

REPORT TO COUNCIL



Date: January 23, 2018
RIM No. 0940-00
To: City Manager
From: Community Planning Department (TB)

Application: DP16-0260 DVP16-0261

Owner: Aqua Resort Ltd. Inc.
No. BC0796165, City of
Kelowna, Sujata
Randhawa

Address: 550 Truswell Road
3814, 3820, 3828, 3832, 3838 Capozzi Road
3786 Lakeshore Road

Applicant: Aqua Resort Ltd. Inc.
No. BC0796165

Subject: Development Permit and Development Variance Permit

Existing OCP Designation: MXT – Mixed Use Tourism

Proposed Zone: C9 – Tourism Commercial

1.0 Recommendation

THAT Council authorizes the issuance of Development Permit No. DP16-0260 and Development Variance Permit No. DVP16-0261 for portions of each of the following properties:

1. Lot 1, Sec 1 & 12, Twp 25, ODYD, Plan 2714, located at 3814 Capozzi Road, Kelowna, BC;
2. Lot 2, Sec 1, Twp 25, ODYD, Plan 2714, located at 3820 Capozzi Road, Kelowna, BC;
3. Lot 3, Sec 1, Twp 25, ODYD, Plan 2714, located at 3828 Capozzi, Road, Kelowna, BC;
4. Lot 4, Sec 1, Twp 25, ODYD, Plan 2714, located at 3832 Capozzi Road, Kelowna, BC;
5. Lot B, Sec 1, Twp 25, ODYD, Plan 13822, located at 3838 Capozzi Road, Kelowna, BC;
6. Lot 17, Sec 1, Twp 25 & DL 134, ODYD, Plan 2714 Except Plan KAP66263, located at 550 Truswell Road, Kelowna, BC;
7. Lot 5, Sec 1, Twp 25, & Sec 6 Twp 26, ODYD, Plan 2912 Except Plan 35979 and Plan KAP56428, located at 3786 Lakeshore Road, Kelowna, BC;

as outlined in red on Attachment "MAP" attached to the Report from the Community Planning Department dated January 23, 2018, subject to the following:

1. Registration of subdivision with the Land Title & Survey Authority;
2. Completion of Land Agreement between City of Kelowna and Aqua Resort Ltd;
3. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
4. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
5. Landscaping to be provided on the land be in accordance with Schedule "C";
6. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping and improvements as determined by a Registered Landscape Architect and/or Engineer as required;
7. Public Washroom Facilities to be provided on the land in accordance with Schedule "D";
8. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the Public Washroom Facilities;

AND THAT variances to the following sections of Zoning Bylaw No. 8000 be granted, in accordance with Schedule E:

Section 14.9.5 (b) Tourist Commercial Development Regulations

To vary the maximum height from 22.0 m or 6 storeys (required) to 53.5m or 16 storeys (proposed), 47.58m or 14 storeys (proposed), and 41.7m or 12 storeys (proposed) for apartment hotels and hotels;

Section 14.9.6 (f): Tourist Commercial Other Regulations

To vary the maximum height of a Boat Storage facility from 6.0m or 1 storey (required) to 17.4m or 4 storeys (proposed) and to vary the maximum number of tiers of storage from 1 (required) to 4 (proposed);

Section 14.9.5 (c): Tourist Commercial Development Regulations

To vary the minimum front yard setback from 6.0m (required) to 0.0m (proposed) (Cook Road);

Section 14.9.5 (d): Tourist Commercial Development Regulations

To vary the minimum side yard setback from a flanking street from 4.5m (required) to 0.0m (proposed) (Cook Road Boat Launch);

Section 14.9.5 (d): Tourist Commercial Development Regulations

To vary the minimum side yard setback from a flanking street from 4.5m (required) to 0.0m (proposed) (Truswell Road);

Section 14.9.5 (e): Tourist Commercial Development Regulations

To vary the minimum rear yard setback for a structure from 4.5m (required) to 0.0m (proposed) (Waterfront Property Line);

AND THAT the applicant be required to complete the above noted conditions of Council's approval of the Development Permit Application in order for the permits to be issued;

AND FURTHER THAT this Development Permit and Development Variance is valid for two (2) years from the date of Council approval, with no opportunity to extend.

