



Capital Plan & Servicing Plan

November 26th, 2018

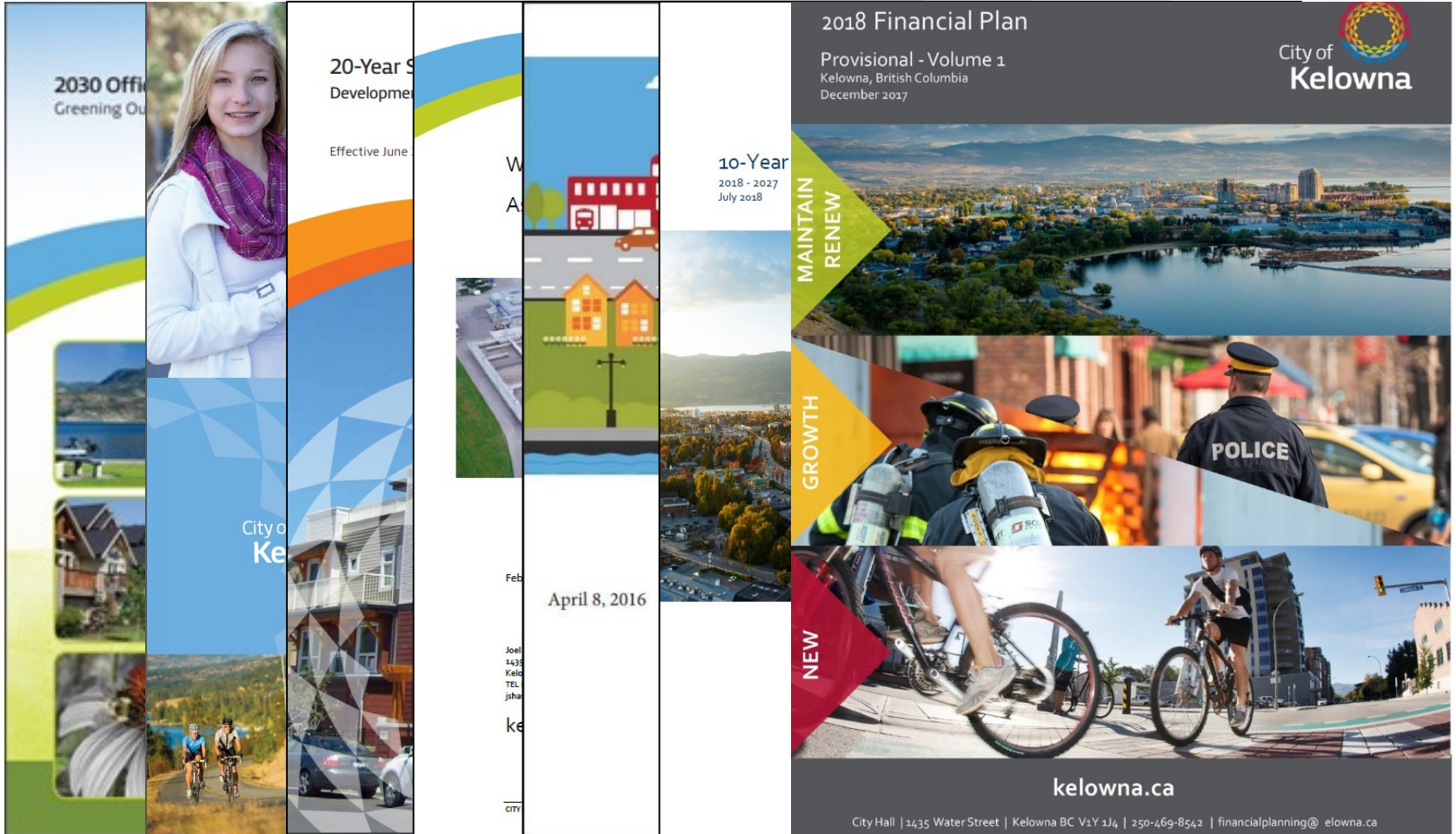


PRESENTATION OUTLINE

- ▶ Why so many Plans?
- ▶ Infrastructure Planning Process
- ▶ Capital Planning Cycle
- ▶ Multiple Bottom Line Analysis
- ▶ Infrastructure Deficit
- ▶ 20-Year Serving Plan & Financing Strategy



Infrastructure Plans

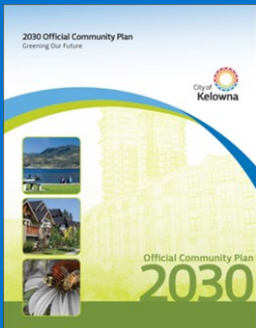


City of Kelowna

Plan Alignment

Understanding
Community Service
Expectations

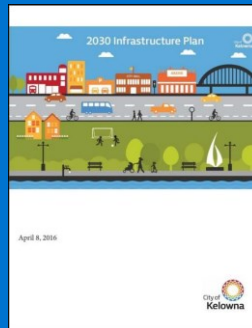
Delivering Infrastructure
that supports Service
Delivery



