

SPECIAL Parks and Recreation Advisory Committee Meeting to be held via Zoom

**If you'd like to watch or listen to the live Committee meeting, please email Committees@Penticton.ca 24-hours prior to the commencement of the meeting for the Zoom meeting participation details. You will have an opportunity to ask questions related to the agenda at the end of the meeting.*

**Monday, October 25, 2021
at 3:00 p.m.**

1. **Call Regular Committee Meeting to Order**
2. **Adoption of Agenda**
3. **Adoption of Minutes**
 - 3.1 Minutes of the September 20, 2021 Parks and Recreation Advisory Committee Meeting 1-3
Staff Recommendation:
THAT the Parks and Recreation Advisory Committee adopt the minutes of the September 20, 2021 meeting as presented.
4. **New Business**
 - 4.1 "Civic Places & Spaces" Asset and Amenity Management – JoAnne Kleb, 4-116
Public Engagement Program Manager, Anthony Haddad, General Manager of
Community Services and Jim Bauer, General Manager of Finance and Administration
 - 4.2 Engagement Results for South Beach Drive Official Community Plan (OCP) 117-146
Amendment - Blake Laven, Director of Development Services and JoAnne Kleb,
Public Engagement Program Manager
Staff Recommendation:
THAT the Parks and Recreation Advisory Committee recommend that Council support the proposal to amend the Official Community Plan future land use designation for eight (8) properties along South Beach Drive from 'Parks' to 'Detached Residential'.
 - 4.3 North Gateway Design Charrette Update – Anthony Haddad, General Manager 147-194
Community Services

5. **Next Meeting**

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6. **Public Question Period**

7. **Adjournment**

Minutes

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Parks and Recreation Advisory Committee Meeting

held via Zoom
Monday, September 20, 2021
at 3:00 p.m.

Present: Isaac Gilbert, Chair
James Palanio, Vice Chair
Drew Barnes
Laura Harp
Marc Tougas
Robert (Sandy) Ross
Susan Fraser

Council Liaison: James Miller, Councillor

Staff: Anthony Haddad, General Manager of Community Services
Blake Laven, Director of Development Services
Kelsey Johnson, Manager of Recreation, Arts and Culture
Len Robson, Public Works Manager
Sheri Raposo, Land Administrator
Steven Collyer, Planner I
John Schappert, Legislative Assistant

Regrets: Andrew Drouin
Gary Dean
John Archer
Tyson Bull

1. **Call to Order**

The Parks and Recreation Advisory Committee was called to order by the Chair at 3:00 p.m.

2. **Adoption of Agenda**

It was MOVED and SECONDED

THAT the Parks and Recreation Advisory Committee adopt the agenda for the meeting held on September 20, 2021 as presented.

CARRIED UNANIMOUSLY

3. **Adoption of Minutes**

It was MOVED and SECONDED

THAT the Parks and Recreation Advisory Committee adopt the minutes of the August 24, 2021 special meeting as presented.

CARRIED UNANIMOUSLY

4. New Business

4.1 License to Use Agreement, Penticton Community Gardens Society (480 Vancouver Avenue) – Sheri Raposo, Land Administrator

The Land Administrator provided an overview of the Penticton Community Gardens Society at 480 Vancouver Avenue, highlighting its benefits, the current zoning, and the details of the License to Use Agreement.

The floor was opened to the Committee for questions and comments. A Committee Member commented that they are fully supportive of this motion. A Committee Member asked about the overgrowth of weeds in the surrounding area. Staff responded that staff are responsible for maintaining the perimeter of the area and that they will look into it.

It was MOVED and SECONDED

THAT the Parks and Recreation Advisory Committee recommends that Council approve a three year nominal License to Use (LTU) agreement to the Penticton Community Gardens Society for the use of a portion of City land located at 480 Vancouver Avenue (Vancouver Hill) for the purpose of operating a community garden.

CARRIED UNANIMOUSLY

4.2 Official Community Plan change from Parks to Detached Residential for eight (8) residential properties along South Beach Drive – Steven Collyer, Planner and Blake Laven, Director of Development Services

The Director of Development Services presented a proposal to change the Official Community Plan for eight properties along South Beach Drive. He provided background on the original acquisition of the properties and the proposal to re-zone and sell the properties, noting that the sale of the lands could fund other parks related purchases or investments in the community. He then highlighted the planned engagement process.

The floor was opened to the Committee for questions and comments. A Committee Member asked about the estimated value of the property sales. Staff provided the BC Assessment values along with some of the recent listing and appraisal values. A Committee Member noted that they feel the funds from any potential sale should be directed into a park acquisition fund. A Committee Member asked where the funds from these sales go, and staff responded that this is still to be determined. A Committee Member asked how much is currently in the park reserve fund and staff responded that they could provide those details. A Committee Member asked if some records of past park purchases could be provided along with future properties that are being looked at and staff noted that this could be provided. A Committee Member asked about the property lines of these properties on the Skaha Lake side and staff provided an aerial image of the legal property lines.

It was MOVED and SECONDED

THAT the Parks and Recreation Advisory Committee receive the memo "Official Community Plan change from Parks to Detached Residential for eight (8) residential properties along South Beach Drive", into the public record.

CARRIED UNANIMOUSLY

5. **Next Meeting**

The next Parks and Recreation Advisory Committee meeting is tentatively scheduled to be held on October 18, 2021 at 3:00 p.m.

6. **Public Question Period**

7. **Adjournment to a Closed Meeting**

It was MOVED and SECONDED

THAT the Parks and Recreation Advisory Committee adjourn the meeting held on September 20, 2021 at 3:38 p.m.

CARRIED UNANIMOUSLY

Certified Correct:

John Schappert
Legislative Assistant

Committee Memo

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Date: Oct. 25, 2021 File No: 1610
To: Parks and Recreation Advisory Committee
From: Jim Bauer, General Manager of Finance and Administration
Anthony Haddad, General Manager of Community Services
JoAnne Kleb, Public Engagement Program Manager
Subject: "Civic Places and Spaces" Asset and Amenity Management Project Update

The City initiated an Asset and Amenity Management Project (AAMP) in 2019 to review the City's aging assets and amenities, identify those that are reaching the end of their service life, and develop a long-term plan to manage the assets that is fiscally responsible and continues to deliver quality services.

After conducting a comprehensive analysis, Colliers Project Leaders, the consultants who completed the review, identified Fire Halls #1 and #2, the Library / Museum, the Art Gallery, Leir House, Memorial and McLaren Arenas, and City Hall as priorities for the City's Asset and Amenity Management Plan and put forward the following four key recommendations to plan for the future of the City's key assets over the next 20 years.

1. Create a new Arts & Culture Centre in the downtown to house the library, museum, art gallery and other arts groups. Disposition of the library / museum and art gallery sites to fund the centre. Lease Leir House at commercial rates.
2. Consolidate the City's ice surfaces on the SOEC site with the construction of a new twin arena and the demolition of McLaren and Memorial Arenas. Conversion of Memorial site to parking and disposition of the McLaren site for commercial redevelopment to fund the new arenas.
3. Develop a new Public Safety and Emergency Services Centre downtown to replace Fire Hall #1 and house the Penticton Fire Department, Bylaw Services, Community Policing and the City's Emergency Operations Centre. Upgrade Fire Hall #2 at its current location.
4. Retain City Hall as a downtown civic and employment hub, modernize as planned and upgrade as required.

The recommendations provide direction for aging facilities valued at over \$300 million and in critical need of a plan. If the City implements the recommendations as described, Penticton residents would enjoy new facilities lasting over the next 30 to 50 years, with modern functionality that are cheaper to maintain, have a longer service life, reduce our environmental footprint and at a price tag that is \$20 million less than simply repairing the existing amenities.

At their meeting on Sept. 21, 2021, Council received this report on the City's Asset and Amenity Management Project and directed staff to proceed to consult the community on the recommendations resulting from the review. Staff are now meeting with stakeholders and members of the community who have an interest in the recommendations. As the recommendations may affect facilities that are located within or adjacent to City parks and/or support City recreational activities, staff have prepared an update for the committee and would like to provide members with an opportunity to ask questions and share their feedback.

A summary of the report as it relates to the Parks and Recreation Advisory Committee will be provided at the meeting. Committee members who are interested in understanding the findings in greater detail in preparation for the meeting are invited to review the Council Report in Attachment A. A more detailed analysis of the prioritized buildings and the recommendations can be found in the Colliers Project Leaders Report in Attachment B.

Attachments

Attachment A – Asset and Amenity Management Council Report (Sept. 21, 2021)

Attachment B – Asset and Amenity Management Colliers Project Leaders Draft Report (Sept. 21, 2021)

Council Report

penticton.ca

Date: September 21, 2021
To: Donny van Dyk, Chief Administrative Officer
From: Jim Bauer, CFO/GM Finance & Administration
JoAnne Kleb, Public Engagement Program Manager

File No: 1610

Subject: Asset and Amenity Management Project Update

Staff Recommendation

THAT Council receive into the record the report titled "Asset and Amenity Management Project Update" dated September 21, 2021;

THAT Council direct staff to initiate public engagement on the recommendations of the Asset and Amenity Management Project;

AND THAT the public engagement results are presented to Council prior to approval of the Asset and Amenity Management Project implementation plan.

Strategic Priority Objective

This supports the Council priority of **Asset & Amenity Management**: The City of Penticton will ensure the services we provide to our residents and visitors are reliable and cost effective by proactively investing into our natural and built assets.

Executive Summary

The Asset & Amenity Management Project (AAMP) was initiated in 2019 to evaluate the City's assets and amenities, identify those that are reaching the end of their service life, and develop a long-term plan to manage the assets that is fiscally responsible and continues to deliver quality services. After conducting a comprehensive analysis, Colliers Project Leaders, the consultants who completed the review, narrowed the focus and put forward four key recommendations to modernize the City's assets over the next 20 years.

1. Create a new Arts & Culture Centre in the downtown to house the library, museum, art gallery and other arts groups. Disposition of the library / museum and art gallery sites to fund the centre. Lease Leir House at commercial rates.

2. Consolidate the City's ice surfaces on the SOEC site with the construction of a new twin arena and the demolition of McLaren and Memorial Arenas. Conversion of Memorial site to parking and disposition of the McLaren site for commercial redevelopment to fund the new arenas.
3. Develop a new Public Safety and Emergency Services Centre downtown to replace Fire Hall #1 and house the Penticton Fire Department, Bylaw Services, Community Policing and the City's Emergency Operations Centre. Upgrade Fire Hall #2 at its current location.
4. Retain City Hall as a downtown civic and employment hub, modernize as planned and upgrade as required.

The recommendations provide direction for aging facilities valued at over \$300 million in critical need of a plan. If the City implements the recommendations as described, Penticton residents would enjoy new facilities lasting over the next 30-50 years, with modern functionality that are cheaper to maintain, have a longer service life, reduce our environmental footprint and at a price tag that is \$20 million less than simply repairing the existing amenities. With the review completed, staff are recommending the City conduct an engagement process to involve the community in finalizing the plan.

Background

In 2019, Council identified Asset & Amenity Management as one of three Council Priorities for this term. The Asset & Amenity Management priority was also reaffirmed through the 2020 Council strategic reset process and approved at the July 21, 2020 Council Meeting.

Staff initiated the Asset & Amenity Management Project (AAMP) in 2019 to advance this priority. The purpose of the project was to define a clear and actionable roadmap to manage amenities that is fiscally responsible and ensures high quality, efficient operations, and service delivery. Council endorsed the project charter and resources at their meeting November 5, 2019 and the budget was incorporated into the 2020-2024 Financial Plan.

Colliers Project Leaders Inc. (Colliers) was selected through a competitive process to work with City staff to advance the project. Colliers is Canada's largest facility and infrastructure representative and bring in-depth expertise in asset management, real estate and project management advisory services.

The intention of moving ahead with the AAMP process was to address a number of issues related to municipal assets and amenities. It has been identified that the City has more assets and amenities than funds available to sustainably manage going forward and therefore the City needs to make strategic decisions to fund the most valuable community assets and amenities in a fiscally responsible manner. The overarching goal of the AAMP project was to deliver an actionable and implementable roadmap to address the City's key assets and amenities over the coming years.

The objective of the AAMP process was to have the consultants deliver a plan with funding strategies; clear, concise and focused outcomes; and actionable and implementable priorities. It was also important for the AAMP to identify short term priorities for implementation through the development of the plan. A final objective was to have the consultant team prioritize recommendations for high impact community assets and amenities, identifying new and innovative opportunities for use, funding and management of City facilities.

The project was broken down into six phases: Information Gathering; Assessment; Analysis, Prioritization; Community Engagement; and Finalizing and Implementation of the plan. The results of the information gathering phase were presented to Council in July 2020. Timelines on the project were extended beyond the initial schedule, given delays resulting from the COVID-19 pandemic in 2020. Over the past 12 months, the Assessment and Analysis phases of the project were completed as well as preliminary Prioritization. The project is now at a stage where community engagement is required to confirm the project direction and timelines, prior to finalizing the recommendations of the Plan.

Methodology

The following methodology was used to help create the Draft AAMP, ensuring that the goals and objectives set out at the beginning of the process were met. Work undertaken during the analysis and assessment phases began with a screening and analysis of City assets that resulted in a list of assets and amenities warranting further analysis, and a list of low impact assets and amenities not warranting further analysis. Opportunities and options were developed through detailed financial and qualitative analysis. Recommendations along with a preliminary prioritization of timing and sequencing has been made for high impact assets.

The Guiding Principles for the development of the AAMP include the following:

- Encouraging and planning for multi-functional use of the facility (either in current condition or where a new or renovated facility is envisaged).
- Investigate opportunities for consolidation of assets and associated services and functions.
- Asset review and future planning to support existing City investment strategies –such as the North Gateway Initiative, Skaha Marina Initiative and future initiatives around the Penticton Yacht Club.
- A strong governing feature of the planning strategies is prudent fiscal planning, keeping in consideration the various funding and revenue challenges of the City and the residents.

The following Decision Making Principles were created to provide direction and guidance in the assessment of priorities for implementation:

- Optimized / maximized utilization of the facility and amenity.
- Multi-use and multi-purpose functional use of the amenity and asset where possible.
- Concentration of amenities, with the intent to minimize operating and maintenance costs.
- Focus on the assets with the widest user benefit and use and impact across the community.

The Financial Analysis completed as part of the process was undertaken to identify investment opportunities for the City's assets and amenities. The following financial considerations were included in the analysis:

- Asset / land identified for resale is supported by a concurrent process of rezoning for the intended purpose after resale –commercial or residential.
- The revenue generated through the sale of the asset / land will off-set the costs of the asset reinvestment plan.
- Ongoing revenue generated through property taxes will assist off-setting ongoing asset maintenance costs.
- Future maintenance budgets are aligned with industry standard values.

Strategic Facility Identification

Through this multi-phase analysis, the following assets and amenities were identified as having the potential to generate the greatest impact or value for this work to meet the goals and objectives outlined at the beginning of the process. A number of other City facilities were identified at the beginning of the process, but were removed from the end recommendations given the goals and objectives of the AAMP process, which are explained in further detail within Attachment A.

Rationale for selection of the facilities that are included in the eventual recommendations included:

- Asset has high Service Criticality ranking and is either outdated or in need of operational reviews and updating.
- Asset is underused and/or is currently a single-use facility and optimization of utilization is required; recovery of capital investment on asset could be maximized.
- Asset nearing end-of-life and alternative proposals / options exist that require review and consideration
- Asset nearing end-of-life and alternative proposals / options exist that require review and consideration
- Asset is undervalued relative to other City amenities when scored on the comparative ranking

Draft Asset & Amenity Plan Recommendations

The AAMP provided detailed recommendations on the following municipal facilities. Each of the facility assessments provides an overall business assessment of the asset, identification of current challenges, conditions and operational status. Options were identified for each of these facilities and the plan speaks in details to the eventual recommendation from a financial, strategic and community benefit perspective. The following recommendations are being brought forward for Council and the community's consideration in the upcoming engagement process:

- Fire Hall #1 - Redevelopment of the FH#1 on new site in close proximity to existing; existing Fire Hall site sold for redevelopment purposes.
 - This will result in the consolidation of emergency services in a central downtown location.
- Fire Hall #2 - Redevelopment of the FH#2 as stand-alone facility on the current site.
 - This will result in reinvestment of an important location for the Fire Department.
- City Hall - Continue with maintenance as planned / projected; ongoing renovations and upgrades to increase functionality & asset life.
 - Retaining City Hall in its current location provides for a downtown Civic and employment hub, offering opportunity for future expansion to support the community's needs.
- Memorial Arena - Demolish the existing Memorial Arena and convert to parking.
 - This will allow for the consolidation of arenas in a more central location, supported by existing infrastructure and operational efficiencies.
- McLaren Arena - McLaren Arena is demolished, lot sold for commercial redevelopment after rezoning.
 - This will allow for the consolidation of arenas in a more central location, supported by existing infrastructure and operational efficiencies.

- Library/ Museum - New Combined Art & Culture Centre, including Art Gallery, Library & Museum on new site and old Library/Museum site sold
 - This will centralize existing single use facilities into a multi-purpose publicly accessible facility.
- Art Gallery - New Combined Art & Culture Centre, including Art Gallery, Library & Museum on new site and old Art Gallery sold.
 - This will centralize existing single use facilities into a multi-purpose publicly accessible facility.
- Indoor Soccer Facility - Continue with maintenance and costs at planned and projected funding levels; City to manage facility.
 - This will ensure the long term operational sustainability of the facility and increase use for a range of sporting organizations.
- Leir House - Continue with maintenance and costs as planned and lease Leir House at commercial lease rates (resident non-profits moved to new Art & Culture Centre).
 - This will centralize existing single use facilities into a multi-purpose publicly accessible facility.
- Cleland Theatre - City upgrades audio-visual equipment and enters into an operating agreement with a management company.
 - This will support reinvestment in the entertainment hub of the SOEC complex and support the vision identified in the North Gateway Plan.

As outlined in the Draft AAMP, the success of moving forward on this initiative, for the most part, is predicated on the rezoning and disposition of select City properties as a means to provide funding towards the costs of implementing these changes. It is also recognized that the timeline for the implementation of the asset renewals is in a phased manner over the next 15 years.

Financial Implication

There are no immediate financial implications to the project. Costs of public engagement activities are contained within the City's 2021 budget.

Over the next fifteen years the report recommendations includes a mix of:

- Retaining and reinvesting in a number of existing facilities,
- Consolidating and investing in new facilities, and
- Rezoning and disposing of a number of city properties, enabling the City to optimize its assets.

Should the City accept and proceed with the consultants recommendations, the City will achieve estimated savings of over \$20 million over the next 20 years. In addition, this plan enables the provision of a number of modernized City facilities that will improve the functionality and use of these facilities, and extend the life of these facilities to meet the needs of the community over next 30-50 years.

Community Engagement

As this plan has the potential to significantly impact assets that are home to services enjoyed by a large portion of the community or may be valued by residents, engagement was identified as a priority at the onset of the project. With the data and analysis provided in the Colliers' report and the identification of the

high potential facilities, the City has the information needed to understand the potential impacts of this plan on the community and recommend an approach to involve residents in finalizing a recommendation for Council.

Engagement Process

The engagement process will be conducted in accordance with the City's policy and framework. Some of the key recommendations for the upcoming engagement process include:

- The engagement will occur in phases to allow citizens multiple opportunities to learn about the work and participate in the process before a decision is made by Council.
- Council will receive updates throughout the process to hear the feedback from residents and provide guidance to staff before proceeding to the next phase.
- The process will consult community groups directly to ensure their concerns and views are understood. Regular updates will keep this group informed about progress of this work and opportunities for involvement.
- Recognizing the potential for special interests in the process, steps will be taken to encourage balanced discussion and feedback. Staff are proposing conducting a series of workshops that bring diverse interests together for a collaborative dialogue. Staff are also recommending the creation of a Citizen Panel inviting participation by a random selection of members of the shapeyourcitypenticton.ca database.
- As the material is fairly technical, staff are recommending a highly visual approach to the communications to encourage understand and support meaningful participation. The engagement process is called "Civic Places and Spaces" to support an immediate understand of the scope of this work.
- Process will be iterative allowing for further consultation on specific recommendations as required.
- Given the technical information and the importance of the decision in the long-term, the goal is to encourage meaningful feedback from informed participants in order to arrive at the best recommendation for the community. A random sample survey is not recommended for this process.
- As is the norm of the engagement process, Council and the community will receive staff reports on the findings of the activities but will have full access to all feedback shared to draw their own conclusions from the process.

Stakeholder Analysis

Given the number of facilities involved, the stakeholder group is extensive. The following is a preliminary list of the stakeholders that will be invited to participate in the process. Staff will continue to seek out groups interested in this process.

COMMUNITY

- Area Residents
- Community-at-large

CITY OF PENTICTON

- Council
- Senior Management
- Department Management
- City Staff
- Department Staff

COMMITTEES

- Arts, Creative and Cultural Innovations
- Ec. Prosperity and Dev. Services
- Heritage and Museum
- Safety and Security
- Parks and Recreation
- Community Sustainability

USER GROUPS

- Spectra
- Okanagan Hockey Group
- Penticton Minor Lacrosse Association
- Penticton Minor Hockey
- Glengarry Figure Skating Club
- Penticton Public Library Board
- Penticton Art Gallery Board
- Pinnacle Football Club
- Penticton Soccer Club
- Penticton Tennis Club
- Penticton & District Community Arts Council

BUSINESS

- DPA
- Chamber
- PIDA
- Travel Penticton

COMMUNITY GROUPS

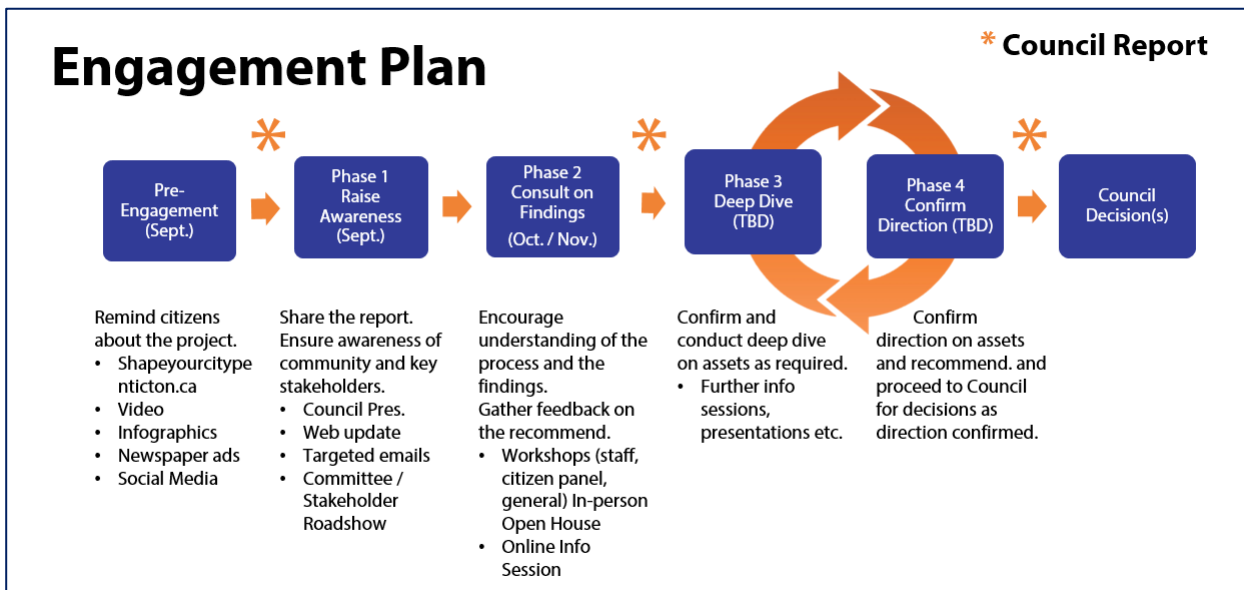
- Service Groups (i.e. Rotary, Elks)
- Families (i.e. Parent Councils)
- Seniors (i.e. PSDIC, Senior Wellness Centre)
- Recreation (i.e. PACA, BMX, South Okanagan Naturalists)
- Youth (i.e. Foundry, Leadership, High Schools)

GOVERNMENT / INSTITUTIONS

- RCMP
- ICBC
- MOTI
- BC Transit
- RDOS
- PIB
- SD67
- Okanagan College
- Interior Health

Engagement Process and Plan

The following summary identifies the key steps and activities in the engagement process.



Next Steps

Many of the City's major facilities were constructed in the 1950's and 1960's and are exceeding the lifespan upon which they were intended to be used for. Some of these facilities have ongoing operations costs that are not sustainable and are inefficient from an operational and maintenance perspective. As was expected when these facilities were originally constructed for the benefit of the community, we now need to look out towards the next 30-50 years to ensure our community is provided with sustainable, cost effective and high quality amenities to support our community's growth and needs into the future.

Building Code and public safety requirements, accessibility needs and universal design principles for many of the City's facilities are not adequately being met and without significant upgrades cannot support our resident's needs and improve access for all into the future.

The opportunity in front of us with the Asset & Amenity Management Plan provides a unique opportunity to take advantage of these declining and costly single use facilities and seek more modern, publicly accessible and operationally efficient municipally owned buildings for our community. While capital investment can be higher in the short term to achieve these objectives, when we consider a sustainable financial outlook of 40-50 years for the lifespan of future infrastructure, it is imperative that the City invests in the financially responsible manner for our residents and businesses.

In order to move these initiatives forward, meaningful engagement with the community is planned, and will be undertaken in October and November. City staff will return to Council with an update of what we heard from the community and an implementation plan in the winter of 2021.

Attachments

Attachment A – Colliers Project Leaders – Task 2 & 3 – Assessment and Analysis Draft Report

Attachment B – Civic Places and Spaces Visuals / Infographics

Respectfully submitted,



Jim Bauer
CFO/GM Finance and Administration



JoAnne Kleb
Public Engagement Program Manager

Concurrence

Director Development Services <i>BL</i>	General Manager, Community Services AH	Fire Chief LW	A/General Manager Infrastructure 14C	Chief Administrative Officer DyD
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Project
Leaders

ASSET & AMENITY MANAGEMENT PROJECT (AAMP)

Task 2, 3 & 4 – Assessment, Analysis &
Prioritization

Draft Report

September 10, 2021



Contents



- AAMP Purpose & Objectives
- Summary Output from Task 1
- Update on Task 2, 3 & 4
- Shortlisted Assets – Methodology for Analysis
- Financial Model Assumptions
- Shortlisted Assets - Potential Solutions and Recommendation
 - Fire Services (Fire Halls #1 & #2)
 - City Hall
 - Arenas
 - McLaren Arena
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 - Cultural Facilities
 - Library & Museum
 - Art Gallery
 - Indoor Sportsplex
 - Leir House
 - Cleland Theatre
- Summary of Analysis
- Future Considerations - Penticton Golf & Country Club
- Next steps

ASSET AND AMENITY MANAGEMENT PROJECT

AAMP Purpose & Objectives

The Problem:

- The asset and infrastructure inventory is aging at an unsustainable rate
- Funding the upgrade and upkeep costs through increasing existing revenue sources is unsustainable

The Purpose

Define a clear and actionable roadmap to manage Amenities (Assets and Services) that is fiscally responsible and ensures high quality of service delivery.

AAMP Objectives – Reminder of the “Why”



The **objectives** of the overall Project include:

- Understand the relevance (attendance, use, value) of existing Amenities (Assets and Services) to the community – now and into the future;
- Identify new and innovative ways to leverage Amenities and utilize synergies (i.e., re-purpose, combine with other Amenities, partnerships);
- Provide recommendations for each Amenity that could include - maintaining the status quo, enhancement, re-purposing or decommissioning options.
- Consider how best to engage the community to both:
 - Educate and solicit their understanding of the fiscal realities of options, and
 - Identify challenges and opportunities for potentially different funding and management models, considering that the City’s Amenities are used not only by residents and visitors to Penticton, but also by residents of other neighboring jurisdictions.

ASSET AND AMENITY MANAGEMENT PROJECT

Summary Output from Task 1

Task 1 Objectives



The objectives of Task 1 include:

- Identify any data gaps and assess the quality of existing data to evaluate the need for additional consultants/experts on specific asset classes;
- Identify which In-Scope Amenities will require the collation of data and information such as: costs, revenues, usage, condition;
- Develop assessment criteria to be used to determine which amenities have low impact and which have a high impact and selecting which should first be further analyzed, based on the Service Attributes; and
- Identify potential “Early Actions” that can be quickly and easily implemented to achieve immediate results.

Task 1 – Summary Outcomes for targeted amenities



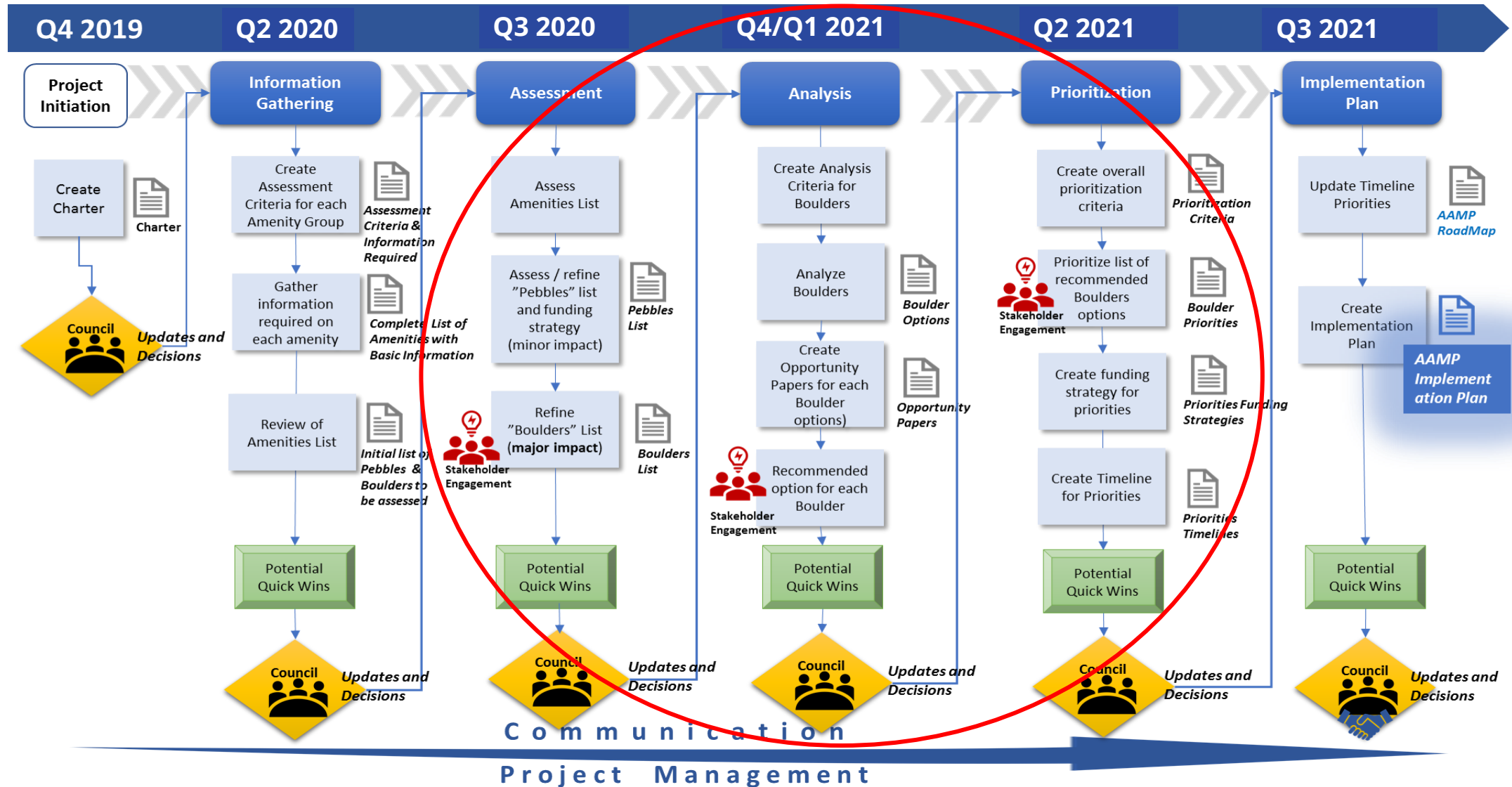
The highlighted outcomes from Task 1 include:

- South Okanagan Events Centre (SOEC) /Penticton Trade & Convention Centre (PTCC) /Arenas – Review previous recommendations & studies through lens of ice services.
- Library / Museum – Mandated and high-value service with physical location and size challenges (Library only); Greater investigation required into building asset value, access and location requirements.
- Art Gallery – No service / program data available for value determination; focus on financial impact to assess ongoing value.
- Fire Stations – Recognized as high value service but financial status required to guide intervention.

