



City of
Kelowna

Land Strategy

*Realizing Community Benefits through
Strategic Investment in Municipal Land*

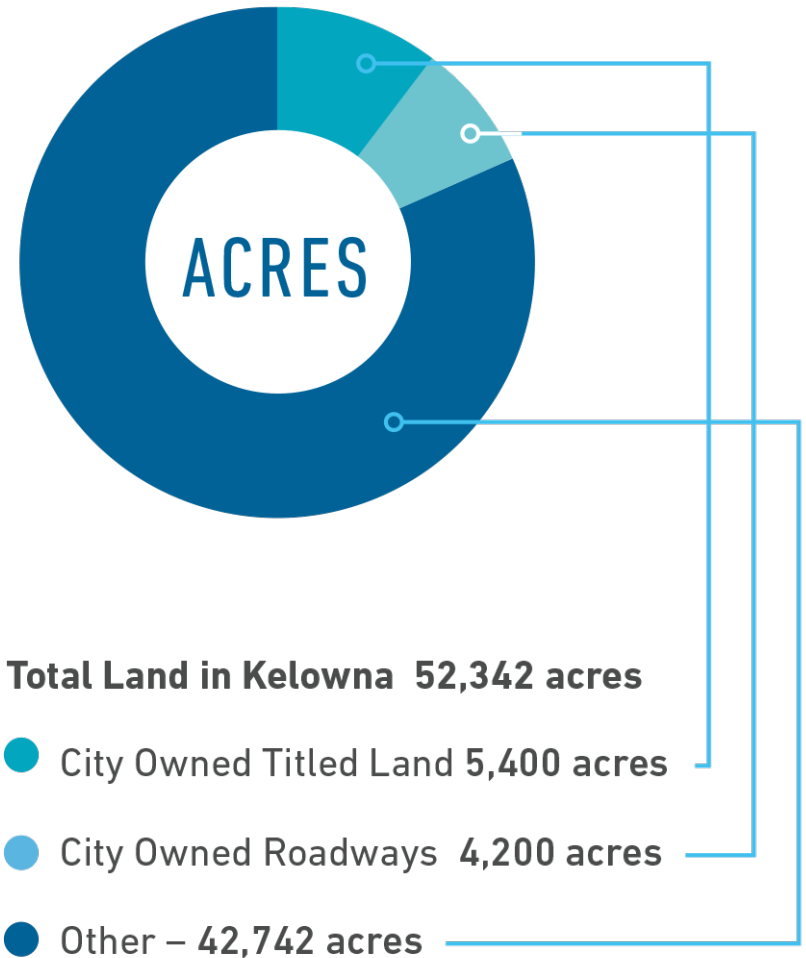
Fall 2018

The Strategic Investment Division is the Principal Real Estate Resource for the Corporation.

- ▶ Growth/DCC Land Acquisitions
 - ▶ parks, roads, water, wastewater
- ▶ Land Acquisition for Operational Needs
 - ▶ fire stations, transit and landscaping yards
- ▶ Strategic Land Acquisitions and Disposition
 - ▶ opportunistic acquisitions, disposition agreements
- ▶ Leases and Agreements Managed
 - ▶ 240 residential, commercial, non-profit