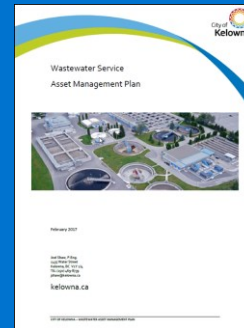
OCP



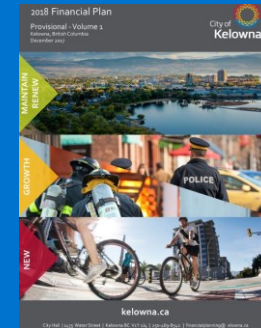
Council
Priorities



2030 Inf. Plan

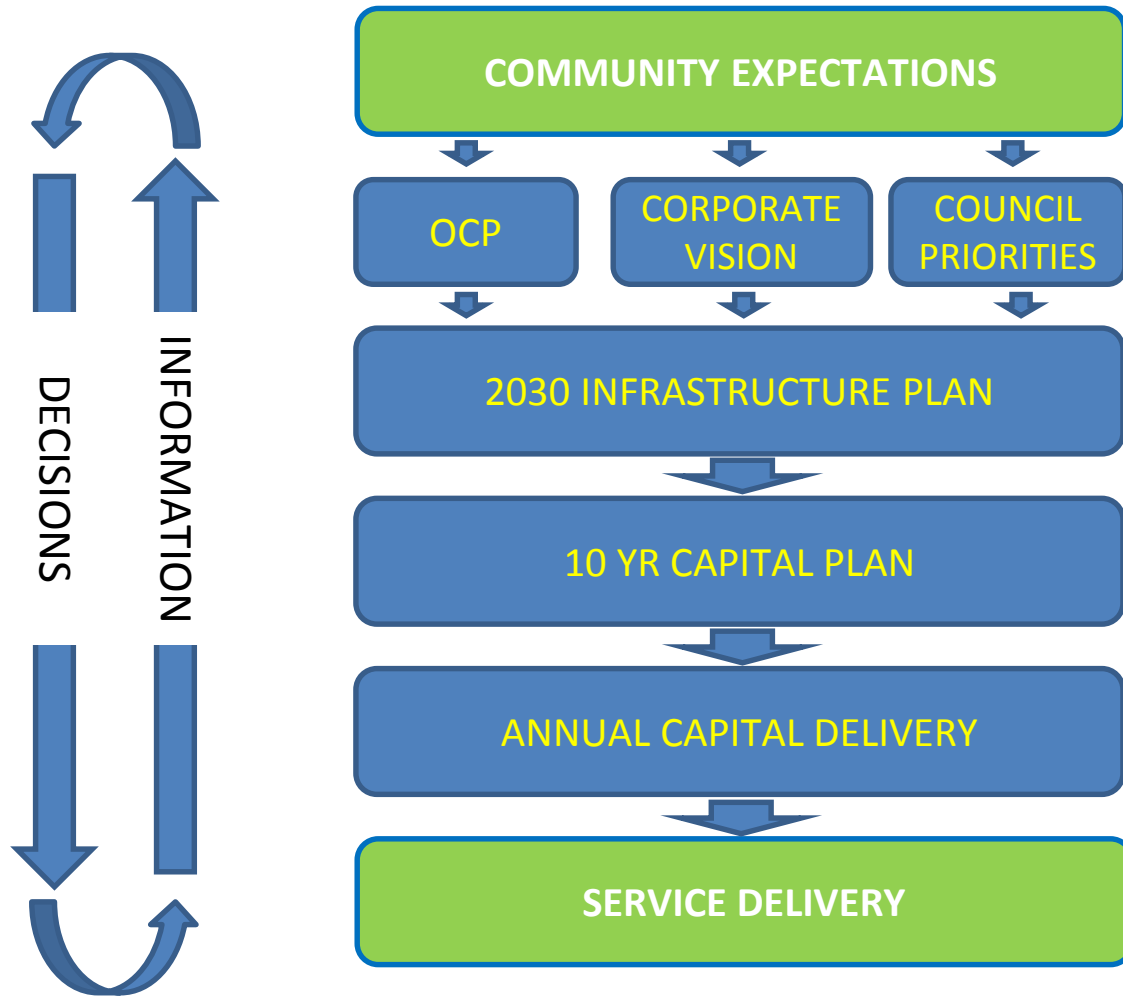


10-Yr
Capital Plan



Annual Capital
Program

INFRASTRUCTURE PLANNING MODEL



GROWTH

20-Yr Servicing Plan
(DCC)

