

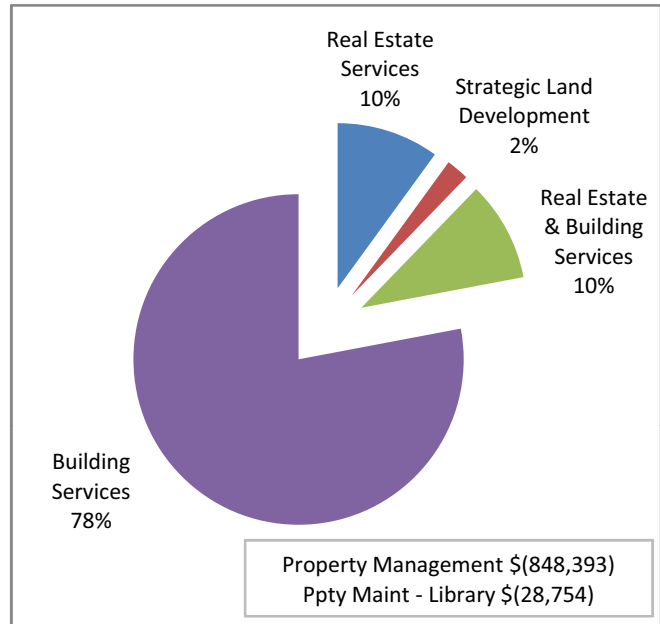
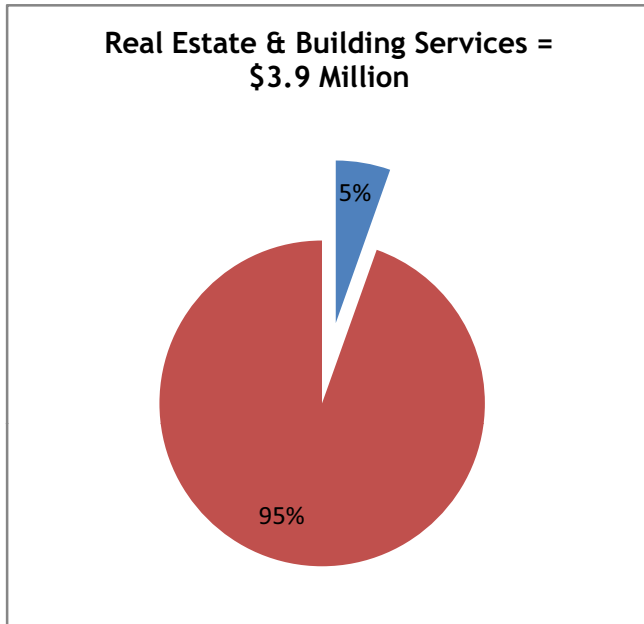
Real Estate & Building Services



Doug Gilchrist - Director

Percent of General Fund Operating

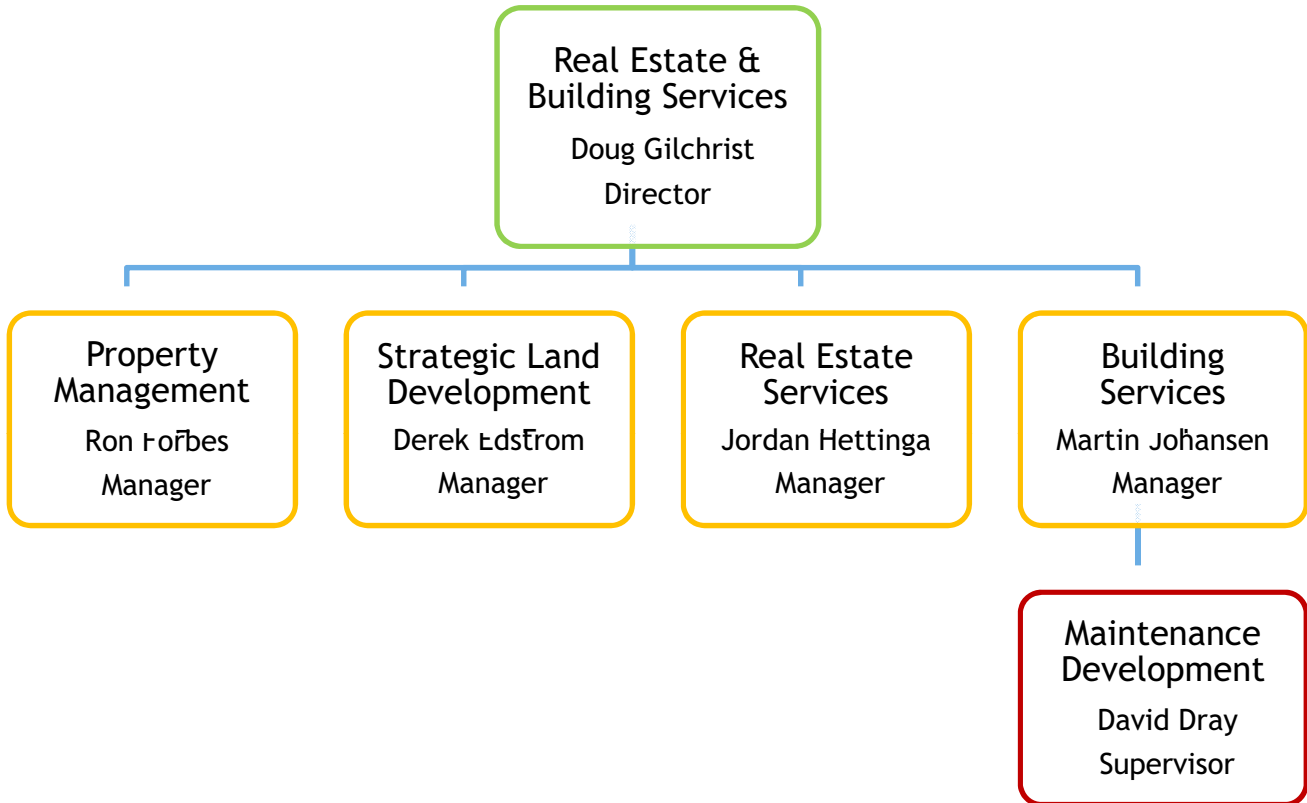
Division Summary



General Fund Operating = \$88.6 Million

Department Overview

	Revised Adopted 2009	Financial Plan 2010	Change from Prior Year	Percent Change
Taxation Expenditures				
Net Operating	3,447,892	3,926,701	478,809	13.9%
Capital	400,000	500,000	100,000	25.0%
Total Taxation Expenditure	3,847,892	4,426,701	578,809	15.0%
Authorized Positions	25.3	24.8	(0.5)	-2.0%





DEPARTMENT GOALS

Real Estate and Building Services is responsible for managing, operating and maintaining all of the City's real estate assets. This includes the acquisition of strategic property and disposal of surplus land in a fiscally responsible manner.

