



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

**Tuesday, August 20, 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 August 6, 2019 Regular Council Meeting 1-7 Adopt
7. **Consent Agenda:**

*Recommendation: THAT Council approve the Consent Agenda.*

*Consent Agenda:* 8-15

  1. Minutes of the August 6, 2019 Committee of the Whole Meeting;
  2. Minutes of the August 6, 2019 Public Hearing Meeting;
  3. Economic Prosperity and Development Services Advisory Committee Draft Minutes of July 19, 2019.
8. **Committee and Board Reports**
9. **Correspondence**
10. **Staff Reports:**
  - Filice 10.1 Net Metering 16-33  
*Staff Recommendation: THAT Council receive into the record the report titled "Net Metering" dated August 20, 2019.*
  - Laven 10.2 Zoning Amendment Bylaw No. 2019-33 34-45  
Re: 2800 Cedar Road  
*Staff Recommendation: THAT "Zoning Amendment Bylaw No. 2019-33", a bylaw that rezone Lot 1, District Lot 2710, Similkameen Division Yale District Plan 14911, Except Plans 20725 and KAP66018 and EPP57171, located at 2800 Cedar Road, from A (Agriculture) to R1 (Large Lot Residential), be given first reading and be forwarded to the September 3, 2019 Public Hearing.*

Laven	10.3	ALR Subdivision PL2018-8401 Re: 3110 Valleyview Road <i>Staff Recommendation: THAT Council provide support for the "ALR subdivision application PL2018-8401" made to the Agricultural Land Commission (ALC) for Block 202, District Lot 587, Similkameen Division Yale District, Plan 466, located at 3110 Valleyview Road.</i>	46-53
Laven	10.4	Road Closure (Westminster Ave E/Abbott/Van Horne Street) Bylaw No. 2019-32 <i>Staff Recommendation: THAT Council give first, second and third reading to "Road Closure (Westminster Ave E/Abbott/Van Horne Street) Bylaw No. 2019-32", a bylaw that closes portions of Westminster Avenue E, Van Horne Street and Abbott Street to facilitate a land swap and parking improvements.</i>	54-57
Laven	10.5	Downtown Economic Investment Zone Amendment Bylaw No. 2019-31 <i>Staff Recommendation: THAT Council give first, second and third reading to "Downtown Economic Investment Zone Amendment Bylaw No. 2019-31", a bylaw that amends section 6 of "Downtown Economic Investment Zone Bylaw No. 2014-04" allowing incentives to developments subject to a building permit issued before March 1, 2018 and have been issued occupancy no later than June 30, 2020.</i>	58-64
Moroziuk	10.6	Adjacent Property Owner Contribution Local Area Service Bylaw Policy <i>Staff Recommendation: THAT Council approve the "Adjacent Property Owner Contribution Local Area Service Bylaw Policy" dated August 6, 2019; AND THAT Council give first, second and third reading to "Local Improvement Charge Repeal Bylaw No. 2019-28", a bylaw to repeal Bylaw No. 2525 and amendment Bylaw No. 2810 that sets out the percentage of the works to be charged as owners share.</i>	65-75

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;*
- (b) *personal information about an identifiable individual who is being considered for a municipal award or honour, or who has offered to provide a gift to the municipality on condition of anonymity;*
- (c) *labour relations or other employee relations;*
- (g) *litigation or potential litigation affecting the municipality;*
- (j) *information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act.*

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

14. **Bylaws and Permits:**

Laven	14.1	Zoning Amendment Bylaw No. 2019-29 Re: 595 Vancouver Avenue	76-77	2 <sup>nd</sup> /3 <sup>rd</sup>
Laven	14.2	Zoning Amendment Bylaw No. 2019-24 Re: cash in lieu	78-79	2 <sup>nd</sup>
Campbell	14.3	Council Remuneration and Expense Bylaw No. 2019-27	80-81	Adopt
Collison	14.4	Heritage Advisory Committee Repeal Bylaw No. 2019-30	82	Adopt

15. **Land Matters**
16. **Notice of Motion**
17. **Business Arising**
18. **Council Round Table**
19. **Public Question Period**
20. **Adjournment**

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

**Tuesday, August 6, 2019**  
**at 1:00 p.m.**

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

**Staff:** Donny van Dyk, Chief Administrative Officer  
Angie Collison, Corporate Officer  
Anthony Haddad, Director of Development Services  
Angela Campbell, Controller  
Mitch Moroziuk, General Manager of Infrastructure (left at 3:37 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**

350/2019

**It was MOVED and SECONDED**

THAT Council adopt the agenda for the Regular Council Meeting held on August 6, 2019 as presented.

**CARRIED UNANIMOUSLY**

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

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

**5. Reconvene the Regular Council Meeting**

Council reconvened the Regular Council Meeting at 2:21 p.m.

**6. Adoption of Minutes:**

6.1 Minutes of the July 16, 2019 Regular Meeting of Council

351/2019

**It was MOVED and SECONDED**

THAT Council adopt the minutes of the July 16, 2019 Regular Meeting of Council as presented.

**CARRIED UNANIMOUSLY**

**7. Consent Agenda:**

352/2019

**It was MOVED and SECONDED**

THAT Council approve the Consent Agenda.

**CARRIED UNANIMOUSLY**

**8. Committee and Board Reports:**

8.1 Arts, Creative, Cultural Innovations, Heritage & Museum Committee Draft Minutes of July 9, 2019

353/2019

**It was MOVED and SECONDED**

THAT Council receive into the record the Arts, Creative, Cultural Innovations, Heritage & Museum Committee Draft Minutes of July 9, 2019.

**CARRIED UNANIMOUSLY**

354/2019

**It was MOVED and SECONDED**

THAT Council deny the recommendation by the Arts, Creative, Cultural Innovations, Heritage & Museum Committee to develop 5 year maintenance plans for Properties on the Heritage registry.

**CARRIED UNANIMOUSLY**

**9. Correspondence:**

9.1 Correspondence from Cleland Community Theatre Volunteers  
Re: Request review of equipment, rental fees and more

355/2019

**It was MOVED and SECONDED**

THAT Council receive into the record the request from the Cleland Community Theatre Volunteers to review the equipment and rental fees of the Cleland Theatre.

**CARRIED UNANIMOUSLY**

**10. Staff Reports:**

10.1 Consideration of Declaration and Remedial Action  
Re: 175 Brunswick Street

356/2019

**It was MOVED and SECONDED**

Whereas the City has authority under section 72(1) (b) of the *Community Charter* to impose remedial action requirements in relation to a declared nuisance:

1. THAT Council consider this staff report and presentation and, under the authority provided in section 74 of the *Community Charter*, declare the single detached dwelling and detached shed located at 175 Brunswick Street (the "Property") legally described as Lot 8 District Lot 4

Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 368 Parcel Identifier 012-496-227 a nuisance as the buildings are dilapidated, unclean and offensive to the community;

2. AND FURTHER THAT Council declare the overgrown vegetation, white two-door car, and RV Camper on the Property a nuisance under the authority provided in section 74 of the *Community Charter* as they contribute to the unclean and offensive condition of the Property;
3. AND FURTHER THAT Council require remedial action requirements of the owner of the Property as follows:
  - Implement a rodent remediation program with a Pest Control Specialist; obtain a Demolition Permit and demolish the single detached dwelling and detached shed; remove foundations and all demolition material; remove and/or trim overgrown vegetation; remove vehicle and RV camper, and fill in all excavation to prevent water from ponding;
4. AND FURTHER THAT Council set the time limit for completing the remedial action requirements described in Recommendation No. 3 to be no later than 4:30 pm on October 31, 2019 pursuant to section 76 of the *Community Charter*;
5. AND FURTHER THAT Council, under the authority provided in section 17 of the *Community Charter*, authorize staff to take appropriate action to ensure that the Property is brought into compliance with remedial action requirements described in Recommendation No. 3 provided that:
  - The property owner did not fully complete all remedial action requirements on or before the time limit specified in this Council resolution;
  - All costs incurred by the City to bring the Property into compliance at the expense of the property owner is recovered from the property owner as a debt owed to the City; and
  - All costs incurred by the City to bring the Property into compliance at the expense of the property owner will be added to the Property taxes and deemed as taxes in arrears in accordance with section 258(1) (c) of the *Community Charter*.
6. AND FURTHER THAT Council set the time limit for giving notice of a request for Council to reconsider the remedial action requirements described in Recommendation No. 3 to be no later than 4:30 pm on September 13, 2019 pursuant to section 78 of the *Community Charter*.

**CARRIED UNANIMOUSLY**

#### 10.2 Council Remuneration and Expense Bylaw No. 2019-27

357/2019

**It was MOVED and SECONDED**

THAT Council give first, second and third reading to "Council Remuneration and Expense Bylaw No. 2019-27" to implement the recommendations brought forward by the Mayor and Council Remuneration Task Force;

THAT Council rescind Meal Expense Policy, 2002 and Vehicle Mileage Rate Policy, 2004;  
AND THAT Council approve "Meal and Travel Reimbursement Rates Policy".

**CARRIED**  
**Councillor Regehr, Opposed**

10.3 Budget Amendment - Wheel Loader

358/2019

**It was MOVED and SECONDED**

THAT Council amend the 2019 Fleet Capital Budget to allow for the replacement of Unit #57 – 2011 Hyundai HL757-9 Wheel Loader with \$260,000 to be sourced from the Equipment Replacement Reserve;

AND THAT the existing loader be retained as the Public Works Yards loader for light duty work until such time as the lack of effective service life warrants disposal.

**CARRIED UNANIMOUSLY**

10.4 Budget Amendment Bioreactor Waste Pump Replacement

359/2019

**It was MOVED and SECONDED**

THAT Council amend the 2019 Sanitary Sewer Capital Budget to increase the budget for the Bioreactor Waste Pump Replacement project, CAP 35013-S23, by \$140,000 for a total budget of \$365,000 funded from surplus funds available from various already completed sanitary sewer capital projects.

**CARRIED UNANIMOUSLY**

10.5 Penticton and Ellis Creek 2018 Freshet Repair

360/2019

**It was MOVED and SECONDED**

THAT Council amend the 2019 Capital Budget to create two projects:

- Penticton Creek 2018 Freshet Repairs with a budget of \$170,000
- Ellis Creek 2018 Freshet Repairs with a budget of \$70,000

With funds to be sourced from the Asset Emergency Reserve.

**CARRIED UNANIMOUSLY**

10.6 Adjacent Property Owner Contribution Local Area Service Bylaw Policy

361/2019

**It was MOVED and SECONDED**

THAT Council postpone consideration of Adjacent Property Owner Contribution Local Area Service Bylaw Policy to the August 20, 2019 Regular Council Meeting.

**CARRIED UNANIMOUSLY**

10.7 Committee Terms of References

Re: Agriculture, Arts and Heritage

362/2019

**It was MOVED and SECONDED**

THAT Council amend the 2019 – 2022 Terms of Reference for the Agriculture Advisory Committee to include a Penticton Indian Band representative as a voting member.

THAT Council approve the 2019 - 2022 Terms of Reference for the Arts, Creative & Cultural Innovation Committee;

AND THAT Council appoint Councillor Sentes as the Council representative to the Committee.

THAT Council approve the 2019 - 2022 Terms of Reference for the Heritage and Museum Advisory Committee;

AND THAT Council appoint Councillor Sentes as the Council representative to the Committee.

THAT Council give first, second and third reading to "Heritage Advisory Committee Repeal Bylaw No. 2019-30".

**CARRIED UNANIMOUSLY**

**11. Public Question Period**

**12. Recess to a Closed Meeting:**

363/2019

**It was MOVED and SECONDED**

THAT Council recess at 3:37 p.m. to a closed meeting of Council pursuant to the provisions of the *Community Charter* section 90 (1) as follows:

(c) labour relations or other employee relations;

90(2) (b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

**CARRIED UNANIMOUSLY**

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

Council reconvened the Regular Council Meeting at 6:10 p.m.

**14. Bylaws and Permits**

14.1 Zoning Amendment Bylaw No. 2019-26

ALR Non-Farm Use PL2019-8504

Re: 965 Naramata Road

364/2019

**It was MOVED and SECONDED**

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2019-26"; AND THAT Council send a letter of support to the Agriculture Land Commission for Non-Farm Use at 965 Naramata Road.

**CARRIED UNANIMOUSLY**

14.2 Zoning Amendment Bylaw No. 2019-01

Re: 3550 Valleyview Road

365/2019

**It was MOVED and SECONDED**

THAT Council adopt "Zoning Amendment Bylaw No. 2019-01".

**CARRIED UNANIMOUSLY**

14.3 Official Community Plan Bylaw No. 2019-08

366/2019

**It was MOVED and SECONDED**

THAT Council considers it has provided appropriate opportunities for consultation with the persons, organizations and authorities it considers will be affected by the Official Community Plan;

THAT Council give second and third reading to "Official Community Plan Bylaw No. 2019-08";

AND THAT Council adopt "Official Community Plan Bylaw No. 2019-08", a bylaw that provided a framework of goals and policies to guide decisions on planning and land use within the City of Penticton boundaries.

**CARRIED UNANIMOUSLY**

**15. Land Matters**

15.1 Temporary Use Permit TUP2019-8558 – 3 Year Extension Request  
Re: 1883 Dartmouth Road & 1886 Dartmouth Road

Delegations/Submissions:

- No one spoke.

367/2019

**It was MOVED and SECONDED**

THAT Council approve "Temporary Use Permit TUP2019-8558", for Lot 8, District Lot 3821S, Similkameen Division Yale District, Plan 16251, located at 1886 Dartmouth Road and Lot 3, District Lots 3429S and 3821S, Similkameen Division Yale District, Plan 19115, Except Plan 25700, located at 1883 Dartmouth Road, a permit that allows for industrial uses on those parts of the subject properties as identified on Schedule A of the permit;

AND THAT the permit be valid for a period of three years, commencing October 1, 2019;

AND THAT staff be directed to renew the Licence to Use Agreements for use of City land for an additional three year period, in line with the Temporary Use Permit TUP2019-8558;

AND FURTHER THAT staff continue to work with the adjacent property owners, who have requested long term licence renewals, to protect and enhance the existing business operations and Ellis Creek, in line with the Licence to Use Agreements and Ellis Creek Master Planning process over the coming years.

**CARRIED UNANIMOUSLY**

15.2 ALR Exclusion PL2018-8363  
Re: 3810 Valleyview Road

Brad Elenko, on behalf of applicant, spoke in support of the application.  
Albert Lecompte, applicant, spoke and shared his concerns.

368/2019

**It was MOVED and SECONDED**

THAT Council deny support for the "ALR Exclusion PL2018-8363" application to the Agricultural Land Reserve (ALR) for Lot 2, District Lot 587, Similkameen Division Yale District, Plan 15977, Except Plans 20013 and 20826, located at 3810 Valleyview Road.

**CARRIED**  
**Councillors Robinson and Watt, Opposed**

15.3 Soil or Fill Use Application  
Re: 1053 Ohlhausen Road

369/2019

**It was MOVED and SECONDED**

THAT Council support the "Soil or Fill Use" application to the Agricultural Land Reserve (ALC) to allow placement of fill in the ALR to soil bound agriculture on Lot B, District Lot 199, SDYD, Plan 43708, located at 1053 Ohlhausen Road.

**CARRIED UNANIMOUSLY**

15.4 Zoning Amendment Bylaw No. 2019-29  
Re: 595 Vancouver Avenue

370/2019

**It was MOVED and SECONDED**

THAT "Zoning Amendment Bylaw No. 2019-29", a bylaw that rezones "Proposed Lot 1" to R3 (Small Lot Residential: Lane) and Proposed Lot 2 and 3 to R2 (Small Lot Residential) of the subdivision of "Lot A, District Lot 202 Similkameen Division Yale District, Plan 37662" (595 Vancouver Avenue), as shown on Schedule 'A' of the bylaw, be given first reading and be forwarded to the August 20, 2019 Public Hearing;  
AND THAT prior to adoption of "Zoning Amendment Bylaw No. 2019-29", the following condition be completed:

- Registration of a Covenant to restrict direct vehicular access to Proposed Lot 3 (access will need to come through an easement on the Proposed Lot 2 panhandle);
- Demolition of the current single family dwelling.

**CARRIED UNANIMOUSLY**

15.5 Street Naming for Proposed Subdivision  
Re: 120 Cambie Street/Oliver Place

371/2019

**It was MOVED and SECONDED**

THAT Council support naming the portion of road running north/south between Westminster Ave East and Cambie Place "Oliver Place".

**CARRIED UNANIMOUSLY**

**16. Notice of Motion**

**17. Business Arising**

**18. Council Round Table**

**19. Public Question Period**

**20. Adjournment**

372/2019

**It was MOVED and SECONDED**

THAT Council adjourn the Regular Council meeting held on Tuesday, August 6, 2019 at 7:45 p.m.

**CARRIED UNANIMOUSLY**

Certified correct:

Confirmed:

\_\_\_\_\_  
Angie Collison  
Corporate Officer

\_\_\_\_\_  
John Vassilaki  
Mayor

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

**Tuesday, August 6, 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:** Donny van Dyk, Chief Administrative Officer  
Angie Collison, Corporate Officer  
Angela Campbell, Controller  
Anthony Haddad, Director of Development Services  
Mitch Moroziuk, General Manager of Infrastructure  
Caitlyn Anderson, Deputy Corporate Officer

1. **Call to order**

The Mayor called the Committee of the Whole meeting to order at 1:02 p.m.

2. **Adoption of Agenda**

**It was MOVED and SECONDED**

THAT the agenda for the Committee of the Whole meeting held on August 6, 2019 be adopted as presented.

**CARRIED UNANIMOUSLY**

3. **Delegations and Staff Presentations:**

3.1 Economic Development Q2 Update

Andrew Kemp, Economic Development Specialist, provided Council with the Economic Development Q2 update. Council also heard from local business owners: Kevin Smith, Kettle Valley Memorial Services, Celine Nativel, Maison Mulnati (French Vegan Chocolates) and Sara Turner, Seis Ceilo Coffee.

3.2 Community Sharps Committee Update

Ian Gerbrandt, One Sky Community Resources and Daryl Meyers, Pathways Addictions, provided Council with an update on the Penticton sharps disposal strategy, current action items and introduced a community education video to educate the public on how to safely dispose of sharps along with a map of the sharps box locations.

3.3 Penticton Indian Band Natural Resource Department kł̓səl̓xʷikn' (Carmi Mountain) Collaborative Forestry Management Area

James Pepper, PIB Natural Resource Department Manager, provided Council with a brief slide show presentation regarding the Penticton Indian Band Natural Resource Department kł̓səl̓xʷikn' (Carmi Mountain) Collaborative Forestry Management Area.

3.4 Early Years Services Delivery (YMCA Partnership Presentation)

Cassandra Thomas, GM – Community Programs YMCA of Okanagan and Kelsey Johnson, Recreation Business Supervisor provided Council with a presentation on the program update of Early Years Services Delivery between YMCA and the City of Penticton.

3.5 SS Sicamous Marine Heritage Park

Adolf Steffen, Director and Rotary Project Chair, Raymond Wollonick, provided Council with a presentation on a proposed education and woodworking Marine Heritage Park.

**It was MOVED and SECONDED**

THAT Council refer the SS Sicamous Marine Heritage Park idea to the Parks and Recreation Advisory Committee.

**CARRIED UNANIMOUSLY**

4. **Adjourn to Regular Meeting**

**It was MOVED and SECONDED**

THAT Council adjourn the Committee of the Whole meeting held August 6, 2019 at 2:21 p.m. and reconvene the Regular Meeting of Council.

