

Report to Council



Date: June 23, 2025
To: Council
From: City Manager
Subject: Capital Delivery Update
Department: Infrastructure Division

Recommendation:

THAT Council receives, for information, the report from the Infrastructure Division dated June 23, 2025, providing an update on major capital projects and programs in 2025.

Purpose:

To receive an update on progress towards the goals of the capital projects in the 2025 Financial Plan.

Background:

The City of Kelowna has an ongoing public service to plan, design construct, operate and maintain infrastructure that facilitates the safe, clean and reliable municipal services that contribute to our quality of life.

The City's 10 Year Capital Plan outlines the priority projects and is guided by Council Priorities, Imagine Kelowna and the OCP. Projects move into the 10-year plan through three primary routes; lifecycle maintenance / replacement, strategic infrastructure to support growth and improve services, and emerging Council / Corporate priorities. The Capital Plan is supported by a strong financial plan that informs cash flow requirements and future operating budget commencement.

Capital projects progress into the detail design and construction phases as outlined in the Five-Year financial plan. The Five-year plan informs cash flow requirements and future operating budget commencement amongst many details.

City staff have been creating a project management framework (PMF) to improve the delivery of our capital plan. This framework looks at the lifecycle of a project from the genesis in a master plan to opening. As a project progresses there are multiple stages where the project needs an updated review which will be managed via Stage Gate signoffs. Projects also transfer between different staff so there is an element of the framework that defines roles and responsibilities.

By having a well-defined multi-year look ahead for the capital plan, the City is better able to combine and coordinate projects. This coordination can also include utility companies and adjacent project development, thereby avoiding rework of fresh infrastructure, reducing costs and reducing impacts to the public, visitors and area businesses.

The City's capital project delivery service delivers a continuous stream of projects and programs. We are constantly working on all phases of the project life cycle from planning through to operation. Project planning for a project that opens this year may have started a decade prior.

Financial/Budgetary Considerations:

Kelowna continues to be one of the fastest growing cities in Canada. It's rapidly evolving, its economy is diversifying, neighbourhoods are changing, and people are choosing new ways to move around. By 2041, Kelowna is expected to be home to another 50,000 people. This transition is exciting, bringing new energy, amenities, employment, and educational opportunities. Signs indicate this pace will continue.

In this era of rapid growth and change, there are complex choices to be made. The City must find a balance between funding to support growth and improve services and funding to support renewal of existing infrastructure to maintain services. These choices are rarely easy and often involve making difficult trade-offs.

The City is responding to these challenges by continuing to pursue non-tax revenue, grants, partnerships, and advocacy to advance Council and corporate priorities. The City is increasing investment in infrastructure to maintain and expand services to our growing community while investing in existing infrastructure assets.

In the last 5 years infrastructure investment has nearly doubled to \$425 million per year. The City's Infrastructure Delivery Team has responded with business process improvements and innovative procurement strategies that have increased (by threefold) the infrastructure delivered to the community (Figure 1).

▶▶ Capital Budget Trend

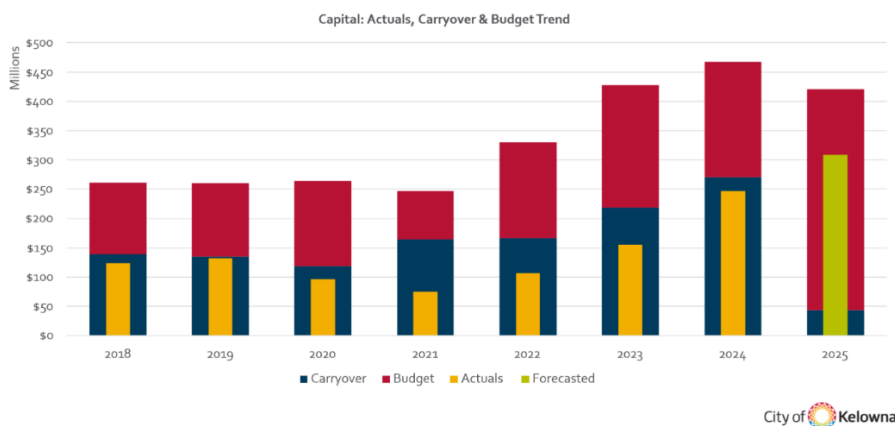


Figure 1- Capital Budget Trend.

2025 Project Highlights:

The City is nearing the midway point of our 2025 capital plan. This year marks another near record capital plan in terms of both number of projects as well as the value of the projects. The following are highlights of key projects at various stages of their project life cycle - planning, design, construction, and operation.