Our goal is to maximize the value and utility of all land and buildings to a standard that sets the benchmark for midsized cities in Canada.

The ultimate measure of success is the quality of experience the public and our internal clients enjoy in all dealings with the Real Estate & Building Services Department.

Vision:

To maximize the value and utility of all land and buildings to a standard that sets the benchmark for the best midsized city in Canada.

Mission:

To be fair, equitable and efficient when acquiring, disposing, developing, managing and maintaining the City's real estate assets.

CURRENT YEAR OBJECTIVES - Building Services Branch

A Healthy, Active Community

- ▶ Continue to implement the Energy Management Plan for city-owned buildings to achieve GHG and Water use reduction targets by 2012.
- ▶ Review and update safety procedures for Memorial and Rutland Arena.

Diverse and Sustainable Infrastructure

- ▶ The development of a 5 year capital renewal program which will prioritize and schedule the replacement of building systems at the end of their service life.
- ▶ Continue to develop and maximize the potential of a software supported preventative maintenance and lease management tool (Web Works).
- ▶ Complete installation of the Family "Y" solar hot water heating project.
- ▶ Implement an RFP process for janitorial contracts with the overall goal to improve service levels in Civic buildings

Strong Innovative Leadership

- ▶ Complete the RinC funded recreational projects within the projected timelines and budgets.
- ▶ Maintain professional and motivated staff to deliver a broad spectrum of facility and asset management requirements for the City of Kelowna.
- ▶ Improve and maintain internal working partnerships with other City departments through formalization of protocol.
- ▶ Establish and implement performance measurement strategies to track the level of service delivery of the Buildings Services branch.
- ▶ Engage staff in appropriate training and education to address attrition and professional development.
- ▶ Focus on the acknowledgement and retention of talented people.

Sound Fiscal Management

- ▶ Develop and implement a strategy to track utility consumption in civic and recreational facilities to ensure energy reduction targets are being met and consumption is efficient.

CURRENT YEAR OBJECTIVES - Real Estate Services Branch

A Healthy, Active Community

- ▶ Promote access to waterfront through strategic purchases or existing land base.
- ▶ Develop acquisition strategy and costing for lineal trail master plan created by City Parks Department (Bellevue Creek, Mill Creek, Rutland Connections, etc.).
- ▶ Staff to participate in City Wellness Program.
- ▶ Continue to complete land acquisitions for Rails with Trails.
- ▶ Explore acquisition or land use protection opportunities for surplus School District #23 lands (Dilworth I & II, Johnson Road, old Dr. Knox) for continued park use.

Diverse and Sustainable Infrastructure

- ▶ Complete land transactions required to facilitate 2010 infrastructure priorities.
- ▶ Apply acquisition strategy for Mission Creek Restoration Project (dyke setback, sediment trap, Benvoulin woods).
- ▶ Continue land acquisition of lineal parks that support the riparian improvements along creeks.
- ▶ Solidify agreement for pedestrian overpass at Dayton Avenue and at Bertram Street.
- ▶ Complete outstanding property issues for Pandosy/Water realignment.
- ▶ Finalize real estate transactions (subdivision and leases) for Tutt Street and Rutland housing projects.
- ▶ Complete and implement the terms of a Master Parks Agreement for Neighborhood 3.
- ▶ Complete land assembly and tenure transfer for Pleasantvale Homes Site.
- ▶ Explore strategic land opportunities that could contribute to the City's boat launching and mooring challenges.
- ▶ Obtain approval for the Downtown CD Zone which incorporates the provision of heritage asset preservation, park expansion and environmental sustainability.

Strong Innovative Leadership

- ▶ Advisory role for land transfer issues related to master planned developments.
- ▶ Support airport expansion through applicable land acquisition.
- ▶ Set new baseline valuation of the land component for park and entire road DCC program.
- ▶ Engage staff in appropriate training and education to address attrition and professional development.
- ▶ Focus on the acknowledgement and retention of talented people.
- ▶ Lead community consultation process for Real Estate Services initiated projects.

Sound Fiscal Management

- ▶ Identify surplus City-owned lands that may be available for sale or redevelopment.
- ▶ Identification and strategic disposition and/or assembly of remnant properties as a result of infrastructure projects.
- ▶ Development of a review process for BC Assessment Authority valuation of City assets.

CURRENT YEAR OBJECTIVES - Strategic Development Branch

A Healthy, Active Community

- ▶ Undertake the redevelopment of Cedar Avenue with a focus of providing a first-class lakefront pedestrian network.
- ▶ Complete land transactions for the Aqua Resort development that will provide public access to the pier and boardwalk, as well as a reconfigured boat launch area.
- ▶ Protect the extensive pedestrian network planned for Central Green through legal ownership and covenants.

Diverse and Sustainable Infrastructure

- ▶ Plan the Central Green development to meet the LEED Neighborhood Gold standard and mandate all buildings on the Central Green site to be certified to a LEED standard.
- ▶ Solidify agreement and transportation planning for pedestrian overpass at Central Green.
- ▶ Complete the process to relocate the Water Street Seniors Centre to a new facility that meets their space and surrounding environment needs.
- ▶ Finalize agreement with Kelowna Yacht Club regarding long-term on-land interests.
- ▶ Explore partnership development opportunities for park expansion and parking facility adjacent to Gyro Park.

Strong Innovative Leadership

- ▶ Engage in appropriate training and education to address professional development.
- ▶ Demonstrate lakefront development leadership with the redevelopment of Cedar Avenue.
- ▶ Obtain approval for the Central Green CD Zone and conduct a RFP process to select developers that best meet the redevelopment goals.
- ▶ Lead community consultation process for branch initiated projects.

Sound Fiscal Management

- ▶ Work with the Grants Manager to identify and apply for grant money to help the City meet its redevelopment goals.

