

City of Kelowna
Regular Council Meeting
AGENDA



Monday, August 28, 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 - 15

PM Meeting - August 14, 2023

3. Reports

3.1 Alternative Approval Process Extension

16 - 20

To consider an extension to the deadline for submitting Elector Response Forms for the AAP.

4. Development Application Reports & Related Bylaws

4.1 Holbrook Rd E 350 - Z23-0028 (BL12576) - Mariia Myts and Pavlo Myts

21 - 36

To rezone the subject property from the RU₁ – Large Lot Housing zone to the RU_{1cc} – Large Lot Housing with Child Care Centre, Major zone to facilitate a child care centre within a converted accessory building.

4.2 Rezoning Bylaws Supplemental Report to Council

37 - 38

To defer reading consideration for Rezoning Bylaws No. 12569, 12570 and 12571

4.2.1 Mayfair Rd 870-872 - BL12569 (Z23-0032) - Brian Banman and Megan Banman

39 - 39

4.2.2 Horak Rd 4519 - BL12570 (Z23-0030) - 2457853 Alberta Ltd.

40 - 40

4.2.3	Gordon Dr 1459, 1467, Lawson Ave 1104-1130, Aspen Ct 1488 - BL12571 (Z23-0022) - HPG Development Ltd., Inc.No. BCo897381	41 - 41
5.	Bylaws for Adoption (Development Related)	
5.1	Buckhaven Ct 4973 Steele Rd 1450 - BL12549 (Z23-0020) - Mair Developments Ltd., Inc.No. BCo753083	42 - 43
	To adopt Bylaw No. 12549 in order to rezone portions of the subject properties from the RR1 – Large Lot Rural Residential zone to the RU2 – Medium Lot Housing zone.	
6.	Non-Development Reports & Related Bylaws	
6.1	Kelowna International Airport 2023 Financial Plan and Bylaw Amendment	44 - 73
	To obtain Council’s approval to amend the City of Kelowna 2023 Financial Plan and amend the Kelowna International Airport Fees Bylaw No. 7982.	
6.2	BL12578 - Amendment No. 40 to Airport Fees Bylaw No. 7982	74 - 74
	To give Bylaw No. 12578 first, second and third reading.	
6.3	Callahan Construction Company Ltd. - Extension to Sublease	75 - 92
	To obtain Council’s approval of a five (5)-year extension to the land and building sublease with Callahan Construction Company Ltd. over a portion of land located on federally owned property leased to the City.	
6.4	Second Quarter 2023 Financial Performance	93 - 111
	To provide Council with information summarizing the City of Kelowna’s second quarter financial activity in alignment with the format outlined in the February 13, 2023 report to Council on the 2023 Financial Health Dashboard.	
6.5	Bertram Street Multiuse Overpass – Project Update	112 - 125
	To provide Council with an update on the Bertram Street Multiuse Overpass.	
7.	Bylaws for Adoption (Non-Development Related)	
7.1	BL12550 - Road Closure - Adjacent to 2105 Glenmore Road	126 - 127
	City Clerk to invite anyone in the public gallery who deems themselves affected by the proposed road closure to come forward.	
	To adopt Bylaw No. 12550.	
7.2	BL12552 - Development Application Fees Bylaw	128 - 135
	To adopt Bylaw No. 12552.	

7.3 BL12561 - Revitalization Tax Exemption Bylaw

136 - 151

To adopt Bylaw No. 12561.

8. Mayor and Councillor Items

9. Termination



City of Kelowna Regular Council Meeting Minutes

Date:	Monday, August 14, 2023
Location:	Council Chamber City Hall, 1435 Water Street
Members Present	Mayor Tom Dyas, Councillors Ron Cannan, Maxine DeHart, Gord Lovegrove, Mohini Singh, Luke Stack*, Rick Webber and Loyal Wooldridge
Members Participating Remotely	Councillor Charlie Hodge
Staff Present	City Manager, Doug Gilchrist; Deputy City Clerk, Laura Bentley; Divisional Director, Planning & Development Services, Ryan Smith*; Planner Specialist, Wesley Miles*; Urban Planning Manager, Jocelyn Black*; Planner, Jason Issler*; Planner, Tyler Caswell*; City Clerk, Stephen Fleming*; Revenue Supervisor, Patrick Gramiak*; Planner Specialist, Trisa Atwood*; Planner, Breanna Sartori*, Planner Specialist, Daniel Sturgeon*; Infill Housing Planning Manager, James Moore*; Legislative Technician, Natasha Beauchamp*; Development Services Clerk, Anita Gruendel
Staff Participating Remotely	Legislative Coordinator (Confidential) Arlene McClelland
Public Participating Remotely	Greg Appelt*, Appelt Properties
Guests	Renata Mills* and Mark Burley*, Downtown Kelowna Association

(* 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 July 24, 2023 be confirmed as circulated.

Carried

3. Development Application Reports & Related Bylaws

3.1 Walburn Rd 2015 - A23-0003 - Kamaljit Boparai and Mukhtiar Boparai

Staff:

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

Moved By Councillor Singh/Seconded By Councillor Hodge

THAT Agricultural Land Reserve Application No. A23-0003 for Lot 2, Section 13, Township 26, ODYD, Plan 4119, Except Plans 20534 and 34516 located at 2015 Walburn Road, Kelowna, BC for a Non-Adhering Residential Use pursuant to Section 25 of the *Agricultural Land Commission Act*, be supported by Council;

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

Carried

3.2 Mayfair Rd 870-872 - Z23-0032 (BL12569) - Brian Banman and Megan Banman

Staff:

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

Moved By Councillor Cannan/Seconded By Councillor Wooldridge

THAT Rezoning Application No. Z23-0032 to amend the City of Kelowna Bylaw No.12375 by changing the zoning classification of LOT 7 DISTRICT LOT 143 ODYD PLAN 24833, located at 870-872 Mayfair Rd, Kelowna, BC from the RU4 – Duplex Housing zone to the MF1 – Infill Housing 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 August 14, 2023;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

Carried

3.3 Horak Rd 4519 - Z23-0030 (BL12570) - 2457853 Alberta Ltd

Staff:

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

Moved By Councillor Wooldridge/Seconded By Councillor Stack

THAT Rezoning Application No. Z23-0030 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of Lot 1 District Lot 358 ODYD Plan 17432, located at 4519 Horak Rd, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU4 – Duplex Housing 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 August 14, 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

3.4 Gordon Dr 1459 1467, Lawson Ave 1104-1130, Aspen Ct 1488 - Z23-0022 (BL12571) - HPG Development Ltd., Inc. No. BCo897381

Staff:

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

Moved By Councillor Wooldridge/Seconded By Councillor Singh

THAT Council hear from the Applicant regarding public engagement process.

Defeated

Councillors Cannan, DeHart, Hodge, Singh, Stack and Webber - Opposed

Moved By Councillor Cannan/Seconded By Councillor Stack

THAT Rezoning Application No. Z23-0022 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of:

1. Lot 7 District Lot 137 ODYD Plan 14393, located at 1459 Gordon Dr, Kelowna, BC;
2. Lot 8 District Lot 137 ODYD Plan 14393, located at 1467 Gordon Dr, Kelowna, BC;
3. Lot 9 District Lot 137 ODYD Plan 14393, located at 1104 – 1110 Lawson Ave, Kelowna, BC;
4. Lot 10 District Lot 137 ODYD Plan 14393, located at 1120 – 1130 Lawson Ave, Kelowna, BC;
5. Lot 11 District Lot 137 ODYD Plan 14393, located at 1488 Aspen Ct, Kelowna, BC;

from the RU4 – Duplex Housing zone to the MF3r – Apartment Housing with Rental Only 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 August 14, 2023;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered in conjunction with Council's consideration of a Development Permit for the subject property.

Carried

3.5 Cara Glen Way 1691 - Z23-0033 (BL12573) TA23-0008 (BL12574) - Rutherford Crestview Developments Ltd., Inc. No. Aoo85980

Staff:

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

Moved By Councillor Cannan/Seconded By Councillor Wooldridge

THAT Rezoning Application No. Z23-0033 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of portions of Lot 20 Section 32 Township 26 ODYD Plan KAP60008 Except Plans KAP77707, KAP87078 and KAP91641, located at 1691 Cara Glen Way, Kelowna, BC from the RR1 – Large Lot Rural Residential zone to the MF2 – Townhouse Housing zone as shown on Map "A" attached to the Report from the Development Planning Department dated August 14, 2023, be considered by Council;

AND THAT Zoning Bylaw Text Amendment Application No. TA23-0008 to amend City of Kelowna Zoning Bylaw No. 12375 as outlined in the Report from Development Planning Department dated August 14, 2023, for Lot 20 Section 32 Township 26 ODYD Plan KAP60008 Except Plans KAP77707, KAP87078 and KAP91641, located at 1691 Cara Glen Way be considered by Council;

AND THAT the Rezoning Bylaw and Zoning Bylaw Text Amending Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw and Zoning Bylaw Text Amending 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 August 14, 2023;

AND FURTHER THAT final adoption of the Rezoning Bylaw and Zoning Bylaw Text Amending Bylaw be considered subsequent to the portion of the property being rezoned to MF2 – Townhouse Housing zone as shown on Map "A", attached to the Report from the Development Planning Department dated August 14, 2023, being consolidated with Lot 1 Section 32 Township 26 ODYD Plan KAP91641, located at 530 Caramillo Ct, Kelowna, BC.

Carried

3.6 Cara Glen Way 1691 - BL12573 (Z23-0033) - Rutherford Crestview Developments Ltd., Inc. No. Aoo85980

Moved By Councillor Wooldridge/Seconded By Councillor Webber

THAT Bylaw No. 12573 be read a first time.

Carried

3.7 Cara Glen Way 1691 - BL12574 (TA23-0008) - Rutherford Crestview Developments Ltd., Inc. No. Aoo85980

Moved By Councillor Webber/Seconded By Councillor Wooldridge

THAT Bylaw No. 12574 be read a first time.

Carried

3.8 Rezoning Bylaws Supplemental Report to Council

Deputy City Clerk:

- Commented on notice of first reading and correspondence received.

3.9 Rezoning Applications

- 3.9.1 Holland Rd 3010 - BL12554 (Z23-0006) - Fryer Holdings Inc. and Lipkovits Holdings Ltd.
- 3.9.2 Lakeshore Rd 4529 - BL12556 (Z23-0027) - Chunshuang Liu
- 3.9.3 McCurdy Rd 775 - BL12558 (Z23-0004) - 1187118 B.C. Ltd., Inc. No. BC1187118
- 3.9.4 Lawson Ave 1021 - BL12559 (Z23-0015) - 1288384 B.C. Ltd., Inc. No. BC1288384

Moved By Councillor Stack/Seconded By Councillor DeHart

THAT Bylaw Nos. 12554, 12556, 12558 and 12559 each be read a first, second and third time.

Carried

3.10 Dougall Rd N 540 - BL 12530 (Z23-0010) - WCPG Lots 17 Ltd., Inc. No. BC1389104

Moved By Councillor DeHart/Seconded By Councillor Stack

THAT Bylaw No. 12530 be amended at third reading as follows:

By deleting the Legal Description that reads:

- "a. Lot A Section 26 Township 26 ODYD Plan 17758, located on Dougall Rd N, Kelowna, BC;
- b. Lot B Section 26 Township 26 ODYD Plan 17758, located on Dougall Rd N, Kelowna, BC;
- c. Lot 19 Section 26 Township 26 ODYD Plan 3476 Except Plan A12943, located on Leathead Rd, Kelowna, BC;
- d. Lot A Section 26 Township 26 ODYD Plan KAP80294, located on Leathead Rd, Kelowna, BC;"

And replacing it with:

"Lot 1 Section 26 Township 26 ODYD Plan EPP128625, located on Dougall Road North, Kelowna, B.C.";

And by deleting "385, 405 Leathead Road & 530."

Carried

Moved By Councillor DeHart/Seconded By Councillor Stack

THAT Bylaw No. 12530, as amended, be adopted.

Carried

3.11 Dougall Rd N 540 - DP23-0028 - WCPG Lots 17 Ltd., Inc. No. BC1389104

Staff:

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

Moved By Councillor Cannan/Seconded By Councillor Wooldridge

THAT Rezoning Bylaw No. 12530 be amended at third reading to revise the legal description of the subject properties from Lot A Section 26 Township 26 ODYD Plan 17758, Lot B Section 26 Township 26 ODYD Plan 17758, Lot 19 Section 26 Township 26 ODYD Plan 3476 Except Plan A12943, and Lot A Section 26 Township 26 ODYD Plan KAP80294 to Lot 1 Section 26 Township 26 ODYD Plan EPP128625;

AND THAT final adoption of Rezoning Bylaw No. 12530 be considered by Council;

AND THAT Council authorizes the issuance of Development Permit No. DP23-0028 for Lot 1 Section 26 Township 26 ODYD Plan EPP128625, located at 540 Dougall Rd N, 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;
5. The applicant be required to make payment into the Public Amenity & Streetscape Capital Reserve Fund as established by Bylaw No. 12386 in accordance with Table 6.8.a in Zoning Bylaw No. 12375;

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

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

Carried
Councillor Hodge - Opposed

3.12 Pier Mac Way 2050 - DP22-0199 - Beedie (Pier Mac Way) Holdings Ltd., Inc. No. BC1344910

Staff:

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

Moved By Councillor Wooldridge/Seconded By Councillor DeHart

THAT Council authorizes the issuance of Development Permit No. DP22-0199 for Lot B District Lot 32 and Section 14 Township 23 ODYD Plan EPP123820, located at 2050 Pier Mac Way, 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 THAT issuance of the Development Permit be considered subsequent to approval of the Ministry of Transportation and Infrastructure;

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

Carried

3.13 Highway 97 N 2727 - DP23-0071 - 389481 B.C. Ltd., Inc. No. BC1340661

Staff:

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

Moved By Councillor Cannan/Seconded By Councillor Webber

THAT Council authorizes the issuance of Development Permit No. DP23-0071 for Lot B District Lot 124 ODYD Plan 39765, located at 2727 Highway 97 North, 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 this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

Carried

3.14 350 Doyle - Rescindment of Development and Development Variance Permits

City Clerk:

- Displayed a PowerPoint Presentation.
- Provided a summary of the RFP, lease and Development Permit and Development Variance Permit timelines.
- Outlined the events and information leading to the recommendation to rescind the Development Permit and Development Variance Permit.
- Summarized the recommendations.

Greg Appelt, Applicant, participating remotely:

- Commented on the \$250.00 per diem reimbursement for students not being against any laws or policies.
- Spoke to challenging action should Council choose to rescind the Development Permit and Development Variance Permit.
- Referred to statement and submission to Council.
- Not prepared to accept any questions of Council.

Greg Appelt left the meeting at 2:49 p.m.

Moved By Councillor Cannan/Seconded By Councillor Lovegrove

THAT Council receive, for information, the Report of the City Clerk dated August 14, 2023 regarding Rescindment of the Development and Development Variance Permits for 350 Doyle;

AND THAT Council rescind the authorization for issuance of Development Permit No. DP21-0136 and Development Variance Permit No. DVP21-0137 authorized for issuance by Council July 26, 2022;

AND THAT Appelt Properties be invited to submit a development permit for Lot C District Lot 139 Osoyoos Division Yale District Plan EP95954, located at 350 Doyle Ave, Kelowna, consistent with the legal agreements and Zoning Bylaw No. 12375;

AND THAT Council rescind Council resolution Ro614/22/07/26 that authorized staff to amend any legal agreements associated with the long-term lease of 350 Doyle Avenue;

AND THAT the Lease Agreement deadlines for starting construction at 350 Doyle Ave be amended to January 20, 2025, with substantial completion by January 20, 2029.

Carried

The meeting adjourned at 2:51 p.m.

The meeting reconvened at 3:03 p.m.

4. Non-Development Reports & Related Bylaws

4.1 DKA BIA Renewal 2024-2028

Staff:

- Introduced the BIA Renewal Bylaw and DKA Members Renata Mills and Mark Burley.

Renata Mills, DKA President

- Have sat on the Board of Directors for eight years.
- Commented on the work of the DKA on behalf of members.

Mark Burley, DKA Executive Director

- Displayed a PowerPoint presentation summarizing the DKA BIA renewal.
- Provided comments on the history of the Downtown Kelowna Association and incorporation.
- Commented on membership and area of coverage.
- Spoke to programs, marketing and events.
- Outlined their 5-year Strategic Plan.
- Commented on their On-Street Services that run 7 days a week.
- Responded to questions from Council.

Moved By Councillor Webber/Seconded By Councillor Hodge

THAT Council approve the renewal of a specified area for the purpose of annually funding, over a 5-year period, the Downtown Kelowna Business Improvement Area pursuant to Sections 215 of the Community Charter, for the properties included within the boundary as outlined on Schedule "A" to the Report of the Revenue Supervisor dated August 14, 2023;

AND THAT Bylaw 12575 being Downtown Kelowna Business Improvement Area Bylaw be advanced for reading consideration;

AND FURTHER THAT 4:00 p.m., Friday, September 29, 2023 be set as the deadline for receipt of petitions against the proposed Downtown Kelowna Business Improvement Area renewal bylaw.

Carried

4.2 BL12575 - BIA Renewal Bylaw - Downtown Kelowna Association

Moved By Councillor Singh/Seconded By Councillor Hodge

THAT Bylaw No. 12575 be read a first, second and third time.

Carried

4.3 2023 Planning and Development Statistics - Quarter 1 and Quarter 2

Staff:

- Displayed a PowerPoint Presentation summarizing the first and second quarters of development statistics and comparisons in 2023.
- Commented on plans and policy project that are underway and responded to questions from Council.

Moved By Councillor DeHart/Seconded By Councillor Lovegrove

THAT Council receives, for information, the report from the Planning, Climate Sustainability and Development Services Division dated August 14, 2023, with information relating to Planning and Development Statistics.

Carried

4.4 Development Application Fees Bylaw

Staff:

- Displayed a PowerPoint Presentation outlining proposed changes to the Development Application Fees Bylaw and responded to questions from Council.

Moved By Councillor Cannan/Seconded By Councillor Lovegrove

THAT Council, receives, for information, the Report from the Development Planning Department dated August 14, 2023, recommending that Council adopt Development Application Fees Bylaw No. 12552;

AND THAT Development Application Fees Bylaw No. 12552 be forwarded for reading consideration.

Carried

4.5 BL12552 - Development Application Fees Bylaw

Moved By Councillor Lovegrove/Seconded By Councillor Singh

THAT Bylaw No. 12552 be read a first, second and third time.

Carried

4.6 Glenmore Landfill Road Closure - Portion of Land adjacent to 2105 Glenmore Road

Staff:

- Displayed a PowerPoint Presentation summarizing the road closure.

Moved By Councillor Stack/Seconded By Councillor Wooldridge

THAT Council receives, for information, the report from the Real Estate Department dated August 14, 2023, recommending that Council adopt the proposed closures of roads adjacent to 2105 – 2255 Glenmore Road to be consolidated into 1875 & 2105 – 2255 Glenmore Road;

AND FURTHER THAT Bylaw No. 12550, being a proposed road closure of a portion of road adjacent to 2105 – 2255 Glenmore Road, be given reading consideration.

Carried

4.7 BL12550 - Road Closure - Adjacent to 2105 Glenmore Road

Moved By Councillor Cannan/Seconded By Councillor Singh

THAT Bylaw No. 12550 be read a first, second and third time.

Carried

4.8 Revitalization Tax Exemption Program - Bylaw Changes

Councillor Stack declared a perceived conflict of interest on items 4.8, 4.9 and 5.1 due to previous employer having contracts with people who have applied for housing agreements and departed the meeting at 4:13 p.m.

Staff:

- Provided comments on the Revitalization Tax Exemption Program.

Moved By Councillor Lovegrove/Seconded By Councillor Singh

THAT Council receives, for information, the report from the Policy and Planning Department dated August 14, 2023 with respect to repeal and replacement of Revitalization Tax Exemption Program Bylaw No. 9561;

AND THAT Council direct staff to bring forward an update report on the implementation of the Revitalization Tax Exemption Program in September, 2024.

Carried

4.9 BL12561 - Revitalization Tax Exemption Bylaw

Moved By Councillor Cannan/Seconded By Councillor Hodge

THAT Bylaw No. 12561 be read a first, second and third time.

Carried

5. Bylaws for Adoption (Non-Development Related)

5.1 Housing Agreement Bylaws

- 5.1.1 BL12562 - Dougall Rd N 285 - Housing Agreement Authorization
- 5.1.2 BL12563 - Gordon Dr 1603-1615 - Housing Agreement Authorization
- 5.1.3 BL12564 - Royal Ave 416 - Housing Agreement Authorization
- 5.1.4 BL12565 - Lakeshore Rd 3773-3795 - Housing Agreement Authorization

- 5.1.5 BL12566 - Bernard Ave 1575 - Housing Agreement Authorization
- 5.1.6 BL12567 - Hwy 97 N 2339-2397 - Housing Agreement Authorization
- 5.1.7 BL12568 - Richter St 1710 - Housing Agreement Authorization

Moved By Councillor Cannan/Seconded By Councillor Singh

THAT Bylaw Nos. 12562,12563, 12564, 12565, 12566, 12567 and 12468 each be adopted.

Carried

Councillor Stack rejoined the meeting at 4:14 p.m.

- 5.2 BL12555 - Amendment No. 24 to the Subdivision, Development and Servicing Bylaw No. 7900

Moved By Councillor Lovegrove/Seconded By Councillor Singh

THAT Bylaw No. 12555 be adopted.

Carried

6. Resolutions

- 6.1 Draft Terms of Reference - Community Task Force on Performing Arts

City Manager:

- Introduced the Community Task Force on Performing Arts Terms of Reference.

Mayor Dyas:

- Provided remarks on the Terms of Reference and appointments.

Moved By Councillor Wooldridge/Seconded By Councillor Webber

THAT Council endorses the Community Task Force on Performing Arts Terms of Reference;

AND THAT recommendations for Task Force member appointments be brought forward for Council consideration.

Carried

7. Mayor and Councillor Items

Councillor Singh:

- Spoke to their attendance at the Jamaican Independence Day Celebration.

Councillor Hodge:

- Spoke to heat related affects and reminded residents to be cautious when outdoors.

Councillor Wooldridge:

- Spoke to their attendance at the Ballou Park re-opening.

Councillor Cannan:

- Spoke to their attendance at the Ballou Park re-opening.
- Commented on the heat warning this week and reminded everyone to be fire smart; acknowledged the 20th Anniversary of Okanagan Mountain Park fire.
- Requested an update regarding sheltering programs from the Province.

City Manager:

- Provided comments regarding the Provincial sheltering program.

8. Termination

This meeting was declared terminated at 4:30 p.m.

Mayor Dyas

lb/acm



Deputy City Clerk

DRAFT

Report to Council



Date: August 28, 2023
To: Council
From: City Manager
Subject: Alternative Approval Process Deadline Extension
Department: Office of the City Clerk

Recommendation:

THAT Council receive, for information, the Report from the City Clerk dated August 28, 2023 with respect to extending the deadline for submission of Alternate Approval Process Response Forms for the redevelopment of the Parkinson Recreation Centre, the construction of the Glenmore Activity Centre, the construction of the Mission Activity Centre and the redevelopment of the Rutland Sports fields;

AND THAT Council extend the deadline for receipt of elector responses from 4 pm Friday, September 15, 2023 to 4 pm Friday, October 13, 2023;

AND FURTHER THAT Council establish the elector response form as either the original response form attached to the report from the Office of the City Clerk dated July 24, 2023 or the elector response in the form attached to the report from the Office of the City Clerk dated August 28, 2023 regarding Alternative Approval Process Deadline Extension.

Purpose:

To consider an extension to the deadline for submitting Elector Response Forms for the AAP.

Background:

Council initiated an Alternative Approval Process (APP) for the Building a Stronger Kelowna project on July 24, 2023.

Previous Council Resolution

Resolution	Date
THAT Council receives, for information, the report from the Office of the City Clerk dated July 24, 2023 regarding the Alternative Approval Process for the borrowing of two hundred and forty one million, three hundred and twenty	July 24, 2023

thousand dollars (\$241,320,000.00) for the redevelopment of the Parkinson Recreation Centre, the construction of the Glenmore Activity Centre, the construction of the Mission Activity Centre, and the redevelopment of the Rutland Sports fields;

AND THAT an alternative approval process opportunity open to all electors within the City of Kelowna be initiated in relation to the borrowing by loan authorization bylaw as outlined in the report from the Financial Services Division presented at the June 19, 2023 Regular Council Meeting;

AND FURTHER THAT 4 pm, Friday, September 15, 2023 be set as the deadline for receipt of elector responses in the form attached to the report from the Office of the City Clerk dated July 24, 2023 in relation to the City of Kelowna proceeding with the adoption of Bylaw No. 12540 being the Recreation and Activity Centres Loan Authorization Bylaw authorizing the borrowing of two hundred and forty one million, three hundred and twenty thousand dollars (\$241,320,000.00) for the recreation and activity centres projects.

Discussion:

Council had established 4 pm Friday, September 15, 2023 as the deadline for receipt of elector response forms. Due to the local State of Emergency and subsequent evacuation orders and alerts that followed, staff recommend the deadline be extended to 4 pm Friday, October 13, 2023.

The Community Charter requires Council to establish the form of elector response forms, and for this AAP a form with an extension date of either September 15, 2023 or October 13, 2023 may be completed and submitted prior to the October 13 deadline.

Conclusion:

Staff recommend the deadline for receipt of elector response forms be extended to 4 pm Friday October 13, 2023.

Internal Circulation:

Communications Department
Parks & Buildings Planning

Considerations applicable to this report:

Legal/Statutory Authority:

Community Charter section 86, Alternative approval process

Legal/Statutory Procedural Requirements:

Council is required to establish the deadline for the alternative approval process.

The Community Charter sets notice requirements for the alternative approval process. Notices will be posted on the public notice board at City Hall, advertised in the Daily Courier on Friday, September 1 and Wednesday, September 6, and posted on the City's website.

Considerations not applicable to this report:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by:

Stephen Fleming
City Clerk

cc:

Derek Edstrom, Divisional Director, Partnership & Investments

Jim Gabriel, Divisional Director, Active Living & Culture

Mac Logan, General Manager, Infrastructure

Joe Sass, Divisional Director, Financial Services

Carla Weaden, Divisional Director, Corporate Strategic Services



Office of the City Clerk
 1435 Water Street
 Kelowna, BC V1Y 1J4
 250 469-8645
 kelowna.ca

Alternative Approval

Revised Elector Response Form

Recreation and Activity Centres

I am **OPPOSED** to the City of Kelowna proceeding with the adoption of Bylaw No. 12540 being the Recreation and Activity Centres Loan Authorization Bylaw authorizing the borrowing of two hundred and forty one million, three hundred and twenty thousand dollars (\$241,320,000.00) for the redevelopment of the Parkinson Recreation Centre, the construction of the Glenmore Activity Centre, the construction of the Mission Activity Centre, and the redevelopment of the Rutland Sports fields.

To sign an alternative approval process elector response form you **MUST** meet the following criteria for either a Resident Elector OR a Non-Resident (Property) Elector:

I, the undersigned, hereby certify that:

- ▶ I am eighteen years of age or older; and
- ▶ I am a Canadian citizen; and
- ▶ I have resided in British Columbia for at least six months; and
- ▶ I reside in, OR am the registered owner of real property (and have been designated as the elector in regard to that property) in, the City of Kelowna; and
- ▶ I am not disqualified by the Local Government Act or any other enactment or otherwise disqualified by law from voting in local elections; and
- ▶ I am entitled to sign this alternative approval process elector response form and have not previously signed an alternative approval process elector response form for the proposed Bylaw.

Note: You **MUST** reside or own property within the municipal boundaries of the City of Kelowna to sign this alternative approval process elector response form. **You must meet the requirements above to sign this form.**

Elector's Full Name: <i>(Print first name, middle name(s), last name – NO initials)</i>	Residential Address: <i>(or address of real property in Kelowna owned by elector if not resident)</i> <i>(Print street address, city, postal code)</i>	Signature of Elector:

NOTE: A person must not sign any alternative approval process elector response form more than once and may not withdraw his or her name from the alternative approval process elector response form after the deadline for submission of the petitions has passed.

The number of electors of the City of Kelowna is estimated to be 121,600. If 10% (12,160) of the estimated number of electors of the City of Kelowna sign an alternative approval process elector response form opposing the Bylaw, City Council will not be able to proceed without then receiving the assent of the electors by referendum.

Personal information is collected for the purposes of conducting the alternative approval process under the *Community Charter* and will only be used by Legislative Services staff to verify the validity of the petition. The City is collecting this information under sections 26(a) and (c) of the *Freedom of Information and Protection of Privacy Act*. Questions regarding the collection of personal information may be directed to the Office of the City Clerk at 250-469-8645 or cityclerk@kelowna.ca.

Alternative Approval

Elector Response Form Instructions

Recreation and Activity Centres

INSTRUCTIONS

- If you are opposed to the borrowing of a total of two hundred and forty one million, three hundred and twenty thousand dollars (\$241,320,000.00) for the recreation and activity centre projects outlined above, and you qualify as an elector of the City of Kelowna, you may sign an alternative approval process elector response form.
- **If you are NOT opposed to the borrowing of two hundred and forty one million, three hundred and twenty thousand dollars (\$241,320,000.00) for the recreation and activity centre projects outlined above, you do not need to do anything.**
- Exact copies of the alternative approval process elector response forms may be made. This page of instructions is not considered part of the elector response form and does not need to be submitted with an accurate copy of the form.
- Each response form, or accurate copy, may be signed by one or more electors.
- **All alternative approval process elector response forms must be received by the City Clerk by 4 pm on Friday October 13, 2023.** Completed forms may be returned by:
 - dropping them off in-person on the second floor of City Hall between 8 am and 4 pm Monday to Friday, except for statutory holidays;
 - mailing them to the Office of the City Clerk, City Hall, 1435 Water Street, Kelowna, BC V1Y 1J4; or
 - emailing a scanned copy to cityclerk@kelowna.ca.