NEW/GROWTH

Infrastructure
Master Plans

RENEW

Asset Management
Plans

2030 Infrastructure Plan



Operation &
Maintenance
Costs

Community
Engagement

Financial Strategy

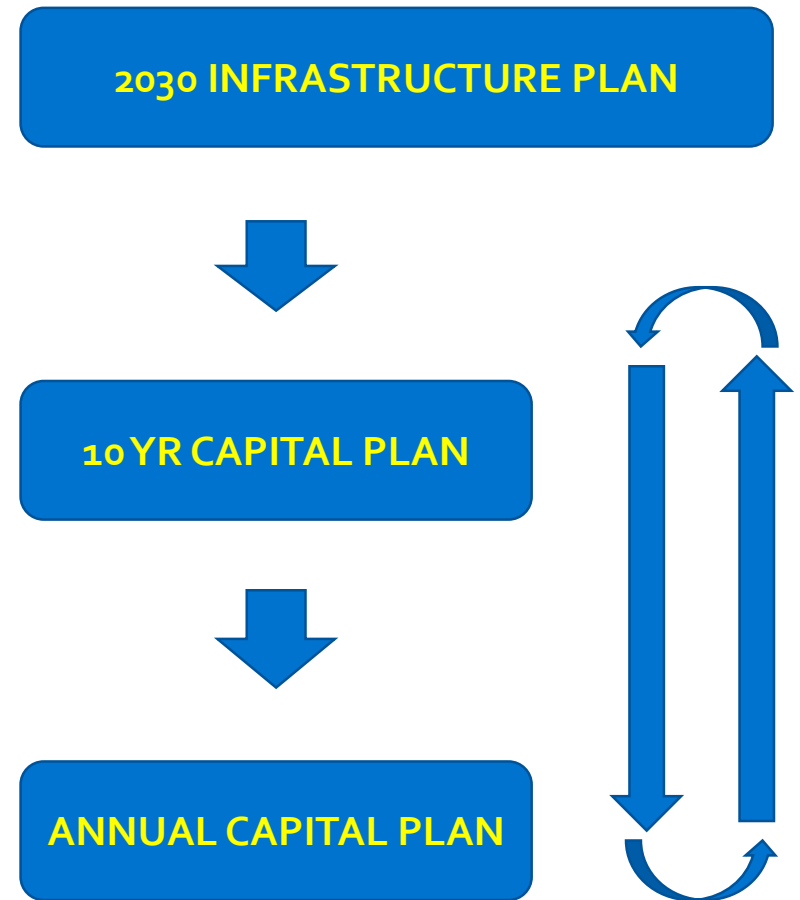
Service Levels

City of Kelowna



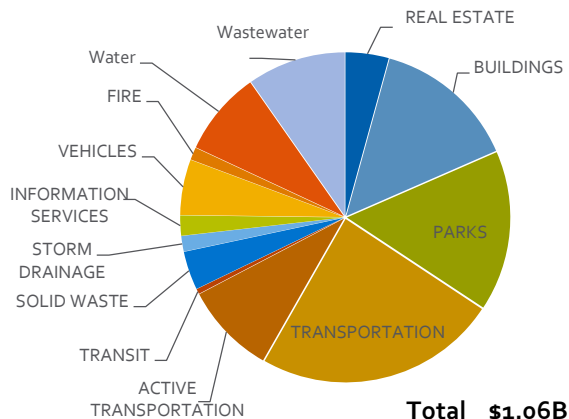
Infrastructure Planning

- ▶ 2030 Infrastructure Plan set the direction.
- ▶ 10-Year Capital Plan maintains direction and adjusts for change. *Updated annually.*
- ▶ Annual Capital Plan is directed by 10-Year and is responsive to emerging issues and priorities.



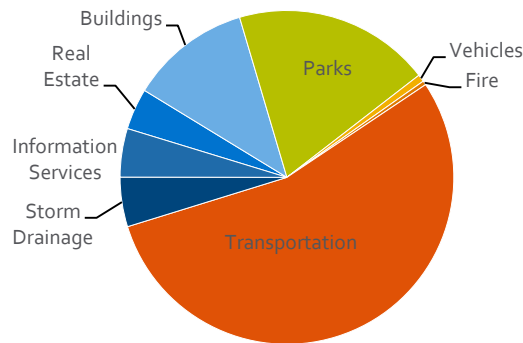
Maintaining Direction

► Total Investment



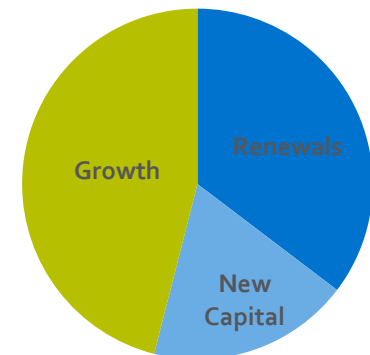
- Transportation - 33%
- Parks - 16%
- Buildings - 14%
- Wastewater - 10%
- Water - 8%
- Vehicles - 5%
- Solid Waste - 4%
- Real Estate - 4%
- Storm Drainage - 2%
- Information Services - 2%
- Transit - 1%
- Fire - 1%

► Tax / Gas Tax



- Transportation - 55%
- Parks - 19%
- Buildings - 12%
- Storm Drainage - 5%
- Information Services - 5%
- Real Estate - 4%
- Fire - 1%

