Agenda

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

Tuesday, April 17, 2018
at 1:00 p.m.

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

2. **Introduction of Late Items**

3. **Adoption of Agenda**

4. **Recess to Committee of the Whole**

5. **Reconvene the Regular Council Meeting**

6. **Adoption of Minutes:**

6.1	Minutes of the April 3, 2018 Committee of the Whole	1-2	Receive
6.2	Minutes of the April 3, 2018 Public Hearing	3-4	Receive
6.3	Minutes of the April 3, 2018 Regular Council Meeting	5-10	Adopt

7. **Committee and Board Reports**

7.1 Agriculture Advisory Committee Minutes of November 14, 2017 — 11-13
Staff Recommendation: THAT Council receive the minutes of the Agriculture Advisory Committee meeting of November 14, 2017.

7.2 Agriculture Advisory Committee Minutes of March 2, 2018 — 14-16
Staff Recommendation: THAT Council receive the draft minutes of the Agriculture Advisory Committee meeting of March 2, 2018.

7.3 Transportation Advisory Committee Minutes of March 27, 2018 — 17-19
Staff Recommendation: THAT Council receive the draft minutes of the Transportation Advisory Committee meeting of March 27, 2018.

8. **Correspondence**

9. **Staff Reports:**

CFO 9.1 Smart City Challenge Application 20-45
Presented by Keith MacIntyre
Staff Recommendation: *THAT Council approve the application for the Smart City Challenge that focuses on a Healthier Penticton for the $10M prize, with the following challenge statement:*
"Let's build a physically & mentally healthier, strongly-connected Penticton where each person has access and opportunity to maximize their health potential".

CFO 9.2 Property Taxation Distribution Policy 46-77
Presented by Gary Jackson
Staff Recommendation: THAT Council approve the Property Taxation Distribution Policy.

PISM 9.3 Donation of Proceeds from Paver Sales 78-79
Staff Recommendation: THAT Council authorize staff to donate proceeds from the sale of used pavers from revitalization projects to the South Okanagan Similkameen Medical Foundation (SOSMF).

CE 9.4 Hospital Room Naming Contest ON TABLE

PWM/CE 9.5 Study to Review Waste Water Solids Management Options 80-83
Staff Recommendation: THAT Council receive into the record the report titled "Study to Review Waste Water Solids Management Options".

FC 9.6 Fire Protection Mutual Aid Agreement with RDOS 84-96
Staff Recommendation: THAT Council approve the renewal of the two year Fire Protection Mutual Aid Agreement with the Regional District of Okanagan-Similkameen.

FC 9.7 Fire and Life Safety Amendment Bylaw No. 2018-20 97-100
Staff Recommendation: THAT Council give first, second and third reading to "Fire and Life Safety Amendment Bylaw No. 2018-20", a bylaw to amend "Fire and Life Safety Bylaw No. 2004-57" to require a fire safety plan that is acceptable to the Fire Department for wood dust producing operations.

10. **Public Question Period**

11. **Recess to In-Camera Meeting**
Resolution: THAT Council recess to a closed meeting of Council pursuant to the provisions of the Community Charter section 90 (1) as follows:
(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;
(c) labour relations or other employee relations;
(j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act.
(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.

12. **Reconvene the Regular Council Meeting following the Public Hearing at 6:00 p.m.**

13. **Reconsideration of Bylaws and Permits:**

13.1 2018-2022 Five Year Financial Plan Amendment Bylaw No. 2018-19 101-103 Adopt

13.2 OCP Amendment Bylaw No. 2018-21 104-105 2nd/3rd/Adopt
Zoning Amendment Bylaw No. 2018-22 106-107 2nd/3rd
Re: 175 Cossar Avenue

	13.3	Zoning Amendment Bylaw No. 2017-75 DVP PL2017-8093 Re: 175 Cossar Avenue	108-109 110-111	Adopt Approve

14. **Land Matters:**

BPM 14.1 Liquor Service – Permanent Change of Hours – Bench 1775 Winery 112-115 Del/Sub
Re: 1775 Naramata Road

Staff Recommendation: THAT Council recommend to the Liquor Control and Licensing Branch (LCLB) that it support the application from Bench 1775 Winery (0988081 BC) for the proposed permanent change in hours for exterior lounge from 10:00am to 7:00pm to 10:00am to 10:00pm (9:00pm - service closure), with no amplified music on patio.

PM 14.2 Development Variance Permit PL2018-8139 116-123 Del/Sub
Re: 2883 and 2895 Partridge Drive

Staff Recommendation: THAT Council approve "Development Variance Permit PL2018-8139", a permit to increase the permitted height of a retaining wall in a required yard from a maximum height of 1.2m to a maximum height of 4.5m for Lots 4 and 5 of District Lot 2710, Similkameen Division Yale District, Plan EPP28587, located at 2883 and 2895 Partridge Drive; AND THAT staff are directed to issue "Development Variance Permit PL2018-8139".

PM 14.3 Development Variance Permit PL2018-8207 124-139 Del/Sub
Re: 134 Glen Place

Staff Recommendation: THAT Council approve "Development Variance Permit PL2018-8207" for Lot 4, District Lot 2710, Similkameen Division Yale District, Plan 27000, located at 134 Glen Place, a permit to vary the following sections of Zoning Bylaw No. 2017-08:

- *Section 8.2.3.5: to permit a carriage house, in the R1 (Large Lot Residential) zone, to be located closer to the front lot line than the principal dwelling; and*
- *Section 10.1.2.5: to reduce the front yard setback from 6.0 m to 4.67 m;*

AND THAT staff be directed to issue "DVP PL2018-8207".

PM 14.4 Zoning Amendment Bylaw No. 2018-23 140-156
Re: 249 Westminster Avenue W

Staff Recommendation: THAT "Zoning Amendment Bylaw No. 2018-23", a bylaw to Rezone Lot A District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan KAP92015, located at 249 Westminster Avenue West from CD4 (Comprehensive Development) to C5 (Urban Centre Commercial), and to add Section 11.5.4.8: "In the case of Lot A, DL 4, Group 7, SDYD (Formerly Yale Lytton), Plan KAP92015, located at 249 Westminster Avenue West, a craft brewery/distillery and cidery shall be permitted," be given first reading and be forwarded to the May 8, 2018 Public Hearing.

PM 14.5 Zoning Amendment Bylaw No. 2018-24 157-184
Re: 468 Lower Bench Road

Staff Recommendation: THAT"Zoning Amendment Bylaw No. 2018-24", a bylaw to amend "Zoning Bylaw No. 2017-08" by adding Section 9.2.6.10 "In the case of Lot 3, District Lot 187, Similkameen Division Yale District, Plan 23377, located at 468 Lower Bench Road, a 20 suite hotel and operator dwelling unit shall be permitted and, notwithstanding section 9.2.2 Subdivision and Development Regulations, a maximum parcel coverage of 35% for all buildings is permitted" be introduced, read a first time and forwarded to the May 8, 2018 Public Hearing;

AND THAT Council, after hearing from the public at the May 8, 2018 Public Hearing, consider sending a positive recommendation to the Agricultural Land Commission in support of the proponents 'non-farm use' application (ALC Application #57103); AND THAT a soil relocation plan be submitted prior to adoption of "Zoning Amendment Bylaw No. 2018-24".

PM 14.6 Housing Agreement (257 Scott Avenue) Bylaw No. 2018-17 185-194

Staff Recommendation: THAT "Housing Agreement (257 Scott Avenue) Bylaw No. 2018-17", a bylaw authorizing the City of Penticton to enter into a housing agreement with the owner of 257 Scott Avenue, requiring 4 units with the apartment building to be rented to those on the Supported Housing Registry, or equivalent for a 20 year period, be given first, second and third reading and forwarded to the May 8, 2018 Regular Meeting of Council for adoption.

PM 14.7 Urban Deer Update and Recommendations 195-199

Staff Recommendation: THAT Council direct staff to maintain the status quo approach towards urban deer management in Penticton and re-engage with the Regional District of Okanagan Similkameen and BC Conservation on a regional approach and deal with specific issues on an event by event basis.

15. **Notice of Motion**

16. **Business Arising**

Committee Appointments

THAT Council appoint Judy Richards to the Economic Development Task Force.

THAT Council accept the resignation of Terry Olfert and appoint Doug MacMillan as the Penticton Yacht Club and Marina representative on the Community Revitalization Select Committee.

Licence to Use

THAT Council authorize an extension of the Licence to Use Agreement with Penticton & Area Cycling Association (PACA) a non-profit Society, over 332 acres located at 1400 Riddle Road AKA Three Blind Mice Trail Network with a legal description of DL 392s, SDYD, to formalize the existing use of the mountain bike trail network on the property and to allow improvements and development of new trails for a period of 5 years beginning April 1, 2018 at a rate of $330.00 per year;

AND THAT the administration fee of $250 be waived for the Penticton & Area Cycling Association licence to use;

AND FURTHER THAT the Mayor and Corporate Officer be authorized to execute the PACA LTU.

Land Disposition

THAT Council approve the land sale of 703 Pineview Road to South Okanagan Construction Ltd. or their designate for $223,250;
AND THAT the City will be responsible for all legal costs associated with the sale of the lands and the Purchaser will be responsible for the legal and registration costs associated with the purchase of the land.

17. **Council Round Table**

18. **Public Question Period**

19. **Adjournment**

Minutes

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Committee of the Whole
held at City of Penticton Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, April 3, 2018
Recessed from the Regular Council Meeting at 1:00 p.m.

Present: Mayor Jakubeit
Councillor Picton
Councillor Watt
Councillor Sentes
Councillor Konanz
Councillor Sayeed
Councillor Martin

Staff: Peter Weeber, Chief Administrative Officer
Dana Schmidt, Corporate Officer
Jim Bauer, Chief Financial Officer
Mitch Moroziuk, General Manager of Infrastructure
Ben Johnson, Manager, Special Projects
Angie Collison, Deputy Corporate Officer

1. Call to order

The Mayor called the Committee of the Whole meeting to order at 1:03 p.m.

2. Adoption of Agenda

It was MOVED and SECONDED
THAT the agenda for the Committee of the Whole meeting held on April 3, 2018 be adopted as presented.

CARRIED UNANIMOUSLY

3. Delegations and Staff Presentations:

3.1 Neighbourhood concerns – 377 Winnipeg Street

Matt Taylor, land owner, spoke to concerns with irresponsible landlords and inhabitable rental properties in the City of Penticton. Mr. Taylor requested Council implement additional regulatory measures and increase bylaw staff.

3.2 Cst. Jean Minguy Memorial Youth Academy – grant request

Supt. Ted De Jager, provided Council with an overview of the Cst. Jean Minguy Memorial Youth Academy and requested a $3000 grant. The funds will support the seven students from Penticton attending the Youth Academy in May 2018.

4. Adjourn to Regular Meeting

It was MOVED and SECONDED
THAT Council adjourn the Committee of the Whole meeting held April 3, 2018 at 1:32 p.m. and reconvene the Regular Meeting of Council.

CARRIED UNANIMOUSLY

Certified correct:

Dana Schmidt
Corporate Officer

Confirmed:

Andrew Jakubeit
Mayor

Minutes

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Public Hearing
City of Penticton, Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, April 3, 2018
at 6:00 p.m.

Present: Mayor Jakubeit
Councillor Watt
Councillor Picton
Councillor Martin
Councillor Konanz
Councillor Sayeed
Councillor Sentes

Staff: Peter Weeber, Chief Administrative Officer
Ben Johnson, Manager, Special Projects
Jim Bauer, Chief Financial Officer
Mitch Moroziuk, General Manager of Infrastructure
Blake Laven, Planning Manager
Angie Collison, Deputy Corporate Officer

1. Call to order

Mayor Jakubeit called the public hearing to order at 6:00 p.m. for Zoning Amendment Bylaw No. 2018-18. He explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council.

The Corporate Officer read the opening statement and introduced the purpose of the bylaw. She then explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaw and related DVP an opportunity to be heard before Council. She further indicated that the public hearing was advertised pursuant to the *Local Government Act*.

2. "<u>Zoning Amendment Bylaw No. 2018-18" (657 Churchill Avenue)</u>

The purpose of "Zoning Amendment Bylaw No. 2018-18" is to amend Zoning Bylaw No. 2017-08 as follows:

> Rezone Lot 22, District Lot 2, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District, Plan 4075, located at 657 Churchill Avenue, from R2 (Small Lot Residential) to RD2 (Duplex Housing: Lane).

The applicant is proposing to subdivide 657 Churchill Avenue into two lots and construct a front-to-back duplex on each lot.

The Corporate Officer advised that no letters have been received since the printing of the agenda.

DELEGATIONS

Mayor Jakubeit asked the public for the first time if anyone wished to speak to the application.

- Richard Langfield, Lakeshore Drive, applicant, spoke in support of application.

Mayor Jakubeit asked the public for the second time if anyone wished to speak to the application.

- Garth Bathgate, Churchill Avenue, road widening, don't understand why taking large piece of lot when sidewalk is in, roof top deck intrusive to neighbours.

Mayor Jakubeit asked the public for the third and final time if anyone wished to speak to the application.

- No one spoke.

The public hearing for "Zoning Amendment Bylaw No. 2018-18" was terminated at 6:13 p.m. and no new information can be received on this matter.

Certified correct:

_____
Dana Schmidt
Corporate Officer

Confirmed:

_____
Andrew Jakubeit
Mayor

Minutes

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Regular Council Meeting
held at City of Penticton Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, April 3, 2018
at 1:00 p.m.

Present: Mayor Jakubeit
Councillor Picton
Councillor Sentes
Councillor Konanz
Councillor Martin
Councillor Watt
Councillor Sayeed

Staff: Peter Weeber, Chief Administrative Officer
Dana Schmidt, Corporate Officer
Jim Bauer, Chief Financial Officer
Mitch Moroziuk, General Manager of Infrastructure
Ben Johnson, Manager, Special Projects
Angie Collison, Deputy Corporate Officer

1. Call to Order

The Mayor called the Regular Council meeting to order at 1:02 p.m.

2. Introduction of Late Items

Add: Item 7.3 Heritage and Museum Committee Minutes

3. Adoption of Agenda

131/2018 **It was MOVED and SECONDED**
THAT Council adopt the agenda for the Regular Council meeting held on April 3, 2018 as amended.

CARRIED UNANIMOUSLY

4. Recess to Committee of the Whole

Council recessed to a Committee of the Whole Meeting at 1:02 p.m.

5. Reconvene the Regular Council Meeting

Council reconvened the Regular Council Meeting at 1:32 p.m. and agreed to add business arising from the Committee of the Whole as item 9.3 Cst. Jean Minguy Memorial Youth Academy – grant request.

6. Adoption of Minutes:

6.1 Minutes of the March 20, 2018 Committee of the Whole

132/2018 **It was MOVED and SECONDED**
THAT Council receive the minutes of the March 20, 2018 Committee of the Whole as presented.

CARRIED UNANIMOUSLY

6.2 Minutes of the March 20, 2018 Public Hearing

133/2018 **It was MOVED and SECONDED**
THAT Council receive the minutes of the March 20, 2018 Public Hearing as presented.

CARRIED UNANIMOUSLY

6.3 Minutes of the March 20, 2018 Regular Meeting of Council

134/2018 **It was MOVED and SECONDED**
THAT Council adopt the minutes of the March 20, 2018 Regular Meeting of Council as presented.

CARRIED UNANIMOUSLY

7. Committee and Board Reports

7.1 Economic Development & Prosperity Task Force Minutes of February 22, 2018

135/2018 **It was MOVED and SECONDED**
THAT Council receive the draft minutes of the Economic Development & Prosperity Task Force meeting of February 22, 2018.

CARRIED UNANIMOUSLY

7.2 Penticton Creek Restoration Committee Minutes of March 21, 2018

136/2018 **It was MOVED and SECONDED**
THAT Council receive the draft minutes of the Penticton Creek Restoration Committee meeting of March 21, 2018.

CARRIED UNANIMOUSLY

7.3 Heritage and Museum Committee Minutes of March 27, 2018

137/2018 **It was MOVED and SECONDED**
THAT Council receive the draft minutes of the Heritage and Museum Committee meeting of March 27, 2018.

CARRIED UNANIMOUSLY

138/2018 **It was MOVED and SECONDED**
THAT Council refer the recommendations from the Heritage and Museum Committee to staff for policy recommendations.

CARRIED
Councillor Sentes, Opposed

8. Correspondence

9. Staff Reports:

9.1 2018-2022 Five Year Financial Plan Amendment Bylaw No. 2018-19

139/2018 **It was MOVED and SECONDED**
THAT Council give first, second and third reading to "2018-2022 Five Year Financial Plan Amendment Bylaw No. 2018-19".

CARRIED UNANIMOUSLY

9.2 Land Swap/Purchase
Re: 298 VanHorne Street

140/2018 **It was MOVED and SECONDED**
THAT Council approve the land swap / purchase between the City and the property owners of 298 Van Horne Street, Richard and Diane Spray, as outlined in this Council Report dated April 3, 2018; AND THAT Council authorize the Mayor and Corporate Officer to execute the required documents and agreements related to the land swap / purchase; AND FURTHER THAT Council amend the 2018 Budget by increasing the budget for Penticton Creek, CAP10097-C50 by $75,000 with $28,000 coming from the Capital Reserve and $47,000 coming from General Surplus.

CARRIED UNANIMOUSLY

Business Arising from the April 3, 2018 Committee of the Whole:

9.3 Cst. Jean Minguy Memorial Youth Academy – grant request

141/2018 **It was MOVED and SECONDED**
THAT Council support the grant request of $3000 for the Cst. Jean Minguy Memorial Youth Academy and that future requests come through the grant process.

CARRIED UNANIMOUSLY

10. Public Question Period

11. Recess to In-Camera Meeting

142/2018 **It was MOVED and SECONDED**
THAT Council recess at 2:11 p.m. to a closed meeting of Council pursuant to the provisions of the *Community Charter* section 90 (1) as follows:

- *(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;*
- *(e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the municipality;*
- *(j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act.*
- *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.*

CARRIED UNANIMOUSLY

12. Reconvene the Regular Council Meeting following the Public Hearing at 6:00 p.m.

Council reconvened the Regular Council Meeting at 6:13 p.m.

13. Reconsideration of Bylaws and Permits

13.1 Cemetery Management Bylaw No. 2018-15

143/2018 **It was MOVED and SECONDED**
THAT Council adopt "Cemetery Management Bylaw No. 2018-15".

CARRIED UNANIMOUSLY

13.2 Fees and Charges Amendment Bylaw No. 2018-16
Re: Appendix 6 - Cemetery

144/2018 **It was MOVED and SECONDED**
THAT Council adopt "Fees and Charges Amendment Bylaw No. 2018-16".

CARRIED UNANIMOUSLY

13.3 Zoning Amendment Bylaw No. 2018-14
Re: 274 Kinney Avenue

145/2018 **It was MOVED and SECONDED**
THAT Council adopt "Zoning Amendment Bylaw No. 2018-14".

CARRIED UNANIMOUSLY

13.4 Zoning Amendment Bylaw No. 2018-18
Re: 657 Churchill Avenue

146/2018 **It was MOVED and SECONDED**
THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2018-18".

CARRIED UNANIMOUSLY

14. Land Matters

14.1 Development Variance Permit PL2018-8139
Re: 2883 and 2895 Partridge Drive

Delegations/Submissions: Carl, representing developer, would like to defer two weeks to show the neighbour the site and address her concerns.

147/2018 **It was MOVED and SECONDED**
THAT Council refer consideration of "Development Variance Permit PL2018-8139" to the April 17, 2018 Regular Council Meeting.

CARRIEDUNANIMOUSLY

14.2 Development Variance Permit PL2018-8162
Re: 120 & 130 Wyles Crescent

Delegations/Submissions:

- Cory McGivern, Roy Avenue, concerned with removal of cedar trees that have been there since 1985, bought house because of private back yard, don't want a see through fence.
- Applicant representative, doesn't want to take out trees, fence will be on other side of trees.
- Cory McGivern, Roy Avenue, why only partial increase of height? Don't want a see through fence if trees come down.
- Applicant, fence is already high, going to all be same height.

148/2018 **It was MOVED and SECONDED**

THAT Council deny "Development Variance Permit PL2018-8162", a permit to increase the permitted height of a fence from a maximum height of 1.2m in a front yard and 1.8m elsewhere to a maximum height of 1.8m in a front yard and 2.4m elsewhere for Lot 3, District Lot 115, Similkameen Division Yale District, Plan 4461, Except Plans 34401, 34743, KAP44192 and KAP46609 (130 Wyles Crescent) and Lot C, District Lot 115, Similkameen Division Yale District, Plan KAP46609 (120 Wyles Crescent).

CARRIED
Councillors Sayeed and Konanz, Opposed

14.3 Official Community Plan Amendment Bylaw No. 2018-21
Zoning Amendment Bylaw No. 2018-22
Development Variance Permit PL2018-8184
Development Permit PL2018-8185
Re: 175 Cossar Avenue

149/2018 **It was MOVED and SECONDED**

THAT prior to consideration of "OCP Amendment Bylaw No. 2018-21" and in accordance with Section 475 of the *Local Government Act*, Council considers whether early and on-going consultation, in addition to the required Public Hearing, is necessary with:

1. One or more persons, organizations or authorities;
2. The Regional District of Okanagan Similkameen;
3. Local First Nations;
4. School District #67; and
5. The provincial or federal government and their agencies.

AND THAT it is determined that the public consultation conducted to date is sufficient;

AND THAT "OCP Amendment Bylaw No. 2018-21", being a bylaw to amend "OCP Bylaw No. 2002-20" on Lot 5, District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Avenue as follows:

- 'Schedule B: Future Land Use Map' to change the OCP designation of the site (as identified on Attachment 'B' of this report) from HR (High Density Residential) to MR (Medium Density Residential); and
- 'Schedule H: Development Permit Area' to change the Development Permit Area of the site (as identified on Attachment 'D' of this report) from High Density Development Permit Area to General Multiple Family Development Permit Area,

be given first reading and be forwarded to the April 17, 2018 Public Hearing.

THAT "Zoning Amendment Bylaw No. 2018-22", a bylaw to amend Zoning Bylaw 2017-08 for Lot 5, District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Ave from RD2 (Duplex Housing: Lane) to RM2 (Low Density

Multiple Housing), be given first reading and be forwarded to the April 17, 2018 Public Hearing.

THAT delegations and submissions for "Development Variance Permit PL2018-8184" for Lot 5, District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Ave, a permit to reduce the side yard setback from 3m to 1.5m, be heard at the April 17th Public Hearing; AND THAT Council consider "DVP PL2018-8184", following the adoption of "Zoning Amendment Bylaw No. 2018-22".

AND THAT Council, subject to adoption of "Zoning Amendment Bylaw No. 2018-22", approve Development Permit PL2018-8185, for Lot 5, District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Ave, a permit that allows for the construction of two side-by-side duplexes.

CARRIED UNANIMOUSLY

15. Notice of Motion

16. Business Arising

17. Council Round Table

18. Public Question Period

19. Adjournment

150/2018 **It was MOVED and SECONDED**
THAT Council adjourn the Regular Council meeting held on Tuesday, April 3, 2018 at 7:09 p.m.

CARRIED UNANIMOUSLY

Certified correct:

Dana Schmidt
Corporate Officer

Confirmed:

Andrew Jakubeit
Mayor

ADOPTED

Minutes

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Agriculture Advisory Committee Meeting

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

Tuesday, November 14, 2017
at 3:30 p.m.

Present: Rod King, Acting Chair
Fritz Hollenbach, Member at Large
Darshan Jassar, Member at Large
Charlie Utz, Member at Large
Chris Harp, Member at Large
Rod Hollett, Member at Large

Staff: Blake Laven, Planning Manager
Randy Houle, Planner 1
Ben Johnson, Special Projects Manager
Lorraine Witowski, Committee Secretary

Guests: Celeste Barlow and Martin Collins, Planners, Okanagan Region Agriculture Land Commission

1. **Call to Order**

The Agriculture Advisory Committee was called to order by the Acting Chair at 3:35 p.m.

2. **Appointment of Committee Chair & Vice Chair**

It was MOVED and SECONDED
THAT Rod King be appointed as Chair and Fritz Hollenback as Vice-Chair for the Agriculture Advisory Committee for the 2017-2018 term.

CARRIED UNANIMOUSLY

3. **Adoption of Agenda**

It was MOVED and SECONDED
THAT the Agriculture Advisory Committee adopt the agenda for the meeting held on November 14, 2017 as amended (refer to Item 5.4).

CARRIED UNANIMOUSLY

4. **Adoption of Minutes**

It was MOVED and SECONDED
THAT the Agriculture Advisory Committee adopt the minutes of the May 25, 2017 meeting as circulated.

CARRIED UNANIMOUSLY

5. **New Business**

5.3 Official Community Plan Review Update – Ben Johnson

The Special Projects Manager provided an update on the Official Community Plan review and upcoming workshops including the next public engagement event 'PENTALKTON' happening on November 22 at the Community Centre. Members were invited and encouraged to attend.

The Special Projects Manager commented he will be engaging this committee on specific issues in the new year with respect to the OCP review.

Ben Johnson left the meeting at 3:45 p.m.

5.1 Proposed 20 Room Hotel on Agricultural Property – Winery – Len Fox and Tony Holler

The Planning Manager provided an overview of the proposed 20 room hotel adjacent to the Poplar Grove winery including photos of the subject property and drawings of the proposed high end boutique hotel.

Tony Holler, the applicant, provided background information on the subject property, further details of the proposal and rationale for the project noting the property has never been used for agriculture purposes. It was noted the hotel would be built into the sloped landscape. Staff commented a portion of the property is in the ALR. Mr. Holler stated the property would need to be rezoned to commercial to allow for the operation of a hotel. Discussion and questions followed.

It was generally agreed by the committee that the proposal was well suited for that specific property and would be beneficial to the wine industry. Mr. Holler agreed to bring additional details of the project to a future meeting.

5.2 2885 Valleyview Road

The Planner 1 provided an overview of the original application for the property for a site-specific rezoning to allow for agri-tourism accommodation by converting the existing single family dwelling to an agri-tourism accommodation and build a new single family dwelling. Staff noted the ALC has since stated is not acceptable. The applicants have revised their application and are now proposing to build ten (10) seasonal accommodations on the property.

The owners/applicants provided their rationale for the application. Staff commented this revised proposal does follow ALC guidelines and is an allowable use and will require a site-specific zoning amendment by the City. Discussion and questions followed. It was suggested the impact on agriculture be minimized with respect to the location of the seasonal accommodation.

It was MOVED and SECONDED that the Agricultural Advisory Committee recommends THAT Council support the site specific rezoning application for 2885 Valleyview Road to allow for agri-tourism seasonal accommodation as presented.

CARRIED UNANIMOUSLY

5.4 ALC Decision Update

The Planning Manager provided an update on past recommendations and subdivision applications for 190 Middle Bench Road and 295 Upper Bench Road stating that both applications were denied by the Agriculture Land Commission.

6. Delegation

6.1 Agriculture Land Commission Update

Celeste Barlow and Martin Collins, Planners, Okanagan Region provided an update on the Agricultural Land Commission's recent regulatory changes for agri-tourism accommodation, wineries, carriage houses, different home changes and highlighted two major changes for gatherings for events noting they have been limited to ten events per year, per property and distilleries and breweries are now regulated the same as the wineries. There is a new policy regarding lots smaller than two acres. Discussion and questions followed.

Martin Collins provided an update on staffing and noted that the ALC is working towards better enforcement and compliance. They are also meeting with the RDOS to discuss issues. The committee was advised there will be a consultation period in March and members were encouraged to participate.

7. Terms of Reference

The 2017-2018 Terms of Reference were received for information.

8. Next Meeting

The next scheduled meeting of the Agriculture Advisory Committee to be determined.

9. Adjournment

It was MOVED and SECONDED
THAT the Agriculture Advisory Committee adjourn the meeting held on Tuesday, November 14, 2017 at 5:10 p.m.

CARRIED UNANIMOUSLY

Certified Correct:

_____

Lorraine Witowski
Corporate Committee Secretary

DRAFT

Minutes

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Agriculture Advisory Committee Meeting

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

Friday, March 2, 2018
at 3:00 p.m.

Present: Rod King, Chair
Chris Harp, Member at Large
Charlie Utz, Member at Large
Paul Gardner, Member at Large
Rebecca Ogden, Member at Large

Staff: Blake Laven, Planning Manager
Audrey Tanguay, Long Range Planner
Laurie Darcus, Director of Corporate Services
Lorraine Witowski, Committee Secretary

Guest: Donna Butler

1. **Call to Order**

The Agriculture Advisory Committee was called to order by the Chair at 3:04 p.m.

2. **Adoption of Agenda**

It was MOVED and SECONDED
THAT the Agriculture Advisory Committee adopt the agenda for the meeting held on March 2, 2018 as amended (refer to item 4.4).

CARRIED UNANIMOUSLY

3. **Adoption of Minutes**

It was MOVED and SECONDED
THAT the Agriculture Advisory Committee adopt the minutes of the November 14, 2017 meeting as circulated.

CARRIED UNANIMOUSLY

4. **New Business**

4.1 Proposed 20 Room Hotel on Agricultural Property
468 Lower Bench Road

The Planning Manager presented information on the application received for a zoning amendment for 468 Lower Bench Road to allow for a 20 suite boutique hotel with an operator dwelling unit. With a small portion of the property is in the Agriculture Land Reserve, a non-farm use application must also be submitted to the Agriculture Land Commission.

Staff reported at the Open House held on February 12, 2018, the owners received some negative and positive feedback on the proposal. The agent for the owners addressed the concerns that were raised mainly, loss of views and traffic concerns. Following public feedback, the owners have had the designs modified and the height of the building reduced to blend into the landscape better. Discussions followed on whether the lot line could be adjusted or consolidated into one parcel with Poplar Winery and how this will benefit agriculture. Following the discussion, members agreed this would be beneficial to agriculture and the Naramata Bench wineries.

It was MOVED and SECONDED
THAT the Agricultural Advisory committee supports the "non-farm use" application to the Agricultural Land Reserve (ALC) to allow for a 20 room hotel and operator dwelling unit at Lot 3, District Lot 187, Similkameen Division Yale District, Plan 23377, located at 468 Lower Bench Road.

CARRIED UNANIMOUSLY

4.2 ALR Non-Farm Use – 1053 Ohlhausen Road

The Long Range Planner presented information on the application received for a non-farm use for 1053 Ohlhausen Road. Staff noted an Earthworks permit is also required but the City cannot issue the permit until the Agriculture Land Commission has approved the non-farm use application. Discussion and questions followed. The Chair stated he would to see a professional farm agrologist's report before making a recommendation.

It was MOVED and SECONDED that the Agriculture Advisory Committee recommends:
That the staff recommendation be deferred and the applicant be advised that the committee would like an agrologist report done on the soil by a professional farm agrologist.

CARRIED UNANIMOUSLY

Charlie Utz left the meeting at 4:02 p.m.

4.3 Review of Terms of Reference

The Director of Corporate Services reviewed the committee's mandate and provided guidelines on how to run an effective meeting. Members were encouraged to contact the Corporate Office directly if they had any questions or concerns regarding procedures.

4.4 Agriculture Advisory Committee Workshop

The Planning Manager reported on the workshop staff and two members recently attended. Topics covered were the importance of terms of reference and determinants of a successful committee noting overall it was a very informative workshop.

5. **Next Meeting**

The next scheduled meeting of the Agriculture Advisory Committee to be determined.

6. **Adjournment**

It was MOVED and SECONDED
THAT the Agriculture Advisory Committee adjourn the meeting held on Friday, March 2, 2018 at 4:02 p.m.

CARRIED UNANIMOUSLY

Certified Correct:

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Lorraine Witowski
Corporate Committee Secretary

DRAFT

Minutes

penticton.ca

Transportation Advisory Committee Meeting

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

Tuesday, March 27, 2018
at 3:00 p.m.

Present: Tracy Van Raes, Chair
Connie Sahlmark, Vice-Chair
Rob Williams, BC Transit Representative (via Conference Call)
Matt Berry, Penticton Transit Representative
Ian Gerbrandt, HandyDART Representative
Karina Chambers, Member at Large
Brigid Kemp, Member at Large
Matt Hopkins, Member at Large
Kona Lynn Sankey, Member at Large

Staff: Mitch Moroziuk, General Manager of Infrastructure
Ben Johnson, Special Projects Manager
Lorraine Witowski, Committee Secretary

1. **Call to Order**

The Transportation Advisory Committee was called to order by the Chair at 3:06 p.m.

2. **Adoption of Agenda**

It was MOVED and SECONDED
THAT the Transportation Advisory Committee adopt the agenda for the meeting held on March 27, 2018 as circulated.

CARRIED UNANIMOUSLY

3. **Adoption of Minutes**

It was MOVED and SECONDED
THAT the Transportation Advisory Committee adopt the minutes of the February 27, 2018 meeting as circulated.

CARRIED UNANIMOUSLY

4. New Business

4.1 Official Community Plan Update

The Special Projects Manager presented information on the Official Community Plan review process, community engagement events to date and public feedback received regarding transportation at the OCPExpo event. The committee provided the following feedback:

- Important to consider residents who are living here and their needs and also be aware of peak seasons when collecting data for a transportation master plan;
- Mobility vehicles should be a priority and part of the biking category due their speed and size;
- Walking and biking in the Downtown core should be encouraged;
- Parking requirements for infill housing should be reduced;
- Flexibility of balance for an aging population. Different levels of access encourages fitness. Increased congestion incentivizes people to bike or walk.

The Special Projects Manager questioned if the size and design of our streets and roads could be renewed and right sized and if there were parameters that could be measured and included in a policy. The General Manager of Infrastructure commented a traffic consultant would be the one who could answer that question.

Rob Williams left the meeting at 4:00 p.m.

The Special Projects Manager reviewed the draft OCP Transportation Goals & Policies. Roundtable discussion followed. Suggestions were provided by committee members and noted by staff. The Chair encouraged members who had further comments and suggestions to email staff directly at ben.johnson@penticton.ca.

Kona Lynn Sankey left the meeting at 4:35 p.m.

The Special Projects Manager stated he will be meeting with all committee advisory groups to gather feedback related to their corresponding section in the OCP.

5. Business Arising from Prior Meetings

5.1 Letter to Interior Health – Committee Recommendation

Deferred to the next meeting.

5.2 Proposed Locations for New Bike Racks

Deferred to the next meeting.

6. Next Meeting

The next scheduled meeting of the Transportation Advisory Committee is Wednesday, April 25, 2018.

7. **Adjournment**

It was MOVED and SECONDED that the Transportation Advisory Committee adjourn the meeting held on Tuesday, February 27, 2018 at 4:25 p.m.

Certified Correct:

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Lorraine Witowski
Committee Secretary

Council Report

penticton.ca

Date: April 17, 2018 File No: 6750-01
To: Peter Weeber, Chief Administrative Officer
From: Jim Bauer, Chief Financial Officer

Subject: Smart City Challenge Application – City of Penticton

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Staff Recommendation

THAT Council approve the application for the Smart City Challenge that focuses on a Healthier Penticton for the $10M prize, with the following challenge statement:

> "Let's build a physically & mentally healthier, strongly-connected Penticton where each person has access and opportunity to maximize their health potential".

Strategic priority objective

This initiative supports the Council Priorities of Community Building, Social Development, Economic Vitality, and Environmental Sustainability.

Background

The Smart Cities Challenge (SCC) is a pan-Canadian competition, initiated through the Federal Ministry of Infrastructure and Communities and is open to communities of all sizes, including municipalities, regional governments and Indigenous communities (First Nations, Métis and Inuit). The Challenge encourages communities to adopt a smart cities approach to improve the lives of their residents through innovation, data and connected technology.

On January 9, 2018 Council approved the development of a submission for the Smart Cities Challenge and passed the following resolution:

08/2018 **It was MOVED and SECONDED**

THAT Council support the development of a submission for the Smart Cities Challenge for the $10M prize for communities with a population under 500,000; AND THAT Council authorize up to a maximum of $10,000 to be spent on the application submission from the City's 2018 Economic Development Budget.

CARRIED UNANIMOUSLY

A smart cities approach aims to achieve meaningful outcomes for residents by leveraging the fundamental benefits that data and connected technology have to offer in the areas of Openness, Integration Transferability, and Collaboration.

Community Engagement

One of the critical successes for the Smart Cities Challenge is involvement of the community. The City has integrated the needs of the Smart Cities Challenge with the work of the Official Community Plan. Community engagement activities for the OCP undertaken in January were broadened to include the Smart Cities Challenge. The following is how the OCP process has been leveraged to advance the Smart Cities Challenge:

- Using the over 1,200 citizen consultations as part of the official community plan helped identify some of the biggest challenges facing the community. The results of this work was provided to the Smart Cities team to narrow down the focus of the challenge statement.
- The shapeyourcitypenticton.ca website has been used as a central hub for residents to seek out information about the challenge and participate online.
- In January, staff conducted a multi-day exposition to invite citizens to explore the themes identified in the earlier engagement phases. The City also expanded the ExpOCP for the Smart City team to engage with citizens gather their input and also educate them on the challenge statement and the solution.

Since the ExpOCP the Smart Cities community partners further engaged with the Community through hosting a number of discussions to gather first-hand information from subject matter experts and other stakeholders in the community. They interacted with hundreds of community members to share information about the Smart Cities challenge. They gathered useful feedback about how to approach the challenge statement and the desired outcomes of the challenge projects. Speaking directly to the RCMP, CMHA, the PIB, and Interior Health as well as other groups at Okanagan College, Rotary, and the Shatford Centre, they were able to collect detailed information that will be leveraged when submitting the final proposal. They are confident that they have made connections with the right people who will provide information to inform decisions that we make when finalizing our proposal. Some of the highlights of the community engagement that has been taking place are:

- Hosted a booth at the Healthy Living Fair
- Presented at the Penticton Rotary Lunch
- Discussion with a retired ladies group - hosted by Bonnie Ross
- Discussion with students in Louise Blais' Health, Policy & Society class at Okanagan College
- Met with RCMP Superintendent, Ted de Jager
- Hosted a session where Dr. Gordon Lovegrove (UBCO) & Anita Ely (Interior Health) presented to a group of 20+ community and regional stakeholders at Cowork Penticton
- Participated in the Penticton Indian Band spring run
- Regional angel investment and mentoring meeting at Cowork Penticton
- Presentation at the Penticton Chamber Luncheon
- Student video submission contest open to students in SD67

Two unique Smart Cities surveys assisted in collecting information and distilling key themes and performance metrics. Over 1,300 responses were collected during this process.

From this work three themes for the challenge statement emerged:

Connectedness - A strong desire was communicated by residents on the theme of Community and the ability for all residents to feel included. The feedback spoke to localized community activities in various neighborhoods through to city wide community engagement efforts. Connectedness is a strong ideal in a Smart Cities approach and is clearly in line with the intents of the proposal.

Health - Physical and mental health came up repeatedly across nearly all demographics. Access to and resources available for health services are top of mind for many residents. The technology advancements in health delivery will benefit from and be enhanced by a Smart Cities approach to urban development.

Sustainability - Our environmental and economical sustainability are topics residents are passionate about and were clearly identified in all forms of feedback. Intrinsically woven into all aspects of our community, sustainability of resources is a key by product of any Smart Cities aligned project.

Based on the latest survey of the community that includes over 180 well thought out, positive responses and numerous focus group sessions the project team narrowed the theme to be "a Healthier Penticton".

Proposed Challenge Statement

Through the extensive community engagement, focus groups, and work of the volunteer project team, the following Challenge Statement has been developed:

"Let's build a physically & mentally healthier, strongly-connected Penticton where each person has access and opportunity to maximize their health potential."

To achieve this challenge statement the application proposes projects to be undertaken in the following areas:

- Community Connections
- Transportation: transit, biking
- Geographic Information Systems (GIS)
- Internet of Things (IoT)
- Community-owned data
- Access to Health
- Quality of Life

Partnerships

Critical to the success of the City's submission will be the commitment of partners to assist, not only the development of the proposal, but the eventual application submission, should the City be successful in moving onto the next stage. Efforts have been made to establish partnerships with a number of key organizations in making the application, including:

- Okanagan College
- Penticton and Wine Country Chamber of Commerce
- Regional District of Okanagan Similkameen
- Accelerate Okanagan

- UBC Okanagan
- JCI Penticton
- Community Foundation of South Okanagan
- School District 67
- Interior Health
- Division of Family Practice
- Currently in the process of acquiring letters of support from dozens of local and provincial organizations

Should the City be successful in moving to the next round, the specific role these partners will play will be determined.

Next steps

Given the short timelines for developing the application and the extensive community involvement, the volunteer project team continues to work closely with City staff to refine and finalize the specific sections of the application to meet the April 24th deadline.

The finalized submission will be made to Infrastructure Canada on April 24, 2018 after a thorough quality assurance review of the key business leaders (Keith MacIntyre, Nicholas Vincent, Louise Kozier) and the City's project sponsors (Jim Bauer, Chief Financial Officer and Anthony Haddad, Director of Development Services).

Infrastructure Canada indicates that finalists will be announced in Summer 2018. Once selected, finalists will receive a $250,000 grant to develop their submission and have until Winter 2018/19 to complete their final submission for the $10 million prize The winner is expected to be announced in spring of 2019.

Alternative Recommendations

1. THAT Council provide staff with an alternative direction for the Smart Cities Challenge application.

Attachments

Attachment A: Smart Cities Challenge – Application Guide

Respectfully submitted,



Jim Bauer
Chief Financial Officer
Approvals

Acting DDS	CAO
KK	PW

Applicant Guide

Message from the Minister

It is with great excitement that we kick off the Smart Cities Challenge.

Across the country, communities large and small are bursting with new ideas. As Minister of Infrastructure and Communities, I have been privileged to meet with leaders from coast-to-coast-to-coast and hear their bold and innovative plans to improve the quality of life for their residents. Through the Smart Cities Challenge, we will help bring these ideas and plans to life, and find solutions that achieve real and positive outcomes.

As a former city councillor, I know first-hand that local leadership understands best what their communities need. They are the first to hear about traffic congestion, trouble accessing services, or challenges with public transit. The Smart Cities Challenge will ask those leaders to team up with pioneering businesses, academia, and civic organizations to design innovative solutions to their most pressing challenges using data and connected technologies.

Canada's diverse and inclusive communities are the ideal place for new ideas to flourish. By bringing together different perspectives and diverse backgrounds it becomes easy to look at problems from a different angle. And when those talented people come together in pursuit of a common goal, they can come up with inspired solutions that will have a real and tangible impact.

I am challenging leaders to be bold and think outside-the-box. I want you to approach the Challenge through a lens of transparency, experimentation, inclusiveness, empowerment, and knowledge-sharing. And above all, I want you to think about what will have the biggest impact on the people who call your communities home.

I cannot wait to see what you come up with.

The Honourable Amarjeet Sohi
Minister of Infrastructure and Communities

Smart Cities Challenge overview

The Smart Cities Challenge is a competition open to all municipalities, local or regional governments, and Indigenous communities (First Nations, Inuit, and Métis) across Canada.

This Challenge will inspire communities across the country to define their future with the help of their residents through the use of a smart cities approach.

Winning communities will be awarded with prize money to help implement their smart cities proposals.

Infrastructure Canada is engaging Indigenous leaders, communities and organizations to finalize the design of a competition specific to Indigenous communities that will reflect their unique realities and issues. Indigenous communities are also eligible to compete for all the prizes in the current competition using the process and timelines outlined in this Guide.

What is a smart cities approach?

A smart cities approach aims to achieve meaningful outcomes for residents by leveraging the fundamental benefits that data and connected technology have to offer:

- **Openness**
  When communities make their data truly accessible, usable, and barrier-free, their decision-making processes become transparent, empowering citizens and strengthening the relationship between residents and public organizations.
- **Integration**
  Data and connected technology empower communities to break down silos that exist within local governments and public organizations.
- **Transferability**
  When tools and technological approaches are open-source, transparent, and standardized, they can be used by communities across the country, no matter their size or capacity.
- **Collaboration**
  Connected technology enables communities to bring traditional and non-traditional partners together to collaborate.

The Challenge Statement

To begin, each community will define its Challenge Statement.

The Challenge Statement is a single sentence that defines the outcome or outcomes a community aims to achieve by implementing its smart cities proposal. The Challenge Statement must be measurable, ambitious, and achievable through the proposed use of data and connected technology. Below, for illustrative purposes only, are examples of Challenge Statements, ideas of the kinds of smart cities activities or projects that could address them, and indicators on how progress might be measured.

