

**City of Kelowna  
Regular Council Meeting  
AGENDA**



Monday, September 14, 2015

9:00 am

Knox Mountain Meeting Room (#4A)

City Hall, 1435 Water Street

|   | Pages            |
|---|------------------|
| 1. Call to Order  |                  |
| 2. Confirmation of Minutes  | 3 - 4            |
| Regular AM Meeting - August 24, 2015  |                  |
| 3. Reports  |                  |
| 3.1 My Downtown Plan - Civic Block Land Use Plan  | 45 m      5 - 38 |
| To inform Council on the concept development and public engagement work completed to date and to seek council direction on the preparation of a preferred concept for the Civic Block Plan that will serve as a framework to guide positive change and development over the next 20 years in this area of Downtown Kelowna. |                  |
| 4. Resolution Closing the Meeting to the Public   |                  |
| THAT this meeting be closed to the public pursuant to Section 90(1)(c), (j) and (k) and Section 90(2) (b) of the <i>Community Charter</i> for Council to deal with matters relating to the following:   |                  |
| <ul style="list-style-type: none"><li>• Employee Relations;</li><li>• Third Party Information;</li><li>• Provision of a Municipal Service; and</li><li>• Negotiations with the Provincial Government.</li></ul>   |                  |
| 5. Adjourn to Closed Session  |                  |
| 6. Reconvene to Open Session  |                  |

## 7. Reports

- 7.1 Kelowna International Airport (YLW) Familiarization Presentation** 60 m 39 - 118

To familiarize Council with the operation of the Kelowna International Airport.

## 8. Issues Arising from Correspondence & Community Concerns

- 8.1 Mayor Basran, re: Deputy Mayor Schedule - October & November 2015** 5 m 119 - 119

To amend the Deputy Mayor Schedule for October and November 2015.

- 8.2 Mayor Basran, re: Tour of RCMP Depot in Regina - November 16, 2015** 5 m 120 - 120

To authorize the Mayor to travel to attend a tour of the RCMP Depot in Regina.

- 8.3 Councillors Donn, Given & Hodge, re: 2016 SILGA Convention - 50/50 Funds** 5 m 121 - 121

To authorize the donation of the 2016 SILGA 50/50 raffle proceeds to the United Way.

- 8.4 Councillors Donn & Hodge, re: Cities Fit for Children Provincial Summit, November 12-13, 2015** 5 m 122 - 122

To authorize Councillors Donn & Hodge to attend the Cities Fit for Children Provincial Summit.

- 8.5 Mayor Basran, re: Sails Fountain Light Up Guidelines** 5 m

To advise Council of the guidelines established for requests to light the Sails Fountain to mark special events or occasions.

- 8.6 Mayor Basran, re: Issues Arising from Correspondence** 5 m

## 9. Termination



**City of Kelowna  
Regular Council Meeting  
Minutes**

Date: Monday, August 24, 2015  
 Location: Knox Mountain Meeting Room (#4A)  
 City Hall, 1435 Water Street

Members Present Mayor Colin Basran, Councillors Maxine DeHart, Ryan Donn, Gail Given, Tracy Gray, Charlie Hodge, Brad Sieben, Mohini Singh and Luke Stack

Staff Present City Manager, Ron Mattiussi; City Clerk, Stephen Fleming; Community Planning & Real Estate Director, Doug Gilchrist\*

(\* denotes partial attendance)

**1. Call to Order**

Mayor Basran called the meeting to order at 8:35 a.m.

**2. Confirmation of Minutes**

Moved By Councillor Stack/Seconded By Councillor Donn

R637/15/08/24 THAT the Minutes of the Regular AM Meeting of August 10, 2015 be confirmed as circulated.

Carried

**3. Resolution Closing the Meeting to the Public**

Moved By Councillor Donn/Seconded By Councillor Gray

R638/15/08/24 THAT this meeting be closed to the public pursuant to Section 90(1) (k) of the Community Charter for Council to deal with matters relating to the following:

- Provision of a Municipal Service.

Carried

**4. Adjourn to Closed Session**

The meeting adjourned to a closed session at 8:36 a.m.

**5. Reconvene to Open Session**

The meeting reconvened to an open session at 12:11 p.m.

## 6. Issues Arising from Correspondence & Community Concerns

### 6.1 Councillor Hodge, re: Scheduling of Council Meetings

Councillor Hodge:

- Referenced document circulated to Council and staff earlier today.
- Made comment as to reason for requesting the change.

Council:

- Made comment on the proposal.

City Manager:

- Made comment as to current Council agenda timelines.

Council:

- Consensus for meetings to remain scheduled for Mondays.

### 6.2 Divisional Director, Community Planning & Real Estate, re: CN Update

Staff:

- Provided update on CN acquisition and next steps post acquisition.
- Provided acknowledgement of Council support.

### 6.3 Councillor Singh, re: 4442 Lakeshore Road

Councillor Singh:

- Inquired as to the property owner's correspondence.

City Manager:

- Provided updates.

## 7. Termination

The meeting was declared terminated at 12:34 p.m.

\_\_\_\_\_  
Mayor

/scf/acm

\_\_\_\_\_  
*Steph Fleming*  
City Clerk

# Report to Council



**Date:** September 14, 2015  
**File:** 1200-70  
**To:** City Manager  
**From:** Ross Soward, Planner Specialist  
**Subject:** My Downtown Plan- Civic Block Land Use Plan  
Report Prepared by: Ross Soward

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## **Recommendation:**

THAT Council receives, for information, the Report from the Planner Specialist dated September 14, 2015, with respect to the Civic Block Plan

AND THAT Council directs staff to prepare a preferred concept plan for Council that consolidates the majority of the ideas described in the Mixed-Use Concept with select key elements of the Single-Use Concept as described in the next steps section of the report from the Planer Specialist dated September 14, 2015 and report back to Council.

## **Purpose:**

To inform Council on the concept development and public engagement work completed to date and to seek council direction on the preparation of a preferred concept for the Civic Block Plan that will serve as a framework to guide positive change and development over the next 20 years in this area of Downtown Kelowna.

## **Background:**

On March 16, 2015 Council approved the planning initiative for the Civic Block study area as outlined by City Staff in Attachment A. The Plan will consider the long-term land use goals for a unique area of the Downtown, supporting the implementation of the *My Downtown Plan* and defining the City's goals for the redevelopment of key sites within the study area. Notably, the approval of the Police Services Building on Clement Avenue will trigger a significant redevelopment opportunity for the RCMP site on Doyle Avenue. The Civic Block Plan provides an opportunity to support a vibrant live-work-play downtown, while strengthening the City's cultural district.

As part of the March 16, 2015 report, Council endorsed the following goals for the Civic Block Plan Process:

- Determine future options for land uses, including identification of sites for future civic facilities
- Policy direction to guide future developments (public and private)
- Opportunities to enhance public space
- Funding options to support community amenities identified in the Plan

### Public Engagement Plan Update

Given the significance of the outcomes of the plan, a broad cross-section of the community was engaged over the last five months through face-to-face meetings, community workshops, drop-in session and online tools to understand the community’s values in relation to the long-term development of the study area.<sup>1</sup>

| Date         | Engagement Activity to Date                                      |
|--------------|--|
| March 15     | Council approved planning process and associated engagement plan |
| April 9-29   | Stakeholder sessions   |
| May 13       | Community Workshop 1   |
| June 24      | Community Workshop 2   |
| July 7       | Community Drop-in Session  |
| August 18-30 | Online engagement opportunity                                    |

The first phase of the engagement plan included several sessions with interest groups (arts and culture, downtown development, social service providers, property owners and institutional groups) in April. The groups were identified based on their unique perspective or vested interest in the study area and ability to identify issues or opportunities unique to the Civic Block. Also, two community workshops engaging 30-40 participants in each workshop allowed the community to shape the elements of the plan. Half of the participants were key stakeholders while the other participants included citizens selected through a lottery. Community Workshop 1 on May 13<sup>th</sup> focused on key issues and opportunities and developing the planning and design principles. Community Workshop 2 on June 24<sup>th</sup> focused on the formulation of a preferred concept. A public drop-in session was also hosted on July 7<sup>th</sup>, where 75 citizens reviewed the preliminary options presented at workshop 2 and completed a short survey. The broader public was also engaged using the Shape Your City portal, allowing 115 residents to review Draft Concepts 1a/b and provide input on the direction of the plan.

### Planning and Design Principles

At each stage of the process, outcomes from the public engagement shaped the concept plan. At the outset, stakeholder sessions in April and Community Workshop 1 established the planning and design principles. The principles were fundamental to the process, guiding staff and stakeholders in the development of preliminary options for the Civic Block Plan. The principles will also continue to influence the refinement of the preferred concept, serving as evaluation criteria for the final concept plan. The planning and design principles below reflect the community’s values in relation to the long-term development of the Civic Block.

#### Civic Block Planning and Design Principles

- Make the area a distinct and diverse cultural precinct
- Build on existing facilities and patterns of infrastructure wherever feasible
- Encourage vibrancy through a broad mix of land uses and public spaces

<sup>1</sup> See Attachment D – Public Engagement Summary for a detailed summary of the engagement process.

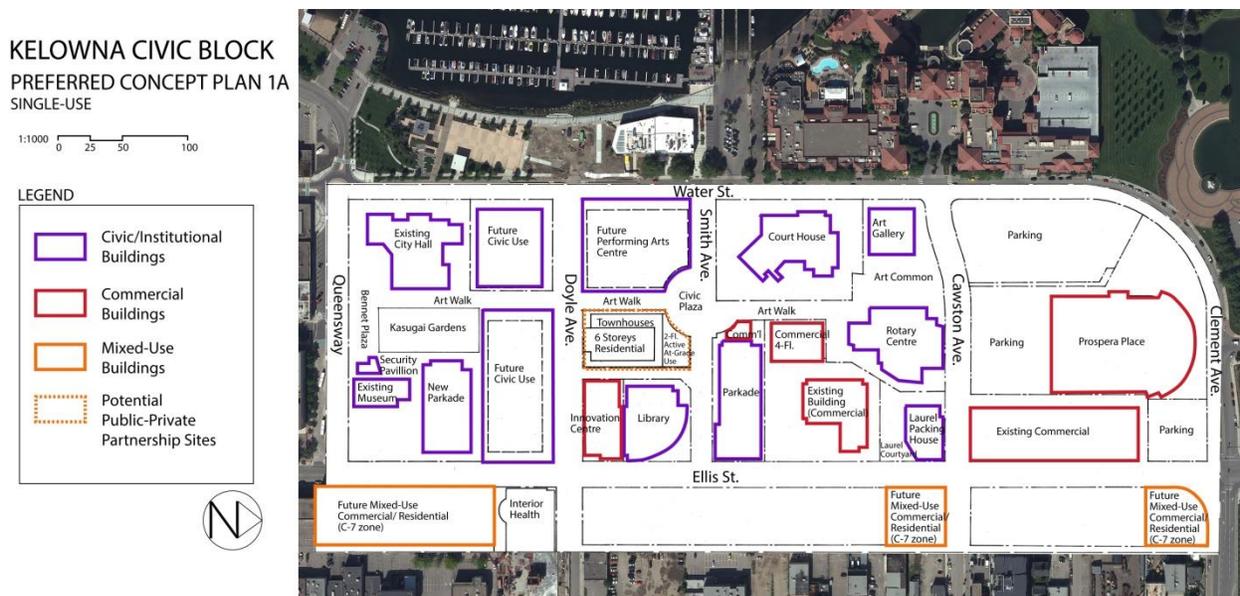
- Create landmark public spaces that define future development
- Restrict market residential developments
- Use public land for community amenities
- Look for partnerships with the private sector to benefit the community
- Examine parking strategies holistically
- Consider the economic and financial impacts of all proposals
- Enhance opportunities for a healthy and complete community
- Be pedestrian oriented while still accommodating vehicles

## Concept Development

After Community Workshop 2, the project team developed a hybrid concept with two variations (1a/b). Both of the concepts reflect the preliminary options that were developed through the community engagement process and each share a number of key elements including the Art Walk extension, a new Civic Plaza and the Kelowna Community Theatre site being protected for a future performing arts centre. Both concepts also show the RCMP site being developed through a mixed-use partnership and assume an enhanced pedestrian environment on Doyle Avenue and streetscape improvement on Ellis. However, each of the concepts incorporates a different amount of residential and commercial uses in the study area. Both 1a/b reflect the planning and design principles, public engagement feedback and technical considerations (for e.g. Sawmill Trust, market analysis and parking requirements) but with different densities which could impact timeline implementation and/or the degree of mixed uses being accomplished on multiple sites.

### Concept 1A (Predominantly Single-use Option)

This concept reflects more of a single-use approach integrating fewer market uses and mixed-use sites, placing a greater reliance on the City to lead the development of key sites. Overall, option 1A assumes a lower level of development activity and fewer sites that would integrate residential or commercial uses.



For ease of interpretation, Concept 1A is broken down into three block areas:

**Clement Avenue to Cawston Avenue**

- Surface parking at Prospera Place will support parking for major events.
- Art Gallery and Rotary Centre for the Arts will remain without any future changes.
- The Arts Common will be investigated for opportunities to increase programming and animation, potentially exploring seasonal activities to start.
- Laurel Packing House will remain with public space improvements at the rear of the building (Laurel Courtyard) at some future date.

**Smith Avenue / Art Walk**

- Provincial court house will not see any substantive redevelopment.
- A new Civic Plaza is proposed to connect the Art Walk, serve as a landmark public space and define the back edge of future redevelopment sites on Doyle Avenue
- Shared Services BC Building occupied by Interior Health (along Ellis Street) will remain as an office building, but has potential to be repurposed to a commercial use. At a future date, the parcel could be subdivided to allow for a low-rise commercial/arts focused building fronting the Art Walk and encouraging more activity.
- A small commercial retail unit could be developed at the back of the Library Parkade adjacent to the Art walk and fronting the Civic Plaza to further animate and frame the Civic Plaza.

**Doyle Avenue**

- Kelowna Community Theatre Site will be held for future redevelopment as a Performing Arts Centre with a Civic Plaza defining the northeast edge of the building.
- RCMP parcel will be redeveloped as mixed-use building with an option for townhouses fronting the Art Walk extension and 4-6 stories of residential above, the northern/rear of the building will include 2 stories that will be secured via a preferred occupancy to animate the Civic Plaza.
- Memorial Arena site will be secured for future civic uses as determined by future community need.
- City Hall parking lot will also be secured for future civic uses as determined by future community need.

**Queensway Frontage**

- City Hall site will be secured for long-term civic use.
- Bennett Plaza will be redesigned to better serve as a gateway to the Art Walk and Kasugai Gardens.
- Okanagan Heritage Museum site will be maintained as a site for civic use.

| Concept Plan Characteristics      | Staff Analysis  |
|-----------------------------------|---|
| Relationship to Downtown Plan     | Public space elements (Art Walk, Civic Plaza, Laurel Courtyard) support the direction of My Downtown Plan, but fundamentally the concept needs to be strengthened on the goal of bringing more people downtown to live, work or play. The limited number of sites proposed for residential or commercial uses affects the long-term goal of a complete downtown community. Also, without more day and evening activities the added public space components may be difficult to animate and keep vibrant, safe public activities in those areas. |
| Relationship to Cultural District | More closely preserves approach of maintaining Arts and Cultural facilities as a distinct district apart from other downtown uses (apart from RCMP site). Long-term redevelopment of the KCT site as a purpose built performing arts centre ensures a landmark site for arts and culture investment in the District. Also, protects the city hall parking lot and memorial site for long-term civic or  |

|                                   |  |
|-----------------------------------|--|
|                                   | cultural uses.   |
| Integration of Community Feedback | The single-use performing arts centre and low-rise height profile close to the waterfront reflects feedback from the community workshops. Public space and pedestrian connectivity improvements were also key outcomes from workshops. The emphasis on future civic/cultural uses reflects the discussion at the community workshops. Public input also indicated that the surrounding parcels outside of the study area (specifically to the east) are currently designated for significant residential density and they should fulfill the residential need and to maintain the institutional uses for community purposes. |
| Costs                             | Significant costs associated with the development of a new performing arts centre as well as the public space (Art Walk, Civic Plaza) and streetscape improvements (Doyle, Ellis). There is less development that could be phased over time and contribute to these civic investments. Also, the development of a new performing arts centre will have no land lease revenue and will rely solely on taxation and/ or senior government funding.   |
| Transportation                    | Maintains surface parking at Prospera site and does little to increase potential for more people to live and work Downtown. Enhanced pedestrian realm on Doyle is an asset.  |

### Concept 1B (Predominantly Mixed-use Option)

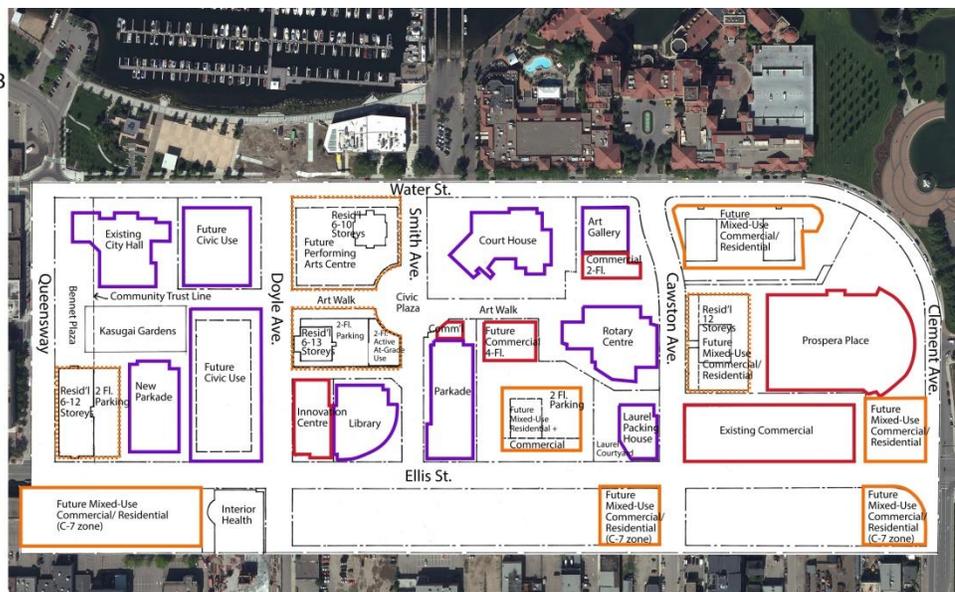
This concept proposes a higher number of sites for mixed-use partnerships, encouraging more private investment to lead the long-term redevelopment.<sup>2</sup> This concept also assumes a greater amount of development activity and increases the amount of residential and commercial uses in the study area.

KELOWNA CIVIC BLOCK  
PREFERRED CONCEPT PLAN 1B  
MIXED-USE

1:1000  
0 25 50 100

LEGEND

- Civic/Institutional Buildings
- Commercial Buildings
- Mixed-Use Buildings
- Potential Public-Private Partnership Sites



### Cawston Avenue to Clement Avenue

<sup>2</sup> A mixed-use site would integrate cultural uses, public amenities, and private market land uses within one development site, assuming a cooperative venture between public and private sectors.

- The lots surrounding Prospera Place will be signaled for redevelopment opportunity (long-term) as mixed-use residential towers with commercial at-grade with parking on the first two floors, making up the loss of surface parking as a result of development.
- Rotary Centre for the Arts will remain with no substantive renovations or redevelopment.
- Laurel Packing House will remain with public space improvements at the rear of the building (Laurel Courtyard) at a future date and when budget allows.
- A redevelopment opportunity alongside the Rotary Centre for the Arts building adjacent to the Arts Common could provide a site for arts and cultural production or a commercial tenant.

**Smith Avenue / Art Walk**

- Provincial court house will not see any substantive redevelopment.
- Shared Services BC Building occupied by Interior Health on Ellis Street could be redeveloped as a site for mixed-use residential and commercial development. Lot could be subdivided to allow for a low-rise commercial building that could activate the Art Walk.
- A small commercial site could be created at the back of the Library Parkade adjacent to the Art walk and fronting the Civic Plaza, likely well into the longer term horizon and when the market would support such a commercial retail space.
- A new Civic Plaza is proposed to connect the Art Walk, serve as a landmark public space and define the back of future redevelopment sites on Doyle Avenue.

**Doyle Avenue**

- Kelowna Community Theatre Site will be held as a redevelopment site for a future Performing Arts Centre with the option to incorporate a tower component of 6-10 stories.
- RCMP parcel will be redeveloped as mixed-use building with up to 13 stories, the northern/rear of the building will include 2 stories of a use that will encourage activity adjacent to the future Civic Plaza
- Memorial Arena site will be secured for future civic uses as determined by future community need.
- City Hall parking lot will also be secured for future civic uses as determined by future community need.

**Queensway Avenue**

- City Hall site will be secured for long-term civic uses.
- Assuming the Heritage Museum is consolidated at a different site at some future date, the Queensway site fronting the Transit Exchange will be considered for affordable housing (6-12 storeys) with commercial at-grade and transit security office.
- Bennett Plaza will be updated to serve as a gateway to the Art Walk and Kasugai Gardens.

| Concept Plan Characteristics  | Staff Analysis  |
|-------------------------------|---|
| Relationship to Downtown Plan | Supports the Downtown Plan by increasing opportunities for people to live and work in the study area. Although, the integration of residential and commercial at several sites requires zoning and height changes, this direction supports the principal goals of the <i>My Downtown Plan</i> . Additional public space improvements (Civic Plaza, Art Walk Extension, and Laurel Courtyard) will contribute to the range of amenities in the Downtown, encouraging more private sector investment and activity. Also, the concept establishes an opportunity site for affordable housing should the other civic uses be successfully relocated, which would be a long-term objective. Overall, the shift to infill and |

|                                   |  |
|-----------------------------------|--|
|                                   | densification aligns with the goal of creating a complete community that is vibrant throughout the day and evening.  |
| Relationship to Cultural District | Introduces mixed-use approach for development in the district, proposes performing arts centre with a tower component. Also, proposes more residential and commercial buildings within the district to increase activity and animate new public spaces and Art Walk. Protects opportunities for future civic or cultural facility needs by designating memorial arena and city hall parking lot for civic or cultural use such as a long-term consolidation of the Museum.   |
| Integration of Community Feedback | Reflects the direction from workshops to increase activity in the area and also integrates the principle of limiting residential uses to edges of the study area (Cawston/Queensway sites). This option attempts to balance the direction to protect land in the study area for civic uses, while increasing activity. Also, the integration of the Civic Plaza and extension of the Art Walk to create a central pedestrian spine. In summary, this variation explores the upper limit of what was supported by the public in relation to integrating market uses to support long-term improvements and increase activity. Introduces more residential into the study area, which may postpone the residential uptake of parcels at the periphery of the study area. It also detracts from single-use civic facilities, and focuses on mixed use buildings that are not exclusively for public/community use. |
| Costs                             | This variation presents a greater opportunity to phase the associated capital costs of public space and streetscape improvement alongside the long-term build out of the proposed residential and commercial uses proposed. Also, provides revenue opportunities that could reduce the impact on taxation for future cultural facility investment.   |
| Transportation                    | Results in a more efficient delivery of parking with parking spaces on Prospera lots accommodated in structured parking associated with new development north of Cawston, although development of this site would be at the discretion and uptake of the current property owner. Requires minor parking reductions to support affordable housing redevelopment at Queensway (long term horizon). Enhanced pedestrian realm on Doyle Avenue and improved pedestrian connectivity in the study area.   |

**Economic Analysis**

*Long-term*

Both variations of the draft concept were reviewed by a land economics consultant to understand the viability of market uses (residential and commercial) and the implications for long-term plan implementation. To support vibrancy and encourage a more complete Downtown Urban Centre as proposed by the My Downtown Plan, concept 1b identifies a number of sites for market uses. However, the analysis indicates the current market for high-density market residential or commercial development provides only a nominal return to the City through a land lease due to high costs associated with concrete construction. However, given the long-term timeline and constraints associated with developing residential development at Queensway, Cawston, and KCT the City should pursue the goal of intensifying these sites in the long-term. In addition, the civic uses proposed will also be implemented in the long-term as they are not currently included in the City’s 10 Year Capital Plan. Accordingly, revenue from market uses (if demand for multi-family residential development increases) could align with the long-term build out of public improvements in the area and provide revenue to offset some of the costs of public improvements (for e.g., Civic Plaza, Art Walk, Laurel Courtyard etc).

### *Near-Term*

The RCMP site on Doyle is the only site that is assumed to be redeveloped in the near-term due to the imminent demolition of the current RCMP site in 2-3 years. The preliminary financial analysis indicates that this is the most likely site viable for development based on a 6 storey wood frame mixed-use development and would provide a reasonable market return to the City for a long-term land lease. The high-density options (up to 13 stories) in 1B will require a greater market demand for multi-family units or a significant reduction in the cost of concrete construction before they are viable, likely pushing the timeline beyond 5 years.

### **Next Steps**

Staff recognizes merits of both concepts described in this report, supporting the preparation of a preferred concept plan that consolidates the majority of ideas described in the Mixed-Use Concept with select key elements of the Single-use concept.

