Special Council Meeting

to be held at
City of Penticton Cleland Theatre
325 Power Street, Penticton, B.C.

Monday, May 11, 2015
Following the Public Hearing at 6:00 p.m.

1. Call Special Council Meeting to Order
2. Adoption of Agenda
3. Staff Reports:
   3.1 Zoning Amendment Bylaw No. 2015-24
      Staff Recommendation: THAT Council give second and third reading to “Zoning Amendment Bylaw No. 2015-24”.
   3.2 Hotel Expression of Interest
      Staff Recommendation: THAT Council support the issuance of an Expression of Interest designed to create a short list of firms capable of developing a premium hotel on the South Okanagan Event Centre (SOEC) complex located at 325 Power Street.
   3.3 Tax Rate Bylaw No. 2015-25
      Staff Recommendation: THAT Council adopt “Tax Rate Bylaw No. 2015-25”.
4. Media and Public Question Period
5. Adjournment
The Corporation of the City of Penticton

Bylaw No. 2015-24

A Bylaw to Amend Zoning Bylaw 2011-23

WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the Local Government Act;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw 2011-23;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

This bylaw may be cited for all purposes as “Zoning Amendment Bylaw 2015-24”.

2. **Amendment:**

2.1 Zoning Bylaw 2011-23 is hereby amended as follows:

   Add 13.1.4 SITE SPECIFIC PROVISIONS

   In addition to the uses listed above:

   .2 In the case of Lot 1, District Lot 2, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District Plan KAP58604, Except Plans KAP87244 and KAP87245, located at 325 Power Street, ‘tourist accommodation’ shall be permitted.

2.2 Schedule ‘A’ attached hereto forms part of this bylaw.

READ A FIRST time this 20 day of April, 2015

A PUBLIC HEARING was held this 11 day of May, 2015

READ A SECOND time this day of , 2015

READ A THIRD time this day of , 2015

RECEIVED the approval of the Ministry of Transportation on the day of , 2015

ADOPTED this day of , 2015

Notice of intention to proceed with this bylaw was published on the 1 day of May, 2015 and the 6 day of May, 2015 in the Penticton Western newspaper, pursuant to Section 94 of the Community Charter.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer
Site Specific Zoning Amendment

To add ‘tourist accommodation’ as a site specific permitted use at 325 Power Street

325 Power Street

City of Penticton – Schedule ‘A’

Zoning Amendment Bylaw No. 2015-24
Council Report

Date: May 11, 2015
To: Chuck Loewen, Interim City Manager
From: Colleen Pennington, Economic Development
Subject: Hotel Expression of Interest

Staff recommendation

THAT Council support the issuance of an Expression of Interest designed to create a short list of firms capable of developing a premium hotel on the South Okanagan Event Centre (SOEC) complex located at 325 Power Street.

Strategic priority objective

This initiative supports the ongoing viability of the Penticton Trade and Convention Centre (PTCC) as well as the growth of tourism and economic impact within the South Okanagan.

Background

Attraction of a premium hotel has been identified as a key issue for the City and its economic growth by the Penticton and Wine Country Chamber of Commerce in the Be Bold forum initiatives and by the Penticton Trade and Convention Centre amongst others. Feedback from conference organizers cites the lack of premium hotel rooms and lack of an attached convention centre hotel as reasons why Penticton Trade and Convention Centre has not been successful in some bids. For instance, the lack of a premium hotel in Penticton was cited as a key factor in the loss of a major convention (UBCM).

While there are three star options available within the city limits, the lack of appropriate premium lodging affects the ability to attract tourists, visitors and to build the season. Hotel occupancy rates, according to PKF Hospitality reports indicate an occupancy rate of 52.5% (Oct YTD 2014) the lowest in the province of BC and a year-end occupancy below 50%.

The City of Penticton has undergone a public process relative to the addition of the tourist accommodation use to the existing zoning and varied uses on the SOEC complex site. Existing facilities including the PTCC, the SOEC, Okanagan Hockey School, Memorial Arena and Penticton Community Centre as well as the proximity to the beach and other nearby amenities would provide a viable location for a convention oriented premium hotel.

Financial implication
The issuance of an Expression of Interest (EOI) does not create any obligation to proceed. The staff time and resources to complete the EOI are within the current budget.

