

Memo



Date: October 27, 2010
File: 1340-50
To: City Manager
From: P. McCormick, Planner Specialist, Urban Design
Subject: Streetscape Contribution Policy (Service Request # 178645)

Recommendation:

That Council receive as information the report dated October 27, 2010, from the Planner Specialist, Urban Design, regarding cost-sharing of the streetscape portion of the Bernard Avenue revitalization project.

Purpose:

In response to a letter from the Downtown Kelowna Association (DKA) dated August 26, 2010 (Attachment 1) that was considered by Council at its regular morning meeting of September 6, 2010, staff was asked to a) outline the City's options in the event that a financial contribution is not forthcoming from the Bernard Avenue property owners, b) research the experience of other municipalities with respect to streetscape funding by adjoining property owners, and c) determine the extent to which these same municipalities have policies regarding property owner contributions for streetscape improvements, including any expected minimum level of funding.

Background:

Current City Policy

The City of Kelowna's policy with regard to Downtown streetscape funding is set out in the *Kelowna Downtown Plan (2000)*. In the chapter entitled "Physical Form and Character", the following objective is identified:

- B. To upgrade the physical and spatial qualities of the area in a manner that fairly allocates costs to beneficiaries.

The Downtown Plan then sets out the following policy:

- 4) Undertake financing of future streetscape improvements within the Plan area through specified area bylaws, Council-approved allocations from the capital budget, and/or funding from provincial and federal agencies.

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The sharing of the costs of any Downtown streetscape works is therefore a long-standing City policy as set out in the Downtown Plan. Further, it is noted that the DKA was a key stakeholder in the formulation of the Downtown Plan, and property owners are a beneficiary of streetscape improvements.

The proposed apportioning of costs for the Bernard Avenue streetscape, as set out by staff, is based on the precedent set by the South Pandosy streetscape project (1997) in which the City contributed approximately 75% of the streetscape costs and the adjoining property owners contributed the balance under a specified area bylaw.

Options

The City's options in the event that a financial contribution is not forthcoming from adjoining property owners are:

- 1) Complete the utility and roadwork upgrades and leave the sidewalk and parking generally as per existing;
- 2) Complete the utility and roadwork upgrades and seek other funding sources/strategies, including grants, to enhance the streetscape;
- 3) Increase parking rates to cover the streetscape costs over a 20-year period;
- 4) Entice a property-owner contribution through other provisions. These provisions could include:
 - The City waives the cost of renting or leasing sidewalk space for café seating and outdoor merchandising and reduces its revenue stream;
 - The City provides an incentive to Bernard Avenue property owners, the terms of which would need to be determined; examples could include a property tax relaxation or credit, cost-sharing, a low-interest loan, or a grant program for façade improvements or other upgrades to the adjoining Bernard Avenue properties.

Off-setting the capital costs of the streetscape through an agreement with the DKA for it to undertake maintenance of the streetscape was also considered by staff. This agreement could include provision of seasonal planting as well as caring for any other vegetation along Bernard Avenue that might be provided in an enhanced streetscape. However, staff felt it would be unlikely that this arrangement would be supported by the DKA as the benefit of a well-maintained Bernard Avenue would accrue to the property owners along Bernard Avenue but would be paid for by all the property owners within the DKA's boundary.

Survey

Staff also conducted a survey of other municipalities regarding the funding of Downtown streetscape projects. The majority of municipalities contacted were in B.C., although municipalities in Alberta, Saskatchewan, and Manitoba were included.

The results indicate that there is a wide variety of funding approaches to downtown streetscape improvements. In some instances, streetscape works have been funded entirely by the municipality. In other instances the adjoining property owners have contributed; and in yet other instances, funding has been forthcoming in the form of provincial, and/or federal grants. In conclusion, the City of Kelowna's existing policy captures the options employed by the municipalities surveyed.

Next Steps

The consultant is undertaking the design development phase of the Bernard Avenue streetscape project. This work is expected to be completed later this year. With that work will come more information about the materials and hardware that would determine the character of Bernard Avenue. As well, Council, the DKA, and the Bernard Avenue property owners will have the benefit of a fairly detailed cost estimate. The apportioned cost to each property can then be calculated on a frontage, per-metre basis.

Staff recommends that further discussions regarding the apportioning of costs be deferred until the design options and the associated costs are developed to a further level of detail.

Additionally, staff will respond to the letter from the DKA. That letter will reiterate the policy set out in the Downtown Plan as well as underline the City's commitment to provide more detailed costs for further consideration.

Staff will report back to Council once the project designs and costs are more clearly defined and options are further considered by the Bernard Avenue merchants and property owners, the DKA, as well as the general public.

Internal Circulation:

J. Paterson, General Manager, Infrastructure Planning

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

**Community & Media Relations Comments:
Alternate Recommendation:**

Submitted by:



P. McCormick, Planner Specialist, Urban Design

Approved for submission:



R. Cleveland, Director, Infrastructure Planning

cc: J. Paterson, General Manager, Community Sustainability
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