Example 1: "Feel safe and secure"

Challenge Statement: The neighbourhood in our community with the highest crime rate will become safer than the national average.

Smart cities activities or projects:

- Establish enriched after-school programing for at-risk youth, providing them with access to technologies (digital design, 3D printing, coding) and opportunities to develop essential skills through gamification.
- Create an online platform for reporting and tracking incidents of crime that integrates resident input and city crime data.
- Install smart lighting and detection technology, integrated with first responder services, to address issues around safety and security.

Indicators of progress toward outcomes:

- Reduction in incidents reported in areas where smart lighting is installed
- Increase in attendance rates at after-school programming
- "Fear of crime" levels among residents reduced to below the national average
- Crime rate reduced to below the national average

Example 2: "Earn a good living"

Challenge Statement: After years of decline, our community will transform a former industrial neighbourhood into one of the top locations in Canada for economic growth.

Smart cities activities or projects:

- Create a single mobile app to connect people and businesses to community services, with built-in measurement of response times, user satisfaction, and feedback.
- Deliver online and digitally-enabled training programs through the local library to help workers adapt to the changing marketplace.
- Create a living lab to test new, inclusive, digitally-enabled approaches to increasing livability, harnessing ideas from online citizen engagement, and making results available through an open data portal.

Indicators of progress toward outcomes:

- Increase in usage rates and customer feedback on the mobile app
- Reduction in response times for service requests
- Increase in attendance rates and satisfaction feedback at online training and retraining programs
- Increase in level of private sector investment and new jobs

Example 3: "Move around my community"

Challenge Statement: Our community will ensure that every senior who is able to live independently at home is empowered to do so.

Smart cities activities or projects:

- Leverage geospatial and population data to better plan public transit stops close to those with greater need, and re-route traffic to create safe walking zones.
- Create a mobile app to help aging residents and their caregivers better coordinate transportation to and from different points of care and service.
- Offer wearable sensors for seniors connected to healthcare providers as a part of a pilot project to promote healthy lifestyles, encourage walking, and enable the continuous, real-time monitoring of activity levels.

Indicators of progress toward outcomes:

- Increase in mobile app usage rate
- Increase in adoption rate of wearables among seniors
- Reduction in average and maximum walking distance to transit
- Reduction in visits to emergency rooms by seniors
- Rate of seniors living independently increases by 25 percent

Example 4: "Enjoy a healthy environment"

Challenge Statement: Our community will implement preventative measures to reduce flood damage risk by 40 percent and provide every resident of at-risk areas with access to these measures.

Smart cities activities or projects:

- Deploy environmental sensors to monitor water flow amounts.
- Implement an integrated, AI-enabled, flood warning decision support system to forecast and mitigate the impacts of floods.
- Develop a user-friendly online application that uses information provided by the decision support system to alert local residents of dangerous river flow activity, in addition to providing information on preventative measures and links to social media forums.
- Work with local news and radio stations to provide frequent updates or alerts on water levels to inform residents who do not have mobile connectivity.

Indicators of progress toward outcomes:

- Faster response times by public services such as emergency responders, public works and transportation authorities
- Year on year reduction in flood risk, as determined by assessments conducted by an accredited third-party organization
- Reduction in actual or modelled flood damage costs
- Increase in dissemination of preventative measures through use of the application by residents
- Data generated is used as a basis for new land-use planning policies, resulting in increased climate-resilient growth and development

Example 5: "Be empowered and included in society"

Challenge Statement: Our community will ensure that every person without a home has access to nightly shelter, and will connect 100 percent of vulnerable residents with the services, activities, and programs that are known to reduce the risk of homelessness.

Smart cities activities or projects:

- Create a mobile-enabled digital platform that connects community not-for-profits, first responders, and municipal service providers with real-time information on shelters that have space.
- Equip shelters and service centres with customizable tools to enable online learning and help residents get trained and find jobs.
- Create an online platform to connect residents at risk of becoming homeless with personalized community services.

Indicators of progress toward outcomes:

- Increase in adoption and usage rates of the mobile-enabled digital platform
- Number of people turned away from shelters in the community on any given night is reduced to zero
- Increase in the percentage of shelter users that participates in online learning opportunities
- Reduction in rates of episodic or chronic shelter users
- Increase in adoption and usage rates of the online platform, including referral rates by participating community services

Example 6: "Live an active and healthy life"

Challenge Statement: Our community will become 50 percent more active and healthy, and achieve a measurable decrease in chronic disease.

Smart cities activities or projects:

- Create a sports and recreation "meet-up" app, allowing people to organize games, races, exercise, and training sessions spontaneously, and to reserve community facilities.
- Gamify healthy lifestyle choices, linking wearable activity trackers with real-world incentives, such as reward points.
- Create an online marketplace connecting local food growers with participating food preparers, including those in community buildings such as schools, hospitals, and government buildings.

Indicators of progress toward outcomes:

- Increase in usage rate of the meet-up app
- Increase in usage rates of community facilities
- Year on year increase in gamification participation
- Reduction in rates of adverse health outcomes associated with a lack of activity

Who can apply?

The Smart Cities Challenge is open to communities of all sizes across Canada. Applicants must represent an identifiable community and must be responsible for services in that community.

The following organizations can participate in the Smart Cities Challenge:

- Municipalities and local or regional governments established by or under provincial or territorial statute.
- Indigenous communities including First Nations, Inuit, and Métis communities (such as First Nation band and Tribal Councils, and communities under Self-Government Agreement, Comprehensive Land Claim Agreement or the Métis nation).
- A combination of organizations listed above.

A community or group of communities can only submit one application in this competition.

Communities that intend to apply are encouraged to contact Infrastructure Canada early on to confirm their eligibility.

Process and Timeline



Communities are encouraged to contact Infrastructure Canada with any questions regarding the process.

Infrastructure Canada is engaging Indigenous leaders, communities and organizations to finalize the design of a competition specific to Indigenous communities that will reflect their unique realities and issues. Indigenous communities are also eligible to compete for all the prizes in the current competition using the process and timelines outlined in this guide.

Application

Applicants should begin the Smart Cities Challenge process by engaging with residents about the most pressing issues their community faces. These consultations will help applicants define their Challenge Statements.

With their Challenge Statements established, applicants will develop the ideas and activities that will make up their preliminary Smart Cities Challenge proposal. The questions that will appear in the application form, information on how to fill it out, and evaluation criteria are provided in the Appendix: Application Instructions of this guide.

Applicants have until April 24, 2018 to complete and submit their applications on the Impact Canada Challenge Platform.

Applicants are encouraged to contact Infrastructure Canada with questions about eligibility and other application requirements prior to the deadline.

When appropriate, questions asked and answered will be made available on the Platform.

Selection of Finalists

Once applications are screened for eligibility, Infrastructure Canada will post the summaries on the Platform. Applicants will be required to post the full versions online.

Eligible applications will be reviewed by experts from inside and outside government and will then be evaluated by an independent Jury.

The Jury will select finalists by Summer 2018. Each of these finalists will receive a $250,000 grant to develop their final proposal.

Final Proposal

Finalists will develop fully-implementable final proposals that outline all design, planning, and project management components of their plans. Each final proposal must present a strong business case with clearly established milestones and measurable outcomes. Finalists will also outline their data and reporting strategy, making appropriate links to Infrastructure

Canada's Climate Lens and Community Benefits Reporting Framework. The Climate Lens will only apply to proposals related to climate change mitigation and climate change adaptation.

As they develop their final proposals, finalists will also formalize partnerships with organizations that will help them implement their projects, and will establish project governance structures.

These final proposals are due in Winter 2019. The deadline and evaluation criteria for final proposals will be made public at the time of the announcement of finalists.

Selection of Winners

Infrastructure Canada will post all final proposals on the Platform.

Similar to the applications, final proposals will be reviewed by experts and then evaluated by the Jury. Their evaluations will focus on project feasibility, strength of the business case, and clear links to the outcomes established in the Challenge Statement.

The Jury will select winners by Spring 2019.

Implementation

Winners will receive prize money through contribution agreements with Infrastructure Canada. Payments will be made once projects attain milestones that demonstrate progress towards outcomes.

Throughout implementation, winners will maintain close contact with Infrastructure Canada. Winners will continually monitor their progress and, if course corrections are necessary, they will work with Infrastructure Canada to make them.

Depending on the nature and scope of the final proposal, implementation is expected to span between 2-5 years.

Lessons learned from the entire Smart Cities Challenge process will be gathered from all participants and shared with Canadian communities.

Prizes

Prizes in the current competition:

One prize of up to $50 million
Open to all communities, regardless of population

Two prizes of up to $10 million each
Open to all communities with populations under 500,000 people Footnote *

One prize of up to $5 million
Open to all communities with populations under 30,000 people Footnote *

Infrastructure Canada is engaging Indigenous leaders, communities and organizations to finalize the design of a competition specific to Indigenous communities that will reflect their unique realities and issues. Indigenous communities are also eligible to compete for all the prizes in the current competition.

Prize money will be awarded through contribution agreements with Infrastructure Canada.Footnote 1

Applicants are encouraged to solicit additional funds from other resources to strengthen the impact and reach of their proposals.

Applicants who do not win one competition can submit a new or improved application to subsequent competitions.

The Smart Cities Challenge includes three competitions, the first one wrapping up in the Spring of 2019.

Selection of Finalists and Winners

Finalist and winners will be determined by a panel of jury members.

The Jury will be comprised of accomplished individuals from across the country who are publicly recognized in their field, have a strong track record of leadership, and have a demonstrated interest in public issues or public service. Infrastructure Canada will strive to reflect gender parity and the diversity of the Canadian population in the Jury composition.

Jury members will be selected by the Minister of Infrastructure and Communities following an open and transparent competitive process.

Privacy Notification

Personal information provided in the application form is collected for purposes relating to the Smart Cities Challenge in accordance with the Impact Canada Initiative. Individuals have the right to the protection and correction of, and access to, their personal information under the *Privacy Act*. Full details with respect to the collection, use, disclosure, and retention of personal information are described in the Outreach Activities (PSU 938) and Public Communications (PSU 914) personal information banks as found in Infrastructure Canada's *Info Source*. Should you have concerns about the INFC's handling of your personal information you have a right to file a complaint with the Privacy Commissioner of Canada.

Consent and Release Form and Confidential Annex

As transparency and knowledge-sharing is a core tenet of the Smart Cities Challenge, all information submitted to the competition will be made publicly available. Summaries of all eligible applications will be posted on the Impact Canada Challenge Platform in both official languages. In addition, all applicants will be required to post the full versions of their applications online in the language of their choice. Applicants will therefore be required to sign a *Consent and Release* form as part of their application.

There may be some circumstances where an applicant may wish to make select details of their application confidential (e.g. third party information). In this case, a "confidential annex" can be included in the application.

Communications Protocol

All applicants will be required to follow a communications protocol with Infrastructure Canada, which identifies roles and responsibilities of the Government of Canada, the applicants and finalists of the Smart Cities Challenge. The full protocol will be available as part of the application form. A separate communications protocol will be provided to winners of each competition.

Contact Information

Applicants are encouraged to contact Infrastructure Canada early in the process of developing their applications to ask questions and ensure they are on the right track.

When appropriate, questions asked and answers provided will be made available on the Impact Canada Challenge Platform.

Follow the Smart Cities Challenge on Twitter and Facebook to get the latest news about the Smart Cities Challenge. To join the conversation on smart cities, use #smartcitiesCanada on Twitter.

To learn more about how the Smart Cities Challenge advances the Investing in Canada Plan as well as about Infrastructure Canada and its other programs, visit the Infrastructure Canada website.

Email: infc.sc-vi.infc@canada.ca

Twitter: https://twitter.com/INFC_eng

Facebook: https://www.facebook.com/TransportandInfrastructureinCanada/

Impact Canada Challenge Platform: https://impact.canada.ca/en/challenges/smart-cities

Infrastructure Canada website: http://www.infrastructure.gc.ca/plan/cities-villes-eng.html

Appendix: Application Instructions

Section I: Applicant information

This section will be used to validate your eligibility as an applicant. This section will be posted online once the application is screened in.

Question 1:

Please provide the following information on your community.

- Name of community:
- Province/Territory:
- Population:
- Indigenous community: Yes/No

Tips

Applicant organizations must represent their community in an official capacity and be responsible for delivering services in that community. The following organizations are eligible to apply:

- Municipalities and local or regional governments established by or under provincial or territorial statute;
- Indigenous communities including First Nations, Inuit and Métis communities (such as band councils, Tribal Councils, and First Nation, and communities under Self-Government Agreement or Comprehensive Land Claim Agreement); or
- A combination of organizations listed above.

Population is based on the 2016 Census subdivisions.

One or more communities may partner on an application (add each community separately). Regional entities should have the support of their component communities.

Question 2:

Please select a prize category.

- $50 million (all population sizes)
- $10 million (population under 500,000 residents)
- $5 million (population under 30,000 residents)

Tips

You can select only one prize category:

- Communities of all sizes may select the $50 million prize.
- Only communities under 500,000 residents may select the $10 million prize.
- Only communities under 30,000 residents may select the $5 million prize.

For example:

- A community of 1 million residents may select the $50 million prize, but not the $10 million or the $5 million prize.
- A community of 100,000 residents may select the $50 million or the $10 million prize, but not the $5 million prize.
- A community of 10,000 residents may select the $50 million, $10 million, or $5 million prize.
- An Indigenous community of any size may select any of the prizes.
- A community of 10,000 residents partnering with a community of 100,000 residents (i.e. cumulative population of 110,000 residents) may select the $50 million or the $10 million prize, but not the $5 million prize.
- An Indigenous community partnering with another Indigenous community, regardless of their population sizes, may select any of the prizes.
- An Indigenous community of 7,000 residents partnering with a non-Indigenous community of 25,000 residents (i.e. cumulative population of 32,000 residents) may select the $50 million or the $10 million prize, but not the $5 million.

Population is based on the 2016 Census subdivisions. If the application is from multiple communities, the cumulative population determines eligibility.

The selected prize category should also correspond to the scope and scale of projects to be funded from the prize amount, as described in your preliminary proposal.

Section II: Preliminary proposal

This is the only section in the application that will be evaluated. This section will be posted online once the application is screened in. The evaluation criteria and weighting for each component of this section is stated for your reference. Please ensure that your responses are as comprehensive and precise as possible, and contact Infrastructure Canada if you have any questions or concerns.

Sub-section 1 – Problem definition (Total of 55/100)

Question 3:

Please define your Challenge Statement in a single sentence that guides your preliminary proposal. It should describe the outcome (or outcomes) you hope to achieve. (50 words max)

Tips

Your Challenge Statement should define the outcome or outcomes that address(es) an important problem in your community and should state what you aim to achieve by implementing your proposal. The outcomes must be measurable, ambitious, and achievable through the proposed use of data and connected technology.

Evaluation criteria

- Challenge Statement is ambitious, measurable, and achievable through the proposed use of data and connected technology

Weighting

40/100 (questions 3-4)

Question 4:

Please describe the outcome (or outcomes) your proposal seeks to achieve by elaborating on your Challenge Statement. (2,500 words max)

This section should include:

- Specific goals you hope to achieve by implementing your proposal, justifying both the level of ambition and the achievability of the outcome (or outcomes) sought.
- Baseline data and evidence to establish the current state with respect to the metrics used in your Challenge Statement, and context around the outcome (or outcomes) sought.
- Evidence to support the selection of this/these outcome (or outcomes) over others, in reference to the needs of the community.
- Rationale for applying a smart city approach to achieving the identified outcome (or outcomes).
- Strategy for measuring progress toward outcome (or outcomes) and achievement of outcome (or outcomes).

Tips

Preliminary proposals should demonstrate how data and connected technology can achieve a meaningful and measurable outcome (or outcomes) for residents. Information in this section should facilitate the evaluation of your Challenge Statement, both of which make up the highest-weighted factor in the selection of finalists.

Evaluation criteria

- Outcome (or outcomes) reflect(s) the true needs of the community, as demonstrated through a compelling body of data and evidence
- Outcome (or outcomes) is/are ambitious and achievable
- Outcome (or outcomes) is meaningful for the community and its residents

- The role of a smart city approach in achieving the outcome (or outcomes) is/are clearly explained, and serves as a rationale for selecting the particular outcome (or outcomes)
- Outcome (or outcomes) is/are measurable

Weighting

40/100 (questions 3-4)

Question 5:

Please describe how your community residents have shaped your Challenge Statement. Describe your plans for continuing to engage and involve them in your final proposal going forward. (1,500 words max)

This section should include:

- Descriptions of previous engagement with residents, businesses, organizations, and other. stakeholders on topics related to the Challenge Statement.
- Descriptions of feedback that came to light through past engagement processes.
- Links between the Challenge Statement and engagement feedback.
- Evidence of efforts made to be inclusive and to represent the community's diversity.
- Plans to sustain engagement through the development and implementation of the final proposal.

Tips

Meaningful engagement of residents should be done at every stage of the Challenge process. Engagement with residents and other stakeholders can be part of a broader process (e.g. town hall, public consultation, citizen advisory committee), but the problems discussed should contribute to shaping your preliminary proposal.

Information in this section should demonstrate that the outcome (or outcomes) set out in the Challenge Statement reflects the concerns and needs of the residents, and that the results of the consultations and engagement activities will inform and guide the development of the final proposal going forward.

Evaluation criteria

- Relevant consultations and engagement activities took place, exhibiting efforts to:
    - incorporate residents' input into the development of the Challenge Statement
    - take into account the views of various stakeholders in the community in refining the outcome (or outcomes)
    - encourage high participation by advertising widely and being accessible (timing, accessibility of information, physical accessibility, etc.)
    - include diverse views and represent a cross-section of the community
- Plans to sustain community engagement through the development and implementation are included and adequate

Weighting

15/100

Sub-section 2 – Preliminary proposal details (Total of 45/100)

Question 6:

Please describe your preliminary proposal and its activities or projects. (2,000 words max)

This section should include:

- Planned activities or projects to achieve the outcome (or outcomes) set out in the Challenge Statement.
- Clear links from the identified projects to the attainment of the outcome (or outcomes).
- Scope and size of each planned project in your preliminary proposal, describing how it is feasible and suitable for achieving the outcome (or outcomes) in a manner that is impactful for the community, ambitious, and transformative.
- Measures put in place to 1) make the proposal open, interoperable, scalable, and replicable or a description of your plan to do so going forward for the benefit of your own community and other communities in Canada; and 2) enable other uses of the technology, innovation, and data in your proposal.

Tips

Preliminary proposals may contain more than one project to achieve the outcome (or outcomes) identified in the Challenge Statement. Projects may seek to address different aspects of the problem. The projects could be pursued independently, but each should contribute to achieving the outcome (or outcomes) identified in the Challenge Statement. The logic connecting projects to outcomes must be clear. The description could draw on research, lessons learned, experiences from other communities, previous efforts, etc.

For example: a Challenge Statement aimed at achieving outcomes in the areas of homelessness could encompass a project that help people who are already homeless (e.g. mobile applications to connect first responders and community service providers and enable rapid matching of services to the urgent needs of homeless people) as well a project that helps people at risk of becoming homeless (e.g. broadband-enabled distance learning opportunities at community centres).

While this competition of the Smart Cities Challenge is awarding a limited number of prizes, the process aims to achieve a much broader impact. It is therefore essential that the winning proposals are scalable and replicable for other communities, enabling the sharing of what has been demonstrated to work. The use of open data approaches, industry standards, open architecture, and systems is encouraged.

Evaluation criteria

- Preliminary proposal qualifies as a smart city proposal: it achieves positive outcomes for residents by leveraging connected technology and data
- Preliminary proposal has the potential to achieve the outcome (or outcomes) through the smart city approach
- Implementation is feasible given its scope and size
- Scope and size are suited to achieving the expected outcome in a manner that is:
    - impactful for the community: preliminary proposal identifies a problem that is measurable at the onset and outcome (or outcomes) that can be measured during implementation; data either exists or can be collected to form a baseline for measuring progress

    - ambitious: scope and size are significant, but not excessive, and are appropriate for the applicant and the prize category sought
    - transformative: preliminary proposal components, processes, and mechanisms support deep, systemic, and sustainable change with the potential for large-scale impact for community residents
- Proposal is, or will be, open, interoperable, scalable, and replicable:
    - To the extent possible, preliminary proposal incorporates open standards and is interoperable with existing infrastructure, etc.
    - To the extent possible, preliminary proposal does not lock-in a community with a specific vendor in a way that hinders the community and other communities from leveraging the data for other uses through open data and in-house analytics
    - Preliminary proposal is pertinent, adaptable, and suitable for other parts of the community and other Canadian communities of various profiles that are seeking similar outcomes
    - Proposed solutions are robust, flexible, and can accommodate changing circumstances (e.g. population growth)
    - Preliminary proposal components reflect a forward-thinking approach (e.g. choosing solutions that will serve what may come and not just the most economic option to address present needs)
    - Proposal's technology, innovation, and data serve or enable (or will serve or enable) other purposes (e.g. implementation of the proposal lays the groundwork for other more advanced technological solutions)

Weighting

15/100

Question 7:

Please describe the ways in which your preliminary proposal supports your community's medium and long-term goals, strategies, and plans. (500 words max)

To supplement your response, please provide any relevant documents and make clear linkages and references.

Tips

Your preliminary proposal must be aligned to an existing or planned vision that has the components of a smart cities approach (i.e. data and connected technology). The development and implementation of its activities or projects must take place under that context. Your preliminary proposal should be related to or embodied in initiatives, plans, frameworks, etc. that are already in progress in your community.

Evaluation criteria

- Preliminary proposal is well-aligned with a larger smart cities vision for the community (e.g. the implementation of the proposal complements other initiatives)
- Preliminary proposal complements ongoing, past, or planned efforts to achieve the outcome (or outcomes), aside from the preliminary proposal
- Preliminary proposal is ambitious relative to current or previous initiatives

Weighting

5/100

Question 8:

Please describe your community's readiness and ability to successfully implement your proposal. (1,000 words max)

This section should include:

- Experience with implementing complex projects (i.e. multi-stakeholder, multi-dimensional) that span multiple business lines and functional units.
- Structures, processes, and practices in place or planned for managing and implementing complex projects that span multiple business lines and functional units.
- Organizational strengths and potential weaknesses for managing and implementing a smart city proposal, and plans to address weaknesses to ensure successful proposal management and implementation.

Tips

You should continue to develop your state of readiness as you proceed with the competition. You should describe your state of readiness at this point in time as evidenced by your experience with advancing complex projects and the preparations you have made or plan to make to implement your proposal.

Information in this section could include establishing or assigning dedicated senior positions with accountabilities to manage and enable organization-wide innovation. It could also involve creating dedicated teams, such as innovation labs, to facilitate the planning and executing of experimental or innovative projects.

Where applications are from multiple communities, describe the mechanisms through which various players (e.g. municipal departments, service delivery agents) involved in the proposal have been or will be managed.

Evaluation criteria

- Applicant has implemented smart city or other complex projects in the past, which have yielded positive results and lessons learned
- Applicant has put in place or plans to have organizational structures, processes, and practices to implement the proposal
- Applicant has put in measures or has plans to address potential organizational weaknesses

Weighting

10/100

Question 9:

Describe your plan for using the $250,000 grant, should you be selected as a finalist. Provide a high-level breakdown of spending categories and an accompanying rationale. (500 words max)

Tips

The grant should only be used for activities that relate directly to the development of your final proposal. These can include staffing, professional services, feasibility assessments,

capacity building, small-scale pilots, community engagement and communications, data, and relevant training.

In their final proposals, finalists will be required to report on how the grant was actually spent.

Evaluation criteria

- Plans to use the grant reflect an appropriate use of funds, and a sensible balance between bringing in outside help and building capacity within the organization
- Applicant is aware of gaps in its ability to implement, and has begun to or plans to address these gaps through the grant or by other means (e.g. building management capacity and IT talent, creating dedicated resources or teams to champion innovation, supplementing other sources of funding devoted to experimentation and innovation)

Weighting

5/100

Question 10:

Describe the partners that are or will be involved in your proposal. Where partners are not yet determined, describe the process for selecting them. (500 words max)

This section should include:

- A description of existing partners (what type of organization, what they do, etc.), their relevance, and expected contribution to the outcome (or outcomes).
- Where partners are not yet determined or where it is anticipated that additional partners are required, describe the process for selecting them.

Tips

Partners who are involved should be those necessary for the success of the proposal. Partners can be from areas such as private sector, not-for-profit, public utilities, research/academia, civil society, public or national organizations/groups, and project incubators.

Communities do not necessarily need to establish commercial relationships with technology vendors or service providers at this stage. Rather, this section should provide information on the processes (e.g. procurement strategies) that are in place to bring them on board at a later stage.

Evaluation criteria

- Overall partnership development approach is described, some partners are identified, and all major players are brought on board (confirmation of the exact capacity not required at this point, but they have indicated their willingness and interest in committing to the proposal)
- All identified and planned partners are relevant and have clear roles and responsibilities in the execution of the proposal (expected contributions such as skills, expertise, and resources are included as available)
- As appropriate, partnerships involve diverse types of organizations
- Should gaps in the partnership approach be noticed, processes are in place to bring on additional partners reflect sound practices and appropriate roles and responsibilities

Weighting

10/100

Question 11 (confidential annex):

Please provide, if and only if required, confidential third party information. Information provided in this section will be exempt from the requirement to be posted online. (500 words max)

Third party information in this section should be supplemental to the information provided elsewhere in the application and be limited to those details that are deemed confidential. Please clearly indicate which question(s) the information provided in this section relates to.

Tips

One of the goals of the Smart Cities Challenge is to encourage as much transparency as possible among applicants, potential applicants of future rounds, other communities, stakeholders, and with the general public.

Summaries of applications with links to the full versions of eligible applications and supporting materials will be posted online to promote transparency and knowledge-sharing.

This is the only question in Section II of the application that is exempt from the requirement to post online.

Evaluation criteria

- Information to be considered in the evaluation of the questions it relates to
- Only confidential third party information is included

Section III: Other requirements

This section has no bearing on the evaluation, but is required to complete the application. This section is not required to be posted online with the exception of questions 12 and 13.

Question 12:

Provide a 200-word summary of your preliminary proposal. You may also provide an image that represents your preliminary proposal.

This summary, along with your Challenge Statement, will be posted online in both official languages.

You have the option of providing the summary in both official languages. If you provide it in one official language, Infrastructure Canada will translate it prior to posting online.

Tips

This is your opportunity to showcase your preliminary proposal to audiences interested in smart cities projects across the country and internationally. Make sure you include the major components of your preliminary proposal to attract the attention of readers, including potential partners in developing your final proposal. Do not restate your Challenge Statement, as Infrastructure Canada will use it as the title of your summary.

If the optional image is provided, it will appear online next to your Challenge Statement and summary.

Question 13:

Provide a link to the online location where you will post the full version of your application.

Tips

To meet the Smart Cities Challenge goal of openness and transparency and to encourage dialogue among residents and stakeholders, all eligible applications will be required to be posted online by the applicant.

Question 14:

In accordance with your governance structure, provide evidence of the commitment to your preliminary proposal from your community's leadership. This can be a letter of support with signatures from your mayor(s), chief(s), or equivalent or a council resolution, a band council resolution, etc.

Tips

This document should clearly demonstrate the commitment of community leadership to the outcome (or outcomes) set out in the Challenge Statement and to following through with the proposal throughout the competition. It could outline elements such as the community's suitability as a candidate in the Smart Cities Challenge, readiness to be in the national and international spotlight as a smart city, commitment from the organization to provide the necessary political and logistical support, alignment with the local or regional focus and vision, reference to council resolutions, etc.

If there is more than one community, a single, consolidated document is required (e.g. provide a single support letter signed by each of the communities' mayor, chief, or equivalent).

Question 15:

Please identify the point of contact for the application.

- Name:
- Title and affiliation:
- Phone number:
- Email address:

Tips

This point person will liaise and communicate with Infrastructure Canada throughout the competition and must have the ability and authority to speak on behalf of the applicant on all matters relating to the application. This information may be updated at any time by the applicant by contacting Infrastructure Canada.

Where the application is from multiple communities, a single lead is required.

Question 16:

Read the Privacy Notification, Consent and Release form, and Communications Protocol and indicate your agreement.

Section IV: Survey questions

This section has no bearing on the evaluation, but is required to complete the application. This section is not required to be posted online. This information is meant to help Infrastructure Canada better understand the profile of applicants, collect baseline data about communities, and improve and adjust the Smart Cities Challenge process in the future. This information may be publicized for statistical analysis and reporting purposes, but only aggregates will be used (i.e. communities will not be identified). You may provide estimates wherever information is approximate or unavailable.

Question 17:

Please provide the following information about your organization.

- 2017 full-time equivalents (FTEs):
    - Number of total FTEs
    - Percentage of total FTEs devoted to innovation
- 2017 operating and capital budgets:
    - Total operating budget
    - Percentage of total operating budget devoted to innovation
    - Total capital budget
    - Percentage of total capital budget devoted to innovation

Tips

This information will not be assessed, but will help Infrastructure Canada to establish a baseline of applicants' overall investments in innovation. A key goal of the Smart Cities Challenge is for communities to strengthen and develop their capacity in this area. By collecting data at the outset, we will be able to measure progress. If definitive data is not available, you are encouraged to provide estimated figures.

Innovation refers to the delivery of new or significantly improved services; the development of new or significantly improved processes that contribute to the efficiency and effectiveness of operations; or the development of new or significantly improved organizational structures or external partnerships to better manage, set, and meet strategic objectives.

For example, innovation could include management time devoted to improving service delivery and efficiency of the organization, experimentation with new solutions, investments in new technology, etc., but not administrative tasks, overhead, maintenance, ongoing operations, regular capital replacements, etc.

Information in this section should refer to the applicant organization (i.e. the municipality, local or regional government, or Indigenous community organization). Only provide quantitative information here (numbers for FTEs and dollar amounts for budgets). For the purpose of this question, 1.0 FTE is equivalent to $80,000 in salary including benefits. FTE figures can be fractional, representing the portion of time spent by staff on these areas.

If your application is being submitted by multiple communities, add each community separately.

Question 18:

Please select the focus area of your preliminary proposal.

If your preliminary proposal seeks to achieve outcomes that span more than one area, you may choose up to two.

- Economic opportunity
- Empowerment and inclusion
- Environmental quality
- Healthy living and recreation
- Mobility
- Safety and security

Tips

Infrastructure Canada wants to better understand the priorities of communities that are applying to the Smart Cities Challenge. While your community will no doubt have priorities across all of the areas listed, we are asking you to select no more than two as the primary areas of focus for your Smart Cities Challenge application.

Economic opportunity: residents are supported by a thriving local economy. Examples of outcomes in this area could include: increased employment opportunities; reductions in processing times for business permits; improvements in skill levels in the local labour force; etc.

Empowerment and inclusion: residents are supported and given the opportunity to participate in the community. Examples of outcomes in this area could include: reduced homelessness rates; reductions in the number of institutionalized children and youth; better integration of newcomers, refugees, youth, seniors, visible minorities, etc. in the community; opportunities to participate in, and to be informed about, the democratic process/decisions affecting the community; etc.

Environmental quality: residents are able to enjoy a healthy environment. Examples of outcomes in this area could include: reduced greenhouse gas emissions; reductions in environmental contaminant levels; habitat preservation or renewal; etc.

Healthy living and recreation: residents are able to live an active and healthy life. Examples of outcomes in this area could include: increased access to recreational programming; availability of remote health services; reduction in adverse health outcomes, etc. Mobility: residents can move freely within their community. Examples of outcomes in this area could include: increased accessibility to public transportation; reduced first mile/last mile gaps; reduction of congestion; etc.

Safety and security: residents live in a safe and secure community. Examples of outcomes in this area could include: reduced crime rates; increased safety for women; improved emergency response times; etc.

Question 19:

Select all the community system/service areas expected to be implicated in your preliminary proposal.

There is no limit to the number of community systems/service areas you may select.

- Arts and culture
- Economic development

- Education and training
- Emergency services and enforcement
- Environment
- Land use planning and development
- Public health
- Recreation and parks
- Roads and transportation
- Social services
- Waste
- Water and wastewater
- Other: please specify

Tips

Infrastructure Canada would like to understand the relative distribution of community systems and service areas in Smart Cities Challenge applications. These are some common systems and services that communities have in place. There is no limit to how many you can select – you are encouraged to mobilize and connect different community systems and services to achieve your outcome.

Arts and culture can include language, libraries, and heritage.

Economic development can include job creation, economic diversification, talent attraction, tourism promotion, investment attraction programs, innovation centres, incubators, and accelerators.

Education and training can include schools, colleges and universities, adult education, and training programs.

Emergency services and enforcement can include fire, paramedic, or police services, and emergency preparedness.

Environment can include climate change mitigation and adaptation, disaster mitigation, natural asset management, biodiversity and habitat preservation, and greenspaces.

Land use planning and development can include permitting and zoning and related by-laws.

Public health can include clinics, hospitals, and healthy living programs, responses to public health emergencies, and animal and pest control.

Recreation and parks can include facilities and services related to community centres, fitness, and sport.

Roads and transportation can include parking, road safety, public transit, road and sidewalk maintenance, traffic, transportation planning, trails, bike lanes, waterways, air transit to remote communities.

Social services can include housing, children's services, employment and financial assistance, services for seniors, immigrants, and youth, and food security.

Waste can include waste collection, dumps, recycling programs and facilities, waste reduction and management.

Water and wastewater can include sewers, wells and septic systems, drinking water, and water in the environment (wetlands, greenspace, beaches, rivers, streams).

Question 20:

Select all the technologies expected to be implicated in your preliminary proposal.

There is no limit to the number of technologies you may select.

- Artificial intelligence (AI)
- Assistive technology
- Augmented reality (AR) or Virtual reality (VR)
- Autonomous and connected vehicles
- Big data analytics
- Cloud computing
- Enterprise solutions
- Environmental monitoring
- Geospatial
- Health or Medical technology
- Internet of Things (IoT)
- Mobile applications
- Networks
- Open data platforms
- Payment platforms
- Sensors
- Video analytics
- Wearables
- Other: please specify

Tips

Infrastructure Canada is interested in understanding the range of technologies that communities are considering as part of their Smart Cities Challenge applications. These are some technologies commonly associated with smart city projects.

There is no limit to how many you can select as you are encouraged to use different technologies to achieve your outcome (or outcomes).

Council Report

penticton.ca

Date: April 17, 2018 File No: 1970-01
To: Peter Weeber, Chief Administration Officer
From: Jim Bauer, Chief Financial Officer
Subject: **Property Taxation Distribution Policy**

Staff Recommendation

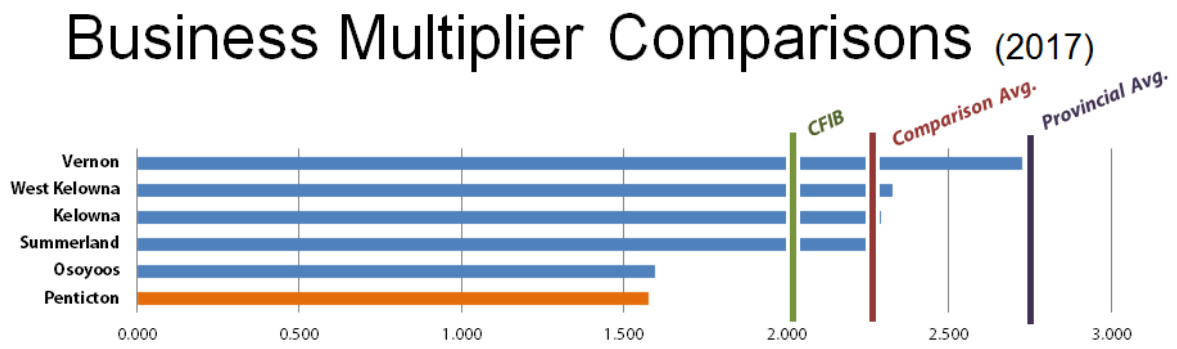
THAT Council approve the Property Taxation Distribution Policy.

Council Priority

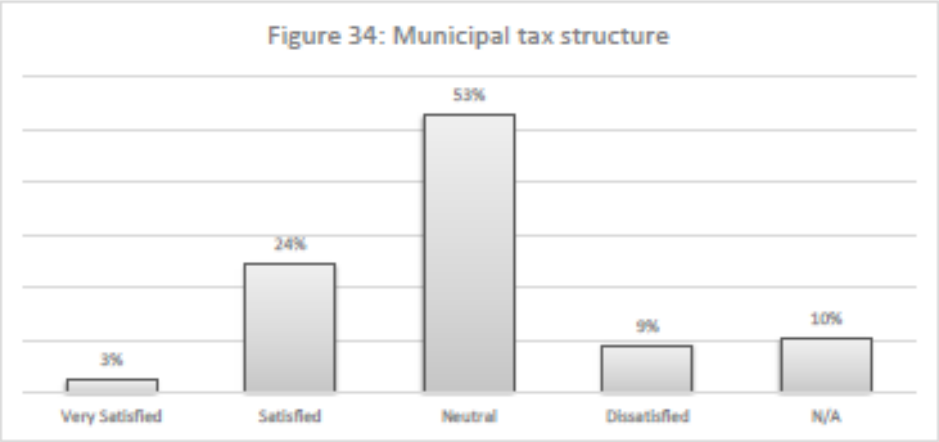
Property taxation supports the Council priorities of economic vitality and fiscal sustainability.

Background

Resolution 226/2017 directed staff to commission a review on the business competitiveness of the City of Penticton. This direction was based in part on a review of Penticton's business multiplier as compared to other communities and the provincial average.



With the establishment of a strategic approach for the Economic Development Department, work was undertaken in several areas to explore business competitiveness. Included in the Strategy was an extensive and comprehensive Business Climate Survey of a significant cross-section of current local businesses. This survey revealed more than 50% of the participants were neutral in regards to the municipal tax structure, reflecting the municipal tax structure is regarded as fairly positive.



The municipal tax structure was overall regarded as acceptable, with some respondents commenting that they are satisfied to very satisfied with the municipal tax structure. Only 9% of the participants indicated that they were dissatisfied with the municipal tax structure. Generally people are never happy with taxes, given that assumption, these results are really fairly positive.

The Finance Division commissioned a separate report prepared by Mr. Jackson CPA-CGA, who possesses over 30 years of experience in property taxation within British Columbia, to recommend practices for Property Tax rate setting in Penticton to establish a fair, transparent, stable and equitable distribution of property tax among all property classes.

Analysis

The conclusion of Mr. Jackson's report determines that the City of Penticton has been successful in its goal of supporting and retaining business development and for many years has been near the lowest business ratio in the province. It recommends that the City adopt the revenue neutral approach to rate setting, applying general municipal changes equitably across each class of property and allowing the ratios themselves the move with the assessment market forces.

This would mean that a property realizing the average change in assessment for their type would also see a change in their general municipal taxes payable in line with the change determined to be required during City budget deliberations.

Class 1 Residential Example (13% average market assessment increase and 3.44% budget increase):

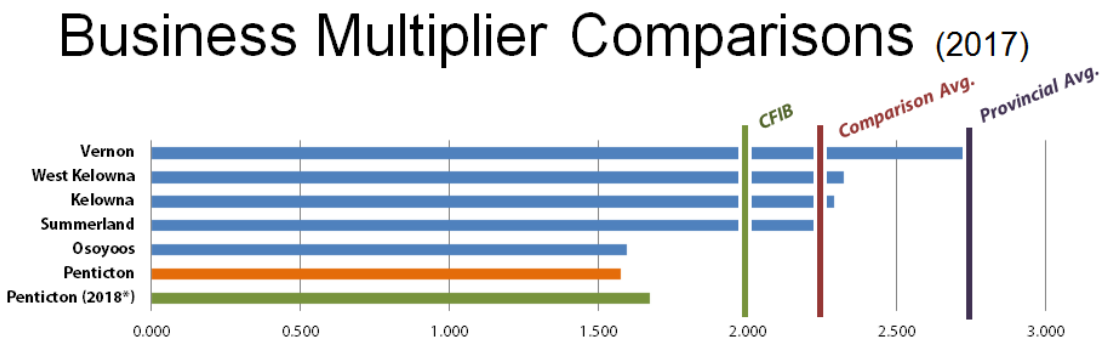
Tax Year	Taxable Assessment	General Municipal Taxes Payable	Taxes Payable Change	Ratio
2017	$368,202	$1,595		1.00
2018 (Status Quo)	$416,068	$1,657	3.89%	1.00
2018 (Revenue Neutral)	$416,068	$1,650	3.44%	1.00

Class 6 Business Example (6% average market assessment increase and 3.44% budget increase):

Tax Year	Taxable Assessment	General Municipal Taxes Payable	Taxes Payable Change	Ratio
2017	$1,082,294	$7,408		1.58
2018 (Status Quo)	$1,147,232	$7,221	(2.52%)	1.58
2018 (Revenue Neutral)	$1,147,232	$7,663	3.44%	1.68

When using the preliminary assessment information from the 2018 Completed Roll and 2018 Non-Market Change Roll Comparison with the 2018 General Municipal Taxation Revenue amount set in 2018 budget deliberations, we can see that when applying the revenue neutral approach to rate setting the taxes payable change for each type of property would remain at 3.44% even though the Class 6 Business ratio moves to 1.68.

Ratios would continue to be reviewed each year during the rate setting to monitor for adjustment in the event they exceed provincial or comparative municipality averages, or in the case of Class 2 Utilities, the provincially mandated maximum cap.



* *Estimated based on 2018 Completed Roll assessment data.*

This approach is fair to all property classes. Each property class pays the same dollar amount in taxes as they did the previous year, prior to any Council approved tax increases or decreases. Council controls the effect tax decisions have on property owners and it is easy to estimate what taxes will be collected. It is understandable for the public and taxpayers can verify that they are being billed correctly. It is consistent to owners of all classes of property.

Alternate recommendations

THAT Council provides alternate direction for the Property Taxation Distribution Policy.

Attachments

Attachment A – Property Tax Analysis & Policy Consultant Report
Attachment B – Property Taxation Distribution Policy

Respectfully submitted,

Jim Bauer

Chief Financial Officer

Approvals

CAO
PW

Property Tax Analysis & Policy

City of Penticton

Prepared for: Jim Bauer, Director of Finance, City of Penticton

Prepared by: Garry Jackson, G Consulting

February 28, 2018

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Introduction

Each year Municipal Councils are faced with not only the requirement to prepare a Financial Plan, but also must make a decision as to how the required taxation will be distributed amongst the various classes of property. The City of Penticton requires tax rates and multipliers that will establish a fair and equitable tax distribution between residents and businesses.

I have prepared this report to outline the Municipal Property Taxation process in British Columbia and to examine the methods and approaches of this distribution of tax burden, and included recommendations to future tax policies. In this report, I will be referring to Class 1 Residential and comparing it to the Business class (class 5 and class 6) in a generic manner as these two classes are very similar and tend to have very similar rates. I will not be considering other property classes in depth, as they don't contribute a significant amount to City revenue.

Elements of a Good Property Taxation System

Most people would agree taxes are necessary to raise revenue. This should be done without the side effect of changing people's behavior. Taxes should be, "fair", this means that people in the same situation pay the same tax, or, that people who can afford to pay more do pay more. Fairness of course becomes a matter of debate, as does "what determines the same situation." Additionally, the process of taxation needs to be responsive, open, and politically accountable: people need to know how much they are paying in taxes, how their taxes are calculated, and have a meaningful input into the policy formation process.

When designing property tax policies, there are difficult trade-offs and choices to be made. There are trade-offs between fairness and revenue needs. Fairness, for example, may mean giving low-income people and certain other individuals and organizations some form of property tax relief, such as tax exemptions. This costs municipal governments revenues, and raises the tax burden on other taxpayers.

Choices must be made from time to time to ensure fairness and maintaining stability. Fairness means that existing inequities in the property tax system should be removed as quickly as possible; yet when inequities are removed, some people will face unanticipated increases in their property taxes, creating hardship. It is important to remember that each change that is made to ensure "fairness" for one group will inevitably bring outcries from others. Given limited resources, and limitations on how property taxes can be calculated, the challenge is to create a system that all groups feel is balanced to reflect their values and needs.

Goals for a Good Tax System

Neutrality

Taxes should not distort economic behavior, including decisions about where to live and work and what improvements to make to one's property. If taxes are a large component of decisions they are not achieving the correct goal and cannot be said to be neutral.

Example of Neutrality

When an entrepreneur is deciding where to set up their business, property taxes should not have a major affect on their location decision. Taxes are one component of many decision points. These include transportation requirements, location of customer base, availability of workers, climate, and other operational costs. Unless property taxes are significantly different in one location or another they will not be a deciding factor in location.

