

Mayor's Chamber Speech

Chamber of Commerce
Coast Capri Hotel
11:30 a.m. – 1:30 p.m.
January 2018



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(Opening slide)

Thanks everyone... great to be here again to talk about our city... I have a few personal highlights I'd like to start off with...

(#9 BCLC slide)

I'd like to take a minute to thank our sponsor today, the BC Lottery Corporation, for its invaluable financial support to our community and communities throughout B.C.

The BCLC returned more than \$9 million back into this community in 2017 from revenues generated by Chances Kelowna and Lake City Casinos - \$4 million in grants to the City of Kelowna and another \$5.1 million to local charities to continue their good works.

We are very thankful to the BCLC for its community investments this year...

And what a year it was in the Central Okanagan...

(#10 #11 Flood)

Nearly half of 2017 was characterized by environmental disaster... from unprecedented flooding to raging forest fires in the span of a couple of months... it was stressful, with environmental and property damage, human suffering and some significant impact on the local economy....

(#12 Flood)

At the same time, it was incredible to see the outpouring of support for the members of our community who needed help. Kelowna residents once again, did whatever needed to be done, to make sure everyone was looked after. It made me proud to see Kelowna residents and businesses looking after one another and banding together in times of crisis.

Recent history tells me we need to make plans and be prepared for the continuation of this kind of severe weather and how to mitigate those impacts...

(#13 flood stats)

At the municipal level, that begins with taking care of what we as a municipality can control... And some items approved by Council in the provisional budget for 2018 will help with infrastructure improvements, such as a way to prevent rising lake water from saturating our sewer systems in low-lying areas.

The flood caused more than \$10 million in damaged public property in Kelowna and many millions more to private property... I know many of our businesses suffered physical damage to their properties from the flood, or were impacted by restrictions on boating, and the decline in tourist traffic for some businesses... and that was before the forest fires filled our air with smoke

It was not an easy summer...

The provincial government will cover around \$7 million of the replacement and repairs needed for public property, but it will also cost the City more than \$3 million, which was not in the budget when 2017 began.

Having experienced this new high watermark for floods, we have recorded information that will help us respond more quickly in the future to areas most at risk, and we've identified areas where flood protection can be bolstered.

While there are still those who dispute human activity is having an effect on climate, there is no debate about the economic benefits of being better prepared for natural disaster, being more energy efficient and reducing the use of greenhouse gases.

(#14 – energy savings)

We're always looking to improve our energy efficiency, reduce harmful emissions and save money – sometimes all at the same time.

The City's cost savings during the past 3 years of energy improvements add up to just over \$1 million and has prevented millions of tonnes of GHGs from entering our atmosphere.

And... for some perspective... each \$1 million spent or saved equates roughly to a 1% impact on the property tax rate set annually.

Here are just a couple of the major energy conservation measures we've put in place:

(#15 RCMP building)

Kelowna Police Services Building – this building uses the same amount of energy it took to power the old building – even though it's more than two times larger – and that also earned a \$134,000 rebate from Fortis.

(#16 Lights)

The biggest ongoing project is the LED streetlight retrofit project - which will reduce street light electricity by more than four million kilo-watt hours per year... a 62% reduction from current use. That's

equivalent to the electricity needed to power 400 homes for a year. It saves just over \$1 million per year in energy and maintenance costs and qualifies for a \$674,000 FortisBC rebate when it's complete.

The payback on this investment is just under 4 years, with a Return on Investment of \$13 million over 15 years. The replacement of the 10,600 light fixtures will begin this spring and be completed later this summer.

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(#17 Smart21)

A few months ago, Kelowna was named to the Smart21 cities in the world... We've put ourselves in that international cohort because of these saving I just mentioned, because we are environmentally sustainable, and our programs and services have a benefit to the everyday lives of our citizens and the local economy.

The Smart21 represent the best models of economic, social and cultural development in the digital age, as judged by the Intelligent Communities Forum and its team of independent analysts. We have now submitted our proposal to make the next cut in the Top7 intelligent cities of the world... which will be announced next month. The Intelligent City grant encourages cities to exemplify best practices in broadband deployment and use, workforce development, innovation and including citizens in the digital evolution of local government.

So, this kind of recognition makes me pretty confident that the city is aligned with innovative and forward thinking strategies that ensure we are not left behind as our world continues to change.