2.0 Purpose

To consider a Development Permit for the form and character of an apartment hotel complex with a boat storage facility and commercial spaces. To consider a Development Variance Permit for six variances: to increase the maximum height of the residential buildings from 6 stories (required) to 12, 14, and 16 storeys (proposed); to increase the maximum height of the boat storage facility from 1 storey (required) to 4 storeys (proposed); to reduce the minimum side yard setback on Cook Road Boat Launch and Truswell Road for the commercial/retail units; to reduce the minimum front yard setback for the commercial/retail units along Cook Road, and to reduce the rear yard setback along the waterfront property line.

3.0 Community Planning

Community Planning Staff recommend support for the Development Permit and associated variances for the proposed project known as 'Aqua' at Truswell Road and Cook Road. The proposed development is a 319 unit resort-style development with three apartment hotel towers (12, 14, 16 storeys) on a four level parking podium, flanked by townhomes, a 4 storey boat storage facility, and commercial units. The rationale for support is based on the following:

- i. Unique development characteristics of the subject property
- ii. Previous approvals in the area
- iii. Applicant's design revisions and responses to Staff's concerns
- iv. Significant public amenity package
- v. Consistent with OCP Comprehensive Development Permit Guidelines

i. Development Characteristics

The applicant has assembled a significant land base for this project. The lot consolidation includes the closure of Capozzi Road, which provides additional area, and creates continuity to the applicant's upland property. It has resulted in a 6.0 acre urban waterfront site and a favourable configuration for re-development. In addition to the relatively large land base, the unique nature of the subject property's development rights over the water further the applicant's ability to maximize density for the project while remaining consistent with the maximum Floor Area Ratio of 1.5 as defined in the Zoning Bylaw. This allowable density could result in significant massing if configured in a 6 storey complex. Through various massing studies, Staff are confident that the increased height is better and more visually appealing than a shorter, longer horizontal building with uniform height.

ii. Previous Approvals and Plans

There are two previous development approvals in the area for other apartment hotel projects including Hiawatha Park (11 storeys) and Manteo Resort (10 storeys and 12 storeys). Further, the Pandosy/KLO Sector Plan (1999) identified the property as a landmark development site within the Lakeshore Road Tourist/Commercial node.

iii. Design Revisions

The initial application was made in October 2016 and included three towers 13, 16, and 19 storeys with a 6 storey boat storage facility. Prior to initial consideration of the Rezoning Bylaw, the applicant revised their boat storage facility to 4 storeys upon Staff recommendation. Following 3rd reading of the Rezoning Bylaw in May of 2017, Staff initiated the evaluation of the form and character Development Permit and associated variances. Staff identified four key areas where the Development Permit Guidelines were not being met and provided formal comments to the applicant regarding:

1. Ground level animation
2. Public access and connectivity
3. Massing and height
4. Design of boat storage facility and launch

The applicant worked with their consulting team to explore ways at improving the project and addressing Staff concerns. Through an iterative process lasting several months, the applicant revised and re-submitted new Development Permit drawings with the following additions and improvements:

- Addition of ground-oriented commercial units facing Cook Road in front of the boat storage facility to animate the new Cook Road extension and provide public interaction;
- Addition of a commercial node at the mid-point along the waterfront promenade to provide ground level animation;
- Addition of a public walkway, “Marine Alley”, on the northern side of the development along the Cook Road Boat launch to improve public connectivity and design;
- Improvements to the interface of the project with the City’s Boat Launch and parking lot to ensure safety and public access;
- Improvements and expansion of the ground-oriented townhouses along the southern boundary of the subject property facing Truswell and the southern pedestrian connection to the waterfront to interact at a human scale;
- Reduction in height of the 3 towers to 12, 14 and 16 stories;
- Improvements in the materials and colours of the buildings to provide visual interest and reduce massing; and
- Redesign of the boat storage facility to have more permeable materials and a lower profile roofline.

