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January 15, 2019

Attention: Danielle Noble-Brandt
Department Manager, Policy and Planning

**Re: OCP Updates Based on Growth Scenario 3
Impacts to the Wilden Development**

Blenk Development Corp., the developer of Wilden, offers the following comments in follow-up to our January 10, 2019 meeting.

At the meeting, City staff explained that they have been directed by Council to move forward with the development of an OCP that adheres to Growth Scenario 3, which necessitate the removal of all the Wilden land previously approved for development in the Area Structure Plan, but currently unzoned. This land is known as Phase 3 of Wilden. Be advised that Blenk Development Corp. is strongly opposed to this unforeseen and extreme change in City direction.

There are a number of potentially detrimental citywide effects from a change to the OCP of this magnitude, and Wilden will continue to work with industry organizations such as UDI and CHBA on a comprehensive response to the City. For the purposes of this letter, our comments will be restricted to the specific impacts at Wilden.

In 2001 the City of Kelowna and Blenk Development Corp and the Blenk family, agreed on an Area Structure Plan and overall master plan for the orderly development of Wilden. We worked hand-in-hand with the City over a 2 years period in development of the ASP, with well over a million dollars spent on the process. During these past 18 years we've poured a significant amount of resources into infrastructure to support this plan. This investment was made on the belief that if Wilden lived up to their ASP commitments, we could trust the City and Council to do the same. Our understanding is that the revised OCP based on Growth Scenario 3, if approved by Council, would effectively remove the entire Phase 3 area of Wilden from the OCP. Phase 3 consist of 42% of all Wilden lands and approximately 1,000 units, roughly one-third of the total development yield. We at Wilden have always worked cooperatively with the City and stayed true to our commitments with respect to the ASP, however the removal of the Phase 3 land from the OCP by the City at this point in the project will jeopardize the entire project and frankly, brings into question the City's commitments to any subsequent agreements moving forward.

From the early stages, we've always considered Wilden as a complete project and our financial plans made according to this holistic approach. All proceeds from sales have been continuously re-invested in the project with the break-even point anticipated at some time during the development of Phase 3. Over the years the Blenk family has devoted significant resources into maintaining quality

and sustainable growth at Wilden, while foregoing short-term profitability. The removal of the Phase 3 lands would make the financial viability of the project doubtful at best.

Not only the viability, but the vision the Blenk family and management have for Wilden to grow into a self-sufficient and complete community would be at risk. It will not be possible to remove this major portion of the overall master plan without negatively impacting the currently zoned land, and in some cases due to roads and servicing constraints, would render areas of zoned land undevelopable.

A few specific consequences:

- The Wilden Village and Market Square area, which has been painstakingly planned out in cooperation with City staff, is currently in the process of a zoning adjustment. The attached retail market study shows that Phase 3 of Wilden represents roughly 50% of the total population in the Primary Trade Area contributing to the Market Square commercial. The Village and Market Square shops, services, mixed-use rental buildings, office space, elementary school, community gathering venues, pedestrian-only areas and cultural events represent the heart of the community. Without the Phase 3 population to support it, the Market Square commercial component would not be financially possible. The concept of the Market Square was presented to our residents in cooperation with the City at a February 15, 2018 information open house and was welcomed and approved by over 80% of those attending. It would be a major setback for Wilden and of great concern to all existing residents if these amenities are no longer possible.
- Wilden has made commitment to our approximately 2,000 current residents based on the master plan. Specifically, this relates to amenities such as the Village and Market Square, school, roads and services network and product mix. Both Wilden and the City's reputation and credibility with residents will be compromised should the plan be significantly altered due to the removal of Phase 3 lands.
- The higher density multi-family housing within and around the Wilden Village would suffer without the commercial amenities to support them. Development of this higher density type housing would likely be delayed indefinitely or changed to a much lower density form.
- The planned Elementary School would be at risk due to the diminished population. A substantial number of our customers bought into Wilden because of the promise of a school as shown on the master plan. The School District has identified this site as a priority and has requested funding from the Ministry of Education in their five-year capital plan.
- The community we envisioned is based on a wide mix of products to provide options to all segments of the market from apartment rentals, condos, townhomes, duplexes, single family homes and suites. Without Phase 3 this mix would be compromised. Several low-density family orientated townhome developments were intended to be included in Phase 3.
- The need for the infrastructure that has already been constructed and being constructing today, in particular the Begbie Road connection to Glenmore Road, are put into question without development of the Village Centre and removal of the Phase 3 lands. We will need to consider halting construction of Begbie Road pending a traffic study to determine if this road connection is still required.
- In the early stages, Wilden was faced with significant up-front cost to complete off-site works required by the City to support the full master plan build-out of Wilden. These off-site works included pre-payment for the four-laning of a portion of Glenmore Road and upgrades to the

McKinley Reservoir. These works may not have been necessary if the Phase 3 lands were excluded from the master plan.

- Since the first construction in 2003, the on-site roads and servicing networks have been completed to support the entire master plan, including the Phase 3 lands. All costs invested in this upfront infrastructure to support the servicing of Phase 3 would be lost.
- Without the Phase 3 lands and the looping of Wilden Ridge Drive to Union Road, the technical feasibility of developing certain areas of currently zoned land is questionable and would result in a disjointed roads and servicing network.

These are just a few of the negative repercussions that come to mind and we're confident that more will become evident should the City proceed with proposed OCP changes.

We recently developed a viable growth strategy for Wilden that was compatible with the City's Growth Scenario 2.5. This was a challenging exercise, but we endeavoured to come to a workable solution in terms of adjustments to the Phase 3 product mix. The complete removal of the Phase 3 lands from the OCP is an entirely different situation and simply not workable for Wilden.

We trust that staff and Council can appreciate the consequences to Wilden and our residents should they move forward with Growth Scenario 3, and respectfully request that the City reconsider their decision on this in the best interest of Wilden and the entire city.

Respectfully,

Karin Eger-Blenk
Chairman

Russ Foster
President

Cc: Doug Gilchrist, City Manager
James Moore, Long Range Policy Planning Manager
Gerhard Blenk