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Presentation to the Select Standing Committee on Finance &
Government Services
Budget 2024 Consultation

Presenter:

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The Kelowna Chamber of Commerce is a federally incorporated, not-for-profit organization dedicated to serving & empowering the central Okanagan business community. The Chamber provides numerous services to its 1,000 members & the broader business community including educational seminars, major events, member benefits, & government advocacy. In 2032, the Kelowna Chamber celebrates its 116th year in operation & it continues to be recognized as one of BC's leading business associations.

Recommendation 1

That the Provincial Government accelerate investment in transportation infrastructure in the Okanagan to better serve one of the fastest growing regions in the country.

Explanation

This is a big province. Investing in building economic infrastructure which increases labour mobility and increases the efficiency of the movement of goods is as vital in Interior BC as it is on the coast.

Capital investments in transportation infrastructure in the Interior will help accomplish numerous provincial goals: it will facilitate growth & recovery while providing supply line redundancy as part of a broader risk management strategy, the value of which was proven necessary by the floods of 2021. Failing to address emerging transportation needs will limit growth, minimize prosperity, create inter-community transportation challenges and limit the region's contribution to BC's economy.

The point was raised in the Legislature in the spring of 2023 that the spending by the provincial government on major transportation projects in the Okanagan was zero for the past five years as no capital projects have been funded in the fastest growing census metropolitan area in the country.

The Kelowna Chamber joins the voices of municipalities up and down the Okanagan Valley in calling for critical capital transportation infrastructure funding as the need increases with increased interprovincial trade; increased Asia-Pacific and US trade, all requiring roadway improvements.

Locally in the Okanagan, improvements to Highway 97 – the connective ribbon connecting north to south and carrying traffic accessing the coast from Alberta – must be undertaken. Local commerce is increasingly constrained as the highway chokes with tourist and commuter traffic.

Spending on accessible and active transportation is a positive, but minor step where millions of dollars – to match some of the infrastructure spending in the lower mainland – is required.

Increased attention to and spending across BC under a true pan-provincial approach will build each region of the province ensuring rural and remote regions don't lag behind and instead become net contributors to BC's economy while raising the quality of life for all British Columbians no matter where they live, especially in the Central Okanagan.

A broad vision for the Okanagan's transportation network must include planning for a second crossing of Okanagan Lake, improved highway improvements which accelerate the efficient movement of goods around and through the region, and engagement with local government, industry & business to evaluate a regional transportation governance model such as Translink which would serve the region's long term interests. Students at Kelowna's two major post-secondary institutions – Okanagan College and the University of British Columbia – are in dire need of public transit to ensure their educational efforts here are effective.

We would also suggest that there is value in engaging in discussions with Washington State transportation authorities to enhance the inland transportation corridor for commercial traffic while also seeking to enhance the capacity of the US border crossings in Interior BC to relieve traffic gridlock along US I-5.

Recommendation 2

That the Provincial Government spend dollars with immediate effect on urgent care beds to relieve the street drug and homelessness crisis affecting the Okanagan, particularly in light of the dramatic spike in open drug use in our Central Okanagan centres, including Kelowna.

Explanation

“Patience for public drug use has worn out,” said Gary Mason in the Globe & Mail on May 18, 2023. The province’s six-month experiment to decriminalize certain illicit drugs has exacerbated the already dire situation in nearly every municipality across the province. However, in the Interior, there aren’t the resources to properly treat and rehabilitate all the drug users in our communities.

Mayors want their downtowns back – for businesses, for tourists, for residents. Nowhere is this truer than in Kelowna. And Penticton, and Kamloops. The public health authorities want the experiment to run its course. While it’s clear that no one really has an answer for the drug epidemic, nonetheless, immediate solutions must be employed that resolve some issues, not create more problems, i.e., experimenting with expanded drug use which has made parks, beaches, playgrounds and streets off limits to non-drug users through the dramatic jump in open drug use.

The accompanying erratic behaviour, petty crime and increased focus on homelessness is not easily solvable. However, the Province is adding to, not dealing with, the problem with its misguided efforts at harm reduction which increase the growing instability of our city centres – our once-thriving downtown centres are rapidly emptying of long-time business owners who are locking up for good, and moving out or moving on.

Boarding up our downtowns is not a solution.

Recommendation 3

That the Provincial Government either remove the Speculation & Vacancy Tax, or revise legislation to ensure it becomes principle-based, not city-by-city. And, that it establish clear criteria to indicate tax thresholds: (1) rental vacancy rate <2% when tax is activated; (2) when it is removed, rental vacancy rates are >2% or above.

Explanation

The Spec Tax remains unfair, anti-Canadian, not only punishing the communities where it is imposed, but punishing residents across Canada who plan to retire or move to BC to one of the Spec Tax communities. At a time when Canada is actively encouraging in-migration globally, BC has effectively shut the doors of many of its communities to global residents who may prudently wish to buy property in 'spec tax' communities with an eye toward permanent residency.

The tax imposed in 2018 and expanded last year, now covers most residential properties in:

- Municipalities within the Capital Regional District, except Salt Spring Island, Juan de Fuca Electoral Area, and the Southern Gulf Islands
- Nanaimo
- Metro Vancouver municipalities, except Bowen Island and the Village of Lions Bay
- Abbotsford
- Mission
- Chilliwack
- Kelowna
- West Kelowna
- District of Lantzville

While the government repeats its message frequently that only a fraction of owners must pay, we believe any tax that is applied only on some cities without clear guidelines and criteria as to why, is inherently unfair.

In the absence of removing the spec tax on the City of Kelowna and West Kelowna we would suggest that in the interim, the government establish transparent public reporting on revenue generated from the spec tax within each jurisdiction where it is being applied & reconcile in a public report the revenue being re-invested in the applicable community, to ensure the goal of investing all funds raised in a jurisdiction within the same jurisdiction to an amount that is incrementally above the amount of public investment that would normally be made by BC Housing.

Thank you for the opportunity to present the views of the Chamber and its members to the Committee.

Kelowna Chamber of Commerce

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