iv. Public Amenities

Several public amenities will be achieved as a component of approval of this development including:

- 1.2 acre waterfront park dedication;
- Environmental restoration and waterfront park development including a public waterfront promenade;
- Re-development and re-configuration of the Cook Road parking lot and staging area;
- Dedication and construction of the Cook Road extension to improve neighbourhood traffic flow;
- Dedication and construction of a pedestrian walkway connecting Truswell Road to the new waterfront park; and
- New publicly accessible washrooms serving users of the Cook Road Boat Launch and the general public.

v. Comprehensive Development Permit Design Guidelines

The project meets the majority of the Comprehensive Development Permit Design Guidelines (Attachment “A”) and is consistent with the objectives of the development permit process as outlined in the Official Community Plan. The format of the development is a four storey parking podium and four storey boat facility with commercial and residential uses that wrap around the podium, and three towers (12, 14, 16 storeys) based on top of the podium.

An important design consideration is the interaction of the buildings at ground-level with the streetscape and the pedestrian realm. The applicant is proposing commercial spaces that wrap around the boat storage facility along Cook Road, walk-up townhomes along the waterfront promenade with a mid-block commercial node to help animate the public space; walk-up townhomes along the walkway connection to Truswell Road, and a small urban plaza near the entrance to the development on Truswell Road supported by a proposed food primary space. The design of the buildings at ground-level gives emphasis to pedestrian entrances and windows, provides articulation and visual interest along facades, and incorporates roof overhangs along the public streets. Parking is mostly contained in the structured parkade screened from public view. Overall, pedestrian access will be achieved on all four sides of the development including a new sidewalk connection, "Marine Alley", along the interface of the property with the City's Cook Road Boat Launch.

The applicant has attempted to reduce the perceived bulk of the towers by stepping back upper floors, providing projections and balconies and creating articulation along building facades. Green roof elements and a comprehensive landscape plan assist with softening the buildings and providing quality outdoor space.

Figure 3.1 – Rendering of view from Okanagan Lake



In addition to the height variance for the towers (6 storeys required), the applicant is requesting five other variances for the project. Three setback variances are requested for the commercial units that flank the boat storage facility to 0.0m. The commercial spaces help to animate and break up the mass of the boat storage facility. As well, zero lot line setbacks are common on commercial streets elsewhere in the City including many streets in the Urban Centres.

A rear yard setback variance is requested from 4.5m required to 0.0m along the proposed waterfront promenade. This will provide the applicant flexibility during detailed design to create an urban interface between the townhouses, the private patios, and the commercial unit along the public waterfront promenade.

The applicant is also requesting a height variance to allow the proposed boat storage facility to be increased from 1 storey (required) to 4 storeys (proposed). The additional height provides the

opportunity for the developer to install a four tiered verical boat storage system for 183 boats. To help mitigate the overall mass of the boat storage facility, the developer is proposing a number of architectural enhancements including commercial/retail spaces at-grade.

Figure 3.2 – Proposed Boat Storage Facility along Cook Road



Staff's recommendation of support does not come without some concern for allocating height outside of an Urban Centre and to the extent as proposed. While this area is designated as a tourist/commercial neighbourhood, it is inconsistent with the Official Community Plan (OCP) policy that directs tall buildings to Urban Centres and away from the waterfront. Tall buildings create a sense of prominence and hierarchy in the City's built form, therefore, height needs to be carefully considered and allocated. The Aqua development will create a landmark and community icon in this tourist node. There is also concern that this height variance may be referenced by other developers as rationale for further height increases in this specific area or in other areas of the City outside of Urban Centres. Should Council approve the Development Permit and Development Variance Permit, Staff would recommend that more detailed policy direction be created for this area in consideration of setting fair and equitable height regulations in the upcoming OCP update process.

