

**City of Kelowna
Regular Council Meeting
AGENDA**



Monday, February 2, 2015

9:30 am

Knox Mountain Meeting Room (#4A)

City Hall, 1435 Water Street

	Pages
1. Call to Order	
2. Confirmation of Minutes	3 - 6
Regular AM Meeting - January 26, 2015	
3. Reports	
3.1 Fibre Optic Strategy	45 m 7 - 41
To seek Council approval to lease excess City of Kelowna dark fibre optic cable to public and private organizations and to allow staff to develop a phased business plan to extend fibre optic cable to other City facilities.	
3.2 Regional District of Central Okanagan - Fringe Area Planning	30 m 42 - 63
To consider potential amendments to the existing Fringe Area Planning boundaries surrounding the City.	
4. Resolution Closing the Meeting to the Public	
THAT this meeting be closed to the public pursuant to Section 90(1) (e) of the Community Charter for Council to deal with matters relating to the following:	
• Acquisition, Disposition, or Expropriation, of Land or Improvements.	
5. Adjourn to Closed Session	
6. Reconvene to Open Session	

7. Issues Arising from Correspondence & Community Concerns

**7.1 Mayor Basran, re: Order of British Columbia - 2015
Call for Nominations**

5 m

64 - 65

To obtain direction from Council.

7.2 Mayor Basran, re: Issues Arising from Correspondence

30 m

8. Termination



City of Kelowna Regular Council Meeting Minutes

Date: Monday, January 26, 2015
 Location: Knox Mountain Meeting Room (#4A)
 City Hall, 1435 Water Street

Council Members Present: Mayor Colin Basran, Councillors Maxine DeHart, Gail Given, Tracy Gray, Charlie Hodge, Brad Sieben*, Mohini Singh, and Luke Stack

Council Members Absent: Councillor Ryan Donn

Staff Present: City Manager, Ron Mattiussi; City Clerk, Stephen Fleming; Divisional Director, Active Living & Culture, Jim Gabriel*; Cultural Services Manager, Sandra Kochan*; Community & Neighbourhood Services Manager, Louise Roberts*; and Council Services Coordinator, Sandi Horning

(* denotes partial attendance)

1. Call to Order

Mayor Basran called the meeting to order at 9:10 a.m.

2. Confirmation of Minutes

Moved By Councillor DeHart/Seconded By Councillor Hodge

R057/15/01/26 THAT the Minutes of the Regular AM Meeting of January 19, 2015 be confirmed as circulated.

Carried

3. Reports

3.1 Active Living & Culture Community Grants Overview

Divisional Director, Active Living & Culture:

- Displayed a PowerPoint Presentation summarizing the various grant programs and their processes.
- Responded to questions from Council.

Councillor Sieben joined the meeting at 9:18 a.m.

Staff:

- Responded to questions from Council.
- Confirmed that Festivals Kelowna is funded through the base budget.
- Confirmed a Council workshop on the Strong Neighbourhood Program will be scheduled for next month.
- Provided an update with respect to 'ArtsFest'.

City Manager:

- Provided comment regarding why the Sexual Exploitation of Youth Grant is separate from the other social grant categories that the City funds.

Moved By Councillor Sieben/Seconded By Councillor Hodge

R058/15/01/26 THAT Council receives, for information, the Report from the Divisional Director, Active Living & Culture, dated January 21, 2015, regarding the various application-based community grants provided by the City through the Active Living & Culture Division.

Carried

4. Resolution Closing the Meeting to the Public

Moved By Councillor Singh/Seconded By Councillor DeHart

R059/15/01/26 THAT this meeting be closed to the public pursuant to Section 90(1) (j) and (k) of the *Community Charter* for Council to deal with matters relating to the following:

- Third Party Information; and
- Provision of a Municipal Service.

Carried

5. Adjourn to Closed Session

The meeting adjourned to a closed session at 10:30 a.m.

6. Reconvene to Open Session

The meeting reconvened to an open session at 2:28 p.m.

7. Issues Arising from Correspondence & Community Concerns

7.1 Mayor Basran, re: 2015 Trip to Veendam

Mayor Basran:

- Provided background information regarding the invitation from Veendam to attend the 70th Anniversary of Liberation.
- Advised that he is planning on attending and inquired whether other members of Council or staff should attend as well.
- Confirmed that spouses would pay all of their own costs.

City Manager:

- Provided background information regarding the Sister-City relationship between Kelowna and Veendam.

Mayor Basran:

- Provided an overview of his discussions with the Kelowna-Veendam Sister City Association.

City Clerk:

- Displayed copies of former Mayor Gray's letter to the City of Veendam regarding the relationship between the City of Veendam and the City of Kelowna.

Moved By Councillor Singh/Seconded By Councillor DeHart

R060/15/01/26 THAT Council authorizes up to two (2) Council members to travel to Veendam, Netherlands to attend the 70th Anniversary of the Liberation of Holland from April 28, 2015 to May 9, 2015;

AND THAT the cost of the airfare, and any other expenses, be paid for by the City.

Carried

7.2 Councillor Singh, re: Multiple Sclerosis Society - HandyDART Service Cuts

Councillor Singh:

- Advised that the Society is concerned that HandyDART service is being reduced and is under the impression that the City made the decision.

City Manager:

- Advised that BC Transit is the decision-maker and that the Society should contact them regarding its concerns.
- Staff will confirm if any changes have been made.

7.3 Councillor Singh, re: Auxiliary RCMP Members - Parking

Councillor Singh:

- Raised the issue of Auxiliary RCMP Members having to pay to park when on volunteer duty.

City Manager:

- Provided background information regarding staff parking.

7.4 Councillor Sieben, re: Heritage Strategy

Councillor Sieben:

- Inquired as to the amounts previously budgeted and how the funds are being allocated for City Heritage sites.

City Manager:

- Provided comment.

7.5 Councillor Gray, re: Cyber-Security

Councillor Gray:

- Made comment regarding a recent conference she attended in Vancouver on cyber-security.

City Manager:

- Advised that the City Has cyber-security measures in place.
- Will have the Information Services Manager attend a future Council meeting to provide an overview.

8. Termination

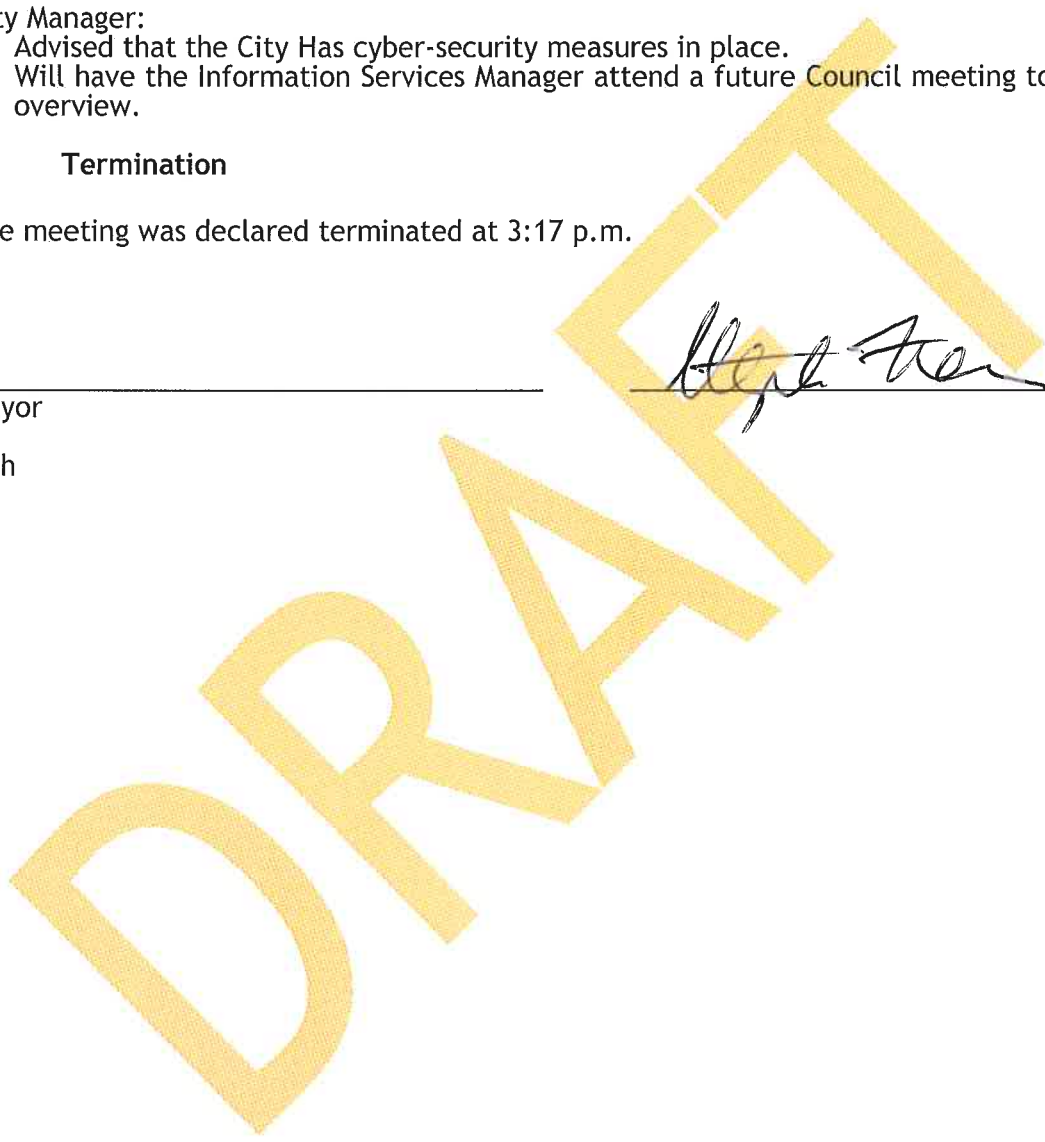
The meeting was declared terminated at 3:17 p.m.

Mayor

/slh



City Clerk



Report to Council



Date: 2/2/2015
File: 0250-40
To: City Manager
From: Brian Abrey, Infrastructure Systems Manager
Subject: Fibre Optic Strategy

Recommendation:

THAT Council approves leasing excess dark City of Kelowna fibre optic cable to other organizations including other levels of government, not-for profits, educational institutions and the private sector, as outlined in the Fibre Optic Strategy report of the Infrastructure Systems Manager, dated February 02, 2015;

AND THAT Council direct staff to prepare amendments to Bylaw No. 9381 Miscellaneous Fees and Charges to include the lease fee for the provision of dark fibre for Council consideration;

AND THAT Council direct staff to develop the business plan for Phase Two of the Fibre Optic Strategy for Council consideration in 2015 that would see the City expand its fibre optic network to connect additional city facilities.

Purpose:

To seek Council approval to lease excess City of Kelowna dark fibre optic cable to public and private organizations and to allow staff to develop a phased business plan to extend fibre optic cable to other City facilities.

Background:

The City of Kelowna has installed approximately 13 kilometres of fibre optic cable underground over five years to provide high bandwidth data services to a number of City facilities. The fibre optic cable implementation has provided significant operational cost savings, faster data response time and innovative new ways of providing service.

The fibre optic cable was installed to coincide with other road network projects and taking advantage of existing conduit, significantly reducing the capital costs to approximately \$300,000. The fibre optic cable has resulted in ongoing annual cost savings of \$154,440 by eliminating the telecommunications charges at 11 City facilities, representing a two year pay back. The avoidance of increasing costs meant staff was not required to submit a supplemental operational budget request for Council consideration during annual budget deliberations.

The City installed excess fibre capacity to accommodate future needs and take advantage of volume discounts. This excess fibre capacity is referred to as “dark” fibre, as there are no fibre optic light signals being passed through it. Phase One recommends making the excess fibre capacity available to organizations within Kelowna through dark fibre leases. Organizations leasing dark fibre from the City would be responsible for providing the electronics to send and receive data on it. Dark fibre leases will create a new revenue stream for the City in addition to the ongoing annual cost savings for City facilities. Conservative revenue projections indicate potential annual revenue of \$156,000 by 2017 using existing excess fibre cable.

