

# City of Kelowna

## Regular Council Meeting

### AGENDA



Monday, May 8, 2017  
1:30 pm  
Council Chamber  
City Hall, 1435 Water Street

#### Pages

#### 1. Call to Order

This meeting is open to the public and all representations to Council form part of the public record. A live audio and video feed is being broadcast and recorded by CastaNet and a delayed broadcast is shown on Shaw Cable.

#### 2. Confirmation of Minutes

4 - 11

PM Meeting - May 1, 2017

#### 3. Committee Report

##### 3.1 Financial Statements for the Year Ending December 31, 2016

12 - 42

To present the Financial Statements to Council for acceptance per the legislative requirement, to provide Council with a recommendation on the appropriation of \$4,252,159 of surplus to general reserves and to seek approval to include the Financial Statements in the annual report.

#### 4. Development Application Reports & Related Bylaws

##### 4.1 280 Nickel Road, Z16-0064 - Clinton and Barry Senko

43 - 58

To rezone the subject property to facilitate the development of two dwelling housing on the subject property.

##### 4.2 280 Nickel Road, BL11403 (Z16-0064) - Clinton and Barry Senko

59 - 59

To give Bylaw No. 11403 first reading in order to facilitate the development of two dwelling housing on the subject property.

##### 4.3 250 Hwy 33, DP17-0041 - Architecturally Distinct Solutions

60 - 81

To review the Form & Character Development Permit of a third storey addition to an existing apartment building known as 'The Garden House'.

<b>5.</b>	<b>Bylaws for Adoption (Development Related)</b>	
<b>5.1</b>	<b>BL11376 (TA16-0007) - Medical Marihuana Amendments</b>	<b>82 - 84</b>
	To adopt Bylaw No. 11376 in order to clarify marihuana related regulations and definitions	
<b>6.</b>	<b>Non-Development Reports &amp; Related Bylaws</b>	
<b>6.1</b>	<b>Revitalization Tax Agreement - 1775 Chapman Place</b>	<b>85 - 94</b>
	To enter into a Revitalization Tax Exemption Agreement with CG Two – Mission Group Homes Ltd. on the subject property.	
<b>6.2</b>	<b>Revitalization Tax Agreement - 1350 St. Paul Street</b>	<b>95 - 104</b>
	To enter into a Revitalization Tax Exemption Agreement with Sole Downtown Developments Ltd. on the subject property.	
<b>6.3</b>	<b>Parks and Public Spaces Bylaw Update</b>	<b>105 - 114</b>
	To amend the Parks and Public Spaces Bylaw No. 10680 as well as the schedule of fines in Bylaw No. 10475.	
<b>6.4</b>	<b>Amendment No. 3 to Parks and Public Spaces Bylaw No. 10680 - BL11349</b>	<b>115 - 119</b>
	To give Bylaw No. 11349 first, second and third readings in order to amend the Parks and Public Spaces Bylaw No. 10680	
<b>6.5</b>	<b>Amendment No. 18 to Bylaw Notice Enforcement Bylaw No. 10475 - BL11350</b>	<b>120 - 120</b>
	To give Bylaw No. 11350 first, second and third readings in order to amend the Bylaw Notice Enforcement Bylaw No. 10475.	
<b>7.</b>	<b>Bylaws for Adoption (Non-Development Related)</b>	
<b>7.1</b>	<b>1545 Bedford Avenue, Housing Agreement Authorization Bylaw - BL11385</b>	<b>121 - 129</b>
	To adopt Bylaw No. 11385 in order to enter into a housing agreement for the purpose-built rental housing projects that are approved for rental housing grants.	
<b>7.2</b>	<b>1975 Kane Road, Housing Agreement Authorization Bylaw - BL11386</b>	<b>130 - 136</b>
	To adopt Bylaw No. 11386 in order to enter into a housing agreement for the purpose-built rental housing projects that are approved for rental housing grants.	
<b>7.3</b>	<b>755 Academy Way, Housing Agreement Authorization Bylaw - BL11388</b>	<b>137 - 144</b>
	To adopt Bylaw No. 11388 in order to enter into a housing agreement for the purpose-built rental housing projects that are approved for rental housing grants.	

<b>7.4</b>	<b>1459-1469 KLO Road, Housing Agreement Authorization Bylaw - BL11389</b>	<b>145 - 153</b>
	To adopt Bylaw No. 11389 in order to enter into a housing agreement for the purpose-built rental housing projects that are approved for rental housing grants.	
<b>7.5</b>	<b>Five Year Financial Plan, 2017-2021 - BL11394</b>	<b>154 - 158</b>
	To adopt Bylaw No. 11394 being the Five Year Financial Plan, 2017-2021.	
<b>7.6</b>	<b>Tax Structure Bylaw, 2017 - BL11395</b>	<b>159 - 159</b>
	To adopt Bylaw No. 11395 being Tax Structure Bylaw, 2017.	
<b>7.7</b>	<b>Annual Tax Rates Bylaw, 2017 - BL11396</b>	<b>160 - 162</b>
	To adopt Bylaw No. 11396 being Annual Tax Rates Bylaw, 2017.	
<b>7.8</b>	<b>DCC Reserve Fund Expenditure Bylaw, 2017 - BL11397</b>	<b>163 - 163</b>
	To adopt Bylaw No. 11397 being DCC Reserve Fund Expenditure Bylaw, 2017.	
<b>7.9</b>	<b>Sale of City-Owned Land Reserve Fund Expenditure Bylaw, 2017 - BL11398</b>	<b>164 - 164</b>
	To adopt Bylaw No. 11398 being Sale of City-Owned Land Reserve Fund Expenditure Bylaw, 2017.	
<b>8.</b>	<b>Mayor and Councillor Items</b>	
<b>9.</b>	<b>Termination</b>	



## City of Kelowna Regular Council Meeting Minutes

Date: Monday, May 1, 2017  
 Location: Council Chamber  
 City Hall, 1435 Water Street

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

Members Absent Councillor Brad Sieben

Staff Present Acting City Manager, Stephen Fleming, Deputy City Clerk, Karen Needham, Community Planning Department Manager, Ryan Smith\*; Suburban & Rural Planning Manager, Todd Cashin\*; Financial Planning Manager, George King\*; Budget Supervisor, Melanie Antunes\*; Planner Specialist, Ross Soward\*; Long Range Policy Planning Manager, James Moore\*; Community & Neighbourhood Services Manager, Mariko Siggers\*; Integrated Water Project Manager, Ron Westlake\*; Divisional Director, Infrastructure, Alan Newcombe\*; Legislative Coordinator (Confidential), Arlene McClelland

(\* denotes partial attendance)

### 1. Call to Order

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

Mayor Basran advised that the meeting is open to the public and all representations to Council form part of the public record. A live audio and video feed is being broadcast and recorded by CastaNet and a delayed broadcast is shown on Shaw Cable.

### 2. Confirmation of Minutes

Moved By Councillor Hodge/Seconded By Councillor Singh

R309/17/05/01 THAT the Minutes of the Regular Meetings of April 24, 2017 be confirmed as circulated.

Carried

### 3. Development Application Reports & Related Bylaws



### 3.1 242 Clifton Road, Z17-0016 - James and Nelly Oostenbrink

Staff:

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

Moved By Councillor Singh/Seconded By Councillor Hodge

**R310/17/05/01** THAT Rezoning Application No. Z17-0016 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 10 Section 6 Township 23 ODYD Plan 30121, located at 242 Clifton Road, Kelowna, BC, from the RR3 – Rural Residential 3 zone to the RU6 – Two Dwelling Housing zone be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Community Planning Department dated April 24, 2017;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered subsequent to an access easement agreement being registered on Title of Lot 59 Section 6 Township 23 ODYD Plan KAP42134, located at 244 Clifton Road, Kelowna, BC, to grant access to Lot 10 Section 6 Township 23 ODYD Plan 30121, located at 242 Clifton Road, Kelowna, BC.

**Carried**

### 3.2 242 Clifton Road, BL11399 (Z17-0016) - James and Nelly Oostenbrink

Moved By Councillor Donn/Seconded By Councillor Given

**R311/17/05/01** THAT Bylaw No. 11399 be read a first time.

**Carried**

### 3.3 4491 Nottingham Road, Z17-0004 - Christine Reimann

Staff:

- Displayed a PowerPoint Presentation summarizing the application.

Moved By Councillor Stack/Seconded By Councillor Given

**R312/17/05/01** THAT Rezoning Application No. Z17-0004 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 6 District Lot 358 ODYD Plan 19200, located at 4491 Nottingham Road, Kelowna, BC, from the RU1 – Large Lot Housing zone to the RU2 – Medium Lot Housing zone be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

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 4491 Nottingham Road, BL11400 (Z17-0004) Christine Reimann

Moved By Councillor Donn/Seconded By Councillor Given

**R313/17/05/01** THAT Bylaw No. 11400 be read a first time.

**Carried**

### 3.5 547 Osprey Avenue, Z16-0033 - Lok Tien Enterprises Ltd

Staff:

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

Moved By Councillor Hodge/Seconded By Councillor Given

**R314/17/05/01** THAT Rezoning Application No. Z16-0033 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 23 District Lot 14 ODYD Plan 3769, located at 547 Osprey Avenue, Kelowna, BC from the RU6 – Two Dwelling Housing zone to the C4 – Urban Centre Commercial zone, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the report from the Community Planning Department dated May 1, 2017.

Carried

### 3.6 547 Osprey Avenue, BL11401 (Z16-0033) - Lok Tien Enterprises Ltd

Moved By Councillor Donn/Seconded By Councillor Gray

**R315/17/05/01** THAT Bylaw No. 11401 be read a first time.

Carried

## 4. Non-Development Reports & Related Bylaws

### 4.1 2017 Financial Plan – Final Budget

Staff:

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

Moved By Councillor DeHart/Seconded By Councillor Donn

**R316/17/05/01** THAT Council adopts the 2017-2021 Financial Plan;

AND THAT Council approves the formulation of 2017 Property Tax Rates that will raise the required funds in 2017, from General Taxation, in the amount of \$127,084,020, resulting in an average net property owner impact of 3.84 per cent;

AND THAT Bylaw No. 11394 being the 2017-2021 Five Year Financial Plan, 2017 be advanced for reading consideration;

AND THAT Bylaw No. 11395 being the Tax Structure Bylaw, 2017 be advanced for reading consideration;

AND THAT Bylaw No. 11396 being the Annual Tax Rates Bylaw, 2017 be advanced for reading consideration;

AND THAT Bylaw No. 11397 being the DCC Reserve Fund Expenditure Bylaw, 2017 be advanced for reading consideration;

AND FURTHER THAT Bylaw No. 11398 being the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2017 be advanced for reading consideration.

Carried  
Councillor Gray - Opposed

#### **4.2 Five Year Financial Plan, 2017-2021 - BL11394**

Moved By Councillor Donn/Seconded By Councillor Given

R317/17/05/01 THAT Bylaw No. 11394 be read a first, second and third time.

Carried  
Councillor Gray - Opposed

#### **4.3 Tax Structure Bylaw, 2017 - BL11395**

Moved By Councillor Donn/Seconded By Councillor Given

R318/17/05/01 THAT Bylaw No. 11395 be read a first, second and third time.

Carried

#### **4.4 Annual Tax Rates Bylaw, 2017 - BL11396**

Moved By Councillor Donn/Seconded By Councillor Given

R319/17/05/01 THAT Bylaw No. 11396 be read a first, second and third time.

Carried  
Councillor Gray - Opposed

#### **4.5 DCC Reserve Fund Expenditure Bylaw, 2017 - BL11397**

Moved By Councillor Gray/Seconded By Councillor Hodge

R320/17/05/01 THAT Bylaw No. 11397 be read a first, second and third time.

Carried

#### **4.6 Sale of City-Owned Land Reserve Fund Expenditure Bylaw, 2017 - BL11398**

Moved By Councillor Hodge/Seconded By Councillor Gray

R321/17/05/01 THAT Bylaw No. 11398 be read a first, second and third time.

Carried

#### **4.7 Rental Housing Agreements – Spring 2017**

Councillor Stack declared a conflict of interest on Items 4.7 through 4.13 consecutively due to his employer possibly being a recipient of one of these grants and departed the meeting at 2:12 p.m.

Staff:

- Advised that one Housing Agreement Application on the Agenda being 1920 Enterprise Way will be deferred.
- Provided an overview of the four purpose built rental housing projects and responded to questions from Council.



Moved By Councillor Given/Seconded By Councillor Gray

**R322/17/05/01** THAT Council, receives, for information, the Report from the Planner Specialist dated May 1, 2017 recommending that Council adopt the following Housing Agreement bylaws for four of the approved rental housing grants.

THAT Bylaw No. 11385 authorizing a Housing Agreement between the Al Stober Construction Ltd., which requires the owners to designate 43 units dwelling units in a purpose-built rental housing for Lot A, District Lot 141, ODYD, Plan EPP63348 at 1545 Bedford Avenue, Kelowna, BC, be forwarded for reading consideration.

THAT Bylaw No. 11386 authorizing a Housing Agreement between the City of Kelowna and 1067683 B.C. Ltd., which requires the owners to designate 111 dwelling units in a purpose-built rental housing for Lot B, Section 33 Township 26, ODYD, Plan 22004 Except Plan EPP65658 at 1975 Kane Road, Kelowna, BC, be forwarded for reading consideration.

THAT Bylaw No. 11388 authorizing a Housing Agreement between the City of Kelowna and U Five- Mission Group Rentals Ltd., which requires the owners to designate 108 dwelling units in a purpose-built rental housing for Lot A, Section 3 Township 23 ODYD, Plan EPP64623 at 755 Academy Way, Kelowna, BC be forwarded for reading consideration.

THAT Bylaw No. 11389 authorizing a Housing Agreement between the City of Kelowna and Highstreet Mission Flats Apartments Ltd., which requires the owners to designate 280 dwelling units in a purpose-built rental housing for Lot A, District Lot 131, ODYD, Plan KAP86112 at 1459-1469 KLO Road, Kelowna, BC, in the form attached to the report from the Planner Specialist, dated May 1, 2017;

AND THAT Bylaws No. 11385, 11386, 11388 and 11389 be forwarded for final reading consideration.

**Carried**

#### **4.8 1545 Bedford Avenue - Housing Agreement Authorization Bylaw - BL11385**

Moved By Councillor DeHart/Seconded By Councillor Singh

**R323/17/05/01** THAT Bylaw No. 11385 be read a first, second and third time.

**Carried**

#### **4.9 1975 Kane Road, Housing Agreement Authorization Bylaw - BL11386**

Moved By Councillor DeHart/Seconded By Councillor Singh

**R324/17/05/01** THAT Bylaw No. 11386 be read a first, second and third time.

**Carried**

#### **4.10 1920 Enterprise Way, Housing Agreement Authorization Bylaw - BL11387**

Bylaw was not heard due to deferral of accompanying Housing Agreement.

#### **4.11 755 Academy Way, Housing Agreement Authorization Bylaw - BL11388**

Moved By Councillor Singh/Seconded By Councillor DeHart

**R325/17/05/01** THAT Bylaw No. 11388 be read a first, second and third time.

**Carried**

#### **4.12 1459-1469 KLO Road, Housing Agreement Authorization Bylaw - BL11389**

Moved By Councillor Singh/Seconded By Councillor DeHart

R326/17/05/01 THAT Bylaw No. 11389 be read a first, second and third time.

**Carried**

#### **4.13 Rental Housing Revitalization Tax Exemption Agreements**

Staff:

- Provided an overview of the Revitalization Tax Exemption Agreements to support the purpose built rental housing projects and responded to questions from Council.

Moved By Councillor Hodge/Seconded By Councillor Donn

R327/17/05/01 THAT Council, receives, for information, the Report from the Planner Specialist dated May 1, 2017 recommending that Council adopt the following Revitalization Tax Exemption Agreements for four rental housing projects.

THAT Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with Al Stober Construction Ltd, for Lot A, District Lot 141, ODYD, Plan EPP63348 at 1545 Bedford Avenue, Kelowna, BC,

THAT Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with 1067683 B.C. Ltd, for Lot B, Section 33 Township 26, ODYD, Plan 22004 Except Plan EPP65658 at 1975 Kane Road, Kelowna, BC,

THAT Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with U Five - Mission Group Rentals Ltd, for Lot A, Section 3 Township 23, ODYD, Plan EPP64623 at 755 Academy Way, Kelowna, BC

THAT Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with Highstreet Mission Flats Apartments Ltd, for Lot A, District Lot 131, ODYD, Plan KAP86112 at 1459-1469 KLO Road, Kelowna, BC, in the form attached to the report from the Planner Specialist, dated April 24, 2017.

AND THAT Council authorize the Mayor and City Clerk to execute each of the Rental Housing Revitalization Tax Exemption Agreements.

**Carried**

Councillor Stack rejoined the meeting at 2:34 p.m.

#### **4.14 2017 Community Social Development Grants**

Staff:

- Provided an overview of the background information for the 2017 Community Social Development Grants and review process and responded to questions from Council.

Moved By Councillor Stack/Seconded By Councillor Singh

R328/17/05/01 THAT Council hear from Cheryl Miller, Director, Grants & Community Initiatives.

**Carried**



Cheryl Miller:

- Confirmed that the number of applicants a year varies between 17 and 27 and that the number of actual applicants was average.

Moved By Councillor Stack/Seconded By Councillor Hodge

**R329/17/05/01** THAT Council receives, for information, the report from the Community & Neighbourhood Services Manager dated May 1, 2017, regarding the administration and distribution of the Community Social Development Grants.

Carried

#### **4.15 Kelowna Integrated Water Phase One, SEKID/SOMID Transition and Infrastructure Project**

Staff:

- Displayed a PowerPoint Presentation summarizing the amendment to the Integrated Water Phase One project.

Moved By Mayor Basran/Seconded By Councillor Hodge

**R330/17/05/01** THAT Council receive, for information, the report of the Special Projects Manager dated May 1, 2017 with respect to the Kelowna Integrated Water Phase One, South East Kelowna Irrigation District (SEKID) & South Okanagan Mission Irrigation District (SOMID) Transition and Infrastructure Project;

AND FURTHER THAT the 2017 Financial Plan be amended to include the expenditures totaling \$63,719,980 of which \$43,907,000 from Federal/Provincial Grant funding, \$6,844,552 from SEKID contributions, \$569,111 from the DCC Reserve, \$79,864 from the Sewer Utility, \$79,864 from the Landfill Reserve, \$4,768,577 from the Water Utility and the remaining \$7,471,012 from the Water Quality Enhancement Fee Reserve.

Carried

### **5. Bylaws for Adoption (Non-Development Related)**

#### **5.1 BL11379 - Sterile Insect Release Program Parcel Tax Bylaw 2017**

Moved By Councillor Stack/Seconded By Councillor DeHart

**R331/17/05/01** THAT Bylaw No. 11379 be adopted.

Carried

#### **5.2 BL11366 - Amendment No. 5 to Recreation Fees and Charges Bylaw No. 9609**

Moved By Councillor Stack/Seconded By Councillor DeHart

**R332/17/05/01** THAT Bylaw No. 11366 be adopted.

Carried

### **6. Mayor and Councillor Items**

Councillor Stack:

- Spoke to his attendance at The Kelowna City Concert Band celebrating Canada and the Netherlands on Saturday April 29<sup>th</sup> at the Community Theatre.

## Councillor DeHart:

- Spoke to her attendance at a large Rotary Conference that took place in Kelowna this past weekend.
- Spoke to her attendance at the Mayor's Reception for the Civic Award finalists at the Laurel Packing House on Sunday, April 30<sup>th</sup>
- Reminder to the community of the 42<sup>nd</sup> Civic Awards Gala on May 10<sup>th</sup> at the Kelowna Community Theatre and encouraged citizens to get their tickets.

## Councillor Singh:

- Spoke to her attendance at the Kelowna Vaisakhi Parade that took place on Saturday April 29<sup>th</sup>.

## Councillor Hodge:

- Spoke to this attendance at the SILGA Conference held at Sun Peaks and humbled to be re-elected to the SILGA Board.

## Councillor Gray:

- Spoke to her attendance of the commemorative Canada 150 flag-raising ceremony held at the Yacht Club on April 29<sup>th</sup>.
- Spoke to her attendance at Girl Guide Week.
- Reminder that URBA has an Open House at Plaza 33 on May 3<sup>rd</sup>.

## Councillor Donn:

- Spoke to his attendance at the Kelowna Law Days event at the Court House on April 29<sup>th</sup>.

## Councillor Given:

- Spoke to her attendance at the SILGA Conference at Sun Peaks this past week and encouraged Council to review the presentations when made available.

## Mayor Basran:

- Spoke to his attendance at the Vaisakhi Parade on Saturday April 29<sup>th</sup>
- Will be attending Ballet Kelowna and the Okanagan Symphony Orchestra who will provide a tribute performance in honour of Canada's 150<sup>th</sup> Anniversary at the Kelowna Community Theatre this week.
- Made comment on the Anaheim Ducks Hockey team being in Kelowna this week practicing.
- Made comment that the company Straw House Labs has grown from 4 staff to over 40 staff members with an average aged employee being 25 years old. The industry is helping to build our community.

7. **Termination**

This meeting was declared terminated at 3:16 p.m.

\_\_\_\_\_  
Mayor

/acm



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

# Report to Council



**Date:** May 2, 2017  
**File:** 0250-20  
**To:** City Manager  
**From:** Chair, Audit Committee  
**Subject:** Financial Statements for the Year Ending December 31, 2016

Report Prepared by: Financial Services Divisional Director

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## **Recommendation:**

THAT Council receives, for information, the Report from the Audit Committee dated May 2, 2017 with respect to the Consolidated Financial Statements and Auditor's Report for the City of Kelowna for the year ending December 31, 2016;

AND THAT Council approves the appropriation of \$4,252,159 of surplus generated from all general fund operations in 2016 to reserves as detailed in the Report from the Audit Committee dated May 2, 2017;

AND FURTHER THAT the Consolidated Financial Statements and Auditor's Report be reprinted in and form part of the City of Kelowna's annual report.

## **Purpose:**

To present the Financial Statements to Council for acceptance per the legislative requirement, to provide Council with a recommendation on the appropriation of \$4,252,159 of surplus to general reserves and to seek approval to include the Financial Statements in the annual report.

## **Background:**

A detailed review of draft City of Kelowna Financial Statements for the year ending December 31, 2016 was undertaken on May 2, 2017 by the Audit Committee, the City of Kelowna Auditor, Grant Thornton LLP, and Financial Services staff.

City Administration has recommended the appropriation to reserves of 2016 surplus generated from all general fund operations, in the amount of \$4,100,000 in addition to those amounts that are normally appropriated through the budget process. The Audit Committee is in agreement with reasons provided for the appropriation. This results in an unappropriated surplus for 2016 of \$152,159 and an accumulated surplus balance of \$2.4 million, equivalent to approximately 2.0% of taxation.



The recommended appropriations to reserves are:

RCMP Contract	\$ 700,000
Finance/Major Systems Software	\$ 750,000
Major Facilities	\$ 850,000
Land Sales	\$ 700,000
Parks Purchase & Development	\$ 700,000
Public Works/Initiatives	<u>\$ 400,000</u>
	\$4,100,000

**Legal/Statutory Authority:**

The Community Charter section 167 "Annual Financial Statements" requires that municipal financial statements for a fiscal year must be presented to Council for its acceptance.

**Financial/Budgetary Considerations:**

The financial impact is that \$4,100,000 will be transferred from surplus to reserves and \$152,159 will fall to accumulated surplus.

**Considerations not applicable to this report:**

**Internal Circulation:**

**Legal/Statutory Procedural Requirements:**

**Existing Policy:**

**Personnel Implications:**

**External Agency/Public Comments:**

**Communications Comments:**

**Alternate Recommendation:**

Submitted by:

Mayor Basran, Chair, Audit Committee

cc: Councillor G. Given – Audit Committee  
Councillor L. Stack – Audit Committee  
Divisional Director, Financial Services  
Financial Planning Manager  
Controller  
Grant Thornton LLP – Auditor  
Mr. Tyler Neels, CPA, CA





City of  
**Kelowna**

# 2016 Consolidated Financial Statements

For the year ended December 31, 2016



Kelowna,  
British Columbia  
Canada



# CITY OF KELOWNA

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# Independent auditors' report

Grant Thornton LLP  
200 - 1633 Ellis Street  
Kelowna, BC  
V1Y 2A8  
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To the members of Council of the City of Kelowna

We have audited the accompanying consolidated financial statements of the City of Kelowna (the "City"), which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Kelowna as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kelowna, Canada  
May 2, 2017

*Grant Thornton LLP*  
Chartered Professional Accountants

**CITY OF KELOWNA**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2016**  
**(in thousands of dollars)**

	<u>2016</u>	<u>2015</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 17,961	\$ 7,509
Accounts receivable (Note 3)	30,279	29,004
Accrued interest	1,255	1,047
Portfolio investments (Note 3)	366,507	352,398
Long term investments (Note 10)	6,000	6,000
Property held for resale	3,534	2,939
	<u>425,536</u>	<u>398,897</u>
<b>Liabilities</b>		
Accounts payable	46,579	42,308
Performance deposits	14,018	8,786
Deferred revenue (Note 3)	36,446	36,703
Deferred development cost charges (Note 3)	25,375	10,984
Long term debt (Note 3)	146,414	136,183
	<u>268,832</u>	<u>234,964</u>
<b>Net Financial Assets</b>	<u>156,704</u>	<u>163,933</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	2,240	1,939
Inventory	1,140	1,152
Work in progress (Note 4)	114,295	88,484
Tangible capital assets (Note 4)	1,602,745	1,588,378
	<u>1,720,420</u>	<u>1,679,953</u>
<b>Accumulated Surplus (Note 5)</b>	<u>\$ 1,877,124</u>	<u>\$ 1,843,886</u>

Contingent liabilities and Commitments (Notes 8 and 9)  
Subsequent Event (Note 19)



Genelle Davidson, CPA, CMA  
Divisional Director, Financial Services



Colin Basran  
Mayor, City of Kelowna

*See accompanying notes to the consolidated financial statements.*

# CITY OF KELOWNA

## Consolidated Statement of Operations and Accumulated Surplus

For the Year Ended December 31, 2016

(in thousands of dollars)

	Budget <u>2016</u>	Actual <u>2016</u>	Actual <u>2015</u>
<b>Revenue</b>			
Taxation (Note 6)	\$ 131,596	\$ 131,792	\$ 125,188
Fees and charges	106,851	118,428	113,024
Interest earned	3,720	9,851	8,979
DCC contributions	5,915	10,477	22,576
Government transfers (Note 7)	34,880	15,576	22,419
Other capital contributions	313	6,651	34,102
Gain on disposal of tangible capital assets	-	501	-
	<u>283,275</u>	<u>293,276</u>	<u>326,288</u>
<b>Expenses</b>			
General government services	29,809	26,505	22,973
Protective services	55,758	55,726	53,696
Transportation services	36,750	59,689	60,884
Recreational and cultural services	35,154	41,888	41,319
Other services	16,549	19,307	18,184
Airport operations	13,205	19,303	17,435
Natural Gas Legacy Services	2,919	4,088	4,506
Wastewater utility	13,656	22,833	22,834
Water utility	7,288	10,699	10,343
	<u>211,088</u>	<u>260,038</u>	<u>252,174</u>
<b>Annual Surplus</b>	\$ <u>72,187</u>	<b>33,238</b>	74,114
Accumulated Surplus, beginning of year		<b>1,843,886</b>	1,769,772
<b>Accumulated Surplus, end of year</b>		\$ <u><u>1,877,124</u></u>	\$ <u><u>1,843,886</u></u>

See accompanying notes to the consolidated financial statements.

# CITY OF KELOWNA

## Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2016

(in thousands of dollars)

	Budget <u>2016</u>	Actual <u>2016</u>	Actual <u>2015</u>
<b>Annual Surplus</b>	\$ 72,187	\$ 33,238	\$ 74,114
Amortization of tangible capital assets	-	63,343	61,885
Proceeds from disposal of tangible capital assets	-	1,249	926
(Gain) loss on disposal of tangible capital assets	-	(501)	27
Acquisition of tangible capital assets	(190,827)	(104,269)	(113,440)
Change in inventory and prepaid expenses	<u>-</u>	<u>(289)</u>	<u>521</u>
<b>Increase (decrease) in Net Financial Assets</b>	(118,640)	(7,229)	24,033
Net Financial Assets, beginning of year	163,933	163,933	139,900
Net Financial Assets, end of year	\$ <u>45,293</u>	\$ <u>156,704</u>	\$ <u>163,933</u>

See accompanying notes to the consolidated financial statements.

**CITY OF KELOWNA**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2016**  
(in thousands of dollars)

	Actual <u>2016</u>	Actual <u>2015</u>
<b>Net inflow (outflow) of cash and cash equivalents related to the following activities</b>		
<b>Operating</b>		
Annual Surplus	\$ 33,238	\$ 74,114
Adjustment for non-cash items		
Amortization of tangible capital assets	63,343	61,885
(Gain) Loss on disposal of tangible capital assets	(501)	27
Actuarial adjustment on long term debt	(5,723)	(4,389)
Developer contributions of tangible capital assets	(412)	(28,271)
Decrease (increase) in		
Accounts receivable	(1,275)	4,913
Inventory and prepaid expenses	(289)	521
Other assets	(803)	(3,175)
Increase (decrease) in		
Accounts payable	4,271	2,975
Deferred development cost charges	14,391	(7,165)
Other liabilities	4,975	50
	<u>111,215</u>	<u>101,485</u>
<b>Capital</b>		
Acquisition of tangible capital assets	(103,857)	(85,169)
Proceeds from disposal of tangible capital assets	1,249	926
	<u>(102,608)</u>	<u>(84,243)</u>
<b>Investing</b>		
Change in investments	<u>(14,109)</u>	<u>(104,601)</u>
<b>Financing</b>		
Proceeds from issuance of long term debt	28,439	42,500
Repayment of long term debt	(12,485)	(7,539)
	<u>15,954</u>	<u>34,961</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,452</b>	<b>(52,398)</b>
Cash and cash equivalents, beginning of year	7,509	59,907
<b>Cash and cash equivalents, end of year</b>	<b>\$ <u>17,961</u></b>	<b>\$ <u>7,509</u></b>
<b>Non-cash capital activities</b>		
Acquisition of tangible capital assets through developer contributions (Note 4)	\$ 412	\$ 28,271

See accompanying notes to the consolidated financial statements.



# **CITY OF KELOWNA**

## **Notes to the Consolidated Financial Statements**

### **December 31, 2016**

(all tabular amounts reported in 000's of dollars)

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The notes to the consolidated financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the consolidated financial statements.

The consolidated financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards (PSAS). The preparation of these consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

#### **1. Significant accounting policies**

##### **Basis of presentation**

The City of Kelowna's resources and operations are segregated into General, Airport, Wastewater Utility, Water Utility, Natural Gas Legacy, Development Cost Charges and Statutory Reserve Funds for accounting and financial reporting purposes. The consolidated financial statements include all the accounts of these funds. All material interfund transactions and balances have been eliminated within the consolidated financial statements.

The City of Kelowna Library Society is controlled by the City of Kelowna through its appointment of the members of the Society. Accordingly, the consolidated financial statements include all the accounts of the Society.

##### **Accrual accounting**

The accrual method for reporting revenues and expenses has been used.

##### **Property held for resale**

Property held for sale are those expected to be sold within one year. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the property for sale.

##### **Inventory**

Inventory is valued at the lower of cost, determined principally on a weighted average and specific item basis, or replacement cost.

##### **Work in progress**

Work in progress represents capital projects under construction but not yet completed and are valued at cost.

##### **Tangible capital assets**

The City records tangible capital assets, including assets held as work in progress or capital lease, at cost in the period they were acquired or when the asset is put into use.

All tangible capital assets are valued at cost which includes all costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset.

Assets owned by the City but not paid for by the City including contributions, dedications, gifts and donations, are valued at fair value at the date of contribution, dedication, gift or donation, where fair value is reasonably determinable.

##### **Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair market value.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**Amortization**

The cost less residual value of the tangible capital assets is amortized on a straight-line basis over the useful lives of the asset as follows:

<u>Asset Type</u>	<u>Useful Life Years</u>	<u>Asset Type</u>	<u>Useful Life Years</u>
Parks infrastructure		Vehicles	
Playground equipment	15 - 20	Cars and light trucks	5 - 10
Artificial turf field	10 - 12	Fire trucks	15 - 20
Washrooms, concessions, picnic shelters	40 - 50	IT infrastructure	
Outdoor pools, spray pools	50 - 60	Hardware	4 - 5
Building structure	40 - 75	Software	5 - 10
Building improvements		Telephone system	7 - 10
Exterior envelope	30 - 40	Infrastructure	
HVAC systems	10 - 12	(dependent upon component and material)	
Roofs	15 - 20	Electrical	20 - 25
Electrical, plumbing and fire	15 - 20	Water	10 - 100
Site works - asphalt, water and sewer lines, etc	10 - 100	Wastewater	10 - 100
Machinery & equipment		Drainage	10 - 100
General equipment	7 - 10	Transportation	10 - 100
Grounds equipment and machinery	10 - 15		
Heavy construction equipment	5 - 10		

Land and Work in Progress are not amortized.

**Intangible assets**

Intangible assets include works of art and historic assets located throughout the City. They are not reflected in these consolidated financial statements.

**Interest capitalization**

The City of Kelowna only capitalizes interest on projects being financed internally which will require debenture borrowing upon completion. Interest is calculated on monthly expenditures at the bank prime rate less 2%.

**Municipal Finance Authority cash deposits and demand notes**

The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature. The Debt Reserve and Demand Note balances are as follows:

	<u>2016</u>	<u>2015</u>
Cash Deposits held by MFA	\$ 3,390	\$ 3,137
Demand Notes held by MFA	9,206	8,674
	<u>\$ 12,596</u>	<u>\$ 11,811</u>

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

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**Reserves for future expenditures**

Reserves for future expenditures are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditures include funds to finance incomplete projects and accumulations for specific purposes.

**Statutory reserve funds**

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and portfolio investments.

**Revenue recognition**

Taxation revenue

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

Through the BC Assessment appeal process taxes may be adjusted by way of supplementary roll adjustments. The effect of these adjustments on taxes are recognized at the time they are awarded.

Fees and charges revenue

Charges for transportation, environmental health, building permits, water, wastewater, natural gas and airport are included in this category. These revenues are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

DCC contributions

DCCs are recognized as revenue during the period in which the related costs are incurred.

Government transfers

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, has been met by the City, and a reasonable estimate of the amount to be received can be made.

Investment income

The City's investments are disclosed in Note 3.

Investment income is recorded on the accrual basis and recognized when earned.

A portion of the City's investments are invested in pooled funds of the Municipal Finance Authority of British Columbia. Earnings on these funds are allocated to the members from time to time based on the market value of the pool. The City recognizes only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost base of the investment.

To the extent that investments have no stated rate of return, investment income is recognized as it is received.

**Expenses**

Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

# CITY OF KELOWNA

## Notes to the Consolidated Financial Statements

### December 31, 2016

(all tabular amounts reported in 000's of dollars)

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#### Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2016 and 2015.

#### Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these financial statements. Actual results could differ from the estimates. Significant areas requiring the use of management estimates relate to the determination of tangible capital assets estimated useful life and related amortization, landfill post closure costs and settlement costs associated with outstanding legal actions.

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## 2. Future accounting changes

#### PS 2200 – Related party transactions

This new Section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated. This Section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

#### PS 3420 – Inter-entity transactions

This section establishes how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This Section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

#### PS 3210 – Assets

This new section provides guidance for applying the definition of an asset as set out in Section PS 1000 *Financial statement concepts* and establishes general disclosure standards for assets. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

#### PS 3320 – Contingent assets

This new section defines and establishes disclosure standards for contingent assets. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

#### PS 3380 – Contractual rights

This new section defines and establishes disclosure standards on contractual rights. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**PS 2601 – Foreign currency translation**

This section revises and replaces the existing Section PS 2600 *Foreign currency translation*. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

**PS 1201 – Financial statement presentation**

This section revises and replaces the existing Section PS 1200 *Financial statement presentation*. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

**PS 3450 – Financial instruments**

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

**PS 3041 – Portfolio investments**

This section revises and replaces the existing Section PS 3040 Portfolio investments. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

**3. Financial Assets and Liabilities**

**Cash and cash equivalents**

Cash and cash equivalents consist of cash and short-term investments with maturities of 90 days or less from the date of acquisition.