This direction prioritizes the goal of encouraging activity in the Downtown and Cultural District beyond the traditional business hours (9-5) by introducing residential and commercial uses in the Cultural District and along the Art Walk. Therefore, staff supports the direction of redeveloping the RCMP site in the near-term and other sites in the long-term (Cawston Avenue, Ellis Street IH site, Arts Common, and Museum/Queensway) as identified in Option 1B when sequencing supports. For the RCMP site, staff recommend a development with active ground floor uses fronting Doyle Avenue, the future Art Walk extension, and the proposed Civic Plaza, concentrating vehicle access and utilities on the east façade of the building. Also, a range of building heights could be accommodated on the RCMP site, but the height profile for Doyle should respect the goal of building heights stepping down to the waterfront.

The key element of the single-purpose concept that is recommended is the long-term redevelopment of the KCT site. Due to the low-rise character of the area and the challenges of introducing building height in close proximity to the waterfront, a performing arts centre without the inclusion of a tower would best deliver an iconic landmark building for the Cultural District. Various elements are consistent between both concepts and are supported, including: protection of the City Hall parking lot and Memorial sites for long-term civic or cultural uses and the extension of the Art Walk and creation of a new Civic Plaza to define the rear of the KCT and RCMP sites. In addition, improvements to the public realm on Doyle Avenue and Ellis Street are critical to supporting the on-going transformation of this area of the Downtown to create a walkable, vibrant environment. Overall, the Civic Block plan will set in motion a series of actions that will influence both public and private investment in the Downtown over the next twenty years.

Following Council's input, the preferred concept plan will be consolidated and refined in preparation for a public open house in the fall. The project team will undertake additional financial analysis, development of urban design guidelines and prepare supporting visuals to better communicate the proposed land uses, building height ranges and public space / streetscape improvements. Staff will report to council in late 2015 seeking endorsement of the final concept plan prior to moving forward with bylaw and policy amendments to support implementation.

### **Internal Circulation:**

Divisional Director, Community Planning and Real Estate

Planner Specialist  
Manager, Park and Building Services  
Strategic Land Development Manager  
Cultural Services Manager  
Communications Advisor  
Building Services Manager  
Department Manager, Infrastructure Planning  
Department Manager, Community Planning

**Legal/Statutory Procedural Requirements:**

The southern block of the Civic Precinct is impacted by the Sawmill Trust. This Trust between the community and the City of Kelowna requires that lands within the Trust boundary be used only for municipal purposes.

**Existing Policy:**

My Downtown Plan  
2012-2017 Cultural Plan  
2030 Official Community Plan

**Financial/Budgetary Considerations:**

Professional and Consulting Budget= \$120,300 allocated from existing and approved funding sources.

**Personnel Implications:**

1605 hours of staff time

**Considerations not applicable to this report:**

External Agency/Public Comments:  
Communications Comments:  
Alternate Recommendation:  
Legal/Statutory Authority:

Submitted by:

Ross Soward, Planner Specialist

Approved for inclusion:



Danielle Noble-Brandt, Dept. Manager of Policy & Planning

cc:

Divisional Director, Community Planning and Real Estate  
Planner Specialist  
Manager, Park and Building Services  
Strategic Land Development Manager  
Cultural Services Manager  
Communications Advisor  
Building Services Manager  
Department Manager, Infrastructure Planning

Department Manager, Community Planning

**Attachments:**

Attachment A: Study Area Map

Attachment B: Option 1A: Single Purpose & Option 1B: Mixed-Use

Attachment C: Financial Analysis Summary

Attachment D: Public Engagement Summary

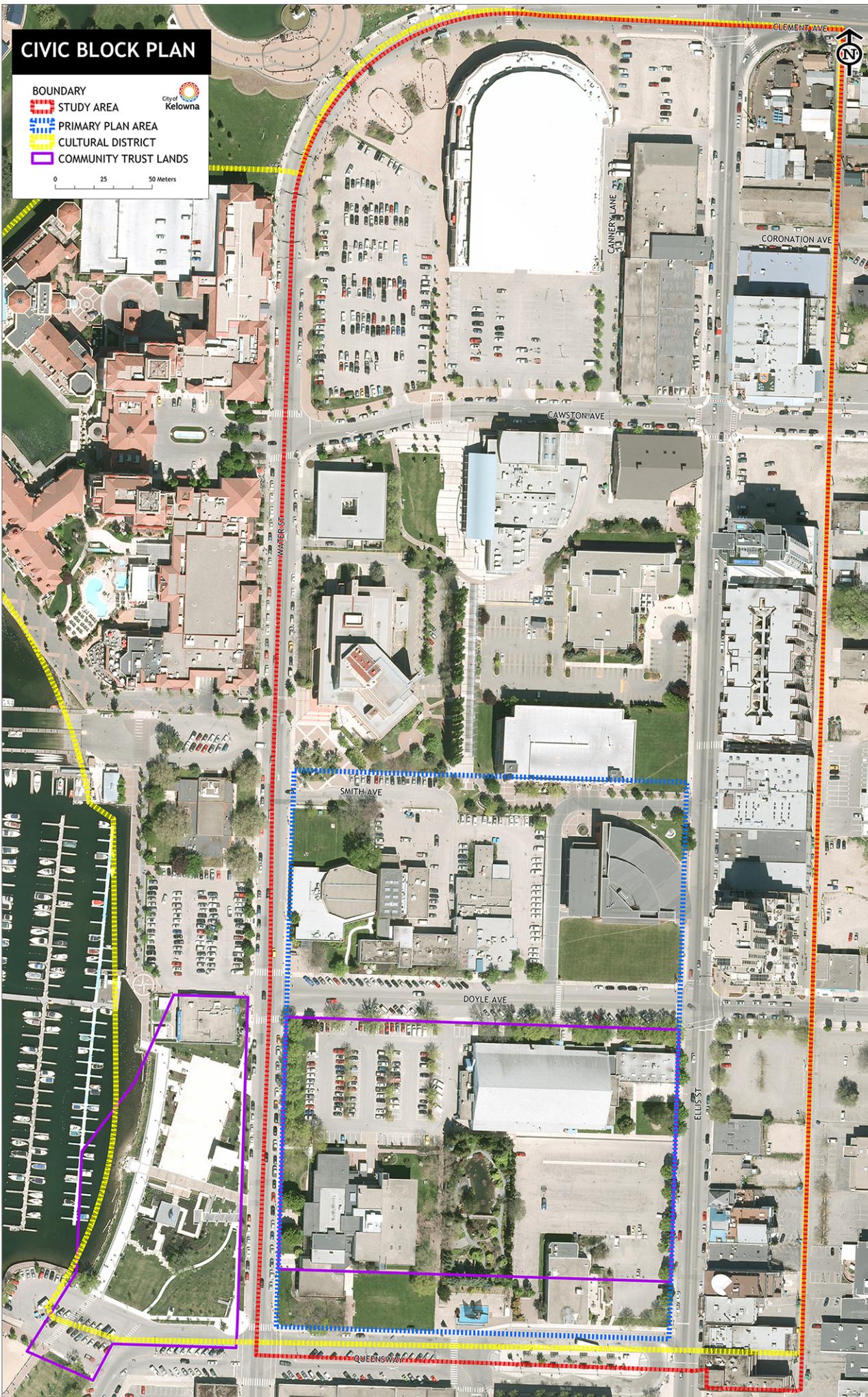
# CIVIC BLOCK PLAN

## BOUNDARY

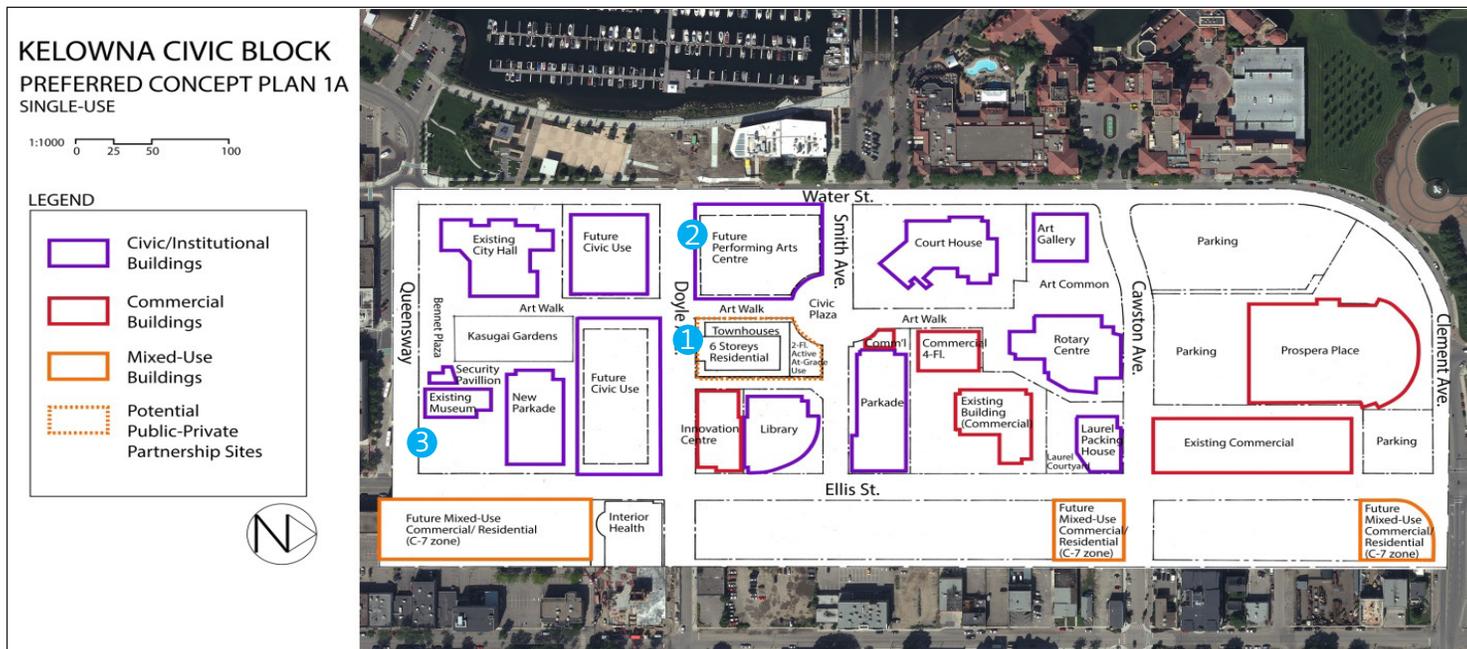
-  STUDY AREA
-  PRIMARY PLAN AREA
-  CULTURAL DISTRICT
-  COMMUNITY TRUST LANDS



0 25 50 Meters



# CONCEPT PLAN 1A (SINGLE-USE OPTION)



## KEY SITES FOR SURVEY QUESTIONS

- 1 Police Services RCMP
- 2 Kelowna Community Theatre
- 3 Okanagan Heritage Museum

## ARTIST RENDERINGS OF DOYLE STREET FOR OPTION 1A

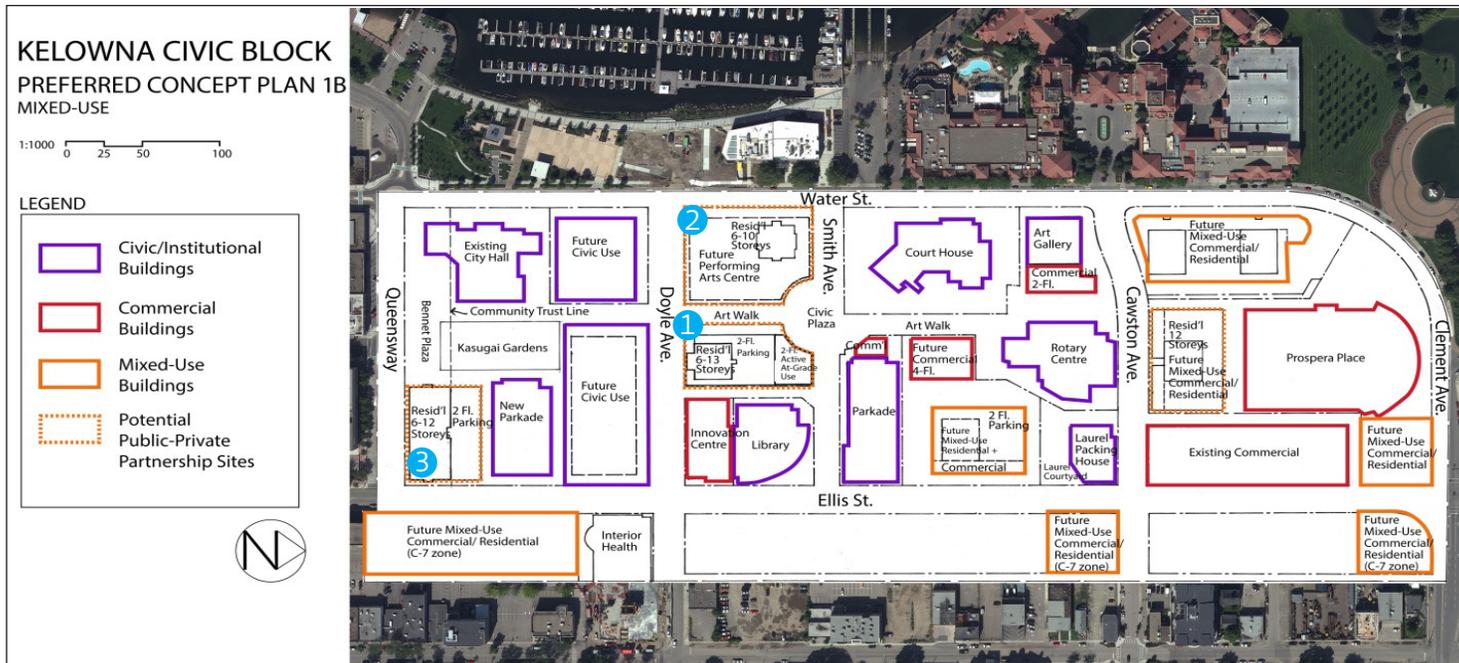


Option 1A Looking East on Doyle  
(Toward the Civic Block)



Option 1A Looking West on Doyle  
(Toward the lake)

# CONCEPT PLAN 1B (MIXED-USE OPTION)



## KEY SITES FOR SURVEY QUESTIONS

- 1 Police Services RCMP
- 2 Kelowna Community Theatre
- 3 Okanagan Heritage Museum

## ARTIST RENDERINGS OF DOYLE STREET FOR OPTION 1B



Option 1B Looking East on Doyle (Away from the lake)



Option 1B Looking West on Doyle (Toward the lake)

**Re: Kelowna Civic Precinct Land Development Economic Analysis**

G.P. Rollo & Associates (GPRA) has been retained by the City of Kelowna to complete an Economic Analysis of new development on City-owned properties in the Kelowna Civic Precinct (the Site). The analysis consisted of preparation of residual land value analyses which determines the maximum value that a developer could afford to pay for the properties if developed as indicated in the UFA concept plans. GPRA used standard developer proformas for each case to model the economics of typical development as proposed. For the residential analyses GPRA has determined the residual value based on the developer achieving an acceptable profit of 15% on total project costs. For the residual value of commercial buildings GPRA has instead looked at the developer achieving an acceptable return on their investment measured as an Internal Rate of Return (IRR). Viability is determined through a comparison of the supported land value to both assessed values in the area and recent market sales values.

| Summary of Concept Plans for Economic Modelling |            |                     |                     |                                 |                 | Art Gallery Commercial |                     | Prospera            |
|---|------------|---------------------|---------------------|---------------------------------|-----------------|------------------------|---------------------|---------------------|
| Sites   | Queensway  | Perf Arts           | RCMP                | Plaza CRU                       | Market          | Non-Market             |                     |                     |
| Concept Plan 1A                                 | Uses       | N/A                 | N/A                 | Townhouse + 6 Storey Apartments | Retail          | N/A                    | N/A                 | N/A                 |
|   | Sizes      |                     |                     | 76,600                          | 3,000           |                        |                     |                     |
|   | Land Value |                     |                     | <b>\$2,644,122</b>              | <b>\$44,000</b> |                        |                     |                     |
| Concept Plan 1B                                 | Uses       | 12 Storey Mixed Use | 10 Storey Apartment | 13 Storey Apartments            | Retail          | 2 Storey Commercial    | 2 Storey Commercial | 12 Storey Mixed Use |
|   | Sizes      | 228,000 + 3,900     | 67,000              | 87,000                          | 3,000           | 16,000                 | 16,000              | 96,900 + 5,850      |
|   | Land Value | <b>\$131,101</b>    | <b>\$416,371</b>    | <b>\$1,779,177</b>              | <b>\$44,000</b> | <b>\$235,000</b>       | <b>\$0</b>          | <b>\$565,136</b>    |

GPRA have not made any allowances for streetscape and public realm improvements that would typically be incurred through development at the request of the City. A subsequent exercise for the City would be to cost out the required improvements to infrastructure and public realm that would be required by these concepts that has not already been included in the City's DCC program.

The 6 storey wood frame apartment and townhouse project on the RCMP Site supports a value of roughly \$2.6 million, which is close to market value, although this would likely need to be discounted to reflect the as yet unidentified costs for off-site improvements. This value for the property does not reflect an estimated cost of approximately \$2 million for a 6,000 square foot community centre and associated parking that could be required from development on this site (fit-out of the centre would be the responsibility of the City).

With regard to the concrete construction residential towers in Concept Plan 1B, sensitivity analysis indicates that a 10% increase in pricing over the current high of \$500 per square foot would be sufficient to push these projects into viability. However, it could be at least 3-5 years before the market is willing to pay these sorts of prices for an entire building. In addition, there

may be better development opportunities for developers in the interim to purchase than those in the Civic Precinct. This can be offset by the City offering properties at a discount, perhaps through sale of air-space rights instead of fee simple land, or through pre-paid long term leases. Ultimately, GPRA sees the development potential for wood frame as being viable today and going forward. Concrete construction will likely be more viable in 5+ years, with developer interest in the Civic Precinct materializing as other sites are purchased and developed in the next 5 to 10 years.

The two stand-alone commercial buildings considered in the 2 concept plans would generate only a nominal land value, but neither would appear to require a significant amount of land area for development. The 3,000 square feet of commercial in Concept Plan 1A and 1B would support a value of \$40,000 to \$50,000 for a developer to achieve an IRR of 8.5%. In Concept Plan 1B the 2 storey building adjacent to the art gallery supports a value of roughly \$235,000 for a 16,000 square foot building for market uses, such as a brew pub, a restaurant, or a combination of other uses that would be able to pay rents in the \$30 per square foot range. Any non-market uses in this 2 storey building would likely necessitate the City acting as developer, or partnering with a developer in order to subsidize the cost of development. For non-market uses the supported value for this property is zero, and even with no cost for the land the yield is only 6.61% IRR – likely insufficient for a private developer to pursue. However, the City might consider this return sufficient given lower costs for borrowing than the private sector is able to secure and lower expectations of return.

In conclusion, GPRA sees Concept Plan 1A as being economically viable in the short term with the potential to generate up to \$2.6 million in value for the City to use toward future projects in the Civic Precinct. If the City is willing to wait, there is significantly more potential for the Civic Precinct in the coming decade. As concrete apartment prices rise the form will become more economically viable and there will be significant potential to generate revenue from City owned parcels in the Civic Precinct.

I trust that our work will be of use in the City's planning of the Civic Precinct. I am available to discuss this further at your convenience.



Gerry Mulholland |Vice President  
G.P. Rollo & Associates Ltd., Land Economists  
T 604 275 4848 | M 778 772 8872 |  
E [gerry@rolloassociates.com](mailto:gerry@rolloassociates.com) | W [www.rolloassociates.com](http://www.rolloassociates.com)

# 1. Engagement Summary

The City is engaging the community in the development of a plan for the Civic Block in accordance with IAP2 best practices and the approved process shown below. Phases 1 and 2 are now finished and Phase 3 is underway. In this report, we provide an overview of the key activities and outcomes, the feedback we received and how it influenced our approach, and our path forward. A detailed summary of the engagement activities and outcomes will be prepared to support the final plan.



## Highlights of the Engagement Process

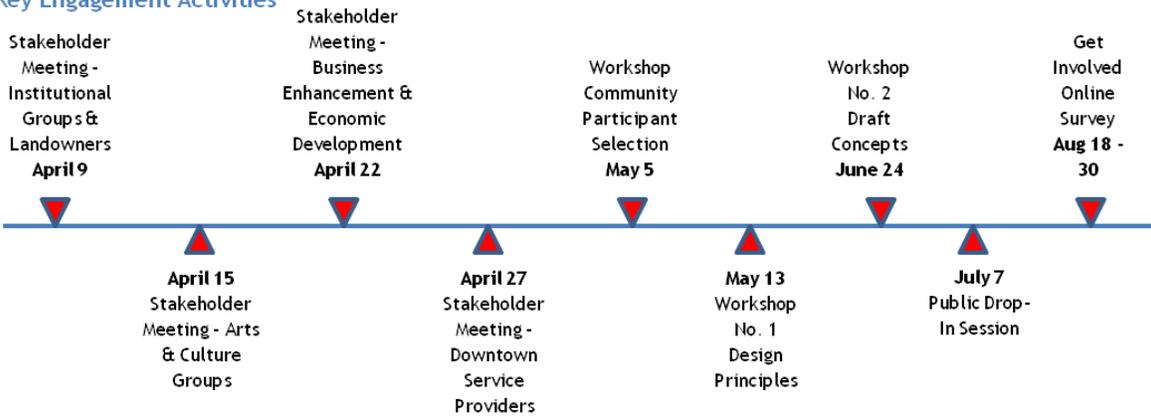
- The engagement approach included opportunities for local landowners, businesses, agencies and residents to be directly involved in the creation of the Civic Block Plan through face-to-face meetings and workshops.
- The community was informed about the work through regular updates using the City’s primary communication channels. They also had the opportunity to participate by attending the workshops (through a lottery process) and a drop-in session, and by completing an online survey.
- Through the engagement activities, stakeholders and the community helped generate the design principles and initial concepts for the Civic Block and contributed exciting ideas to enhance the cultural vibrancy of the area including the addition of a performing arts centre, a public plaza and an extension of the Artwalk.
- Surveys conducted at the workshops and drop-in session showed strong support for the direction of the plan as well as the inclusion of residential and commercial uses to help fund the civic and cultural improvements and enhance activity in the area. Some participants indicated their support for incorporating these market uses was dependent on location and proposed building heights.
- City staff and the consultants consolidated the input into a draft concept (1 A/B) including options for higher density residential developments at three key sites - Police Services (RCMP), Kelowna Community Theatre and Okanagan Heritage Museum. Staff conducted an online survey to test support for increasing density at these locations and to gather additional information to finalize the preferred concept and plan.

## Next Steps in Engagement Process

- With the direction of Council, City staff will refine the concept to develop a draft plan that will be shared with the public through an Open House this fall.

## 2. Engagement at-a-glance

### Key Engagement Activities



### Who is involved?

The following groups were invited to be involved in the development of the Civic Block Plan.

#### Institutional Groups and Landowner

- Interior Health
- Shared Services BC
- Provincial Courthouse

#### Arts & Culture Groups

- Festivals Kelowna
- Kelowna Art Gallery
- Kelowna Museums
- Rotary Centre for the Arts
- Kelowna Community Theatre
- Kelowna Actors Studio
- Opera Kelowna
- Kasugai Gardens

#### Business Enhancement/Economic Development

- Downtown Kelowna Association
- Chamber of Commerce
- Urban Development Institute
- Local Property Owners
- Innovation Centre
- Accelerate Okanagan
- Economic Development Commission

#### Downtown Service Providers

- Partners for a healthy downtown
- RCMP
- Kelowna Community Food Bank
- Gospel Mission
- Metro

Community at large

### Tracking engagement

Stakeholders and members of the public are getting involved in the Civic Block Plan. Here are the numbers since April.

- 462 people viewed our [introductory video](#)
- 863 people visited the Civic Block website
- 350 of a possible 1,100 people on the distribution list read each of our four project email updates
- 58 members of the public registered for the draw to participate in the community workshops
- 70 people participated in one or both of our workshops.
- 75 people attended our public drop-in session
- 97 people reviewed our [video report](#) on Workshop No. 1
- 62 people reviewed our [video report](#) on Workshop No. 2
- 89 surveys were completed on the project.
- 12 articles were published about the project.
- 113 people completed the Get Involved! Help Shape the Civic Block survey.

### 3. Engagement Surveys and Feedback

Surveys were conducted as part of the workshops as well as at the public drop-in session and online through the City's engagement tool. The surveys were intended to confirm that the direction of the concepts aligned with the design principles and goal of the plan as well as to provide the community with a forum to formally share their views. Although the sample sizes for the surveys are small, the findings were informative and are reflected in the draft concept.

Highlights from the workshop survey results include:

- 94% agree the direction of the plan supports the goal for the Civic Block area.
- 92% support extending the Artwalk and adding a central civic plaza.
- 84% support redeveloping Kelowna Community Theatre into a Performing Arts Centre.
- 89% support changing Memorial Area to other community uses in the long term.

Highlights from the drop-in session include:

- 76% would like to see residential and commercial uses introduced as a way to offset costs of cultural and civic development.
- 51% are open to relaxing building height restrictions in order to increase revenue potential.

