
City of Kelowna

MEMORANDUM

DATE: May 8, 2003
FILE: 6430-01
TO: City Manager
FROM: Director of Works and Utilities
Director of Finance
Director of Parks and Leisure Services
RE: **20-Year Servicing Plan and Financing Strategy**

RECOMMENDATION:

THAT Council receive the draft 20-Year Servicing Plan and Financing Strategy for information;

AND THAT Council authorize staff to seek stakeholder input into the draft plan and report back following that feedback.

BACKGROUND:

The 20-Year Servicing Plan and Financing Strategy is an integral part of the 2020 Official Community Plan (OCP). The draft 20-Year Servicing Plan focuses on the City transportation, water, wastewater, drainage and parks needs to support the growth identified in the recently updated OCP. Integration of a servicing plan and financing strategy with the growth plan is necessary to ensure that the plan is affordable in the form that City Council and the community can support and adopt as a blueprint for future development. The last 20-Year Servicing Plan and Financing Strategy was developed as part of the 2013 OCP.

The recommended 2020 Servicing Plan is largely an update of the 2013 plan recognizing the projected population at the end of the period is very close to the same and the growth areas are also largely the same. The plan recognizes the impact of the City's strategic plan; current regulations, standards, bylaws and City Council direction; and updated costs of infrastructure and land acquisition. As such the proposed infrastructure works are largely the same except for the following key changes:

- a) WATER – The 2013 Plan called for \$41.1 Million in expenditures on pipes and pumping systems to support growth while the new plan identifies \$29.1 Million of expenditures. This reduction is a result of the water metering and conservation program, improved operating techniques, and improved

modeling of the water system. All these factors have allowed deferment of many projects to outside the 2020 time horizon.

- b) DRAINAGE – Since the last plan was developed the City's drainage strategy has moved from a "big pipe" solution to an environmentally sensitive approach involving on-site containment and controlled releases to the streams and Okanagan Lake. It was found that there is no longer a need to have a separate Drainage Service charge but to roll it into the Transportation-Arterial Roads Program since the roads already have a piped storm drainage component incorporated.
- c) TRANSPORTATION – The plan largely includes the same roads as the last plan. Key changes in the plan are more focused around landscaping and other amenities requested by the community as well as incorporation of new subdivision bylaw standards such as 4 inches of asphalt on major roadways.
- d) PARKS – The plan retains the current standard of 2.2 hectares of park per 1,000 population. There has been a change from using the average cost of land in various areas of the City to a program based on the value of specific lands to be acquired. This approach has resulted in a reduction from a 2013 plan costing \$81.1 Million to a 2020 plan to expend \$64.4 Million.
- e) WASTEWATER – The updated plan reflects the completion of some \$25 Million in treatment plant expansion as well as various trunk sewers.
- f) DENSITY GRADIENT – The application of this methodology to development cost charges (DCC's) for roads, water and wastewater will recognize the benefits of lower infrastructure costs when developing at a higher density. This is consistent with the OCP direction which promotes a more compact urban form and residential development in the City's town centres. The introduction of four grades will result in lower costs per unit for higher density developments, consistent with their capital cost burden. The City currently distinguishes between single family and apartment units in the application of DCC's.

The total costs of providing this infrastructure in the 2020 Plan is \$492 Million as compared to \$592 Million for the 2013 program. This decrease is a result of the changes outlined above; a reduced population growth projected in the next twenty years, completion of some projects and is despite construction costs increases of up to 30% in some areas since the last plan was developed. Additional information on the programs is attached in the Draft Plan, Overview and Question and Answer Guides which will be provided to the various stakeholders and the public.

Staff intend to hold an open house and presentation to stakeholders and the general public on May 28th at 7:00 pm at the Ramada Lodge. At this session staff will be available to answer questions on the various plans and the financing strategy. Surveys will be provided to attendees to seek feedback. As well, staff will work with key stakeholders such as the Urban Development Institute and interested neighbourhood organizations to provide additional information and clarification. Once their feedback is

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received staff will report with a finalized servicing plan and financing strategy that can then be considered jointly with the 2020 OCP. Timing for response to Council will be dependent on the information required by stakeholders.

John Vos, Director of Works and Utilities

Paul Macklem, Director of Finance

David Graham, Director of Parks & Leisure Services

Attachments