**Accounts receivable**

Accounts receivable are recorded net of allowance and are comprised of the following:

<u>Type of receivable</u>	<u>2016</u>	<u>2015</u>
Property Tax	\$ 4,863	\$ 5,090
Trade Receivables	11,642	9,994
Due from Federal Government	2,310	1,453
Due from Provincial Government	1,255	5,456
Due from Regional Government	31	16
Utilities	4,474	4,359
Deferred Development Cost Charges	5,704	2,636
	<u>\$ 30,279</u>	<u>\$ 29,004</u>

**Portfolio investments**

Portfolio investments are recorded at cost and are comprised of the following:

<u>Type of investment</u>	<u>2016</u>	<u>2015</u>
Municipal Finance Authority Bond/Intermediate Funds	\$ 101,595	\$ 69,706
Provincial and Bank Issued Bonds	103,629	88,344
Publicly traded shares	58,875	57,328
Guaranteed Investment Certificates and Deposit Notes	102,408	137,019
Total Portfolio investments	<u>\$ 366,507</u>	<u>\$ 352,398</u>

The quoted market value of the publicly traded shares at December 31, 2016 was \$75.18 million (2015 - \$66.68 million).

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**Operating line of credit**

The City has an operating line of credit with the Royal Bank of Canada for an authorized amount of \$5.0 million, bearing interest at bank prime rate. At December 31, 2016 the balance outstanding was \$nil (2015 - \$nil).

**Deferred revenue**

The City records deferred revenue for funds received in advance on services not yet rendered and is recognized into revenue during the period in which the service is provided. The City also records deferred revenue when a contract specifies how the resources are to be used and therefore funds received in advance are deferred until the period in which the requirements are met. Because these funds are restricted in nature they are shown as a liability.

<u>Deferred Revenue by Type</u>	<u>2016</u>	<u>2015</u>
Tax Prepayments	\$ 18,101	\$ 18,036
Construction	11,329	11,522
Grants	61	94
Other	2,915	2,992
Local Area Service	<u>4,040</u>	<u>4,059</u>
	<u>\$ 36,446</u>	<u>\$ 36,703</u>

**Deferred development cost charges (DCC)**

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act, these funds must be deposited into a separate reserve fund. Because these funds are externally restricted in nature they are shown as a liability.

	<u>2015</u>	<u>Receipts</u>	<u>Interest</u>	<u>Transfers Out</u>	<u>2016</u>
Roads	\$ 13,450	\$ 10,993	\$ 371	\$ 3,273	\$ 21,541
Parks	(3,843)	7,490	(42)	1,507	2,098
Water	10,195	897	248	26	11,314
Wastewater	<u>(8,818)</u>	<u>5,105</u>	<u>(194)</u>	<u>5,671</u>	<u>(9,578)</u>
Total Deferred DCC	<u>\$ 10,984</u>	<u>\$ 24,485</u>	<u>\$ 383</u>	<u>\$ 10,477</u>	<u>\$ 25,375</u>

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**Long term debt**

Debenture debt principal is reported net of sinking fund balances. Interest rates on long term debt ranged from 1.75% to 8.94%. The weighted average rate for 2016 was 3.88% (2015 – 3.62%). Principal repayments for the next five years are as follows:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund	\$ 4,298	\$ 7,297	\$ 3,430	\$ 3,006	\$ 3,006
Airport	3,432	3,432	2,099	2,099	2,099
Wastewater Fund	4,290	4,290	4,284	1,606	663
Water Fund	333	333	333	333	333
Natural Gas Legacy	1,699	1,699	-	-	-
Library Society	177	-	-	-	-
	<u>\$ 14,229</u>	<u>\$ 17,051</u>	<u>\$ 10,146</u>	<u>\$ 7,044</u>	<u>\$ 6,101</u>

Schedule 3 provides a breakdown of long term debt.

**Debt as a percentage of total expenditures:**

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
56.31%	54.01%	42.79%	48.84%	53.64%

**4. Tangible capital assets and work in progress**

	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
	<u>Work in</u>	<u>Tangible</u>	<u>Work in</u>	<u>Tangible</u>
	<u>Progress</u>	<u>Capital</u>	<u>Progress</u>	<u>Capital</u>
	<u>Assets (NBV)</u>	<u>Assets (NBV)</u>	<u>Assets (NBV)</u>	<u>Assets (NBV)</u>
Land	\$ -	\$ 255,228	\$ -	\$ 246,875
Land Improvements	2,101	33,611	2,713	33,501
Buildings	39,666	154,987	10,580	161,485
Infrastructure	47,224	1,094,778	50,190	1,077,417
Machinery and Equipment	25,304	32,942	25,001	36,301
Natural Gas System (Capital Lease)	-	31,199	-	32,799
	<u>\$ 114,295</u>	<u>\$ 1,602,745</u>	<u>\$ 88,484</u>	<u>\$ 1,588,378</u>

Contributions received in 2016 include:

**Type of contribution**

	<u>2016</u>	<u>2015</u>
Land	\$ 302	\$ 28,271
Buildings	110	-
Total Contributed Tangible Capital Assets	<u>\$ 412</u>	<u>\$ 28,271</u>

Schedule 1 provides a break down of tangible capital assets and work in progress.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**5. Accumulated Surplus**

	Reserves for Future Expenditures	Equity in FortisBC Inc.	Statutory Reserves	Fund Surpluses	Investment in Tangible Capital Assets	Total 2016	Total 2015
Accumulated surplus, beginning of year	\$ 107,756	\$ 57,367	\$ 54,966	\$ 41,804	\$ 1,581,993	\$ 1,843,886	\$ 1,769,772
Annual surplus (deficit)	394	3,125	1,692	82,650	(54,623)	33,238	74,114
Transfers	16,888	(1,617)	5,593	(20,864)	-	-	-
Acquisition of tangible capital assets	-	-	-	(42,058)	42,058	-	-
Repayment of long term debt	-	-	-	(12,461)	12,461	-	-
Accumulated surplus, end of year	<u>\$ 125,038</u>	<u>\$ 58,875</u>	<u>\$ 62,251</u>	<u>\$ 49,071</u>	<u>\$ 1,581,889</u>	<u>\$ 1,877,124</u>	<u>\$ 1,843,886</u>

Accumulated Surplus detail as follows:

Description	Balances, Beginning of Year	Transfer From	Transfer To	Annual Surplus	Balances, End of Year
<b><u>Non-Statutory Reserves</u></b>					
General Fund Reserve	\$ 60,977	\$ 10,022	\$ 23,009	\$ 60	\$ 74,024
Airport Fund Reserve	24,340	15,361	16,387	237	25,603
Waste Water Fund Reserve	9,409	744	668	15	9,348
Water Fund Reserve	13,030	571	3,522	82	16,063
	<u>107,756</u>	<u>26,698</u>	<u>43,586</u>	<u>394</u>	<u>125,038</u>
<b><u>Statutory Reserves</u></b>					
Parking Reserve	2,792	4,696	2,707	190	993
Land Reserve	8,094	189	2,028	210	10,143
Capital Works, Machinery & Equip Reserve	44,080	10,485	16,228	1,292	51,115
	<u>54,966</u>	<u>15,370</u>	<u>20,963</u>	<u>1,692</u>	<u>62,251</u>
<b><u>Surplus by Fund</u></b>					
General Fund Surplus	2,251	50,365	2,810	47,706	2,402
Airport Fund Surplus	596	16,664	1,972	14,692	596
Waste Water Fund Surplus	24,058	15,186	8,584	11,006	28,462
Water Fund Surplus	10,341	7,365	3,067	7,032	13,075
Natural Gas Legacy Surplus	4,393	3,446	1,712	1,712	4,371
Library Surplus	165	1,004	502	502	165
Accumulated Surplus	<u>41,804</u>	<u>94,030</u>	<u>18,647</u>	<u>82,650</u>	<u>49,071</u>
<b><u>Equity Investment</u></b>					
Equity in FortisBC Inc.	<u>57,367</u>	<u>1,617</u>	<u>-</u>	<u>3,125</u>	<u>58,875</u>
<b><u>Investment in Non Financial Assets</u></b>					
Investment in Tangible Capital Assets	<u>1,581,993</u>	<u>67,107</u>	<u>121,626</u>	<u>(54,623)</u>	<u>1,581,889</u>
<b>Accumulated Surplus</b>	<u><u>\$ 1,843,886</u></u>	<u><u>\$ 204,822</u></u>	<u><u>\$ 204,822</u></u>	<u><u>\$ 33,238</u></u>	<u><u>\$ 1,877,124</u></u>



**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**6. Taxation**

Taxation revenue comprises the following amounts raised less transfers to other governments:

	<u>2016</u>	<u>2015</u>
<b>Taxes collected</b>		
Property taxes	\$ 214,229	\$ 206,636
Local improvement levies	166	179
Frontage tax – water	1,436	1,419
Specified sewer area recoveries	1,399	1,552
Grants in lieu of taxes	480	446
Levies	6,783	6,596
	<u>224,493</u>	<u>216,828</u>
<b>Less transfers to other governments</b>		
Province of BC (school taxes)	67,601	66,909
BC Assessment Authority	2,006	2,017
Regional Hospital District	11,429	11,307
Regional District of Central Okanagan	11,665	11,407
	<u>92,701</u>	<u>91,640</u>
<b>Net taxes available for municipal purposes</b>	<u>\$ 131,792</u>	<u>\$ 125,188</u>

**7. Government transfers**

Government transfers are the major source of transfers to the City. Government transfers received are for completed projects that meet the required criteria as set out by the Government body providing the funding. Due to the completion of the projects in 2016 there is no deferred revenue balances related to these transfers. Government transfers do not include grants in lieu of taxes received from the Federal and Provincial governments. Estimated government transfers were accrued as revenue in previous years however in 2016 the City was notified that the amounts accrued were paid directly to the project suppliers. There were no funds received or accrued for capital projects in 2016. In 2016 the City received and recorded as revenue the following transfers:

	<u>2016</u>	<u>2015</u>
<b>Operating transfers</b>		
Federal	\$ 141	\$ 333
Provincial	16,664	18,324
	<u>16,805</u>	<u>18,657</u>
<b>Capital transfers</b>		
Federal	(15)	1,508
Provincial	(1,214)	2,254
	<u>(1,229)</u>	<u>3,762</u>
<b>Total transfers</b>	<u>\$ 15,576</u>	<u>\$ 22,419</u>

**8. Contingent liabilities**

**Regional District of Central Okanagan**

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each member municipality within the District including the City of Kelowna.

The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

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**Pension liability**

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The City of Kelowna paid \$6.7 million (2015 - \$6.9 million) for employer contributions while employees contributed \$5.4 million (2015 - \$5.6 million) to the plan in fiscal 2016.

The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

**Post employment benefits**

The City of Kelowna does not accrue expenses for post employment benefits such as retirement allowances or compensated absences (sick leave). City employees retiring do not receive any retirement allowance that either vests or accrues over the period of employment. Sick benefits do not accrue and are not vested. The City recognizes the expense for sick time when the event obligates the City to pay.

**Legal actions**

The City of Kelowna is currently engaged in certain legal actions, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions.

The amount of loss, if any, arising from these contingent liabilities will be recorded in the accounts in the period in which the loss is realized. The City of Kelowna has insurance policies and financial reserves to offset associated risks.

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**9. Commitments**

**Agreements, contracts and purchase orders**

The City has entered into various agreements and contracts for services and construction with periods ranging from one to five years.

The City has purchase orders open as at December 31, 2016 which have not been recorded in the accounts. The balance of these open purchase orders are not determinable at this time. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the accounts in the period the goods and services, to which they relate, are received.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
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(all tabular amounts reported in 000's of dollars)

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**Landfill closure and post closure costs**

As required by PSAS and regulated by the Ministry of Water, Land and Air Protection, the City has agreed to obligations regarding the operation of the landfill site. These obligations include recognition of closure and post-closure liability. The City's estimated liability for these expenditures is recognized as the landfill site's capacity is used. The reported liability of \$3.8 million (2015 - \$3.7 million) represents the portion of the estimated total expenditure recognized as at December 31, 2016. The liability and annual expenditure is calculated based on the ratio of current usage to the total capacity of the site and the discounted estimated future cash flows associated with closure and post-closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the remaining life of the landfill. The remaining capacity of the landfill site is estimated at 14.7 million tonnes, which is 80% of the site's total capacity. The future cash flows for closure and post-closure cost is estimated at \$11.9 million as at December 31, 2016. The landfill site is expected to reach its capacity in 2092.

**YMCA of Okanagan Association loan guarantee agreement**

The City has, under the terms of the partnering agreement between the City of Kelowna and YMCA of Okanagan Association, guaranteed repayment in the event that the YMCA of Okanagan Association defaults on a \$1.8 million, 20-year loan. Under the agreement the City shall resume operation of the facility and assume responsibility for the repayment of the debt incurred by the YMCA of Okanagan Association. During 2010 an amendment was made to the agreement for additional financing of \$700,000. As at December 31, 2016 the outstanding loan balance was \$978,170 (2015 - \$1,089,336).

**Multi-Purpose Facility Public/Private Partnership**

The City has, under the terms of the Preferred Share Agreement between the City of Kelowna and RG Properties Ltd., purchased \$6.0 million of preferred shares in RG Arenas (Kelowna) Ltd. at a cost of \$1 per share. The terms and conditions of the purchase are subject to the terms of a Tripartite Agreement between the City of Kelowna, Royal Bank of Canada and RG Arenas (Kelowna) Ltd., RG Properties Ltd., Prospero Canadian Land Investment Fund Ltd. group of companies.

The City has, under the terms of the above noted Tripartite Agreement, committed to the annual purchase of community use time at the Multi-Purpose facility, commencing with substantial completion, on November 10, 1999 under the following terms:

- (i) \$1.3 million per annum for Years 1 to 3 comprised of a payment of \$1.1 million, which for Years 2 and 3 is subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum, plus an annual payment of \$150,000 without any adjustment for CPI;
- (ii) \$1.2 million per annum for Years 4 to 7, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum;
- (iii) \$1.2 million per annum for Years 8 to 10, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum, minus \$150,000 per annum;
- (iv) \$1.0 million per annum for Years 11 to 20, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum; and
- (v) \$0.5 million per annum for Years 21 to 30, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum.

The year 2016 represented year 17 of the agreement.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
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(all tabular amounts reported in 000's of dollars)

Should the City not exercise, in its sole discretion, its option to renew any future term for community use time in the Multi-Purpose facility, under the above terms it shall be required to make a lump sum payment to RG Arenas (Kelowna) Ltd. on or before the 15<sup>th</sup> day of one of year 6, 11, 16, 21 or 26 commencing with the year of substantial completion in the following amounts:

2005	Year 6	\$13.2 million
2010	Year 11	\$11.9 million
2015	Year 16	\$10.4 million
2020	Year 21	\$6.7 million
2025	Year 26	\$4.5 million

Upon such payment, no further amounts will be payable to RG Arenas (Kelowna) Ltd. and the City will have the right to the community use time for the period from the beginning of the year in which the payment was made until November 9, 2029 without any additional payment.

The City did exercise its option to renew the purchase of community use time under the above annual payments terms and accordingly did not make any of the lump sum payment of \$13.2 or \$11.9 or \$10.4 million otherwise due to RG Arenas (Kelowna) Ltd. in years 6 or 11 or 16.

**Royal Canadian Mounted Police Services**

The Province of British Columbia and the Federal Government have an agreement with the Royal Canadian Mounted Police to provide police services for various municipalities in the Province, including the City of Kelowna. This agreement has a 20 year term expiring on March 31, 2032.

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**10. Long term investments**

**Kelowna Developments Ltd.**

The investment in Kelowna Developments Ltd., a wholly owned subsidiary, is carried at its cost of \$2. The company is inactive with no assets or liabilities and is being retained for potential future use.

**RG Arenas (Kelowna) Ltd.**

The investment in preferred shares in RG Arenas (Kelowna) Ltd. is carried at its cost of \$6.0 million. The shares were purchased under the terms of the Preferred Share Agreement between the City of Kelowna and RG Properties Ltd. and are to be retained until 2028 per the terms of that agreement described in Note 9.

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**11. Letters of credit**

In addition to the performance deposits reflected in cash balances, the City is holding irrevocable Letters of Credit in the amount of \$30.7 million (2015 - \$29.5 million) which were received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the financial statements but are available to satisfy any liabilities arising from non-performance by the depositors. Included in the \$30.7 million, the City is holding irrevocable Letters of Credit in the amount of \$5.1 million (2015 - \$2.7 million) which are received from developers to ensure payment of development cost charges in future years.

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**12. Capital lease payable**

The City has entered into an agreement with FortisBC Energy Inc. ("FortisBC") that has resulted in the creation of the Natural Gas Legacy Fund.

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# CITY OF KELOWNA

## Notes to the Consolidated Financial Statements

### December 31, 2016

(all tabular amounts reported in 000's of dollars)

#### Capital lease

Under the terms of the agreement the City entered into a 35 year capital lease with FortisBC on November 1, 2001 for the natural gas distribution system within the City's municipal boundary. The City has prepaid \$47.5 million of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$2.2 million, which is included in long term debt, will be paid with annual lease payments of \$260,870 including interest based on FortisBC approved pre-tax weighted average cost of capital of 10.072%.

#### Operating lease

The City also entered into a 17 year operating lease with FortisBC on November 1, 2001 whereby the City leases back to FortisBC the operations of the gas distribution system. Under the operating lease FortisBC is required to make annual lease payments to the City calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. At the end of the 17 year term, being in 2018, FortisBC has the option of making a termination payment to the City equal to the unamortized portion of the City's \$47.5 million prepayment under the capital lease, which is estimated to be \$27.0 million, or negotiate a new 18 year operating lease with a continuation of the annual lease payments which existed under the previous 17 year operating lease.

Annual lease revenues for the past five years are:

2012	\$4.6 million
2013	\$4.4 million
2014	\$4.3 million
2015	\$4.2 million
2016	\$4.1 million

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#### 13. City of Kelowna Library Society

In March 1997, the City transferred the Library building and land located on Ellis Street in the City of Kelowna and the related mortgage loan to the City of Kelowna Library Society, a non-profit society. The City has guaranteed the repayment of the mortgage. As at December 31, 2016 the mortgage balance was \$180 thousand (2015 - \$682 thousand). The City has taken back an option to purchase these assets at a nominal value. The Society's financial information is included in with the City of Kelowna consolidated financial statements.

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#### 14. Trust funds

In accordance with PSAS, trust funds are not included in the City's consolidated financial statements. The City administers a Cemetery Maintenance Fund for the perpetual care and maintenance of the City owned and operated cemetery. As at December 31, 2016 the Trust Fund balance is \$2.6 million (2015 - \$2.5 million).

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#### 15. Segmented information

The City of Kelowna is connecting communities and providing a multitude of services to the citizens of Kelowna. The City's operations and activities are organized and reported by funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the City such as general government, protective services, transportation services, recreation and cultural services, as well as public health, and environmental and development services. The City also operates its own airport and City utilities comprised of the wastewater and water systems that are self-sustaining operations. Operating results reported by the following segments are included in Schedule 2.

##### General government

General Government operations are primarily funded by property taxation and business tax revenues. The expenses within the department are for executive and legislative costs, general administration, and other general government areas such as community service grants and rental property operating costs within the municipality. The general revenue reported under the department includes revenues associated with taxation, business tax revenues and senior government payments in lieu of taxes. These revenues have not been apportioned to other departments supported by the General Fund.

**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**Protective services**

Protective services are comprised of police services provided by the Royal Canadian Mounted Police, fire protection services, building inspection services and bylaw enforcement as well as the Provincial Emergency Program.

Police services include administration, crime investigation and prevention, traffic, prisoner custody and court liaison expenses.

The fire department is responsible for effective fire protection and public safety services to the City. This includes fire suppression and rescue, prevention and investigation, specialty rescue/first medical responses and fire safety inspections.

Costs for maintenance and repair of police and fire buildings are included in this section.

**Transportation services**

Transportation services are responsible for the delivery of municipal public works services related to the planning, development and maintenance of streets and roads, bridges, drainage systems, street lights, traffic lights and signals, parking lots and on-street parking, and public transit as well as maintenance of workshops, yards and other buildings. The mandate is to provide a safe, efficient, environmentally-sensitive and cost-effective transportation network.

**Recreation & cultural services**

Recreation & cultural services provide services related to recreation, leisure and culture including administration and program costs as well as grounds and building maintenance. Facilities managed within this area include parks and playgrounds, arenas, swimming pools, beaches, boat launches, stadiums as well as community and seniors centers. The H<sub>2</sub>O Adventure & Fitness Centre, Parkinson Recreation Centre, Kelowna Community Theatre, Kelowna Museum, Kelowna Art Gallery and the Rotary Centre for the Arts are some of the larger facilities included.

**Other services (Public Health/Environmental/Development services)**

Public health services are comprised of cemetery operations and maintenance, environmental and development services including community planning and zoning as well as landfill operations.

**Airport services**

The Airport, owned and operated by the City of Kelowna, provides quality airport services in a safe and cost effective manner in compliance with Federal regulations. The Airport is accounted for in its own fund.

**Wastewater Services**

Kelowna's sanitary sewer system collects, conveys, treats and disposes of domestic wastewater (derived from the home) and industrial wastewater (resulting from business use, manufacturing and processing). The system currently services approximately 70% of Kelowna's population and continues to be extended to unserved areas. Kelowna's wastewater system has a treatment capacity of 72 million liters per day. Wastewater Utility is accounted for in its own fund.

**Water services**

The Water Utility is responsible for planning, designing, building, operating and maintaining the City's Water Utility and is one of five water suppliers operating within Kelowna's boundaries. The Water Utility is accounted for in its own fund.

**Natural Gas legacy services**

Natural Gas Legacy Fund was created from an agreement with FortisBC for a 35 year capital lease for the natural gas distribution system within the City's municipal boundary and a 17 year operating lease, expiring in 2018, whereby the City leases back to FortisBC the operations of the gas distribution system. The Natural Gas Legacy Fund is accounted for in its own fund.

**Library services**

The City of Kelowna Library Society is a non-profit society instituted and controlled by the City of Kelowna. The Society was incorporated for the purpose of establishing, operating, and maintaining libraries and library services for the benefit of the City of Kelowna and its citizens. Financial statements for the Society are prepared separately and are consolidated with the City of Kelowna.

**Statutory reserves**

Statutory Reserves include funds for parking, land and capital works, machinery and equipment.

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**16. Expenses by object**

Total consolidated expenses by object are itemized in Schedule 2 – Segmented information.

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**CITY OF KELOWNA**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2016**

(all tabular amounts reported in 000's of dollars)

**17. Budget data**

The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year. Subsequent amendments have been made by Council to reflect changes in the budget as required by law. Amortization of tangible capital assets was not included in the budget. The table below shows the reconciliation between the approved budget and the budget presented in these consolidated financial statements.

	<u><b>Budget Amount</b></u>
<b>Revenues:</b>	
Operating budget	\$ 259,127
Capital budget	24,148
	<u>283,275</u>
<b>Expenses:</b>	
Operating budget	211,088
Capital budget	190,827
	<u>401,915</u>
Annual deficit per approved budget	(118,640)
Add: tangible capital asset purchases	190,827
<b>Annual surplus per statement of operations</b>	<u><u>\$ 72,187</u></u>

**18. Comparative figures**

Certain comparative figures have been reclassified to conform to the presentation format adopted in the current year.

**19. Subsequent event**

Subsequent to the year end, the federal and provincial governments, approved the City of Kelowna funding application of \$43.9 million towards a project to improve water supply for the South East Kelowna Irrigation District (SEKID).

**CITY OF KELOWNA**  
**Schedule 1 - Tangible Capital Assets**  
**For the Year Ended December 31, 2016**  
**(in thousands of dollars)**

	Machinery & Equipment								Natural Gas Capital Lease
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Computer	Misc	Subtotal Machinery & Equipment	
<b>Cost</b>									
Balance, beginning of year	\$ 246,875	\$ 64,920	\$ 290,058	\$ 29,167	\$ 48,820	\$ 10,189	\$ 5,582	\$ 93,758	\$ 55,609
Recategorized assets	-	-	-	-	-	-	(5,582)	(5,582)	-
Add: additions during the year	9,646	70	530	1,478	2,401	-	-	3,879	-
Add: transfers to tangible capital assets	203	2,384	1,776	-	2,893	1	-	2,894	-
Less: capital held for resale	(594)	-	(528)	-	-	-	-	-	-
Less: disposals during the year	(902)	-	(88)	(351)	(297)	(653)	-	(1,301)	-
Balance, end of year	<u>255,228</u>	<u>67,374</u>	<u>291,748</u>	<u>30,294</u>	<u>53,817</u>	<u>9,537</u>	<u>-</u>	<u>93,648</u>	<u>55,609</u>
<b>Accumulated Amortization</b>									
Balance, beginning of year	-	31,419	128,573	15,792	33,221	6,719	1,725	57,457	22,810
Amortization of recategorized assets	-	-	-	-	(6)	-	(1,725)	(1,731)	-
Add: amortization	-	2,344	8,804	2,657	2,958	616	-	6,231	1,600
Less: accumulated amortization on disposals	-	-	(88)	(302)	(296)	(653)	-	(1,251)	-
Less: amortization on buildings held for resale	-	-	(528)	-	-	-	-	-	-
Balance, end of year	<u>-</u>	<u>33,763</u>	<u>136,761</u>	<u>18,147</u>	<u>35,877</u>	<u>6,682</u>	<u>-</u>	<u>60,706</u>	<u>24,410</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 255,228</u>	<u>\$ 33,611</u>	<u>\$ 154,987</u>	<u>\$ 12,147</u>	<u>\$ 17,940</u>	<u>\$ 2,855</u>	<u>\$ -</u>	<u>\$ 32,942</u>	<u>\$ 31,199</u>

	Infrastructure						Work in Progress	Total 2016	Total 2015
	Plant & Facilities	Roads, Lanes, Sidewalks & Bike Paths	Bridges, Tunnels & Overpasses	Underground, Overhead & Other Networks	Airport Infrastructure	Subtotal Infrastructure			
<b>Cost</b>									
Balance, beginning of year	\$ 177,136	\$ 499,769	\$ 30,139	\$ 1,026,911	\$ 46,805	\$ 1,780,760	\$ 88,484	\$ 2,620,464	\$ 2,538,173
Recategorized assets	5,582	-	-	-	-	5,582	-	-	-
Add: additions during the year	-	4,317	2	2,803	211	7,333	83,406	104,864	87,934
Add: transfers to tangible capital assets	13,914	12,206	3,695	11,268	9,458	50,541	(57,595)	203	-
Less: capital held for resale	-	-	-	-	-	-	-	(1,122)	(2,916)
Less: disposals during the year	-	-	-	-	-	-	-	(2,291)	(2,727)
Balance, end of year	<u>196,632</u>	<u>516,292</u>	<u>33,836</u>	<u>1,040,982</u>	<u>56,474</u>	<u>1,844,216</u>	<u>114,295</u>	<u>2,722,118</u>	<u>2,620,464</u>
<b>Accumulated Amortization</b>									
Balance, beginning of year	59,760	253,153	7,627	359,295	23,508	703,343	-	943,602	883,489
Amortization recategorized assets	1,725	-	-	-	6	1,731	-	-	-
Add: amortization	6,658	19,452	491	15,538	2,225	44,364	-	63,343	61,885
Less: accumulated amortization on disposals	-	-	-	-	-	-	-	(1,339)	(1,772)
Less: amortization building held for resale	-	-	-	-	-	-	-	(528)	-
Balance, end of year	<u>68,143</u>	<u>272,605</u>	<u>8,118</u>	<u>374,833</u>	<u>25,739</u>	<u>749,438</u>	<u>-</u>	<u>1,005,078</u>	<u>943,602</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 128,489</u>	<u>\$ 243,687</u>	<u>\$ 25,718</u>	<u>\$ 666,149</u>	<u>\$ 30,735</u>	<u>\$ 1,094,778</u>	<u>\$ 114,295</u>	<u>\$ 1,717,040</u>	<u>\$ 1,676,862</u>



**CITY OF KELOWNA**  
**Schedule 2 - Segmented Information**  
**For the Year Ended December 31, 2016**  
(in thousands of dollars)

	General Gov't	Protective Services	Transportation Services	Recreation & Cultural Services	Other Services	Airport Services	Wastewater Services	Water Services	Nat. Gas Legacy Services	Library Services	Statutory Reserves	2016
<b>Revenue</b>												
Taxation	\$ 128,764	\$ -	\$ 166	\$ -	\$ -	\$ -	\$ 1,399	\$ 1,463	\$ -	\$ -	\$ -	\$ 131,792
Fees and charges	22,860	1,881	11,915	4,423	15,757	28,781	16,104	11,505	4,200	780	222	118,428
Interest earned	7,181	-	-	-	-	255	607	337	-	-	1,471	9,851
DCC contributions	-	-	3,273	1,507	-	-	5,671	26	-	-	-	10,477
Contribution from other governments	1,774	3,963	6,996	392	1,993	116	342	-	-	-	-	15,576
Other capital contributions	2,381	-	-	-	-	421	1,265	278	2,306	-	-	6,651
Gain on tangible capital asset disposal	476	-	-	-	-	25	-	-	-	-	-	501
	<u>163,436</u>	<u>5,844</u>	<u>22,350</u>	<u>6,322</u>	<u>17,750</u>	<u>29,598</u>	<u>25,388</u>	<u>13,609</u>	<u>6,506</u>	<u>780</u>	<u>1,693</u>	<u>293,276</u>
<b>Expenses</b>												
Salaries and benefits	15,654	26,219	9,037	11,132	5,390	4,310	3,267	2,296	-	17	-	77,322
Contract and professional services	3,822	1,842	22,618	7,851	7,200	1,416	734	804	-	125	-	46,412
RCMP contract	-	26,473	-	-	-	-	-	-	-	-	-	26,473
Materials and supplies	4,788	1,613	5,128	10,009	1,408	5,752	1,220	854	-	18	-	30,790
Equipment	214	307	2,753	1,604	2,025	42	655	454	-	2	-	8,056
Allocations	(4,883)	(51)	(178)	(187)	185	1,390	2,973	791	20	-	-	60
Cost recoveries	(800)	(2,087)	(8,285)	(338)	(1,555)	(503)	-	(558)	-	-	-	(14,126)
Grants and external transfers	405	86	20	1,168	2,340	-	(139)	-	-	-	-	3,880
Utilities	170	203	2,117	2,032	187	634	1,210	984	-	80	-	7,617
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	3,254	1,121	26,479	8,617	1,694	5,233	10,590	4,602	1,600	153	-	63,343
<b>Total before Debt</b>	<u>22,624</u>	<u>55,726</u>	<u>59,689</u>	<u>41,888</u>	<u>18,874</u>	<u>18,274</u>	<u>20,510</u>	<u>10,227</u>	<u>1,620</u>	<u>395</u>	<u>-</u>	<u>249,827</u>
Debt interest and fiscal services	3,881	-	-	-	-	1,029	2,323	472	2,468	38	-	10,211
<b>Total operating expenses</b>	<u>26,505</u>	<u>55,726</u>	<u>59,689</u>	<u>41,888</u>	<u>18,874</u>	<u>19,303</u>	<u>22,833</u>	<u>10,699</u>	<u>4,088</u>	<u>433</u>	<u>-</u>	<u>260,038</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 136,931</u>	<u>\$ (49,882)</u>	<u>\$ (37,339)</u>	<u>\$ (35,566)</u>	<u>\$ (1,124)</u>	<u>\$ 10,295</u>	<u>\$ 2,555</u>	<u>\$ 2,910</u>	<u>\$ 2,418</u>	<u>\$ 347</u>	<u>\$ 1,693</u>	<u>\$ 33,238</u>

**CITY OF KELOWNA**  
**Schedule 2 - Segmented Information**  
**For the Year Ended December 31, 2015**  
(in thousands of dollars)

	General Gov't	Protective Services	Transportation Services	Recreation & Cultural Services	Other Services	Airport Services	Wastewater Services	Water Services	Nat. Gas Legacy Services	Library Services	Statutory Reserves	2015
<b>Revenue</b>												
Taxation	\$ 122,012	\$ -	\$ 179	\$ -	\$ -	\$ -	\$ 1,552	\$ 1,445	\$ -	\$ -	\$ -	\$ 125,188
Fees and charges	26,673	529	10,134	3,995	12,937	26,368	15,589	11,657	4,335	766	41	113,024
Interest earned	6,279	-	-	-	-	251	548	264	-	-	1,637	8,979
DCC contributions	-	-	7,791	8,623	-	-	6,115	47	-	-	-	22,576
Contribution from other governments	1,889	3,884	12,407	264	3,601	116	258	-	-	-	-	22,419
Other capital contributions	29,880	-	-	-	-	354	1,601	199	2,068	-	-	34,102
	<u>186,733</u>	<u>4,413</u>	<u>30,511</u>	<u>12,882</u>	<u>16,538</u>	<u>27,089</u>	<u>25,663</u>	<u>13,612</u>	<u>6,403</u>	<u>766</u>	<u>1,678</u>	<u>326,288</u>
<b>Expenses</b>												
Salaries and benefits	14,711	26,846	8,760	10,800	5,019	3,888	3,144	2,309	-	21	-	75,498
Contract and professional services	3,172	1,483	23,874	7,575	7,312	936	658	781	-	95	-	45,886
RCMP contract	-	24,787	-	-	-	-	-	-	-	-	-	24,787
Materials and supplies	4,436	1,421	5,296	10,034	1,504	5,112	1,278	769	-	28	-	29,878
Equipment	203	313	2,584	1,488	1,716	18	632	436	-	2	-	7,392
Allocations	(3,880)	(77)	(297)	(182)	(863)	1,461	3,113	753	20	-	-	48
Cost recoveries	(612)	(2,306)	(7,974)	(371)	(1,269)	(494)	-	(636)	-	-	-	(13,662)
Grants and external transfers	368	101	6	1,108	2,246	-	(127)	-	-	-	-	3,702
Utilities	175	212	2,005	2,075	148	560	1,084	899	-	81	-	7,239
Loss on disposal of tangible capital assets	27	-	-	-	-	-	-	-	-	-	-	27
Amortization of tangible capital assets	1,572	916	26,630	8,792	1,903	5,159	10,591	4,560	1,600	162	-	61,885
<b>Total before Debt</b>	<u>20,172</u>	<u>53,696</u>	<u>60,884</u>	<u>41,319</u>	<u>17,716</u>	<u>16,640</u>	<u>20,373</u>	<u>9,871</u>	<u>1,620</u>	<u>389</u>	<u>-</u>	<u>242,680</u>
Debt interest and fiscal services	2,801	-	-	-	-	795	2,461	472	2,886	79	-	9,494
<b>Total operating expenses</b>	<u>22,973</u>	<u>53,696</u>	<u>60,884</u>	<u>41,319</u>	<u>17,716</u>	<u>17,435</u>	<u>22,834</u>	<u>10,343</u>	<u>4,506</u>	<u>468</u>	<u>-</u>	<u>252,174</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 163,760</u>	<u>\$ (49,283)</u>	<u>\$ (30,373)</u>	<u>\$ (28,437)</u>	<u>\$ (1,178)</u>	<u>\$ 9,654</u>	<u>\$ 2,829</u>	<u>\$ 3,269</u>	<u>\$ 1,897</u>	<u>\$ 298</u>	<u>\$ 1,678</u>	<u>\$ 74,114</u>

**CITY OF KELOWNA**  
**Schedule 3 - Long Term Debt**  
**as at December 31, 2016**

(in thousands of dollars)