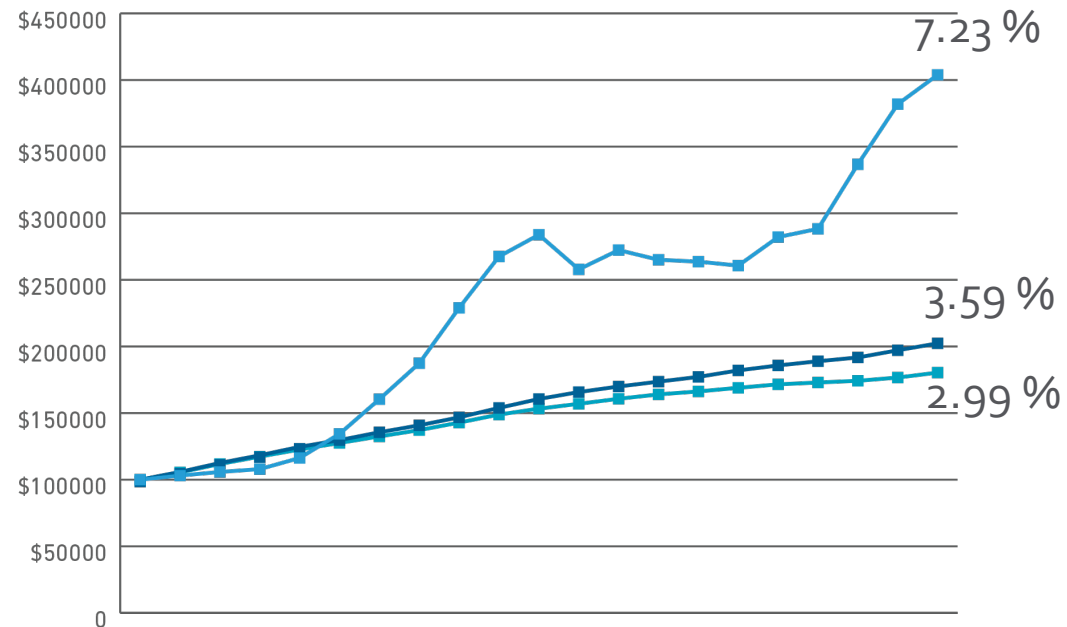
City Land Holdings Constitute a Significant Real Estate Portfolio.

- ▶ City Land Holdings
 - ▶ 18% of total land area (10% titled land, 8% City roads)
 - ▶ Titled land holdings valued at \$1.38 billion



Investment in Land Achieves Financial Value for Taxpayers.

- ▶ Single Family Sales Annual Growth – 7.23%
 - ▶ MFA Returns - 3.59%
 - ▶ Federal Bond Yield - 2.99%
- ▶ Private and Community Partnerships
 - ▶ \$1.47 m lease revenue
 - ▶ 60 community agreements



Current and Evolving Policy Directions Shape City Priorities for Municipal Land.



- ▶ *Imagine Kelowna*
- ▶ *Council Strategic Priorities*
- ▶ *Official Community Plan*
- ▶ *Infrastructure Plan*
- ▶ *Servicing and Financial Strategy*
- ▶ *Financial Plan*
- ▶ *Principles and Strategies for Financial Strength*
- ▶ *Strategic Investment, Business and Entrepreneurial Development Framework*
- ▶ *Council Policies*

LAND STRATEGY FRAMEWORK

CITY POLICY DIRECTIONS

LAND STRATEGY VISION

Maximize community benefits today and in the future through innovative, pragmatic and ethical approaches to land acquisition, disposition and management.



GUIDING PRINCIPLES

(5 PRINCIPLES)



STRATEGIES

(21 PRINCIPLES)

Guiding Principles

- ▶ Guiding Principle 1 – Realize Civic Objectives
- ▶ Guiding Principle 2 – Sustain Proactive Investment
- ▶ Guiding Principle 3 – Capitalize on Opportunities
- ▶ Guiding Principle 4 – Leverage Community Assets
- ▶ Guiding Principle 5 – Promote Fairness and Integrity

GP 1 - Realize Civic Objectives

- ▶ *The City's actions align with strategic objectives to achieve a range of short and long-term benefits for the municipality and the residents of Kelowna.*

Strategies

- ▶ 1.1 Align with Municipal Plans
- ▶ 1.2 Deliver on Operational Requirements
- ▶ 1.3 Achieve Multiple Bottom Line Objectives
- ▶ 1.4 Embrace a Long Range Outlook

CASE STUDY – GLENMORE, UBCO, AIRPORT CONNECTION

COMPLEX NEGOTIATION FOR KEY TRANSPORTATION LINKAGES

Location – John Hindle Drive to Hollywood Road North, North Glenmore, Kelowna

The City led landowner negotiations to secure a key transportation connection linking North Glenmore to the UBC Okanagan campus and providing alternative access to the Kelowna Airport and other Highway 97 locations.

This complex and multifaceted negotiation involved multiple stakeholders, including UBC Okanagan, the Agricultural Land Commission, the Glenmore Ellison Irrigation District and private landowners. No cash outlay was required from the City to complete.

The link through Kelowna's agricultural area will significantly reduce travel times to and from multiple area destinations and help to lessen congestion on Highway 97. An active transportation corridor is an important part of the project and will support Kelowna's cycling network.



