

CITY OF KELOWNA

BYLAW NO. 10270

SOUTH PANDOSY BUSINESS IMPROVEMENT AREA

A bylaw of the City of Kelowna to establish a local area service for the purposes of annually funding the South Pandosy Business Improvement Area (2010-2014).

WHEREAS section 215 of the *Community Charter* provides Council with the authority to establish, by bylaw, a business improvement area ("BIA");

AND WHEREAS the Council of the City of Kelowna has been notified that the owners of certain properties in the downtown area of the City have formed a BIA merchant association known as the South Pandosy Business Association ("SPBA");

AND WHEREAS the Council of the City of Kelowna has mailed to the owners of the parcels liable to be specially charged, pursuant to section 213 of the *Community Charter*, notice of Council's intention to proceed with a bylaw to establish the South Pandosy BIA for the years 2010-2014 in order to provide certain services, through the South Pandosy Business Association, under a business promotion scheme;

AND WHEREAS notice of Council's intention to proceed with a bylaw to establish the South Pandosy BIA for the years 2010-2014 in order to enable the South Pandosy Business Association to provide certain services under a business promotion scheme has been published in a newspaper pursuant to section 213 of the *Community Charter*;

AND WHEREAS any petition received against the proposed work was **not** sufficient pursuant to section 212 of the *Community Charter*, to prevent Council from proceeding;

NOW THEREFORE, the Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. Those lands within the area shown outlined in black on the map attached hereto and forming part of this bylaw as Schedule "A" are designated as a Business Improvement Area (BIA) within the meaning of section 215 of the *Community Charter* and shall be known as South Pandosy Business Improvement Area.
2. Council is hereby empowered to grant to the SPBA, for the term of this bylaw, money in the amount of the SPBA annual budget, as submitted to and

approved by Council, but in any event not exceeding the sum of One Hundred and Thirty-Eight Thousand Dollars (\$138,000.00) per annum.

3. Money granted pursuant to section 2 of this bylaw must be expended only by the SPBA.
4. Money granted pursuant to section 2 of this bylaw shall be expended only for projects provided for in the annual budget of the SPBA, as submitted to and approved by Council, and following the Business Promotion Scheme, attached to and forming part of this bylaw as Schedule "B".
5. The SPBA shall submit to the Council of the City of Kelowna, annually, on or before March 15, a budget for the calendar year, which outlines revenues and expenditures related to the carrying out of the Business Promotion Scheme outlined in Schedule "B" during that year.
6. The SPBA shall account for the money granted by Council for the previous calendar year at the same time as the annual budget is submitted pursuant to section 5 hereof.
7. An advance payment equal to 25% of the prior year grant amount may be provided to the SPBA prior to Council approval of the annual budget for each of the years included in this agreement. Any advance payment shall then be deducted from the total grant amount to be paid to the SPBA for that year following Council's review and approval of the annual budget.
8. The SPBA shall not incur any indebtedness or other obligations beyond each budget year.
9. There shall be levied annually against all taxable land and improvements within the designated Business Improvement Area which fall within Class 5 or 6 of the Assessments - Class and Percentage Levels Regulation, B.C. Reg. 438/81 excluding Federal, Provincial and Municipal owned properties used for government purposes, and based on assessed values, rates sufficient to raise the sum in accordance with section 2 herein or such lesser amount as granted to the SPBA pursuant to the provisions of this bylaw.
10. The SPBA shall take out and maintain public liability, property damage, and other required insurance naming the City of Kelowna as Additional Insured in the amount of not less than \$2,000,000.00, and shall provide upon request to the City of Kelowna proof of such insurance in the form of the City's standard Certificate of Insurance.
11. The SPBA shall procure and maintain at its own expense:
 - (a) Comprehensive General Liability Insurance providing for all sums which the SPBA shall become legally obligated to pay for as a result of bodily

injury, property damage or other damages, providing for an inclusive limit of not less than \$2,000,000.00 for each occurrence or accident;

