



# **2007 MUNICIPAL BRIEF**

**June 2007**



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## 1. INTRODUCTION

The Kelowna Chamber of Commerce is a membership-based business organization representing in excess of 1600 business members. As the second largest Chamber of Commerce in British Columbia, our mission is to foster a positive business environment by providing members with leadership, advocacy and services of value.

The issues presented in this document will serve as a focal point for the advocacy efforts of the Kelowna Chamber of Commerce regarding challenges and obstacles facing our business community. The intent of this process is to create an open dialogue with key decision makers in an effort to find solutions to these obstacles.

With a population estimated at 109,000, Kelowna is the largest community in the Central Okanagan and continues to be one of the fastest growing cities in British Columbia. Kelowna's economic growth is driven by increased activity in the manufacturing, technology and health care sectors in particular, which are attracting new businesses and residents to the area (*Source: Economic Profile – Regional District of Central Okanagan, EDC June 2005*).

The growth is fuelled by the recognition of Kelowna as being identified as the most cost effective place to conduct business in the Pacific Regional of North America in KPMG's 2004 Competitive Alternatives Study. This study measured 27 cost components – such as labour, taxes and utilities – applied to business operations in a study of 121 cities in 11 countries.

The city's vibrant retail and commercial base attracts a trading area of 450,000 residents, making it the largest center for urban development, business, commerce, retail and health care services between Greater Vancouver and Alberta.

The city is known all over the world for its championship golf courses, extraordinary powder skiing and award-winning wineries. Arts and cultural amenities are rapidly evolving to meet a broad range of interests for both residents and tourists.

As a growing region, Kelowna and the Okanagan are faced with significant issues such as affordable housing, homelessness (and the associated issues of addictions and mental illness), transportation infrastructure needs and the retention and recruitment of employees. This municipal brief will delve into these issues.

## 2. TRANSPORTATION

### 1. HIGHWAY 97/OKANAGAN HIGHWAY CORRIDOR

As the heart of the Okanagan, Kelowna is the fastest growing urban centre in British Columbia. Kelowna has achieved a bustling economy with high commercial growth, near full employment, and increased international recognition as a tourism destination. However, this success has generated traffic flows that are higher than anticipated, thus creating significant strains on the regions highway infrastructure.

The high volumes of traffic along the Okanagan Highway Corridor have become a burden to the increased economic activity and a significant inconvenience to the residents of the area. More importantly, the inability to provide highway infrastructure to keep up with the increase in traffic flow has become a significant safety concern.





The current high rate of residential and commercial activity is not expected to subside in the near future. The current pace of highway infrastructure improvements does not keep up with the current rate of traffic growth. These two factors point to a future of increased congestion and safety issues for this region.

It is recognized that it is the role of the provincial and federal governments to address the highway infrastructure needs throughout the Okanagan Highway Corridor. It is imperative for the City of Kelowna to work closely with various stakeholders in the area to identify and pursue the infrastructure priorities of our community and region.

The Kelowna Chamber of Commerce continues to meet with representatives at the municipal, regional, provincial, and federal level to pursue transportation infrastructure priorities including Federal Minister of Transportation Lawrence Cannon and provincial Minister of Transportation Kevin Falcon.

On a regional level, the Kelowna Chamber is spearheading discussions with Chambers of Commerce from Vernon to Osoyoos in an effort to identify priorities throughout the Okanagan region. It is our hope to establish a common voice regarding transportation needs for this region.

**Recommendations:**

1. ***The City of Kelowna work closely with the Kelowna Chamber of Commerce to leverage the feedback of business community where appropriate.***
2. ***Recognizing that the Okanagan Highway Corridor is a shared responsibility, the City of Kelowna establish and maintain a close working relationship with the provincial and federal governments to address the highway infrastructure needs.***
3. ***The City of Kelowna work closely with the Kelowna Chamber of Commerce, the Economic Development Commission, Urban Development Institute, the Okanagan Partnership, and the Provincial and Federal Government's to establish a Regional Transportation Plan.***

## **2. CENTRAL OKANAGAN BY-PASS (COB)**

The Central Okanagan region is expected to continue to grow at approximately 3% per annum from 160,000 persons at present to some 225,000 persons in 2021, a growth of 65,000 people. With the current growth and increased volume of traffic, the efficient movement of goods and services becomes critical to the success of business.

As indicated on the City of Kelowna website, the Central Okanagan Bypass (COB) is a four-lane roadway running along the north side of the railroad tracks between Gordon and Spall, traveling underneath the bridge on Bernard Avenue near the Apple Bowl.

