Agenda

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

Tuesday, March 19, 2019
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 February 26, 2019 Special Council Meeting (Budget)	1-4	Adopt
6.2	Minutes of the February 27, 2019 Special Council Meeting (Budget)	5-7	Adopt
6.3	Minutes of the February 28, 2019 Special Council Meeting (Budget)	8-17	Adopt
6.4	Minutes of the March 5, 2019 Regular Council Meeting	18-22	Adopt

7. **Consent Agenda:**

7.1 Minutes:
- Minutes of the March 5, 2019 Committee of the Whole Meeting
- Minutes of the March 5, 2019 Public Hearing Meeting

Staff Recommendation: THAT Council approve the Consent Agenda. 23-27

8. **Committee and Board Reports**

9. **Correspondence**

10. **Staff Reports:**

Bauer 10.1 Community Events – Downtown Penticton Association/Shatford Centre 28-30

Staff Recommendation: THAT Council approve the grant request of $1,190 to the Downtown Penticton Association – Live at Lunch Series for 2019;
AND THAT Council approve the allocation of $32,800 to the Sport and Event Program from the Municipal Grants Program for 2019.

Renaud 10.2 2019-2023 Five Year Financial Plan Bylaw No. 2019-10 31-36

Staff Recommendation: THAT Council give first, second and third reading to the "2019-2023 Five Year Financial Plan Bylaw No. 2019-10".

Kassian 10.3 Clean BC Funding Opportunity 37-39
Re: Electric Charging Stations

Staff Recommendation: THAT Council support the application to the Clean BC Community Fund (CCF) for funding assistance for the purchase and installation of two dual pedestal Level II electric vehicle charging stations to be installed at the new public pay parking lot at 313 Ellis Street.

Houle 10.4 ALC Non-Adhering Residential Use Application PL2019-8488 40-54
Re: 1150 Corbishley Avenue

Staff Recommendation: THAT Council support "ALR Non-Adhering Residential Use Application PL 2019-8488", for Lot 1 District Lot 187 Similkameen Division Yale District Plan EPP77908, located at 1150 Corbishley Avenue, an application for a non-adhering residential use to construct a residence for farm help;
AND THAT staff be directed to forward the application to the ALC (Agricultural Land Commission) with support from Council.

Capewell 10.5 Zoning Amendment Bylaw No. 2019-12 55-68
Re: 434 Lakeshore Drive West

Staff Recommendation: THAT "Zoning Amendment Bylaw No. 2019-12", a bylaw to add the following section to the R2 (Small Lot Residential) zone: 10.2.4.3 – "In the case of Lot 1 District Lot 4 Group 7 SDY (Formerly Yale-Lytton) District Plan 3508, located at 434 Lakeshore Drive West, a Bed and Breakfast Home shall be permitted", be given first reading and be forwarded to the April 2, 2019 Public Hearing;
AND THAT prior to adoption of "Zoning Amendment Bylaw No. 2019-12", a 3.0m x 3.0m lane dedication corner cut be registered with the Land Title Office at the south west corner of the property.

Kozak 10.6 Arena Development Strategy Update 69-202

Staff Recommendation: THAT Council direct staff to return the $6M Strategic Priorities Fund (SPF) grant to UBCM by March 31, 2019 as the conditions of the grant cannot be met;
AND THAT Council select from one of the following options:

Option 1

THAT Council direct staff to plan base building repairs for McLaren and Memorial Arenas, as required to keep the buildings operational for the short term (up to 10 years);
AND THAT Staff will develop a long-term funding plan for replacement or upgrade of the facilities in the next 10+ years.

OR Option 2

THAT Council direct staff to plan for base building repairs, functional upgrades and renovations for McLaren and Memorial Arenas in order to extend the life expectancy for an additional 10 to 20 years, and report back to Council with detailed upgrade options and associated costs.

OR Option 3

THAT Council provide alternate direction to staff.

Haddad 10.7 Economic Development & Community Prosperity & Development Services 203-211
Advisory Committee Amalgamation

Staff Recommendation: THAT Council direct staff to amalgamate the Economic Development and Community Prosperity Advisory Committee and the Development Services Advisory Committee;
AND THAT the proposed new Terms of Reference for the Economic Prosperity & Development Services Advisory Committee be approved.

Chapman 10.8 Water Conservation Plan 212-220

Staff Recommendation: THAT Council endorse the Water Conservation Plan prepared by AECOM dated March 11, 2019, as contained in Attachment "A" of this Council Report, as a document to be submitted as part of final reporting requirements for the grant provided by the Ministry of Community, Sport and Cultural

Development Infrastructure and Finance Branch under the Clean Water and Wastewater Fund for the Carmi Reservoir Expansion project;
AND THAT Council directs staff to re-visit the Water Conservation Plan following completion of the Drought Management Plan later in 2019 and implement any changes required to ensure conformity between the plans.

Darcus/ van Dyk — 10.9 Council Priorities/Key Issues – Q1 Quarterly Report — 221-226

Staff Recommendation: THAT Council receive into the record the report titled "Council Priorities/Key Issues – Q1 Quarterly Report" dated March 19, 2019.
OR
THAT Council provide additional direction to staff on the priorities/key issues listed and attached to the report titled "Council Priorities/Key Issues – Q1 Quarterly Report".

De Jager — 10.10 RCMP Priorities, 2019 through 2020 — 227-232

Staff Recommendation: THAT Council receive the information in this report as a summary of the priorities for the Penticton RCMP from April 2019 through to May 2020;
AND THAT Council approve the adoption of the Community Active Support Table (CAST) as an operational intervention model for the prioritization of social chronic behaviors requiring police resources and partner agencies.

11. **Public Question Period**

12. **Recess to a Closed 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;

(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

13. **Reconvene the Regular Council Meeting at 6:00 p.m.**

14. **Bylaws and Permits:**

14.1	Smoking Regulations Bylaw No. 2018-68	233-237	Adopt
14.2	Electric Utility Services Bylaw No. 2017-44	238-281	Adopt
	Subdivision and Development Amendment Bylaw No. 2018-08	282	Adopt
	Fees and Charges Amendment Bylaw No. 2018-09	283-290	Adopt
14.3	Zoning Amendment Bylaw No. 2019-05	291-292	Adopt
	Official Community Plan Amendment Bylaw No. 2019-06	293-294	Adopt
	Re: 484 Eckhardt Avenue West		

15. **Land Matters:**

Haddad — 15.1 Development Variance Permit PL2019-8482 — 295-309 — Del/Sub

Re: 1302 Government Street

Staff Recommendation: THAT Council approve "Development Variance Permit PL2019-8482", for Lot 7 District Lot 250 Similkameen Division Yale District Plan 5498 Except Plan KAP57867, located at 1302 Government Street, a permit to decrease the minimum rear yard from 6.0m to 1.5m, to allow for the construction of a garage;
AND THAT staff be directed to issue "Development Variance Permit PL2019-8482".

Laven 15.2 Development Variance Permit PL2019-8489 310-315 Del/Sub

Re: 313 Ellis Street (303, 307, 313, 317 and 319 Ellis Street)

Staff Recommendation: THAT Council approve "Development Variance Permit PL2019-8489", a permit that reduces the parking lot constructions standards for a public parking lot on Lots 1-5, Block 27, SDYD, Plan 479, located at 303, 307, 313, 317 and 319 Ellis Street;

AND THAT staff be directed to issue DVP PL2019-8489.

Laven 15.3 Development Variance Permit PL2019-8442 316-332 Del/Sub

Re: 4513 Lakeside Road

Staff Recommendation: THAT Council approve "Development Variance Permit PL2019-8442" for Lot 3 District Lot 190 Similkameen Division Yale District Plan 8200, located at 4513 Lakeside Road, a permit to vary the following sections of Zoning Bylaw 2017-08:

- *Section 8.2.3.3: to increase the maximum building height for a carriage house in the R1 zone, where no lane exists from 5.0m and one floor to 6.4m and two floors; and*
- *Section 8.2.3.5: to allow the siting of a carriage house in the R1 zone to be located closer to the front lot line than the principal dwelling.*

AND THAT staff be directed to issue "DVP PL2019-8442".

Laven 15.4 Development Variance Permit PL2019-8455 333-343 Del/Sub

Re: 175 Cossar Avenue

Staff Recommendation: THAT Council approve "Development Variance Permit PL2019-8455" 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 vary Zoning Bylaw Section 10.8.2.3, to increase the maximum lot coverage from 40% to 43%;

AND THAT staff be directed to issue "DVP PL2019-8455".

16. **Notice of Motion:**

16.1 From Councillor Watt on March 5, 2019:

THAT Council direct staff to investigate the options, costs and necessity for monitoring vehicle speed along municipal roadways.

16.2 From Councillor Kimberley on March 5, 2019:

THAT Council refer the following to the Parks and Recreation Advisory Committee for review of suitability and costs and provide comments/recommendations back to Council:

- *The potential for adding lights (e.g. motion) and outdoor fitness equipment at Gyro Park.*

17. **Business Arising**

18. **Council Round Table**

19. **Public Question Period**

20. **Adjournment**

Minutes

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Special Meeting of Council
held in Council Chambers, City Hall
171 Main Street, Penticton, B.C.

Tuesday, February 26, 2019
at 9:00 a.m.

Present: Mayor Vassilaki
Councillor Bloomfield
Councillor Kimberley
Councillor Regehr
Councillor Robinson
Councillor Sentes
Councillor Watt

Staff: Donny van Dyk, Chief Administrative Officer
Laurie Darcus, Director of Corporate Services
Angie Collison, Corporate Officer
Jim Bauer, Chief Financial Officer
Mitch Moroziuk, General Manager Infrastructure
Anthony Haddad, Director of Development Services
Bregje Kozak, Director Recreation and Facilities
Angela Campbell, Controller
Wes Renaud, Budget Analyst
Caitlyn Anderson, Deputy Corporate Officer

1. Call to Order

Mayor Vassilaki called the Special Meeting of Council to order at 9:02 a.m.

2. Adoption of Agenda

69/2019 **It was MOVED and SECONDED**
THAT Council adopt the agenda for the February 26, 2019 Special Meeting of Council as presented.

CARRIED UNANIMOUSLY

3. Financial Plan Overview

Jim Bauer, Chief Financial Officer, provided Council with an overview of the 2019-2023 Financial Plan and the 2019 Business Plans. The four areas of focus are public safety and security, planning and growth and development, asset management and public accountability and financial transparency.

4. Public Engagement Overview

Philip Cooper, Communications Manager, provided Council with an overview of the public engagement sessions held February 20 & 21, 2019.

5. Public Comments:

- Lynn Kelsey, Oakville Street, attended open house and felt it was helpful, staff were there to help. The corporate plan and business plan overview was very helpful with the asks laid out. Applaud Mr. Bauer and staff for creating both plans. Being able to look over the next five years was helpful, not just this year.
- Gerry Gilligan, Penticton Avenue, discussed history of the last ten years, cost of the SOEC will affect revenue for many years. Massive annual costs to maintain facilities, highest tax and electric utility rates in valley, adopt conservative budget over next four years. All 24 Council requests should be denied, should be defined as wants and not needs. Electric rates need to be reassessed. Departments farming out work to consultants.
- Rick Young, Sendero Crescent, no transit service to Sendero Canyon and Wiltse area planned for 2019. Some level of transit service would be appreciated. Proposing a route twice a day. Talked to the neighbours, said they would take transit if it was there as the community is a bit remote and cycling is not easy.
- Lynn Kelsey, Oakville Street, in regards to Mr. Gilligan's comments, the City does have good staff that do great work, procuring any specialty goes through process that is understandable and transparent.

6. 2019 Budget Deliberations

6.1 Bylaw Services

Tina Siebert, Bylaw Services Supervisor and Jim Bauer, Chief Financial Officer provided Council with the 2018 accomplishments and an overview of the 2019 bylaw enforcement initiatives and budget.

The meeting recessed at 10:28 a.m. and reconvened at 10:47 a.m.

6.2 RCMP

Supt. Ted De Jager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 RCMP initiatives and budget.

6.3 Recreation/Facilities

Bregje Kozak, Director of Recreation and Facilities and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 recreation and facilities initiatives and budget.

The meeting recessed at 12:11 p.m. and reconvened at 12:50 p.m.

6.4 Facilities

Bregje Kozak, Director of Recreation and Facilities and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 facilities capital and operating budget.

6.5 Recreation – Operations & Business

Kelsey Johnson, Recreation Business Supervisor and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 recreation – operations and business initiatives and budget.

6.6 Recreation – Sport and Event

Carly Lewis, Sports and Events Project Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 recreation – sport and event initiatives and budget.

6.7 Museum

Dennis Oomen, Museum Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 museum and archives budget.

6.8 Development Services

Anthony Haddad, Director of Development Services and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements an overview of the 2019 Development Services budget.

6.9 Development Engineering

Michael Hodges, Development Infrastructure Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 development engineering initiatives and budget.

6.10 Economic Development

Jennifer Vincent, Economic Development Specialist and Jim Bauer, Chief Financial Officer provided Council with an overview of the Economic Development 2018 achievements and 2019 budget.

The meeting recessed at 2:25 p.m. and reconvened at 2:40 p.m.

6.11 Planning & Land Use

Blake Laven, Planning Manager, and Jim Bauer Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 planning initiatives and budget.

6.12 Land Management

Sheri Raposo, Land Administrator and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 land management initiatives and budget.

6.13 Building & Licensing

Ken Kunka, Building and Permitting Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 accomplishments and an overview of the 2019 building and licensing initiatives and budget.

5. Public Question Period

6. Adjourn

70/2019 **It was MOVED and SECONDED**
THAT Council adjourn the Special Council meeting held on Tuesday, February 26, 2019 at 3:37 p.m.

CARRIED UNANIMOUSLY

Certified correct:

_____
Angie Collison
Corporate Officer

Confirmed:

_____
John Vassilaki
Mayor

Minutes

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Special Meeting of Council
held in Council Chambers, City Hall
171 Main Street, Penticton, B.C.

Wednesday, February 27, 2019
at 9:00 a.m.

Present: Mayor Vassilaki
Councillor Bloomfield
Councillor Kimberley
Councillor Regehr
Councillor Robinson
Councillor Sentes
Councillor Watt

Staff: Donny van Dyk, Chief Administrative Officer
Laurie Darcus, Director of Corporate Services
Angie Collison, Corporate Officer
Jim Bauer, Chief Financial Officer
Mitch Moroziuk, General Manager Infrastructure
Anthony Haddad, Director of Development Services
Bregje Kozak, Director of Recreation and Facilities
Angela Campbell, Controller
Wes Renaud, Budget Analyst
Caitlyn Anderson, Deputy Corporate Officer

1. Call to Order

Mayor Vassilaki called the Special Meeting of Council to order at 9:01 a.m.

2. Adoption of Agenda

71/2019 **It was MOVED and SECONDED**
THAT Council adopt the agenda for the February 27, 2019 Special Meeting of Council as presented.

CARRIED UNANIMOUSLY

3. 2019 Budget Deliberations:

3.1 Corporate Services

Laurie Darcus, Director of Corporate Services and Jim Bauer, Chief Financial Officer provided Council with the 2018 accomplishments and an overview of the 2019 Corporate Administration and Mayor and Council initiatives and budget.

3.2 Communications

Philip Cooper, Communications Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 communications initiatives and budget.

3.3 Fire Services

Chris Forster, Deputy Fire Chief and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 fire services initiatives and budget.

3.4 Human Resources/Safety

Kerri Lockwood, Human Resources Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 human resources initiatives and budget.

3.5 Infrastructure/Transit

Mitch Moroziuk, General Manager of Infrastructure and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 infrasructure and transit initiatives and budget.

The meeting recessed at 11:05 a.m. and reconvened at 11:22 a.m.

3.6 Engineering Design

Ian Chapman, City Engineer and Jim Bauer, Chief Financial Officer provided Council with the 2018 accomplishments and an overview of the 2019 engineering design initiatives and budget.

3.7 Public Works – Operations and Solid Waste

Len Robson, Public Works Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 public works – operations and solid waste initiatives and budget.

The meeting recessed at 12:42 p.m. and reconvened at 1:20 p.m.

3.8 Public Works – Fleet

Len Robson, Public Works Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 fleet initiatives and budget.

3.9 Public Works – Parks

Len Robson, Public Works Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 parks initiatives and budget.

3.10 Electrical

Shawn Filice, Electric Utility Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 electrical utility capital and operating budget.

3.11 Finance

Angela Campbell, Controller and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 finance initiatives and budget.

3.12 IT/GIS

Dave Polvere, IT Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and an overview of the 2019 information technology and GIS initiatives and budget.

3.13 Revenue & Collections

Amber Coates, Revenue Supervisor and Jim Bauer, Chief Financial Officer provided Council with the 2018 accomplishments and an overview of the 2019 revenue and collections initiatives and budget.

3.14 Procurement

Cathy Ingram, Procurement and Inventory Manager and Jim Bauer, Chief Financial Officer provided Council with the 2018 accomplishments and an overview of the 2019 procurement initiatives and budget.

4. Public Question Period

5. Adjourn

72/2019 **It was MOVED and SECONDED**
THAT Council adjourn the Special Council meeting held on Wednesday, February 27, 2019 at 3:38 p.m.

CARRIED UNANIMOUSLY

Certified correct:

Angie Collison
Corporate Officer

Confirmed:

John Vassilaki
Mayor

Minutes

Special Meeting of Council
held in Council Chambers, City Hall
171 Main Street, Penticton, B.C.

Thursday, February 28, 2019
at 9:00 a.m.

Present: Mayor Vassilaki
Councillor Bloomfield
Councillor Kimberley
Councillor Regehr
Councillor Robinson
Councillor Sentes
Councillor Watt

Staff: Donny van Dyk, Chief Administrative Officer
Laurie Darcus, Director of Corporate Services
Angie Collison, Corporate Officer
Jim Bauer, Chief Financial Officer
Mitch Moroziuk, General Manager Infrastructure
Anthony Haddad, Director of Development Services
Bregje Kozak, Director Recreation and Facilities
Angela Campbell, Controller
Wes Renaud, Budget Analyst
Caitlyn Anderson, Deputy Corporate Officer

1. Call to Order

Mayor Vassilaki called the Special Meeting of Council to order at 9:02 a.m.

2. Adoption of Agenda

73/2019 **It was MOVED and SECONDED**
THAT Council adopt the agenda for the February 28, 2019 Special Meeting of Council as presented.

CARRIED UNANIMOUSLY

3. 2019 Budget Deliberations:

Tourism

Barb Haynes, Travel Penticton and Cameron Smith, Treasurer for Travel Penticton provided Council with the 2018 accomplishments and an overview of the 2019 tourism initiatives and budget.

SOEC

Dean Clarke and Carla Relvas, Spectra, provided Council with the 2018 awards and highlights and an overview of the 2019 South Okanagan Events Centre, Penticton Trade and Convention Centre, Memorial Arena and Okanagan Hockey School Training Centre budget.

The meeting recessed at 10:51 a.m. and reconvened at 11:07 a.m.

Library

Heather Buzzell, Head Librarian, Linda King, Board Chair and Jim Bauer, Chief Financial Officer provided Council with the 2018 achievements and 2019 Public Library budget.

Debt/Reserves

Angela Campbell, Controller and Jim Bauer, Chief Financial Officer provided Council with the debt summary and reserves.

Municipal Grants

Angela Campbell, Controller and Jim Bauer, Chief Financial Officer provided Council with an overview of the municipal grant policy and the application criteria.

The meeting recessed at 11:35 a.m. and reconvened at 12:20 p.m.

Grants – Arts, Culture & Heritage

Downtown Penticton Association

74/2019 **It was MOVED and SECONDED**
THAT Council defer Downtown Penticton Association requests until they have heard from them at a later date.

CARRIED
Mayor Vassilaki, Opposed

Meadowlark Festival/Okanagan Similkameen Conservation Alliance

75/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Meadowlark Festival/Okanagan Similkameen Conservation Alliance.

DEFEATED
Councillors Robinson, Kimberley, Sentes and Bloomfield, Opposed

Main Motion:
It was MOVED and SECONDED
THAT Council support funding of $2500 for the Meadowlark Festival/Okanagan Similkameen Conservation Alliance.

Amendment:
76/2019 **It was MOVED and SECONDED**
THAT Council support funding for one year.

CARRIED
Mayor Vassilaki, Opposed

Main Motion as amended:

77/2019 **It was MOVED and SECONDED**
THAT Council support funding of $2500 for the Meadowlark Festival/Okanagan Similkameen Conservation Alliance for one year.

CARRIED
Mayor Vassilaki, Councillors Regehr and Watt, Opposed

Okanagan Comedy Festival Society

78/2019 **It was MOVED and SECONDED**
THAT Council support funding of $3,500 cash for the Okanagan Comedy Festival Society.

CARRIED UNANIMOUSLY

Okanagan School of the Arts, Shatford Centre

79/2019 **It was MOVED and SECONDED**
THAT Council defer the staff recommendation of no funding for the Okanagan School of the Arts, Shatford Centre until they have received more information.

CARRIED
Councillor Watt, Opposed

Okanagan Symphony Society

80/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Okanagan Symphony Society.

CARRIED
Councillor Robinson, Opposed

Okanagan Valley Music Festival Society

81/2019 **It was MOVED and SECONDED**
THAT Council support the grant request of $5,000 in kind for Okanagan Valley Music Festival Society.

CARRIED UNANIMOUSLY

Penticton & District Community Arts Council – Arts Rising Festival

82/2019 **It was MOVED and SECONDED**
THAT Council support funding of $3,333 cash for the Arts Rising Festival.

CARRIED UNANIMOUSLY

Penticton & District Community Arts Council

83/2019 **It was MOVED and SECONDED**
THAT Council support the grant request of $12,312 cash for the Penticton & District Community Arts Council.

CARRIED UNANIMOUSLY

Penticton Art Gallery

84/2019 **It was MOVED and SECONDED**
THAT Council support the grant request of $125,000 cash for the Penticton Art Gallery.

CARRIED UNANIMOUSLY

Penticton Elvis Festival

85/2019 **It was MOVED and SECONDED**
THAT Council support the grant request of $5,000 in-kind for the Elvis Festival.

CARRIED UNANIMOUSLY

Penticton Historic Automobile Society (Peach City Beach Cruise)

86/2019 **It was MOVED and SECONDED**
THAT Council support funding of $7,000 in kind for the Penticton Historic Automobile Society (Peach City Beach Cruise).

CARRIED UNANIMOUSLY

Penticton Peach Festival – Main Event

87/2019 **It was MOVED and SECONDED**
THAT Council support the grant request of $20,000 cash and $24,000 in kind for the Penticton Peach Festival.

CARRIED UNANIMOUSLY

Penticton Royalty Society

88/2019 **It was MOVED and SECONDED**
THAT Council support funding of $7,650 cash and $1,500 in kind for the Royalty Society.

CARRIED UNANIMOUSLY

Penticton Scottish Festival Society

89/2019 **It was MOVED and SECONDED**
THAT Council support the grant request of $4,500 in kind for the Penticton Scottish Festival Society.

CARRIED UNANIMOUSLY

Rotary Club of Penticton (Ribfest)

90/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Rotary Club of Penticton (Ribfest).

CARRIED
Mayor Vassilaki, Councillors Robinson and Kimberley, Opposed

Royal Canadian Legion – facility use Remembrance Day

91/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $3,000 in kind for the Royal Canadian Legion – facility use for Remembrance Day.

CARRIED UNANIMOUSLY

SS Sicamous Marine Heritage Society

92/2019 **It was MOVED and SECONDED**
THAT Council support funding of $ 65,000 cash for the SS Sicamous Society Marine Heritage Society.

CARRIED UNANIMOUSLY

The Penticton Jazz Festival Society

93/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $2,700 cash and $7,000 in-kind for the Penticton Jazz Festival Society.

CARRIED UNANIMOUSLY

The Penti-Con Association

94/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Penti-Con Association.

CARRIED UNANIMOUSLY

Grants - Health, Safety & Social Services

Canadian Mental Health Association – South Okanagan Similkameen Branch

95/2019 **It was MOVED and SECONDED**
THAT Council support funding of $9,800 cash for the Canadian Mental Health Association.

CARRIED UNANIMOUSLY

Canadian Red Cross, Penticton Health Equipment Loan Program (HELP)

96/2019 **It was MOVED and SECONDED**
THAT Council support funding of $1,837.50 cash for the Canadian Red Cross, Penticton Health Equipment Loan Program (HELP).

CARRIED UNANIMOUSLY

Community Foundation of the South Okanagan Similkameen

97/2019 **It was MOVED and SECONDED**
THAT Council support funding of $8,750 cash for the Community Foundation of the South Okanagan Similkameen.

CARRIED UNANIMOUSLY

Dragonfly Pond Family Society

98/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $500 in-kind for the Dragonfly Pond Family Society.

CARRIED UNANIMOUSLY

Jean Minguy Memorial Police Youth Academy

99/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $3,000 cash for the Jean Minguy Memorial Police Youth Academy.

CARRIED UNANIMOUSLY

Okanagan Motorcycle Riders Association – Toy Run

100/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $500 in kind for the Okanagan Motorcycle Riders Association – Toy Run.

CARRIED UNANIMOUSLY

Penticton and Area Cycling Association

101/2019 **It was MOVED and SECONDED**
THAT Council support funding of $3,535 cash and $945 in kind for Penticton and Area Cycling Association.

CARRIED UNANIMOUSLY

Skaha Bluffs Park Watch Society

102/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $13,000 cash for the Skaha Bluffs Park Watch Society.

CARRIED UNANIMOUSLY

South Okanagan Kin Club

103/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $100 in-kind for the South Okanagan Kin Club.

CARRIED UNANIMOUSLY

South Okanagan Loss Society (SOLS)

104/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $8,400 cash for the South Okanagan Loss Society (SOLS).

CARRIED UNANIMOUSLY

South Okanagan Seniors Wellness Society

105/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $13,000 cash for the South Okanagan Seniors Wellness Society.

CARRIED UNANIMOUSLY

South Okanagan Similkameen Mental Wellness Society – Penticton Branch (Mental Wellness Centre)

106/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $18,000 cash for the South Okanagan Similkameen Mental Wellness Society – Penticton Branch (Mental Wellness Centre).

CARRIED UNANIMOUSLY

South Okanagan Similkameen Volunteer Centre Society

107/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $20,000 cash for the South Okanagan Similkameen Volunteer Centre Society.

CARRIED
Councillor Sentes, Opposed

The Penticton & Area Access Centre

108/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $4,200 cash for the The Penticton & Area Access Centre – Men's Counselling Program.

CARRIED UNANIMOUSLY

The Penticton & Area Access Centre

109/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $2,867 cash for the The Penticton & Area Access Centre – Urban Outreach Project.

CARRIED UNANIMOUSLY

The Penticton Centre for Exceptional Learning

110/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $1,050 cash and $1,050 in-kind for the The Penticton Centre for Exceptional Learning.

CARRIED UNANIMOUSLY

The Salvation Army Penticton

111/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $4,667 cash for the Salvation Army Penticton.

CARRIED UNANIMOUSLY

United Way CSO

112/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $8,100 in-kind for the United Way CSO.

CARRIED UNANIMOUSLY

Young Life – South Okanagan

113/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $3,333 cash for the Young Life – South Okanagan.

DEFEATED
Mayor Vassilaki, Councillors Regehr, Robinson, Kimberley, Sentes, Watt, Bloomfield, Opposed

114/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Young Life – South Okanagan.

CARRIED UNANIMOUSLY

Grants – Parks, Recreation and Sport

Canadian Sport School Hockey League

115/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $10,000 cash for the Canadian Sport School Hockey League.

CARRIED
Councillor Regehr, Opposed

Okanagan Wildlife and Nature Society

116/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $519.50 cash and $135 in-kind for the Okanagan Wildlife and Nature Society.

DEFEATED
Mayor Vassilaki, Councillors Regehr, Robinson, Kimberley, Sentes, Watt, Bloomfield, Opposed

117/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Okanagan Wildlife and Nature Society.

CARRIED UNANMOUSLY

Penticton & Area Cycling Association – Admin Support

118/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Penticton & Area Cycling Association – Admin Support.

CARRIED
Councillor Sentes, Opposed

Penticton & Area Cycling Association – bike to work week

119/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $2,500 cash and for Penticton & Area Cycling Association – bike to work week.

CARRIED UNANIMOUSLY

Penticton BMX Society

Main Motion:
It was MOVED and SECONDED
THAT Council support a grant of $4,200 cash for Penticton BMX Society.

Amendment:
120/2019 **It was MOVED and SECONDED**
THAT Council support funding for one year.

CARRIED UNANIMOUSLY

Main Motion as Amended:
121/2019 **It was MOVED and SECONDED**
THAT Council support funding of $4,200 cash for Penticton BMX Society for one year.

CARRIED UNANIMOUSLY

Penticton Curling Club

122/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $9,000 cash and $5,000 in kind for the Penticton Curling Club.

CARRIED
Councillor Regehr, Opposed

Penticton Dragon Boat Festival

123/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $13,650 in kind for the Penticton Dragon Boat Festival.
CARRIED UNANIMOUSLY

Pics and Sticks Community Foundation

124/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Pics and Sticks Community Foundation.
CARRIED UNANIMOUSLY

The meeting recessed at 3:04 p.m. and reconvened at 3:21 p.m.

Grants – Partnerships

Axel Merckx Events

125/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $30,000 in kind for the Axel Merckx Events.
CARRIED
Councillor Regehr, Opposed

Okanagan Trestles Tour

126/2019 **It was MOVED and SECONDED**
THAT Council support a grant of $1,000 in kind for the Okanagan Trestles Tour.
CARRIED UNANIMOUSLY

Taneda Karate Dojo

127/2019 **It was MOVED and SECONDED**
THAT Council deny funding for the Taneda Karate Dojo.
CARRIED
Councillor Sentes, Opposed

Council Deliberations

128/2019 **It was MOVED and SECONDED**
THAT Council proceed with a 3.6% tax rate increase.
CARRIED
Councillor Regehr, Opposed

Christmas Lights

129/2019 **It was MOVED and SECONDED**
THAT Council approve the $50,000 capital request for Christmas lighting.
CARRIED
Councillors Regehr, Sentes, Watt, Opposed

Borrowing for Compost Site Improvements

130/2019 **IT was MOVED and SECONDED**
THAT Council agree to borrow one million dollars from Electrical Surplus to fund the design for Compost Site Improvements.

CARRIED UNANIMOUSLY

Asset Management Funding

131/2019 **IT was MOVED and SECONDED**
THAT Council approve an increase to the asset sustainability reserve contribution of $600,000 with funding to come from gaming revenue.

CARRIED UNANIMOUSLY

Business Tax Multiplier

132/2019 **IT was MOVED and SECONDED**
THAT Council approve 1.87 Business Tax Multiplier.

DEFEATED
Mayor Vassilaki, Councillors Kimberley, Sentes, Watt, Opposed

133/2019 **IT was MOVED and SECONDED**
THAT Council approve 1.82 as the Business Tax Multiplier for 2019 and increase the Business Tax Multiplier to 2.0 over the remaining two years.

CARRIED UNANIMOUSLY

4. Public Question Period

5. Adjourn

134/2019 **It was MOVED and SECONDED**
THAT Council adjourn the Special Council meeting held on Thursday, February 28, 2019 at 5:09 p.m.

CARRIED UNANIMOUSLY

Certified correct:

Angie Collison
Corporate Officer

Confirmed:

John Vassilaki
Mayor

Minutes

penticton.ca

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

Tuesday, March 5, 2019
at 1:00 p.m.

Present: Mayor Vassilaki
Councillor Bloomfield
Councillor Kimberley
Councillor Regehr
Councillor Robinson
Councillor Sentes
Councillor Watt

Staff: Laurie Darcus, Director of Corporate Services
Angie Collison, Corporate Officer
Jim Bauer, Chief Financial Officer
Anthony Haddad, Director of Development Services
Mitch Moroziuk, General Manager of Infrastructure (left the meeting at 3:07 p.m.)
Bregje Kozak, Director Recreation & Facilities (left the meeting at 3:07 p.m.)
Caitlyn Anderson, 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

3. Adoption of Agenda

135/2019 **It was MOVED and SECONDED**
THAT Council adopt the agenda for the Regular Council Meeting held on March 5, 2019 as presented.

CARRIED UNANIMOUSLY

4. Recess to Committee of the Whole

Council recessed to a Committee of the Whole Meeting at 1:03 p.m.

5. Reconvene the Regular Council Meeting

Council reconvened the Regular Council Meeting at 1:52 p.m.

6. Adoption of Minutes:

6.1 Minutes of the February 19, 2019 Regular Meeting of Council

136/2019 **It was MOVED and SECONDED**
THAT Council adopt the minutes of the February 19, 2019 Regular Meeting of Council as presented.

CARRIED UNANIMOUSLY

7. Consent Agenda:

137/2019 **It was MOVED and SECONDED**
THAT Council approve the Consent Agenda.

CARRIED UNANIMOUSLY

8. Committee and Board Reports

9. Correspondence:

9.1 "Designated Community" for Homelessness Funding
Re: Request for Letter of Support

138/2019 **It was MOVED and SECONDED**
THAT Council provide 100 Homes Penticton with a letter of support to accompany the application naming Penticton as a "Designated Community" for funding through Reaching Home: Canada's Homelessness Strategy.

CARRIED UNANIMOUSLY

10. Staff Reports:

10.1 Free Parking with Veteran Plates Policy

139/2019 **It was MOVED and SECONDED**
THAT Council approve "Free Parking with Veteran Plates Policy", a policy that provides Veteran license plates with free parking in City of Penticton paid parking lots and on street city metered parking spaces for the time period permitted.

CARRIED UNANIMOUSLY

10.2 Community Engagement Policy and Framework

140/2019 **It was MOVED and SECONDED**
THAT Council approve the plan to create a Community Engagement Policy as outlined in the report dated March 5, 2019 titled "Community Engagement Policy and Framework".

CARRIED UNANIMOUSLY

10.3 Septage Fee Surplus

141/2019 **It was MOVED and SECONDED**
THAT Council approve the transfer of the 2018 surplus of septage receiving fees to the Sewer Equipment Replacement Reserve in the amount of $72,245.87;

AND THAT staff be instructed to explore the amendment of the Septic Waste Receiving Facility Cost Sharing Agreement to address transfer of any future surplus fees to the Sewer Equipment Replacement Reserve.

CARRIED UNANIMOUSLY

10.4 Street name request in honour of Rory McIvor

142/2019 **It was MOVED and SECONDED**
THAT Council support the renaming of the portion of Fairview Road running adjacent to the Museum and Library complex between Martin Street and Main Street as Rory McIvor Way.

CARRIED
Councillor Sentes, Opposed

10.5 300 Block - Main Street Local Area Service Parcel Tax Bylaw No. 2019-09

143/2019 **It was MOVED and SECONDED**
THAT Council give first, second and third reading to "300 Block – Main Street Local Area Service Parcel Tax Bylaw No. 2019-09";
THAT in accordance with Section 204 of the Community Charter, appoint 3 members of Council, Councillor Regehr, Councillor Watt and Councillor Bloomfield as the parcel tax roll review panel;
THAT the sitting of the panel be held April 9, 2019 at 1:00 p.m. in Council Chambers, City Hall;
THAT Council direct staff to publish advance notice of the time and place in accordance with section 94 of the *Community Charter*;
AND THAT the Finance Department send letters to all impacted property owners identifying the full amount and payment options – providing a minimum of 30 days' notice for the payment to be made in full.

CARRIED UNANIMOUSLY

10.6 South Okanagan Performing Arts Centre Society (SOPAC)

144/2019 **It was MOVED and SECONDED**
THAT Council direct staff to prepare an Area Redevelopment Plan for the 100, 200 & 300 Blocks of Ellis Street that will look at the future use of City lands and public infrastructure;
AND THAT staff be directed to bring forward budget requests for this project as part of the 2020 Budget process;
AND THAT the subject lands not be redeveloped until the completion of the Area Redevelopment Plan for the 100, 200 & 300 Blocks of Ellis Street.

CARRIED
Councillor Sentes, Opposed

10.7 Updated Notice: Local Elections Campaign Financing Non-Compliance – Failure to File

145/2019 **It was MOVED and SECONDED**
THAT Council receive into the record the report titled "Updated Notice: Local Elections Campaign Financing Non-Compliance – Failure to File" dated March 5, 2019.

CARRIED UNANIMOUSLY

11. Public Question Period

12. Recess to Closed Meeting

146/2019 **It was MOVED and SECONDED**

THAT Council recess at 3:07 p.m. to a closed meeting of Council pursuant to the provisions of the *Community Charter* section 90 (1) as follows:

(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;

(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;

(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;

(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

CARRIED UNANIMOUSLY

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

Council reconvened the Regular Council Meeting at 6:08 p.m.

14. Bylaws and Permits

14.1 Zoning Amendment Bylaw No. 2019-05
Official Community Plan Amendment Bylaw No. 2019-06
Re: 484 Eckhardt Avenue West

147/2019 **It was MOVED and SECONDED**

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2019-05";
AND THAT Council give second and third reading to "Official Community Plan Amendment Bylaw No. 2019-06".

CARRIED UNANIMOUSLY

14.2 Zoning Amendment Bylaw No. 2019-07
Re: 253 Norton Street

148/2019 **It was MOVED and SECONDED**

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2019-07";
AND THAT Council adopt "Zoning Amendment Bylaw No. 2019-07";
AND THAT Council approve "Development Variance Permit PL2018-8429".

CARRIED UNANIMOUSLY

15. Land Matters

16. Notice of Motion

16.1 From Councillor Bloomfield on February 19, 2019

149/2019 **It was MOVED and SECONDED**
THAT Council direct staff to investigate funding opportunities for infrastructure developments of renewable energy production;
AND THAT Council refer the findings to future meetings with the Penticton Indian Band (PIB) for their consideration.

CARRIED UNANIMOUSLY

16.2 Councillor Watt provided the following Notice of Motion for consideration at the March 19, 2019 Regular Meeting of Council:

THAT Council direct staff to investigate the options, costs and necessity for monitoring vehicle speed along municipal roadways.

16.3 Mayor Vassilaki and Councillor Kimberley provided the following Notice of Motion for consideration at the March 19, 2019 Regular Meeting of Council:

THAT Council refer the following to the Parks and Recreation Advisory Committee for review of suitability and costs and provide comments/recommendations back to Council:
- The potential to add washrooms, a stage and green room to Okanagan Park; and
- The potential for adding lights (e.g. motion) and outdoor fitness equipment at Gyro Park.

17. Business Arising

18. Council Round Table

19. Public Question Period

20. Adjournment

150/2019 **It was MOVED and SECONDED**
THAT Council adjourn the Regular Council meeting held on Tuesday, March 5, 2019 at 6:25 p.m.

CARRIED UNANIMOUSLY

Certified correct:

_____
Angie Collison
Corporate Officer

Confirmed:

_____
John Vassilaki
Mayor

Minutes

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

Tuesday, March 5, 2019
Recessed from the Regular Council Meeting at 1:00 p.m.

Present: Mayor Vassilaki
Councillor Bloomfield
Councillor Kimberley
Councillor Regehr
Councillor Robinson
Councillor Sentes
Councillor Watt

Staff: Laurie Darcus, Director of Corporate Services
Angie Collison, Corporate Officer
Jim Bauer, Chief Financial Officer
Anthony Haddad, Director of Development Services
Mitch Moroziuk, General Manager of Infrastructure
Bregje Kozak, Director Recreation & Facilities
Caitlyn Anderson, 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 March 5, 2019 be adopted as amended to include an update from Economic Development regarding Air Canada Route Changes.

CARRIED UNANIMOUSLY

3. **Delegations and Community Recognition:**

3.1 Air Canada Route Changes

Anthony Haddad, Director of Development Services on behalf of Economic Development provided Council with an update regarding Air Canada route changes including notice of a survey to be released early next week.

3.2 Downtown Penticton Association

Lynn Allin, Executive Director and Ryan Graham, President of the Downtown Penticton Association provided Council with the cost to deliver and promote the major civic events in Penticton. The Downtown Penticton Association would like a stronger financial partnership so the DPA revenue can be used for other business improvement initiatives.

It was MOVED and SECONDED
THAT Council direct staff to bring back a report on March 19, 2019 outlining the cost of each of the eleven civic events hosted by the Downtown Penticton Association.

CARRIED UNANIMOUSLY

3.3 2019 Voltage Conversion Plan

Shawn Filice, Electric Utility Manager provided Council with the 2019 Voltage Conversion Plan.

4. **Adjourn to Regular Meeting**

It was MOVED and SECONDED
THAT Council adjourn the Committee of the Whole meeting held March 5, 2019 at 1:52 p.m. and reconvene the Regular Meeting of Council.

CARRIED UNANIMOUSLY

Certified correct:

_____
Angie Collison
Corporate Officer

Confirmed:

_____
John Vassilaki
Mayor

Minutes

penticton.ca

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

Tuesday, March 5, 2019
at 6:00 p.m.

Present: Mayor Vassilaki
Councillor Bloomfield
Councillor Kimberley
Councillor Regehr
Councillor Robinson
Councillor Sentes
Councillor Watt

Staff: Laurie Darcus, Director of Corporate Services
Angie Collison, Corporate Officer
Jim Bauer, Chief Financial Officer
Anthony Haddad, Director of Development Services
Blake Laven, Planning Manager
Caitlyn Anderson, Deputy Corporate Officer

1. Call to order

Mayor Vassilaki called the public hearing to order at 6:00 p.m. for Zoning Amendment Bylaw No. 2019-05, Official Community Plan Amendment Bylaw No. 2019-06 and Zoning Amendment Bylaw No. 2019-07. He explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaws an opportunity to be heard before Council.

The Corporate Officer read the opening statement and introduced the purpose of the bylaws and related development variance permit. She then explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaws 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. 2019-05" & "Official Community Plan Amendment Bylaw No. 2019-06" (484 Eckhardt Avenue West)</u>

The purpose of "Zoning Amendment Bylaw No. 2019-05" is to amend Zoning Bylaw No. 2017-08 as follows:

Rezone Lot 8, Block B District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan 930, located at 484 Eckhardt Avenue West from R2 (Small Lot Residential) to RD2 (Duplex Housing: Lane).

The purpose of "Official Community Plan Amendment Bylaw No. 2019-06" is to amend Official Community Plan Bylaw No. 2002-20 as follows:

Amend Schedule 'H' Development Permit Area Map for Lot 8 Block B District Lot 4, Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan 930, located at 484 Eckhardt Avenue West, identified in Schedule A of this bylaw, and include in the Downtown Multiple Family Development Permit Area.

The applicant is proposing to subdivide the property 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 Vassilaki asked the public for the first time if anyone wished to speak to the application.

- Heather Shedden, People plus Space: Planning and Design, on behalf of applicant, in attendance to answer any questions.

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

- No one spoke.

Mayor Vassilaki 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. 2019-05" was terminated at 6:04 p.m. and no new information can be received on this matter.

3. "Zoning Amendment Bylaw No. 2019-07" (253 Norton Street)

The purpose of "Zoning Amendment Bylaw No. 2019-07" is to amend Zoning Bylaw No. 2017-08 as follows:

Rezone Lot A, District Lot 202 Similkameen Division Yale District Plan KAP83201, located at 253 Norton Street from RM4 (High Density Multiple Housing) to RM3 (Medium Density Multiple Housing).

The applicant is proposing to construct four, 4-unit townhouses for a total of 16 units on the site. Two townhouse blocks will face Norton Street with two facing the lane.

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

DELEGATIONS

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

- No one spoke.

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

- No one spoke.

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

- Johnathon Giroux, represent applicant, variances on side yard are not for densification, reduce the density from six stories to three stories. Geometry of lot relating to retaining walls and hard surfacing are dynamics of lot, enhance curb appeal.

The public hearing for "Zoning Amendment Bylaw No. 2019-07" was terminated at 6:08 p.m. and no new information can be received on this matter.

Certified correct:

_____
Angie Collison
Corporate Officer

Confirmed:

_____
John Vassilaki
Mayor

Council Report

penticton.ca

Date: March 19, 2019 File No:
To: Donny van Dyk, Chief Administrative Officer
From: Jim Bauer, Chief Financial Officer
Subject: Community Events – Downtown Penticton Association/ Shatford Centre

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Staff Recommendation

THAT Council approve the grant request of $1,190 to the Downtown Penticton Association – Live at Lunch Series for 2019;

AND THAT Council approve the allocation of $32,800 to the Sport and Event Program from the Municipal Grants Program for 2019.

Background

Downtown Penticton Association – Community Events

As part of the Municipal Grant program, the City receives applications from not-for-profit organizations for financial assistance to host events and deliver programs. Up to and including 2018, the Downtown Penticton Association (DPA) received grant funds from the City to host BC Day, Canada Day, including fireworks, and the Rock the Sun summer concert series. As part of the 2019 grant intake process the Downtown Penticton Association submitted grant applications for the events listed below. As part of the grant awards staff recommended specific amounts for each event.

Canada Day – Requested - $11,000 – Staff Recommended - $11,000

Canada Day Fire Works - $2,500– Staff Recommended - $2,500

Rock the Sun – Concert Series - $10,300– Staff Recommended - $10,300

BC Day – Requested - $9,000– Staff Recommended - $9,000

Live at Lunch – Concert Series – Requested $1,700– Staff Recommended - $1,190

At the special meeting of Council February 28, grant awards to DPA were deferred pending the anticipated DPA delegation at the March 5 Council Meeting.

On March 5 the DPA appeared before Council to request additional funding of $110,000 for the following community events (Canada Day/fireworks, BC Day, Rock the Sun, and Santa Parade), citing a need for a

greater contribution from the City to partner in the delivery of these events. Subsequent to the Council meeting, the DPA advised the City it has withdrawn its request and will not be delivering these events. Given the importance of these events to the community, the City will be delivering these events in 2019. The total allocation of grant funding deferred related to DPA is $33,990.

The City's Recreation Department has commenced plans to assume these events and is working with the DPA to ensure a seamless transition. Staff will be return to Council with a more comprehensive plan on the proposed approach for the events and a detailed cost breakdown, at a later date.

Okanagan School of the Arts/Shatford Centre

During the Special meeting of Council February 26 it was brought to Council's attention that the future of the Okanagan School of the Arts (OSA)/ Shatford Centre is uncertain given current financial challenges. The OSA Board has called a special general meeting of its members March 21 to present options, one of which includes ceasing operations. At the Special meeting of City Council, staff were directed to meet with the OSA Board to better understand the situation and report back to Council.

On March 13 City staff met with the OSA Board and key staff. In the long term the Shatford Centre will require a significant capital investment given the state and condition of the building. More immediately it requires funding to address its monthly operational shortfall. The OSA Board has a strategy to achieve their vision which involves long-term anchor tenants, a capital campaign, and renewing its lease with the School District. The OSA believes if they are to receive interim funding this will enable them sufficient time to commence implementation of their strategy. City staff discussed the possibility of City providing a portion of the interim funding, provided funds can be raised through other sources. The OSA Board wasn't in a position to provide their estimated funding requirements to address their immediate operational shortfall. OSA Board committed to providing a more specific request prior to the City Council meeting March 19. That request was not received at the time of writing this report.

Over the past three years the City through its municipal grant program have provided the OSA an annual grant of $10,000.

Financial implications

The reallocation of $32,800 to the Sport and Event Program has no financial implications to the proposed 2019-2023 Five Year Financial Plan.

Should Council approve a grant to the OSA, staff would propose funding come from the financial stabilization reserve. Using this funding source would not impact the proposed tax rate increase of 3.6%, contained in the proposed 2019-2023 Five Year Financial Plan.

Alternate Recommendations

Option # 1

THAT Council deny the grant request of $1,190 to the Downtown Penticton Association – Live at Lunch Series for 2019;

AND THAT Council approve the allocation of $33,990 to the Sport and Event Program from the Municipal Grants Program for 2019.

Option # 2

THAT Council provide alternate direction to staff.

Respectfully submitted,

Jim Bauer
Chief Financial Officer

Approvals

Director Facilities & Recreation	Chief Administrative Officer
BK	DvD

Council Report

penticton.ca

Date: March 19, 2019 File No: 1700-05
To: Donny van Dyk, Chief Administrative Officer
From: Wes Renaud, Budget Analyst
Subject: **2019-2023 Five Year Financial Plan Bylaw No. 2019-10**

Staff Recommendation

THAT Council give first, second and third reading to the "2019-2023 Five Year Financial Plan Bylaw No. 2019-10".

Background

Section 165 of the *Community Charter* directs that a municipality must have a Five Year Financial Plan adopted annually, this bylaw must be adopted prior to May 15 and before the annual tax rate bylaw. The *Community Charter* also provides that the Financial Plan Bylaw may be amended at any time to reflect changes that may occur. The 2019 budget process included public engagement and culminated with the special Council meetings held on February 26, 27 and 28, 2019. At these Council meetings, Council directed staff to make the following changes to the draft financial plan:

- Add $50K to the general capital budget for the purchase of Christmas lights. A transfer from the capital reserve will fund this expenditure;
- Staff received approval from Council that sewer capital funding for compost site improvements is to be funded by internal borrowing from the Electrical Fund.

These items have been included in Schedule A of the 2019-2023 Five Year Financial Plan Bylaw No. 2019-10. Staff have adjusted the rollup schedules pertaining to the library within the financial plan. These adjustments have no impact to the library budget or the proposed tax increase in 2019.

The financial plan includes a re-allocation of $32,800 contained in the municipal grants program, for events previously delivered by the Downtown Penticton Association, to the Sport and Event program within Recreation. These events include BC Day, Canada Day including fireworks, Rock the Sun, and Santa Parade. If additional funds are required to deliver these events, a report will be brought back to Council for direction.

Financial implications

The 2019-2023 Five Year Financial Plan includes a property tax increase of 3.6% for 2019.

Attachments

Attachment A – 2019-2023 Five Year Financial Plan Bylaw No. 2019-10

Respectfully submitted,

Wes Renaud
Budget Analyst

Approvals

Chief Financial Officer	Chief Administrative Officer
JWB	DvD

The Corporation of the City of Penticton

Bylaw No. 2019-10

A bylaw to adopt the five year financial plan

WHEREAS the *Community Charter* states a municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted;

AND WHEREAS the planning period for a financial plan is five (5) years, that period being the year in which the plan is specified to come into force and the following four (4) years;

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 "2019-2023 Five Year Financial Plan Bylaw No. 2019-10".

2. Purpose

Schedule "A" and Schedule "B" attached hereto and forming part of this bylaw shall be the Five Year Financial Plan of the City of Penticton for the period of January 1, 2019 to December 31, 2023.

READ A FIRST time this	day of	, 2019
READ A SECOND time this	day of	, 2019
READ A THIRD time this	day of	, 2019
ADOPTED this	day of	, 2019

_____
John Vassilaki, Mayor

_____
Angie Collison, Corporate Officer

Schedule A

	2019 Budget	2020 Projection	2021 Projection	2022 Projection	2023 Projection
Revenue					
Taxation	(56,091,125)	(57,816,797)	(60,027,316)	(62,324,767)	(64,710,612)
Sale of Services	(7,290,528)	(7,263,736)	(7,248,673)	(7,335,369)	(7,460,288)
Electric Utility Fees	(42,083,551)	(42,300,494)	(42,518,685)	(42,738,137)	(42,958,859)
Sewer Utility Fees	(6,784,578)	(7,528,926)	(8,380,443)	(9,305,377)	(10,313,395)
Water Utility Fees	(8,822,919)	(9,162,419)	(9,515,154)	(9,881,640)	(10,262,413)
Storm Water Fees	(367,000)	(558,000)	(753,000)	(950,000)	(1,150,000)
Fiscal Services	(3,621,925)	(3,665,398)	(3,665,685)	(3,665,980)	(3,666,283)
Operating Grants	(1,677,995)	(1,647,326)	(1,647,326)	(1,647,326)	(1,647,326)
Other Revenues	(12,650,931)	(12,659,169)	(12,662,895)	(12,716,286)	(12,762,787)
Development Cost Charges	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
Donations	-	-	-	-	-
	(139,990,553)	(143,202,264)	(147,019,176)	(151,164,881)	(155,531,964)
Expense					
General Operating	73,833,830	75,829,237	77,589,850	79,564,150	81,506,248
Electric Operating	35,509,407	36,756,740	37,119,323	38,136,398	39,334,021
Sewer Operating	4,569,471	4,948,334	4,929,239	4,746,148	4,802,606
Water Operating	4,268,086	4,438,707	4,374,180	4,437,183	4,498,347
Storm Water Operating	425,300	407,864	468,990	376,178	380,930
	118,606,093	122,380,882	124,481,582	127,260,057	130,522,153
Annual Operating Surplus	(21,384,460)	(20,821,383)	(22,537,594)	(23,904,824)	(25,009,811)
Capital					
General Capital	7,495,397	17,172,389	11,058,480	10,104,745	6,614,599
Electric Capital	2,100,233	1,457,951	2,022,080	2,083,091	1,511,057
Sewer Capital	4,577,800	4,818,900	8,032,700	7,269,050	2,407,000
Water Capital	5,512,200	5,485,403	4,283,100	3,979,310	5,785,800
	19,685,630	28,934,643	25,396,360	23,436,195	16,318,456
Debt Proceeds	-	(7,463,497)	-	-	-
Land Proceeds	-	-	-	-	-
Principal repayments	2,333,054	2,307,992	2,477,215	2,487,215	2,480,992
Capital Grant Funding	(535,000)	(375,000)	(1,450,000)	(562,500)	-
Transfer to/(from) surplus/reserve	(99,224)	(2,582,755)	(3,885,981)	(1,456,086)	6,210,363
Financial Plan Balance	-	-	-	-	-

Schedule B

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

Taxation & Local Improvement Levy	33,368,395	23.84%
Grants in Lieu	335,000	0.24%
Business Imp. Area Levy & EIZ Credit	208,875	0.15%
Collections for Other Governments	22,178,855	15.84%
Sale of Services	7,290,528	5.21%
Electric Utility Fees	42,083,551	30.06%
Sewer Utility Fees	6,784,578	4.85%
Water Utility Fees	8,822,919	6.30%
Storm Water Fees	367,000	0.26%
Other Revenue	12,650,931	9.04%
Fiscal Services	3,621,925	2.59%
Grants	1,677,995	1.20%
Donations	-	0.00%
Development Cost Charges	600,000	0.43%
	139,990,553	100.00%

Current Property Class Multiples:

Ratio	2019 Est	2018	2017	2016
Residential	1.000	1.000	1.000	1.000
Utilities	7.670	7.330	5.930	5.000
Light Industry	1.740	1.670	1.580	1.580
Business	1.820	1.660	1.580	1.580
Rec/Non-Profit	1.400	1.420	1.390	1.350
Farm	3.600	3.260	2.060	2.250

The 2019 ratios in the above chart are based on 2018 calculations and feedback received from Council during 2019 budget deliberations. Council will confirm the multipliers in April when tax rates are set.

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 2018, Council passed amending Bylaw 2018-63 to exempt certain properties from taxation in 2019. The Bylaw contains the list of properties and the estimated amount of tax revenue forgone ($531,191). 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. All EIZ Bylaws that would allow new development to qualify for incentives expired in March 2018, however, some projects are currently still under construction and will need to be completed before the end of 2019 to qualify for tax incentives.

Council Report

penticton.ca

Date: March 19, 2019 File No: 6440-01
To: Donny van Dyk, Chief Administrative Officer
From: David Kassian, Community Sustainability Coordinator

Subject: **Clean BC Funding Opportunity (Electric Charging Stations)**

Staff Recommendation

THAT Council support the application to the Clean BC Community Fund (CCF) for funding assistance for the purchase and installation of two dual pedestal Level II electric vehicle charging stations to be installed at the new public pay parking lot at 313 Ellis Street.

Strategic priority objective

Pursuing the CCF for the purpose of purchasing electric vehicle charging stations is aligned with the strategic council priority of environmental sustainability:

- Ensuring the sustainability of the environment and the ecosystems within our community
- Integration of environmental and socioeconomic values in decision making processes
- Establishing energy monitoring systems and emissions reduction strategies in line with direction from the City's Corporate and Community Climate Action Plans

Background

On February 5, 2019, Council gave support to a budget amendment supporting the demolition of the former Greyhound building and construction of a temporary parking lot on the lands. A feature of the parking lot will be two dual pedestal electric car charging stations for public use. Dual pedestal charging stations allow for two electric vehicles to charge simultaneously. There is an opportunity to have up to 73.3% of the installation and cost of the car charging stations paid for through the CCF.

As the parking lot and car charging infrastructure has been approved, cost savings of up to $14,000 could be leveraged if the application to the CCF is successful. Proponents must meet one of four Project Outcomes as defined by the CCF. Project Outcome 2 is defined as "increasing access to clean energy transportation by improving the ability to utilize cleaner energy to power vehicles." Level II electric vehicle charging stations are listed as an example of an eligible project, and it is a level II charging stations that are planned to be installed. Staff consider this project to have a strong chance of success in accessing these funds. The deadline to apply is March 27, 2019.

The number of electric vehicles insured in British Columbia and the Southern Interior region has increased substantially since data collection began in 2013. For the Southern Interior, there were under 70 insured electric vehicles in 2013, and there are now approximately 400 (471% increase). For British Columbia, there were 970 electric vehicles insured in 2013, and there are now over 8500 (776% increase).

Financial Implication

The cost of purchasing two dual port electric vehicle charging stations is approximately $21,000, including taxes and installation. The CCF will contribute up to 73.3% of the costs (~$14,000) incurred with the purchase and installation of level II charging stations.

Additional costs that cannot be leveraged by the CCF are annual service fees that are typically in the range of $150.00 per charger, per year. Management fees cover remote services, such as software and firmware updates, data collection, and access controls.

Level II electric vehicle charging stations have the ability to charge users in order to offset the cost of electricity use, as well as to generate revenue. At this time it is recommended that there be no charge as it is important to provide incentives for increased electric vehicle use. Adding fees for charging can be implemented at a later time as needed, but it is important to note that the ability to charge and get revenue is there.

The City-operated electric vehicle car charging station located at 233 Backstreet Boulevard cost the City approximately $1773.00 in electric utility fees in 2018. Costs to operate two dual port electric vehicle charging stations could cost $5,000.00 to $7,000.00 annually in electric utility fees. Again there is the ability to off-set these costs with user fees, but best practices at this time is to promote free charging, until such time as a critical mass of users make charging viable.

Analysis

The funding is available through the CCF to pay for 73.3% of costs incurred for the procurement and installation of Level II electric vehicle charging stations. The parking lot approved for development at 313 Ellis Street will be installing Level II electric vehicle charging stations as part of the design plans. Electric vehicle charging stations are not permanent fixtures, and can be removed and reinstalled at a different location if needed.

Applying for funds during this intake will not affect the ability for the City to apply for CCF funds for larger projects at a future date.

It is recommended that Council direct Staff to apply to the CCF to offset the cost of the electric vehicle charging stations to reduce the overall financial commitment of the project.

Alternate recommendations

THAT Council do not support the application at this time.

Attachments

Attachment A: CleanBC Highlights (link)

Attachment B: CleanBC Program (link)

Director	Chief Administrative Officer
	DvD

Respectfully submitted,

David Kassian,
Community Sustainability Coordinator

Attachment A: CleanBC Highlights Report (link):

The CleanBC Highlights Report can be found at: https://blog.gov.bc.ca/app/uploads/sites/436/2019/02/CleanBC_Highlights_Report_Updated_Mar2019.pdf.

This report provides a summary of the CleanBC program, with actionable tips on reducing greenhouse gas emissions.

Attachment B: CleanBC Program Guide (link):

The CleanBC Program Guide can be found at: https://www2.gov.bc.ca/assets/gov/driving-and-transportation/funding-engagement-permits/grants-funding/investing-in-canada/icip-clean-communities-fund-program-guide.pdf

The guide defines the CleanBC program and the requirements for applying to the CleanBC Communities Fund.

Council Report

penticton.ca

Date: March 19, 2019 File No: 2019 PRJ-051
To: Donny van Dyk, Chief Administrative Officer
From: Randy Houle, Planner I
Address: 1150 Corbishley Avenue

Subject: **ALR Non-Adhering Residential Use Application PL2019-8488**

Staff Recommendation

THAT Council support "ALR Non-Adhering Residential Use Application PL 2019-8488", for Lot 1 District Lot 187 Similkameen Division Yale District Plan EPP77908, located at 1150 Corbishley Avenue, an application for a non-adhering residential use to construct a residence for farm help;

AND THAT staff be directed to forward the application to the ALC (Agricultural Land Commission) with support from Council.

Background

This application has to do with a request from a local farmer to construct a 600 sq foot, farm help dwelling, to assist with the farming of four vineyards owned by the farmer. The subject property, where the proposed dwelling will be located (Attachment A), is zoned A (Agriculture) and is designated by the City's Official Community Plan as A (Agriculture). The property, which is located fully within the provincial Agricultural Land Reserve (ALR), is 2.04 ha (5 acres) in area and features a single family dwelling in the north east corner. The remainder of the property is planted with wine grapes.

In addition to the subject property, the applicant also operates four other vineyards in the area and a large garlic and ground crop patch, which when combined represent 7.6 ha (19.2 acres) of workable farmland. None of the properties currently have a farm help dwelling built on them. The intent is for the one dwelling to accommodate farm workers for the four properties.

The dwelling will be a modest, two-bedroom, 600ft^2 building (Attachment F), constructed in close proximity to the existing single family house. The location was selected so it would not interfere with any currently farmed areas of the lot.

The dwelling will house two foreign farm workers, who will assist in the daily maintenance of the vineyards. An application was submitted and ultimately approved by *Employment and Social Development Canada* to bring the workers to Canada. As part of that approval, the employer *must* provide suitable accommodation for the foreign workers.

While farm-help dwellings are a permitted use in the City's Zoning Bylaw, new changes to the provincial Agricultural Land Reserve Act deem any second dwelling on a lot within the ALR as a 'non-adhering dwelling'. Approval for a non-adhering dwelling must be obtained from the ALC prior to the construction of the farm help building.

Changes to the Agricultural Land Commission Act

On February 22, 2019, amendments to the Agricultural Land Commission Act (Act) and ALR Use Regulation were made pertaining to residential use of farmland (Bill 52). Prior to this date, a number of provisions existed in the Act that permitted additional dwellings such as a manufactured home for immediate family, accommodation above an existing building on a farm and farm-help dwellings. The new amendments removed those opportunities. The newly adopted Act allows for an application to the Commission to be made for a second dwelling, for what they call a 'non-adhering residence'.

Unfortunately, these rules came about almost simultaneously as the applicant was making a building permit application to the City for a farm-help dwelling. The Act does have some grandfathering provisions, but to be grandfathered, the structure would have to have been substantially under construction prior to the changes coming into effect. That is not the case here.

Prior to the changes to the Act, no application to the Commission would have been necessary.

Proposal

The applicant is requesting support from City Council in their application to the Agricultural Land Commission to allow for the non-adhering residential use.

Technical Review

This application was reviewed by the City's engineering and building departments. No major items were identified during this review process. Typical building permit and servicing requirements have been identified and forwarded to the applicant's contractor. If the application is supported by the City and the ALC, BC Building Code and City bylaw provisions will apply.

New Official Community Plan (2019)

The draft OCP that is currently under development and anticipated to be adopted later this spring, identifies this area for 'Agriculture'. This designation allows for the growing, producing, harvesting, storage, processing and sale of agricultural produce along with detached houses and agricultural structures. The proposed farm-help dwelling is aligned with this designation.

City of Penticton Agricultural Advisory Committee

Since the ALC is simply seeking a Council Resolution for the proposed farm-help dwelling, which is already a permitted use in the Agriculture zone of Zoning Bylaw No. 2017-08, Staff did not feel review by the Agriculture Advisory Committee was warranted. Furthermore, the rule changes to ALC policy adds a significant delay to an urgent situation, which would only be slowed further by scheduling of a meeting with the Agriculture Advisory Committee. The full changes to the Agricultural Land Commission Act will be outlined to the Agricultural Advisory Committee at an upcoming meeting.

Analysis

ALR Non-Adhering Residential Use Application

City of Penticton Zoning Bylaw No. 2017-08 permits a maximum of one agricultural farm-help dwelling on a property of at least 2 hectares in area. The subject property is 2.04 ha in area and no other farm-help dwellings are constructed on-site. The definition of farm-help dwelling, requires 'necessity' to be proven. When considering necessity of farm help staff refer to materials provided by both ALC staff and staff from the Ministry of Agriculture.

In this case, prior to making an application for a building permit, the applicant provided documentation proving the necessity of need to the satisfaction of the City's Planning Manager. A letter was provided to the property owner confirming that the proposed farm help dwelling was permitted under current zoning.

Staff recommend Council consider the following points in determining whether to provide support for the ALC application:

- The combined size of the farm is too large for a family to operate on their own (Attachment H).
- The owner has published multiple ads in local newspapers looking for local workers, with no success.
- The proposed location for the farm-help dwelling will be in an area on the east side of the property, close to the existing dwelling and away from farm operations. No crops will be removed to construct the dwelling.
- The proposed farm-help dwelling is actually replacing an existing mobile home that was removed from the property a decade ago.
- A brand new home, in close proximity to the job site will be a benefit to the foreign workers.
- The OCP states that second dwellings on farm properties should be limited to use by legitimate farm help, which is the case here.

For these reasons, staff are recommending that Council support the application.

Deny/Refer ALR Non-Adhering Residential Use Application

Council may consider that the proposed farm-help dwelling is not necessary and that the foreign workers can be accommodated elsewhere. If this is the case, Council should not recommend support of the application.

Alternatively, as Council has now empaneled an Agricultural Advisory Committee, Council may wish to hear comment from that committee prior to determining whether to forward this to the Commission with a positive resolution.

Alternate Recommendations

1. THAT Council refer "ALR Non-Adhering Residential Use Application PL2019-8488" to the ALC without support.
2. THAT Council refer "ALR Non-Adhering Residential Use Application PL2019-8488" to the City's Agricultural Advisory Committee for further comment.

Attachments

Attachment A:	Subject Property Location Map
Attachment B:	Zoning Map
Attachment C:	OCP Map
Attachment D:	Photos of Subject Property
Attachment E:	Site Plan
Attachment F:	Building Elevations
Attachment G:	Floor Plan
Attachment H:	Applicant Farmed Properties
Attachment I:	Lot Line Adjustment from 2018
Attachment J:	Letter of Intent