ASSET AND AMENITY MANAGEMENT PROJECT

Update on Task 2, 3 & 4

AAMP: Task 2, 3 & 4 Combined Tasks



Task 2, 3 & 4 – Objectives

The objectives of Task 2, 3 & 4 include:

- Complete screening & analysis of the City assets by:
 - Drafting Decision and Selection Matrix;
 - Ranking Capital Expenditure (CAPEX) / Operating Expenditure (OPEX) to understand the value added to the portfolio through Enhancement / Maintenance / Re-Purposing / Disposal of Assets;
 - Developing Preliminary Decision Matrix Output - Selection of highest-impact / lowest-cost option based on potential Enhancement / Maintenance / Re-Purpose / Disposal of Assets; and
 - Consideration of Potential Funding Options - user fees / private participation /cost sharing.
- Compile a list of high impact Assets and Amenities warranting further analysis and options to be developed
 - Rank Assets and Amenities in terms of Service Criticality; Customer Service; Financial attributes etc.
- Compile a list of low impact Assets and Amenities not warranting further analysis.
- Define opportunities and options for consideration for further financial analysis.
- Undertake detailed financial analysis for the various options considered.
- Prioritize the recommended options and develop a capital investment timeline for the City's consideration.

Decision Attributes

In developing the analysis for the identified Assets and Services, a decision was made in discussions with City staff to limit the attributes under consideration to the following 9 attributes.

- The **Service Attributes** considered under Task 2 are:
 - Service Demand SD
 - Service Criticality SC
- The **Financial Attributes** considered under Task 2 are:
 - Asset Valuation VA
 - OPEX OP
 - CAPEX CA
 - Revenue RE
 - Economic Impact EI
 - Forecast CAPEX Expenditures FC
 - Asset Condition AC

Assets Excluded From Analysis – Rationale for Exclusion



#	Rationale for Exclusion	Associated Attributes
1	High Asset Value (significant current investment and capital value) and needs to be retained	VA
2	High Revenue Potential and/or high Economic Impact of Asset	RE & EI
3	Asset supports several other related assets and services	SC
4	Asset is a natural asset which is operated and maintained by the City (no capital investment required), or has limited future CAPEX due to reasonable asset condition	FC & AC
5	The asset is valued and well utilized by the City community.	SD
6	The financial impact of amending the Asset or Service is negligible on the City finances	OP & CA
7	The Asset is provided in accordance with external contracts / agreements with higher levels of government	
8	Asset is under review outside of this Project	

Assets Excluded From Analysis

	Rationale for Exclusion							
	1 High Asset Value and needs to be retained	2 High Revenue Potential and/or high Economic Impact of Asset	3 Asset supports several other related assets and services	4 Asset is a natural asset (no CAPEX) OR limited future CAPEX	5 The asset is valued and well utilized by the City community.	6 Financial impact of amending the Asset or Service is negligible	7 Asset in accordance with external contracts / agreements	8 Asset is under review outside of this Project
Cemetery	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Class A Beaches		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Class B Beaches		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Class C Beaches		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Class A Parks		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Class B Parks		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Class C Parks		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Office Centres and Storage Locations		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
Parking Lot		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Public Art						<input checked="" type="checkbox"/>		
Public Works - Yards and Assets	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		

Assets Excluded From Analysis



	Rationale for Exclusion							
	1 High Asset Value and needs to be retained	2 High Revenue Potential and/or high Economic Impact of Asset	3 Asset supports several other related assets and services	4 Asset is a natural asset (no CAPEX) OR limited future CAPEX	5 The asset is valued and well utilized by the City community.	6 Financial impact of amending the Asset or Service is negligible	7 Asset in accordance with external contracts / agreements	8 Asset is under review outside of this Project
Community Centre	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Creeks	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>					
Penticton Trade & Convention Centre	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Roads	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Sidewalk	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
South Okanagan Events Centre	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Traffic Signals	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Trail				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Transit							<input checked="" type="checkbox"/>	

Assets Excluded From Analysis



	Rationale for Exclusion #							
	1 High Asset Value and needs to be retained	2 High Revenue Potential and/or high Economic Impact of Asset	3 Asset supports several other related assets and services	4 Asset is a natural asset (no CAPEX) OR limited future CAPEX	5 The asset is valued and well utilized by the City community.	6 Financial impact of amending the Asset or Service is negligible	7 Asset in accordance with external contracts / agreements	8 Asset is under review outside of this Project
Curling Rink	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Dog Pound		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Special Events			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Fields and Courts						<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Lawn Bowling						<input checked="" type="checkbox"/>		
Skaha Marina	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SS Sicamous				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Tennis Club & Courts						<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Yacht Club & Marina	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>

Assets Shortlisted for Analysis – Rationale for Selection



#	Rationale for Shortlisting	Associated Attributes
1	Asset has high Service Criticality ranking and is either outdated or in need of operational reviews and updating	SC &EI
2	Asset is underused and/or is currently a single-use facility and optimization of utilization is required; recovery of capital investment on asset could be maximized	RE
3	Asset nearing end-of-life and alternative proposals / options exist that require review and consideration (saving on ongoing and increasing OPEX costs)	FC & AC
4	Asset is currently facing significant operational constraints and investment is required to improve / enhance asset and service	CA & OP
5	Asset is undervalued relative to other City amenities when scored on the comparative ranking	SD

Assets Shortlisted for Analysis



	Rationale for Inclusion #				
	1 Asset has high Service Criticality ranking and/or in need of operational reviews and updating	2 Asset is underused and/or is currently a single-use facility and optimization of utilization is required;	3 Asset nearing end-of-life	4 Asset has significant operational constraints; investment required to improve / enhance asset	5 Asset provides lower value service relative to financial value (and costs)
Fire Hall #1 & Fire Hall #2	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
City Hall	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Memorial Arena	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
McLaren Arena	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Library/Museum	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Art Gallery		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Leir House		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Cleland Theatre		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Indoor Soccer Sportsplex		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
City Properties (Leased & Long Term User)		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

Assets Shortlisted for Analysis



Asset	FCI	Main Year of Construction	Cost Consultant Replacement	Average Annual Life Cycle Investment (AALCI)	Infrastructure Deficit (ID)
Fire Hall #1	23%	1952	\$7,188,465	\$153,799	\$2,699,000
Fire Hall #2	23%	1965	\$3,062,602	\$49,137	\$1,448,000
City Hall	46%	1964	\$14,082,256	\$354,085	\$3,962,426
Memorial Arena	37%	1951	\$15,000,000	\$412,518	\$2,267,000
McLaren Arena	42%	1972	\$9,866,520	\$254,357	\$3,157,286
Library / Museum	43%	1964	\$16,000,000	\$536,912	\$6,420,000
Art Gallery	56%	1985	\$4,000,000	\$146,168	\$751,750
Leir House	42%	1929	\$3,896,454	\$149,303	\$649,409
Cleland Theatre	Cleland Theatre is not a stand-alone asset and the data for managing and operating the asset is not available.				
Indoor Soccer Sportsplex	56%	2009	\$8,708,263	\$90,006	\$450,000

- FCI: The FCI values indicated in this chart have been extracted from the 2017 AMIP report prepared for the City.
- Infrastructure Deficit: The current capital investment required to upgrade the facility condition to mitigate existing functional / amenity deficiencies.
- AALCI: The industry standard annual investment requirement to maintain asset viability and quality.

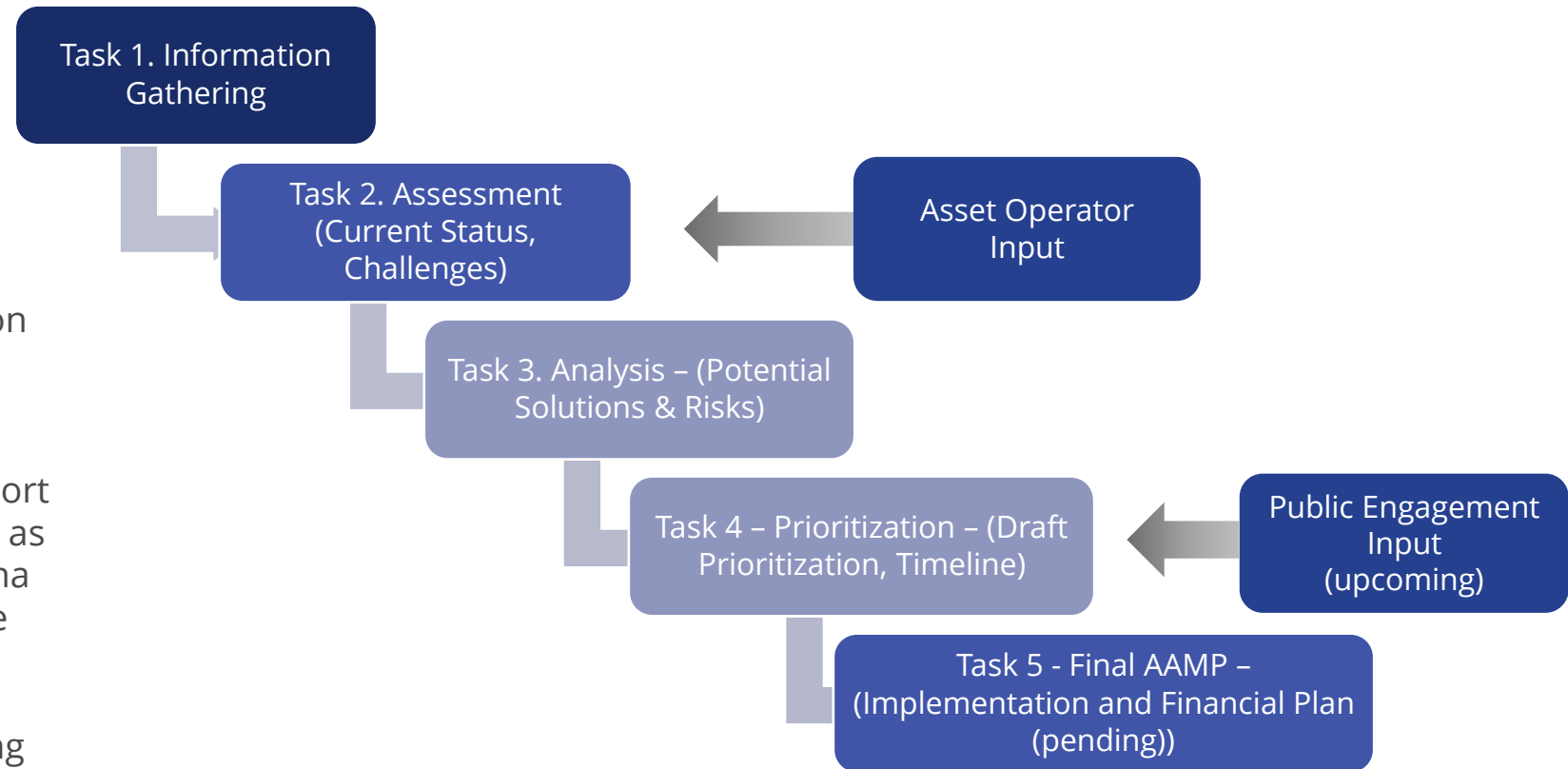
ASSET AND AMENITY MANAGEMENT PROJECT

Shortlisted Assets – Methodology for Analysis

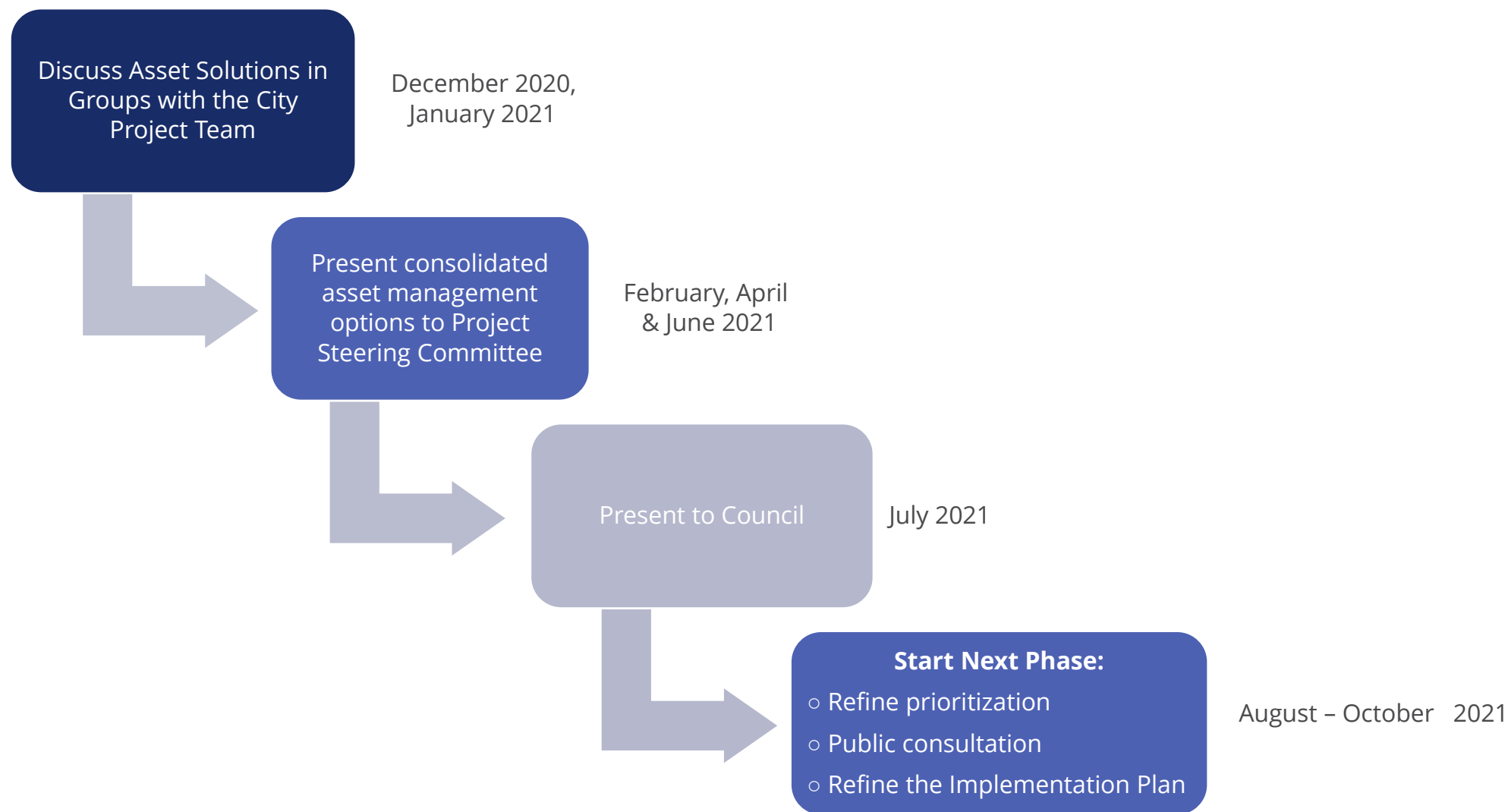
Methodology of Assessment

The guiding principles for AAMP include the following:

- Encouraging and planning for multi-functional use of the facility (either in current condition or where a new or renovated facility is envisaged).
- Investigate opportunities for consolidation of assets and associated services and functions.
- Asset review and future planning to support existing City investment strategies – such as the North Gateway Initiative, Skaha Marina Initiative and future initiatives around the Penticton Yacht Club.
- A strong governing feature of the planning strategies is prudent fiscal planning, keeping in consideration the various funding and revenue challenges of the City and the residents.



Sequence of Discussions



ASSET AND AMENITY MANAGEMENT PROJECT

Financial Model Assumptions

Financial Model Assumptions



Factors	Values	Comments
Annual CPI	3.00%	As per official data for Canadian CPI
Annual Inflation Rate	2.50%	Annual increase in costs (fixed)
NPV Discount Rate	3.50%	NPV Discount Rate
Annual increase in Property Tax values	2.50%	Annual increase for City property taxes
Annual increase in market value of site/building sale	1.75%	Annual increase in market value of property/site
Demolition	7.5%	of the Replacement value
Refurbishment & Other	15.00%	of the annual capital expenditure
Temporary Relocation of Amenity/Service	5.00%	of the annual capita expenditure
Annual Maintenance Costs (Existing Building)	-	As per FCI Table
Annual Maintenance Costs (New Building)	2.50%	Annual amount on CAPEX cost of new Build
Revenue (Land Sale/ Developer Contribution)	-	As per the BC Valuation on City GIS/Assumed contribution
Revenue (Property Taxes / Lease) - per annum	-	Estimated values included
Additional construction (basement parking)	10.00%	Of the CAPEX cost of new Build
Rebuild as consolidated building on site (currently different buildings and amenity functions are combined in a single facility)	85.00%	Percentage of Total CAPEX cost assumed for each building. This is applicable to the proposed combined Library/Museum & Art Gallery building. Savings include common areas (Reception, entrance halls, washrooms) and functional areas that would have multiple users (conference rooms, meeting rooms, workshop spaces).

Financial Model Assumptions



This Financial Model is not a budget plan; it is a planning document that will likely not align with current and project budget plans and estimates; it is an evaluation of the potential overall costs of the capital and operating funds required to upgrade and maintain the identified assets. This plan provides a framework for the development of detailed funding strategies and mechanisms for the individual projects.

The Financial Model output is an indicator of various factors that will have an impact on the eventual costs, and these factors include:

- The cost of capital financing of the projects at the year of anticipated construction, affected by the CPI (excluding debt servicing)
- The timing of the project implementation – delaying the project exposes the future capital cost to the impacts of the market variations (CPI, inflation).
- The model includes both CAPEX and OPEX (asset renewal and maintenance costs) but does not include the estimated salary, personnel and other “soft” costs associated with the ongoing maintenance of the building and related services.

A significant component of the overall anticipated budget requirements for these identified assets is related to the Annual Maintenance budget assumed.

In this model it has been set at 2.5% per annum of the initial (overall) capital funding value of the building, whether built new or upgraded and expanded with ongoing maintenance and renovations. This is within the recommended range of 1.5% - 3.5% stated by the Federation of Canadian Municipalities (FCM). The current budgeted expenditure across Canada at present is approximately 1.3% which has contributed to the significant infrastructure deficit across all municipalities.

Financial Model Assumptions



Examples of financial benefits accrued to the City which are included in the model are as follows:

- **General financial benefits**

- Where relevant, the sale revenue accrued to the City from the sale of the property is included in the model; the rationale is that the relocation of the asset to another location would allow for the sale of the property and the impact of the decision to relocate the asset is thus a positive financial impact. This revenue is then off-set against the total investment requirements projected for all the proposed asset upgrades and replacements.
- The property tax “benefit” accrued from the repurposed existing asset site is included in the model for a **period of 5 years only** in the forecast cost/benefits in the model.

- **Fire Hall #1**

- With the recommended construction of the new Fire Hall on an adjacent (or within proximity) city-owned property, the existing Fire Hall #1 site could be sold.

- **Art Gallery**

- In the option of relocating the Art Gallery to the renovated Bus Barn site, which then allows for the sale and redevelopment of the existing gallery site, the total sale value of the Art Gallery has been offset against the “loss” of a potential sale of the Bus Barn site to an interested third party.

- **Library / Museum** when relocated to a new site at a potential other location

- This option allows for the sale of the existing Library / Museum site and the estimated sale revenue is included in the model.

- **McLaren Arena** proposed for decommissioning and demolition in one of the options investigated:

- This option allows for the sale of the existing McLaren site after a rezoning process and the estimated sale revenue is included in the model.

- **Memorial Arena** proposed for decommissioning and demolition in one of the options investigated;

- This option allows for the repurposing of the site into parking; this is not a revenue opportunity but rather a saving to ongoing maintenance costs.

Financial Model Assumptions



In the model the estimated sale of each of the identified properties is taken from the City GIS data and is thus the current property evaluation total. The revenues accrued to these properties through an open market sale could indeed be significantly higher (given the current 2021 market conditions) but the possible additional value has not been estimated or included.

In each **Option 1** case, the following assumptions have been made:

- The current financial investment into each asset has been taken from the current financial data (average of the last 3 years);
- Any CAPEX investment has been taken from the funded 5-Year Capital plan (all unfunded projects have been excluded from the financial forecast).
- The current financial investment in asset maintenance is increased annually by the estimated rate of inflation.
- All assets are rebuilt under this option at either the maximum life cycle of 70 years, or at the projected date of replacement as proposed in the FCI report for each asset.
- At the time of replacement, the building is either rebuilt completely at the estimated cost of replacement at the year of replacement (inflation adjusted cost estimates) or renovated and upgraded at the designated year.
- The intention of this Option is to revert the asset to the “as new” condition at the end of the rebuild / renovation process, in order that the City has an asset with the desired life cycle..

ASSET AND AMENITY MANAGEMENT PROJECT

Fire Services (Fire Halls #1 & #2)

Fire Hall #1, #2 - Current State

Business Objective

- Provide effective emergency and life safety services.
- Promote safe and secure conditions for individuals and businesses.
- Provide training and community awareness on fire safety and emergency response awareness.
- Provide support fire services to surrounding communities.

Current Status /Challenges

- Data source - 2013 BEHR study (Fire Department Services Review)
- Existing stations are structurally and physically unable to accommodate modern fire fighting equipment that would improve efficiency and effectiveness of operations.
- Existing two-station model meets NFPA 1710 requirement for 7-minute and 10-minute response times for the full City footprint; a one-station model does not meet the NFPA 1710 standards.
- Redevelopment of FH1 is not possible in the current location without availability of feasible swing space.
- As FH1 is also the command centre, potential instances of suspension or disruption of services is to be avoided during planned redevelopment.



Current Operational Status (3-year average) and Asset Condition

Asset	FH1	FH2	Fire Services	
Condition of each asset (Age)	FCI 23% (69)	FCI 23% (55)		
Replacement Cost	\$7,188,465	\$3,062,602		
5-year capital exp. plan	\$0	\$0		
Annual CAPEX	\$0	\$0	\$0	\$0
Annual OPEX	\$99,151	\$92,213	\$0	\$191,363
Annual REVENUE	\$0	-\$5,599	\$0	-\$5,599

Services

ALL EXPENDITURE (Annual)	\$0	\$0	\$6,474,014	\$6,474,014
Annual REVENUE	\$0	\$0	-\$556,037	-\$556,037
	\$99,151	\$86,613	\$5,917,977	\$6,103,741

Overall Operating and Asset Condition Status



Fire Hall # 1

- The asset is currently unable to provide sufficient operating space for new equipment and vehicles (as defined by BEHR Report and Fire Chief) and delaying the upgrade will extend the period in which inadequate equipment can be procured / put into service.
- Example of new Equipment: With the growth of high-rise buildings within the City, there is requirement to purchase a new 100' ladder truck in 2023, increasing the fleet of ladder trucks to two (2). With this fleet expansion there will be no location to house the reserve ladder truck into our current facilities.
- There is an identified need for a downtown location for a combined Public Safety and Emergency Operations Centre facility accommodating Fire and Emergency Services, Bylaw and Community Policing.
- The total asset investment requirement determined in the FCI report is approx. \$4.8 million (2020 estimate) whereas the cost of a new building is estimated at \$7.2 million (2020 estimate).

Fire Hall # 2

- The asset is currently unable to provide sufficient operating space for new equipment and vehicles (as defined by BEHR Report and Fire Chief) and delaying the upgrade will extend the period in which inadequate equipment can be procured / put into service.
- The total asset investment requirement determined in the FCI report is approx. \$1.93 million (2020 estimate) whereas the cost of a new building is estimated at \$3.1 million (2020 estimate).
- With sufficient space available on the site, additional service relocations (EMS; water rescue equipment) could be considered in the building design, with potential revenue from sub-leases for these additional services off-setting the operating costs of the fire hall.

Solutions and Risks – Fire Hall #1



Possible Solutions	Potential Risks
Option 1 – Fire Hall# 1 - Continue with maintenance and costs at current funding levels; full asset rebuild at Year 7/8 on the same site	<ul style="list-style-type: none"> • The City has invested minimal in asset maintenance and upgrades over the past 3 years. • The City currently has \$95,000 allocated for upgrades or renovations to the asset for the next 5 years. • The current estimated asset FCI (23%) suggests that within the next 5 – 10 years the building will require significant maintenance, outside of the obvious needs for upgrades and enhancements to provide additional space the anticipated new equipment, and functional upgrades to the administrative and Emergency Operating Center (EOC). • This option assumes a full rebuild on the same site in Year 7. • If the decision is taken to build a new Fire Hall on a nearby City-owned site, the financial projections will closely proximate the Option 3 curve.
Option 2 – Fire Hall# 1- Continue with maintenance as planned / projected in FCI recommendations; a partial renovation is anticipated at Year 7 to enhance asset functionality but no full rebuild	<ul style="list-style-type: none"> • The total asset investment requirement determined in the FCI report is approx. \$4.8 million (2020 estimate) whereas the cost of a new building is estimated at \$7.2 million (2020 estimate). • This option projects the impact of investing the FCI total of \$4.8 million over the first 6 years. • At Year 7 a partial renovation is assumed (estimated costs as a percentage of full rebuild cost), allowing for structural adjustments and changes to the building to allow for new equipment in the upgraded building. • It is anticipated that this approach will not provide any significant financial savings, except that as the asset is maintained over the years 1-6, maintenance and renovation/upgrade opportunities may present, providing opportunities for cost savings on overall estimate renovation costs.

Solutions and Risks – Fire Hall #1

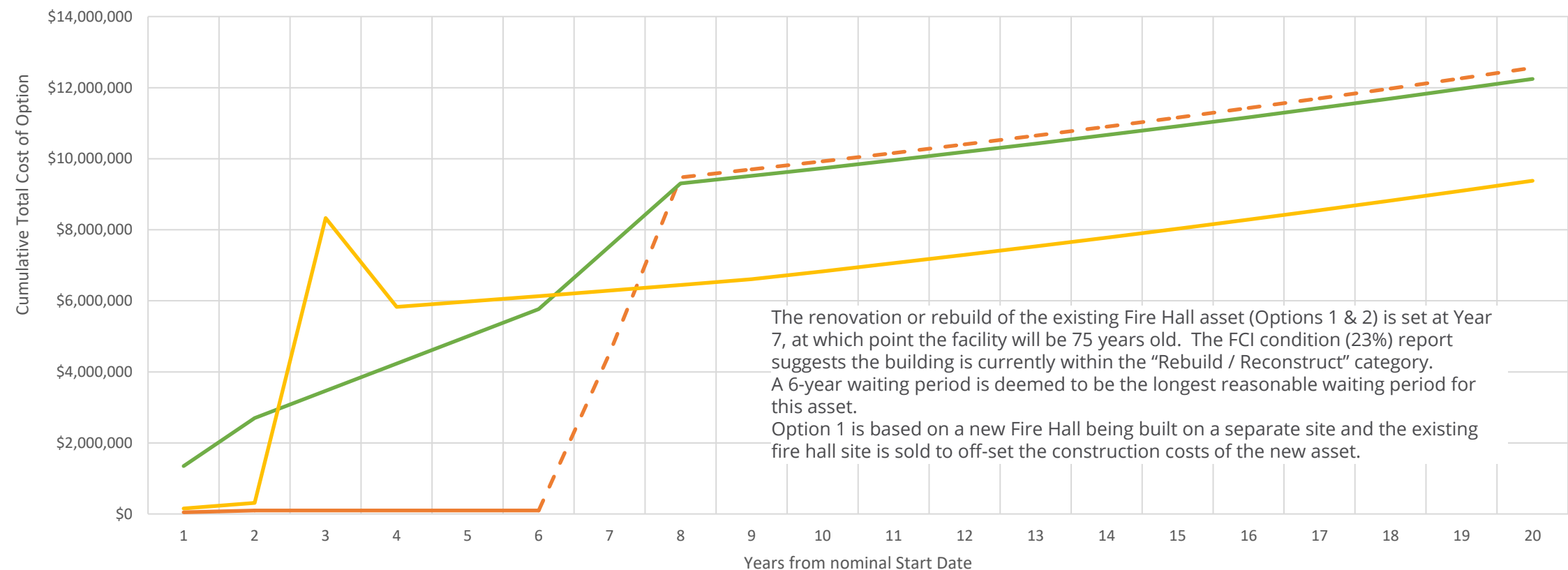


Possible Solutions	Potential Risks
Option 3 – Fire Hall #1 -The redevelopment of FH1 on a City owned site within a City block distance	<ul style="list-style-type: none">• It is anticipated that a New FH-1 could be constructed on a nearby City-owned property. This option allows the construction of the new building with no impact on existing fire and emergency response services in the north / downtown regions of Penticton.• Upon relocation of the fire services to the New FH-1, the existing FH-1 can be demolished, and the site made available for resale, and with existing developer interest in the site there would be a strong likelihood of sale and redevelopment.• It is envisaged that this new FH-1 could become a combined Public Safety and Emergency facility, housing the Fire Hall 1, Bylaw and Community Policing.

Financial Projections – Fire Hall #1



- Option 1 – Fire Hall 1 - Continue with maintenance and costs at current funding levels; full asset rebuild at Year 7/8 on the same site - Net costs
- Option 2 – Fire Hall 1 - Continue with maintenance as planned / projected in FCI recommendations; a partial renovation is anticipated at Year 7 to enhance asset functionality but no full rebuild - Net costs
- Option 3 – Fire Hall 1 - Redevelopment of the FH#1 on new site in close proximity to existing; existing Fire Hall site sold for redevelopment purposes. - Net costs



Solutions and Risks – Fire Hall #2



Possible Solutions	Potential Risks
Option 1 – Fire Hall# 2 - Continue with maintenance and costs at current funding levels; full asset rebuild at Year 15 (end of asset life cycle)	<ul style="list-style-type: none"> • The City has invested minimal in asset maintenance and upgrades over the past 3 years. • The City currently has \$335,000 allocated for upgrades or renovations to the asset for the next 5 years. • The current estimated asset FCI (23%) suggests that within the next 5 – 10 years the building will require significant maintenance, outside of the obvious needs for upgrades and enhancements to provide additional space the anticipated new equipment. • The projections are that the asset will be replaced in Year 15, at which point the asset will be 70 years old • The assumption is that a new building will be built on the same site, and once completed the old building will be demolished.
Option 2 – Fire Hall# 2- Continue with maintenance as planned / projected as per FCI recommendations; a partial renovation anticipated at Year 15 to expand asset functionality and asset life cycle.	<ul style="list-style-type: none"> • The total asset investment requirement determined in the FCI report is approx. \$1.93 million (2020 estimate) whereas the cost of a new building is estimated at \$3.1 million (2020 estimate). • This option projects the impact of investing the FCI total of \$1.93 million over the first 7 years. • At Year 15 a full renovation is assumed (estimated costs as a percentage of full rebuild cost), allowing for structural adjustments and changes to the building to allow for new equipment in the upgraded building. • It is not anticipated that this approach will provide any significant financial savings, except that as the asset is maintained over the years 1-6, maintenance and renovation/upgrade opportunities may present, providing opportunities for cost savings on overall estimate renovation costs.