**Long term debt - General Fund**

**Debenture Debt**

<b>Year of Maturity</b>	<b>Purpose</b>	<b>Debt Balance Dec. 31/16</b>	<b>Sinking Fund Balance Dec. 31/16</b>	<b>Amount of Issue</b>	<b>Current Interest Rate</b>
	<b>Public Works</b>				%
2019	South Pandosy Spec Area 1	\$ 50	\$ 184	\$ 234	2.10
2019	South Pandosy Spec Area 2	88	322	410	2.10
2019	Automated Curb Side Carts	1,646	3,164	4,810	4.13
2022	Chapman Parkade	1,658	2,413	4,071	2.10
2028	DCC Roads	2,418	7,982	10,400	5.15
	<b>Local Improvements</b>				
2017	Local Improvements	4	50	54	4.82
2019	Local Improvements	15	54	69	2.10
2035	Lawrence Ave LAS	321	24	345	3.00
	<b>Recreation and Cultural</b>				
2021	Kokanee Gym Facility	174	326	500	1.75
2027	H2O Centre	17,727	9,773	27,500	4.82
2027	Kokanee Gymnastic	516	284	800	4.82
2028	H2O Centre	1,381	619	2,000	5.15
2035	Police Facilities	19,293	707	20,000	2.75
2035	Library Parkade Ext & Memorial Parkade	14,470	530	15,000	2.75
2036	Police Facilities	17,000	-	17,000	2.60
<b><u>Total Debt - General Fund</u></b>		<b>\$ 76,761</b>	<b>\$ 26,432</b>	<b>\$ 103,193</b>	

**CITY OF KELOWNA**  
**Schedule 3 - Long Term Debt (continued)**  
**as at December 31, 2016**  
(in thousands of dollars)

**Long term debt - Wastewater Fund**

**Debenture Debt**

<b>Year of Maturity</b>	<b>Purpose</b>	<b>Debt Balance Dec. 31/16</b>	<b>Sinking Fund Balance Dec. 31/16</b>	<b>Amount of Issue</b>	<b>Current Interest Rate</b>
	<b>Specified Area Programs</b>				%
2018	Spec. Area 18 - Caramillo	20	115	135	4.65
2018	Spec. Area 19 - Poplar Point	12	65	77	4.65
2022	Spec. Area 22A - Gerstmar	16	24	40	1.75
2024	Spec. Area 21A - McKenzie Bench	700	650	1,350	2.00
2024	Spec. Area 22B - Vista Rd	41	39	80	2.00
2024	Spec. Area 22C - Hein Rd	138	128	266	2.00
2024	Spec. Area 22D - Elwyn Rd	77	72	149	2.00
2024	Spec. Area 22E - Dease Rd	50	46	96	2.00
2024	Spec. Area 22F - Mills Rd	178	164	342	2.00
2024	Spec. Area 29 - Campion Cambro	453	421	874	2.00
2024	Spec. Area 30 - Acland	189	175	364	2.00
2025	Spec. Area 20 - North Rutland	3,724	3,098	6,822	1.80
2025	Spec. Area 28A - Okaview	349	289	638	1.80
2028	Spec Area 26 - Fisher Rd	1,396	625	2,021	5.15
2028	Spec Area 34 - Country Rhodes	300	135	435	5.15
2028	Spec Area 36 - Clifton	184	83	267	5.15
	<b>Sewer Improvement Programs</b>				
2019	Byrns Baron Main	1,014	2,852	3,866	2.00
	<b>Sewage Treatment Plant</b>				
2019	Waste Water Treatment Expansion	6,843	13,157	20,000	4.90
2019	Waste Water Treatment Expansion	3,422	6,578	10,000	4.13
2020	Waste Water Treatment Expansion	4,475	5,525	10,000	3.73
2031	Brandt's Creek Tradewaste Treatment	2,772	1,028	3,800	3.25
<b><u>Total Debt - Wastewater Fund</u></b>		<b><u>\$ 26,353</u></b>	<b><u>\$ 35,269</u></b>	<b><u>\$ 61,622</u></b>	

**CITY OF KELOWNA**  
**Schedule 3 - Long Term Debt (continued)**  
**as at December 31, 2016**  
(in thousands of dollars)

**Long term debt - Water Fund**

<u>Debenture Debt</u>		Debt	Sinking Fund	Amount	Current
<u>Maturity</u>	<u>Purpose</u>	<u>Balance</u>	<u>Balance</u>	<u>of Issue</u>	<u>Interest</u>
		<u>Dec. 31/16</u>	<u>Dec. 31/16</u>		<u>Rate</u>
	<b>Specified Area Programs</b>				%
2023	Spec Area 16 - Byrns	\$ 18	\$ 21	\$ 39	2.40
2024	Spec Area 18 - Lakeshore	12	12	24	2.00
2028	Spec Area 26 - Fisher Rd	205	92	297	5.15
	<b>Water Improvement Programs</b>				
2028	Cedar Creek Pump Station	5,233	2,344	7,577	5.15
2031	Poplar Point Pump Station Upgrade	1,636	364	2,000	3.25
<b>Total Debt - Water Fund</b>		<b>\$ 7,104</b>	<b>\$ 2,833</b>	<b>\$ 9,937</b>	

**Long term debt - Airport Fund**

<u>Debenture Debt</u>					
2018	Airport Expansion	\$ 3,720	\$ 12,280	\$ 16,000	4.65
2025	Airport Expansion	6,861	639	7,500	2.75
2026	Airport Expansion	3,500	-	3,500	2.60
2026	Airport Expansion	3,000	-	3,000	2.10
<b>Total Debt - Airport Fund</b>		<b>\$ 17,081</b>	<b>\$ 12,919</b>	<b>\$ 30,000</b>	

**Long term debt - Natural Gas Legacy Fund**

<u>Debenture Debt</u>					
2018	Leased Capital Assets	\$ 5,311	\$ 24,489	\$ 29,800	6.00
2018	Leased Capital Assets	3,475	16,025	19,500	4.45
		<b>8,786</b>	<b>\$ 40,514</b>	<b>49,300</b>	
<b>Capital Lease Payable</b>		<b>2,210</b>		<b>2,500</b>	10.072
<b>Total Debt - Natural Gas Legacy Fund</b>		<b>\$ 10,996</b>		<b>\$ 51,800</b>	

**Long term debt - Library**

2017	Mortgage - Building	\$ 180	\$ 5,100	8.94
<b>Total Debt - Library Fund</b>		<b>\$ 180</b>	<b>\$ 5,100</b>	

**Long term debt - Other**

2018	CN Rail	\$ 3,000	\$ 3,000	nil
2021	Land - Airport	4,500	4,500	nil
2020	Land - Wastewater	439	439	nil
<b>Total Debt - Other</b>		<b>\$ 7,939</b>	<b>\$ 7,939</b>	

<b>Total City Long Term Debt</b>		<b>\$ 146,414</b>	<b>\$ 269,591</b>	
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City Hall  
1435 Water Street  
Kelowna, BC V1Y 1J4  
TEL 250-469-8542  
[financeyearend@kelowna.ca](mailto:financeyearend@kelowna.ca)

**[kelowna.ca](http://kelowna.ca)**

# REPORT TO COUNCIL



**Date:** May 8, 2017

**RIM No.** 1250-30

**To:** City Manager

**From:** Community Planning Department (LK)

**Application:** Z16-0064  
**Owner:** Clinton Senko  
Barry Senko

**Address:** 280 Nickel Road  
**Applicant:** Clinton Senko

**Subject:** Rezoning Application

Existing OCP Designation: MRL – Multiple Unit Residential (Low Density)

Existing Zone: RU1 – Large Lot Housing

Proposed Zone: RM1 – Four Dwelling Housing

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## 1.0 Recommendation

THAT Rezoning Application No. Z16-0064 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 4 Section 27 Township 26 ODYD Plan 8839, located at 280 Nickel Road, Kelowna, BC from the RU1 – Large Lot Housing zone to the RM1 – Four Dwelling Housing zone, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Community Planning Department dated December 12, 2016.

## 2.0 Purpose

To rezone the subject property to facilitate the development of two dwelling housing on the subject property.

## 3.0 Community Planning

Community Planning Staff recommends support for the proposed rezoning to facilitate the development of a semi-detached dwelling on the subject property.

The proposed rezoning is consistent with the Official Community Plan (OCP) Future Land Use designation of MRL – Multiple Unit Residential (Low Density). The MRL designation extends to a number of properties

to the North, West and South. While the RM1 zoning allows up to 4 units, the applicant will only be constructing a semi-detached dwelling (2 units). This will provide the applicant flexibility in the future to add an additional unit or two. The semi-detached building form will be consistent with many of the buildings on the street and in the surrounding neighbourhood.

The properties proximity to retail services, employment opportunities, recreation and transportation options make it an appropriate location for the addition of residential density. The proposed project will help contribute to fulfilling the City's policies of 'Compact Urban Form' and 'Sensitive Infill'.

In fulfillment of Council Policy No. 367, the applicant completed public notification and consultation with property owners within 50 m of the subject property.

#### 4.0 Proposal

##### 4.1 Project Description

The proposed development is a two-storey semi-detached dwelling with front attached single car garages, with the second parking space provided on the shared driveway. This layout reduces the need for two separate driveways and provides additional green space along the road frontage. Each dwelling has a covered entry that is visible from the street. The proposal meets all of the zoning bylaw requirements for height, setbacks and site coverage including the provision in the RM1 zone for two-unit housing.

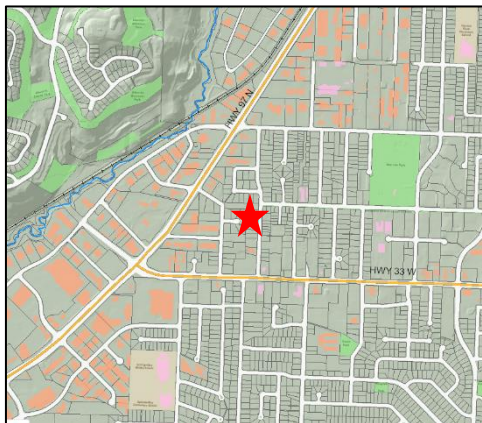
##### 4.2 Site Context

The subject property is located between the Midtown and Rutland Urban Centres on Nickel Road with Houghton Road to the North and Hwy 33 to the South. The parcel is designated MRL – Multiple Unit Residential (Low Density) within the Official Community Plan (OCP) and is within the Permanent Growth Boundary. The surrounding area is characterized by a mix of single dwelling housing, with commercial located along Hwy 97 to the West.

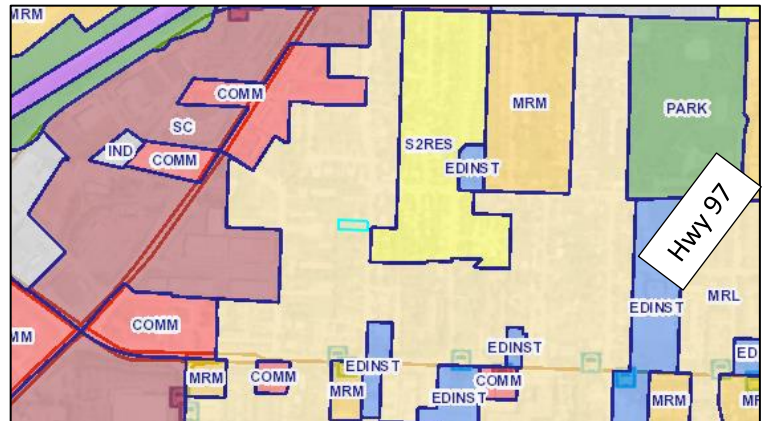
Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	RU1 – Large Lot Housing	Single Family Dwelling
East	RU6 – Large Lot Housing	Semi-Detached Dwelling
South	RU1 – Large Lot Housing	Single Family Dwelling
West	RM3 – Low Density Multiple Housing	Row Housing

Context Map:



Future Land Use



Hwy 33 W



## Subject Property Map: 280 Nickel Road

4.3 Zoning Analysis Table

Zoning Analysis Table		
CRITERIA	RM1 ZONE REQUIREMENTS	PROPOSAL
Existing Lot/Subdivision Regulations		
Lot Area	700 m <sup>2</sup>	1045 m <sup>2</sup>
Lot Width	20 m	18.29 m*
Lot Depth	30 m	57.15 m
Development Regulations		
Floor Area Ratio (max.)	0.6	0.17
Maximum Site Coverage (buildings)	40%	19%
Maximum Site Coverage (buildings, driveways and parking)	50%	29%
Height	9.0 m or 2 ½ storeys	8.47 m & 2 storeys
Front Yard	6.0 m	9.2 m
Side Yard (south)	2.5 m	2.51 m
Side Yard (north)	2.5 m	2.51 m
Rear Yard	7.5 m	30.55 m
Other Regulations		
Minimum Parking Requirements	4 spaces	4 spaces
Private Open Space	25 m <sup>2</sup> /dwelling	Meets requirement
* No subdivision is being proposed; therefore, the lot does not need to conform to the minimum lot dimensions of the RM4 subdivision regulations.		

## 5.0 Current Development Policies

### 5.1 Kelowna Official Community Plan (OCP)

#### Development Process

**Compact Urban Form.**<sup>1</sup> Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

**Sensitive Infill.**<sup>2</sup> Encourage new development or redevelopment in existing residential areas to be sensitive to or reflect the character of the neighbourhood with respect to building design, height and siting.

**Healthy Communities.**<sup>3</sup> Through current zoning regulations and development processes, foster healthy, inclusive communities and a diverse mix of housing forms, consistent with the appearance of the surrounding neighbourhood.

## 6.0 Technical Comments

### 6.1 Building & Permitting Department

- Development Cost Charges (DCC's) are required to be paid prior to issuance of any Building Permits.
- Demolition permit required for the shed or existing structures
- The drawings submitted for Building Permit application is to indicate the method of fire separation between the units.
- Range hood above the stove and the washroom to vent separately to the exterior of the building. The size of the penetration for this duct thru a fire separation is restricted by BCBC 12. Please provide size of ducts and fire separation details at time of Building Permit Applications.
- Full Plan check for Building Code related issues will be done at time of Building Permit applications.

### 6.2 Development Engineering Department

- Refer to Attachment A dated December 12, 2016.

### 6.3 Fire Department

- Ensure both dwellings have an address on Nickel
- Requirements of section 9.10.19 Smoke Alarms and Carbon Monoxide alarms of the BCBC 2012 are to be met.

<sup>1</sup> City of Kelowna Official Community Plan, Policy 5.2.3 (Development Process Chapter).

<sup>2</sup> City of Kelowna Official Community Plan, Policy 5.22.6 (Development Process Chapter).

<sup>3</sup> City of Kelowna Official Community Plan, Policy 5.22.7 (Development Process Chapter).

## **7.0 Application Chronology**

Date of Application Received: September 26, 2016

Date Public Consultation Completed: February 25, 2017

**Report prepared by:** Lydia Korolchuk, Planner

**Reviewed by:** Terry Barton, Urban Planning Manager

**Approved for Inclusion:** Ryan Smith, Community Planning Department Manager

### **Attachments:**

Attachment 'A' – Development Engineering Memorandum

Site plan & Floor Plans

Conceptual Elevations & Renderings



## CITY OF KELOWNA

**MEMORANDUM**

**Date:** December 12, 2016  
**File No.:** Z16-0064  
**To:** Urban Planning Management (LK)  
**From:** Development Engineering Manager (SM)  
**Subject:** 280 Nickel Rd

RU1 to RM1

The Development Engineering Division has the following comments and requirements associated with this rezoning application. The road and utility upgrading requirements outlined in this report will be a requirement of this development. The Development Engineering Technologist for this project is Jason Ough.

**1. Domestic Water and Fire Protection**

The property is located within the Black Mountain Irrigation District (BMID) service area. The water system must be capable of supplying domestic and fire flow demands of the project in accordance with the Subdivision, Development & Servicing Bylaw. The developer is responsible, if necessary, to arrange with BMID staff for any service improvements and, if necessary, the decommissioning of existing services.

**2. Sanitary Sewer**

Our records indicate that this property is currently serviced with a 100mm-diameter sanitary sewer service. Service upgrades can be provided by the City at the applicant's cost. The applicant will be required to sign a Third Party Work Order for the cost of the service upgrade. For estimate inquiry's please contact Jason Ough, by email [jough@kelowna.ca](mailto:jough@kelowna.ca) or phone, 250-469-8721.

**3. Storm Drainage**

- (a) Development Engineering cannot support the proposed driveway location because of conflict with existing catch basins.
- (b) A Geotechnical Report will determine whether an overflow storm service is required.

**4. Geotechnical Report**

As a requirement of this application the owner must provide a geotechnical report prepared by a Professional Engineer qualified in the field of hydro-geotechnical survey to address the following:

- (a) Area ground water characteristics.

- (b) Site suitability for development, unstable soils, etc.
- (c) Drill and / or excavate test holes on the site and install pisometers if necessary. Log test hole data to identify soil characteristics, identify areas of fill if any. Identify unacceptable fill material, analyse soil sulphate content, identify unsuitable underlying soils such as peat, etc. and make recommendations for remediation if necessary.
- (d) List extraordinary requirements that may be required to accommodate construction of roads and underground utilities as well as building foundation designs.
- (e) Additional geotechnical survey may be necessary for building foundations, etc.

## 5. Road Improvements

Nickel Road must be upgraded to an urban standard along the full frontage of this proposed development, including curb and gutter, asphalt fillet, street lighting and re-location or adjustment of utility appurtenances if required to accommodate the upgrading construction. A one-time cash payment in lieu of construction must be collected from the applicant for future construction by the City. The cash-in-lieu amount is determined to be **\$4,163.00 not including utility service cost.**

Only the service upgrades must be completed at this time. The City wishes to defer the upgrades to Rose Ave fronting this development. Therefore, cash-in-lieu of immediate construction is required and the City will initiate the work later, on its own construction schedule.

<u>Item</u>	<u>Cost</u>
Curb &Gutter	\$ 1,830.00
Road Fillet	\$ 801.00
Blvd Landscaping	\$ 915.00
Street Lighting	\$ 618.00
<b>Total</b>	<b>\$ 4,163.00</b>

## 6. Subdivision

- (a) Grant Statutory Rights of Way if required for utility services.
- (b) Provide a 2.5m road dedication along the full frontage of Nickel Road.
- (c) If any road dedication or closure affects lands encumbered by a Utility right-of-way (such as Hydro, Telus, Gas, etc.) please obtain the approval of the utility. Any works required by the utility as a consequence of the road dedication or closure must be incorporated in the construction drawings submitted to the City's Development Manager.

**7. Development Permit and Site Related Issues**

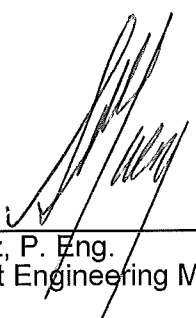
- (a) Direct the roof drains into on-site rock pits or splash pads.
- (b) Provide for parking onsite.

**8. Electric Power and Telecommunication Services**

The electrical and telecommunication services to this building must be installed in an underground duct system, and the building must be connected by an underground service. It is the developer's responsibility to make a servicing application with the respective electric power, telephone and cable transmission companies to arrange for these services, which would be at the applicant's cost.

**9. Bonding and Levy Summary**

- |     |                                   |                    |
|-----|-----------------------------------|--------------------|
| (a) | Nickel Road frontage improvements | <b>\$ 4,163.00</b> |
| (b) | Service upgrades                  | To be determined   |



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Steve Muenz, P. Eng.  
Development Engineering Manager

jo

X:\0-PROJECTS\2016 Projects\CD - Construction Drawings\16135WD-PRV-280 NICKEL RD KELOWNA\16135WD-PRV-SENKO-MD1-DEV PERMIT DRAWINGS.dwg, 9/14/2016 9:55:46 PM

# CLINT SENKO

280 NICKEL ROAD  
KELOWNA, B.C.

CLINT SENKO  
280 NICKEL ROAD  
KELOWNA, B.C.

14 SEPTEMBER 2016

## GENERAL NOTES:

- ALL CONSTRUCTION TO MEET OR EXCEED LOCAL AND NATIONAL BUILDING CODES.
- ENG. FLOOR JOISTS, TRUSSES AND LVL BEAMS AND LINTELS TO BE ENGINEERED BY P.ENG LICENSED TO PRACTICE IN SASKATCHEWAN.
- GENERAL CONTRACTOR TO CHECK AND VERIFY ALL DIMENSIONS AND ELEVATIONS PRIOR TO COMMENCEMENT OF WORK. ALL DISCREPANCIES TO BE REPORTED TO CADvantage Design Ltd. IMMEDIATELY.
- DRAWING MAY BE SCALED FOR APPROXIMATE DIMENSIONS ONLY. DIMENSIONS AND NOTES SHALL GOVERN.
- HEATING CONTRACTOR TO DETERMINE EXACT LOCATION OF FURNACE AND HWT ON SITE WITH OWNER.
- ALL LINTELS TO BE 2 PLY 2x10 SPRUCE UNLESS NOTED OTHERWISE. LINTELS LONGER THAN 6'-0" TO BE ENGINEERED BY SUPPLIER.
- TOTAL NUMBER OF PLYS IN A BUILT UP WOOD COLUMN TO BE NO LESS THAN THE NUMBER OF PLYS OF THE FRAMING MEMBER THAT THE COLUMN IS SUPPORTING.
- PROVIDE PREF. METAL FLASHING OVER ALL EXTERIOR WINDOWS AND DOORS.
- SECURE EXTERIOR DOOR UNTIL COMPLETION OF DECK(IF APPLICABLE)
- ROOM SIZES SHOWN ON PLANS ARE APPROXIMATE. ACTUAL DIMENSIONS MAY VARY WITH FINAL CONSTRUCTION.
- MIRRORRED GLASS DOORS ARE NOT PERMITTED ON ANY WALK IN CLOSET.
- EXTERIOR DOORS TO BE C/W DEAD BOLTS TO PROVIDE RESISTANCE TO FORCED ENTRY INTO HOME.
- ALL WINDOWS LESS THAN 2m TO GRADE TO COMPLY WITH CAN/CSA-A440-M FOR RESISTANCE TO FORCED ENTRY.
- ALL STAIRS, HANDRAILS & GUARDS TO CONFORM TO THE N.B.C.C. 9.8
- INTERIOR GUARDS MUST BE A MINIMUM: 900mm HIGH INCLUDING LANDINGS OVER STAIRS 900mm HIGH ABOVE STAIR NOSINGS MAXIMUM OPENINGS 100mm.
- GUARDRAILS MUST BE A MINIMUM HEIGHT OF 900mm FOR DECKS MORE THAN 600mm ABOVE GRADE AND 1070mm FOR DECKS MORE THAN 1.8m ABOVE GRADE. MAXIMUM OPENINGS 100mm.
- ALL BEDROOMS MUST HAVE AN OPENABLE WINDOW WITH AN UNOBSTRUCTED OPENING OF NOT LESS THAN 380mm IN HEIGHTS AND WIDTH AND A MINIMUM TOTAL UNOBSTRUCTED OPENABLE AREA OF 0.35 SQUARE METERS.
- ALL DOORS FROM GARAGE TO HOUSE SHALL BE C/W A SELF CLOSER AND WEATHERSTRIPPING.
- PROVIDE SAFETY GLASS AROUND ALL TUB & SHOWER ENCLOSURES, ENTRANCE DOORS, SIDELIGHTS AND GUARDS.
- PROVIDE WATER RESISTANT FLOORING IN ALL BATHROOMS
- PROVIDE WATERPROOF WALL FINISH IN ACCORDANCE TO N.B.C.C. 9.29.2
- ALL ATTIC ACCESSSES SHOWN TO BE C/W WEATHER STRIPPING

## LIST OF DRAWINGS:

A1.1	- COVER PAGE
A2.1	- SITE PLAN
A2.2	- LANDSCAPE PLAN
A3.1	- MAIN FLOOR PLAN
A3.2	- UPPER FLOOR PLAN
A3.3	- BASEMENT LAYOUT
A4.1	- ELEVATIONS
A4.2	- ELEVATIONS

## ABBREVIATIONS:

BU	- BUILT UP
FFF	- FROM FINISHED FLOOR
GYP BD	- GYPSUM BOARD
HB	- HOSE BIBB
LB	- LOAD BEARING
LVL	- LAMINATED VENEER LUMBER
MY	- MECHANICAL VENT
PC	- PULL CHAIN
PREF	- PREFINISHED
WP	- WEATHER PROOF
U.N.O.	- UNLESS NOTED OTHERWISE



#110 4002 ARTHUR ROSE AVENUE  
SASKATOON, SK S7P 0C9  
PHONE (306) 373-3805  
[www.cadvantagedesign.com](http://www.cadvantagedesign.com)



A1.1



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CLIENT:

CLINT SENKO

PROJECT ADDRESS:

280 NICKEL ROAD  
KELOWNA, B.C.

DATE:

14 SEPTEMBER 2016

REVISIONS:

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12SEPT16 - P2 ISSUED FOR REVIEW - NBC  
14SEPT16 - DEV PERMIT DRAWINGS ISSUED - NBC

GENERAL CONTRACTOR:

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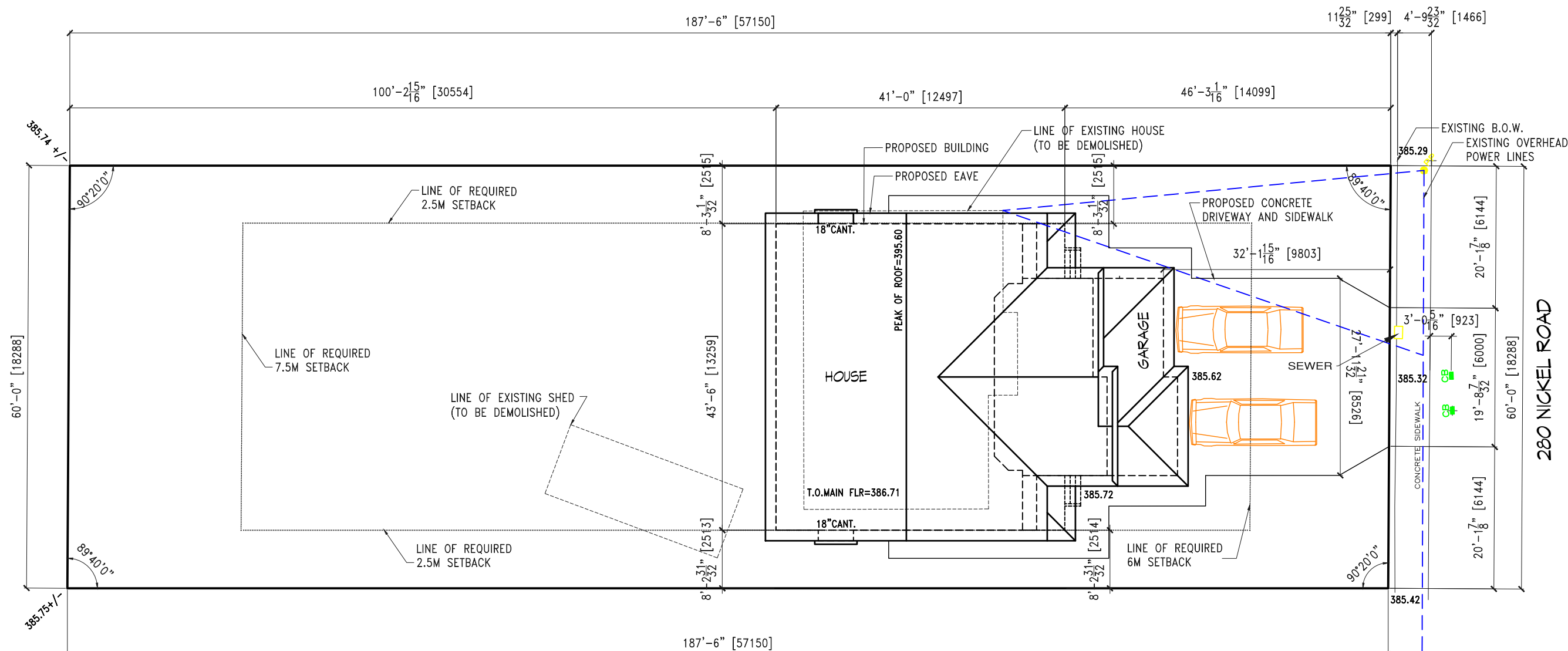
16135WD

DRAWING TITLE:

## SITE PLAN

DRAWING NO.:

## A2.1

1 SITE PLAN  
1:200

**LEGAL DESCRIPTION:**

LOT 4, SECTION 27, TOWNSHIP 26

O.D.Y.D. PLAN 8839

PID NO. 009-781-366

ADDRESS: 280 NICKEL RD.  
KELOWNA, B.C.

ZONING : MRL TO BE REZONED TO RM1

**NOTE:**  
- SURVEYOR TO CONFIRM  
SIZE AND SHAPE OF LOT  
PRIOR TO CONSTRUCTION.  
- SURVEYOR TO CONFIRM  
SIZE AND LOCATION OF  
ALL EASEMENTS, IF ANY.

- IF PROJECT IS LOCATED IN AN ESTABLISHED NEIGHBOURHOOD CONTRACTOR TO PROVIDE A SITE SECURITY FENCE AT TIME OF EXCAVATION.

- IT IS THE RESPONSIBILITY OF THE BUILDING PERMIT APPLICANT TO ENSURE THAT THE PROPOSED STRUCTURE WILL NOT ENCROACH ON ANY ELECTRICAL, GAS LINES OR OTHER ASSESSMENTS REGISTERED AGAINST THE PROPERTY IN QUESTION.

SITE COVERAGE:

SITE AREA = 1045.14 SQ.M.

HOUSE + GARAGE = 206.23 SQ. M.

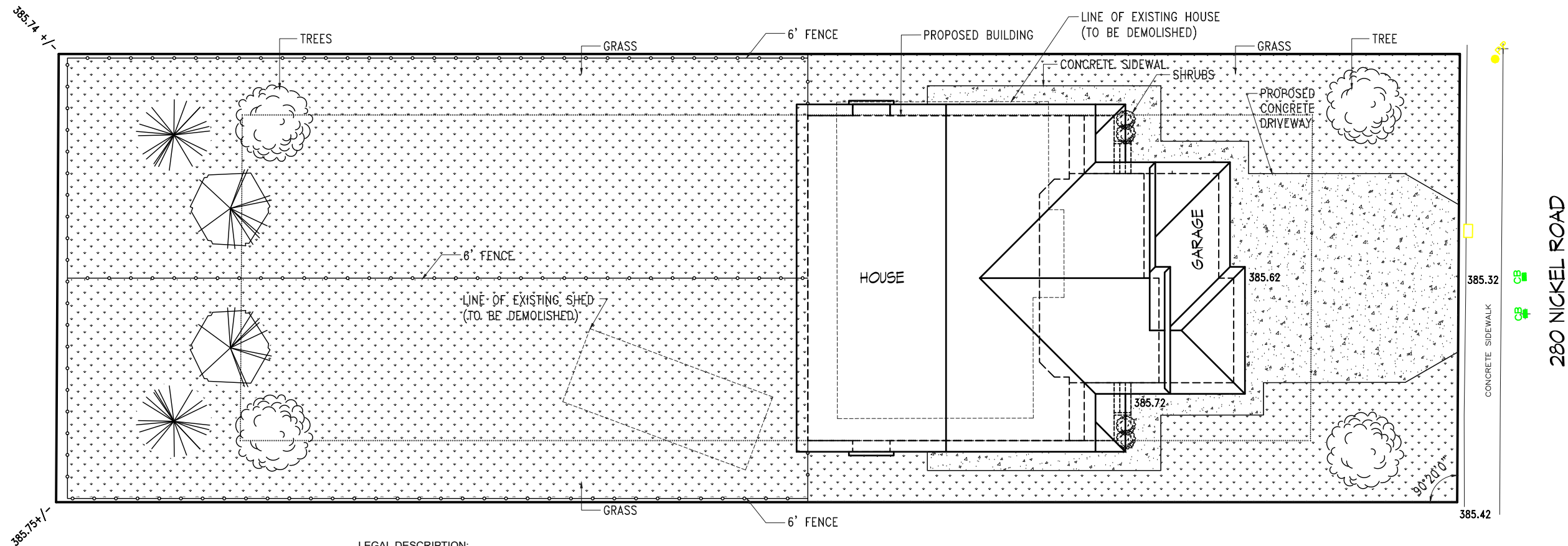
COVERAGE (HOUSE)= 19%

COVERAGE  
COVERAGE

(HOUSE + DRIVEWAY) = 29%



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1 LANDSCAPE PLAN  
1:200

**LEGAL DESCRIPTION:**

LOT 4, SECTION 27, TOWNSHIP 26

O.D.Y.D. PLAN 8839

PID NO. 009-781-366

ADDRESS: 280 NICKEL RD.  
KELOWNA, B.C.

ZONING : MRL TO BE REZONED TO RM1

**NOTE:**

- SURVEYOR TO CONFIRM  
SIZE AND SHAPE OF LOT  
PRIOR TO CONSTRUCTION.  
- SURVEYOR TO CONFIRM  
SIZE AND LOCATION OF  
ALL EASEMENTS, IF ANY.

- IF PROJECT IS LOCATED IN  
AN ESTABLISHED NEIGHBOURHOOD  
CONTRACTOR TO PROVIDE A SITE  
SECURITY FENCE AT TIME OF EXCAVATION.

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ASSESSMENTS REGISTERED AGAINST THE PROPERTY IN QUESTION.