- (b) Automobile Liability Insurance covering all motor vehicles owned operated and used directly or indirectly in the operations of the SPBA, with a limit of liability of not less than \$2,000,000.00 inclusive; and
 - (c) Such other insurance coverage appropriate for the operations of the SPBA as determined by the City.
12. All Insurance required to be obtained by the SPBA pursuant to this bylaw shall name the City as an Additional Insured, and shall be primary without any right of contribution from any insurance otherwise maintained by the City.
 13. The SPBA shall submit Certificates of Insurance as, and in the form, required by the City, which shall provide that 30 days' written notice shall be given to the Risk Manager of the City, or designate, prior to any material changes or cancellations of any such policy or policies.
 14. The Business Improvement Area created by this bylaw may be merged with another Business Improvement Area, whether contiguous or not, for the purpose of providing, consolidating or completing necessary works or services for the merged area.
 15. This bylaw shall be effective from the date of adoption through December 31, 2014 inclusive.
 16. This bylaw may be cited as "South Padosy Business Improvement Area Bylaw No. 10270."

Read a first, second and third time by the Municipal Council of the City of Kelowna

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

SCHEDULE A – Map

South Pandosy Business Improvement Area



December 3, 2009

SCHEDULE B - Business Promotion Scheme

**SOUTH PANDOSY
BUSINESS IMPROVEMENT AREA**

BUSINESS PLAN

2010

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1.0 Executive Summary

South Pandosy is rapidly emerging as one of the Central Okanagan's most attractive and powerful commercial areas.

There are a number of factors driving growth in the area:

South Pandosy is located at the epicenter of the city's main north-south artery and KLO Road. It links several economically important areas: Downtown Kelowna and the expanding Kelowna General Hospital to the north, to the south the wealthy residential communities of Mission/Lakeshore, and to the east the KLO/East Kelowna commercial, educational and residential areas.

The area's Official Community Plan is encouraging rapid residential densification, with the conversion of single family properties to multi-family condominium projects. The Abbott House, West Avenue Lofts, 446 West Avenue, and 11-storey SOPA Square development exemplify the style of new development. This residential growth is in turn sponsored significant commercial expansion.

The City of Kelowna several residential properties near the intersection of Cedar Avenue and Abbott Street for future mixed-use development.

Additionally, the city is beautifying the Abbott Street corridor, adding a pedestrian/bicycle/skate lane, and attractive streetscaping and light fixtures which will connect, with a multimodal corridor, Kelowna's downtown to the South Pandosy District. The City has also acquired a residential property in the 2900-block of Abbott Street. As this property is designated as a park, it will connect Pandosy Street, via a pedestrian concourse, through the Abbott House development directly to a lakeside park. This urban parkway will provide a further reason for residents to leave their cars at home and is just one example as to how South Pandosy can become an exemplar for sustainable development and a pedestrian-friendly environment. In the summer of 2010, the City of Kelowna will construct a multimodal corridor from Gyro Beach to the Mission Park Greenway. In Kelowna's long term plan, this Abbott Street multimodal corridor will be extended through the South Pandosy area to the Mission Park Greenway, and eventually all the way to Bertram Creek Park.

There are also important existing commercial developments in the area. Three retail mall developments (each anchored by grocery outlets) provide a strong draw to the area. The retail shops, restaurants, medical-dental offices and motels that neighbour Pandosy Street are also key economic generators.

South Pandosy has been identified as one of Kelowna's four town centres and has not yet created a business improvement area (BIA). The formation of a South Pandosy Business Association (SPBA) will serve as a collective body to work towards establishing improvement and business promotion goals within the BIA.

There are many stakeholders that have an interest in promoting South Pandosy, and ensuring that future development preserves the area's current culture while growing its commercial base. South Pandosy is a natural town centre, awaiting additional focus and direction. The business community is strong, but thus far has lacked a collaborative and coordinated voice to leverage further opportunities.

The currently identified goals which will be completed by the SPBA include:

- A signage and point of interest campaign.
- Brand creation and promotion for this BIA.
- Create a collective voice for all South Pandosy business owners to have representation, input and guidance on high impact municipal concerns.
- Business promotion via seasonal special events and collaborative marketing.
- Fostering a collective voice to identify and solve matters such as major roadway changes, parking creation, parkway expansion and beautification.

