

Mayor's state of the city speech

Kelowna Chamber of Commerce, Feb. 8, 2017



When we talk about the “state of the city” – I think we can generally agree that we have a lot of good things happening in Kelowna.

We have been Canada’s fastest growing Census Metropolitan Area since 2013... in that time, our city welcomed 8,000 new residents for today’s total of 127,000 citizens.

Continued growth over this length of time tells me that, as a city, we are managing to create a place that meets the economic and lifestyle needs that people from diverse backgrounds are looking for – we’re still a great place to spend your retirement and we’re also becoming a great place to build a career.

The City of Kelowna and the Economic Development Commission co-funded an interesting research study last year...

In it, we asked young professionals in major cities across Canada what would motivate them to move to a new community like Kelowna.

Not surprisingly for young professionals, career opportunity is the most likely motivator for a relocation, although quality of life and cost of living are also big influences.

As a Council, we understand the need to be a catalyst for business... to contribute to a great quality of life and to do what we can to encourage a variety of housing options... those topics form a significant part of what Council and our administration works on every day.

I’m going to talk more in a few minutes about our Imagine Kelowna initiative and how we’re creating a good atmosphere for business and community development...

But I wanted to point out that our community is already changing as a community where everyone can find their place in Kelowna, including our most vulnerable residents.

We are a growing and changing city – and that is good – but growth and change are not without their challenges...

To help us address our challenges and build on our strengths, Council established 10 strategic priorities to focus on as we manage our growing city’s needs.

In 2016, these focal points helped guide our decisions as we saw the impacts of growth on a variety of fronts...

We had one of the strongest real estate markets and construction climates in many years.

Airport passenger levels soared to record heights.

Economic development expanded advancements in technology and new business investments...

But for all this positive growth... we also saw record overdose deaths as a result of the Fentanyl drug crisis, and a rising homeless population.

This is the first of those 10 strategic priorities I want to talk about...

Because homelessness has a profound effect on many of the things we want to be as a community – and I want to start with this one, because it's going to take a whole community effort to solve this.

This is not a new thing in Kelowna... We've had spikes in homelessness for decades... and the City has stuck to its traditional role of working with other levels of government to develop housing...

Then we moved into providing social development grants to community service agencies that help address social issues in the community (\$107,000 last year).

But the rise in homelessness across the country in recent years made us think about what else we could do.

Our new Social Development Manager hired last year has experience organizing approaches to homelessness from the local government level.

Last week, she provided Council with more details about a homeless-serving strategy. Over the next 16 months, her efforts will be focused on connecting with other agencies, listening & learning about the needs and best practices and then working together to take action.

While no one individual or agency can solve these complex social issues on their own, we believe a dedicated City presence will contribute to the joint efforts of government, community groups, businesses and social agencies to address our community's issues and develop a coordinated, strategic approach.

This is similar to what we've seen in other communities, like Medicine Hat.

By having someone on our staff work with community groups on a unified response to homelessness, we believe we can help address the most pressing needs and help put solutions in place.

One good example of a solution growing out of a problem was the creation of a Transitional Storage Pilot Program at the Gospel Mission facility... This partnership between the City, BC Housing and the Gospel Mission means those without a home can put their belongings in a safe place, without needing to carry or cart them around all day.

And here's the best news – in the first three months of the program, seven people who got involved were connected with community services and have now moved on into housing.

And 17 people began using the shelter system for the first time after learning about and using the Temporary Storage Program.

It's a pretty simple solution that grew out of conversations on how to address a need... and that's what we will continue to do in 2017 and 2018 as the community plan comes together and it is implemented.

At the same time, Kelowna also had B.C.'s fourth-highest number of illicit drug overdose deaths last year with 48... more than double the number in 2015.

I know the idea of safe consumption sites is not popular with everyone, and the City actually doesn't have an active role to play in those...

But we are committed to working collaboratively with Interior Health on ways to reverse this trend and with the federal government on a national mental health strategy.

A Council priority that naturally flows out of our Homelessness strategy is to create more housing diversity in Kelowna.

We have a strong working relationship with BC Housing to continually partner on new projects for vulnerable residents.