Highlights from the online poll include:

- 82 of 113 responses support the integration of market uses to advance the timeline and reduce the cost of plan implementation to taxpayers
- 66 of 113 responses support the higher density option on the Police Services site.
- 58 of 113 responses support a single-purpose performing arts centre for the Kelowna Community Theatre site.
- 80 of 113 responses support a higher density option on the Okanagan Heritage Museum site.

#### Comments

All surveys conducted as part of the engagement process gave participants the option to provide general feedback on the direction of the plan and the process. Highlights of this feedback are included below. A complete summary is available upon request.

- The majority of feedback received was very supportive of the direction of the plan. Participants were pleased with the ideas to enhance culture in the area and the options to add mixed uses to help fund the improvements.
- Feedback was also received from participants who do not support specific elements of the plan. Some participants would like to see the rink space remain at the Memorial Arena, more parking included in the plan, residential developments kept to the perimeter of the Civic Block and buildings stepped down even more towards the waterfront. Some also expressed interest in incorporating more market use and taller buildings in the area.

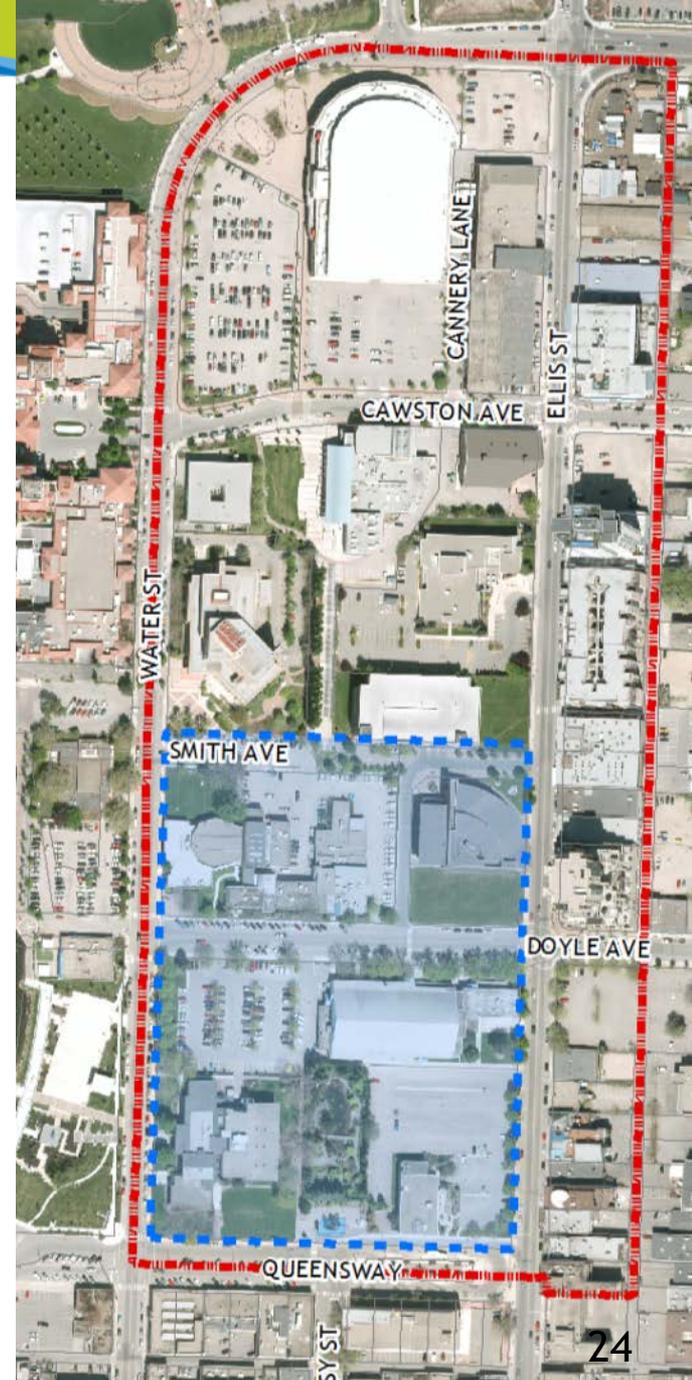


# **CIVIC BLOCK PLAN COUNCIL UPDATE**

September 14, 2015

# CIVIC BLOCK PLAN GOALS

- ▶ Identify land uses, including identification of sites for future civic facilities
- ▶ Provide policy direction to guide future developments (public / private)
- ▶ Identify opportunities to enhance public space
- ▶ Explore funding options to support community amenities identified in the Plan



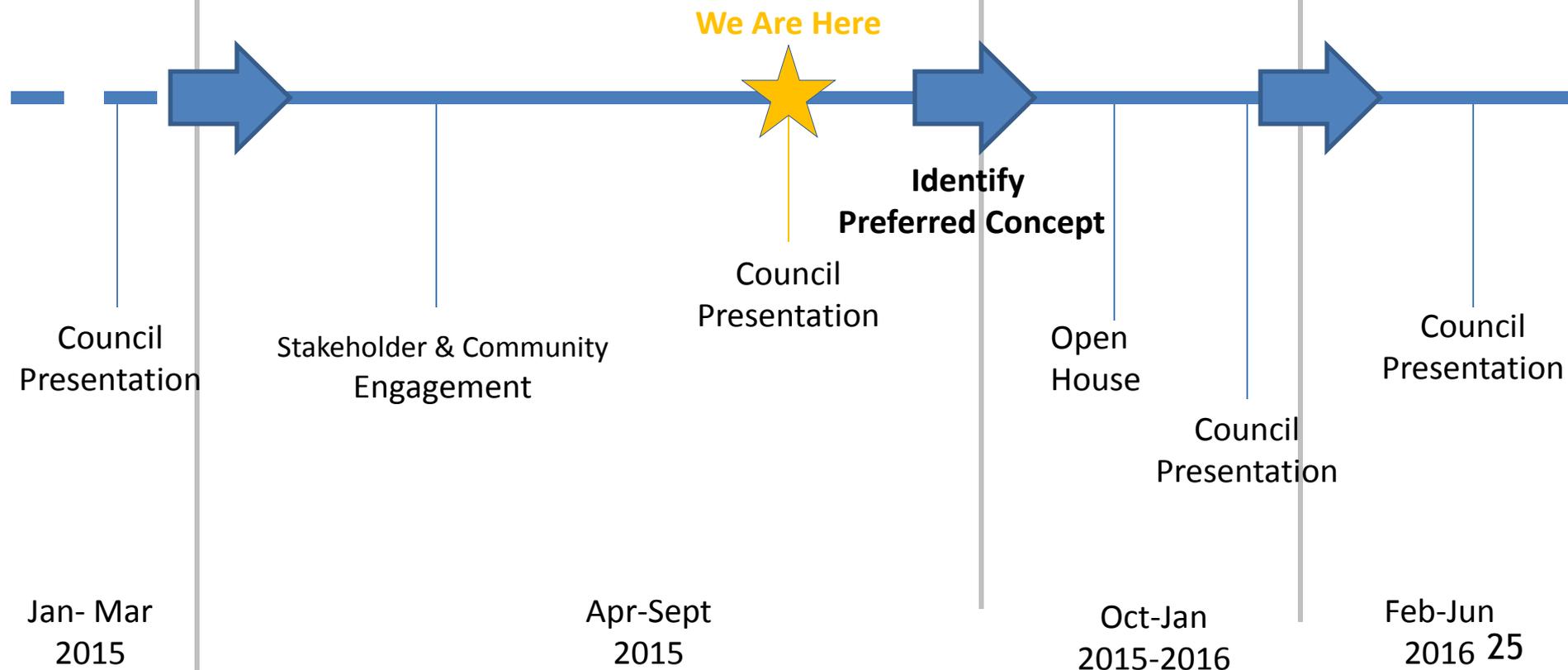
# PROCESS TO DATE

## Research & Launch

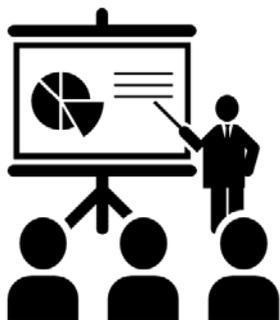
## Engagement & Concept Development

## Plan Refinement

## Plan Approval



## PUBLIC ENGAGEMENT HIGHLIGHTS



- ▶ 25 organizations/interest groups
- ▶ 145 participants at two workshops & drop-in session

# PUBLIC ENGAGEMENT HIGHLIGHTS



- ▶ 15 articles published about the project
- ▶ Over 1,000 visits to City's Project Website
- ▶ 500 views of Project introduction video
- ▶ 113 Surveys completed through Shape Your City

# PLANNING & DESIGN PRINCIPLES



Enhance vibrancy through a mix of land uses and public space

Landmark public spaces

Build on existing facilities & patterns of use

Enhance opportunities for a healthy & complete community

Distinct & diverse cultural precincts

# PLANNING & DESIGN PRINCIPLES



Examine parking strategies holistically

Consider economic & financial impact of all proposals

Partnerships with private sector to benefit community

Restrict market residential developments

Use public land for community amenities

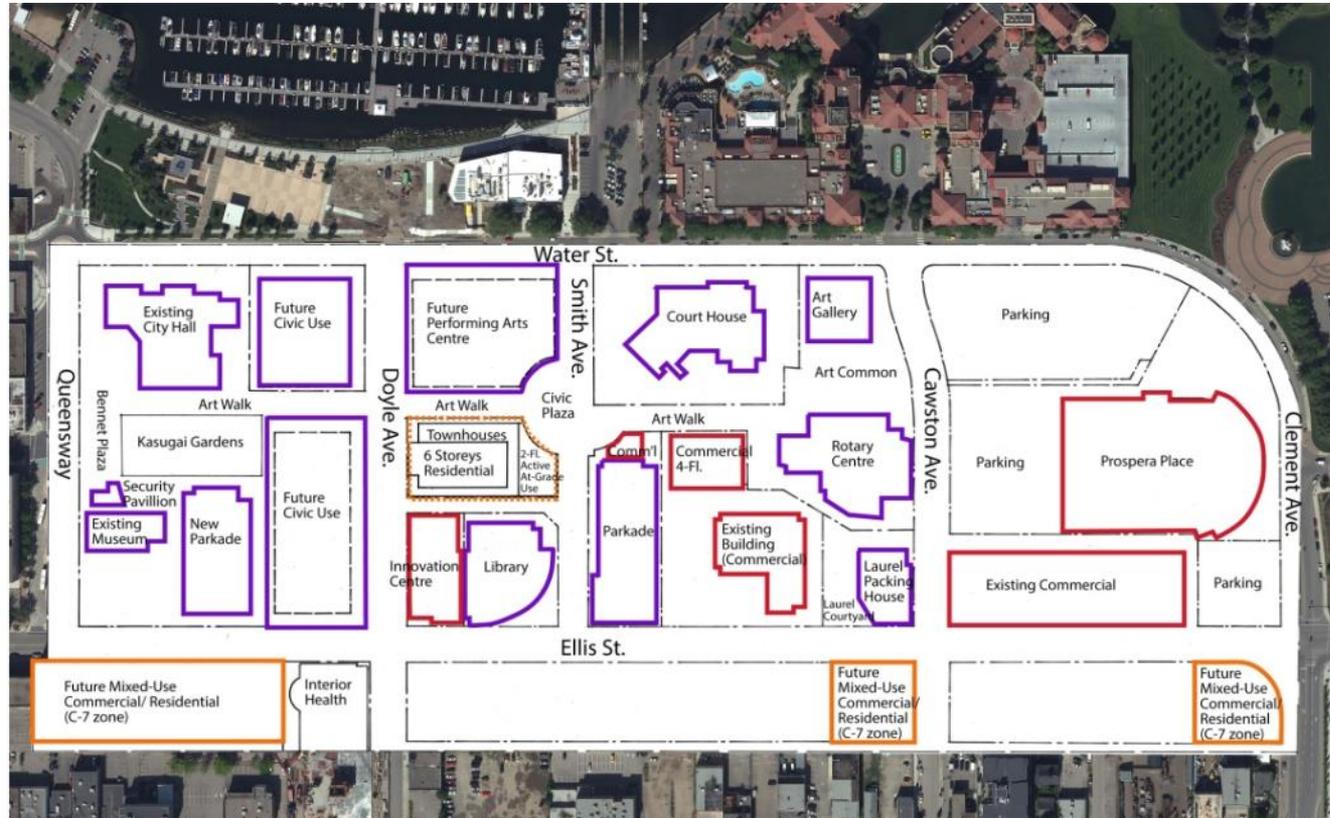
# SINGLE USE CONCEPT (1A)

KELOWNA CIVIC BLOCK  
PREFERRED CONCEPT PLAN 1A  
SINGLE-USE

1:1000  
0 25 50 100

LEGEND

-  Civic/Institutional Buildings
-  Commercial Buildings
-  Mixed-Use Buildings
-  Potential Public-Private Partnership Sites



## SINGLE USE CONCEPT (1A)



Looking Toward the Civic Block



Looking Toward the Lake

## ANALYSIS OF SINGLE USE CONCEPT (1A)

|  | Pro  | Con   |
|--|--|---|
| <b>Relationship to Downtown Plan</b>     | <ul style="list-style-type: none"> <li>• respects the height profile that was arrived at through My Downtown Plan</li> </ul>   | <ul style="list-style-type: none"> <li>• limited impact on My Downtown Plan goal of creating a more complete live-work-play community</li> </ul>  |
| <b>Relationship to Cultural District</b> | <ul style="list-style-type: none"> <li>• protects existing character and ensures options for future expansion</li> <li>• standalone Performing Arts Centre</li> </ul>                        | <ul style="list-style-type: none"> <li>• does not enhance vibrancy through a broad mix of land uses</li> </ul>  |
| <b>Integration of Community Feedback</b> | <ul style="list-style-type: none"> <li>• provides new public space opportunities</li> <li>• meets goal of restricting market uses</li> <li>• encourages civic use of public lands</li> </ul> | <ul style="list-style-type: none"> <li>• does not address goal of creating more activity at all times of day</li> <li>• may be challenging to animate public space</li> <li>• no provision of affordable housing</li> </ul> |
| <b>Costs</b>                             |  | <ul style="list-style-type: none"> <li>• fewer opportunities to offset public improvements or KCT redevelopment through future private developments</li> </ul>  |
| <b>Transportation</b>                    |  | <ul style="list-style-type: none"> <li>• maintains surface parking at Prospera lot</li> <li>• does not substantially increase people working or living downtown</li> </ul>  |



## MIXED-USE CONCEPT (1B)



Looking Toward the Civic Block



Looking Toward the Lake

## ANALYSIS OF MIXED-USE CONCEPT (1B)

|  | Pro  | Con   |
|--|--|---|
| <b>Relationship to Downtown Plan</b>     | <ul style="list-style-type: none"> <li>• enhances activity and creates a more complete community</li> <li>• provides for affordable housing</li> </ul>   | <ul style="list-style-type: none"> <li>• may require increased heights on key sites beyond My Downtown Plan limits</li> </ul>   |
| <b>Relationship to Cultural District</b> | <ul style="list-style-type: none"> <li>• could help to animate public space and draw more people into the area</li> </ul>  | <ul style="list-style-type: none"> <li>• alters the civic/cultural character of the area by introducing market uses</li> <li>• requires consolidation of museums at alternate site</li> </ul> |
| <b>Integration of Community Feedback</b> | <ul style="list-style-type: none"> <li>• balances the goal of increasing activity with the goal of respecting the civic/cultural character of area</li> </ul>  | <ul style="list-style-type: none"> <li>• explores the upper limit of what was supported in community workshops</li> <li>• challenges limiting market residential</li> </ul>                   |
| <b>Costs</b>                             | <ul style="list-style-type: none"> <li>• greater opportunity to offset costs of public improvements with long-term build-out of market uses</li> </ul>   |   |
| <b>Transportation</b>                    | <ul style="list-style-type: none"> <li>• encourages more efficient provision/management of parking</li> <li>• optimizes public transit infrastructure</li> <li>• increases the amount of people living and working Downtown</li> </ul> | <ul style="list-style-type: none"> <li>• may require minor reductions in parking requirements on Queensway site</li> </ul>  |

## ECONOMIC ANALYSIS

### ▶ Short-term

- ▶ RCMP site is only viable development site currently
- ▶ RCMP redevelopment could be used to leverage investment for Art Walk & Civic Plaza
- ▶ Construction costs make towers >6 storeys less attractive
- ▶ Sites identified for market uses are constrained in the short-term

### ▶ Long-term

- ▶ As prices for downtown residential and commercial uses rise, development sites will become more attractive to market
- ▶ The *Mixed-Use Concept (1B)* provides greater opportunity to offset cost of public improvements in the area in long term

## PREFERRED PLAN

- ▶ Project team proposes a preferred concept plan that consolidates the majority of the ideas described in Mixed-Use Concept 1B with key select key elements of Single-Use Concept 1A:
  - ▶ Redevelopment of RCMP site as lower-rise (6 storeys) mixed-use development
  - ▶ Support market uses on key sites as described in concept 1B (Cawston, IH site on Ellis, Queensway, Art Common)
  - ▶ Develop KCT site as a Performing Arts Centre without a residential tower
  - ▶ Common elements include: extension of Art Walk, Civic Plaza, protection of City Hall parking lot and Memorial Arena site for future civic uses

## NEXT STEPS

- ▶ Preferred Plan Refinement (Sept-Nov 2015)
- ▶ Supporting plan materials (Oct-Nov 2015)
  - ▶ Design guidelines
  - ▶ Zoning bylaw updates
- ▶ Public Open House (Nov 2015)
- ▶ Draft Plan Document (Nov 2015-Feb 2016)
- ▶ Council Report (Dec 2015)
- ▶ Implementation strategy (Feb-Apr 2016)

# Report to Council



**Date:** September 14, 2015  
**File:** 0610-53  
**To:** City Manager  
**From:** Sam Samaddar, Airport Director  
**Subject:** Kelowna International Airport (YLW) Familiarization Presentation  
Report Prepared by: Toni McQueenie, Airport Administration Manager

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## **Recommendation:**

THAT Council receives, for information, the Kelowna International Airport Familiarization Presentation attached to the report of the Airport Director dated September 14, 2015.

## **Purpose:**

To familiarize Council with the operation of the Kelowna International Airport.

## **Background:**

The attached PowerPoint presentation provides an overview of the Kelowna International Airport in the following areas:

- Airport History
- Airport Advisory Committee
- Economic Impact
- Air Service Development
- Financials/Budget
- Capital Development Program - Drive to 1.6 Million Passengers and Flight to 2020

**Considerations not applicable to this report:**

**Internal Circulation:**

**Legal/Statutory Authority:**

**Legal/Statutory Procedural Requirements:**

**Existing Policy:**

**Financial/Budgetary Considerations:**

**Personnel Implications:**

**External Agency/Public Comments:**  
**Communications Comments:**  
**Alternate Recommendation:**

Submitted by:

S. Samaddar, Airport Director

Approved for inclusion:



Paul Macklem, Deputy City Manager



Kelowna International Airport

## Kelowna City Council Briefing

September 14, 2015

# Today's Topics

- Airport History and Advisory Committee
- Air Service Development
- Economic Performance
- Development Program



# Airport History



# Airport Advisory Committee (AAC)

## ▶ WHY?

- ▶ The AAC was formed to facilitate participation from local government, business and community interests within the airport catchment area on matters associated with the development of the Kelowna International Airport.

## ▶ PURPOSE

- ▶ The AAC, a **Select Committee** of Council, reviews, reports and advises Council on matters concerning the long term development of the Kelowna International Airport.

# Air Service Development (ASD)



# Generating Significant Economic Impact

- ▶ Operations at YLW contribute a total of 2,730 jobs and \$610 million in total economic output to the province.

| Type of Impact | Jobs  | Person Years | Wages (\$million) | GDP (\$million) | Economic Output (\$million) |
|----------------|-------|--------------|-------------------|-----------------|-----------------------------|
| Direct         | 1,400 | 1,290        | 70                | 120             | 300                         |
| Indirect       | 640   | 590          | 30                | 60              | 160                         |
| Induced        | 690   | 640          | 40                | 70              | 150                         |
| Total          | 2,730 | 2,520        | 140               | 250             | 610                         |

# Generating Employment with Each Landing

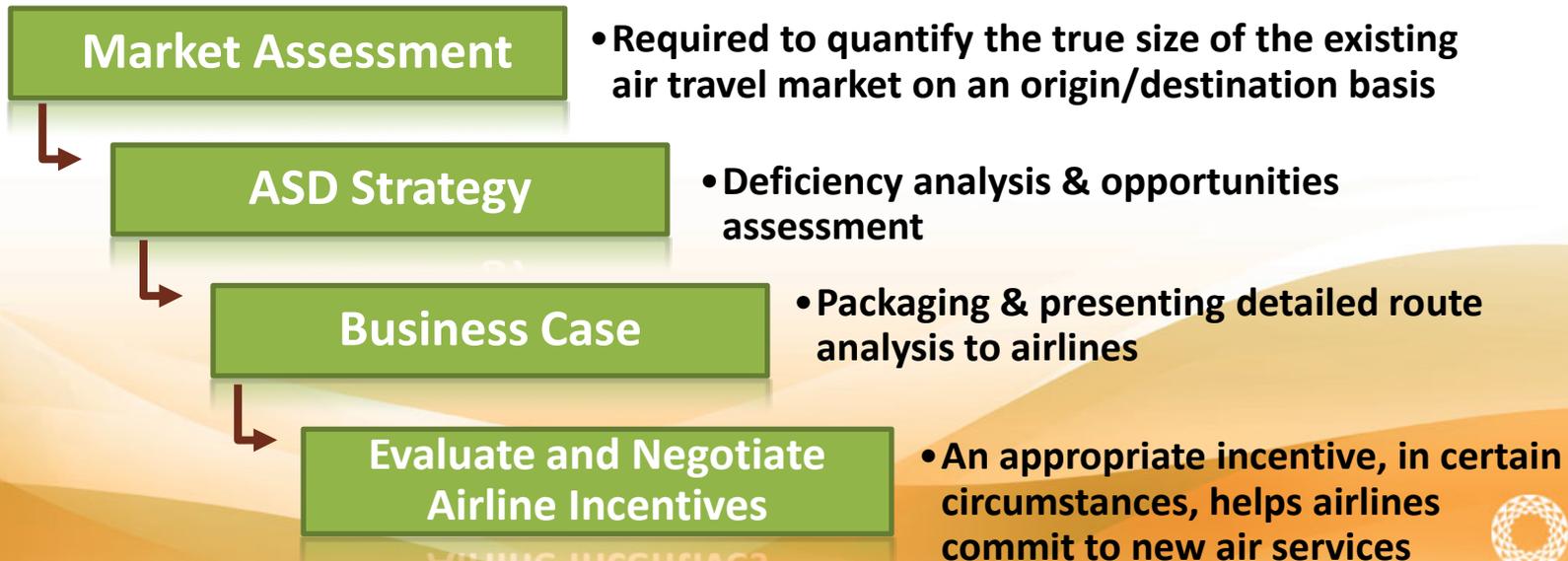
| Service<br>(daily flights)                | Direct<br>Employment<br>(Person Years) | Direct<br>Wages<br>(\$ million) | Direct<br>GDP<br>(\$ million) | Direct<br>Economic<br>Output<br>(\$ million) |
|---|--|---------------------------------|-------------------------------|--|
| Short-haul domestic<br>service to Calgary | 16                                     | 0.95                            | 1.7                           | 4.3  |
| Long-haul domestic<br>service to Toronto  | 21                                     | 1.2                             | 2.2                           | 5.6  |