**SITE COVERAGE:**

SITE AREA = 1045.14 SQ.M.  
HOUSE + GARAGE = 206.23 SQ.M.  
COVERAGE (HOUSE) = 19%  
COVERAGE  
(HOUSE + DRIVEWAY) = 29%

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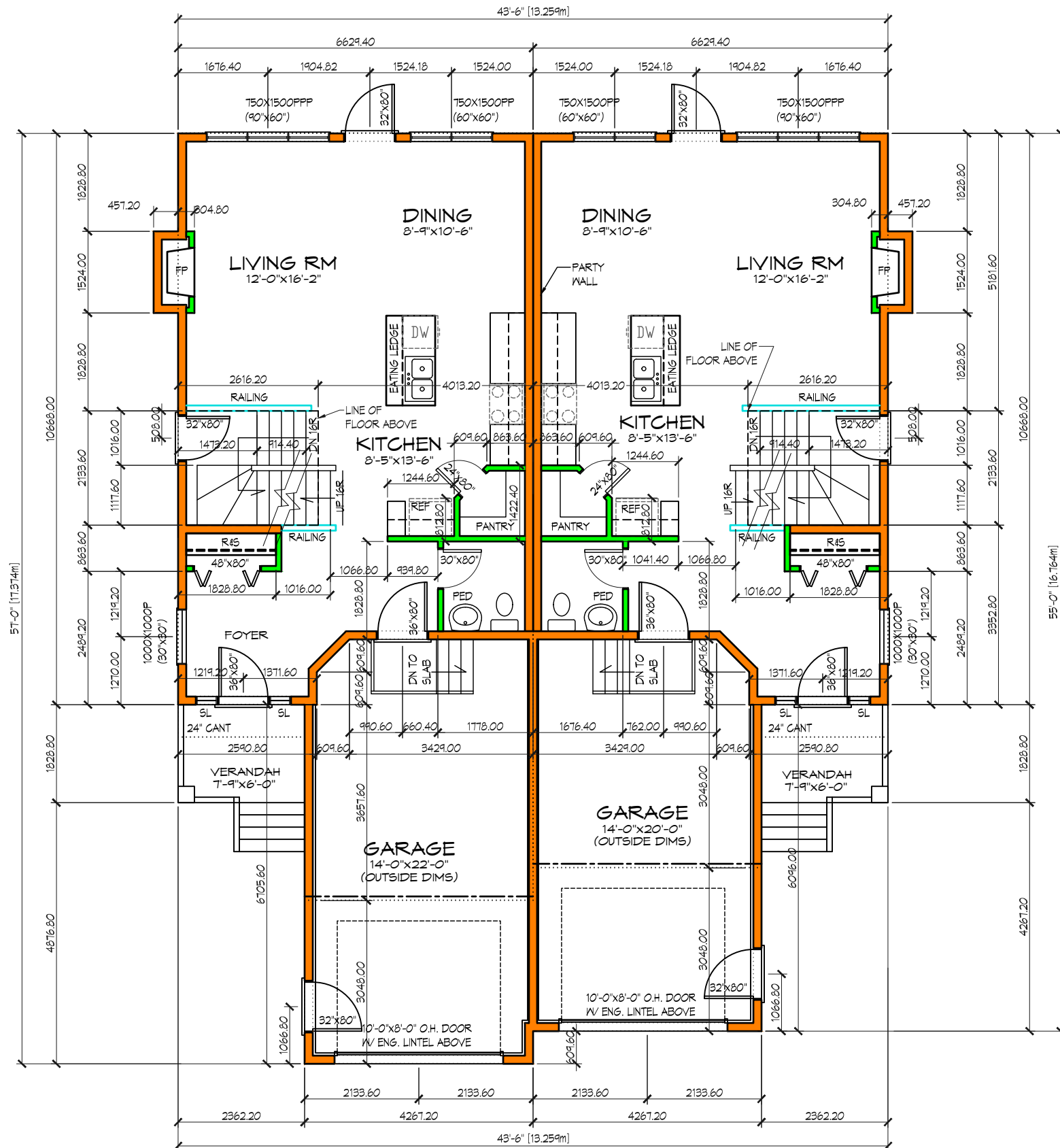
**LANDSCAPE PLAN**

DRAWING NO.:

**A2.2**

53

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1 MAIN FLOOR PLAN  
1:100 16135WD

AREA SCHEDULE	
NAME	AREA
Main Floor	710 SF
Second Floor	883 SF
Open Space	60 SF
SIDE 'A'	1654 SF

Verandah	47 SF
Garage	359 SF

AREA SCHEDULE	
NAME	AREA
Garage	710 SF
Second Floor	857 SF
Open Space	60 SF
SIDE 'B'	1627 SF

Garage	331 SF
Verandah	47 SF

#### WALL STYLE LEGEND:

- PARTIAL HEIGHT WALL (HEIGHT AS INDICATED)
- 2x2 WALL (GREY COLOR)
- 2x4 WALL (GREEN COLOR)
- 2x6 WALL (ORANGE COLOR)
- 2x8 WALL (YELLOW COLOR)

#### NOTE:

- WALL TYPES AROUND BATHROOMS AND LAUNDRY ROOMS MAY NEED TO BE CHANGED TO ACCOMMODATE PLUMBING.
- GENERAL CONTRACTOR TO REVIEW THE DRAWINGS WITH PLUMBING CONTRACTOR PRIOR TO FRAMING WALLS.

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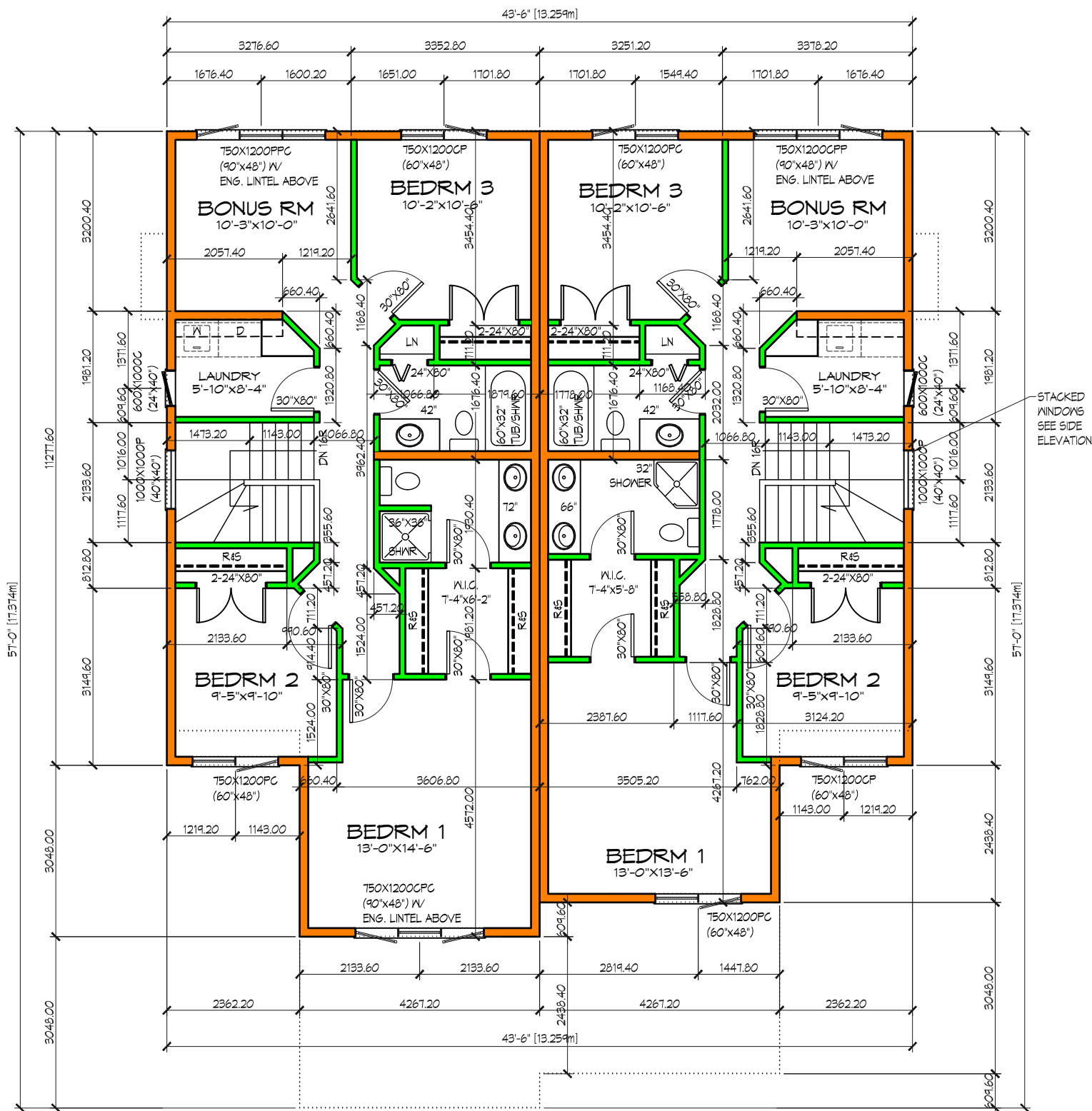
**FLOOR PLAN(S)**

DRAWING NO.:

**A3.2**

54

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1 UPPER FLOOR PLAN  
1/8"=1'-0" 1610TP

#### WALL STYLE LEGEND:

- PARTIAL HEIGHT WALL (HEIGHT AS INDICATED)
- 2x2 WALL (GREY COLOR)
- 2x4 WALL (GREEN COLOR)
- 2x6 WALL (ORANGE COLOR)
- 2x8 WALL (YELLOW COLOR)

#### NOTE:

- WALL TYPES AROUND BATHROOMS AND LAUNDRY ROOMS MAY NEED TO BE CHANGED TO ACCOMMODATE PLUMBING.
- GENERAL CONTRACTOR TO REVIEW THE DRAWINGS WITH PLUMBING CONTRACTOR PRIOR TO FRAMING WALLS.

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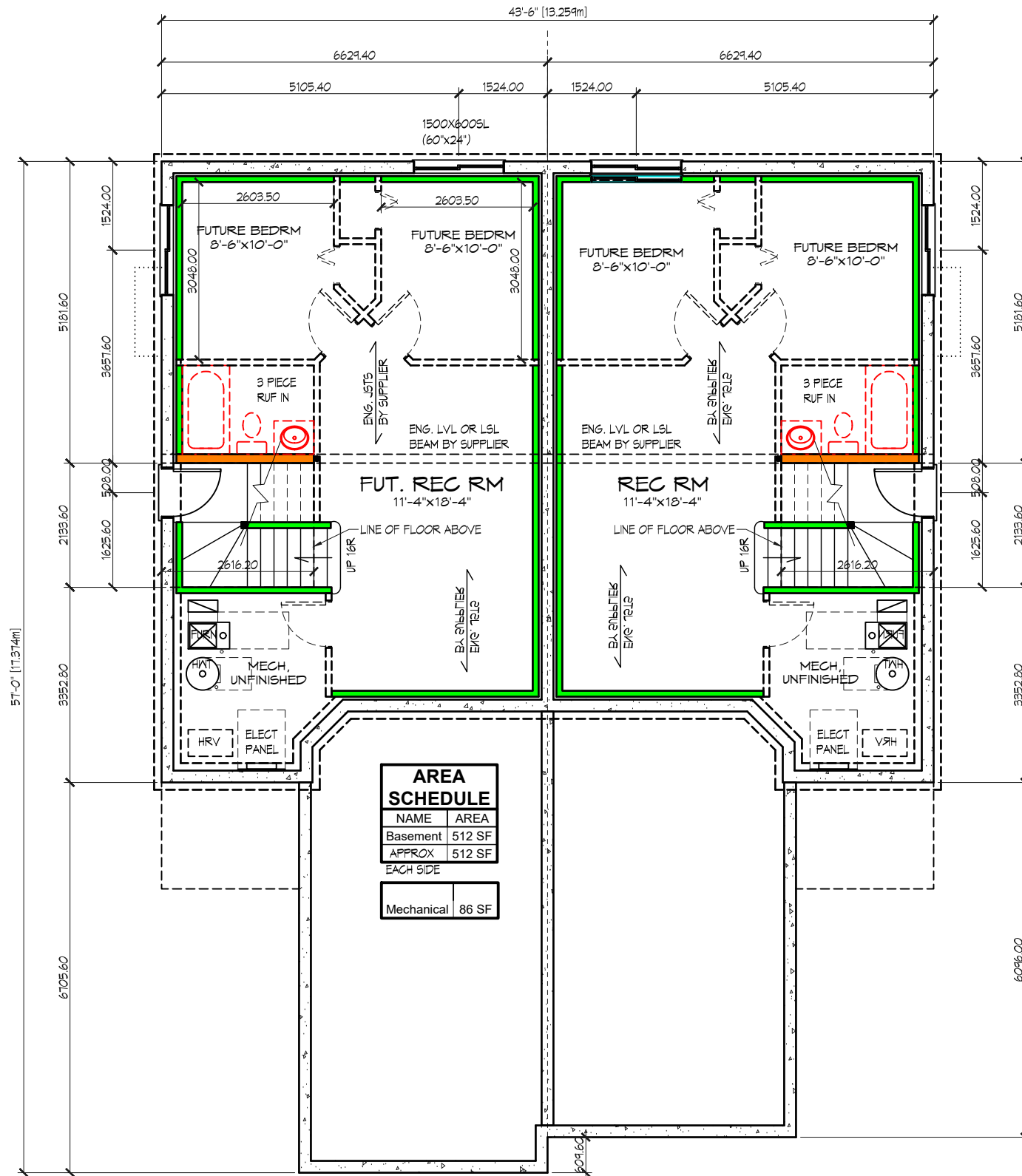
**FLOOR PLAN(S)**

DRAWING NO.:

**A3.2**

55

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AREA SCHEDULE	
NAME	AREA
Basement	512 SF
APPROX	512 SF
EACH SIDE	
Mechanical	86 SF

1 BASEMENT LAYOUT  
1:100 16135WD

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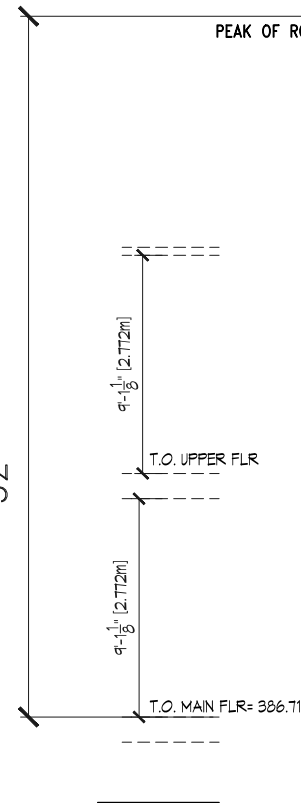
BASEMENT

DRAWING NO.:

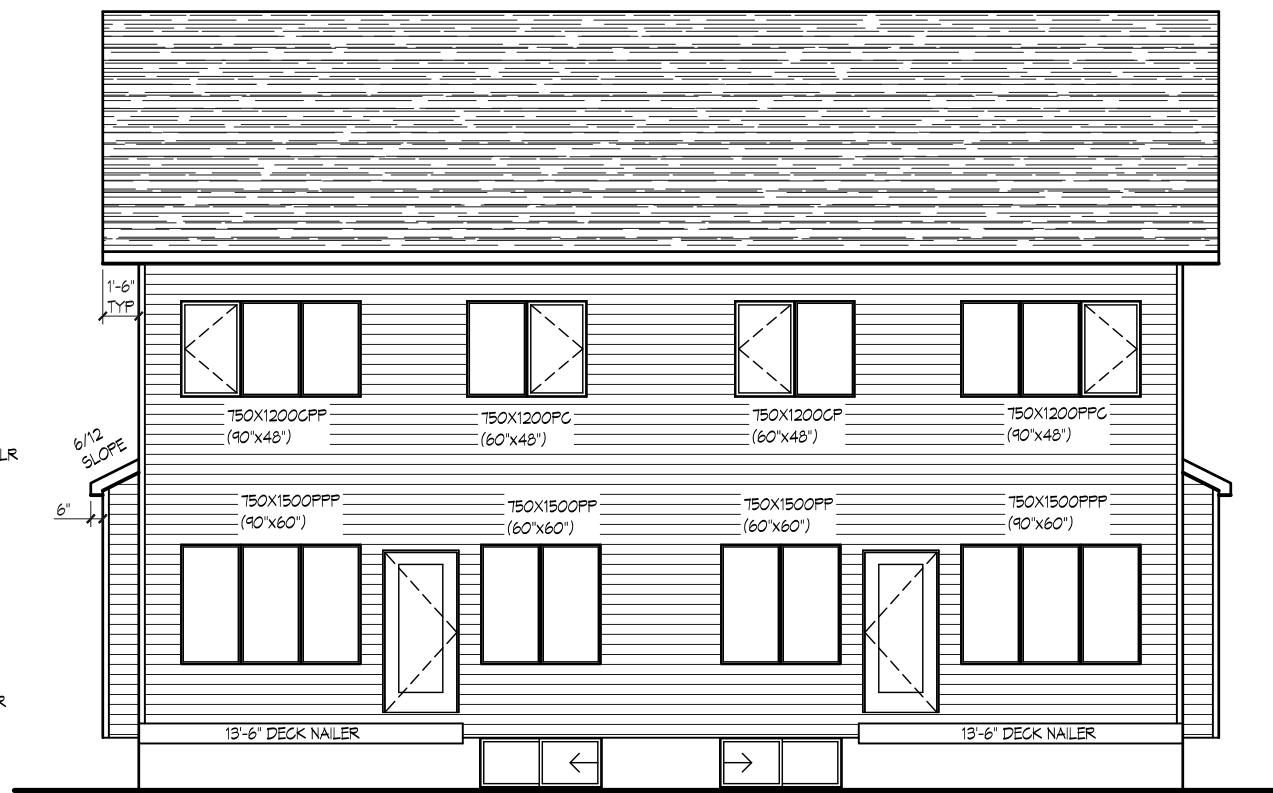
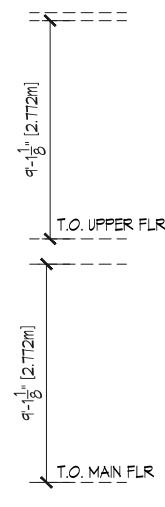
A3.3 56

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29'-2 $\frac{11}{32}$ " [8899] TO PEAK



1 FRONT ELEVATION  
1:100 16135WD



2 REAR ELEVATION  
1:100 16135WD

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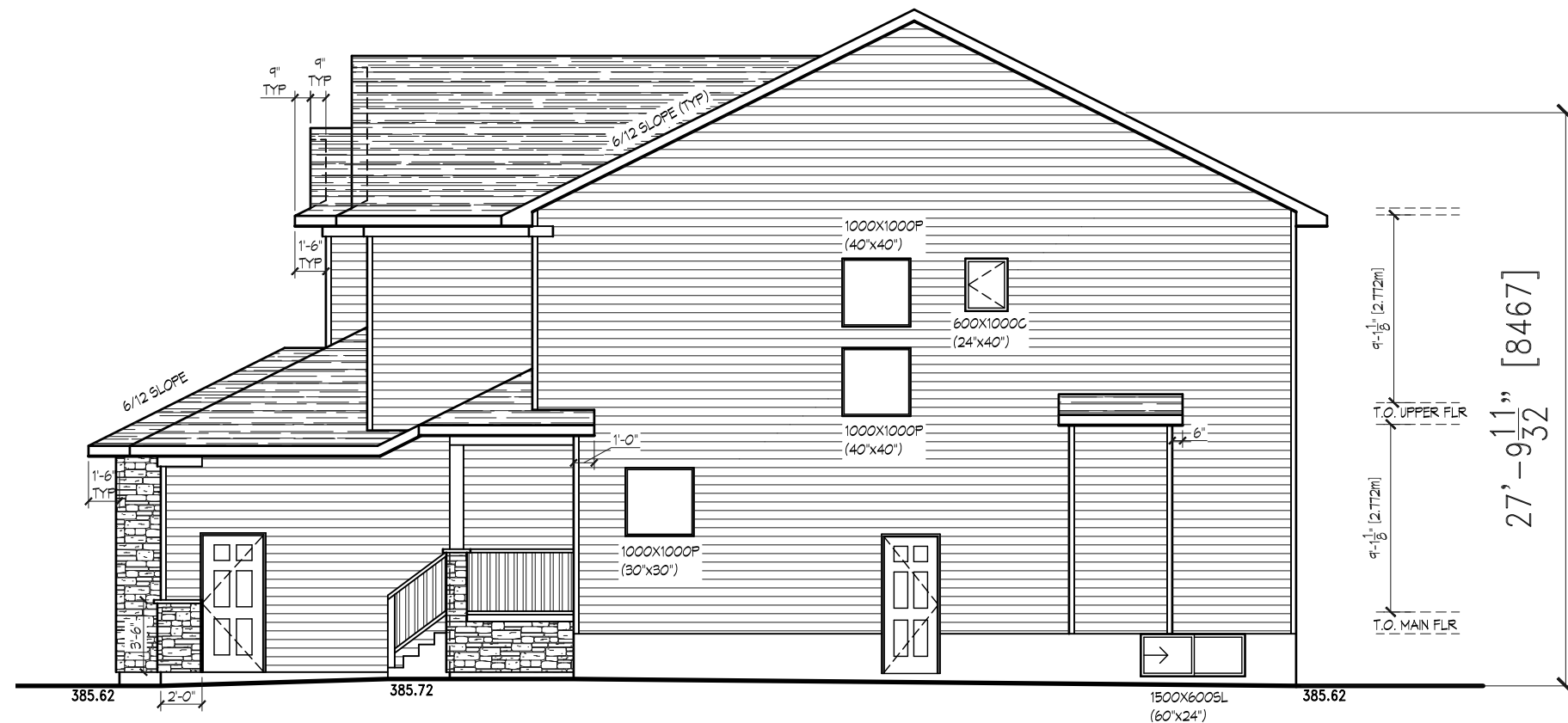
ELEVATION(S)

DRAWING NO.:

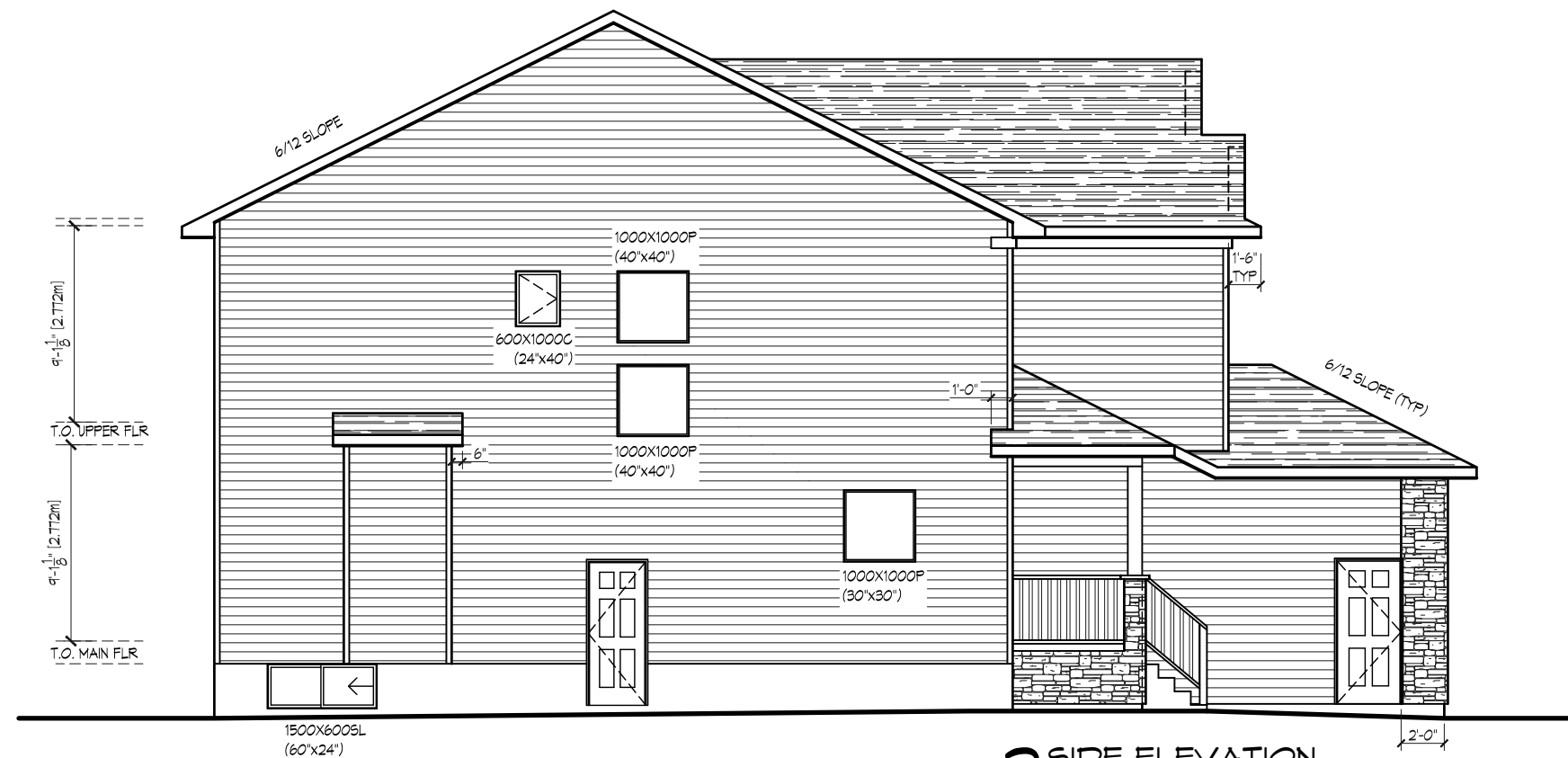
A4.1 57



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1 SIDE ELEVATION  
1:100 16135WD



2 SIDE ELEVATION  
1:100 16135WD

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DRAWING TITLE:

**ELEVATION(S)**

DRAWING NO.:

**A4.2** 58

**CITY OF KELOWNA**  
**BYLAW NO. 11403**  
**Z16-0064 – 280 Nickel Road**

---

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

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

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot 4, Section 27, Township 26, ODYD, Plan 8839 located on Nickel Rd, Kelowna, B.C., from the RU1 – Large Lot Housing zone to the RM1 – Four Dwelling Housing zone.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this

Considered at a Public Hearing on the

Read a 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

# REPORT TO COUNCIL



**Date:** April 24th 2017

**RIM No.** 0940-00

**To:** City Manager

**From:** Community Planning Department (AC)

**Application:** DP17-0041

**Owner:** 666344 BC Ltd Inc. No. 66344

**Address:** 205 Hwy 33

**Applicant:** Architecturally Distinct  
Solutions

**Subject:** Development Permit

Existing OCP Designation: MRL – Multiple Unit Residential (Low Density)

Existing Zone: RM3 – Low Density Multiple Housing

---

## 1.0 Recommendation

THAT Council authorizes the issuance of Development Permit No DP17-0041 for Lots 1, Section 23, Township 26, ODYD Plan KAP76191, located at 205 Hwy 33, 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";

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 permit to be issued;

AND THAT the Development Permit conditions outlined in Attachment "A" attached to the Report from the Community Planning Department dated April 24th 2017 be completed prior to Building Permit issuance;

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

## 2.0 Purpose

To review the Form & Character Development Permit of a third storey addition to an existing apartment building known as 'The Garden House'.



### 3.0 Community Planning

#### 3.1 Development Permit

Staff are recommending support for the proposed Development Permit due to the proposal's consistency with the Official Community Plan's (OCP) design guidelines. See Section 5.0 to review a sample of relevant OCP design guidelines and associated OCP policy.

The renovation project and addition of a third storey will update and enhance the overall aesthetic of the existing building. The surface parking lot will be expanded to accommodate the extra units and the remainder of the site will retain the existing landscaping. For this reason, there is no landscape bonding associated with this Development Permit. Further, the applicant has added the necessary bike storage in a secure weather protected enclosure located adjacent to the building.

The OCP encourages infill urban growth that more efficiently utilizes existing land within Urban Centres. The project modestly increases residential density within the Rutland Urban Centre and is located near commercial services and schools. All the units (including the 11 new units) will remain as rental units. A net increase in the supply of rental residential units is greatly needed within Kelowna's Urban Centres. The vacancy rate stated within the 2016 Fall Rental Market Report done by the Canadian Mortgage and Housing Corporation (CMHC) was 0.6% within the Kelowna Central Metropolitan Area. However, within Zone 2 (Rutland) the overall vacancy rate was 0.1% with a 0.0% vacancy for both 1-bedroom & 3-bedroom units.

#### 3.2 Notification

Development Permits do not require any notification.

### 4.0 Proposal

#### 4.1 Project Description

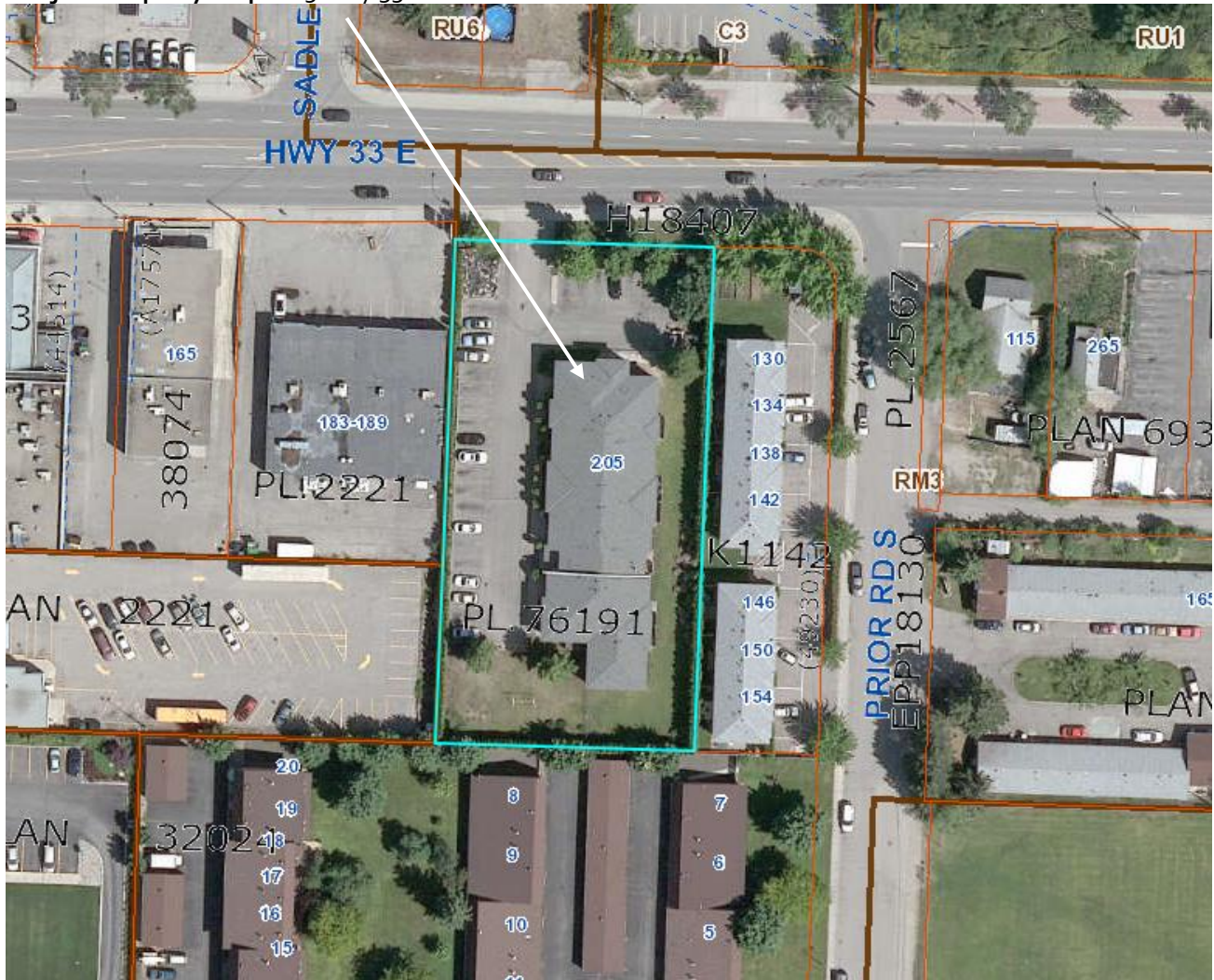
The scope of the project is to add 11 rental units to an existing 2-storey apartment building by adding a third storey and expanding the surface parking lot.

#### 4.2 Site Context

The site is located at the east end of the Rutland Urban Centre. Specifically, the adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	C4 – Urban Centre Commercial RU6 – Two Dwelling Housing C3 – Community Commercial	Commercial Residential Commercial
East	RM3 – Low Density Multiple Housing	Residential
South	RM3 – Low Density Multiple Housing	Residential
West	C4 – Urban Centre Commercial	Commercial

**Subject Property Map: 205 Hwy 33**



**4.3 Zoning Analysis Table**

Zoning Analysis Table		
CRITERIA	RM3 ZONE REQUIREMENTS	PROPOSAL
Development Regulations		
Height	10.0 m / 3 storeys	9.9 m / 3 storeys
Front Yard (north)	4.5m & 6.0m	19.8 m
Side Yard (east)	4.0 m	9.1 m
Side Yard (west)	4.0 m	18.5 m
Rear Yard (south)	7.5 m	10.9 m
Site coverage of buildings	40 %	21.5%

Zoning Analysis Table		
CRITERIA	RM3 ZONE REQUIREMENTS	PROPOSAL
Site coverage of buildings, driveways & parking	66 %	58.1%
FAR	0.75 Max	0.5
Parking Regulations		
Minimum Parking Requirements	9 (1-bed) x 1.25 = 11.5 17 (2-bed) x 1.5 = 25.5 1 (3-bed) x 2.0 = 2 1 (micro) x 1 = 1 = 41 stalls	41 stalls
Ratio of Parking Stalls	Full size: 50% Min Medium Size: 40% Max Small Size: 10% Max	Full size: 66% (27 stalls) Medium Size: 34% (14 stalls) Small Size: 0% ( stalls)
Minimum Drive Aisle Width	7.0 m	7.0 m
Setback (Parking)	1.5 m	1.5m or greater
Other Regulations		
Minimum Bicycle Parking Requirements	Class 1: 15 bikes Class 2: 3 bikes	Class 1: 15 bikes Class 2: 3 bikes
Private Open Space	825 m <sup>2</sup>	>825 m <sup>2</sup>

## 5.0 Current Development Policies

### 5.1 Kelowna Official Community Plan (OCP)

#### Chapter 5: Development Process

**Compact Urban Form.**<sup>1</sup> Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

**Sensitive Infill.**<sup>2</sup> Encourage new development or redevelopment in existing residential areas to be sensitive to or reflect the character of the neighbourhood with respect to building design, height and siting.

**Contain Urban Growth.**<sup>3</sup> Reduce greenfield urban sprawl and focus growth in compact, connected and mixed-use (residential and commercial) urban and village centres.

**Housing Mix.**<sup>4</sup> Support a greater mix of housing unit size, form and tenure in new multi-unit residential and mixed use developments.

<sup>1</sup> City of Kelowna Official Community Plan, Policy 5.2.3 (Development Process Chapter).

<sup>2</sup> City of Kelowna Official Community Plan, Policy 5.22.6 (Development Process Chapter).

<sup>3</sup> City of Kelowna Official Community Plan, Goals for a Sustainable Future, Objective 1 (Chapter 1 Introduction)

<sup>4</sup> City of Kelowna Official Community Plan, Policy 5.27.11 (Development Process Chapter)

**Building Height<sup>5</sup>:**

- **Rutland:** Generally, 4 storeys. Six storeys within C4 or C9 zoned areas. Potential for up to 44 m height (12-14 storeys) in the core of Rutland, as identified in the C7 zone of the Zoning Bylaw.

**Context<sup>6</sup>:**

- Respect and enhance the original character of an existing building when modifying its exterior.

**Exterior elevations and materials<sup>7</sup>:**

- Exterior building materials should be selected for their functional and aesthetic quality, and should exhibit qualities of workmanship, durability, longevity and ease of maintenance.

**6.0 Technical Comments**

**6.1 Building & Permitting Department**

- Development Cost Charges (DCC's) are required to be paid prior to issuance of any Building Permit(s)
- A Building Code analysis is required for the structure at time of building permit applications, but the following items may affect the form and character of the building(s):
  - Any security system that limits access to exiting needs to be addressed in the code analysis by the architect.
- A Geotechnical report is required to address the sub soil conditions and site drainage at time of building permit application.
- Structural Engineer will be required for the existing building renovation at time of building permit application
- Full Plan check for Building Code related issues will be done at time of Building Permit applications. Please indicate how the requirements of Radon mitigation are being applied to this structure.

**6.2 Development Engineering Department**

- See Memo (Attachment 'A') dated ? 2017

**6.3 Fortis BC (Electric)**

- There are FortisBC Inc (Electric) ("FBC(E)") primary distribution facilities within Highway 33 E and within the boundary of the subject property. The existing infrastructure on the subject property should be protected by appropriate land rights in order to ensure proper delivery and maintenance of the service. The applicant is responsible for costs associated with any change to the subject property's existing service, if any, as well as the provision of appropriate land rights where required.
- For more information, please refer to FBC(E)'s overhead and underground design requirements:
  - FortisBC Overhead Design Requirements (<http://fortisbc.com/ServiceMeterGuide>).
  - FortisBC Underground Design Specification (<http://www.fortisbc.com/InstallGuide>).

<sup>5</sup> City of Kelowna Official Community Plan, Policy 5.8.1 (Development Process Chapter)

<sup>6</sup> City of Kelowna Official Community Plan, Policy 14.2.5 (Urban Design Guidelines)

<sup>7</sup> City of Kelowna Official Community Plan, Policy 14.6.1 (Urban Design Guidelines)

- Otherwise, FBC(E) has no concerns with this circulation.

#### 6.4 Fire Department

- Construction fire safety plan is required to be submitted and reviewed prior to construction and updated as required. Template at Kelowna.ca .
- An update to the fire safety plan as per section 2.8 BCFC is required at occupancy. The fire safety plan and floor plans are to be submitted for approval in AutoCAD Drawing format on a CD
- Contact Fire Prevention Branch for fire extinguisher requirements and placement.
- Dumpster/refuse container must be 3 meters from structures or overhangs.