CURRENT YEAR OBJECTIVES - Property Management Branch

A Healthy, Active Community

- ▶ Participate in City Wellness Program.
- ▶ Continued implementation of Affordable Rental and Employee Housing Program.

Diverse and Sustainable Infrastructure

- ▶ To update and implement on and off street parking strategies for the downtown core and town centers in order to provide optimal parking for residents and visitors.

Strong Innovative Leadership

- ▶ Develop a three year individualized staff training program in with a focus on recognition and retention of talented people.
- ▶ Promote transit alternatives through alignment of parking strategy with transportation demand management.
- ▶ Develop and implement policy framework for rental collection efficiency.
- ▶ Support business via flexible and creative land tenure implementation.

Sound Fiscal Management

- ▶ Maintain market rental rates and high quality building standards as landlord for City-owned properties.
- ▶ Maintain a property vacancy rate of below 4%.
- ▶ Achieve a 0% over holding on all City leases.
- ▶ To update and implement consolidated Council Policy for sidewalk vendors and Sidewalk & Patio Seating Program.
- ▶ In partnership with Building Services development implement utility tracking tool for Civic buildings to support energy management program.



Department ID Section Descriptions

Property Management

Property Management provides quality management service to the all occupants of City owned buildings and properties, maximize revenues for the use of civic property and maintains leases, licenses, contracts and agreements for the use of various City assets.

Strategic Land Development

Strategic Land Development identifies opportunities that add value to the City's property assets and that achieve key goals of the community as they arise as from time to time. This branch leads the redevelopment of City-owned land.

Real Estate Services

Real Estate Services acquire and disposes of city lands and other forms of land tenure to support civic requirements for roads, parks and other utilities. The Real Estate Services Branch also develops land acquisition estimates for budgeting and programming purposes (ie. lineal projects, DCCs, Provincial/Federal partnerships and civic projects).

Building Services

Property Maintenance & Operations operates and maintains all civic facilities including arenas, stadiums and pools. In addition, this branch provides trade services to all city departments on an as needed basis (plumbing, electrical, HVAC, carpentry, painting and general maintenance). This branch is also responsible for the creation and implementation of the Asset Preservation Plan which will provide energy efficient and high-quality infrastructure to deliver civic services at the lowest life-cycle cost to the taxpayer and in a form that maximizes functionality, health and ease of use.

PERFORMANCE MEASURES

PROGRAM INPUT MEASURES		Revised Adopted 2009	Financial Plan 2010
116	Real Estate Services	497,864	480,657
118	Strategic Land Development	99,471	106,712
155	Real Estate & Building Services	197,299	469,999
156	Building Services	3,506,643	3,746,480
157	Property Management	(824,631)	(848,393)
204	Ppty Maint - Library	(28,754)	(28,754)
Total Net Operating Expenditures		3,447,892	3,926,701



PERFORMANCE MEASURES - Building Services

	Actual 2008	Estimated 2009	Proposed 2010
PROGRAM OUTPUTS			
% of scheduled preventative maintenance work orders completed on time (PM completion ratio)	N/A	N/A	90%
% of service/repair expenditures compared to overall preventative maintenance expenditures	N/A	N/A	TBD
PROGRAM OUTCOMES			
Operating cost per sq/ft for all fixed costs (utilities, permits, janitorial, security etc.)	N/A	N/A	TBD
Operating cost per sq/ft for preventative maintenance requirements	N/A	N/A	TBD
EFFICIENCY MEASURES			
Water consumption - m3/sqft/yr	N/A	N/A	TBD
Electricity consumption - Kwh/sqft/yr	N/A	N/A	TBD
Natural gas - GJ/sqft/yr	N/A	N/A	TBD
CUSTOMER SATISFACTION			
Civic facility on-line satisfaction survey rating (internal)	N/A	N/A	80%
Recreation facility user group satisfaction survey rating (external)	N/A	N/A	80%
INNOVATION AND LEARNING			



PERFORMANCE MEASURES - Real Estate Services

	Actual 2008	Estimated 2009	Proposed 2010
PROGRAM OUTPUTS			
Active Files	1029	1085	
Property Acquisition			
Total Value	N/A	N/A	\$4,000,000
Area	N/A	N/A	50 acres
Parcels acquired	47	43	30
Park Property Acquisition			
Value	\$5,904,500	\$6,232,000	\$5,100,000
Area	32 acres	242 acres	50 acres
Parcels acquired	12	16	10
Surplus Property Disposition (full title and/or partial)			
Total Value	N/A	\$1,254,000	\$2,000,000
Area	N/A	0.96 acres	5-10 acres
Number of dispositions	13	6	8
PROGRAM OUTCOMES			
Infrastructure Tenure (Drainage, Sewer, Water, Hydro)			
Requested (Civic / Development)	65	94	70
Completed	34	53	40
Transportation Tenure (Road Reserves, Road Widening, Encroachments)			
Requested (Civic / Development)	47	10	20
Completed	24	8	10
Assessed value of City Real Estate Assets			
Land	N/A	\$920,285,254	\$1 Billion
Improvements	N/A	\$218,430,801	\$250 million
Area of City owned Land	N/A	4591 acres	4650 acres
Percentage of municipality owned by the City (excluding roads)	N/A	8.78%	8.89%
EFFICIENCY MEASURES			
CUSTOMER SATISFACTION			
On-line satisfaction survey (internal clients)	N/A	N/A	80%
INNOVATION AND LEARNING			
Professional association memberships per employee	1	1	1



PERFORMANCE MEASURES - Property Management Services

	Actual 2008	Estimated 2009	Proposed 2010
PROGRAM OUTPUTS			
Arrears ratio building (Amount Collected / Amount Due)	N/A	N/A	85%
Growth in supply of number of parking facilities	N/A	N/A	5%
Rental Vacancy Rate	0%	3%	3%
Parking Vacancy Rate - Surface	11%	10%	10%
Parking Vacancy Rate - Structure	16%	15%	10%
Parking Fines Collection Rate (Kelowna Parking Only)	63%	65%	75%
PROGRAM OUTCOMES			
% of scheduled preventative maintenance work orders	N/A	N/A	75%
EFFICIENCY MEASURES			
Maintenance program ratio (# of tenancies / # of maintenance programs in place)	N/A	N/A	100%
Current agreement ratio (# of tenants / # of up-to-date tenancy agreements)	72%	80%	90%
Improved access to parking (number of on and off street stalls managed)	3,400	3,558	3,410
CUSTOMER SATISFACTION			
On-line satisfaction survey rating (Commercial tenants)	N/A	N/A	80%
On-line satisfaction survey rating (Residential tenants)	N/A	N/A	75%
On-line satisfaction survey rating (Civic tenants)	N/A	N/A	95%
INNOVATION AND LEARNING			
Professional Association membership per employee	1	2	2