**CARRIED UNANIMOUSLY**

Certified correct:

Confirmed:

\_\_\_\_\_  
Angie Collison  
Corporate Officer

\_\_\_\_\_  
John Vassilaki  
Mayor

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

**Tuesday, August 6, 2019**  
**at 6:00 p.m.**

- Present:** Mayor Vassilaki  
Councillor Bloomfield  
Councillor Kimberley  
Councillor Regehr  
Councillor Robinson  
Councillor Sentes  
Councillor Watt
- Staff:** Donny van Dyk, Chief Administrative Officer  
Angie Collison, Corporate Officer  
Angela Campbell, Controller  
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. 2019-26. He explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council.

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

**2. "Zoning Amendment Bylaw No. 2019-26" (965 Naramata Road)**

The purpose of "Zoning Amendment Bylaw No. 2019-26" is to amend Zoning Bylaw No. 2017-08 as follows:

Add Section 9.2.6.13: "In the case of Lot B District Lots 204 and 205 Similkameen Division Yale District Plan 32206, located at 965 Naramata Road, a Craft Brewery/Distillery, subject to a maximum gross floor area of 400 square meters, shall be permitted."

The applicant is proposing to operate a craft brewery/distillery.

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.

- John Bilodeau, Poplar Grove Road, concerned if the brewery fails can anything operate on the property. It is a site specific amendment, just a brewery/distillery can operate on the property, can't swap a commercial use.

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

- Deborah Webb, Park Place, against permanent removal from ALR. Concerns with clientele, parking and they could get a liquor license instead.
- Brent Tarasoff, Davenport Avenue, spoke in support of the application. Met with owners and expressed concerns with hours and parking, removal of waste and rodents, noise and quality of life.
- Scott Bryer, applicant, the land will not be excluded from ALR. Understands concerns with hours of operation and there will be parking on the property for seven spots.

The public hearing for "Zoning Amendment Bylaw No. 2019-26" was terminated at 6:10 p.m. and no new information can be received on this matter.

Certified correct:

Confirmed:

\_\_\_\_\_  
Angie Collison  
Corporate Officer

\_\_\_\_\_  
John Vassilaki  
Mayor

## **Economic Prosperity and Development Services Advisory Committee Meeting**

**Held at City of Penticton, Council Chambers  
171 Main Street, Penticton, B.C.**

**Friday, July 19, 2019  
at 8:00 a.m.**

**Present:** Frank Conci, Chair  
Campbell Watt, Councillor  
Sharon Fletcher  
Larry Olson  
Chris Allen  
Drew Barnes  
Eric Corneau  
Judy Richards  
Jeff McGinley  
Manda Maggs  
Sandra Oldfield  
Mayor Vassilaki

**Staff:** Anthony Haddad, Director of Development Services  
Blake Laven, Manager of Planning  
Donny van Dyk, Chief Administrative Officer  
Jennifer Vincent, Economic Development Specialist  
Andrew Kemp, Economic Development Specialist  
Paula McKinnon, Legislative Assistant

### **1. Call Regular Committee Meeting to Order**

The Economic Prosperity and Development Services Advisory Committee meeting was called to order by the acting Chair at 8:04 a.m.

### **2. Adoption of Agenda**

#### **It was MOVED and SECONDED**

THAT the Economic Prosperity and Development Services Advisory Committee adopt the agenda for the meeting held on July 19, 2019 as amended to include items 5.5 and 5.6.

**CARRIED UNANIMOUSLY**

3. **Adoption of Minutes**

**It was MOVED and SECONDED**

THAT the Economic Prosperity and Development Services Advisory Committee adopt the minutes of the April 18, 2019 meeting as presented.

4. **Business Arising from Prior Meetings**

5. **New Business**

5.1 Appointment of Vice Chair

**It was MOVED and Seconded**

THAT the Economic Prosperity and Development Services Advisory Committee elect Sharon Fletcher as Vice Chair.

**CARRIED UNANIMOUSLY**

5.2 Economic Development: Second Quarter Update

The Economic Development Specialists and Director of Economic Development updated the Committee on the 2019 work plan, second quarter activity and economic indicators as well as what is upcoming for the Economic Development team.

5.3 Zoning Bylaw: Cash-in-Lieu Payments

The Manager of Planning provided the Committee with a presentation on 'Zoning Amendment Bylaw No. 2019-24', a bylaw that amends the 'cash-in-lieu of parking' and 'parking reductions for providing co-operative cars' provisions of the zoning bylaw. The Committee was informed that the Bylaw was referred to the Committee by Council following first reading. A summary of each proposed change was provided.

Members at large discussed the benefits of a feasibility study.

**It was MOVED and SECONDED**

THAT the Committee support the proposed changes presented in 'Zoning Amendment Bylaw No. 2019-24'.

**CARRIED UNANIMOUSLY**

**Mayor Vassilaki entered the meeting at 9:08 a.m.**

5.4 Development Cost Charge Program Update

The Manager of Planning introduced Development Cost Charges to the Committee. A brief review was provided of the projects funded through the Development Cost Charge Program, best practices, history of Development Cost Charges in Penticton, the challenges and opportunities and the proposed work plan.

A discussion ensued regarding the removal of the energy incentives from the Development Cost Charges Reduction Bylaw to be replaced by the Step Code incentives.

**It was MOVED and SECONDED**

THAT the Committee endorses the "Development Cost Charge Program Update" work plan as outlined below with the understanding that a further review will take place regarding sustainability/green building initiatives.

- Development Cost Charges adjustment to reflect inflation since 2007 (when the rates were established) equaling 38% over a three-year period (2019, 2020, 2021);
- Begin work on a Comprehensive Development Plan based on new Official Community Plan (OCP 2019)
- Begin work on a new Open Space DCC, to be completed prior to May 2020; and
- Remove energy incentives from the DCC Reduction Bylaw (being replaced by the Step Code incentives introduced with the new Building Bylaw).

**CARRIED UNANIMOUSLY**

5.5 Electronic Participation

A member at large inquired to staff whether electronic participation could be made available for future meetings. Staff advised the Committee that the request would be looked into.

5.6 Motion from Development Services Advisory Committee Meeting of December 1, 2017

A member at large inquired to staff why a motion that was made by the Development Services Advisory Committee held on December 1, 2017 was not considered by Council. Staff advised the Committee that an update will be provided on this matter at a future meeting.

**6. Council Outcome**

7. **Next Meeting**

- 7.1 The next scheduled meeting of the Economic Prosperity and Development Services Advisory Committee is to be determined.

8. **Adjournment**

**It was MOVED and SECONDED**

THAT the Economic Prosperity and Development Services Advisory Committee adjourn the meeting held on July 19, 2019 at 9:56 a.m.

**CARRIED UNANIMOUSLY**

Certified Correct:

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Paula McKinnon  
Legislative Assistant

# Council Report

penticton.ca

**Date:** August 20, 2019  
**To:** Donny van Dyk, Chief Administrative Officer  
**From:** Shawn Filice, Manager – Electric Utility

File No: 5500-01

**Subject: Net Metering**

## Staff Recommendation

THAT Council receive into the record the report titled “Net Metering” dated August 20, 2019.

## Executive Summary

This report was prepared in response to recommendations made by a delegation to Council on July 16, 2019 pertaining to Net Metering practices in the City of Penticton. The Electric Utility Bylaw was written in a manner that eliminated cross subsidization for Net Metering. The decision to install distributed generation equipment, such as solar panels, should be based upon their own merit. Should Council now decide they wish to support the strategic initiative to encourage environmentally sustainable developments by offering an incentive to distributed generation customers, some alternatives to support this initiative are included in this report.

## Strategic priority objective

**Asset and Amenity Management:** Identify service levels and costs for all community owned assets and services.

**Community Design:** Utilize best management practices and strategies related to climate change adaptation and mitigation activities.

**Community Design:** Encourage environmentally sustainable development including renewable energy initiatives.

## Background

Net Metering occurs when a customer has the ability to produce their own electricity (i.e. solar panels) and either reduce their consumption of City delivered electricity, or produce enough electricity to cover their annual consumption and in periods of low usage and high energy production; sell their excess electricity back to the City.

A kWh bank allows Customers to virtually store a credit of excess energy produced during summer months to be used in winter months to offset their energy purchases. It should be noted that although the Customer is storing a credit for the excess energy delivered to the grid, the energy itself is not being stored; it is being

consumed in real time by other Customers (i.e. the Utility purchases less energy from FortisBC). When the net metered Customer draws the credit out of their bank at Retail rates in the Winter, the utility is purchasing this excess energy at wholesale rates thus causing the non-net metered Customers to subsidize the difference in costs between Retail and Wholesale rates (i.e. the Utility purchases more energy from FortisBC).

On December 6, 2010 the City of Penticton adopted its first Net Metering Bylaw No. 2010-86 by incorporating language into the Subdivision and Development Bylaw No. 2004-81. See Attachment A for a listing of the Council resolutions Re: Net Metering; they are summarized as follows:

- BC Climate Action Charter Compliance Advisory Committee requested a Net Metering Program
- Bylaw was created whereby excess energy was to be purchased at Wholesale Rates
- BC Climate Action Charter Compliance Advisory Committee requested to match FortisBC's program, have no connection fees and to purchase excess energy at Retail Rates

On March 19, 2019 Council adopted the new Electric Utility Bylaw No. 2017-44 which incorporated the Net Metering language from the Subdivision and Development Bylaw No. 2004-81. See Attachment B for a listing of the Council resolutions Re: Electric Utility Services Bylaw; they are summarized as follows:

- To avoid cross subsidization between customer classes and customers where another customer derives the sole benefit the Bylaw was written to:
  - Purchase excess energy at Wholesale Rates
  - Net Metered Customers pay 100% of the connection fees
  - Billing be reconciled monthly vs. the creation of a kWh bank
- Changed the Payment Plan terms of the 2015 Program:
  - Reduced the minimum amount of the loan from \$5,000 to \$2,000
  - Allow the installation of solar arrays to access this program

On July 16, 2019 Council directed staff to return to Council with a report in response to information received from a delegation requesting changes to the Electric Utility Bylaw No. 2017-44 as it pertains to Net Metering. The delegation suggested the following Net Metering changes be made:

1. Waive Application Fee;
2. Speed up the application process;
3. Provide subsidies or rebates for solar installations;
4. Raise the purchase rate for excess energy back to the retail rate (\$0.12 per kwh);
5. Build a city solar garden;
6. Provide low interest loans for solar installations

When comparing Net Metering Programs of other utilities in the Province (See Table 1) the following observations are made:

- Only those utilities that have two tiered pricing structures offer kWh banks. This was done so the utilities wouldn't have to purchase excess energy at the higher tiered energy rate;
- All BC Utilities charge connection/application fees;
- BCHydro and FortisBC have applied to the BC Utilities Commission to reduce the amount they pay for excess energy; and
- Only 2 out of 7 utilities pay the retail rate when purchasing excess energy

Table 1: Summary of Provincial Net Meter Programs

Company	Buy (\$/kWh)	Sell (\$/kWh)	Bank	Comments
BCHydro Two Tiered Rate	0.0999 ↓ 0.03	0.0945 (675kWh) 0.1417 (>675kWh)	Yes	Uses a formula to calculate the allowable size of the solar array. On April 20, 2019 BCHydro applied to the BC Utilities Commission to reduce the Purchase rate down to \$0.03 (Mid-Columbia Market Price)
FortisBC Two Tiered Rate	0.05098	0.1012 (1,600kWh) 0.1562 (>1,600kWh)	Yes	No limit on the size of the bank. Limit the size of the array to not exceed the Customer's load. Until 2018, FortisBC used to purchase excess energy from Net Metered Customers at the retail rate.
Summerland Two Tiered Rate	0.05441	0.1191 (1,000kWh) 0.1310 (>1,000kWh)	Yes	
Nelson	0.1013	0.1013	No	Size limited to 20kVA
New Westminster	0.1089	0.1089	No	Size limited to 50kW
Grand Forks	0.05441	0.1203	Yes/No	4,000kWh credit applied annually
Penticton	0.05441	0.1284	No	10% early payment discount. 50kVA limit

Over the past 8 years (Dec. 2010—Mar. 2019). Net meter connections were fully subsidized and excess energy was purchased at Retail vs. Wholesale rates:

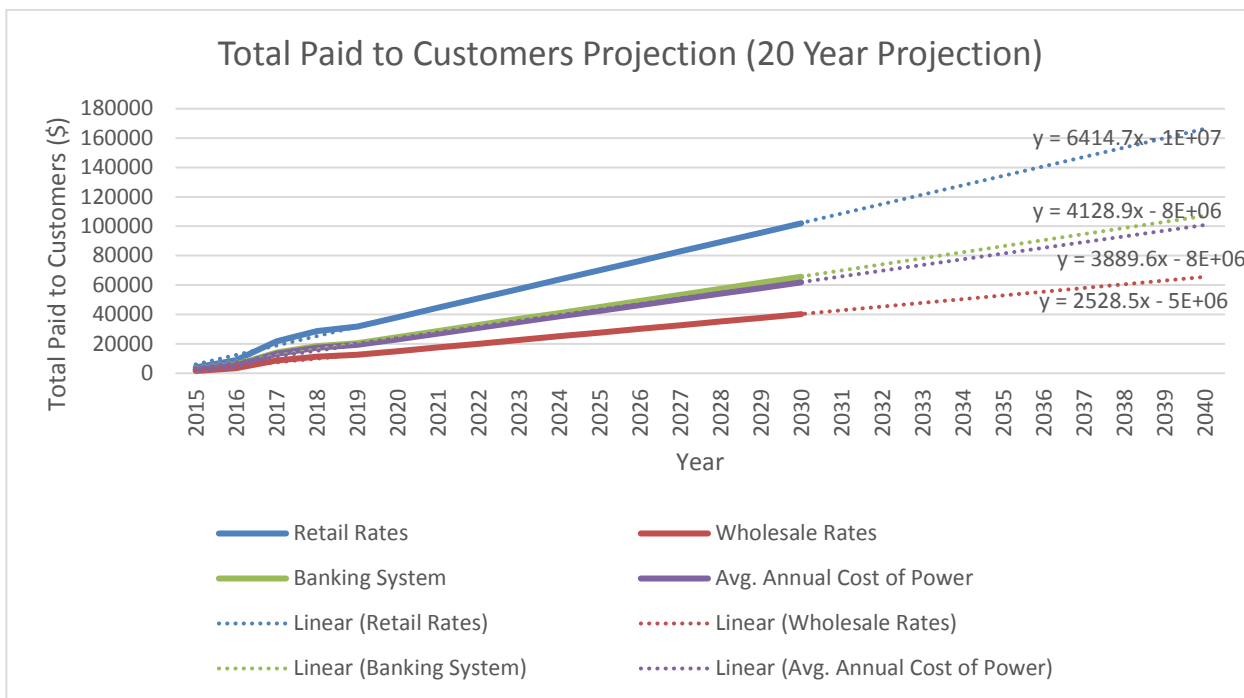
- 20 Residential and 14 Commercial Net Meter accounts were connected which represents an average annual growth rate of 4.7 Residential & 1.7 Commercial Net Meter connections per year.
- \$68,000 in Connection Costs/Application Fees were subsidized by non-net metered Customers over the past 8 years (Approx. \$8,500/year)
- The City paid \$15,622.86 (\$11,281.42 paid to Commercial Customers) in annual premiums purchasing excess energy over the amount it purchases energy from FortisBC:
- 34 Customers represents (0.18% of all Customers)

10-year forecast. Using an annual growth rate of 4.7 Residential & 1.7 Commercial Customers will result in 96 future Customers (65 Residential & 31 Commercial combined will represent 0.4% of all Customers). The chart found under Figure 1 shows the forecast for excess energy purchases for each of the options discussed in this report which can be summarized as follows:

- **Retail Rates & Connection Costs/Application Fees Subsidized** (i.e. what we used to do):
  - Covering the Connection Costs/Application Fees translates to \$124,000 (62 new services @ \$2,000/service) that will be subsidized over the next 10-years;
  - The City will pay \$50,606.00 (\$31,793.11 to Commercial Customers) in annual premiums purchasing excess energy over the amount it purchases from FortisBC: and
  - This option will cause an electricity rate increase of 0.2% to cover the subsidy.

- **Banking System:**
  - This option is the most expensive of the options to implement due to the need to put in place billing software changes @ \$60,000 plus commitment of staff resources;
  - The City will pay \$21,300.48 (\$12,236.78 to Commercial Customers) in annual premiums purchasing excess energy over the amount it purchases from FortisBC; and
  - This option will cause an electricity rate increase of 0.1% to cover the subsidy
- **Penticton’s Electric Utilities Average Annual Cost of Power** (i.e. Alternative Recommendation 1)
  - The City will pay \$18,024.28 (\$10,576.93 to Commercial Customers) in annual premiums purchasing excess energy over the amount it purchases from FortisBC; and
  - This option will cause an electricity rate increase of 0.1% to cover the subsidy
- **Wholesale Rates** (i.e. what we do now):
  - No cross subsidization;
  - No annual premiums;
  - No incremental electricity rate impacts.

Figure 1: Net Metering Energy Purchase Forecast



Speaking to the delegates suggestions, we offer the following noting staff’s recommendations are highlighted:

1. Waive Connection Costs/Application Fees:

Issue	Options	Pros	Cons
Connection Costs / Application Fees	1A. (STATUS QUO) Net metering connection costs remain as per the Electric Utility Services Bylaw No. 2017-44 (i.e. Net meter Customers pay connection costs)	<ul style="list-style-type: none"> <li>• No cross subsidization by other Customers</li> <li>• Save \$124,000 over the next 10-years</li> <li>• No Cost</li> </ul>	<ul style="list-style-type: none"> <li>• It costs approximately \$2,000 per Customer (7 new Connections/year = \$14,000/yr)</li> </ul>
	1B. NO FEE - Net metering connection costs be funded by the City	<ul style="list-style-type: none"> <li>• Net Meter Customers will save \$2,000 of connection costs</li> </ul>	<ul style="list-style-type: none"> <li>• All other Electricity Rate payers will be subsidizing Net Meter Customers</li> <li>• Spend an extra \$124,000 over the next 10-years</li> </ul>
	1C. REDUCED Fee – A portion of the Net metering costs to be funded by the City	<ul style="list-style-type: none"> <li>• Net Meter Customers would save a portion of the connection costs</li> </ul>	<ul style="list-style-type: none"> <li>• All other Electricity Rate payers will be subsidizing Net Meter Customers</li> <li>• Incremental \$ spent based upon the amount of the subsidy</li> </ul>

Staff Recommendation 1: Status Quo – Net Meter Customers pay for connection costs/application fees. This is consistent with all other Customers paying for new services and service upgrades and consistent with all other BC Utilities. There is no cross subsidy from other rate payers.

2. Speed up the application Process:

The language in the Bylaw indicates Net Meter Customers are to provide 6 months’ notice to the Electric Utility and they must obtain approval of their system in advance of purchasing or installing their equipment. The time it takes to review an application, enter into an agreement and fully commission the installation is entirely dependent upon the complexity of the installation with the bulk of the time taken by the Customer in executing the agreements and ordering equipment. The Customer has full control over the equipment they purchase and the agreement execution phase and for simple installations the application review and connection phase could be as short as a few weeks. The vast majority of connections are completed in less than 2 months.

Staff Recommendation 2: Status Quo – No changes to the Bylaw as typical net meter connections are streamlined and the language in the Bylaw allows for time to address the more complex applications.