► New/Growth/Renew



- Growth - 46%
- Renew - 35%
- New - 19%

Capital Planning Cycle

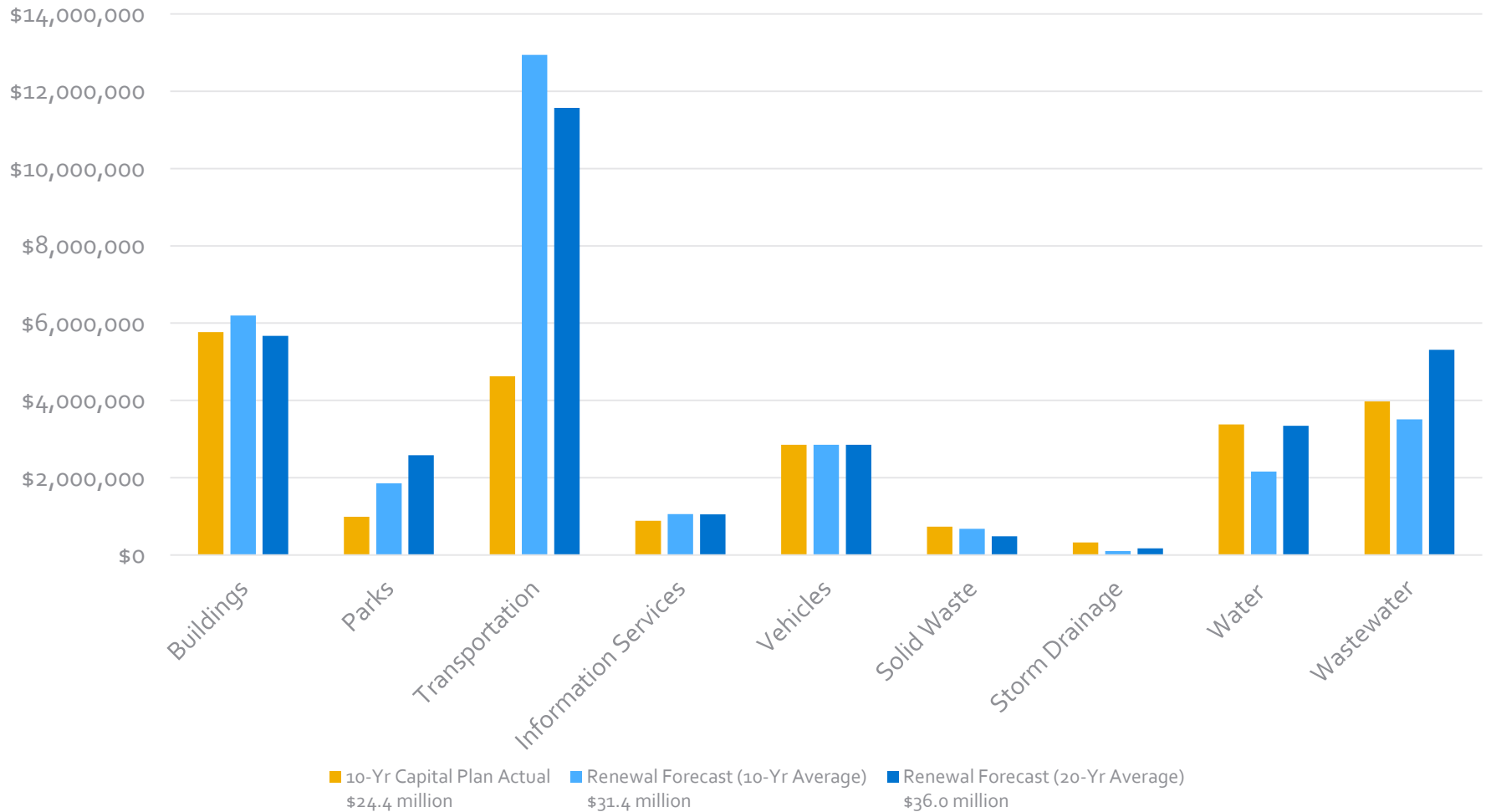


☆ - Council Approval Required

City of Kelowna

10- Year Capital Plan

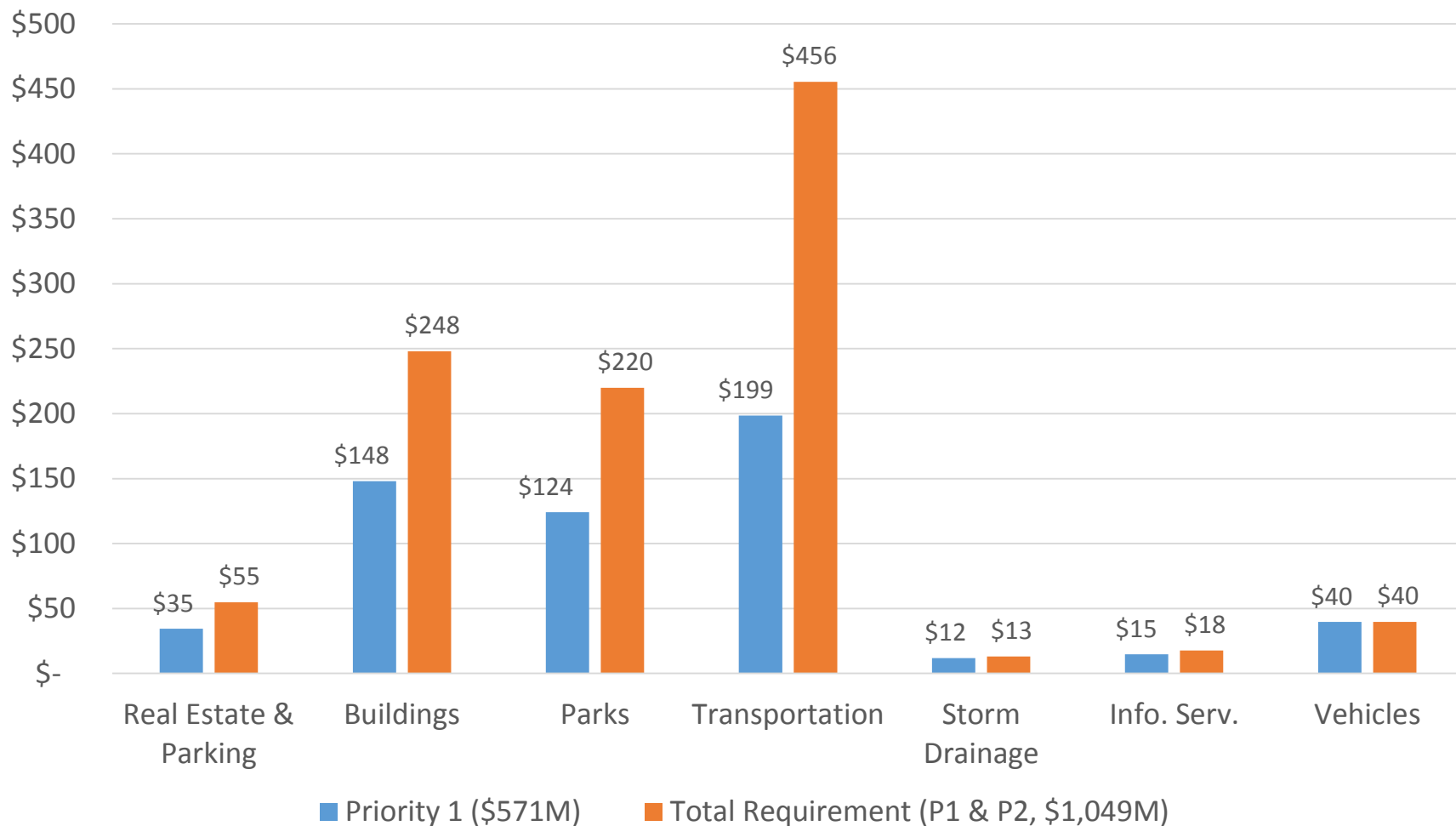
Average Annual Investment for Infrastructure Renewal



