indemnify the Lessor, the Commission and their respective Personnel and contractors from any and all Losses (including the cost of remediation of the Lands and Building and any other affected property) arising from or in connection with:
 - (i) any breach of or non-compliance with the provisions of this Article 24 by the Lessee; or
 - (ii) the release or alleged release of any Contaminants at or from the Lands related to or as a result of the use and occupation of the Lands and Building by, or any act or omission of, the Lessee or any person for whom the Lessee is responsible at law.

The obligations of the Lessee under this Article 24 will survive the expiry or earlier termination of this Lease, and the obligations of the Lessee under this Article 24 are in addition to, and will not limit, the other obligations of the Lessee under this Lease.

ARTICLE 26 NOTICES

26.1 Notices

All notices, demands and request which may or are required to be given pursuant to this Lease will be in writing and will be sufficiently given if served personally upon the party for which it is intended, or mailed prepaid and double registered:

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- (a) in the case of the Lessor, addressed to:

City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4

Attention: _____

- (b) in the case of the Lessee, addressed to:

Pathways Abilities Society
123 Franklyn Road
Kelowna, BC V1X 6A9

Attention: _____

- (c) in the case of the Commission, addressed to:

British Columbia Housing Management Commission
Suite 1701 - 4555 Kingsway
Burnaby BC V5H 4V8
Attention: Manager Real Estate Services

or at such other addresses as each of the parties may from time to time advise by notice in writing. Mortgagees will supply their respective mailing addresses to the Lessor and the Lessee. The date of receipt of any such notice, demand or request will be deemed to be the date of delivery if such notice, demand or request is served personally or if mailed as aforesaid on the fifth business day next following the date of such mailing; provided, however, that if mailed, should there be between the time of mailing and the actual receipt of the notice a mail strike, slow down of postal service or other labour dispute which affects the delivery of such notice, then such notice will be deemed to be received when actually delivered.

ARTICLE 27 STATUTORY RIGHTS OF WAY

27.1 Statutory Right of Way Lessor

During the Term:

- a) the Lessor will not amend nor discharge the statutory right of way registered against the Lands under No. CA9577758 (the "Statutory Right of Way") without the consent of the Lessee, such consent not to be unreasonably withheld;
- b) the Lessor will, at its cost, construct, maintain and repair the right of way area described in the Statutory Right of Way (the "Right of Way Area");
- c) the Lessor will fulfill the obligations of the Transferor contained in the Statutory Right of Way and will indemnify and save harmless the Lessee, the Commission and

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their respective personnel and contractors from and against all Losses which the Lessee or the Commission or their respective personnel or contractors may suffer or incur arising out of, or in any way connected with, the granting of the Statutory Right of Way, and the use of the Right of Way Area, provided however, that such indemnity will not apply to the extent, if any, to which such losses directly result from the respective negligence of the Lessee, the Commission or their respective personnel or contractors, as the case may be; and

- d) notwithstanding any rights granted to the Lessor (as defined in the Statutory Right of Way), the Lessor will not exercise such rights in a manner that would unreasonably interfere with the Lessee and its invitees and permittees use and enjoyment of the Right of Way Area, and in particular, the right to pass and repass on, over and along the Right of Way Area, in common with members of the public.

ARTICLE 28 MISCELLANEOUS

28.1 Statements by Lessor

The Lessor and the Lessee agree that at any time and from time to time, upon not less than thirty (30) days prior request by the other party, each will execute, acknowledge and deliver to the other a statement in writing certifying:

- (a) that this Lease is unmodified and in full force and effect, or if there have been modifications, the nature of such modifications and that the same are in full force and effect as modified;
- (b) the dates to which the rent and any other amounts payable under this Lease have been paid; and
- (c) that to the best of the information and belief of the maker of the statements, the Lessor and the Lessee are not in default under any provision of this Lease, or, if in default, the particulars thereof.

28.2 Time of Essence

Time will be of the essence of this Lease, save as otherwise specified herein.

28.3 Formality of Modifications

This Lease may not be modified or amended except by an instrument in writing executed by the Lessor and the Commission or their successors or assigns, and by the Lessee or its successors or permitted assigns.

28.4 Captions and Headings

The captions and headings throughout this Lease are for convenience and reference only and the words and phrases contained therein will in no way be held or deemed to define, limit, describe explain, modify, amplify or add to the interpretation,

construction or meaning of any provision of or the scope or intent of this Lease nor in any way affect this Lease.

28.5 Enurement

This Lease will extend to, be binding upon and enure to the benefit of the Lessor, the Commission and the Lessee, the successors and assigns of the Lessor and the Commission, and the successors and permitted assigns of the Lessee.

28.6 Covenants or Conditions

All of the provisions of this Lease will be deemed and construed to be conditions as well as covenants, as though the words specifically expressing or importing covenants or conditions were used in each separate provision hereof.

28.7 References

The words "herein", "hereby", "hereunder" and words of similar import refer to this Lease as a whole and not to any particular Article, section or subsection in this Lease.

28.8 Execution

By signing the General Instrument, the parties have agreed to be bound by their respective obligations contained in this Lease.

SCHEDULE 'A'

A. DEFINITIONS

This Schedule 'A' adopts the defined terms of the Lease and, for the purposes of this Schedule 'A', the following terms are also defined:

1. "**Accumulated Operating Revenue**" means any revenue accumulated in the course of the Lessee's operation of the Development in any year.
2. "**Affordable Market Rent**" means the average market rent, as determined by PRHC from time to time based on the most recent, applicable Canada Mortgage and Housing Corporation rental market or housing report.
3. "**Constituting Documents**" means the constitution and bylaws of the Lessee, together with any amendments, as registered with the appropriate registry.
4. "**Development**" means the Building and the Lands.
5. "**Improvements**" means those improvements, structures, buildings, fixtures and systems which exist within the Development from time to time including the heating, ventilating, air-conditioning, plumbing, electrical and mechanical systems and equipment.
6. "**Eligible Occupant**" means a person who, at the date of commencement of residency in the Building, has a Low and Moderate Income.
7. "**Income**" means total income before tax from all sources of a Resident.
8. "**Low and Moderate Income**" means the maximum income for eligibility to occupy a Residential Unit and means:
 - a. For Residential Units with less than two (2) bedrooms, a gross household income that does not exceed the median income for families without children, as determined by the City from time to time (for 2023, this figure is \$82,310.00); and
 - b. For Residential Units with two (2) or more bedrooms, a gross household income that does not exceed the median income for families with children, as determined by the City from time to time (for 2023, this figure is \$120,990.00)
 - c.
9. "**Resident Rent**" means the amount a Resident is obliged to contribute monthly to the Lessee for a Residential Unit.
10. "**Residency Agreement**" means an agreement, lease, license or other right of a Resident to occupy a Residential Unit.

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11. "Resident" means the person or persons legally entitled to reside in a Residential Unit pursuant to a Residency Agreement.
12. "Resident Unit" means a self-contained residential dwelling within the Development.
13. "Specific Purpose" means the operation of the Development to provide affordable housing for persons who have Low and Moderate Incomes.

B. HOUSING OBJECTIVE

1. The Lessor and the Lessee agree the common goal of the parties is to provide housing for households who have Low and Moderate Incomes.

C. OBLIGATIONS OF THE LESSEE

1. Covenants of the Lessee:

The Lessee covenants and agrees that following the termination of the Operating Agreement, but for the balance of the Term of the Lease it:

- a. will fulfill its obligations under this Lease in a proper, efficient and timely manner as would a prudent provider of similar services, and in accordance with this Lease;
- b. will operate the Development and collect Resident Rent from the Residents in accordance with this Schedule "A";
- c. it will remain in compliance with all applicable laws, bylaws, regulations, codes and corporate or contractual obligations and is responsible for obtaining and complying with all necessary approvals, licenses and permits relating to the Lessee's use of the Building, Lands, and operating of the Development as contemplated herein;
- d. maintain the Development pursuant to the terms of the Lease;
- e. agrees and understands that it is solely responsible for all its obligations under this Lease, including but not limited to its obligations arising as a result of any relationships between the Lessee and the applicants, Residents and other occupants of the Development, and any and all relationships with third parties, volunteers, or other invitees;
- f. within two (2) years following the termination of the Operating Agreement, the Lessee will establish and maintain a capital asset plan (the "Capital Asset Plan") that sets out the resource allocations and practices regarding protection of the Building that will take into consideration the remaining term of the Lease and the life cycle of the Building including the Lessee's replacement reserve fund, and sources of external funding for capital repairs;
- g. will retain a third party engineer to conduct a building condition assessment at five (5) year intervals that provides a professional opinion of the current condition of the

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elements that compromise the Building including projected years and costs for capital repairs including, without limitation, a financial timeline for the remaining years of the Term of Lease for such planned repairs, renewals and replacements. The Lessee will update the Capital Asset Plan based on the findings of each building condition assessment and any capital repairs completed in the proceeding period since the previous plan was established. The Lessee will submit a copy of the Capital Asset Plan and building condition assessment reports to the Lessor upon request;

- h. will maintain a replacement reserve fund for repair and maintenance to the Building, subject to obtaining external funding where necessary. The Lessee will make regular contributions to the replacement reserve fund and will submit a balance of the replacement reserve fund to the Lessor upon request;
- i. will at all times maintain a complete set of material records relating to the Building, including, without limitation, a complete set of building plans, asset lists of all improvements and components, and detailed maintenance records and warranty information for all equipment located at the Building (i.e. all appliances, fixtures, furnaces, hot water tanks/boilers, elevators etc.), and confirmation from the Lessee that the tenant occupants of the Building meet the requirements as set out in the Lease and this Schedule "A"; and
- j. provides access to all Records when requested to do so by the Lessee and the Lessee shall have the right to inspect all Records related to, arising from, or maintained by the Lessee in connection with the Building, including the right of the Lessor and its agents to enter the Building, at any time after delivery of notice to the Lessee.

2. **Corporate Organization.** The Lessee will maintain a well-organized corporate structure and in particular will:

- a. operate as a non-profit entity;
- b. remain in good standing with the appropriate registry;
- c. have a purpose that includes the provision of affordable housing and is consistent with the Specific Purpose;
- d. not permit any officer, director or member of the Lessee to be remunerated except for reimbursement of any expenses necessarily and reasonably incurred by the director, officer, or member while engaged in the affairs of the Lessee. Reasonable wages or salary paid to an employee of the Lessee who is not an officer or director of the Lessee are exempt from this section;
- e. provide for the disposition of assets to an organization with a similar charitable purpose in the event of dissolution or wind up of the Lessee;
- f. not alter its Constatng Documents in any way that would make them inconsistent with the terms of this Lease or that would render the Lessee unable to fulfill its obligations under this Lease.

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- g. provide the Lessor with a copy of the Lessee's Constatng Documents as requested by the Lessor from time to time; and
- h. maintain written policies and procedures regarding the Lessee's operations, including safety and security, human resource management and tenant management.

3. **Conflict of Interest.** The Lessee will:

- a. conduct its operation of the Development in accordance with the Lessee's by-laws and in a manner such that no part of the operations, finances and other assets or resources of the Lessee under this Lease, are used directly or indirectly for the provision of any gain or benefit to any officer, director, employee, or member of the Lessee or any entity or individual associated with, or related to them, without the prior written approval of the Lessor;
- b. not, during the Term, enter into a contractual relationship with a third party, conduct business with, perform or receive a service for or provide advice to or receive advice from any entity or individual where such activity may, directly or indirectly, cause an actual or perceived conflict of interest, without the prior written approval of the Lessor; and
- c. disclose any actual or perceived conflict of interest to the Lessee and the Lessor in advance and all such disclosure and any prior written approval from the Lessor will be recorded in the minutes of the meetings of the directors and/or the relevant committee of the Lessee.

4. **Communication.** The Lessee will notify the Lessor as soon as possible of any significant changes or incidents that could impact the Lessee's obligations under this Lease.

5. **Agency.** This Lease will not be construed as creating any partnership or agency between the Lessor and the Lessee and neither party will be deemed to be the legal representative of any other party for the purposes of this Lease. Neither the Lessor nor the Lessee will have, and will not represent itself as having, any authority to act for, to undertake any obligation on behalf of the other party, except as expressly provided in this Lease.

6. **Restrictions on Authority.** The Lessee will not commit or otherwise bind the Lessor to any agreements in any manner whatsoever, except to the extent specifically provided in this Lease and in particular, without limiting the generality of the foregoing, the Lessee will not take any action, expend any sum, make any decision, give any consent, approval or authorization or incur any obligation with respect to any lease or any other arrangement involving the rental, use or occupancy of all or part of the Development other than a Residency Agreement in accordance with this Lease, except with the prior written approval of the Lessor, in its sole discretion.

7. **Inspection.** The Lessee will permit the Lessor to inspect the Development or other premises used by the Lessee pursuant to this Lease at any time.

D. RESPONSIBILITY OF THE LESSOR

1. **Provide Information.** The Lessor will provide the information required by the Lessee to enable the Lessee to carry out its responsibilities under this Lease, and will provide that information in a timely manner.

E. REVENUES AND EXPENSES

1. **Resident Rent.** The rent for the Residents of the Development will be set at or below the Affordable Market Rent. Over time, the Lessee will make an effort to increase the number of below Affordable Market Rent units as operating costs and revenues permit.
2. **Revenues.** The Lessee will be responsible for collecting all Resident Rent and other revenue for the Development, and the Lessee will be responsible for paying out such revenues all costs associated with the operation of each Development.
3. **Deficit.** The Lessee will be responsible for any operating shortfalls or extraordinary expenses. Any deficit will not be the responsibility of the Lessor.

F. ACCUMULATED OPERATING REVENUE

1. **Accumulated Operating Revenue.** The Lessee will retain the Accumulated Operating Revenue. The Lessee will use the Accumulated Operating Revenue in order of priority as follows:
 - a. to increase the number of below Affordable Market Rent units in the Development;
 - b. on costs relating directly to the Development; or
 - c. any other purpose that is consistent with the provision of affordable housing.

G. FINANCIAL MANAGEMENT, ADMINISTRATION AND REPORTING

1. **Finances.** The Lessee will establish written policies and procedures for effective control of finances for the Development, including;
 - a. record keeping and financial statements in accordance with Canadian Accounting Standards;
 - b. clearly defined spending authority; and
 - c. policies and procedures for arrears, purchasing and investment of Capital Funds and Accumulated Operating Revenue.
2. **Revenue.** All revenue received by the Lessee from whatever source with respect to the Development will be collected by the Lessee, held by the Lessee and used by the Lessee solely for the purpose of and to the extent authorized by this Lease.

3. **Reporting.** On the annual anniversary of the Lease Commencement Date, provide the Lessor with:
 - a. A written declaration confirm that the Lessee is operating and managing the Development in compliance with the terms of the Lease, together with a statement of rents and confirming the resident income mix for the preceding 12-month period; and
 - b. An income statement for the Building certified by the Lessee's auditor or accountant, which income statement will set out the amount of any operating surplus;

H. RESIDENT SELECTION AND RESIDENCY AGREEMENTS

1. **Landlord and Tenant Relationship.** The full normal relationship between landlord and tenant will exist between the Lessee and the Resident. It is understood that the Lessor will not be responsible to the Lessee for any breach or failure of the Resident to observe any of the terms of the Residency Agreement between the Resident and the Lessee, including the covenant to pay Resident Rent.
2. **Resident Selection.** The Lessee will select Residents in accordance with the Specific Purpose. The Lessee will use all reasonable efforts to maintain full occupancy of the Development with Residents who meet the Specific Purpose, but if there are no applications for a vacant unit in accordance with the Specific Purpose then the Lessee may accept applicants at any income level with the approval of the Lessor, which will not unreasonably be withheld. Over time, as operating surpluses permit, the Lessee will increase the number of units being offered below Affordable Market Rent.
3. **Discrimination.** The Lessee will select Residents without unlawful discrimination on the basis of race, religion, culture, sexual orientation, gender identity, social condition, or level of physical ability. Where restricted populations are targeted, consideration of and compliance with applicable anti-discrimination legislation must be documented and submitted to the Lessor on request.
4. **Full Occupancy.** The Lessee will use all reasonable efforts to maintain full occupancy of the Development.
5. **Approved Residents.** All Residents must be selected in accordance with the Specific Purpose and must be placed in a Residential Unit appropriate to their household size. Exceptions may be made for:
 - a. persons designated by mutual agreement between the Lessor and the Lessee; or
 - b. staff or other authorized personnel required to operate and maintain the Development and who are bona fide employees of the Lessee. The maximum income threshold/limitation does not apply to this type of residency.
6. **Membership in Lessee.** The Lessee will not require a Resident to be a member of the Lessee.

7. **Residency Agreements.** The Lessee will enter into a Residency Agreement with each Resident and all Residency Agreements will be in compliance with the *Residential Tenancy Act* (British Columbia).
8. **Resident Relations.** The Lessee will establish policies and procedures to:
 - a. select Residents in an open, fair, consistent and non-discriminatory way;
 - b. serve Residents promptly and courteously, with clear and informative communication;
 - c. provide each Resident with access to information concerning that Resident and protect the privacy of Residents; and
 - d. develop an appeals process for Resident related issues. The process must be transparent and accessible for all applicants and Residents.
9. **Proof of Income.** The Lessee will obtain a declaration completed by a Resident as evidence of the Income of that Resident and supporting documentation as evidence of the Income of that Resident at the time of the Resident's initial occupancy. The Lessee will maintain a copy of each Resident's proof of Income in a file available to the Lessor on request.

-End-



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www.bchousing.org

April 7, 2022
City of Kelowna, Real Estate

MEMO

To: Johannes Saufferer, City of Kelowna

RE: Change Advice – Provincial Subleases
RE: Municipal Lease sites

BC Housing recognizes and appreciates the City's partnership for projects serving diverse populations across the housing continuum, including City lease sites for purpose-built rentals and other affordable housing.

This is to advise of a change affecting municipality-owned sites:

Leasehold land may no longer be sub-leased by the province to a 3rd party Non-Profit housing provider, where a mortgageable interest is required.

The mortgageable interest is a common requirement of affordable rental projects and other housing.

Moving forward, in some instances, for projects involving municipal lease land, a simple lease between the city and the Society is necessary for project funding to remain mortgageable. BC Housing enters into an Operating Agreement with the Society to ensure day to day operations meet BC Housing expectations and requirements, as referred to in the Section 219 covenant on title in favor of BC Housing. Accordingly, despite the simple lease between the City and the Society, all functional and operational impacts of the Society will continue to be administered by BC Housing during the term of the land lease.

BC Housing's Development and Asset Strategies team are available if any questions.

A handwritten signature in black ink, appearing to read "Jm", written over a white background.

John McEown
Director, Regional Development – Interior Region
BC Housing Management Commission



**INVESTMENT IN AFFORDABLE HOUSING
OPERATING AGREEMENT**

THIS AGREEMENT is dated for reference: June 29, 2018

BCH File # 93121-02 / 6451

BETWEEN

PATHWAYS ABILITIES SOCIETY

123 Franklyn Road, Kelowna, British Columbia V1X 6A9

(the "Provider")

AND

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Suite #1701 - 4555 Kingsway, Burnaby, British Columbia V5H 4V8

("BC Housing")

with respect to the Development at

555 Fuller Avenue, Kelowna, British Columbia V1Y 7W8

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AGREEMENT SUMMARY

PART 1 – SUMMARY

1. The Provider has constructed the Development with the assistance of funding under the Investment in Affordable Housing program (“IAH”) and the Investment in Housing Innovation (“IHI”) program.
2. The Investment in Affordable Housing (“IAH”), is a housing program jointly funded through a partnership between the Government of Canada including Canada Mortgage and Housing Corporation and the Government of British Columbia acting through its agent, British Columbia Housing Management Commission (BC Housing).
3. The Investment in Housing Innovation (“IHI”) is a housing program funded by the Government of British Columbia acting through its agent, British Columbia Housing Management Commission (BC Housing).
4. The Provincial Rental Housing Corporation (PRHC) has entered into a Head Lease Agreement with the City of Kelowna for a term of sixty (60) years and commences on _____. The Provincial Rental Housing Corporation (PRHC) will subsequently enter into a Sublease Agreement with the Provider for a term of forty (40) years for the fifty-eight (58) Residential Units owned by the Provider. The Sublease Agreement commences on _____.
5. The Site consists of the following:
 - a. fifty-eight (58) Residential Units for households who, at the commencement of residency, have Low and Moderate Incomes, owned and operated by the Provider under the Investment in Affordable Housing program. The Development is the specific subject matter of this Agreement; and
 - b. ten (10) PRHC owned units, as operated under the Investment in Affordable Housing program Operator Agreement, dated for reference June 29, 2018.
6. The parties agree to amend this Agreement when the Head Lease and Sublease Agreements are finalized and registered.

PART 2 – SERVICE DESCRIPTION

1. BC Housing and the Provider have agreed that the Provider will own and operate the Development and collect Rent from the Residents, on the terms and conditions of this Agreement.
2. The common goal of the parties in making this Agreement is to provide housing for households who, at the date of commencement of the residency, have Low and Moderate Incomes.
3. The Provider is a fully independent self-governing entity registered under the *Societies Act* (British Columbia). Operation of the Provider is subject to its Constatng Documents and the *Societies Act* (British Columbia). The members of the Provider and its governing board are responsible for all affairs of the Provider related to both Provider operations in general and the ongoing management of the Development.
4. In entering this Agreement with the Provider, BC Housing recognizes that the Provider was established for the advancement of specific social purposes prior to its decision to participate in this particular Agreement.
5. BC Housing recognizes that the Provider brings both tangible and intangible assets to the Development. The Provider’s board members serve on a voluntary basis, i.e., without recompense for their time and expertise. The Provider and the board bring resources, knowledge and expertise on such things as property management, Resident management and Resident support, and services which specifically relate to the Development and its location.
6. The Provider and board are expected to create an environment that is supportive of the needs of the Residents and provide a sense of community within the Development and to that purpose may provide Resident services and activities not funded by this Agreement.

PART 3 – AGREEMENT

- 1. TERM**
 - a.** The parties agree as follows for the Term of the Agreement which is for forty (40) years from the Commencement Date, unless earlier terminated in accordance with the provisions of this Agreement.
 - b.** In no circumstances will this Agreement survive the expiry or earlier termination of the Sublease Agreement.
 - c.** Should the Investment in Affordable Housing program Operator Agreement, as set out in *Agreement Summary, Part 1, Clause 3.b*, be terminated, BC Housing may terminate this Investment in Affordable Housing Operating Agreement.
- 2. SCHEDULES**
 - a.** All of the Schedules attached to this Agreement are an integral part of this Agreement.

This Agreement contains the entire agreement between the parties and supersedes all previous expectations, understandings, communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.

No amendment or modification to this Agreement will be effective unless it is in writing and duly executed by the parties except where this Agreement allows for otherwise.

IN WITNESS of which the duly authorized signatories of each of the Provider and BC Housing have executed this Agreement effective as of the Commencement Date of this Agreement:

PATHWAYS ABILITIES SOCIETY

Per its authorized signatories

Signature Date Signed

Print Name and Title

Signature Date Signed

Print Name and Title

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Per its authorized signatories

Signature Date Signed

Print Name and Title

Signature Date Signed

SCHEDULE A – GENERAL PROVISIONS

A. DEFINITIONS

1. **"Accumulated Operating Revenue"** means any revenue accumulated in the course of the Provider's operation of the Development in any year.
2. **"Affordable Market Rent"** means the average market rent, as determined by BC Housing from time to time based on the most recent, applicable Canada Mortgage and Housing Corporation rental market or housing report.
3. **"Capital Fund"** means an amount the Provider is required to hold in reserve for capital repairs, replacements and improvements pursuant to *Schedule B, Part C, Clause 1*.
4. **"Commencement Date"** means the day on which the Occupancy Permit is issued for the Development.
5. **"Constating Documents"** means the constitution and bylaws of the Provider, together with any amendments, as registered with the appropriate registry.
6. **"Declaration of Income"** means the declaration to be completed by a Resident as evidence of the Income of that Resident.
7. **"Development"** means the housing development, constructed and operated by the Provider under the Investment in Affordable Housing program, and located within the Site.
8. **"Fiscal Year"** means the Provider's Fiscal Year, ending on March 31 or as otherwise agreed by the parties.
9. **"Head Lease Agreement"** means the sixty (60) year lease agreement, commencing on _____, entered into between the City of Kelowna and PRHC regarding the Site, as registered in the Land Title Office under registration number _____.
10. **"Improvements"** means those improvements, structures, buildings, fixtures and systems which exist within the Development from time to time including the heating, ventilating, air-conditioning, plumbing, electrical and mechanical systems and equipment.
11. **"Income"** means total income before tax from all sources of a Resident.
12. **"Loan"** means:
 - a. the mortgage loan, arranged by BC Housing for the Provider, in order to finance the construction of the Development; and
 - b. the grant advanced by BC Housing to the Provider under IHI in order to finance the construction of the Development and secured by a forgivable loan registered against the Development.
13. **"Low and Moderate Income"** represents the maximum income for eligibility to occupy a Residential Unit and means:
 - a. For Residential Units with less than two (2) bedrooms, a gross household Income that does not exceed the median income for families without children, as determined by BC Housing from time to time. For 2018, this figure is \$71,200.00.
 - b. For Residential Units with two (2) or more bedrooms, a gross household Income that does not exceed the median income for families with children, as determined by BC Housing from time to time. For 2018, this figure is \$104,440.00.
14. **"Occupancy Permit"** is a certificate that must be obtained prior to occupancy that is issued if all required inspections have been carried out and the building or structure is deemed substantially complete and fit for occupancy.
15. **"Occupancy Standards"** means the standards for household sizes of a Resident relative to the number of bedrooms in a Residential Unit. Unless otherwise agreed in writing by BC Housing, the following standards apply:
 - a. No more than two (2) and no less than one (1) person per bedroom.
 - b. Spouses and couples share a bedroom.
 - c. Parents do not share a bedroom with their children.
 - d. Dependents aged eighteen (18) or over do not share a bedroom.
 - e. Dependents of the opposite sex age five (5) or over do not share a bedroom
16. **"Provincial Rental Housing Corporation"** (PRHC) is incorporated under the *Business Corporations Act* (British Columbia). PRHC is the land holding corporation for

provincially owned social housing. BC Housing administers PRHC, which buys, holds and disposes of properties, and leases residential properties to non-profit societies and co-operatives.

17. **"Record"** means accounts, books, documents, maps, drawings, photographs, letters, vouchers, papers and any other thing on which information is recorded or stored by graphic, electronic, mechanical and other means, but does not include a computer program or any other mechanism that produces records.
18. **"Rent"** means the amount a Resident is obliged to contribute monthly to the Provider for a Residential Unit.
19. **"Residency Agreement"** means an agreement, lease, license or other right of a Resident to occupy a Residential Unit.
20. **"Resident"** means the person or persons legally entitled to reside in a Residential Unit pursuant to a Residency Agreement.
21. **"Residential Unit"** means a self-contained residential dwelling within the Development operated under this Agreement.
22. **"Schedule of Capital Repairs"** means the schedule of capital repairs approved by BC Housing pursuant to *Schedule B, Part C, Clause 1*.
23. **"Site"** means all lands and improvements, including the Development, situated at 555 Fuller Ave, Kelowna, British Columbia, V1Y 7W8, and legally described as PID 030-401-577, Lot 1 District Lot 139 Osoyoos Division Yale District Plan EPP78052.
24. **"Specific Purpose"** means the operation of the Development to provide affordable housing for persons who, at the date of commencement of the residency, have Low and Moderate Incomes.
25. **"Sublease Agreement"** means the forty (40) year lease agreement, commencing on _____, entered into between PRHC and the Provider regarding the Development, as registered in the Land Title Office under registration number _____.
26. **"Term"** means the period of this Agreement as outlined in *Agreement Summary, Part 3, Clause 1*.

B. RESPONSIBILITY OF THE PROVIDER

1. **Role of the Provider.** The Provider:
 - a. will fulfill its obligations under this Agreement in a proper, efficient and timely manner as would a prudent provider of similar services, and in accordance with this Agreement; and
 - b. agrees and understands that it is solely responsible for all its obligations under this Agreement, including but not limited to its obligations arising as a result of any relationships between the Provider and the applicants, Residents and other occupants of the Development, and any and all relationships with third parties, volunteers, or other invitees.
2. **Corporate Organization.** The Provider will maintain a well organized corporate structure and in particular will:
 - a. operate as a non-profit entity;
 - b. remain in good standing with the appropriate registry;
 - c. have a purpose that includes the provision of affordable housing and is consistent with the Specific Purpose;
 - d. not permit any officer, director, or member of the Provider to be remunerated except for reimbursement of any expenses necessarily and reasonably incurred by the director, officer, or member while engaged in the affairs of the Provider. Reasonable wages or salary paid to an employee of the Provider who is not an officer or director of the Provider are exempt from this section;
 - e. provide for the disposition of assets to an organization with a similar charitable purpose in the event of dissolution or wind up of the Provider;
 - f. not alter its Constating Documents in any way that would make them inconsistent with the terms of this Agreement or that would render the Provider unable to fulfill its obligations under this Agreement;
 - g. provide BC Housing with a copy of the Provider's Constating Documents as requested by BC Housing from time to time; and

Capital Asset Management Framework, and its replacements as set forth by the Province of British Columbia.

11. **Inspection.** The Provider will permit BC Housing to inspect the Development or other premises used by the Provider pursuant to this Agreement at any time.

C. RESPONSIBILITY OF BC HOUSING

1. **Role of BC Housing.** BC Housing's role is to support the Provider in operating the Development to meet their common goal of providing affordable housing to Low and Moderate Income households.
2. **Provide Information.** BC Housing will provide the information required by the Provider to enable the Provider to carry out its responsibilities under this Agreement, and will provide that information in a timely manner.

D. OPERATIONAL REVIEW

1. From time to time, BC Housing may conduct an onsite operational review to determine compliance with the terms of this Agreement and any other agreements between the Provider and BC Housing.
2. BC Housing will provide the Provider with thirty (30) days' written notice of an operational review.

E. RECORDS

1. **Information Management.** The Provider will comply with all applicable privacy legislation and will maintain accurate and complete operational Records, policies and practices necessary for its obligations under this Agreement.
2. **Procedures and Processes.** The Provider will:
 - a. notify BC Housing in writing immediately upon becoming aware of any breach of privacy or security involving the unauthorized access, collection, use, disclosure or disposal of information relating to its obligations under this Agreement;
 - b. if the *Information Management Act* (British Columbia) applies to the destruction of Records, notify BC Housing for consultation prior to the destruction; and
 - c. cooperate with BC Housing when BC Housing has a request under the *Freedom of Information and Protection of Privacy Act* (British Columbia) to which Records in the Provider's custody apply, by locating and disclosing the relevant Records as directed by BC Housing upon notice and without delay.
3. **Record Retention.** The Provider will retain all Records that pertain to its obligations under this Agreement for the retention period required under applicable provincial and federal laws, but for not less than seven (7) years following the date of receipt or production of those Records.
4. **Audits.** BC Housing and its agents have the right to inspect all Records related to, arising from, or maintained by the Provider to deliver the Provider's obligations, including the right of BC Housing and its agents to enter any premises used by the Provider to deliver the Provider's obligations or used to keep or store Records pertaining to the Provider's obligations under this Agreement, at any time after the delivery of notice to the Provider, and have the immediate right to make extracts from and take copies of those Records. The Provider acknowledges that disclosure to BC Housing and its agents, without consent from the individual the Record is about, for audit purposes, is permitted under information and privacy legislation.

F. LIABILITY

1. **Indemnity.** The Provider will indemnify and save harmless BC Housing, the Provincial Rental Housing Corporation, Her Majesty the Queen in Right of the Province of British Columbia, and each of their ministers, board members, officers, directors, employees, contractors and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from all claims and costs arising directly or indirectly under this Agreement which they or any of them may be liable for or incur, whether before or after this Agreement ends, arising out of any act or omission of the Provider or its officers, directors, employees, agents, contractors or other persons for whom at law the Provider is responsible, related to the Provider's operation and

management under this Agreement, including with respect to any Residency Agreement, except to the extent that such claims or costs are caused solely by the negligence of BC Housing or its employees, agents or contractors.

2. **Release.** The Provider releases BC Housing, the Provincial Rental Housing Corporation, Her Majesty the Queen in Right of the Province of British Columbia, and each of their ministers, board members, officers, directors, employees, contractors and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from all claims arising out of the advice or direction respecting the ownership, lease, operation or management given to the Provider, as the case may be, by any of them, except to the extent that such advice or direction is determined by a court of competent jurisdiction to have been negligent.
3. **Survival.** The obligations set out in *Schedule A, Part F, Clauses 1 and 2* survive termination of this Agreement.

G. DISPUTE RESOLUTION

1. If a dispute arises between the parties out of or in connection with this Agreement the parties agree that the following dispute resolution process will be used:
 - a. A meeting will be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
 - b. If, within fourteen (14) days after such meeting or such further period agreed to by the parties in writing, the parties have not succeeded in negotiating a resolution of the dispute, the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing agreement, under the Mediation Rules of Procedure of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre.
 - c. After dispute resolution attempts have been made under *Schedule A, Part G, Clauses 1.a-b*, any remaining issues in dispute will be determined by arbitration under the *Arbitration Act* (British Columbia), and the decision of the Arbitrator will be final and binding and will not be subject to appeal on a question of fact, law or mixed fact and law.

H. DEFAULT AND TERMINATION

1. **Event of Default.** Any of the following events will constitute an event of default by the Provider under this Agreement:
 - a. the Provider fails to comply with any provision of this Agreement;
 - b. the Provider fails to remain in good standing with the appropriate registry;
 - c. the Provider is in breach of or fails to comply with any applicable law, regulation, license or permit;
 - d. any representation or warranty made by the Provider under this Agreement is found to be untrue or incorrect; or
 - e. if the Provider knew or ought to have known any information, statement, certificate, report or other document furnished or submitted by, or on behalf of, the Provider pursuant to, or as a result of, this Agreement is untrue or incorrect.
2. **Default.** Upon the occurrence of any event of default set out in *Schedule A, Part H, Clause 1*, BC Housing will provide written notice to the Provider which sets out the breach and the date by which the breach must be rectified. The Provider will be given thirty (30) days to rectify the breach or such longer period as determined solely by BC Housing.
3. **Termination on Continued Default.** If the Provider fails to comply with a written notice given in accordance with this Agreement within the specified period of time, BC Housing, in its sole discretion, may immediately terminate this Agreement or appoint a receiver.
4. **Additional Remedies.** Upon the occurrence of any event of default set out in *Schedule A, Part H, Clause 1*, BC Housing may, in addition to and without prejudice to BC Housing obtaining any other remedy:

- a. reduce or suspend any payment that would otherwise be payable by BC Housing to the Provider pursuant to this Agreement; and
 - b. exercise its rights and remedies under the Section 219 Covenant.
5. **Appointment of Receiver.** As an alternative to exercising any right of termination provided under this Agreement, BC Housing may elect to appoint, or request a court of competent jurisdiction to appoint, a receiver, with or without bond as BC Housing or the court may determine, and, from time to time, may remove any receiver so appointed and appoint another in its place, or request the court to do so. A receiver so appointed is not an officer or agent of BC Housing, and has all the necessary and exclusive power to deal with the obligations of this Agreement including the power to:
 - a. take control, possession and direction of the Development and the Provider's assets in connection with this Agreement, and carry on the business of the Provider in operating, managing and maintaining the assets in accordance with this Agreement;
 - b. demand and recover all the income of the Development by direct action, distress or otherwise, in the name of either the Provider or BC Housing;
 - c. observe or perform, on behalf of the Provider, all the Provider's obligations under this Agreement and any other contracts pertaining to the Development;
 - d. give receipts, on behalf of the Provider, for any money received; and
 - e. carry out such other powers as the court may order.
6. **Application of Revenue.** The Provider acknowledges that the receiver will apply the gross revenue from the Development, which it recovers or receives from time to time, as follows:
 - a. firstly, in payment of all costs, charges and expenses of or incidental to the appointment of the receiver and the exercise by it of all or any of its powers, including the reasonable remuneration of the receiver which is to be approved by BC Housing, and all outgoings properly payable by the receiver, together with all legal costs in respect thereof on a solicitor and client basis;
 - b. secondly, in payment of all operating expenses for the Development;
 - c. thirdly, if required by BC Housing, in repayment of any applicable subsidies and accumulated funds; and
 - d. lastly, to pay any balance to BC Housing.
7. **No Liability.** The Provider acknowledges and agrees that:
 - a. BC Housing will be under no liability to the Provider for any act or omission of the receiver; and
 - b. the receiver will be under no liability to the Provider for any act or omission of the receiver.
8. **Early Termination.** Notwithstanding anything stated to the contrary in this Agreement, the parties agree that BC Housing, at its sole determination, will have the right at any time, by giving twenty-four (24) hours' written notice to the Provider, to terminate this Agreement in any of the following events:
 - a. the Provider is in default under a Loan or otherwise fails to comply with any of the provisions of the Loan documentation;
 - b. upon the bankruptcy of the Provider or the appointment of a receiver in respect of the Provider;
 - c. upon the Provider ceasing to operate on a non-profit basis; and
 - d. upon the dissolution of the Provider.
9. **Termination arising from Damage or Destruction.** If, in the opinion of a professional engineer or architect appointed by the Provider or BC Housing, the Development is damaged or destroyed in excess of twenty-five percent (25%) of its insurable value, the Provider will promptly repair or replace the Development to restore it to a substantially similar condition as existed prior to the damage or destruction. BC Housing may specify a reasonable time period for the Provider to restore the Development and, in the event that the Provider elects not to restore the Development within the specified time period, BC Housing may terminate this Agreement by delivering written notice of immediate termination to the Provider.

10. **Adjustments on Termination.** Upon the termination of this Agreement, however effected, the parties will forthwith complete all necessary accounting and adjustments between them to effectively reconcile and finalize their obligations pursuant to this Agreement.

I. GENERAL PROVISIONS AND INTERPRETATION

1. **Headings.** The headings in this Agreement form no part of the Agreement and will be deemed to have been inserted for convenience only.
2. **Notices.** All notices, demands or requests of any kind, which the Provider or BC Housing may be required or permitted to serve on the other in connection with this Agreement, will be in writing and may be served on the parties by registered mail, personal service, fax or other electronic transmission, to the addresses set out on the cover page. Any notice, demand or request made to BC Housing, to be effective, will be addressed to the BC Housing representative assigned to this matter by BC Housing.
3. **Change of Address.** Either party from time to time, by notice in writing served upon the other party, may designate a different address or different or additional personnel to which all those notices, demands or requests are thereafter to be addressed.
4. **Time.** Time is of the essence of this Agreement. If either party expressly waives this requirement, that party may reinstate it by delivering notice to the other party. Any time specified pursuant to this Agreement for observing or performing an obligation is local time in Vancouver, British Columbia.
5. **Governing Law.** This Agreement is to be governed by and construed and enforced in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof and the courts of British Columbia will have the non-exclusive jurisdiction to determine all claims and disputes arising out of this Agreement and the validity, existence and enforceability hereof.
6. **Validity of Provisions.** If a court of competent jurisdiction finds that any part of this Agreement is invalid, illegal or unenforceable, that invalidity, illegality or unenforceability does not affect any other provisions of this Agreement. The balance of the Agreement is to be construed as if that invalid, illegal or unenforceable provision had never been included and is enforceable to the fullest extent permitted at law or at equity.
7. **Waiver.** No consent or waiver, expressed or implied, by a party of any default by the other party in observing or performing its obligations under this Agreement is effective unless given in writing, nor is it a consent or waiver of any other default. Failure on the part of either party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long that failure continues, is not a waiver by that party of its rights under this Agreement or at law or at equity.
8. **Extent of Obligations and Costs.** Every obligation of each party in this Agreement extends throughout the Term. To the extent an obligation ought to have been observed or performed before or upon the expiry or earlier termination of the Term, that obligation, including any indemnity, survives the expiry or earlier termination of the Term until it has been observed or performed.
9. **Statutes.** Any reference in this Agreement to a provincial or federal statute includes the statute as it exists on the reference date of this Agreement and any subsequent amendments or replacements.
10. **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties, as applicable.
11. **Counterparts.** This Agreement may be validly executed and delivered by the parties hereto in any number of counterparts and all counterparts, when executed and delivered, will together constitute one and the same instrument. Executed copies of the signature pages of this Agreement sent electronically will be treated as originals, fully binding and with full legal force and effect, and the parties hereto waive any rights they may have to object to such treatment, provided that this treatment will be without prejudice to the obligation of the parties hereto to exchange original signatures as soon as is reasonably practicable after execution of this Agreement, but failure to do so will not affect the validity, enforceability or binding effect of this Agreement.

- 12. Assignment and Subcontracting.**
 - a.** The Provider will not without the prior written consent of BC Housing:
 - i.** assign, either directly or indirectly, this Agreement or any right of the Provider under this Agreement; or
 - ii.** subcontract any obligation of the Provider under this Agreement.
 - b.** No subcontract entered into by the Provider will relieve the Provider of any of its obligations under this Agreement or impose upon BC Housing any obligation or liability arising from any such subcontract. The Provider must ensure that any subcontractor fully complies with this Agreement in performing the subcontracted services.
- 13. BC Housing Approval.** This Agreement is enforceable only in the event that BC Housing approves this project, in its sole discretion. In the event that this project fails to receive BC Housing's final approval, this Agreement is of no effect and will be deemed to have never commenced.

SCHEDULE B – FINANCIAL

A. FUNDING ASSISTANCE FROM BC HOUSING

1. **Funding.** BC Housing will provide financing in the form of a Loan to facilitate the construction of the Development. The terms and conditions of the Loan are outlined separately in the Loan documents. This Agreement is not to be construed as a substitution for or derogation from the provisions of the Loan documents.
2. **No other Assistance.** BC Housing is not committed or obliged to make any other financial contribution to the Provider or to subsidize the ongoing operation of the Development.

B. REVENUES AND EXPENSES

1. **Rent.** The Rent for the Residents of the Development will be set at or below the Affordable Market Rent. Over time, the Provider will make an effort to increase the number of below Affordable Market rent units as operating costs and revenues permit.
2. **Revenues.** The Provider will be responsible for collecting all Rents and other revenue for the Development, and the Provider will be responsible for paying out of such revenues all costs associated with the operation of each Development.
3. **Deficit.** The Provider will be responsible for any operating shortfalls or extraordinary expenses. Any deficit will not be the responsibility of BC Housing.

C. CAPITAL FUND

1. **Capital Fund.** The Provider will create a Capital Fund to fund capital repairs and replacements to the Improvements within the Development in accordance with the Schedule of Capital Repairs approved by BC Housing. Prior to the Commencement Date, the Provider will:
 - a. prepare a Schedule of Capital Repairs and submit it to BC Housing; and
 - b. will establish monthly Capital Fund contribution amount and obtain BC Housing's approval for that contribution amount.
2. **Capital Fund Expenditure.** Capital Funds may only be expended as follows:
 - a. to pay for capital repairs and replacements to the improvements on the land in accordance with the Schedule of Capital Repairs; or
 - b. to make other payments as may be approved by BC Housing.
3. **Investment of Funds.** The Provider will deposit and keep the Capital Fund and accumulated interest in securities authorized in accordance with the Provider's Constatting Documents, the *Societies Act* (British Columbia), and the *Trustee Act* (British Columbia).

D. ACCUMULATED OPERATING REVENUE

1. **Accumulated Operating Revenue.** The Provider will retain the Accumulated Operating Revenue. The Provider will use the Accumulated Operating Revenue in order of priority as follows:
 - a. to increase the number of below Affordable Market rent units in the Development;
 - b. on costs relating directly to the Development; or
 - c. any other purpose that is consistent with the provision of affordable housing.

E. FINANCIAL MANAGEMENT AND ADMINISTRATION

1. **Finances.** The Provider will establish written policies and procedures for effective control of finances for the Development, including:
 - a. record keeping and financial statements in accordance with Canadian Accounting Standards;
 - b. clearly defined spending authority; and
 - c. policies and procedures for arrears, purchasing and investment of Capital Funds and Accumulated Operating Revenue.
2. **Operating Budget.** The Provider will prepare an operating budget in advance of each Fiscal Year, in a format approved by BC Housing, and regularly review financial affairs in accordance with *Schedule B*.

BC Housing IAH Operating Agreement – Schedule B

3. **Revenue.** All revenue received by the Provider from whatever source with respect to the Development will be collected by the Provider, held by the Provider and used by the Provider solely for the purpose of and to the extent authorized by this Agreement.
4. **Reporting.** Within four (4) months after the end of each Fiscal Year, or as otherwise requested by BC Housing, the Provider will submit to BC Housing audited financial statements for that Fiscal Year and a copy of the related auditor's management letter, and the following will apply:
 - a. where the Provider provides services in addition to those provided under this Agreement, the audited financial statement will include a separate Schedule of Revenue and Expenditure for each service provided;
 - b. include details of any funding received from another agency or organization and used by the Provider to co-fund any services provided by the Provider under this Agreement;
 - c. indicate that the Provider has properly funded and maintained the Capital Fund, and that all interest accruing to the Capital Fund has been recorded;
 - d. indicate that any Accumulated Operating Revenue is being spent and accounted for as provided in this Agreement; and
 - e. submit other financial information requested by BC Housing in a format approved by BC Housing from time to time.

SCHEDULE C – RESIDENT SELECTION AND RESIDENCY AGREEMENTS

A. RESIDENT SELECTION AND RESIDENCY AGREEMENTS

1. **Landlord and Tenant Relationship.** The full normal relationship between landlord and tenant will exist between the Provider and the Resident. It is understood that BC Housing will not be responsible to the Provider for any breach or failure of the Resident to observe any of the terms of the Residency Agreement between the Resident and the Provider, including the covenant to pay Rent.
2. **Resident Selection.** The Provider will select Residents in accordance with the Specific Purpose. The Provider will use all reasonable efforts to maintain full occupancy of the Development with Residents who meet the Specific Purpose, but if there are no applicants for a vacant unit in accordance with the Specific Purpose then the Provider may accept applicants at any income level with the approval of BC Housing which will not be unreasonably withheld. Over time, as operating surpluses permit, the Provider will increase the number of units being offered below Affordable Market rent.
3. **Discrimination.** The Provider will select Residents without unlawful discrimination on the basis of race, religion, culture, sexual orientation, gender identity, social condition, or level of physical ability. Where restricted populations are targeted, consideration of and compliance with applicable anti-discrimination legislation must be documented and submitted to BC Housing on request.
4. **Full Occupancy.** The Provider will use all reasonable efforts to maintain full occupancy of the Development and will notify BC Housing of any extended vacancies.
5. **Approved Residents.** All Residents must be selected in accordance with the Specific Purpose and must be placed in a Residential Unit appropriate to their household size in accordance with the Occupancy Standards. Exceptions may be made for:
 - a. persons designated by mutual agreement between BC Housing and the Provider; or
 - b. staff or other authorized personnel required to operate and maintain the Development and who are bona fide employees of the Provider. The maximum income threshold/limitation does not apply to this type of residency.
6. **Membership in Provider.** The Provider will not require a Resident to be a member of the Provider.
7. **Residency Agreements.** The Provider will enter into a Residency Agreement with each Resident and all Residency Agreements will be in compliance with the *Residential Tenancy Act* (British Columbia).
8. **Resident Relations.** The Provider will establish policies and procedures to:
 - a. select Residents in an open, fair, consistent and non-discriminatory way;
 - b. serve Residents promptly and courteously, with clear and informative communication;
 - c. provide each Resident with access to information concerning that Resident and protect the privacy of Residents; and
 - d. develop an appeals process for Resident related issues. The process must be transparent and accessible for all applicants and Residents.
9. **Proof of Income.** The Provider will obtain a declaration ("Declaration of Income") and supporting documentation as evidence of the Income of that Resident at the time of the initial occupancy. The declaration will be in a form approved by BC Housing as may be amended by BC Housing from time to time. The Provider will maintain a copy of each Resident's proof of Income in a file available to BC Housing on request.