Planning & Concept:

- A. Buildings and Facilities
 - i. Strategic Facilities Master Plan recommendations
 - ii. MNP Expansion
 - iii. Community Theatre Renovation & new Performing Arts Centre
- B. Transportation
 - i. Transit Operations & Maintenance Facility
 - ii. Clement Avenue Extension (Hwy 33 to McCurdy)
 - iii. Updating the Hwy 97 Gateway study in conjunction with MoTT
 - iv. Richter Corridor

Design (Preliminary & Detailed):

- A. Buildings and Facilities
 - i. Glenmore Protective Services Campus
 - ii. BSK Activity Centres in Rutland, Glenmore and Mission
 - iii. BSK Activity Centres in Glenmore, Mission and Rutland
 - iv. City Park Promenade, Phase 3
 - v. BSK – new Parkinson Recreation Centre and playfields – Commenced in May
 - vi. Rutland Recreation Park Sports Fields
 - vii. Mission Recreation Park – Tennis facility in partnership with Tennis Clubs of Canada, completion 2026
- B. Transportation
 - i. Clement Avenue Extension (Spall to Hwy 33)
 - ii. Commonwealth Road (Jim Bailey to Hwy 97)
 - iii. Lakeshore Road (multiple phases from LanFranco to DeHart)
 - iv. Burtch Road Extension (Denver to KLO)
 - v. Hollywood Road Extension (Sexsmith to John Hindle)
- C. YLW
 - i. Carbon Neutral Initiatives
 - ii. Apron 1 South Expansion (Phase 1)

Construction:

- A. Buildings and Facilities
 - i. BSK – new Parkinson Recreation Centre and playfields – Commenced in May
- B. Parks & Recreation
 - i. Burne Park
 - ii. Glenmore Park Phase 5

C. Transportation

- i. Frost Road at Chute Lake Road
- ii. Urbanization of three local streets – Stockwell, Glenwood, Morrison (Ethel and Richter)
- iii. KLO Bridge over Mission Creek

D. Utilities

- i. Turtle Lake Dam repairs - Design complete, completion expected in Fall 2025
- ii. Glenmore Road sanitary sewer trunk main with road widening – completion Fall 2025
- iii. Water Street Sewer Lift station reconstruction and expansion - On track with completion expected July 2026

E. YLW

- i. Air Terminal Building
- ii. Combined Operations Building
- iii. Airport – Parkade Development
- iv. Apron 1 South Expansion - Enabling Works
- v. Departures Fast Flow exit upgrades
- vi. Airside Pavement Rehabilitation
- vii. North Culvert replacement (Mill Creek)
 - a. General Aviation Parking Upgrades Status: Work scheduled to commence August 2025. Substantial Nov. 2025.
- viii. Airside Lighting & Supporting Infrastructure
- ix. Child Care Facility Expansion
- x. CBSA Secondary Expansion
- xi. Airport - Hotel Development

Operational (recently completed)

A. Parks & Recreation

- i. DeHart Park
- ii. Mission Recreation Park – completion of two baseball fields

B. Transportation

- i. Bertram Street bridge

C. Utilities

- i. Summit water reservoir expansion and park reconstruction Park restoration work expected to be complete by September 2025.

Conclusion:

This report outlines to Council, the City's actions on delivering the 2025 Capital Plan. The Administration is not only planning, designing, building and commissioning dozens of projects and programs, we are simultaneously upgrading the framework with which we manage this high value public service.

As of June 1, 2025, the City has procured more than 20 major projects and committed or expended over \$200M towards delivering the approved capital plan.

Internal Circulation:

Corporate Services
Financial Planning
Integrated Transportation
Infrastructure Operations
Utility Services
Infrastructure Delivery

Considerations applicable to this report:

Consultation and Engagement:

No specific public engagement was carried out for this report. Several of the highlighted projects included targeted communication and engagement activities.

Considerations not applicable to this report:

This report does not report on other government programs within Kelowna, such as the Ministry of Transportation and Transit (MoTT) and BC Transit. Administration collaborates regularly to align and coordinate our individual programs.

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Submitted by: J. Shaw, Infrastructure Delivery Manager

Approved for inclusion: M. Logan, General Manager, Infrastructure

cc:

J. Sass, General Manager, Corporate Services
M. Antunes, Financial Planning Manager
B. Hallam, Integrated Transportation Department Manager
G. Bos, Infrastructure Operations Department Manager
K. Van Vliet, Utility Services Department Manager
B. Beach, Infrastructure Delivery Department Manager