

Stormwater Utility Engagement Results and Next Steps

Phase 2: Alignment with community values

November 18th, 2024

Agenda

- Background and process
- Engagement summary
- Rate structure options evaluation
- Next steps
- Conclusion



Stormwater runoff discharges to surface waterbodies throughout the City.

Water Security and Responsibility Plan

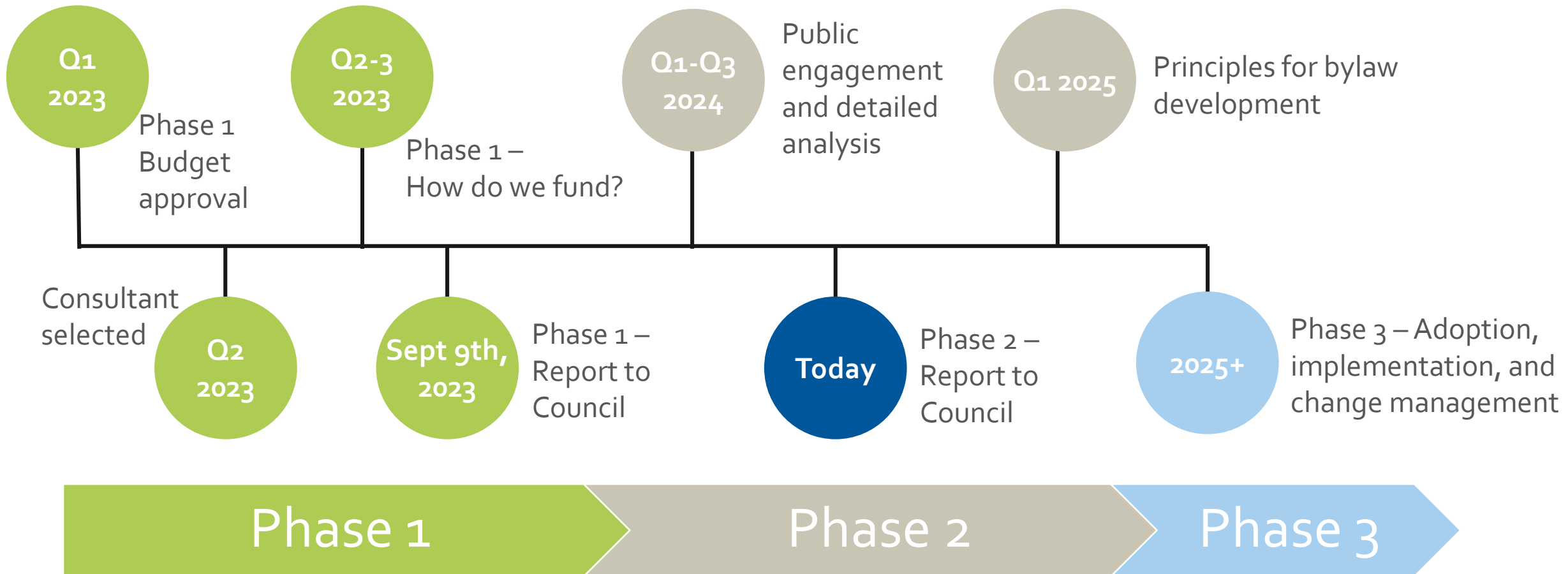
Principle 3: “Stormwater is effectively managed without negatively impacting riparian areas, infrastructure, property, or Okanagan Lake.”

Principle 4: “The community is resilient to lake and creek flooding.”



The six water sectors outlined in the City's Water Security Planning Process

Phased Approach



Stormwater Funding Decision-Making Drivers



How we fund, not what we fund

- This initiative is about **HOW** we fund stormwater management services, not **WHAT** we fund.
- Council has other mechanisms for determining what is funded, including:
 - 10-Year Capital Plan
 - Annual Financial Plans
 - Level of service policies
 - Service-based budgeting

