

Report to Council



Date: June 23, 2025
To: Council
From: City Manager
Subject: Strategic Facilities Master Plan Version 1– Final Draft
Department: Facilities Planning & Design

Recommendation:

THAT Council receives, for information, the report from Facilities Planning & Design dated June 23, 2025, regarding the Strategic Facilities Master Plan;

AND THAT Council endorses the Strategic Facilities Master Plan Version 1.

Purpose:

To endorse the Strategic Facilities Master Plan as the framework for guiding municipal facility investment decisions to meet current and future service delivery to the community for the next 15 years.

Background:

The City of Kelowna is rapidly evolving into a more urban and dynamic regional hub and is one of the fastest growing cities in Canada with a projection between 45,000 and 65,000 new residents by 2041. With this growth comes a shifting demographic and increased demands on the services that the City currently provides to the community.

Additionally, inflation and the rising costs of materials and labour present financial constraints. Aging infrastructure requires ongoing maintenance and upgrades, while the capacity of City staff to meet these demands is continually tested. Addressing these challenges requires careful planning and strategic investment to ensure that the City's facilities can meet the community's current and future service expectations.

The Strategic Facilities Master Plan Version 1 (SFMPv.1) is focused on the following objectives:

1. **Strategic Alignment** with the community vision outlined in Imagine Kelowna, the forthcoming 2041 Official Community Plan (OCP) update, Council and Corporate Priorities, departmental facility master plans and facility related initiatives.
2. **A Facility Investment Framework** that supports sustainable and resilient services for Kelowna's current and future citizens.

3. **Process Improvement** in how we assess, plan, fund, deliver and manage our facilities.
4. **Prioritization** of Capital Plan projects that is transparent, consistent, and defensible.
5. **Recommendations** for action plans, implementation timelines and measurable outcomes.

SFMPv.1 is a first step towards charting a path for how the municipal facilities portfolio will support Kelowna “A City of the Future.” SFMPv.1 sets the foundation and provides first-stage recommendations that will be assessed, validated, and refined in subsequent SFMPv.2. This path is guided by collaborative governance and a *One Team* approach, with a vision to establish a *Future Ready Facilities Portfolio* that adheres to principles of sustainability, data-driven decision making, people-centric approaches, innovation, fiscal responsibility, and a holistic perspective.

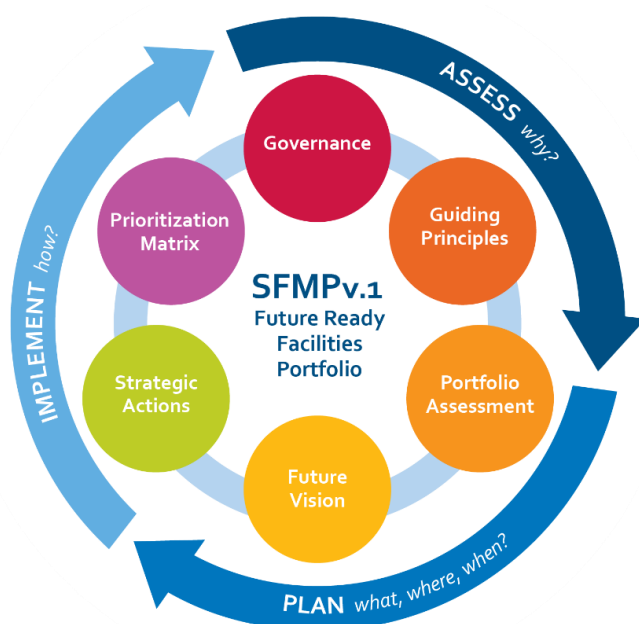
Iterative Process

The SFMP development is divided into three phases:

- **Phase 1: Ready** – SFMPv.1 Establish the Plan (2025-2026)
- **Phase 2: Set** - SFMPv.2 Implement and Validate the Plan (2026-2027)
- **Phase 3: Go** – SFMP+ Continuous Improvement (2027+)

Key elements of SFMPv.1 will facilitate the identification of candidate projects for consideration in the 2026 Capital Plan process. Future iterations of the SFMP will be instrumental in streamlining the process for setting priorities, guiding investment decisions, and shaping strategic actions to develop the next generation of municipal facilities. The development of the SFMP is intended as a measured progression of iterative steps starting with understanding what we have (SFMPv.1), followed by confirming what we need and how we work as *One Team* (SFMPv.2) and thereafter charting a path towards a *Future Ready Facilities Portfolio* (SFMP+). Each step is a commitment towards continuously improving the way we plan, fund, deliver, operate and sustain our current and future generation of municipal facilities and the community services that they support.

