

Date: October 7, 2025
To: Anthony Haddad, City Manager
From: Ysabel Contreras, Parks Planner

File No: 6240-01

Subject: Lakawanna Park Upgrade – Budget Amendment

Staff Recommendation

THAT the City proceed with the full scope of the Lakawanna Park renewal and expansion project, as presented in the final design, in one phase, at an estimated cost of \$2M;

AND THAT the 2025-2029 Financial Plan be amended to update the Lakawanna Park project cost with the following funding sources:

- \$50K from the Riverside Park Site & Entry Improvement Capital Budget (General Capital)
- \$75K from the Lakeview Cemetery Capital Budget (General Capital)
- \$75K from the Seasonal Lighting Project (Growing Communities Fund)
- \$100K from the Gyro Cooling Hub (Water Capital)
- \$75K from Lakawanna Washrooms (Asset Sustainability)
- \$50K from the Dog Park Upgrades (Gaming Reserve)
- \$225K from the Community Growing Communities Reserve Fund

Strategic priority objective

Vision: Penticton is a connected, resilient and healthy waterfront city focused on safety, livability and vibrancy.

Livable & Accessible: The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

Background

The Lakawanna Park playground and spraypark were originally constructed in 2000. According to the 2018 Parks and Recreation Master Plan (PRMP), the recommended lifecycle for playgrounds is 20 years and for sprayparks is 15 years. Both facilities are beyond their recommended useful life, with aging infrastructure and accessibility limitations. The Official Community Plan (OCP) also indicates that Lakawanna Park is situated between two Strategic Growth Areas: Downtown to the east and Northern Gateway to the west. The future land uses planned around the park include Tourist Commercial and both Low and High Density

developments, emphasizing the importance of supporting the future growth and overall livability in the area.

In 2024, City staff initiated a planning and engagement process with BENCH Site Design Inc. to reimagine Lakawanna Park. Two preliminary design concepts were developed for community feedback; one working within the existing playground footprint and the other proposing expansion into the parking lot. Community engagement showed strong support for the expansion, which has been integrated into the final design concept. As shown in Attachment A, the final design concept features expanded play areas, increased accessibility, a renewed spraypark, improved seating and gathering spaces, and play features that accommodate various age groups and maintain existing trees. This expanded scope reflects the shared vision of Council, advisory committees, and the community, however, it also reduces available parking and requires additional funding to support the expanded and enhanced amenities. The plan also responds to the direction provided by Council and the Parks and Recreation Advisory Committee in 2019, which recommended that staff incorporate outdoor fitness equipment should future funding become available, and this need has now been addressed within the Lakawanna Park expansion.

On February 11th, 2025, Council was presented with the final design concept and endorsed proceeding with the detailed design and procurement, allowing staff to determine more accurate project costs. The following resolution was passed:

7.9 Lakawanna Park Upgrade - Final Concept Design
47/2025 It was **MOVED** and **SECONDED**
THAT Council receive into the record the report dated February 11, 2025 titled "Lakawanna Park Upgrade - Final Concept Design";
AND THAT Council endorse the Lakawanna Final Concept Design to proceed to detail design and procurement;
AND THAT Council direct staff to prepare and submit an application to the Tire Stewardship BC (TSBC) program, to help offset the costs associated with the playground surfacing.
CARRIED UNANIMOUSLY

The approved budget for the playground and spraypark upgrade in the 2024–2028 Financial Plan was \$1.35M. This amount includes approximately \$936K for the playground upgrades and \$415K for the spraypark. There is an additional \$200k approved in the Financial Plan for accessibility upgrades to the washroom (\$150K) and parking lot (\$50K). During the concept development phase, it was initially estimated that completing the expanded plan in a single construction phase would cost around \$1,575,000. However, following detailed design and updated cost estimating, the refined design is now projected to cost \$2M, which represents a funding gap of approximately \$650K beyond the approved amount. It is important to note that these are still only estimated costs, and the final cost will not be determined until construction is procured.

The increase in estimated costs reflects the full scope of the concept design which includes all the features identified through community engagement. The projected cost has grown due to higher-than-expected costs for key elements like inclusive and age-diverse play equipment, enhanced safety and accessible surfacing, lighting infrastructure, upgraded landscaping and irrigation, and the integration of nature play, fitness zones, and a revitalized spraypark. Attachment A shows a preview of the new features included.

Recent projects such as the Kiwanis Pier and the Skaha Splash Pad have experienced similar budget pressures, driven by rising material costs, specialized play equipment, and increased labour expenses within this niche market.

As part of the detailed design phase, Staff has explored various ways to reduce costs, such as removing some of the play equipment, seeking affordable play/spray alternatives, and adhering to the minimum requirements for surfacing ratios (e.g., rubber surfacing, engineered wood fiber, grassed areas, paved areas). Staff has also explored ways to reduce contractor expenses by leveraging staff support wherever possible (ex. tree removal, site furniture replacement, landscaping, irrigation, etc.), all while maintaining the vision presented in the original conceptual plan.