BC Housing funds nearly 30 developments in Kelowna that provide housing for families, seniors, and adults with disabilities... that's nearly 1,400 subsidized housing units.

One recent addition to the mix was the new Gordon Apartments across from the Capri Shopping Centre... 44 more units of subsidized housing for people who are homeless or at risk of being homelessness.

Another BC Housing partnership on Drysdale Avenue in Glenmore will provide family housing in 2017 for those looking for units large enough to accommodate a parent with children.

Other BC Housing projects have included Pleasantvale Homes; the Ki-Low-Na Friendship Society apartments and the KARIS Society apartments in Central Green; Willowbridge Apartments; NOW Canada; Tutt Street Apartments and New Gate Apartments.

We are also providing the land, as we have for most of these projects I just listed, for another partnership on City-owned property at the corner of Doyle and Bertram.

We've just come through one of this region's most active real estate and building markets in a decade. Population growth in the Central Okanagan was the highest in Canada again in 2016... up 3.6 per cent.

CMHC says new home construction in Kelowna was up 72% compared to 2015.

The year closed with more than 2,300 building permits valued at nearly \$540 million... That's up 16% and nearly \$100 million more value than in 2015.

In this hot market, we continue to look at new and innovative ways to create much-needed rental and market housing for people of all income levels...

We know this is an important area we need to improve on, and we are making progress.

Initiatives like our Infill Challenge partnership with the Urban Development Institute will help densify some appropriate neighbourhoods for these kinds of housing units...

Construction was completed or started on more than 1,000 units of purpose-built rental housing in 2016...

And last week, Council approved \$420,000 in Rental Housing Grants for 11 more properties that will see another 1,070 rental units underway this year and next. This grant program was altered last year to increase the incentive funds for much-needed two- and three-bedroom units.

The 2017 intake of applications for Rental Housing Grants was the highest we've ever had and shows the program is attractive to developers and is an effective way to get more rental properties built.

In another move to create more affordable housing opportunities, Council approved a zoning change in December to allow Secondary Suites in all residential zones, with the exception of Gallagher's Canyon and Eastwood Neighbourhoods due to infrastructure limitations there.

This kind of housing diversity and increasing density in our urbanized centres contributes to our focus on building a healthy, safe, active & inclusive city.

As I've said, we want to be a catalyst to help address issues important for our future and we want to build solutions through initiatives like our Healthy Cities strategic partnership with Interior Health and UBC.

These healthy, safe, active & inclusive investments have short-term and long-term objectives – and in 2017 we'll hear more about Imagine Kelowna and the community's participation in shaping our Official Community Plan.

Imagine Kelowna is the biggest long-range visioning project we've ever done. It takes into account all the current challenges we face, and others we can anticipate as we continue to grow over the next few decades, and it will prepare us to address those challenges.

Among the challenges we do anticipate is climate change... making our winters wetter and our summers drier... conditions that lead to the need to future-proof ourselves with adequate infrastructure...

Last month we participated in the province's value planning review of our local water systems, and the expert advice of the consulting engineer was that climate change is our single greatest unknown for future water supply...

We're fortunate in Kelowna to have multiple sources of water supply, so we might be able to manage climate change in the decades ahead – but it's going to require more work and coordination moving forward.

[Slide – tech worker]

As we imagine a very different city 25 years from now, one of the biggest shifts will be economic... as our economy becomes more knowledge-based, we will need to address gaps in our labour force by

attracting skilled, talented people through immigration and recruitment from other regions of Canada to meet our future economic needs.

So those are the kinds of things we will take into account as we anticipate what our city will be like in 25 years...

And we need everyone's perspective on how change will be driven by shifts in technology, resources, demographics and governance, urban patterns, economic factors, and social factors, to name just a few of the global, local and behavioural influences.

Watch for opportunities to get involved and share your thoughts and concerns for the future – or go to imagine.kelowna.ca and learn more about the next phase of work.

One thing we definitely know our future will include is the continued expansion of multi-use paths and transit connections between urban centres... We do this to make it easier for people to commute to work in healthy ways and relieve some of the congestion on our roads.