Fairness

The tax system should be fair in its relative treatment of taxpayers in the same property class as well as taxpayers in different tax classes.

Examples of Fairness

Fairness can be thought of in terms of 'vertical equity', 'horizontal equity' and the application of the 'benefit principle'. These terms are defined below.

A. Vertical Equity

People who have a greater ability to pay taxes should pay higher taxes.

Example of Vertical Equity

1. Residential homes assessed at $375,000 at a property tax rate of $4.00 per thousand pay $1500
2. Residential homes assessed at $125,000 at a property tax rate of $4.00 per thousand pay $500

Property 1 pays 3 times as much property tax as the property 2. According to the principle of vertical equity, this is good, because they have a greater ability to pay taxes.

It is important to note that vertical equity in property tax is referring to ability to pay as measured by value of property owned. It disregards the income or financial situation of the property owner.

These aspects are dealt with by using other policies for low income families, seniors, and others with a reduced ability to pay taxes. Some of these tools are Provincial exemptions, deferrals, and Home Owner Grants.

Taxes on Commercial properties are calculated with the same vertical equity based on the value, except their value is establish slightly differently, which will be discussed at a later point in this report.

B. Horizontal Equity

Properties that are the same in all relevant respects should be treated equally.

Property one and Property two are houses in different parts of the same community both assessed at $335,000. The two properties are the same assessed value, and pay the same taxes. According to the principle of horizontal equity, this is a good thing.

A commercial property with the same $335,000 value would be taxed on that same value; however, the taxes would be different because the property tax class is different and therefore the property is not the same in all respects.

Again, remember the relevant dimensions for horizontal equity here is not income, but rather wealth as measured by assets (property value).

C. The Benefit Principle

People who benefit more from government services should pay more in taxes to support those services. This is a very easy goal to get acceptance in principle. The difficult part is to get people to agree on a measure and balance of benefits received. For example some services such as sewer, water, garbage collection, and other city services are paid for at least in part by the direct users in the form of a fee for use.

Many services such as emergency and protective services, parks, libraries, roads, and snow removal are considered service for the greater good and available and paid for by all tax payers. That would include the administration cost of council and staff in managing the Municipality, which some might argue is not a greater good. The amount of benefit from these types of services cannot be measured as they are used in a varying extent or not at all by some taxpayers.

One of the arguments often raised is some areas of the City have more services than others. Some streets might have streetlights, sidewalks and paved roads and others may not. This argument is countered by the fact that they are being taxed on the value of the property which is established in the open market. Therefore, if many services are available or adjacent to the property, it is reflected in the value and they are paying tax because of the added value.

The issue of benefits received is also raised in the discussions of commercial property as they make use of quite different amenities than individual residents and are not easily compared. They do have the ability of deducting property taxes from their income, which individuals do not and that can be a substantial benefit. They also benefit from the availability of a good consistent workforce and a good customer base of residents depending on their type of operation. In addition, the services of the city may be more used and costly to maintain for business operations, such as policing and snow cleaning from commercial streets that may have a higher priority than residential side streets.

There is another very new and current debate raging in larger Cities like Vancouver and Victoria and now spreading to smaller communities around "people services", including social assistance and public housing. Does the benefit principle apply to these programs? Some argue against shifting the financing of these programs to property taxes and hold the view, "Property tax is not equipped to deal with impacts from economic downturns when welfare costs soar and other revenues drop…. Social assistance and public housing ought to be funded from the income tax base, not from property taxes." That is left to the wisdom of Municipal Councils across the Province.

Stability

Taxes should not fluctuate dramatically from year to year and taxpayers should have a reasonable estimate of what future taxes will be in the absence of changing individual circumstances.

Example of Stability

Taxpayers should be able to predict within parameters what their tax bill will be from one year to the next. Their property taxes for the current year will be a reflection of the decisions Council has made as to service levels, and the total taxation requirements. They must also determine the changes in assessed value to their property as compared to all property in the same class. If their property value changes in the same proportion to all others in the class, their property tax will not change because of value changes.

Any changes in taxation will be a result of their individual value changing at a different rate than the average change within their class, or because Council has made a decision to adjust tax revenue or redistribution of taxes from one class to another.

Property taxes will not necessary increase due to rising property values.

Flexibility

Taxes should respond to changes in economic circumstances in a timely manner.

Example of Flexibility

When transportation is improved in some way, owners of property close to the improvements will be affected. Some will be hurt by increased noise, others will gain from quick and frequent public transit within the city. The benefits and costs of owning property close to any amenity will be reflected in changes in property values. People whose property becomes more valuable because of good access to public transit should see an increase in the assessed values of their homes, and their property taxes.

Accountability (Political Responsibility)

The goal of accountability means that governments should be accountable to taxpayers both for the amount of taxes paid and the use of government revenues. The amount a household pays in property taxes is the assessed value of their property times the property tax rate. Accountability means that people know who is responsible for assessing the value of their property and how to appeal their assessment. Accountability means that people know who is responsible for setting the property tax rate and know who to complain to if they think taxes are too high or too low. Accountability means that people can find out the relationship between the taxes they pay and what they get for them. People know who sets policy.

Example of Accountability

The amount any one household pays in property taxes depends upon decisions of three different players. Property assessments are done by British Columbia Assessment Authority based on market value. If taxpayers disagree with this value they have an opportunity to appeal and go through a process to ensure their assessment is fair.

Municipalities set tax rates for municipal services; however, in a few situations the City's choice of tax rates are constrained by provincial government policies.

School taxes, Municipal Finance, BC Assessment, Regional District, Regional Hospital, Library, and Transportation are all other taxes that could be collected by Municipalities as part of people's property taxes bills, which do not go to the City revenue.

Given this complicated tangle of responsibilities, it is important that the public be educated as to who is accountable for each part. Understanding of a situation fosters acceptance.

Simplicity and Transparency

The tax system should be simple. For the City, simplicity means the tax system is easy and relatively inexpensive to administer. Compliance to regulated requirements and established policies should be efficient and effective. Council should easily be able to understand the requirements they must follow when setting tax rates, and the effect of these decisions on the individual taxpayer and the community as a whole.

For taxpayers, a simple tax system is one that is easy to understand, the tax they must pay is verifiable and is transparent as to how it was calculated.

Example of Simplicity and Transparency

A tax system is simple if the cost of running the tax system uses a small percentage of the revenue raised. People's property tax assessments and bills arrive on time and are simple and easy to understand.

Examination of the British Columbia Property Tax System

In 1974, the British Columbia Assessment Authority was formed with the responsibility of valuing all properties and improvement in the province of British Columbia. Prior to this time, each Municipality had an Assessment office that was part of the Municipal operations.

This was changed for two reasons:

1. The public had the impression the taxes could be raised at any time by raising assessments, since it was the municipality that determined the assessments. We sometimes still hear that erroneous comment today.
2. Secondly, by having an independent entity determining assessments across the province, the evaluations are more consistent.

Following the formation of the British Columbia Assessment Authority, the Variable Tax Rate System was introduced. It was the genesis of the current variable tax rate system used in the Province of British Columbia today.

- This system allows each municipality to set their own individual rate for each class of property with some exceptions.
- The British Columbia system is often recognized as one of the most highly evolved, fiscally equivalent property tax systems in North America.
- Standardized property assessments are exceptionally uniform at market value across the province. It has been studied by other Provinces and other government jurisdiction around the world.

Property taxation is the main source of revenue for local governments. Municipalities have authority under Part 7 of the Community Charter to tax property owners. Property taxes generally pay for local government administration, staffing, debt servicing, leases, and the costs to provide services to the community. These are services of the greater good and are not generally subject to user fees.

Examples of these services include:

- Libraries;
- By-law enforcement;
- Fire & police protection;
- Parks, roads, and street lighting, sidewalks and many more.

Property Tax in British Columbia is essentially a wealth tax. The measure of wealth in this case is property and the underlying value of that property. You may not have cash, but you have wealth by owning property. Municipalities set their annual tax rates based on the revenue needs set out in their financial plan.

Municipalities are required to collect taxes on behalf of:

- Regional Districts
- School Districts
- Hospital Districts
- BC Assessment Authority
- Municipal Finance Authority (MFA)
- Where applicable Transit Authorities.

All of these Authorities either provide a rate to be applied or a requisition that must be paid for which Municipalities must calculate the rate.

The taxation process starts with the assessment values received from the British Columbia Assessment Authority. This value is called market value.

Why market value is used:

i. Fair - properties with similar values pay similar taxes
ii. Easy to confirm - information as to assessed value is public information and can be found on-line at British Columbia Assessment Authority website
iii. Internationally recognized as the fairest system for distributing the property tax burden
iv. Easy for taxpayers to understand
v. Values change annually based on what is happening in local market

The Role of Property Assessments in Municipal Taxes

Property assessments are the bases of the British Columbia Municipal tax system.

Assessed value measures how much a property should be taxed. In the current British Columbia system, the assessment is an estimate of the market value of the property on July 1 of the previous year. A "market value" system means that property assessments are based on potential selling prices at a specific point in time – such as the reference date July 1. The British Columbia Assessment Act defines "market value" as the most probable selling price had the property been sold by a willing seller to a willing buyer. When determining the market value of a property, assessors consider size, layout, age, location, quality and condition of buildings, selling price of comparable properties, and available services in the area.

Property Classification (or Property Class)

A property classification is a grouping of the same type of property for assessment and taxation purposes. When all the properties have been valued they are placed in one of nine property classes. It is possible to have more than one class of land and improvements for a single property with the appropriate portion being placed in the applicable class. There are some properties that are valued not on market value but are regulated by the Provincial government and taxed on as established values. These include:

- Continuous structures such as railways, pipelines, and telecommunication lines.
- Major industrial properties such as pulp mills and saw mills and ports
- Farm properties used in the production of agricultural products.

The classes and their definition are as follows:

Class 1- Residential - This represents 87% of the folios on the provincial roll and includes:

- Single-family residences
- Residential condominiums
- Seasonal dwellings
- Vacant residential land
- Mobile home parks
- Farm buildings
- Daycare facilities

This class represents approximately 83.7% of the City of Penticton Assessments in 2018

Class 2 - Utilities

- Utilities structures and lands used by:
- Railways
- Pipelines
- Electrical generation
- Transmission utilities
- Telecommunication transmitters

(does not include offices or sales outlets)

These structures are valued using legislated commissioner's rates not market value.

This class represents approximately 0.3% of The City of Penticton Assessments in 2018

Class 3- Supportive Housing

Eligible supportive housing property (which is designated by the Provincial government), means property that is used by or on behalf of a person who received funding from the government in the preceding calendar year for the provision of supportive housing, it integrates long-term housing and on-site support services for persons:

- Who were previously homeless;
- Who are at risk of homelessness;
- Who may also have mental illness;
- Recovering from drug or alcohol addictions; and
- Who experience other barriers to housing.

The portion of property used for supported housing must be assessed at a value of $2 to be a portion of $1 for land and $1 for buildings.

This class represents approximately 0% of The City of Penticton Assessments in 2018, although there are 10 properties.

Class 4 -Major Industry

This class includes:

- Mines
- Smelters
- Mills (lumber and pulp)
- Building used for refitting and repair of ships
- Loading cargo onto ships or barges
- Cargo storage unloading facilities

These improvements are valued using legislation costing manuals and depreciation rates; land is valued based on market value.

This class represents approximately 0% of The City of Penticton Assessments in 2018

Class 5- Light Industry

Includes property used or held for:

- Extracting
- Processing
- Manufacturing and transporting of products and ancillary storage
- Scrap metal yards
- Gathering pipelines
- Wineries excluding sales areas

This class represents approximately 1.3% of The City of Penticton Assessments in 2018

Class - 6 Business / Other

Consists mostly of commercial properties including all land and improvements not included in class 1 to 5 and 7 to 9. This is a catch all class.

This class represents approximately 14.4% of The City of Penticton Assessments in 2018

Class 7 - Managed Forest

This is privately own forest land property for which an acceptable forest management commitment has been made that is approved and complies with a private management forest land act value using commission rates to determine value.

This class represents approximately 0% of The City of Penticton Assessments in 2018

Class 8 - Recreational Property

This class consists of two very different categories of land. The first is used for outdoor recreational facility for such activities:

- Golfing
- Skiing
- Tennis
- Public swimming pool
- Water slides amusement parks
- Marinas
- Hang gliding facilities

Improvements on the land such as clubhouses of these properties fall into class six.

The second type in this class is properties used for at least 150 days per year as a place of public worship or as a meeting hall by a non-profit fraternal organization. The 150 days cannot include activities with paid admission or the consumption of alcohol.

This class represents approximately 0.2% of The City of Penticton Assessments in 2018

Class 9 - Farm Land

Farm must produce the prescribed amount of qualifying primary agricultural products for sale such as crops or livestock. All farm structures including the farmers dwelling are classified as residential land.

Values of farm land are based on regulated rates.

This class represents approximately 0.1% of The City of Penticton Assessments in 2018

Properties are Valued in One of Three Ways

Direct Comparison Approach

The Direct Comparison Approach estimates market value based on the sales of comparable properties. It assumes that an informed purchaser would pay no more for a given property than the cost of acquiring a comparable property.

When using the direct comparison approach, the sales price of comparable properties may be adjusted to reflect value trends in the market, location, or physical characteristics. Once the sale price of a comparable property is adjusted, the reconstructed value reflects the "probable selling price" of the property being appraised.

Using the Direct Comparison Approach to value is most appropriate when the market is active when many properties with similar characteristics are selling. This approach is used for all residential property and some commercial properties.

Cost Approach

The Cost Approach is a form of market value assessment. It assumes that an informed purchaser would pay no more for a property (land and buildings) than it would cost to buy a similar piece of land on which a building is constructed with characteristics comparable to the property to be purchased.

The market value of a property is estimated as:

Value of Land + Cost of Improvements (i.e., Building) - Depreciation = Total Value of Property

Depreciation has three components:

- Physical Depreciation - loss in value due to normal wear.
- Functional Depreciation - loss in value due to the structure's inability to function effectively.
- Economic Depreciation - loss in value due to location.

The Cost Approach is used most often when the property being appraised is new or nearly new, there are no comparable sales, or the improvements are relatively unique or specialized.

Income Approach

The Income Approach is widely applied when appraising income-producing properties. This approach converts anticipated economic gross potential income of subject property, deducts allowance for long-term vacancy and deducts stabilized annual expenses and applies economic capitalization rate.

It assumes that the value of a property is equal to the income it will generate over its economic lifetime. When applying this approach, net operating income is estimated as:

Potential Gross Income - Vacancy/Bad Debt = Effective Gross Income - Operating Expenses =

Net Operating Income

Based on expectations a typical investor would have for the property, the annual net income is converted to a capital value using a market-derived capitalization rate:

Value = Net Operating Income / Capitalization Rate

The appraiser analyzes sales that occurred in the market place to determine what rate of return investors are seeking for the various types of properties. The capitalization rate increases proportionately with any risk.

Once the roll is prepared, it is delivered to Municipalities to apply a tax rate per thousand dollars of assessment to generate the revenue required.

Property taxes are calculated as: Assessed Values X Tax Rate = Property Tax

Tax Rate (Replaces Mill Rate)

Each property class will have its own tax rate. Property owners are able to calculate how much tax they will owe on their property by multiplying the tax rate for the property class by the assessed value of the property.

The municipal government calculates the tax rate by, first, estimating the cost of locally provided goods and services (for example, snow removal), and any other municipal expenses. This budget is then divided by the total dollar amount of all the assessed value of real estate in the municipality (provided by BCAA) to determine the tax rate and sets this rate by way of a Tax Rates Bylaw.

The process for setting these rates is as follows:

Budget $ required - existing tax base - new assessments = Tax increase to balance budget

Basic formula is assessed values X tax rate =Tax revenue

This formula is applied on a per class basis.

If assessed values go up, then the tax rates goes down resulting in no change of revenue.

This also applies to individual property. If a property increases in value at the exact same proportion as the total class, it will pay the same tax as previous year. It is after this recalculation of rate that any increase or decrease Council chooses to make will apply.

Example Class 1

	Assessed Values	X	Tax rate/thousand	=	Revenue
Year 1	$5,000,000,000	X	4.0000/thousand	=	$20,000,000
Year 2	$6,000,000,000	X	3.3333/thousand	=	$20,000,000

There has been no tax increase due to the change in assessed values

Individual Property

	Assessed Values	X	Tax rate/thousand	=	Tax bill
Year 1	$400,000	X	4.0000 /1000	=	$1,600
Year 2	$480,000	X	3.3333 /1000	=	$1,600

This adjustment is made for all classes to achieve a fair base starting point and ensure that rising assessments to not necessary mean rising taxes. Any Council approved increase or adjustments to the rate or ratio are applied after this base is determined.

Summary

The British Columbia Tax System is one of the fairest and most respected systems in North America. It addresses all the issues and meets most of the objectives that are expected in a property tax system.
It is however open to some criticism. It makes no regard for income in the measure of ability to pay, for example, an owner of a property that has a high income pays the same gross taxes as a senior on fixed income. This issue is left to other programs such as the Homeowner Grant and deferment programs to alleviate. It does not address the number of people living in a property and the varying demands on services. It does not measure the use of the service as a consumption tax would.

Consideration of Issues in Tax Distribution Amongst Property Classes

Benefits equity (the benefits principle as described earlier) of non-residential properties is an issue that confronts government not just in British Columbia but throughout Canada. A common struggle of most Municipalities in BC is a determination of property burden between residential and business properties.

We can choose one of the methods discussed later in this report as to how to move forward, but the starting point is a very difficult one. The reason of course is because there is not one right answer. Benefits received are a very difficult issue to measure and compare. Municipal governments deliver a range of services. There are services such as water, sewers, solid waste collection and disposal. These services can be measured; that is, individual beneficiaries or users can be identified and hence charged for their use.

There is an also a group of services that includes local streets and roads, street lighting, neighborhood parks, and so on. These have greater good characteristics; that is, individual beneficiaries cannot be identified, yet the benefits accrue to the entire community.

In between is a range of services that includes a mix of individual and greater good characteristics. These services include public recreation, public transit, fire and police protection, for example. There is also an argument made that certain services such as parks are used only by individuals and some services such as roads are more costly to build and maintain because of the use by business (heavy trucks or increased traffic).

For this reason benefits received can't be the only indicator of appropriate distribution of tax burden. Another factor frequently given as a reason for a higher portion of tax burden assigned to business is the ability to deduct property tax for income tax purposes, a benefit not afforded to individuals.

The issues of competiveness and location decision can be tied together for non-residential properties. There is no single index or measure that can determine the extent to which the property tax affects competitiveness, although a number of studies have been done in an attempt to determine this.

Property tax makes up only a small part of the location decision. For competitiveness purposes, studies suggest that the impact of property taxes on business competitiveness depends on a number of factors – the nature of the business decision (investment in new facilities, on-going operations, etc.), the business in question (pulp and paper, shipbuilding, mining, etc.), plus other factors. More specifically, property taxes on business properties are not a major concern unless the firm is in financial distress and the tax is a large component of its fixed cost, and when commodity prices are low and operating costs must be reduced. It is more important to business owners that the location has a positive business climate, and the politician and regulatory systems are stable.

There must be good infrastructure including transportation services for goods when required. There must be a stable work force which has access to housing, medical, and recreational services. Education institutions are necessary for their children and an overall good life quality. Some municipalities reduce property taxes on business properties as a way of stimulating economic development.

Tax Distribution Methods Amongst Property Class

In this illustration, we make the following assumptions:

- There is only one property in each of the residential and commercial classes;
- There has been no change to the value in classes from the previous year; and
- There has been no change in the revenue required from the previous year.

Revenue Neutral Approach

The revenue neutral approach is when the amount of revenue from each class remains the same as the previous year.

Year 1

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio
Residential	$ 400,000	4.0000/1,000	$1,600		1.00
Commercial	$1,000,000	6.4000 /1,000	$6,400		1.60
Total	$1,400,000		$8,000		

Year 2

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio
Residential	$ 480,000	3.3333/1,000	$1,600	0%	1.00
Commercial	$1,100,000	5.8200/1,000	$6,400	0%	1.75
Total	$1,580,000		$8,000		

Because the assessments have increased, the tax rates decrease resulting in the same amount of revenue received. This is done on a class by class basis and therefore usually because the market value movement in each class differs, the necessary rate adjustment will differ. The result of this approach is each class will pay the same dollar amount of taxes as the previous year. The assessed value and ratio will change the taxes will not. This illustrates that the starting point for each class would be equal dollars paid.

Council has the option of adjusting tax rates, ratios, or burden from this base starting point in whatever manner they see fit. It also speaks to the fact that tax ratio (Ratio is the tax rate set for all other classes of property divided by the tax rate set for residential property) is not very meaningful and is not controllable by Council, without taking action to intervene.

Tax Burden Approach

This approach is when council wants to keep the tax burden on each class unchanged from year to year despite the fact there has been greater growth in one class than another.

Year 1

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio	Share
Residential	$ 400,000	4.0000/1,000	$1,600		1.0	20%
Commercial	$1,000,000	6.4000/1,000	$6,400		1.6	80%
Total	$1,400,000		$8,000			

Year 2

Let's assume that there was no change in assessments of existing properties but there was new buildings added.

Year 2 (including new additions)

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio	Share
Residential	$ 500,000	4.0000/1,000	$2,000	0%	1.0	21.4%
Commercial	$1,100,000	6.4000/1,000	$7,040	0%	1.6	79.6%
Total	$1,580,000		$9,040			

Tax rates must be adjusted so the share of each class remains the same as the previous year.

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio	Share
Residential	$ 500,000	3.6160/1,000	$1,808	0%	1.0	20%
Commercial	$1,100,000	6.5745/1,000	$7,232	0%	1.82	80%
Total	$1,580,000		$9,040			

This will cause the taxes on the original properties to change as follows:

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio	Share
Residential	$ 400,000	3.6160/1,000	$1,446	-3.37 %	1.0	20%
Commercial	$1,000,000	6.5163/1,000	$6,575	2.73%	1.75	80%

In this scenario because there is new revenue and we wish to keep the share for each class the same, there is a change in the tax paid by the existing properties due to the portion of new revenue being different in each class.

When new improvements (buildings) are added in a community, they are not added in the same proportion for each class.

For example, a community may be growing on the residential front while the commercial portion remains mostly unchanged. Conversely a large commercial project such as a shopping mall or large industrial complex could shift the portion of overall assessments in a large way.

Tax Ratio Approach

When the ratio for each class is set but Council at a fixed number. As explained earlier, the revenue received from each class is determined by multiplying the assessments by a tax rate per thousand. If revenue is held to be the same, rising assessment values will therefore result in lowering tax rates. The assessment increase means a rate decrease.

If the assessment increase is not equal in all classes the rates will not be decreased in equal amounts and an unintended change in ratio will automatically occur.

Year 1

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio
Residential	$ 400,000	4.0000/1000	$1,600		1.0
Commercial	$1,000,000	6.4000/1000	$6,400		1.6
Total	$1,500,000		$8,000		

Year 2

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio
Residential	$ 480,000	3.3333/1000	$1,600	0%	1.0
Commercial	$1,100,000	5.8200/1000	$6,400	0%	1.75
Total	$1,580,000		$8,000		

The ratio will change due to market conditions with no change in taxes paid. In order to use the tax ratio approach and maintain the same ratio of 1.6 in this case, Council must adjust the rates and there will be a shift of tax burden and taxes paid.

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio
Residential	$ 480,000	3.5716/1,000	$1,714	7.10%	1.0
Commercial	$1,100,000	5.7146/1,000	$6,286	-1.98%	1.6

Therefore, although there may be an appearance of fairness by keeping the ratios the same, there is actually an increase to residential and a decrease to commercial in this example. This approach is most often used if Council feels taxes paid by commercial properties are too high relative to residential. If the market changes in subsequent years and residential values fall faster than commercial, it will yield a falling ratio and adjustment to rates will be required in order to maintain the same ratio.

If council has instructed that ratios are to remain the same, then rates will have to be adjusted each year and therefore taxes paid for each class will fluctuate substantially.

	Assessment	Tax Rate	Taxes	Tax Increase	Ratio
Residential	$ 350,000	4.5714/1,000	$1,600	0%	1.0
Commercial	$1,000,000	6.4000 /1,000	$6,400	0%	1.4
Residential	$ 350,000	4.1024/1,000	$1,436	- 10.25%	1.0
Commercial	$1,000,000	6.5638/1,000	$6,564	2.56%	1.6

As can be seen from the illustrations above, the ratio is not a very reliable target in the goal to set fair rates. It moves independently with market movement and is difficult to set at a fixed number causing unpredictable tax shifts between classes. It is however the most often quoted measure when we examine business rates.

It is really the amount of taxes paid that is more meaningful than the ratio. For example, I am confident that a business owner would not take much solace in the fact that their ratio is 1.5:1 if their taxes were twice as high as another municipality with a ratio of 4:1

The ratio is the most often quoted number because it is seen to be a common measure of class burden differences between jurisdictions. I would suggest that although this number can reasonable be referred to when comparing one jurisdiction to another, it should only be used to verify that the municipal ratio if within the accepted parameters as compared to other municipalities and not a defined target.

Municipalities use any one of these methods or other adjustments depending on the circumstances of that individual municipality. They look at where they are in relation to other British Columbia Municipalities and their neighbouring municipalities. They must also be aware of where the political pressure is coming from. While it is true that residential properties owners vote and can express their disapproval at election time, business owners exert a fair amount of influence because they are an important part of maintaining a viable community. This is a balance that must be struck by Council as they can expect the relative ratios will be reviewed by both business and residential taxpayers.

Municipalities have adopted a number of different policies to suit their objectives.

Examples

The City of Victoria in 2007 set a policy of reducing business ratios to 3:1 when they viewed business taxes as being too high. This policy was amended in 2012 and they changed their policy of focusing on ratios to maintaining a constant share or burden approach excluding new construction. This policy still favored the business sector but the method of shift was changed.

Finally in 2015, Council made the decision that it was no longer necessary to shift taxes from business to residential and they left the market to adjust the rates.

Some Cities such as the City of Coquitlam have policies which require a tax rate increase for business that is a stated lower percentage increase than for residential properties; because their ratio is preceived to be too high.

Many Cities accept the neutral approach allowing the market to determine rates and spreading increases equally as long as the ratio is reviewed annually and stays within a predetermined range such as between 2:1 and 2.5:1 or below the provincial average of the previous year.

Review of Tax Ratios Across Canada and British Columbia

A quick view of ratios between residential and business across the country show the following Major Canadian Cities

City	**2017 Ratio**
Vancouver	4.87
Toronto	3.81
Montreal	3.77
Victoria	3.40
Halifax	2.77
Calgary	2.73
Ottawa	2.67
Edmonton	2.44
Winnipeg	2.01
Regina	1.75
Saskatoon	1.72
Penticton	***1.58***

Average among major Canadian cities is 2.85 and rising.

British Columbia Municipalities

Municipality	**2017 Ratio**
Coquitlam	5.05
Burnaby	4.72
Delta	3.85
Surrey	3.34
Abbotsford	2.30
Prince George	2.23
Chilliwack	2.20
Penticton	***1.58***

The average in British Columbia for the 2017 tax year was 2.74:1 and the median was 2.5:1

Municipalities neighboring Penticton

Municipality	2017 Ratio
Vernon	2.73
West Kelowna	2.33
Kelowna	2.30
Summerland	2.27
Osoyoos	1.60
Penticton	**1.58**

The average of neighboring communities is 2.14:1

The Canadian Federation of Independent Business whose main function it is to promote the business interests of their members call for a ratio of no more than 2:1

Penticton Experience

In 2004, Penticton Council passed a resolution to set the business ratio at 1.50:1, which resulted in Penticton having the second lowest ratio in the Province of BC. This ratio increased in subsequent years as residential property rose faster in value than commercial property, however the same phenomena was applicable to other municipalities. Penticton has remained near the bottom in terms of ratio. Penticton's ratio peaking in 2009 at 2.07:1 In 2015, Council passed another resolution to reduce the ratio to 1.5:1 in equal increments over a four year period.

At that time, Penticton was 6th lowest in the province for 2014 and this reduction for 2015 made them then 5th lowest. This required a shift of taxes from business to residential. In 2017, Council passed a further resolution to hold the ratio to 1.58:1 until a further review was done.

Penticton was still at 7th lowest in the province and well below the provincial average of 2.74:1 and median of 2.5:1 It should be noted the Canadian Federation of Independent Business whose main function is to lobby government on behalf of their members, who are business owners, advocate a ratio of 2.:1 as their goal.

By all measures Penticton is in the lower end of ratios for Canada, for British Columbia, and for local municipal competitors.

Conclusion

The City of Penticton has been successful in its goal of supporting business development in order to attract and retain commercial development, with the vision or creating and sustaining income for its residents. For many years it has been near the lowest ratio for business in the province and indeed in Canada. Although as explained, the ratio is not an ideal measurement but it is commonly used when comparing Municipalities.

There is also a good business climate in Penticton and the regulatory structures are working well.

For this reason, I don't believe any further shifting of taxes to residential from businesses is necessary. By allowing tax rates to float with the market place (the neutral method) there is no further need to shift the tax burden from commercial to residential and the same percentage tax increase should be applied to all classes.

The commercial ratio remains low by all comparatives. This report does not suggest that this is an adverse situation to be in, but I believe it is well within a range that it could be left to float with the market and use the revenue neural approach until such a point that the ratio nears the provincial average. In addition, this ratio comparative should be monitored each year.

For 2018, preliminary numbers received from the British Columbia Assessment Authority indicate the neutral approach would only bring the ratio to 1.69. Since other municipalities are seeing the same rise in residential property values, it is most likely that average will rise as well and the position of the City of Penticton on the provincial list will probably not change for a number of years.

Recommendations

1. That the rates for 2018 for each class be adjusted so that the dollars for each class remain the same as 2017 not including new construction. Any additional revenue required would be achieved by increasing the rates by an equal percentage in each class. This formula would be followed each year until the ratio moved outside the desired range and required adjustment.
2. Ratios be reviewed each year and adjustments will only be made if Penticton ratio exceeds the British Columbia provincial average from the previous year.
3. User pay funding be used for any services were it is practical to do so.
4. Continue to explore other revenue sources.
5. Focusing on effective and efficient delivery of services which will benefit all taxpayers equally.

References

Beaubien, Marcel (2001) Review of the Property Tax Assessment Process: Final Report http://www.gov.on.ca/FIN/english/opacrepe.pdf

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Slack, Enid (2001) "Understanding the Evolution of Property Tax Policy" paper prepared for 2001 - A Property Tax Odyssey, 34th Annual National Workshop, Canadian Property Tax Association Inc.

Bish, Robert L. "Local Government Amalgamations: Discredited Nineteenth-Century Ideals Alive in the Twenty-First." C.D. Howe Institute Commentary 150 (March 2001) http://www.cdhowe.org/pdf/bish.pdf

A report prepared by Harry Kitchen and Enid Slack for the BC Expert Panel on Business Tax Competitiveness May 11, 2012

A report pepared by Peter Adams "The distribution of taxes amoung propery Classes for the City of Victoria 2015

Council Policy

penticton.ca

Approval date: April 17, 2018 **Resolution No.:**

Subject: Property Taxation Distribution Policy

1.0 Goal

The goal is to establish a fair, transparent, stable and equitable distribution of property tax among all classes of taxable property.

2.0 Scope

The City collects property taxation across the nine property classes as a means to generate the majority of its revenue to fund City operations. When the property tax requirement is approved in the financial planning process, it is necessary to determine an appropriate distribution amongst all property classes.

The City intends to ensure tax ratios are within acceptable parameters in comparison to other British Columbia municipalities and will be reviewed as a basis to striking the equitable distribution of property taxation.

3.0 Background

It is important to attract and retain businesses in the City to achieve economic vitality. This is accomplished through creating a competitive business climate and maintaining competitive and stable property taxes for business. At the same time, the residential property class provides the largest proportion of taxation revenue and affordability remains a key component to encourage growth of the residential sector. Striking the appropriate distribution of property taxes across the various classes is critical to achieve a positive business climate and residential affordability.

Municipalities can use different approaches for distribution of taxes across property classes:

3.1 The ***tax burden approach*** is used to maintain a percentage share of property taxes collected from each of the property classes consistent from year to year. This model creates fairness in times when there is little growth or change in assessment values.

3.2 The ***tax ratio approach*** is used to set a ratio for each class. In times of growth and increase in assessment value to hold the ratio, rates must be adjusted for changing classes resulting in a shift in tax burden and amount of taxes paid for these classes.

3.3 The ***revenue neutral approach*** is used to maintain the same level of revenue in each class before considering non-market change. This approach prevents against shifts in the tax burden between classes and also ensures any tax increases will be consistent across classes.

4.0 Policy

The City of Penticton will follow the ***revenue neutral approach*** in property tax rate setting. This approach is most equitable and stable for all property classes, especially in times of growth and changing assessment.

This ensures each property class pays the same dollar amount in taxes as they did the previous year, prior to any Council approved tax revenue changes or changes to the physical property. This approach will ensure Council has the ability to better control the effect tax decisions have on property owners and will make it easier and more transparent to estimate what taxes will be collected on individual properties. This approach is more understandable for the public and taxpayers can more easily verify that they are being billed correctly. It is consistent to owners of all classes of property.

The following actions will be taken each year when determining the current year rates:

4.1 Tax ratios will be determined by the market forces as assessment value changes will differ between classes. The current year rates for each class will be adjusted so that the dollars for each class remain the same as the prior year not including non-market change. Non-market change is regarded as new revenue, not previously generating tax revenue.

4.2 General Municipal tax changes as determined through the City's annual operating budget process will be applied as the same percentage change to each class.

4.3 Tax ratios will be reviewed annually to ensure the City of Penticton's ratio for any class does not exceed the provincial nor regional comparator averages from the previous year for that class. In the event a ratio exceeds the provincial or regional comparator average Staff will recommend an adjustment to the ratios for the impacted taxation year reducing them to the average.

5.0 Definitions

5.1 ***Assessment Value*** – An assessed value is the dollar value assigned to a property to measure applicable taxes. Assessed valuation determines the value of a residence for tax purposes and takes comparable home sales and inspections into consideration.

5.2 ***Non-Market Change*** – Changes in property value as a result of:

- new construction authorized under local building authority permit (permitted improvements)
- new construction which occurs in an area with no local building permit authority
- property class changes
- exemption changes
- new development or "size" changes to land - including subdivisions, land assemblies and consolidations (Plans Cancellations); new/expired tenures on Crown/exempt land; and

- Zoning changes (e.g. changes that increase or decrease density, use & resulting property value).

5.2 ***Property Classes*** – For property taxation purposes in British Columbia, the assessor assigns one or more property class to each property according to the description of these classes in a provincial regulation. There are nine classes: residential, utilities, supportive housing, major industry, light industry, business and other, managed forest land, recreational property/non-profit organization and farm.

5.3 ***Tax Rate*** – The amount of tax that would be paid for each $1,000 of assessed value. The tax rate may vary between property classes but must be the same for all properties within a class.

5.4 ***Tax Ratio*** – The residential tax rate divided into the property class tax rate.

Approval

_____

Council Report

penticton.ca

Date: April 17, 2018 File No: 1090-02
To: Peter Weeber, Chief Administrative Officer
From: Cathy Ingram, Procurement and Inventory Services Manager

Subject: **Donation of Proceeds from Paver Sales**

Staff Recommendation

THAT Council authorize staff to donate proceeds from the sale of used pavers from revitalization projects to the South Okanagan Similkameen Medical Foundation (SOSMF).

Background

As part of the Downtown revitalization projects, the City has been repurposing used pavers and selling them to the public by way of sealed bids. Pallets contain approximately 280 pavers which covers approximately 75 ft^2. Each pallet sells for a minimum bid price of $75.

To date, the City has contributed $30,958.53, from paver sales, to the SOSMF as follows:

2015	-	$15,024.53
2016	-	$ 9,625.00
2017	-	$ 6,309.00
		$30,958.54

Financial implication

2018 sales proceeds, estimated at $6,000, will be donated to the SOSMF rather than being recorded as revenue for the general fund.

Analysis

The SOSMF raises funds to support the delivery of quality health services in our region. Their current campaign is raising funds for the construction of the new $312.5 million David E. Kampe Tower at the Penticton Regional Hospital. Upon completion of construction of the tower, the SOSMF will continue to raise funds for new medical equipment.

Alternate recommendations

THAT Council direct staff to retain the proceeds from the sale of used pavers for the City's General Revenue; or

THAT Council direct staff to donate the proceeds from the sale of used pavers to another non-profit organization.

Respectfully submitted,



Cathy Ingram
Procurement and Inventory Services Manager

Approvals

Chief Financial Officer	Chief Administrative Officer
JWB	PW

Council Report

penticton.ca

Date: April, 17, 2018 File No:
To: Peter Weeber, Chief Administrative Officer
From: Len Robson, Public Works Manager
JoAnne Kleb, Engagement Strategist

Subject: Study to Review Waste Water Solids Management Options

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Staff Recommendation

THAT Council receive into the record the report titled "Study to Review Waste Water Solids Management Options".

Strategic priority objective

Good Governance – Provides services that support quality of life, protect our health, enhance public safety, and promote economic and the social well-being of our community

Community Building – Ensure City Services are customer focused, sustainable, effective, relevant

Fiscal Sustainability – Ensure City Services are delivered in an economic and sustainable way

Environmental Sustainability – Integration of environmental and socioeconomic values in decision making processes

Background

The City of Penticton operates an Advanced Waste Water Treatment Plant (AWWTP) at 459 Waterloo Ave and a Composting Facility which is located at the Regional District of the Okanagan Similkameen (RDOS) Campbell Mountain Landfill site at 1765 Reservoir Rd.

Five days a week the solids from the Waste Water Treatment Plant are transported from the AWWTP to the compost facility for processing into compost using the aerated static pile technology. They are mixed with a blend of ground organic and dimensional lumber waste at a ratio that allows for the compost process to occur. Upon meeting the temperature / time requirements the finished compost is screened and sold in bulk or small quantities primarily to local users.

Although this simple process has worked reasonably well for many years, facility age, condition, regulations, marketing challenges, landfill needs, and development pressures have created the need to review operations and explore other potential methods of managing the solids.

The Public Works Department will be issuing a request for proposals to qualified engineering consulting firms for the purposes of reviewing existing solids management processes and identifying potential alternative management processes to service the sanitary sewer residuals management needs for the next 20 year time frame.

The consultants work will include the following:

- Review and summarize existing data and reports related to the operation and management of Waste Water Treatment Plant solids generation; and
- Identify and Review the Feasibility of Options for Managing Current and Projected Solids including but not limited to the following;
    - Land application of biosolids;
    - Incineration or waste to energy;
    - Landfill;
    - Alternative solids processors;
    - Digestion process at the AWWTP (with and without food waste);
    - Drying and / or pelletizing;
    - Compost production for landfill gas capture;
    - Composting (current process or alternative process);
    - Other feasible options that should be considered; and
- Evaluate all options and create a prioritized short list with a minimum of 3 of the most viable options identified or combinations of options based on multiple bottom line criteria; and
- Produce a draft and final report of the findings; and
- Present the final report to City Council.

The outcome of the report will provide Council with a direction or options to consider for the future management of sanitary sewer residuals management.

Financial implication

The 2018 Sewer Utility operating budget includes $125,000 for the purposes of reviewing options and recommending a direction to proceed.

Pending the outcome of this study the City will be required to pursue the development of an upgraded compost facility or a new process for the purposes of managing the Waste Water Treatment Plant Residuals. The five year capital budget plan has $2,500,000 identified in the year 2019 for the purpose of addressing the waste water solids process.

Analysis

Managing waste water solids in compliance with regulations, economically and in an environmentally responsible manner is a core responsibility of a local government. Our current waste water solids management process is aged to the point where it does not meet current regulations and is in need of a significant upgrade. Due the significant financial investment required it is prudent to explore other feasible options to determine the most suitable process for the next 20 years.

Community Engagement

The City reviews each major project, policy, plan and decision to determine the need for communications and community engagement support. The need depends on the level of impact on the community or interest in the project, plan or decision and the level of influence the community can have or desires in the project, plan or decision. Some of the key factors of the review that influenced the recommended approach to engagement include:

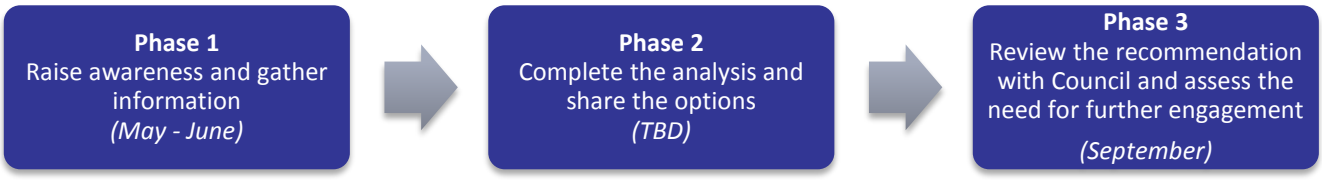
- The compost facility at Campbell Mountain does not meet new regulations. The City needs to make a decision and plan for the future of waste water solids management for Penticton residents.
- There are opportunities to introduce advanced technologies for managing waste water solids such as landfill gas capture. The potential future investment for new technologies may be significant and could lead to changes in the cost of the service to residents if introduced.
- A few of the options that will be evaluated may introduce a change in the process or technology at the AWWTP or Campbell Mountain sites. Residents may be interested in the possible impacts to air quality or odours at these locations.
- A few of the options that will be evaluated may involve a new site. The issue of the location of sites to compost organic waste including waste water solids has recently been a concern in the region.
- The process is highly technical and subject to extensive regulations. Specialized knowledge and expertise is required to evaluate the options.

Based on these factors, staff recommend an engagement program that supports the **Inform** and **Consult** levels of public participation according to the International Association for Public Participation (IAP2).

IAP2				
Inform	**Consult**	**Involve**	**Collaborate**	**Empower**
Provide with balanced and objective information to assist them in understanding the problem, alternatives or solutions.	*Obtain feedback on the analysis, alternatives and / or decisions.*	*Work directly with the public throughout the process to ensure their interests are consistently understood and considered.*	*Partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.*	*To place final decision making in the hands of the public.*

Process and Plan

The communications and engagement program will be conducted in three phases to align with the needs of the review:



The following activities will be completed to support the program.

Phase 1 - Raise awareness and gather information

- Community awareness will be raised through a press release, this Council Report and an article in the City's utility newsletter.
- A project site on shapeyourcitypenticton.ca will be established as a central resource for information and to gather feedback and questions.
- A video will be created to build understanding of Penticton's solids processing facilities and the need to plan for the future of the operations.

Phase 2 - Complete the analysis and share the options

- Once the analysis of the options is prepared, a summary of the findings will be published on shapeyourcitypenticton.ca.
- An Open House will be held to discuss the options with the community and collect feedback.

Phase 3 - Prepare the recommendations and review with Council

- The feedback will be incorporated as appropriate in the final recommendation and shared with Council at a meeting in September (to be confirmed).
- A press release will be issued to communicate the recommendation and next steps.
- Further engagement may be required depending on the recommendation.

Alternate recommendations

N/A

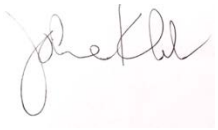
Attachments

N/A

Respectfully submitted,



Len Robson, AScT
Public Works Manager



JoAnne Kleb
Engagement Strategist

Approvals:

General Manager of Infrastructure	Chief Administrative Officer
	PW

Council Report

penticton.ca

Date: April 17, 2018 File No: 7200-01
To: Peter Weeber, Chief Administrative Officer
From: Larry Watkinson, Fire Chief

Subject: Fire Protection Mutual Aid Agreement with RDOS

Staff Recommendation

THAT Council approve the renewal of the two year Fire Protection Mutual Aid Agreement with the Regional District of Okanagan-Similkameen.

Strategic priority objective

Good Governance: Provider of Public Services

Background

The Fire Protection Mutual Aid Agreement (MAA) is an initial response, no charge reciprocal system of emergency assistance available to local fire departments throughout the region. The main focus is to make a large number of resources available in a pre-arranged, organized fashion at no additional cost to the community requiring assistance during an emergency situation. Where a fire department determines that its resources are insufficient to bring the subject fire or other emergency under control, that fire department may request the mutual aid of another department. Where a fire department is attending one fire or emergency, this system provides response to any other fire or emergency in that fire protection area by an outside department. If a mutual aid fire department is unavailable, the mutual aid will come from the next closest department.