PERFORMANCE MEASURES - Strategic Development

	Actual 2008	Estimated 2009	Proposed 2010
PROGRAM OUTPUTS			
Percentage of strategic development initiatives incorporating public consultation process	N/A	100%	100%
Number of stated OCP objectives achieved through civic strategic development projects	N/A	N/A	7
Number of redevelopment initiatives incorporating green building practices	N/A	N/A	3
PROGRAM OUTCOMES			
Financial return as a % of redevelopment proceeds	N/A	N/A	33%+
EFFICIENCY MEASURES			
Initiatives assessed/approved based on triple bottom line	N/A	N/A	100%
CUSTOMER SATISFACTION			
On-line satisfaction survey (internal clients)	N/A	N/A	80%
INNOVATION AND LEARNING			
Professional association memberships per employee	N/A	2	2



REVENUES / EXPENDITURES BY CATEGORY

	Revised 2009	Provisional 2010
<u>REVENUE</u>		
PROPERTY TAX	0	0
PARCEL TAX	0	0
FEES AND CHARGES	(3,339,328)	(3,328,578)
OTHER REVENUE	(241,792)	(241,792)
TRANSFERS FROM FUNDS		
Special (Stat Reserve) Funds	0	0
Development Cost Charges	0	0
Accumulated Surplus	(834,440)	(676,400)
TOTAL REVENUE	(4,415,560)	(4,246,770)
<u>EXPENDITURES</u>		
SALARIES AND WAGES	2,874,450	2,869,793
INTERNAL EQUIPMENT	230,362	230,362
MATERIAL AND OTHER	2,801,020	3,083,320
CONTRACT SERVICES	1,237,757	1,327,757
DEBT	0	0
RCMP CONTRACT	0	0
INTERNAL ALLOCATIONS	202,203	202,203
TRANSFER TO FUNDS		
Special (Stat Reserve) Funds	448,438	450,814
Development Cost Charges	0	0
Accumulated Surplus	69,222	9,222
TOTAL EXPENDITURES	7,863,452	8,173,471
NET OPERATING EXPENDITURES	3,447,892	3,926,701
<u>CAPITAL EXPENDITURES</u>		
GROSS EXPENDITURES	4,392,810	2,732,000
OTHER FUNDING SOURCES	3,992,810	2,232,000
TAXATION CAPITAL	400,000	500,000
NET OPERATING & TAX CAPITAL EXP.	3,847,892	4,426,701



Description of Program Changes	2010 Gross Cost Change	2010 Net Impact	2010 FTE
1) 2009 One-time Supplementals	(\$386,340)	\$231,700	-0.5
2) Annualized 2009 Budget Costs		\$6,130	
3) Salary Adjustments	\$29,163	\$29,163	
4) Other Adjustments	\$2,376	\$2,376	
5) Departmental Adjustments	\$6,160	\$6,160	
6) 2010 Supplementals	\$197,660	(\$227,720)	
7) 2010 Expensed Project Supplementals	\$471,000	\$441,000	
8) 2010 Expenditure Reductions	(\$10,000)	(\$10,000)	
Total Changes for 2010	\$310,019	\$478,809	-0.5

Unfunded 2010 Requests

1) 2010 Supplementals		
2) 2010 Expensed Project Supplementals	\$89,000	\$89,000
3) 2010 Expenditure Reductions	(\$52,000)	(\$52,000)
Total Unfunded Requests for 2010	\$37,000	\$37,000

Authorized F.T.E. Positions	Revised Adopted 2009	Financial Plan 2010
<i>Salaried</i>	14.3	14.3
<i>Hourly</i>	25.3	24.8
<i>Contract</i>		

2010 Supplemental Request Summary

PROVISIONAL Budget

General Fund Summary

Page	Description	Gross Amount	Revenue	Funding Source	Taxation	Category
<u>Real Estate & Building Services - Priority 1</u>						
J15	Strategic Development - Consulting	385,000	385,000	RESERVE	-	ONE TIME
J16/7	* Re-Allocation of Base Level Building Repair Budget	(186,020)	-		(186,020)	ON-GOING
J18	Roads DCC Valuation	45,000	45,000	RESERVE	-	ONE TIME
J19	* Operational Budget - Stuart Park	-	-		-	ON-GOING
J20	RCMP Community Policing Office	5,680	-		5,680	ON-GOING
J21	Parking Revenue Reduction	(60,000)	(60,000)		-	ON-GOING
J22	Rental Revenues	-	16,380	REVENUE	(16,380)	ON-GOING
J23	Kelowna Youth and Family Services	8,000	-		8,000	ON-GOING
J24	Elimination of the City Rental Housing Program	-	35,000		(35,000)	ON-GOING
J25	Employee Housing Program	-	4,000		(4,000)	ON-GOING
Department Priority 1 Totals		<u>197,660</u>	<u>425,380</u>		<u>(227,720)</u>	

2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Strategic Land Development		ONE-TIME
Description:	Strategic Development - Consulting		EXPANDED

Justification:

In 2009 the Strategic Land Development Branch managed several projects that demonstrated the ability to deliver strategic property development and/or special initiatives. The key addition will be the rezoning of Central Green to a comprehensive development zone. The site servicing and disposition process for Central Green will begin in 2010. Strategic Land Development identifies opportunities to add value to the City's property assets and acquire or assemble key parcels of land that achieve various goals of Council, the community and the OCP.

Several projects and properties have been identified that have the potential of returning financial, social and environmental benefits to the City. To deliver these projects an investment to cover expenditures is required for legal advice, property appraisal, urban design, quantity surveying, marketing, legal surveying and other professional services. These costs will be recovered as part of the redevelopment and disposition and therefore have no taxation implications. It is intended that this Branch be self funded through added value dispositions over the long term.