Staff have identified three options to move forward with the project:

1. Single Phase Construction as per Final Design – Complete the project presented in the final design, in one phase, at the estimated cost of \$2M, or
2. Multi-Phased Construction - Complete a portion of the final design, within the existing footprint, at an estimated cost of \$1.65M, and plan for the expanded area in a future year (likely 2027 or 2028), or
3. Reduce the scope, within the existing footprint, to fit within the approved budget of \$1.35M and plan for the expansion at a future date.

Option 1 has the highest cost but aligns with the community's vision and values expressed during public engagement. The proposed plan reflects the five key priorities identified by the public: accessibility and universal design, safety, urban forest, interactive play, and flexible spaces to support diverse uses. The proposed plan offers a balanced approach to meeting current needs of the site, as well as supporting the future growth and evolving community demands. The estimated projected cost of \$2M comprises of comprehensive works such as demolition, site preparation, earthworks, utility upgrades (electrical, water), installation and engineering of new play equipment. It also includes upgrades to existing assets such as new (expanded) fencing, surfacing, landscaping, irrigation and more. Given the efficiencies of completing in one phase, this is the recommended approach.

Employing a multi-phase approach as outlined in option 2 would require an additional \$300K to complete the portion of the final design within the existing footprint. The expansion (as a future phase) would cost approximately \$525K, which is \$150K-175K more than the single-phase option. This is due to duplication in construction costs (such as mobilization/de-mobilization, fence relocation, etc.), the loss of economies of scale for certain materials and processes (such as asphalt, concrete, and site grading), as well as construction inflation. This estimate also assumes that the second phase would be constructed relatively quickly as it only includes a small allowance for cost escalation, which would be expected if the second phase is planned within the next year or two. For these reasons, this option is not recommended, unless Council wishes to push out the expansion indefinitely (ie. beyond the 5-year window).

The third option would entail revising the design by removing proposed elements such as expanded play areas, lighting infrastructure, replacing concrete with asphalt, replacing the spray park with a misting station, and removal of several accessibility features that were prioritized during community engagement. While this approach would reduce costs by staying within the existing park footprint, there would be minor additional expenses for redesign and consulting services, and construction pushed to later in 2026. Staff would consider a reduction of this magnitude a reduction in service levels, by removing play opportunities, such as the existing spray park, a limited asset in Penticton. It would also compromise the community-

supported vision and fall short of expectations set by the community, advisory committees and Council. For these reasons, this option is not recommended.

It is important to note that the PRMP and OCP recommend a target of 2.5 hectares of active parkland per 1,000 residents. However, as Penticton's population grows and density increases especially within downtown cores and infill areas, our ability to meet this standard is declining. In 2016, the city met the target with 2.51 ha/1,000 residents. By 2021, this dropped to 2.13 ha/1,000, and projections for 2026 show a further decline to 2.08 ha/1,000. This calculation includes City-wide, Community, Neighbourhood and Trail Corridor Parks. When Trail Corridors are excluded, the city's active parkland supply drops to 1.73 ha/1,000, 1.4 ha/1000, and 1.3ha/1000, within those respective years. Additionally, Lakawanna Playground (classified as a City-Wide Park) has a total size of 1.53 ha but only 0.3 ha, including the expanded area, is dedicated to active playground use. This downward trend and current shortage of active parks in the area highlights the need to expand and invest in existing parkland to ensure we continue to meet community needs.

Financial implication

Under the City's 2024-2028 Financial Plan, the Lakawanna Park project has an approved budget of \$1.35M, which includes funding for playground renewal and spray park replacement. However, updated cost estimates from the detailed design phase place the total project cost at around \$2.0M. The detailed estimate indicates that replacing the playground within its original footprint alone would cost around \$1.65M, roughly \$300K over the approved budget. Whereas to accommodate the expanded play area, which received strong community support, is an additional cost of approximately \$350K. Altogether, this creates a funding gap of roughly \$650K beyond the approved budget.

Given the recommendation to proceed with Option 1, staff have identified potential funding sources to address the funding gap, as follows:

- Riverside Drive Site & Entry Improvements \$50K - In conjunction with the Riverside Lighting Project, significant enhancements were made to the existing site entrance, including the installation of a new concrete pathway, new bollard lighting, landscaping features, a water fill station, and a skateboard repair station. By leveraging our internal staff for these improvements during construction, there was roughly \$50K in cost savings, which can be repurposed to offset expenses for the Lakawanna Park upgrades.
- Lakeview Cemetery \$75K - Various projects were proposed for 2025, including asphalt removal and replacement, irrigation upgrades, minor retaining wall improvement, and capital budget planning for future changes. There are currently no further works planned for 2025, leaving approximately \$75K available as a potential source of funding to support the project.
- Seasonal Lighting \$75K – There is \$75K remaining allocated in the Growing Communities Reserve for additional seasonal lighting displays for future years, however, the City has reached the point where we cannot expand our seasonal displays beyond this year due to limitations in staff resources. As a result, no further expansions are planned, and this remaining funding can be reallocated.
- Gyro Cooling Station \$100K –Through the detailed design phase, staff adapted the cooling hub to better fit the site's context, resulting in a smaller footprint for the misting station compared to the original concept. Staff also managed to secure an experienced contractor who was able to install both equipment and concrete at a lower than anticipated price and these factors collectively helped lower the overall construction costs and utility needs for the system. Additionally, the \$172,785 grant obtained

from the UBCM Disaster Risk Reduction – Climate Adaptation program covered most of the project expenses. As this project is now complete, there is \$100K of the remaining budget that can be utilized to cover the essential utility components for the proposed spraypark.