Financial implication

Penticton Fire Dept. (PFD) deploying resources to another jurisdiction within the MAA includes costs associated with this deployment include backfilling overtime for minimum staffing within the City of Penticton, Auxiliary firefighters wages, and fire apparatus general operational cost. This is a fraction of what it would cost to build out PFD with similar resources required at large scale events.

Analysis

Upon initial review and request for input from stakeholders in 2018, extensive research and revisions were suggested. Extending the current agreement will allow research and further input from stakeholders. The following topics are under consideration:

1. Outline the powers of authority
2. Geographic boundary map with fire districts and mutual aid areas
3. Incident Command System terminology and procedures
4. Broaden the scope of fire incident to all emergency incidents
5. Mutual Aid Agreement Operations Committee
6. Dispatch provider agreement, operational guidelines and notification protocols
7. Automatic Aid and procedures
8. Accountability systems and training requirements
9. Waivers and indemnities
10. Mutual Aid Agreements with other regional districts

Entering into a Mutual Aid Agreement with the RDOS surrounding fire services is best practice for a limited resources fire service like Penticton Fire Dept.

Attachments

Attachment 1: Fire Protection Mutual Aid Agreement

Respectfully submitted,



Larry Watkinson

FIRE CHIEF

Approvals

Chief Administrative Officer
PW

FIRE PROTECTION MUTUAL AID AGREEMENT

THIS AGREEMENT is dated for reference the DATE WILL BE ADDED HERE

BETWEEN:

The Regional District Okanagan-Similkameen, a regional district incorporated pursuant to the *Local Government Act* and having its business office at 101 Martin Street, Penticton, British Columbia, V2A 5J9 (the "ROOS")

OF THE FIRST PART

AND:

The Town of Oliver, a municipality incorporated pursuant to the *Community Charter* and having its business office at P.O. Box 638, 6150 Main Street, Oliver, British Columbia, VOH 1TO ("Oliver")

AND:

The Town of Osoyoos, a municipality incorporated pursuant to the *Community Charter* and having its business office at P.O. Box 3010, 8707 Main Street, Osoyoos, British Columbia, V0H 1V0 ("Osoyoos")

AND:

The City of Penticton, a municipality incorporated pursuant to the *Community Charter* and having its business office at 171 Main Street, Penticton, British Columbia, V2A 5A9 ("Penticton")

AND:

The Town of Princeton, a municipality incorporated pursuant to the *Community Charter* and having its business office at P.O. Box 670, 151 Vermilion Avenue, Princeton, British Columbia, VOX 1WO ("Princeton")

AND:

The District of Summerland, a municipality incorporated pursuant to the *Community Charter* and having its business office at P.O. Box 159, 13211 Henry Avenue, Summerland, British Columbia, VOH 120 ("Summerland")

AND:

The Hedley Improvement District, an improvement district incorporated pursuant to the *Local Government Act* and having its business office at Box 186, 825 Scott Avenue, Hedley, British Columbia, VOX 1KO (the "HID")

AND:

The Oliver Fire Protection District, a fire protection district incorporated pursuant to the *Local Government Act* and having its business office at P.O Box 97, Oliver, British Columbia, VOH 1TO (the "OFPD")

AND:

The Osoyoos Rural Fire Protection District, a fire protection district incorporated pursuant to the *Local Government Act* and having its business office at P.O. Box 274, Osoyoos, British Columbia, VOH 1V0 (the "ORFPD")

(hereinafter referred to as the "Party(ies)")

OF THE SECOND PART

WHEREAS:

A. The Parties desire to enter into an Agreement whereby fire service emergency resources of any Party can be deployed to assist the other Parties during an emergency;

B. The RDOS has established the Anarchist Mountain Fire Protection Service, the Kaleden Fire Protection Service, the Keremeos and District Fire Protection Service, the Naramata Fire Protection Service, the Okanagan Falls Fire Protection Service, the Tulameen and District Fire Protection Service and the Willowbrook Fire Protection Service and operates and maintains fire departments within the respective service areas;

C. Oliver has established, and operates and maintains, a fire department within its territorial jurisdiction;

D. Osoyoos has established, and operates and maintains, a fire department within its territorial jurisdiction;

E. Penticton has established, and operates and maintains, a fire department within its territorial jurisdiction;

F. Princeton has established, and operates and maintains, a fire department within its territorial jurisdiction;

G. Summerland has established, and operates and maintains, a fire department within its territorial jurisdiction;

H. The HID has established, and operates and maintains, a fire department within its territorial jurisdiction;

I. The OFPD has established, and operates and maintains, a fire department within its territorial jurisdiction;

J. The ORFPD has established, and operates and maintains, a fire department within its territorial jurisdiction; and,

K. The RDOS, Oliver, Osoyoos, Penticton, Princeton, Summerland, the HID, the OFPD, and the ORFPD consider it to be of mutual benefit to enter into an arrangement whereby any one of them may, in situations where the resources of their own fire department are insufficient, request Mutual Aid from the others to bring the situation under control,

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set out, the Parties agree as follows:

Interpretation

1. Unless the context otherwise requires, in this Agreement:

(a) "Assisting Fire Department" means a Fire Department providing Mutual Aid under this Agreement;

(b) "Chief Fire Official" means, for each Party, the person(s) responsible for the fire service of the Party or his/her delegate;

(c) "Fire Department" means a fire department maintained and operated by a Party to this Agreement;

(d) "Mutual Aid" means assistance by providing, upon request, emergency resources to another Party outside the jurisdictional boundaries of the Party that provides the emergency resources;

(e) "Requesting Fire Department" means a Fire Department requesting Mutual Aid under this Agreement;

(f) "Subject Fire or Other Emergency Situation" means a real or anticipated occurrence that in the opinion of the Chief Fire Official endangers the lives, safety, welfare and well-being of people or significant structures that cannot be brought under control by the use of local emergency resources.

The Request for Mutual Aid

2. Where the Chief Fire Official of a Fire Department determines that the resources of his/her fire department are insufficient to bring a Subject Fire or Other Emergency Situation, whether actual or imminent, under control, he/she may request the Mutual Aid of another Fire Department for the purposes of bringing the Subject Fire or Other Emergency Situation under control and in submitting such request, the said Chief Fire Official shall specify the type of fire apparatus and/or the number of personnel required.

3. The Requesting Fire Department shall first request Mutual Aid from the Fire Department that is closest in proximity to the location of the Subject Fire or Other Emergency Situation.

4. If the Fire Department that is closest in proximity to the location of the Subject Fire or Other Emergency Situation is unable to provide some or all required Mutual Aid, the Requesting Fire Department may request Mutual Aid from the Fire Department that is next closest in proximity to the location of the Subject Fire or Other Emergency Situation.

5. Where a request for Mutual Aid is made under section 4 of this Agreement, the Fire Department from whom Mutual Aid is being requested is then deemed for the purposes of this Agreement to be the Fire Department that is closest in proximity to the location of the Subject Fire or Other Emergency Situation.

6. All requests for Mutual Aid under this Agreement shall be made by the Chief Fire Official of the Requesting Fire Department to the Chief Fire Officials of the Fire Departments from whom Mutual Aid is being requested.

7. Each Party to this Agreement shall, within 2 months of the date of this Agreement, provide contact information to the Chief Fire Officials, and the number of firefighting personnel.

8. It is understood and agreed that all Parties to this Agreement shall not rely on this Agreement to deliver fundamental firefighting services within their operational area and that fundamental firefighting services are the sole responsibility of the authority having jurisdiction for each operational area.

5

The Provision of Mutual Aid

9. The Chief Fire Official of a Fire Department from whom Mutual Aid has been requested under this Agreement shall immediately upon receiving the request determine, in his/her sole discretion, as soon as reasonably possible whether and to what extent the firefighting personnel, apparatus, and equipment of his/her fire department may be deployed to assist the Requesting Fire Department in bringing the Subject Fire or Other Emergency Situation under control and shall thereafter deploy to the extent available such firefighting personnel, apparatus, and equipment to so assist the Requesting Fire Department.

10. Nothing in this Agreement requires the Chief Fire Official of a Fire Department from whom Mutual Aid has been requested under this Agreement to deploy firefighting personnel, apparatus, and equipment to assist a Requesting Fire Department that the Chief Fire Official has determined are unavailable or are required to provide within the usual service area for his/her fire department.

11. All firefighting personnel, apparatus, and equipment provided by an Assisting Fire Department to a Requesting Fire Department under this Agreement shall, for the duration of the time that the Mutual Aid is being provided under this Agreement, be under the direction of the Chief Fire Official of the Requesting Fire Department who shall adhere to recognized principles of accountability for responder personnel safety.

12. The Chief Fire Official of an Assisting Fire Department may, in his/her sole discretion, recall at any time for whatever reason any and all firefighting personnel, apparatus, and equipment provided by his/her Fire Department to the Requesting Fire Department under this Agreement and shall not be liable for any loss, costs, damages or expenses whatsoever as a result thereof.

13. Upon being notified, whether verbally or in writing, that the Chief Fire Official of an Assisting Fire Department has recalled firefighting personnel, apparatus, and equipment under section 12 of this Agreement, the Chief Fire Official of the Requesting Fire Department shall immediately release and return to the Assisting Fire Department all firefighting personnel, apparatus, and equipment provided by the Assisting Fire Department that was recalled by the Chief Fire Official of the Assisting Fire Department.

14. The Chief Fire Official of a Requesting Fire Department shall, as soon as practicable, release and return to the Assisting Fire Department all firefighting personnel, apparatus, and equipment provided by the Assisting Fire Department that is no longer required to assist in bringing the Subject Fire or Other Emergency Situation under control.

15. The Chief Fire Official of a Requesting Fire Department shall release and return to the Assisting Fire Department all firefighting personnel, apparatus, and equipment provided by the Assisting Fire Department in the same working condition as when it was accepted by the Requesting Fire Department.

16. For the purposes of this Agreement, all firefighting personnel, apparatus, and equipment provided by an Assisting Fire Department to the Requesting Fire Department under this Agreement is deemed to have been provided in good working condition unless it was rejected by the Requesting Fire Department at the time it was first provided. If equipment is not returned in good working order, the Requesting Fire Department shall forthwith repair or replace the equipment and provide in the meantime the Assisting Fire Department with replacement equipment.

17. When the Subject Fire or Other Emergency Situation is brought under control, any Mutual Aid shall be released first before local resources are released.

18. In the event of either a State of Local Emergency or a Provincial State of Emergency being declared by the Province of British Columbia, this Agreement shall not apply to the Parties.

The Cost of Mutual Aid

19. It is understood that no charge shall be levied for services rendered by any of the Parties to this Agreement or personnel of the other Party hereto.

20. The Requesting Fire Department shall reimburse the Assisting Fire Department all costs for any consumable items used at the Subject Fire or Other Emergency Situation or any equipment that is damaged beyond repair or destroyed as a result of the Subject Fire or Other Emergency Situation.

Waiver and Indemnification

21. No Party to this Agreement shall bring any claim, action, or demand against any other Party to this Agreement or its elected officials, officers, employees, agents, volunteers, or contractors and, without limiting the generality of the foregoing, in respect of or in any way related to the decision of a Chief Fire Official as to the level of Mutual Aid, if any, or the withdrawal of Mutual Aid to be provided under this Agreement.

22. No Party to this Agreement, nor its elected officials, officers, employees, agents volunteers or contractors, shall be liable to any other Party to this Agreement in respect of the decision of a Chief Fire Official as to the level of Mutual Aid, if any, or the withdrawal of Mutual Aid to be provided under this Agreement.

23. The Party responsible for the Requesting Fire Department shall indemnify and save harmless the Party responsible for an Assisting Fire Department, its elected

officials, officers, employees, agents, volunteers, or contractors from and against any and all claims, demands, actions, causes of action, loss, costs, damages and expense (including legal fees on a solicitor-client basis) in respect of or in any way related to the provision of Mutual Aid under this Agreement and, without limiting the generality of the foregoing, any action taken or thing done or any failure to take action or do a thing under this Agreement, save and except where the claim, demand, action, cause of action, loss, cost, damage, or expense arose from the negligence of the Assisting Fire Department.

24. In the event that an Assisting Fire Department acts independently of the Requesting Fire Department then the Assisting Fire Department shall not be entitled to any indemnity pursuant to this article, but shall be responsible for its own legal liabilities and shall accordingly indemnify and save harmless the Requesting Fire Department for any and all liabilities, actions, damages and claims of whatever nature or kind arising out of the independent act of the Assisting Fire Department in connection with the Mutual Aid.

Insurance

25. Each Party to this Agreement shall keep in force third party liability insurance coverage to a minimum of ten million ($10,000,000.00) dollars and each such policy shall add all other Parties to this Agreement as additional named insured when rendering Mutual Aid pursuant to this Agreement.

26. Each Party to this Agreement shall prove third party liability coverage by sending a copy of the liability insurance for the Party to the Regional District Okanagan Similkameen's Financial Officer within thirty (30) days after this Agreement has been signed by the Party and available upon request.

27. Each Fire Department shall maintain insurance coverage on its own firefighting equipment.

28. Each Fire Department shall maintain Workers' Compensation coverage and other required coverage for the personnel of its own Fire Department.

29. This Agreement shall be in force for a period of TIME FRAME TO BE ADDED of no more than 2 years commencing on the date of its execution by all Parties.

Termination

30. Any Party to this Agreement may terminate its rights and obligations under this Agreement by giving ninety (90) days written notice of its intention to do so to the other Parties to this Agreement and thereafter shall be unconditionally released from any further obligation herein save and except any obligation up to the date of termination.

31. Where a Party to this Agreement terminates its rights and obligations under this Agreement, this Agreement shall continue in force between the remaining parties.

Miscellaneous Provisions

32. Any requests for Mutual Aid shall be subject to any of the Parties obligations pursuant to the provisions of the *Emergency Program Act* R.S.B.C. c. 111.

33. The Parties agree to consult on a regular basis through their Chief Fire Official to achieve the optimum deployment of Mutual Aid.

34. The Parties hereto agree that in the event of dispute between any of the Parties, each of the Parties hereto shall meet with a qualified mediator in a timely manner and attempt in good faith to negotiate a settlement of such dispute during which time such representatives shall disclose to the other all relevant information relating to the dispute.

35. This Agreement shall be the entire agreement between the Parties in respect of the provision of Mutual Aid by the Parties to one another for the purposes of bringing Subject Fire or Other Emergency Situations under control.

36. The Parties may not assign this Agreement without the prior written consent of the other Parties to this Agreement.

37. This Agreement shall ensure to the benefit of, and be binding upon, the Parties and their respective successors and permitted assigns.

38. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia.

39. Unless otherwise authorized under this Agreement, all notices under this Agreement shall be given in writing to the Chief Fire Officials of the Fire Departments of the Parties to this Agreement.

40. This Agreement may be executed in any number of counterparts. Any executed counterpart shall be construed as an original. All executed counterparts together shall constitute the Agreement.

IN WITNESS WHEREOF the parties have signed, sealed, and delivered this Agreement as of the date first written above.

The Corporate Seal of the
REGIONAL DISTRICT OF
OKANAGAN-SIMILKAMEEN
was hereunto affixed in the
presence of:

Chair

Chief Administrative Officer

The Corporate Seal of the TOWN
OF OLIVER was hereunto affixed
in the presence of:

Chair

Corporate Officer

The Corporate Seal of the TOWN
OF OSOYOOS was hereunto
affixed in the presence of:

Chair

Corporate Officer

10

The Corporate Seal of the CITY OF PENTICTON was hereunto affixed in the presence of:

Mayor

Corporate Officer

The Corporate Seal of the TOWN OF PRINCETON was hereunto affixed in the presence of:

Mayor

Clerk

The Corporate Seal of the DISTRICT OF SUMMERLAND was hereunto affixed in the presence of:

Mayor

Corporate Officer

The Corporate Seal of the HEDLEY IMPROVEMENT DISTRICT was hereunto affixed in the presence of:

Mayor

Administrative Officer

10

The Corporate Seal of the OLIVER FIRE PROTECTION DISTRICT was hereunto affixed in the presence of:

Chair

Chief Administrative Officer

The Corporate Seal of the OSOYOOS RURAL FIRE PROTECTION DISTRICT was hereunto affixed in the presence of:

Chair

Chief Administrative Officer

Council Report

penticton.ca

Date: April 17, 2018 File No: 7200-01
To: Peter Weeber, Chief Administrative Officer
From: Larry Watkinson, Fire Chief
Subject: Fire and Life Safety Amendment Bylaw No. 2018-20

Staff Recommendation

THAT Council give first, second and third reading to "Fire and Life Safety Amendment Bylaw No. 2018-20", a bylaw to amend "Fire and Life Safety Bylaw No. 2004-57" to require a fire safety plan that is acceptable to the Fire Department for wood dust producing operations.

Strategic priority objective

Good Governance: Provider of Public Services

Background

The City of Penticton's Fire and Life Safety Bylaw No. 2004-57 requires that every owner or occupier of buildings or premises shall ensure fire and safety plans are provided and maintained as required by the BC Fire Code. The BC Fire Code requires that a fire safety plan be prepared for operations that involve a risk from explosion, high flammability or related conditions that create a hazard to life safety. Dust producing operations require a plan that is maintained and used to protect the building and its occupants.

The format of the fire safety plan is not regulated by the BC Fire Code but must be developed with cooperation of the local fire department. The Building and Licencing Department and Fire Department are working together to create a handout of useful information for owners that are developing their fire safety plan.

Some of the required information in the plan will be:

- Who is designated and back up person responsible to sound the alarm and notify the fire department (911);
- Instruction given to site personnel on the procedure to follow when an alarm is sounded;
- Exit routes clearly visible within the site and on all floors;
- The muster point (meeting place) known by all site personnel;
- List of on-site personnel, and is it updated and current;
- Are the amounts of combustibles and accumulated wood dust on the site and around the buildings controlled to mitigate fire and explosion hazards?
- Clear unobstructed access route(s) to fire department apparatus and to fire hydrants;

- Firefighting services (standpipes, hydrants) are maintained and accessible;
- The site address sign is visible and legible to emergency crews from the street.

Analysis

A provision of the BC Fire Code is the preparation, implementation and maintenance of a fire safety plan. The three objectives of a fire safety plan are: fire prevention; occupant safety; and fire control and extinguishment. From a business perspective, these objectives are sensible. The cost of a fire will likely be higher than the cost of producing, implementing and maintaining a fire safety plan for wood dust producing operations.

"Fire and Life Safety Amendment Bylaw No. 2018-20" defines combustible wood dust and that the required fire safety plan needs to be prepared in cooperation with the Fire Department.

Alternate recommendations

THAT Council direct staff to make additional changes to the "Fire and Life Safety Amendment Bylaw No. 2018-20" prior to first reading.

Attachments

Attachment 1: "Fire and Life Safety Amendment Bylaw No. 2018-20"

Respectfully submitted,



Larry Watkinson

FIRE CHIEF

Approvals

Chief Administrative Officer	Concurrent Review Bldg & Permitting Manager
PW	KK

The Corporation of the City of Penticton

Bylaw No. 2018-20

A bylaw to amend the Fire and Life Safety Bylaw

WHEREAS the City of Penticton has enacted a Fire and Life Safety Bylaw pursuant to the *Fire Services Act* for the purposes of providing fire and life safety to the citizens of Penticton;

AND WHEREAS the Council of the City of Penticton wishes to amend "Fire and Life Safety Bylaw No. 2004-57";

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 as "Fire and Life Safety Amendment Bylaw No. 2018-20".

2. Purpose

Fire and Life Safety Bylaw No. 2004-57 is hereby amended as follows:

1. Add the following to Part III DEFINITIONS:

"COMBUSTIBLE WOOD DUST" means the fine, dry wood particles that are by-products of milling wood.

2. Add the following to PART VI FIRE PROTECTION AND LIFE SAFETY:

6.29 Wood Dust Producing Operations

Wood dust producing operations must meet the fire safety planning requirements of the BC Fire Code.

Prior to a new business license being issued and/or upon inspection and request of the Fire Department or Business Licence Inspector, wood dust producing operations must provide a Fire Safety Plan that is acceptable to the Fire Department.

The fire safety plan will reflect the unique characteristics of the building and the wood dust producing operation it contains and will also consider the available firefighting services such as hydrant, sprinkler and access route.

READ A FIRST time this	day of	, 2018
READ A SECOND time this	day of	, 2018
READ A THIRD time this	day of	, 2018
ADOPTED this	day of	, 2018

_____

Andrew Jakubeit, Mayor

_____

Dana Schmidt, Corporate Officer

The Corporation of the City of Penticton

Bylaw No. 2018-19

A Bylaw to Amend 2018-2022 Five Year Financial Plan Bylaw No. 2017-79

WHEREAS the Council of the City of Penticton has adopted a Five Year Financial Plan Bylaw pursuant the *Community Charter*;

AND WHEREAS the Council of the City of Penticton wishes to amend 2018-2022 Five Year Financial Plan Bylaw No. 2017-79;

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 "2018-2022 Five Year Financial Plan Amendment Bylaw No. 2018-19".

2. **Amendment:**

   2.1 "2018-2022 Five Year Financial Plan Bylaw No. 2017-79" is hereby amended as follows:

   Delete and replace Schedule 'A' and 'B' in their entirety with the attached Schedule 'A' and 'B'.

   2.2 Schedule 'A' and Schedule 'B' attached hereto forms part of this bylaw.

READ A FIRST time this	3	day of	April, 2018
READ A SECOND time this	3	day of	April, 2018
READ A THIRD time this	3	day of	April, 2018
ADOPTED this		day of	, 2018

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Schedule A

		2018 Budget	2019 Projection	2020 Projection	2021 Projection	2022 Projection
Revenue						
	Taxation	(53,575,138)	(55,638,494)	(57,784,523)	(60,016,545)	(62,336,706)
	Sale of Services	(6,850,424)	(6,881,903)	(6,896,816)	(6,932,683)	(6,969,499)
	Electric Utility Fees	(42,075,442)	(43,335,543)	(44,633,405)	(45,970,158)	(47,346,968)
	Sewer Utility Fees	(5,615,077)	(6,178,775)	(6,653,300)	(6,692,009)	(6,712,253)
	Water Utility Fees	(8,466,692)	(8,817,919)	(9,201,250)	(9,601,446)	(10,019,248)
	Fiscal Services	(3,036,330)	(3,033,713)	(3,034,991)	(3,035,278)	(3,035,573)
	Grants	(1,560,898)	(1,623,320)	(1,623,320)	(1,623,320)	(1,623,320)
	Other Revenues	(12,338,848)	(12,208,338)	(12,270,724)	(12,281,337)	(12,304,093)
	Development Cost Charges	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
	Donations	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
		(134,128,848)	(138,328,005)	(142,708,330)	(146,762,775)	(150,957,660)
Expense						
	General Operating	70,585,627	71,121,311	72,842,435	74,457,734	76,023,916
	Electic Operating	37,175,423	36,206,355	37,609,191	39,053,053	40,073,471
	Sewer Operating	4,761,304	4,805,587	4,817,541	4,915,810	4,736,055
	Water Operating	3,986,240	4,030,214	4,153,704	4,184,822	4,213,195
		116,508,595	116,163,467	119,422,872	122,611,420	125,046,636
Annual Surplus		(17,620,253)	(22,164,539)	(23,285,458)	(24,151,355)	(25,911,024)
Capital						
	General Capital	10,326,426	11,881,565	24,654,518	23,359,241	18,728,821
	Electric Capital	3,305,287	1,551,681	1,373,674	2,082,282	1,643,589
	Sewer Capital	2,642,000	6,769,200	2,503,875	6,828,051	4,325,000
	Water Capital	3,407,250	5,543,335	8,198,500	4,389,600	3,246,300
		19,680,963	25,745,780	36,730,567	36,659,175	27,943,710
Debt Proceeds		(1,635,040)	(702,000)	(3,677,197)	-	-
Land Proceeds		(1,000,000)	(200,000)	(200,000)	(200,000)	(200,000)
Principal repayments		2,982,421	2,334,314	2,443,004	2,528,880	2,530,793
Transfer to/from surplus/reserve		(2,408,091)	(5,013,556)	(12,010,916)	(14,836,699)	(4,363,480)
Financial Plan Balance		-	-	-	-	-

Schedule B

Current Revenue Portions by Funding Source for Operating (excluding borrowing and transfers form reserve/surplus):

Taxation	31,540,871	23.52%
Grants in Lieu	254,519	0.19%
Business & Local Improvement Levy	403,875	0.30%
Collections for Other Governments	21,375,873	15.94%
Sale of Services	6,850,424	5.11%
Electric Utility Fees	42,075,442	31.37%
Sewer Utility Fees	5,615,077	4.19%
Water Utility Fees	8,466,692	6.31%
Other Revenue	12,338,848	9.20%
Fiscal Services	3,036,330	2.26%
Grants	1,560,898	1.16%
Donations	10,000	0.01%
Development Cost Charges	600,000	0.45%
	134,128,848	100.00%

Current Property Class Multiples:

Ratio	2018 Est	2017	2016	2015
Residential	1.000	1.000	1.000	1.000
Utilities	5.930	5.930	5.000	4.028
Light Industry	1.580	1.580	1.580	1.524
Business	1.580	1.580	1.580	1.625
Rec/Non-Profit	1.390	1.390	1.350	1.350
Farm	2.060	2.060	2.250	2.760

The ratios in this chart are based on the 2017 calculations. Council will review the business multiplier in April when we set the tax rates for 2018.

Use of Permissive Tax Exemptions

In 2016, Council passed Bylaw 2016-57 to exempt certain properties from taxation in the next three years (2017-2019). In 2017, Council passed amending Bylaw 2017-61 to exempt certain properties from taxation in 2018. The Bylaw contains the list of properties and the estimated amount of tax revenue forgone ($485,263). The list of properties includes religious institutions, historical societies, recreational facilities, and service organizations that form a valuable part of our community. These organizations have demonstrated to Council that their services support our residents and community.

Use of Revitalization Tax Exemptions

Revitalization tax exemption bylaws were introduced in Penticton in 2010 to provide economic incentives for specified key areas within the City. The specified areas include the downtown, the industrial areas, and other strategic areas of the city. Bylaws 2014-04, 2014-44, and 2015-52 provide for tax exemptions in the specified areas in the City.

The Corporation of the City of Penticton

Bylaw No. 2018-21

A Bylaw to Amend Official Community Plan Bylaw 2002-20

WHEREAS the Council of the City of Penticton has adopted an Official Community Plan Bylaw pursuant to the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Official Community Bylaw 2002-20;

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 "Official Community Plan Amendment Bylaw No. 2018-21."

2. **Amendment:**

"Official Community Plan Bylaw No. 2002-20" is hereby amended as follows:

2.1 Amend Schedule 'B' Future Land Use designation for Lot 5, District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Avenue, identified in Schedule A of this bylaw, from HR (High Density Residential) to MR (Medium Density Residential).

2.2 Amend Schedule 'H' Development Permit Area Map for Lot 5, District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Avenue, identified in Schedule A of this bylaw, from High Density Development Permit Area to General Multiple Family Development Permit Area.

2.3 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	3	day of	April, 2018
A PUBLIC HEARING was held this	17	day of	April, 2018
READ A SECOND time this		day of	, 2018
READ A THIRD time this		day of	, 2018
ADOPTED this		day of	, 2018

Notice of intention to proceed with this bylaw was published on the 6 of April, 2018 and the 11 of April, 2018 in the Penticton newspapers, pursuant to Section 94 of the *Community Charter*.

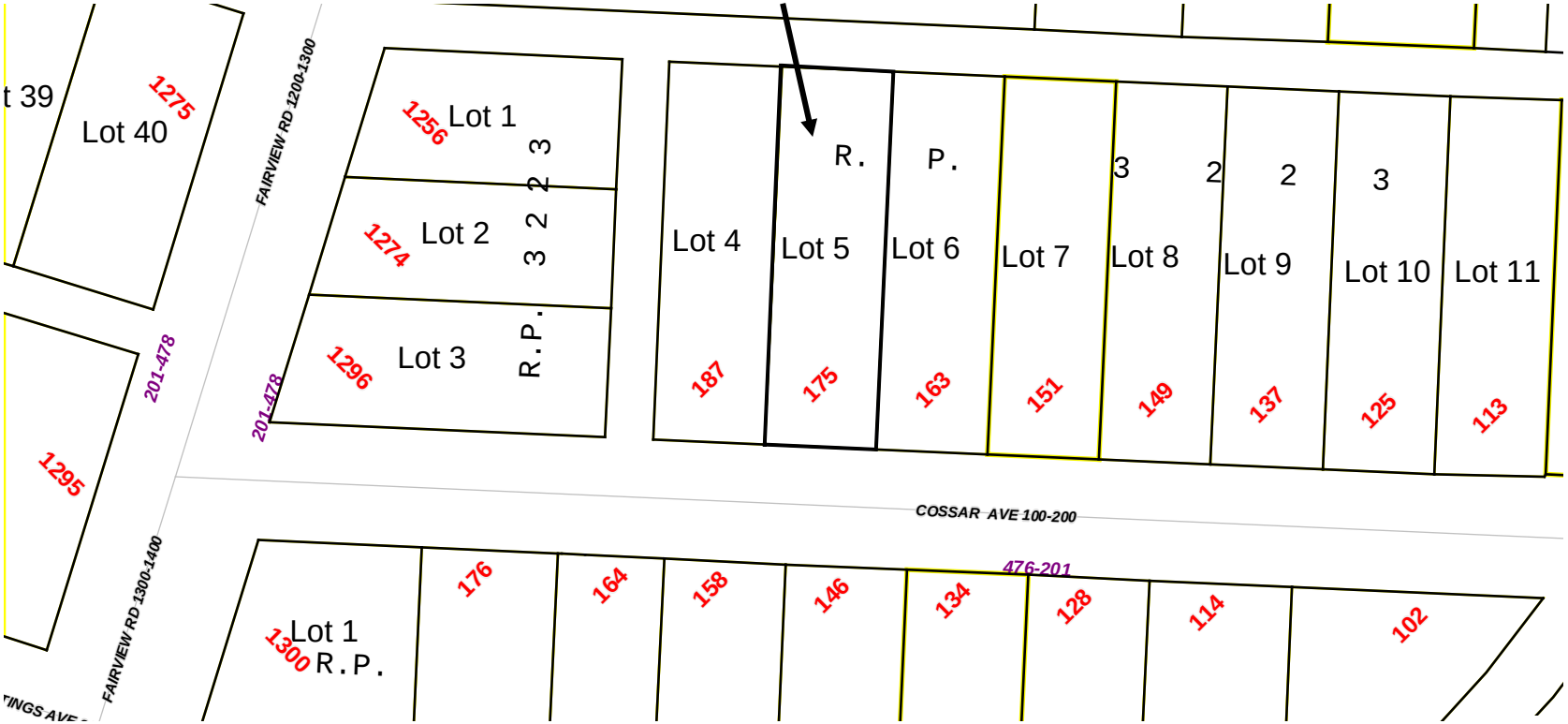
Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

175 Cossar Avenue

Amend Schedule B: Future Land Use Designation
From HR (High Density Residential) to MR (Medium Density Residential)

Amend Schedule H: Development Permit Area
From High Density Development Permit Area to General Multiple Family Development Permit Area



City of Penticton – Schedule 'A'

Official Community Plan Amendment Bylaw No. 2018-21

Date: _____ **Corporate Officer:** _____

The Corporation of the City of Penticton

Bylaw No. 2018-22

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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 No. 2018-22".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone Lot 5 District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223, located at 175 Cossar Avenue from RD2 (Duplex Housing: Lane) to RM2 (Low Density Multiple Housing).

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	3	day of	April, 2018
A PUBLIC HEARING was held this	17	day of	April, 2018
READ A SECOND time this		day of	, 2018
READ A THIRD time this		day of	, 2018
RECEIVED the approval of the Ministry of Transportation on the		day of	, 2018
ADOPTED this		day of	, 2018

Notice of intention to proceed with this bylaw was published on the 6 day of April, 2018 and the 11 day of April, 2018 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

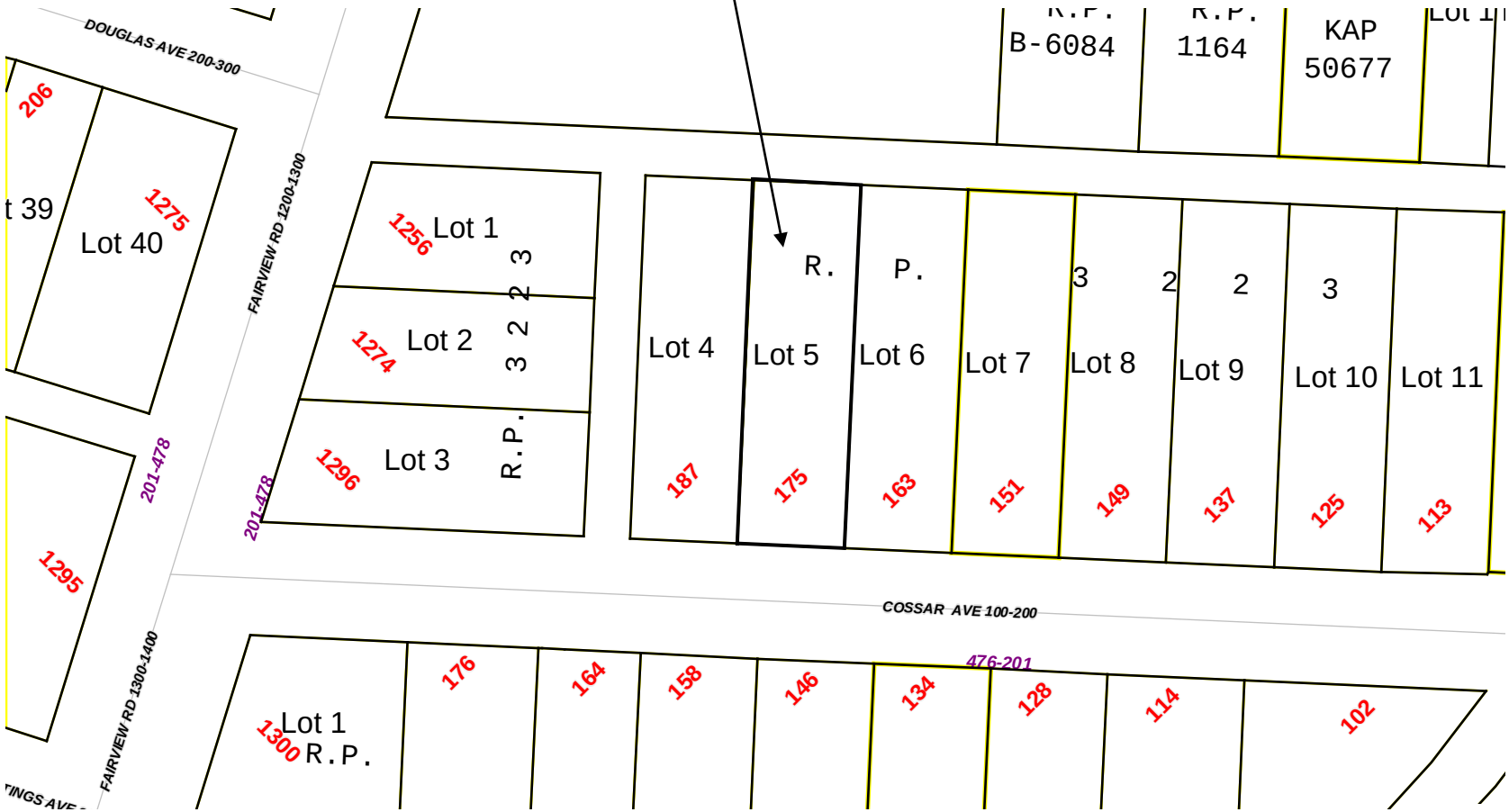
Approved pursuant to section 52(3)(a) of the *Transportation Act*
this _____ day of _____, 2018

_____
for Minister of Transportation & Infrastructure

_____
Andrew Jakubeit, Mayor

_____
Dana Schmidt, Corporate Officer

Rezone 175 Cossar Avenue
From RD2 (Duplex Housing: Lane) to RM2 (Low Density Multiple Housing)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2018-22

Date: _____ **Corporate Officer:** _____

The Corporation of the City of Penticton

Bylaw No. 2017-75

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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 No. 2017-75".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone Lot 11, District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 937, located at 453 Eckhardt Avenue West from RD2 (Duplex Housing: Lane) to RM2 (Low Density Multiple Housing).

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	5	day of	December, 2017
A PUBLIC HEARING was held this	19	day of	December, 2017
READ A SECOND time this	19	day of	December, 2017
READ A THIRD time this	19	day of	December, 2017
RECEIVED the approval of the Ministry of Transportation on the	21	day of	December, 2017
ADOPTED this		day of	, 2018

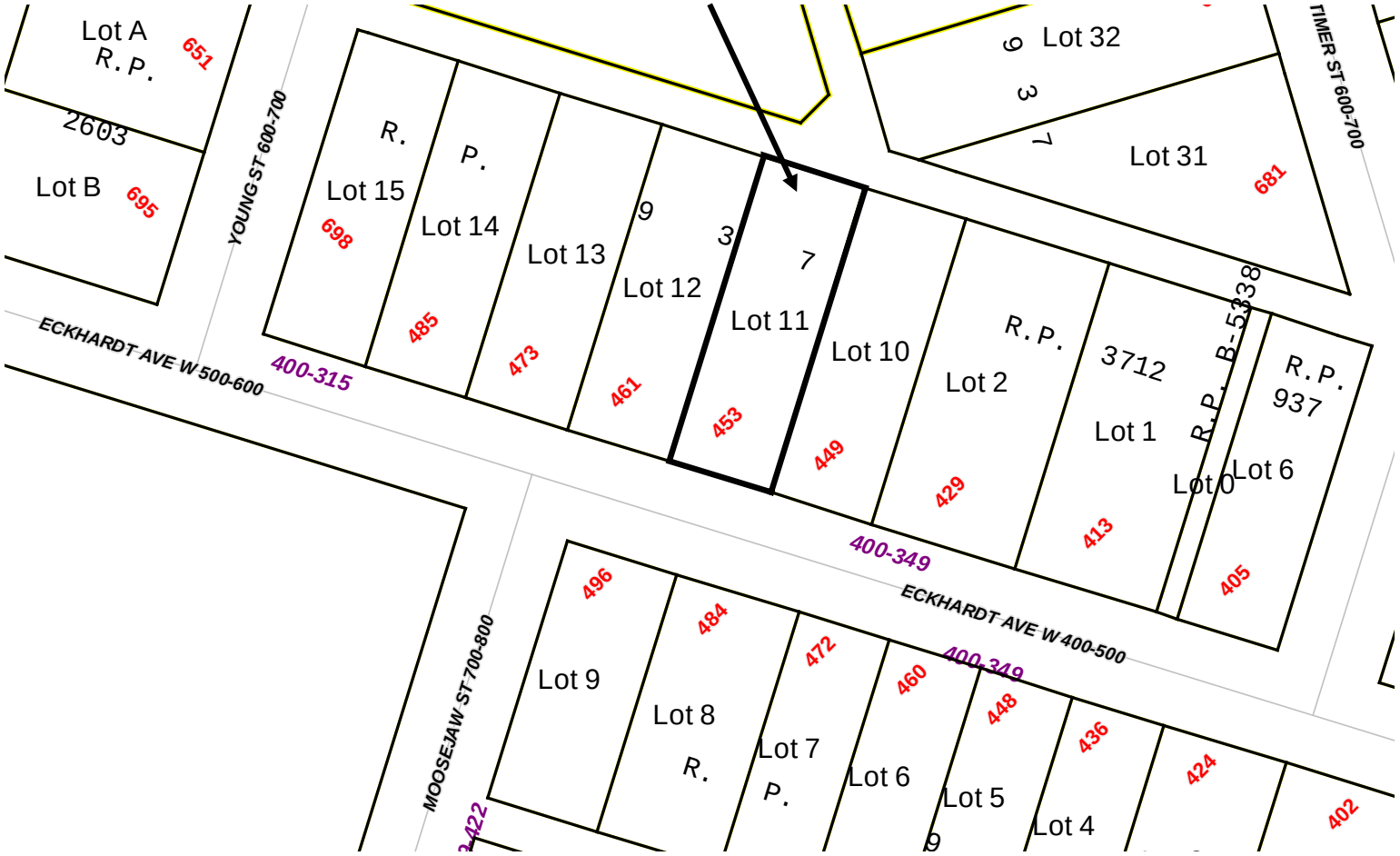
Notice of intention to proceed with this bylaw was published on the 8 day of December, 2017 and the 13 day of December, 2017 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

Approved pursuant to section 52(3)(a) of the *Transportation Act*
this 21 day of December, 2017
for Minister of Transportation & Infrastructure

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

Rezone 453 Eckhardt Ave W
From RD2 (Duplex Housing: Lane) to RM2 (Low Density Multiple Housing)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2017-75

Date: _____ **Corporate Officer:** _____

City of Penticton
171 Main St. | Penticton B.C. | V2A 5A9
www.penticton.ca | ask@penticton.ca

Development Variance Permit

Permit Number: DVP PL2017-8093

Name:
Address:

Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.

2. This permit applies to:

   Legal: Lot 11 District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan 937
   Civic: 453 Eckhardt Avenue West
   PID: 011-956-925

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following sections of Zoning Bylaw 2017-08 to allow for the construction of a 2nd duplex on a property.

   - Section 5.3.1: to waive the requirements to provide trees and shrubs in the landscape buffer area.
   - Section 10.8.2.7.i: to reduce the minimum interior side yard of a principal building from 3.0m to 1.5m.

General Conditions

4. In accordance with Section 501 of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit and the plans attached as Schedule A.

5. In accordance with Section 504 of the *Local Government Act,* if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.

6. **This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department**.

7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.

8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.

Authorized by City Council, the ___ day of _____ 2017

Issued this ___ day of _____, 2017

_____
Dana Schmidt,
Corporate Officer

Council Report

penticton.ca

Date: April 17, 2018 File No: Civic
To: Peter Weeber, Chief Administrative Officer
From: Ken Kunka, Acting Director of Development Services
Address: 1775 Naramata Road

Subject: **Liquor Service – Permanent Change in hours – Bench 1775 Winery**

Staff Recommendation

THAT Council recommend to the Liquor Control and Licensing Branch (LCLB) that it support the application from Bench 1775 Winery (0988081 BC) for the proposed permanent change in hours for exterior lounge from 10:00am to 7:00pm to 10:00am to 10:00pm (9:00pm - service closure), with no amplified music on patio.

Background

On March 20, 2018 Council resolved:

119/2018 It was MOVED and SECONDED

THAT Council direct staff to commence public notification of the proposed Permanent Change to hours of service for Bench 1775 Winery;

AND THAT staff report back to Council at their regular meeting on April 17, 2018 with the results of the public consultation for Council's consideration.

CARRIED UNANIMOUSLY

As noted in the March 20th staff report, the winery's original application in 2015 for Lounge and Special Event Area (SEA) were met with local community resistance resulting with the winery currently permitted to operate service hours as:

- Special Event Area – 10:00am to 10:00pm – Monday to Sunday
- Lounge (Interior) – 10:00am to 10:00pm – Monday to Sunday
- Lounge (Exterior) patio – 10:00am to 7:00pm – Monday to Sunday – no amplified music
- No Special Event Licenses permitted

Site Context

The property is zoned A (Agricultural) with an OCP designation of Agricultural Use. The property is located in a mixed rural area of single family, farming and winery commercial uses. There are 5 wineries within 1.0km of this site. The other wineries currently do not have Lounge or SEA endorsements, however Morraine Estate Winery which is located directly to the north is making application for exterior lounges.

Technical Review

Staff and the Liquor Licensing Technical Review Committee (LLTRC) have provided the following comments related to community impact and site safety:

Noise: As noted by the applicant's original Letter of Intent, staff can confirm no noise complaints on record since the original license approval. In 2016 and 2017 the winery had staff approved requests to temporarily change the hours of service (later hours) for a limited number of events. There are also no noise complaints related to those events.

Life Safety (Building Code): staff discovered that recent changes to the building have occurred with the partial enclosure of an existing deck for a commercial kitchen operation. The winery will be completing remedial works under the direction of an Architect.

Traffic: At this time there appears to be no issues with winery traffic flows and noise.

Financial implication

The public consultation process costs will be offset by the Liquor Review application fee.

Analysis

Public Consultation

As per the *Liquor Control and Licensing Act*, the City is required to gather comments or concerns of the residents with the area of the proposal, to be considered in concert with the proposal. As such, a notice of application and request for comment was mailed out to the residents within 500m of the subject property (Attachment A) and a public notice sign was erected on site. Three public notices were also placed in the local newspapers.