Projects identified in the 2009 Strategic Land Development workplan include; Central Green redevelopment and disposition plan, Cedar Avenue planning and disposition, the Kelowna Yacht Club relocation, Westside gravel pit best use analysis, Lakeshore mobile home park redevelopment planning, Water Street Senior Centre relocation and the redevelopment of smaller holdings on Highland Drive and Drysdale Boulevard.

Strategic Plan Objective:

Strong Innovative Leadership

Consequences of not funding:

Strategic development objectives of Council will not be completed, investment returns will not be realized and the division will not meet its mandate. Funding of future strategic land may be in jeopardy.

Account	2010	2011	2012
7520.118.1025.*.000.10.* Professional & Consulting Services	385,000	0	0
4200.118.1025.R077.*.000.10.* Contribution fr General Reserve	(385,000)	0	0
TOTAL COST ADDITION:			0

2010 Supplemental Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Real Estate & Building Services	ON-GOING
Description:	Re-Allocation of Base Level Building Repair Budget	EXPANDED

Justification:

After a thorough review/analysis of the City's building operation and maintenance requirements and subsequent comparison of existing operational budgets compared to actual requirements it has been determined that the historical annual allocation of \$450k via a supplemental is REQUIRED to achieve a base level for operation and maintenance of civic buildings. The existing funding arrangement (via supplemental) is further challenged by administration costs such as internal equipment and supervisory staff wages being funded from building operational budgets. The overall approach is to separate the budget requirements into two functions each requiring a certain level of base funding.

The first was the development of a committed budget to account for all planned Preventative Maintenance activities and also includes all fixed costs related to contractual obligations, utilities, regulatory requirements, security etc. This budget will be fully spent every year and account for all committed costs.

The second budget is for Service/Repair costs and will be charged against to cover emergency repairs and/or building systems repairs not related to Preventative Maintenance activities. Any unspent budget at the end of the year will be transferred into a Capital Renewal reserve to pay for equipment and/or building system replacement at the end of service life.

Currently there is enough budget to cover the cost of the committed budget, however the Service/Repair, Parking Lot Maintenance and Administration budgets requires an annual allocation of \$450k which has been done via a supplemental in years past. To meet the building operations and maintenance funding requirement and not impact taxation further, the base level funding for building repairs will be transferred, on an ongoing basis, into various Service/Repair and Administration budget for Civic, Recreational, Cultural and Parkade facilities. The \$450,000 is a base line supplemental funding for building repairs.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Operational budget for facilities will continue to be under funded and the level of maintenance/repair inadequate. Customer service and employee working environment will be compromised. Building life safety issues will arise. Asset lifecycle will be reduced.

Account	2010	2011	2012
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2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Real Estate Services		ONE-TIME
Description:	Roads DCC Valuation		NEW

Justification:

In 2009, the Real Estate Services branch hired Kent Macpherson Appraisals to review the City of Kelowna's DCC valuation process and policies. The consultants recommendation was to have the roads DCC valuation reviewed on a 5 year basis and to occur on the OCP review year. Based on the new road network plan for 2010 and because the last full DCC road review occurred in the year 2000 Real Estate & Building Services will be contracting out this review in 2010.

The DCC budget is comprised of both infrastructure and land. Due to the uniqueness of each of the estimated 1,700 property acquisitions, the review needs to be completed in a comprehensive manner by a qualified consultant. It is anticipated that this review will take approximately 3-4 months and cannot be managed by current internal resources.

The DCC road valuation will give an accurate evaluation of all land requirements for the next 20-year road service plan. DCC's are collected for the purpose of providing funds to assist the City of Kelowna to pay the capital costs of providing, constructing, altering or expanding sewage, water, drainage and road facilities.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

DCC charges to land owners will be skewed and funding for future infrastructure may not be captured or realized.

Account	2010	2011	2012
7840.116.*.*.*.10.* Material & Supplies - Operating	45,000	0	0
4200.116.*.R042.*.*.10.* Contribution fr General Reserve	(45,000)	0	0
TOTAL COST ADDITION:			0

Special Remarks:

Similar but somewhat reduced requirement once every five years to keep the DCC land base valuation current. Interim years will be completed with internal resources.

2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Building Services		ON-GOING
Description:	Operational Budget - Stuart Park		NEW

Justification:

An operational budget is required to operate and maintain the new ice surface currently being constructed in Stuart Park. The new budget will cover operational and equipment costs for the ice surface and temporary building on-site.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Funding to build and maintain ice will not be available as required for new outdoor facility.

Account	2010	2011	2012
6260.166.1087.*.*.000.10.L4700 Contract Services	28,150	28,150	28,150
7780.166.1087.*.*.307.10.L4700 Material & Supplies - Maintenance	580	580	580
7780.166.1087.*.*.449.10.L4700 Material & Supplies - Maintenance	580	580	580
7780.166.1087.*.*.420.10.L4700 Material & Supplies - Maintenance	1,060	1,060	1,060
7780.166.1087.*.*.472.10.L4700 Material & Supplies - Maintenance	570	570	570
7780.166.1087.*.*.338.10.L4700 Material & Supplies - Maintenance	9,470	9,470	9,470
8240.166.1087.*.*.000.10.L4700 Water - City	750	750	750
7640.166.1087.*.*.000.10.L4700 Sewer Expense	2,250	2,250	2,250
7340.166.1087.*.*.000.10.L4700 Natural Gas	3,000	3,000	3,000
6360.166.1087.*.*.000.10.L4700 Electricity- City	1,000	1,000	1,000
5250.166.1087.*.*.121.10.L4700 Wages	10,000	10,000	10,000
7570.166.1072.*.*.100.10.L4700 Repair Expense	5,640	5,640	5,640
TOTAL COST ADDITION:	63,050	63,050	63,050

2010 Supplemental Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Building Services	ON-GOING
Description:	RCMP Community Policing Office - Glenmore	EXPANDED

Justification:

A Lease Modification Agreement to extend the lease of the Glenmore Community Policing Office was completed and approved by Council in April of 2009. As condition of the modification the lease rate escalates in years 2 to 4 (ie. 2010-2014). As such, the budget allocation for this lease must be adjusted to accomodate the increase from \$38,628 to \$44,307 annually.

The Glenmore Community Policing Office continues to be fully utilized and required by the Kelowna RCMP.