The SFMPv.1 Framework



- *Governance* - the structure, hierarchy, and process of decision-making
- *Guiding Principles* - the principles and criteria of decision-making
- *Portfolio Assessment*- the current state and capability
- *Future Vision* – the desired outcomes
- *Strategic Actions* – the levers to achieve the desired outcomes
- *Prioritization Matrix* - the filter for project evaluation and consideration for inclusion in the Capital Plan

The SFMPv.1 Framework is a system-wide approach for achieving a *Future Ready Facilities Portfolio*. Modeled on Asset Management BC’s “Asset Management for Sustainable Service Delivery Framework for British Columbia,” the framework delineates three phases in a

continuous cycle: Assess, Plan, and Implement. Additionally, it addresses the fundamental questions regarding the why, what, where, when and how of facility investment decision making.

Current State

A fundamental consideration for SFMPv.1 is assessing the suitability of the existing facility portfolio relative to its ability to meet ongoing community service requirements and its capacity to accommodate growth and future demands.

Classifying facilities into categories reduces the total number of assets into manageable subsets and serves as a comparative lens for evaluating the significance of the services and facilities to the community, thereby establishing a relative scale to guide the appropriate management strategy.

Category	Services	Quantity	Total Area (SF)
Primary	Protective (Fire, Police & Bylaw) and Major Enabling (Operations, Utilities and Admin)	20	302,600
Core	Major Recreational and Cultural	10	779,200
Support	Non-Primary, Non-Core, Non-Ancillary (small to medium sized Cultural, Recreational and Enabling facilities)	43	272,400
Ancillary	Public Washrooms, Concessions, Pavillions and Storage	65	76,600
TOTAL		138	1.47 Million

Table 1. Existing Facility Portfolio. Total replacement value \$1.28 billion.

The Facilities Department conducts regular Building Condition Assessments (BCA) of the facility portfolio. The BCAs are monitored and updated to determine the Facility Condition Index (FCI) for each facility. The FCI is an industry standard for expressing facility condition as a ratio of the total deferred renewal costs divided by the current replacement value. This ratio is converted to a condition rating of good, fair, poor, very poor or critical. The Facilities Department has developed a Facilities Maintenance Policy and renewal strategies including modernization programs to manage facilities within the 40% FCI range.

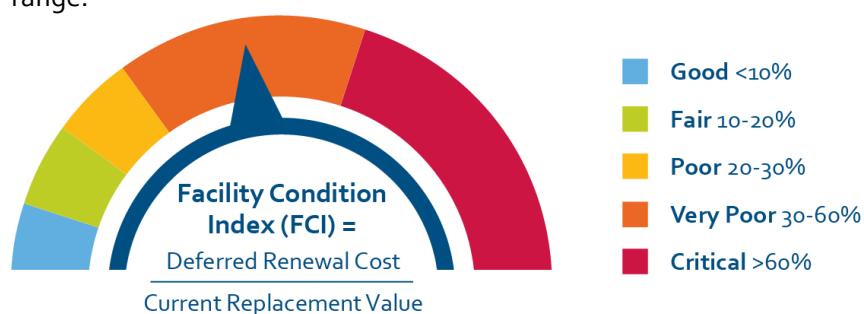


Figure 2. Facility Condition Index.

Although renewal budgets have been increased in recent Capital Plans, maintaining existing service levels across the portfolio will become increasingly difficult as 75% of our existing facilities are 25 years or older (half service life) and 45% are 50 years or older (nearing or past service life). The 5-year and 10-year

condition FCI forecast indicates that the portfolio requires strategic decisions be made in the next five years to proactively address the data showing 75% of the portfolio in the poor to very poor FCI rating over the next 10 years without significant investment.

The development of SFMPv.1 is therefore a timely opportunity to build a solid foundation for a proactive and integrated methodology that can confidently address key questions regarding strategic facility investment decisions:

- Which facilities are ideally suited to continue providing services for a growing and changing community?
- Which facilities should we continue to maintain, which to enhance, which to replace or which to dispose of?
- What future services and facilities will the community need and where should they be in comparison to the existing portfolio?
- How do we balance the risks, benefits and costs associated with the existing and future facilities portfolio?

The analysis provided in the Portfolio Assessment section of SFMPv.1 reveals that funding and resource commitments are vital for the Primary and Core facilities due to their significant contribution to community services. Consequently, these facilities should be prioritized within the Capital Plan. Conversely, the Support facilities, which include a variety of small to medium-sized facilities, offer the best potential for enhancing the overall efficiency of the portfolio.