SCHEDULE D – INSURANCE

A. INSURANCE BY PROVIDER

1. The Provider will, without limiting its obligations or liabilities herein and at its own expense, provide and maintain the following insurance with insurers licensed in Canada and in forms and amounts acceptable to BC Housing, in its sole discretion:
 - a. Commercial general liability in an amount not less than \$10,000,000.00 inclusive per occurrence, insuring against bodily injury, personal injury and property damage, and include liability assumed under this Agreement, a cross liability or severability of interests clause, British Columbia Housing Management Commission and Provincial Rental Housing Corporation as an additional insured, and an endorsement to provide thirty (30) days' advance written notice to the Provider of material change or cancellation.
 - b. The foregoing insurance will be primary and not require the sharing of any loss by any insurer of BC Housing.
 - c. The Provider will provide to BC Housing evidence of all required levels of insurance within thirty (30) days of the execution of this Agreement and within thirty (30) days of renewal of such written policies. When requested by BC Housing, the Provider will provide certified copies of such policies.
2. The Provider will add BC Housing and Provincial Rental Housing Corporation as additional named insured under any insurance policies obtained pursuant to this Agreement.
3. The Provider will promptly notify BC Housing of any circumstance known or which becomes known to the Provider which might materially affect the coverage under the Provider's insurance policies.
4. Any requirement or advice by BC Housing regarding the amount of coverage under any policy of insurance does not constitute a representation by BC Housing that the amount required is adequate.
5. The Provider will provide, maintain, and pay for, any additional insurance which the Provider is required by law to carry, or which the Provider considers necessary to cover risks not otherwise covered by insurance specified in this Schedule.
6. The Provider hereby waives all rights of recourse against BC Housing and Provincial Rental Housing Corporation with regard to any damage, theft or loss of the Provider's property and agrees to carry adequate insurance coverage against such damage, theft or loss of property.
7. The Provider will obtain and maintain, or cause to be obtained and maintained, workers compensation coverage in respect of all workers, employees and other persons engaged in any work in or upon the Development required by the *Workers Compensation Act* (British Columbia).



Pathways Abilities Society Non-Market Lease 1360 Bertram Street

April 17th, 2023

Pathways Abilities Society

- ▶ Pathways is a non-profit organization that has provided programs and services to adults with diverse abilities in Kelowna and the surrounding area for over 65 years.
- ▶ The Pathways residential program provides their clients with an opportunity to live independently, while participating and contributing to the community around them

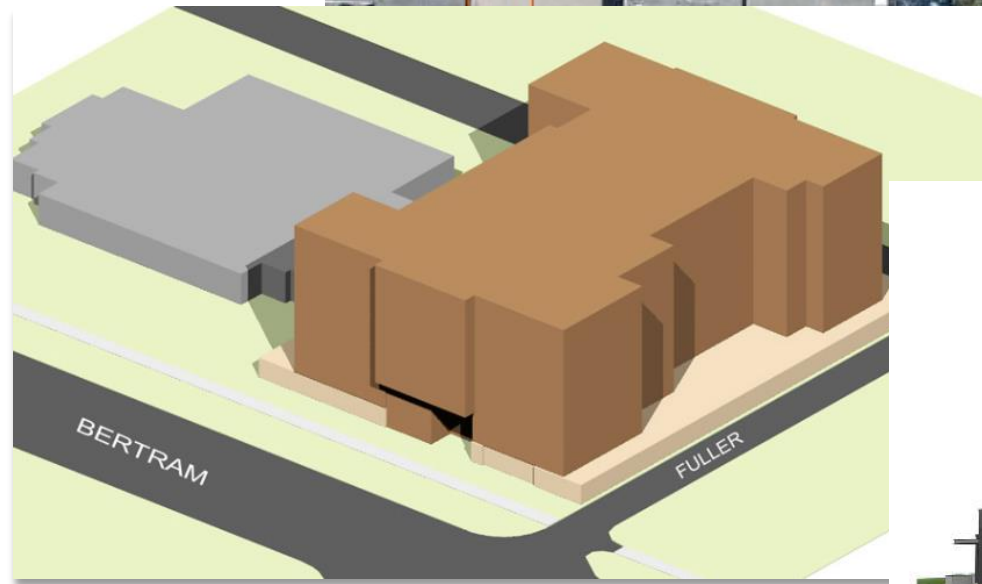


The Three Pathways

- ▶ **Embrace** : educating the community and sharing inspiring stories to help clients achieve their potential.
- ▶ **Empower** : providing resources and guidance to empower clients to achieve a greater degree of independence.
- ▶ **Employ** : promoting the creation of employment opportunities for those with diverse abilities with local businesses and organizations.

1360 Bertram Street

- ▶ This property has been subject to a non-market lease to the society since 1945.
- ▶ Pathways secured funding from BC Housing in 2016 to support the construction of a 68-unit affordable housing apartment complex on the site.



Proposed Non-Market Lease Summary

- ▶ Sixty (60) year Term;
- ▶ Ten dollars (\$10.00) rent;
- ▶ Designates fifty-eight (58) affordable housing units for low- to moderate-income households and ten (10) affordable housing units to clients of Pathways;
- ▶ Pathways responsible for all property-related costs for the duration of the Term, including maintenance, taxes, utilities, and insurance;
- ▶ Pathways will be subject to Operating Agreements with BC Housing (years 1-40) and the City (years 40-60);
- ▶ Pathways to maintain replacement reserve fund to meet repair and maintenance needs of the building;
- ▶ City to solely bear the liability for the demolition of the building upon the expiration of the Term.

Strategic Priorities and Action Items

Pursuing inter-governmental partnerships with federal, provincial and/or, regional government to achieve public benefits.

City of Kelowna
Land Strategy
Section 4.2

Pursuing partnerships in the private sector to achieve public benefits that cannot be achieved by the City acting alone.

*City of Kelowna
Land Strategy
Section 4.1*

Increase the number of rental units with below market rents.

City of Kelowna
Council Priorities 2023-2026
Affordable Housing



Partner on the creation of a low-cost affordable housing pilot project.

City of Kelowna
Council Priorities 2023-2026
Affordable Housing

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: 2022 Progress Report for the Official Community Plan and Transportation Master Plan
Department: Policy and Planning and Integrated Transportation

Recommendation:

THAT Council receives, for information, the report from Policy & Planning and Integrated Transportation, dated April 17, 2023, with regard to the 2022 Progress Report for the Official Community Plan and Transportation Master Plan.

Purpose:

To provide Council with the first annual Progress Report for the 2040 Official Community Plan and Transportation Master Plan.

Background:

The 2040 Official Community Plan (OCP) and 2040 Transportation Master Plan (TMP) were developed in tandem and completed in 2022. The creation processes included significant public and stakeholder engagement that resulted in documents that reflect community priorities and work together to shape how Kelowna will grow and evolve in an era of rapid change.

Both plans outline a series of implementation actions to be undertaken following their completion and identify the need for a monitoring program to measure progress. This report introduces this process and delivers the first annual Progress Report for these two plans, in tandem as the alignment between land use and transportation is critical to the successful city envisioned in Council’s 2023-2026 Priorities.

Discussion:

The purpose of the OCP and TMP Progress Report is to tell the story of how quickly we are making progress toward the Official Community Plan Growth Strategy (and Pillars), and the Transportation Master Plan Vision and Goals. Regular performance monitoring allows the City to track key trends to ensure ongoing progress towards achieving the vision.

This report introduces the first annual OCP/TMP Progress Report. It is a snapshot in time and aims to:

- **Highlight progress on implementation actions.** The status of OCP and TMP implementation actions are summarized.

- **Introduce the monitoring process for both plans.** The new monitoring process includes new indicators and metrics, with an emphasis on interpreting the data and putting it into context to illustrate how we are moving towards the vision outlined in both plans.
- **Highlight key themes.** The most significant overall themes and trends observed are identified.

Monitoring

The monitoring process includes two different types of reports: annual and five-year reports. The annual reporting provides a concise implementation update and relies on data sources which are available on a yearly basis. The five-year reports will be more comprehensive, relying on a mix of both annual data sources and census data to guide scheduled OCP and TMP updates.

Implementation Actions

Putting the plans into action requires significant efforts beyond adoption and endorsement. In total, 68 implementation actions have been identified in the OCP and 130 actions have been identified in the TMP. These actions have been recommended to ensure the city achieves the vision outlined in these high level plans. Implementation is anticipated to take place throughout the lives of the plans.

What we are watching for

Managing growth requires continuous assessment. While it can be tempting to zero in on one or two indicators, the long term success in advancing and adapting the OCP and TMP requires understanding the multitude of factors that influence growth and mobility trends. What we are watching for includes:

- Trends in how and where we are growing
- Changes in government policy, regulations and projects
- Shifts in environmental, climate, societal and public health context
- Changes in travel behaviour and preferences
- Advancements in technology

Key Themes

An analysis of the indicators observed the following seven themes which “set the stage” for what to watch for in the coming years as OCP and TMP implementation advances:

- **Kelowna is becoming a much more urban city – faster than anticipated even a few years ago.** Our Urban Centres are growing fast, making the development of Urban Centre Plans more important to accommodate this growth.
- **Continued efforts are needed to onboard more missing middle infill housing.** Housing diversity is improving, and we are seeing a positive shift towards more multi-unit housing, consistent with the OCP’s growth strategy. However, there is room for improvement in adding to our missing middle housing stock.
- **Demand for office space and industrial lands remains strong.** Kelowna is showing some surprising trends when it comes to employment in the post COVID era. Office vacancy rates remain healthy, and new office buildings are coming online to add even more supply. Industrial vacancy rates are extremely low, with high demand pushing our land supply.
- **New frameworks are being developed to monitor progress on resiliency.** The OCP outlines the development of new ways to monitor our progress on resiliency and environmental stewardship. This year’s update outlines select resiliency indicators, with updates coming in future years.

- **People are driving more.** Distance driven, transportation emissions, and vehicle ownership are on the rise – reversing the downward trend observed before and during the pandemic. Travel times are also increasing in the midday and afternoon peaks.
- **People are also walking, biking and taking transit more.** Transit ridership has fully recovered. After a sharp drop in 2020, transit ridership in January 2023 was above pre-pandemic levels. Additionally, we are seeing a 10% increase in bike trips and a 43% increase in the distance biked, compared to 2018. Based on census data, the proportion of residents walking to work has also increased.
- **Inflation is increasing costs and impacting project delivery timelines.** After the OCP and TMP were adopted in January 2022, inflation began to rise quickly. This is increasing the costs of delivering the transportation infrastructure needed to support our growing community. To account for inflation, some TMP projects have been reduced in scope and some delayed as part of the 10-Year Capital Plan.

Online Dashboard

The City has created two online dashboards for the 2022 OCP/TMP Progress Report: the [OCP Dashboard](#) and the [TMP Dashboard](#). These dashboards provide an interactive opportunity for the public and Council to easily review the status of each indicator, including charts and visuals. Each indicator outlines why it is important, how the community is performing, what actions the City is doing, and what's next.

Conclusion:

The 2022 OCP/TMP Progress Report marks the first of a series of reports on how we are moving towards the direction set out in these guiding documents and advancing Council's 2023 - 2026 priorities by way of OCP and TMP implementation. This Progress Report also sets the baseline for what we are monitoring during the spans of these two plans and aims to align with Council's recently adopted 2023 - 2026 priorities.

For the 2040 OCP, it is critical to consider all the implementation actions and activities that will continue to put the plan into real-life action. The dedicated commitment to those work activities alongside adequate resourcing will ensure that the 10 Pillars that guide the entire growth strategy are being advanced in harmony. For the TMP, equally as vital is the corresponding delivery of the transportation investments needed to keep Kelowna moving as we grow. A key challenge will be delivering the transportation infrastructure needed to support our growing community during a time of significant inflation and price escalation.

While it is too early to be gauging how the OCP and TMP are progressing long term, we are seeing positive trends in where our growth is being focused – a critical component for success of the community's vision. It is important to note that changes in year-to-year performance do not equate to a long-term trend. While performance in any given year may be either negative or positive, land use and transportation outcomes and investments require many years of reliable data to identify a clear and defensible trend for action. In future years, these reports will begin to outline broader trends over longer time periods, and a clearer picture will emerge of how we are progressing.

Internal Circulation:

Planning & Development Services
Partnerships & Investment
Real Estate
Development Planning
Financial Services
Infrastructure
Corporate Strategic Services
Active Living and Culture
Parks and Buildings
Utility Planning
City Clerk
Communications

Legal/Statutory Authority:

Local Government Act, Sections 471-478

Existing Policy:

Imagine Kelowna
2040 Official Community Plan
2040 Transportation Master Plan

Financial/Budgetary Considerations:

OCP and TMP actions guide the timing and resourcing of implementation. An OCP or TMP does not commit or authorize the City to proceed with any project that is specified in the plans. Projects will advance in recognition of available budget approved via annual Council budget deliberations and other work planning considerations.

Attachment:

2022 Progress Report for the Official Community Plan and Transportation Master Plan

Submitted by:

Robert Miles, Long Range Policy Planning Manager and
Mariah VanZerr, Strategic Transportation Planning Manager

Approved for inclusion:



Danielle Noble-Brandt, Dept. Manager of Policy & Planning



2040 Official Community Plan
Transportation Master Plan

Our Kelowna
as we move and grow

2022 Progress Report

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syilx/Okanagan Territorial Acknowledgement

Kelowna is located in the beautiful Okanagan Valley of British Columbia, which is the traditional, ancestral, unceded territory of the syilx/Okanagan people.

1. Executive Summary

Plans require action to be successful. They also require monitoring to respond to change. This is why the 2040 Official Community Plan (OCP) and the 2040 Transportation Master Plan (TMP) have robust implementation and monitoring programs that outline what actions need to be taken to make their collective vision a reality while examining how we are advancing toward that vision. In a fast-growing city where many factors can influence where and how we grow and how we move, regular check-ins on progress are especially important.

This report provides the first progress update on OCP and TMP implementation actions while introducing a series of indicators for both plans to help monitor results. The OCP and TMP are considered together in this report to ensure that land use and transportation continue to be integrated. These two plans cannot be successful in delivering the Imagine Kelowna community vision without each other.

Every year these reports will also outline a few key themes that have been observed. As this is the first annual progress report, these themes will focus on setting the stage for what to watch for in the coming years as OCP and TMP implementation advances. This year, the key themes are as follows:

- **Kelowna is becoming a much more urban city – faster than anticipated even a few years ago.** Our Urban Centres are growing fast, making the development of Urban Centre Plans more important to accommodate this growth.
- **Continued efforts are needed to onboard more missing middle infill housing.** Housing diversity is improving, and we are seeing a positive shift towards more multi-unit housing, consistent with the OCP's Growth Strategy. However, there is room for improvement in adding to our missing middle housing stock.
- **Demand for office space and industrial lands remains strong.** Kelowna is showing some surprising trends when it comes to employment in the post COVID era. Office vacancy rates remain healthy, and new office buildings are coming online to add even more supply. Industrial vacancy rates are extremely low, with high demand pushing our land supply.
- **People are driving more.** Distance driven, transportation emissions, and vehicle ownership are on the rise – reversing the downward trend observed before and during the pandemic. Travel times are also increasing in the midday and afternoon peaks.
- **People are also walking, biking and taking transit more.** Transit ridership has fully recovered. After a sharp drop in 2020, ridership in January 2023 was above pre-pandemic levels. Additionally, one-third of residents now say they are walking, biking, or taking transit more than they did three years ago.
- **New frameworks are being developed to monitor progress on resiliency.** The OCP identifies the development of new ways to monitor our progress on resiliency and environmental stewardship as an implementation action. This year's update will speak to some resiliency indicators, with updates coming in future years.
- **Inflation is increasing costs and impacting project delivery timelines.** After the OCP and TMP were adopted in January 2022, inflation began to rise quickly. This is increasing the costs of delivering the transportation infrastructure needed to support our growing community. To account for inflation, some TMP projects have been reduced in scope and some delayed as part of the 10-Year Capital Plan.

In the coming years, we will watch as these themes evolve. To remain nimble and adapt to our evolving circumstances, the OCP and TMP will be updated at the five- and ten-year marks of their lives.

The following are snapshots of how the OCP and TMP are performing:

OCP Pillars	Annual OCP Indicators	OCP Progress
 Prioritize Sustainable Transportation & Shared Mobility	Number of trips by walking, biking, and transit	 Moving toward the vision
 Strengthen Kelowna as the Region's Economic Hub	Industrial vacancy rate	 Not moving toward the vision
	Office vacancy rate	 Moving toward the vision
 Take Action on Climate	Total fuel sales	 Not moving toward the vision
 Protect and Restore our Environment	Proportion of tree canopy coverage	New Indicators are in the process of being developed.
 Focus Investment in Urban Centres	New residential growth in Urban Centres against growth scenario targets	 Moving toward the vision
 Incorporate Equity into City Building	Proportion of residents in core housing need	 Minimal movement toward the vision
	Proportion of residents with low incomes living within five minutes of walking from the frequent transit network.	 Minimal movement toward the vision
	Proportion of residents with low incomes living within 500m walking distance to a neighbourhood park.	 Minimal movement toward the vision
 Target Growth Along Transit Corridors	Residential units within 200m of Transit Supportive Corridors and in Urban Centres	 Moving toward the vision
 Promote More Housing Diversity	New residential units by subtype and tenure	 Moving toward the vision
	Residential rental vacancy rate	 Minimal movement toward the vision
 Stop New Suburban Development	New suburban residential development against growth scenario targets in units	 Moving toward the vision
	Average absorption price of new ground-oriented residential units in the Core Area and Suburbs	 Minimal movement toward the vision
 Protect Agriculture	Proportion of land that is actively farmed	 Minimal movement toward the vision
	Total land area of ALR exclusions that are not planned in OCP 2040	 Moving toward the vision
	Land area of properties rezoned from agricultural to a non-agricultural zone (outside of OCP FLU)	 Moving toward the vision

TMP Targets	TMP Target - Key Metric	TMP Progress
	Double Transit Ridership	 Trending in the desired direction.
	Quadruple Bike Trips	 Trending in the desired direction.
	Reduce Distance Driven Per Capita by 20%	 Not trending in the desired direction.
TMP Goals	TMP Performance Measures	TMP Progress
 Improve Travel Choices	Number of trips by walking, biking, and transit	 Trending in the desired direction.
 Optimize Travel Times	Key corridor vehicle travel times	 Not trending in the desired direction.
 Enhance Travel Affordability	Vehicles per capita	 Not trending in the desired direction.
 Foster a Growing Economy	Average commute time	 Trending in the desired direction.
 Enhance Urban Centres	Investments connecting higher density areas	 Trending in the desired direction.
 Be Innovative and Flexible	Trips by emerging modes (shared mobility/ride-hailing)	 No substantial change in direction.
 Improve Safety	Traffic related injuries and fatalities per capita	 Not trending in the desired direction.
 Protect the Environment	Transportation emissions	 Not trending in the desired direction.
 Ensure Value for Public Investment	Public benefits provided by transportation projects	 Trending in the desired direction.
 Improve Health	Share of students driven to school	 No substantial change in direction.
 Promote Inclusive Transportation	Share of low-income residents close to frequent transit Share of low-income residents close to primary bike routes	 No substantial change in direction.
 Support Livable Communities	Sidewalk completeness in the core area	 No substantial change in direction.



2. Kelowna 2040: Our Growth Management Plans

Official Community Plan & Transportation Master Plan

The 2040 OCP is a land use strategy to guide decision-making and navigate change as Kelowna continues to grow. The OCP is intended for use by all members of the Kelowna community to have a predictable picture of how and where the city will grow and change strategically. Similarly, the 2040 TMP is a long-term, citywide plan for transportation improvements that will help keep Kelowna moving, now and into the future. The TMP is meant to help us all work together toward a smarter and more responsible approach to transportation.

The Community's Vision

Both the OCP and the TMP reflect the goals and aspirations of the broader community. Using Imagine Kelowna, (which in itself captured the opinions of thousands of Kelowna residents) as a guide, both plans came together with a robust multi-year engagement process.

The development of the 2040 OCP was a four year process that was rooted in a robust public and stakeholder process. This engagement process aimed to establish high level directions first with broader and more general engagement in earlier phases, and to refine those directions with more targeted objectives and policies in later phases with more focused engagement.

The 2040 TMP was developed through an intensive five-phase, multi-year technical and community engagement process. From 2018 - 2022, there were 5 major public and stakeholder engagement processes. In total, more than 12,000 interactions with community members and 4,600 survey responses helped shape the plan content and recommendations. In addition, 16 presentations to Council were made at key milestones during the plan's development.



OCP Pillars & TMP Goals

The 10 OCP Pillars and 12 TMP Goals guided the creation of each plan and align with Imagine Kelowna. They are intended to help make land use and transportation decisions. They are also central to the monitoring and evaluation of the plans' success and form the basis for the plans' monitoring and evaluation approach.

Official Community Plan Pillars

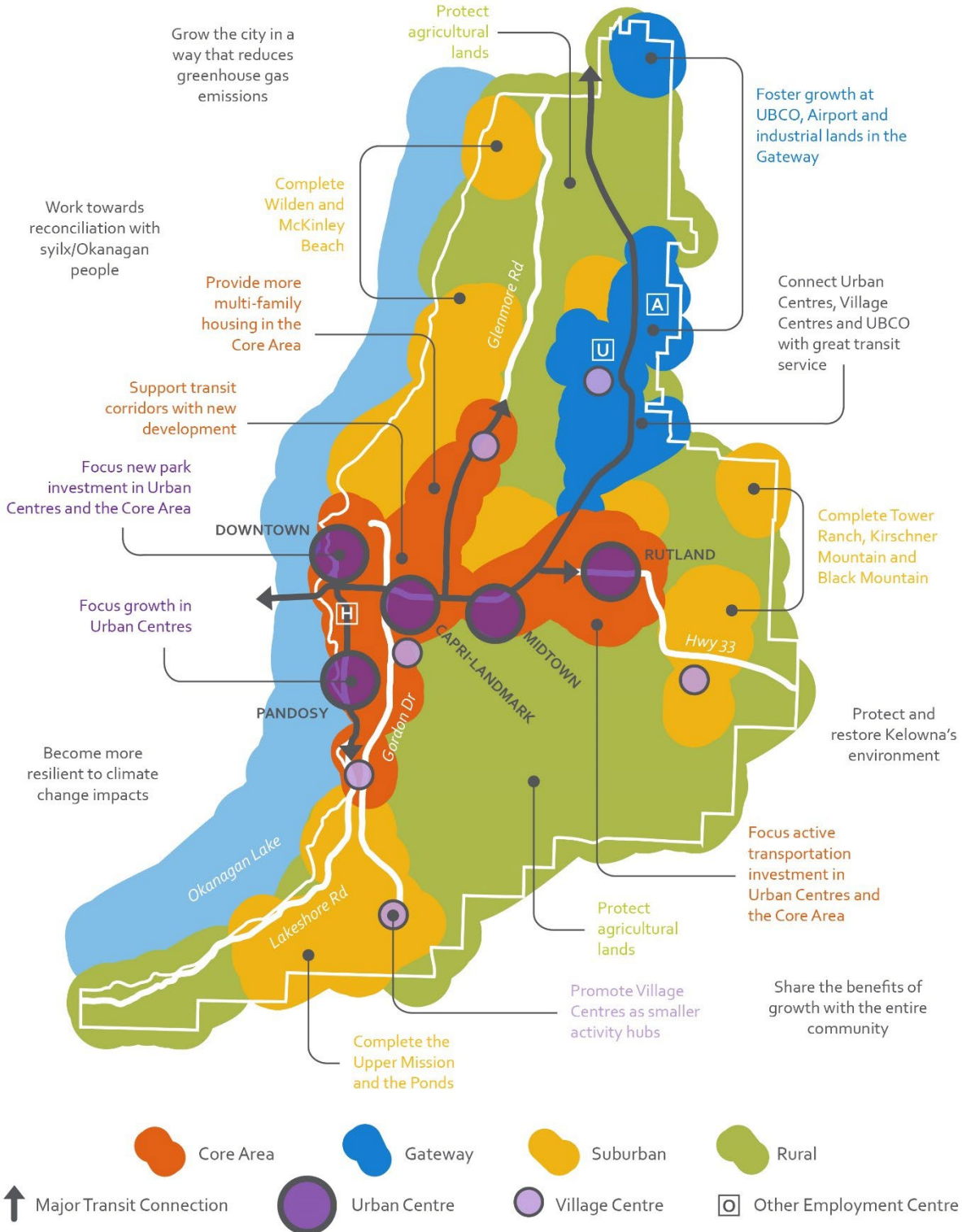


Transportation Master Plan Goals



OCP Growth Strategy

The OCP Growth Strategy is a high-level illustration of how and where the city will grow. The Growth Strategy illustrates the major land use directions and transportation investments needed to create the city envisioned.





3. Monitoring How We Grow



Why We Monitor

Imagine Kelowna, endorsed in 2018, is the Community Vision for how the city will thrive in the face of unprecedented growth and change. This Progress Report tells the story of whether the OCP and TMP are achieving the outcome as captured by Imagine Kelowna, as well as guiding how performance can be improved or maintained.

Kelowna's Community Vision:

Kelowna is a thriving mid-sized city that welcomes people from all backgrounds. We want to build a successful community that honours our rich heritage and also respects the natural wonders that contribute to our identity. As a place with deep agricultural roots, Kelowna understands the need to protect our environment, manage growth and be resilient as our future unfolds.

Strategic plan monitoring is a tool used to measure the progress towards achieving long-term goals and objectives and to ensure the City responds to emerging trends, issues, and opportunities. Information is collected and interpreted to provide a general understanding of key performance indicators plus an opportunity to improve performance by offering recommendations on where adjustments can be made. By regularly informing and educating the public, elected officials, staff and senior leadership on strategic objectives and performance, individuals and groups can be empowered to make daily decisions that align with achieving the Imagine Kelowna vision. As the alignment between land use and transportation is critical to the successful city envisioned in Imagine Kelowna, the OCP and TMP progress reporting are packaged together in one report.

The monitoring of the OCP and TMP includes two different types of reports: annual reporting and more comprehensive five-year reports. The annual reporting provides a concise implementation update and relies on data sources which are available on a yearly basis. The five-year reports will be a more comprehensive monitoring report, relying on a mix of both annual data sources and census data. This report will provide a greater level of analysis and tell a larger story around the performance of the indicators and the degree to which the City is advancing the OCP Pillars and TMP Goals. The first five-year reports for the OCP and TMP would aim to coincide with the launch of a 5-year update for those plans.

Expectations for Change

Growth management is a process that requires taking a long term view that keeps expectations in check. When reviewing the Progress Report, the following points should be kept in mind:

- **Change doesn't happen overnight, but it is happening faster.** Advancing change in the urban environment and behaviour takes years, and in many cases, decades. Changes in housing preferences and transportation mode shift, for example, can take a particularly long time. At the same time, we are seeing the pace of change increase in areas as diverse as interest rates, immigration policy, public health and technological advances – and these are just some of the forces that shape our urban environment. Population projections developed even quite recently were created using the best information and assumptions available at the time. Accelerating change means that these assumptions will need more regular review and updating.
- **As context changes, priorities may also change.** The implementation actions developed for the OCP and TMP were developed with the recognition that each plays an important role in bringing these plans to life. However, the prioritization, scope and directions of these actions are expected to change in response to a changing context. New implementation actions may also be added.
- **The OCP indicators and TMP metrics serve as a snapshot.** These two plans address a wide variety of topics, particularly the OCP which speaks to topics as diverse as housing, climate action, equity and economic development. A series of indicators and metrics that capture every nuance and detail of each topic would result in a cumbersome report. Instead, this report speaks to a few key indicators and metrics for each topic, recognizing that more detail on these topics are addressed in other ways. In short, these serve as a snapshot of how the plans are progressing and recognize that there is always more nuance to the story.
- **Transportation is changing rapidly.** The COVID-19 pandemic has changed transportation behaviors in ways we are still working to understand. While travel has rebounded, there are changes in how, when and where people are traveling that make predicting travel demand more challenging than historically. Technological innovations are also bringing rapid change but are hard to predict. For example, transportation in Kelowna fully entered the shared economy for the first time in 2021 with our micromobility program. Disruptive, technological innovations can bring transformative benefits to our City – and more are likely on the horizon.

Monitoring the impacts of the OCP and TMP is not about asking “Were we right?” but rather about keeping ahead of emerging trends and rapid change. This ensures we can respond quickly if we are off track and need to adapt to a changing environment. In this way, the Progress Report is more accurately about asking “How do we get it right?”

What We're Watching For

Managing growth requires continuous assessment of the context that we are growing in. While it can be tempting to zero in on one or a few select indicators, long term success in advancing and adapting the OCP and TMP requires understanding the multitude of factors that influence growth and development trends. Such factors include:

- **Trends in how and where we are growing.** The OCP's Growth Strategy outlines generally where we are targeting growth. Importantly, it serves as the base assumption for where we will grow and guides the OCP's objectives and policies, the TMP, the 20 Year Servicing Plan and other growth management documents. While the OCP is designed to be flexible and recognizes that these estimates were developed using a series of assumptions, significant deviation from those estimates warrants action to address this change. For example, faster than anticipated growth city-wide may signal the need for a more comprehensive 5-year OCP update. Faster growth in a specific Urban Centre may warrant advancement of a more in-depth planning process for that neighbourhood sooner than anticipated.

Conversely, a planning process underway that is expected to impact this growth scenario warrants careful consideration of the impact of that plan on the rest of the city.

- **Changes in government policy, regulations and projects.** Kelowna is not growing in isolation. We work with and are impacted by decisions made by neighbouring municipalities, First Nations, the Regional District of Central Okanagan (RDCO), and the provincial and federal governments. These external changes impact how we grow and may prompt another look at certain OCP and TMP directions. For example, changes in immigration policy at the federal level impact our growth projections and may require a review of how we address faster than anticipated growth. Fiscal policy impacts inflation, which can make it more costly to deliver key infrastructure projects. Changes in housing legislation at the provincial level may prompt reviews of how we deliver housing. Subsidies for electric vehicles encourage retaining private vehicles.
- **Shifts in environmental, climate, societal and public health context.** Kelowna is also affected by other external factors beyond government policy. Climate related events like forest fires, extreme heat and flooding may accelerate faster than anticipated or in unexpected ways. Broader societal changes related to equity and inclusion have occurred in the past 20 years, and we may see greater change coming our way. The COVID-19 pandemic is a reminder that a public health crisis can have impacts that remain to be understood in their entirety. As we monitor these external trends, we may find that new considerations are needed in these plans.
- **Advancements in technology.** One area where change is perhaps accelerating the most is in technology. Transportation technology has advanced significantly in the last ten years, with electric vehicles and shared mobility shifting from transportation discourse to reality. As these technologies continue to advance and new ones are introduced, we need to envision what role they can play in serving Kelowna's transportation future in keeping with the Goals of the TMP.

The indicators and metrics used for monitoring the two plans were selected using the following criteria as guidance:

- **Meaningful: Do we expect the indicator or metric to be impacted by OCP and TMP policies and projects?** The indicator must have a strong link to OCP and/or TMP policies. The OCP's indicators are linked to the plan's ten Pillars. For the TMP, each metric is aligned with one of the twelve TMP Goals.
- **Outcome-oriented: Is there a reasonable chance that trends in an indicator or metric could impact future OCP and TMP updates?** The indicator or metric must have a reasonable chance at impacting future policy discussions and OCP or TMP comprehensive reviews.
- **Available: Do we have a reliable data source?** The indicator or metric should have a reliable data source with a reasonable expectation of regularly scheduled updates.
 - Some key data are only reported every five years or inconsistently (e.g. Greenhouse Gas Emissions). As such, given that this is the first annual progress report, some annual indicators and metrics are unable to be as robust to measure progress.

Data Sources				
Sources	Type	Duration	Frequency	Indicators/Performance Metrics
BC Assessment	Sales Data	2021	Annual	Housing Price
BC Assessment	Actual Usage Data	2021	Annual	Active Farming
BC Stats	Business Numbers Data	2021	Annual	Business Growth, Foster a Growing Economy
BC Stats	Population Data	2021	Annual	Enhance Urban Centres
BC Transit	Ridership Data	2022	Monthly	Double Transit Ridership, Improve Travel Choices
City of Kelowna	Bike Network and Transit Network Data	2022	Ongoing	Promote Inclusive Transportation
City of Kelowna	Sidewalk Inventory Data	2022	Ongoing	Support Livable Communities
City of Kelowna	Shared Mobility Data	2021	Monthly	Be Innovative and Flexible
City of Kelowna	ALR Exclusion Data	2022	Weekly	ALR Exclusions
City of Kelowna	Rezoning Data	2022	Weekly	Agricultural Sterilization
City of Kelowna	Development Stats Data	2021 & 2022	Daily	UC Residential Growth, Suburban Development, Transit Corridor Investment, Residential growth by sub-type and tenure
City of Kelowna	BCo4o Sales Data	2022	Weekly	Housing Price
CMHC	Vacancy Rate Data	2021	Annual	Residential Vacancy
Google Environmental Insights Explorer	Distance travelled	2021	Annually	Quadruple Bike Trips, Reduce Distance Driven, Improve Safety
HM Commercial	Office and Industrial Vacancy Rates	2022	Annual	Office Vacancy Rate Industrial Vacancy Rate
ICBC	Vehicle Ownership and Collision Data	2021	Annually	Enhance Travel Affordability, Improve Safety
Kalibrate Market Intelligence	Fuel Sales Data	2022	Annual	Protect the Environment
Statistics Canada	Equity Data	2021	Annual	Transit Corridor Investment -Equity Lens
Statistics Canada	Commute Time Data	2021	Annual	Foster a Growing Economy
Statistics Canada	Core housing Data	2021	5 -Yearly	Core Housing Need

- *Note: The data provided in this document is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified.*



4. Making the Plan Work



Implementation Action Update

Putting the plans into action will require significant efforts beyond adoption and endorsement. Implementation actions have been identified directly in both the 2040 OCP and 2040 TMP. Specifically, key actions are outlined in the 2040 OCP Chapter 16: Making the Plan Work and the 2040 TMP Chapter 4: Recommended Actions. The OCP's 68 actions and the TMP's 130 actions (outlined in OCP Table 16.1 and TMP Appendix A) have been recommended to ensure that the city achieves the OCP Growth Strategy and Pillars, the TMP Vision and Goals, and ultimately, the community vision outlined in Imagine Kelowna.

The following is a snapshot of the status of OCP and TMP actions. A complete list and status update of the actions can be found in Appendices A and B.

Implementation Action Update				
	Ongoing	Complete	In Progress	Not Initiated
2040 OCP	14	5	25	24
2040 TMP	16	9	39	66
TOTAL	30	14	64	90

OCP Implementation Highlights

There are 68 recommended actions in the OCP. Appendix A provides the status of each action. Examples of a few recently completed and in-progress actions are highlighted below:

- 2040 OCP – Complete.** The Bylaw provides a policy framework for Council by addressing issues such as housing, transportation, infrastructure, parks, economic development and the natural and social environment. It's a plan that sets a strategic course for the next 20 years as to how our city should grow; prioritizing areas, decisions and policies that our citizens have told us they want to focus on.
- 2040 TMP – Complete.** The plan sets the direction for a vibrant city where people and places are conveniently connected by diverse transportation options. It is a long-term, citywide plan for transportation improvements that will help keep Kelowna moving, now and into the future.
- Zoning Bylaw – Complete.** The bylaw governs land use and the form, siting, height, and density of all development within the City boundaries to provide for the orderly development of the community and to avoid conflicts between incompatible uses. The new Zoning Bylaw aligns with the 2040 OCP.

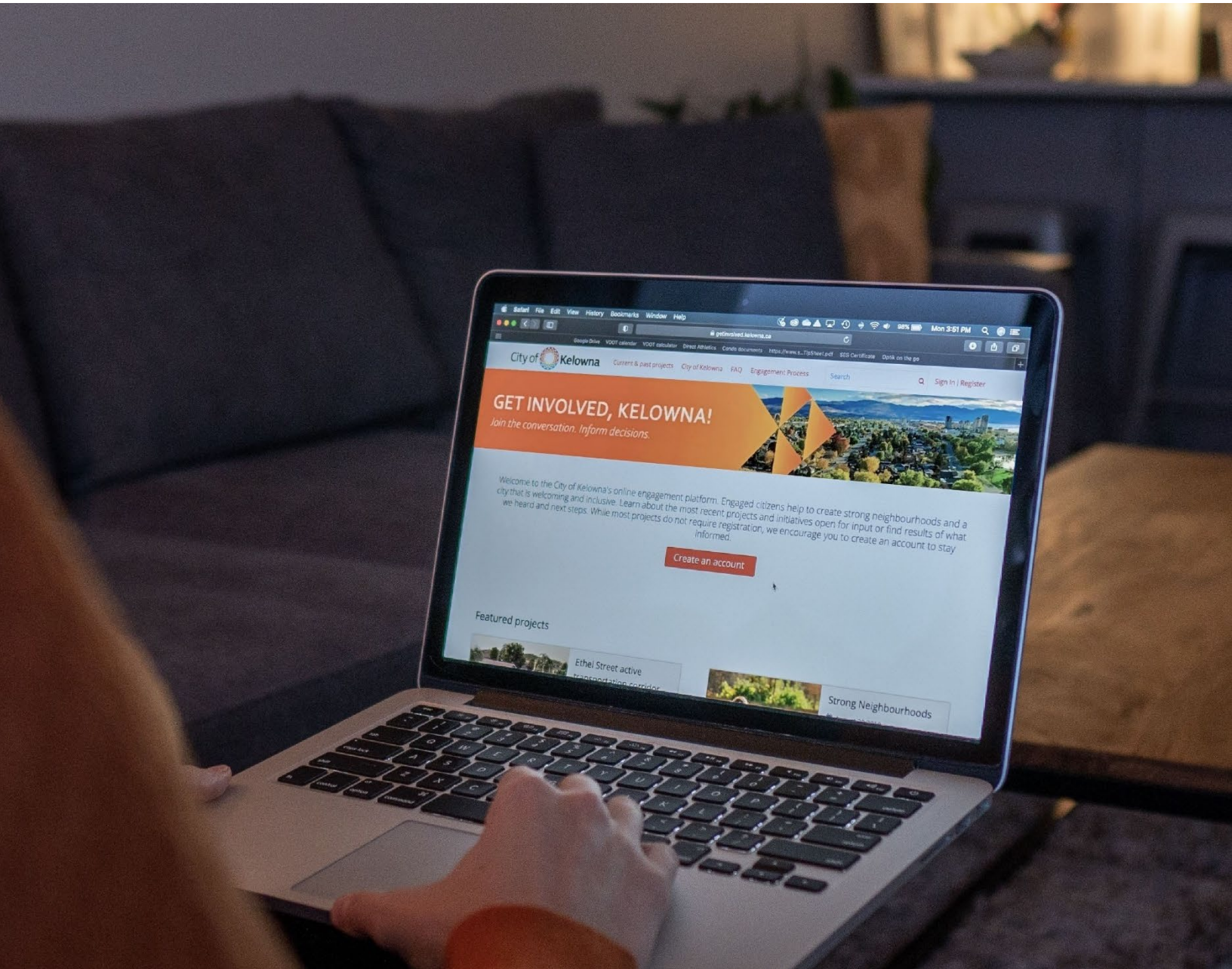
- **Idling Control Bylaw – Complete.** The bylaw protects and enhances the well-being of the community in relation to the emission of smoke, fumes and other effluvia that is liable to foul or contaminate the atmosphere.
- **Subdivision, Development and Servicing Bylaw – In Progress.** The bylaw sets the standards and specifications for works and services, and sets out the application procedures in connection with the subdivision and development of land within the City boundaries.
- **Parks Master Plan – In Progress.** The plan will guide the expansion, development, and operations of our parks system as the city grows.
- **North End Neighbourhood Plan – In Progress.** The plan, progressing in tandem with the Mill Site Area Redevelopment Plan, will manage growth and change in a rapidly evolving neighbourhood.
- **Develop and implement strategies to monitor changes in tree canopy coverage and to sensitive ecosystems – In Progress.** The Sustainable Urban Forest Strategy update will provide a renewed vision for the urban forest, including an implementation plan, monitoring framework and baseline information on the current state of Kelowna’s urban forest. Development of monitoring processes for sensitive ecosystems are forthcoming.
- **Climate Risk and Vulnerability Assessment – In Progress.** The assessment will address the current and future impacts of climate change in Kelowna, provide the technical basis for climate adaptation planning, inform the 2040 Infrastructure Plan, and will be used as the basis for the next phase in developing the Climate Resilient Kelowna Strategy.

TMP Implementation Highlights

There are 130 recommended actions in the TMP. Appendix B provides the status of each action. Examples of a few recently completed, ongoing, and in-progress actions are highlighted below:

- **Goods Movement Strategy (Project ID 17) – Complete.** In 2022 we partnered with the Province to launch the Central Okanagan Regional Goods Movement Study . The study is now complete and identifies strategies and recommendations to ensure the sustainable and efficient movement of goods as our region grows.
- **Lakeshore 1 Bridge at Bellevue Creek (Project ID 70) - Complete.** The project constructed bridge improvements over Bellevue Creek and was completed in 2021.
- **South Perimeter 1 (Gordon – Stewart) (Project ID 78) – Complete.** This project completed a new road from the south end of Gordon Drive to the south end of Stewart Rd West. It is a part of a series of road improvement projects that will help build a third north/south corridor to/from the Upper Mission.
- **Abbott Protected Bike Route (Rose - West), ATC (Project ID 90) – Complete.** In 2022, we completed the extension of the Abbott Street active transportation corridor (ATC) from Kelowna General Hospital south to Cedar Avenue, providing connections to the Pandosy Urban Centre.
- **Casorso 4 (Raymer - KLO), ATC - (Project ID 97) – Complete.** Construction of the first phase of the Casorso active transportation corridor was completed in 2021/2022, connecting the Ethel ATC to Okanagan College.
- **Houghton 1 ATC (Project ID 126) – Complete.** In 2022, we completed this project, also known as the Rutland to Rail Trail ATC. The project connects Rutland to the Okanagan Rail Trail via Leathead Road and provides a key connection to the Rutland Urban Centre.
- **Sidewalk Network Expansion (Project ID 7) – Ongoing.** In 2022, we built 345 metres of new sidewalks on Cameron Avenue, Rhondda Crescent, and Morrison Avenue.
- **Community Electric Vehicle & E-Bike Strategy -Implementation (Project ID 15) – Ongoing.** The Strategy focuses on how the City can support and accelerate light duty plug-in EVs and E-Bikes using policy and program tools that are available to Kelowna.
- **Transit - New Bus Stop and Amenities Program (Project ID 39) – Ongoing.** The City is working with BC Transit on bus stop enhancements. In 2022, the City completed approximately \$365,000 of enhancements for transit stops (e.g. new shelters and benches) to improve accessibility and comfort for riders.

- **Emerging Technologies and Shared Mobility Program (Project ID 21) – In Progress.** The City’s Micromobility Permit Program uses emerging technologies to make it easier for people to get around. Kelowna is participating in a three-year provincial pilot program. So far, the program is serving as a cost-effective way to help take cars off the road, manage congestion, reduce emissions, and open up our active transportation network to new users.
- **Safe Routes for School Expansion (Project ID 20) – In Progress.** This program improves air quality at schools by reducing vehicle emissions and encouraging students to walk or bike. In 2022 we completed upgrades at North Glenmore Elementary, including adding new bike lanes and a crosswalk on Snowsell Street.
- **Rutland Transit Network Restructure – Infrastructure (Project ID 47) – In Progress.** In 2022, the City started working with BC Transit on the Rutland Local Area Transit Plan, which will guide decision-making on transit services in this neighbourhood.
- **Commonwealth Road Upgrade (Project ID 56) – In Progress.** Planning and preliminary design work has started to link Commonwealth Road across the former rail corridor to the Jim Bailey industrial area. This project will enhance access to industrial lands, supporting regional goods movement and, economic development by First Nations.



5. Monitoring Our Progress

Are We Growing in the Right Places?

The 2040 OCP focuses most of the city’s growth in our five Urban Centres and the surrounding Core Area, while continuing to see some growth in our Suburban Neighbourhoods. This approach is how we are accommodating residential and employment growth without more urban sprawl and loss of agricultural land, while supporting transportation options like transit to keep Kelowna moving. In this context, determining how the OCP contributes to growth in the right places focuses on a few key questions:

- How are the Urban Centres growing?
- How are the Suburban Neighbourhoods growing?
- How is the growth near the Transit Supportive Corridors?

Several OCP Pillars speak to these questions. *Focus Investment in Urban Centres* speaks to providing consistent development in the Urban Centres. *Stop planning new suburban neighbourhoods* speaks to limiting the planning of new neighborhoods at the edge of the city in accordance with the OCP Targets. *Target growth along transit corridors* speaks to concentrating growth by increasing densities within 200 metres of those corridors.

Key Highlights

- **More growth in the Urban Centres and Core Area.** Our growth strategy projects and directs most of the residential growth in the five Urban Centres and the surrounding Core Area. We are seeing significant growth in these areas, with variations between different Urban Centres.
- **Less growth in the suburban areas.** Suburban neighborhoods are growing – but they are growing more slowly than the Urban Centres.

Key Indicators

For each indicator, click the [hyperlink](#) in each title for the online dashboard. The Executive Summary also provides an at-a-glance progress summary.