As a result, no letters of concern or support have been received by the time of the preparation of this report.

The winery will also be hosting an open house on April 12th to allow neighbours to discuss the proposal directly. Comments will be forwarded to city staff for update to Council during the April 17th presentation.

In recognition of the staff review and public consultation, the Liquor Licensing Technical Review Committee (LLRTC) supports the application but it is suggested that continued monitoring of the Naramata Bench traffic flows as well as further proposed residential development be considered within the Official Community Plan (OCP) and further Zoning amendments.

Council can deny the application or request LCLB to place further license conditions of the operation.

Should Council deny the application, then the applicant will be informed of Council's decision and a Council resolution outlining the reason for denial is forwarded to the LCLB.

Alternate recommendations

1. THAT Council deny support of Bench 1775 Winery (0988081 BC) application to allow Permanent Amendment of service hours.

2. Refer Permanent Amendment of service hours application for Bench 1775 Winery back to staff for further review.

Attachments

Attachment A – Location – Public Consultation map & site sign

Respectfully submitted,

Ken Kunka, AScT RBO
Building and Permitting Manager

Approvals

Acting Director	Chief Administrative Officer
KK	PW

Attachment A

Public Consultation Map – Site Sign





Council Report

penticton.ca

Date: April 3, 2018 File No: DVP PL2018-008
To: Peter Weeber, Chief Administrative Officer
From: Blake Laven, Planning Manager
Property: 2883 and 2895 Partridge Drive
Subject: **"Development Variance Permit 2018-8139"**

Staff Recommendation

THAT Council approve "Development Variance Permit PL2018-8139", a permit to increase the permitted height of a retaining wall in a required yard from a maximum height of 1.2m to a maximum height of 4.5m for Lots 4 and 5 of District Lot 2710, Similkameen Division Yale District, Plan EPP28587, located at 2883 and 2895 Partridge Drive;

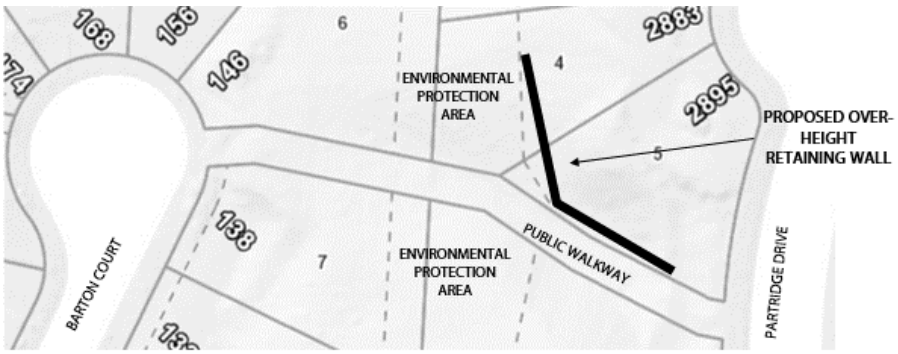
AND THAT staff are directed to issue "Development Variance Permit PL2018-8139".

Background

The subject properties are two large single family lots located in the upper Pineview area of the City. The property slopes steeply from Partridge Drive into a natural area at the back of the lot. The natural area is part of the Environmental Protection Development Permit Area and no building is permitted or proposed to take place on this portion of the lot. There is a public walk way that runs through the natural area connecting Partridge Drive to the Barton Court cul-de-sac below. One of the two subject lots (2895 Partridge) is located adjacent to the walkway, with the other lot (2883 Partridge) located adjacent to the north.

The developer who owns the lands is requesting to construct a 'locked block' retaining wall to create a "level building site". The wall is intended to run along the public walkway from Partridge Drive and gain in height to the protected natural area where the wall will run along the natural area through both subject properties (see figure below).

Given the steep slope of the lot, the wall is required to be 4.5m (15 feet) at is highest. The City's zoning bylaw does not permit an accessory structure to be over 4.5m in height, nor does the bylaw allows for a retaining wall higher than 1.2m in a required yard. The proposed wall does not meet the bylaw



regulation as there is a section of the wall over 1.2m in the required side yard. As such a variance to the bylaw is being requested.

In 2014, City Council approved a similar variance request for the lot immediately across the public walkway from the subject lots. Images of the constructed wall are included as part of Attachment B of this report. Approval of the subject variance will result in a similar situation on both sides of the walkway.

Proposal

The applicants are requesting a development variance permit to vary Section 5.6.2.1 of Zoning Bylaw 2017-08 to increase the maximum height of a retaining wall in a required yard from 1.2m to 4.5m.

Financial implication

N/A

Technical Review

The subject application has been forwarded to the City's Technical Planning Committee. No major issues were identified from that Committee. Prior to construction of the wall, if approved by Council, a building permit will be required. As part of the variance permit application a report prepared by a Geotechnical Engineer has been submitted, ensuring the technical feasibility of the wall.

Analysis

Approve

When considering a variance to a City bylaw, staff encourages Council to consider whether there is a significant site constraint that exists on the property that makes following the bylaw difficult or impossible, whether approval of the variance would cause a negative impact on neighbouring properties, or if the variance request is reasonable.

In this case, the applicant has stated that to create a usable building footprint the retaining structure is required. The severe topography of the property combined with the reduced usable area of the property due to the Environmental Protection Area, significantly restricts the usable area of the lot and constructing the retaining wall in accordance with the zoning bylaw would further decrease the usable area. The zoning bylaw does allow for retaining walls to be built up to 4.5m, just not at the property line. To comply with the bylaw a retaining wall would have to be built at a maximum height of 1.2m at the property line and then a second wall making up the difference in height constructed parallel to the first wall. This creates logistical challenges.

The intent of the bylaw is so that lower properties are not negatively affected by having to view large retaining walls. The bylaw requires stepping of the wall to reduce the effect of one large wall face. In this case, there will not be any negatively affected persons as the neighbour across the walkway has a similar wall and the properties to the west are buffered by the natural area.

Furthermore, the construction of the wall effectively creates a buffer between the residential development and the natural area. The natural area is intended as a wildlife corridor and has seen encroachment in the past. The erection of the wall will ensure a clear delineation between the residential building site and the protected natural area.

Considering the points above, staff consider that the requested variance is reasonable and recommend that Council support the application and direct staff to issue the permit.

Deny or Refer

Council may feel that the variance is not justified and that the wall should be terraced as required by the Zoning Bylaw. If that is the case, Council should deny the variance. Alternatively, Council may support the variance to the height, but place some restrictions / qualifications on the design of the wall such as a specified material (textured stone or other).

Alternate recommendations

Alternative 1: THAT Council support "DVP PL2018-8139" with the condition that the wall be constructed from a textured material.

Alternative 2: THAT "DVP PL 2018-8139" be denied.

Attachments

Attachment A – Subject property location map
Attachment B – Images of subject property
Attachment C – Draft DVP

Respectfully submitted,

Blake Laven, RPP, MCIP
Planning Manager

Approvals

Acting Director	Chief Administrative Officer
BJ	PW

Attachment 'A'
Subject Property Location Map



Attachment B
Images of Subject Property





Figure 1: Image of public walkway looking west with existing over-height retaining wall on left. Similar wall is proposed on right.

Attachment 'C'
Draft "Development Variance Permit PL2018-8139

City of Penticton
171 Main St. ↓ Penticton B.C. ↓ V2A 5A9
www.penticton.ca ↓ ask@penticton.ca

Development Variance Permit

Permit Number: DVP PL2018-8139

Name
Address
Contact

Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.

2. This permit applies to:

   Legal: Lots 4 and 5, District Lot 2710, Similkameen Division Yale District, Plan EPP28587
   Civic: 2883 and 2895 Partridge Drive
   PID: 029-669-359 and 029-669-367

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following sections of Zoning Bylaw 2017-08:

   i. Section 5.6.2.1 to increase the maximum height of a retaining wall in a yard from 1.2m to 4.5m

General Conditions

4. In accordance with Section 501 of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit.

5. In accordance with Section 504 of the *Local Government Act*, if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.

6. This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.

7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.

8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.

Authorized by City Council, the _____ day of _____, 2018

Development Variance Permit PL2018-8139
Issued this _____ day of _____, 2018

_____
Dana Schmidt,
Corporate Officer

Page 2 of 2

Council Report

penticton.ca

Date: April 17, 2018 File No: PRJ2018-072
To: Peter Weeber, Chief Administrative Officer
From: Nicole Capewell, Planner 1
Address: 134 Glen Place
Subject: **DVP PL2018-8207**

Staff Recommendation

THAT Council approve "Development Variance Permit PL2018-8207" for Lot 4, District Lot 2710, Similkameen Division Yale District, Plan 27000, located at 134 Glen Place, a permit to vary the following sections of Zoning Bylaw No. 2017-08:

- Section 8.2.3.5: to permit a carriage house, in the R1 (Large Lot Residential) zone, to be located closer to the front lot line than the principal dwelling; and
- Section 10.1.2.5: to reduce the front yard setback from 6.0 m to 4.67 m;

AND THAT staff be directed to issue "DVP PL2018-8207".

Strategic Objective

The subject application demonstrates that it is aligned with the Council Priorities of Community Building and Economic Vitality. The application represents smart growth by increasing density in areas where existing services are in place. This proposal is a form of urban infill, which is aligned with the City's Official Community Plan.

Background

The subject property (Attachment 'B') is zoned R1 (Large Lot Residential) and is designated in the City's Official Community Plan as LR (Low Density Residential). Photos of the site are included as Attachment 'D'. The subject property is approximately 607 m^2 (6,537 sq. ft.) in area. The existing house was constructed in approximately 1979.

Proposal

The applicant is proposing to construct a single storey carriage house that is 78m^2 (840 sq. ft). The carriage house will be located on the north east side of the property. Due to the odd shape of the lot, and there being no lane access, the applicant is requesting a Development Variance Permit to vary the following sections of Zoning Bylaw No. 2017-08:

- Section 8.2.3.5: to permit a carriage house, in the R1 (Large Lot Residential) zone, to be located closer to the front lot line than the principal dwelling; and
- Section 10.1.2.5: to reduce the front yard setback from 6.0 m to 4.67 m.

Financial Implication

This application does not pose any financial implications to the City. Development costs are the responsibility of the developer.

Technical Review

This application was reviewed by the City's Technical Planning Committee. No significant issues arose in the process. Servicing and building code requirements have been identified and will be addressed as part of the building permit process. It is the property owner's responsibility to provide services and/or upgrade existing services for the carriage house.

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the rezoning application:

	Requirement Carriage House R1 Zone	Provided on Plans
Minimum Lot Area for Carriage House:	370 m^2	607 m^2
Maximum Lot Coverage:	90 m^2	78 m^2
Vehicle Parking:	3	3
Required Setbacks Front Yard (Glen Place): Side Yard (east): Side Yard (west): Rear Yard:	 6.0 m 1.5 m 1.5 m 1.5 m	 4.67 m– **Variance Requested** 1.5 m 30.5 m 1.5 m
Maximum Building Height	7 m	4.15 m
Other Information:	Applicant is also **requesting a variance** for: • Section 8.2.3.5: to permit a carriage house, in the R1 (Large Lot Residential) zone, to be located closer to the front lot line than the principal dwelling.	

Analysis

Development Variance Permit

Approve Development Variance Permit

When considering a variance to a City bylaw, staff encourages Council to consider if there is a hardship on the property that makes following the bylaw difficult or impossible, whether approval of the variance would cause a negative impact on neighbouring properties and if the variance request is reasonable.

The proposed variances and staff's comments on each are as follows:

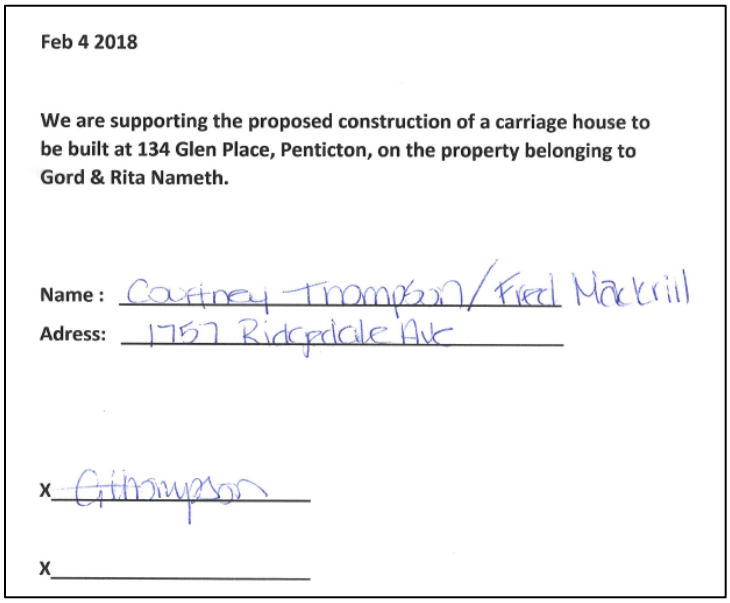
1. *Section 8.2.3.5: to permit a carriage house, in the R1 (Large Lot Residential) zone, to be located closer to the front lot line than the principal dwelling.*
   Due to the unusual shape of the subject property, the property owner is restricted by where they can place a carriage house on their property, while meeting all required setbacks. Staff notes that the applicant is proposing a carriage house that is smaller than the maximum size of 90m^2 that is

permitted on the property. The applicant is constructing a single storey carriage house with a height of 4.15 m, which is less than the maximum 7.0 m permitted, which will significantly reduce the impact to neighbouring properties. The applicant has also located the carriage house as close to the rear property line as the Zoning Bylaw No. 2017-08 allows (1.5 m).

2. *Section 10.1.2.5: to reduce the minimum front yard from 6.0m to 4.67m.*
   The applicants are requesting to reduce the required minimum front yard from 6.0m to 4.67 m. As previously mentioned, the height of the proposed building (4.15m) is much less than the 7.0 m permitted, thus significantly reducing the impact on neighbouring properties. The property has a large boulevard (~2.5 m) between the property line and the back of the curb on Glen Place, which can provide additional buffer space between the street and the proposed dwelling.

The applicants were able to provide staff with a number of signed letters of support when they submitted their application for variances to staff. This displays that the applicant has discussed and consulted with their neighbourhood to address any concerns ahead of time. The letters were prepared by the applicant and signed by the neighbours. A sample of the letter can be viewed below (Figure 1). The applicants submitted a total of 11 letters of support from neighbours directly adjacent, or in close proximity to their property from the following addresses (Attachment 'F'):

- 126 Glen Place (directly adjacent)
- 150 Glen Place
- 154 Glen Place
- 158 Glen Place
- 162 Glen Place
- 166 Glen Place
- 170 Glen Place
- 1757 Ridgedale Avenue (directly adjacent)
- 1773 Ridgedale Avenue (directly adjacent)
- 1787 Ridgedale Avenue (directly adjacent)
- 1805 Ridgedale Avenue



Feb 4 2018

We are supporting the proposed construction of a carriage house to be built at 134 Glen Place, Penticton, on the property belonging to Gord & Rita Nameth.

Name : Courtney Thompson / Fred Mackrill

Adress: 1757 Ridgedale Ave

X G.Thompson

X

Figure 1: Sample Letter of Support

Given the above, staff find the variance request reasonable and recommend that Council support the application.

Deny Development Variance Permit

Council may consider that the proposed variance will negatively affect the neighbourhood, in particular, the adjacent neighbours. Council may decide that the applicant should relocate and reduce the size of the carriage house to meet the setbacks. If this is the case, Council should deny the variance.

Alternate Recommendations

1. THAT Council support "Development Variance Permit 2018-8207" with conditions.
2. THAT "Development Variance Permit 2018-8207" be referred back to staff.

Attachments

Attachment A:	Subject Property Location Map
Attachment B:	Zoning Map of Subject Property
Attachment C:	Official Community Plan Map of Subject Property
Attachment D:	Images of Subject Property
Attachment E:	Letter of Intent
Attachment F:	Map of Properties that Submitted Letter of Support
Attachment G:	Draft Development Variance Permit (DVP)

Respectfully submitted

Nicole Capewell
Planner 1

Approvals

Acting Director Development Services	Chief Administrative Officer
BJ	PW

Attachment A – Subject Property Location Map



Figure 2 – Subject Property Highlighted in Red

Attachment B – Zoning Map of Subject Property

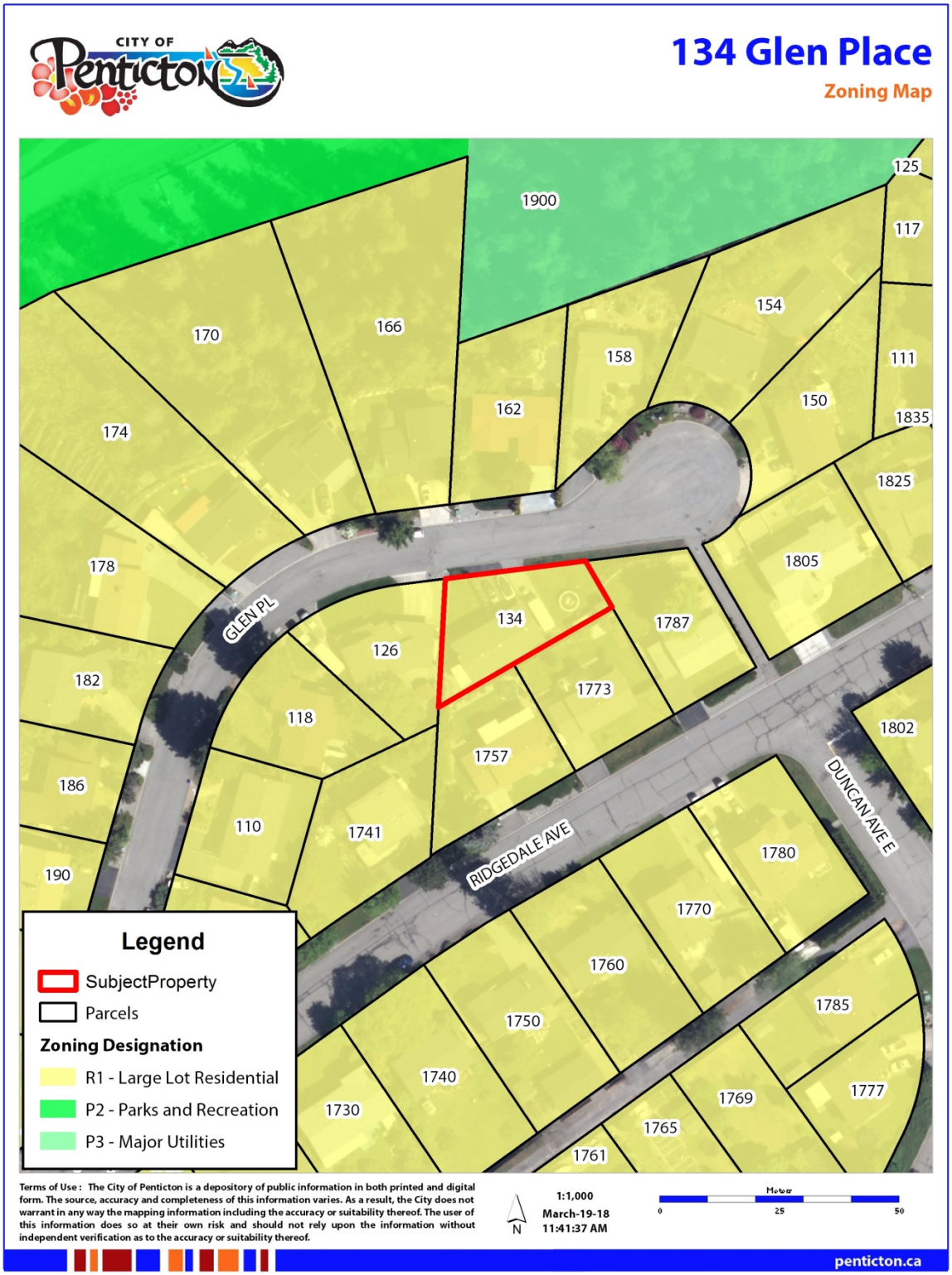


Figure 3 – Subject Property Currently Zoned R1 (Large Lot Residential)

Attachment C – Official Community Plan Map of Subject Property

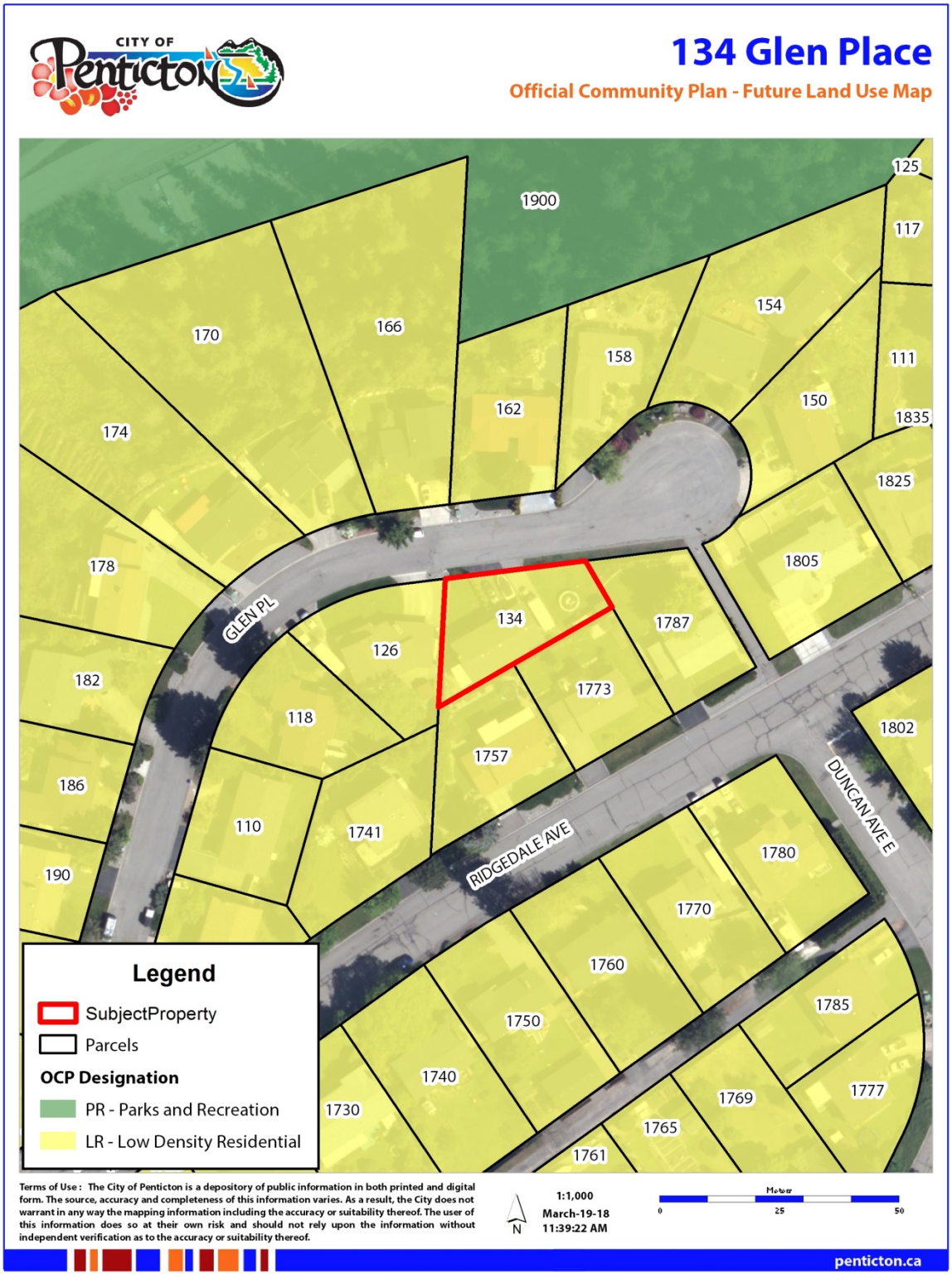


Figure 4 – Subject Property Currently Designated as LR (Low Density Residential) within Official Community Plan

Attachment D – Images of Subject Property

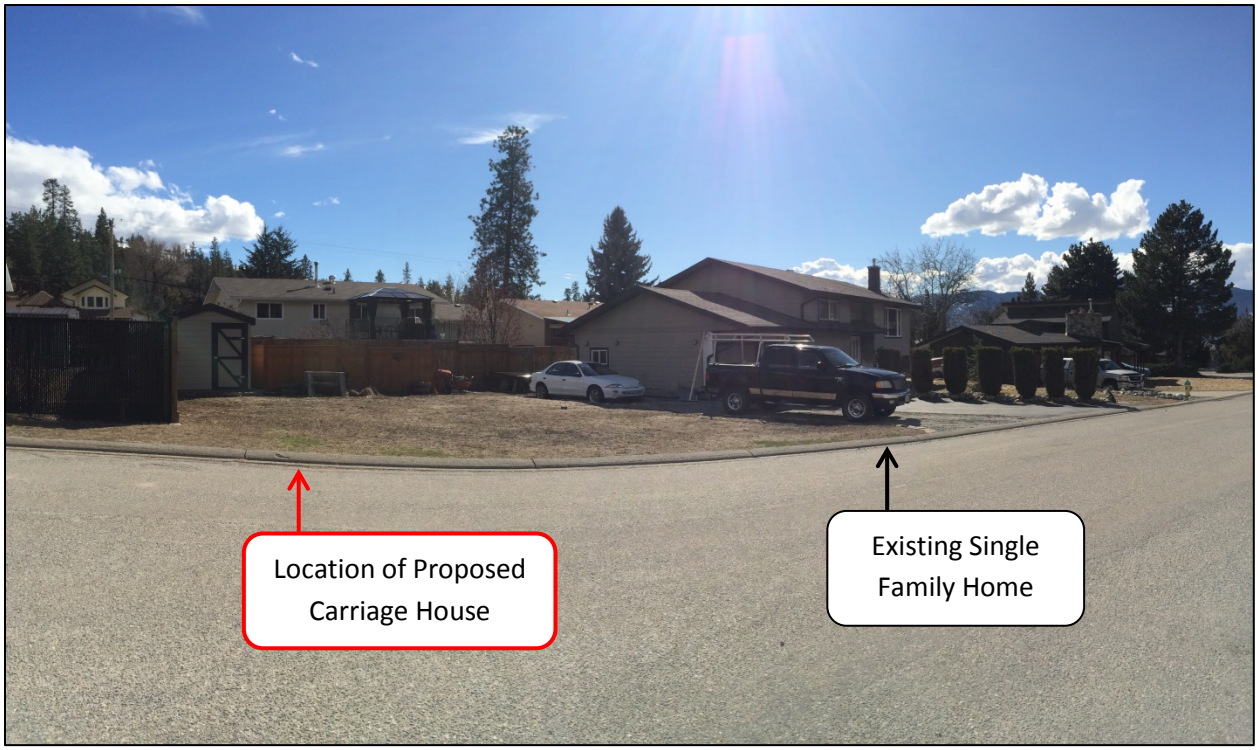


Figure 5 – Looking toward front of 134 Glen Place from Glen Place

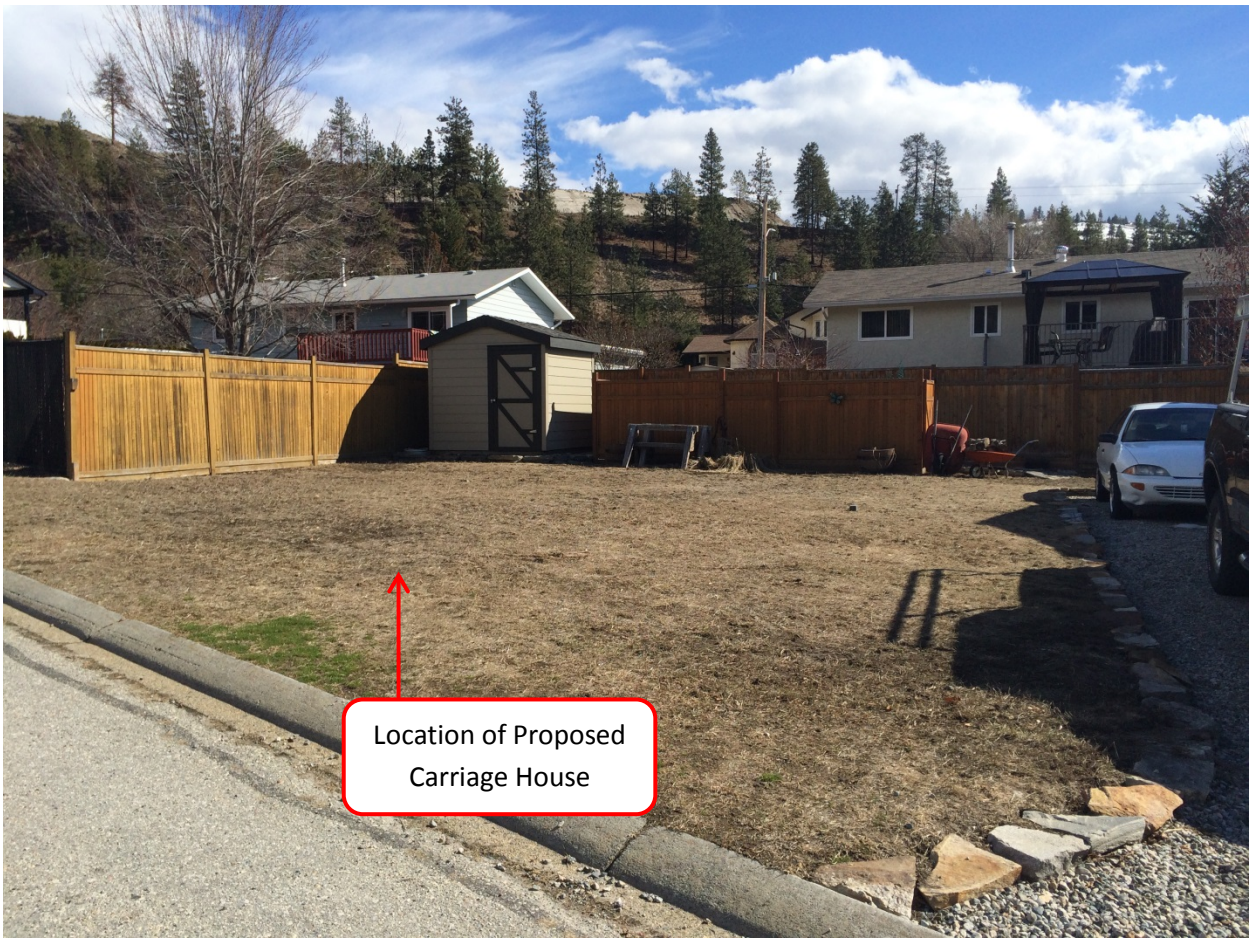


Figure 6 – Looking toward front of 134 Glen Place from Glen Place



Figure 7 – View of north eastern property boundary; where proposed carriage house will directly border

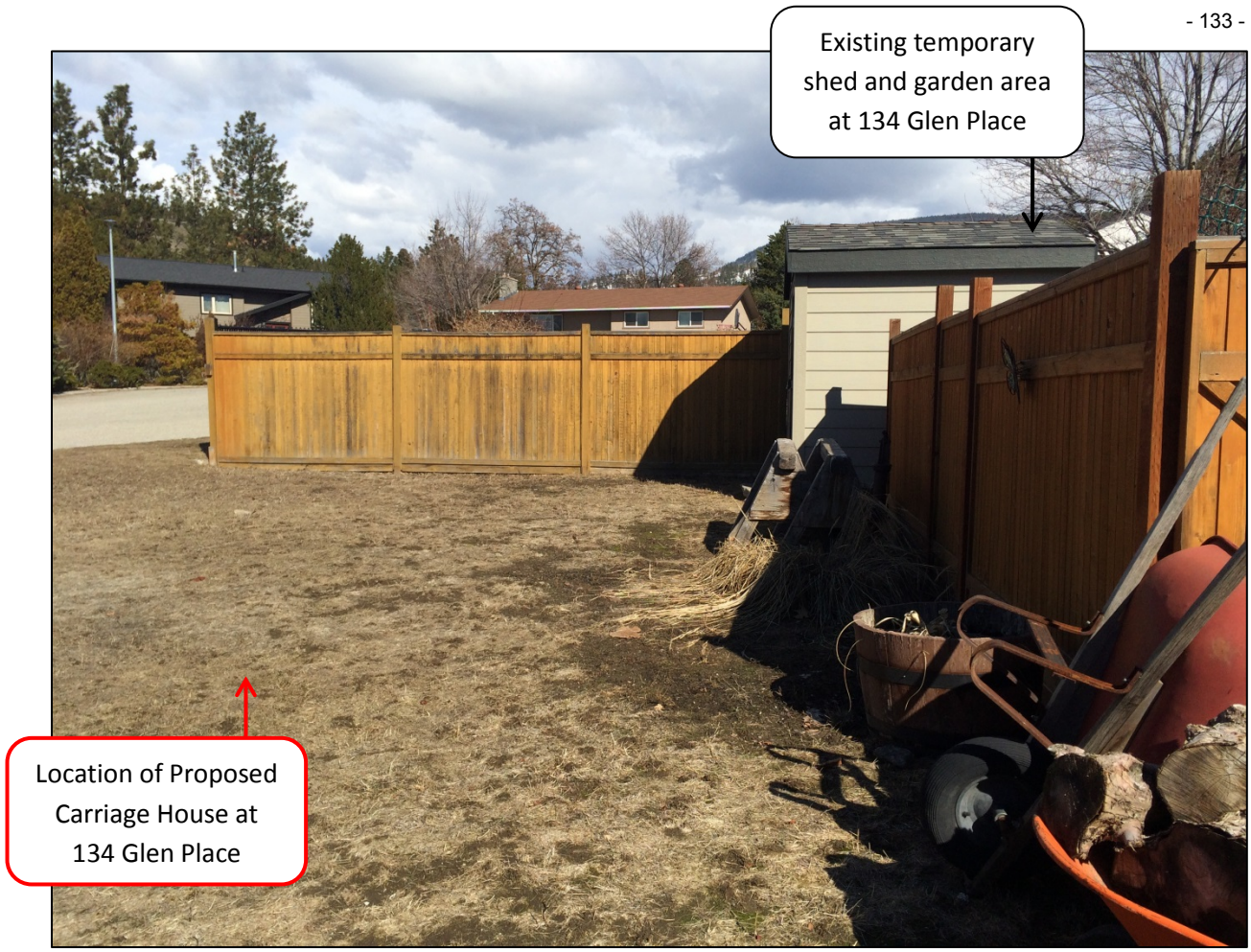


Figure 8 – Looking north at 134 Glen Place where proposed carriage house will be located

Attachment E – Letter of Intent

March 3/2018

Gordon Nameth & Rita Nameth, propose to build a carriage house on our property located at 134 Glen Place, Penticton B.C.

The carriage house is intended for family, our daughter who is recovering from a devastating no fault car accident 2½ yrs ago. A living space to get her on her own but still living close. When she moves on it will be rented.

Our large side yard has remained mostly unused since several trees were removed quite a few years ago, due to decay. It is unsightly and consumed by weeds in summer as we were not sure of our vision for the land.

We believe we have an aesthetically pleasing design that would be a good use of unused, empty side yard. The design will not change the character of the neighborhood and all surrounding neighbors are in favor and many think it will be an improvement to Glen Pl.

Due to an irregular lot shape we are setting the house as far back as possible. The house is set back from the main dwelling, but becomes closer to the front lot lines, as the lot narrows. Due to the narrow end we are asking council to consider varying section 10.1.2.5: to reduce the minimum front setback from 6.0m to 4.67m and section 8.2.3.5: to allow a carriage house to be located closer to the front lot line than the principle dwelling.

As there is a boulevard between the lot line and the curb the proposed carriage house will appear farther back. No aspect of this house will infringe on any neighbor's property.

Thanks for your consideration.

Figure 9 – Letter of Intent (Page 1/2)

Gordon & Rita Nameth 134 Glen Place Penticton B.C.

Variances we are asking for;

Section 10.1.2.5: to reduce to minimum front setback from 6.0m to 4.67m

Section 8.2.3.5: to allow a carriage house to be located closer to the front lot line than the principle dwelling.

Figure 10 – Letter of Intent (Page 2/2)

Attachment F – Map of Properties that Submitted Letter of Support

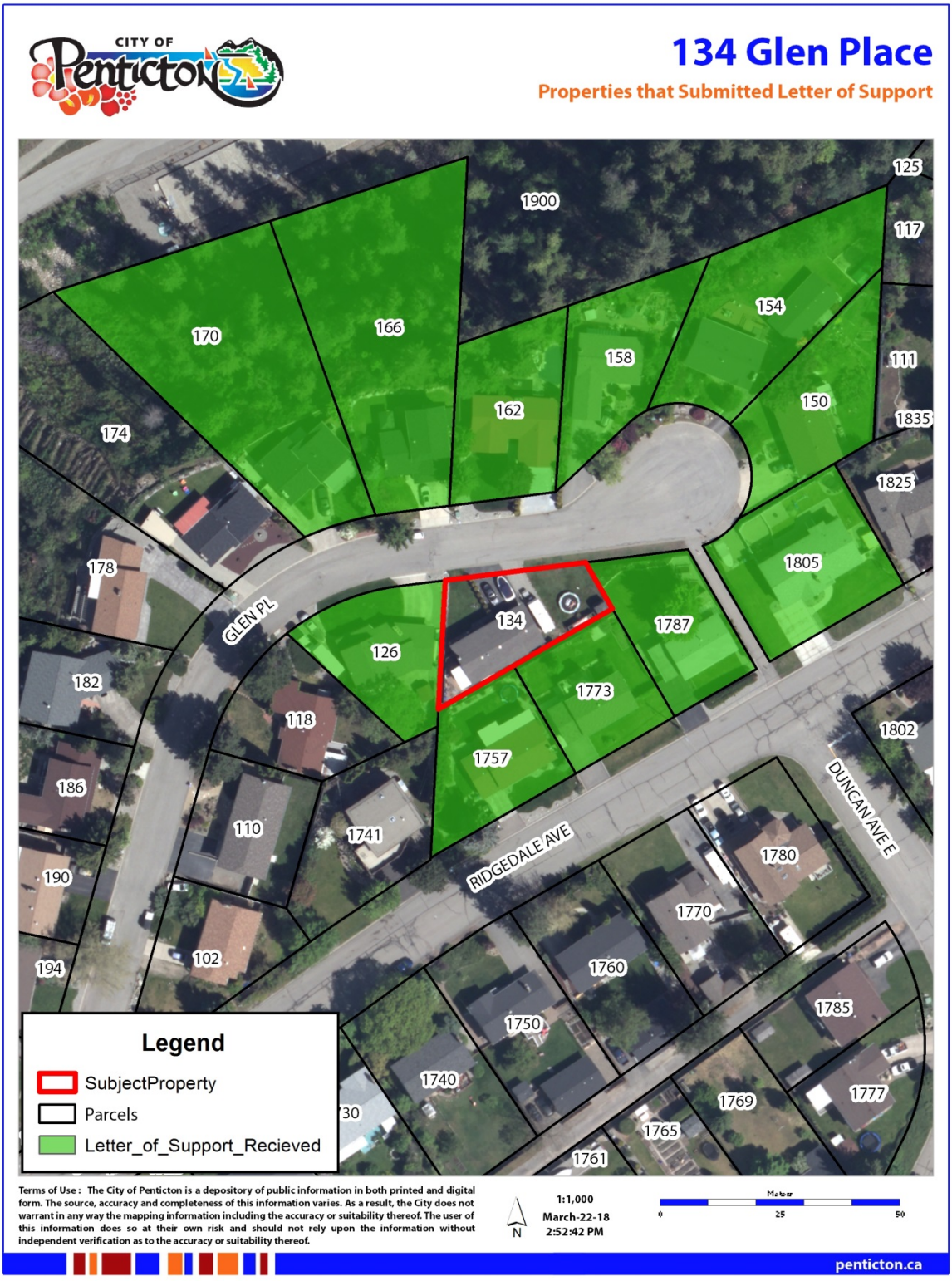


Figure 11 – Map displaying the Properties that Signed Letters of Support

Attachment G – Draft Development Variance Permit (DVP)

City of Penticton
171 Main St. | Penticton B.C. | V2A 5A9
www.penticton.ca | ask@penticton.ca

Development Variance Permit

Permit Number: DVP PL2018-8207

Name
Address I
Address II

Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.

2. This permit applies to:

   Legal: Lot 4 District Lot 2710 Similkameen Division Yale District Plan 27000
   Civic: 134 Glen Place
   PID: 004-931-165

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary Section the following sections of Zoning Bylaw 2017-08:
   a. Section 8.2.3.5: to permit a carriage house, in the R1 (Large Lot Residential) zone, to be located closer to the front property line than the principal dwelling; and
   b. Section 10.1.2.5: to reduce the front yard setback from 6.0m to 4.67m.

General Conditions

4. In accordance with Section 501 of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit and the plans attached as Schedule 'A'.

5. In accordance with Section 504 of the *Local Government Act*, if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.

6. **This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.**

7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.

8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development

DRAFT

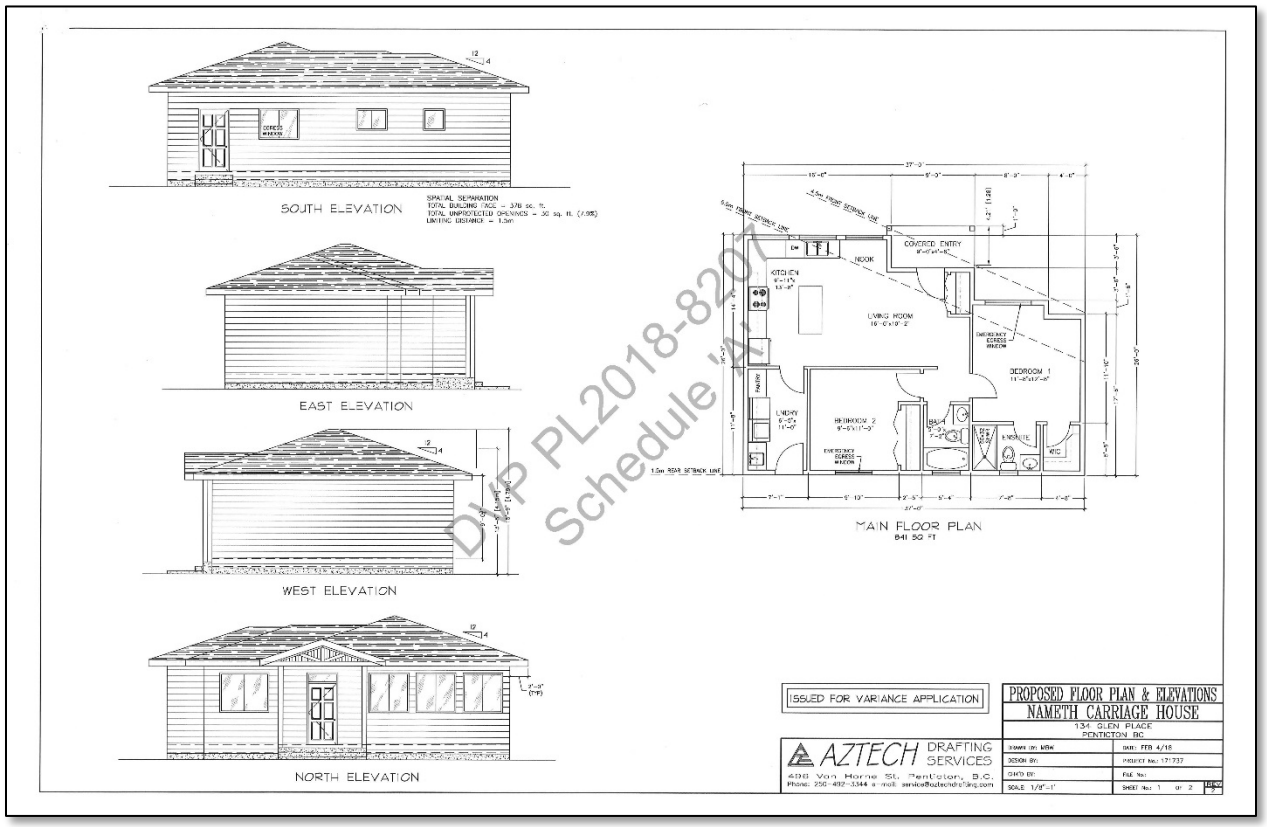
Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.

