

Report to Council



Date: April 18, 2016
File: 1850-01
To: City Manager
From: Andrew Gibbs, Senior Project Manager
Subject: Okanagan Rail Trail - Fundraising Plan

Recommendation:

THAT Council receive, for information, the report from the Senior Project Manager, dated April 11, 2016, with respect to the Fundraising Plan prepared for the initial phase of the Okanagan Rail Trail;

AND THAT Council endorse the Okanagan Rail Trail Initiative (ORTI) society as the fundraising leaders for the project;

AND THAT Council generally support the Fundraising Plan, dated April 11, 2016, prepared by the Okanagan Rail Trail Initiative.

AND FURTHER THAT Council directs staff to work with the Okanagan Rail Trail Initiative on the fundraising for development of the initial phase of trail along the discontinued railway corridor.

Purpose:

To seek support of Council for the Fundraising Plan for the Okanagan Rail Trail corridor, as described in the attached report prepared by the Okanagan Rail Trail Initiative.

Background:

The Okanagan Rail Trail Initiative (ORTI) society is a group of valley residents, formed to promote the development of the Okanagan Rail Trail along the old CN rail line. The group was formed after CN Rail announced that the rail line between Coldstream and Kelowna was going to be discontinued. During the discontinuance phase ORTI actively promoted the conversion of the rail corridor to a trail and prepared an economic assessment on the impacts of doing so. As a result of this and interest shown at the recent public open houses, the group has the names and contact information of approximately 10,000 people who wish to be kept informed of ORTI's role and progress. Additionally, ORTI played a key role supporting the 'Yes' campaign in Lake Country's referendum to fund purchase of the corridor.

Since the corridor purchase was finalized ORTI has been preparing a strategy and building a network of early donors as part of a donor-funded campaign to raise the funds necessary to

develop the initial phase of the rail trail corridor. Further to this ORTI has entered in to a memorandum of understanding with the Interjurisdictional Development Team (IDT) to be the leaders of the fundraising campaign for construction of the rail trail project.

As a key step in this leadership role ORTI has prepared a Fundraising Plan and is ready to officially launch the public fundraising campaign. In order to capitalize on public interest and the typical giving cycles, ORTI and IDT are hoping to have the official launch in April. ORTI and the IDT are seeking endorsement of the Fundraising Plan by the Councils and Board of the corridor's owner jurisdictions before the official launch of the campaign. ORTI's research, combined with feedback from the March open houses, has determined that individuals and organizations in the valley are eagerly awaiting the launch of the fundraising campaign.

The purpose of the fundraising campaign is to raise the \$7.86 million estimated to be necessary for development of the trail, including consulting services, construction costs and a project contingency. The Trail Development Plan, which describes the scope and estimated costs of the development project, is provided to Council as a separate item on their agenda.

The goals of the fundraising campaign are to:

- Raise the money necessary to build the trail, relying primarily on donations. The fundraising target is \$7.86 million.
- Employ a grass roots approach to fundraising, using a citizen-driven model.
- Work with the IDT on other funding opportunities (e.g. grants, sponsorships).

The ORTI fundraising approach has been developed based on research on similar projects. Using this approach ORTI will be the fundraising lead. Using this approach ORTI's activities will focus on informing, motivating and training people to engaging in the project, financially and otherwise:

- Use traditional and social media to promote the project to the community at large.
- Issue newsletters to the project's followers and supporters, starting with the 10,000 who have already expressed an interest in the project.
- Use fundraising strategies that target the different types of potential donors identified for this campaign (e.g. individuals and families who will be the primary users of the trail; higher net worth individuals and families, clubs and service organizations, the business community).
- Train and equip volunteer fundraising leaders (trail ambassadors), who will be the 'boots on the ground' informing interested individuals and ad hoc groups about the scope and status of the project and how they can contribute funds and leverage their networks to promote funding for the project.

Critical to the Fundraising Plan is the ability to issue receipts to donors that they are able to claim as deductions for their annual income tax statements. In order to this ORTI and IDT are partnering with two established respected charitable organizations in the valley: the Central Okanagan Foundation (COF) and the Community Foundation of the North Okanagan (CFNO). Donors to the project will be directed by the ORTI team and trail ambassadors to make their contributions to COF or CFNO, who will issue a charitable tax receipt to the donors.

The community foundations will hold and manage the monies raised until needed to pay for development of the trail. As development costs for the trail are incurred the IDT will make

claims to the foundations in order to pay for the work. The foundations and IDT local governments will manage and account for the donation and expenses in compliance with good business practice and Canada Revenue Agency requirements.

Key to the fundraising campaign and development project is that, though the corridor transects several communities, financially it will be managed as one project. This means that donations received from the fundraising campaign, from whatever source, will be dealt with as if going in to a single project 'financial pot', to be expended across the entire length of the corridor until construction of the corridor is completed to the objectives outline in the Trail Development Plan along its entire length. This approach is intended to ensure that a continuous trail is developed in a timely manner and that, when it comes to achieving a basic level of continuous trail, that there are no 'have' or 'have not' communities.

At this time, it is not possible to project how long it will take to reach the fundraising target of \$7.86 million. As fundraising progresses ORTI should be able to

To maintain public interest in the fundraising campaign and to expedite completion of the initial phase of trail development the IDT is considering phasing the project such that logical items of work are done in stages over the course of the fundraising campaign. The final phase would be surfacing the entire length of the trail so that it could be opened to the public.

The IDT supports ORTI's role as the fundraising lead for the project and recommends that the Council endorse the Fundraising Plan.

Financial/Budgetary Considerations:

As this is a joint project of three local governments and a first nation, involving two charitable foundations, it will be necessary for the parties to set up accounting systems to manage the receipt, payment, transfer and accounting of the money for this project (n.b. by the 3rd quarter of 2016).

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

A. Gibbs, Senior Project Manager

Approved for inclusion:



cc: A. Newcombe, Divisional Director, Infrastructure
J. Creron, Divisional Director, Civic Operations
D. Gilchrist, Divisional Director, Community Planning & Real Estate
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