Overall objectives include planning of a controlled access multi-modal corridor north of McCurdy Road to UBC Okanagan, to address overall existing and future transportation needs of the city and the region. This comprehensive approach to the movement of people, goods, and services along this corridor will provide relief on congested roadways by diverting auto and truck traffic through the COB.





**Recommendations:**

1. *The City of Kelowna continue to engage the provincial and federal governments to participate in the construction of the Central Okanagan Bypass to address the increased traffic flow in Kelowna.*
2. *The City of Kelowna continue to support a secondary route to the downtown area, understanding it's importance to the movement of goods and services.*

**3. KELOWNA INTERNATIONAL AIRPORT EXPANSION**

The Airport Advisory Committee and staff of the Kelowna International Airport have prepared a sustainable long-term vision for the continued growth of the airport. The 2025 Master Plan identifies key issues and provides strategic solutions to ensuring that the airport continues to be a leader in Canada.

With over one million passengers, the airport has grown to become a significant gateway for our region. The vision captured in the master plan will enable the Kelowna International Airport to expand the Okanagan's role as a global gateway for business and tourism. The airport infrastructure will continue to be a major piece of economic infrastructure as Kelowna (and the Okanagan region) continues to grow as a major economic region in British Columbia.

The comprehensive approach of the master plan puts forward a strategic and sustainable phased approach to creating low cost airport infrastructure while meeting the future economic needs of our region. The Kelowna Chamber of Commerce salutes the leadership provided by the Kelowna International Airport Advisory Committee, and supports the long-term vision provided in the 2025 Master Plan.

**Recommendations:**

1. *The City of Kelowna continue to work in partnership with the provincial and federal governments to recognize the 2025 Master Plan of the Kelowna International Airport as a viable and sustainable approach to maintaining an important component of the economic infrastructure of Kelowna and the Okanagan Region.*
2. *The City of Kelowna continue to invest in the airport infrastructure to ensure that the Kelowna International Airport continues to meet the demands of the traveling public of Kelowna and the Okanagan region.*

**4. OKANAGAN SMART TRANSIT PLAN**

The Central Okanagan region is expected to continue to grow at approximately 3% per annum from 160,000 persons at present to some 225,000 persons in 2021, a growth of 65,000 people.

The region enjoys the services of a comprehensive transit system that provides conventional fixed route service and HandyDART service. Transit ridership has been growing from just over 1 million passengers per year 10 years ago, to almost 3 million passengers in 2003, a growth of 10-12% per annum. A more modest growth of 4-6% per annum is projected over the next 10 to 15 years.

This strong growth of population and employment, coupled with the substantial growth in transit travel demand, provides an opportunity to pursue Smart Growth and Smart Transit, i.e. a land-use plan that supports and encourages efficient modes of transportation such as transit, walk and cycle.





The Central Okanagan Region and local municipalities commissioned this Smart Transit project to develop a vision for sustainable or smart transit for this region. The guidelines developed from this study will be used to encourage smart growth by developing a transit-supportive and land use public transit system.

It was determined that the transit system achieves higher than average ridership compared to similar Canadian systems and that it is as cost effective as similar sized transit systems. In looking forward, the study concluded that specific areas to improve upon included improvement of on-time transit service reliability, reduction in level of graffiti and vandalism to vehicles and shelters, and the need for expanded off-peak services.

It is recognized that the region will benefit from an enhanced public transportation system. The citizens of Kelowna will benefit from an enhanced transit service, the education system will benefit from improved movement of students to the public school system and to post secondary institutions such as Okanagan College and UBC-Okanagan. The business community will benefit from improved ability of workforce mobility.

**Recommendation:**

1. *The Kelowna Chamber of Commerce encourages the City of Kelowna to work in partnership with the senior levels of government in support of the initiatives of the City of Kelowna to develop a long-term transit vision for the region that will provide frequent, rapid and reliable, limited stop transit service linking the majority of the town centers in Kelowna.*

## **5. SECOND CROSSING OF LAKE OKANAGAN**

The City of Kelowna, in partnership with other stakeholders, is currently undertaking a planning study of the Central Okanagan Bypass (COB) corridor through Kelowna between Spall and McCurdy Roads.

As part of the Official Community Plan (OCP) of the City of Kelowna, the COB is intended ultimately to bypass the busy commercial corridor along Highway 97 that will function as a multi-use corridor. This corridor is intended to provide safe and efficient movement of goods and services, while striking a balance between mobility, the environment and adjacent communities for all modes of travel including rail, pedestrians, cyclists, trucks and passenger vehicles.

An added component of this study is to investigate the benefits of a second bridge crossing of Okanagan Lake. Recognizing the complexities of bringing such a project to fruition, and the extensive time frame involved, it is timely to consider the future location of this critical piece of transportation infrastructure in relation to other transportation initiatives underway, such as the current Central Okanagan Bypass.