Respectfully submitted,

Randy Houle
Planner I

Approvals

DDS	CAO
AH	**DvD**

Attachment A – Subject Property Location Map

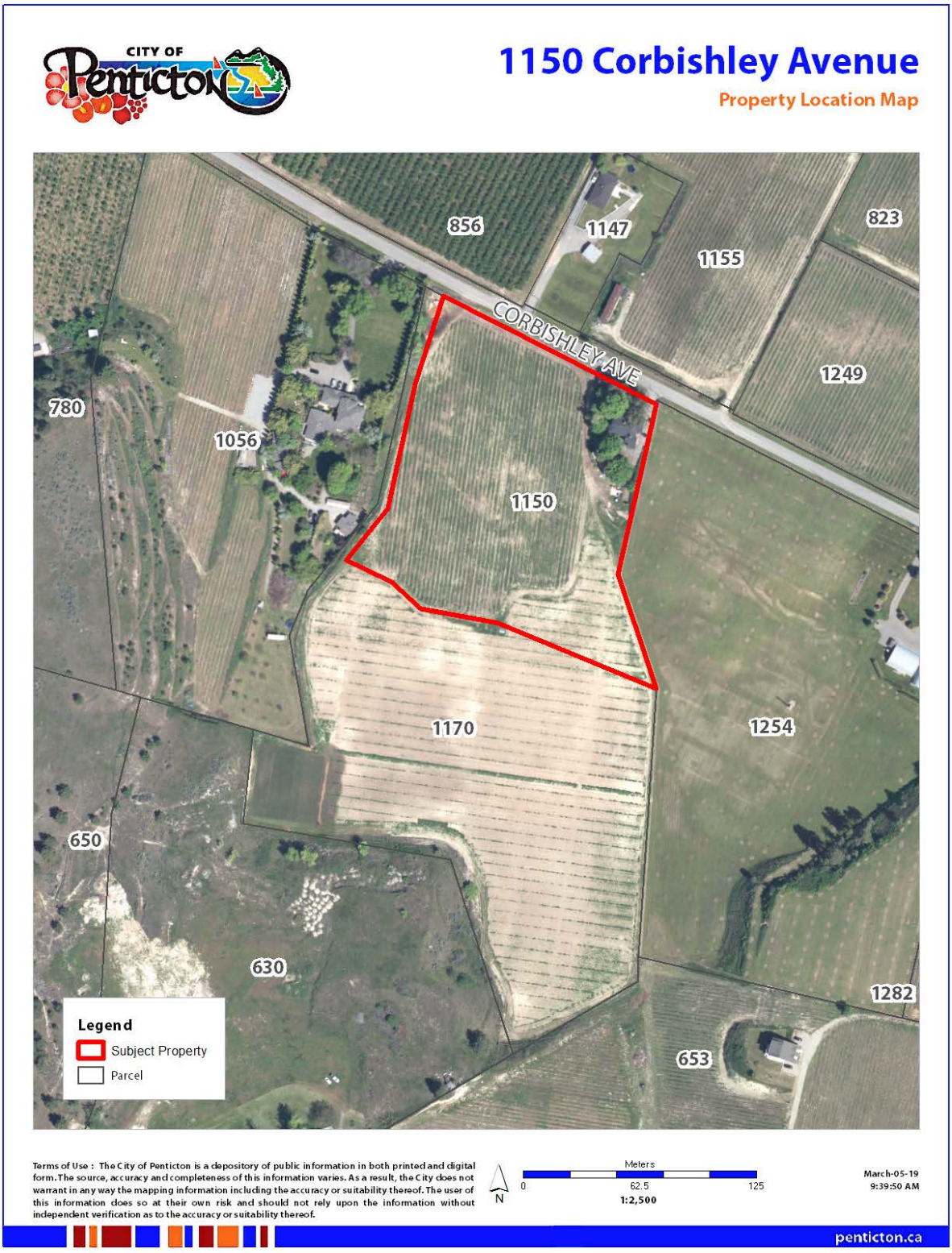


Figure 1: Subject Property Location Map

Attachment B – Zoning Map

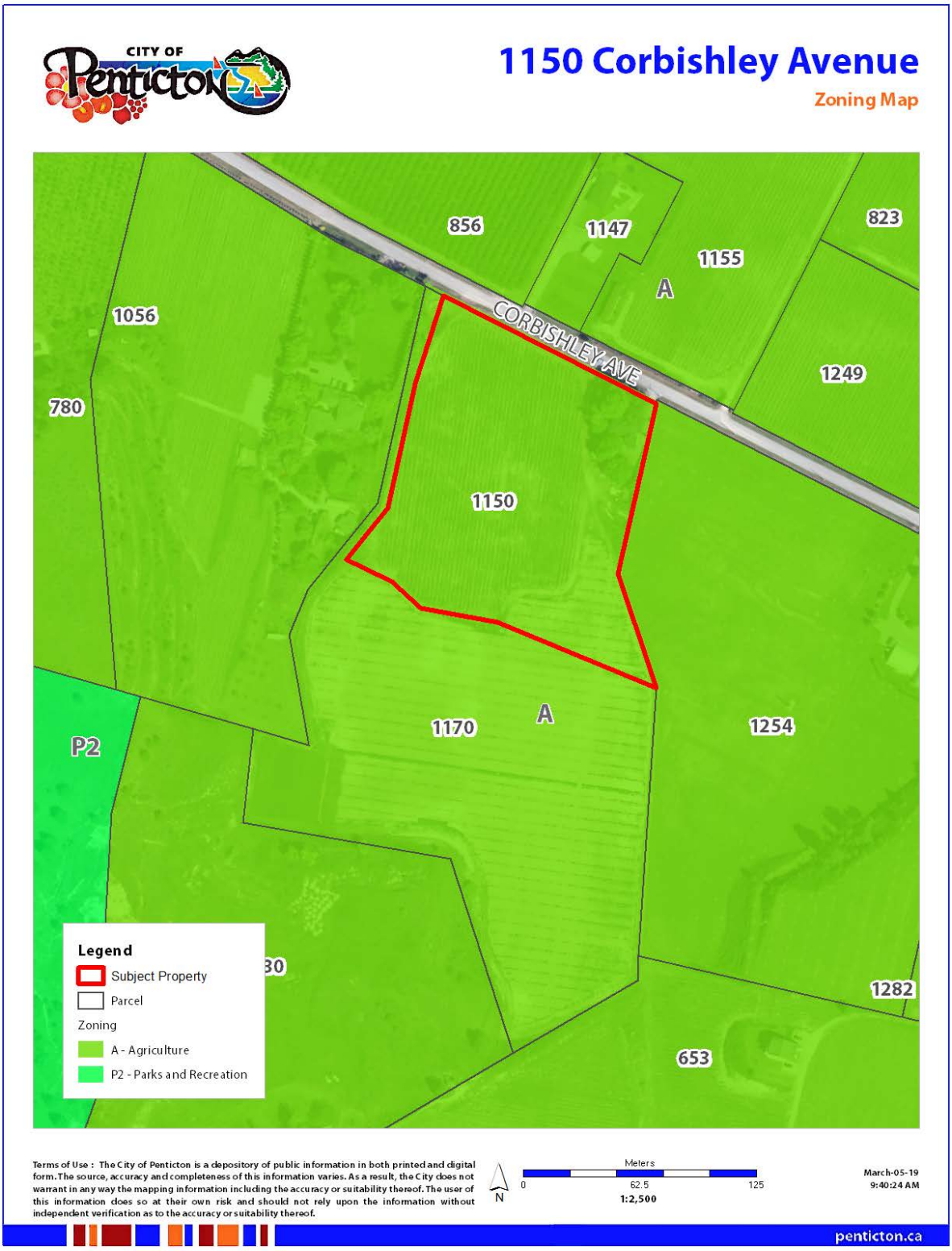


Figure 2: Zoning Map

Attachment C- OCP Map

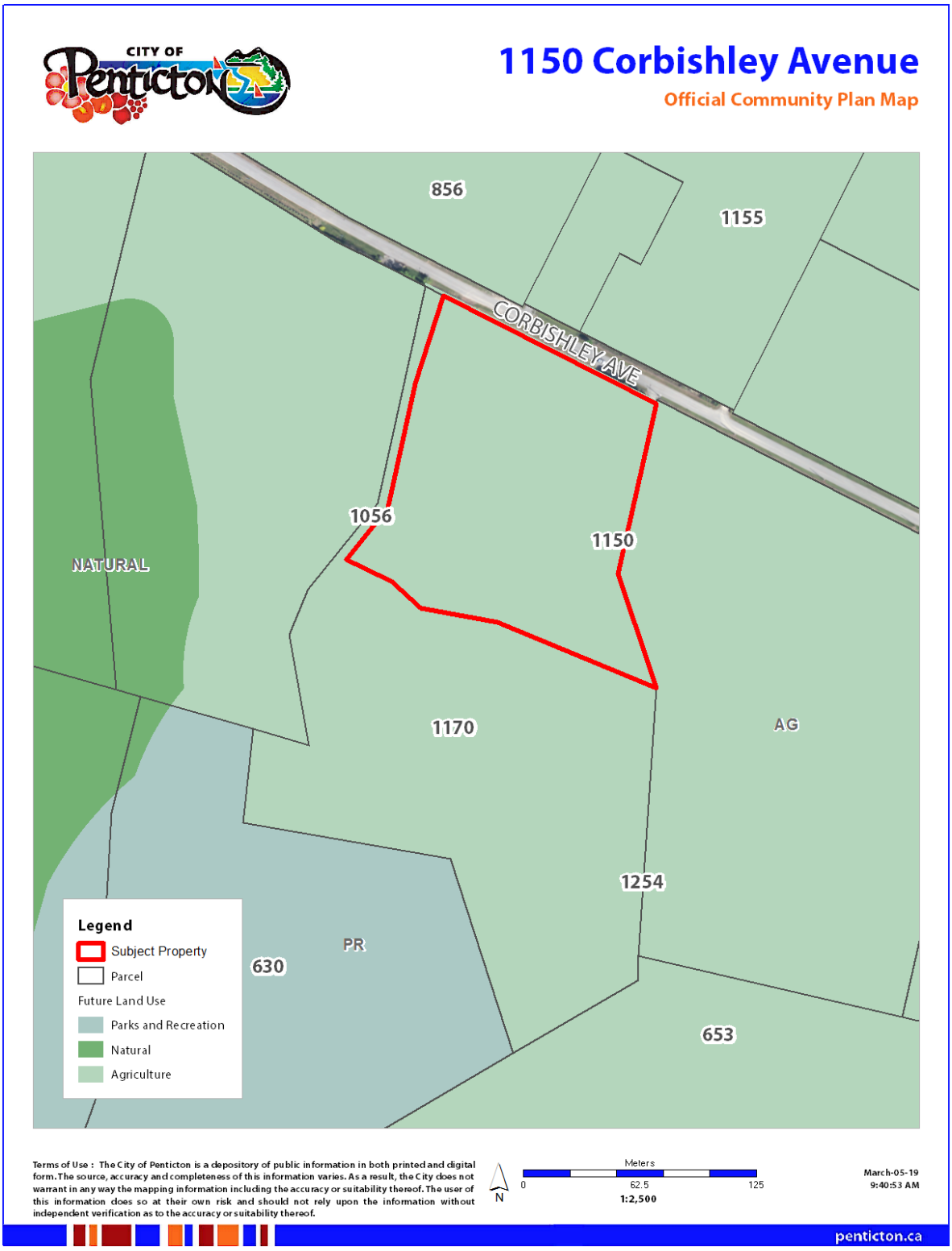


Figure 3: OCP Map

Attachment D – Photos of Subject Property

Figure 4: North Elevation of Single Family Dwelling in NE Corner of Lot

Figure 5: North Elevation of the Vineyard

Figure 6: South Elevation of Existing Dwelling

Figure 7: Proposed Location for Farm-Help Dwelling

Attachment E – Site Plan

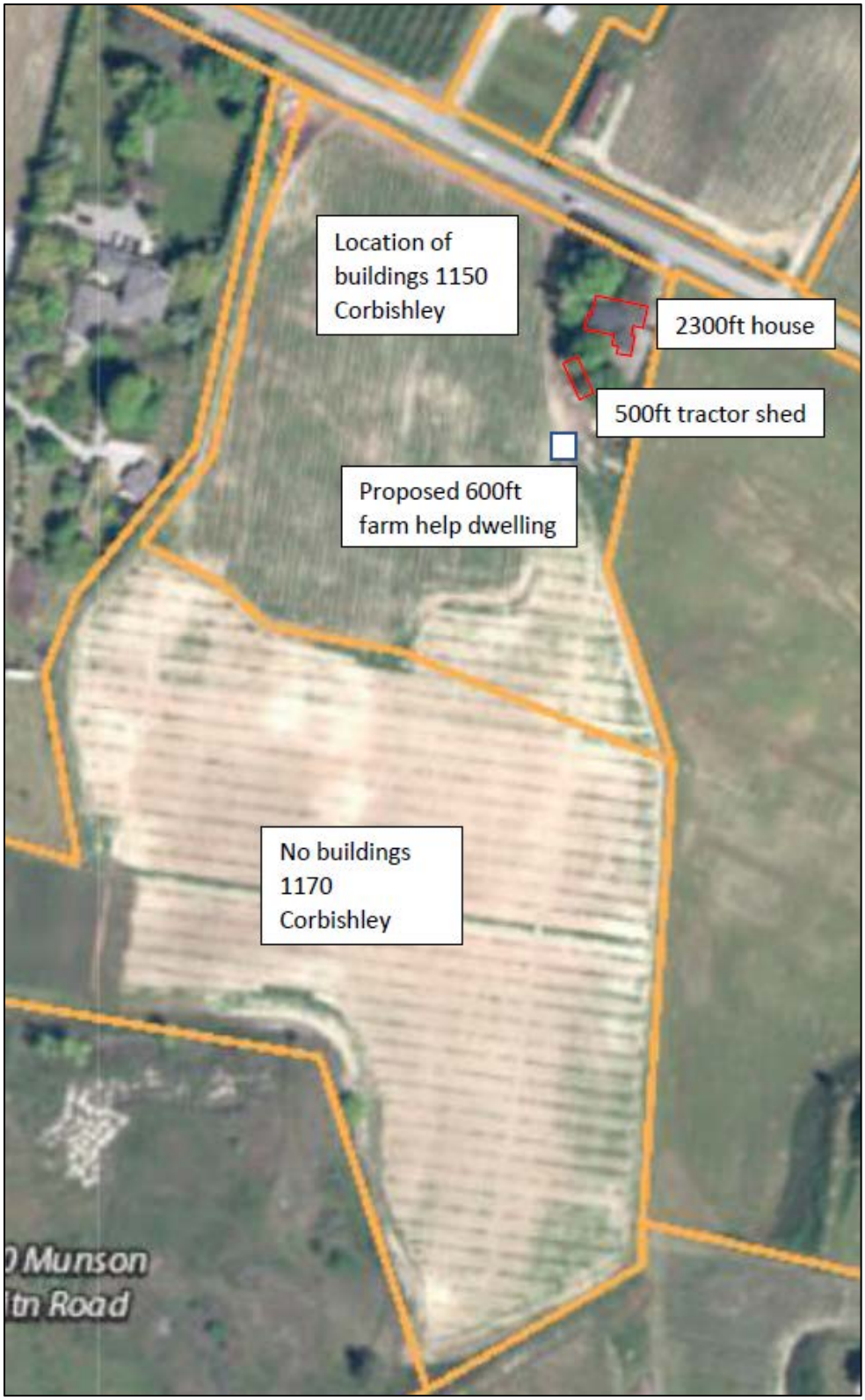


Figure 8: Site Plan

Attachment F – Building Elevations

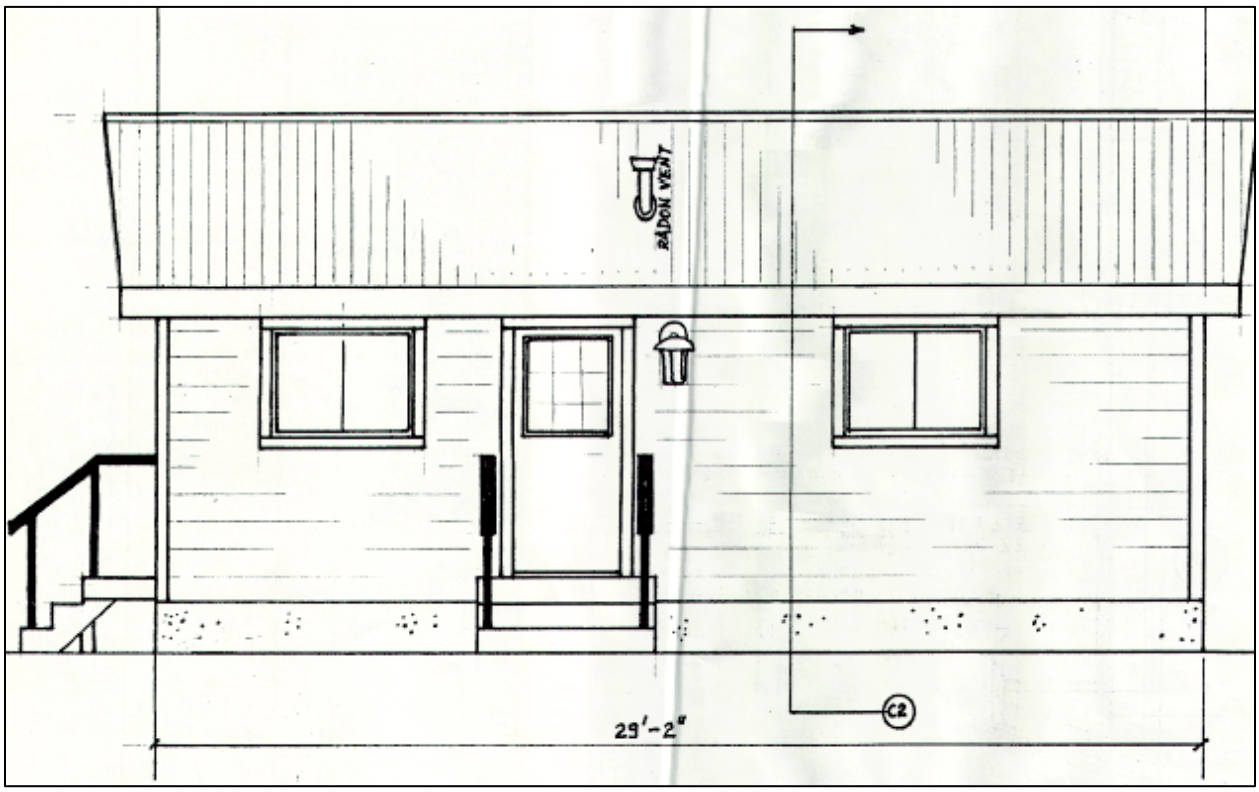


Figure 9: West Elevation

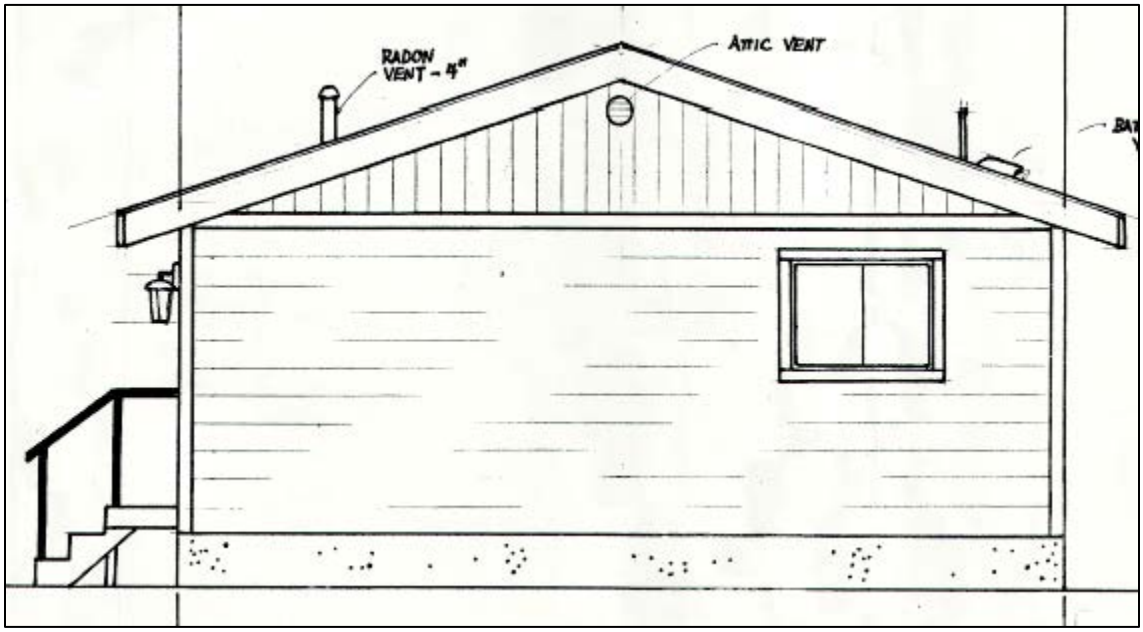


Figure 10: South Elevation

Attachment G – Floor Plan

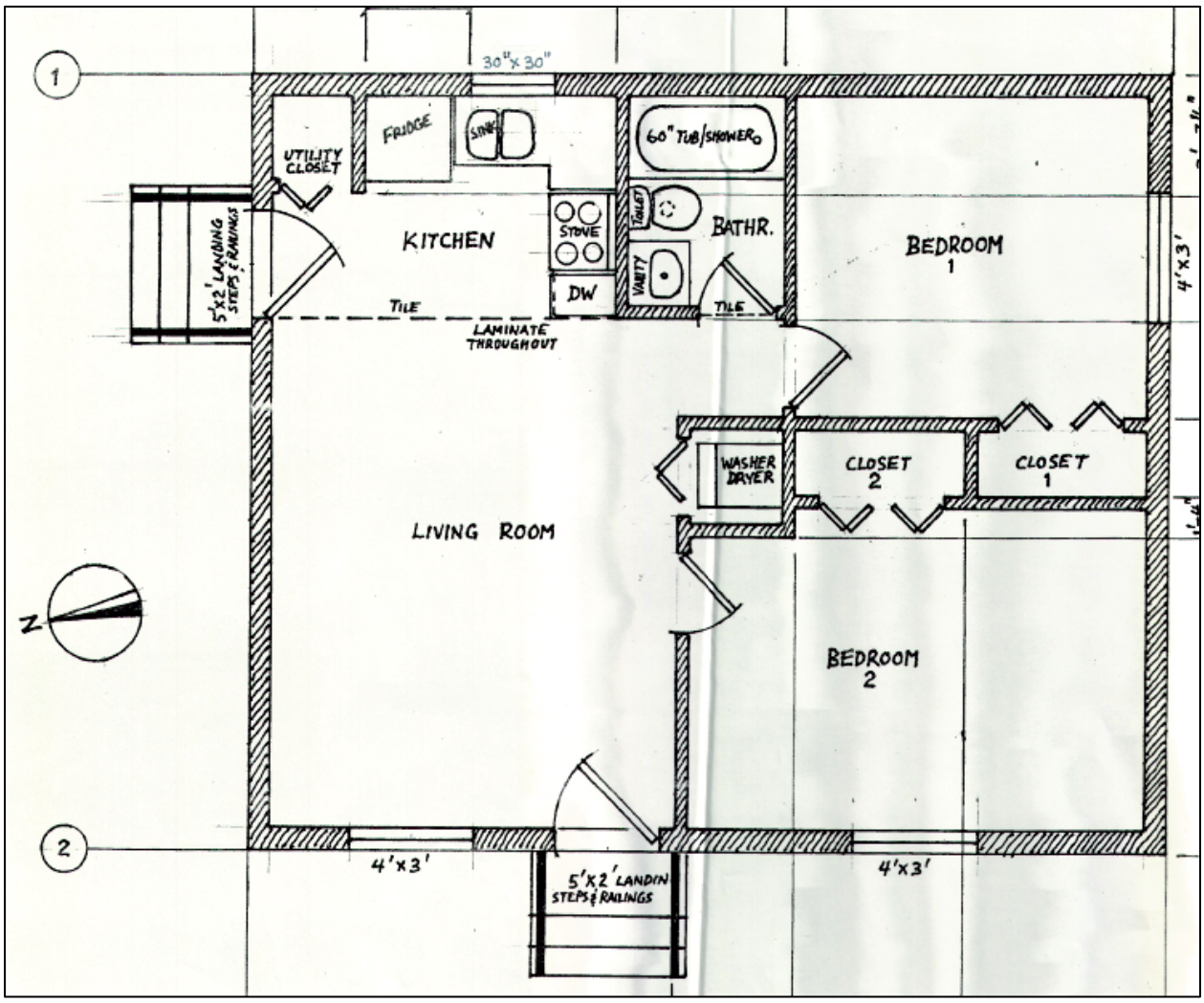


Figure 11: Floor Plan

Attachment H – Applicant Farmed Properties

Figure 12: Applicant Farmed Properties Requiring Farm Help

Attachment I – Lot-Line Adjustment from 2018

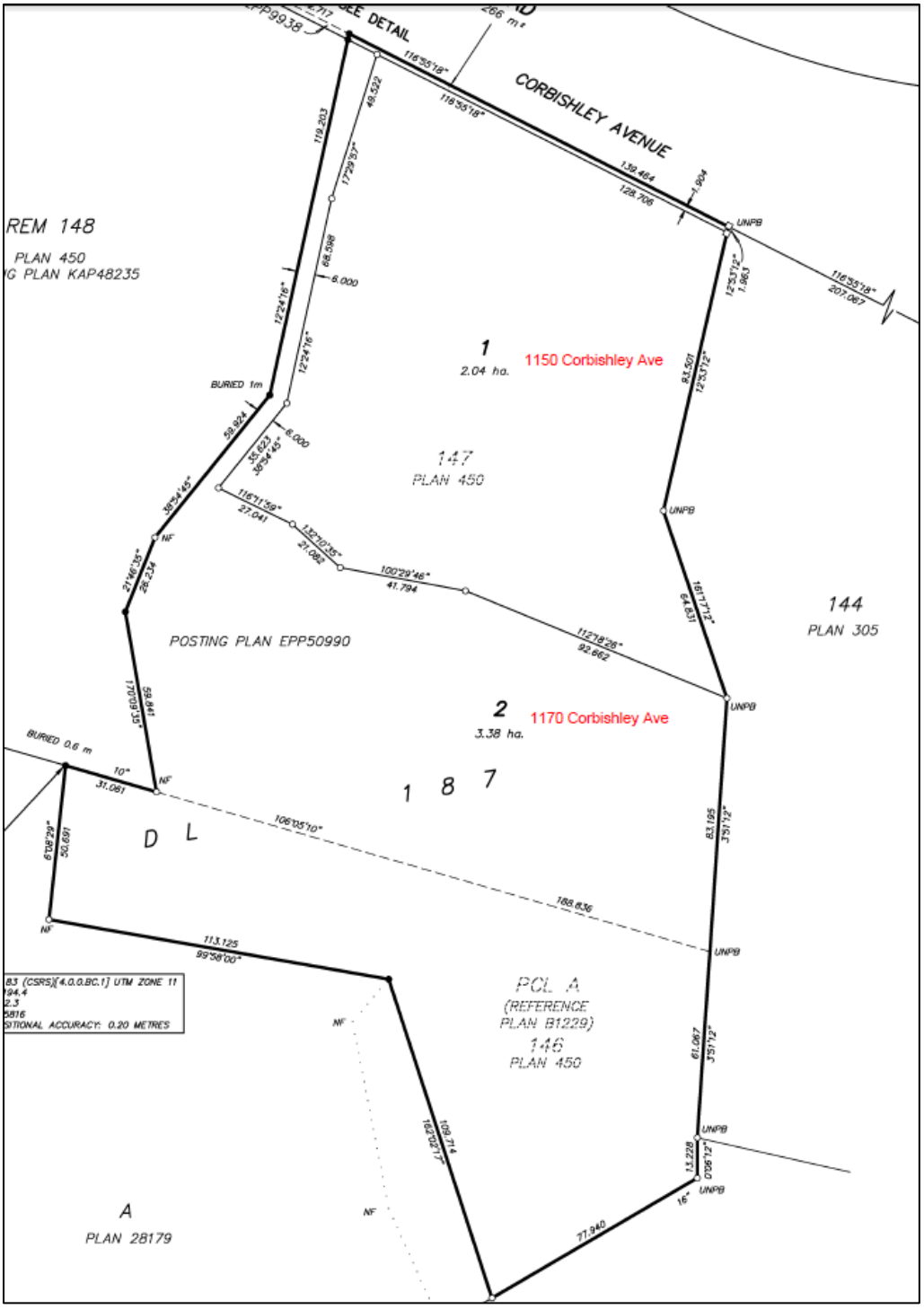


Figure 13: 2018 Subdivision

Attachment J – Letter of Intent submitted to ALC

1. What is the purpose of the proposal?

The owner is actively farming 7.6ha (19.2ac) of land in the Corbishley/Lowerbench area of Penticton. He and his wife along with his father and mother-in-law are working the farms however they cannot keep up and require additional help. This is proven with the application for two foreign farm workers that was approved and is attached to this application. The proposed farm help dwelling is a modest 600ft2 structure only suitable for farm help. All the parcels have farm status. The application meets all the requirements of the ALC Act, the ALC regulations and Penticton's zoning bylaw and has proven the need for additional farm help. The need for additional farm help is proven through the approval for 2 foreign workers and housing is a pressing issue for farm workers all over the Okanagan. The farmer must secure housing for these workers. He ran two adds for labour in two local publications and after a month didn't have a single reply. He needs this very modest farm help dwelling. The owner had full approval to construct this dwelling and was about to make his building permit application when we were advised of the new ALC rules. This has caused a lot of hardship as money has been spent, plans drawn, geotech reports secured and septic systems approved. He is requesting an expedited consideration of this application as he has 2 foreign farm workers on their way here.

Council Report

penticton.ca

Date: March 19, 2019 File No: PRJ2019-036
To: Donny van Dyk, Chief Administrative Officer
From: Nicole Capewell, Planner 1
Address: 434 Lakeshore Drive W
Subject: **Zoning Amendment Bylaw No. 2019-12**

Staff Recommendation

THAT "Zoning Amendment Bylaw No. 2019-12", a bylaw to add the following section to the R2 (Small Lot Residential) zone: 10.2.4.3 – "In the case of Lot 1 District Lot 4 Group 7 SDY (Formerly Yale-Lytton) District Plan 3508, located at 434 Lakeshore Drive West, a Bed and Breakfast Home shall be permitted", be given first reading and be forwarded to the April 2, 2019 Public Hearing;

AND THAT prior to adoption of "Zoning Amendment Bylaw No. 2019-12", a 3.0m x 3.0m lane dedication corner cut be registered with the Land Title Office at the south west corner of the property.

Background

The subject property currently contains a historic home (referred to as Warren House in the City's Heritage Register) which was constructed in 1912, at the time that the Kettle Valley Railway was being built. The new owners of the house are intending to operate a bed and breakfast, offering 3 rooms for rent on a nightly basis. The owners are intending to live on site to operate the business. The property (Attachment 'A') is currently zoned R2 (Small Lot Residential) Bed and breakfast is not a permitted use in the R2 zone, so the property owners are requesting a site specific zoning amendment to permit the use.

The property is just over 0.25 acre (1,056 m^2), which is similar size to other single family properties, which front along Lakeshore Drive West. The surrounding neighbourhood has a variety of zones existing (Attachment 'B') including R2 (Small Lot Residential), RM2 (Low Density Multiple Housing), RM3 (Medium Density Multiple Housing), RM4 (High Density Multiple Housing), and RD2 (Duplex Housing: Lane). The subject property is also designated as LR (Low Density Residential) within the City's existing Official Community Plan (2002), and the surrounding properties are designated LR and MFLD (Multi-Family Low Density).

Draft Official Community Plan (2019)

The Official Community Plan review currently underway includes the subject property within the Future Land Use category called 'infill residential'. The draft Official Community Plan describes the infill residential designation as "transitional lower-scale residential areas with housing types compatible with single detached houses in character and scale but providing more units per lot". Compatible types of development include single detached houses with or without secondary suites and/or carriage houses; duplexes with or without suites; triplexes and fourplexes; lower-density rowhouses; and small-scale neighbourhood commercial buildings.

The draft Official Community Plan also includes the following policies which support the proposed application:

1. Policy 4.1.2.10: monitor vacation rentals to ensure they are not having a negative impact on the long-term rental stock or negative social impacts on existing neighbourhoods. Refine vacation rental policy and regulations if necessary.
2. Policy 4.1.5.1: recognize that traditionally single-family neighbourhoods will see intensification as the city grows, but ensure that new forms of residential development are compatible with the neighbourhood in scale and design and are appropriately location.

Proposal

The applicant is requesting the following amendment to Zoning Bylaw 2017-08:

Add Section:

"10.2.4.3 - In the case of Lot 1 District Lot 4 Group 7 SDY (Formerly Yale-Lytton) District Plan 3508, located at 434 Lakeshore Drive West, a Bed and Breakfast Home shall be permitted."

Technical Review

This application was reviewed by the City's Technical Planning Committee. No significant issues arose in the process. A corner cut for lane dedication at the southwest corner of the property was identified by the Engineering Department. This has been included as a condition of the rezoning process. The property owner has received a Building Permit to complete some initial renovations to the house in preparation of their rezoning. A full inspection of health and safety items will be undertaken prior to issuance of a license for the business.

The Zoning Bylaw requires Bed and Breakfast Homes to provide 1 parking space per bedroom to a maximum of 3 parking spaces, plus 1 parking space for the corresponding dwelling unit. The subject property would be required to provide a total of 4 parking spaces. The applicant has provided a site plan, which indicates seven (7) parking spaces to be available on-site, which well exceeds the required 4 spaces.

Financial Implication

The City is responsible for all costs associated with the registration and survey work for the lane dedication corner cut at the rear of the property (<$2,000). All other development costs are the responsibility of the applicant.

Analysis

Support Zoning Amendment Bylaw

The subject property is designated Low Density Residential (LR) by the City's Official Community Plan Bylaw No. 2002-20. This designation encourages a mix of low density uses including single family dwellings, duplexes, and small scale neighbourhood commercial uses. Policies for the low density residential designation, which are supported through this application include:

1. Maintain the character of the existing single family neighbourhoods in Penticton.
2. Consider the conversion of existing homes located along major roads to other uses, such as small scale commercial or institutional, provided that the character of the area is preserved and impacts are minimized.

The proposal to allow for a Bed and Breakfast Home at this location does not conflict with the policies set out in the OCP for the LR (Low Density Residential) designation and, as no exterior alterations of the home will be made, the proposal will expand the use of the property without affecting the current character of the neighbourhood.

The OCP contains further policy support for Tourist Accommodations along Lakeshore Drive, to the west of the subject property (west of Power Street). This area west of Power Street, along Lakeshore Drive contains a number of tourist accommodations (hotels, motels), and small scale commercial and restaurant attractions. While the subject property is located just east of this identified Tourist Accommodation area, it is still located in a desired tourist area (close to Okanagan Lake, the downtown, the Community Centre, South Okanagan Events Centre, and the Trade and Convention Centre). The proposal to operate a Bed and Breakfast Home at 434 Lakeshore Drive provides an alternate type of tourist accommodation than the hotels/motels, within a mixed density area, while still maintaining the character of the heritage home.

The applicants have also indicated a strong desire to maintain the historic character of the property. This is in line with the OCP's heritage preservation policy to promote the conservation and enhancement of buildings and sites which have historic significance to the community. The applicants are not making alterations to the outside of the home. The only visible change outside would be the established areas for parking on the property.

The current R2 (Small Lot Residential) zoning of the subject property does not allow for a Bed and Breakfast Home, however it does allow the use vacation rental. With the operation of a vacation rental, the property owners are not required to be living on the property, and there can be a maximum of two persons per bedroom. Although the proposal to have a Bed and Breakfast Home requires a rezoning to allow for the use, it is arguable that a Bed and Breakfast would have a lesser impact on the neighbourhood than a vacation rental would. As the owners will be living on the property, they are always onsite to regulate the activities and levels of noise occurring on the property.

The Zoning Bylaw (2017-08) allows for Bed and Breakfast Homes subject to the following regulations:

1. A Bed and Breakfast Home shall be operated as an accessory use within a single detached dwelling, with a maximum 4 sleeping units with accommodation for a maximum of two guests per sleeping unit.
2. The Bed and Breakfast Home should not change the residential character or external appearance of the dwelling.
3. The licensed operator of a Bed and Breakfast Home must reside in the dwelling in which the Bed and Breakfast operation is located.

The proposal at 434 Lakeshore Drive West will meet all of the Bed and Breakfast Home regulations contained in the Zoning Bylaw. At this time, the Bed and Breakfast will operate with 3 sleeping units, and the applicant's intend to eventually provide 4 sleeping units for their Bed and Breakfast guests. The applicants are not making any changes to the outside of the home, which would change the residential character of the property. Lastly, the applicants intend to live on the property and operate the Bed and Breakfast Home as indicated in the Letter of Intent provided (Attachment 'E').

Given the above, there is adequate policy through the OCP to support the proposal to rezone the subject property to allow for a Bed and Breakfast Home, and support is recommended for First Reading of "Zoning Amendment Bylaw No. 2019-12".

Deny Zoning Amendment Bylaw

Council may consider that the proposed development is not appropriate for the subject property. If this is the case, Council should deny First Reading of Zoning Amendment Bylaw No. 2019-12".

Alternate Recommendations

1. THAT Council give first reading to "Zoning Amendment Bylaw No. 2019-12", with conditions that Council feels are appropriate.

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:	Proposed Site Plan
Attachment G:	Zoning Amendment Bylaw No. 2019-12

Respectfully submitted

Nicole Capewell
Planner 1

Approvals

Director Development Services	Chief Administrative Officer
AH	DvD

Attachment A – Subject Property Location Map

Figure 1 – Subject Property Highlighted in Red

Attachment B – Zoning Map of Subject Property

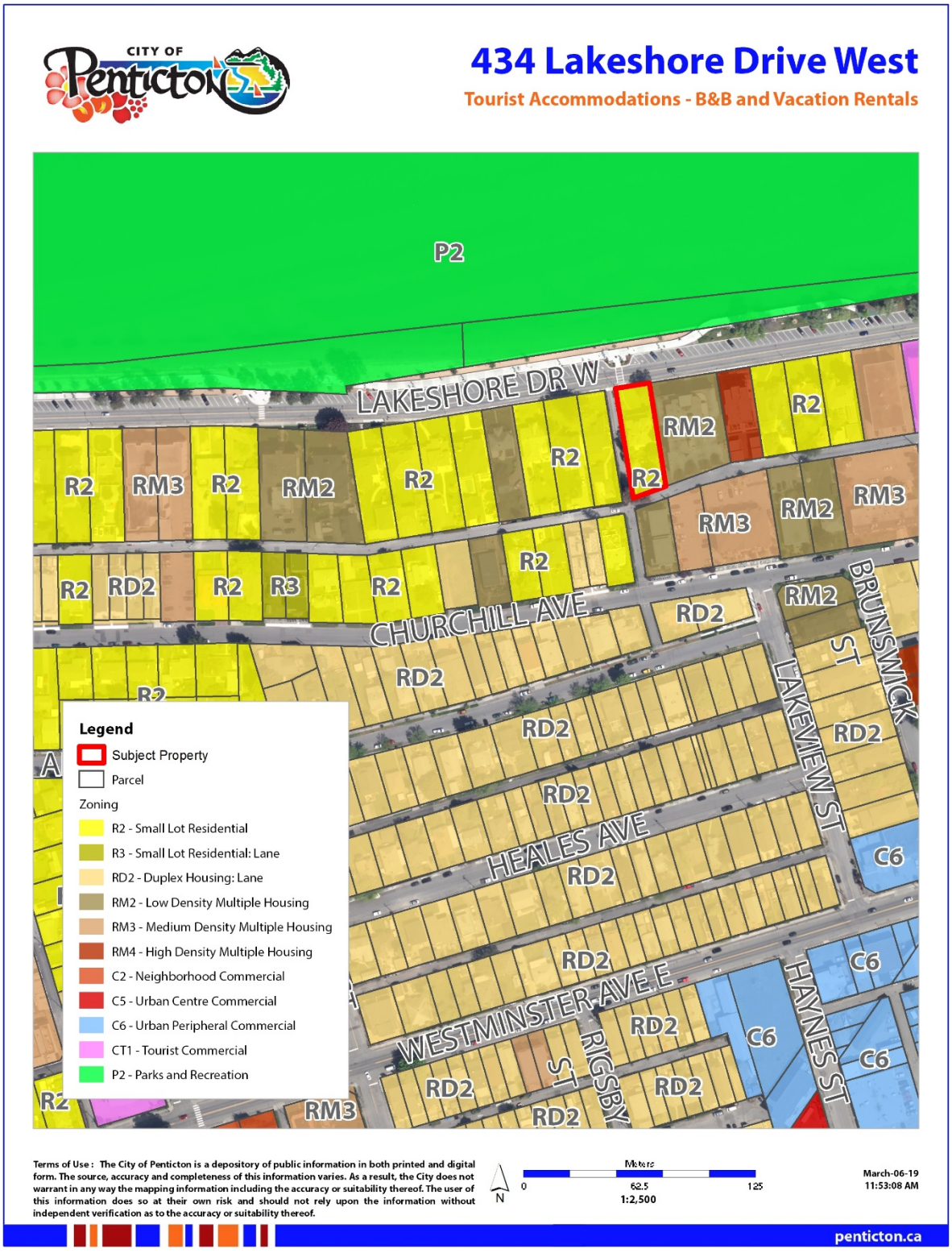


Figure 2 – Subject Property Currently Zoned R2 (Small Lot Residential)

Attachment C – Official Community Plan Map of Subject Property

Figure 3 – Subject Property Currently Designated as LR (Low Density Residential) within Official Community Plan

Attachment D – Images of Subject Property

Figure 4 – Looking at front of 434 Lakeshore Drive W from street

Figure 5 – Looking north toward subject property from rear lane

Figure 6 – Looking south down the western property line from Lakeshore Drive (along pedestrian corridor)

Figure 7 – Proposed parking area for guests (refer to Site Plan)

Figure 8 – Proposed parking area for guests (refer to Site Plan)

Attachment E – Letter of Intent

February 11, 2019

Peter and Paula Ruutel
434 Lakeshore Drive West
Penticton, BC, V2A 1B8

City of Penticton
171 Main Street,
Penticton, BC, V2A 5A9

Attention: City Council

Dear Sir or Madam,

The purpose of this letter is to advise the City of Penticton of our intention to operate a luxury Bed and Breakfast at historic **Warren House (434 Lakeshore Drive West)** and to obtain permission for a variance to the current R2 zoning to allow use as a "Bed and Breakfast Home", in accordance with section 7.2 of bylaw 2017-08.

The Bed and Breakfast will consist of up to four bedrooms with a maximum of eight guests (2 adult guests only per bedroom). The property will be our primary residence and we will reside at the property acting as hosts, greeting and welcoming guests into our home. The property offers ample parking for guests and ourselves to the rear, with the back garden off the laneways and therefore will have minimum impact on neighbours in the surrounding properties (which include a 4 story apartment complex, a four plex and 4 unit-double duplex vacation rental).

Zoning currently allows 'Vacation Rentals' for up to 6 guests, but with a restriction that all guest rooms within the dwelling being booked by a primary guest of the same party. In our experience even when only one party books all rooms it is very likely that such vacation rental guests would consist of 3 sets of independent couples. The permitted use of 'Bed & Breakfast Home' would only increase the room capacity to 4 (8 guests in total) and allow the rooms to be booked independently – we do not plan to cater for children. As such, use as a Bed and Breakfast would not result in a significant increase in vehicle traffic and, as we are resident at the property, noise disturbances would be zero (especially as we are quiet living, non-partying people who like to get to bed early!!). We will also not allow drugs or smoking on our property.

Lastly, Warren House (434 Lakeshore Drive West), which was built in 1912, is recognized by the City of Penticton as a heritage property. Further, the property falls within the Tourist Commercial Hub of "Lakeshore Drive near Okanagan Lake", identified in the OCP and within walking distance of the South Okanagan Events Centre near which the OCP encourages the development of tourist accommodation stock. The approval of "Bed and Breakfast Home" as a permitted use therefore not only supports the OCP but also allows us (the owners) to cover the considerably higher maintenance costs associated with the upkeep of a historic home (thereby saving the property from re-development or falling into disrepair).

Thank you in advance for your consideration.

Yours faithfully,

Peter Ruutel

Figure 9 – Letter of Intent

Attachment F – Proposed Site Plan

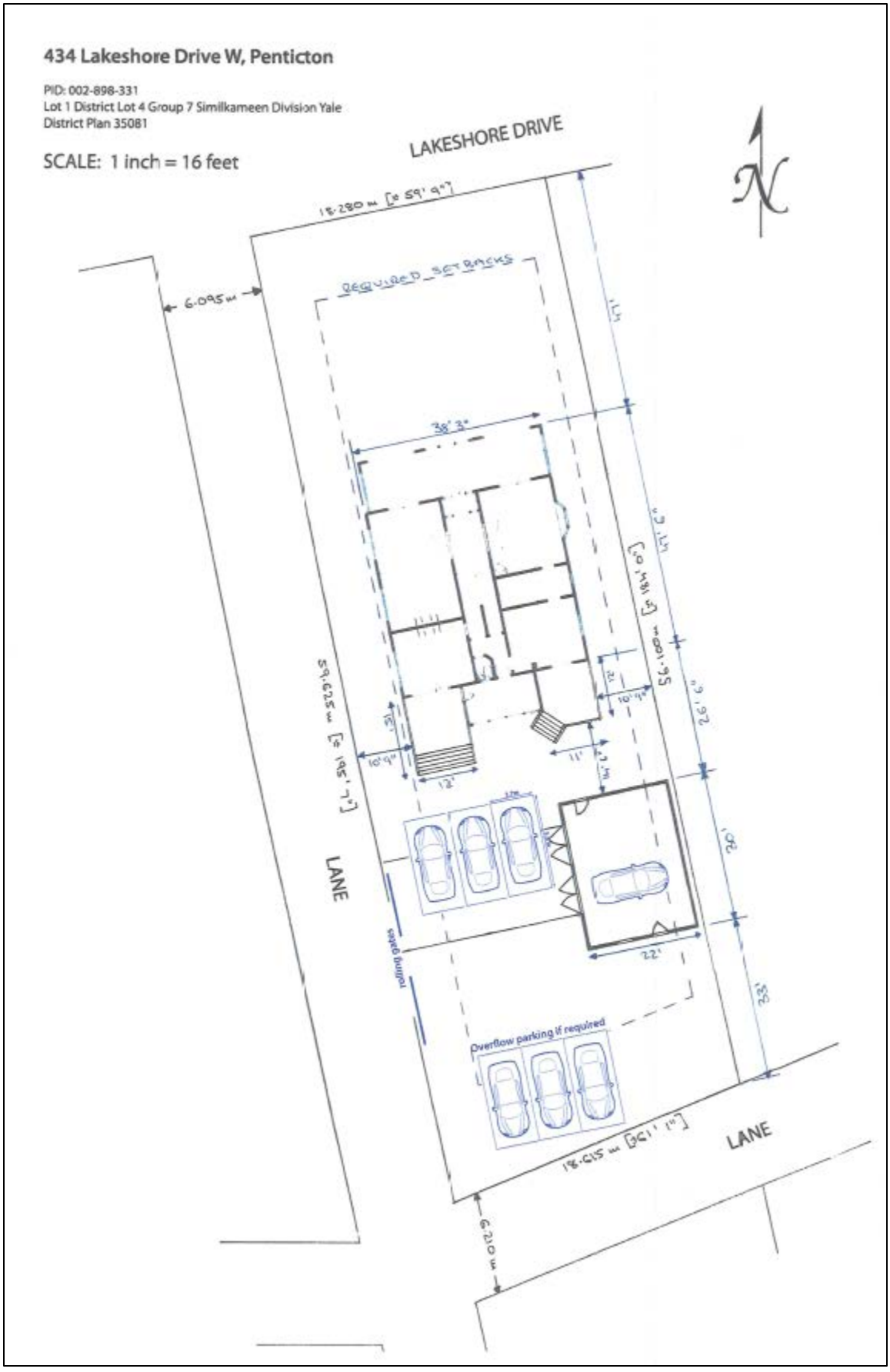


Figure 10 – Conceptual Site Plan

The Corporation of the City of Penticton

Bylaw No. 2019-12

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. 2019-12".

2. **Amendment:**

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

Add Section 10.2.4.3: "In the case of Lot 1 District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3508, located at 434 Lakeshore Drive West, a Bed and Breakfast Home shall be permitted."

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

READ A FIRST time this	day of	, 2019
A PUBLIC HEARING was held this	day of	, 2019
READ A SECOND time this	day of	, 2019
READ A THIRD time this	day of	, 2019
ADOPTED this	day of	, 2019

Notice of intention to proceed with this bylaw was published on the __day of _____, 2019 and the __ day of _____, 2019 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

John Vassilaki, Mayor

Angie Collison, Corporate Officer

434 Lakeshore Dr W
Site Specific Rezoning To Permit A Bed and Breakfast Home

City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2019-12

Date: _____ **Corporate Officer:** _____

Council Report

penticton.ca

Date: March 19, 2019 File No:
To: Donny van Dyk, Chief Administrative Officer
From: Bregje Kozak, Director – Recreation & Facilities

Subject: **Arena Development Strategy Update**

Staff Recommendation

THAT Council direct staff to return the $6M Strategic Priorities Fund (SPF) grant to UBCM by March 31, 2019 as the conditions of the grant cannot be met;

AND THAT Council select from one of the following options:

Option 1

THAT Council direct staff to plan base building repairs for McLaren and Memorial Arenas, as required to keep the buildings operational for the short term (up to 10 years);

AND THAT Staff will develop a long-term funding plan for replacement or upgrade of the facilities in the next 10+ years.

OR Option 2

THAT Council direct staff to plan for base building repairs, functional upgrades and renovations for McLaren and Memorial Arenas in order to extend the life expectancy for an additional 10 to 20 years, and report back to Council with detailed upgrade options and associated costs.

OR Option 3

THAT Council provide alternate direction to staff.

Background

In January 2017, an Arena Task Force (ATF) was created to provide direction on the future of Penticton's aging arena facilities. Through various studies, reports, analysis and extensive engagement with the

community, the ATF provided a recommendation to Council to consider a long-term vision for the arena development strategy which includes construction of a new twin-pad arena, decommissioning of McLaren Arena and re-purposing of Memorial Arena to a dry-floor multi-use sports facility, at a capital cost of approximately $34M. A detailed summary of the ATF process is included in **Attachment A**.

On July 25, 2017, Council endorsed the ATF's long-term strategy for the project and provided direction to proceed to the next phase of work to complete a grant application for the Federal Gas Tax Strategic Priorities Fund, prepare a detailed financial analysis and a develop plan to fund the project:

432/2017 ***It was MOVED and SECONDED***

THAT Council direct staff to proceed with an addendum to the Strategic Priorities Fund grant application confirming that the City wishes to direct the grant towards a new multi-use facility (twin surface arena) on the west side of the SOEC complex;

AND THAT Council direct staff to proceed with the next phase of work to complete the financial analysis, develop the funding strategy and further consult with the community prior to making a final decision on the recommended option.

CARRIED UNANIMOUSLY

Detailed Financial Analysis and Funding Strategy

The initial phase of analysis included a review of Memorial and McLaren arenas to determine existing conditions and detailed upgrade options for short, medium and long term investments into the facilities. The range of options all include base building repairs and also offer choices for functional upgrades and associated costs, and defines life expectancies associated with each option. A summary of the options can be found in **Attachment B**.

This first phase of work also includes a feasibility review and investment requirements for a new twin pad arena, which ultimately allowed the ATF to compare costs and benefits of upgrade or replacement options, and make their final recommendation to Council.

The purpose of this current phase of work was to provide answers to some of the outstanding questions which the Arena Task Force and Council identified as pre-requisites to further consideration on implementing the proposed arena strategy. This includes:

- Revenue analysis with the new facilities
- Operational considerations
- Further details on capital cost requirements for Memorial Arena as a dry-floor facility (Fieldhouse Concept)
- Total lifecycle costs associated with changes to the City's recreation infrastructure (decommission, new build and renovation)
- Development of a funding strategy for capital and ongoing operational costs

The analysis and conclusions have been presented the Arena Financial Analysis and Funding Strategy report as per **Attachment C**.

Revenue and Opportunity Analysis

As an input into lifecycle costing, a revenue analysis was completed in order to estimate the anticipated operational costs of the twin pad arena and Memorial dry-floor facilities. The information was gathered through consultation with current and potential user groups, site tenants (and potential future tenants), and key stakeholders (such as Travel Penticton and Spectra).

The analysis projected utilization trends based on current usage plus additional activities such as tournaments and special events. The analysis also included consideration of increasing rental rates for a new facility, although for the purposes of the lifecycle costing calculation, a conservative approach was taken and rates are assumed to be the same as currently offered.

An important assumption in the analysis is that the City is willing to revisit its pricing and allocation policies for ice rentals. This is critical to maximize the arenas as year-round facilities (ice or dry floor), during prime and non-prime hours. This may suggest that allocation times need to be shifted to accommodate additional capacity while meeting current ice time commitments in the community.

Finally, the analysis considered other revenue generating opportunities such as concessions, tenant leases, sponsorship opportunities, naming rights, grants and donations. Opportunities exist to provide leased space on the upper floor of the new twin pad arena, as an example. There is a potential demand for additional office and training centre space, and could be a probable revenue opportunity if it makes sense economically.

Details of the potential revenue sources can be found in Section 3 of the consultant report.

Operating Costs and Considerations

Facility operating costs will largely depend on the approach to operation and management of the facilities as either stand-alone City operated or operated by a third party such as Spectra Venue Management, who already operate three arenas on the SOEC site. For the purposes of this study, a conservative approach was taken and costing for the new twin-pad arena was based on a stand-alone City run facility.

The resulting projection of operating costs and revenues for the twin pad facility results in an annual deficit of about $188,000 and climbs annually based on assumed inflation, as detailed in Section 4 of the report. This is based on the building being a stand alone operation. However, it is important to note that the potential operational savings for integrating the twin pad operations with the SOEC operation and management contract could be significant at about $100,000 annually, and reduce the annual operating deficit to about $100,000.

Memorial dry-floor concept is still in early stages. In the absence of a detailed assessment of how Memorial dry-floor will be managed, this analysis assumes potential operating revenues for dry-flor us based on potential utilization and modest charges for court floor rentals. This amounts to approximately $87,000 annually to operate the facility, similar to the current deficit. In order to provide a more detailed analysis, the operating model would need to be determined based on needs for programming, rentals, drop-ins, etc. as well as pricing and revenue models. The choice of approach will impact cost efficiencies and revenue potential.

Memorial Arena Dry-Floor (Fieldhouse)

The first phase of work provided high level estimates of approximately $4.3M to re-purpose Memorial Arena

into a dry-floor facility. There was little detail provided in this phase of work and the estimate was based on a simplified concept to decommission the ice plant and provide base building upgrades that are required regardless of whether the facility will continue as an ice arena, or dry-floor space.

During this current phase of work, staff and the consultant team engaged with potential user groups and members of the community to understand the demand for dry-floor space and how it could be used. Working with the consultant team, two workshops were held in January 2018 to garner input as to what people want to see in a multi-use dry- floor facility. These workshops attracted many user groups such as lacrosse, tennis, pickleball and roller derby, to name a few. User groups were provided the opportunity to 'design' a space that would be useable for them, ultimately culminating into a range of options for court sport and fieldhouse type uses which maximize the large space structure and high-volume space.

In April 2018, two open house sessions were held at Memorial Arena to report back on the options created out of the workshop sessions, and to get feedback from user groups and members of the community on the Memorial Fieldhouse concept. A clear concept was presented and well-supported by user groups. Concept drawings and space utilization options derived from this process are provided in **Attachment D**, and summarized as follows:

- In order to maximize the large volume space, the concept plans consider removal of the original spectator seating, but retains the upper level walking track
- Creates an open, flexible flat floor space with an athletic court surface to accommodate multiple sports
- Reconfigure and upgrade of washrooms, lobby, change rooms and entrances/exits
- Upgrades of dressing rooms, addition of offices and storage areas
- Sports and events that can be accommodated include; tennis, volleyball, basketball, lacrosse, pickleball, roller derby, badminton, ball hockey, trade show and exhibition space, among others.

The revised capital cost associated with the Memorial Fieldhouse concept is estimated at about $7.5M, including soft costs such as consulting fees, furnishings and equipment to support the various sport and event requirements.

Total Life Cycle Costing (Capital and Operating)

This study considers the Facility Asset Life Cycle schedule for the proposed twin pad arena development, including decommissioning of McLaren and re-purposing of Memorial. The basic assumptions for this analysis include a capital cost of approximately $34M (in 2018 dollars) and a construction start of 2019. If the project schedule is adjusted then a 3%-5% escalation should be anticipated annually.

The life cycle schedule considers life cycle maintenance and replacements, as required, for building systems at 20, 30 and 40-year replacement periods. It also includes annual reserve estimates for life cycle replacement at 40 years, which is a typical functional lifespan for a recreational facility. The allocation of reserves will provide for an efficiently operating facility over its lifespan. It is important to note that the 40 year reserve amount does not equate to the new construction cost as some elements have a lifespan beyond the 40 years.

Section 7 of the report details the total life cycle costing, including operating and capital expenditures, for the facilities when considered together, and is summarized as follows:

	Component	Capital Cost	20 Year Lifecycle Cost
A	New Twin Pad Addition	$28,611,811	$7,553,518
B	Memorial Arena	$7,508,248	$8,212,362
C	McLaren Arena (Decommissioning)	$1,000,000	-$4,165,734
D	SOEC (Shown for information only)	-	$29,415,660
	Total (A+B+C)	$37,120,059	$11,600,146
	Grand Total (A+B+C):	**$48,720,205**	

The annual cost of ownership is calculated by taking the 20 year life cycle cost plus annual revenue and operating projections. The cost of ownership for a new twin pad for a 20-year lifecycle is estimated at $560,000 and for a 40-year lifecycle this rises to just under $1M. While these numbers may appear high, they do include lifecycle amounts for systems replacement throughout ownership. It is important to compare this number to the existing operations for McLaren and Memorial:

- Based on a 20-year lifecycle, McLaren and Memorial are likely to account for over $600,000 in annual life cycle costs – a figure that will ultimately not pay dividends as the facilities will become functionally obsolete over time.
- The lifecycle cost for the twin pad arena is projected at $377,000 per annum, which is a significant improvement over the existing facilities, and capital.
- McLaren Arena is assumed to be decommissioned resulting in cost voidance of up to $4M over 20 years.
- The challenge comes with Memorial conversion to dry floor with an annual estimated life cycle cost of $380,000. This amount is in addition to the annual costs for the twin pad arena and results in the City having one additional facility in their ownership.

Funding Strategy

The approach to funding is risk-based in that the consultant team has identified a number of possible funding sources and relative likelihood of achieving each of them. The analysis includes assessment of upfront capital funding as well as annual funding opportunities to cover debt servicing or operational costs.

Sample funding models have been developed for 10, 15 and 20-year debt retirement options and identify the net annual surplus or shortfall required to fund the project. The result of the funding models identify an annual shortfall of approximately $1.63M for a 10-year debt retirement period, $1.32M annual shortfall for a 15-year debt retirement and $537,000 annual shortfall for a 20-year debt period. It is assumed that the shortfall could be funded through borrowing, which would require electoral approval. The detailed funding models can be found it Section 5 of the report.

All of the funding models identify the $6M Strategic Priorities grant as a capital contribution to the overall funding needs. However, the grant is conditional on confirming remaining funding sources by March 31,

2019 and this creates a challenge in that the project is not yet at a stage where the total impact to taxpayers and funding sources can be confirmed.

The final funding model and strategy will largely depend on types of available funding opportunities and how the project would be delivered, either through traditional design-bid-build or alternative procurement methods with transfer of financial risk to the private sector.

Community Engagement

Staff developed a multi-phase engagement program to involve the community and ensure residents have the information necessary to have an informed opinion on the future of our arenas. A detailed list of the activities conducted is provided in **Attachment E**. The following is a summary of the activities completed and the key findings:

- Creation of a 13-member task force which included 6 representatives of user groups and 7 interested citizens. (See the list of Task Force members).
- Early engagement efforts focused on raising awareness of the work and informing the community about the condition of the buildings and the need for investment. Six pop-up information sessions were held - three during Vees games at the SOEC and three during events at Memorial Arena and over 350 people provided their input. The key themes included:
  - Minimize the loss of ice time during construction or repairs
  - Preserve the history of Memorial Arena
  - Provide amenities that support a wide range of users
  - Look for opportunities that have the potential to generate revenue
  - Provide amenities for youth/future
  - Minimize impact to taxpayers / overall cost of the solution
  - Keep affordable for user groups
- Approximately 50 citizens participated in the tours Because of the interest in the history of Memorial Arena, the City arranged two tours of the building. The tours were led by legendary Vee Ivan McClelland and former facility manager Dave Matser.
- Information was shared during one open house and three pop-up sessions were held at the pool and the market. Over 200 residents participated and the documents were accessed 241 times.
- With all of the studies completed and the options identified and shared, a survey was conducted to formally gather the opinions of the public. The City received 561 surveys. The key findings include:
  - 90% of participants want to ensure that the City continues to have four arenas but preferences for repairing existing arenas or building new facilities continues to be close. The survey showed that 48% prefer the option to repair over 42% who prefer the option to build new.
  - Keeping facilities affordable for user groups and flexible to accommodate a wide range of activities were the top two priorities. Also ranking high was the need to invest wisely over the life of the building.
  - There is support for making an investment in Penticton's arenas. The survey showed that participants support or somewhat support using long term debt that can be serviced with Casino revenues (91%) or tax dollars (79%) to help fund the project.
  - The desire to preserve Memorial Arena for its historical value continues to be important.

- Participants are concerned that there will not be any funds available for other community needs such as affordable housing, the performing arts and recommendations in the Parks and Recreation Master Plan. There was also concern expressed by members of the tennis and soccer community that support should be equitable for all sports in the community.
- Concern about activity level and parking at the SOEC complex was another common theme.
- Based on the results of the studies and the input of the community, Council endorsed the Task Force recommended vision to build a new twin-pad arena on the SOEC site, convert Memorial Arena to a dry floor facility and decommission McLaren Arena.
- Additional input from the community was required to explore the opportunity for the Memorial fieldhouse. Two workshops were held for interested user groups and members of the community. The workshops were attended by representatives of lacrosse, roller derby, tennis, pickleball, travel and tourism and citizens at large.
- Once the concepts were developed, two drop-in sessions to share the work with interested citizens. The concepts were very well received with over 200 people in attendance and a total of 127 feedback forms completed. Of the participants, 97% agree or strongly agree with the idea of converting Memorial Arena to a fieldhouse.

Engagement Conclusion

Through the project process including the findings of the engagement program, the City concluded that Penticton's four arenas are well-used and needed and that there is interest in having a facility to support the activities of dry floor sports in the winter. While there is considerable support for the vision, many participants in the engagement program wanted more information on the 'business case' before determining their final position.

Analysis

The Arena Task Force and resulting Arena Development Strategy was initiated in response to a need for investment into our aging arena facilities. The various studies that were undertaken throughout the process identify short, medium and long term investment options, as well as potential replacement costs. Although the final scope, timing and funding solutions for the arenas has yet to be determined, one thing we know for sure is that there is significant investment required into either existing or new facilities, in order to maintain current service levels going forward.

The challenge before us is when to invest? We can continue to provide bare minimum annual investment to 'keep the lights on', knowing that eventually this will be unsustainable. We can also plan for a more significant investment in order to extend the life of the facilities and ensure uninterrupted continuity of service levels for 10 or 20 years, or we can take it to the fullest extent to replace existing facilities and convert Memorial Arena to a multi-use dry floor space, which would address the long-term needs for arenas and fulfill the vision of the Arena Task Force.

It is broadly recognized that reinvestment requirements are more than just improvements to existing facilities, many of which are functionally constrained by modern design standards and the expectations of patrons. There is a need to maintain a competitive level of functionality to sustain their appeal and enhance

quality of life benefits for area residents. Recreation assets are just one part of the broader quality of life equation but an important one which many municipalities have recognized is within their area of control.

In general, this project is part the City's long-term planning approach to asset management. The project should be considered in the lens of **overall value** including capital costs, operating income and likely economic benefits. A Benefit-Cost Ratio was completed as a single comparison of maintaining status quo versus full implementation of the arena development strategy. The net result of the cost-benefit ratio identifies that the benefits of the implementation of the full strategy outweigh the cost impacts.

Financial implication

Until a direction is confirmed on how to proceed with the arena strategy, and funding sources are confirmed, the overall financial implications of the Arena Development Strategy are unknown. However, immediate direction will be required on the status of the $6M Strategic Priorities grant.

The SPF grant application was initiated as a result of an opportunity that came up while the ATF was going through the arena development discussions. The ATF recommended at the time that the City take advantage of the funding program, knowing that the arena development project was still in its early stages. The grant program guidelines and criteria identified that any awarded funding would need to be spent by 2024. Based on that information, the ATF felt that there would be enough time in subsequent phases of the arena development strategy to confirm details of the project and seek any electoral or other approvals that would be required to implement the strategy. However, the grant administrators also recognized that the arena project was in early stages and although they support the overall strategy, they were skeptical about the City's ability to fund the project and placed a condition on the grant accordingly. The condition stipulates that the City must confirm all project funding sources by March 31, 2019, or the grant funding will be re-allocated.

City staff have communicated with the UBCM to request an extension to the condition placed on the grant, however that request was denied as the UBCM wishes to re-allocate funding that can't be used for its original intent.

Although it may be difficult to give up a grant with a $6M capital value, the due diligence for this project isn't complete and it would be irresponsible to make budgetary decisions without a detailed funding strategy that is understood and supported by the community.

Staff Recommendation

Staff must recommend the return the $6M SPF grant to UBCM by March 31, 2019 as the conditions of the grant cannot be met.

Staff have also provided 3 options for moving forward, with background details provided in the report.

Attachments

Attachment A – ATF Chronology Summary

Attachment B – McLaren and Memorial Upgrade Options

Attachment C – Arena Financial Analysis and Funding Strategy, Sierra Planning and Management, Feb 2019

Attachment D – Memorial Arena Fieldhouse - Concept Drawings

Attachment E – Engagement Summary

Respectfully submitted,

Bregje Kozak
Director, Recreation & Facilities

Approvals

Chief Financial Officer	Chief Administrative Officer
JWB	DvD

Attachment A
Arena Development Strategy (Phase 1), Chronology of events

- In 2014 a building condition assessment identified Memorial and McLaren arenas to be in poor condition, with virtually all building systems near or past their life expectancy. Significant investment is required to keep the existing buildings operational over the long term and upgrade and/or replacement options must be considered.

- An Arena Task Force ATF was established in January 2017 to involve user groups and the community in the decision on the future of Penticton's arenas and to prepare a recommendation on the number of surfaces needed, the functional programming requirements, the facilities (existing and new) required and the plan to fund the surfaces. The ATF consisted of 14 voting members including user group representatives and members at large. (See the ATF Terms of Reference.)

- The Task Force was responsible for reviewing studies on the condition of Penticton's arenas and the costs to repair or build new as well as getting out into the community to understand the views of residents as part of the process to prepare their recommendation.

- On April 4 2017, the Task Force provided an update to Council where they confirmed that in order to maintain current service levels and programs, the City must maintain at least the same arena capacity as we have currently and shared their vision for three fully functional arenas plus the South Okanagan Event Centre. (See Council Report dated April 4, 2017)

- In order to determine which facilities (existing or new) are required to achieve the vision, the Task Force needed more information on the condition of Memorial and McLaren Arenas and the estimated costs to repair or build new, and commissioned two additional studies:
    - Memorial and McLaren Feasibility Study
    - New Multi-Use Arena Feasibility Study

- These studies were shared with the community at an Open House on June 28 that was attended by nearly 100 residents. (See the Summary of the Arena Studies.) The studies were also downloaded 221 times off of the shapeyourcitypenticton.ca website which has housed all information about the work of the Task Force since its inception.

- Information sharing and consultation with the community have been a priority for the Task Force since the beginning of their work. (See Summary of Engagement Activities.) Following the Open House, the Task Force conducted a survey to gather feedback from the community on their preferences now that the studies were completed. (See a summary of the ATF Feedback Form Results.)

- Based on the findings of the studies, the ATF considered the various upgrade and new build alternatives and identified five scenarios for further analysis and consideration. These scenarios were identified according to their ability to meet the vision set by the Task Force

and considered user needs, community feedback, capital and operating costs, timelines and possible operational impacts associated with upgrading an existing facility. The scenarios were shared with the public and Council, along with the results of the community feedback, at the Information Session on July 12.

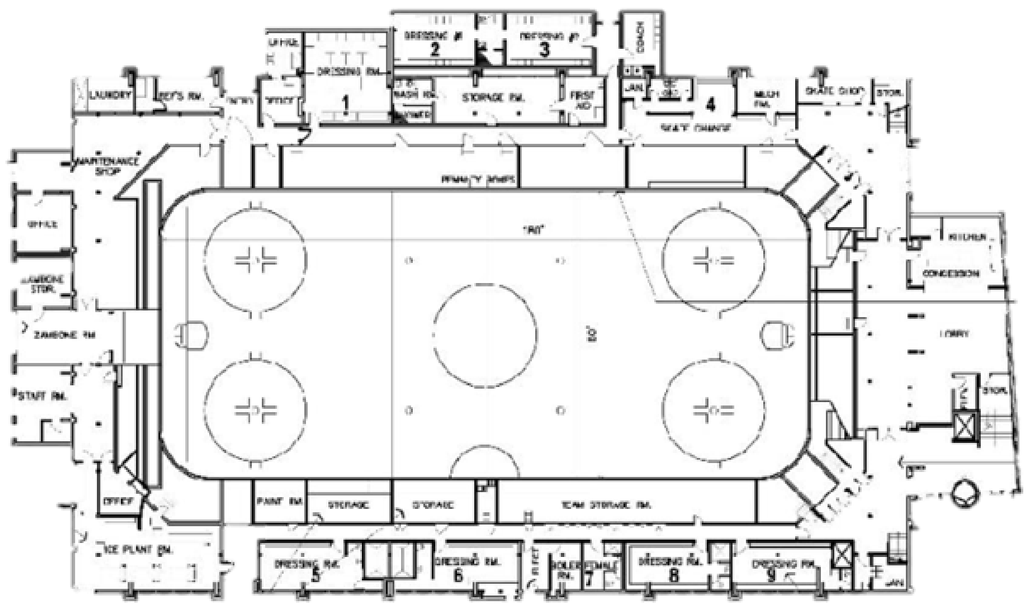
- Through this process Option #3 (Decommission McLaren, Dry floor Memorial, new twin pad arena) received the highest score and was put forward as the preferred option to meet the ATF vision and was reflected accordingly in the grant application. This option involves performing minimal repairs to Memorial and McLaren Arena to keep the arenas operational for the next several years during development of a new twin pad arena(s). Following the construction of the new twin pad, convert Memorial to a dry floor surface and decommission McLaren.

- On July 25, 2017 Council endorsed the ATF's preferred Option #3. This endorsement enabled staff to proceed with a grant application for the Gas Tax Strategic Priorities Fund for funding of up to $6M towards the project. Council endorsed the ATF concept as a long-term vision for Penticton Arenas and asked that staff come back to Council with further details on the financial analysis, total life cycle costing and funding options for the project.

- Subsequently, City staff engaged the consultant team through 2018 to provide the Phase 2 detailed analysis and funding strategy.

- In March 2018, the City received notification that the SPF grant application was successful and were awarded $6M. However, a condition was placed on the grant that all remaining project funding needs to be confirmed by March 31, 2019

Memorial Arena
What are the options?



Study Findings

- Building is well maintained and has minor deficiencies
- Need to reinstate a slippery roof due to snow loads
- Flat roofs need upgrades
- Arches need maintenance
- South change rooms are outdated / north are difficult to access
- Some hazardous materials to be mitigated
- Need mechanical and electrical upgrades
- New generator required
- Needs new refrigeration plant
- Cost to demolish is $1.6M

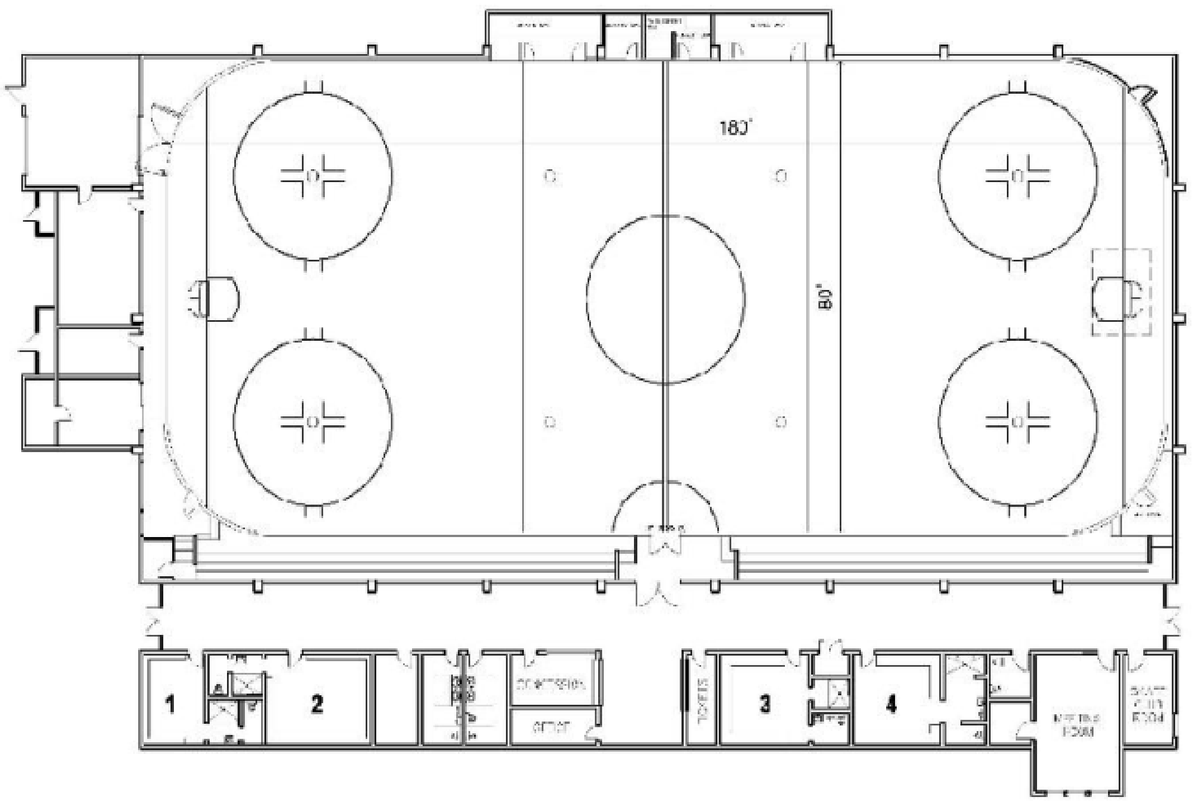
	A. Base Building	B. Upgrade	C. Modernize	D. Dry Surface
	• Includes life safety / maintenance • Keeps building operational • Out of service for 3-6 months	• Includes functional upgrades to change rooms and lobby • Some upgrades to major systems • Out of service for 6 to 12 months	• All new systems plus regulation size • Equal to new building • Out of service for 12 to 14 months	• Keeps building operational • Removes refrigeration • Out of service for 3 to 6 months
***Cost**	$5.1M	$8.9M	$17.5M	$4.3M
Life	10+ years	20+ years	40+ years	10+ years

Scope	• New roof
	• Structural upgrades (arches, piles, bleachers)
	• Full upgrade to ice plant
	• Dasher boards / player benches
	• Fire alarm system
	• Change room flooring / bathrooms
	• Zamboni floor
	• Mechanical and electrical upgrades
		Option A plus
		• Re-purpose lobby and add viewing area
		• Full modernization of south dressing rooms
		• Provide accessible viewing area at concourse level
		• Option to add a regulation size ice surface at an additional cost of $1.8M
			Option A and B plus
			• Includes regulation size ice surface ($1.8M)
			• Upgrade all building systems to current codes and technology:
			  • Mechanical
			  • Electrical
			  • Ventilation
			  • Plumbing
			  • Insulation / Cladding
			  • Insulated roof
				Option A minus
				• Ice plant
				• Zamboni floor

**The cost figures in the studies include full project costs (construction, fees, permits, contingencies, site works) and are currently Class D estimates. Class D estimates may fluctuate +/- 25% depending on changes in scope. The costs presented are intended for decision making purposes. This is standard in the construction industry for this level of estimate. Once a direction is confirmed, the project will go through detailed consultation, design and engineering where costs will be further clarified.*

CITY OF PENTICTON

McLaren Arena
What are the options?



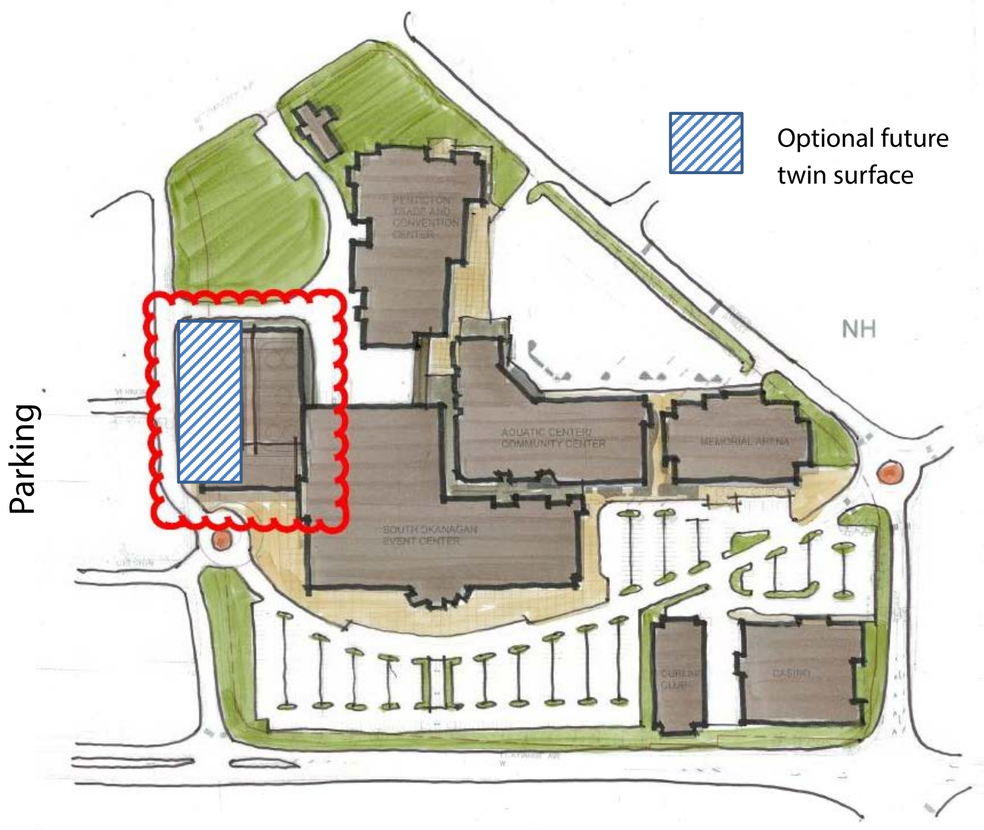
Study Findings

- Building is well maintained and has minor deficiencies
- South change rooms in excellent condition
- Problems with public and team cross over in lobby area
- Players benches are in poor location
- Low ceiling / no under slab heating limits spring / summer use
- Roof cannot be economically lifted
- Need mechanical and electrical upgrades
- New refrigeration plant needed
- Cost to demolish is $1 million

	A. Base Building	B. Modernize	C. Dry Surface
	• Includes life safety / maintenance • Keeps building operational • Out of service for 3 to 6 months (or phase over 10 years)	• Includes functional upgrades to change rooms and lobby • Modernization of major systems • Out of service for 6 to 12 months	• Includes life safety / maintenance • Keeps building operational • Removes refrigeration • Out of service for 3 to 6 months
***Cost**	$1.2M	$5.1M	$771,000
Life	10+ years	40+ years	10+ years
Scope	• Ice plant • Humidifier drainage • Electrical upgrades • Repair cracks in perimeter walls • Replace roofing • Fire alarm system • Mechanical systems	**Option A plus** • New lobby and additional viewing area • Dressing rooms • Full mechanical modernization • Full electrical modernization	**Option A minus** • Ice plant

**The cost figures in the studies include full project costs (construction, fees, permits, contingencies, site works) and are currently Class D estimates. Class D estimates may fluctuate +/- 25% depending on changes in scope. The costs presented are intended for decision making purposes. This is standard in the construction industry for this level of estimate. Once a direction is confirmed, the project will go through detailed consultation, design and engineering where costs will be further clarified.*

New Multi-Use Arena
What are the options?



Study Findings

- Drawings are conceptual and will be updated based on input from user groups and the community
- Reviewed basic cost to add a single or twin surface at SOEC to take advantage of economic and operational advantages of having four surfaces on one site
- Recommend fully functional facility with regulation size surface capable of supporting dry surface uses (i.e. soccer, tennis, pickle ball, lacrosse) as well as ice (hockey and figure skating)
- Looked at two different locations (one option shown)
- Explored opportunity to draw arena traffic to other end of complex where day-to-day parking is underutilized

	1. Single Surface	2. Twin Surface
***Cost**	$18.2M	$28.6M
Life	50+ years	50+ years
Scope	• Spectator capacity of 182 • 6 full dressing rooms • Concession, skate shop, lobby, office/reception, equipment storage, public washrooms • Building services - Mechanical, electrical and refrigeration rooms • Building height in arena area is about 40' and down to 15' above dressing rooms to accommodate possible office floors above	**Option A plus** • Second surface • Spectator capacity of 182 • 6 full dressing rooms • Shared building amenities with single surface

**The cost figures in the studies include full project costs (construction, fees, permits, contingencies, site works) and are currently Class D estimates. Class D estimates may fluctuate +/- 25% depending on changes in scope. The costs presented are intended for decision making purposes. This is standard in the construction industry for this level of estimate. Once a direction is confirmed, the project will go through detailed consultation, design and engineering where costs will be further clarified.*

CITY OF PENTICTON

ARENA FINANCIAL ANALYSIS AND FUNDING STRATEGY

FINAL REPORT

February 2019

Sierra Planning and Management
advice • strategy • implementation

ICC International Coliseums Company

DIALOG

MAD
MERKLEJOHN ARCHITECTURAL DESIGN STUDIO INC

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Appendix A: Memorial Arena Consultation Materials

Appendix B: Amortization Schedules

Executive Summary

Study Purpose

This report comprises a business plan that schematically analyzes the revenue and cost potential and presents a funding strategy for investment in a new twin-pad arena at the South Okanagan Event Centre (SOEC). The study builds upon work previously completed by the consulting team and the City of Penticton's Arena Task Force (ATF), which recommended that the City pursue a) a twin-pad addition to the SOEC, details of which are provided in Section 2.3; b) a dry-use conversion of the Memorial Arena (see Section 6), as well as c) the decommissioning of the McLaren Arena.

Specifically, this report addresses the following key items, which have been identified by the ATF as pre-requisite to implementing the proposed plan and to assist in planning for change:

- Analyzes the market and revenue opportunities (not undertaken as part of the initial work);
- Reviews the operational efficiencies that are anticipated to arise from alternative methods of both design and delivery of the facilities, and their operations;
- Further details the likely capital costs associated with the Memorial Arena dry floor use opportunities, supported by stakeholder consultation;
- Identifies the total lifecycle costs associated with the proposed changes to the City's recreation infrastructure (decommission, new build and renovation); and
- Presents a strategy regarding potential funding for the balance of the project's capital needs.

Revenue Opportunities

Section 3 of this report provides an analysis of the potential revenue opportunities resulting from the reconfiguration of recreational ice facilities as well as the dry use options, and drills down on potential revenue sources. This includes increases in demand due to improvement in the quality of the facilities, potential for tournament hosting, additional revenues which could be potentially derived from better use of the PTCC and SOEC complex together with the twin pad facility, and other important considerations.

As part of this work, the consulting team undertook further stakeholder consultation with significant sports organizations and user groups in Penticton. Subsequent to the individual meetings, numerous revenue-generating opportunities were identified: Increased participation and rentals:

- Increased events;
- New events;
- Operations;
- Food and Beverage;
- Creative spaces;
- Synergy through connectivity of facilities;
- Tenant leases;
- Sponsorship opportunities; and
- Grants and donations.

These opportunities are further detailed in Section 3.3.2.

Operational Efficiencies

Section 4 of this report identifies the ways and means by which operational efficiencies can be achieved through consolidating ice facilities on the SOEC Campus. The relative benefits of alternative methods of operating the facility forms part of this assessment – *City-owned and operated* vs. *third party management* vs. *rolling into the existing Spectra operations* with the range of cost savings which may arise from that.

The financial projections of operating performance are based on operations at a normalized state; that is, with the facility operating at full capacity in response to the growing level of demand for ice time and taking into consideration the revenue-generating opportunities. As with all such financial projections, these are based on a number of key assumptions (see Sections 4.1 and 4.2) which are critical to understanding the future operating risks associated with this investment.

Twin-Pad Arena

The resulting projections of operating costs and revenues for the twin-pad arena are based on a standalone operation with higher staffing costs, this results in an annual deficit of just under $200,000 and climbs based on the assumption of an annual inflation of both costs and revenues.

Should there be an integration of operations with the main SOEC and OHTC rinks, the opportunity to eliminate a duplication of effort in terms of higher cost management functions is apparent. This could save in the order of $100,000 per annum, thereby reducing this deficit significantly.

Memorial Arena

The initial 2017 analysis had assessed the likely reduction in annual operating costs from current levels (and high utility costs) based on the removal of ice. The resulting decrease represents a working assumption of possible cost reductions in the absence of a detailed assessment of the operating costs and revenues for a dry-use facility. For illustrative purposes, this report provides potential operating revenues for the dry-use facility based on a conservative assessment of potential utilization and modest charges

for rental of the entire court floor. This amounts to approximately $87,000 per annum based on prime-time use, indicative of a deficit similar to the current deficit based on operation by Spectra. The management approach chosen for this facility will dictate the extent to which cost efficiencies and revenue maximization is obtainable. Additionally, the decisions taken with respect to access, pricing and range of programs as well as how these services are delivered will impact revenues significantly.

Optional Office Space

The revenue opportunities assessment identified that there is a potential demand for office and training centre space – in the order of up to 20,000 sq. ft. This would be a lease from a group (e.g. Okanagan Hockey Group), but there is currently no agreement to this either from the OHG or the City. Accordingly, it is a decision that should be taken based on the agreement of an acceptable business case for all parties.

Memorial Arena Dry-Use Conversion

As part of the initial 2017 work, preliminary costs required to make the existing Memorial Arena a dry-use facility were identified based on an *Architectural Needs Assessment and Conceptual Design Report* for Memorial and McLaren Arenas (Carscadden, 2017); however, the design report did not determine specific future uses, capital costs (including FF&E), or the range of expected users.

This work has now been updated through a detailed consultation process, the creation of options, and concept plans that have been developed by the consulting team over the course of 2018.

The analysis provides floor plans for Memorial Arena to show how the facility could be re-purposed. Following consultation with the community, clear options for conversion of the Arena to a dry-use field house were developed. Capital cost estimates indicate a total of $7.5 million (including soft costs) based on the preferred concept plans and uses anticipated to occur within the facility.

Total Life Cycle Costs

Section 4.6 of this report includes an estimation of likely capital replacement requirements for each of the facilities on the site under assessment. This is based on information provided by the City regarding its asset management reporting of remaining life expectancy for building systems, as well as our own experience and fieldwork to review the buildings in greater detail. We have drawn on best practice and arrived at a range of options for annual expenditure on lifecycle capital replacement.

Section 7 details the total lifecycle costing, including capital and operating, for the facilities when considered together, summarized as follows:

	Component	Capital Cost	20 Year Lifecycle Cost
A	New Twin Pad Addition	$28,611,811	$7,553,518
B	Memorial Arena	$7,508,248	$8,212,362
C	McLaren Arena (Decommissioning)	$1,000,000	-$4,165,734
D	SOEC (Shown for information only)	-	$29,415,660
	Total (A+B+C)	$37,120,059	$11,600,146
	Grand Total (A+B+C):	**$48,720,205**	

Based on the above, for a 20-year lifecycle period the total cost of ownership (deficit and lifecycle) on an annual basis is calculated at $559,000; for a 40-year replacement lifecycle projection, this rises to just under $1 million per annum. While these numbers may seem high, they include lifecycle amounts. It is important to compare this figure for the new twin pad (and Memorial Arena dry-use) compared to the two existing arenas in their current operation (McLaren and Memorial):

- The deficit of the twin-pad is expected to be slightly lower than the combined current deficits of the two existing arenas and could be significantly reduced if revenues are enhanced and costs are reduced through integration with existing SOEC operations.

- The lifecycle costs of the twin-pad, at $377,000 per annum, is a sizeable improvement from that of the two existing arenas combined, at over $600,000 per annum. Additionally, the twin pad, being a new building will not draw down on these costs for a number of years.

- Despite Memorial Arena being a conversion, it remains an older building as part of the City's inventory of facilities, with an estimated lifecycle cost of approximately $380,000 per annum. This amount, plus a likely operating deficit, remains the City's responsibility along with the costs of ownership of the twin pad. Together these buildings have a combined cost of ownership (based on all of the revenues and operating cost projections if borne out) of $1.05 million annually.

Calculating the Benefit-Cost Ratio of Proposed Investment

The lens of City planning is not a snap-shot picture of 2018 as it relates to the value of the status quo versus opportunities for reinvestment in the City's ice facilities, but rather it is long-term planning, as is the City's approach to asset management in general. Short

term capital costs involved in building new are set against lower but accruing capital costs associated with sustaining the aging facilities as well as the eventual need to replace them over the next 20-25 years; and the annual operational success of a new facility relative to the old becomes cumulatively important.

The following categories of costs and benefits are relevant to this assignment and have been assessed as a comparison between a) maintaining the status quo and b) implementing the preferred option of new twin pad, decommissioning McLaren and converting Memorial to dry use:

Net Present Value (NPV at 5% discount rate)	Maintain Status Quo (McLaren and Memorial As-Is)	Implement Option 3	Benefit-Cost Ratio (BCR) >1.0 = ✓ <1.0 = ✗
PV Total Capital	Lower but involves later replacement of facilities due to age and obsolescence.	Higher in short term	Likely similar – i.e. +/- 1.0
PV Total Net Operating Income (Revenues less Costs)	Poor	Good	>1.0
PV Likely Economic Impact Benefits	Very Low and Declining	Very High	>2.0
Net Result	Costs Outweigh Benefits	Benefits Outweigh Costs	1.0 – 2.0

Funding Strategy

Recognizing that the City has hired a professional resource to advise on fundraising and philanthropic donation opportunities related to the project, this report focuses on the development of a multi-pronged capital funding plan. The funding strategy is viewed through the lens of "*impact on the tax base*" and therefore includes an accounting of funding sources and their likelihood.

The funding plan, included within Section 5 of this report, is predicated on determining the likely net capital cost after the achievement of grant funding. As grant funding is inherently uncertain, save and except for the existing Gas Tax Fund approvals, this report assesses multiple sources of funding – some traditional, some not. The analysis distinguishes between upfront funding potential and annual funding sources which can collectively contribute to covering any long-term debt obligations arising from the development proposals.

1 Introduction and Purpose

1.1 Purpose of the Business Plan

Sierra Planning and Management, together with sub-consultants DIALOG, International Coliseums Company (ICC), and Meiklejohn Architectural Design Studio (MAD), have been retained by the City of Penticton to develop a business plan that schematically analyzes the revenue and cost potential and presents a funding strategy for investment in a new twin-pad arena at the South Okanagan Event Centre (SOEC). This report builds upon work previously completed by the consulting team and the City of Penticton's Arena Task Force (ATF), which recommended that the City pursue a twin-pad addition to the SOEC and a dry-use conversion of the Memorial Arena, as well as decommissioning McLaren Arena for ice use.

As an outcome of the consulting work, as well as the review and recommended plan provided by the ATF, there are several outstanding questions which the ATF has identified as pre-requisite to implementing the proposed plan. These key items are required to enhance its usefulness and assist in planning for change, and include:

- Total lifecycle costs associated with the proposed changes to the City's recreation infrastructure (decommission, new build and renovation);
- A market and revenue opportunities analysis, which was not undertaken as part of the initial work;
- A focus on operational efficiencies that are anticipated to arise from alternative methods of both design and delivery of the facilities, and their operations;
- Further detail as to the likely capital costs associated with the Memorial Arena dry floor use opportunities, supported by stakeholder consultation; and
- Developing a strategy regarding potential funding for the balance of the project capital needs.

1.2 Funding in Place

At present, the City of Penticton has $6 million of funding in place to support the vision for the future of the community's arenas at the SOEC. This funding came by way of a grant through the federal Strategic Priorities Fund. It is important to note however that this funding is conditional on the fact that all funding sources necessary for completion of the approved project must be secured by March 31, 2019.

1.3 Outline of Report

The report is organized into 7 sections, as follows:

Section 1: Introduction and Purpose	Identifies the purpose and aims of the study, existing funding in place, and the context of the SOEC site.
Section 2: Project Definition	Describes the steps taken to determine the preferred option and the process of analysis followed.
Section 3: Revenue Analysis	Provides a schematic analysis of the expected revenues associated with the proposed facilities at the SOEC campus.
Section 4: Operating Cost Projections	Examines the expected operating costs associated with the proposed facilities at the SOEC campus.
Section 5: Funding Analysis	Identifies a potential funding strategy for the balance of the project capital needs.
Section 6: Memorial Arena Dry-Use Conversion	Details the process and resulting alternatives identified for the conversion of the Memorial Arena to be a dry-use facility.
Section 7: Total Life-Cycle Cost (Capital & Operating)	Provides the details related to the total life-cycle costs associated with the various building elements included in the preferred option.

1.4 Limitations of Analysis

The contents of this report and its analysis is based, in part, upon a range of primary and secondary sources. Sierra Planning and Management endeavours to ensure the accuracy of all secondary sources of information but cannot warranty the accuracy of secondary source material. In the event that secondary source information is inaccurate or incomplete, Sierra Planning and Management, DIALOG, International Coliseums Company (ICC), and Meiklejohn Architectural Design Studio (MAD), will not be held liable for original errors in data.

The report and the information contained within it is prepared specifically for the purposes as laid out in this report. Reliance on information and opinion contained in this report for other purposes is not recommended. The contents of this report should not be extracted in part from the entire report without the permission of Sierra Planning and Management.

1.5 Site Context

The South Okanagan Events Centre (SOEC) and Memorial Arena are part of a comprehensive campus of assets, including the Okanagan Hockey Training Centre (OHTC), Penticton Trade and Convention Centre (PTCC), Penticton Community Centre, Cleland Community Theatre, Penticton Curling Club, and the Cascades Casino.

Exhibit 1: Site Context - SOEC Campus

Source: Sierra Planning and Management

2 Project Definition

2.1 Arena Task Force Options and Analysis

As part of the Phase 1 work, a series of preliminary options were developed by the consulting team, based on a concurrent work program that included site analysis to test for fit, parking capacity, servicing and design-based functionality of additional buildings on-site. All options were informed by existing information held by the Arena Task Force (ATF) regarding future arena needs for ice users, other community recreation needs (non-ice uses), existing facility conditions and costs to renovate the buildings.

As part of this process, which took place in the spring and summer of 2017, an internal design charrette was held to consider the range of options, including concept design and site testing. This process also included input and feedback from the ATF related to initial concept sketches provided in June 2017.