3. Provide subsidies or rebates for solar installations:

Issue	Options	Pros	Cons
Subsidies / Rebates	3A. (STATUS QUO) No Subsidies/Rebates	<ul style="list-style-type: none"> <li>• No cross subsidization by other customers</li> <li>• No Cost</li> </ul>	<ul style="list-style-type: none"> <li>• Customers that want to enter into Net Metering arrangements receive no subsidies/rebates</li> </ul>
	3B. Offer Subsidies/Rebates	<ul style="list-style-type: none"> <li>• Net Meter customers will receive a subsidy/rebate which would improve their return on investment and would incent others to invest</li> </ul>	<ul style="list-style-type: none"> <li>• All other Electricity Rate payers will be subsidizing Net Meter Customers</li> </ul>

Staff Recommendation 3: Status Quo – No subsidies/rebates. There is no cross subsidy from other rate payers. The City does offer a low interest rate loan to help offset the high capital costs associated with the installation of solar panels (See issue #6 below)

4. Raise the purchase rate for excess energy back to the retail rate (\$0.12 per kwh):

Issue	Options	Pros	Cons
Excess Energy Purchase Rates	4A. (STATUS QUO) The rate the City purchases excess energy remain as per the Electric Utility Services Bylaw No. 2017-44 i.e. Wholesale Rates (FortisBC Electric Tariff Schedule 40)	<ul style="list-style-type: none"> <li>FortisBC and BCHydro are attempting to move in this direction with the British Columbia Utilities Commission; whereas the other BC utility practices are varied</li> <li>Electric Rate Payers would not be subsidizing the revenue of others. The City would be purchasing energy produced by all suppliers at the same rate</li> <li>Allows customers to offset their electrical load at Retail Rates</li> </ul>	<ul style="list-style-type: none"> <li>Payback period for solar arrays is extended</li> </ul>
	4B. RETAIL - The rate the City purchases excess energy be to equal the rate that energy is sold to the customer i.e. Retail Rates (Appropriate Rate Code that the Electric Utility charges for power for the class of said Customer)	<ul style="list-style-type: none"> <li>Payback period for solar arrays is improved</li> <li>Minimal Cost to the billing system as our billing system can handle this without modification</li> </ul>	<ul style="list-style-type: none"> <li>Electric Rate Payers would be subsidizing the revenue of others</li> <li>\$16,000 annual premium today &amp; \$68,000 premium in 10-years</li> <li>Require a 0.2% electricity rate increase in 10-years</li> </ul>
	4C. CUSTOMER CHOICE - Customers be given the choice if they want to purchase renewable energy at a premium rate. Extra revenue can be shared on a pro-rata basis with Net Meter Customers	<ul style="list-style-type: none"> <li>Voluntary subsidy: Non net-meter Customers choose if they want to subsidize net-meter Customers</li> <li>Minimal Cost</li> </ul>	<ul style="list-style-type: none"> <li>Low uptake is forecasted (FortisBC has offered this for more than 1 decade with 0% uptake)</li> </ul>

Staff Recommendation 4: Status Quo – City to purchase excess energy at Wholesale Rates. There is no cross subsidy from other rate payers.

5. Build a city solar garden:

This concept was studied in 2017. It was determined that without 50% grant funding there was no business case to proceed. This topic amongst others are being reviewed again in 2019 via an active request for proposal.

6. Provide low interest loans:

Low interest loans for solar installations were introduced when the Bylaw was adopted in March of 2019. Qualifying customers can make application through the Payment Plan and have the entire array and electric service upgrades paid for by the City with the customer repaying the loan by making equal payments on their utility bill over 5-years at Prime + 0.5%.

7. Introduce a kWh bank:

The delegation did note the City of Penticton does not offer a kWh bank during their presentation; however, no recommendations were made.

Issue	Options	Pros	Cons
Banking Excess Energy	7A. (STATUS QUO) NO kWh BANK - Billing Net Metered Customers remain as per the Electric Utility Services Bylaw No. 2017-44 (i.e. Monthly reconciliation)	<ul style="list-style-type: none"> <li>No additional costs to modify the billing software</li> <li>No cross subsidization by other customers, only those utilities with a two tiered rate structure allow banking to avoid purchasing the excess energy at the highest rate</li> </ul>	<ul style="list-style-type: none"> <li>Does not allow for banking of excess energy consumed</li> </ul>
	7B. kWh BANK - Allow Net Metered customers to bank kWh produced and reconciled annually	Allows for banking of excess energy consumed	<ul style="list-style-type: none"> <li>Expensive to modify the billing software (\$50,000-\$60,000) and will involve a significant amount of staff time</li> <li>The software modifications will be paid by all electrical customers that only benefit Net Metered Customers.</li> <li>Non-Net Meter Customers will subsidize Net Meter Customers (\$6,500/yr today and \$39,000/yr in 10-years)</li> </ul>

Staff Recommendation 7: Status Quo – Do not introduce a kWh bank. Billing system modifications are expensive and will consume a fair amount of staff time to benefit a very small percentage of Customers. In addition, creating a kWh bank will require cross subsidy from other rate payers.

**External Consultant Review**

Attachment C includes a copy of an independent and objective review of this Council report prepared by Andrew McLaren, Intergroup Consultants. Intergroup Consultants are the consulting firm that recently conducted the City’s Utility Rate Review Study and a summary of their comments are as follows:

- Sizing of net metering installations – They indicate many utilities are introducing language to limit the size of solar arrays to mitigate the costs related to purchasing excess energy at a premium.
  - Staff Comments - The Electric Utility Services Bylaw has language to address this concern
- Excess Energy Purchase Rates – They indicate many utilities originally purchased the excess energy at Retail rates but are now moving away from this practice but are allowing the use of energy banks. They also note that energy banks are useful because they aide those utilities to generate power.
  - Staff Comments - It should be noted the Penticton Electric Utility is a Distribution Utility and has no Generation, all of its costs are spread amongst all rate payers. The Electric Utility Services Bylaw has reduced the impact of the increase in future energy costs from local generators and has created a model where one rate paying group is not subsidizing another.
- Grandfathering – Some utilities have grandfathered early adopters at historic rates when changes in rate structures were being introduced.
  - Staff Comments - This concept was considered by staff but discounted due to the fact there were only 2 commercial Customers that were net generators and the administrative costs were not worth the extra effort and costs to treat 2 Customers different from all others
- Monitor Uptake and impacts on other Customers – Intergroup suggests utilities have been monitoring and tracking the impact net meter Customers are having on the utility and on neighbouring Customers.
  - Staff Comments - The primary reason the changes were made to the Electric Utility Services Bylaw were as a result of forecasting impacts on the utility and other Customers. It is also why a 5 year review was included in the alternate recommendations below.
- Subsidies – They suggest Council may wish to use funds to incent Customers to enter into the renewable market; however, they recommend financial limits be established to mitigate the risk. They also note that offering subsidies will only help those that are most likely able to fund these projects without a subsidy and those Customers with lower incomes, those that rent and do not own their own homes will be subsidizing those that can afford it.

### **Use of the Electric Reserve**

Should Council wish to proceed with some form of incentive for Net Meter Customers they could fund the costs from the Electrical Reserve instead of through rates. They could set a maximum amount that they would allow to be used from the Electric Reserve, which currently has a balance of \$20,880,000.00.

### **Impact of More Net Meter Customers**

Today we are responding to issues raised by a delegation to Council that want to see incentives put back in place for net metering. There are currently 34 Net Meter Customers out of 19,000 Electric Utility Customers in total. As alternate energy generation increases so will the number of Net Meter Customers. It will be much harder to make changes as the number of Net Meter Customers increase. Should Council wish to proceed with some form of incentive for Net Meter Customers there should be some limits on it and these limits should be clearly communicated to Net Meter Customers.

## **Cross Subsidization**

To avoid cross subsidization between customer classes and customers, Non-Net Meter Customers should not have to pay for services that solely benefit Net Meter Customers. The decision to install distributed generation equipment such as solar panels should be based upon their own merit.

## **Financial implication**

The financial implications associated with each issue are included in the Pro/Con analysis above.

## **Analysis**

Staff Recommendation for the STATUS QUO results in no cost increases and offers no cross subsidization between rate payers.

Should council wish to move forward with an incentive Alternative 1 and 2 would allow for that. The Alternative Recommendation 1 would allow for an estimated annual subsidy of \$18,024.28. The Alternative Recommendation 2 would allow for an estimated annual subsidy of \$30,000/year (\$16,000 in energy plus \$14,000 in Connection/Application Fees) to be drawn from the Electric Utility Reserve fund which was contributed to by all electric utility Customers.

## **Recommendation**

*THAT Council receive this Report into the record.*

The recommendation of staff is that Council Receive this Report into the record, which would mean that no changes would be made.

Should Council decide they wish to support their strategic initiative in encouraging environmentally sustainable developments by offering a subsidy(ies), the Alternate Recommendations presented below would provide for that.

### **Alternate recommendation 1**

*THAT Council direct staff to amend the Electric Utility Services Bylaw 2017-44 and the Fees and Charges Bylaw 2014-07 to purchase excess energy at the Penticton Electric Utilities average annual cost of power, was \$0.0837/kWh in 2018;*

*AND THAT the connection costs/application fees not be waived;*

*AND THAT a kWh bank not be established;*

*AND THAT Council direct staff to report on the progress of net metering to Council in 2024.*

### **Alternate recommendation 2**

*THAT Council direct staff to amend the Electric Utility Services Bylaw 2017-44 and the Fees and Charges Bylaw 2014-07 to purchase excess energy at retail rates and waive the connection costs/application fees with the funds coming from the Electric Reserve fund;*

*AND THAT a kWh bank not be established;*

*AND THAT Council direct staff to report on the progress of net metering to Council in 2024.*

**Alternate recommendation 3**

*THAT Council provide specific direction to staff on how to modify the Electric Utility Services Bylaw No. 2017-44 which may include any of the options noted above.*

**Attachments**

Attachment A – Council Resolutions Re: Net Metering - June 21, 2010 (826/2010); October 4, 2010 (1193/2010); November 15, 2010 (1359/2010); December 6, 2010 (1448/2010) and March 21, 2011 (296 & 297/2011)


Attachment B – Council Resolutions Re: Electric Utility Services Bylaw No. 2017-44 - October 3, 2017 (536/2017); January 23, 2018 (22, 24 & 25/2018); February 6, 2018 (49/2018); February 5, 2019 (38/2019) and March 19, 2019 (173/2019).

Attachment C – Intergroup Consultants Report entitled “Re: Penticton Net Metering Council Report” dated August 12, 2019

Respectfully submitted,

Shawn Filice, MBA, P. Eng.  
Manager – Electric Utility

Concurrence

<p>General Manager of Infrastructure</p> 	<p>A/CFO</p> <p><i>AMC</i></p>	<p>Chief Administrative Officer</p> <p><b>DyD</b></p>
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**ATTACHMENT A – COUNCIL RESOLUTIONS RE: NET METERING**

June 21, 2010 Council Resolution (826/2010)

826/2010

**It was MOVED and SECONDED**

That the BC Climate Action Charter Compliance Advisory Committee recommends to council that the City of Penticton:

1. Set a deadline of September 30, 2010 to implement net metering on its electrical utility.
2. Have available a guide outlining the standards and procedures of becoming a net metered customer
3. Encourage its citizens to reduce carbon emissions by making it free for the producers of low carbon energy to become a net metered customer

**CARRIED UNANIMOUSLY**

October 4, 2010 Council Resolution (1193/2010)

1193/2010

**It was MOVED and SECONDED**

THAT Bylaw 2010-69 being the City of Penticton 2000 Fees and Charges Amendment Bylaw, Electric Utility Rate to reflect a 2.9% increase be adopted.

The Net metering portion of the amendment reads as follows:

NET METERING

Energy Credit – The City will apply a credit for the purchase of power from all City customers at the rate that the City purchases power from the City’s electrical provider. No additional City Fees 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 design, permits and installation.

**CARRIED**

**Mayor Ashton, Councilors Vassilaki and Albas, Opposed**

November 15, 2010 Council Resolution (1359/2010)

1359/2010

**It was MOVED and SECONDED**

THAT Schedule G, Section 00600 – Electrical, of Subdivision and Development Bylaw 2004-81 be amended by adding a new Subsection 7.0 as contained in Attachment “A” to the Council Report;

AND THAT City of Penticton Subdivision and Development Amendment Bylaw No. 2010-86 be introduced and read for the first, second and third time.

**CARRIED UNANIMOUSLY**

December 6, 2010 Council Resolution (1448/2010)

1448/2010

**It was MOVED and SECONDED**

THAT Bylaw No. 2010-86 being a bylaw to Subdivision and Development Bylaw 2004-81, Schedule G, Section 00600 – Electrical be adopted

**CARRIED UNANIMOUSLY**

March 21, 2011 Council Resolution (296/2011)

296/2011

**It was MOVED and SECONDED**

That the BC Climate Action Charter Compliance Advisory Committee recommends to council that:

the city of Penticton's electric utility adopt the same Net Metering policies as FortisBC and BCHydro;

AND THAT specifically, the utility will credit customers for net green energy they produce at their existing retail rate and that other additional expenses (including metering) be paid by the electrical utility

**CARRIED  
Councilor Albas, Opposed**

March 21, 2011 Council Resolution (297/2011)

297/2011

**It was MOVED and SECONDED**

That the BC Climate Action Charter Compliance Advisory Committee recommends that council:

work with committee members to evaluate ways of implementing a net metering rebate program

**CARRIED  
Councilor Albas, Opposed**

**ATTACHMENT B – COUNCIL RESOLUTIONS RE: ELECTRIC UTILITY SERVICES BYLAW No. 2017-44**

October 3, 2017 Council Resolution (536/2017)

536/2017

**It was MOVED and SECONDED**

THAT Council give first reading to “Electric Utility Services Bylaw No. 2017-44”;

AND THAT Council direct staff to consult with the community on the proposed electrical changes prior to second and third reading of the bylaw.

**CARRIED UNANIMOUSLY**

January 23, 2018 Council Resolutions (22/2018, 24/2018 and 25/2018)

22/2018

**It was MOVED and SECONDED**

THAT Council direct staff to consolidate the “Residential/Special Service” and the “Residential” definitions in the Electric Utility Services Bylaw No. 2017-44;

AND THAT Rate Code 15 be removed from the Fees and Charges Bylaw No. 2014-07.

**CARRIED UNANIMOUSLY**

24/2018

**It was MOVED and SECONDED**

THAT net metering connection costs remain as proposed in the Electric Utility Services Bylaw No. 2017-44;

AND THAT the rate the Electric Utility purchases excess energy from Net Metered Customers remain as proposed in the Electric Utility Services Bylaw No. 2017-44;

AND THAT Billing Net Metered Customers remain as proposed in the Electric Utility Services Bylaw No. 2017-44.

**CARRIED**

**Councilor Martin, Opposed**

25/2018

**It was MOVED and SECONDED**

THAT Council direct staff to proceed with the proposed changes prior to further consideration of Electric Utility Services Bylaw No. 2017-44.

**CARRIED**

**Mayor Jakubeit and Councilor Martin, Opposed**

February 6, 2018 Council Resolution (49/2018)

49/2018      **It was MOVED and SECONDED**

THAT Council give second reading as amended and third reading to the “Electric Utility Services Bylaw No. 2017-44”;

AND THAT Council give first, second and third reading to the “Subdivision and Development Amendment Bylaw No. 2018-08” which is a Bylaw to amend the “Subdivision and Development Bylaw No. 2004-81” as it pertains to Net Metering;

AND THAT Council give first, second and third reading to “Fees and Charges Amendment Bylaw No. 2018-09” which is a Bylaw to amend the “Fees and Charges Bylaw No. 2014-07” as it pertains to Appendix 7 – Electricity;

AND THAT Council direct staff to forward the “Electric Utility Services Bylaw No. 2017-44” to the Minister of Municipal Affairs and Housing for approval.

**CARRIED**

**Mayor Jakubeit, Opposed**

February 5, 2019 Council Resolution (38/2019)

38/2019      **It was MOVED and SECONDED**

THAT Council rescind third reading and give third reading as amended to the “Electric Utility Services Bylaw No. 2017-44”;

AND THAT Council direct staff to forward the “Electric Utility Services Bylaw No. 2017-44” to the Minister of Municipal Affairs and Housing for approval.

**CARRIED UNANIMOUSLY**

March 19, 2019 Council Resolution (173/2019)

173/2019      **It was MOVED and SECONDED**

THAT Council adopt “Electric Utility Services Bylaw No. 2017-44”;

AND THAT Council adopt “Subdivision and Development Amendment Bylaw No. 2018-08”;

AND THAT Council adopt “Fees and Charges Amendment Bylaw No. 2018-09”.

**CARRIED UNANIMOUSLY**



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August 12, 2019

Mr. Mitch Moroziuk  
General Manager of Infrastructure  
City of Penticton  
171 Main Street  
Penticton, BC V2A 5A9

Dear Mr. Moroziuk:

**Re: Penticton Net Metering Council Report**

Utilities who have introduced net metering rates have encountered some challenges in implementing these rate structures. In my experience utilities and regulators have typically wanted to provide the opportunity for customers who install their own renewable generation to make use of their excess generation. However, this needs to be balanced against the effects on customers who do not have the ability to install their own generation. I have reviewed the Net Metering Report prepared by City staff to be presented to City Council on August 20, 2019. I note the following comments on principles Council should consider, based on the review the material prepared by City staff and my experience with net metering rates in other jurisdictions.

- **Sizing of eligible net metering installations:** Some utilities have taken steps to ensure net metering customers do not install generation that will produce substantially more than they consume annually.<sup>1</sup> In my view it would be reasonable for council to adopt a principle that net metering customers should not be installing generation that is larger than what they need for their own annual energy usage. I understand the current Penticton bylaw includes language that states customers may install generation to offset part or all of their electric consumption and to limit the size of installations. Council may want to monitor if these conditions are sufficient to ensure certain customers are not installing substantially more generation than they require to offset their own electricity consumption.

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<sup>1</sup> See for example BCUC Order G-199-16 related to Fortis BC's proposed change to limit the size of generation that customers can install and BCUC Order G-100-18.

- **Pricing of excess generation delivered by the customer to the utility:** Many utilities initially provided a credit for excess generation that was the same or similar to the full retail rate (i.e. including generation, transmission and distribution charges). Some utilities allow customers to bank their excess energy to receive a credit at the retail rate later but may have limits on how long these credits can be banked.

Recently some utilities have lowered or signalled the intent to lower the rates they pay to customers for excess generation, particularly where utilities offer banking of credits.<sup>2</sup> This change recognizes the fact that excess energy can help the utility offset generation costs, but they still must pay for distribution.

Council should consider that a kWh of energy delivered from a customer to the City's distribution system allows the City to avoid purchasing one kWh from FortisBC. However, the City must still pay for its distribution infrastructure, metering and administration costs that allow the net metering customer to participate in the net metering program. If net metering customers do not pay these costs, then other customers on the system will need to pay them. This may not be a large issue at current penetration levels, but will increase over time.

Council should consider a balance between providing a rate structure that encourages customers to install their own generation and the effects of the net metering rate structure on other customers. A proposal to increase the Penticton purchase rate from \$0.0541 cents to \$0.0837 cents to reflect both energy and fixed portions of the wholesale energy rate may be an appropriate compromise that Council could consider.

- **Grandfathering of existing customers for some period:** Some utilities have recognized that existing customers made investment decisions based on the rate structure in place at the time. When transitioning to a different rate structure, some utilities and regulators have proposed to grandfather existing customers for some period to address this issue.<sup>3</sup>
- **Monitor uptake and effects on other customers:** As renewable generation penetration increases it will be important to monitor how much energy is being delivered to the City's electrical system. A number of utilities and regulators have noted the need to monitor the effects of net metering on both customers who install their own generation and other customers on the system who do not install their own generation.