**Analysis**

A public process to create a short list of prospective developers may create interest in the development project as well as indicate the amenities, facilities or attractions that a new hotel development could offer. The EOI seeks to have a holistic vision for the development including a premium hotel and amenities.

The proposed site for the hotel is identified on the map below. While this site is not within a designated park, the potential removal of park land created concern from user groups and replacement should be considered to alleviate those concerns. Alternate locations for the ball diamond would be sought should a prospective bidder select the baseball field as their desired location.

In addition, concerns were expressed that the bidders demonstrate the financial capacity to complete the project.

**Key elements of the EOI include:**

- The City will consider proposals for a lease up to 99 years or purchase;
- The City will consider proposals for alternate locations;
- The City will consider proposals that may use some or all of the facilities on the SOEC complex including ones that consider operations of some or all of these facilities.

The respondents are being asked to submit information including:

- Description of the hotel and amenities proposed as well as timelines;
- Description of the lands that the respondent wishes to build upon;
- Description of the facilities that the respondent wishes to utilize and terms of that use;
- Financial proposal including lease rate on a triple net basis, purchase proposal or other financial arrangements;
- Respondent’s history and capacity to deliver the project.

Following the EOI, staff will develop a short list of suitable proponents who will be invited to proceed further upon direction of Council.

**Alternate recommendations**

1. THAT Council instruct staff to issue an alternative procurement such as an RFQ or RFP for this site; or
2. THAT Council instruct staff to select an alternative location for the potential development; or
3. THAT Council advise staff to not solicit the development of a premium hotel.
Attachments

Attachment A – Site Map

Attachment B – SOEC Economic Impact Study

Attachment C – Ministry of Transportation and Infrastructure correspondence dated April 29, 2015

Respectfully submitted,

Colleen Pennington
Economic Development

Approvals

Acting City Manager

CAL
EXECUTIVE SUMMARY

The overall purpose of this project is to estimate the economic impact of the South Okanagan Events Centre group of facilities. This benefit was to be measured by tallying the spending generated by the patrons of events staged at the four facilities:

- South Okanagan Events Centre (SOEC)
- Penticton Trade and Convention Centre (PTCC)
- Memorial Arena (MA)
- Okanagan Hockey School Training Centre (OHSTC)

*It is important to note that the Okanagan Hockey Academy and Hockey School are not included in this analysis.

The timeframe for the analysis was September 1, 2011 to August 30, 2012.

TOTAL ECONOMIC EFFECTS

- Direct spending total = $23.9 million
- Total economic activity = $33.9 million
- This spending generates the equivalent of 368 jobs
- Produces approximately $2.0 million in taxes

Total Expenditures of SOEC Event Participants

<table>
<thead>
<tr>
<th>Facility</th>
<th>Participant Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Okanagan Events Centre</td>
<td>$6,854,412</td>
</tr>
<tr>
<td>Penticton Trade &amp; Convention Centre</td>
<td>$12,578,413</td>
</tr>
<tr>
<td>Memorial Arena</td>
<td>$741,185</td>
</tr>
<tr>
<td>Okanagan Hockey School Training Centre</td>
<td>$775,115</td>
</tr>
<tr>
<td>Complex Wide</td>
<td>$744,940</td>
</tr>
<tr>
<td>Outdoor</td>
<td>$345,000</td>
</tr>
<tr>
<td>Rent &amp; Recoveries</td>
<td>$1,813,185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$23,852,250</strong></td>
</tr>
</tbody>
</table>

This $23.9 million figure has been run through the BC Input Output Model, operated by BC Stats, the provincial government’s statistical agency. This model replicates activity of the BC economy and is used to estimate the overall economic impact that these direct expenditures generate.
PER DIEM SPENDING
- SOEC - $140 (spectators at sporting events and concert attendees staying in commercial accommodation)
- SOEC - $80 (persons staying with friends and relatives)
- PTCC - $275 (delegates from out of town, staying a minimum of 2 nights)
- COMPLEX - Same-day traveler per diems range from $15 - $70 based on event type

It is important to note that these figures include only direct spending by event participants and do not include the operating expenditures of the facilities themselves.