The Kelowna Advantage

The City of Kelowna is in a position to make its excess fibre optic cable available to provide high speed fibre links to external organizations. Access to dark fibre would serve as a technology enabler for organizations, while at the same time serving as a revenue source for the City of Kelowna. Several municipalities in British Columbia, including Coquitlam and Penticton, already provide this service.

Kelowna prides itself on being the high tech capital of the Interior and fifth largest centre in British Columbia. There are many reasons Kelowna is a desirable place for technology companies including affordable tax rates, easy access to markets with Kelowna International Airport and the City’s positive business environment which has been recognized by the provincial government with two consecutive Open for Business awards. The City also recently partnered with the Provincial government and the Kelowna Sustainable Innovation Group for the development of the 9,850 square-metre Okanagan Centre for Innovation in downtown Kelowna. The City of Kelowna encourages the development of the high tech industry as it provides well-paying skilled jobs, is environmentally friendly, and helps to diversify our economy from our traditional resource-based, manufacturing and tourist-based economies. The Economic Development Commission of the Central Okanagan has identified the availability of affordable dark fibre as an opportunity to positively influence economic development.

Leasing excess dark fibre optic cable to organizations is one more option the City can consider to help support the development of the high tech industry. Technology companies look at what is available for communication networks in the same way a manufacturing company makes relocation decisions based on what is available for transportation networks. Whether it is to connect point-to-point to another location, or to connect to high speed internet bandwidth, a robust communication network is essential.

Fibre Optic Network Goals:

- Connect additional City facilities to enhance customer service and avoid necessary bandwidth upgrade costs
- Enable a broader range of applications and services to be available to Kelowna consumers from a variety of service providers
- Service providers lease dark fibre from the City rather than installing their own fibre. Considerable reduction in capital outlay, reduced demand on City rights-of-way and minimized impact of road construction projects on the community
- Enable high speed connectivity for businesses and institutions at a reasonable cost
- Stimulate new business growth and attract new business to Kelowna
- Create a new revenue stream for the City

Phase One - Lease Existing Excess Fibre

Business Model

Phase One involves making existing excess fibre available for lease. City staff is proposing to operate Phase One of the fibre optic service with existing resources to minimize costs. The installation, operation, marketing and billing functions would all be performed by various City departments. Depending on the success of Phase One the City can investigate the need or benefit to move to a different business and staffing model.

The City of Kelowna has a core competency of offering network services such as road and traffic signal networks, water and waste water networks. Of all these networks, a fibre network requires the least amount of capital investment and ongoing maintenance costs. The City has also developed expertise in installing and running fibre optic networks by deploying and maintaining its existing fibre network. On the business side, the City already maintains the knowledge, expertise and facilities to market, invoice and receive payment for services rendered. Financial Services can assimilate costs and revenue into its existing financial systems and reporting.

Department	Roles & Responsibilities
Finance	Billing
Traffic Signals	Design & engineering
Survey	Design
Roadways	Construction
Real Estate	Contracts & land access
Clerks	Legal
Enterprise Kelowna	Sales
Information Services	Design, implement, connect & manage

Product

The primary product offered by the City fibre network would be dark fibre optic strand leases. The City would maintain ownership of the fibre but would make individual strands available for lease. The fibre strands are considered “dark” because the customer would be responsible for providing the electronics required to send and receive data on it. This would fill a niche market as there are currently no organizations in Kelowna that lease or sell dark fibre.

The backbone fibre optic cable is installed underground in rigid PVC conduits located in the City’s right-of-way. The City has an extensive amount of conduit installed in the ground, primarily through the foresight over the years of the City’s Traffic Services department, who installed the conduit to feed traffic signals. Efforts are made to install communications conduit when roadwork is done to reduce the need to trench and install conduit at a later date.

Conduits are connected together with in-ground service vaults. These vaults are located every 200-500 metres and are used to connect multiple conduits together. These vaults also allow slack cable loops to be stored in them which can provide the necessary slack for repairs. Select vaults also contain a fibre optic splice closure (FOSC), which is a waterproof case where multiple fibre cables can be spliced together.

Termination panels are located in buildings and serve as an end-point for fibre cable. These panels are either wall-mounted or installed in a telecommunications rack, allowing the individual fibre strands to be terminated with a fibre connector.

Customers

Organizations will commit to short, medium and long term leases for a specific number of dark fibre strands. Primary customers would consist of companies engaged in providing telecommunications services in Kelowna, as well as organizations that wish to access service providers or create private point-to-point networks.

Telecommunication service providers may choose to lease dark fibre from the City to extend their services to customers in areas where they themselves do not have fibre infrastructure.

Businesses and institutions may choose to lease dark fibre from the City to establish a high speed data link with service providers, customers, or between their own facilities (i.e. schools, campuses, clinics, etc.).

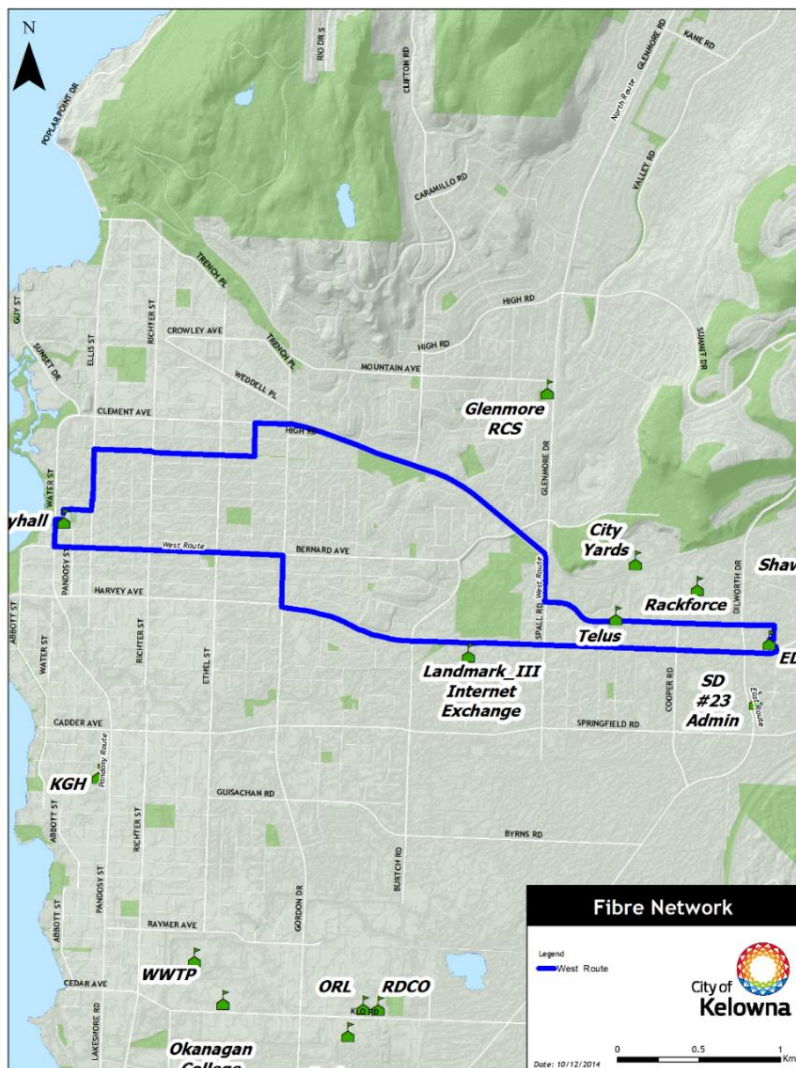
Developers may choose to lease dark fibre from the City to connect their subdivisions or larger multi-dwelling unit complexes to a wider selection of service providers.

The City should not pursue the installation of fibre to the home. There is a significant capital investment required to provide this with minimal return, unless the City were providing services on this fibre. This would also put us in direct competition with existing service providers.

Dark fibre is a sought after commodity, but is not generally made available by the existing telecommunications companies, as their business model involves providing services (i.e. telephone, TV, internet) and tying their pricing schedule to the type and quantity of the service they provide. For an organization that already is in this business, there is an opportunity to generate increased revenue using this model rather than the dark fibre model. The City should not pursue adopting this services model, as it comes with significantly increased costs and challenges to provide, significant risk, and would also put the City in direct competition with existing service providers. By providing dark fibre only, the City would be creating a market niche for itself that no one else is willing or able to provide.

Implementation

Phase One will involve setting up the business processes to accommodate dark fibre leases, and installing physical distribution fibre connections to initial customers along the existing fibre route extending from Dilworth Drive to downtown Kelowna.



Phase One – Existing Fibre

Financial

The City's existing fibre optic cable has resulted in annual cost-savings of \$154,440 while greatly increasing speed and bandwidth to 11 City facilities. The City's back-up datacenter now requires 10,000 Mbps which is not offered by the City's current service provider. In addition, the City is able to enhance existing services at reduced costs. For example, the City is increasing the number of video surveillance cameras at various City facilities for safety and security reasons. The cameras require a significant amount of bandwidth. Facilities not connected to the City's fibre optic network could pay as much as \$10,000 per location to provide the necessary storage for the video. Fibre allows the video to be transmitted at no additional cost to the City Hall datacenter where it can be consolidated onto more cost-effective storage systems.

The following chart shows conservative projected revenue streams based on leasing existing excess fibre cable.

Phase	Date	Year	# of fibre pairs	Revenue	Cumulative
I	2015	1 (6 months)	5	\$30,000	\$30,000
		2	9	\$108,000	\$138,000
		3	13	\$156,000	\$294,000

Once the fibre cable has been installed in underground conduit and vaults, the only maintenance required is to splice in new fibres for customers and repair any damage caused by inadvertent digs. Capital and operating overheads required with operating a fibre network are minimal.

Net Revenue/Savings

Year	Revenue	Annual Savings	Internal Labour Costs	Hard Costs	Net Revenue/Savings
2015	\$30,000	\$154,440	\$37,500	\$50,000	\$96,940
2016	\$108,000	\$154,440	\$33,720	\$25,000	\$203,720
2017	\$156,000	\$154,440	\$30,000	\$25,000	\$255,440

The chart above illustrates that significant net revenue and savings can be achieved, even after subtracting costs. Staff hours are most intensive to design and hook up new customers; ongoing servicing hours to maintain those customers will be minimal.

Costs

In order to make dark fibre leases available, a minimal financial investment is required. Some operational seed money would be required for Phase One and that will be obtained from existing budget. This would fund additional start-up hard costs such as fibre management software, contractor service level agreements and legal costs. Staff resourcing would be accommodated using existing staff positions, however are reflected in the chart above to show true costs and revenue. Net revenue would be directed into a Reserve that could be used for upgrades and future phases of this initiative. All costs to install connections to customers would be covered by the customer through an upfront build charge.

Phase Two - Business Plan for Future Build Out

Staff is proposing to create a phased business plan in 2015 to determine the feasibility of extending fibre optic cable to other areas of Kelowna. This would enable the City to connect its remaining seven remote properties to the City network to realize the same benefits that our fibre-connected sites experience. It would also allow the City to eliminate costs associated with connecting the remote facilities with City Hall via a third party.

In 2013 the City commissioned an independent third party to identify strengths, weaknesses, opportunities and threats (SWOT) associated with a dark fibre optic network expansion in the City of Kelowna. Being an arms-length evaluation it provided an objective look at whether efforts should be made to pursue this venture. The SWOT analysis indicated an expanded dark fibre network falls within the core competencies of the City and that benefits to the City and community could result.

Future builds could potentially have capital costs off-set by developing agreements with organizations to contribute capital dollars towards the construction of the fibre optic network in exchange for an indefeasible right to use (IRU) a specific number of fibres for a specified period of time. A number of organizations have expressed an interest in this opportunity. This would allow the City to service other City facilities and potential customers sooner than if the City were to continue to rely on "opportunistic" road builds, while also reducing borrowing costs.