#### 7.0 **Application Chronology**

Date of Application Received (complete):

Feb 20<sup>th</sup> 2016

Date of Notification Letters:

n/a

**Prepared by:**

Adam Cseke, Urban Planner

**Reviewed by:**

Terry Barton, Urban Planning Manager

**Approved for:**

Ryan Smith, Community Planning Department Manager

#### **Attachments:**

Attachment A - Development Engineering Memo

DP17-0041

# DEVELOPMENT PERMIT



APPROVED ISSUANCE OF DEVELOPMENT PERMIT NO. DP17-0041

**Issued To:** 666344 BC Ltd Inc. No. 66344  
**Site Address:** 205 Hwy 33  
**Legal Description:** Lots 1, Section 23, Township 26, ODYD Plan KAP76191  
**Zoning Classification:** RM3 – Low Density Multiple Housing  
**Development Permit Area:** Comprehensive Development Permit Area

## SCOPE OF APPROVAL

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

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

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

### 1. TERMS AND CONDITIONS

THAT Development Permit No. DP17-0041 for Lots 1, Section 23, Township 26, ODYD Plan KAP76191, located at 205 Hwy 33, Kelowna, BC to allow the construction of a RM3 – Low Density Multiple Housing development to be approved subject to the following:

- a) The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
- b) The exterior design and finish of the building to be constructed on the land be in accordance with Schedule "B";
- c) Landscaping to be provided on the land be in accordance with Schedule "C";

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

## 2. PERFORMANCE SECURITY

None required.

## 3. DEVELOPMENT

The land described herein shall be developed strictly in accordance with the terms and conditions and provisions of this Permit and any plans and specifications attached to this Permit that shall form a part hereof.

If the Permit Holder does not commence the development permitted by this Permit within two years of the date of this Permit, this Permit shall lapse.

**This Permit IS NOT a Building Permit.**

## 4. Indemnification

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

- a) All actions and proceedings, costs, damages, expenses, claims, and demands whatsoever and by whomsoever brought, by reason of the Municipality said Permit.
- b) All costs, expenses, claims that may be incurred by the Municipality where the construction, engineering or other types of works as called for by the Permit results in damages to any property owned in whole or in part by the Municipality or which the Municipality by duty or custom is obliged, directly or indirectly in any way or to any degree, to construct, repair, or maintain.

## 5. APPROVALS

Issued and approved by Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2017 .

\_\_\_\_\_  
Ryan Smith, Community Planning Department Manager  
Community Planning & Real Estate

\_\_\_\_\_  
Date

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

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## CITY OF KELOWNA

# MEMORANDUM

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**Date:** April 6, 2017  
**File No.:** DP17-0041  
**To:** Urban Planning Management (AC)  
**From:** Development Engineering Manager (SM)  
**Subject:** 205 Hwy 33 E

**ATTACHMENT A**

This forms part of application  
# DP17-0041

Planner  
Initials

AC



---

Development Engineering has the following comments and requirements associated with this application to allow for the addition of a third story to an existing apartment building on the subject property.

The Development Engineering Technologist for this project is Jason Ough

1. Domestic Water and Fire Protection

The property is located within the Rutland Waterworks District (RWD) service area. The water system must be capable of supplying domestic and fire flow demands of the project in accordance with the Subdivision, Development & Servicing Bylaw. The developer is responsible, if necessary, to arrange with RWD staff for any service improvements and the decommissioning of existing services.

2. Sanitary Sewer

Our records indicate the proposed development lot is connected with 150mm diameter sewer service. The developer's consulting mechanical engineer will determine the development requirements of this proposed development and establish the service needs. Only one service will be permitted for this development property and must tie into a manhole. The applicant, at his cost, will arrange for the removal and disconnection of the existing services and the installation of one new larger service.

3. Storm Drainage

- a) The developer must engage a consulting civil engineer to provide a storm water management plan for these sites which meets the requirements of the City Subdivision Development and Servicing Bylaw 7900. The storm water management plan must also include provision of lot grading plans, minimum basement elevations (MBE), if applicable, and provision of a storm drainage service and recommendations for onsite drainage containment and disposal systems.
- b) On site storm drainage systems and overflow service (if necessary) for the site will be reviewed and approved by Engineering when a site servicing design is submitted.



4. Electric Power and Telecommunication Services

- a) All proposed distribution and service connections are to be installed underground.
- b) Streetlights must be installed on all roads.
- c) Make servicing applications to the respective Power and Telecommunication utility companies. The utility companies are required to obtain the City's approval before commencing construction.
- d) Re-locate existing utilities, where necessary.

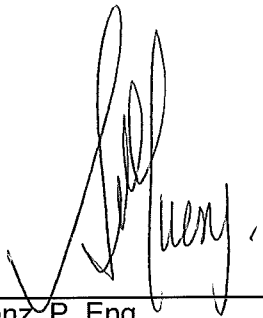
5. Geotechnical Report

As a requirement of this application and building permit approval the applicant must provide a comprehensive geotechnical report prepared by a Professional Engineer qualified in the field of hydro-geotechnical survey to address the following:

- a) Area ground water characteristics, including water sources on the site.
- b) Site suitability for development; i.e. unstable soils, foundation requirements etc.
- c) Drill and/or excavate test holes on the site and install piezometers if necessary. Log test hole data to identify soil characteristics, identify areas of fill if any. Identify unacceptable fill material, analyse soil sulphate content, identify unsuitable underlying soils such as peat, etc. and make recommendations for remediation if necessary.
- d) List extraordinary requirements that may be required to accommodate construction of roads and underground utilities as well as building foundation designs.
- e) Additional geotechnical survey may be necessary for building foundations, etc.

6. Development Permit and Site Related Issues

- a) Provide all necessary Statutory Rights-of-Way for any utility corridors required.
- b) Indicate on the site, the locations of loading bays as well as the garbage and recycle bins.

  
\_\_\_\_\_  
Steve Muenz, P. Eng.  
Development Engineering Manager  
jo

<b>ATTACHMENT</b>		<b>A</b>
This forms part of application		
# DP17-0041		
Planner Initials	AC	 City of <b>Kelowna</b> COMMUNITY PLANNING

Page 1 of 3

To: Planning Department

City of Kelowna

February 8, 2017

**Re: Design Rationale for Proposed Development of The Garden House, 205, Hwy 33E, Kelowna, BC (The Site)**

Dear City of Kelowna Planning Department,

We are submitting the development of The Garden House at 205, Hwy 33 E in Kelowna noting the following Design Rationale for the project:

Recognizing the need for affordable rental housing in Kelowna, the Owners of The Garden House are proposing a third storey addition to the existing 2 storey apartment building at the site noting:

- i. The existing footprint is to remain. This approach allows for the retention of the existing needed apartments, reduces resources required to provide a finished project and reduced the construction time to achieve the completed project and put the rental units on the market.
- ii. The existing building was previously design without an Architect requiring a firewall assembly to divide the building into two. The renovation will include abandoning the firewall and removing associated hallway doors making the finished project more attractive from a livability perspective.
- iii. The proposal addition does not require any variances under the current zone meaning the resulting finished building will meet the intention of the zone for height, density and parking.
- iv. The renovation project will enhance the overall aesthetic of the building as it illustrated on the last page of before/after images.
- v. The retention of existing landscaping means reduced requirement of organic material and taking advantage of the existing services to maintain the landscaping.
- vi. The new addition will provide 9' ceiling units on top of 2 storeys of 8' ceiling units thereby providing attractive rental homes in the area. Additionally, the new addition will include generous decks to the new apartments that meet the minimum private exterior space for the building with the share green space contributing to the additional private green space to be share by the remainder of the building.

This proposed development recognizes the City of Kelowna's strategic approach to urban growth including better use of existing land through increased density of The Site as compared to the existing. Additionally the project results in the addition of much needed rental housing as part of the proposal.

Page 2 of 3

We look forward to your supportive comments in response to this Development Permit.

Please do not hesitate to contact our office if you have any questions or require additional information in these matters.

Sincerely,



Matt Johnston Architect AIBC, AAA, LEED AP  
**Architecturally Distinct Solutions Inc.**

<b>SCHEDULE A, B, &amp; C</b>	
This forms part of application # DP17-0041	
Planner Initials	AC
 <b>City of Kelowna</b> COMMUNITY PLANNING	

Existing Building Photos



Proposed Building Renderings:

Renderings updated (shown in Schedule B)



**SCHEDULE A, B, & C**

This forms part of application  
# DP17-0041

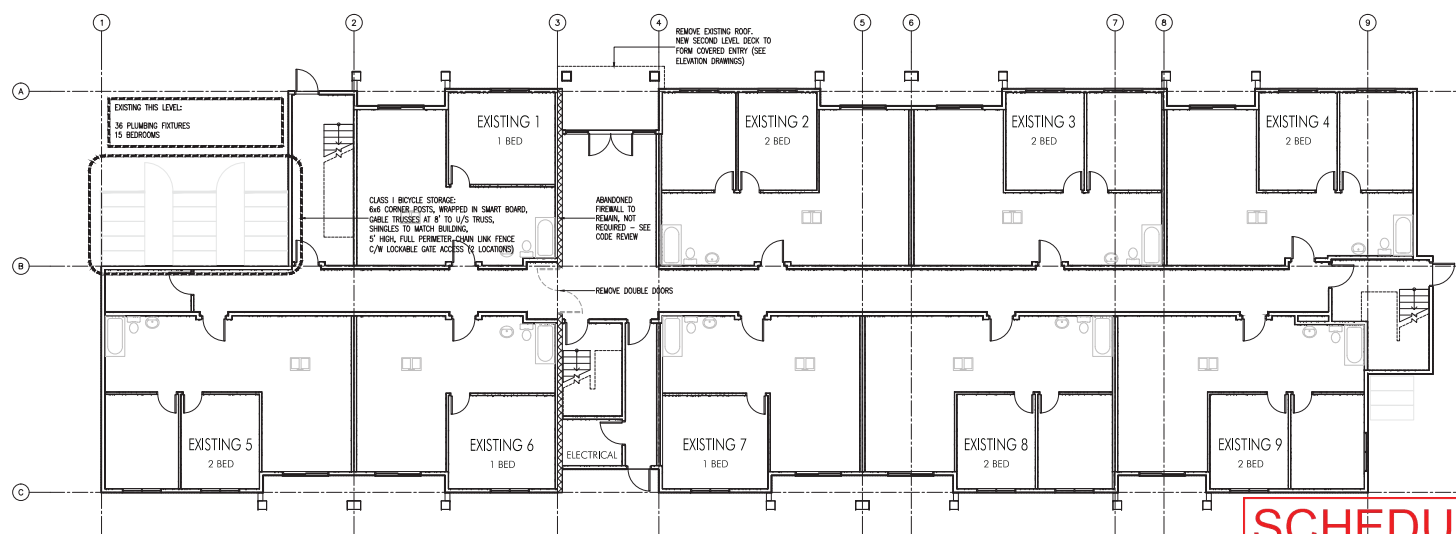
Planner  
Initials AC



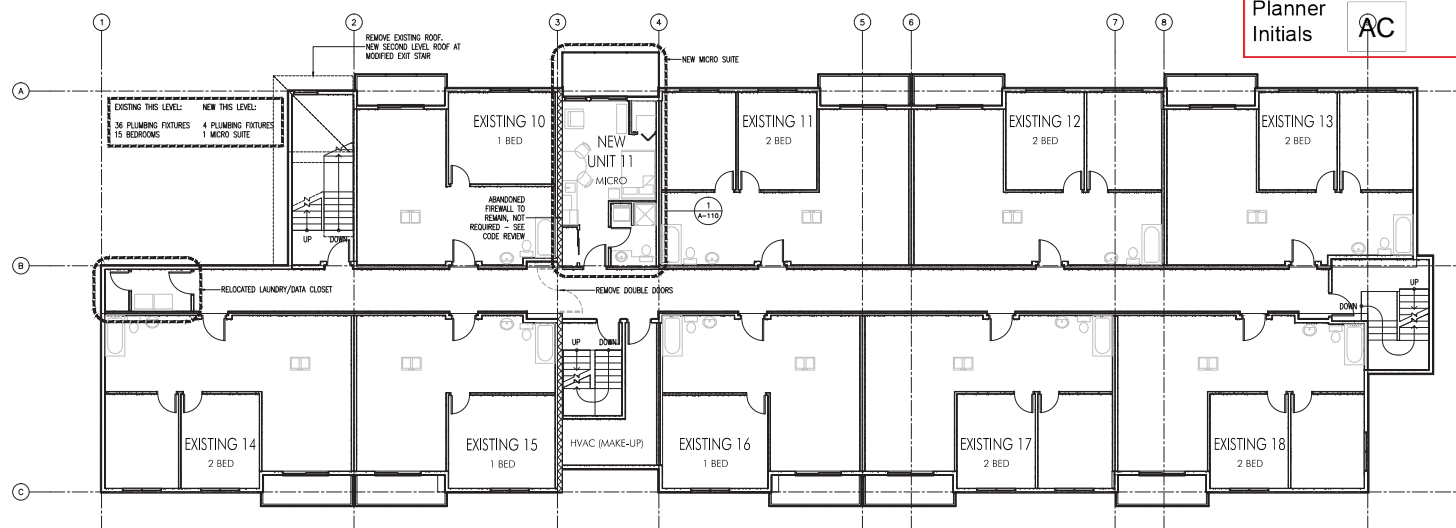








1 EXISTING GROUND FLOOR PLAN  
1/8"=1'-0"



2 EXISTING SECOND FLOOR PLAN

## SCHEDULE A & B

This forms part of application  
# DP17-0041

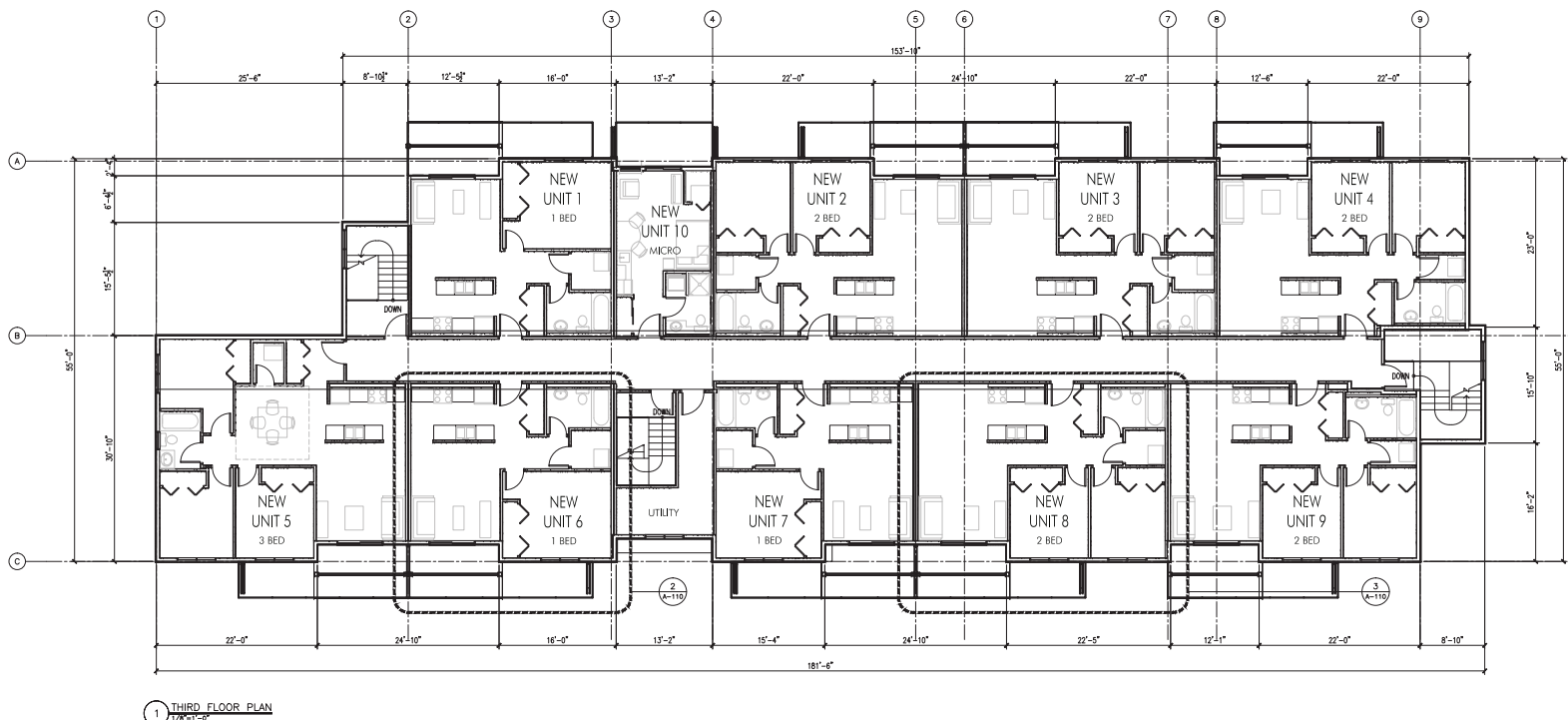


City of Kelowna  
COMMUNITY PLANNING

Planner Initials AC

<b>Revision No., Date and Description</b> 01.01.17-DP draft 02.03.17-FOR DP	
<b>Plot Date</b> 2 Feb 17	<b>Drawing No.</b> R-101
<b>PROJECT</b> THE GARDEN HOUSE	
<b>DRAWING TITLE</b> EXISTING PLANS	

FOR DP



## SCHEDULE A & B

This forms part of application  
# DP17-0041

Planner  
Initials

AC

**City of  
Kelowna**  
COMMUNITY PLANNING

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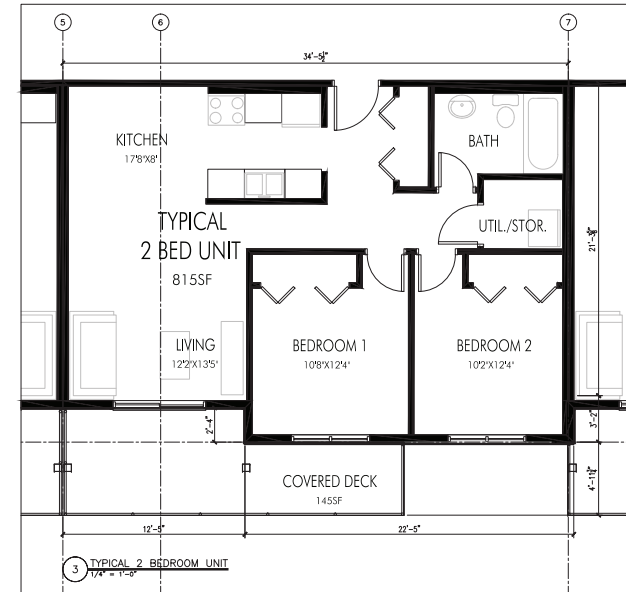
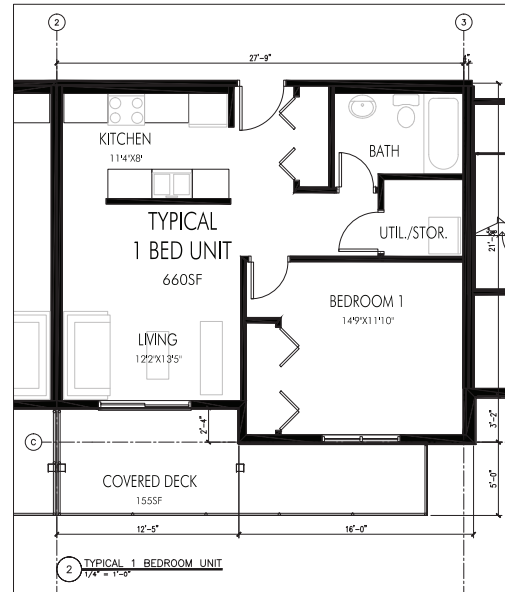
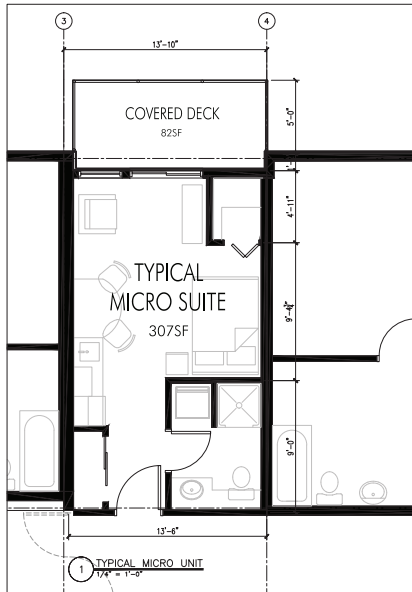
Revision No.	Date and Description
01	01.17.17 DP draft
02	03.17 FOR DP

Plot Date	Drawing No.
5 Feb 17	A-110
PROJECT	
THE GARDEN HOUSE	
DRAWING TITLE	
THIRD FLOOR PLAN	



FOR DP





## SCHEDULE A & B

This forms part of application  
# DP17-0041

Planner Initials

AC

**City of Kelowna**  
COMMUNITY PLANNING

**DISTINCT SOLUTIONS INC.**  
501-1630 Pandey St., Kelowna, BC V1Y 1P7  
www.distinctsolutions.ca

501-1630 Pandey St., Kelowna, BC V1Y 1P7  
www.distinctsolutions.ca

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Revision No., Date and Description	
02.05.17 FOR DP	
Plot Date	Drawing No.
01/05/17	01/15
PROJECT	
THE GARDEN HOUSE	
DRAWING TITLE	
UNIT PLANS	

FOR DP



- ASPHALT SHINGLES DUAL BLACK
- GUTTERS AND SCOFFS: GENTUCK RAINWARE WHITE (DOWNPOUTS: GENTUCK RAINWARE WHITE)
- NEW WINDOWS - WHITE
- NEW ACROBE STUCCO: SAND FINISH, COLOUR APPROVED BY OWNER
- PRE-FINISHED WHITE ALUMINUM HANDRAILS
- EXISTING STUCCO: REPAIR, CLEAN AND PAINT TO MATCH COLOUR APPROVED BY OWNER
- EXISTING BRICK VENER: REPAIR, CLEAN AND RESAL AT INTERSECTION BETWEEN BRICK AND DECK/RAIL MATERIALS

# SCHEDULE B

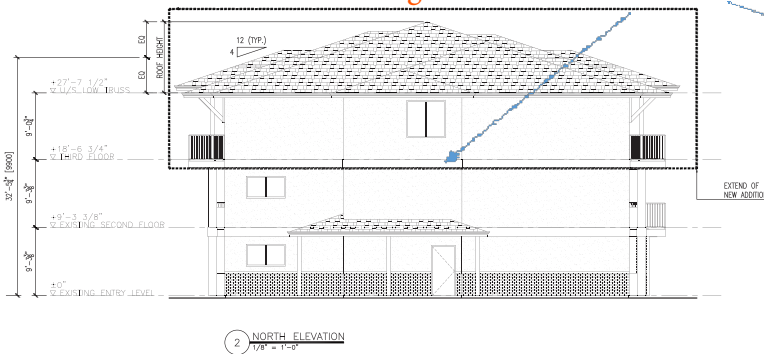
This forms part of application  
**# DP17-0041**

Planner Initials **AC**

City of  
**Kelowna**  
 COMMUNITY PLANNING

Revision No., Date and Description
01.01.17 DP draft
02.03.17 FOR DP
04.26.17 DP REVISIONS

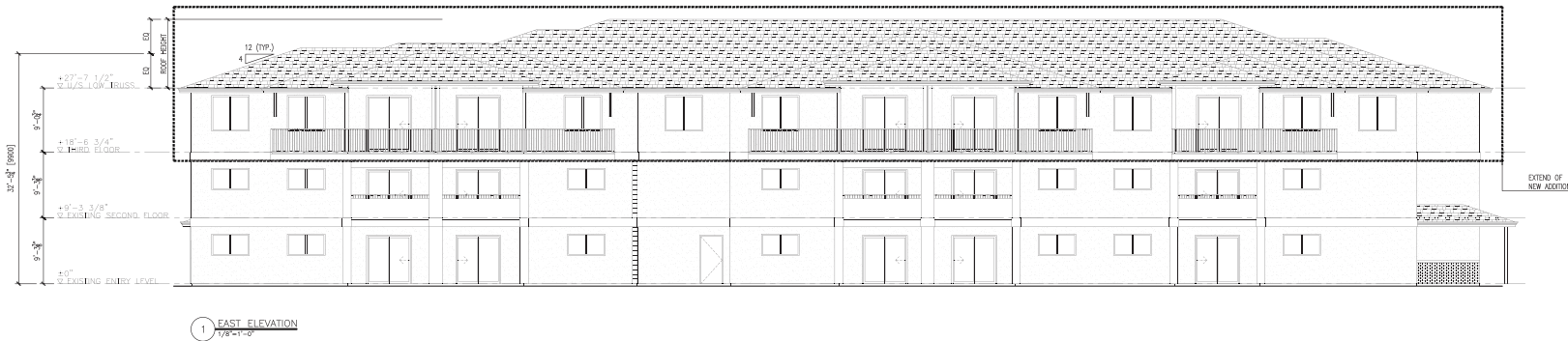
Existing Window to remain or be replaced



- ASPHALT SHINGLES DUAL BLACK
- GUTTERS AND SCOFFS: GENTUCK RAINWARE WHITE (DOWNPOUTS: GENTUCK RAINWARE WHITE)
- NEW WINDOWS - WHITE
- PRE-FINISHED WHITE ALUMINUM HANDRAILS
- NEW ACROBE STUCCO: SAND FINISH, COLOUR APPROVED BY OWNER
- EXISTING STUCCO: REPAIR, CLEAN AND PAINT TO MATCH COLOUR APPROVED BY OWNER
- EXISTING BRICK VENER: REPAIR, CLEAN AND RESAL AT INTERSECTION BETWEEN BRICK AND DECK/RAIL MATERIALS

Plot Date	Drawing No.
01.01.17	01-001
PROJECT: THE GARDEN HOUSE	
DRAWING TITLE: ELEVATIONS	

FOR DP



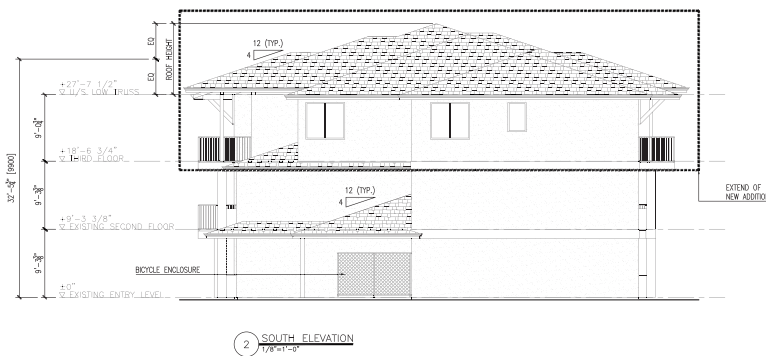
- ASPHALT SHINGLES DUAL BLACK
- GUTTERS AND SCOFF: GENTLEK HANNAH WHITE
- DOWNPOUTS: GENTLEK HANNAH WHITE
- WINDY WINDOWS: WHITE
- NEW ASPHET STUCCO: SAND-TAN
- COLOR APPROVED BY OWNER
- PRE-FINISHED WHITE ALUMINUM HANDRAILS
- EXISTING STUCCO: REPAIR, CLEAN AND PAINT TO MATCH COLOR APPROVED BY OWNER
- EXISTING BRICK VENEER: REPAIR, CLEAN AND REPAIR AT INTERSECTION BETWEEN BRICK AND DECKING MATERIALS

# SCHEDULE B

This forms part of application  
# DP17-0041

Planner Initials AC

City of Kelowna  
COMMUNITY PLANNING



- ASPHALT SHINGLES DUAL BLACK
- GUTTERS AND SCOFF: GENTLEK HANNAH WHITE
- DOWNPOUTS: GENTLEK HANNAH WHITE
- WINDY WINDOWS: WHITE
- PRE-FINISHED WHITE ALUMINUM HANDRAILS
- NEW ASPHET STUCCO: SAND-TAN
- COLOR APPROVED BY OWNER
- EXISTING STUCCO: REPAIR, CLEAN AND PAINT TO MATCH COLOR APPROVED BY OWNER
- CHAIN LINK BICYCLE ENCLOSURE

FOR DP

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501-1630 Pandey St., Kelowna, BC V1Y 1P7  
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Revision No., Date and Description	
01. 01. 17 DP-0041	02. 03. 17 FOR DP
04. 26. 17 DP REVISIONS	
Plot Date	Drawing No.
01. 01. 17	01. 01. 17
PROJECT	
THE GARDEN HOUSE	
DRAWING TITLE	
ELEVATIONS	

**A**

# DP17-0041



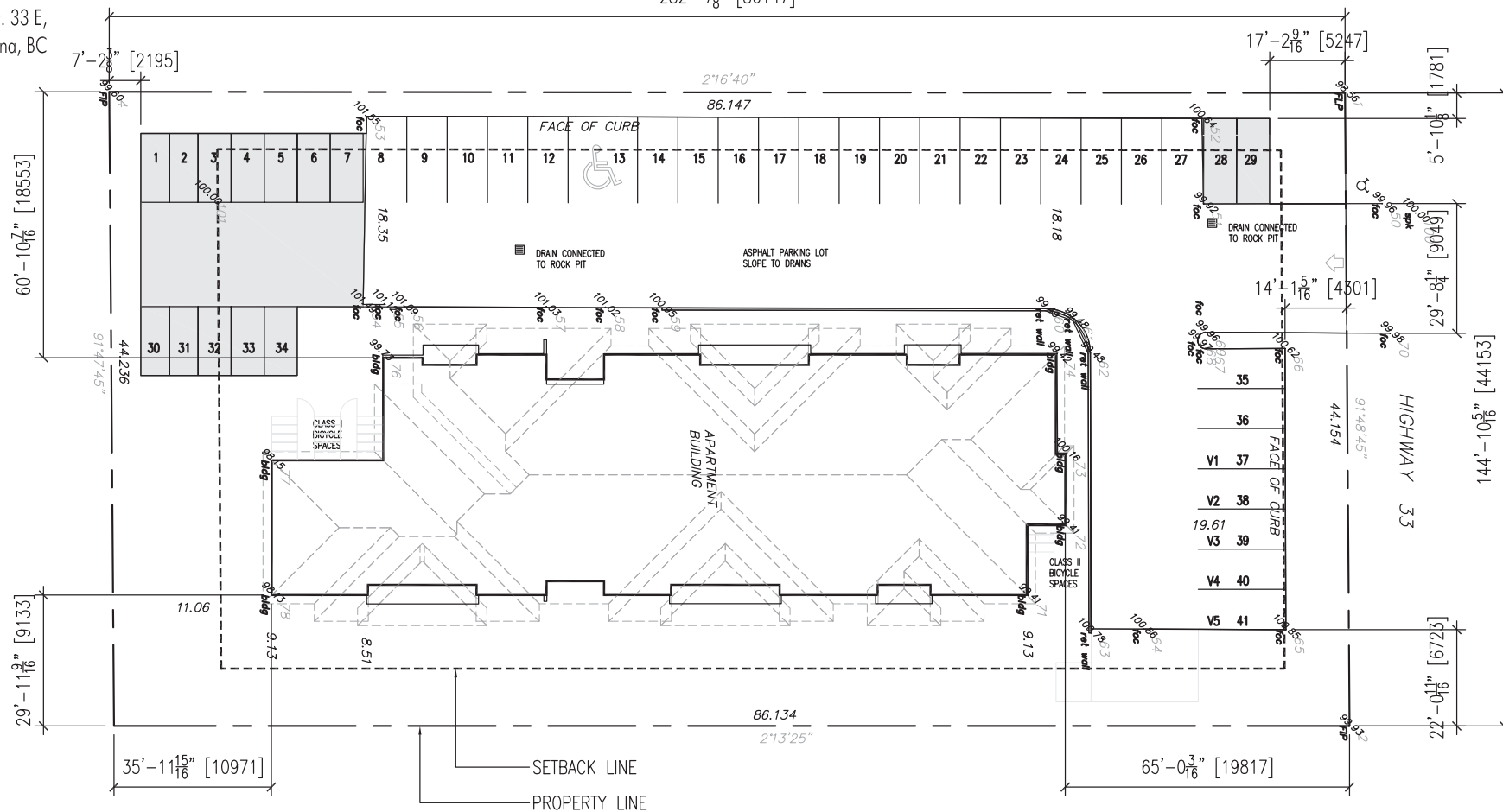
**City of Kelowna**  
COMMUNITY PLANNING

Planner Initials AC

Civic Address:  
205 Hwy. 33 E,  
Kelowna, BC



282'-7 $\frac{5}{8}$ " [86147]





**CITY OF KELOWNA**  
**BYLAW NO. 11376**  
**TA16-0007 – Medical Marihuana Amendments**

---

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

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

1. THAT **Section 2 – Interpretation, 2.3 General Definitions** be amended by:

a) deleting the definition for **MEDICAL MARIHUANA PRODUCTION FACILITY** that reads:

**"MEDICAL MARIHUANA PRODUCTION FACILITY** means a facility for the producing, processing, setting, providing, shipping, delivering and destroying of medical marihuana and can include analytical testing in permitted industrial zones and must be licensed under the Health Canada Marihuana for Medical Purposes Regulations (SOR/210 -119)."

And replacing it with:

**"MEDICAL MARIHUANA PRODUCTION FACILITY** means a facility for the producing, processing, setting, providing, shipping, delivering and destroying of medical marihuana and can include analytical testing in permitted industrial zones and must be licensed by Health Canada. This **use** does not include the retail sale or dispensing of marihuana."

b) deleting the definition for **RETAIL STORE – CONVENIENCE** that reads:

**"RETAIL STORE – CONVENIENCE** means **development** used for the retail sale of those goods required by area residents (including tourists temporarily resident in a neighbourhood) and employees on a day to day basis, from **business premises** which do not exceed 235 m<sup>2</sup> in **gross floor area**. Typical **uses** include but are not necessarily limited to: small food stores, drug stores, florists, or variety stores selling confectionery, tobacco, groceries, beverages, pharmaceutical items, personal care items, hardware, printed matter, seasonal or tourism related rentals or the rental of videos. In the W2 Zone, this includes items normally required by people using marina facilities, but does not include the rental of personal watercraft or rental of automobiles."

And replacing it with:

**"RETAIL STORE – CONVENIENCE** means **development** used for the retail sale of those goods required by area residents (including tourists temporarily resident in a neighbourhood) and employees on a day to day basis, from **business premises** which do not exceed 235 m<sup>2</sup> in **gross floor area**. Typical **uses** include but are not necessarily limited to: small food stores, drug stores, florists, or variety stores selling confectionery, tobacco, groceries, beverages, pharmaceutical items, personal care items, hardware, printed matter, seasonal or tourism related rentals or the rental of videos. This **use** does not include the retail sale or dispensing of marihuana. In the W2 Zone, this includes items normally required by people using marina facilities, but does not include the rental of personal watercraft or rental of automobiles."

c) deleting the definition for **RETAIL STORE, GENERAL** that reads:

**"RETAIL STORE, GENERAL** means **premises** where goods, merchandise and other material are offered for sale at retail to the general public and includes limited on-site storage or limited seasonal outdoor sales to support that store's operations. Typical **uses** include but are not

limited to grocery, hardware, pharmaceutical, clothing, appliance and sporting goods stores. This **use** excludes **warehouse sales** and sale of gasoline, heavy agricultural and industrial equipment, second-hand goods, and retail stores requiring **outdoor storage**."

And replacing it with:

**"RETAIL STORE, GENERAL** means **premises** where goods, merchandise and other material are offered for sale at retail to the general public and includes limited on-site storage or limited seasonal outdoor sales to support that store's operations. Typical **uses** include but are not limited to grocery, hardware, pharmaceutical, clothing, appliance and sporting goods stores. This **use** excludes **warehouse sales** and sale of gasoline, heavy agricultural and industrial equipment, second-hand goods, and retail stores requiring **outdoor storage**. This **use** does not include the retail sale or dispensing of marihuana."

