



Agenda

penticton.ca

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 1-2
Staff Recommendation: THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2015-24".
 - 3.2 Hotel Expression of Interest 3-11
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 12-14
Staff Recommendation: THAT Council adopt "Tax Rate Bylaw No. 2015-25".
4. Media and Public Question Period
5. Adjournment

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.

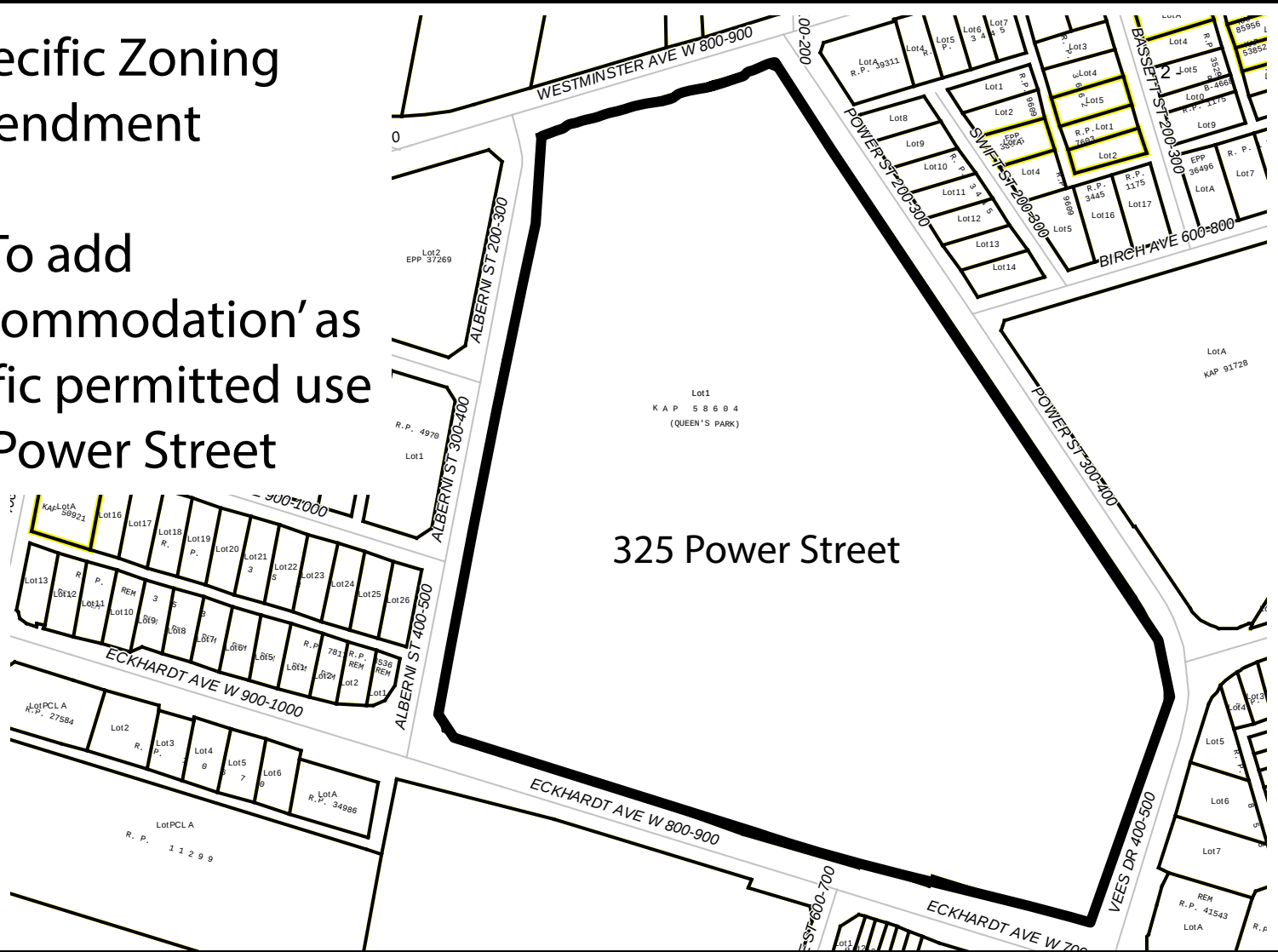
READ A FIRST time this	20	day of	April, 2015
A PUBLIC HEARING was held this	11	day of	May, 2015
READ A SECOND time this		day of	, 2015
READ A THIRD time this		day of	, 2015
RECEIVED the approval of the		day of	, 2015
Ministry of Transportation on the			
ADOPTED this		day of	, 2015