With the advent of the internet, communication mediums have assumed a critical role in how the modern world operates and evolves, connecting people together in ways that have never before been possible in the history of man. While its origins lie with copper cable, the early pioneers quickly adopted fibre optic cable as the medium of choice for carrying large volumes of internet data. Fibre has been acknowledged as being "future proof". Over the years, the industry has been successful at improving the electronics that communicate over the fibre, to allow continually higher and higher throughput. Since fibre carries signals at the speed of light, the bottleneck has never been the fibre itself. This is predicted to be the case well into the future.

The need to move data will never go away. The amount of data that people are creating, moving and storing is growing exponentially and will likely continue to do so. Robust and reliable communication links are already considered critical infrastructure and the demand for this will continue to grow.

The implementation would take advantage of the significant amount of conduit that is already in the ground to service traffic signals. Additional conduit would be installed only where necessary. This use of existing conduit will significantly reduce project costs while offering enhanced protection for buried fibre. While the primary driver is the need to move increasingly large amounts of data, cost reduction plays a significant role as well.

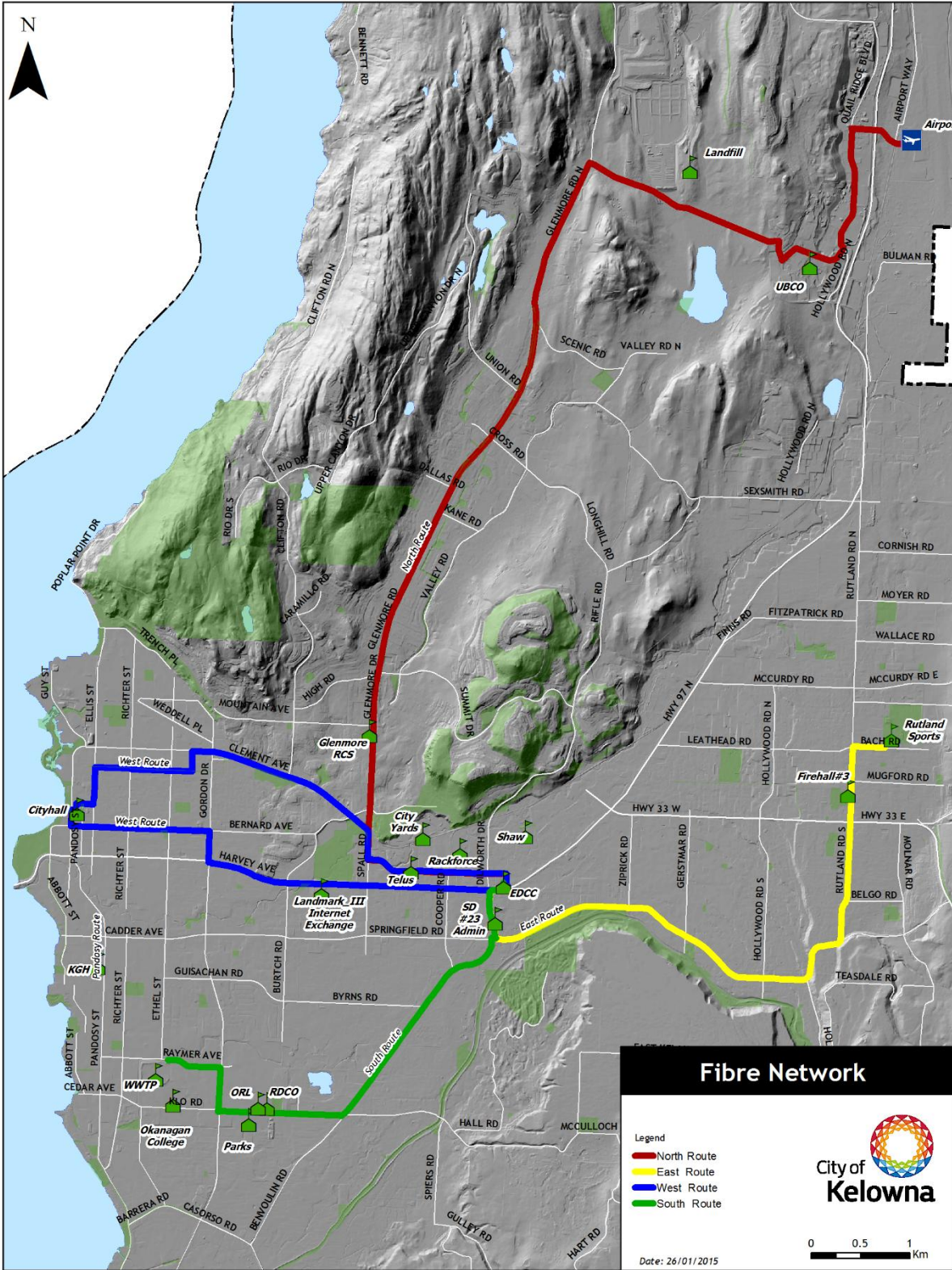
The business plan would include learnings from the City's initial offering in 2015 of dark fibre leases to outside organizations.

Future Routing

Future phases would see fibre extended to three areas of the city. This would serve to connect the remaining seven City facilities, as well as put it within reach of a number of other potential customers.

Future routes would include:

- southward to the area of KLO & Gordon Drive
- northward to the area of the UBCO campus and City airport
- eastward into the area of the City recreation complexes in Rutland



Fibre Routes: Blue - existing fibre; Red, Yellow and Green - future routes

Future Needs and Savings

Telecommunication rates from our current connection provider increased almost 200% in 2014 to provide the same relatively slow 100Mbps connection to the City's remaining seven remote facilities. Projections indicate increased bandwidth is required at all City facilities, triggering cost increases from the current \$8,190 per month for relatively slow 100Mbps connections, to \$92,680 per month for the necessary 1,000Mbps connections. This could potentially see annual expenditures increase from \$98,280 currently to \$1,112,160 for the city's remaining seven facilities.

Staff will develop a business plan in 2015 for the expansion of the City's fibre optic network for Council's consideration. The plan will look at potential costs, revenue, cost savings and partnership opportunities for each of the three potential routes to determine feasibility and timing. Recommendations could be influenced by potential partners willing to contribute capital to the expanded network, greatly reducing the City's upfront expenditure and risk.

Internal Circulation:

Deputy City Manager
Community Planning & Real Estate Divisional Director
Director of Real Estate
Financial Services Director
Systems & Reporting Manager
Manager, Park & Building Projects
Roadways Operations Supervisor
Traffic Signals & Systems Supervisor
City Clerk
Deputy City Clerk

Legal/Statutory Authority:

Council has authority under the legislation *Community Charter* sections 8(2) and 4, to provide dark fibre service to outside public and private organizations for a fee.

Legal/Statutory Procedural Requirements:

Prior to Council entering into a fibre lease, adherence to *Community Charter* s.26 for public notice of the proposed property disposition, will be required.

Financial/Budgetary Considerations:

Phase One can be done within existing budget. Phase Two, which is subject to Council consideration, will include a financing plan.

Personnel Implications:

Phase One can be done within existing resources. Phase Two, which is subject to Council consideration, will include a resourcing plan.

External Agency/Public Comments:

The City has received 5 letters of support from organizations in Kelowna who see the value that access to dark fibre would bring. Staff have met with a number of additional organizations who have also expressed interest.

Considerations not applicable to this report:

Existing Policy:

Communications Comments:

Alternate Recommendation:

Submitted by:

Brian Abrey, Infrastructure Systems Manager

Approved for inclusion:

CW

Attachments:

Appendix A - Community letters of support

cc: Paul Macklem, Deputy City Manager

October 30, 2014

Mr. Brian Abrey
Fibre Systems Manager
City of Kelowna
1435 Water Street
Kelowna, BC
V1Y 1J4

Re: BCNET Support for the City of Kelowna Fibre Initiative

Dear Brian,

This letter is to express our support towards the fibre optic infrastructure initiative that the City of Kelowna is undertaking. Fibre optic infrastructure plays a critical role in the way research, education, commerce, and innovation is enabled in today's digital society.

As you know, BCNET builds its network using community fibre. Rather than simply purchasing circuits from Vancouver to each BCNET site in Kelowna, we configure a world-class advanced network link to a hub – the Kelowna Transit Exchange (KELTX) in Landmark Centre. We can then use community fibre to connect our member institutions to the exchange, giving them incredible access to advanced research networks, content providers (Google, Akamai, ...), and the wider Internet. The community fibre allows BCNET to provide cost effective 1Gbps and even 10Gbps connections for our members.

Such connections enable large research projects and state-of-the-art teaching facilities at our institutions.

As such, BCNET unequivocally endorses the City's initiative to deploy such a community fibre network throughout Kelowna for use by our research and education members.

On behalf of BCNET and its Member community (University of British Columbia Okanagan, Okanagan College, Justice Institute of British Columbia, BC Cancer Agency, and the BC Libraries Cooperative) we are happy to provide support and assistance towards this initiative.

Sincerely,



Michael Hrybyk
President & CEO
BCNET



**CENTRAL
OKANAGAN**
ECONOMIC
DEVELOPMENT
COMMISSION

Thursday, December 11, 2014

rfine@investkelowna.com

Mr. Brian Abrey
Infrastructure Systems Manager
Information Services
City of Kelowna
1435 Water Street,
Kelowna, BC V1Y 1J4

Dear Mr. Abrey:

Let me begin by sharing my enthusiasm for the City's commitment to looking at expanding the fibre optic network in Kelowna with an opportunity to package excess fibre availability to both the public and private sectors.

A recently completed report by Accelerate Okanagan outlines the growth and strength of the Okanagan Technology sector. Revenues in 2014 are estimated to have reached over \$850 million, an increase of 42% in the past year. With over 300 technology companies and an annual labour force growth rate of 4% and over 6500 workers in the field Okanagan Valley wide, the technology sector is real. The cornerstone of the growth has been driven by three key factors: quality of life, affordability and infrastructure.

The availability of reliable, redundant high speed data connections will enable firms to flourish. With planned increasing promotion of the sector and projected growth from our emerging gaming and animation industries (large data users) the COEDC expects technology growth to move towards 10,000 strong workforce by 2020. This growth can only continue to occur if the sector has reliable and varied data delivery options. We believe from the ongoing dialogue we have with the sector, that there is a demand for affordable high speed data connections in Kelowna, and dark fibre will serve to address some of this demand while acting as an enabler for continued business development and innovation.

As we continue to position Kelowna as the best mid-sized City in Canada, there is a responsibility to build the infrastructure that goes with the positioning. The fibre optic network also goes beyond the technology sector. Advanced manufacturers, research and development organizations, service delivery organizations, to name but a few will continue to drive demand and expectation.

The economy in the Region is at a crucial turning point. We are positively positioned to drive a move toward higher paying, highly skilled, clean jobs in the years ahead. The City can play an active role by providing the competitive advantage needed to allow entrepreneurs, educators, talent and engaged citizens to call Kelowna home and move the Region's economy forward in the decade the ahead.

Warm regards,

Robert Fine
Director of Economic Development

December 10, 2014

City of Kelowna
1435 Water Street,
Kelowna, B.C. V1Y 1J4

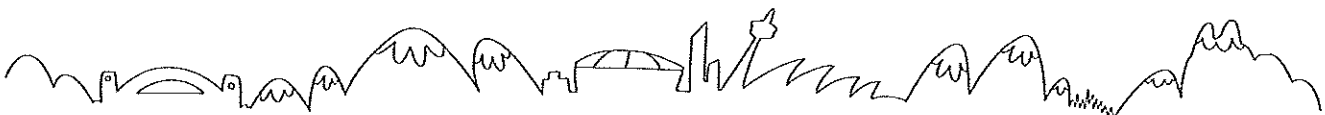
To whom it may concern,

Re: Letter of support for the City of Kelowna's dark fibre expansion initiative.