REPORT TO COUNCIL REZONING



Date: September 11, 2023
To: Council
From: City Manager
Address: 350 Holbrook Rd E
File No.: Z23-0028

	Existing	Proposed
OCP Future Land Use:	C-NHD – Core Area Neighbourhood	C-NHD – Core Area Neighbourhood
Zone:	RU1 – Large Lot Housing	RU1cc – Large Lot Housing with Child Care Centre, Major

1.0 Recommendation

THAT Rezoning Application No. Z23-0028 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of Lot 5 Section 23 Township 26 ODYD Plan 17975 located at 350 Holbrook Rd E, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU1cc – Large Lot Housing with Child Care Centre, Major zone be considered by Council;

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

2.0 Purpose

To rezone the subject property from the RU1 – Large Lot Housing zone to the RU1cc – Large Lot Housing with Child Care Centre, Major zone to facilitate a child care centre within a converted accessory building.

3.0 Development Planning

Staff support the proposed rezoning application to RU1cc – Large Lot Housing with Child Care Centre, Major to facilitate a daycare within an existing accessory building. The sub-zone refers to a licensed establishment that provides care, educational services, and supervision for more than 8 children. The proposal meets the intent of the Official Community Plan (OCP) and the Future Land Use Designation of C-NHD – Core Area Neighbourhood, which speaks to the accommodation of complementary uses such as child care centres.

The daycare has a proposed capacity of up to 21 children and a proposed total Gross Floor Area of 76.50 m² which includes a kitchen area, two bathrooms, and an open concept activity room. The proposal also includes a fenced yard to satisfy outdoor play area requirements. Sufficient parking has been provided onsite for the primary residence including additional spaces for the daycare which will be used periodically to drop-off and pick-up children. The property is in close proximity (200 m) to the South Rutland Elementary School.

4.0 Site Context & Background

Orientation	Zoning	Land Use
North	RU1 – Large Lot Housing	Single Detached Dwelling
East	RU1 – Large Lot Housing	Single Detached Dwelling
South	RU1 – Large Lot Housing	Single Detached Dwelling
West	RU1 – Large Lot Housing	Single Detached Dwelling

Subject Property Map: 350 Holbrook Rd E



5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Objective 5.4 Strategically locate community services to foster greater inclusion and social connections in the Core Area	
Policy 5.4.7 Child Care Spaces	Facilitate the development of childcare spaces throughout the Core Area including accessible, affordable and inclusive spaces that meet the needs of the community. <i>The proposed rezoning will facilitate the development of a child care facility. The property is within an established neighbourhood and is in close proximity (200 m) of the South Rutland Elementary School.</i>

6.0 Application Chronology

Application Accepted: May 1, 2023
Neighbourhood Notification Summary Received: July 18, 2023

Report prepared by: Sara Skabowski, Planner I
Reviewed by: Lydia Korolchuk, Planner Specialist
Reviewed by: Jocelyn Black, Urban Planning Manager
Approved for Inclusion: Ryan Smith, Divisional Director, Planning & Development Services

Attachments:

Attachment A: Applicant Rationale and Site Plan

For additional information, please visit our Current Developments online at www.kelowna.ca/currentdevelopments.

May 8th, 2023

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

Our File: 23016



Re: Rezoning Permit Application for 350 Holbrook Rd E

This development proposal will adhere to the requirements of the RU-1cc zone as described in the City of Kelowna Zoning Bylaw No. 12375.

Design Rationale

The purpose of the application is to facilitate the development of a daycare within the existing garage (the building), which has never been used for any purpose since its construction under the City of Kelowna permit. The property, which also supports a 2-level house (the house), is zoned RU-1. In order to have a daycare with potentially 21 children, zoning needs to be amended to RU-1cc.

The 3 required parking spaces will be off-street, at the front of the building, and finished with a hard surface. The existing fence across the front will be removed in order to provide the parking space, and will then be relocated to completely separate the yard into 2 area, one for the daycare, and one for the house. The side and back fences are all wood panel, the west side fence is partially vertical wrought iron, and all are 1.8m height. Facing the building from the street, there are mature shrubs against the fence to the left, as well as a mature deciduous tree and more shrubs near the house. The lawn will be maintained in the back yard area for day care use – open space and play area.

The existing septic system has been determined to be adequate for the intended use (see report by Jerald Grassmick). The City of Kelowna has also indicated that they intend to connect this property to City sewer services by the end of 2024, if not earlier.

All buildings are existing, and their footprint completed. No further disturbances of soils contemplated; therefore, no expected archaeological impact.

The chronic and increasing shortage of day care facilities in the City of Kelowna led us to purchase this property, which we were advised could support such a facility. Its location near the South Rutland Elementary School is ideal, as is the newly built and spacious accessory building on the property, with plenty of space for both indoor and outdoor education, care and recreation for the children/ We believe a day care here would provide a much-needed amenity for this neighbourhood.

CONSULTANTS:

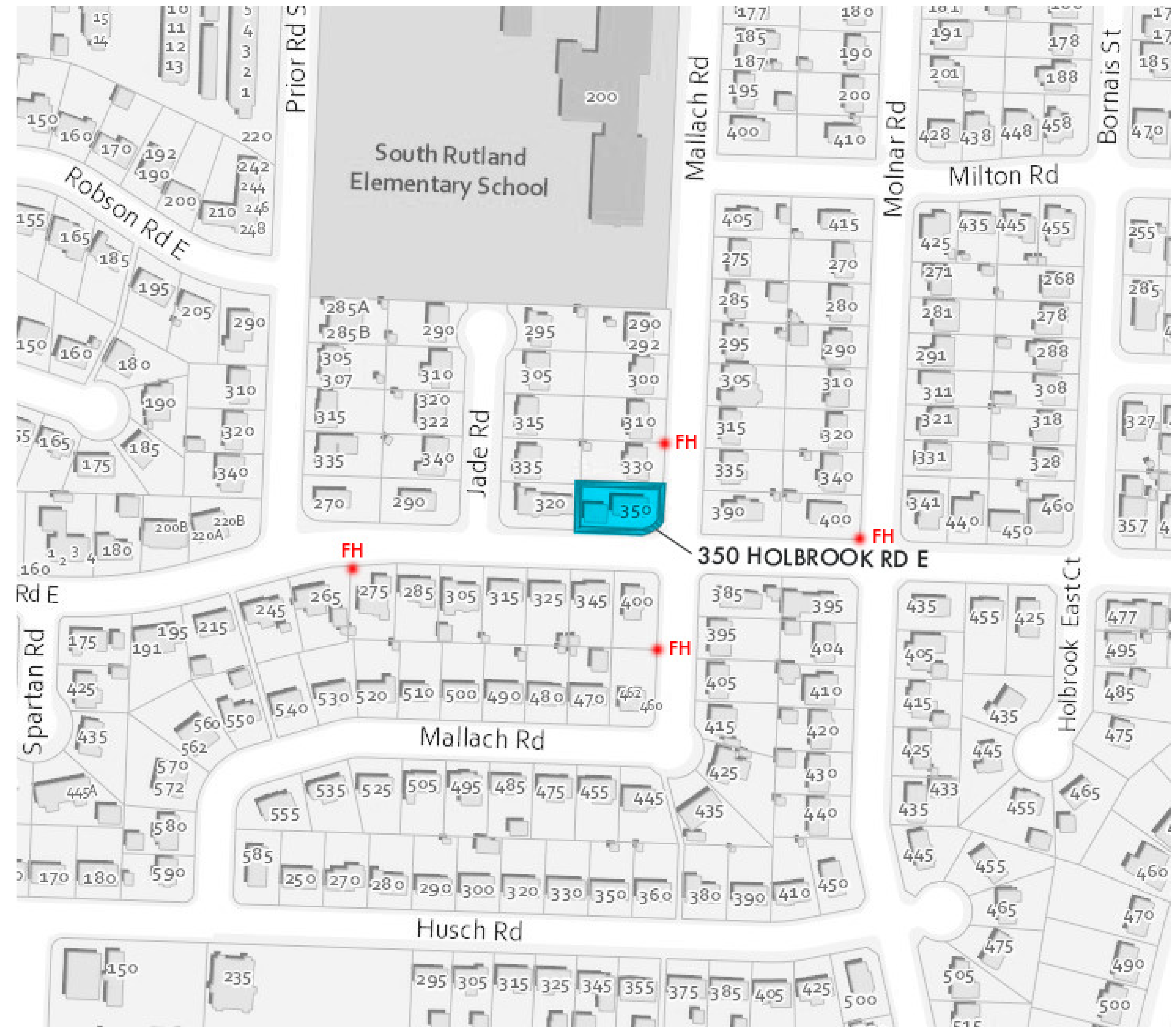
ARCHITECTURAL
NOVATION ARCHITECTURE LTD.
302-2237 LECKIE ROAD
KELOWNA, BC V1X 6Y5
TEL. (236) 420-4144
FAX. (250) 000-0000

DRAWING INDEX:

ARCHITECTURAL DRAWING LIST

NO. NAME
A0.00 COVER SHEET
A1.00 SITE PLAN

CONTEXT SITE PLAN:



ZONING ANALYSIS - BYLAW NO. 12375

EXISTING ZONE: RU1
PROPOSED ZONE: RU1cc

PRINCIPLE USE: SINGLE DETACHED HOUSING
SECONDARY USE: CHILD CARE CENTRE, MAJOR

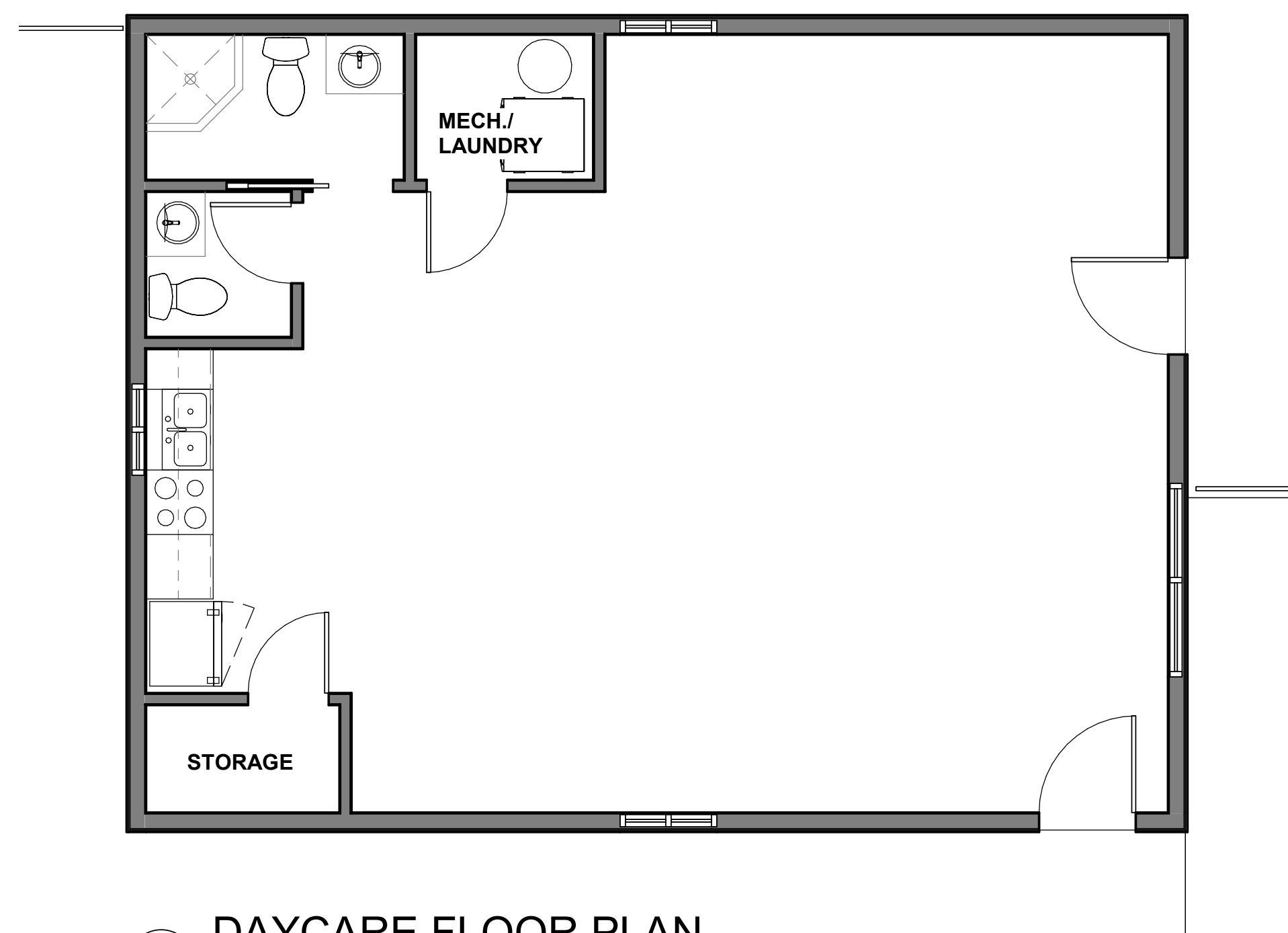
MAX. SITE COVERAGE OF BUILDING: 40%; PROPOSED: 26%
MAX. SITE COVERAGE OF BUILDING
+ IMPERMEABLE SURFACES: 70%; PROPOSED: 32%

PRINCIPLE USE BUILDING REGULATIONS:

MAX. HEIGHT OF PRINCIPLE USE BUILDING: 10.0m
FRONT YARD/FLANKING SIDE YARD SETBACK: 4.5m (6.0m AT GARAGE)
SIDE YARD SETBACK: 2.1m
REAR YARD SETBACK: 7.5m
PARKING: 2 STALLS

SECONDARY USE BUILDING REGULATIONS:

MAX. HEIGHT OF SECONDARY USE BUILDING: 4.8m
FRONT YARD: 9.0m
FLANKING SIDE YARD SETBACK: 4.5m
SIDE YARD SETBACK: 1.5m
REAR YARD SETBACK: 1.5m
MAX. BUILDING FOOTPRINT: 90m²
PARKING: 1 STALL



1 DAYCARE FLOOR PLAN
1/4" = 1'-0"

ATTACHMENT A

This forms part of application
Z23-0028

Planner Initials **SS**

City of Kelowna
COMMUNITY PLANNING

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Contractors shall verify all dimensions prior to commencement of work.
Any omissions or discrepancies shall be reported to the architect.

Seal

2023-05-10

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NOT FOR CONSTRUCTION

No.	Date	Description
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Revisions

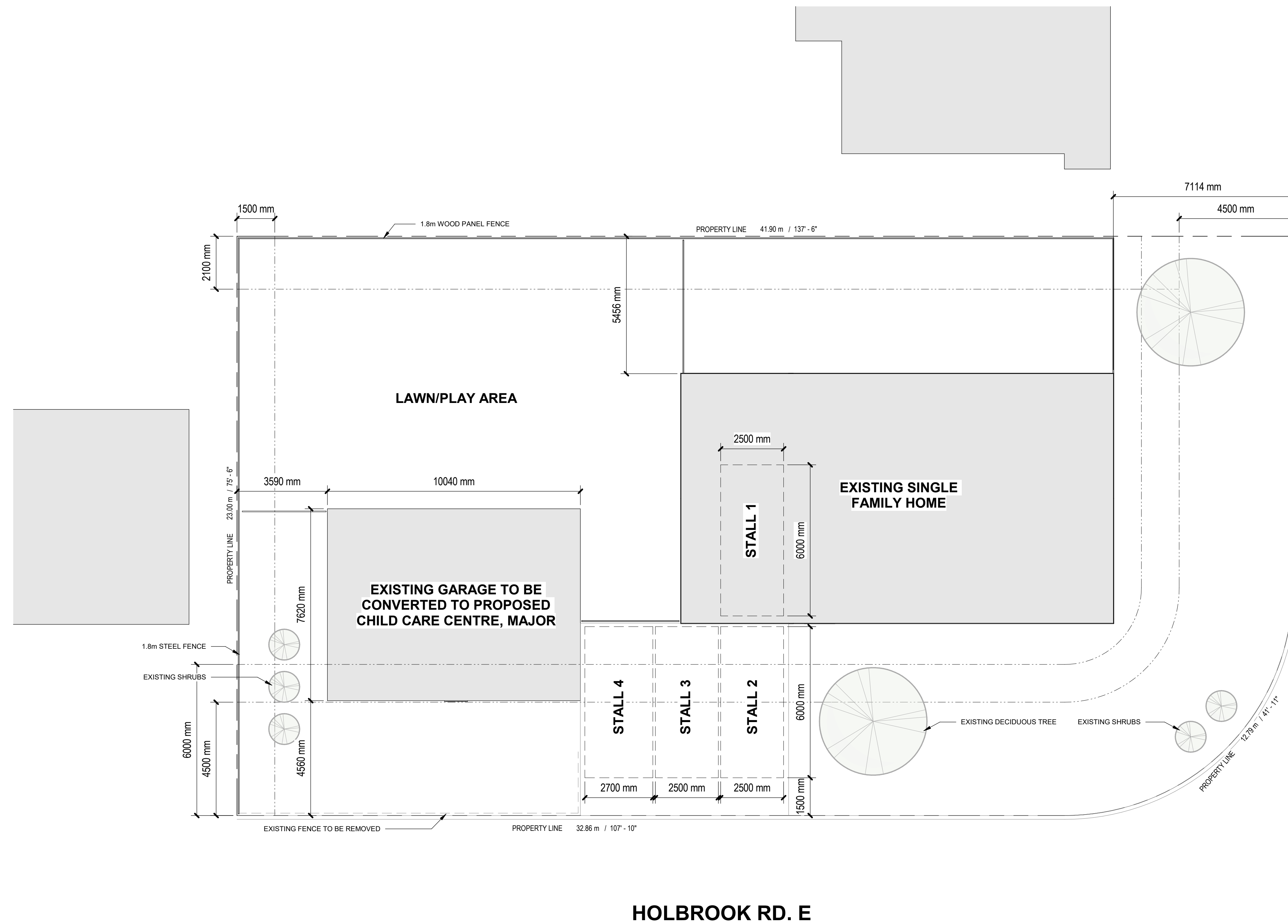
NOVATION
ARCHITECTURE LTD.
302 - 2237 LECKIE ROAD
KELOWNA BC V1X 6Y5

project title
HOLBROOK DAYCARE
PLAN KAP17975 LOT 5, SECTION 23,
350 HOLBROOK RD E,
KELOWNA, BRITISH COLUMBIA

project no. 23016

drawing title
COVER SHEET

designed	BD	scale	1/4" = 1'-0"
drawn	BD		
checked	PS		
drawing no.	A0.00		
plotted	2023-05-10 9:29:58 AM		



1 SITE PLAN
1/8" = 1'-0"

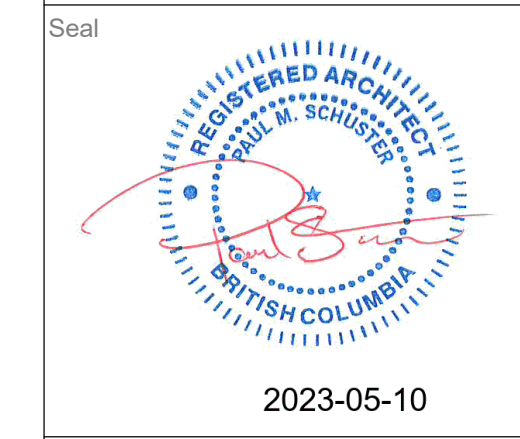
ATTACHMENT A

This forms part of application
Z23-0028

Planner Initials **SS**

City of Kelowna
COMMUNITY PLANNING

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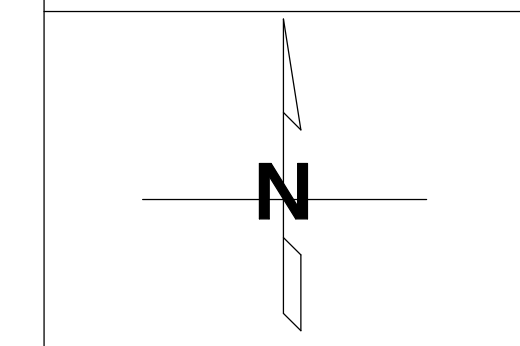


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NOT FOR CONSTRUCTION

No.	Date	Description
1	20230510	ISSUED FOR REZONING



NOVATION
ARCHITECTURE LTD.
302 - 2237 LECKIE ROAD
KELOWNA BC V1X 6Y5

project title
HOLBROOK DAYCARE
PLAN KAP17975 LOT 5, SECTION 23,
350 HOLBROOK RD E,
KELOWNA, BRITISH COLUMBIA

project no. 23016

drawing title	designed	drawn	checked	scale
SITE PLAN	BD	BD	PS	1/8" = 1'-0"

drawing no. **A1.00**
plotted 2023-05-10 9:29:58 AM

CITY OF KELOWNA

BYLAW NO. 12576

Z23-0028

350 Holbrook Road E

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 5 Section 23 Township 26 ODYD Plan 17975 located on Holbrook Rd, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU1cc – Large Lot Housing with Child Care Centre, Major 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

Approved under the Transportation Act this

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk



City of
Kelowna

Z23-0028 350 Holbrook Rd E

Rezoning Application

Purpose

- ▶ To rezone the subject property from the RU1 – Large Lot Housing zone to the Ru1cc - Large Lot Housing with Child Care Centre, Major zone to facilitate a Child Care.

Development Process

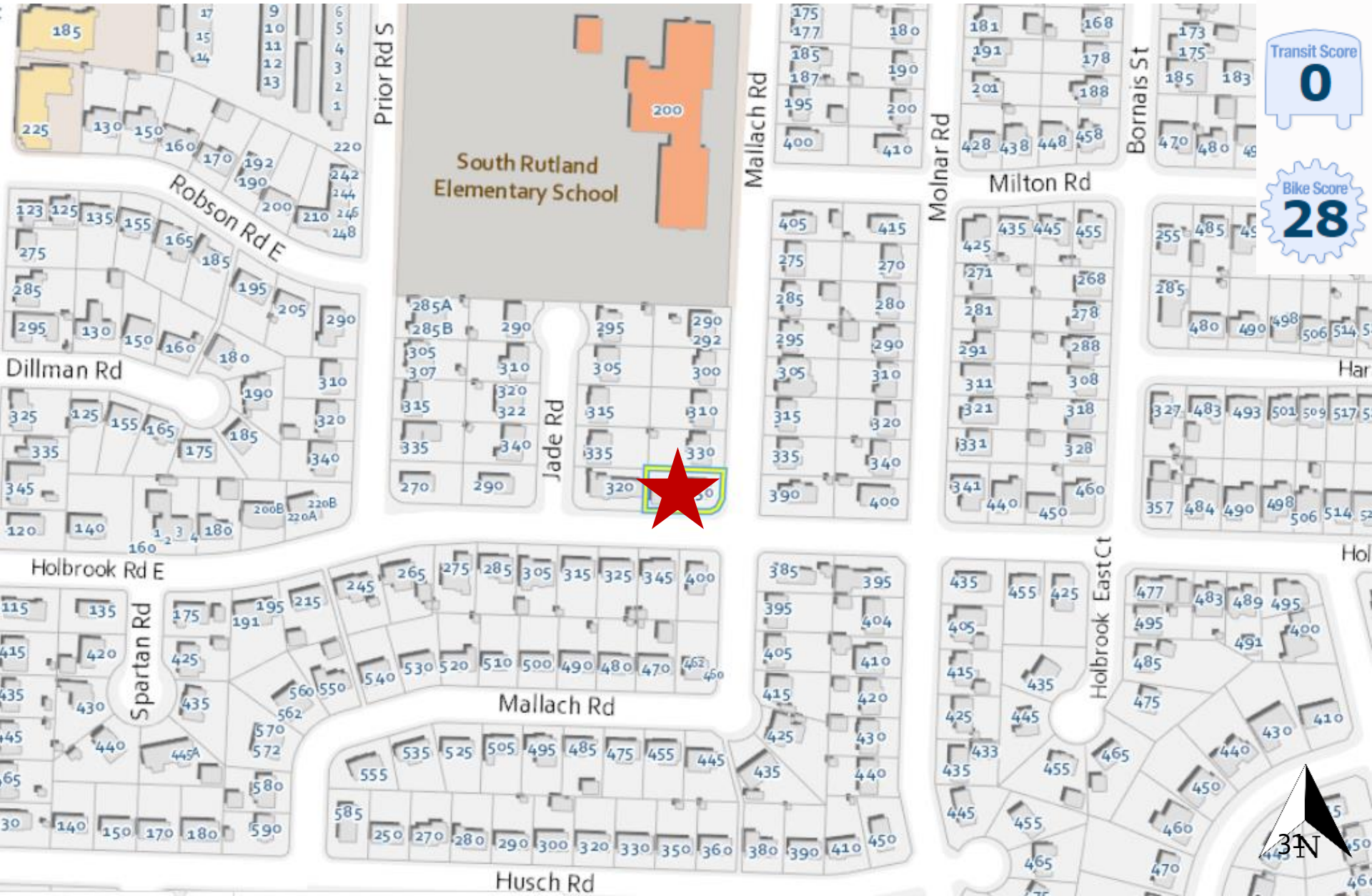


Context Map

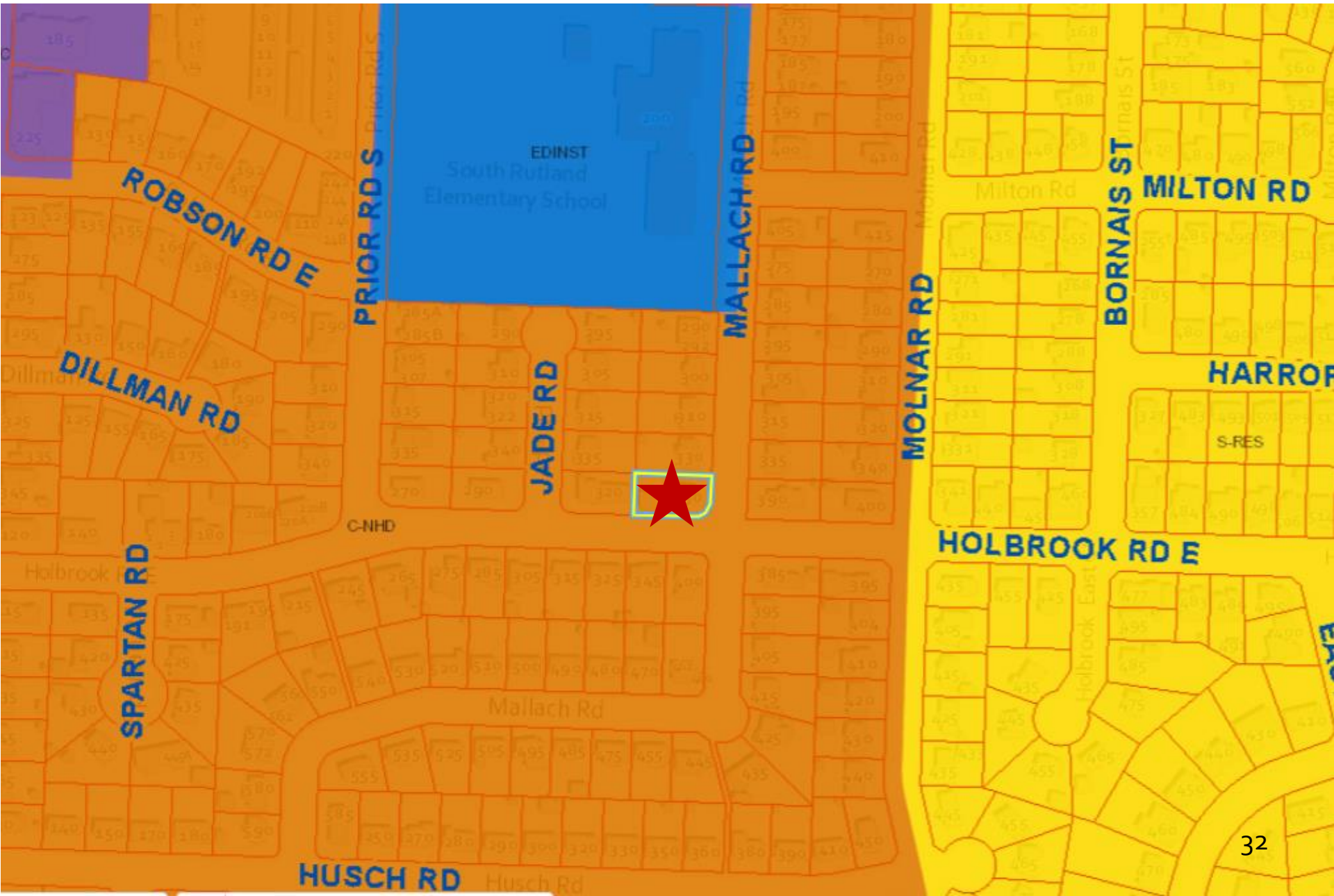
Walk Score
14

Transit Score
0

Bike Score
28



OCP Future Land Use



Subject Property Map



Project Details

- ▶ Proposal to facilitate a daycare within an existing accessory building.
- ▶ The daycare will be licensed under the *Community Care and Assisted Living Act*.
- ▶ Building code and water upgrades to be completed at BP stage.
- ▶ Maximum capacity of 21 children.
- ▶ Parking accommodated on site for pick-up and drop-off.

OCP Objectives & Policies

- ▶ Policy 5.4.7: Facilitate the development of childcare spaces throughout the Core Area.
 - ▶ The rezoning will facilitate the development of a childcare facility.
 - ▶ The facility is in close proximity to the South Rutland Elementary School (~200 m).