EVENT SPECTATOR/ ATTENDEE/DELEGATE EXPENDITURES

SOEC Event Attendee Expenditures

<table>
<thead>
<tr>
<th>EVENT DESCRIPTION</th>
<th>Penticton Vees</th>
<th>Other Hockey</th>
<th>Concerts</th>
<th>Other Sports</th>
<th>Family Shows</th>
<th>Community Events</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Events</td>
<td>43</td>
<td>53</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>14</td>
<td>122</td>
</tr>
<tr>
<td>Spectators/Event Participants</td>
<td>81,452</td>
<td>18,916</td>
<td>29,688</td>
<td>4,567</td>
<td>2,708</td>
<td>5,471</td>
<td>142,802</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight (Commercial Stays)</td>
<td>$153,646</td>
<td>$148,977</td>
<td>$227,620</td>
<td>$34,216</td>
<td>$46,368</td>
<td>$104,328</td>
<td>$715,155</td>
</tr>
<tr>
<td>Overnight (Friends &amp; Relatives)</td>
<td>$21,949</td>
<td>$24,633</td>
<td>$35,206</td>
<td>$5,279</td>
<td>$11,592</td>
<td>$98,660</td>
<td></td>
</tr>
<tr>
<td>Overnighting Total</td>
<td>$175,596</td>
<td>$173,610</td>
<td>$262,826</td>
<td>$39,495</td>
<td>$57,960</td>
<td>$104,328</td>
<td>$813,815</td>
</tr>
<tr>
<td>Same Day Local</td>
<td>$2,141,910</td>
<td>$478,610</td>
<td>$492,403</td>
<td>$79,923</td>
<td>$53,800</td>
<td>$70,887</td>
<td>$3,317,533</td>
</tr>
<tr>
<td>Same Day (Regional)</td>
<td>$420,840</td>
<td>$379,329</td>
<td>$1,052,263</td>
<td>$156,247</td>
<td>$100,100</td>
<td>$2,110,779</td>
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</tr>
<tr>
<td>Same Day Total</td>
<td>$2,562,750</td>
<td>$857,939</td>
<td>$1,544,666</td>
<td>$238,169</td>
<td>$153,900</td>
<td>$70,887</td>
<td>$5,428,311</td>
</tr>
<tr>
<td>Total Spectator/Attendee Expenditure</td>
<td>$2,772,096</td>
<td>$1,556,465</td>
<td>$1,847,113</td>
<td>$283,264</td>
<td>$220,260</td>
<td>$175,215</td>
<td>$6,854,412</td>
</tr>
<tr>
<td>Players/Promoters Expenditures</td>
<td>$33,750</td>
<td>$524,916</td>
<td>$492,403</td>
<td>$8,100</td>
<td>$5,600</td>
<td>$8,400</td>
<td>$715,155</td>
</tr>
<tr>
<td><strong>Total Event Expenditures</strong></td>
<td>$2,772,096</td>
<td>$1,556,465</td>
<td>$1,847,113</td>
<td>$283,264</td>
<td>$220,260</td>
<td>$175,215</td>
<td>$6,854,412</td>
</tr>
</tbody>
</table>

Source: EPG analysis of each event by category.

PTCC Event Attendee Expenditures

<table>
<thead>
<tr>
<th>EVENT DESCRIPTION</th>
<th>Conventions</th>
<th>Consumer Shows</th>
<th>Trade Show</th>
<th>Meetings Banquets</th>
<th>Special Events</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Events</td>
<td>6</td>
<td>10</td>
<td>1</td>
<td>56</td>
<td>18</td>
<td>91</td>
</tr>
<tr>
<td>Delegates/Event Participants</td>
<td>7,858</td>
<td>41,719</td>
<td>1,350</td>
<td>7,829</td>
<td>48,358</td>
<td>107,114</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnighting Delegates</td>
<td>$2,261,875</td>
<td>$825,000</td>
<td>$297,000</td>
<td>$504,625</td>
<td>$6,950,625</td>
<td>$10,839,125</td>
</tr>
<tr>
<td>Same Day Patrons</td>
<td>$68,280</td>
<td>$991,038</td>
<td>$8,100</td>
<td>$140,420</td>
<td>$531,450</td>
<td>$1,739,288</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>$2,330,155</td>
<td>$1,816,038</td>
<td>$305,100</td>
<td>$645,045</td>
<td>$7,482,075</td>
<td>$12,578,413</td>
</tr>
</tbody>
</table>

Source: Global Spectrum records for attendance, EPG calculations for spending estimates.
To give an example of how concert event expenditure is calculated, the following information was collected for the Keith Urban Concert by analyzing postal code reports from Global Spectrum’s Box Office:

