

# Report to Council



**Date:** February 4, 2019  
**File:** 1200-40  
**To:** City Manager  
**From:** Ross Soward, Planner Specialist  
**Subject:** Responding to the Infrastructure Challenge: 2018 Community Trends Report

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## **Recommendation:**

THAT Council receives, for information, the report from the Planner Specialist dated February 4, 2019, with respect to Kelowna's 2018 Community Trends Report.

## **Purpose:**

To introduce "Responding to the Infrastructure Challenge: 2018 Community Trends Report"

## **Background:**

The *2018 Community Trends Report (CTR)* examines the infrastructure challenge from a national perspective, while considering the local impacts for the City and community in Kelowna. Recent reports estimate the national infrastructure deficit to be approximately \$270 billion and Kelowna's 10-year Capital Plan identified the local infrastructure funding shortfall to be approximately \$478 million. The infrastructure challenge facing Kelowna and other cities across Canada is the result of a convergence of infrastructure demand as greater levels of funding are needed to renew existing assets and cities are challenged to find new capital to fund the infrastructure of the 21<sup>st</sup> century.

This is the fifth year Policy and Planning has prepared the CTR and this year's topic was selected to support a range of work that is currently underway or upcoming in 2019-20. The CTR will augment the City's understanding of the relationship between the Official Community Plan Review, the Transportation Master Plan and long-term infrastructure costs. Further, the trends report will serve as an additional resource for the City as the 20-year Servicing Plan is updated and funding options are reviewed to tackle the funding shortfall and support the City's future growth management strategy.

The CTR is one of several analytical reports produced by the Policy and Planning Department. While other reports focus on specific areas, such as housing or development statistics, the CTR explores major trends and examines possible local impacts. The CTR is not meant to establish formal City recommendations, but instead sets the stage for the City's work on other planning projects or initiatives. Ultimately, the aim of the CTR is to research and to understand future trends that will impact the City and the broader community in the years ahead and to understand where attention and action may be needed in the future. The report is intended to inform and to empower local businesses, citizens and community partners to respond better to a changing and evolving community.

## Discussion

The CTR highlights options for responding to the infrastructure challenge, using the four Imagine Kelowna (IK) principles: *responsible, smarter, collaborative, and connected* to understand how the City could apply the strategic priorities of Imagine Kelowna.

- *Responsible* – Cities are taking a closer look at how responsible growth management can be an effective tool to reduce long-term infrastructure liabilities. By shifting growth away from greenfield development, cities can reduce the amount of new long-term liabilities (roads and utilities) that are assumed as a by-product of each new development.
- *Smarter* – A Smart City approach leverages technology to improve operations, increase efficiency or deliver improved customer service. By using technology cities can ensure constrained resources have the greatest impact to address many demands facing community infrastructure.
- *Collaborative* – Local governments are exploring different partnership-driven approaches to infrastructure development to fund emerging infrastructure priorities. By focusing on projects with opportunities for partnerships diverse funding sources can be brought to bear, leveraging public investment and delivering a greater benefit to the community in the long-term.
- *Connected* – By expanding the options for how people can get around beyond the automobile, cities can improve traffic flow and extend the lifespan of existing roads. For example, if a modest portion of the 1.2 million kilometres driven each day in Kelowna were shifted to active modes like transit, walking, or cycling, Kelowna could improve traffic flow and defer roadway expansion, thereby decreasing long-term renewal and maintenance costs.

The CTR is about more than just reporting on data and trends. The Policy and Planning Department recognizes the need to explore emerging trends from a long-term perspective, to help guide and prioritize policy and tools for the City to remain resilient. The CTR is not a comprehensive or exhaustive analysis of the infrastructure challenge, but highlights the scale of the challenge and need for a range of funding tools and responses on the part of the City and other partners to reduce the long-term infrastructure deficit in the years ahead.

### Examples of Areas for Future Action

- Identify partnerships with Regional District, school district and other institutional partners to deliver shared infrastructure projects
- Partner with community to leverage local fundraising and philanthropy networks to advance projects that benefit all residents (e.g., arts & cultural facilities)
- Identify capital servicing costs for all major new developments to understand long-term renewal and liability costs for City
- Explore opportunities for moving towards mass transit on key corridors
- Investigate the suitability of new funding strategies (e.g. CACs, Park Development DCC, Density Bonus etc.) through upcoming Facts in Focus on Infrastructure Funding Options
- Explore a reduction of service levels or increased risk tolerance to reduce infrastructure deficit
- Investigate stormwater management DCC for green infrastructure projects
- Review structure of DCC program and taxation assist levels for DCC projects to ensure that new development pays its fair share

Cities all across Canada are faced with the daunting challenge of maintaining and replacing the infrastructure that exists today and finding new funding sources to invest in infrastructure that will attract the jobs and residents of 21<sup>st</sup> century. There is no silver bullet for addressing a challenge of this scale, it will require cities to introduce new funding tools and strategies that reduce future costs. At the same time every future investment must be leveraged to ensure the greatest possible benefit to the community. Kelowna's response to the infrastructure challenge will require innovative thinking, unique partnerships, responsible planning and strategic decisions to ensure a resilient future for Kelowna.

The observations of the CTR are also meant to be integrated into several strategic planning initiatives underway at the City. Specifically, the report highlights the significant relationship between long-term infrastructure costs and the outcomes of the OCP review and the Transportation Master Plan update. Of particular note, the CTR identifies the cascading impacts of growth management decisions on the City's long-term infrastructure budgets.

Overall, the infrastructure challenge will require a holistic approach and commitment on the part of City and community to address the long-term funding shortfall. The forthcoming Facts in Focus on Infrastructure Funding Options will identify specific funding strategies with the greatest applicability for the City of Kelowna.

### **Internal Circulation:**

Policy and Planning Department Manager  
Community Planning & Real Estate Divisional Director  
Communications Consultant  
Infrastructure Div. Director  
Infrastructure Engineering Manager

Integrated Transportation Department Manager  
Financial Planning Manager  
Business and Entrepreneurial Development Director  
Community Planning Department Manager  
Urban Planning Manager  
Strategic Investments Director  
Infrastructure Operations Department Manager

**Communications Comments:**

The 2018 Community Trends report can be found on [kelowna.ca/publications](http://kelowna.ca/publications). The report will also be distributed to key stakeholders and the broader community.

Submitted by:

R. Soward, Planner Specialist

**Approved for inclusion:**



J. Moore, Long Range Policy Planning Manager

Attachment Responding to the Infrastructure Challenge: 2018 Community Trends Report