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<sup>2</sup> See for example BC Hydro's April 29, 2019 application to the BCUC and BCUC Order G-63-18 with respect to Fortis BC's net metering rates. See also Rocky Mountain Power's net metering program here: <https://www.energysage.com/net-metering/rocky-mountain-power/>

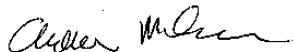
<sup>3</sup> See for example Section 1.3.5 of BC Hydro's April 29, 2019 application to the BCUC.

With respect to providing incentives or subsidies to individual customers to install renewable energy generation, Council may decide this is something they want to do to encourage installation of new renewable generation and give customers options to manage their electricity needs. In my view, Council should consider the following when deciding on any commitments to provide subsidies or rebates for new renewable generation installations:

1. Council should set a budget for the annual amounts they are willing to provide as rebates or subsidies for new installations. Once the budget becomes fully allocated other customers would wait until the following year to access the rebate or subsidy. This would help manage the amount the City is committing to funding each year.
2. Council should consider that rebates or subsidies on alternative energy installations will most likely benefit higher income customers who have access to capital to finance these installations. Lower income residents and those who rent or do not own their own home will be less likely to be able to participate in these programs.

Yours truly,

**INTERGROUP CONSULTANTS LTD.**



Andrew McLaren  
Principal and Consultant

# Council Report

penticton.ca

**Date:** August 20, 2019  
**To:** Donny van Dyk, Chief Administrative Officer  
**From:** Audrey Tanguay, Senior Planner  
**Address:** 2800 Cedar Road

File No: RZ PL2019-8496

**Subject: Zoning Amendment Bylaw No. 2019-33**

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## Staff Recommendation

THAT "Zoning Amendment Bylaw No. 2019-33", a bylaw that rezone Lot 1, District Lot 2710, Similkameen Division Yale District Plan 14911, Except Plans 20725 and KAP66018 and EPP57171, located at 2800 Cedar Road, from A (Agriculture) to R1 (Large Lot Residential), be given first reading and be forwarded to the September 3, 2019 Public Hearing.

## Council Priorities

**Community Design:** The City of Penticton will attract, promote and support sustainable growth and development congruent with the community's vision for the future.

## Background

The subject property (Attachment A) is designated for detached residential development by the City's newly adopted Official Community Plan (OCP 2019-08), but is currently zoned A (Agriculture) under the Zoning Bylaw. The large rectangular property (3.339 Acres) is lightly wooded and features one single detached dwelling which is accessed off Cedar Road. The property runs from Cedar Road at its west side, is intersected by Evergreen Drive (though unconstructed at this point) and runs east to Partridge Drive. The property is included in the Cedar Road Area Plan created in 1999 and revised in 2010 Attachment C.

The applicant is requesting to rezone 2800 Cedar Road from A (Agriculture) to R1 (Large Lot Residential). This rezoning will facilitate the subdivision of the property into 2 parcels. The owner intends to subdivide the existing house on the property and the remainder will be set aside for future residential subdivisions. The Zoning Map of the neighbourhood (Attachment B) indicates that this area is mainly zoned R1 (Large Lot Residential). Since the intent is for future residential development, a zoning amendment is required prior to subdivision.

## **Proposal**

The applicant is requesting that Zoning Bylaw 2017-08 be amended to change the zoning of the property from A (Agriculture) to R1 (Large Lot Residential). The zoning amendment is intended to facilitate eventual residential subdivision in line with Cedar Road Area Plan. The Plan shows approximately the creation of 9 new lots.

## **Financial implications**

If approved, the development anticipated by this application will create a large development site for the construction of single family housing, hence contributing to an increase in the City's tax base. All costs of the development are the responsibility of the property owner.

## **Technical review**

This application was forwarded to the City's Technical Planning Committee (TPC) and reviewed by the Engineering and Public Works Departments. No significant issues arose in the process. The subsequent subdivision application that will follow this zoning amendment, if adopted, will require full engineering consultation and review by the City's Public Works and Engineering departments. That review will look for conformance to the City's Subdivision and Development Bylaw, Sewer, Irrigation and Water Bylaw and other relevant City policies.

## **Analysis**

When considering a zoning amendment application, staff and Council look toward the Official Community Plan's future land use map and designation for guidance, including all relevant planning policy. As indicated by the Future Land Use Map (Attachment B), this property is identified for detached residential development and future development is envisioned to support single family and duplex development as well as limited commercial and institutional use.

The City's Official Community Plan has identified the area where this property is located for residential growth and future development. The current Agricultural zoning of the property is not in-line with that future vision for the property and no agricultural activity has taken place on the property. This area has seen strong residential growth in the past few years with development activity along Partridge Drive, Hawthorne Drive and Cedar Road.

The proposal for the site provides the opportunity for future single detached housing, at an acceptable scale for the current area and follows the development pattern of the area as per the Cedar Road Area Plan. Staff consider that the zoning amendment represents an appropriate use of the land for the following reasons:

- The proposal focuses new residential development in or adjacent to existing developed areas. The OCP encourages densification in areas where existing services can accommodate higher densities, which is the case here.
- Consistent with the City's desire to provide a variety of housing, the City encourages the development of higher-end single detached dwellings.
- Permitting the subdivision of larger lots in neighborhood where access and servicing are adequate.

The location of the site and characteristics of the surrounding neighbourhood make it appropriate for the proposal. Given the above, staff recommends that Council support "Zoning Amendment Bylaw No. 2019-33" and forward the application to the September 3, 2019 Public Hearing for comments from the public.

**Alternate recommendations**

THAT "Zoning Amendment Bylaw No. 2019 -33" be denied first reading.

THAT "Zoning Amendment Bylaw No. 2019-33" be referred back to staff with instructions that Council feels are appropriate.

**Attachments**

Attachment A – Location Map

Attachment B – Official Community Plan Map

Attachment C – Cedar Road Area Plan

Attachment D – Zoning Map

Attachment E – Images of Subject Property

Attachment F – Site and Subdivision Plan

Attachment G– Letter of Intent

Attachment H– Zoning Amendment Bylaw No. 2019-33

Respectfully submitted

Audrey Tanguay

Senior Planner

Concurrence

<p>Acting Director</p> <p><i>KK</i></p>	<p>Chief Administrative Officer</p> <p><b>DyD</b></p>
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Attachment A – Location Map

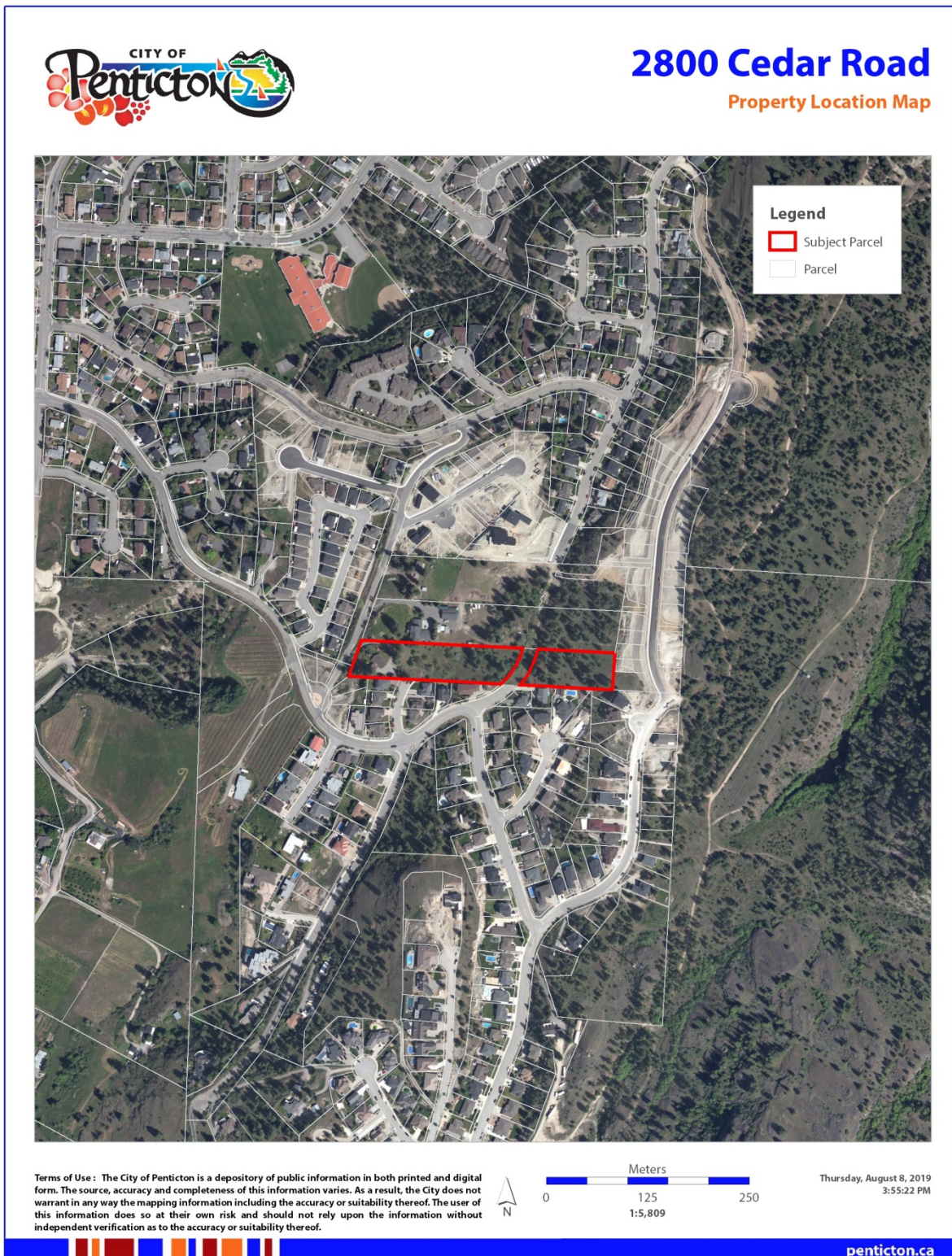


Figure 1: Location Map

Attachment B – Official Community Plan Map



Figure 2 OCP Map

Attachment C – Cedar Road Area Plan

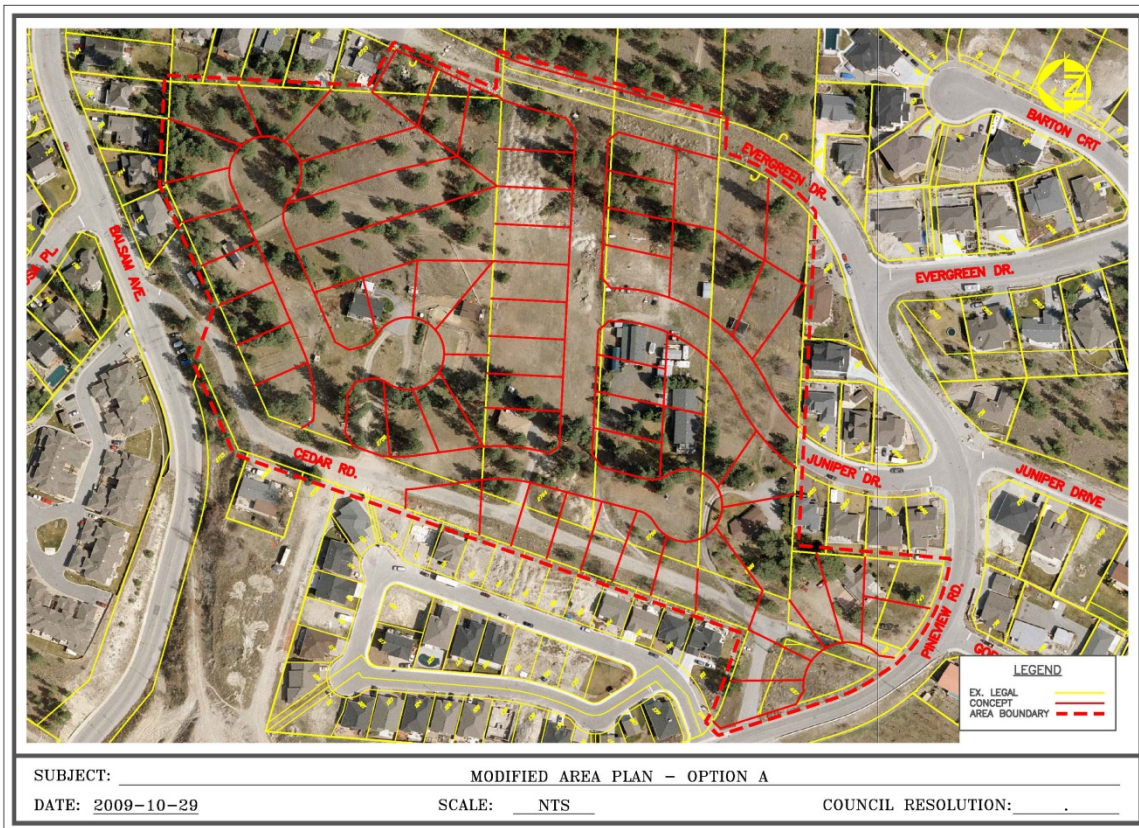


Figure 3: Cedar Road Area Plan

Attachment D – Zoning Map

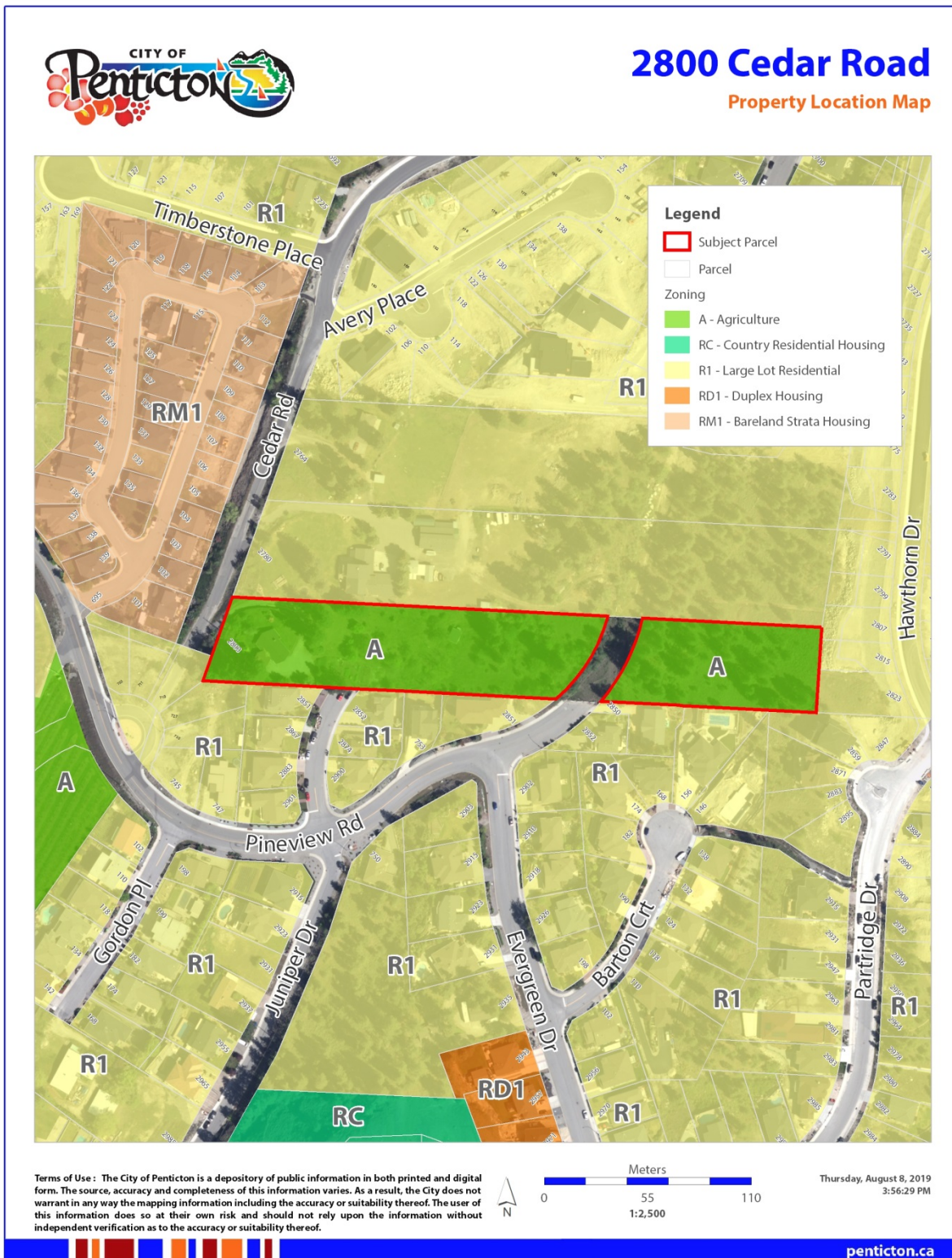


Figure4: Zoning Map

Attachment E - Images of Subject Property



Figure 5: Image of subject property with the house and current driveway shown



Figure 6: Image of current Access of Cedar Road

Attachment F - Site and Subdivision Plans

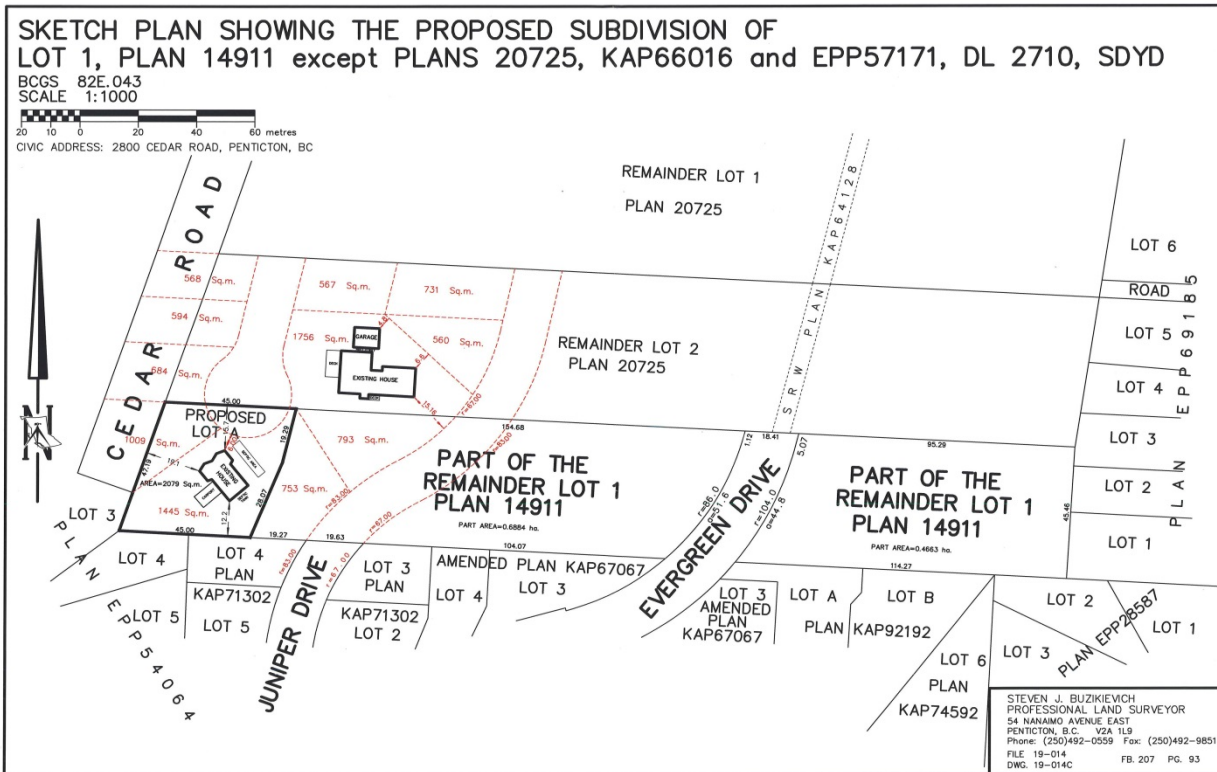


Figure 7 Site Plan

Attachment G - Letter of Intent

LETTER OF INTENT

March 6, 2019

RE: Rezone and Subdivision applications

2800 Cedar Road

I wish to subdivide off my house that I have lived in for over 30 years and wish to continue living in from the remainder of my property. This will facilitate a much simpler estate settlement in the future. My plan is to sell off the large remainder thus converting the land into money which is much simpler to split in two than the land would be.