Based on three preliminary options identified by the consulting team, six (6) options were then developed by the ATF, the analysis details of which are presented below:

Exhibit 2: Details of the Six Options Developed by the Arena Task Force

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
McLaren	Decommission	Upgrade	Decommission	Decommission	Decommission	Upgrade
Memorial	Upgrade (to regulation size ice)	Modernize	Dry Floor	Modernize	Decommission	Dry Floor
New Arena	New Single Surface	No New Build	New Twin Pad	New Single Surface	New Twin Pad	New Single Surface
Life	20+ Memorial 50+ New	40+	10+ Memorial 50+ New	40+ Memorial 50+ New	40+	40+ McLaren 10+ Memorial
Capital Cost	$30.2 M	$22.6 M	$33.9 M	$36.7 M	$31.2 M	$27.7 M
Annual Operating Costs	$1.05 M	$902,088	$1.14 M	$1.05 M	$938,653	$1.25 M
Comments	Less value for money from Memorial re-investment; Does not provide additional dry floor use.	Less value for money from re-investment; Does not provide a 4th regulation surface.	Same as option 5 but provides dry use facility.	Does not provide additional dry floor use; Does not achieve operating savings, revenue potential and functional benefits of twin pad.	Replaces aging facilities; Does not provide additional dry floor use.	Provides dry floor use; Does not achieve operating savings of twin pad; Does not provide a 4th regulation surface.

It should be noted that, based on the details above, Option 6 (to undertake basic repairs to McLaren Arena and to convert Memorial Arena to dry floor use) was rejected as an option due to the fact that (a) it does not provide a long-term solution to the City's need for high quality, regulation size ice surfaces and buildings which are sustainable over the long-term; and (b) the option provides little or no value for money given the short-term nature of the improvements.

The five (5) remaining options were then evaluated by the ATF based on the following criteria:

- Ability to meet user group needs;
- Provides good value to taxpayers;
- Offers funding potential; and
- Achieves community support.

Further to the above, the options were also presented as part of a community consultation process (which informed the 'Achieves Community Support' criterion during evaluation of the options by the ATF). The City received 561 completed forms, with a majority (53.1%) of respondents between the ages of 40 and 64 years of age. The most important elements to factor into a decision about the future of arenas in Penticton for respondents included providing facilities for a wide range of user groups and ensuring that they remain affordable for user groups. Preferences for modernizing the existing facilities or building new facilities (twin-pad was preferred over a single-pad) were close in number of responses. Support to take on debt to develop these facilities that could be serviced with casino revenues was shown by 62% of respondents.

It is important to recognize that the project had the necessary support of the community to enable it to advance to this stage; however, this business case analysis provides additional information required to garner further input from the community in order to confirm a preferred direction going forward.

2.2 Recommended Development Program

Based on the evaluation criteria identified above, Option 3 scored the highest and therefore became the preferred option to move forward. This option involves keeping the two existing arenas operational (but performing minimal repairs) until the new twin pad is built and operational, at which point McLaren Arena would be decommissioned and Memorial Arena would be converted to a dry surface for use by lacrosse, pickleball and others.

The west side of the SOEC is the preferred location for the new twin pad arena as it is located away from the busy casino, makes use of currently underutilized parking, is well positioned for site servicing, and creates synergies with the existing SOEC through the adjacency of buildings and drop-off area. Refer to the exhibit below for details.

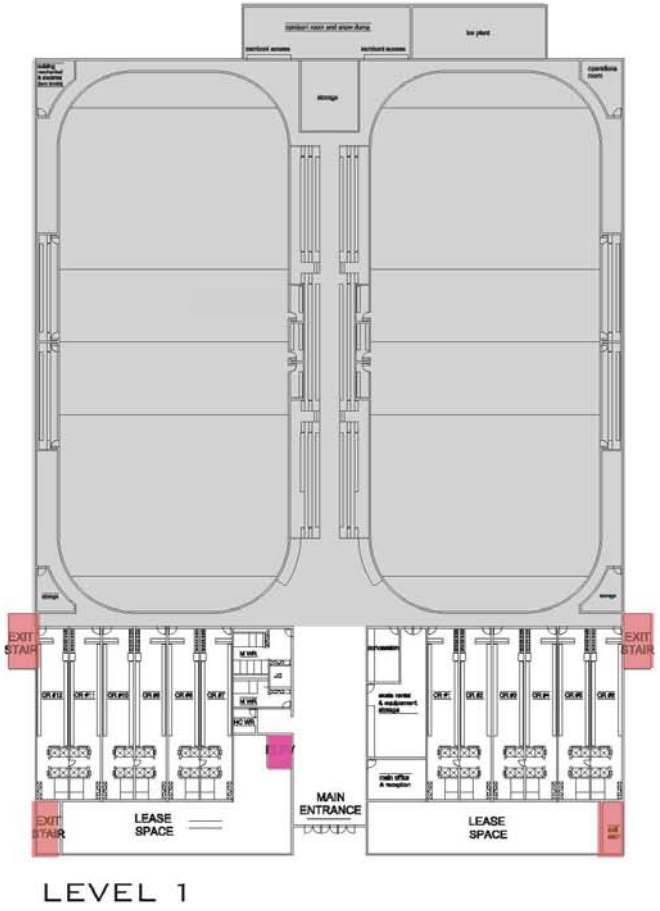
Exhibit 3: Preferred Option Concept Plan

The recommended development program for the twin-pad includes the following elements:

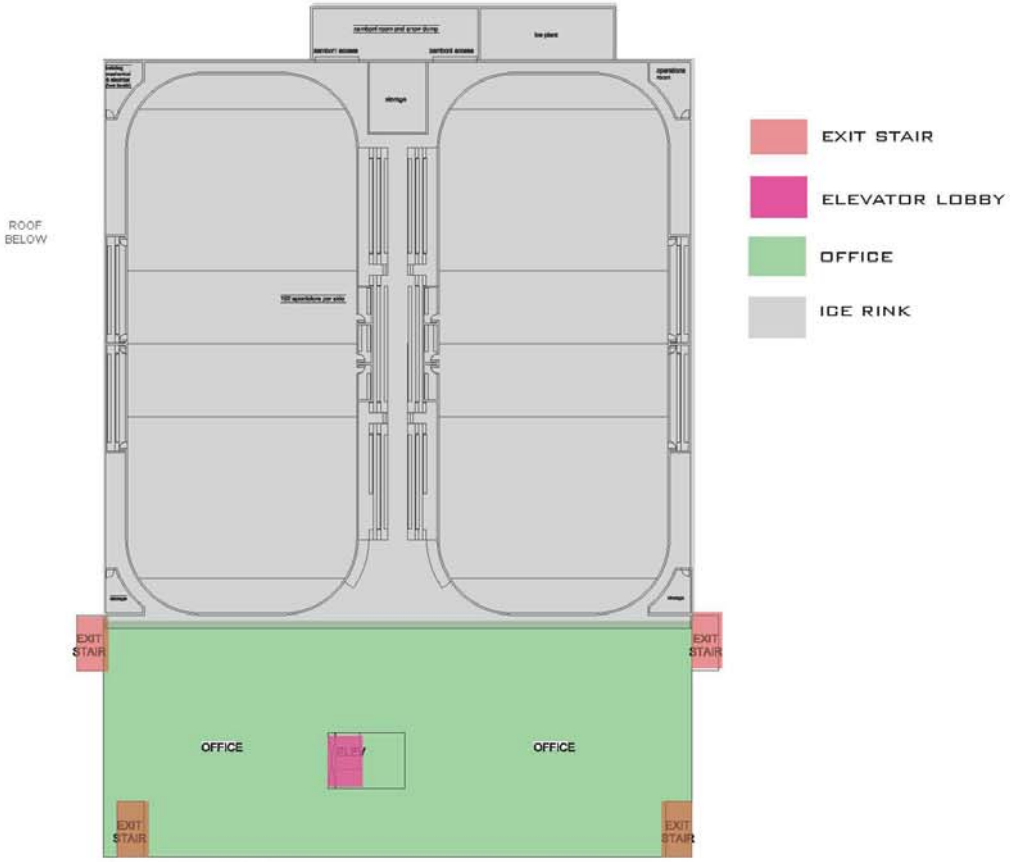
- Spectator capacity of 360 (combined);
- 12 full dressing rooms;
- Concession, skate shop, lobby, office/reception, storage, washrooms;
- Building services - mechanical, electrical and refrigeration rooms;
- Building height of 40' to accommodate possible offices for interested groups (i.e. BC Hockey League, Penticton Tourism, Glengarry Figure Skating Club, etc.) – refer to Section 3.3.2 for additional details;
- Option to build single surface (which would result in a loss of cost savings); and
- Option to build an atrium linkage between the facilities (providing additional programmable space).

Details of the building are provided on the Conceptual Floor Plan below. The resulting cost estimates presented to Council excluded the option of the second-floor offices. However, these are shown below.

Exhibit 4: Twin-Pad Conceptual Floor Plans (with 2nd Floor Office Space)



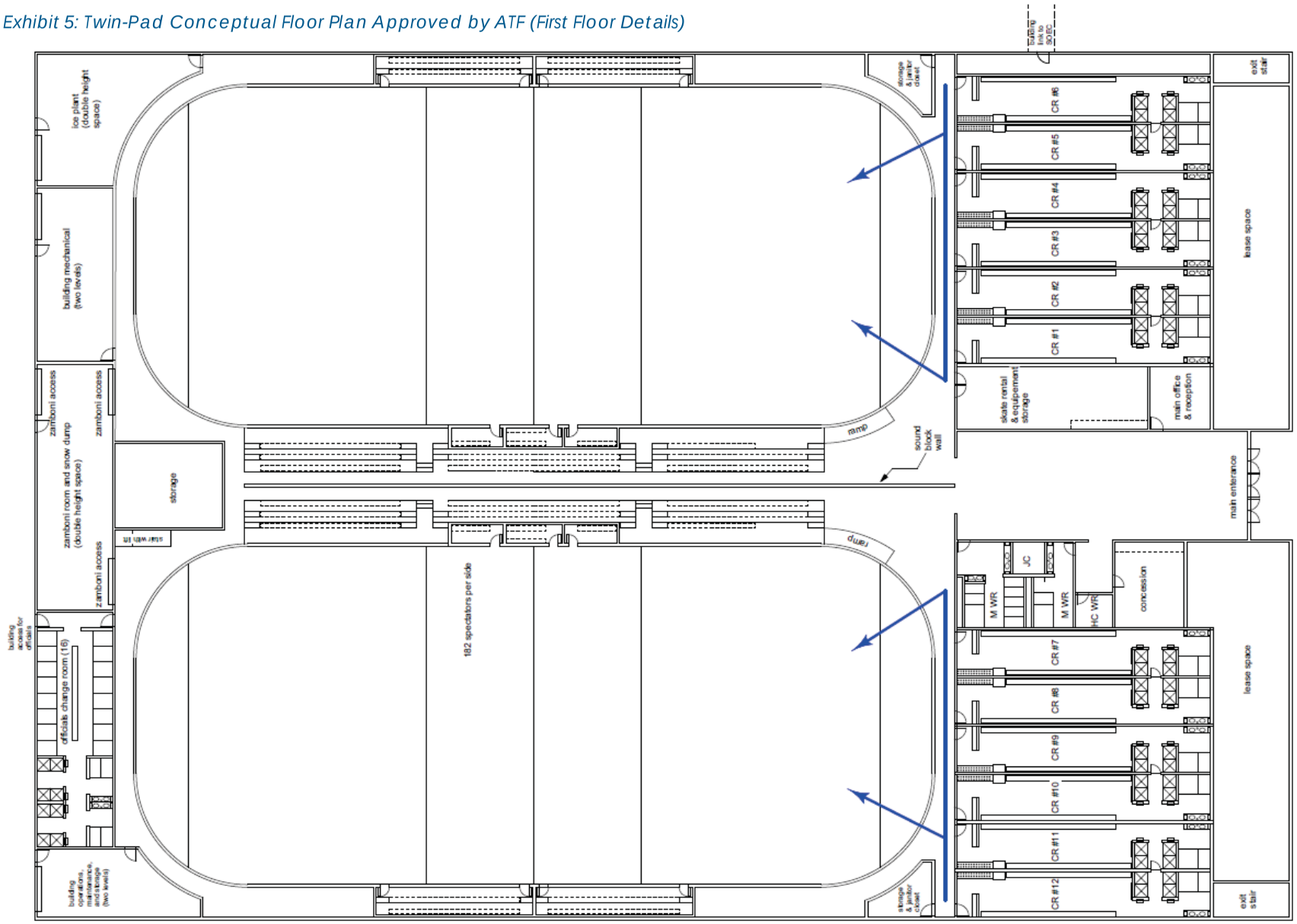
LEVEL 1



LEVEL 2

BUILDING SUMMARY:
OFFICE SPACE: 18,000 SQ.FT

Exhibit 5: Twin-Pad Conceptual Floor Plan Approved by ATF (First Floor Details)



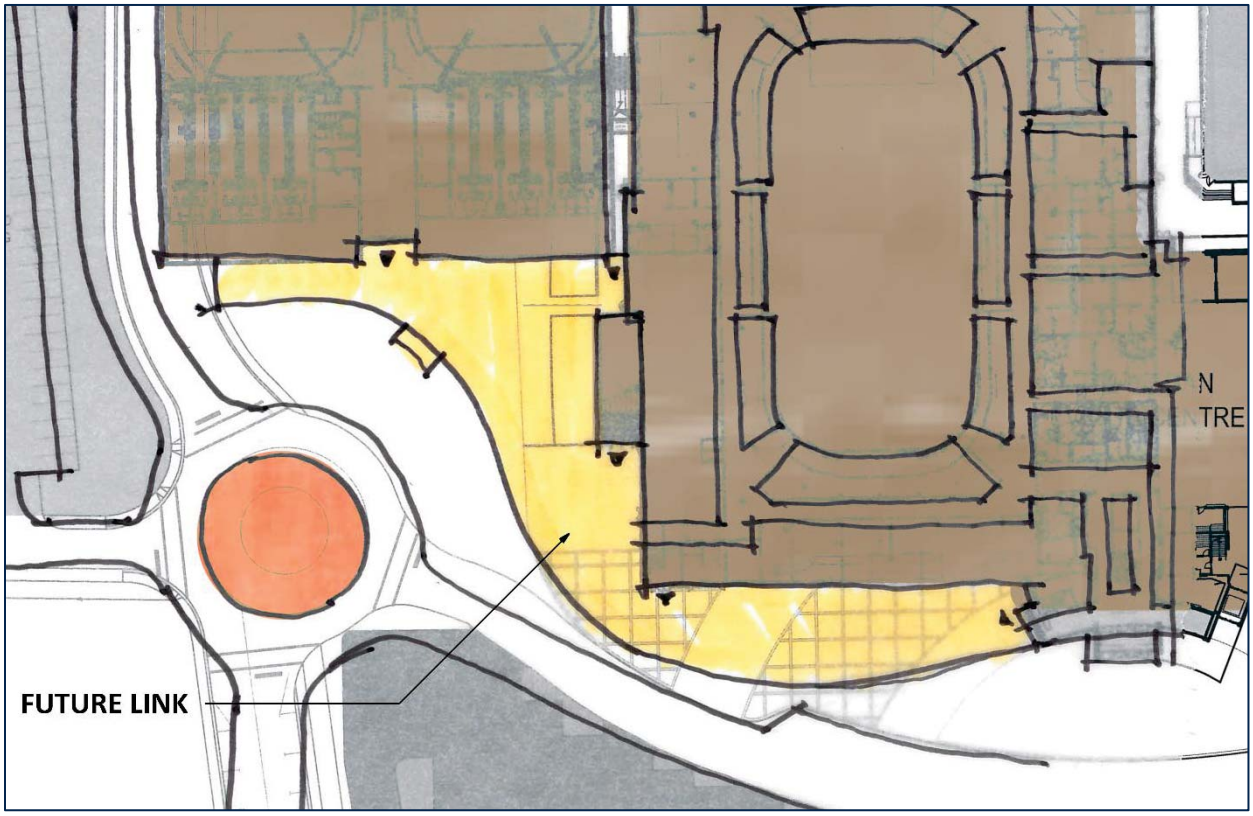
Option to Include A New Atrium Link

In order to fully integrate and connect the new twin pad facility with the existing SOEC, there is an opportunity to link the entrance of the SOEC with the entry of the new twin pad facility by way of a new, shared atrium. The sketch provided below shows an atrium space of approximately 23,500 sq. ft., with a large space between the two arenas that could be used for programming, exhibits, small gatherings, etc.

The design is envisioned to be a wide-open space, and comprise the following:

- 2 storeys in height;
- Concrete floors;
- Structural streel column grid (at about 30' c/c supporting OWSJs about 5' deep, painted all white); and
- Glazed curtain wall for the curved, south facing wall.

Exhibit 6: Optional Atrium Link Details



2.3 Projected Capital & Operating Impacts

Capital costs for the Twin Pad alone (excluding Memorial) were developed at an order of magnitude level (Class D estimate, +/- 25%). These are inclusive of all costs identified by the consulting team (based on costs provided by Greyback Construction). For clarity, the July 2017 total costs by option included (in addition to the new twin pad) the estimated costs for renovations to existing facilities provided by the Carscadden report (*Architectural Needs Assessment and Conceptual Design Report for Memorial and McLaren Arenas, 2017*). Since then, of course, we have conducted a detailed conversion study for Memorial Arena and now report new costs for renovations as part of the later sections of this report.

Greyback confirmed their numbers for 2017 would stand for 2018 (as per Exhibit 7 below) as they had developed a conservative cost estimate initially, which totals $33,542,173.99. The cost estimate assumes a second quarter 2019 start to construction with an official opening that would be scheduled for the summer of 2020.

It should be noted that for the purposes of costing, the 2nd floor (office space), as identified in the recommended option, was removed and has been provided as a line item separate from the grand total. The atrium link and the bridge have also been provided as separate line items. These additional items total $13,608,000 (2018 dollars).

Exhibit 7: Order of Magnitude Capital Cost Estimates: SOEC Expansion - Twin-Pad Addition (2018 dollars)

2018 Order of Magnitude Capital Costs: SOEC Expansion - Twin Pad Addition					
Item	**Gross Floor Area (Sq. Ft.)**	**Unit Measure Hard Cost Per Sq.Ft. or Per Unit**	**Hard Cost ($)**	**Soft Cost 20%**	**Total Cost**
Building					
Building Shell ***(see Note 1)***	Included in Total Cost of Building				
Back of House	7,268	$218.00	$1,584,424.00	$316,884.80	$1,901,308.80
Main Rink Area	44,830	$200.00	$8,966,000.00	$1,793,200.00	$10,759,200.00
Front of House (change rms, entrance, washrooms, concession, building operations and lease space)	18,233	$250.00	$4,558,250.00	$911,650.00	$5,469,900.00
Ground Prep Under Footprint			$2,542,192.00	$508,438.40	$3,050,630.40
Sub-Total	70,331	$250.97	$17,650,866.00	$3,530,173.20	$21,181,039.20
Furniture, Fixtures and Equipment (FF&E) Allowance			$4,406,370.00	included	$4,406,370.00
Total Building			**$22,057,236.00**	**$3,530,173.20**	**$25,587,409.20**
External - Built					
Forecourt and civic space as needed	10,000	$40.00	$400,000.00	$80,000.00	$480,000.00
Parking incl. replacement on adjacent site	250	$3,500.00	$875,000.00	$175,000.00	$1,050,000.00
Sub-Total			**$1,275,000.00**	**$255,000.00**	**$1,530,000.00**
Site Preparation (Civil Works and Servicing)					
	Area (sq. m.)	Unit Rate ($)			
Site Works					
Removals and Landscaping	11,148	$9.00	$100,335.38	$20,067.08	$120,402.46
Earthworks			$50,000.00	$10,000.00	$60,000.00
Roadways and Asphalt	5,000	$40.00	$200,000.00	$40,000.00	$240,000.00
Curbs (metres)	500	$75.00	$37,500.00	$7,500.00	$45,000.00
Walkways	500	$75.00	$37,500.00	$7,500.00	$45,000.00
Line Painting and Signage			$20,000.00	$4,000.00	$24,000.00
Sub-Total Site Works			$445,335.38	$89,067.08	$534,402.46
Water, Sanitary, Stormwater Servicing incl. Relocates	Allocation		$250,000.00	$50,000.00	$300,000.00
Sub-Total Civil Works and Servicing			**$695,335.38**	**$139,067.08**	**$834,402.46**
Grand Total			**$24,027,571.38**	**$3,924,240.28**	**$27,951,811.66**
Contingency for Class D Order of Magnitude Estimate		20%			$5,590,362.33
Grand Total with Class D Contingency					**$33,542,173.99**
Potential Building Addition: Office Space	*18,000*	*$225.00*	*$4,050,000.00*	*$810,000.00*	*$4,860,000.00*
Potential Building Addition: Bridge to SOEC	*Allocation*		*$550,000.00*	*$110,000.00*	*$660,000.00*
Potential Building Addition: Atrium to SOEC	*23,500*	*$200.00*	*$4,700,000.00*	*$940,000.00*	*$5,670,000.00*
Total Potential Future Phases:					*$11,340,000.00*
Contingency for Class D Order of Magnitude Estimate		*20%*			*$2,268,000.00*
Total Potential Future Phases with Class D Contingency					***$13,608,000.00***

Notes:

1. The above estimates represent Class D capital cost estimates and do not equate to an elemental costing. Building Shell, HVAC and other building systems costs are assumed within overall component costs.

If the project schedule is adjusted to provide for a 2020 start date with a 2021 or later opening, then a 3% - 5% escalation should be anticipated annually. The cost estimate escalated to 2019 dollars, as provided below, totals $34,388,743.53, with the additional items totalling $13,837,680.

Exhibit 8: Order of Magnitude Capital Cost Estimates: SOEC Expansion - Twin-Pad Addition (2019 dollars)

2019 Order of Magnitude Capital Costs: SOEC Expansion - Twin Pad Addition					
Item	**Gross Floor Area (Sq. Ft.)**	**Unit Measure Hard Cost Per Sq.Ft. or Per Unit**	**Hard Cost ($)**	**Soft Cost 20%**	**Total Cost**
Building					
Building Shell ***(see Note 1)***	Included in Total Cost of Building				
Back of House	7,268	$226.00	$1,642,568.00	$328,513.60	$1,971,081.60
Main Rink Area	44,830	$207.00	$9,279,810.00	$1,855,962.00	$11,135,772.00
Front of House (change rms, entrance, washrooms, concession, building operations and lease space)	18,233	$259.00	$4,722,347.00	$944,469.40	$5,666,816.40
Ground Prep Under Footprint			$2,542,192.00	$508,438.40	$3,050,630.40
Sub-Total	70,331	$250.97	$18,186,917.00	$3,637,383.40	$21,824,300.40
Furniture, Fixtures and Equipment (FF&E) Allowance			$4,406,370.00	included	$4,406,370.00
Total Building			**$22,593,287.00**	**$3,637,383.40**	**$26,230,670.40**
External - Built					
Forecourt and civic space as needed	10,000	$41.00	$410,000.00	$82,000.00	$492,000.00
Parking incl. replacement on adjacent site	250	$3,622.00	$905,500.00	$181,100.00	$1,086,600.00
Sub-Total			**$1,315,500.00**	**$263,100.00**	**$1,578,600.00**
Site Preparation (Civil Works and Servicing)					
	Area (sq. m.)	Unit Rate ($)			
Site Works					
Removals and Landscaping	11,148	$9.30	$103,679.89	$20,735.98	$124,415.87
Earthworks			$50,000.00	$10,000.00	$60,000.00
Roadways and Asphalt	5,000	$41.00	$205,000.00	$41,000.00	$246,000.00
Curbs (metres)	500	$78.00	$39,000.00	$7,800.00	$46,800.00
Walkways	500	$78.00	$39,000.00	$7,800.00	$46,800.00
Line Painting and Signage			$20,000.00	$4,000.00	$24,000.00
Sub-Total Site Works			$456,679.89	$91,335.98	$548,015.87
Water, Sanitary, Stormwater Servicing incl. Relocates	Allocation		$250,000.00	$50,000.00	$300,000.00
Sub-Total Civil Works and Servicing			**$706,679.89**	**$141,335.98**	**$848,015.87**
Grand Total			**$24,615,466.89**	**$4,041,819.38**	**$28,657,286.27**
Contingency for Class D Order of Magnitude Estimate		20%			$5,731,457.25
Grand Total with Class D Contingency					**$34,388,743.53**
Potential Building Addition: Office Space	*18,000*	*$232.00*	*$4,176,000.00*	*$835,200.00*	*$5,011,200.00*
Potential Building Addition: Bridge to SOEC	*Allocation*		*$569,000.00*	*$113,800.00*	*$682,800.00*
Potential Building Addition: Atrium to SOEC	*23,500*	*$207.00*	*$4,864,500.00*	*$972,900.00*	*$5,837,400.00*
Total Potential Future Phases:					*$11,531,400.00*
Contingency for Class D Order of Magnitude Estimate		*20%*			*$2,306,280.00*
Total Potential Future Phases with Class D Contingency					***$13,837,680.00***

Notes:

1. The above estimates represent Class D capital cost estimates and do not equate to an elemental costing. Building Shell, HVAC and other building systems costs are assumed within overall component costs.

Operating Impacts

The consulting team undertook an assessment of the relative differences between the options based on the combined total operating costs of each option – on both an annual basis and present value (PV) basis. Present value takes into account the fact that some options provide a better long-term solution than others.

It is important to note that the 2017 analysis was not intended to provide a refined estimate of the operating costs and revenues arising from the various scenarios – the current report (Section 5) provides a more detailed assessment of expected operating costs under the approved option to build a twin pad addition, repurpose Memorial Arena and decommission McLaren Arena.

The main assumptions as of the 2017 analysis included the following:

1. The method of delivery of the facilities and their operation – whether City operated, an addition to Spectra's mandate, or a standalone third-party management contract – is unknown.
2. The results for the alternative options of a new single and a new twin pad assumed that they would need to be staffed and serviced as if they were standalone facilities. This was necessary in the absence of data at the time. However, information is now available to test a standalone operation against the benefits of an extension of Spectra operations to include the new twin pad.
3. Operating costs in both a new single pad and new twin pad are greater than those for Memorial and McLaren, but these modern facilities, specifically the twin pad complex, has a larger footprint. On a per sq. ft. basis, however, these new facilities are more cost effective.
4. A reconsideration of the revenue potential in the context of new buildings was not included in 2017. The analysis assumed at a minimum the revenue potential of both McLaren and Memorial is maintained (or transferred) depending on the option. Only through an assessment of ice demand, tolerance to higher rates, tournament revenue increases and potential higher summer dry-floor use, are new revenue projections useful. Section 4 of this report includes revenue assessment.

In terms of operational costs, the results demonstrate that Options 3 and 5 were most valuable – either a new twin-pad and dry-use for Memorial or decommissioning of both McLaren and Memorial and building a twin. There are lower cost options in terms of annual and cumulative (discounted) costs, but the differences are not significant. If the costs are considered on a per sq. ft. basis (which is a proxy for both quality and functionality), Options 3 and 5 are the lowest cost options.

Exhibit 9: Comparison of Options Based on NPV of Changes in Operating Costs

			A		B		C		New Twin Pad		New Single Pad	
			McLaren	$/sq.ft.	Memorial	$/sq.ft.	OHS	$/sq.ft.	$/sq.ft.		$/sq.ft.	
	Current Baseline Operating Costs								n.a.		n.a.	
	Per Annum		$331,625	*$13.85*	$330,810	*$22.97*	$239,653	*$8.56*	$699,000	*$7.94*	$482,224	*$10.17*
	25 Year Present Value		$7,622,972	*$318.29*	$7,604,245	*$528.07*	$4,946,561	*$176.66*	$9,127,450	*$103.72*	$6,296,811	*$132.79*
	Total Current (A+B+C)											
	Per Annum	**$902,088**										
	25 Year PV	**$20,173,778**										
	Options											
Option 1	Decommission McLaren, upgrade Memorial, new single pad		X		Upgrade		As Is		X		Add	
Option 2	Upgrade McLaren, modernize Memorial		Invest		Modernize		As Is		X		X	
Option 3	Decommission McLaren, convert Memorial to dry floor, new twin pad		X		Dry Use		As Is		Add		X	
Option 4	Decommission McLaren, modernize Memorial, new single pad		X		Modernize		As Is		X		Add	
Option 5	Decommission McLaren and Memorial, new twin pad		X		X		As Is		Add		X	
	Operating Costs											
Option 1	$ Per Annum		$0		$330,810		$239,653		$0		$482,224	
	$ NPV		$0		$7,604,245		$4,946,561		$0		$6,296,811	
Option 2	$ Per Annum		$331,625		$330,810		$239,653		$0		$0	
	$ NPV		$7,622,972		$7,604,245		$4,946,561		$0		$0	
Option 3	$ Per Annum		$0		$200,147		$239,653		$699,000		$0	
	$ NPV		$0		$4,600,737		$4,946,561		$9,127,450		$0	
Option 4	$ Per Annum		$0		$330,810		$239,653		$0		$482,224	
	$ NPV		$0		$7,604,245		$4,946,561		$0		$6,296,811	
Option 5	$ Per Annum		$0		$0		$239,653		$699,000		$0	
	$ NPV		$0		$0		$4,946,561		$9,127,450		$0	

	Operating Cost Impacts	**Total $ per annum**	**$/sq.ft.**	**Total NPV**	**NPV $/sq.ft.**	
Option 1	Decommission McLaren, upgrade Memorial, new single pad	$1,052,687	*$11.72*	$18,847,616	*$209.84*	Fails to provide a fourth regulation size ice pad - less value for money from reinvestment in Memorial
Option 2	Upgrade McLaren, modernize Memorial	$902,088	*$13.60*	$20,173,778	*$304.05*	Fails to provide a fourth regulation size ice pad - less value for money from reinvestment in ice facilities
Option 3	Decommission McLaren, convert Memorial to dry floor, new twin pad	$1,138,800	*$8.73*	$18,674,748	*$143.21*	Same as Option 5 but provides (at a discounted and partially sunk cost) dry-use recreational facilities
Option 4	Decommission McLaren, modernize Memorial, new single pad	$1,052,687	*$11.72*	$18,847,616	*$209.84*	Fails to achieve operating savings, revenue potential and functional advantages of a twin-pad solution
Option 5	Decommission McLaren and Memorial, new twin pad	$938,653	*$8.09*	$14,074,011	*$121.33*	Replaces aging ice facilities but does not provide additional dry-use recreation

2.4 Focus of this Report: Five Work Streams

In order to address the questions identified by the ATF, the following details the work streams undertaken within this next phase of analysis.

1. Total Life Cycle Costs

This report includes a more detailed assessment of lifecycle costing associated with the entire ice facilities at the SOEC, and the proposed new twin pad addition.

As part of lifecycle costing analysis, an estimation of likely capital replacement requirements for all facilities on the site is included in this report, based on information provided by the City regarding its asset management reporting of remaining life expectancy for building systems, as well as experience of the consulting team and fieldwork to review the buildings in greater detail. We would also draw on best practice and will arrive at a range of options for annual expenditure on lifecycle capital replacement.

2. Revenue Opportunities

This includes an analysis of potential revenue opportunities resulting from the reconfiguration of recreational ice facilities as well as the dry use options.

The consulting team have undertaken a full revenue categorization and identify potential revenue sources. This includes increases in demand due to improvement in the quality of the facilities, potential for tournament hosting, additional revenues which could be potentially derived from better use of the PTCC and SOEC complex together with the twin pad facility, and other considerations. Market opportunities arising not only in the Penticton area, but also in the greater area of the South Okanagan, have been considered.

The report drills down regarding potential tenants which could include organizations such as: Hockey BC, BCHL, Okanagan Hockey Group, Minor Lacrosse, Penticton Minor Hockey, Glengarry Figure Skating Club, etc. and other possible sport group offices.

As part of this work, the consulting team undertook further stakeholder consultation with significant user groups in Penticton.

3. Operational Efficiencies

This analysis includes an identification of the ways and means by which operational efficiencies can be achieved through consolidating ice facilities on the SOEC Campus. The relative benefits of alternative methods of operating the facility forms part of this assessment – *City-owned and operated* vs. *third party management* vs. *rolling into the existing Spectra operations* with the range of cost savings which may arise from that.

4. Memorial Arena Dry Use Floor

As of the report of 2017, the Carscadden Report identified costs essentially to make the existing building dry-use, but it did not determine specific uses, their capital costs, including FF&E, or the range of expected users.

This work has been updated by the detailed consultation, options development and concept plans that have been developed by our consulting team during the course of 2018.

Our analysis provided floor plans for Memorial Arena to show how the facility could be re-purposed. Following consultation with the community, we developed clear options for the Arena as a dry-use field house. We have also provided cost estimates (capital) and address operating impacts in terms of the expected goals of operation in a facility of this nature.

5. Funding Strategy

Recognizing that the City has explored opportunities for fundraising and philanthropic donation opportunities related to the project, our focus has per our work plan rested on the development of a multi-pronged capital funding plan. The funding strategy is viewed through the lens of "*impact on the tax base"* and therefore includes an accounting of funding sources and their likelihood.

That plan is predicated on determining net capital cost likely after the achievement of grant funding. As grant funding is inherently uncertain save and except for the existing Gas Tax Fund approvals, we have assessed multiple sources of funding – some traditional, some not. Our analysis distinguishes between upfront funding potential and annual funding sources which can collectively contribute to covering any long-term debt obligations arising from the development proposals.

3 Revenue Analysis

3.1 Method of Inquiry

Our method of inquiry with regards to the revenue analysis for a new twin pad arena complex on the SOEC Campus was centered primarily upon specific meetings/interviews with potential user groups, current and future tenants, and current stakeholders.

Meetings and/or interviews were conducted on site with current user groups; the City of Penticton Recreation Department, the Penticton Minor Hockey Association, the Glengarry Figure Skating Club, the Women's Hockey League and Men's Adult Hockey including, the Special Needs Program, Old Timers Hockey, Adult Recreational League, Fun League, Memorial Arena Noon Hour Skate and the Alumni Group.

In addition, interviews were conducted with potential stakeholder groups, the Travel Penticton Executive Director and the City of Penticton Sport and Event Manager.

In person meetings were also scheduled with current long-term facility partners, the Penticton Vees, the Okanagan Hockey Group and Spectra, managers of the SOEC, Memorial Arena and the Convention Centre.

The objective of these meetings/interviews was to understand the current usage requirements of each of the user groups and their anticipated usage if a new twin pad complex was developed. In addition, user groups were asked to respond to the possibility of an increase in rental rates with a new facility.

Current stakeholders were asked how a new facility would impact their operations and what new events/opportunities could be created if a new twin pad complex was developed.

The SOEC's current facility partners were asked if their businesses would benefit from the new facility and if so, would they be prepared to utilize more time in the facility and what rate increase would be reasonable.

3.2 Summary of Outcomes

The following provides a summary of the information gathered via meetings with potential users of a new twin-pad facility[1] and other key stakeholders, as identified above. The existing usage, future needs and considerations have been summarized for the user groups who currently use the facilities within the SOEC campus. In addition, comments from internal stakeholders (i.e. City, Spectra) are provided in summary form.

[1] *Developing a new twin-pad facility would allow the Penticton Minor Lacrosse Association and Junior Lacrosse Team to utilize the converted Memorial Arena (dry floor) as their primary facility.*

Exhibit 10: Summary of User Group Interviews

Group	Existing Usage and Sufficiency	Future Ice Needs	Considerations for Twin Pad Facility
Glengarry Figure Skating Club	Use McLaren in winter and OHTC in spring; spring ice is strained at OHTC.	Additional PT ice in spring (would utilize an additional 2 hours per day).	Equipment storage, office space, shared use meeting room, dry-land training area, running track.
Adult Hockey (Men)	Variety of groups; use Memorial, McLaren, OHTC, and SOEC.	Some leagues would utilize additional spring ice.	Alumni room.
Okanagan Hockey Group (OHG)	Largest commercial user of ice in City (Memorial, OHTC, SOEC, and McLaren – as required).	Would utilize large blocks of ice time in spring. Proponents of developing a Spring League (would utilize additional time blocks).	National / International (IIHF) tournament hosting requirements. Potential lease of office space; use of shared multi-purpose / flexible rooms. 3 dedicated dressing rooms and a coaches' room (to replace those lost at Memorial).
Penticton Minor Hockey Association	Enrollment increasing, more demand for ice as teams as old as Midget age group (15-17 years) share practice time.	Could use additional ice time in August.	Dedicated office space (1,000 sq. ft.), use of board room, storage space (1,000 sq. ft.). Advertising rights.
Penticton Women's Hockey League	League is young but growing.	Potential for spring tournament.	12-month ice.
Penticton Vees	Primary tenant of SOEC; when conflicts occur, some practices are held at OHTC.	Same as existing.	Potential to improve scheduling and evaluation during tryout camps.

Exhibit 11: Summary of Internal Stakeholder Interviews

Group	Mandate	Future Potential with New / Repurposed Facilities
SOEC / Spectra	Private firm responsible for managing / operating the Memorial Arena, OHTC, SOEC and PTCC.	See a growing demand for spring hockey. 12-month operational twin pad would enable Spectra to manage demand and grow programs accordingly. Potential to promote various levels of hockey tournaments in spring at new facility.
City of Penticton Recreation Department	Responsible for the programming and operation of McLaren Arena.	Consideration for the fact that at present all public skating sessions, learn to skate lessons and skate rentals are only available at McLaren Arena. Most of the available ice time is utilized by Glengarry Figure Skating Club, Penticton Minor Hockey Association, and OHG. Have seen a demand for spring ice when 2 of the 4 ice pads are taken out the inventory. Potential opportunity to expand operations could be significant if there was a facility to offer ice in April, May and June. Minor lacrosse and roller derby utilize dry-floor time at McLaren Arena. Opportunity to look at developing a "prime" vs. "non-prime" rate structure as well as booking policies (i.e. potential for a centralized booking system).
City of Penticton Sports Tourism Division	To explore a variety of sports tourism-related events for the City (in conjunction with Tourism Penticton).	Repurposed Memorial Arena will enable the potential growth of new multi-sport leagues and club sport events (i.e. volleyball, indoor soccer, basketball, CrossFit Throwdown, etc.). Availability for a variety of sporting and non-sporting events to occur in the re-purposed Memorial Arena, as well as additional high-ceiling trade-expo space for trade shows and conventions. Year-round ice will enable the City to attract more events in off-season, spreading events out more evenly over the course of the year.
Travel Penticton	To promote visitors to experience the City of Penticton.	Will improve ability to compete for hosting ice (and possibly non-ice) related events. Efficient event planning with 4 pads in one location. Long-term tenants provide sustainability and consistent economic benefits to the community.

3.3 Revenue Generation Opportunities

3.3.1 Current Arena Utilization

An Ice Analysis Study was commissioned by the City in 2016, completed by GDH Solutions. The study was undertaken to determine the number of arenas the City needed in the future to maintain the existing level of service. This study differs from the analysis below in that it uses current estimated usage in the context of analyzing one stream of revenue generation potential for a new twin-pad facility.

Based on data provided by Spectra and the City of Penticton, the annual utilization rates for Memorial Arena, the OHTC Arena and McLaren Arena have been estimated. This is based on booking reports for a typical "peak" month (i.e. February, November) and extrapolated over the current 9-month operational period between July 1st to March 31st.

The hours booked takes into consideration the fact that both the Memorial and OHTC Arenas are 100% booked on a daily basis during July and August (7am to 11pm) for OHG Summer Camps.

The available hours identified below are based on the assumption of ice being available for 16 hours per day an average of 21 weekdays and 9 weekend days per month.

For the purposes of this analysis, prime-time ice is considered to include:

- 4:00 pm to 11:00 pm Monday to Friday (weekdays); and
- 7:00 am to 11:00 pm on Saturday and Sunday (all day on weekends).

The estimated annual utilization rates for 2017 and 2018 for the three arenas are detailed below.

Memorial Arena

Estimated Annual Utilization (%) for Memorial Arena						
	2017			2018		
	Hrs Booked	Hrs Available	% Utilization	Hrs Booked	Hrs Available	% Utilization
Prime Time	1,933	2,571	75%	1,933	2,571	75%
Non-Prime Time	1,201	1,701	71%	1,071	1,701	63%
Total Time	**3,134**	**4,272**	**73%**	**3,004**	**4,272**	**70%**

Source: Sierra Planning and Management based on data provided by Spectra

OHTC Arena

Estimated Annual Utilization (%) for OHTC Arena						
	2017			2018		
	Hrs Booked	Hrs Available	% Utilization	Hrs Booked	Hrs Available	% Utilization
Prime Time	1,810	2,571	70%	1805	2571	70%
Non-Prime Time	1,041	1,701	61%	994	1701	58%
Total Time	**2,852**	**4,272**	**67%**	**2799**	**4272**	**66%**

Source: Sierra Planning and Management based on data provided by Spectra

McLaren Arena

Estimated Annual Utilization (%) for McLaren Arena						
	2017			2018		
	Hrs Booked	Hrs Available	% Utilization	Hrs Booked	Hrs Available	% Utilization
Prime Time	2,141	2,571	83%	2,516	2,571	98%
Non-Prime Time	464	1,701	27%	403	1,701	24%
Total Time	**2,604**	**4,272**	**61%**	**2,918**	**4,272**	**68%**

Source: Sierra Planning and Management based on data provided by the City of Penticton

The ice usage for the South Okanagan Event Centre (SOEC) is not included in the above analysis due to the fact that it operates as an event centre and will remain as such after the development of a new twin-pad facility.

3.3.2 Potential Opportunities

Subsequent to the individual meetings, numerous revenue-generating opportunities were identified:

- Increased participation and rentals;
- Increased events;
- New events;
- Operations;
- Food and Beverage;
- Creative spaces;
- Synergy through connectivity of facilities;
- Tenant leases;
- Sponsorship opportunities; and
- Grants and donations.

Observation suggests that there is a strong demand for additional ice time within the community. We also noted that the user groups, stakeholders and partners are all open to discussing an increase in user fees in return for a new facility with new opportunities for growth of programs and businesses.

The development and subsequent operation of a new twin pad ice facility brings with it challenges and opportunities. The new facility allows for a variety of user group activities to be initiated at a time of the year when only minimal ice usage had been available. The additional capital cost of construction along with the operational costs associated with a new facility create budgetary concerns for the city. To justify the development of a new facility a variety of possible revenue streams were identified.

The consulting team shall not be liable for the comments made by parties responding to our discussions on revenues and there should be no interpretation that statements provided by the groups are statements of commitment. They are provided in the context of an investigative study and the reader should not assign any obligation or intent to the parties making comments as part of our research.

1. Increased participation/rentals

a. Glengarry Figure Skating Club has indicated the need for additional ice above what is currently available to them at OHTC.

b. Glengarry Figure Skating Club would consider additional ice time in August plus additional time to offer Adult Learn to Skate sessions.

c. Interested private groups would consider adding an extra six- or eight-week timeslot/session if summer ice were available.

d. The City of Penticton Recreation Department has identified a need for spring ice to meet the demand for 3 versus 3 and 4 versus 4 rentals as well as “Stick and Puck” sessions.

e. PMHA and OMAHA have also expressed a need for ice to accommodate 3 versus 3, 4 versus 4 and Spring League hockey.

2. Increased events

a. OHG has indicated a desire to create a Spring Hockey League if additional ice was available.

b. Negotiations with the CSSHL should be initiated with regards to a long-term agreement once the new facility is secured.

c. OHG has indicated a desire to expand their “event based” business through the initiation of national and international events.

d. Adult Hockey's Special Needs group has shown interest in an Annual Spring Tournament.

e. The Women's Hockey League would consider a Spring Tournament and possibly a spring Co-ed Tournament.

f. Apex Hockey would consider a summer "Destination Adult Hockey Tournament" if additional ice was available.

3. New events

a. Spectra has expressed an interest in developing new events in the proposed twin ice rink facility.

b. Travel Penticton and the City of Penticton Sport and Event Project Manager in conjunction with Spectra and OHG could develop events at a variety of levels.

4. Operations

a. **Food and Beverage:** It is possible that in the future more significant food and beverage service could be created within the new twin ice pad facility, However, given the focus of the facility on community ice and as a twin pad rather than a four-pad venue, this is not likely to be comprised in the form of a restaurant. Accordingly, this is currently not designed into the concept or cost base. However, the revenue assessment assumes modest concession services accessible from the public concourse of the building.

b. **Creative areas:** Consultees made reference to the need to allow for "creative marketing spaces" within the facility to allow for additional sponsorship sales opportunities. Such creative areas have been developed within the SOEC but are not available at either Memorial Arena and McLaren Park Arena.

c. **Connectivity of facilities:** Spectra has identified a need to increase the front of house entrance to the SOEC, specifically the main ticketing reception and box office areas. If the opportunity existed, an enlargement of the entrance area to the SOEC in conjunction with the creation of a covered Festival and pre-function space would be an enhancement to the SOEC campus and would provide another revenue stream for the new facility or the campus as a whole. This covered space would stretch from the OHTC across the front of the SOEC and then connect to the front of the proposed new twin pad facility. This connectivity would seem to bring all four surfaces under one roof and provide ease of access, as previously described in Section 2.2.

It was also noted that side access from the twin pad facility to the SOEC would be limited due to access control issues if a major event was occurring in the SOEC. This connecting link would provide another access point to all venues should that circumstance exist.

5. Tenant leases

a. **OHG:** As mentioned earlier in this document, OHG has indicated a need to increase their footprint with regards to office and training area spaces. As such, a possible long-term agreement for 10,000 square feet of office space and 10,000 square feet of training, health and wellness space could provide an additional revenue stream for the facility.

b. **Various Hockey Organizations:** Discussions have been occurring with various hockey organizations that may be interested in relocating their offices to Penticton. Co-locating major hockey grounds together in one location would provide tremendous synergies between the organizations.

c. **Penticton Alumni:** This very active group has indicated a desire to have an Alumni Room and are prepared to play a role in fundraising for the overall project while taking responsibility for the creation of their space and the ongoing operational costs associated.

d. **Glengarry Figure Skating Club:** The Glengarry Figure Skating Club, as previously mentioned requires office, storage and training facility space if a new facility is created.

e. **Penticton Minor Hockey Association:** Similarly, PMHA requires replacement office and storage space similar in scope that which they currently utilize at Memorial Arena.

There exists a real opportunity to create a hockey and skating centric environment within the SOEC campus that would provide for unique operating efficiencies and provide an ongoing and positive revenue stream outside of ice rental agreements, special events and sponsorships.

6. Sponsorship opportunities

a. **Tiered Naming Rights Opportunities:** During the interview process with various user groups and outside industry professionals, a general level of confidence was felt with regards to sponsorship revenue from naming rights opportunities.

The current SOEC campus provides a very unique sport, recreation, conference, entertainment and gaming experience for residents and visitors alike. As such, a focus on the further development of this site as a

true destination location allows for the creation of unique sponsorship opportunities.

Specifically, a theme should be developed for the SOEC campus that then allows for a branded sponsorship. An example might be the "Gateway Entertainment District". Once a theme and a potential naming rights partner has been identified, the tiered naming rights concept can be accelerated.

The twin ice pad facility could then have a naming rights/branding partner attached that would speak to the quality of facility that will be created. An example could be the "Boston Pizza Centre of Excellence".

Ice rinks one and two could follow suit thereafter as they secure naming rights partners from either the corporate sector or the benevolent sector of the community. The "Under Armour Rink" and the "Vaughn Rink" might be examples of potential partners from the business community.

b. **New Twin Pad sponsorship opportunities:** In keeping with discussions during the interview process with Spectra, the adoption of "creative spaces" within the new twin pad facility will allow for the facility management team to develop unique sales revenue opportunities for the facility. A recent example of such would be the Harley Davidson themed area in the upper level of the SOEC. In addition, all rink board advertising, scoreboard advertising and essentially all "in arena" sponsorship opportunities will be available to assist in bringing additional operating revenue streams

These opportunities are assumed to be retained as annual operational revenue rather than capitalized funds applied to the capital cost account of the facility.

7. Grants and donations

The recent announcement of the receipt of the Union of B.C. Municipalities Strategic Priorities Fund grant in the amount of six million dollars provides great incentive for the city to continue to source other possible provincial and federal opportunities.

4 Operating Cost and Revenue Projections

Financial projections of operating performance as provided below based on operations at a normalized state; that is, with the facility operating at full capacity in response to the growing level of demand for ice time. As with all such financial projections, there are a number of key assumptions explained below which are critical to understanding the future operating risks associated with this investment. Above all it should be remembered that the development of a twin pad addition to the SOEC and the repurposing of Memorial Arena represent a replacement of ice which exists at present, even if that replacement is with regulation-sized rinks, modern state-of-the-art facilities and a considerable improvement in the level of amenity for both participants and spectators.

4.1 Key Revenue Assumptions

A critical assumption is that of pricing: the 2017 financial analysis focused on the operating costs of a new facility and carried the limiting assumption of a full transfer of operational revenues from both the McLaren and Memorial arenas based on their existing pricing schedule and opening times (including season start and end dates). This is fundamental to any understanding of the future financial performance:

1. Unless the City is willing to revisit its pricing for ice time rental, as well as the allocation of ice time by group/user, the new twin rinks will generate the same revenues from ice time as they did in the existing rinks, save and apart from the additional revenue for which there is potential as a result of the new building. Our analysis here covers all of these revenues and translates them into financial estimates on an annual basis;

2. In order to establish the upside potential for revenue to the twin rinks, this is framed by the available ice time above and beyond that which is currently used during the winter and summer seasons – both prime and non-prime time. This should be viewed as a limiting condition: If the City maintains its commitment to both current pricing and current ice allocations, the additional revenue potential is limited to the remaining capacity of the ice during the seasons.

3. This is not to suggest that ice allocation cannot be adjusted to ensure that particular events which are date and time sensitive are accommodated. However, this additional revenue potential is only available to the extent that there is additional capacity while meeting all of the ice time commitments which exist at present in the community.

4. In other words, the revenue assessment is an incremental increase until such time as the City considers and approves a different approach to pricing, priority access and ice allocation generally. If, for example, this new venue was to be designated a primary tournament centre, leveraging the existence of two other regulation-sized rinks in the complex, and ice access policies reflected this new primary role, this would entail a reduction in the number of hours allocated to existing users. However, the revenues associated with the building would increase well above the existing projections which are based on continued service to the existing users.

5. Whether or not a market for a higher level of tournament and adult league play exists and which can be harnessed by this facility, is something that will become apparent over time. Once the new facility is open, the City has the opportunity to build up a greater number of tournament and other ice-sport championships/meets without likely impacting local users. Despite this initial ease the City may have in accommodating all users, as demand grows over time it may not be that easy. The question of priority use and therefore revenue maximization versus community development can be expected to become more salient.

6. There is always the potential to extend the seasons such that ice is available in both rinks year-round. At this time, our financial analysis is based on the current ice-in/ice-out policies for Memorial and McLaren. While an analysis on a year-round ice availability basis is possible, this, like pricing and ice allocation, should be a considered decision by the municipality based on all relevant factors together. There may, for example, be a genuine opportunity to utilize one or both rinks for dry-floor use during the summer period in addition to the dry-floor use at Memorial. Further, this demand may outstrip the demand during the summer from ice-sport users. We do not envisage that these rinks would have the ability to host dry-floor uses on top of the ice (per the SOEC itself) and hence the revenue analysis needs to be clinical with respect to the duration of the ice season. These are all matters for the City of Penticton to consider during the implementation and pre-opening period of the project.

4.2 Key Operating Cost Assumptions

There are a number of important operating assumptions which underpin the projections of both operating costs, revenues associated with the new (replacement ice rinks) and the approach to management of the facilities and the achievement of staff and other operating efficiencies. These are highlighted below:

1. The assessment of staffing levels for the new twin pad addition maintains the approach of operations as a standalone entity – accordingly a full staffing

complement is included based on a managerial position, rink operators, administration and front desk (customer relations) staff and custodial positions, both full-time and part-time. This approach is important to provide a conservative assessment of costs, recognizing that the City has the option of rolling the operation of the new rinks into the existing operations of the third-party management responsibilities of Spectra for the SOEC ice campus as a whole. Whether or not the City proceeds to achieve efficiencies by such integration is entirely a business decision of the City at the time of project implementation. For the time being the costs of a full standalone operation are maintained. The potential savings from integration are discussed later in this section.

2. Regardless of whether such integration occurs, in our view it will be important to create the necessary additional staff to operate the new rinks effectively. As it is, the operations of the OHTC rink (as demonstrated by the low staffing costs) are already benefitting from shared services with the main SOEC building, including staff, materials and equipment. The new rinks cannot simply be rolled in without necessary staffing additions – while managerial responsibility could likely be maintained centrally, there will be a need for additional staffing both for management and operations. The net addition to the SOEC is one additional rink (following the decommissioning of ice at Memorial Arena) and the closure of McLaren Arena.

3. An open question at this time is how Memorial Arena will be operated as a dry-use building – either rolled into the operations of the third party operator or managed by another entity in partnership with the City (for example a board comprised of relevant user groups in an advisory or operational capacity) or by the City itself as part of its Parks and Recreation services. Given the closure of McLaren under this scenario, the City may wish to maintain control of Memorial Arena as well as institute a clear policy of control over the ice allocation within the new rink additions. Maintaining appropriate City oversight of these new investments (a new twin rink complex and the rejuvenated Memorial Arena) is expected to be a fundamental consideration which impacts both operating costs as well as the entire approach toward revenue generation and community access per the policies of the City to support minor sports in the City.

4.3 Resulting Net Operating Income for the New Twin Complex

The assumptions guiding the projection of operating costs and revenues are provided below.

Exhibit 12: Revenue Assumptions

Revenue Stream	Item	Assumptions				Notes
Ice Rentals		**Pad 1**		**Pad 2**		
Gross Hours Available for Rental						
		39	weeks	39	weeks	Based on a 9 month operation
	Prime Time	67	per week	67	per week	
	Non-Prime Time	45	per week	45	per week	
	Total Per Week	**112**	**hours**	**112**	**hours**	
Utilization	Prime Time	75%		90%		Based on avg. 2017/2018 Utilization Rates
	Non-Prime	67%		25%		
Total Hours Utilized		3136	hours	2679	hours	Based on avg. total hours (2017/18)
Total Rented Hours		3136	hours	1684	hours	Based on avg. rented hours (2017/18)
Hourly Rental Rates	*Type*	*Rental Rate:*	*Split:*	*Rental Rate:*	*Split:*	Based on City's 2018 Arena Rates
	Child/Youth	$ 87	90%	$ 87	75%	
	Adult	$ 160	10%	$ 160	25%	
	Local Private	$ 162	0%	$ 162	0%	
	Local Commercial	$ 176	0%	$ 176	0%	
	Non Resident	$ 165	0%	$ 165	0%	
	Blended Rate	**$ 94**	100%	**$ 105**	100%	
	Annual Revenue	**$ 295,687**		**$ 177,241**		
Public Skating						
	Child/Youth (avg.)			$ 2.62	60%	
	Adult			$ 4.29	20%	
	Senior			$ 3.57	20%	
	Blended Rate			**$ 3.14**	100%	
	Annual Paid Entries			*10,000*		
	Annual Revenue	**$ -**		**$ 31,440**		
Skate Lessons						
	Average Cost/ Session			$ 49		Based on Average cost per skate lesson sessi
	Program Weeks			6		
	Avg. Class Limit			22		
	Fill Rate			85%		
	Sessions/Year			3		
	Total Annual Class Spots			396		
	Annual Revenue	**$ -**		**$ 16,493**		
Total Ice Rental Revenue		**$ 520,861**				
Sporting / Non-Sporting Events		**Pad 1**		**Pad 2**		
	Number of Events	2	per year	3	per year	
	Number of Event Days	2	per event	3	per event	Based on 10 hour days
	Hours per Day	10	hours	10	hours	Average
	Number of Event Hours	40		90		
	Rental Rate per day	$ 2,000.00		$ 2,000.00		per pad / arena floor
	Annual Revenue	**$ 8,000.00**		**$ 18,000.00**		
Total Sporting Event Revenue		**$ 26,000.00**				

Tournaments		Pad 1		Pad 2		
	Number of Events	4	per year	4	per year	
	Number of Event Days	3	per event	3	per event	
	Hours per Day	10	hours	10	hours	Average
	Number of Event Hours	120		120		Based on 10 hour daily average
	Rental Rate per Hour	$ 150.00		$ 150.00		
	Annual Revenue	**$ 72,000.00**		**$ 72,000.00**		
Total Tournament Revenue		**$ 144,000.00**				

Sponsorship / Advertising			
(Note: Campus rebranding as identfied in report is excluded at this time)			
	In Arena Advertising	$ 15,000	
	Twin Pad Facility Naming Rights	$ 50,000	
	Ice Pad Naming Rights	$ 20,000	Based on $10,000 per pad annually
	Annual Revenue	**$ 85,000**	
Total Sponsorship Revenue		**$ 85,000**	

Ancillary Revenue		Pad 1		Pad 2		
Concession	Attendees per	30		30		
	Utilized Hours	3,296		2,889		Based on a 9 month operation
	Average spend	$ 0.50	per capita	$ 0.50	per capita	Net of Costs of Sale
	Annual Revenue	**$ 49,434**		**$ 43,328**		Net of Costs of Sale
Vending	**Annual Revenue**	**$ 15,000**				Annual Allocation
Total Revenue		**$ 107,762**				

Exhibit 13: Expense Assumptions

Expense Stream	Item	Assumptions					Notes
Management							
		No.	*Salary*	*Hours*	*Salary Total*		
	Facility Manager	1.00	$ 95,000	2080	$ 95,000		
	FT Benefits			30%	$ 28,500		
	Annual Costs				**$123,500**		
Total Management Costs		**$ 123,500**					
Wages and Benefits							
Full Time Staff	*Position*	*FTE*	*Salary*	*Hours*	*Salary Total*		
	Facility Operator	1.00	$ 80,000	2080	$80,000		
	Admin./ Front Desk	1.00	$ 55,000	2080	$55,000		
	Custodial	2.00	$ 45,000	2080	$90,000		
	Total Full Time Staff				**$225,000**		
	FT Benefits			30%	$ 67,500		
Part Time Staff	*Position*	*FTE*	*Wage Rate*	*Hours*	*Wages Total*		
	Facility Operator	2.00	$ 25.00	1040	$52,000		
	Admin./ Front Desk	2.00	$ 18.00	1040	$37,440		
	Concession Staff	3.00	$ 18.00	637	$34,398		
	Custodial	2.00	$ 20.00	1040	$41,600		
	Total Part Time Staff				**$165,438**		
	PT Benefits			14%	$ 23,161		
	Total Salary / Wages				**$ 390,438**		
	Total Benefits				**$ 90,661**		
Total Wages and Benefits Costs		**$ 481,099**					
Utilities							
	Hydro	$ 2.50	per sq. ft.				
	Gas	$ 1.00	per sq. ft.				
	Water	$ 0.50	per sq. ft.				
	Total Cost	$ 4.00	per sq. ft.				
	Gross Floor Area	88,000	sq. ft.				
	Annual Cost	**$ 352,000**					
Total Utilities		**$ 352,000**					

Supplies and Equipment				
Office Supplies	$	7,500		Annual Allocation
Supplies and Materials	$	20,000	Facility Operations	Annual Allocation
Cleaning Supplies	$	7,500		Annual Allocation
Equipment Costs	$	75,000		Annual Allocation
Annual Cost	**$**	**110,000**		
Total Other Expenses	**$**	**110,000**		
Other Expenses				
Contracted Services	$	25,000		Annual Allocation
Training	$	7,500		Annual Allocation
Annual Cost	**$**	**32,500**		
Total Other Expenses	**$**	**32,500**		

The resulting projections of operating costs and revenues as well as the net operating income in future years is presented below. Based on a standalone operation with higher staffing costs, the resulting deficit on an annual basis is just under $200,000 per annum and climbs based on the assumption of an annual inflation of both costs and revenues.

Exhibit 14: Resulting Net Operating Income for New Twin Complex

Item		Year 1	Year 5	Year 10	Year 15	Year 20	Year 25
Escalation	*3.00%*	*1.00*	*1.13*	*1.30*	*1.51*	*1.75*	*2.03*
Revenues							
Ice Rentals		$520,861	$586,234	$679,606	$787,850	$913,334	$1,058,804
Sporting / Non-Sporting Events		$26,000	$29,263	$33,924	$39,327	$45,591	$52,853
Tournaments		$144,000	$162,073	$187,887	$217,813	$252,505	$292,722
Sponsorship / Advertising		$85,000	$95,668	$110,906	$128,570	$149,048	$172,787
Ancillary Revenue		$107,762	$121,287	$140,604	$162,999	$188,960	$219,057
Total Revenues		$883,623	$994,525	$1,152,928	$1,336,559	$1,549,438	$1,796,224
Expenses							
Management		$123,500	$139,000	$161,139	$186,805	$216,558	$251,050
Wages and Benefits		$481,099	$541,482	$627,725	$727,706	$843,611	$977,976
Utilities		$352,000	$396,179	$459,280	$532,432	$617,234	$715,544
Supplies and Equipment		$110,000	$123,806	$143,525	$166,385	$192,886	$223,607
Other Expenses		$32,500	$36,579	$42,405	$49,159	$56,989	$66,066
Total Expenses		$1,066,599	$1,200,467	$1,391,670	$1,613,327	$1,870,288	$2,168,177
Net Operating Position		**($182,976)**	**($205,941)**	**($238,743)**	**($276,768)**	**($320,850)**	**($371,953)**

Should there be an integration of operations with the main SOEC and OHTC arenas, the opportunity to eliminate a duplication of effort in terms of higher cost management functions is apparent. This could save in the order of $100,000 per annum, thereby reducing this deficit significantly.

4.4 Resulting Net Operating Income for Memorial Arena (Illustrative only)

The analysis also looks at the combined impacts of all of the changes envisioned under the development and decommissioning plans. With respect to Memorial Arena our 2017 analysis had assessed the likely reduction in annual operating costs from current levels (and high utility costs) based on the removal of ice. The resulting decrease represents a working assumption of possible cost reductions in the absence of a detailed assessment of the operating costs and revenues for a dry-use facility (this additional task is not within the scope of the report). As such, further work should be undertaken if the City approves the proposed plans for conversion to dry-use.

At the same time, we have assessed operating revenues to the dry-use facility based on a conservative assessment of potential utilization and modest charges for rental of the entire court floor. This amounts to approximately $87,000 per annum based on prime-time use. It should be noted that there are a range of models open to the City in terms of programming this space and achieving revenues (programs, drop-in use of courts, full rental of space and so on). The decisions taken with respect to access, pricing and range of programs as well as how these services are delivered will impact revenues significantly.

The resulting assessment for Memorial Arena indicates the continuance of a deficit not dissimilar to the current deficit based on operation by Spectra. The choice of management approach will also dictate the extent to which cost efficiencies and revenue maximization is obtainable.

4.5 Consideration for the Merits of Optional Upper Floor Lease Space

As discussed in terms of capital costs and potential revenue sources, there is a potential demand for office and training centre space – in the order of up to 20,000 sq. ft. This would be a lease from a group such as the OHG as described earlier but as yet no agreement to this exists either from the OHG or the City. Accordingly, it is a decision that should be taken based on the agreement of an acceptable business case for all parties.

Similarly, the potential vacancy of the current OHG space in the OHTC rink complex could be used to house other organizations, with the assumption of a net zero impact to the City's current revenues associated with this space.

The consulting team has assessed the required operating lease (net rent before gross-up) that would be required to achieve the necessary amortization of the additional capital costs of building the space. In view of the commercial sensitivity associated with the information, these estimates are not included in the report for public dissemination.

4.6 Life Cycle Considerations

The City of Penticton is not alone in facing a need to plan for renewal of its sport and recreation facilities. Many cities across Canada face a similar infrastructure challenge arising because of the age of their facilities, the limitations of available capital to maintain and replace essential building systems, and in some cases, the absence of an asset management-based strategy to repair, replace and plan for new development.

Municipal sport and recreation facilities, as a category of public sector assets, have recently been demonstrated to have the poorest condition rating among all categories of assets. *Informing the Future, the Federation of Canadian Municipalities (FCM) Infrastructure Report Card, 2016*, quantified the relative condition of facilities across the nation through a detailed methodology and survey. Nineteen (19%) percent of sport and recreation facilities were categorized as being in poor or very poor condition, the highest proportion compared to all other asset classes, including roads and bridges, stormwater, wastewater and potable water facilities, and other public buildings. Among sport and recreation facilities, ice arenas had the highest proportion (28%) of facilities in poor or very poor condition.

The target annual rate of reinvestment in infrastructure and facilities is recommended by the FCM at between 1.7% and 2.5% of asset value. Collectively, municipalities are not achieving this range (currently at 1.3% per annum).

None of this should be construed as a lack of recognition of the need for investment. It is broadly recognized that reinvestment requirements are more than just improvements to existing facilities, many of which are functionally constrained by modern design standards and the expectations of patrons. There is a need to maintain a competitive level of functionality to sustain their appeal and enhance quality of life benefits for area residents. Recreation assets are just one part of the broader quality of life equation but an important one which many municipalities have recognized is within their area of control.

4.6.1 Life Cycle Considerations for Proposed Single and Double Pad Addition to SOEC

Included for consideration in this study is a projected Facility Asset Life Cycle schedule for the proposed $33,542,173.99 twin ice rink complex to be located on the SOEC Campus.

Our basic assumptions include a capital cost of $33,542,173.99 derived from a project cost estimate delivered in association with Greyback Construction and ICC. This estimated life cycle budget, delivered on March 27, 2018, was based on preliminary drawings and site work analysis and did not include any additional/new space needs that were discussed during the Revenue Analysis field work meetings/interviews.

As identified in Section 2.3, the cost estimate also assumes a second quarter 2019 start to construction with an official opening that would be scheduled for the summer of 2020. If the project schedule is adjusted to provide for a 2021 or later opening, then a 3% - 5% escalation should be anticipated annually to the cost estimate provided.

The life cycle schedule, provided below in Exhibit 15, categorizes the facility for the purposes of allocation with regards to the categories of; Architectural, Structure, Mechanical, Electrical and Refrigeration. For ease of reference, we have attempted to utilize a similar format as was developed in an earlier study for the City of Penticton relative to Memorial Arena and McLaren Park Arena.

The schedule allocates component percentages to each of these categories as they relate to the entire facility and their relative cost of replacement.

It attaches estimated component life to each of the category's subsection and attempts to quantify each subsection's value with regards to the over all project cost estimate of $33,542,173.99.

Because the facility will be new construction when completed, the Component Age column is not relevant and as such appears as a "0" in all subsections.

The schedule also shows life cycle maintenance that may be required at various levels; 20, 30 and 40-year replacement periods and an appropriate allocation for the total replacement of such.

Finally, the schedule provides annual reserve estimates for the possible life cycle replacement needs of the facility over a potential forty-year functional lifespan. The ability to set aside adequate reserve amounts will provide for an efficiently operating facility over the course of its lifespan. It is important to note that the 40-year reserve amount does not equate to the new construction cost as some elements have a lifespan (or Replacement Component Life) beyond the 40 years.

Exhibit 15: Facility Asset Life Cycle for New Twin-Pad Addition

New Construction Cost **$ 33,542,174**

ITEM	Installation Year	% of Total Replacement Cost	Replacement Component Life	Estimated Building Component Value	Component Age	* Annual Reserve Amount (Complete Building Replacement)		* RESERVE AMOUNT (20 Years)	(30 Years)	(40 Years)
ARCHITECTURAL										
Exterior walls	2019	12%	75	$4,025,061	0	$53,667				
Exterior Windows	2019	1%	40	$335,422	0	$8,386				$335,422
Exterior Doors	2019	1%	35	$335,422	0	$9,583				
Interior Windows	2019	1%	40	$335,422	0	$8,386				$335,422
Interior Doors	2019	1%	35	$335,422	0	$9,583				$383,339
Roofs	2019	6%	20	$2,012,530	0	$100,627		$2,012,530	$3,018,796	$4,025,061
Interior Partitions	2019	5%	40	$1,677,109	0	$41,928				$1,677,109
Stairs and Guards	2019	3%	40	$1,006,265	0	$25,157				$1,006,265
Floor Finishes	2019	1%	20	$335,422	0	$16,771		$335,422	$503,133	$670,843
Specialties & Fixtures	2019	1%	25	$335,422	0	$13,417			$402,506	$536,675
Dasher Boards	2019	1%	40	$335,422	0	$8,386				$335,422
Seats/Bleachers	2019	1%	30	$335,422	0	$11,181				$447,229
Elevator	2019	4%	35	$1,341,687	0	$38,334				$1,533,357
Wall and Ceiling Finishes	2019	3%	25	$1,006,265	0	$40,251			$1,207,518	$1,610,024
Sub Total		**41%**								
STRUCTURE										
Concrete foundations	2019	6%	75	$2,012,530	0	$26,834				
Concrete slab-on grade	2019	2%	50	$670,843	0	$13,417				
Superstrucutre	2019	20%	50	$6,708,435	0	$134,169				
Sub Total		**28%**								
MECHANICAL										
HVAC	2019	7%	20	$2,347,952	0	$117,398		$2,347,952	$3,521,928	$4,695,904
Plumbing	2019	3%	25	$1,006,265	0	$40,251			$1,207,518	$1,610,024
Sprinkler	2019	3%	25	$1,006,265	0	$40,251			$1,207,518	$1,610,024
Sub Total		**13%**								
ELECTRICAL										
Distribution	2019	5%	25	$1,677,109	0	$67,084			$2,012,530	$2,683,374
Lighting	2019	2%	20	$670,843	0	$33,542		$670,843	$1,006,265	$1,341,687
Fire Alarm	2019	1%	15	$335,422	0	$22,361			$670,843	$894,458
Sub Total		**8%**								
REFRIGERATION										
Refrigerated Ice Slab	2019	4%	25	$1,341,687	0	$53,667			$1,610,024	$2,146,699
Refrigeration Mechanical	2019	6%	20	$2,012,530	0	$100,627		$2,012,530	$3,018,796	$4,025,061
Sub Total		**10%**								
Total Facility		**100%**		**$33,542,174**		**$1,035,255**		**$7,379,278**	**$19,387,377**	**$31,903,399**

Annual Reserve necessary for major equipment repair/replacement -20 years **$368,964**

Annual Reserve necessary for major equipment repair/replacement -30 years **$646,246**

Annual Reserve necessary for major equipment repair/replacement -40 years **$797,585**

*** Escalation and CPI not included**

If a single pad facility was built instead of the recommended twin-pad addition, the annual reserves required over the 20-, 30- and 40-year periods are estimated as follows:

Exhibit 16: Required Annual Reserves for a Single Pad Addition

Single Pad Addition: Annual Reserve Necessary for Major Equipment Repair / Replacement:	
20 years	$241,271
30 years	$422,590
40 years	$521,553

4.6.2 No Life Cycle Cost Avoidance for Memorial Arena

The City of Penticton has, as part of its Asset Management mandate, performed a lifecycle cost assessment for each of its arena facilities as of 2016 (see Exhibit 17 below). This includes Memorial Arena, McLaren Arena and the SOEC and OHTC arenas.

Given the proposed improvements to Memorial Arena under a dry-use renovation scenario, an additional question is how this investment alters the expected lifecycle costs for the building over the next 20 years. We have adjusted the Memorial Arena life cycle analysis as follows:

- Updated the date of analysis from 2016 to 2018 (shown in Exhibit 18 below);
- Escalated the replacement cost of the building by 8% which, based on discussions with our construction advisors, appears to be a reasonable increase in construction costs over the two-year period; and
- Updated the elemental replacement cost/remaining life expectancy assessments for each of the major building construction items listed. Thus, for example, the construction of new interior demising walls represents a new item with 100% of functional life expectancy as of an assumed commissioning date of 2022; while the lifecycle costs of the refrigeration plant are removed entirely from future consideration.

This is not necessarily a method which can ensure complete accuracy, but it does establish clearly the general scale of capital reserve required on an annual basis to ensure lifecycle costs are covered. The results illustrate that Memorial Arena remains an old building despite some important fit-up and structural repairs as part of its conversion to dry-use. It follows then that an investment of $6 million to $7 million in renovations at the arena, as well as major structural repairs which, we understand are carried under separate budgets by the City, can be expected to moderate the overall capital replacement costs within the next 20 years.

The adjustments to the annual and 20-year combined lifecycle estimates are shown in green (assumed full replacements as of 2022) and pink (building components removed as part of the renovation and hence deleted from the lifecycle costs).

Exhibit 17: Life Cycle Costing for Memorial Arena (2016)

Year Main Building Constructed	1951
Analysis Year	2016
Insurance Value	$ 8,434,400
Cost Consultant Replacement Value	$ 22,364,820

ITEM	Installation Year	% of Total Replacement Cost	Replacement Component Life	Component Age	*Wear Factor	Remaining Component Life	Value remaining	Adjusted Replacment Component Life	% of Total Replacement Cost x Value Remaining	Cost Consultant Basis: Average Annual Life Cycle Investment (AALCI)	Cost Consultant Basis: 20 Year Afferage Annual Investment (AAI)
ARCHITECTURAL											
Exterior walls	1951	11%	75	65	100%	10	13%	75	1%	$ 32,802	$ 2,460,130
Exterior Windows	1996	2%	40	20	100%	20	50%	40	1%	$ 11,182	$ 447,296
Exterior Doors	1978	2%	35	38	50%	16	46%	70	1%	$ 6,390	$ -
Interior Windows	1951	1%	40	65	50%	8	19%	80	0%	$ 2,796	$ 223,648
Interior Doors	1951	1%	35	65	50%	3	7%	70	0%	$ 3,195	$ 223,648
Roofs	1996	6%	20	20	50%	0	0%	40	0%	$ 33,547	$ 1,341,889
Interior Partitions	1951	6%	40	65	50%	8	19%	80	1%	$ 16,774	$ 1,341,889
Stairs and Guards	1951	3%	40	65	50%	8	19%	80	1%	$ 8,387	$ 670,945
Floor Finishes	1972	2%	20	44	25%	9	45%	80	1%	$ 5,591	$ -
Specialties & Fixtures	1998	1%	25	18	50%	16	64%	50	1%	$ 4,473	$ -
Dasher Boards	1996	1%	40	20	100%	20	50%	40	1%	$ 5,591	$ 223,648
Seats/Bleachers	1951	1%	30	65	100%	-35	-117%	30	-1%	$ 7,455	$ 223,648
Elevator	1996	4%	35	20	100%	15	43%	35	2%	$ 25,560	$ 894,593
Wall and Ceiling Finishes	1951	3%	25	65	25%	9	35%	100	1%	$ 6,709	$ -
Sub Total		**44%**									
STRUCTURE											
Concrete foundations	1951	5%	75	65	100%	10	13%	75	1%	$ 14,910	$ 1,118,241
Concrete slab-on grade	1951	4%	50	65	50%	18	35%	100	1%	$ 8,946	$ -
Superstructure	1951	16%	50	65	25%	34	68%	200	11%	$ 17,892	$ -
Sub Total		**25%**									
MECHANICAL											
HVAC	1951	8%	20	65	20%	7	35%	100	3%	$ 17,892	$ -
Plumbing	1951	4%	25	65	25%	9	35%	100	1%	$ 8,946	$ -
Pool Filtration		0%									
Sprinkler	1998	2%	25	18	100%	7	28%	25	1%	$ 17,892	$ 447,296
Sub Total		**14%**									
ELECTRICAL											
Distribution	1951	3%	25	65	50%	0	0%	50	0%	$ 13,419	$ 670,945
Lighting	1997	3%	20	19	100%	1	5%	20	0%	$ 33,547	$ 670,945
Fire Alarm	1997	1%	15	19	75%	1	5%	20	0%	$ 11,182	$ 223,648
Sub Total		**7%**									
REFRIGERATION											
Refrigerated Ice Slab	1996	4%	25	20	50%	15	60%	50	2%	$ 17,892	$ -
Refrigeration Mechanical	1996	6%	20	20	50%	10	50%	40	3%	$ 33,547	$ 1,341,889
Sub Total		**10%**									
Total Facility Condition Index Score		**100%**								**$ 366,517**	**$ 12,524,299**

***Wear Factors**

0% - New or As-New Condition (all life expectancy remaining)
50% - Better than expected for Age (more life expectancy remaining than might be normally expected at this age)
100% - As Expected Aging (life expectancy is on schedule)
150% - Worse than expected for age (less life expectancy remaining than might normally be expected at this age)
NR - Worn out, broken, needs replacement, non-existing (end of life expectancy)

F.C.I. is a measure of remaining value of a building and is calculated by adding individual component replacement costs corrected for relative wear.
F.C.I. = SUM((%Total Replacement Cost *Per Component*) x (Value Remaining *Per Component*))

Wear factor adjusted from 0% to 25%

Exhibit 18: Life Cycle Costing for Memorial Arena (2018 Update)

Year Main Building Constructed	1951
Analysis Year	2018
Insurance Value	$ 8,434,400
Cost Consultant Replacement Value (2016)	$ 24,154,006

ITEM	Installation Year	% of Total Replacement Cost	Replacement Component Life	Component Age	*Wear Factor	Remaining Component Life	Value remaining	Adjusted Replacment Component Life	% of Total Replacement Cost x Value Remaining	Cost Consultant Basis: Average Annual Life Cycle Investment (AALCI)	Cost Consultant Basis: 20 Year Investment Cost
ARCHITECTURAL											
Exterior walls	1951	11%	75	67	100%	8	11%	75	1%	$ 35,426	$ 2,656,941
Exterior Windows	1996	2%	40	22	100%	18	45%	40	1%	$ 12,077	$ 483,080
Exterior Doors	2022	2%	35	0	100%	35	100%	35	2%	$ 13,802	$ -
Interior Windows	1951	1%	40	67	50%	7	16%	80	0%	$ 3,019	$ 241,540
Interior Doors	1951	1%	35	67	50%	2	4%	70	0%	$ 3,451	$ 241,540
Roofs	1996	6%	20	22	50%	0	0%	40	0%	$ 36,231	$ 1,449,240
Interior Partitions	2022	6%	40	0	100%	40	100%	40	6%	$ 36,231	$ -
Stairs and Guards	2022	3%	40	0	100%	40	100%	40	3%	$ 18,116	$ -
Floor Finishes	2022	2%	20	0	100%	20	100%	20	2%	$ 24,154	$ -
Specialties & Fixtures	2022	1%	25	0	100%	25	100%	25	1%	$ 9,662	$ -
Dasher Boards	1996	1%	40	22	100%	18	45%	40	0%	$ -	-
Seats/Bleachers	1951	1%	30	67	100%	-37	-123%	30	-1%	$ -	$ -
Elevator	1996	4%	35	22	100%	13	37%	35	1%	$ 27,605	$ 966,160
Wall and Ceiling Finishes	1951	3%	25	67	25%	8	33%	100	1%	$ 7,246	$ -
Sub Total		**44%**									
STRUCTURE											
Concrete foundations	2022	5%	75	0	100%	75	100%	75	5%	$ 16,103	$ -
Concrete slab-on grade	1951	4%	50	67	50%	17	33%	100	1%	$ 9,662	$ -
Superstructure	1951	16%	50	67	25%	33	67%	200	11%	$ 19,323	$ -
Sub Total		**25%**									
MECHANICAL											
HVAC	1951	8%	20	67	20%	7	33%	100	3%	$ 19,323	$ -
Plumbing	1951	4%	25	67	25%	8	33%	100	1%	$ 9,662	$ -
Pool Filtration		0%									
Sprinkler	1998	2%	25	20	100%	5	20%	25	0%	$ 19,323	$ 483,080
Sub Total		**14%**									
ELECTRICAL											
Distribution	1951	3%	25	67	50%	0	0%	50	0%	$ 14,492	$ 724,620
Lighting	1997	3%	20	21	100%	-1	-5%	20	0%	$ 36,231	$ 724,620
Fire Alarm	1997	1%	15	21	75%	-1	-5%	20	0%	$ 12,077	$ 241,540
Sub Total		**7%**									
REFRIGERATION											
Refrigerated Ice Slab	1996	4%	25	22	50%	14	56%	50	2%	$ -	$ -
Refrigeration Mechanical	1996	6%	20	22	50%	9	45%	40	3%	$ -	$ -
Sub Total		**10%**									
Total Facility Condition Index Score		**100%**								**$ 383,215**	**$ 8,212,362**

***Wear Factors**

0% - New or As-New Condition (all life expectancy remaining)
50% - Better than expected for Age (more life expectancy remaining than might be normally expected at this age)
100% - As Expected Aging (life expectancy is on schedule)
150% - Worse than expected for age (less life expectancy remaining than might normally be expected at this age)
NR - Worn out, broken, needs replacement, non-existing (end of life expectancy)

F.C.I. is a measure of remaining value of a building and is calculated by adding individual component replacement costs corrected for relative wear.
F.C.I. = SUM((%Total Replacement Cost *Per Component*) x (Value Remaining *Per Component*))

Wear factor adjusted from 0% to 25%

If we assume the updated replacement cost of the Memorial arena is about $24 million, the exclusions and replacements noted in green and pink amount to about 30% of the replacement cost. The new renovation (excluding FF&E) is equivalent to approximately 25% of the replacement value such that the overall replacement value of the arena is likely unchanged.

The result of these adjustments is that the average annual lifecycle cost (the theoretical capital reserve per annum is about $380,000 per year (about 1.6% of replacement value per year). This compares to a similar number ($366,500 as of 2016) for the arena in its current use. The more significant change, which represents a future cost avoidance, is in the 20-year lifecycle cost which, as a result of the investment in dry-use conversion, comes down from around $12.5 million to around $8 million.

The implication is as follows: investment and renovation in the short term will reduce the 20-year replacement expense (that is items that must be replaced in full within 20 years). However, the annual lifecycle investment (diversion to a reserve) necessary to meet 100% of replacement costs over time remains similar to the current estimates for the arena as well as the proposed new twin-pad addition to the SOEC.