# ASD Process

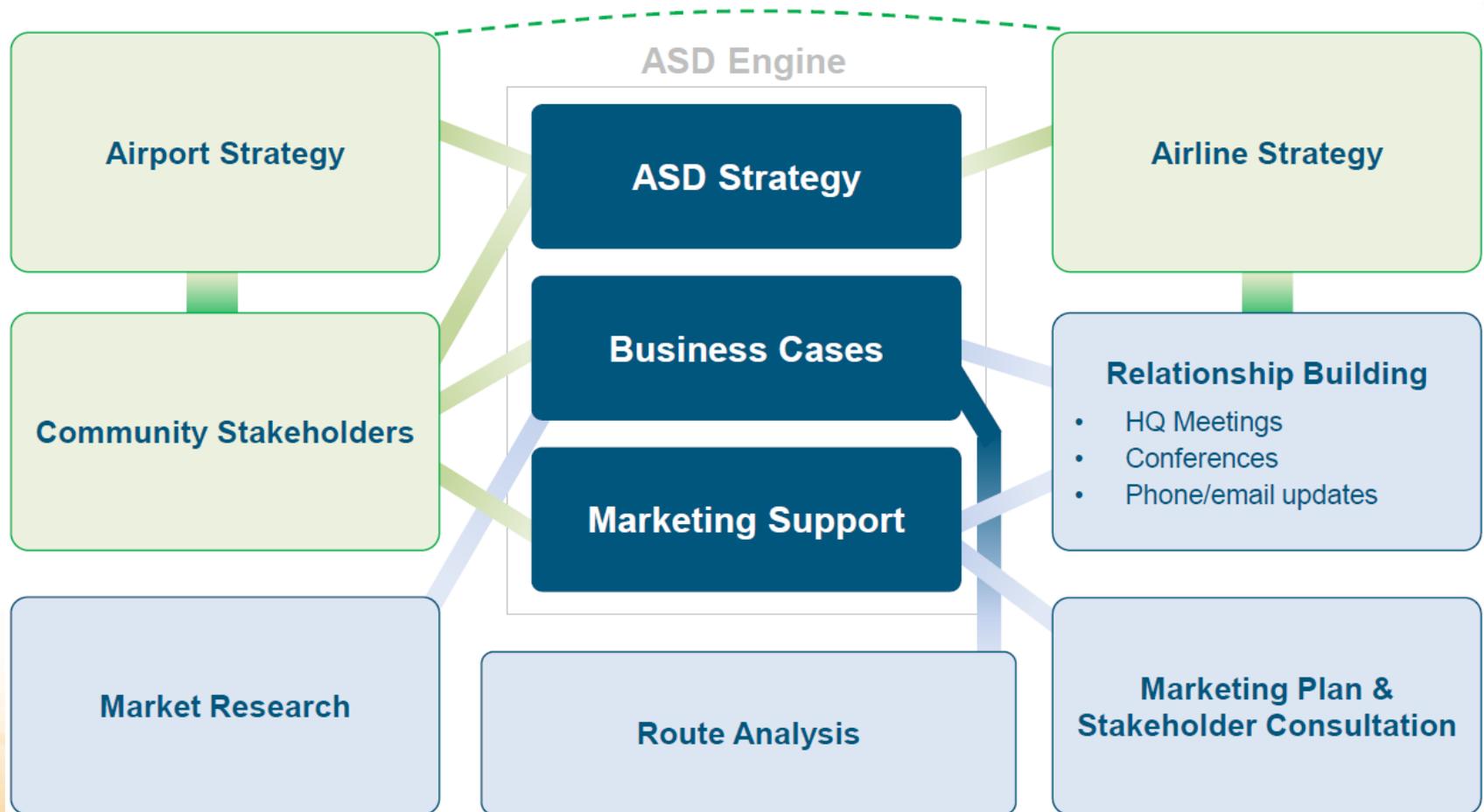
- ▶ Air Service Development is a long-term, strategic effort. Airlines operate within planning cycles- schedules are generally finalized 3-6 months in advance. ASD initiatives may take a variable amount of time, ranging from 6 months to several years. The majority of carriers focus on:



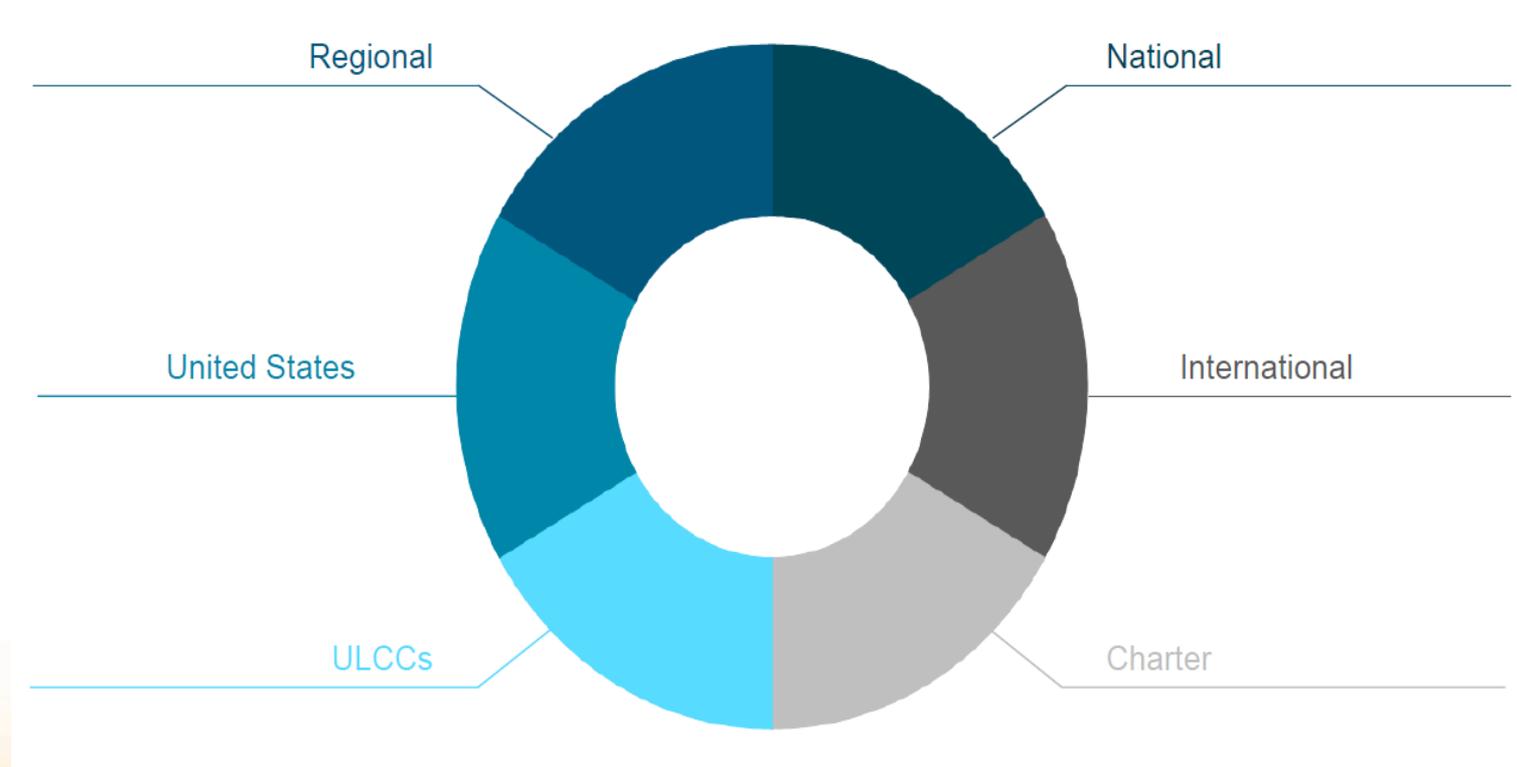
- ▶ ASD process involves several important steps:



# Implementation of ASD



# Airlines segmented by service type



# Airline Perspective

| Aircraft Type   | Seats Per Flight | Annual Passenger Requirements |
|-----------------|------------------|-------------------------------|
| Boeing 747      | 400              | 219,000                       |
| Airbus A340     | 280              | 153,300                       |
| Boeing 767-300  | 220              | 120,450                       |
| Boeing 737-700  | 140              | 76,650                        |
| Regional Jet    | 100              | 54,750                        |
| Bombardier Q400 | 75               | 41,050                        |

Annual Operating Cost: ~\$50 million

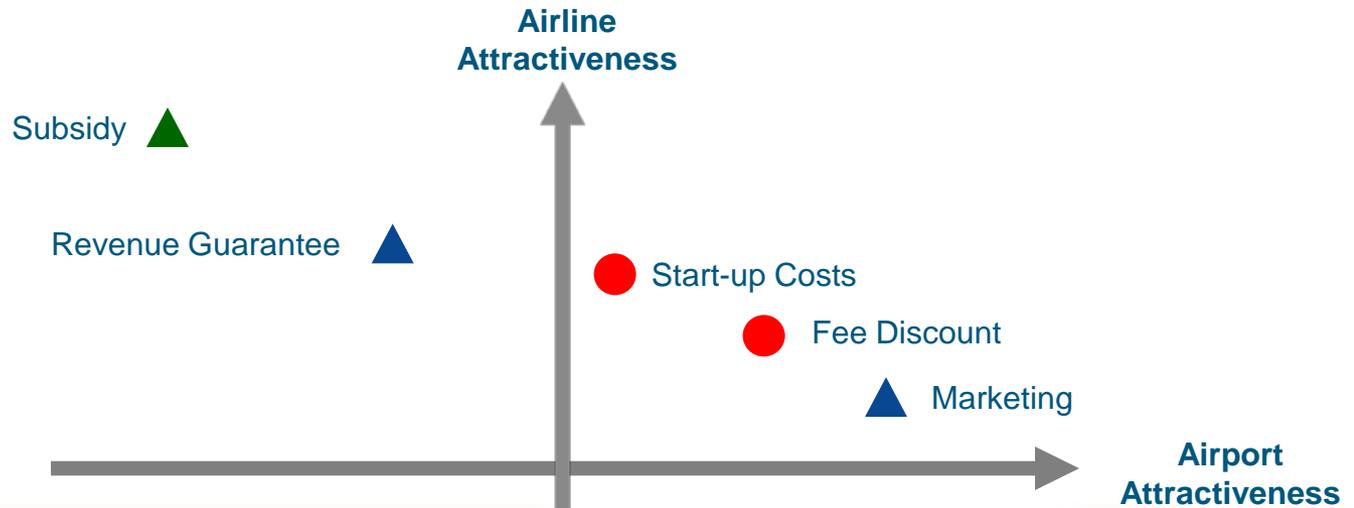


Note: Assumes 75% load factor

Source: InterVISTAS

# Incentives

- ▶ Start-up cost reimbursements, fee discounts and marketing support are attractive to both the airline and the airport.



|   |                |
|---|----------------|
| ▲ | Demand Factors |
| ● | Supply Factors |

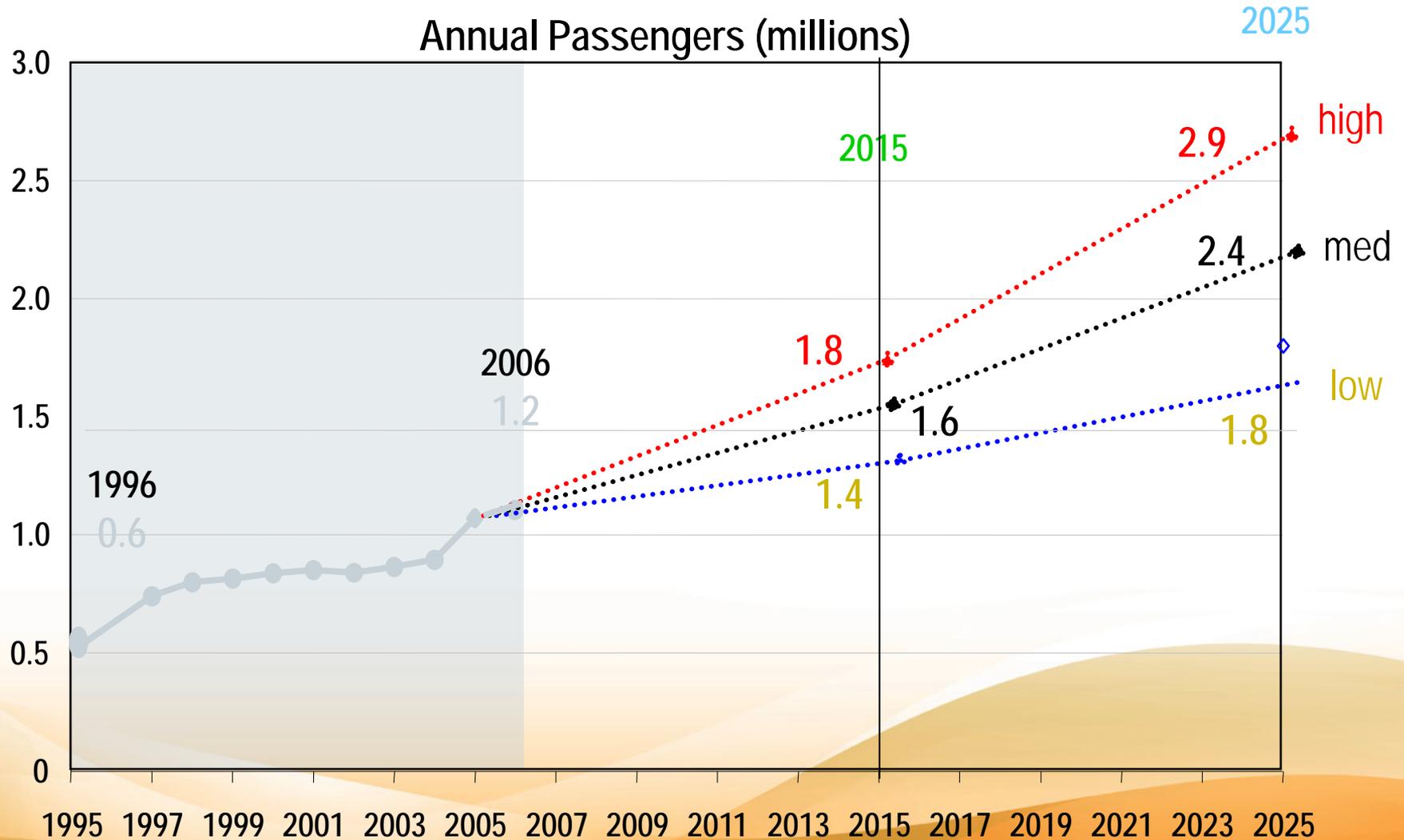
**Source of Funds:**

- RED – Airport
- GREEN – Stakeholders
- BLUE - Joint

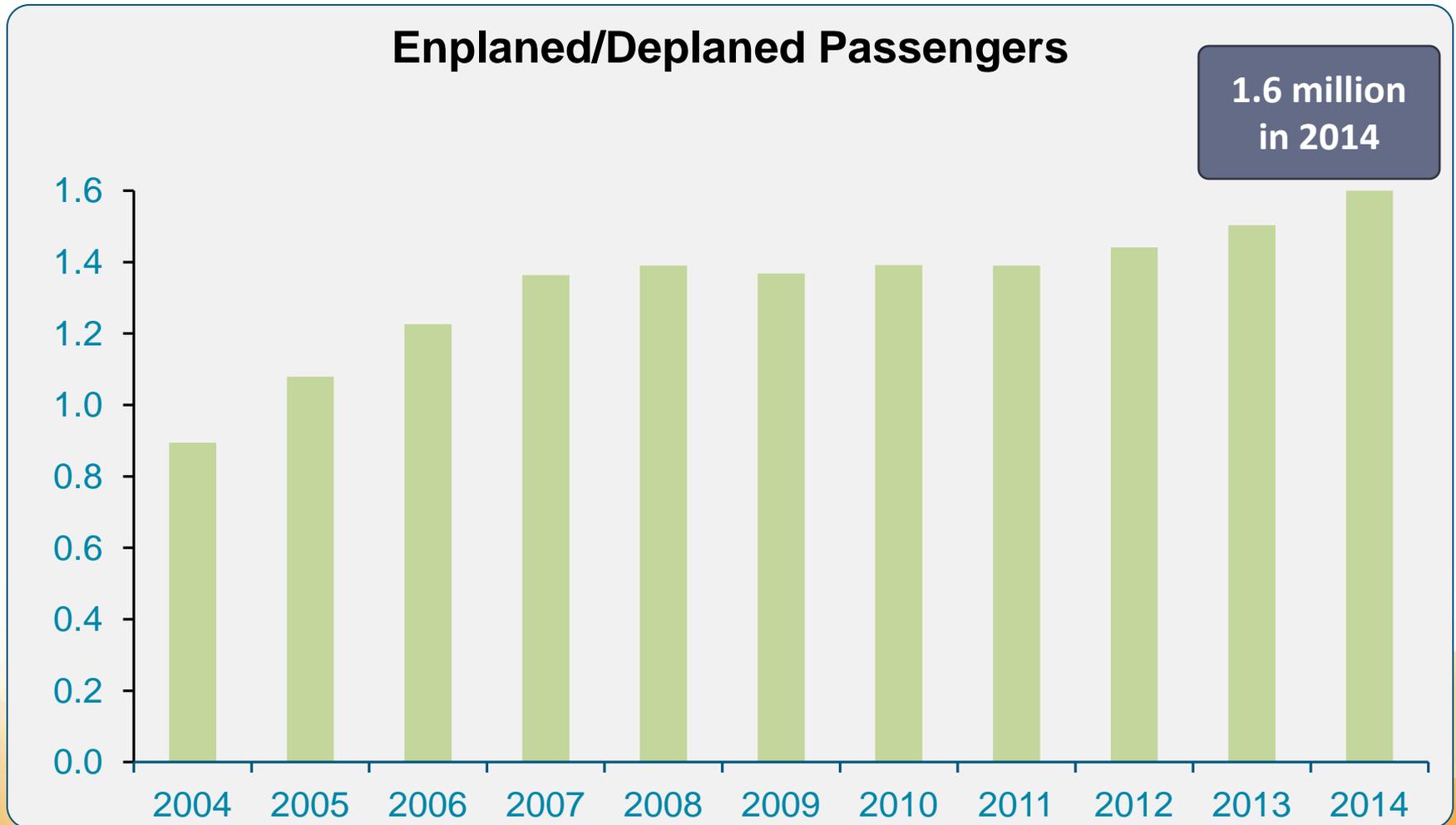
# YLW Performance



# Passenger Growth Forecasts

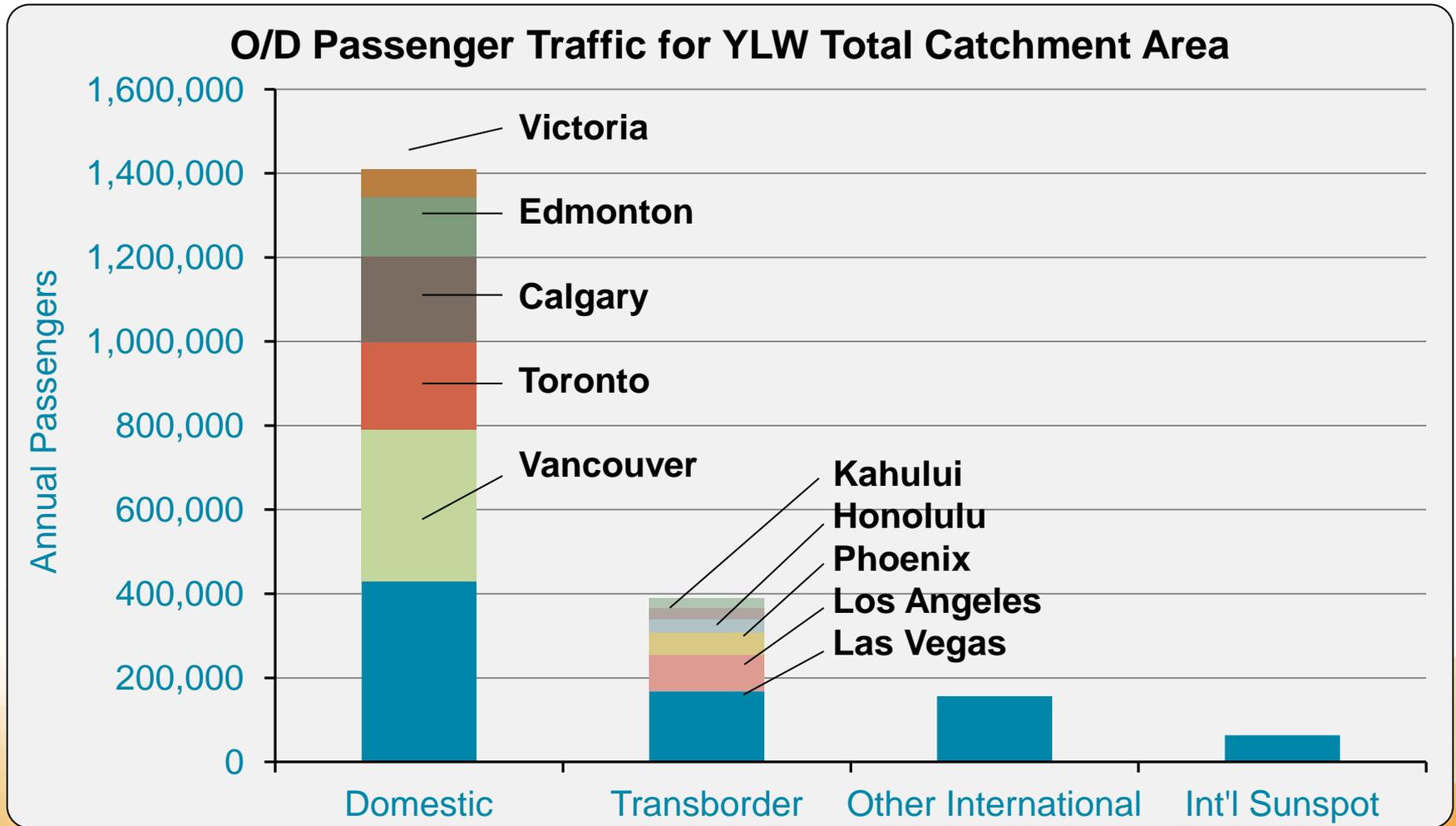


# Kelowna Passenger Traffic



Source: Kelowna International Airport

# Kelowna Market Profile 2014



Source: InterVISTAS Research & Analysis

# Air Service

|                           | <b>YLW<br/>Kelowna</b> | <b>YXS<br/>Prince<br/>George</b> | <b>YYJ<br/>Victoria</b> | <b>YQR<br/>Regina</b> | <b>YXE<br/>Saskatoon</b> | <b>YQB<br/>Quebec</b> | <b>YYT<br/>St.<br/>John's</b> |
|---------------------------|------------------------|----------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------------|
| # of Nonstop Destinations | 20                     | 9                                | 13                      | 20                    | 22                       | 35                    | 22                            |
| Weekly Outbound Seats     | 19,735                 | 6,777                            | 22,253                  | 17,194                | 19,045                   | 20,424                | 19,630                        |
| # of Airlines             | 8                      | 3                                | 7                       | 7                     | 8                        | 12                    | 10                            |

Source: Innovata Schedules (via Diio) for YE Dec. 2014

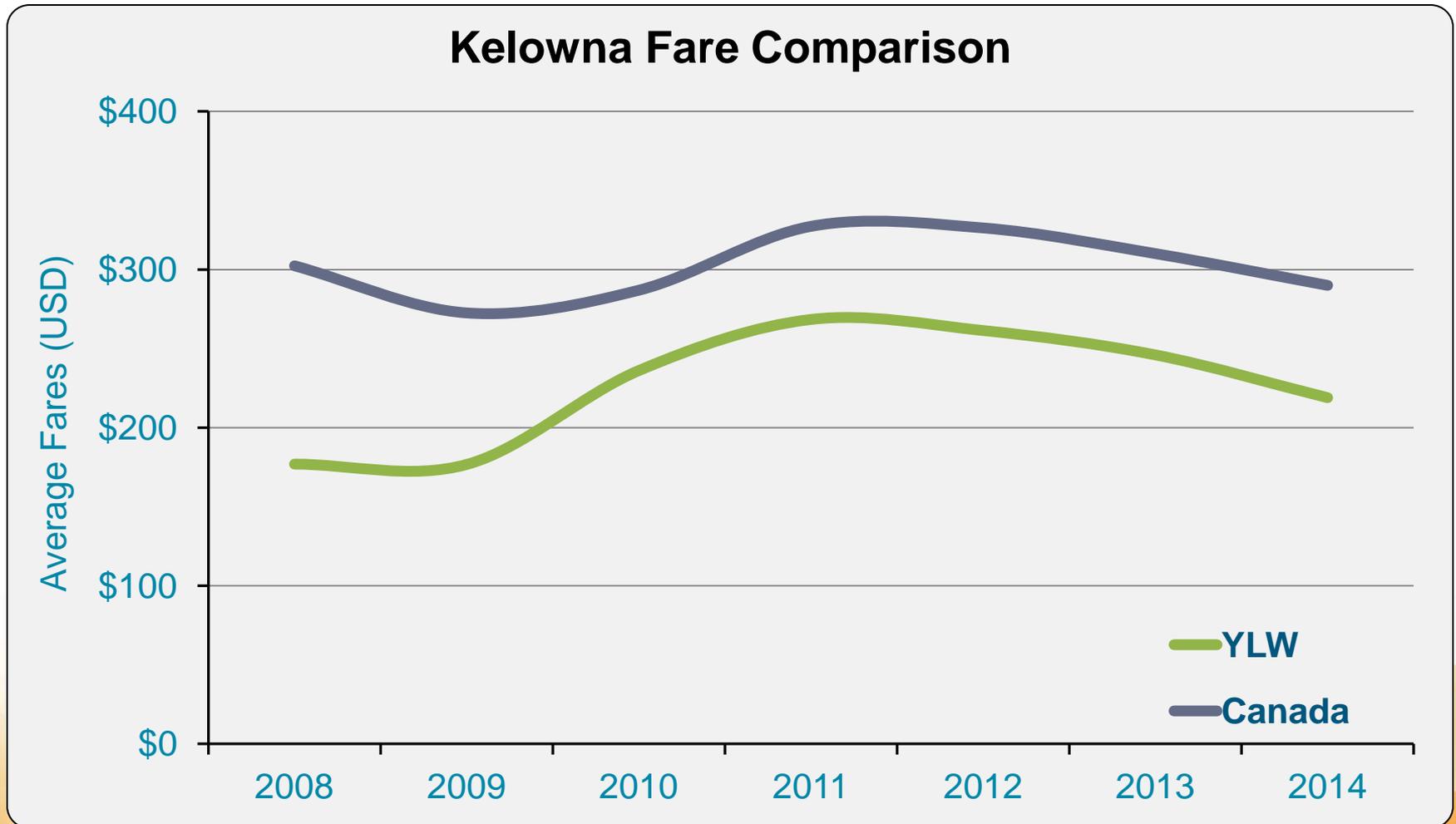
# Kelowna Fares

Average Base Fare for Top 10 Markets (one-way)