City of Kelowna

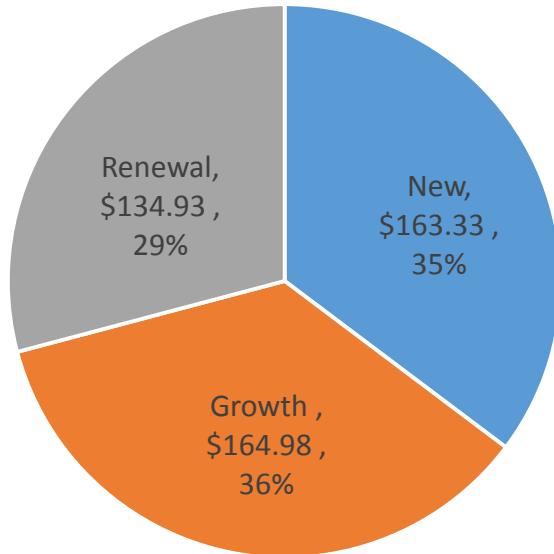
INVESTMENT PRIORITY 1 AND PRIORITY 2

(in millions)

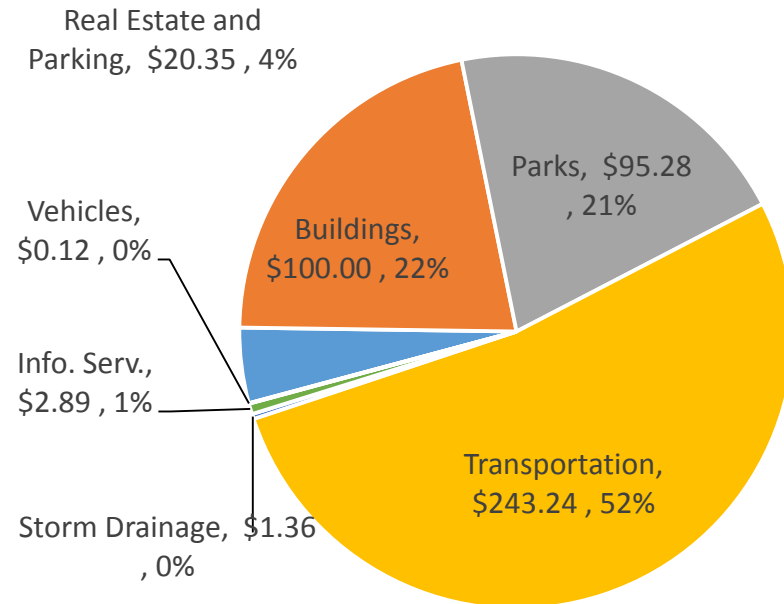


Infrastructure Deficit – 10-Year Plan P2 Projects

Infrastructure Deficit New, Growth & Renewal
2018-2027 \$465 (millions)