Having successfully operated in the entertainment industry for over 25 years, Bardel Entertainment Inc. ("Bardel" or "Company") is a fully integrated company engaged in developing and producing award-winning media content, for which much of these services are provided to many of the world's largest studios. The purpose of this letter is for Bardel and its subsidiaries to show its support and endorsement for the City of Kelowna's dark fibre initiative to be proposed by Brian Abrey before Senior Leadership and City Council members.

The Canadian Entertainment & Media industry has undergone rapid transformation and growth due to the demand for its services. Due to the constant transitioning nature of the industry, lack of available technology and infrastructure can impede the competitive advantage a company retains in comparison to other international competitors. Although the industry in both Kelowna and Vancouver is supported by a skilled and experienced talent pool, existing technical infrastructure has a tendency to impede development and growth - Access to single strand fibre optic network (dark fibre) is an example - An industry standard: mirroring this network infrastructure at multiple locations is extremely costly, but in its absence, can impede the Company's ability to operate effectively and competitively in the industry.

Bardel currently employs over 550 employees in 3 studio locations (two studios located in Vancouver; one studio located in Kelowna). The Company has recently been contracted by a major US studio to produce animation content that would employ an additional 150 individuals over the next four (4) years in Canada, bringing projected growth to over 700 employees. However, these contracts are in collaboration with other foreign studios, whereby, if Bardel was unable to access infrastructure, this could potentially impede the Company's growth in the region. Bardel's expansion plans for the Kelowna studio expect to see growth from approximately 50 to over 80 employees by the end of 2015. In order for the Company to



increase its presence in the region, it is essential that companies like Bardel, as well as other high tech companies, have readily available access to dark fibre, and at an affordable cost.

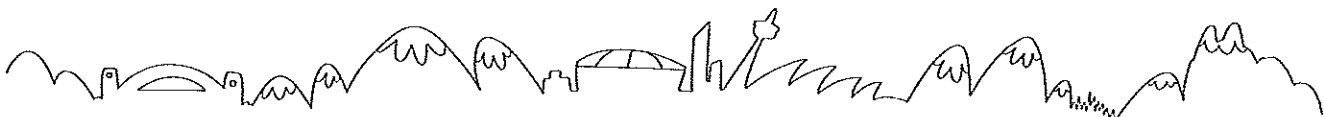
By supporting the dark fibre initiative, it enables high tech companies, like Bardel, to expand their operations, and hence, will serve as a catalyst for growth in the region.

If you have any questions regarding the aforementioned, please do not hesitate to contact me.

Regards,



Richard Grieve
Director Finance & Business Affairs
Bardel Entertainment Inc.
Tel: (604) 484-1646



December 10, 2014

Council members,

RackForce, Canada's largest enterprise cloud service provider, is in support of the City of Kelowna fiber project being proposed. RackForce, headquartered in Kelowna, operates multiple datacenters in the Kelowna area, and staffs more than 50 IT employees.

The enterprises in Kelowna continually pursue new and innovative forms of technology, but the high cost of private networks limits what technology can be used. If completed, the Kelowna fiber project presents an opportunity to Kelowna businesses to utilize private, high-speed connections between their locations, and enable the reduction of operating expenses by centralizing IT infrastructure into purpose-built datacenters.

By enabling the enterprises in Kelowna access to a dark fiber backbone, it enables them a secure, and inexpensive entry point into utilizing cloud services provided by service providers such as RackForce. By enabling businesses to use cloud services, Kelowna businesses would see a higher quality of service through improved reliability, accessibility and flexibility of their IT infrastructure.

We urge you to approve this project as we feel this is a valuable economic development asset to the community, and enables increased competition amongst telecommunication providers to provide reasonably priced private networks.

Sincerely,



Denis Skrinnikoff

Senior Director of Technology

RackForce Networks, Inc.



January 14, 2015

Re: Letter of support Dark Fibre

To whom it may concern,

Over the past few weeks we have been exposed to the dark fibre project that has been developed in the City of Kelowna. Coming from the technology industry, we are very pleased to hear of such forward thinking initiative. From our perspective Dark fibre is beneficial because:

- There's demand for affordable high speed data connections in Kelowna, where dark fibre will serve to address some of this demand
- Dark fibre will be an enabler for innovation and business development in both the public sector and within Kelowna's burgeoning high tech sector
- Dark fibre will support research and education by allowing for the movement of very large amounts of data
- Dark fibre access will attract well-paying, skilled, "green" jobs and will help to diversify Kelowna's tourism and resource-based economy

Hoping this initiative continues to evolve and gets fully implemented.

Kind regards,

Pilar Portela
CEO



CONNECT KELOWNA FIBRE-OPTIC STRATEGY



Brian Abrey
Infrastructure Systems Manager

Why did we need a Fibre Strategy?

- Bandwidth requirements increasing
- Communications costs increasing
- Demand from other public institutions (IHA, OC, UBCO)
- Opportunity exists to generate revenue
- Potential Economic Development driver



Evaluation Process:

- Assess internal bandwidth needs
- Evaluate costs
- Evaluate options
- Consult with industry experts
- Discuss with fibre pioneers
- Discuss with internal partners
- Assess external demand
- Prepare the strategy

Evaluate

Analyze

Consult

Recommend

Findings : Current Risks

- Lack of bandwidth stifles productivity & innovation
 - Slow response time
 - “Work-around” solutions
 - Limits ability to be progressive

Findings : Future Opportunity

- Fibre connections promote innovation
 - High definition video conferencing between sites
 - Consolidation of video surveillance to City Hall datacenter
 - Shared services with other organizations
 - ... and more ...

Connect Kelowna Fibre Optic Strategy

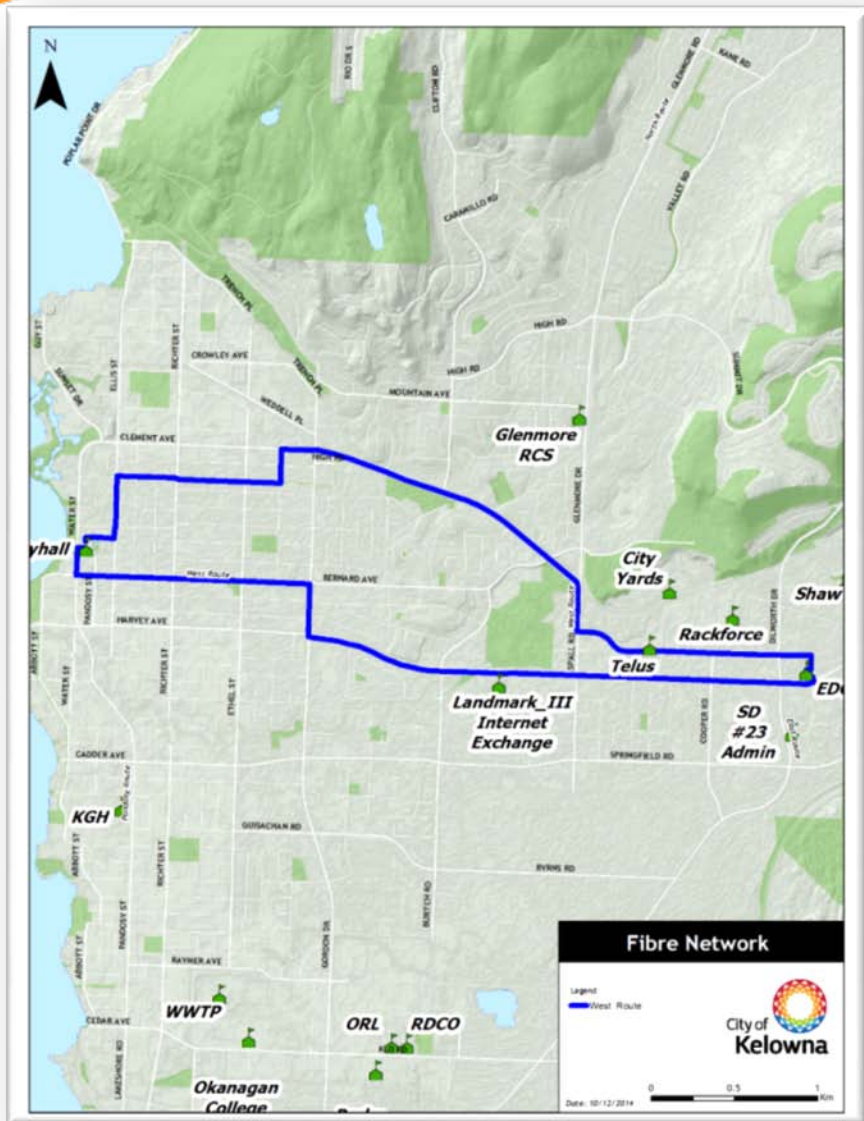
Key Components

Phase I - Use existing excess fibre capacity to generate revenue

- Excess fibre strands
- Dark fibre

Phase II - Expand the fibre network

- Service all key City facilities
- Reach potential new customers

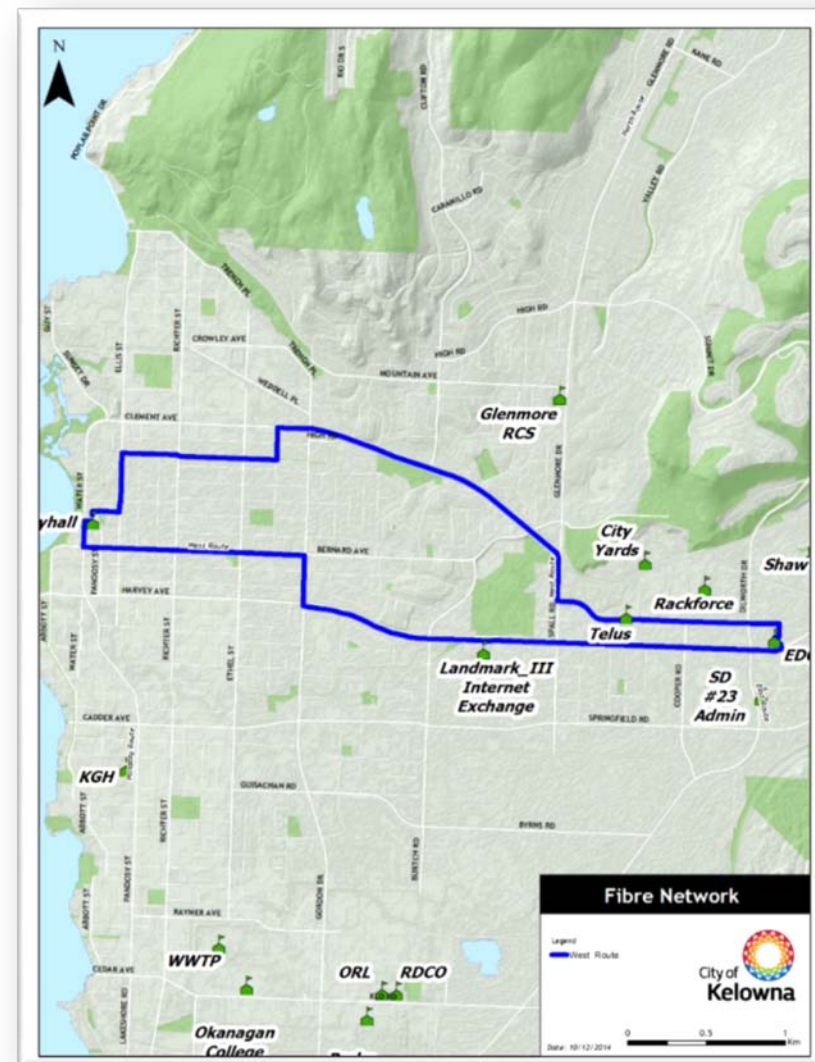


Phase I- Use existing excess fibre capacity

- Background
 - 13 Km of existing fibre
 - 11 connected City facilities
 - \$300,000 build cost
 - \$154,440/year savings
 - Excess fibre capacity

