
CITY OF KELOWNA

MEMORANDUM

Date: October 1, 2008
File No.: 6430-01
To: City Manager
From: Director of Works and Utilities
Director of Financial Services
Director of Parks and Leisure Services
Subject: 20-Year Servicing Plan and Financing Strategy (2008 Update)
Report Prepared by: J. Wunderlich

RECOMMENDATION:

THAT Council receive the draft 20-Year Servicing Plan and Financing Strategy (2008 update) for information;

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

BACKGROUND:

The current 20-Year Servicing Plan and Financing Strategy was presented to Council in November, 2007 and became effective in March, 2008.

The recommended 2008 update to the 2020 Servicing Plan reflects changes in land and construction costs, updated completed projects and more detailed engineering on a number of projects. The proposed infrastructure works are largely the same except for the following key changes:

- (a) **TRANSPORTATION** – The updated plan reflects an increase in land costs of 6% and construction costs of 9% for an overall increase of 8%. Construction costs reflect an increase in excavation costs, rock removal, gravel, asphalt and concrete. This plan essentially includes the same roads as the current plan although 2 small crossing, Frost 1B (Chute Lake – Kildeer Rd) and Gallagher 1B (Creek Crossing) were deemed no longer necessary.
- (b) **WATER** – The current 2020 Plan calls for \$48.1 Million in expenditures to support growth while the 2020 update identifies \$49.6 Million in expenditures, or 3.2 % increase.
- (c) **WASTEWATER** – The updated plan reflects a modest increase in each of Treatment and Trunk costs of 1%.
- (d) **PARKS** – The cost of the updated 2020 program is \$166.6, an increase of 19%. Updated costs are based on the market increase in land values and specific site detail costs. The updated plan retains the current standard of 2.2 hectares of park per 1,000 population.



The total costs of providing this infrastructure in the 2020 Plan update is \$983.5 Million as compared to \$905.2 Million for the current 2020 program. This 8.7 % increase is a result of the changes outlined above. The impact on the funding areas is:

(Millions \$'s)

<u>Funding Sources</u>	<u>Current Program</u>	<u>Update</u>	<u>Change \$'s</u>
Taxation	152.6	166.5	13.9
DCC's	569.5	622.8	53.3
Developer	98.0	110.0	12.0
Province	43.5	43.6	0.1
Utility	41.6	40.6	-1.0
Total	\$905.2	\$983.5	\$78.3

The impact on the funding sources and DCC rates can be seen in attachment Schedule 1A.

Additional information on the DCC rates is provided in the attached schedules 1-4.

Staff intends to hold 2 open houses, one on October 15 from 4:00 p.m. to 6:00 p.m. at the Best Western Hotel and the other on October 21st from 4:00 p.m. to 6:00 p.m. at City Hall Council Chambers, with presentations to stakeholders and the general public at 5 p.m. 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 received staff will report with an amended servicing plan and financing strategy. The following is a schedule of events:

Presentation to City Council – October 6
 Public Consultation Meetings – October 15 and October 21
 Acceptance of Input – by November 3
 Report back to Council – November 10
 New rates effective – Feb 2/09

INTERNAL CIRCULATION TO:

Works & Utilities Department
 Recreation, Parks and Cultural Services Department
 Community Development and Real Estate Department

EXISTING POLICY:

20 Servicing Plan and Financing Strategy

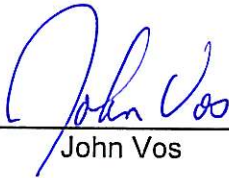
FINANCIAL/BUDGETARY CONSIDERATIONS:


There will be impacts to the 10 Year Capital Plan and to annual budget submissions to reflect the cost increases.