Stormwater Rate Structure Options

Stormwater Funding Model	Used By	Single Family Residential	Multi-residential (2-6 units)	ICI ^a and large multi-res ^b	Drivers				
					Protect Okanagan Lake water quality	Promote good private SW practices	Predictable funding	Fair & equitable	Simple
EQUIVALENT	Guelph, Ajax, Saskatoon	Average residential impervious area		Measured impervious area and credit program	●	●	●	●	●
PROPORTIONAL	Windsor	Average SFU ^c impervious area	Average multi-res impervious area		●	●	●	●	●
TIERED-EQUIVALENT	Potentially Kelowna	Small, medium, and large tiers based on impervious area			●	●	●	●	●

RECOMMENDED IN PHASE 1

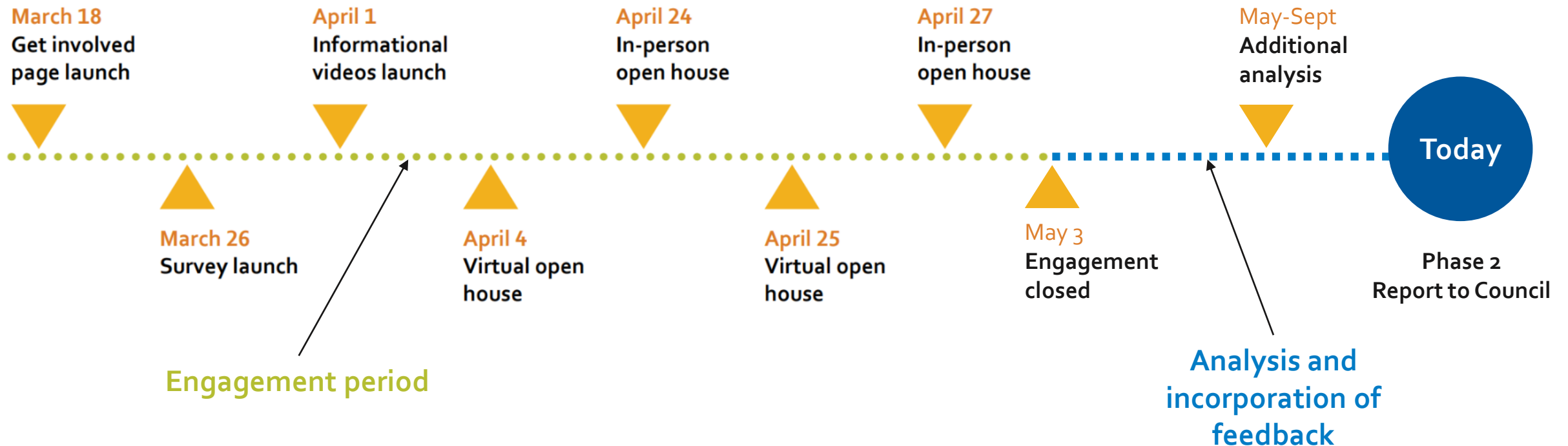


^a ICI: Industrial, commercial and institutional land uses. ^b Multi-res includes lots and stratas with > 6 units. ^c SFU: Single-family unit

ADDED TO ADDRESS COMMUNITY FEEDBACK

Engagement Timeline

➤ Public engagement occurred from March 18th to May 3rd, 2024



Engagement Objectives

Two primary objectives from public engagement

1. Inform and educate the public on stormwater management
2. Obtain public feedback and answer questions on proposed funding options



Engagement Activities and Feedback

1. **Importance of stormwater management:** Most consider stormwater management services as important.
2. **On-site stormwater management measures:** Many residents have already taken steps to manage their stormwater on site. ICI respondents expressed willingness to take further steps.
3. **Rebate and credit programs:** Most respondents expressed interest in rebate or credit programs.
4. **Uncertainty regarding funding models:** Many are unsure about which funding model they preferred.
5. **Concerns over fairness and contributions:** Concepts of fairness and equity were recurring themes.

6,666

Get Involved project webpage views

20

Survey responses from ICI or multi-residential property owners or operators

25

Emails

25

Phone calls

17

Virtual open house visitors

236

Survey responses from residential property owners

44

In-person open house visitors

Myth Busting

Throughout public engagement, staff encountered recurring misinformation/misunderstanding from residents and the media.