Figure 3.3 – Rendering of view from Truswell Road



4.0 Proposal

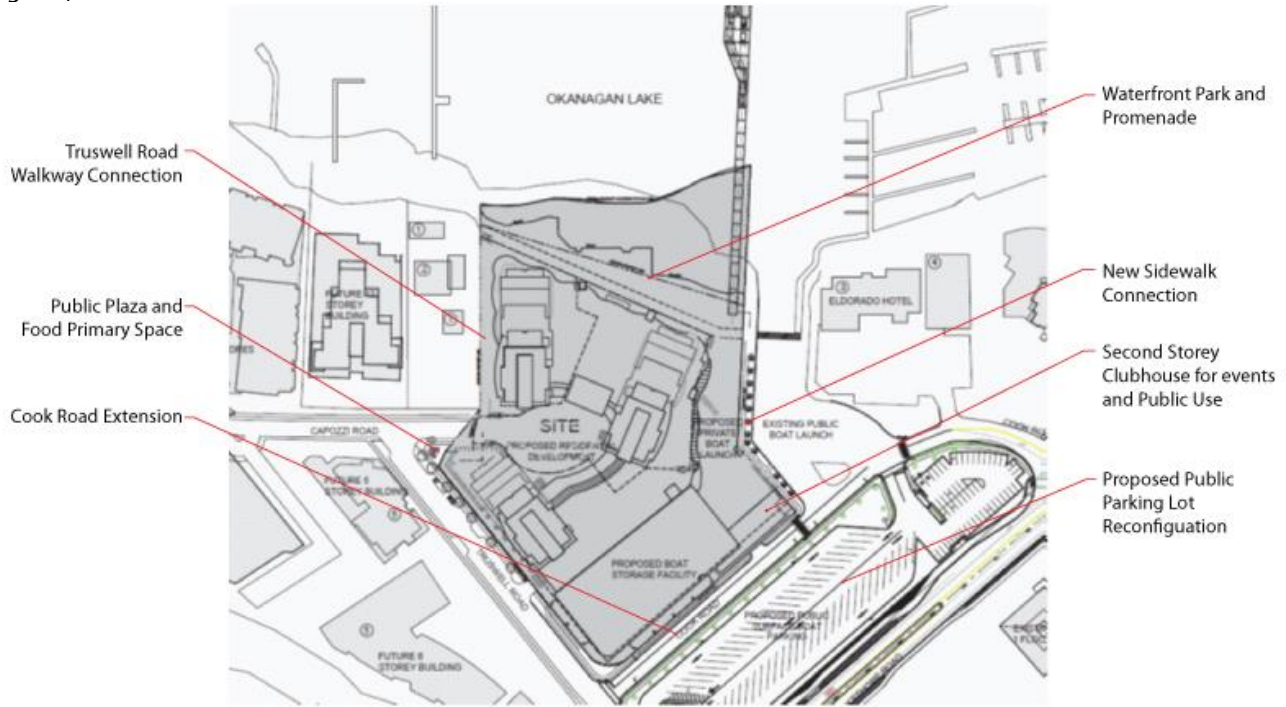
4.1 Background

Mission Group first proposed development on these properties in 2008 including a Rezoning, Development Permit, and Development Variance Permit for the project known as Aqua. The proposal included 13, 16, and 19 storey towers in a configuration with a marina and a groyne (to mitigate sand migration) rather than a boat storage facility. The application for a marina and groyne was not approved by the Provincial Ministry of Environment, and the applicants withdrew their application.

4.2 Project Description

The proposed development is a 319 unit resort-style development. There are three apartment hotel towers (12, 14, 16 storeys) on a four level parking podium, flanked by townhomes, a 4 storey boat storage facility, and commercial units.