GP 2 - Sustain Proactive Investment

- ▶ *Sustained and proactive investment in land is a key component of the City's long-range financial and capital planning framework.*

Strategies

- ▶ *2.1 Formalize Funding Strategy*
- ▶ *2.2 Reinvest Sales Proceeds in Future Acquisitions*
- ▶ *2.3 Pursue Financially Prudent Investments*
- ▶ *2.4 Pursue Interim Land Uses*
- ▶ *2.5 Stimulate Revitalization*

CASE STUDY - ELLA

LEADERSHIP IN STRATEGIC DOWNTOWN REVITALIZATION

The City purchased this central downtown property in 2012. The property was purchased as a strategic investment and opportunity to play a key role to ensure a vibrant downtown through development of a strong residential base. In 2016, the City sold the property for a marked profit, covenanting residential uses as well as key urban and environmental design standards and best practices.

116 condominiums are planned within a 20 storey high-rise, featuring retail at grade and Kelowna's first LEED-Certified concrete construction. The project's boasts a Walk Score of 97 out of 100 and Mission Group's Inspired Green approach lessening the environmental footprint in energy, water, air quality, recycling and climate change. Occupancy is expected in 2020.

Prior to the sale, the property provided necessary parking for downtown businesses and patrons while Kelowna's main street, Bernard Avenue, underwent a major revitalization.



GP 3 - Capitalize on Opportunities

- ▶ *The City has the resources and flexibility to lead innovative solution, capitalize on opportunities and response with agility to emerging issues.*

Strategies

- ▶ *3.1 Position Resources to Lead on Emerging Priorities*
- ▶ *3.2 Capture Community Needs through Development Approval Processes*
- ▶ *3.3 Consider Land Acquisition from Government Agencies*

GP 4 - Leverage Community Assets

- ▶ *The City strategically pursues opportunities to leverage land assets to provide greater community value.*

Strategies

- ▶ *4.1 Build Public Private Partnerships*
- ▶ *4.2 Pursue Intergovernmental Partnership*
- ▶ *4.3 Collaborate with Non-Profits and Interest Groups*

CASE STUDY

- IHA DOWNTOWN RELOCATION

MULTIDIMENSIONAL INTERGOVERNMENTAL PARTNERS

Between 2013 and 2016, the City of Kelowna and the Interior Health Authority partnered to facilitate centralization of IHA services in a new community health and services building in downtown Kelowna. The move is noted to be a “game changer” for health care in the region and for downtown revitalization.



CASE STUDY

- TUTT STREET PLACE

PARTNERSHIPS IN SUPPORTIVE HOUSING FOR WOMEN

The City retains land ownership and provides land on a 60 year lease to BC Housing. BC Housing (Provincial Rental Housing Corporation) leases land from City And NOW Canada (New Opportunities for Women) subleases and enters into a housing operator agreement with BC Housing



GP 5 - Promote Fairness and Integrity

- ▶ *The City strategically pursues opportunities to leverage land assets to provide greater community value.*

Strategies

- ▶ *5.1 Provide Fair Market Value*
- ▶ *5.2 Follow Clear Protocol for Direct Transactions*
- ▶ *5.3 Follow Clear Protocol for Assistance to Business*
- ▶ *5.4 Pursue Expropriation where Appropriate*
- ▶ *5.5 Follow FRP Processes for Real Estate Services*
- ▶ *5.6 Undertake Due Diligence on all Transactions*

The City Utilizes Real Estate Tools in Creative and Strategic Ways to Achieve Community Benefits.

- ▶ *Buy-Sever-Sell*
- ▶ *Statutory Right-of-Ways*
- ▶ *Fee Simple Dedications*
- ▶ *Covenants*
- ▶ *Road Reserves*
- ▶ *Life Estates*
- ▶ *Land Donations*
- ▶ *First Options to Purchase*
- ▶ *Right of First Refusal*
- ▶ *Option to Repurchase*
- ▶ *Air Space Parcel*
- ▶ *Expropriation*

Future Directions

- ▶ Land Disposition Policy for Land Sales
- ▶ Climate Action Restoration Reserve Fund
- ▶ Heritage Assets Adaptive Reuse Reserve Fund
- ▶ Agricultural Land Trust