Residential Growth in Urban Centres

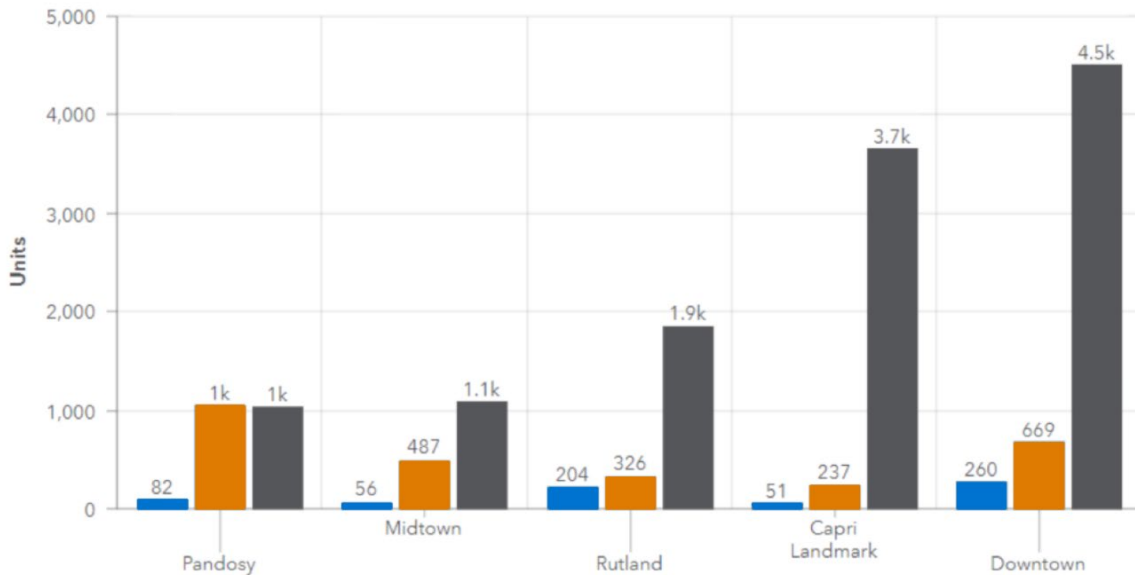
Target: 48% of new residential growth in Urban Centres
Moving toward the vision

While the OCP provides growth estimates in different areas of the city, development can take place faster or slower than expected based on market trends. Monitoring this rate of growth in our Urban Centres helps to make informed decisions about investments in things like transportation and utility servicing, as well as when to initiate Urban Centre Plans.

Since the OCP was adopted, the Urban Centres have been growing quickly, with Pandosy growing the fastest and already approaching the OCP’s 2040 targets. Midtown and Downtown are also growing quickly, with more development applications instream that haven’t reached the building permit stage, suggesting longer for sustained growth in future years. Rutland is also showing robust, sustained growth, while Capri Landmark showed slower growth over the past two years.

Urban Centre residential growth

Occupancy permit, building permit and OCP target residential unit numbers for Urban Centres



Residential occupancy and building permits by Growth Strategy District

Urban Centre, Core Area, and rest of City occupancy permit percentage split



Suburban Development

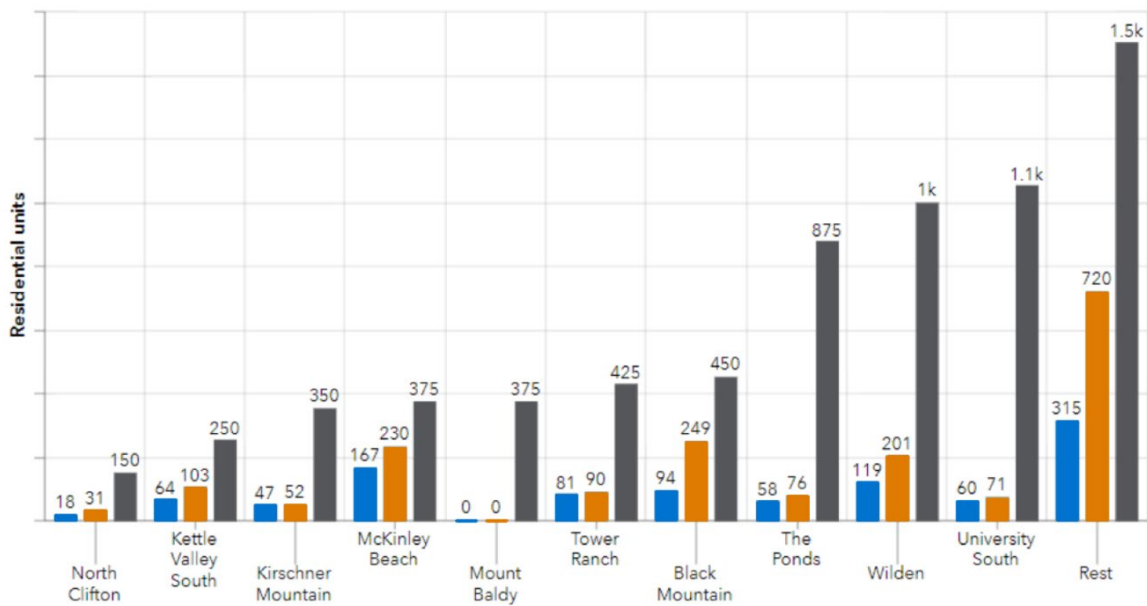
Target: Maintain growth in suburban neighbourhoods within the Permanent Growth Boundary

Moving toward the vision

Imagine Kelowna focuses on limiting urban sprawl and growing in a way that is more environmentally and financially sustainable. In recognition of this goal, the OCP signals that suburban neighbourhoods already approved will continue to grow into more complete communities, but no new suburban neighbourhoods would be considered. Black Mountain and McKinley are growing quickly, with over 50% of the total OCP targets already in the building permit pipeline. Other neighbourhoods such as Kirschner Mountain, Tower Ranch, North Clifton and Wilden are also showing modest growth. On the other hand, Mt. Baldy, the Ponds and University South are seeing slower growth, showing less than 10% growth in both occupancy as well as building permit stage.

Suburban neighbourhood residential growth

Occupancy permit, building permit and OCP target residential unit numbers for suburban neighbourhoods



Transit Corridor Growth

Target: Increase growth along Transit Supportive Corridors

Moving toward the vision

As we work towards creating a more compact urban form served by a variety of transportation options, transit will play a larger role in daily commutes. With this in mind, the OCP focuses future growth along major transit corridors aiming to add more people and jobs within 200 metre distance of frequent and direct transit service. Increased density around transit also contributes to the City’s commitment to reducing our Greenhouse Gas (GHG) emissions. Currently, 41% residential units, 66% commercial space and 23% industrial space in Kelowna are located within 200 metres of a Transit Supportive Corridor, including the Urban Centres.

In future progress reports, we will monitor this growth to determine if our growth is concentrating around our Transit Supportive Corridors or dispersing.

What’s Next

City of Kelowna

- **Urban Centre Planning.** The City is currently prioritizing which Urban Centre Plan to undertake next as part of OCP implementation. Pandosy is being considered, and if undertaken, this detailed study would align the Pandosy Urban Centre’s rapid growth with OCP objectives of improving housing variety, ensuring adequate employment space, coordinating infrastructure and transportation investments with growth, and identifying needed public realm and amenity improvements.
- **Pandosy / Richter Corridor Study.** This study will identify and facilitate transit corridor needs and improvements between the Pandosy Urban Centre and Downtown. Together the South Pandosy Urban Centre Plan and the Pandosy Richter Corridor Study will serve to guide development, re-development, investment, and an integration of land use and transportation

Federal Partners

- **North End Neighbourhood Plan.** Kelowna is in the process of completing a plan to guide and manage the evolution of the North End neighbourhood over the next 20 years or more. This project has received

partial funding from the Green Municipal Fund, a Fund financed by the Government of Canada and administered by the Federation of Canadian Municipalities to support municipalities in the transition to a low-carbon future.

Are We Providing a High Quality of Life?

Cities are successful when they can offer a high quality of life for their residents. In this context, determining how the OCP contributes to that quality of life focuses on a few key questions:

- Are we getting the right housing mix?
- Are we providing equitable access to things like transportation and amenities?
- Are we getting the jobs we need in the city so that residents can build a life?

Several OCP Pillars speak to these questions. *Promote More Housing Diversity* speaks directly to that need to ensure that we are providing the right mix of housing for existing and future residents. *Incorporate Equity into City-building* speaks to providing access to City resources such as parks, public transit and other key services. *Strengthen Kelowna as the Region's Economic Hub* focuses on fostering inclusive prosperity through entrepreneurship, innovation and employment growth.

Key Highlights

- **More housing variety is being delivered.** Continued diversification of our housing types is a key component of our growth strategy.
- **Rental vacancy rates are low but more supply is coming.** Our rental vacancy rates are low and our housing costs remain high, but significant rental housing stock is on the way.
- **Interest in office space remains high, despite the pandemic.** Kelowna is trending very differently from many other cities, as office vacancy went down during the pandemic and major new office buildings are on the way.
- **Industrial vacancy rates remain low and demand high.** Kelowna has been experiencing a very tight industrial market, and industrial land supply remains a challenge.

Key Indicators

For each indicator, click the [hyperlink](#) in each title for the online dashboard. The Executive Summary also provides an at-a-glance progress summary.

Housing Variety

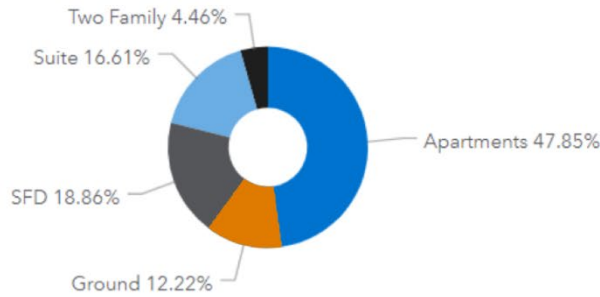
*Target: 75% multi-unit, 25% single and two unit (additional targets to be established by Housing Needs Assessment)
Moving toward the vision*

A resilient community has a wide variety of housing options available to meet the needs of residents at different price points and different life stages.

While the trend in Kelowna has been a gradual shift away from single detached housing over the past few decades, recent years have seen a much larger shift towards multi-unit housing, particularly in the form of low-rise apartments, providing a more balanced offering. However, ground-oriented multi-unit housing – commonly referred to as the missing middle – has room to grow. This will be monitored in the coming years.

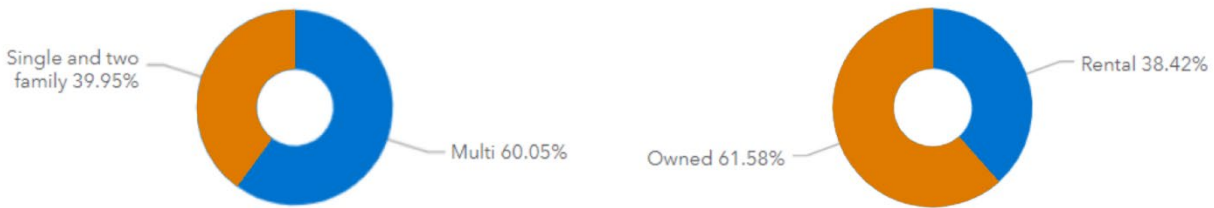
Housing typology : Detailed

Residential growth by building subtypes



Housing typology and tenure

Percentage split of housing types into multi family and single/two family and housing ownership types into owned and rental residential units



Ground Oriented Housing Affordability

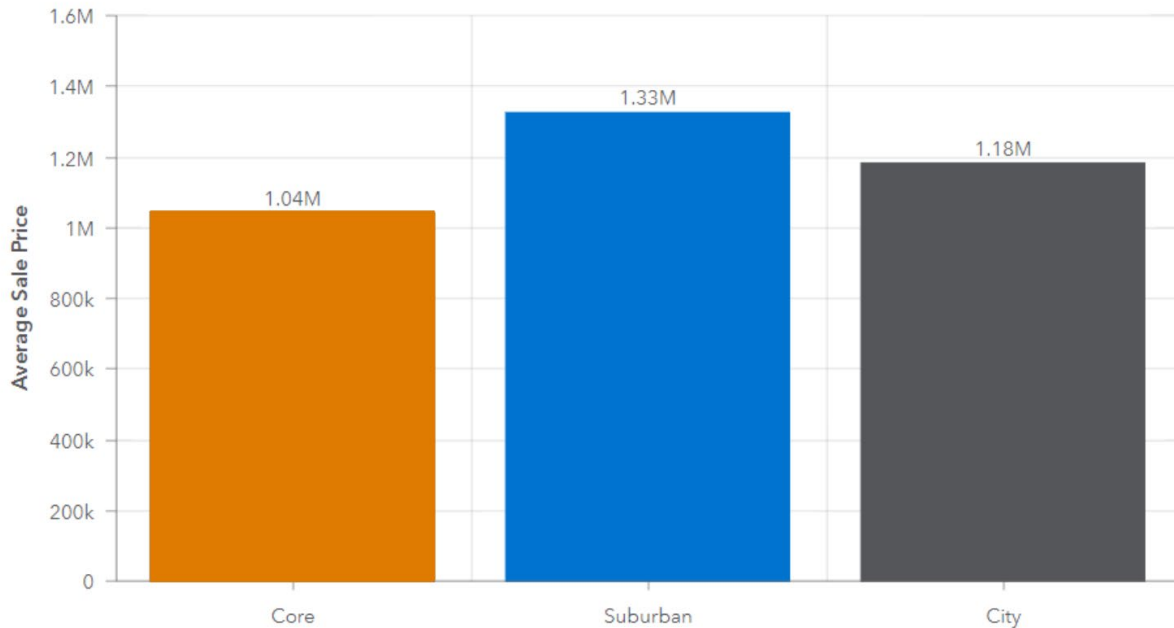
Target: Core Area costs are competitive with Suburban Neighbourhood costs

Minimal movement toward the vision

The OCP signals slower growth in suburban neighbourhoods and faster growth in the Urban Centres and Core Area. However, households that would typically seek out housing in a suburban context need to be able to afford ground-oriented housing in the Core Area if the OCP's Growth Strategy is to be successful. Otherwise, they may explore options in more distant communities. In 2022 ground oriented housing costs the Core Area remained competitive compared to their suburban counterparts as an average of \$1.04 million and \$1.33 million respectively. This will be monitored in the future to see how trends in this indicator change.

Ground oriented sale price: core and suburban

Average housing sale price in urban and suburban areas.



Residential Rental Vacancy

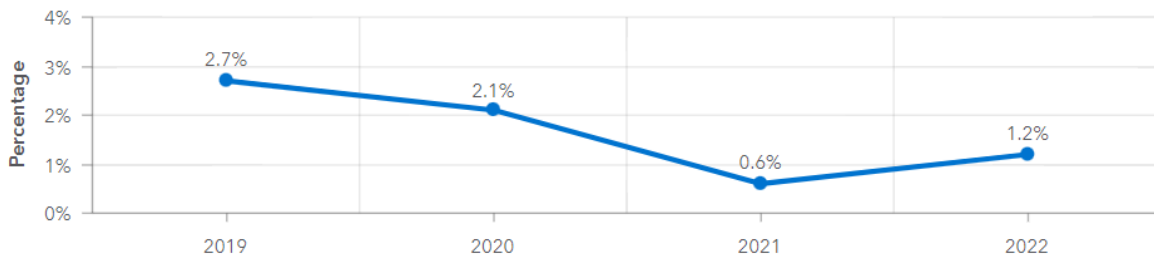
Target: 3%

Minimal movement toward the vision

Tenure is an important part of the housing equation and rental housing is a big part of that discussion. When rental vacancy drops, rental rates generally go up as a response, disproportionately impacting lower income households and those in core housing need. Kelowna's rental vacancy rate is 1.2%, up from 0.6% last year. However, significant numbers of purpose-built rental housing projects are under construction or being explored through the development process, which is expected to assist with improving this number in the coming years.

Rental vacancy rate

Percentage of rental units vacant compared to total units in the City



Core Housing Need

Target: The proportion of households in core housing need is decreasing

Minimal movement toward the vision

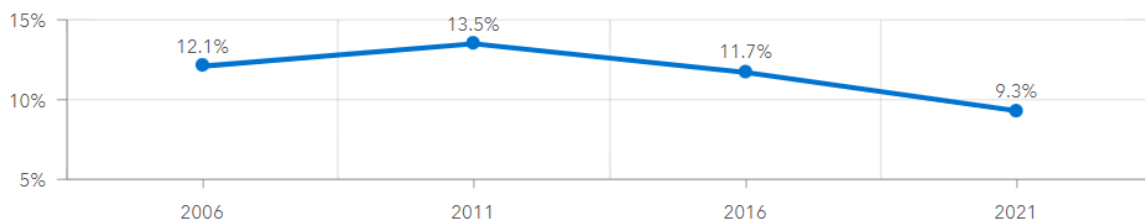
Core housing need is a two-stage indicator that identifies households living in unsuitable, inadequate, or unaffordable dwellings and if the household income level is too low to afford alternative suitable and adequate

housing. The OCP’s Pillars, objectives and policies support greater housing choice, more tenure options and protection from displacement, aiming to reduce core housing need overall and for specific groups, such as renters, who are more likely to be in core housing need.

Approximately 9% of Kelowna’s households are in core housing need, and of those, two-thirds are in rental housing. This 9% represents an improvement over the last reporting period, 2016, where 11.7% of households were in core housing need. It should be noted that 2021 census data related to income and housing need was impacted by government COVID-19 relief programs. These programs may have reduced core housing need, so longer term monitoring of core housing need will be important.

Core housing need

Percentage of population in core housing need



Access to Frequent Transit Network

Target: Increasing proportion of lower income residents have access to the frequent transit network

Minimal movement toward the vision

The frequent transit network encompasses the parts of our transit network service that runs at least every 15 minutes in both directions throughout the day and into the evening. The frequent transit network offers access and opportunities to service and amenities for those who are transit-dependent, whereas less frequent service can make that access challenging. Movement on this indicator may be a result of new development near transit or by expansion of the frequent transit network itself.

Currently, 50.5% of low income residents live within a five minute walk of the Frequent Transit Network. Over time, this number should rise, indicating that our transit service is expanding and that our development patterns are providing more residents with more options to live near our transit service.

Access to Parks

Target: Increasing proportion of lower income households living in close proximity to a park (additional targets to be determined through the Parks Master Plan process)

Minimal movement toward the vision

Providing residents with access to centrally located neighbourhood parks within a convenient walking distance helps support thriving neighbourhoods and a healthy community. Neighbourhood parks generally include playgrounds, picnic areas, and recreational open spaces for users of all ages. The OCP aims to have more residents living closer to parks, and new parks be completed near our residents.

Currently, 48.8% of low income residents live within 500m walking distance of a neighbourhood park. This number should rise, indicating that our park catchment area is expanding and that our development patterns are providing more residents with access to neighbourhood parks.

Office Vacancy

Target: 5%

Moving toward the vision

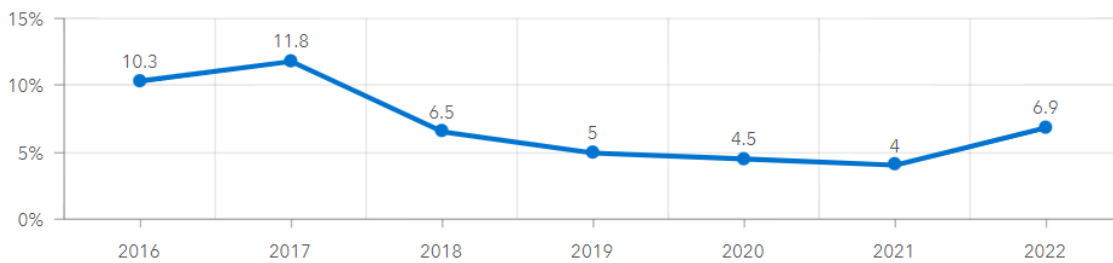
While office space can be found across the city, it plays an especially important role in our Growth Strategy. Large office projects are targeted in our Urban Centres where they have the best access to transit and are near higher

density housing. This makes it easier for people to walk, bike and take transit to work, easing the strain on our road network during peak periods.

Kelowna’s office vacancy rate has been trending in some surprising directions during the pandemic, with the vacancy rate going down, and not up during the worst years of COVID-19, dropping from almost 5% in 2019 to 4% in 2021. The vacancy rate rose to 6.8% in 2022 as Landmark 7 received occupancy in fall of that year, adding nearly 267,000 square feet of office space to the city’s inventory. In coming years, the vacancy rate may rise as other office projects are completed. For example, the Bernard Block office tower under construction Downtown will add significant space to the office inventory of our Urban Centres, with smaller projects being proposed in other Urban Centres. If these office spaces fill with tenants quickly, we can expect the vacancy rate to fall again without other projects being advanced.

Office vacancy rate

Percentage of office vacancy compared to total units in the City



Data: HM Commercial. This data is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified.

Industrial Vacancy

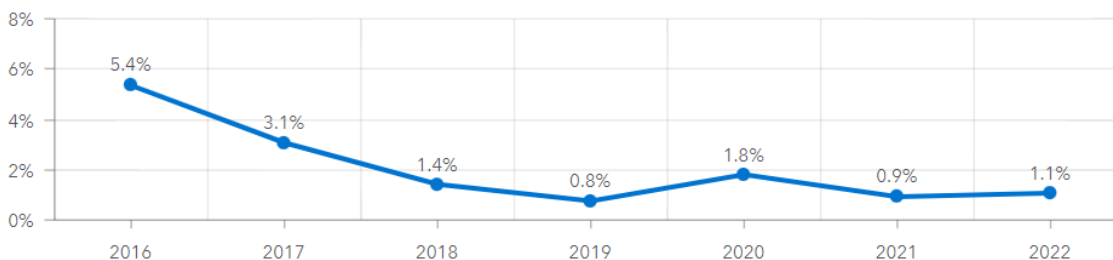
Target: 5%

Not moving toward the vision

Protecting industrial lands and finding new lands for industrial uses is an ongoing challenge for cities across Canada. With increased demand in Kelowna, the industrial vacancy rate remains low. Kelowna’s industrial vacancy rate was recorded as 1.1%, rising slightly from 0.9% in 2021, but still lower than 1.8% two years ago. As outlined in the Growth Strategy, industrial lands need to be protected and new and creative ways to retain the lands are needed to maintain economic viability. The OCP encourages employment-intensive uses in the Core Area and supports the continued development of industrial lands within the Gateway.

Industrial vacancy rate

Percentage of industrial vacancy compared to total units in the City



Data: HM Commercial. This data is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified.

What's Next

City of Kelowna

- **Infill Options Program.** This program will continue to expand missing middle housing options.
- **Rental Incentives Review.** This review will identify further opportunities to incentivize more rental housing.
- **Housing Needs Assessment.** The Housing Needs Assessment will provide an update to our current and projected housing needs to use in future planning initiatives, including neighbourhood plans and updates to the OCP.
- **Parks Master Plan.** The plan will guide the expansion, development, and operations of our parks system as the city grows.

Local and Provincial Partners

- **Regional Employment Lands Inventory (Regional District of Central Okanagan).** This project would provide an inventory of all commercial, industrial, office and institutional land, project demand and identify looming shortages. This inventory would be the first step in developing a regional strategy for employment lands.
- **Affordable Home Ownership Program (BC Housing).** This program aims to increase the range of affordable home ownership options, moving more middle income households into home ownership.
- **Housing Supply Act (Ministry of Housing).** The Housing Supply Act allows the Province to establish housing targets for municipal governments, based on Housing Needs Assessments.
- **Accelerating Housing Fund (CMHC).** This program, announced in March 2023, provides incentive funding to local governments encouraging initiatives aimed at increasing housing supply.

Are We Keeping Kelowna Moving?

The full 2040 TMP progress report is an online dashboard. This PDF document provides a summary, however full details, charts and graphs are shown on the [online 2040 TMP progress report](#).

The 2040 TMP vision is that “Kelowna will be a city with vibrant urban centres where people and places are conveniently connected by diverse transportation options that help us transition from our car-centric culture”. Recommended actions set out in the TMP improve our transportation options, infrastructure, and travel times, helping residents get where they want to go.

Measuring the progress of the TMP focuses on key questions such as:

- How are residents moving around Kelowna?
- How much are residents driving, biking, walking and taking transit?
- Are key corridor travel times changing?
- Are our Urban Centres well-connected with viable transportation options?
- Is our transportation system inclusive and accessible for people of all incomes, ages and abilities?
- Are transportation emissions decreasing?

Several TMP Goals report out on these questions. *Improve travel choices* monitors the number of trips by walking, biking, and transit to measure the use of different transportation options. *Promote inclusive transportation* measures our progress on ensuring that people of all ages, incomes, and abilities have access to our transportation network. *Enhance urban centres* focuses on connections within and between Urban Centres to help more residents access key destinations.

Key Highlights

- **People are driving more.** The demand for travel has rebounded from the pandemic. The downward trend in vehicle ownership, distance driven and transportation emissions in years prior to the pandemic has reversed. Emissions went up in 2022, both in total and per person terms.
- **Travel demand is shifting to midday and afternoon.** The average morning commute has not changed in a decade, even while our population grew by 20 per cent. However, half the routes we are tracking saw moderate or significant delays in the afternoon (i.e. travel times were 50 per cent longer or more than overnight). For most routes, this meant an extra 3 to 6 minutes of driving on average.
- **Transit ridership has fully recovered.** After a sharp drop in 2020, ridership recovered to 80 per cent of normal in 2022. Ridership in January 2023 was above pre-pandemic levels.
- **More people are walking and biking.** One-third of residents now say they are walking, biking, or taking transit more than they did three years ago. We are seeing a 10% increase in bike trips and a 43% increase in distance biked compared to 2018. The rate of serious collisions involving people walking and biking has also dropped 67 per cent since 2018.

TMP Targets

The TMP sets ambitious, yet achievable targets for 2040 that we can all work together to achieve, including doubling transit ridership, quadrupling the number of trips made by bicycle, and reducing the average distance driven per person by 20 per cent. These targets were developed through detailed modelling and analysis and reflect key metrics that help us understand broad trends in travel behaviour and system performance.

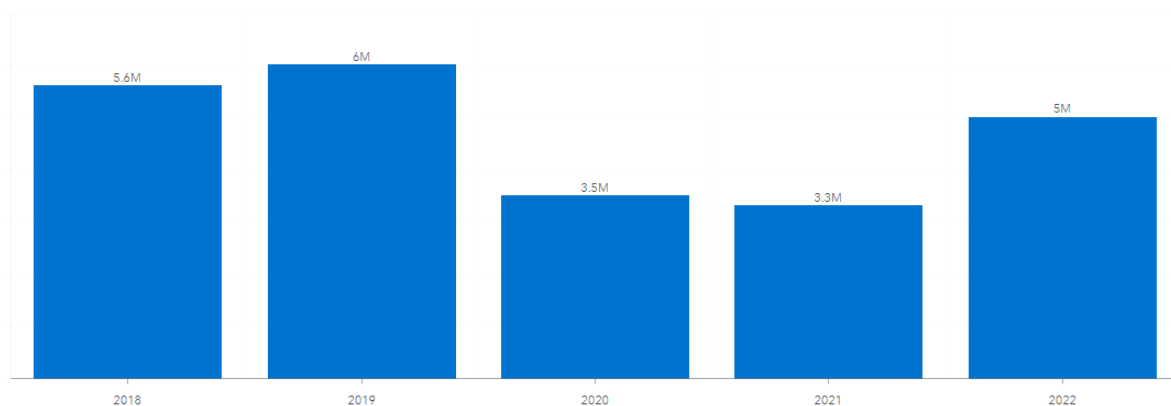
The following is a brief summary of each target. Click the [hyperlink](#) in each title for the online dashboard with full reporting, charts and graphics. The Executive Summary also provides an at-a-glance summary.

Double Transit Ridership

Trending in the desired direction

Transit is the way to move the most people in our limited road space. It is also the best alternative to driving for longer trips. Transit ridership is recovering from the pandemic. During the pandemic, ridership fell significantly, from approximately 6 million annual boardings in 2019 to 3.3 million in 2021. However, ridership rebounded in 2022, increasing by 50 per cent to 5 million. In the first month of 2023, ridership exceeded pre-pandemic levels.

Transit ridership is recovering from the pandemic
Annual passenger boardings (in millions) for Kelowna Regional Transit

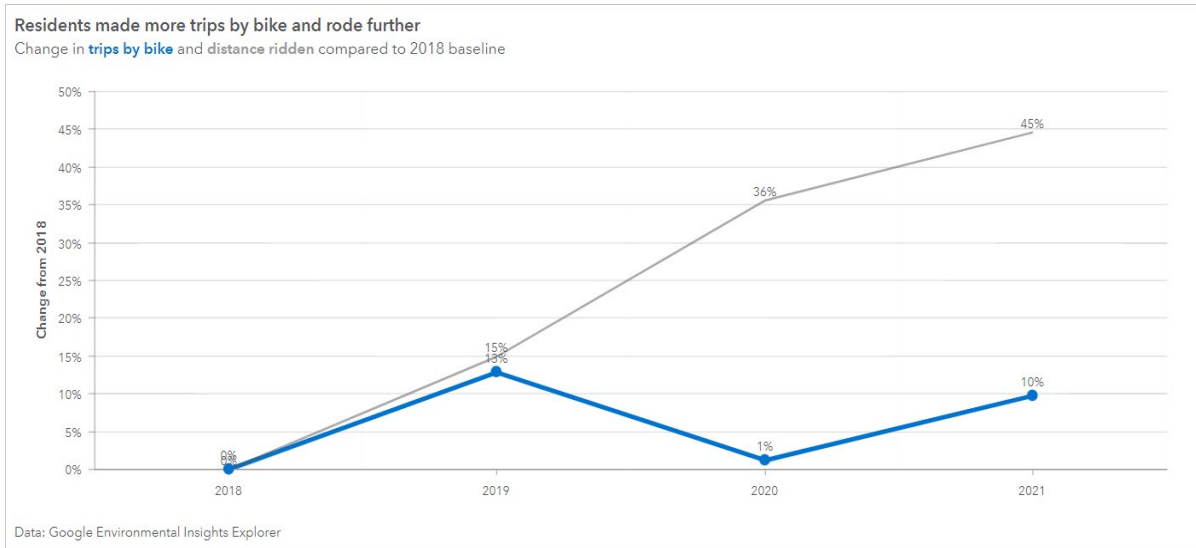


Data: BC Transit

Quadruple Trips by Bike

Trending in the desired direction

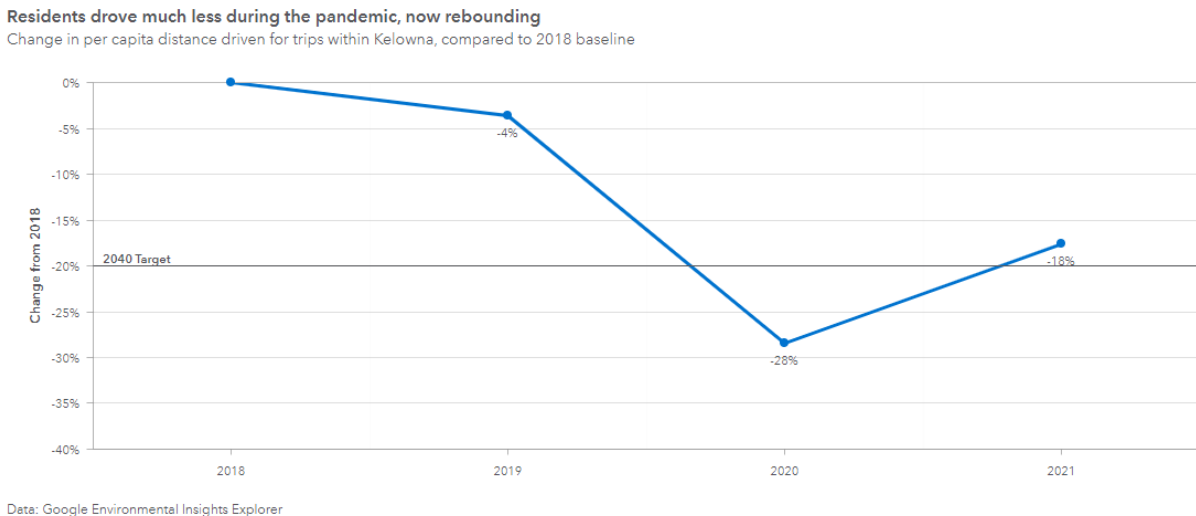
Biking is an affordable way to get around that improves our health and cuts emissions. Biking is also most attractive in the summer, making it a valuable alternative to driving when the pressure on our roads is highest. Since 2018, the distance ridden by bike has increased 45 per cent, while the number of trips went up 10 per cent.



Reduce Distance Driven Per Capita by 20%

Not trending in the desired direction

The level of congestion, traffic collisions, and emissions in Kelowna is directly related to the amount we drive. The distance driven per person went down 4 per cent in 2019. During the pandemic, residents drove 28 per cent less – passing our target for 2040. Driving increased in 2021 but remained 18 per cent below baseline. Data for 2022 is not yet available, however based on other metrics we are tracking (e.g. fuel sales) we expect distance driven has rebounded further.



Key Metrics

The following is a brief summary of each metric. Click the [hyperlink](#) in each title for the online dashboard with full reporting, charts and graphics. The Executive Summary also provides an at-a-glance summary.

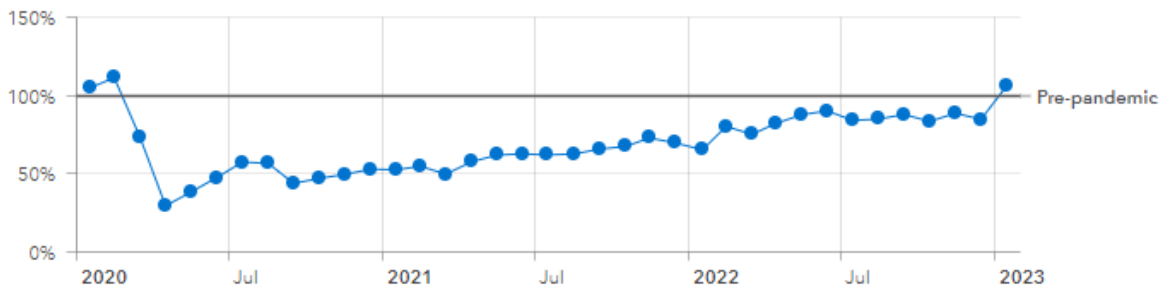
[Trips by transit, walking, and biking](#)

Trending in the desired direction

Making it easier to walk, bike and transit will slow the growth of traffic congestion, reduce greenhouse gas emissions, and improve health. Transit ridership fell significantly due to the pandemic, however ridership exceeded pre-pandemic levels in the first month of 2023. The number of people biking by our counters decreased slightly between 2021 and 2022, but this is still higher than pre-pandemic numbers. Overall, we saw a 10% increase in bike trips in 2021 compared to 2018 (our baseline year). Based on census data, the proportion of residents walking to work has also increased.

Transit ridership has recovered to pre-pandemic levels

Monthly ridership compared to 2019



Data: BC Transit ridership numbers

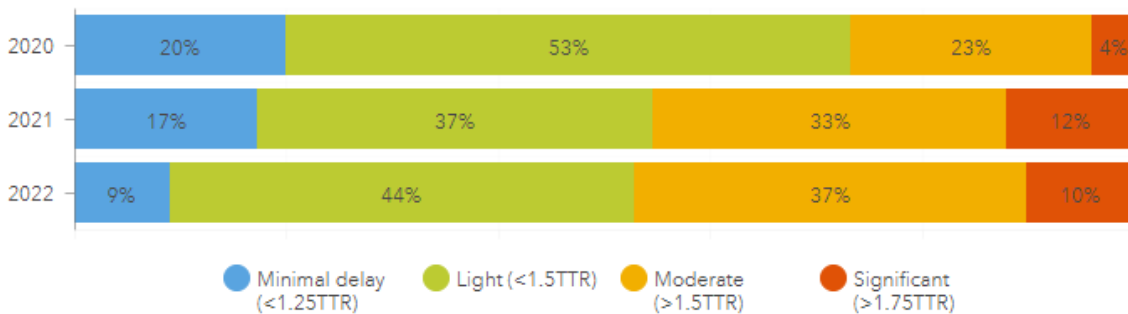
[Key corridor travel times](#)

Not trending in the desired direction

We should expect some traffic in a city, but significant delays make it harder for people and goods to get around. In 2020, we started a pilot to track travel times between key destinations using cloud-based data. The data shows increasing travel times as traffic volumes recover from the pandemic. Delays increased more in the midday and afternoon than in the morning rush hour. In 2022, almost half of the 85 routes we tracked had moderate or significant delays in the afternoon (i.e. travel times were more than 50 per cent longer than overnight). For most routes, this meant an extra 3 to 6 minutes of driving, on average.

Half of routes have moderate or significant delays in the afternoon

Share of routes by level of delay (3 p.m. - 6 p.m. average)



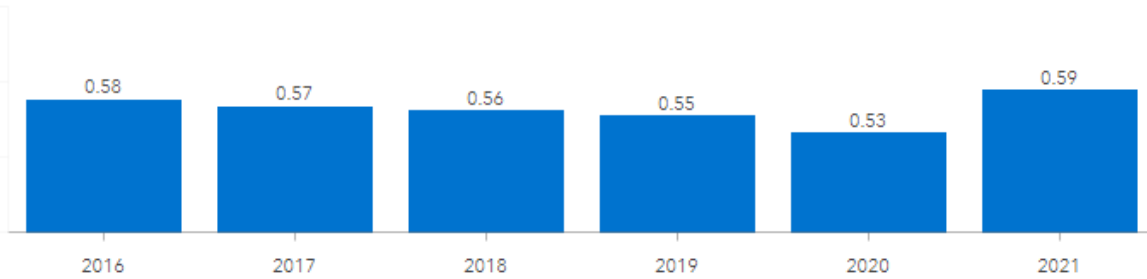
Vehicles per capita

Not trending in the desired direction

Transportation is often the second biggest expense for people after housing. Though many households can choose to own one or more vehicles, it should not be a necessity. Like emissions, vehicle ownership was declining prior to the pandemic. Since 2020, vehicle ownership has increased.

Vehicle ownership is on the rise again

Number of vehicles per person (excluding trailers and commercial vehicles)



Data: ICBC

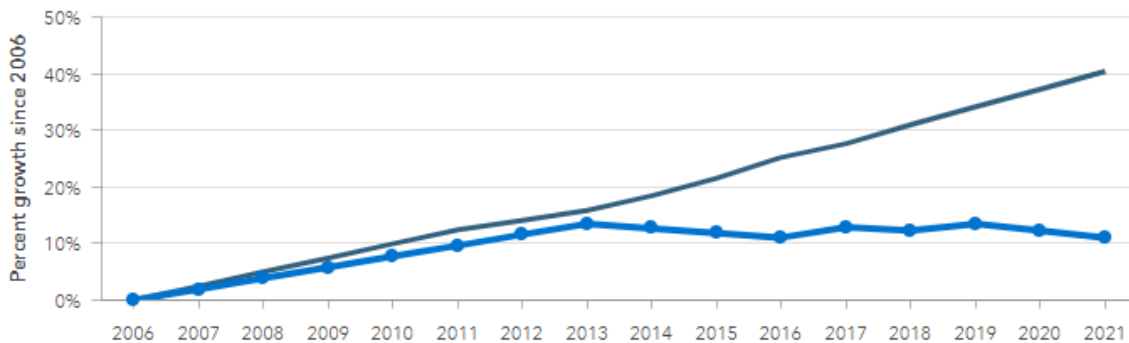
Average commute time

Trending in the desired direction

Mitigating increasing commute times will be key to maintaining Kelowna’s economic competitiveness and quality of life as we grow. Since 2013, average commute times have been stable at around 18 minutes. Our population has grown by over 20 per cent in that time.

Kelowna's average commute is unchanged since 2013

Percent change in **population** and **average commute time**



Investments connecting higher density urban areas

Trending in the desired direction

Investing in connections within and between Urban Centres will help more residents access key destinations. The City is investing in transportation infrastructure, including sidewalks, safe bike routes, and transit to better connect Kelowna’s Urban Centres, providing our residents with more travel choices. Please view the TMP dashboard to see all the [investments we are making to connect our urban centres](#).

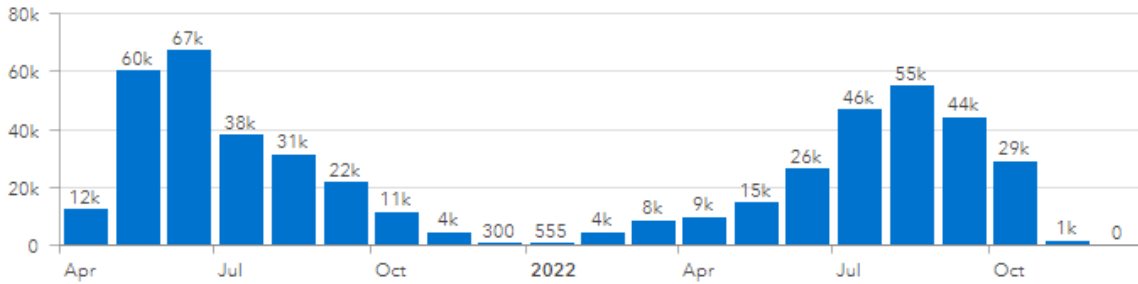
Trips by emerging modes

No substantial change in direction

New technologies are offering residents more affordable and convenient options for getting around.

We are tracking three emerging modes in Kelowna: micromobility (i.e. shared e-bikes and e-scooters), ride-hailing, and car sharing. Approximately 240,000 trips were made by shared e-scooters and e-bikes in 2022, staying on par with in 2021. Ridership is highest in the warmer months, which means the program is helping take pressure off our roads when we need it most. For example, in 2022, shared e-scooters and e-bikes prevented 158,000 kms of driving and 30 tonnes of CO₂ emissions. Data for ride-hailing and car-share is not yet available.

Shared e-scooter and e-bike trips per month over time



Data: City of Kelowna

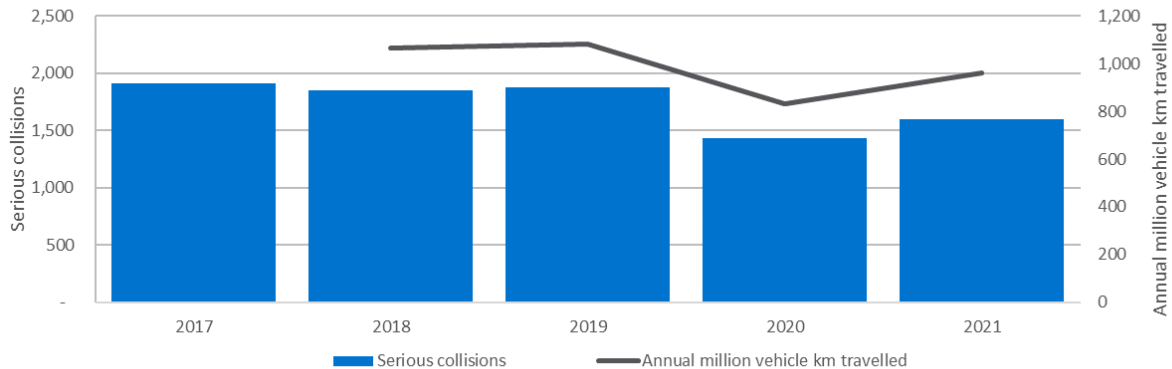
Traffic related injuries and fatalities per capita

Trending in the desired direction

Traffic collisions have significant impacts on people’s lives, including fatalities, injuries, and property damage. Road safety is also an equity issue, as seniors, and people walking and biking are more likely to be seriously injured in a collision. In 2020 and 2021, collisions decreased as people drove less during the pandemic. However, collisions are increasing again as people begin to drive more.

When people drive less, there are fewer serious collisions

Serious collisions per year in Kelowna

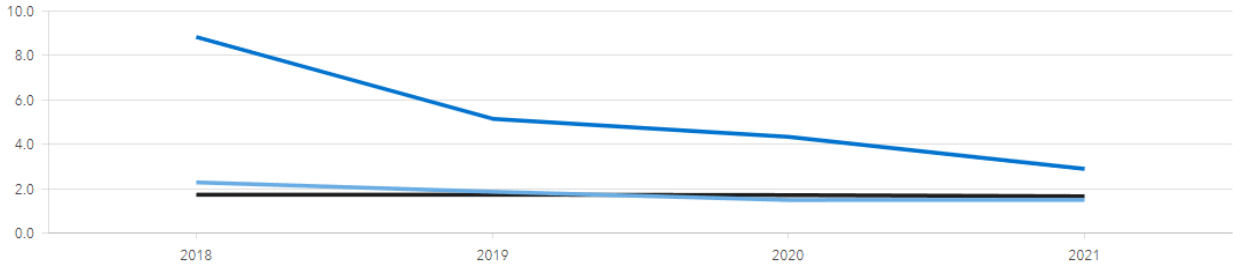


Data: ICBC

This trend is reversed for people walking or biking. From 2017 to 2021, people walked and biked more, but both the total number and share of serious collisions involving pedestrians or cyclists decreased. Since 2018, the rate at which people biking were involved in serious collisions has dropped 67 per cent.

The rate at which bicyclists are involved in a serious collision is decreasing substantially

- Serious collisions with a person biking per million km biked
- Serious collisions with a person walking per million km walked
- Serious collisions per million vehicle kilometres travelled



Data: ICBC and Google Environmental Insights Explorer

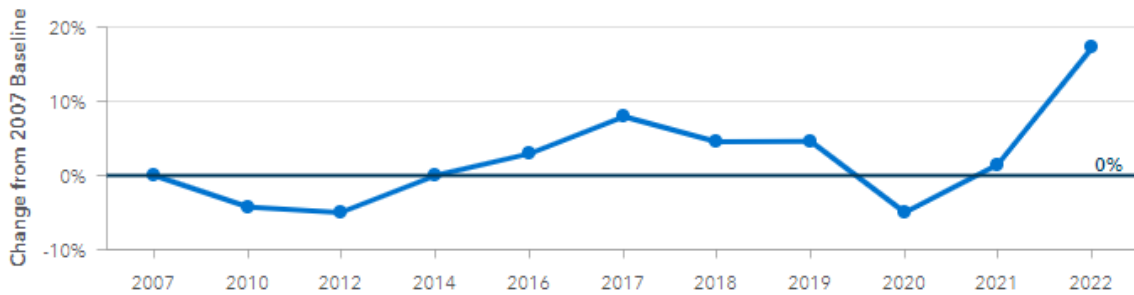
Transportation emissions

Not trending in the desired direction

Transportation is the largest source of greenhouse gas emissions in Kelowna. Scientists warn that emissions need to be cut in half over the next decade to avoid catastrophic impacts from climate change. Measured by the amount of fuel sold in Kelowna, transportation emissions were dropping before the pandemic. Since 2020, emissions have risen above pre-pandemic levels in both total and per-person terms.