Figure 4.2.1 Site Plan



Cook Road Boat Launch and Parking Lot

The proposed development triggers the provision of several community amenities. These include a reconfiguration of the public boat launch parking lot and staging area. The reconfiguration of this parking lot requires the removal of the City’s existing stand-alone washroom building. As a community benefit, the developer is proposing to rebuild these public washrooms within the boat storage facility. The realignment of the parking lot will facilitate improvements to vehicle circulation, queueing, boat launching, traffic control, as well as providing the Cook Road extension to Truswell Road. A form and character Development Permit will be required for the final design and landscaping of the parking lot and boat launch, that Staff will bring forward to Council for formal consideration in the coming months.

Waterfront Dedication and Promenade

The development triggers a waterfront dedication of 1.2 acres and the construction of a public promenade as an extension to the Eldorado and Manteo waterfront walkway. This important walkway extension is part of the City’s Linear Park Master Plan that is envisioned to connect Rotary Beach Park to the mouth of Mission Creek and the Mission Creek Greenway. A Staff-issued Environmental Development Permit will be required to determine promenade design and the appropriate riparian restoration treatment.

4.3 Public Consultation

The applicants completed a Public Open House on April 25, 2017 to showcase their original Development Permit application in advance of the Public Hearing on the proposed Rezoning. Following design changes and changes to the variance height, the applicants have planned a second Public Open House on January

18th, 2018, and have initiated the process of informing all stakeholders including neighbours, community groups, and concerned citizens.

4.4 Project Process

The Aqua project needs several permits and approvals in the following sequence:

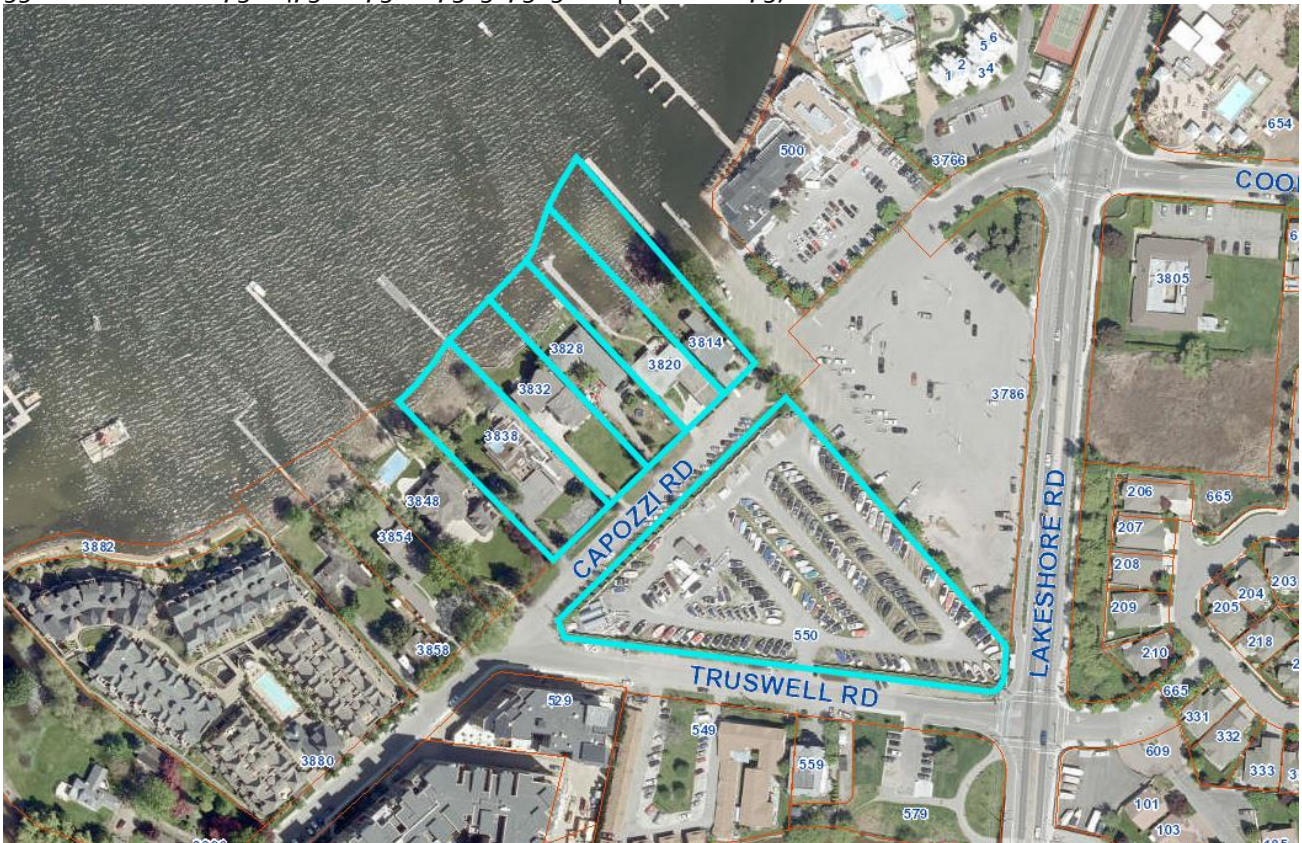
- Fourth reading of Rezoning Bylaw
- Form and character Development Permit and variances (under consideration with this report)
- Fourth reading of Road Closure Bylaw (Capozzi Road)
- Environment Development Permit
- Form and character Development Permit for Cook Road parking lot
- Technical subdivision and consolidation
- Building Permit