Solutions and Risks – Fire Hall #2

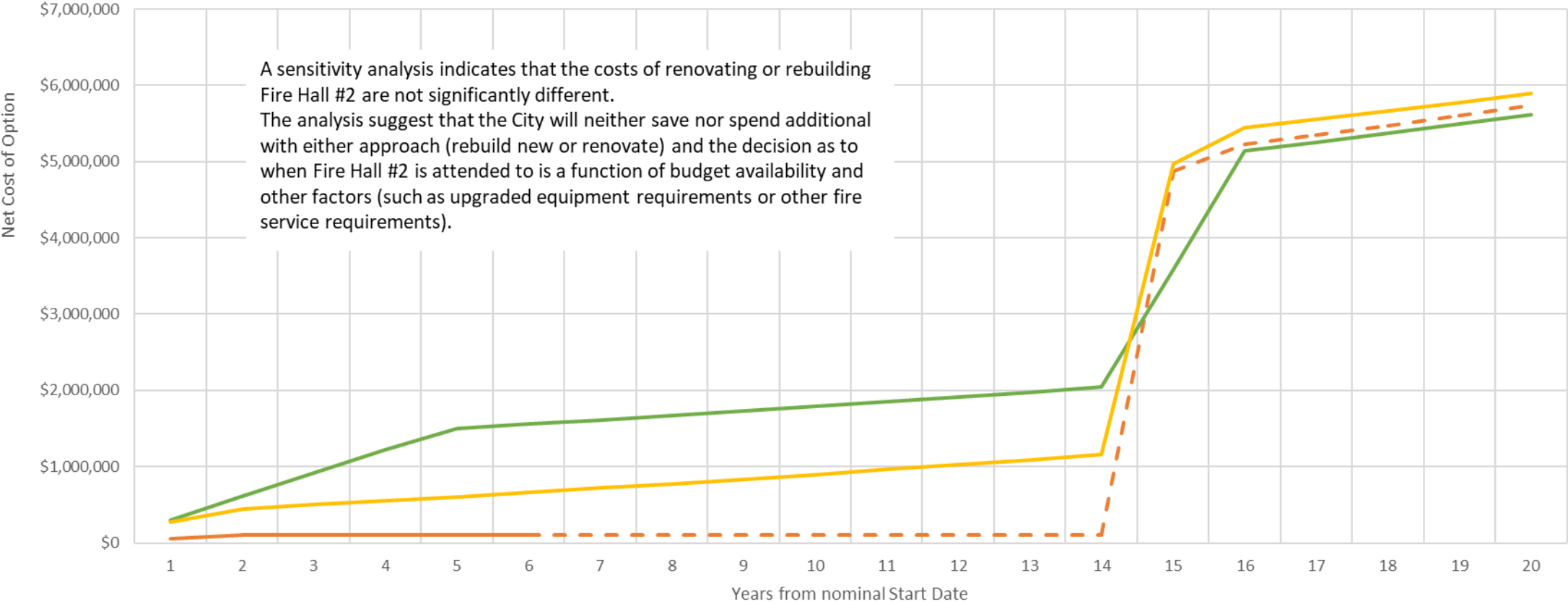


Possible Solutions	Potential Risks
Option 3 – Fire Hall#2 - Redevelopment of the FH#2 as stand-alone facility	<ul style="list-style-type: none">• It is anticipated that a New FH-2 could be constructed on the same site, in an area adjacent to the existing fire hall, with no impact on existing fire and emergency response services in the southern regions of Penticton.• Upon relocation of the fire services to the New FH-2, the existing FH-2 can be demolished.• With sufficient space available on the site, additional service relocations (EMS; water rescue equipment) could be considered in the building design, with potential revenue from sub-leases for these additional services off-setting the operating costs of the fire hall.

Financial Projections – Fire Hall #2



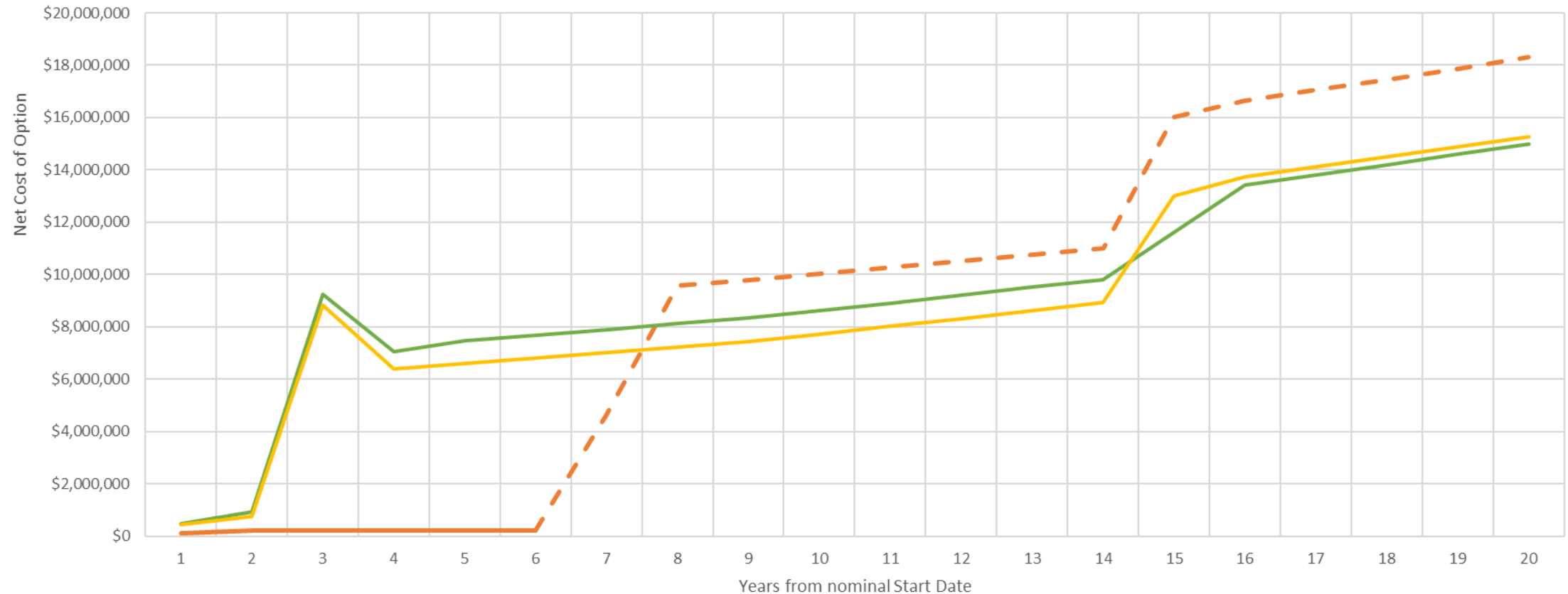
- Option 1 – Fire Hall 2 - Continue with maintenance and costs at current funding levels; full asset rebuild at Year 15 (end of asset life cycle) - Net costs
- Option 2 – Fire Hall 2 - Continue with maintenance as planned / projected as per FCI recommendations; a partial renovation anticipated at Year 15 to expand asset functionality and asset life cycle. - Net costs
- Option 3 – Fire Hall 2 - Redevelopment of the FH#2 as stand-alone facility - Net costs



Financial Projections – Fire Hall Combination Scenarios



- Scenario 1 - Both FH - continue with maintenance and costs at current funding levels and then replaced at designated future dates (as per Option 1 for both FH) - Net costs
- Scenario 2 - Redevelop Fire Hall 1 on new adjacent site, rezone existing fire hall site and sell site; Fire Hall 2 - Continue with maintenance as planned / projected as per FCI recommendations; a partial renovation anticipated at Year 15 - Net costs
- Scenario 3 - Redevelop Fire Hall 1 on new adjacent site, rezone existing fire hall site and sell site; Fire Hall 2 - Continue with maintenance as per FCI recommendations and redevelopment of the FH#2 as stand-alone facility at Year 15 - Net costs



Fire Hall #1: Option 3 recommended

- Rebuilding the Fire Hall on a selected site within a City block allows for construction to occur with no disruptions to existing services.
- There is an identified need for a downtown location for a combined Public Safety and Emergency facility accommodating Fire and Emergency Services, Bylaw and Community Policing.
- This option then releases the existing fire hall site for sale and redevelopment after demolition, with financial benefit to the City.
- Through sequencing of the new build, the impact on City expenditure could be managed to the lowest point.
- There is no clear cost benefit to deferring reconstruction or renovation of the existing fire hall to provide the required amenity and service levels required by Penticton Fire Services when there is the possibility of a rebuild on a separate site and it is recommended that this option be funded and implemented within 3 years.

Fire Hall #2: Option #3 recommended

- Fire Hall #2, while important provides the lesser of the fire services to Penticton, has the lower CAPEX requirement and can be readily rebuilt on the existing site with minimal disruption to existing services.
- This asset can be maintained and gradually renovated as and when required to meet servicing needs and requirements, or fully rebuilt later.
- A preliminary financial sensitivity analysis indicates little variation between all 3 options over the 20-year planning period and deferring replacement to Year 15 result in an asset age at replacement of 71 years.
- This deferred timeline allows City to allocate funds in the interim to other asset replacement / renovation projects.

ASSET AND AMENITY MANAGEMENT PROJECT

City Hall

City Hall - Current State



Business Objective

- City Hall provides the central focal point for the civic and community centered services provided to the citizens of Penticton



Current Status / Challenges

- Requires significant investment towards:
 - Upgrading HVAC system and other building components
 - Upgrading exterior facade.
- The existing City Hall faces some limitations:
 - Current space layout not flexible to accommodate new needs; not readily possible to reconfigure existing floor space to improve functionality in an existing building.
 - Opportunities for co-location with the RDOS
 - The high investment cost dictates careful consideration of future options for City Hall.

Current Operational Status (3-year average) and Asset Condition

Asset	City Hall
Condition of each asset (Age)	FCI 46% (56)
Replacement Cost	\$14,082,256
Annual CAPEX	\$71,022
Annual OPEX	\$172,084
Annual REVENUE	\$0
Services	
ALL EXPENDITURE (Annual)	\$13,050,143
Annual REVENUE	-\$10,826,009
Ave Annual Cost Balance	\$2,467,240
Avg. 5-year CAPEX budget plan	\$27,000

Overall Operating and Asset Condition Status



- The current total FCI investment requirement for City Hall is \$7.9 million (2020 estimates) and the current estimate for full rebuild is \$14.1 million (2020).
- The current budgeted capital upgrades for City Hall amount to \$135,000 over next 5 years.
- The existing building requires imminent maintenance costs (window replacements, roof and other mechanical upgrades) to mitigate current issues.
- The current location of City Hall is considered ideal for City operations and purposes.

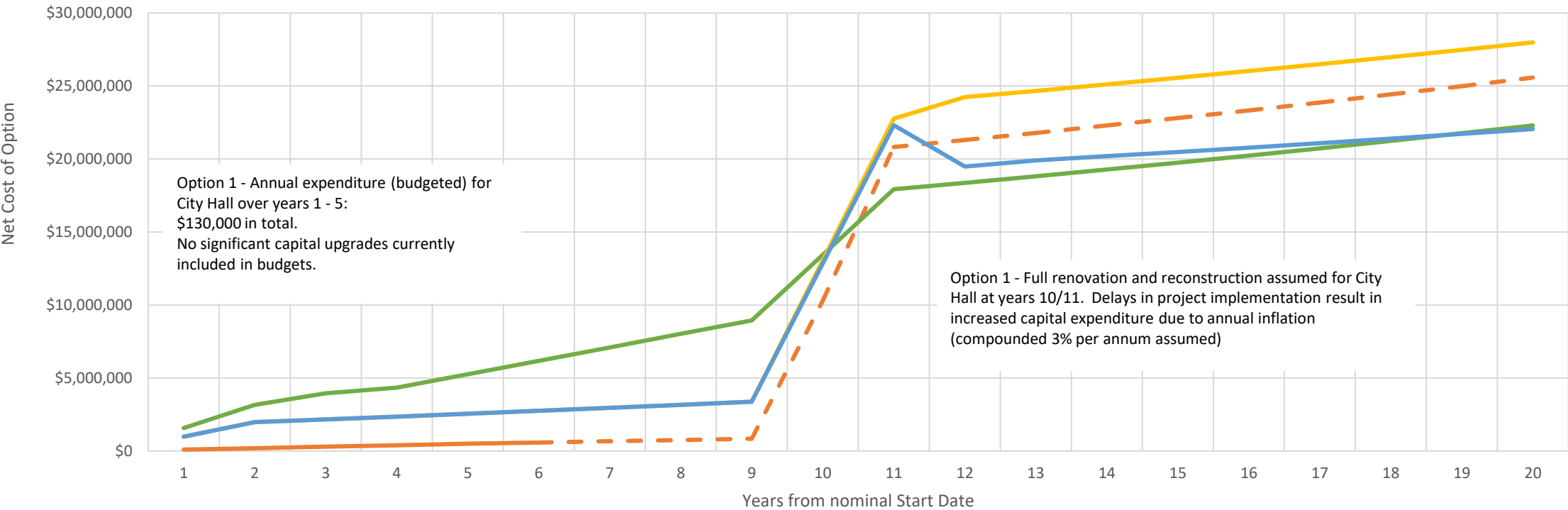
Possible Solutions	Potential Risks, Benefits
Option 1 – Continue with maintenance and costs at current funding levels; planned full rebuild in Year 10/11 with allowance for possible upgrades to building functionality	<ul style="list-style-type: none"> • The City has invested an average of \$71,000 annually in asset maintenance and upgrades over the past 3 years. • The current budgeted capital upgrades for City Hall amount to \$135,000 over next 5 years • The current estimated asset FCI (46%) suggests the overall building condition is “Fair”, but the building does need functional and asset maintenance investment. • This option considers a full rebuild on the same site at Year 10. • Deferring the rebuild by 10 years increases the estimated capital costs by compound inflation, increasing the estimated capital requirement and potentially off-setting any short-term savings gained by not investing in the asset now.
Option 2 – Continue with maintenance as planned / projected in FCI report; ongoing renovations and upgrades to increase functionality & asset life	<ul style="list-style-type: none"> • The current total FCI investment requirement for City Hall is \$7.9 million (2020 estimates) and the current estimate for full rebuild is \$14.1 million (2020). • This option assumes that all the FCI upgrades will be carried out and that a full renovation will occur at year 10 to provide an equivalent building to a potential new build. • The renovated facility may be designed to accommodate an integrated RDOS / City services and administration facility.

Possible Solutions	Potential Risks, Benefits
Option 3 – New City Hall on the existing City Hall site (demolish ex. City Hall after new one complete)	<ul style="list-style-type: none"> • Architectural and engineering challenges may exist in building the new City Hall while retaining the existing building, but these can be mitigated through careful design and planning. • This is an opportunity to enhance to downtown with a statement architectural building. • All civic administrative functions of the City could be accommodated in a single building and retains the central City location. • Opportunity to design / construct an energy and space efficient building which could have lower ongoing operating costs.
Option 4 – New City Hall on the existing Library / Museum site and sell the existing City Hall site (after rezoning if required)	<ul style="list-style-type: none"> • Design & construction of City hall on the existing Library/Museum site. • In this option the City Hall site is sold after relocation. • Dependent on the Library / Museum being relocated to another site and then the resale opportunity for the Library / Museum site is thus lost.

Financial Projections – City Hall



- City Hall - Option 1 – Continue with maintenance and costs at current funding levels; planned full rebuild in Year 10/11 with allowance for possible upgrades to building functionality - Net costs
- City Hall - Option 2 – Continue with maintenance as planned / projected in FCI report; ongoing renovations and upgrades to increase functionality & asset life - Net costs
- City Hall - Option 3 – NEW City Hall on the existing City Hall site (demolish ex. CH after new one complete) - Net costs
- City Hall - Option 4 – NEW City Hall on the existing Library / Museum site; sell existing City Hall site for commercial redevelopment (after rezoning, if required) - Net costs



Option 2 – Continue with maintenance as planned / projected in FCI report; ongoing renovations and upgrades to increase functionality & asset life

- While the existing space functionality of City Hall presents some challenges, an ongoing maintenance, upgrade and ultimately a renovation schedule potentially results in lower total capital expenditure over 20 years.
- Potential still exists for an architectural statement in a central location but within the context of the existing building, and potentially with a better integration with the surrounding parks.
- The renovated facility may be designed to accommodate an integrated RDOS / City services and administration facility.
- The renovated building could then meet energy efficiency standards as the building is gradually upgraded.
- This measured approach allows the City to match estimated resource and space needs with available funding.
- The current Federal government (2020) has made funding available to municipalities for upgrades and renovations to existing municipal buildings.
- Should such funding be viable, it would potentially reduce the estimated costs for Option 2 and allow for an earlier phasing of the anticipated renovation.

ASSET AND AMENITY MANAGEMENT PROJECT

Arenas – Memorial & McLaren

McLaren Arena – Current State



Business Objective

- City owns and manages McLaren Arena
- City’s focus is to provide community focused facilities to provide space and amenities for various activities and events

Background

- Arena was originally designed to accommodate figure skating (primary use).
- Ice space is inadequate (small rink size) and off-ice facilities are insufficient for ice hockey users.
- In current condition it cannot provide ice surface replacement for Memorial or other.
- It is a viable option for dry-floor use (pickleball, basketball) as that removes the requirement for a chiller unit and maintenance is to the exterior shell only.

Current Status /Challenges

- The primary ice facility for community events and use.
- Arena requires a new chiller unit to continue operating as an ice facility.
- Disbanding this Arena without an alternative ice surface will deprive the community of general-use ice.
- The Arena has limited user options outside of figure skating due to its size.



Current Operational Status (3-year average) and Asset Condition

Asset	McLaren
Condition of each asset (Age)	FCI 42% (48)
Replacement Cost	\$9,866,520
Annual CAPEX	\$270,955
Annual OPEX	\$402,187
Annual REVENUE	-\$224,353
Services	
ALL EXPENDITURE (Annual)	\$0
Annual REVENUE	\$0
Ave Annual Cost Balance	\$448,790
Avg. 5-year CAPEX budget plan	\$283,500

Memorial Arena – Current State



Business Objective

- Private sector operator (Spectra) contracted to operate and manage Memorial Arena
- City owns Memorial Arena
- Spectra focus is to generate revenue to support the facilities and operations
- City's focus is to provide facilities that offer various community focused activities and events for services that cannot be operated purely for profit by the private sector.

Background Information

- The OHG / OHA and associated training facilities are internationally recognized in the Junior Ice Hockey market.
- OHG hosts an annual 10-day school's ice hockey tournament (3-year event cycle; awarded renewal rights to host) that has a significant economic impact.
- Memorial (or replacement single-ice facility) only will not replace or support the ice requirements for OHG and other users if SOEC ice surface is not available due to other facility use.
- The Arena is old and nearing end-of-life; requires extensive on-going maintenance and repairs to maintain existing facility.
- Nearing the end of useful life and decisions are required concerning the future of the Arena.

Current Operational Status (3-year average) and Asset Condition

Asset	Memorial
Condition of each asset (Age)	FCI 37% (69)
Replacement Cost	\$15,000,000
Annual CAPEX	\$400,716
Annual OPEX	\$36,335
Annual REVENUE	\$0

Services

ALL EXPENDITURE (Annual)	\$357,810
Annual REVENUE	-\$275,987
Ave Annual Cost Balance	\$518,874
Avg. 5-year CAPEX budget plan	\$114,800

Overall Operating and Asset Condition Status



McLaren Arena

- The current total FCI investment requirement for McLaren Arena is \$4.3 million (2020 estimates) and the current estimate for full rebuild is \$9.9 million (2020 estimate).
- McLaren continues to provide ice surface for figure skating (primarily), public recreational skating and some ice hockey use, with existing dry surface sports from April - June.
- Does not support other ice use without a complete building renovation (high CAPEX requirement); the building footprint would require significant expansion to accommodate a NHL-grade ice rink and increased requirements for support facilities (changerooms, bleachers)
- Inefficient OPEX situation as it requires separate ice maintenance equipment, facilities and separate staff complement.

Memorial Arena

- The current total FCI investment requirement for Memorial Arena is \$15.9 million (2020 estimates; maintaining existing structure) and the estimate for full rebuild is \$15.0 million (reduced value for a simplified structure – not like-for-like replacement; 2020 estimate).
- The Arena has an estimated 8 years (maximum) remaining asset viability before significant renovation work is required (replacement of roof structure; other building envelope reconstruction; internal facilities requiring modernization).
- Deferring expenditure of a new building by maintaining investment in the current building provides no savings to the City and does not address long term ice requirements without increasing ice surface to comply with NHL requirements.

Proposed 2-Ice Facility @ SOEC Campus (Extracted from Previous Studies)

Benefits

- The proposed 2-Ice facility would replace the ice surfaces of both Memorial and McLaren and may provide flexibility to the SOEC programming.
 - These existing arenas do not provide the adequate ice surface for all users.
 - Construction of new 2-Ice facility allows for consolidation of operations (Zamboni; catering, chiller facilities; staff for general duties).
 - Investment in 2-Ice facility will support OHG / OHA in Penticton, maintaining current exposure for Academy and retain tournaments.
 - A dedicated 2-Ice facility will provide additional capacity for SOEC to expand the current events and conferences market (less demand for ice time).
- The decommissioning of Memorial and repurposing of McLaren will result in OPEX savings and reduce significant future CAPEX upgrade costs as all maintenance staff and equipment will be in a single location.
- Proposed 2-Ice investment will support current investment in ice sports (OHG; SOEC, OHA Training Centre; VEES; figure skating; Penticton Minor Hockey) and support potential future growth.
- Design consideration for new 2-Ice facility – incremental increase to the ice surface to provide additional space for community ice use (to mitigate loss of McLaren Arena).
- Current 2020 estimate for New 2-Ice construction is \$35 million (full scope of envisaged building)

Risks

- Significant CAPEX may not be supported by concurrent market increases in non-ice business at PTCC and SOEC.
- A strategic and comprehensive marketing strategy does not materialize, impacting on the potential for increasing all revenue streams (ice hockey, trade shows and events).

Proposed 1-Ice Facility @ SOEC Campus (Extracted from Previous Studies)

Benefits

- The proposed 1-Ice facility would replace the ice surface of McLaren and may provide flexibility to the SOEC programming.
 - McLaren arena does not provide the adequate ice surface for all users.
 - Construction of new 1-Ice facility may allow for limited consolidation of operations.
 - The addition of this additional surface, in conjunction with a rebuilt Memorial Arena and the existing SOEC capability, may provide additional capacity for SOEC to expand the current events and conferences market (less demand for ice time).
- The decommissioning of McLaren and reconstruction of a new single-sheet ice at Memorial may result in some OPEX savings and reduce future CAPEX upgrade costs.
- Proposed 1-Ice investment, along with the parallel investment in the new Memorial Arena, will support current investment in ice sports and support potential future growth.
- Design consideration for new 1-Ice facility – incremental increase to the ice surface to provide additional space for community ice use (to mitigate loss of McLaren Arena).
- Current 2020 estimate for New 1-Ice construction is \$16.4 million (full scope of envisaged building)

Risks

- Significant CAPEX may not be supported by concurrent market increases in non-ice business at PTCC and SOEC.
- A strategic and comprehensive marketing strategy does not materialize, impacting on the potential for increasing all revenue streams (ice hockey, trade shows and events).

Possible Scenarios for Combined Ice Facilities

Scenario 1 - Maintain and then renovate existing arenas at current funding & investment levels; Renovated arenas will have full life cycle but will not have expanded or enhanced functionality; No New 2-Ice facility

Possible Solutions	Potential Risks, Benefits
McLaren – Continue as-is and invest in the existing building as per FCI report and delay renovation if possible	<ul style="list-style-type: none"> • The current maintenance investment (3-year average) is equal to the FCI requirement. • The City has included the replacement for the chiller unit in the forecast CAPEX budget and this largely complies with the Infrastructure Deficit estimate. • The building age and estimated current condition suggests that the asset will require rebuild at Year 15. • The rebuild excludes the foundations (the footprint of the building is retained) but all other building components are rebuilt and replaced. • The asset will not comply with NHL rink size requirements under this scenario; the option only looks at rebuilding the existing facility. • Ongoing operation costs associated with separate equipment (Zamboni; chiller units) and maintenance staff
Memorial – Continue as-is and invest in the existing building as per FCI report and delay if possible	<ul style="list-style-type: none"> • The current capital budget is \$115k annually for the next 5 years. • The building age and condition dictates a full rebuild is required at Year 8 (maximum period). • The rebuild will include foundations and all other building components; the footprint will however remain the same, resulting in ice sheet of similar size to existing (does not meet NHL ice size requirements).

Possible Scenarios for Combined Ice Facilities



Scenario 2 - McLaren Arena is demolished, rezoned and sold; Memorial Arena is rebuilt (new facility on same site); New 1-Ice Arena built at SOEC complex

Possible Solutions	Potential Risks, Benefits
McLaren Arena - McLaren Arena is demolished, site sold for commercial redevelopment after rezoning	<ul style="list-style-type: none"> • Contingent on construction of the proposed 2-Ice facility to retain existing ice surface availability in Penticton. • Savings in OPEX / CAPEX commitments (currently at \$500K / annum) and maximizes the potential revenue opportunities of the existing site. • The current arena site will be rezoned commercial and sold; there will be no loss of park land or impact on other community assets with this approach.
Memorial Arena - Demolish existing Memorial Arena and rebuild new 1-Ice sheet on the same location The existing Memorial Arena is demolished and rebuilt.	<ul style="list-style-type: none"> • New ice sheet will be NHL regulation size in a simplified structure and could delay the need to construct a new 1-Ice facility adjacent to SOEC. • This option will not remove OPEX costs, but the new facility will have a minimum 75-year life span; the current arena building has an estimated 8 years remaining before significant investments will be required to either renovate or upgrade the facility. • It does continue the inefficient OPEX situation as requires separate ice maintenance facilities and staff from the adjacent SOEC ice facilities.
New 1-Ice Facility built adjacent to SOEC	<ul style="list-style-type: none"> • This additional sheet, in conjunction with rebuilt Memorial Arena, retains the existing 4-ice surface availability in Penticton but with upgraded NHL-regulation ice sheets. • The building estimate is taken from the previous Arena Study data. • It does continue the inefficient OPEX situation as this new arena requires ice equipment and maintenance facilities and staff separate from the rebuilt Memorial ice facilities.

Possible Scenarios for Combined Ice Facilities



Scenario 3 - McLaren Arena is demolished and reverted to parkland; Memorial Arena is demolished, site converted to parking; New 2-Ice Arena built at SOEC complex

Possible Solutions	Potential Risks, Benefits
McLaren Arena - Demolish existing McLaren Arena and repurpose as park land	<ul style="list-style-type: none">• Contingent on construction of the proposed 2-Ice facility to retain existing ice surface availability in Penticton.• Savings in OPEX / CAPEX commitments (currently at \$500K / annum)• The current arena site will be included into park land and the recreational use will be determined by user demand.• Increase in area designated as parkland but no revenue from sale to off-set construction cost of new arena
Memorial Arena - Demolish existing Memorial Arena and convert to parking	<ul style="list-style-type: none">• Contingent on construction of the proposed 2-Ice facility.• Convert the site to a parking zone (this supports the parking area lost to the new 2-Ice arena; it also replaces the parking area sold to the new hotel development).• This results in savings in OPEX / CAPEX commitments for the arena.• This approach also supports the development vision included in the Northern Gateway Initiative.
New 2-Ice Facility built adjacent to SOEC	<ul style="list-style-type: none">• This new 2-Ice facility replaces the previous surfaces of Memorial and McLaren, enhancing the capacity and functionality of the 4-ice surface availability in Penticton.• The building estimate is taken from the previous Arena Study data.• It maximizes the OPEX efficiencies to be gained from having all the ice equipment and maintenance facilities and staff near each other.

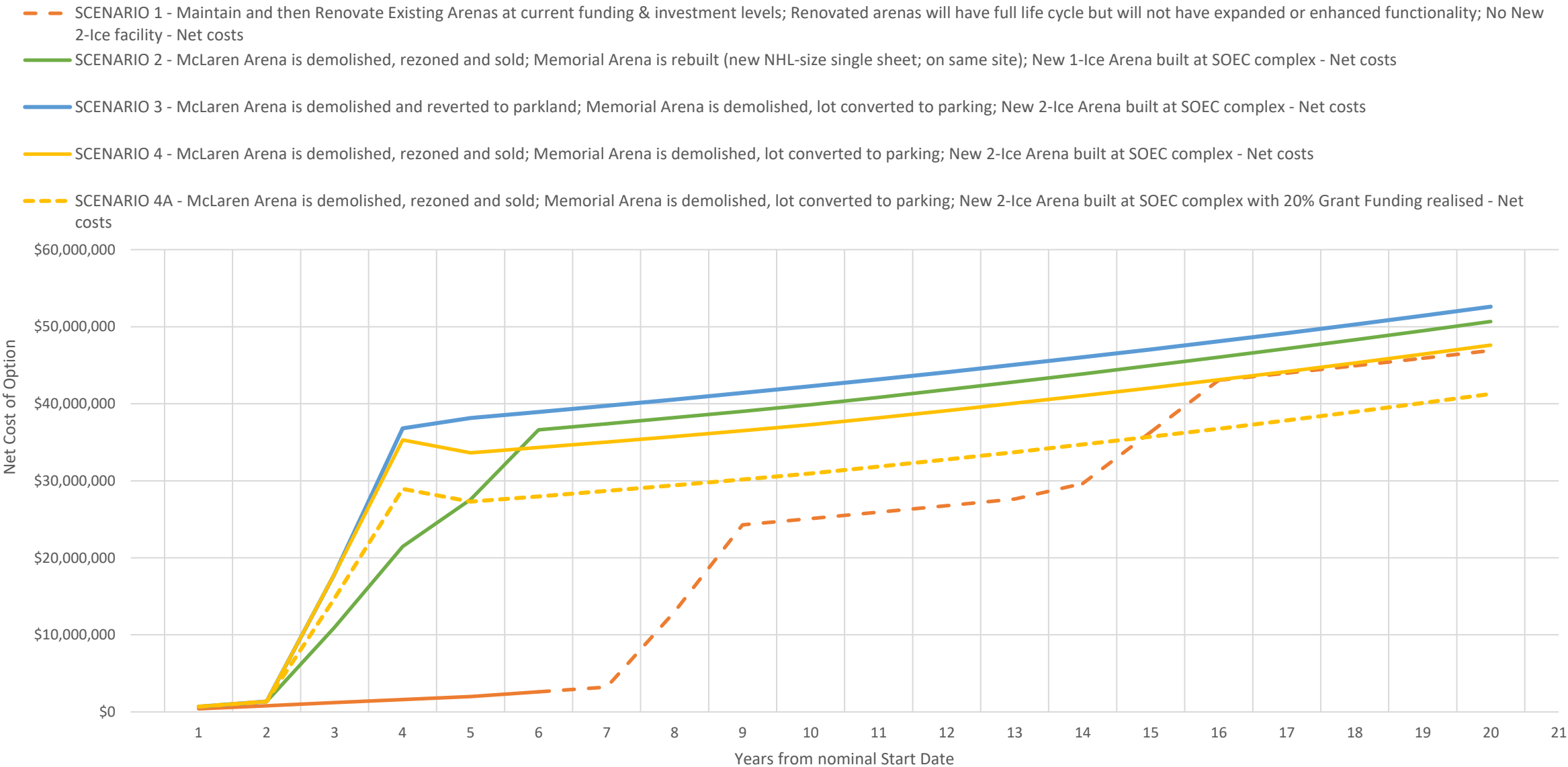
Possible Scenarios for Combined Ice Facilities



Scenario 4 - McLaren Arena is demolished, rezoned and sold; Memorial Arena is demolished, site converted to parking; New 2-Ice Arena built at SOEC complex

Possible Solutions	Potential Risks, Benefits
McLaren Arena - McLaren Arena is demolished, site sold for commercial redevelopment after rezoning	<ul style="list-style-type: none">• Contingent on construction of the proposed 2-Ice facility to retain existing ice surface availability in Penticton.• Savings in OPEX / CAPEX commitments (currently at \$500K / annum) and maximizes the potential revenue opportunities of the existing site.• The current arena site will be rezoned commercial and sold.
Memorial Arena - Demolish existing Memorial Arena and convert to parking	<ul style="list-style-type: none">• Contingent on construction of the proposed 2-Ice facility.• Convert the site to a parking zone (this supports the parking area lost to the new 2-Ice arena; it also replaces the parking area sold to the new hotel development).• This results in savings in OPEX / CAPEX commitments for the arena.• This approach also supports the development vision included in the Northern Gateway Initiative.
New 2-Ice Facility built adjacent to SOEC	<ul style="list-style-type: none">• This new 2-Ice facility replaces the previous surfaces of Memorial and McLaren, enhancing the capacity and functionality of the 4-ice surface availability in Penticton.• The building estimate is taken from the previous Arena Study data.• It maximizes the OPEX efficiencies to be gained from having all the ice equipment and maintenance facilities and staff near each other.

Financial Projections – Memorial and McLaren



Scenario 4 - McLaren Arena is demolished, rezoned and sold; Memorial Arena is demolished, site converted to parking; New 2-Ice Arena built at SOEC complex

- This scenario assumes both Memorial and McLaren are demolished, McLaren is rezoned for commercial or residential and sold (realizing maximum revenue potential); Memorial is repurposed for parking.
- The high cost of construction for the new 2-Ice Arena is recognized as a hurdle, but obtaining Federal, Provincial and possible private partnership funding for a new Arena, was highlighted in the original arena studies.
- This approach supports the continued investment in the future of ice sports / business in Penticton and maximizes the commercial and financial benefit of the Memorial and McLaren sites.
- This approach supports the ongoing North Gateway Initiative and the projected positive economic impact of the ice hockey business on the city economy.

ASSET AND AMENITY MANAGEMENT PROJECT

Library and Museum

Library – Current State

Business Objective

- Penticton Public Library continues to be a welcoming and thriving gathering place, engaging with diverse community and encouraging all ages in their pursuit of learning and personal growth.
- The Penticton Library remains operating as an Independent Municipal Library (as per the 2016 Grant Thornton report).