Staff Recommendation

- ▶ Staff recommend **support** for the proposed rezoning as it is consistent with:
 - ▶ OCP Future Land Use C-NHD
 - ▶ OCP Objectives in Chapter 5 Core Area
 - ▶ Facilitate childcare throughout Core Area.

Report to Council



Date: August 28, 2023
To: Council
From: City Manager
Department: Office of the City Clerk
Subject: Rezoning Bylaws Supplemental Report to Council

Recommendation:

THAT Council receives, for information, the report from the Office of the City Clerk dated August 28, 2023 with respect to three rezoning applications;

AND THAT Council defer reading consideration of Rezoning Bylaws No. 12569, 12570 and 12571 to the September 11, 2023 afternoon Council meeting

Purpose:

To defer reading consideration for Rezoning Bylaws No. 12569, 12570 and 12571

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:

Three Rezoning Applications were brought forward to Council for initial consideration on August 14, 2023. Notice of first reading was completed as outlined above, prior to the State of Emergency being declared in Kelowna and surrounding communities. Canada Post suspended delivery in Kelowna starting August 18, 2023 and although two letters of opposition were received, it is unlikely the mailed notices were received by all the neighbouring property owners and occupiers. The notice mail lists for the 4519 Horak Road application and the 1459 & 1467 Gordon Dr., 1104-1130 Lawson Ave and 1488 Aspen Court application each contain addresses in known evacuation areas (as of August 22, 2023). In addition, signage for the 870-872 Mayfair Road application was not erected as per City bylaw

requirements. For these reasons, staff recommend Council defer reading consideration of the respective bylaws until the next Council meeting, scheduled for September 11, 2023. Notices will be resent once Canada Post delivery service has resumed.

Correspondence was received as per the following table:

Address	Application	Bylaw	Recommended Readings	Correspondence Received
870-872 Mayfair Rd	Z23-0032	12569	defer	0
4519 Horak Rd	Z23-0030	12570	defer	2 - opposed
1459, 1467 Gordon Dr, 1467 Lawson Ave, 1488 Aspen Ct	Z23-0022	12571	defer	1 – concern 1 – support

These applications were brought forward with a recommendation of support from the Development Planning Department. Staff are recommending Council defer further readings of the Bylaws for the reasons identified in the Report.

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: L Klaamas, Legislative Technician

Approved for inclusion: Stephen Fleming, City Clerk

cc: Development Planning

CITY OF KELOWNA
BYLAW NO. 12569
Z23-0032
870-872 Mayfair 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 7 District Lot 143 ODYD Plan 24833 located on Mayfair Road, Kelowna, BC from the RU4 – Duplex Housing zone to the MF1 – Infill Housing zone.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

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

Approved under the Transportation Act this

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

CITY OF KELOWNA

BYLAW NO. 12570

Z23-0030

4519 Horak 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 1 District Lot 358 ODYD Plan 17432 located on Horak Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RU4 – Duplex Housing zone.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, 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. 12571

Z23-0022

**1459 & 1467 Gordon Drive, 1104 - 1130 Lawson Avenue &
1488 Aspen Court**

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. Lot 7 District Lot 137 ODYD Plan 14393 located on Gordon Drive, Kelowna, BC;
 - b. Lot 8 District Lot 137 ODYD Plan 14393 located on Gordon Drive, Kelowna, BC;
 - c. Lot 9 District Lot 137 ODYD Plan 14393 located on Lawson Avenue, Kelowna, BC;
 - d. Lot 10 District Lot 137 ODYD Plan 14393 located on Lawson Avenue, Kelowna, BC;
 - e. Lot 11 District Lot 137 ODYD Plan 14393 located on Aspen Court, Kelowna, BC;from the RU₄ – Duplex Housing zone to the MF_{3r} – Apartment Housing with Rental Only 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

Approved under the Transportation Act this

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

CITY OF KELOWNA
BYLAW NO. 12549
Z23-0020
4973 Buckhaven Court & 1450 Steele 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:

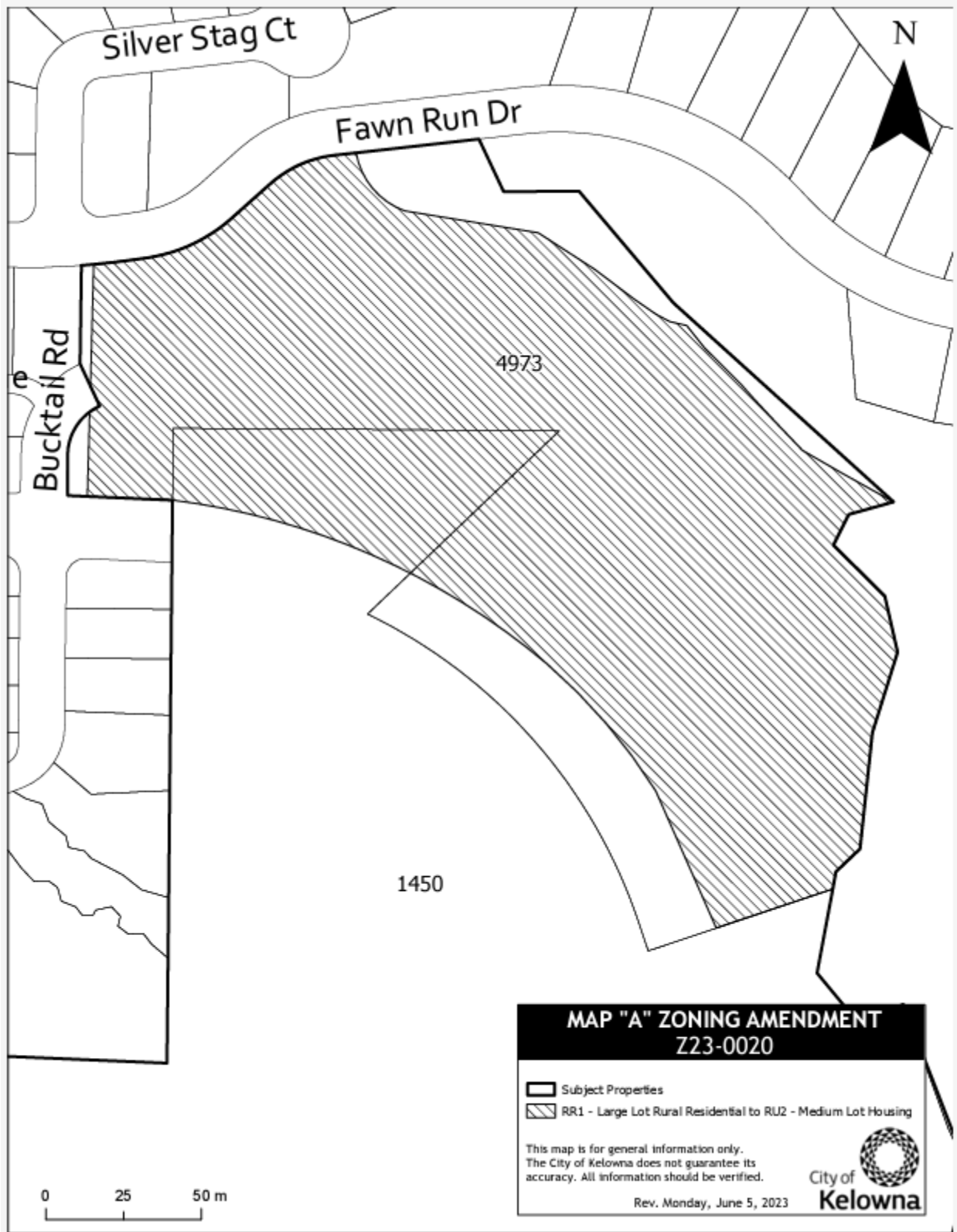
1. THAT City of Kelowna Zoning Bylaw No. 12375 be amended by changing the zoning classification of portions of:
 - a. Lot 1 Section 29 Township 29 SDYD Plan EPP100536 Except Plan EPP120254, located on Buckhaven Court, Kelowna, BC;
 - b. Lot A Sections 20 and 29 Township 29 SDYD Plan KAP44335 Except Plans KAP92565, EPP23066, EPP31364, EPP51781, EPP72348, EPP82001, and EPP100536, located on Steele Road, Kelowna, BC;from the RR1 – Large Lot Rural Residential 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 24th day of July, 2023.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk



Report to Council



Date: August 28, 2023
To: Council
From: City Manager
Subject: Kelowna International Airport 2023 Financial Plan and Bylaw Amendment
Department: Kelowna International Airport

Recommendation:

THAT Council receives for information the report from Kelowna International Airport dated August 28, 2023, with respect to the amendment of the City of Kelowna 2023 Financial Plan and Bylaw amendment;

AND THAT the 2023 Financial Plan be amended to include \$17,500,000 in capital costs associated with the Air Terminal Building Expansion as outlined in the report from Kelowna International Airport dated August 28, 2023;

AND FURTHER THAT Bylaw No. 12578 being Amendment No. 40 to the City of Kelowna Airport Fees Bylaw 7982 be advanced for reading consideration.

Purpose:

To obtain Council’s approval to amend the City of Kelowna 2023 Financial Plan and amend the Kelowna International Airport Fees Bylaw No. 7982.

Background:

2045 Master Plan

The [2045 Master Plan](#) speaks to the need for the Airport Terminal Building (ATB) Expansion in *Volume 1, Section 8.3 ATB Expansion*, and *Volume 1, Section 8.4 Air Terminal Building Expansion*. In addition, *Figure 56 on page 89* provides a drawing of the terminal development concept. As outlined in the Consultation Report (*Appendix C* of the 2045 Master Plan), between March 2015 and October 2016 the Master Plan 2045 communication and engagement program included:

- over 45 stakeholder meetings, presentations, and workshops
- two open houses

- print and electronic advertising materials, including newspaper, print ads, display boards, surveys, handouts, and presentations
- over 300 feedback forms received
- advertising posts were made on YLW's website, Facebook, Twitter, and Instagram

Nine priorities were identified from the 2045 Master Plan public engagement and the ATB Expansion addresses three of these priorities:

- faster security screening
- greater food and beverage choices
- the ability to have more direct flights and flights overseas

Airport Advisory Committee Support

On October 29, 2019, the Airport Advisory Committee (the AAC) supported the proposed Soaring Beyond 2.5 Million Passengers Airport Improvement Fee (AIF) Program as presented, obtaining the approval of Council for a capital budget request of \$69,900,000 for the Soaring Beyond 2.5 Million Passengers AIF Program in the 2020 Financial Plan, and obtaining the approval of Council to increase the AIF to \$25, effective March 1, 2020. This meeting was open to the public and the AAC consisted of the City of Kelowna Mayor, a City of Kelowna Councilor, and a representative from the community at large, the aviation industry, University of British Columbia Okanagan, the Central Okanagan Regional District, City of Vernon, City of Penticton, City of Salmon Arm, District of Peachland, District of Lake Country, District of West Kelowna, Kelowna Chamber of Commerce, South Okanagan Chamber of Commerce, Summerland Chamber of Economic Development and Tourism, Vernon Chamber of Commerce, Greater Westside Board of Trade, Westbank First Nations, the Economic Development Commission, and Tourism Kelowna.

Council Approval of an Increase in the AIF to \$25

On November 4, 2019, Council publicly approved a \$5 increase to the Airport Improvement Fee in order to help fund the Soaring Beyond 2.5 Million Passengers AIF capital program, including the ATB Expansion.

AAC Update

On September 22, 2022, the AAC received a report that included an update on the ATB Expansion and the enabling works currently underway. This meeting was open to the public.

Council Orientation

On November 21, 2022, Council received a report that provided an overview of Kelowna International Airport's (the Airport) finances and its 10-Year Capital Plan. This report indicated that the Airport would draw down on all of the AIF reserves and increase its debt principal payments outstanding to just under \$40,000,000 in 2025 in order to fund the Soaring Beyond 2.5 Million Passengers AIF capital program.

Council Approval of the Airport Terminal Building Expansion Budget

Within the City of Kelowna's 2020 Financial Plan, Council approved a capital budget of \$67,275,000 for the construction of the ATB Expansion within the Soaring Beyond 2.5 Million Passengers AIF Program.

In 2020, the COVID-19 pandemic had a significant negative impact on the Airport's business, which caused a decrease in passengers from 2.0 million in 2019 to 0.7 million in 2020. As a result, the ATB Expansion was put on hold in 2020. Passenger numbers remained low in 2021 at 0.8M, but the Airport experienced healthy growth in 2022 and reached 1.7 million passengers.

In July 2022, Council approved an amendment to the City of Kelowna's 2022 Financial Plan to increase the capital budget of the ATB Expansion by \$500,000 for the cost to create a digital twin of the construction of the ATB Expansion, which would be reimbursed by a Provincial grant.

Within the City of Kelowna's 2023 Financial Plan, Council approved a capital budget of \$33,600,000 for the Soaring Beyond 2.5 Million Passengers AIF Program, of which \$22,900,000 was an increase to the ATB Expansion capital budget.

The City of Kelowna's 2023 Financial Plan includes total approved budget for the construction of the ATB Expansion of \$90,675,000, of which approximately \$5,000,000 has been spent on enabling works.

Council Approval of Borrowing

In March 2023, Bylaw No. 12480 being Kelowna International ATB Expansion Loan Authorization Bylaw was given third reading, providing the Airport with the ability to borrow up to \$48,000,000 for the construction of the ATB Expansion.

Construction of the ATB Expansion

In late 2019, PCL Construction was selected as the successful proponent for the ATB Expansion construction management contract. In 2020 through 2023 PCL, YLW and design consultants worked on the engineering, design, and phasing of the ATB Expansion. This included an extensive value engineering exercise initiated due to the pandemic related pressures including, but not exclusively related to, cost escalation and supply chain risks. The construction tender package was issued in March 2023 and closed in May 2023.

Discussion:

Based on the responses to the ATB Expansion construction tenders, the estimated cost for the ATB Expansion, including costs incurred as of the date of this report, is \$108,175,000. As a result, the Airport is proposing a \$17,500,000 increase to the 2023 Financial Plan capital expenditures for the ATB Expansion, which would be funded from the Airport reserve with no impact on taxation.

The increased cost of construction for the ATB Expansion is due to cost escalation, supply chain issues, and the extent of local and regional construction projects resulting in limited trade and labour availability. The \$22,900,000 cost increase approved as a part of the 2023 Financial Plan, was based on a cost estimate completed in 2021, updated to include escalation for 2022 and 2023. At the time that budget

was submitted, inflation was expected to drop more quickly than it has. In addition, this contract is for a 3-year construction, and the availability of trades, labour, and supply chain issues have lengthened the schedule which has resulted in additional financial pressure on the costing.

The significant construction underway and approved to begin within the region has had a notable impact on the availability and cost strategies of sub-contractors. This, along with increased labour costs within the workforce, has resulted in escalated costs. In addition, the timing of construction overlaps with many of the significant projects in the region (e.g. UBCO downtown campus, Water Street Towers, etc.).

Due to the increase in cost, the Airport has taken a look at its 10-year AIF capital program and adjusted it to meet the Airport’s operational needs and financial goals. As shown below, this program anticipates approximately \$360 million of AIF capital investment over 10 years.

	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Soaring Beyond 2.5 Million Passengers AIF Program											
Terminal expansion	142.1	37.5	38.9	22.5	2.6	2.7	2.8	-	-	4.1	31.0
Combined operations building	22.7	8.0	6.3	3.0	5.4	-	-	-	-	-	-
Airside pavement rehab	129.5	4.7	1.1	2.0	26.8	21.0	4.3	22.9	27.4	12.1	7.2
Airside equipment	29.1	5.4	1.0	0.5	3.4	4.5	1.6	1.2	0.3	7.8	3.4
Self-serve baggage drop	2.3	-	-	-	2.3	-	-	-	-	-	-
Airside lighting and supporting infrastructure	8.1	-	8.1	-	-	-	-	-	-	-	-
Apron 1 south expansion	17.4	-	-	-	0.9	8.1	8.4	-	-	-	-
Passenger boarding bridges	8.2	-	-	-	2.7	2.8	2.7	-	-	-	-
Total	359.4	55.6	55.4	28.0	44.1	39.1	19.8	24.1	27.7	24.0	41.6

 Design
 Construction/purchase

This capital investment would be fully funded from the Airport through collection of the AIF and the use of debt, which would be repaid with AIF funds. There would be no impact on taxation.

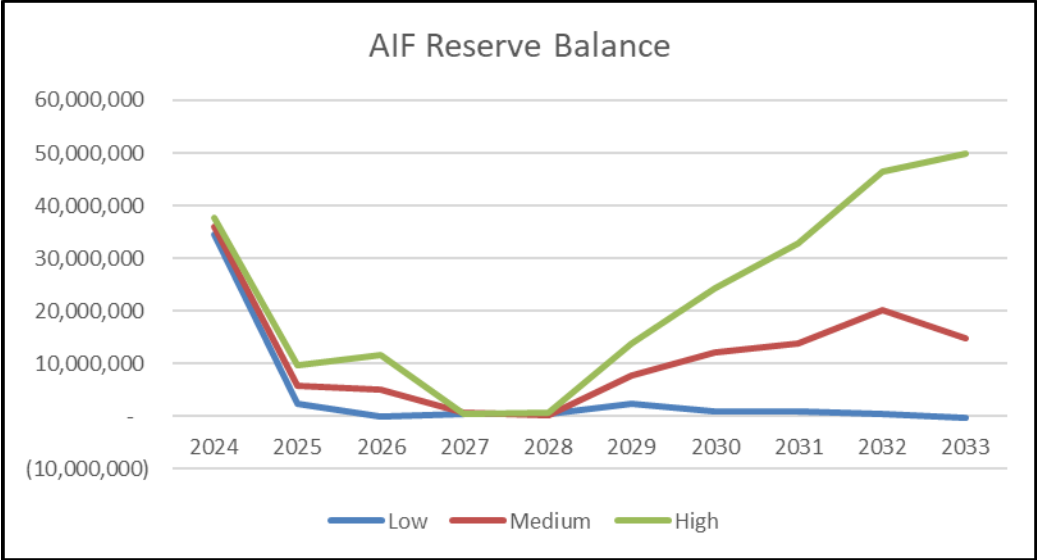
To fund the capital investment, the Airport’s AIF is anticipated to remain at \$25.00 per enplaned passenger in 2024, and increase to a maximum of:

- \$28.00 per enplaned passenger effective January 1, 2025,
- \$31.00 per enplaned passenger effective January 1, 2026,
- \$35.00 per enplaned passenger effective January 1, 2033.

In addition, the Airport anticipates borrowing:

- \$48 million in 2024/25 to help fund the ATB expansion, and
- \$23 million in 2027/28 to help fund the runway rehabilitation.

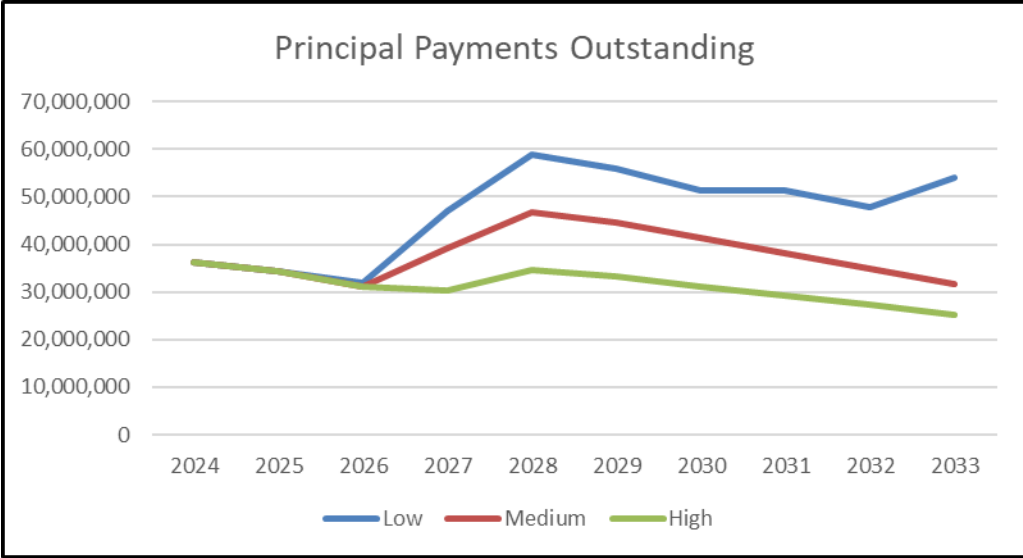
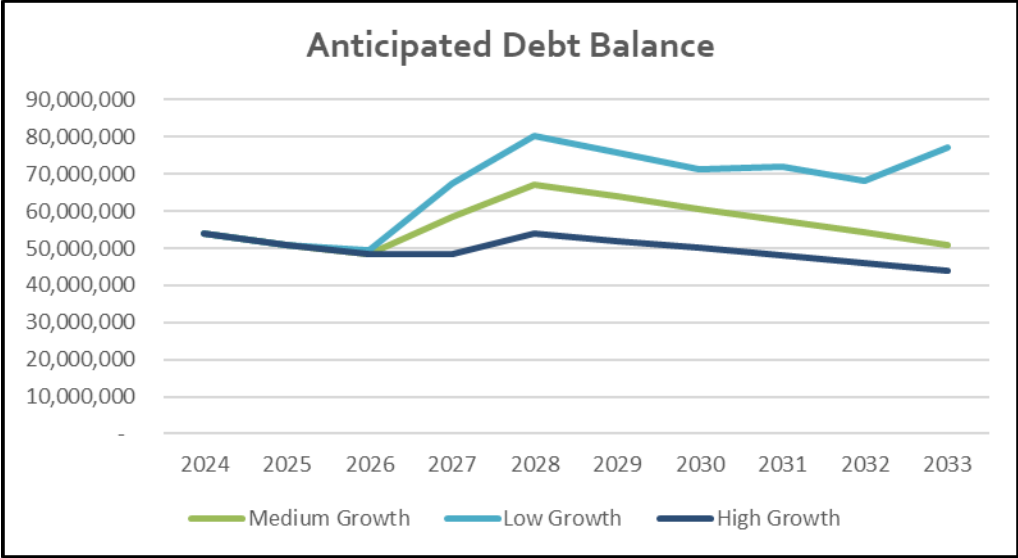
The Airport’s AIF reserve would be drawn down to Nil during the construction of the ATB Expansion and would start to increase again in 2029, providing funds for future strategic capital investments.



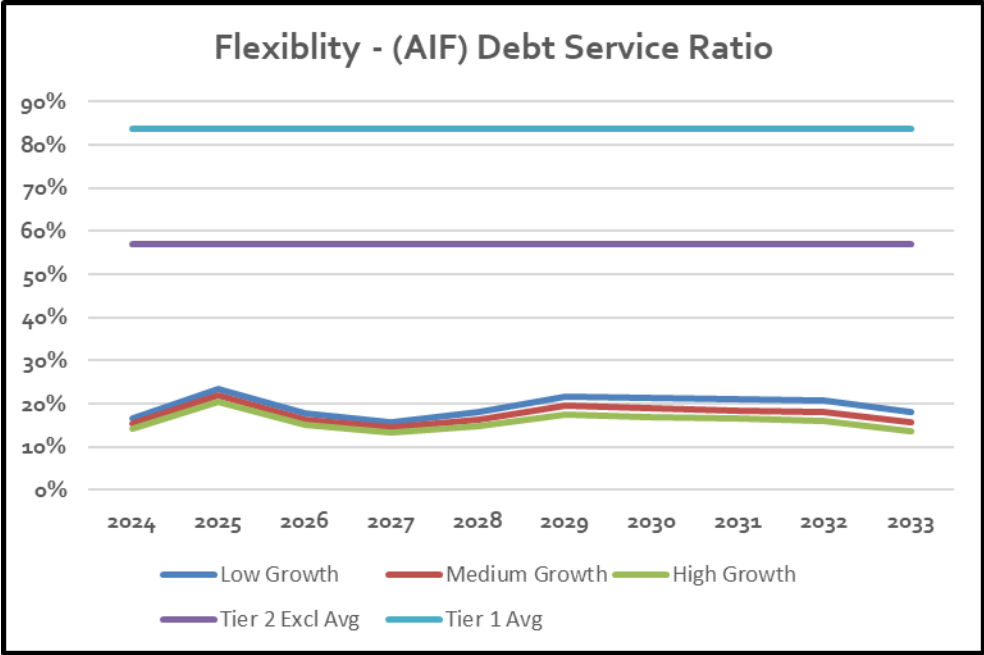
The Airport’s total debt outstanding is anticipated to fluctuate between \$48 million and \$67 million between 2024 and 2033, with principal payments outstanding anticipated to fluctuate between \$31 million and \$47 million during the same time.

The Airport’s annual principal and interest payments are anticipated to fluctuate between \$3.6 million and \$6.6 million between 2024 and 2033. The maximum number of annual passengers the Airport would need in order to earn sufficient revenues to pay for the debt payments is 478,000, if the proposed AIF increases are approved. During the COVID-19 pandemic, the lowest annual passenger numbers was 737,000 in 2020; however, the Airport had 373,000 passengers during the first 12 months of the COVID-19 pandemic.

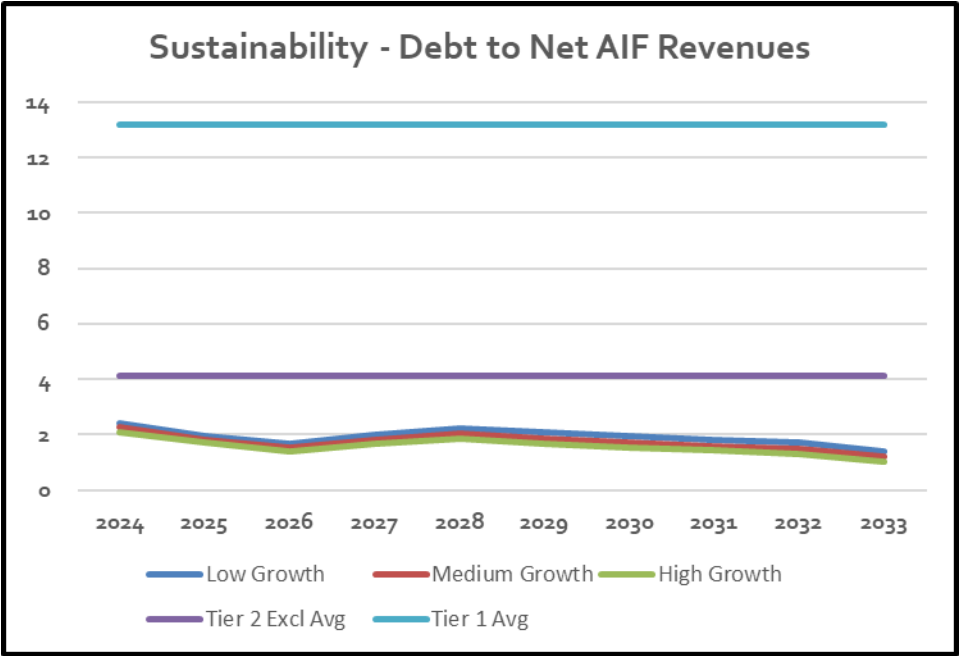
In the following graphs, the medium growth forecast represents the Airport’s decision-making forecast, as the Airport has historically normalized to medium passenger growth. The low and high passenger growth information is provided for information. If the Airport experienced low passenger growth, it is anticipated that capital investment would not occur as quickly as the new or rehabilitated infrastructure would not be needed as quickly. If the Airport experienced high passenger growth, it is anticipated that future projects would be accelerated as they would be needed more quickly.



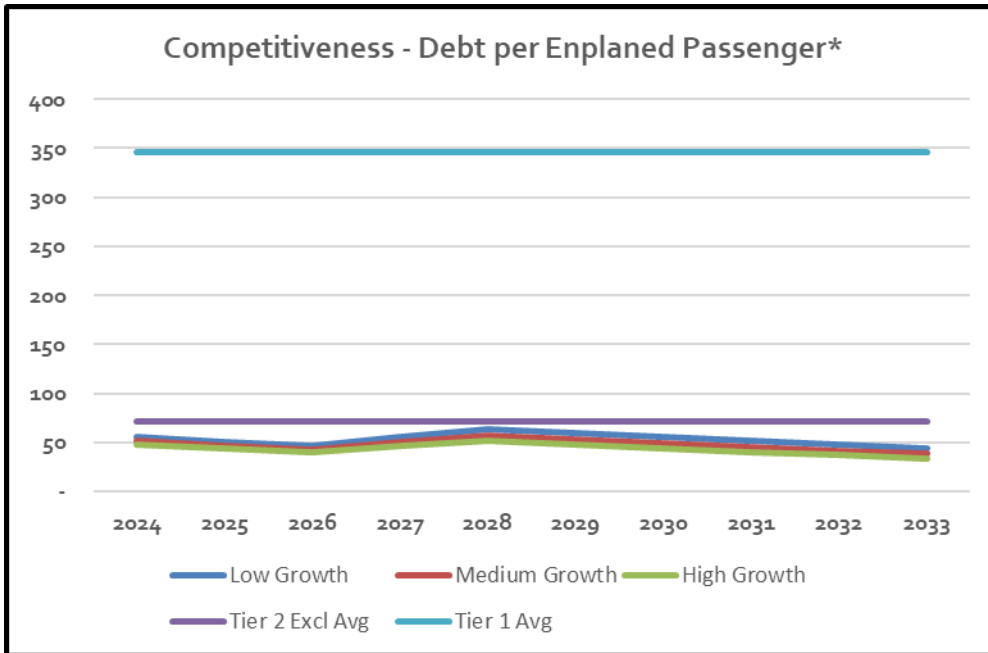
The Airport believes that the proposal will maintain the financial health of the Airport, as shown below. In the following graphs, the Tier 1 average includes all of the Tier 1s: Toronto Pearson, Vancouver, Montreal, Calgary, Edmonton, Ottawa, Winnipeg, and Halifax. The Tier 2 excl. average includes Toronto Billy Bishop, Victoria, St. John’s, Saskatoon, Regina, Prince George, London and Moncton. Quebec City and Fort McMurray have been excluded from the Tier 2 average as they have substantially more debt outstanding than the other Tier 2 airports.