Source: Diiio FMg database

# Kelowna Fares

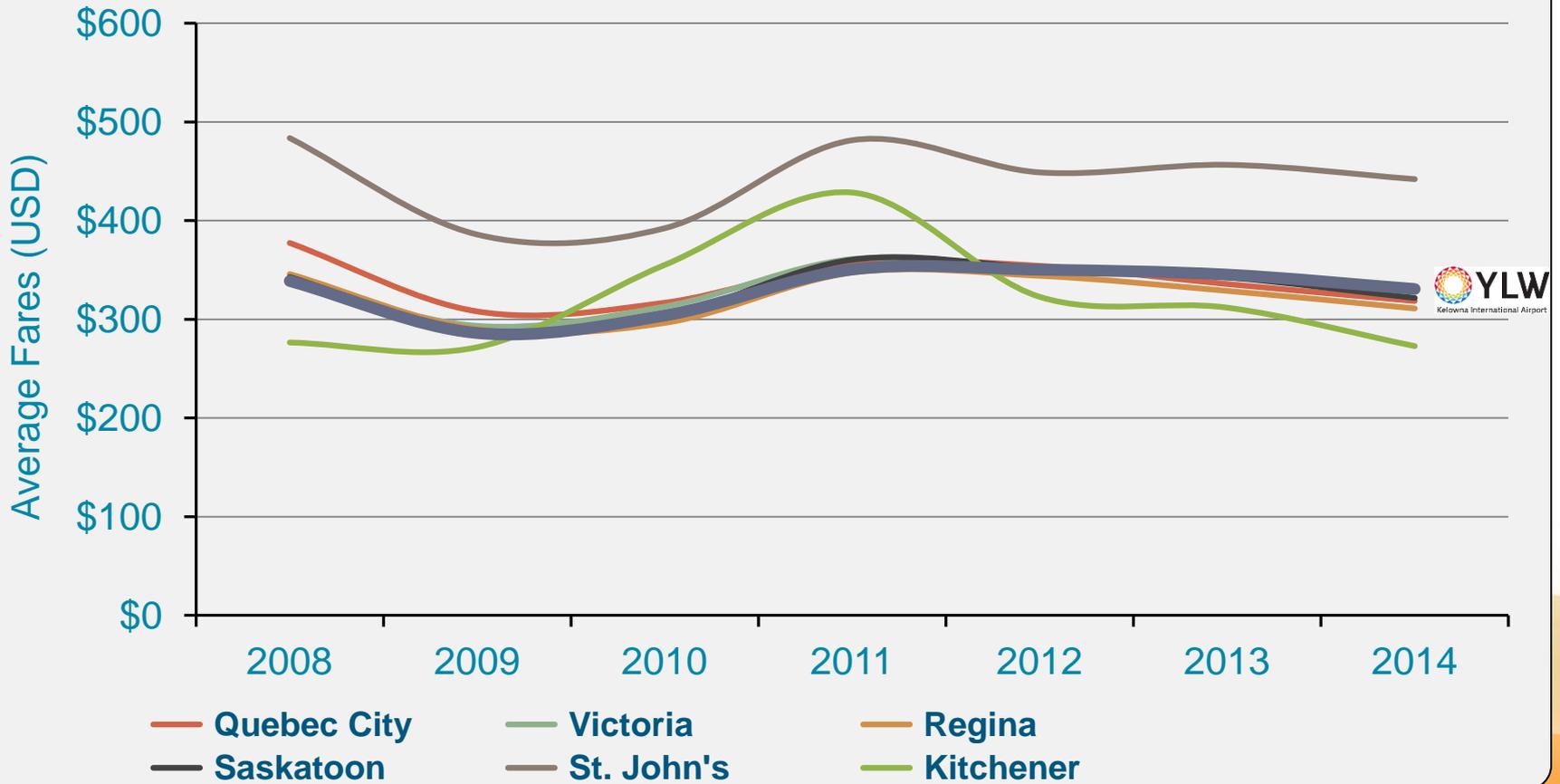


Note: Kelowna top 10 markets; Average Canadian domestic & transborder fares.

Source: Diio FMg database.

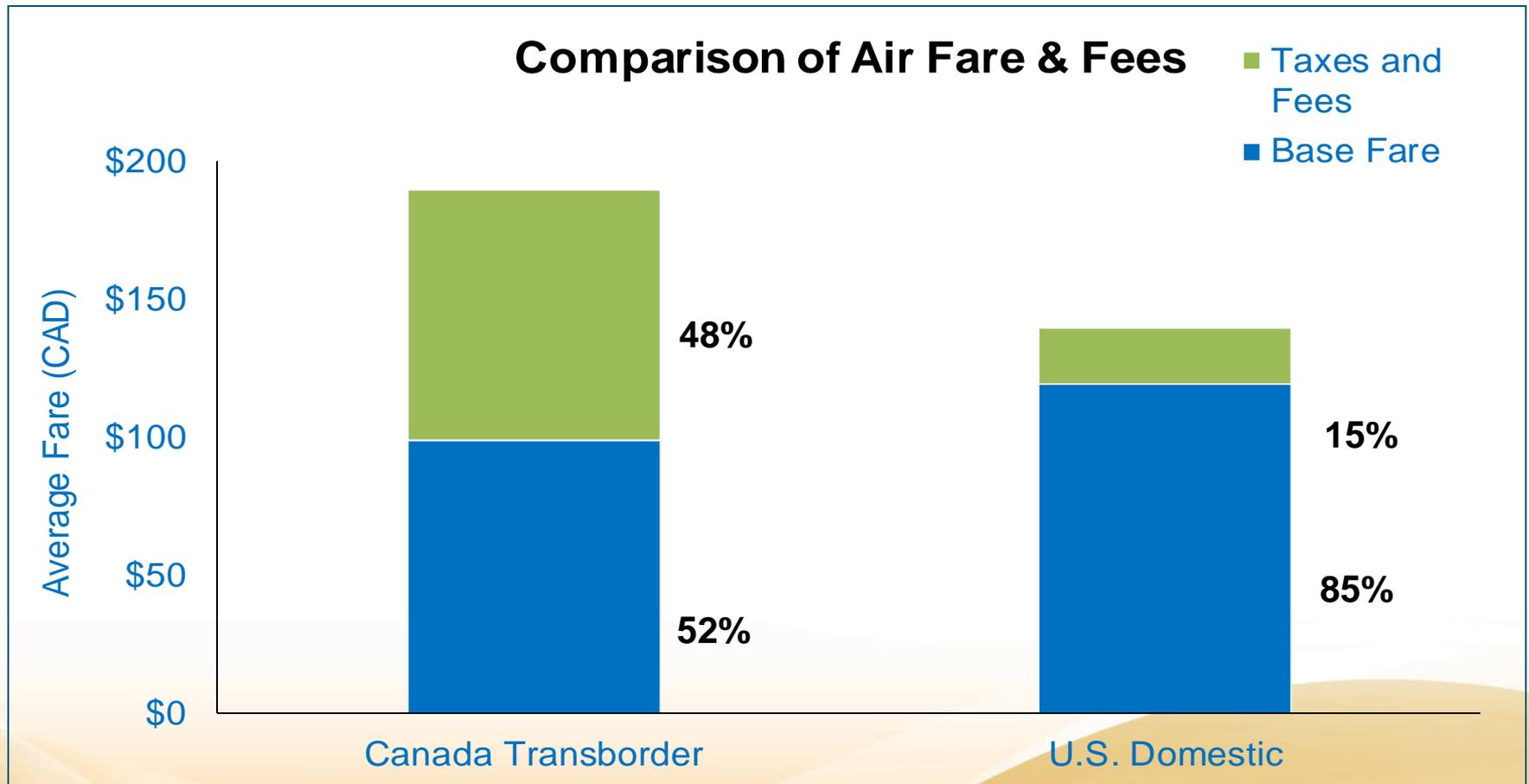
# Kelowna Fares

## Kelowna vs. Peer Airports



Source: Diio FMg database. Domestic and Transborder only.

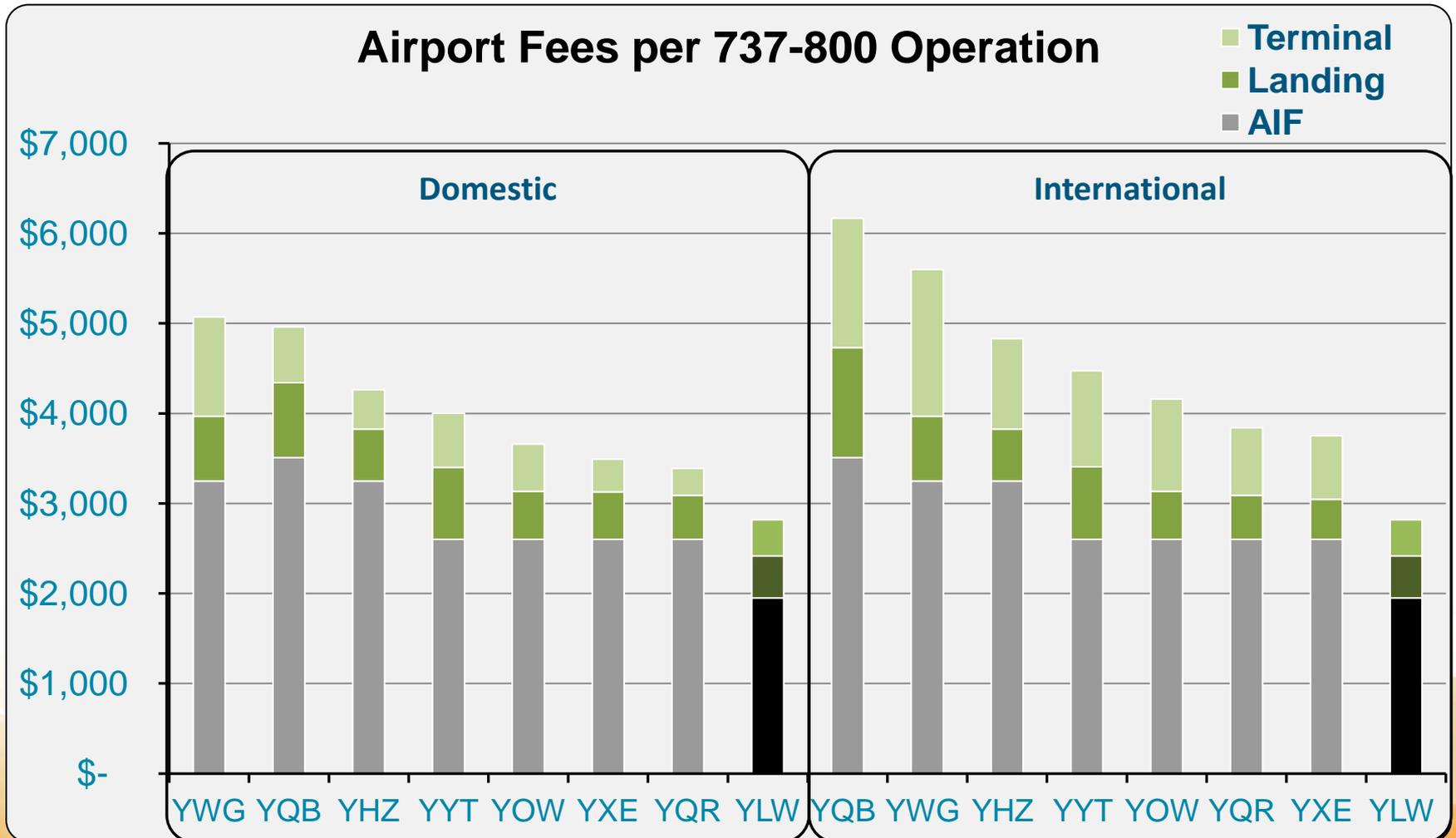
# U.S. vs. Canada Air Fare & Fees



Notes: Canada transborder air fare and fees based on YYZ-MCO booking; U.S. domestic air fare and fees based on BUF-MCO booking.

Source: Canada transborder air fare and fees: WestJet sample booking, U.S. domestic air fare and fees: JetBlue sample booking.

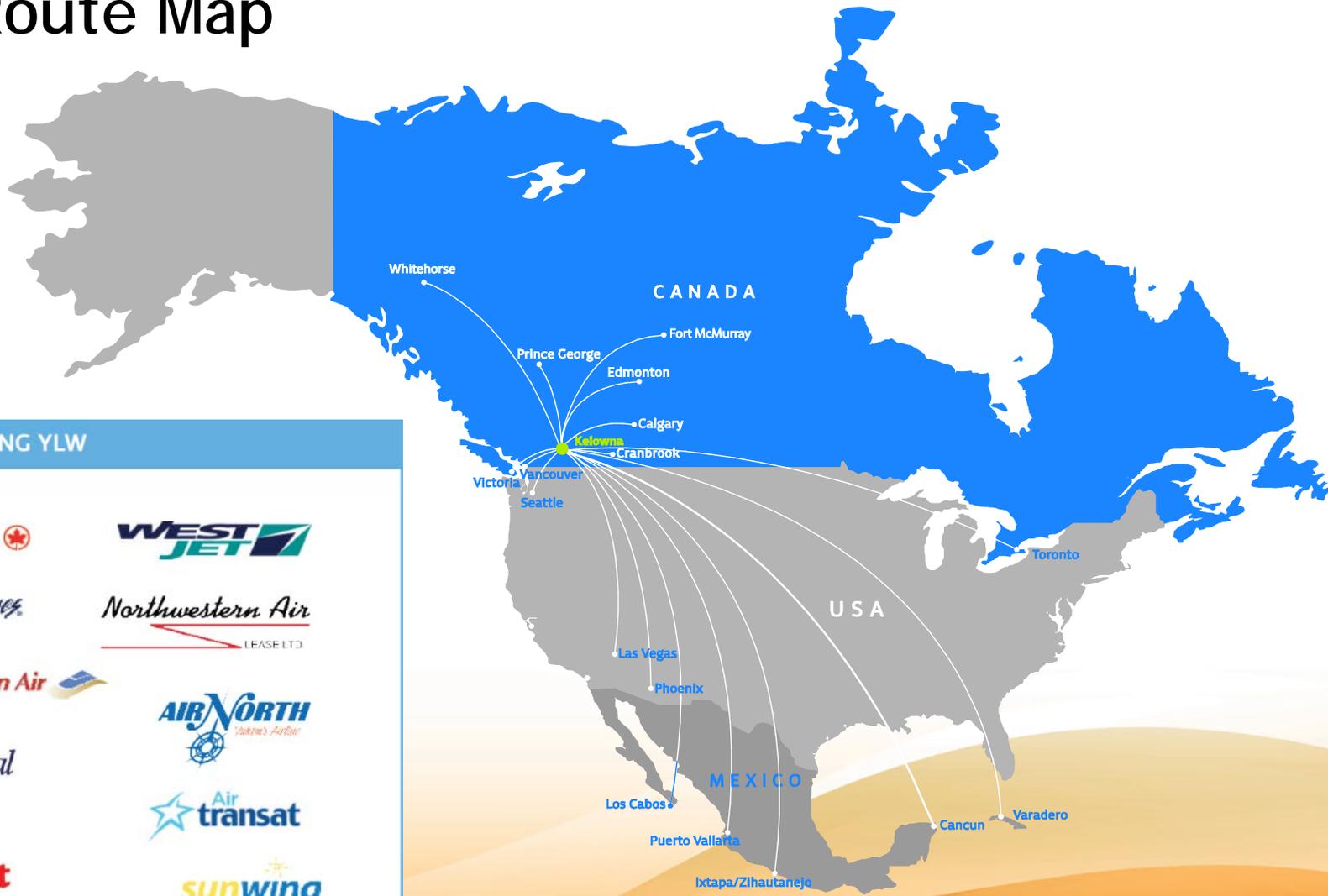
# Aeronautical Fees



Note: Based on a 737-800; MTOW: 80,000kg ; 162 seats and 130 onboards.

Source: Public airport fee schedules (2013).

# YLW Route Map



## AIRLINES SERVING YLW

**AIR CANADA** 

**WEST JET** 

*Alaska Airlines*

*Northwestern Air*

LEASE LTD 

**Central Mountain Air** 

**AIR NORTH**  
*Yukon's Airline*

**Pacific Coastal AIRLINES**

**Air transat**

**Sunquest**

**sunwing**

# YLW's Low Cost Model

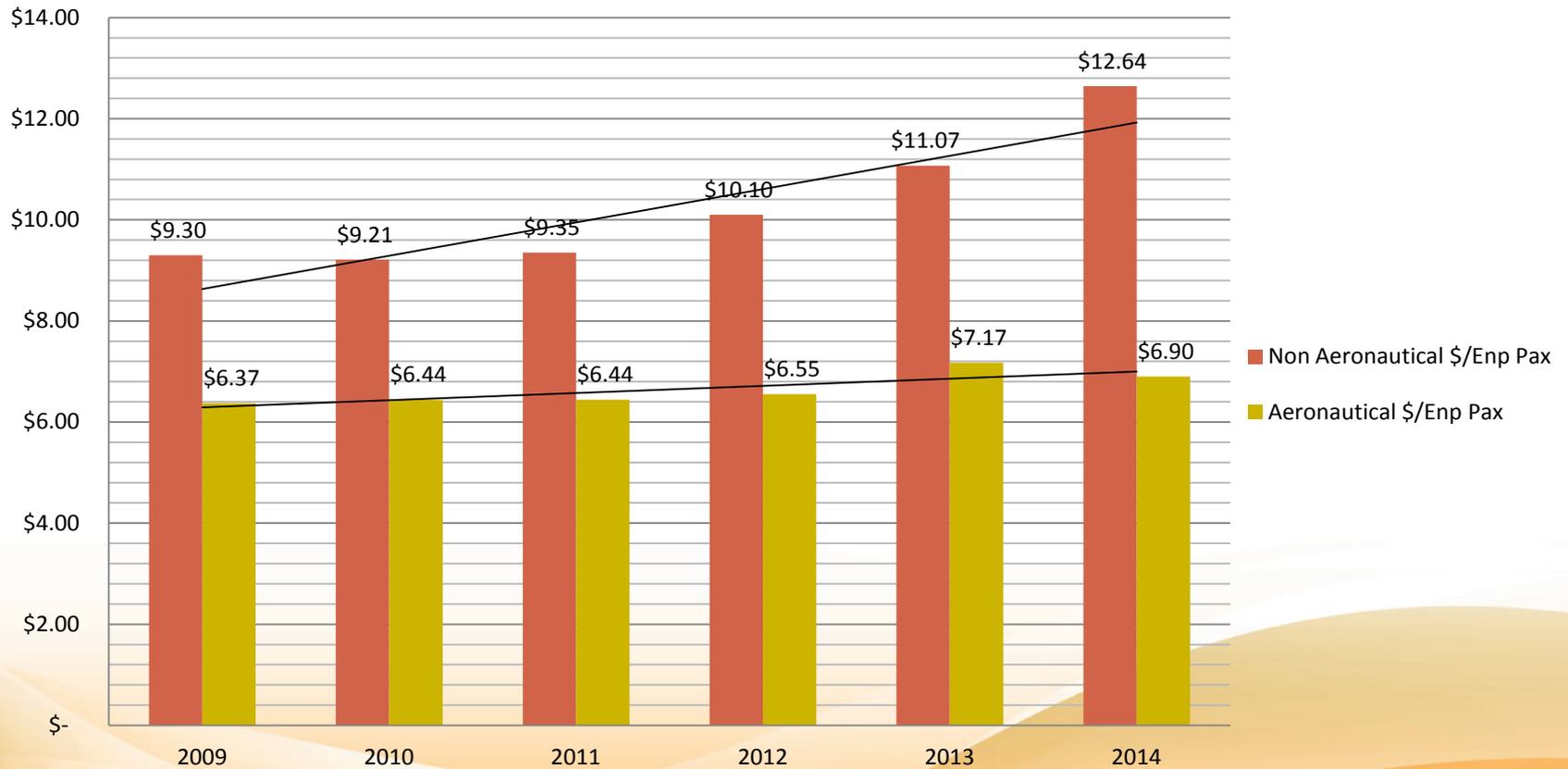


# Key Components of the Low Cost Model

- ▶ Low Fee Structure
- ▶ Marketing Program
- ▶ Customer Service & Quality Control
- ▶ Expenditure Control
- ▶ Strategic Planning
- ▶ Non Aeronautical Revenue Enhancement

# Aeronautical vs. Non-aeronautical Revenue

## Comparison of Aeronautical vs Non Aeronautical \$



# Budgetary Pressures

- ▶ Maintenance of increased square footage
- ▶ Need for ongoing capital investment in airport facilities
- ▶ Change in aircraft mix serving YLW
- ▶ Regulatory costs
- ▶ Increased threat levels due to global issues resulting in increased security costs

# Risks

- ▶ Passenger Growth/Airline Mobility
- ▶ Labour Negotiations
- ▶ Capital Intensive Operation
- ▶ Federal Regulations
- ▶ Global Crisis
- ▶ National and Local Economy

# Strategic Planning

- 2045 Airport Master Plan
- Commercial Land Development
- Acquisition of Land



# YLW Budget



# KELOWNA INTERNATIONAL AIRPORT - REVENUE & EXPENDITURE

PERIOD FROM: 201401

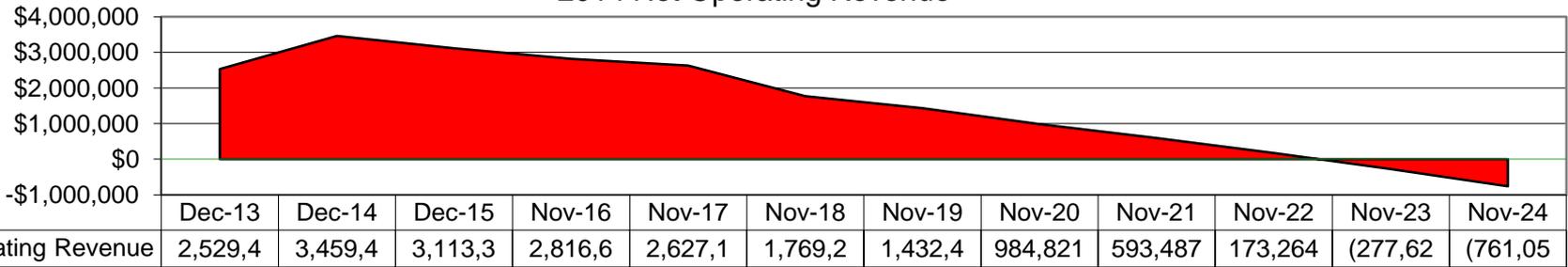
PERIOD TO: 201412

| PROJECT                                     |                              |                     |
|---|------------------------------|---------------------|
| No  | Description                  | Actual              |
| <b>REVENUE</b>                              |                              |                     |
| 1006  | Airport Admin                | (82,096)            |
| 1246  | Airport Airside Operation    | (3,982,004)         |
| 1247  | Airport Groundside Operation | (5,967,649)         |
| 1248  | Airport Terminal Operation   | (5,909,435)         |
| 1309  | CATSA Projects               | (75)                |
| <b>Total Revenue</b>                        |                              | <b>(15,941,258)</b> |
| <b>SALARY, WAGE &amp; EXPENDITURE</b>       |                              |                     |
| 1006  | Airport Admin                | 1,398,510           |
| 1007  | Airport City Services        | 1,021,960           |
| 1245  | Airport Policing             | 192,576             |
| 1246  | Airport Airside Operation    | 2,805,904           |
| 1247  | Airport Groundside Operation | 1,990,037           |
| 1248  | Airport Terminal Operation   | 4,020,396           |
| 1309  | CATSA Projects               | 75                  |
| <b>Total Salary, Wage &amp; Expenditure</b> |                              | <b>11,429,457</b>   |
| <b>TOTAL OPERATIONS</b>                     |                              | <b>(4,511,801)</b>  |
| <b>AIRPORT IMPROVEMENT FEE</b>              |                              |                     |
| 1244  | Revenue                      | (10,963,576)        |
| 1244  | Expenditures                 | 339,961             |
| 1201  | Debt Load                    | 2,076,655           |
| <b>TOTAL AIRPORT IMPROVEMENT FEE</b>        |                              | <b>(8,546,959)</b>  |