Based on the Portfolio Assessment FCI methodology, the following facilities are recommended for strategic planning and assessment, some of which have been noted in previous Capital Plans as either P1 or P2 projects:

Category	Facilities
Primary	<ul style="list-style-type: none"> • Public Works Yards • Enterprise Fire Hall 1 • Fire Hall 2 • Rutland Community Policing Office • Kelowna Police Services Building (<i>FCI indicates facility in good condition, however current staffing growth projections exceed available space by 2028</i>)
Core	<ul style="list-style-type: none"> • Memorial Arena • Rutland Arena • Partnership Opportunities (Apple Bowl, Prospera & MNP Place)
Support	<ul style="list-style-type: none"> • Parks Yard Head Office and Foreman Building • Facilities Department Headquarters • 9 Recreational Facilities
Ancillary	<ul style="list-style-type: none"> • 11 facilities identified, however the investment decisions relative to these facilities are small in comparison to the other categories.

Table 2. Recommended Prioritized Facilities List by Category

It should be noted that FCI focuses on existing “like for like” building system investment needs and does not consider investments required to address community service gaps related to growth or future demands, which is the distinction between the *maintain* versus the *enhance* strategies of the Capital Plan. These gaps are best addressed by the departmental Facility Master Plans (FMPs), which serve as the foundational documents that define the facility portfolio’s Future Vision.

The update and completion of the FMPs will provide a holistic understanding of the entire facilities inventory. It is anticipated that the suite of FMPs will be completed within the SFMPv.2 timeline enabling a portfolio view of the inventory that identifies and forecasts facility needs across all Service Areas. Coupled with the Portfolio Assessment data, the FMPs establish the foundation for an Integrated Facilities Portfolio Planning and Development process to confidently arrive at the “*right projects, in the right places at the right time*” for Council consideration.

Future Vision

As our community continues to rapidly grow, there will be a need to add new facilities, redevelop and/or replace existing facilities while continuing to manage the remaining portfolio. The strategy must remain adaptable to accommodate new data, technologies and community needs as they emerge, while also considering long-term costs and the City’s overall infrastructure priorities.



Figure 3. Asset Management Lifecycle.

The pathway to success requires collaborative governance and a thorough understanding of the facility planning continuum—a process that includes planning, acquisition, operations, maintenance, and disposal. This lifecycle-centric perspective ensures that decisions are proactive rather than reactive, reducing unnecessary costs and bolstering the community’s confidence in the Level of Service provided.

In tandem with this continuum is the necessary alignment with the forthcoming 2041 Official Community Plan (OCP) to evaluate what, where and how services are provided and accessed by the community today compared to the future. Incorporating the OCP Growth Strategy Districts anticipates demographic shifts and infrastructural requirements, being mindful that equity in the distribution of resources and access to services remains a central consideration of the facility

portfolio strategy. This approach ensures that all community members, irrespective of their geographic location, socioeconomic status, or demographic characteristics, can benefit from sustainable and accessible infrastructure.

The realization of this vision symbolizes more than infrastructure— it reflects the community’s commitment to innovation, resilience, and sustainable growth. By crafting and executing this vision, the facilities portfolio becomes an enduring asset, capable of inspiring confidence and delivering enhanced services to current and future generations.

Staff Recommendation and Next Steps

Upon the Council's endorsement of SFMPv.1, staff will proceed with validating the recommendations and initiating the development and refinement of SFMPv.2, for completion by Q4 2026. Staff will provide Council with updates at regular intervals throughout the SFMPv.2 development process.

Internal Circulation:

Corporate Services
 Infrastructure
 Partnership & Investment
 Active Living & Culture
 People & Protective Services Asset Planning
 Planning Climate Sustainability & Development
 Financial Planning
 Facilities
 Partnerships Office
 Real Estate
 Infrastructure Operations Department
 Sports & Events Services
 Cultural Services
 Community & Neighbourhood Services
 Fire Department
 Community Safety
 Risk
 Community Engagement

Considerations not applicable to this report:

Legal/Statutory Authority:
 Legal/Statutory Procedural Requirements:
 Existing Policy:
 Personnel Implications:
 External Agency/Public Comments:
 Communications Comments:

Submitted by: P. Reyes, Senior Project Architect, Facilities Planning & Design

Approved for inclusion: D. Edstrom, Divisional Manager, Partnerships & Investments

Attachment: Strategic Facilities Master Plan Version 1

cc: Acting Facilities Planning & Design Manager
 Facilities Manager
 Asset & Facilities Supervisor
 Asset Planning Manager
 Utilities Service Manager
 Infrastructure Delivery Manager (Structural/Mechanical)
 Corporate Strategy & Performance Department Manager