Considerations that were not applicable to this report:

LEGAL/STATUTORY AUTHORITY:
LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:
PERSONNEL IMPLICATIONS:
TECHNICAL REQUIREMENTS:
EXTERNAL AGENCY/PUBLIC COMMENTS:
ALTERNATE RECOMMENDATION:

Submitted by:



John Vos

Paul Macklem

David Graham

Attachments

Residential 4 - Apartments Greater Than 4 Storeys - greater than 85 units per hectare - rate per unit

Comparison to current rates

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I 5,093	A 635	A 834	A 1,683	5,880	14,125
Current	I 4,681	A 598	A 844	A 1,644	4,910	12,677
Clifton/Glen. Hghld (Updated)	I 5,093	D 1,085	A 834	A 1,683	5,880	14,575
Current	I 4,681	D 1,038	A 844	A 1,644	4,910	13,117
Glenmore Valley (Updated)	I 5,093	GEID	A 834	A 1,683	5,880	13,490
Current	I 4,681	GEID	A 844	A 1,644	4,910	12,079
Rutland (Updated)	I 5,093	RWW	A 834	A 1,683	5,880	13,490
Current	I 4,681	RWW	A 844	A 1,644	4,910	12,079
North East Rutland (Updated)	C 7,864	BMID	A 834	A 1,683	5,880	16,261
Current	C 7,452	BMID	A 844	A 1,644	4,910	14,850
Hwy 33 - North East (Updated)	D 9,327	BMID	A 834	A 1,683	5,880	17,724
Current	D 8,626	BMID	A 844	A 1,644	4,910	16,024
Hwy 33 - South West (Updated)	F 7,433	BMID	A 834	A 1,683	5,880	15,830
Current	F 6,934	BMID	A 844	A 1,644	4,910	14,332
University / Airport (Updated)	E 8,111	GEID	A 834	A 1,683	5,880	16,508
Current	E 7,251	GEID	A 844	A 1,644	4,910	14,649
McKinley (Updated)	E 8,111	GEID	N/A	N/A	5,880	13,991
Current	E 7,251	GEID	N/A	N/A	4,910	12,161
Hall Road (Updated)	I 5,093	SEKID	A 834	A 1,683	5,880	13,490
Current	I 4,681	SEKID	A 844	A 1,644	4,910	12,079
Southeast Kelowna (Updated)	A 14,017	SEKID	N/A	N/A	5,880	19,897
Current	A 12,920	SEKID	N/A	N/A	4,910	17,830
S.W. Mission (Updated)	B 13,450	B 408	B 1,191	A 1,683	5,880	22,612
Current	B 12,358	B 438	B 1,069	A 1,644	4,910	20,419

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

Residential 3 - Row Housing & Up to 4 Story Apartments - density >35-85 units per hectare - rate per unit

Comparison to current rates

	Sector / Rate					
GROWTH AREA						
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I 5,386	A 897	A 865	A 1,745	5,880	14,773
Current	I 4,951	A 844	A 875	A 1,704	4,910	13,284
Clifton/Glen. Hghld (Updated)	I 5,386	D 1,532	A 865	A 1,745	5,880	15,408
Current	I 4,951	D 1,466	A 875	A 1,704	4,910	13,906
Glenmore Valley (Updated)	I 5,386	GEID	A 865	A 1,745	5,880	13,876
Current	I 4,951	GEID	A 875	A 1,704	4,910	12,440
Rutland (Updated)	I 5,386	RWW	A 865	A 1,745	5,880	13,876
Current	I 4,951	RWW	A 875	A 1,704	4,910	12,440
North East Rutland (Updated)	C 8,318	BMID	A 865	A 1,745	5,880	16,808
Current	C 7,882	BMID	A 875	A 1,704	4,910	15,371
Hwy 33 - North East (Updated)	D 9,865	BMID	A 865	A 1,745	5,880	18,355
Current	D 9,124	BMID	A 875	A 1,704	4,910	16,613
Hwy 33 - South West (Updated)	F 7,862	BMID	A 865	A 1,745	5,880	16,352
Current	D 7,334	BMID	A 875	A 1,704	4,910	14,823
University / Airport (Updated)	E 8,579	GEID	A 865	A 1,745	5,880	17,069
Current	E 7,670	GEID	A 875	A 1,704	4,910	15,159
McKinley (Updated)	E 8,579	GEID	A N/A	N/A	5,880	14,459
Current	E 7,670	GEID	A N/A	N/A	4,910	12,580
Hall Road (Updated)	I 5,386	SEKID	A 865	A 1,745	5,880	13,876
Current	I 4,951	SEKID	A 875	A 1,704	4,910	12,440
Southeast Kelowna (Updated)	A 14,826	SEKID	A N/A	N/A	5,880	20,706
Current	A 13,666	SEKID	A N/A	N/A	4,910	18,576
S.W. Mission (Updated)	B 14,226	B 577	B 1,235	A 1,745	5,880	23,663
Current	B 13,071	B 619	B 1,108	A 1,704	4,910	21,412