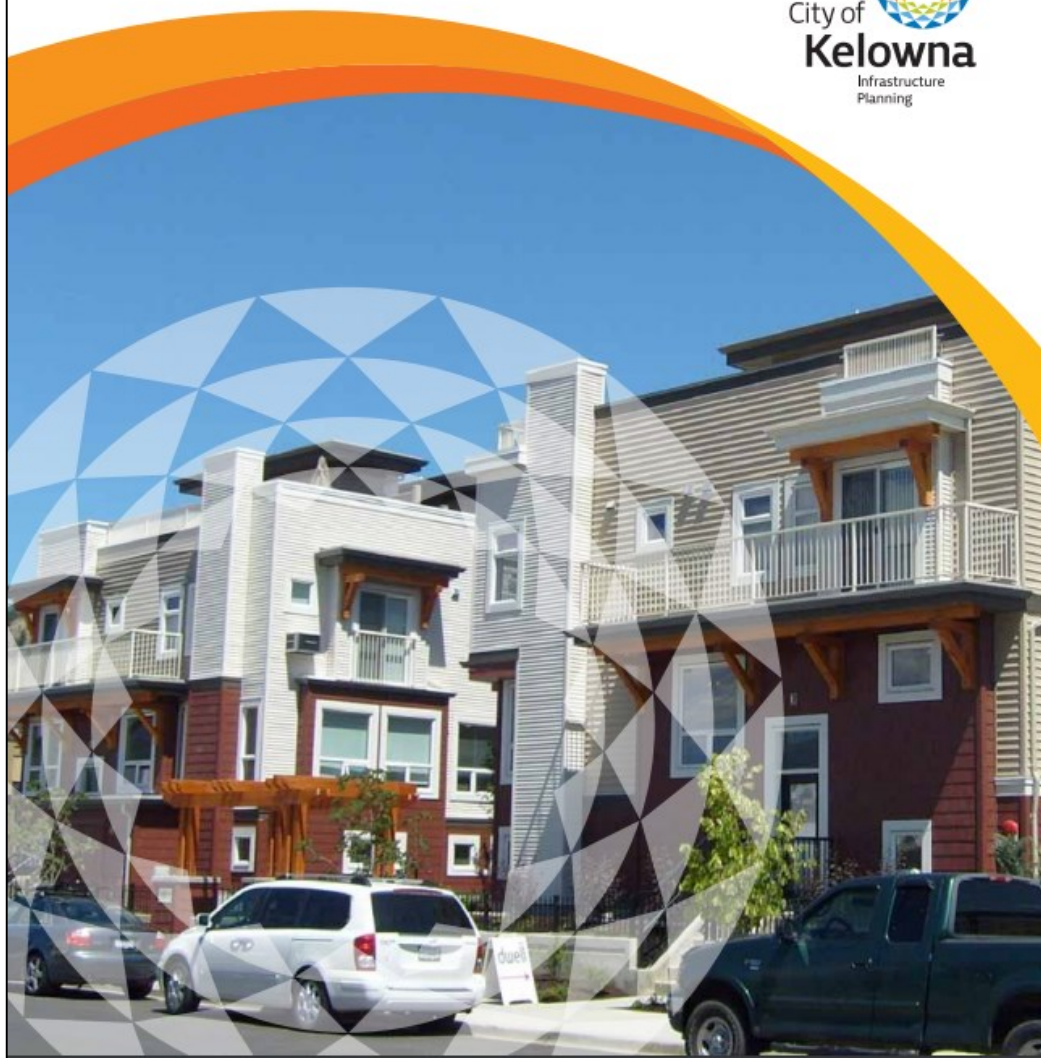
Infrastructure Deficit Cost Center 2018-2027
(millions)



20-Year Servicing Plan & Financing Strategy

Development Cost Charge Rates

Effective June 13, 2011



Legislation

▶ Local Government Act

- ▶ Sections 932 thru 937
- ▶ DCCs assist in paying capital costs due to growth,
- ▶ Charges directly attributable to development impact,
- ▶ Charges similar for all development that impose similar capital cost burden,
- ▶ Constructing, altering, or expanding facilities,
- ▶ Payable at subdivision or building permit,
- ▶ DCC Bylaw requires Provincial approval.

Legislation- Eligible Infrastructure

- ▶ Transportation – not off street parking
- ▶ Sewage
- ▶ Water
- ▶ Drainage
- ▶ Parkland Acquisition and Improvement

Legislation – Ineligible Infrastructure

- ▶ Fire Halls, Police Buildings
- ▶ Recreation and Cultural Centers
- ▶ City Halls
- ▶ Works Yards
- ▶ Arenas
- ▶ Soft services – i.e. child care facilities, replacement housing

Legislation

- ▶ Infrastructure must be consistent with city wide infrastructure standards,
- ▶ DCCs should not deter development,
- ▶ DCCs cannot discourage reasonably priced housing or serviced land,
- ▶ DCC funds cannot be used for other purposes,
- ▶ Waived or Reduced DCCs must be covered by taxpayer (i.e. non –profit housing),
- ▶ Churches, Residential units under 30 sq. m. exempt.

Legislation – Guiding Principals

▶ **Integration**

- ▶ DCC program consistent with OCP and corporate financial and capital infrastructure plans.

▶ **Benefiter Pays**

- ▶ Costs should be paid by those who will benefit from infrastructure.

▶ **Fairness and Equity**

- ▶ DCCS should distribute costs between existing users and new development in a fair manner.