4.6.3 Life Cycle Cost Avoidance for McLaren Arena

By contrast, the life cycle costs associated with McLaren Arena can be avoided in full if the decision is taken to decommission and demolish the arena building. Our proposed ice facilities strategy does not require the retention of McLaren Arena which can be removed from the inventory entirely with commensurate capital and operating savings to the City as owner and operator of the building and grounds.

The current estimates of life cycle cost are as follows:

- $244,072 per annum (equivalent to 2.6% of replacement value); and
- A 20-year investment cost of $4.17 million.

These costs will be avoided if the building is removed. If it is retained in use for other activities such as non-ice recreation or community uses, a significant portion of these lifecycle costs can be expected to remain. By removing the ice-making infrastructure and dasher boards, the 20-year investment costs decline by about $1 million to $3.1 million.

Exhibit 19: Life Cycle Cost Avoidance for McLaren Arena

Year Main Building Constructed		1972
Analysis Year		2018
Insurance Value	$	4,989,500
Cost Consultant Replacement Value (2018)	$	9,467,577

ITEM	Installation Year	% of Total Replacement Cost	Replacement Component Life	Component Age	*Wear Factor	Remaining Component Life	Value remaining	Adjusted Replacment Component Life	% of Total Replacement Cost x Value Remaining	Cost Consultant Basis: Average Annual Life Cycle Investment (AALCI)	Cost Consultant Basis: 20 Year Investment Cost
ARCHITECTURAL											
Exterior walls	1972	14%	75	46	50%	52	69%	150	10%	$ 8,836	$ -
Exterior Windows	1972	2%	40	46	50%	17	43%	80	1%	$ 2,367	$ -
Exterior Doors	1972	2%	35	46	50%	12	34%	70	1%	$ 2,705	$ -
Interior Windows	1972	1%	40	46	50%	17	43%	80	0%	$ 1,183	$ -
Interior Doors	2003	1%	35	15	100%	20	57%	35	1%	$ 2,705	$ 94,676
Roofs	1993	7%	20	25	100%	-5	-25%	20	-2%	$ 33,137	$ 662,730
Interior Partitions	1972	6%	40	46	50%	17	43%	80	3%	$ 7,101	$ -
Stairs and Guards	1972	3%	40	46	50%	17	43%	80	1%	$ 3,550	$ -
Floor Finishes	2002	2%	20	16	100%	4	20%	20	0%	$ 9,468	$ 189,352
Specialties & Fixtures	2002	1%	25	16	100%	9	36%	25	0%	$ 3,787	$ 94,676
Dasher Boards	1993	1%	40	25	50%	28	69%	80	1%	$ 1,183	$ -
Seats/Bleachers	1972	1%	30	46	50%	7	23%	60	0%	$ 1,578	$ 94,676
Elevator		0%									
Wall and Ceiling Finishes	1972	3%	25	15	100%	10	40%	25	1%	$ 11,361	$ 284,027
Sub Total		**44%**									
STRUCTURE											
Concrete foundations	1972	5%	75	46	100%	29	39%	75	2%	$ 6,312	$ -
Concrete slab-on grade	1972	4%	50	46	100%	4	8%	50	0%	$ 7,574	$ 378,703
Superstrucutre	1972	16%	50	46	50%	27	54%	100	9%	$ 15,148	$ -
Sub Total		**25%**									
MECHANICAL											
HVAC	1992	8%	20	26	100%	0	0%	20	0%	$ 37,870	$ 757,406
Plumbing	1992	6%	25	26	50%	12	48%	50	3%	$ 11,361	$ -
Pool Filtration		0%									
Sprinkler		0%									
Sub Total		**14%**									
ELECTRICAL											
Distribution	1972	3%	25	46	50%	2	8%	50	0%	$ 5,681	$ 284,027
Lighting	1972	3%	20	46	50%	0	0%	40	0%	$ 7,101	$ 284,027
Fire Alarm	1972	1%	15	46	100%	0	0%	15	0%	$ 6,312	$ 94,676
Sub Total		**7%**									
REFRIGERATION											
Refrigerated Ice Slab	1972	4%	25	46	100%	0	0%	25	0%	$ 15,148	$ 378,703
Refrigeration Mechanical	2003	6%	20	15	150%	-3	-13%	13.333	-1%	$ 42,604	$ 568,055
Sub Total		**10%**									
Total Facility Condition Index Score		**100%**								**$ 244,072**	**$ 4,165,734**

***Wear Factors**

0% - New or As-New Condition (all life expectancy remaining)

50% - Better than expected for Age (more life expectancy remaining than might be normally expected at this age)

100% - As Expected Aging (life expectancy is on schedule)

150% - Worse than expected for age (less life expectancy remaining than might normally be expected at this age)

NR - Worn out, broken, needs replacement, non-existing (end of life expectancy)

F.C.I. is a measure of remaining value of a building and is calculated by adding individual component replacement costs corrected for relative wear.

F.C.I. = SUM((%Total Replacement Cost *Per Component*) x (Value Remaining *Per Component*))

Note: refregeration system must be replaced as regulations will not longer allow Freon after 2020.

4.6.4 Life Cycle Costs of SOEC Main Centre and Okanagan Hockey Training Centre (OHTC)

The estimated 2018 lifecycle metrics for the SOEC and OHTC venue are presented in detail in Exhibit 20 on the following page, and summarized as follows:

- $2.26 million per annum (equivalent to 2.6% of replacement value); and
- A 20-year investment cost of $29.4 million (equivalent to 33.9% of replacement value).

These are large numbers and with respect to the annual capital reserve contributions, this amount is not being transferred to a reserve. It is rare in the municipal landscape that such a significant annual reserve is established. Rather it is more likely to be a far lower number (0.5% to 1% of original capital costs) or an agreed and affordable allocation which is understood from the outset to represent a partial coverage of expected lifecycle costs. In the case of the SOEC, this is a modern facility (2008) with a high degree of durability in its construction.

Exhibit 20: Life Cycle Costs for SOEC Main Centre and OHTC

Year Main Building Constructed	2008
Analysis Year	2018
Insurance Value	$ 67,095,800
Cost Consultant Replacement Value (2018)	$ 86,516,648

ITEM	Installation Year	% of Total Replacement Cost	Replacement Component Life	Component Age	*Wear Factor	Remaining Component Life	Value remaining	Adjusted Replacment Component Life	% of Total Replacement Cost x Value Remaining	Cost Consultant Basis: Average Annual Life Cycle Investment (AALCI)	Cost Consultant Basis: 20 Year Investment Cost
ARCHITECTURAL											
Exterior walls	2008	12%	75	10	100%	65	87%	75	10%	$ 138,427	$ -
Exterior Windows	2008	1%	40	10	100%	30	75%	40	1%	$ 21,629	$ -
Exterior Doors	2008	1%	35	10	100%	25	71%	35	1%	$ 24,719	$ -
Interior Windows	2008	1%	40	10	100%	30	75%	40	1%	$ 21,629	$ -
Interior Doors	2008	1%	35	10	100%	25	71%	35	1%	$ 24,719	$ -
Roofs	2008	6%	20	10	100%	10	50%	20	3%	$ 259,550	$ 5,190,999
Interior Partitions	2008	5%	40	10	100%	30	75%	40	4%	$ 108,146	$ -
Stairs and Guards	2008	3%	40	10	100%	30	75%	40	2%	$ 64,887	$ -
Floor Finishes	2008	1%	20	10	100%	10	50%	20	1%	$ 43,258	$ 865,166
Specialties & Fixtures	2008	1%	25	10	100%	15	60%	25	1%	$ 34,607	$ 865,166
Dasher Boards	2008	1%	40	10	100%	30	75%	40	1%	$ 21,629	$ -
Seats/Bleachers	2008	1%	30	10	100%	20	67%	30	1%	$ 28,839	$ 865,166
Elevator	2008	4%	35	10	100%	25	71%	35	3%	$ 98,876	$ -
Wall and Ceiling Finishes	2008	3%	25	10	100%	15	60%	25	2%	$ 103,820	$ 2,595,499
Sub Total		**41%**									
STRUCTURE											
Concrete foundations	2008	6%	75	10	50%	70	93%	150	6%	$ 34,607	$ -
Concrete slab-on grade	2008	2%	50	10	50%	45	90%	100	2%	$ 17,303	$ -
Superstrucutre	2008	20%	50	10	50%	45	90%	100	18%	$ 173,033	$ -
Sub Total		**28%**									
MECHANICAL											
HVAC	2008	7%	20	10	100%	10	50%	20	4%	$ 302,808	$ 6,056,165
Plumbing	2008	3%	25	10	100%	15	60%	25	2%	$ 103,820	$ 2,595,499
Pool Filtration		0%									
Sprinkler	2008	3%	25	10	100%	15	60%	25	2%	$ 103,820	$ 2,595,499
Sub Total		**13%**									
ELECTRICAL											
Distribution	2008	5%	25	10	50%	20	80%	50	4%	$ 86,517	$ -
Lighting	2008	2%	20	10	100%	10	50%	20	1%	$ 86,517	$ 1,730,333
Fire Alarm	2008	1%	15	10	50%	10	67%	30	1%	$ 28,839	$ 865,166
Sub Total		**8%**									
REFRIGERATION											
Refrigerated Ice Slab	2008	4%	25	10	50%	20	80%	50	3%	$ 69,213	$ -
Refrigeration Mechanical	2008	6%	20	10	100%	10	50%	20	3%	$ 259,550	$ 5,190,999
Sub Total		**10%**									
Total Facility Condition Index Score		**100%**					**74%**			**$ 2,260,762**	**$ 29,415,660**

***Wear Factors**

0% - New or As-New Condition (all life expectancy remaining)

50% - Better than expected for Age (more life expectancy remaining than might be normally expected at this age)

100% - As Expected Aging (life expectancy is on schedule)

150% - Worse than expected for age (less life expectancy remaining than might normally be expected at this age)

NR - Worn out, broken, needs replacement, non-existing (end of life expectancy)

F.C.I. is a measure of remaining value of a building and is calculated by adding individual component replacement costs corrected for relative wear.

F.C.I. = SUM((%Total Replacement Cost *Per Component*) x (Value Remaining *Per Component*))

5 Funding Analysis

5.1 Risk-Based Analysis and Aims

The assessment of funding for the combined project which includes both the new arena addition and the dry-use conversion of Memorial Arena is based on the approved Option 3 as per the July 2017 Sierra Report.

It should be noted that the total project cost is approximately $36.2 million as of our 2019 costing for the new addition ice surfaces and our 2018 costing for the Memorial dry-use conversion.

The cost estimate for the Memorial Arena dry-use conversion does not include some of the major structural repair work and roof repair work that the City is understood to have already approved as capital expenditure in 2019. Accordingly, these costs are not accounted for in the analysis of capital costs and the funding equation which follows.

The approach to the assessment of funding is risk-based. We have identified a range of possible funding sources and indicated the relative likelihood of achieving each of these. This included a broad investigation of the funding and financing options available to municipal government in the Province of British Columbia, as well as discussions with municipal staff as to the likely constraints which may exist for certain of these options.

The approach to reconciling funding which is deemed to be most likely available, and therefore identifying any funding shortfall, includes estimates of upfront funding as well as funding which can be applied on an annual basis to cover the annual debt service charge which is potentially associated with the project.

It is important to note that the project capital costs do not include any construction financing charges that may be applicable. These are also not fundable under the terms of the Canada-BC Infrastructure Program. Further, that program, unveiled this year and with an application deadline in January 2019, is organized on the principle of reimbursement – that is, the expenses incurred by the municipality for an approved project are reimbursed by the Fund rather than funded from an upfront grant. Accordingly, any interim (construction) financing charges incurred may become an important additional element to identify. This also is relevant to the final determination as to whether this project is delivered through traditional means (design-bid-build using a construction manager approach) versus alternative procurement methods with certain risks transferred to the private sector through the capital delivery and financing process.

5.2 Considerations of Funding by Potential Source

Numerous methods of funding have been discussed during the course of the study. Such potential areas include; benevolent contributions, grants, nostalgia auctions and commercial sponsorship sales.

The City has discussed retaining the services of an experienced individual whose firm specializes in assisting communities to secure benevolent contributions/donations from members within the community and from outside of Penticton who see value in the project.

The City of Penticton and its consultants will continue to search out grant opportunities at both the provincial and federal levels for projects such as this. The award of an initial grant of $6,000,000.00 has made a significant difference in the overall in the development of this project.

The potential of significant dollars being accumulated through sponsorship sales does certainly exist with this project. As outlined previously in this study (see Section 3 Revenue Analysis, 3.2 Summary of Outcomes) discussions with many of those interviewed agree that the opportunity exists for the new project and the repurposed Memorial Arena to secure considerable sponsorship amounts. Whether those funds flow into the capital account of the building during construction or into the general operating account of the facility the numbers will have a significant impact on the facility.

Most certainly to be considered would be a pyramidal naming rights concept that would highlight the SOEC Campus as a whole, then flow to the possible renaming of Memorial Arena, to the naming rights of the new twin pad arena, each component ice rink, the main concourse area and meeting and alumni rooms. The exterior plaza and pre – function space could also be included into this concept.

In all, a concerted and coordinated effort by the benevolent team and the corporate sponsorship sales team will result in significant revenue for the project. However, a strategic plan must be developed with all involved to avoid possible client conflicts once the funding activity cycle begins.

Strategic Priorities Fund

The funding announced for the arena is $6 million from the Strategic Priorities Fund. Per the rules of the Federal Government under the bilateral infrastructure program, funding from the government is subject to stacking rules. Accordingly, the Strategic Priorities funding will be netted off from any Federal assistance.

Investing in Canada Infrastructure Program

The SOEC campus project under the auspices of the Arena Task Force, its consultation process and business plan to date fits completely into the eligibility under this program. The outcomes which are stated objectives of this program – both a quantitative and qualitative improvement in access to recreation facilities by the public – are met in full.

Federal funding is limited to 40% of eligible costs, while the BC Government maximum is set at 33.3%. The balance must be funded by the municipality through a range of means at its disposal including and partnership or fundraising potential.

The community, culture and recreation program has identified $134 million of support over 10 years and includes municipalities, aboriginal communities and not for profit entities. At this time, we have assumed that the project could achieve maximum assistance from the Federal and Provincial governments because of the well-developed nature of the plans, and the existence of funding under the Strategic Priorities Fund. However, because of stacking rules, the existing commitment of $6 million will likely be netted off the Federal component of funding. Despite this, the pre-existence of funding likely elevates the project in terms of its potential cost-benefit ratio linked to the Infrastructure Program; in short it leverages additional public funding. The resulting amount is shown in the above exhibit.

Details related to this program are available from the Government of British Columbia's website at https://www2.gov.bc.ca/gov/content/transportation/funding-engagement-permits/funding-grants/investing-in-canada-infrastructure-program/community-culture-recreation.

Fundraising

Fundraising is a risk-based proposition both in terms of the amount of fundraising and the timing of it, and therefore fundraising amounts have been excluded from the analysis. Definitionally we do not include sponsorship and naming rights as part of fundraising.

Fundraising can be achieved through a variety of means including recognition of small donations with naming of changerooms, seats and more. Larger donations can be suitably recognized but there are separate an apart from commercial naming rights or sponsorship.

Fundraising can, in the case of Memorial Arena which represents a well-loved building in the community, also extend to in-kind contributions to construction materials and equipment. Sale of elements of the original building that have sentimental or community value (such as benches, seats, etc.) can also contribute to funds.

In order to focus clearly on potential funding gaps, fundraising is not subject to an estimated total at this time. We anticipate that the City's consultant retained explicitly for fundraising will determine the balance of small versus larger donation potential and the appropriate process to execute project awareness and fundraising plans.

Community Amenity Contributions (from Development)

This is considered unlikely.

Community Bonds and Redirection of Guaranteed Annual Provincial Infrastructure Funding

The issuance of bonds for a project of this scale is unlikely and would need to be reviewed to determine if it contravenes the BC Community Charter. It is unlikely to contravene this charter given that community bonds are provided for by the Municipal Finance Authority of British Columbia (MFABC).

Based on discussion with City administration there are no available sources of annual capital funding from upper levels of government that would be capable of being redirected to this project.

Long-Term Debt

Long-Term debt that may be required represents the net unfunded capital after accounting for all upfront capital sources.

It is assumed that debt can be achieved on the basis of low interest loans and favourable amortization periods and other conditions per MFABC. The Community Charter specifies that the amortization period of long-term loans may range from 5 to 30 years.

We have provided two alternatives based on a recognition that MFABC can only provide interest rates for a maximum of a 10-year term. There are no published rates for longer terms. Of course, a number of institutions can provide long-term lending but for simplicity we are restricting the analysis to the Provincial infrastructure financing agency.

Attached as Appendix B are two schedules for funding the assumed net capital costs after estimated grant funding.

5.3 Annual Funding Sources

Annual funding sources were identified and assessed for likelihood. These are briefly documented below:

Development Levies

The City doesn't apply development levies to recreation. Furthermore, the City notes that Development Cost Charges (DCC) amount to roughly $1 million per year in recent years and as such are insufficient to cover major infrastructure costs. In our view, it is also unlikely that the City would consider borrowing against future DCC revenue.

Contribution of Destination Marketing Fees to Support Capital

The Travel Penticton Municipal and Regional District Tax (MRDT) is collected only for local tourism marketing, programs and projects. Unlike destination marketing levies in some other jurisdictions it cannot be redirected to capital except in the case of supporting affordable housing. The latter provision was introduced in the 2018 Provincial Budget.

User Group Registration and/or Rental Fee Surcharge

This form of long-term capital revenue generation is achievable and is pursued in a number of communities across Canada. We have not included any revenue from this source however because of the considerable steps required to both formulate, structure, and implement this policy in an equitable manner as well as gain buy-in from the users.

However, it remains a potential means to fund important elements of the capital budget including the capital reserve budgets for all City recreation facilities. Group would include any users of the facility such as the major groups: Minor hockey, OHG, lacrosse, figure skating, dry floor users, as well as other renting space on a frequent or occasional basis.

Naming Rights

These are treated as an annual operational revenue. It should be noted that there is a restriction on naming rights for the SOEC building until 2028. However, no restrictions exist for campus or new facilities.

Redirection of Casino Revenue Support

The City obtains $1.8 million per annum from Casino. This has been used to help cover the annual debenture payment for the SOEC. That debt is retired this year. Accordingly, a portion of the revenue may be applied to paydown debt for the next phase of development at the SOEC campus which comprises the current project which is the subject of this report.

Importantly, the City can also borrow against the future revenue contribution from the Casino to a maximum of $26 million. The City could, but does not wish to, utilize all of this for the project.

DPA Levy

Based on discussions with the City, it is determined that while a contribution from the Downtown merchant's association is a possible funding tool, it is not likely to occur in relation to this particular project. Accordingly, we have excluded any funding from this source.

Given the existence potentially of a funding gap it may be desirable for the City to engage the DPA with respect to this issue. We note that there are a number of examples of financial contributions by downtown associations to either capital funding or the reduction of operating deficits of major public venues.

Other Sources

There are potentially other sources as listed in our schedule and have the potential to represent funding additions. Examples include the savings achieved from any closure of older facilities, as well as the potential cost avoidance associated with major capital expenditure on such buildings. Our report includes an amount of cost avoidance associated with lifecycle spending on McLaren Arena (nearly a quarter of a million dollars). However, if such lifecycle investment is deferred, does this contingency amount actually represent a funding source to be redirected? In cash flow terms no, but in accounting terms, the savings are apparent.

5.4 Funding Alternatives

For the purposes of discussion, there are alternatives to the traditional model of municipal ownership and operation. Our broader analysis assumes that the City will be responsible for securing the capital to build the expansion and renovate Memorial Arena. Operational management will be retained by the City through a third-party operator working on behalf of the City.

However, there are alternatives and some examples include the following:

1. Private sector funding of 100% of capital costs in exchange for guaranteed rental of facility by the City over long term at market rate;

2. Private Sector Build and Lease Back to City (Lease to Own); and

3. Municipal capital and operating cost sharing with surrounding municipal jurisdictions.

Further analysis of these options can be provided by the consulting team if the City is interested in alternative finance and procurement (AFP) methods for the project.

5.5 Projected Funding Gap

The funding gap is estimated based on our assessment of capital costs, as well as the levels of grant funding achievable. These variables determine the amount of cost which needs to be financed through long term debt. The opportunity to defray this debt from innovative sources on an annual basis is important.

Our analysis is conservative, and we have not added values to several likely categories simply because of the uncertainty as to the level of funding and timing of funding that might be achieved.

The following exhibits outline the estimates of potential funding for the combined project. It does not consider the impacts of phasing of the project (such as staggering either the arena development or the Memorial Arena renovation). It should be noted that the Canada-BC Infrastructure Program explicitly excludes project expenditures that occur outside of an 8-year window (April 2027 onward).

Under a 10-year debt retirement scenario the annual funding gap is in the order of $3.3 million; Under a 15-year debt schedule the gap is $2.2 million and under a 20-year debt schedule, the gap is reduced to $1.66 million annually. Depending on the preference of the City for length of debentures (note that the MFABC guarantees only 5 and 10 year rates), it is advisable to perform a present value assessment of debt and interest arising to determine the appropriate amortization period suitable given other capital project commitments for the City.

Exhibit 21: Potential Funding Model for Penticton SOEC Campus Renewal – Capital Equation for 10 Year Debt Retirement

Potential Funding Model for Penticton SOEC Campus Renewal
CAPITAL EQUATION

ASSUMES ZERO CAPITAL COST ESCALATION	Total Capital Cost	Likelihood of Funding/ Constraints
A - Capital costs (Per Phase 2 Report Costing Exercise)	**($36,165,534)**	
Twin Pad[1]	**($28,657,286)**	
Memorial Arena Renovation	**($7,508,248)**	
B - Direct Capital Funding Available to Project		
1 - Federal Strategic Priorities Funding	$6,000,000	Approved subject to balance of funding requirements
2 - Other Grants	$8,466,213.71	Estimated amount is based on the infrastructure funding, minus $6M
3 - Fundraising	$0	TBD
4 - Community Amenity Contribution (CAC) Agreements per Section 904 of BC Local Government Act	$0	Highly Unlikely
5 - Community Bonds (per provisions of MFABC)	$0	Unnecessary at this scale of funding
6 - Redirection of Guaranteed Annual Provincial Infrastructure Funding (if any) to City	$0	None available for redirect
C - Net Capital Costs	($21,699,321)	
D - Long-Term Debt - Annual P&I Payment Based on MFABC 10 year term at 2.95% p.a.	($4,221,622)	
E - Annual Funding Sources to Address Long-Term Debt		
Development Levies Applicable to Recreation Infrastructure (DCC By-law)	$0	Not collected for recreation infrastucture
Contribution of Hotel Marketing Levy to Capital	$0	Not currently permitted
Contribution of User Group Registration Fees to Capital	$0	Possible
5 and 10 Year Naming Rights	$0	Assumed as annual operating revenue
Casino Revenue	$900,000	Assume portion of revenue to be directed towards arena project[2]
Linear Assets (Non-Taxable) charges e.g. to Hydro	$0	None available
DPA Contribution via levy (Downtown Penticton Association)	$0	Unlikely
Any Operational Surplus	TBD	
Operating Deficits (from closure and repurposing) Transferred as Savings	TBD	
Roof Top Revenue	TBD	Renewable Energy - may necessaitate longer term payback
F - Special Levy to Tax Base	$0	Some municipalities have adopted this approach
Sub-Total	**$900,000**	
F - Net Annual (Shortfall)/Surplus[2]	**($3,321,622)**	

Notes:

[1] Capital costs exclude the standardized 20% cost contingency for a new twin pad (as design process expected to refine and decline costs). Capital cost contingency of this magnitude is included only because of the pre-design nature of the concept at present. Contingency does not imply expected complications leading to higher capital costs. All costs are net of any price escalation that may occur; Memorial Arena repurposing is a more complicated renovation-centred project. The capital cost contingency (5% or $682,600) is comparatively more likely and is retained.

[2] A portion of casino revenue has been assumed for the purposes of this analysis. No casino revenue has been committed to this project to date.

Source: Sierra Planning and Management

Exhibit 22: Potential Funding Model for Penticton SOEC Campus Renewal – Capital Equation for 15 Year Debt Retirement

Potential Funding Model for Penticton SOEC Campus Renewal
CAPITAL EQUATION

ASSUMES ZERO CAPITAL COST ESCALATION	Total Capital Cost	Likelihood of Funding/ Constraints
A - Capital costs (Per Phase 2 Report Costing Exercise)	**($36,165,534)**	
Twin Pad[1]	**($28,657,286)**	
Memorial Arena Renovation	**($7,508,248)**	
B - Direct Capital Funding Available to Project		
1 - Federal Strategic Priorities Funding	$6,000,000	Approved subject to balance of funding requirements
2 - Other Grants	$8,466,213.71	Estimated amount is based on the infrastructure funding, minus $6M
3 - Fundraising	$0	TBD
4 - Community Amenity Contribution (CAC) Agreements per Section 904 of BC Local Government Act	$0	Highly Unlikely
5 - Community Bonds (per provisions of MFABC)	$0	Unnecessary at this scale of funding
6 - Redirection of Guaranteed Annual Provincial Infrastructure Funding (if any) to City	$0	None available for redirect
C - Net Capital Costs	($21,699,321)	
D - Long-Term Debt - Annual P&I Payment Based on MFABC 15 year term at 3.22% p.a.	($3,109,027)	
E - Annual Funding Sources to Address Long-Term Debt		
Development Levies Applicable to Recreation Infrastructure (DCC By-law)	$0	Not collected for recreation infrastucture
Contribution of Hotel Marketing Levy to Capital	$0	Not currently permitted
Contribution of User Group Registration Fees to Capital	$0	Possible
5 and 10 Year Naming Rights	$0	Assumed as annual operating revenue
Casino Revenue	$900,000	Assume portion of revenue to be directed towards arena project[2]
Linear Assets (Non-Taxable) charges e.g. to Hydro	$0	None available
DPA Contribution via levy (Downtown Penticton Association)	$0	Unlikely
Any Operational Surplus	TBD	
Operating Deficits (from closure and repurposing) Transferred as Savings	TBD	
Roof Top Revenue	TBD	Renewable Energy - may necessaitate longer term payback
F - Special Levy to Tax Base	$0	Some municipalities have adopted this approach
Sub-Total	**$900,000**	
F - Net Annual (Shortfall)/Surplus[2]	**($2,209,027)**	

Notes:

[1] Capital costs exclude the standardized 20% cost contingency for a new twin pad (as design process expected to refine and decline costs). Capital cost contingency of this magnitude is included only because of the pre-design nature of the concept at present. Contingency does not imply expected complications leading to higher capital costs. All costs are net of any price escalation that may occur; Memorial Arena repurposing is a more complicated renovation-centred project. The capital cost contingency (5% or $682,600) is comparatively more likely and is retained.

[2] A portion of casino revenue has been assumed for the purposes of this analysis. No casino revenue has been committed to this project to date.

Source: Sierra Planning and Management

Exhibit 23: Potential Funding Model for Penticton SOEC Campus Renewal – Capital Equation for 20 Year Debt Retirement

Potential Funding Model for Penticton SOEC Campus Renewal
CAPITAL EQUATION

ASSUMES ZERO CAPITAL COST ESCALATION	Total Capital Cost	Likelihood of Funding/ Constraints
A - Capital costs (Per Phase 2 Report Costing Exercise)	**($36,165,534)**	
Twin Pad[1]	**($28,657,286)**	
Memorial Arena Renovation	**($7,508,248)**	
B - Direct Capital Funding Available to Project		
1 - Federal Strategic Priorities Funding	$6,000,000	Approved subject to balance of funding requirements
2 - Other Grants	$8,466,213.71	Estimated amount is based on the infrastructure funding, minus $6M
3 - Fundraising	$0	TBD
4 - Community Amenity Contribution (CAC) Agreements per Section 904 of BC Local Government Act	$0	Highly Unlikely
5 - Community Bonds (per provisions of MFABC)	$0	Unnecessary at this scale of funding
6 - Redirection of Guaranteed Annual Provincial Infrastructure Funding (if any) to City	$0	None available for redirect
C - Net Capital Costs	($21,699,321)	
D - Long-Term Debt - Annual P&I Payment Based on MFABC 20 year term at 3.35% p.a.	($2,557,472)	
E - Annual Funding Sources to Address Long-Term Debt		
Development Levies Applicable to Recreation Infrastructure (DCC By-law)	$0	Not collected for recreation infrastucture
Contribution of Hotel Marketing Levy to Capital	$0	Not currently permitted
Contribution of User Group Registration Fees to Capital	$0	Possible
5 and 10 Year Naming Rights	$0	Assumed as annual operating revenue
Casino Revenue	$900,000	Assume portion of revenue to be directed towards arena project[2]
Linear Assets (Non-Taxable) charges e.g. to Hydro	$0	None available
DPA Contribution via levy (Downtown Penticton Association)	$0	Unlikely
Any Operational Surplus	TBD	
Operating Deficits (from closure and repurposing) Transferred as Savings	TBD	
Roof Top Revenue	TBD	Renewable Energy - may necessaitate longer term payback
F - Special Levy to Tax Base	$0	Some municipalities have adopted this approach
Sub-Total	**$900,000**	
F - Net Annual (Shortfall)/Surplus[2]	**($1,657,472)**	

Notes:

[1] Capital costs exclude the standardized 20% cost contingency for a new twin pad (as design process expected to refine and decline costs). Capital cost contingency of this magnitude is included only because of the pre-design nature of the concept at present. Contingency does not imply expected complications leading to higher capital costs. All costs are net of any price escalation that may occur; Memorial Arena repurposing is a more complicated renovation-centred project. The capital cost contingency (5% or $682,600) is comparatively more likely and is retained.

[2] A portion of casino revenue has been assumed for the purposes of this analysis. No casino revenue has been committed to this project to date.

Source: Sierra Planning and Management

6 Memorial Arena Dry-Use Conversion

6.1 Consultation-Led Process

Two community consultation events, focused on the future of the Memorial Arena, were held in January and April of 2018. These consultations organized by the City of Penticton pursuant to its community engagement strategy and protocols, were highly successful. The initial meetings conducted over two days (evening and morning sessions) attracted a range of participants – from interested citizens to user group representatives, a range of age groups and both men and women.

The purpose of the first series of meetings was to garner input as to what people wanted from a dry-use Memorial Arena. This included not only sport-related uses, but the entire role of the arena in community life. Our team subsequently attempted to draw together the alternative futures for the building expressed to us and create options which create a place of gathering, community interest and of course a range of court sport and field house-type uses which maximize the advantages of the large span structure and high-volume space.

The open house sessions (x2) in April were offered to report back to the community on the options we had generated. These meetings were well attended and provided significant input to our team. The diversity and breadth of involvement by numerous stakeholder groups in this process was commendable. Specifically, representatives from each of the following provided considerable input with regards to the variety of uses that could be accommodated in the renovation of Memorial Arena:

- Tennis;
- Lacrosse;
- Pickleball;
- Basketball;
- Volleyball;
- Roller Derby;
- Hockey;
- Indoor Soccer;
- Ultimate Frisbee; and
- Crossfit Challenge.

The materials presented during the consultation process for the Memorial Arena are provided in Appendix A.

6.2 Resulting Options

Based on the outcomes of the process undertaken to determine the future of Memorial Arena, the following general concept and alternative options were developed:

General Floor Plan Concept

In general, the concept for the floor plan is to remove many of the interior partitions and only keep the minimum number of enclosed rooms required for change rooms, storage rooms, offices, washrooms, and mechanical and electrical service rooms. This provides the maximum floor area for the least cost. The expanded and glazed openings on all sides of the building will open the facility to natural light and be much more welcoming than the current building. The front door at the east end, adjacent to the kitchen and lounge, would be maintained through these alterations and would be the controlled point of entry during special events. The bleachers would be removed to maximize the floor area and the concourse on the upper floor would be retained for use as a walking track and for a viewing concourse.

At a site planning level, highlights of the concept include the addition of a patio outside the existing kitchen and concession area, covered walkways around the building perimeter, creation of a public and/or service entrance from the west parking area, and the ability for the building to be opened up to the exterior with the inclusion of sliding glass walls.

Based on the concept described above, three (3) alternative floor plan options were developed:

Option A – Preferred Option

This is the preferred option as it maximizes the use of the open floor area and allows the majority of the sports courts to be centred below the glulam arched ceiling. The existing elevator and stair lobby would be retained but a portion of the second floor would be removed to open up the space to the natural light entering through the existing glazed wall on the east side.

Option B – East Mezzanine Addition

This option adds a mezzanine on the east end of the building adjacent to the main entry and provides more viewing area on both the ground floor and the upper floor. It has the least impact on the sports court layouts but does not provide any more space for indoor activities.

Option B1 – North Mezzanine Addition

This option adds a mezzanine on the north side of the building and could also be added on the south side of the building. Of the two mezzanine options, it has the most impact on the sports court layouts but provides additional indoor activity space.

Full details of the Preferred Option (Option A), at a conceptual level. are provided in the Technical Compendium.

6.3 Community Feedback

Community feedback relative to the possible repurposing of Penticton Memorial Arena was the result of a collaborative effort on the part of the consulting team and the City of Penticton.

The approach to the possible repurposing of Memorial Arena utilized an open public engagement session with numerous user groups and stakeholders as described previously. Specifically, over the course of the two public sessions, January 25 and 26, the consulting team and the City were able to identify all possible uses for a repurposed Memorial Arena. It is worth noting that the small group discussion sessions proved extremely valuable with regards to information sharing and indicated a sincere need within the community for an interior space to accommodate multiple, non-ice, user groups and activities.

Upon conclusion of the two public sessions, and the accumulation of the materials collected through the engagement process, the consulting team began a design process to maximize the usage of Memorial Arena as a "dry floor" facility. The primary objective was to maximize the floor space, at the expense of spectator seating if necessary, to be able to best accommodate the widest range of user group sports and activities.

With that objective at the forefront of the process, the Team collaborated to deliver a model that:

- Shows the removal of all of the original spectator seating;
- Retains the upper level walking/jogging pathway;
- Recommends that an athletic surface be applied to the pathway when funding provided;
- Retains the visual display cases for the possible creation of a Penticton Sports Hall of Fame display;
- Removes the dressing rooms currently on the north side of the arena;
- Adds new entrances at both the north and south sides of the arena;
- Creates drop off and pick up zones on both the north side and south side of the arena;

- Creates a more visible and open east entrance to the arena. This design includes an outdoor patio area at the entrance to the arena;
- Creates covered walkways on both north and south sides of the arena;
- Removes the Zamboni storage and refrigeration system for the construction of maintenance and storage areas (back of house);
- Upgrades current dressing rooms and adds some new office and storage areas; and
- Provides a flat floor space that will, amongst other activities, accommodate lacrosse, basketball, volleyball, pickleball, tennis, roller derby, trade and exhibition show space.

The design plan was submitted for review to City staff after which a series of two "Memorial Fieldhouse Drop–In Sessions" was announced to the public. The objective(s) of these sessions was to show the public the preliminary concepts for the repurposing of Penticton Memorial Arena and to acknowledge that these concepts were the result of direct input received from the stakeholder sessions in January.

The drop-in sessions were well received, and the feedback generated was extremely positive. The community appreciated being involved in this process and appreciated that their initial input was taken seriously by the City and the Consulting team when developing the field house model. Of the responding group who completed the exit survey, 115 said the session was very effective while only two said the session was not of value to them.

In summary, 360 citizens attended the two drop-in sessions representing the sports of tennis, pickleball, volleyball, lacrosse, basketball, roller derby and hockey. In addition, citizens interested in preserving Memorial Arena, interested in the walking track or other sports and activities were also represented.

Completed responses show that 148 citizens "strongly agree" with the conversion of Memorial Arena to a field house, while 28 said the "agree". Only two respondents said they "disagree" while 3 stated they "strongly disagreed" with the repurposing of Memorial Arena.

The community engagement process related to the repurposing of Memorial Arena was well received by the community and resulted in a design that meets the needs of the community and its user groups and stakeholders. Further involvement will be required should the process of developing a new twin pad arena, and the subsequent repurposing of Memorial Arena, be further endorsed by City council.

6.4 Memorial Conversion Capital Costing

Based on the concept developed through the consultation process, the cost estimate for converting Memorial Arena to a dry-use floor was updated, as presented below. It should be noted that this does not include any structural work that may be required.

Exhibit 24: Capital Costing Estimate for Preferred Memorial Arena Option (Option A)

Item	Description	Unit Price	Total Cost
1.1	**Contractor Fee**		**$250,000.00**
1	**General Requirements**		**$350,000.00**
	8 Months Construction Duration		
2	**Site Improvements**		**$946,300.00**
	Hard Landscaping & Site Concrete	$25/sqft	$375,000.00
	Landscaping	$8/sqft	$44,800.00
	Covered Pedestrian Walkway	$65/sqft	$526,500.00
2	**Demolition**		**$608,750.00**
	*Lead Paint Abatement	$8/sqft	$187,200.00
	Haz Mat Abatement (Pinchin West report and budget)		$101,550.00
	Demo bleachers (8 weeks, 5 workers, EQ and JS)		$250,000.00
	Demo existing office spaces	$20/sqft	$70,000.00
3	**Concrete**		**$140,250.00**
	New slab to extend rink/floor area	$15/sqft	$140,250.00
4	**Masonry**		**$14,000.00**
	infills to existing openings	700 sqft @ $20	$14,000.00
5	**Metals**		**$100,000.00**
	Structural Steel plates		$100,000.00
6	**Wood & Plastics**		**$300,000.00**
	Running track substructure	$30/sqft	$300,000.00
6-16	**New construction**		**$1,955,000.00**
	TI to new spaces (offices, dressing rooms, storage, etc.)	$170/sqft	$1,955,000.00
7	**Thermal and Moisture Protection**		**$50,000.00**
	exterior siding		$50,000.00
8	**Doors and Windows**		**$455,000.00**
	New Glazed openings	7000sqft @ $65	$455,000.00

	TOTAL		**$5,169,300.00**
9	**Contingency**		**$516,930.00**
	Construction Contingency	10%	$516,930.00
10	**Soft Costs**		**$1,822,018.00**
	Architectural & Engineering Fees		$672,000.00
	Furniture, Fixtures & Equipment (FF&E)		$984,380.00
	Design Contingency	10%	$165,638.00
	GRAND TOTAL		**$7,508,248.00**

Note: Budget does not include building permits and fees, line painting, rubber track, netting, storage carts, or divider curtain between courts.

*Clarifications: *Lead abatement costs will vary drastically – need further tests completed, code upgrades not accounted for, roofing not included, and budget assumes existing building's electrical and mechanical is sufficient for new use.*

Source: Sierra Planning and Management and ICC based on estimates provided by Greyback Construction Ltd., May 24, 2018

6.5 Timing of Implementation

Given the nature of the renovation, the initial phase of development would encompass the decommissioning of the refrigeration infrastructure and the removal of the arena seating, leaving the upper concourse in place. Access points to the concourse would be required and subsequently the addition of the chosen sports flooring and approach to the creation of dressing room and other demised spaces can be pursued in a single phase or multiple phases depending on budgetary constraints.

We note that the Canada-BC Infrastructure Program will only fund projects with a stipulated construction completion date of March 31, 2024 and hence any phasing should take this limit into consideration.

7 Total Life-Cycle Cost (Capital & Operating)

7.1 Total Cost of Ownership for Approved Option 3 Strategy

Projected Operating Costs Including Annual Lifecycle Contribution

The addition of annual lifecycle costs to the analysis of Net Operating Income (deficit) provides a perspective on total costs of ownership of the Twin Arenas. The analysis has also been extended to demonstrate the lifecycle and net operating costs of Memorial Arena given that it will remain as an operational building which is likely to incur annual deficits and will require a relatively sizeable annual capital reserve.

With respect to the OHTC arena, the lifecycle estimates developed for the City in an earlier analysis by other consultants are included with those of the SOEC as a whole (main rink and the OHTC). As such the estimates cannot be broken out and while they are included for information purposes, they should not be misinterpreted as the costs associated with the OHTC alone.

Exhibit 25: Total Life Cycle Costs of Project

	Component	Capital Cost	20 Year Lifecycle Cost
A	New Twin Pad Addition	$28,657,286	$7,379,278
B	Memorial Arena	$7,508,248	$8,212,362
C	McLaren Arena (Decommissioning)	$1,000,000	-$4,165,734
D	SOEC (Shown for information only)	-	$29,415,660
	Total (A+B+C)	$37,165,534	$11,425,906
	Grand Total (A+B+C):	**$48,591,440**	

Note:

(i) Capital costs exclude the standardized 20% cost contingency for a new twin pad (as design process expected to refine and decline costs). Capital cost contingency of this magnitude is included only because of the pre-design nature of the concept at present. Contingency does not imply expected complications leading to higher capital costs. All costs are net of any price escalation that may occur; Memorial Arena repurposing is a more complicated renovation-centred project. The capital cost contingency (5% or $682,600) is comparatively more likely and is retained.

(ii) SOEC lifecycle costs will occur regardless of the addition of a twin pad arena and are therefore not included in the Total Life Cycle costs for this project.

As shown in Exhibit 26, the annual operating deficit of the twin rink complex and its annual lifecycle costs can be combined to show the overall cost of ownership on an annual basis.

Exhibit 26: Total Cost of Ownership with Changes to Ice Arenas (Excludes SOEC)

		A		B		C		D	
		McLaren	$/sq.ft.	**Memorial**	$/sq.ft.	**OHS**	$/sq.ft.	**New Twin Pad**	$/sq.ft.
	Current Baseline Operating Costs							n.a.	
	Per Annum	($331,625)	*($13.85)*	($330,810)	*($22.97)*	($251,823)	*($8.99)*	**($1,066,599)**	*($12.12)*
	25 Year Present Value	($6,844,904)	*($285.80)*	($6,828,088)	*($474.17)*	($5,197,749)	*($185.63)*	**($22,015,157)**	*($250.17)*
	Total Current Operating Costs (A+B+C)								
	Per Annum	**($914,257)**							
	25 Year PV	**($18,870,741)**							
	Future Operating Costs (B+C+D))								
	Per Annum	**($1,518,569)**							
	25 Year PV	**($31,344,051)**							
	Options								
Option 3	Decommission McLaren, convert Memorial to dry floor, new twin pad	**X**		**Dry Use**		**As Is**		**Add**	
	Operating Costs								
Option 3	$ Per Annum	$0		($200,147)		($251,823)		**($1,066,599)**	
	$ NPV	$0		($4,131,145)		($5,197,749)		**($22,015,157)**	
	Operating Revenues								
Option 3	$ Per Annum	$0		$87,100		$317,892		**$883,623**	
	$ NPV	$0		$1,797,789		$6,561,462		**$18,238,431**	
	Operating NOI								
Option 3	$ Per Annum	$0		($113,047)		$66,070		**($182,976)**	
	$ NPV	$0		($2,333,356)		$1,363,714		**($3,776,725)**	
	Operating Lifecycle					**Incl. SOEC**			
Option 3	20 Years	$0		($383,215)		($2,260,762)		**($368,964)**	
	40 Years	$0		N.A.		N.A.		**($797,585)**	
	Total Cost of Ownership - Annually (NOI + Lifecycle)								
Option 3	20 years	$0		($496,262)		($2,194,692)		**($551,940)**	
	40 Years	$0		N.A.		N.A.		**($980,561)**	

Note: OHTC Lifecycle is included in SOEC as a whole and therefore overstates the Lifecycle associated with OHTC arena.
Source: Sierra Planning and Management

For a 20-year lifecycle period the total cost of ownership (deficit and lifecycle) on an annual basis is calculated at $552,000; for a 40-year replacement lifecycle projection, this rises to just under $1 million per annum.

While these numbers may seem high, they include lifecycle amounts. It is important to compare this figure for the new twin pad (and Memorial Arena in dry-use) compared to the two existing rinks in their current operation: McLaren and Memorial:

- The deficit of the twin pad is not expected to be higher than the combined current deficit of the McLaren and Memorial – it is estimated to be slightly lower and if revenues are enhanced through the achievement of new events and potentially higher pricing, as well as cost reduction through integration with the existing operations at the SOEC, the deficit could be significantly reduced. This would then be far more favourable than the current annual deficits of the existing arenas while the new arenas also provide substantially greater levels of amenity and services.

- In lifecycle terms (20-year lifecycle estimates) McLaren and Memorial are likely to account for over $600,000 in annual lifecycle costs – a figure that will ultimately not pay dividends as the arena become more functionally obsolete over time even if they are maintained with regular investment to repair and replace building components.

- The lifecycle costs for the new twin-pad (which will not draw down on those costs for a number of years as it is a new building) is $369,000 per annum – a sizeable improvement.

- The challenge comes with Memorial –despite a conversion it remains an older building and remains part of the inventory of city-owned facilities. It has an estimated lifecycle cost per annum somewhere in the range of $380,000. This amount plus a likely operating deficit remains the City's obligation along with the costs of ownership of the twin pad. Together these buildings have a combined cost of ownership (based on all of the revenues and operating cost projections if borne out) of $1.05 million annually.

7.2 Calculating the Benefit-Cost Ratio of Proposed Investment

The lens of City planning is not a snap-shot picture of 2018 as it relates to the value of the status quo versus opportunities for reinvestment in the City's ice facilities as recommended in this report and previously in 2017 reporting to the ATF. It is long-term planning as is the City's approach to asset management in general. Short term capital costs involved in building new are set against lower but accruing capital costs associated with sustaining the aging facilities as well as the eventual need to replace them over the next 20-25 years; and the annual operational success of a new facility relative to the old becomes cumulatively important.

The Benefit-Cost Ratio (BCR) is a single comparison of all of these aspects.

- The Benefit-Cost Ratio is a measure of the expected benefits of a project relative to the costs, expressed generally in monetary terms.
- In a public infrastructure context, it is broadly defined as all measurable benefits including economic impact.
- The BCR is based on net present value (NPV) of benefits and costs (i.e. discounted value of future benefits over the project life less discounted costs).
- A BCR greater than (>) 1 = project has a net value.
- The BCR is different from risk-assessment which can be part of the adjustment of future individual costs and revenues.
- The BCR includes wider economic benefits to the extent only that those can be measured.

The following are categories of costs and benefits which are relevant.

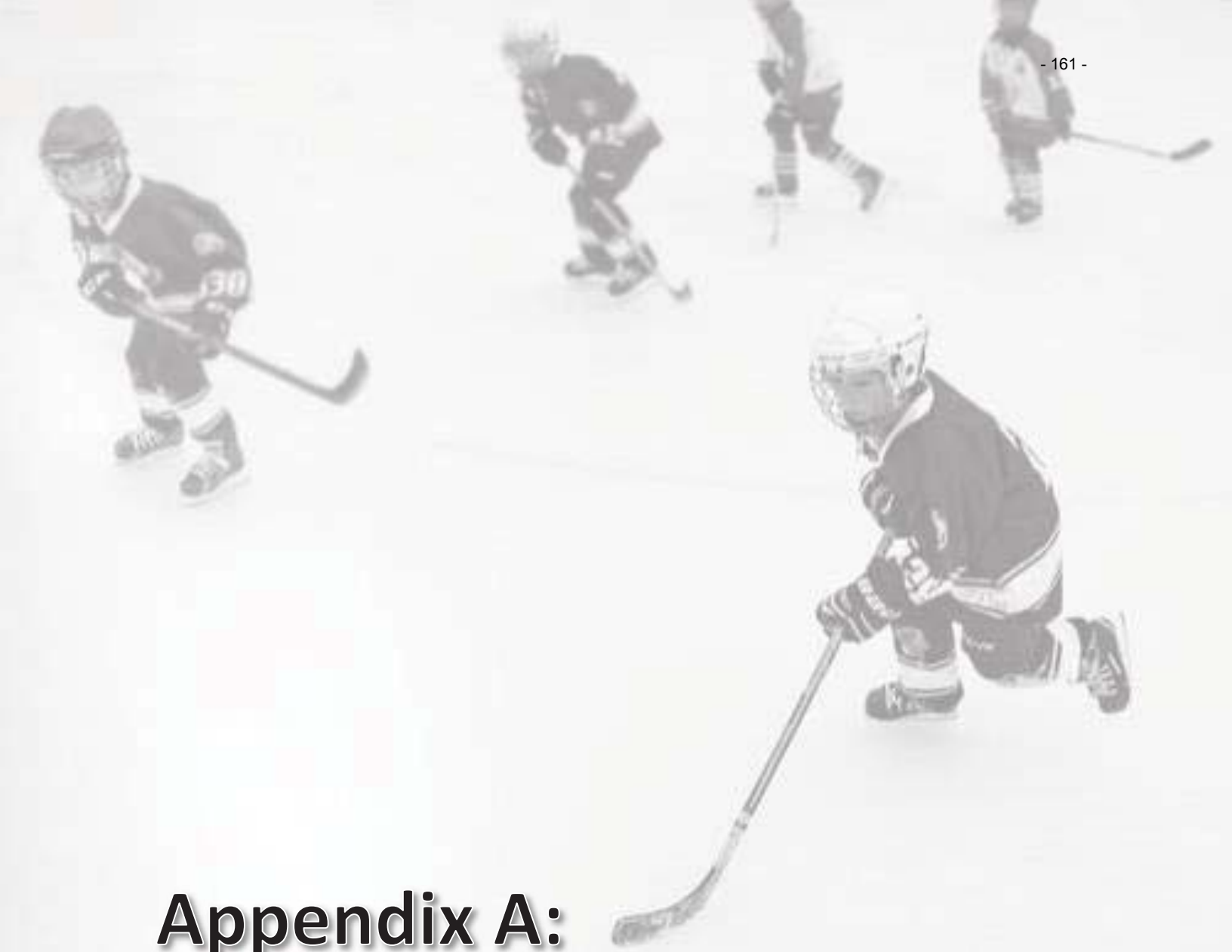
Exhibit 27: Benefits and Costs Comparison of Proposed Investment

▪ **Net Present Value (NPV at 5% discount rate)**	▪ **Maintain Status Quo (McLaren and Memorial As-Is)**	▪ **Implement Option 3**	▪ **Benefit-Cost Ratio (BCR)** ▪ >1.0 = ✓ ▪ <1.0 = ✗
▪ PV Total Capital	▪ Lower but involves later replacement of facilities due to age and obsolescence	▪ Higher in short term	▪ Likely similar – i.e. +/- 1.0
▪ PV Total Net Operating Income (Revenues less Costs)	▪ Poor	▪ Good	▪ >1.0
▪ PV Likely Economic Impact Benefits	▪ Very Low and Declining	▪ Very High	▪ >2.0
▪ Net Result	▪ Costs Outweigh Benefits	▪ Benefits Outweigh Costs	▪ 1.0 – 2.0

7.3 Conclusions and Next Steps / Utilization of Report

The City should utilize the findings of this report as a basis for the application to upper levels of government for funding support and further discussion with the public as to the likely level of development that is warranted: specifically, the level of expenditure on the conversion of Memorial Arena and the decision to decommission McLaren Arena once the new rinks are constructed.

The City should also review the pricing of its rink rentals to determine if a new approach is required to pricing to assist with both operational support of the new investment and to include a surcharge to help defray the capital costs to the City over time – both initial capital costs and ongoing lifecycle costs.



Appendix A:

Memorial Arena Consultation Materials

MEMORIAL ARENA - DRY USE CHARRETTE

SCHEDULE OF EVENTS:

INTRODUCTIONS

BACKGROUND
- Project Description
- Project History
- Project Purpose + Timelines
- Review of Work to Date
- Review of Preferred Site Development
- Memorial Arena – A Brief History
- Aerial Photo

CHARRETTE
- Review Existing Floor Plans
- Review Site/Floor Plan
- Brainstorming Teams + Concept Teams
- Summary

CONCLUSION & WRAP UP

INTRODUCTIONS

Feasibility Study Lead Consultant: Jon Hack, Sierra Planning & Management

Arena Development Consultant: Rick Kozuback, ICC

Local Architectural Consultant: Cal Meiklejohn, MAD Studio

Sport Architect Consultant: Marion LaRue, DIALOG

Civil Engineer: Craig Dusel, McElhanney

Construction/Costing Advisor: Matt Kenyon, Greyback Construction

PROJECT DESCRIPTION

Approval: City of Penticton approved recommendations of the ATF for:

a) A Twin-Pad addition to the SOEC;
b) Conversion of Memorial Arena to dry-use
c) Decommissioning ice at McLaren Arena

Prior to making recommendations, all options were subject to City-Led public consultation.

Analysis was supported by independent assessment of the capital costs associated with enhancement of both the Memorial and McLaren Arenas (including repurposing these facilities)

PROJECT HISTORY

Approval: City of Penticton approved recommendations of the ATF for:

a) A Twin-Pad addition to the SOEC;
b) Conversion of Memorial Arena to dry-use
c) Decommissioning ice at McLaren Arena

Prior to making recommendations, all options were subject to City-Led public consultation.

Analysis was supported by independent assessment of the capital costs associated with enhancement of both the Memorial and McLaren Arenas (including repurposing these facilities)

2016-2017

City of Penticton Arena Task Force Considers Future Planning for City Ice Facilities

May-July 2017

Consulting Team Undertakes Cost-Benefit Study of Development Options

July-2017

Council Adoption of Staff Recommendations Contained in 2017-07-25 Special Council Meeting Agenda Package Report on Arena Task Force Recommendation for Grant Application

PROJECT PURPOSE + TIMELINES

The Project: a detailed investigation of the financial feasibility of implementing the recommendations of the Arena Task Force (ATF)

Analysis based on a range of due diligence:

a) Estimating Total Lifecycle Costs for all Arena Facilities
b) Revenue Opportunities Resulting from Investment in New Facilities
c) Options for An Operating Model to Maximize operating efficiencies (lower operating costs while raising revenue potential)
d) Dry-Use Concept for Memorial Arena (incl. capital costs, operating cost and revenue projections)
e) Creating a Capital Funding Strategy

December 2017 / January 2018

Start-Up and data collection/analysis

January/February 2018

Memorial Arena Re-use Concept Development, capital costing and operating projections

Detailed operating costs and revenues analysis

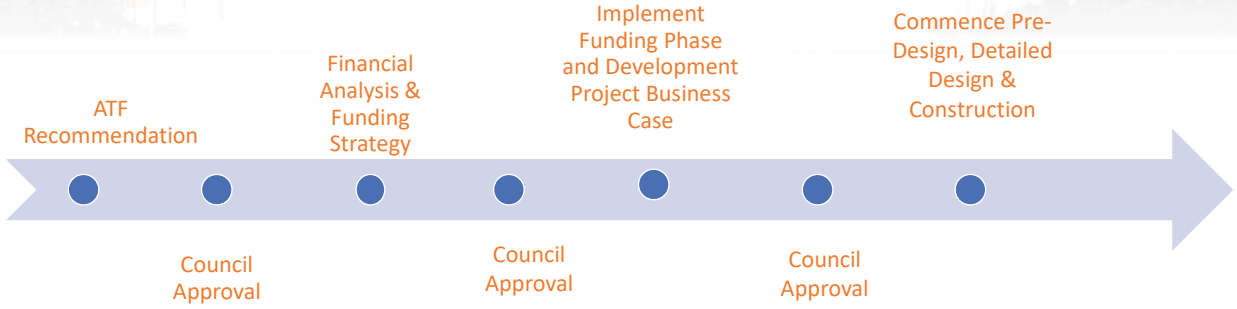
February/March 2018

Funding Strategy

March / April 2017

Draft Report to City of Penticton and presentation to City Council / Report Finalization and Final Presentations

PROJECT PURPOSE + TIMELINES



REVIEW OF PREFERRED SITE DEVELOPMENT

COSTING IMPLICATIONS

(including costs identified in Carscadden Report (draft), June 8, 2017)

Goal #1: Four regulation ice surfaces
Goal #2: Dry Use Opportunities

Option #2 Costs

A) New 2-pad:	+	$34.3 M
B) McLaren:		Decommissioned
C) Memorial:	+	Renovated for dry use options long-term $3.84 M estimated based on Carscadden Option A
D) Total	=	$38.1 M

Operations Significantly greater efficiencies.

COSTING IMPLICATIONS

(including costs identified in Carscadden Report (draft), June 8, 2017)

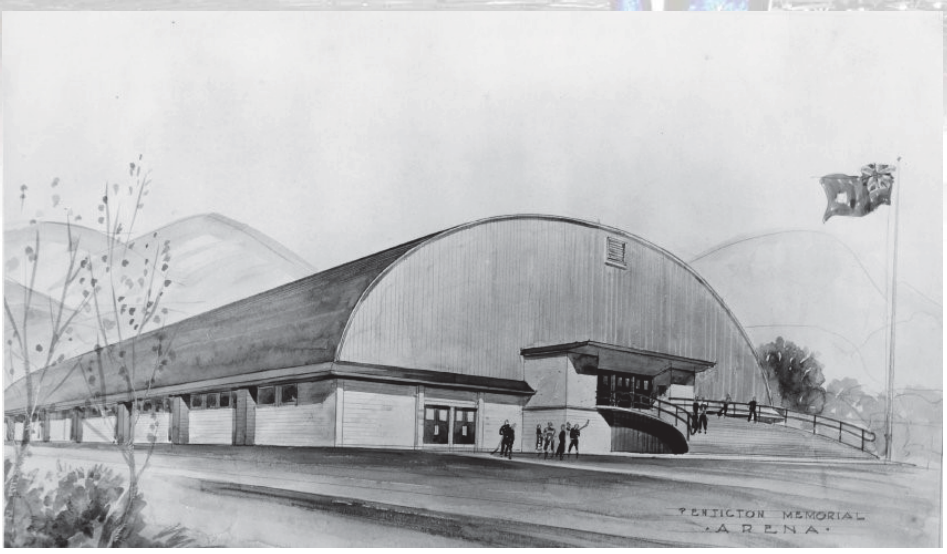
Goal #1: Four regulation ice surfaces
Goal #2: Dry Use Opportunities

Phased Option (Hybrid)

A) New 1-pad:	+	$24.8M
B) McLaren:	+	Dry Use $1.5 M
C) Memorial:		10-year life extension for ice $4.3 M
D) Future Second Pad:		Approximately $12.2 M plus 10% premium ($13.4 M) Servicing and site work already in Phase 1.
A) Total	=	$45M

Operations Less efficient than Option 2 for period of 10 years.

MEMORIAL ARENA – A BRIEF HISTORY



MEMORIAL ARENA – A BRIEF HISTORY

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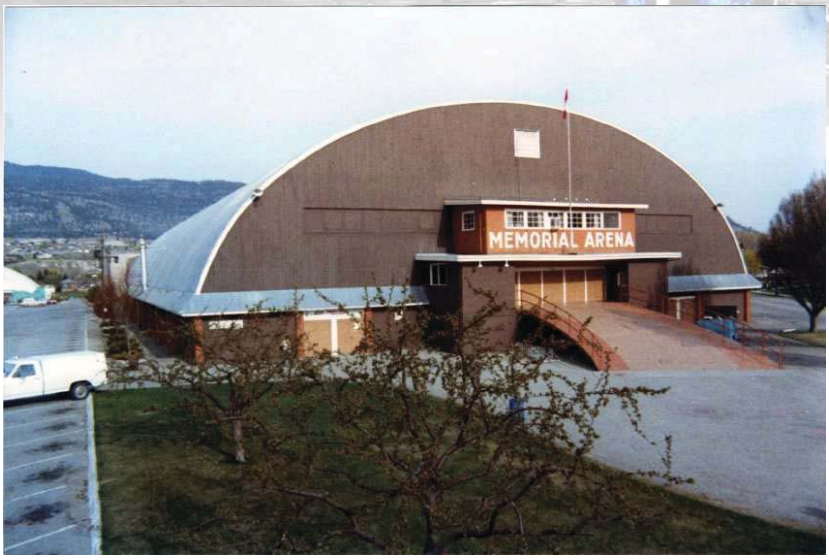
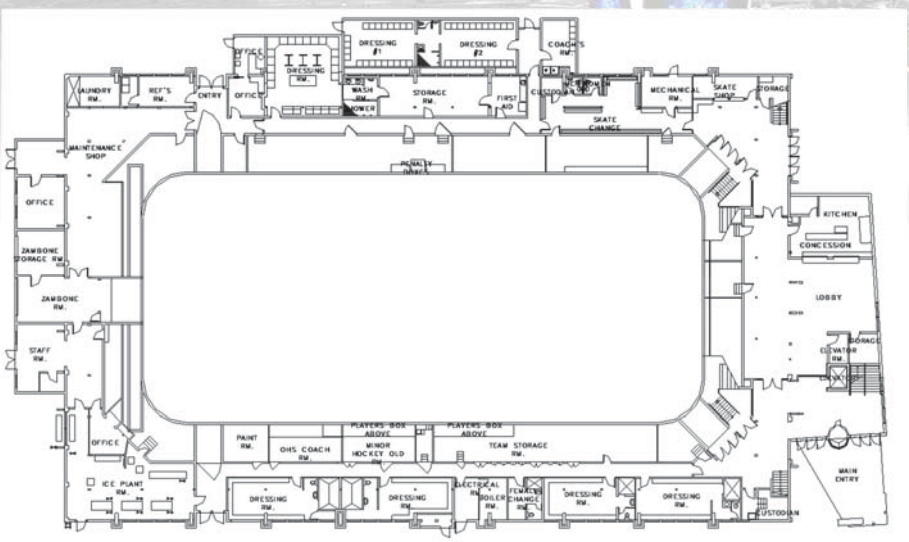
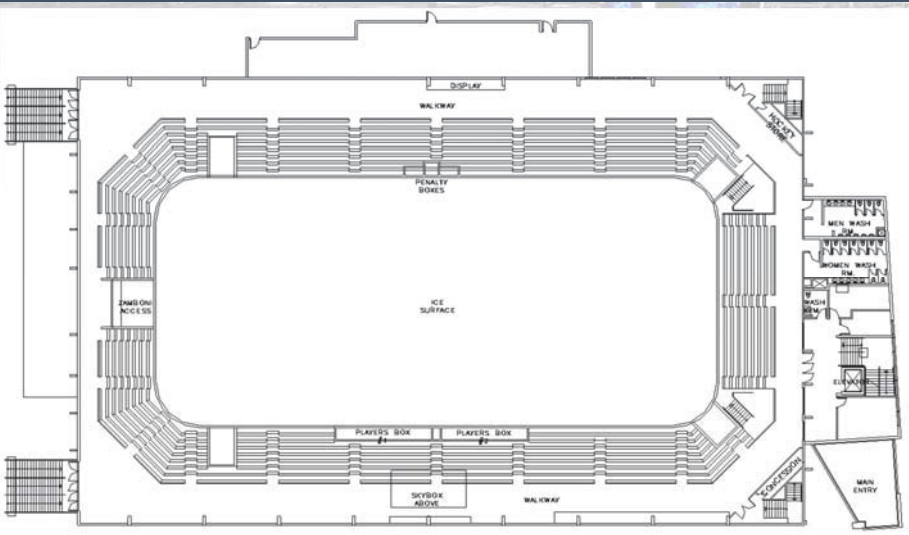


FLOOR PLAN – GROUND FLOOR LEVEL

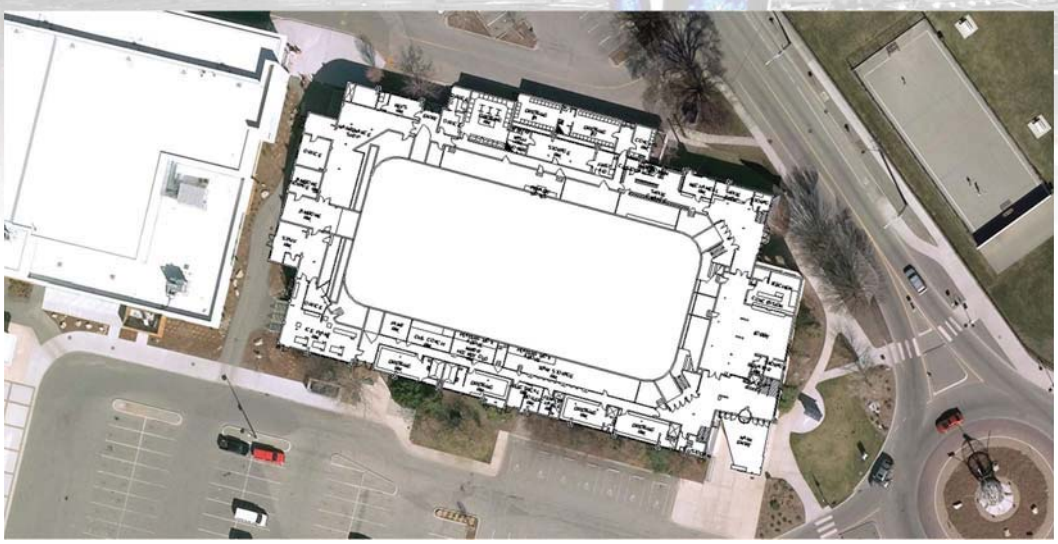


FLOOR PLAN – UPPER LEVEL



AERIAL PHOTO

AERIAL PHOTO W/LOWER LEVEL



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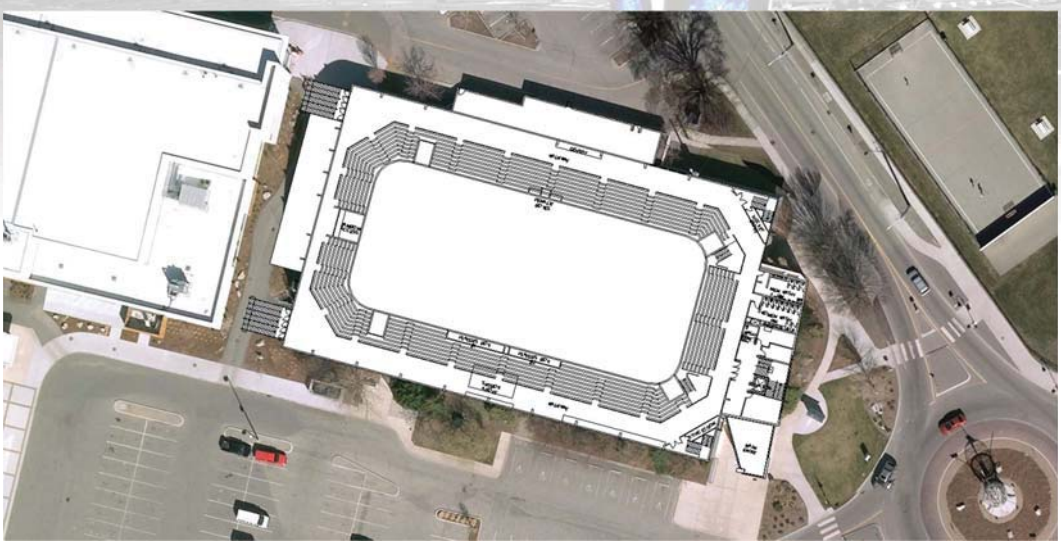

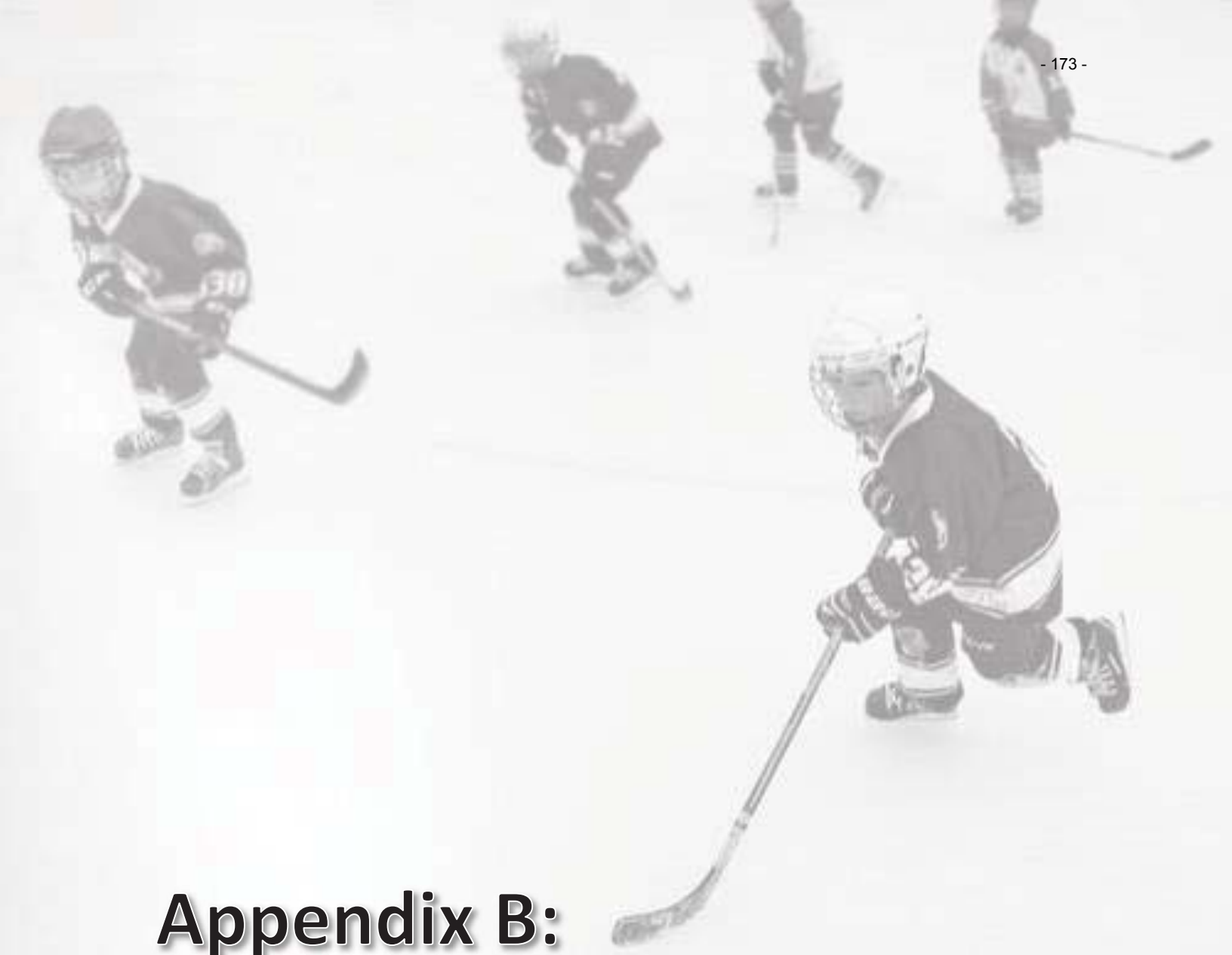

Appendix B:

Amortization Schedules

10 Year Term **Estimated Annual Debt Payments: 4,221,621** *3% Capitalization Rate*

S/F Factor:

Principal: 36,165,534 **Interest Rate:** **2.95%** *0.087230507*

	Estimated Principal Payment	Estimated Interest Payment	Estimated Total Payment	Estimated Actuarial	Reducing Balance
					36,165,534
Yr 1 Semi Annual		533,442	533,442		36,165,534
Yr 1 Annual	3,154,738	533,442	3,688,180		33,010,796
Yr 2 Semi Annual		533,442	533,442		33,010,796
Yr 2 Annual	3,154,738	533,442	3,688,180	94,642	29,761,416
Yr 3 Semi Annual		533,442	533,442		29,761,416
Yr 3 Annual	3,154,738	533,442	3,688,180	192,124	26,414,555
Yr 4 Semi Annual		533,442	533,442		26,414,555
Yr 4 Annual	3,154,738	533,442	3,688,180	292,529	22,967,288
Yr 5 Semi Annual		533,442	533,442		22,967,288
Yr 5 Annual	3,154,738	533,442	3,688,180	395,947	19,416,602
Yr 6 Semi Annual		533,442	533,442		19,416,602
Yr 6 Annual	3,154,738	533,442	3,688,180	502,468	15,759,397
Yr 7 Semi Annual		533,442	533,442		15,759,397
Yr 7 Annual	3,154,738	533,442	3,688,180	612,184	11,992,475
Yr 8 Semi Annual		533,442	533,442		11,992,475
Yr 8 Annual	3,154,738	533,442	3,688,180	725,192	8,112,545
Yr 9 Semi Annual		533,442	533,442		8,112,545
Yr 9 Annual	3,154,738	533,442	3,688,180	841,590	4,116,217
Yr 10 Semi Annual		533,442	533,442		4,116,217
Yr 10 Annual	3,154,738	533,442	3,688,180	961,480	0
TOTALS:	31,547,379	10,668,833	42,216,211	4,618,156	

Total principal repaid plus total actuarial earnings equals amount originally borrowed.

PLEASE NOTE: Estimated payments are based on current Indicative Market Rates, found here: http://mfa.bc.ca/long-term-lending-rates

These rates are provided for analytic/estimate purposes only and may not be available for financing purposes. Actual borrowing rates will be determined on the date of debt issuance.

15 Year Term **Estimated Annual Debt Payments: 3,109,027** *3% Capitalization Rate*

S/F Factor:

Principal: 36,165,534 **Interest Rate:** **3.22%** *0.05376658*

	Estimated Principal Payment	Estimated Interest Payment	Estimated Total Payment	Estimated Actuarial	Reducing Balance
					36,165,534
Yr 1 Semi Annual		582,265	582,265		36,165,534
Yr 1 Annual	1,944,497	582,265	2,526,762		34,221,037
Yr 2 Semi Annual		582,265	582,265		34,221,037
Yr 2 Annual	1,944,497	582,265	2,526,762	58,335	32,218,205
Yr 3 Semi Annual		582,265	582,265		32,218,205
Yr 3 Annual	1,944,497	582,265	2,526,762	118,420	30,155,288
Yr 4 Semi Annual		582,265	582,265		30,155,288
Yr 4 Annual	1,944,497	582,265	2,526,762	180,307	28,030,484
Yr 5 Semi Annual		582,265	582,265		28,030,484
Yr 5 Annual	1,944,497	582,265	2,526,762	244,052	25,841,935
Yr 6 Semi Annual		582,265	582,265		25,841,935
Yr 6 Annual	1,944,497	582,265	2,526,762	309,708	23,587,730
Yr 7 Semi Annual		582,265	582,265		23,587,730
Yr 7 Annual	1,944,497	582,265	2,526,762	377,334	21,265,899
Yr 8 Semi Annual		582,265	582,265		21,265,899
Yr 8 Annual	1,944,497	582,265	2,526,762	446,989	18,874,413
Yr 9 Semi Annual		582,265	582,265		18,874,413
Yr 9 Annual	1,944,497	582,265	2,526,762	518,734	16,411,182
Yr 10 Semi Annual		582,265	582,265		16,411,182
Yr 10 Annual	1,944,497	582,265	2,526,762	592,631	13,874,054
Yr 11 Semi Annual		582,265	582,265		13,874,054
Yr 11 Annual	1,944,497	582,265	2,526,762	668,744	11,260,813
Yr 12 Semi Annual		582,265	582,265		11,260,813
Yr 12 Annual	1,944,497	582,265	2,526,762	747,142	8,569,174
Yr 13 Semi Annual		582,265	582,265		8,569,174
Yr 13 Annual	1,944,497	582,265	2,526,762	827,891	5,796,786
Yr 14 Semi Annual		582,265	582,265		5,796,786
Yr 14 Annual	1,944,497	582,265	2,526,762	911,062	2,941,226
Yr 15 Semi Annual		582,265	582,265		2,941,226
Yr 15 Annual	1,944,497	582,265	2,526,762	996,729	0
TOTALS:	29,167,457	17,467,953	46,635,410	6,998,078	

Total principal repaid plus total actuarial earnings equals amount originally borrowed.

PLEASE NOTE: Estimated payments are based on current Indicative Market Rates, found here:
http://mfa.bc.ca/long-term-lending-rates

These rates are provided for analytic/estimate purposes only and may not be available for financing purposes. Actual borrowing rates will be determined on the date of debt issuance.

20 Year Term **Estimated Annual Debt Payments: 2,557,471** *3% Capitalization Rate*

S/F Factor:

Principal: 36,165,534 **Interest Rate: 3.35%** *0.037215708*

	Estimated Principal Payment	Estimated Interest Payment	Estimated Total Payment	Estimated Actuarial	Reducing Balance
					36,165,534
Yr 1 Semi Annual		605,773	605,773		36,165,534
Yr 1 Annual	1,345,926	605,773	1,951,699		34,819,608
Yr 2 Semi Annual		605,773	605,773		34,819,608
Yr 2 Annual	1,345,926	605,773	1,951,699	40,378	33,433,305
Yr 3 Semi Annual		605,773	605,773		33,433,305
Yr 3 Annual	1,345,926	605,773	1,951,699	81,967	32,005,412
Yr 4 Semi Annual		605,773	605,773		32,005,412
Yr 4 Annual	1,345,926	605,773	1,951,699	124,804	30,534,682
Yr 5 Semi Annual		605,773	605,773		30,534,682
Yr 5 Annual	1,345,926	605,773	1,951,699	168,926	29,019,831
Yr 6 Semi Annual		605,773	605,773		29,019,831
Yr 6 Annual	1,345,926	605,773	1,951,699	214,371	27,459,534
Yr 7 Semi Annual		605,773	605,773		27,459,534
Yr 7 Annual	1,345,926	605,773	1,951,699	261,180	25,852,428
Yr 8 Semi Annual		605,773	605,773		25,852,428
Yr 8 Annual	1,345,926	605,773	1,951,699	309,393	24,197,108
Yr 9 Semi Annual		605,773	605,773		24,197,108
Yr 9 Annual	1,345,926	605,773	1,951,699	359,053	22,492,130
Yr 10 Semi Annual		605,773	605,773		22,492,130
Yr 10 Annual	1,345,926	605,773	1,951,699	410,202	20,736,002
Yr 11 Semi Annual		605,773	605,773		20,736,002
Yr 11 Annual	1,345,926	605,773	1,951,699	462,886	18,927,190
Yr 12 Semi Annual		605,773	605,773		18,927,190
Yr 12 Annual	1,345,926	605,773	1,951,699	517,150	17,064,113
Yr 13 Semi Annual		605,773	605,773		17,064,113
Yr 13 Annual	1,345,926	605,773	1,951,699	573,043	15,145,145
Yr 14 Semi Annual		605,773	605,773		15,145,145
Yr 14 Annual	1,345,926	605,773	1,951,699	630,612	13,168,607
Yr 15 Semi Annual		605,773	605,773		13,168,607
Yr 15 Annual	1,345,926	605,773	1,951,699	689,908	11,132,773
Yr 16 Semi Annual		605,773	605,773		11,132,773
Yr 16 Annual	1,345,926	605,773	1,951,699	750,983	9,035,865
Yr 17 Semi Annual		605,773	605,773		9,035,865
Yr 17 Annual	1,345,926	605,773	1,951,699	813,890	6,876,049
Yr 18 Semi Annual		605,773	605,773		6,876,049
Yr 18 Annual	1,345,926	605,773	1,951,699	878,685	4,651,438
Yr 19 Semi Annual		605,773	605,773		4,651,438
Yr 19 Annual	1,345,926	605,773	1,951,699	945,423	2,360,089
Yr 20 Semi Annual		605,773	605,773		2,360,089
Yr 20 Annual	1,345,926	605,773	1,951,699	1,014,163	-0
TOTALS:	26,918,519	24,230,908	51,149,427	9,247,015	

Total principal repaid plus total actuarial earnings equals amount originally borrowed.