➤ ***This is just a new tax!***

← Considerations for tax exempt – see next steps

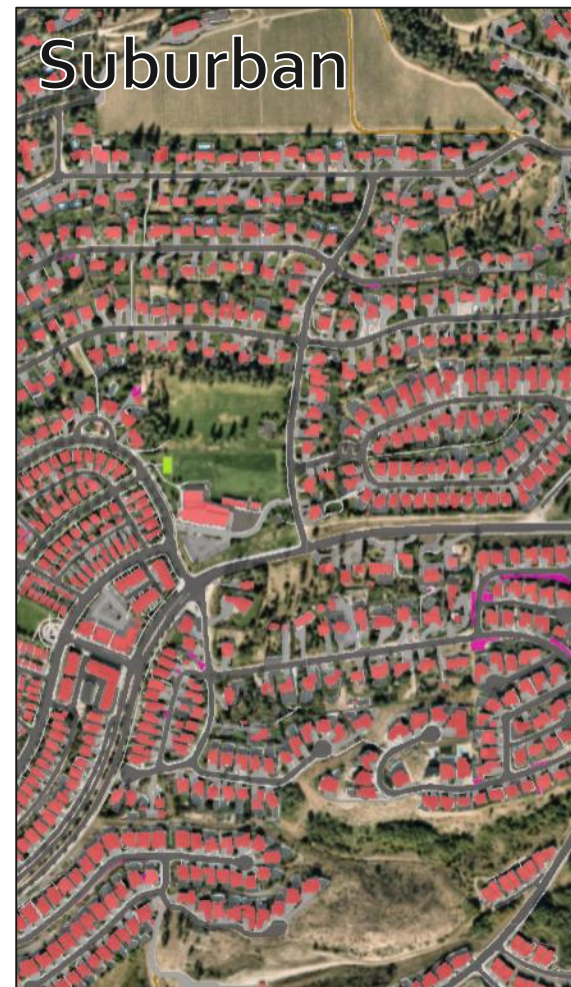
- ▶ Property owners have always contributed to funding stormwater management services. Historically, this amount was calculated based on the assessed property value. This initiative would be a shift in funding.

➤ ***My property doesn't benefit from and/or contribute to the stormwater system.***

- ▶ All properties benefit from the stormwater system. Whether you live on an urban or rural property, stormwater management is vital to our community's health and resiliency.

Impervious Data

-  Building
-  Pavement
-  Driveway
-  Sidewalk
-  Parking
-  Unpaved driveway
-  Compacted surface
-  Road
-  Unpaved road
-  Unpaved sidewalk
-  Unpaved parking
-  Sport ground

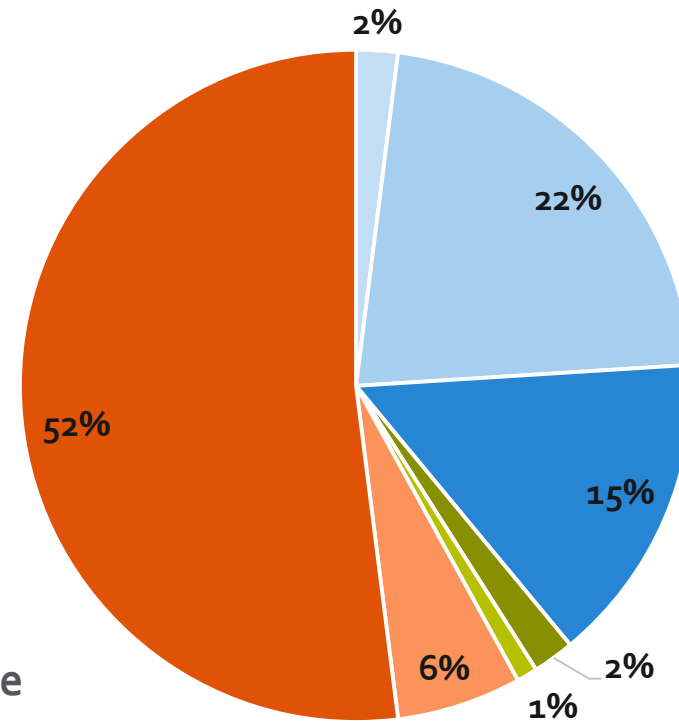


Relative Change from Taxation

Property Type		Relative change from taxation to tiered-equivalent
Low density residential (≤6 units)		
Low-density residential	Small	↓
	Medium	≈
	Large	↑
Higher-density residential (>6 units), ICI^a and mixed use		
Mobile home		↑
Condo/Apartment		↓ / ≈
ICI and mixed use		Varies
Agriculture/Tax exempt		↑
Undeveloped		↓