Fuel sales have increased sharply since the pandemic

Trend in fuel sales in Kelowna by year compared to 2007 baseline



Data: Kalibrate Market Intelligence

Public benefits provided by transportation projects

Trending in the desired direction

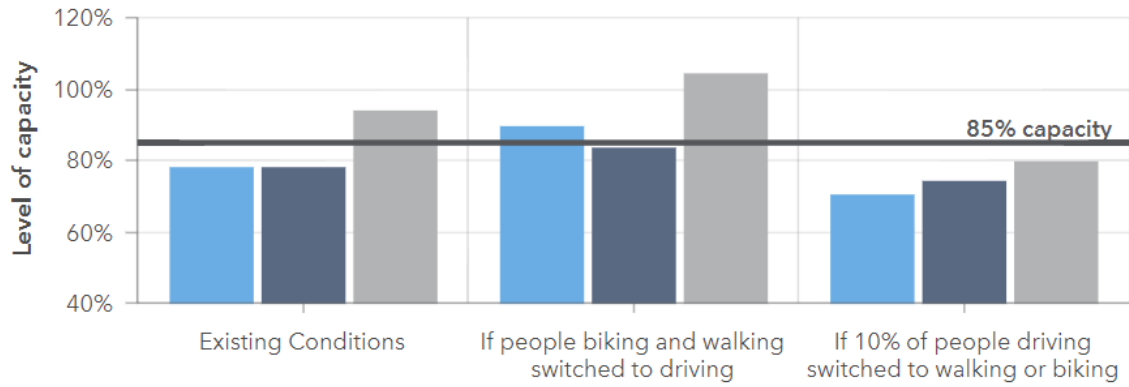
Public investment in our transportation infrastructure should benefit as many residents as possible. To measure value for public investment, each year we will look at an example project as a case study. For this year, the intersection at Lakeshore Road and Richter Street (near Gyro Beach) was selected and demonstrates how biking, walking and transit projects help manage traffic congestion. Different types of projects (e.g. maintenance, roads, bike, pedestrian, transit, etc.) will be selected for a case study each year.

Biking, walking, and transit projects help our streets move more people

Lakeshore Rd northbound approach

Lakeshore Rd southbound approach

Richter St approaching Lakeshore Rd



Data: City of Kelowna and BC Transit

Share of students driven to school

No substantial change in direction

Children who walk or bike to school are more active overall than children who get to school by car. Traffic congestion around schools is also a frequent issue for parents and the surrounding community. On a typical day, about half of Kelowna’s K-12 students are driven to school. Around half of the adults who drive kids to school continue on to work, while the other half drive back home. These trips between school and home have a big impact on congestion, local air quality (emissions), and potentially safety.

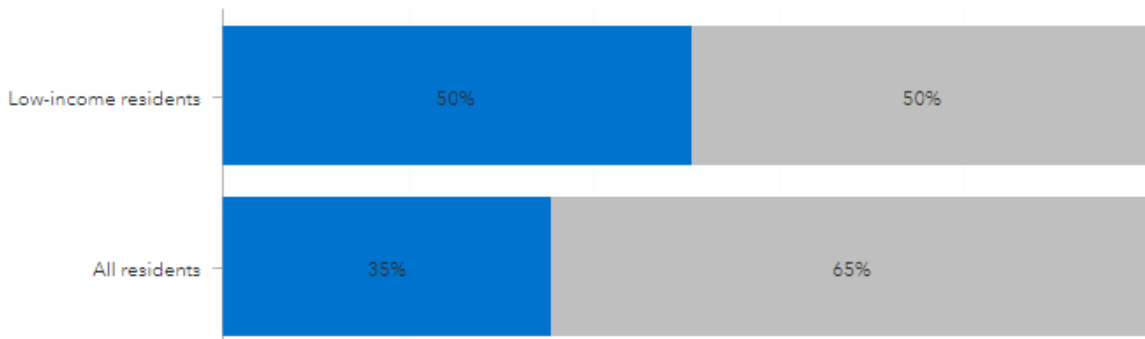
Share of low-income residents close to frequent transit

No substantial change in direction

Being close to frequent transit makes it easier for households to live car-free or car-light. This reduces the financial strain on lower-income residents. Roughly half of low-income residents are within a five-minute walk of frequent transit. This metric did not change in 2022.

Focusing transit in the Core Area serves those who need it most

Share of residents within a five-minute walk of frequent service



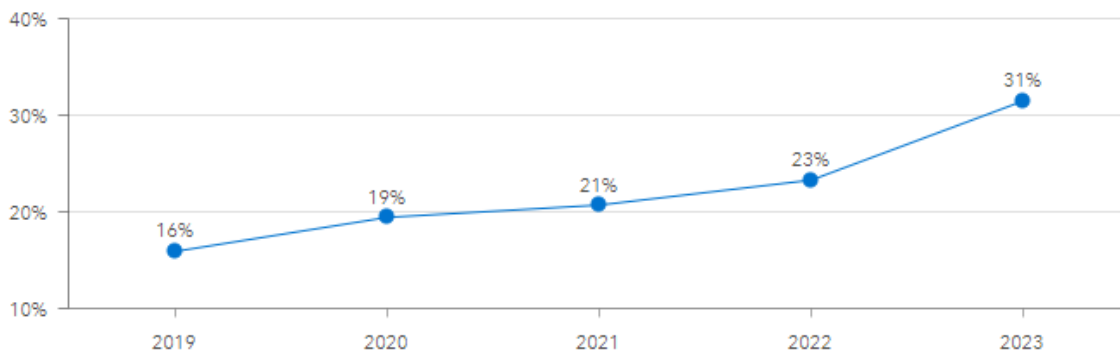
Share of low-income residents close to primary bike routes

No substantial change in direction

Biking is an affordable alternative to driving. Being close to primary bike routes makes it easier for households to live car-free or car-light. In 2022, we completed two major biking projects: connecting Rutland to the Okanagan Rail Trail via Leathead Road and extending the Abbott St bike route south from Kelowna General Hospital to Cedar Avenue. These two additions increased the share of low-income residents close to the bike network by 8 per cent. Roughly one-third of low-income residents are now within 400 metres of the primary bike network.

The bike network is reaching more low-income residents

Share of low-income residents within 400 m of the primary bike network



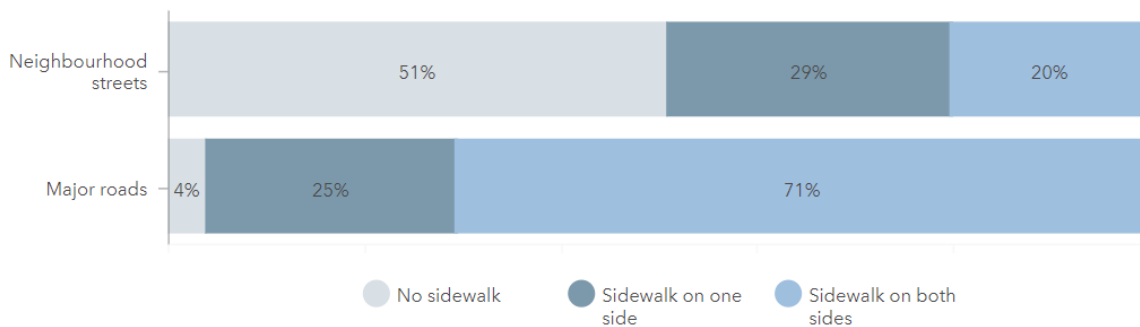
Sidewalk completeness in the Core Area

No substantial change in direction

The OCP focuses on adding new housing to the Core Area rather than expanding outwards. Many streets in the Core Area were built without sidewalks. A lack of safe and accessible sidewalks prevents people from walking. The overall sidewalk completeness in the Core Area is 62 per cent.

Neighbourhood streets have fewer sidewalks

Share of Core Area streets, by length



What's Next

With vehicle travel on the rise, we have more work to do to manage congestion and emissions. A few highlights of upcoming work are below:

City of Kelowna

- **Community Electric Vehicle & E-Bike Strategy - Implementation** (Project ID 15). In 2023, we will continue installing public EV chargers in high-traffic and other strategic locations. We also are considering standards for EV-readiness in new developments and incentives for adding EV & E-Bike chargers to existing buildings.
- **Employer Commute Trip Reduction Program** (Project ID 18). As we learned during the pandemic, working from home is a cost-effective way to take pressure off our roadways – reducing congestion and emissions. We are working with employers in Kelowna to identify ways to provide employees with options besides driving alone during rush hour – for example by supporting work from home and providing incentives for carpooling, biking, walking, and transit.
- **Transportation Safety Strategy** (Project ID 26). In 2023, we will start work on a Transportation Safety Strategy that will identify key actions to reduce the number of injuries and fatalities on our roadways for all modes of travel.
- **Frost Road** (Project ID 58). We are continuing to work on preliminary design for the extension of Frost Road from Kildeer to Chute Lake Road in the Upper Mission.
- **Road Safety Improvements** (Project ID 76). In 2023, we will be making intersection safety improvements at Longhill Road and Sexsmith Road, Harvey Avenue and Richter Street, KLO Road and Richter Street, and Highway 33 and Ziprick Road.
- **Stewart 3** (Project ID 80). Following the completion of the new South Perimeter Way, planning and design for downstream improvements along Stewart Road W between Crawford Road and DeHart Road is underway. This project is part of a series of projects that together represent an over \$35 million investment in a third corridor to the Mission to give people another option when Lakeshore and Gordon are congested.
- **Casorso 3 ATC** (Project ID 96). In 2023 – 2024, construction of this project will extend the Ethel/Casorso ATC south from KLO connecting Okanagan College to Rotary Beach.
- **Bertram / Central Green Overpass** (Project ID 98) – In 2023 – 2024, design and construction of the Bertram/Central Green Overpass will provide an active transportation connection over Highway 97.
- **Houghton 2 ATC** (Project ID 114). In 2023 – 2024, construction of this project will extend the Houghton ATC from Hollywood to Rutland Road, connecting into the Rutland Urban Centre.
- **Sutherland ATC** (Project IDs 127 and 128). In 2023 – 2024, construction of this project will extend the Sutherland ATC east from Ethel Street to Burtch Road, providing connections to Capri-Landmark urban centres and the current and future Parkinson Recreation Centre.

Regional, Provincial and Federal Partners

- **Safe Routes for School Expansion** (Project ID 20). In 2023 we are working with Springvalley Elementary School and making improvements to the nearby walking and cycling network. This program will also be started at two new schools.
- **Okanagan College Transit Exchange Expansion** (Project ID 42). Detailed design of the new transit exchange will begin in 2023, pending funding from the Investing in Canada Infrastructure Program (ICIP).
- **Transit Maintenance & Operations Centre** (Project ID 48). To provide fast and reliable transit as our population grows, it will be necessary to add more buses to the system; however, our current facility is at capacity. The City is working with provincial and federal partners on short and long-term plans to expand the capacity of our existing and future transit maintenance facilities.

- **Harvey Ave Transit Lanes and Clement Ave Extension** (Project ID 34 & 54). The majority of cars and trucks on the highway in Kelowna are not just passing through, which is why a bypass won't solve congestion. Instead, improving the highway corridor and parallel road infrastructure to help more people and goods get to their destinations is how we can keep Kelowna moving. The City is working with the Province on the next steps of planning and design for both the Harvey Avenue transit lanes and Clement Avenue extension which will work together as a system to provide fast and reliable transit and more efficient goods movement.
- **Okanagan Rail Trail Lighting** (Project ID 92). In 2023 – 2024, we will install lighting along the Okanagan Rail Trail from Dilworth to Leathead to improve trail conditions for all users and encourage more use as a commuter route.

Are We Building Resiliency?

Resiliency can be defined as the ability of a system and its component parts to anticipate, absorb, accommodate, or recover from sudden or unexpected changes. It shows up in both the built environment and how people are connected to it. Resilient cities are cities that can absorb, recover and prepare for future shocks (economic, environmental, social and institutional). In this context, determining how the OCP contributes to building resiliency focuses on a few key questions:

- Are we achieving our greenhouse gas emission targets?
- Are we protecting agricultural land?
- How is growth and change impacting sensitive ecosystems and our urban tree canopy?

Several OCP Pillars speak to these questions. *Take Action on Climate* speaks to guiding growth in a way that is more compact, energy-efficient and better prepared to adapt to events like floods, wildfires, drought and other climate change impacts. *Protect Agriculture* speaks to limiting urban growth into agricultural lands and supporting their viability. *Protect and Restore our Environment* speaks to protecting ecosystems and restoring others to a healthier state.

Key Highlights

- **Our targets for greenhouse gas emissions are expected to change.** GHG reduction targets were set in the 2040 OCP. However, these targets are expected to be revised during the development of the Climate Resilient Kelowna Strategy, to be more progressive, and consistent with provincial targets.
- **We are setting revised targets for tree canopy coverage.** A revised approach to measuring success with tree canopy coverage is being established through the Urban Forestry Strategy.
- **No major ALR exclusions or land use changes took place outside of the OCP's vision.** The OCP does identify some ALR lands for exclusion, primarily to accommodate civic uses that have few options on other lands. No exclusions have taken place in other lands since the plan was adopted.
- **Active farming fluctuates regularly but will be monitored.** When comparing actively farmed land area from our previous OCP, there has been a slight loss. This could be due to a combination of properties being developed and/or crop rotation.

Key Indicators

Where applicable, click the [hyperlink](#) in each title for the online dashboard. The Executive Summary also provides an at-a-glance progress summary.

Greenhouse Gas Emissions

Target: Reduce GHG Emissions below 2007 levels by 4% by 2023, 25% by 2033, 80% by 2050

The 2040 OCP identified greenhouse gas emission targets as required by the Local Government Act. However, in 2022, Council endorsed more progressive community targets to be used in the development of the Climate

Resilient Kelowna Strategy (40 % GHG emissions reduction by 2030 relative to 2007 levels and net-zero by 2050). Further community engagement, which will happen as part of the Strategy's development, is needed before the targets are updated in the 2040 OCP. Initiatives to help meet more aggressive emissions reduction targets will be outlined in the new Climate Resilient Kelowna Strategy which is expected to be complete in late 2023.

The most recent data shows that GHG emissions rose 3.7 % above 2007 levels in 2018, while dropping 17% per capita. However, this data reflects changes that took place well before the adoption of the 2040 OCP, so it does not reflect the directions of the new plan. 2019 and 2020 community GHG emissions inventories will be completed in 2023 as part of the Climate Resilient Kelowna Strategy. Much of the data for inventories comes from the Province of BC, and the data is only available at minimum two years behind the current year. It will therefore be several years before we are able to track the influence of this OCP on GHG emission reduction.

Tree Canopy Coverage

Target: 12% in Urban Centres, 20% in Core Area, 25% for rest of the City

Tree canopy coverage is important for our urban environments for several reasons: it reduces the urban heat island effect through shade, mitigates greenhouse gas emissions by absorbing carbon, improves air quality, manages rainwater infiltration, and helps maintain biodiversity and habitat connectivity. The Growth Strategy focuses most of our population growth into the Urban Centres and Core Area, putting stress on our tree canopy coverage in those areas. Efforts must be made to protect existing trees and grow our tree canopy coverage in these rapidly developing areas of the city to improve quality of life for our residents.

Future reports will set a new baseline for progress on our tree canopy goals, based on the outcomes of the Urban Forestry Strategy and forthcoming canopy cover analysis.

Agricultural Land Reserve Exclusions

*Target: Promote no net loss of ALR lands where signaled as Rural – Agricultural and Resource
Moving toward the vision*

The OCP's Growth Strategy focuses most of Kelowna's future growth into the Urban Centres and the Core Area, with some growth targeted in the Gateway and Suburban Neighbourhoods districts. This approach aims in part to support our city's agricultural lands in continuing to provide local food and support our economy. Since the OCP was adopted, there have been no Agricultural Land Reserve (ALR) exclusions completed where the 2040 OCP designates agricultural uses.

Agricultural Rezonings

*Target: No rezoning of agricultural lands to urban centres where signaled as Rural – Agricultural and Resource
Moving toward the vision*

While the ALR makes up a significant proportion of our agricultural lands, there are other areas of the city that are designated or agricultural uses that are not in the ALR. In addition, the exclusion of land from the ALR does not mean that the lands are taken out of production. Tracking the rezoning of property from an agricultural use to an urban use is a major step towards development in those lands. Since the OCP was adopted, there have been no rezonings of properties that the OCP signals for continued agricultural uses.

Active Farming as Share of Land Area

*Target: Limit growth in actively farmed areas
Minimal movement toward the vision*

Agriculture has played a crucial role in Kelowna's economy for generations and is a big part of Kelowna's identity. Local food production is also becoming even more important in the face of a changing climate. As such, protecting agricultural lands is a key goal of Imagine Kelowna. The OCP supports this critical component of our economy, community identity and food security by limiting urban growth into agricultural lands and supporting their viability. While Kelowna is becoming a much more urban city, over 55% of the land base is dedicated to agriculture and rural uses.

In 2022, 29% of all land in the city was being actively farmed. In future reports, we will see trends start to emerge.

What's Next

City of Kelowna

- **Kelowna Climate Resiliency Strategy.** Our next climate action strategy will not only give direction for reducing our community's greenhouse gas emissions – it will also address how we can adapt to the changes to our climate that are already underway.
- **Urban Tree Canopy Enhancement Strategy Implementation.** A series of actions are identified in the Strategy to be undertaken in 2023 and 2024 to enhance Kelowna's tree canopy as the city responds to high growth.
- **Sustainable Forestry Strategy Update.** This update, anticipated to be complete mid 2023, will provide a renewed vision for the urban forest, including an implementation plan, monitoring framework and baseline information on the current state of Kelowna's urban forest.
- **New Environmental OCP Indicators.** The development of more robust environmental indicators is identified as an OCP implementation action. Council can expect to see these indicators in coming years.

Local and Provincial Partners

- **Sensitive Ecosystem Inventory Update.** The RDCO is partnering with the City to update the region's inventory of sensitive ecosystems, providing a new baseline for understanding how growth and change are impacting terrestrial ecosystems. These efforts will inform new OCP indicators for future reports.
- **Agricultural Land Use Inventory.** The City is exploring opportunities with the RDCO and the province to update the Agricultural Land Use Inventory. This project would update the 2014 inventory, describing all crop type, irrigation, livestock, and non-farm uses on agricultural land. With an updated inventory, more accurate agricultural water demand predictions for different climate scenarios can be created and used for informed decision making.



6. Conclusion



This report marks the first of a series of progress reports on how we are moving towards our Imagine Kelowna vision by way of OCP and TMP implementation. This first annual OCP and TMP progress report also sets the baseline for what we are monitoring during the spans of these two plans. In future years, these reports will begin to outline broader trends over longer time periods, and a clearer picture will emerge of how we are progressing.

Shaping long-term growth and development for our city sets the stage for current and future generations to enjoy the vision as described by Imagine Kelowna where:

“Kelowna is a thriving mid-sized city that welcomes people from all backgrounds. We want to build a successful community that honours our rich heritage and also respects the natural wonders that contribute to our identity. As a place with deep agricultural roots, Kelowna understands the need to protect our environment, manage growth and be resilient as our future unfolds.”

For the 2040 OCP, it is critical to consider all of the implementation actions and activities that will continue to put the plan into real-life action. The dedicated commitment to those work activities alongside adequate resourcing will ensure that the 10 Pillars that guide the entire Growth Strategy are being advanced in harmony.

Equally as vital for the TMP is the corresponding delivery of the transportation investments needed to keep Kelowna moving as we grow. A key challenge will be delivering the transportation infrastructure needed to support our growing community during a time of significant inflation and price escalation.

While it is too early to be gauging how the OCP and TMP are progressing long term, we are seeing positive trends in where our growth is being focused – a critical component for success of the community’s vision. It is important to note that changes in year-to-year performance do not equate to a long-term trend. While performance in any given year may be either negative or positive, land use and transportation outcomes and investments require many years of reliable data to identify a clear and defensible trend for action.

Appendix A – OCP Implementation Actions

#	Action	Associated Objective or Policy	Action Type	Status
Environment, Energy & Climate				
1	Develop an Anti-Idling Bylaw	14.1.1. Motor vehicle use and air quality	Bylaw Update	Complete
2	Implement and update the Air Quality Strategy	14.1.1. Motor vehicle use and air quality	Strategy / Program	Not Initiated
3	Implement the Community Climate Action Plan	12.1 Design the community to be more resilient to a changing climate	Implement existing plans	Ongoing
4	Develop a Climate Action and Resiliency Strategy	12.1 Design the community to be more resilient to a changing climate	Strategy / Program	In Progress
5	Partner with stakeholders to develop an Okanagan Lake Management Plan	14.3.1 Okanagan Lake ecosystem health	Plan development	In Progress
6	Develop and implement strategies to monitor changes in tree canopy coverage and to sensitive ecosystems.	16.4 Ensure the Official Community Plan responds to emerging trends, opportunities and risks.	Strategy / Program	In Progress
7	Identify and implement tools to protect ecosystem connectivity corridors.	14.4.2. Ecosystem connectivity corridors.	Strategy / Program	Not Initiated
8	Update and implement the Urban Forestry Strategy	14.2 Protect and expand a healthy and viable urban forest	Strategy / Program	In Progress
9	Implement and update the Energy Step Code Strategy for new construction	12.4.1. Energy Step Code 12.4.2. Energy efficient design	Strategy / Program	Complete
10	Develop a Landscape Standards and Maintenance Bylaw	4.3, 5.5. Protect and increase greenery.	Bylaw Update	In Progress
11	Develop a Private Tree Protection Bylaw	14.2. Protect and expand a healthy urban forest.	Bylaw Update	In Progress
12	Update the Heritage and Significant Tree Inventory	14.2. Protect and expand a healthy urban forest.	Inventory	Not Initiated
13	Develop a Community Energy Retrofit Strategy	12.4.2. Energy efficient design	Strategy / Program	In Progress
14	Implement the Corporate Energy and GHG Emissions Plan	12.5. Improve energy efficiency and reduce operational greenhouse gas emissions	Implement existing plans	Ongoing

15	Implement the Community Low Carbon Mobility Strategy: Electric Vehicles and E-Bikes	12.7.2. Electric mobility.	Implement existing plans	Ongoing
16	Explore options to encourage on-site green infrastructure in development	12.8 Invest in ecosystem services and green infrastructure to mitigate and adapt to a changing climate.	Strategy / Program	Not Initiated
Urban Centre & Local Area Planning				
17	Develop a Rutland Urban Centre Plan	4.7. Focus new development in Rutland strategically to create a new high-density hub to support improved services and amenities.	Plan development	Not Initiated
18	Develop a Pandosy Urban Centre Plan	4.6. Support infill and redevelopment to promote housing diversity and enhanced services and amenities in the Pandosy Urban Centre.	Plan development	Not Initiated
19	Develop a Midtown Urban Centre Plan	4.8. Support modest residential development to transition Midtown into a transit-supportive neighbourhood.	Plan development	Not Initiated
20	Develop a North End Neighbourhood Plan	5.8.3. North End Industrial Lands	Plan development	In Progress
21	Develop a Residential Infill Strategy	5.3 Design residential infill to be sensitive to neighbourhood context.	Strategy / Program	In Progress
22	Implement the Capri Landmark Urban Centre Plan	4.5.1. Capri Landmark Urban Centre Plan	Implement existing plans	Ongoing
23	Develop an Okanagan Rail Trail Land Use Plan	13.8 Protect and enhance the Okanagan Rail Trail as a vital transportation corridor linking communities in the Okanagan Valley.	Plan development	Not Initiated
24	Complete the Pandosy/Richter Corridor Study	5.2. Focus residential density along Transit Supportive Corridors.	Strategy / Program	In Progress
25	Develop a Terms of Reference to guide developer-initiated Area Redevelopment Plans.	5.3.3. Strategic Density.	Process Change	Complete
26	Undertake a North Glenmore Sector Development Study to inform future OCP update processes.	16.4.2. Plan Review and Refinement	Strategy / Program	Not Initiated
27	Develop a Hall Road Neighbourhood Plan	8.4.4. Consideration of Serviced Areas.	Plan development	Not Initiated
Parks & Placemaking				
28	Develop a Parks Master Plan	10.3. Ensure parks reflect their unique natural and cultural context.	Plan development	In Progress

29	Develop a "Parks on Streets" Policy	10.2.2. Parks on Streets	Strategy / Program	Not Initiated
30	Develop an Alternative Parks Policies Framework	4.1.10, 5.4.4. Public Space for Future Development	Process Change	Not Initiated
31	Investigate tools to create an Okanagan Lake Waterfront Park Habitat Balance Strategy.	10.4.8 Waterfront park development	Strategy / Program	In Progress

Land Development & Management

32	Update the Development Application Review Process	16.1.1. OCP Consistency.	Process Change	Ongoing
33	Update the Subdivision, Development and Servicing Bylaw	16.1.1. OCP Consistency.	Bylaw Update	In Progress
34	Update the Zoning Bylaw	16.1.1. OCP Consistency.	Bylaw Update	Complete
35	Update the Revitalization Tax Exemption Bylaw	4.4.7. Downtown Revitalization Tax Exemption 4.7.6. Rutland Revitalization Tax Exemption	Strategy / Program	In Progress
36	Implement the Wildfire Protection Plan	15.1. Reduce wildfire risk to health and safety of the public, property and infrastructure.	Implement existing plans	Ongoing
37	Update Council Policy No. 247 Hierarchy of Plans	16.1.1 OCP Consistency	Process Change	In Progress
38	Implement the Agriculture Plan	Objective 6.7 and 8.1. Protect and preserve agricultural land and its capability.	Implement existing plans	Ongoing
39	Monitor and report on OCP outcomes.	16.4.1. OCP Indicators Report	Strategy / Program	Ongoing

Housing and Community Well-being

40	Develop an Equity Strategy	9.1.2 Equity Analysis and Strategy	Strategy / Program	Not Initiated
41	Develop Housing Needs Assessments to inform future OCP updates	16.4.3. Housing Needs Assessments	Strategy / Program	Ongoing
42	Develop a Tenant Assistance Policy	4.13.3, 5.12.3., 6.10.4. Tenant Assistance.	Strategy / Program	In Progress
43	Develop Rental Housing Retention or Replacement Regulations	4.14.1, 5.13.1. Protection of Existing Rental Stock.	Strategy / Program	Not Initiated

44	Complete the Social Planning Framework	9.1. Incorporate equity into planning decisions and resource allocation in our community.	Strategy / Program	Not Initiated
45	Complete and implement the Healthy City Strategy	9.3. Develop diverse partnerships to advance complex social planning issues and increase community wellbeing.	Strategy / Program	Ongoing
46	Establish location criteria for shelters and safety net supports for people experiencing homelessness.	4.2.2, 5.4.2. Safety Net Supports and Services.	Strategy / Program	In Progress
Arts, Culture and Heritage				
47	Update the Heritage Strategy	11.1.2. Heritage Strategy	Strategy / Program	Not Initiated
48	Update the Heritage Conservation Area Design Guidelines	11.1.2 Heritage Strategy	Strategy / Program	In Progress
49	Establish a Heritage Impact Assessment Terms of Reference	11.2. Identify, conserve and protect historic places.	Process Change	Not Initiated
50	Expand the Heritage Register to include archaeological sites, landscapes, structure and cemeteries.	11.2.3. Kelowna Heritage Register expansion.	Strategy / Program	In Progress
51	Explore opportunities to encourage heritage building retrofits and energy efficiency upgrades	11.2.7. Heritage retrofits	Strategy / Program	Not Initiated
52	Implement the Cultural Plan	Various	Implement existing plans	Ongoing
53	Implement the Cultural Facilities Master Plan	Various	Implement existing plans	Ongoing
Transportation				
54	Implement the Transportation Master Plan	16.2.1. Supplementary plans.	Implement existing plans	Ongoing
55	Complete a Local / Neighbourhood Streets Pilot Program	5.16. Create neighbourhood streets that are safe and comfortable for people to walk, bike and play on.	Strategy / Program	In Progress
56	Develop a Transportation Safety Strategy	4.17. Create urban streets that are attractive to live, work and shop on. 5.16. 7.9. Create neighbourhood streets that are safe and comfortable for people to walk, bike and play on. 6.15. Maintain safe roads that support agricultural uses.	Plan development	In Progress
57	Update the Pedestrian and Bicycle Master Plan	16.2.1. Supplementary plans.	Plan development	Not Initiated

58	Develop an Accessibility Transition Plan	4.17. Create urban streets that are attractive to live, work and shop on. 5.16, 6.15, 7.9., Create neighbourhood streets that are safe and comfortable for people to walk, bike and play on.	Plan development	Not Initiated
59	Develop a Curbside Management Plan	4.18, 5.18. Manage curb space to reflect a range of community benefit.	Plan development	Not Initiated
60	Undertake a Goods Movement Study	6.11.7. Highway 97.	Plan development	Complete
61	Update the Cash In Lieu of Parking Bylaw	4.19.3, 5.19.3. Leverage Cash-in-Lieu.	Strategy / Program	Not Initiated

Infrastructure and Servicing

62	Develop 2040 Infrastructure Plan	16.2.1. Supplementary plans.	Implement existing plans	Ongoing
63	Develop a Water Conservation Plan	13.4. Provide a secure supply of water. 13.5. Protect the supply of high-quality drinking water.	Plan development	Not Initiated
64	Develop an Agricultural Water Demand Management Plan	13.4.4. Water Availability for Agriculture.	Plan development	Not Initiated
65	Develop a Water Shortage Management Plan	13.4. Provide a secure supply of water. 13.5. Protect the supply of high-quality drinking water.	Plan development	In Progress
66	Establish an annual capital plan prioritization matrix to ensure capital investments align with OCP	13.1.1. Infrastructure Prioritization.	Process Change	In Progress
67	Identify floodplain areas and develop policies to minimize flood risk	15.4. Reduce flood risk to health and safety, infrastructure, property and natural assets.	Plan development	In Progress
68	Identify new funding tools to support infrastructure and facilitate growth.	13.2.3. Infrastructure and facility funding tools.	Strategy / Program	In Progress

Appendix B – TMP Implementation Actions

#	Action	Estimated Timing	Action Type	Status
Maintenance and renewal				
1	Renewal	all years	Capital program	Ongoing
2	Bridges Renewal	all years	Capital program	Ongoing
3	KLO Rd Mission Creek Bridge Replacement	2021-2025	Capital project	In Progress
4	Maintenance	all years	Expanding existing program	Ongoing
Neighbourhood streets				
6	Neighbourhood Traffic Calming Program	all years	Capital program	Ongoing
7	Sidewalk Network Expansion	all years	Capital program	Ongoing
8	Local Street Urbanization Program	all years	Capital program	Ongoing
9	TDM Existing Funding	all years	Base budget	Ongoing
Education and programs				
10	Accessibility Transition Plan	2021-2025	Plan development or design	Not Initiated
11	Adult Bicycle Skills Training	2023-2040	New program	Not Initiated
12	Bike and Ped Individualized Marketing Strategy	2026-2040	Expanding existing program	Not Initiated
13	Bike Map Program	2022-2040	Expanding existing program	In Progress
14	Wayfinding Program	2022-2040	Expanding existing program	Not Initiated
15	Community Electric Vehicle & E-Bike Strategy -Implementation	2022-2030	Plan development or design	Ongoing
16	Curb Space Management Strategy	2026-2030	Plan development or design	In Progress
17	Goods Movement Strategy	2021-2025	Plan development or design	Complete

#	Action	Estimated Timing	Action Type	Status
18	Employer Commute Trip Reduction Program	all years	New program	In Progress
19	Open Streets	2023-2040	New program	Not Initiated
20	Safe Routes to School Expansion	all years	Expanding existing program	In Progress
21	Emerging Technologies and Shared Mobility Program	2022-2040	Expanding existing program	In Progress
22	Student Bike Skills Training Expansion	2023-2040	Expanding existing program	Not Initiated
23	Tactical Urbanism Pilot Project	2022-2040	New program	In Progress
24	Transit Pass Program Expansion	2023-2040	Expanding existing program	Not Initiated
25	Transit Travel Training Program	2022-2040	Expanding existing program	Not Initiated
Transit				
28	YLW Transit Hub	2021-2025	Capital project	Not Initiated
29	Exchange Driver Facilities	2026-2030	Capital project	Not Initiated
30	FTN Glenmore - Infrastructure	2031-2035	Capital project	Not Initiated
31	FTN Gordon - Infrastructure	2036-2040	Capital project	Not Initiated
32	Highway 33 Transit - Infrastructure	2036-2040	Capital project	Not Initiated
33	Springfield Transit - Infrastructure	2036-2040	Capital project	Not Initiated
34	Highway 97 Dedicated Transit Lanes - Infrastructure	2036-2040	Capital project	Not Initiated
35	Hollywood Rd Transit - Infrastructure	2036-2040	Capital project	Not Initiated
36	Orchard Park Exchange	2021-2025	Capital project	Not Initiated
37	Mission Recreation Transit Exchange & Mobility Hub	2021-2025	Capital project	In Progress
38	Mobility Hubs at Transit Exchanges	2031-2035	Capital project	Not Initiated

#	Action	Estimated Timing	Action Type	Status
39	Transit - New Bus Stop and Amenities Program	all years	Capital program	Ongoing
40	Transit - Land Acquisition	all years	Capital program	Ongoing
41	Okanagan College Transit Exchange and Stations	2031-2035	Capital project	Not Initiated
42	Okanagan College Exchange Capacity Expansion	2021-2025	Capital project	In Progress
43	Pandosy / Richter Transit - Study + Infrastructure	2031-2035	Planning and design	In Progress
44	Route 1 FTN+ Infrastructure	2026-2030	Capital project	Not Initiated
45	Rutland Road FTN+ Infrastructure	2036-2040	Capital project	Not Initiated
46	Rutland Mobility Hub and Driver Facility	2021-2025	Capital project	In Progress
47	Rutland Network Restructure - Infrastructure	2026-2030	Capital project	In Progress
48	Transit Maintenance & Operations Centre	2021-2025	Capital project	In Progress
Road Connections				
49	Benvoulin Capacity Optimization	2026-2030	Capital project	Not Initiated
50	Burtch 2 (Springfield - KLO)	2026-2030	Capital project	Not Initiated
51	Burtch 3 (Glenmore - Springfield)	2026-2030	Capital project	In Progress
52	Casorso Roundabouts	2026-2030	Capital project	Not Initiated
53	Clement 1 (Ellis - Graham)	2026-2030	Capital project	In Progress
54	Clement 2 Extension (Spall - Hwy 33)	2031-2035	Capital project	In Progress
55	Clement 3 Extension - Land from Highway 33 to McCurdy	2031-2035	Capital project	In Progress
56	Commonwealth Rd Upgrade	2021-2025	Capital project	In Progress
57	Acland 2 Rd Extension (John Hindle - Airport)	2036-2040	Capital project	Not Initiated

#	Action	Estimated Timing	Action Type	Status
58	Frost 1 (Killdeer - Chute Lake)	2031-2035	Capital project	In Progress
59	Glenmore 5 (Union - John Hindle)	2031-2035	Capital project	Not Initiated
60	Glenmore Rd Safety Upgrades (John Hindle - Lake Country)	2031-2035	Capital project	Not Initiated
61	Gordon Dual Left Turns (Sutherland - Bernard)	2036-2040	Capital project	Not Initiated
62	Gordon Bridge over Bellevue Creek	2036-2040	Capital project	Not Initiated
63	Hollywood 7 DCC (Sexsmith - Appaloosa) Improvements	2021-2025	Capital project	In Progress
64	Hollywood 7 Rd (Sexsmith - John Hindle)	2026-2030	Capital project	In Progress
65	Hollywood 6 Rd (Rail Trail - Sexsmith)	2026-2030	Capital project	Not Initiated
66	Hollywood 5 Rd (Hwy 97 - Rail Trail)	2031-2035	Capital project	Not Initiated
67	Hollywood 4 Rd (Stremel - Hwy 97)	2036-2040	Capital project	Not Initiated
68	Hollywood 3 Rd (McCurdy - Stremel)	2036-2040	Capital project	Not Initiated
69	Lakeshore 1 DCC (DeHart - Vintage Terrace), Road	Completed 2021	Capital project	Complete
70	Lakeshore 1 DCC Bridge at Bellevue Creek	Completed 2021	Capital project	Complete
71	Lakeshore 3 Bridge over Wilson Creek	2036-2040	Capital project	Not Initiated
72	Lakeshore 3 Rd (Richter - Cook)	2031-2035	Capital project	Not Initiated
73	Major Intersection Capacity Improvements	all years	Capital program	Ongoing
74	McCulloch Area DCC (KLO/Hall/Spiers)	2021-2025	Capital project	In Progress
75	McCurdy Extension (Hwy 97 - Dilworth)	2036-2040	Capital project	In Progress
76	Road Safety Improvements	all years	Capital program	Ongoing
77	Rutland 2 (Old Vernon Roundabout)	2036-2040	Capital project	Not Initiated

#	Action	Estimated Timing	Action Type	Status
78	South Perimeter 1 DCC (Gordon - Stewart 1)	2021-2025	Capital project	In Progress
79	Gordon 1 (Frost - South Perimeter)	2021-2025	Capital project	In Progress
80	Stewart 3 DCC (Crawford - Dehart)	2026-2030	Capital project	In Progress
81	Sector B Deficiencies/Top Lift Paving	2026-2030	Capital project	Not Initiated
82	Traffic Signals & Roundabouts	all years	Capital program	Ongoing
83	Lakeshore 4 (Lanfranco - Richter)	2021-2025	Capital project	Not Initiated
84	Richter 1 (Sutherland - KLO)	2036-2040	Capital project	Not Initiated
85	Rutland Multimodal Corridor (Robson - Leathead)	2036-2040	Capital project	Not Initiated
86	Sutherland Complete Street (Burtch - Spall)	2036-2040	Capital project	In Progress
87	Sutherland Complete Street (Spall - Dilworth) – Design only	2026-2030	Capital project	Not Initiated
88	Urban Centre Improvements	2025-2040	Capital program	Not Initiated
49	Benvoulin Capacity Optimization	2026-2030	Capital project	Not Initiated
50	Burtch 2 (Springfield - KLO)	2026-2030	Capital project	Not Initiated
51	Burtch 3 (Glenmore - Springfield)	2026-2030	Capital project	In Progress
52	Casorso Roundabouts	2026-2030	Capital project	Not Initiated
53	Clement 1 (Ellis - Graham)	2026-2030	Capital project	In Progress
54	Clement 2 Extension (Spall - Hwy 33)	2031-2035	Capital project	In Progress
55	Clement 3 Extension - Land from Highway 33 to McCurdy	2031-2035	Capital project	In Progress
56	Commonwealth Rd Upgrade	2021-2025	Capital project	In Progress
57	Acland 2 Rd Extension (John Hindle - Airport)	2036-2040	Capital project	Not Initiated

#	Action	Estimated Timing	Action Type	Status
58	Frost 1 (Killdeer - Chute Lake)	2031-2035	Capital project	In Progress
59	Glenmore 5 (Union - John Hindle)	2031-2035	Capital project	Not Initiated
60	Glenmore Rd Safety Upgrades (John Hindle - Lake Country)	2031-2035	Capital project	Not Initiated
61	Gordon Dual Left Turns (Sutherland - Bernard)	2036-2040	Capital project	Not Initiated
62	Gordon Bridge over Bellevue Creek	2036-2040	Capital project	Not Initiated
63	Hollywood 7 DCC (Sexsmith - Appaloosa) Improvements	2021-2025	Capital project	In Progress
64	Hollywood 7 Rd (Sexsmith - John Hindle)	2026-2030	Capital project	In Progress
65	Hollywood 6 Rd (Rail Trail - Sexsmith)	2026-2030	Capital project	Not Initiated
66	Hollywood 5 Rd (Hwy 97 - Rail Trail)	2031-2035	Capital project	Not Initiated
67	Hollywood 4 Rd (Stremel - Hwy 97)	2036-2040	Capital project	Not Initiated
68	Hollywood 3 Rd (McCurdy - Stremel)	2036-2040	Capital project	Not Initiated
Biking				
89	Abbott ATC (Rose - Cedar)	2021-2030	Capital project	Not Initiated
90	Abbott Protected Bike Route (Rose - West), ATC	2021-2025	Capital project	Complete
91	AT Corridor/Bike Network Expansion	all years	Capital program	Ongoing
92	Okanagan Rail Trail Lighting and Improvements	2026-2030	Capital project	In Progress
93	Burtch 2 ATC (Springfield - Benvoulin)	2026-2030	Capital project	Not Initiated
94	Burtch 3 ATC (Glenmore - Springfield)	2026-2030	Capital project	Not Initiated
95	Bertram ATC (Sutherland - Cawston)	2021-2025	Capital project	In Progress
96	Casorso 3 ATC (KLO - Barrera)	2021-2025	Capital project	In Progress

#	Action	Estimated Timing	Action Type	Status
97	Casorso 4 ATC (Raymer - KLO)	2021-2025	Capital project	Complete
98	Bertram/Central Green Overpass	2021-2025	Capital project	In Progress
99	Rail Trail to Greenway ATC	2021-2025	Capital project	In Progress
100	Ethel 3& 5 ATC (Springfield – Raymer)	Completed 2021	Capital project	Complete
101	Ethel 6 ATC (Cawston - ORT)	2021-2025	Capital project	In Progress
102	UBCO MUP (Quail Ridge - Discovery Ave)	2031-2035	Capital project	Not Initiated
103	Glenmore 5 ATC (Scenic - John Hindle)	2031-2035	Capital project	Not Initiated
104	Glenmore 3 ATC (Clement - High)	2026-2030	Capital project	In Progress
105	Glenmore 4 ATC (Yates - Dallas)	2026-2030	Capital project	In Progress
106	Hollywood 3 ATC (McCurdy - Stremel)	2036-2040	Capital project	Not Initiated
107	Hollywood 4 ATC (Stremel - Hwy 97)	2036-2040	Capital project	Not Initiated
108	Hollywood 5 ATC (Hwy 97 - Rail Trail)	2026-2030	Capital project	Not Initiated
109	Hollywood 6 ATC (Rail Trail - Sexsmith)	2026-2030	Capital project	Not Initiated
110	Hollywood 7 ATC (Sexsmith - John Hindle)	2026-2030	Capital project	In Progress
111	Hollywood 9 ATC (Hollydell - Hwy 33)	2026-2030	Capital project	Not Initiated
112	Hollywood 10 ATC (Hwy 33 - McCurdy)	2031-2035	Capital project	Not Initiated
113	Hollywood 11 ATC (Springfield - Mission Creek Greenway)	2031-2035	Capital project	Not Initiated
114	Houghton 2 ATC (Hollywood - Mugford)	2021-2025	Capital project	In Progress
115	Lakeshore 4 ATC (Lanfranco - Richter)	2021-2025	Capital project	Not Initiated
116	Lakeshore 3 ATC (Lexington - Old Meadows)	2026-2030	Capital project	Not Initiated

#	Action	Estimated Timing	Action Type	Status
117	Lakeshore 2 ATC (Old Meadows - Dehart)	2036-2040	Capital project	Not Initiated
118	Lakeshore 1 ATC (DeHart - Vintage Terrace)	Completed 2021	Capital project	Complete
119	Leon Lawrence ATC (Waterfront - Ethel)	2031-2035	Capital project	Not Initiated
120	Neighbourhood Bikeway Capital Program	all years	Capital program	In Progress
121	Okanagan Rail Trail - Connection to Waterfront Park Pathway	2021-2025	Capital project	Complete
122	Pandosy Village ATC (Raymer - Abbott)	2026-2030	Capital project	Not Initiated
123	Richter 1 ATC (Sutherland - KLO)	2036-2040	Capital project	Not Initiated
124	Rose 1 Road and ATC (Pandosy - Ethel) – Design only	2021-2025	Plan development or design	Not Initiated
125	Rutland Rd ATC (Robson - Leathead)	2036-2040	Capital project	Not Initiated
126	Houghton 1 ATC (Houghton - Rail Trail)	2021-2025	Capital project	Complete
127	Sutherland 2 DCC ATC (Ethel - Gordon)	2021-2025	Capital project	In Progress
128	Sutherland 1 ATC Improvements (Gordon - Burtch)	2021-2025	Capital project	In Progress
129	Sutherland 1 ATC (Lequime - Burtch)	2021-2025	Capital project	Not Initiated
130	Sutherland Complete Street ATC (Burtch - Spall)	2036-2040	Capital project	In Progress



City of
Kelowna

2040 Official Community Plan 2040 Transportation Master Plan Annual Progress Report

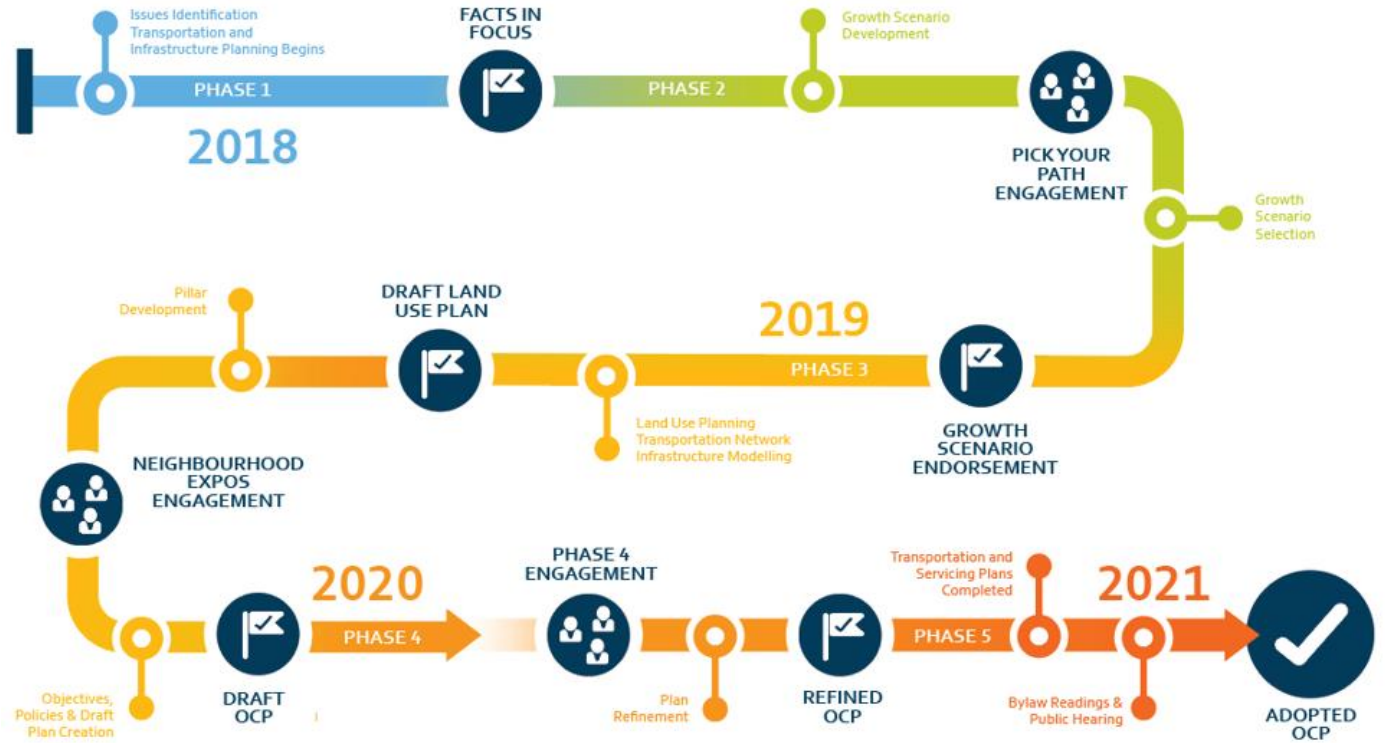
April 17, 2023

Today's Presentation

- ▶ OCP & TMP background
- ▶ Purpose of the Progress Report
- ▶ Implementation Actions update
- ▶ Report themes and monitoring
- ▶ Alignment with Council Priorities