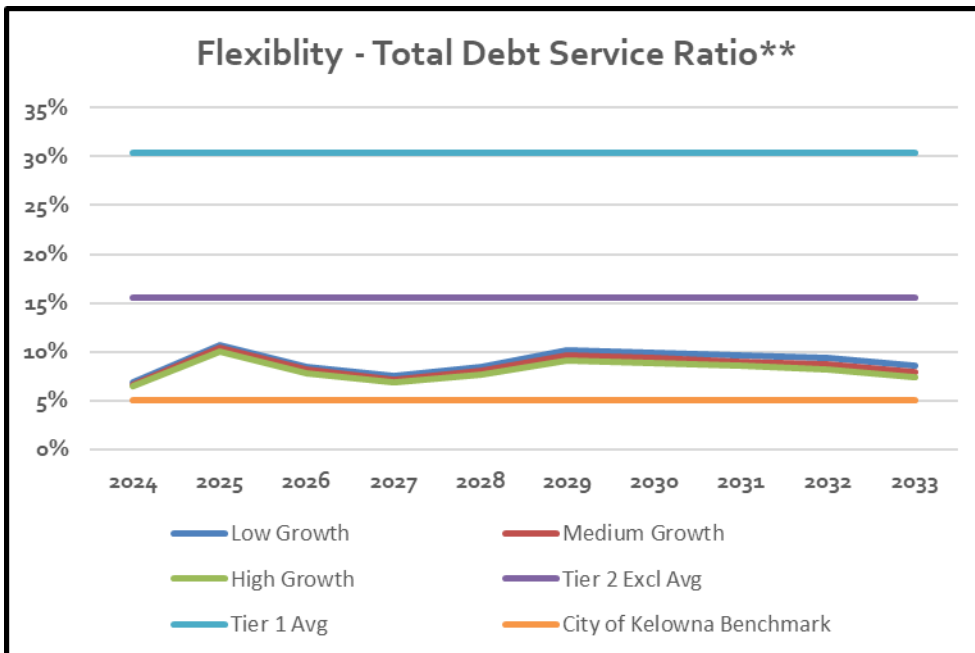
The above graph divides the principal and interest payments by AIF revenues and shows what percentage of the Airport's AIF revenues are forecasted to go towards paying the debt on an annual basis.



The above graph divides the total debt outstanding by the annual AIF revenues.



* The City of Kelowna’s 2022 debt per capita was \$565.



** The City of Kelowna’s 2022 debt service ratio was 3.3%.

Conclusion:

The Airport recommends Council approve amending the City of Kelowna 2023 Financial Plan to include an additional \$17,500,000 in capital expenditures for the ATB Expansion, as outlined in this report. The Airport also recommends that Bylaw No. 7982 be amended to provide the Airport with the ability to increase the AIF to a maximum of \$28.00 per enplaned passenger effective January 1, 2025.

Internal Circulation:

Financial Services
City Clerk's Office
Communications

Considerations applicable to this report:

Financial/Budgetary Considerations:

If approved, the City of Kelowna 2023 Financial Plan would be amended to include an additional \$17,500,000 in capital expenditures. The expenditures would be funded from the Airport Fund and there would be no impact to taxation.

If approved, the Airport would have the ability to increase the AIF to \$28.00 per enplaned passenger effective January 1, 2025, so a corresponding increase in AIF revenues would be brought forward as a part of the preliminary 2025 Financial Plan.

Legal/Statutory Authority:

Community Charter, s. 165
Community Charter, s. 194

Existing Policy:

Council Policy No. 262 Financial Plan Amendment Policy

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

External Agency/Public Comments:

Communications Comments:

Submitted by:

S. Dyrdal, Director, Finance and Corporate Services

Approved for inclusion:

S.S.

S. Samaddar, Chief Executive Officer

cc:

T. McQueenie, Airport Corporate Services Manager

M. Friesen, Controller

C. Brannagan, Communications Advisor



YLW

Kelowna International Airport

Airport 2023 Financial Plan and Bylaw Amendment

August 28, 2023

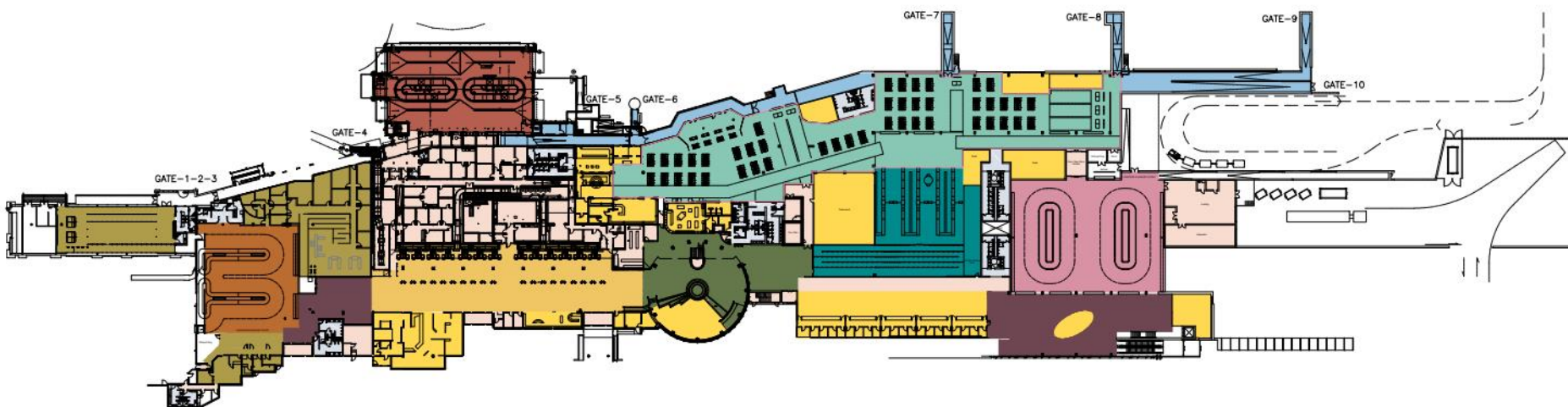
Airport Terminal Building Expansion

▶ Recommendation

- ▶ 2023 Financial Plan amendment
 - ▶ \$17,500,000 for the airport terminal building (ATB) expansion
- ▶ Bylaw 7982 amendment
 - ▶ Ability to increase the Airport Improvement Fee (AIF) to \$28.00 per enplaned passenger, effective January 1, 2025.

Airport Terminal Building Expansion

- ▶ Airport Master Plan 2045
 - ▶ Requirement for a terminal building expansion
 - ▶ Volume 1, Section 8.3 ATB Expansion
 - ▶ Volume 1, Section 8.4 ATB Expansion
 - ▶ Volume 1, Figure 56 on page 89



Airport Terminal Building Expansion

- ▶ Airport Master Plan 2045

- ▶ Appendix C, consultation report

- ▶ Over 45 stakeholder meetings, presentations and workshops
 - ▶ Two open houses
 - ▶ Print and electronic advertising materials, including newspaper, print ads, display boards, surveys, handouts, and presentations
 - ▶ Over 300 feedback forms received
 - ▶ Advertising posts made on YLW's website, Facebook, Twitter and Instagram

Airport Terminal Building Expansion

- ▶ Airport Master Plan 2045
 - ▶ Stakeholder and Public Consultation Feedback Priorities



Airport Terminal Building Expansion

- ▶ Airport Advisory Committee
 - ▶ October 29, 2019, supported
 - ▶ Soaring Beyond 2.5 Million Passengers AIF Program
 - ▶ Capital budget request of \$69.9 M
 - ▶ Increasing the AIF to \$25
 - ▶ September 22, 2022
 - ▶ ATB Expansion enabling works currently underway

Airport Terminal Building Expansion

▶ Council

▶ November 4, 2019

- ▶ Approved \$5 increase to the AIF

▶ December 2019

- ▶ 2020 Financial Plan: \$67.3M capital budget approved

▶ July 2022

- ▶ 2022 Financial Plan: \$0.5M capital budget approved

Airport Terminal Building Expansion

▶ Council

▶ November 21, 2022

▶ Overview of

- ▶ Airport's 10-year capital plan
- ▶ Airport finances
- ▶ Need for debt in addition to the AIF reserves

▶ December 2022

- ▶ 2023 Financial Plan: \$22.9M capital budget approved

▶ February 2023

- ▶ Bylaw approved allowing the Airport to borrow up to \$48M for construction of the ATB expansion

Airport Terminal Building Expansion

▶ Construction Management

▶ 2019

- ▶ PCL awarded construction management contract

▶ 2020 – 2023

- ▶ Engineering, design and phasing
 - ▶ Value engineering
- ▶ The Airport, PCL and design consultants

▶ May 2023

- ▶ Construction tender package closed

Airport Terminal Building Expansion

- ▶ Cost increase
 - ▶ Escalation
 - ▶ Supply chain
 - ▶ Local/regional construction

Year	Amount
2019	\$67,275,000
2022 cost increase	23,400,000
2023 cost increase	17,500,000
Total estimated cost	\$108,175,000

10-Year AIF Capital Plan

	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Soaring Beyond 2.5 Million Passengers AIF Program											
Terminal expansion	142.1	37.5	38.9	22.5	2.6	2.7	2.8	-	-	4.1	31.0
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Self-serve baggage drop	2.3	-	-	-	2.3	-	-	-	-	-	-
Airside lighting and supporting infrastructure	8.1	-	8.1	-	-	-	-	-	-	-	-
Apron 1 south expansion	17.4	-	-	-	0.9	8.1	8.4	-	-	-	-
Passenger boarding bridges	8.2	-	-	-	2.7	2.8	2.7	-	-	-	-
Total	359.4	55.6	55.4	28.0	44.1	39.1	19.8	24.1	27.7	24.0	41.6

 Design
 Construction/purchase

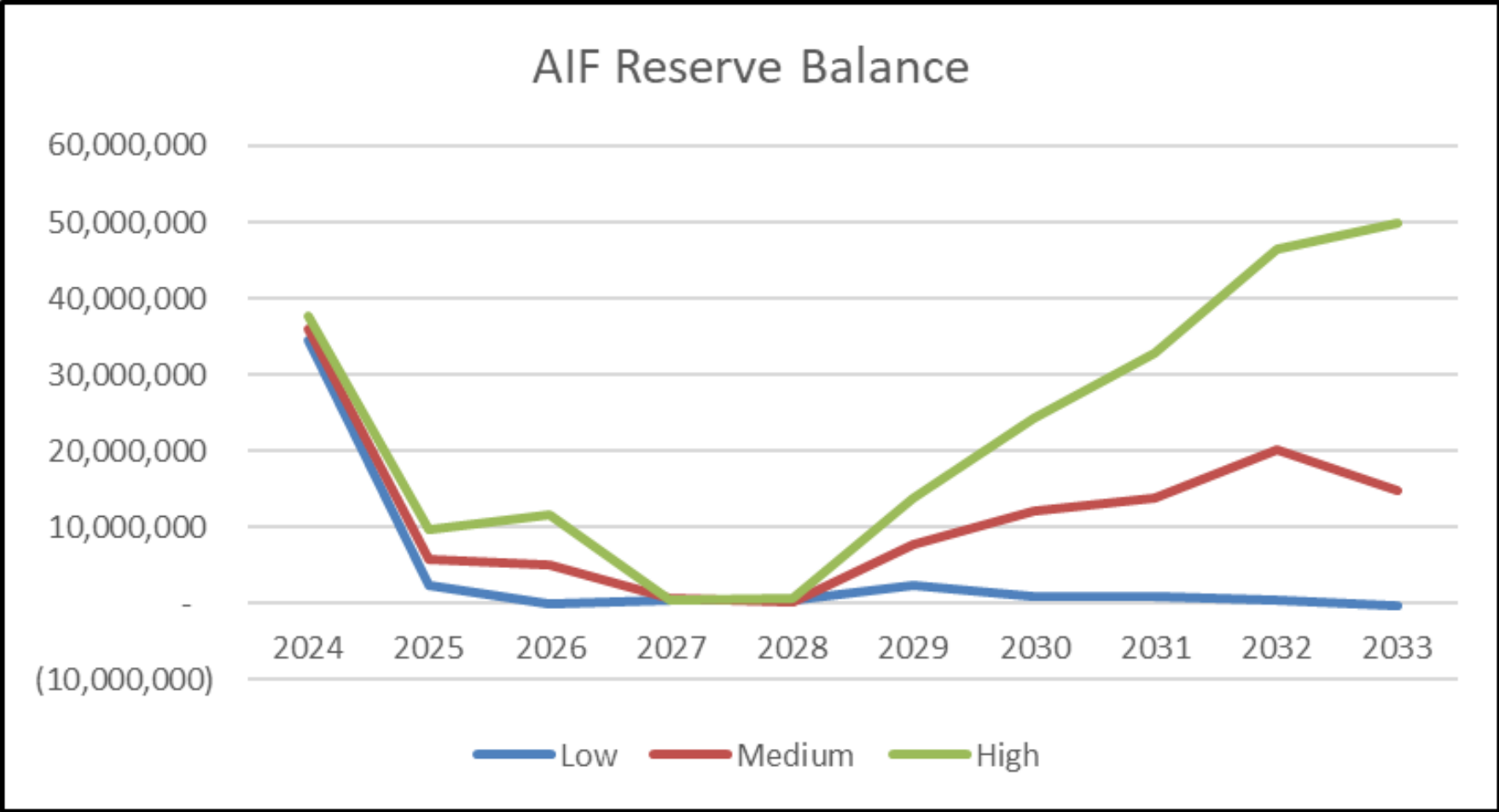
10-Year AIF Capital Plan

▶ Funding

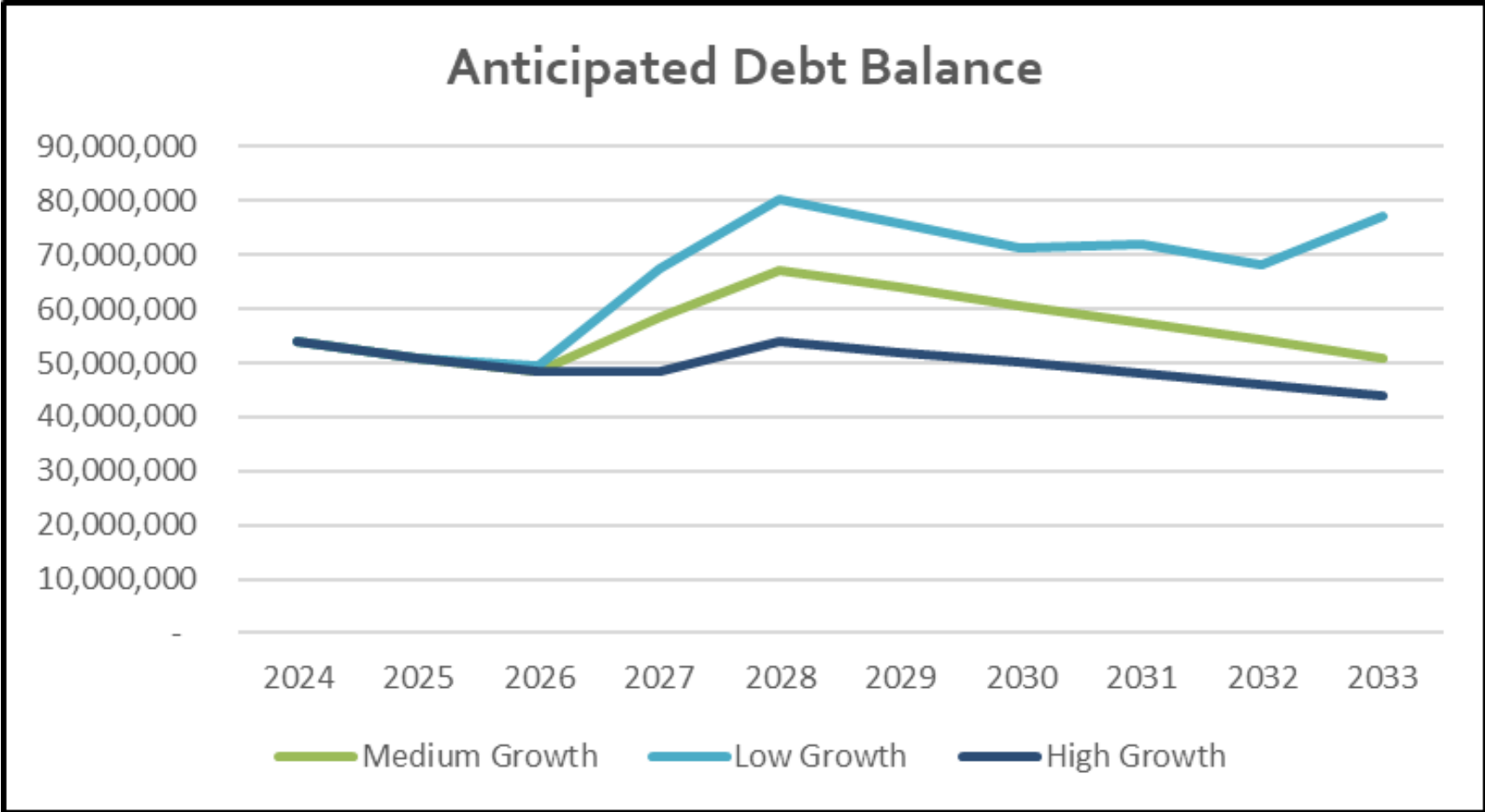
▶ Airport reserve

- ▶ No impact on taxation
- ▶ Anticipated airport improvement fee (AIF)
 - ▶ 2025 - \$28.00
 - ▶ 2026 - \$31.00
 - ▶ 2033 - \$35.00
- ▶ Anticipated borrowing
 - ▶ 2024/25 - \$48 million
 - ▶ 2027/28 - \$23 million

10-Year AIF Capital Plan

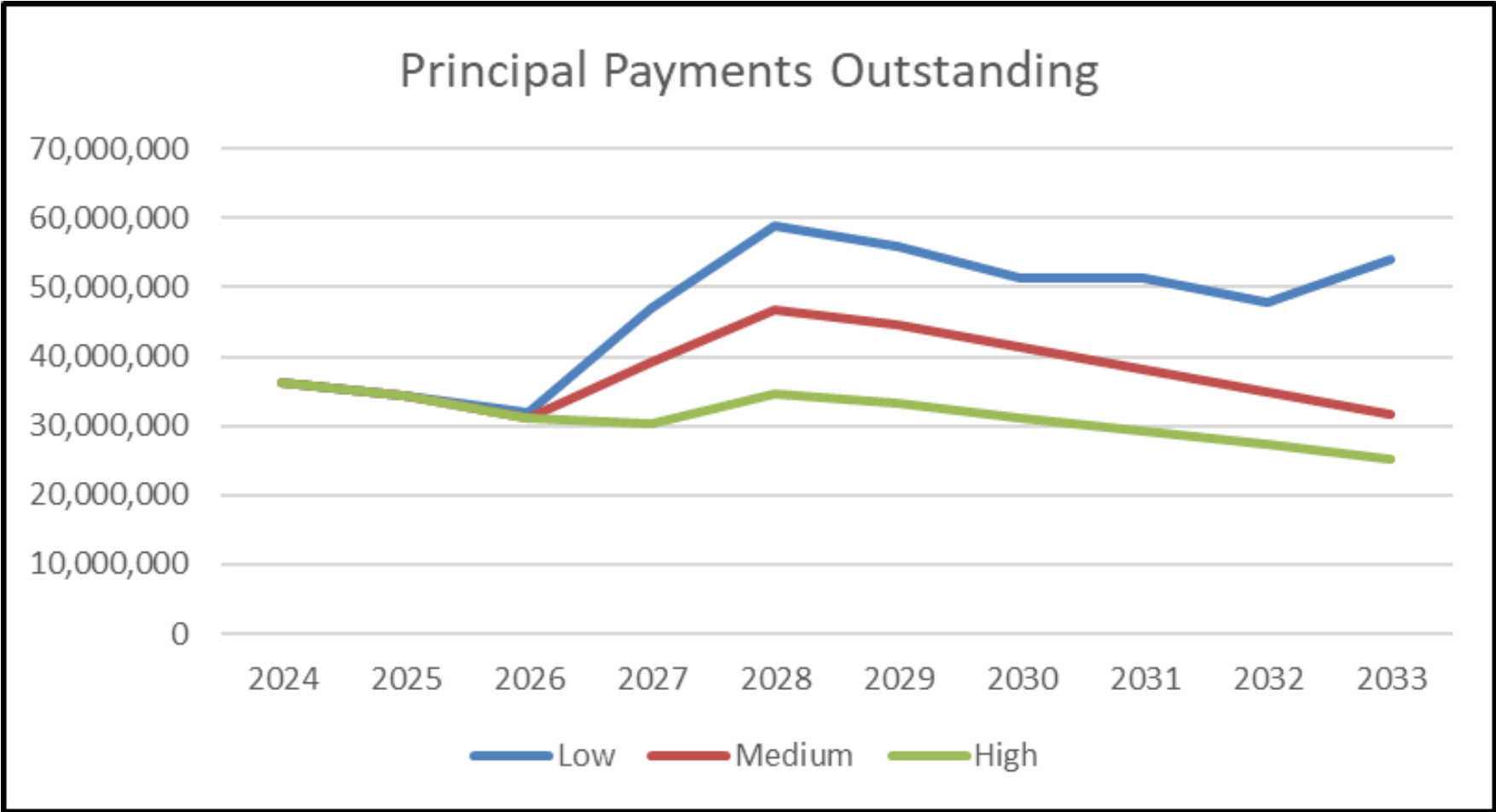


10-Year AIF Capital Plan



10-Year AIF Capital Plan

Principal Payments Outstanding

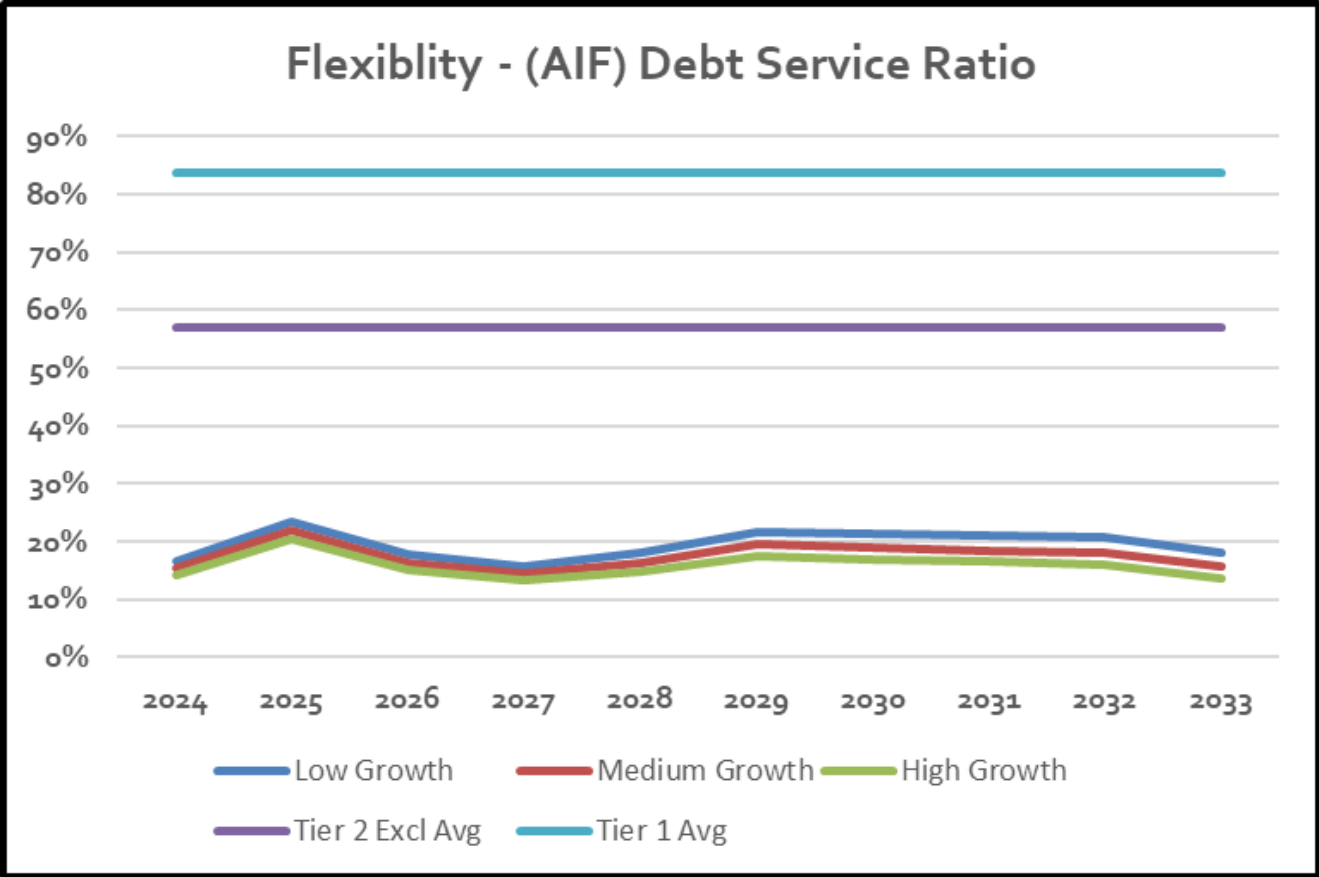


10-Year AIF Capital Plan

- ▶ Anticipated principal and interest payments
 - ▶ \$3.6 – 6.6 million
 - ▶ Maximum annual passengers required
 - ▶ 478,000 passengers
 - ▶ 2020
 - ▶ 737,000 passengers
 - ▶ First 12 months of the COVID-19 pandemic
 - ▶ 373,000 passengers