With greater urban density and more people out enjoying the commercial areas and parks, that contributes to a greater feeling of public safety – another Council priority.

Funding approved in this year's budget gives us more Bylaw Enforcement staff and combined downtown foot patrols with the RCMP...

We also work with the Kelowna RCMP to ensure they have the resources needed to target prolific offenders and maintain the law.

Sometimes this focus on prolific offenders or strong Counter Attack programs result in higher arrest rates, which reflect a higher measurement of crime in the Central Okanagan...

And it is true that preventable property crimes are quite high here... they're often related to those with addictions that need to be financed.

But we also know that random personal or violent crimes against law-abiding citizens are quite rare... And most people understand that – nearly all residents – 94% – describe Kelowna as safe in our 2015 Ipsos-Reid Citizen Survey.

The RCMP will move into the new Kelowna Police Services Building later this year, improving efficiencies and better equipping officers to do their jobs more effectively.

We have taken the approach that we want enforcement with a social conscience... and our Bylaw Enforcement officers are trained as an important resource contact with our homeless population. Through partnerships with the Ministry of Social Development and the Kelowna Gospel Mission, our bylaw officers also regularly make their rounds accompanied by an outreach worker.

For all the furor that resulted from a traffic bylaw update in November that extended the hours by which people blocking doorways or sidewalks in commercial areas can be asked to move – for all the uproar that followed, a single ticket has been issued.

That's because Bylaw Enforcement and RCMP respond to complaints about people blocking sidewalk access by asking them to move to a different location, while also ensuring the person is aware of the multiple resources available to them in our city.

We are tackling this issue head-on... we're not just sweeping it under the rug and not dealing with it.

This kind of socially-conscious enforcement has benefits for the entire community – first just by helping people on the street stay safe, then by keeping our commercial centres accessible for pedestrians and generally improving the public's sense of safety on our streets and parks.

As I've said many times, we're working to find that balance of needs... people need to feel safe in public... and the most vulnerable people on the street also need to be looked after.

From that focus, we move to a different kind of balance – balancing our transportation network.

That means making sure drivers, transit users, cyclists and walkers all have good options for getting around Kelowna.

One of the most exciting projects on the books is The Okanagan Rail Trail. That plan continues to make progress linking Kelowna to the North Okanagan. This is 50-kilometres of the most beautiful [and beautifully flat ☺] cycling terrain in B.C.

The Okanagan Rail Trail Initiative is coordinating the community-driven fundraising effort and the start of construction will be dependent on funds raised. Grant applications, if successful, will stretch this funding farther.

South Perimeter Road planning is in progress connecting Gordon Drive in the Mission to Stewart Road and down to Casorso Road.

And strategic transit plans are in place for Kelowna Transit's 40th anniversary year – including technological advancements such as full installation of on-board security cameras and real-time bus location technology so that riders can see when the next bus is scheduled.

The Ethel Street corridor continues in 2017 with the cycle tracks and road improvements extended from the highway to Sutherland Avenue... which takes the Ethel corridor from Cawston to Sutherland and eventually to the Okanagan College campus.

The three-way stop at Water Street and Doyle Avenue will become a roundabout.

And another roundabout will be built at the busy intersection of Lakeshore and Collett Roads.

Transportation planning is important for many reasons, but one of the most important reasons is to help build and connect vibrant urban centres. The more we do that, the more convenient it is for residents to explore the benefits of transit.

Vibrant urban centres also need parking plans that work and – although it never seems like enough – there are a number of projects and strategies underway to accommodate commercial and residential parking needs.

We know parkland is important to our quality of life, and we continue to acquire property for future parks.

This year, those plans include Phase 1 of Rowcliffe Park at Central Green... with a playground and walkways... pickleball courts installed at Rutland Recreation Park, Phase 1 of Glenmore Recreation Park to lay the groundwork for further development in 2018... and off-leash dog beaches at the Sails, Poplar Point and a temporary version at Lake Avenue.

Other contributions to vibrant urban centres will include completion of:

- Memorial Parkade - \$15 million project with 566 spaces...
- Library Parkade expansion - \$7 million and nearly 200 new spots for a total of 668 there.
- And new parking strategies downtown and in the hospital area are addressing longstanding concerns and establishing workable solutions.