(#18 Population Chart)

Our city's growth isn't happening by accident – it's happening because this is an attractive place to live, and because this Council and previous Councils had a vision to make our community an inclusive place where talent and innovation are valued. We plan ahead... we have asset management plans, master

plans for transportation, master plans for hospital area and downtown parking, an airport master plan, pedestrian and bicycle master plans, a climate Action Plan... the list goes on... and they do not sit on a shelf – they guide our decisions every day...

(#19 population 30-34 yrs)

They help us manage the pace of growth, which comes with benefits and challenges... Of course, one of the best benefits is welcoming about 1,000 new residents every year.

(#20 Pride)

Kelowna is a city that celebrates diversity, learning from people who come here from all walks of life, regardless of who they worship, the colour of their skin, or who they might choose to marry. We believe everyone can make a contribution to our community and we embrace newcomers who share this vision of inclusiveness.

(#21 Mayor – citizenship)

And we are gradually becoming more culturally diverse... the number of visible minorities moving to the Kelowna CMA doubled in the past decade, now representing 8% of the total population, while another 3,000 people from every continent immigrated to Kelowna between 2011 and 2016... (OK, not Antarctica, but every other continent 😊).

(#22 PM citizenship)

These new citizens have added to the cultural fabric of our community and, as I've said before, our sense of community is always improved through cultural opportunities and shared experiences as much as by new buildings or parks.

(#23 Festival volunteers)

That's why we invest \$2.5 million a year in Cultural Services – because it contributes significantly to our economy and enriches the experience of living here...

(#24 – stage)

Overall, the local arts scene in Kelowna is stronger than it has ever been. The bars, nightclubs and private venues have a steady stream of local and touring artists on their stages...

And thanks to the hard work of the staff and boards of directors for our great cultural organizations, we get to enjoy the artistry of the Okanagan Symphony Orchestra, Opera Kelowna, Ballet Kelowna, the Kelowna Art Gallery and our great museums.

(#25 culture Plan)

Our Cultural Plan will be updated later this year and we are looking forward to working with all of you to make another great plan that takes us to the next level of cultural achievement.

So those are just some of the great things that come with a growing population – more diversity, more artistic and economic energy...

But the pace of growth, does come with serious challenges... housing availability and affordability, traffic and mobility issues, balancing what we can afford to do with the resources available to us...

The more than 1,000 services the City provides every day are sometimes overshadowed by our interest in the new facilities and projects we have planned...

(#26 Services PRC)

But as I just said, building a sense of community for all our residents – from all walks of life – doesn't come from buildings or new roads... it comes from the number and quality of services we provide to citizens and visitors.

And our semi-annual Ipsos Research survey finds residents' overall satisfaction level with City services is consistently in the 90% range.

(#27 tax graph)

Even though we provide highly rated services, we are still at the lower end of the scale when it comes to property taxes. Over many years, we have developed other revenue streams and we constantly look at reducing costs – as we just saw with those energy saving efforts – along with other things we do to save money.

(#28 graph)

This graph shows how this Council has kept taxes in a lower range than previous Councils...

And again, our survey of residents tells us they want more services, and are OK with taxation levels.

Twice as many residents would rather pay the same or more in taxes to maintain or expand services than those who would have us reduce taxes and services.

This year's budget increase was set at 3.6% to provide core services and accomplish a few new projects that our city needs to move ahead with.

(#29 – safety RCMP)

Safety remains at the forefront of City funding priorities. The addition of 16 frontline emergency personnel – 12 career firefighters and four RCMP members – for nearly \$1.2 million, highlight some of this year's investments in resources to keep our citizens safe.

(#30 – safety – KFD)

An additional \$1.1 million in capital requests is included for the temporary conversion of the Glenmore Firehall No. 8 to a professional firehall and the addition of a fire engine with equipment.

(#31 Ethel Street)

Notable 2018 projects include the \$2.1 million Ethel Active Transportation Corridor Phase 4, \$500,000 for sidewalk construction on Hollywood Road in Rutland, \$754,000 for the Rutland Transit Exchange, \$1.5 million for a UBCO pedestrian/cycling bridge and \$70,000 for planning a high-profile pedestrian overpass connecting Central Green to downtown.

We also look to partners whenever we can to help us address needs we cannot afford to tackle on our own. We have a very strong and productive working relationship with our federal and provincial governments and their representatives in Kelowna.

