
City of Kelowna

MEMORANDUM

DATE: October 28, 2005

FILES: 0910-20-247
0550-01

TO: City Manager

FROM: Community Planning Manager

RE: Gospel Mission & City of Kelowna Memorandum of Understanding

REPORT PREPARED BY: Theresa Eichler

RECOMMENDATION:

THAT Council authorize the Manager of Community Development and Real Estate to execute the attached Memorandum of Understanding between the Gospel Mission and the City;

AND THAT staff be directed to undertake a development plan and public process to carry out the building of a new Gospel Mission and address any issues related to the design and location of the building.

PURPOSE:

This report and the attached Memorandum of Understanding serve to re-affirm the City's commitment to work with the Gospel Mission in its plans to improve its programs and re-establish its services in a new location within the city. The report also places the Gospel Mission project within the context of funding under the Premier's Task Force, outlines the City's process for public consultation in this initiative and explains the timeframe of the site identification and relocation process.

REPORT:

At the September, 2004 UBCM (Union of B.C. Municipalities) meeting in Kelowna, the Premier announced his intentions to work with seven B.C. municipalities to identify actions and priorities to address homelessness, mental illness and addictions. This initiative became known as the Premier's Task Force (on Homelessness, Mental Illness and Addictions) and is comprised of political and staff representatives of the seven municipalities and of the Ministries of Health, Children & Family Development, Community, Aboriginal and Women's Services (now Community Services) and Human Resources (now Employment and Income Assistance), as well as BC Housing. Each municipality was tasked with working with these provincial ministries and agencies to identify local priorities and projects. Kelowna is one of the seven cities, along with Nanaimo, New Westminster, Prince George, Surrey, Vancouver, and Victoria.

Over the 2004/2005 winter season funding was allocated to Kelowna agencies for cold /wet weather beds, clothing and other assistance. On March 30th of 2005 funding was announced for two Kelowna building projects. Capital projects were announced for cities that demonstrated a readiness to go ahead with clearly identified projects and a commitment to bring resources to the table. The City of Kelowna committed two parcels of land, and Provincial funding (which includes 50% Federal money) was announced as follows¹:

¹ Wording is extracted from the Premier's media release of March 30, 2005.

1) Relocation of the 76-bed shelter operated by the Gospel Mission (GM). The housing would be targeted to single adults. Funding estimates include:

- Federal capital funding of approximately \$250,000.
- Provincial capital funding of approximately \$250,000.
- City will lease the land to GM at a nominal cost.
- Other capital contributions will come from GM equity and fundraising efforts.
- Annual operating funding of \$277,000 will continue to be provided by Ministry of Human Resources.

2) A new development with 30 transitional housing units targeted to single adults. Funding estimates include

- Federal capital funding of approximately \$2.25 million.
- Provincial capital funding of approximately \$2.25 million.
- City will lease the land to the society at a nominal cost.
- Annual operating costs of about \$500,000 from Interior Health.

Support services would include a range of services for people with addictions and mental illnesses.

This project, (2), is completely separate from the Gospel Mission and working on a different timeline. Funding for the building is provided in its entirety by the Provincial & Federal dollars and announcements as to the details of the project will be made publicly soon (prior to year end).

Capital funding from the Premier's Task Force is prioritized around creating dwelling units, not shelter beds. At the time the funding announcements were made, the Gospel Mission was only at the very beginning stages of working with the consultants and its Board to determine its future vision. Housing is now a greater priority for the Mission.

The project is evidence of the working relationship that the City has forged with the Gospel Mission to achieve a service level and facility that will meet mutual objectives of getting the present client group away from the downtown environment of night clubs and the street-level drug trade. The new Gospel Mission will not be a simple relocation of what exists today, but a new model of service delivery that not only addresses needs of the some of the most disadvantaged Kelowna citizens into the future, but that provides more long term programs and transitional housing to permanently move people out of homelessness. In order to do this, the GM has been working with its consultants to develop the future model of service delivery, design a building and fund raise to achieve its objectives. The GM owns its current facility and the proceeds from the sale of the land and buildings will be directed to the new GM. This project includes the \$500,000 Provincial/Federal funding commitment and both the City and the GM are taking every measure to ensure its success.

The City is offering assistance in the form of the commitment to a parcel of land on a long term lease basis that will be suitably zoned for the use and to manage the community consultation necessary to achieve this.