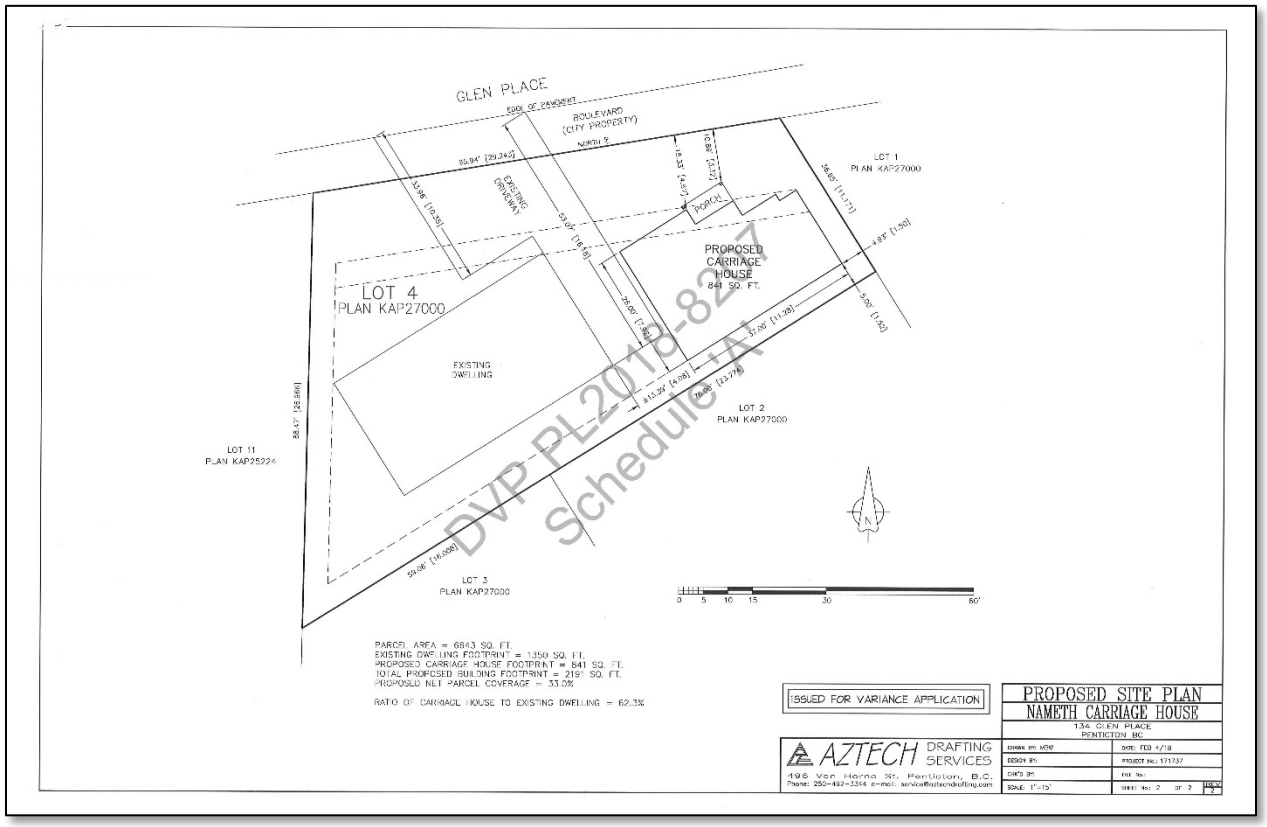
Authorized by City Council, the _____ day of _____, 2018

Development Variance Permit PL
Issued this _____ day of _____, 2018

_____
Dana Schmidt,
Corporate Officer

DRAFT


SOUTH ELEVATION
SPATIAL SEPARATION
TOTAL BUILDING FACE = 378 sq. ft.
TOTAL UNPROTECTED OPENINGS = 30 sq. ft. (7.9%)
LIMITING DISTANCE = 1.5m
EAST ELEVATION
WEST ELEVATION
NORTH ELEVATION
COVERED ENTRY
NOOK
KITCHEN
LIVING ROOM
16'-6"x19'-2"
BEDROOM 1
11'-6"x11'-6"
BEDROOM 2
9'-6"x11'-0"
LAUNDRY
6'-0"x
11'-0"
BATH
5 MINUTE
WIC
1.5m REAR SETBACK LINE
MAIN FLOOR PLAN
841 SQ. FT.
DVP PL2018-8207
Schedule 'A'
ISSUED FOR VARIANCE APPLICATION
PROPOSED FLOOR PLAN & ELEVATIONS
NAMETH CARRIAGE HOUSE
134 GLEN PLACE
PENTICTON, BC
AZTECH DRAFTING SERVICES
498 Van Horne St., Penticton, B.C.
Phone: 250-492-3344 e-mail: service@aztechdrafting.com
DRAWN BY: MSW
DATE: FEB 4/18
DESIGN BY:
PROJECT No.: 171737
CHK'D BY:
FILE No.:
SCALE: 1/8"=1'
SHEET No.: 1 OF 2
REV 2


GLEN PLACE
BOULEVARD
(CITY PROPERTY)
EXISTING
DRIVEWAY
PORCH
PROPOSED
CARRIAGE
HOUSE
841 SQ. FT.
LOT 4
PLAN KAP27000
EXISTING
DWELLING
LOT 1
PLAN KAP27000
LOT 2
PLAN KAP27000
LOT 3
PLAN KAP27000
LOT 11
PLAN KAP25224
DVP PL2018-8207
Schedule 'A'
0 5 10 15 30 60'
PARCEL AREA = 6843 SQ. FT.
EXISTING DWELLING FOOTPRINT = 1350 SQ. FT.
PROPOSED CARRIAGE HOUSE FOOTPRINT = 841 SQ. FT.
TOTAL PROPOSED BUILDING FOOTPRINT = 2191 SQ. FT.
PROPOSED NET PARCEL COVERAGE = 33.0%
RATIO OF CARRIAGE HOUSE TO EXISTING DWELLING = 62.3%
ISSUED FOR VARIANCE APPLICATION
PROPOSED SITE PLAN
NAMETH CARRIAGE HOUSE
134 GLEN PLACE
PENTICTON, BC
AZTECH DRAFTING SERVICES
498 Van Horne St., Penticton, B.C.
Phone: 250-492-3344 e-mail: service@aztechdrafting.com
DRAWN BY: MSW
DATE: FEB 4/18
DESIGN BY:
PROJECT No.: 171737
CHK'D BY:
FILE No.:
SCALE: 1"=15'
SHEET No.: 2 OF 2
REV 2

Council Report

penticton.ca

Date: April 17, 2018 File No: 2018 PRJ-062
To: Peter Weeber, Chief Administrative Officer
From: Randy Houle, Planner I
Address: 249 Westminster Avenue West

Subject: **Zoning Amendment Bylaw No. 2018-23**

Staff Recommendation

THAT "Zoning Amendment Bylaw No. 2018-23", a bylaw to Rezone Lot A District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan KAP92015, located at 249 Westminster Avenue West from CD4 (Comprehensive Development) to C5 (Urban Centre Commercial), and to add Section 11.5.4.8: "In the case of Lot A, DL 4, Group 7, SDYD (Formerly Yale Lytton), Plan KAP92015, located at 249 Westminster Avenue West, a craft brewery/distillery and cidery shall be permitted," be given first reading and be forwarded to the May 8, 2018 Public Hearing.

Background

The subject property (Attachment A) is zoned CD4 (Comprehensive Development) and designated by the City's Official Community Plan (OCP) as DC (Downtown Commercial). Photos of the site are included as Attachment D. The lot is 6080.0m^2 (65,444ft^2) in area. Surrounding properties are primarily zoned for multiple family and commercial development. The property is located in the heart of the downtown, at the corner of Westminster Avenue West and Winnipeg Street.

The property was originally developed in the 1960s as a Volkswagen Dealership, which operated for a number of years. Since that time, several automobile repair and sales and other uses have taken place on the property, including a Texaco filling station. In 1996, the main building on the site was divided into a number of smaller rental spaces. Fraserview RV operated on the subject property until 2014. Two smaller businesses: a detail business and a repair shop, continue to operate on the site as a legally non-conforming uses.

In 2008, City Council supported a zoning amendment on the subject property from a service commercial zone to a comprehensive development zone (CD4) for a mixed use commercial residential development. Subsequently, a development permit was applied for featuring two 12-storey residential towers on a three storey podium (15 storeys total) with a mix of retail and office spaces as well as parking in the podium. With the economic downturn, the development permit application was withdrawn. The CD zoning is still in place.

A Temporary Use Permit was issued on the subject property in November of 2015, which permitted "motor vehicle sales and rental." The permit expires on September 29, 2018. The use is still occurring on the south east corner of the subject property but will not be permitted after September 29th of this year.

Proposal

The subject property has recently changed ownership and the applicant is proposing to rezone the property from CD4 (Comprehensive Development) to C5 (Urban Centre Commercial), with a site specific text amendment allowing for craft brewery/distillery and cidery use. The C5 zone allows for more uses than the CD4 zone. The conceptual plans submitted features a Granville Island Public Market concept, cidery, bistro and public parking lot. Apartment towers could be built in the parking lot area in the future under the C5 zoning. At this time, the applicant is not proposing any new construction or variances to any City bylaws.

Technical Review

This application was forwarded to the City's Technical Planning Committee and reviewed by the Engineering and Public Works departments. There are multiple water and sewer connections on the property which will need to be terminated as the Subdivision and Development Bylaw allows for only one connection per property. There are multiple sidewalk letdowns providing access to the development that will need to be reinstated or blocked off with landscape buffering. These items will be addressed during the building permit stage at the cost of the developer. The scale of the future development will determine servicing upgrades, street frontage upgrades and access requirements. As per City of Penticton Building Bylaw 94-95 section 7.1.5, storm water/drainage is to be maintained on site. If the request for the zoning amendment is supported, BC Building Code and City bylaw provisions will apply.

Financial Implication

As the property develops, the developer will contribute to frontage upgrades (sidewalk, boulevard trees). Development Cost Charges will be applied on any new construction. Commercial space will be charged at a rate of approximately $4.20 per ft^2 and residential units will be charged at a rate of approximately $3,126 per unit. The exact cost depends on the DCC rates at the time of building permit issuance.

Analysis

Zoning Amendment

Support "Zoning Amendment Bylaw No. 2018-23"

The OCP designation for this site is DC (Downtown Commercial), which supports the proposed uses. Staff consider that the zoning amendment to allow for the proposed development represents best use of the land for the following reasons:

- The proposal reinforces the OCP's view that the downtown area is to be the highest order commercial area in Penticton by allowing a wide range of commercial uses and encouraging continued intensification and growth of commercial activities in the core area.
- The proposed public parking lot addresses the OCP's vision to identify ways and means to provide additional and convenient off-street parking facilities within walking distance of the Downtown area in order to maintain its viability as a shopping area.
- The proximity to the downtown and nearby services encourages more walking and active forms of transportation.

- The street frontage upgrades that will occur during the building permit stage will help to address the OCP's desire to update and improve the Downtown revitalization efforts, including parking lot beautification and streetscape greening.

In 2012, the City implemented a Downtown Plan, with a vision that the proposed rezoning addresses as explained below:

- The subject property has been identified as an Opportunity Site in the Downtown, with a future vision for mixed use commercial and/or residential development. The proposed rezoning to C5 (Urban Centre Commercial) will allow for residential units to be added to the site in the future.

- The Downtown plan encourages converting parking lots in the Downtown into "park lots" by enhancing landscaping, site permeability and improving storm water management on existing and proposed parking lots. The proposed parking lot on the west half of the property will feature landscaping and screening measures with enhanced storm water management. The landscaping and design will be addressed through the development permit process.

- The proposed property is part of the Entertainment Character Area of the Downtown Plan. The purpose of this area is to encourage critical masses of similar uses that will drive competition, innovation and create a sense of vibrancy and increased economic activity. The proposed cidery, bistro and public market will help achieve this while fostering Downtown Penticton's Identity.

The plans submitted are conceptual in nature and an application for a development permit will be required prior to any approval for construction on the lands. The development permit drawings will have much more detail and address landscaping requirements. Nevertheless, the plans submitted show general conformance to the C5 (Urban Centre Commercial) zone.

Staff considers that the location of the site and characteristics of the surrounding neighbourhood make it appropriate for the proposed amendment. The current and proposed uses will conform to the C5 (Urban Centre Commercial) zone. Given the above, staff recommends that Council support "Zoning Amendment Bylaw No. 2018-23" and forward the application to the May 8 Public Hearing for comments from the public.

Deny/Refer Zoning Amendment

Council may consider that the proposed amendment is not suitable for this site and the comprehensive development zone shall remain in place. If this is the case, Council should deny the bylaw amendment.

Alternatively, Council may wish to refer the matter back to staff to work with the applicant with any direction that Council considers appropriate.

Alternate Recommendations

1. THAT Council deny first reading of "Zoning Amendment Bylaw No. 2018-23".
2. THAT Council refer the bylaw back to staff.

Attachments

Attachment A:	Subject Property Location Map
Attachment B:	Zoning Map
Attachment C:	OCP Map
Attachment D:	Photos of Subject Property
Attachment E:	Conceptual Site Plan
Attachment F:	Conceptual Renderings
Attachment G:	Granville Island Public Market Concept
Attachment H:	Letter of Intent
Attachment I:	Zoning Amendment Bylaw No. 2018-23

Respectfully submitted,

Randy Houle
Planner I

Approvals

Acting DDS	CAO
KH	PW

Attachment A – Subject Property Location Map



Figure 1: Subject Property Location Map

Attachment B – Zoning Map

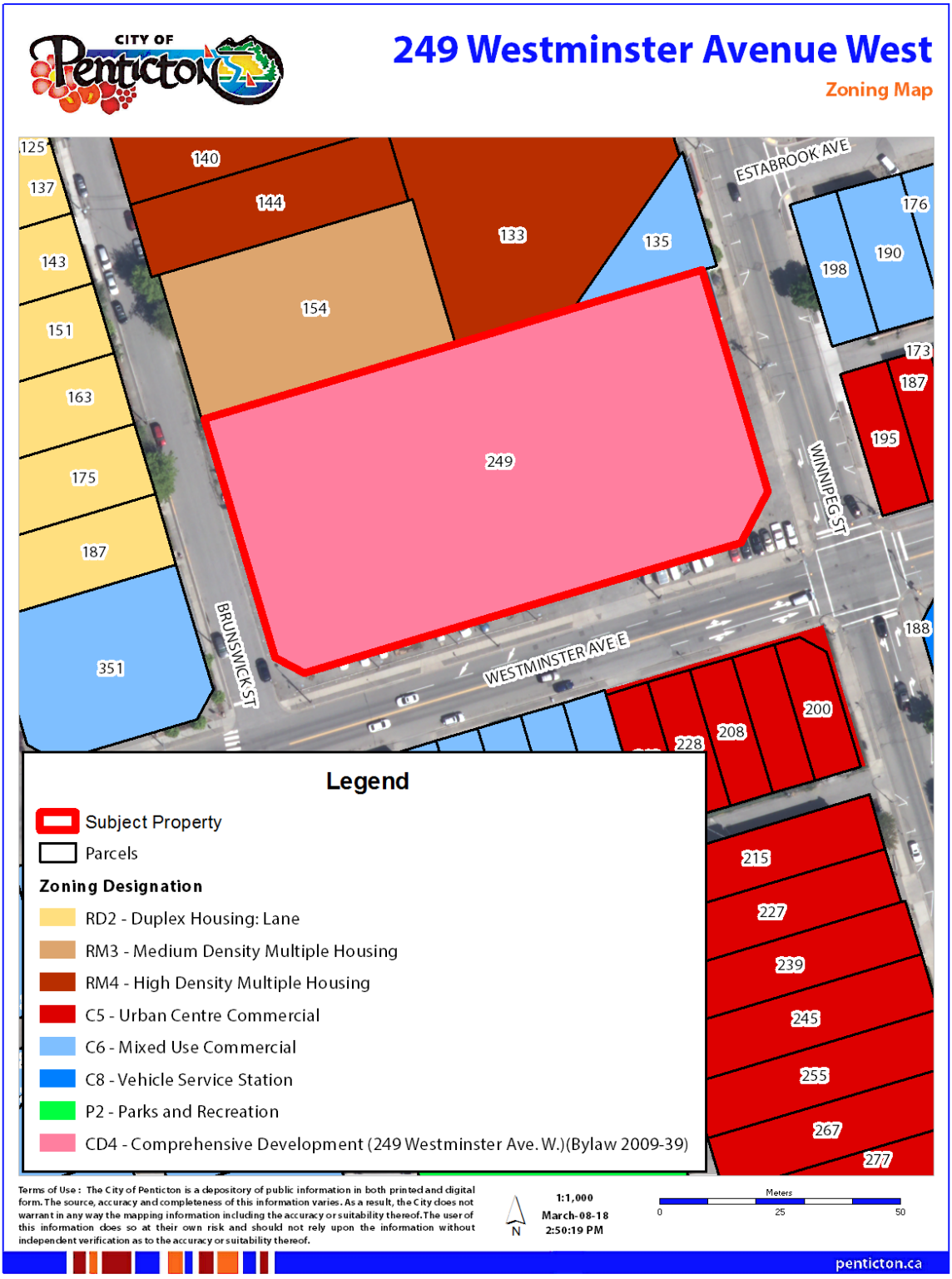


Figure 2: Zoning Map

Attachment C- OCP Map

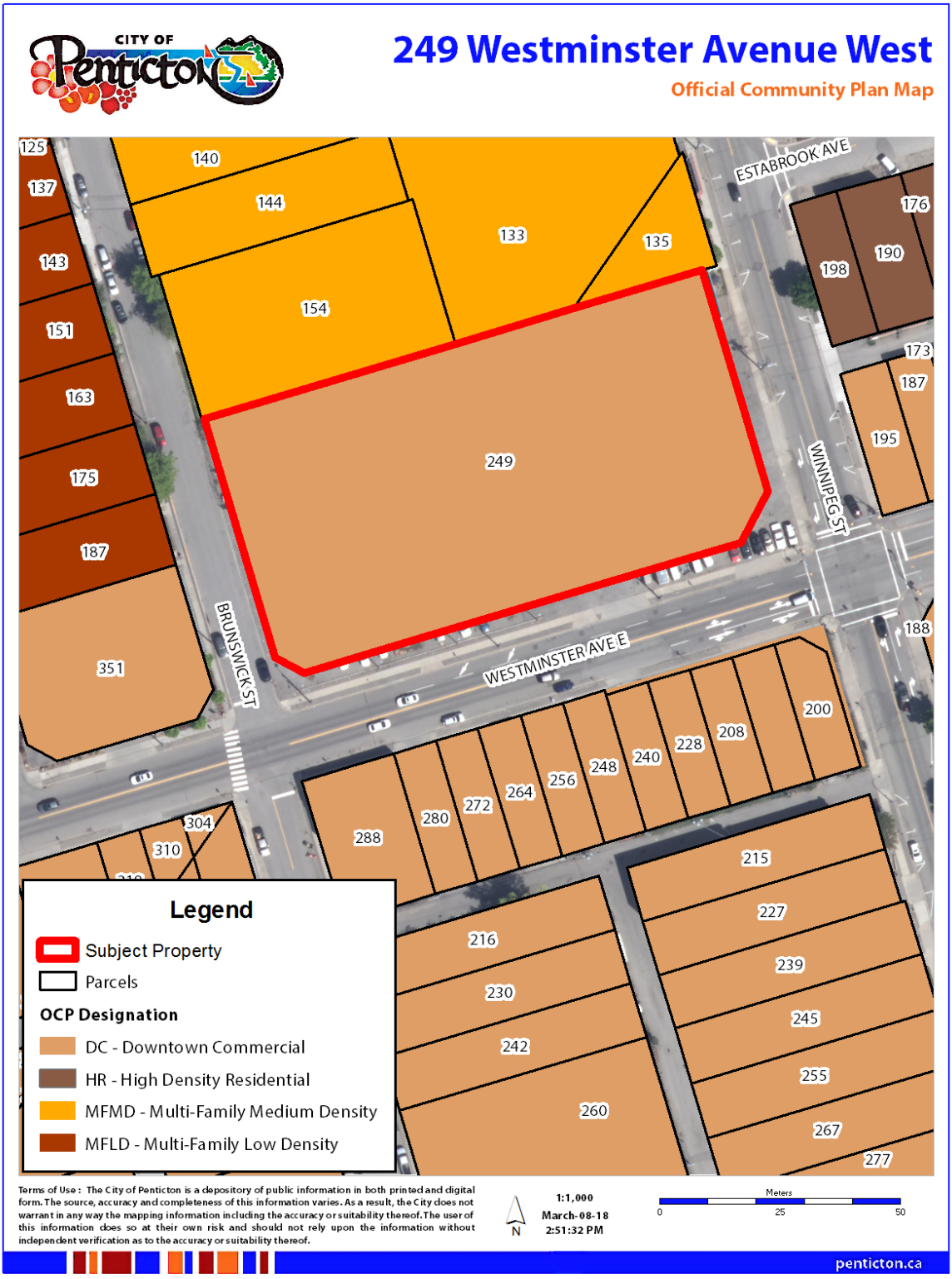


Figure 3: OCP Map

Attachment D – Photos of Subject Property



Figure 4: East View (from Winnipeg Street)



Figure 5: East View (from Winnipeg Street)



Figure 6: Eastern Portion of Property (from Westminster Avenue West)



Figure 7: South View of Subject Property



Figure 8: Western Portion of Property (from Westminster Avenue West)



Figure 9: Western Portion of Property (from Brunswick Street)



Figure 10: North West Portion of Property (from Brunswick Street)



Figure 11: North West Portion of Property

Attachment E – Conceptual Site Plan

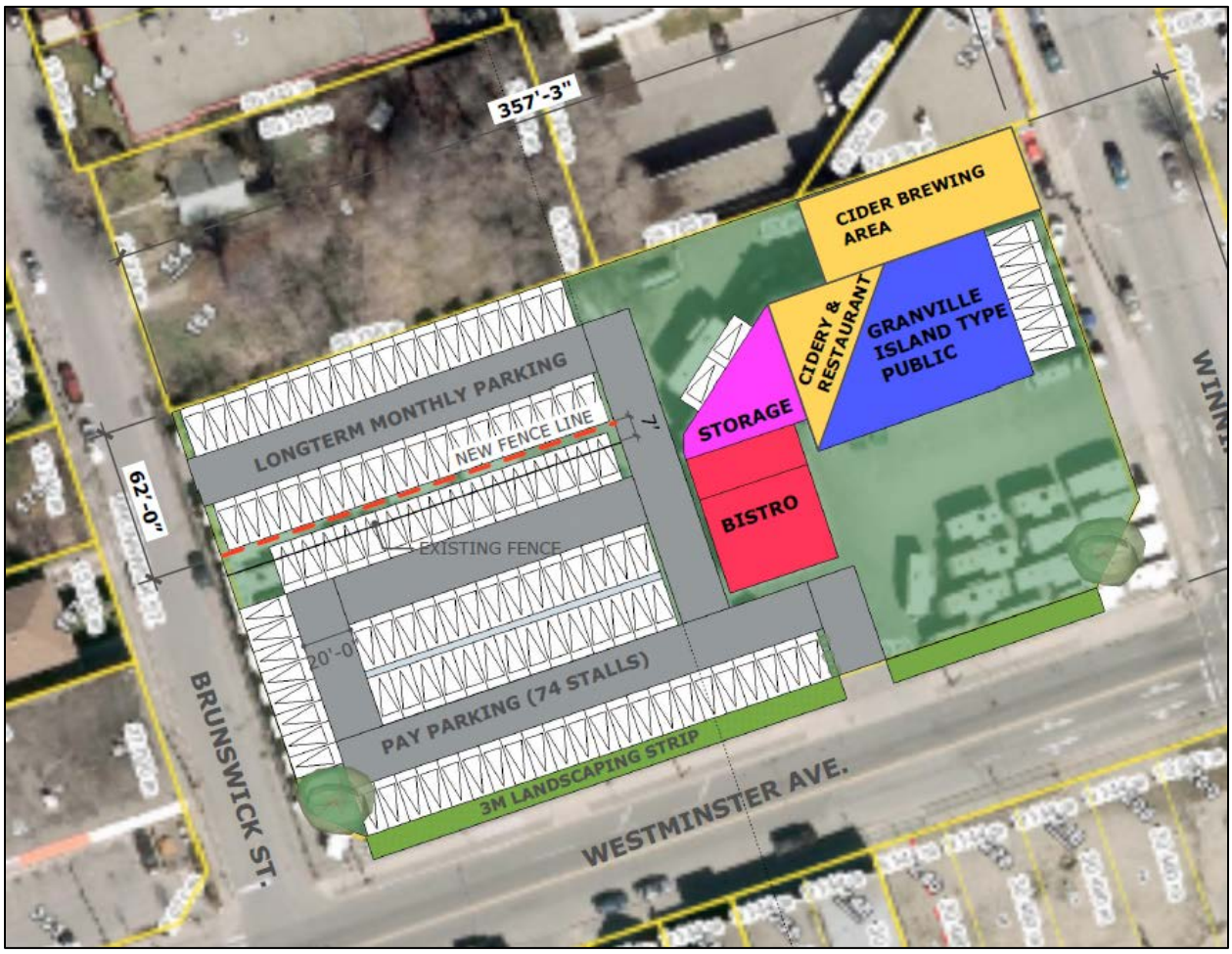


Figure 12: Conceptual Site Plan

Attachment F – Conceptual Renderings

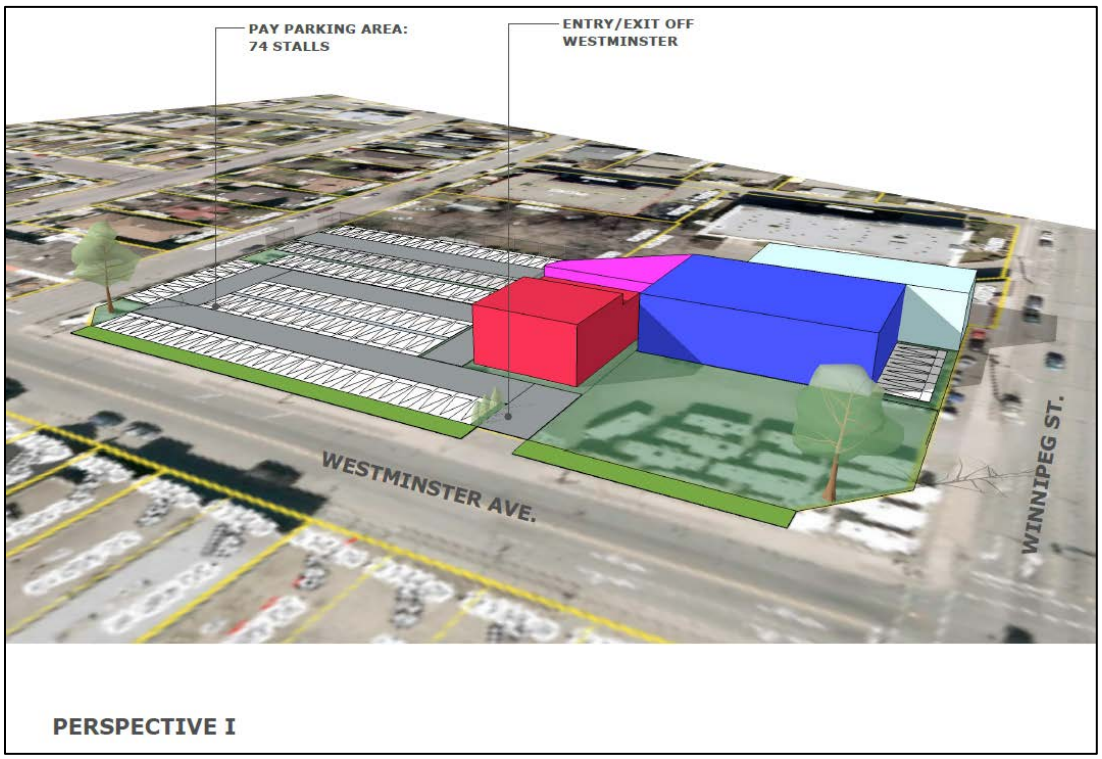


Figure 13: South Rendering

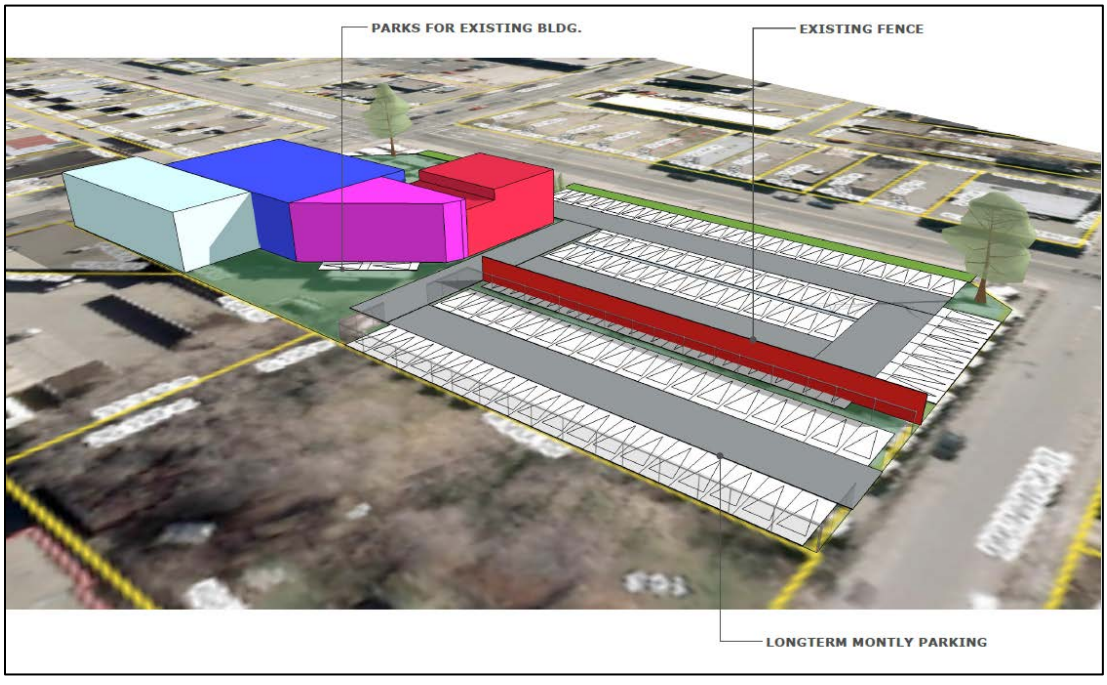


Figure 14: North Rendering

Attachment G - Granville Island Public Market Concept



Figure 15: Concept Plan

Attachment H– Letter of Intent

LETTER OF INTENT

249 Westminster Ave. West was rezoned to CD4 about 8 years ago. The intent at that time was to construct a multistory, multifamily residential development with commercial at ground level. That development did not proceed.

Toni Brown (the owner) purchased the property recently. Her plan is to eventually develop the property similar to what was being proposed previously. However, in the immediate future the owner would like to utilize the property in its present form. That is no additional building, just rent out the existing building space and parking area. She has a number of small business interests in the property and proposes a public parking lot to utilize the existing large paved parking area.

A comparison of the C5, C6 and CD4 zones found that the C5 zone and the CD4 zone were quite similar. It was determined that the best approach would be to rezone to C5 for now to accommodate the short term uses. Once the exact long term (ultimate) use has been determined, a separate rezone application to facilitate that objective may be needed.

A "craft brewery/cidery/distillery" use is not presently a permitted use in the C5 zone. We are therefore also requesting that this use be included as a site specific use permitted on this property.

D. Haddrell

Figure 16: Letter of Intent

The Corporation of the City of Penticton

Bylaw No. 2018-23

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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 No. 2018-23".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Rezone Lot A District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan KAP92015, located at 249 Westminster Avenue West from CD4 (Comprehensive Development) to C5 (Urban Centre Commercial).

2.2 Zoning Bylaw 2017-08 is hereby amended by adding the following site specific provisions to section 11.5.4:

.8 In the case of Lot A, DL 4, Group 7, SDYD (Formerly Yale Lytton), Plan KAP92015, located at 249 Westminster Avenue West, a craft brewery/distillery and cidery shall be permitted.

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	day of	, 2018
A PUBLIC HEARING was held this	day of	, 2018
READ A SECOND time this	day of	, 2018
READ A THIRD time this	day of	, 2018
RECEIVED the approval of the Ministry of Transportation on the	day of	, 2018
ADOPTED this	day of	, 2018

Notice of intention to proceed with this bylaw was published on the __ day of ____, 2018 and the __ day of ____, 2018 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

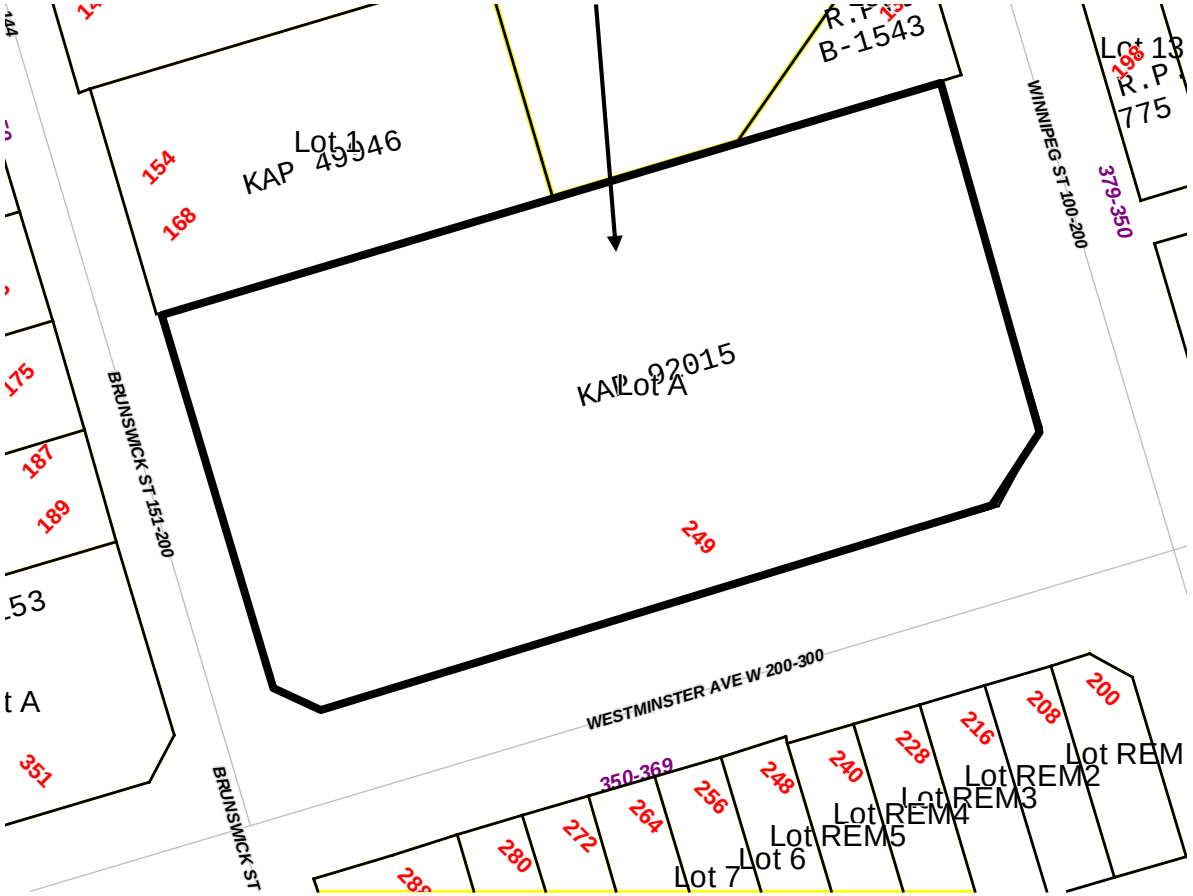
Approved pursuant to section 52(3)(a) of the *Transportation Act*
this _____ day of _____, 2018

_____
for Minister of Transportation & Infrastructure

_____
Andrew Jakubeit, Mayor

_____
Dana Schmidt, Corporate Officer

Rezone 249 Westminster Ave W
From CD4 (Comprehensive Development Zone) to C5 (Urban Centre Commercial) and add "craft brewery/distillery and cidery" as a permitted use at this site



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2018-23

Date: _____ **Corporate Officer:** _____

Council Report

penticton.ca

Date: April 17, 2018 File No: 2018 PRJ-012
To: Peter Weeber, Chief Administrative Officer
From: Audrey Tanguay, Senior Planner
Address: 468 Lower Bench Road

Subject: **Zoning Amendment Bylaw No. 2018-24**
Non-farm use application

Staff Recommendation

THAT "Zoning Amendment Bylaw No. 2018-24", a bylaw to amend "Zoning Bylaw No. 2017-08" by adding Section 9.2.6.10 "In the case of Lot 3, District Lot 187, Similkameen Division Yale District, Plan 23377, located at 468 Lower Bench Road, a 20 suite hotel and operator dwelling unit shall be permitted and, notwithstanding section 9.2.2 Subdivision and Development Regulations, a maximum parcel coverage of 35% for all buildings is permitted" be introduced, read a first time and forwarded to the May 8, 2018 Public Hearing;

AND THAT Council, after hearing from the public at the May 8, 2018 Public Hearing, consider sending a positive recommendation to the Agricultural Land Commission in support of the proponents 'non-farm use' application (ALC Application #57103);

AND THAT a soil relocation plan be submitted prior to adoption of "Zoning Amendment Bylaw No. 2018-24".

Strategic priority objective

The subject application is aligned with the Council Priorities of Economic Vitality and Community Building, by supporting business expansion and promoting the Penticton vacation brand and destination marketing strategy.

Background

The subject property is zoned A (Agriculture) by the City's Zoning Bylaw. The site is situated at the base of Munson Mountain and is adjacent to Poplar Grove Winery. The property is 1.3 Acres (0.5 ha) and currently features a single detached dwelling used as a vacation rental. The southern portion (0.5acres) of the property is located within the Agricultural Land Reserve. The property has been used as vacation rentals and bed and breakfast home for the past decade. In 2013 an amendment to the City's zoning bylaw allowed for an additional suite to be installed for vacation rental purposed. Surrounding properties are all designated by

the OCP as AG (Agriculture) and zoned A (Agriculture) as per the City's Zoning Bylaw. The subject property was originally part of a farm and was subdivided in 1973.

The owners of the adjacent Poplar Grove Winery are intending to develop a 20-room hotel on the property to complement the winery and to provide a high-end tourist accommodation for wine tourists to the region. No food and beverage component will be included in the hotel. The restaurant / kitchen at the existing winery will be available for guests.

The A (Agriculture) zone of the City's Zoning bylaw does not currently permit tourist accommodation and is limited to bed and breakfast homes. Similarly, the Agricultural Land Reserve, Use, Subdivision and Procedure Regulation does not allow tourist accommodation as a permitted farm use. Seasonal accommodations are permitted but are limited to 10 sleeping units in total and typically comprise seasonal campsites, cabins or bed and breakfast bedrooms. For that reason, the applicant needs approval from the City to amend the zoning on the property to allow for the hotel use. Additionally, approval from the Agricultural Land Commission (ALC) for the non-farm use on a property in the ALR is required.

Consultation

Staff had requested that the applicant meet with the adjacent neighbourhood prior to this application coming to Council and two public information meetings were held. The open houses were held on February 13 and March 21, 2018. The meetings were well attended, with approximately 60 attendees, with a mix of residents from the immediate neighborhood as well as other residents of the community. Staff attended the meeting to provide information on the process. Concerns from the residents focused on expected traffic increases, the loss of farmland, loss of views and the impacts on Munson Mountain Park. A summary of the comments submitted is included as Attachment "H".

Agriculture Advisory Committee

The application was presented to the City's Agriculture Advisory Committee on March 2, 2018 and the following recommendation was passed:

> "
> It was MOVED and SECONDED
> THAT the Agricultural Advisory committee supports the "non-farm use" application to the Agricultural Land Reserve (ALC) to allow for a 20 room hotel and operator dwelling unit at Lot 3, District Lot 187, Similkameen Division Yale District, Plan 23377, located at 468 Lower Bench Road.
>
> CARRIED UNANIMOUSLY

Proposal

The applicant is proposing a site specific amendment to the Zoning Bylaw 2017-08 adding the following section to the Zoning Bylaw:

Section 9.2.6.10 : On Lot 3, District Lot 187, Similkameen Division Yale District, Plan 23377, located at 468 Lower Bench Road, a 20 suite hotel plus an operator dwelling unit shall be permitted and notwithstanding Subdivision and Development Regulations Section 9.2.2, a maximum parcel coverage of 35% for all buildings is permitted.

The applicant is also looking for the City's support in their application for a non-farm use from the ALC.

Financial implication

The subject application will not have an impact on the City's current budget. The proposal will see the extension of a sewer line, which may incur some future maintenance costs to the City. The property would be classified as a commercial classification for the purposes of taxation.

Technical Review

This proposal was forwarded to the City's Technical Planning Committee and reviewed by the Engineering and Public Works Departments.

Sanitary

Given the size of the building and relatively small size of the lot, there will not be an opportunity for on-site waste water treatment. Given this reality, as part of the building permit process, a sewer line will need to be extended from the corner of Tupper Avenue along Lower Bench Road to the subject property. Other properties along this stretch of Lower Bench Road will be permitted to connect to the sewer line.

Roads

The intersection of Tupper Avenue and Lower Bench Road has been identified as an intersection in need of improvement, but is not included in the current capital budget. The City has the option, as part of the sewer line installation to coordinate improvements to the intersection at that time. As the proposed hotel will not be creating a substantial increase in traffic, it would not trigger the requirement for the developer to pay for the intersection improvements.

Project Specifications

As stated above, the proposal is for a 20 room hotel. The following table outlines the proposed development statistics on the plans submitted with the rezoning application:

Item	Requirement A(Agriculture) Zone	Proposed
Maximum Lot Coverage:	15%	35 % Site specific
Vehicle Parking per unit:	20 spaces	40 spaces
Required Setbacks Front yard: Rear yard: Interior yard	 9m 9m 4.5m	 9m 9m 4.5m
Maximum Building Height:	12m	12m
Other Information:	A portion of the property is located in the Agricultural Land Reserve. A hotel is not a permitted use in the ALR. As such, approval from the Agricultural Land Commission is required prior to final adoption of the zoning amendment bylaw.	

Analysis

Non-Farm Use Application

When considering a non-farm use application, staff recommend consideration to the following three matters: 1. Will the agricultural capability of the property be diminished as a result of approval of the application; 2. Will approval of the application negatively affect or conflict with neighbouring farm operations; and, 3. Is the proposed non-farm use a *reasonable* use of agricultural land. Staff will speak to each consideration separately:

1. *Will the agricultural capability of the property be diminished:* The subject property is steeply sloped, and has not recently been used for agricultural purposes rather as a vacation rental and bed and breakfast home. Given the size of the parcel, the capability for a commercial farming operation is limited. Nevertheless, the application has not brought forward any evidence or agrologist report to confirm that the property is not-suitable for agricultural uses. Anecdotal evidence does suggest that the soil quality on the property is quite high. For this reason, staff are recommending that if approval of development on the land is granted, that the top soil be appropriately relocated.

To further mitigate the loss of farm land, the applicant is proposing to plant vines on the site, along the southern property line and in the terraced beds along Lower Bench Road. The proposed planted areas is roughly 15,600 ft^2 (1450m^2) in size and less than the ALR portion of the site which is roughly 21,520 ft^2 (2000m^2). These vineyards will be incorporated into the routine farming practices of the larger vineyard surrounding Poplar Grove winery.

2.*Will approval of the application conflict or negatively affect the operation of neighbouring farm practices:* One of the major problems with non-farm uses in agricultural areas is conflict with farm practices. In this case, the proposed use of the property is accessory to the poplar winery operation and can be considered fairly compatible. Staff do not feel that any conflict will result between the proposed use of the property and neighbouring farm uses as a result of approval of the application.

Prior to submitting the application to the City and Agricultural Land Commission, the proponent presented the proposal to the City's Agricultural Advisory Committee. This Committee is made up of persons representing the agricultural industry in Penticton and has farmers from various types of products including vineyards, orchards and ground crops. The Committee did discuss the impact that this development would have on agricultural practices. The Committee was not concerned with any impacts. There was discussion at the meeting about perhaps requiring a landscaping buffer, which is what is typically used to separate residential uses from farm uses. In this case, however, it was not seen as desirable or necessary. The intent of the hotel is to be located in a vineyard setting. Thus the impacts of vineyard maintenance are expected by the tourists that will be staying at the hotel. As stated above, the Committee voted unanimously to both encourage the proponent to make the application and to support the ultimate application when it came forward.