### Event Expenditure Analysis (One of 122 Events)

**Keith Urban Concert**

<table>
<thead>
<tr>
<th>ATTENDEES/SPECTATORS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paid Attendance</strong></td>
<td>4,945</td>
</tr>
<tr>
<td><strong>Geographic Draw:</strong></td>
<td></td>
</tr>
<tr>
<td>Penticton</td>
<td>1,234</td>
</tr>
<tr>
<td>Other Okanagan Region</td>
<td>3,026</td>
</tr>
<tr>
<td>Other BC</td>
<td>630</td>
</tr>
<tr>
<td>Non BC</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,945</td>
</tr>
</tbody>
</table>

**Overnighiting:**

| % using Commercial Accom. | 80% | $140 | $41,349 |
| Length of Stay (nights)   | 1.2  |
| % with Friends /Relatives | 20% | $80  | $6,494  |

**Same Day:**

| Penticton | $50 | $61,703 |
| Other Okanagan Region | $70 | $190,612 |

**Spectator Total**

$300,159

**PROMOTERS/PRODUCTION**

| Number of Personnel | 20 |
| Number of Days      | 1  |
| Total Personnel Days| 20 |

**Promoter Totals**

$140 $2,800

**Concert Total**

$302,959

Source: EPG analysis of spending by place of origin.
City of Penticton  
171 Main Street  
Penticton, British Columbia  V2A 5A9

Attention:  Heather L McDonald, Planning Clerk

Re:  Proposed Bylaw for:  
Lot 1, District Lot 2, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District Plan KAP58604 Except Plans KAP87244 and KAP87245  
325 Power Street, Penticton

Preliminary Approval is granted for the rezoning for one year pursuant to section 52(3)(a) of the Transportation Act, subject to the following conditions:

As outlined in the Council Report, dated April 20, 2015, under the heading of Technical Review, it states:

“A full technical review is not possible at this time as no formal development proposal has been submitted. Issues such as utility servicing, parking and traffic movement will be reviewed during a further stage of the project if the zoning amendment is successful.”

Although the Ministry supports the City’s proposal, as no formal development proposal has been submitted, the Ministry cannot provide detailed comments regarding the impact of the development on the adjacent Highway 97 and intersections.

In order to expedite the City’s Zoning Amendment process, the Ministry will require the registration of a restrictive covenant, pursuant to Section 219 of the Land Title Act, on the subject property for "No Build/No Development". The covenant must be in favour of the Ministry of Transportation and Infrastructure, and shall remain registered on the subject property until such time as a Traffic Impact Assessment, to determine the impact on Highway 97 and the adjacent intersections, is submitted and approved by the Ministry. The covenant must also be registered in priority over any financial charges on the title. The Ministry will review and approve the covenant document prior to registration.
Once the development process progresses to a point where the Ministry is satisfied that its interests are protected, the Ministry will release the covenant to allow the development to commence.

If you have any questions regarding the above comments, please feel free to call Penticton Development Approvals at (250) 490-8200.

Sincerely,

Mitch Benke
District Development Technician
The Corporation of the City of Penticton

Bylaw No. 2015-25

A Bylaw for the levying of property tax rates for the year 2015

WHEREAS pursuant to the Community Charter, Council is empowered to impose property value taxes by establishing tax rates within the City of Penticton;

AND WHEREAS it is deemed expedient to establish tax rates for the municipal revenue proposed to be raised from property value taxes and the amounts to be collected by means of rates established to meet the City's taxing obligation in relation to another local government or other public body;

NOW THEREFORE the Council of The Corporation of the City of Penticton in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Tax Rates Bylaw No. 2015-25".

2. The following rates are hereby imposed and levied for the year 2015.

   2.1 For lawful general purposes of the municipality on the value of land and improvements taxable for general Municipal purposes, rates appearing on Column "A" of the Schedule 'A' attached hereto and forming part hereof;

   2.2 For hospital purposes on the value of land and improvements taxable for Regional Hospital District purposes, rates appearing in Column "B" of the Schedule ‘A’ attached hereto and forming a part hereof;

   2.3 For purposes of the Regional District of Okanagan-Similkameen on the value of land and improvements taxable for general Municipal purposes, rates appearing in Column "C" of the Schedule ‘A’ attached hereto and forming a part hereof;