- d) deleting the definition for **RETAIL STORES, HEALTH PRODUCTS** that reads:

**"RETAIL STORES, HEALTH PRODUCTS** means a retail outlet where products related to the health industry are sold, rented, custom fitted or repaired. Such uses include but are not limited to pharmacies, health food stores, naturopathic stores, uniform stores. Limited convenience retail is permitted as a secondary use."

And replacing it with:

**"RETAIL STORES, HEALTH PRODUCTS** means a retail outlet where products related to the health industry are sold, rented, custom fitted or repaired. Such uses include but are not limited to pharmacies, health food stores, naturopathic stores, uniform stores. Limited convenience retail is permitted as a secondary use. This **use** does not include the retail sale or dispensing of marihuana."

- e) deleting the definition for **RETAIL STORE, SERVICE COMMERCIAL** that reads:

**"RETAIL STORE, SERVICE COMMERCIAL** means **premises** where goods, merchandise or other materials are offered for sale at retail to the general public and require extensive on-site storage to support the store's operations, either for product storage, or for processing, manufacturing or repairing goods sold on site. Typical **uses** include but are not limited to sales of automotive parts, and bakeries and butchers that process on site."

And replacing it with:

**'RETAIL STORE, SERVICE COMMERCIAL** means **premises** where goods, merchandise or other materials are offered for sale at retail to the general public and require extensive on-site storage to support the store's operations, either for product storage, or for processing, manufacturing or repairing goods sold on site. Typical **uses** include but are not limited to sales of automotive parts, and bakeries and butchers that process on site. This **use** does not include the retail sale or dispensing of marihuana."

- f) deleting the definition for **HEALTH SERVICES, MAJOR** that reads:

**"HEALTH SERVICES, MAJOR** means a **development** used for the provision of physical or mental **health services** on an out-patient basis. Services may be of a preventative, diagnostic, treatment, therapeutic, rehabilitative or counseling nature. Typical **uses** include, but are not limited to, medical and dental **offices**,

chiropractors, massage therapists and acupuncture clinics, health clinics, and counseling services.”

And replacing it with:

**“HEALTH SERVICES, MAJOR** means a **development** used for the provision of physical or mental **health services** on an out-patient basis. Services may be of a preventative, diagnostic, treatment, therapeutic, rehabilitative or counseling nature. Typical **uses** include, but are not limited to, medical and dental **offices**, chiropractors, massage therapists and acupuncture clinics, health clinics, and counseling services. This **use** does not include the retail sale or dispensing of marihuana.”

2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 10<sup>th</sup> day of April, 2017.

Considered at a Public Hearing on the 25<sup>th</sup> of April, 2017.

Read a second and third time by the Municipal Council this 25<sup>th</sup> of April, 2017.

Approved under the Transportation Act this 3<sup>rd</sup> day of May, 2017.

Robyn Clifford

(Approving Officer-Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this .

\_\_\_\_\_  
Mayor

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



# REPORT TO COUNCIL



**Date:** May 8, 2017

**RIM No.** 0940-00

**To:** City Manager

**From:** Community Planning Department (EW)

**Application:** RTE16-0008

**Owner:** CG Two – Mission Group  
Homes Ltd., Inc.No. BC1017482

**Address:** 1775 Chapman Pl

**Applicant:** CG Two – Mission Group  
Homes Ltd.

**Subject:** Revitalization Tax Agreement

Existing OCP Designation: MRM – Multiple Unit Residential (Medium Density)

Existing Zone: CD22 – Central Green Comprehensive Development Zone

---

## 1.0 Recommendation

THAT Council approves the City entering into a Revitalization Tax Exemption Agreement (Schedule "A") with CG Two – Mission Group Homes Ltd. for Lot 3 District Lot 139 ODYD Plan KAP92715 located at 1775 Chapman Pl, Kelowna, BC in the form attached to the Report from the Community Planning Department dated May 8, 2017;

AND THAT the Mayor and City Clerk be authorized to execute the Revitalization Tax Exemption Agreement on behalf of the City of Kelowna.

## 2.0 Purpose

To enter into a Revitalization Tax Exemption Agreement with CG Two – Mission Group Homes Ltd. on the subject property.

## 3.0 Proposal

The subject property is designated as MRM – Multiple Density Unit Residential (Medium Density) in the Official Community Plan (OCP) and is zoned CD22 – Central Green Comprehensive Development. The Development Variance Permit and Development Permit for 'Building G' a 4-storey 83-unit apartment building was approved by Council on May 16, 2016 under DP16-0060. The Building Permit Application for the building was submitted on April 5, 2016 for a Total Value of Building Construction of \$13,700,000.00.

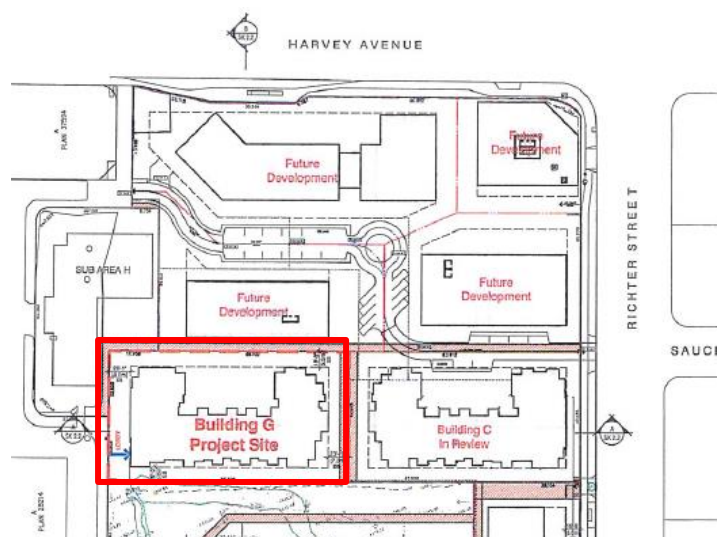
The project is in the 'Tax Incentive Area 3' as described by the Revitalization Tax Exemption Program Bylaw No. 9561. A tax exemption will be considered within Area 3 for the first 200,000 sq.ft of development to receive a building permit.<sup>1</sup> 'Tax Incentive Area 3' amounts to 50% of the Residential portion of Revitalization Amount on the parcel, for a project with a minimum floor area of 3,7156 m<sup>2</sup> as long as:

1. The Project involves construction that results in a new building;
2. The construction value based on the building permit(s) issued is \$50,000.00 or greater;
3. The Project is consistent with the land use for the area as set out in Zoning Bylaw No. 8000 and Official Community Plan Bylaw No. 10500;
4. The owner of the Parcels enters into an agreement with the City;
5. The form and character of the Project is consistent with the applicable Development Permit Area Design Guidelines contained within Chapter 14 of Official Community Plan Bylaw No. 10500
6. The property is located in a Revitalization Area as shown on Schedule 'A' of Revitalization Tax Exemption Program Bylaw No. 9561.

With all requirements met the subject property qualifies to receive 50% of the Residential portion of Revitalization Amount on the parcel. Based on the 2016 Municipal Tax Rate for a Residential Property Class (3.711) and the total value of building construction estimated at \$13,700,000.00<sup>2</sup>, the tax exemption would be approximately \$25,420 per year. For a period of 10 years from 2019-2028, the total exempt amount would be approximately \$254,203.

### 3.1 Development Permit DP16-0060

Site Plan:



<sup>1</sup> If this RTE application (RTE16-0008) for 1775 Chapman Pl and RTE16-0009 for 1350 St. Paul St are approved by Council, Tax Incentive Area 3 would be removed from the Tax Exemption Program as the 200,000 sq.ft capacity has been reached.

<sup>2</sup> This estimate was provided by the applicant as part of the Building Permit application.

Elevation:



**4.0 Current Development Policies**

Revitalization Tax Exemption Program Bylaw No. 9561.

**5.0 Technical Comments**

None.

**6.0 Application Chronology**

Date of Application Received: October 18, 2016

<b>Report prepared by:</b>	Emily Williamson, Planner I
<b>Reviewed by:</b>	Terry Barton, Urban Planning Manager
<b>Reviewed by:</b>	Matt Friesen, Accountant
<b>Reviewed by:</b>	Ryan Smith, Community Planning Department Manager
<b>Approved for Inclusion:</b>	Doug Gilchrist, Divisional Director, Community Planning & Real Estate

**Attachments:**

Schedule "A" – Revitalization Tax Exemption Agreement  
Schedule "B" – Tax Exemption Certificate

### Revitalization Tax Exemption Agreement

THIS AGREEMENT dated for reference the \_\_\_\_ day of \_\_\_\_\_, 2017 is

**BETWEEN:**

**CG TWO-MISSION GROUP HOMES LTD., INC.** NO. BC1017482  
1700-1631 Dickson Avenue  
Kelowna, B.C.  
V1Y 0B5  
(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 **1775 CHAPMAN PL** legally described as **LOT 3 DISTRICT LOT 139 OSOYOOS DIVISION YALE DISTRICT PLAN KAP92715** (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561 the designation of areas which include the Parcel as a revitalization area; and
- C. The Owner proposes to construct new 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. 9561. Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will:
  - a. Include construction of a four storey 83-unit condominium building;
  - b. Provide parking under the building within an enclosed parkade;
  - c. Have a mix of apartment types, varying from studios to two bedrooms.

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** - Refers to 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 1 of this agreement;
4. **Revitalization Tax Exemption** - subject to fulfilment of the conditions set out in this agreement and in “City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561”, 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 this agreement.
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 obtain a building permit from the City for the Project on or before **April 30, 2016**;
  - b. 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” and the Project must be officially opened for use as multiple dwelling housing (the “Exempt Use”) and for no other use, by no later than **July 31, 2018**;
  - c. The Owner must submit a copy of the Occupancy Permit and Revitalization Tax Exemption Agreement to the City of Kelowna’s Revenue Branch before the City will issue the Tax Exemption Certificate.
  - d. The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto, as determined by the City’s Urban Planning Manager or designate, in their sole discretion, acting reasonably.
6. **Calculation of Calculation of Revitalization Tax Exemption** - the amount of the Tax Exemption shall be equal to:

- a) For “Tax Incentive Area 3,” 50% of the Residential portion of Revitalization Amount on the Parcel, for a project with a minimum floor area of 3,716 m<sup>2</sup> (40,000 sq. ft.);
- 7. **Term of Tax Exemption** - provided the requirements of this agreement, and of the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, are met the Tax Exemption shall be for the taxation years **2019 to 2028**, inclusive.
- 8. **{deleted}**
- 9. **Compliance with Laws** - the Owner shall construct the Project and, at all times during the term of the Tax Exemption or any renewal term, 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.
- 10. **Effect of Stratification** - if the Owner stratifies the Parcel or the Project 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, where a Housing Agreement exists in relation to the Parcel or the Project which limits ability to stratify, the Housing Agreement is still complied with.
- 11. **Cancellation** - the City may in its sole discretion cancel the Tax Exemption Certificate at any time:
  - a. on the written request of the Owner; or
  - 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.

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 after 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) or if transmitted by facsimile 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
    - b. in the case of a notice to the Owner, at:

CG TWO-MISSION GROUP HOMES LTD., INC., NO. BC1017482  
1700-1631 Dickson Avenue  
Kelowna, B.C.  
V1Y 0B5

Attention: Luke Turri
- 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. Any construction of a new improvement or alteration of an existing improvement as of this bylaw undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration
23. The maximum Revitalization Tax Exemption authorized under this Bylaw 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.
24. 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:

\_\_\_\_\_  
Mayor

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



Executed by CG TWO-MISSION GROUP HOMES LTD. by its  
Authorized signatories:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

Appendix "A": Plans and Specifications

## Schedule "C"

### Tax Exemption Certificate

In accordance with the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561 (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 CG Two-Mission Group Homes Ltd., Inc., No. BC1017482 (the "Owner"), the registered owner(s) of Lot 3 District Lot 139 Osoyoos Division Yale District Plan KAP92715 (the "Parcel):

This certificate certifies that the Parcel is subject to a Revitalization Tax Exemption, for each of the taxation years **2019 to 2028** inclusive, equal to:

1. "Tax Incentive Area 3," 50% of the Revitalization Amount attributed to Building Permit No. BP 52679 between 2016 and **2018**;

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;

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. BP 52679 between 2016 and **2018**;

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.

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;

If any of these conditions are not met then 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.

# REPORT TO COUNCIL



**Date:** May 8, 2017

**RIM No.** 0940-00

**To:** City Manager

**From:** Community Planning Department (EW)

**Application:** RT16-0009

**Owner:** Sole Downtown Developments Ltd., Inc.No. BC1057689

**Address:** 1350 St Paul St

**Applicant:** Sole Downtown Developments Ltd.

**Subject:** Revitalization Tax Agreement

Existing OCP Designation: MXR – Mixed Use (Residential/Commercial)

Existing Zone: C7 – Central Business Commercial

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## 1.0 Recommendation

THAT Council approves the City entering into a Revitalization Tax Exemption Agreement (Schedule "A") with Sole Downtown Developments Ltd. for Lot 1 District Lot 139 ODYD Plan KAP68461 located at 1350 St Paul St, Kelowna, BC in the form attached to the Report from the Community Planning Department dated May 8, 2017;

AND THAT the Mayor and City Clerk be authorized to execute the Revitalization Tax Exemption Agreement on behalf of the City of Kelowna.

## 2.0 Purpose

To enter into a Revitalization Tax Exemption Agreement with Sole Downtown Developments Ltd. on the subject property.

## 3.0 Proposal

The subject property is designated as MXR – Mixed Use (Residential/Commercial) in the Official Community Plan (OCP) and is zoned C7 – Central Business Commercial. The Development Permit for the 6-storey 40-unit mixed building was approved by Council on May 17, 2016 under DP16-0017 and DVP16-0019. The Building Permit Application for the building was submitted on April 25, 2016 for a Total Value of Building Construction of \$8,000,000.00.

The project is in the 'Tax Incentive Area 3' as described by the Revitalization Tax Exemption Program Bylaw No. 9561. A tax exemption will be considered within Area 3 for the first 200,000 sq.ft of

development to receive a building permit.<sup>1</sup> 'Tax Incentive Area 3' amounts to 50% of the Residential portion of Revitalization Amount on the parcel, for a project with a minimum floor area of 3,7156 m<sup>2</sup> as long as:

1. The Project involves construction that results in a new building;
2. The construction value based on the building permit(s) issued is \$50,000.00 or greater;
3. The Project is consistent with the land use for the area as set out in Zoning Bylaw No. 8000 and Official Community Plan Bylaw No. 10500;
4. The owner of the Parcels enters into an agreement with the City;
5. The form and character of the Project is consistent with the applicable Development Permit Area Design Guidelines contained within Chapter 14 of Official Community Plan Bylaw No. 10500
6. The property is located in a Revitalization Area as shown on Schedule 'A' of Revitalization Tax Exemption Program Bylaw No. 9561.

With all requirements met, the subject property qualifies to receive 50% of the Amount based on the square footage capacity that remains within Tax Incentive Area 3. Based on the 2016 Municipal Tax Rate for a Residential Property Class (3.711) and the total value of residential building construction estimated at \$6,000,000.00<sup>2</sup>, the tax exemption would be approximately \$11,113 per year. For a period of 10 years from 2019-2028, the total exempt amount would be approximately \$111,330.

### 3.1 Development Permit and Development Variance Permit DP16-0017 and DVP16-0019

Elevation:



<sup>1</sup> If this RTE application (RTE16-0009) for 1350 St. Paul St and RTE16-0008 for 1775 Chapman Pl are approved by Council, Tax Incentive Area 3 would be removed from the Tax Exemption Program as the 200,000 sq.ft capacity has been reached.

<sup>2</sup> This residential estimate is based on total project estimate provided by the applicant as part of the Building Permit application.

**4.0 Current Development Policies**

Revitalization Tax Exemption Program Bylaw No. 9561.

**5.0 Technical Comments**

None.

**6.0 Application Chronology**

Date of Application Received: November 17, 2016

<b>Report prepared by:</b>	Emily Williamson, Planner I
<b>Reviewed by:</b>	Terry Barton, Urban Planning Manager
<b>Reviewed by:</b>	Matt Friesen, Accountant
<b>Approved for Inclusion:</b>	Ryan Smith, Community Planning Department Manager

**Attachments:**

Schedule "A" – Revitalization Tax Exemption Agreement

Schedule "B" – Tax Exemption Certificate

### Revitalization Tax Exemption Agreement

THIS AGREEMENT dated for reference the \_\_\_\_ day of \_\_\_\_\_, 2017 is

**BETWEEN:**

**SOLE DOWNTOWN DEVELOPMENTS LTD., INC.** NO. BC1057689  
101-1290 St. Paul Street  
Kelowna, B.C.  
V1Y 2C9

(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 **1350 ST PAUL ST** legally described as **LOT 1 DISTRICT LOT 139 OSOYOOS DIVISION YALE DISTRICT PLAN KAP68461** (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561 the designation of areas which include the Parcel as a revitalization area; and
- C. The Owner proposes to construct new 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. 9561. Without limiting the generality of the foregoing, the Owner covenants to use its best efforts to ensure that the Project will:
  - a. Include construction of a six storey mixed-use building with 40 residential units;
  - b. Provide parking under the building in a parkade;
  - c. Have a mix of apartment types, varying from studios to one bedroom.

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** - Refers to 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 1 of this agreement;
4. **Revitalization Tax Exemption** - subject to fulfilment of the conditions set out in this agreement and in “City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561”, 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 this agreement.
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 obtain a building permit from the City for the Project on or before **April 30, 2016;**
  - b. 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” and the Project must be officially opened for use as a mixed-use building with apartment housing (the “Exempt Use”) and for no other use, by no later than **July 31, 2018;**
  - c. The Owner must submit a copy of the Occupancy Permit and Revitalization Tax Exemption Agreement to the City of Kelowna’s Revenue Branch before the City will issue the Tax Exemption Certificate.
  - d. The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto, as determined by the City’s Urban Planning Manager or designate, in their sole discretion, acting reasonably.
6. **Calculation of Calculation of Revitalization Tax Exemption** - the amount of the Tax Exemption shall be equal to:



- a) For “Tax Incentive Area 3,” 50% of the Residential portion of Revitalization Amount on the Parcel, for a project with a minimum floor area of 3,716 m<sup>2</sup> (40,000 sq. ft.);
- 7. **Term of Tax Exemption** - provided the requirements of this agreement, and of the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, are met the Tax Exemption shall be for the taxation years **2019 to 2028**, inclusive.
- 8. **{deleted}**
- 9. **Compliance with Laws** - the Owner shall construct the Project and, at all times during the term of the Tax Exemption or any renewal term, 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.
- 10. **Effect of Stratification** - if the Owner stratifies the Parcel or the Project 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, where a Housing Agreement exists in relation to the Parcel or the Project which limits ability to stratify, the Housing Agreement is still complied with.
- 11. **Cancellation** - the City may in its sole discretion cancel the Tax Exemption Certificate at any time:
  - a. on the written request of the Owner; or
  - 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.

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 after 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) or if transmitted by facsimile 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:  
Fax:
    - b. in the case of a notice to the Owner, at:

SOLE DOWNTOWN DEVELOPMENTS LTD., INC.NO. BC1057689  
101-1290 St. Paul Street  
Kelowna, B.C.  
V1Y 2C9

Attention: Paul Whitewood  
Fax: 778-484-7078
- 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. Any construction of a new improvement or alteration of an existing improvement as of this bylaw undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration
23. The maximum Revitalization Tax Exemption authorized under this Bylaw 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.
24. 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:

\_\_\_\_\_  
Mayor

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

Executed by SOLE DOWNTOWN DEVELOPMENTS LTD. by its  
Authorized signatories:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

Appendix "A": Plans and Specifications

## Schedule "C"

### Tax Exemption Certificate

In accordance with the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561 (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 Sole Downtown Developments Ltd., Inc.No. BC1057689 (the "Owner"), the registered owner(s) of Lot 1 District Lot 139 Osoyoos Division Yale District Plan KAP68461 (the "Parcel):

This certificate certifies that the Parcel is subject to a Revitalization Tax Exemption, for each of the taxation years 2019 to 2028 inclusive, equal to:

1. "Tax Incentive Area 3," 50% of the Revitalization Amount attributed to Building Permit No. BP 52827 between 2016 and 2018;

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;

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. BP 52827 between 2016 and 2018;

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.

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;

If any of these conditions are not met then 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.

# Report to Council



**Date:** May 8, 2017  
**File:** 0600-01  
**To:** City Manager  
**From:** Ian Wilson, Infrastructure Operations Manager  
**Subject:** Parks and Public Spaces Bylaw Update

---

## **Recommendation:**

THAT Council receive for information the report from the Infrastructure Operations Manager, dated May 8, 2017 recommending changes to the Parks and Public Spaces Bylaw;

AND THAT Bylaw No. 11349 being Amendment No. 3 to Parks and Public Spaces Bylaw No. 10680 be given reading consideration;

AND FURTHER THAT Bylaw No. 11350 being "Amendment No. 18 to Bylaw Notice Enforcement Bylaw No. 10475" be given reading consideration.

## **Purpose:**

To amend the Parks and Public Spaces Bylaw No. 10680 as well as the schedule of fines in Bylaw No. 10475.

## **Background:**

Updates are required to the Parks and Public Spaces Bylaw No. 10680 to take into account several Council resolutions in 2016 (new dog parks, changes to park names) as well as some housekeeping and regular updates. Staff recommend the following changes:

- Various housekeeping and language updates (e.g. incorrect page numbers in Bylaw);
- Section 3.37 was modified slightly to make it easier for family gatherings, neighbourhood groups, etc. to use portable barbecues in parks as long as they do so safely. The previous language only allowed barbecues on beaches.

- Section 3.39 was modified to clarify that “damage” to a park may also include illegal dumping or drainage of a substance into a park or a water body. A new section, 6.3, also allows the City to recover any costs associated with the repair of damage to a park.
- Schedule D: the dock at Manhattan point has been removed as a location where commercial operators may pick up and drop off passengers, since this is not an appropriate location for that use.
- Schedule E has been updated to include 11 additional areas where dogs are recommended to be allowed on-leash. Most of these locations were part of a public engagement process in late summer of 2016 (see Attachment A). Staff also recommend adding three large natural areas (Tower Ranch, University South and Mine Hill Park) and future on-leash areas at Rowcliffe park. The addition of these 11 locations would add almost 97 hectares of additional on-leash areas.
- Schedule F has been updated to reflect three new off-leash dog beaches approved by Council in 2016, and some minor updates to the sizes of dog parks in Schedule F. New off-leash beach locations include: Lake Avenue Dog Beach (temporary trial period), Downtown Sails – Cooling Off Beach, and Poplar Point Dog Beach. The size of the new Rowcliffe off-leash dog park (construction commencing in 2017/18) has been updated to 0.12 ha.
- Updates to the Parks inventory and dog on-leash areas (Schedules E and H) reflect that Tulameen and McCarren Park were consolidated with Providence Park under the name “Providence Park”, and Rockview Park was consolidated with Mountainside Park under the name “Mountainside Park” (as per Council resolution on February 15, 2016).
- Some minor errors in the fines schedule in Bylaw No. 10475 were corrected as well as the language for section 3.37 (barbecues in parks).

#### **Internal Circulation:**

Manager, Bylaw Services  
 Communications Advisor, Communications  
 Parks Planner, Infrastructure Planning  
 Project Manager, Infrastructure Delivery  
 Deputy Fire Chief, Fire Department  
 Property Management Manager, Real Estate Services  
 Manager, Community & Neighbourhood Services  
 Event Development Supervisor, Sport & Event Services  
 Deputy City Clerk, Office of the City Clerk  
 Risk Manager, Risk Management

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

Community Charter



**External Agency/Public Comments:**

Regional District of the Central Okanagan (Dog control) were circulated on the changes. RDCO staff commented that signage should be consistent to ensure that it is clear to the public where dogs are allowed in these areas. Park Services staff will review this.

**Considerations not applicable to this report:****Legal/Statutory Procedural Requirements:**

**Existing Policy:**

**Financial/Budgetary Considerations:**

**Personnel Implications:**

**Communications Comments:**


**Alternate Recommendation:**

Submitted by:



Ian Wilson, Infrastructure Operations Manager

Approved for inclusion:



Joe Creron, Deputy City Manager Operations

## **Attachment A. On-Leash Parks Public Engagement Results**

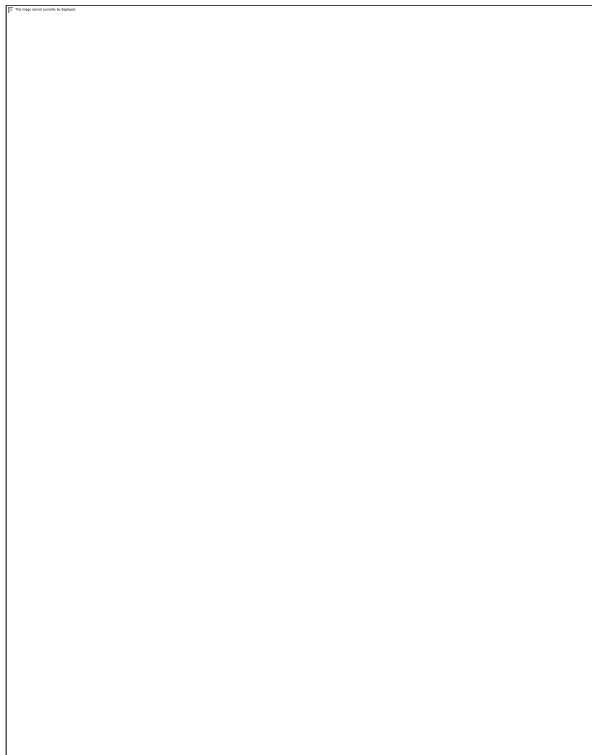
Signs were posted welcoming public feedback with respect to changing park status from NO DOGS permitted to ON-LEASH at the locations listed below. Signs were posted mid-July until late August, 2016.

In all, 38 comments were received. All but four were in favour of the change in status.

The majority of comments were specifically for Gyro Beach (23), some of which were tourists. In reviewing these comments there might have been some confusion from the public as to whether dogs would be allowed on the beach.

Redridge Park was not signed as part of this project as earlier in the spring, RDCO Dog Control brought to Parks attention that the park was signed incorrectly as an ON LEASH park. When it was corrected with NO DOG's signage, the residents banded together to reinstate ON LEASH status. E-mails were received by seven residents in support of allowing dogs on leash. The park was signed in mid-July as a 'temporary' ON LEASH park pending Bylaw update.

Below are the parks that were considered, signage posted and comments received.



### **Parks/Green Spaces signs were posted at:**

1. **Avonlea park:** neighbourhood park with pathways
2. **Redridge park:** had a sign allowing dogs on-leash that was put up by mistake years ago. Neighbours petitioned to have the park designated as on leash
3. **McKinley Mountain:** large natural area
4. **Skyland Open Space:** natural area in Wilden
5. **Upper canyon Open Space:** natural area in Wilden
6. **Watt park/green space:** green space near the creek
7. **Gyro Park:** Park area, does not include beach

	Date	Comments
1.	2016-07-25	I'd like to voice my support for the transition of the status change for dogs to be allowed in <a href="#">Gyro</a> park. It would be really nice to be able to spend time in the park with family, friends and our dog.
2.	2016-07-26	Hi! I'm writing to show my support for the possibility of a <a href="#">Gyro Beach</a> dog park! We need more dog friendly areas that also allow us to be with other people. Having an area close to the downtown would be a huge convenience! It would also be great to have a small dog section of the park as other parks in Kelowna have done!
3.	2016-07-26	I wholeheartedly support the grass park being an on leash dog park at <a href="#">Boyce Gyro</a> Park. It would be an appropriate location to allow families with dogs to enjoy a park in that neighbourhood.
4.	2016-07-29	Hello In response to the sign@ <a href="#">GYRO</a> beach. I see no problem with people walking on the sidewalk with dogs on leashes. Thank you
5.	2016-07-29	On my morning dog walk, I saw your sign at <a href="#">Gyro</a> . A big YES for this. When walking my dog, I like to be able to walk along the lake, see the mountains, the activities on the beach etc. Walking through Gyro would be so much more pleasant than walking along Lakeshore Rd. with the traffic. Also, with all the small beach parks on the Abbott/Walnut corridor, can we have 1 or 2 designated for dogs on a leash? This is my daily stroll and in this weather, dogs need a drink. We walk by all this water but nowhere are dogs allowed access to the lake - this policy does not serve the very large portion of Kelowna taxpayers who are dog owners!
6.	2016-08-02	Oh, and by the way, could you tell me the status of the proposed new dog beaches? I understood that they were expected to be made available this summer ? Subject: Proposed On-Leash Dog Park - <a href="#">Wilden</a> I saw a sign by a greenspace area on <a href="#">Skyland Drive</a> , that said it was being proposed as an on-leash dog park. We were directed to the website for further information, but I have been unable to find anything on the website. Can you direct me? I am a dog owner and in favour of more (good) dog parks and beaches. If this green space is being proposed as an on-leash dog park simply because, as your website says, most parks are on-leash dog parks unless they are environmentally sensitive etc., then it should be done - at the least. However, I cannot understand why it would not be designated an off-leash park. It is tiny. It is an odd shape, with steep slopes all around. It consists mainly of high grasses and it is not groomed by anyone. There is nothing much it could be used for in the way of a park, and I would suggest that it is currently not used for park purposes, and is unlikely to be used, other than by dogs and their owners. It is not conducive to use as a child's play area, or use by a non-dog owner. It is, to my observation, mainly used by dog owners to access the road and paths below for dog walking. It could be a small area for dogs to romp with a ball. It is partially

	fenced, and practically speaking, "fenced" by the steep slopes all around it. The only residences adjacent are located far above the "park", and those owners themselves have dogs. I do not understand the apparent resistance to (good) off-leash park areas for dogs in Kelowna. I would be interested to hear your logic.
7.	2016-08-02 I would definitely be very happy if the change is implemented that dogs can attend the park on-leash. I have a large dog that requires a lot of exercise... I walk between 7 and 12 km every day... It would be nice to be able to take him to more of my favorite places in the city! At this point I take him to various off-leash parks ... Most of which are over 2 km from my home and all the paths are concrete which is difficult on both his feet as well as mine... Then I take him home and go to gyro on my own... I love being near the water.... It would be fantastic to share that with my "best friend". Thanks for considering the change. Respectfully [name removed] Sent from my iPhone
8.	2016-08-02 I hope everyone agrees, we have so many families with dogs it would be nice to all go to the park together ----- even if Mum or Dad has to sit on the walkway bench and watch.
9.	2016-08-02 Hello. I would like to add my voice and my husband's to the request to allow dogs on leash in Kelowna city parks. The majority of dog owners are very responsible, and we often "police" each other. I always have dog bags in my pockets & offer them to people who may have forgotten theirs. Dogs are ubiquitous and as long as they're well behaved they can be a pleasure for everyone. With respect, please seriously consider this request. We look forward to further discussion on this matter.
10.	2016-08-03 To whom it may concern I noticed the sign at <a href="#">gyro beach</a> about opening the park walkway to dogs and would like to support the idea as it would be a great place to walk my dog during the fall and winter. I live on Abbott St and know that it is not crowded during these times and it is a much quieter walk than along Pandosy street. You can also sit on a bench and enjoy the view. Thank you for this great idea
11.	2016-08-04 Dog - Control I would love to bring my dog to any of the parks that are listed for suggested dog status changes. I especially like the <a href="#">Gyro Breach</a> potential dog status change :-)
12.	2016-08-04 Park - Issue What type of park issue are you reporting? Other Re: Proposed on-leash dog park I am in support of the proposed on-leash dog park in the grassy area at <a href="#">Gyro Beach</a> . I would love for my entire family to visit the beach, with one adult on the grassed area with our dog & my spouse down at the lake with the kids. Similar to Naramata's Manitou Park.
13.	2016-08-04 Hi, Saw the sign at the park entrance and wanted to say that me and my family wholeheartedly support the proposition to allow dogs on the walkways at Gyro beach! I have a dream that one day the city will have a walkway from <a href="#">Gyro beach</a>

		extended either towards the Eldorado hotel or downtown, so we can enjoy the lake and walk with our four legged friends while enjoying the lake views!
14.	2016-08-05	I would like to add my voice to input regarding adding more areas for dogs. I would like to see less not more areas that permit dogs. There are people who have allergies to dogs as well as those who are very afraid of dogs. While some owners keep their dogs close to them on a leash and away from others, most believe you live their dog (s). I have been at beaches where although signage indicates no dogs there are several, swimming and off leash on the beach. Also have observed dogs defecating in the water and on the beach. Owners did not clean up and became angry when asked to do so. I have also seen people let their dogs chase birds. If you choose to own a dog that your prerogative, please don't bring you dog to public spaces that were created for people's relaxation and enjoyment. Some cites even have sidewalk signs that have a picture of a dog with a line through it, especially in downtown and high traffic areas. Please take your dog to a dog park and leave people parks to people. Thank you.
15.	2016-08-05	I am in favour of allowing dogs on leash along the paved path in <a href="#">Gyro Beach</a> . During hot summer weather dog owners exercise their dogs early morning or late afternoon/evening when fewer beach users would be in the park. Also dog walkers would appreciate having a bench to sit on to enjoy a view of the lake. This park should always have been open to dogs on leash after the swimming season is done. I keep hearing that parks are for all people and would like to believe that includes the people who have companion dogs on leash. Thank you.
16.	2016-08-05	To whom it may concern: I strongly support the change to the status of the park at <a href="#">Gyro beach</a> to allow on-leash dogs. Kelowna needs more dog friendly areas! Thank you,
17.	2016-08-05	Dear parks, Our family is all for the city initiative to allow dogs on leash in green spaces. It's time to get with the program! Thank you,
18.	2016-08-08	Hello. I saw your signage at <a href="#">Gyro</a> Park today. We've just arrived in Kelowna for our annual vacation and will be thrilled if this goes through. We bring the family dog with us. I notice it just says "on the walkway". While that will be nice I'd love to see you take it one step farther and allow them on the grass at the very far end of the park. So I'm giving it a big thumbs up ???? Thanks for allowing our input. [name removed] Burnaby, BC
19.	2016-08-08	As a person who walks her dog between 8 - 12 km per day, I would be very happy to be able to spend more time near the beach. I have spent the past two years walking him at Munson Pond in the mornings, after dinner and before bed. However, since the City of Kelowna decided to upgrade the area and make it a bird sanctuary... the old people who live in the area have been rude and over bearing when I walk my dog on-leash as required in the adjoining area. I used to run into

		anywhere from 75 to a hundred dogs a day, more on weekends and with the changes there and the grumpy old people, I'm lucky to see 3 or 4. With so few dogs and owners the trails have become overgrown and are almost impassable now. Too bad the old folks and the birds can't share an area that was well looked after by the dog owners. With the coyotes having free reign I have noticed a lot less birds are attending the area. Irony of Ironies... dogs aren't chasing the coyotes so they have a better chance at disturbing the environment. Anyway, as a dog walker ... the views along the lake are breathtaking and in this type of weather, cooling. The more places we can walk, the better! Thanks for asking for our input Oh and I have noticed that there are more visitors from out of province attending off-leash dog parks more than the previous years... Respectfully, [name removed] -- Live, Love, Laugh... giggle as often as you can for as long as you can! It helps to keep mind, body, spirit and emotions healthy and of course keeps you HAPPY!
20.	2016-08-08	Hi there, My family would be very excited to have dogs allowed on leash in <a href="#">Gyro Beach</a> Park! It is the closest city park to our home and we often don't get to enjoy it's beauty up close because we have our dog with us. We would likely walk through the park daily if dogs were allowed on the pathway. We would also appreciate a park in the area that allows dogs to swim as our dog thinks he is part fish and the closest beach that allows this is a 15 min drive away. We would love it if there was one a 5-10 min drive away or even one we could walk to. Thanks for all your work on this!
21.	2016-08-08	Caller would like to see dogs allowed at <a href="#">Gyro Beach</a> .
22.	2016-08-09	I vote yes and would like to see the ruling extended to allow dogs on leash on the grass at the south end of the park.
23.	2016-08-09	Please be aware that while the Kelowna Dog Association puts lots of effort into getting dogs into a certain park, they do not keep up that effort when it comes to maintaining the canisters that contain the free pick up bags. And yes people still go there to get a bag. In city park in particular, many dog owners go to the canisters and shrug. I have seen people use large plastic shopping bags. And some just not pick up. Yes, many people carry their own these days but, dogs often have their own schedules--especially when travelling. n The Kelowna Dog Association's responsibility does not end when the council says yes. Please take this into consideration before allowing any more dog parks. Thank you for your consideration.
24.	2016-08-09	Caller is in favour of making <a href="#">Gyro Park</a> a dog friendly park. He would like to see a beach that dogs can go into the water in Kelowna.
25.	2016-08-10	To whom it may concern, I would like to support those in favor of having dogs on leash allowed on the hard surfaces in <a href="#">Gyro beach park</a> . Yours truly,