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

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



Corporate Officer: _____

Council Report

penticton.ca

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

File No:

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,

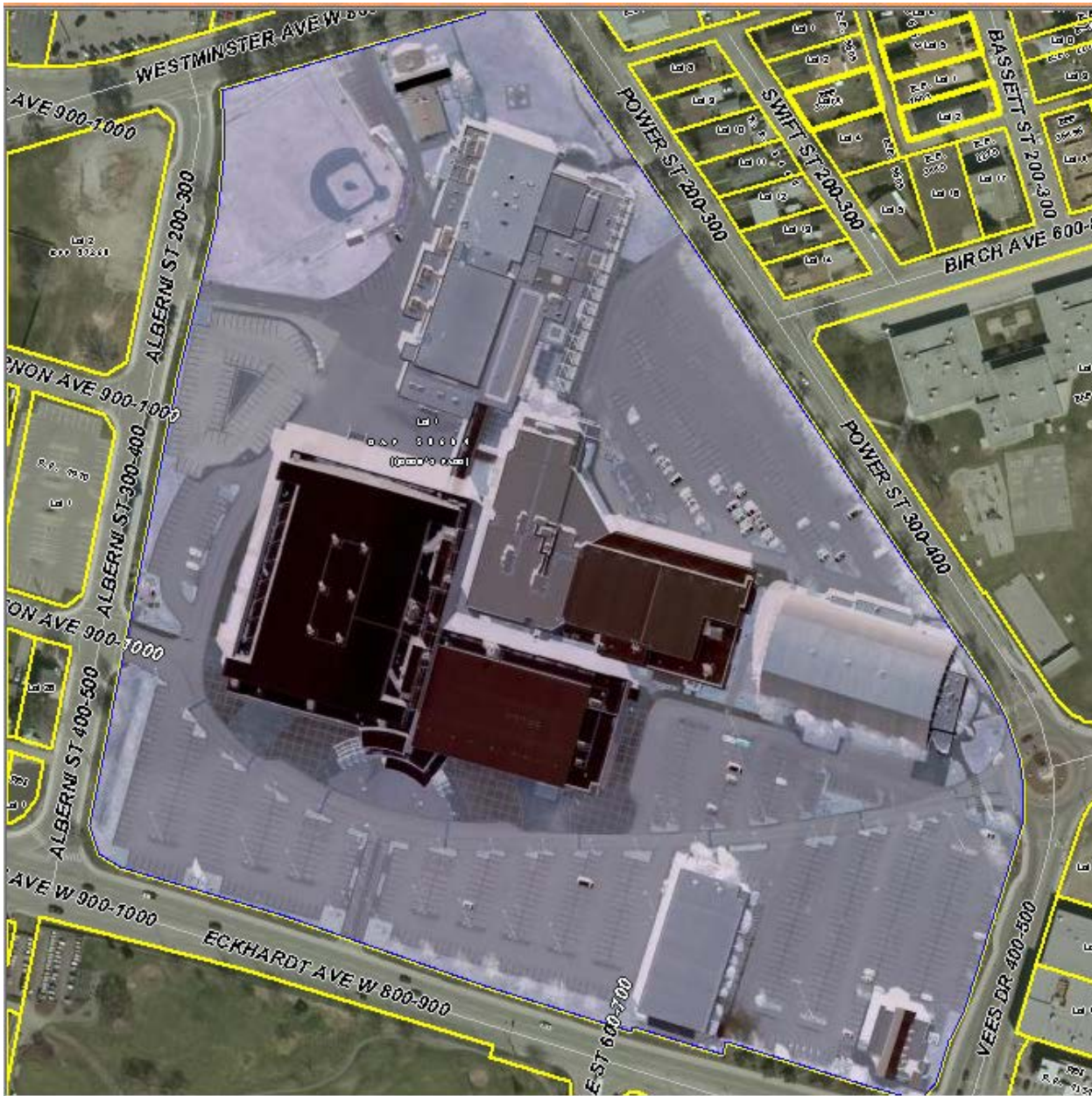
Colleen Pennington
Economic Development

Approvals

Acting City Manager

A handwritten signature in black ink, appearing to read 'C.A.L.', is located below the printed name 'Acting City Manager' within a rectangular box.