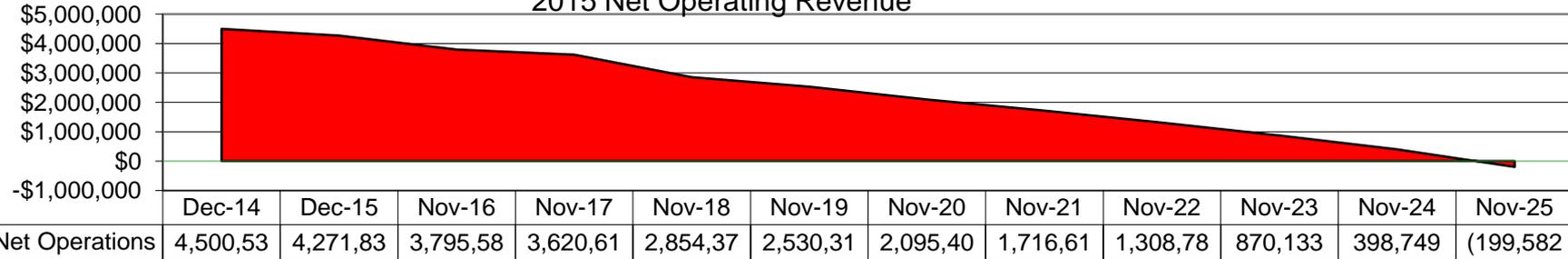
# Revenue Contributed to the City General Fund - 2014

- ▶ \$1,101,601 in property taxes paid by YLW tenants
- ▶ \$1,041,960 for administrative services, general policing, fire, development services and bylaw enforcement, land use management, policy and planning, sanitary landfill, water board and tax collection
- ▶ \$192,576 for airport specific policing requirements
- ▶ \$69,000 for water system maintenance
- ▶ \$104,879 for 85% of the rental revenue of all City owned land
  
- ▶ Total \$2,510,016

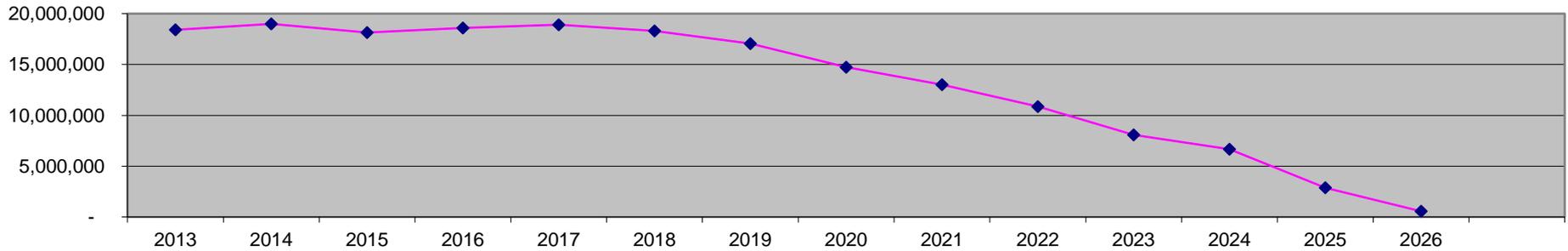
### 2014 Net Operating Revenue



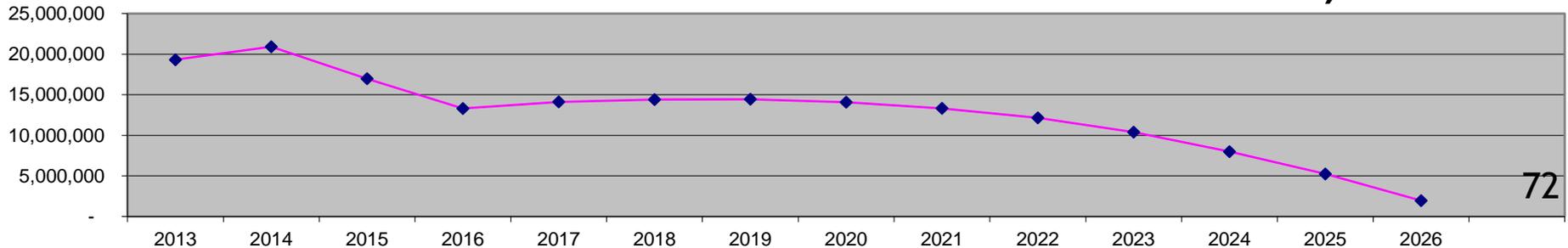
### 2015 Net Operating Revenue



### 2014 COMBINED OPERATING & RESERVES BALANCE



### 2015 COMBINED OPERATING & RESERVES BALANCE )



# Drive to 1.6 & Flight to 2020 Development Program



# Drive to 1.6 Million Passengers & Flight to 2020

| PROGRAM  | APPROVAL DATE                          | AMOUNT APPROVED BY COUNCIL |
|--|--|----------------------------|
| Drive to 1.6 Million Passengers Program  | Approved by Council on August 18, 2009 | \$50.448M                  |
| Drive to 1.6 Million Passengers Program Apron 1 Taxiway Rehabilitation                     | Approved by Council on June 23, 2014   | \$2.305M                   |
| Drive to 1.6 Million Passengers Program Additions to Phase II as requested by the Airlines | Approval by Council on August 11, 2014 | \$7.800M                   |
| Drive to 1.6 Million Passengers Program The Flight to 2020                                 | Approval by Council on August 11, 2014 | \$31.515M                  |
|  | Total                                  | \$92.068M                  |

A high-angle, long-exposure photograph of a busy airport terminal. The floor is made of large, square, light-colored tiles. In the center, a man in a dark jacket and a woman in a bright blue jacket are embracing. To their right, a man in a dark jacket stands with his back to the camera, looking at a black suitcase. In the foreground, a man in a grey jacket is looking down at a laptop. The background shows a large glass entrance with people walking through it. The text "Drive to 1.6 Development Project" is overlaid on the left side of the image.

# Drive to 1.6 Development Project

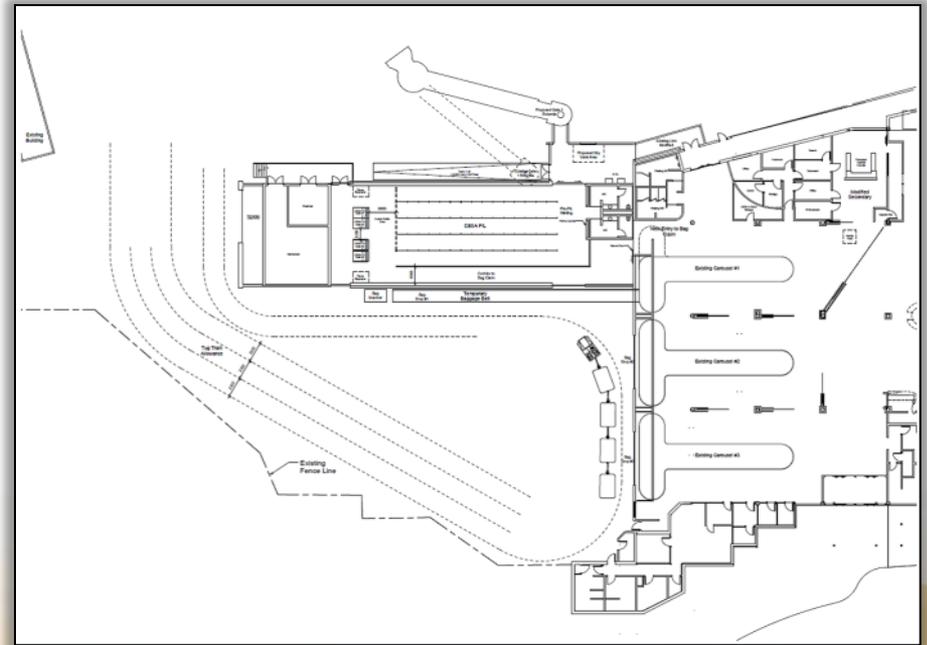
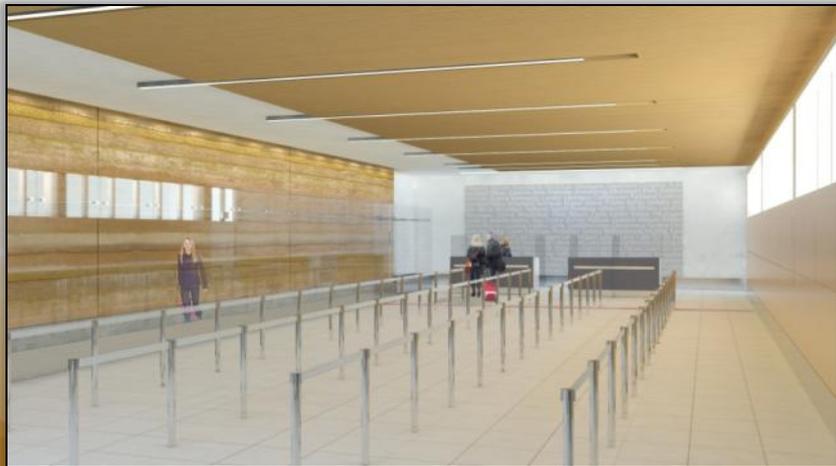




# Drive to 1.6 (Phase 1) Runway Rehabilitation: Complete



# Drive to 1.6 (Phase 1) International Arrivals Hall: Complete



# Drive to 1.6 (Phase 2): In Progress

North washroom renovations - Complete

Bridge 4 reconfiguration – Complete

Outbound baggage hall expansion – In Progress

Expansion of existing airline office space – In Progress

Realignment of Air Canada / Alaska / North check-in lobby

Refresh of the Concourse between atrium and arrivals

# Drive to 1.6 (Phase 2): In Progress

Phase 2 Completion Timeline



```
graph TD; A[Phase 2 Completion Timeline] --> B[Baggage Hall Completion Fall 2016]; B --> C[Airline Offices Completion 2017]; C --> D[Concourse Completion 2018];
```

Baggage Hall Completion Fall 2016

Airline Offices Completion 2017

Concourse Completion 2018

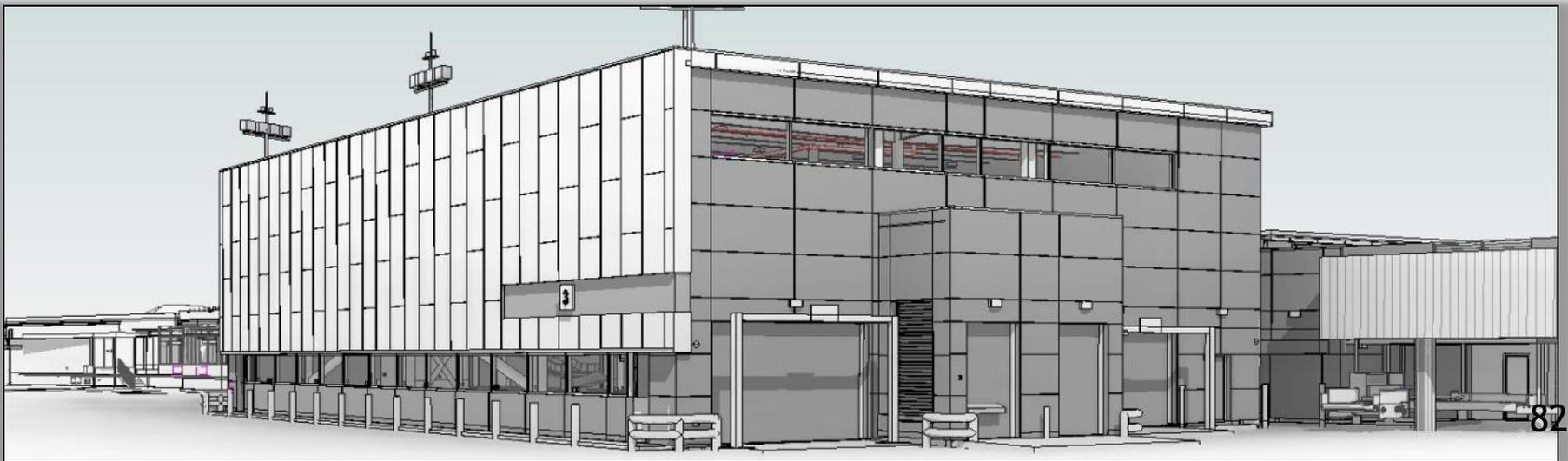
*Expanding!*

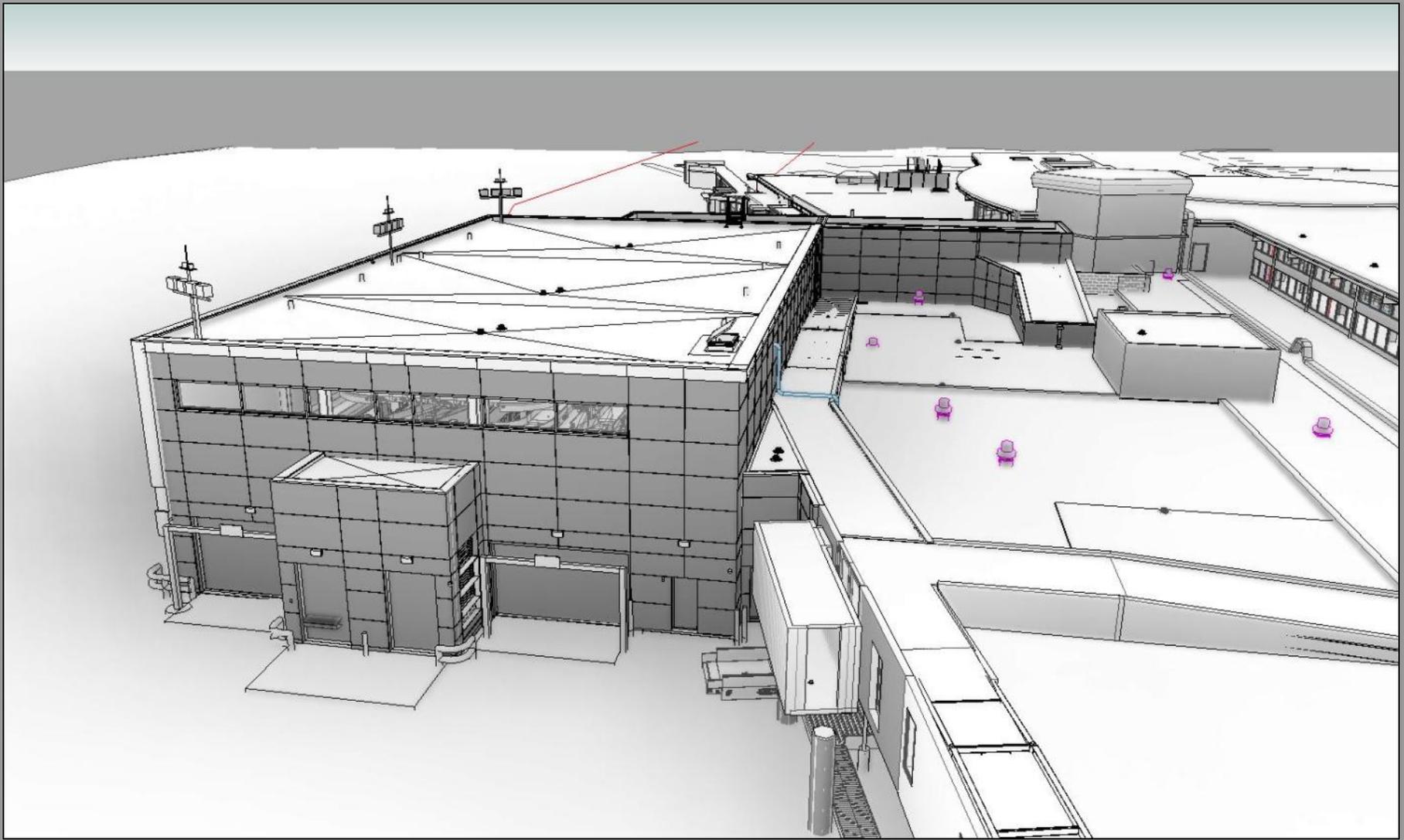
# Your <sup>^</sup>Link to the World

We're building a new Outbound Baggage Hall  
This expansion will feature...



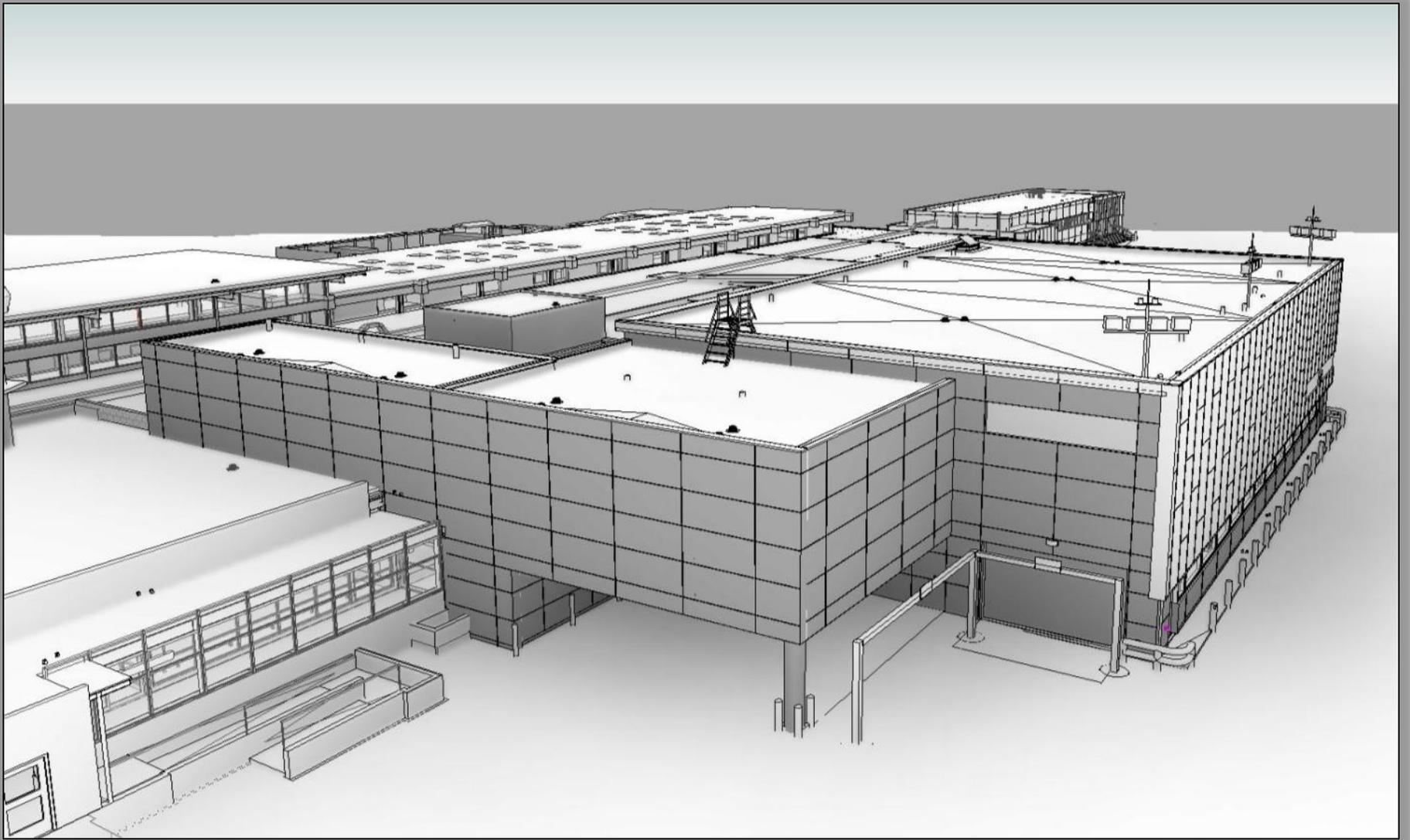
Increased baggage processing capacity // Modern technology for baggage screening  
Infrastructure for self-service baggage drop // Renewed airline offices and concourse





