
MEETING TYPE: Regular Council Meeting
MEETING DATE: Tuesday, September 20, 2022
AUTHOR: Trevor James, CFO, Director of Finance & Administration
DEPARTMENT: Finance & Administration
ITEM TITLE: Final Rail Trail Payment
DESCRIPTION: Remaining funds required to purchase portion of Rail Trail from City of Kelowna

QUESTION

Does Council wish to proceed with the final payment to the City of Kelowna for the District's portion of the Rail Trail?

OPTIONS

- A. THAT the District proceeds with the final payment of \$875,000 to the City of Kelowna for the District's portion of the Okanagan Rail Trail.
AND THAT the 2022 Financial Plan be amended to fund the additional \$50,000 required from Parks Development Cost Charges (\$825,000 originally included in 2022 Financial Plan).
- B. THAT the final payment to the City of Kelowna for the District's portion of the Okanagan Rail Trail not be made at this time.

EXECUTIVE SUMMARY

The District acquired the Rail Trail with its partners in 2015. At that time, the City of Kelowna purchased a portion of the Rail Trail in Lake Country. This payment is the final payment in the acquisition of that portion of the trail from Kelowna.

KEY INFORMATION

In June 2015 the City of Kelowna purchased a portion of the Rail Trail in Lake Country at a cost of just over \$2.5 million with the plan for it to be repaid by the District as per a memorandum of understanding. The District made partial payments to the City of Kelowna in 2018 and in 2021. \$825,000 to be funded from Parks Development Cost Charges (DCCs) was included in the 2021 Financial Plan and then carried forward to the 2022 Financial Plan based on estimates at the time. District staff have worked with City of Kelowna staff and determined that a final payment of \$875,000 on September 30, 2022 will fully pay off this portion of the Rail Trail.

DESIRED BENEFIT

Make the final payment to the City of Kelowna to achieve 100% ownership of this portion of the Rail Trail.

STRATEGIC RELEVANCE AND COMMUNITY SUSTAINABILITY

The Rail Trail has been a key community initiative for a number of years, and this represents the final payment from the District in securing 100% ownership of this portion of the Trail.

REQUISITES

\$875,000 to be paid to the City of Kelowna from Parks DCCs to complete the transaction.

UNINTENDED OUTCOMES

If the final payment isn't made, the City of Kelowna will continue to own a portion of this segment of the Rail Trail and the cost to acquire that portion back will continue to grow under the memorandum of understanding between the two parties.

BACKGROUND/HISTORY

See Key Information section.

DISCUSSION/ANALYSIS

See Key Information section.

APPLICABLE LEGISLATION AND POLICIES

A memorandum of understanding between the District and the City of Kelowna from 2015 exists.

IMPACT ON INFRASTRUCTURE OR MUNICIPAL SERVICES

None – the District own the majority of this section and already maintains it.

IMPACT ON STAFF CAPACITY AND FINANCIAL RESOURCES

\$875,000 will be spent from the Parks DCCs which had a balance of \$1,392,168 as at December 31, 2021.

COMMENTS FROM EXTERNAL AGENCIES, COMMITTEES AND STAKEHOLDERS

City of Kelowna staff have agreed that the payment of \$875,000 on September 30, 2022 will result in this section of the Rail Trail being 100% owned by the District and conclude the agreement.

CONSULTATION AND COMMUNICATION

None.

ANALYSIS OF OPTIONS FOR CONSIDERATION

Option A will result in the District owning 100% of this section of the Rail Trail. Option B would result in the City of Kelowna continuing to own a portion of this segment of the Rail Trail and the cost to acquire that portion will continue to grow under the memorandum of understanding between the two parties.

Respectfully Submitted,

Trevor James, CFO, Director of Finance & Administration

Report Approval Details

Document Title:	Final Rail Trail Payment.docx
Attachments:	- Request for Council Decision - Final Rail Trail Payment.docx
Final Approval Date:	Sep 12, 2022

This report and all of its attachments were approved and signed as outlined below:

Matt Vader, Director Parks, Recreation and Culture - Sep 8, 2022 - 5:25 PM

Reyna Seabrook, Director of Corporate Services - Sep 8, 2022 - 6:32 PM