Phase I – Use existing excess fibre capacity

- Focus for 2015
 - Demand exists
 - Make dark fibre leases available
 - Projected potential revenue
 - 2015 - \$30,000
 - 2016 - \$108,000
 - 2017 - \$156,000



Business Model

- Dark fibre leases
- No Services (i.e. internet, phone, television)
- Provided as a City service (like Sewer & Water)
- City provides the backbone
- Customer pays for the “last mile” connection to the backbone
- Risk Mitigation

Dark Fibre
Speed, Reliability & Security

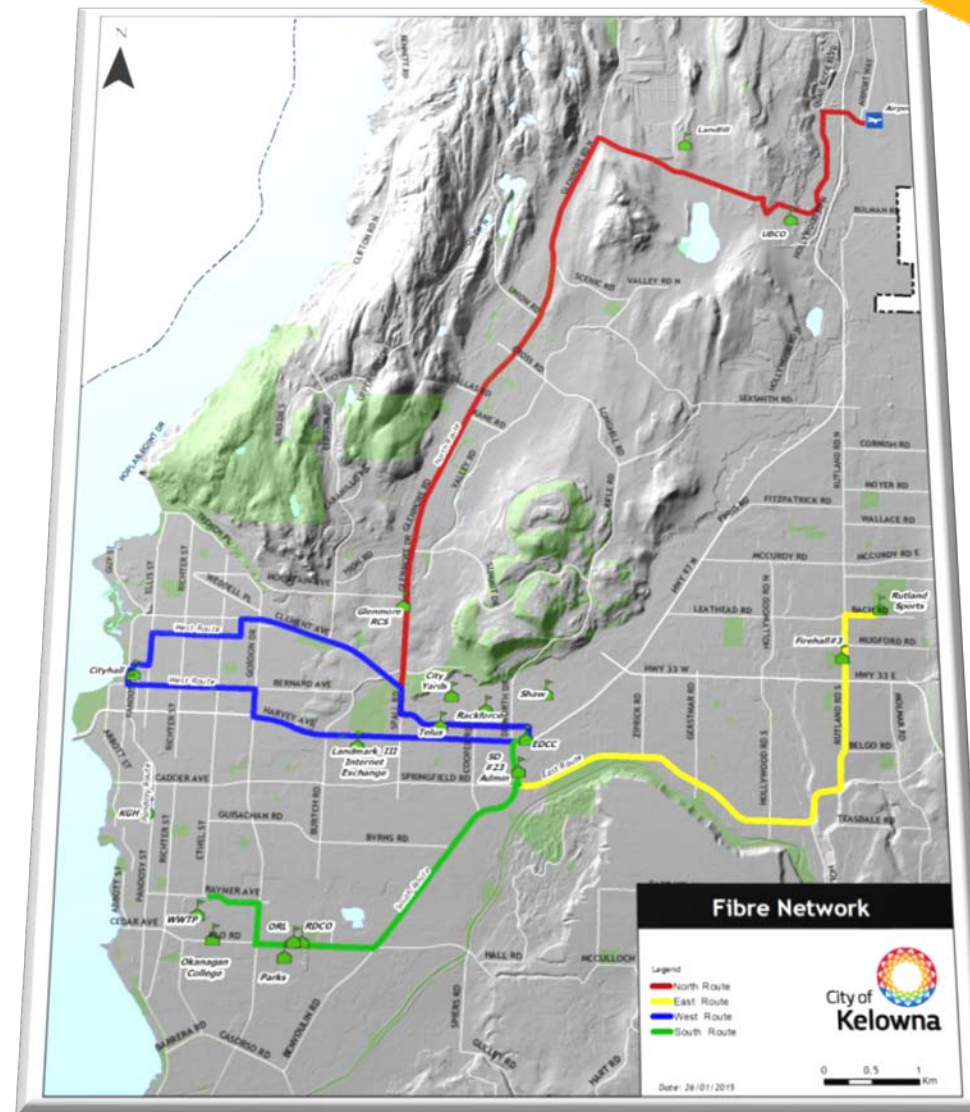


Phase I

Year	Revenue	Annual Savings	Internal Labour Costs	Hard Costs	Net Revenue/Savings
2015	\$30,000	\$154,440	\$37,500	\$50,000	\$96,940
2016	\$108,000	\$154,440	\$33,720	\$25,000	\$203,720
2017	\$156,000	\$154,440	\$30,000	\$25,000	\$255,440

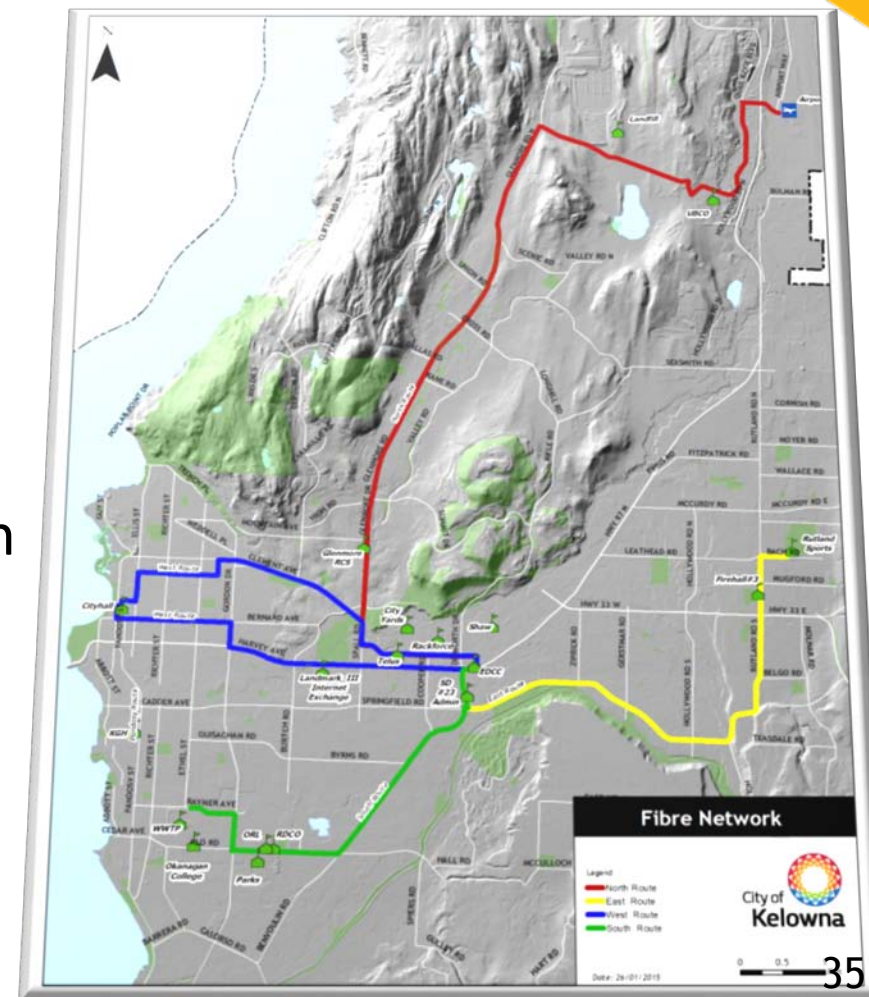
Phase II – Expand the fibre network

- Expansion to north, east & south
 - Red – Glenmore-UBCO-Airport
 - Green – KLO-Gordon
 - Yellow - Rutland
- Phased expansion to reduce risk & costs
- Seven key facilities to be connected
 - Glenmore Rec
 - Landfill
 - Airport
 - Parks
 - Water Plant
 - Rutland Fire hall
 - Rutland Arena



PHASE II-BENEFITS

- Provide needed bandwidth upgrades to City facilities
 - 100Mbps to 1,000Mbps+
- Provide significant cost savings
 - Today: 100Mbps x 7 sites = \$8190 per month (\$98,280 annually)
 - Future: 1,000 Mbps x 7 sites = \$92,680 per month (\$1,112,160 annually)
- Excess capacity for potential revenue
- Demand exists for dark fibre



Potential Capital Partners

- BCNet (UBCO, OKC, ORL)
- School District #23
- Shaw
- Others
- Grants

BCNET

SCHOOL DISTRICT NO.23

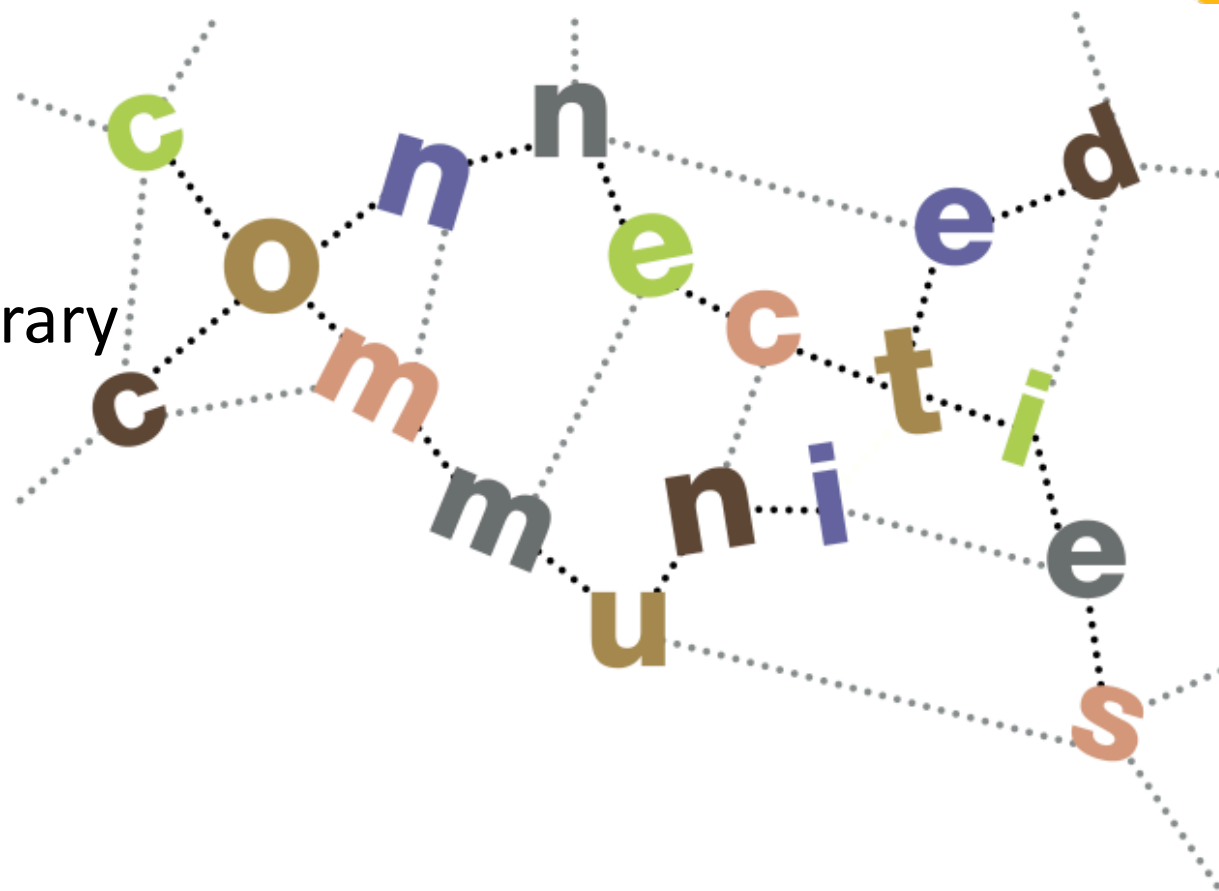


CENTRAL OKANAGAN
"Together We Learn"

Shaw)

Potential Revenue Customers

- UBCO
- Shaw
- Okanagan College
- Okanagan Regional Library
- RDCO
- Interior Health
- School District #23
- Private sector