Current Status / Challenges

- The Library is well supported by City community, is well frequented (+60% of pop. are members) and digital use is increasing rapidly.
- Library operations are restricted by the following:
 - Insufficient space for program areas, meeting rooms and reading areas;
 - Inadequate capacity for current and/or expanded computer facilities;
 - Limited storage space for library services (books / hard copies), staff facilities and space for printers (normal and 3D printers for which they have the software capacity); and
 - Fixed shelving, required by building code requirements, does not allow for better space utilisation.
- Building is a shared space with the Museum; the building is nearing end of useful life and is beginning to restrict functionality due to age / insufficient size.



Current Operational Status (3-year average) and Asset Condition

* These costs are for the combined Library / Museum complex (redesigned assumed based on current technology; lower capital cost est.)

Asset	Library
Condition of each asset (Age)	FCI 43% (56)
Replacement Cost	\$16,000,000*
Annual CAPEX	\$5,510*
Annual OPEX	\$391,727*
Annual REVENUE	-\$145,270*

Services

ALL EXPENDITURE (Annual)	\$1,517,758*
Annual REVENUE	-\$185,546*
Ave Annual Cost Balance	\$1,584,179*
Avg. 5-year CAPEX budget plan	\$56,000*

Museum – Current State



Business Objective

- The Penticton Museum was established in 1954.
- *“The Penticton Museum strives to deliver professional and innovative exhibits, programs, archival services and resources in order to coordinate heritage programming, both at the museum and within the City's environs, with the goal of ensuring cultural and natural heritage management remains a vital component in the development of Penticton's physical identity and community character.”*

Current Status / Challenges

- The Museum is well supported by City community.
- Museum operations are restricted by the following:
 - Insufficient space for program areas, meeting rooms and displays;
 - No separate workshop area with dedicated equipment areas and working surfaces;
 - Limited storage space for museum artifacts and equipment – current arrangement is disjointed and disconnected;
 - No separate and dedicated staff facilities; and
 - Alternative storage facilities (type) required – moving vertical shelves already installed are an example of an improved storage mechanism.
- Building is a shared space with the Library; the building is nearing end of useful life, and is beginning to restrict functionality due to age / insufficient size.



Current Operational Status (3-year average) and Asset Condition

* These costs are for the combined Library / Museum complex (redesigned assumed based on current technology; lower capital cost est.)

Asset	Museum
Condition of each asset (Age)	FCI 43% (56)
Replacement Cost	\$16,000,000*
Annual CAPEX	\$5,510*
Annual OPEX	\$391,727*
Annual REVENUE	-\$145,270*

Services

ALL EXPENDITURE (Annual)	\$1,517,758*
Annual REVENUE	-\$185,546*
Ave Annual Cost Balance	\$1,584,179*
Avg. 5-year CAPEX budget plan	\$56,000*

Overall Operating and Asset Condition Status



- The current total FCI investment requirement for Library & Museum is \$12.8 million (2020 estimates) and the current estimate for full rebuild is \$16.0 million (2020 estimate).
- The facility currently experiences issues with computer and power facilities and will require upgrades.
- The current interior space utilization requires optimization of the existing floor area to increase functionality.

Library and Museum - Solutions and Risks/Benefits



Possible Solutions	Potential Risks, Benefits
Library/Museum - Option 1 Continue with maintenance and costs at current funding levels; full renovation at Year 13 to enhance functionality and achieve full life cycle condition	<ul style="list-style-type: none"> • The budgeted capital for the next 5 years is \$56,000 annually. • This option estimates the continuation of these funding levels, and a full rebuild of the facility at Year 13. • No upgrades or remedial works will occur until the rebuild, with all existing shortcomings in the building remaining.
Library/Museum - Option 2 – Continue with maintenance and costs at planned and projected funding levels as per FCI recommendations; a partial renovation at Year 13 to enhance functionality and capacity and restore full life cycle value	<ul style="list-style-type: none"> • The current total FCI investment requirement for Library & Museum is \$12.8 million (2020 estimates) and this investment is assumed to occur from Year 1 - 8 • These investments will respond to the computer and power issues and could be used to redesign the interior space utilization to optimize existing floor area and use. • The partial renovation investment in Year 13 would then focus on enhancements to the building (improved digital capacity; increased theatre space). • The gradual investment plan does allow for phased and sequential redevelopment of the facility and could respond to changing needs. • The asset is in a prime location with development potential. This approach does not maximize any revenue potential of this site.

Library and Museum - Solutions and Risks/Benefits (2)



Possible Solutions	Potential Risks, Benefits
Library/Museum - Option 3 – New combined art and culture centre, including Art Gallery, Library & Museum on new Site and old Library/Museum site sold	<ul style="list-style-type: none">• This new facility would provide an integrated and cohesive Art & Cultural Centre for the City and could also be enhanced to include space for the non-profit groups currently occupying Leir House.• This would be a purpose-fit building with design focusing on optimizing shared space requirements of the Library, Museum and Art Gallery, would focus on the changing nature of both libraries and museums (example being the move to a more digital environment), and generate a focal point for culture and arts in the City.• The proposed site for this redevelopment would make use of preferred / selected City-owned sites, either in the downtown core or near the core.• With the relocation of the Library / Museum to the new facility, it opens the possibility of sale of the existing Library / Museum site after demolition of existing facility.• The location of the existing site, adjacent to schools and near both the retail centers and downtown, will make it an attractive location for commercial or residential redevelopment.• The construction of the Library/Museum facility on a new site allows for full building completion and then relocating both the Library/Museum and the Art Gallery once the building is commissioned, minimizing service disruptions at both those facilities.

Library and Museum - Solutions and Risks/Benefits (3)

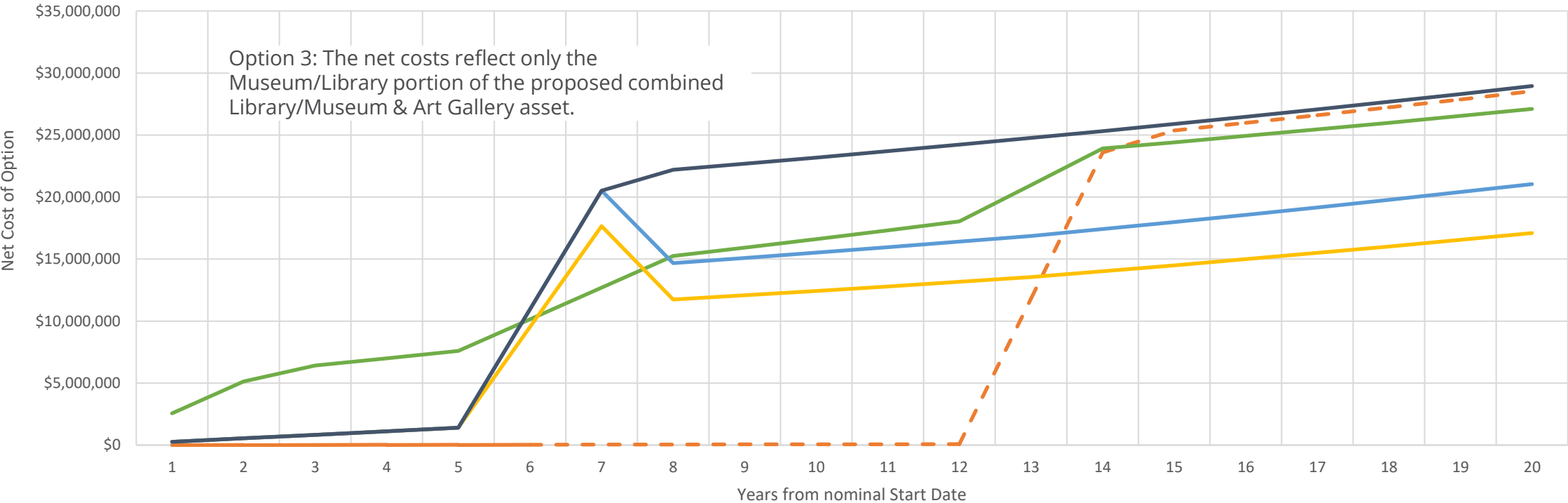


Possible Solutions	Potential Risks, Benefits
Library/Museum - Option 4 – New Library/Museum on new site and old site sold	<ul style="list-style-type: none"> • This new facility would provide an integrated and cohesive Library/Museum and could also be enhanced to include space for the non-profit groups currently occupying Leir House. • This would be a purpose-fit building with design focusing on optimizing shared space requirements of the Library and Museum and would focus on the changing nature of both libraries and museums (example being the move to a more digital environment). • The proposed site for this redevelopment would make use of preferred / selected City-owned sites, either in the downtown core or near the core. • The construction of the facility on a new site allows for full building completion and then relocating Library/Museum once the building is commissioned, minimizing service disruptions. • With the relocation of the Library / Museum to the new facility, it opens the possibility of sale of the existing Library / Museum site after demolition of existing facility. • The current site location, adjacent to schools, near retail centers and downtown, make it attractive for commercial or residential redevelopment.
Library/Museum - Option 5 – New Library/Museum on existing Library/Museum site (old building demolished)	<ul style="list-style-type: none"> • The new facility could be built on the same site without disruption the existing building (site size is sufficient to permit this approach). • Reduced capital benefit as site is not available for resale. • Retains existing central location adjacent to the High School. • Museum facilities to be included are largely complementary to the Library facility with limited museum functionality.

Financial Projections – Library / Museum Options



- Library/Museum - Option 1 – Continue with maintenance and costs at current funding levels; full renovation at Year 13 to enhance functionality and achieve full life-cycle condition - Net costs
- Library/Museum - Option 2 – Continue with maintenance and costs at planned and projected funding levels as per FCI recommendations; a partial renovation at Year 13 to enhance functionality and capacity and restore full life-cycle value - Net costs
- Library/Museum - Option 3 – NEW Combined art and culture centre, including Art Gallery, Library & Museum on New Site and old Library/Museum site sold (the value of the Museum/Library portion of the combined asset only) - Net costs
- Library/Museum - Option 4 – New Library/Museum on new site and old lot sold - Net costs
- Library/Museum - Option 5 – New Library/Museum on existing Library/Museum site (old building demolished) - Net costs



Library/Museum - Option 3 – New combined art and culture centre , including Art Gallery, Library & Museum on new Site and old Library/Museum site sold.

- This new facility would provide an integrated and cohesive Art & Cultural Centre for the City and could also be enhanced to include space for the non-profit groups currently occupying Leir House.
- This would be a purpose-fit building with design focusing on optimizing shared space requirements of the Library, Museum and Art Gallery, would focus on the changing nature of both libraries and museums (example being the move to a more digital environment), and generate a focal point for culture and arts in the City.
- The proposed site for this redevelopment would make use of preferred / selected City-owned sites, either in the downtown core or near the core.
- With the relocation of the Library / Museum to the new facility, it opens the possibility of sale of the existing Library / Museum site after demolition of existing facility and potential for revised use of Leir House.
- The location of this site, adjacent to schools and near both the retail centers and downtown, will make it an attractive location for commercial or residential redevelopment.
- The construction of the facility on a new site allows for full building completion and then relocating both the Library/Museum and the Art Gallery once the building is commissioned, minimizing service disruptions at both those facilities.
- The full cost of this option is the sum of Library/Museum (Option3) and Art Gallery (Option 3) costs.

ASSET AND AMENITY MANAGEMENT PROJECT

Art Gallery

Art Gallery - Current State



Business Objective

MISSION

"The Penticton Art Gallery exists to exhibit, interpret, preserve and promote the visual, artistic and cultural heritage of Indigenous Peoples and of Canada; to educate and engage the public on local, regional and global social issues through the visual arts".

VISION

"We envision a gallery accessible to everyone as a vibrant public space in service of our community, to foster greater social engagement, critical thinking and creativity".

Current Status / Challenges

- Building is in relatively good condition.
- The City support is required for the cost of maintaining the operations of the building as it is leased for no-cost to the non-profit that manages the Art Gallery.
- The site has possible commercial alternative uses and is located in an area that appears to be undergoing upgrades and improvements.



Current Operational Status (3-year average) and Asset Condition

Asset	Art Gallery
Condition of each asset (Age)	FCI 56% (35)
Replacement Cost	\$4,000,000
Annual CAPEX	\$10,000
Annual OPEX	\$0
Annual REVENUE	\$0

Services

ALL EXPENDITURE (Annual)	\$0
Annual REVENUE	\$0
Ave Annual Cost Balance	\$10,000
Avg. 5-year CAPEX budget plan	\$50,000

Overall Operating and Asset Condition Status



- The current total FCI investment requirement for Art Gallery is \$0.75 million (2020 estimates) and the current estimate for full rebuild is \$4.0 million (2020 estimate).
- Continued annual cash grant of \$100,000.
- The building is in reasonable condition and does not require significant capital investment.

Art Gallery - Solutions and Risks/Benefits



Possible Solutions	Potential Risks, Benefits
Art Gallery - Option 1 – Continue with maintenance and costs at current funding levels; full renovation of the building at Year 13; enhance functionality and improve asset life cycle value	<ul style="list-style-type: none">• The budgeted capital for the next 5 years is \$50,000 annually.• This option estimates the continuation of these funding levels, and a full renovation of the facility at Year 13 to coincide with other investment plans.
Art Gallery - Option 2 – Continue with maintenance and costs at planned and projected funding levels; significant renovation in Year 13 to enhance functionality and value and increase asset life cycle value	<ul style="list-style-type: none">• The current total FCI investment requirement is \$0.75 million (2020 estimates) and this investment is assumed to occur from Year 1 - 4• The art gallery is planned for full replacement in Year 13.

Art Gallery - Solutions and Risks/Benefits (2)



Possible Solutions	Potential Risks, Benefits
Art Gallery - Option 3 - New combined art and culture centre, including Art Gallery, Library & Museum on new Site; and old site sold	<ul style="list-style-type: none">• This new facility would provide an integrated and cohesive Art & Cultural Centre for the City and could also be enhanced to include space for the non-profit groups currently occupying Leir House.• This would be a purpose-fit building with design focusing on optimizing shared space requirements of the Library, Museum and Art Gallery, would focus on the changing nature of art galleries (more about interaction rather than a passive display environment), and generate a focal point for culture and arts in the City.• The proposed site for this redevelopment would make use of preferred / selected City-owned sites, either in the downtown core or near the core.• With the relocation of the Art Gallery to the new facility, it opens the possibility of sale of the existing Art Gallery site after demolition of existing facility.• The location of the existing Art Gallery site, adjacent to parks, Penticton Yacht Club and other marina facilities, restaurants and downtown, will make it an attractive location for commercial or residential redevelopment.• This site is adjacent to a planned City investigation into the revitalization of the north-east area of the City surrounding the Penticton Yacht Club, with opportunities for including this site into the overall area planning process.• The construction of the facility on a new site allows for full building completion and then relocating both the Library/Museum and the Art Gallery once the new building is commissioned, minimizing service disruptions at both those facilities.

Art Gallery - Solutions and Risks/Benefits (3)

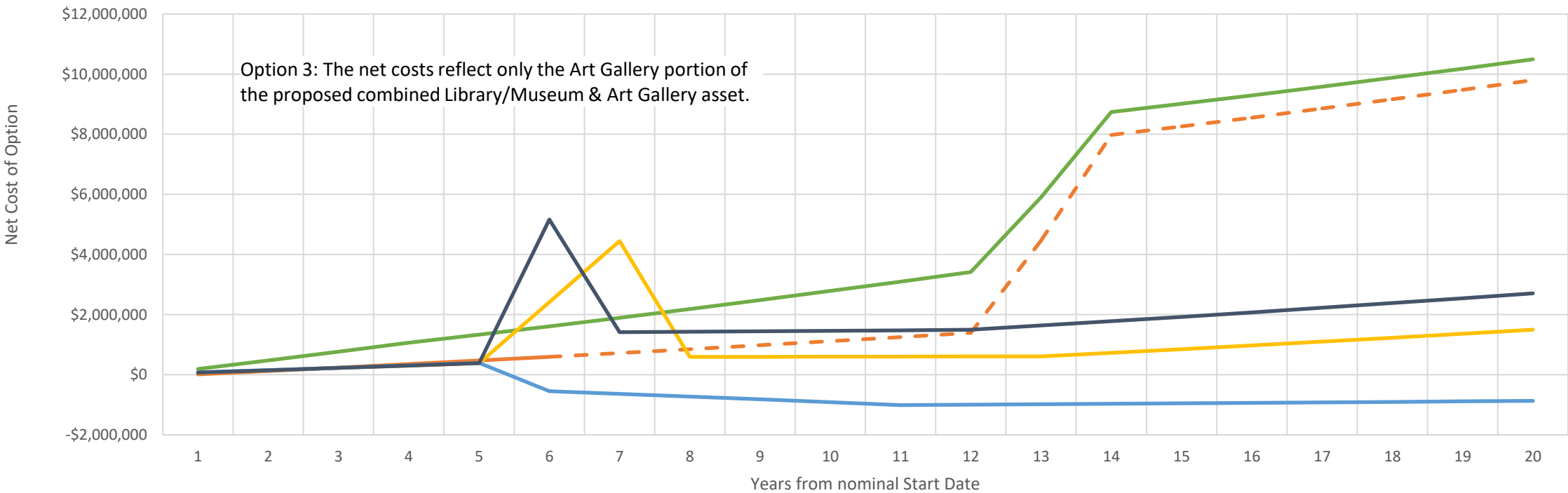


Possible Solutions	Potential Risks, Benefits
Art Gallery - Option 4 – Art Gallery relocated to renovated Bus Barn (Deferred timeline) and old site sold	<ul style="list-style-type: none">• In this option the existing Bus Barn is renovated (a nominal budget of \$500,000 is allocated to this) and after renovation the Art Gallery is relocated, and the existing site is rezoned for commercial use and sold.• This option then allows for the resale of the existing Art Gallery site only (excludes the Japanese Garden site; that will not be sold).• The location of this site, near downtown and the Penticton Yacht and Tennis Club, and its proximity to the upcoming Okanagan North-East study area, makes this a high-value site.• This option however also includes the loss of revenue that will arise from the City not selling the Bus Barn to existing developer interest.
Art Gallery - Option 5 – Art Gallery in new building on New Site; old site sold	<ul style="list-style-type: none">• In this option the Art Gallery is rebuilt on a new site near downtown (on a City-owned site).• Once the new facility is completed and the Art Gallery relocated, the existing site is rezoned for commercial use and sold.• This option then allows for the resale of the existing Art Gallery site only (excludes the Japanese Garden site; that will not be sold).• The location of this site, near downtown and the Penticton Yacht and Tennis Club, and its proximity to the upcoming Okanagan North-East study area, makes this a high-value site.• There is no off-set in this option (due to the City utilizing an owned site, rather than selling the site) as no options are currently under consideration.

Financial Projections – Art Gallery



- Art Gallery - Option 1 – Continue with maintenance and costs at current funding levels; full renovation of the building at Year 13; enhance functionality and improve asset life-cycle value - Net costs
- Art Gallery - Option 2 – Continue with maintenance and costs at planned and projected funding levels; significant renovation in Year 13 to enhance functionality and value and increase asset life-cycle value - Net costs
- Art Gallery - Option 3 – NEW Combined art and culture centre, including Art Gallery, Library & Museum on New Site and old Art Gallery sold (the value of the Art Gallery portion of the combined asset only) - Net costs
- Art Gallery - Option 4 – Art Gallery relocated to renovated Bus Barn (Deferred timeline) and old lot sold - Net costs
- Art Gallery - Option 5 – Art Gallery in new building on New Site; old lot sold - Net costs



Art Gallery - Option 3 – New combined art and culture centre , including Art Gallery, Library & Museum on new Site and old Art Gallery sold

- This new facility would provide an integrated and cohesive Art & Cultural Centre for the City and could also be enhanced to include space for the non-profit groups currently occupying Leir House.
- This would be a purpose-fit building with design focusing on optimizing shared space requirements of the Library, Museum and Art Gallery, would focus on the changing nature of art galleries (more about interaction rather than a passive display environment), and generate a focal point for culture and arts in the City.
- The proposed site for this redevelopment would make use of preferred / selected City-owned sites, either in the downtown core or near the core.
- With the relocation of the Art Gallery to the new facility, it opens the possibility of sale of the existing Art Gallery site after demolition of existing facility.
- The location of the existing Art Gallery site, adjacent to parks, Penticton Yacht Club and other marina facilities, restaurants and downtown, will make it an attractive location for commercial or residential redevelopment.
- This site is adjacent to a planned City investigation into the revitalization of the north-east area of the City surrounding the Penticton Yacht Club, with opportunities for including this site into the overall area planning process.
- The construction of the facility on a new site allows for full building completion and then relocating both the Library/Museum and the Art Gallery once the new building is commissioned, minimizing service disruptions at both those facilities.
- The full cost of this option is the sum of Library/Museum (Option3) and Art Gallery (Option 3) costs.

ASSET AND AMENITY MANAGEMENT PROJECT

Indoor Soccer Sportsplex

Indoor Soccer Sportsplex - Current State

Business Objective

- Provide affordable recreational facilities to the public.
- Nurture and promote competitive sports.
- City's focus is to provide sports facilities and services that cannot be operated purely for profit by the private sector.



Current Status /Challenges

The current challenges include:

- Operations leased to End User (Pinnacle Football Club / Penticton Soccer Club);
- Facility Management – currently the end user is the Operator (conflict of interests);
- Existing facility and operations has limited ability to maximize full revenue potential for the site;
- Single purpose facility - Sports could incorporate more sports uses;
- Currently no non-Sport use. Could consider other commercial uses – conventions, exhibitions, parties, public gatherings etc.;
- Not able to achieve full utilization due to current indoor conditions and current user focus (soccer only);
- Court surface due for renewal;
- Cost of playing surface upgrade or renewal ranges between \$200k and \$400k, depending on the type of replacement base floor and floor covering, and;
- CAPEX is currently City's responsibility.

Current Operational (3-year average) and Asset Condition

Asset	Sportsplex
Condition of each asset (Age)	FCI 56% (13)
Replacement Cost	\$8,708,263
Annual CAPEX	\$0
Annual OPEX	\$16,889
Annual REVENUE	-\$74,817

Services

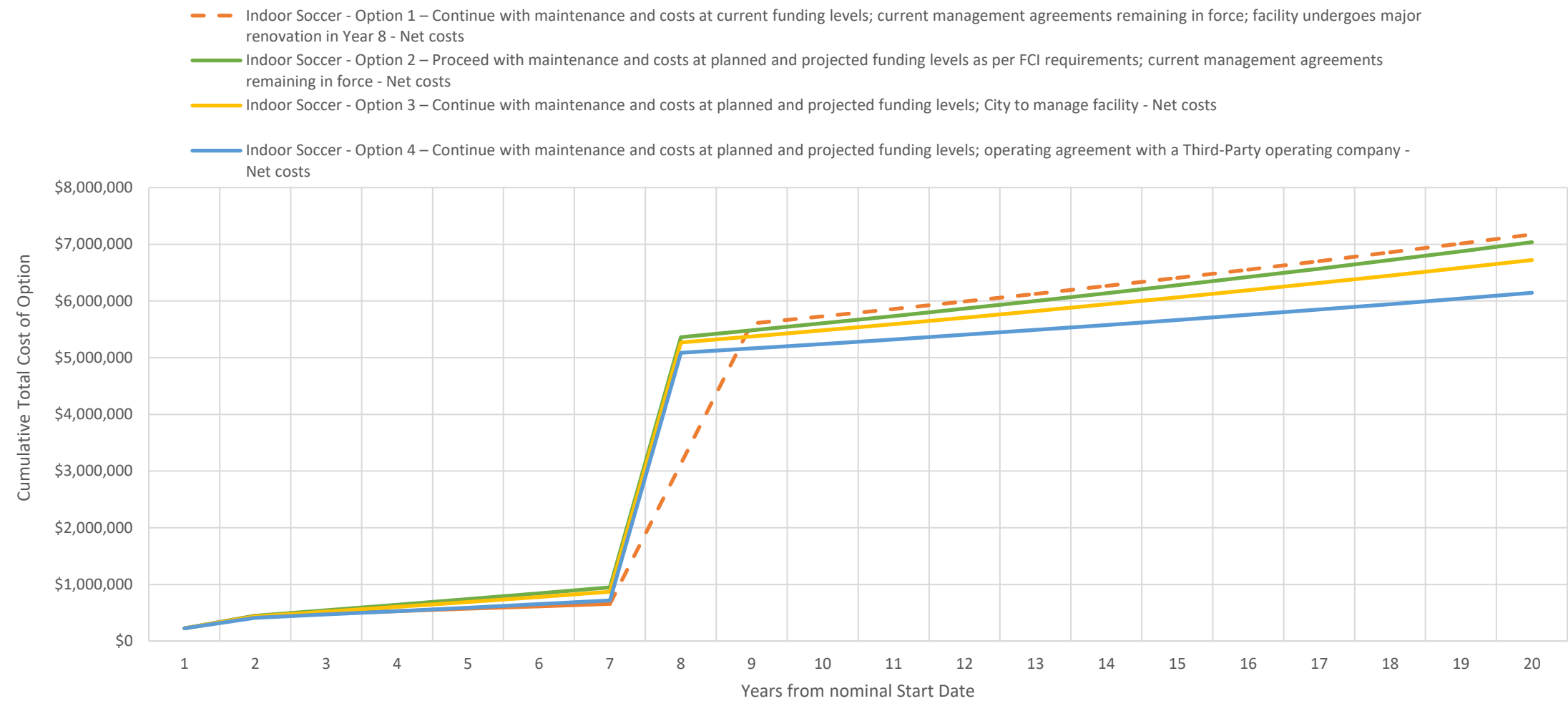
ALL EXPENDITURE (Annual)	\$16,889
Annual REVENUE	-\$74,817
Ave Annual Cost Balance	-\$57,927
Avg. 5-year CAPEX budget plan	\$80,000

Possible Solutions	Potential Risks / Opportunities
<p>Capital Upgrade common to all options / Playing Surface and Asset Upgrades:</p> <ul style="list-style-type: none"> • Resurface with the existing long-pile artificial grass turf (on a concrete base) - \$400K* • Resurface with a short-pile artificial grass turf (on a concrete base) - \$350K* est. • Resurface with a short-pile artificial grass surface on a gravel base - \$200K * est. • Improve indoor comfort and conditions where economically feasible (air flow and cooling; heating). 	<ul style="list-style-type: none"> • The wrong choice does impact future sporting type opportunities. • Investment in resurfacing may not generate the expected interest from potential users. • Opportunity - Facility naming rights (currently Adidas; due for renewal in 2021): The change in use and management function could influence naming rights & sponsorship. • Note: Options for multi-sport use - Court surface renewal to consider inclusion of other sports such as tennis, baseball, slow-pitch, outdoor hockey and rugby for amateur/recreational use and commercial purposes.
<p>Indoor Soccer Sportsplex - Option 1 – Continue with maintenance and costs at current funding levels; current management agreements remaining in force; facility undergoes major renovation in Year 8</p>	<ul style="list-style-type: none"> • The facility management continues with status quo (PFC / PSC). • City annual maintenance investment remains at current trend. • At Year 8 (timing dictated by overall fiscal planning limitations), a significant upgrade (60%) is planned to off-set the lower annual maintenance investment.
<p>Indoor Soccer Sportsplex - Option 2 – Proceed with maintenance and costs at planned and projected funding levels as per FCI requirements; current management agreements remaining in force</p>	<ul style="list-style-type: none"> • The facility management continues with status quo (PFC / PSC). • City annual maintenance investment is increased to the FCI standard. • At Year 8 (timing dictated by overall fiscal planning limitations), a significant upgrade (50%) is planned to off-set the low annual maintenance investment.

* High level cost estimate provided by the City staff. ** Cost estimate adjusted to account for change in base foundation material.

Possible Solutions	Potential Risks, Benefits
Indoor Soccer Sportsplex - Option 3: Continue with maintenance and costs at planned and projected funding levels; City to manage facility	<ul style="list-style-type: none"> • City annual maintenance investment is increased to the FCI standard. • At Year 8 (timing dictated by overall fiscal planning limitations), a significant upgrade (50%) is planned to provide an enhanced facility (use and functionality). • City to manage the renewed facility, including all sport groups programming through the Recreation staff. • City to explore expanding the use of the facility through Recreation outreach and explore means to increase use and revenue generated by the facility.
Indoor Soccer Sportsplex - Option 4 – Continue with maintenance and costs at planned and projected funding levels; operating agreement with a third-party	<ul style="list-style-type: none"> • City annual maintenance investment is increased to the FCI standard. • At Year 8 (timing dictated by overall fiscal planning limitations), a significant upgrade (50%) is planned to provide an enhanced facility (use and functionality). • Investigate the option of revising the current management and appoint an independent entity to manage the facility. • Operating agreement could be structured to maximize facility use (for sport and other uses). • The third-party operator may demand lower rental rates to maximize profit. • Operating agreement could include revenue / turnover incentive to maximize use and commercial potential.

Financial Projections – Indoor Soccer Facility



Note: The financial projections have assumed the same floor renovation for each option (\$400k costs assumed) for comparison purposes

Combination of Option 3 and Option 4

Option 3: Continue with maintenance and costs at planned and projected funding levels; City to manage facility

- 1) The City assigns management of the facility to the Recreation department (first step)
 - This option is an interim approach until Option 4 can be actioned but is required in order to facilitate a way forward.
 - Recreation department continues the engagement with all sport groups for programming purposes
 - Recreation department undertakes an outreach / market initiative to generate interest and increase use of the facility (this activity, and anticipated outcome, will provide a basis for embarking on Option 4 procurement of facility operator as it will prove viability)

Option 4: Operating Agreement with a third-party

- 2) The City investigates the opportunity for an amenity operating agreement with an independent third-party. The agreement to consider the following :
 - City to review operating options for private operators as the current zoning restrictions of the Sportsplex is for dedicated parks.
 - Explore including OPEX costs in the operating agreement with a range of potential limitations on future City responsibilities for CAPEX.
 - Future City obligations for additional CAPEX and facility expansion requirements to be financed out of capital funds.
 - Minimum requirements of time allocation for any community-based sports groups (if deemed important).
 - City issues RFI to market to assess leasing opportunities for third-party operators.

ASSET AND AMENITY MANAGEMENT PROJECT

Leir House

Leir House - Current State



Business Objective

Leir House was designed by Hugh and Joyce Leir and completed in 1929. Leir House and its surrounding property was purchased in 1951 by the Penticton Regional Hospital and used for the next 25 years as a nurse’s residence.

City of Penticton purchased Leir House in April of 1979 for two reasons:

- To preserve an important city landmark and home of one of Penticton’s founding families; and
- It offered an ideal opportunity to provide a cultural centre for the smaller arts groups in need of a home base.

Current Status / Challenges

- Leir House is the sole responsibility of the City for maintenance and upkeep.
- Current tenants are all non-profit organizations who make use of the property rent-free.
- Costs for the upkeep of the House will increase over time (current age = 91 years) and the existing condition is listed as “Poor”.

Current Operational Status (3-year average) and Asset Condition

Asset	Leir House
Condition of each asset (Age)	FCI 42% (91)
Replacement Cost	\$3,896,454
Annual CAPEX	\$5,163
Annual OPEX	\$0
Annual REVENUE	\$0
Services	
ALL EXPENDITURE (Annual)	\$0
Annual REVENUE	\$0
Ave Annual Cost Balance	\$5,163
Avg. 5-year CAPEX budget plan	\$60,000

Overall Operating and Asset Condition Status



- The current total FCI investment requirement for Leir House is \$6.2 million (2020 estimates) and the current estimate for full rebuild is \$3.9 million (2020 estimate).
- The building has significant cultural and historical benefit
- Current operations provide limited economic benefit.