Aside from the proceeds sale of its existing property, the land and the \$500,000 of other government funding, the GM will need to raise more money to achieve its new facility. Due to the timeframe needed for fundraising, the GM will not be ready to move within the next year. In the meantime, the City is working to develop a meaningful process to engage the community in the new location selection process. A site has yet to be determined and the City wants dialogue with the community in order to arrive at that decision. Due to the need for results from a productive public consultation process, ***a site will not be identified nor announced until this process is complete.***

In the meantime, the City and the GM want to make the written Memorandum of Understanding between the two parties a matter of public record. The Memorandum of Understanding is attached to this report and will be signed by both parties. It has been reviewed and has met the

approval of the Board for the Gospel Mission and is here today for Council's consideration. The agreement sets out the responsibilities of the City to:

- manage the sale of the present GM site;
- provide a properly zoned and suitable site for the new building on the basis of a 60 year lease;
- assist with the preparation of information to be used for the public consultation process pertinent to the property, once it is identified;
- proceed with a community consultation process;
- and provide assistance in the form of a \$150,000 loan for the capital campaign;

The Gospel Mission agrees to:

- proceed with a capital campaign to meet and achieve its objectives for the new facility;
- cooperate with the sale of its existing property to a buyer in agreement with the City.

The City has defined a three-phase process to work with the GM towards the relocation and rebuild of the GM facility, shown in Schedule A of the Memorandum of Understanding. We are presently in Phase 1, which involves a needs analysis and site criteria to be finalized by the consultants working with the GM. The City is developing a comprehensive community consultation process to deliver meaningful community direction on relocation options.

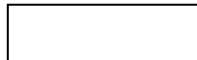
By Phase 2, site selection should be able to occur, based on the community consultation and the work by the GM, its consultants and the City of Kelowna.

In Phase 3, the site will be announced publicly and workshops will be held with property owners and people living or working near the selected location for the new GM. Changes to building and site design will be made if needed to address input from these workshops. If required, the usual development process will be followed.

The last phase will be the finalization of the land lease.

Theresa Eichler, MCIP
Community Planning Manager

Approved for Inclusion



David Shipclark
Manager, Community Development & Real Estate

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Attachment:
Memorandum of Understanding.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding made this _____ day of _____ 2005 is effective as of the date of execution.

BETWEEN:

The City of Kelowna
(the "City")

AND:

The Kelowna Gospel Mission Society
(the "Gospel Mission")

the "Parties"

WHEREAS:

- A. The City and the Gospel Mission share a common interest in relocating the Kelowna Gospel Mission facility within the City of Kelowna in order that the Gospel Mission can build a facility that will accommodate transitional housing, expanded programming and increased emergency services to help break the cycle of homelessness. The existing facility being currently located at:

251 & 259 Leon Avenue **and** legally described as Lots 14 & 15 Plan 462

(the "Mission")
- B. By way of this Memorandum of Understanding ("MOU") the parties agree to define and adhere to a set of guidelines that will help facilitate the necessary transactions, communications and agreements required to achieve the ultimate relocation of the Mission.
- C. This MOU is subject to the approval of City of Kelowna Council ("Council") and the Kelowna Gospel Mission Society Board of Directors. The approvals will be attached as Schedules "B" and "C" to the MOU respectively.

NOW THEREFORE this MOU is entered into subject to the following terms and conditions:

1. PURPOSE:

- 1.1 The MOU shall be used by the City and the Gospel Mission for the purposes of defining roles and responsibilities of the Parties and to guide the Parties throughout the process of relocating the Mission.

2. GUIDELINES:

- 2.1 The period of this MOU shall be from the date of execution until issuance and receipt, by the Gospel Mission, of the occupancy permit for the new structure (the "Period").
- 2.2 The City shall be responsible for the drafting and release, in consultation with the Gospel Mission, of any information to the public regarding the relocation of the Mission within the City of Kelowna in respect to the initial public announcement. The Gospel Mission shall in like manner, in consultation with the City, have the right to draft and release any information to the public regarding its relocation campaign and its position on the new site after the initial public announcement.
- 2.3 The City shall broker the sale of the existing Mission on the open market, at a time mutually acceptable to the Parties, subject to final approval of any purchase agreement by the Gospel Mission.
 - 2.3.1 All costs (advertising, real estate commissions, appraisal, etc.) associated with the sale of the Mission are to be born by the Gospel Mission.
 - 2.3.2 The City shall set and negotiate the highest possible sale price for the Mission subject to agreement by the Gospel Mission.
 - 2.3.3 The City shall endeavor to broker the sale of the Gospel Mission to a purchaser who will develop the site in accordance with the City's long term vision for the area.
 - 2.3.4 The City shall endeavor to broker the sale of the Gospel Mission to a purchaser who has the interest in or potential of becoming a significant annual or capital contributor to the Gospel Mission.
- 2.4 The Gospel Mission shall advise all parties interested in acquiring the Mission that the City will be acting as their agent on any future sale of the properties noted herein and refer them to the Community Development & Real Estate Department of the City.