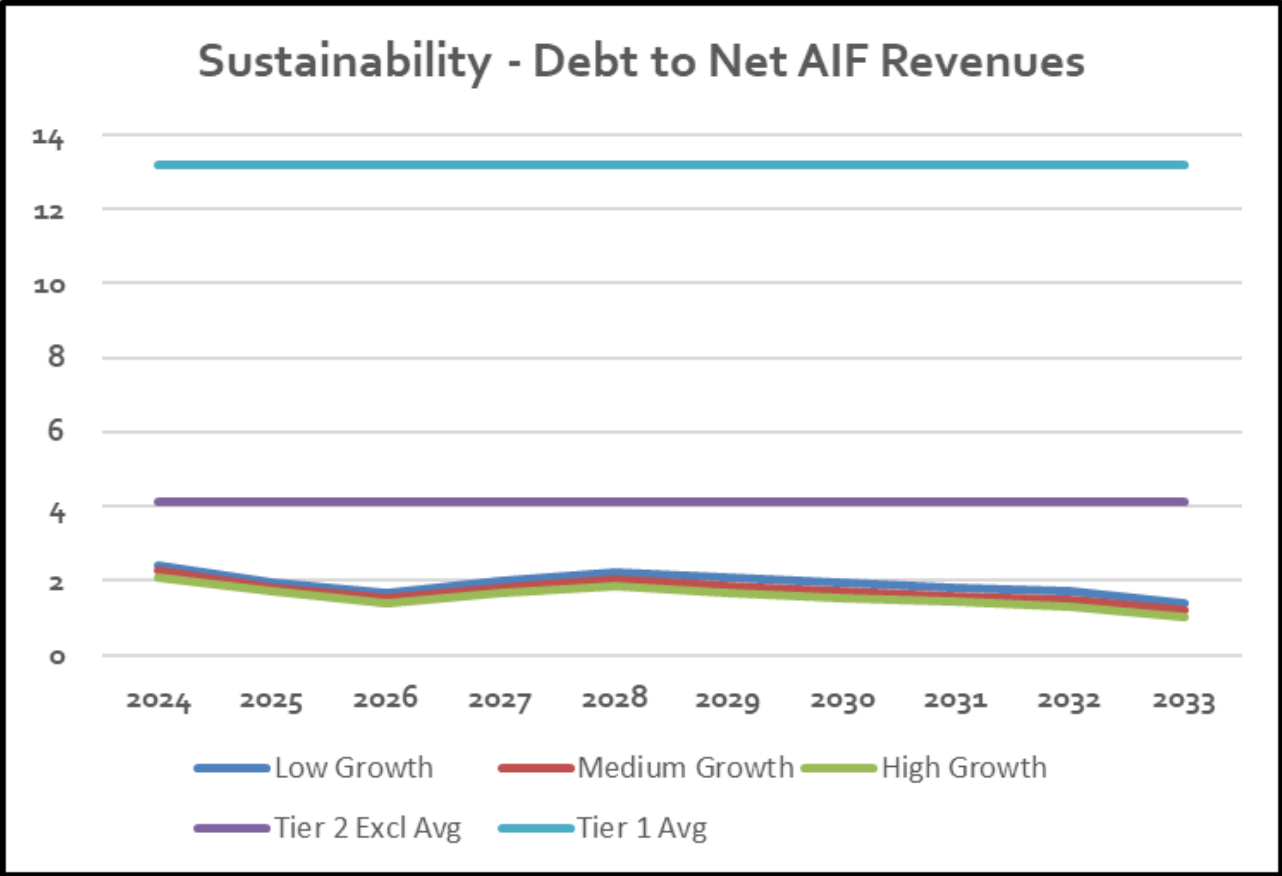
10-Year AIF Capital Plan

► Financial Health



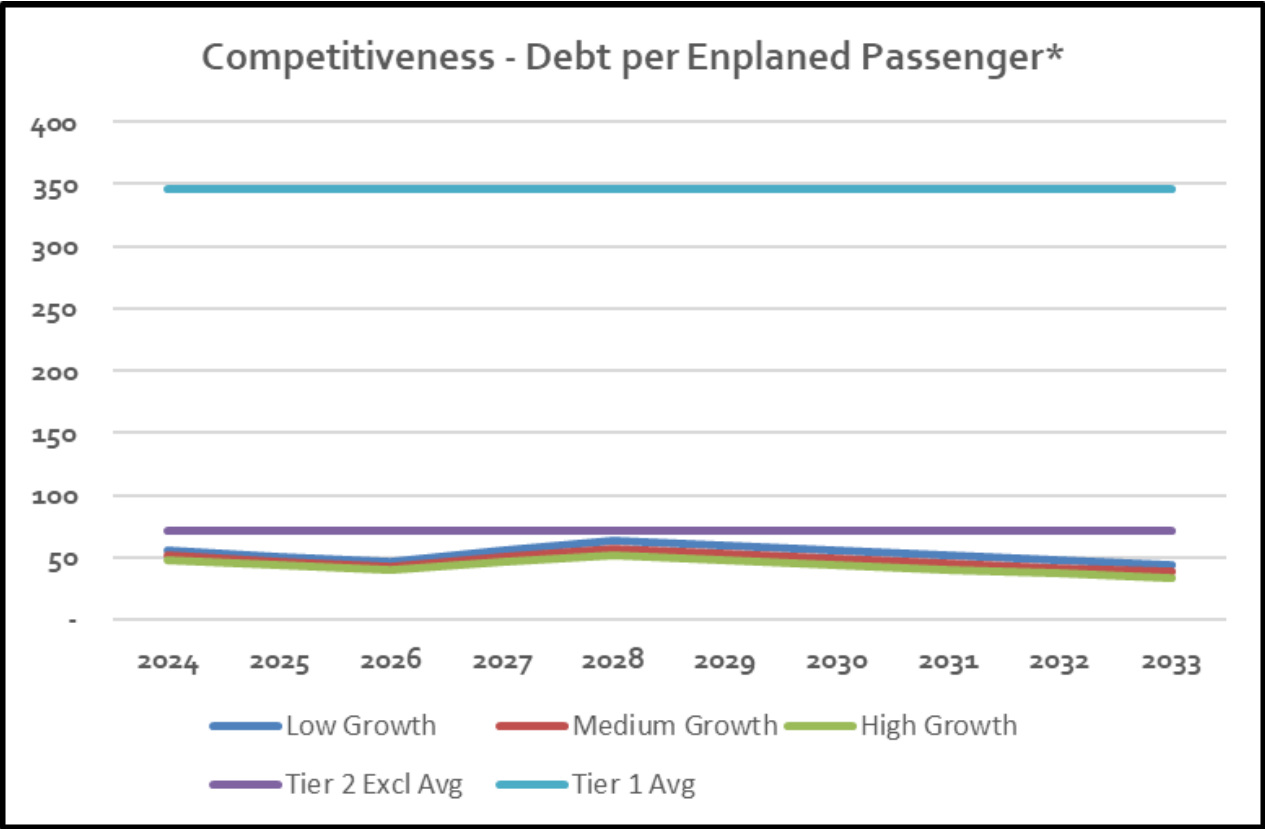
10-Year AIF Capital Plan

► Financial Health



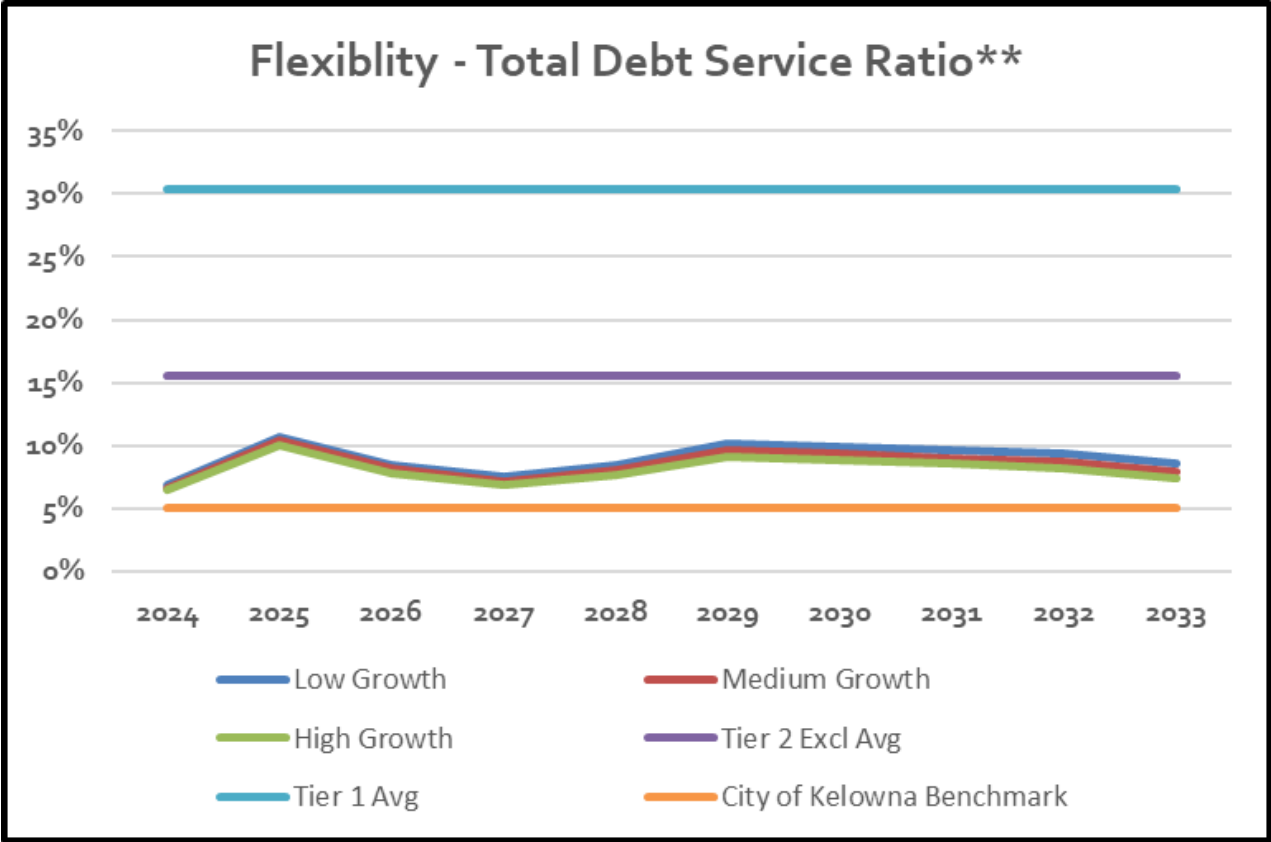
10-Year AIF Capital Plan

► Financial Health



10-Year AIF Capital Plan

► Financial Health





Questions?

For more information, visit ylw.kelowna.ca.

CITY OF KELOWNA

Airport Fees Bylaw No. 12578

Amendment No. 40 to Airport Fees Bylaw No. 7982

WHEREAS the Community Charter, Section 194, allows Council to impose a fee payable in respect of a municipal service, the use of municipal property, or the exercise of authority to regulate, prohibit or impose requirements.

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the Airport Fees Bylaw No. 7982 be amended as follows:

1. THAT **Section 22. Airport Improvement Fees** be amended as follows:

1.1. Subsection 22.1 be deleted in its entirety and replaced with the following:

"FOR SIGNATORY AIR CARRIERS TO THE AIRPORT IMPROVEMENT FEE (AIF) MEMORANDUM OF AGREEMENT OR AIF AGREEMENT

A fee per departing passenger, less the handling fee provided for in the AIF Memorandum of Agreement or AIF Agreement is as follows:

For travel	Fee per departing passenger
March 1, 2020 to December 31, 2024	\$25.00
January 1, 2025 on	Up to \$28.00

"

1.2. Subsection 22.2 be deleted in its entirety and replaced with the following:

"FOR NON-SIGNATORY AIR CARRIERS

For travel	Fee per departing passenger
March 1, 2020 to December 31, 2024	\$25.00
January 1, 2025 on	Up to \$28.00

"

2. This bylaw may be cited as "Bylaw No. 12578, being Amendment No. 40 to Airport Fees Bylaw No. 7982".

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: August 28, 2023
To: Council
From: City Manager
Subject: Callahan Construction Company Ltd. – Extension to Sublease
Department: Kelowna International Airport and Real Estate

Recommendation:

THAT Council receives for information the report from Kelowna International Airport and Real Estate dated August 28, 2023, with respect to the extension of the Sublease with Callahan Construction Company Ltd.;

AND THAT COUNCIL approves the five (5)-year extension to the Sublease with Callahan Construction Company Ltd. attached as Appendix A to the report of the Kelowna International Airport and Real Estate dated August 28, 2023;

AND FURTHER THAT the Real Estate Manager be authorized to execute all documents necessary to complete the transaction.

Purpose:

To obtain Council’s approval of a five (5)-year extension to the land and building sublease with Callahan Construction Company Ltd. over a portion of land located on federally owned property leased to the City.

Background:

The subject property is located off Airport Way, north of the Airport Terminal Building, on lands leased from His Majesty the King in Right of Canada as represented by the Minister of Transport to the City of Kelowna (the “City”) (the “Property”). The City entered into a land sublease for the Property with Callahan Construction Company Ltd. (“Callahan”) in 1982, which expired on December 29, 2019. During the term of the original sublease, Callahan constructed a building (the “Building”) on the Property and subleased portions of the Building to aviation-related businesses. The City and Callahan entered into two further two (2)-year subleases and the current sublease expires on December 30, 2023. Current tenants include Transport Canada, Air Canada and WestJet cargo operations.

Discussion:

Callahan proposes to extend the term of the current sublease by five (5) years. Callahan intends to continue to sub-lease portions of the Building to tenants supporting the operation of the Kelowna International Airport.

A third-party land and building lease rental valuation was commissioned to determine the market value of the lands and building and was used to calculate the corresponding rent as outlined below.

Lease Component	Description
Tenure Type	Land and building sublease
Land Lease Area	46,167 ft ²
Term	5 years commencing on December 31, 2023
Renewal Consideration	No option to renew
Rent	\$104,799.09 per annum (increasing at 2% per annum as per Airport Fees Bylaw 7982)
Airport Maintenance Charge	\$1,571.98 per annum (increasing at 2% per annum as per Airport Fees Bylaw 7982)
Lease Costs	City to pay a maximum of \$20,000.00 per year for repairs and maintenance to the Premises. All costs over \$20,000.00 per year to be paid by the Tenant.
Site Condition on Expiry	Land, structures, and any improvements revert to the City upon expiry

Conclusion:

The Airport and Real Estate recommend that Council receive this report and approve the five (5)-year extension to the Sublease with Callahan Construction Company Ltd.

Internal Circulation:

Financial Services
Communications

Considerations applicable to this report:

Financial/Budgetary Considerations:

Rent will be paid at an annual rate of \$104,799.09 increasing at 2% per annum pursuant to Bylaw 7982. The Airport Maintenance Charge will be paid at an annual rate of \$1,571.98 increasing at 2% per annum. If approved, the revenue associated with the extension of sublease would be incorporated in the 2024 Financial Plan.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Legal/Statutory Authority:

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Submitted by: S. Dyrdal, Director Finance & Corporate Services and J. Saufferer, Real Estate Manager

Approved for inclusion:

SS

S. Samaddar, Chief Executive Officer

cc:

T. McQueenie, Airport Corporate Services Manager

J. Saufferer, Real Estate Manager

M. Friesen, Controller

C. Brannagan, Communications Advisor



YLV

Kelowna International Airport

Callahan Construction Company Ltd. Extension to Sublease

(August 28, 2023)

Callahan Construction Company Ltd.

- ▶ Callahan Construction Company Ltd.
 - ▶ Tenant at the Airport since 1982
 - ▶ Sub-subleases space to aviation-related operators
 - ▶ Transport Canada
 - ▶ Air Canada cargo
 - ▶ WestJet Technical Operations

Sublease Premises



Premises

Key Sublease Terms

- ▶ 5-year extension
- ▶ 46,167 square feet
- ▶ Rent: \$104,799.09 per annum
- ▶ Airport maintenance charge: \$1,571.98 per annum
- ▶ \$20,000.00 per annum paid by City for repairs and maintenance
- ▶ No option to renew
- ▶ Land, structures and improvements revert to the City upon expiry

Questions?

AMENDMENT TO SUBLEASE AGREEMENT

THIS AGREEMENT is dated for reference and made effective as of August 17, 2023 (the “**Effective Date**”)

BETWEEN:

CITY OF KELOWNA

1435 Water Street, Kelowna BC V1Y 1J4

(the “**City**”)

AND:

CALLAHAN CONSTRUCTION COMPANY LTD. (Inc. No. BC0066876)

700 – 401 West Georgia Street, Vancouver, BC V6B 5A1

(the “**Subtenant**”)

WHEREAS:

- A.** By a lease (#109806) dated December 19, 1979 (the “**Head Lease**”) between the City and Her Majesty the Queen in Right of Canada (the “**Head Landlord**”), as represented by the Minister of Transport (the “**Minister**”), the Head Landlord leased to the City the following lands, on the terms and conditions set out in the Head Lease:

Parcel Identifier: 009-459-014

Lot 3 District Lots 32 and 120 and of Section 14 Township 23 Osoyoos Division
Yale District Plan 11796

Parcel Identifier: 013-949-101

Lot B District Lot 122 Osoyoos Division Yale District Plan 41159

Parcel identifier: 011-518-189

Lot 7 Section 14 Township 23 Osoyoos Division Yale District Plan 1502 Except
Plan H16596

(collectively, the “**Lands**”);

- B.** The City and the Head Landlord amended the Head Lease on November 8, 1983, January 15, 1985, October 31, 1986, January 19, 1990, November 29, 1990, May 26, 1994, June 14, 1994, February 16, 1996, July 24, 2015, and March 25, 2021;
- C.** By a sublease between the City and the Subtenant dated for reference April 9, 2021 (the “**Sublease**”), the City subleased to the Subtenant certain premises (referred to in the

Sublease as the “**Premises**”) for the purpose of supporting the operation of an airport, on the terms and conditions contained therein; and

- D. The parties wish to amend Sublease in accordance with the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the rents, covenants, and agreements to be paid, observed, and performed by the Subtenant, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the City and the Subtenant covenant and agree as of the Effective Date as follows:

Condition Precedent

1. This Agreement is subject to the satisfaction of the following condition precedent, which is for the sole benefit of the Subtenant and may be waived by the Subtenant at its sole discretion:
 - (a) On or before August 31, 2023, the Subtenant shall have provided the City with executed copies of renewed sub-sublease agreements between the Subtenant and the existing sub-subtenants of the Premises.

In consideration of \$10.00 non-refundable paid by the Subtenant to the City and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the City, the City agrees not to revoke its acceptance of this Agreement while it remains subject to the condition precedent under this section. If the Subtenant does not give the City notice of its satisfaction or waiver of the condition precedent under this section within the applicable time provided herein, this Agreement will automatically terminate and the parties will have no further obligations to each other under this Agreement.

Term

2. The Sublease is hereby amended to extend the Term of the Subtenant’s subtenancy to create a fixed term of seven (7) years, commencing on December 31, 2021 and ending on December 30, 2028.
3. For clarity, section 3(a) of the Sublease is hereby amended as follows:
 - (a) by deleting the words “two years” and replacing them with the words “seven years”; and
 - (b) by deleting the words “December 30, 2023” and replacing them with the words “December 30, 2028”.

4. The five (5) year period from December 31, 2023 until December 30, 2028 is referred to in this Agreement and in the Sublease as (the “**Extended Term**”).

Addition to Premises

5. The Sublease is hereby amended by adding the 34,517 square foot parcel of land, shown outlined in red on the sketch plan attached as Schedule “A” to this Agreement (the “Added Premises”), to the area comprising the Premises, which shall form part of the Premises effective December 31, 2023.
6. The Subtenant shall use the Added Premises only for the purposes of parking its vehicles and storing its equipment.

Rent

7. The Sublease is amended by providing that the rent (pursuant to section 5 of the Sublease) and airport maintenance charges payable by the Subtenant for the Premises during the Extended Term shall be calculated in accordance with the square footage of the Premises, such that the Subtenant shall pay rent and airport maintenance charges for the Premises as follows, effective December 31, 2023:
 - (a) rent is calculated at the rate of \$2.27 per square foot of the Premises = 46,167 square feet x \$2.27 = \$104,799.09 per annum, payable in advance in monthly installments of \$8,733.25;
 - (b) an airport maintenance charge is calculated at the rate of \$.03405 per square foot of the Premises = 46,167 square feet x \$0.03405 = \$1,571.98 per annum, payable in advance in monthly instalments of \$130.99; and
 - (c) the rent and airport maintenance charge shall be subject to the annual fee increases under the Airport Fees Bylaw No. 7982, including any amendments thereto.

Subtenant’s Covenants

8. Section 7(i) of the Sublease is hereby amended to provide as follows:
 - “(i) to pay all costs and expenses of any kind whatsoever associated with and payable in respect of the Premises, the Subtenant’s improvements and trade fixtures, and all equipment, furniture and other personal property brought onto the Premises by the Subtenant and any business or activity conducted on or from the Premises, including without limitation, all taxes (including property taxes), levies, charges and assessments, permits and license fees, strata fees and levies, repair and maintenance costs (subject to section 13(b)), all the City’s costs associated with

obtaining and maintaining all-risk property insurance for the Premises pursuant to section 20 (to a maximum cap of \$600.00 per year), administration and service fees, telephone, electrical, gas, garbage disposal, heating, water, sewage disposal and other utility charges and payments for work and materials;”.

Repair and Maintenance

9. The Sublease is hereby amended by deleting section 13 in its entirety and replacing it with the following:

“Repairs and Maintenance

13.

(a) The Subtenant shall:

- i. by itself or by the use of agents, put and keep in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building) the Premises, and the appurtenance and equipment of the Premises, both inside and outside, including but not limited to fixtures, walls, foundations, roofs, vaults, elevators (if any) and similar evidences, heating and air conditioning equipment, sidewalks, landscaping, yard and other like areas, water and sewer mains and connections, water, steam, gas, and electric pipes and conduits, and all other fixtures on the Premises and machinery and equipment used or required in the operation of it, whether or not enumerated in this Sublease.
- ii. in the same manner and to the same extent as a prudent owner, make any and all necessary repairs, replacement, alterations, additions, changes, substitutions, and improvements, ordinary or extraordinary, foreseen or unforeseen, structural or otherwise, and keep the Building and aforesaid fixtures, appurtenances, and equipment fully usable for all of the purposes for which the Building was erected and constructed and the specified fixtures, appurtenances, and equipment were supplied and installed. Such repairs will be performed in a workmanlike manner and in all respects to the standard at least substantially equal in quality or material and workmanship to the original work and material in the building and aforesaid fixtures, appurtenances, and equipment.

- (b) The City shall reimburse the Subtenant for costs incurred by the Subtenant to undertake the following repairs and maintenance to the Premises: repairs to the roof of the Building; repairs and maintenance to the paint on or in the Building; mechanical repairs to the Premises, including plumbing and replacements outside of a standard HVAC maintenance contract; and repairs to the asphalt on the Premises (the “**Reimbursable Repairs**”), to a maximum amount of twenty thousand dollars (\$20,000) per year, excluding taxes (the “**Repair Allowance**”), in accordance with the process set out in section 13(d) below. The Subtenant shall be responsible for all costs of repairs and maintenance to the Premises, including Reimbursable Repairs, over and above the Repair Allowance amount.
- (c) Notwithstanding the foregoing, the City shall not reimburse the costs of any Reimbursable Repairs incurred by the Subtenant that the Subtenant has or is entitled to recover from a sub-subtenant under a sublease of the Premises, including by way of the Common Area Maintenance recovery.
- (d) The parties agree that the Reimbursable Repairs will be reimbursed by the City in accordance with the following process:
- i. The Subtenant shall provide the City with written notice of any required Reimbursable Repairs.
 - ii. Upon receipt of written approval by the City, the Subtenant shall proceed with the Reimbursable Repairs. For clarity, except in the case of an emergency, including but not limited to roof leak and temporary repair, HVAC service call for a no heat or cooling request with repair below \$500, the Subtenant shall not proceed with any Reimbursable Repairs without prior written approval by the City. Such approval not to be unreasonably withheld and to be provided within two (2) business days of receipt of notification so the Subtenant can proceed with its obligation under 13(a) of the Sublease (as amended herein).
 - iii. On completion of any of the Reimbursable Repairs and anytime thereafter at the City’s request, the Subtenant shall provide all documentation, including invoices and receipts, relating to the Reimbursable Repairs to the City.

- iv. The City will reimburse the Subtenant for the Reimbursable Repairs within 30 days after receipt of such invoice and documentation.”

Insurance

10. Section 20 of the Sublease is hereby amended as follows:

“The Subtenant shall obtain and maintain during the Term insurance in accordance with the requirements of Schedule C. For clarity, the insurance requirements set out in Schedule C are minimum requirements and are not to be interpreted in a manner that limits the Subtenant’s obligations under this Sublease and the Subtenant shall be responsible for obtaining and maintaining such additional insurance as would a prudent tenant having similar obligations and interests to those of the Subtenant under the terms of this Sublease.

The City shall obtain, and maintain during the Term, all-risk property insurance, in an amount equal to one hundred percent (100%) of the full replacement cost of the value of the Premises and of the Subtenant’s personal property and fixtures that are in the nature of trade fixtures. The City will recover all costs of obtaining and maintaining such insurance from the Subtenant, pursuant to section 7(i).”

No Assignment

11. The Sublease is hereby amended by deleting section 32 in its entirety and replacing it with the following:

“No Assignment or Sub-sublease

32. The Subtenant may not assign this Sublease or the benefit of this Sublease, or sublet the Premises or any part of the Premises beyond the date of expiry of this Agreement, without the prior written consent of the City, nor may the Subtenant charge, mortgage, or encumber, or purport to charge, mortgage, or encumber the Subtenant’s interest in the Premises or this Sublease without the prior written consent of the City. The City may withhold such consents at its sole discretion and without reason. The Subtenant shall be responsible for all costs associated with any assignment or sub-sublease of the Premises, including the City’s associated legal and administrative costs. Any assigning, sub-subletting, or sharing of possession permitted under this section must be in accordance with the Head Lease and in particular section 4.02.01 of the amendment to the Head Lease dated March 25, 2021.”

Notices

12. The Sublease is hereby amended by deleting section 49 in its entirety and replacing it with the following:

“Notices

49. Where any notice, request, opinion, direction or other communication (any of which is a **“Notice”**) is to be given or made by a party under this Sublease, it shall be in writing and shall be effective if delivered by hand or sent by registered mail or electronic transmission to the applicable addresses below:

To the City:

#1 – 5533 Airport Way
Kelowna, BC, V1V 1S1
Attention: Airport Corporate Services Manager
E-mail: ylwadmin@kelowna.ca
Fax: 250-765-0213

To the Subtenant:

208 – 1626 Richter Street
Kelowna, BC, V1Y 2M3
Attention: Bob Callahan
E-mail: bob@callahanpg.ca
Fax: 250-717-3400

Any Notice will be deemed to have been delivered:

- (a) if delivered by hand, upon receipt;
- (b) if sent by fax or e-mail, twenty-four (24) hours after the time of confirmed transmission;
- (c) if sent by registered mail, five (5) days after the mailing thereof, provided that if there is a postal strike or other disruption, such notice shall be delivered by hand or e-mail.

Either party may change their respective addresses for delivery by delivering notice of change as provided under this Section 49.”

Representation of City

13. The City represents and warrants to the Subtenant that the Sublease, as modified by this Agreement, constitutes a "Sub-lease in the Ordinary Course of Operations" under the Head Lease and the Amendment to Lease thereto made March 25, 2021, and that this Agreement does not require the consent of the Head Landlord.

Entire Agreement

14. The City has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Subtenant other than those contained in this Agreement.

Interpretation

15. This Agreement as and from the Effective Date will be read and construed along with the Sublease and treated as a part thereof, and the Sublease, as hereby modified, will continue to be of full force and effect.

16. All terms, conditions, covenants and agreements of the Sublease not specifically modified by this Agreement shall remain unchanged and in full force and effect.

17. Each party will at all times execute and deliver at the request of the other such further documents, deeds, instruments and things, and do and perform such other acts, as may be reasonably necessary to give full effect to the intent and meaning of this Agreement.

18. Wherever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine or the body corporate or politic where the context or the parties so require and, where the Subtenant consists of more than one person, the term "Subtenant" shall mean all such persons jointly and severally.

Severability

19. If any section of this Agreement or any part of a section is found by a court to be unlawful or unenforceable, that part or section, as the case may be, shall be considered separate and severable and the remaining parts or sections, as the case may be, shall not be affected thereby and shall be enforceable to the fullest extent permitted by law.

Enurement

20. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Time is of the Essence

21. The parties agree that time is of the essence in this Agreement.

Counterparts and Electronic Delivery

22. This Agreement may be executed in one or more counterparts, each of which will be an original, and all of which together will constitute a single instrument. Further, this Agreement or a counterpart thereof may be executed by a party and transmitted by electronic transmission and if so executed and transmitted this Agreement will be for all purposes as effective and binding upon the party as if the party had delivered an originally executed document.

IN WITNESS whereof the parties have executed this Agreement on the dates written below.

CITY OF KELOWNA by its authorized signatories:

Real Estate Manager

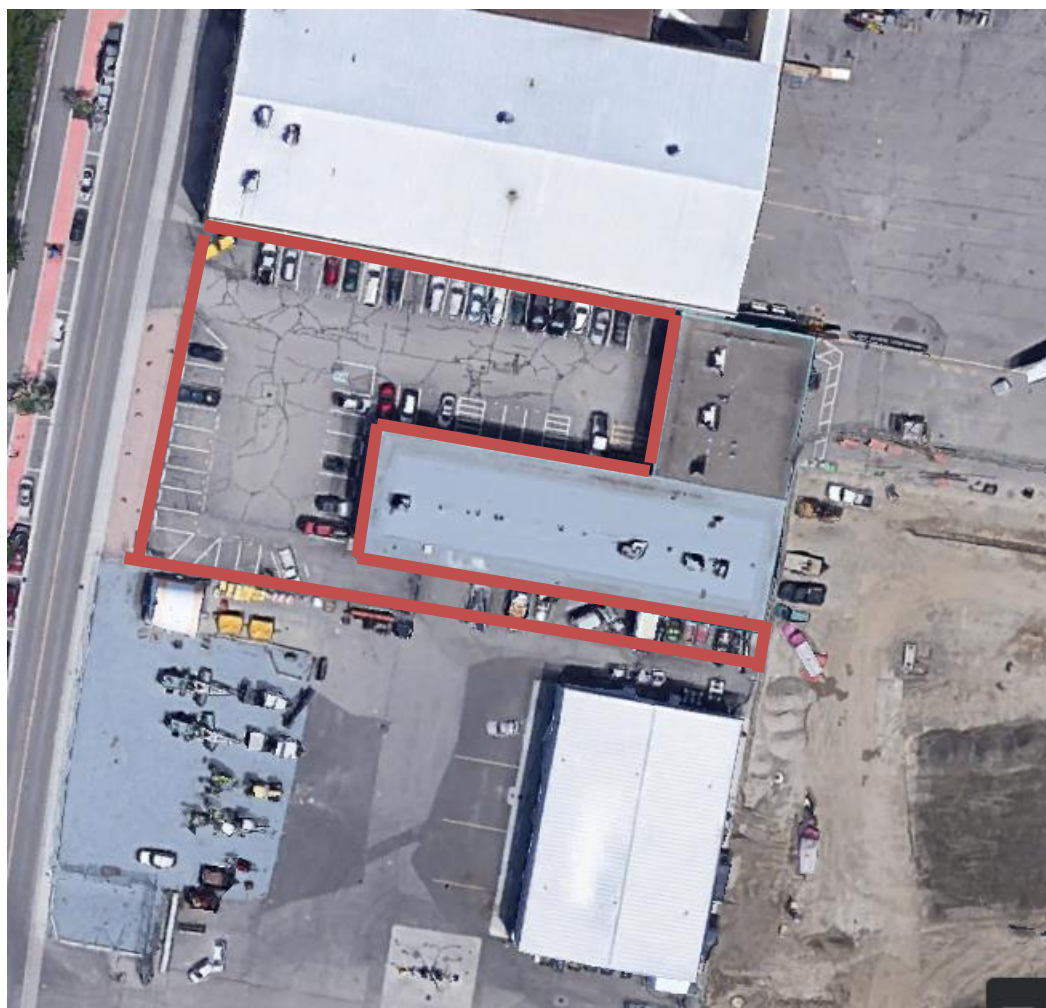
CALLAHAN CONSTRUCTION COMPANY LTD. (Inc. No. BC0066876), by its authorized signatories:

DocuSigned by:
Bob Callahan
095ED757C55241E

Name: Bob Callahan

Name:

Schedule A - Added Premises



Report to Council



Date: August 28, 2023
To: Council
From: City Manager
Subject: Second Quarter 2023 Financial Performance
Department: Financial Services

Recommendation:

THAT Council receives, for information, the Second Quarter 2023 Financial Performance Report.

AND THAT the 2023 Financial Plan be amended to include the budget redeployment of \$1.5M from surplus investment income to the City’s Housing Opportunities Reserve Fund to facilitate the timely acquisition of lands necessary to meet the most urgent housing needs of our community.

Purpose:

To provide Council with information summarizing the City of Kelowna’s second quarter financial activity in alignment with the format outlined in the February 13, 2023 report to Council on the 2023 Financial Health Dashboard.