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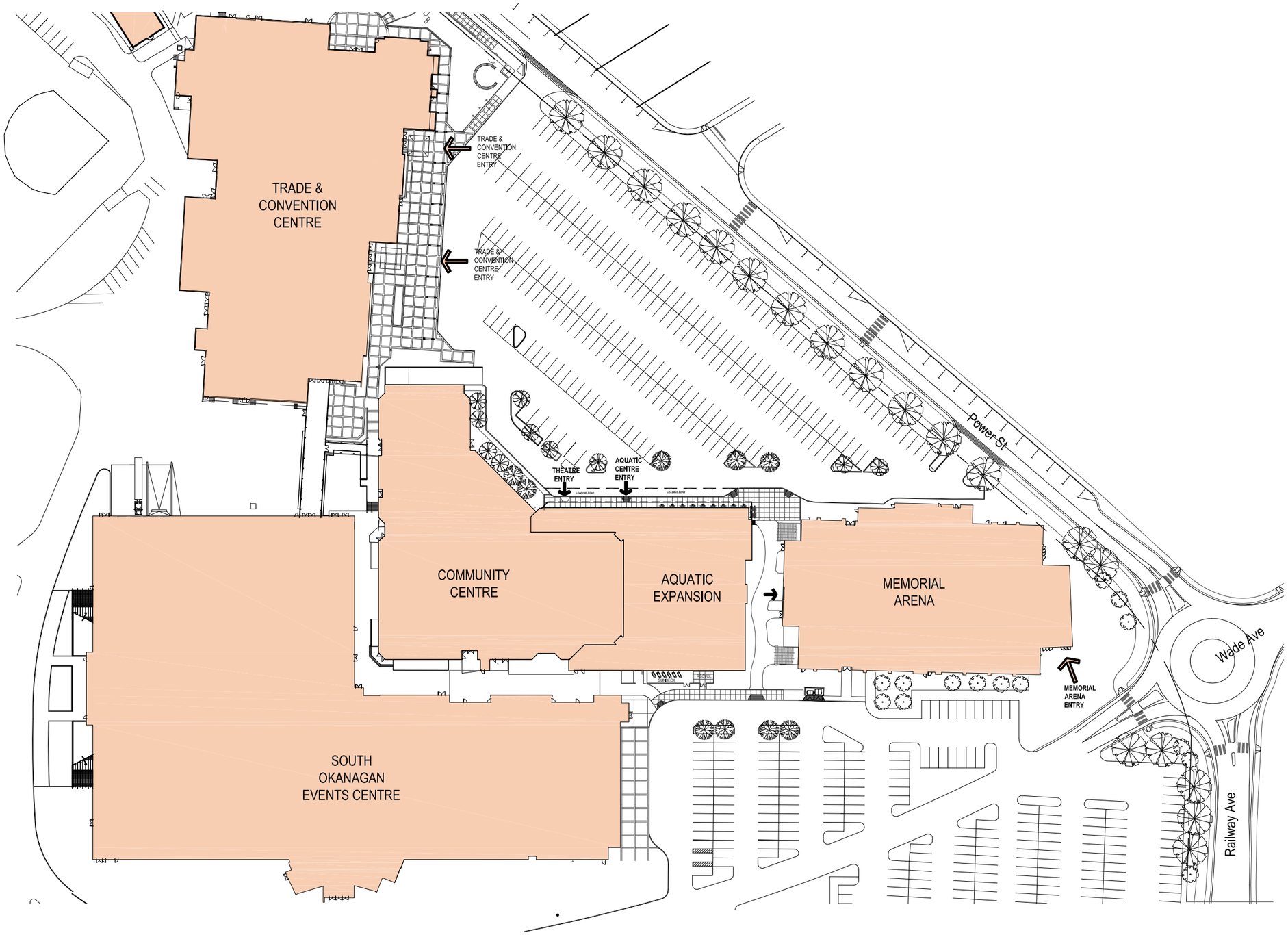


DIALOG™ MAD

PENTICTON MEMORIAL ARENA

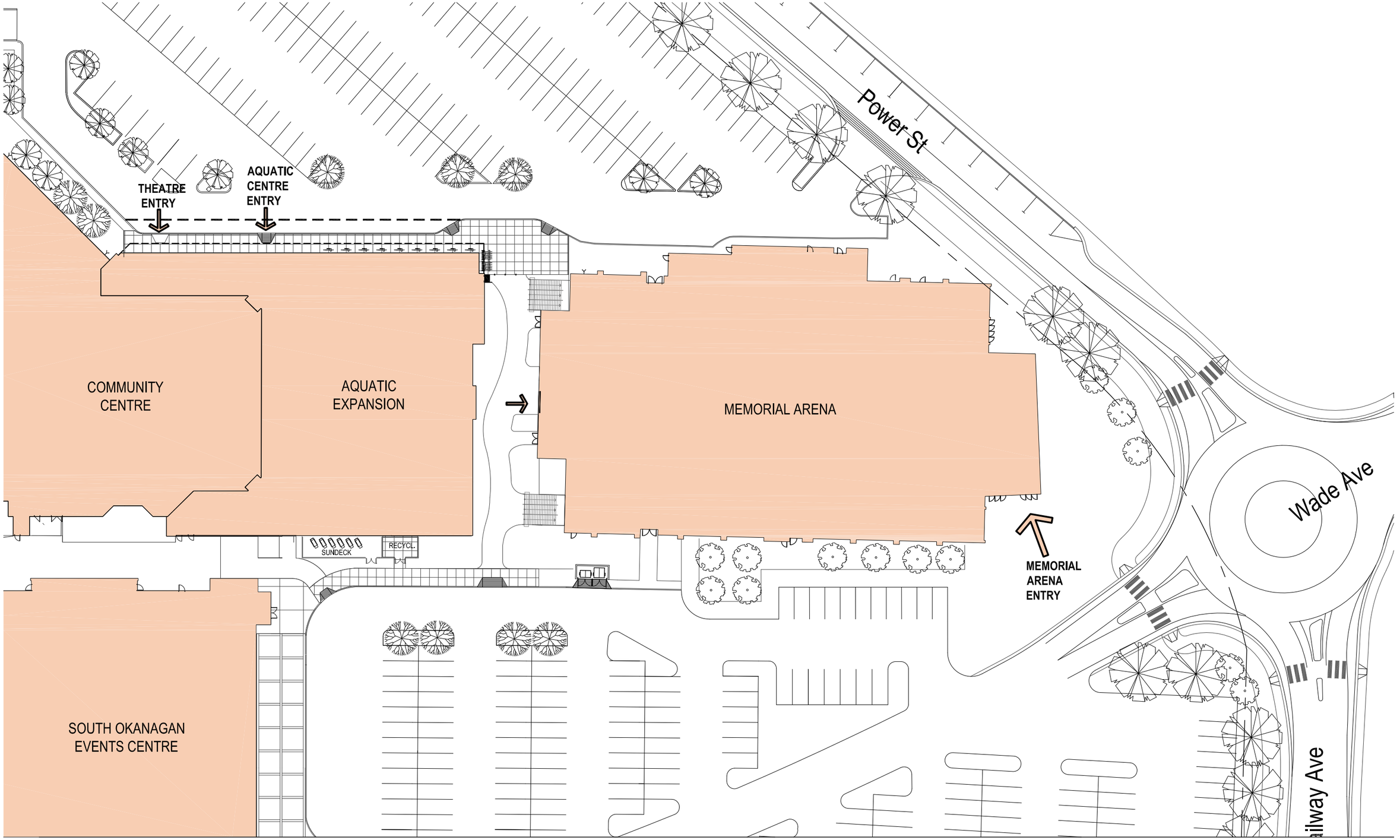
399 POWER STREET, PENTICTON, BC

EXISTING CONTEXT PLAN
DRAWING TITLE

APR.06, 2018
DATE

1" = 100'
SCALE

PA300
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

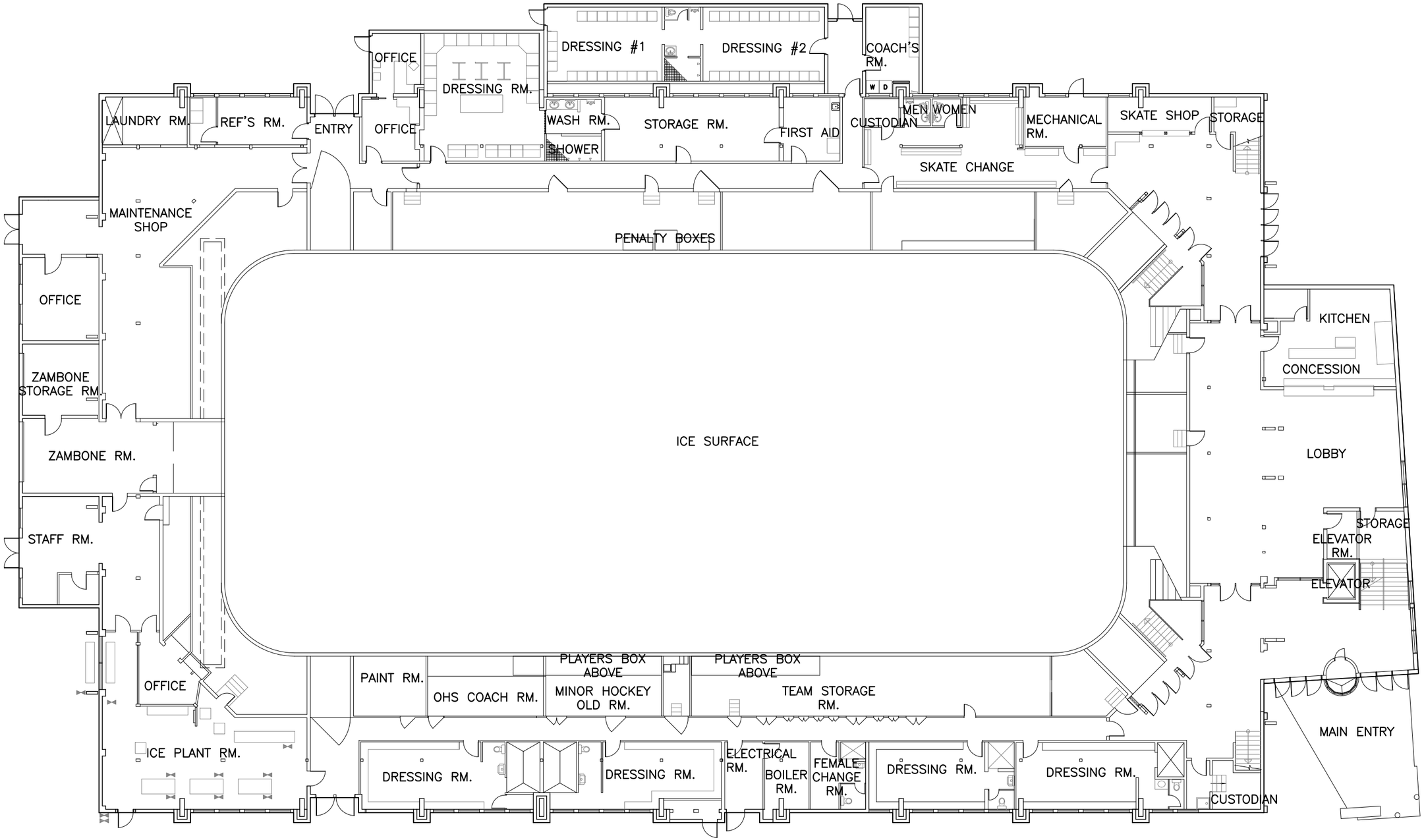
399 POWER STREET, PENTICTON, BC

EXISTING SITE PLAN — DRAWING TITLE

APR.06, 2018 — DATE

1" = 50' — SCALE

PA301 — DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

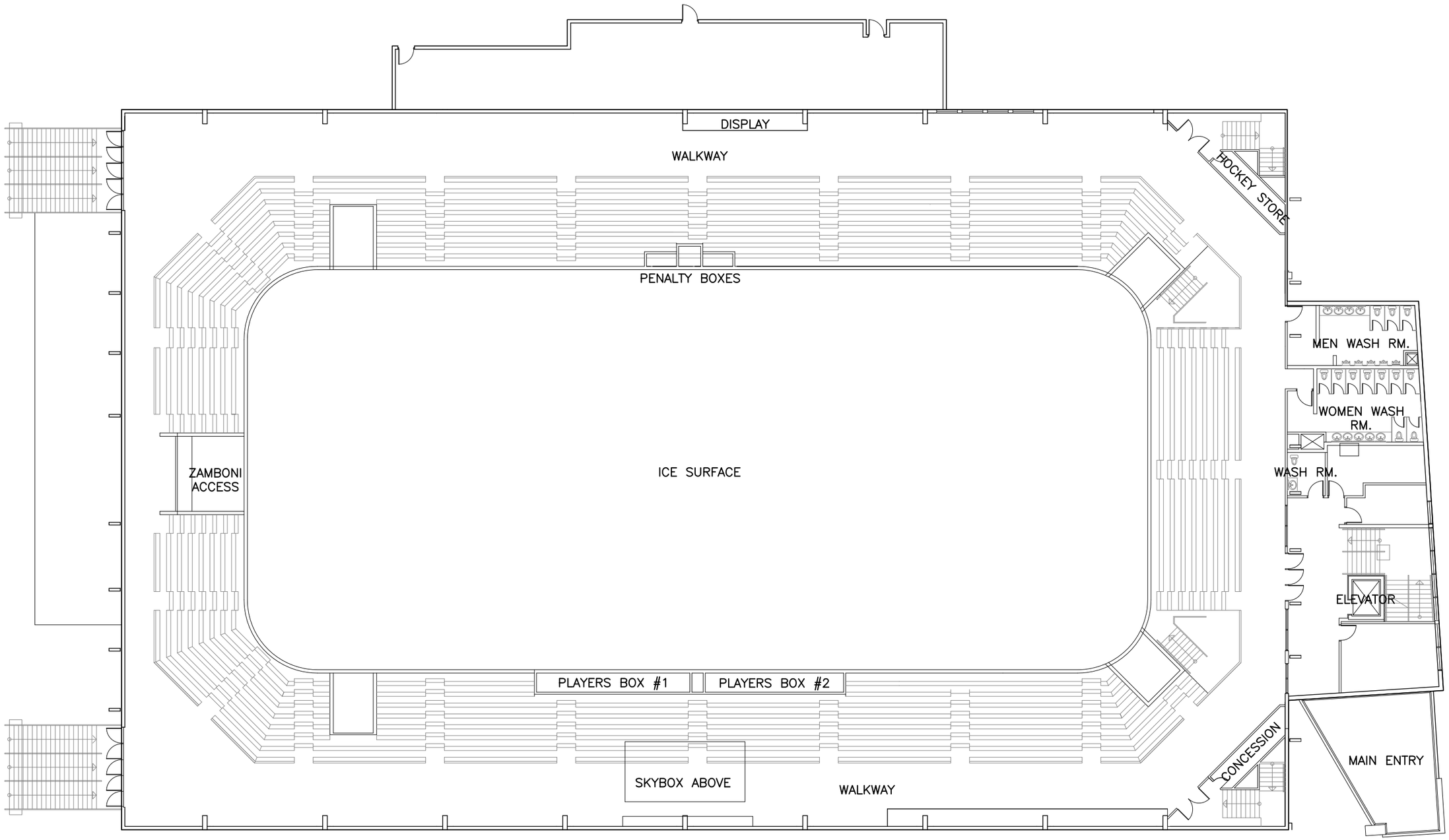
399 POWER STREET, PENTICTON, BC

EXISTING GROUND FLOOR PLAN — DRAWING TITLE

APR.06, 2018 — DATE

1" = 20'-0" — SCALE

PA302 — DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

EXISTING SECOND FLOOR PLAN — DRAWING TITLE

APR.06, 2018 — DATE

1" = 20'-0" — SCALE

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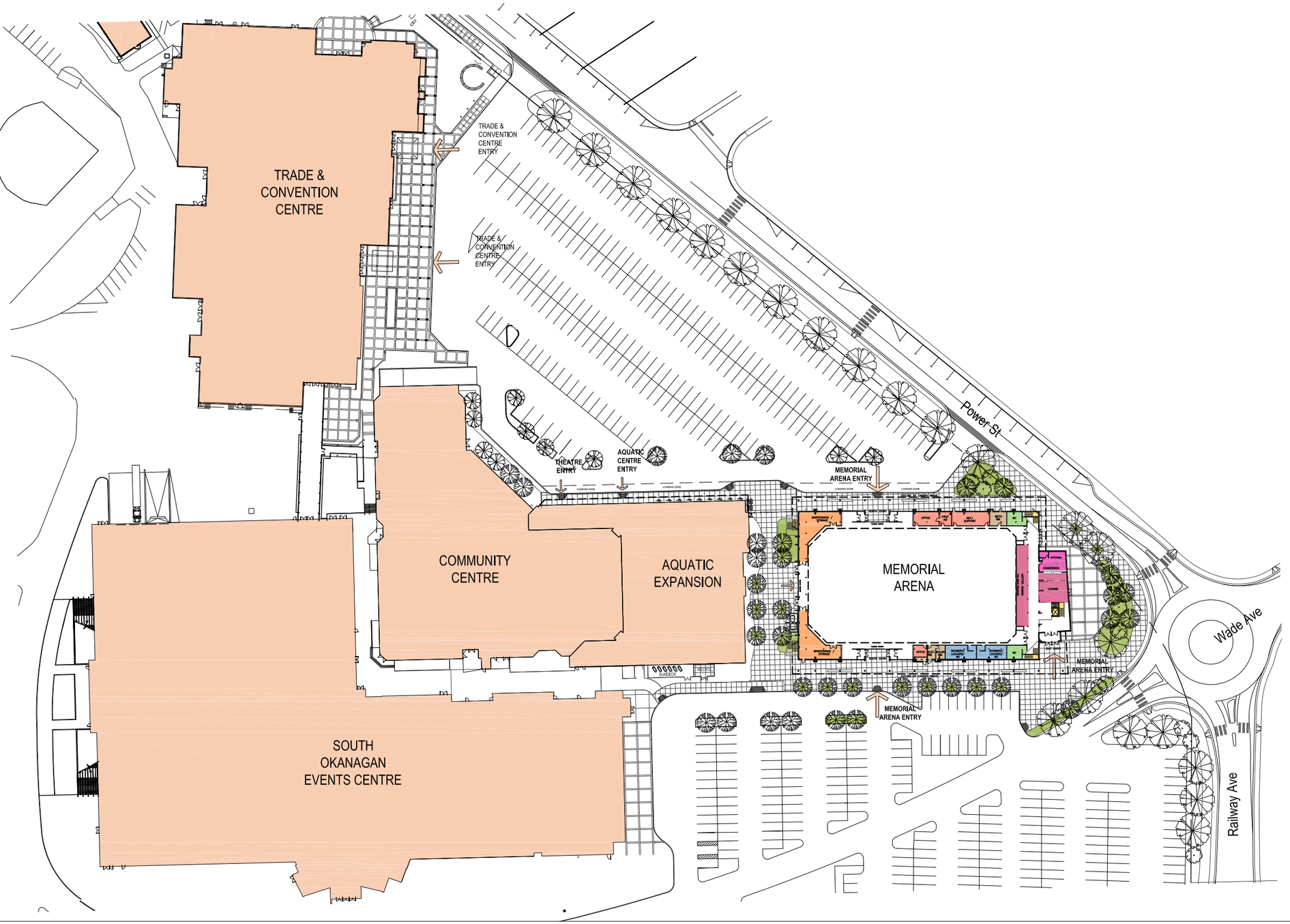
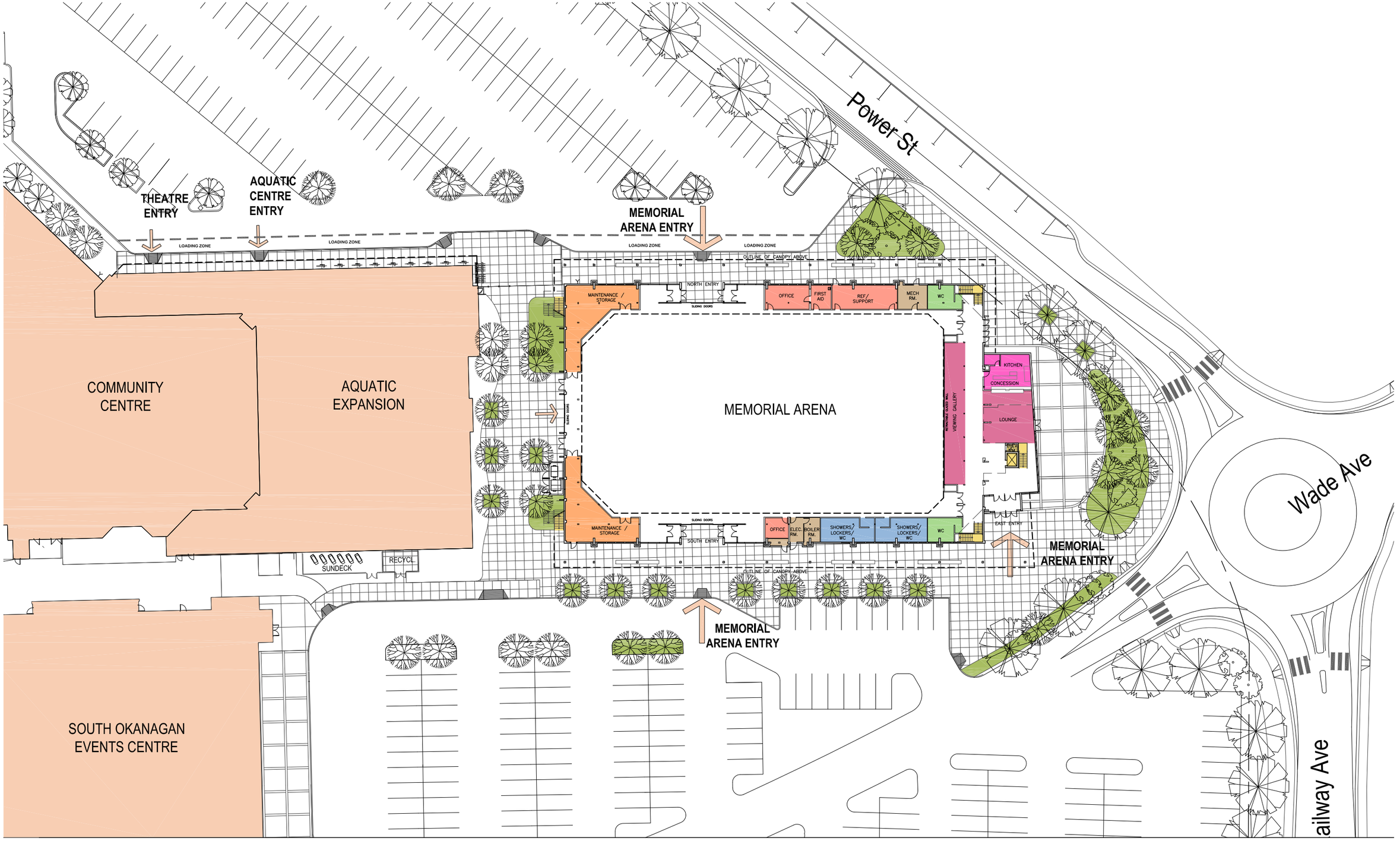


DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

PROPOSED CONTEXT PLAN (DRAWING TITLE) | APR.06, 2018 (DATE) | 1" = 100' (SCALE) | PA304 (DRAWING NUMBER)



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

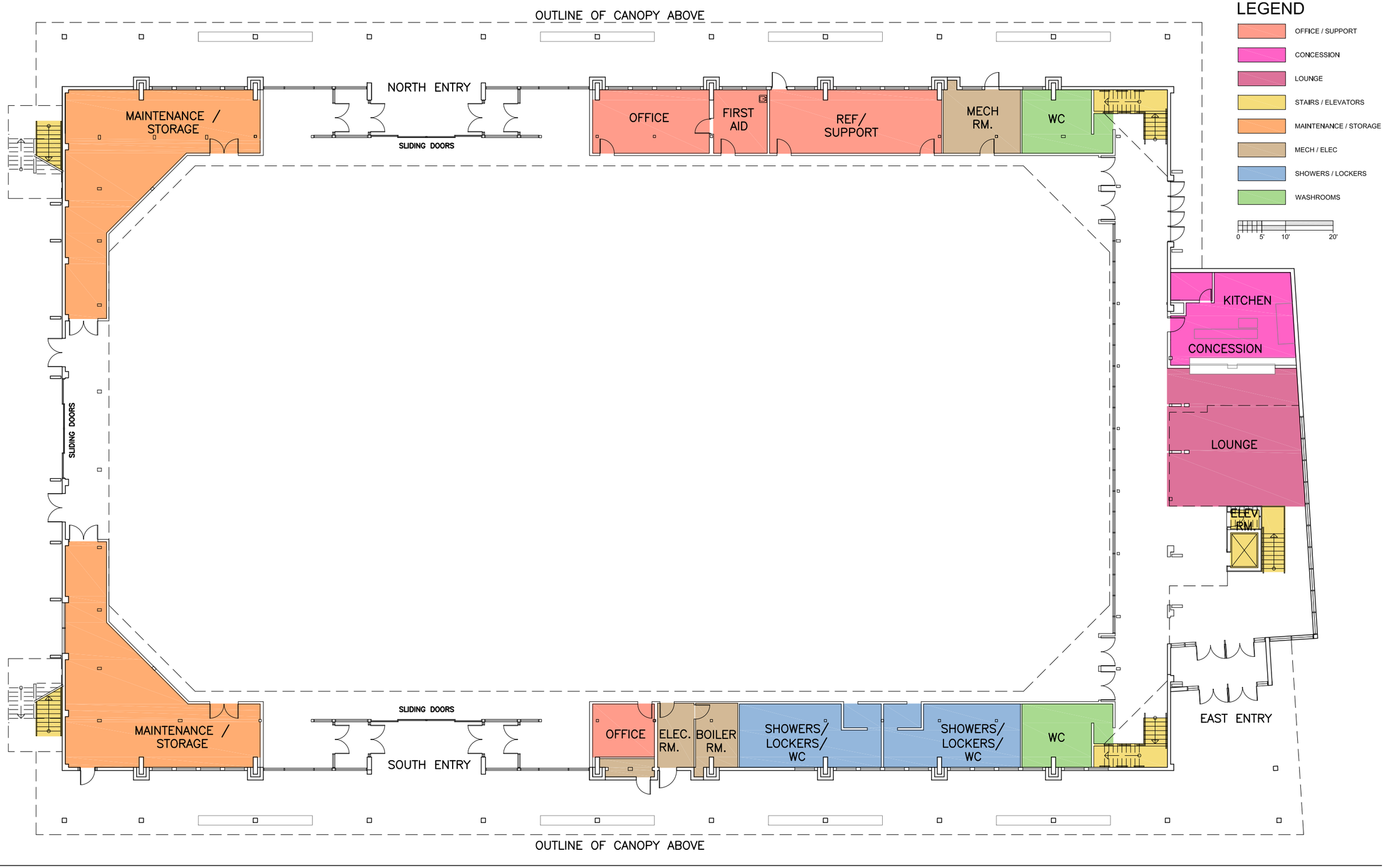
399 POWER STREET, PENTICTON, BC

PROPOSED SITE PLAN — DRAWING TITLE

APR.06, 2018 — DATE

1" = 50' — SCALE

PA305 — DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

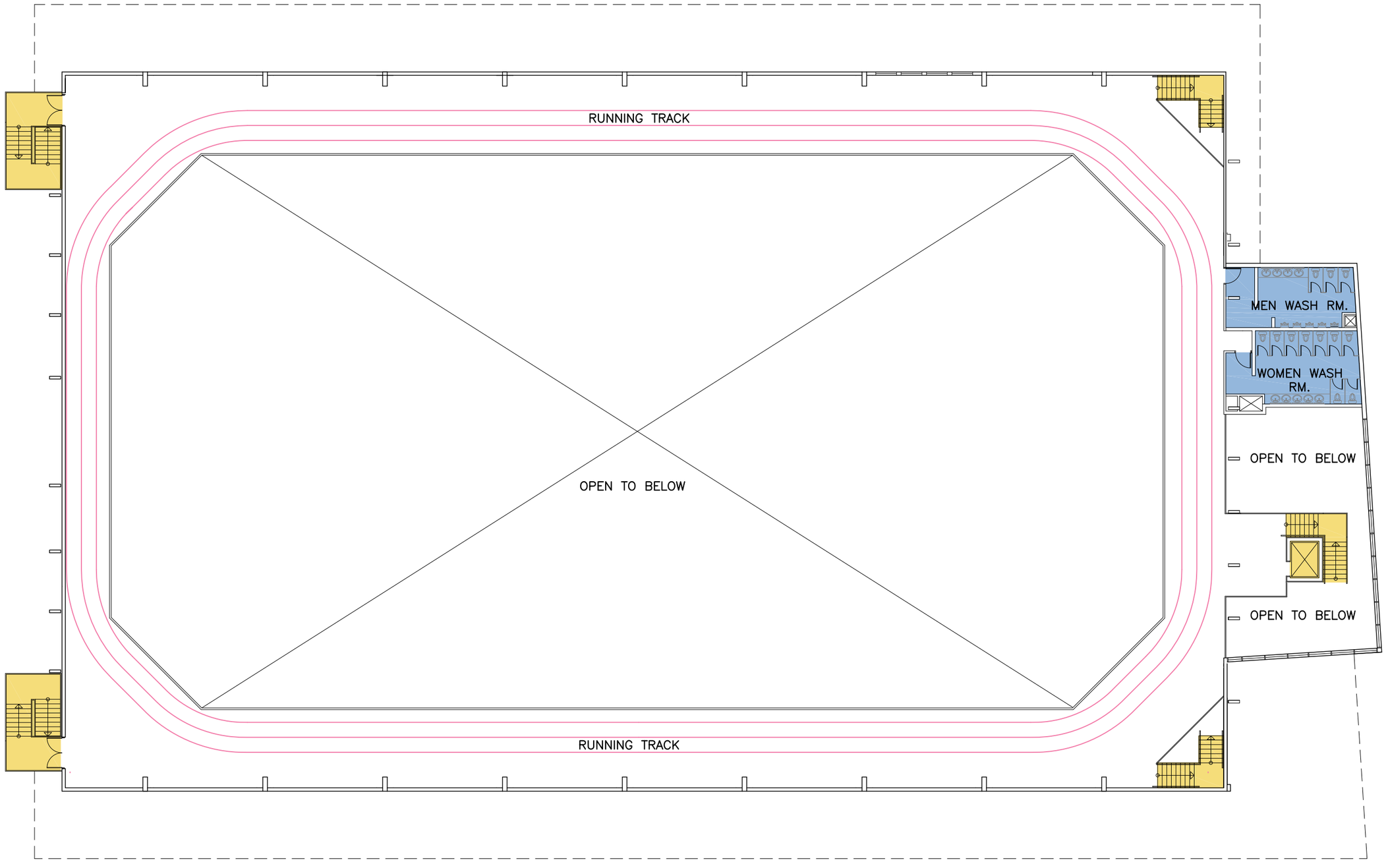
399 POWER STREET, PENTICTON, BC

PROPOSED GROUND FLOOR PLAN - A — DRAWING TITLE

APR.03, 2018 — DATE

1" = 20'-0" — SCALE

PA310a — DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

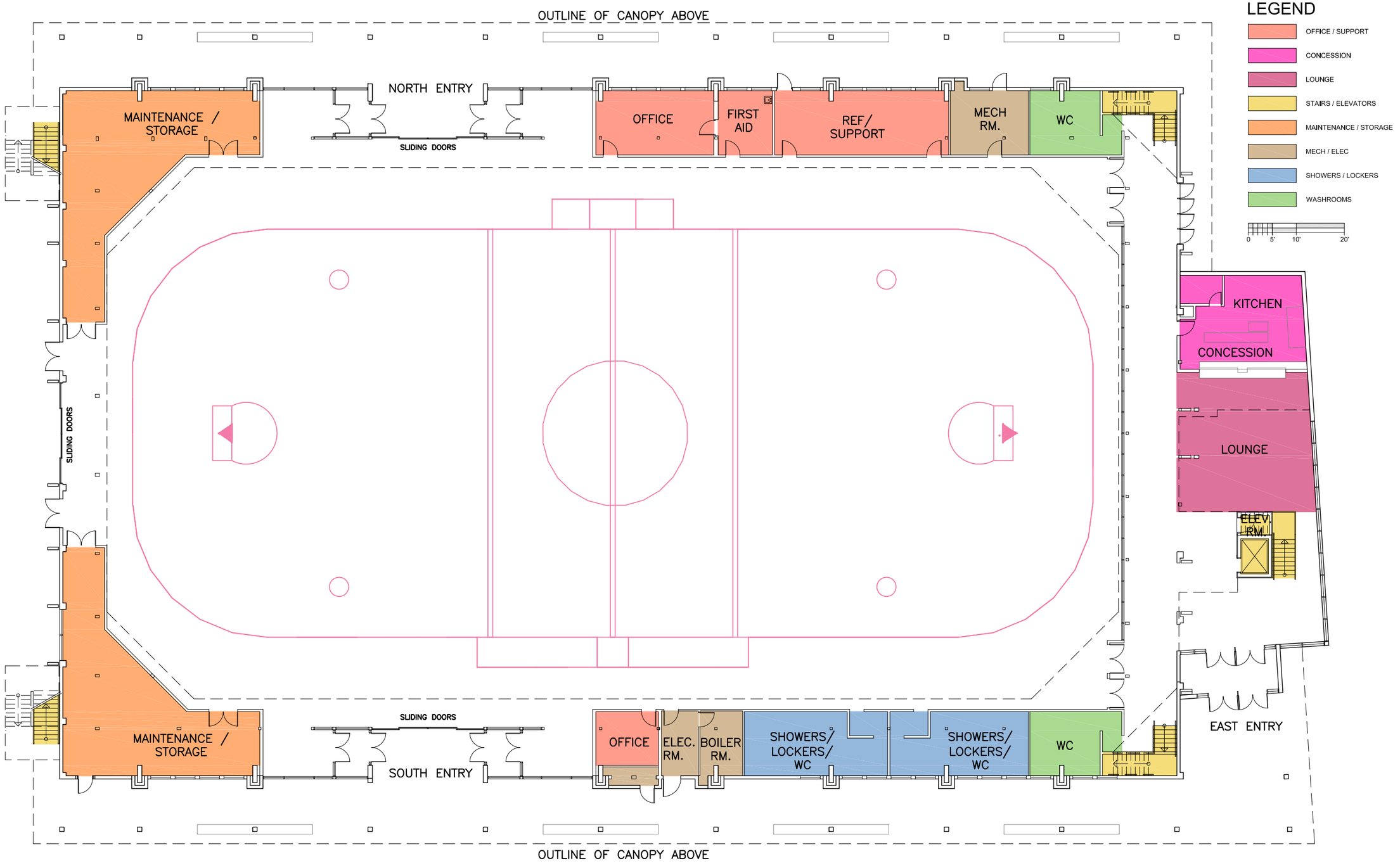
399 POWER STREET, PENTICTON, BC

PROPOSED SECOND FLOOR PLAN - A (DRAWING TITLE)

APR.03, 2018 (DATE)

1" = 20'-0" (SCALE)

PA311a (DRAWING NUMBER)



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

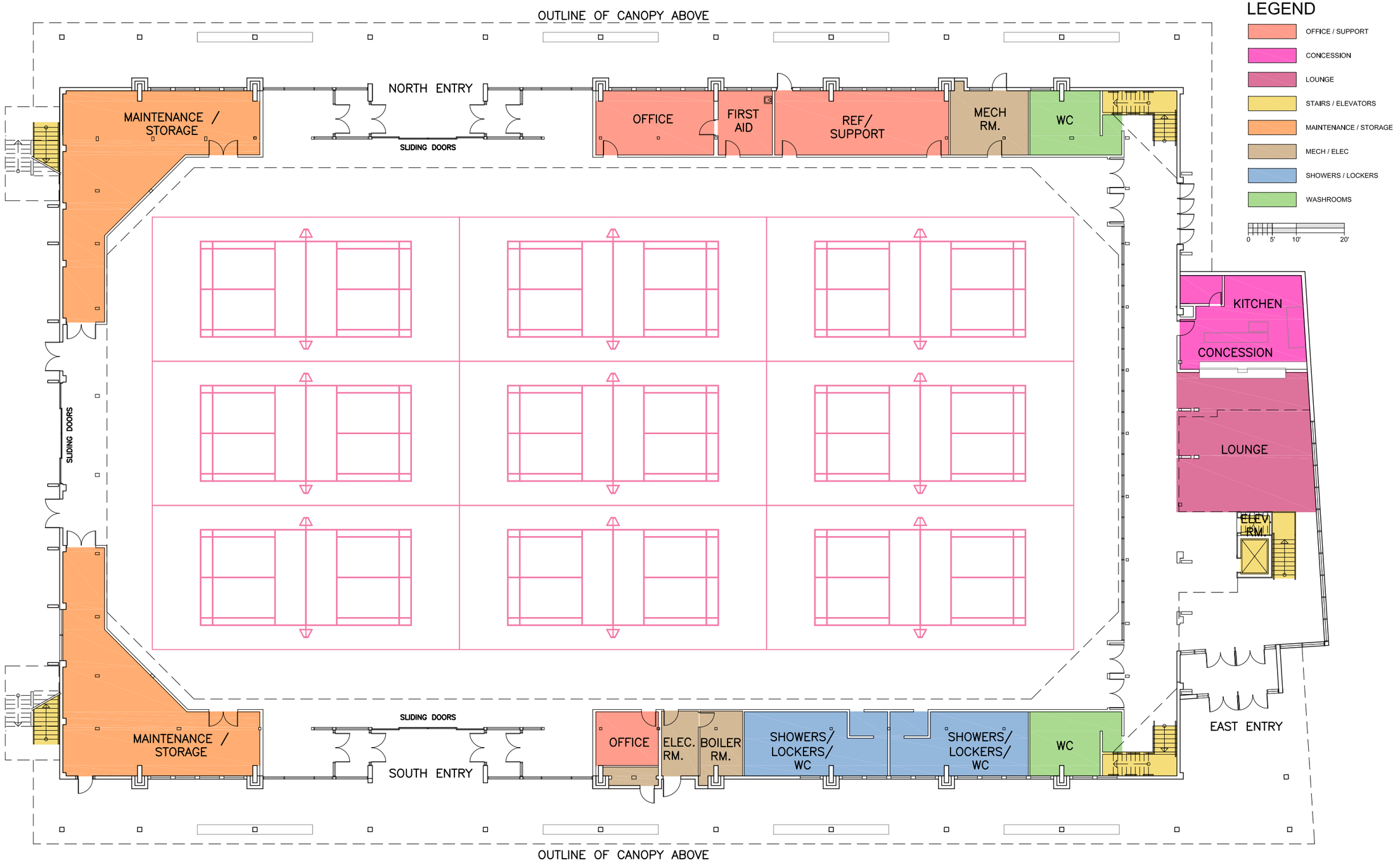
PROPOSED GROUND FLOOR PLAN - A
LACROSSE

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA312a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

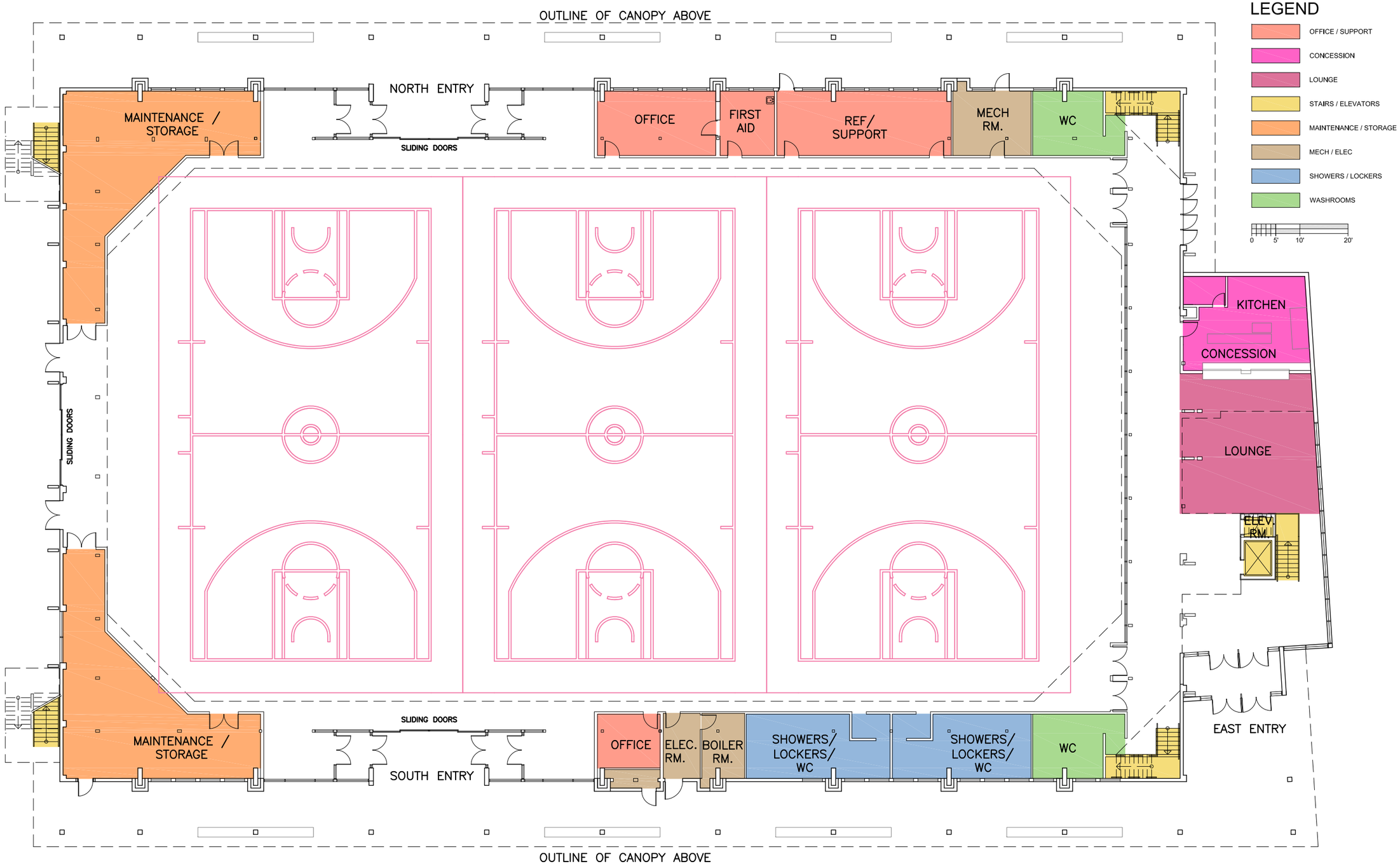
PROPOSED GROUND FLOOR PLAN - A
BADMINTON

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA313a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

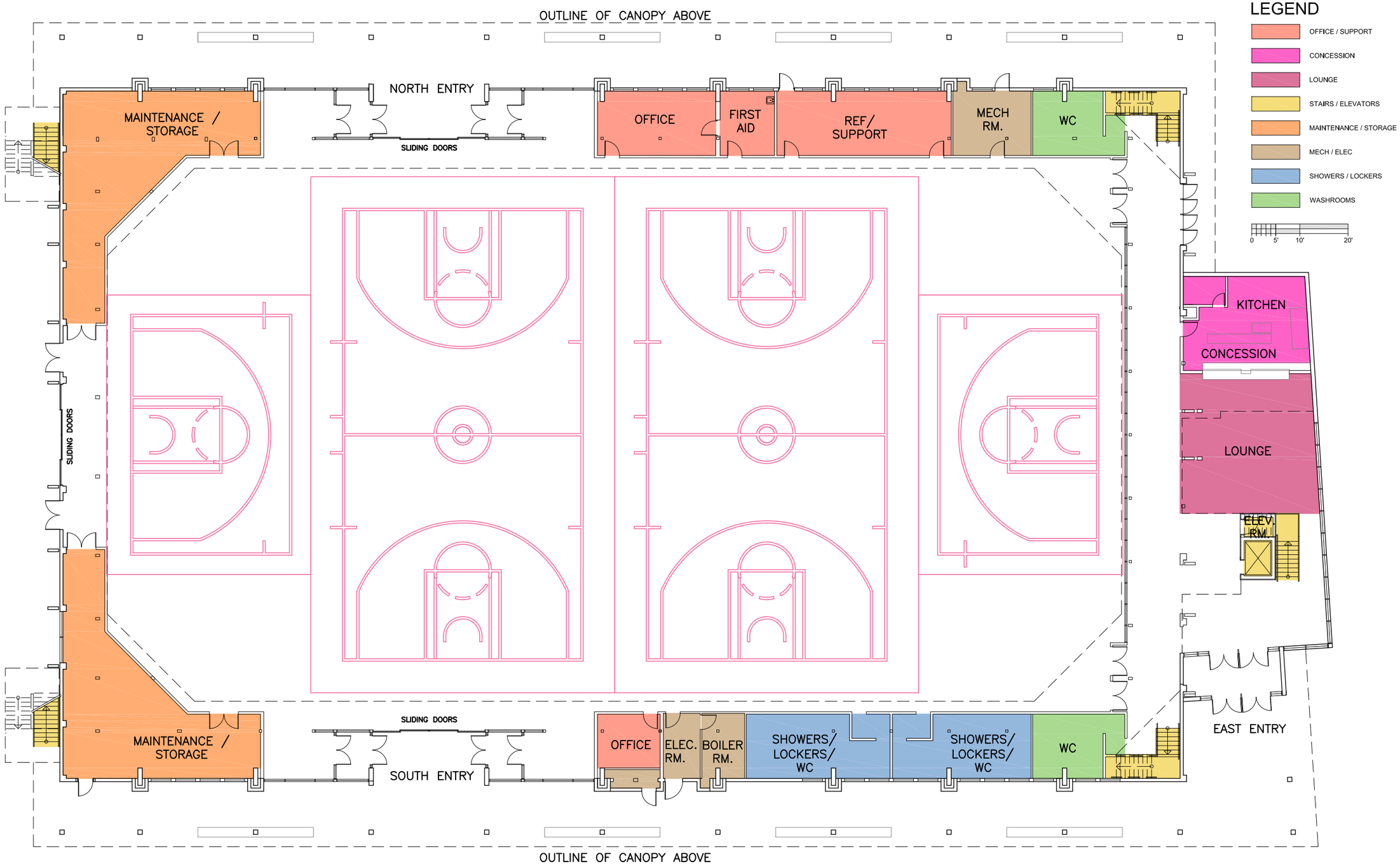
PROPOSED GROUND FLOOR PLAN - A
BASKETBALL 1

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA314a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

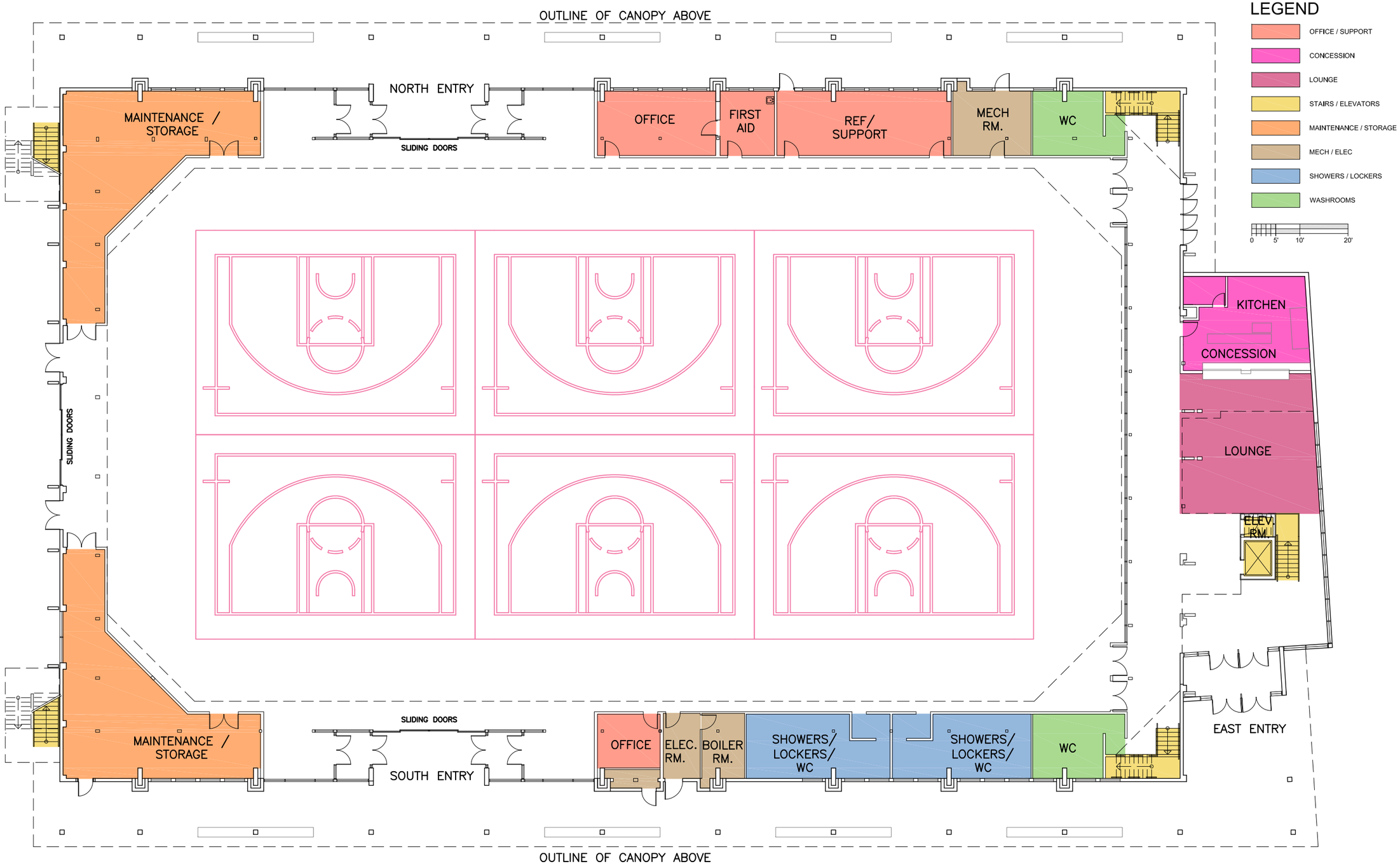
PROPOSED GROUND FLOOR PLAN - A
BASKETBALL 2

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA315a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

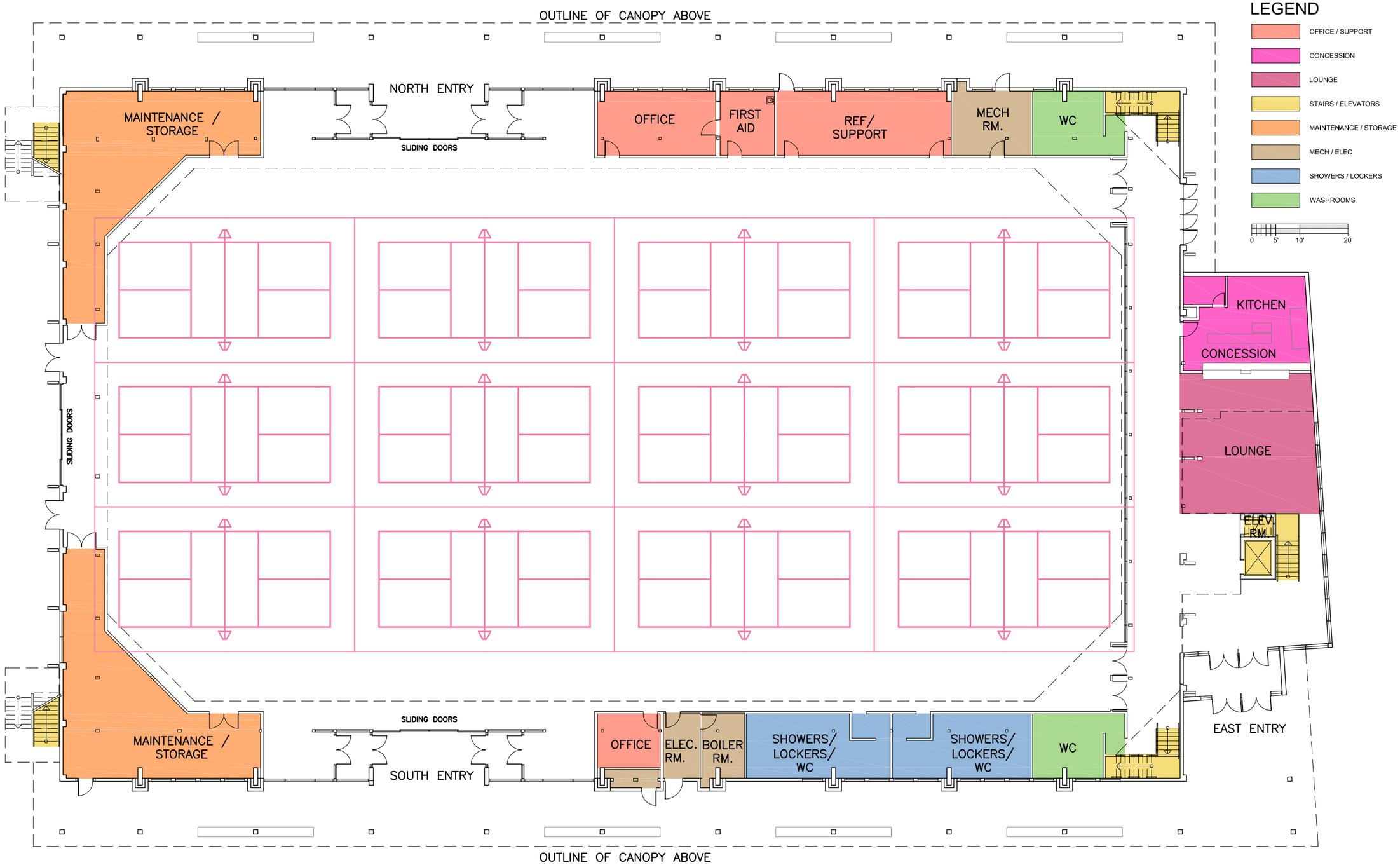
PROPOSED GROUND FLOOR PLAN - A
BASKETBALL 3 X 3

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA316a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

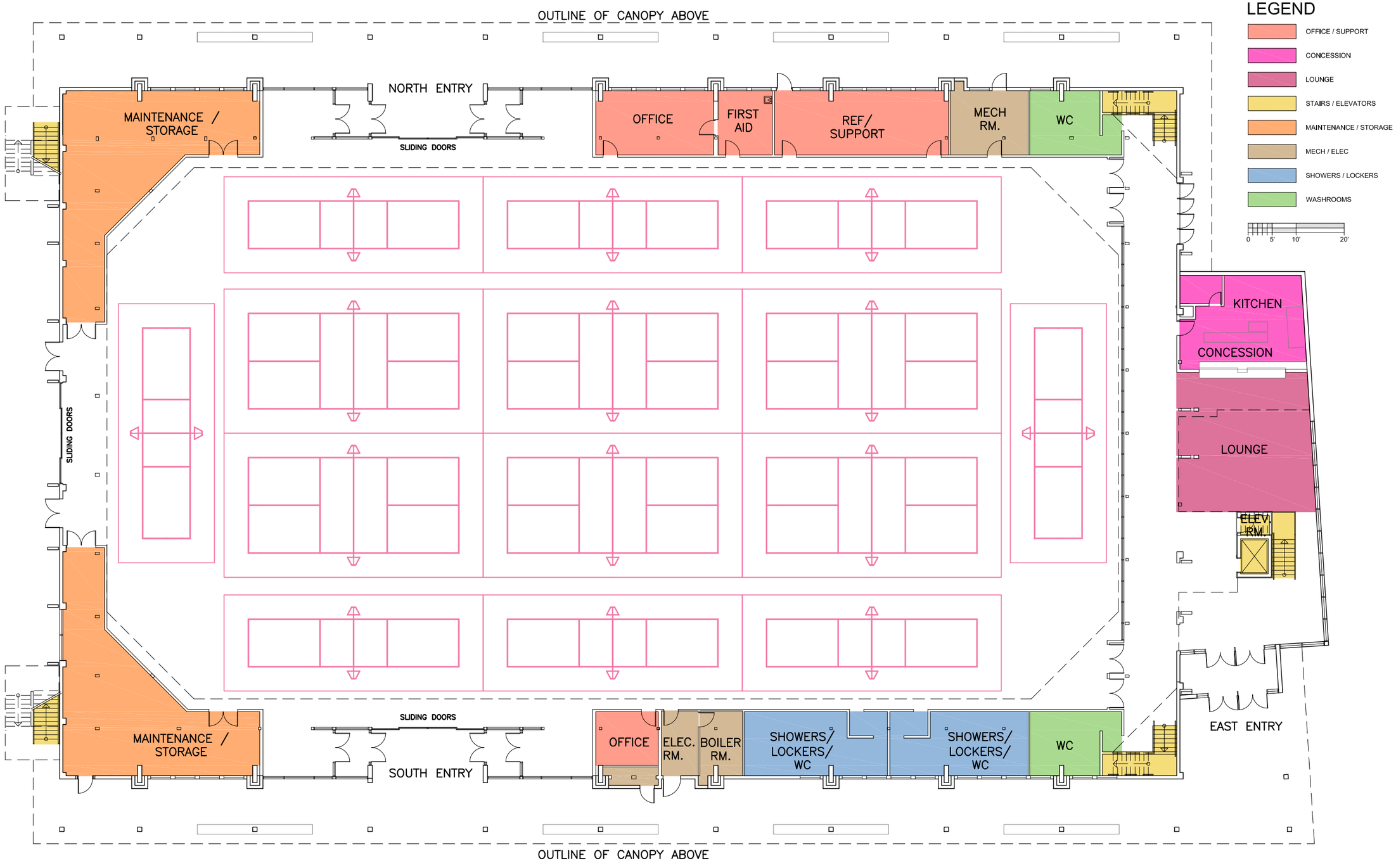
PROPOSED GROUND FLOOR PLAN - A
PICKLEBALL

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA317a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

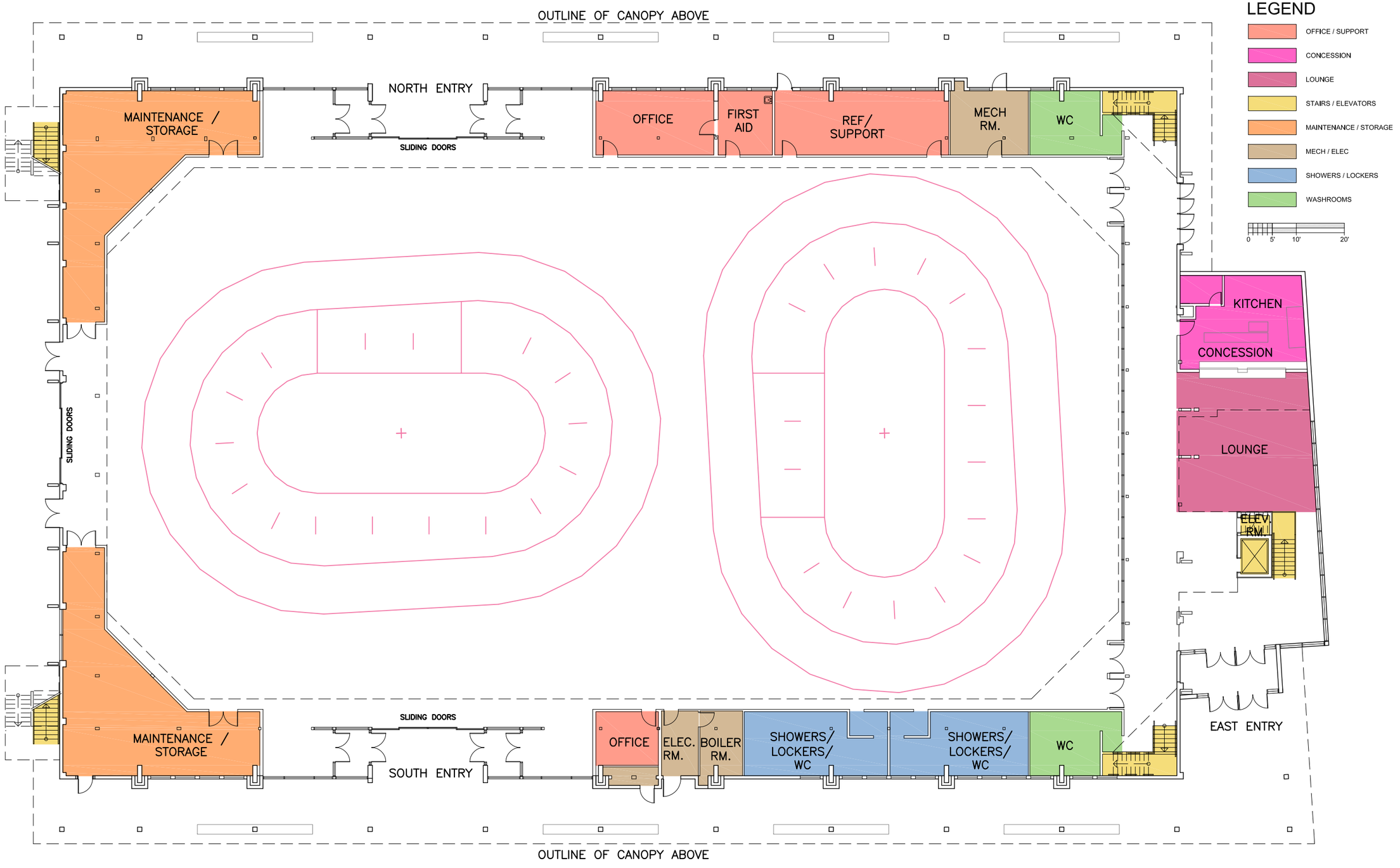
PROPOSED GROUND FLOOR PLAN - A
PICKLEBALL 2

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA318a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

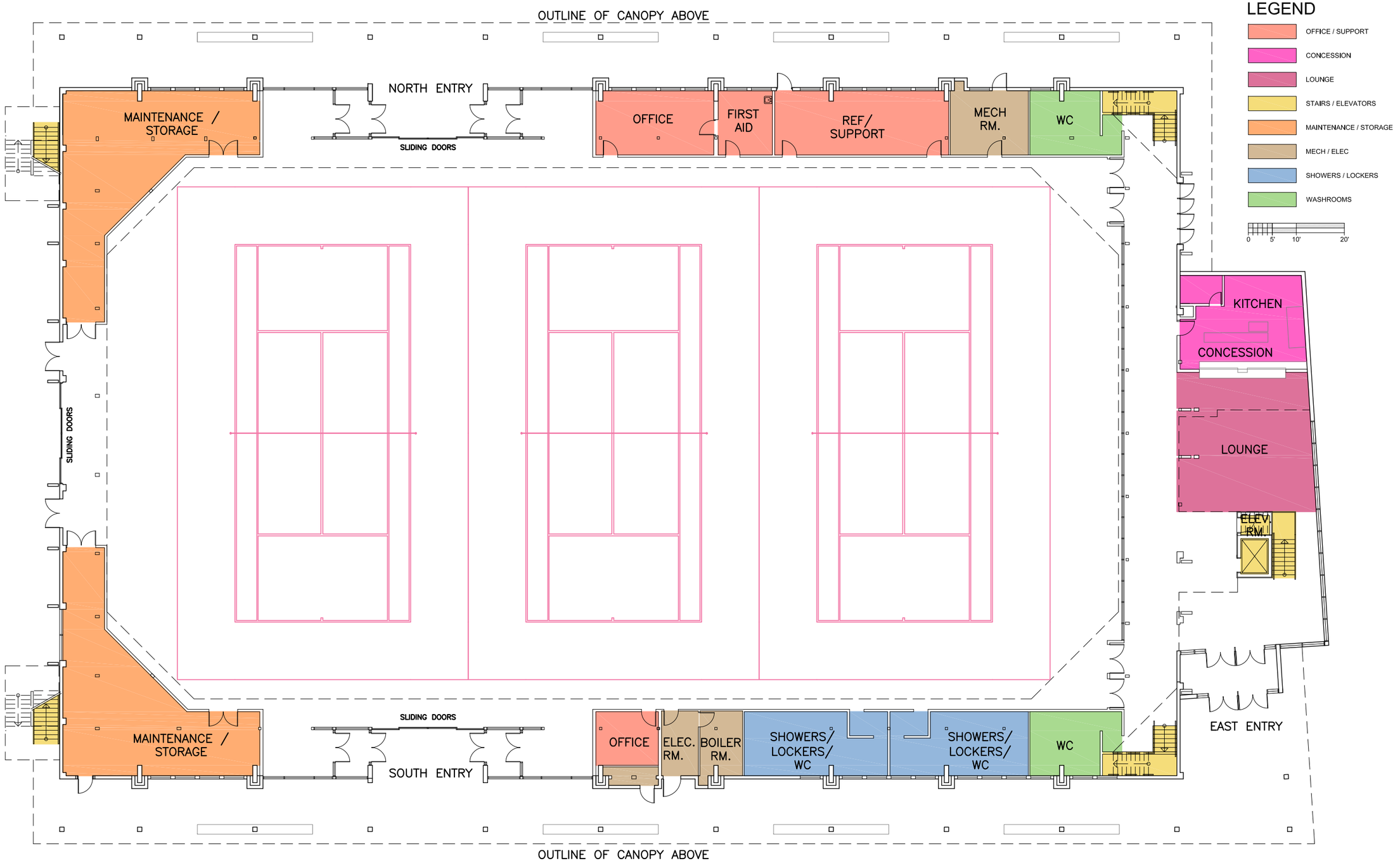
PROPOSED GROUND FLOOR PLAN - A
ROLLER DERBY

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA319a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

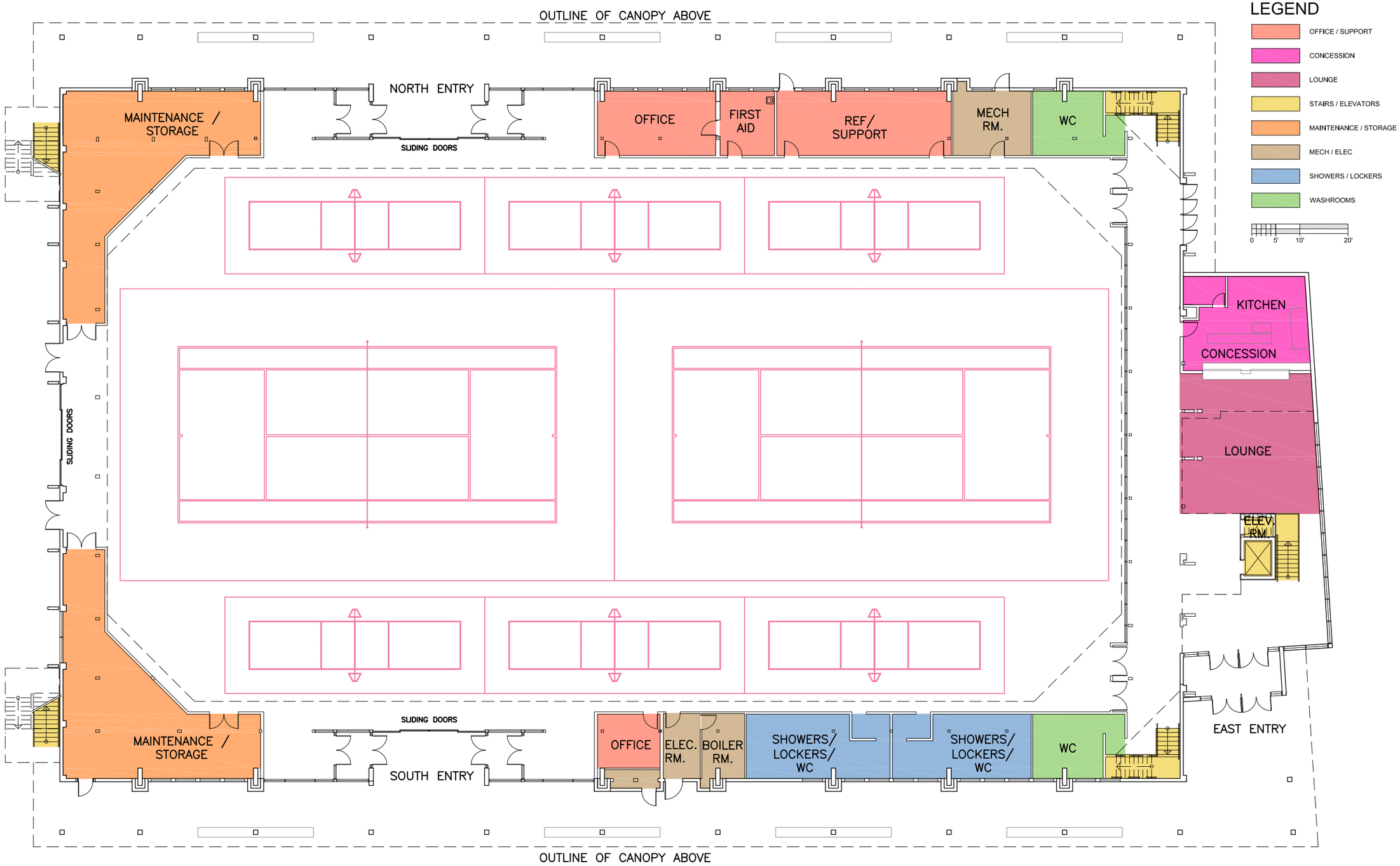
PROPOSED GROUND FLOOR PLAN - A
TENNIS

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA320a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

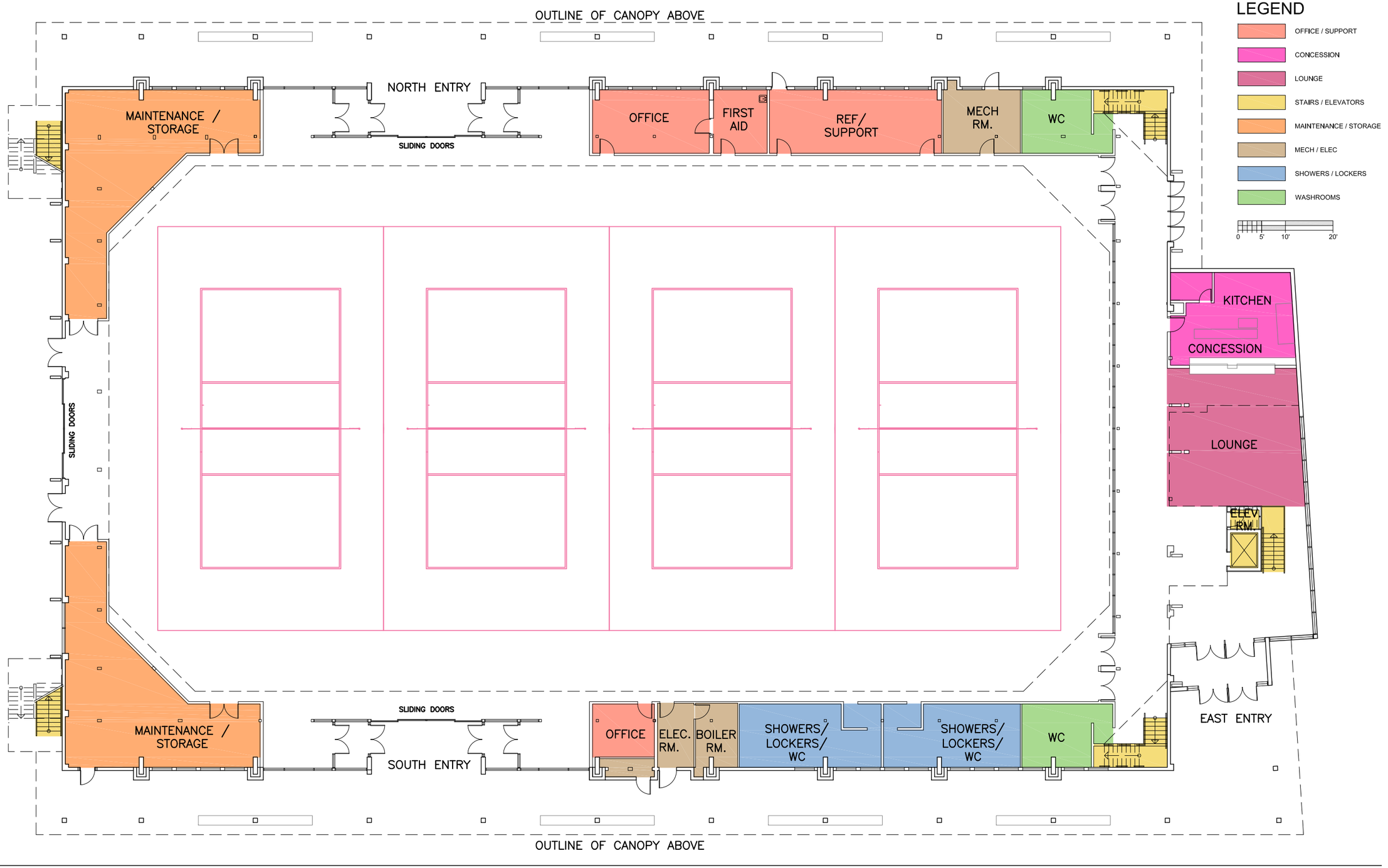
PROPOSED GROUND FLOOR PLAN - A
TENNIS / PICKLEBALL

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA321a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

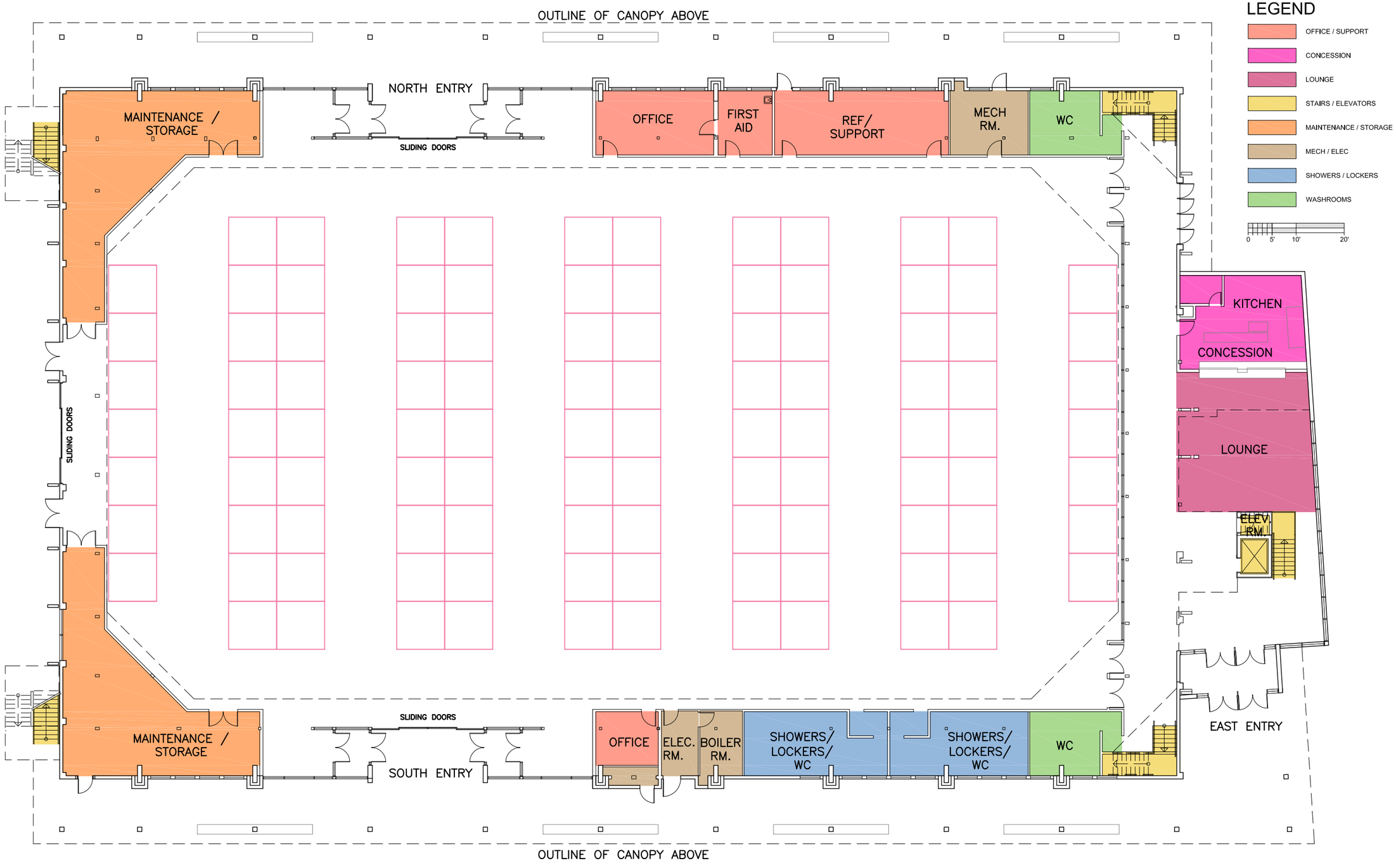
PROPOSED GROUND FLOOR PLAN - A
VOLLEYBALL

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA322a
DRAWING NUMBER



DIALOG™ MAD

PENTICTON MEMORIAL ARENA

399 POWER STREET, PENTICTON, BC

PROPOSED GROUND FLOOR PLAN - A
TRADESHOW

DRAWING TITLE

APR.04, 2018
DATE

1" = 20'-0"
SCALE

PA323a
DRAWING NUMBER

Attachment E
Engagement Activities

Date	2016 Activity
Nov. 16	Press Release: Apply to be on Arena Task Force
Nov. 16	Shape Your City E-Blast: Apply to be on Arena Task Force
Dec. 7	Shape Your City E-Blast: Watch for announcement of Task Force
Dec. 21	Shape Your City E-Blast: Task Force announced
Date	**2017 Activity**
Jan. 10	Press Release: Puck drops for Task Force
Jan. 11	Shape Your City E-Blast: First meeting of Arena Task Force
Jan. 23	Social Media: Task Force Tours
Feb. 3	Press Release: Speak with Task Force
Feb. 4	Shape Your City E-Blast: Task Force tours arenas
Feb. 10	Shape Your City E-Blast: Glide through Memorial on a tour
Feb. 10	"Tough Decisions" video
Feb. 10	Drop In at Memorial Arena (PMHA – Novice / 9 am – 1 pm)
Feb. 11	Drop In at Memorial Arena (PMHA – Novice / 11 am – 3 pm)
Feb. 17	Drop In at Memorial Arena (Figure Skating Championship / 12 pm – 4 pm)
Feb. 17	Pop Up at SOEC (Vees Game / 6 pm – 7:30 pm)
Feb. 18	Drop In at Memorial Arena (8 am-12 pm)
Feb. 18	Pop Up at SOEC (Vees Game / 5 pm – 6:30 pm)
Feb. 23	Memorial Arena Tour
Feb. 23	Drop In at McLaren (Learn to Skate / 3 pm to 8 pm)
Mar. 6	Shape Your City E-Blast: New video available
Mar. 6	"Tough Decisions" Video
April 4	Council Report
April 5	Press Release: Task Force achieves milestone
April 5	Shape Your City E-Blast: Highlights from Council report
April 5	Shape Your City E-Blast: Task Force requests feasibility studies
April 5	Press Release: ATF requests feasibility studies
May 16	Press Release: Arena Feasibility Study contract awarded
May 17	Shape Your City E-Blast: Arena Feasibility Study awarded
May 23	Council Report: Gas Tax Strategic Priorities Fund
June 13	Press Release: Crews at Memorial Arena to inspect piles
June 19	Press Release: ATF eyes grant
June 19	Shape Your City E-Blast: Tight timing
June 28	Press Release: Arena studies now available
June 28	Arena Task Force Open House (4 pm – 8 pm / PTCC)
June 28 – July 8	Arena Survey
July 10	Press Release: Arena Information Session added for Council
July 11	Shape Your City E-Blast: Council Info Session added
July 12	Press Release: Sneak a peek at arena options

July 12	Arena Information Session (3 pm – 5 pm / Council Chambers)
July 13	Shape Your City E-Blast: Results of Feedback Form
July 15	Community Market
July 22	Community Market
Date	**2018 Activity**
Jan 9	Press Release: Business case for future arena use set to kick off
Jan 25	Dry Floor Workshop
Jan 26	Dry Floor Workshop
Mar 9	Press Release: Penticton awarded $6M grant towards arena vision
May 29	Fieldhouse Drop-in Session #1
May 30	Fieldhouse Drop-in Session #2
June 1	Press Release: Memorial Fieldhouse scores big with sports groups

Council Report

penticton.ca

Date: March 19, 2019 File No: RMS 5280-09
To: Donny van Dyk, Chief Administrative Officer
From: Anthony Haddad, Director of Development Services
Subject: **Economic Development & Community Prosperity & Development Services Advisory Committee Amalgamation**

Staff Recommendation

THAT Council direct staff to amalgamate the Economic Development and Community Prosperity Advisory Committee and the Development Services Advisory Committee;

AND THAT the proposed new Terms of Reference for the Economic Prosperity & Development Services Advisory Committee be approved.

Background

In December 2018, the City advertised opportunities for new membership for the City's Advisory Committees. Both the 'Economic Development and Community Prosperity Advisory Committee' (EDCPAC) and the 'Development Services Advisory Committees' (DSAC) received applications but not enough to complete the requirements of the Terms of Reference developed for each. Staff reached out to those within the industry and were able to find new members, but again, not enough to complete the original requirements of the Terms of Reference to fill all positions.

As a result and considering the alignment of work and issues that would be dealt with by both committees, staff are proposing to amalgamate both of these committees.

The 2018-2022 Economic Development Strategic Plan was the major focus of the EDCPAC and completion of the plan was a major achievement by the group in 2018. The City's DSAC have been extremely active over the past 10 or so years working to assist with the creation of new bylaws, streamline processes and provide advice to staff on operational matters as they relate to the development services functions. Furthermore, the membership of each of the existing committees also overlaps with the same stakeholder association representatives.

Proposal

Staff are proposing the amalgamation of the EDCPAC and the DSAC, given the role of each is somewhat similar and the work that they both do impacts the community from an economic and development perspective.

The proposed amalgamation of the two committees will allow for the creation of the Economic Prosperity and Development Services Advisory Committee (EPDSAC). The main role of the committee will focus on:

- Implementation of the Economic Development Strategic Plan;
- Review projects referred to Council for economic growth;
- Provide connections and advice to help develop, attract and retain business and economic activity;
- Review matters relating to the processing of applications, development of new bylaws and procedures within the Development Services Division;
- Review development statistics and industry trends and indicators;
- Review and provide advice on proposed provincial or federal policies that effect the local and regional economy, real estate development and provide advice to Council on the City's position in relating to such policies.