BMID Serviced by Black Mountain Irrigation District

RWW Serviced by Rutland Water Works

SEKID Serviced by South East Kelowna Irrigation District

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

Comparison to current rates

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I 7,835	A 1,251	A 1,283	A 2,587	5,880	18,836
Current	I 7,201	A 1,178	A 1,297	A 2,526	4,910	17,112
Clifton/Glen. Hghld (Updated)	I 7,835	D 2,138	A 1,283	A 2,587	5,880	19,723
Current	I 7,201	D 2,046	A 1,297	A 2,526	4,910	17,980
Glenmore Valley (Updated)	I 7,835	GEID	A 1,283	A 2,587	5,880	17,585
Current	I 7,201	GEID	A 1,297	A 2,526	4,910	15,934
Rutland (Updated)	I 7,835	RWW	A 1,283	A 2,587	5,880	17,585
Current	I 7,201	RWW	A 1,297	A 2,526	4,910	15,934
North East Rutland (Updated)	C 12,098	BMID	A 1,283	A 2,587	5,880	21,848
Current	C 11,465	BMID	A 1,297	A 2,526	4,910	20,198
Hwy 33 - North East (Updated)	D 14,349	BMID	A 1,283	A 2,587	5,880	24,099
Current	D 13,271	BMID	A 1,297	A 2,526	4,910	22,004
Hwy 33 - South West (Updated)	F 11,436	BMID	A 1,283	A 2,587	5,880	21,186
Current	F 10,667	BMID	A 1,297	A 2,526	4,910	19,400
University / Airport (Updated)	E 12,479	GEID	A 1,283	A 2,587	5,880	22,229
Current	E 11,156	GEID	A 1,297	A 2,526	4,910	19,889
McKinley (Updated)	E 12,479	GEID	N/A	N/A	5,880	18,359
Current	E 11,156	GEID	N/A	N/A	4,910	16,066
Hall Road (Updated)	I 7,835	SEKID	A 1,283	A 2,587	5,880	17,585
Current	I 7,201	SEKID	A 1,297	A 2,526	4,910	15,934
Southeast Kelowna (Updated)	A 21,565	SEKID	N/A	N/A	5,880	27,445
Current	A 19,877	SEKID	N/A	N/A	4,910	24,787
S.W. Mission (Updated)	B 20,692	B 805	B 1,830	A 2,587	5,880	31,794
Current	B 19,012	B 864	B 1,642	A 2,526	4,910	28,954

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

Residential 1 - Single Family, Duplex - density to 15 units per hectare - rate per unit