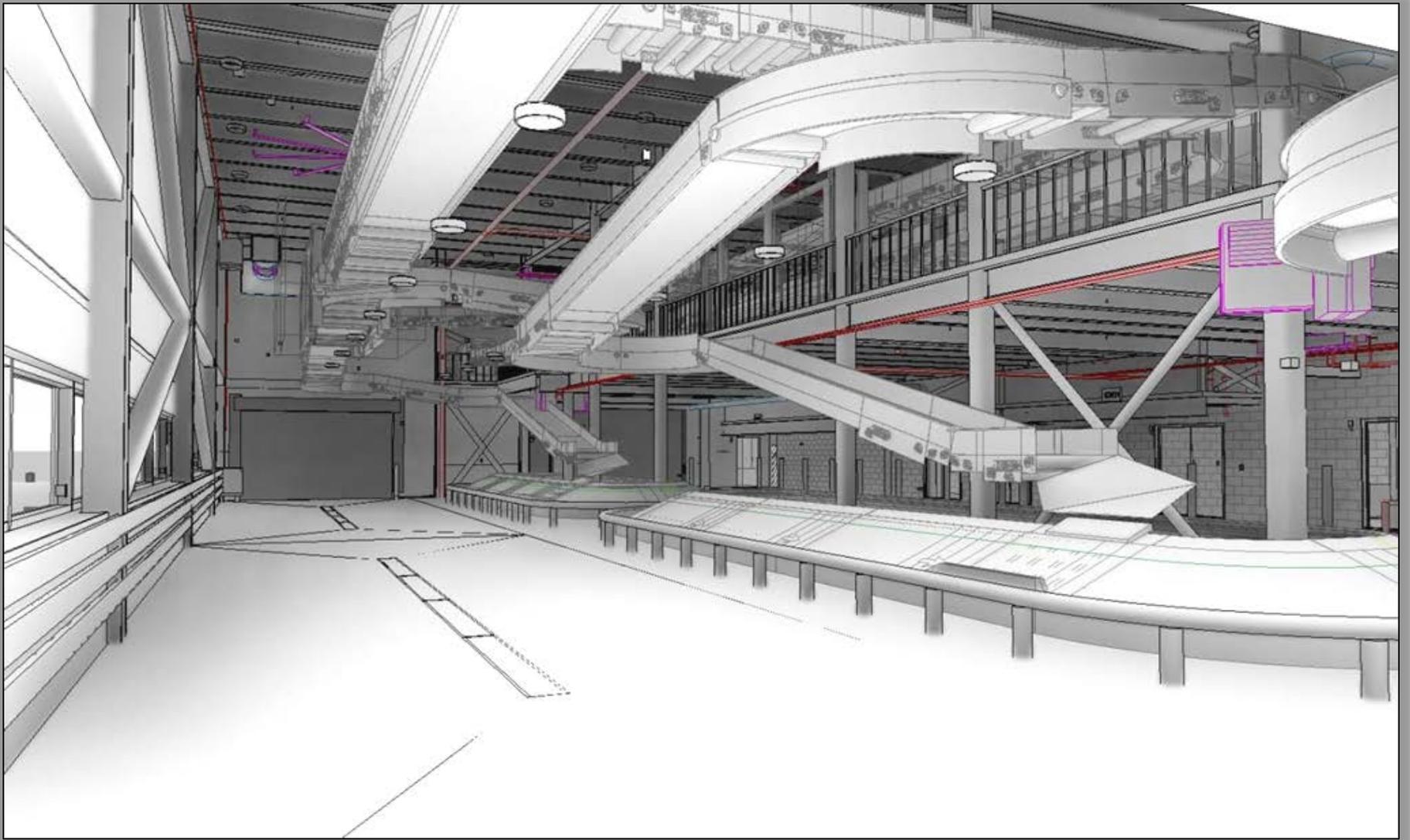
## YLW Phase 2 Outbound Baggage Hall

75% Review | June, 2014



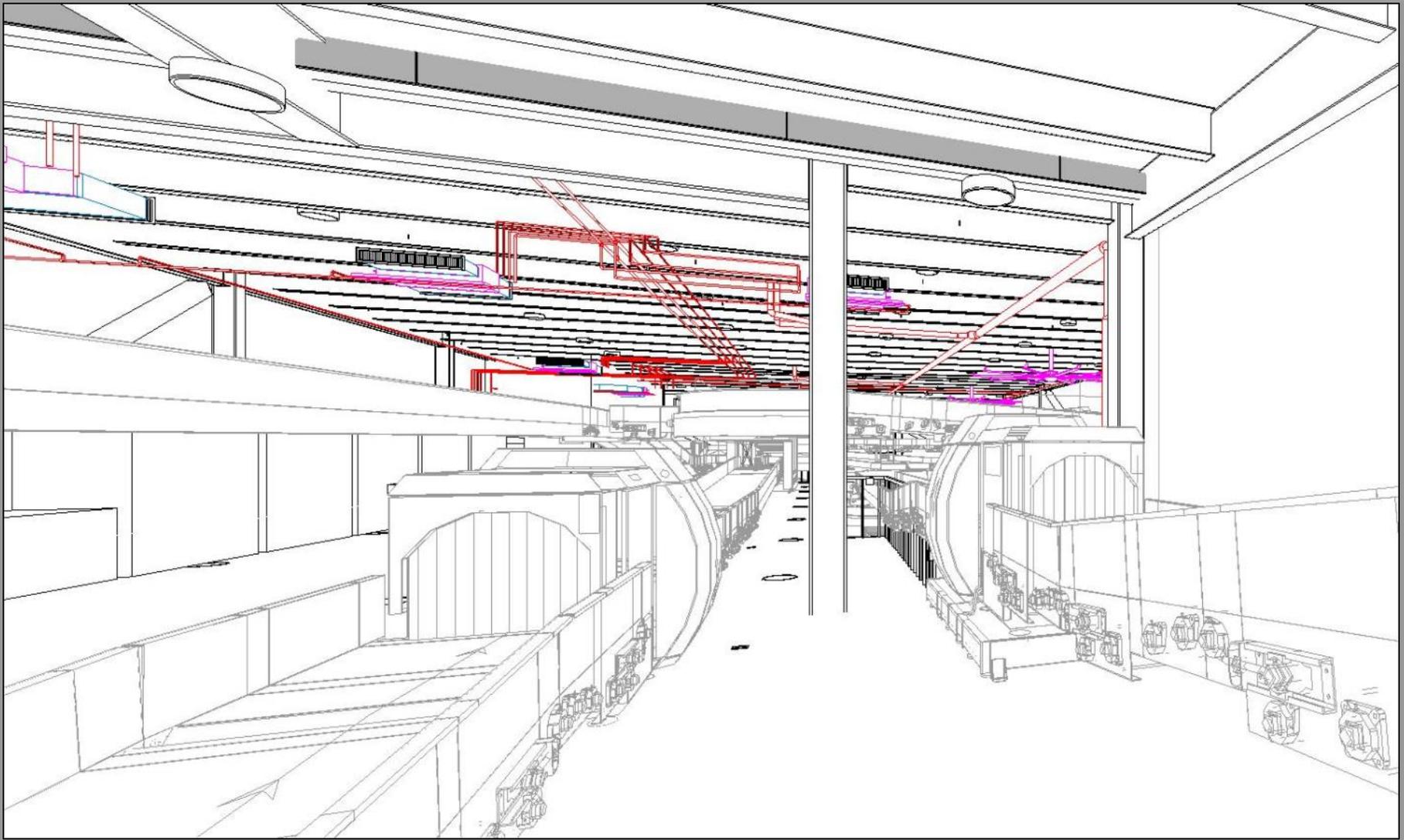
## YLW Phase 2 Outbound Baggage Hall

75% Review | June, 2014



## YLW Phase 2 Outbound Baggage Hall

75% Review | June, 2014



## YLW Phase 2 Outbound Baggage Hall

75% Review | June, 2014



# Flight to 2020 Development Project

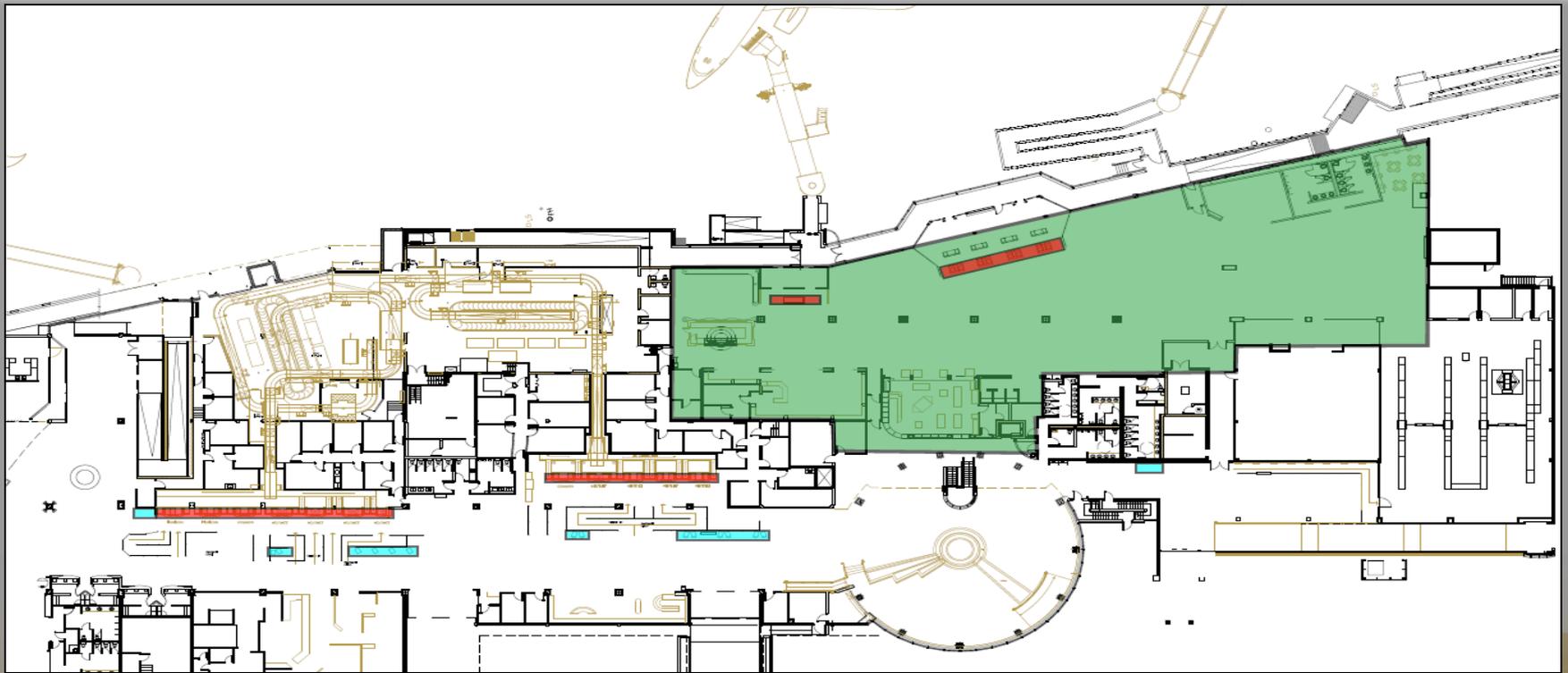


# Flight to 2020

|    | Components  |
|----|---|
| 1  | Apron 1 Upgrades and Expansion<br>→Taxilane Repair - <b>COMPLETE</b><br>→Apron Expansion (2 additional aircraft parking stands) – <b>IN PROGRESS</b><br>→Apron Rehabilitation |
| 2  | Expanded Restricted Area – <b>IN PROGRESS</b>   |
| 3  | Ground Services Equipment (GSE) Building / Parking Relocation - <b>COMPLETE</b>   |
| 4  | Glycol & Potassium Acetate Storage Facility – <b>IN PROGRESS</b>  |
| 5  | Combined Operations Building  |
| 6  | New Navigational Aids for Runway 34 Approach + Runway End Safety Area (RESA)  |
| 7  | New Airfield Lighting System  |
| 8  | New Apron Lighting System   |
| 9  | Departures Lounge Master Plan & Enhancements – <b>IN PROGRESS</b>   |
| 10 | Common Use Self Serve (CUSS) - <b>COMPLETE</b>  |
| 11 | Common Use Terminal Equipment (CUTE) – <b>IN PROGRESS</b>   |

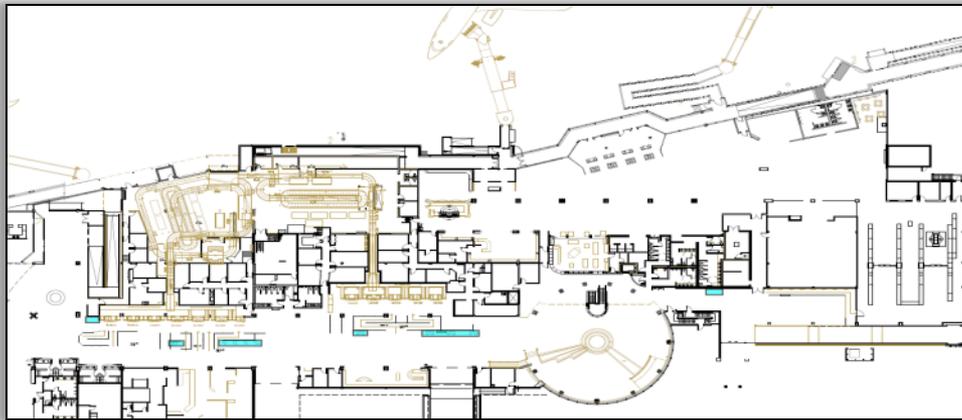
# Flight to 2020

## Terminal Building Components



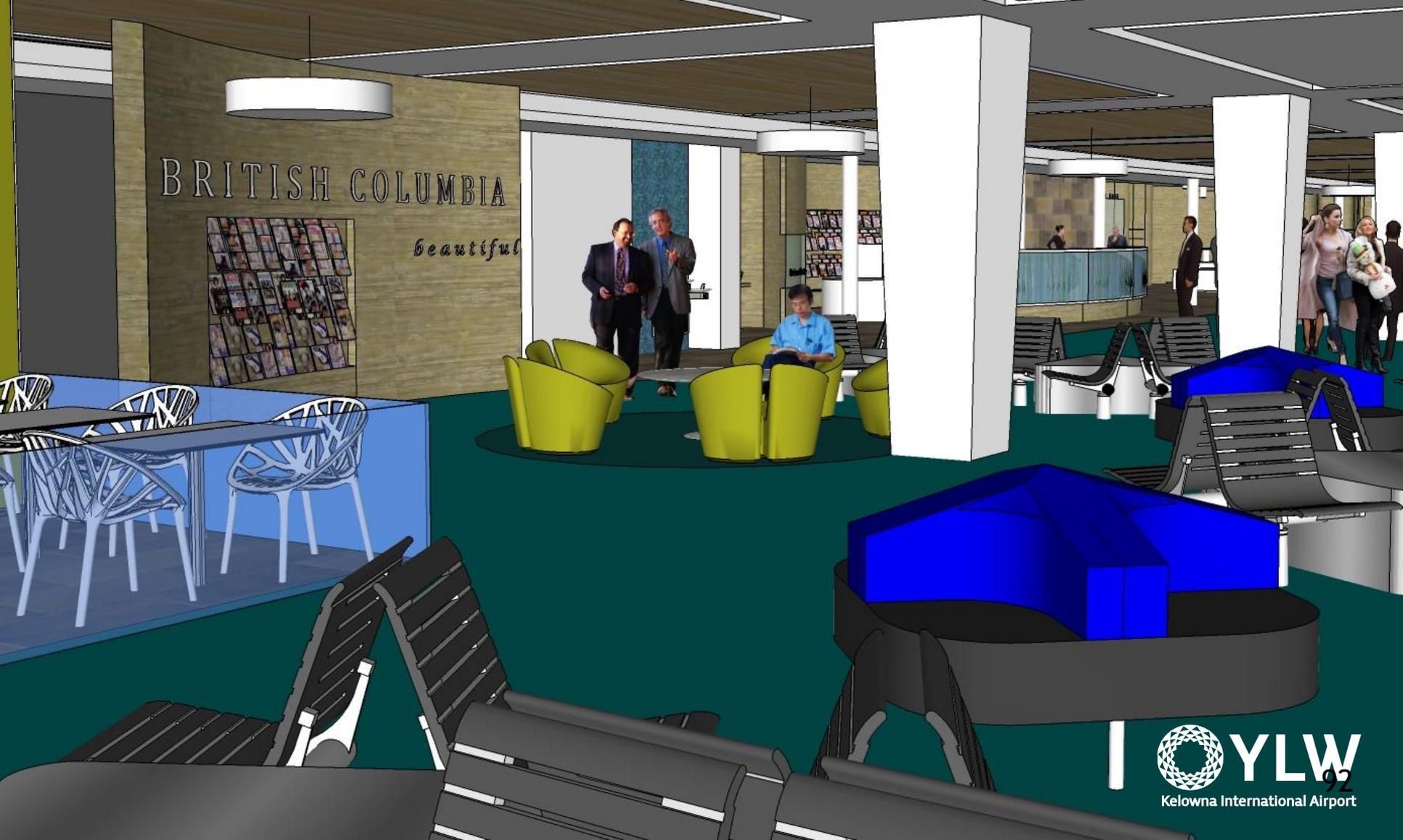
# Flight to 2020

## Common Use Self Serve Kiosks: Complete



# Flight to 2020

## Departures Lounge Enhancements: In Progress



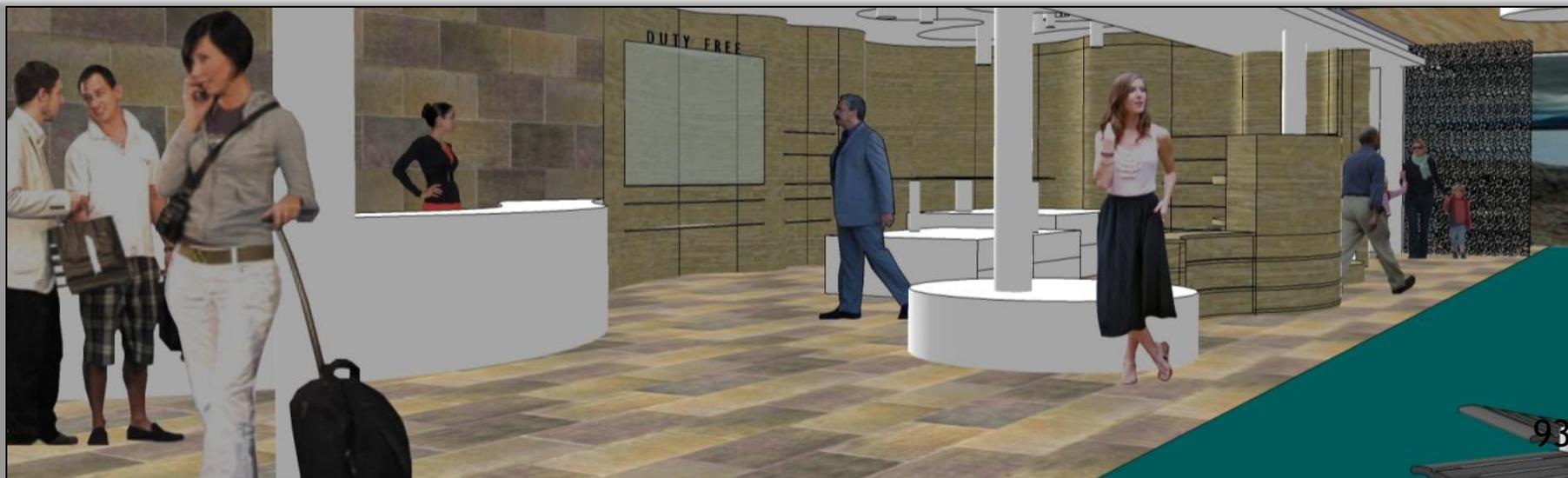
*Expanding!*

# Your <sup>^</sup>Link to the World

We're enhancing our Departures Lounge  
Phase 1 will see...

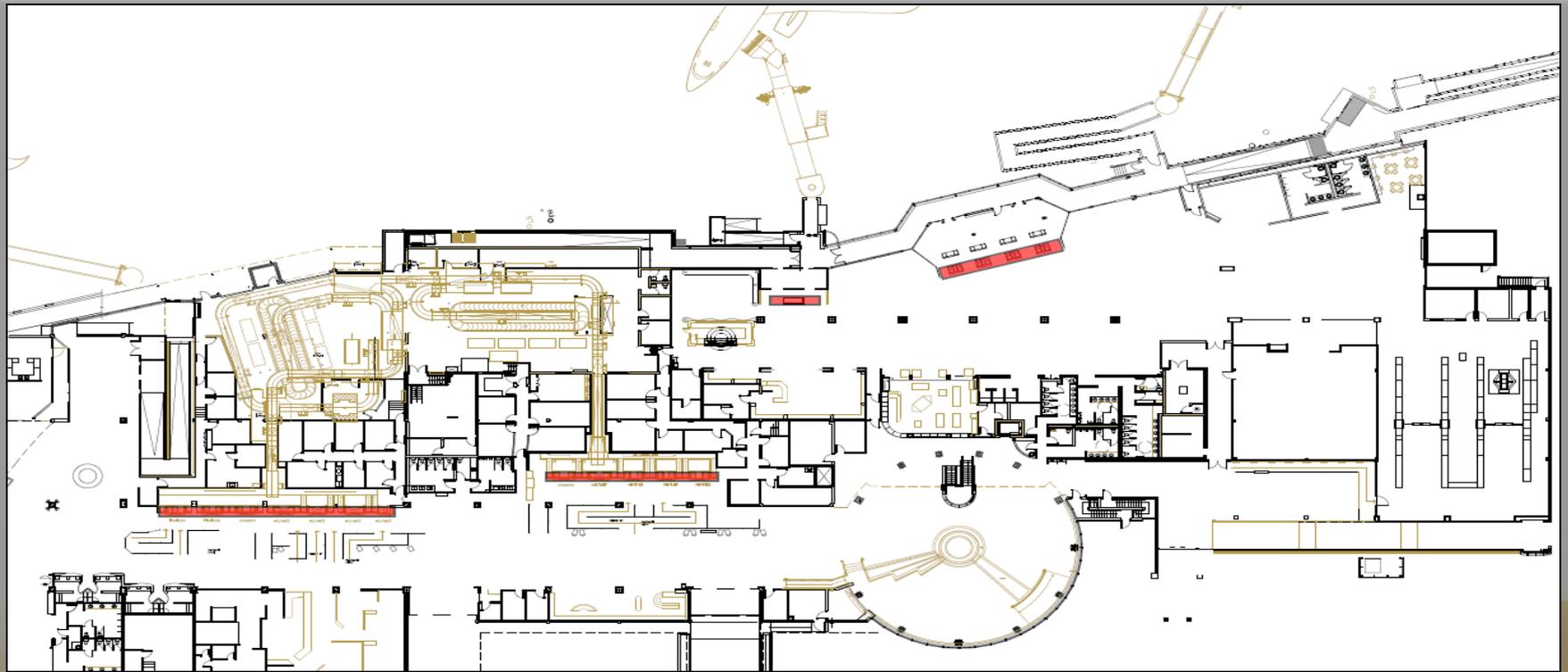


Bright & open retail shops // Fresh new food options  
Family centre & children's play area // Functional business centre



# Flight to 2020

## Common Use Terminal Equipment In Progress

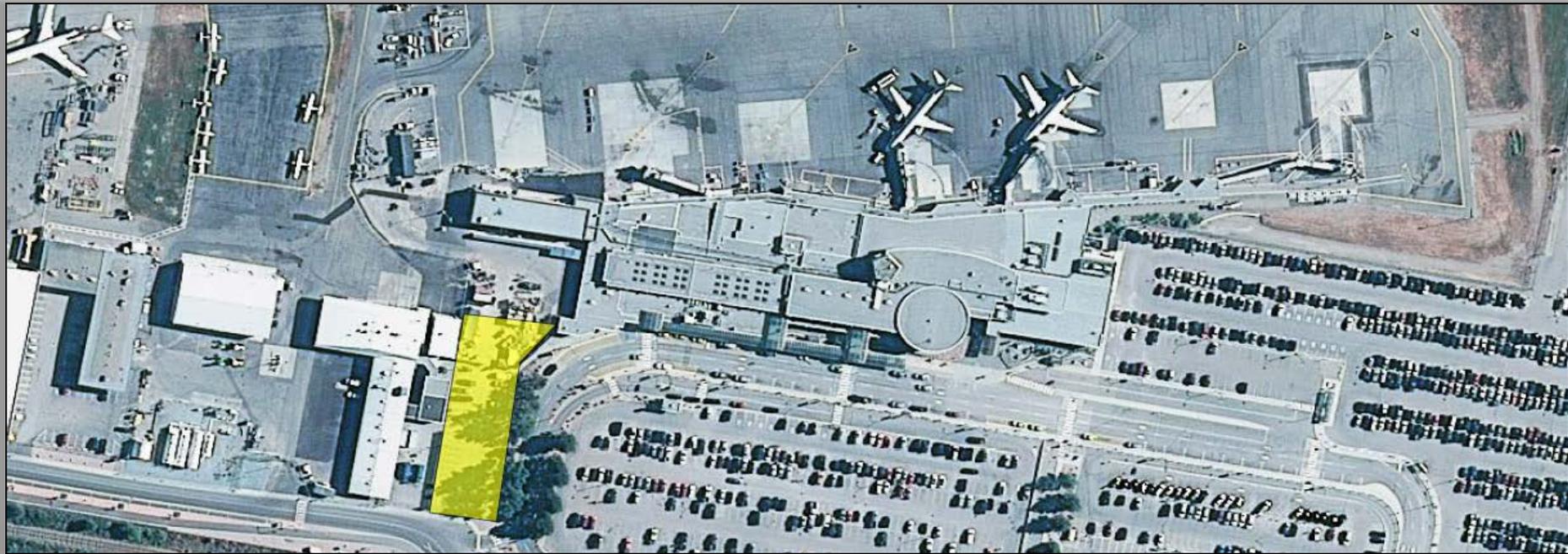


# Flight to 2020 Airside Components



# Flight to 2020

## GSE Building & Parking Relocation: Complete



# Flight to 2020

## Apron 1 Upgrades & Expansion



- Taxilane Expansion
- Two Additional Aircraft Parking Stands
- Apron Rehabilitation