S.W. Lawrie

**Bylaw No. 2019-33**

*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. 2019-33".

2. **Amendment:**

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

Rezone Lot 1, District Lot 2710, Similkameen Division Yale District Plan 14911, Except Plans 20725 and KAP66018 and EPP57171, located at 2800 Cedar Road, from A (Agriculture) to R1 (Large Lot Residential).

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*.

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John Vassilaki, Mayor

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Angie Collison, Corporate Officer

# Rezone 2800 Cedar Rd From A (Agriculture) to R1 (Large Lot Residential)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2019-33

Date: \_\_\_\_\_

Corporate Officer: \_\_\_\_\_

**Date:** August 20, 2019  
**To:** Donny van Dyk, Chief Administrative Officer  
**From:** Audrey Tanguay, Senior Planner  
**Address:** 3110 Valleyview Road  
**Subject:** ALR Subdivision PL2018-8401

File No: ALR Sub 2018-8401

## Staff Recommendation

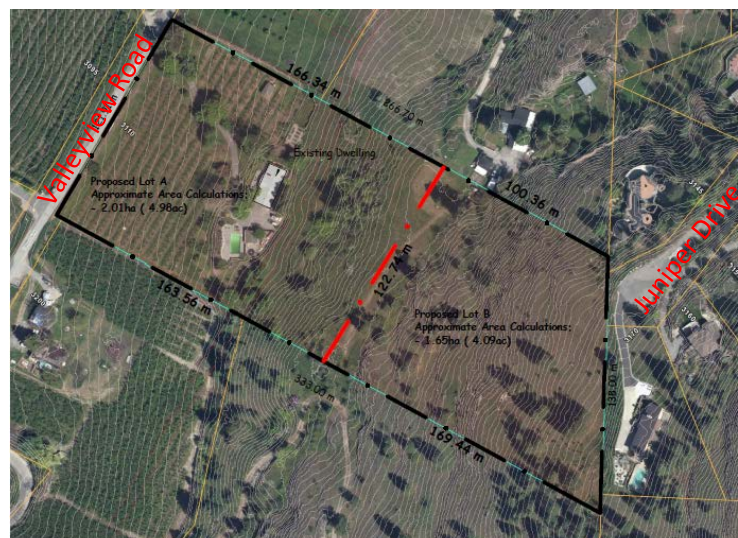
THAT Council provide support for the “ALR subdivision application PL2018-8401” made to the Agricultural Land Commission (ALC) for Block 202, District Lot 587, Similkameen Division Yale District, Plan 466, located at 3110 Valleyview Road.

## Background

The subject property is located on Valleyview Road and is also connected to the end of Juniper Drive (Attachment ‘A’). The subject property is approximately 9.1 acres in area and contains a single family dwelling and an orchard facing Valleyview Road. The property is also located within the Agricultural Land Reserve (ALR).

The applicant is requesting to subdivide a portion of the property that fronts Juniper Drive and keep the remaining farm on Valleyview Road. Because the lands are located within the ALR, approval from the Agricultural Land Commission (ALC), the provincial body that administers the ALR, is required, The ALC does not process the application until the local government has provided comment through support or otherwise.

Upon approval, the entire property would remain in the ALR. The applicant has identified that portions of the land are steep and have limited agriculture suitability and the proposal is to create a large residential lot with access and servicing from Juniper Drive. The lot will be 4.09 acres in area. While this is slightly undersized for an agriculturally zoned property, the zoning bylaw does permit undersized lots in the case where a subdivision is supported by the ALC.



### **Agriculture Advisory Committee**

The application was presented to the City's Agriculture Advisory Committee on April 5, 2019 and the following recommendation was passed:

#### **5.3 Subdivision in the ALR – 3110 Valleyview Road**

The Senior Planner provided the Committee with an overview of the application and introduced the applicants.

**It was MOVED and SECONDED**

**THAT the Agricultural Advisory Committee support the proposed two lot subdivision at 3110 Valleyview Road with the condition that the boundary line be moved to the east to the base of the slope.**

**CARRIED UNANIMOUSLY**

The Agriculture Advisory Committee provided a recommendation to support the ALR subdivision application with the condition that the boundary line of the proposed subdivision be moved at the base of the slope. The committee felt that anything outside the steep slope could be farmable and should form part of the agricultural property. Since the meeting, the applicant has revised their proposal to meet this condition.

### **Technical Review**

This proposal was forwarded to the City's Technical Planning Committee and reviewed by the Engineering and Public Works Departments. Should the ALC support the subdivision, the developer will be responsible to extend the water and sanitary main to the end of Juniper Drive for means of servicing the new lot, prior to subdivision approval. There are ongoing concerns with water supply along Valleyview Road - specifically with regard to the current capacity of the water main. In this case, the current house would keep the existing water connection on Valleyview Road and no further connection would be required from Valleyview Road. The newly created lot would need water and sewer connections from Juniper Drive. If the applicant is successful in getting support from the Agricultural Land Commission, a subdivision application to the City will follow and will require full engineering consultation and review by the City's Engineering and Public Works Departments. That review will look for conformance to the City's Subdivision and Development Bylaw, Sewer, Irrigation and Water Bylaw and other relevant City policies.

### **Analysis**

#### *Support for the ALC Application*

The Official Community Plan 2019-08 (OCP) includes the subject property within the Future Land Use categories called 'Rural Residential' and "Agriculture". The designation "Rural Residential" envisions single family detached houses on large lots and include agricultural and residential uses. The proposed subdivision of the "Rural Residential" portion of the lot is in line with the OCP designation. Additionally, access to the proposed lot is from Juniper Drive, an existing single detached family neighborhood.

The intention of the applicant is to keep the property in the ALR and complete a subdivision in line with the OCP policies. The proposed subdivision provides for a distinct boundary that separates the agricultural use and future residential use by utilizing topographical features and buffering. Given the above, staff recommends that Council provide support for the ALR subdivision application at 3110 Valleyview Road.

*Deny/Refer Zoning Amendment*

Council may consider that the proposed subdivision is not suitable for this property. If this is the case, Council should not support the ALR application. Alternatively, Council may wish to refer the matter back to staff to work with the applicant with any direction that Council considers appropriate.

**Alternate Recommendations**

1. THAT Council deny support for "ALR Subdivision PL2018-8401".

**Attachments**

- Attachment A: Subject Property Location Map
- Attachment B: Zoning Map
- Attachment C: Official Community Plan Map
- Attachment D: Image of Subject Property
- Attachment E: Site Plan

Respectfully submitted,

Audrey Tanguay  
Senior Planner

Approvals

<p>Acting Director of Development Services</p> <p style="text-align: center;"><i>AK</i></p>	<p>Chief Administrative Officer</p> <p style="text-align: center;"><b>DyD</b></p>
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Attachment A: Subject Property Location Map

