



Memo to City Manager

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Date: March 3, 2026
To: Anthony Haddad, City Manager
From: Blake Laven, General Manager of Development Services
Subject: **Livable and Accessible 2025 Q4 (year end) Report**

File No: RMS 6750-01-2026

Executive Summary

This report provides an overview of activities delivered under Council's Livable and Accessible priority for Q4 2025, including a 2026 look ahead. Major highlights include continued advancement of the Penticton Airport Air Passenger Service initiative, strong resident recruitment outreach, and meaningful steps in North Gateway Strategy implementation. Long-range planning initiatives show important milestones on the KVR Master Plan, the Esplanade Planning Process, and the modernization of the Business Licence Bylaw, alongside early work on a made-in-Penticton Urban Deer Management Strategy. The report overviews the robust development activity over the quarter and throughout 2025, with over 400 new housing starts, more than \$160 million in construction value, and significant rental, long-term care, and commercial projects progressing. The report also highlights the strong event programming to close out the year, highlighted by the success of Magic on Main Street and the excitement generated by a Netflix production filmed at the outdoor rink and provides a preview of events and partner conferences and trade shows supported by the City, scheduled for early in 2026.

Council Priority

Livable and Accessible

Proactively plan for deliberate growth, focusing on creating an inclusive, healthy and vibrant community.

Updates by area

Economic Development

The City's Economic Development function works to ensure a strong economic climate in the community, through supporting existing industries and our local airport, as well as our resident recruitment efforts and collaboration with our local business organizations. The highlights of this work over Q4 include the following:

- **Air Service Development and other airport supports:** In partnership with an external consultant, the City completed extensive survey work in December 2025, to assess community and business demand for improved air service at YYF (Penticton). Nearly 3,500 residents responded, with 92% reporting recent air travel, alongside strong business participation (257 employers representing 24,000 employees), confirming the importance of reliable air connectivity. Survey findings show clear demand for enhanced Vancouver and Calgary service, including better schedules, improved connections, and increased frequency. Full results will be released once analysis is complete, with next steps including the development of a business case to present to Air Canada, WestJet, and other carriers to advocate for expanded service at this critical economic and livability asset.
- **Physician recruitment:** The City continues to collaborate closely with the South Okanagan Similkameen Division of Family Practice and the Penticton Medical Staff Association on physician and medical staff recruitment efforts. This work included a presentation to City Council on October 21, 2025, and the preparation of an updated recruitment package highlighting Penticton’s amenities, lifestyle advantages, and community supports for prospective medical professionals. These efforts aim to strengthen local health-care capacity and support ongoing physician attraction and retention, important to support Council’s healthy community efforts.
- **Economic Development Working Group:** Started in 2025, the Economic Development Working group, with representation from several business organizations, PIB and RDOS, is intended to provide awareness of economic development initiatives and to collaborate and amplify partner work.
- **PTCC Hotel Initiative:** A hotel connected to the Penticton Trade and Convention Centre (PTCC) has long been identified as a key amenity needed to help the City-owned convention facility reach its full potential and to advance the vision of the North Gateway Area Plan, establishing a premier sports, entertainment, and cultural district in Penticton. Council has endorsed placing a referendum question on the 2026 municipal ballot to seek voter direction on this important project.

Work began in Q4 to launch the public engagement process, which will continue throughout 2026 leading up to the October 17, 2026 election. The focus of this engagement is to ensure residents are well-informed about the proposal, understand its benefits and implications, and feel prepared to make a fully informed decision when they head to the polls.

- **Shape Your City Blogs / Resident Recruitment Initiatives (Strategic Communications):** Resident recruitment remains a key focus for Economic Development, supported heavily by the Communications Department. In Q4, the team published new Shape Your City blogs highlighting Penticton’s winter appeal and its vibrant running and outdoor communities, and released the latest quality-of-life video featuring the “get away mid-day” theme, showcasing a snowboarder

fitting in morning runs at Apex before an afternoon meeting in town. Additional content is underway, including features on new local businesses and a blog celebrating Penticton's recent recognition in the Globe and Mail's Livability Rankings, where the city was rated the 8th most livable medium-sized city in Canada.

In addition to the highlighted initiatives, we continue to have regular meetings and collaborations with business groups including Travel, Chamber, DPBIA, PIDA, RDOS and PIB discussing items of community and shared interest.

Land Development

Development activity remained strong through the fourth quarter of 2025, continuing the positive momentum and steady development of the community seen throughout the year. In Q4 alone, the City recorded \$16.7 million in construction value supported by 175 building permits, reflecting steady investment and ongoing confidence of the local development sector. Year-end totals further demonstrate a healthy level of activity, with \$162 million in overall construction value for 2025, closely aligned with the five-year average of \$165 million. The City issued 678 building permits over the course of the year, slightly below the five-year average of 747 but still indicative of a resilient development environment, shaped by stable demand and a diverse range of project types advancing across the community.