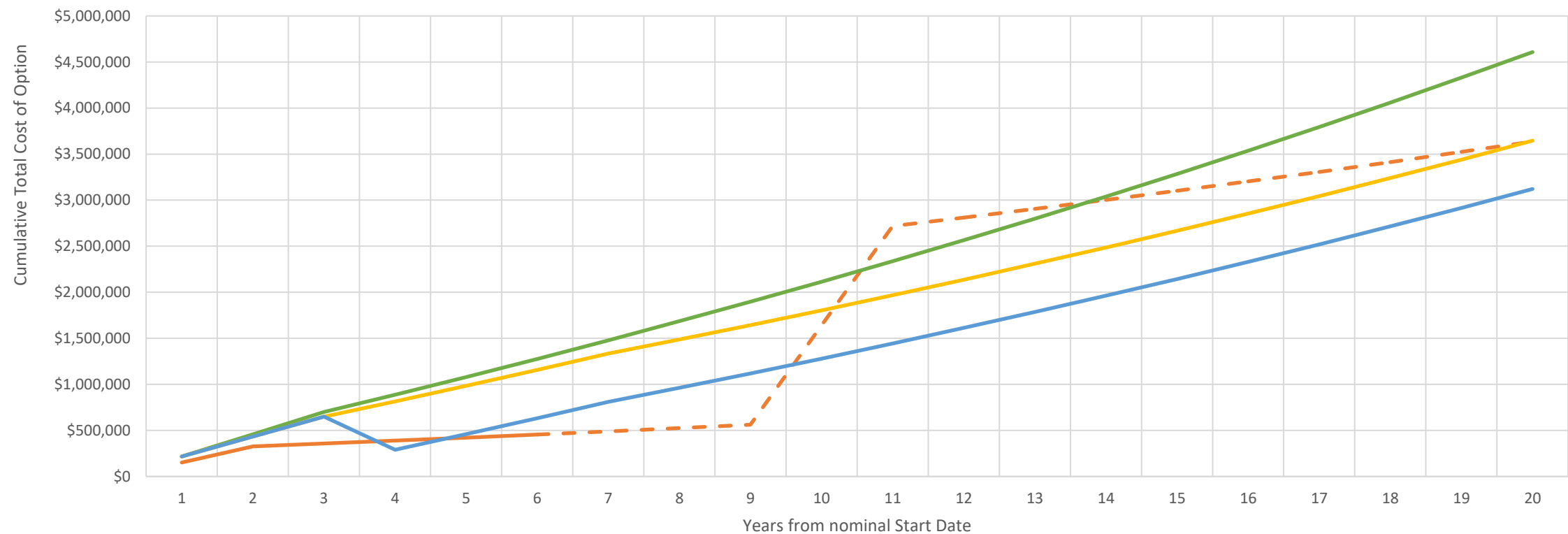
Possible Solutions	Potential Risks, Benefits
Leir House - Option 1 – Continue with maintenance and costs at current funding levels; facility is always leased to non-profit organizations	<ul style="list-style-type: none"> • Current City investment in House maintenance is \$5,000 per annum with \$300,000 over 5 years set aside for identified capital. • Maintaining the status quo of leasing to non-profit entities results in ongoing loss of potential revenue to the City for commercial leases or sale of property • The building, while 92 years old, is in sound structural condition but will require replacement of plumbing, electrical and potentially HVAC systems. • The model has included a full internal renovation at year 10 to account for these.
Leir House - Option 2 – Continue with maintenance and costs at planned and projected funding levels; facility is always leased to non-profit organizations	<ul style="list-style-type: none"> • FCI investment requirement of \$650,000 is invested in first 3 years and maintenance at specified levels is included in annual budget estimates • No capital investment is allowed for as the replacement of plumbing/ electrical and HVAC will be undertaken as part of annual maintenance
Leir House - Option 3 – Continue with maintenance and costs at planned and lease Leir House to commercial lease rates (resident non-profits moved to new Art & Culture Centre)	<ul style="list-style-type: none"> • This option is tied to an alternative location being secured for the resident non-profit entities (such as the proposed new Art & Culture Centre or a new Library/Museum complex, or a new Art Gallery). • Alternatively, if another location is secured then this option can be activated earlier. • Rezoning from current “Public assembly” required; will require public consultation. • Potential upside from the lease and ongoing revenue from potential use (such as a restaurant) and other revenue opportunities (business taxes).

Possible Solutions	Potential Risks, Benefits
Leir House - Option 4 – Continue with maintenance and costs at planned and projected funding levels; lease Leir House to commercial lease rates (resident non-profits moved to new Art & Culture Centre); Half of site sold as residential sites after rezoning	<ul style="list-style-type: none">• The City sub-divides the whole parcel into two, retaining the portion with the House intact and subdividing the balance for sale as residential sites.• High value sites (surrounding area undergoing revival) should attract significant interest.• The property lease portion of this option is tied to an alternative location being secured for the resident non-profit entities (such as the proposed new Art & Culture Centre or a new Library/Museum complex, or a new Art Gallery).• City retains responsibility for the House and all ongoing costs as for Option 1.• Revenue increase through land sale and ongoing property taxes.• Rezoning from current “Public assembly” required; will require public consultation• No significant loss of cultural value to the City.

Financial Projections – Leir House



- Leir House - Option 1 – Continue with maintenance and costs at current funding levels; partial renovation at Year 10 to enhance functionality; facility is always leased to non-profit organizations - Net costs
- Leir House - Option 2 – Continue with maintenance and costs at planned and projected funding levels; partial renovation at Year 10 to increase functionality; facility is always leased to non-profit organizations - Net costs
- Leir House - Option 3 – Continue with maintenance and costs at planned and lease Leir House to commercial lease rates (resident non-profits moved to new Art & Culture Centre); no renovation anticipated - Net costs
- Leir House - Option 4 – Continue with maintenance and costs at planned and projected funding levels; lease Leir House to commercial lease rates (resident non-profits moved to new Art & Culture Centre); Half of lot sold as residential lots after rezoning -



Conclusions and Recommendations

Leir House – Option 3 - Continue with maintenance and costs at planned and lease Leir House to commercial lease rates (resident non-profits moved to new Art & Culture Centre)

- This option is tied to an alternative location being secured for the resident non-profit entities (such as the proposed new Art & Culture Centre or a new Library/Museum complex, or a new Art Gallery).
- Alternatively, if another location is secured then this option can be activated earlier.
- Rezoning from current “Public assembly” required; will require public consultation.
- Potential upside from the lease and ongoing revenue from potential use (such as a restaurant) and other revenue opportunities (business taxes).

This approach will result in a concentration of art and cultural activities in the City.

The current occupants of Leir House require a facility that will house:

- The Arts Council (including gallery, administration and shop).
- Music Society (with rooms available for teaching and small live music presentations and events).
- Penticton Pottery Guild – space for a fully equipped pottery studio.
- Safe studio space for commercial artists at reasonable rates.

The proposal of a combined Art & Culture Centre that will also house these occupants addresses this requirement.

ASSET AND AMENITY MANAGEMENT PROJECT

Cleland Theatre

Cleland Theatre - Current State

Business Objective

The Cleland Community Theatre is Penticton's premiere performing arts venue and hosts productions ranging from symphonies and comedians to international performers, inspirational speakers and community groups.

Current Status / Challenges

- The 403-seat theatre is currently limited by poor quality (inadequate) sound and lighting systems.
- Potential renters are required to provide own sound & lighting equipment to meet requirements for use (a deterrent to rental).
- No center aisle - Access to seats by side-aisles only.
- Other non-Theatre aspects are adequate (to good) – parking, ease of access, adjoining spaces for functions and presentations.
- The operating conditions of this asset cannot be defined as its costs are not separate from the overall Community Centre costs
- Location of the Theatre inside the Community Centre is both:
 - **Beneficial** - the building maintenance costs are absorbed by the Centre operations; and
 - **Restrictive** - functions must operate around the other Centre uses, such as the swimming pool and gymnasium.
- Recreation currently performing an operations review



Current Operational Status (3-year average) and Asset Condition

Asset	Cleland Theatre
Condition of each asset (Age)	FCI 79% (39)
Replacement Cost	(incl. in Comm Centre)
Annual CAPEX	\$0
Annual OPEX	\$53,106
Annual REVENUE	-\$75,316
Services	
ALL EXPENDITURE (Annual)	\$0
Annual REVENUE	-\$75,316
Ave Annual Cost Balance	-\$22,210
Avg. 5-year CAPEX budget plan	\$178,000

Possible Solutions	Potential Risks, Benefits
<p>Option 1 – City upgrades audio-visual equipment and continue with current operating functions as-is</p> <ul style="list-style-type: none"> • The current status of the Theatre is continued, with continued pattern of use and revenue. • No significant upside potential with this option. 	<ul style="list-style-type: none"> • The asset is not fully costed, and actual operating profit / loss is not easily determined. • Current financial status remains. • Audio-visual equipment will be replaced; the current equipment does not meet acceptable performance standards
<p>Option 2 – City upgrades audio-visual equipment and investigates possible new seating rearrangements, with increased marketing efforts</p> <ul style="list-style-type: none"> • The City upgrades the audio / lighting equipment. • The enhanced functionality could lead to a wider target market • Rental costs to account for the enhanced functionality • City to undertake proactive marketing campaign and seek to maximize utilization. 	<ul style="list-style-type: none"> • Capital cost to be borne by the City. • Risk that the investment does not materialize into increased use and increased revenue. • Positive aspect – the revenue and use increases. • Increased use could lead to increased use of surrounding facilities and enhance economic benefit.
<p>Option 3 – City upgrades audio-visual equipment and enters into an operating agreement with a management company</p> <ul style="list-style-type: none"> • Operator is fully responsible for marketing and growing the theatre business. 	<ul style="list-style-type: none"> • There is confirmed interest in this option. • City may benefit from fixed revenue based on operating agreement. • Responsibility of growing the theatre business transferred to Operator.

Financial Projections – Cleland Theatre



Option 3 – City upgrades audio-visual equipment and enters into an operating agreement with a management company

- Lease agreement may cover potential cost share of maintenance and upkeep and revenue share option.
- Lessee is fully responsible for marketing and growing the theatre business.

This approach allows the City to retain full control of the asset while gaining maximum benefit from the use of the Theatre.

Similar art, cultural and entertainment functions occur at the SOEC Events Centre suggesting this is an established and viable market, and this additional space provides an added space and venue that could attract new and different events to the City.

ASSET AND AMENITY MANAGEMENT PROJECT

Summary of Analysis

The Asset Planning and Rationalization Plan is predicated on the following principles:

- Optimized / maximized utilization of the facility and amenity.
- Multi-use and multi-purpose functional use of the amenity and asset where possible.
- Concentration of amenities, with the intent to minimize operating and maintenance costs.
- Focus on the assets with the widest user benefit and use and impact across the community.

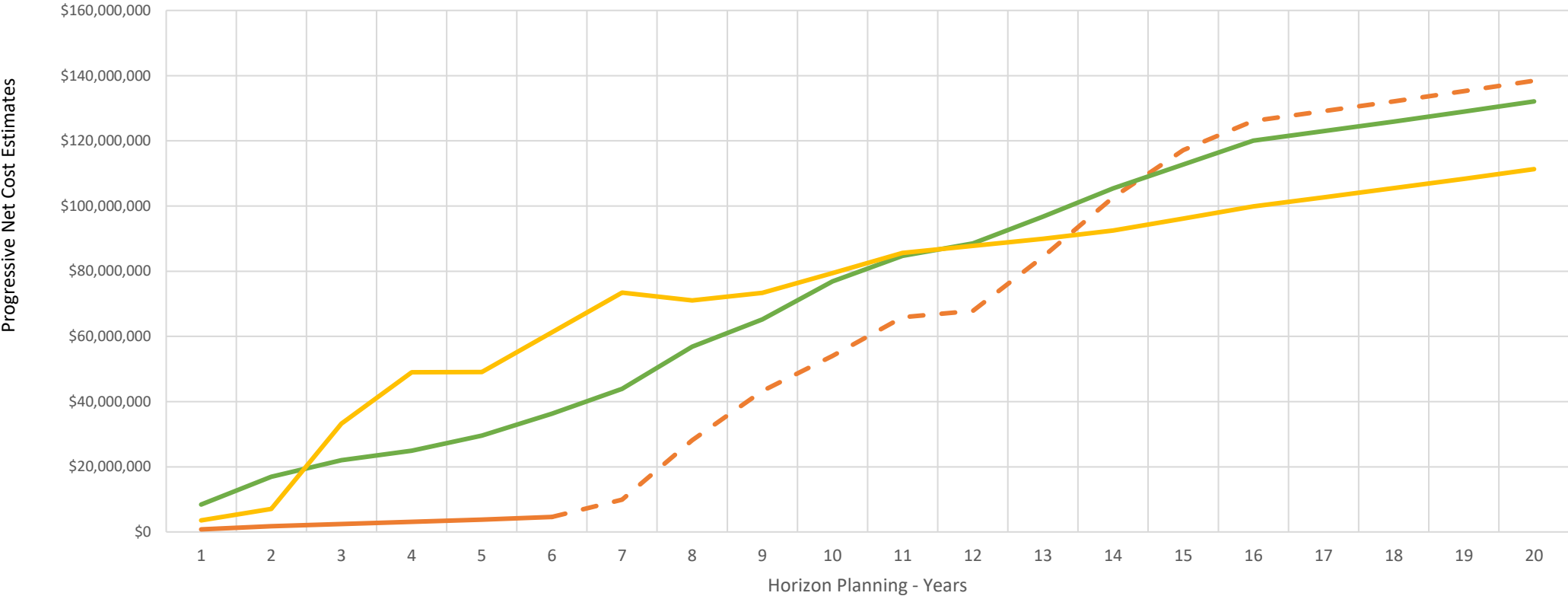
The Financial Reinvestment Plan is supported by the following:

- Asset / land identified for resale is supported by a concurrent process of rezoning for the intended purpose after resale – commercial or residential.
- The revenue generated through the sale of the asset / land will off-set the costs of the asset reinvestment plan.
- Ongoing revenue generated through property taxes will assist off-setting ongoing asset maintenance costs.
- Future maintenance budgets are aligned with industry standard values.

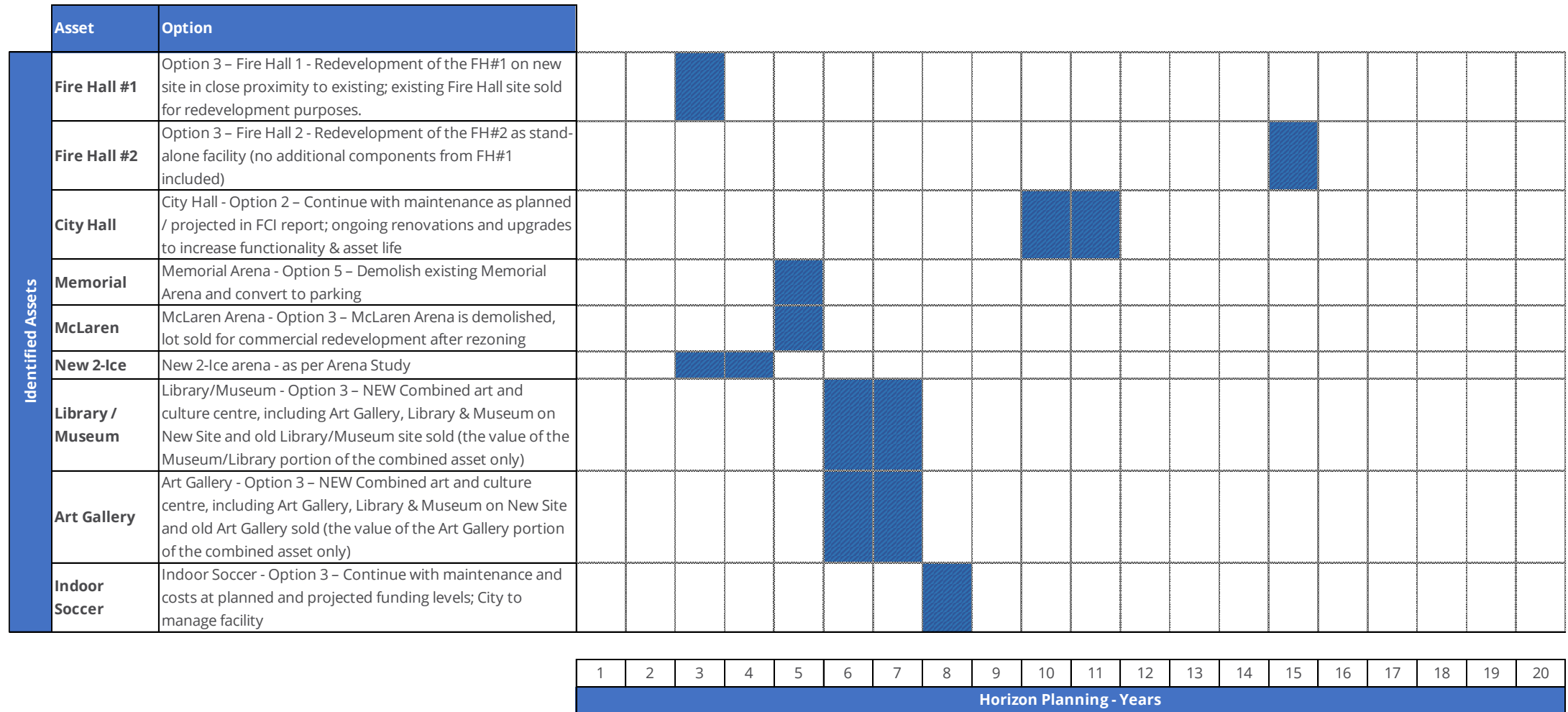
Combined Financial Options – As-is vs. Recommended Scenario



- Scenario 1 - All Specified Assets - Continue "as-is", invest maintenance costs as currently allocated; assets rebuilt at designated dates - Net Costs
- Scenario 2 - All Specified Assets - Plan to invest maintenance costs as identified in FCI report and then renovate/upgrade at defined timelines (no external funding assumed applicable for arena rebuilds) - Net Costs
- Scenario 3 - All Specified Assets - Recommended investment plan; includes combination of proposed new builds and renovated existing properties; sale of selected properties; NO external funding included in forecast for the new arena construction - Net Cost



Combined Financial Options – Timeline for Capital Investments for Recommended Scenario



Conclusions and Recommendations



The City is faced with the options of:

- Undertaking minimal investment in asset renewal, but then facing the probability of forced replacement and renewals as the facilities become either inoperative or will require significant capital investment to retain asset integrity.
- Undertaking a 15-year phased asset renewal program, in a systematic manner, with the outcome being:
 - Assets are then new and will reduce, in the short term, the maintenance requirements.
 - All existing shortcomings of the assets (related to space and functional use) can be mitigated through intelligent design and newer technology solutions.
 - Sale of several high-value parcels will generate funding for renewal program.
- Renewal program will continue to support construction-related economic activity and would maintain impetus to the local economy in a sustained manner.
- In the preceding graph the break-even period between Scenario 2 and Scenario 3 is projected to be at 10 years, assuming no external funding is secured for the New 2-Ice Arena; this period reduces to Year 9 if 20% external funding is procured for the arena construction.
- Scenario 1 (lowest current asset investment profile) is projected to result in highest capital commitment over 20 years and may be financially unsustainable for the City residents.

ASSET AND AMENITY MANAGEMENT PROJECT

Future Considerations - Penticton Golf & Country Club

City reviews the current Lease Conditions for the Penticton Golf & Country Club

The significant revenue opportunity in the Nominal Lease properties is with the Penticton Golf & Country Club (PGCC).

The existing lease runs for an additional 13 years with limited potential for change or modification.

The City should commence discussions with the PGCC in 10 years to evaluate the potential for amending and renegotiating the lease consider:

- Commercial lease rates; and
- Sale of the Golf Course to an independent operator.

The discussion will be weighed against:

- Optimal land use for this total land parcel; and
- Revenue opportunities the City is foregoing.

ASSET AND AMENITY MANAGEMENT PROJECT

Next Steps

Remaining activities in Task 2, 3 & 4:

- Present Task 2, 3 & 4 outcomes to Council in July 2021

Next Phase:

- Incorporate Council feedback if any
- Launch Public Engagement plan developed by the City's Community Engagement Program Manager August-September
- Present the Community Engagement results to PSC in early fall 2021.
- Present the Community Engagement results to Council in mid fall 2021.
- Update Financial Plan with high-level estimates, funding sources etc. for the approved recommendations.
- Refine the Implementation Plan for the recommendations, including high-level schedule of activities for the next 10 years such as all studies, investigations, consultant and contractor procurement and construction phase/s.



Project
Leaders

Thank you

Memo to Committee

penticton.ca

Date: October 25, 2021 **File No:** RMS/298 South Beach Dr
To: Parks and Recreation Advisory Committee
From: Steven Collyer, Planner II
Address: 270, 274, 278, 280, 286, 292, 298 South Beach Drive and 300 Sudbury Avenue
Subject: **Engagement Results for South Beach Drive Official Community Plan (OCP) amendment**

Staff Recommendation

THAT the Parks and Recreation Advisory Committee recommend that Council support the proposal to amend the Official Community Plan future land use designation for eight (8) properties along South Beach Drive from 'Parks' to 'Detached Residential'.

Background

At the September 20, 2021 Parks and Recreation Advisory Committee (PRAC) meeting, staff outlined a plan to engage the community on a City initiative to re-designate eight (8) properties along South Beach Drive from Parks to Detached Residential and to sell the City owned lands in that area, directing the proceeds to other park initiatives elsewhere in the community. Details of the proposal are contained in the September 20th Committee memo, included as Attachment 'B'.

This report focusses on the results of the public engagement period which was carried out from September 20th to October 17th and recommends that after considering the feedback from the public that the Committee support the initiative.

Engagement

City staff carried out the engagement period in accordance with the Council-endorsed procedure for processing Official Community Plan amendments and involved the following activities:

- Shape Your City Penticton web page with all of the relevant background information, discussion forum, and feedback forms
- Direct mail notification to all affected property owners and neighbours within 100m
- On site signage
- Newspaper advertisements
- Direct emails to stakeholder list (provincial ministries, RDOS, PIB, School District 67, Interior Health)
- Two public information sessions:

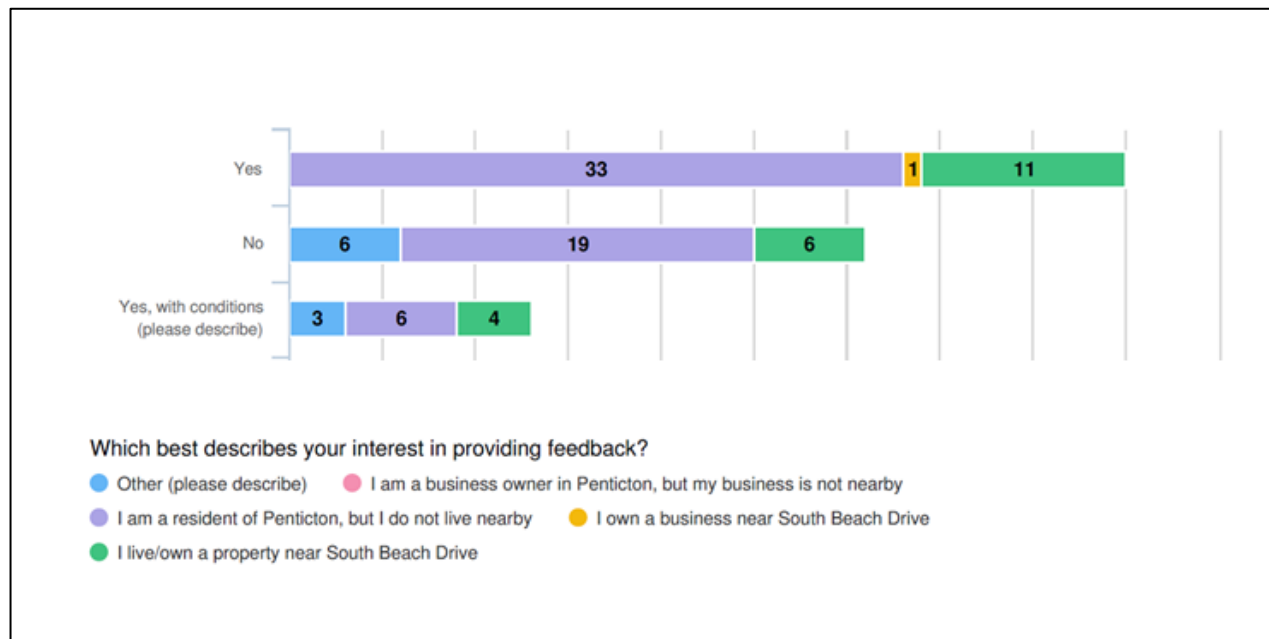
- October 7th 11am to 1pm – in-person drop in at South Beach Drive (estimated 50-60 attendees passed by)
- October 7th 7pm to 7:30pm – online session over Zoom (3 attendees)

This engagement is in addition to the required statutory Public Hearing for the OCP amendment and rezoning, which will occur at a later date should Council give first reading to the amending bylaws and set the Public Hearing date. The Public Hearing will give another opportunity for citizens to share their views on this proposal with Council.

Engagement Results

Ninety two (92) feedback forms were completed and received over the engagement period. In response to the question “Do you agree with the City’s proposal as described?” 45 people said ‘yes’, 14 people said ‘yes, with conditions’, and 31 people said ‘no’. This equates to 66% of respondents being in favour of the proposal, or in favour with certain conditions.

These results are summarized in the chart below:



Staff received many comments from the public on this proposal through the feedback forms, discussion forum, as well as the in-person and online information sessions. Attachment ‘A’ contains some of the comments received through the engagement period, in response to the feedback from questions. Commonly heard comments can be split into the following three response categories:

In favour

- The waterfront properties on South Beach Drive would cost a lot for the City to purchase
- The City would obtain a substantial amount of money from the sale of the City-owned property

In favour, with conditions

- Retain the walking path between South Beach Drive and Sudbury Avenue
- Keep the lot closest to the street as parkland, selling only the waterfront lot, to improve path experience
- Funds from sale should go to either Skaha Lake Park, or parks in general
- Any development on City-owned land should be single –detached homes and not multifamily

Opposed

- The City should keep its long-term vision
- Waterfront access is a public good
- Extend the Skaha Lake Park promenade, connect the Skaha Beach and Sudbury Beach

Based on the feedback form results and discussions with members of the public carried out through the engagement period, a majority of respondents are in favour of the proposal to re-designate the properties from 'Parks' to 'Detached Residential' and enable the future sale of the City-owned property. Through the engagement program, many citizens recognized the high values of these waterfront properties as well as the many upgrades which have occurred on them recently, indicating the private owners intend to remain longer-term.

Several respondents suggested conditions that could be tied to the disposition of the City-owned lands. The majority of these comments surrounded the pedestrian path connecting South Beach Drive and Sudbury Avenue. People recognize this pedestrian connection is important to the many walkers in the area. Staff note that this walkway is already protected by a legal easement and would remain to provide access between these streets even if the City-owned property is sold to a private owner. Other suggested conditions included that the City dispose of the two City-owned lots separately to keep one for parkland, and the requirement that any funds received from the sale of the City-owned property be directed to either Skaha Lake Park or to parks elsewhere in the City. Staff note that because the lands are currently zoned for parkland that should they be rezoned and sold the funds must go towards parks uses. Some citizens expressed concerns with what would happen to the current occupants of the home should the property be sold by the City, and while this is beyond the scope of what is being considered at this time (only the land use change to facilitate the future sale) staff note the City would be bound by the lease agreements with the current occupant as well as the BC Residential Tenancy Act.

Staff note that some citizens are opposed to this proposal. Many comments from those opposed encouraged the city to 'stay the course' and acquire these properties as they come available. They desired the vision of an extended waterfront promenade, and more public access to the waterfront.

No stakeholder comments were received from PIB, the province, School District 67 or Interior Health. The RDOS responded that their interests were not affected by this proposal and had no further comments.

The intent of the engagement program is to provide a forum for citizens and stakeholders to learn more, ask questions and share their feedback. The feedback results represent the views of 92 citizens who took the time to complete the feedback form. Numerous additional conversations were had during the engagement period, and this memo summarizes some of the common comments received. This information is provided to inform Council and is one of many factors considered when Council makes a decision.

Analysis

The results of the public engagement show general support for moving forward with the initiative, with some conditions applied to any disposal of the City-owned property. Staff consider that the re-designation of these lands and the sale of the City lands will have an overall positive benefit to park interests in the community given the engagement results, the previously outlined rationale (Attachment 'B'), and the following points:

1. The City has not pursued further land acquisition on South Beach Drive since the 1990's
2. The 'pocket park' concept from 2002 was never acted on
3. The City has long contemplated sale of the City-owned property
4. Sale of the lands unlocks the value of the lands for other parks related purchases and investments throughout the community
5. Quality of the beach (erosion) needs to be evaluated
6. The proposed OCP designation and zoning for City-owned property is in line with existing residential uses along the street

As such staff are recommending that the committee provide a recommendation to Council supporting the initiative.

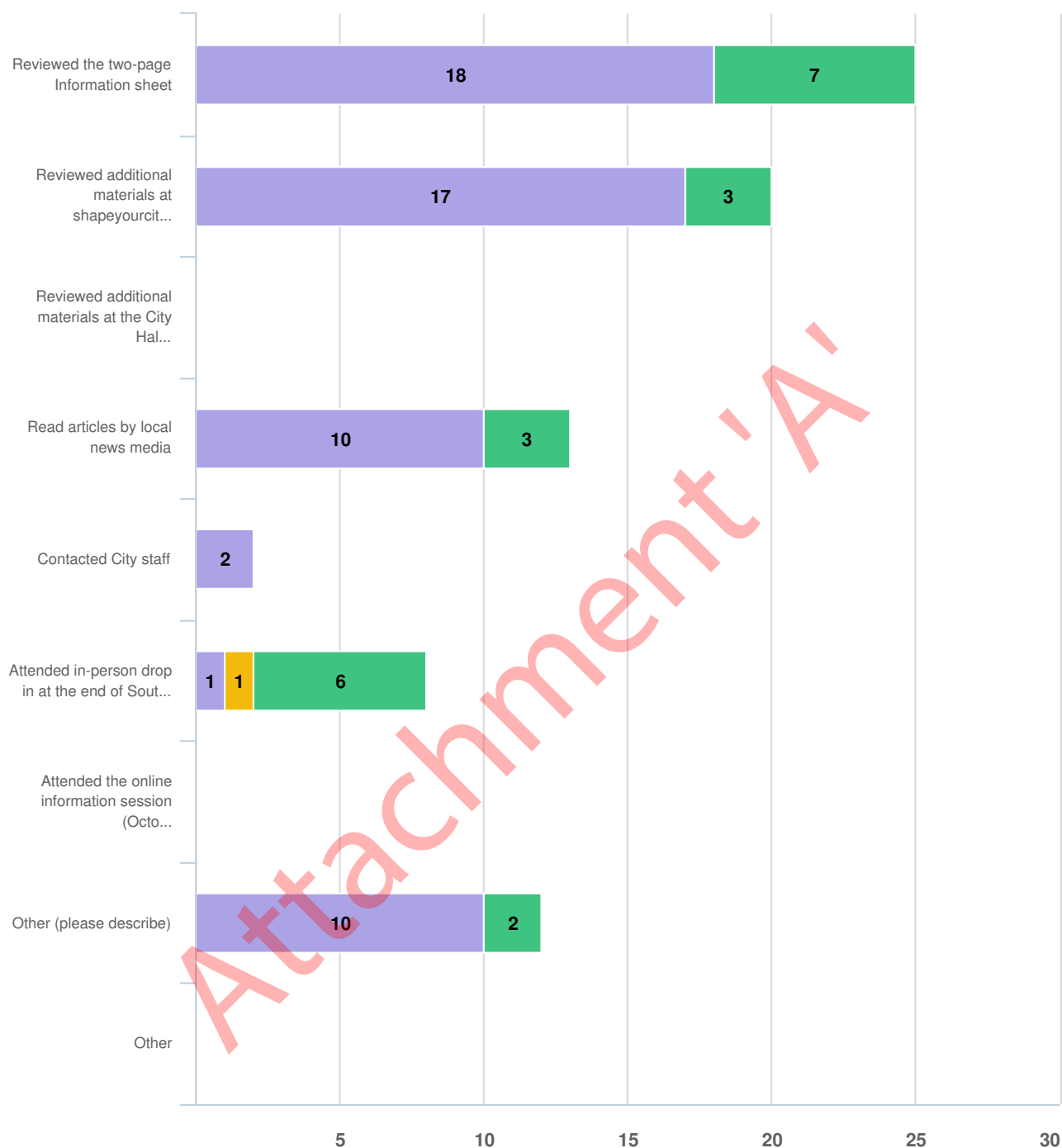
Attachments

Attachment A – South Beach Drive Feedback Form Complete Results

Attachment B – September 20, 2021 Memo to Parks and Recreation Advisory Committee

Respectfully submitted,

Steven Collyer, RPP, MCIP
Planner II

Q1 How did you learn about the proposal? Please select your main source of information.**Comparing by:**

Which best describes your interest in providing feedback?