▶ **Assist factors**

- ▶ Political decision
- ▶ Minimum 1%
- ▶ Consistent for each infrastructure area

▶ **Accountability**

- ▶ Transparent process that is assessable and understandable by stakeholders.

▶ **Certainty**

- ▶ Stability of DCC rates and well planned delivery of infrastructure.

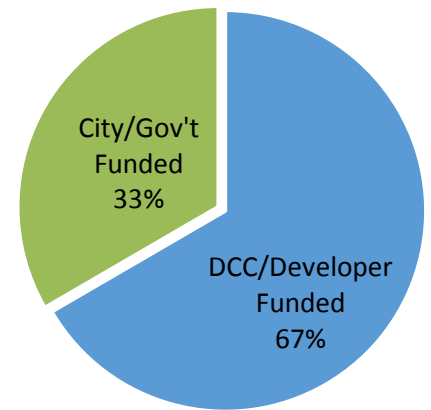
▶ **Consultative**

- ▶ Meaningful and informed input from the public and stakeholders

Kelowna DCC Program

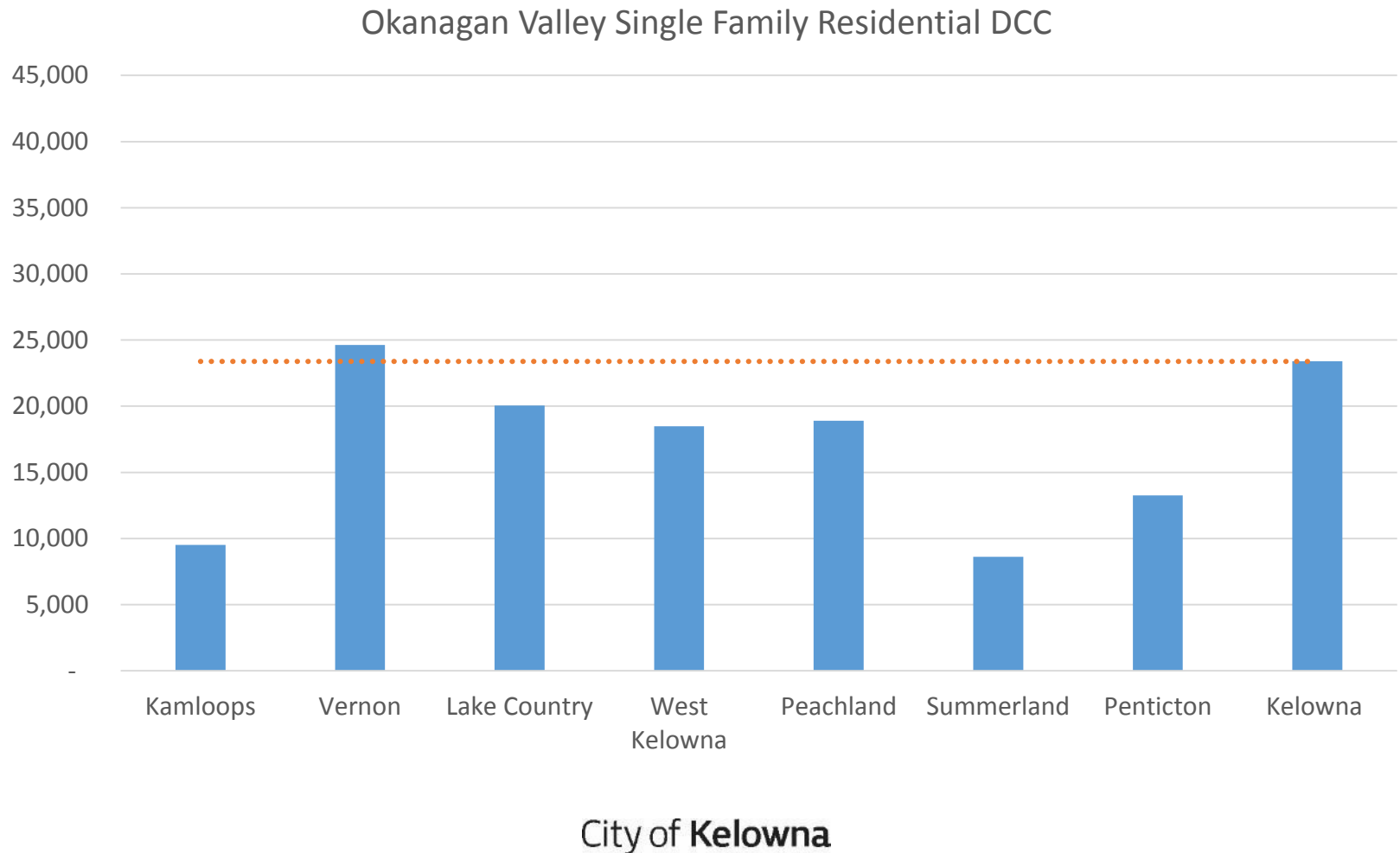
- ▶ Started in 1988
- ▶ Consistent with Provincial Best Practices Guide
- ▶ Major infrastructure to service OCP growth
- ▶ Includes Transportation, Water, Sewer, Parks land acquisition,
- ▶ Does not include Parks development or Drainage
- ▶ Infrastructure standards consistent with Subdivision & Servicing Bylaw (7900)
- ▶ 5 Categories of Residential Housing based on density
- ▶ Industrial based on hectares
- ▶ Commercial based on sq. meters
- ▶ Institutional based on sq. meters
- ▶ Special consideration for Agriculture