26.	2016-08-10	Dear Sirs, I am in favour of allowing dogs on the walkway through <b>Gyro Park</b> , on and off leash. Allowing pets to accompany their owners and families would make Kelowna a much more user friendly place.
27.	2016-08-10	Hello, Thank you for your consideration in making Kelowna more dog friendly. I am in favour of the potential changes. To be able to enjoy the beautiful outdoors and know that your dog is welcome to enjoy it with you is a wonderful thing. We live in a community with so many well behaved dogs and it's really a shame that we are forced to leave them at home or forgo the beach altogether. I hope that you are receiving positive feedback and that the outcome is one that the community of dog lovers will greatly appreciate. Sincerely,
28.	2016-08-11	This is a great idea. I live in the area and find it frustrating that you can't take your dog for a walk and enjoy a park or the view from a beach but instead have to walk along a busy road. More dog access in this city would be great. I am surprised at how inaccessible for dogs the city is considering over 30% of the population own a dog. If it is unacceptable for this to go ahead in July/August, off season or winter should be considered. Nobody uses that park in the winter or fall.
29.	2016-08-11	yes to all Parks
30.	2016-08-11	I want to see dogs on leash allowed in <b>Gyro beach park</b> . I want to see dogs allowed in the lake between 6am and 8am at several dog beaches. Many people have no computer or are computer challenged and need to be able to convey their wishes by telephone. Otherwise they have no voice in city politics! This means Not A True Survey.
31.	2016-08-12	Yes for dogs at <b>Gyro</b>
32.	2016-08-12	called regarding Dog Park Status - absolutely no; it is not enforced enough now. Dogs should not be on leash or off least at the Parks where people are in the sand or playground. Another Dog Beach would be a better idea.
33.	2016-08-15	Dear Parks personnel, I am not in favor of the proposed change to allow dogs at <b>Gyro Beach</b> - even if it's only on the walkway. I have seen in many places that dog owners are not responsible enough to clean up after their dogs, despite 'bylaws' which mandate this. Allowing dogs at this park will detract from the family-friendly atmosphere this park is known for because it will become a place where your toddler has an equal chance of playing in dog poop as the sand. Besides, many small children (and even some not so small ones) are afraid of strange dogs. Please do not make the change to allow dogs. Sincerely,
34.	2016-08-15	Hi there, I saw a sign at <b>Gyro</b> yesterday and I do believe this was the email for feedback on allowing dogs on leash at public beaches. I am a dog owner of a loving fur baby who loves to swim! We used to live in the Shuswap and Kamloops, where there were lots of beaches off the beaten path you could bring your dog to swim freely without issues. We moved to Kelowna this year, and one of my concerns is



	the lack of beaches you are able to bring your dog to in this city. I fully support allowing dogs on leash at some of the public beaches in the city. Whenever I have brought my dog to the beach in Salmon Arm and Kamloops I always had her on leash anyways, as I am a responsible dog owner. I would bring her to the water first, throw sticks, and let her swim her heart out. She has a bad knee so swimming is very good exercise for her. After swimming for a bit, she's so tired she'll just lay and sunbathe with her mama. It brings both of us so much joy to see her in her favorite place.... the beach! Having so few places here in town makes it difficult as they are a far drive, and always overcrowded. It's not relaxing for either of us with that many dogs running around. We would both be ever so grateful to see this bylaw changed, at least at a few of the beaches in the city. That way, if someone is not a fan of dogs, they can choose to go to one of the beaches that do not allow dogs. It's a win win for both sides. My dog Nikita would thank you dearly! Kind regards,.
35. 2016-08-15	I am in favour of having this park an on leash dog park. I would love to be walk my dog by the lake.
36. 2016-09-14	Caller is in favor of dogs being allowed at <a href="#">Gyro Beach Park</a> . Just wanted to be sure her vote was registered.
37. 2016-08-08	In favour of On Leash in <a href="#">Skyland/Wilden Open Space</a> providing: <ul style="list-style-type: none"> <li>• Bag dispenser &amp; waste bins installed at each access point to avoid waste bags being left behind</li> <li>• Stairs be installed and maintained along a small, steep section of the trail</li> </ul> Would like On Leash status on the <a href="#">Lochview Trail</a> with the same improvements noted above
38. June-July	Redridge Park <ul style="list-style-type: none"> <li>• 7 responses by e-mail received from Crawford residents in support to maintain the ON-Leash status even though the park was not designated as one</li> </ul>

# CITY OF KELOWNA

## BYLAW NO. 11349

### Amendment No. 3 to Parks and Public Spaces Bylaw No. 10680

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Parks and Public Spaces Bylaw No.10680 be amended as follows:

1. **THAT PART 3 - PROHIBITIONS** be amended by:
  - a) Deleting the words in section 3.27 (b) "on a City beach" after the words "a portable barbecue may be used" and;
  - b) Adding the following to the end of the paragraph in section 3.39 "Damage to a park shall include (but not be limited to) dumping, draining, or discharge of any substance, liquid or solid on to park land or any water body within a park."
2. **AND THAT PART 6 – PENALTIES** be amended by adding a new section 6.3 that reads:

"6.3 Where any person contravenes any provision of this bylaw and thereby causes damage to a Park, Public Space or any assets contained therein, such person shall be liable to the City for all costs incurred in making repairs or taking remedial action."
3. **AND THAT SCHEDULE D** be amended by deleting the following in it's entirety:
  - Manhattan drive / Poplar Point dock
4. **AND THAT SCHEDULE E – Designated Dog On-Leash Parks** be amended by adding the following in their appropriate locations:

Avonlea Park	274 Avonlea Way	ON-LEASH	PARKLAND	0.15
Boyce-Gyro Park	3400 Lakeshore Rd	ON-LEASH	PARKLAND	3.60
McKinley Mountain Park	1798 Shayler Place	ON-LEASH	PARKLAND	17.14
Mine Hill Park	(W OF) Loseth Dr. Lot # 24	ON-LEASH	PARKLAND	13.1
Redridge Park	4805 Westridge Dr	ON-LEASH	PARKLAND	2.1
Rowcliffe park	1850 Richter St	ON-LEASH	PARKLAND	1.9
Skyland Open Space	119 Skyland Drive	ON-LEASH	PARKLAND	1.24
Tower Ranch Mountain Park	2205 Day Rd	ON-LEASH	PARKLAND	18.92

University South Park	S of Academy Way	ON-LEASH	PARKLAND	22.5
Upper Canyon Open Space	Various	ON-LEASH	PARKLAND	15.90
Watt Park	3175 Watt Rd	ON-LEASH	Road ROW	0.38

5. AND THAT **SCHEDULE E – Designated Dog On-Leash Parks** be amended by deleting the following in their entirety:

McCarren Park	347 McCarren Ave	ON-LEASH	PARKLAND	0.45
Tulameen Park	350 Providence Ave	ON-LEASH	PARKLAND	0.66

6. AND THAT **SCHEDULE E – Designated Dog On-Leash Parks** be amended by:

- a) deleting the following:

Mountainside Park	5437 Chute Lake Rd	ON-LEASH	PARKLAND	0.50
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And replacing with:

Mountainside Park	5437 Chute Lake Rd	ON-LEASH	PARKLAND	8.29
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- b) Deleting the following:

Providence Park	352 McCarren Ave	ON-LEASH	PARKLAND	0.46
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And replacing with:

Providence Park	352 McCarren Ave	ON-LEASH	PARKLAND	1.57
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- c) Deleting the following:

<b>TOTAL</b>	<b>811.37</b>
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And replacing with:

<b>TOTAL</b>	<b>937.5</b>
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7. AND THAT **SCHEDULE F – Designated Dog Off-Leash Parks** be amended by adding the following in their appropriate locations:

Lake Avenue Dog Beach*	117 Lake Avenue	OFF-LEASH	PARKLAND	0.11
Poplar Point Dog Beach	550 Poplar Point Dr	OFF-LEASH	PARKLAND	0.01
Downtown Sails - Cooling Beach	210 Bernard Ave	OFF-LEASH	PARKLAND	0.004

8. AND THAT **SCHEDULE F – Designated Dog Off-Leash Parks** be amended by:

- a) Deleting the following:

Enterprise Dog Park	2500 Enterprise Way	OFF-LEASH	PARKLAND	1.30
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And replacing with:

Enterprise Dog Park	2500 Enterprise Way	OFF-LEASH	PARKLAND	0.30
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- b) Deleting the following:

Rowcliffe Park	536 Rowcliffe Ave	OFF-LEASH	PARKLAND	2.05
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And replacing with:

Rowcliffe Park	536 Rowcliffe Ave	OFF-LEASH	PARKLAND	0.12
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- c) Deleting the following:

<b>TOTAL</b>	<b>13.68</b>
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And replacing with:

<b>TOTAL</b>	<b>20.00</b>
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9. AND THAT **SCHEDULE H – Parkland Inventory** be amended by:

a) Deleting the following:

<b>Lake Avenue Beach Access</b>				
636832	128 McTavish Ave	77806	1	

And replace with:

<b>Lake Avenue Beach Access</b>				
636832	117 Lake Ave	77806	1	

b) Deleting in its entirety the following:

<b>McCarren Park</b>				
648837	347 McCarren Ave	79583	11	

c) Adding in the following:

<b>Mine Hill Park</b>				
776156	(W OF) Loseth Dr. Lot # 24	EPP43942	24	

d) Deleting in its entirety the following:

<b>Mountainside Park</b>				
735794	5437 Chute Lake Rd	90816	62	

And replacing it with the following:

<b>Mountainside Park</b>				
735794	<a href="#">5437 Chute Lake Rd</a>	90816	91022	62
735958	445 Rockview Lane			2

e) Deleting in its entirety the following:

<b>Providence Park</b>			
620030	<a href="#">352 McCarren Ave</a>	75525	18

And replacing it with the following:

<b>Providence Park</b>			
620030	<a href="#">352 McCarren Ave</a>	75525	18
648837	347 McCarren Ave	79583	11
691318	350 Providence Ave	85435	3

f) Deleting in its entirety the following:

<b>Rockview Park</b>			
735958	445 Rockview Lane	91022	2

g) Deleting in its entirety the following:

<b>Tulameen Park</b>			
691318	350 Providence Ave	85435	3

10. This bylaw may be cited for all purposes as "Bylaw No. 11349, being Amendment No. 3 to Parks and Public Spaces Bylaw No.10680."
11. 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. 11350

### Amendment No. 18 to Bylaw Notice Enforcement Bylaw No. 10475

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Bylaw Notice Enforcement Bylaw No. 10475 be amended as follows:

1. THAT Schedule "A", **Parks and Public Spaces Bylaw No. 10680**, be amended by:

- a) Deleting the following:

10680	3.9	Dog in park without a leash (3 <sup>rd</sup> Offence)	\$300.00	\$290.00	\$210.00	Yes
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And replacing it with:

10680	3.9	Dog in park without a leash (3 <sup>rd</sup> Offence)	\$300.00	\$290.00	\$310.00	Yes
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- b) Deleting the following:

10680	3.37	Use barbecue in a park outside of a permitted area	\$100.00	\$90.00	\$110.00	No
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And replacing it with:

10680	3.37	Use barbecue in a park contrary to the bylaw	\$100.00	\$90.00	\$110.00	No
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2. This bylaw may be cited for all purposes as "Bylaw No. 11350 being Amendment No. 18 to Bylaw No. Bylaw Notice Enforcement Bylaw No. 10475."
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

## CITY OF KELOWNA

### BYLAW NO. 11385

#### **Housing Agreement Authorization Bylaw – Al Stober Construction Ltd., Inc. No. CO170493 – 1545 Bedford Avenue**

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Whereas pursuant to Section 483 of the *Local Government Act*, a local government may, by bylaw, enter into a housing agreement.

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

1. The Municipal Council hereby authorizes the City of Kelowna to enter into a Housing Agreement with Al Stober Construction Ltd., Inc. No. CO170493 for the lands known as Lot A, District Lot 141, ODYD, Plan EPP63348 located on 1545 Bedford Avenue, Kelowna, B.C., a true copy of which is attached to and forms part of this bylaw as Schedule "A".
2. The Mayor and City Clerk are hereby authorized to execute the attached agreement as well as any conveyances, deeds, receipts or other documents in connection with the attached agreement.
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 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

---

Mayor

---

City Clerk



## PURPOSE-BUILT RENTAL HOUSING AGREEMENT

THIS AGREEMENT dated for reference May 1<sup>st</sup>, 2017 affects:

### LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT:

LOT A DISTRICT LOT 141 OSOYOOS DIVISION YALE DISTRICT PLAN EPP63348

("Land")

And is

**BETWEEN:** AL STOBBER CONSTRUCTION LTD., 1700 - 1631 DICKSON AVE, KELOWNA, BC V1Y 0B5

("Owner")

**AND:**

**CITY OF KELOWNA**, a local government incorporated pursuant to the *Community Charter* and having its offices at 1435 Water Street, Kelowna, B.C. V1Y 1J4

("City")

GIVEN THAT:

- A. The Owner has applied to the City for rezoning of the Lands to permit the construction of a housing complex that will include purpose-built rental housing units, as defined in this Agreement, on certain lands more particularly described in this Agreement;
- B. The City may, pursuant to section 483 of the *Local Government Act*, enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure, and availability of the housing units on the land or construction on land;
- C. The Owner and the City wish to enter into this Agreement to provide for purpose-built rental housing on the terms and conditions set out in this Agreement, and agree that this Agreement is a housing agreement under s. 483 of the *Local Government Act*; and
- D. The City has, by bylaw, authorized the execution of this Agreement and the Owner has duly authorized the execution of this Agreement;

This Agreement is evidence that in consideration of \$1.00 paid by the City to the Owner (the receipt of which is acknowledged by the Owner) and in consideration of the promises exchanged below, the City and Owner agree, as a housing agreement between the Owner and the City under s. 483 of the *Local Government Act*, as follows:



## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions -**

"Caregiver" means an individual who provides assistance with the performance of the personal functions and activities necessary for daily living that a person is unable to perform efficiently for himself or herself;

"City" means the City of Kelowna;

"Dwelling Unit" means accommodation providing sleeping rooms, washrooms, and no more than one kitchen, intended for domestic use, and used or intended to be used permanently or semi-permanently for a Household. This use does not include a room in a hotel or a motel.

"Household" means

- (a) a person;
- (b) two or more persons related by blood, marriage, or adoption; or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities;
- (c) a group of not more than five persons, including boarders, who are not related by blood, marriage, or adoption, or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities; or
- (d) a combination of (b) and (c), provided that the combined total does not include more than 3 persons unrelated by blood, marriage or adoption or associated through foster care; all living together in one dwelling unit as a single household using common cooking facilities.

In addition, a household may also include up to one Caregiver or nanny;

"Land" means the land described herein;

"LTO" means the Kamloops Land Title Office or its successor;

"Official Community Plan" means the City of Kelowna Official Community Plan Bylaw No. 10500, or its successor bylaw;

"Owner" means the registered owner of the Lands from time to time and any parcels into which the Lands are subdivided;

"Purpose-Built Rental Housing" means a Dwelling Unit that is intended to be used for rental housing; and

"Tenancy Agreement" means a tenancy agreement as defined in, and subject to, the *Residential Tenancy Act*.

### **1.2 Interpretation - In this Agreement:**

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;

- (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- (d) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- (e) the word "enactment" has the meaning given in the *Interpretation Act* on the reference date of this Agreement;
- (f) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
- (g) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (h) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply;
- (i) time is of the essence;
- (j) all provisions are to be interpreted as always speaking;
- (k) reference to a "party" is a reference to a party to this Agreement and to their respective successors, assigns, trustees, administrators and receivers;
- (l) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided;
- (m) the definitions given in the City of Kelowna Zoning Bylaw No. 8000, or its successor bylaw, and the Official Community Plan apply for the purposes of this Agreement; and
- (n) any act, decision, determination, consideration, consent or exercise of discretion by a party, or other person, as provided in this Agreement will be performed, made or exercised acting reasonably.

**1.3 Purpose of Agreement** - The Owner and the City agree that:

- (a) this Agreement is intended to serve the public interest by providing for occupancy of a certain number of Dwelling Units, of the kinds provided for in this Agreement, that are in demand in the City of Kelowna but that are not readily available;
- (b) damages are not an adequate remedy to the City in respect of any breach of this Agreement by the Owner, such that the Owner agrees the City should be entitled to an order for specific performance, injunction or other specific relief respecting any breach of this Agreement by the Owner.

**ARTICLE 2  
HOUSING AGREEMENT AND LAND USE RESTRICTIONS**

**2.1 Land Use Restrictions** - The Owner and the City hereby covenant and agree as follows:

- (a) The Land will be used only in accordance with this Agreement;
- (b) The Owner will design, construct and maintain one or more buildings providing 67 Dwelling Units as Purpose-Built Rental Housing
- (c) The Owner acknowledges that the City will not support applications to stratify the building(s) on the Land, thereby allowing the identified Purpose-Built Rental Housing Dwelling Units to be sold independently of each other, for a period of ten (10) years from the date of this Agreement.

**ARTICLE 3  
HOUSING AGREEMENT AND TRANSFER RESTRICTIONS**

**3.1 Purchaser Qualifications** - The City and the Owner agree as follows:

- (a) the Owner will not sell or transfer, or agree to sell or transfer, any interest in any building containing Purpose-Built Rental Housing Dwelling Units on the Land other than a full interest in the fee simple title to an agency or individual that will continue to ensure that the Purpose-Built Rental Housing Dwelling Units are available in accordance with this Agreement.

**3.2 Use and Occupancy of Purpose-Built Rental Housing Dwelling Unit** - The Owner agrees with the City as follows:

- (a) the Owner will rent or lease each Purpose-Built Rental Housing Dwelling Unit on the Land in accordance with the *Residential Tenancy Act*, and in no event may the Owner itself occupy a Purpose-Built Rental Housing Dwelling Unit or use the Purpose-Built Rental Housing Dwelling Unit for short-term vacation accommodation; and
- (b) the Owner will deliver a copy of the Tenancy Agreement for each Purpose-Built Rental Housing Dwelling Unit to the City upon demand.

**ARTICLE 4  
GENERAL**

**4.1 Notice of Housing Agreement** - For clarity, the Owner acknowledges and agrees that:

- (a) this Agreement constitutes a housing agreement entered into under s. 483 of the *Local Government Act*;

- (b) the City is requiring the Owner to file a notice of housing agreement in the LTO against title to the Land;
- (c) once such a notice is filed, this Agreement binds all persons who acquire an interest in the Land;
- (d) in the event the parties agree to release this Agreement from the title of the Land, which may not occur before the tenth (10<sup>th</sup>) anniversary of the date of this Agreement, the Owner will repay the City for 100% of the amount of the rental grant received from the City. Such repaid funds will be directed to the City's Housing Opportunities Reserve Fund.

**4.2 No Effect On Laws or Powers** - This Agreement does not

- (a) affect or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of land,
- (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement,
- (c) affect or limit any enactment relating to the use or subdivision of land, or
- (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of land.

**4.3 Management** – The Owner covenants and agrees that it will furnish good and efficient management of the Dwelling Units and will permit representatives of the City to inspect the Dwelling Units at any reasonable time, subject to the notice provisions of the *Residential Tenancy Act*. The Owner further covenants and agrees that it will maintain the Dwelling Units in a satisfactory state of repair and fit for habitation and will comply with all laws, including health and safety standards applicable to the Land. Notwithstanding the foregoing, the Owner acknowledges and agrees that the City, in its absolute discretion, may require the Owner, at the Owner's expense, to hire a person or company with the skill and expertise to manage the Dwelling Units.

**4.4 Notice** - Any notice which may be or is required to be given under this Agreement will be in writing and either be delivered or sent by facsimile transmission. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery. Any notice which is sent by fax transmission is to be considered to have been given on the first business day after it is sent. If a party changes its address or facsimile number, or both, it will promptly give notice of its new address or facsimile number, or both, to the other party as provided in this section.

**4.5 Agreement Runs With the Land** - Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the City in respect of the Land and this Agreement burdens the Land and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including by subdivision or by strata plan under the *Strata Property Act*.

**4.6 Limitation on Owner's Obligations** - The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Land.

**4.7 Release** – The Owner by this Agreement releases and forever discharges the City and each of its elected officials, officers, directors, employees and agents, and its and their heirs, executors, administrators,

personal representatives, successors, and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of advice or direction respecting the ownership, lease, operation or management of the Land or the Dwelling Units which has been or at any time after the commencement of this Agreement may be given to the Owner by all or any of them. This clause will survive the termination of this Agreement.

- 4.8 Joint Venture** – Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.
- 4.9 Waiver** - An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.
- 4.10 Further Acts** - The Owner will do everything reasonably necessary to give effect to the intent of this Agreement, including execution of further instruments.
- 4.11 Severance** - If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.
- 4.12 Equitable Remedies** – The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.
- 4.13 No Other Agreements** - This Agreement is the entire agreement between the parties regarding its subject and it terminates and supersedes all other agreements and arrangements regarding its subject.
- 4.14 Amendment** - This Agreement may be discharged, amended or affected only by an instrument duly executed by both the Owner and the City.
- 4.15 Enurement** - This Agreement binds the parties to it and their respective successors, heirs, executors and administrators. Reference in this Agreement to the "City" is a reference also to the elected and appointed officials, employees and agents of the City.
- 416 Deed and Contract** - By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

IN WITNESS WHEREOF the parties hereunto have executed this Agreement on the date and year first above written.

SIGNED, SEALED & DELIVERED in )  
the presence of: )

R. Hughes  
Signature of Witness )

ROROSE HUGHES  
A COMMISSIONER BEARING )  
AFFIDAVITS FOR BRITISH COLUMBIA )  
1435 4th Water Street, Kelowna, B.C. )

Print Name )

Address )

Occupation )

"OWNER"  
by its authorized signatories:

[Signature]

HARRY ISSLER

Print Name: \_\_\_\_\_

HARRY ISSLER

Print Name: \_\_\_\_\_

SIGNED, SEALED & DELIVERED in )  
the presence of: )

Signature of Witness )

Print Name )

Address )

Occupation )

CITY OF KELOWNA  
by its authorized signatories:

\_\_\_\_\_  
Mayor

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



# CITY OF KELOWNA

## BYLAW NO. 11386

### **Housing Agreement Authorization Bylaw – 1067683 BC Ltd., Inc. No. BC1067683 - 1975 Kane Road**

Whereas pursuant to Section 483 of the *Local Government Act*, a local government may, by bylaw, enter into a housing agreement.

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

1. The Municipal Council hereby authorizes the City of Kelowna to enter into a Housing Agreement with 106783 BC Ltd., Inc. No. BC1067683 for the lands known as Lot B, Section 33, Township 26, ODYD, Plan EPP22004 located on 1975 Kane Road, Kelowna, B.C., a true copy of which is attached to and forms part of this bylaw as Schedule "A".
2. The Mayor and City Clerk are hereby authorized to execute the attached agreement as well as any conveyances, deeds, receipts or other documents in connection with the attached agreement.
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 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

---

Mayor

---

City Clerk

**PURPOSE-BUILT RENTAL HOUSING AGREEMENT**

THIS AGREEMENT dated for reference \_\_\_\_\_ affects:

**LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT:**

PID 007-128-118, Lot B Section 33 Township 26 Osoyoos Division Yale District Plan 22004 Except Plan EPP65658

("Land")

And is

**BETWEEN:** 1067683 B.C. LTD  
100 St. Ann's Road, Campbell River, BC V9W 4C4

("Owner")

**AND:**

**CITY OF KELOWNA**, a local government incorporated pursuant to the *Community Charter* and having its offices at 1435 Water Street, Kelowna, B.C. V1Y 1J4

("City")

**GIVEN THAT:**

- A. The Owner has applied to the City for rezoning of the Lands to permit the construction of a housing complex that will include purpose-built rental housing units, as defined in this Agreement, on certain lands more particularly described in this Agreement;
- B. The City may, pursuant to section 483 of the *Local Government Act*, enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure, and availability of the housing units on the land or construction on land;
- C. The Owner and the City wish to enter into this Agreement to provide for purpose-built rental housing on the terms and conditions set out in this Agreement, and agree that this Agreement is a housing agreement under s. 483 of the *Local Government Act*; and
- D. The City has, by bylaw, authorized the execution of this Agreement and the Owner has duly authorized the execution of this Agreement;

This Agreement is evidence that in consideration of \$1.00 paid by the City to the Owner (the receipt of which is acknowledged by the Owner) and in consideration of the promises exchanged below, the City and Owner agree, as a housing agreement between the Owner and the City under s. 483 of the *Local Government Act*, as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions -

"Caregiver" means an individual who provides assistance with the performance of the personal functions and activities necessary for daily living that a person is unable to perform efficiently for himself or herself;

"City" means the City of Kelowna;

"Dwelling Unit" means accommodation providing sleeping rooms, washrooms, and no more than one kitchen, intended for domestic use, and used or intended to be used permanently or semi-permanently for a Household. This use does not include a room in a hotel or a motel.

"Household" means

- (a) a person;
- (b) two or more persons related by blood, marriage, or adoption; or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities;
- (c) a group of not more than five persons, including boarders, who are not related by blood, marriage, or adoption, or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities; or
- (d) a combination of (b) and (c), provided that the combined total does not include more than 3 persons unrelated by blood, marriage or adoption or associated through foster care; all living together in one dwelling unit as a single household using common cooking facilities.

In addition, a household may also include up to one Caregiver or nanny;

"Land" means the land described herein;

"LTO" means the Kamloops Land Title Office or its successor;

"Official Community Plan" means the City of Kelowna Official Community Plan Bylaw No. 10500, or its successor bylaw;

"Owner" means the registered owner of the Lands from time to time and any parcels into which the Lands are subdivided;

"Purpose-Built Rental Housing" means a Dwelling Unit that is intended to be used for rental housing; and

"Tenancy Agreement" means a tenancy agreement as defined in, and subject to, the *Residential Tenancy Act*.

### 1.2 Interpretation - In this Agreement:

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise

- (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- (d) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- (e) the word "enactment" has the meaning given in the *Interpretation Act* on the reference date of this Agreement;
- (f) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
- (g) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (h) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply;
- (i) time is of the essence;
- (j) all provisions are to be interpreted as always speaking;
- (k) reference to a "party" is a reference to a party to this Agreement and to their respective successors, assigns, trustees, administrators and receivers;
- (l) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided;
- (m) the definitions given in the City of Kelowna Zoning Bylaw No. 8000, or its successor bylaw, and the Official Community Plan apply for the purposes of this Agreement; and
- (n) any act, decision, determination, consideration, consent or exercise of discretion by a party, or other person, as provided in this Agreement will be performed, made or exercised acting reasonably.

**1.3 Purpose of Agreement** - The Owner and the City agree that:

- (a) this Agreement is intended to serve the public interest by providing for occupancy of a certain number of Dwelling Units, of the kinds provided for in this Agreement, that are in demand in the City of Kelowna but that are not readily available;
- (b) damages are not an adequate remedy to the City in respect of any breach of this Agreement by the Owner, such that the Owner agrees the City should be entitled to an order for specific performance, injunction or other specific relief respecting any breach of this Agreement by the Owner.

**ARTICLE 2  
HOUSING AGREEMENT AND LAND USE RESTRICTIONS**

**2.1 Land Use Restrictions** - The Owner and the City hereby covenant and agree as follows:

- (a) The Land will be used only in accordance with this Agreement;
- (b) The Owner will design, construct and maintain one or more buildings providing \_\_\_\_ Dwelling Units as Purpose-Built Rental Housing
- (c) The Owner acknowledges that the City will not support applications to stratify the building(s) on the Land, thereby allowing the identified Purpose-Built Rental Housing Dwelling Units to be sold independently of each other, for a period of ten (10) years from the date of this Agreement.

### **ARTICLE 3 HOUSING AGREEMENT AND TRANSFER RESTRICTIONS**

**3.1 Purchaser Qualifications** - The City and the Owner agree as follows:

- (a) the Owner will not sell or transfer, or agree to sell or transfer, any interest in any building containing Purpose-Built Rental Housing Dwelling Units on the Land other than a full interest in the fee simple title to an agency or individual that will continue to ensure that the Purpose-Built Rental Housing Dwelling Units are available in accordance with this Agreement.

**3.2 Use and Occupancy of Purpose-Built Rental Housing Dwelling Unit** - The Owner agrees with the City as follows:

- (a) the Owner will rent or lease each Purpose-Built Rental Housing Dwelling Unit on the Land in accordance with the *Residential Tenancy Act*, and in no event may the Owner itself occupy a Purpose-Built Rental Housing Dwelling Unit or use the Purpose-Built Rental Housing Dwelling Unit for short-term vacation accommodation; and
- (b) the Owner will deliver a copy of the Tenancy Agreement for each Purpose-Built Rental Housing Dwelling Unit to the City upon demand.

### **ARTICLE 4 GENERAL**

**4.1 Notice of Housing Agreement** - For clarity, the Owner acknowledges and agrees that:

- (a) this Agreement constitutes a housing agreement entered into under s. 483 of the *Local Government Act*;
- (b) the City is requiring the Owner to file a notice of housing agreement in the LTO against title to the Land;
- (c) once such a notice is filed, this Agreement binds all persons who acquire an interest in the Land
- (e) in the event the parties agree to release this Agreement from the title of the Land, which may not occur before the tenth (10<sup>th</sup>) anniversary of the date of this Agreement, the Owner will repay the City for 100% of the amount of the rental grant received from the City. Such repaid funds will be directed to the City's Housing Opportunities Reserve Fund.

**4.2 No Effect On Laws or Powers** - This Agreement does not

- (a) affect or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of land,
- (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement,
- (c) affect or limit any enactment relating to the use or subdivision of land, or
- (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of land.

**4.3 Management** – The Owner covenants and agrees that it will furnish good and efficient management of the Dwelling Units and will permit representatives of the City to inspect the Dwelling Units at any reasonable time, subject to the notice provisions of the *Residential Tenancy Act*. The Owner further covenants and agrees that it will maintain the Dwelling Units in a satisfactory state of repair and fit for habitation and will comply with all laws, including health and safety standards applicable to the Land. Notwithstanding the foregoing, the Owner acknowledges and agrees that the City, in its absolute discretion, may require the Owner, at the Owner's expense, to hire a person or company with the skill and expertise to manage the Dwelling Units.

**4.4 Notice** - Any notice which may be or is required to be given under this Agreement will be in writing and either be delivered or sent by facsimile transmission. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery. Any notice which is sent by fax transmission is to be considered to have been given on the first business day after it is sent. If a party changes its address or facsimile number, or both, it will promptly give notice of its new address or facsimile number, or both, to the other party as provided in this section.

**4.5 Agreement Runs With the Land** - Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the City in respect of the Land and this Agreement burdens the Land and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including by subdivision or by strata plan under the *Strata Property Act*.

**4.6 Limitation on Owner's Obligations** - The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Land.

**4.7 Release** – The Owner by this Agreement releases and forever discharges the City and each of its elected officials, officers, directors, employees and agents, and its and their heirs, executors, administrators, personal representatives, successors, and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of advice or direction respecting the ownership, lease, operation or management of the Land or the Dwelling Units which has been or at any time after the commencement of this Agreement may be given to the Owner by all or any of them. This clause will survive the termination of this Agreement.

**4.8 Joint Venture** – Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.

**4.9 Waiver** - An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other

breach of this Agreement.

- 4.10 Further Acts** - The Owner will do everything reasonably necessary to give effect to the intent of this Agreement, including execution of further instruments.
- 4.11 Severance** - If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.
- 4.12 Equitable Remedies** - The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.
- 4.13 No Other Agreements** - This Agreement is the entire agreement between the parties regarding its subject and it terminates and supersedes all other agreements and arrangements regarding its subject.
- 4.14 Amendment** - This Agreement may be discharged, amended or affected only by an instrument duly executed by both the Owner and the City.
- 4.15 Enurement** - This Agreement binds the parties to it and their respective successors, heirs, executors and administrators. Reference in this Agreement to the "City" is a reference also to the elected and appointed officials, employees and agents of the City.
- 4.16 Deed and Contract** - By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

IN WITNESS WHEREOF the parties hereunto have executed this Agreement on the date and year first above written.

SIGNED, SEALED & DELIVERED in )  
the presence of: )

  
Signature of Witness )

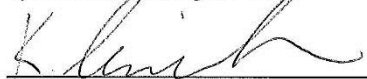
Patrick J. FIELD )  
A Commissioner For Taking Affidavits )  
Within British Columbia )  
Print Name )

906 Island Highway )  
Address )

Campbell River, B.C. )  
Lawyer )  
Occupation )

"OWNER"

by its authorized signatories:

  
\_\_\_\_\_ )

Kris Mailman  
Print Name: \_\_\_\_\_ )

\_\_\_\_\_ )

Print Name: \_\_\_\_\_ )

# CITY OF KELOWNA

## BYLAW NO. 11388

### **Housing Agreement Authorization Bylaw – U Five – Mission Group Rentals Ltd., Inc., No. BC1100546 - 755 Academy Way**

Whereas pursuant to Section 483 of the *Local Government Act*, a local government may, by bylaw, enter into a housing agreement.

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

1. The Municipal Council hereby authorizes the City of Kelowna to enter into a Housing Agreement with U Five – Mission Group Rentals Ltd., Inc., No. BC1100546 for the lands known as Lot A, Section 3, Township 23, ODYD, Plan EPP64623 located on 755 Academy Way, Kelowna, B.C., a true copy of which is attached to and forms part of this bylaw as Schedule “A”.
2. The Mayor and City Clerk are hereby authorized to execute the attached agreement as well as any conveyances, deeds, receipts or other documents in connection with the attached agreement.
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 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

---

Mayor

---

City Clerk



**PURPOSE-BUILT RENTAL HOUSING AGREEMENT**

THIS AGREEMENT dated for reference \_\_\_\_\_ affects:

**LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT:**

Lot A Section 3 Township 23 ODYD Plan EPP64623

("Land")

And is

**BETWEEN:** U Five – Mission Group Rentals Ltd.  
1000-1631 Dickson Avenue  
Kelowna BC Canada  
V1Y 0B5

("Owner")

**AND:**

**CITY OF KELOWNA**, a local government incorporated pursuant to the *Community Charter* and having its offices at 1435 Water Street, Kelowna, B.C. V1Y 1J4

("City")

**GIVEN THAT:**

- A. The Owner has applied to the City for rezoning of the Lands to permit the construction of a housing complex that will include purpose-built rental housing units, as defined in this Agreement, on certain lands more particularly described in this Agreement;
- B. The City may, pursuant to section 483 of the *Local Government Act*, enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure, and availability of the housing units on the land or construction on land;
- C. The Owner and the City wish to enter into this Agreement to provide for purpose-built rental housing on the terms and conditions set out in this Agreement, and agree that this Agreement is a housing agreement under s. 483 of the *Local Government Act*; and
- D. The City has, by bylaw, authorized the execution of this Agreement and the Owner has duly authorized the execution of this Agreement;

This Agreement is evidence that in consideration of \$1.00 paid by the City to the Owner (the receipt of which is acknowledged by the Owner) and in consideration of the promises exchanged below, the City and Owner agree, as a housing agreement between the Owner and the City under s. 483 of the *Local Government Act*, as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions -**

"Caregiver" means an individual who provides assistance with the performance of the personal functions and activities necessary for daily living that a person is unable to perform efficiently for himself or herself;

"City" means the City of Kelowna;

"Dwelling Unit" means accommodation providing sleeping rooms, washrooms, and no more than one kitchen, intended for domestic use, and used or intended to be used permanently or semi-permanently for a Household. This use does not include a room in a hotel or a motel.