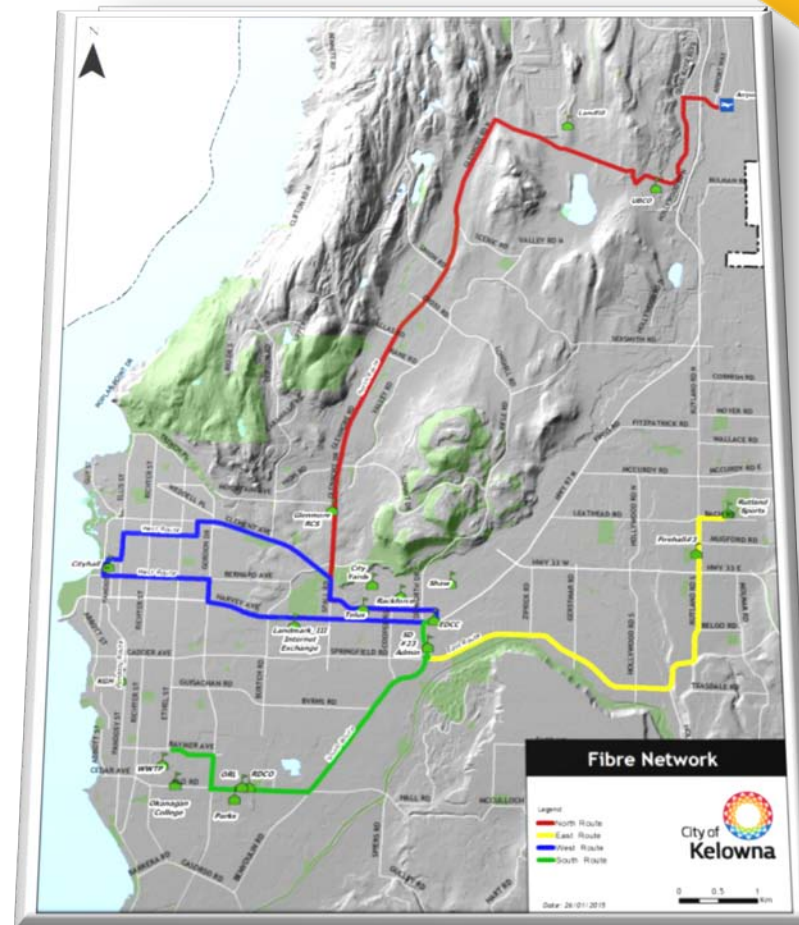


Recommended Next Steps

- Implement Phase I in 2015
- Complete Business Plan for Phase II and bring forward for 2016 budget

Summary

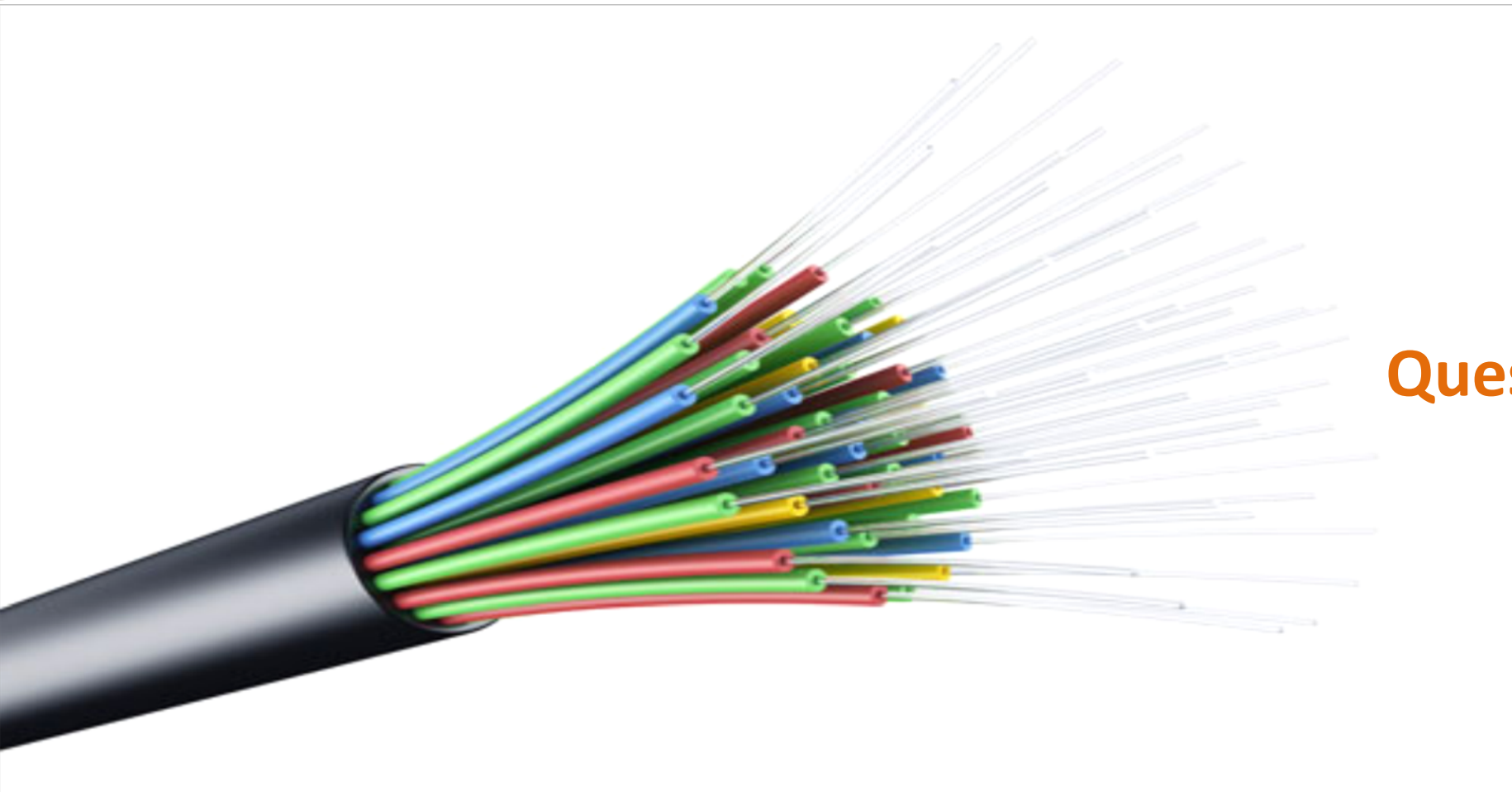
- Existing fibre (Phase I) provides
 - needed bandwidth to 11 City facilities
 - cost savings of \$154,440+ per year
 - excess fibre capacity available to generate revenue
- Fibre expansion (Phase II) provides
 - service to additional City facilities
 - significant cost savings
 - increase to potential customer base
 - potential service to schools, college, university, health and libraries



Summary

- Fibre benefits
 - City facilities, public sector and private sector
 - Allows for innovative new solutions
 - Future proofs communications capabilities
 - Enabler for economic development in Kelowna





Questions?

Report to Council



Date: 1/21/2015
File: 0705-20
To: City Manager
From: James Moore, Long Range Policy Planning Manager
Subject: RDCO - Fringe Area Planning

Recommendation:

THAT the RDCO Fringe Area Planning Summary report from the Policy and Planning Department dated January 21, 2015 be received for information;

AND THAT the Fringe Area Planning Boundaries be amended to include only those lands in the Central Okanagan West Electoral Area and the Central Okanagan East Electoral Area shown on Attachment 2;

AND THAT Council direct Staff to pursue a formal agreement with the Regional District of Central Okanagan with respect to Fringe Area Planning and related funding.

Purpose:

To consider potential amendments to the existing Fringe Area Planning boundaries surrounding the City.

Background:

The Regional District of Central Okanagan (RDCO) has advised that the existing Fringe Area Planning agreement is nearing its conclusion, and has asked the City to participate in a review of the Fringe Area Planning process. At this stage, the City has been asked to identify any changes it would like to see to the fringe area boundaries and to provide supporting rationale.

“Fringe planning” refers to the system developed that gives municipalities adjacent to and within a regional district the ability to influence land use planning decisions in those areas outside their boundaries where the municipalities deem they have an interest. Typically, those lands in which municipalities have an interest are those directly abutting or nearby.

Essentially, Fringe Area Planning recognizes that land use planning decisions made at the Regional District level can have significant impacts on adjacent or member municipalities, and that cooperative decisions in such instances will yield an improved governance model and better decision making. These impacts can be related to municipal infrastructure, such as services (i.e.: utilities) and transportation networks, or to issues such as visual impact or

environmental impact of development (e.g.: hillside development, and watershed protection).

Where, for any of these reasons, a municipality chooses to “fringe” an area, municipal staff receive referrals for land use planning matters in the agreed upon areas, and municipal representatives at the Board table are permitted to vote on such matters. Land use planning includes consideration of such issues as:

- Official Community Plans and amendments thereto;
- Rural Land Use Bylaws and amendments;
- Zoning Bylaws and amendments;
- Land use planning permits, such as Development Variance Permits and Temporary Use Permits.

Without Fringe Area Planning, member municipal representatives at the Board table would not be permitted to vote on land use planning matters in regional district electoral areas, even though such matters may have important implications for them. However, it is important to note that municipal representatives are entitled to vote on any “regional” matters at the Board table with or without a Fringe Area Planning arrangement. Regional matters include items such as the Regional Growth Strategy, environmental policy and regional transit planning. Fringe Area Planning relates only to land use planning matters, such as Official Community Plan, Rural Land Use Bylaw, and Zoning Bylaw changes. A formal agreement, informed by the provisions of the *Local Government Act*, governs the RDCO Fringe Area Planning process. The existing agreement is set to expire on March 31st, 2015.

The City’s involvement in Fringe Area Planning has fluctuated over the decades, but has remained consistent in recent years. Within the current agreement, the City has selected to include the Westside Road north, Ellison, South slopes, and a small portion of Joe Rich, as shown on the attached Map (Attachment 1).

Part of the existing agreement is related to funding. Choosing to participate in Fringe Area Planning carries a financial cost, both in terms of staff time and in direct financial support. At this time, the City annually pays \$24,240, which represents approximately 6.4% per cent of the program’s net cost. This funding formula is historical in nature and is not in accordance with the Provincial policy recommendations. RDCO staff will be bringing forward recommendations for changes to the funding strategy upon confirmation of changes to the Fringe Area Agreement with all members of the RDCO. The new funding information is not yet available; however, it is staff understanding that the City of Kelowna costs could increase significantly if Council chooses to continue to “fringe” the same area as in the current agreement. Nevertheless, the general principle at play here is that the more area and/or legal parcels you include in fringe area planning, the more you have to contribute. Further details on funding are available in the Financial Considerations section below.

Discussion:

This review provides the City with the opportunity to examine the Fringe Area Planning process to ensure that the City is engaged at the appropriate level and that it is receiving good value for its financial investment. Where the City chooses appropriately to become involved in Fringe Area Planning, the result is a more balanced decision making model.

Further framing the discussion of potential changes are protections offered by existing policy and legislation. Many of the City's broader interests are covered by regional planning initiatives, such as the Regional Growth Strategy, regional transportation planning, and by provincial and RDCO policy and regulation protecting the natural environment. These protections will continue to function without Fringe Area Planning.

City staff have met with RDCO staff to review the current fringe area planning framework and to explore opportunities for improvements. The recommended changes are summarized below.

Westside Road north:

This area contains the largest number of parcels, but has limited potential to impact the City, as it is not directly contiguous. The only two connections to the City include a transportation connection via West Kelowna through the bridge, and a visual connection, as this area is directly visible across the lake from the Kelowna. These limited connections are less and less relevant as the area moves north, and the likely transportation and visual impacts of development grow more remote. Also, those areas not visible from the lake or having land tenure that is not conducive to development (e.g.: forest lands), are seen to be of minimal impact in the fringe planning process.

With the above in mind, staff are recommending that the City's fringe planning area be substantially reduced to those lands along and east of Westside Road running from the District of West Kelowna's northern boundary to the westward extension of the City of Kelowna's northern boundary, as shown on the attached Map (Attachment 2). These parcels still have a visual relationship to the City of Kelowna viewscape and for this reason, still would have relevance within the scope of land use planning in the Fringe Area process.