Background:

2023 Financial Health Dashboard

The 2023 Financial Health Dashboard report brought to Council February 13, 2023 resulted in direction from Council to staff to report quarterly on activity performance measures. As part of finance staff’s ongoing commitment to enhancing transparency, understanding and accountability for utilization of City funds, this report is the next step enhancing our financial framework with the implementation of quarterly financial reporting.

There are now two types of reporting on the financial health of the City:

1. Quarterly Reporting: measures of the City’s financial performance are against Council approved budgets.

2. Financial Health Measures: These benchmarked financial KPI's illustrate the City's overall financial health as compared to other Municipalities and City expectations.

Discussion:

Performance to date

Performance, seen in the table below, indicates that spending has been below budget while revenue collection has been above budget.

Activity Ratio	Description	Second Quarter Performance (YTD)
Revenue Earned to Budget	Measures revenue performance against original and amended budget. This metric allows management/Council to identify gaps or surpluses, and to adjust where required to reach financial goals.	Group: Divisions ➤ \$552M (60%)
Actual Spend to Budget	Measures performance against original and amended net budget. This measure provides an indication of progress toward planned outcomes.	Group: Divisions ➤ \$271M (30%)
Payroll Expenditure to Budget	Measures salary performance, the City's largest expenditure, against original and amended budget. This measure highlights challenges with recruitment and may be a leading indicator of other upcoming challenges.	Group: Divisions ➤ \$57M (51%)
Capital Expenditure Burn Rate (Actual Spend to Budget by Cost Centre):	Measures the percent of annual capital budget being used and indicates the City's ability to deliver on its capital program.	Group: Capital Cost Centres ➤ \$46M (23%)
Investment Income Revenue to Budget:	As a rapidly growing city, investment income will continue to be a greater part of our annual budget. A more specific metric than Revenue Earned/Budget, this metric specifically measures investment returns to allow management/Council to manage the ongoing impacts of economic volatility.	Group: Investments ➤ \$14M (70%)

Deviation from budget targets is dominated by anticipated timing differences. (For example, the tax revenue collected for the City and for other governments is largely collected annually, during the second quarter.)

Divisional budget target by year-end

Active Living and Culture: On Budget

Airport: On Budget

City Clerk:	On Budget
City Manager:	On Budget
Corporate and Protective Services:	On Budget
Corporate Strategic Services:	On Budget
Financial Services:	Revenues trending higher than budget due to Investments
Infrastructure:	On Budget
Partnerships and Investments:	Expenses trending under budget due to Parks & Planning project deferral.
Planning, Climate Sustainability and Development Services:	Revenues trending higher than budget due to fees and charges

Risks Identified

The financial activities and progress to date have been stable and reveal no indication of potential future risks.

Budget redeployment

The practice of budget redeployment through quarterly reporting holds significant importance for municipalities. This approach involves reallocating funds based on changing priorities and providing financial updates every quarter. It offers several benefits:

- Adaptation:** Municipalities can respond to emerging needs and priorities promptly.
- Decision-Making:** Up-to-date financial information aids informed resource allocation.
- Risk Management:** Swift allocation of funds for unforeseen events enhances preparedness.
- Transparency:** Clear reporting fosters trust and accountability among stakeholders.
- Resource Efficiency:** Funds are allocated based on outcomes, enhancing operational effectiveness.
- Long-Term Planning:** Data from multiple quarters informs future planning.

For Quarter 2 of the 2023 fiscal year, Financial Services is proposing the following fund transfers:

1. Redeploy \$1,500,000 from the forecasted surplus in investment income to the City’s Housing Opportunities Reserve Fund to help facilitate timely acquisition of lands as necessary to meet the most urgent housing needs of our community.

Conclusion:

The second quarter financial performance reflects a positive outlook for the organization, with most divisions successfully tracking on budget. The performance across multiple divisions demonstrates the effectiveness of our financial planning and resource allocation strategies.

Internal Circulation:

Considerations applicable to this report:

Financial/Budgetary Considerations:

\$1.5M from surplus investment income to the City's Housing Opportunities Reserve Fund to facilitate the timely acquisition of lands necessary to meet the most urgent housing needs of our community.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Communications Comments:

Submitted by: M. Friesen, Controller Financial Services

Approved for inclusion:



Joe Sass, Divisional Director Financial Services



Measuring Financial Performance

Kelowna's Second Quarter Financial Activity

August 28, 2023

Introduction

The data presented here will offer an understanding of our financial performance, enabling you to make informed assessments of our municipality's financial activity.

We will examine revenue and expenditure trends and delve into investments and capital spending to provide insights into the factors driving our financial performance.



Reporting Timeline

TIMING

REPORTING

Financial Performance & Budget utilization

Health Check Indicators

- Quarter 1
- Quarter 2
- Quarter 3
- Year End

- ✓
- ✓
- ✓
- ✓

- ✓
- ✓



Categories

- Activity Highlights of Council Priorities
- Year-to-Date Activity Trends
- Actual Activity to Budget by Division
- Investment Income Revenue & Capital Expenditure to Budget

COUNCIL PRIORITIES – Activity Highlights

Crime & Safety

- Health Canada Grant Funding has increased by \$300K to prolong two initiatives.
- Youth Gang Prevention Grant funding from Public Safety Canada approved for \$1.8M over 3 years.

Affordable Housing

- 73% of Kelowna Housing Needs Assessment expended to date.

Homelessness

- Grant Funding for Overnight Sheltering expiring In July. Application to extend the grant has been submitted.
- Journey Home initiative being brought in house (budget update pending).

Transportation

- Transportation Master Plan spending is on target to date.
- Regional Transit ridership up 34% over 2022.

Agriculture

- Review and update of the Agriculture Plan in progress.

Climate & Environment

- Champion of the Environment Term Position to commence in Q3.
- 41% of Kelowna Climate Change Planning Phase 3 expended to date.

Activity Trends- Income



Corporate Financial Services
\$272M (73%)

Infrastructure
\$55M (14%)

Airport
\$24M (6%)

Property Tax
\$180M (48%)

Fees and Charges
\$101M (27%)

Grants and Interest
\$56M (15%)

LEADERS

Activity Trends- Spending

LEADERS

Materials
\$72M (38%)

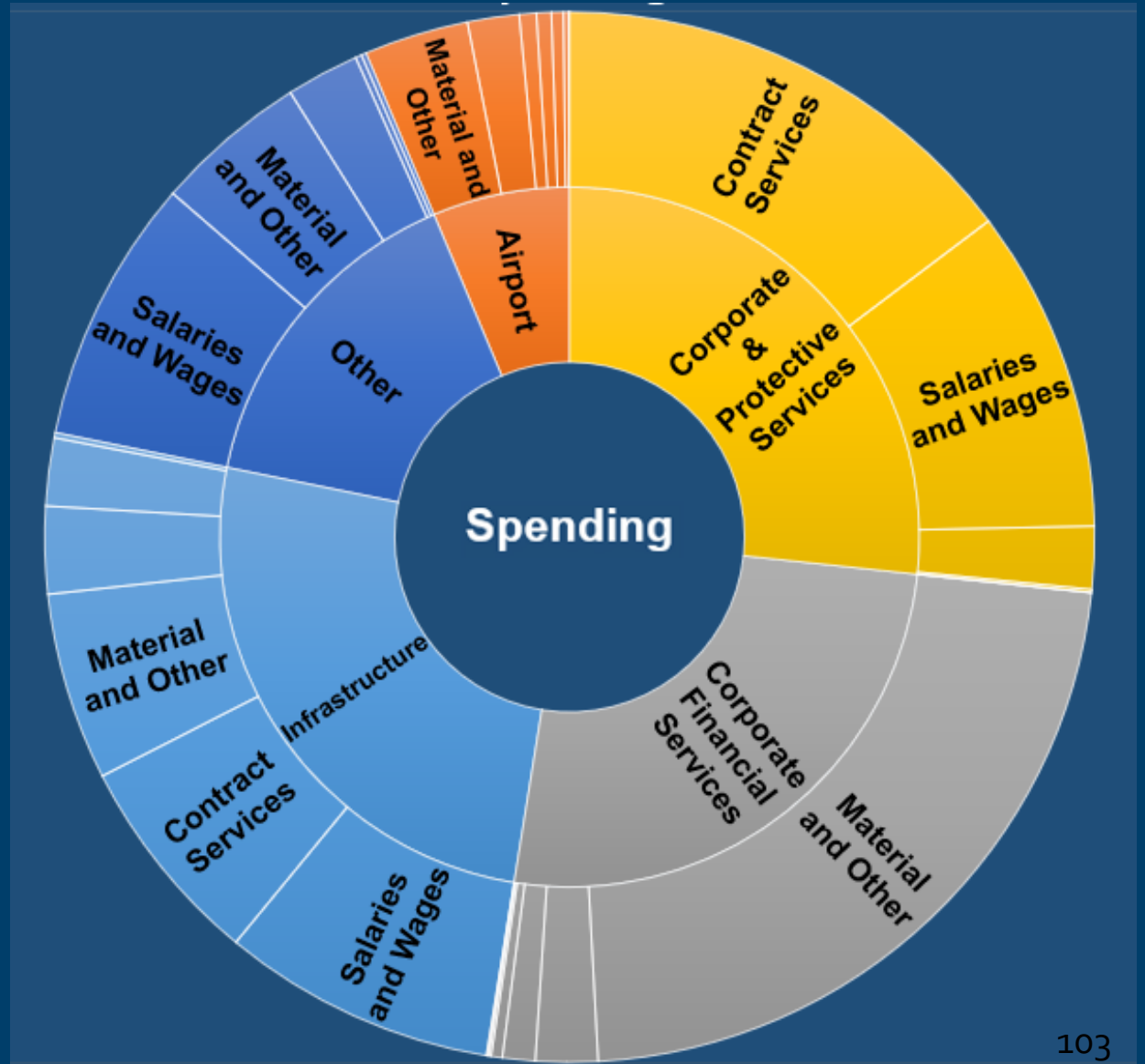
Payroll
\$57M (30%)

Contract Services
\$45M (20%)

Corporate & Protective Services
\$51M (27%)

Corporate Financial Services
\$49M (26%)

Infrastructure
\$49M (26%)



Excludes Capital Projects, Government and Internal Transfers

Activity Trends- Payroll Activity to Budget

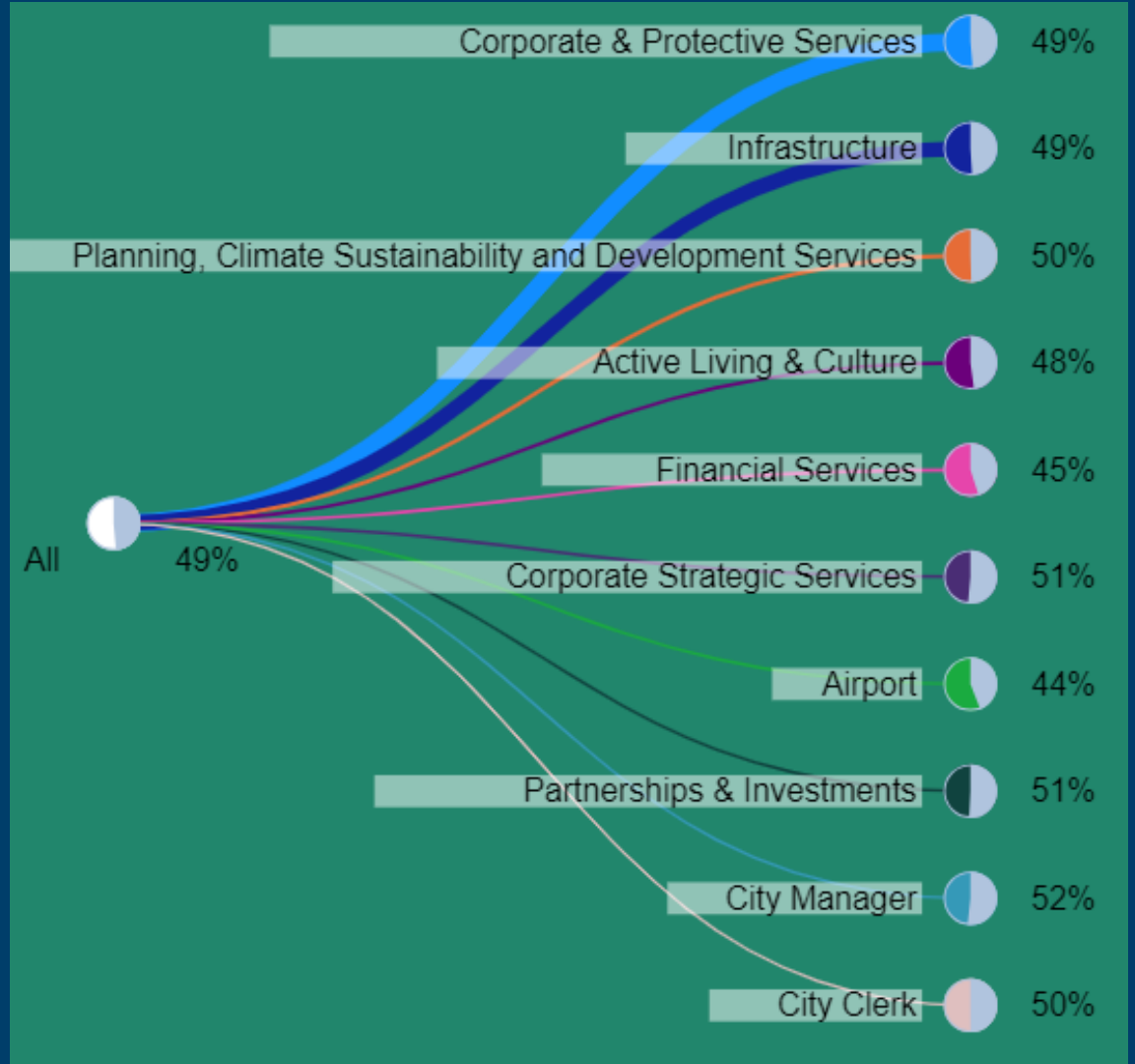
LEADERS

Corporate & Protective Services
\$19M (33%)

Infrastructure
\$16M (28%)




Planning, Climate Sustainability & Development Services
\$5M (8%)

Excludes Capital Projects, Third Party Work Orders, Emergency Operations and Salary Vacancy Factor







Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Financial Services		34% ↑	115% ↑	31%	104%
Infrastructure		40% ↑	49% ↓	37%	52%
Corporate & Protective Services		49% ↓	26% ↓	51%	33%




Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Airport		48% ↑	47% —	43%	47%
Partnerships & Investments		38% ↓	47% ↓	39%	51%
Active living & Culture		42% ↑	49% ↑	41%	44%
Planning, Climate Sustainability & Development		43% ↓	77% ↑	48%	64%



Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Corporate Strategic Services		57% ↑	24% ↑	52%	17%
City Manager		39% ↓	N/A	45%	N/A
City Clerk		53% ↑	48% ↑	38%	12%

Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Capital Expenditure Burn Rate (annualized)		23% ↑	N/A	18%	N/A
Investment Income		N/A	70% ↑	N/A	53%

What does this mean?

Actual Activity

- Revenues and expenses are up
- Currently running a surplus

Budget utilization

- Trending similar to prior year
- 7 out of 10 Divisions are trending close to 50% target
- Outliers are mostly due to timing
- Capital projects are trending on target
- Opportunities to redeploy projected Budget Surplus

Budget Redeployment – Staff recommendation

\$1.5M Surplus Investment Income



Housing Opportunities Reserve Fund



An aerial photograph of a suburban neighborhood at dusk. The houses have dark roofs and some have their lights on. In the background, there is a large body of water and a range of mountains under a twilight sky. The foreground shows tall grass on a hillside.

Questions?

Report to Council



Date: August 28, 2023
To: Council
From: City Manager
Subject: Bertram Street Multiuse Overpass – Project Update
Department: Infrastructure Delivery

Recommendation:

THAT Council receives for information the report from Infrastructure Delivery dated August 28, 2023, regarding the Bertram Street Multiuse Overpass project;

AND THAT Council approves the addition of \$500,000 of funding to the Bertram Street Multiuse Overpass project;

AND THAT Council approves the reallocation of \$500,000 of existing funding from the following transportation projects:

- \$59,880 from Road Safety Improvements Program - Clement / Spall Concept Design
- \$40,000 from the Neighbourhood Traffic Calming Program - WestRidge / Parkview
- \$30,030 from Clement 1 DCC (St. Paul – Graham) – Ellis / Clement
- \$100,000 from Road Safety Improvements Program - KLO / Richter NB Smart Right
- \$68,400 from Okanagan Rail Trail – Connection to Waterfront Park Pathway
- \$79,400 from Houghton 1 DCC (Nickel – Rails with Trails), ATC
- \$122,290 from Houghton 2 DCC (Hollywood – Mugford), ATC

AND THAT Council support staff to allocate \$7,209,300 from the Growing Communities Fund, addressed through a subsequent report;

AND THAT Council support staff to manage tasks to amend the 2023 Financial Plan for these changes.

Purpose:

To provide Council with an update on the Bertram Street Multiuse Overpass.

Background:

The population of British Columbia, particularly in Kelowna, has experienced consistent growth over the past decade, and this trend is expected to continue thru the next 10 years. Anticipating this growth, Council endorsed the redevelopment of the former Kelowna Secondary School site (KSS) in 2009, which is now known as Central Green.

As part of the rezoning of the Central Green site in 2011, the City of Kelowna entered into a legal agreement with the Ministry of Transportation and Infrastructure (MoTI) defining transportation improvements required for the site's redevelopment, rezoning, and occupancy of units. A core transportation improvement specified in the agreement was the construction of a pedestrian overpass across Highway 97 (Harvey Avenue) between the Central Green site and Downtown Kelowna.

With the completion of buildings fronting Rowcliffe Park and Richter Street, the Central Green site has now reached the density thresholds to trigger the overpass requirement. Construction of the final two buildings fronting Highway 97 (Harvey Avenue) is underway and the development's substantial completion is scheduled for the end of 2024.

As per the 2040 Official Community Plan (OCP), continued growth is expected in neighbourhoods surrounding the Central Green Site including 4,500 units within the Downtown Urban Centre and 3,800 units in the Core Central area. These development projections highlight the current and future demand for an accessible, safe and comfortable connection between Downtown and neighbourhoods to the south.

Project Overview:

The Bertram Street Multiuse Overpass project aims to provide a safe, universally accessible, functional, and aesthetically pleasing single-span structure that will link downtown Kelowna to the Central Green site across Highway 97 along the Bertram Street alignment. The overpass will facilitate pedestrian and multi-modal travel, including biking, scooters, strollers, and more. The overpass will serve as an important link within the larger active transportation network, connecting the future Bertram and Lawrence/Leon Active Transportation Corridors (ATCs) within Downtown with the existing Sutherland, Abbott and Ethel ATCs to the south and east; it will also link RapidBus transit stops on Harvey Avenue. By providing an all-ages, all-abilities crossing, the overpass will improve access to housing, parks, employment, public transit, businesses, services, and amenities for residents living and working on both sides of Highway 97, thereby reducing dependency on vehicles.

Project Objectives:

The Bertram Street Multiuse Overpass project aligns with the City's objectives of increasing local housing supply through investments in community infrastructure and amenities. By connecting growing neighborhoods to downtown Kelowna, the overpass promotes active transportation, improves pedestrian and cyclist safety, and contributes to the city's climate goals of reducing greenhouse gas emissions through decreased vehicle usage.

Providing a bridge for users to cross Highway 97 (Harvey Avenue) addresses several safety risks. Crossing the Harvey Avenue corridor exposes vulnerable users to a high volume of traffic travelling at relatively high speeds. By physically separating these two groups of travelers the City is decreasing the risks of collision and serious injury for these users. Improving safety for the travelling public is a core objective of the City.

Growth Sector Impact:

The project is situated along the south edge of Downtown with growth planned in the surrounding neighbourhoods south and north of Highway 97 and articulated in the 2040 OCP, including 3,800 units for the Core Central area and 4,500 units Downtown. These targets demonstrate the current and

projected demand for an active transportation link between southern neighbourhoods and the downtown. The overpass will address the current demand and provide opportunities for future links to existing Active Transportation Corridors, enabling pedestrian and cycling connections from the downtown to other key areas, such as the Capri Landmark Urban Centre and the UBCO Downtown Campus (currently under construction).

Justification:

Project tendering indicates that construction cost inflation has caused the previously budgeted funding to fall short of the amount required to advance to construction. To manage cost escalation staff engaged expertise to value engineer, de-risk the design and reduce costs through a collaborative delivery model and early contractor engagement.

A comparison of the Bertram Overpass project with other similar projects in different regions in western and eastern Canada indicates that the proposed scope and budget is in line with prevailing construction costs for pedestrian bridges, ensuring the project's feasibility and quality.

Engagement:

Focused engagement with local area interested parties and businesses, particularly those directly affected, was completed through the design process.

Financial Considerations:

Utilizing the prevailing contractor pricing as of now, the total budget to deliver the overpass is projected at \$12.1M. Pricing reflects both the impact of inflation on bridge construction costs over the last several years as well as offsetting value engineering efforts through the design process to reduce costs.

As part of due diligence efforts the project team conducted an independent third-party cost evaluation of pricing to ensure it aligned with industry standards and represented good value for Kelowna taxpayers. The price variance was less than 5%; within industry norms.

Current project funding is \$4.4m, including \$1.8m from the Land Sales Reserve and \$2.6m from the Canada Communities Building Fund (Gas Tax).

To address the funding shortfall it is proposed to reallocate \$500k of surpluses from within the transportation capital cost centre and allocate \$7.2m from the provincial Growing Communities Fund. These allocations avoid any net impact on taxation. Reallocations from within the transportation cost centre are described below while allocation from the Growing Communities Fund will be addressed in a separate report to Council. Surplus DCC funds will be returned to the appropriate reserves with the proposed reallocations.

Reallocation of the following funds from within the transportation capital cost center is proposed, including;

- Clement / Spall Concept Design - \$59,880 previously allocated for a standalone concept design at the intersection of Clement Ave and Spall Rd. This design will be addressed as part of the larger Clement / Highway 33 Extension project.

- Traffic Calming Program - \$40,000 from the WestRidge / Parkview Traffic Calming Project which did not receive neighbourhood support.
- Clement 1 DCC (St. Paul – Graham) - \$30,030 of projected surplus from intersection improvements at Clement Ave and Ellis St.
- KLO / Richter NB Smart Right Project - \$100,000 based on potential grant funding from ICBC being available to the project. If the grant is not successful, the project will be rescheduled in a future year.
- Okanagan Rail Trail – Connection to Waterfront - \$68,400 of surplus following construction completion from improvements on the Okanagan Rail Trail between Ellis St and Sunset Dr.
- Houghton 1 DCC (Nickel – Rails with Trails), ATC - \$79,400 of surplus following construction completion. This project received a BC Active Transportation Grant.
- Houghton 2 DCC (Hollywood – Mugford), ATC - \$122,290 of projected construction surplus. This project received a BC Active Transportation Grant.

The ongoing operational requirements for snow and ice control, annual inspections and bridge maintenance have been thoroughly evaluated and factored into the operational budgets subsequent to the completion of construction.

Current Funding: \$4,390,700

Land Sales Reserve (R600):	\$1,812,400
Canada Communities Building Fund (Gas Tax Funds) (R837):	\$2,578,300

Supplemental Funding;

Transportation Reallocations:	\$500,000
Provincial Growing Communities Fund:	\$7,209,300

With additional funding in place the project would move forward to construction in the fall of 2023, with completion projected by the end of 2024. Advancing to construction at this time allows the Central Green site and overpass to be completed concurrently and fulfills MoTI's regulatory requirements. Staff have structured the project to secure pricing, reduce the risk from future inflation and reduce delay risks associated with suppliers and long lead time components.

Next steps would include initiation of the Notice of Intent process for awarding construction services, and the subsequent purchasing and construction phases of project delivery. Construction on the project would commence in the fall of 2023 and be completed by Q4 2024.

Conclusion:

The Bertram Pedestrian Overpass project will improve accessibility, promote active transportation, and support the city's growth and climate initiatives while fulfilling Ministry of Transportation and Infrastructure development requirements. With additional funding, the project will advance to construction in the fall of 2023, bringing the Bertram Pedestrian Overpass closer to its planned completion in Q4 2024.

Internal Circulation:

Communications
Finance

Considerations applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Existing Policy: TMP
Financial/Budgetary Considerations: 2023/ 2024 Capital Plan
External Agency/Public Comments:
Communications Comments:

Considerations not applicable to this report:

Submitted by: S. Bushell, Senior Project Manager

Approved for inclusion: M. Logan, Infrastructure General Manager

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

Reference Documents:

Council Memo: 0920-20-009



City of
Kelowna

Bertram Street Multiuse Overpass Project

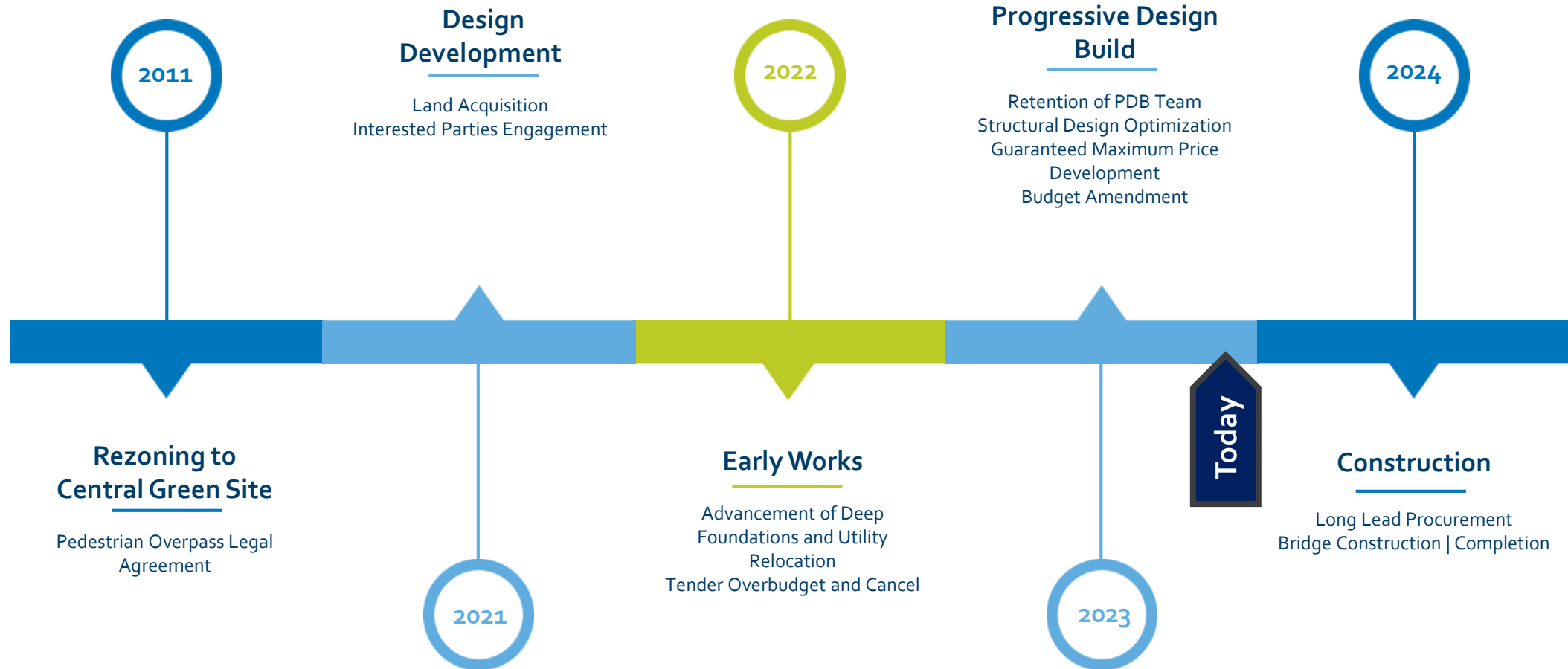
August 28th, 2023

Presentation Outline

- ▶ Timeline
- ▶ Network Connections and Benefits
- ▶ Bridge Design Highlights
- ▶ Financial Overview
- ▶ Recommendation



Project Timeline



Network Connections and Benefits

▶ Safety

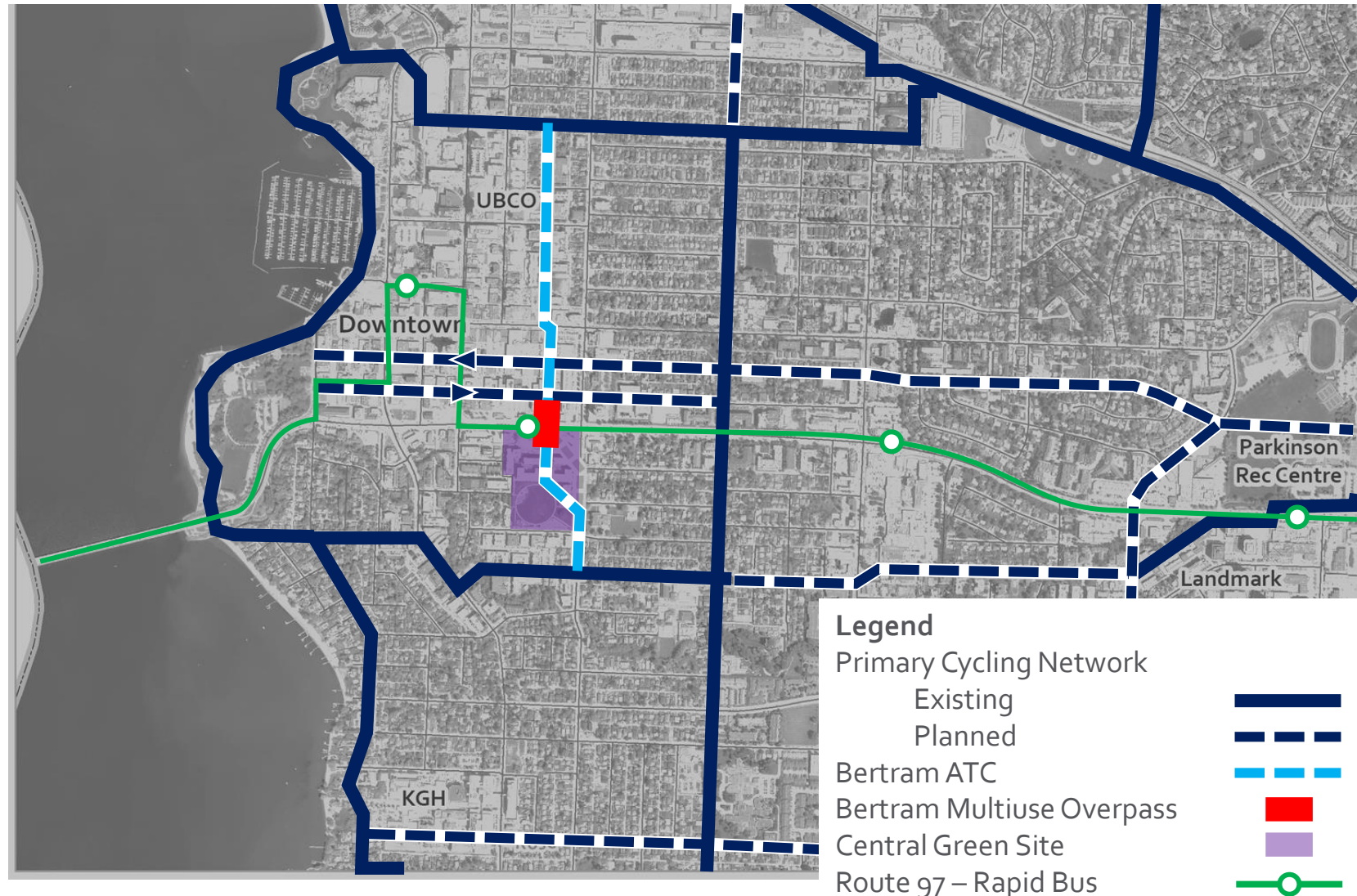
- ▶ Separates vulnerable pedestrians and cyclists from Hwy 97 traffic creating a less stressful and more comfortable crossing.

