

Report to Council



Date: February 10, 2025
To: Council
From: City Manager
Subject: Delegation of Authority - Property Management 2024
Department: Real Estate

Recommendation:

THAT Council receive, for information, the report from the Real Estate Department dated February 10, 2025 with respect to the use of the Delegation of Authority to Enter into Leases and Licenses of Occupation (Bylaw No. 11250) in 2024.

Purpose:

To update Council on the use of the Delegation of Authority to Enter into Leases and Licenses of Occupation in 2024.

Background:

In July 2016, Council approved Bylaw No. 11250, Delegation of Authority to Enter into Leases and Licenses of Occupation, in an effort to increase efficiency and enhance the lease development process. The delegation of authority allows staff to, within the established parameters, approve transactions for leases and licenses of occupation over lands and buildings owned or vested by the City of Kelowna (the "City"), in addition to buildings and land to be leased by the City as required for municipal undertakings.

The Property Management Manager is authorized to negotiate and execute on behalf of the City, transactions of up to a maximum fair market value of \$60,000 per year for a lease or license of occupation (up to a maximum term of 15 years, inclusive of renewals). This amount allows the Property Management Manager to approve most concession leases, licenses of occupation, farm leases, and residential leases, in addition to most minor commercial leases.

Discussion:

In 2024, staff executed 67 agreements utilizing the Delegation of Authority. The agreements range from commercial leases to concession agreements to residential tenancy agreements and are summarized in Figure 1. A detailed summary of the executed agreements is provided in Schedule A.

Type	Quantity
Licenses of Occupation	14
Commercial Leases (incl. extensions & renewals)	19
3rd Party Agreements (Lagoons agreement)	8
Concession Agreements	12
Farm Leases	2
Residential Tenancy Agreements	12
Total	67

Figure 1 – Types of agreements executed under Property Management’s Delegation of Authority in 2024

Below are some highlights of the work completed by staff in 2024:

Esthetic Upgrades – The Property Management department has provided a license of occupation for use of the trellis over top of the art walk to the Arts Council of the Central Okanagan (ARTSCO) for digital art projections along the walkway. The City also provided a license renewal to WFN for a public Indigenous art display along Queensway Avenue.

Public Space Animation – Staff have also sought out meaningful ways to animate parks and public spaces by placing activity and food concessions in suitable places. Two successful examples are the skate sharpening business at Stuart Park and the food truck located in the Rotary Beach parking lot.

Sports Facilities - In 2024, Property Management negotiated the commercial lease of Dodd Road Rutland Arena to a junior A hockey franchise as part of the KIJHL.

Agriculture Agreements – In October, the staff successfully negotiated a third lease renewal with a large cherry farm on East Kelowna Road spanning another 3 year term with 2 lease renewal options.

Existing Policy:

Agreements executed under the Delegation of Authority bylaw are intended to support Council priorities. Specifically, relevant to this report:

- Non-taxation revenues are increasing;
- Animated parks and public spaces; and,
- Services, processes & business activities are transformed.

Considerations not applicable to this report:

Legal/Statutory Authority
 Legal/Statutory Procedural Requirements
 Existing Policy

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Financial/Budgetary Considerations
External Agency/Public Comments
Communications Comments

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Attachments: Schedule A – 2024 Delegation of Authority Summary