4.5 Site Context

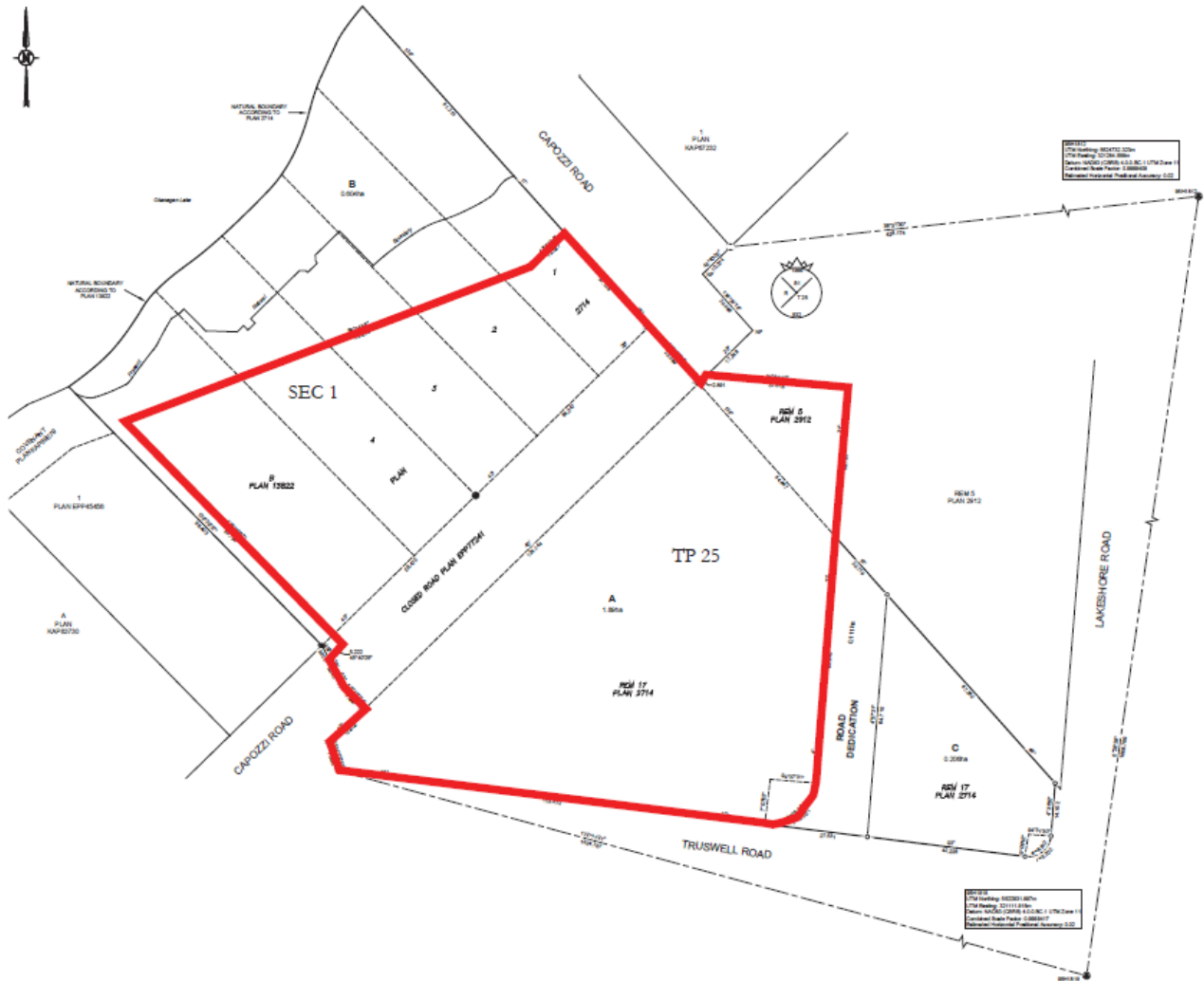
The subject property is located south of the Eldorado Hotel and Manteo Resort, and north of the mouth of Mission Creek and Mission Shores complex. It has been identified as a site for a landmark development within the tourist commercial node in the South Pandosy/KLO Sector Plan. The Sector Plan also encourages enhancing tourist commercial opportunities in this area and linking trails and corridors to protect the natural environment.