Credit eligible

Impervious area percentage by land use type



- Low density residential - Small
- Low density residential - Medium
- Low density residential - Large
- Tax exempt
- Mobile homes
- Higher density residential
- Non-res and mixed use

Single-Family Homes

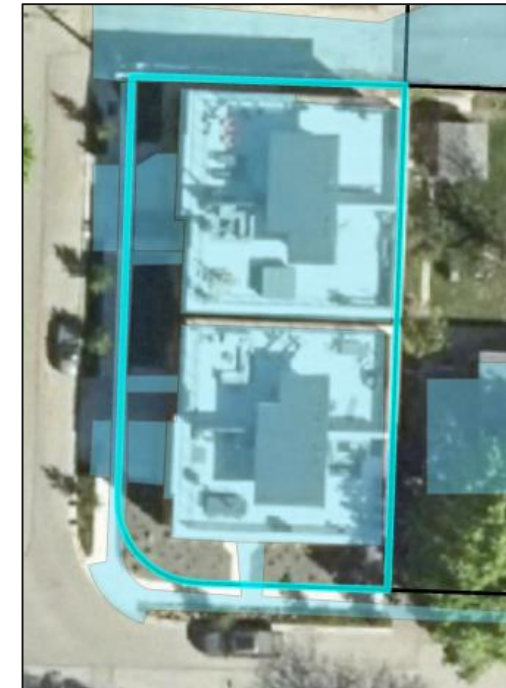
Property Type	Relative change from taxation to tiered-equivalent	
Low density residential (≤6 units)		
Low-density residential	Small	↓
	Medium	≈
	Large	↑
Higher-density residential (>6 units), ICI^a and mixed use		
Mobile home	↑	
Condo/Apartment	↓ / ≈	
ICI and mixed use	Varies	
Agriculture/Tax exempt	↑	
Undeveloped	↓	



Category	Small low density residential	Medium low density residential	Large low density residential
Impervious area	183 m ²	323 m ²	679 m ²
Assessed value	\$800,000	\$1,191,000	\$1,387,000
Residential units	1	1	1
Current tax/reserves	\$45 (\$45/unit)	\$66 (\$66/unit)	\$76 (\$76/unit)
Tiered-Eq. rate	\$35 (\$35/unit)	\$58 (\$58/unit)	\$99 (\$99/unit)

Duplex and Infill (2-6 units)

Property Type		Relative change from taxation to tiered-equivalent
Low density residential (≤6 units)		
Low-density residential	Small	↓
	Medium	≈
	Large	↑
Higher-density residential (>6 units), ICI^a and mixed use		
Mobile home		↑
Condo/Apartment		↓ / ≈
ICI and mixed use		Varies
Agriculture/Tax exempt		↑
Undeveloped		↓



Category	Medium low density residential	Large low density residential
Impervious area	426 m ²	561 m ²
Assessed value	\$1,793,000	\$4,176,000
Residential units	2	4
Current tax/reserves	\$99 (\$45/unit)	\$230 (\$58/unit)
Tiered-Eq. rate	\$58 (\$29/unit)	\$99 (\$25/unit)

Apartments

Property Type		Relative change from taxation to tiered-equivalent
Low density residential (≤6 units)		
Low-density residential	Small	↓
	Medium	≈
	Large	↑
Higher-density residential (>6 units), ICI^a and mixed use		
Mobile home		↑
Condo/Apartment		↓ / ≈
ICI and mixed use		Varies
Agriculture/Tax exempt		↑
Undeveloped		↓



Category	Apartment/Condo	Mixed use tower
Impervious area	1,245 m ²	2,045 m ²
Assessed value	\$3,689,000	\$75,210,000
Residential units	12	60
Current tax/reserves	\$204 (\$17/unit)	\$4,453 (\$74/unit)
Tiered-Eq. rate	\$203 (\$17/unit)	\$333 (\$6/unit)