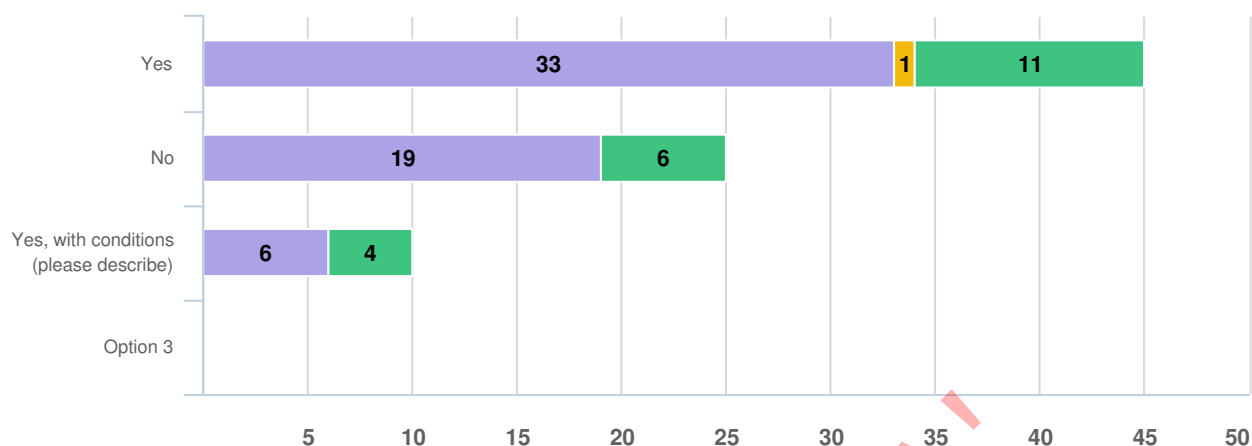
- ☐ I am a business owner in Penticton, but my business is not nearby
 ☐ I am a resident of Penticton, but I do not live nearby
 ☐ I own a business near South Beach Drive
 ☐ I live/own a property near South Beach Drive

Optional question (80 response(s), 1 skipped)

Question type: Radio Button Question

Comparing by: Which best describes your interest in providing feedback?

For answers: I live/own a property near South Beach Drive, I own a business near South Beach Drive, I am a resident of Penticton, but I do not live nearby, I am a business owner in Penticton, but my business is not nearby

Q2 Do you agree with the City's proposal as described?**Comparing by:**

Which best describes your interest in providing feedback?

- ☐ I am a business owner in Penticton, but my business is not nearby
 ☐ I am a resident of Penticton, but I do not live nearby
 ☐ I own a business near South Beach Drive
 ☐ I live/own a property near South Beach Drive










Optional question (80 response(s), 1 skipped)

Question type: Radio Button Question

Comparing by: Which best describes your interest in providing feedback?

For answers: I live/own a property near South Beach Drive, I own a business near South Beach Drive, I am a resident of Penticton, but I do not live nearby, I am a business owner in Penticton, but my business is not nearby

Q3 Please feel free to explain your response to Question 2.

 9/23/2021 06:18 PM	I think it should be public beach. Zone it as high density and convince a Hotel to buy the land. They can build a nice hotel and the beach can be public so the east and west are connected.
 9/24/2021 05:26 PM	This proposal actually makes sense...one of the first from the City Planning dept for many years
 9/25/2021 06:59 AM	The current access is WELL USED by the public. Has the city done a pedestrian count at different times of the year for this bypass? The sidewalk along Skaha Lake Road is so narrow that you can't safely walk two abreast without fear of being sideswiped by trucks with extended mirrors.....really!
 9/27/2021 05:24 PM	owners reluctant to sell. not many other options.
 10/04/2021 09:58 PM	The lakefront is precious The city didn't act and prices went up but the plan was right, is right and should be undertaken Do like normal business does, offer up the homes for sale, remove by purchaser to recoup considerable cost and prevent demolition costs
 10/07/2021 02:03 PM	It is a waste of money to hold the properties there and that money could be better used to improve our parks. That is the only place the funds generated should be used
 10/08/2021 10:16 AM	I agree that the price of lakeshore property is rather high.
 10/08/2021 04:50 PM	Mr. Coburn specifically requested that the land be used for parkland, not development. It was a very generous gift and the city should honour his intentions. He shouldn't be forced to move out. The property should not be sold while he still lives there.
 10/13/2021 02:47 PM	I would like staff and council to seriously consider separating 298 South Beach from 300 Sudbury, and selling only 300 Sudbury. 300 Sudbury is the more valuable parcel, and already has a house on it. Selling it would bring the most money to the city, and be least noticeable to users of city parks. The money could well be used to improve parks elsewhere in the city. However, 298 South Beach is a small lot, and has at least 4 very mature trees on it (couple of conifers and a couple of deciduous), along with quite a few others












along the driveway fence. It is hard to imagine how a house +/- an additional unit could squeeze in there without cutting down the large trees. They will not be easily replaced. Already a large tree was removed on the east side of the park to accommodate the new parking lot footprint. As it stands now, the pathway connecting Skaha Park to Sudbury Ave and Sudbury/Hulley beaches is well used. Although the previous dreams of purchasing waterfront properties and expanding the park there seem hopeless, the pathway still provides continuity between the two sections that people enjoy. I live on Sudbury Ave and use it myself, and I see people passing through all the time—dog walkers, cyclists, couples, elderly with assistive devices, families. The entrance from Skaha is inviting, shaded and protected from wind, and it is an urban forest experience. It is one of my favourite parts of the walk. If 298 South Beach is developed, this would significantly change the path from a park extension into an urban corridor, despite the trees which would remain on the west side of the pathway. This would be a great loss. Because 298 South Beach is currently just grass and trees, it would take very little investment from the city to formally incorporate it into the park. In fact, if the grass were simply trimmed, it would fit well as is with the rest of the Skaha urban forest. We know how important the parks are, especially with recent experience with COVID and ongoing climate change, and removing land that is already essentially functioning as park is distressing. It is possible to preserve what we have. It is also possible that the purchaser of 300 Sudbury would actually prefer to have a green buffer to the north, instead of another building, and that might increase the value of the site in the city's favour. Of note, the neighbouring parcel at 292 South Beach was developed intensely over the recent years with large orange structures, and it seems very possible that developing both 298 South Beach and 300 Sudbury could result in a similar overbuild. So, I think my suggestion is a great compromise. 1. It allows the city to sell 300 Sudbury for top price, creating funds to enhance parks. 2. It preserves mature trees and urban forest, and creates a buffer for the 300 Sudbury property. 3. It preserves the park environment for the connecting corridor between Skaha and Sudbury beach, at minimal cost to the city, and maintains much pleasure for park users. Don't destroy existing parks to save the parks. Please include this concept in the council deliberations. Thanks.










10/13/2021 06:38 PM



Really like the area to remain single family residential. Add I like the idea of using the funds from the sale of Coburn's property to further Park use

10/13/2021 06:40 PM

Please learn it is to remain zoned for single family!

 10/15/2021 11:18 AM	Yes, it's the only option that makes sense. No one waterfront property is going to sell to the city, including our two waterfront properties.
 10/15/2021 10:38 PM	This park land is need with or without the other lots - the access could be dedicated to a number of different water front activities.
 10/16/2021 08:16 AM	If I recall, the Coburn Family had ?donated? ?sold at a reduced price?, this property to be used by the residents of Penticton for enjoyment. Yes, the lakeshore property has escalated in price, but that is not an excuse to 'dispose' of this piece of property. Once the lakeshore is gone, it is gone. This action is no different then what went on with Trio Marine. I STRONGLY DISAGREE WITH THIS DECISION. Please leave it as it is already designated.
 10/16/2021 04:29 PM	Keep the space green and possibly opening it up by enhancing the walkway
 10/16/2021 09:33 PM	We live on Sudbury Avenue and hope to see these two properties become single family residential use. We certainly do NOT want to see multi-housing units.
 10/17/2021 10:09 AM	Proceeds from sale will be better used on other parkland
 9/21/2021 08:14 AM	The city should continue on with a long term property purchase plan and Not approve any further development or improvements of the existing private properties.
 9/23/2021 07:00 AM	Please leave things as is.
 9/23/2021 05:19 PM	Though I tentatively agree with city's staffs recommendations, I am slightly confused about beach access. Why are these properties allowed to block beach access ? I was under the impression that all beach access in BC was to be open to the public.
 9/23/2021 09:36 PM	We frequently use the above walkway and would like it to continue to be unimpeded.
 9/24/2021 05:40 PM	This resolves a bunch of dumb decisions in the past with a path and funding to move forward on more parks in under-served areas of the City. At least, I am asking Council to make that aspect the priority.

 9/24/2021 06:09 PM	Given the amount of current beach property, the cost of real estate, and that this section is somewhat removed from the rest of the park, it seems practical to keep it as residential.
 9/24/2021 06:56 PM	I don't feel strongly about this, and might actually be persuaded otherwise. But, in general, I'm not in favour of selling city property so that it can be developed esp if it can be used as park or recreational space. I'm newish to Penticton and don't know that property well (I've cycled by it a few times, but never paid attention to it) so the property may be difficult to be used as park/recreation area. Also, I'm concerned that whatever is built there might be some humongous mansion. Quite honestly, I'm frustrated that so much development is aimed at people earning more than \$60,000/yr. My wife and I earn somewhat less than that and am finding housing costs challenging to say the least.
 9/24/2021 07:01 PM	We really didn't have much choice what with the other properties not selling. At least we will have some additional funds coming in.
 9/24/2021 08:44 PM	It makes sense to sell the two properties rather than hold on to them Indefinitely
 9/24/2021 09:24 PM	develop parkland with the land we own and hope future landowners in the area will be of a different mind set than current owners
 9/24/2021 10:15 PM	I think the money made from selling the properties would be better used to refurbish the existing beach and park than the exorbitant amount of money it would take to purchase the further lots. There's already a housing shortage, we should deprive and tear down existing housing.
 9/24/2021 11:45 PM	No response as I am not yet sure
 9/25/2021 12:00 AM	298 South Beach Drive and 300 Sudbury Ave - since the city has bought this land it should be used as a passage way between South Beach Drive and Sudbury Ave for public use and as part of the Skaha Lake park system
 9/25/2021 09:42 AM	While it would be wonderful to have this area as parkland, purchasing these properties will always be prohibitively expensive due to their waterfront location, so we will never be able to afford this option. It makes much more sense to sell the 2 city properties there and use the funds to purchase parkland in areas of the city that don't have enough or any parks.

 9/25/2021 10:37 AM	Agree it is best to move on. Penticton needs to invest in its existing parks and develop new ones. Sell now and get on with committing the funds to parks only.
 9/25/2021 11:31 AM	Appears to make sense
 9/25/2021 12:28 PM	They should not sell those 2 lots, we would be unable to ever get them back
 9/25/2021 12:32 PM	none!
 9/26/2021 10:34 AM	I think what the City has purchased should be changed into a small park.
 9/26/2021 11:19 AM	It is a good financial decision.
 9/26/2021 01:54 PM	Not much hope of owners selling
 9/27/2021 11:15 AM	Stay the course. Acquire the properties as they come available. There is no other way to add to the South Beach Park. Mother Nature isn't creating any new waterfront!
 9/27/2021 11:34 AM	Selling lakeshore property is very short sighted. Penticton is one of the few cities that has been able to keep most of it's beach front for public use and the city should stand firm on this. Beach front will always go up in value and so unfortunately, because the city did not expropriate years ago, the cost is now higher. However, if land is always zoned as park, it will never be exploited by large companies or excessively wealthy individuals. And in the long run, when the existing homes are sold, the city will gradually accumulate the park land it originally planned for. Slow and steady wins the race.
 9/30/2021 07:10 PM	I agree price of lakeside property makes buy back prohibitive.
 10/01/2021 07:09 PM	I feel the south end of the city should have a Southern Corridor plan similar to the Northern corridor plan. I don't think that council should arbitrarily go in and change zoning or make policy changes without a long term vision.

10/05/2021 02:23 PM

We have been promised these properties would be converted back to public beach. The city needs to keep it's promises.

10/07/2021 05:07 PM

1. Proposal is long on pragmatics and short on vision, by not presenting a long term view of the public interest, specifically linking two shoreline park components already in place. Value of a continuous beachfront park is evidenced by the successful linear walkway at Okanagan Lake. Vancouver acquired private lands along English Bay over decades, including acquisition of entire apartment buildings. This bold move has served Vancouver's enduring livability and tourism interests. 2. Financial constraints are well understood; however the strategic significance of pursuing a continuous lakeshore park as a future economic and social asset shouldn't be dismissed. 3. The prospect of future benefactors shouldn't be ruled out (as in the saving of Sickle Point). Property purchases w lifetime tenancy could work. 4. This proposal should be re-examined. 5. A full review of the title status of 270-278 addresses should be conducted to ascertain which components of the present beach are under private title and which are Crown Provincial and thus available to the public under prescribed conditions. 6. Further, the status of the concrete block wall along east flank of 270 Sudbury should be reviewed: it currently blocks access to the foreshore lands between 270 and 298. These properties are a key natural asset to the economic and social future of Penticton.

10/13/2021 07:41 AM

See response to Q2

10/13/2021 06:39 PM

We need more beach frontage. Street is very busy. it is a great vision of a beach promenade.

10/14/2021 03:54 PM

The proposal is extremely short-sighted. The municipality is an entity that will be here long after we're not. The original plan was a vision declaration to eventually have the entire beachfront. The Colburns (298 South Beach Drive) sold their property to the City with that vision in mind on the understanding that they could continue renting that property until the City was ready to move ahead with their plan. I would suggest that the property acquisition costs would provide a benefit forever whereas other capital assets have very limited lifespans in comparison.

10/15/2021 03:38 PM

I think the city should stick to the original plan and not divert because of inflating real estate costs and resistance from current property owners. I think if the property is zoned for parks then that is what it should ultimately be used for so that all of the residents

and visitors to Penticton can enjoy that land.

██████

I don't understand why this still can't be a small park?

10/15/2021 04:16 PM

██████

Any city needs more beach front or park land adjacent to beaches.

10/15/2021 06:14 PM

██████

It makes common sense.

10/16/2021 07:01 AM

██████████

We are far below the amount of parkland per capita for a city our size. We must be taking every opportunity to increase the amount of open space and parkland. Let's not give up on our original vision.

10/16/2021 02:06 PM

██████████

Skaha Park is beautiful and needs to be preserved.

10/17/2021 02:08 PM

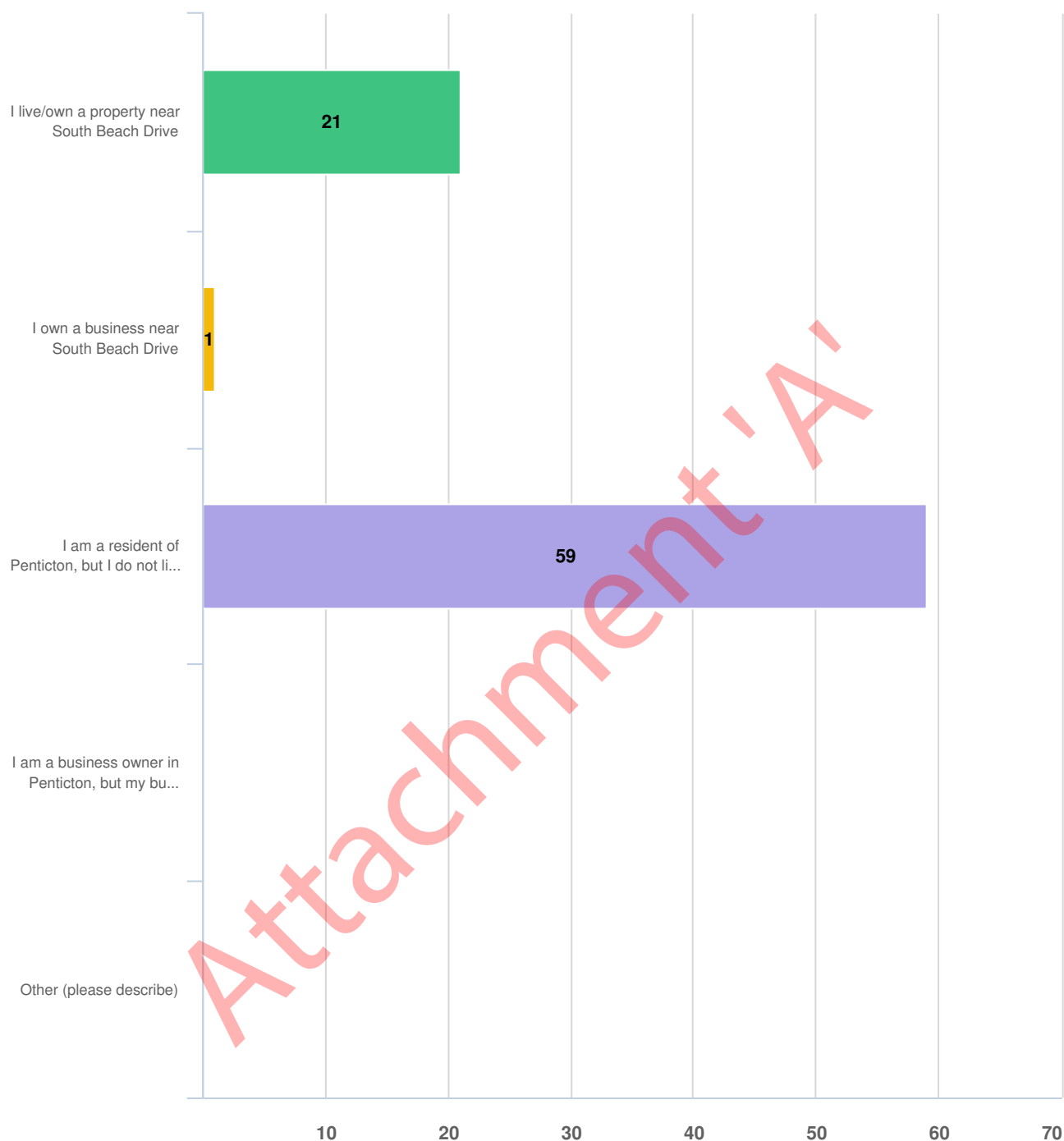
Optional question (53 response(s), 28 skipped)

Question type: Essay Question

Comparing by: Which best describes your interest in providing feedback?

For answers: I live/own a property near South Beach Drive,I own a business near South Beach Drive,I am a resident of Penticton, but I do not live nearby,I am a business owner in Penticton, but my business is not nearby

Attachment 1A

Q4 Which best describes your interest in providing feedback?**Comparing by:**

Which best describes your interest in providing feedback?

- ☐ I am a business owner in Penticton, but my business is not nearby
 ☐ I am a resident of Penticton, but I do not live nearby
 ☐ I own a business near South Beach Drive
 ☐ I live/own a property near South Beach Drive

Optional question (81 response(s), 0 skipped)

Question type: Radio Button Question

Comparing by: Which best describes your interest in providing feedback?

For answers: I live/own a property near South Beach Drive, I own a business near South Beach Drive, I am a resident of Penticton, but I do not live nearby, I am a business owner in Penticton, but my business is not nearby

Q5 Do you have any other comments or concerns?

- 9/21/2021 09:32 PM It must stay single family and not to be used for multi family homes or apartments
- 9/24/2021 05:26 PM How are you going to sell the Coburn property? don't they have a life tenancy? Secondly, will the path access to Sudbury from South Beach drive still be maintained?
- 9/27/2021 05:24 PM none at this time
- 10/04/2021 09:58 PM Be proactive and get it done
- 10/07/2021 02:03 PM Very smart idea to get this old proposal off the books
- 10/08/2021 04:50 PM I wish the zoning all be either parkland or single family housing. It is difficult to trust the city as they have tried to sell off land before. If the city can't be trusted, how will other future donors ever trust the city with their valuable assets. The promise to Mr. Coburn should be clearly identified and honoured. Thank you.
- 10/13/2021 02:47 PM I had a good discussion about the above ideas at the October 7 event, and the staff seemed receptive to the concept of separating the two parcels. I do NOT support selling both properties, but do support selling the waterfront for the purposes of park improvement. Selling the 298 South Beach parcel would NOT improve the current park and might significantly degrade it.
- 10/15/2021 10:38 PM There should be zero option for this council to sell off any park land without a public referendum not just a consult
- 10/16/2021 08:16 AM Please do not sell this property for profit. Kelowna is busy buying up lakeshore for their residents while we are selling it off. It would be a wonderful legacy to the Coburn family to have it enjoyed by everyone who knew/know them. They have been well known long time residents of this town and deserve recognition.
- 10/16/2021 04:29 PM Skaha Lake Park is the jewel of Penticton. We do not need additional development at it's doorstep. Keep as much space as possible open for all to enjoy.

<div>██████████</div> <div>10/16/2021 09:33 PM</div>	again, do not want to see multi-unit housing. Agree that the City should sell these two properties for single residential use. I understand from the drop-in session that the walkway along these properties will stay; I hope that is not even up for discussion and will remain.
<div>██████████</div> <div>10/17/2021 10:09 AM</div>	Fully supportive of this
<div>██████████</div> <div>9/21/2021 08:14 AM</div>	Buy the Entire beach area!
<div>██████████</div> <div>9/23/2021 07:00 AM</div>	Leave well enough alone.
<div>██████████</div> <div>9/24/2021 07:01 PM</div>	I just hope we can all agree with what is happening. Thank you for getting Skaha Lake dealt with.
<div>██████████</div> <div>9/25/2021 09:42 AM</div>	In my opinion, this is the right thing to do.
<div>██████████</div> <div>9/25/2021 10:37 AM</div>	Move quickly to capitalize on the current hot real estate market.
<div>██████████</div> <div>9/25/2021 12:28 PM</div>	Need to wait and accumulate more waterfront properties
<div>██████████</div> <div>9/25/2021 12:32 PM</div>	none!
<div>██████████</div> <div>9/26/2021 10:34 AM</div>	I understand that the house the City owns is currently rented. Once those tenants leave, demolish the house and turn the lot into parkland.
<div>██████████</div> <div>9/26/2021 01:54 PM</div>	No
<div>██████████</div> <div>9/27/2021 11:15 AM</div>	Beaches are of prime importance to Penticton. It costs nothing to wait until a property becomes available.
<div>██████████</div> <div>10/01/2021 07:09 PM</div>	Please put together a Souther Corridor plan so that a vision is created and will be followed through. The South end is becoming a

miss mash re planning.

10/07/2021 05:07 PM

I have an interest in 1. enhancing the long term capabilities of the park and 2. providing for growing recreational demand.

10/14/2021 03:54 PM

Look at the history of acquisitions over the past 40+ years. Be creative with acquisitions. For example the Donoghue (Elm Ave) property was acquired with the condition the owner and daughter be entitled to occupy the home during their lifetime.

10/15/2021 03:34 PM

This would be a great purchase for Penticton

10/15/2021 04:16 PM

I believe the lakefront in Penticton that is currently a public asset should remain as a public asset. The vision for this that existed in the past shouldn't be tossed away because the full objective didn't come to fruition. It is still a valid objective to keep the lakefront public whenever possible. A small access with benches is still possible. In many countries you see this. A place to sit quietly away from the busy parks. Etc. Just another option. Once it's gone you 'll likely never get it back.

10/15/2021 06:14 PM

Keep beaches accessible to city dwellers and tourists alike.

10/16/2021 07:01 AM

As I said before, it makes sense to sell the property. We have lots of beach front. Love Skaha park!, and like walking through to Sudbury through the path way to see the board sailing on windy days.

10/16/2021 10:06 AM

Apperciate the opportunity to respond on the current issues using this format.

10/16/2021 02:06 PM

Both the City and Regional District have done a poor job of creating open space in and around Penticton. Let's see a plan to redress that issue, not one to sell off city assets.

Optional question (31 response(s), 50 skipped)

Question type: Essay Question

Comparing by: Which best describes your interest in providing feedback?

For answers: I live/own a property near South Beach Drive,I own a business near South Beach Drive,I am a resident of Penticton, but I do not live nearby,I am a business owner in Penticton, but my business is not nearby

Committee Memo

penticton.ca

Date: September 20, 2021
To: Parks and Recreation Advisory Committee
From: Steven Collyer, Planner and Blake Laven, Director Development Services
Address: 270, 274, 278, 280, 286, 292, 298 South Beach Drive and 300 Sudbury Avenue
Subject: Official Community Plan change from Parks to Detached Residential for eight (8) residential properties along South Beach Drive

Staff Recommendation

THAT the Parks and Recreation Advisory Committee receive the memo "Official Community Plan change from Parks to Detached Residential for eight (8) residential properties along South Beach Drive", into the public record.

Proposal

This report addresses 8 properties: 270, 274, 278, 280, 286, 292, 298 South Beach Drive and 300 Sudbury Ave (the "subject properties"). The subject properties are all located on the south side of South Beach Drive, adjacent to Skaha Lake Park and have frontage on Skaha Lake. Each property is developed with single detached dwellings and designated by the City's Official Community Plan (OCP) as Parks and Recreation. This OCP designation dates back to the early 1990s when the City planned to potentially, over time, purchase the properties to add the lands to Skaha Park.

Since that time the City has only purchased one double lot at 298 South Beach Dr and 300 Sudbury Ave (the "City-owned property"). That purchase was made in 1992. No other purchases have been made in this area since the original purchase and no movement towards converting the City-owned lot into parkland has occurred. The property currently features a single detached dwelling, built in 1979, that is in need of substantial repair.

The City is investigating moving away from the plan to purchase the remaining properties in this area and divesting the City owned land, with the intent of utilizing the funds for other strategic parks purposes in other areas. The decision to explore this has to do with the fact that the house is in need of substantial repair and investment, real estate prices support selling at this time, and the over-all acquisition plan being unrealistic today given the cost of the houses in this area and competing interest for park acquisition and investment in other areas of the community.

Prior to the sale of the lands, an OCP change is required for this area changing the future land use from 'Parks and Recreation' to 'Detached Residential.' The City owned property will also need to be rezoned from P2 Parks and Recreation to R1 Large Lot Residential to facilitate its sale. Council at their September 7th, 2021

Regular Meeting passed the following resolution giving staff direction to begin engagement on this initiative:

298/2021

It was MOVED and SECONDED

THAT Council give staff direction to begin public engagement, including referral to the Parks and Recreation Advisory Committee, on the change in Official Community Plan (OCP) future land use designations from Parks to Detached Residential, for 270, 274, 278, 280, 286, 292, 298 South Beach Drive and 300 Sudbury Ave.

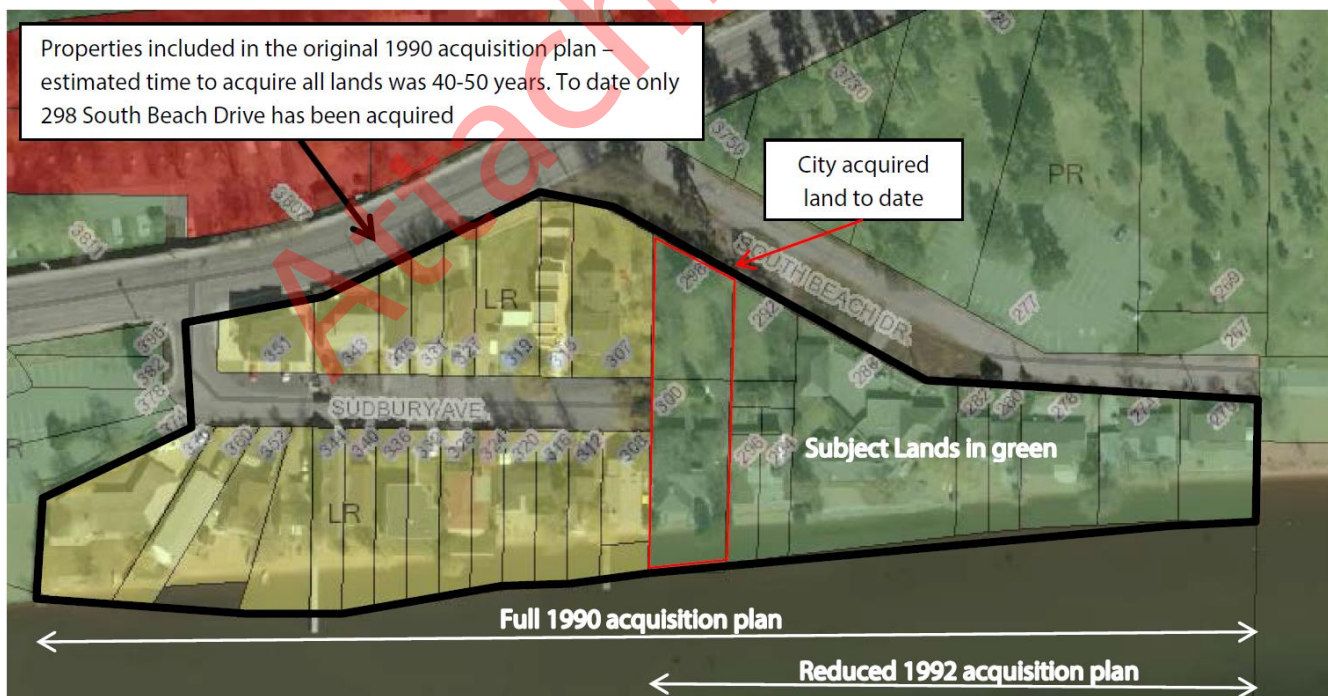
AND THAT the engagement results and recommendation from the Parks and Recreation Committee, are presented back to Council prior to introduction of OCP and zoning amendment bylaws.

CARRIED UNANIMOUSLY

Background

In 1990 the "Beautification Technical Committee" proposed a plan, which was endorsed by the Council of the day, to purchase all of the residential lands along Sudbury Avenue and South Beach Drive as well as land along Elm Avenue to increase the size of Skaha Park.

In 1992, 298 South Beach Dr and 300 Sudbury Ave were purchased by the City and then leased back to the original owners, who have leased the property since that time. Shortly after the City purchase, the property went through an OCP amendment and was rezoned from residential to park. At that time Council also reduced the scope of the acquisition plan to only include those properties to the east of 298 South Beach Dr and 300 Sudbury Ave. This eliminated 15 properties on Sudbury Ave from the acquisition plan.



With the adoption of the 1993 Official Community Plan, the OCP designations on the remaining properties along South Beach Dr were changed from residential to park. This was done without direct consultation with the property owners and against the wishes of some of the owners.

Shortly after the 1993 Official Community Plan was adopted, the City adopted a new Parks Master Plan, which gave advice on property acquisition. The Plan still recommended acquisition of the subject properties, but put them at a lower priority than properties on Elm Avenue by Skaha Park West, which were not waterfront lots and thus more practical for the City to purchase. This represented a shift in focus which has seen almost all but one of the residential properties adjacent to the park on Elm Avenue purchased by the City and no other properties along South Beach Drive purchased. In 1997, staff recommended Council sell the City-owned property at 298 South Beach Dr and 300 Sudbury Ave, but Council determined that the market conditions were not ideal and the issue was postponed.

The future of this area was again discussed during the 2002 OCP review. The concept at the time was to turn the City-owned property into a standalone pocket park until such time that the other South Beach Dr properties could be purchased. In August 2003, a Council resolution was given to vacate the tenants of the City-owned property and create a pocket park. This resolution was later rescinded due to budget and practicality concerns, and the pocket park was never created.

In 2012, Council supported a process to sell the lands at 298 South Beach Dr and 300 Sudbury Ave. Acting on this direction, staff had the walking path easement surveyed and registered and began the process of neighbourhood consultation. During that consultation, owners of the subject properties expressed a desire to have their lands reverted back to a residential designation. The thinking was that if the City-owned property were disposed, that the acquisition program would be abandoned. If that was the case, it would not make sense that the subject properties would retain their Parks designation.

Ultimately a decision was made by Council in 2012 to not move forward with the OCP and zoning change.

The subject properties are within the Riparian Development Permit Area and Environmental Assessment Development Permit area (Attachment 'C'). As such, riparian and/or environmental assessment reports will be required prior to any new construction or development on any of these subject properties to mitigate potential impacts on the lake and adjacent ecosystems.

Disposition of the lands, should the OCP and zoning amendment process ultimately be successful, will follow the City's Land Disposition Policy (2018), including statutory public notification.

Engagement Plan

Earlier this year, Council endorsed a new policy and procedure for the processing of Official Community Plan amendments. The new approach involves neighbourhood and community consultation above and beyond the statutory requirement for a Public Hearing. Staff intend to follow the procedure in this case, by establishing a one-month engagement process, which will involve the following activities:

- Setting up a Shape Your City Penticton web page with all of the relevant background information,
- Direct mail notification to all neighbours,
- A newspaper advertisement,
- Public information sessions.

The public engagement period for this proposal ends on October 17, 2021. Public feedback will be collected and consolidated for the Committee's information prior to the Committee being asked to provide a recommendation to Council. These engagement activities will be in addition to the required Public Hearing, which will be scheduled following the conclusion of the one-month engagement process.

Analysis

At this time this memo is being presented to the Committee as background information. Once the engagement results are collected they will be shared with the committee at which time the Committee will be asked to provide a recommendation to Council on how to proceed with the OCP amendment.