"Household" means

- (a) a person;
- (b) two or more persons related by blood, marriage, or adoption; or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities;
- (c) a group of not more than five persons, including boarders, who are not related by blood, marriage, or adoption, or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities; or
- (d) a combination of (b) and (c), provided that the combined total does not include more than 3 persons unrelated by blood, marriage or adoption or associated through foster care; all living together in one dwelling unit as a single household using common cooking facilities.

In addition, a household may also include up to one Caregiver or nanny;

"Land" means the land described herein;

"LTO" means the Kamloops Land Title Office or its successor;

"Official Community Plan" means the City of Kelowna Official Community Plan Bylaw No. 10500, or its successor bylaw;

"Owner" means the registered owner of the Lands from time to time and any parcels into which the Lands are subdivided;

"Purpose-Built Rental Housing" means a Dwelling Unit that is intended to be used for rental housing; and

"Tenancy Agreement" means a tenancy agreement as defined in, and subject to, the *Residential Tenancy Act*.

### **1.2 Interpretation - In this Agreement:**

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
- (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- (d) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- (e) the word "enactment" has the meaning given in the *Interpretation Act* on the reference date of this Agreement;
- (f) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
- (g) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (h) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply;
- (i) time is of the essence;
- (j) all provisions are to be interpreted as always speaking;
- (k) reference to a "party" is a reference to a party to this Agreement and to their respective successors, assigns, trustees, administrators and receivers;
- (l) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided;
- (m) the definitions given in the City of Kelowna Zoning Bylaw No. 8000, or its successor bylaw, and the Official Community Plan apply for the purposes of this Agreement; and
- (n) any act, decision, determination, consideration, consent or exercise of discretion by a party, or other person, as provided in this Agreement will be performed, made or exercised acting reasonably.

**1.3 Purpose of Agreement** - The Owner and the City agree that:

- (a) this Agreement is intended to serve the public interest by providing for occupancy of a certain number of Dwelling Units, of the kinds provided for in this Agreement, that are in demand in the City of Kelowna but that are not readily available;
- (b) damages are not an adequate remedy to the City in respect of any breach of this Agreement by the Owner, such that the Owner agrees the City should be entitled to an order for specific performance, injunction or other specific relief respecting any breach of this Agreement by the Owner.

**ARTICLE 2  
HOUSING AGREEMENT AND LAND USE RESTRICTIONS**

**2.1 Land Use Restrictions** - The Owner and the City hereby covenant and agree as follows:

- (a) The Land will be used only in accordance with this Agreement;
- (b) The Owner will design, construct and maintain one or more buildings providing 108 Dwelling Units as Purpose-Built Rental Housing
- (c) The Owner acknowledges that the City will not support applications to stratify the building(s) on the Land, thereby allowing the identified Purpose-Built Rental Housing Dwelling Units to be sold independently of each other, for a period of ten (10) years from the date of this Agreement.

**ARTICLE 3  
HOUSING AGREEMENT AND TRANSFER RESTRICTIONS**

**3.1 Purchaser Qualifications** - The City and the Owner agree as follows:

- (a) the Owner will not sell or transfer, or agree to sell or transfer, any interest in any building containing Purpose-Built Rental Housing Dwelling Units on the Land other than a full interest in the fee simple title to an agency or individual that will continue to ensure that the Purpose-Built Rental Housing Dwelling Units are available in accordance with this Agreement.

**3.2 Use and Occupancy of Purpose-Built Rental Housing Dwelling Unit** - The Owner agrees with the City as follows:

- (a) the Owner will rent or lease each Purpose-Built Rental Housing Dwelling Unit on the Land in accordance with the *Residential Tenancy Act*, and in no event may the Owner itself occupy a Purpose-Built Rental Housing Dwelling Unit or use the Purpose-Built Rental Housing Dwelling Unit for short-term vacation accommodation; and
- (b) the Owner will deliver a copy of the Tenancy Agreement for each Purpose-Built Rental Housing Dwelling Unit to the City upon demand.

**ARTICLE 4  
GENERAL**

**4.1 Notice of Housing Agreement** - For clarity, the Owner acknowledges and agrees that:

- (a) this Agreement constitutes a housing agreement entered into under s. 483 of the *Local Government Act*;

- (b) the City is requiring the Owner to file a notice of housing agreement in the LTO against title to the Land;
- (c) once such a notice is filed, this Agreement binds all persons who acquire an interest in the Land;
- (d) in the event the parties agree to release this Agreement from the title of the Land, which may not occur before the tenth (10<sup>th</sup>) anniversary of the date of this Agreement, the Owner will repay the City for 100% of the amount of the rental grant received from the City. Such repaid funds will be directed to the City's Housing Opportunities Reserve Fund.

**4.2 No Effect On Laws or Powers** - This Agreement does not

- (a) affect or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of land,
- (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement,
- (c) affect or limit any enactment relating to the use or subdivision of land, or
- (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of land.

**4.3 Management** – The Owner covenants and agrees that it will furnish good and efficient management of the Dwelling Units and will permit representatives of the City to inspect the Dwelling Units at any reasonable time, subject to the notice provisions of the *Residential Tenancy Act*. The Owner further covenants and agrees that it will maintain the Dwelling Units in a satisfactory state of repair and fit for habitation and will comply with all laws, including health and safety standards applicable to the Land. Notwithstanding the foregoing, the Owner acknowledges and agrees that the City, in its absolute discretion, may require the Owner, at the Owner's expense, to hire a person or company with the skill and expertise to manage the Dwelling Units.

**4.4 Notice** - Any notice which may be or is required to be given under this Agreement will be in writing and either be delivered or sent by facsimile transmission. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery. Any notice which is sent by fax transmission is to be considered to have been given on the first business day after it is sent. If a party changes its address or facsimile number, or both, it will promptly give notice of its new address or facsimile number, or both, to the other party as provided in this section.

**4.5 Agreement Runs With the Land** - Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the City in respect of the Land and this Agreement burdens the Land and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including by subdivision or by strata plan under the *Strata Property Act*.

**4.6 Limitation on Owner's Obligations** - The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Land.

**4.7 Release** – The Owner by this Agreement releases and forever discharges the City and each of its elected officials, officers, directors, employees and agents, and its and their heirs, executors, administrators,


personal representatives, successors, and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of advice or direction respecting the ownership, lease, operation or management of the Land or the Dwelling Units which has been or at any time after the commencement of this Agreement may be given to the Owner by all or any of them. This clause will survive the termination of this Agreement.

- 4.8 **Joint Venture** – Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.
- 4.9 **Waiver** - An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.
- 4.10 **Further Acts** - The Owner will do everything reasonably necessary to give effect to the intent of this Agreement, including execution of further instruments.
- 4.11 **Severance** - If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.
- 4.12 **Equitable Remedies** – The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.
- 4.13 **No Other Agreements** - This Agreement is the entire agreement between the parties regarding its subject and it terminates and supersedes all other agreements and arrangements regarding its subject.
- 4.14 **Amendment** - This Agreement may be discharged, amended or affected only by an instrument duly executed by both the Owner and the City.
- 4.15 **Enurement** - This Agreement binds the parties to it and their respective successors, heirs, executors and administrators. Reference in this Agreement to the "City" is a reference also to the elected and appointed officials, employees and agents of the City.
- 416 **Deed and Contract** - By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

IN WITNESS WHEREOF the parties hereunto have executed this Agreement on the date and year first above written.

SIGNED, SEALED & DELIVERED in )  
the presence of: )

  
Signature of Witness )

  
Print Name )

REBECCA ELIZABETH VAN HUIZEN  
A COMMISSIONER FOR TAKING  
AFFIDAVITS FOR BRITISH COLUMBIA  
1435 WATER STREET, KELOWNA, BC V1Y 1J4  
Order No. 2016-1155  
Expiry Date: 2019-10-31 )

Occupation )

SIGNED, SEALED & DELIVERED in )  
the presence of: )

\_\_\_\_\_  
Signature of Witness )

\_\_\_\_\_  
Print Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

"OWNER"  
by its authorized signatories:

  
\_\_\_\_\_)

LUKE TURRI  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

CITY OF KELOWNA  
by its authorized signatories:

\_\_\_\_\_  
Mayor

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

## CITY OF KELOWNA

### BYLAW NO. 11389

#### **Housing Agreement Authorization Bylaw – Highstreet Mission Flats Apartments Ltd., Inc. No. BC1080371 – 1459-1469 KLO Road**

Whereas pursuant to Section 483 of the *Local Government Act*, a local government may, by bylaw, enter into a housing agreement.

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

1. The Municipal Council hereby authorizes the City of Kelowna to enter into a Housing Agreement with Highstreet Mission Flats Apartments Ltd., Inc. No. BC1080371 for the lands known as Lot A, District Lot 131, ODYD, Plan KAP86112 located on 1459-1469 KLO Road, Kelowna, B.C., a true copy of which is attached to and forms part of this bylaw as Schedule "A".
2. The Mayor and City Clerk are hereby authorized to execute the attached agreement as well as any conveyances, deeds, receipts or other documents in connection with the attached agreement.
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 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

---

Mayor

---

City Clerk





**PURPOSE-BUILT RENTAL HOUSING AGREEMENT**

THIS AGREEMENT dated for reference \_\_\_\_\_ affects:

**LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE AGREEMENT:**

Lot A DISTRICT LOT 131 ODYD Plan KAP86112

("Land")

And is

**BETWEEN:** HIGHSTREET MISSION FLATS APARTMENTS LTD.  
702-1708 DOLPHIN AVE  
KELOWNA, BC  
V1Y 9S4

("Owner")

**AND:**

**CITY OF KELOWNA**, a local government incorporated pursuant to the *Community Charter* and having its offices at 1435 Water Street, Kelowna, B.C. V1Y 1J4

("City")

GIVEN THAT:

- A. The Owner has applied to the City for rezoning of the Lands to permit the construction of a housing complex that will include purpose-built rental housing units, as defined in this Agreement, on certain lands more particularly described in this Agreement;
- B. The City may, pursuant to section 483 of the *Local Government Act*, enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure, and availability of the housing units on the land or construction on land;
- C. The Owner and the City wish to enter into this Agreement to provide for purpose-built rental housing on the terms and conditions set out in this Agreement, and agree that this Agreement is a housing agreement under s. 483 of the *Local Government Act*; and
- D. The City has, by bylaw, authorized the execution of this Agreement and the Owner has duly authorized the execution of this Agreement;

This Agreement is evidence that in consideration of \$1.00 paid by the City to the Owner (the receipt of which is acknowledged by the Owner) and in consideration of the promises exchanged below, the City and Owner agree, as a housing agreement between the Owner and the City under s. 483 of the *Local Government Act*, as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions -

"Caregiver" means an individual who provides assistance with the performance of the personal functions and activities necessary for daily living that a person is unable to perform efficiently for himself or herself;

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- (a) a person;
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- (c) a group of not more than five persons, including boarders, who are not related by blood, marriage, or adoption, or associated through foster care, all living together in one dwelling unit as a single household using common cooking facilities; or
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In addition, a household may also include up to one Caregiver or nanny;

"Land" means the land described herein;

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"Official Community Plan" means the City of Kelowna Official Community Plan Bylaw No. 10500, or its successor bylaw;

"Owner" means the registered owner of the Lands from time to time and any parcels into which the Lands are subdivided;

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"Tenancy Agreement" means a tenancy agreement as defined in, and subject to, the *Residential Tenancy Act*.

### 1.2 Interpretation - In this Agreement:

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;

- (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
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- (e) the word "enactment" has the meaning given in the *Interpretation Act* on the reference date of this Agreement;
- (f) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
- (g) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (h) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply;
- (i) time is of the essence;
- (j) all provisions are to be interpreted as always speaking;
- (k) reference to a "party" is a reference to a party to this Agreement and to their respective successors, assigns, trustees, administrators and receivers;
- (l) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided;
- (m) the definitions given in the City of Kelowna Zoning Bylaw No. 8000, or its successor bylaw, and the Official Community Plan apply for the purposes of this Agreement; and
- (n) any act, decision, determination, consideration, consent or exercise of discretion by a party, or other person, as provided in this Agreement will be performed, made or exercised acting reasonably.

**1.3 Purpose of Agreement** - The Owner and the City agree that:

- (a) this Agreement is intended to serve the public interest by providing for occupancy of a certain number of Dwelling Units, of the kinds provided for in this Agreement, that are in demand in the City of Kelowna but that are not readily available;
- (b) damages are not an adequate remedy to the City in respect of any breach of this Agreement by the Owner, such that the Owner agrees the City should be entitled to an order for specific performance, injunction or other specific relief respecting any breach of this Agreement by the Owner.

**ARTICLE 2  
HOUSING AGREEMENT AND LAND USE RESTRICTIONS**

**2.1 Land Use Restrictions** - The Owner and the City hereby covenant and agree as follows:

- (a) The Land will be used only in accordance with this Agreement;
- (b) The Owner will design, construct and maintain one or more buildings providing 280 Dwelling Units as Purpose-Built Rental Housing
- (c) The Owner acknowledges that the City will not support applications to stratify the building(s) on the Land, thereby allowing the identified Purpose-Built Rental Housing Dwelling Units to be sold independently of each other, for a period of ten (10) years from the date of this Agreement.

**ARTICLE 3  
HOUSING AGREEMENT AND TRANSFER RESTRICTIONS**

**3.1 Purchaser Qualifications** - The City and the Owner agree as follows:

- (a) the Owner will not sell or transfer, or agree to sell or transfer, any interest in any building containing Purpose-Built Rental Housing Dwelling Units on the Land other than a full interest in the fee simple title to an agency or individual that will continue to ensure that the Purpose-Built Rental Housing Dwelling Units are available in accordance with this Agreement.

**3.2 Use and Occupancy of Purpose-Built Rental Housing Dwelling Unit** - The Owner agrees with the City as follows:

- (a) the Owner will rent or lease each Purpose-Built Rental Housing Dwelling Unit on the Land in accordance with the *Residential Tenancy Act*, and in no event may the Owner itself occupy a Purpose-Built Rental Housing Dwelling Unit or use the Purpose-Built Rental Housing Dwelling Unit for short-term vacation accommodation; and
- (b) the Owner will deliver a copy of the Tenancy Agreement for each Purpose-Built Rental Housing Dwelling Unit to the City upon demand.

**ARTICLE 4  
GENERAL**

**4.1 Notice of Housing Agreement** - For clarity, the Owner acknowledges and agrees that:

- (a) this Agreement constitutes a housing agreement entered into under s. 483 of the *Local Government Act*;
- (b) the City is requiring the Owner to file a notice of housing agreement in the LTO against title to the Land;

- (c) once such a notice is filed, this Agreement binds all persons who acquire an interest in the Land;
- (d) in the event the parties agree to release this Agreement from the title of the Land, which may not occur before the tenth (10<sup>th</sup>) anniversary of the date of this Agreement, the Owner will repay the City for 100% of the amount of the rental grant received from the City. Such repaid funds will be directed to the City's Housing Opportunities Reserve Fund.

**4.2 No Effect On Laws or Powers** - This Agreement does not

- (a) affect or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of land,
- (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement,
- (c) affect or limit any enactment relating to the use or subdivision of land, or
- (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of land.

**4.3 Management** – The Owner covenants and agrees that it will furnish good and efficient management of the Dwelling Units and will permit representatives of the City to inspect the Dwelling Units at any reasonable time, subject to the notice provisions of the *Residential Tenancy Act*. The Owner further covenants and agrees that it will maintain the Dwelling Units in a satisfactory state of repair and fit for habitation and will comply with all laws, including health and safety standards applicable to the Land. Notwithstanding the foregoing, the Owner acknowledges and agrees that the City, in its absolute discretion, may require the Owner, at the Owner's expense, to hire a person or company with the skill and expertise to manage the Dwelling Units.

**4.4 Notice** - Any notice which may be or is required to be given under this Agreement will be in writing and either be delivered or sent by facsimile transmission. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery. Any notice which is sent by fax transmission is to be considered to have been given on the first business day after it is sent. If a party changes its address or facsimile number, or both, it will promptly give notice of its new address or facsimile number, or both, to the other party as provided in this section.

**4.5 Agreement Runs With the Land** - Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the City in respect of the Land and this Agreement burdens the Land and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including by subdivision or by strata plan under the *Strata Property Act*.

**4.6 Limitation on Owner's Obligations** - The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Land.

**4.7 Release** – The Owner by this Agreement releases and forever discharges the City and each of its elected officials, officers, directors, employees and agents, and its and their heirs, executors, administrators, personal representatives, successors, and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of advice or direction respecting the ownership, lease, operation or management of the Land or the Dwelling Units which has been or at any time after the

commencement of this Agreement may be given to the Owner by all or any of them. This clause will survive the termination of this Agreement.

- 4.8 Joint Venture** – Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.
- 4.9 Waiver** - An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.
- 4.10 Further Acts** - The Owner will do everything reasonably necessary to give effect to the intent of this Agreement, including execution of further instruments.
- 4.11 Severance** - If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.
- 4.12 Equitable Remedies** – The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.
- 4.13 No Other Agreements** - This Agreement is the entire agreement between the parties regarding its subject and it terminates and supersedes all other agreements and arrangements regarding its subject.
- 4.14 Amendment** - This Agreement may be discharged, amended or affected only by an instrument duly executed by both the Owner and the City.
- 4.15 Enurement** - This Agreement binds the parties to it and their respective successors, heirs, executors and administrators. Reference in this Agreement to the "City" is a reference also to the elected and appointed officials, employees and agents of the City.
- 4.16 Deed and Contract** - By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

**IN WITNESS WHEREOF** the parties hereunto have executed this Agreement on the date and year first above written.

**SIGNED, SEALED & DELIVERED** in )  
the presence of: )

Nicole Shann  
Signature of Witness )

Nicole Shann  
Print Name )

2360 Tracker Dr  
Address )

Development Coordinator  
Occupation )

"HIGHSTREET MISSION FLATS  
APARTMENTS LTD."  
by its authorized signatories:

Sara Butler  
SARA BUTLER - DIRECTOR

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

**SIGNED, SEALED & DELIVERED** in )  
the presence of: )

\_\_\_\_\_  
Signature of Witness )

\_\_\_\_\_  
Print Name )

\_\_\_\_\_  
Address )

\_\_\_\_\_  
Occupation )

**CITY OF KELOWNA**  
by its authorized signatories:

\_\_\_\_\_  
Mayor

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



# CITY OF KELOWNA

## BYLAW NO. 11394

### Five Year Financial Plan 2017-2021

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

1. Schedule "A" attached hereto and forming part of this bylaw is hereby declared to be the Five Year Financial Plan of the City of Kelowna for the period January 1<sup>st</sup>, 2017 to and including December 31<sup>st</sup>, 2021.
2. Schedule "B" attached hereto and forming part of this bylaw is hereby declared to be the Statement of Objectives and Policies in accordance with Section 165 (3.1) of the *Community Charter*.
3. This bylaw may be cited for all purposes as the "Five Year Financial Plan Bylaw, 2017-2021, No. 11394".

Read a first, second and third time by the Municipal Council this 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

### Schedule A Financial Plan 2017-2021

	2017	2018	2019	2020	2021	2022-2030
<b>Revenue</b>						
Property Value Tax	127,084,020	133,391,291	139,053,656	144,269,573	150,520,650	1,626,957,293
Library Requisition	5,950,303	6,087,160	6,227,165	6,370,389	6,516,908	65,827,989
Parcel Taxes	3,154,723	3,219,927	3,243,472	3,267,389	3,270,404	30,397,286
Fees and Charges	112,092,717	111,618,043	113,553,866	116,187,523	118,880,575	1,197,504,937
Borrowing Proceeds	15,930,220	-	-	-	4,000,000	85,000,000
Other Sources	61,502,462	44,637,704	51,851,029	49,362,073	48,664,370	510,506,871
	325,714,445	298,954,125	313,929,188	319,456,947	331,852,907	3,516,194,376
<b>Transfer between Funds</b>						
Reserve Funds	1,862,704	1,181,537	1,181,537	1,181,537	1,181,537	8,964,865
DCC Funds	15,026,440	21,285,497	20,395,246	34,338,223	27,705,741	147,695,751
Surplus/Reserve Accounts	94,892,394	54,747,743	44,371,689	75,275,798	55,421,482	401,455,575
	111,781,538	77,214,777	65,948,472	110,795,558	84,308,760	558,116,191
<b>Total Revenues</b>	<b>437,495,983</b>	<b>376,168,902</b>	<b>379,877,660</b>	<b>430,252,505</b>	<b>416,161,666</b>	<b>4,074,310,567</b>
<b>Expenditures</b>						
Municipal Debt						
Debt Interest	10,903,509	11,402,726	7,012,004	5,820,503	5,563,242	57,855,894
Debt Principal	13,415,274	13,390,117	9,443,635	6,341,502	5,650,037	59,279,959
Capital Expenditures	146,353,980	82,197,028	79,717,588	126,646,378	100,908,563	839,794,836
Other Municipal Purposes						
General Government	28,632,154	29,165,952	30,372,095	31,185,781	32,108,825	339,165,816
Planning, Development & Building Services	25,025,561	22,786,911	23,435,872	24,239,675	25,093,720	260,900,296
Community Services	82,712,019	83,786,798	86,313,299	88,685,655	91,764,488	977,545,000
Protective Services	53,411,325	55,945,963	58,746,411	61,497,356	64,184,677	692,031,304
Utilities	20,332,794	20,213,058	20,847,530	20,568,409	21,111,378	216,312,957
Airport	13,826,388	14,303,137	14,788,859	15,302,837	15,836,697	168,386,749
	394,613,004	333,191,691	330,677,293	380,288,096	362,221,626	3,611,272,811
<b>Transfers between Funds</b>						
Reserve Funds	16,986,375	17,218,906	16,760,485	16,746,771	16,703,194	148,571,969
DCC Funds	-	-	-	-	-	-
Surplus/Reserve Accounts	25,896,604	25,758,306	32,439,882	33,217,638	37,236,846	314,465,787
	42,882,979	42,977,212	49,200,367	49,964,409	53,940,040	463,037,756
<b>Total Expenditures</b>	<b>437,495,983</b>	<b>376,168,902</b>	<b>379,877,660</b>	<b>430,252,505</b>	<b>416,161,666</b>	<b>4,074,310,567</b>

**Schedule “B”  
Statement of Objectives and Policies**

In accordance with Section 165(3.1) of the *Community Charter*, municipalities are required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

- (a) For each of the funding sources described in Section 165(7) of the *Community Charter*, the proportion of total revenue that is proposed to come from that funding source;
- (b) The distribution of property value taxes among the property classes that may be subject to taxes; and
- (c) The use of permissive tax exemptions.

**Funding Sources**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2017. Property taxes and fees and charges are two of the largest sources of revenue. Both have advantages in that they are stable, relatively simple to administer and are generally understood by citizens. The City of Kelowna also utilizes funds from reserves and surplus as another main source of financial support. Reserve funds are closely managed to ensure and protect the current and future financial viability of the municipality. Other sources of revenue may be variable and fluctuate from year to year depending on the economic influences and capital programs undertaken by the City.

**Objectives**

- Investigate other potential funding sources and securing opportunities for additional revenues.
- Begin to decrease the municipality’s reliance on property taxes and explore opportunities to increase the percent of total revenue received from user fees and charges and senior government grants.
- Maintain a fees and charges structure whereby increases are applied on a regular basis in line with inflation, while ensuring that service levels remain competitive and affordable.

**Policies**

- Pursue non-property tax revenues whenever possible through applying for government grants and charging user fees at appropriate levels.
- Perform regular reviews of revenue generating areas for appropriate application of rate increases.
  - Planning and Development Fees.
  - Recreation & Cultural Services - application of BC Consumer Price Index.
  - Utility Revenues - ensure Utilities operate as self-supporting enterprise funds.
- Increase provincial and federal grant revenue through maximum utilization of the City’s Grant Manager position.

**Table 1: Sources of Revenue**

Revenue Source	Revenue \$ (000’s)	% of Revenue
Property Value Tax	127,084	29%
Library Requisition	5,950	1%
Parcel Taxes	3,155	1%
Fees & Charges	112,093	26%
Borrowing Proceeds	15,930	4%
Other Sources	61,502	14%
Reserve Funds/Accounts	111,782	25%
<b>Total</b>	<b>437,496</b>	<b>100%</b>

### Distribution of Property Tax Rates

Table 2 outlines the council approved municipal tax distribution policy for 2016 and the relative proportion of tax revenues. Projected revenues from the combined residential, recreational and Non-Profit classes, provides the largest proportion of property tax revenue. This cumulative class represents the largest tax assessment base and hence utilizes the majority of City services.

#### Objectives

- Provide an effective tax change that is the same for all property classes.
- Ensure that business and light industry property tax ratios remain below the average of BC municipalities with populations greater than 75,000.
- Allow for a maximum ratio cap of 3.00:1 for the Light Industrial/Business class.

#### Policies

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

**Table 2: Tax Class Ratios and Projected Revenues**

Property Class	Description	2017 Tax Class Ratios	Tax Revenue (000's)	2016 Tax Class Ratios
01/08/03	Res/Rec/NP/SH	1.0000:1	88,500	1.0000:1
02	Utilities	5.3182:1	606	5.0458:1
04	Major Industrial	5.8019:1	428	3.7328:1
05/06	Light Ind/Bus/Other	2.2967:1	37,008	2.1934:1
09	Farm Land	0.1357:1	10	0.1275:1
91	Farm Improvements	0.4810:1	532	0.4801:1
	<b>Total Revenues</b>		<b>127,084</b>	

### Property Tax Exemptions

The City has an existing permissive tax exemption policy which guides the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- The applicant must qualify for an exemption under the provisions of the Community Charter.
- The organization receiving an exemption must be a registered non-profit society or registered charity, as the support of the municipality will not be used for commercial and private gain.
- The tax exemption must demonstrate benefit to the community and residents of the City by enhancing the quality of life (spiritually, educationally, socially and culturally), while delivering services economically to the citizens within the community.

The value of tax exemptions provided by Council for 2017 (based on 2016 assessment totals and tax rates) is \$2,030,030. The following breaks down the total into various exemption categories and the exemption value for the category:

Places of Worship - \$ 280,698  
Private schools - \$ 169,575  
Hospitals - \$ 16,159  
Special Needs Housing - \$ 58,521  
Social Services - \$185,070  
Public Park, Athletic or Recreational - \$ 442,461  
Cultural - \$ 325,133  
Partnering, Heritage or Other Special Exemptions Authority - \$ 325,231  
Revitalization - \$ 227,182

In order to encourage the restoration and preservation of commercial, industrial and institutional building, properties that meet the criteria outlined in the Heritage Building Tax Incentive Program policy can receive a tax exemption.

The establishment of the Revitalization Tax Exemption policy allows qualifying properties within the Downtown Urban Centre and Rutland Urban Centre areas to receive a tax exemption.

#### Objectives

- Continue to provide permissive tax exemptions to support qualifying organizations that improve the well-being of the community.
- The municipality will continue to provide heritage and revitalization tax exemptions for qualifying properties.

#### Policies

- Permissive tax exemptions will be considered to encourage activities that: (a) are consistent with the quality of life objectives of the municipality; (b) provide direct access and benefit to the public; and (c) would otherwise be provided by the municipality.
- To meet the city's commitment to the ongoing restoration, preservation and maintenance of buildings and structures on its Heritage Register, eligible properties will be considered for a tax exemption.
- To support the city's revitalization program of the Downtown Urban Centre and Rutland Urban Centre, qualifying properties will be considered for a tax exemption.

**CITY OF KELOWNA**  
**BYLAW NO. 11395**  
**Tax Structure Bylaw, 2017**

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WHEREAS the Letters Patent of the City of Kelowna provide that the municipality may be divided into two (2) or more taxation areas by bylaw adopted prior to the adoption of the Annual Budget Bylaw;

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

1.     **Taxation Area 1**

        All lands and improvement thereon classified for assessment purposes as “Farm”.

2.     **Taxation Area 2**

        All lands and improvements thereon not included in Taxation Area 1.

3.     This bylaw shall be applicable for the 2017 taxation year.

4.     This bylaw may be cited for all purposes as “Tax Structure Bylaw, 2017 No. 11395”.

Read a first, second and third time by the Municipal Council this 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

# CITY OF KELOWNA

## BYLAW NO. 11396

### Annual Tax Rates Bylaw, 2017

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WHEREAS the Letters Patent dated the Twenty-fifth day of April, 1973 for the City of Kelowna provides for differing levels of taxation taking into consideration the extent of level of services being provided to different areas within the municipality.

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

1. The following rates are hereby imposed and levied for the taxation year 2017:
  - (a) For all lawful General purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "A" of Schedule 1 of this Bylaw;
  - (b) For Debt purposes on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "B" of Schedule 1 of this Bylaw;
  - (c) For purposes of the Okanagan Regional Library on the assessed value of land and improvements taxable for Regional Library purposes, rates appearing in column "C" of Schedule 1 of this Bylaw;
  - (d) For Hospital purposes on the assessed value of land and improvements taxable for Regional Hospital District purposes, rates appearing in column "D" of Schedule 1 of this Bylaw;
  - (e) For purposes of the Regional District of Central Okanagan on the assessed value of land and improvements taxable for Regional District purposes, rates appearing in column "E" of Schedule 1 of this Bylaw;
  - (f) For purposes of the Regional District of Central Okanagan on the assessed value of land only for the Regional District of Central Okanagan Sterile Insect Release Program, rates appearing in column "F" of Schedule 1 of this Bylaw; and
  - (g) For Local Service Area purposes on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in columns "A" and "B" of Schedule 2 of this Bylaw.
2. This bylaw may be cited as "Annual Tax Rates Bylaw, 2017 No. 11396".

Read a first, second and third time by the Municipal Council this 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk

**SCHEDULE 1****CITY OF KELOWNA****GENERAL MUNICIPAL, DEBT, HOSPITAL AND REGIONAL DISTRICT  
TAX RATES - 2017**

PROPERTY CLASS		TAX RATES (DOLLAR OF TAX PER \$1,000 TAXABLE VALUE)					TAXABLE LAND ONLY
		A GENERAL MUNICIPAL	B DEBT	C LIBRARY	D REGIONAL HOSPITAL DISTRICT	E REGIONAL DISTRICT	F REGIONAL DISTRICT SIR
01	Residential	3.3184	0.1558	0.1624	0.3025	0.2781	0.0387
02	Utilities	17.6482	0.8285	0.8634	1.0588	0.9735	0.1353
03	Supportive Housing	3.3184	0.1558	0.1624	0.3025	0.2781	0.0387
04	Major Industrial	19.2533	0.9039	0.9420	1.0285	0.9457	0.1315
05	Light Industrial	7.6214	0.3578	0.3729	1.0285	0.9457	0.1315
06	Business/Other	7.6214	0.3578	0.3729	0.7412	0.6814	0.0947
08	Recreation/Non-Profit	3.3184	0.1558	0.1624	0.3025	0.2781	0.0387
09	Farm:						
	a) Land	0.4573	0.0211	0.0216	0.3025	0.2781	0.0387
	b) Improvements	1.5962	0.0749	0.0781	0.000	0.0000	0.0000



**SCHEDULE 2**

**CITY OF KELOWNA**

**2017 LOCAL SERVICE AREA TAX RATES**

<b>PROPERTY CLASS</b>	<b>A</b>	<b>B</b>
	<b>DOWNTOWN BUSINESS IMPROVEMENT AREA</b>	<b>UPTOWN RUTLAND BUSINESS IMPROVEMENT AREA</b>
1. RESIDENTIAL	0	0
2. UTILITY	0	0
4. INDUSTRIAL - MAJOR	0	0
5. INDUSTRIAL - LIGHT	1.4414	1.1646
6. BUSINESS	1.4414	1.1646
7. TREE FARM	0	0
8. SEASONAL	0	0
9. FARM		
a) LAND	0	0
b) IMPROVEMENT	0	0

# CITY OF KELOWNA

## BYLAW NO. 11397

### Development Cost Charge Reserve Fund Expenditure Bylaw, 2017

WHEREAS, there is an unappropriated balance in the Development Cost Charge Reserve Fund established under Bylaw No. 7112, which has most recently been replaced by Bylaw No. 11397, of Twenty Five Million, Three Hundred and Seventy Three Thousand, Six Hundred and Seventy four dollars (\$ 25,373,674.00) as at January 1, 2017.

AND WHEREAS, it is deemed desirable to expend a portion of the monies set aside under said Bylaw No. 7112, which has most recently been replaced by Bylaw No. 11397, for the purpose of utility, road and land improvement and additions;

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

1. The sum of Twenty Five Million, Three Hundred and Seventy Three Thousand, Six Hundred and Seventy four dollars (\$ 25,373,674.00) is hereby appropriated from the Development Cost Charge Reserve Fund to be expended in 2017 for the following purposes:

Land for Park Purposes	\$ 2,098,574.00
Road Construction	\$ 12,541,924.00
Water Mains, Pump Stations & Reservoir Construction	\$ 3,310,227.00
Wastewater Trunks, Plant & Debt Repayment	\$ 7,422,949.00
	<u>\$ 25,373,674.00</u>

2. The expenditure to be carried out by the monies hereby appropriated shall be more particularly specified and authorized by resolution of Council.
3. Should any of the above remain unexpended after the expenditures hereby authorized have been made, the unexpended balance shall be returned to the credit of the Development Cost Charge Reserve Fund.
4. This bylaw may be cited as the "Development Cost Charge Reserve Fund Expenditure Bylaw, 2017, No. 11397".

Read a first, second and third time by the Municipal Council this 1<sup>st</sup> day of May,

Adopted by the Municipal Council of the City of Kelowna this

\_\_\_\_\_  
Mayor

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

# CITY OF KELOWNA

## BYLAW NO. 11398

### Sale of City-Owned Land Reserve Fund Expenditure Bylaw, 2017

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WHEREAS, there is an unappropriated balance in the Sale of City-Owned Land Reserve Fund of Nine Million, Four Hundred and Forty Two Thousand, Five Hundred and Thirty Two Dollars (\$9,442,532.00) as at January 1<sup>st</sup>, 2017;

AND WHEREAS, it is deemed desirable to expend a portion of the monies set aside under said Sale of City-Owned Land Reserve Fund for the purpose of land purchases and enhancements set out below;

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

1. The sum of Nine Million, Four Hundred and Forty Two Thousand, Five Hundred and Thirty Two Dollars (\$9,442,532.00) as at January 1<sup>st</sup>, 2017 is hereby appropriated from the Sale of City-Owned Land Reserve Fund to be expended in 2017 for the following purposes:

General Land	\$ 6,448,810.00
Parks Land	\$ 926,017.00
Housing Opportunity	\$ 2,067,705.00
	<u>\$ 9,442,532.00</u>

2. The expenditure to be carried out by the monies hereby appropriated shall be more particularly specified and authorized by resolution of Council.
3. Should any of the above remain unexpended after the expenditures hereby authorized have been made, the unexpended balance shall be returned to the credit of the City-Owned Land Reserve Fund.
4. This bylaw may be cited as the "Sale of City-Owned Land Reserve Fund Expenditure Bylaw, 2017, No. 11398."

Read a first, second and third time by the Municipal Council this 1<sup>st</sup> day of May, 2017.

Adopted by the Municipal Council of the City of Kelowna this

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Mayor

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City Clerk