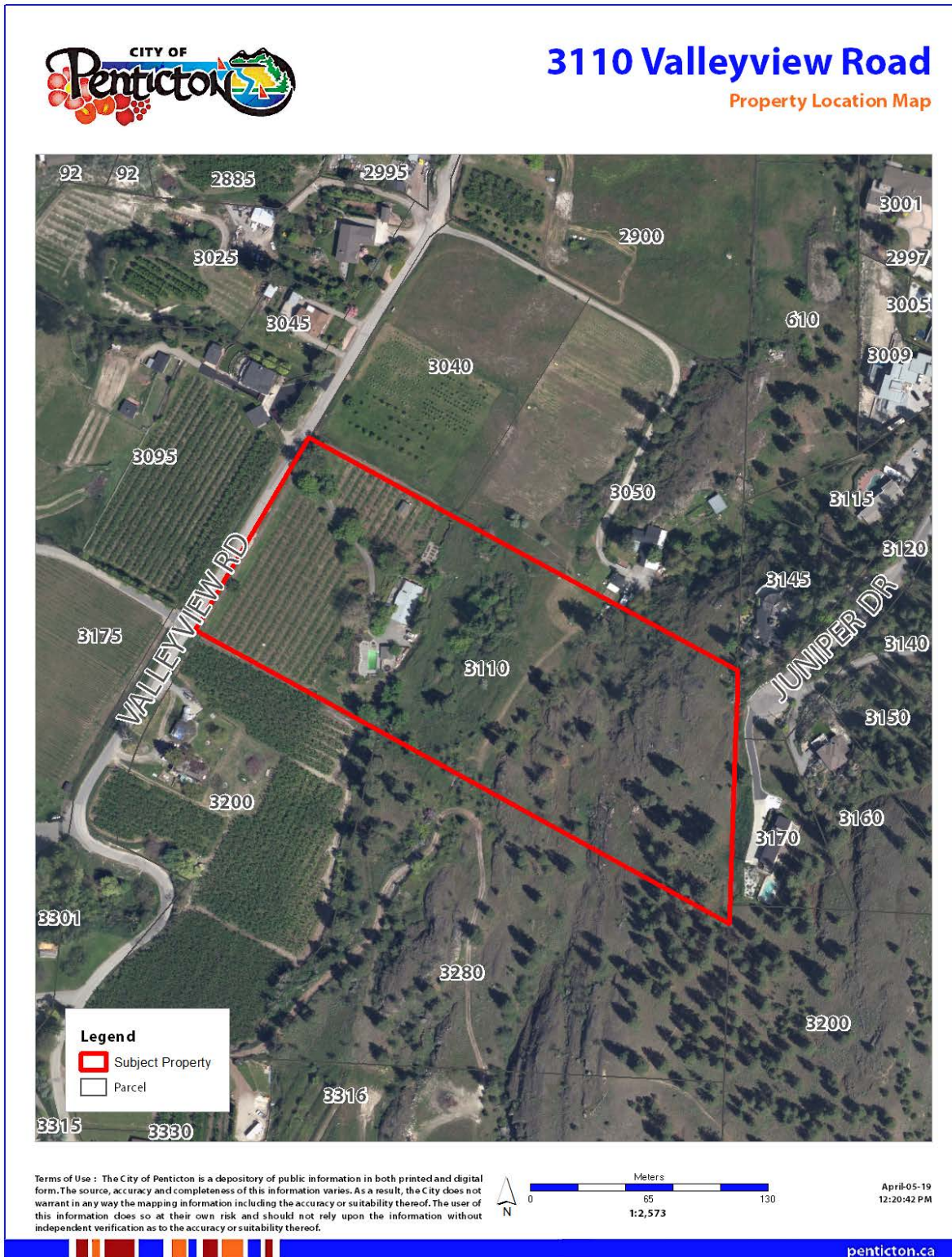


Figure 1: Subject Property Location Map

Attachment B: Zoning Map

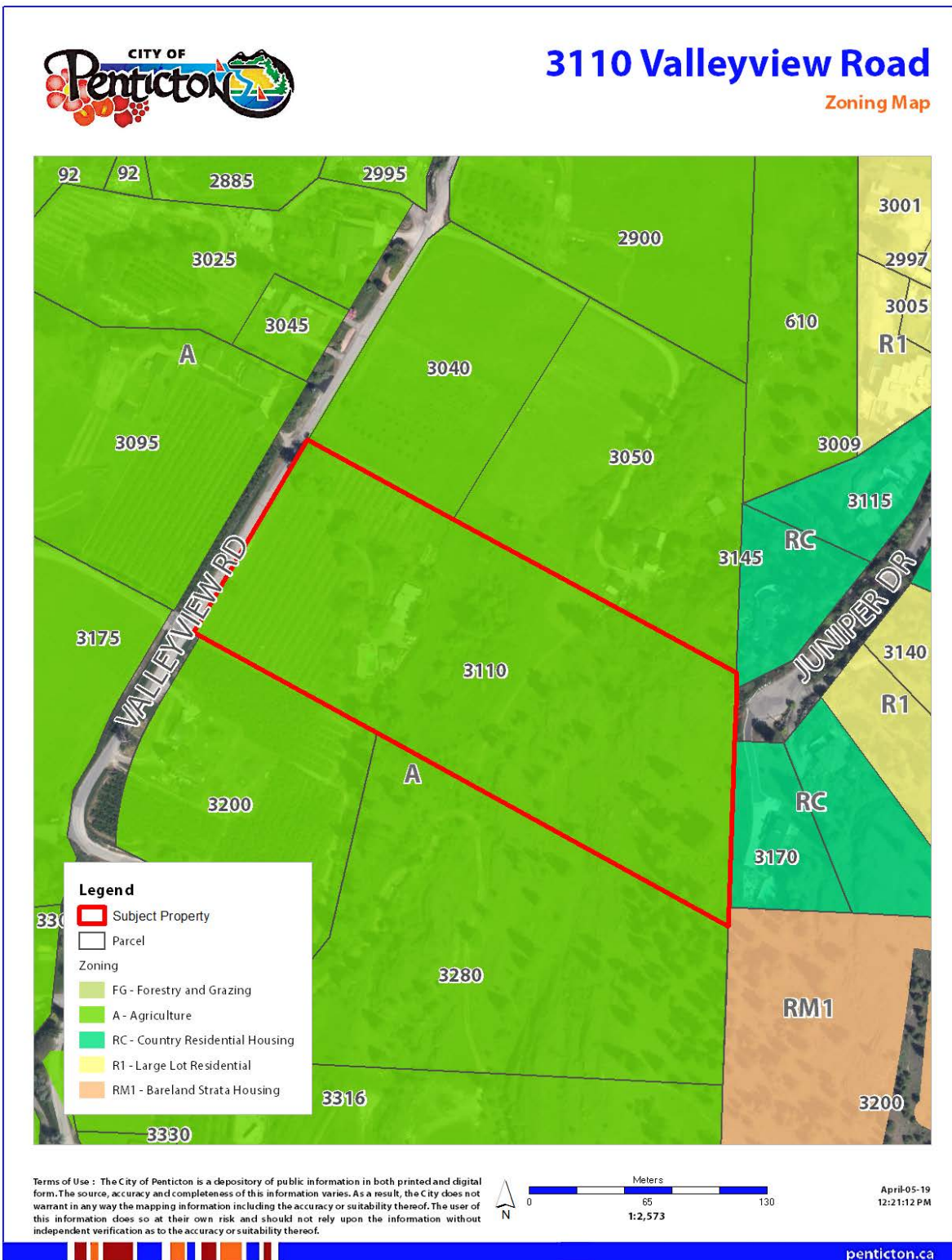


Figure 2: Zoning Map

Attachment C: OCP Map

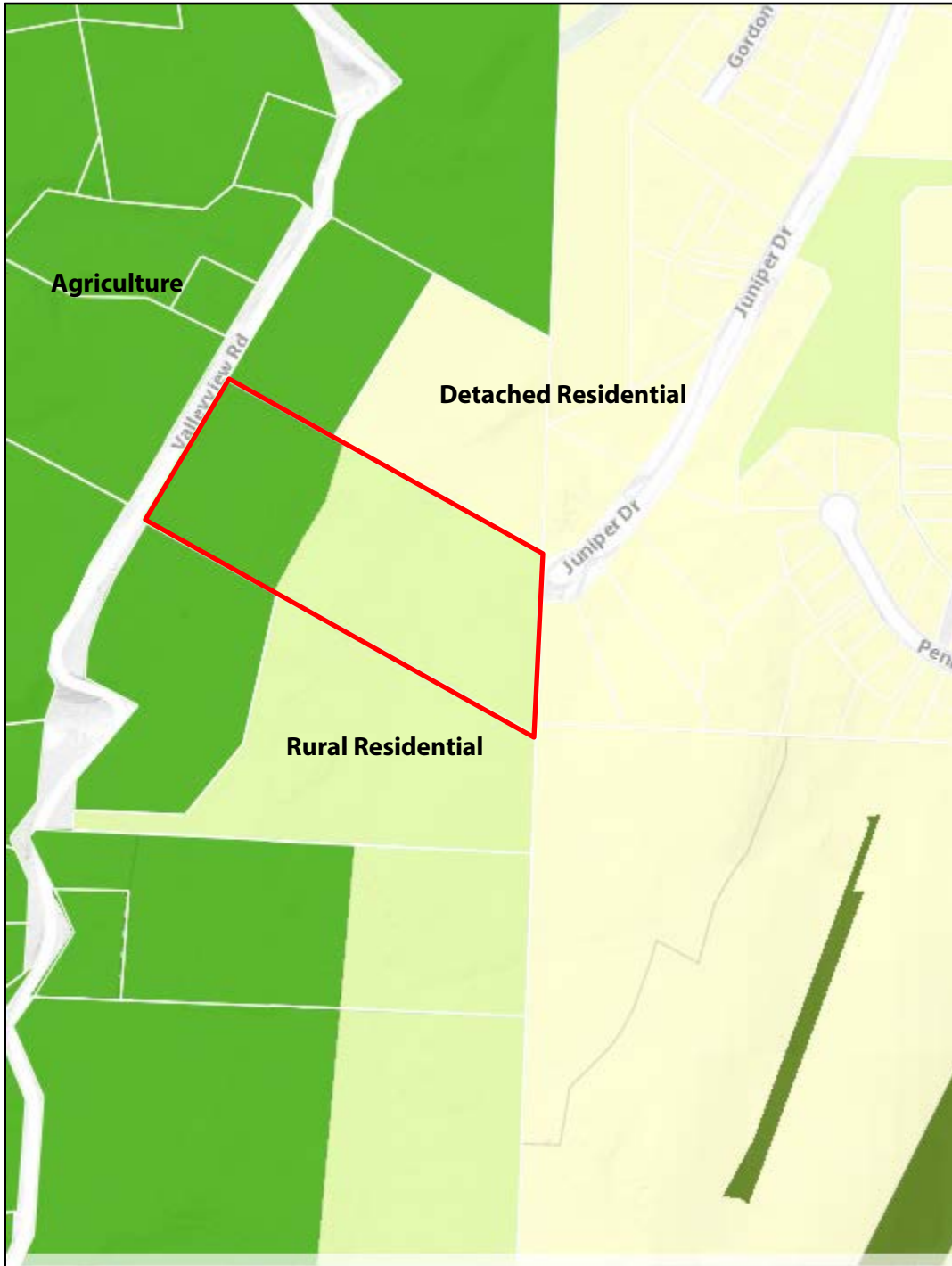


Figure 3: OCP Map

Attachment D: Image of Subject Property



Figure 4: View of the property from Juniper Drive



Figure 5: View of the property on Valleyview Road

### Attachment E: Site Plan

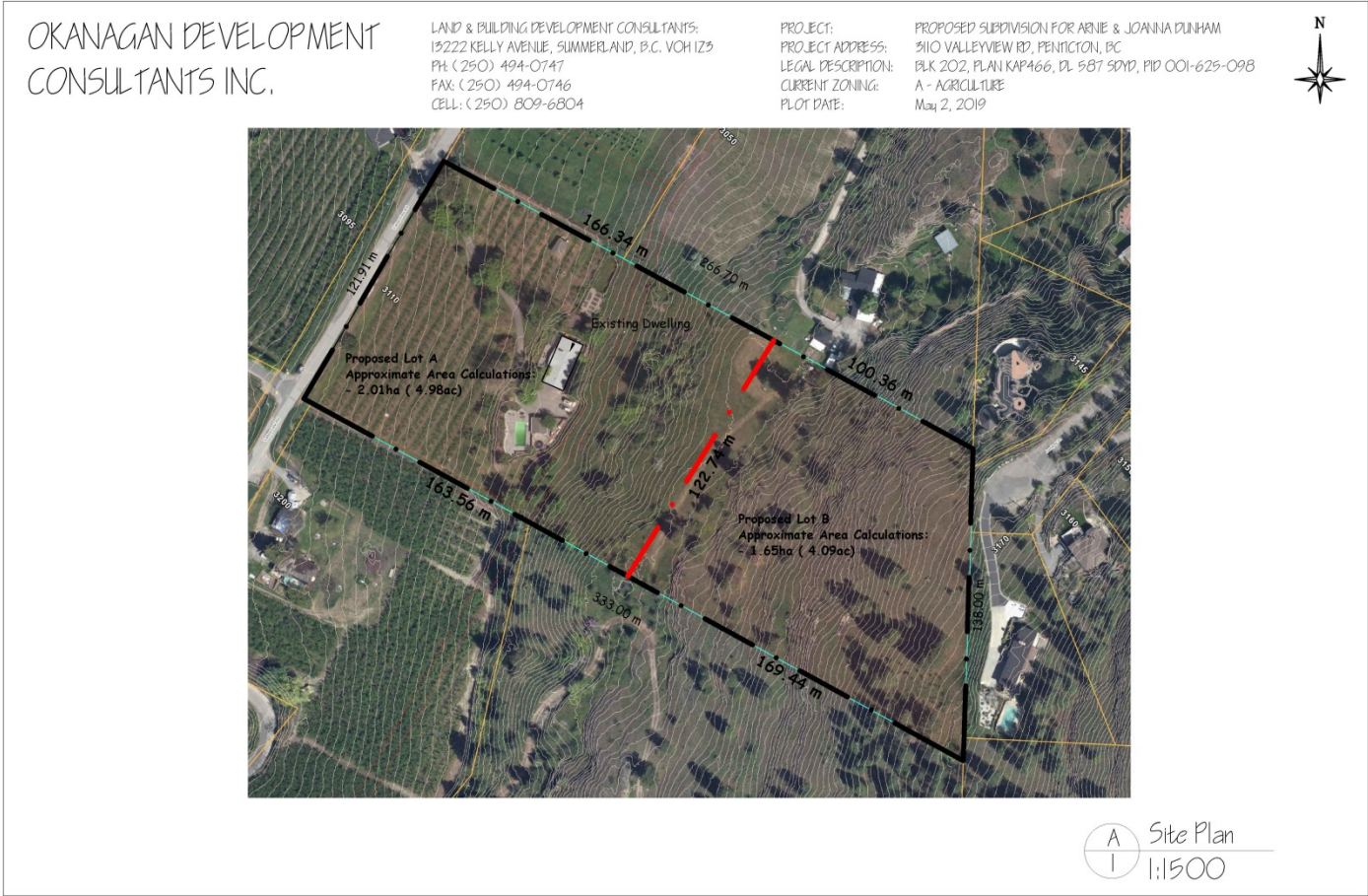


Figure 6: Site Plan

**Date:** August 20, 2019  
**To:** Donny van Dyk, Chief Administrative Officer  
**From:** Blake Laven, Planning Manager  
**Address:** 157 Abbott Street / 149 Van Horne Street

File No: RMS Civic Address

**Subject: Road Closure (Westminster Ave E/Abbott/Van Horne Street) Bylaw No. 2019-32**

## Staff Recommendation

THAT Council give first, second and third reading to “Road Closure (Westminster Ave E/Abbott/Van Horne Street) Bylaw No. 2019-32”, a bylaw that closes portions of Westminster Avenue E, Van Horne Street and Abbott Street to facilitate a land swap and parking improvements.

## Strategic priority objective

The proposal meets Council’s Strategic Priority of Community Design, by supporting the development of a unique neighbourhood in-line with the community’s vision for the future.

## Background

Council at their regular meeting of December 4, 2018, supported a proposed land exchange between the City and owners of two properties fronting Van Horne Street, Abbott Street and Westminster Avenue E (157 Abbott Street and 149 Van Horne Street), to accommodate a development creating 12 RD3 (Residential Infill) lots for single and two family construction (Figure 1).

Council’s approval was subject to the developer providing additional public parking at their expense and covering all legal and survey costs. At that meeting Council gave staff direction to enter into the agreement under those terms. The agreement proposes the closure of some excess road right-of-way and the exchange of that right-of-way for a new lane, in support of the residential development.

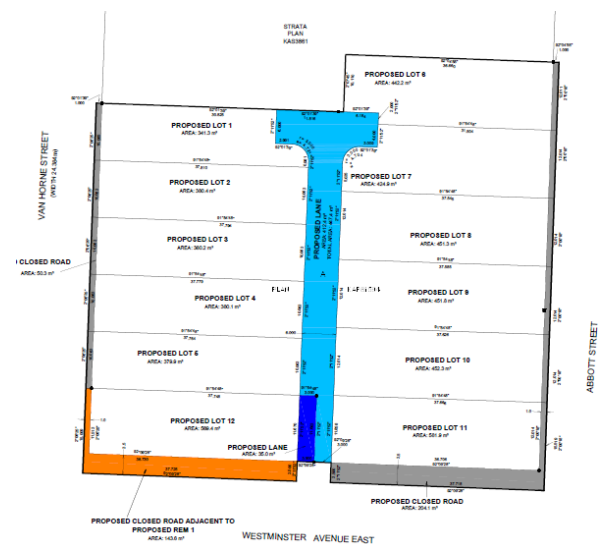


Figure 1: Proposed 12 lot subdivision

Details of the development and the agreement are contained in the December 4, 2018 staff report to Council. The conclusion of that report was that the exchange represented good value for the public. No funds are involved in the land transfer.

*Road closure and disposition process*

The process to raise title to road right-of-way involves public notification and the adoption of a bylaw. Notification to all utility companies that may be affected is also required. Once adopted, notice of the bylaw is sent to the land title office (LTO) and the closed road is registered with the LTO. Title is then vested to the municipality.

In the case where disposition of the road right-of-way is planned, as is the case here, further notification is required, which involves notice of the disposition in the newspaper. That process will begin after Council gives support for the bylaw. The actual disposition of the lands and land exchange will occur as part of the subdivision registration, creating the lane and 12 residential lots.

**Financial implication**

As per the agreements signed by the City with the two property owners, all costs associated with this road closure and exchange are at the cost of the developer. The City has occurred some minor legal expenses (<\$500).

**Analysis**

Council had previously given support to the exchange of excess road right-of-way in support of the proposed residential development. Raising title to road right-of-way is a regulated process which this bylaw is one step of.

Staff are recommending that Council give first, second and third reading to the bylaw and that staff proceed with notification of the disposition of the land and road closure.

Before adoption of the bylaw, public notice of intention to close the road will take place in accordance with section 94 of the *Community Charter*. Anyone who considers that they are affected by the bylaw will have an opportunity to make representations to Council before final reading of the bylaw.

**Alternate recommendations**

THAT Council provide alternate direction to staff.

**Attachments**

Attachment A – Road Closure (Westminster Ave E/Abbott/Van Horne Street) Bylaw No. 2019-32


Respectfully submitted,

Blake Laven,  
Planning Manager

Acting Director  <i>KK</i>	Chief Administrative Officer  <b>DyD</b>
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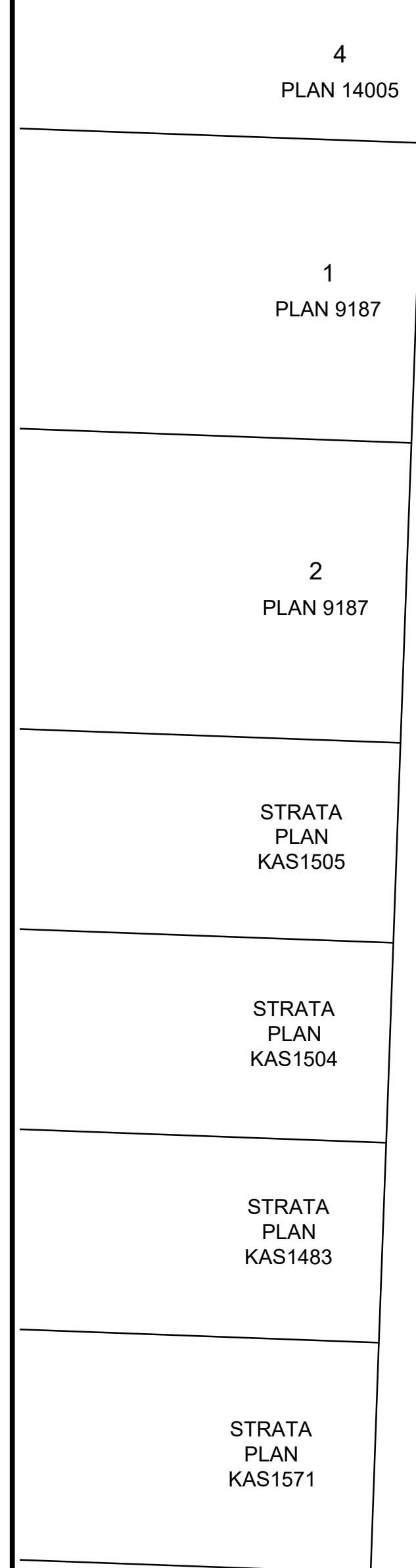
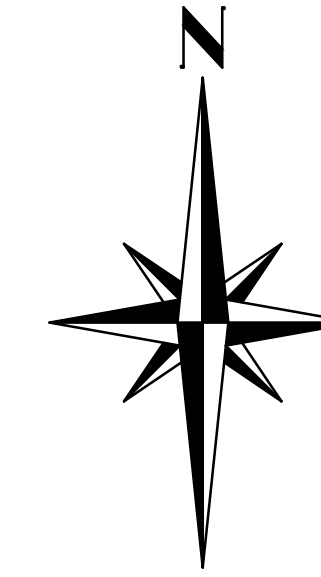
SUMMARY OF AREAS:


 PROPOSED PORTION OF WESTMINSTER AVENUE, VAN HORNE & ABBOTT STREET TO BE CLOSED: **398.0 m<sup>2</sup>**

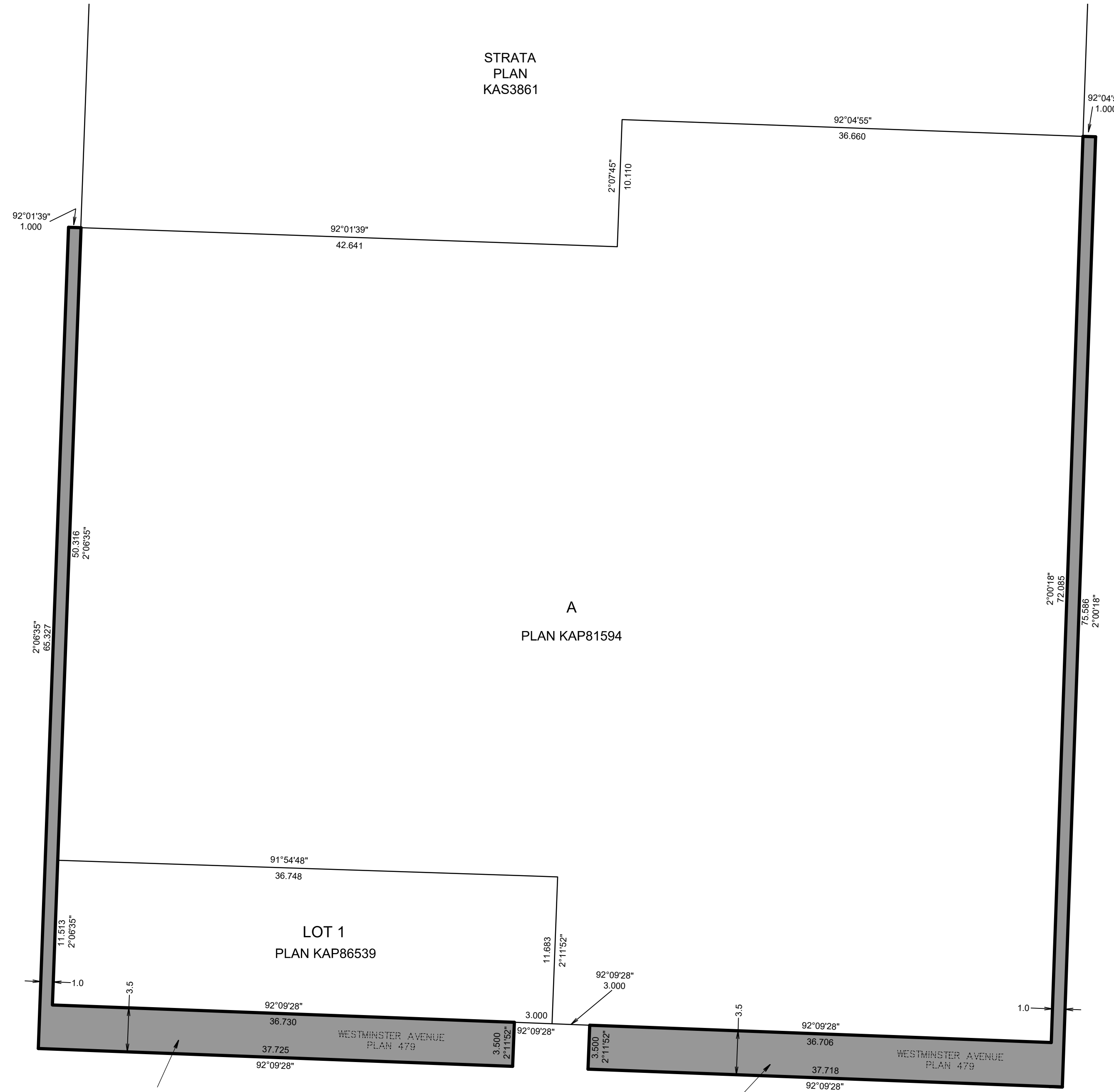
NOTES:

- 1) VAN HORNE & ABBOTT STREET ROAD CLOSURE IS 1.0m WIDE.
- 2) WESTMINSTER AVENUE ROAD CLOSURE IS 3.5m WIDE.

BEARINGS ARE GRID AND DERIVED FROM GNSS OBSERVATIONS.  
ALL AREAS AND DIMENSIONS SHOWN ARE SUBJECT TO FINAL LEGAL SURVEY.



VAN HORNE STREET

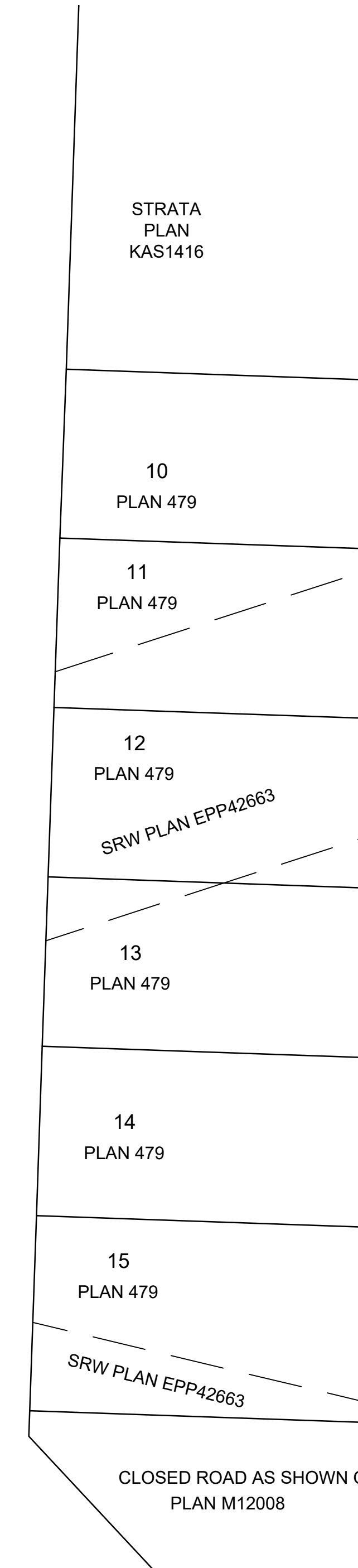


**PROPOSED CLOSED ROAD**  
AREA: 193.9 m<sup>2</sup>

**PROPOSED CLOSED ROAD**  
AREA: 204.1 m<sup>2</sup>

WESTMINSTER AVENUE EAST

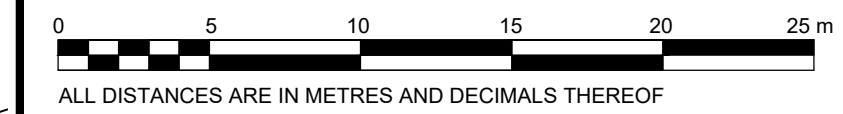
ABBOTT STREET



SKETCH PLAN TO ACCOMPANY  
CITY OF PENTICTON BY-LAW No. 2019-32  
CANCELING PORTIONS OF ROAD SHOWN  
DEDICATED ON PLAN 479  
DISTRICT LOT 202 SIMILKAMEEN DIVISION  
YALE DISTRICT

BCGS 82E.053

SCALE 1 : 250



ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF  
THE INTENDED PLOT SIZE OF THIS PLAN IS 864 mm IN WIDTH BY 560 mm IN HEIGHT (D-SIZE) WHEN PLOTTED AT A SCALE OF 1:250

Road Closure Bylaw 2019-32

Date: \_\_\_\_\_

Corporate Officer: \_\_\_\_\_

THIS PLAN LIES WITHIN THE REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN.



McELHANNEY ASSOCIATES  
LAND SURVEYING LTD.  
290 Nanaimo Ave. W  
Penticton BC  
Canada V2A 1N5  
Tel 250 492 7399  
FILE NO. 2422-03435-00  
DRAWING NO. 3435-00-V-ROAD\_SKETCH\_R1

# Council Report

penticton.ca

**Date:** August 20, 2019 File No: RMS 6630-20  
**To:** Donny van Dyk, Chief Administrative Officer  
**From:** Blake Laven, Planning Manager  
**Subject:** **Downtown Economic Investment Zone Amendment Bylaw No. 2019-31**

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## Staff Recommendation

THAT Council give first, second and third reading to "Downtown Economic Investment Zone Amendment Bylaw No. 2019-31", a bylaw that amends section 6 of "Downtown Economic Investment Zone Bylaw No. 2014-04" allowing incentives to developments subject to a building permit issued before March 1, 2018 and have been issued occupancy no later than June 30, 2020.

## Strategic priority objective

This proposal is consistent with the Council priority of Community Design: The City of Penticton will attract, promote and support sustainable growth and development congruent with the community's vision for the future.

Extending the program to accommodate projects that are far along in the development process will ensure that the projects are completed, contributing to the revitalization and enhanced vibrancy of the downtown.

## Background

City Council adopted Downtown Economic Investment Zone Bylaw No. 2014-04 in 2014 to incentivize certain types of developments in the downtown – including employment generators and residential dwelling units. The downtown EIZ program has seen the development of more than 19 projects, representing almost \$32 million in investment in the downtown.