2022 Progress Report

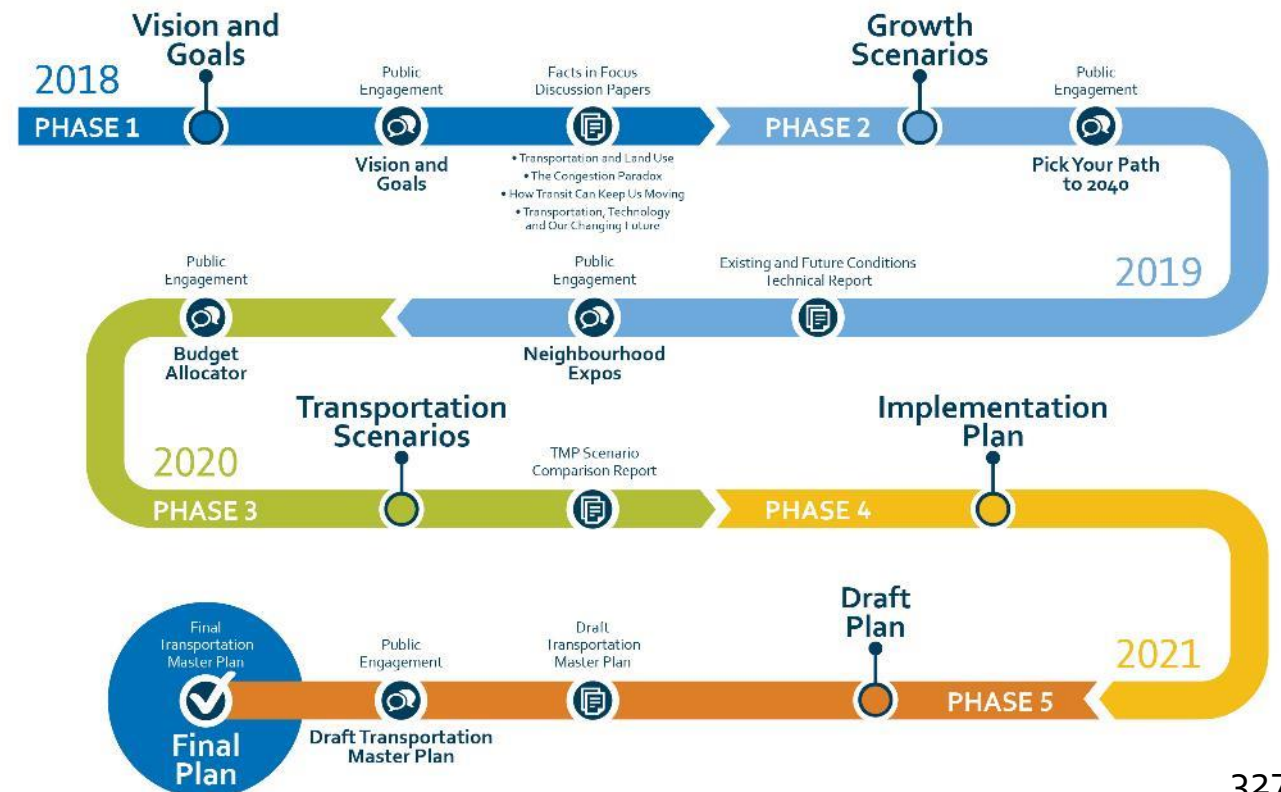


► Official Community Plan

- Developed from Imagine Kelowna Vision and Goals
- Significant public and stakeholder engagement
- Multiple Council touch points

▶ Transportation Master Plan

- ▶ 5 major public and stakeholder engagements
- ▶ 12,000 + interactions with community members
- ▶ 4,600 survey responses
- ▶ 16 presentations to Council



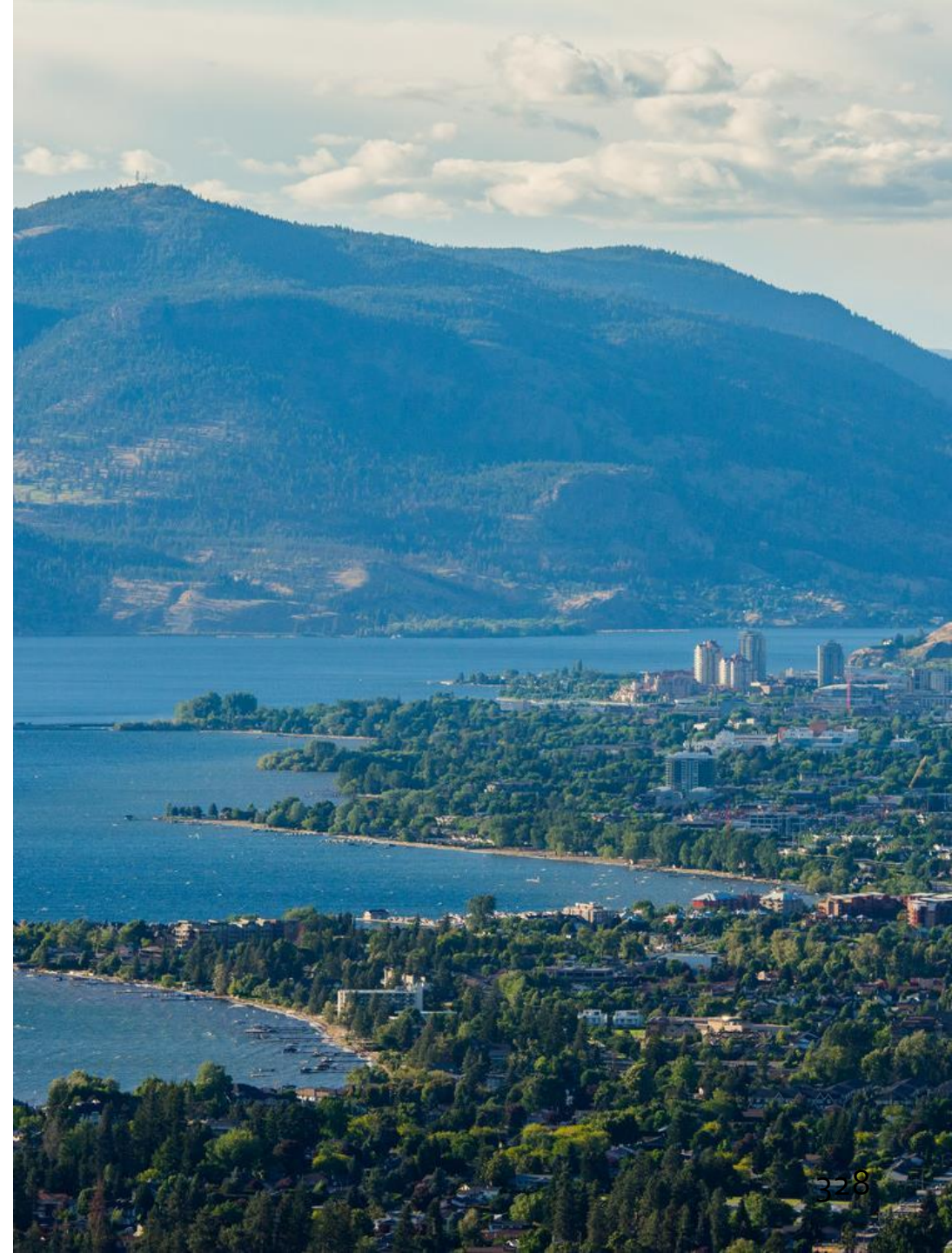
2040 Transportation Master Plan

January 2022



Progress Reporting Purpose

- ▶ Guide decision making and plan reviews
- ▶ Measure progress towards our vision
- ▶ Watch trends and prepare for adaptation
 - ▶ How and where we are growing
 - ▶ Changes in government policy
 - ▶ Shifts in our context
 - ▶ Advancements in technology



Making the Plans Work

- ▶ OCP includes 68 recommended actions over 10 years
- ▶ TMP includes 130 recommended actions over 20 years

Implementation Action Update				
	Ongoing	Complete	In Progress	Not Initiated
2040 OCP	14	5	25	24
2040 TMP	16	9	39	66
TOTAL	30	14	64	90



Implementation Action Highlights (Official Community Plan)

Complete

- OCP Adoption (January 2022)
- Zoning Bylaw 12375 (September 2022)

In Progress

- Parks Master Plan
- North End Neighbourhood Plan
- Climate Resilient Kelowna Strategy
- Subdivision, Development and Servicing Bylaw

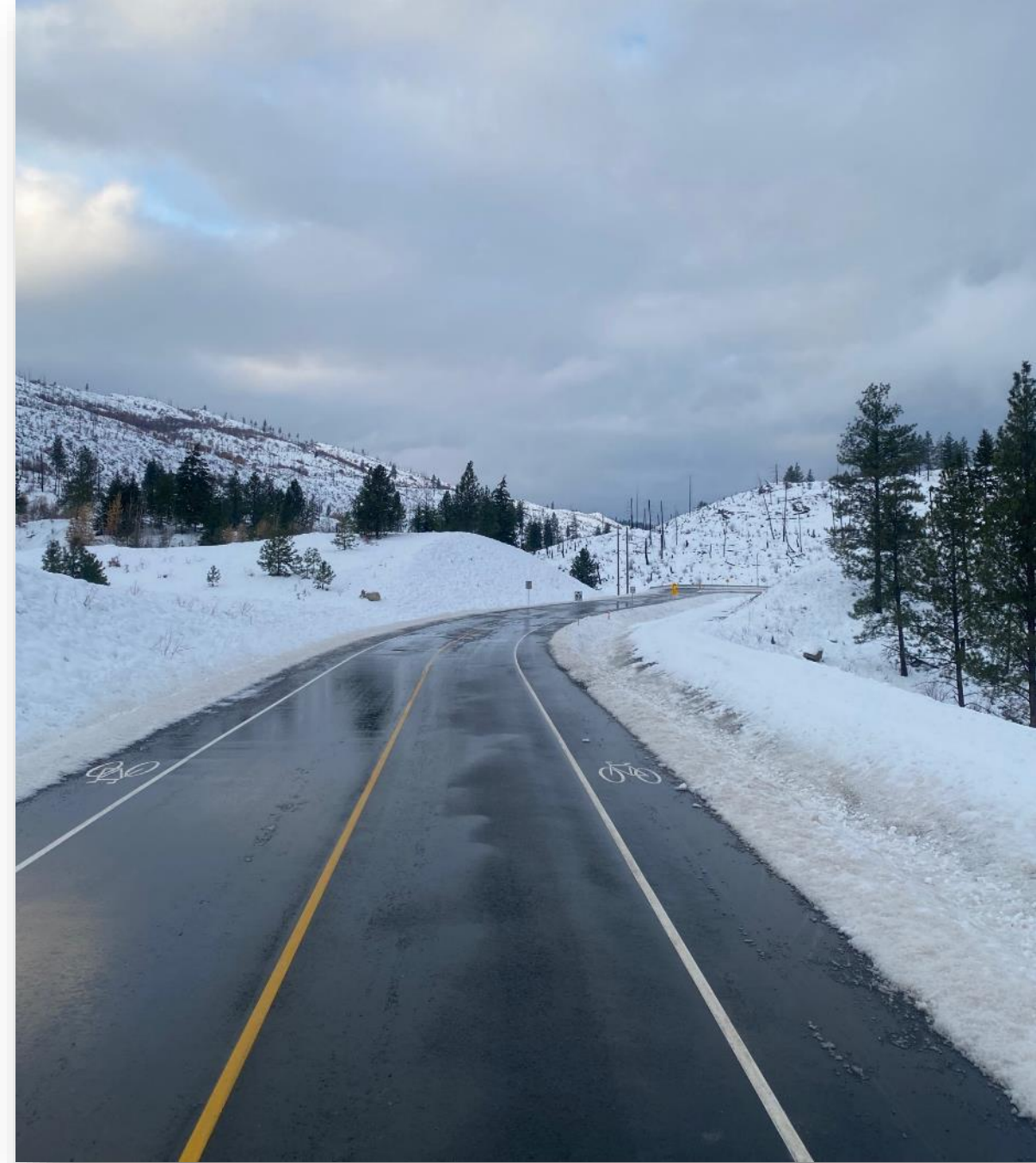
Implementation Action Highlights (Transportation Master Plan)

Complete

- South Perimeter Way
- Regional Goods Movement Study
- Abbott Street Active Transportation Corridor (ATC) extension

In Progress

- Rutland Transit Network Restructure
- Emerging Technologies and Shared Mobility Program
- Commonwealth Road Upgrade

















South Perimeter Way













2022 Key Themes

- ▶ Kelowna is becoming a much more urban city – faster than anticipated
- ▶ Continued efforts are needed to onboard more missing middle infill housing
- ▶ Demand for office space and industrial lands remains strong
- ▶ New frameworks are being developed to monitor progress on resiliency
- ▶ People are driving more
- ▶ People are also walking, biking and taking transit more
- ▶ Inflation is increasing costs and impacting project delivery timelines

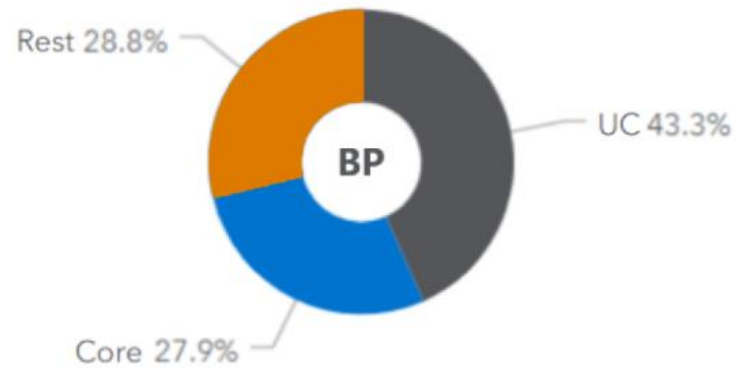


OCP Indicators: Snapshot

OCP Pillars	Annual OCP Indicators	OCP Progress
 Prioritize Sustainable Transportation & Shared Mobility	Number of trips by walking, biking, and transit	 Moving toward the vision
 Strengthen Kelowna as the Region's Economic Hub	Industrial vacancy rate	 Not moving toward the vision
	Office vacancy rate	 Moving toward the vision
 Take Action on Climate	Total fuel sales	 Not moving toward the vision
 Protect and Restore our Environment	Proportion of tree canopy coverage	New Indicators are in the process of being developed.
 Focus Investment in Urban Centres	New residential growth in Urban Centres against growth scenario targets	 Moving toward the vision
 Incorporate Equity into City Building	Proportion of residents in core housing need	 Minimal movement toward the vision
	Proportion of residents with low incomes living within five minutes of walking from the frequent transit network.	 Minimal movement toward the vision
	Proportion of residents with low incomes living within 500m walking distance to a neighbourhood park.	 Minimal movement toward the vision

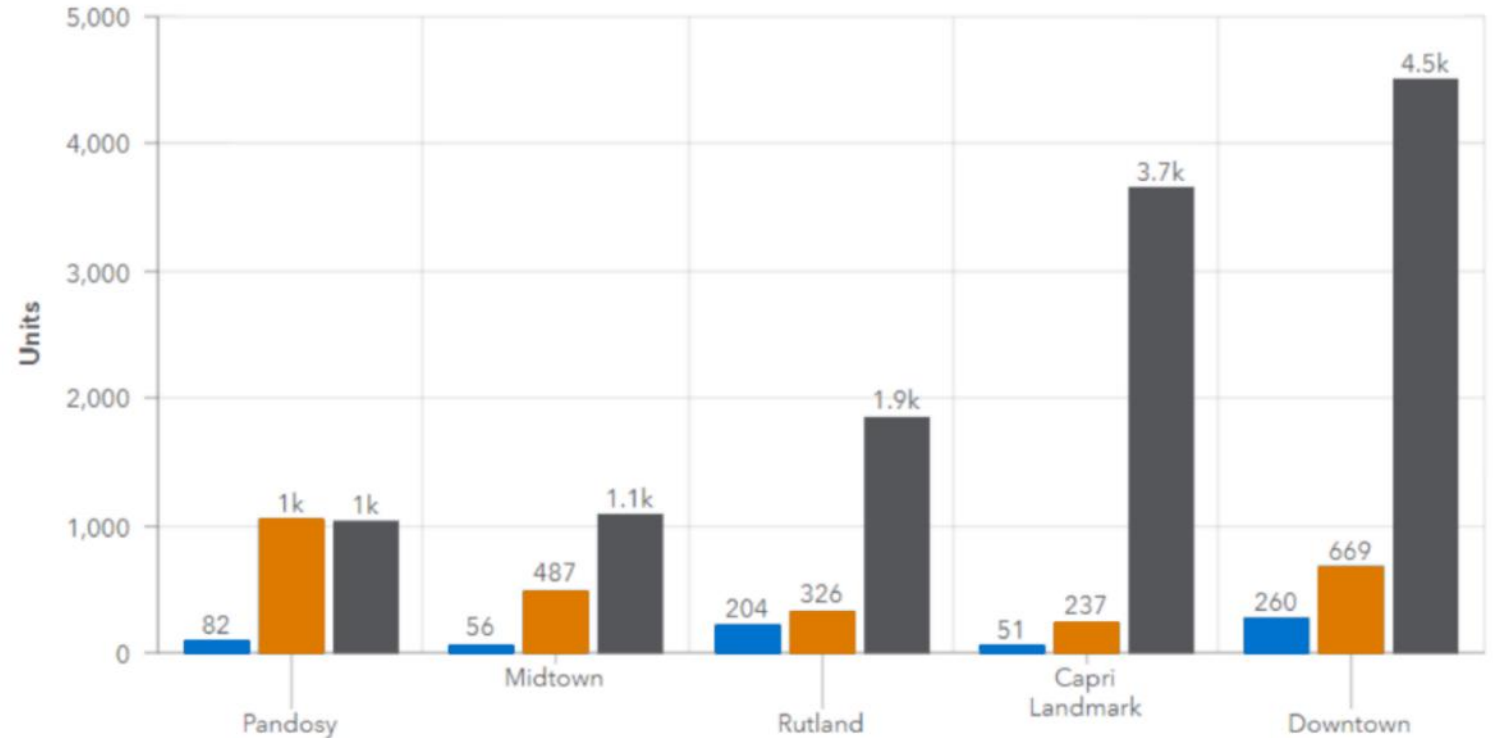
OCP Pillars	Annual OCP Indicators	OCP Progress
 Target Growth Along Transit Corridors	Residential units within 200m of Transit Supportive Corridors and in Urban Centres	 Moving toward the vision
 Promote More Housing Diversity	New residential units by subtype and tenure	 Moving toward the vision
	Residential rental vacancy rate	 Minimal movement toward the vision
 Stop New Suburban Development	New suburban residential development against growth scenario targets in units	 Moving toward the vision
	Average absorption price of new ground-oriented residential units in the Core Area and Suburbs	 Minimal movement toward the vision
 Protect Agriculture	Proportion of land that is actively farmed	 Minimal movement toward the vision
	Total land area of ALR exclusions that are not planned in OCP 2040	 Moving toward the vision
	Land area of properties rezoned from agricultural to a non-agricultural zone (outside of OCP FLU)	 Moving toward the vision

A More Urban City



- Residential development focused in Urban Centres and Core Area
- Some Urban Centres growing very quickly, others more modestly
- Urban Centre Plans will provide further refinement of targets

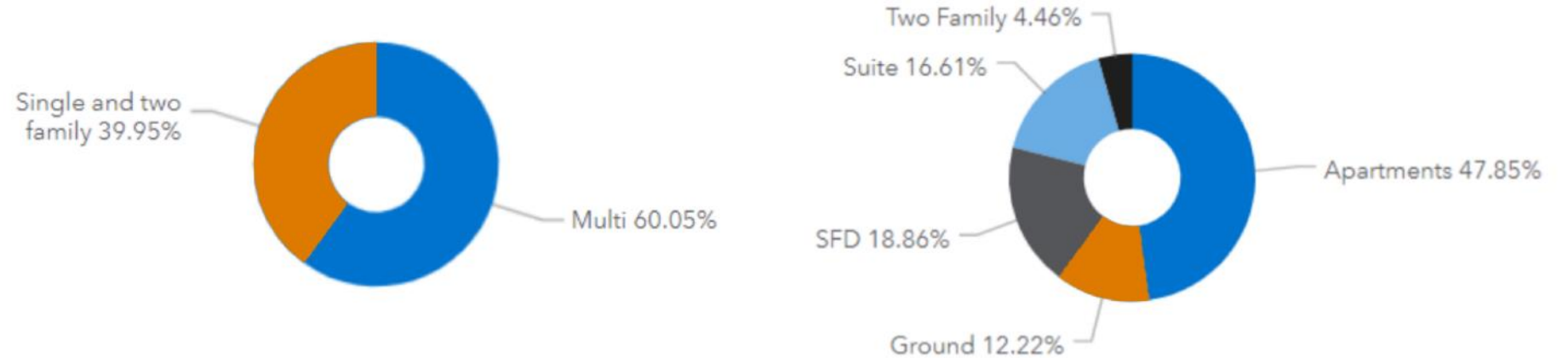
Occupancy permit, building permit and OCP target residential unit numbers for Urban Centres



Trending in the desired direction.



Housing Variety



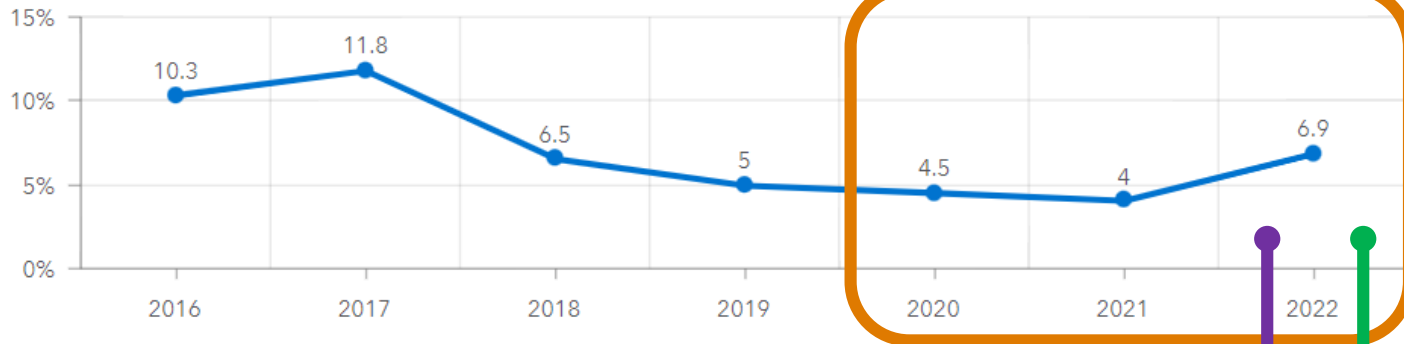
- Moving towards our OCP housing splits (75% multi-unit, 25% single/two)
- More efforts needed to advance missing middle housing
- Infill Options Program, Housing Needs Assessment, Housing Strategy will signal next steps in housing



Trending in the desired direction.

Office Space

Office Vacancy (HM Commercial)



COVID-19

2040 OCP Adopted

Landmark 7



Trending in the desired direction.

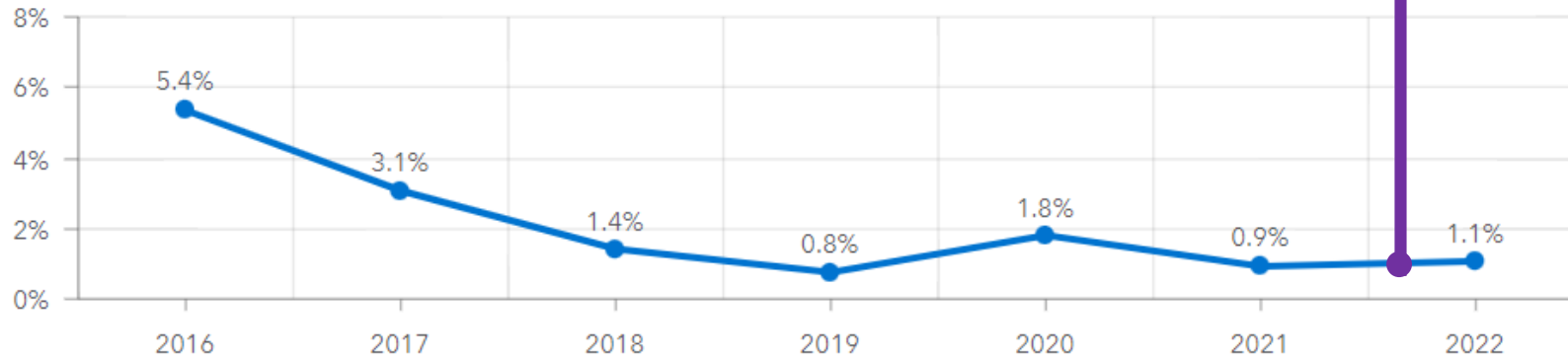
- Big office projects in our Urban Centres
- Strong office market during COVID
- Return to office trends will be monitored
- Office space to be addressed in Urban Centre Plans



Industrial Space

2040 OCP Adopted

Industrial Vacancy (HM Commercial)



- Industrial demand continues to be strong
- Upcoming work to assess local and regional needs



Not trending in the desired direction.









Resiliency Monitoring

- ▶ Greenhouse Gas Emissions
 - ▶ Most up to date data from 2018
 - ▶ Revised targets coming through the Climate Resilient Kelowna Strategy
- ▶ Tree Canopy Coverage
 - ▶ Targets established in 2040 OCP
 - ▶ New targets coming through the Urban Forestry Strategy
- ▶ Protection of Sensitive Lands
 - ▶ Monitoring identified as an OCP Implementation Action



Are We Keeping Kelowna Moving?

TMP Targets	TMP Target - Key Metric	TMP Progress
	Double Transit Ridership	 Trending in the desired direction.
	Quadruple Bike Trips	 Trending in the desired direction.
	Reduce Distance Driven Per Capita by 20%	 Not trending in the desired direction.

Are We Keeping Kelowna Moving?

Goals	Performance Measures	Progress	Goals	Performance Measures	Progress
 Improve Travel Choices	Number of trips by walking, biking, and transit	 Trending in the desired direction.	 Improve Safety	Traffic related injuries and fatalities per capita	 Not trending in the desired direction.
 Optimize Travel Times	Key corridor vehicle travel times	 Not trending in the desired direction.	 Protect the Environment	Transportation emissions	 Not trending in the desired direction.
 Enhance Travel Affordability	Vehicles per capita	 Not trending in the desired direction.	 Ensure Value for Public Investment	Public benefits provided by transportation projects	 Trending in the desired direction.
 Foster a Growing Economy	Average commute time	 Trending in the desired direction.	 Improve Health	Share of students driven to school	 No substantial change in direction.
 Enhance Urban Centres	Investments connecting higher density areas	 Trending in the desired direction.	 Promote Inclusive Transportation	Share of low-income residents close to frequent transit Share of low-income residents close to primary bike routes	 No substantial change in direction.
 Be Innovative and Flexible	Trips by emerging modes (shared mobility/ride-hailing)	 No substantial change in direction.	 Support Livable Communities	Sidewalk completeness in the core area	 No substantial change in direction.

Key Themes: People are Driving More

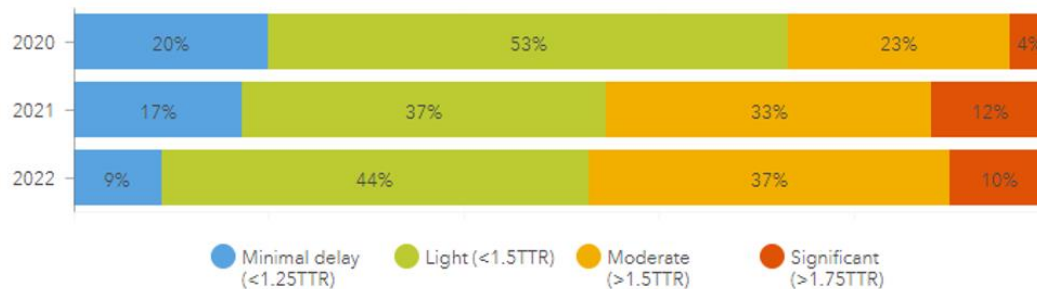
▶ Key Corridor Travel Times



Not trending in the desired direction.

Half of routes have moderate or significant delays in the afternoon

Share of routes by level of delay (3 p.m. - 6 p.m. average)



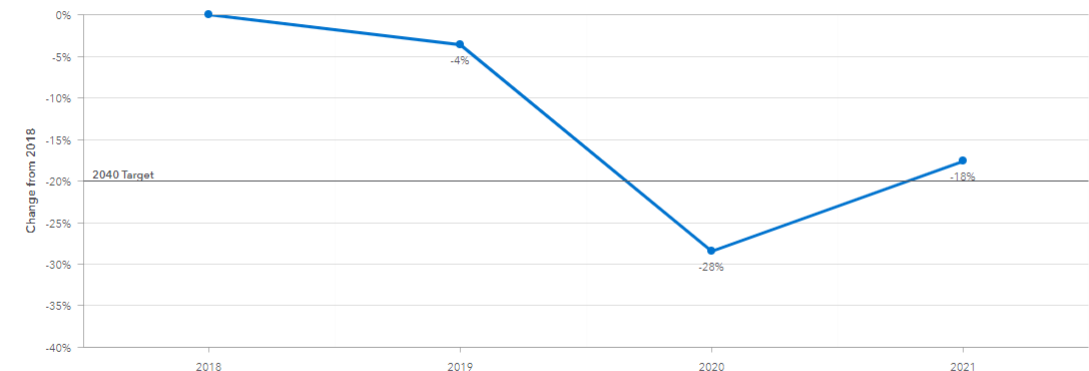
▶ Reduce Distance Driven (20% per capita)



Not trending in the desired direction.

Residents drove much less during the pandemic, now rebounding

Change in per capita distance driven for trips within Kelowna, compared to 2018 baseline



Data: Google Environmental Insights Explorer

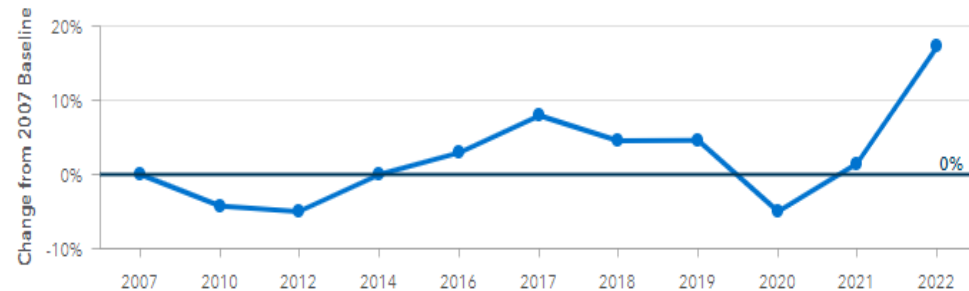
Key Themes: People are Driving More

▶ Transportation Emissions



Not trending in the desired direction.

Fuel sales have increased sharply since the pandemic
Trend in fuel sales in Kelowna by year compared to 2007 baseline



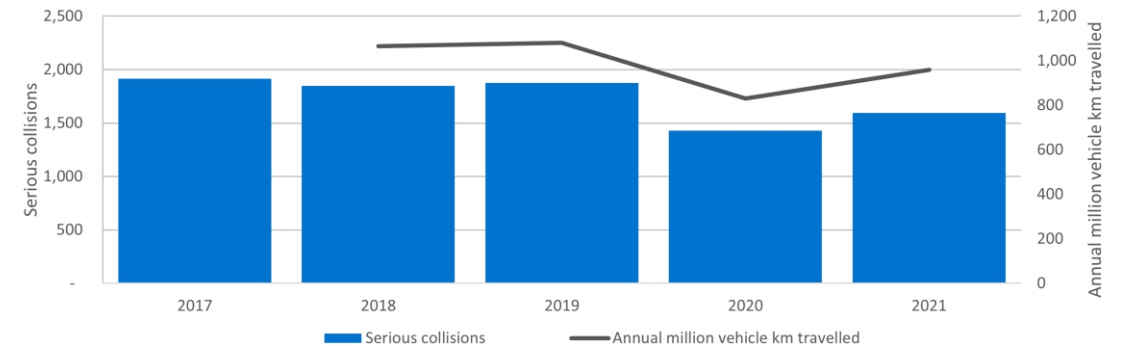
Data: Kalibrate Market Intelligence

▶ Traffic related injuries and fatalities per capita



Not trending in the desired direction.

When people drive less, there are fewer serious collisions
Serious collisions per year in Kelowna



Data: ICBC

Key Themes: People are also walking, biking, and taking transit more

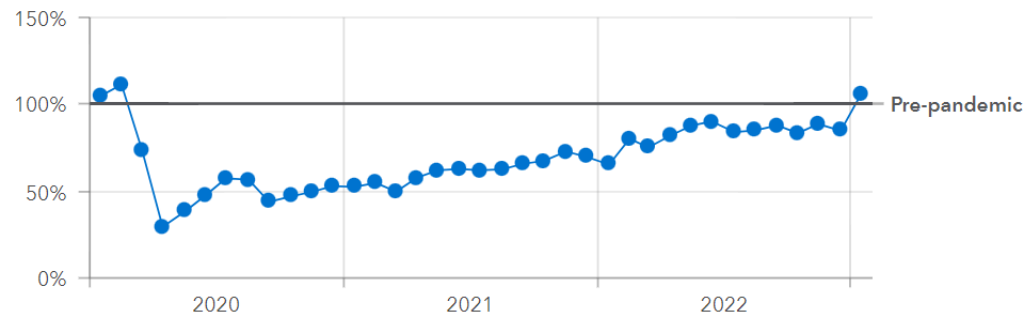
▶ Transit Ridership



Trending in the desired direction.

Transit ridership has recovered to pre-pandemic levels

Monthly ridership compared to 2019



Data: BC Transit ridership numbers

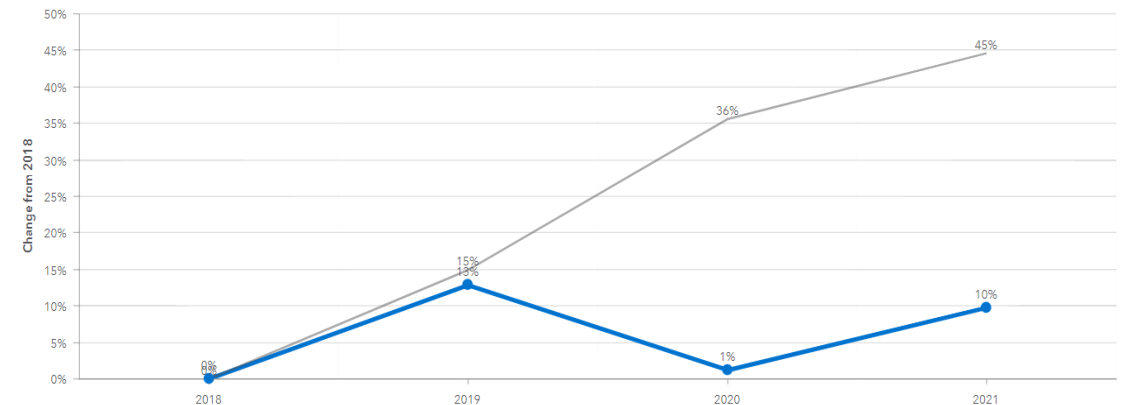
▶ Bike Trips



Trending in the desired direction.

Residents made more trips by bike and rode further

Change in **trips by bike** and distance ridden compared to 2018 baseline



Data: Google Environmental Insights Explorer

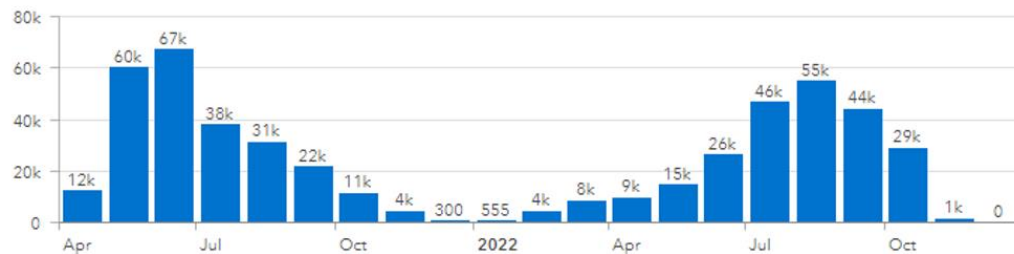
Key Themes: People are also walking, biking, and taking transit more

▶ Trips by Emerging Modes



No substantial change in direction.

Shared e-scooter and e-bike trips per month over time



Data: City of Kelowna

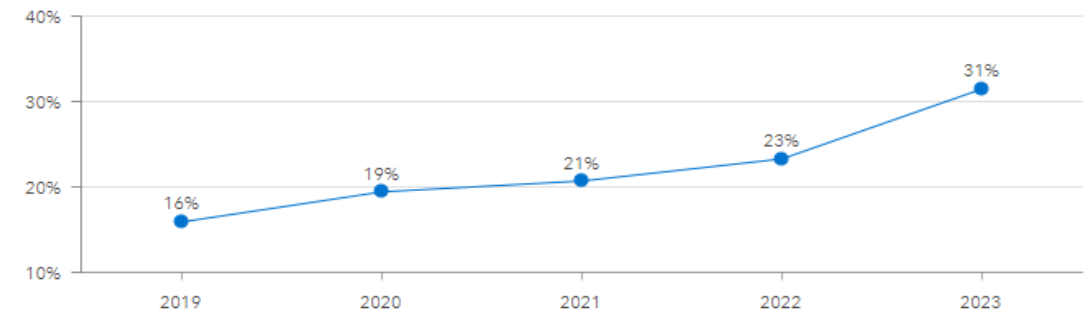
▶ Share of low-income residents close to primary bike routes



Trending in the desired direction.

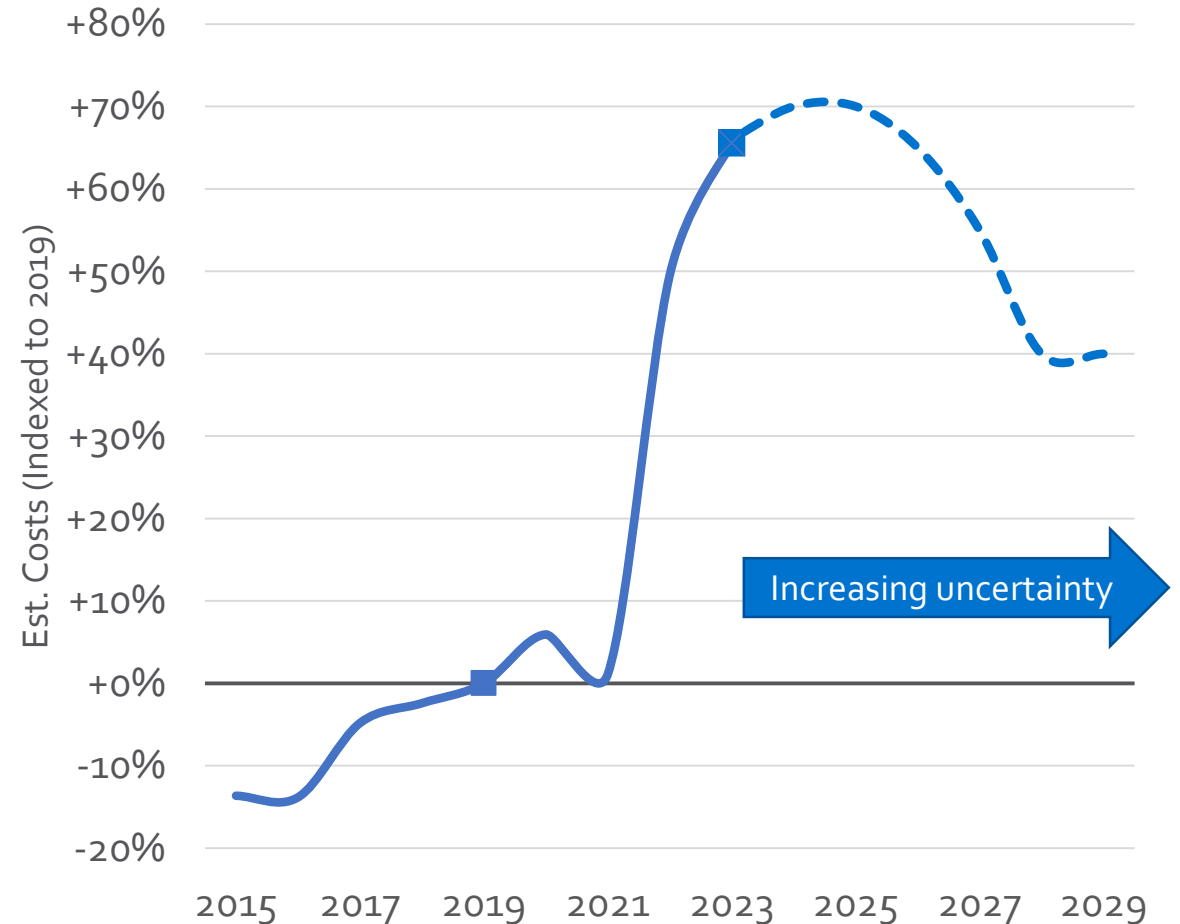
The bike network is reaching more low-income residents

Share of low-income residents within 400 m of the primary bike network



Key Themes: Inflation is increasing costs and impacting project delivery timelines

- ▶ Capital project costs estimated at +40%
- ▶ TMP projects reduced in scope and/or delayed as part of annual capital planning
- ▶ Slowing delivery of the transportation infrastructure needed to support our rapidly growing community



What's Next?

- ▶ Continued OCP / TMP Implementation
- ▶ Annual Progress Reporting & Performance Monitoring
- ▶ OCP / TMP update cycle:
 - ▶ 2040 OCP/TMP update (5-year mark)
 - ▶ 2050 OCP / TMP (10-year mark)



Questions?

For more information, visit kelowna.ca.

Report to Council



Date: April 17, 2023
To: Council
From: City Manager
Subject: Sustainable Urban Forest Strategy: Goals & Strategies
Department: Parks Services and Policy & Planning

Recommendation:

THAT Council receives, for information, the report from the Parks Services and Policy & Planning Departments dated April 17, 2023, with respect to the Sustainable Urban Forest Strategy goals and strategies.

Purpose:

To provide Council with an update on the progress of the Sustainable Urban Forest Strategy and to discuss its vision, goals, and strategies.

Background:

Kelowna’s urban forest is defined as the total collection of trees and their growing environments found within the City’s boundary. This can include treed environments in both public and privately owned lands and can be both cultivated and managed landscapes or completely natural areas. Kelowna’s urban forest provides cleaner air, shade, wildlife habitat, and a myriad of benefits accessible to everyone who lives, works, and visits here.

In 2011, Council endorsed the City’s first Sustainable Urban Forest Strategy (SUFS) to establish clear direction for urban forest growth and management. The ten-year strategy provided a suite of practical tools and recommendations to help achieve the goals and objectives of managing and growing the urban forest. Since its endorsement, a variety of the Strategy’s recommendations have been implemented including the NeighbourWoods program, updates to the Municipal Properties Tree Bylaw, wildfire fuel management treatments and staffing and funding increases for the City’s Urban Forestry Department.

As the lifespan of the current SUFS has lapsed, staff are working with a consultant to develop an updated strategy that will respond to the complex challenges currently faced by Kelowna’s urban forest. These include challenges related to development and urbanization; climate change and extreme weather (e.g., drought, extreme heat, wildfire); forest pests and disease; tree care and forest management; and urban ecosystem pressures. Building on the previous Strategy’s goals and

objectives, the updated SUFS will establish clear direction for urban forest growth and management over the next ten years. As illustrated in Figure 1, the update will provide recommendations to enhancing and protecting the urban forest under both the City’s management and the urban forest that is privately stewarded. The update’s recommendations will put us on a path to achieving several of the 2040 Official Community Plan objectives, including improving the climate resilience of the urban forest resource.