Strategic Plan Objective:

A Healthy, Active Community

Consequences of not funding:

Funding will not be available to lease/operate the Glenmore Community Policy Office.

Account	2010	2011	2012
7040.156.1174.*.*.458.10.L6660 Leased - Building	5,680	5,680	5,680
TOTAL COST ADDITION:	5,680	5,680	5,680

2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Property Management		ON-GOING
Description:	Parking Revenue Reduction		EXPANDED

Justification:

In 2009 Jim Stuart Park began construction. This eliminated the Jim Stuart Parking Lot as well as the Queensway 1 and 2 Parking Lots. This recognizes the loss in revenue to adjust expectations accordingly.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Budget expectations will not be met.

Account	2010	2011	2012
4410.157.1270.*.*.470.10.L6560 Parking Revenue	17,700	17,700	17,700
4410.157.1270.*.*.470.10.L6580 Parking Revenue	15,300	15,300	15,300
4410.157.1270.*.*.470.10.L6580 Parking Revenue	10,150	10,150	10,150
4410.157.1270.*.*.470.10.L6580 Parking Revenue	16,850	16,850	16,850
6080.157.1270.R605.*.470.10.* Appropriation to General Reserve	(60,000)	(60,000)	(60,000)

TOTAL COST ADDITION:	0	0	0
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2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Real Estate Services		ON-GOING
Description:	Rental Revenues		EXPANDED

Justification:

The Property Management Division has been mandated to administer the City of Kelowna's rental properties (residential, commercial, industrial and vacant land). The City's rental portfolio has fluctuated as rental properties have been removed and added throughout the year. This request also acknowledges other changes that have occurred in the City's rental properties portfolio throughout the year, such as rental increases.

In 2007 Council, as a result of a recommendation from the Affordable Housing & Special Needs Task Force, directed Staff to reserve a portion of the City's residential rental portfolio for affordable housing. These properties are made available to qualified applicants to receive housing at a discounted rate. It is anticipated that revenue will be foregone as a result of this program and is recognized in the projection below. In July of 2006, Council also approved a resolution to support the attraction and retention of employees. Under this resolution properties are being made available to new City employees who are in the process of relocating into the City at a reduced rent. It is not anticipated that this program will be utilized in 2010 and therefore has not been recognized in the projection below.

Strategic Plan Objective:

A Growing, Progressive Economy

Consequences of not funding:

Budget allocations will not be acknowledged and revenues will be misrepresented.

Account	2010	2011	2012
4540.116.1023.S4616.*.000.10.* Rental Revenue	257,330	257,330	257,330
4540.116.1023.S4613.*.000.10.* Rental Revenue	(262,170)	(262,170)	(262,170)
4540.116.1023.S4612.*.000.10.* Rental Revenue	(11,540)	(11,540)	(11,540)
TOTAL COST ADDITION:	(16,380)	(16,380)	(16,380)

2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Property Management		ON-GOING
Description:	Kelowna Youth and Family Services		EXPANDED

Justification:

The City leases space in the Commerce Building on the corner of Water St. and Hwy 97. The City has received a very favourable rent in the past from the previous Landlord. The new Landlord now wishes to receive market rent. The rent and triple net costs will increase by \$8,000 per year. This would now be at market rate for the area.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Funding will not be available to lease/operate the Youth and Family Services Program.

Account	2010	2011	2012
7040.156.1174.*.*.458.10.L8340 Leased - Building	8,000	8,000	8,000

TOTAL COST ADDITION:	8,000	8,000	8,000
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2010 Supplemental Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Property Management	ON-GOING
Description:	Elimination of the City Rental Housing Program	EXPANDED

Justification:

This program provides housing assistance. Given the increase in rental supply and a decrease in rental rates within Kelowna, the City's involvement in subsidized housing could justifiably be reduced. The revenue lost to the City was: 2007 = \$26,660, 2008 = \$47,604, 2009 = \$34,212. It is estimated that eliminating this program will result in additional revenues to the City of \$35,000.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Should supply and demand change, this program could be revisited.

Account	2010	2011	2012
4540.157.1254.*.*.000.10.* Rental Revenue	(35,000)	(35,000)	(35,000)

TOTAL COST ADDITION:	(35,000)	(35,000)	(35,000)
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2010 Supplemental Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Property Management		ON-GOING
Description:	Employee Housing Program		EXPANDED

Justification:

The City has an Employee Housing Program in order to provide some assistance to new staff moving to Kelowna. The assistance is in the form of a 50% reduction on market rent for houses in the Property Management residential portfolio. Assistance in any given year varies depending on the year and availability of housing. This supplemental is intended to cancel this program and recognize the additional resulting revenues.

Strategic Plan Objective:

A Growing, Progressive Economy

Consequences of not funding:

There may be minor impacts on the City's ability to hire out of town employees.

Account	2010	2011	2012
4540.157.1254.*.*.000.10.* Rental Revenue	(4,000)	(4,000)	(4,000)

TOTAL COST ADDITION:	(4,000)	(4,000)	(4,000)
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2010 Supplemental Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Property Management	ON-GOING
Description:	Adjustment to Appropriation to Parking Reserve	EXPANDED

Justification:

Historically, appropriations to the parking reserve have been made to allow for a \$150,000 net surplus from overall parking Management. Beginning in 2010, appropriations will be made to allow for a \$250,000 surplus in the Parking Management program which will contribute to the City's General Fund.

During the City's reorganization, wages were moved from this area to another area resulting in the 2010 operating base to yield a surplus of \$252,376. This supplemental will provide for an adjustment to bring the surplus to the desired \$250,000.

This adjustment has already been captured in base for 2010.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Appropriations will not yield desired results.

Account	2010	2011	2012
6090.157.1270.R605.*.226.10.* Appropriation to Statutory Reserve	2,376	2,376	2,376
TOTAL COST ADDITION:	2,376	2,376	2,376

2010 Expenditure Reduction Request Summary

PROVISIONAL Budget

General Fund Summary

Page	Description	Gross Amount	Revenue	Funding Source	Taxation	Category
<u>Real Estate & Building Services - Priority 1</u>						
J29	Professional Consulting Services	(10,000)	-		(10,000)	ONE TIME
Department Priority 1 Totals		(10,000)	0		(10,000)	
<u>Real Estate & Building Services - Priority 2</u>						
J30	Consulting Services	(7,000)	-		(7,000)	ONE TIME
J31	Service Repair Civic Buildings	(20,000)	-		(20,000)	ONE TIME
J32	Service Repair Recreation Buildings	(25,000)	-		(25,000)	ONE TIME
Department Priority 2 Totals		(52,000)	0	0	(52,000)	

2010 Expenditure Reduction Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Building Services		ONE-TIME
Description:	Professional Consulting Services		

Justification:

This submission is to reduce the operating budget within Building Services due to economic conditions.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

The ability to investigate failing building systems and design repairs will be reduced. Ongoing condition assessments and concurrent development of a 5 year renewal program that identifies and schedules building deficiencies and deferred maintenance will be delayed.