3. *Is the proposed use a reasonable use in the agricultural zone and ALR:* In Penticton, our agricultural areas hold a exceptional significance beyond what may be experienced in other agricultural areas in the Province in that they are important for tourism and hold a strong aesthetic quality that is central to the grape and wine industry. Tourist accommodation is included, albeit on a smaller scale, throughout the valley in these wine areas. A tourist accommodation of the quality being proposed in the subject application, on a piece of property with limited commercial agricultural potential, is in the opinion of staff a reasonable use in the agricultural zone.

Given the above considerations, staff feel that the use as proposed, will not limit the ability of neighbouring properties to farm their land, and is a reasonable non-farm use. As such staff recommend that Council, after hearing from the public on the May 8, 2018 Public Hearing, forward the application to the ALC with support from the City.

Support the Site Specific Zoning amendment

Lands that are designated Agriculture within the City's OCP are primarily lands that are within the Agricultural Land Reserve (ALR). In this case, 1/3 (2,000m^2) of the property is located in the ALR. Land uses under Agriculture typically include farming operations, one single family dwelling per parcel, farm help dwellings, farm outbuildings, bed and breakfast operations and agri-tourisms uses. The OCP anticipated that auxiliary uses which promotes agriculture and do not affect negatively farm operations would be supported. The Agriculture policies in the OCP also support the promotion of agricultural industry by supporting agri-tourism as an accessory use to farm operations. In this case, the owner of Poplar Grove winery intents to support their existing farm operations adjacent to the site by incorporating a tourist accommodation in the area. The agricultural policies also support the promotion and enhancement of viticulture and the wine industry.

Under the current City's Official Community Plan and Economic Development Strategy, the enhancement of the wine industry is part of a strategic goal. As stated above, the OCP includes policies that support accessory uses such as Country Inns. The property has been used for several years as a tourist accommodation. Staff are of the opinion that this type of business would be a positive addition to the City's wine industry and will not undermine the farmability of neighbouring agricultural lands. Given the above, staff recommends that Council support "Zoning Amendment Bylaw No. 2018-24" and forward the application to the May 8, 2018 Public Hearing for comments from the public.

If Council is ultimately in favour of supporting the application, staff are recommending that the protection and relocation of any top soil be a condition of approval.

Deny or refer

Council may consider that the proposed development does not meet the intent of the Official Community Plan and is not in the public interest because of the negative impact the use may have for future agriculture use of the property or neighboring properties. If this is the case, Council can deny the zoning amendments, and not support the non-farm use application. Alternatively, Council may want to refer the application back to staff for further work with the applicant.

Alternate Recommendations

1. THAT Council deny first reading of "Zoning Amendment Bylaw No. 2018-24".

Attachments

Attachment A:	Subject Property Location Map
Attachment B:	Zoning Map
Attachment C:	OCP Map
Attachment D:	ALR Map
Attachment E:	Image of Subject Property
Attachment F:	Site Plan
Attachment G:	Elevations
Attachment H:	Open House Comments (Summary)
Attachment I:	Letter of Intent
Attachment J:	Zoning Amendment Bylaw No. 2018-24

Respectfully submitted,

Audrey Tanguay
Senior Planner

Approvals

Acting DDS	CAO
RR	PW

Attachment A – Subject Property Location Map

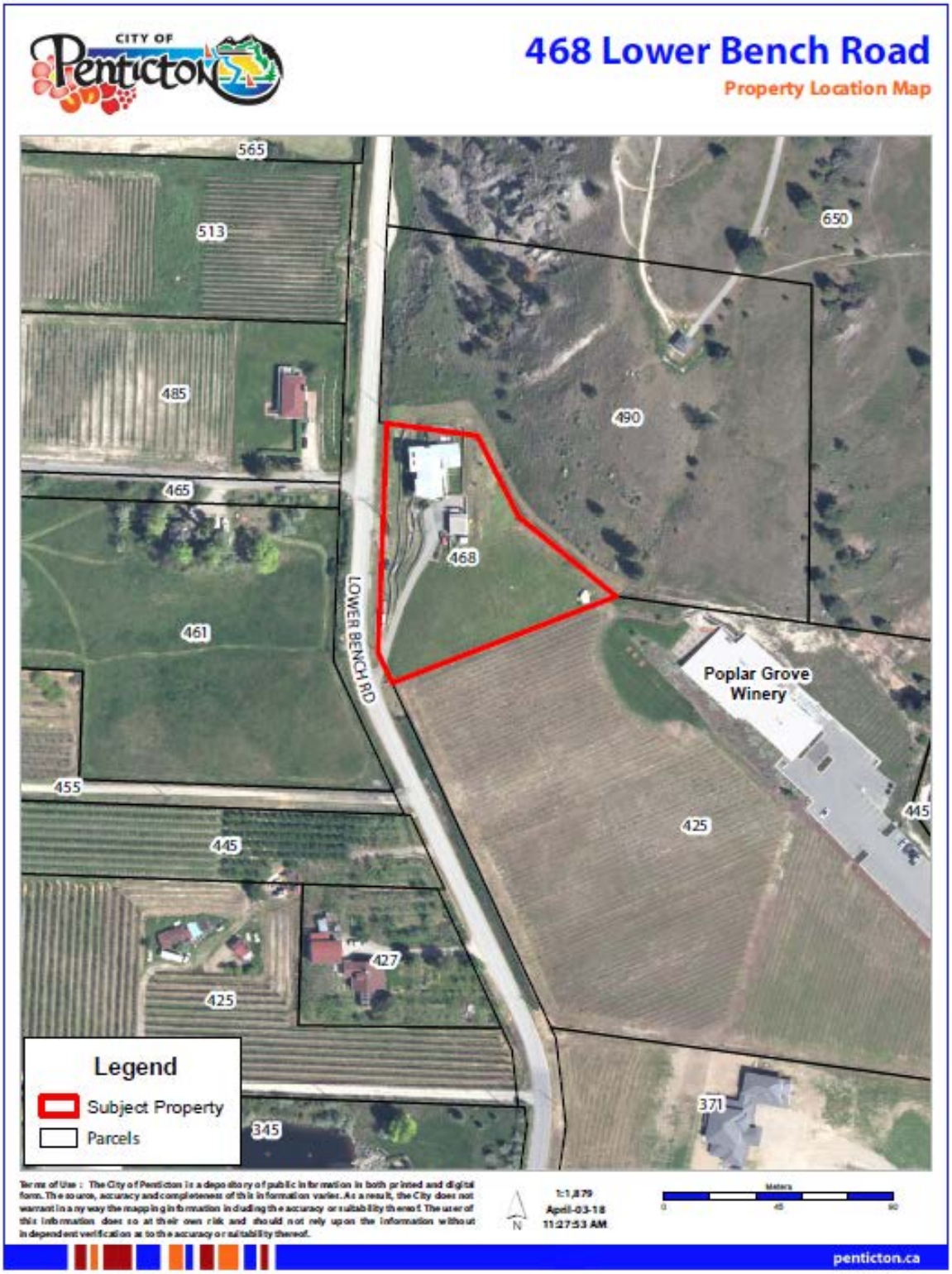


Figure 1: Subject Property Location Map

Attachment B – Zoning Map

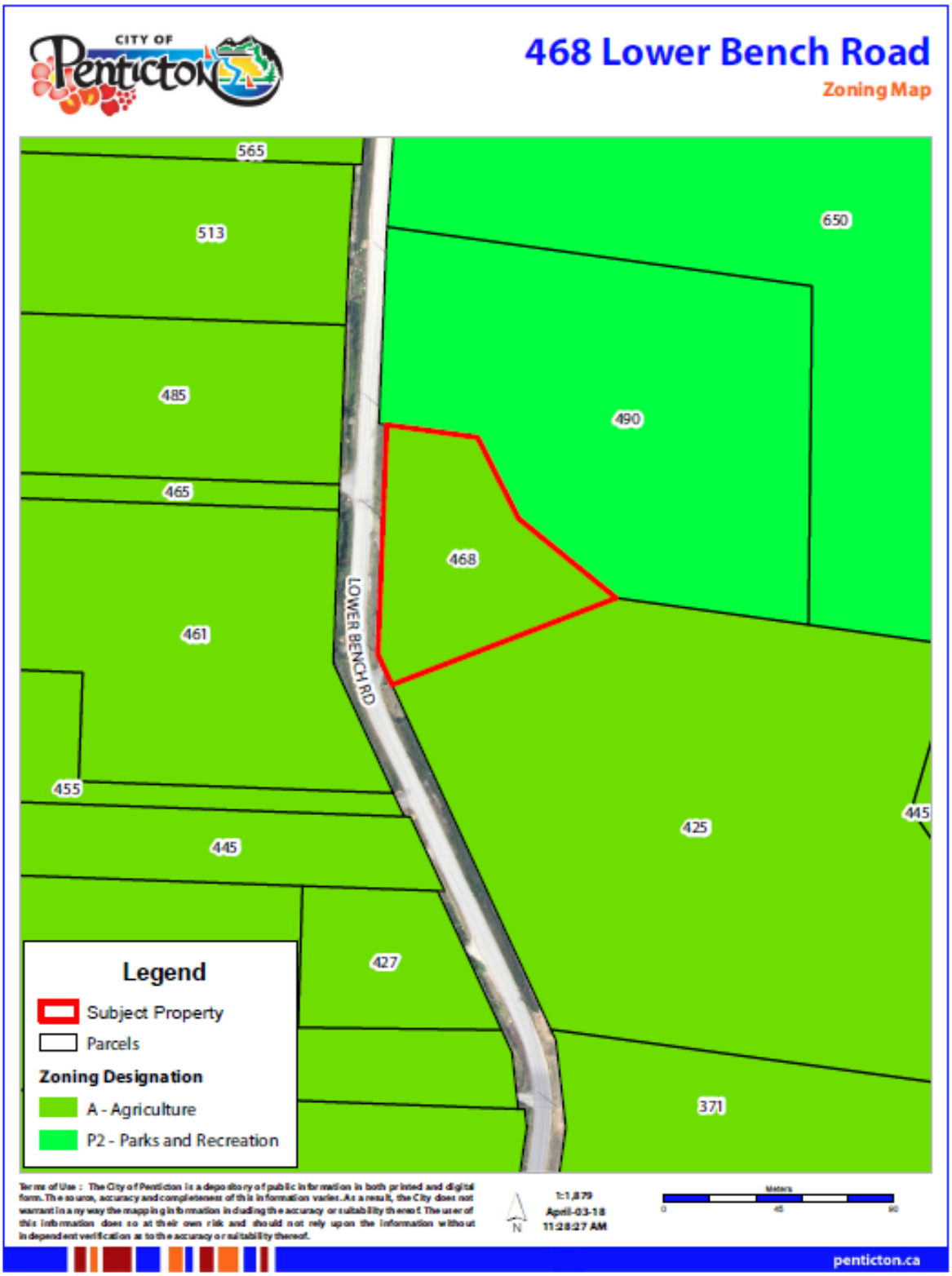


Figure 2: Zoning Map

Attachment C- OCP Map

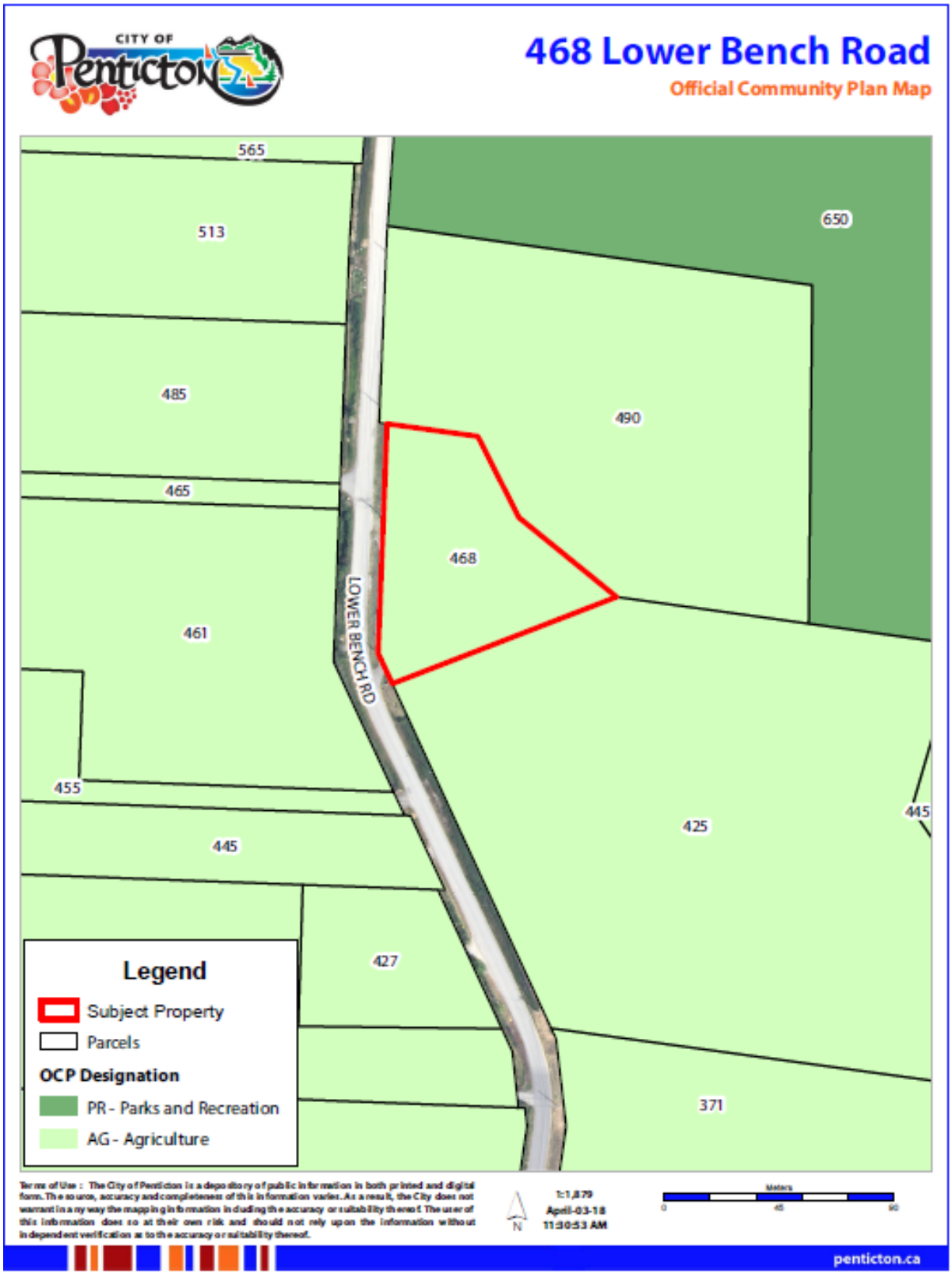


Figure 3: OCP Map

Attachment D – ALR MAP

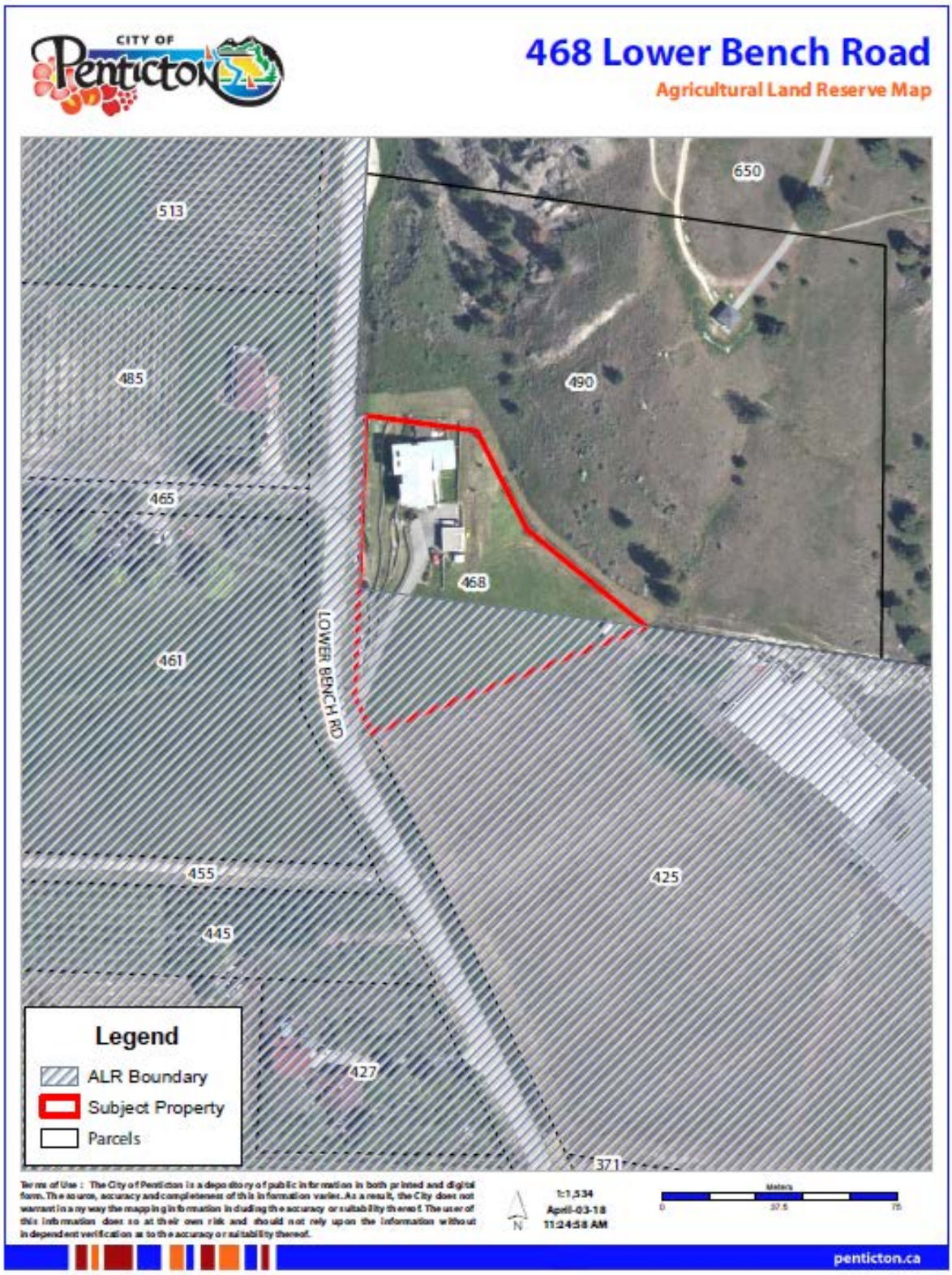


Figure 4: ALR Map

Attachment E – Image of Subject Property





Attachment F - Site Plan

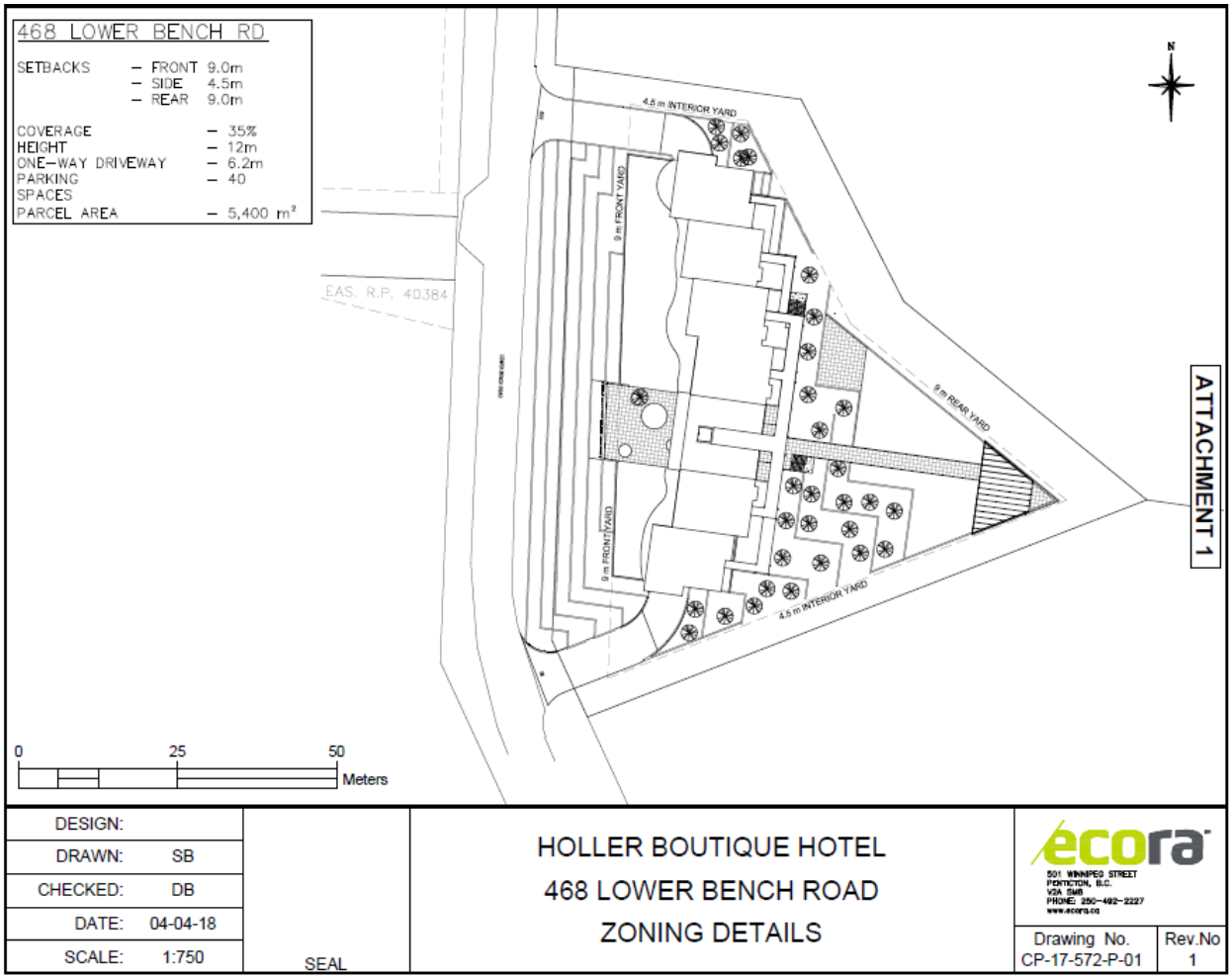


Figure 5: Site Plan

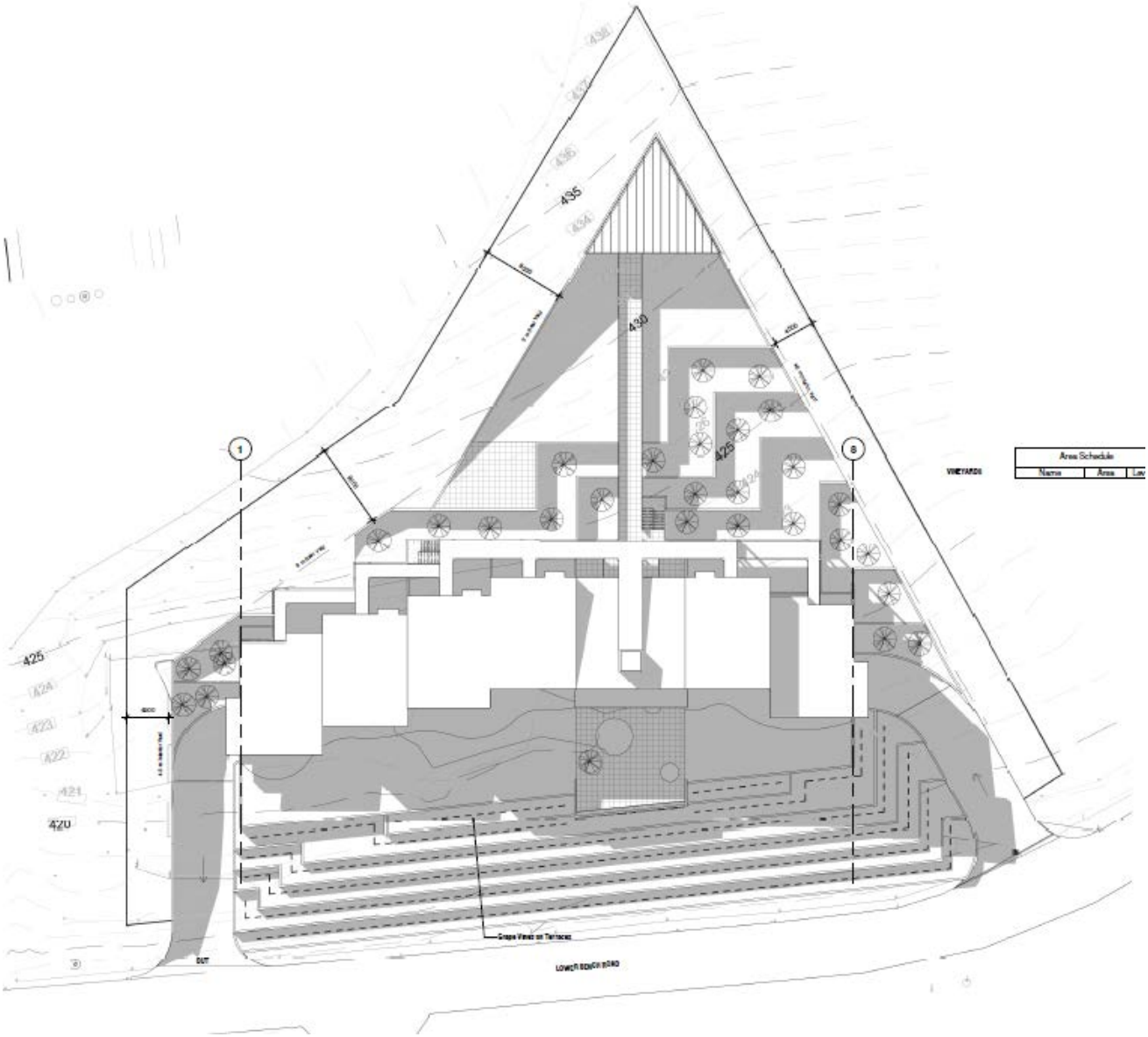


Figure 6: Site Plan

Attachment G– Elevations



Figure 7: Building –Front



Figure 8: Building –Front

Figure 10: Building -Back



Figure 9: Street view

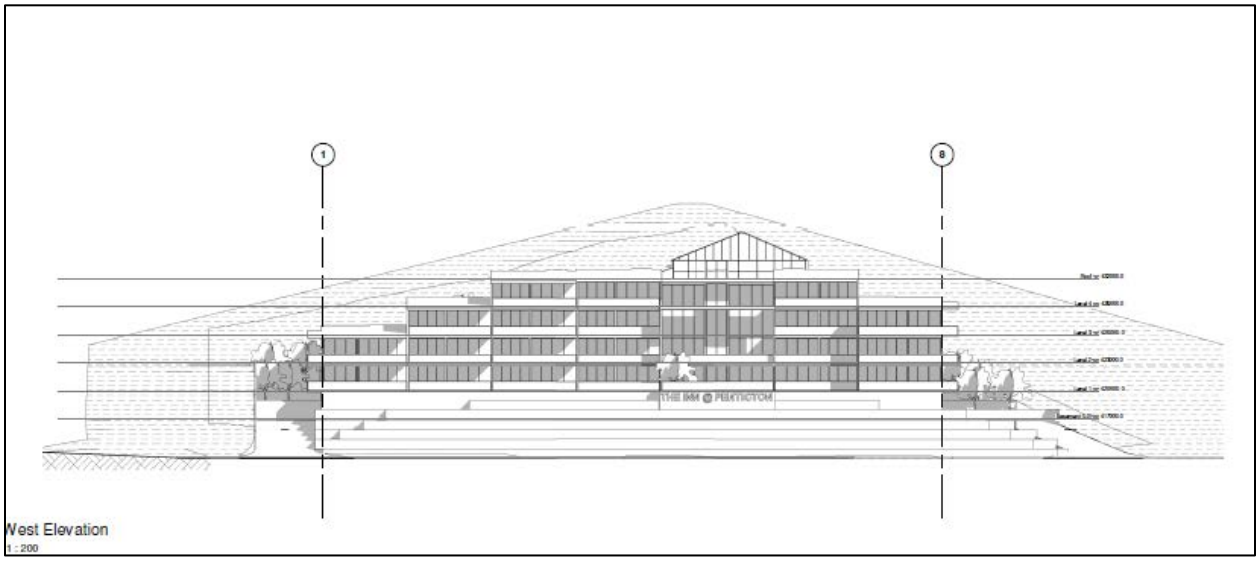


Figure 10: West Elevation

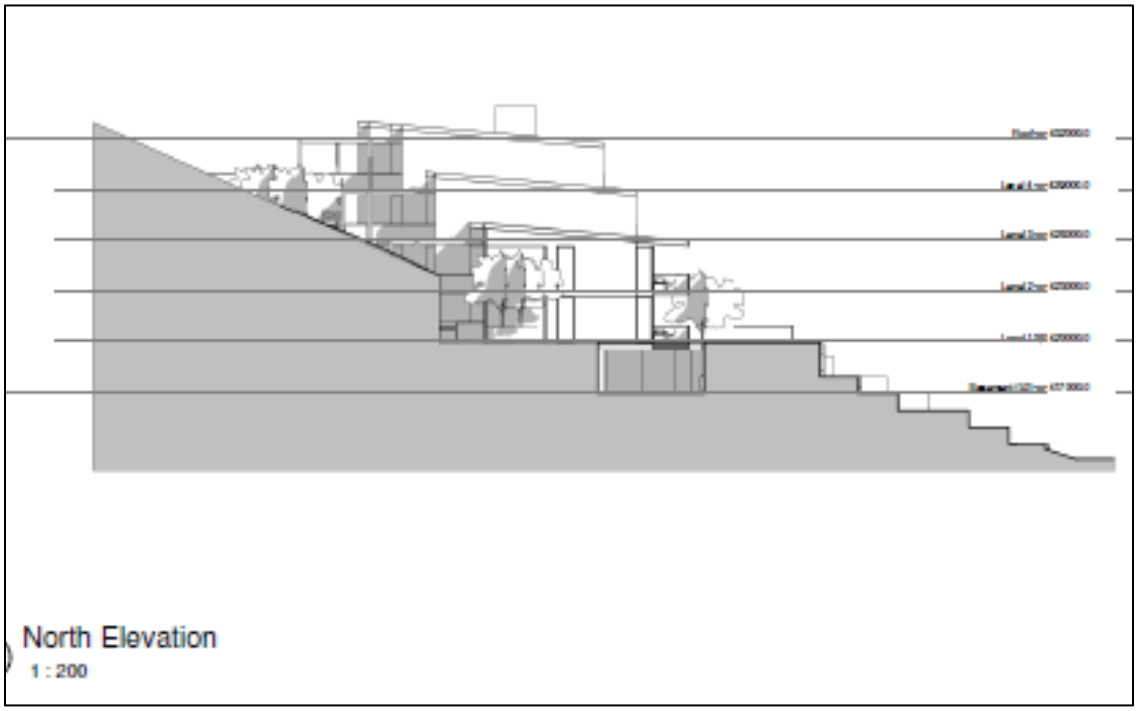


Figure 11: North Elevation

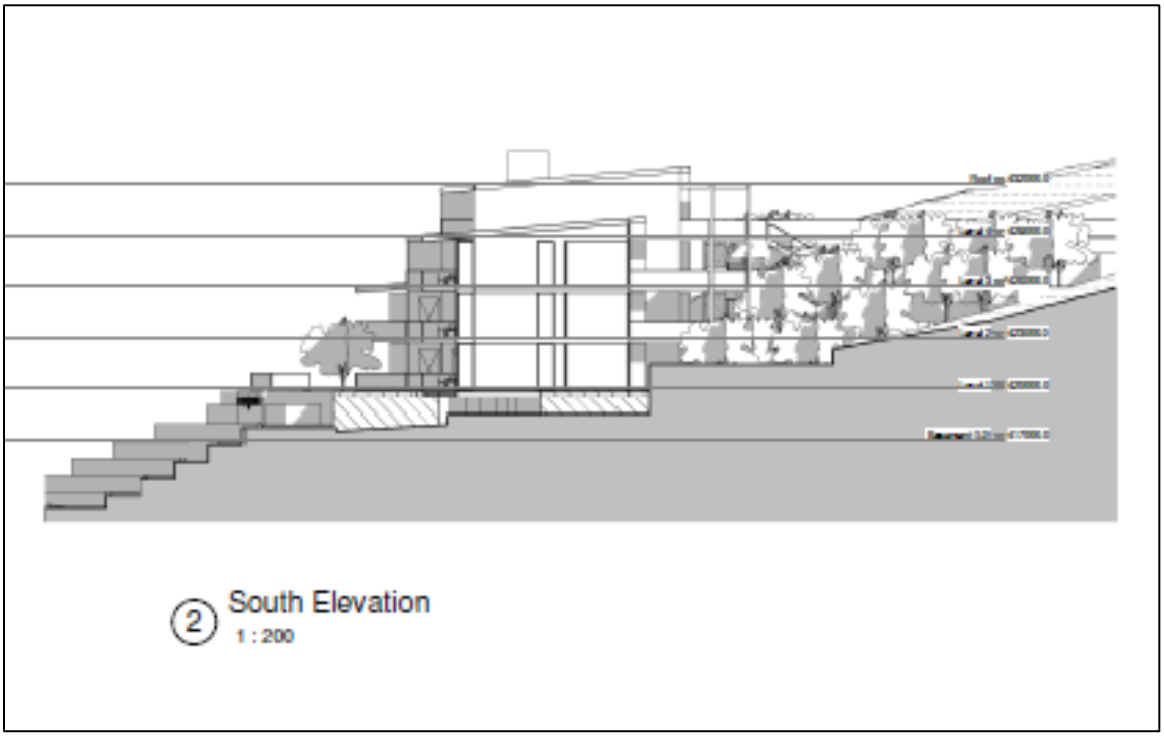


Figure 12: South Elevation

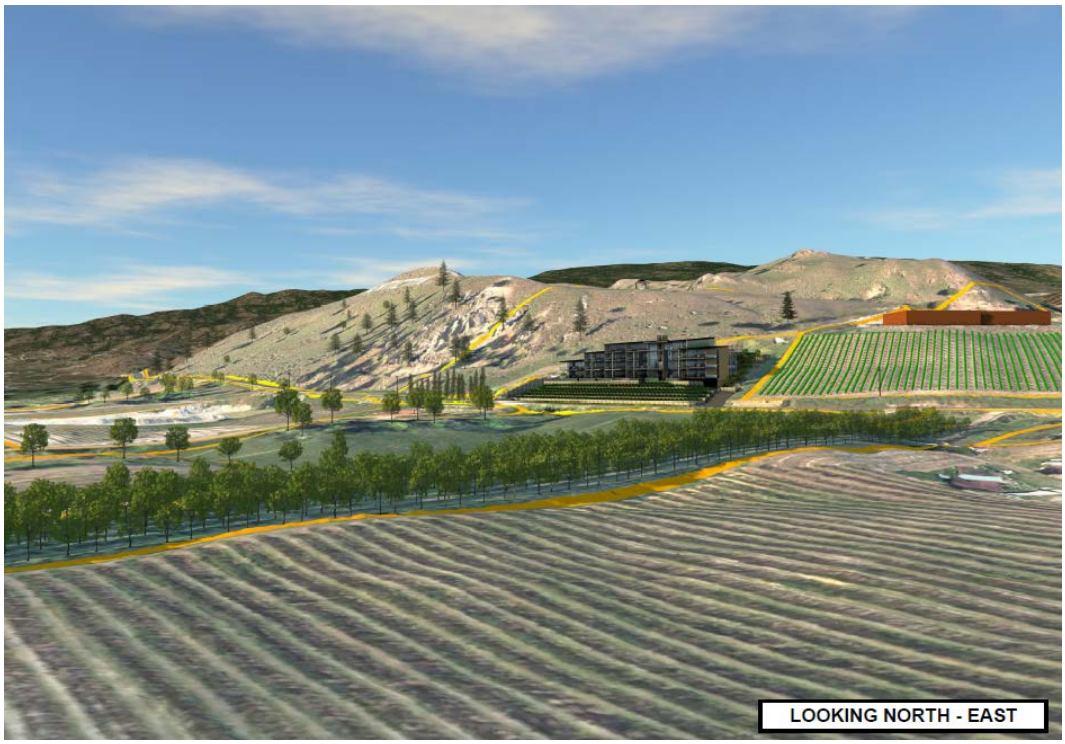


Figure 13: 3D View Looking East

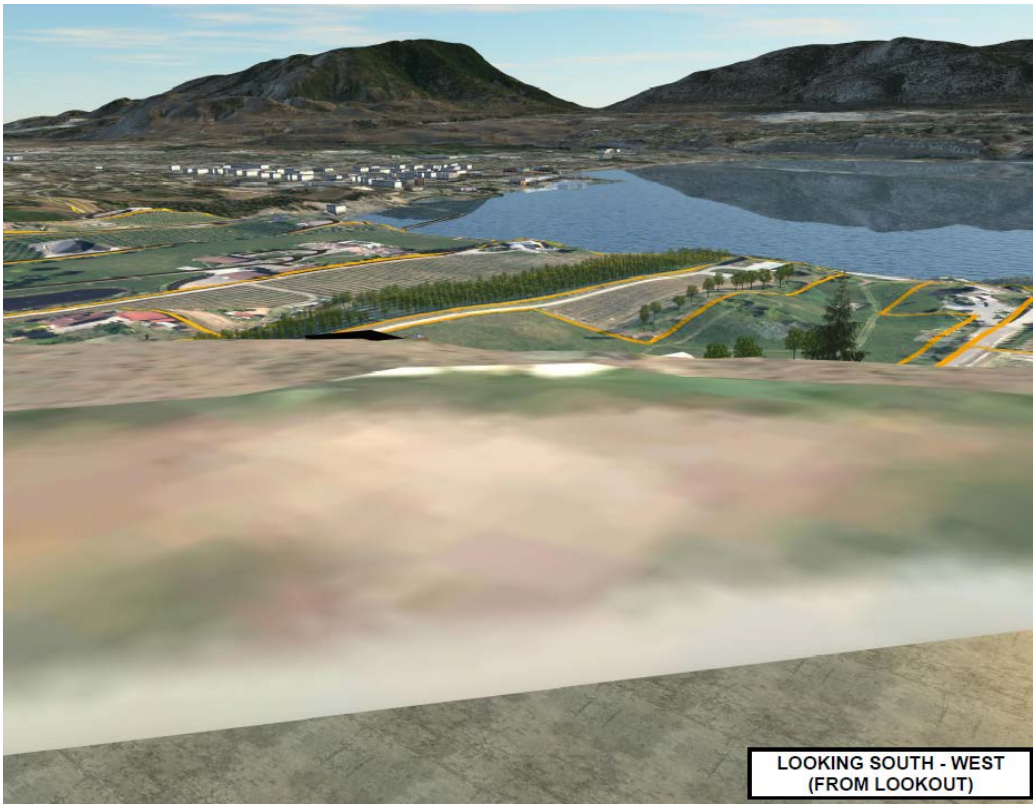


Figure 14: 3D View Looking South West

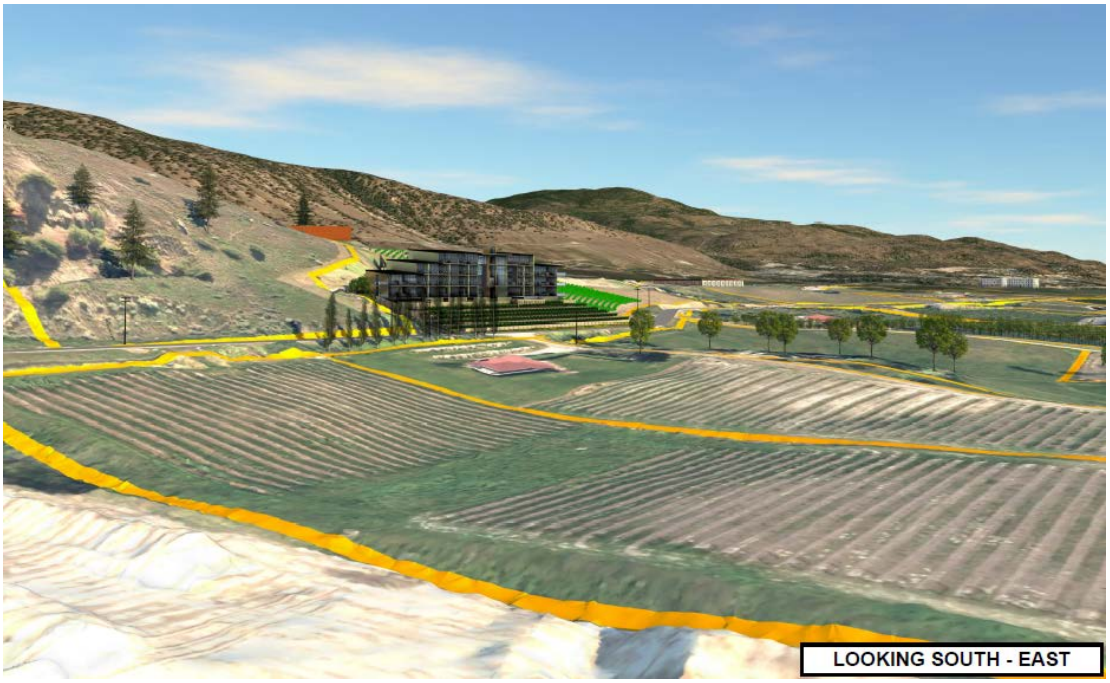


Figure 15: 3D View Looking South East

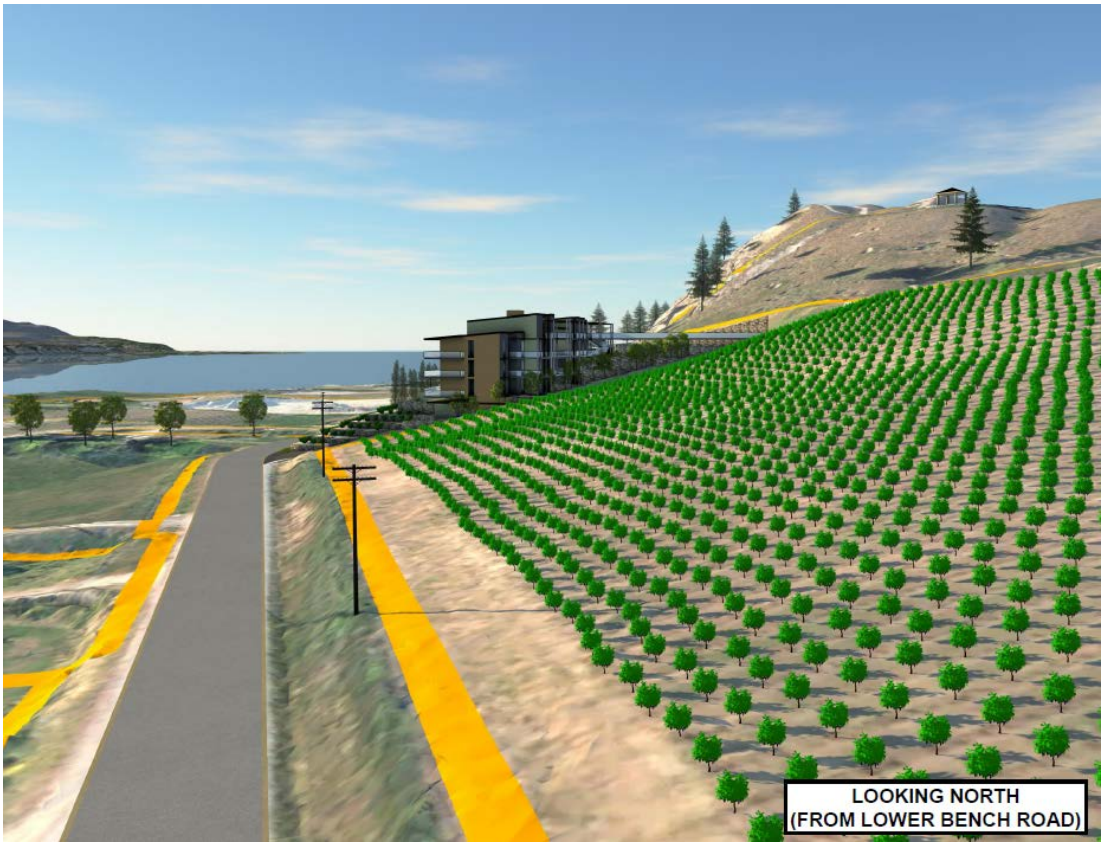


Figure 16: 3D View Looking South East

Attachment H – Open House Comments (Summary)

468 Lower Bench Road – Open House, February 13, 2018

Report on Public Comments

An Open House was held at the Poplar Grove Winery from 4:30 – 6:30 p.m. on February 13, 2018. There were a number of information boards showing a large photo of the area, building renderings, Site Plan and cross sections of the proposed 20 unit boutique hotel and a board with the Agricultural Land Commission and City rezoning approval process. Eighteen (18) residents signed in to the meeting. It is estimated that about 25 were in attendance.