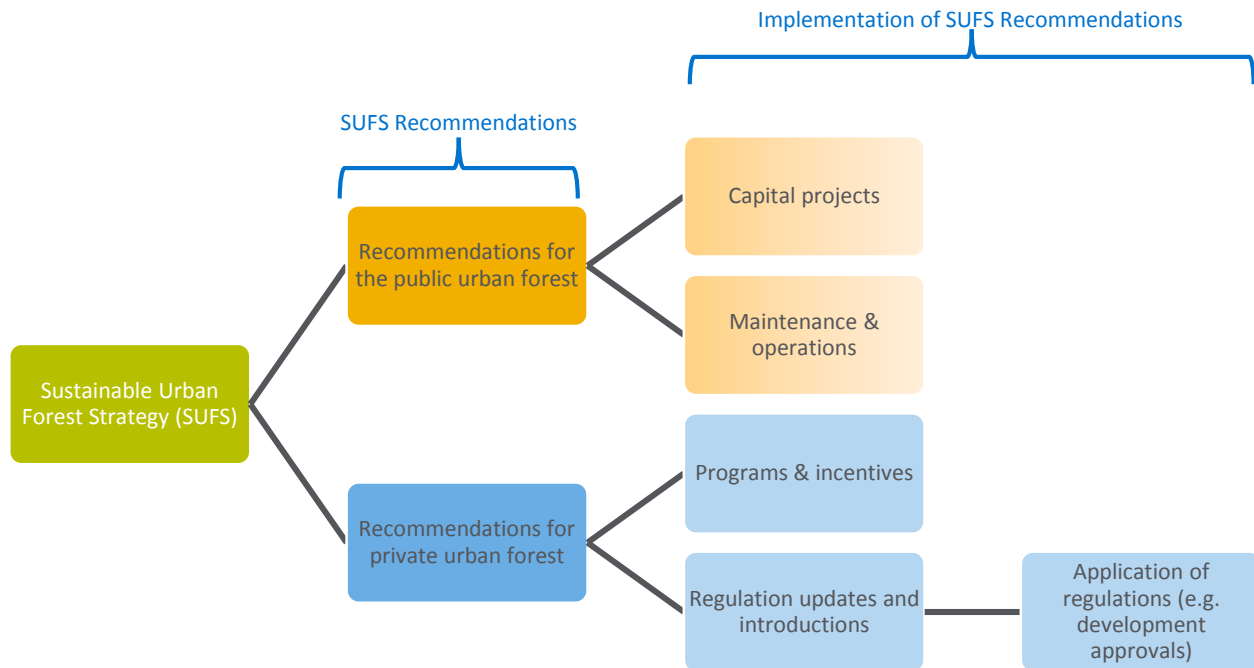


Figure 1: How the SUFS influences Kelowna's urban forest

Discussion:

To support development of the SUFS, a technical analysis was completed to examine the current state of the City’s urban forest. Scope of analysis included: a high-level estimate of current canopy cover using orthoimagery, assessment of the current street and park tree inventory, and evaluation of land types and distribution throughout the city. Staff anticipate acquisition of new LiDAR data in 2023 that will provide a more detailed understanding of our urban forest, particularly with respect to canopy cover percentages. Once the new LiDAR has been analyzed, it is recommended that the information be used to inform new OCP canopy coverage targets, one for each growth strategy district as each has unique challenges and opportunities for expanding the urban forest.

The technical analysis, staff input, and the public engagement that took place in the late fall of 2022 (see *Appendix A: Sustainable Urban Forest Strategy Engagement Summary*), was used to draft a long-term vision, goals, and strategies for the development of the SUFS to guide planning, growing, managing, protecting, and partnering to steward the urban forest.

The urban forest is an integral part of Kelowna’s infrastructure and urban realm, contributing to the resilience of our community to a changing climate. The draft vision for Kelowna’s urban forest is:

"Our vision is for an expanding urban forest, connecting our green urban centres to our natural areas, managed to maintain a healthy, safe, and viable natural asset that helps our community mitigate and adapt to climate change."

To achieve the vision, the SUFS update proposes four goals supported by ten strategies as outlined in Table 2.

Table 2 1: Draft Goals and Strategies for the SUFS Update

Goal	Strategy to Achieve Goal
Protect, connect, and expand the urban forest	Continue to integrate policy and planning to protect, connect and expand tree canopy.
	Expand the urban forest equitably in urban areas.
	Restore forests to expand habitat, enhance biodiversity and improve connectivity.
	Improve the quality and suitability of trees being planted for the site and climate requirements.
Maintain a healthy, safe, and viable urban forest	Clarify operational procedures and standards to improve efficiency and manage risk.
	Transition from reactive to proactive maintenance of urban trees.
	Ensure resources are sufficient to deliver levels of service that maximize urban forest benefits.
Involve people and organizations in urban forest management	Improve governance and public and institutional awareness of urban forest management.
	Strengthen community partnerships and participation to implement the Urban Forest Strategy.
	Strengthen relationships with syilx/Okanagan communities, First Nations governments and Indigenous peoples through forest management.
Monitor and innovate to achieve our urban forest vision	Monitor change, report and adapt management to new information.
	Trial innovative approaches to dryland urban forestry.

Next Steps:

Based on staff and public input received, the consultant is drafting a series of recommended actions for each of the proposed strategies. These recommendations will be reviewed with staff to understand feasibility and impacts to resourcing. The SUFS 2023 update will then be drafted and will include a prioritized implementation plan which will demonstrate what can be achieved with existing resources and what can be achieved with additional staff and financial resources. It is anticipated that the draft SUFS 2023 update will be shared with Council in late spring this year, and subsequently used to facilitate the final round of public engagement. We anticipate returning to Council for adoption of the strategy in Q3 of 2023.

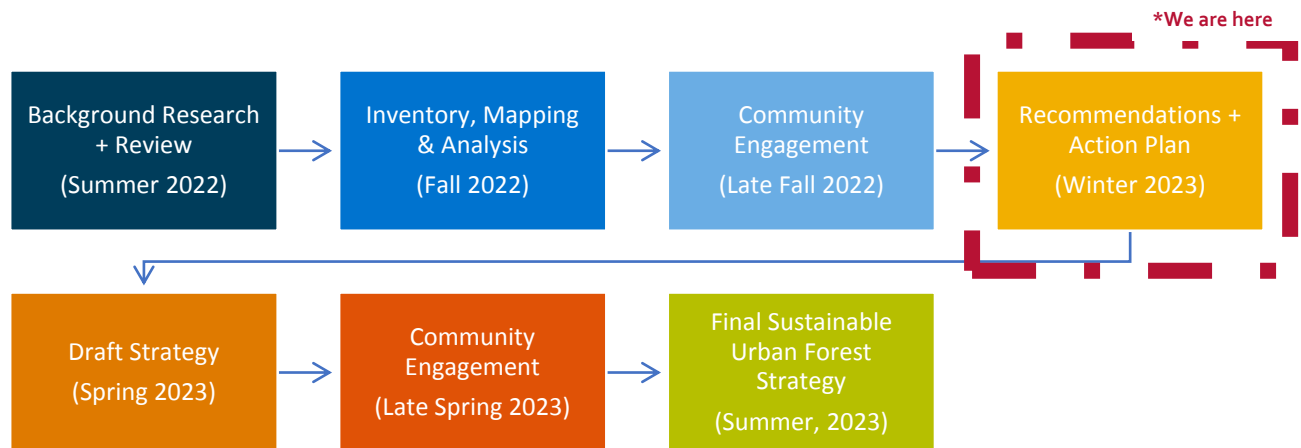


Figure 2: Timeline for developing the Sustainable Urban Forest Strategy Update

Conclusion:

The urban forest, and urban greening in general, are increasingly recognized as approaches for improving the resilience of people and cities to climate change, by reducing the impact of extreme events on human health, infrastructure, and the environment.

Kelowna, and other dry cities around the world, are integrating urban forestry into urban development planning to improve ecosystem service delivery and climate resilience (a foundational pillar of the OCP). Updating the Sustainable Urban Forest Strategy is an implementation action of the OCP, which also includes policy direction for expanding a healthy and diverse urban forest, prioritizing street trees, and investing in ecosystem services and green infrastructure to mitigate and adapt to climate change.

Internal Circulation:

- Financial Services
- Infrastructure
- Planning & Development Services
- Capital Planning & Asset Management
- Community Communications
- Data Services & Analytics
- Development Engineering
- Development Planning
- Fire Department
- Information Services
- Infrastructure Delivery
- Infrastructure Operations
- Parks & Buildings Planning
- Suburban and Rural Planning
- Transportation Engineering
- Utility Planning

Considerations applicable to this report:

Existing Policy:

- 2040 OCP
 - Objective 14.2 Protect and expand a healthy and viable urban forest.
- Bylaw No. 8041 Tree Protection Bylaw
- Bylaw No. 8042 Municipal Properties Tree Bylaw
- Bylaw No. 6469 Nuisance Trees and Shrubs Bylaw
- Bylaw No. 7900 Subdivision, Development & Servicing Bylaw (Schedule 4, Section 7, Landscape & Irrigation)
- Bylaw No. 12375 Zoning Bylaw (Section 7 Landscaping Standards)

Financial/Budgetary Considerations:

The recommendations in the upcoming draft Sustainable Urban Forest Strategy update will illustrate what can be achieved with existing resources and what can be achieved with the addition of financial and staff resources.

External Agency/Public Comments:

The public had an opportunity to provide their input on Kelowna's urban forest through a survey (hosted from November 17 – December 11, 2022) and a virtual Open House (hosted November 30, 2022). Interested and Affected parties also provided input at a workshop hosted on October 27, 2022. This engagement is summarized in Appendix A: Sustainable Urban Forest Strategy Engagement Summary. The next opportunity for public engagement will be late spring 2022 after the strategy is drafted and presented to Council.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Communications Comments:

Submitted by: T. Bergeson, Urban Forestry Supervisor
T. Guidi, Sustainability Coordinator

Approved for inclusion: M. Logan, Infrastructure General Manager

Appendix A: Sustainable Urban Forest Strategy Engagement Summary

cc: Divisional Director, Corporate Strategic Services



City of
Kelowna

City of Kelowna Phase 1 Engagement Summary

Sustainable Urban Forest Strategy Update

March 2023

1435 Water Street
Kelowna, BC V1Y 1J4
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kelowna.ca

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SCOPE OF THE ENGAGEMENT

The City of Kelowna is updating its 2011 Sustainable Urban Forest Strategy (SUFS) to manage and grow the urban forest over the next 10 years. Kelowna's urban forest faces complex challenges related to development and climate change, such as fragmentation, drought, extreme heat, and wildfire hazards. Building on the previous goals, objectives, and targets, the SUFS will provide an update to shift recommendations and targets towards achieving the City's current strategic objectives, including Kelowna's Community Climate Action Plan and Official Community Plan update, and increasing the climate resilience of the urban forest resource.

Engagement

Two rounds of public engagement will help inform the SUFS. Phase 1 of public engagement occurred in December of 2022 and aimed to help draft the vision, principles, and goals of the SUFS. The project team sought input on a long-term vision to guide planning, growing, managing, protecting, and partnering to steward the urban forest. The second phase of engagement is planned for the spring of 2023 and will seek input on the draft strategy, including ranking priorities for implementation.

Objectives for public engagement

- To inform the public about:
 - The status of our urban forest
 - The role of our urban forest in the community, including the unique environmental, economic, and social value of Kelowna's urban forest
 - The opportunities and challenges for urban forest management, particularly due to ongoing development and climate change
 - The responsibilities of different groups of people, including City government but also private landowners and the development community for urban forest stewardship
- To consult the community to:
 - Develop a long-term vision and goals for the SUFS that capture the community's perspective on the City's urban forest
 - Understand the community's willingness to support and participate in urban forest stewardship, whether led by the City or residents themselves
 - Identify challenges and opportunities to preserve and protect, grow, and enhance our urban forest
- To obtain feedback on the draft SUFS and the prioritization of recommendations (Phase 2)
- To build community awareness, support, and advocacy for our urban forest and the updated SUFS

ENGAGEMENT ACTIVITIES

The public was invited to provide input through an online survey and mapping tool in November and December 2022, which was hosted on the project page at getinvolved.kelowna.ca. Stakeholder organizations were invited to provide additional input during an in-person workshop on October 27, 2022. Details on opportunities for Phase 1 engagement are outlined in Table 1.

Engagement

Two rounds of public engagement will help inform the SUFS. Phase 1 of public engagement occurred in December of 2022 and aimed to help draft the vision, principles, and goals of the SUFS. The project team sought input on a long-term vision to guide planning, growing, managing, protecting, and partnering to steward the urban forest. The second phase of engagement is planned for the spring of 2023 and will seek input on the draft strategy, including ranking priorities for implementation.

TABLE 1 – PHASE 1 SUMMARY OF OPPORTUNITIES FOR ENGAGEMENT

	Engagement Activity	Participants
Nov/Dec 2022	Survey	347 respondents
Nov/Dec 2022	Mapping tool: Share locations you value	48 submissions
Oct, 2022	Online stakeholder workshop	22 attendees

Communications tactics used

Kelowna residents were invited to participate in the Phase 1 public engagement process. Information on engagement opportunities was communicated via several available online platforms to reach as many people as possible.

Platforms used:

- Dedicated SUFS project page and project updates mailing lists (Get Involved)
- City of Kelowna social media accounts: Twitter, Instagram, Facebook
- Press releases for the launch of the project and public open house
- Email invitations for targeted stakeholder workshops
- Sent event/survey links to the City's e-subscribe Climate Action and Environment list and Parks List

WHO WE HEARD FROM

On Kelowna’s project page, 360 engaged participants contributed to one or more feedback tools. We heard from 347 survey respondents and 48 mapping tool participants.

Survey demographics

Of the 347 survey respondents:

- 95% reside in Kelowna
- 85% are homeowners, 12% renters
- Most respondents live in Kelowna Central, Kelowna Southwest, Kelowna North, and Kelowna East Central (Figure 1)
- 88% of respondents are 25-74 years old: 44% are 25-55 years old, 44% are 55-74 years old, and 8% are 75 or older. 2% of respondents are under the age of 25 (Figure 2).

FIGURE 1 –WHERE SURVEY RESPONDENTS RESIDE

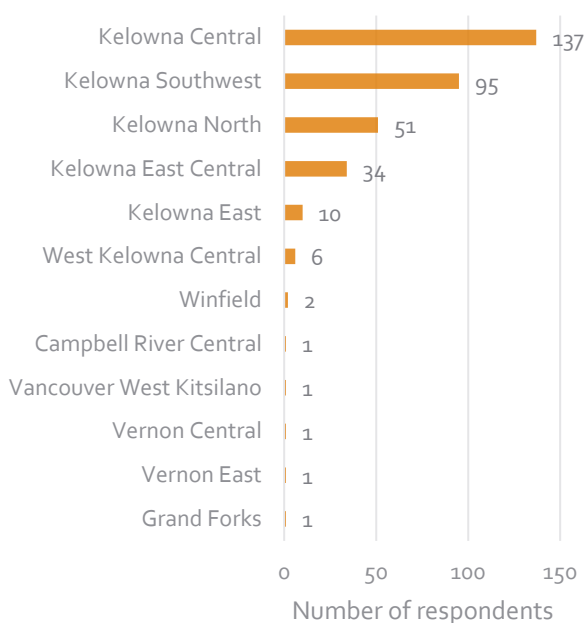
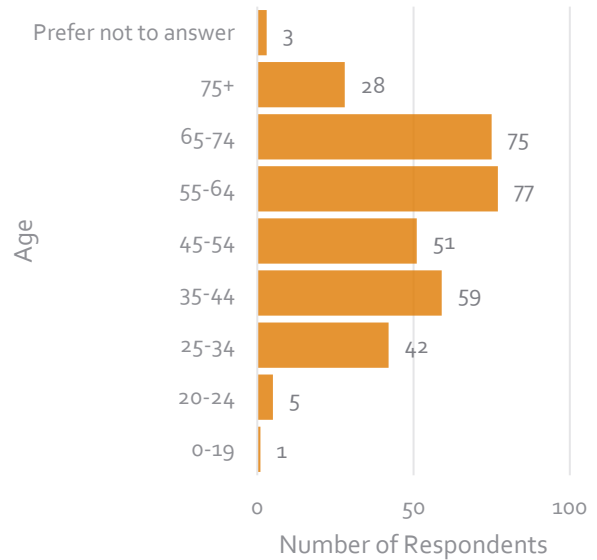


FIGURE 2 – AGE OF SURVEY RESPONDENTS.



Stakeholder workshop

- 22 stakeholders and six staff attended the online workshop. Stakeholders included members of the arboricultural, environmental and non-profit, utilities, development, and academic communities. Invitations were sent by the City via email to its targeted contact list.



WHAT WE HEARD

Results from the first phase of public engagement are summarized in this report. The detailed engagement results are available in the Appendices (Appendix A: Survey results, Appendix B: Mapping tool results and Appendix C: stakeholder workshop boards).

The report is structured around the engagement tools used:

- Online survey
- Mapping tool
- Stakeholder workshop

Online Survey

The online survey covered five key topics:

- Understanding how the urban forest is valued and vision for 2040
- Preferences for street trees (size and distribution)
- Priorities for urban forest management on City-owned land and private land
- Satisfaction with and preferred urban forest service levels
- Community stewardship of the urban forest

Understanding how the urban forest is valued and vision for 2040

Survey respondents ranked climate change resilience (shade and cooling of streets and buildings, flood protection, role in carbon cycle and storage), ecological (habitat and food for native plants and animals), and environmental services (e.g., rainwater management, air purification, wind protection) as the most important urban forest benefits to them and their community. Survey respondents ranked economic and cultural benefits as lower importance.

Respondents were asked to imagine what they would like Kelowna's urban forest to look like in 2040. Common themes included a vision for canopy expansion with large and mature trees (149 mentions), planting of street trees (81 mentions), use of local species (66 mentions), and stronger tree protection (46 mentions). Other frequent themes were creating a healthy, accessible, and diverse urban forest with a special mention of rooftop greenspaces and tree planting efforts in the downtown area.

The Urban Forest on Your Streets

Respondents were asked to identify the photo that most resembled their street and a preference for what they would like their street to resemble (Figure 3).



A. Few or no trees



B. Regularly spaced small trees



C. Regularly spaced, medium-sized trees



D. Mixed spacing and species, medium-sized trees



E. Regularly spaced, large trees



F. Mixed spacing and species, large trees

FIGURE 3 – TYPES OF STREET TREE PLANTING PRESENTED TO SURVEY RESPONDENTS

The largest number of respondents currently live on a street resembling option A – few or no trees (23%) or option D – mixed spacing and species, medium-sized trees (22%; Figure 4). Eighty percent of respondents live on a street with no large trees present (Options A, B, C, and D). Only 4% of respondents live on streets resembling Option E – regularly spaced, large trees .

When asked which street they would prefer to live on, most respondents indicated a preference to live on a street with big trees, resembling option F – mixed spacing and species, large trees (47%), or option E – regularly spaced, large trees (25%). Twenty-six percent of respondents said they would like to live on a street with medium-sized trees (Options C or D). Only 2% of respondents would like to live on a street with small trees like Option B – regularly spaced small trees, and no respondents chose Option A – few or no trees (Figure 4).

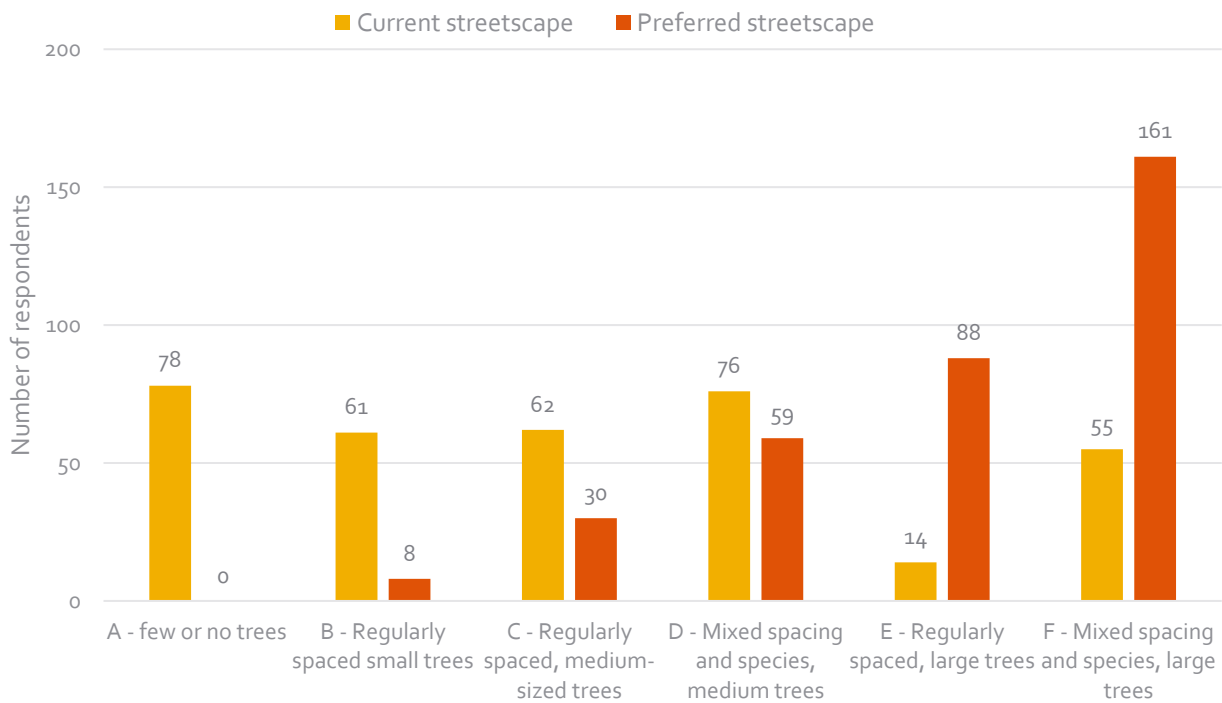


FIGURE 4 – RESPONDENTS’ CURRENT STREETScape VS PREFERRED STREETScape

Priorities for Urban Forest Management

Respondents ranked Urban Centres as the most important place for the City to plant trees (Downtown Kelowna, Pandosy, Capri-Landmark, Midtown, Central Rutland), followed closely by Core Areas (neighbourhoods next to urban centers). Respondents assigned medium priority to tree planting in Gateway (Industrial areas including and surrounding UBCO and Kelowna International Airport) and Suburban areas. Rural areas outside the permanent growth boundary were ranked as lowest in tree planting priority.

When asked where in those top priority areas trees were missing the most, respondents indicated commercial streets, parking lots, new developments, and plazas and paved open areas (55% of responses). Natural areas and parks only made up 8% of responses (Figure 5).

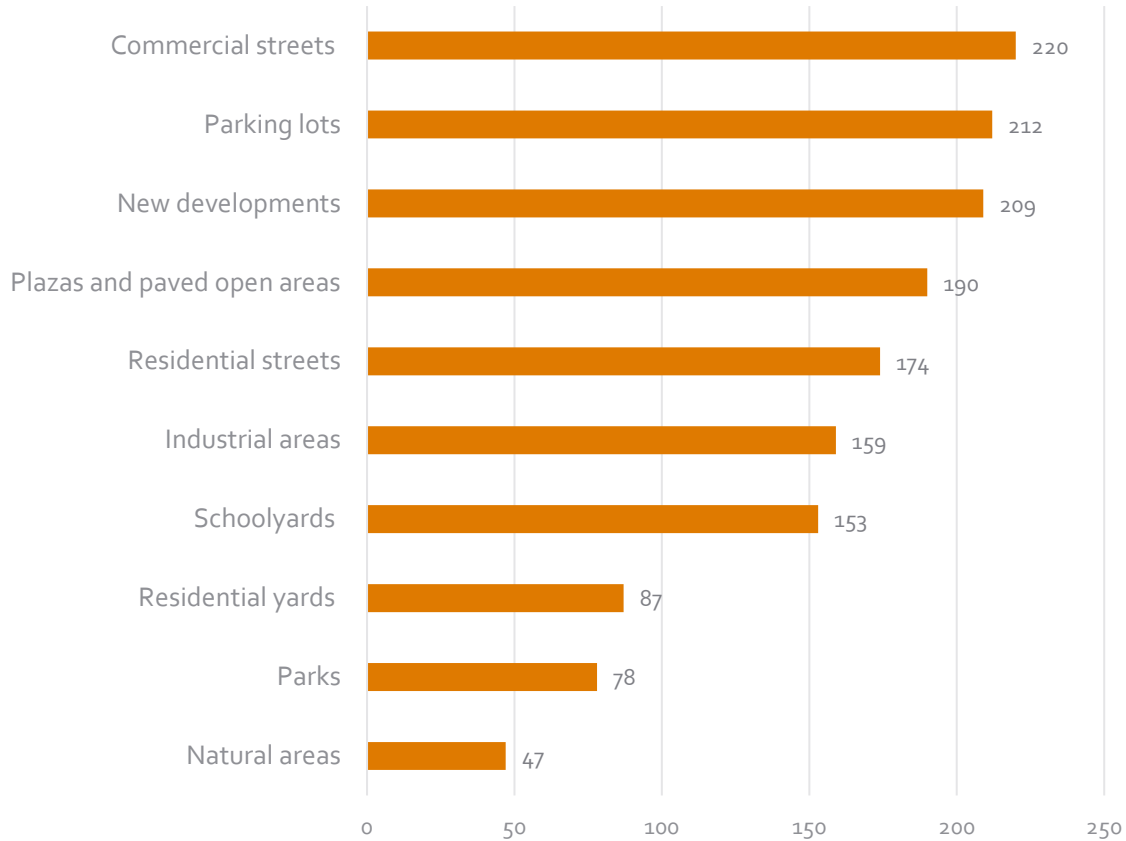


FIGURE 5 – AREAS WHERE TREES ARE MISSING IN NEIGHBOURHOODS

Priority actions on City-Owned Land

Respondents were asked to assign a low, medium, and high priority ranking to eight urban forestry actions on City-owned lands (Figure 6). Overall, most actions were ranked as either high or medium priority. The action which ranked highest in priority was the construction of new tree planting spaces on streets and paved areas where few now exist. Planting trees along streets and parks, adapting park spaces to more arid climate, improving guidelines for tree selection and engineering standards for soils were also assigned high priority in the ranking. For the most part, respondents ranked more public spending on the tree care of existing trees as medium priority. Respondents assigned lower priority ranking to increasing fees/penalties for tree removal and creating more opportunities for residents to participate in tree planting.

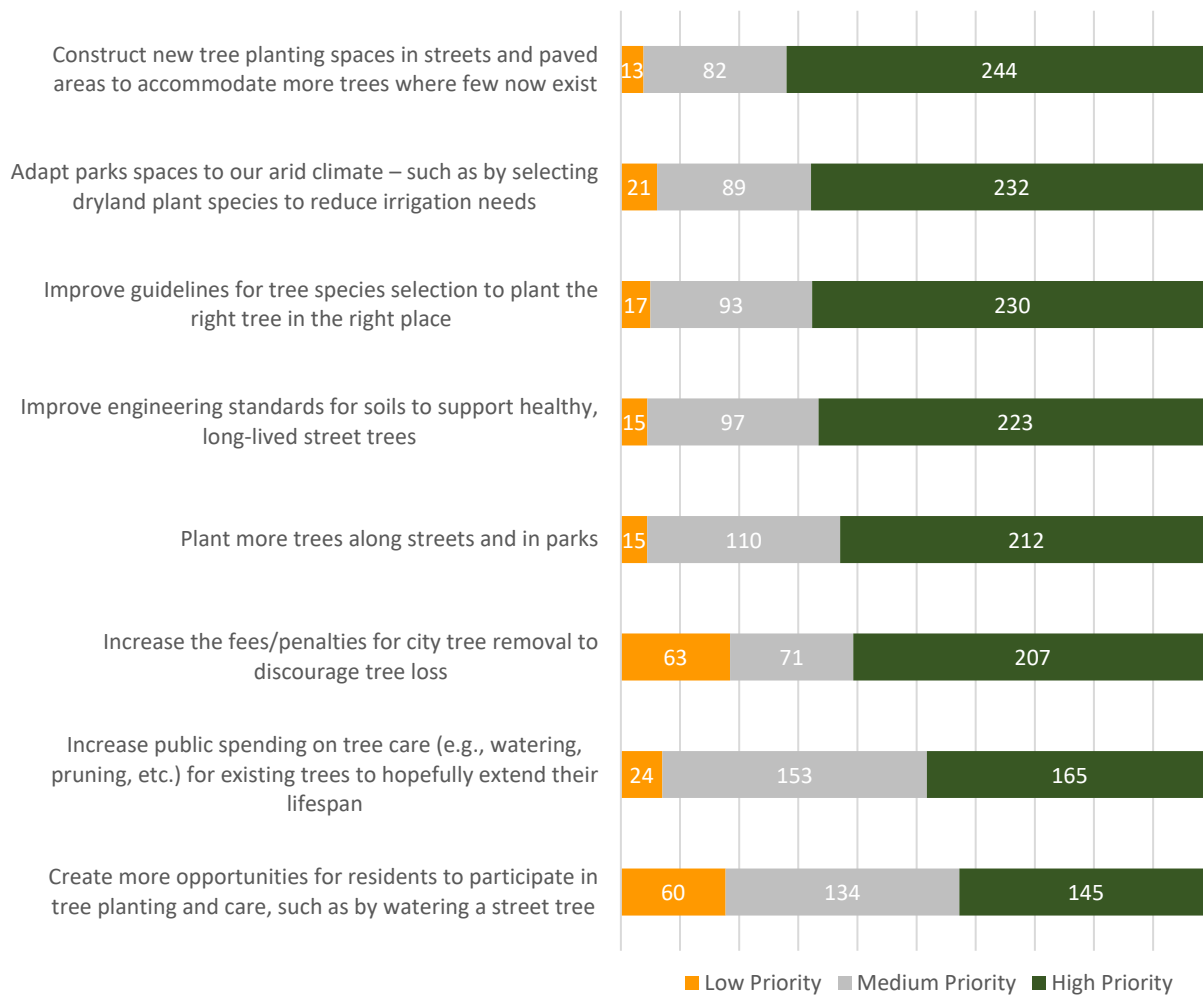


FIGURE 6 – RESPONDENT PRIORITY RANKINGS FOR EIGHT URBAN FOREST ACTIONS ON CITY-OWNED LAND

Survey respondents were able to provide additional open-ended comments about actions they’d like to see on City-owned land. Residents frequently shared the importance of public education initiatives to support general awareness about the value of the urban forest and the need for the city’s urban forest management. Increasing tree planting with climate-suitable or native species is considered important to replace losses from street boulevards and public parks, as is taking a more proactive approach to the management of trees on City-owned land to meet expectations around utility conflicts, traffic hazards, and pest management.

Priority actions on Private Property

Respondents were asked to share their level of support regarding nine urban forest actions on private property (Figure 7). Overall, there was high level of support for actions proposed on private property. Increasing the required number of trees for new developments (multi-family, subdivision, commercial) was the most supported action. High levels of support were also shown towards requiring at least one tree planted per lot for new developments, improving the standards for tree planting, and formalizing tree planting as a

green infrastructure solution. Moderate to high levels of support were shown with regards to expanding programs like NeighbourWoods, tree protection measures during construction, and providing education on tree protection and water efficient landscaping. Actions which received lower levels of support were introducing a private land tree bylaw to protect a subset of trees on private land and rewarding developers that retain trees with small changes to building setbacks or a smaller building footprint with one extra storey in height.

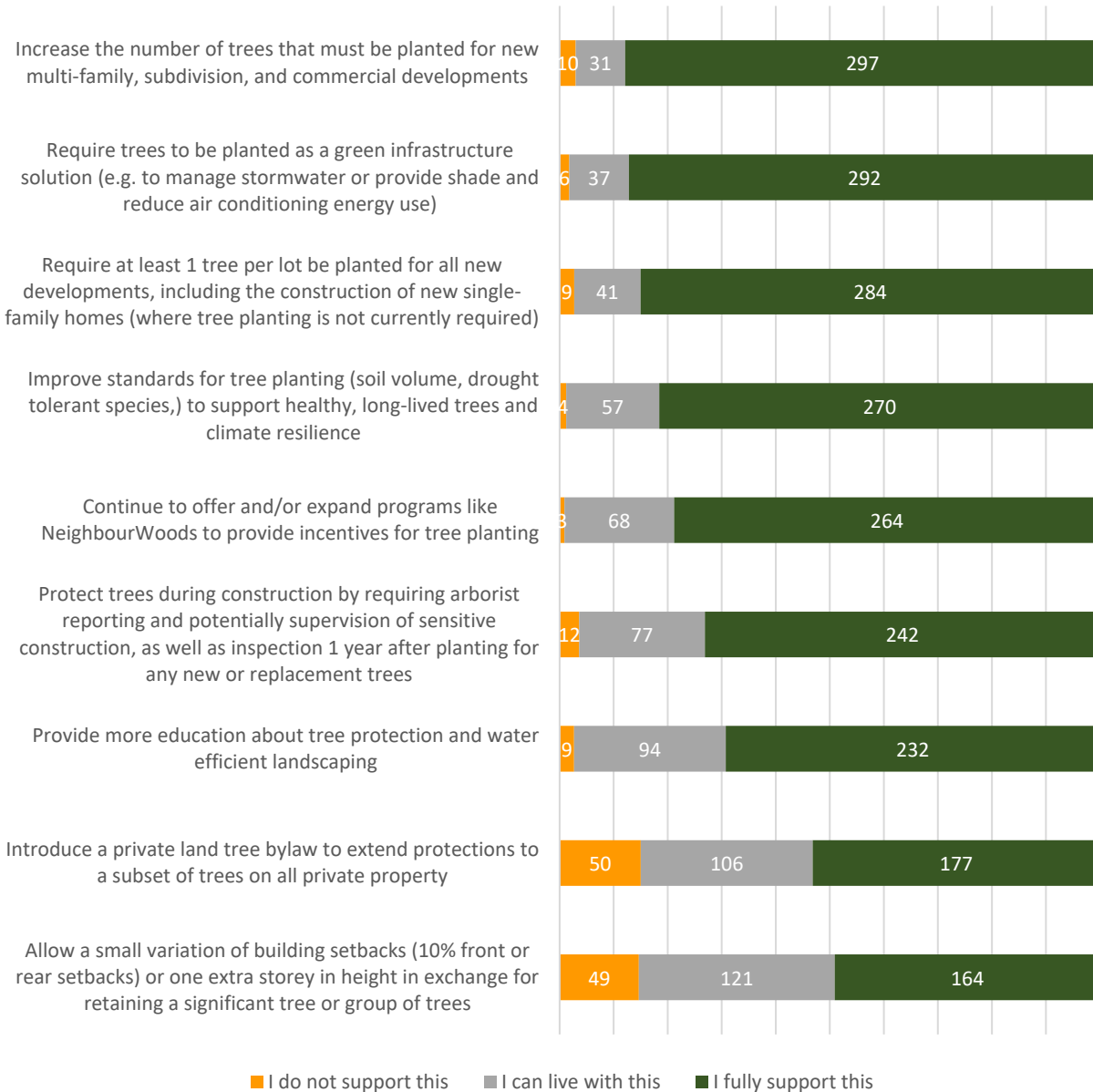


FIGURE 7 – RESPONDENT LEVELS OF SUPPORT FOR NINE URBAN FOREST ACTIONS ON PRIVATE PROPERTY

When survey respondents were asked to provide additional open-ended comments about actions on private property, the most common concern was the removal of large mature trees to accommodate development. 54 people submitted comments related to this topic. Several solutions to this concern were shared, including

placing additional tree planting and/or tree protection requirements on new construction. 33 people shared they believe education focused on private landowners is important for the urban forest. 24 people shared ideas about financial incentives for private landowners or developers to promote tree retention. Inadequate replacement of removed trees was also of concern. 4 people expressed a concern about cumbersome and excessive regulation on private land.

4.1.4 Urban Forest Service Levels

“Service levels” are a description of how Kelowna maintains a public asset, in this case city-owned trees.

Respondents were asked to rank satisfaction levels with current service levels for trees in parks and along streets. Survey respondents had mixed levels of satisfaction with the urban forest services provided by the City (Figure 8). Satisfaction levels were higher with regards to storm response/tree debris cleanup, dangerous tree removal, and tree pruning and maintenance. Respondents expressed neutral levels of satisfaction about wildfire fuel reduction and pest/disease control. Respondents were most dissatisfied with the level of public education surrounding urban forestry, with almost half of respondents expressing dissatisfaction. Respondents were also more dissatisfied with the level of tree planting and replacement as well as tree protection and preservation. These results are in line with respondents’ major concerns discussed in the previous section. The relatively high proportion of neutral responses may reflect uncertainty or lack of knowledge about the services that the City provides in urban forestry.

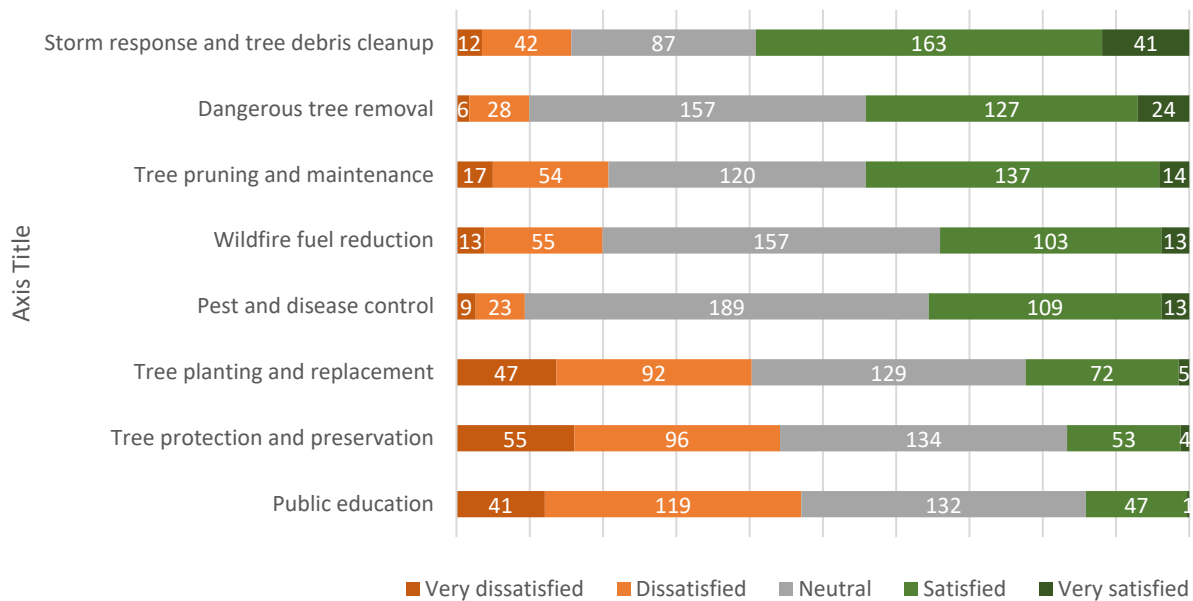


FIGURE 8 – SATISFACTION LEVELS WITH CURRENT SERVICE LEVELS FOR TREES IN PARKS AND ALONG STREETS

When asked to provide additional open-ended ideas for improving the City’s service levels, several survey respondents commented that they lacked enough knowledge of the City’s activities to assess their level of satisfaction. Some respondents called for more open communication with residents regarding urban forest services and city activities, while others complimented the public communications of the City’s parks and urban forestry crews. Ideas for specific improvements included prioritizing trees during streetscape design,

cleaning up woody debris from parks and trails more frequently, and supporting creating opportunities for residents to take care of a City or park tree.

4.1.5 Community stewardship

Community stewardship refers to activities that the community participates in to care for or contribute to urban forestry on public and private land. Respondents answered several questions about urban forest stewardship activities:

- 65% of respondents have planted at least one tree on their property in the past five years (35% have not)
- 64% of respondents have never watered a City-owned street tree or park tree
- 74% of respondents have not bought a tree through the NeighbourWoods Program in the past 5 years
- The top five barriers to planting and maintaining trees on private property were:
 - Not having enough space (33%)
 - Already having trees on property (31%)
 - Needing permission from strata (27%)
 - Lack of knowledge about trees (13%)
 - Cost of planting trees (13%)
- The top five factors that would encourage respondents to plant trees were:
 - Knowing what trees are suitable for our climate (51%)
 - Having space to plant them (37%)
 - Having someone to call to guide species selection, siting, or other questions (35%)
 - A tree planting subsidy for maintaining trees on my property (34%)
 - Knowing where to plant a tree in my yard (31%)

Mapping Tool

Online mapping tool respondents were asked to identify places by dropping a pin in the urban forest they value and in places needing improvement. A total of 146 locations were identified using the mapping tool. 84 (58%) were places of value and 62 (42%) were places needing improvements. The Central City area had the most locations submitted (32; 22%), including the most places to improve (20) and places of value (12). McKinley was the area with fewest locations submitted (1 place of value and 1 place to improve).

Places of value

Across the entire municipality, 56 percent of valued places were in a park (47 locations), with hotspots found on Knox Mountain, Mission Creek, and Scenic Canyon Regional Park. 37 locations were located in other contexts across the City, including unprotected greenspace or natural areas, streetscapes, and private yards. Valued locations are shown in Figure 9. Glenmore and South Pandosy were both common areas where places were valued, representing 40% of the total responses (34 locations). The most common reasons respondents valued locations were strong ties to a specific park, greenspace, or otherwise large tree. Other respondents indicated that they valued overall greenness or neighbourhood canopy cover rather than a specific tree. Other

reasons places were valued included seeing/supporting wildlife, opportunities for recreation, and general beauty and aesthetic value.

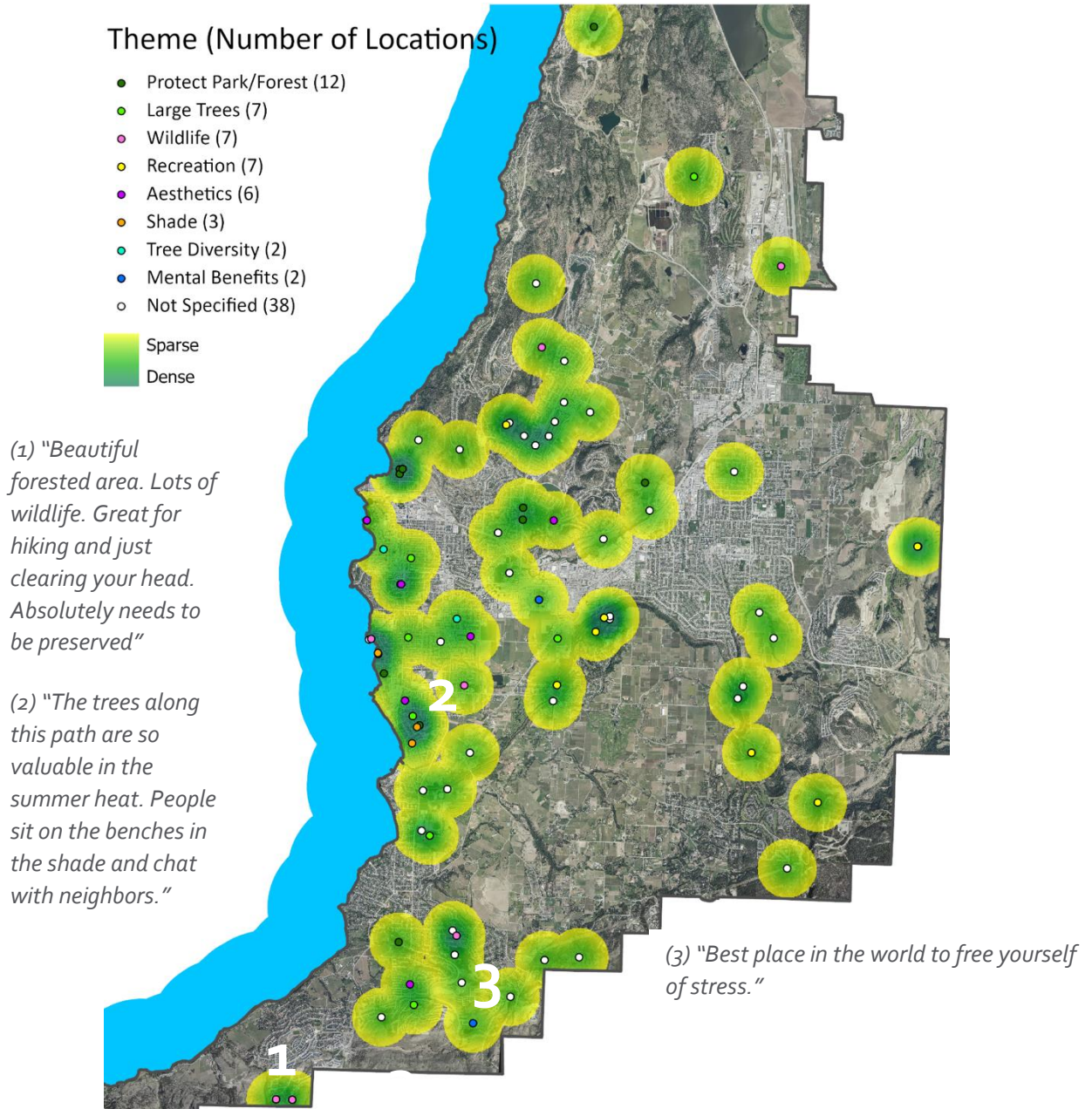


FIGURE 9 – URBAN FOREST PLACES OF VALUE IDENTIFIED IN THE ONLINE MAPPING TOOL BETWEEN NOVEMBER 12TH AND DECEMBER 11TH, 2022

Places needing improvement

Urban forest places needing improvement are summarized in Figure 10. Central City and South Pandosy were the most common areas for improvement (34 locations; 55% of responses). Other hotspots submitted for improvement were found in the Southwest Mission and the Glenmore areas. Thirty-nine percent of improvement locations were found in a park (24 locations), while 61% (38 locations) were not. Outside of parks, submitted locations were frequently residential streets, while a few were located in highly paved

commercial, industrial, and institutional areas like North End, Midtown, north Rutland, and at Okanagan College. The most common improvement expressed by respondents was adding more trees to the location. Other improvements included retaining trees, expanding trail systems and greenways, as well as more proactive debris cleanup and invasive species removal.