- Lakawanna Washroom Accessibility Upgrades \$75K – There is \$ 75K that can be transferred from this project, as the original washroom budget anticipated a larger scale renovation than is currently required.
- Dog Park Improvements \$50K – There is \$50K remaining in this budget, following completion of the remaining deficiencies, that can be repurposed.

As outlined above, there are several potential funding sources for recently completed projects that the City can leverage to support the Lakawanna Park project financially. A total of \$425K can be allocated towards the project from the other completed projects as noted above. This leaves a remaining shortfall of \$225K to fund the full project.

At the September 16, 2025 Council Meeting, Council received a report summarizing a list of sports and recreation projects that were known or anticipated, following Council direction to assess how the remaining Growing Communities Funding could be leveraged to meet these needs. Further details on the balance of this reserve are provided below, and it is proposed that the remaining \$225K come from this reserve.

The Growing Communities Reserve Fund presents an opportunity to address this funding gap through two distinct streams. At the end of 2024, there was \$6.5M remaining in the reserve with further approved commitments of \$3.6M for projects such as the Kiwanis Pier and the Connected Community Capital Program. The forecasted remaining reserve contains approx. \$1.5M for community projects, and \$1.4M for inflationary adjustments. It is recommended that should Council support proceeding with the full scope, as recommended, the \$225K shortfall be taken from the inflationary stream.

City staff will also be preparing to apply for a grant under the Tire Stewardship BC (TSBC) program early 2026, which could provide funding of up to \$30K to help offset the costs related to playground surfacing. If successful with the grant, staff we will reduce the amount taken from the Growing Communities Reserve.

Analysis

Lakawanna Park is a valued community asset serving residents and visitors in the downtown waterfront area. The proposed upgrades align with Council's strategic goals and community needs for expanded, inclusive, safe, and vibrant spaces. These improvements also adhere to the asset renewal guidelines of the Parks and Recreation Master Plan, which indicate that the existing playground and spray park are in need of significant upgrades due to aging equipment and accessibility issues.

Given the cost escalations observed in other recent projects, staff recommended proceeding with the detailed design for Lakawanna Park earlier this year to gain a clearer understanding of actual project costs prior to initiating construction. This ensures budget decisions are based on accurate estimations and reflect the true scope and complexity of the proposed upgrades. Council endorsed this approach and after the detailed design and updated cost estimate, the refined final design is now projected to be approximately \$2M, resulting in an anticipated funding gap of approximately \$650K beyond the approved budget.

Staff are recommending that the City proceed with the full scope of the final design concept as outlined in option 1. The Growing Community Reserve Fund and the available capital budgets offers the financial opportunity to support the full scope of the project and addresses the funding gap of \$650K. Staff believes

that this approach offers the most cost-effective and community-aligned approach to delivering the site upgrades, while avoiding delays and higher costs associated with the phasing proposed in Option 2, and not reducing service levels as outlined in Option 3. Additionally, given the declining parkland supply per capita in Penticton, this investment also supports the community needs to maintain access to quality park space as the population grows.

Alternate recommendations

Should Council not support the utilization of remaining capital budgets and the Growing Communities Reserve Fund, Council could consider the following alternate resolution:

Option 2:

THAT Council direct staff to employ a phased approach and conduct the initial phase within the original footprint in 2025 and defer the expanded area to a subsequent year (likely 2027 or 2028), based on funding availability,

AND THAT the Financial Plan be amended to include the following to bridge the \$300K funding gap:

- \$50K from the Riverside Park Site & Entry Improvement Capital Budget (General Capital)
- \$75K from the Lakeview Cemetery Capital Budget (General Capital)
- \$75K from the Seasonal Lighting Project (Growing Communities Fund)
- \$100K from the Gyro Cooling Hub (Water Capital)

Option 3:

THAT Council direct staff to proceed with a reduced scope of work that fits within the approved \$1.35M and remain within the existing park footprint, and plan for the expansion at a future date.

Attachments

Attachment A – Final Design Concept + Proposed Play Features

Respectfully submitted,

Ysabel Contreras
Parks Planner

Concurrence

<p>General Manager of Corporate Services</p> <p><i>AMC</i></p>	<p>GM of Infrastructure</p> <p><i>KD</i></p>	<p>General Manager of Community Services</p> <p><i>KJ</i></p>	<p>City Manager</p> <p><i>SH</i></p>
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