These investments are also an important component of Council's role as a catalyst for business.

There are a lot of indicators that show Kelowna is an attractive place to do business:

- The annual 2016 KMPG study found Kelowna to be the most cost effective city in Western North America in which to operate a business.
- Business licences were up more than 6% in 2016.
- We're the third-largest technology hub in B.C. and it's the fastest growing economic sector in Kelowna... attracting new businesses and investors.
- The tech sector's economic impact increased by 30% between 2013 and 2015, and added 1,000 jobs during that time.
- We saw Telus' investment in its new business centre downtown... the Okanagan Centre for Innovation nearing completion and...
- Last week, Council approved development plans for a 21,000-square-foot building that includes a sound studio for the film industry and plans for a second building. This has been a 15-year effort to attract a large scale film studio to this region and it will help bolster the Okanagan's \$11-million film industry.
- I attended a film and animation lunch meeting in Vancouver a couple of weeks ago and, as I said at Council last week, the industry's interest in Kelowna is real, and we will see an influx of film and animation come to our community as a result of the good work being done by the EDC and the Okanagan Film Commission to promote this region.
- The City of Kelowna works with public- and private-sector partners all the time to promote business opportunities, and we provide the EDC with 70% of the funds it receives from local government for Economic Development to continue moving these efforts forward.
- Kelowna International Airport continues to be an economic generator as it grows and develops land around YLW.
- Passenger traffic at our airport keeps soaring... it served 1.7 million passengers in 2016... that's almost 9 per cent more than in 2015 or nearly 140,000 additional travellers.
- And the airport master plan taking us to 2045 has a number of forward-looking priorities like European flights, parking improvements and more affordable flights on the horizon...
- Even things like YLW's Farm to Flight program contributes to Kelowna's cachet by giving passengers a taste of our agricultural gifts with them when they leave.

Speaking of farms, Protecting our Agricultural land is a priority Council has done a lot of work on in the past year...

We've tackled some difficult files where we've strived to balance the need to preserve the integrity of agricultural land while being practical about what farmers can achieve on smaller acreages or those being encroached upon by urbanization.

It can be difficult, but we are working with the province and property owners along the Benvoulin corridor to ensure that valuable farm land is being used for agriculture-primary uses, as required under provincial legislation. And other areas of enforcement will follow.

We've also updated standards for more suitable temporary farm worker accommodations – another area of change and growth in our local economy.

Of course, everything we do comes down to the bottom line of how well we manage our financial resources.

Everything begins with sound financial management to stretch limited resources as far as possible to deliver the services residents and visitors need and want.

To do that, we are guided by principles to make sure we have sufficient financial resources available to us, and that we're pragmatic, flexible, transparent and balanced in managing those resources and obligations.

Here's how Kelowna stacks-up tax-wise among B.C. cities with more than 75,000 residents...

As the fastest growing region in Canada since 2013, Kelowna has faced a lot of pressure to accommodate thousands of new residents.

I've mentioned some of those today – transportation network pressures, vulnerable population pressures, housing needs, increasing service levels for fire and police protection...

We are responsible for providing you with essential services like garbage collection, building inspections, water if you're with the City's water utility, roads, traffic lights, and so on...

But what really gives us our identity are the non-essential services we fund – the parks, skating rinks, pools, cultural services and community programming...

To do all these things citizens have told us they want, we continue to look for ways to offset taxes with different revenue generating ideas.

This year, we will take the next steps in our sponsorship and advertising strategy. Preliminary work done last year indicates the City can expect to eventually generate \$1.2 million in new gross revenue annually, on top of the \$750,000 we already generate this way.

The City's investment in its expanding fibre optic network is another revenue generating innovation... Seven customers have joined the City's Dark Fibre network so far and we've fielded 160 inquiries from businesses about joining the service.

It is a major feature when we're selling tech and animation companies on Kelowna.

Design work is underway for the north extension of the fibre network. It is a \$2.4 million project to be installed in conjunction with construction of John Hindle Drive to serve new customers in the North Glenmore, University and airport areas. Work was also done on the downtown loop to prepare for and connect more customers including the innovation centre.