Comparison to current rates

GROWTH AREA	Sector / Rate					
	Roads	Water	Sewer Trunks	Treatment	Parks	Total
City Centre (Updated)	I 9,793	A 1,868	A 1,545	A 3,117	5,880	22,203
Current	I 9,001	A 1,757	A 1,562	A 3,044	4,910	20,275
Clifton/Glen. Hghld (Updated)	I 9,793	D 3,191	A 1,545	A 3,117	5,880	23,526
Current	I 9,001	D 3,054	A 1,562	A 3,044	4,910	21,571
Glenmore Valley (Updated)	I 9,793	GEID	A 1,545	A 3,117	5,880	20,335
Current	I 9,001	GEID	A 1,562	A 3,044	4,910	18,517
Rutland (Updated)	I 9,793	RWW	A 1,545	A 3,117	5,880	20,335
Current	I 9,001	RWW	A 1,562	A 3,044	4,910	18,517
North East Rutland (Updated)	C 15,123	BMID	A 1,545	A 3,117	5,880	25,665
Current	C 14,331	BMID	A 1,545	A 3,044	4,910	23,830
Hwy 33 - North East (Updated)	D 17,936	BMID	A 1,545	A 3,117	5,880	28,478
Current	D 16,589	BMID	A 1,562	A 3,044	4,910	26,105
Hwy 33 - South West (Updated)	F 14,295	BMID	A 1,545	A 3,117	5,880	24,837
Current	F 13,334	BMID	A 1,562	A 3,044	4,910	22,850
University / Airport (Updated)	E 15,599	GEID	A 1,545	A 3,117	5,880	26,141
Current	E 13,945	GEID	A 1,562	A 3,044	4,910	23,461
McKinley (Updated)	E 15,599	GEID	N/A	N/A	5,880	21,479
Current	E 13,945	GEID	N/A	N/A	4,910	18,855
Hall Road (Updated)	I 9,793	SEKID	A 1,545	A 3,117	5,880	20,335
Current	I 9,001	SEKID	A 1,562	A 3,044	4,910	18,517
Southeast Kelowna (Updated)	A 26,956	SEKID	N/A	N/A	5,880	32,836
Current	A 24,847	SEKID	N/A	N/A	4,910	29,757
S.W. Mission (Updated)	B 25,865	B 1,201	B 2,205	A 3,117	5,880	38,268
Current	B 23,765	B 1,289	B 1,979	A 3,044	4,910	34,987

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

2020 PLAN UPDATE (In 2008)

2020 Major Services - Updated Funding Sources (\$ Millions)								
Major Service	Prov. Grant	Developer Construct	DCC's / Reserves	Taxation	Utility User Rates	Totals	% of Total	% Change
Arterial Roads	43.6	106.0	330.2	151.1		630.9	64.1%	8.4%
Water Distribution		4.0	27.8		17.8	49.6	5.0%	3.2%
Wastewater Trunks		0.0	39.0		4.8	43.8	4.5%	0.9%
Wastewater Treatment			74.6		18.0	92.6	9.4%	0.7%
Parkland Acquisition			151.2	15.4		166.6	16.9%	19.3%
Updated Totals	43.6	110.0	622.8	166.5	40.6	983.5	100.0%	8.7%
% of Total	4.4%	11.2%	63.3%	16.9%	4.1%	100.0%		
Current Totals	43.5	98.0	569.5	152.6	41.6	905.2		
% Change	0.2%	12.3%	9.4%	9.1%	-2.3%	8.7%		

UPDATED RATES (Residential 1)

<u>ROADS</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>E</u>	<u>I</u>
	S.E. Kelowna	South Mission	NE of Inner City	North of Hwy 33	South of Hwy 33	North of Inner City	Inner City
Sector	17,163	16,071	5,330	8,142	4,502	5,806	9,793
Common	9,793	9,793	9,793	9,793	9,793	9,793	
Total Roads	26,956	25,865	15,123	17,936	14,295	15,599	9,793
% change	8	9	6	8	7	12	9

<u>WATER</u>	<u>A</u>	<u>B</u>	<u>D</u>
Updated	1,868	1,201	3,191
% change	6	-7	4

<u>TRUNKS</u>	<u>Not S. Mission</u>	<u>S. Mission</u>
Updated	1,545	2,205
% change	-1	11

<u>TREATMENT</u>	
Updated	3,117
% change	2

<u>PARKS</u>	
Updated	5,880
% change	20