

Special Council Meeting
to be held at
City of Penticton Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, February 9, 2016
at 10:00 a.m.

1. **Call Special Council Meeting to Order**

2. **Adoption of Agenda**

3. **Reports:**

ACAO 3.1 Downtown Revitalization Sub-Committee Meeting of February 5, 2016

Recommendation:

THAT Council receive the minutes of the Downtown Revitalization Sub-Committee Meeting of February 5, 2016.

ACAO 3.2 2016 Main Street Budget

4. **Media and Public Question Period**

5. **Adjourn to In-Camera**

Adjourn to a closed meeting of Council pursuant to the provisions of the *Community Charter* section 90 as follows:

- 2(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.



Minutes

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Downtown Revitalization Sub-Committee Meeting

held at City of Penticton Committee Room A
171 Main Street, Penticton, B.C.

Thursday, November 26, 2015
at 8:00 a.m.

Present: Campbell Watt, Councillor
Judy Sentes, Councillor
Barb Haynes, Chair
Kerri Milton, DPA Representative
Tim Scott, Member at Large
Erin Hanson, Member at Large
Cheryl Watts, Member at Large

Staff: Mitch Moroziuk, General Manager of Infrastructure
Ian Chapman, City Engineer
Tyler Figgitt, Design Supervisor
Blake Laven, Planning Manager
Colin Fisher, Chief Financial Officer
Lorraine Williston, Corporate Committee Secretary

1. Call to Order

The Downtown Revitalization Sub-Committee was called to order by the Chair at 8:06 a.m.

2. Adoption of Agenda

It was MOVED and SECONDED

THAT the Downtown Revitalization Sub-Committee adopt the agenda for the meeting held on November 26, 2015 as circulated.

CARRIED UNANIMOUSLY

3. Adoption of Minutes

It was MOVED and SECONDED

THAT the Downtown Revitalization Sub-Committee adopt the minutes of the September 11, 2015 meeting as circulated.

CARRIED UNANIMOUSLY

4. Business Arising from Prior Meetings

4.1 100 & 200 Block Design Update

The City Engineer provided information on the status of the project and the grant applications. The two grant applications that were made were declined. The project is now short funding and the window to construct the 200 Block in the Spring of 2016 is no longer possible without increased risk of not meeting schedule. Once funding is addressed the 100 Block could be constructed in the Fall of 2016 and the 200 Block can build in the Spring of 2017. There have also been some cost increases associated with traffic signalization and the intersection at Nanaimo and Main. Staff have looked at how to fund the project so that it could proceed. One of the first sources of funding would be to delete the LED light canopy and use the funding to partially fund the shortfall.

Total project costs without the LED light canopy are:

Fall 2016:	100 Block and the Link Road	\$2,856,200
Spring 2017:	200 Block	\$1,381,400
TOTAL:		\$4,237,600

With the loss of the grant there is a funding shortfall that could be addressed by the following: LED Canopy; 2016 Gas Tax funding; Reprioritize of 2016 pavement maintenance project; Reprioritize the Woodstock Road project; Increase the Local Improvement Charge; 2017 Gas Tax funding; Prioritize Main Street; and Borrow the funds.

The ramifications of funding the project was also discussed and included a reduction in available Gas Tax funds and a reduced ability to undertake other project such as the SS Sicamous Master Plan projects, Facility Master Plan projects and 2017 General Capital funded projects.

Extensive discussions and questions followed on the logistics of proceeding with the 200 Block in the spring of 2016 the 100 Block in the fall of 2016 as originally planned. This could be done but there is a risk that the project will not be completed exactly on time in the Spring. The DPA representative was asked to connect with business owners to find out how they feel about the project if it's delayed and if it is extended into the summer and if it was okay with business and residents if they work on a 24 hour schedule 7 days a week. The Committee felt that they should prioritize the 200 Block and move to start construction as soon as possible. Staff noted it could be done but the risk is much greater of schedule and cost overruns.

The Chief Financial Officer joined the meeting at 9:10 a.m.

The committee asked the Chief Financial Officer questions on available funds for this project and the ability to bridge fund.

It was MOVED and SECONDED that the Downtown Revitalization Sub-Committee support construction of the 200 Block in the spring of 2016 and construction of the 100 Block in the fall of 2016 and that staff address the funding through the budget process.

CARRIED UNANIMOUSLY

Discussion followed on the LED Light canopy and do we install the infrastructure for a future installation of a LED Light canopy. Ian suggested we leave that extra cost in the tender as it can be decided at a later date to remove that item.

5. Council Outcome

Council Resolutions 595/2015 and 596/2015 from the minutes dated November 26, 2015 were received.

6. Next Meeting

The next regularly scheduled meeting of the Downtown Revitalization Sub-Committee is scheduled for Thursday, March 3, 2016 at 8:00 a.m.

7. Adjournment

The Downtown Revitalization Sub-Committee adjourned the meeting at 9:37 a.m.



Date: February 9, 2016
To: Council
From: Mitch Moroziuk, Acting Chief Administrative Officer
Subject: **2016 Main Street Budget**

File No:

Staff recommendation

THAT Council receive this report as information and select one of the following alternatives:

Alternative 1

THAT Council proceed with the 100 and 200 Block of Main Street Project;

AND THAT Council amend the 2016 Draft Capital Budget to:

- Remove the \$2,421,333 in Grant Funds from the Main Street Project;
- Delete the LED Light Canopy from the Main Street Project and reallocate the \$394,000 budget to partially fund the loss of the grant;
- Include the use of 2015 Carry Forward Funds in the amount of \$146,000 in the Main Street Project;
- Include Gas Tax Funds in the amount of \$1,300,000 for the Main Street Project.