   2.4 For purposes of the Regional District of Okanagan-Similkameen 9-1-1 Emergency Telephone Service, on the assessed value of land and improvements taxable for general Municipal purposes, rates appearing in Column "D" of the Schedule ‘A’ attached and forming a part thereof;

   2.5 For purposes of Regional District of Okanagan-Similkameen Sterile Insect Release Program, on the assessed value of land and improvements taxable for general Municipal purposes, rates appearing in Column "E" of the Schedule ‘A’ attached and forming a part hereof.
3. There shall be prepared, pursuant to the provisions of the Irrigation, Sewer and Water Bylaw 2005-02, a Special Assessment Roll (hereinafter referred to as "The Special Assessment Roll") covering lands and improvements thereon in the Sanitary Sewer Area created by Schedule “G” of Irrigation, Sewer and Water Bylaw 2005-02 as amended.

4. There shall be settled, imposed, levied and collected off and from all lands and improvements assessed and described on the Special Sewerage Assessment Roll of The Corporation of the City of Penticton for the year 2015 as follows:

For sanitary sewer system debt purposes on the value of the said land and improvements taxable for general Municipal purposes within the limits of the sewerage district, rates appearing in Column "F" of the Schedule ‘A’ attached and forming a part hereof.

5. There shall be added to the current year's taxes unpaid on each parcel of land and improvements upon the Collector’s Roll the 1st day of August, 2015, ten percent (10%) of the amount thereof, which shall from the 1st day of August, 2015, be deemed to be the amount of the current year's taxes unpaid upon such lands and improvements and the date upon which such percentage shall be added as provided by the said Community Charter shall be and the same is hereby set accordingly.

READ A FIRST time this 7 day of May, 2015
READ A SECOND time this 7 day of May, 2015
READ A THIRD time this 7 day of May, 2015
ADOPTED this day of , 2015

____________________________
Andrew Jakubeit, Mayor

_______________________________
Dana Schmidt, Corporate Officer
# The Corporation of The City of Penticton

## Schedule 'A'

**Tax Rates (dollars of tax per $1,000 taxable assessment)**

<table>
<thead>
<tr>
<th>Property Class</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Municipal</td>
<td>Regional Hospital District</td>
<td>RDOS</td>
<td>RDOS 911 Emergency Telephone Service</td>
<td>RDOS Sterile Insect Release Program</td>
<td>Sanitary Sewer Debt</td>
</tr>
<tr>
<td>1 Residential</td>
<td>4.2901</td>
<td>0.3164</td>
<td>0.1934</td>
<td>0.0320</td>
<td>0.0280</td>
<td>0.2302</td>
</tr>
<tr>
<td>2 Utilities</td>
<td>17.2806</td>
<td>1.1073</td>
<td>0.7791</td>
<td>0.1289</td>
<td>0.1128</td>
<td>0.9010</td>
</tr>
<tr>
<td>3 Supportive Housing</td>
<td>4.2901</td>
<td>0.3164</td>
<td>0.1934</td>
<td>0.0320</td>
<td>0.0280</td>
<td>0.2302</td>
</tr>
<tr>
<td>4 Major Industry</td>
<td>6.5396</td>
<td>1.0757</td>
<td>0.2949</td>
<td>0.0488</td>
<td>0.0427</td>
<td>0.3739</td>
</tr>
<tr>
<td>5 Light Industry</td>
<td>6.5396</td>
<td>1.0757</td>
<td>0.2949</td>
<td>0.0488</td>
<td>0.0427</td>
<td>0.3739</td>
</tr>
<tr>
<td>6 Business &amp; Other</td>
<td>6.9705</td>
<td>0.7751</td>
<td>0.3143</td>
<td>0.0520</td>
<td>0.0455</td>
<td>0.2748</td>
</tr>
<tr>
<td>7 Managed Forest Land</td>
<td>6.9705</td>
<td>0.9491</td>
<td>0.3143</td>
<td>0.0520</td>
<td>0.0455</td>
<td>0.2748</td>
</tr>
<tr>
<td>8 Recreation/Non-Profit</td>
<td>5.7924</td>
<td>0.3164</td>
<td>0.2611</td>
<td>0.0432</td>
<td>0.0378</td>
<td>0.0544</td>
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<tr>
<td>9 Farm</td>
<td>11.8391</td>
<td>0.3164</td>
<td>0.5339</td>
<td>0.0883</td>
<td>0.0773</td>
<td>10.6728</td>
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