(#32 – water announcement)

Last year, we made the case for receiving \$44 million in federal and provincial funds for Phase 1 of the Water Integration Project, bringing a reliable supply of water to farms and residences in Southeast Kelowna and the South Mission area in the next few years.

That is an unprecedented amount of grant money for a single project... We don't see that kind of funding very often – especially for things like water or sewer infrastructure...

We cannot take the supply or quality of our water for granted – as you may be aware, Cape Town announced last week it could be the first major city in the world to run out of water after two years of drought and a lack of water conservation.

So, to secure that level of funding was real confirmation that we are heading in the right direction on a sustainable and integrated water supply for Kelowna.

(#33 – transpo grant list)

Looking at transportation project partnerships during this Council's term, the City received more than \$20 million in grants from the federal and provincial governments for projects like John Hindle Drive, the multi-phase Ethel Street Active Corridor expansion, transit exchanges at Queensway, Rutland, Okanagan College and UBCO, and for the Okanagan Rail Trail, to name just a few... the full list is on the screen, along with other infrastructure project grants...

The BC Housing partnership is another highly-valued and essential relationship that provides funding to more than 3,000 housing units throughout Kelowna. Without that support, our housing and homeless situation would be even more severe than it is today.

(#34 – Social issues)

For the first time in the many years we've been doing the Citizen Survey, social issues were identified by our residents as their top priority for Council's attention. Transportation has always been the Number One issue... until this year.

So we are working with BC Housing to address the most pressing needs – the temporary cold-weather shelter on Leon Avenue and plans for the short-term housing project on Commerce Avenue.

For longer-term solutions to homelessness, we are excited to see our Journey Home Strategy taking shape... We have an amazing, well-rounded task force assembled to map out the Journey Home

Strategy... we have people who have lived through the experience of being homeless involved... and we have Dr. Alina Turner and her organization helping us put together a plan that will actually make a difference in the lives of those who are homeless or close to becoming homeless.

As a municipality – there's only so much we can accomplish alone... but working together as a community, with involvement from the business community, the arts community, the law enforcement community and everyday citizens, we are going to create a plan and a system that ensures anyone who is homeless and looking for help will easily find it.

(#35 – Trudeau quote)

It's going to take time & money – lots of money – to deal with homelessness, but we are not afraid to take this on and work with our partners at the federal and provincial levels to create solutions that work for us here in Kelowna.

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(#36 – BMO graph)

Along with these highly valuable partnerships, Council understands and is reflective of our entrepreneurial city... Even with all the growth we've experienced in recent years, we remain a diverse, small-business economy that is adept at changing with the times. BMO's annual Labour Market Report Card ranked Kelowna as the Number One job market in Canada last year, which I think is a testament to the ability of local businesses to identify new business opportunities to expand their operations.

The EDC report released just yesterday notes that the region's labour force increased by just over 7% since 2016 and the unemployment rate averaged just 5.5%.

The technology sector is mostly in this small business category and continues to grow and has become a new economic driver to the local economy. The City's expanding and affordable fibre optic network continues to be a lure for tech companies, along with our relatively inexpensive commercial rental rates.

(#37 business)

The general mood has been positive in the local business community... Business walks organized by the Economic Development Commission took us to 221 businesses in the region last year... and 78% of them said they were growing; the biggest problem they have is finding enough skilled workers.

Fortunately, we have a world-class education system with School District 23, Okanagan College and the University of British Columbia working to produce graduates who can address these shortfalls in staffing.

(#38 wine pour)

The fastest growing sector between Census years in Kelowna was accommodation and food services, as tourists and locals get out and enjoy the variety and quality of places serving up great local foods, wines, brews and spirits... and pretty soon, that's also going to include our world-famous B.C. Bud.

By the way, Council recently responded to the Province's request for recommendations on how cannabis should be distributed when it is legalized, and we have suggested the liquor distribution model would be our preference.

(#39 #40 #41 large employers)

We are also lucky to have some large, stable institutions that help anchor our economy... Okanagan College, UBCO, the School District, Interior health Authority and Kelowna International Airport. These large employers are also in growth mode to keep up with, or in some cases, even drive population growth through their recruitment efforts.

(#42 YLW)

I want to highlight one of those anchors – YLW – since it is a city-owned and operated institution that just had the most successful year in its 72-years.

(#43 Stats)

August was YLW's busiest month ever with 179,000 passengers passing through the doors, followed closely by December with 177,000 passengers.