2.0 Vision

2.1 Mission Statement

South Pandosy is becoming one of Kelowna's fastest growing "mixed use" neighborhoods in Kelowna. It is a unique location where people want to live in a town centre with public transit and a variety of shops and services, all within close proximity to Okanagan Lake. Pandosy is bordered by the proposed Health District to the north, Okanagan College Campus to the east, Okanagan Lake to the west and Gyro Beach and the commercial mixed use tourism area to the south. South Pandosy is the perfect environment to live life to the fullest - an area to live, work, shop and play.

2.2 SPBA Objectives

Short Term

- To develop and promote at least two special community events in the BIA.
- To help promote and establish an inclusive map and point of interest network for local customers and businesses.
- To brand the South Pandosy area with a unique image and promote this brand.
- To promote the area as an ideal place to live, shop and work.
- To increase business activity in the evening and on weekends.

Long Term

- To increase business investment and attraction in the area defined by the BIA.
- To increase the population living and working in the BIA.
- To develop cooperative relationships with the City of Kelowna, the Kelowna Health District, and Okanagan College.
- To develop a “must visit” vibrant shopping district for tourists visiting Kelowna.
- To create a cohesive and collective voice for businesses within the BIA.
- To establish two long term objectives, yet to be determined, with the local business community. Funds for each objective will be held in reserve until sufficient funds are available to initiate the objective.

3.0 South Pandosy Business Improvement Area

3.1 What is a BIA?

A Business Improvement Area is a defined geographic area of a town, city or district where commercial property owners vote to invest collectively in local improvements that are additional to those already provided by the local government. Taxpayers are asked to vote on an increase in their tax levy; these funds are used to finance the delivery of improved services as defined by a business plan. Typically, management of the BIA is led by an Advisory Board, which is established from the private sector.

3.2 South Pandosy Business Association

In this case, dedicated and motivated South Pandosy business people will establish the South Pandosy Business Association to coordinate business improvement initiatives. The aim of this business association is to collectively work on a business plan and promotion scheme to determine the local requirements of the South Pandosy business centre. This plan will detail the new “services” and increases in the “tax levy” that will be required to deliver these services. The business plan will be submitted to the City of Kelowna and, if approved, will be put to a vote to all commercial property owners in the proposed BIA.

3.3 Tax Levy

If local commercial property owners support the new BIA, the City of Kelowna can initiate collecting the tax levy through the creation of a new Bylaw, of which a draft copy is attached (see Appendix). These funds will be used to help the BIA operate and achieve the objectives as written in the business plan. In addition, these funds can be used to “leverage” additional financial support from the public sector. Typically, the tax levy will be between \$1.00 -\$1.10 per \$1000 of the assessed property value of each commercial property.

3.4 Benefits of a BIA

- Coordinated marketing activities.
- Branding of the business district.
- Maintain a safe town centre through planned initiatives that leverage business, institutional, and government funding.
- Improvements that make the shopping district a more attractive and welcoming place to live, shop and do business at all times of the day and into the evening.
- Improved and more diverse retail services resulting from coordinated efforts to market and improve the shopping district, and ultimately.
- Create a more prosperous and successful business centre.

3.5 Proposed BIA Area

The boundary of the proposed BIA is roughly bordered by Wardlaw Avenue to the North, Richter Street on the East, the Richter Street and Lakeshore Road intersection at Gyro Beach to the South, and Abbott Street to the West. The proposed area can be viewed in the Appendix. It is anticipated that the yield from the tax levy will be approximately \$125,000 - \$138,000 annually.

South Pandosy is a C4 Town Center Commercial zone and will further promote the creation of a community commercial centre to serve more than one solitary neighborhood.

4.0 Organization

4.1 South Pandosy Membership

The process of establishing a BIA can be lengthy as it involves the local and provincial governments. The SPBA has been established to gather membership and encourage the drive to become a BIA. At present, a steering committee is working to garner membership for the majority of businesses in the proposed BIA. Each business will be required to pay \$25 plus tax to become SPBA members. These funds will be used to offset administrative costs.

4.2 South Pandosy Advisory Board

South Pandosy has established an Advisory Board to gather input and expertise from a broad range of individuals in the community. The following is a list of key individuals who are participating in South Pandosy's drive to become a BIA.

