
MEETING TYPE: Regular Council Meeting
MEETING DATE: September 3, 2024
AUTHOR: Allan Neilson, Neilson Strategies Inc. and Sherry Hurst, Leftside Partners Inc.
DEPARTMENT: CAO
ITEM TITLE: Boundary Adjustment-Process
DESCRIPTION: Update on the proposed Boundary Adjustment with the City of Kelowna and request to confirm how to proceed in obtaining approval of the electors

PURPOSE

Provide Council with an update of the boundary adjustment process, and request Council direction on whether to proceed with an Alternative Approval Process (AAP) or full Assent (referendum) to obtain approval of the electors for the boundary adjustment with the City of Kelowna that would see five properties transferred to the District of Lake Country from the City of Kelowna. Two privately owned parcels (1.02 ha) at 9595 Bottom Wood Lake Road and 672 Beaver Lake Road and three parcels of the Okanagan Rail Trail (1.31 ha). Council is also requested to endorse referrals to the Regional District of Central Okanagan and Westbank First Nation to ensure they are informed and have the opportunity to comment on the project.

RECOMMENDATION

THAT an Alternative Approval Process (AAP) pursuant to section 86 of the Community Charter, be used to obtain approval of the electors for a boundary adjustment that would transfer 5 properties, as identified on Attachment A to the Report to Council from the CAO dated September 3, 2024, from the City of Kelowna to the District of Lake Country municipal boundaries;
AND THAT a referral letter outlining the proposed boundary adjustment be forwarded to the RDCO and the WFN to share information and provide an opportunity for comment on the project.

EXECUTIVE SUMMARY

To bring five additional properties into the District's boundaries, consistent with the priorities identified by the District in the 2022 MOU with the City of Kelowna and Okanagan Indian Band, Council must identify how it prefers to obtain elector approval — through the Alternative Approval Process or using a Referendum. Council's preferred process will then be included in the joint Kelowna-District boundary adjustment proposal for review by the Ministry of Municipal Affairs as the next milestone in the process. Once the Ministry accepts the proposal, the District can move forward with the elector approval process.

DISCUSSION/ANALYSIS

The District has been working on a boundary adjustment with the City of Kelowna as one of nine joint priorities identified in a 2022 Memorandum of Understanding involving the District, City and Okanagan Indian Band. The boundary adjustment was one of the District's priorities identified as part of the MOU process.

Boundary Adjustment

The two private parcels in the adjustment are part of a broader four-parcel redevelopment site that straddles the City and District boundary (see Figure 1) but receives infrastructure services and access from the District. Having the entire redevelopment site consolidated and contained within the District will allow the District to plan a cohesive community on the site, and to more easily recover the costs of servicing from the property and future residents of any resulting development. The land would represent an increase in tax base, and if approved, the redevelopment proposed for the property would provide rental housing units for the community. Development applications have been submitted for the property, but are undergoing staff review and have not yet been brought to Council.

The Okanagan Rail Trail parcels have been included to clarify and consolidate the jurisdiction and ensure the District owns and is responsible for the maintenance of the trail along its boundary south to Beaver Lake Road. The transfer and boundary adjustment would give the District control over the rail trail buffer between any future residential uses on Bottom Wood Lake Road and the adjacent City of Kelowna Winfield Industrial Park.

Elector Approval Process

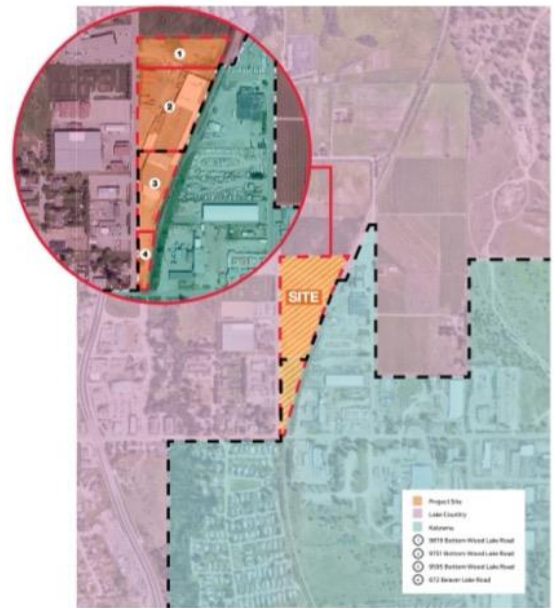
The District is working with the City of Kelowna to prepare a joint boundary adjustment submission to the Ministry of Municipal Affairs before the end of August. Once reviewed and accepted by Ministry staff, the District can proceed with obtaining elector approval, which must be obtained prior to passing a Council resolution requesting the boundary adjustment.

The District has two options to obtain elector approval: Alternative Approval Process (AAP) or elector Assent (referendum). The AAP process is less expensive, and is generally used for projects that are less impactful, costly or controversial. Unlike many processes that require elector approval, the boundary adjustment would not result in a tax increase for District residents, but instead would increase the municipal tax base (current assessment values for the vacant industrial building and land is \$3.785 million). The value would increase and generate additional tax if the property is subsequently redesignated and rezoned for multi-family residential use.