Ellison and South Slopes:

No changes are recommended, and staff suggest that the City continue to include these areas as Fringe Planning Areas as they have a direct boundary connection to City infrastructure, transportation network, and/or may influence watershed health and capacity

Joe Rich, IR12, IR11, major lakes (proposed Fringe Areas A & B, Attachment 2):

Currently, only a small western portion of Joe Rich and IR12 are included as Kelowna's fringe. However, the area east of this (inclusive of IR#11, McCullough Lake, and significant watershed areas), which is presently "unfringed" by any municipality is of interest for several reasons:

- The area abuts Kelowna's eastern boundary, and has direct and significant transportation network connections, including Highway 33.
- Major land use changes could have important downstream utility implications for the City. For instance, a development with a failed water or sanitary system could cause significant and an unplanned demands on City utility systems.
- The area north of Joe Rich includes lands critical to the City's flood mitigation and source water protection for irrigation districts. Land use is part of the City's drinking water protection program. Significant land use changes in this area could have consequences for the City and other water utilities, such as degrading drinking water

quality, and limiting expansion opportunities. These could have cost implications for water utilities and could increase the risk of downstream flooding in the city.

Staff recommend expansion of the city's eastern fringe area to include the all the private lands within the Joe Rich area, both IR#12 and IR#11, and the McCullough Lakes area (labeled as East Fringe 'A' on Attachment 2). As an additional option, it may be beneficial to add the watershed areas north of Joe Rich, identified as East Fringe 'B', on Attachment 2.

At this stage, staff are recommending that the City identify its interest in both areas. Following this initial feedback, RDCO staff will work to identify the financial implications of the proposal. If, at that time, the watershed protection area (East Fringe 'A') is deemed to add more to cost than it provides in benefits, it may be removed.

Once the RDCO receives initial feedback from member municipalities, a meeting of staff representatives will be held to discuss the feedback and to refine alternatives. Following that, RDCO staff will review options with the Board, including the formula for cost sharing in this function. Should the process move forward at that time, staff have been advised that the City will be provided with more opportunities to finalize its position prior to considering executing a new Fringe Area Planning Agreement.

Internal Circulation:

Subdivision, Agriculture and Environment Manager
Transportation and Mobility Manager
Utilities Planning Manager

Legal/Statutory Authority:

Local Government Act Part 24, Division 4.1 Establishing Bylaws, Section 802.1 - changes to the boundary of a service area.

Local Government Act Part 24, Division 4.2 Cost Recovery for Services, Section 804.1(2) - establishing an agreement covering the cost of services.

Financial/Budgetary Considerations:

Previously, the total electoral area budget costs were allocated based on a formula calculated on the number of applications at a given point in time. The total Electoral Area budget net of revenues is allocated as follows:

City of Kelowna	6.4052%
Peachland	0.28%
Lake Country	0.64%
West Kelowna	1.5734%
Electoral Areas:	Remainder allocated on the basis of assessment (in 2010: 52.99%
Central Okanagan West &	38.11% Central Okanagan East)

More recently, this system has come under some additional scrutiny. Specifically, it was identified that Fringe Area Planning agreements need to establish a fair voting and cost sharing model, where the current model is not seen to provide this balance adequately. For instance, each Board Director from Kelowna is entitled to vote on a fringe planning issue, as is each Electoral Area Director. However, in the case of the RDCO, this can lead to a significant

voting imbalance with Kelowna's six Board Directors easily holding a large majority vote over the RDCO's two Electoral Area Directors, even though Kelowna only pays 6.4% of the cost. There are concerns that this imbalance could lead to future legal challenges.

As part of their review, RDCO staff will be looking for a more balanced financial model to reflect more closely the legislative intent of Fringe Area Planning, rooted in the *Local Government Act*.

Personnel Implications:

It is not anticipated that the proposed changes will require any additional staff resources. Staff resources dedicated to Fringe Area Planning are expected to remain approximately the same.

Considerations not applicable to this report:

External Agency/Public Comments
Legal/Statutory Procedural Requirements
Existing Policy

Submitted by:

James Moore, Long Range Policy Planning Manager

Approved for inclusion:



D. Gilchrist, Div. Dir. Community Planning & Real Estate

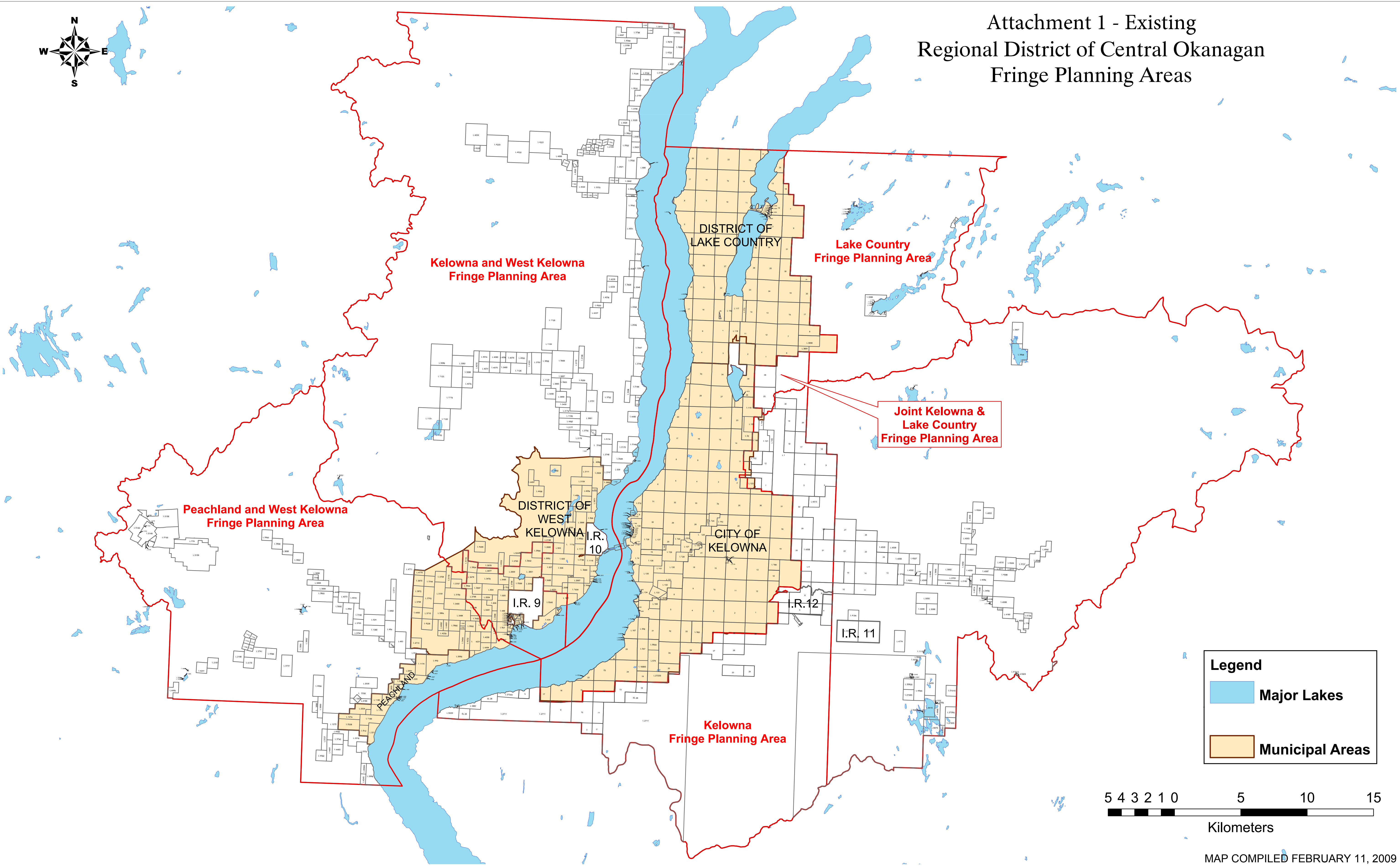
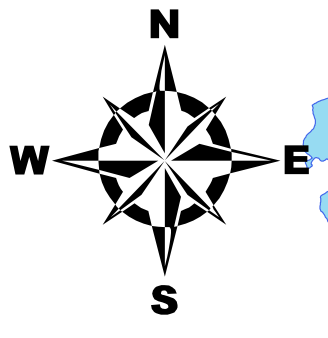
Attachments:

Attachment 1 - Map of Existing Fringe Area Planning Boundaries
Attachment 2 - Map of Proposed Fringe Area Planning Boundaries

cc: City Clerk

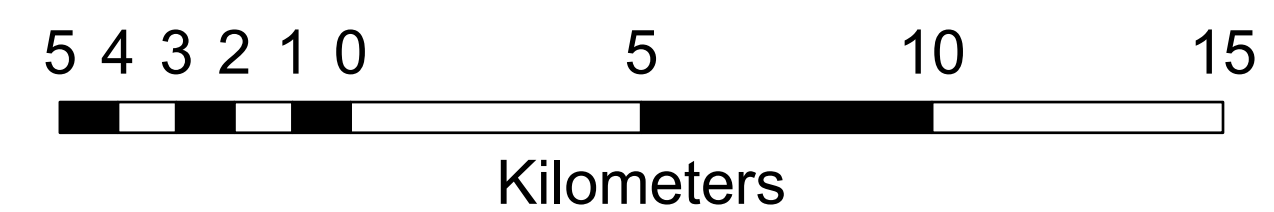
Infrastructure Divisional Director
Financial Services Director
Community Planning and Real Estate Divisional Director

Attachment 1 - Existing Regional District of Central Okanagan Fringe Planning Areas



Legend

- Major Lakes
- Municipal Areas



MAP COMPILED FEBRUARY 11, 2009

ATTACHMENT 2 - PROPOSED REGIONAL DISTRICT OF CENTRAL OKANAGAN FRINGE PLANNING AREAS



PROPOSED AREA TO BE REMOVED

KELOWNA WEST-KELOWNA FRINGE PLANNING AREA

LAKE COUNTRY FRINGE PLANNING AREA

PROPOSED UPDATE TO KELOWNA WEST FRINGE

KELOWNA LAKE COUNTRY FRINGE PLANNING AREA

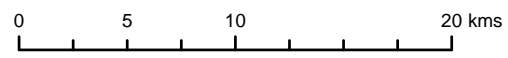
UNFRINGED AREA

PROPOSED NEW KELOWNA EAST FRINGE 'A'

PEACHLAND WEST KELOWNA FRINGE PLANNING AREA

PROPOSED NEW KELOWNA EAST FRINGE 'B'

KELOWNA FRINGE PLANNING AREA



Map Revised: 2015-01-21

	PROPOSED REVISIONS TO FRINGE PLANNING AREAS		KELOWNA
	EXISTING FRINGE AREA PLANNING BOUNDARIES		LAKE COUNTRY
	PROPOSED AREAS TO BE REMOVED		PEACHLAND
	LAKES		WEST KELOWNA
		MUNICIPAL BOUNDARIES	



City of
Kelowna

FRINGE AREA PLANNING

An Overview and Suggestions for Improvement



PURPOSE

- ▶ Current Agreement expiring soon
- ▶ RDCO review
- ▶ *Local Government Act* changes

WHAT IS “FRINGE AREA PLANNING”