AND THAT Council authorize the use of inter fund reserve borrowing in the amount of \$875,000 to bridge the gap between 2016 construction expenses and the passage of the 2017 Budget;

AND THAT Council commit sufficient funds for the repayment of the borrowing from a combination of 2016 Carry Forward funds and/or 2017 Gas Tax funds and/or 2017 General Capital funds;

AND FURTHER THAT Council authorize staff to proceed to tender the 100 and 200 Block of Main Street project as one project with the 200 Block being constructed in the spring of 2016 and the 100 Block being constructed in the fall of 2016.

Alternative 2

THAT Council provide alternate direction to staff in regard to the 2016 2017 Main Street Project.

Strategic priority objective

Downtown Revitalization.

Background

The City of Penticton has been working on the Downtown Revitalization project in one form or another for the last 10 years with considerable headway made in the last 4 years. The project is now ready to proceed to tender but we have been waiting to hear on grant announcements. The City applied for \$2,421,333 in grant funding from both the New Infrastructure Canada Small Communities Fund and the Gas Tax Fund. The City was informed in 2015 that its' New Infrastructure Grant application was not accepted. Last week the City was informed that its' Gas Tax Fund Grant application was not accepted.

An update on the project was provided to the Downtown Revitalization Sub-committee on Friday February 5, 2016. After much discussion the committee provided the following recommendation:

It was MOVED and SECONDED that the Downtown Revitalization Sub-Committee support construction of the 200 Block in the spring of 2016 and construction of the 100 Block in the fall of 2016 and that staff address the funding through the budget process.

The recommendation was carried unanimously.

The Total Project cost, not including the LED Light Canopy is estimated at \$4,217,200. The City has \$1,503,484 in available funding to put toward the project. This would yield a funding shortfall of \$2,713,716 which could be addressed through alternate funding sources, inter fund reserve borrowing to bridge the gap between 2016 construction expenses and the passage of the 2017 Budget and advance commitment of 2017 funds.

The following funding alternatives are available:

- 2015 Carry Forward Funding \$ 146,000
- 2016 LED Canopy: \$ 394,000
- 2016 Gas Tax: \$1,500,000
- 2016 Reprioritize Pavement Maintenance: \$ 350,000
- 2016 Reprioritize Woodstock Road: \$ 250,000
- 2016 Increase Local Improvement Charge \$????????
- 2017 Gas Tax: \$1,300,000
- 2017 Prioritize Main Street
- Borrowing

Should Council wish to proceed with this project staff recommend that the following alternative funding be utilized:

- 2015 Carry Forward Funding: \$ 146,000
- 2016 LED Canopy: \$ 394,000
- 2016 Gas Tax: \$1,300,000
- Inter Fund Reserve Borrowing \$ 873,416
- 2017 Gas Tax: \$ 879,416 OR
- 2017 Prioritize Main Street \$ 879,416

Staff would also like to advise Council of the ramifications of funding the Main Street Project as noted above:

Reduction in available funds:

- 2016 remaining Gas Tax reserve reduces to: \$ 200,000
- 2017 remaining Gas Tax reserve reduces to: \$ 426,584
- Annual Gas Tax revenues typically run at: \$1,300,000 OR
- 2017 Gen Cap Funds Available reduces to \$2,125,000

Reduced ability to undertake other projects:

- SS Sicamous Master Plan Projects
- Facility Master Plan Projects
- 2017 Gen Cap Ask is \$6,700,000

Financial implications

The financial implications are as noted above.

Analysis

Two resolutions are presented for Council to consider. Staff will make adjustments to the 2016 and 2017 Budgets in accordance with the direction provided by Council and bring the entire 2016 Budget to the February 15, 2016 Council meeting for introduction, 1st, 2nd and 3rd Reading.

Alternate recommendations

Alternative 1

THAT Council proceed with the 100 and 200 Block of Main Street Project;

AND THAT Council amend the 2016 Draft Capital Budget to:

- Remove the \$2,421,333 in Grant Funds from the Main Street Project;
- Delete the LED Light Canopy from the Main Street Project and reallocate the \$394,000 budget to partially fund the loss of the grant;
- Include the use of 2015 Carry Forward Funds in the amount of \$146,000 in the Main Street Project;
- Include Gas Tax Funds in the amount of \$1,300,000 for the Main Street Project.

AND THAT Council authorize the use of inter fund reserve borrowing in the amount of \$875,000 to bridge the gap between 2016 construction expenses and the passage of the 2017 Budget;

AND THAT Council commit sufficient funds for the repayment of the borrowing from a combination of 2016 Carry Forward funds and/or 2017 Gas Tax funds and/or 2017 General Capital funds;

AND FURTHER THAT Council authorize staff to proceed to tender the 100 and 200 Block of Main Street project as one project with the 200 Block being constructed in the spring of 2016 and the 100 Block being constructed in the fall of 2016.

Alternative 2

THAT Council provide alternate direction to staff in regard to the 2016 2017 Main Street Project.

Respectfully submitted

Mitch Moroziuk P.Eng. MBA
Acting Chief Administrative Officer
Approvals

CFO