If more than 10% of electors return response forms during an AAP process, a subsequent referendum process is required to obtain approval. The AAP is therefore a gauge of the level of interest in the issue within the broader community, and offers the possibility of savings by not holding a more involved and expensive referendum process. Holding a referendum is the only other option for the District to obtain elector approval based on the requirements in the *Local Government Act* and *Community Charter*.

Once an approach is endorsed by Council, the District will include the preferred approach in the submission to the Ministry. The District will prepare the necessary notification, forms and engagement materials in advance of the Ministry staff acceptance anticipated in September.

If an AAP is endorsed, the District will calculate the total number of electors required, prepare elector response forms and identify required dates for public notification, including the deadline for receiving elector response forms. All the information prepared by staff will be brought to a subsequent Council meeting. At that time staff will describe the phases of the AAP so that Council and the community are aware of the process and timelines.



**Figure 1: Redevelopment Site
(Parcels 3 and 4 are in the City of Kelowna)**

An open house will also be scheduled to ensure residents have the opportunity to become informed about the project, share their views and have questions answered. The open house is tentatively being planned to include representatives from the City of Kelowna so that residents can get balanced information and perspectives from both sides of the boundary adjustment. The District will post project information on its website, and social media platforms.

If a referendum is the preferred method, staff will need additional time to prepare for a referendum including appointing election officials and scrutineers, setting a general voting and advance voting dates, preparation of public notices, and voter eligibility and registration, among other items.

APPLICABLE LEGISLATION, BYLAWS AND POLICY

Section 12 (Part 2, Division 3) of the *Local Government Act* refers to the requirements of a Boundary Extension; Part 4 outlines requirements specific to assent voting. Part 4 (Division 2) of the *Community Charter* outlines approval of the electors; Section 94 references public notice requirements.

IMPACT ON INFRASTRUCTURE, SERVICES AND STAFF CAPACITY

Any impact on infrastructure and services would be determined based on the development application, and assessed for Council as part of the development review process. There is no infrastructure or service impact associated with the boundary adjustment process. The impact of the process on staff capacity would be minor and limited to the time spent preparing for and implementing the AAP, and hosting a public open house.

FINANCIAL IMPLICATIONS

Elector Approval

Conducting an AAP is a lower cost option than a referendum because it only includes two notices published in the newspaper and printing of the elector response forms. The AAP process also involves fewer staff resources. Holding a referendum requires additional staff time, voting machine rental, advertising, printing of ballots and supplies. Estimates from other jurisdictions compared costs as low as \$4,000 to \$6,000 for an AAP to \$25,000 to \$35,000 for a referendum.

In both processes the District would host at least one community information meeting to share information on the project, so the costs of the meeting and any associated engagement materials are not included.

Boundary Adjustment

Financial implications of the boundary adjustment include,

- As a result of adding \$3.785 million of assessed value (light industrial property class), the District will receive approximately \$45,294 in taxes (2024 tax rates), or \$41,490 if the existing building is removed.
- The District will be required to maintain the additional portions of the Okanagan Rail Trail. The maintenance of an additional 457 linear metres of the trail is estimated at \$4000 per year.
- To update the 457 metre stretch of Rail Trail to match the District's existing standards will require an estimated one-time investment of \$23,000.

COMMUNICATIONS

Once the Ministry accepts the boundary adjustment proposal, the District will prepare and disseminate information on the boundary adjustment process, including press releases and website updates. The materials associated with elector approval will be prepared and brought forward to Council. District communications will also be involved in preparing open house materials.

ALIGNMENT WITH COUNCIL STRATEGIC PRIORITIES

- Support Opportunities to Diversify Lake Country's Tax Base
- Honour Reconciliation by Strengthening Relationships and Inclusiveness With Our Indigenous Partners (commitments in the 2022 Memorandum of Understanding with City of Kelowna and Okanagan Indian Band)
- Explore Opportunities to Engage with Regional Local Governments for the Betterment of the Community

ALIGNMENT WITH MASTER PLANS

- Official Community Plan
- Housing Needs Report

OPTIONS

- A. THAT the District endorse an Alternative Approval Process (AAP) to obtain elector approval for the Boundary Adjustment, and refer a project update to both RDCO and WFN.
- B. THAT the District endorse an Assent Process (referendum) to obtain elector approval for the Boundary Adjustment, and refer a project update to both RDCO and WFN.

Respectfully submitted.

Report Approval Details

Document Title:	Boundary Adjustment-Process.docx
Attachments:	- Attachment A -Boundary Adjustment Process-Subject Lands to be Transferred.docx
Final Approval Date:	Aug 28, 2024

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

Task assigned to Reyna Seabrook, Director of Corporate Services was completed by workflow administrator Paul Gipps, Chief Administrative Officer

Reyna Seabrook, Director of Corporate Services - Aug 28, 2024 - 1:17 PM

Paul Gipps, Chief Administrative Officer - Aug 28, 2024 - 1:38 PM