Don Gerein
Stacey Fenwick
Andrew Gaucher
Jamie Maw

Robert Gaspari
Terri Rosenau

The leadership of South Pandosy reflects the priorities of its membership. This group represents local business people; however the board also encourages public participation from other advocates of the community. It is hoped that this Advisory Board will become the basis of the formal Advisory Board of the new BIA once it is achieved.

5.0 Proposed Services

What will the SPBA do? There are three major services that the SPBA proposes. These proposed services are marketing, beautification and communication.

5.1 Marketing

The initial priority for SPBA will be to envision and create a brand name, presence and identity package.

A further goal of the SPBA will be the creation and implementation of a cohesive marketing and promotions strategy. It is important to understand who the area customers are and how we can effectively promote, retain and grow the customer base. In addition, a great deal of effort must be placed on business recruitment. The SPBA will work with property owners to ensure that available space is occupied and that an optimal business/service mix is created for the area. During the first year the SPBA plans to focus marketing efforts on website development, district and point of interest mapping, and localized advertising.

5.2 Beautification

The SPBA will have an important impact on the beautification of South Pandosy. The current steering committee has identified a number of beautification projects including a point of interest signage campaign, a flower pot program, and seasonal banner install. These and additional beautification goals will be established through consultation with all membership in the SPBA.

5.3 Communication

The SPBA will create an advisory board to consult and work with the City of Kelowna and other associations to identify and establish open communication for any challenges and concerns pertaining to the district and businesses therein. Issues such as the proposed one way couplet, connecting South Pandosy to the lake, and parking capacity are items which would be appropriate for this SPBA to focus on.

6.0 Financial Analysis

6.1 Base Funding

Currently, there are a variety of businesses in the proposed BIA whose combined assessed property value is approximately \$125,000,000. This figure will be used to establish the operating revenue for the BIA. As mentioned previously, the budget for the BIA will be between \$125,000 and \$138,000 annually, which is calculated as follows:

Example Tax Levy of \$1.00 per \$1000 Assessed Property Value

$\begin{aligned} & \$125,000,000 \text{ Assessed Property Value} / 1000 \\ & \qquad \qquad \qquad = \$125,000 \text{ Assessed Property Value per } 1000 \\ \\ & \$125,000 \text{ Assessed Property Value per } 1000 \times \$1.00 \\ & \qquad \qquad \qquad = \$125,000 \text{ per year BIA revenue} \end{aligned}$

The value of the tax levy will determine the annual revenue for the BIA. The City of Kelowna will determine what tax levy rate is most appropriate to meet the services proposed by the SPBA. A tax levy of \$1 per \$1000 of assessed value should provide sufficient funding to meet the needs of BIA.

6.2 Operating Budget

What will all these services cost the proposed BIA? The 5 year operating budget is shown in the table below.