Attachment A



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

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

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.

*South Okanagan Events Centre Complex:
Economic Impact Analysis*

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**

EVENT DESCRIPTION	Penticton Vees	Other Hockey	Concerts	Other Sports	Family Shows	Community Events	Total
Number of Events	43	53	9	2	1	14	122
Spectators/Event Participants	81,452	18,916	29,688	4,567	2,708	5,471	142,802
<i>Expenditures</i>							
Overnight (Commercial Stays)	\$153,646	\$148,977	\$227,620	\$34,216	\$46,368	\$104,328	\$715,155
Overnight (Friends & Relatives)	<u>\$21,949</u>	<u>\$24,633</u>	<u>\$35,206</u>	<u>\$5,279</u>	<u>\$11,592</u>		\$98,660
Overnighting Total	\$175,596	\$173,610	\$262,826	\$39,495	\$57,960	\$104,328	\$813,815
Same Day Local)	\$2,141,910	\$478,610	\$492,403	\$79,923	\$53,800	\$70,887	\$3,317,533
Same Day (Regional)	<u>\$420,840</u>	<u>\$379,329</u>	<u>\$1,052,263</u>	<u>\$158,247</u>	<u>\$100,100</u>		\$2,110,779
Same Day Total	\$2,562,750	\$857,939	\$1,544,666	\$238,169	\$153,900	\$70,887	\$5,428,311
Total Spectator/Attendee Expenditure	\$2,738,346	\$1,031,549	\$1,807,493	\$277,664	\$211,860	<u>\$175,215</u>	\$6,242,126
Players/Promoters Expenditures	<u>\$33,750</u>	<u>\$524,916</u>	<u>\$39,620</u>	<u>\$5,600</u>	<u>\$8,400</u>		\$612,286
Total Event Expenditures	\$2,772,096	\$1,556,465	\$1,847,113	\$283,264	\$220,260	\$175,215	\$6,854,412

Source: EPG analysis of each event by category.

PTCC Event Attendee Expenditures

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

Source: Global Spectrum records for attendance, EPG calculations for spending estimates.

*South Okanagan Events Centre Complex:
Economic Impact Analysis*

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				
ATTENDEES/SPECTATORS				
Paid Attendance				4,945
<i>Geographic Draw:</i>				
Penticton				1,234
Other Okanagan Region				3,026
Other BC				630
Non BC				56
Total				4,945
<i>Overnighting:</i>				
% using Commercial Accom.	80%	\$140		\$41,349
Length of Stay (nights)	1.2			
% with Friends /Relatives	20%	\$80		\$6,494
<i>Same Day:</i>				
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.

**DEVELOPMENT APPROVALS
PRELIMINARY BYLAW
COMMUNICATION**

Your File #: PL2015-029
eDAS File #: 2015-01767
Date: Apr/29/2015

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.

Local District Address
Penticton Area Office 102 Industrial Place Penticton, BC V2A 7C8 Canada Phone: (250) 490-8200 Fax: (250) 490-2231

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,

A handwritten signature in black ink, appearing to read "Mitchell B.C." with a stylized flourish at the end.

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)

2015	A	B	C	D	E	F
Property Class	General Municipal	Regional Hospital District	RDOS	RDOS 911 Emergency Telephone Service	RDOS Sterile Insect Release Program	Sanitary Sewer Debt
1 Residential	4.2901	0.3164	0.1934	0.0320	0.0280	0.2302
2 Utilities	17.2806	1.1073	0.7791	0.1289	0.1128	0.9010
3 Supportive Housing	4.2901	0.3164	0.1934	0.0320	0.0280	0.2302
4 Major Industry	6.5396	1.0757	0.2949	0.0488	0.0427	0.3739
5 Light Industry	6.5396	1.0757	0.2949	0.0488	0.0427	0.3739
6 Business & Other	6.9705	0.7751	0.3143	0.0520	0.0455	0.2748
7 Managed Forest Land	6.9705	0.9491	0.3143	0.0520	0.0455	0.2748
8 Recreation/Non-Profit	5.7924	0.3164	0.2611	0.0432	0.0378	0.0544
9 Farm	11.8391	0.3164	0.5339	0.0883	0.0773	10.6728