Account	2010
7520.156.1220.*.*.100.10.* Professional & Consulting Services	(10,000)

TOTAL COST REDUCTION:	(10,000)
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2010 Expenditure Reduction Request Details

Division:	Community Services	Priority:	2
Department:	Real Estate & Building Services		
Branch:	Real Estate Services		ONE-TIME
Description:	Consulting Services		

Justification:

This submission is to reduce the operating budget within Real Estate Services due to economic conditions.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

Reduced ability to take advantage of strategic opportunities. This funding is typically used to fund site assessments, land use analysis, infrastructure costing and other costs associated with unforeseen land related opportunities.

Account	2010
7520.116.1022.*.*.000.10.* Professional & Consulting Services	(7,000)

TOTAL COST REDUCTION:	(7,000)
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2010 Expenditure Reduction Request Details

Division:	Community Services	Priority:	2
Department:	Real Estate & Building Services		
Branch:	Building Services		ONE-TIME
Description:	Civic Buildings Service/Repair Reduction		

Justification:

This supplemental is to reduce operating budgets within the Building Services area due to economic conditions.

Strategic Plan Objective:

Sound Fiscal Management

Consequences of not funding:

The purpose of the service repair budget is to make building system and/or equipment repairs and target a backlog of existing building system deficiencies and deferred maintenance items. Reduction of this budget will reduce the ability to address these issues. It should also be noted that any increases in operating costs due to external influences, in addition to this proposed reduction, will further compromise the ability to manage City facilities and achieve the expected service life from building systems. This reduction will affect service levels.

Account	2010
7570.156.1086.*.*.000.10.*	(20,000)
Repair Expense	

TOTAL COST REDUCTION:	(20,000)
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2010 Expenditure Reduction Request Details

Division:	Community Services	Priority: 2
Department:	Design & Construction Services	
Branch:	Administration	ONE-TIME

Description: Recreation Buildings Service/Repair Reduction

Justification:

This submission is to reduce operating budgets withing the Building Services area due to economic conditions.

Strategic Plan Objective:

A Growing, Progressive Economy

Consequences of not funding:

The purpose of the service repair budget is to make building system and/or equipment repairs and target a backlog of existing building system deficiencies and deferred maintenance items. Reduction of this budget will reduce the ability to address these issues. It should also be noted that any increases in operating costs due to external influences, in addition to this proposed reduction, will further compromise the ability to manage City facilities and achieve the expected service life from building systems. This reduction will affect service levels.

Account	2010
7570.156.1086.*.*.000.10.* Repair Expense	(25,000)

TOTAL COST REDUCTION:	(25,000)
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2010 Capital Requests

PROVISIONAL Budget

General Fund Summary

	Rank	Project	Description	Asset Amount	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
Page	<u>REBS Capital - Priority 1</u>									
J35	1	2000	General Land, Acquisition	1,400,000	1,000,000	0	0	0	0	400,000
J367	4	2001	Mission Creek Restoration, Land Acquisition	532,000	192,000	0	200,000	140,000	0	0
J38	2	2002	Road Widenings, Land Acquisition	100,000	0	0	0	0	0	100,000
J39	5	2003	DCC Road Widening, Land Acquisition	500,000	500,000	0	0	0	0	0
J40	3	2004	Strategic Capital Land, Development	200,000	200,000	0	0	0	0	0
			Priority 1 Total	2,732,000	1,892,000	0	200,000	140,000	0	500,000

2010 Capital Requests

PROVISIONAL Budget

General Fund Summary

Rank	Project	Description	Asset Amount	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation	Cumulative
REBS Capital - Priority 1										
1	2000	General Land, Acquisition	1,400,000	1,000,000	0	0	0	0	400,000	400,000
2	2002	Road Widening, Land Acquisition	100,000	0	0	0	0	0	100,000	500,000
3	2004	Strategic Capital Land, Development	200,000	200,000	0	0	0	0	0	500,000
4	2001	Mission Creek Restoration, Land Acquisition	532,000	192,000	0	200,000	140,000	0	0	500,000
5	2003	DCC Road Widening, Land Acquisition	500,000	500,000	0	0	0	0	0	500,000
Priority 1 Total			2,732,000	1,892,000	0	200,000	140,000	0	500,000	

2010 Capital Project Request Details

Division: Community Services **Priority:** 1
Department: Real Estate & Building Services
Branch: Real Estate & Building Services
Description: General Land, Acquisition **\$ 1,400,000**

Strategic Plan Objective:

Sound Fiscal Management

Project Justification:

Council Commitments

Phase:

Description:

This request is for the purchase of land for general purposes as required land becomes available. This may allow for acquiring properties at less than market value, creating land assembly opportunities, creating a revenue generating land bank and providing trade potential.

Consequences of not funding:

Missed opportunity for key land investments that achieve the goals of Council and the community at a time when real property prices are favorable for buyers.

Net Costs:

Annual Preventative Maintenance & Operating Costs:	0
Planned Total Capital Renewal Costs:	0
Service Life:	0
Total Life Cycle Costs:	1,400,000
Annual Net Carbon Footprint:	0
10 Year Capital Plan Reference:	L1 General Land

Account	Funding Amount	Capital Amount
9990.300.2000.*.*.000.10.* All Capital Expenditures (Budget Use Only)	ASSET	1,400,000
4740.300.2000.R600.*.000.10.* Tfr fr Land Sales Reserve Fund	RESERVE (1,000,000)	
TOTAL FUNDING:	(1,000,000)	1,400,000

2010 Capital Project Request Details

Division: Community Services **Priority:** 1
Department: Real Estate & Building Services
Branch: Real Estate & Building Services
Description: Mission Creek Restoration, Land Acquisition **\$ 532,000**

Strategic Plan Objective:

A Natural, Protected Environment

Project Justification:

Council Commitments

Phase:

Description:

The consultant report on Mitigation Banking and the project team for Mission Creek Restoration have agreed that land acquisition is the most important aspect of the restoration process. This land acquisition would be determined by Real Estate & Building Services as land becomes available. The locations are numerous between Gordon Drive and the Regional Park and are detailed in "The Mission Creek Restoration Feasibility Study". The purchase of land is a first step towards creating a compensation bank and restoring Mission Creek as per the plan. There is a possibility for funding from the Province as well as developer contributions to match existing funding for this purchase. If received, priority land acquisitions will proceed as land is available.