▶ Network

- ▶ Part of the Bertram ATC, a planned north-south ATC through Downtown that links to adjacent development including UBCO.
- ▶ Links Downtown to neighbourhoods in the south and the larger ATC network, including; Sutherland, Abbott, Ethel corridors.

▶ Transit

- ▶ Provides direct access to RapidBus stops on Harvey.



Highlights and Features

▶ Geometry

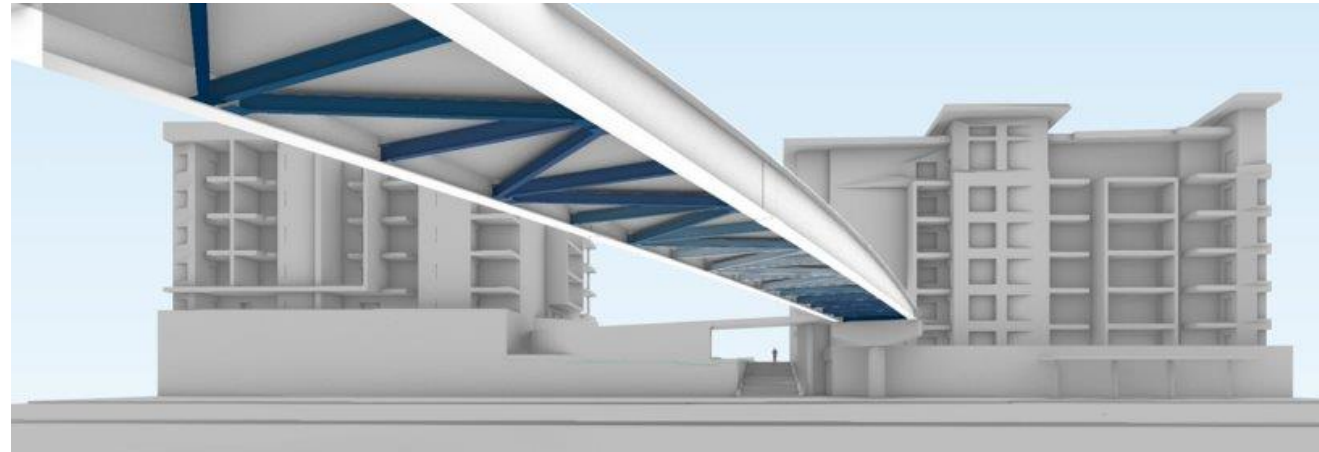
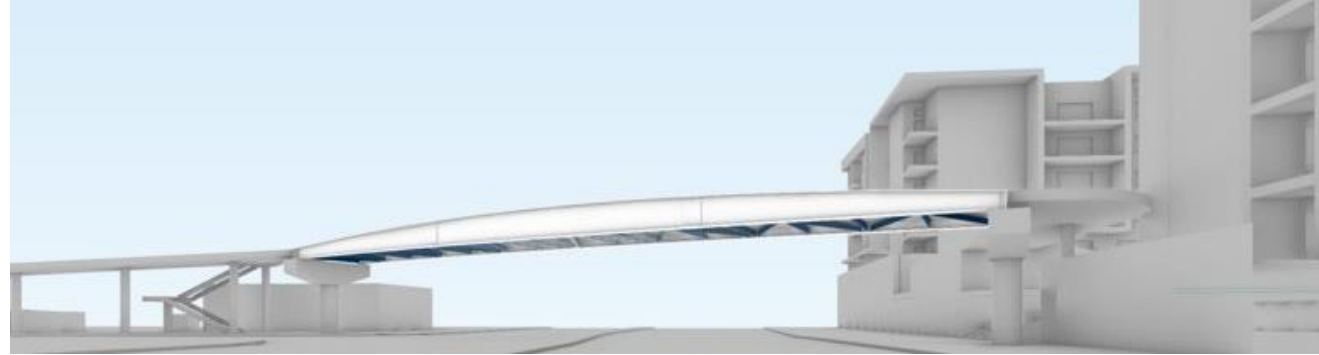
- ▶ 15° Skew Across Harvey Ave
- ▶ 47m Clear Span
- ▶ Accessible Design

▶ Bridge

- ▶ Single Span Steel Through-Plate Girder
- ▶ Concrete Deck
- ▶ Pedestrian + Bike Railing

▶ Ramps

- ▶ North Ramp 132m Length
- ▶ South Ramp 89m Length
- ▶ Cast-In-Place Concrete Access / Egress Stairs



Note: Artistic renderings for illustrative purposes only, design elements may be modified as design details are finalized (inclusive of all figures)

Highlights and Features

▶ Pedestrian

- ▶ Accessible ramp design
- ▶ Multiple access stairs

▶ Active Transportation

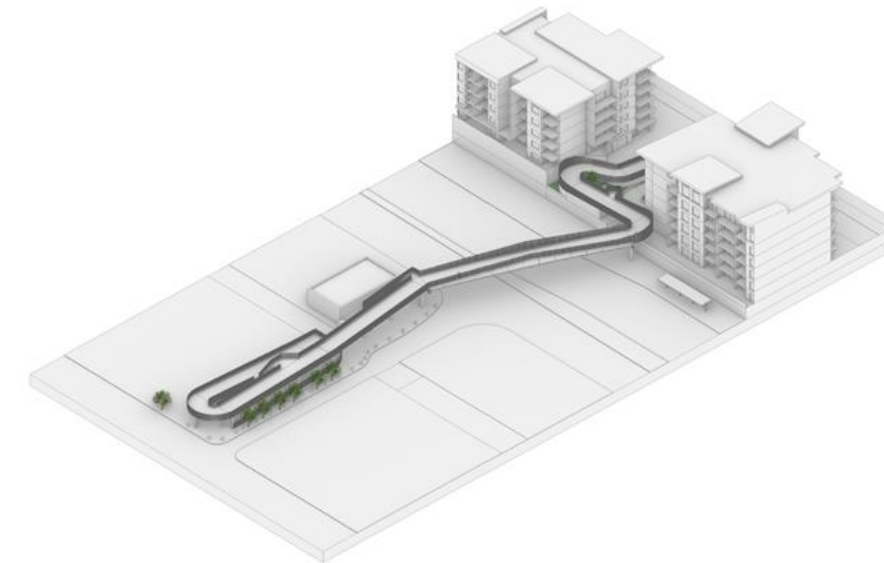
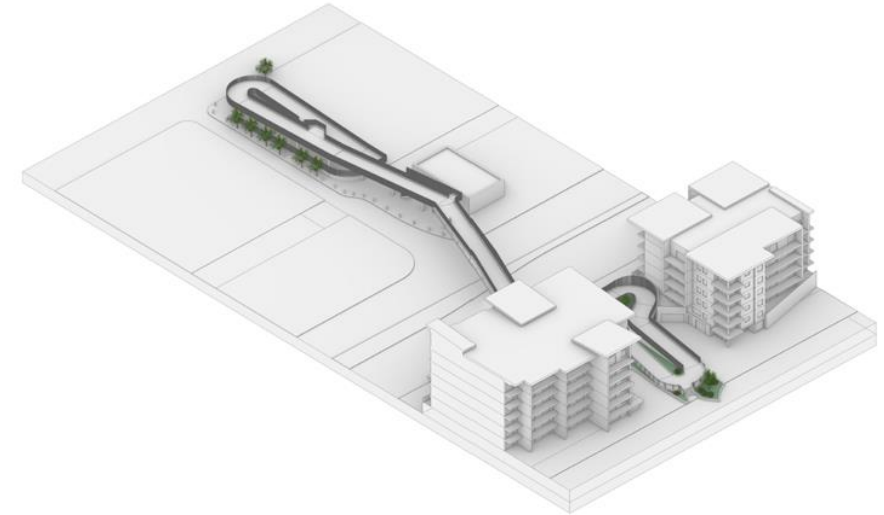
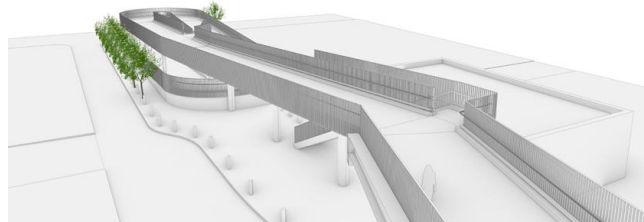
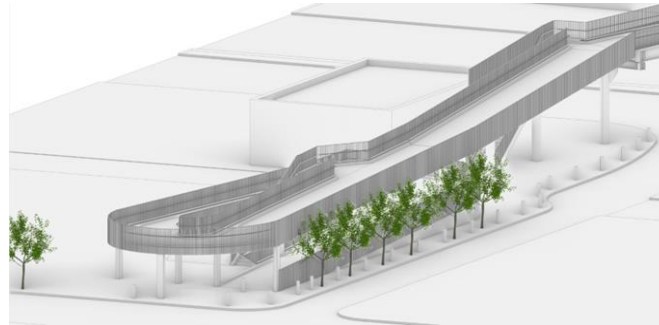
- ▶ 4m Cross Section - Multiuse Path
- ▶ Cycling Design Criteria Utilized

▶ Transit

- ▶ Connects Eastbound and Westbound Rapid Bus stops on Harvey

▶ Overall

- ▶ Connection to future networks



Note: Artistic renderings for illustrative purposes only, design elements may be modified as design details are finalized (inclusive of all figures)

Financial

- ▶ Progressive Design Build Approach
- ▶ Review of estimate
- ▶ Confirmed budget contract
- ▶ Compared cost to other projects

Expenditure and Cost Summary

Item	Amount	Notes
2023 Expenditures to Date + Contingency	\$1.9m	Detailed design, cost estimate reviews and construction contingency (~8%).
Projected Construction Cost	\$10.2m	Design build construction submission value.
Projected Total Project Cost	\$12.1m	

Funding Summary

Item	Amount	Notes
Current Budget	\$4.4m	2023 Financial Plan
Proposed Budget Amendments	\$7.7m	
Budget Transfers within Transportation	\$0.5m	Reallocation from project surpluses.
Growing Communities Fund*	\$7.2m	Provincial grant
Total	\$12.1m	

*Budget amendments for Growing Communities Fund will be addressed through a separate council report.



Recommendation

Recommendations

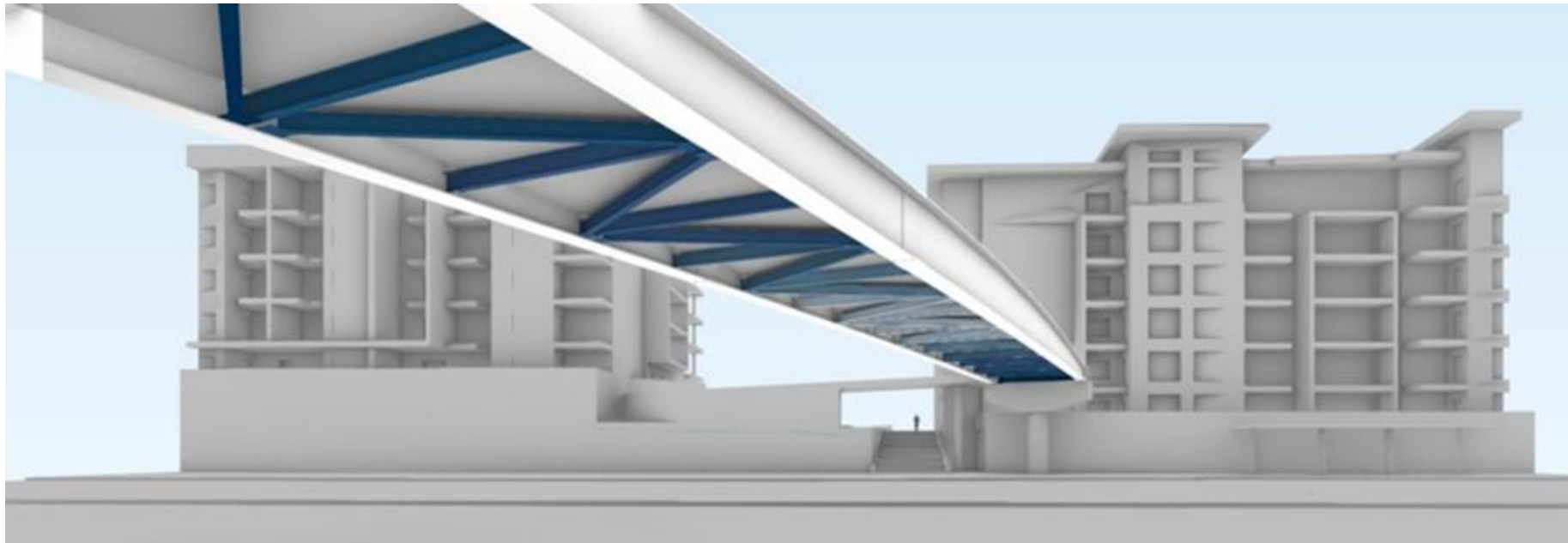
- Council receives the update on the Bertram Street Multiuse Overpass Project;
- Council approves funding reallocations within the transportation capital cost center, and;
- Council supports additional funding from the Growing Communities Fund, through a subsequent report.





Questions?

For more information, visit kelowna.ca.



CITY OF KELOWNA

BYLAW NO. 12550

Road Closure and Removal of Highway Dedication Bylaw
(Portion of Road Adjacent to 2105 Glenmore Rd)

A bylaw pursuant to Section 26 and 40 of the Community Charter to authorize the City to permanently close and remove the highway dedication of a portion of highway Adjacent to 2105 Glenmore Rd

NOW THEREFORE, the Municipal Council of the City of Kelowna, in open meeting assembled, hereby enacts as follows:

1. That portion of highway attached as Schedule "A" comprising 4.18 ha shown in bold black as Road to be Closed on the Reference Plan prepared by JAVIER SIU, B.C.L.S., is hereby stopped up and closed to traffic and the highway dedication removed.
2. The Mayor and City Clerk of the City of Kelowna are hereby authorized to execute such conveyances, titles, survey plans, forms and other documents on behalf of the said City as may be necessary for the purposes aforesaid.

Read a first, second and third time by the Municipal Council this 14th day of August, 2023.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

CITY OF KELOWNA

Development Application Fees Bylaw No. 12552

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

1. This bylaw may be cited as "Development Application Fees Bylaw No. 12552".
2. General Administration
 - 2.1 Administration
 - 2.1.1 Fees are pursuant to Kelowna 2040 – Official Community Plan Bylaw No. 12300, City of Kelowna Zoning Bylaw No. 12375, Subdivision, Development and Servicing Bylaw No. 7900, Sign Bylaw No. 11530, Local Government Act, or Land Title Act.
 - 2.1.2 All fees and charges include relevant Provincial and Federal taxes unless otherwise stated.
 - 2.1.3 For fee calculations that are based on per 100 m², the m² will be rounded down to the nearest multiple of 100 (example: 375 m² of commercial space will be rounded down to 300 m²).
 - 2.1.4 All fees are subject to the base fee plus any additional fees noted in Tables 1, 2, 3, 4, 5, and 6.
 - 2.2 Annual Fee Increases
 - 2.2.1 The fees and charges as noted in Tables 1, 2, 3, 4, 5, 6 will increase by five percent (5%) on January 1 each year, beginning January 1, 2025.
 - 2.2.2 All fees and charges will be rounded to the nearest 5 dollars (\$5).
 - 2.2.3 The yearly fee increase will be communicated through a City of Kelowna Informational Bulletin posted at www.kelowna.ca, and at City Hall Application Centre on or before November 1 each year.
 - 2.3 Refunds or Increases
 - 2.3.1 Development fees for files which are cancelled prior to Council consideration are eligible for a 50% refund.
 - 2.3.2 No development fees will be refunded if the application has been submitted to Council.
 - 2.3.3 Subdivision and Sign permit fees are non-refundable.
 - 2.3.4 Board of Variance Appeal applications withdrawn prior to preparing the appeal for advertising are eligible for a \$500 refund.
 - 2.3.5 A project that changes scope prior to being accepted as complete and referred which results in a decrease or increase in fees will be eligible for a refund or be required to pay the difference.
 - 2.3.6 A project that changes scope after being accepted as complete and circulated which results in a decrease or increase in fees will not be eligible for a refund nor be required to pay the difference.
 - 2.4 Landscape Re-Inspections
 - 2.4.1 A landscape re-inspection fee will be charged for all landscape inspections that occur after an initial failed inspection. The fee will not be charged on the first inspection.
 - 2.5 Enforcement
 - 2.5.1 All applications that are made as a result of a Bylaw investigation are subject to double application fees.
3. The fees for Development Applications will be as shown on Schedule "A" attached to and forming part of this bylaw.

- 4. The City of Kelowna, "Development Application Fees Bylaw No. 10560" and all amendments thereto, are repealed.
- 5. This bylaw comes into force and takes effect on January 1, 2024.

Read a first, second and third time by the Municipal Council this 14th day of August, 2023.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

Schedule "A"

Table 1: OCP Amendments, Rezoning, & Development Variance Permits

Application Type	Base Fee 2024	Additional Fees 2024
Pre-Application Meeting Major	\$ 415.00	Fee applies to first meeting only, additional meetings are free.
Pre-Application Meeting Minor	\$ 250.00	Fee applies to first meeting only, additional meetings are free.
Area Structure, Redevelopment, and Neighbourhood Plans	\$ 141,960.00	Additional fees may be required based on complexity and technical analysis as per Council Policy #247.
Master Development Agreement	\$ 10,920.00	-
OCP Amendment		
OCP Major (ex. FLU change)	\$ 4,575.00	\$260 per additional hectare over 1 ha
OCP Minor (ex. Text Amendment)	\$ 2,915.00	-
Zoning Bylaw Amendment		
RU, RR, A	\$ 1,660.00	-
MF1	\$ 2,485.00	-
MF2	\$ 3,050.00	-
MF3, CA1	\$ 3,680.00	-
C, I	\$ 3,810.00	-
P, W, U	\$ 3,430.00	-
UC, VC	\$ 4,600.00	-
c for Carriage House, cc for Child Care Major	\$ 985.00	-
r for Rental Only	\$ 1,905.00	-
a for Arena, fg for Fueling Station, dt for Drive Through	\$ 4,600.00	-
rCs for Retail Cannabis Sales, gg for Gambling Facility	\$ 3,815.00	-
Comprehensive Development Zone	\$ 21,765.00	-
Text Amendments	\$ 3,810.00	-
Temporary Use Permit & Extension	\$ 3,140.00	-
Development Variance Permit		
Development Variance Permit (Council)	\$ 2,350.00	\$250 each additional variance
Development Variance Permit (Direct Delegated)	\$ 1,410.00	\$100 each additional variance

Table 2: Development Permits & Heritage Permits

Application Type	Base Fee 2024	Additional Fees 2024
Development Permit (Form & Character)		
Development Permit (Direct Delegated)	\$ 1,320.00	-
Multi-Family and Mixed-Use	-	<i>For fee calculations that are based on per 100 m², the m² will be rounded down to the nearest multiple of 100 (ex: 375 m² of commercial space will be rounded down to 300 m²).</i>
5-50 residential units	\$ 3,070.00	\$160 per 100 m ² of Commercial/Institutional Use Net Floor Area
51-100 residential units	\$ 3,305.00	\$160 per 100 m ² of Commercial/Institutional Use Net Floor Area
101-200 residential units	\$ 3,540.00	\$160 per 100 m ² of Commercial/Institutional Use Net Floor Area
201-300 residential units	\$ 3,745.00	\$160 per 100 m ² of Commercial/Institutional Use Net Floor Area
301+ residential units	\$ 3,980.00	\$160 per 100 m ² of Commercial/Institutional Use Net Floor Area
Commercial / Industrial / Institutional	\$ 1,320.00	\$80 per 100 m ² of Net Floor Area
Amended Development Permit		
Amended Direct Development Permit (Delegated)	\$ 470.00	For amendments on Direct DPs that do not negatively impact form and character.
Amended Council Development Permit (Delegated)	\$ 940.00	For amendments on Council Issued DPs that do not negatively impact form and character.
Amended Development Permit (Council)	\$ 1,755.00	For amendments on DPs that negatively impact form and character and require Council consideration.
Heritage		
Heritage Alteration Permit (Council)	\$ 2,825.00	-
Heritage Alteration Permit (Direct Delegated)	\$ 1,320.00	\$100 each variance
Under 50 m ² of construction (Direct Delegated)	\$ 510.00	-
Heritage Revitalization Agreement	\$ 2,665.00	-
Heritage Designation Bylaw	\$ 310.00	-
Heritage Conservation Covenant	\$ 310.00	-
Heritage Register Removal	\$ 310.00	-
Natural Environment & Hazardous Condition		
Under 50 m ² of construction	\$ 510.00	-
Single Lot Delegated Permit	\$ 1,915.00	-
Council Review and/or Multiple Lot	\$ 2,915.00	-

Table 3: General & Subdivision

Application Type	Base Fee 2024	Additional Fees 2024
General		
Public Hearing or Regular Meeting Re-Advertising	\$ 620.00	-
Document Administration Fee Minor (ex. Change of Owner, Discharge Covenant, Register Easement, etc.)	\$ 260.00	-
Legal Document Review	\$ 825.00	\$340 per hour over 3 hours
Site Profile Fees	\$ 260.00	-
Soil Deposit/Removal	\$ 700.00	-
Overheight Retaining Wall	\$ 700.00	-
Board of Variance Application	\$ 1,615.00	-
Revitalization Tax Exemption	\$ 390.00	-
Landscape Re-Inspection Fee	\$ 475.00	-
Subdivision		
Fee Simple (PLR) Bare Land	\$ 2,690.00	\$185 per lot over 2 lots
Technical Subdivision	\$ 540.00	-
Phased Strata Development	\$ 260.00	-
Form P	\$ 540.00	-
PLR Renewal	\$ 390.00	-
Final Approval Fee	\$ 260.00	-
Building Strata Conversion	\$ 3,445.00	-
Road Renaming	\$ 1,345.00	-
Airspace Parcel	\$ 23,400.00	-

Table 4: Agriculture & Liquor Licenses

Application Type	Base Fee 2024	Additional Fees 2024
Temporary Farm Worker Housing		
Temporary Farm Worker Housing (Council)	\$ 1,345.00	-
Temporary Farm Worker Housing (Delegated)	\$ 675.00	-
Farm Protection		
Development Permit (Council)	\$ 1,345.00	-
Development Permit (Direct Delegated)	\$ 675.00	-
Farm Residential Footprint Covenant	\$ 310.00	-
ALC Applications (regulated by Province)		
Non-Adhering Residential Use	\$ 450.00	-
Soil Use to Place Fill and/or Remove Soil	\$ 750.00	-
Non-Farm Use	\$ 750.00	-
Subdivision	\$ 750.00	-
Exclusion	\$ 750.00	-
Liquor Primary (New or Change)		
99 persons or less	\$ 2,375.00	-
100 Persons or more	\$ 2,670.00	-
No Council Consideration (Temporary Change)	\$ 260.00	-

Table 5: Development Engineering Fees

Application Type	Base Fee 2024	Notes
Street/Traffic Sign	Determined by Development Engineering	The Owner is responsible for the purchase and installation costs of all signs required for their development.
Survey Monument Fee	\$ 60.00	-
Survey Monument Replacements	\$ 1,380.00	-
Fire Hydrant Levy	\$ 290.00	For subdivisions serviced by community water distribution systems. In subdivisions where the developer is extending the water mains and installing fire hydrants this levy does not apply. The City will accumulate the funds accrued from the hydrant levy and these funds will be used to install fire hydrants as may be required
Latecomer Agreement	\$ 11,500.00	Per agreement. No charge for agreements of one-day duration
Development Engineering Inspection Fee	3.5% of the total cost of off-site construction	<ol style="list-style-type: none"> 1. Full cost of construction for "on-site" (new roads) and "off-site" (existing fronting roads), including clearing, grubbing, blasting, cuts and fills, gravel, compaction, pavement, concrete work, ditches, boulevard work if applicable, etc. 2. All deep utilities such as storm drainage works, sanitary sewer work if applicable and water and fire protection including water utility construction of other water irrigation districts. 3. Costs of civil works only for shallow utilities such as installation costs of ducting for power, telephone and cable TV. The cost of private utility cable work, FortisBC Gas works, service lines, street lighting etc. is not included in the construction cost for administration charge calculations. 4. Consulting Engineering design fees are not included in the administration fee calculation. 5. Administration charge is calculated at 3.5% of the actual construction costs as determined using the above identified items, substantiated by contractor unit prices, or payment invoices, or if levied before construction costs are in, by using the consulting engineer's construction cost estimates. These figures may be adjusted up or down by the City, if in our opinion an adjustment is warranted. This may take the form of a 10% contingency added or deletion of certain items. It is incumbent on the developer to provide actual construction costs if he does not agree with the engineers estimate.
Water or Sanitary Sewer Network Modelling (Simple)	\$ 500.00	Simple modelling for defining boundary conditions at up to two locations.
Water or Sanitary Sewer Network Modelling (Complex)	\$ 1,500.00	Complex modelling request.

Table 6: Sign Permits

Application Type	Base Fee 2024	Notes
Temporary Portable Signs	-	-
0-30 days	\$ 85.00	-
31-60 days	\$ 170.00	-
61-90 days	\$ 255.00	-
Permanent Signs	\$ 75.00	Plus \$10 per m ²
Comprehensive Sign Plan	\$ 940.00	See Sign Bylaw No. 11530 Section 2.6. If proposed signs are included on the Development Permit Application, this fee is not required.
Comprehensive Sign Plan with Variances	\$ 2,350.00	See Sign Bylaw No. 11530 Section 2.6. If proposed signs are included on the Development Permit Application, this fee is not required.

CITY OF KELOWNA

Revitalization Tax Exemption Program Bylaw No. 12561

WHEREAS the *Community Charter*, Section 226, allows Council to establish by bylaw a revitalization tax exemption program to provide tax exemptions for land or improvements, or both;

AND WHEREAS Council wishes to establish a revitalization tax exemption program in the City of Kelowna in order to reinforce and promote the prominence of urban centres within Kelowna and foster a community with diverse housing options;

AND WHEREAS Council wishes that the following objectives of the program be known:

- To incentivize new commercial developments within urban centres to sustain and enhance the existing commercial centres, reduce greenhouse gas emissions associated with transportation, promote healthy and pedestrian-oriented lifestyles, increase the attractiveness of these locations to existing and potential residents, and to promote a high standard of urban design within urban centres;
- To incentivize construction of new Purpose-Built Rental Housing within Kelowna's Core Area and identified Village Centres;

AND WHEREAS Council intends for this program to accomplish the objectives by

- Increasing the total amount of commercial floor area and supporting new business growth within identified revitalization tax exemption areas; and
- Adding net new purpose built rental apartment units to achieve an increase in the rental vacancy rate;

AND WHEREAS Council has included within this Bylaw a description of the reasons for and the objectives of the program and a description of how the program is intended to accomplish the objectives, as required by the *Community Charter*;

AND WHEREAS the *Community Charter*, Section 154(1), empowers Council to delegate by bylaw its powers, duties and functions, including those specifically established by an enactment, to the extent provided, to an officer or employee of the municipality;

AND WHEREAS Council wishes to delegate to an officer or employee certain powers, duties and functions;

AND WHEREAS Council wishes to specify which officer or employee may act as a signatory on behalf of the City of Kelowna as it relates to a Revitalization Tax Exemption Agreement;

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

1. This bylaw may be cited as "Revitalization Tax Exemption Program Bylaw No. 12561".
2. There is hereby established a revitalization tax exemption program pursuant to the provisions of section 226 of the *Community Charter*.
3. The terms and conditions upon which a Tax Exemption Certificate may be issued are as set out in this bylaw, in the relevant Agreement between the City and the Owner pursuant to this bylaw, and in the Tax Exemption Certificate in relation to a particular Parcel.