To further add to the timeliness of this discussion is the upcoming review of the Official Community Plan expected during 2008. This long-term community vision will look ahead to 2030, past the expected capacity of the bridge currently being constructed.





The Kelowna Chamber of Commerce is currently spearheading discussions regarding transportation priorities with Chambers of Commerce from Vernon to Osoyoos. These discussions indicate significant deficiencies in transportation infrastructure throughout this Okanagan Transportation Corridor. While each community along this corridor has transportation requirements which need to be addressed, the location of a second crossing is a pivotal component to many of these priorities.

**Recommendation:**

1. ***The Kelowna Chamber of Commerce encourages the City of Kelowna to work with the provincial government to establish a location for a second crossing of Lake Okanagan as part of the Official Community Plan review, and an overall Okanagan Corridor Transportation Plan.***

### 3. TOURISM

Tourism Kelowna is funded by the Additional Hotel Room Tax, City of Kelowna grants for the operation of the Visitor Info Centre, Marketing and Sport Tourism Marketing, a portion of Chamber of Commerce membership dues and other Federal, Provincial and tourism industry businesses. We look forward to the further development of these crucial relationships.

As identified in a 2006 Economic Impact Study, Kelowna has developed into an international destination that attracts tourists from around the globe year-round. As a result, tourism is now a major employment and economic contributor to the Kelowna area.

The Economic Impact Study indicates that tourism in the Kelowna area generated 6,900 direct jobs equal to 5,100 full-time equivalents. In addition, the tourism sector contributes approximately \$220 million in direct Gross Domestic Product and \$390 million in direct economic output.

Kelowna has become a desirable destination for many activities; and it is expected that this growth trend will continue due to enhanced marketing efforts and improvements to air access to Kelowna.

**Recommendation:**

1. ***City of Kelowna staff and elected officials continue to work with Tourism Kelowna and the tourism sector to further the development of Kelowna as a tourism destination.***

### 4. DOWNTOWN REVITALIZATION

The Kelowna Downtown Plan (the Plan) is a response to the community's desire to maintain and enhance the Downtown as an economically vital and exciting place to celebrate the civic life of our city. Specifically, the Plan is a broad framework of proposed policies and initiatives intended to make Downtown a 'people place' by giving prime consideration to pedestrian needs and to uses that generate pedestrian activity.





The Downtown Plan, while recognizing the imperative of immediate and short-term initiatives, is a long-term approach to the rejuvenation of the Plan area. The Plan takes a comprehensive perspective that recommends essential policies and complementary action-oriented initiatives. Additionally, the Plan, while acknowledging the City of Kelowna as the lead agency for implementation of the Plan's initiatives, emphasizes a positive working relationship with other community organizations and stakeholders such as the Downtown Kelowna Association.

The Plan's goals, policies, and initiatives are grouped according to ten areas that form the building blocks to a revitalized downtown. These ten areas are identified as:

1. Business Enhancement and Economic Development
2. Physical Form and Character
3. Parking
4. Transportation
5. Housing
6. Culture and Public Art
7. Heritage Resources
8. Social Environment
9. Natural Environment
10. Utilities Infrastructure

**Recommendations:**

1. *The City of Kelowna work with the Downtown Kelowna Association, the Kelowna Chamber of Commerce, and UDI to create a new Downtown Plan to find new solutions to the emerging challenges facing the downtown.*
2. *Establish a prioritized action plan to implement the action items as identified in the downtown plan*

## **5. CONVENTION CENTRE**

For some time the prospect of developing a multi-purpose centre in Kelowna has been the subject of discussion. As early as the mid 1980's, the City of Kelowna partnered with stakeholders to explore the feasibility of a convention facility.

The Kelowna Chamber of Commerce and industry stakeholders are now interested in becoming more aggressive and successful in marketing itself as a destination for larger meetings and events, and is exploring the concept of establishing larger and more sophisticated convention infrastructure to become a primary destination in the Meetings, Conventions and Incentive Travel (MC&IT) market sector.

The convention centre will provide the critical infrastructure necessary to attract larger conventions, cultural events and corporate functions with a particular emphasis on attracting quality-driven, national and international market sectors matching Kelowna's overall economic development. The project will attract major international and domestic conventions, stimulate other private investment and will strengthen Kelowna's market position by continuing to grow its profile as a leading events and business destination.