- Major Development Projects – Q4 2025 Highlights

Several significant projects advanced in Q4, reflecting continued momentum in housing, community infrastructure and commercial construction:

- **Skaha Assembly Rezoning (Provincial Lands, Skaha Lake Road):** Council granted first reading to the rezoning for this transit-oriented development, which proposes over 600 homes supported by ground-floor commercial and community amenity space. Staff continue to work closely with BC Housing to advance implementation and move the project toward shovel-ready status.
- **200-Bed Long-Term Care Facility (435 Green Avenue):** Foundation permits were issued in Q4 for what is now the largest construction project in Penticton at \$50 million+, located on the former David Kampe Estate. Construction is underway on the 200-bed care facility, along with an accompanying 30+ unit staff-housing apartment building.
- **75 Martin Street:** This 75-unit rental apartment building received its building permits in Q4, with foundations and framing completed quickly, will be a significant project in a strategically important part of the community, adding to downtown vibrancy.

Update on ongoing construction projects:

- **Other Rental Housing Projects:** Rental construction remained a dominant component of Penticton's development activity in 2024-2025, with over 450 rental units issued permits over the past two years. Several projects are nearing occupancy, including: M'akola's project at 603 Main

Street (36 units), 123 Front Street (48 units), and Rigsby Street (49 units). Significant progress is also being made on Mission Group's 192-unit rental project on Timmins Street (now at framing), and the Okanagan College student-housing building (89 beds), which is advancing through key inspections and remains on track to accommodate students for Fall 2026.

- **Commercial Projects:** 2025 also saw notable commercial investment, including the BNA Brewery renovations, Evolve Winery, the Canadian Tire expansion, and several other commercial investments that continue to strengthen the city's commercial landscape.

- 2026 Development Look-Ahead

Development activity is expected to remain strong in 2026. While infill and smaller projects are showing some softening, reflecting broader market adjustments, larger projects will continue to drive overall unit counts and construction value in the year ahead. Key projects anticipated to begin construction in 2026 include:

- **170 Warren Avenue:** A 24-unit expansion to the Athens Creek Retirement Lodge.
- **251 Comox Avenue:** A 147-unit rental apartment building, which received first reading of its zoning amendment on February 17, 2026, and is expected to begin construction this spring.
- **221/235 Yorkton Avenue (Skaha Lake Towers):** Approved by Council in Q4 2025; foundation work is underway on Phase 1, delivering 67 strata units in a two-phase project.
- **995 Eckhardt Avenue (BC Builds):** A 60-unit housing project on City-owned land accepted into the provincial BC Builds program, providing at least 20% below-market units. Construction is targeted to start in June 2026.
- **1635 Main Street (Penticton Crossing):** A new 13,000 sq. ft. commercial development at Main Street and Industrial Avenue, with building permits under review and construction anticipated this spring.
- **698 Eckhardt Avenue (McDonald's Restaurant and Drive-Through):** Approved by Council in Q4, with construction slated for spring.
- **2210 Main Street (Shoppers Drug Mart):** A 17,000 sq. ft. commercial unit currently in the building permit stage and likely to break ground this spring.
- **City Projects (New fire hall and twin pad arena):** Two major City-led projects will be front and center in 2026. The new Fire Hall on Dawson Avenue is progressing toward a potential groundbreaking later in the year, marking a significant investment in public safety infrastructure. At the same time, important planning work will continue on the twin-pad arena and the future of Memorial Arena, a key strategic priority for realizing the North Gateway vision and the next major step emerging from the City's asset and amenity management planning.

While numerous additional applications are progressing through the development pipeline, staff note that overall application volume and pre-application meeting interest has softened as developers adjust to current market conditions, raising questions about 2027 and beyond. Even so, the scale of active and upcoming projects positions 2026 to remain a strong year for construction in Penticton.

Industry Engagement:

Beyond supporting day-to-day development activity, the Development Services leadership team continue to maintain positive engagement with the development industry. Staff participate in the quarterly Urban Development Institute (UDI) Penticton Liaison Table, which met in Oct in Q4, sit on the Canadian Home Builders Association South Okanagan (CHBA-SO) monthly policy group, and facilitate a builders roundtable through the 100 More Homes initiative, focused on advancing non-market housing. These regular touchpoints help strengthen relationships, identify emerging issues early, and support a more coordinated and responsive development environment.