Non-Residential and Mixed Use

Property Type		Relative change from taxation to tiered-equivalent
Low density residential (≤6 units)		
Low-density residential	Small	↓
	Medium	≈
	Large	↑
Higher-density residential (>6 units), ICI^a and mixed use		
Mobile home		↑
Condo/Apartment		↓ / ≈
ICI and mixed use		Varies
Agriculture/Tax exempt		↑
Undeveloped		↓



Category	Industrial	Commercial
Impervious area	18,150 m ²	172,462 m ²
Assessed value	\$15,803,000	\$293,154,000
Residential units	0	0
Current tax/reserves	\$2,142	\$39,732
Tiered-Eq. rate	\$2,957	\$28,100
















Tax Exempt (full or partial)

Property Type	Relative change from taxation to tiered-equivalent
Low density residential (≤6 units)	
Low-density residential	Small ↓
	Medium ≈
	Large ↑
Higher-density residential (>6 units), ICI^a and mixed use	
Mobile home	↑
Condo/Apartment	↓ / ≈
ICI and mixed use	Varies
Agriculture/Tax exempt	↑
Undeveloped	↓



Category	Place of worship	Non-profit – social services	Agriculture w/ packing facility
Impervious area	23,684 m ²	1,085 m ²	19,789 m ²
Assessed value	\$33,185,000	\$5,981,600	\$7,244,000
Residential units	0	0	0 (16 portables for farm workers)
Current tax/reserves	\$0	\$0	\$1 (one)
Tiered-Eq. rate	\$3,859	\$179	\$3,224

Staff Recommended Rate Structure

Stormwater Funding Model	Used By	Single Family Residential	Multi-residential (2-6 units)	ICI ^a and large multi-res ^b	Drivers				
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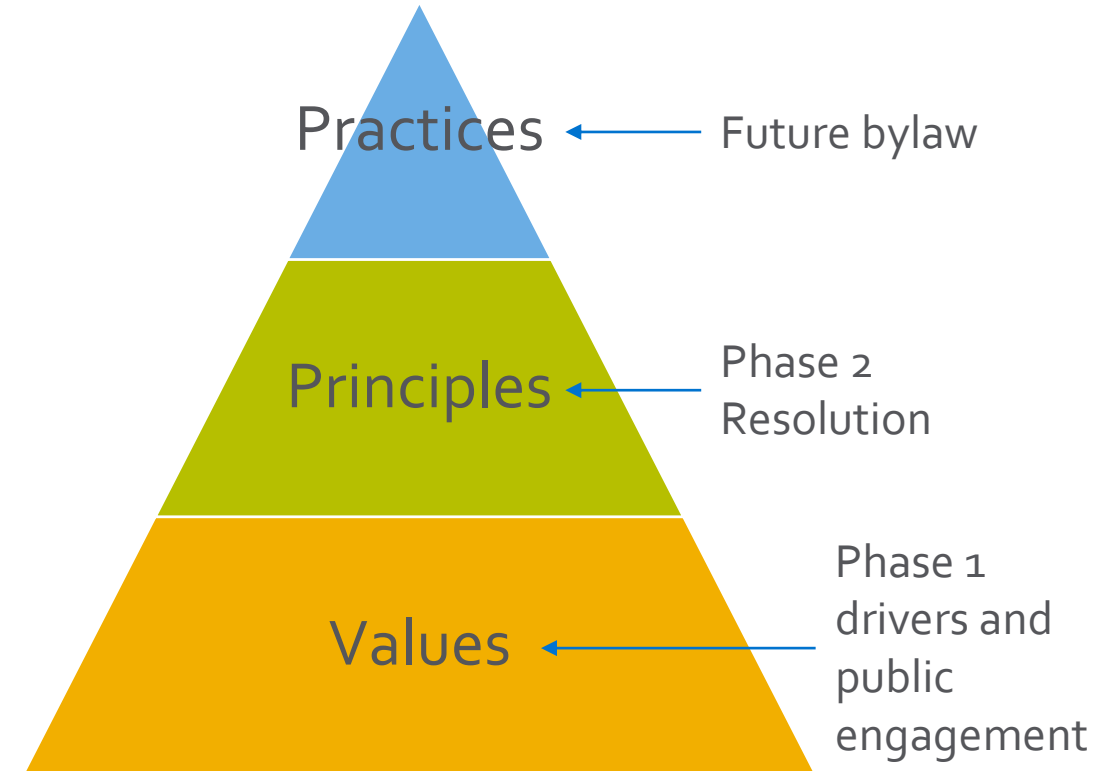
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Staff recommendation: Proceed with TIERED-EQUIVALENT rate structure option.