Attachments

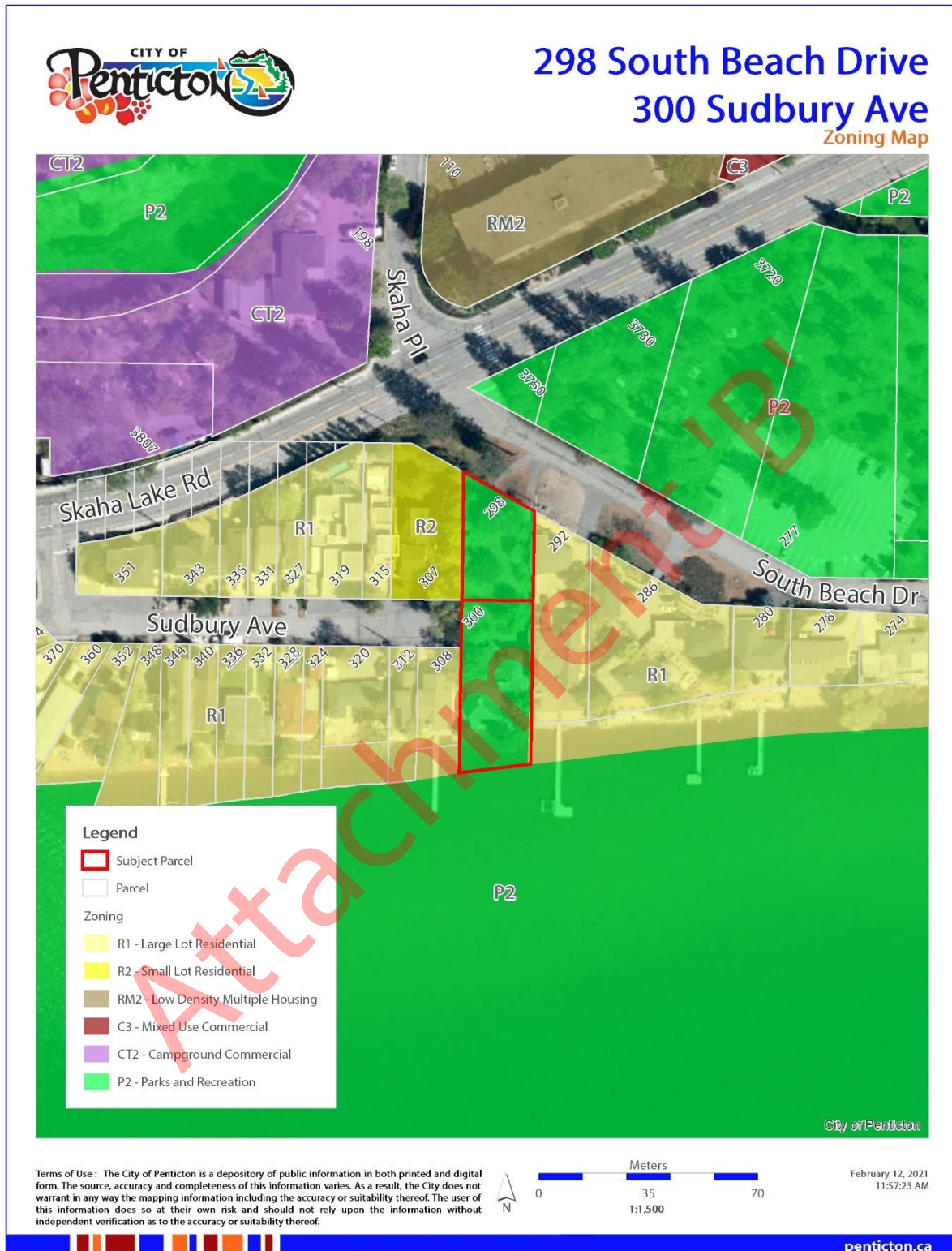
Attachment A – Zoning Map
Attachment B – Official Community Plan Map
Attachment C – Development Permit Areas Map
Attachment D – Photos of Properties
Attachment E – Summary of Events
Attachment F – Detailed Engagement Plan

Respectfully submitted,

Steven Collyer, RPP, MCIP
Planner II

Blake Laven
Director of Development Services

Attachment A – Zoning Map



Attachment B – Official Community Plan Map

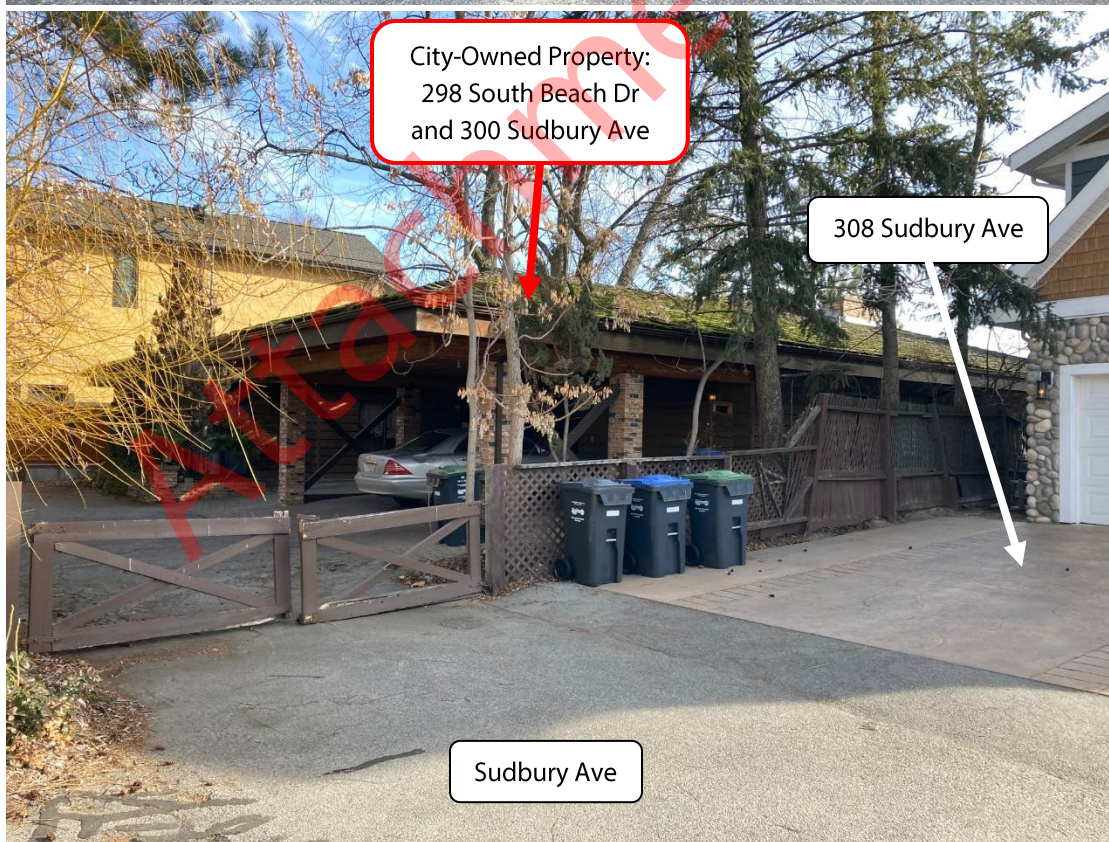


Attachment C – Development Permit Areas Map



Attachment D – Photos of Properties







Attachment E: Summary of Events

Year	Event
1990	Beautification Technical Committee recommends an ambitious park acquisition program, which is endorsed by Council.
1992	City purchases the Coburn property at 298 South Beach Dr and Sudbury Ave.
	City changes the OCP designation and zoning of 298 South Beach Dr and 300 Sudbury Ave to Parks and Recreation.
	City changes the parks acquisition policy to only include those properties east of 298 South Beach Dr and 300 Sudbury Ave.
1993	OCP is adopted which changed the future land use designations on the South Beach Drive properties from residential to park.
	Parks Master Plan is adopted and sets acquisition of South Beach Drive properties as a lower priority than other acquisitions, for example Elm Avenue.
1997	City moves towards selling 298 South Beach Dr and 300 Sudbury Ave, but determines that the economics at that time were not ideal for the sale.
2002	OCP was reviewed and a determination was made that a pocket park could be created at 298 South Beach Dr and 300 Sudbury Ave.
	Council passed a resolution to create a public pocket park, and to have the existing home vacated.
	Council rescinded the resolution to create the park for financial and other reasons.
2010	New Parks Master Plan drafted that excluded the subject lands from the land acquisition program. This plan was never formally adopted by Council.
2012	Council directs staff to proceed with the divestment of 298 South Beach Dr and 300 Sudbury Ave. Council also directs staff to register an easement over the walking path to guarantee access between Sudbury Avenue and South Beach Drive.
	Easement is registered on title of the City-owned property.
	South Beach Dr property owners show a desire to remove the 'Parks' OCP designation from the properties at a public meeting.
2015	Staff bring forward a report to Council recommending the OCP land use designation on the South Beach Drive properties be changed from parks to medium density residential.
	A public hearing was held regarding the proposed OCP designation change, and proposed rezoning of 298 South Beach Dr and 300 Sudbury Ave from P2 (Parks and Recreation) to RM2 (Low Density Multiple Housing).
	Council voted to close and abandon the OCP amendment and rezoning after the Public Hearing.
2018	Penticton Parks and Recreation Master Plan is adopted by Council. This plan does not carry forward plans for the purchase of additional lands on South Beach Drive, favoring focus on areas underserved by parkland as acquisition emphasis.
2019	New OCP is adopted by Council. The OCP designation for the South Beach Drive properties remains 'Parks'.
2021	The City moves to divest 298 South Beach Dr and 300 Sudbury Ave, and in the process update the OCP designation on South Beach Drive properties from 'Parks' to 'Detached Residential'.
	The proposed OCP designation is 'Detached Residential' and the proposed zoning for 298 South Beach Drive is 'R1 (Large Lot Residential)'.

Attachment E: Engagement Plan



South Beach Drive Engagement Plan/Timeline



Engagement Plan

1. Shape your City feedback survey open for 4 weeks
2. 100m radius mail out, with letter to residents and information sheet, directing to Shape Your City webpage.
3. Newspaper ads (Herald and Western, for two weeks)
4. Public notice signs on the properties – 2 signs, one at each end of South Beach Dr properties
5. Social media blast
6. One online open house (1 event after work)
7. One in-person engagement event (on-site)
8. Parks and Recreation Advisory Committee (1st meeting = introduction, 2nd meeting = recommendation)

Engagement Timeline

Phase 1	Activity	Assigned
Tuesday, September 7, 2021	Present Engagement Plan to Council for Endorsement	SC/BL
Preparation Work	Shapeyourcitypenticton.ca Press release – post September 20 Letter to residents (100m radius) Information Sheet Social Media Blast City Hall Kiosk Contact stakeholder groups <ol style="list-style-type: none"> 1. MOTI 2. Ministry of Agriculture 3. Ministry of Environment 4. Penticton Indian Band 5. Regional District Okanagan Similkameen 6. Interior Health 7. School District #67 	SC JK Comm. to publish SC/HM SC JK JK SC
Monday, September 20, 2021	Engagement Period Starts	
	Newspaper Ads	SC

	<ul style="list-style-type: none"> Penticton Western News <ul style="list-style-type: none"> Wednesday, September 29, 2021 and Wednesday, October 6, 2021 Penticton Herald <ul style="list-style-type: none"> Tuesday, September 28, 2021 and Tuesday, October 5, 2021 	Assist with HM
September 20, 2021	Parks and Recreation Advisory Committee Meeting (introduction)	SC/BL
Thursday, October 7, 2021	In person engagement session (Skaha Park @ South Beach Dr 11am to 1pm)	JK/SC
Thursday, October 7, 2021	Online Open House (Zoom) 7pm – 8:30 pm	JK/SC/AT
Sunday, October 17, 2021	Engagement Period Ends	
Monday, October 18, 2021 *may be rescheduled*	Parks and Recreation Advisory Committee Meeting (recommendation)	SC/BL
Phase 2	Activity	Assigned
TBD	Advertising for Statutory Public Hearing (mailed letters, notice sign, newspaper ads)	HM
TBD	Public Hearing	
Select Date	Additional Tasks Required	TBD

Materials to be prepared:

Completed	Task	Assigned to
<input type="checkbox"/>	Shape Your City website	Steven
<input type="checkbox"/>	Newspaper ad	Steven to work with Heather
<input type="checkbox"/>	News Release	Steven Communications to publish
<input type="checkbox"/>	Public Notice Sign Send to sign company September 17, 2021	Steven to work with Heather Heather to arrange dates for posting
<input type="checkbox"/>	Letter to owners	Steven Steven to work with Heather for preparation - Notification list has been created. Heather to create labels for Steven
<input type="checkbox"/>	Information Sheet (Fact Sheet) - Included in mail out	Steven
<input type="checkbox"/>	Feedback Form	Steven
<input type="checkbox"/>	Memo to PRAC	Blake/Steven

Council Report

penticton.ca

Date: October 5, 2021 **File No:** 6520-20
To: Donny van Dyk, Chief Administrative Officer
From: Anthony Haddad, General Manager, Community Services
Subject: **North Gateway Redevelopment & Investment Strategy – Design Charrette Results**

Staff Recommendation

THAT Council receive into the record the report dated October 5, 2021 titled “North Gateway Redevelopment & Investment Strategy – Design Charrette Results”;

AND THAT Council direct staff to commence the development of the Draft North Gateway Redevelopment & Investment Strategy and community engagement process in the Fall of 2021.

Strategic Priority Objective

Community Vitality: The City of Penticton, guided by the Official Community Plan, will promote the economic wellbeing and vitality of the community.

Background

The following timeline was endorsed by Council on February 16, 2021, and staff commenced the first phase of community engagement in May. Staff have had meetings with the landowner group throughout the extent of the project and will continue working closely with them as the process moves forward.

Phase	Process	Timeline	Council Involvement
• Phase 1	Scope of Planning Process	January / February 2021	Endorse scope / process
• Phase 2	Landowner Consultation	March / April 2021	Council update on feedback received
• Phase 3	Community / Stakeholder Consultation	April / May 2021	
Phase 4	Data Gathering / Technical Analysis / Vision Development	June / July / August 2021	
Phase 5 (NOW)	Design Charrette / Community Dialogue / Draft Plan Review	September/ October 2021	
Phase 6 (Next step)	Proposed Plan / Refined Vision / Investment Strategy	November / December 2021	Proposed Plan Review & Bylaw amendments
Phase 7	Implementation	2022 & beyond	

The North Gateway – First Phase of Community Engagement & Technical Analysis

Resulting from the first round of community engagement is a community vision that seeks to create the North Gateway as a welcoming and attractive neighbourhood supportive of increased varieties of residential densities, tourist accommodation and commercial activity. The community's vision for the area is focused on inviting a diverse range of residents and visitors to a pedestrian friendly and universally accessible destination for all modes of transportation. Building upon the economic drivers and entertainment hubs in the SOEC and PTCC, the future growth and development of the North Gateway supports increasing the economic vitality of our community.

The Technical analysis undertaken so far included a Real Estate Analysis and Transportation Study, which have provided the technical background to ensure the development of the plan is grounded and implementable from a functional and economic perspective. This technical information in addition to the results of the first round of community engagement informed the commencement of the Design Charrette process.

Design Charrette

Building upon the feedback received from the community throughout the first phase of engagement that took place from April 21 – May 19, 2021 and the technical analysis noted above, the Design Charrette was held during the week of September 13 – 17, 2021.

The objectives of the Charrette included:

- Capturing the ideas and values from stakeholders early in the process and nurture these ideas into a unified direction for the North Gateway which will grow to fruition through post-Charrette community engagement.
- Ensuring an inclusive and fair process where all participants have an equal say, all viewpoints are given equal, thorough and due consideration, and dialogue is constructive, meaningful and inclusive.
- Testing and refining ideas through the lens of financial and practical feasibility, applying realistic but innovative approaches that will succeed in Penticton's economic, cultural, social, political and regulatory framework.
- Facilitating an informed process, guided equally by professional expertise, community vision, and cultural, informational, and empirical knowledge.
- Validating and visualizing the values and ideas of the community by producing concepts and direction they are willing to support.

The Design Charrette took place during the week of September 13 – 18, 2021. Approximately 40 participants made up of landowner, businesses, stakeholder organizations and residents were led by team of design professionals to create the illustrative and policy vision for the North Gateway. Building upon the direction provided by the community and stakeholder engagement and technical analysis during the earlier phases on the process, the charrette deliverables have enabled the development of the Draft Plan – for review and approval by the community during the final phase of the process in the fall.

A copy of the Wrap-up presentation is provided as Attachment A to this report, which summarizes the week's work and results of the charrette process. The ten (10) big ideas coming out of the design process included:

- 3 Districts
 - South District: Multi Use Trail & Redevelopment
 - Central District: Events Centre, Festival Boulevard & Infill
 - North District: Residential, Commercial & Mixed Use
- 3 Corridors
 - Eckhardt Avenue (Hwy 97)
 - Westminster Boulevard
 - Power Street
- 3 Gateways
 - West: Eckhardt & Westminster entrance
 - North: Power & Westminster intersection
 - Central: Alberni & SOEC entrance
- 1 Festival Boulevard
 - Conceptual celebration /victory woonerf

The design details and concepts are provided within the results of the charrette and next steps will be to formally develop policy and additional details around how these areas and concepts can come to life through implementable actions.

From an early policy perspective, the following outcomes were generated from the design process:

VISION

A connected, complete sustainable destination that captures and celebrates Penticton's small city successes with:

- Natural beauty
- Housing diversity
- Sports excellence
- Events + Festivals
- Economic vitality
- Local fare

GUIDING PRINCIPLES

1. Engaged Community – Everyone can engage in the decision-making process.
2. Welcoming Community – As the gateway to the South Okanagan and in partnership with First Nations, welcome you to our communities.
3. Pedestrian First – Prioritize a safe and accessible neighbourhood.
4. Climate Resilient – Reduce our reliance on vehicles through active transportation infrastructure and sustainable investment.
5. Vibrant Economy – Actively support business and employment growth into the future.
6. First Nations Recognition – collaborate with PIB to recognize historical and physical significance.
7. Grey to Green – Enhance and interconnect the existing parks, boulevards and landscaping.
8. Diversity and Choice of Housing – Create a rich housing mix for existing and future residents.
9. Park Once – Reduce the need for vehicle use by developing a walkable community.
10. Pride of Place – Transform the area into a safe and clean environment for all.
11. Take Immediate Action – Prioritize implementation projects to build momentum for public and private investment.

Analysis

Now that the Design Charrette phase of the process has been completed, staff are now seeking Council's support to move forward with the development of the Draft North Gateway Redevelopment and Investment Strategy for review with the community over the coming weeks and into the Fall. At the end of that engagement process, staff will bring back the Final plan to Council for approval towards the end of 2021.

Attachments

Attachment A – Design Charrette Wrap Up Presentation

Respectfully submitted,

Anthony Haddad

General Manager, Community Services

Concurrence

Director of Development Services <i>BL</i>	Chief Administrative Officer DyD
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North Gateway Redevelopment & Investment Strategy

Design Charrette

The Charrette Team

Design Team

Michael von Hausen – MVH Urban Planning + Design Inc.

Cal Srigley – Cal Srigley Design Consulting

Mark van der Zalm – VDZ + Associates

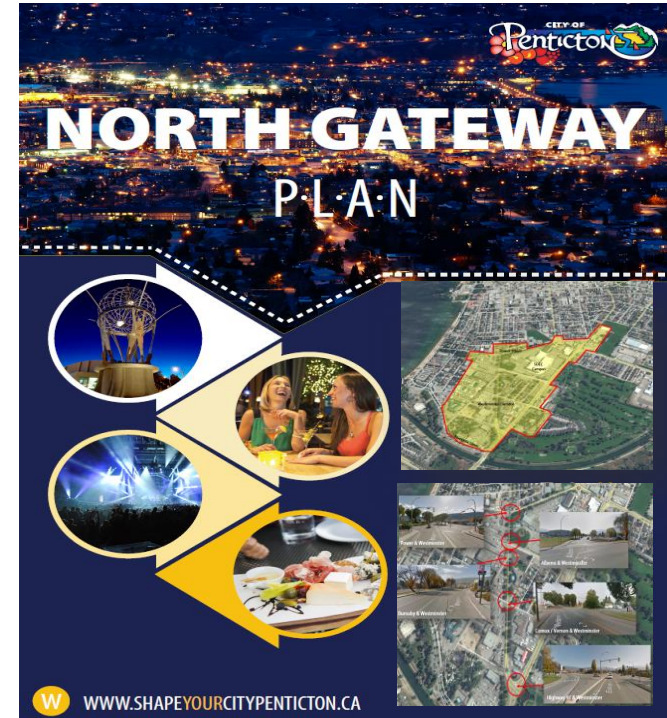
Chris Allen – Landform Architecture + Design Build

Cal Meiklejohn – MAD Studio Inc.

City Staff

Anthony Haddad – GM Community Services

Planning, Parks, Engineering staff



Agenda

- Introductions
- Process, Timeline, and Charrette Process
- Plan Vision and Principles
- 10 Big Moves
- Targets and Implementation

Process + Timeline⁻¹⁵⁴⁻

Phase	Process	Timeline	Council Involvement
Phase 1	Scope of Planning Process	January / February 2021	Endorse scope / process
Phase 2	Landowner Consultation	March / April 2021	Council update on feedback received
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Phase 4 (NOW)	Data Gathering / Technical Analysis / Vision Development	June / July / August 2021	
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Phase 6	Proposed Plan / Refined Vision / Investment Strategy	November / December 2021	Proposed Plan Review & Bylaw amendments
Phase 7	Implementation	2022 & beyond	

Study Area

- Highway 97/Eckhardt
- Westminster Corridor
- Power Street
- Riverside Drive
- Penticton Golf Course





Community Process + Interaction: Telling Their Story



Active Engagement: We reviewed
Land Use & Density; Experience; Mobility & Connectivity

	Building Area	22%
	Open Area	57%
	Road Area	21%

Land Utilization

What we learned and heard

**North
Gateway**

Sept. 14, 2021
Scale NTS

WALKABILITY (5 MINUTE WALKS IN 'GREYSCAPES')

Existing Retail Supply within the North Gateway

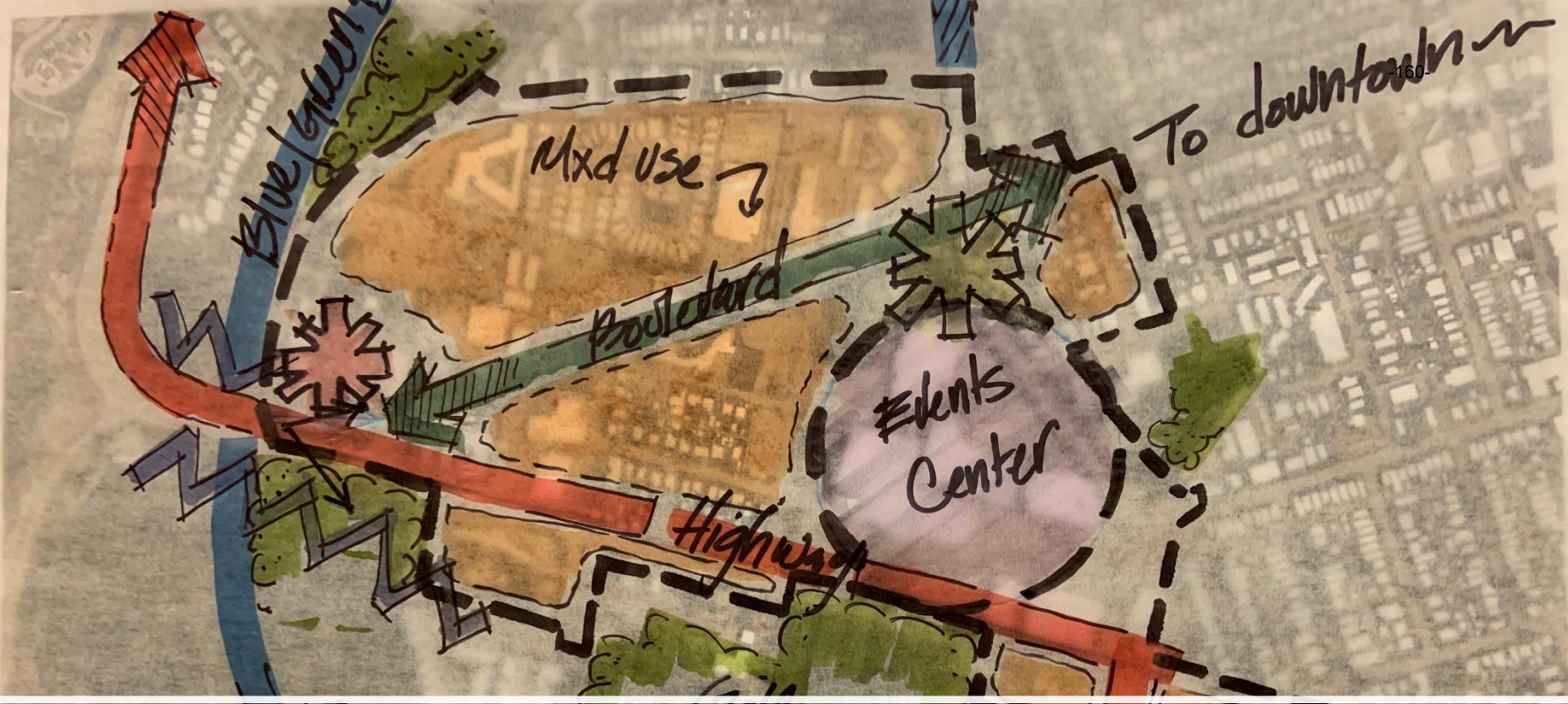
There are approximately 10 retail tenants in the 400-metre radius surrounding the Penticton Trade and Convention Centre. Although this includes a few restaurants, PTCC delegates may find themselves relatively underserved when it comes to their immediate retail needs.



Walkability:

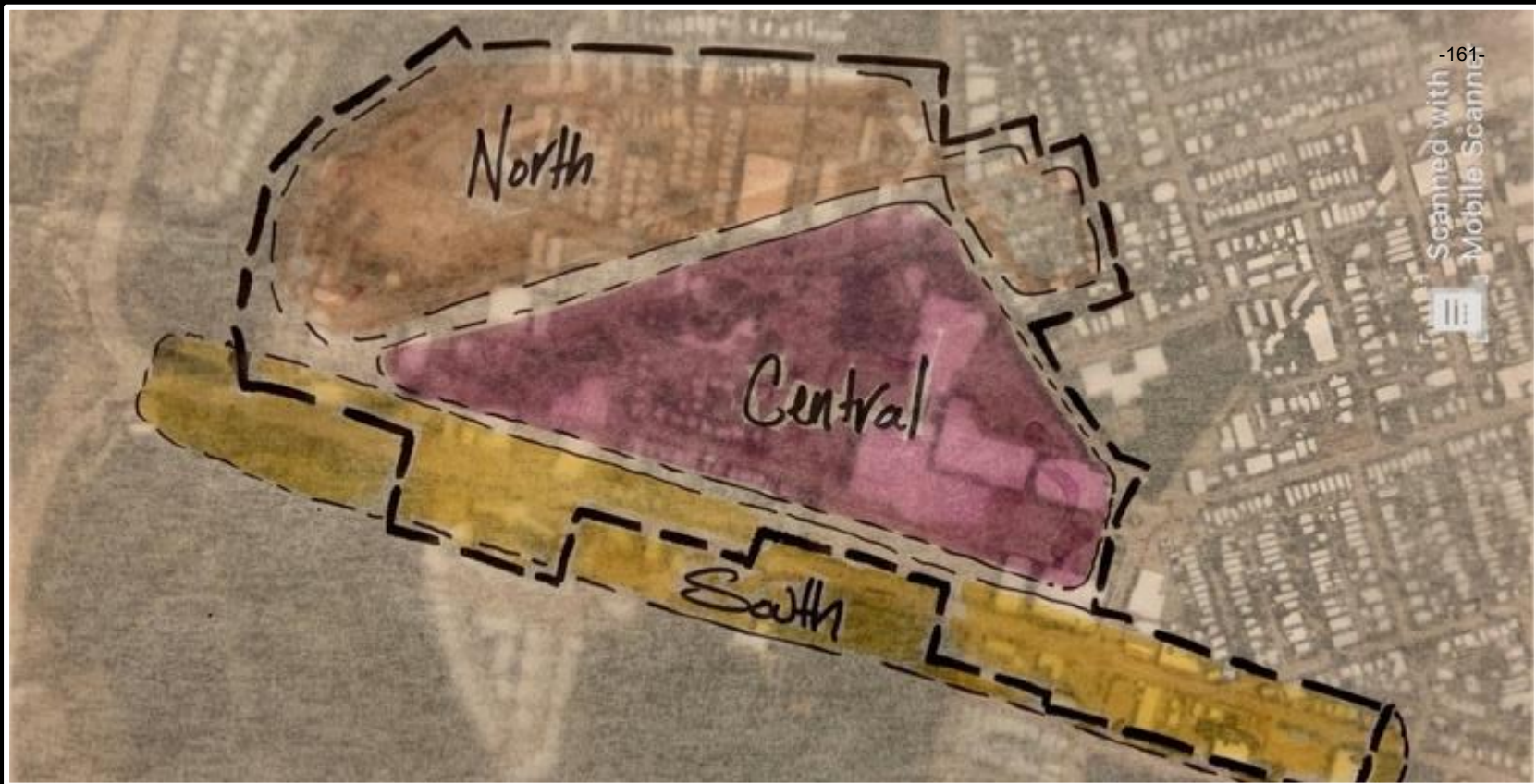
-159-

- 10-15 minute walk
- 5-7 minutes to centre
- Enhancement of food and beverage retail offerings
- Improve pedestrian safety and experience
- Create a made in Penticton experience
- Result is a Complete Community – live, work, play locally



Site Analysis Summary

16 SITE ANALYSIS 9)



3 Districts



3 Corridors



3 Gateways



1 Festival Boulevard



VISION

A connected, complete sustainable destination that captures and celebrates Penticton's small city successes with:

- Natural beauty
- Housing diversity
- Sports excellence
- Events + Festivals
- Economic vitality
- Local fare

Guiding Principles

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1. **Engaged Community** – Everyone can engage in the decision-making process.
2. **Welcoming Community** – As the gateway to the South Okanagan and in partnership with First Nations, welcome you to our communities.
3. **Pedestrian First** – Prioritize a safe and accessible neighbourhood.
4. **Climate Resilient** – Reduce our reliance on vehicles through active transportation infrastructure and sustainable investment.
5. **Vibrant Economy** – Actively support business and employment growth into the future.
6. **First Nations Recognition** – collaborate with PIB to recognize historical and physical significance.
7. **Grey to Green** – Enhance and interconnect the existing parks, boulevards and landscaping.
8. **Diversity and Choice of Housing** – Create a rich housing mix for existing and future residents.
9. **Park Once** – Reduce the need for vehicle use by developing a walkable community.
10. **Pride of Place** – Transform the area into a safe and clean environment for all.
11. **Take Immediate Action** – Prioritize implementation projects to build momentum for public and private investment.