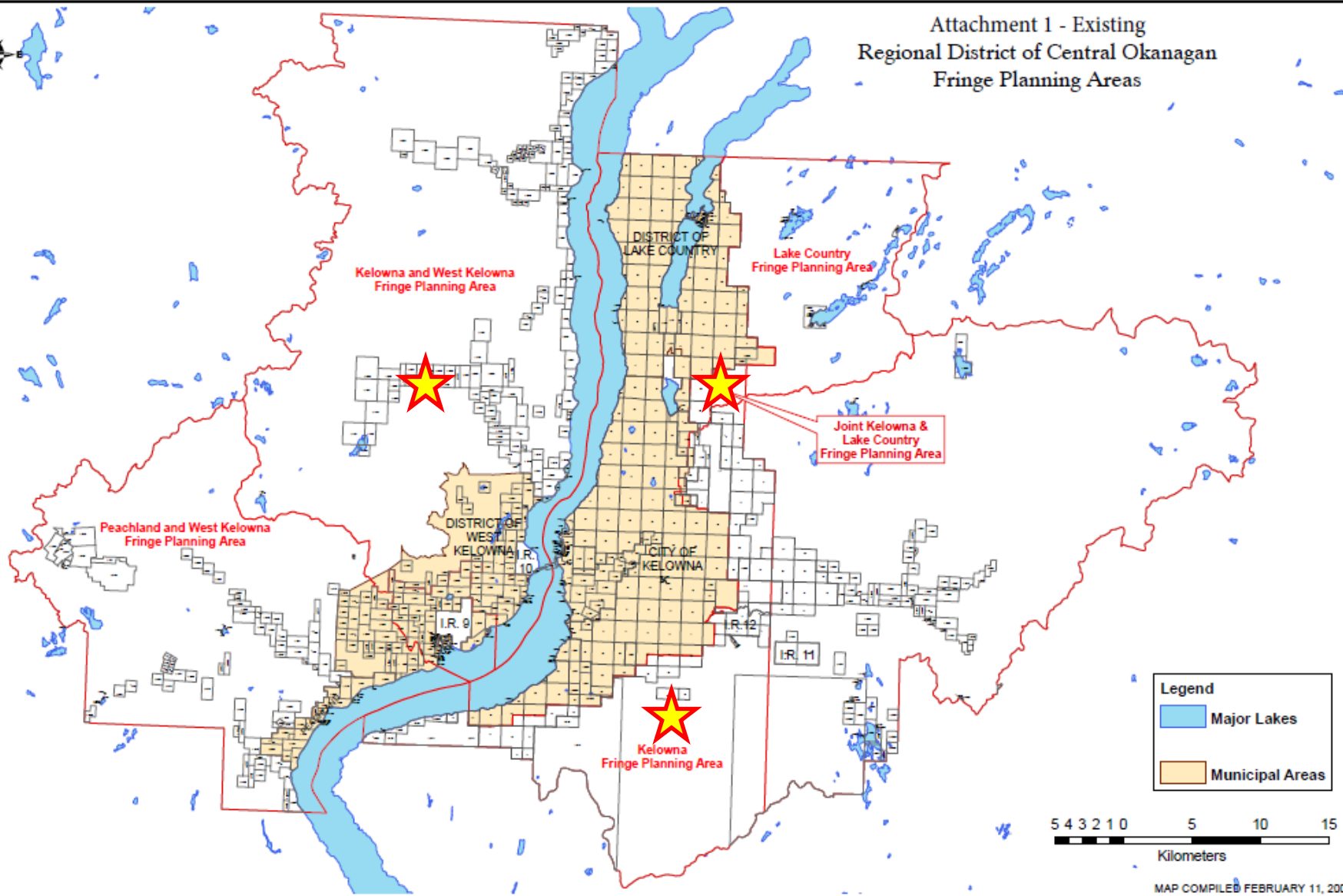
- ▶ Recognizes that Kelowna has a vested interest in what happens around it:
 - ▶ Downstream infrastructure
 - ▶ Transportation linkages
 - ▶ Flooding and source water protection
 - ▶ Viewshed
- ▶ Areas in which we have a vested interest are “Fringe Areas” .

WHAT IS “FRINGE AREA PLANNING”

- ▶ Provides a system that encourages cooperative planning in “fringe” areas:
 - ▶ ONLY ON **LAND USE PLANNING** MATTERS
 - ▶ Gives municipal Board Directors a vote
 - ▶ Municipality has to provide funding
- ▶ System is captured in an Agreement
- ▶ Regional planning system already covers many of the City’s interests

BACKGROUND

- ▶ City has been involved on and off
- ▶ Current fringe area boundaries:
 - ▶ North portion of Central Okanagan West EA
 - ▶ Portions of Central Okanagan East EA
 - ▶ Ellison area



Map of Existing Fringe Areas

BACKGROUND

- ▶ RDCO staff following provincial legislation in review of existing system
- ▶ Equity in funding - vote relationship
- ▶ Financial contribution around \$25,000/yr (~7% of program)

BACKGROUND

Municipal & Electoral Area Voting Balance

	Kelowna Votes - Fringe Planning Area	Kelowna votes - Unfringed Area	Electoral Area Votes
Regional matters	6	6	2
Land Use Planning	6	0	2

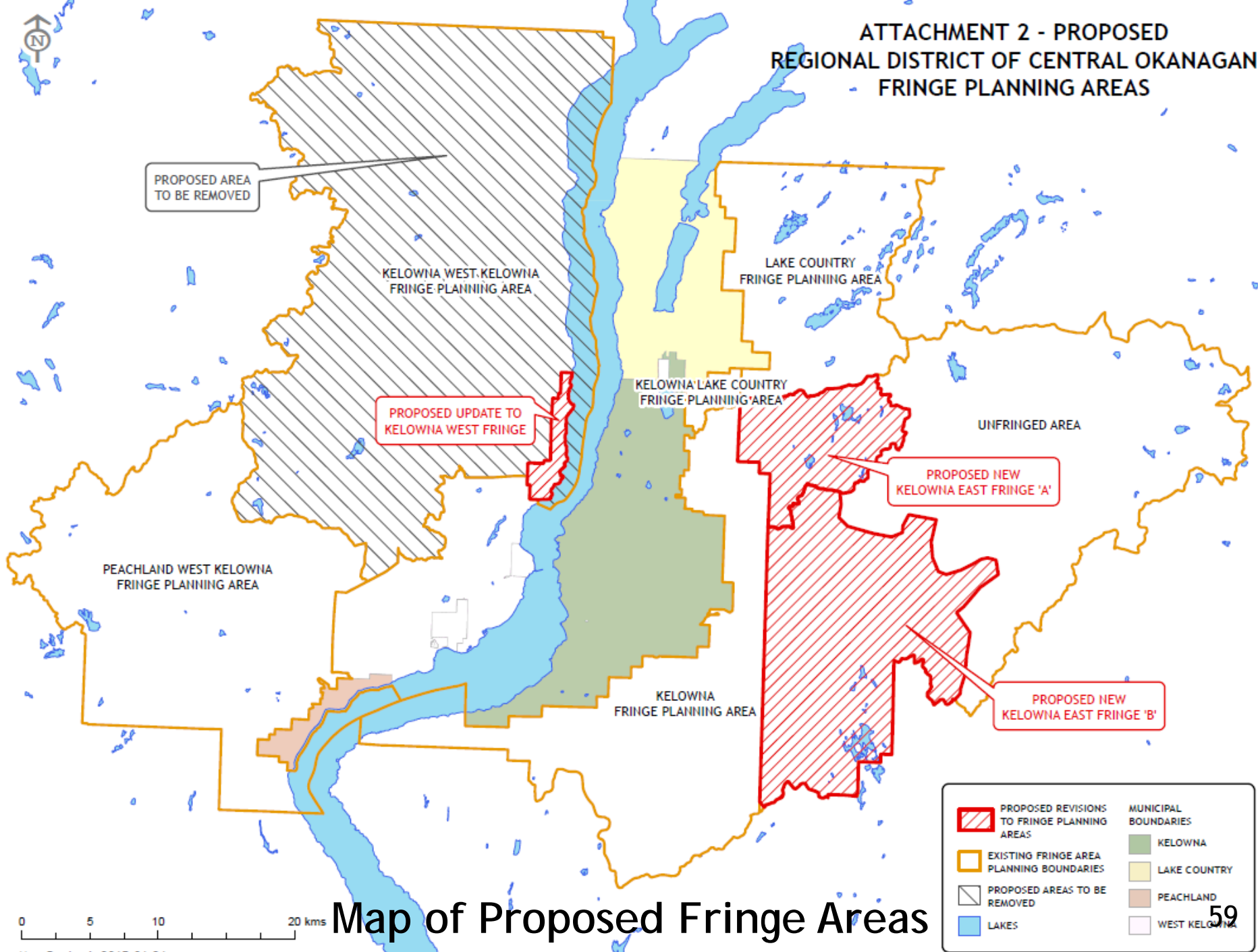
BACKGROUND

- ▶ Results of review not completed
- ▶ Council should expect RDCO recommendation to increase costs
 - ▶ More fringe area, more funding

SUGGESTED CHANGES

- ▶ Some existing regional & provincial plans protect our interests
- ▶ Role of other municipalities
- ▶ Balance the cost and benefit

ATTACHMENT 2 - PROPOSED
REGIONAL DISTRICT OF CENTRAL OKANAGAN
FRINGE PLANNING AREAS



Map of Proposed Fringe Areas

SUGGESTED CHANGES

- ▶ Westside Road North: recommended reduction
 - ▶ Not contiguous to the City
 - ▶ Limited development potential
 - ▶ Limited or no utility/transportation impacts
 - ▶ Some viewshed impacts
 - ▶ Future transportation connections
 - ▶ District of West Kelowna may have greater interest

SUGGESTED CHANGES

- ▶ Ellison: recommended status quo
 - ▶ Direct connections to City infrastructure, transportation and watershed
 - ▶ Shared interest with District of Lake Country

SUGGESTED CHANGES

- ▶ Joe Rich, IR11 & 12, major lakes: recommended increase
 - ▶ Direct connections to City transportation network (FPA 'A')
 - ▶ Potential impacts to utilities downstream (FPA 'A')
 - ▶ Watershed areas (major lakes) - flood protection and water quality protection interests (FPA 'B')
- ▶ Both potential Fringe Areas A & B, subject to further cost analysis

NEXT STEPS

- ▶ RDCO staff to gather municipal input
- ▶ All staff meet to discuss recommendations
- ▶ City will be provided cost analysis and further opportunities to refine

Subject:

FW: 2015 Order of British Columbia -- Call for Nominations



January 27, 2015

His Worship Colin Basran and Councillors
City of Kelowna
1435 Water Street
Kelowna BC V1Y 1J4

Dear Mayor and Councillors:

Re: Order of British Columbia ~ 2015 Call for Nominations

It is time once again to “call for nominations” for the Order of British Columbia, the highest honour the Province can bestow on its citizens for excellence and outstanding achievement. Anyone is welcome to nominate a deserving individual as candidate for appointment to the Order of British Columbia. I seek your assistance in informing your municipality about this opportunity to take part in the public recognition of its outstanding citizens.

An independent Advisory Council chaired by the Chief Justice of British Columbia considers nominations to the Province’s highest award for excellence and outstanding achievement. Three hundred and seventy distinguished British Columbians have been honoured since 1990.

For your information, a report listing all of the recipients of the Order, broken down by City/Town, is below. Please contact our office if the formatting is imperfect and we would be happy to send you an attached list.

Nomination forms for the Order are available from the Honours and Awards Secretariat in Victoria, (250) 387-1616, or on the website: <http://www.orderofbc.gov.bc.ca>. Completed nominations must be received by the Secretariat by the first Friday in March (**March 6, 2015**) to be considered. Nominations received after this will automatically be forwarded for consideration in 2016.

Your continuing support of the Order of British Columbia is very much appreciated.

Yours sincerely,

Karen Felker
Coordinator

Order of British Columbia

Recipients by City/Town

Year	Recipient Name	City
1995	Nava Ashraf	Kelowna
2007	William Bennett	Kelowna
2010	Brad Bennett	Kelowna
2008	*Harold Capozzi	Kelowna
2009	D. Ross Fitzpatrick	Kelowna
1994	M. Rendina Hamilton	Kelowna
2005	*Jack Jensen	Kelowna
2007	Daphne Odjig	Kelowna
2008	Mohini Singh	Kelowna

* Deceased