The proposed EPDSAC will include the following membership made up of eighteen (18) voting members as follows:

- Three (3) Members of the community with an interest in Local and Regional Economic Development
- Five (5) Members of the local Development & Business Community
- One (1) member from each of the Priority Industry Clusters:
    - Technology
    - Manufacturing
    - Tourism, Event, Arts & Culture
    - Beverage Industry – wine, beer, sprit production
- One (1) Youth Representative
- One (1) member from the Penticton Indian Band
- One (1) member from the Chamber of Commerce
- One (1) member from the Penticton Industrial Development Association
- One (1) member from Post-Secondary Education
- One (1) member from the Downtown Penticton Association

Two (2) Council members will be appointed to the committee and staff representatives will include the Director of Development Services and Economic Development Specialist. Additional staff will attend as relevant items are included on agendas.

Meetings will be held on a Quarterly basis, or as needed depending on issues directed from Council or staff.

Based on the applications received to date for both of the originally proposed committees, staff believe that there will be adequate membership amongst the applications received to initiate the committee.

Analysis

The proposed committee amalgamation will allow for efficient use of the committee membership, reduce duplication and allow for a comprehensive review and consideration of economic development and development community related issues.

Alternate Recommendations

THAT Council retain the existing committee structure and direct staff to repost for applications to fill the committee seats.

Attachments:

Attachment 1 – Existing Economic Development & Community Prosperity Committee ToR

Attachment 2 – Existing Development Services Advisory Committee ToR

Attachment 3 – Prosed new ToR for: Economic Prosperity and Development Services Advisory Committee

Respectfully submitted,

Anthony Haddad

Director of Development Services

Approvals

Director	Chief Administrative Officer
AH	DvD

Attachment 1 – Existing Economic Development & Community Prosperity Committee ToR

penticton.ca

2019 – 2022 Terms of Reference
Economic Development and Prosperity Advisory Committee

1. The Task Force shall consist of **Fourteen (14)** voting members appointed by City Council for a term ending December 31, 2022. Preference will be given for:

- One (1) Mid-Size Business with regional, national or international reach
- One (1) Small Business with regional, national or international reach
- One (1) Investor, Venture Capital or Financial Sector senior management or owners
- One (1) Post-Secondary Education representative (university or college)
- One (1) Developer
- One (1) Penticton Indian Band
- One (1) Chamber of Commerce
- Two (2) members of the community on the basis of their knowledge or an interest and experience in business, innovation or economic development
- One (1) Student / Youth Representative
- Four (4) Representatives – one (1) from each of the Priority Clusters;
    - Technology
    - Manufacturing
    - Tourism, Events, Arts & Culture
    - Beverage Industry – wine, beer, spirit production

2. The Task Force Members shall appoint a Chair and Vice-Chair each year.

3. Role of Council Representative:

- Mayor
- Voting Member
- Liaison to Council

4. A majority of appointed voting members shall constitute a quorum.

5. The Mayor and upon request, the CAO and/or Economic Development staff shall attend Task Force meetings to provide advice and operational support to the Task Force.

6. The Corporate Administration Department shall arrange for secretarial services to the Task Force.

7. The Task Force shall meet quarterly, or as required when a new piece of business is referred to the Committee by Council or staff requiring immediate action.

8. The Task Force's mandate is to assist the Mayor and Council and the Penticton business community to create, a healthy, sustainable and dynamic economy.

   The Task Force will provide recommendations on matters referred by Council.

   The Task Force will identify no more than 5 key strategic priorities for driving economic growth and vitality within the City of Penticton as part of the South Okanagan Similkameen.

The Task Force will:

- Provide advice to the Mayor and Council as requested
- Review projects referred from Council for economic growth
- Review the Economic Development Strategic Plan as requested by Council or staff
- Identify revenue opportunities for the City
- Provide connections and advice to help develop, attract and retain business and economic activity

The Task Force will not participate in operational matters respecting the City of Penticton

9. Disqualification from Office

   If an advisory Task Force member is continuously absent from Task Force meetings for a period of three (3) consecutive regularly scheduled meetings, unless the absence is because of illness or with the leave of the Task Force members, Council may choose to replace the member. The person who held the office is disqualified from holding office on any advisory Task Force of the City of Penticton for a period of one year.

10. Should a Closed meeting be held by the Task Force, members must keep in confidence, any information considered in any part of said meeting until such time as the information is released to the public as lawfully authorized or required. Should the municipality suffer loss or damage due to contravention of confidentiality, the municipality may recover damages from the person(s) for the loss or damage.

- Closed Meeting – no meeting or part thereof shall be closed to the public except in accordance with Section 90 of the Community Charter.

11. The Mayor will sign all correspondence initiated by the Task Force on behalf of the City of Penticton.

12. For certainty, the rules and procedures of Council Procedure Bylaw No. 2018-35 and all amendments thereto shall be observed as far as may be applicable.

Attachment 2 – Existing Development Services Advisory Committee ToR

penticton.ca

2019 – 2022 Terms of Reference
Development Services Advisory Committee

1. The Committee shall consist of **Eleven (11)** voting members appointed by City Council for a term ending December 31, 2022. Preference will be given for:

- One (1) Canadian Home Builders Association Representative
- Two (2) Development Community Representatives
- One (1) Consulting Engineer
- One (1) Industrial Business Representative
- Six (6) Members of the Community on the basis of their knowledge or interest in the development process and student or youth

2. The Committee Members shall appoint a Chair and Vice-Chair each year.

3. Role of Council Representatives:

- One (1) Representatives
- Non-Voting Member
- Liaison to City Council

4. A majority of appointed voting members shall constitute a quorum.

5. The Director of Development Services or designate, shall attend committee meetings to provide operational support to the Committee

6. The Corporate Administration Department shall arrange for secretarial services to the Committee.

7. The Committee shall meet quarterly, or as required when a new piece of business is referred to the Committee by council or staff requiring immediate action.

8. The Committee mandate is to make recommendations to Council regarding all aspects of land development, land use and on all matters referred to the Committee, including:

- As directed by Council or requested by staff, make recommendations on City policies, procedures and bylaws that affect development, such as: application fees, development cost charges, zoning bylaw amendments, servicing standards and other land use and building regulations;

- As directed by Council or requested by staff, reviewing matters affecting the operation of the Development Services Division, regarding development processes and procedures;
- Reviewing development statistics and other indicators pertinent to the development industry, which will be provided by staff at each meeting, and should be disseminated back to member organizations;
- As directed by Council or requested by staff, providing development industry perspective on existing or proposed provincial or federal policies that affect real estate development and providing advice to Council on the City's position is in relation to such policies;

9. Disqualification from Office

   If an advisory Task Force member is continuously absent from Task Force meetings for a period of three (3) consecutive regularly scheduled meetings, unless the absence is because of illness or with the leave of the Task Force members, Council may choose to replace the member. The person who held the office is disqualified from holding office on any advisory committee of the City of Penticton for a period of one year.

10. Should a Closed meeting be held by the Committee, members must keep in confidence, any information considered in any part of said meeting until such time as the information is released to the public as lawfully authorized or required. Should the municipality suffer loss or damage due to contravention of confidentiality, the municipality may recover damages from the person(s) for the loss or damage.

- Closed Meeting – no meeting or part thereof shall be closed to the public except in accordance with Section 90 of the Community Charter.

11. The Mayor will sign all correspondence initiated by the Committee on behalf of the City of Penticton.

12. For certainty, the rules and procedures of Council Procedure Bylaw No. 2018-35 and all amendments thereto shall be observed as far as may be applicable.

Attachment 3 – Proposed new ToR 2019-2022
Economic Prosperity and Development Services Advisory Committee

1. The Committee shall consist of **Eighteen (18)** voting members appointed by City Council for a term ending December 31, 2022. Preference will be given for:

   - Three (3) Members of the community within an interest in the Local and Regional Economic Development
   - Five (5) Members of the local Development & Business Community
   - One (1) member from each of the Priority Industry Clusters
     - Technology
     - Manufacturing
     - Tourism, Event, Arts & Culture
     - Beverage Industry – wine, beer, sprit production
   - One (1) Youth Representative
   - One (1) member from the Penticton Indian Band
   - One (1) member from the Canadian Home Builders Association
   - One (1) member from the Chamber of Commerce
   - One (1) member from the Penticton Industrial Development Association
   - One (1) member from Post-Secondary Education
   - One (1) member from the Downtown Penticton Association

2. The Advisory Members shall appoint a Chair and Vice-Chair each year.

3. Role of Council Representative:

   - Two (2) representatives
   - Non - Voting Member
   - Liaison to City Council

4. A majority of appointed voting members shall constitute a quorum.

5. The Mayor and one Council member shall attend advisory meetings to provide advice and operational support to the advisory committee.

6. The CAO and Director of Development Services shall attend advisory meetings to provide advice and operational support to the advisory committee. Development Services and Economic Development staff will attend as needs arise.

7. The Corporate Administration Department shall arrange for secretarial services to the advisory committee.

8. The advisory committee shall meet quarterly, or as required when a new piece of business is referred to the Committee by Council or staff requiring immediate action.

9. The advisory committee's mandate is to assist the Mayor and Council and the Penticton business and development community to create, a healthy, sustainable and dynamic economy.

The advisory committee will provide recommendations and direction to Council on the creation of new bylaws and policies within the Development Services Division.

The advisory committee will provide recommendations on matters referred by Council.

The advisory committee will identify no more than five (5) key strategic priorities for driving economic growth, development and vitality within the City of Penticton as part of the South Okanagan Similkameen.

The advisory committee will:

- Provide advice to the Mayor and Council as requested
- Implementation of the Economic Development Strategic Plan;
- Review projects referred to Council for economic growth;
- Provide connections and advice to help develop, attract and retain business and economic activity;
- Review matters relating to the procedures for the processing of applications and development of new bylaws within the Development Services Division;
- Review development statistics and industry trends and indicators;
- Review and provide advice on proposed provincial or federal policies that effect the local and regional economy, real estate development and provide advice to Council on the City's position in relating to such policies.

The advisory committee will not participate in operational matters respecting the City of Penticton

10. Disqualification from Office

If an advisory member is continuously absent from committee meetings for a period of three (3) consecutive regularly scheduled meetings, unless the absence is because of illness or with the leave of the advisory members, Council may choose to replace the member. The person who held the office is disqualified from holding office on any advisory committee of the City of Penticton for a period of one year.

11. Should a Closed meeting be held by the advisory, members must keep in confidence, any information considered in any part of said meeting until such time as the information is released to the public as lawfully authorized or required. Should the municipality suffer loss or damage due to contravention of confidentiality, the municipality may recover damages from the person(s) for the loss or damage.

- Closed Meeting – no meeting or part thereof shall be closed to the public except in accordance with Section 90 of the Community Charter.

12. The Mayor will sign all correspondence initiated by the committee on behalf of the City of Penticton.

13. For certainty, the rules and procedures of Council Procedure Bylaw No. 2018-35 and all amendments thereto shall be observed as far as may be applicable.

Council Report

penticton.ca

Date: March 19, 2019 File No: 5320
To: Donny van Dyk, Chief Administrative Officer
From: Ian Chapman, P.Eng, City Engineer
Subject: **Water Conservation Plan**

Staff Recommendation

THAT Council endorses the Water Conservation Plan prepared by AECOM dated March 11, 2019, as contained in Attachment "A" of this Council Report, as a document to be submitted as part of final reporting requirements for the grant provided by the Ministry of Community, Sport and Cultural Development Infrastructure and Finance Branch under the Clean Water and Wastewater Fund for the Carmi Reservoir Expansion project;

AND THAT Council directs staff to re-visit the Water Conservation Plan following completion of the Drought Management Plan later in 2019 and implement any changes required to ensure conformity between the plans.

Background

The City was successful in its March 2017 application to the Ministry of Community, Sport and Cultural Development Infrastructure and Finance Branch for grant funding under the Clean Water and Wastewater Fund (CWWF) for the 'Carmi Water Reservoir Storage Capacity Upgrade'.

The grant contains several conditions which are triggered as soon as applications are made in excess of 75% of the approved funding amount, $1,174,450. The Carmi Reservoir expansion has been completed and we are addressing final contract matters including submission of a final claim for payment which has triggered one of the grant conditions; the submission of an "up to date, succinct, effective, Council endorsed Water Conservation Plan for the whole City water system".

Our consultant, AECOM, has completed this report and staff is seeking endorsement of it by Council so that it can be submitted in fulfillment of the grant condition and allow payment to be issued.

The Water Conservation Plan is a guiding document that summarizes the strategies used by the City of Penticton to maintain a reliable and sustainable water supply to meet demand into the future and provide suggestions for additional conservation measures.

The City of Penticton is already actively engaged in several water conservation initiatives that collectively have resulted in significant reductions in Maximum Day Demands over the past few years. This plan seeks to continue this trend by suggesting further initiatives such as completion of annual water audits, consideration of adopting increasing block water rates, use of rebate programs and regulatory improvements.

Financial Implication

The City has received approximately 60% of the approved funding amount. Endorsement of the Water Conservation Plan will fulfill one of the conditions required to allow the release of the remaining 40% of the grant funding which will complete funding for the whole project.

Analysis

The City has constructed the expansion of Carmi reservoir with the benefit of funding from the Ministry of Community, Sport and Cultural Development Infrastructure and Finance Branch under the Clean Water and Wastewater Fund of up to $1,174, 450 towards the estimated $1,500,000 project cost.

We have received funding of approximately 60% of the approved funding amount and release of further funding is conditional upon submission of:

1) a Council endorsed Water Conservation Plan;
2) confirmations concerning the classification and certification of our water system;
3) confirmation of the current and intended improvements to the state of asset management related to the water system; and
4) an asset renewal profile which forecasts the remaining life of the water system including the new reservoir.

We are seeking Council endorsement of the Water Conservation Plan.

Items 2, 3 and 4 have been or will be completed shortly and will complete the package of supporting information required by the Ministry.

Staff does not anticipate any issues with the acceptance of this supporting information by the Ministry. Should Council choose not to endorse the Water Conservation Plan and the Ministry does not advance the remaining grant funds then the project will be underfunded and alternative funding would need to be identified.

Attachments

Attachment A – Water Conservation Plan

Respectfully submitted,

Ian Chapman
City Engineer

Concurrence

General Manager of Infrastructure	City Engineer	Chief Financial Officer	Chief Administrative Officer
	IC	LWB	DvD

City of Penticton

Water Conservation Plan – FINAL

Prepared by:
AECOM

Project Number:
60303523

Date:
March 11, 2019

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1. Introduction

1.1 Background

Water is a valuable resource that needs to be proactively managed and maintained to ensure there is sustainable access to water for our future generations. Availability of clean water may appear to be abundant in British Columbia, and specifically the Okanagan; however, the province is seeing marked reductions in the availability of source water and these are expected to worsen by population growth and changing climate conditions. According to the Okanagan Water Stewardship Council[1] and Environment Canada[2], the inflow to surface water sources is projected to decline due to longer, hotter and drier summers. At the same time, water demands are expected to increase due to less precipitation and longer growing seasons. Communities within the Okanagan will need to adapt in order to preserve our environment while meeting the growing demand for treated water. Climate change adaptation and preservation of the South Okanagan is identified in the Regional Growth Strategy of the Penticton Official Community Plan.

Water conservation plans are a key component to water resource planning and are one way that a community can participate in preserving the affordability and accessibility of water in the future. Effective conservation strategies rely on identifying specific water use reduction targets through education and incentives for customers to adopt more efficient and cost effective water use habits. Strategies can include both permanent reductions, such as full cost billing, or short-term reductions, such as water use restrictions, that may be required in times of supply scarcity. Additionally, supply side management practices, such as improved leak detection and monitoring or effluent reuse, are other ways that a water utility can reduce potable water demands within a community.

By reducing consumption and sustaining unit water demands, a community can effectively plan, defer or eliminate the need for new capital works and preserve the integrity of their source water.

1.2 Purpose and Scope

The purpose of this Water Conservation Plan is to summarize the strategies used by the City of Penticton (the City) to maintain a reliable and sustainable water supply to meet demand into the future, and suggestions for additional conservation measures.

2. Water System Profile

2.1 Overview of Existing Water Systems

The City's treated water relies on two water sources to meet the treated water demands of residents and businesses: Okanagan Lake and Penticton Creek. Raw water is supplied from Okanagan Lake by the raw water pump station and from Penticton Creek by gravity. The water treatment plant (WTP) provides dissolved air floatation clarification, filtration, and chlorination. The water distribution system serves approximately 43,000 residents and generally consists of 255 km of watermain, 6 treated water reservoirs, 2 pump stations, and 3 booster stations.

The City also maintains and operates two non-potable irrigation water systems. The north irrigation system provides raw water to agricultural parcels in the north end of the City. The north irrigation system obtains its water from Penticton Creek and provides water to 308 lots irrigating 610.4 hectares. The south irrigation system provides raw

[1] Okanagan Water Stewardship Council, "Okanagan Sustainable Water Strategy – Action Plan 1.0", 2008.
[2] Environment Canada, "Expanding the Dialogue on Climate Change and Water Management in the Okanagan Basin", March 31, 2003.

water to agricultural parcels in the south end of the City. The south irrigation system obtains its water from Ellis Creek and provides water to 84 lots irrigating 122.5 hectares.

2.2 City of Penticton Treated Water Consumption Patterns

Historically, the Okanagan has measured higher peak water demands than in other areas of Canada. These higher water demands are due in-part to the hot dry summers resulting in increased domestic and agricultural irrigation use. This highlights the variability and the many factors that influence water demand that are beyond the control of the City. The objective of a water conservation plan is to reduce total treated water use through effective demand side and supply side management practices and policies. It is worth noting that the Okanagan Basin has very low availability of fresh water per capita when compared to the rest of Canada (Statistics Canada, 2003).

For the purpose of water conservation it is useful to compare the City with other communities in the Okanagan. Comparison of communities is typically done using population as a benchmark. The peak demand recorded in Penticton was a maximum daily demand (MDD) of 55 ML/d in 2003 but since that time the total water demand has reduced while population has increased. **Table 1** presents recorded MDD demands for the City.

Table 1. City of Penticton – Recorded Maximum Daily Water Demands

Date	Maximum Day Water Demand (ML/d)
2003	54
2014	42.3
2015	41.7
2016	37.2
2017	41.9
2018	41.2

Table 2 presents demand and population statics from Okanagan communities comparable to Penticton.

Table 2. Statistics from Comparable Okanagan Communities

Community	Population within Utility	Winter Residential Demand (L/ca/d)	MDD Per Capita Demand (L/ca/d)	ADD Per Capita Demand (L/ca/d)	Current MDD (ML/d)	Total Demand (ML/y)
City of Penticton	34,861*	295	1,205	540	42 (55 in 2003)	6,851 (2011)
City of Kelowna	74,000	210 (260 in 2003)	1,210	590	89	15,800
West Kelowna	32,200	N/A	2,170	710	70	8,400
Greater Vernon	66,500	292	2,571	917	171	22,270 (2011)

**City of Penticton population is 33,761 and includes the 1,100 residents in West Bench Water System which is supplied by the City.*

According to Statistics Canada[3] the volume of drinking water treated across Canada in 2011 was an average of 251 L/capita/day. This would be more comparable to the winter demand show in the table. When compared with nearby communities, the data in **Table 2** indicates the City's current water conservation measures are effective.

[3] *Statistics Canada, "Survey of Drinking Water Plant, 2011", 2011.*

2.3 City of Penticton Irrigation Water Consumption

The north irrigation system provides a recorded instantaneous peak flow of 317 L/s and is allocated to provide a peak flow of 533 L/s. The south irrigation system provides a recorded instantaneous peak flow of 126 L/s and is allocated to provide a peak flow of 107 L/s.

3. Water Conservation Strategies

3.1 General

Water conservation policy should concentrate on reducing consumption practices within the community and minimizing waste through non-revenue uses. Many of the strategies are operationally focused and require budget and manpower to implement. Other policy targets require change to popular habits that can be encouraged through public education programs or land use regulations. The Water Conservation Guide for BC[4] explores the conservation options, provides direction for developing conservation programs, provides examples of achievable targets, and provides guidance on the effectiveness of individual measures.

Water conservation targets can vary widely. Communities that are initially embarking on water conservation may set conservation targets as high has 50% while communities with well-developed conservation measures may set more conservative targets such as 5% or 10%. For reference, in 2008 the City of Kelowna had set a reduction target of 15% by 2012.

3.2 Benefits of Water Conservation

Water conservation offers many benefits to a water utility, including delaying or avoiding capital expenditure on source expansion, decreasing operating costs, reducing wastewater treatment volumes, avoiding environmental impacts, and obtaining public recognition and engagement. In addition, water conservation could present certain “co-benefits”, such as reductions in the energy required to treat and distribute drinking water and to collect and treat wastewater. AWWA Manual No. M52 on Water Conservation Programs[5] provides the following benefits of water conservation:

- Operations and maintenance cost savings by reducing the volume of water treated;
- Future cost savings through deferral of capital investment as a result of population growth and expansion;
- Environmental benefits: less water removed from the environment for human purposes, reduced impact to fish and wildlife;
- Competing beneficial uses: more water could be available for competing beneficial uses such as agriculture, or recreation;
- Stewardship: utilities that conserve water demonstrate leadership in resource management;
- Regulatory compliance: some governmental/regulatory agencies require water conservation plans to qualify for permits, grants and loans; and
- Public perception: demonstration of efficient use of existing water supplies before implementing expansion of supplies to meet new water needs.

[4] Blue Currents Consulting, “Water Conservation Guide for British Columbia,”, December 2013
[5] American Water Works Association, “Water Conservation Programs – A Planning Manual: AWWA Manual M52”,2006.

4. Current Water Conservation Initiatives

The City currently has many effective water conservations strategies in-place as evidenced by the reduction in MDD from 55 ML/d in 2003 to approximately 42 ML/d in recent years. The City currently employs the following water conservation strategies:

1. Universal metering using a fixed rate based on water meter size and volumetric rate based on consumption to discourage excessive water use. According to the Water Conservation Guide for BC, universal metering coupled with volumetric billing is one of the most effective water conservation strategies.
2. Monthly meter reading is recommended in the AWWA Manual No. M52 to gather accurate water consumption data and provide frequent reminder to customers of the cost of water. The City currently reads meters monthly.
3. Sanitary sewer charges are based on water meter size and water consumption meaning additional water use results in higher sanitary sewer fees.
4. Treated water restrictions: Stage 1 sprinkling restrictions effective annually May 1 to August 31; Stage 2 – 4 restrictions implemented for water shortages (Bylaw 2005-02[6]). This aligns with the Living Water Smart[7] plan.
5. Restriction of non-treated water use to agricultural water users (Bylaw 2005-02).
6. Educational information is available to water users on the Penticton website including tips for water use reduction.
7. The City has prepared a list of drought tolerant plant material suitable for Penticton's climate and Soils, which it regularly uses for municipal plantings, and has made available for the Public.[8]
8. The City has a leak detection program for the water system.
9. Treated effluent from the City of Penticton Advanced Wastewater Treatment Plant is used for irrigation of the golf course, and some school yards and parks.
10. Treated effluent is also used by Okanagan College for irrigation and toilet flushing in the summer months.
11. Raw water from the Okanagan Lake transmission main is used to irrigate school fields and parks.
12. The City has budgeted to install meters on non-treated agricultural services from 2019 – 2022.
13. Partnership in Okanagan Basin Water Board's (OBWB) Waterwise Initiative.
14. The Official Community Plan suggests the following when developing High Density Developments:
    a) Capture and reuse rainwater for irrigation of the landscaping.
    b) Development of grey water systems that can help with irrigation to minimize the landscaping water demand.
    c) Creation of green roofs to add amenity space to the development (community gardens), improve storm water management, and reduce heat island effects and demands for interior cooling caused by typical roofing materials.
15. The City has completed Phase 1 of a Drought Management Plan - an Okanagan Valley wide initiative plan to quantify the risk of drought and define measures and triggers to manage drought in the area. Phase 2 of this plan will be undertaken in 2019.

[6] *City of Penticton. Irrigation, Sewer and Water Bylaw No. 2005-02.*
[7] *Ministry of Environment, "Living Water Smart", 2008*
[8] *City of Penticton,Official Community Plan Bylaw No.2002-20*

5. Suggested Water Conservation Initiatives

The various water conservation strategies currently employed by the City constitute a well-rounded Water Conservation Program. The following are suggested water conservation strategies the City could consider if it wishes to extend the Water Conservation Program.

Water Audit: Complete annual Water Audits to assess leakage and non-revenue losses in the Water System (refer to AWWA Manual M36 – Water Audits and Loss Control Programs). The water auditing process quantified consumption and losses. This process will enable the City to develop targeted strategies and monitor effectiveness. As an example, the City of Kelowna found fixing leaks in their homes and infrastructure was one of the simplest ways of reducing water consumption. The Water Audit also includes performance indicators such as "Non-revenue water by cost" and "Infrastructure Leakage Index".

Rate Structure: The City currently has universal metering and a volumetric water rate structure. "Water pricing and water rate structure are two of the most valuable measures for directly communicating with customers about water conservation"[9]. The City currently uses a single volumetric charge and could consider implementing increasing block water rates that price incremental blocks of water at higher rates than previous blocks; Greater Vernon Water uses this billing structure, for example. An increasing block rate structure was a recommended in the City's Utility Rate Review[10]. A seasonal rate could also be considered, increasing rates during high demand periods to communicate the need for conservation to rate payers.

The City is currently engaged in a complete utility rate review and an increasing block rate structure for water is under consideration.

Rebate Programs: A rebate program typically offers water users a one-time rebate for the implementation of a means to reduce water consumption. A one-time rebate is intended to provide incentive to a rate payer who otherwise may not install water saving fixtures. Some examples of rebate programs are outlined below.

- Provide rebates for the installation of water-efficient retrofits in existing household. Examples include low-flow showers, faucets, and toilets;
- Provide rebates for water efficient appliances. Examples include laundry machines and dishwashers; and
- Provide rebates for outdoor water saving enhancements such as rain barrels or sprinkler rain sensors.

Regulatory Improvements: "Continually updating municipal bylaws, standards, regulations, building and plumbing codes is a proven method of conservation[11]". The benefits can vary widely depending on the level of severity and enforcement. Consider tying these to the permit approval process to simplify their implementation. In addition, Bylaws, Regulations, and guidelines should be updated at regular intervals, such as the recommendation for water rate reviews on a 3 to 5 year basis.

As a preliminary target, we recommend the City adopt a water reduction goal of 10% per capita demand over the next 10 years (i.e. reducing 540 L/ca/day to 490 L/ca/day by 2029). We recommend the City first complete an AWWA Water Audit to quantify consumption and losses in the distribution system. With the Water Audit information, a water conservation target can be refined if necessary. As described above, the City has many effective water conservation measures in place, and a continued focus on water conservation will help prepare the City to adapt to projected changes in water availability in the Okanagan.

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[9] Blue Currents Consulting, "Water Conservation Guide for British Columbia,", December 2013, page 35
[10] Intergroup Consultants. City of Penticton Utility Rate Review. November 2015.

Council Report

penticton.ca

Date: March 19, 2019 File No: 0360-20
To: Donny van Dyk, Chief Administrative Officer
From: Laurie Darcus, Director of Corporate Services

Subject: **Council Priorities/Key Issues – Q1 Quarterly Report**

Staff Recommendation

THAT Council receive into the record the report titled "Council Priorities/Key Issues – Q1 Quarterly Report" dated March 19, 2019.

OR

THAT Council provide additional direction to staff on the priorities/key issues listed and attached to the report titled "Council Priorities/Key Issues – Q1 Quarterly Report".

Executive Summary

In their first year of office Council identified their top priorities and key issues. These are listed in the attachment with a brief description, estimated completion date and progress status. This report will come before Council at the end of each quarter to report progress.

Some of these priorities have been incorporated into business plans for 2019, others require(d) research and reports to Council, and still others are forming ongoing actions. Later in 2019 the plan is for Council to formalize priority setting for the next 3 years through a strategic planning process which will lead to initiatives and actions incorporated into department business plans for 2020-2022 . Staff will be reporting back to Council quarterly on business plan initiatives.

Strategic priority objective

The priorities established by Council fall under all of our pillars of excellence: Good Governance, Community Building, Fiscal Sustainability, Social Development, Economic Vitality and Environmental Sustainability. This report and accompanying attachment specifically meets the Good Governance goal of enhancing performance measurement and reporting to Council and the community.

Background

Newly elected Council members establish priorities based on election platforms and feedback from the community during the 2018 election process. The attached Council priorities were compiled during a series

of meetings with the Chief Administrative Officer and refined at Council's orientation sessions. Some of the priorities have already been addressed and completed, some are in progress, and a number of projects have incorporated into Corporate Business Plans under the applicable department. Staff will be reporting back quarterly to Council on progress achieved. This is the first of those reports.

Moving forward, Council will be setting a vision and specific Priorities for the balance of the 2019 to 2022 term and beyond. Strategic Planning sessions will take place in late spring or early summer so that as Council sets priorities, these can be incorporated and addressed through the future Corporate department business plans for the next three years. Setting, evaluating, achieving and reporting on these priorities will allow Council to fulfill their commitments to the community and ensure that Corporate business and Council priorities are aligned.

Financial implication

Each of the items listed in the attached has a different financial implication. Some require staff resources, others a larger budget that has been requested and approved through the business planning and budget process recently completed.

Analysis

Staff are making good progress on many of the priorities/key issues. Some of these could be quickly addressed while others require a longer planning process. Of the 36 priorities/key issues:

9	are Completed;
25	are In Progress;
1	is On Hold until further confirmation can be received;
1	has been Deferred as it is reliant on other priorities to be completed.

Alternate recommendations

THAT Council provide alternate direction to staff related to the priorities/key issues with further instructions, corrections or deletions related to the items listed.

Attachments

Attachment A – Mayor and Council Key Issues 2019

Respectfully submitted,

Laurie Darcus
Director of Corporate Services

Chief Administrative Officer

DvD

Mayor & Council

Key Issues - 2019

Newly elected Council members establish priorities based on election platforms and feedback from the community during the 2018 election process. The following Council priorities were compiled during a series of meetings with the CAO and refined at Council's orientation sessions. Some of the priorities have already been addressed and completed, some are in progress, and a number of projects have been incorporated into Corporate Business Plans under the applicable department. Staff will be reporting back quarterly to Council on progress achieved.

Moving forward, Council will be setting Priorities for the balance of the 2019 to 2022 term and beyond. Strategic Planning sessions will take place in late spring or early summer so that as Council sets priorities, these can be incorporated and addressed through the Corporate department business plans for the next three years. Setting, evaluating, achieving and reporting on these priorities will allow Council to fulfill their commitments to the community and ensure that Corporate business and Council priorities are aligned.

CORPORATE SERVICES				
Title	**Overview**	**Estimated Completion**	**Business Plan?**	**Status**
Committee review and restructure	Establish Council Advisory Committees that will be effective as true Council advisory committees as per the Community Charter, with appropriate Terms of Reference.	Committees, Terms of Reference and Council Liaisons Approved by Council December 4, 2018. Orientations will occur as each new committee meets through Q1-Q2 2019.	NO	COMPLETE
Community Committee to review Council benefits and compensation	Council approved a Council Remuneration Task Force be established. Committee to complete a review and report back to Council on removal 1/3rd tax free exemption & implications, extended health & dental benefits, compensation, salary and per diems.	Council Resolution adopted December 18. Report to Council due end of Q2 2019. Task Force has formed with 5 members and first meeting was held on Feb. 5. Material from other municipalities being reviewed.	YES	IN PROGRESS
Safety and Security Task Force	Task Force members have been established, meetings to proceed through 2019 (initial meeting March)	Ongoing meetings and actions through 2019 and possibly beyond.	NO	IN PROGRESS
RCMP priority setting	To increase community safety and security. A written plan of action will be established through discussions between Council and RCMP.	Council and RCMP have identified priorities, a written plan will be completed in Q2 2019	NO	IN PROGRESS
	Long Term: Annual Priority setting session resulting in written plan, beginning in 2019			
Senior's forum	Seniors reps/Council Liasons establishing goals of Seniors Planning Committee and format	Council liaisons appointed and working with Seniors' groups	NO	IN PROGRESS
	Staff to assist in forming a terms of reference if applicable and requested and assist in developing a meeting schedule.			
	Suggest an annual forum, with follow up presentation to Council (COW) on key outcomes.			
Website update	Phase One (review of Google Analytics and website user date) and Two (Review of written content and website navigation including a comparison of emerging navigation trends on other municipal websites) of project are completed. Waiting for budget approval to begin phases three and four.	Projected Launch Q4 2019	YES	IN PROGRESS
	RPF to be issued this spring for content manage system acquisition and design work.			
Penticton Indian Band relationship	Continue to develop working relationship	Council to Council occurred Q1 2019 (March 4, 2019), will continue	NO	COMPLETE

Physician recruitment	With a need for additional physicians in Penticton, Council has requested a presentation from the Division of Family Practice South Okanagan Simikameen. Invitation has been extented. COW Presentation by Tracey Sinclair and Riley Gettens -Division of Family Practice South Okanagan Similkameen)	Invitation communicated, they will request a COW spot when ready. Expected end of Q1 2019	NO	IN PROGRESS
Bus link to PIB	CAO to meet with PIB to gauge any interest	ON HOLD		ON HOLD
Hold one Council meeting this year at a High School, and one at OK College	Council would like to engage students in municipal governance. Holding a meeting at a highschool and the College will allow students to address Council as a delegations, presenting issues that are important to them.	Established dates: Pen Hi: May 7, 2019, OK College October 15, 2019	NO	COMPLETE
Student representation on Advisory Committees	All new Advisory Committee Terms of Reference should include youth representation opportunities for youth to become members of committees and be promoted through the High Schools and OK College	Youth added to all Committee Terms of Reference, information sent to SD67 and College Student Association requesting communication to their students	NO	COMPLETE
DEVELOPMENT SERVICES				
Title	**Overview**	**Estimated Completion**	**Business Plan?**	**Status**
Official Community Plan	The Official Community Plan guides positive change, growth and development, and is created through extensive public consultation. It describes a vision for the future of our community, lays out a future land use plan, and contains guiding policies in key areas such as housing, transportation, environmental protection, the economy, and arts and culture.	Council presentation - Q1 2019	YES	IN PROGRESS
Development Cost Charge review	The Development Cost Charges (DCC) bylaw (last updated 2007) is a bylaw to share the cost burden of infrastructure upgrade triggered by development evenly across all potential development. The basis of this DCC bylaw is the Comprehensive Development Plan as this plan outlines the development triggered upgrades that are required within the City. Once the Comprehensive Development Plan is updated in 2019 the DCC bylaw will be updated to ensure the development planned in the CDP is reflected in the DCC bylaw.	Deferred to 2020	NO	DEFFERRED
Land Management strategy	Land Management Strategy will identify long term need for disposition and acquisition, in line with City's new OCP.	Process underway to complete inventory of City land. Budget request for 2019 approved	YES	IN PROGRESS
Economic Development Operational Plan	Implementation of 2nd Year Operation plan with a focus on housing and hiring.	Report to Council - Q1 2019	YES	IN PROGRESS
Rezone Main Street select hotels to high density residential	Older motel / hotel housing stock provides little value to the tourism sector. Removing these 'accommodation' units from the Hotel supply will provide opportunities for new, higher quality, hotel stock to be created. Zoning bylaw will be updated once the new OCP is approved.	Commence in Q3-Q4 2019	NO	IN PROGRESS
Skaha Lake Park Master Plan	Master Plan will look at long term vision and needs for park and marina lands at Skaha Lake Park. Planning and engagement process to commence in 2019.	Commence in 2019 with anticipated Completion 2020	YES	IN PROGRESS
Downtown Parking Strategy – Parkade Feasibility	Parking demand continues to be an issue with increased development and investment downtown. Consolidation of parking into structured parking would provide efficient use of land downtown.	Completion of a Parkade Feasibility Analysis for downtown - Q3 2019	YES	IN PROGRESS
Nanaimo Hall site Ellis Street Covenant	SOPAC request for covenant on site. With purchase of Greyhound site, a larger planning exercise is required, which would take place in 2020.	Report to Council - Q1 2019	NO	COMPLETE

FINANCE				
Title	**Overview**	**Estimated Completion**	**Business Plan?**	**Status**
Business Tax multiplier	Review current tax scheme and ensure equitable distribution between primary classes (residential and commercial). Update Tax Rate Bylaw accordingly.	Reviewed by Council during Business Planning/Budget presentations. Decision of multiplier of 1.82 for 2019 and to be included in upcoming Tax Rate Bylaw Q1	YES	IN PROGRESS
Full cost accounting	Improve the financial presentation of department costs in the financial plan to more fully reflect the full cost of delivering these programs.	Changes incorporated into 2019-23 Financial Plan	YES	COMPLETE
Reserve Policy	Establish reserves to ensure fiscal sustainability of the City	Report to Council - Q1 2019	YES	COMPLETE
Review of Financial Assistance to Community	Ensure that community grants permissive tax exemption and nominal leases are maximizing value to community in a fiscally sustainable manner	Grants- Part of 2019 Budget process.	YES	COMPLETE
				IN PROGRESS
	Nominal Lease policy to be brought forward for Council consideration.	Nominal Lease – Report to Council - Q3 2019	YES	IN PROGRESS
	Development of revised Permissive Tax Policy to provide options to focus exemptions.	Permissive Tax Exemption Policy to Council - Q2 2019	YES	IN PROGRESS
Online Utility credit card payments	Paying utility bills by credit card would be attractive to many utility customers. Testing is currently underway to accept utility payments with a credit card online through our service provider Paymentus. Once successful test this feature will be launched	COW presentation to showcase new feature - Q2 2019	YES	IN PROGRESS
Review $1 service charge for paper bills	Council requested staff to review the $1 service charge for paper bills and bring forward options.	Report at COW with Staff direction completed January 8, 2019. Status quo maintained.	NO	COMPLETE

INFRASTRUCTURE				
Title	**Overview**	**Estimated Completion**	**Business Plan?**	**Status**
Green energy projects	Goal to review alternate energy generation alternatives in an effort to reduce the amount of power we purchase from Fortis BC	Report to Council - Q2	YES	IN PROGRESS
Campbell Mountain Landfill	In partnership with the RDOS, determine if we need a larger buffer to address noxious odours and wind blown litter and changes to the landfill operating procedures	Report to Council - Q3 2019	NO	IN PROGRESS
Downtown upgrades	It is important that Penticton present a vibrant downtown. Keeping the downtown up to date will encourage people to attend and increase safety and security in the area.	During the 2019 Budget process the four items approved that will enhance the downtown were: The design / implementation of On Street Parking on both sides of Westminster Avenue from Martin Street to Brunswick; The purchase and installation of new Christmas decorations; The continuation of the work of the Clean Team; and The hiring of 2 new Bylaw Officers and the relocation of RCMP and Bylaw to a satellite office on Main Street.	YES	IN PROGRESS
Increase speed limit on Main and Ellis	To address a request made to increase speed limit on Main and Ellis, staff will: Determine issues brought to the attention of Bylaw and RCMP and request Downtown Penticton Association poll their members to see if they would like to see any changes to the 30 kph downtown speed zone.	Report to Council 2019 02 19 and Resolution passed to not make any changes.	NO	COMPLETE
SS Sicamous project	The SS SIcamous is an important feature of the Waterfront. Engineering and Facility Department staff have been working with members of the SS Sicamous Society to upgrade the area in and around the SS Sicamous in the spirit of the SS Sicamous Master Plan. The construction of a walkway mirroring that of the waterfront walkway will provide a better and safer pedestrian connection by eliminating pedestrians walking behind the angle parked cars that occurs now. There are other elements of the SS Sicamous Master Plan which Council could also discuss at the 2019 Budget discussions but only the walkway is part of the Engineering Department 2019 Budget.	Included in 2019 Budget	NO	IN PROGRESS

Utility Rate Review	To determine what rate and phase in process needs to be charged for treated water, agricultural water, sanitary sewer and electricity to ensure we achieve sustainability.	The Intergroup has been retained to work with a Utility Rate Review Committee consisting of City staff and representatives from: Residential users, Commercial users, Industrial users, Agricultural users. Report to Council updating them on the draft findings to date.	YES	IN PROGRESS
Recreation and Facilities				
Title	**Overview**	**Estimated Completion**	**Business Plan?**	**Status**
Recreation cost-sharing review	Rate for recreation should be fair. A review will look at the level of subsidy for users and how to reduce the impact of rates on City tax payers.	Report to Council - Q2 2019.	YES	IN PROGRESS
Arena Development Plan	Determine level of investment required in arenas and upgrade or replacement timeline.	Report to Council - Q1 2019 (January 22)	YES	COMPLETE
Triathlon	Bring signature triathlon event back to Penticton for 2020	Report to Council - Q2 2019	YES	IN PROGRESS
Arts & Culture investment review	Education and awareness (info to Council)	Complete	NO	COMPLETE
SOEC Parking strategy	Review the best options to maximize use and minimize issues related to parking in and around the SOEC.	Budget process	YES	IN PROGRESS

Council Report

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Date: March 07, 2019 File No:
To: Donny van Dyk, Chief Administrative Officer
From: Supt. Ted De Jager, Detachment Commander, PSSORD

Subject: RCMP Priorities, 2019 Through 2020

Staff Recommendation

THAT Council receive the information in this report as a summary of the priorities for the Penticton RCMP from April 2019 through to May 2020.

AND THAT Council approve the adoption of the Community Active Support Table (CAST) as an operational intervention model for the prioritization of social chronic behaviors requiring police resources and partner agencies.

Strategic priority objective

This report addresses the Council priority of good governance in that policing services support quality of life, enhance public safety and promote economic and the social well-being of our community. In addition, the RCMP Priorities seek to maximize public engagement through effective communication and community outreach.

Background

The Penticton South Okanagan Similkameen Regional Detachment (PSOSRD) provides police services from Summerland to Princeton. The mandate of the detachment is to provide Safe and Secure communities in our region. Although priorities are fluid, the preservation of life and safety will always form the primary basis for operations in any police department. Social considerations continue to consume a significant portion of police operations to the extent that over 60 percent of calls for service in Penticton and the South Okanagan are of a nature that police response is either ineffective or unable to provide an immediate solution. The propensity to call police for many social disorder issues is closely tied to the 24-hour response model of the police, particularly with respect to mental health occurrences, since most other agencies are not available.

Penticton Detachment serves as the hub for PSOSRD and supports the operations of all police support teams including the Target Enforcement Unit (TEU), The Street Enforcement Unit (SEU – drug enforcement), the Community Safety and Enforcement Team (CSET) and the General Investigations Section (GIS). In addition, other support units such as Police Dog Services and Forensic Identification Services operate out of the main detachment. All of these support units are a mix of Penticton Municipal and provincial resources. There are 47

established Penticton RM municipal positions, 46 of which are funded, 13 provincial RM positions, 22 Municipal Employees and 3 Public Service Employees operating out of the Penticton building. The majority of these positions are shifted to cover 24-hour policing duties.

Over 60 percent of Penticton Detachment is General Duty (GD) who are responsible for daily patrol operations and first response to all calls for service. They operate in a 24/7 shift pattern as opposed to most support units which operate on week day and weekend dayshifts or afternoons such as CSET, SEU and TEU. As such, the minimum number of police vehicles on the road available to respond to calls for service and conduct proactive patrols is five, including one provincial member. A GD watch at full strength is seven vehicles, although this usually on ly achieved 70 % of the time due to leave, court and training. Although TEU, SEU and CEST can support patrol operations, especially in emergency situations, they are mandate driven to focus on prolific offenders or problem areas, therefore, calls for service are based on priorities assigned to their potential severity and dispatched accordingly to the five to seven GD members on shift for the entire city and surrounding provincial areas.

Quarterly reporting for the PSSORD is completed in two formats. The Annual Performance Plan (APP) is an internal strategic planning tool which allows the detachment to set priorities and monitor them through action plans and measures. These priorities are developed in consultation with local government and community partners. The second report is the General Quarterly Report which includes discussion points and statistics for presentation to open and closed council and RDOS meetings. It is more general and designed to give an overview of policing operations for councils and the public. The primary metric used in this report is statistical as a measure of police performance and pressures such as mental health calls for service and social disorder. The closed report is very specific to contractual reporting as determined by the Auditor General for Local Government including finances, HR performance and public complaints. Although these are official reports, any other information required by council can be provided as required, in particular to in camera meetings when dealing with sensitive items such as deployments and ongoing investigations.

In the coming weeks there will be considerable discussion with Mayor and Council to ensure policing priorities are in sync with the community, however, it is likely that the priorities for 2019 will be similar to those of 2018. Specific requests such as increased downtown patrols are typically added as action plans under a priority. It is recommended that the priorities for 2019/2020 be developed in concert with the Mayor's Task Force on Community Safety, Council as a whole and the community at large through ongoing mini-forums, community engagement and the overall Community Safety Forum set for mid-April 2019. In terms of discussion, recommended priorities could focus on:

- Crime and Victimization
    - Domestic Violence and Prevention
    - Increase the use of Restorative Justice
    - Use of CAST to deal with Mental Health and Homelessness
    - Reduce occurrences involving prolific and chronic offenders through targeting
    - Strengthen partnerships with indigenous communities
- Opioids, Drugs and Prolific Offenders
    - Provide effective investigational response to opioid crisis
    - Interdict and prosecute street level drug dealers
    - Prevent the establishment of gang activity in our community

  - Leverage the British Columbia Association of Chiefs of Police and UBCM to assist in identifying gaps in legislation
  - Enhance proven strategies to prevent and reduce drug use
- Road Safety
  - Target aggressive driving behaviors
  - Leverage technology such as intersection cameras and Automatic License Plate Readers
  - Reduce impaired driving
- Community Engagement
  - Deploy CSET to the downtown location
  - Continue community interaction thorough street patrols, mini-forums and community outreach
  - Ensure accountability and alignment of priorities through ongoing consultation with partners and community leaders
- Innovation and Modernization
  - Increase efficiency of operations through effective human resource planning
  - Enhance resiliency of members through ongoing training and support
  - Modernize training through effective use of tactical initiatives and infrastructure
  - Modernize workflow to ensure maximum proactive deployment time
  - Support adoption of Digital Evidence Management and its supporting technology
  - Online Crime reporting

Timeline of Proposed Outcomes and Measures in Support of Priorities

Deliverable	Proposed Outcome	Status	Implementation/ Budget
Crime Reporting	Real time crime reporting through Twitter and media releases	Complete	January 2019 **Budgeted**
Community Engagement	Public and community involvement: Forum, Coffee with a Cop, DPA, PIDA, Chamber, Rotary, Market	Community Forum in planning stages.	April 2019 **Budgeted**
Downtown Liaison Officer/Youth Support Officer	Increased coordination for downtown priorities including integration with YES/Foundry youth programs downtown.	Planning complete, in selection process.	April 1, 2019 **Budgeted**
Street Enforcement Unit (Drug Unit)	• Positions approved as of recent budget • Three-member team, 1 Provincial, 2 Municipal • Target prolific drug dealers	Planning complete, in selection process.	Mid-April 2019 **1x FTE RM (47)**

Deliverable	Proposed Outcome	Status	Implementation/ Budget
Full Staffing Levels	PSOSRD staffed to 95 % reporting plus full complement identified	Zero vacancy pattern with all positions filled by end April. Some internal movement will occur during this time to staff new drug positions.	May 1 2019 **Budgeted**
Council Briefing Sessions, Detachment Tour and General Duty Ride Along	• Increase understanding of current legislation and operations • Increased transparency and input into policing operations • Increased accountability of detachment resources. • Increased understanding of operational priorities • Increased understanding of contract parameters and expectations	In process of booking subject matter experts from E Division Finance and Operations Strategy Branch. Anticipate half day meeting following Mayor and CAO meetings in Kelowna	May 2019 **Budgeted**
Council to Depot	Increased understanding of the role of the RCMP, training standards and operational abilities.	Availability of council to be confirmed. Recommend late Spring or early Fall.	TBD **Budgeted**
Media Engagement	Increased availability to local and regional media outlets: • bi-weekly media meetings • "police blotter" • Video series on CAST and CSET	In process. Regular media briefings are already ongoing. Police blotter requires increased coordination with media. Video series in planning stages.	June 1, 2019 **Budgeted**
Crime Mapping	Increased public understanding of crime trends in the community in terms of types and locations. Part of overall media strategy.	Crime mapping is already available. Looking at ways to make data meaningful and understandable to public.	June 1, 2019 **Budgeted**
CSET Deployed Downtown	Increased visibility in downtown core with ability to respond to community priorities	Deployment priorities Complete. Full deployment pending construction of new facility. "Peach" can be used in the interim.	June 2019 **$250K Capital**
Detachment Renovations	Concurrent to the deployment of CSET to downtown, renovations required to desk layouts and board	Planning ongoing. Dependent on CSET's relocation.	June 2019 **$80K Budgeted**

Deliverable	Proposed Outcome	Status	Implementation/ Budget
	room to enable command and control and ongoing operations. Includes modernization of current lab space.		
CAST	• Accountability of all community safety partners in addressing social chronic issues • Preparations to go to regional model • Establish high level steering committee	Over 28 persons connected to services since inception in August 2018.	Ongoing in Penticton. June 1, 2019 for Steering Committee and regional delivery. **Grant Funded**
Proactive Patrols	• Increased visibility and enforcement in core areas such as downtown and tourist areas • Combination of ATV, bike and foot patrols • Increase youth engagement	PRIME Reporting metrics and community satisfaction will be used to gauge effectiveness. All equipment is ready for deployment.	Ongoing to September 2019 with increased summer patrols. **Budgeted**
Community Engagement	Red Serge participation in all major events	Most events identified for increased participation including Peachfest and summer events.	Ongoing **Budgeted**
Open House	Engage with community to welcome them into the policing environment. Youth outreach	Planning ongoing	August 2019
RAPID	Increased accountability of all pawn shops in Okanagan corridor in conjunction with Vernon and Kelowna	Amendment to bylaw and installation of software is complete. CSET is actively monitoring data sheets for stolen property	Complete **Budgeted**

Financial implication

The plans outlined in this report are funded through the contract or are already identified in the 2019 municipal budget. The only major capital is the renovation to the Community Police Office in the downtown core.

Analysis

This outline is a living document subject to input and change by Mayor and Council, staff and the community. This is a planning document in advance of finalizing community policing priorities during the April planning sessions.

Respectfully submitted,

Superintendent T.E. De Jager

Detachment Commander. PSOSRD RCMP

Approvals

Director	Chief Administrative Officer
Dejager,Theodore Edwin,00004 6628 Digitally signed by Dejager,Theodore Edwin,000046628 DN: c=ca, o=gc, ou=rcmp-grc, ou=People, cn=Dejager,Theodore Edwin,000046628 Date: 2019.03.13 11:24:57 -07'00'	DvD

The Corporation of the City of Penticton

Bylaw No. 2018-68

A Bylaw regulating smoking and vaping in the City of Penticton.

WHEREAS the Municipal Council considers that second hand smoke and vapour from tobacco, cannabis and other like products is a health hazard;

AND WHEREAS Section 8(3)I of the *Community Charter* provides that a Council may regulate, prohibit and impose requirements in relation to public health;

AND WHEREAS the City of Penticton has satisfied the preconditions to adopting a Bylaw as set out in the *Public Health Bylaws Regulations, B.C. Reg. 42/2004;*

NOW THEREFORE the Municipal Council of The Corporation of the City of Penticton (the "City") in open meeting assembled hereby ENACTS as follows:

1. Title

This Bylaw may be cited for all purposes as "Smoking Regulations Bylaw No. 2018-68".

2. Definitions

In this Bylaw the following definitions have the following meanings:

“Bylaw Enforcement Officer” means the person duly appointed as such for the purpose of enforcement of one or more of the City Bylaws and shall include any *peace officer*.

“public facility” means enclosed buildings or recreation facilities including but not limited to recreation centres, arenas, picnic shelters and other recreation facilities located in a Park or on any other land which the City owns or controls by means of a lease, licence or other legal instrument that is intended for athletic, social, cultural or recreational use by members or visitors to the community.

“public place” means an indoor or outdoor area, privately or publically owned, to which the public have access by right or by invitation, expressed or implied, whether by payment or not, but not a place when used exclusively by one or more individuals for a private gathering or other personal purpose.

"smoke" or “smoking” means the inhaling, exhaling, burning or carrying of a lighted cigarette, cigar, pipe, hookah or other lighted smoking equipment burning tobacco, cannabis or any other similar substance.

“vape” or “vaping” means the operating of an electronic vaping device that heats up and/or otherwise vaporizes a liquid or solid into an aerosol mist intended to be inhaled and exhaled.

3. Scope

This Bylaw applies within the City of Penticton.

4. Severability

A declaration by a court of competent jurisdiction that a section or provision of this Bylaw, including anything shown on Schedules to the Bylaw is invalid, shall not affect the validity of the Bylaw or any part of the Bylaw other than the section or provision, or part of the Schedule declared to be invalid.

5. Enforcement

Bylaw Enforcement Officers and or delegates are authorized to enforce the provisions of this Bylaw.

6. Prohibitions on Smoking

6.1 No person shall smoke or vape in the following locations:

a) In a fully or substantially enclosed public place or workplace;
b) Within seven and a half meters (7.5m) of a public place or workplace doorway, open window, or air intake;
c) Transit shelters or within 7.5m of a transit stop;
d) In common areas of apartment buildings;
e) On or within 30m of any public or private elementary, middle or secondary (K-12) school ground;
f) On or within 30m of a children's playground;
g) In any public facility;
h) In any public place or municipal open space listed in Schedule A, attached to and forming part of this bylaw.

7. Prohibitions on smoking or vaping of cannabis products

7.1 In addition to the prohibitions on smoking or vaping identified in Section 6, smoking or vaping of cannabis products are prohibited in the following locations:

a) All public roads, sidewalks, walkways and trails;
b) All public municipal open spaces.

8. Exceptions to this bylaw

8.1 This bylaw shall not apply to the following:

a) Traditional ceremonial purposes;
b) Private social functions, on private property.

9. Posting of Signs

9.1 A responsible person must display, or ensure the display of, a sign at all times, in the form established under paragraph 10(1):
(a) at the main entrances to a park;
(b) at the main entrances to a designated public place;
(c) at the main entrances to a school yard.

10. Signs

10.1 A no-smoking sign shall state, (a) the phrase "no smoking", or (b) a graphic symbol which shall be a minimum of six centimetres in diameter.

10.2 No person shall remove, alter, conceal, deface, write upon or destroy any sign posted pursuant to this Bylaw.

11. Penalties

11.1 Except as otherwise provided in this Bylaw, any person who violates any of the provision of this Bylaw or who suffers or permits any act or thing to be done in contravention of this Bylaw, or who refuses, or omits or neglects to fulfill, observe, carry out or perform any duty or obligation imposed by this Bylaw commits an offence and is liable on summary conviction to a fine of not more than $10,000.

11.2 In addition to any other penalty, the Licence Inspector or the Bylaw Officer may issue a Bylaw Offence Notice or Municipal Ticket Information to a person for a violation of this Bylaw.

11.3 Each day during which an offence is continued shall be deemed to constitute a new and separate offence.

12. Repeal

12.1 "The City of Penticton Smoking Regulation Bylaw No. 87-15" and all amendments thereto are hereby repealed upon adoption of this bylaw.

READ A FIRST time this	4	day of	December, 2018
READ A SECOND time this	4	day of	December, 2018
READ A THIRD time this	4	day of	December, 2018
RESCIND THIRD and READ a THIRD time as AMENDED	22	day of	January, 2019
DEPOSITED with the Minister of Health	21	day of	February, 2019
ADOPTED this		day of	, 2019

John Vassilaki, Mayor

Angie Collison, Corporate Officer

SCHEDULE "A"

Public municipal open spaces where smoking is prohibited

The following areas have been designated by the Council of the City of Penticton as "no smoking areas":

1. Skaha Beach
2. Skaha Lake Walkway
3. Sudbury Beach (if leased by the City of Penticton)
4. Airport Beach (if leased by the City of Penticton)
5. Okanagan Beach
6. Okanagan Lake Park Beach
7. Marina Way Beach
8. Three Mile Beach
9. Dog Beach (Lakeside Road)
10. Behind the SS Sicamous
11. Behind the Penticton Tennis Club
12. Three Mile Boating Beach Area
13. Rotary Park Beach (north side of park)
14. Kiwanis Walking Pier Area
15. West Okanagan Lake Walkway from Winnipeg Street to the SS Sicamous
16. Outside Grounds and Parking Areas of South Okanagan Event Centre Complex

The Corporation of the City of Penticton

Bylaw No. 2017-44

A Bylaw to establish and regulate the Penticton Electric Utility Services.

WHEREAS the Council of the Corporation of the City of Penticton considers it desirable and expedient to maintain the municipal Service of an electric utility for the Penticton community and to make regulations, impose requirements, and prohibit in relation to the provision of this Electrical Service;

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

PART 1 – TITLE

This Bylaw may be cited for all purposes as "Electric Utility Services Bylaw No. 2017-44".

PART 2 – DEFINITIONS

"**Ampere**" (A) means the unit used for the measurement of the flow of Electricity or Electric Current.

"**Apartment Building**" means a structure containing four or more Dwelling Units having access from an interior corridor system or common entrance.

"**Apparent Power**" means the total Power measured in kilovolt Amperes (kVA).

"**Applicant**" means a person who applies to the City for a new, upgraded, extension or change of Service.

"**Bill**" means the invoice produced by the City for the supply of Electrical Service to the Customer.

"**Billing Date**" means the date a Customer's Bill was prepared by the City and is as indicated on the Bill.

"**Billing Period**" means the period between Meter readings or the period of time which the Bill covers.

"**Bulk Meter**" means one Meter that measures all Electricity used in a building containing multiple Premises.

"**Chief Financial Officer**" means the person appointed to carry out the duties of the Chief Financial Officer as defined in the *Community Charter*.

"**City**" means the Corporation of the City of Penticton.

"**Collector**" means the municipal officer assigned the responsibility as Collector of taxes for the City.

"**Connected Load**" means the sum of all the individual electrical loads in the Customer's Premises.

"**Consumption**" means the amount of Electrical Energy in kilowatt-hours (kWh) as measured or estimated by the City over a given period of time.

"**Corporate Officer**" means the person appointed to carry out the duties of the Corporate Officer as defined in the *Community Charter*.

"**Council**" means the Council of the City.

"**Current**" means the flow of Electricity in a conductor wire(s) or cable(s) measured in Amperes (A).

"**Customer**" means any individual person, partnership or other entity, organization, corporation, firm or government agency, supplied with Electrical Service. Any Customer receiving Electrical Service from the City at more than one location or for more than one separately operated business shall be considered a separate Customer for each such location or for each such business.

"**Customer's Equipment**" means all that part of the Facilities on the Customer's side of the Point of Delivery except the Meter.

"**Demand**" means the rate at which Electric Energy is used in any instant or averaged over any designated period of time, measured in kilowatts (kW) or kilovolt Amperes (kVA).

"**Disconnect**" means a device, group of devices, or other means that will allow the conductors of a circuit to be Disconnected from their source of electrical supply.

"**Distributed Resources**" (DR) means sources of Electric Power that are not directly connected to a bulk Power transmission system. DR includes both generators and Energy storage technologies.

"**Distribution System**" means any network of Electricity that operates at a nominal Voltage of 50,000 V or less and distributes Electric Power between substations and the Point of Delivery.

"**Dwelling Unit**" means one or more rooms for the use of one or more persons as a housekeeping unit with cooking, eating, living, and sleeping facilities.

"**Electric Utility Manager**" means the person appointed as the Manager of the Penticton Electric Utility, or his or her designate, for the City.

"**Electrical Code**" means the B.C. Electrical Code adopted under the *Safety Standards Act*, and *Electrical Safety Regulation*, B.C. Reg. 100/2004.

"Electrical Energy" means Energy.

"Electrical Safety Regulation" means the *Electrical Safety Regulation*, B.C. Regulation 100/2004.

"Electrical Safety Standards Legislation" means the *Safety Standards Act, Electrical Safety Regulation* and Electrical Code.

"**Electrical Service**" means the provision of Electricity by the Penticton Electric Utility.

"**Electrical Service Entrance**" means an approved assembly consisting of an enclosure that can be locked or sealed, containing either fuses and a switch, or a circuit breaker, and of such design that it is possible to operate either the switch or circuit breaker to the open position by manual means when the box is closed.

"**Electrical Room**" means a room or space provided in a building to accommodate Electrical Service Equipment for the building including Customers' Equipment and Meters.

"**Electricity**" means either or both Demand and Energy, as the context requires.

"**Embedded Generator**" means an Electrical Generation Facility which is connected on the Customer side of the Point of Delivery to the Distribution System.

"**Energy**" means Power multiplied by the length of time it is used and measured in kilowatt hours (kWh).

"**Facilities**" means Equipment or apparatus that has been designed, manufactured, built, constructed or installed to provide Electrical Service.

"**Fees and Charges Bylaw**" means the City's Fees and Charges Bylaw No. 2014-07.

"**General Manager of Infrastructure**" means the person appointed as the General Manager of Infrastructure.

"**General Service**" means a Service for business, commercial, industrial or institutional Premises, or manufacturing Facilities, and includes, but is not limited to, Services to the following:

a) Farms which are distribution centers for items produced on that Farm or other farms;

b) Auto courts, motels and hotels;

c) Temporary Service to all buildings, mobile offices set up on a temporary basis while construction projects are underway, such Service to be removed when the construction project is complete;

d) Any Service other than those specified under the definition of "Residential Service";

e) Schools and educational facilities, hospitals and clinical Facilities, churches and halls, recreational establishments; and

f) Irrigation systems.

"**Generation Facility**" means a Facility for generating Electricity or providing ancillary Services provided by the Electric Utility through the operation of a Distribution System, and includes any structures, Equipment or other things used for that purpose.

"**Horsepower**" (hp) means equivalent to 746 Watts.

"**House Meter**" means that portion of the Electrical Service in Premises with multiple Owners or Occupiers which is common to all Occupants, and includes parking lot lighting, sign Service, corridor and walkway lighting, hallway heating and cooling.

"**Interconnection**" means the result of the process of Electrically connecting a DR System in parallel to a Distribution System.

"**Inverter**" means a Power electronic device that converts direct Current Power into alternating Current Power.

"**Joint Use Contact Agreement**" means an agreement between Penticton Electric Utility and a public utility that has connected its works or Equipment to Penticton Electric Utility's Distribution System.

"**kilovolt Ampere**" (kVA) means the product of the effective Voltage (V) across the terminals of an Electric circuit by the effective Current (measured in Amperes (A)) through it, divided by 1,000.

"**kilowatt**" (kW) means 1,000 Watts (W).

"**kilowatt hour**" (kWh) is the measure of Electrical Energy generated, transmitted or Consumed over a specified period.

"**Maximum Demand**" means the greatest measured Demand averaged over a period of not more than 32 consecutive minutes during a Billing Period.

"**Measurement Canada**" is the Federal institution of Innovation, Science and Economic Development Canada. It is responsible for ensuring accuracy in the selling of measured goods, developing and enforcing the laws related to measurement accuracy, approving and inspecting measuring devices and investigating complaints of suspected inaccurate measurement.

"**MegaWatt**" (MW) means 1,000 kilowatts (kW).

"**Meter**" means any device used for measuring either or both the Demand and Consumption of Electricity.

"**Meter Installation**" means the Meter and, if so equipped, the instrument transformers, wiring, test links, fuses, lamps, loss of potential alarms, Meters, data recorders, telecommunication Equipment and spin-off data Facilities installed to measure Power past a Meter point, provide remote access to the Metered data and monitor the condition of the installed Equipment.

"**Micro-Distributed Resource**" (Micro-DR): means a DR with an operating output Voltage of 750 V or less.

"**Micro-DR System**" means the aggregate Micro-DR, Inverter(s), Interconnection system(s), control system(s), sensing device(s) or function(s), and protection devices and functions to the point of Micro-DR connection.

"**Month**" means a period of from twenty-seven (27) to thirty-five (35) consecutive days.

"**Multi-unit Residential**" means any detached building divided into three (3) or more Dwelling Units and may include shared entrances, exits and other essential facilities and services and Dwelling Units separated by common party walls, each with its own separate entrance or exit or three or more manufactured homes located on a parcel and suitable for year-round occupancy.

"**Net Metering**" means the use of a Net Metering System and billing practice that allows for the flow of Electricity both to and from the Customer through a single, bi-directional Meter.

"**Net Metering System**" means a facility for the production of Electric Energy that:

a) Uses as its fuel, a source defined as a clean and renewable resource in the BC Energy Plan;

b) Has a design capacity of not more than 50 kW unless otherwise permitted under B.21(g)(i);

c) Is located on the Customer's Premises and is owned by a Customer;

d) Is a Parallel Operation;

e) Offsets part or all of a Customer's Electricity requirements per Billing Period; and

f) May produce Electricity in excess of a Customer's Electricity requirements per Billing Period for sale to the Penticton Electric Utility.

"**Occupier**" has the meaning given to the term in the *Community Charter*.

"**Outstanding Balance**" means any monies owed to the City by a Customer for fees, rates, charges, penalties, interest, retrofit loans, payment plan arrangements or security deposits.

"**Owner**" has the meaning given to the term in the *Community Charter*.

"**Parallel Operation**" means the simultaneous energization of a Point of Delivery by the Distribution System and the Micro-DR System.

"**Penticton Electric Utility**" means the City's Electric Utility Department.

"**Penticton Electric Utility's Equipment**" means the Distribution System and Meters.

"**Point of Delivery**" the location at which the Service Connection is connected to the Metering Equipment or the Customer's Electrical Facilities, whichever is connected closest to the Distribution System.

"**Power**" means the rate at which Electrical Energy is generated, transmitted or consumed measured in kilowatts (kW), Real Power or kilovolt Amperes (kVA), Apparent Power.

"**Power Factor**" means the percentage determined by dividing the Customer's Demand measured in kilowatts (kW) by the same Demand measured in kilovolt-Amperes (kVA) (i.e. Real Power/Apparent Power or kW/kVA).

"**Premises**" means land, a building or a structure or a part of land, a building or structure or a combination of these used or occupied by a Customer.

"**Primary Metered**" means the Metering Installation is located on the Penticton Electric Utility's side (line side) of the Service Transformation Equipment.

"**Primary Voltage**" means a Voltage exceeding 750 volts (V) measured phase to phase.

"**Real Power**" means the Power component required to do real work, which is measured in kilowatts (kW).

"**Regular Business Hours**" means 7:00AM to 2:45PM Monday through Friday, excluding Statutory and Civic holidays.

"Regulated Work" means:

a) The assembly, manufacture, construction, installation, operation, testing, maintenance or repair of Penticton Electric Utility's Equipment; and

b) The alteration of Penticton Electrical Utility's Equipment.

"**Residential Service**" means a Service for a Dwelling Unit, and includes, but is not limited to, Services to the following:

a) Dwelling Units where an incidental portion of the Energy supplied through the Meter is used for a business; and

b) Residential subdivisions and Multi-unit Residential buildings and developments that are not individually Metered including Apartment Buildings, strata complexes and townhouse complexes.

"Safety Authority Act" means the *Safety Authority Act*, S.B.C. 2003, c. 38.

"Safety Standards Act" means the *Safety Standards Act*, S.B.C. 2003, c. 39.

"Safety Standards General Regulation" means Safety Standards General Regulation B.C. Reg. 105/2004.

"**Secondary Metered**" means the Meter Installation is located on the Customer's side (load side) of the Service Transformation Equipment.

"**Secondary Voltage**" means a Voltage of 750 volts (V) or less measured phase to phase.

"**Service**" means Electrical Facilities in use for the provision of Electricity as required to a Customer's Point of Delivery.

"**Service Connection**" means that part of the Penticton Electric Utility's distribution Facilities extending from the first attachment point on the Penticton Electric Utility's Distribution System to the Point of Delivery.

"**Service Extension**" means an addition to, or extension of the Penticton Electric Utility's Distribution System including an addition or extension on public or private property that is required to Service a new development or subdivision and which is capable of servicing land other than the land of new development or subdivision.

"**Subdivision and Development Bylaw**" means the City's Subdivision and Development Bylaw No. 2004-81.

"**Technical Safety BC**" means the British Columbia Safety Authority (operating as Technical Safety BC), established under the *Safety Authority Act*, S.B.C. 2003, c. 38, and responsible for administering the *Safety Standards Act*.

"**Temporary Service**" means an Electrical Service to Premises that is less than thirty (30) Meters in length over private property and is to provide Power for construction work only on the Premises and terminates within one (1) year.

"**Transformation**" means those items including switches, transformers, Metering, Equipment, cut-outs, fuses, surge arresters needed to provide the required Voltage, Current and Equipment protection at a particular point in the Electrical Distribution System.

"**Un-metered Electrical Service**" means a Service provided to a Customer that is not Metered and is billed based upon estimated Power usage.

"**Underground Service**" means an underground Electrical Service to a Customer, from a pole, pad-mount transformer or Service box and that is privately owned and maintained by the Customer and connected to the Customer's Premise at the Meter base via an underground conduit system.

"**Voltage**" (V) means the difference in Electrical potential between two points of an Electrical system measured in volts.

"**Watt**" (W) is the unit of measurement for the Power required to perform work at the rate of one joule per second.

PART 3 – SERVICE

3.1 Service Area

Council establishes the Electrical Service within the boundaries of the City except for the area shown as "excluded area" on the map in Schedule "A" and this Bylaw applies to all the lands within the City boundaries except for the area shown as "excluded area" on the map in Schedule "A" and is called the Electrical Service Area.

3.2 Responsibilities

a) The Electric Utility Manager is the head of the operational division of the Penticton Electric Utility and shall be responsible for:

i) The operation, maintenance, repair and upgrading of the Penticton Electric Utility;

ii) The management of all employees engaged in the operational division of the Penticton Electric Utility; and

iii) Ensuring that all records and information with respect to all new and existing Electrical Service Connections and Disconnections are accurately kept and

reported to the administration division of the Penticton Electric Utility to facilitate proper charges and accounts for Electrical Services; and

iv) Ensuring the Regulated Work is incompliance with the *Safety Standards Act*;

b) The General Manager of Infrastructure is the head of the management division of the Penticton Electric Utility and shall be responsible for the overall management of the Penticton Electric Utility, including, but not limited to, such matters as labour relations, supervision of senior personnel and further to act as liaison between City Council and other divisions of the City;

c) The Chief Financial Officer is the head of the administration division of the Penticton Electric Utility and shall be responsible for the:

i) Preparation, control and management of the administrative and financial records of the Penticton Electric Utility;

ii) Classification of electrical rates;

iii) Collection of fees and charges for the provision of this Electrical Service; and

iv) Filing and amending the Fees and Charges Bylaw; and

d) The Corporate Officer is responsible for the preparation and filing at the Land Title Office of statutory rights of way, and the preparation of other agreements in relation to the Electrical Service.

PART 4 – PROVISION OF SERVICE

4.1 General Conditions

a) The supply of Electrical Services shall be in accordance with this Bylaw;

b) The supply of Electrical Services shall comply with, and be subject to the Customer's compliance with, the Electrical Safety Standards Legislation, which prevails in the event of any conflict with this Bylaw;

c) A person who desires an Electrical Service, or who uses or is required to apply for Electrical Service under this Bylaw, must complete an application on the form provided by the Penticton Electric Utility and submit it, along with applicable fees, to the Penticton Electric Utility; and

d) The Penticton Electric Utility will not perform any work on Customer's Equipment except in respect of the Meter Installation. All work at a Customer's Premises must be completed by qualified personnel at the Customer's expense in compliance with the Electrical Safety Standards Legislation; however, the Penticton Electric Utility may

work on a Customer's Equipment to isolate Power for safety purposes or in accordance with other provisions in this Bylaw.

4.2 Electrical Service Classifications

a) Residential Service

For most residential uses, the Electrical Service will be 60 hertz, normally 200 amps single-phase 120/240 volts 3 wire or three-phase 120/208 volts, either 3 wire (network) or 4 wire. The Penticton Electric Utility shall determine the Voltage, phase(s) and Rate Code of the Residential Service Connection based on these variables;

Residential Service Rate Codes:

A. Rate Code 10 - Residential: Includes detached Dwelling Units, one unit of a semi-detached duplex, triplex, or quadruplex with residential zoning; and Dwelling Units within a strata building, town house complex or Apartment Building; and

B. The City's Business Licence database will be used as a source of information for the determination of the applicable Rate Code.

b) General Service

For all non-residential uses, the Electrical Service will be 60 hertz, single or three-phase at Secondary or Primary Voltage. The Penticton Electric Utility shall determine the Voltage, phase(s) and Rate Codes of the General Service Connection;

i) General Service Rate Codes:

A. Rate Code 20 – General: Secondary Metered and City-Owned Transformation (Secondary Service Connection);

B. Rate Code 25 – General: Primary Metered and City-Owned Transformation (Secondary Service Connection);

C. Rate Code 30 – General: Secondary Metered and Customer-Owned Transformation (Primary Service Connection);

D. Rate Code 35 – General: Primary Metered and Customer-Owned Transformation (Primary Service Connection); and

E. Rate Code 45 - General - City Accounts.

c) Un-metered Service

The Electrical Service will be 60 hertz, single-phase 120 volts 2 wire or 120/240 volts 3 wire. The Penticton Electric Utility shall determine the Voltage, phase(s) and Rate Code of the Un-metered Service Connection;

i) Un-metered Service Rate Codes:

A. Rate Code 55 - Street Lighting and Other Un-metered Loads including lighting of public highways, streets and lanes, squares and parks, illuminated street signs and traffic signals.

ii) Specifications for Customer-Owned Equipment

A. Lighting loads will be connected to a control device such as a photoelectric eye so that the fixtures operate only from dusk to dawn;

B. Lighting fixtures and lamp types must be of a design acceptable to the Electric Utility Manager;

C. Customer-owned fixtures may be installed on suitable City poles by City crews at the Customer's expense based on actual cost of installation plus an administration charge; and

D. Any maintenance of customer-owned Equipment by the City's crews will be at the Customer's expense.

4.3 Application for Electrical Service

a) Applications for Electrical Service are required for any of the following:

i) Connection of a new Electrical Service;

ii) Change of Electrical Service location;

iii) Connection of a Micro-DR System;

iv) A new Customer locating to an existing Electrical Service;

v) Transfer of a Customer’s account to another Premises;

vi) An increase in the Customer’s Electrical load requirements; or

vii) An Electrical Service Extension

b) As a condition of supplying or continuing to supply Electrical Service, the Applicant or Customer must pay the required connection fees and other charges established in the Fees and Charges Bylaw;

c) The Customer must supply the Penticton Electric Utility with accurate information on their Electrical load requirements. The City shall not be responsible for any loss, cost or damages suffered by any Customer as a result of Electrical Service being provided based on inaccurate information;

d) In the absence of an application for Electrical Service, the supply of Electricity by the Penticton Electric Utility to Premises shall be deemed a supply of Electricity to a Customer subject to terms and conditions of this Bylaw;

e) The Penticton Electric Utility may refuse to approve an application for Electrical Service when any of the following conditions apply:

i) Penticton Electric Utility Facilities are not available to supply an Electrical Service;

ii) The Applicant's Facilities are not satisfactory to the Penticton Electric Utility or do not comply with the Electrical Safety Standards Legislation as determined by Technical Safety BC; and

iii) The application for Electrical Service is for Premises that the Applicant occupies with another Occupant who has had the Electrical Service Disconnected for non-payment of an Outstanding Balance

f) A Customer must not substantially increase his or her Connected Load without first obtaining approval from the Penticton Electric Utility under a separate application;

g) A Customer must not use the Electrical Service or any part of it for any other purpose than that for which the application is made and must comply with this Bylaw and the Fees and Charges Bylaw;

h) When there is a change in Ownership or tenancy on any existing Electrical Service Connection, the new Owner or Occupier who wishes to have the Service continued must submit an application for Electrical Service together with the applicable fees in accordance with this Bylaw and the Fees and Charges Bylaw;

i) If the Outstanding Balance for any amount owing for an Electrical Service remains unpaid by December 31, the Outstanding Balance is a debt owing to the City, and among other remedies, may be collected in the same manner as for property taxes in arrears; and

j) The utility account for an Electric Service to a Multi-unit building where a Bulk Meter is used, shall be maintained in the name of the Owner or Occupier of the Premises. Where there is a strata development involved, the account is to be maintained in the name of the Strata Corporation.

4.4 Maximum number of Electrical Services

a) Unless otherwise authorized by the Penticton Electric Utility, the maximum number of Electrical Services per parcel is one; and

b) In circumstances where two or more existing Electrical Services are installed to a parcel, and one Electrical Service is to be upgraded, the upgraded Electrical Service will incorporate or replace the existing Electrical Service.

PART 5 – DISCONNECTION OF ELECTRICAL SERVICE

5.1 Termination of Electrical Service by the Customer

If the Customer is relocating, or for any reason, no longer requires the Electrical Service, the Customer shall notify the City at least three (3) business days prior to the date the Electrical Service is no longer required or as otherwise provided in this Bylaw. Until the date the Electrical Service is no longer required as set out in the notice of termination, the Customer shall continue to be responsible for the costs of all Electrical Service supplied to the Premises unless and until the City receives an application for Electrical Service from a new Customer for that Premises or confirmation from the City's Building Department that a demolition permit has been issued in relation to the Premises.

5.2 Non-Payment of Fees, Charges or Security Deposit

The Penticton Electric Utility may discontinue or limit the supply of Electricity to a Customer for non-payment of any fee, charge penalty or interest imposed under the provisions of this Bylaw or the Fees and Charges Bylaw.

5.3 Breach of Conditions

If the Electric Utility Manager considers that a Customer or an Owner or Occupier of a Premises has contravened this Bylaw or the Fees and Charges Bylaw, the Electric Utility Manager may, by written notice, inform the person of the contravention, and that, unless the contravention is remedied and compliance achieved within twenty-one (21) days from the date of the notice, the City may discontinue the Electrical Service subject to the following:

a) A person subject to a notice under this section may make representations to Council by notifying the Corporate Officer in writing on or before the expiry of five (5) business days from the date the notice of discontinuance was received, that he or she wants a hearing before Council at the next meeting of Council;

b) The Electrical Service of the person who has provided the notice in section 5.3(a) to the Corporate Officer will not be discontinued until after the hearing before Council;

c) A person who has requested a hearing before Council under section 5.3(a) may make representations in written form or in person, or by way of a representative with respect to the contravention and notice;

d) After providing an opportunity for the person to be heard and considering any submissions from that person and any evidence relevant to the matter, may confirm, vary or cancel the notice. The decision of Council is final, subject only to a review by a court of competent jurisdiction; and

e) If the decision by Council following a hearing opportunity is to discontinue Service, the Electrical Service may be discontinued immediately thereafter, provided it is not before the expiry of the twenty-one (21) day notice period referred to in section 5.3.

5.4 Customer Request to Maintain Primary Voltage Connected Facilities

Where the Point of Delivery is at Primary Voltage, the Customer:

a) Has the right to have the Electric Service Disconnected, for the purpose of maintaining privately owned Electrical Equipment by notifying the Electric Utility Manager, in writing, three (3) business days in advance of the maintenance work being scheduled. This notice is to include both the date and time the Service is to be disconnected; and

b) Will be provided with one free Disconnect/reconnect for maintenance of the existing Service for each Point of Delivery each calendar year unless the Disconnection/reconnection of the Service is outside of Regular Business Hours, in which case the Disconnect/reconnect fee under the Fees and Charges Bylaw will apply.

5.5 Reconnection of Electrical Service

Any Electrical Service Disconnected under the provisions of sections 5.2, 5.3 or 5.4 of this Bylaw shall not be reconnected until the following conditions are met:

a) In respect of disconnection under section 5.2 - when the Outstanding Balance has been paid in full, along with any fees and charges owing as a result of the Disconnection and reconnection of the Electrical Service;

b) In respect of Disconnection under section 5.3 - when the breach has been remedied to the satisfaction of the Electric Utility Manager and any fees and charges for Disconnection and reconnection of the Electrical Service have been paid in full;

c) If an Electrical Service has been Disconnected for any reason, except in respect of disconnection under section 5.2, or the Electrical use within the Premises has changed substantially, or if the Service for Primary Metered Customers was Disconnected for maintenance purposes under section 5.4, the Penticton Electric Utility may require proof of Technical Safety BC approval; and

d) Electrical Service reconnect fees will apply as established in the Fees and Charges Bylaw.

5.6 Suspension of Supply

Despite any other provisions of this Bylaw, the Penticton Electric Utility may cause the supply of Electricity to any Customer, to be suspended, without notice, if any of the following conditions apply:

a) The Electrical Service at a Premises is hazardous or has the potential to create an imminent hazard to life or property;

b) Repairs on or improvements to any of its Distribution System and Meters must be made;

c) There is a shortage of supply of Electrical Energy;

d) Suspension is necessary in the circumstances of a storm, fire, flood or other sudden emergency;

e) There is fraudulent use of Electricity; or

f) The Penticton Electric Utility is ordered by another authority having jurisdiction to suspend or terminate an Electrical Service.

PART 6 – CONDITIONS OF ELECTRICAL SERVICE

6.1 Electrical Service Regulations

Any person, installing, constructing, altering, repairing, upgrading or maintaining any Electrical Facilities in the Service Area shall do so according to the Service Regulations and Specifications outlined in Schedule "B" and subject to any requirements of the Electrical Safety Standards Legislation.