Bylaw 2014-04, like all of the EIZ bylaws, has a *sunset* clause built in. In its current form, to be eligible for benefits a project must be completed prior to December 2019.

The City has recently received a letter from Wildstone Engineering & Construction, a construction company building a new 48 unit, mixed use building at 120 Ellis Street, requesting that the completion date be extended from December 2019 to March 31, 2020. According to the letter, unforeseen delays related to weather and the challenges with the local market for labour and professional services has led to the project being a few months behind schedule. The letter states that without the extension significant stress will be placed on the project's workers and consultants to complete the project in time to receive the benefits. An extension will allow the project to be finished in a more orderly manner and allow those who have

contracted to purchase units in the building and future purchasers the opportunity to realize the tax benefits that were assumed would be included at the onset of the project.

The development group for this project is also intending further similar projects along Ellis Street. The success of the subject project will ensure further development in this area – an area currently undergoing revitalization. In addition to the Ellis Street project, staff anticipate three other projects qualifying for EIZ benefits under Bylaw 2014-04, between now and when the bylaw is set to expire, representing an additional \$10,800,000 in construction value.

## **Proposal**

While the request from Wildstone has been to extend the completion date to March 1, 2020, staff are recommending that the date be extended out to June 30, 2020. The reasons for this are outlined in the analysis below. The proposed amendments to the bylaw are as follows:

Amend Section 6 of Bylaw 2014-04

*From:*

Developments, shall only be eligible for incentives under this bylaw if they:

- a) are subject to a building permit issued before March 1, 2018; and
- b) have been issued an occupancy permit no later than December 31, 2019.

*To:*

Developments, shall only be eligible for incentives under this bylaw if they:

- a) are subject to a building permit issued before March 1, 2018; and
- b) have been issued an occupancy permit no later than June 30, 2020.

## **Financial**

The tax benefits that the project would be eligible for will ultimately be realized by the individual strata unit owners. The following analysis is based on total assessed value of all strata lots (building value) and the value of underlying land:

- The EIZ Bylaw provides a full tax exemption on the assessed value of the building for a 10 year period, but does *not* provide any relief on the assessed value of underlying land. Taxes will still be paid as if the property were a vacant piece of land.
- The estimated construction value for the building is \$13,450,000. Based on the current residential municipal tax rate in 2019 (3.6929 per \$1,000 of assessed value) the benefit would equate to a benefit of \$49,669.50 per year. This would be split amongst the 48 strata units.
- Over the life of the benefit period (10 years) the project would receive approximately \$500,000 worth of tax exemptions.
- The building residents would still pay all of the required tax on the underlying land (currently assessed at \$802,000) which would amount to \$2,961 per year (\$3.6929 per \$1,000 of assessed value).

- All taxes collected by the City on behalf of the hospital district, RDOS, School Board etc. (\$30,926.84 per year) are not included in the exemption.

## **Analysis**

### *Support extension of the downtown EIZ program*

While the EIZ program in all other areas of the community has expired, the EIZ program in the downtown is still on-going for those projects that received a building permit prior to March 1, 2018. Several projects have and will still qualify for benefits under this program.

The intent of the bylaw was to incentivize construction in a strategic area of the City, specifically in the downtown. The project that is referenced in the Wildstone letter proceeded with the understanding that they would be receiving the tax reduction benefits. Extending the deadline will ensure the project receives the incentives that the City made a commitment to provide. Approval of the extension may also contribute to further projects proceeding in the area from the same development group.

The economic investment zone program has been quite successful since its inception in 2010, seeing investment in the downtown and in the industrial areas of the city. Sunset clauses are included in the bylaw to create some urgency and timely investment. In the case of the building on Ellis Street as well as others in the downtown, efforts have been made to meet the deadline, but the reality of the construction environment in Penticton at the moment will make meeting the December 2019 deadline difficult. And while the Wildstone letter does request an extension date of March 31, 2020, staff consider that if there is going to be an extension it should be a full six (6) months to ensure enough time for completion, given further unforeseen delays etc.

For these reasons staff are recommending that Council support the amendment bylaw extending the date of completion by six months to June 30, 2020.

### *Deny support for extension of the downtown EIZ program or support a shorter extension*

Council may feel that the program should not be extended, as it was originally set up with a specific timeline for completion of qualifying projects. The bylaw has been in place since 2014 and promotion of its availability to the development community has been available since then; however the realities of planning, design and developing projects like the one subject to this request, take time, effort and risk that is difficult to account for when putting these bylaws in place. Considering that the subject development meets the intent of what the EIZ bylaw was trying to achieve with a new mixed use development in the heart of our downtown by contributing to the revitalization of our community, staff consider that denying the extension could show bad faith to the development group that has worked with the City to bring this project online and is intending further development in this area.

Alternatively, Council may feel that a shorter extension, as requested by Wildstone, should be considered. If that is the case, Council may look to extend the program out to the March 2020. Staff, however, are of the opinion that if an extension is to be contemplated that it should be long enough to ensure that weather or labour related delays do not become a factor in the completion of the project.

**Alternate recommendations**

Alternative 1: THAT Council not support the EIZ amendment extending the date, and require completion, through the issuance of occupancy for the building, prior to eligibility for the EIZ benefits.

**Attachments**

Attachment A: Letter from Wildstone Group requesting extension

Attachment B: "Downtown Economic Investment Zone Amendment Bylaw No. 2019-31"

Respectfully submitted,

Blake Laven,  
Planning Manager

A/DDS  <i>KL</i>	A/CFO  <i>AMC</i>	Chief Administrative Officer  <b>DyD</b>
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## Attachment A

### Letter of Request from Wildstone to extend the Downtown EIZ completion date to March 31, 2020



July 16, 2019

Mr. Blake Laven  
Senior Planner  
171 Main St  
Penticton BC

**Re: Ellis One Condominium Project**

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Dear Sir,

Please accept this letter as a request to extend the period that the COP will accept occupancy and allow us to qualify for the EIZ 's until Mar 31, 2020. The reason is to allow us a little extra time to reach occupancy.

We have been trying diligently to reach the Dec 31, 2019 deadline; however, we are worried that this will not be achievable without causing excessive stress on our workers and our consultants. Weather proved challenging from the beginning when trying to complete our civil and concrete work as the Okanagan was hit with a lengthy cold snap at the beginning of 2019 with temperatures dipping to -25 with the wind chill factor. Though this set us over a month behind, Wildstone remained dedicated to maximizing resources and chose to heat and hoard the site in order to keep progress moving as best we could.

Unfortunately, finding the services of a local Architect and associated sub-consultants in Penticton that will provide timely services is difficult. As a result of our hiring local consultants, which we thought was cost effective and good for these consultants, they have been unable to provide timely services. As a result, we are concerned about finishing on Dec 31, 2019. Having a few months grace would allow us to finish in a more orderly fashion and avoid costly mistakes.

Wildstone has consistently had approximately 20 of our own forces on site (ie. All local people) and half a dozen different subtrades, coordinating a total of 30-40 people daily. We are utilizing over 14 Penticton businesses as subcontractors and at least that many subcontractors from the surrounding areas within the Okanagan Valley.

We believe the reason for the EIZ's was to promote development in define areas. It will certainly happen with this project. Based on the background report available on your website. Ellis One with 48 residential suites and 3 commercial spaces will contribute approximately 20% of the \$70 million qualified construction activity for 2019 based on dollar values. A lot of the people moving into our units will be young people and young families who will certainly make the best of the tax savings offered by the EIZ's. In fact, we know of a few pending sales, where their decision to purchase was influenced by the tax savings.

[www.wildstone.com](http://www.wildstone.com)



Thank you for your consideration and we would be pleased to meet with you in person to answer any questions.

A handwritten signature in blue ink, appearing to read "Jim Morrison". The signature is fluid and extends horizontally across the page.

Regards,

Jim Morrison, P.Eng

CEO, Wildstone Group

[www.wildstone.com](http://www.wildstone.com)



# Council Report



**Date:** August 20, 2019 **File No:** 1610  
**To:** Donny van Dyk, Chief Administrative Officer  
**From:** Mitch Moroziuk, General Manager of Infrastructure  
**Subject:** **Adjacent Property Owner Contribution Local Area Service Bylaw Policy**

## Staff Recommendation

THAT Council approve the “Adjacent Property Owner Contribution Local Area Service Bylaw Policy” dated August 6, 2019;

AND THAT Council give first, second and third reading to “Local Improvement Charge Repeal Bylaw No. 2019-28”, a bylaw to repeal Bylaw No. 2525 and amendment Bylaw No. 2810 that sets out the percentage of the works to be charged as owners share.

## Strategic priority objective

**Asset & Amenity Management:** Promote continuous improvement on our Asset Management process.

## Background

One of the initiatives in the 2019 Corporate Business Plan is to update the 1968 Special Area Bylaw.

In 1968 Bylaw 2525 was adopted. In 1971 amending Bylaw 2810 was adopted. Both of these bylaws set out the percentage of the works to be charged as owners share on capital projects. Over the years, the City has undertaken several projects that included funding from adjacent property owners. Projects included Penticton Industrial Development, Downtown Revitalization and Corry Place. The amounts charged as owners share varied as shown in Table 1.

Infrastructure	Past Practice		
	Portion to be Charged as Owners Share		
	PIDA	Corry Place	Downtown
Sanitary	50% of Cost	0% of Cost	N/A
Storm	0% of Cost	50% of Cost	0% of Cost
Water	N/A	0% of Cost	0% of Cost
Roads	50% of Cost	0% of Cost	0% of Cost
C&G	50% of Cost	0% of Cost	25% of Cost
Sidewalk	N/A	N/A	25% of Cost
Street Lighting	0% of Cost	0% of Cost	25% of Cost

Table 1- City of Penticton Past Practice

Staff also reviewed the percentage charged as owners share for different improvements from 16 other municipalities. Table 2 illustrates the results.

Item	Number that Do it	% Range Owner
Water	0	
Sanitary Sewer	1	50%
Storm	6	30% - 53%
Roads	9	25% - 75%
C & G	10	30% - 75%
Sidewalk	11	25% - 75%
Street Lighting	10	40% - 100%
Landscaping	4	50% - 100%

Table 2- Other Municipalities

The City has used Local Area Service Bylaws 11 times since 1999 and recovered only a small percentage of the overall annual capital spend as illustrated in Figure 1.

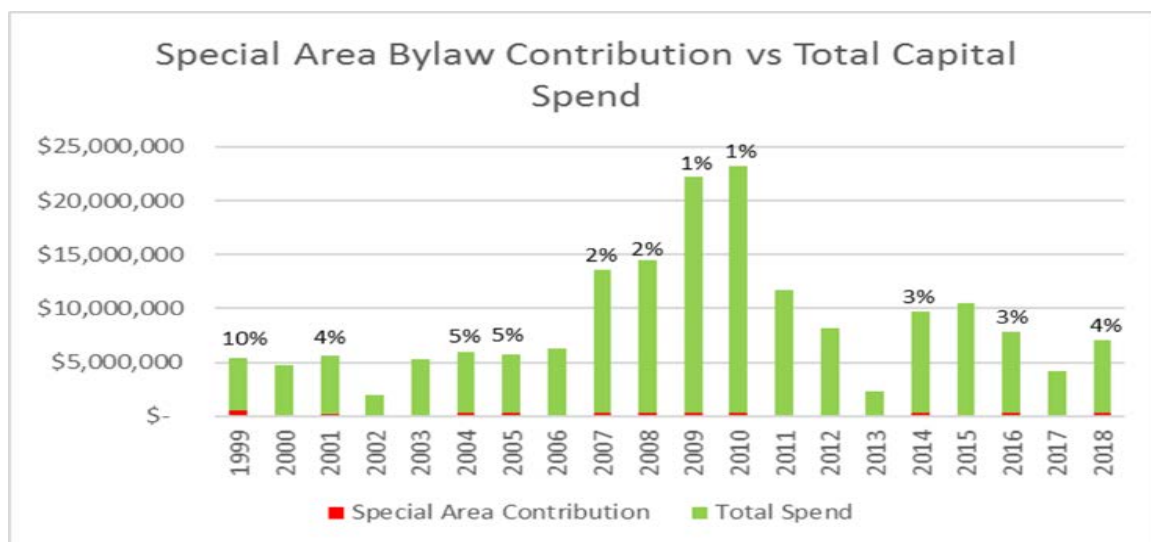


Figure 1- % of Total Capital Spend Funded by Local Area Service Bylaw

Staff from the Engineering, Planning and Finance areas worked to create a Council Policy that would provide guidance to staff on how to address Local Area Service Bylaws. The work included setting out: What percentage should be owners share for various types of improvements; what interest rate should be charged; and what considerations should be made prior to advancing a Local Area Service Bylaw. The attached Council Policy dated August 6, 2019 contains the result of this work.

In setting the owners share percentage consideration was given to past City of Penticton practice, what other municipalities have done and work done on the Utility Rate Review. The proposed Council Policy has also undergone legal review.

As each Local Area Service requires its own Bylaw to implement it is no longer necessary to have Bylaws 2525 and 2810 and they should be repealed.

**Financial implication**

**Analysis**

Staff from three departments have worked to create a Council Policy that sets direction as to what percentage should be charged as owners share for various types of capital works, have set out how the interest rate should be determined and have set out considerations to be made prior to advancing a Local Area Service Bylaw. The Council Policy has considered past practice, what other municipalities do and Utility Rate Review work. The proposed policy has undergone legal review and is now ready for the consideration of Council.

Should Council wish they could decide not to adopt the policy and send the matter back to staff with direction.

**Alternate recommendations**

THAT Council not adopt the policy and send the policy back to staff with specific direction.

**Attachments**

Attachment A –Adjacent Property Owner Contribution Local Area Service Bylaw Policy

Attachment B – Bylaw No. 2525 and amending Bylaw No. 2810

Attachment C – Local Improvement Charge Repeal Bylaw No. 2019-28

Respectfully submitted,

Mitch Moroziuk P.Eng. MBA  
General Manager of Infrastructure

Concurrence

<p>Director of Development Services</p> <p><i>AH</i></p>	<p>A/CFO</p> <p><i>AMC</i></p>	<p>Chief Administrative Officer</p> <p><b>DvD</b></p>
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Approval date:

**Resolution No.**

**Subject: Adjacent Property Owner Contribution Local Area Service Bylaw Policy**

## Goal

To provide guidance to staff on how to address funding amounts from benefitting properties through the Local Area Service Bylaw process for the different categories of infrastructure construction.

## Scope

This Policy sets out:

- The percentage of owners share to be charged to benefitting property owners for improvements such as: Water, Sanitary, Storm, Roads and Lanes, Curb Gutter and Sidewalk, Street Lighting, Electrical Distribution and Landscaping and Street Furniture;
- The interest rate to be charged for Local Area Service Bylaws; and
- How annual bylaw administration costs vs. annual revenues received will be considered when determining if a Local Area Service Bylaw should be implemented.

As each project progresses through the design phase, this Council Policy will be used as a guideline to determine if and how to bring a Local Area Service Bylaw to Council for their consideration in advance of tendering the work.

## Policy

### Percentage of Owner Share

Part 7, Division 5 - Local Service Taxes, of the *Community Charter* [SBC 2003] Chapter 26 sets out the mechanism by which a municipal government may establish a Local Service Tax for the provision of services that a Council considers to provide a particular benefit to a part of the municipality and are to be paid for in whole or in part by a local service tax. The municipality must adopt a bylaw that describes the service, defines the boundaries of the service and identifies the method of cost recovery and the portion of the costs for the service that are to be recovered as a Local Service Tax.

The City of Penticton had two bylaws in place: Bylaw 2525, August 26, 1968 and Bylaw 2810, August 9, 1971 that set out the percentage of the works to be charged as owners share. As part of the adoption of this Council Policy these two bylaws would be repealed and the City will use this Council Policy to guide decisions on the percentage of the works to be charged as owners share and the interest rate to be used. Project specific bylaws will be used to address the other requirements of the *Community Charter*.

This Council Policy only applies to construction that is to take place in an existing built up area. This Council Policy is not to be used for the construction of infrastructure that is part of the development of raw land; that process is governed by Subdivision and Development Bylaw 2004-81.

In setting the percentage of the works to be charged as owners share in this Council Policy City staff considered: City of Penticton Bylaw 2525 and Bylaw 2810; other percentages charged as owners share from five historic Special Area Bylaws; and a review of how sixteen other municipalities address the percentage charged as owners share.

City staff also considered the impact of the percentage charged as owners share on: adjacent owners; the likelihood of the project proceeding; and the type of service being proposed replacement; upgrade or new.

Table 1 shows the suggested percentages as owner’s share to be used when drafting Local Service Area Bylaws. Any costs that are not the owners share will be funded by the City and are subject to budget approval.