The Development Services Division hosted a Builders Social on November 27 to strengthen relationships with the local construction and development community. Held at Cannery Brewing, the event brought together approximately 30 industry professionals for an informal opportunity to discuss emerging issues, share ideas, and identify opportunities to improve collaboration between the City and the sector. The session helped foster stronger connections and opened the door for ongoing dialogue aimed at bridging gaps and supporting a more responsive development environment.

Long Range Planning

Urban Deer Strategy Development

During Q4, the City convened the inaugural meeting of the **Urban Deer Advisory Committee**, established to guide recommendations for a long-term strategy to address urban deer in Penticton. Initial meetings have focused on building committee knowledge, covering urban deer behaviour, population dynamics, and how other communities have approached similar challenges. As this work continues into 2026, the focus will shift to conducting a Penticton-specific deer count and developing a made-in-Penticton strategy, informed by collaboration with the Provincial policy frameworks, the RDOS WildSafe program, and Indigenous perspectives.

KVR Master Plan

The KVR Master Plan work will guide improvements and connections that enhance recreation, transportation, tourism, and overall community wellbeing along this historic corridor. The plan will outline priority upgrades, wayfinding and amenity enhancements, cultural storytelling opportunities, and a clear roadmap for future investment and stewardship. With Phase II public engagement occurring in Q4, with a report scheduled to go to the Parks Committee and Council in early 2026. The plan is proposed to be completed later this year outlining an implementation plan and capital upgrade plan to be funded in future years.

Esplanade Master Plan

On a similar timeline as the KVR Master Plan, the second phase of community and interest group consultation for the Esplanade Master Plan, occurred in Q4 2025, with early results of that work planned to be presented to the Parks Committee and Council at an upcoming meeting. Based on the work to date a strong vision for the Esplanade area is now emerging and Council will be asked to provide important direction on some key moves and early implementation initiatives for the plan area.

Business Licensing Program updates

In Q4 2025, staff undertook a significant modernization of the City's Business Licence Bylaw. The updated framework, introduced to Council in early 2026, is now out for review and comment by the City's business organizations, with a Public Hearing and final adoption scheduled for February. The intent of the overhaul is to simplify the bylaw, improve clarity for businesses, and ensure alignment with current economic conditions and regulatory requirements.

Staff have observed a modest decline in active business licences through Q3 and Q4 2025 following several years of steady post-pandemic growth (Figure 1 – below)). While year-to-year fluctuations are not unusual and often reflect broader economic trends, the recent downturn warrants some analysis. Several factors may be contributing, including changes to Short-Term Rental regulations, adjustments to licensing requirements for long-term rental operators, compliance gaps among businesses unaware of licensing obligations, or a broader softening in local economic activity.

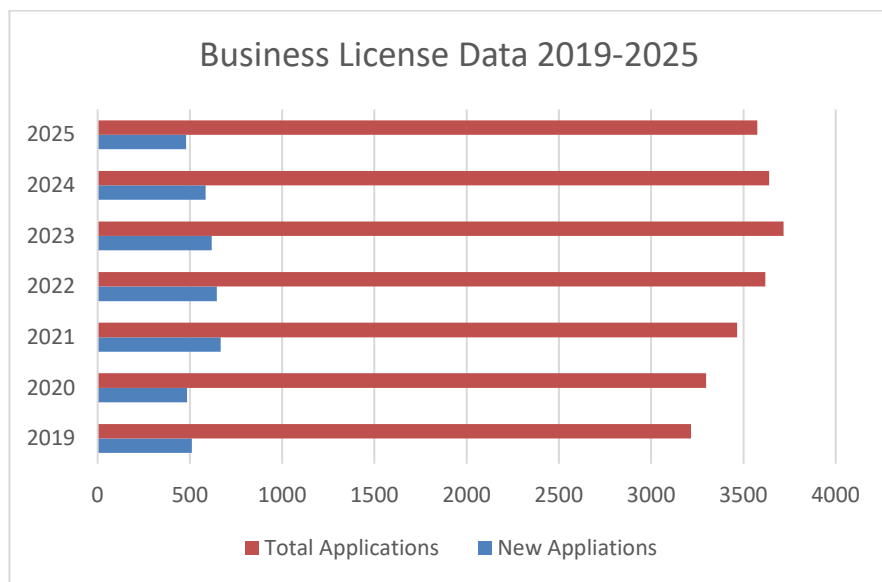


Figure 1: Business License Data 2019-2025

Staff will continue to monitor this trend closely and will report back to Council if the decline persists into 2026, along with recommended actions or policy adjustments as appropriate.