6.2 Access

a) The Customer shall grant the City's employees or agents full access to the Customer's Equipment and the Penticton Electric Utility Equipment at all reasonable times for Meter reading and testing, removal, installation, Electrical Service inspections, maintenance, or repair;

b) If ready access to the City's Facilities are denied or obstructed in any manner, including without limitation by the presence of animals, and the Customer takes no action to remedy the obstruction upon being advised by the City's employees or agents, Electrical Service to the Customer may be suspended by the Penticton Electric Utility and not reconnected until the obstruction is corrected and in these circumstances, section 5 of this Bylaw applies; and

c) Where any of the Penticton Electric Utility's Equipment is located in Premises that are secured or locked, the following shall apply:

i) Access must be made available through the use of LSDA (Locksmith Dealers of America) keys;

ii) If the City's employee or agent deems it necessary, the Customer shall supply the City's employee or agent with keys, security codes or other means to access the area;

iii) The City shall accept keys only in circumstances where the City's employee or agent considers it convenient and necessary to have its Meters or Facilities in a common area; and

iv) The City's employees or agents are not obligated to accept custody of keys and the City retains the right, at its sole discretion, to require that its Meters or Facilities be located or relocated to an area the Penticton Electric Utility considers appropriate and where locks are not required.

6.3 Embedded Generation

a) The City may permit Embedded, Standby and/or Micro-DR Generation Facilities in its Service Area, subject to the standards of the Penticton Electric Utility and compliance with the Electrical Safety Standards Legislation;

b) Customers considering using Embedded Generation technology shall apply to the Electric Utility Manager and obtain approval in advance of the Penticton Electric Utility installing the bi-directional Meter;

c) Standby (non-parallel):

i. The Customer may, at their own expense, install standby generation Facilities to provide Electrical Service in the event of a disruption of Electrical Service from the Penticton Electric Utility; and

ii. Without written approval for a variance from the Electric Utility Manager; standby Generation Facilities shall be installed so that they remain at all times Electrically isolated from the Penticton Electric Utility's Electrical System and shall be installed in such a way that it is not possible for the Generating Facilities to operate in parallel with the Penticton Electric Utility's Electrical System;

d) Micro-DR (parallel):

i. The Customer may, at their own expense, install Micro-DR Facilities to generate their own Electricity to offset part or all of the Electric Energy

provided by the Penticton Electric Utility subject to the following restrictions:

A. The output shall not exceed 750 volts; and

B. The size shall not exceed 50kW without written authorization from the Electric Utility Manager.

ii. A Customer who generates Electricity in excess of that Customer's Electrical requirements within a Billing Period shall be reimbursed for the Electricity that is provided to the Penticton Electric Utility during the Billing Period as measured by the bi-directional Meter in accordance with section 8.4 of this Bylaw and the Fees and Charges Bylaw;

iii. Micro-DR Generation Facilities must use as its fuel, a source defined as a clean and renewable resource in the BC Energy Plan. The fuel source must also comply with the City's Bylaws; and

iv. The Micro-DR System must be Inverter based and meet the anti-islanding requirements of the Canadian Standards Association and Specifications outlined in Schedule "B"; and

e) The Customer's Electrical Generating Facilities shall not be operated without the prior inspection and written approval of the Penticton Electric Utility, and the Micro-DR Facilities shall not be modified thereafter without the prior written approval of the Penticton Electric Utility.

PART 7 – METERING

7.1 Installation

Unless approved in writing by the Penticton Electric Utility, all Meter Installations necessary for measuring the Customer's use of Electricity will be installed by the Penticton Electric Utility and the entire cost of such Installations shall be paid for by the Customer. The Meter Installations shall remain the property of the Penticton Electric Utility and shall be maintained in accurate operating condition in accordance with the requirements of *Measurement Canada*. The Penticton Electric Utility, at its sole discretion subject to any Customer options provided in section 4 and Schedule "B" of this Bylaw, shall determine the type of Meter used.

7.2 Protection of Metering Equipment

The Customer shall exercise all reasonable diligence to protect the Meter Installation from damage or defacement and shall be responsible for any costs of repair or cleaning resulting from defacement or damage of the Meter Installation unless caused by the City's employees or agents.

7.3 Meter Connections by Penticton Electric Utility Only

The Penticton Electric Utility or its agents shall perform all connections, Disconnections of Electrical Service and Installation and repair of the Penticton Electric Utility's Meter Installation. All Meter Installations installed by the Penticton Electric Utility shall be sealed. No person shall break the seals or otherwise damage or tamper or interfere with the Meter Installation, or related Equipment.

7.4 Meter Testing

a) The Penticton Electric Utility will test a Meter, for accuracy, in the following circumstances:

i) The Customer has made a request for a Meter test in writing; and

ii) The Customer has paid the required fee for a Meter test as established in the Fees and Charges Bylaw;

b) If a Customer has satisfied the conditions in section 7.4(a), the Penticton Electric Utility will endeavour to:

i) Remove the Meter within ten (10) business days; and

ii) Apply to an accredited Meter inspector to have the Meter tested.

c) After obtaining the results of a Meter test, the Penticton Electric Utility shall advise the Customer of the test results:

i) If the Meter failed to meet the Current Metering standards, the Meter test fee shall be refunded; and

ii) If the Meter failed to meet the allowable limits as set by the *Weights and Measures Act* (Canada) the City shall adjust the Customer's previous invoices in accordance with the *Electricity and Gas Inspection Act* (Canada).

7.5 Metering and Meter Location

The Customer shall provide and maintain an Electrical Service Entrance and Meter Installation location approved by the Penticton Electric Utility and as established in Schedule "B".

7.6 Demand Metering

The Penticton Electric Utility may install a Meter that measures Demand for any Electrical Service it deems necessary based on:

a) The Customer's Load requirements;

b) The Penticton Electric Utility's estimate of Consumption; or

c) The previous Consumption used at the Premises.

7.7 Un-metered Electrical Service

If an Un-metered Electrical Service exists, the Penticton Electric Utility, can estimate the Energy used for the Un-metered Electrical Service based on the Connected Load and hours of use. Any Customer served under this provision must promptly advise the Penticton Electric Utility within one business day of any changes in load or hours of use.

PART 8 – METER READING AND BILLING

8.1 Meter Reading Schedules

Meters will be read at the end of each Billing Period and the Penticton Electric Utility will read each Meter as close to the same day of the Month from the Billing Period in the previous Billing Period reading as practical.

8.2 Estimates of Meter Readings

If, for any reason, the City does not obtain a Meter reading, for a Billing Period, the Collector may estimate the Customer's Meter reading by using historical Consumption information from its records.

8.3 Record of Meter Readings

The Penticton Electric Utility will keep a record of all Meter readings which shall form the basis for determination of all amounts charged to the Customer for Electrical Service.

8.4 Rates for Electricity

The Customer shall pay for Electrical Service in accordance with the Customer's applicable Rate Code as specified in this Bylaw and the Fees and Charges Bylaw.

When paying Net Metered Customers for any excess Energy generated by the Customer, the Penticton Electric Utility shall use the applicable Energy rate as specified in the FortisBC Electric Tariff Schedule 40 as amended from time to time.

8.5 Prorated Billings

The Penticton Electric Utility may prorate the basic charges per day based upon the number of days of Service used in the Billing Period where the Service was used, connected, or cancelled.

8.6 Changes in Rates

If the rates charged to the Customer for Electrical Service change and the effective date of the change falls between two consecutive Meter readings, the Penticton Electric Utility may calculate the Billing on a prorated basis.

8.7 Sales taxes or other Assessments

The Customer, in addition to any payments for Electrical Service, shall pay to the City the amount of any sales taxes, other taxes, assessments or levies imposed by the taxing authority on any Electrical Service delivered to the Customer by the City.

8.8 Payments for Electrical Service

Once a Bill is issued, the following conditions apply to the Customer for payment:

a) All accounts are due and payable within twenty-two (22) days of the Billing Date indicated on the Bill;

b) Any Outstanding Balance due that remains on an account after twenty-two (22) days from the Billing Date shall be considered overdue;

c) A late-payment penalty or prompt payment discount may be added to the account as per the Fees and Charges Bylaw;

d) A dispute over the accuracy of a Meter reading or an estimated Meter reading shall not permit or excuse a Customer from the requirements for payment of a Bill or any other requirements under this Bylaw; and

e) Any Outstanding Balance due that remains unpaid after twenty-two (22) days from the Billing Date may be recovered by the City using debt collection procedures.

8.9 Electrical Service for Customer's Use

Electrical Service supplied to a Customer shall be for the use of that Customer only and only for the purpose for which the Customer applied. A person must not re-meter, sub-meter or sell Electricity from an Electrical Service to others unless the Customer is charging a tenant for Electricity provided on the Customer's Premises and is charging the same price for the Electrical Service as the City charges the Customer.

PART 9 – LIABILITY & RESPONSIBILITIES MAINTENANCE, VOLTAGE AND SUPPLY

9.1 Voltage and Supply

The Penticton Electric Utility:

a) Will supply nominal 60 hertz Alternating Electric Current to the Point of Delivery at the available phase and Voltage; and

b) Shall determine the Voltage of the Electrical Service Connection in accordance with Schedule "B".

9.2 Quality of Supply

The Penticton Electric Utility does not guarantee the continued supply of its Voltage or frequency and is not responsible for damage caused by any variation from the standard nominal Voltage and frequency in Schedule "B" or from the CSA CAN3-C235-83 "Preferred Voltage levels for Alternating Current systems, 0 to 50,000V (2015)" standard; when occasioned by circumstances beyond their reasonable control.

9.3 No Guarantee of Supply

a) The Penticton Electric Utility does not guarantee a constant supply of Electricity and is not responsible for any loss, injury, damage or expense caused by or resulting from any interruption, termination, failure or defect in the supply of Electricity, whether caused by the Penticton Electric Utility, its employees or agents, or otherwise;

b) Planned Capital, Operating and Maintenance activities of the Penticton Electric Utility may require Power to be turned off or reduced to various Customers; this work will be done during Regular Business Hours. Where a Customer requests such planned activities to be done outside of Regular Business Hours, then, the Customer shall pay the actual costs of the work;

c) Customers requiring a higher degree of security than that of normal supply, including but not limited to, an uninterrupted source of Power supply or a supply completely free from fluctuation and disturbances, are responsible to provide their own Power supply (such as, UPS, back-up or standby Equipment) or Power conditioning Equipment. Customers may require special protective Equipment on their Premises to minimize the effect of momentary Power interruptions; and

d) Customers requiring a three-phase supply should install protective apparatus to avoid damage to their Equipment, which may be caused by the interruption of one or more phases, or non-simultaneous switching of phases of the Penticton Electric Utility Distribution System.

9.4 No Customer shall cause damage to the Penticton Electric Utility's Equipment by:

a) Making unauthorized alterations to the Facilities or additions which result in the Customer's Connected Load being above that approved by the City;

b) Allowing the malfunction of the Customer's Electrical Equipment;

c) Allowing trees, other vegetation or any other object on private property that interferes with the Penticton Electric Utility's Equipment;

d) Causing or permitting damage or defacement of the Penticton Electric Utility Equipment or the Customer's Equipment; or

e) Not complying with any provision of this Bylaw.

9.5 The Owner or Occupier of a building must pay for the cost of the decontamination and for replacement or repair of any and all of the Penticton Electric Utility's Equipment, as a result of an incident at or near the Owner or Occupant's building, where the Penticton Electric Utility's Equipment have been damaged or contaminated by a hazardous substance or dangerous good.

9.6 Where it is determined that a Customer has tampered or interfered with the Penticton Electric Utility's Equipment or otherwise used the Electrical Service in an unauthorized way, all costs incurred by the Penticton Electric Utility in repair, replacement, installation, reinstallation or other remedial action shall be a debt of the Customer owed to the City and if not paid by December 31st of that year may be recovered by the City including as if for property taxes in arrears.

9.7 The Customer must pay to the Penticton Electric Utility all costs, damages, or losses arising from the Customer exceeding its Demand limit, including without limitation, direct or consequential costs, damages or losses arising from any penalty incurred by the Penticton Electric Utility for exceeding its Demand limit with the Penticton Electric Utility suppliers of Electricity.

9.8 Shared Property - Other Utilities

Electrical Services under this Bylaw may sometimes be provided by the Penticton Electric Utility via property and Electrical Services provided by or shared with other communication and electric utility providers. It is a condition of Service that any loss or damages, direct or indirect, which may be due to any interruption in or failure to provide Electrical Service are not recoverable from the Penticton Electric Utility.

9.9 Customer Responsibilities

The Customer or Occupier or Owner of the Premises must ensure that vegetation growing on its Premises is kept clear of Primary Voltage and Secondary Voltage lines. Three (3) Meters of clearance from Primary Voltage lines and one (1) Meter of clearance from Secondary Voltage lines must be maintained.

PART 10 – OFFENCES AND PENALTIES

10.1 A person who contravenes, violates or fails to comply with any provision of this Bylaw, or who suffers or permits any act or thing to be done in contravention or violation of this Bylaw, or who fails to do anything required by this Bylaw, commits an offence and shall be liable, upon conviction, to a fine of not more than $10,000.00 and to the cost of prosecution and any other penalty or order imposed pursuant to the *Community Charter* (British Columbia) or the *Offence Act* (British Columbia). The penalties imposed under this sub-section are in addition to and are not a substitute for any other remedy to a violation of this Bylaw.

10.2 Each day a violation of the provisions of this Bylaw occurs or is permitted to exist shall constitute a separate offence.

PART 11 – SEVERABILITY

If a portion of this Bylaw is held invalid by a Court of competent jurisdiction, then the invalid portion must be severed and the remainder of this Bylaw is deemed to have been adopted without the severed section, subsection, paragraph, subparagraph, clause or phrase.

PART 12 – GENERAL PROVISIONS

12.1 Notices

Any notices, direction or other instrument required to be given by the City or by the Customer under this Bylaw shall be deemed to have been received on the following dates:

a) If sent by electronic mail or facsimile - on the next business day following the date of transmission; or

b) If delivered by hand - on the next business day following the date of delivery.

12.2 Unpaid Fees or Charges

Where any unpaid fees or charges are added to the property taxes they shall thereafter accrue interest and be recoverable in the same manner as outstanding property taxes.

12.3 Schedules

Schedules "A" and "B" are attached to and form part of this Bylaw.

PART 13 – REPEAL

The Corporation of the City of Penticton Bylaw No. 2000-36, Bylaw No. 45, Bylaw No. 3794, and Bylaw No. 1277 together with all amendments thereto, is hereby repealed.

READ A FIRST time this	3	day of	October, 2017
READ A SECOND time as amended this	6	day of	February, 2018
READ A THIRD time this	6	day of	February, 2018
RESCIND THIRD and give THIRD READING as AMENDED	5	day of	February, 2019
RECEIVED the approval of the Minister of Municipal Affairs and Housing this	27	day of	February, 2019
ADOPTED this		day of	, 2019

_____

John Vassilaki, Mayor

_____

Angie Collison, Corporate Officer

Certified a true copy of Electric Utility Services Bylaw No. 2017-44 as read a third time the 5th day of February, 2019.

_____

Angie Collison, Corporate Officer

SCHEDULE "A"

PENTICTON ELECTRIC UTILITY EXCLUDED AREA

SCHEDULE "B"

ELECTRICAL SERVICE REGULATIONS AND SPECIFICATIONS

DISTRIBUTION ACTIVITIES – GENERAL

B.1 Nominal Secondary Supply Voltages: & Transformer Capacities

The Penticton Electric Utility reserves the right to determine the supply Voltage of all Electrical Service Connections.

The following are the supply Voltage standards:

a) From pole mounted transformers:

   i) Single-Phase - 120/240 volts, 3 wire, maximum 100kVA Transformation capacity (Max. 600 Ampere Service – protected at 500 Amperes);

   ii) Three-Phase - 120/208 volts, 4 wire, maximum 150kVA Transformation capacity (Max. 400 Ampere Service);

   iii) Three-Phase - 347/600 volts, 4 wire, maximum 300kVA Transformation capacity (Max. 400 Ampere Service); and

   iv) Delta Services are prohibited.

b) From pad-mounted transformers:

   i) Single-Phase - 120/240 volts, 3 wire, maximum 100kVA Transformation capacity (Max. 600 Ampere Service – protected at 500 Amperes);

   ii) Three-Phase - 120/208 volts, 4 wire, maximum 750 kVA Transformation capacity (Max. 1,600 Ampere Service);

   iii) Three-Phase - 347/600 volts, 4 wire, maximum 2,000 kVA Transformation capacity (Max. 2,000 Ampere Service); and

   iv) Delta Services are prohibited.

c) The City will not supply Transformation to a Customer from one Secondary Voltage to another Secondary Voltage;

d) For loads or supply Voltages different from those listed in this section (e.g. 277/480 volts), the Penticton Electric Utility may require that a Customer supply their own Transformation Facilities and take Service at the available Primary Voltage; or supply their own Secondary Voltage conversion Transformation;

e) All Facilities and Equipment to be connected to the City's Facilities must be in a condition that is approved by the Penticton Electric Utility. Installation must be carried out in a manner to ensure proper balancing of phases and circuits, and to ensure that the City's Equipment is not endangered or that no abnormal Voltage fluctuations are caused; and

f) All three-phase, Facilities must be designed to prevent the load on the phase with the highest load exceeding that on the phase with the lowest load by more than ten (10%) percent.

B.2 Electrical Services, Inspections and Connections

a) All single-phase temporary and new residential Electrical Services shall be 120/240 volt 3-wire;

b) Unless otherwise approved by the Penticton Electric Utility, any new and upgraded Electrical Services shall be provided as an Underground Service, with the installation of ducts, foundations, Service boxes and pads built to the Current standards and specifications of the Penticton Electric Utility;

c) All Multi-unit Residential Premises must be serviced by one Point of Delivery, which shall be placed in a location approved by the Penticton Electric Utility and as close to the point of supply as possible and not in an area where the Equipment could be exposed to dangerous or hazardous conditions;

d) The Penticton Electric Utility shall own all Penticton Electric Utility Equipment and Facilities;

e) All Customer's Equipment is owned by the Customer and shall be installed in a manner acceptable to the Penticton Electric Utility and Technical Safety BC;

f) When installing Penticton Electric Utility Equipment underground, duct banks shall be inspected and approved by the Penticton Electric Utility prior to the pouring of concrete and backfilling. The completed ducts must be brushed and mandrel tested by the contractor in the presence of the Penticton Electric Utility representative and shall be clear of all extraneous material. In the event that the ducts are blocked, the Customer will be responsible for clearing the ducts prior to the cable installations. Only qualified contractors having, at a minimum, a Class UR (Underground Raceway) Field Safety Representative certificate of qualification issued by Technical Safety BC can oversee the installation of the ducts. The contractor must not make any connections to existing concrete duct banks, Service boxes, transformers, and manholes without permission and supervision from the Penticton Electric Utility;

g) Point of Delivery - In the case of an Underground three-phase Service, the structures protecting the Service from vehicular damage including the bollards are to be maintained by the Customer. The typical Point of Delivery on an Underground three-phase Service is the secondary spades of the pad-mounted transformer. Maintenance must be completed in co-ordination with the Penticton Electric Utility;

h) Overlap of Electrical Services – In certain situations where an existing Service is being upgraded or relocated, the Penticton Electric Utility may allow two Services to be energized for a period of up to fifteen (15) days to provide the Owner with adequate time to transfer all

internal circuits to the new system. Prior to any overlap of Services, the Customer must obtain approval from the Penticton Electric Utility and Technical Safety BC. The Penticton Electric Utility reserves the right to disconnect the non-permanent Service should the fifteen (15) day overlap period be exceeded;

i) Customer Equipment must not be extended across, under or over a street, lane, alley or other public or private space not owned by the Customer for the purpose of Servicing more than one Premise through one or more Meters; and

j) It is the Customer's sole responsibility to acquire any easements or statutory rights of way required by the Penticton Electric Utility, to permit the installation of an Electrical Service to a Customer that is over real property not owned by the Customer. These easements or statutory rights of way must be registered in the Land Title Office prior to the installation of any Facilities and the Service being energized.

B.3 New and Upgraded Electrical Services

Subject to section B.5 – "Notice Periods" of this Schedule, the Penticton Electric Utility will connect a new, or upgraded Electrical Service to the Owner's or Occupier's Premises, after receipt of:

a) Payment of all connection and installation fees and charges;

b) Proof of Technical Safety BC approval;

c) Any other permits or approvals that may be required from the City or other levels of government;

d) If required, a signed and registered statutory right of way in favour of the City; and

e) A completed Service application and a Net Metering Interconnecting Agreement, where the Applicant has applied to install a Micro-DR System.

B.4 Load Increase and Notices

a) The Customer shall give the Penticton Electric Utility ten (10) days written notice of any load increase;

b) The Penticton Electric Utility is not required to supply a Customer Electricity in excess of that previously agreed to by the Penticton Electric Utility; and

c) The Customer is required to pay the cost of any alterations or upgrades to the Penticton Electric Utility's Facilities necessary to accommodate the Customer's increased Connected Load.

B.5 Notice Periods

An Applicant must provide notice in writing to the Penticton Electric Utility for new or upgraded Electrical Services or to install a Micro-DR System in accordance with the following notice periods:

a) Residential Electrical Service - thirty (30) days;

b) Multi-unit Residential; Business and Commercial Electrical Services – six (6) Months;

c) Industrial Electrical Service – twelve (12) Months. The Penticton Electric Utility has an obligation to notify FortisBC in writing of any anticipated additional single Connected Load in excess of 5,000kVA whether it be a new Customer or increased Connected Load from an existing Customer;

d) Micro-DR System – six (6) Months. The Customer must obtain approval of the Penticton Electric Utility of a Mirco-DR System, in advance of purchasing or installing Micro-DR Equipment; and

e) Back-Up Generator > 1MW in size – Minimum twenty-five (25) Months. The Penticton Electric Utility has an obligation to notify FortisBC of any proposed generation resources greater than 1MW in size not less than twenty-four (24) Months before the construction of such generation in order to allow FortisBC to assess the impact of such addition to FortisBC's supply capability.

B.6 Meter Location

a) All Meters shall be installed by the Penticton Electric Utility, in a location approved by the Penticton Electric Utility;

b) Meters shall not be installed in carports, breezeways or on decks or other similar areas;

c) Meters shall be installed in locations that permit safe and unfettered access by employees or agents of the Penticton Electric Utility;

d) The Penticton Electric Utility, at its sole discretion, may make exceptions to the general specifications for Meter Installations, where a standard location will cause design and installation difficulties, subject to the Meter remaining accessible to the Penticton Electric Utility at all times;

e) The Penticton Electric Utility may require, at the Customer's expense, that the Customer relocate any Meter that is located in an area that cannot be conveniently accessed by the Penticton Electric Utility at all times, or is considered by the Penticton Electric Utility to be unsafe;

f) The Penticton Electric Utility may refuse connection of any Electrical Service built in a location not approved by the Penticton Electric Utility;

g) For single-phase 120/240V less than or equal to 200A and for 320 Ampere single-phase 120/240 Volt Residential services the following conditions for Metering apply:

i) 4 jaw socket type Meter bases are required and are to be supplied by the Customer in accordance with section B.8 of this Schedule;

ii) Unless otherwise approved in writing by the Electric Utility Manager, the Meter socket shall be located on an outside wall, surface mounted with sufficient clearance from the surface finish material to allow easy access to the Meter locking ring, and be within one Meter of the corner nearest to the point of supply;

iii) The Meter shall be installed on the supply side of the Electrical Service Entrance; and

iv) All Meter sockets shall be installed between 1.5 Meters and 1.8 Meters above final ground level to the center of the Meter;

v) Residential Type Use – Multiple Meters;

A. For Multi-unit Residential properties such as row housing, townhouses or condominium units, the Meter bases will normally be located outdoors and grouped in one common location where practical. Either "Gang Meter Base" installations or individual Meter base installations may be used depending upon the Penticton Electric Utility requirements; and

B. In instances where the potential for Equipment damage or vandalism has occurred or is likely to occur with the outdoor location of the Meters, the Penticton Electric Utility may require the multiple Meter bases to be located indoors in an Electrical Room.

vi) Commercial Type Use – Multiple Meters;

A. For Multi-unit commercial-use properties with up to three(3) electric Meters, including a House Meter (maximum 2 Metered units) may be located outdoors using a Gang Meter base and supplied by a single stack; and

B. Where the number of Metered units supplied by a 200 Ampere main Service exceed two (2) Metered units; an Electrical Room having a main Service entrance disconnect switch installed ahead of the splitter trough and Meters will be required.

h) For three-phase, the following conditions for Meter locations apply:

i) Except in the instance of pad-mount Transformer Metering, the Meter shall be located on the load side of the Electrical Service Entrance for all Services;

ii) Where the supply is from a four (4) wire 600/347 volt system, Metering shall be four (4) wire. Where the Customer does not require a neutral, an appropriately sized grounded circuit conductor meeting the requirements of the Electrical Code must be provided to all Meter cabinets or sockets. The neutral conductor is to be terminated in the socket (or cabinet) on an insulated neutral block and in accordance with the Electrical Code;

iii) Primary Metering - Materials and Equipment for Primary Voltage Metering installations are to be designed, supplied and installed by the Customer. The Designs shall be submitted to the Electric Utility Manager for review and approval prior to any materials being ordered. All costs are to be paid for by the Customer;

iv) Non-residential Meters located indoors are subject to the access provisions identified in section 6.2 of this Bylaw; and

v) The location of the Electrical Room shall be approved by the Electric Utility Manager.

vi) 208/120V Single-Phase Network Metering;

A. The Metering installation required for most Apartment Buildings is 208/120 volt "Network Type Metering" installed indoors. The Meters are 200 Ampere, two-phase three wire and 5-jaw self-contained Meters; and

B. Apartment Buildings will normally consist of 12 units or more. For Apartment Buildings with four (4) floors or less including the basement; all Meters are to be in one location on the ground floor. This location will be the main Electrical Service Entrance room or Electrical Room. For Apartment Buildings with more than four (4) floors, additional load distribution rooms will be allowed but must be spaced at no less than every third floor. These rooms must be kept locked at all times and be used only for the purpose of housing electric Metering and Equipment related to the electric distribution within the building

i) Where an Electrical Meter cannot be reasonably accessed, the Penticton Electric Utility will apply the following procedure:

i) Penticton Electric Utility will mail a registered letter to either the Owner or Occupier of the Premises advising that disconnection of Service will take place if satisfactory access to the Meter is not established within five (5) days of the date of the letter;

ii) Penticton Electric Utility will disconnect the Service after the five (5) day period has expired if access to the Meter cannot be obtained by Penticton Electric Utility within the five (5) day period; and

iii) If a Service is disconnected under section B.6(i), reconnection of Service may occur only upon access to the Meter being provided and payment of the reconnection fee.

B.7 Metering

a) The type of Meter Socket and Base for all main switch ratings and supply Voltages are prescribed in section B.8 of this Schedule;

b) The Penticton Electric Utility will supply and install a self-contained socket type Meter for Metering up to and including 200 Amperes and for 320 Ampere single-phase 120/240 Volt Residential services;

c) For all Electrical Services in excess of 200 Amperes, where pad-mount transformer or 320 Ampere single-phase 120/240 Volt Residential Metering is not being used:

   i) A 10-jaw transformer type Meter is used. The Meter is to be installed into a Meter base to be provided by the Penticton Electric Utility. Installation of the Meter base will be by the Applicant in an approved electrical room;

   ii) Where instrument transformers are required, the instrument transformers shall be installed in a cabinet and the cabinet shall contain all of the Penticton Electric Utility's Metering Equipment for the main switch ratings and supply Voltages listed in section B.9 of this Schedule;

   iii) The Customer is required to supply and install the instrument transformer cabinet including any conduit between the instrument transformer cabinet and the Meter base;

   iv) Where instrument transformers are to be installed in the secondary bus of metal clad switchgear, the Penticton Electric Utility may request a copy of the shop drawings for review. In cases where the instrument transformers only Meter a portion of the metal clad switchgear, separate disconnect switches must be installed ahead of the Meter enclosure boxes or Meter bases so that the Service(s) can be de-energized without any interruption to the main Service supply; and

   v) A Meter base will be supplied by the Penticton Electric Utility and installed by the Customer, located to the satisfaction of the Penticton Electric Utility and as close as possible to the instrument transformer cabinet. Generally, one revenue Meter only will be allowed. Additional revenue Meters will require authorization from the Electric Utility Manager.

d) Meter centers installed for individual Metering applications must meet the requirements of section B.10 of this Schedule;

e) The Penticton Electric Utility requires a House Meter on Multi-unit Residential and commercial buildings where common loads such as lighting and heating exist;

f) The Penticton Electric Utility will not allow Bulk Meters for Premises in Multi-unit buildings unless it determines only a Bulk Meter is practicable including where:

i) the Point of Delivery is at a Primary Voltage, and the Owner elects for the building to be served through one meter;

ii) A hotel with one large load unit and several small load units; and

iii) A building that easily permits amalgamation and division of individual units, such as a shopping centre or warehouse.

g) If a Multi-unit building is served by an existing Bulk Meter, each unit must be assigned a civic address for billing purposes;

h) Where individual Metering is used in a Multi-unit building, the Owner of the real property being provided with the Electrical Service, shall identify each Customer's Metered Service by address or unit number with a permanent non-fading legible label. Units shall be numbered and a floor plan shall be mounted in a suitable manner in each Electrical Room, indicating the area to which each Service box supplies Power;

i) The Customer or Owner of the Multi-unit building shall ensure that each Metered Service identifying label accurately identifies the civic address or unit number associated with each Meter;

j) The Customer shall provide wiring and fittings, satisfactory to the Penticton Electric Utility for the installation of each Meter; and

k) In the case of damage to any Meter, the Penticton Electric Utility's cost of repairs or replacement and re-testing of the Meter will be Billed to the Owner or Occupier of the Premises.

B.8 Meter Sockets and Bases

a) Round Meter Bases are not permitted

b) The following Meter Socket and Bases are required for Metering up to and including 200 Amperes and 320 Ampere single-phase 120/240 Volt Residential services for each of the five different combinations of Voltage, phase and number of wires set out below:

Voltage	Phase	Wire	Meter Socket* (See description below)	Maximum Service Switch Size Rating in Amperes (A)
120/240	1	3	i)	200
120/240	1	3	ii)	320

Voltage	Phase	Wire	Meter Socket* (See description below)	Maximum Service Switch Size Rating in Amperes (A)
208/120	2	3	iii)	200
208/120	3	4	iv)	200
600/347	3	4	iv)	200

*Meter Socket and Base Descriptions

i) Four (4) jaw socket type square – 100A/200A Overhead and Underground;

ii) Four (4) jaw socket type square – 320A Underground;

iii) Five (5) jaw socket type with the "5" jaw at the 9 o'clock position, comes with #12AWG copper white wire from "5" jaw to an insulated neutral block in the Meter socket/base; and

iv) Seven (7) jaw socket type with the "7" jaw at the 6 o'clock position, comes with #12AWG copper white wire from the "7" jaw to an insulated neutral block in the Meter socket/base.

c) The following Meter Socket and Bases are required for Metering above 200 Amperes excluding the 320 Ampere single-phase 120/240 Volt Residential services for each of the three different combinations of Voltage, phase and number of wires set out below:

Voltage	Phase	Wire	Meter Socket Description (> 200 Amperes)
120/240	1	3	Five (5) jaw socket type with the "5" jaw at the 9 o'clock position, comes with #12AWG copper white wire from "5" jaw to an insulated neutral block in the Meter socket/base
208/120	3	4	Thirteen (13) jaw socket type with the "13" jaw at the 6 o'clock position, comes with #12AWG copper white wire from the "13" jaw to an insulated neutral block in the Meter
600/347	3	4	

B.9 Instrument Transformer Cabinets

The following sizes of Instrument Transformer Cabinets are required for Electrical Service over 200 Amperes excluding 320 Ampere single-phase 120/240 Volt Residential services for each of the four different combinations of Voltage, phase, number of wires and Service size set out below:

Voltage	Phase	Wire	Service Size in Amperes	Instrument Transformer Cabinet (mm/in.)		
				Height	Width	Depth
120/240	1	3	201-600	610/24	610/24	254/10
208/120	3	4	201-600	760/30	760/30	254/10
208/120	3	4	601-1,600	915/36	915/36	305/12
600/347	3	4	201-2,000	915/36	915/36	305/12

B.10 Meter Centers

Meter Centers may be used for installations of 750 volts or less, provided they meet the following specifications:

a) Side-hinged doors or panels shall be installed over all sections of the switchboard where the Penticton Electric Utility may be required to work, such as Un-metered sections and those sections containing breakers, switches and Meter mounting devices. Hinged doors or panels shall have provisions for sealing or padlocking in the closed position. Where bolts are used, they shall be of a captive knurled type. The hinged covers over breakers or switches shall be constructed so the covers cannot be opened when sealed or padlocked;

b) Breakers or switch handles shall have provisions for sealing or padlocking in the "off" position;

c) Meter mounting devices shall be wired or connected on the load side of the breakers or switches (Cold Metering);

d) Each combination Meter socket and breaker panel shall have adequate space to show the Customer street address and unit number, if any;

e) The center of the top row of Meter sockets shall not be more than 1.8 m from the finished floor;

f) The distance between horizontally or vertically adjacent Meter socket rims shall not be less than 150mm;

g) The Meter mounting socket and sealing ring shall be acceptable to the Penticton Electric Utility; and

h) Where a neutral is required, the Meter-mounting device shall have a pre-wired ungrounded neutral connection to the 5th or 7th terminal. The connection, if not made directly to the neutral bus, shall be not less than #12 AWG copper.

B.11 Pre-Payment for New, Upgraded Electrical Services or Service Extensions

Pre-payment shall be required for any work performed by the Penticton Electric Utility for a new or upgraded Electrical Service application, as established in the Fees and Charges Bylaw, and the following conditions shall apply:

a) For Jobs Requiring Payment of Flat Fee; and

   i) The Customer or contractor must make payment prior to the Penticton Electric Utility crews being scheduled to complete assigned work.

b) For Estimated Jobs Requiring Payment;

   i) The cost amount calculated for pre-payment shall be based on the Penticton Electric Utility's estimated cost of materials, labour and Equipment to be supplied by the Penticton Electric Utility to upgrade or provide the Electrical Service plus an Administrative Fee as established in the Fees and Charges Bylaw;

   ii) Transformer/Equipment Credits – Where the size of the existing Service is increased and will be supplied by Penticton Electric Utility owned transformer(s), the Customer may be credited the depreciated value of the existing Penticton Electric Utility owned transformer(s) or Equipment, if applicable. Where a Customer is serviced from a transformer/Equipment supplying multiple Customers, the transformer or Equipment credit will be a share of the depreciated value, based upon the number and capacity of Services connected to the transformer or Equipment. This credit will be incorporated into the estimate made to the Customer requesting connection, when applicable; and

   iii) For estimated jobs, the Customer shall pay in a format deemed acceptable by the Chief Financial Officer and payment must be received in advance of the work being done.

B.12 Relocations

a) Once the request for relocation of distribution plant has been reviewed, and if the relocation is feasible, the Customer shall pay the total relocation costs for labour, labour saving devices, materials and applicable overheads or as otherwise defined in existing legislation; and

b) The Penticton Electric Utility will not move Facilities or structures over certain routes when the moving or disconnecting of the Distribution System is not feasible.

B.13 Service Extensions and Upgrades

Service Extensions and upgrades shall be made on the principle that the party causing the need for the extension or upgrade will pay for the cost of the extension or upgrade. A Customer or Applicant needing an extension or upgrade to an Electrical Service to their property or a development will pay the cost of the Distribution System upgrades needed to Electrically Service that property or development. Service Extensions shall be provided by the Penticton Electric Utility, its agents, or by the Customer's qualified contractor, built to the standards of the Penticton Electric Utility, and shall be subject to the following conditions:

a) The Customer must pay for the costs of a Service Extension including but not limited to any fees outlined in the Fees and Charges Bylaw;

b) The Applicant must supply the Penticton Electric Utility with all relevant information, including, but not limited to, all necessary easements, permits or statutory rights of way;

c) Upon receipt of an application for a Service Extension, the Penticton Electric Utility will engineer and design the Extension or review a plan for approval by the Penticton Electric Utility provided by a professional engineer retained by the Applicant (hereinafter referred to as "the Design") and provide a quote of the estimated costs (hereinafter referred to as "the Estimate"). The Penticton Electric Utility, at its sole discretion, may require a legal survey, at the Applicant's expense, prior to commencing with any design;

d) The cost of preparing the Design, including the costs of any revisions to the Design that are requested by the Applicant, will be included in the estimate;

e) The Penticton Electric Utility may require that the Customer, at the Customer's sole expense, provide the Design. The Design must be completed by a professional engineer with experience in electrical design and submitted for review to the Penticton Electric Utility in an electronic format approved by the Penticton Electric Utility prior to issuance for construction. After any required revisions or corrections have been made by the Customer's designer, the Design may be approved for construction;

f) Service Extensions must be constructed in accordance with the Design and in compliance with the Penticton Electric Utility's Overhead and Underground electrical distribution construction standards and material specifications;

g) Prior to construction of a Service Extension or upgrade the Customer must pay in advance the estimated costs of the work;

h) The Penticton Electric Utility shall determine the route or location of a Service Extension having regard to the City's future line extension or Distribution System development needs. The Customer shall be responsible for all civil work including the concrete encasement of ducts, foundations and pads associated with an underground facility;

i) The City shall supply the transformer, if required, Electrical Service conductor and Metering Equipment for a new Electrical Service as per the Fees and Charges Bylaw;

j) Service Extensions shall normally be constructed underground, but may be constructed overhead where such construction is in accordance with the City's Distribution System plans and the conditions in B.13 of this Bylaw.

k) The Penticton Electric Utility shall own and maintain the Service Extension Facilities up to the Point of Delivery whether on public or private property;

l) Where the Service Extension is on private property:

   i) The Applicant may select the City or a qualified contractor, approved by the Penticton Electric Utility to construct the Service Extension to the standards of this Bylaw and the Penticton Electric Utility Construction Standards as amended from time to time;

   ii) When the Applicant selects an authorized contractor to construct the Service Extension, the following conditions shall apply:

      A. Prior to connection of the Service Extension to the Penticton Electric Utility's Distribution System, the Applicant shall pay to Penticton Electric Utility all costs of the Extension, including, but not limited to the costs and fees for design, engineering, surveying, permits, connection to the Penticton Electric Utility's Distribution System and inspection of the Service Extension; and

      B. The Penticton Electric Utility may require a legal land survey of the location of the Service Extension, at the Applicant's expense, prior to connecting the Service Extension to the Penticton Electrical Utility's Distribution System.

   iii) Prior to construction of the Service Extension, the Customer shall provide, to the satisfaction of Penticton Electric Utility, a statutory right of way in accordance with section B.14 of this Schedule.

B.14 Statutory Right of Way

A statutory right of way is required when an Applicant requires part of the Electrical Service for which they have applied to be installed on property owned by someone other than the Applicant that is not public highway or the Electrical Service for that Applicant exceeds 30m in length.

Where the supply of Electrical Service to a Customer requires a statutory right of way to be granted in favour of the City the following conditions apply to the statutory right of way:

a) A statutory right of way must be provided by the Customer at the sole expense of the Customer;

b) The Customer is responsible for rights-of-way clearing costs;

c) On request, the Customer shall deliver to the City documents in a form satisfactory to the Penticton Electric Utility in the required manner, granting any required statutory right of way to the City;

d) A statutory right of way may be in the form of a blanket statutory right of way. The statutory right of way may contain a sketch plan or a legally surveyed statutory right of way. If the City prepares the blanket statutory right of way, document costs will be paid for by the Customer;

e) A surveyed statutory right of way must cover a minimum width of three (3) Meters on either side of the Penticton Electric Utility Facilities or works and provide ancillary access to the right of way;

f) The Customer shall be responsible for obtaining a statutory right of way in the City's name, over other properties that may be necessary for the Penticton Electric Utility to provide Electrical Service to the Customer; and

g) The property Owner is responsible for maintaining the right of way such that:

   i) If overhead, the vegetation does not encroach closer than 3 Meters (10 feet) to the primary conductor and/or 1 Meter (3 feet) to the secondary conductors. Failure to maintain this safe clearance will result in Disconnection of the Electrical Supply as per section 5 of this Bylaw. All remediation costs will be borne by the Customer; and

   ii) Heavy Equipment shall have road access to all poles and structures.

B.15 Back-Up Generators

a) Customers with portable or permanently connected emergency generation capability used for emergency backup shall comply with all applicable criteria of the Electrical Code. In particular, the Customer shall ensure that Customer's emergency generation does not parallel with the Penticton Electric Utility's Distribution System without proper interface protection and does not adversely affect the Penticton Electric Utility's Distribution System; and

b) Customers with permanently connected emergency generation Equipment shall notify the Penticton Electric Utility regarding the presence of such Equipment.

B.16 Power Quality

a) In response to a Customer Power quality concern, where the utilization of Electric Power affects the performance of Electrical Equipment, an investigative analysis will be performed to identify the underlying cause. Depending on the circumstances, this may include review of relevant Power interruption data, trend analysis, and/or use of diagnostic measurement tools;

   If the problem lies on the Customer side of the system, the Penticton Electric Utility may seek reimbursement from the Customer for the costs incurred in its investigation;

b) If an undesirable system disturbance is being caused by the Customer's Equipment, the Customer will be required to cease operation of the Equipment until satisfactory remedial action has been taken. If the Customer does not take such action within a reasonable time, the Customer's supply of Power may be Disconnected;

c) If the Penticton Electric Utility determines that Consumer's Equipment may be the source causing unacceptable harmonics, Voltage flicker or Voltage level on Penticton Electric Utility's Distribution System; the Customer shall assist the Penticton Electric Utility in its investigation by providing required Equipment information, relevant data and necessary access for monitoring the Equipment; and

d) When Customers plan to install large motors over 500 Horsepower, they must contact the Penticton Electric Utility to ensure the existing or new Services are sized correctly and that the Distribution System can supply the required starting Current.

B.17 Power Factor

a) Every Customer must regulate their load to maintain a Power Factor of not less than ninety (90%) percent;

b) If Customers' Equipment results in a poor Power Factor (less than 90%), a Power Factor surcharge, as per the Fees and Charges Bylaw, may be applied and it is the Customer's responsibility to correct or improve the Power Factor;

c) The surcharge shall be added to the Customer's Bill after the rates or minimum charges have been calculated and the surcharge will remain in effect until the Power Factor has been corrected; and

d) Electrical Service shall not be provided to any Customer whose Load Power Factor is less than fifty (50%) percent.

B.18 Load Fluctuations:

a) Every Customer must install and operate its motors, Micro-DR Systems, apparatus and other Electrical Equipment in a manner that will not cause fluctuations to the Penticton Electric Utility's line Voltage, or introduce any element into the Penticton Electric Utility's Distribution System which, in the Penticton Electric Utility's opinion, disturbs or threatens to disturb its Distribution System or the property or Electrical Service of any other Customer; and

b) The Penticton Electric Utility may require the Customer at the sole expense of the Customer, to provide Voltage regulation Equipment and controls if Voltage fluctuations are equal to or greater than ten percent. The Penticton Electric Utility may refuse to provide Electrical Service or may suspend Electrical Service to the Customer until such Equipment is provided.

B.19 Notice of System Interruptions

a) The Penticton Electric Utility cannot guarantee a supply that is free from interruption;

b) It is necessary to occasionally interrupt a Customer's supply to maintain or improve the Distribution System, or to provide new or upgraded Service to other Customers. Where a Customer requests such activities to be done outside Regular Business Hours, then the Customer shall pay the Penticton Electrical Utility costs of carrying out the planned activities outside Regular Business Hours as per the Fees and Charges Bylaw;

c) The Penticton Electric Utility will endeavour to provide the Customer with reasonable advance notice, of Service interruption except in cases of extreme emergency, involving danger to life and limb, or impending severe Equipment damage;

d) The Penticton Electric Utility will endeavour to notify Customers prior to interrupting the supply to an individual Service. Where work involves a small number of Customers, the Penticton Electric Utility will attempt to notify Customers prior to disconnection for maintenance or repairs to the specific Service;

e) If an unsafe or hazardous condition is found to exist, or if the use of Electricity by apparatus, appliances, or other Equipment is found to be unsafe or damaging to the Penticton Electric Utility or the public, Service may be discontinued without notice;

f) Planned interruption times may change due to inclement weather or other unforeseen conditions. The Penticton Electric Utility shall not be held liable in any manner for failure to provide such notice of planned interruptions or any changes in schedule for planned interruptions;

g) Depending on the outage duration and the number of Customers affected, local media channels may be used along with the City's website to advise the general public of the outage;

h) In an emergency, the Penticton Electric Utility has the right to Disconnect Customers in response to shortage of supply; until or while repairs are made to either or both Penticton Electric Utility and Customer owned Equipment;

i) A Customer or Joint Use Contact Agreement party are obligated to comply with reasonable and appropriate instructions from the Penticton Electric Utility during unplanned outage or emergency situations;

j) The Penticton Electric Utility provides an after-hours emergency phone number with on-call personnel to assist in the event of an unplanned Power outage. When Power is interrupted, the Customer should first ensure that failure is not due to failed protection devices (i.e. fuses or breakers) within the installation. If there is a partial Power failure, the Customer should obtain the Services of an electrical contractor to carry out necessary repairs. If, on examination, it appears that the Penticton Electric Utility's main source of supply has failed, the Customer should report these conditions at once to the Penticton Electric Utility; and

k) Customers who require an uninterrupted source of Power for life support Equipment must provide their own Equipment for these purposes.

B.20 Primary Voltage Supplied Customers

a) The Customer is required to bring out a neutral conductor for connection to the system neutral. If not required for Customer's use, this neutral shall be terminated to the Customer's station ground system.

b) The Customer is responsible to supply a point of attachment within a distance of 30 Meters from the property line, where an overhead Primary Voltage Service is provided. This point of attachment may be a Service pole or approved structure.

c) As with all Services, the Penticton Electric Utility will not connect or energize the Customer's substation until:

i) A declaration has been received in accordance with the Safety Standards General Regulation;

ii) The Penticton Electric Utility has inspected the Service;

iii) The Customer has provided a pre-Service report to the Penticton Electric Utility that has been sealed by a Professional Engineer licensed in the Province of British Columbia; and

iv) A Joint Operating Order has been signed by the Customer and the Penticton Electric Utility. A Joint Operating Order is a document that is used to describe the isolation points and safety procedures along with contact names and numbers of individuals responsible for operating the Customer Owned Equipment described in the Order.

B.21 Micro-DR Service Requirements

b) The Penticton Electric Utility shall determine the number or capacity of Micro-DR units on any part of their Distribution System;

c) The Penticton Electric Utility maintains the right to disconnect, without liability, the Micro-DR for any issues relating to safety and reliability;

d) The Micro-DR Customer must apply to the Penticton Electric Utility using the appropriate "Net Metering" application form;

e) The Micro-DR System must be located on the Customer's Premises;

f) Installation of the Micro-DR System shall not commence until the Design has been approved by the Electric Utility Manager;

g) Design Requirements:

i) The Micro-DR output is at 750 volts or less and the Micro-DR System is not larger than 50kW, without written approval from the Electric Utility Manager;

ii) The Micro-DR System must meet the anti-islanding requirements of CSA standard C22.2 No 107.1 and be capable of isolating the Net Metering System from the Penticton Electric Utility System;

iii) The design shall include a disconnect that:

A. Bears evidence of either a mark or a label of a certification agency accredited by the Standards Council of Canada or an approval label issued by British Columbia Safety Authority;

B. Meets the intent of Section 84 of the *Canadian Electrical Code*;

C. Is accessible by the Penticton Electric Utility staff at all times;

D. Has a provision for locking in the open position; and

E. Provides a visual indication while in the open position; and

iv) The Micro-DR System must comply with CSA standard CAN/CSA-22.2 No. 257 Interconnecting Inverter-based Micro-Distributed Resources to Distribution Systems.

h) Energization and Operational Requirements:

i) The Micro-DR Owner may not commence Parallel Operation of its generating Equipment unit the completed installation has been inspected and final written approval has been given by the Electric Utility Manager;

ii) The following information and procedures must be provided and in place before a Micro-DR System will be allowed to be connected to the Penticton Electric Utility's System:

A. A complete set of specifications for the installation; including copies of the manufacturer's technical manuals and specifications for the proposed DR Equipment;

B. A complete set of single line diagrams and protection settings;

C. A complete set of manufacturers' commissioning procedures; and

D. An executed "Net Metering Interconnection Agreement".

iii) The Penticton Electric Utility maintains the right to inspect the Micro-DR Facilities with reasonable prior notice and at a reasonable time of day;

iv) The Interconnection of the Customer's generating Equipment with the Penticton Electric Utility's Distribution System shall not cause any reduction in the quality of Service being provided to other Customers;

v) The Micro-DR System Owner will not be permitted to energize a circuit de-energized by the Penticton Electric Utility; and

vi) The Micro-DR System Owner is responsible for commissioning in accordance with the manufacturers' procedures and periodic maintenance of the Interconnection Equipment. Commissioning and maintenance must be performed by competent personnel. A copy of the commissioning and maintenance test reports must be retained by the Micro-DR System Owner and made available to the Penticton Electric Utility upon request.

B.22 Subdivisions – Residential

Residential Subdivisions are required to comply with Electric Facilities requirements in the Subdivision and Development Bylaw, Section 00600 – Electrical in addition to all parts and Schedules of this Bylaw.

B.23 Subdivisions – Strata Developments

Strata developments will be electrically serviced Underground subject to the following:

a) All of the Electrical Distribution Infrastructure including but not limited to concrete encased ducts, vaults, transformers, high Voltage cables, secondary distribution cables, Service boxes, electrical Meters, will be owned and maintained by the Penticton Electric Utility and must be installed in a statutory right of way in favour of the City over the strata lands including strata roadways;

b) The Developer or Customer will own and maintain the Meter bases, the underground Service conductors between the Service boxes/transformers and the Meter bases, the street lighting and other conductors supplying Power to common areas such as roadway lighting, parking lot lighting, irrigation systems and security gates; and

c) The Electrical Consumption for all privately owned street lighting along with any other common loads will be Metered by a House Meter.

The Corporation of the City of Penticton

Bylaw No. 2018-08

A Bylaw to Amend Subdivision and Development Bylaw No. 2004-81

WHEREAS the Council of the City of Penticton has adopted a Subdivision and Development Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Subdivision and Development Bylaw No. 2004-81;

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 "Subdivision and Development Amendment Bylaw No. 2018-08".

2. **Amendment:**

2.1 Subdivision and Development Bylaw No. 2004-81 is hereby amended as follows:

Remove section 7.0 NET METERING AND INTERCONNECTION OF INVERTER BASED RESOURCES in its entirety from Schedule "G" DESIGN CRITERIA Section 00600 – ELECTRICAL.

READ A FIRST time this	6	day of	February, 2018
READ A SECOND time this	6	day of	February, 2018
READ A THIRD time this	6	day of	February, 2018
ADOPTED this		day of	, 2019

Andrew Jakubeit, Mayor

Dana Schmidt, Corporate Officer

The Corporation of the City of Penticton

Bylaw No. 2018-09

A bylaw to amend the Fees and Charges Bylaw No. 2014-07

WHEREAS the Council of the City of Penticton has adopted a Fees and Charges Bylaw pursuant to the *Community Charter*;

AND WHEREAS the Council of the City of Penticton wishes to amend the "Fees and Charges Bylaw No. 2014-07";

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 "Fees and Charges Amendment Bylaw No. 2018-09".

2. **Amendment:**

2.1 Amend "Fees and Charges Bylaw No. 2014-07" by deleting and replacing the following appendix in its entirety:

- Appendix 7 – Electric

2.2 Appendix 7 attached hereto forms part of this bylaw.

READ A FIRST time this	6	day of	February, 2018
READ A SECOND time this	6	day of	February, 2018
READ A THIRD time this	6	day of	February, 2018
RESCIND THIRD and give THIRD READING as AMENDED	19	day of	February, 2019
ADOPTED this		day of	, 2019

John Vassilaki, Mayor

Angie Collison, Corporate Officer

Appendix 7

ELECTRIC	2018	2019
Utility Administration Rates		
Utility credit references (current or recent account)	$16.50	$17.00
Archived account	$29.00	$30.00
Utility account history	$16.50	$17.00
Interest rate on delinquent utility accounts	10% per annum	10% per annum
Special electric meter reading	$36.25	$41.50
Special electric meter inspection fee	$36.25	$41.50
AMR OPT OUT		
AMR Opt Out manual electric meter reading for an individual meter	$19.25	$27.50
AMR Opt Out manual combined electric and water meter reading for an individual for an individual meter read	$20.25	$28.50
AMR Opt Out manual electric meter reading for a meter bank installation	$19.25 for the first meter and $1.00 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter	$27.50 for the first meter and $1.00 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter
AMR Opt Out combined electric and water meter reading for a combined electric and water meter bank installation	$20.25 for the first meter and $1.00 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.	$29.50 for the first meter and $1.00 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.
AMR Opt Out electric meter use of a digital non radio frequency electric meter	$153.00	$153.00
Utility application fee – next day service	$42.25	$47.50
Utility application fee – same day service (accounts with combined electric and water)	$94.50	$105.00
Utility application fee (electric only) same day service (accounts that only have electric services)	$54.25	$59.50
Non-Payment: Electric disconnect and re-connect(during City Hall hours only)	$72.50	$83.00

Appendix 7

ELECTRIC	2018	2019
Non-Payment: Site visit without a disconnect (during City Hall hours only)	$36.25	$41.50
Electrical disconnect or re-connect or site visit (cost per visit after hours with call-out)	$423.50	$430.25
Electrical disconnect or reconnect or site visit (cost per visit during City Hall hours)	$36.25	$41.50
Electrical disconnect or reconnect or site visit (cost per visit after hours without call-out)	$72.50	$83.00
Illegal reconnection administration charge	$275.00	$280.00
Utility fee - Leave on Authorized	$12.00	$12.25
Electrical Disconnect and reconnect from pole	$355.00	$358.00
Special Administration charge per service	$27.50	$28.00

Electric Rates

Rate Code 10 - Residential

Basic Charge	$18.72 per billing plus	$18.72 per billing plus
Energy Charge	$0.1284 per kwh for all consumption during the billing period	$0.1284 per kwh for all consumption during the billing period

~~**Rate Code 15 - Residential/Special Service**~~

~~Basic Charge~~	~~$18.72 per billing plus~~	~~$18.72 per billing plus~~
~~Energy Charge~~	~~$0.1474 per kwh for all consumption during the billing period~~	~~$0.1474 per kwh for all consumption during the billing period~~

Rate Code 20 - General - Secondary metered and City owned Transformation

Basic Charge	$18.72 per billing plus	$18.72 per billing plus
Energy Charge: First 10,000 kwh per billing	$0.1429 per kwh	$0.1429per kwh
Next 90,000 kwh per billing	$0.1126 per kwh	$0.1126 per kwh
Additional kwh per billing	$0.0789 per kwh	$0.0789 per kwh

Appendix 7

ELECTRIC	2018	2019
Demand Charge	$10.09 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous eleven months	$10.09 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read

Rate Code - 25, 30 and 35

Are subject to the same base rates for consumption and demand as set out in Rate Code 20 with the following discounts:

Primary Metering	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only

Rate Code 25 - General - Primary metered and City owned Transformation

Basic Charge	$18.72 per billing plus	$18.72 per billing plus

Energy Charge

First 10,000 kwh per billing	$0.1408 per kwh	$0.1408 per kwh
Next 90,000 kwh per billing	$0.1109 per kwh	$0.1109 per kwh
Additional kwh per billing	$0.0777 per kwh	$0.0777 per kwh
Demand Charge	$9.93 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current bulling; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous eleven months	$9.93 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current bulling; or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read

Rate Code 30 - General - Secondary metered and customer owned Transformation

Basic Charge	$18.72 per billing plus	$18.72 per billing plus

Appendix 7

ELECTRIC	2018	2019
Energy Charge		
First 10,000 kwh per billing	$0.1429 per kwh	$0.1429 per kwh
Next 90,000 kwh per billing	$0.1126 per kwh	$0.1126 per kwh
Additional kwh per billing	$0.0789 per kwh	$0.0789 per kwh
Demand Charge	$9.18 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous eleven months	$9.18 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read
Rate Code 35 - General - Primary metered and customer owned Transformation		
Basic Charge	$18.72 per billing plus	$18.72 per billing plus
Energy Charge		
First 10,000 kwh per billing	$0.1408 per kwh	$0.1408 per kwh
Next 90,000 kwh per billing	$0.1109 per kwh	$0.1109 per kwh
Additional kwh per billing	$0.0777 per kwh	$0.0777 per kwh
Demand Charge	$9.04 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous eleven months	$9.04 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read
Rate Code 45 - General - City Accounts		
Energy Charge	$0.0953 per kwh for all consumption	$0.0953 per kwh for all consumption
Rate Code 55 - Street Lighting, Traffic Lights & Other Un-metered Loads		
Per fixture watt or volt ampere per billing subject to Electric Utility Services Bylaw No. 2017-44 ~~Section 3.b of Bylaw 2000-36 (Electrical Regulations)~~	$0.1071 per fixture watt or volt ampere per billing	$0.1071per fixture watt or volt ampere per billing

Appendix 7

ELECTRIC	2018	2019
Per watt or volt ampere per billing based on equipment name plate data or customer information, or where data is insufficient, the City will determine by appropriate measurement and calculation what equipment watt or volt ampere loading shall be used for billing purposes.	$0.2024 per watt	$0.2024 per watt
Monthly minimum charge per fixture or service connection	$18.14 per billing plus	$18.72 per billing plus

Net Metering (aka Mirco-DR)

~~Energy Credit - The City will apply a credit for the purchase of power from all City customers generating and transmitting power into the City electrical grid at the appropriate rate code that the City charges for power for the class of the said customer. Furthermore no additional City Fees related to electrical will be applied for participating in the Net Metering program. Customers will be responsible for all on-site costs of their Distribution Generation system including, but not limited to, design, permits, installation, repairs and maintenance.~~

When paying Net Metered Customers for any excess Energy generated by the Customer, the Penticton Electric Utility shall use the applicable Energy rate as specified in the FortisBC Electric Tariff Schedule 40 as amended from time to time. Customers will be responsible for all costs of their Distribution Generation System including, but not limited to, design, permits, installation, inspection fees, connection fees, repairs and maintenance.

Electrical Service Calls

Service Call – 1 stop (1 hr. max)	$214.00	$217.25
Service Call – 2 stops (1.5 hr. max)	$321.00	$326.00

Electrical Service Connections

Temporary Service Connection

1 Phase up to 200 amps	$214.00	$217.25
all except 1 phase up to 200 amps	Actual Cost	Actual Cost

Service Relocate

1 phase up to 200 amps	$347.00	$347.00

Service Upgrade

1 phase over 200 amps	Actual Cost	Actual Cost
3 phase overhead and underground (all)	Actual Cost	Actual Cost

Service Connection

1 phase per unit (200 amps max -includes 1 meter) overhead and underground	$390.00	$393.25
Additional meters	Actual Cost	Actual Cost
1 phase overhead and underground over 200 amps	Actual Cost	Actual Cost
3 phase overhead and underground (all)	Actual Cost	Actual Cost
~~1 phase underground over 200 amps~~	~~Actual Cost~~	~~Actual Cost~~
~~3 phase underground (all)~~	~~Actual Cost~~	~~Actual Cost~~

Appendix 7

ELECTRIC	2018	2019
~~Electrical Utility Ext. Agreement~~	~~Actual Cost~~	~~Actual Cost~~
Primary Underground Cable	Actual Cost	Actual Cost
Terminate and Energize underground - Per lot	Actual Cost	Actual Cost
Installation of electrical poles, vaults, road-crossings, etc	Actual Cost	Actual Cost
Electrical Call Out Rate	$423.50	$430.25

Electrical Pole Contacts

Telus	As per Contract	As per Contract
Telus per Power Point Contact + Energy ~~as per rate code 55~~ at appropriate rate code	As per Contract	As per Contract
Shaw Cable	As per Contract	As per Contract
Shaw Cable per Power Point Contact + Energy ~~as per rate code 55~~ at appropriate rate code	As per Contract	As per Contract
Shaw WiFi	As per Contract	As per Contract
Recoverable Sign Installations	Actual Cost	Actual Cost

~~City Electrical Infrastructure~~[2]~~:~~

~~Due to the nature and timing of the various process's involved with the installation of electrical infrastructure a request for refund will be entertained at any time and will require evaluation as to the customer's and/or the Electric Utility's involvement, investment to date and further investment required to complete the works to a stage where they are deemed, by the Operations Manager of the Electrical Utility, to be safe for the public and the customer and have no negative effect on the electrical systems integrity or configuration. Calculation or determination of refund amounts will be completed by the General Manager of the Electrical Utility.~~

Power Factor Surcharge:

a) Every Customer must regulate their load to maintain a Power Factor of not less than ninety (90%) percent.

b) If customers have equipment or install equipment that results in poor power factor (less than 90%) a power factor surcharge may be applied and it is the Customer's responsibility to install equipment to correct or improve power factor.

c) The surcharge shall be added to the Customer's bill after the rates or minimum charges have been calculated and the surcharge will remain in effect until the Penticton Electric Utility is satisfied that the Power Factor has been corrected.

d) Electrical Service shall not be provided to any customer whose Load Power Factor is less than fifty (50%) percent.

Power Factor	Surcharge
Between 90% and 100%	Nil
Between 88% and 90%	2%
Between 85% and 88%	4%
Between 80% and 85%	9%
Between 75% and 80%	16%
Between 70% and 75%	24%
Between 65% and 70%	34%
Between 60% and 65%	44%
Between 55% and 60%	57%

Appendix 7		
ELECTRIC	**2018**	**2019**
	Between 50% and 55%	72%
	Less than 50%	90% and electrical service may be disconnected

Notes:

#1. Any applicable Federal or Provincial taxes are in addition to the above charges. A discount forfeit equal to 10% of the "current charges" (excluding Goods and Services Tax) will result if full payment of current charges is not received. a) on "residential ~~and residential/special services"~~ (rate codes 10 ~~and 15~~), on or before the expiration of fifteen (15) days after the date of the mailingof the invoices therefore. b) on all other services not included in the definition of "residential ~~or residential/special services~~" on or before the expiration of twenty-two (22) days after the date of the mailing of the invoices therefore, provided that when the said day falls on Saturday, Sunday, or holiday, the discount shall apply if payment is received on the next succeeding day which is not a holiday. In the event of a partial payment of the current charges on or before the discount date, a proportionate discount shall be allowed.

#2. Basic charges will be applicable to accounts that are disconnected from electric for seasonal or temporary purposes when the electric is being turned off at the account holders request but the account holder(s) is not altering.

#3. City Electrical Infrastructure is defined as: Any items related to the City of Penticton Electrical Utility distribution system including but not limited to primary duct and secondary duct, street lighting, power cables, transformers and associated appurtenances.

#4. All customers are eligible to access the "Electrical Service Payment Plan" for the installation of City Electrical Infrastructure and/or customer owned Micro-DR equipment that supplies power to their properties. The details of this program are summarized as follows:

- Payment Plan range: A customer can put a miminum amount of ~~$5,000~~ $2,000 up to a maximum amount of $50,000 on a Payment Plan;

- Payment Plan terms: 5 year payback in equal monthly amounts on the Electric Utility Bill plus interest calcualted at the Prime Interest Rate +0.5%; and

- The customer has the ability to end the Payment Plan at any time by repaying the balance owing in full at any time without penalty.

Eligibility requrements:

-Must be for a new or an upgrade to an Electrical Service;

-Must be a City of Penticton Electric Utility customer;

-Must have a credit score of: 650 or greater for an individual, or less than 25 for a business;

-Must have a maximum of 19 City of Penticton Utility Credit Points;

-The customer must own both the land and building where the service is required; and

- If Micro-DR, receipts must be submitted from the contractor performing the work; and

-Protection: Any defaults on the Payment Plan will be subject to the normal City of Penticton utility collection procedures, including service disconnect and ultimately transfer of outstanding amount to taxes. Any outstanding payment plan amounts must be paid in full upon sale of the property.

The Corporation of the City of Penticton

Bylaw No. 2019-05

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. 2019-05".

2. **Amendment:**

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

Rezone Lot 8, Block B District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan 930, located at 484 Eckhardt Avenue West from R2 (Small Lot Residential) to RD2 (Duplex Housing: Lane).

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

READ A FIRST time this	19	day of	February, 2019
A PUBLIC HEARING was held this	5	day of	March, 2019
READ A SECOND time this	5	day of	March, 2019
READ A THIRD time this	5	day of	March, 2019
RECEIVED the approval of the Ministry of Transportation on the	8	day of	March, 2019
ADOPTED this		day of	, 2019

Notice of intention to proceed with this bylaw was published on the 22 day of February, 2019 and the 27 day of February, 2019 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 8th day of MARCH, 2019
for Minister of Transportation & Infrastructure

John Vassilaki, Mayor

Angie Collison, Corporate Officer

Rezone 484 Eckhardt Avenue West
From R2 (Small Lot Residential) to RD2 (Duplex Housing: Lane)

City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2019-05

Date: _____ **Corporate Officer:** _____

The Corporation of the City of Penticton

Bylaw No. 2019-06

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. 2019-06."

2. **Amendment:**

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

2.1 Amend Schedule 'H' Development Permit Area Map for Lot 8 Block B District Lot 4, Group 7 Similkameen Division Yale (Formerly Yale Lytton) District Plan 930, located at 484 Eckhardt Avenue West, identified in Schedule A of this bylaw, and include in the Downtown Multiple Family Development Permit Area.

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

READ A FIRST time this	19	day of	February, 2019
A PUBLIC HEARING was held this	5	day of	March, 2019
READ A SECOND time this	5	day of	March, 2019
READ A THIRD time this	5	day of	March, 2019
ADOPTED this		day of	, 2019

Notice of intention to proceed with this bylaw was published on the 22 of February, 2019 and the 27 of February, 2019 in the Penticton newspapers, pursuant to Section 94 of the *Community Charter*.

John Vassilaki, Mayor

Angie Collison, Corporate Officer

484 Eckhardt Avenue West

To amend Schedule 'H' Development Permit Area Map of the City's OCP, to include the subject property in the Downtown Multiple Family Development Permit Area

City of Penticton – Schedule 'A'

Official Community Plan Amendment Bylaw No. 2019-06

Date: _____ **Corporate Officer:** _____

Council Report

penticton.ca

Date: March 19, 2019 File No: 2019 PRJ-042
To: Donny van Dyk, Chief Administrative Officer
From: Randy Houle, Planner I
Address: 1302 Government Street

Subject: **Development Variance Permit PL2019-8482**

Staff Recommendation

THAT Council approve "Development Variance Permit PL2019-8482", for Lot 7 District Lot 250 Similkameen Division Yale District Plan 5498 Except Plan KAP57867, located at 1302 Government Street, a permit to decrease the minimum rear yard from 6.0m to 1.5m, to allow for the construction of a garage;

AND THAT staff be directed to issue "Development Variance Permit PL2019-8482".

Background

The subject property (Attachment A) is zoned C1 (Commercial Transition) and is designated by the City's Official Community Plan as MR (Medium Density Residential). Photos of the sites are included as Attachment D. The subject property is approximately 575.0m^2 (6,189ft^2) with a single family dwelling on-site that was constructed in 1957. The surrounding properties are primarily zoned for single family, duplex and commercial transition. The property is located along Government Street, close to McLaren Park, the hospital, IGA and other services.

In 1993, Council rezoned the property from single family to commercial, which allowed for the conversion of the dwelling into a doctor's office. The property was used by several medical professionals until recently when it was purchased by a new owner and converted back to residential.

Proposal

The applicant is proposing to construct a 480ft^2 garage at the rear of the property adjacent to the lane. To facilitate the construction, the applicant is requesting a Development Variance Permit to vary the following section of Zoning Bylaw No. 2017-08:

- Section 11.1.2.7: to decrease the minimum rear yard from 6.0m to 1.5m.

Financial implication

N/A

Technical Review

This application has been assessed by the City's Technical Planning Committee and reviewed by the Engineering and Public Works Departments. As per City of Penticton Building Bylaw 2018-01 Section 14.4.i, storm water/drainage is to be maintained on site. Building permit requirements have been identified and forwarded to the developer. If the requests for the variance is supported, BC Building Code and City bylaw provisions will apply.

New Official Community Plan (2019)

The draft OCP that is currently under development and anticipated to be adopted this spring, identifies this area for 'ground orientated residential'. This designation envisions lower density forms of multiple family housing, such as duplexes with suites, and townhouses up to 3 and a half storeys. That being said, a single family dwelling and accessory building is permitted under the current C1 (Commercial Transition) zone.

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the Development Variance Permit applications:

Item	Requirement C1 zone	Proposed
Maximum Lot Coverage:	40%	34%
Maximum Density:	NA	NA
Vehicle Parking:	2 spaces per dwelling unit	3 spaces
Required Setbacks		
Front yard (west, Government Street):	3.0m	24.0m
Rear yard (east, lane):	6.0m	1.52m (variance required)
Exterior yard (north, Municipal Avenue):	4.5m	4.5m
Interior yard (south):	1.5m	6.5m
Maximum Building Height:	10.5m	4.47m

Analysis

Support Variance

When considering a variance to a City bylaw, staff encourages Council to be mindful as to whether approval of the variance would cause an unreasonable impact on neighbouring properties and if the variance request is reasonable. Council should also put their mind to the benefit accrued with approval of the variances, such as improved livability for a property.

The variance below is required to construct an accessory building on a property that has historically been used for residential.

Section 11.1.2.7: to decrease the minimum rear yard from 6.0m to 1.5m.

- In the C1 (Commercial Transition) zone, all buildings are to be constructed a minimum of 6.0m from the rear property line. This distance is required to provide adequate buffering of commercial uses from neighbouring residential properties while allowing enough space for vehicles to park. In the current proposal, the owner is requesting a variance to construct an accessory building (garage) a distance of 1.5m from the lane. Although this may appear to be a significant variance request, a garage can be constructed on any of the neighbouring residential lots at a setback of 1.5m from the rear lane, with an area of 807ft^2 and a height of 4.5m. The proposed garage is 480ft2 in area and 4.47m in height.

- The property is currently used for residential and not commercial, thus it is reasonable to apply development regulations of the single family residential zones which permit a 1.5m rear yard setback for accessory buildings. Staff felt it was too onerous for the applicant to rezone the property back to single family residential to allow for the proposal, given that a single family dwelling and accessory building is permitted under the current zone. The building will be comprised of composite horizontal siding and trim, with a window facing the street. This will improve the appearance of the garage from Municipal Avenue. The garage meets the minimum setbacks from the north side, and is constructed in a similar style as the existing dwelling.

Staff consider that given the small scale nature of the accessory building, the variance request is reasonable and does not unreasonably impact the adjacent area. Approval of the variance allow for the property owner to park vehicles in a secured place, out of view from the street.

Deny/Refer Variance

Council may consider that the proposed variances will negatively affect the neighborhood and the streetscape. If this is the case, Council should deny the variances.