Of the 6 questionnaire replies, 5 were from 4 households on Lower Bench Drive and 1 from Middle Bench Drive. Comments from each completed Questionnaire are summarized as follows:

Overall satisfaction with proposed 20 unit boutique hotel:

- Score of 1 (not satisfied) - 4 replies
- Score of 3 (neutral) – 1 reply
- Score of 5 (satisfied) – 1 reply

Ideas and/or concerns about the proposed development:

- Feel Naramata Bench is a unique world class area and fear this hotel is shockingly out of character. Perhaps another design would fit more easily into this rural paradise
- We chose to live in this area for its rural feel – natural habitat, views, peace and quiet. The proposal will detract from these. Prefer it not to happen, but if it does it should be modified to fit into the character of Munson Park – smaller, lower, more natural architecture
- Like to keep the area rural and crowds down. Keep hotels in Penticton
- Very concerned about traffic on Lower Bench Road and at the corner of Lower Bench and Tupper. Has a personal concern about blasting for hotel construction and its negative impact on home (as did construction of Poplar Grove Winery)
- Very supportive. Good addition to Penticton accommodation – higher end
- Letter was sent to the City with concerns

Positive or negative impacts:

- Positive – high end accommodation that would benefit winery and agri-tourism business. Negative – detracts from rural, peaceful, natural aspects of area
- Negative – increased crowds, traffic, litter and noise
- Positive – appears to be a beautiful building, attracting a high end clientele. Negative – object to property being removed from ALR

- Beautiful design

Additional comments:

- Thank you for opportunity to see the plans. Hope to receive notice of future meeting further in advance
- Appreciate opportunity to be advised of the proposal early in the process. Neighbours are away and should have opportunity to comment. The timeline was short.
- Maybe put driveway from winery. Keep traffic to a minimum on Lower Bench Rd.
- Access corner of Lower Bench and Tupper is poorly constructed. High risk for accidents. More traffic will exacerbate this (especially people staying at the hotel not familiar with this corner). Intersection needs reengineering.

Absent Neighbours:

- Email of presentation materials send to 2 owners who were not in attendance. Any comments received will be added into this report.

Attached email letter sent to the City of Penticton from Lower Bench Road resident

Attached letter from Lower Bench Resident

D. Butler
Ecora Engineering

468 Lower Bench Road – Second Open House, March 21, 2018

Report on Public Comments

A Second Open House was held at the Shatford Centre 4:00 – 7:00 p.m. on March 21, 2018. There were a number of information boards showing the Agricultural Land Commission and City rezoning approval process, a large photo of the area, building renderings showing changes to original design, review of agriculture / traffic issues, cross section Munson Mountain and agricultural area and 3D model of hotel in the local context. Forty-eight (48) residents signed in to the meeting. It is estimated that about 60 were in attendance.

Of the 17 questionnaire replies, 3 were from households on Lower Bench Drive, 9 from other agricultural/rural addresses and 5 from the urban area of Penticton. Comments from each completed Questionnaire are summarized as follows:

Overall satisfaction with proposed 20 unit boutique hotel:

- Score of 1 or 2 (not satisfied) - 5 replies (including 3 from Lower Bench)
- Score of 4 or 5 (satisfied) – 12 replies

Ideas and/or concerns about the proposed development:

- Like lowered building height and hidden parking. Concerned that a hotel or non-farm commercial does not fit in the Munson Mtn. Park atmosphere or neighbourhood pastoral character
- A terrible intrusion on agricultural land – thin edge of the wedge
- Will add traffic – would like to see traffic control of the residential end of Lower Bench
- Like the project
- Support the ALR, but this costs very little farm land. Alternative is another monster house which is the main cause of the loss of farmland
- Like the idea - more higher end accommodation needed in area. Lower height looks good
- Building looks nice. Include more trees
- Less intrusive hotel design with terraced floors so not to be such a large "face" in the rural area. Negotiate trail development for balance of Munson Mtn. Park
- Additional hotel rooms desperately needed – great to see a development of this caliber – huge market in Penticton
- Traffic control at the big bend at Lower Bench and Vancouver Hill/ Munson
- Like that this hotel has no restaurant – not a dinner destination
- Very excited to see this investment in local accommodation. Thanks for a building design that considers the local geography
- Love it. Need newer, nicer locations to service the local wine industry

- Excited to see this caliber facility proposed for Penticton

Positive or negative impacts:

- Destroys peaceful privacy of neighbourhood, diminishes agricultural operations and chips away at value of Munson Mtn. Park
- Will change the character of an historic, agricultural area. Interface issues will make farming difficult
- Negative – larger events at the winery and more traffic
- Negative – more traffic
- Good for Penticton
- Very good use of scarce land. Opportunity to upgrade Munson Mt. Park lookout to destination park
- Positive – additional tourist rooms and quality jobs in construction and operation. Negative – concerns of local residents and line of sight and visual impact
- Additional rooms greatly needed in Penticton area
- High end accommodation is needed. Is this the "thin edge of the wedge" to developing the ALR – how to say "no" to future applications?
- Great location for hotel – wine industry is a huge employer in Penticton
- Good for local business, tourism and employment
- Need upper end small hotel – we miss many tourist and conventions that require accommodation not available
- Rooms will allow higher and more affluent travellers opportunity to stay in our community longer and spend more time seeing wineries, breweries, craft soda and retail shops
- Fills the lack of /need for higher end accommodation
- Will be great for business. Need to make sure roads are safe
- Positive – attract higher end clientele , great for jobs, agriculture and tourism

Additional comments:

- Do not think this is a suitable location for a hotel
- Word "boutique" is loaded and ridiculous for this disruptive proposal
- Tourist accommodation needs to move from valley bottom
- More of this type of development is needed to build local economy and opportunities
- Very good land use for this property. Amazing opportunity to have a mini "Sparkling Hills" in Penticton
- Exciting development for Penticton
- Hope it happens. Need progress

D. Butler
Ecora Engineering

Attachment I- Letter of Intent

Poplar Grove
Winery

April 6, 2018

City of Penticton
171 Main Street
Penticton, B.C. V2A 3R6

Dear City of Penticton Mayor and Councilors

Re: Rezoning Application for a 20 unit Boutique Hotel at 468 Lower Bench Road

We are very excited about the proposed boutique hotel located adjacent to the Poplar Grove Winery and Vineyard. We believe that there is a real need for high-end tourist accommodation on the Naramata Bench and that there will be significant benefits both to local agriculture and to the City.

In the following letter, we would like to provide the City with an overview of the project, the process followed to date, public consultation and development issues and opportunities:

The Site and Project

468 Lower Bench Road is a sloped site of 1.3 acres in size and has been used for residential purposes for the past 45 years. It is located in an area of mixed residential and agricultural land uses as well the Lakeview Cemetery. The site is tucked into the lower slopes of Munson Mountain and except for the Poplar Grove winery and vineyard, has no other immediate neighbours.

A hotel of 20 units is proposed. Discussions with other winery accommodations operators have indicated that 10 room facilities are of questionable viability since the costs of staffing and operation are high. It does not cost a great deal more to operate a 20 room facility while revenue is significantly higher.

There has been considerable effort and expense undertaken to prepare a development concept to demonstrate the scope, size and general appearance of the project that is suitable for this sloping site and location. The design features:

- 20 hotel rooms plus guest amenities and live-in manager unit.
- Total floor area of around 20,000 sq. ft.
- No public lounge or restaurant – to minimize noise and traffic
- Stepped building heights between 2 and 4 storeys, with the first floor located over 25 feet above Lower Bench Road
- After receiving comments from the first public Open House, the building was lowered in height by 6.5 feet and the parking that is located under the building is completely covered from view

Poplar Grove Winery
425 Middle Bench Road North
Penticton, British Columbia

Poplar Grove
Winery

- Terraced landscape beds adjacent to Lower Bench Road provide additional screening as well an area for vineyard planting

To better visualize the project and its location, a 3D model has been prepared and will be presented to Council and the public. A set of architectural plans, renderings and a number of pictures are attached to this letter (Att. 1 and 2).

The Process

An application was submitted in late 2017 to the Agricultural Land Commission for a non-farm use of the 0.5 acres (21,000 sq. ft.) of ALR on the site. Council support is required to forward this application to the ALC. A rezoning application was submitted to the City for the 20 unit boutique hotel in January 2018.

Public Consultation

As part of the City's Rezoning process, 2 public Open Houses were held - the first by invitation to Lower Bench neighbours in February and second by invitation to the same and newspaper advertising held in March 2018. A report on each Open House is attached (Att. 3).

A number of concerns were raised by local residents including traffic on Lower Bench Road, impact on Munson Mountain Park and its views, loss of agricultural land, impact on farm operations and impact on the rural character of the area,. There was also support from the local farm and Penticton business communities for the agri-tourism and economic benefits of new high-end hotel rooms. These issues and opportunities are explored in more detail below:

Development Traffic

Based on established Traffic Engineering Trip Generation Guidelines for this type of land use, it is estimated that on the busiest day of an average week, there would be a rate of 4 to 5 trips per room - for a total of 80 to 100 trips for the proposed 20 room hotel. For the peak hour the rate is 0.5 trips per room – for a total 10 trips for the hotel. Lower Bench Road is a typical rural road in the agricultural area with a pavement width of 20 feet. There are about 25 wineries on the Naramata Bench accessed from similar local streets, so the estimated hotel traffic volumes can readily be accommodated on Lower Bench Road. It is acknowledged that the existing intersection of Lower Bench Road and Tupper Avenue has alignment issues, but the limited hotel traffic volumes do not warrant an upgrade. The City has a design concept, similar to the Tupper / Middle Bench intersection for future improvements.

Munson Mountain Park Impacts

A cross section of the local topography and the 3D model clearly illustrates that the proposed hotel does not impact on views from Munson Mountain Park. From the lookout, the hotel is not visible

at all and can only be seen in the foreground from a section of the lower trail. See attached Section (Att. 4) and 3D model views. These views show that the hotel location, adjacent to the Poplar Grove Winery on the southern flank of the Mountain has no noticeable impact on the Park.

Loss of Farmland

This site was originally part of a larger orchard extending between Lower and Middle Bench Roads. In 1973, the property of 1.3 acres or 54,000 sq. ft. was subdivided from this farm. The one-half acre of ALR land on the lot has not been part of a commercial farm for the past 45 years and if the site remains as a residential lot, it is highly unlikely to be farmed in the future. It is proposed to plant grape vines on the hotel site – along the southern property line, in the terraced beds along Lower Bench Road or the upper portion of the lot in an area of about 14,000 sq. ft. The vineyard will reinforce the agri-tourism focus of the hotel and add an agricultural use on this property for the first time in many years.

Impact on Farm Operations

There are many agri-tourism uses located within farming areas throughout the world and on the Naramata Bench there are numerous B&B guest rooms and vacation rental businesses, as well as winery tasting rooms, restaurants, outdoor picnic areas and events. Agriculture Land Commission policies provide an outright use of up to 10 tourist room on farm sites. The scale of the proposed hotel is not greater than many of the activities occurring in this agricultural area.

However, it is recognized that tourism activities can have an impact on nearby farms. We are operators of the closest commercial farm at Poplar Grove and will ensure that hotel guests are aware of farming activities occurring and will schedule the work to have the least affect. Vineyard spraying, of organic sprays, takes place about 3 times a season – hotel guests will be informed of the non-toxic spray and of the timing. We are also aware of several other farm operations on the western side of Lower Bench Road and will communicate with these operators and keep our guests informed.

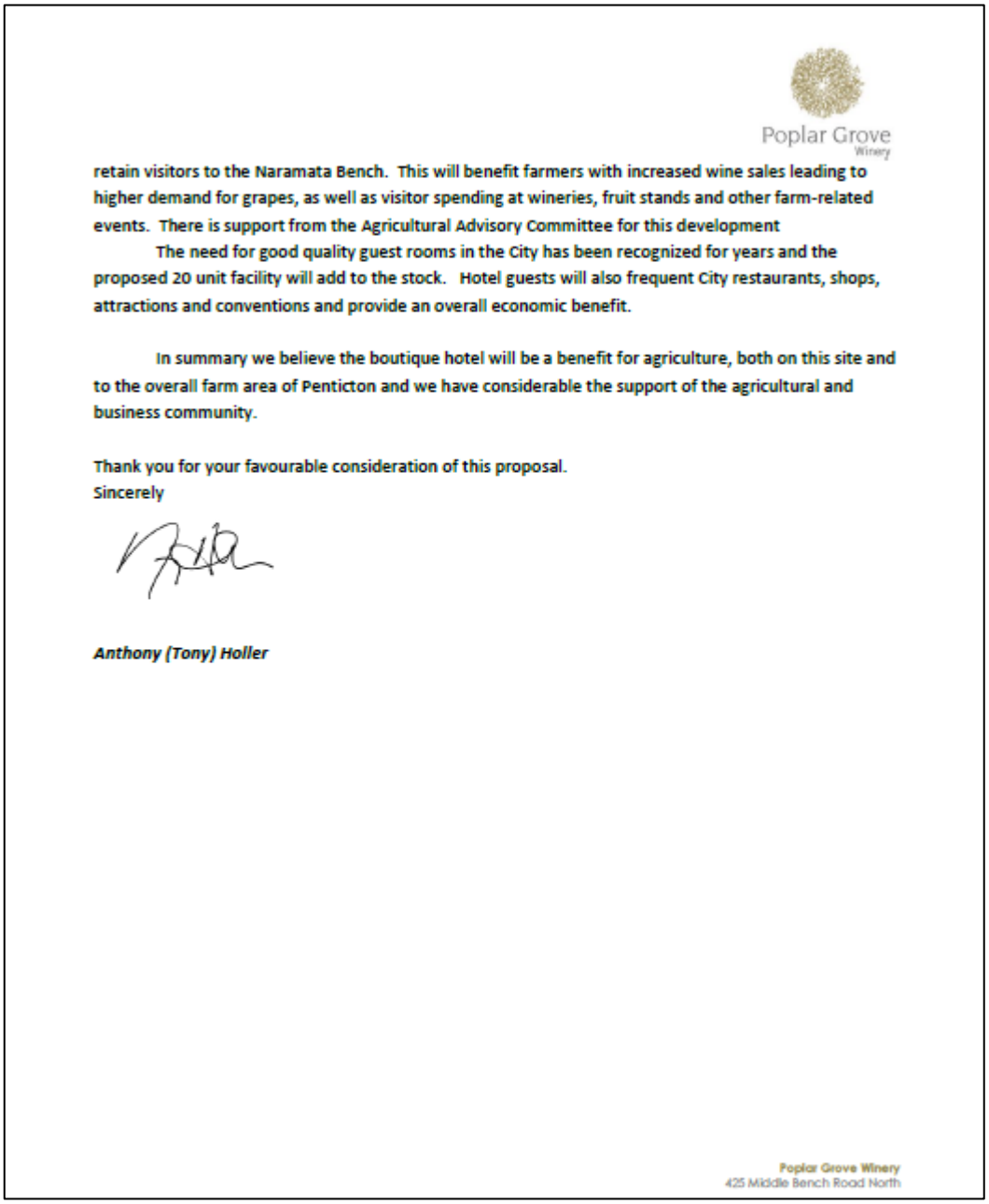
Rural Character of Area

The proposed 20 room boutique hotel will have an impact on the character of this area of Lower Bench Road. A number of local residents feel that the new use is not good fit with the existing rural character of the street, while others feel it would be an asset. The proposed hotel is complementary with the Poplar Grove Winery and its location above the road will minimize impact.

Agri-Tourism and Economic Benefits

The wine industry has transformed agriculture in the South Okanagan and is a significant attraction for visitors to the region as well as an economic generator and job creator. There are continuing investments in winery restaurants to enhance the visitor experience and generate income for operators. The addition of a high end boutique hotel represents another opportunity to attract and

Poplar Grove Winery
425 Middle Bench Road North
Penticton, British Columbia
Canada V2A 8S5
(250) 493-9463
wine@poplargrove.ca



Poplar Grove
Winery

retain visitors to the Naramata Bench. This will benefit farmers with increased wine sales leading to higher demand for grapes, as well as visitor spending at wineries, fruit stands and other farm-related events. There is support from the Agricultural Advisory Committee for this development

The need for good quality guest rooms in the City has been recognized for years and the proposed 20 unit facility will add to the stock. Hotel guests will also frequent City restaurants, shops, attractions and conventions and provide an overall economic benefit.

In summary we believe the boutique hotel will be a benefit for agriculture, both on this site and to the overall farm area of Penticton and we have considerable the support of the agricultural and business community.

Thank you for your favourable consideration of this proposal.
Sincerely

Anthony (Tony) Holler

Poplar Grove Winery
425 Middle Bench Road North

Figure 17: Letter of Intent

The Corporation of the City of Penticton

Bylaw No. 2018-24

A Bylaw to Amend Zoning Bylaw 2017-08

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 2017-08;

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 No. 2018-24".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended by adding the following site specific provisions to section 9.2.6:

.10 In the case of Lot 3, District Lot 187, Similkameen Division Yale District, Plan 23377, located at 468 Lower Bench Road, a 20 suite hotel and operator dwelling unit shall be permitted and, notwithstanding section 9.2.2 Subdivision and Development Regulations, a maximum parcel coverage of 35% for all buildings is permitted.

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	day of	, 2018
A PUBLIC HEARING was held this	day of	, 2018
READ A SECOND time this	day of	, 2018
READ A THIRD time this	day of	, 2018
ADOPTED this	day of	, 2018

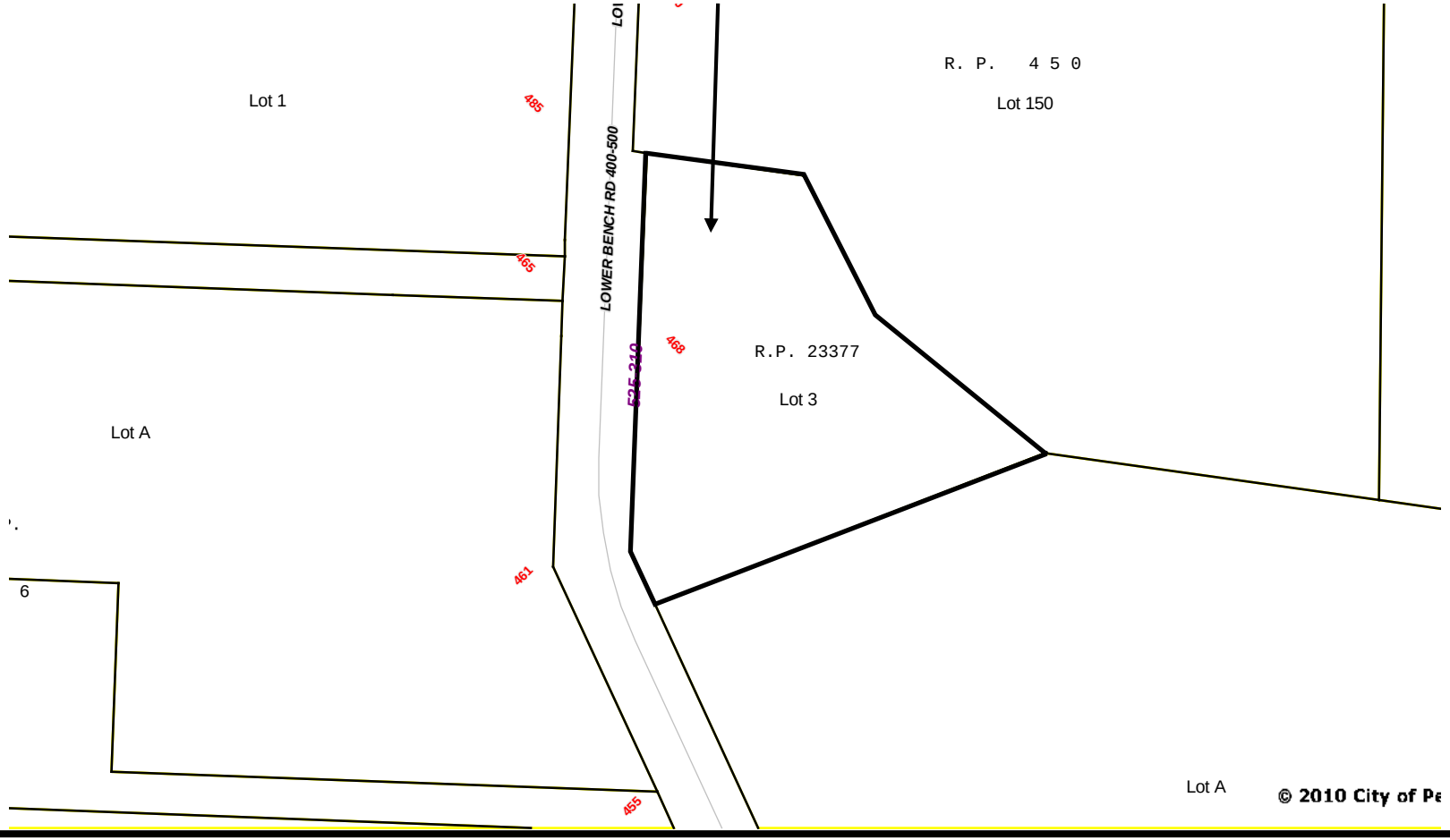
Notice of intention to proceed with this bylaw was published on the __ day of _____, 2018 and the __ day of _____, 2018 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

468 Lower Bench Road - Site Specific Zoning Amendment

To permit a 20 unit hotel and operator dwelling unit, and notwithstanding Section 9.2.2 of Subdivision and Development Regulations, a parcel coverage of 35% for all buildings is permitted



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2018-24

Date: _____ **Corporate Officer:** _____

Council Report

penticton.ca

Date: April 17, 2018 File No: PRJ2017-363
To: Peter Weeber, Chief Administrative Officer
From: Blake Laven, Planning Manager
Subject: **Housing Agreement (257 Scott Avenue) Bylaw No. 2018-17**

Staff Recommendation

THAT "Housing Agreement (257 Scott Avenue) Bylaw No. 2018-17", a bylaw authorizing the City of Penticton to enter into a housing agreement with the owner of 257 Scott Avenue, requiring 4 units with the apartment building to be rented to those on the Supported Housing Registry, or equivalent for a 20 year period, be given first, second and third reading and forwarded to the May 8, 2018 Regular Meeting of Council for adoption.

Strategic priority objective

Rental affordable housing availability is a strategic priority for Council.

Background

On February 6, 2018, Council approved Development Variance Permit PL2018-8115 a permit waiving parking requirements for 4 new apartment suites added to an existing apartment building at 257 Scott Avenue. Approval of the variance was conditional on the property owner entering into a Housing Agreement with the City and consolidating the two lots into one parcel. The lot consolidation process is currently under way. The purpose of this report it to introduce the Housing Agreement Bylaw to Council.

The Housing Agreement, will required that four (4) units within the subject building will be reserved for persons listed on the City's supported housing registry being kept by 100 Homes Penticton. Persons on the registry include those who are experiencing homelessness or are at risk of experiencing homelessness, for a period of 20 years.

The Housing Agreement is supplemental to an agreement that the landlord of the property has with the South Okanagan Similkameen Brain Injury Society (SOSBIS), Landlord Partnership Program. Under the terms of that agreement, SOSBIS will be placing persons from the supported housing registry into the building and providing supports such as guaranteed response to landlord concerns, financial assistance to the tenant, eviction prevention assistance and damage claim support.

A housing agreement is a restrictive covenant that is listed on the tile of the property and enforceable through the court system. The housing agreement will remain on title even if the property is sold.

Financial implication

As the developer is prepared to enter into a housing agreement with the City of Penticton for four units in the building to provide housing for individuals at risk of homelessness, the Development Cost Charge Reduction Bylaw provides for a 100% reduction of the applicable DCCs ($5,548 per unit X 4 = $22,192).

Analysis

Support the housing agreement bylaw

Council directed staff to prepare the subject bylaw as part of approval for an application to increase the density on a preexisting apartment site. Completion of the housing agreement process requires the adoption of a bylaw and registration of the agreement on title of the subject property. The property owner is not permitted to begin construction until this process is complete. Having the housing agreement registered on title will ensure that 4 units of housing are guaranteed for persons on the city's supported housing registry for the next 20 years.

For these reasons, staff are recommending that Council give readings to the bylaw and forward it to the May 8, 2018 Regular Meeting of Council for adoption.

Deny/Refer

This bylaw was created based on Council direction. The project cannot move ahead without the housing agreement and lot consolidation process being completed. For this reason, Staff do not recommend not giving the proposed readings to the bylaw.

Attachments

Attachment A – Housing Agreement (257 Scott Avenue) Bylaw No. 2018-17

Respectfully submitted,

Blake Laven, MCIP, RPP
Planning Manager

Approvals

Director	Chief Administrative Officer
AH	PW

The Corporation of the City of Penticton

Bylaw No. 2018-17

A Bylaw to authorize an agreement for rental housing for the lands known as 257 Scott Avenue

Under its statutory powers, including section 483 of the *Local Government Act*, the Council of the City of Penticton enacts the following provisions:

1. Title

This Bylaw may be cited as the "Housing Agreement (257 Scott Avenue) Bylaw No. 2018-17".

2. Agreement authorized

The Mayor and the City's Corporate Officer are authorized to execute the Housing Agreement:

(a) substantially in the form attached to this Bylaw as Schedule A;

(b) between the City and 0968246 B.C. Ltd., or other registered owners from time to time of the lands described in subsection (c); and

(c) that applies to the lands with a civic address of 257 Scott Avenue, Penticton, British Columbia, and legally described as:

PID 030-401-038
Lot A, District Lot 250, Similkameen Division Yale District and of District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District, Plan EPP80623.

READ A FIRST time this	day of	, 2018
READ A SECOND time this	day of	, 2018
READ A THIRD time this	day of	, 2018
ADOPTED this	day of	, 2018

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

HOUSING AGREEMENT- RENTAL UNITS
(Pursuant to Section 483 of the *Local Government Act*)

THIS AGREEMENT is made the____day of_____, 2018.

BETWEEN:

THE CORPORATION OF THE CITY OF PENTICTON
171 Main Street
Penticton, BC V2A 5A9

(the "**City**")

OF THE FIRST PART

AND:

0968246 B.C. LTD.
1910 Naramata Road
Penticton, BC V2A 8T9

(collectively, the "**Owner**")

OF THE SECOND PART

WHEREAS:

A. Under section 483 of the *Local Government Act* the City may, by bylaw, enter into a Housing Agreement with an owner regarding the occupancy of the housing units identified in the agreement, including but not limited to terms and conditions referred to in section 483(2) of the *Local Government Act*;

B. The Owner is the registered owner in fee simple of lands in the City of Penticton, British Columbia, with a civic address of 257 Scott Avenue, Penticton, B.C. and legally described as:

PID: 030-401-038

Lot A, District Lot 250, Similkameen Division Yale District and of District Lot 1, Group 7, Similkameen Division Yale (Formerly Yale Lytton) District, Plan EPP80623

(the "**Lands**");

C. The Owner has applied to the City for a reduction in development cost charges in respect of the Development on the Land;

D. The City and the Owner wish to enter into a Housing Agreement pursuant to section 483 of the *Local Government Act,* to secure the agreement of the Owner that, for the duration of the Term, four (4) Dwelling Units within the Development will be available for use by people on the City's "Supported Housing Registry".

NOW THIS AGREEMENT WITNESSES that pursuant to section 483 of the *Local Government Act*, and in consideration of the premises and covenants contained in this agreement (the "**Agreement**"), the parties agree each with the other as follows:

1.0 Definitions

1.1 In this Agreement:

"**Development**" means the apartment building located at 257 Scott Avenue to which the four (4) units are being added as outlined in Development Permit PL2017-8116.

"**Dwelling Unit**" means any self-contained residential dwelling unit within the Development and includes any dwelling unit that is developed on the Lands in future, whether as part of the Development or otherwise, and

"Dwelling Units" means, collectively, all such dwelling units located within the Development or on the Lands.

"**Non-Owner**" means a person other than the Owner who occupies a Dwelling Unit for residential purposes.

"Occupancy Permit" has the same meaning as under the City of Penticton Building Bylaw 94-45 (1994), as amended or replaced from time to time.

"**Owner**" has the same meaning as under the *Community Charter*, and includes a person who acquires an interest in the Lands or any part of the Lands and is thereby bound by this Agreement.

"Statutory Notice" means notice that the Lands are subject to this Agreement, filed in the Land Title Office in accordance with section 483(5) of the *Local Government Act*.

"**Supported Housing Registry**" means the registry of persons experiencing or at risk of experiencing homelessness in Penticton currently kept by the organization '100 Homes Penticton' or an equivalent local agency. In the absence of an agency maintaining a registry, persons on a Supported Housing Registry will also mean persons referred by BC Housing who meet the definition of those experiencing or at risk of experiencing homelessness.

"Term" means the term of this Agreement as defined in section 2.1 of this Agreement.

1.2 In this Agreement:

(a) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment; and

(b) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided.

2.0 Term

2.1 This Agreement will commence and is effective on the date that the Statutory Notice is filed in the Land Title Office, and will remain in effect for a period of twenty (20) years from the date on which an Occupancy Permit is issued and is in effect for the four (4) Dwelling Units within the Development. For certainty, if the Development is constructed, and Occupancy Permits are issued, in stages, the Agreement will remain in effect for twenty (20) years from the date on which the last Occupancy Permit was issued.

3.0 Dwelling Units To Be Used For Persons on the Supported Housing Registry

3.1 The Owner covenants and agrees that during the Term, all four (4) Dwelling Units within the Development must only be used and occupied by people listed on the Supported Housing Registry.

4.0 Reporting

4.1 The Owner covenants and agrees that on February 1st of each year following execution of this Agreement, the Owner will provide the City's Planning Manager with a written report confirming that the Owner is in compliance with this Agreement.

4.2 The Owner hereby irrevocably authorizes the City to make all inquiries that it considers necessary to confirm that the Owner is complying with this Agreement.

5.0 Statutory Notice to be Registered in Land Title Office

The Statutory Notice will be filed by the City in the Land Title Office at the cost of the Owner and this Agreement is binding on the parties to this Agreement as well as all persons who acquire an interest in the Lands after registration of the Statutory Notice.

6.0 Liability

6.1 The Owner agrees to indemnify the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from all claims, demands, actions, damages, costs (including on a solicitor and own – client basis) and liabilities, which all or any of them will or may be liable for, or suffer, incur, or be put to by reason of, or arising out of, failure of the Owner to comply with the terms and conditions of this Agreement.

6.2 The Owner hereby releases and forever discharges the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from any and all claims, demands, actions, damages, economic loss, costs (including on a solicitor and own-client basis) and liabilities which the Owner now has or hereafter may have with respect to or by reason of or arising out of the fact that the Lands are encumbered by and affected by this Agreement.

7.0 General Provisions

Notice

7.1 If sent as follows, notice under this Agreement is considered to be received

(a) seventy-two (72) hours after the time of its mailing (by registered mail) or faxing, and

(b) on the date of delivery if hand-delivered,

to the City:

City of Penticton
171 Main Street
Penticton, BC V2A 5A9
Attention: Corporate Officer

to the Owner:

at such address as is recorded from time to time in the records of the Land Title Office.

If a party identifies alternate contact information in writing to another party, notice is to be given to that alternate address.

If normal mail service or facsimile service is interrupted by strike, work slowdown, force majeure, or other cause,

(a) notice sent by the impaired service is considered to be received on the date of delivery, and

(b) the sending party must use its best efforts to ensure prompt receipt of a notice by using other uninterrupted services, or by hand-delivering the notice.

Time

7.2 Time is of the essence of this Agreement.

Binding Effect

7.3 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors, and permitted assignees. In accordance with section 483(6) of the *Local Government Act*, this Agreement is binding on all who acquire an interest in the Lands, and the Owner only during the Owner's ownership of any interest in the Lands, and with respect only to that portion of the Lands of which the Owner has an interest.

Waiver

7.4 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

Headings

7.5 The headings in this Agreement are inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

Language

7.6 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.

Equitable Remedies

7.7 The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.

Cumulative Remedies

7.8 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

Entire Agreement

7.9 This Agreement when executed will set forth the entire agreement and understanding of the parties as at the date it is made.

Further Assurances

7.10 Each of the parties will do, execute, and deliver, or cause to be done, executed, and delivered all such further acts, documents and things as may be reasonably required from time to time to give effect to this Agreement.

Amendment

7.11 This Agreement may be amended by written agreement of the parties, if authorized by a bylaw duly adopted by the Council of the City.

Law Applicable

7.12 This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

No Derogation from Statutory Authority

7.13 Nothing in this Agreement shall:

(a) limit, impair, fetter or derogate from the statutory powers of the City all of which powers may be exercised by the City from time to time and at any time to the fullest extent that the City is enabled and no permissive bylaw enacted by the City, or permit, licence or approval, granted, made or issued thereunder, or pursuant to statute, by the City shall estop, limit or impair the City from relying upon and enforcing this Agreement; or

(b) relieves the Owner from complying with any enactment, including the City's bylaws, or any obligation of the Owner under any other agreement with the City.

Joint and Several

7.14 The Owner, if more than one, are jointly and severally obligated to perform and observe each and every of the covenants, warranties and agreements herein contained by the Owner to be observed and performed.

Counterpart

7.15 This Agreement may be executed in counterparts, each of which will have the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

THE CORPORATION OF THE CITY OF PENTICTON by its authorized signatories:

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

SIGNED SEALED AND DELIVERED by the authorized signatory of 0968246 BC Ltd. in the presence of:

Witness Signature

Jeff McFarland

Name

Address

Occupation

Council Report

penticton.ca

Date: April 17, 2018 File No: RMS 5280-09
To: Peter Weeber, Chief Administrative Officer
From: Blake Laven, Planning Manager
Subject: **Urban Deer Update and Recommendations**

Staff Recommendation

THAT Council direct staff to maintain the status quo approach towards urban deer management in Penticton and re-engage with the Regional District of Okanagan Similkameen and BC Conservation on a regional approach and deal with specific issues on an event by event basis.

Strategic priority objective

The initiatives in this report represent Council's strategic priority of Good Governance, by addressing an issue that is of a concern to the public and providing a forum for discussion.

Executive summary

Council at their meeting of March 6, 2018, received a letter from a strata corporation outlining the impact that urban deer were having on their residences' quality of life. In addition to the letter, staff and Council receive regular inquiries as to what the City is doing to deal with the perceived urban deer problem. This report will provide some high level background to this issue and provide options for Council to consider. Ultimately though, staff are recommending that the City maintain the status quo with regard to this issue and continue the following:

- Working with the RDOS on a regional approach to deer management;
- Working with the BC Conservation Officer Service on aggressive or injured deer;
- Dealing with other issues on an event by event basis.

Urban deer in Penticton

The prevalence of urban deer in the residential areas of the City have grown over the past two decades. The precipitating event is believed to be the installation of extensive deer fencing in the City's Agricultural area. Historically, deer would move through the agricultural areas into residential areas and then back out depending on seasonality and the availability of food and water sources. But with the installation of fencing, deer were forced into the urban areas without any way to move out. Generations of deer have now been born within the City urban areas and in many cases have lost their biological apprehension of humans. While no actual numbers of deer have been established, there is an anecdotal perception that the numbers of deer have been increasing in the past few years.

In speaking with the province's Conservation Officer Service, approximately 200 calls are received a year in the Penticton region regarding deer. 80% of those calls are in relation to injured deer – deer that have either been struck by vehicles or suffered an animal attack. In response to these calls, a conservation officer will investigate and put down an animal if they are injured to the point where they can no longer feed or drink. This number fluctuates, but is estimated to be 50 per year.

According to the CO spoken to in the preparation of this report, several calls do come in regarding aggressive deer, but they have never attended a situation where a deer had to be put down because it was aggressive, nor has there been any reported human injury from a deer in our area. There are generally a few calls a year where there is physical contact between a deer and a human. This usually involves the deer being threatened by a dog.

Staff do not keep numbers on the amount of calls that come in regarding deer, but certain times of year seem busier than other – with the late winter / spring and the fall being the busiest.

The current approach to deer management in Penticton involves City staff sitting on a regional committee organized by the RDOS. Public Works staff often deal with deer that have been struck by vehicles and dispose of deer carcasses on a regular basis. This represents an event by event approach. When staff receive inquiries from the public or complaints, we provide information on deer repellant and conflict avoidance strategies as well as what to do in the case of aggressive deer or if there is an injured deer. Part of this education is changing landscaping and fencing suggestions.

Previous approaches to deer management in Penticton

In 2011, the City of Penticton directed staff to "take immediate and all available remedies available to reduce the population of deer in the City.' Acting on that direction, staff investigated a number of options for Council's consideration, including conflict reduction techniques and population reduction alternatives and ultimately presented Council with a 5 point Deer Management Strategy. The strategy included:

1. Controlled public hunting
2. Capture and cull
3. Public education and administrative actions
4. On-going monitoring
5. Consultation process

The strategy envisioned the formation of a volunteer committee to administer the strategy, provide ongoing monitoring (deer counts) and provide advice to Council on deer management issues. The strategy was modelled after successful deer management in other communities.

The above outlined strategy was support by Council of the day. While several of the actions have been implemented, including the adoption of a deer feeding prohibition bylaw, public information brochures and amendments to the City's firearms bylaw to allow for the discharge of firearms in the Agricultural zones, full implementation was fettered by the costs associated with the capture and cull initiative and not having an established committee directing the work.

As part of the work towards a capture and cull in Penticton, deer counts were conducted in both the Spring and Fall of 2012, with the Spring count more limited in scope. The results of that count found 20 deer in the community in the Spring and 49 in the fall. Prior to being granted a license to capture and cull animals from

the province, it must be proven that there is actually a problem in the City. Having an accurate count is part of the application process to the province for permit to conduct a deer cull.

Further holding up the work was a legal challenge to a wildlife permit in Invermere, whereby an animal rights group challenged the City of Invermere's deer cull. Penticton staff, in reporting out to Council in late 2012, requested that the issue of a capture and cull be put on hold until the Supreme Court made a decision on the cull. Ultimately, over a year later, the Supreme Court stated that Invermere did follow proper procedure in the implementation of their capture and cull.

In 2014, staff presented Council with some further options for a population reduction strategy, this time looking at a capture and relocation to Penticton Indian Band Lands. This initiative was explored in some detail and was supported by Council, even though the price per deer to relocate was over $1,000 per animal. Ultimately though, as staff began to continue down the application process, the cost of the capture and relocation and the work necessary for the provincial licensing requirements became too onerous, Council decided to abandon the plan (Council Resolution 104/2014).

No further work on the strategy has been done since this time. The current approach to deer management at the City of Penticton is outlined above and involves a more regional approach.

Other communities

The City of Kelowna has been experiencing similar concerns from their public regarding the perceived increase in urban deer in their community (no actual counts have been conducted). Kelowna City Council was presented with a petition to take action on urban deer and to investigate a cull. Council in that community, however, did not support a population reduction, electing rather to support the RDCO's Wildsafe BC program.

Staff spoke to staff at the municipality of Summerland. Urban deer are not seen to be an issue in that community.

Communities in the Kootenay region have been more aggressive toward the issue of urban deer as the problem seems to be much more prominent there. The communities of Cranbrook, Invermere, Grand Forks and Kimberly have very robust deer management approaches with dedicated staff and functioning committees directing deer counts and yearly culls. The issue in those communities is, arguably, a much greater concern than in Penticton, whereas our deer count identified 49 deer, Kimberly counted 200 deer, Grand Forks 174, Cranbrook 92 and 200 in Invermere. All of those communities are smaller in area than the City of Penticton, with the exception of Kimberly. Through extensive public consultation in those communities a 30% reduction in population was desired by the public and programs in those communities to try to achieve those numbers are underway.

In their annual report on deer management, the City of Cranbrook, provided advice to other municipalities looking at a similar program. They included:

- Involve Ministry staff in your respective wildlife management process immediately; utilize their professional experience and expertise in each step.
- Conduct a public survey. Survey results of your residents give elected officials a very clear indication that the process is moving in the right direction. It is also important in garnering elected officials and residents support for management recommendations.

- Have a diverse and transparent Committee. Having a representative of MOE on the Committee takes much of the emotion out of the process and allows for factual, information based decisions. Having the Committee remain in place to continue to monitor the situation and provide annual reporting back to Council does a lot for the credibility of the process and for Council in eyes of the public.
- Make important decisions in a public forum, such as a City Council meeting. It keeps the process in the public eye and keeps the media and your residents aware.

Financial implication

Staff's recommendation is to maintain the status quo and continue working with the RDOS and Conservation Officer Service on public education and case-by-case deer human interactions. If Council were to continue the status quo, there would be no impact on the City's operational budget. The City currently does not have a set budget line item for deer management. This is done as part of the general operation work of City staff.

If Council were to direct staff in accordance with Alternative options 1, 2 or 3, amendments to the 2018 operational budget would be required. Depending on the direction that Council chose, this may involve the hiring of an additional staff member and or consultant. If Council does direct staff in this direction, a more comprehensive financial analysis will be done at that time.

When the previous capture and relocation plan was looked at a cost of $1,000 per deer was estimated in Penticton. In reviewing reports from Cranbrook, their 2017 cull, where15 animals were euthanized was estimated at $550 per animal for a total cost of $8,250.

The province in 2016 launched an urban deer management program, which provides $100,000 a year (province wide) to help fund community based urban deer management policies. Applications can be made to access these funds to help off-set the budgetary implications of an urban deer strategy. Again if Council directs staff develop a strategy or investigate a population reduction this option will be investigated more fully.

Analysis

Maintain status quo approach

While deer are seen as a nuisance in the urban area of the City and staff are sympathetic to persons who are negatively affected by urban deer, staff recommend maintaining the status quo approach to deer management for 2018. The RDOS has a Wildsafe BC staff member who has a mandate to work on urban deer management. Staff are recommending that this resource be utilized more fully prior to taking more aggressive measures, such as the formation of an additional City advisory committee or pursuing population reduction.

In looking at the experience in other communities where the urban deer problem is much more prevalent than in Penticton, significant resource has been spent for relatively minor population reduction and the overall number of deer in the communities where this approach has been taken has not been affected. Educating Penticton residents on avoidance and living with urban deer in conjunction with the regional approach seems a more advisable way forward at this time.

Proceed with additional research and action

If Council is of the opinion that there is an unacceptable level of urban deer in the community, there are several areas that Council can take action. Staff would recommend as a starting point to create a committee of community volunteers to direct work on this project. Deer management, especially population reduction involves a great deal of work including deer counts and reporting out on results. Also, the province requires a high level of public support for population reduction. Having a committee made up of a representative cross section of concerned citizens and stakeholders would be an advised way of moving forward on this issue. This is both a component of most successful deer management strategies that staff have looked at in Kootenay communities and was included in the earlier Penticton deer management strategy.

Alternatively, Council may wish staff to begin the application process for a population reduction. The process for a population reduction includes:

- The adoption of a deer management plan, created through public consultation;
- Inventory of deer numbers;
- The full use of the carcass resulting from the cull, for example by donating the meat to a local first nation or food bank;
- Culls are to be conducted by trained contractors and meat must be processed by a qualified butcher;
- Reporting out via an annual report.

Alternate recommendations

THAT Council select between the following options:

1. Create an urban deer management committee made up of community volunteers to direct Council on issues related to urban deer, coordinating yearly deer counts and making recommendations on population reduction strategies.
2. Amend the City's operating budget to hire a wildlife consultant, or similar position, to develop an urban deer management strategy.
3. Have staff investigate options for population reduction and begin the provincial application process (with the understanding that this is not currently in any staff 2018 work plans) including conducting a public engagement and survey process.

Respectfully submitted,

Blake Laven, MCIP, RPP
Planning Manager

Approvals

Acting Director	Chief Administrative Officer
KK	PW