This growth was due to the continuous expansion in the airport's capacity to handle more planes and people... we saw increases to route frequency, larger aircraft introduced and a new carrier, Flair Airlines.

(#44 runway)

Meanwhile, Kelowna International Airport continues to follow through on its multi-year expansion strategies for the terminal and surrounding lands.

Other initiatives at YLW include land acquisition for future needs, including the build-out of land west of the terminal for tenants to provide aviation support services, which will see further investment in our community from the private sector and create more well-paid jobs.

This facility is a huge economic generator for our region and helps us accomplish our goals of building a strong economy and making our region accessible from anywhere in the world.

(#45 moving here)

The airport also helps make us more accessible to those who are thinking of moving here...

Almost 19% of home buyers in this region in 2017 were from the Lower Mainland, with another 11% from Alberta.

That influx of buyers helped fuel a hot real estate market in 2017 and looks like it should continue into 2018... but we know there has to be a slowdown at some point, depending on national and global influences on things like interest rates or employment rates.

Whatever ups and downs we'll feel in the short-term real estate market, the City of Kelowna's growth forecast for the years ahead indicates the cost of housing will continue to increase over the long-term, as more people choose to move here... We expect about 30,000 more residents living here by 2030.

(#46 Housing density)

With this influx of new residents and with a limited supply of land available for new neighbourhoods of single-detached homes, the only way to go forward is to increase density in existing neighbourhoods and ensure we use any vacant lands to their highest and best use.

This is important because, if we get even more spread out geographically than we are today, the more costly it becomes to service and operate new roads, watermains, sewers, parks, and so on...

(#47 – Housing)

The good news is that the development community is responding to our population growth, the shortage of rental units, and the City's development incentives... And the result is more than 2,000 rental dwellings coming on the market between 2017 and 2019.

(#48 – dev stats)

The 2,672 residential building permits issued in 2017 eclipsed the previous record established in 2016 by a whopping 30%. And we set an all-time high for construction value last year at \$696 million...

(#49 #50 new devs)

When you look around at the number of vacant properties that sat dormant for years, which have now sprung to life in the past two years with commercial and residential development plans, it's no wonder our development pace is reaching new volumes.

Along with the much-needed new housing that will be made available, the encouraging thing to the City of Kelowna is the interest in developing residential towers and in-fill projects in our urban centres. This creates neighbourhoods of mixed housing types and commercial establishments... coffee shops, restaurants, food stores and other services, like transit stops and active transportation corridors, for the people who live in that neighbourhood.

Besides condominiums, some of the more affordable housing options we're looking at in this kind of urban development include fee-simple row housing and houseplexes.

(#51 row housing)

Fee-simple row housing is a great example of a more affordable alternative to detached housing. These places look like strata row housing, but each unit sits on its own fee-simple lot, with no strata fees or common property to pay for.

House-plexes are another option – they look like a large house, but are divided into several units. They can be rented or stratified for ownership.

These kinds of housing options are why we created the new RU7 zone last year, giving us more flexibility to incorporate attractive, affordable in-fill housing in all neighbourhoods.

We're also looking at new forms of tenure, like rent-to-own housing and co-housing. These have worked elsewhere and we'll look at giving them a try here.

(52 – Healthy – walkers)

And the research shows significant health benefits to living in these self-sufficient and connected neighbourhoods. When compared to residents in low-density, sprawling suburban neighbourhoods, residents who live in central, mixed-use neighbourhoods have reduced rates of obesity, social isolation and better mental health.

The Capri Landmark plan is a great example of what the City's role is in planning town centres... Just look at South Pandosy – it is what it is today because the city had a vision for how it should be developed. The development community were provided with a clear idea of what the zoning and streetscaping would look like and they have moved in to add commercial and residential vibrancy.

(#53 Capri-Landmark)

The Capri Landmark plan is no different. It's already a major employment hub and a long-term vision shows how the neighbourhood can be realigned and redeveloped to be more walkable, bikable, connected to transit and create linear corridors along Mill Creek and Ritchie Brook.

To bring even more life to these urban areas, we support Festivals Kelowna's programming for free music and events for families. And we're encouraged by the large numbers who join us for dancing in Stuart Park, and by residents who have totally gotten on board by organizing 40 Strong Neighbourhood gatherings involving more than 13,000 residents since the program started in 2015.

(#54 healthy city)

And we've partnered with Interior Health to develop a Healthy City Strategy to build a healthy and sustainable city in the face of challenges including climate change, a growing prevalence of chronic health conditions, and an aging population.