Events

After an extremely busy summer event season, the fall and winter is typically slower on the event calendar, however, there were some exciting events these months highlighted by the following:

October	November	December
Highlighted Events: <ul style="list-style-type: none"> • GoByBike • Sisters in Spirit • Run for Hunger • DPBIA Nightmare on Front Street 	Highlighted Events: <ul style="list-style-type: none"> • Magic on Main Santa Claus Parade • PDCAC Fall Art Walk 	Highlighted Events: <ul style="list-style-type: none"> • Netflix Production in town • NYE Fireworks
9 events supported	4 events supported	3 events

Of special note this quarter was a Netflix production that filmed in Penticton, using the outdoor ice rink and light tunnel as key locations. The production, rumoured to be titled *Winstead & Ruby*, and based on the best selling book "A Dog's Perfect Christmas", shot scenes on December 10 and worked through warm temperatures and periods of rain. To maintain the winter setting required for the film, crews brought in snow from Apex Mountain, ensuring the scenes reflected the desired aesthetic. This activity highlights Penticton's appeal as a filming destination, and staff continue to advance the City's Film Attraction Strategy with the goal of bringing more productions like this to the community.

Q1 2026 Event Preview

Looking ahead to events in Q1 2026, Frost Fest was first up and while, it occurred prior to the drafting of this report, a more fulsome recap of the event will be included in the Q1 memo. Other events of note in Q1 include the South Okanagan Immigrant and Community Services (SOICS) 'One World Festival' on February 21st, CCSHL Championships running from March 2-16th, and the Ignite the Arts Festival from March 27-29th.

Staff are also working to support a number of industry trade shows and conference events in 2026 mainly in Q1 and Q2, with staff actively participating in the planning and delivery of the following:

Event	Location	Date
Canadian Home Builders Home Show	Penticton Trade and Convention Centre (PTCC)	March 7-8 th
Work BC/ City / Chamber Job Fair	PTCC	March 18 th
Thinking about Remarkable, Unique Experiences (TRUE)	PTCC	April 19 th

Tourism Expo (Visit Penticton)		
BC Economic Development Association Summit	PTCC	May 11 – May 14
Business Improvement Area BC (BIABC) Conference	Lakeside Resort	May 24-26 th
Planning Institute of BC (PIBC) Conference	Lakeside Resort	Jun 1- June 4 th
Local Government Management Association (LGMA) Conference	PTCC	June 9-10 th

These industry conferences and trade shows, while a lot of work to put on, are important to highlight the community. Several of the organizations are hosting their events in Penticton for the first time.

Summary

This report provides an overview of key activities and initiatives advanced throughout Q4 2025 in support of Council’s Livable and Accessible priority. This priority focuses on deliberately planning for an inclusive, healthy, and vibrant community, strengthening housing availability, supporting cultural and economic vibrancy, and ensuring Penticton remains a welcoming, accessible place to live.

The work completed in Q4, from strategic communications to major development progress to long-range planning and community engagement initiatives, contributed meaningfully to advancing Council’s Livable and Accessible Strategic Priority.

2026 Look-Ahead

As we move into Q1 2026 and beyond, the City will continue to place strong emphasis on delivering Council’s Livable and Accessible agenda. A major focus will be on implementing the North Gateway vision, with progress on the PTCC Hotel initiative, concept design for the Westminster Avenue corridor, ongoing construction activity in the surrounding area, including the BC Builds project and Comox Avenue rental development, and continued planning work on the new twin-pad arena and the future of Memorial Arena. Together, these projects position the North Gateway for transformative, generational change and this work will continue.

Several important apartment buildings are expected to reach occupancy in early 2026, which will provide much-needed relief in the rental market, where vacancy remains below the recommended 3–5% range. Development activity overall is projected to remain strong, with numerous residential and commercial projects continuing through the approvals and construction pipeline.

Long-range planning efforts will also advance in 2026, with both the KVR Trail Strategy and Esplanade Planning Process moving toward major milestones and anticipated adoption later in the year. These

plans will help strengthen recreation, mobility, placemaking, and waterfront activation, key components of a livable and accessible community. Later in the year, we will be launching two further important long range planning initiatives, the downtown planning process and the Lions Park Master Plan. The City continues its work on the Urban Forest Master Plan implementation, with a number of planting initiatives to meet our tree planting targets outlined in the plan and a new tree protection bylaw currently in draft form and planned to come to Council in early 2026.

The City will also support events and partner trade shows and conventions and industry conferences, a major theme and focus for the Department in early 2026.

On the capital works side, continued investments in our parks and greens spaces is occurring, with the redevelopment of Lakawanna Park highlighting these efforts this year, supporting enhanced accessibility and livability.

Across all service areas involved in this work, staff will continue working collaboratively with partners, industry, and business organizations to maintain a strong economic environment, adapt to emerging challenges, and ensure the City remains responsive to community needs in the year ahead.

Respectfully submitted,

Blake Laven, General Manager of Development Services