**Recommendation:**

1. *The City of Kelowna is encouraged to work with stakeholders to determine the feasibility of establishing a convention centre in Kelowna.*





## 6. COMMUNITY SUSTAINABILITY

### 1. HOMELESSNESS

Statistics of Kelowna's homeless population indicate that approximately 400 people are either living on the street or in a shelter, presents a distressing portrait of the homeless in Kelowna. Statistics show that many people are dealing with significant addictions and mental illness challenges:

- ◆ 61% male and 35% female
- ◆ Median age 38
- ◆ 38% of respondents have living in Kelowna for more than six years
- ◆ Average length of homelessness is 31 months
- ◆ People have become homeless while working in Kelowna
- ◆ People often drift in and out of homelessness
- ◆ 20% consider themselves to be 'working poor'

(Source: Census of Homeless Individuals in Kelowna; Fall 2004)

Efforts are underway on two initiatives to address homelessness in Kelowna, including a 30-unit apartment building for homeless people with mental illness and addictions, and the relocation of the Kelowna Gospel Mission. These initiatives will help people to become more self-reliant by providing secure housing and assist them to be fully employed and independent.

For the chronically homeless, the most cost-effective way to end the cycle of homelessness is affordable housing. A recent study by the provincial government found that it is 33% more cost effective to provide low cost housing versus providing hospital care and court time. (Volume 3, Homelessness – Causes & Effects – The Costs of Homelessness in British Columbia, February 2001)

#### Recommendation:

1. *The City of Kelowna is encouraged to work with the provincial and federal governments to continue along the path of providing affordable housing to address homelessness in Kelowna.*

### 2. AFFORDABLE HOUSING

The City of Kelowna has embarked on a process to more deeply explore the root causes of affordable housing and possible solutions. It is important to note that the issue of affordable housing is more than a social issue; affordable housing has economic implications as well. There is a direct impact on the ability of businesses to retain current employees who have difficulty in meeting their housing needs, and the ability to recruit new employees into the region due to high housing costs.

#### Recommendations:

1. *The City of Kelowna continue to work with the provincial and federal governments to create solutions for affordable housing as a social and economic issue.*
2. *The City of Kelowna continue to consult with the business community to determine appropriate solutions and explore ramifications of the proposed*





### 3. SUPPORTIVE HOUSING

The City of Kelowna, along with Interior Health Authority and BC Housing, has resolved to establish a supportive housing facility on St. Paul Street in an effort to assist people working to cope with addictions and mental illness. During the public consultation process, the Kelowna Chamber of Commerce has consistently expressed concerns regarding:

- The restrictive location criteria used to determine a location for the supportive housing facility.
- The need for a long-term strategy to deal with issues of this nature.
- Concerns regarding potential negative economic impact wherever the facility was located.

The Kelowna Chamber has heard from its members (formally and informally) both in support and opposed to this facility. But the primary feedback is that of uncertainty with the direction the City has taken in addressing the homelessness issue. The City has taken a lead role in determining the location of the facility, and must now take a lead role to ensure that this facility will have a positive impact on the community.

A motion previously adopted by Kelowna City Council identifies a number of key items that in our opinion must be adopted in establishing the supportive housing facility. In a leadership role, the City must be firm on these key points to ensure that they are entrenched in the operations of the facility. Focusing on key points of this motion, the Kelowna Chamber makes the following recommendation.

#### Recommendations:

1. *Do not condone the use of alcohol or drugs on-site.*
2. *Provide 24-hour security on-site.*
3. *Require that clients have already been through a recovery program before acceptance into the project.*
4. *Involve the neighbourhood in the establishment of a good neighbour agreement.*
5. *Develop a fail safe agreement which includes a provision to change the use of the facility if the facility does not meet the terms of the agreement.*

### 4. BEACH WATER QUALITY

In 2006 Interior Health implemented a beach water quality testing and public advisory system in the Central Okanagan. In 2006 there were no advisories issued but the potential exists for this to occur. Common causes of compromised beach water quality include animal and human waste. The success of our peak tourism season depends on the beach and water experiences.





Consumers must be confident that they are safe and appealing experiences if they are to book their vacations, return subsequent years and provide Kelowna with very valuable word-of-mouth referrals. If water quality advisories are posted, an immediate negative impact to the tourism economy will occur – one that will be very difficult to recover from.

**Recommendations:**

1. *The City of Kelowna continue, and increase, animal and bird control at beaches where necessary*
2. *The City of Kelowna continue pollution management from agricultural watershed areas to reduce run-off*
3. *The City of Kelowna continue use of effective communication tools for public notifications.*

## 7. CONCLUSION

Kelowna, and the Okanagan region, is facing a number of community issues, and deficiencies in infrastructure, which are creating a significant challenge to the economic fabric of our community. The Kelowna Chamber of Commerce will continue to work with our partners at the municipal level to develop workable solutions to these issues.

These solutions should provide the required infrastructure and provide legislative policies that support the existing opportunities and overcome the barriers facing the business community of Kelowna.





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