Vibrant, Pedestrian, Safe, Mixed, Compact, Complete, Diverse, and Connected ¹⁶⁸



North Gateway Development Plan Concept



Park land / Green space



From GREY to GREEN



CONSTRUCTION
DESIGN
SIDEWALK

BURNABY

POWER

WADE

Mobility and Connections:
EXISTING

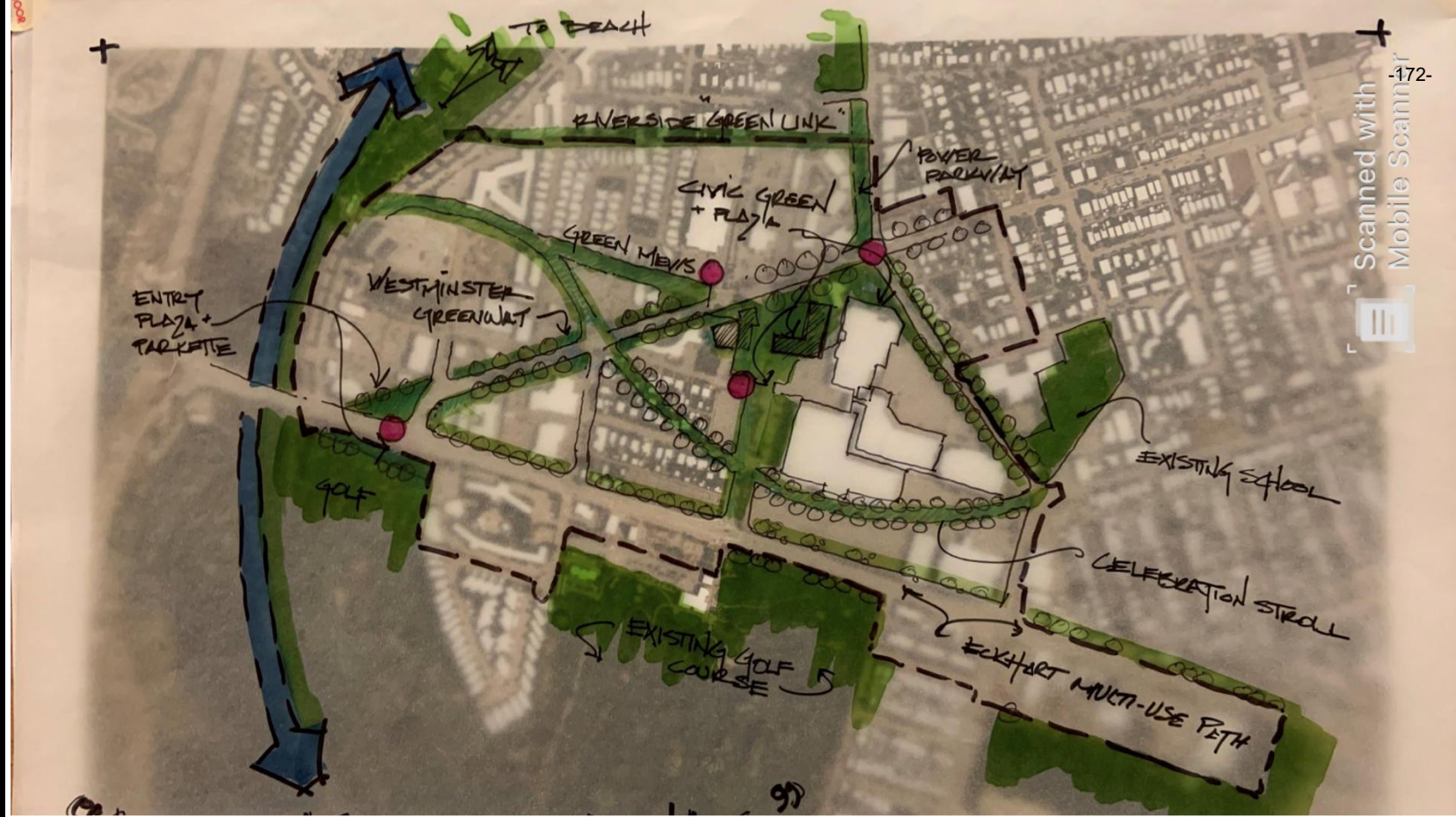


CYCLE

WALK

Mobility and Connections

PROPOSED



GREEN FRAMEWORK



Downtown

Power St.

Riverside.

Channel
Parkway

Westminster Avenue

Eckhardt Ave. W.

Penticton
Golf Club

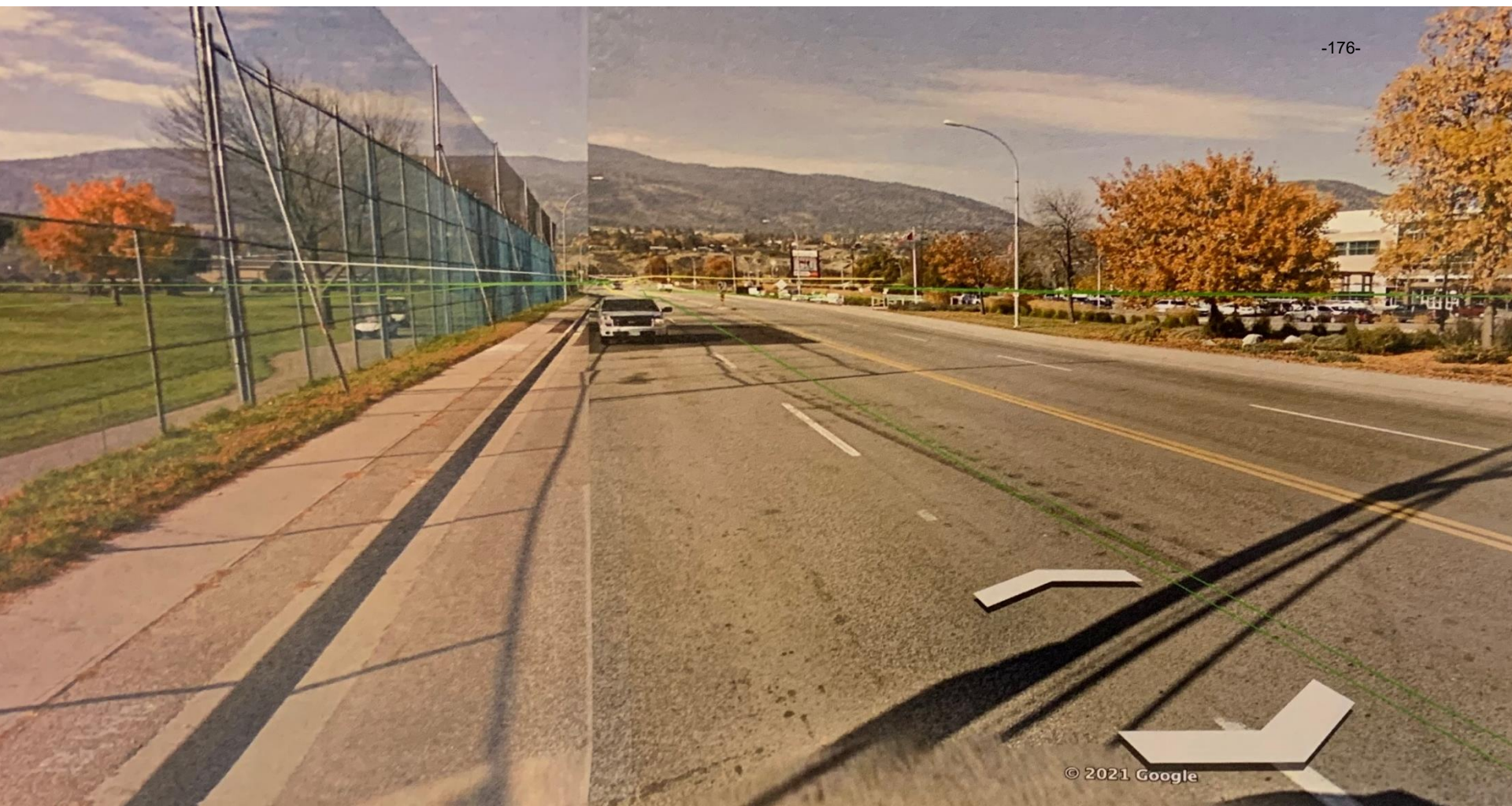
3 Big Moves

Land Use + Density



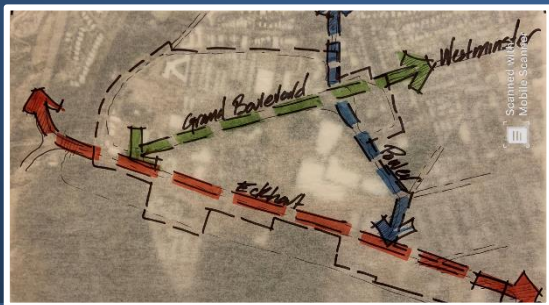
1. SOUTH DISTRICT: Multi-Use Trail + Redevelopment



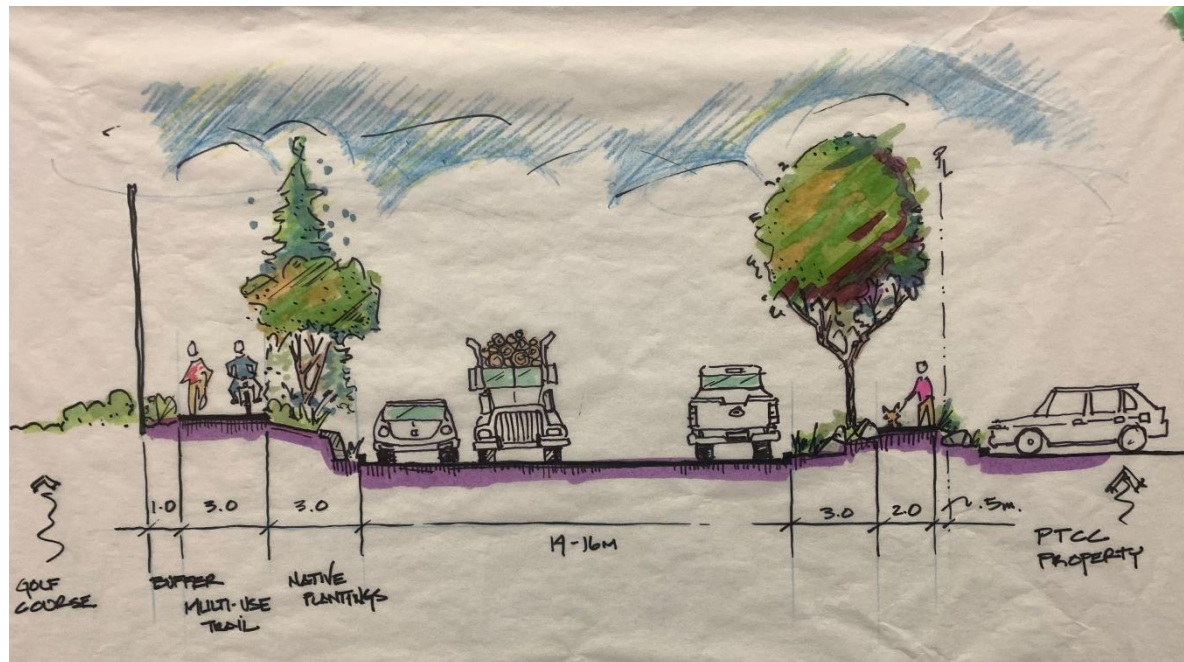


CREATE A NATURAL PEDESTRIAN BUFFER
WITH NATIVE LANDSCAPE FEATURES - CLAY BLUFFS,
GRASSES, & INDIGENOUS TREES !

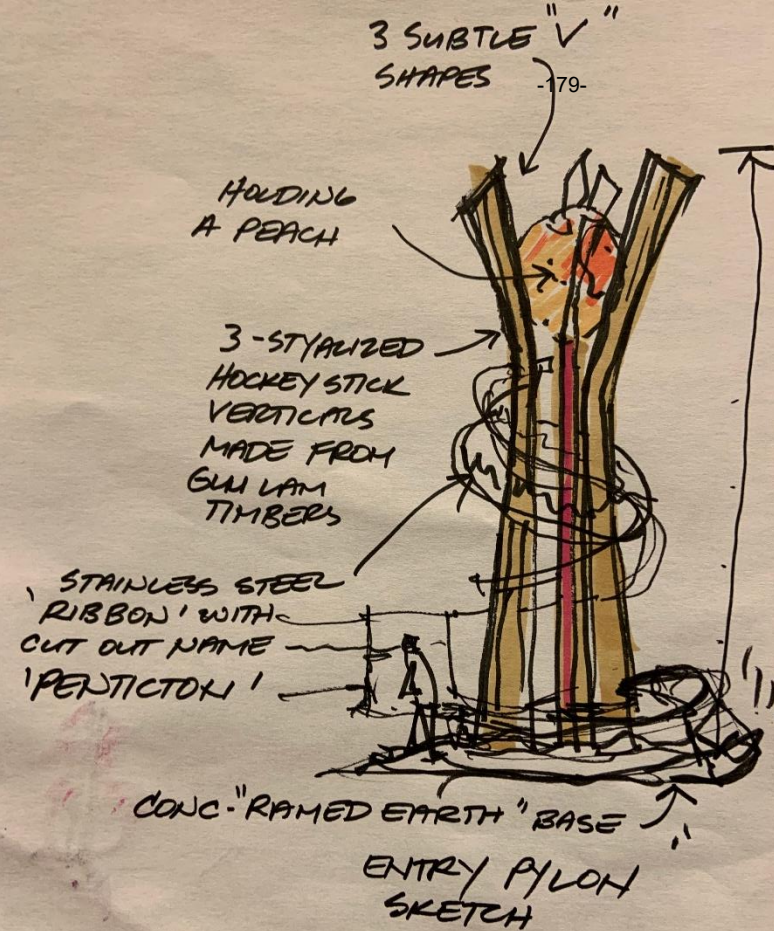


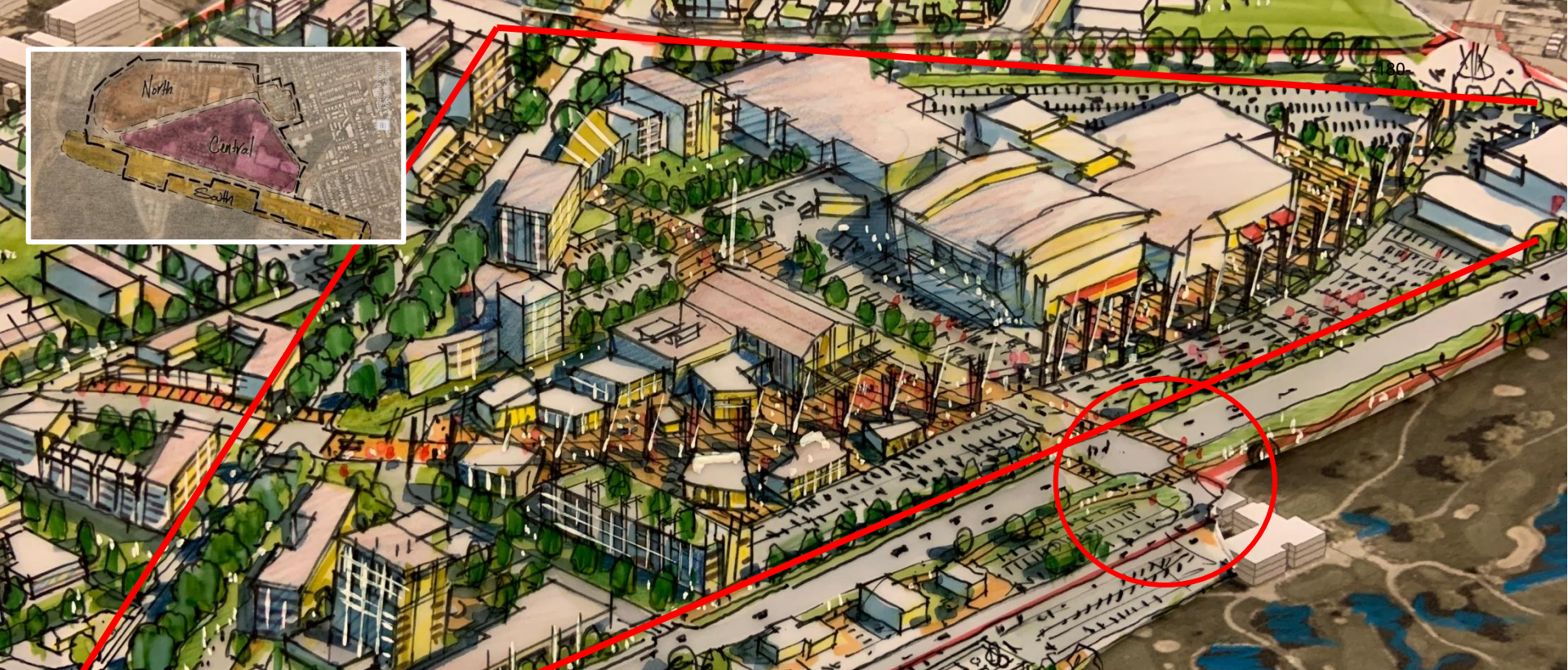


1. ECKHARDT AVE. Corridor

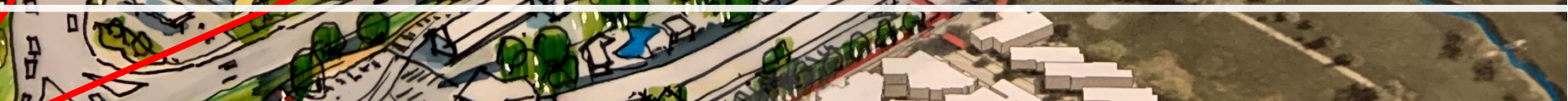


West Gateway





2. CENTRAL DISTRICT: Events Centre, Festival Boulevard+ Infill





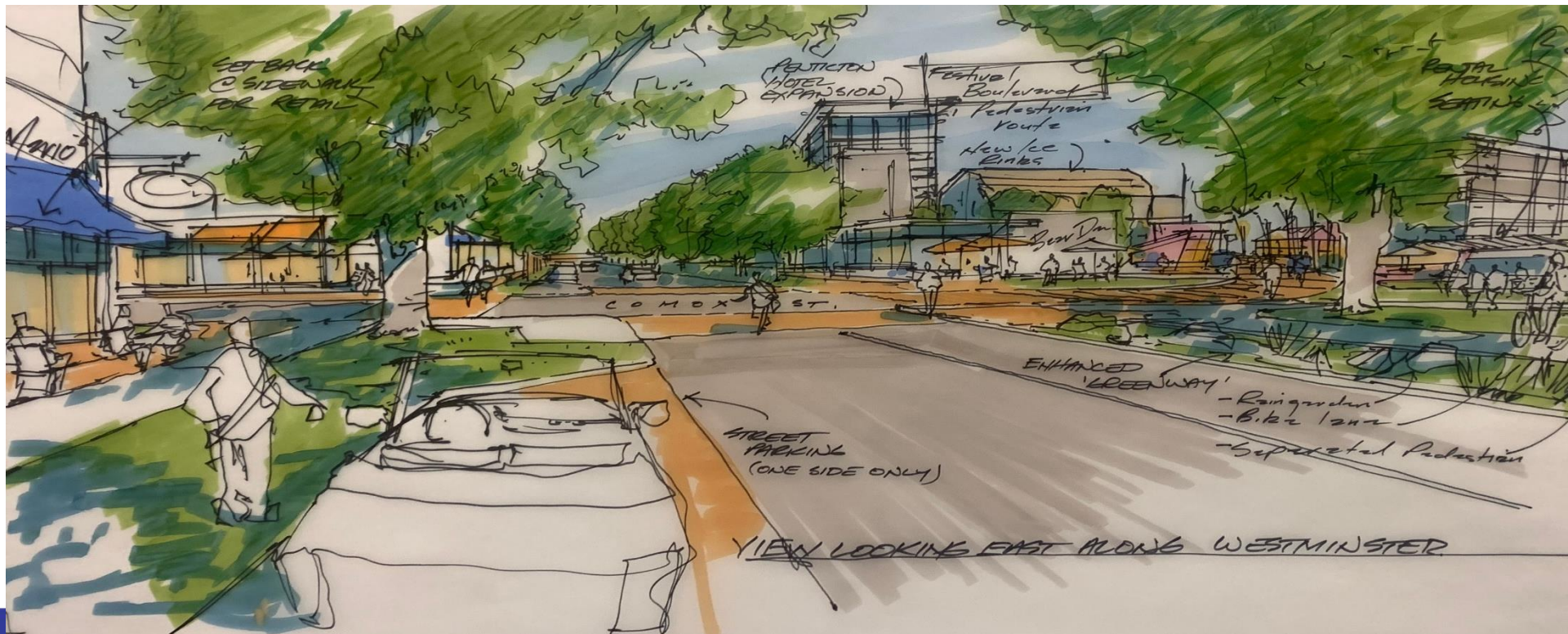
Festival Boulevard Experience
pedestrian, vibrant, festive, celebratory

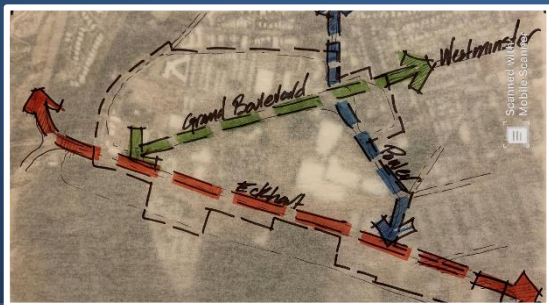
Westminster Avenue

-182-

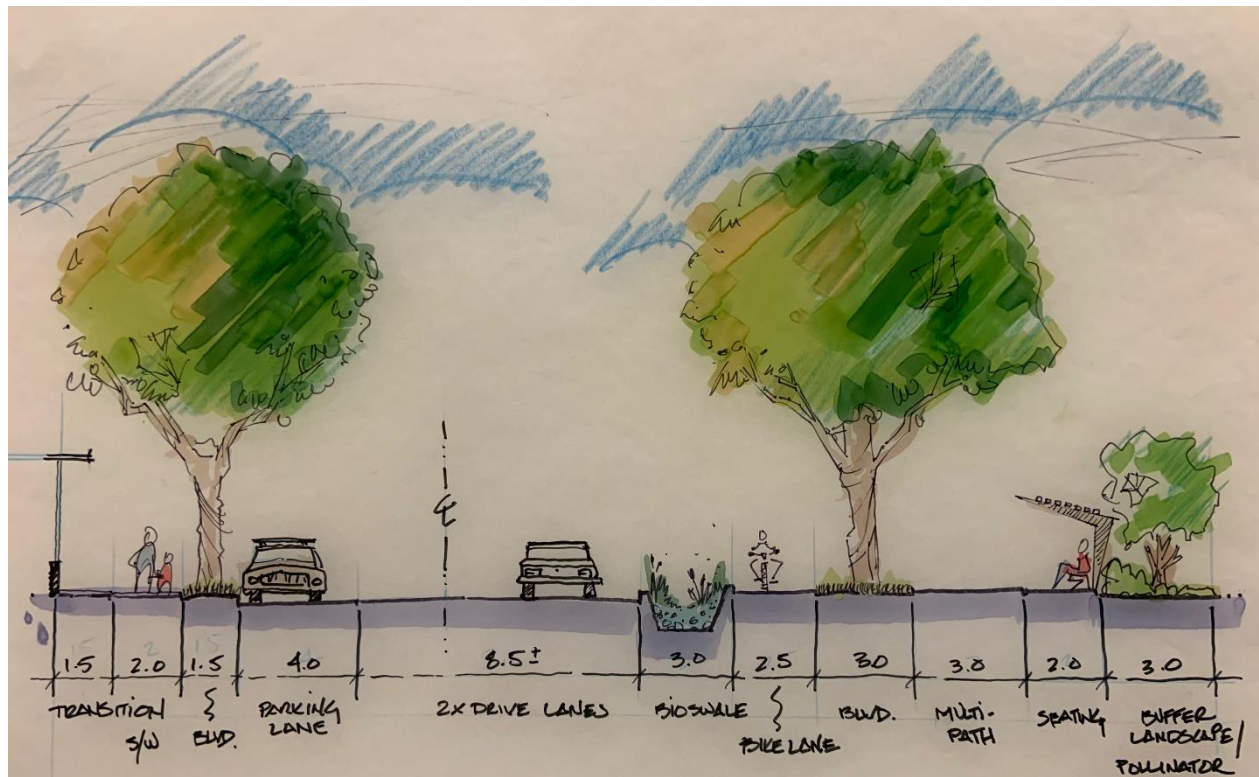


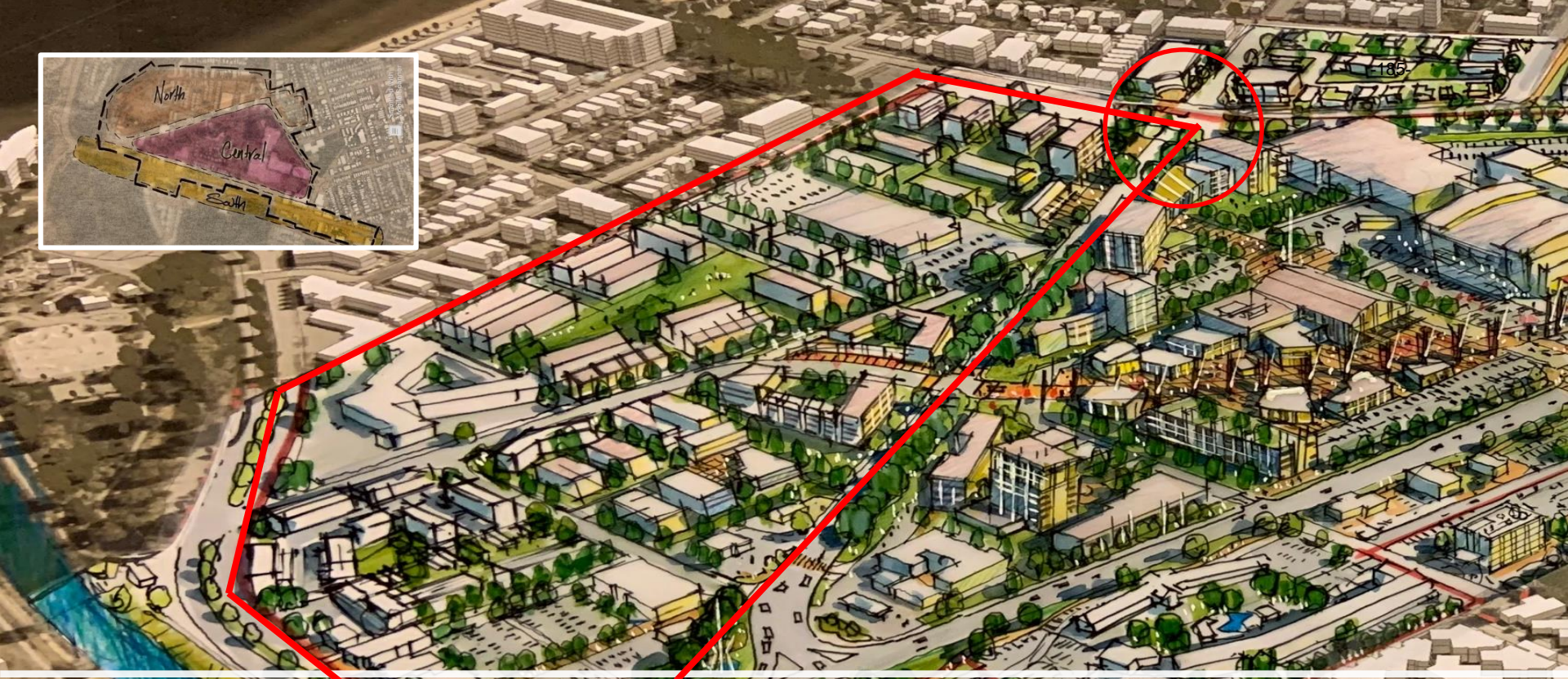
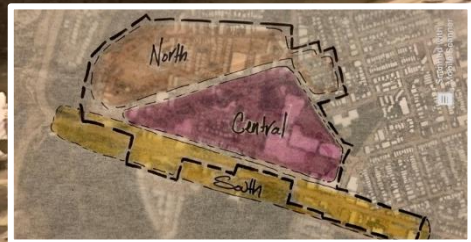
Westminster Avenue





2. WESTMINSTER AVENUE Corridor





3. NORTH DISTRICT: Residential, Commercial + Mixed Use

Westminster Avenue North Side Mixed Use Compact Residential

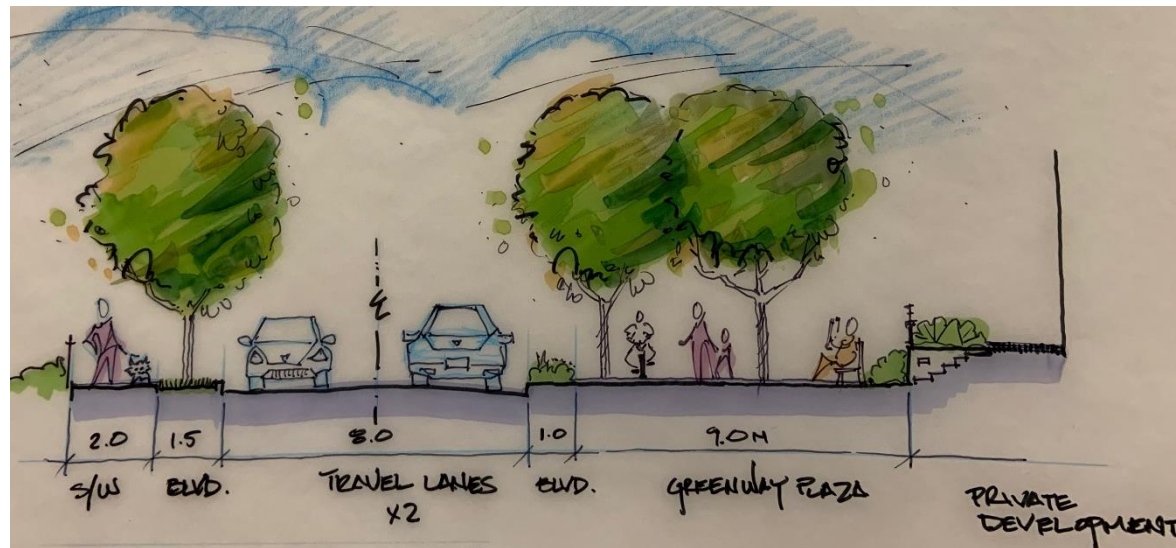
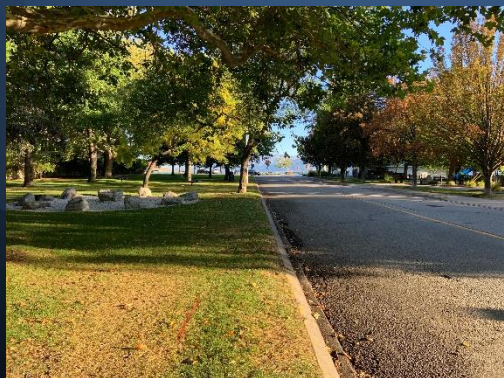








3. POWER STREET Corridor



Emerging Land Use Targets

Policy Area	What We have Now	The Target	Percentage Increase – Private funding opportunities
Housing	Existing form	Future form	
• Single Detached	105	100% Multi-family housing mix made up of: - Non-market housing (employee) - Rental apartments (employee) - Townhomes - Condos (350 units in works for next 3-5 yrs.)	From 375 to 2500
• Apartment	115		6 times increase in next 3-5 years
• Moveable dwellings	70		Up to 700% increase in housing supply in the North Gateway to reach full development potential
• Townhomes	60		
• Duplex / Semi detached	25		
Commercial - Retail	72,000 sq ft (not including car dealerships)	20,000 – 30,000 sq ft	
Commercial - Hotel	436 hotel rooms	120+ new rooms in addition to upcoming supply (105+35+75 = 215)	50% increase in next 3-5 yrs. >76% increase over next 10 years

Emerging Infrastructure Targets

Policy Area	What We have Now	The Target
Parking – Shared concept	Housing	0.75 – 1 space per unit
	Commercial – Hotel	1 space per room
	Commercial – Retail	1:30 sq/ft
	Civic / Entertainment	Shared use program
Tree Canopy	80-100 public trees	500 new trees (400-500% increase in trees)
Greenspace	No net loss of greenspace	Enhance park space and green mobility corridors

Implementation Priorities 1

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Priority	Timeline	Details	Priority Lead	Funding
Land Assembly Strategy	Immediate	Assemble land holdings through landowner and industry partnership to set up area for future development and infrastructure needs	City of Penticton Landowners Development Industry	Partnership
Rezoning, Financing & Investment Strategy	Immediate	Rezone parcels within the North Gateway to prepare for development and ensure financial contribution from landowners toward infrastructure upgrades	City of Penticton	City of Penticton
Infrastructure Design Details	Immediate	Detailed design of public infrastructure to ensure readiness for implementation	City of Penticton	City of Penticton
Westminster Avenue	Short Term	Redesign and Construction of Westminster Avenue West and intersections to support boulevard vision	City of Penticton	CoP Developer contributions
High 97 South	Short Term	Design and construct the multi-use path and public realm improvements along the south side of Highway 97	City of Penticton	CoP MOTI Penticton Golf Club Developer contributions

Implementation Priorities 2

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Priority	Timeline	Details	Priority Lead	Funding
Western Gateway	Short Term	Work with Penticton Indian Band & MOTI on the design and construction of entrance improvements.	City of Penticton	CoP PIB MOTI
Bambino Field / Civic	Short Term	Community engagement and park land replacement plan for transition to civic / convention hotel	City of Penticton Development partnership	CoP Private Investment
Power Street Corridor	Short Term	Public infrastructure upgrade design for pedestrian connection from Burnaby Avenue to Okanagan Lake		CoP Developer contributions
Riverside Drive Corridor	Short Term	Public infrastructure upgrade design for pedestrian connection from Burnaby Avenue to Okanagan Lake	City of Penticton	CoP Developer contributions
Civic Plaza Development	Medium Term	Redesign, funding and construction of Twin Rink project and associated infrastructure. Memorial Arena site analysis and future use identification	City of Penticton	CoP Grant funding

Thank you for taking part!

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North Gateway Development Plan Concept



2021 Parks and Recreation Advisory Committee Meeting Dates

Meeting commences at 3:00 p.m.

Council Chambers, City Hall, 171 Main Street (Second Level) or via Zoom

Month	Date
January	18
February	22
March	15
April	19
May	17
June	14
July	19
August	16
September	20
October	18
November	15
December	6