Subject Property Map:

550 Truswell Road, 3814, 3820, 3828, 3832, 3838 Capozzi Road, 3786 Lakeshore Road



Consolidated Property Map:



4.6 Zoning Analysis Table

Zoning Analysis Table		
CRITERIA	C ₉ ZONE REQUIREMENTS	PROPOSAL
Existing Lot/Subdivision Regulations		
Lot Area	1800 m ²	24,962.7 m ²
Development Regulations		
Floor Area Ratio	1.5	1.5
Height	Apartment Hotel: 22.0 m or 6 storeys Boat Storage: 6.0 m or 1 storey	Tower 1: 47.6 m or 14 storeys 1 Tower 2: 53.5m or 16 storeys 1 Tower 3: 41.7 m or 12 storeys 1 Boat Storage: 17.4 m or 4 storeys 2
Side Yard (Truswell Road)	4.5 m	0.0 m 3
Side Yard (Boat Launch)	4.5 m	0.0 m 4
Front Yard (Cook Road)	6.0 m	0.0 m 5
Rear Yard (Waterfront)	4.5 m	0.0 m 6
Other Regulations		
Minimum Parking Requirements	Residential: 453 stalls Visitor: 47 stalls Boat Storage: 20 stalls Commercial: 36 stalls Total: 556 stalls	Residential: 527 stalls Visitor: 47 stalls Boat Storage: 28 stalls Commercial: 40 stalls Total: 643 stalls
Bicycle Parking	Class 1 (Secured): 160 Class 2 (Visitors): 32	Class 1 (Secured): 233 Class 2 (Visitors): 32
<p>1 To vary the maximum height from 22.0 m or 6 storeys (required) to 53.5m or 16 storeys (proposed) for apartment hotels and hotels;</p> <p>2 To vary maximum height of a boat storage facility from 6.0m or 1 storey (required) to 17.4m or 4 storeys (proposed) and to vary the maximum number of tiers of storage from 1 (required) to 4 (proposed);</p> <p>3 To vary the minimum side yard flanking street setback for a portion of the site from 4.5m required to 0.0m proposed;</p> <p>4 To vary the minimum side yard flanking street setback for a portion of the site from 4.5m required to 0.0m proposed;</p> <p>5 To vary the minimum front yard setback from 6.0m required to 0.0m proposed.</p> <p>6 To vary the minimum rear yard setback for a structure from 4.5m required to 0.0m proposed.</p>		

