

## MEMORANDUM

**To:** James Moore (Via email) **Date:** January 21<sup>st</sup>, 2019  
**Project Name:** Kirschner Mountain Development **Project #:** 14087-60  
**Copy To:** Doug Gilchrist; Allan Kirschner; Dave Cullen; UDI Okanagan  
**Re:** Initial Thoughts on Implications of Scenario 3 in Kelowna Council Growth Strategy

This memo represents our clients initial thoughts of the implications to the Kirschner Mountain Development Plan based on the City of Kelowna Council's decision to move forward with Scenario 3 for the growth strategy on the OCP. It is not an exhaustive list but one that we were asked to submit by you in our meeting of January 10<sup>th</sup>, 2019.

### Kirschner Mountain Estates – Implications of the OCP Proposed Scenario #3

Kirschner Mountain Estates Ltd has recently been made aware that on December 10, 2018 the City of Kelowna Council endorsed a motion that would see a significant shift in where development will occur in the immediate future. This decision is expected to have direct implications on our clients project that is currently under development. The project entails a privately held land mass of 208 acres with OCP (Area Plan) approval first granted in December 2001 and revised in November 2015. Although a portion has been zoned for low density residential (RU1H), a significant amount of the total approved area plan remains without zoning. The direction of *Scenario #3* has implied that development as envisioned by the approved plan at Kirschner Mountain will be constricted, potentially curtailing development for many years, so that future growth can be redirected into the Core area.

Kirschner Mountain Estates firmly believes that this action by the City is injurious for many reasons. They also feel that the Kirschner Mountain lands have been grouped in with other suburban properties that likely have more reason to be considered in conflict with Council's vision for future growth. We strongly suggest that the situation with Kirschner Mountain be brought to the attention of Council immediately so to avoid negative impact of current and hopefully misdirected planning policy.

The following are some of the critical elements of our situation:

1. **Mountain Top Reservoir and Water Infrastructure** – In order to receive the approval for a new planned neighbourhood at Kirschner Mountain, our client spent over \$2.1 million to establish the necessary storage capacity for water. This was done with full city engineering and BMID endorsement for the new reservoir. The facility was built to accommodate up to 600 units and attendant needs for domestic and fire flows. The design capacity reflects the full build out

of the Kirschner Mountain property which was forecast to build out in approximately 15 years. Recovery of this large expenditure will not be achievable in their life time if they are not permitted to build to capacity.

2. Included with the reservoir, water mains were also designed for future capacity. This water infrastructure work also included pump station upgrades. CTQ has determined that the low usage of the largely built system will lose operating efficiencies, have a significant implied economic loss and potentially pose health risks to the limited residents in the area.
3. **Economics of the Project** – It is typically understood in all large comprehensively planned developments, that it is only the latter phases of the entire project that help achieve economic viability. This will not occur with front end / minor development phases that may now be limited to at Kirschner Mountain.
4. **Wildfire Risk** - It is well known that Kirschner Mountain and many of the other upslope development locations in Kelowna are subject to wildfire risk along the interface areas with the forest cover. This was documented in reports provided by professional foresters as were required by the City of Kelowna Planning Department when CTQ submitted documentation for the OCP amendment at Kirschner Mountain. Partially completed roads, and land areas that were planned for development but that will not be selectively logged or maintained, will be major wildfire risks to the partially built community on the mountain. This tenuous situation will be further exacerbated by the extensive open space / forested natural areas that occupy much of the mountain terrain.
5. **Parks, Open Space and Trails** – The parks, trails and open space system were planned for the entire community at Kirschner Mountain. The approved zoned development will not benefit from an incompleting system, detracting from the new home owner's expectations of a high quality livable neighbourhood. Recent home buyers will potentially see the implications on future house values and resales.
6. **Safety** – Related to the wildfire issue, the major ring road that was planned and designed to provide efficient and safe access to all sub-neighbourhoods on the mountain will not be completed if further rezoning is not permitted. The backside of the mountain will not permit egress posing threats for safe and quick escape or access by emergency vehicles.
7. **Cost of Infrastructure and utilities** – Significant financial contribution have been made, and systems were designed for, the ultimate buildout. Due to the constraint on phasing in new or incremental development, cost recovery will be limited or non-existent.
8. **Forecast affecting economic proforma** – The Kirschner Mountain project was planned with an estimated buildout in approximately 15 years. With the implications of Scenario #3, build out would not occur for at least 30 years, fully destroying the economic performance of the Kirschner

family's investment, not even including lending rates and other economic factors taken into consideration (cost of construction, materials, blasting, and engineering / planning fees).

9. **Complete community** – Kirschner Mountain Estates was comprehensively planned as a community with a diversity of housing, parks, trails and even amenities and some minor convenience commercial. Current buyers will be directly affected due to the lack of the complementary development.
  10. The Kirschner Mountain/Black Mountain area of Kelowna has always expected an area of commercial services to eventually be focused along Highway 97. Areas have been designated but commercial development has been slow to occur due to the formerly small consumer base. The constrained development at Kirschner Mountain will potentially continue to delay the growth of the consumer market for a new commercial node.
  11. In summary we note that the City's identification of Kirschner Mountain as a suburban location that may detract from focusing residential development in the core area is also injurious and misdirected. We offer that Council please consider the facts:
  12. The Kirschner Mountain area has always been recognized as an integral part of Rutland where services and amenities are in close proximity. The growing Kirschner Mountain population will only continue to add strength to achieving the town center status that Rutland has strived for. The Highway 33 infrastructure has ample capacity to support safe and quick transportation movements between the town center and the Loseth Road intersection.
  13. The nearby Black Mountain community on the other side of Highway 33 has received zoning and is almost built out. Kirschner Mountain therefore becomes a 'development pocket' that will not be able to achieve its planned build out for many years. Its proximate geographic location should not be treated similar to the more distant suburban sites.
  14. Approval of this development area to progress in the short term (to achieve both planning and economic objectives) will not detract from Council's vision of still focusing development in the city's core area. The type of housing including multi-family and single family envisioned for Kirschner Mountain will be different from what is expected to be built in the core and town center proper. Suppressing the supply of different product will only continue to fuel the crisis of affordable housing in Kelowna. The vision of council to encourage more people living in high density forms of housing is admirable but its influence on affordability is known to be a weak argument. The realtors will confirm that what is currently happening with the cost of new units in the inner / town center areas will continue to exclude a significant segment part of the market. Kirschner Mountain has the approved and planned areas to provide different product that can be made affordable and will not be in direct competition with Council's vision.
- Playing the numbers game alone is **NOT** what will help us build a sustainable Kelowna.

Kirschner Mountain Estates requests a meeting with Council to formally address our position on this very important matter.

Regards,

Matt Cameron, P.Eng., FEC  
Managing Partner

**Copy to:** (Via email)

Kelowna City Manager – Mr. Doug Gilchrist

The Kirschner Family – Mr. Allen Kirschner

CTQ Project Manager – Mr. Dave Cullen

UDI Okanagan – Okanagan Chapter – Executive Director – Jennifer Dixon