ADDED TO ADDRESS COMMUNITY FEEDBACK

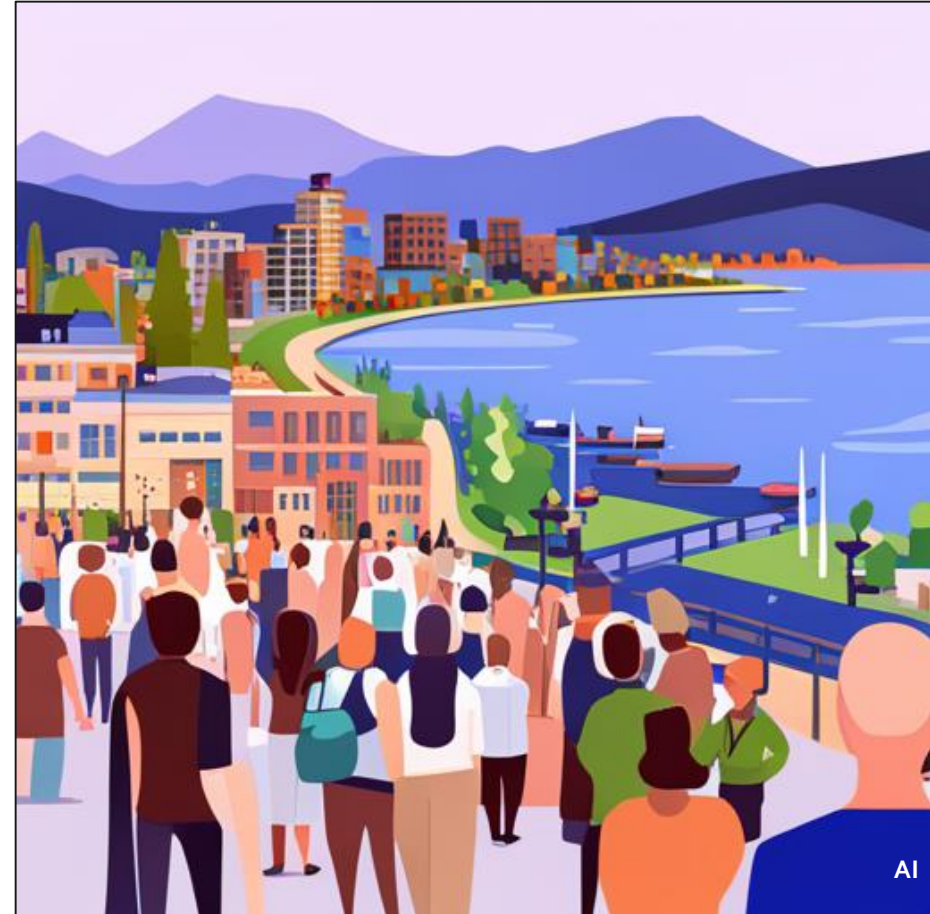
Principles for Bylaw Development

- **Resolution:** AND THAT Council direct staff to prepare principles for bylaw development that align with the tiered-equivalent rate structure option.
- Proposed principles would consider:
 - Background and rationale for change
 - Consideration of agricultural/tax- exempt properties
 - Finalizing property classifications
 - Creating a viable incentive program
 - Bylaw framework (existing vs. new bylaw)



Conclusion

- Should Council adopt the recommendations in this report, staff will proceed with developing principles for bylaw development that align with the tiered-equivalent rate option.
- Staff will present the recommended principles at a future Council workshop.



AI



Questions?

For more information, visit kelowna.ca.