The first phase of that plan was the Community For All plan – a review 157 City parks and 76 City buildings to identify areas that need to evolve to meet the needs in our community... to help seniors stay active, which also benefits children and residents with diverse abilities, enabling them to be active and engaged in their neighbourhood and in the community at large.

We also completed a Housing Needs Assessment to provide a snapshot of housing today, identify gaps in the current housing stock, and forecast housing needs to 2040. This will guide the development of the Healthy Housing Strategy, and other master plan updates.

Other phases of the Healthy City Strategy will be taken on this year and in the years ahead.

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As you see from the slide, one of the phases on the list is Healthy Transportation networks.

Another advantage of developing these urban centres is that it's easier to link them with transit routes and to connect them with active transportation corridors.

(#55 – traffic)

Kelowna residents collectively drive to the moon and back almost four times every weekday. That's 384,400 kilometres to the moon, multiplied by four... that's 1.5 million kilometres in vehicles, every Monday to Friday.

But for all the cars we have clogging our streets, we also have one of the largest per-capita cyclist and pedestrian commuter populations in Canada... which tells me that if we continue to build more options for people to walk or bike to work or other destinations, more people will use them.

Over the next 20 years, up to 40,000 new residents could move to our region. It will not be possible to accommodate all of this growth by widening roads alone.

Widening roads like Gordon, Glenmore, and Springfield could provide temporary relief from traffic, but would also require the City to double its current budget for roads.

(#56 quote)

Don't get me wrong... there are still key road connections that are very important to our city. In particular, we are very committed to the Highway 33 extension that would help alleviate congestion on Highway 97.

John Hindle Drive is another important connection that the BC Ministry of Transportation Infrastructure expects to have completed by this autumn. South Perimeter Road is another one in the Mission that is now designed and is in the preparation stages for construction.

(#57- cartoon)

But... it has to be said... building roads is not a long-term solution for traffic congestion. It is a costly, temporary fix, as traffic increases to match supply. The only way for Kelowna to grow – without slowing down – will be to provide more choices for residents to get around via alternatives modes.

And you know what... that is already slowly starting to happen...

Despite our population growth from 1996 to 2016, the share of workers using a private vehicle to get to work decreased in Kelowna by 3%. At the same time, the share of commuters walking or cycling and using public transit increased +32%. Per capita, Kelowna is one of Canada's leaders in cycling and walking to work... and we want to keep that momentum growing.

Ride-sharing and ride-hailing are new options to reduce single-occupant vehicle trips. The City of Kelowna has provided our feedback to the province... and we want a framework where these ride-hailing services can help reduce single-occupant vehicle trips and improve safety during peak hours when the taxi services can't keep up with demand.

That's what we're preparing for... the infrastructure to make commuting more convenient and economical than driving your car to a parkade and leaving it there all day while you work.

(#58 transit)

Transit expansion is something else that needs to happen and we'll continue to work with BC Transit and our regional partners to increase frequency of buses on main routes and expand service into areas with growing populations.

One of the great new routes being developed, the Okanagan Rail Trail, will be paved this year from downtown all the way to the UBCO campus... so that is going to be another great recreation and commuting corridor.

(#59 train slide)

As the City updates its Transportation Master Plan this year... and there will be opportunities for public input on that... and we look at the potential for Regional transportation planning to reduce traffic congestion and increase commuting convenience... As we do all that, now is a good time to look into the long-term feasibility of light rail service on the Okanagan Rail Trail.

It's an efficient way to move a lot of people affordably and it will bear some investigation as our population continues to grow.

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(#60 – Imagine Kelowna)

And then what happens when we have driverless cars? What happens if the ride-hailing business really affects traffic flow? Will the sharing economy have an impact on housing? Will climate impacts get worse?

Those are the kinds of questions we're trying to anticipate through Imagine Kelowna, which is entering a new phase this year.

Imagine Next is the launch point for harnessing the feedback we've received from 4,000 public interactions.

The community engagement phase is coming to an end this spring and the draft principles and values created by for a community vision will begin to influence our planning for the years ahead. Four open houses have been scheduled over the next week across the city to share the draft community vision setting a direction for the next 25 years.

That community vision will be incorporated into action plans. This year, those will include the Official Community Plan, the Transportation Master Plan, the Community Climate Action Plan, and the Smart Cities Challenge, with more to come.

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Closing comments