4. Definitions

4.1. In this bylaw:

"Actual Value" will have the same meaning as set out in the *Assessment Act*.

“Agreement” means a Revitalization Tax Exemption Agreement between the owner of a Parcel and the City, substantially in the format of and with the content of Schedule “B”.

“City” means the City of Kelowna.

“Council” means the Council of the City of Kelowna.

“Department Manager, Development Planning” means the person appointed as such and includes their selected designate(s).

“Divisional Director, Financial Services” means the person appointed by Council as such and includes their lawful designate(s).

“Divisional Director, Planning & Development Services” means the person appointed as such and includes their lawful designate(s).

“Improvement” will have the same meaning as set out in the *Assessment Act*.

“Parcel” means a legal parcel, of which at least 50% of the parcel’s land area is within one of the Revitalization Areas, upon which an owner proposes a Project.

“Project” means a revitalization project on a Parcel involving the construction of a new improvement or alteration of an existing improvement, which meets the requirements of this bylaw and is approved by Council or its delegate.

“Property” means the legally described land and improvements to which a Revitalization Tax Exemption is applied for and as legally described in the Agreement.

“Purpose-Built Rental Housing” means a project with five or more Dwelling Units that are intended to be used for rental housing. Purpose-built rental housing meets an identified need for housing in the City and does not include buildings that are stratified, except those stratified buildings that are subject to operating agreements with the Provincial Rental Housing Corporation.

“Revitalization Amount” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the property resulting from the construction or alterations as outlined in Section 6 of this bylaw.

“Revitalization Area” means one of the areas outlined on Schedule “A”.

“Tax Exemption” means a revitalization tax exemption pursuant to this bylaw.

“Tax Exemption Certificate” means a revitalization tax exemption certificate issued by the City pursuant to this bylaw, the relevant Agreement, and the provisions of section 226 of the *Community Charter*, in the form of Schedule “C”.

5. Eligibility

5.1. For a Project to be eligible for a Tax Exemption:

- 5.1.1. the Project must involve construction that results in
 - (a) floor space being added to an existing building,
 - (b) a new building, or
 - (c) a renovation of existing floor space;
- 5.1.2. the construction value of a Project, as determined based on the building permit(s) issued, must be \$300,000.00 or greater;
- 5.1.3. the land use for the Project must be one of the uses permitted in the applicable zone for the Parcel, as set out in City of Kelowna Zoning Bylaw No. 12375, and must be consistent with the future land use designation for the Parcel, as set out in the Kelowna 2040 – Official Community Plan Bylaw No. 12300, and the Project must meet all other applicable City policies and bylaws;

- 5.1.4. the owner of the Parcel must enter into an Agreement with the City; and
 - 5.1.5. the Property must be located in a Revitalization Area shown on Schedule "A".
- 5.2. The following is not eligible for a Tax Exemption:
- 5.2.1. A Parcel already receiving a Tax Exemption;
 - 5.2.2. A Project involving a Parcel with unpaid property taxes in arrears;
 - 5.2.3. A Project involving a proposal to alter a building listed on the City of Kelowna Heritage Register;
 - 5.2.4. A Project that has been issued any type of Occupancy Permit in accordance with City of Kelowna Building Bylaw No. 7245; or
 - 5.2.5. A Parcel for which the Property's assessed value of improvement has been reduced below the amount assessed in the calendar year prior to construction or alteration.

6. Extent, Amounts, and Maximum Term of Tax Exemptions Available

- 6.1. The amount of an annual Tax Exemption will be equal to:
- 6.1.1. For "Tax Incentive Area 1" as shown in Schedule "A", 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use.
 - 6.1.2. For "Tax Incentive Area 2" as shown in Schedule "A",
 - (a) 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use, for a project with a minimum floor area of 3,716 m² (40,000 sq. ft.); or
 - (b) 50% of Revitalization Amount on the parcel which can be attributed to a commercial land use, for a project with a floor area of less than 3,716 m² (40,000 sq. ft.).
 - 6.1.3. For "Tax Incentive Area 3" as shown in Schedule "A", 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use.
 - 6.1.4. For Purpose-Built Rental Housing Projects within the Core Area, Glenmore Valley Village Centre and University South Village Centre as shown in Schedule "A", 100% of the Revitalization Amount on the parcel which can be attributed to residential land uses.
- 6.2. The amount of an annual Tax Exemption will not include an exemption from any local service tax in any case.
- 6.3. The maximum term of a Tax Exemption will be 10 years. The Tax Exemption is transferable to subsequent property owners within the term of the agreement.
- 6.4. If, pursuant to the terms and conditions specified in the Agreement or the Tax Exemption Certificate, the certificate is cancelled, the owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any exemption received after the date of the cancellation.
- 6.5. The maximum Tax Exemption authorized under this Bylaw must not exceed the Revitalization Amount on the Property between:
- 6.5.1. The calendar year before the construction or alteration began, as outlined under Section 5 of this bylaw; and
 - 6.5.2. The calendar year in which the construction or alteration, as outlined under Section 5 of this bylaw, is completed.

7. Making Application

- 7.1. For a Parcel to be considered for a Tax Exemption, a complete application must be submitted.
- 7.2. An application to request a Tax Exemption is required to be submitted before the issuance of a Building Permit for a Project in accordance with City of Kelowna Building Bylaw No. 7245.
- 7.3. The information listed below is required for an application made under this bylaw:

- 7.3.1. Application Form acceptable to the Department Manager, Development Planning;
 - 7.3.2. Owner's Authorization Form (if required);
 - 7.3.3. A title search dated within 30 days of submitting the application;
 - 7.3.4. Covering letter with a brief description of the Project, including an estimate of the construction value of the project, details of the floor area of the project by land use type(s), the number of residential units (if applicable), and an estimated date of obtaining an occupancy permit;
 - 7.3.5. Signed Agreement (Schedule B) completed with project specific details in executable form;
 - 7.3.6. Application fee, payable to the City, in accordance with the Development Application Fees Bylaw No. 10560; and
 - 7.3.7. An application for a Parcel that does not have an approved Development Permit must include a concept plan with information on the proposed use of the Parcel, details on the floor area, the number of residential units (if applicable), and conceptual renders of the form and character.
- 7.4. Notwithstanding Section 7.2 of this Bylaw, an application for a Tax Exemption may be submitted after building permit issuance in the event that extenuating circumstances exist. All other provisions of this bylaw, including Section 5.2.4, still apply. Such applications must be accompanied by a letter to the Divisional Director, Planning & Development Services, detailing and substantiating the extenuating circumstances that prevented application submission prior to a building permit. Such applications will be presented to Council for consideration.

8. Other Provisions

- 8.1. A Project which falls under Section 6.1.4 which does not have zoning for rental-only tenure must register a restrictive covenant on the title of the Property.
- 8.1.1. A restrictive covenant is not required for a Project with an operating agreement of 15 years or greater in length with the Provincial Rental Housing Corporation (BC Housing).
 - 8.1.2. A restrictive covenant will limit residential uses to long-term (30 days or greater) rental only tenure, prohibit stratification, prohibit individual sale, and prohibit short-term rentals.
 - 8.1.3. A restrictive covenant will have effect for the same duration as the Agreement.
 - (a) Except for a Project which includes a single-detached or semi-detached dwelling unit where a restrictive covenant will have effect for 15 years.
- 8.2. For a Tax Exemption to take effect, the owner must provide the Divisional Director, Planning & Development Services or their designate, with the final occupancy permit for the Project. For the Tax Exemption to take effect in the calendar year following construction completion, the notice must be provided by the owner by September 30 in the year the occupancy permit is issued.

9. Delegation

- 9.1. 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 Divisional Director, Planning & Development Services is assigned the authority within the parameters established by this bylaw to approve, execute and amend an Agreement as required for a Project that results in a Tax Exemption Amount of up to a maximum tax value of 0.175% of the following year's Property Value Tax Revenue as identified in Schedule 'A' of the City of Kelowna Five-Year Financial Plan Bylaw, as amended from time to time.
- 9.2. The Divisional Director, Financial Services is designated the municipal officer for the purpose of section 226(13) of the *Community Charter* and the issuance of Tax Exemption Certificates.
10. Council will be presented with a biennial report with an update on how the program is achieving its objectives, a summary of the total tax impact of the program, and recommendations for any changes that are necessary to continue to meet the Bylaw's objectives or adapt the program to Council Priorities or other community needs.

- 11. The schedules attached to this bylaw form part of this bylaw.
- 12. City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, and all amendments thereto, are hereby repealed.
- 13. This bylaw comes into 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 14th day of August, 2023.

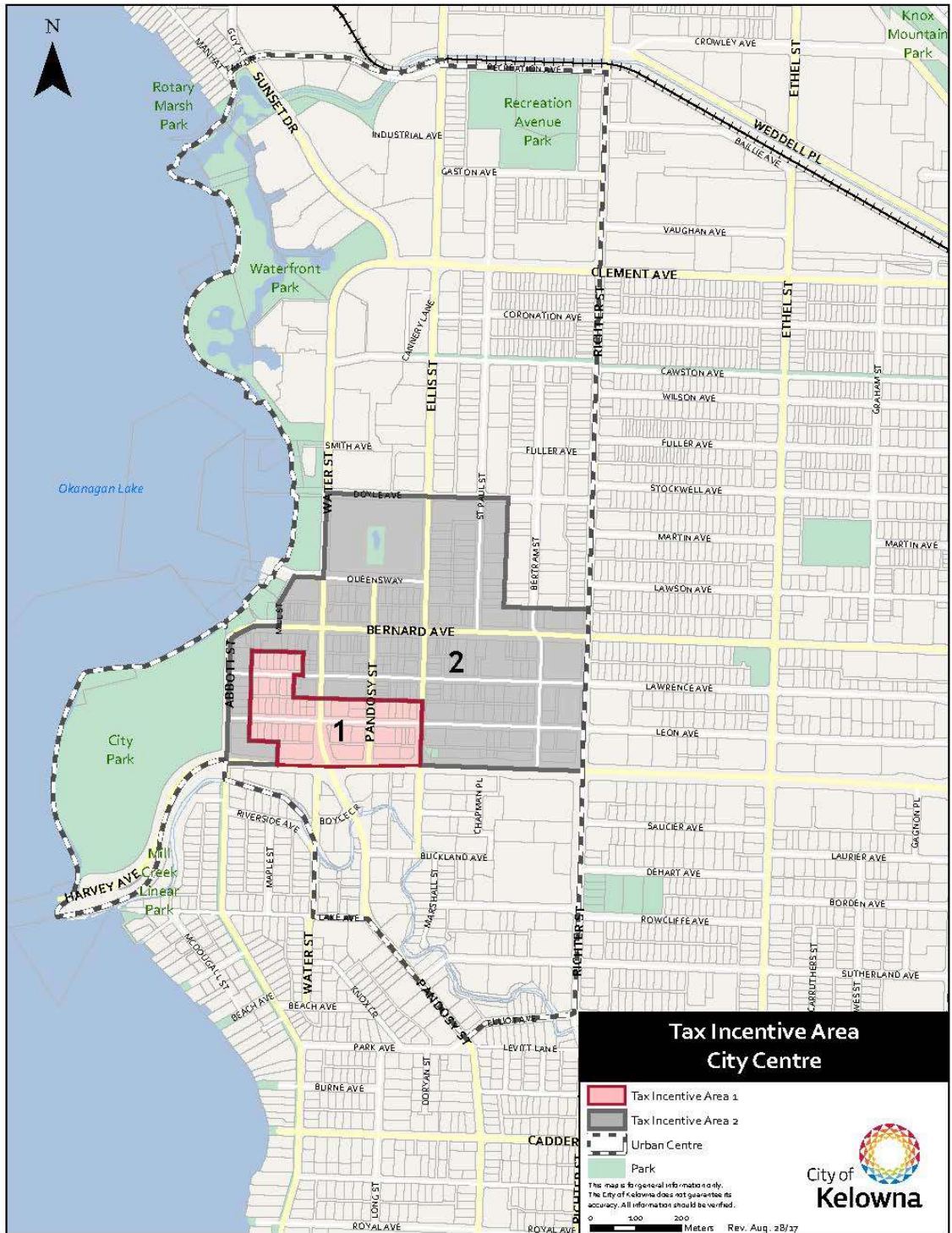
Adopted by the Municipal Council of the City of Kelowna this

Mayor

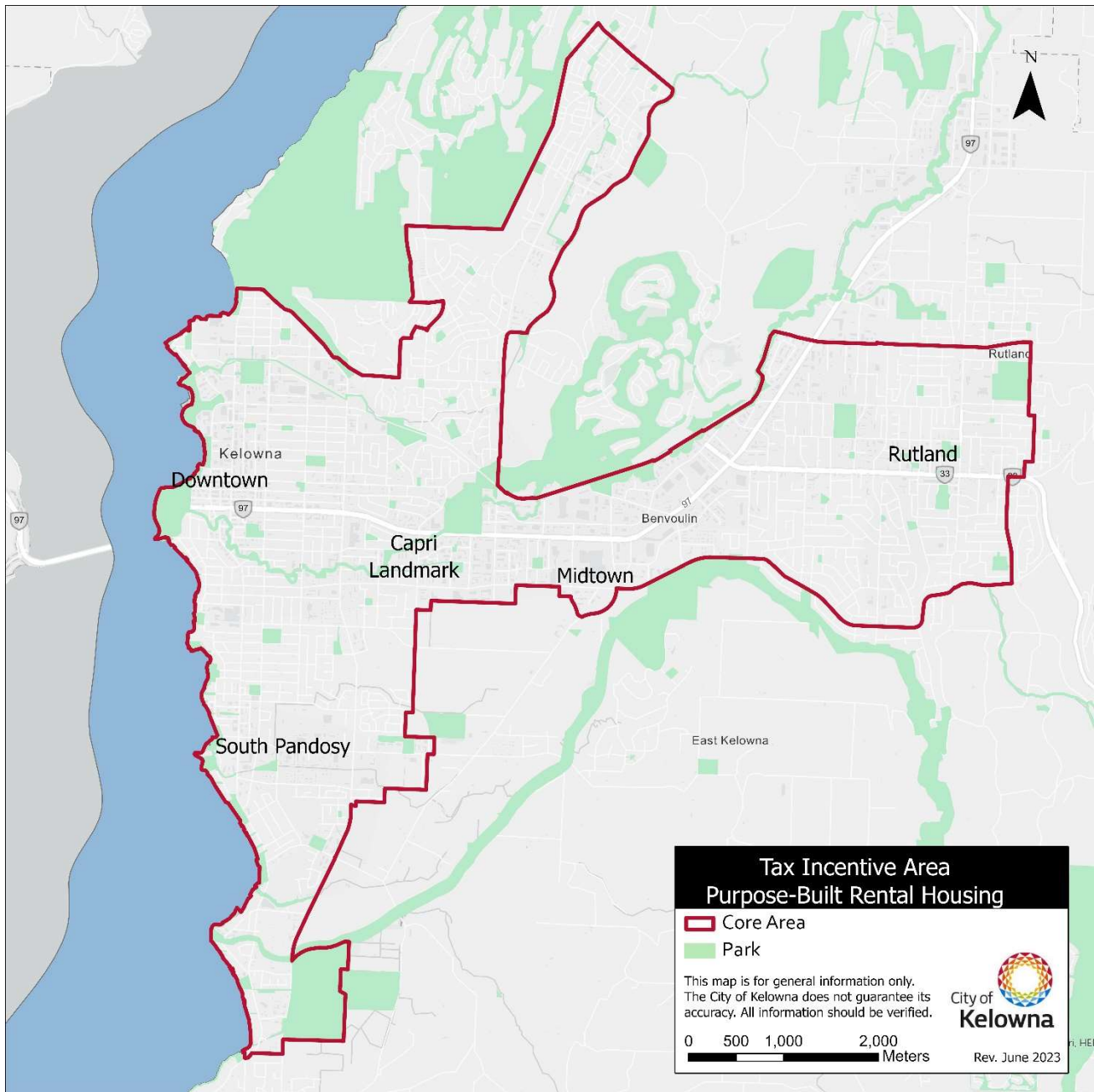
City Clerk

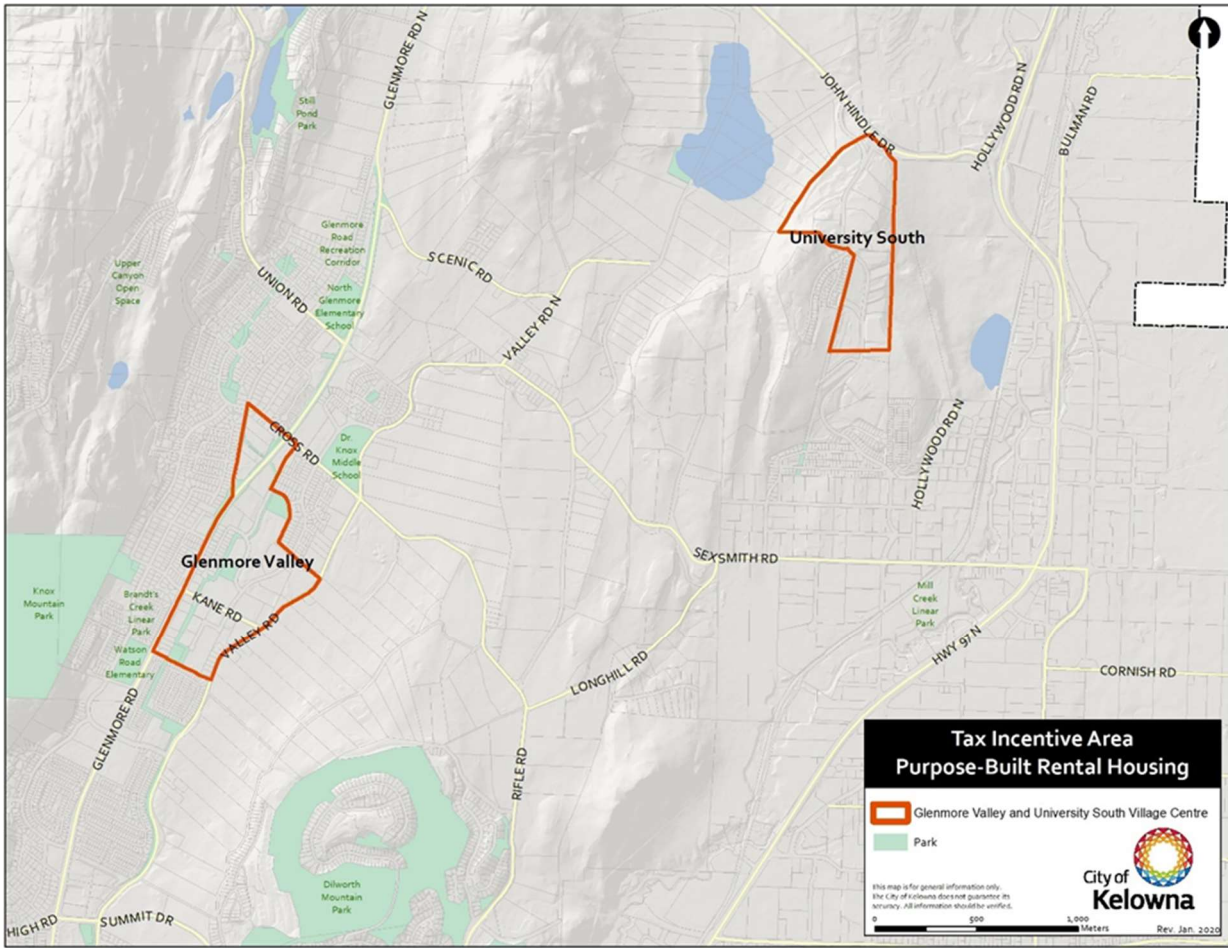
SCHEDULE "A"

Revitalization Areas









SCHEDULE "B"

Revitalization Tax Exemption Agreement

THIS AGREEMENT dated for reference the ___ day of _____, 20__ is

BETWEEN:

[Company Name]
[Company Address 1]
[Company Address 2]
[Company Address 3]

(the "Owner")

AND:

CITY OF KELOWNA
1435 Water Street,
Kelowna, B.C.
V1Y 1J4

(the "City")

GIVEN THAT:

- A. The Owner is the registered owner in fee simple of lands in the City of Kelowna at *[insert civic address]* legally described as *[insert legal description]* (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the Revitalization Tax Exemption Program Bylaw No. 12561 the designation of areas which include the Parcel as a revitalization area; and
- C. The Owner proposes to construct new improvements *[or alter existing improvements]* on the Parcel as described in Appendix "A" attached to and forming part of this agreement (the "Project") and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Owner and the City covenant and agree each with the other as follows:

- 1. **The Project** – the Owner will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, as outlined in the "City of Kelowna Revitalization Tax Exemption Program Bylaw No. 12561" (the "Bylaw"). Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will include the following:
 - a. *[insert project details (type, size, number of units, etc)]:*
- 2. **Operation and Maintenance of the Project** – throughout the term of this agreement, the Owner shall operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent owner would do.

3. **Revitalization Amount** – In this agreement, “**Revitalization Amount**” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the Parcel resulting from the construction of the Project as described in section 1;
4. **Revitalization Tax Exemption** – subject to fulfilment of the conditions set out in this agreement and in the Bylaw, the City shall issue a revitalization tax exemption certificate (the “Tax Exemption Certificate”) to the British Columbia Assessment Authority entitling the Owner to a property tax exemption in respect of the property taxes due (not including local service taxes) in relation to the Revitalization Amount on the Parcel (the “Tax Exemption”) for the calendar year(s) set out in the Tax Exemption Certificate .
5. **Conditions** – the following conditions shall be fulfilled before the City will issue a Tax Exemption Certificate to the Owner in respect of the Project:
 - a. The Owner must complete or cause to be completed construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached hereto as Appendix “A”;
 - b. *[If necessary]* The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto; and
 - c. The Owner must submit a copy of the Occupancy Permit and Title Certificate dated within 30 days to the City of Kelowna within 48 months from the date the Agreement is executed.
6. **Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption shall be equal to *[choose appropriate option from below based on parcel location, insert applicable wording, and delete remaining]*:
 - a) For “Tax Incentive Area 1”, 100% of the Revitalization Amount on the parcel which can be attributed to a commercial land use.
 - b) For “Tax Incentive Area 2,”
 - (a) 100% of the Revitalization Amount on the parcel, for a project with a minimum floor area of 3,716 m² (40,000 sq. ft.) or greater which can be attributed to a commercial land use; or
 - (b) 50% of Revitalization Amount on the parcel which can be attributed to a commercial land use, for a project with a floor area of less than 3,716 m² (40,000 sq. ft.).
 - c) For “Tax Incentive Area 3,” 100% of the Revitalization Amount on the Parcel which can be attributed to a commercial land use.
 - d) For Purpose-Built Rental Housing Projects within the Core Area, Glenmore Valley Village Centre and University South Village Centre as identified in Schedule A, 100% of the Revitalization Amount on the parcel which can be attributed to residential land uses.
7. **Term of Tax Exemption** – provided the requirements of this agreement, and of the Bylaw, are met the Tax Exemption shall be for 10 years after the BC Assessment Authority validates the Tax Exemption Certificate issued by the City of Kelowna’s Revenue Branch.
8. **Compliance with Laws** – the Owner shall construct the Project and, at all times during the term of the Tax Exemption, use and occupy the Parcel and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.

9. **Effect of Stratification** – if the Owner stratifies the Parcel under the Strata Property Act, then the Tax Exemption shall be prorated among the strata lots in accordance with the unit entitlement of each strata lot for:
- a. the current and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office before May 1; or
 - b. for the next calendar year and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office after May 1;

so long as, if the Project is the subject of an operating agreement between the Owner and the Provincial Rental Housing Corporation, the Owner is in compliance with the operating agreement. The Owner agrees to provide written confirmation to the City regarding the Owner's compliance with the said operating agreement, satisfactory to the City, upon the City's reasonable inquiry.

10. **Termination of the agreement** - the revitalization tax exemption agreement will be valid for 48 months from the date the agreement is executed. If the conditions for issuance of a Tax Exemption Certificate have not been met during this term, the owner may request a renewal term to this agreement or the agreement will be terminated.
11. **Cancellation** – the City may in its sole discretion cancel the Tax Exemption Certificate:
- a. on the written request of the Owner;
 - b. effective immediately upon delivery of a notice of cancellation to the Owner if at any time any of the conditions in the Tax Exemption Certificate are not met; or
 - c. If the Owner is subject to an operating agreement with the Provincial Rental Housing Corporation and is not in compliance with the operating agreement.

If such cancellation occurs, the Owner of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any Tax Exemption received in respect of a period falling after the date of the cancellation of the Tax Exemption Certificate.

12. **No Refund** – for greater certainty, under no circumstances will the Owner be entitled under the City's revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.
13. **Notices** – any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Parcel, or if sent by prepaid registered mail (Express Post) to such party:

- a. in the case of a notice to the City, at:

THE CITY OF KELOWNA
 1435 Water Street,
 Kelowna, B.C.
 V1Y 1J4
 Attention: Divisional Direction, Planning & Development Services

- b. in the case of a notice to the Owner, at:

[Insert name and address of owner]

Attention:
Phone:
Email:

Or at such other address as the party to whom such notice or other writing is to be given shall have last notified the party giving the same.

14. **No Assignment** – the Owner shall not assign its interest in this agreement except to a subsequent owner in fee simple of the Parcel.
15. **Severance** – if any portion of this agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this agreement.
16. **Interpretation** – wherever the singular or masculine is used in this agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties thereto so require.
17. **Further Assurances** – the parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this agreement.
18. **Waiver** – waiver by the City of a default by the Owner shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
19. **Powers Preserved** – this agreement does not:
 - a. Affect or limit the discretion, rights or powers of the City under any enactment or at common law, including in relation to the use or subdivision of the Parcel;
 - b. Affect or limit any enactment relating to the use or subdivision of the Parcel; or
 - c. Relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Parcel and without limitation shall not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges, application fees, user fees or other rates, levies or charges payable under any bylaw of the City.
20. **Reference** – every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
21. **Enurement** – this agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
22. The maximum Revitalization Tax Exemption authorized by this agreement must not exceed the Revitalization Amount on the Property between:
 - a. the calendar year before the construction or alteration began, as outlined under Section 1 of this agreement; and
 - a. the calendar year in which the construction or alteration, as outlined under Section 1 of this agreement, is completed.
23. The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

Executed by the CITY OF KELOWNA by
Its authorized signatories:

Name:

Name

Position

Position

Executed by _____ by its Authorized signatories:

Name

Position

Name:

Position

Appendix "A": Plans and Specifications
Appendix "B": Performance Criteria *[Restrictive Covenant if necessary]*

SCHEDULE "C"
Tax Exemption Certificate

Revitalization Tax Exemption Agreement No.	
Building Permit No.	
Date of Issuance by Revenue Department	

In accordance with the Revitalization Tax Exemption Program Bylaw No. 12561 (the "Bylaw"), and in accordance with a Revitalization Tax Exemption Agreement dated for reference the ____ day of _____, 20__ (the "Agreement") entered into between the City of Kelowna (the "City") and _____ (the "Owner"), the registered owner(s) of [insert legal description of property] (the "Parcel):

- A) This certificate certifies that the Parcel is subject to a Revitalization Tax Exemption, for each of the taxation years 20__ to 20__ inclusive, equal to [\[choose one from below and insert applicable wording\]](#):
1. "Tax Incentive Area 1", 100% of the Revitalization Amount for commercial land uses attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
 2. "Tax Incentive Area 2,"
 - a. 100% of the Revitalization Amount for commercial land uses attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
 - b. 75% of the Revitalization Amount for commercial land uses attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued) which can be attributed to a residential land use,
 - c. and/or 50% of the Revitalization Amount for commercial land uses attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued) which can be attributed to a commercial land use;
 3. "Tax Incentive Area 3," 100% of the Revitalization Amount for commercial land uses attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
 4. Purpose-Built Rental Housing Project, 100% of the Revitalization Amount for residential land uses attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued).

- B) Any construction of a new improvement or alteration of an existing improvement, on the Parcel described above, undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration;
- C) The maximum Revitalization Tax Exemption authorized must not exceed the increase in the assessed value of improvements on the property resulting from the construction or alterations attributed to Building Permit No _____ between 20__ (the calendar year before the commencement of construction of the project) and 20__ (the calendar year in which the Revitalization Tax Exemption Certificate is issued);
- D) The Property's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.
- E) The Revitalization Tax Exemption is provided under the following conditions:
 - 1. The Owner does not breach any term, condition or provision of, and performs all obligations set out in, the Agreement and the Bylaw;
 - 2. The Owner has not sold all or any portion of his or her equitable or legal fee simple interest in the Parcel without the transferee taking an assignment of the Agreement, and agreeing to be bound by it;
 - 3. The Owner, or a successor in title to the Owner, has not allowed the property taxes for the Parcel to go into arrears or to become delinquent;
 - 4. The Exempt Use (as defined in the Agreement) of the Project is not discontinued.
- F) If the Owner is subject to an operating agreement with the Provincial Rental Housing Corporation, the owner must comply with the terms of the operating agreement with the Provincial Rental Housing Corporation.
- G) If any of these conditions are not met, the Council of the City of Kelowna may cancel this Revitalization Tax Exemption Certificate. If such cancellation occurs, the Owner of the Parcel, or a successor in title to the Owner as the case may be, shall remit to the City an amount equal to the value of the exemption received after the date of the cancellation of the certificate.