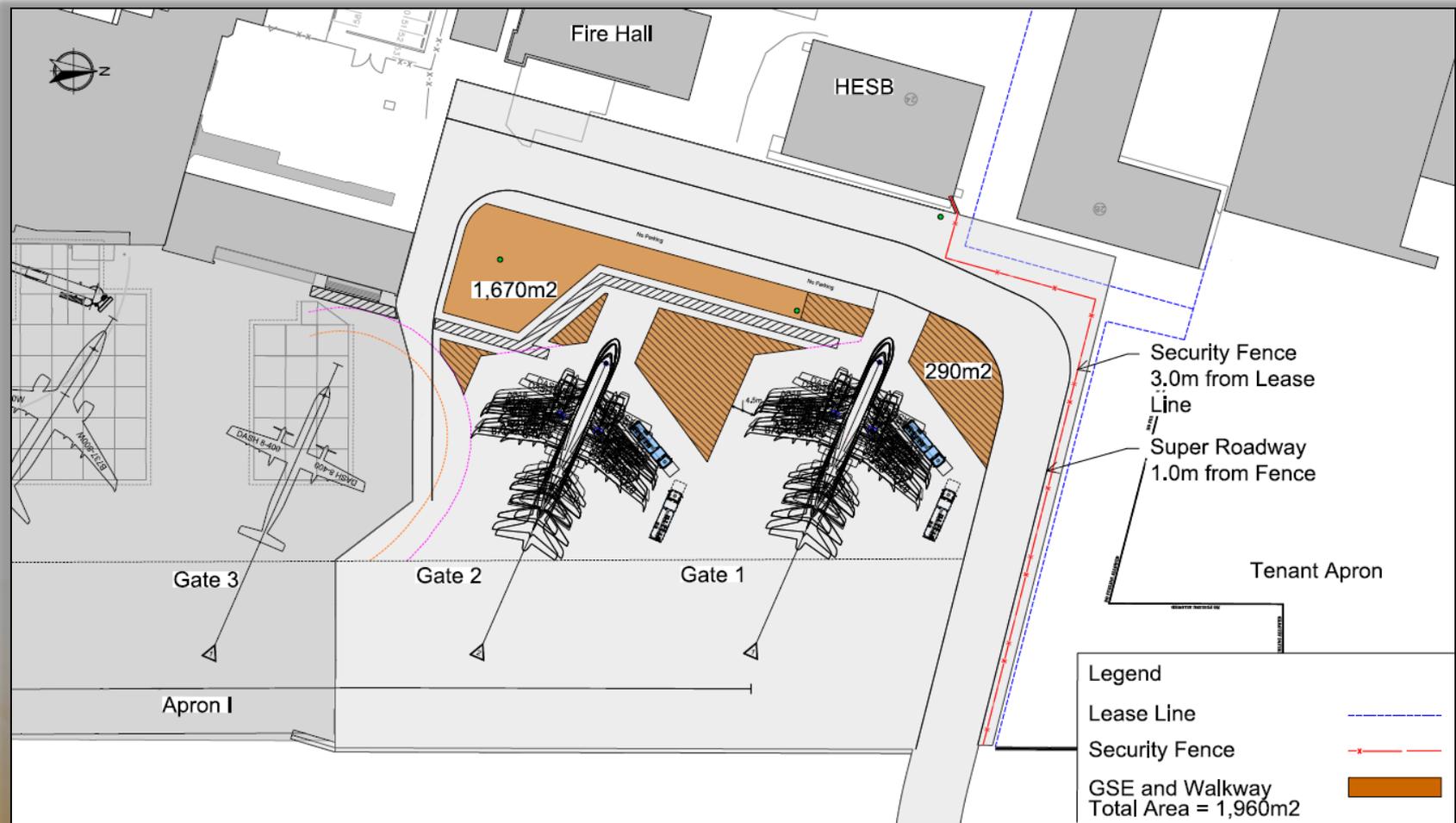
# Flight to 2020

## Apron 1 Taxilane Expansion: Complete



# Flight to 2020

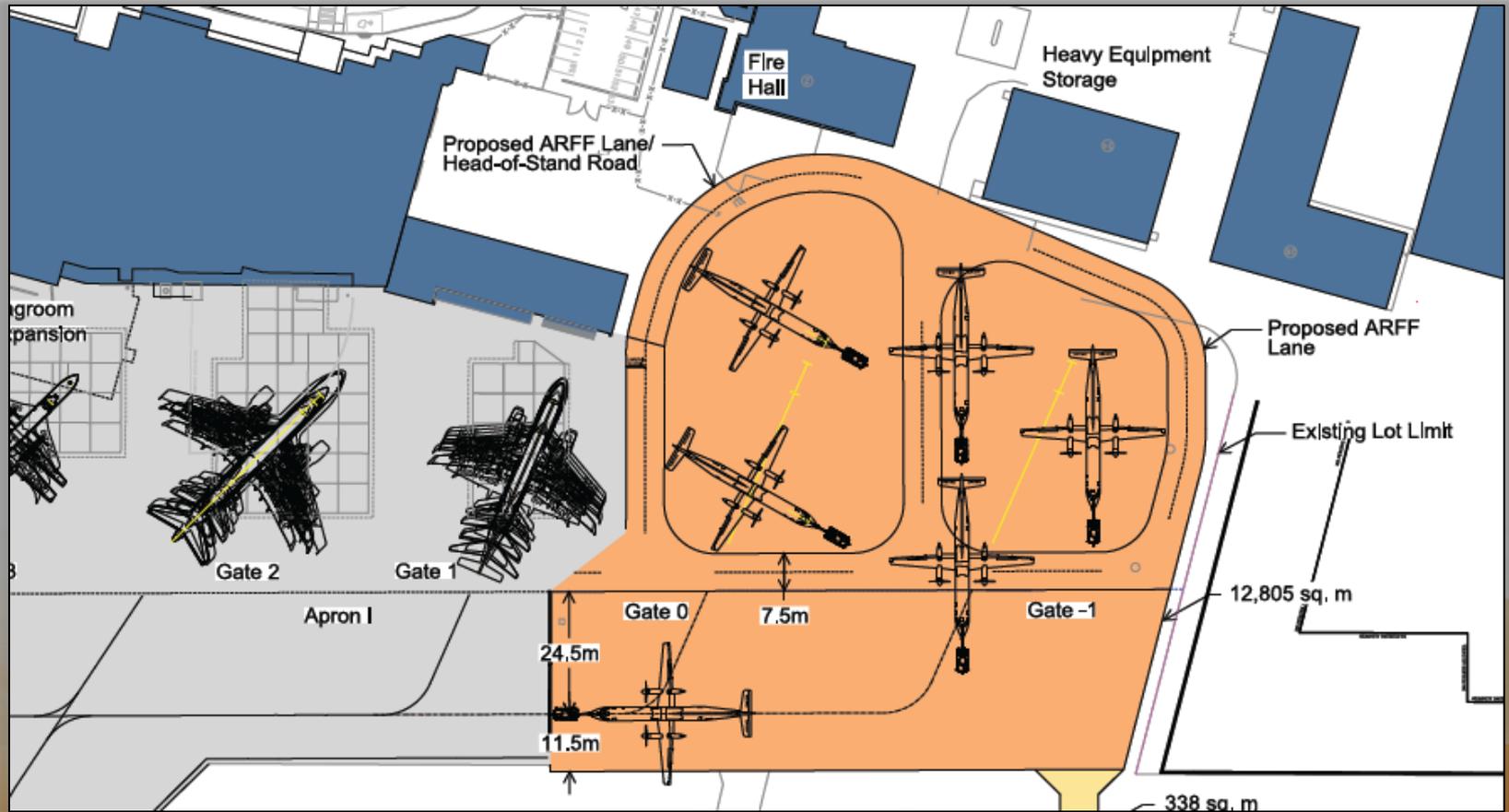
## Apron 1 Expansion: In Progress



# Flight to 2020

## Apron 1 Expansion: In Progress

- ▶ Overnight parking of Q400 aircraft



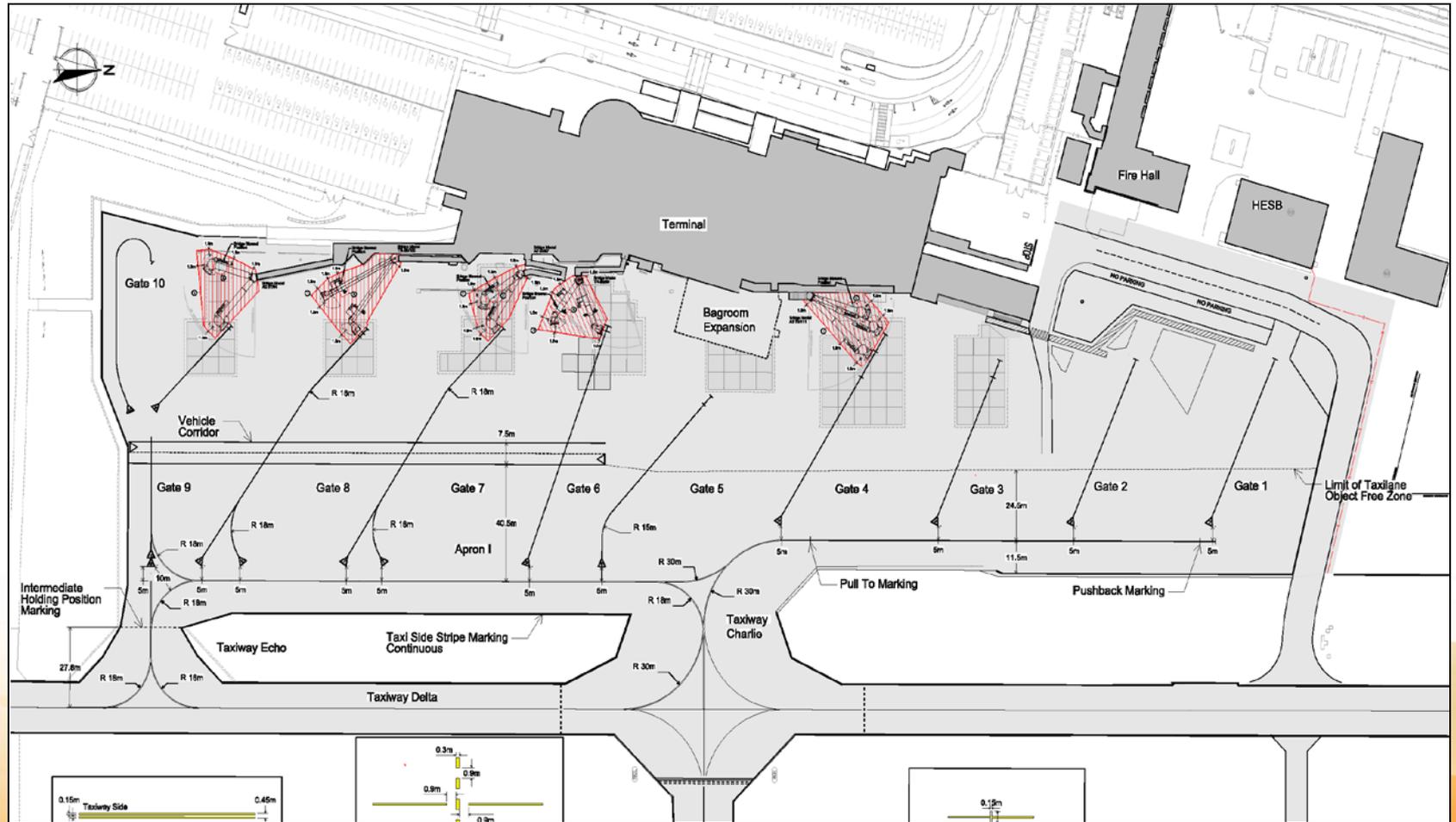
# Flight to 2020

## Apron 1 Expansion: In Progress



# Flight to 2020

## Apron 1 Expansion: In Progress



# Flight to 2020

## Apron 1 Expansion: In Progress

Project currently underway

Area 1 paving completed

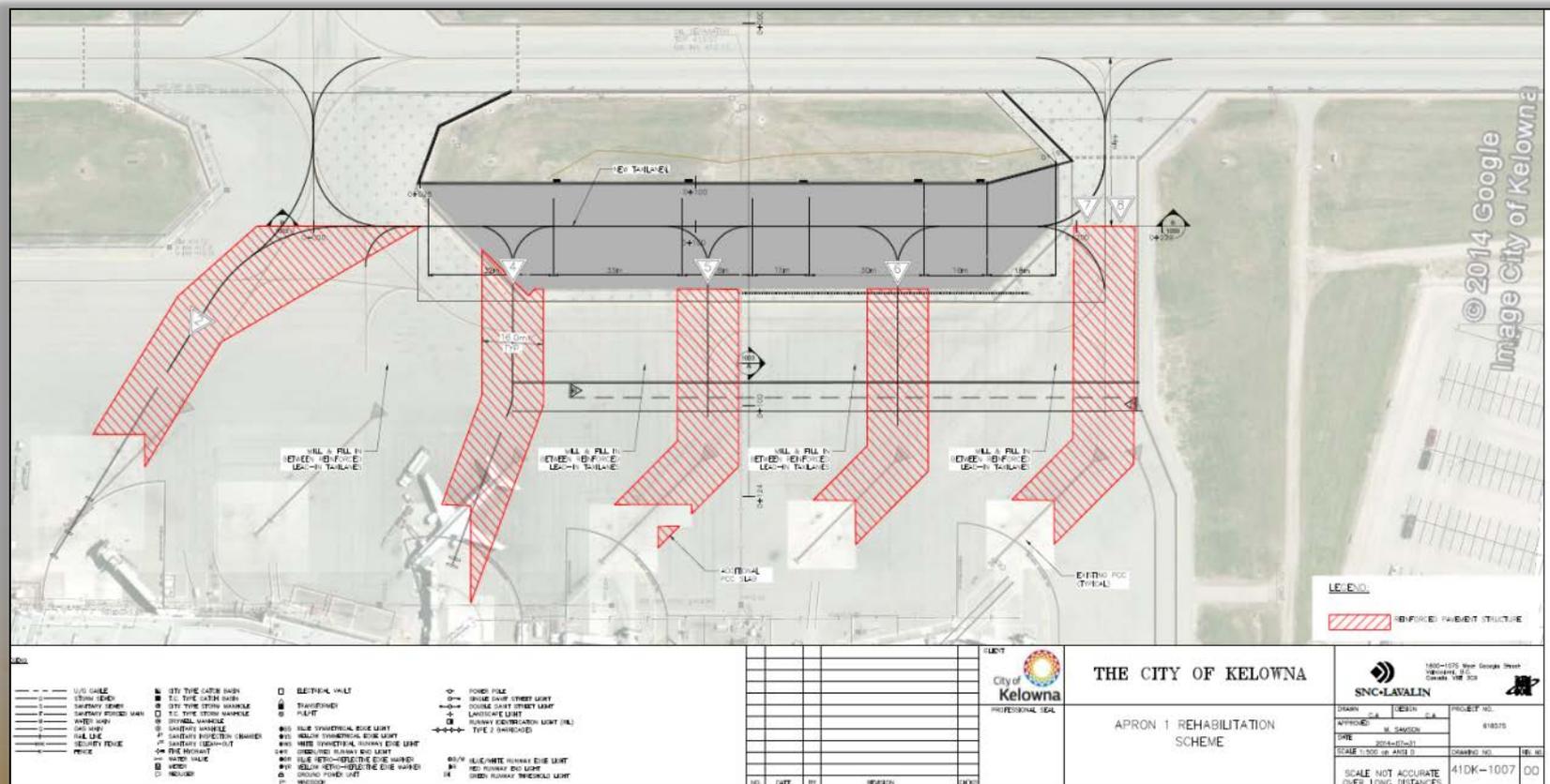
Area 2 paving scheduled Sept 25<sup>th</sup>

Area 3 paving scheduled Oct 30<sup>th</sup>

Project completion November 15<sup>th</sup>

# Flight to 2020 Apron 1 Rehabilitation

- ▶ Reconstruction of wheel track path base + mill/fill between.





# Flight to 2020

## Glycol & Potassium Acetate Storage Facility: In Progress



*Improved!*

# Your <sup>^</sup>Link to the World

We're building a new Aircraft De-Icing Storage Facility

This project will feature...



Increased storage capacity for plane & runway de-icing fluid

Improved operational efficiencies // Modern technology for dispensing fluids

# Flight to 2020

## Glycol & Potassium Acetate Storage Facility: In Progress

Tank construction complete

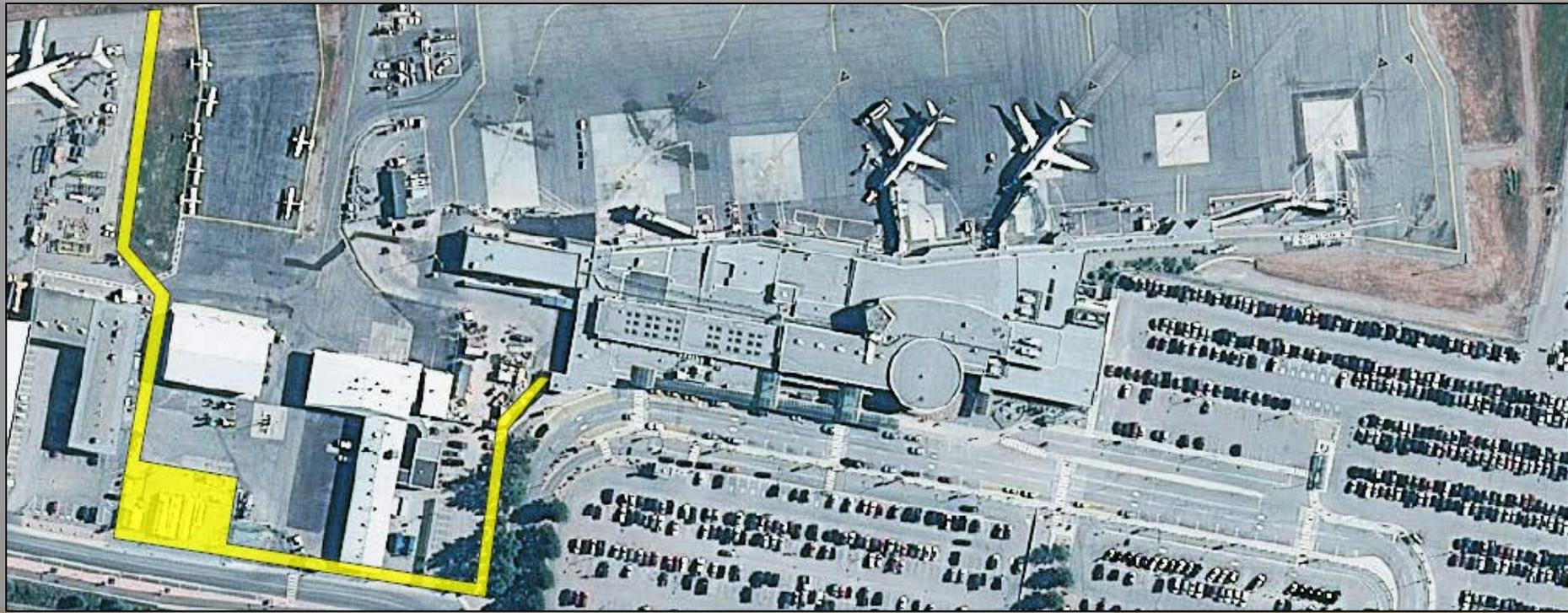
Waterline / power install complete

Road construction in progress

Project completion September 30<sup>th</sup>

# Flight to 2020

## Expanded Restricted Area: In Progress



# Flight to 2020

## Expanded Restricted Area (NPSv)



# Flight to 2020 LED Airfield Lighting System

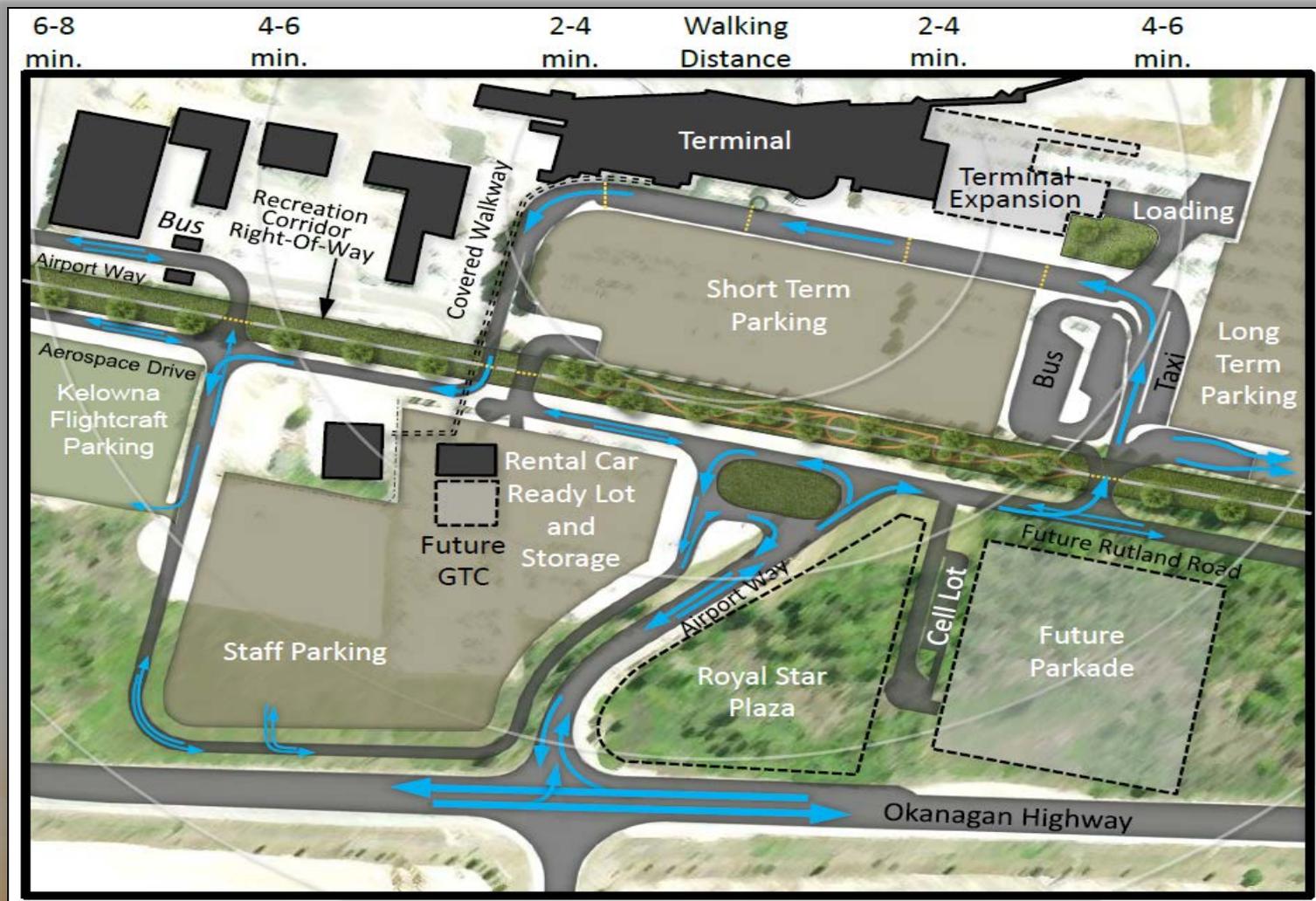


# Flight to 2020 Combined Operations Building





# Future Key Potential Projects Groundside Road Network



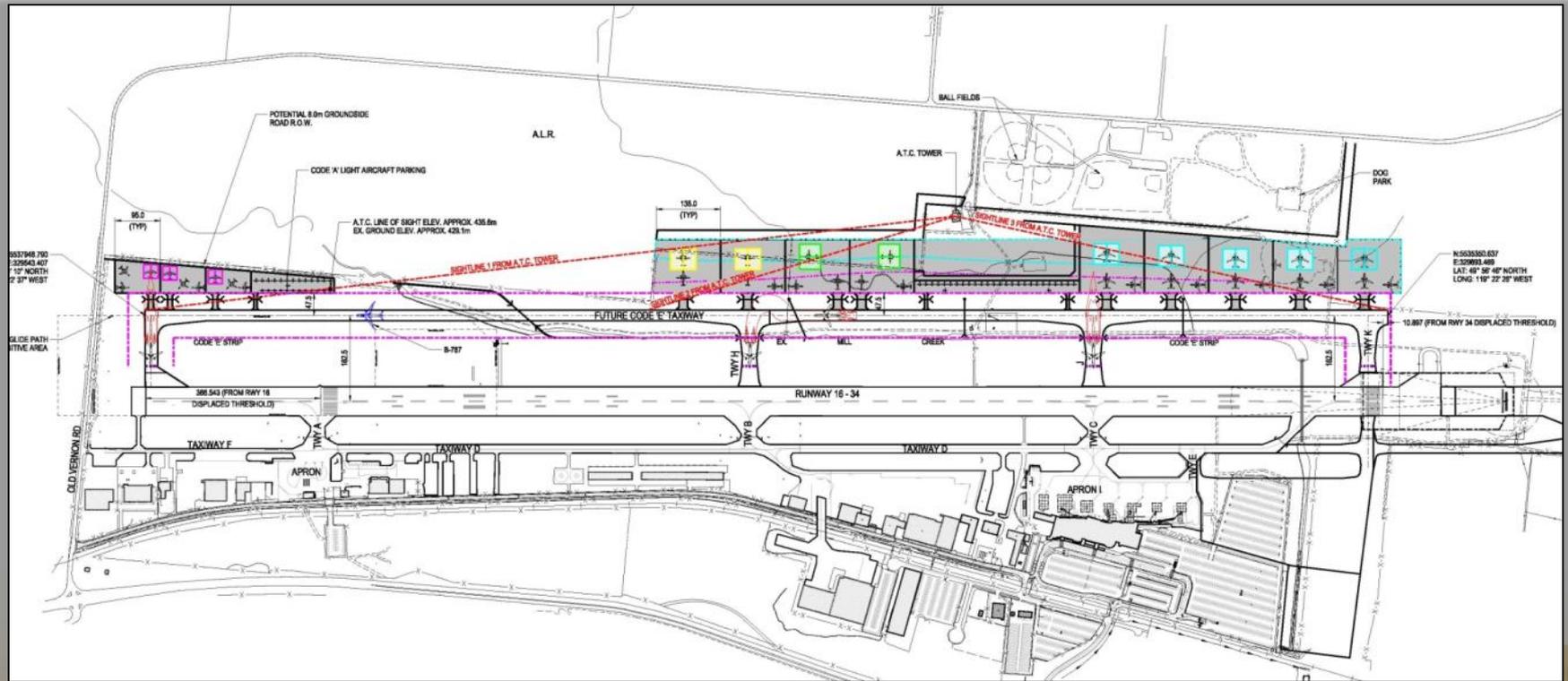
# Future Key Potential Projects

## West Side Commercial Subdivision Plan



# Future Key Potential Projects

## East Side Airside Commercial Subdivision Plan



Questions?



Thank you from YLW!



## DRAFT RESOLUTION

Re: Deputy Mayor Schedule - October & November 2015

THAT the Deputy Mayor Schedule for the City of Kelowna Municipal Council 2014-2018 term be amended as follows:

### DEPUTY MAYOR:

October 2015      Councillor Mohini Singh  
November 2015    Councillor Maxine DeHart

NOTE: The Alternate Deputy Mayor shall be the next Deputy Mayor as available in monthly sequences.

### BACKGROUND:

Each member of Council rotates through the position of Deputy Mayor during the Council term. Councillor DeHart was scheduled to be the Deputy Mayor in October 2015 and Councillor Singh was scheduled to be the Deputy Mayor in November 2015. Councillor DeHart and Councillor Singh have agreed to switch months.

Date: September 9, 2015  
File: 0610-53

## **DRAFT RESOLUTION**

Re: Tour of RCMP Depot in Regina - November 16, 2015

THAT Council authorizes the Mayor to travel to attend a tour of the RCMP Depot in Regina, Saskatchewan on November 16, 2015, with expenses up to a maximum of \$1,000.00, to be paid in accordance with Council Remuneration and Expense Bylaw No. 7547.

### **BACKGROUND:**

Mayor Basran has been invited to tour the RCMP Depot in Regina on November 16, 2015. All of the expenses will be covered once at the Depot; however the City will be required to cover the cost of the Mayor's flight to/from Regina. A Council Resolution is required in order for the costs to be covered by the City.

Date: September 9, 2015

File: 0610-53

## **DRAFT RESOLUTION**

Re: 2016 SILGA CONVENTION - 50/50 FUNDS

THAT Council authorizes the donation of the Southern Interior Local Government Association (SILGA) 50/50 raffle proceeds to the United Way following the 2016 Annual General Meeting to be held in Kelowna from April 19 - 22, 2015.

### **BACKGROUND:**

The City of Kelowna is hosting the 2016 SILGA Convention. A resolution of Council is required to authorize the donation of the 50/50 raffle proceeds to the United Way.

Date: September 9, 2015

File: 0610-53

## **DRAFT RESOLUTION**

Re: Cities Fit for Children Provincial Summit - November 12-13, 2015

THAT Council authorizes Councillor Donn and Councillor Hodge to travel to attend the Cities Fit for Children Provincial Summit scheduled for November 12-13, 2015 in Vernon, BC, with expenses to be paid in accordance with Council Remuneration and Expense Bylaw No. 7547.

### **BACKGROUND:**

A Council resolution is required in order to authorize Councillors Donn and Hodge to attend the Cities Fit for Children Provincial Summit in Vernon, BC.

Date: September 9, 2015

File: 0610-53