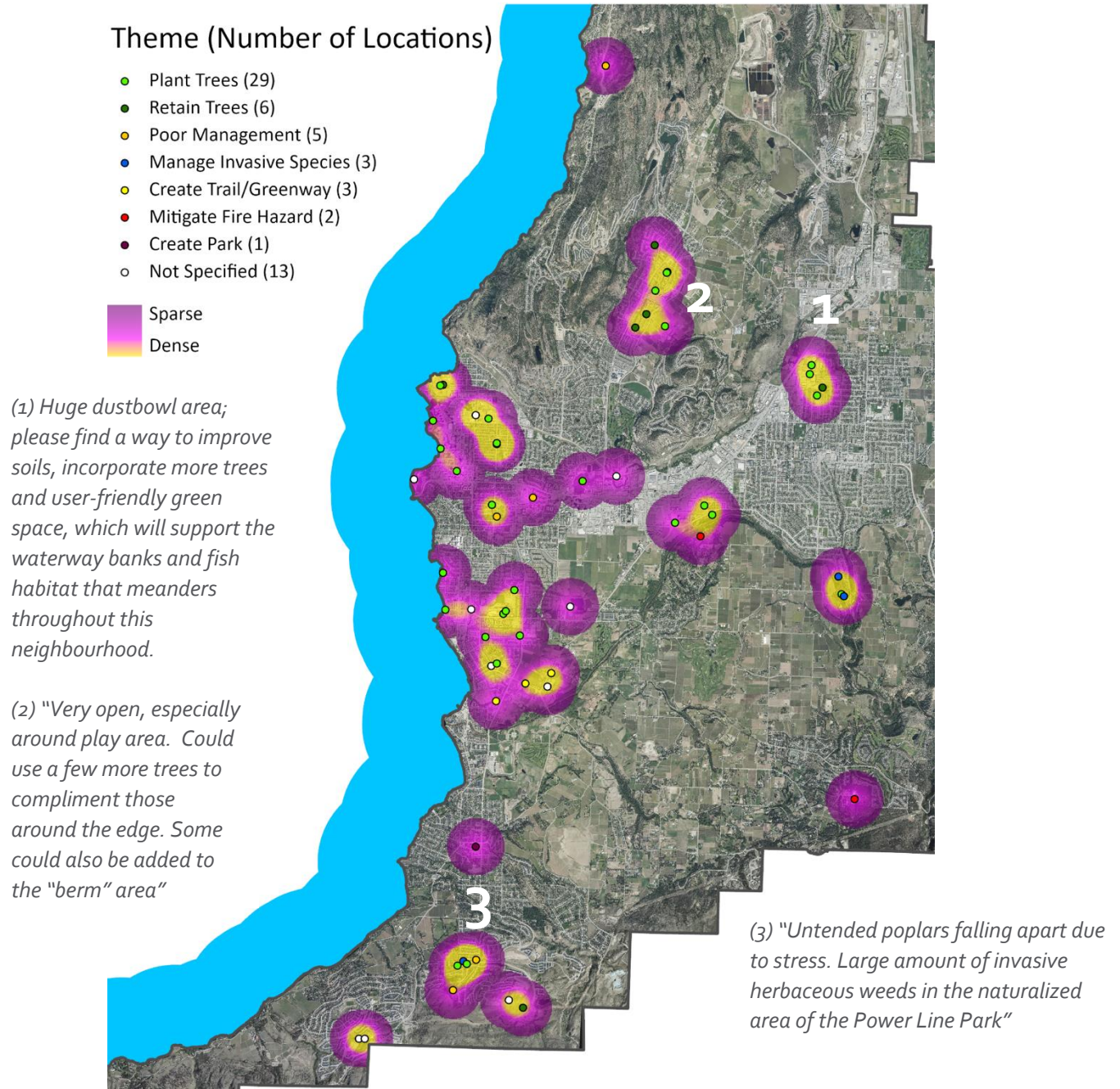


FIGURE 10 – URBAN FOREST PLACES NEEDING IMPROVEMENT IDENTIFIED IN THE ONLINE MAPPING TOOL BETWEEN NOVEMBER 12TH AND DECEMBER 11TH, 2022

Stakeholder Workshop

Twenty-two participants from nine organizations and six staff members attended the October 7th stakeholder workshop. Participants were representatives from the arboricultural, environmental/non-profit, utilities, development, and academic community. Workshop participants discussed opportunities and challenges facing Kelowna's urban forest using four urban forest themes to structure the session:

- **Planting**
- **Managing**
- **Protecting**
- **Partnering**

On the topic of tree planting, participants expressed concerns around sourcing native trees as well as suitable non-native trees given climatic conditions and risk of disease. The discussion on planting opportunities included creating a tree selection guide for residents to plant the right trees on private property as well as mandating a minimum canopy coverage for new commercial developments. The conversation progressed into finding ways to incentivize tree planting for residents and for existing commercial parkades at expense of parking spots.

Challenges facing the management of Kelowna's urban forest were centered around utility conflicts and the costs associated with tree management (watering, treating disease, pruning). Participants saw opportunities both in installing utilities underground and working with community members to better inform around the importance of mature trees.

The major concern regarding tree protection was the loss of large mature trees during development and the lack of a tree protection bylaw. Participants identified opportunities in introducing a tree bylaw. Specifically, participants thought a tree bylaw could increase accountability during development application processes, establish a 2:1 replacement ratio, and protect root zones during development. Participants also discussed reframing trees as amenities that increase property value and quality of life.

The conversations around urban forest partnerships were focused on Indigenous relations, resident stewardship, and volunteer opportunities, as well as collaboration with school districts and UBCO.

Participants raised the Declaration on the Rights of Indigenous Peoples Act as a responsibility for Kelowna to partner with First Nations on urban forest work. Participants also highlighted the need for a communication strategy to accompany any partnerships.

Mural Boards of responses collected during the stakeholder workshop are provided in **Appendix C**.

Synthesis of Feedback

The feedback received from the survey, mapping tool, and stakeholder workshops has been synthesized into key statements in the tables below. Each key statement (“What we heard”) is followed by a statement on how the feedback will be considered in relation to the ongoing development of the SUFS.

SUMMARY OF FEEDBACK FOR THE URBAN FOREST PLANNING AND LONG-TERM VISION

What we heard	How it will be considered
<ul style="list-style-type: none"> • The most valued benefits provided by the urban forest are climate change resilience, ecological, and environmental • Respondents envisioned Kelowna’s 2040 urban forest as expanding, with large and mature trees made up of a healthy mix of native and climate suitable species, with lush tree-lined streets and strong tree protection measures in place • Mapping tool participants: <ul style="list-style-type: none"> ○ Valued parks and greenspaces for their recreational benefits and the habitat they provide for wildlife, noting key urban forest locations to protect. ○ Outside of parks and natural areas, valued residential areas with many large or older trees. ○ Wanted more trees planted and more proactive management of natural areas and invasive species. ○ Residential streets were a common place additional trees were desired, followed by commercial/industrial areas. 	<p>The project team will incorporate this input when drafting the SUFS vision and goals. The strategy will emphasize the benefits most valued by the community and will address the issues cited by participants as needing improvement.</p>

SUMMARY OF FEEDBACK FOR GROWING THE URBAN FOREST

What we heard	How it will be considered
<p>There is an opportunity to increase community satisfaction by doing more tree planting.</p> <p>For street tree planting:</p> <ul style="list-style-type: none"> • There is a preference for streets with mixed spacing and either mixed or large tree sizes. • Respondents would like to see tree planting prioritized in Kelowna’s urban center, specifically on commercial streets, parking lots, and new developments. 	<p>The draft SUFS will include recommendations for tree planting in parks and streets and update the City’s tree planting list with climate resilient species.</p>

KEY THEMES FROM PUBLIC ENGAGEMENT ABOUT MANAGING THE URBAN FOREST

What we heard	How it will be considered
<p>Respondents had mixed levels of satisfaction for current urban forest service levels.</p> <ul style="list-style-type: none"> • Satisfaction levels were high for storm and debris cleanup, tree pruning, and dangerous tree removal. • Respondents expressed dissatisfaction for public education, tree protection, and tree planting. • Several respondents were neutral particularly about wildfire fuel reduction and pest and disease management. <p>Mapping tool respondents would like more trees planted, stronger tree protection measures, and more proactive management of greenspaces.</p>	<p>The draft SUFS will make recommendations to clarify and improve service levels.</p>
<p>On City-owned land, most respondents supported the construction of new tree planting spaces in streets and paved areas, adapting parks to the arid climate, and improving both tree species guidelines and soil engineering standards.</p>	<p>The draft SUFS will make recommendations to improve planting site construction standards to support the health and survival of trees given site and climate requirements.</p>

KEY THEMES FROM PUBLIC ENGAGEMENT ABOUT PROTECTING THE URBAN FOREST

What we heard	How it will be considered
<p>On private property, most respondents supported increasing the required number of trees for new developments as well as improving the standards for tree planting. Respondents’ biggest concern was tree loss on private property caused by development.</p>	<p>The draft SUFS will make recommendations that include policy tools and approaches to improve protection of trees on private property, with a focus on the role of development in tree removal and replanting rates.</p>
<p>On private property, most respondents supported extending protections to a subset of trees on all private property through a tree bylaw. 177 respondents “fully support this”, 106 respondents “can live with this”, and 50 “do not support this”. Of the ideas put forward by the online survey for tree protection, a tree bylaw was the second-least popular (second-lowest number of “I fully support this” responses).</p>	<p>The draft SUFS will make recommendations that recognize and preserve the future potential of tree protections on private land.</p>
<p>More respondents were dissatisfied than satisfied by current urban forest service levels for tree protection and preservation.</p>	<p>The draft SUFS will consider strategies to improve tree protection and preservation that move the City towards meeting or exceeding current public expectations.</p>

KEY THEMES FROM PUBLIC ENGAGEMENT ABOUT STEWARDSHIP OF THE URBAN FOREST

What we heard	How it will be considered
A moderate number of respondents had planted at least one tree on their property in the past five years. Most survey respondents have not watered a city tree or bought a tree through the NeighbourWoods program.	The draft SUFS will recommend ways for the City to encourage urban forest stewardship, including education on tree planting and care.
The largest barriers to planting trees on property were space limitations, already having trees, and requiring permission from strata. The main incentives would be knowing which species are suitable for the climate, having space to plant trees, and having someone to call for help in selecting the appropriate tree species.	The draft SUFS will recommend ways to incentivize tree planting and distribute educational materials to support private tree planting and care.
Stakeholders would like the City to partner with Indigenous groups, schools, and nurseries, include more resident volunteer opportunities, and improved communication surrounding urban forestry services with residents.	The draft SUFS will recommend ways to partner with First Nations Governments and Indigenous peoples and foster community stewardship of the urban forest.

NEXT STEPS

The findings from the first phase of community engagement will inform the development of the draft SUFS, including a long-term vision and priorities for implementation. Phase 2 of public engagement is expected to occur in the spring of 2023 to gather feedback on the draft SUFS.

LIST OF APPENDICES

Appendices are provided in a separate document.

Appendix A: Survey results

Appendix B: Mapping tool results (*Tabular responses*)

Appendix C: Stakeholder workshop boards



City of
Kelowna

City of Kelowna Phase 1 Engagement Summary Appendices

Sustainable Urban Forest Strategy Update

March 2023

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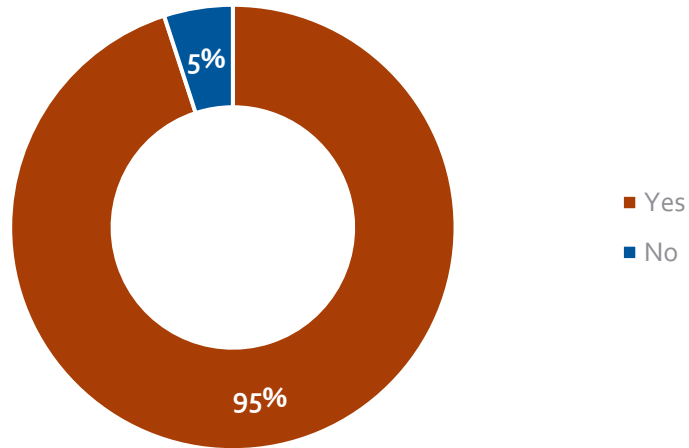
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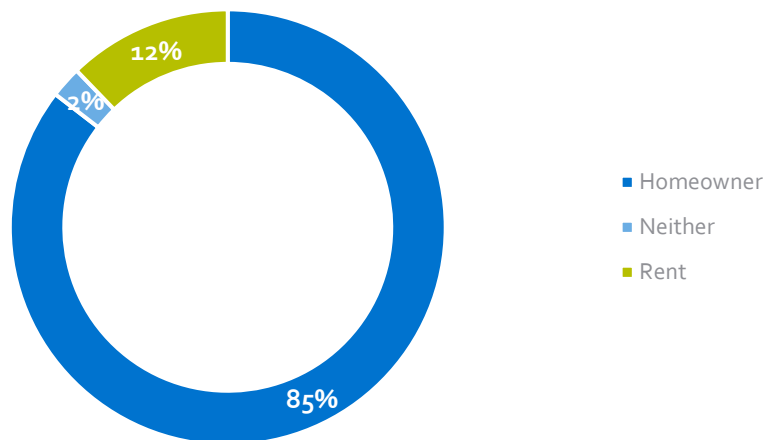
Appendix A – Survey results

Open-ended responses are included at the end of Appendix A.

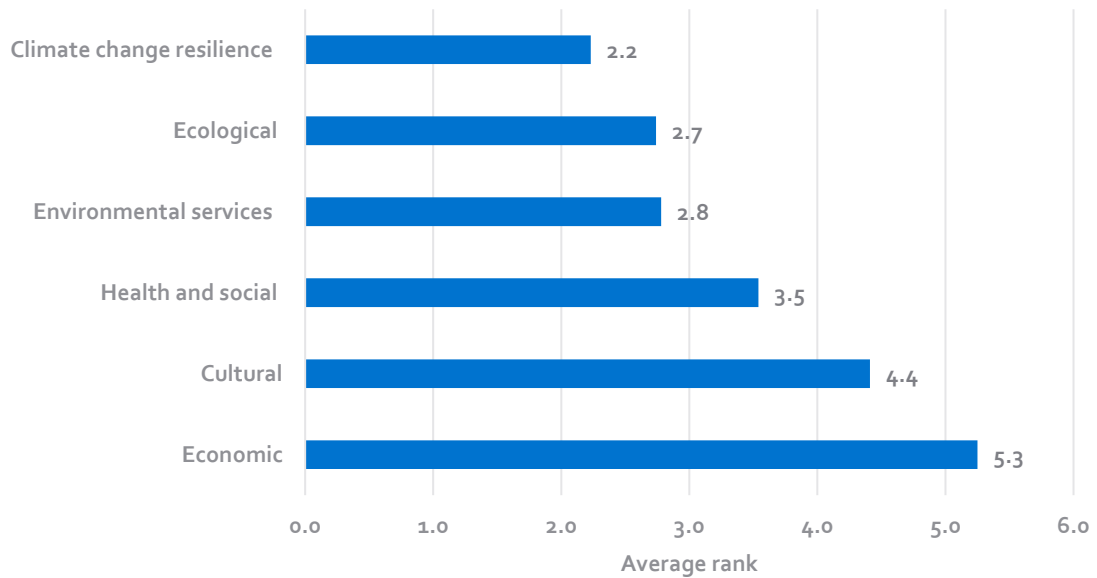
Are you a Kelowna resident?



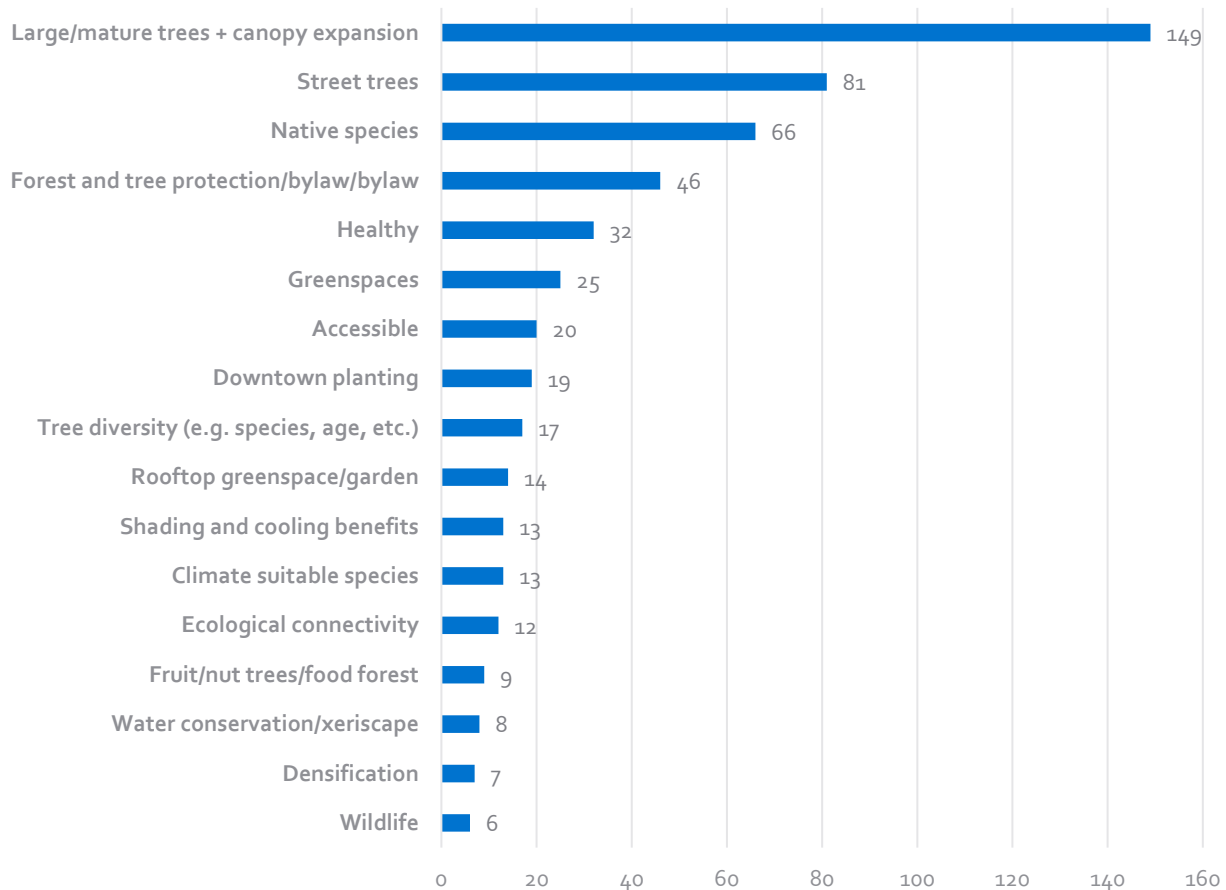
Are you a homeowner or do you rent?



What types of urban forest benefits are most important to you and your community? Please rank the following types of benefits from most (1) to least important (6).



Imagine it is 2040. What is your ideal image of Kelowna’s urban forest? – Common Themes



Please consider the following photos of trees along streets.



A. Few or no trees



B. Regularly spaced small trees



C. Regularly spaced, medium-sized trees



D. Mixed spacing and species, medium-sized trees

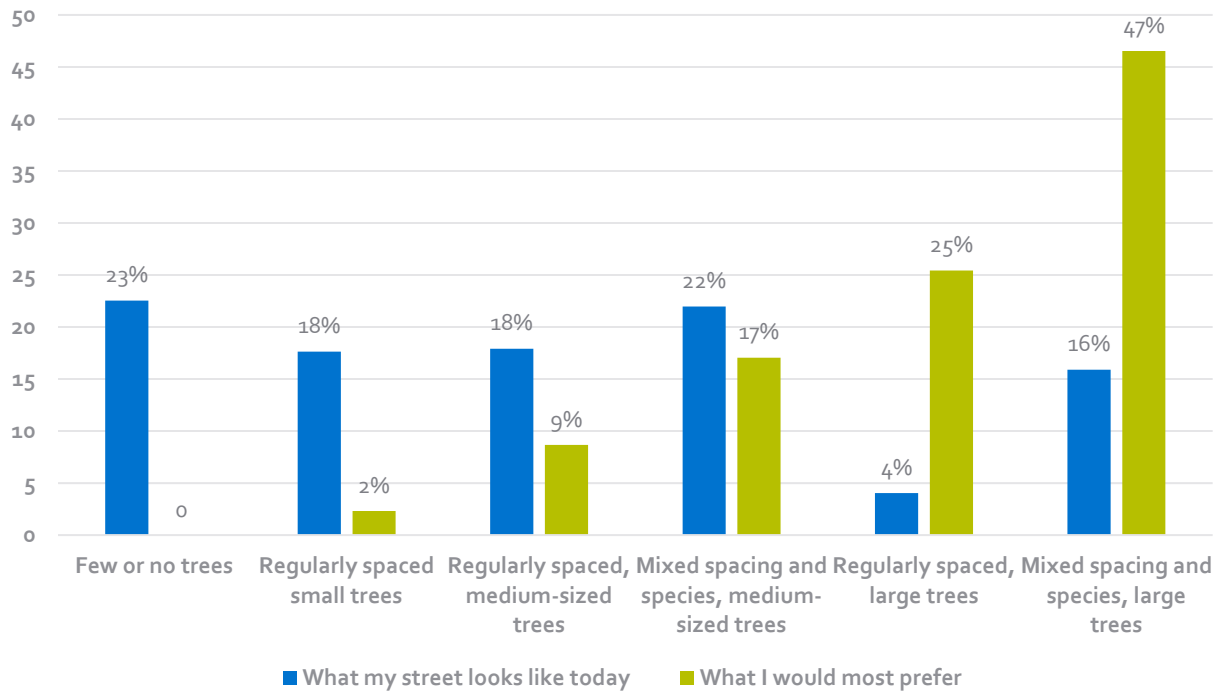


E. Regularly spaced, large trees

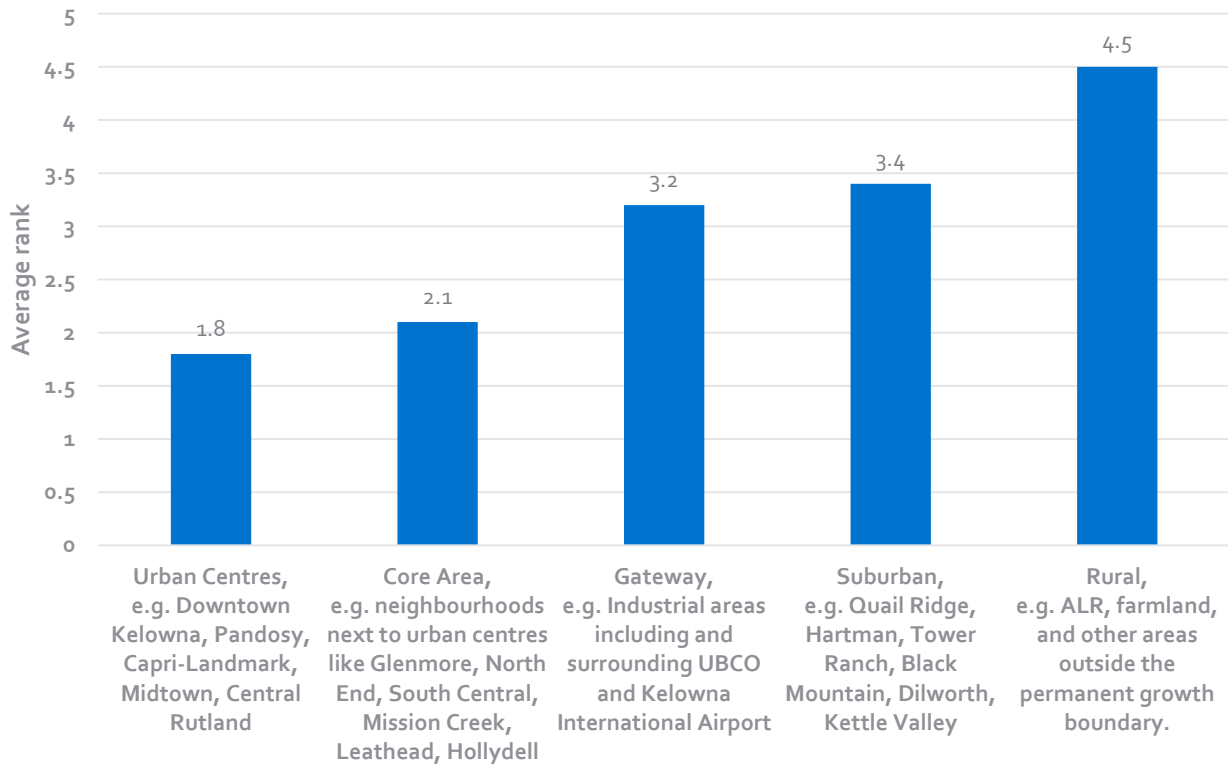


F. Mixed spacing and species, large trees

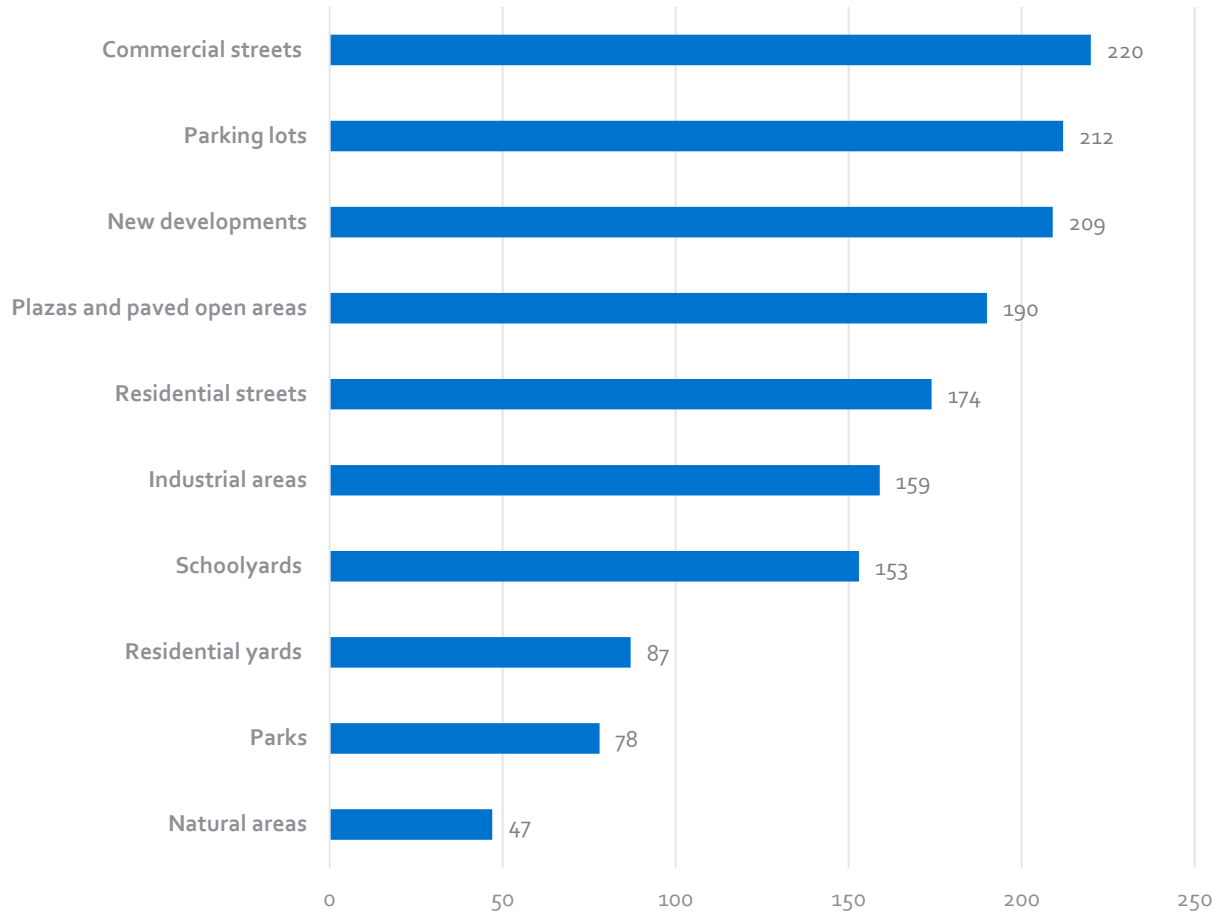
Select the picture (A-F) that your street currently looks the most like and what you want your street to look like.



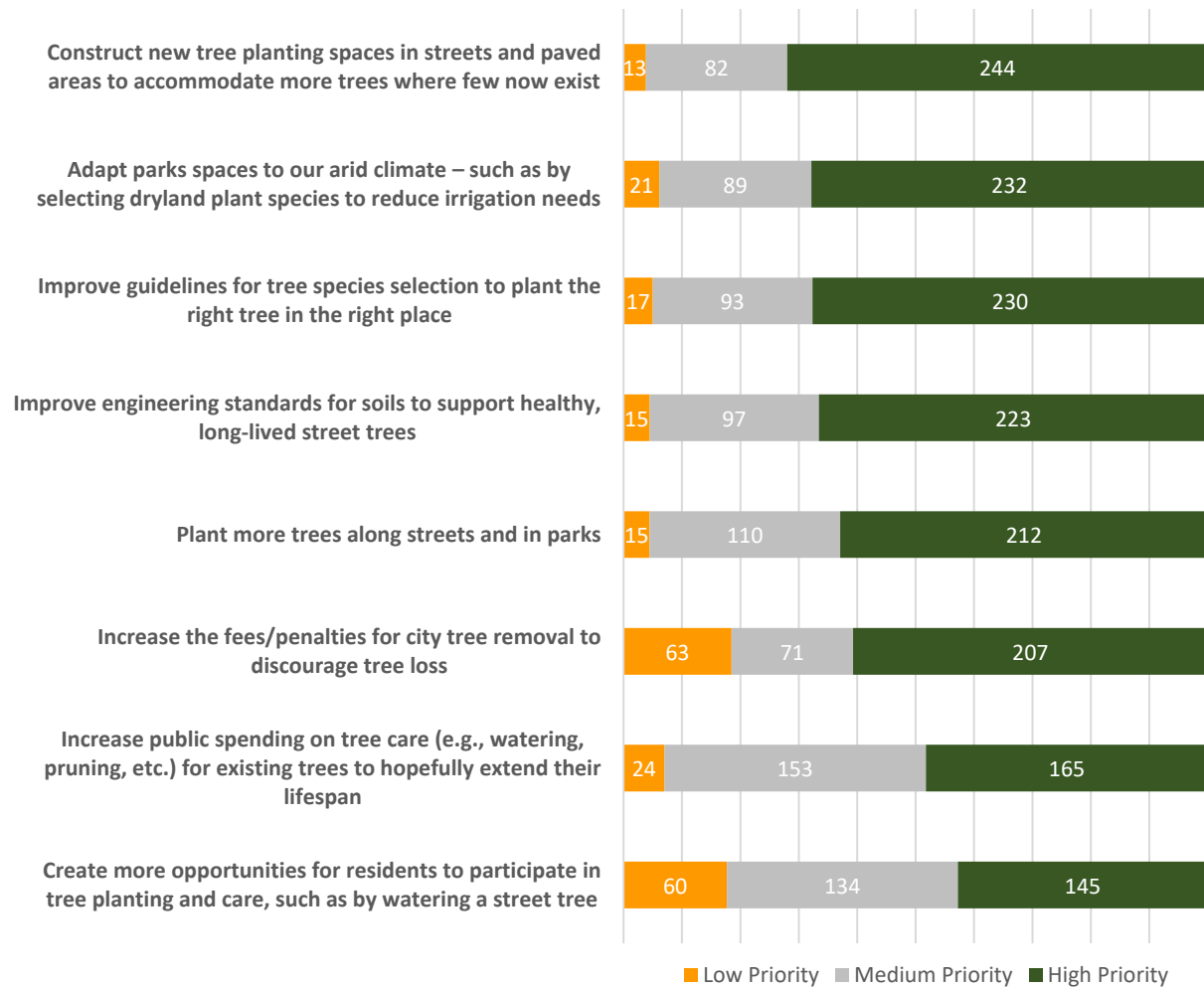
In what neighbourhoods do you think more trees should be planted? Please rank the following areas from most (1) to least important (5)



Where are trees missing from your top-ranked area?



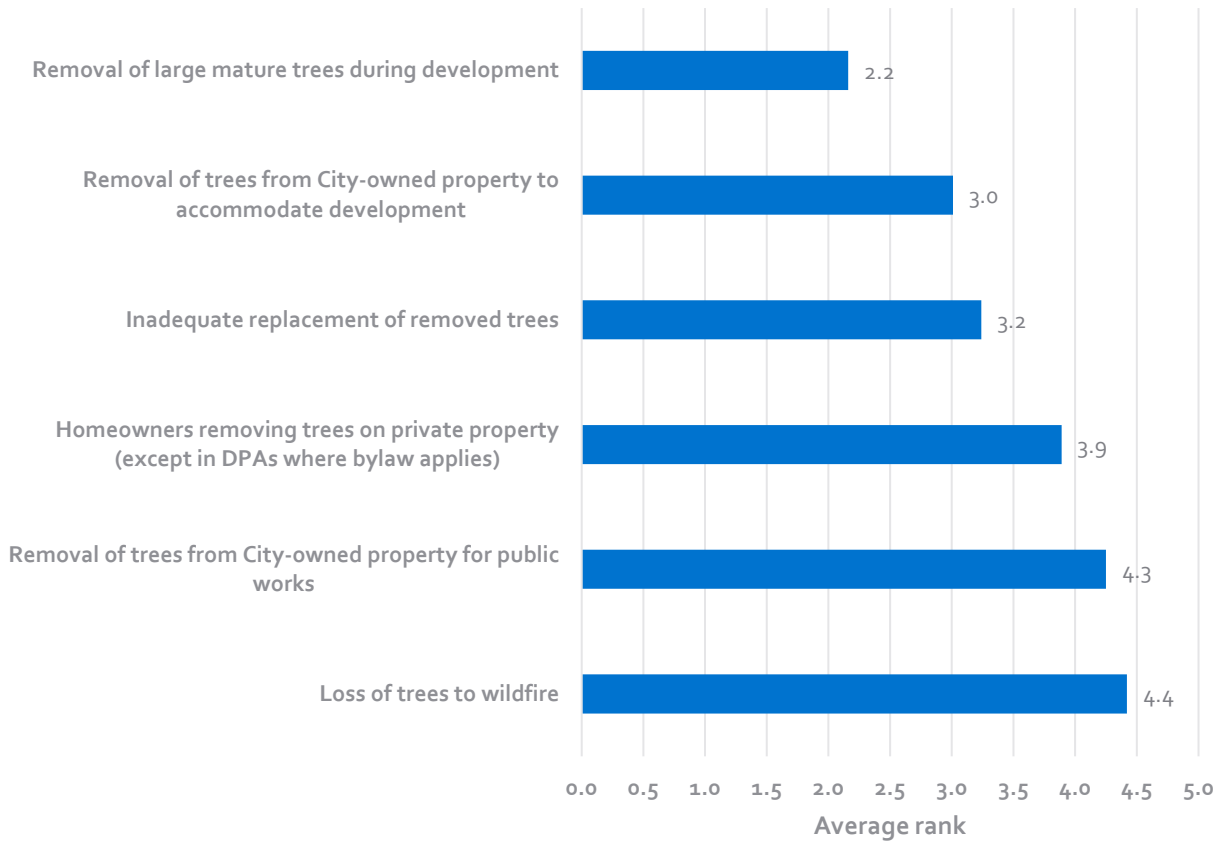
Please rank each of these based on whether they are a high, medium, or low priority to you. Where space allows on City-owned land, I would like Kelowna to:



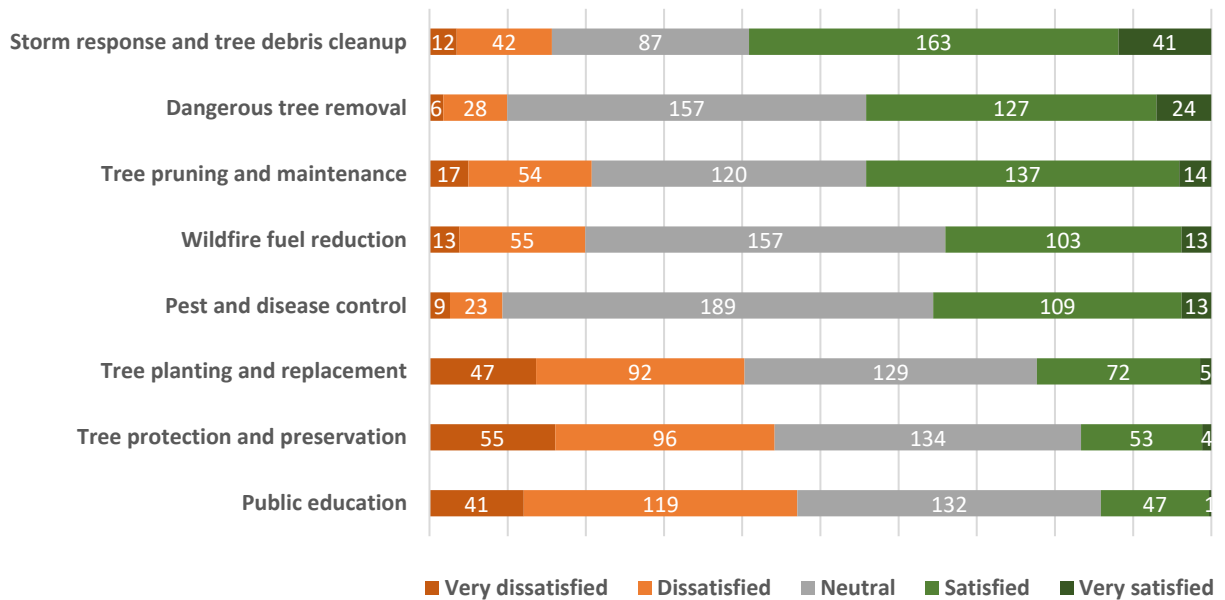
On private property, what actions would you support the City taking to improve the urban forest?



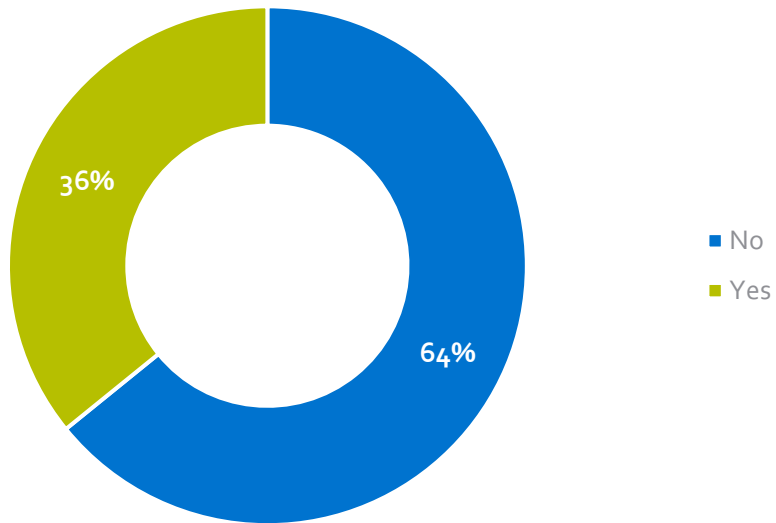
What are your biggest concerns with respect to tree loss on private land? Please rank the following options from 1 (most important) to 6 (least important).



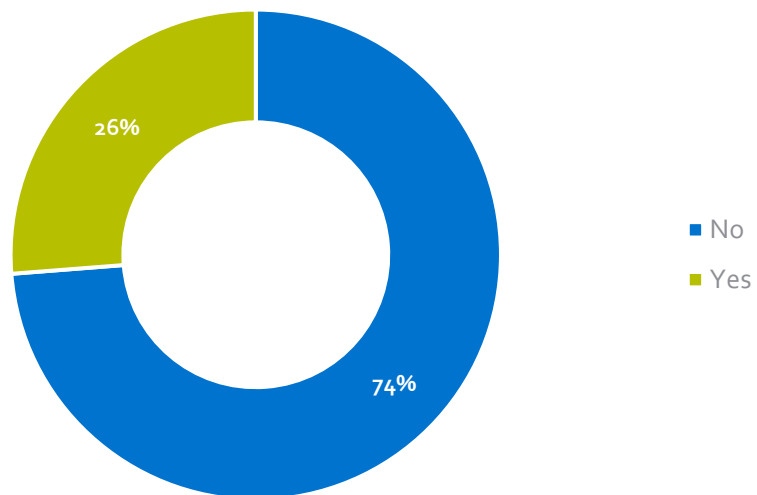
How satisfied are you with current levels of service provided by the City for:



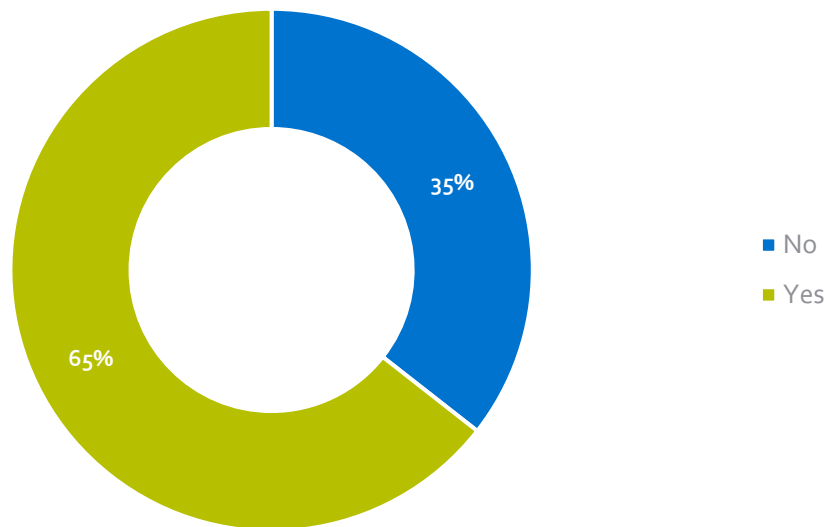
Have you ever watered a City-owned street or park tree in Kelowna?



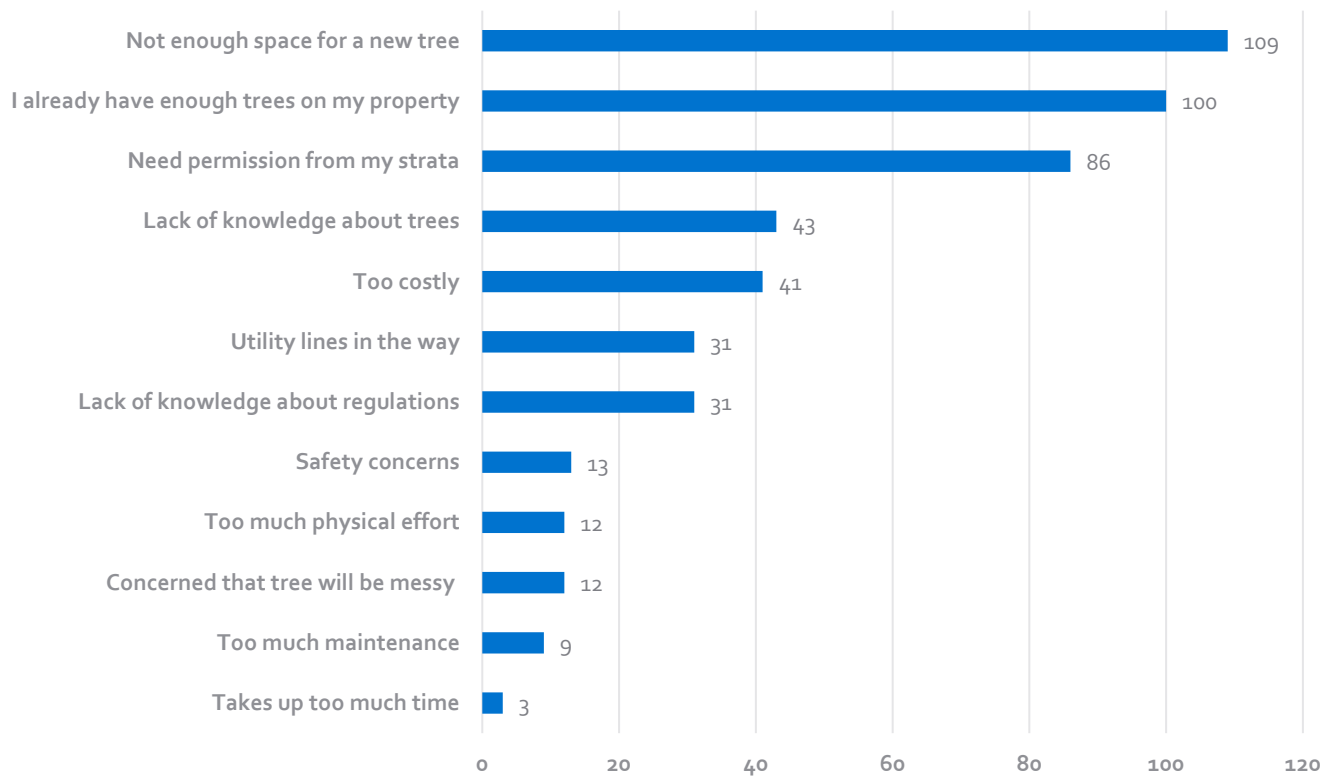
Have you bought a tree through the City of Kelowna's NeighbourWoods Program in the last five years?



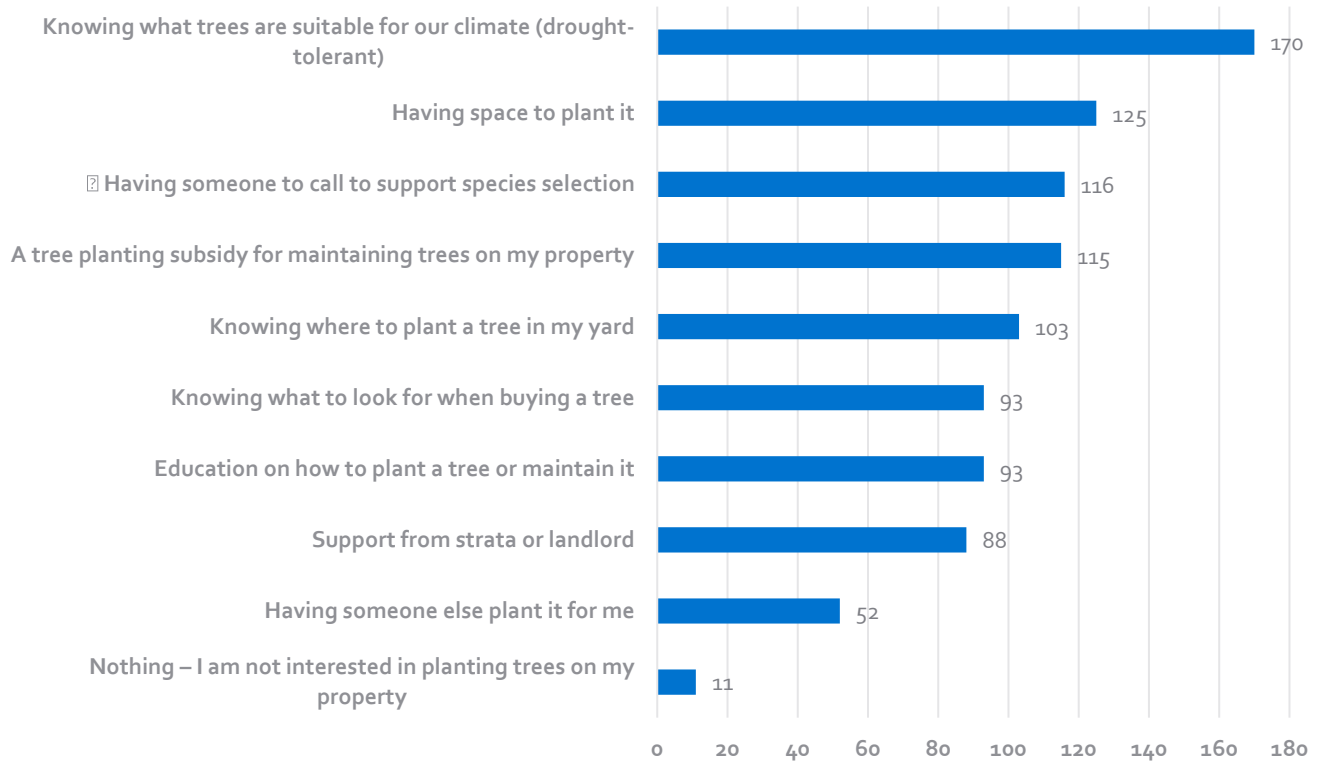
Have you planted at least one tree on your property in the last five years?