Alternate Recommendations

1. THAT Council deny "DVP PL2019-8482".
2. THAT Council support "DVP PL2019-8482" with conditions.
3. THAT Council refer "DVP PL2019-8482" 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: Site Plan
Attachment F: Elevations
Attachment G: Floor Plan
Attachment H: Neighbouring Properties with Garages
Attachment I: Letter of Intent
Attachment J: Development Variance Permit PL2019-8482

DDS	CAO
AH	DvD

Respectfully submitted,
Randy Houle, Planner I

Attachment A – Subject Property Location Map

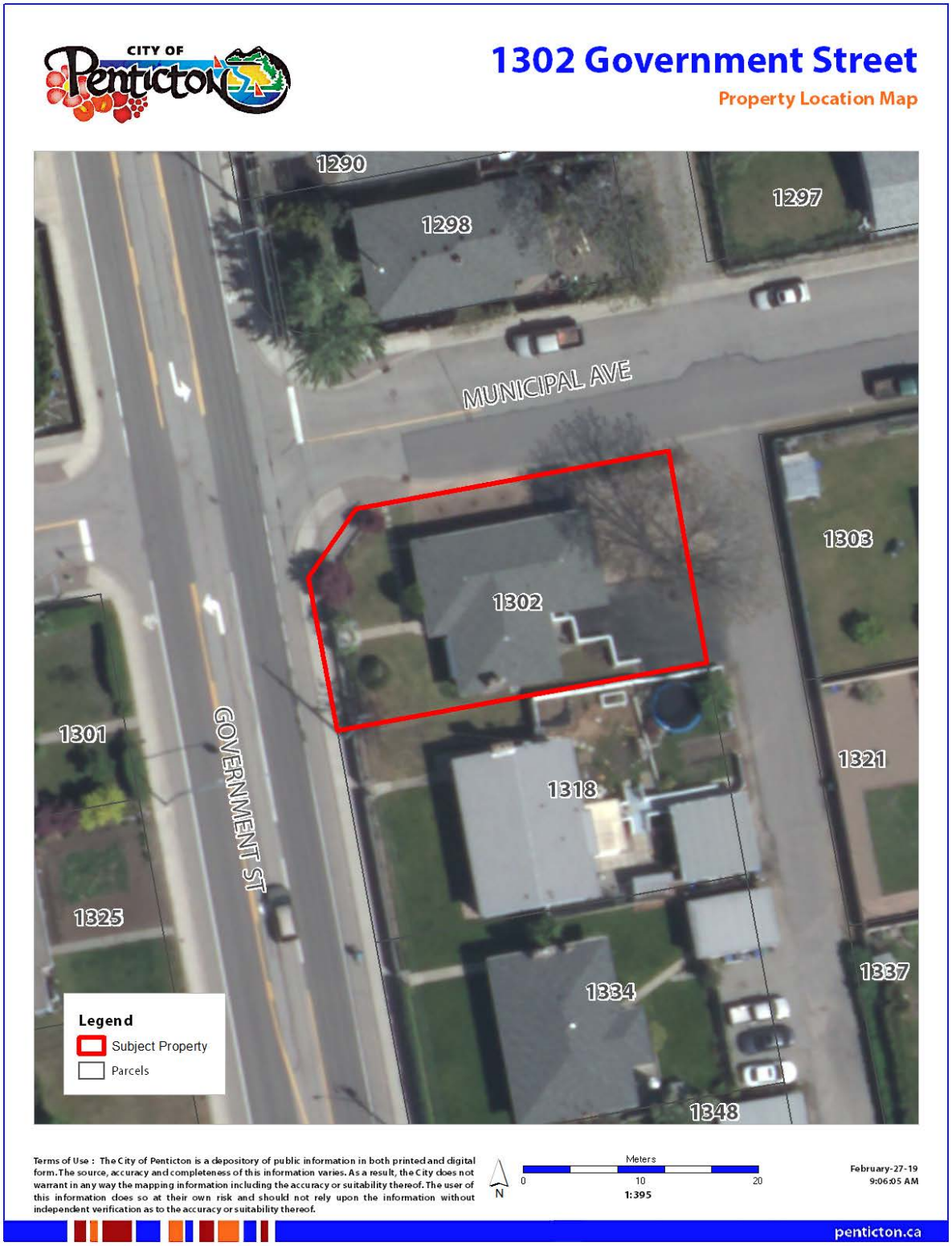


Figure 1: Subject Property Location Map

Attachment B – Zoning Map

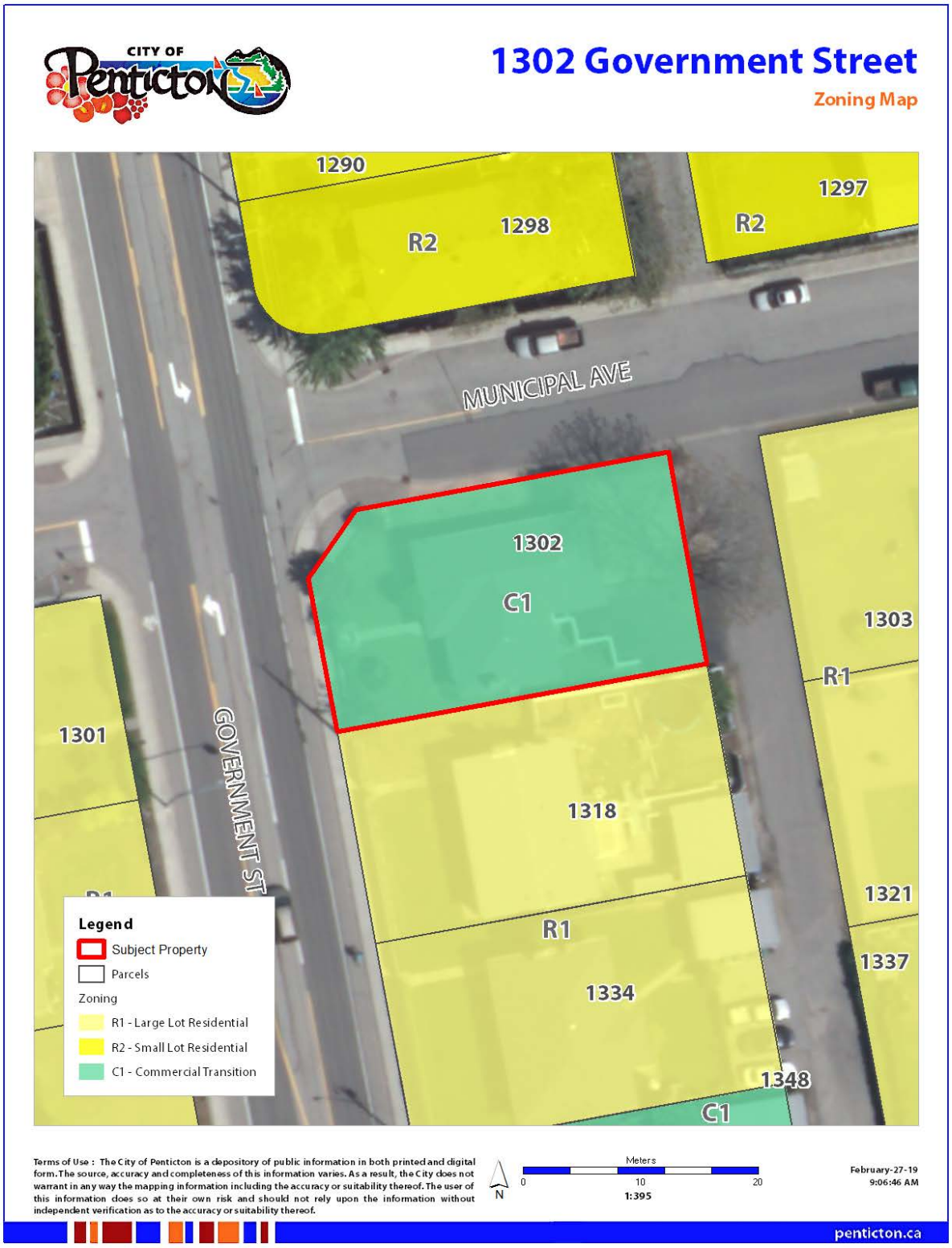


Figure 2: Zoning Map

Attachment C- OCP Map

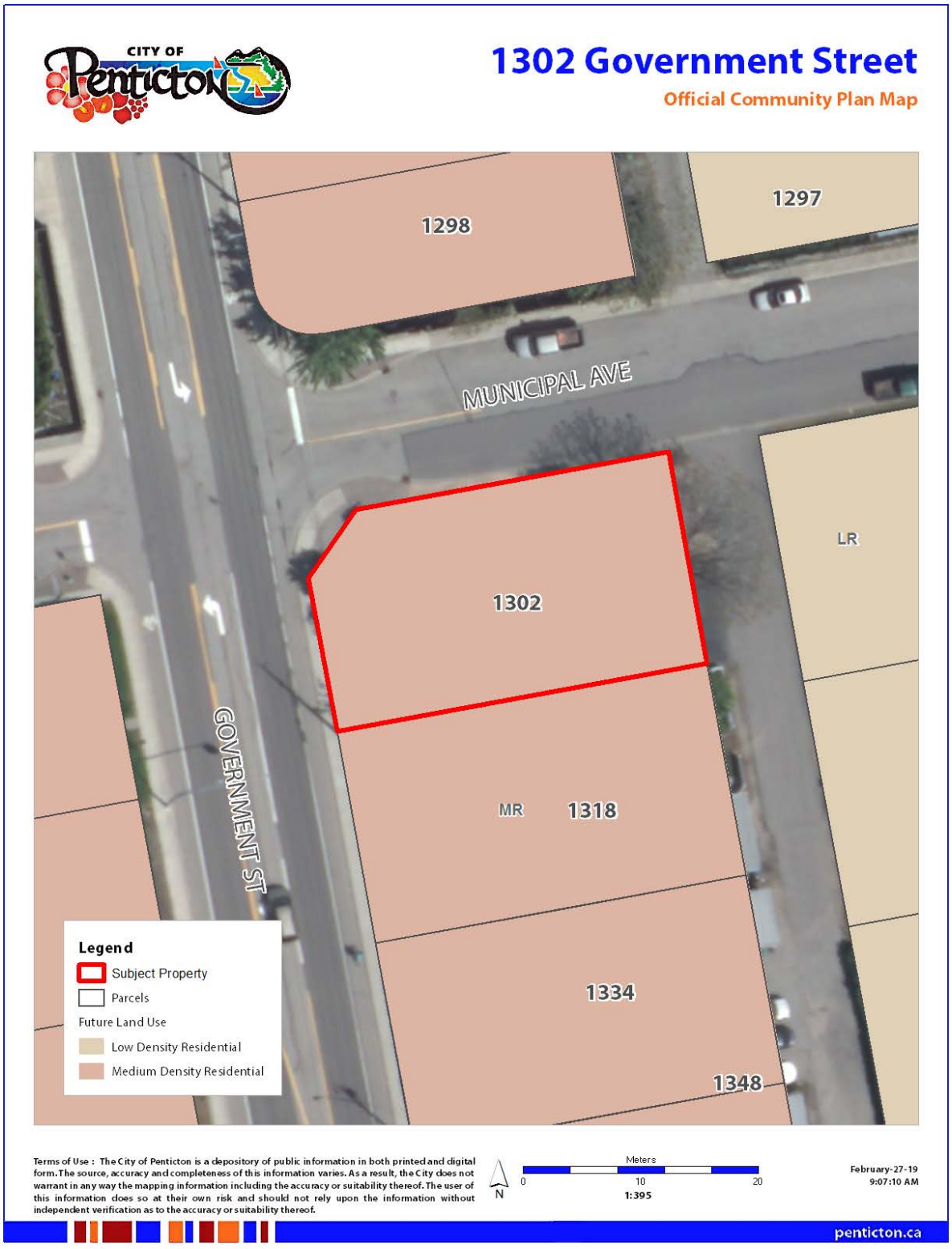


Figure 3: OCP Map

Attachment D – Photos of Subject Property

Figure 4: West Elevation of Existing Dwelling (from Government Street)

Figure 5: North Elevation (from Municipal Avenue)

Figure 6: East View (from the lane)

Figure 7: View from Government Street

Attachment E – Site Plan

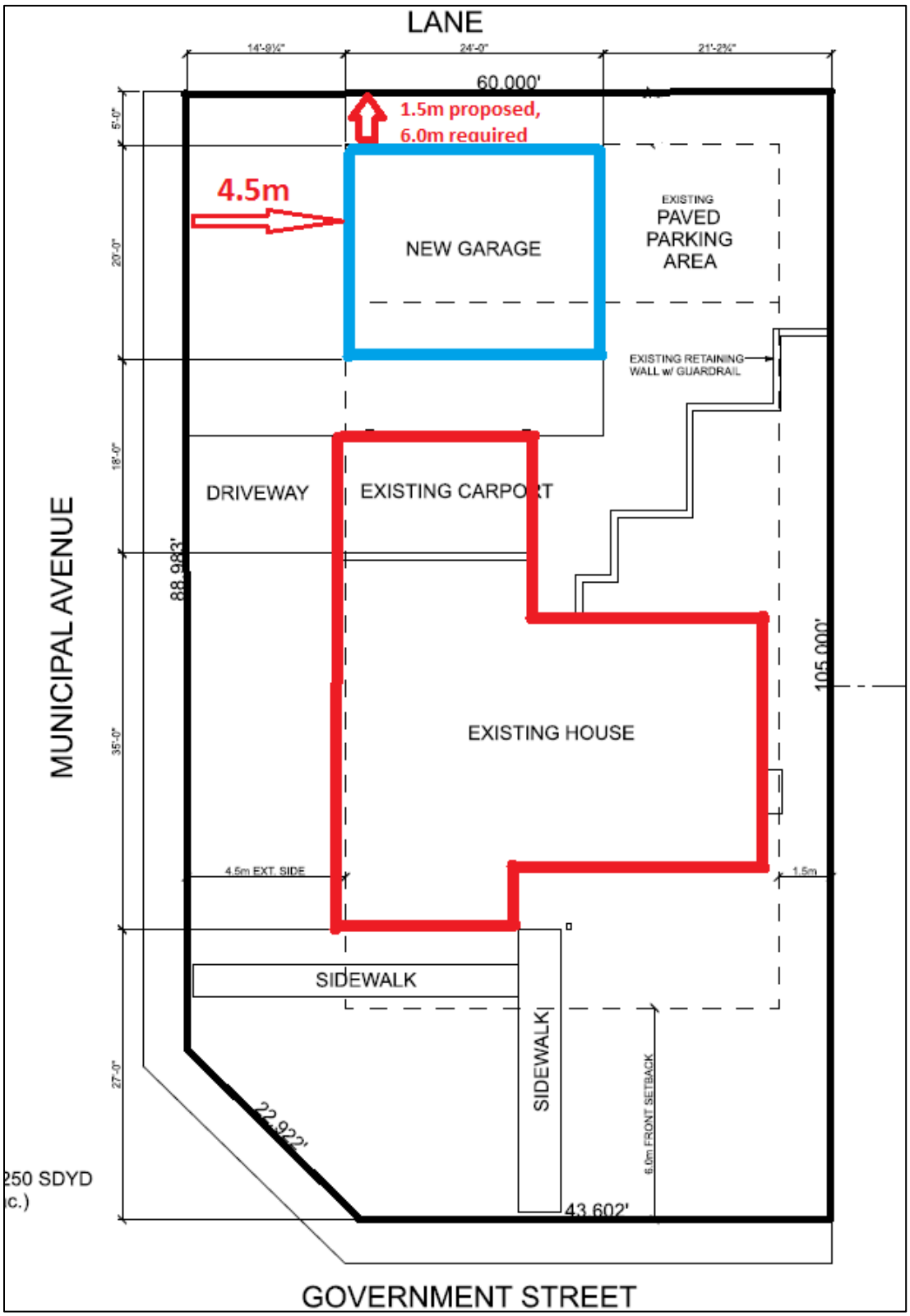


Figure 8: Site Plan

Attachment F – Elevations

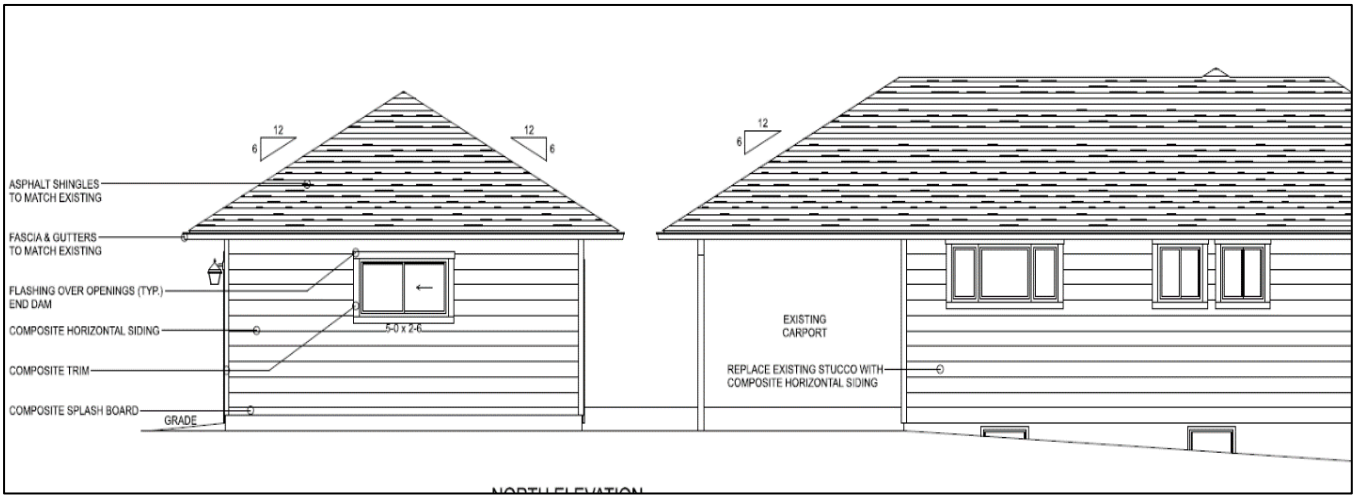


Figure 9: North Elevation (from Municipal Avenue)

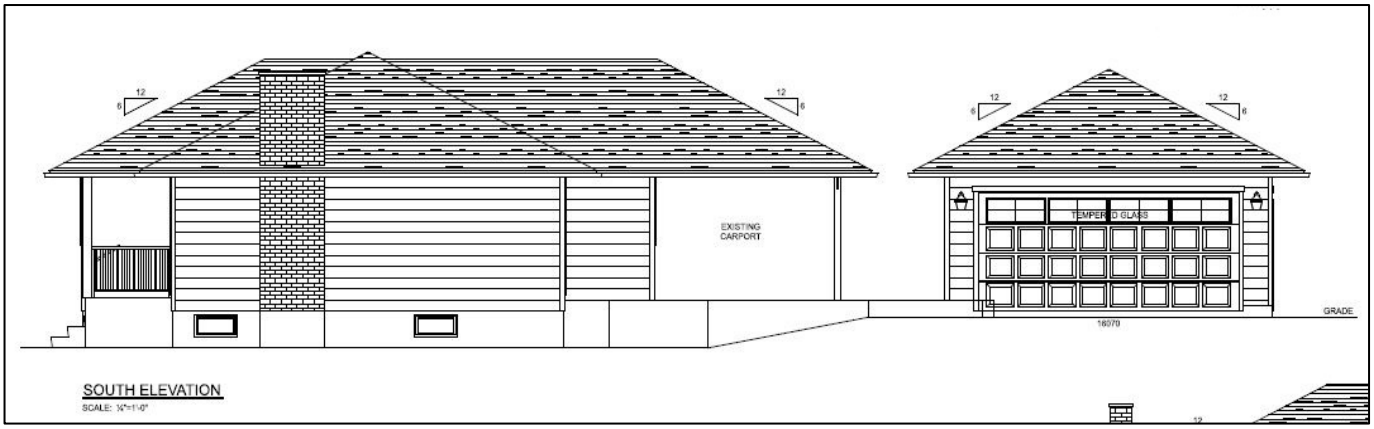


Figure 10: South Elevation

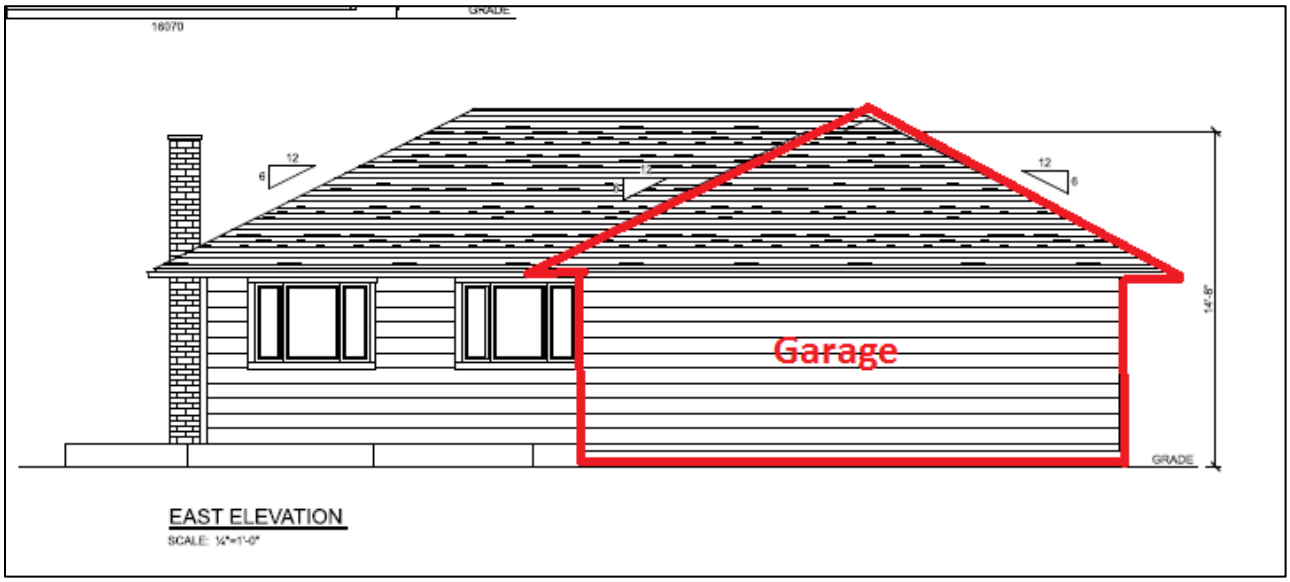


Figure 11: East Elevation (from the lane)

Attachment G – Floor Plan

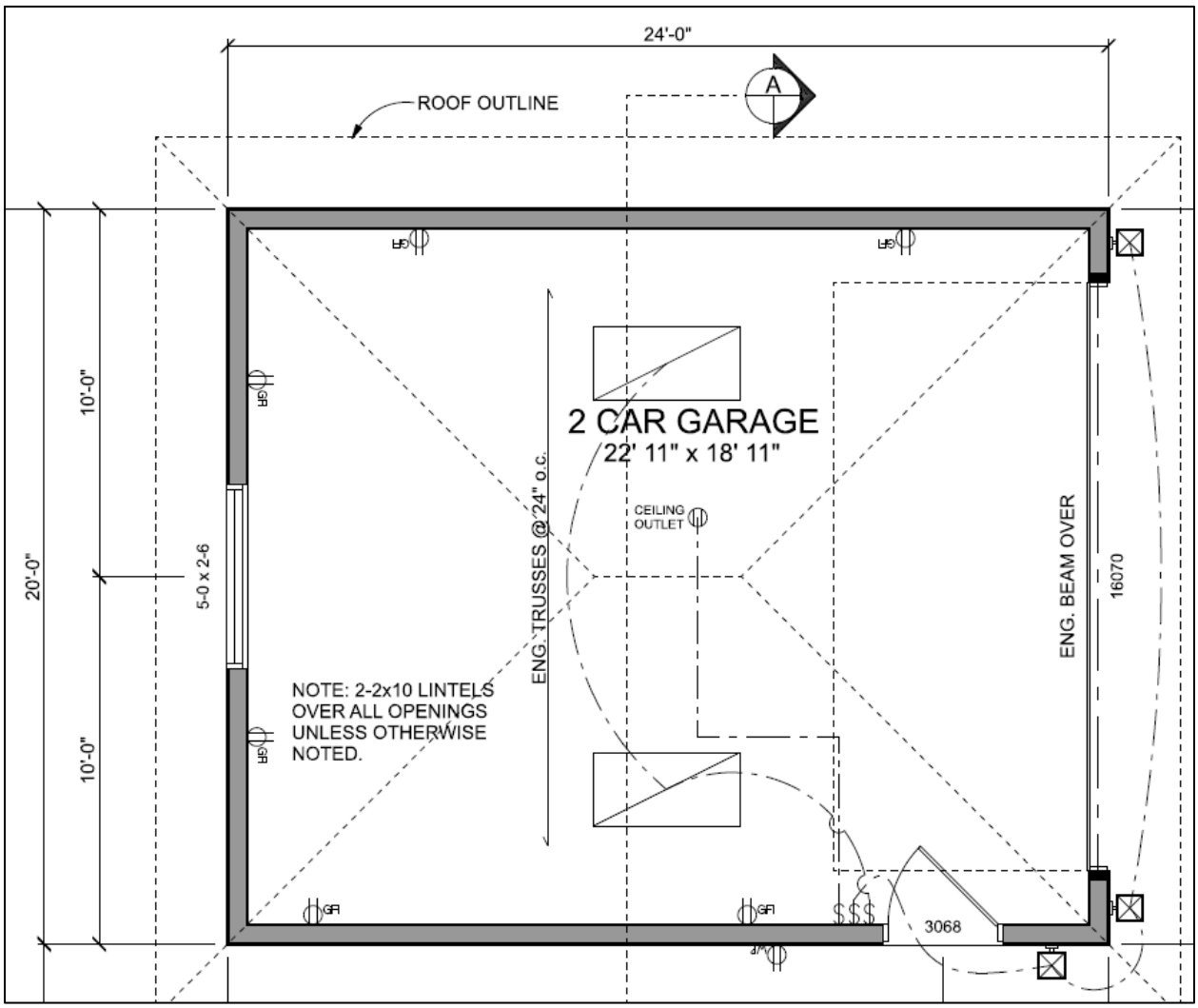


Figure 12: Floor Plan

Attachment H – Neighbouring Properties with Garages

Figure 13: Neighbouring Properties

Attachment I – Letter of Intent

Stan Brevick
c/o Freda Investments
1725 Pacific Way
Kamloops B.C.
V2C - 5K6

Feb 21/2019

Dear Mayor and Council
RE: 1302 Government Street
request to construct a 2-car detached Garage.

Thank you for your consideration
I would like to add a 2-car
detached garage on the back alley side
of my home located at 1302 Government St.

The 2-car garage is designed locally
and fits the charistics of the community
and neighbourhood designs.

Im requesting development variance to
accomodate the 2-car garage.

We are below the maximum lot coverage
of 40% as per the 11.1.2 subdivision and
development Regulations Zoning By law NO 2017-08.
The Garage Footprint is 488sqFt - Principle 1178 sq Ft
We are requesting the variances to build
the two car garage as attached drawings.

Thank you so much for your
consideration

Stan Brevick

Figure 14: Letter of Intent

Attachment J - Development Variance Permit PL2019-8482

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

Development Variance Permit

Permit Number: DVP PL2019-8482

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 7 District Lot 250 Similkameen Division Yale District Plan 5498 Except Plan KAP57867
   Civic: 1302 Government Street
   PID: 010-360-255

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following section of Zoning Bylaw 2017-08 to allow for the construction of a garage.

   - Section 11.1.2.7: to decrease the minimum rear yard from 6.0m 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 19 day of March, 2019.

Issued this ____ day of _____, 2019

_____
Angie Collison,
Corporate Officer

Council Report

penticton.ca

Date: March 19, 2019 File No: RMS / Address
To: Donny van Dyk, Chief Administrative Officer
From: Blake Laven, Planning Manager
Address: 313 Ellis Street (303, 307, 313, 317 and 319 Ellis Street)

Subject: **Development Variance Permit PL2019-8489**

Staff Recommendation

THAT Council approve "Development Variance Permit PL2019-8489", a permit that reduces the parking lot constructions standards for a public parking lot on Lots 1-5, Block 27, SDYD, Plan 479, located at 303, 307, 313, 317 and 319 Ellis Street;

AND THAT staff be directed to issue DVP PL2019-8489.

Background

On February 5, 2019, Council gave support to a budget amendment supporting the demolition of the former Greyhound building and construction of a temporary parking lot on the lands. The demolition is expected to happen in the next month. At that meeting it was relayed to Council that the proposed parking lot, given its temporary nature, would likely not meet the zoning bylaw construction standards for a parking lot. According to the bylaw, parking lots are to have a certain density of landscaping, landscape buffers from the street and be paved.

The current design does have some landscaping, but given the need for parking in the downtown and the intended temporary nature of this parking lot, the design was done to maximize parking spaces rather than accommodate the required landscaping. As such, prior to construction of the lot, a variance to the City's zoning bylaw is required.

Proposal

This application proposes varying the following sections of the zoning bylaw:

- 6.3.1.3, which requires paving; and
- 6.3.2, which requires landscaping in the amount of 2.0m^2 of landscaping per parking space.

Financial implication

Funding for the demolition of the former Greyhound Bus Depot Building and construction of the parking lot has previously been authorized by Council. Construction costs for the parking lot are estimated at $130,000 including landscaping, electric charging stations and bicycle parking infrastructure. Not approving the

variance would require a redesign of the parking lot, likely increasing the construction costs and reducing the project parking revenue. As currently designed the lot features 55 parking stalls and will produce approximately $40,000 per year in revenue.

Analysis

The subject lands are zoned as C5 (City Centre Commercial). The C5 zone permits the use of public parking. The long term use for the former Greyhound Bus Depot site and neighbouring City owned properties will be the subject of a planning exercise in 2020. The outcome of that exercise will provide direction for the future use of these lands. In the interim the use of the lands for parking satisfies a short term need in the downtown for workforce parking and public demand during events and weekend.

While it is important to ensure permanent parking is appropriately landscaped and finished with permanent paving and painted lines, in the case of temporary parking, the costs to put in the required finishes is not reasonable given the 5 – 10 year expected life of the lot. Large investments in finishing will discourage redevelopment of lots that could have higher and better long term uses than parking. For these reasons, other downtown surface parking lots have had reduced standards for temporary parking lots, for both private and public lands.

Even though a reduction in standard is being requested, the design will create an attractive parking area with landscape islands in the corners assisting with stormwater management.

For these reasons, staff are recommending that Council support the request for the reduction in construction standard.

Alternate recommendations

THAT Council not support the variance permit.

Attachments

Attachment A – Subject property location map

Attachment B – Draft Development Variance Permit

Respectfully submitted,

Blake Laven, MCIP, RPP
Planning Manager

Concurrence

Director	Chief Administrative Officer
AH	DvD

Attachment A
Subject Property Location Map

Attachment B
Draft Development Variance Permit

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

Development Variance Permit

Permit Number: PL2019-8489

Sheri Raposo, City Land Administrator
City of Penticton
171 Main Street
Penticton BC V2A 5A9

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:

Civic Address	Legal Description	PID
303 Ellis Street	Lot 1, Block 27, District Lot 202, SDYD, Plan 479, Except Plan B1841	012-305-278
307 Ellis Street	Lot 2, Block 27, District Lot 202, SDYD, Plan 479, Except Plan B1841	012-305-286
313 Ellis Street	Lot 3, Block 27, District Lot 202, SDYD, Plan 479, Except Plan B1841	012-305-294
317 Ellis Street	Lot 4, Block 27, District Lot 202, SDYD, Plan 479, Except Plan B1841	012-305-308
	THAT Part of Lot 4, Shown outlined on red on Plan B1841; Block 27, District Lot 202, SDYD, Plan 479	012-305-316
319 Ellis Street	Lot 5, Block 27, District Lot 202, SDYD, Plan 479	012-305-324

3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the paving requirements of Section 6.3.1.3 and the landscaping requirements of Section 6.3.2. of Zoning Bylaw 2017-08 to allow for the construction of a public parking lot, as shown in the plans attached in Schedule A.

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 _____, 2019

Development Variance Permit PL
Issued this _____ day of _____, 2019

_____
Angie Collison,
Corporate Officer

SCHEDULE A: To Accompany DVP PL2019-8489
50mm IRRIGATION LINE (TYPICAL)
CONNECT TO EXISTING 50mm WATER SERVICE
NANAIMO AVE E.
EX. GAS
250mm PVC W.
LIS ST.
RETAINING WALL
ROBINSON ST.
CONCRETE WALL
EX. GAS
6.20
6.10
5.80
0.28
5.80
6.10
6.20
Legend
Concrete Parking Curb
Millings
Landscaping
Traffic Sign
Streetlight
Concrete Sidewalk
Tree
EV Charging Station
Bike Locker
Bike Rack
55 Parking Stalls - 2.7m x 5.8m
Greyhound Parking Lot
Scale: 1:250
Plot Date: 2019/01/25
Drawn By: TP

Council Report

penticton.ca

Date: March 19, 2019 File No: PRJ2019-001
To: Donny van Dyk, Chief Administrative Officer
From: Nicole Capewell, Planner 1
Address: 4513 Lakeside Road
Subject: **Development Variance Permit PL2019-8442**

Staff Recommendation

THAT Council approve "Development Variance Permit PL2019-8442" for Lot 3 District Lot 190 Similkameen Division Yale District Plan 8200, located at 4513 Lakeside Road, a permit to vary the following sections of Zoning Bylaw 2017-08:

- Section 8.2.3.3: to increase the maximum building height for a carriage house in the R1 zone, where no lane exists from 5.0m and one floor to 6.4m and two floors; and
- Section 8.2.3.5: to allow the siting of a carriage house in the R1 zone to be located closer to the front lot line than the principal dwelling.

AND THAT staff be directed to issue "DVP PL2019-8442".

Background

The subject property (Attachment 'A') is currently zoned R1 (Large Lot Residential) and is designated within the City's Official Community Plan (OCP) as LR (Low Density Residential). The property fronts onto Lakeside Road and has lake frontage onto Skaha Lake. The property currently has a single family dwelling and a garage/carport structure. The intent of the property owner is to demolish all structures currently existing on the property and reconstruct a new single family dwelling. The property owner also intends to construct a carriage house, which as proposed, requires approval from Council for two variances for the location and height of the proposed carriage house. The applicant has received a Riparian Development Permit for the new single family dwelling works to be completed (March 2019). The carriage house footprint falls outside of the Riparian Area.

Proposal

The applicant is proposing to construct a carriage house at 4513 Lakeside Road. The proposed design does not meet the regulations of the City's Zoning Bylaw, and therefore the applicant has requested a variance to the following sections of Zoning Bylaw No. 2017-08:

- Section 8.2.3.3: to increase the maximum building height in the R1 zone, where no lane exists from 5.0m and one floor to 6.4m and two floors; and
- Section 8.2.3.5: to allow the siting of a carriage house in the R1 zone to be located closer to the front lot line than the principal dwelling.

Financial Implication

This application does not pose any significant financial implications to the City. Development costs are the responsibility of the developer.

Technical Review

This application was forwarded to the City's Technical Planning Committee and was reviewed by the Engineering and Public Works Departments. 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 as required for the carriage house.

The Engineering Department have reviewed the proposed site plan to ensure safer vehicle access than what currently exists on the site. Currently, the entire frontage is paved to the street and vehicles can enter and exit at any point of the frontage. The proposed site plan will limit this to a smaller entry/exit point in the center of the property's frontage (Figure 1 – Vehicle Access). The proposed carriage house has a garage, which doors face to the north (into the lot), rather than facing out towards the street. This design will ensure that vehicles do back out of a garage, directly onto the street.

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	728 m^2
Maximum Lot Coverage:	40%	34%
Vehicle Parking:	3 (2 – Single Family Dwelling; 1 – Carriage House)	3+ There is ample parking on site
Maximum Building Footprint	90m^2	58.25 m^2
Required Setbacks Front Yard (east): Interior Side Yard (north): Interior Side Yard (east): Rear Yard:	 6.0 m 1.5 m 1.5 m 1.5 m	 ~40 m 1.5 m 1.5 m ~65 m
Maximum Building Height	5.0 m and one floor	6.4 m and two floors **Variance Requested**
Comments	The applicant is also requesting a variance to allow the carriage house to be located closer to the front lot line than the principal building.	

Analysis

When considering a variance to a City bylaw, staff consider whether approval of the variance would cause a negative impact on neighbouring properties and if the variance request is reasonable.

Section 8.2.3.3: to increase the maximum building height in the R1 zone, where no lane exists, from 5.0m and one floor to 6.4m and two floors.

- The applicant is requesting a variance to allow the carriage house to be one floor higher than the Zoning Bylaw currently permits.
- In November 2018, the Zoning Bylaw was amended to limit the height of carriage houses on properties without lanes to 5.0m and one floor. This amendment was brought forward due to an increased concern of maintaining the backyard privacy of neighbours on either side of carriage houses. It was determined that if a lane does not exist behind a property, the carriage house should be restricted to only a single floor and only 5.0m.
- In this case, the proposed location of the carriage house does not negatively impact the backyard privacy of directly adjacent neighbours as it will back onto the parking area of the property to the south.
- As shown on the proposed elevations of the carriage house (Attachment 'G'), there will be minimal windows on the south elevation, which faces the neighbouring property. The windows facing to the south have been noted as privacy glass, which is a requirement of the Zoning Bylaw for windows on a carriage house within 1.5m of a side yard.
- The carriage house is within the maximum height allowed if a lane was present.
- If the applicant were to connect the proposed carriage house to the single family dwelling, it would be considered a 'secondary suite'. In this example, the suite becomes part of the principal building, and meets the required 6.0m front yard setback. The Zoning Bylaw allows for the principal building to be 10.5m, at only a 1.5m setback from the side property line.
- Many properties located along Lakeside Road have a restricted building envelope available, due to the riparian area which runs along the lake's high water mark. This results in many of the lots having structures built closer to the side property lines, to increase their building size.

Given that the intention of the Zoning Bylaw changes were to protect the backyard privacy of directly adjacent neighbours, Staff find that the proposed carriage house has been designed to limit the impact onto the neighbouring property and the proposal will have minimal impact in this regard, and find this requested variance reasonable.

Section 8.2.3.5: to allow the siting of a carriage house in the R1 zone to be located closer to the front lot line than the principal dwelling.

- Due to the waterfront nature of this lot, the carriage house is being proposed to be located closer to the front lot line than the principal dwelling. Technically, the rear lot line of this lot would be located against Skaha Lake, but the principal dwelling is sited so as to make the most of views and is thus, sited on the beachfront.
- As a result, the carriage house is located to the 'rear' of the house (as the house faces towards the lake), but it is located closer to the front lot line (which is along the street) than the principal house.
- Furthermore, the riparian area regulations require a certain setback from the lake, making it impossible to locate the carriage house on the west side of the main house.

- In the past, planning staff have considered this to be a reasonable request for lakeside properties which desire to have a carriage house, and have supported such variances.
- Planning is, therefore, in support of the request to site the carriage house closer to the front lot line than the principal dwelling.
- The proposed location of the carriage house has been placed so that the building meets the required 6.0m front yard setback for the R1 zoning.
- The applicant would be permitted to construct a detached garage (accessory building) in this proposed location, as it meets the required 6.0m front yard setback.

Given the above, staff request that Council support the variances and direct staff to issue the permit.

Deny Development Variance Permit

Council may consider that the proposed height variance could negatively affect the neighbourhood, in particular, the adjacent neighbours, but consider the siting of the carriage house to be reasonable. If Council decides that the proposed height variance will negatively impact the neighbourhood, and that the design should be changed to meet the existing regulations for height as set out in the City's Zoning Bylaw, Council should deny the height variance.

Should Council approve the siting variance, but not the height variance, the applicant would be required to redesign the carriage house. The applicant could connect the carriage house to the single family dwelling proposed, and maintain the same building design as presented. Once attached, the 'suite' becomes part of the single family dwelling and may be built to the principal building regulations (up to 10.5m in height, and 1.5m from the side property line).

Alternate Recommendations

1. THAT Council approve the "Development Variance Permit PL2019-8442" with conditions:
    a. Approve variance to Section 8.2.3.5: to allow the siting of the carriage house in the R1 zone to be located closer to the front lot line than the principal dwelling; and
    b. Deny variance to Section 8.2.3.3: to increase the maximum height of a carriage house in the R1 zone, where no lane exists, from 5.0m and one floor to 6.4m and two floors.
2. THAT Council support "Development Variance Permit PL2019-8442" with conditions.
3. THAT "Development Permit PL2019-8442" 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:	Proposed Floor Plans
Attachment G:	Draft Development Variance Permit (DVP)

Approvals

Director Development Services	Chief Administrative Officer
AH	DvD

Respectfully submitted,

Nicole Capewell
Planner 1

Attachment A – Subject Property Location Map

Figure 1 – Subject Property Highlighted in Red

Attachment B – Zoning Map of Subject Property

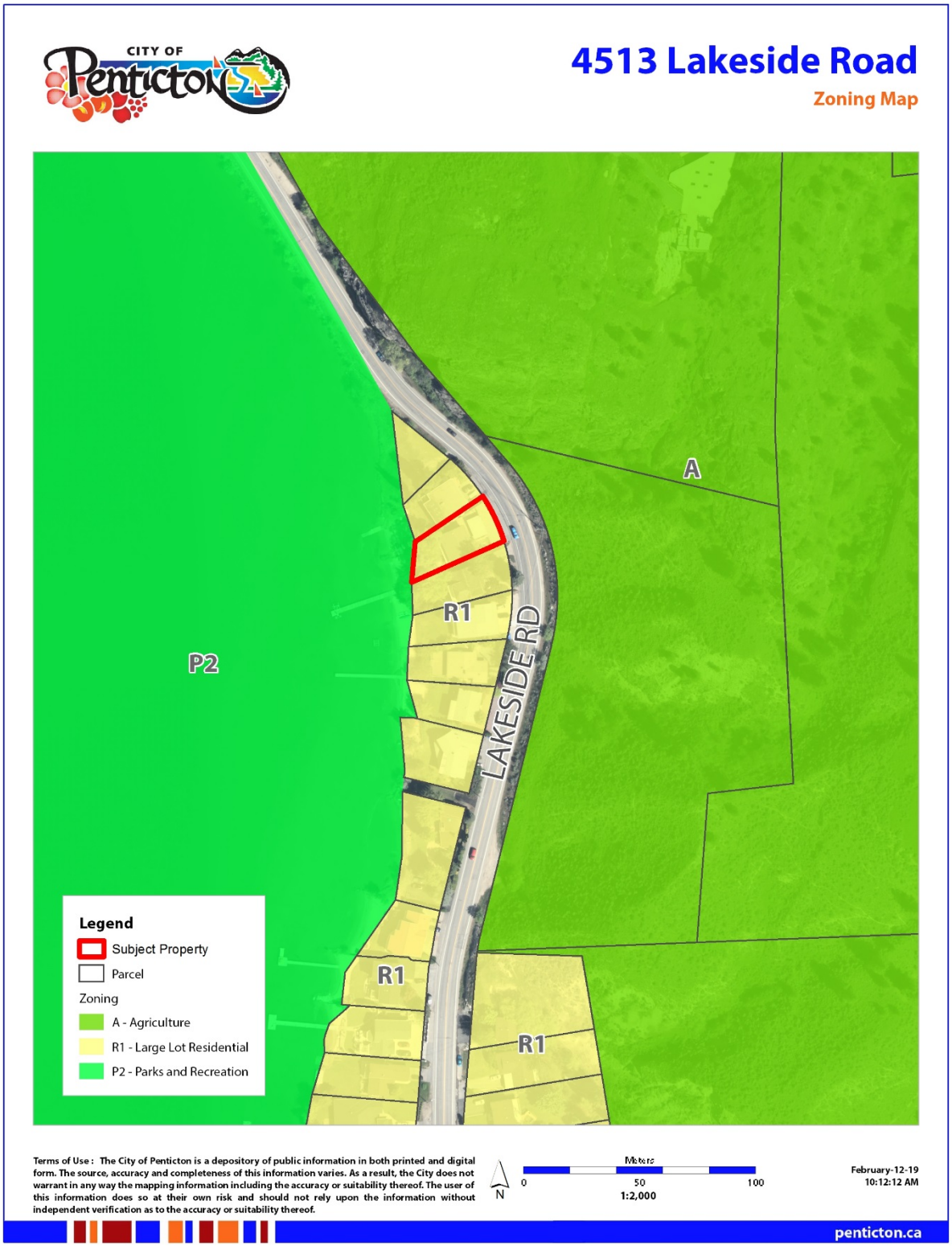


Figure 2 – Subject Property Currently Zoned R1 (Large Lot Residential)

Attachment C – Official Community Plan Map of Subject Property

Figure 3 – Subject Property Currently Designated as LR (Low Density Residential) within Official Community Plan

Attachment D – Images of Subject Property

Figure 4 – Looking west toward subject property (Image from Google Maps – 2015)

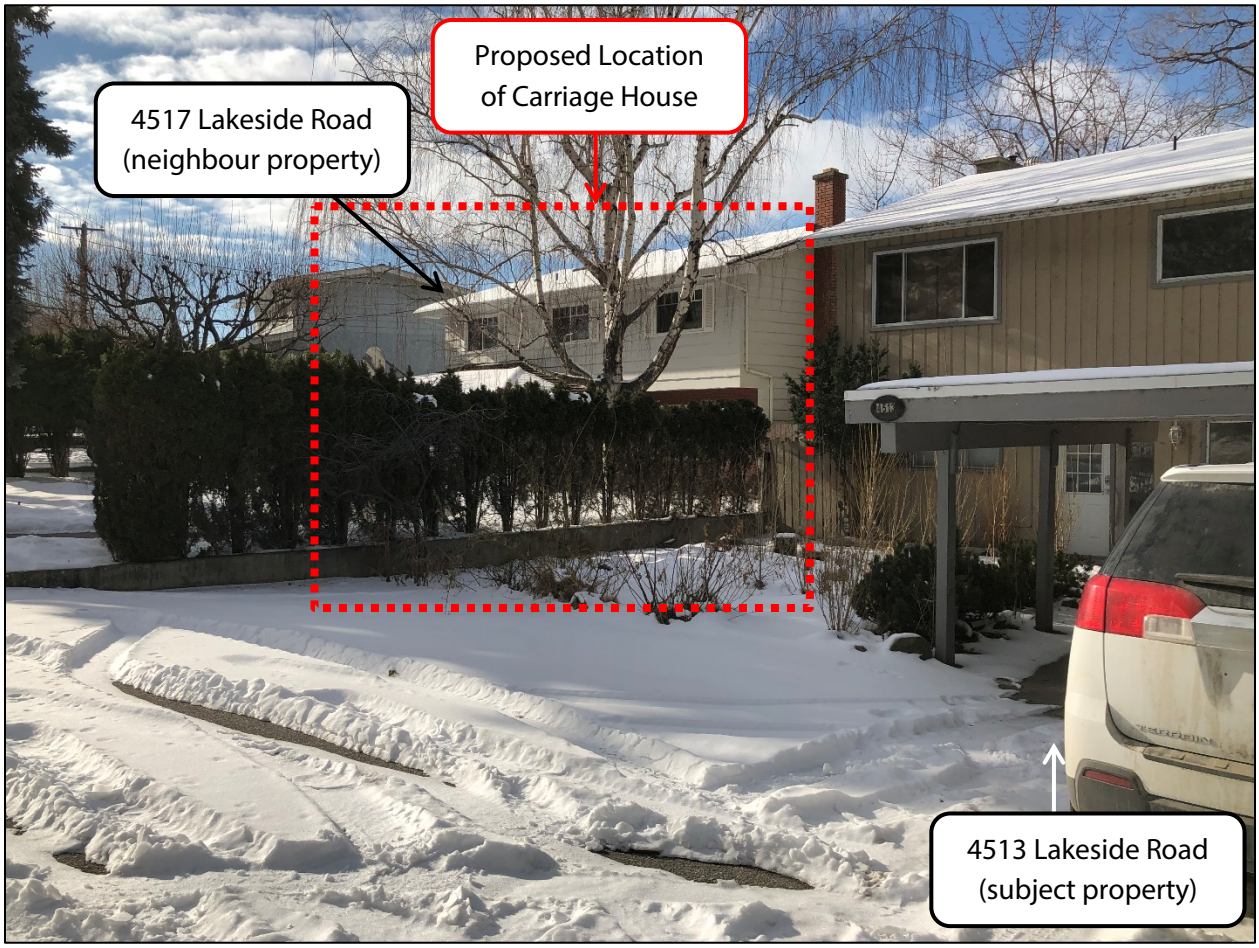


Figure 5 – Looking south toward location of proposed carriage house

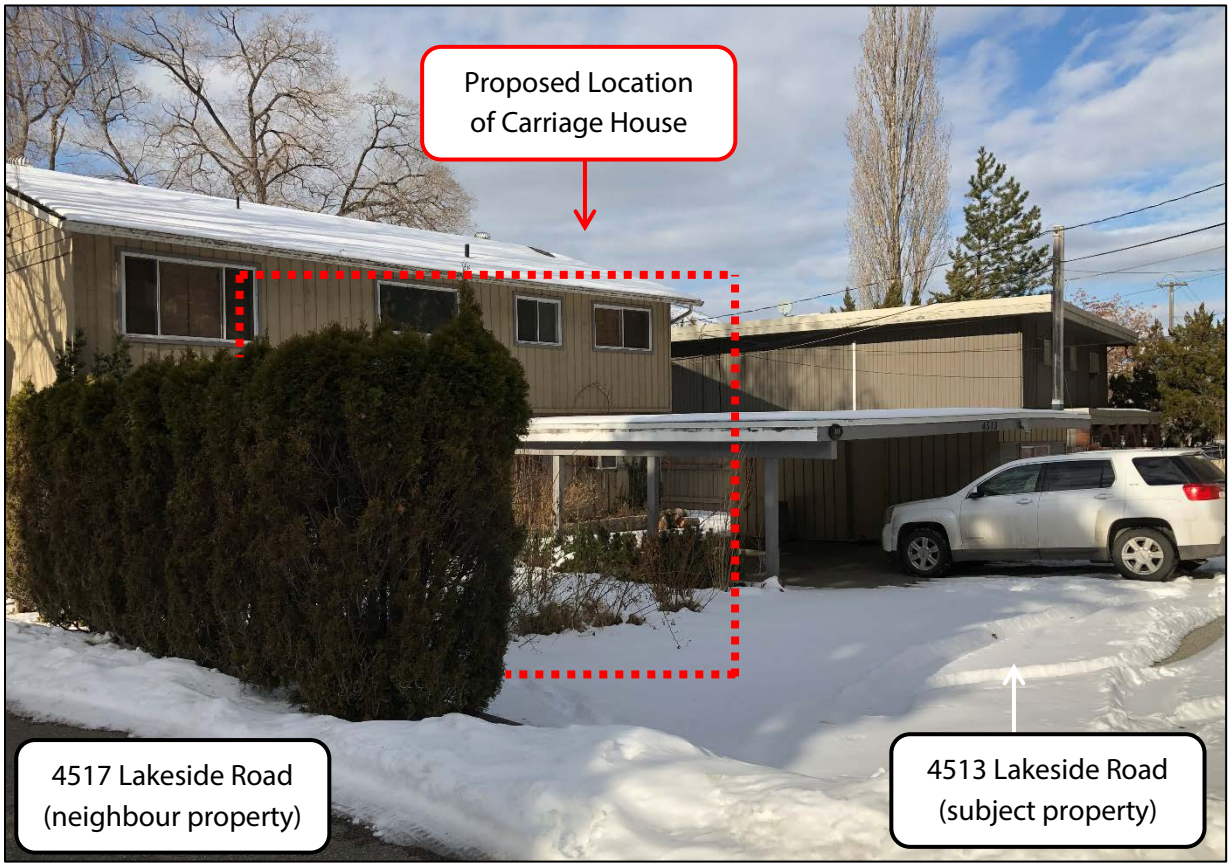


Figure 6 – Looking north toward subject property

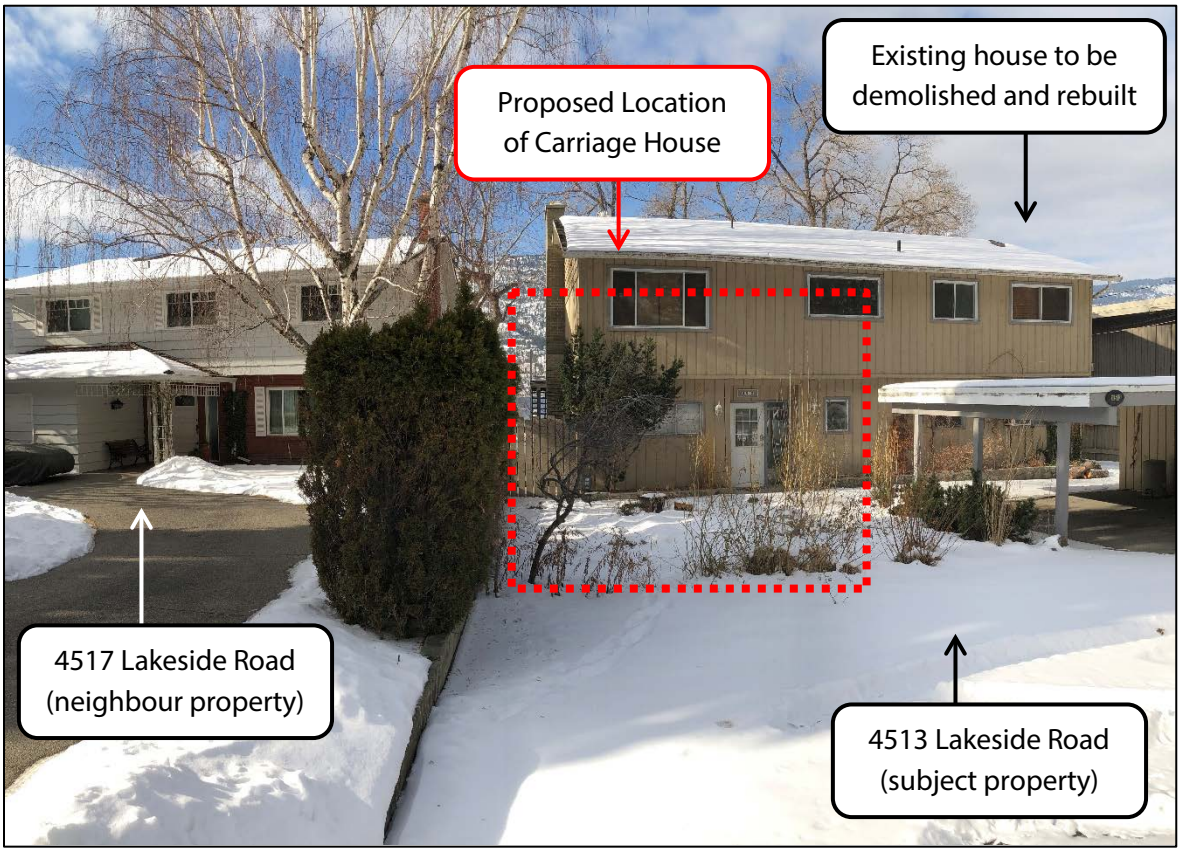


Figure 7 – Looking west toward subject property

Attachment E – Letter of Intent

C.I. Design + Graphix Services, 28-1020 Mainland, Vancouver, B.C., V6B 2T4, 778 998 0738, www.idesignandgraphix.com, mail@idesignandgraphix.com

December 18, 2018

City of Penticton
Development Permit Variance
171 Main St.
Penticton, BC V2A 5A9

RE: 4513 Lakeside Drive, Penticton, BC

Design Rationale

This proposed development is for a new two storey, single family home facing Skaha lake with a carriage house and a garage. The main house has a single sloped roof, pitched upwards towards the lake. The two storey Carriage house has a complementary single slope roof, pitched upwards towards Lakeside drive. An attached single car garage is on the ground floor of the Carriage house.

This variance application is for the new carriage home with an attached garage. During the design phase, the Penticton zoning bylaw was amended. The amendment affected the proposed carriage house maximum allowable height and number of storeys. This variance application is also seeking relaxation of placement of the carriage house 'in front' of the principle residence.

Height:
On October 30th, the zoning bylaw amendment was adopted. The revision was a response to an outcry against massive structures too close to the rear lot line. The revised maximum height was reduced from an overall 7.0m max. height, to 5.0m and 1 storey, for properties without lane access. This reduction was intended for properties in urban settings where there is no access lane. In contrast, this proposal will not have the negative impact of a 7.0m tall structure on the neighbouring property to the rear. Moreover, the proposed carriage house will have a mean height of less than 6.0m. A variance is requested for the retention of a maximum height of 7.0m and two-storeys.

Siting:
Orientation of the house is in an east-west direction. Access into the property is from Lakeside Drive to the east. Skaha lake is to the west of the property. The bylaw's definition of 'front' defines the east side, fronting Lakeside drive, as the 'front' of the house. Arguably, the water front is the 'front' whereas the access road is the 'back'. For this water front house proposal, the main house is situated fronting the lake, with the carriage house appropriately sited behind the main house. A variance is requested for the allowance to place the carriage house 'in front' of the principle dwelling on this site.

In support of this application, we ask the City of Penticton to consider the following points:

1. The carriage house size is less than the maximum allowable size and height according to the preceding zoning bylaw.

Figure 8 – Letter of Intent (Page 1/2)

C.I. Design + Graphix Services, 28-1020 Mainland, Vancouver, B.C., V6B 2T4, 778 998 0738, www.idesignandgraphix.com, mail@idesignandgraphix.com

2. The contemporary design of the proposed house and carriage house will add to the overall property values of the area.
3. The proposed location of the carriage house, although technically in front of the principle dwelling, is located appropriately behind it.
4. The carriage house is easily accessed from the road and does not negatively impact on mass and scale.
5. This development will be a win-win situation for the City of Penticton by providing more quality dwellings in Penticton.
6. Overall 'footprint' of the proposed development is less than the allowable 40%, at 36.1%.
7. The carriage house will add additional needed rental housing to the area.

Sincerely,

Peter Dartana

C.I.Design and Graphix Services
#28, 1020 Mainland St, Vancouver, BC, V6B 2T4, 778.998.0738

Figure 9 – Letter of Intent (Page 2/2)

Lakestream
Environmental Services

December 19, 2018

City of Penticton
Development Permit Variance Application
171 Main St.
Penticton, BC V2A 5A9

Re: 4513 Lakeside Road, Penticton, BC

Letter of Intent

Recently, Lakestream Environmental Services, acting as agent for Steve McIntyre, owner of the property at 4513 Lakeside Road, submitted a Riparian Development Permit application to the City of Penticton for redevelopment purposes. The owner has proposed the removal of the existing single family residence and garage on the property with a new residence and carriage house. We had earlier submitted a Riparian Area Regulation Report to the province for development within the Skaha Lake riparian zone and had been advised by reviewers that our proposal met the standards of the riparian area regulations. Following receipt of approvals from the province we then prepared a City of Penticton Riparian Development Permit Application which included the proposed development plans as prepared by Peter Dartana of C.I. Design and Graphix Services showing the removal of existing structures and featuring a new two storey, single family home, which faced Skaha lake, and a carriage house and garage facing Lakeshore Drive.

Randy Houle, City of Penticton Planner, reviewed our application and provided comments back indicating that our riparian development permit application met their criteria of development outside of the SPEA, however, the development plans did not meet their bylaw regulations.

Upon receiving this information Peter Dartana contacted Randy Houle for clarification of his comments and it was explained that the City Bylaws were in process of being changed, unknowingly to Peter, while the plans were being prepared. C.I. Design and Graphix have decided that the reasonable course of action going forward is to apply for a Development Permit Variance Application. They have accordingly provided design rationale and update of drawings in the following information package and have requested that Lakestream prepare the framework of the Variance Application.

The following information package provides the details and rationale for a Development Permit Variance Application.

Figure 10 – Letter of Intent (Page 1/2)

Respectfully submitted,

Brian Jantz, R.P.Bio
Lakestream Environmental Services
P.O. Box 1788, Summerland, B.C. V0H 1Z0
Phone 250-494-1765 Cell 250-488-9560
bajantz@shaw.ca

Figure 11 – Letter of Intent (Page 2/2)

Attachment F – Proposed Floor Plans

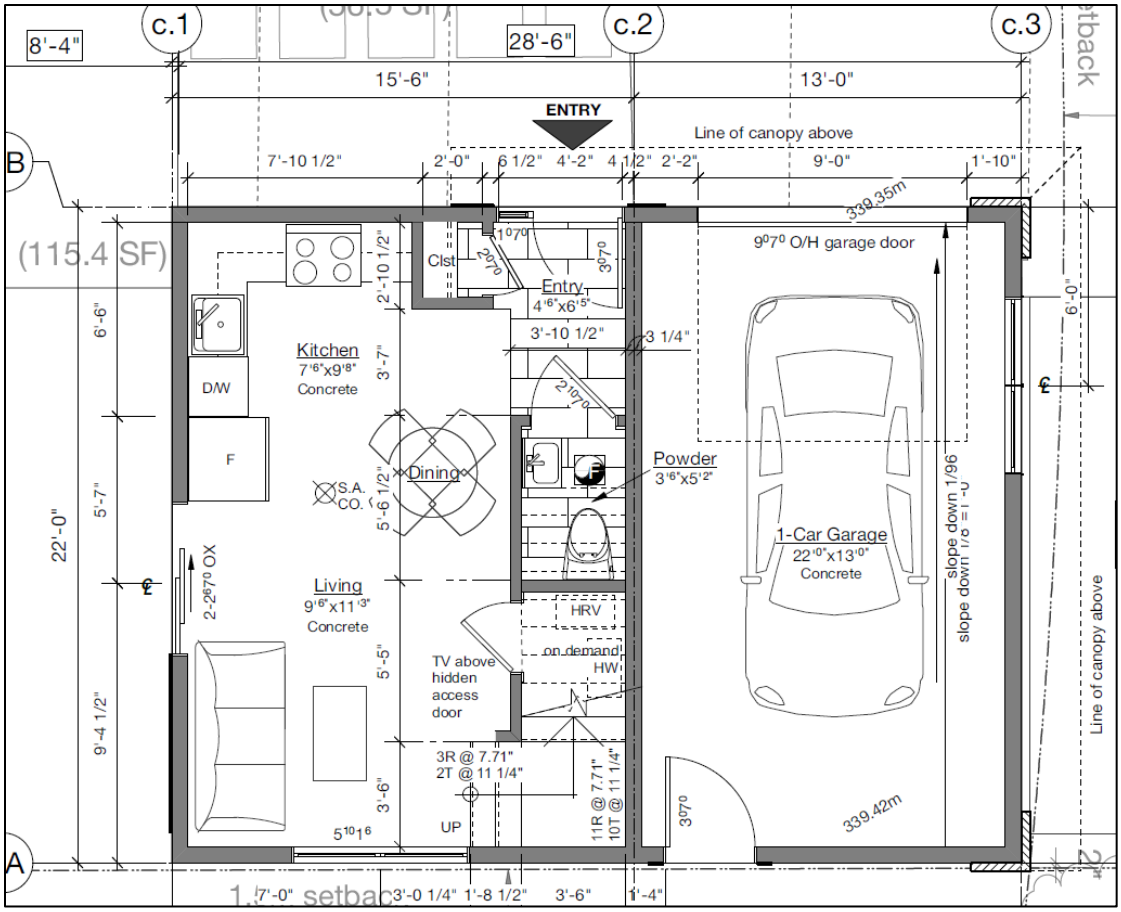


Figure 12 – Main Level Floor Plans

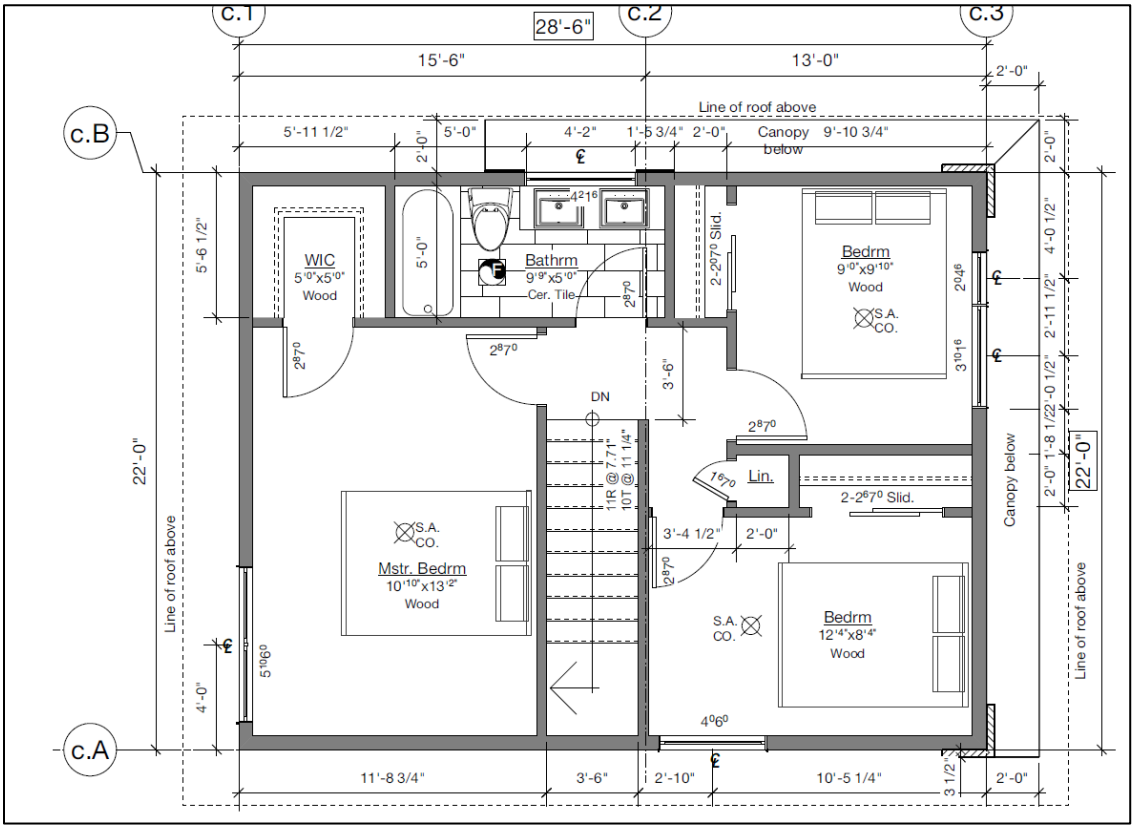


Figure 13 – Upper Level Floor Plans

Attachment G – Draft Development Variance Permit

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

Development Variance Permit

Permit Number: DVP PL2019-8442

Owner Name
Owner 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 3 District Lot 190 Similkameen Division Yale District Plan 8200
   Civic: 4513 Lakeside Road
   PID: 009-854-398

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 two rows of six-unit townhouses:

   a. Section 8.2.3.3: to increase the maximum building height in the R1 zone, where no lane exists from 5.0m and one floor to 6.4m and two floors; and

   b. Section 8.2.3.5: to allow the siting of a carriage house in the R1 zone to be located closer to the front lot line than the principal dwelling.

DRAFT
DVP PL2019-8442

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.

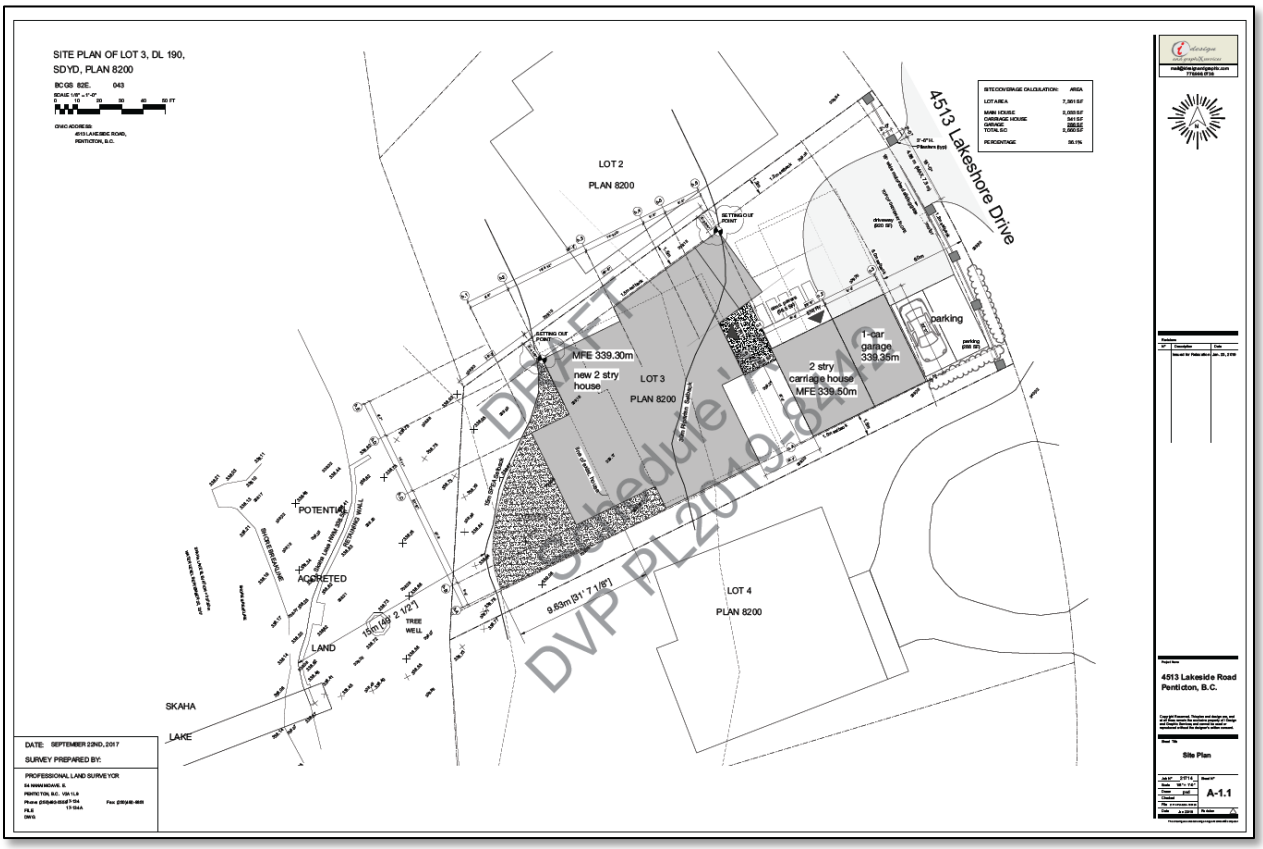
Authorized by City Council, the _____ day of _____, 2019

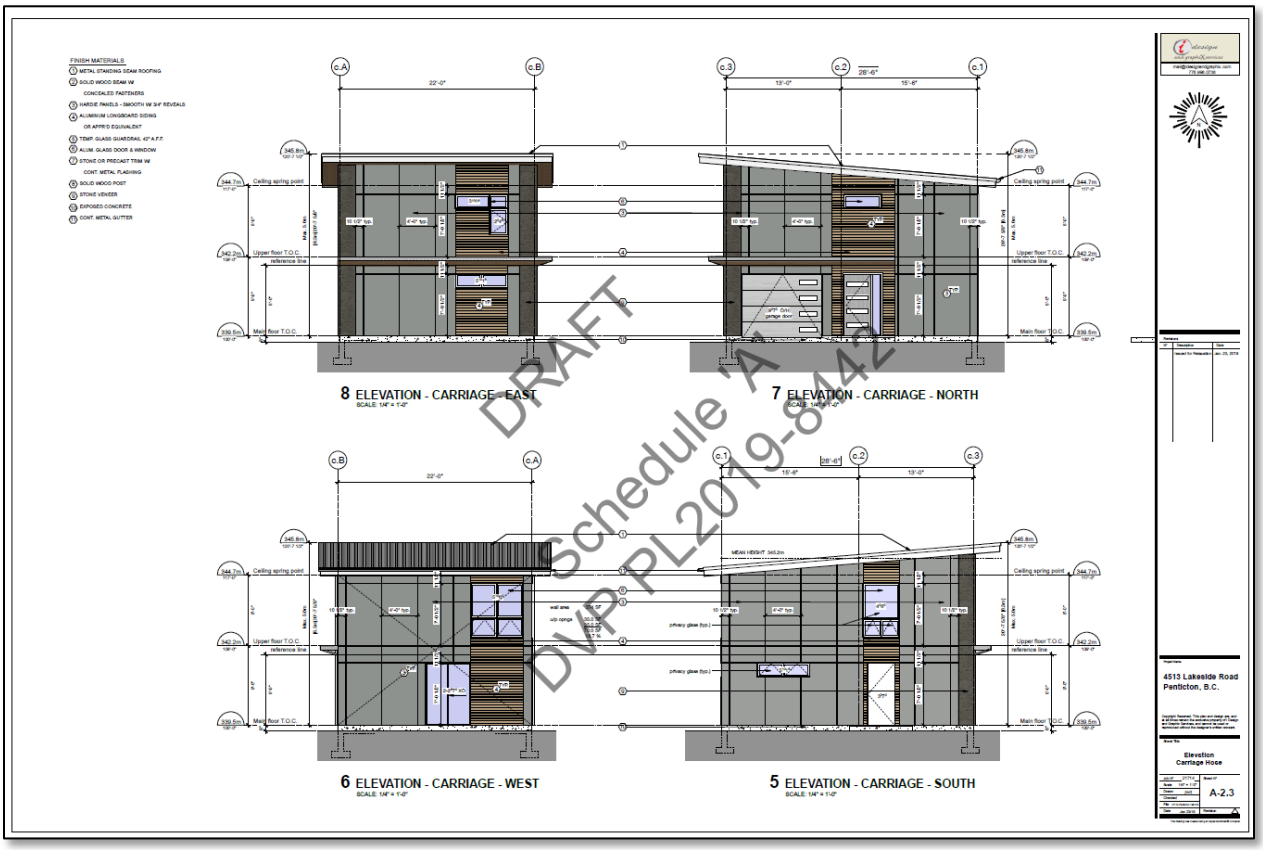
Issued this _____ day of _____, 2019

_____

Angela Collison,
Corporate Officer

DRAFT
DVP PL2019-8442


SITE PLAN OF LOT 3, DL 190,
SDYD, PLAN 8200
4513 LAKESHORE ROAD,
PENTICTON, B.C.
4513 Lakeshore Drive
LOT 2
PLAN 8200
MFE 339.30m
new 2 stry
house
LOT 3
PLAN 8200
2 stry
carriage house
MFE 339.50m
1-car
garage
339.35m
parking
LOT 4
PLAN 8200
POTENTIAL
ACCRETED
LAND
SKAHA
LAKE
DRAFT
Schedule 'A'
DVP PL2019-8442
DATE: SEPTEMBER 22ND, 2017
SURVEY PREPARED BY:
PROFESSIONAL LAND SURVEYOR
4513 Lakeside Road
Penticton, B.C.
Site Plan
A-1.1


FINISH MATERIALS
8 ELEVATION - CARRIAGE - EAST
SCALE: 1/4" = 1'-0"
7 ELEVATION - CARRIAGE - NORTH
SCALE: 1/4" = 1'-0"
6 ELEVATION - CARRIAGE - WEST
SCALE: 1/4" = 1'-0"
5 ELEVATION - CARRIAGE - SOUTH
SCALE: 1/4" = 1'-0"
DRAFT
Schedule 'A'
DVP PL2019-8442
4513 Lakeside Road
Penticton, B.C.
Elevation
Carriage Hose
A-2.3

Council Report

penticton.ca

Date: March 19, 2019 File No: PRJ2019-012
To: Donny van Dyk, Chief Administrative Officer
From: Nicole Capewell, Planner 1
Address: 175 Cossar Avenue
Subject: **Development Variance Permit PL2019-8455**

Staff Recommendation

THAT Council approve "Development Variance Permit PL2019-8455" 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 vary Zoning Bylaw Section 10.8.2.3, to increase the maximum lot coverage from 40% to 43%;

AND THAT staff be directed to issue "DVP PL2019-8455".

Background

The subject property (Attachment 'A') is the location of an infill project. On May 8, 2018, Council approved the following:

- Official Community Plan Amendment (Bylaw No. 2018-21):
  To amend the OCP designation from HR (High Density Residential) to MR (Medium Density Residential), and to include the property within the General Multiple Family Development Permit Area; and
- Zoning Amendment Bylaw (No. 2018-22):
  To rezone the property from RD2 (Duplex Housing: Lane) to RM2 (Low Density Multiple Housing); and
- Development Variance Permit
  To reduce the interior side yard setback from 3.0m to 1.5m; and
- Development Permit to allow for the construction of two side-by-side duplexes (total 4 units).

Council supported the development applications, as the proposal was consistent with City policy to increase density within established neighbourhoods. The subject property is located within close proximity of the Penticton Plaza, which contains stores including Safeway, Shoppers Drug Mart, Dollar Superstore, etc. The existing neighbourhood has a mixture of single family homes, duplexes, small apartment buildings and newly construction townhouses (4-unit townhouse at 102 Cossar Avenue).

Following Council approval on May 8, 2018, building permits for the two duplex buildings were applied for and issued and the project is now nearing completion.

At the time of the framing inspection, it was identified that the elevation of the foundations was higher than what was approved on the Building Plans. As a result, the decks at the rear of the duplex buildings are constructed more than 0.6m high from the finished grade, which makes them no longer exempt from lot coverage calculation. When included in the lot coverage, the decks put the total lot coverage over the

maximum 40% lot coverage permitted in the RM2 zone of the City's zoning bylaw. At this time, the Building Official engaged the Planning Department to work with the developer to resolve the issue.

Because the decks are concrete and form part of the building foundation, altering them is not an easy option. The alternative to obtaining this variance would be to artificially raise the grade of the property, thus making the decks lower than 0.6m from grade. This would require pouring of perimeter retaining walls around the property and bringing in fill.

The applicant has requested a variance to increase the permitted lot coverage from 40% to 43% to accommodate the deck space as is.

Proposal

The applicant is requesting a variance to Zoning Bylaw 2017-08, Section 10.8.2.3 to increase the maximum lot coverage from 40% to 43%.

Financial Implication

This application does not pose any significant financial implications to the City. Development costs are the responsibility of the developer.

Technical Review

The development application was reviewed by the City's Technical Planning Committee. No significant issues arose in the process.

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the variance application:

	Requirement RM2 Zone	Provided on Plans
Minimum Lot Width:	18 m	*14.3 m
Minimum Lot Area:	540 m^2	688.2 m^2
Maximum Lot Coverage:	40%	**43% - Variance Requested**
Maximum Density:	0.8 Floor Area Ratio (FAR)	0.75 FAR
Vehicle Parking:	5	5
Required Setbacks Front Yard (Cossar Avenue): Side Yard (east): Side Yard (west): Rear Yard (lane):	 3.0 m 3.0 m 3.0 m 6.0 m	 3.0 m 1.5 m – **Variance previously approved** 1.5 m – **Variance previously approved** 6.8 m
Maximum Building Height	12 m	7.4 m
Other Information:	• Property is located within the Plaza Urban Village • Property is located within the General Multiple Family Development Permit Area * The minimum parcel standards (in terms of width and area) only apply when a new parcel is being created, not through the rezoning of an existing parcel.	

Analysis

Support Development Variance Permit

When this issue was first identified (during framing inspection) at 175 Cossar Avenue, the Development Services Department began working with the developer to determine a solution for the lot coverage. As the developer was willing and eager to work with the Planning Department to find a solution, the Building Officials allowed construction to continue, provided that occupancy inspections for both buildings would not be done until the issue was resolved. The developer was presented with two options to consider to resolve the issue:

1. Increase the elevation of the finished grade to make the decks no more than 0.6m high (from grade). This may require small retaining walls along the side yards to enable the grade to be raised and still allow for usable outdoor space (without having sloped backyards to accommodate this grade change); or
2. Leave the finished grade at a lower elevation, resulting in the decks being more than 0.6m high. This results in a greater lot coverage than the 40% that the RM2 zoning allows. This would require a variance be applied for and granted from Council.

Staff recommended that the developer reach out to the neighbours of the subject property to assist in determining which option they choose. After consideration and consultation with the neighbours, the developer chose to pursue the variance option to increase the maximum lot coverage to 43%.

The developer received written support from the property owners on both sides of the property (187 and 163 Cossar Avenue) for the increase in lot coverage, which were submitted to staff with the application.

Furthermore, although the decks are higher from the ground than originally envisioned, the plans are almost identical to what was approved by Council through the zoning and permitting process.

Given the above, staff find the variance request reasonable and recommend that Council support the application.

Further to this issue, staff have conducted a review of the development process for this property to determine how to avoid this happening in future projects. Applications now require more detailed/accurate elevations at earlier stages in the development process for similar projects to ensure that the buildings proposed are using accurate elevations for the properties they are on.

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 developer should raise the finished grade of the property to keep the lot coverage within the maximum 40%. If this is the case, Council should deny the variance.

Alternate Recommendations

1. THAT Council approve “DVP PL2019-8455” with conditions that Council feels are appropriate.
2. THAT Council deny “DVP PL2019-8455” and require that the development be within the maximum lot coverage permitted for the RM2 zone.

Attachments

Attachment A:	Subject Property Location Map
Attachment B:	Images of Subject Property
Attachment C:	Letter of Intent
Attachment D:	Site Plan
Attachment E:	Draft Development Variance Permit (DVP)

Respectfully submitted

Nicole Capewell
Planner 1

Approvals

Director Development Services	Chief Administrative Officer
AH	DvD

Attachment A – Subject Property Location Map

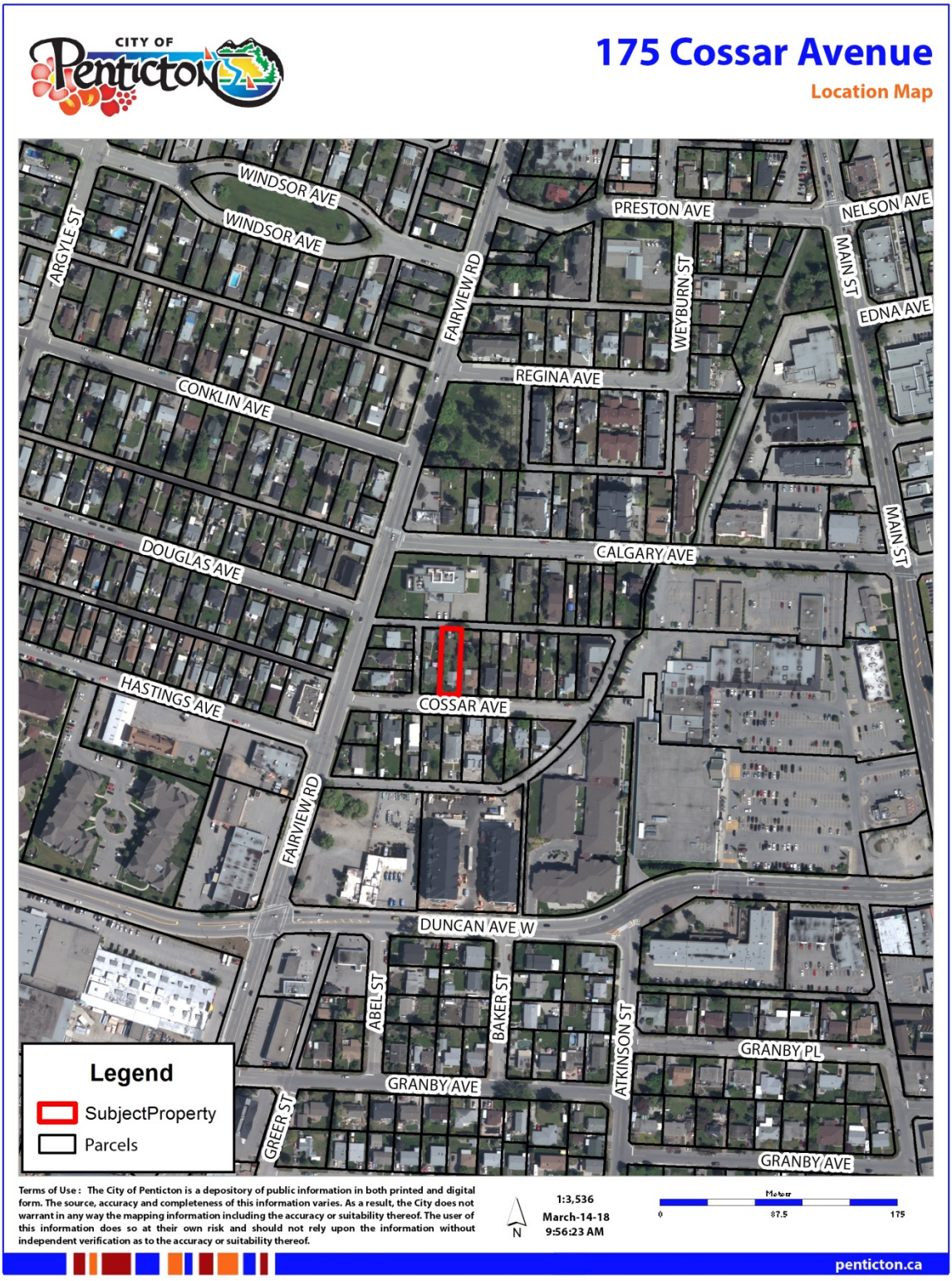


Figure 1 – Subject Property Highlighted in Red

Attachment B – Images of Subject Property

Figure 4 – Looking at the front of the street facing duplex

Figure 5 – Rendering of street facing duplex, approved in May 2018

Figure 6 – Looking at the deck of one of the units (over 0.6m from finished grade)

Figure 7 – Looking at the decks of the 4 units

Attachment C – Letter of Intent

Harry Howard Mortgages Inc

103 – 386 Ellis Street, Penticton, BC V2A 4L7. 250-490-6731. harry@harryhoward.ca

January 16, 2019

Mayor and Council
City of Penticton,
171 Main Street,
Penticton, BC

Dear Mayor and Council:

This letter of intent is to outline why we would like this variance.

The building height is as it should be (out by 2mm actually) based of the plans and geodetic measurements from the plans, however the practical grade level surrounding the property is different to that shown on the plans.

The natural grade level along the East property line is higher than that on the West. The natural and planned East grade level will ensure the patios are no more than 0.60M above the ground on their Eastern side. This neighbour is unaffected by this application.

The natural grade level on the West places the patios higher that 0.60M above the ground on their Western side. Having spoken with the neighbours to the West, Gertie and Gordy Bews, their preference is that we keep the natural and neighbouring grade on our side rather than build a retaining wall that they have to look at from their side. The other issue with the retaining wall, is that the back yard would then be raised to meet the wall and anyone in the back yard then looks down into the West neighbour's yard.

Please see attached letter of support from the effected neighbour.

It is common sense and neighbourly that we have our yards and property lines meeting that of the neighbours. The issue arises with the West and rear part of the patios being greater than 0.60m above the ground, the square footage of the patios then needs to be included in the dwelling square footage. The bylaw allows for 40% site coverage. When these patios are included in the building size due to parts of them being 20+cm higher, the site coverage ratio increases to 43%.

The sidewalk, gravel berm, fence size and placement decisions have all been made in discussions with the Bews. 4' sidewalk against our buildings, 1' gravel berm between sidewalk and property line, 6' privacy fence in gravel berm along property line.

We are building four 4 bedroom, three bathroom plus recroom units. This design and type is unique to anything else that has been built of late, as others have built suites into the basements. Therefore these units provide proper family sized accommodation which is badly needed.

Should any members of Council have any questions or would like a site visit, please feel free to call or email and I will meet you on site.

Your truly,

Harry Howard

Figure 8 – Letter of Intent

Attachment D –Site Plan

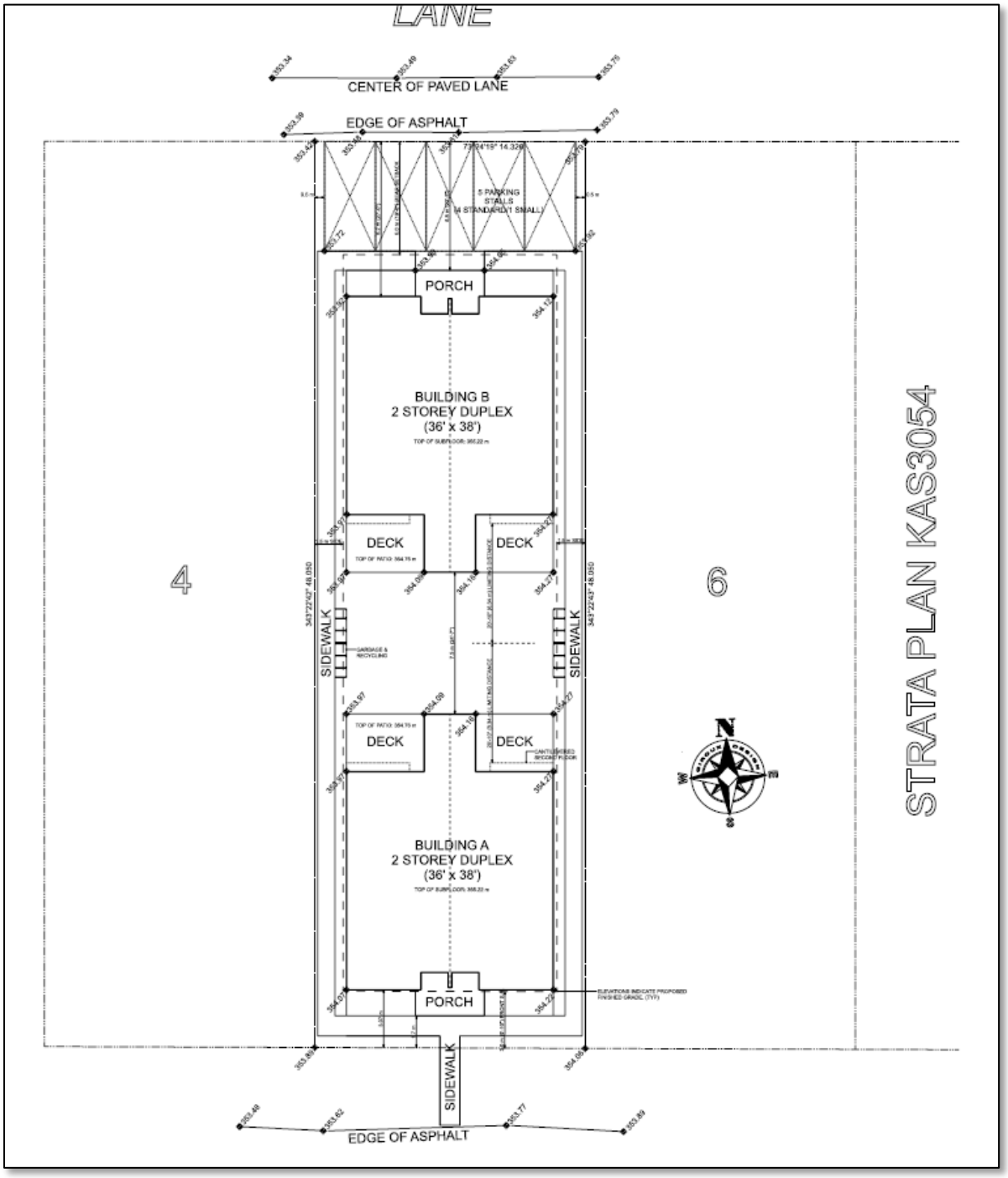


Figure 9 – Proposed Site Plan

Attachment E – 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 PL2019-8455

Owner Name
Owner 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 5 District Lot 1 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3223
   Civic: 175 Cossar Avenue
   PID: 010-875-433

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 two side-by-side duplex buildings:

   a. Section 10.8.2.3: to increase the maximum lot coverage from 40% to 43%.

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 _____, 2019.

Issued this _____ day of _____, 2019.

_____

Angela Collison,
Corporate Officer