Consequences of not funding:

Restoration work identified in the restoration and mitigation banking programs cannot be undertaken. Obligations required under mitigation banking program will not be met.

Net Costs:

Annual Preventative Maintenance & Operating Costs:	0
Planned Total Capital Renewal Costs:	0
Service Life:	0
Total Life Cycle Costs:	532,000
Annual Net Carbon Footprint:	0
10 Year Capital Plan Reference:	L1 General Land

Account	Funding Amount	Capital Amount
9990.300.2001.*.000.10.* All Capital Expenditures (Budget Use Only)	ASSET	532,000
4740.300.2001.R600.*.000.10.* Tfr fr Land Sales Reserve Fund	RESERVE	(192,000)
4292.300.2001.*.000.10.* Grant - Provincial - Conditional	FED/PROV	(200,000)
4195.300.2001.*.000.10.*	DEV/COM	(140,000)

2010 Capital Project Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Real Estate & Building Services	
Description:	Mission Creek Restoration, Land Acquisition	\$ 532,000

Contribution - General

TOTAL FUNDING:	(532,000)	532,000
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2010 Capital Project Request Details

Division:	Community Services	Priority:	1
Department:	Real Estate & Building Services		
Branch:	Real Estate & Building Services		
Description:	Road Widening, Land Acquisition		\$ 100,000

Strategic Plan Objective:
Diverse and Sustainable Infrastructure

Project Justification:
New, expanded or renovated infrastructure to accommodate growth.

Phase:

Description:
To fund the purchase of land required for the widening of roads as identified by Infrastructure Planning.

Consequences of not funding:
Increased future costs of acquiring when public or political pressures drive acquisition.
Potential for non-amicable purchases.

Net Costs:

Annual Preventative Maintenance & Operating Costs:	0
Planned Total Capital Renewal Costs:	0
Service Life:	0
Total Life Cycle Costs:	100,000
Annual Net Carbon Footprint:	0
10 Year Capital Plan Reference:	L2 Road Widening

Account	Funding Amount	Capital Amount
9990.300.2002.*.*.000.10.* All Capital Expenditures (Budget Use Only)	ASSET	100,000

TOTAL FUNDING:	0	100,000
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2010 Capital Project Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Real Estate & Building Services	
Description:	DCC Road Widening, Land Acquisition	\$ 500,000

Strategic Plan Objective:

Diverse and Sustainable Infrastructure

Project Justification:

New, expanded or renovated infrastructure to accommodate growth.

Phase:

Description:

To fund the purchase of land required for the widening of roads as identified by Infrastructure Planning as DCC roads. These purchases will be made as and when required, subject to approval by Council. Acquisitions will be subject to Council approval.

Consequences of not funding:

Increased future costs of acquiring when public or political pressures drive acquisition. Potential for non-amicable purchases. Possible delays in road infrastructure projects.

Net Costs:

Annual Preventative Maintenance & Operating Costs:	0
Planned Total Capital Renewal Costs:	0
Service Life:	0
Total Life Cycle Costs:	500,000
Annual Net Carbon Footprint:	0
10 Year Capital Plan Reference:	L3 Road Widening - DCC Roads

Account	Funding Amount	Capital Amount
9990.300.2003.*.*.000.10.* All Capital Expenditures (Budget Use Only)	ASSET	500,000
4730.300.2003.R741.*.000.10.* Tfr fr DCC Reserve Fund	RESERVE	(50,000)
4730.300.2003.R742.*.000.10.* Tfr fr DCC Reserve Fund	RESERVE	(50,000)
4730.300.2003.R744.*.000.10.* Tfr fr DCC Reserve Fund	RESERVE	(50,000)
4730.300.2003.R745.*.000.10.* Tfr fr DCC Reserve Fund	RESERVE	(50,000)
4730.300.2003.R749.*.000.10.* Tfr fr DCC Reserve Fund	RESERVE	(300,000)
TOTAL FUNDING:	(500,000)	500,000

2010 Capital Project Request Details

Division:	Community Services	Priority: 1
Department:	Real Estate & Building Services	
Branch:	Real Estate & Building Services	
Description:	Strategic Capital Land, Development	\$ 200,000

Strategic Plan Objective:
Strong Innovative Leadership

Project Justification:
Council Commitments

Phase:

Description:

This request is for funds to prepare City owned lands for redevelopment and added value disposition. The Strategic Capital Land Needs funding will primarily address the Council commitments for Central Green and Cedar Avenue. The funds will be used for the betterment of the City's land assets and will provide higher future cash flows to the City than the current land holding form. The funds will be used for subdivision fees, legal, appraisal and architect work. This funding provides for higher levels of affordable housing than is normally required by developers, through the redevelopment of Central Green and the CD 21 zone. the sale of lands where value as been added through rezoning of conceptual design may fund other Council initiatives.

Consequences of not funding:

Not completing Council commitments for redevelopment. Central Green is a multiple bottom line redevelopment that is desired to revitalize a key neighbourhood. Council affordable housing and sustainability goals may not be achieved.

Net Costs:

Annual Preventative Maintenance & Operating Costs:	0
Planned Total Capital Renewal Costs:	0
Service Life:	0
Total Life Cycle Costs:	200,000
Annual Net Carbon Footprint:	0
10 Year Capital Plan Reference:	L4 Housing Initiatives

Account	Funding Amount	Capital Amount
9990.300.2004.*.*.000.10.* All Capital Expenditures (Budget Use Only)	ASSET	200,000
4740.300.2004.R602.*.000.10.* Tfr fr Land Sales Reserve Fund	RESERVE	(200,000)
TOTAL FUNDING:	(200,000)	200,000