2010 Operating Budget for South Pandosy BIA Proposed Services

	2010	2011	2012	2013	2014
Expenses					
Fixed Expenses					
Insurance	\$ 2,500	\$ 2,560	\$ 2,620	\$ 2,690	\$ 2,760
Telephone	\$ 1,200	\$ 1,230	\$ 1,260	\$ 1,290	\$ 1,320
AGM & Board Costs	\$ 2,200	\$ 2,260	\$ 2,320	\$ 2,380	\$ 2,440
TOTAL	\$ 5,900	\$ 6,050	\$ 6,200	\$ 6,360	\$ 6,520
Communications					
Business Directory	\$ 2,000	\$ 2,050	\$ 2,100	\$ 2,150	\$ 2,200
Newsletter	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Website	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Communications - Others	\$ 1,000	\$ 1,030	\$ 1,060	\$ 1,090	\$ 1,120
Community Relations	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Memberships	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Community Relations - Other	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Conference	\$ 2,000	\$ 2,050	\$ 2,100	\$ 2,150	\$ 2,200
TOTAL	\$ 7,000	\$ 7,180	\$ 7,360	\$ 7,540	\$ 7,720
Administration					
Contingency	\$ 2,500	\$ 2,560	\$ 2,620	\$ 2,690	\$ 2,760
Contract Employment	\$ 25,000	\$ 25,630	\$ 26,270	\$ 26,930	\$ 27,600
Fair Tax Coalition	\$ 1,500	\$ 1,540	\$ 1,580	\$ 1,620	\$ 1,660
GST	\$ 4,000	\$ 4,100	\$ 4,200	\$ 4,310	\$ 4,420
Legal and Auditor Services	\$ 3,000	\$ 3,080	\$ 3,160	\$ 3,240	\$ 3,320
Mileage	\$ 1,000	\$ 1,030	\$ 1,060	\$ 1,090	\$ 1,120
Miscellaneous	\$ 1,000	\$ 1,030	\$ 1,060	\$ 1,090	\$ 1,120
Office Supplies	\$ 1,000	\$ 1,030	\$ 1,060	\$ 1,090	\$ 1,120
Promotions	\$ 25,500	\$ 26,140	\$ 26,790	\$ 27,460	\$ 28,150
Service Charges	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Review Engagement	\$ 6,500	\$ 6,660	\$ 6,830	\$ 7,000	\$ 7,180
TOTAL	\$ 71,100	\$ 72,900	\$ 74,730	\$ 76,620	\$ 78,550
Short Term Objective 1 - STARTUP					
Objective 1 Detail	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
TOTAL	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Short Term Objective 2 - BRAND CREATION					
Objective 2 Detail	\$ 1,500	\$ 1,540	\$ 1,580	\$ 1,620	\$ 1,660
TOTAL	\$ 1,500	\$ 1,540	\$ 1,580	\$ 1,620	\$ 1,660
Short Term Objective 3 - SPECIAL EVENTS					
Objective 3	\$ 5,000	\$ 5,130	\$ 5,260	\$ 5,390	\$ 5,520
TOTAL	\$ 5,000	\$ 5,130	\$ 5,260	\$ 5,390	\$ 5,520
Short Term Objective 4 - STREET BEAUTIFICATION					
Banner Installation	\$ 4,000	\$ 4,100	\$ 4,200	\$ 4,310	\$ 4,420
Beautification Program	\$ 10,000	\$ 10,250	\$ 10,510	\$ 10,770	\$ 11,040
Street Banners	\$ 10,000	\$ 10,250	\$ 10,510	\$ 10,770	\$ 11,040
TOTAL:	\$ 24,000	\$ 24,600	\$ 25,220	\$ 25,850	\$ 26,500
TOTAL ANNUAL BUDGET:	\$ 115,000	\$ 117,910	\$ 120,870	\$ 123,910	\$ 127,010
Long Term Objectives - RESERVE FUND					
LT Objective 1	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
LT Objective 2	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL:	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
TOTAL REVENUE REQUIREMENT:	\$ 125,000	\$ 128,100	\$ 131,300	\$ 134,600	\$ 138,000
NET REVENUE	\$ -	\$ 190	\$ 430	\$ 690	\$ 990
% Change In:					
Annual Budget		2.5%	2.5%	2.5%	2.5%
Revenue Requirement		2.5%	2.5%	2.5%	2.5%
2009 Assessed Value Class 5 & 6 Property	124,983,700				
Rate Per \$1,000 Assessed Value	\$ 1.00	\$ 1.02	\$ 1.05	\$ 1.08	\$ 1.10

6.3 Revenue

With a base tax levy at \$1.00 per \$1000 of an assessed base of \$125,000,000, the BIA will have an operating budget of \$125,000.

It is anticipated that through inflation and cost increases, costs will escalate over the 5 year period budgeted above. Accordingly, we have anticipated a 2.5% increase in costs and have budgeted for a 2.5% increase in revenues to cover this cost. Any revenues beyond explicit costs will be fed into a long term objective reserve fund.

All objectives, short and long term, are to be reviewed and determined on an annual basis. In an attempt to meet timelines for this 2010 fiscal period, the current Advisory Board has identified some short term objectives to begin with.

This overall budget appears to be sufficient to cover expenses if the Base Funding is \$125,000. However, it is expected that other sources of revenue could be explored to create excess contingency funding.