5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Comprehensive Design Guidelines¹

- Convey a strong sense of authenticity through urban design that is distinctive for Kelowna;
- Promote a high urban design standard and quality of construction for future development that is coordinated with existing structures;
- Integrate new development with existing site conditions and preserve the character amenities of the surrounding area;
- Promote interesting, pedestrian friendly streetscape design and pedestrian linkages;
- Provide for a scale and massing of commercial buildings that promotes a safe, enjoyable living, pedestrian, working, shopping and service experience;
- Incorporate architectural features and detailing of buildings and landscapes that define an area's character;
- Promote alternative transportation with enhanced streetscapes and multimodal linkages;
- Protect and restore the urban ecology (i.e. architectural and site consideration with respect to the ecological impact on urban design).

Provide waterfront parkland along the Okanagan Lake shoreline.²

Provide a City-wide linear park and trail network.³

Linear Park Priorities. The top six linear park priorities for the City, as endorsed by the Linear Park Master Plan are:

- Waterfront Walkway
 - Kinsmen to Strathcona; and
 - Rotary Beach Park to Mission Creek
- Rails with Trails
- Mill Creek
- Bellevue Creek
- Gopher Creek, and
- Mission Creek – Lakeshore to the Lake

5.2 South Pandosy/KLO Sector Plan (1999)

Enhance the Tourist Commercial Opportunities⁴ by incorporating waterfront development access near the Town Centre and in the established Resort area near the Eldorado Hotel. The Plan encourages the careful and well designed integration of tourist accommodation and services such as restaurants with strategic waterfront locations.

A Network of Parks, Open Space and Environmentally Sensitive Areas⁵ linking neighbourhoods and providing recreational amenities. The Plan encourages a well planned network of trails, open space, and natural corridors to help protect the natural environment and allow for active and passive recreation.

¹ City of Kelowna Official Community Plan Chapter 14 (Urban Design DP Guidelines)

² City of Kelowna Official Community Plan Chapter 7, Objective 7.14

³ City of Kelowna Official Community Plan Chapter 7, Objective 7.13.1

⁴ City of Kelowna South Pandosy/KLO Sector Plan Section 4.2 (KLO/South Pandosy Area Vision)

⁵ City of Kelowna South Pandosy/KLO Sector Plan Section 4.2 (KLO/South Pandosy Area Vision)

6.o Application Chronology

Date of Application Received: October 21, 2016
Date of Public Open House: April 25, 2017
Date of Public Hearing: May 2, 2017
Date of Revised DP Drawings Received: October 27, 2017
Date of Public Open House: January 18, 2018

Report prepared by: Trisa Brandt, Planner

Reviewed by: Terry Barton, Urban Planning Manager

Reviewed by: Ryan Smith, Community Planning Department Manager

Approved for Inclusion: Doug Gilchrist, Divisional Director, Community Planning & Strategic Investments

Attachments:

Attachment "A": Comprehensive Design Guidelines Checklist
Attachment "B": Community Master Plan & Vision Summary
Draft Development Permit and Development Variance Permit No. DP16-0260 DVP16-0261
Attachment "MAP": Sketch of the Subject Property
Schedule "A": Site Plan
Schedule "B": Elevations and Renderings
Schedule "C": Landscape Plan
Schedule "D": Public Washroom Location