<b>Table 1</b>		
<b>Infrastructure Item</b>	<b>% as Owners Share of Design, Supply and Install Cost</b>	<b>Comments</b>
<b>WATER</b> (Includes all aspects of the Water System including but not limited to: Mains, Appurtenances, Treatment, Pumping and Storage)		
Water replacement of existing	0%	Funded through water rates.
Water new 150mm dia in a residential OCP or zoned area	100%	Providing a new service, water to the area, adjacent owners should pay 100% of a 150mm dia residential water main.
Water new greater than 150mm dia in a residential OCP or zoned area	100% of the cost of a 150mm water main	Providing a new service, water to the area, adjacent owners should pay 100% of a 150mm dia residential water main. Any oversizing funded from the Water Utility.
Water new 200mm dia in a non-residential OCP or zoned area	100%	Providing a new service, water to the area, adjacent owners should pay 100% of a 200mm dia non-residential water main.
Water new greater than 200mm dia in a non-residential a OCP or zoned area	100% of the cost of a 200mm water main	Providing a new service, water to the area, adjacent owners should pay 100% of a 200mm dia non-residential water main. Any oversizing funded from the Water Utility.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>SANITARY</b> (Includes all aspects of the Sanitary System including but not limited to: Mains, Appurtenances, Treatment and Pumping)		
Sanitary Sewer replacement of existing	0%	Funded through sanitary sewer rates.
Sanitary Sewer new 200mm dia in a residential OCP or zoned area	100%	Providing a new service, sanitary sewer to the area, adjacent owners should pay 100% of a 200mm dia residential sanitary sewer main.
Sanitary Sewer new greater than 200mm dia in a residential OCP or zoned area	100% of the cost of a 200mm sanitary sewer main	Providing a new service, sanitary sewer to the area, adjacent owners should pay 100% of a 200mm dia residential sanitary sewer main. Any oversizing funded from the Sanitary Sewer Utility.
Sanitary Sewer new 250mm dia in a non- residential OCP or zoned area	100%	Providing a new service, sanitary sewer to the area, adjacent owners should pay 100% of a 250mm dia non-residential sanitary sewer main.
Sanitary Sewer new greater than 250mm dia in a non- residential OCP or zoned area	100% of the cost of a 250mm sanitary sewer main	Providing a new service, sanitary sewer to the area, adjacent owners should pay 100% of a 250mm dia non-residential sanitary sewer main. Any oversizing funded from the Sanitary Sewer Utility.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>STORM</b> (Includes all aspects of the Storm Water System including but not limited to: Mains, Appurtenances, Treatment, Storage, Pumping and Attenuation)		
Storm Sewer replacement of existing	0%	Funded through storm sewer rates.
Storm Sewer new 250mm dia any OCP or zoned area	100%	Providing a new service, storm sewer to the area, adjacent owners should pay 100% of a 250mm dia storm sewer main.
Storm Sewer new greater than 250mm dia in any OCP or zoned area	100% of the cost of a 250mm storm sewer	Providing a new service, storm sewer to the area, adjacent owners should pay 100% of a 250mm dia storm sewer main. Any oversizing funded from the Storm Sewer Utility.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>ROADS and LANES</b> (Includes all aspects of the Road System including but not limited to: Lanes, Medians, Bike Lanes, Bike Facilities, Retaining Walls, Street Furniture, Signs, Line Painting and Transit Facilities)		
Road replacement of existing in the downtown commercial or urban center OCP or zoned areas	0%	Funded from General Revenue, consistent with past Downtown projects.
Road replacement of existing in industrial and commercial OCP or zoned areas	0%	To be funded form General Revenue, consistent with the approach taken in the Downtown.
Road replacement of existing in all other areas	25%	Other areas are a lower priority and there should be an adjacent owner contribution. The City will work with those that want to contribute.
Road upgrade from gravel to paved roads	50%	Consistent with past Penticton Industrial Development Area projects.
Lane replacement of existing	100%	Lanes are a low priority and will only be replaced with a 100% adjacent owner contribution.
Lane upgrade from gravel to paved lanes	100%	Lanes are a low priority and will only be upgraded with a 100% adjacent owner contribution.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>CURB GUTTER AND SIDEWALK</b> (Includes all aspects of the Curb, Gutter and Sidewalk System including but not limited to: Curbs, Sidewalks, Trails, Paths, Stairs, Retaining Walls, Street Furniture and Signs)		
Curb gutter and or sidewalk replacement of existing in the downtown commercial or urban center OCP or zoned areas	25%	Adjacent owner contribution consistent with past Downtown projects.
Curb gutter and or sidewalk replacement of existing in the industrial and commercial OCP or zoned areas	25%	Consistent with the approach taken in the Downtown.
Curb gutter and or sidewalk replacement of existing in all other areas	35%	Other areas are a lower priority and there should be an adjacent owner contribution. The City will work with those that want to contribute.
Curb gutter and or sidewalk new installation	50%	Consistent with past Penticton Industrial Development Area projects.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>STREET LIGHTING</b> (Includes all aspects of the Street Lighting System including but not limited to: Standard and Decorative Street Lights, Pedestals, Wire and Connection Boxes)		
Street lighting replacement	0%	Funded through General Revenue.
Street lighting upgrade to decorative in the downtown commercial or urban center OCP or zoned areas	25%	Adjacent owner contribution consistent with past Downtown projects.
Street lighting upgrade to decorative all other areas	100% of the cost difference between standard and decorative street lighting	Providing a new standard, decorative street lighting, to the area, adjacent owners should pay 100% of the cost of the difference between the cost of a decorative street light and a standard street light.
Street lighting new	100%	Providing a new service, street lighting, benefitting owners should pay 100% of the cost.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>ELECTRICAL DISTRIBUTION</b> (Includes all aspects of the Electrical Distribution System including but not limited to: Poles, Cross Arms, Insulators, Voltage Regulators, Wire, Conduit, Vaults, Pedestals, Plug Ins, and Transformers)		
Electrical distribution system replacement	0%	Funded through the Electrical Reserve
Electrical distribution new	100%	Providing a new service, electrical distribution, benefitting owners should pay 100% of the cost.

Infrastructure Item	% as Owners Share of Design, Supply and Install Cost	Comments
<b>LANDSCAPING and STREET FURNITURE</b> (Includes all aspects of the Landscaping System including but not limited to: Fill Material, Top Soil, Fertilizer, Tree Wells and Grates, Trees, Shrubs, Grasses and Flowers, Retaining Walls and Street Furniture)		
Landscaping replacement to same standard as existed prior to construction	0%	Funded through General Revenue.
Landscaping upgrade to a higher standard than existed prior to construction	80% of the cost difference between the higher standard and existing landscaping less the cost of any new tree installation	Adjacent property owner pays 80% toward the increased landscaping standard they are getting less any costs associated with adding trees to improve the tree canopy.
Landscaping new to Subdivision and Development Bylaw Standard	100%	Providing a new service, landscaping, benefitting owners should pay 100% of the cost.
Landscaping new to a standard higher than the Subdivision and Development Bylaw Standard	100% less the cost of any new tree installation	Adjacent property owner pays for the increased landscaping standard they are getting less any costs associated with adding trees to improve the tree canopy.

In situations where the OCP or zoning is different from one side of the street to the other the amount paid as owner share may also be different from each side of the street and will be consistent with the percentage amounts set out in Table 1.

**Interest Rate to be Charged**

When setting up a Local Area Service Bylaw the recommended interest rate used to determine the annual amount to be charged to benefitting properties shall be the Business Prime rate plus 0.5% unless there is an Interest Rate Policy in place in which case the interest rate in the Interest Rate Policy shall be used.

**Administration Costs vs Revenue**

When considering if a Local Area Service Bylaw should move forward to the public process consideration will be given to the annual cost of administering the bylaw vs. the annual revenue received. A Local Area Service Bylaw should not move forward to the public process if there is not a suitable spread between the cost to administer and the revenue received.

**Previous revisions**

Certified Correct

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Angie Collison, Corporate Officer

THE CORPORATION OF THE CITY OF PENTICTON

BY-LAW NO. 2525

A BY-LAW OF THE CORPORATION OF THE CITY OF PENTICTON TO ESTABLISH CHARGES FOR EACH CLASS OF WORK UNDERTAKEN AS A LOCAL IMPROVEMENT.

WHEREAS section 594 of the "Municipal Act" provides that the Council shall not undertake any class of work pursuant to Division (1) of Part XVI unless it has by general by-law applicable to all works of that class established the proportion of the cost of the class of work to be specially charged against the parcels benefiting from or abutting the work as the owners portion of the cost of the work.

NOW THEREFORE the Council of the Corporation of the City of Penticton in open meeting assembled ENACTS as follows:-

- 1. The proportion of the cost to be specially charged against the parcels benefiting from or abutting the classes of work listed hereunder shall be as follows:-

CLASS OF WORK	PROPORTION TO BE CHARGED AS OWNERS SHARE
A. Concrete Curb & Gutter (Frontage)	60% of Cost
B. Concrete Curb & Gutter (Flankage)	40% of Cost
C. Concrete Sidewalk (Frontage)	60% of Cost <i>1/2 - 2/3</i>
D. Concrete Sidewalk (Flankage)	40% of Cost
E. Ornamental Street Lighting	50% of Cost
F. Local Neighbourhood Parks	75% of Cost
G. Domestic Water Mains	100% of Cost up to 6" line
H. Off-Street Parking	100% of Cost
<i>San Sew Service Connections</i>	<i>100% of Cost.</i>

- 2. This By-law may be cited as "Local Improvement Charge By-law, No. 1 1968".

Read a first, second and third times by the Municipal Council on the 26th day of August, 1968.

Reconsidered and finally passed by the Municipal Council this 24 day of September, 1968.

*F. D. Stewart*  
MAYOR

*H. G. Andrew*  
CLERK

AMENDED BY BY-LAW No. 2810

THE CORPORATION OF THE CITY OF PENTICTON

BY-LAW NO. 2810

A BY-LAW OF THE CORPORATION OF THE CITY OF PENTICTON TO AMEND BY-LAW NO. 2525

WHEREAS it is deemed expedient to amend By-law No. 2525.

THEREFORE the Municipal Council of the Corporation of the City of Penticton in open meeting assembled ENACTS as follows:-

- 1. That paragraph 1 of By-law No. 2525 be amended by adding thereto as Item I, the following:-  
"I. Sanitary Sewer Service Connections - 100% of cost".
- 2. That paragraph I of By-law No. 2525 be amended by adding thereto as Item J, the following:-  
"J. Domestic Water Service Connections - 100% of cost".

Read a first, second and third times by the Municipal Council on the 2nd day of August, 1971.

Reconsidered and finally passed by the Municipal Council this 9th day of August, 1971.

*F. D. Stewart*  
MAYOR

*I. C. James Sewell*  
Acting-CLERK.

I, C. James Sewell, Acting-Clerk of the Corporation of The City of Penticton, hereby certify the within to be a true and correct copy of By-law No. 2810 signed by the Mayor and Clerk and sealed with the seal of the said Corporation on the 9th day of August, 1971.

*I. C. James Sewell*  
ACTING-CLERK.

**Bylaw No. 2019-28**

*A bylaw to repeal Local Improvement Charge Bylaw, No. 1, 1968 and amendment thereto*

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WHEREAS section 137 of the *Community Charter* provides that the power to repeal a bylaw must be exercised by bylaw and is subject to the same approval and other requirements, if any, as the power to adopt a new bylaw;

AND WHEREAS the Council of the City of Penticton deems it necessary and expedient to repeal Bylaw No. 2525 Local Improvement Charge By-law No. 1, 1968 and its amendment thereto in its entirety;

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 "Local Improvement Charge Repeal Bylaw No. 2019-28".

2. **Repeal:**

Bylaw No. 2525 "Local Improvement Charge By-law, No. 1, 1968" and amending Bylaw No. 2810, 1971 are hereby repealed.

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

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Angie Collison, Corporate Officer

**Bylaw No. 2019-29**

*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. 2019-29".

2. **Amendment:**

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

Rezone "Proposed Lot 1" of Lot A, District Lot 202 Similkameen Division Yale District, Plan 37662, 595 Vancouver Avenue from R1 (Large Lot Residential) to R3 (Small Lot Residential: Lane) and rezone "Proposed Lot 2 and 3" of Lot A, District Lot 202 Similkameen Division Yale District, Plan 37662, 595 Vancouver Avenue from R1 (Large Lot Residential) to R2 (Small Lot Residential) as identified on Schedule 'A' of this bylaw.

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

READ A FIRST time this	6	day of	August, 2019
A PUBLIC HEARING was held this	20	day of	August, 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 9 day of August, 2019 and the 14 day of August, 2019 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

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John Vassilaki, Mayor

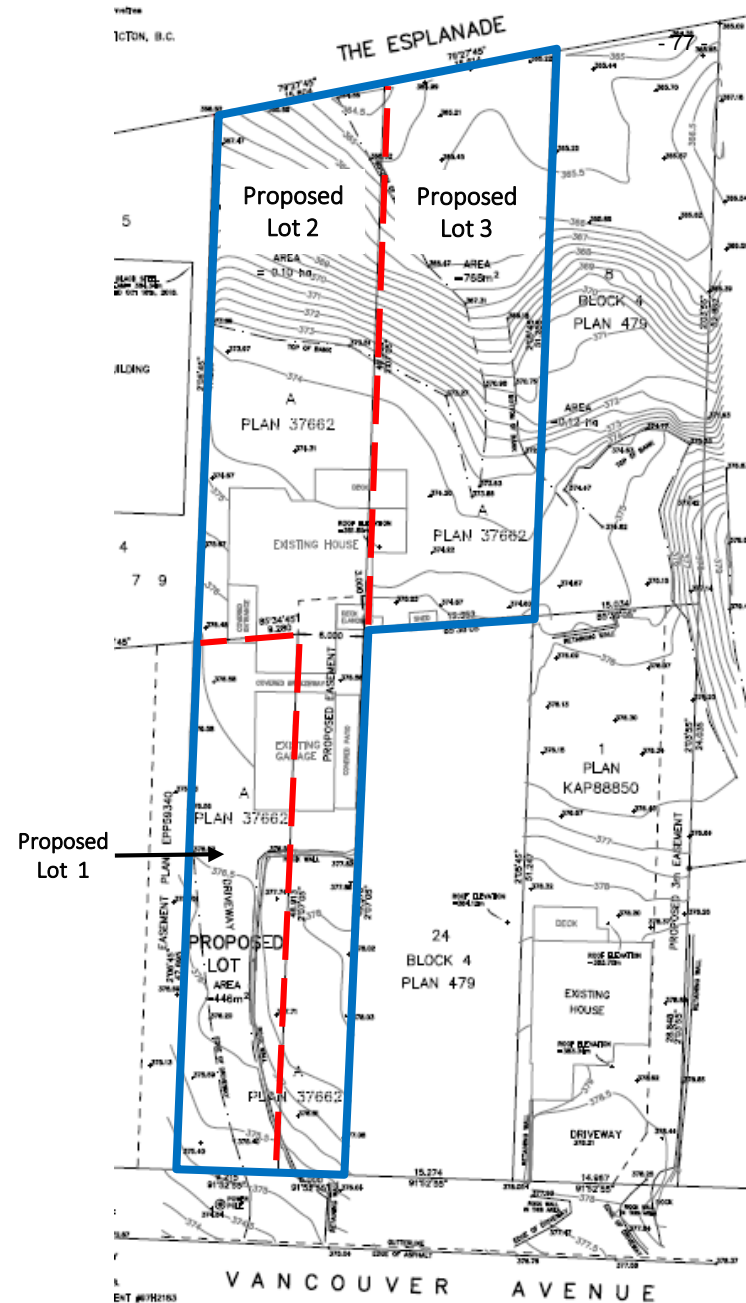
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Angie Collison, Corporate Officer

# 595 Vancouver Ave – Rezoning

Proposed Lot 1:  
From R1 (Large Lot Residential) to R3  
(Small Lot Residential: Lane)

Proposed Lots 2 and 3:  
From R1 (Large Lot Residential) to R2  
(Small Lot Residential)



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2019-29

Date: \_\_\_\_\_

Corporate Officer: \_\_\_\_\_

**Bylaw No. 2019-24**

*A Bylaw to Amend Zoning Bylaw 2017-08*

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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. 2019-24".

2. **Amendment:**

Zoning Bylaw 2017-08 is hereby amended as follows:

2.1 Remove Section 6.1.2.2 Cooperative Vehicle Parking Spaces in its entirety.

2.2 Delete and replace Section 6.1.2.3 Cash-in-Lieu with the following:

In lieu of providing the required number of off street vehicular parking spaces in the following zones RM2, RM3, RM4, RM5, C1 – C9 and M1 - M3 or bicycle parking in any zone, a property owner may provide the City a sum of money equal to the number of parking spaces not provided multiplied by the applicable cash in lieu amount as identified in Table 6.1. The sum of money will be deposited in the Off-Street Parking Reserve and Alternative Transportation Infrastructure Reserve at the rate of 75% to the Off Street Parking Reserve and 25% to the Alternative Transportation Infrastructure Reserve.

2.3 Add Section 6.1.2.4:

In the case of the RM2 and RM3 zones, the cash in lieu provision shall not lower the total number of parking spaces to below one space per dwelling unit.

2.4 Delete and replace Table 6.1 Cash in Lieu with the following:

Existing floor area converted to residential dwelling unit	New commercial, industrial and/or high density residential floor area	Class 1 bike parking space for new commercial and/or residential floor area
\$20,000	\$20,000	\$500

2.5 Delete Section 14.5.4.1.ii in its entirety.

READ A FIRST time this	18	day of	June, 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
RECEIVED the approval of the Ministry of Transportation on the		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*.

<p>Approved pursuant to section 52(3)(a) of the <i>Transportation Act</i>  this _____ day of _____, 2019</p> <p>_____</p> <p>for Minister of Transportation &amp; Infrastructure</p>
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\_\_\_\_\_  
John Vassilaki, Mayor

\_\_\_\_\_  
Angie Collison, Corporate Officer

**Bylaw No. 2019-27**

*A Bylaw pursuant to the Local Government Act to provide for remuneration, expenses and benefits for members of Council*

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WHEREAS the Council of the City of Penticton wishes to set by bylaw, the remuneration, expenses and benefits for elected officials;

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 "Council Remuneration and Expense Bylaw No. 2019-27".

2. **Remuneration paid to the Mayor:**

2.1 Effective January 1, 2019, the Mayor shall be paid an annual indemnity of \$68,439 and effective January 1, 2019 increased to \$78,332 per annum to compensate for the 1/3 Federal tax exemption change.

2.2 Effective January 1, 2020 and every January 1 thereafter, the Mayor's indemnity shall receive an annual adjustment based on the Consumer Price Index (CPI) published by Statistics Canada for the twelve-month period January to December of the previous year.

3. **Remuneration paid to members of Council:**

3.1 Effective January 1, 2019, members of Council shall be paid an annual indemnity of \$23,936, and effective January 1, 2019 increased to \$25,936 per annum to compensate for the 1/3 Federal tax exemption change.

3.2 Effective January 1, 2020 and every January 1 thereafter, members of Council indemnity shall receive an annual adjustment based on the Consumer Price Index (CPI) published by Statistics Canada for the twelve-month period January to December of the previous year.

4. **Benefits:**

4.1 Participation in BC MSP, Extended Health and Dental benefits is optional and 100% of the premium cost at the Council members' expense.

4.2 The City will provide for each member of Council Workers' Compensation and Accidental Death and Dismemberment coverage while on official business for the Municipality.

5. **Expenses:**

5.1 The City shall reimburse expenses necessarily incurred by a Council member when the Council Member is:

- i) representing the municipality beyond its boundaries;
- ii) engaging in municipal business beyond its boundaries; or
- iii) attending a meeting, course or convention beyond its boundaries.

5.2 Expenses shall be provided for in the City budget and include the following types of expenses reimbursed at actual cost, supported by receipts:

- i) economy rate air fare;
- ii) conference and convention registration fees;
- iii) taxi fare, car rental, public transit or car parking;
- iv) accommodation;
- v) meals (not alcohol); and
- vi) incidental expenses.

5.3 Meals, when not part of the conference or course fee, may be claimed at the following per diem rates:

	Zone A	Zone B	Zone C	Zone D
Breakfast:	\$20	\$20	\$15	\$15
Lunch:	\$30	\$30	\$25	\$20
Dinner:	\$41	\$51	\$36	\$31
Daily Allowance:	\$91	\$101	\$76	\$66

Zone A – Vancouver Island

Zone B – Lower Mainland (includes Whistler and meals outside of BC and Canada)

Zone C – Okanagan & Thompson Valleys

Zone D – All other BC

5.4 Council members using their personal vehicle for travel outside the City shall be reimbursed at the per kilometer allowance recommended by the Canada Revenue Agency.

5.5 Travel must be undertaken in the most cost effective manner, and where economy airfare is less than kilometer allowance, the Council member shall only be entitled to payment of the economy airfare rate in lieu of the kilometer allowance.

6. **Review:**

6.1 A review of the base remuneration for Mayor and Council will take place before the end of 2025.

7. **Repeal:**

7.1 "Penticton Municipal Council Indemnity Bylaw No. 2002-35 (2002)" and all amendments thereto is hereby repealed upon adoption of this bylaw.

READ A FIRST time this	6 day of	August, 2019
READ A SECOND time this	6 day of	August, 2019
READ A THIRD time this	6 day of	August, 2019
ADOPTED this	day of	, 2019

\_\_\_\_\_  
John Vassilaki, Mayor

\_\_\_\_\_  
Angie Collison, Corporate Officer

**Bylaw No. 2019-30**

*A bylaw to repeal Heritage Advisory Committee establishment bylaw*

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WHEREAS section 137 of the *Community Charter* provides that the power to repeal a bylaw must be exercised by bylaw and is subject to the same approval and other requirements, if any, as the power to adopt a new bylaw;

AND WHEREAS the Council of the City of Penticton deems it necessary and expedient to repeal Bylaw No. 3810 the Heritage Advisory Committee establishment bylaw in its entirety;

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 "Heritage Advisory Committee Establishment Repeal Bylaw No. 2019-30".

2. **Repeal:**

Bylaw No. 3810, 1980 cited as "the Heritage Advisory Committee Establishment By-law No. 3810" is hereby repealed.

READ A FIRST time this	6	day of	August, 2019
READ A SECOND time this	6	day of	August, 2019
READ A THIRD time this	6	day of	August, 2019
ADOPTED this		day of	, 2019

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John Vassilaki, Mayor

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Angie Collison, Corporate Officer