Another \$1.2 million was approved in this year's budget for the south route, which will be in the design stage soon. This route will serve the KLO Road and College areas. We will also be connecting the new police services building in 2017.

The Fibre strategy also represents the other side of the coin when it comes to budgeting – saving money and improving efficiency...

Having our own fibre network allows us to actually improve the speed of the network connecting City facilities, while currently saving more than \$150,000 a year by not subscribing to a commercial service.

Another recent cost-saving example is our program to replace old, inefficient street lights with new LED lighting... Street lights currently account for 40% of the city's electric energy costs.

The \$3.9-million cost to switch to LED streetlights this year will produce a 15-year return on investment of \$13 million.

Even cultural programs like ArtsVest extends funding through partnerships. ArtsVest is completing its third year in Kelowna, mentoring organizations to develop private-sector sponsorships.

The City's investment of \$50,000 over the first two years of ArtsVest leveraged a return of \$700,000 – that is a great return on investment – about \$14 for every \$1 invested by the City. The City of Kelowna supports culture as a pillar of the community's vitality and quality of life, and this investment is just one example of how we do that.

Partnering with public and private-sector investors is a great way to reduce tax demand while meeting community expectations.

That's how we build and operate major facilities like the Kelowna Art Gallery, Prospera Place, Capital News Centre, H2O Aquatic & Fitness Centre, the Rotary Centre for the Arts and the Kelowna Marina... to name just a few.

Again – it's a balance... a word I've used a few times today, because that's what it comes down to... balancing investments we make today that will produce returns in the years ahead.

And while we're looking ahead, we also need to take care of day-to-day operations – snow removal, pot holes, delivering clean water to city customers, fire department services, development services...

A city with this kind of financial responsibility needs to constantly assess and prepare for our short- and long-term needs...

I just mentioned water and short- and long-term goals in the same breath ☑... and that leads to Council's final strategic priority – working toward a city-wide water system that provides clean, sustainable water to Kelowna residents.

We participated in the province's review of local water systems in January and are awaiting the completion of that Value Planning report to determine next steps...

The City's main focus in the short-term is to maximize grant funding through the Clean Water and Wastewater fund to assist with drinking water quality in South East Kelowna and a sustainable supply and distribution of agricultural water to the South Okanagan Mission Irrigation District ratepayers.

The City of Kelowna has submitted grant applications worth a total of \$76 million to the Clean Water and Wastewater Fund.

So, stay tuned on that and we'll see where that process takes us in 2017.

We've touched a lot of topics here today, and I encourage you to check out our new & improved city website – kelowna.ca – to learn more about what we're doing and how we're dealing with this period of growth in Kelowna.

As our city begins its 112th year as an incorporated municipality, our country celebrates 150 years of confederation...

Canada's 150th anniversary will be a time when arts and culture take centre stage. Through various grant programs, the City of Kelowna is supporting a wide range of unique cultural projects that will add to the local and national celebrations. We will be working in collaboration with First Nations organizations, Kelowna Art Gallery, Ballet Kelowna, the Okanagan Symphony Orchestra, Okanagan College, Kelowna Museums and others to celebrate our national identity.

Kelowna also supports the national challenge to Canadians to contribute 150 hours to volunteer activities in our city...

We are proud to support Kelowna Community Resources as it works with like-minded stakeholders to inspire, engage and recognize volunteers in the city of Kelowna.

In collaboration with Kelowna Community Resources and Volinspire – a Kelowna-based company whose community engagement platform was selected as the national platform for the 150 for 150 Volunteer Challenge – in collaboration with all these groups, the City of Kelowna is challenging residents to collectively contribute 150,000 volunteer hours in 2017.

Not sure where to start...? Hit kelowna.ca and register with the 150 for 150 Volunteer Challenge and get connected with events and causes you care about and want to help this year.

On that note, I will say thank you for listening... thank you for caring about the state of your city... and thank you for being involved in shaping Kelowna's future as a beautiful place to live and a great place to be involved.

Thank you.