What barriers prevent you from planting and maintaining a tree (or additional trees) on your property?



What would encourage you to plant a tree or trees on your property?



Appendix B – Mapping tool results

Green pin - for marking urban forest locations that you value

**Each row corresponds to one pin. Rows with no text entry indicate a pin was submitted with no further comment.*

Comment	What do you want to improve at this location?
So many large old trees in the north end - it should be a high priority to retain and not kill them as development plans are underway	
So many large old trees in the north end - it should be a high priority to retain and not kill them as development plans are underway	
	It's important to protect its natural state.
I stumbled across this park while walking with a friend's baby and was so happy to find an easily accessible pocket of nature to explore. I believe this applies to every park and every bit of urban forest our city has!	Lots of animals and insects and harmony.
Thank goodness for this community garden and park! When we were forced to downsize, being able to get out in a bit of nature close by has been lifesaving.	This corridor is remarkably absent of green places to wander. One has to endure much exhaust and traffic to get anywhere pleasant on foot around here.
the trees along this path are so valuable in the summer heat. People sit on the benches in the shade and chat with neighbours.	
good design and plants are surviving	
This area is very well done! nice retaining large poderossa pines, and Balsam Arrowroot. Not many invasive species.	
good work with the dam replacement. Good replantings, but may need to consider edge vegetation tree replanting due to lower water level	

Comment	What do you want to improve at this location?
<p>nice uniform trees here. Nice aesthetic. But other places need more variety , lets get some native cedars and tamaracks too.</p>	
<p>Good job protecting this one large tree from development.</p>	
<p>Mt Baldy is a Kelowna Landmark and should be protected as a recreation/hiking area. This is a beautiful naturally unique area in the middle of the city. Acting as a buffer between residential and commercial zones. The trees here should be protected as well as the grasslands and marshes.</p>	<p>The trails are well used and appreciated by many residents of Kelowna. It could be another star of the RDCOs parks system. Possibly even the location for a new dog park as it is already used by many dog owners.</p>
<p>Too many old trees are being lost downtown to progress.</p>	<p>Old trees should be valued as heritage as much as the old buildings have been.</p>
<p>Great forested and grassland trails.</p>	<p>Maintained by volunteer groups. Could be an extension to the surrounding parks.</p>
<p>Black Mountain Regional Park.</p>	<p>Impressive new park! Love seeing the continued development and growth. Hopefully there will be even more areas like this protected around Kelowna.</p>
<p>Better maintenance, Brandts Creek Pathway is dangerous when it is windy, when multiple spruce trees have blown over and the large willows have had branches big enough to kill someone come down in the winds.</p>	
<p>I'm not sure exactly what this area is called, but it's a beautiful forested area I frequent during all seasons.</p>	
<p>The trails and forested area above Wilden are a rare gem.</p>	
<p>Shadow ridge and Kelowna Springs already have beautiful old trees with mill creek on the properties. Many different types of birds and turtles use these area's as nesting grounds and should not be allowed to be re zoned.Many of our seniors can walk these courses which keeps them fit and out of our medical system. So let's KEEP what we already have. Thanks Mark</p>	
<p>Mill creek and adjacent hillside near Hwy97/Enterprise</p>	<p>This is a beautiful and rare portion of urban wetland and ponderosa forest. It would be awful if a road were build through it.</p>
<p>Ponderosa/bunchgrass hillside ecosystem east of Dilworth/rail trail intersection</p>	<p>The okanagan sunflower display on this hillside is stunning, and it has great views and great potential for park space near the rail trail.</p>

Comment	What do you want to improve at this location?
Awesome forest!	CSRD needs to clean up the amount of fire fuel on the forest floor!
The trees on the Glenmore median feel like a luxury in our urban environment, and i hope we never lose them.	
The trees on the Glenmore median feel like a luxury in our urban environment, and i hope we never lose them.	
The trees that line Glenmore Road are a great joy to me when i sit on my balcony.	
This hillside above Glenmore Road is natural and wild and it is a great joy to me when i sit on my balcony.	
	Love this park and would like to keep it this way
	big bird-friendly trees
love these big trees on a hot day	
so pleased to see liquidambar trees planted here, looking forward to seeing them grow and show off their fabulous fall colours	
lovely to be in amongst all these big ponderosas	
love the variety of trees in this park	
appreciate the tree labels	
Very good owl habitat	Improve forest maintenance and quality of trails
The Mission Creek Greenway is an outstanding resource. Renewal efforts and maintenance work should be continued.	
Scenic Canyon is an outstanding park, with many excellent features: trails, forest quality and maintenance, access, interpretive signs.	
	Giant cottonwoods
Beautiful forested area. Lots of wildlife. Great for hiking and just clearing your head. Absolutely needs to be preserved	Trees need to be kept. No housing! We need these forested spaces
Best place in the world to free yourself of stress.	
I love this little park; please keep its pond and trees in good shape, thank you!	
A precious little gem; very thankful for this little green space!	

Comment	What do you want to improve at this location?
Love it!	
I greatly love and value this precious gigantic willow tree, and I implore you to designate it special status to always preserve it. She is simply magnificent!! Thank you!	
I love this park, and I hope you will continue to support and preserve the many wonderful unique trees it has. Thank you for a great job here!	
Love this bird sanctuary, thank you!	
A very special and valuable place, love it, thank you!	
Gorgeous precious park - love this place, thank you!	
Forested crown land but not cared for	This is forested crown land, but has had many issues with illegal dumping and camping. It could however bring a lot of value as a park. A picnic area, dog park or even cycling amenities as its a common area for road cyclists.
Love that lots of birds use this big tree	
Really appreciate how cool Mission Greenway is to walk or ride on a hot day	
Ravine forested area	The beautiful park needs improving by adding more easily maintained trees, and a plan for when Benvoulin Rd is expanded. don't lose this precious space!
The parking and access to the greenway is wonderful.	lower speed limits on roadway and early flashing lights. Cyclists to dismount o crossing here as most are inconsiderate speedsters.
I value this protected patch of nature so much. It is very close to where I live and provides a beautiful, quiet spot to watch many different animals	
This oak is so beautiful and I love that more have been planted around it. The mulch is practical and aesthetic too	
Mission Creek parkway area of woods with walking trails near EcoCentre	Maintain this greenspace
Woods with trails across Mission creek from the EcoCentre	A quiet place to walk among the trees

Comment	What do you want to improve at this location?
Deer, eagles, hawks and countless smaller animals use this area as their home. This is still a stand of pines that survived the fires, but is at risk from development. I would hope that it can be preserved.	
I see wildlife constantly traversing this corridor and it needs to be preserved or if possible, expanded to allow them to move even more freely.	
Love the views and the natural/accessible trails.	
Love the variety of ecosystems as you hike/walk this section of the Greenway.	
Beautiful mature trees on Bernard	
Cool exotic trees in Kasugai Garden	
Majestic Weeping Willows	
I love the walk along Bellevue Creek and hope all the trees remain.	
Mature trees and shrubs includes a variety of wild life, located between 2 senior citizen residential areas. Shade, oxygen, walking paths, birds and natural, tranquil beauty. Helps to buffer traffic noise from KLO and Gordon Ave. Small in green space but huge in natural value.	
	Arboretum adjacent to the walking path is a great idea and seems like there could be some opportunities for future expansion.
	We'll maintained access corridor through mature deciduous forests easily accessible by all members of the general public.
I love the trees for shade and on a hot day it's a cooler space to be in. I have enjoyed how over the last few years we have been able to do tai chi in the park, felt so connected to the earth.	
When I saw this development go in many years ago, I wondered what had happened to the park of my childhood. This summer while exploring I realized the public still has access to this park even-though it looks like you are going on their private property. How overjoyed I was to see this persevered and as beautiful as ever. What a great example of a development that saw the beauty of the	I value the large trees, the shade they offer, the quiet space and that there are benches to sit and listen to the birds that live there.

Comment	What do you want to improve at this location?
park around it and found a way to engage with it for all citizens to still enjoy.	
The off-leash dog park here could really use some shade on the South and windbreak on the North, please and thank you!	Some trees, please!
There is an incredible pond with numerous types of birds landing that I do not see anywhere else on Glenmore Ridge. I would like to see debris cleaned up from nearby small ponds, and ensure that with a portion of the land zoned for new Wilden developments, that the biodiversity will be maintained and the pond won't be cut at the edge with a house.	The diversity of birds. New developments nearby look nothing like the native plants found in the forest either.
Central mobile home park has numerous mature trees that should be protected from new development. This is a high value location.	The mature trees in this area are under threat without an expectation from the city they be protected.
Mature Trees along Casorso Road are under threat from development at Central Mobile Home park. These trees are an asset to the streetscape providing nature, shade, wind protection and a visual buffer along sidewalk. Even greater value with new separated cycling path going in.	Protect the trees along Casorso road. Add more trees along cycling corridors.
McKinley Beach area that was supposed to be expanded for more urban sprawl was found to be high value Poderosa Pine forest that needs to be protected	Stop sprawl development and urgently complete a natural assets assessment for our city before approving new greenfield development.
Lots of mature trees. We need to keep these	Redevelopment here would jeopardize many mature and well maintained trees. People living in this area care for the trees.

Red pin - for marking urban forest locations that need improvement

**Each row corresponds to one pin. Rows with no text entry indicate a pin was submitted with no further comment.*

Comment	What do you want to improve at this location?
Trees were removed here during the construction of the bike path but were never replanted	We need far more trees in almost every building plan and parking lot in the city.
This school yard could use some livening up with lovely trees and not	Trees are necessary for enhanced liveability on every street.

Comment	What do you want to improve at this location?
just pavement.	Especially in the urban core.
If you don't plant trees in the streets downtown, at least get rooftop gardens going please. But really, trees we can see at ground level are most desirable.	
Very open, especially around play area. Could use a few more trees to compliment those around the edge. Some could also be added to the "berm" area.	
Ice trees around the walk and creek, but needs a few for infill.	
Nice trees around the edge, but some infill would be nice. South side of play area to shade playground. Possibly some added to "berm" path area.	
Casorso is a terrible road, no trees, no sidewalks, no place for residents to walk, sit, chat and be neighbourly. Due to this neglect it only gets speeding cars from far away and very few bikes or people walking and chatting with neighbours.	
Very few trees, no multi use path or benches. This could be a fantastic location for a treed multi use park/corridor as it connects schools, churches, neighbourhoods, shopping and the waterfront. It is currently not designed for the people who live near but rather for those who live far away to speed through.	
Untended poplars falling apart due to stress. Large amount of Invasive herbacious weeds in the naturalized area of the Power Line Park.	
ditto	
planting of this area with native species (woods Rose, saskatoon berry etc.) almost completely failed. Needed water for the first year.	aesthetics, and biodiversity
area around north side of this retention pond is barren of any shrubs or trees, (a lot of invasive herbacious weeds).	
area is still recovering from the flood. Needs some replacement trees and bank stabalization with vegetation. More diversity needed.	
problem with people making their own bike trails. Spoils the natural	

Comment	What do you want to improve at this location?
setting. This area has become very overused last few years.	Trails and the creek are important in this area.
I hope as this development continues to grow that the "linear park that has developed here by residential use will be preserved.	Cleanup needed. If this area is not viable for housing development, it is certainly valuable as a potential recreational area.
Road and housing development seems to have stalled in this area. The developer has left behind a mess of equipment with some leaking fuel.	
Remove or prune over grown vegetation, this cant just be once a year and then waiting until a spruce or willow tree blows over and kills some one walking their dog below. This area brings hundreds of walkers every day, we cant have another resident die from injuries received slipping on ice in the winter, maintenance needs to be year round.	Waterfront Promenade is a beautiful walk in the summer, but there is very little shade and it is extremely hot
	This habitat is disturbed but has great potential for remediation by native species. It would be a shame to build a road through the only non-car cycling path in this area.
Area adjacent to rail trail east of Spall/Glenmore/Clement intersection	
There is a tremendous amount of fallen trees, piled up branches and piled up forest litter just left on the forest floor! This forest floor fuel needs to be removed as it is just tinder waiting to spark a inter urban forest fire disaster!	
Still waiting to have this developed into a park	
whole campus needs more trees	
I hope new development will be covered in trees	The brewery district could really use some street trees to make it more comfortable to walk around.
	The brewery district could really use some street trees to make it more comfortable to walk around.
While I appreciate the effort to add trees near the new Costco on Leckie Road, there does not seem to be enough of them and they are quite small.	

Comment	What do you want to improve at this location?
<p>So many trees were removed from this area of Mission Creek Park to create green space and play areas. I hope there is a plan to replant trees especially near the road and in and around the green space.</p>	<p>Replanting around the pond should include species that will thrive in the wetland habitat. Last tree planing efforts used cedar and other species not suitable, and most have since died.</p>
	<p>Development here has removed a corridor for animal movement.</p>
	<p>Replanting should occur here to compensate for the deforestation effects of the OK Mountain fire. This small strip cannot be reasonably called a park given the lack of a trail, poor access route, and forest cover that is limited to a few mature pines.</p>
<p>The previous Fortis pruning of the trees in this area was an absolute hack job. It is an eye sore. Would recommend replanting smaller trees that would not interfere with power lines to replace existing trees</p>	
<p>Hoping that some attention is going into keeping the waterway wild and healthy for the wildlife in this little park, thank you!</p>	
<p>Whatever is being developed here, I sure hope it becomes very green and well treed for this lovely vibrant neighbourhood, thank you!</p>	
<p>Huge dustbowl area; please find a way to improve soils, incorporate more trees and user-friendly green space, which will support the waterway banks and fish habitat that meanders throughout this neighbourhood.</p>	
<p>Huge dustbowl area; please find a way to improve soils, incorporate more trees and user-friendly green space, which will support the waterway banks and fish habitat that meanders throughout this neighbourhood.</p>	
<p>Knowing this area will be further developed, I encourage careful planning around habitat & tree saving and planting, thank you!</p>	
<p>School field might be used for more variety of activities if a few trees were added here, thank you!</p>	
<p>I've noticed a lovely soft ground cover spreading in this park; if you nurture it and help it grow instead of grass, you could save big dollars in lawn maintenance costs!</p>	

Comment	What do you want to improve at this location?
This whole area used to be so pretty, green, and family friendly; definitely needs serious green planning and neighbourhood improvement support. Thank you!	
Soil filled boulevard with no plantings, on a block with no street trees	
Soil filled boulevard with no plantings, on a block with no street trees	Add more trees for shade
Remove invasive Siberian Elms, and plant native shrubs and trees	
Remove invasive siberian elms. Improve flood protection. The large open field in this area would be great for a dog park.	true the location is too traffic congested and would be better located across Springfield to larger location. Add a xeriscape mixed tree canopy and shrub plantings.
Farmers market needs mixed tree and shrub forestry.	
This could be a wonderful urban natural area. However, it is often filled with litter and abandoned camping gear. Additional clean-ups and more lighting would be useful.	Large willow trees have been taken down here for development. I live nearby and it was heartbreaking to see them go for 'micro suites' that will also take away the view. More trees are needed in this area.
Chance to add trees as the Parkinson Rec Centre future is developed	More large shade trees will be needed in this park to counter the high summer temperatures as climate change worsens...
More trees should be planted in the new Pandosy Waterfront Park to provide shade for walkers and park visitors.	
More large shade trees needed on campus	
Development of this area needs to include large shade trees and not just stacks of ridiculously tall buildings	I have seen signs of people camping and making campfires in this high risk urban interface area. Also Gallagher's golf course forest floor has high fuel load in many areas which is neglected except areas cleared by adjacent residents
Urban interface with many trees but could be improved by sustainable logging perhaps or anything to reduce fire hazard	
This is a lovely shaded area with no public access. Why did the city not work on creating a path rough to Lakeshore when the developer started redoing the trailer park?	Any space at all for people would be an improvement! Currently just a speedway for cars.
Hellish road for anyone not using a car. Why is the Casorso path not being continued through to Mission creek green way? Both are very	Access for folks who chose not to use cars or big trucks. People pay tax not cars, give the people the access priority.

Comment	What do you want to improve at this location?
<p>well used but not connected.</p>	
<p>Huge opportunity for a multi use path along Benvoulin road to connect agro-tourism to the urban core. Farm markets, vineyards, historic sites, garden centres etc. Why is the city's only plan to turn this into a 4 lane speedway and not to create more space for citizens and tourists to explore without a vehicle? This could connect nicely to KLO and Burtch rd.</p>	
<p>This whole area doesn't have any trees</p>	<p>There needs to be trees planted here and benches or other ways to engage this space. It's lawn that often dries out in the summer and is just such a sad area, in what should be an area of engagement in the city.</p>
<p>This green space is not being used to improve the quality of our city or its citizens and visitors. There are not trees for shade where the former senior centre was and this section of the boardwalk is often one of the hottest and less enjoyable parts of the walk.</p>	<p>Trees are needed, as this area gets very hot in the summer and not enjoyable.</p>
<p>Such a nice manufacturer beach area but there are no trees for shade. The slop is gradual which allows for a variety of users to access the water but there are no trees for cooling and to preserver erosion of the beach.</p>	<p>collaborate with SD23 to add trees. Perhaps do a land swap with Cetnral Mobile park to protect those trees.</p>
<p>SD23 needs to be part of the urban forestry plan. There are only three trees at Casorso elementary, providing little protection from the sun for children and poor sense of plan.</p>	

Appendix C – Stakeholder workshop boards

City of Kelowna - Urban Forest Strategy Update

Stakeholder Workshop

Oct 27, 2022

Warm-up

TIP - How to comment using sticky notes

- 1) Double-click anywhere on the screen to get a sticky note
- 2) Type your comment and resize the sticky using one of the corners as needed
- 3) Click beside your note, then reselect it to move it around the board

Note that you can also use the pencil tool at the bottom of the left hand menu to draw on white board

What organization, company, or community group are you associated with/representing today?

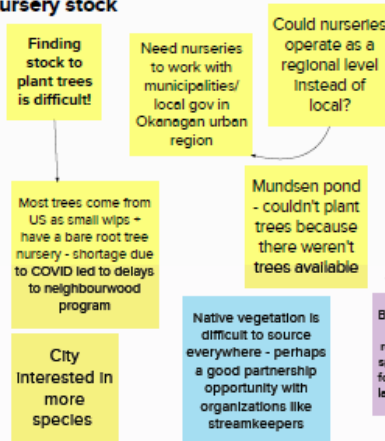
- Central Okanagan Land Trust - commonly work with City (parks/amenities properties owned or co-managed)
- Bartlett tree experts - Vernon
- Kelowna Tree Protection group - concerned citizens about the urban forest
- Okanagan Climate Hub - action against climate change impact at the local level (adapt + mitigate)
- Sustainability consultant in energy + env policy, planning and partnerships - member of Okanagan Sustainability leadership council
- Arbor care tree service - formerly urban forester at a municipality
- Action Tree Service - Kelowna tree company working often with the City
- Buildings + sustainability services for Okanagan college - building campus effectively for the urban forest
- Physician in public health + preventive medicine - health officer, impact of green spaces on health to mitigate heat + mental health
- Mumby arboriculture - work with Kelowna and across Vancouver Island

Theme # 1 - PLANTING

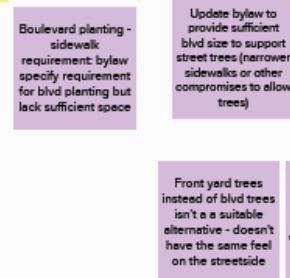
Concerns

What are the current challenges affecting tree planting?

Nursery stock

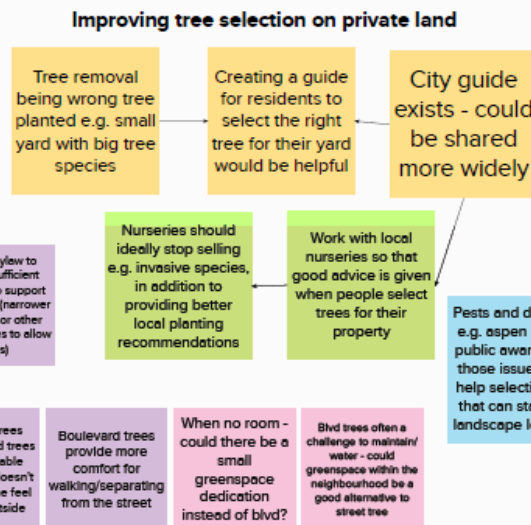


Street tree planting



Opportunities

Do you have any ideas/opportunities for planting the urban forest?



Theme #2 - MANAGING

Concerns

What are the current challenges affecting urban forest management?

Removing barriers

Cost + complexity of tree management - treating pest/disease, planting trees in wrong locations or maintaining trees under power lines

Residents might not get excited about planting trees because of those barriers.

Tree removal is expensive! Could this be managed more efficiently

Species selection

Species selection to reduce water needs (important to preserve drinking water)

City expect trees to need water for a few years to establish + using silva cells

Natural water availability changes - is City looking at technologies to supplement water for public trees? Or select different tree species?

Would need to have a municipal staff to coordinate those types of programs

Working with community members

Adding community contributions to improve City's workforce

Post-pandemic, people want to build social capital and get out. Planting and gardening would be good opportunities to make people more confident, give them something to care for - proven health benefits from sense of purpose!

Opportunities

Do you have any ideas/opportunities for managing the urban forest?

Work with community groups (retired TELUS groups, schools, others)

Community-led OR city-led to have community members working with the City to plant trees in areas that have potential

Increasing the literacy about urban forest

Large tree benefits

Improving understanding of the importance of mature trees - some people are scared by large trees, but they provide most benefits!

Local tree companies sometimes need more information to avoid inflating risks!

Theme # 3 - PROTECTING

Concerns

What are the current challenges affecting tree protection and retention?

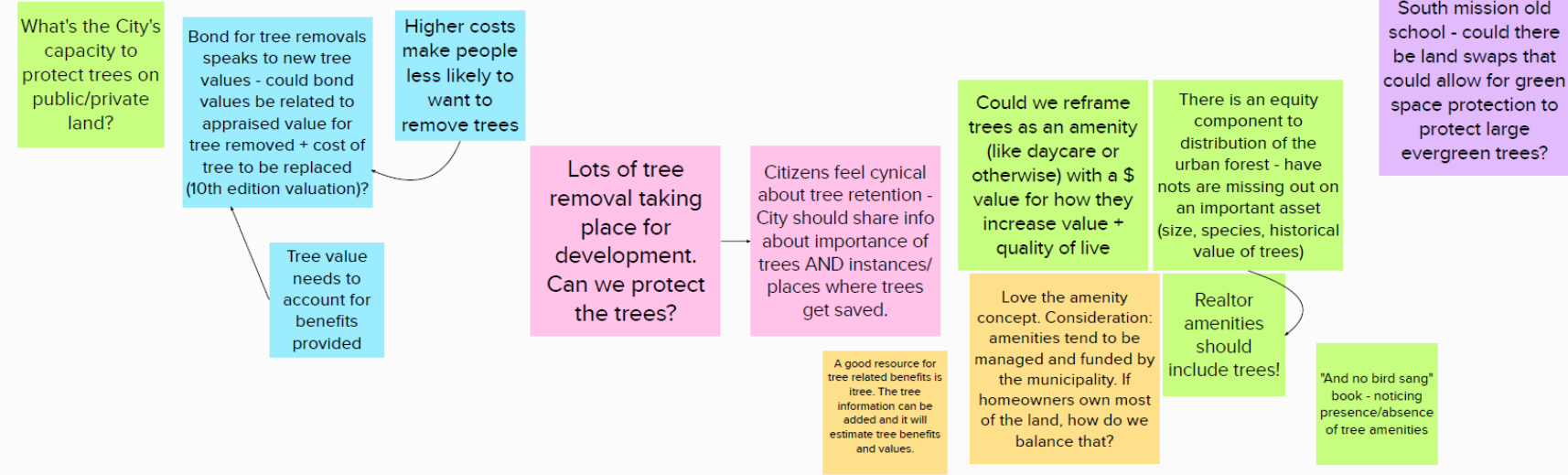
From my experience from asset management plans there generally a need for increase in maintenance in small and large trees. Will there be a change in in budget or need for change the budget for tree maintenance?

Boulevard trees are rarely evergreens but provide important benefits

Developments rarely plant evergreen trees - could we require some planting?

Opportunities

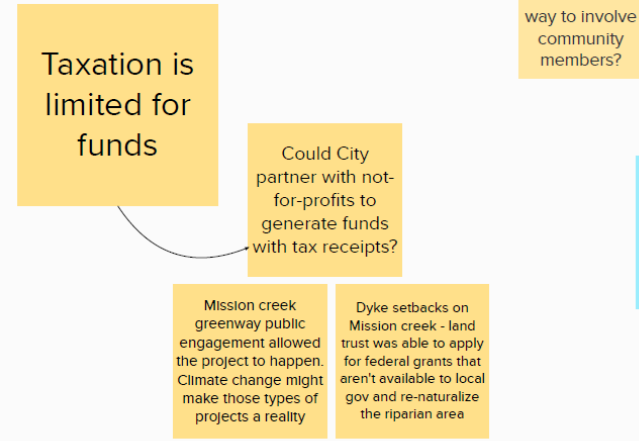
Do you have ideas or opportunities for tree protection or retention?



Theme # 4 - PARTNERING

Concerns

What are the current challenges for partnerships in urban forest stewardship?

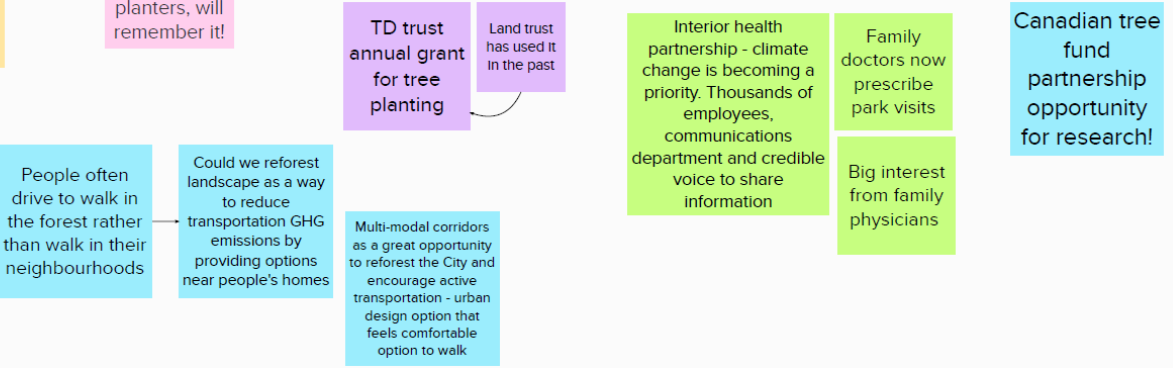


mission creek school kids + Starbucks help plant + weed the park area during the naturalization phase

Kids are future voters - if were active planters, will remember it!

Opportunities

Do you have any ideas or opportunities for partnering to steward the urban forest?



City of Kelowna - Urban Forest Strategy Update

Group 2

Theme #2 - MANAGING

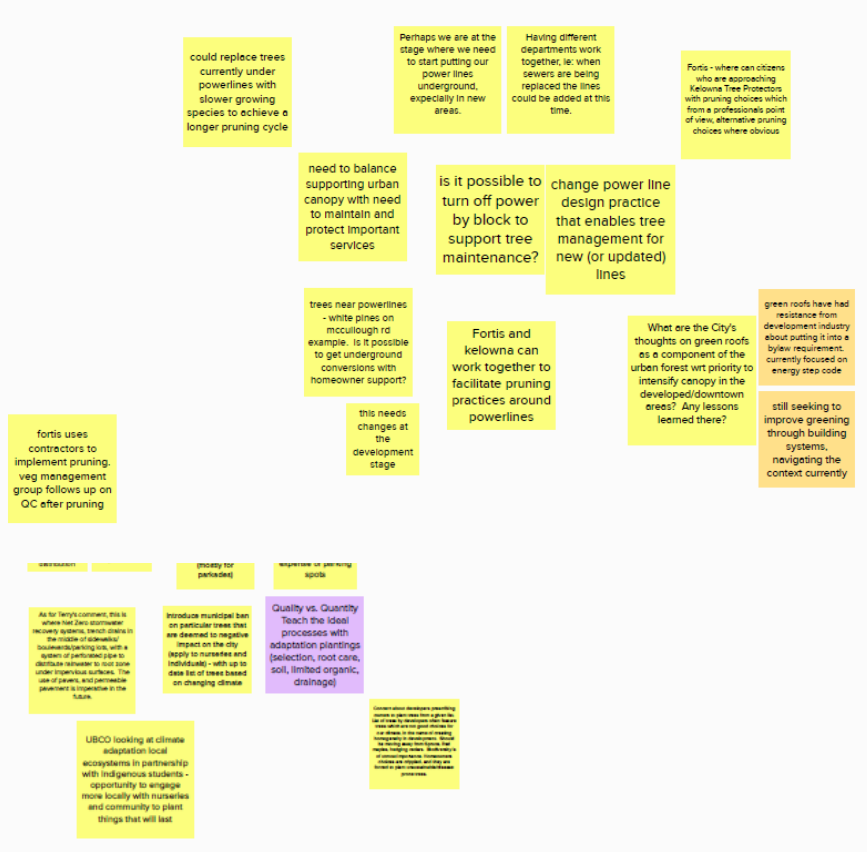
Concerns

What are the current challenges affecting urban forest management?



Opportunities

Do you have any ideas/opportunities for managing the urban forest?



Theme # 3 - PROTECTING

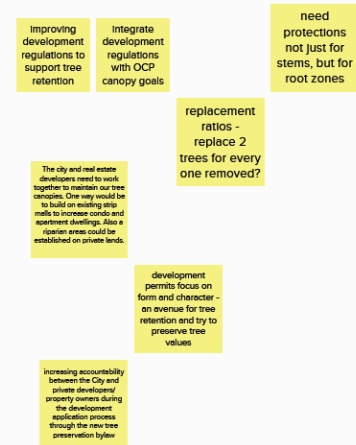
Concerns

What are the current challenges affecting tree protection and retention?



Opportunities

Do you have ideas or opportunities for tree protection or retention?



Theme # 4 - PARTNERING

Concerns

What are the current challenges for partnerships in urban forest stewardship?



Opportunities

Do you have any ideas or opportunities for partnering to steward the urban forest?





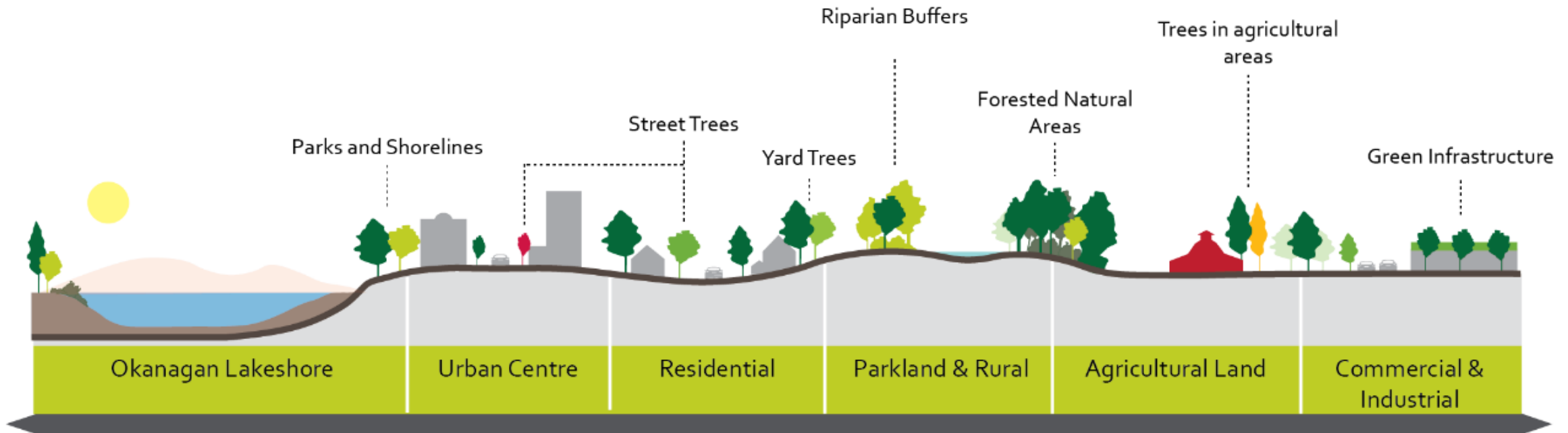
City of
Kelowna

Sustainable Urban Forest Strategy Goals & Strategies

April 17, 2023

What is the urban forest?

"All trees, forests, plants, soils, and associated ecosystem components located within the city."



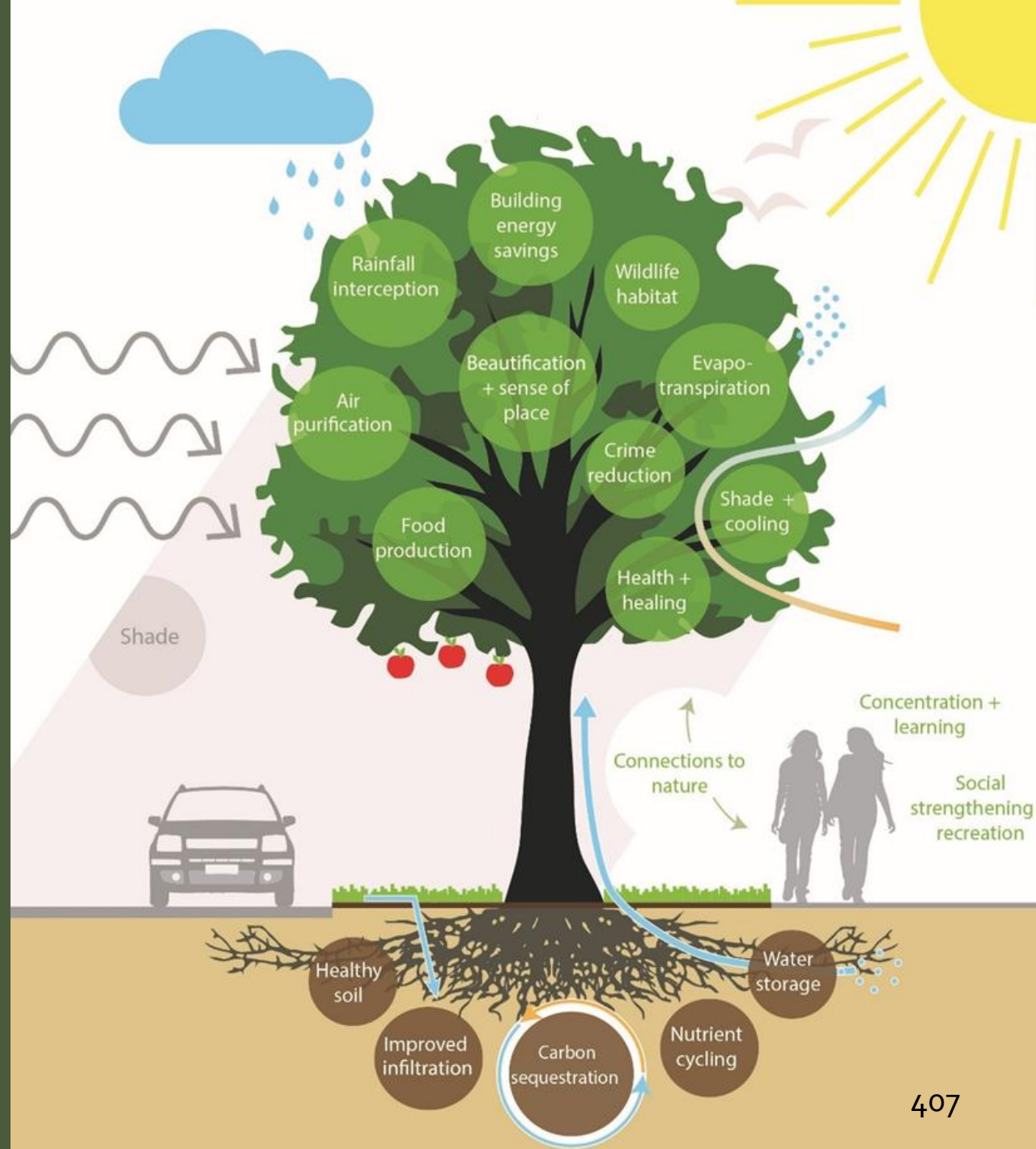
Includes rural and urban, public & private

<i>City forest</i>	<i>Private forest</i>
	
	
Natural Forests	

<i>City tree</i>	<i>Private tree</i>
	
	
Urban Trees	

Trees provide many benefits...

- ▶ Providing habitat for wildlife
- ▶ Stabilizing steep slopes
- ▶ Storing and sequestering carbon
- ▶ Cooling urban areas
- ▶ Improving mental and physical health
- ▶ Encouraging social cohesion



... but face many challenges



Pests, diseases & invasives



Climate change and extreme weather



Development and urbanization



Asset lifecycle



Program capacity



Urban environments

What is a SUFS?

- ▶ Sustainable Urban Forest Strategy
- ▶ 10-year strategic document with policy and strategic action recommendations to protect, preserve and grow the urban forest.

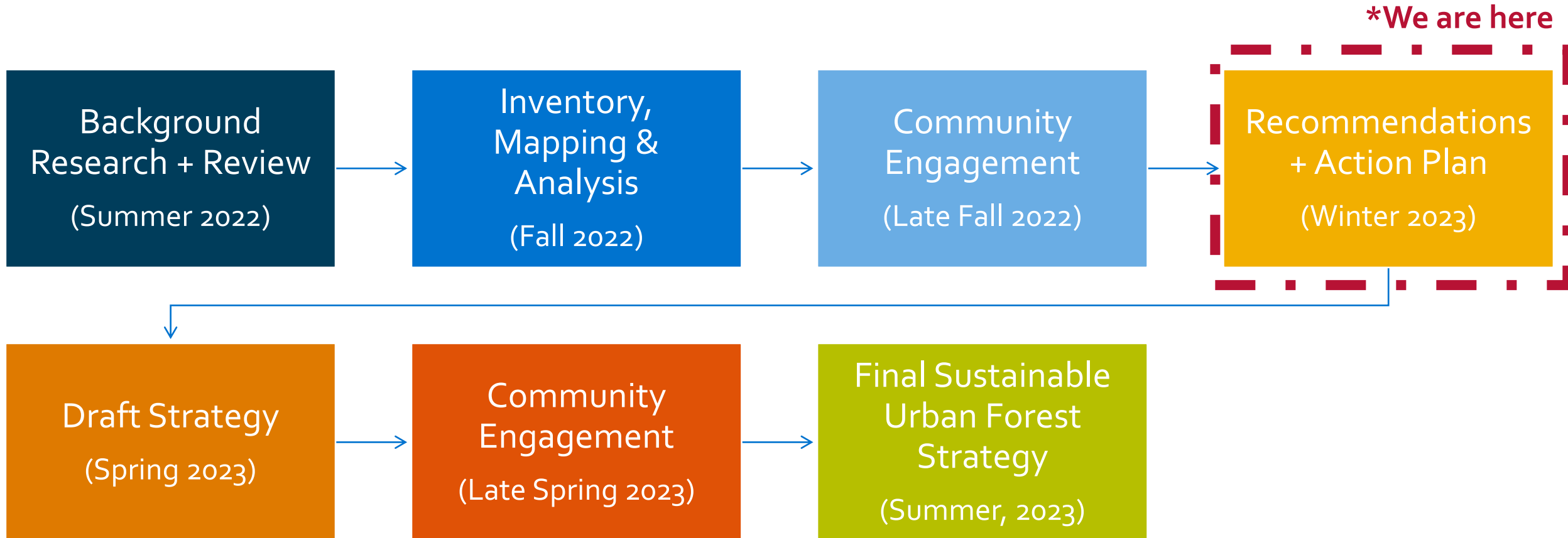


Actions since 2011 SUFS

- ▶ Canopy targets adopted in OCP
- ▶ Urban forestry department better staffed and funded
- ▶ Wildfire fuel management treatments
- ▶ NeighbourWoods program
- ▶ Municipal Properties Tree Bylaw updated
- ▶ Canopy enhancement strategy to improve tree regulations



2023 SUFS Update



Technical Analysis Results

▶ Public realm

- ▶ 23,000 inventoried street & park trees
- ▶ ~100 distinct tree species
- ▶ Over 190km of trails
- ▶ 270 waterbodies & riparian areas

▶ Private realm

- ▶ Residential properties
- ▶ Commercial properties
- ▶ Agricultural land



Engagement" "what we heard



Who we heard from – total:

347 Survey respondents

22

Open house attendees

48 Mapping tool participants

25

Stakeholder workshop participants



Goal 1: Protect, connect, & expand the urban forest

- a) Continue to integrate policy and planning to protect, connect and expand tree canopy.
- b) Expand the urban forest equitably in urban areas.
- c) Restore forests to expand habitat, enhance biodiversity and improve connectivity.
- d) Improve the quality and suitability of trees being planted for the site and climate requirements.



Goal 2: Maintain a healthy, safe & viable urban forest

- a) Clarify operational procedures and standards to improve efficiency and manage risk.
- b) Transition from reactive to proactive maintenance of urban trees.
- c) Ensure resources are sufficient to deliver levels of service that maximize urban forest benefits.



Goal 3: Involve people and organizations in urban forest management

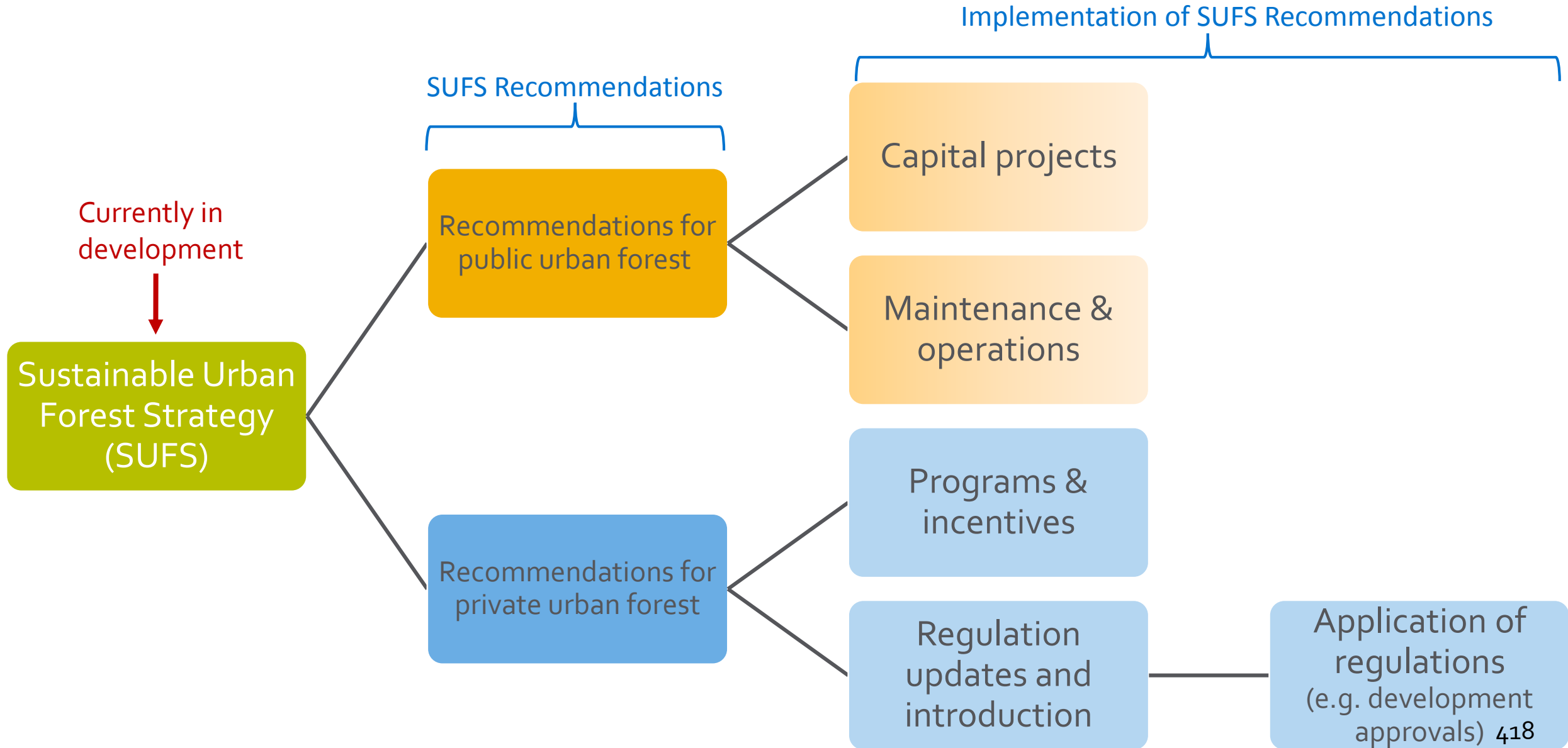
- a) Improve governance and public and institutional awareness of urban forest management.
- b) Strengthen community partnerships and participation to implement the Sustainable Urban Forest Strategy.
- c) Build relationships with syilx/Okanagan communities, First Nations governments and Indigenous peoples through forest management.



Goal 4: Monitor and innovate to achieve our urban forest vision

- a) Monitor change, report and adapt management to new information.
- b) Trial innovative approaches to semi-arid urban forestry.

Roadmap to improving/expanding urban forest





Questions?

For more information, visit kelowna.ca.

Trees in different areas of the city