3. COMMITMENTS:

- 3.1 The City commits to:
 - 3.1.1. Provide a suitably zoned site within the City of Kelowna mutually acceptable to the Parties for the relocation and/or construction of a new facility for the Gospel Mission.

- 3.1.2 Enter into a mutually agreed upon 60 year lease with the Gospel Mission for the use and occupation of the site referred to in 3.1.1 for a nominal fee. The Gospel Mission will, during the entire term of the lease, be responsible for the payment of all property taxes and utilities related to the site.
- 3.1.3 Fund the completion of plans, story boards, artist's renderings and other materials and documents as necessary for the purposes of application for rezoning of the proposed property.
- 3.1.4 The City shall coordinate a community consultation process to ensure the new site balances the needs of the clients of the Gospel Mission, the Gospel Mission and the community.
- 3.1.5 Providing assistance whenever possible in identifying possible sources of Provincial and Federal funding that may be available to the Gospel Mission.
- 3.1.6 Assisting in the Gospel Mission's establishment of a Capital Campaign Steering Committee.
- 3.2 The Gospel Mission commits to:
 - 3.2.1 Sell and transfer title of the Mission property referenced herein to a qualified buyer at a mutually acceptable price as negotiated by the City and approved by the Gospel Mission.
 - 3.2.2 Work diligently on a capital campaign to raise the funds necessary to facilitate the creation, development and operation of a new Kelowna Gospel Mission.
- 3.3 The Parties agree to the City's financial commitment to the Gospel Mission relocation program as attached as Schedule "A" to this MOU.

4. AMENDMENTS:

- 4.1 In the event that either of the Parties wish to amend the terms of this MOU the request to amend must be delivered in writing as per the Notice provisions contained herein.
- 4.2 Approval of requests to amend the MOU shall not be unreasonably withheld by either party.

5. MAINTENANCE:

- 5.1 The Gospel Mission shall remain responsible for all maintenance, insurance, taxes, levies, mortgage and operation of the Mission up to the time of completion of a sale of the property.

6. FUNDING:

- 6.1 The City will provide up to \$150,000 dollars, at no interest, to the Gospel Mission for the purposes of assisting with the development of a capital campaign. The funds are to be repaid in full with the proceeds of the sale of the Mission.

7. SCOPE OF MOU:

- 7.1 The terms of this MOU shall not affect, in any way, the legal right of title to the Mission or convey or confer on the City any rights in them or any estate or interest in the title.
- 7.2 This MOU is issued solely for the purposes set forth in Article 1 and does not create any possessory rights to the City, by implication or otherwise to the Mission.

8. DELIVERY OF NOTICE:

- 8.1 Notices that are required to be given under this MOU will be in writing and mailed to the following addresses:

To the City of Kelowna:

Manager, Community Development and Real Estate
City Hall -1435 Water Street
Kelowna, B.C. V1Y 1J4

To the Kelowna Gospel Mission Society:

Kelowna Gospel Mission
P.O. Box 15, Stn. P.B.C.
Kelowna, BC V1Y 7N3

- 8.2 Notice will be deemed to have been delivered:

- (a) If delivered by hand, upon receipt;
- (b) If sent by facsimile transmission, the next business day after the transmission;
- (c) If sent by registered mail, four (4) days after the mailing thereof, provided that if there is a postal strike or other disruption such notice will be delivered by hand or electronic transmission.

9. Not a Partnership:

This MOU is not intended to create a relationship of partnership, joint venture or agency between the City and the Gospel Mission.

IN WITNESS WHEREOF the City of Kelowna and the Kelowna Gospel Mission Society acknowledge signing of the MOU by their duly authorized officer.

SIGNED, in the presence of:

Witness

David Shipclark
Manager, Community Development &
Real Estate
City of Kelowna

Date

Witness

Kelowna Gospel Mission Society
(by its duly authorized signatory)

Date

SCHEDULE "A"

| CITY OF KELOWNA FINANCIAL COMMITMENT – KELOWNA GOSPEL MISSION | |
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| To be funded by the City of Kelowna: | |
| **PHASE I | |
| Needs Assessment and Site Criteria Development | |
| 1. Needs Analysis | |
| 2. Initial Site Visit - Architects | |
| 3. Community Consultation (Survey, Stakeholder Workshop and Open House) | |
| **PHASE II | |
| Site Selection | |
| 1. Council Update - Direct staff on which areas to consider based on input from the community, consultants and staff | |
| 2. Identify and select the best possible site | |
| 3. Council Workshop – Confirm site | |
| **PHASE III | |
| Site Announcement | |
| 1. Announce Site | |
| 2. Workshop(s) with property owners and people living or working in the area | |
| **PHASE IV | |
| Creation of Land Tenure | |
| 1. Execution and registration of mutually agreeable ground lease | |
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