DCC Program – Funding Sources

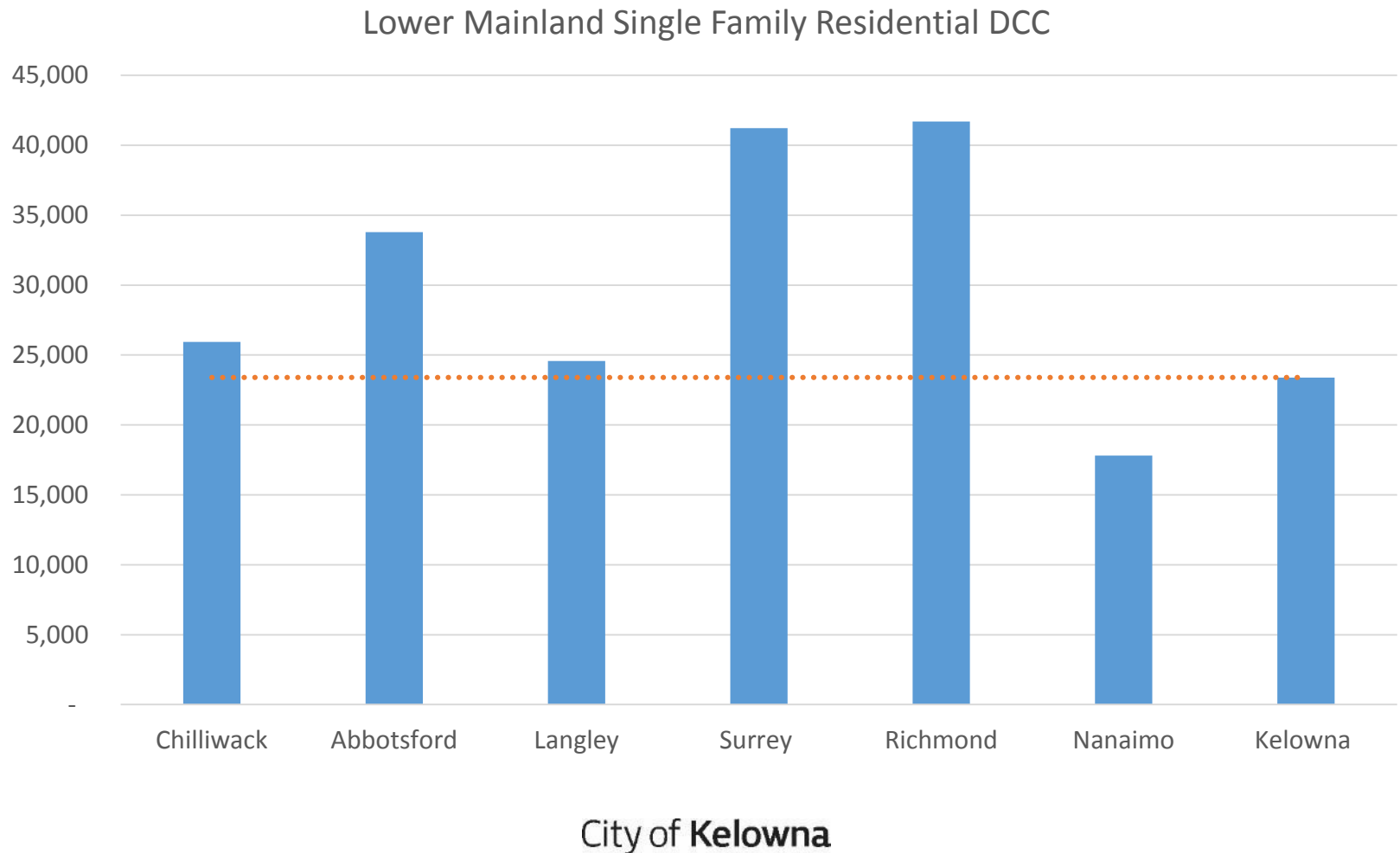


2030 Major Services - Funding Sources (\$ Millions) - 2018 Update							
Major Service	Gov't Funded	Developer Funded		City Funded		2030 OCP	
	Grant	Developer Construct	DCC's	Taxation	Utility User Rates	2018 Totals	% Total
Arterial Roads	39.7	75.1	234.7	168.4		517.9	59%
Water Distribution		6.4	26.3		31.3	64.0	7%
Wastewater Trunks		7.4	28.2		9.4	45.1	5%
Wastewater Treatment			66.1		21.9	88.0	10%
Parkland Acquisition	5.4		142.2	17.7		165.3	19%
2018 Totals	45.1	88.8	497.6	186.1	62.5	880.3	100%
% Total	5%	10%	57%	21%	7%	100%	

DCC Rates



DCC Rates





Keeping the Pace

Continuing our Success on the
Asset Management Journey

CNAM 2019 Conference | May 6-9, 2019 | Kelowna, BC



Questions?

For more information, visit kelowna.ca.