



# MEMO

**Date:** January 25, 2019

**To:** Policy & Planning Department Manager

**From:** The Ponds Development Group  
(The Ponds, Mair Developments, Arthon, and, Callahan Property Group,)

**Subject:** **Growth Scenario 3 Endorsement Implications  
Neighbourhood 3 Area Structure Plan**

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The Ponds Development Group requested a meeting with the Policy and Planning Department for an update on the implications of the recent decision by Council to shift the growth scenario for the 2020-2040 OCP. Preliminary public correspondence received in January via UDI indicated that one of the key attributes of Growth Scenario 3 was that it would eliminate the remaining development of The Ponds.

The Ponds developers are absolutely opposed to this direction. We have been working through the buildout of the approved Neighbourhood #3 Area Structure Plan (NH3 ASP) for over a decade. We have followed direction by Council and staff completing the requirements of an extremely detailed Terms of Reference, under the approved NH3 ASP, over and above the works put into the SW Mission Sector Plan.

The Ponds is a unique suburban community that is situated in close proximity to major amenities including the Capital News Centre and H2O, sports fields, and the South Pandosy Urban Centre. The Ponds is a complete master planned community featuring:

1. A pedestrian oriented Village Centre (300,000 sq ft of zoned commercial space).
2. A healthy housing mix with a variety of housing forms, including multi-family, large and small lot single family, laneway housing, and townhouses.
3. A Ponds Master Plan that offers higher density housing in convenient proximity to a school, shopping and transit.
4. A Ponds Master Plan with a buildout that supports the critical mass required to achieve the OCP's vision of dense, amenity rich, mixed-use and walkable urban place.
5. A planned completion that allows for an array of services and amenities to meet the daily needs of residents within The Ponds and the neighbouring South West Mission Sector.
6. Multiple public gathering spaces, flexible and inclusive areas with a mix of integrated uses that have a distinct sense of space.
7. Streetscapes and walkways that have been designed with connectivity and walkability in mind, meeting the OCP vision of urban centres that have street trees, sidewalks with landscape buffers, street furnishings and integrated paths between city blocks that improve pedestrian connectivity.



Stopping the remaining growth in mid-stream will negate the opportunity to realize the full potential of the master plan with an array of services and amenities required to meet the daily needs of existing residents within The Ponds and the Sector.

## WHERE ARE WE AT:

Predicated upon the good faith and assumption that the NH3 Area Structure Plan would be built out in accordance with the approved residential density and infrastructure, significant Financial Investment has taken place. Reduced density will put the ability to recoup these infrastructure and amenity investments in jeopardy. Implementing changes within an approved master planned community, after investments have been made, also serves to reduce the confidence and trust developers require to invest in future long term community development.

To meet the goals and direction provided in the Neighbourhood 3 ASP, significant financial investments that have already been made include:

### 1. Infrastructure costs have been expended to meet the ultimate buildout of The Ponds including:

- arterial roads,
- water reservoir expansions,
- waterline looping and pressure zone connections and upgrades/oversizing,
- storm detention facilities,
- oversized sewer systems,
- land dedications of sites for planned City Recreation Parks,
- land dedications and construction of playgrounds for neighbourhood parks,
- land dedication and construction of universally accessible paved walking trails and looped paths to encourage an active lifestyle and a connected community,
- land dedications and sizing of the Canyon Falls Middle School, which is well under construction.

2. **Significant commercial site investment** has already been made predicated upon the good faith assumption that the NH3 Area Structure Plan would supply the critical residential density and road connectivity set out in accordance with the approved ASP. There is also significant additional investment required to implement the brick and mortar component of the commercial centre. Adequate density is crucial to its ultimate success. As a result, The Commercial Development is on hold pending the construction start for the South Perimeter Road, and confirmation of the residential density to support tenant lease requirements.

3. **The local School District has invested over \$36 million dollars** towards the construction of Canyon Falls Middle. Currently under construction and slated to open in Fall of 2019, this school will service many integrated Upper Mission communities. This decision to proceed was based on population projections extrapolated from the current OCP and the Neighbourhood 3 Area Structure Plan.



4. **There is a current commitment to construct South Perimeter Road**, (a DCC road within the Master Transportation Plan). Repayment for construction via sector DCCs has been approved by Council. Investments by the developer and the City of Kelowna to date include:
- The developer has incurred holding costs and significant planning and design costs in preparation of building this amenity.
  - The necessary expropriations have been completed and the required lands have already been purchased by the City of Kelowna.
5. The residential development constructed within the Master Plan to date includes a mix of only the large and small lot single family housing and some laneway housing. **A denser housing product is on hold pending approval of the commercial site** which will function as a neighbourhood hub and in turn, supports the viability of higher density housing forms.
6. There is a very **low environmental impact** associated with future development of the remaining land base as it is primarily dominated by lands that were burned in the Okanagan Mountain Park wildfire in 2003. Much of the tree cover and other vegetation was burned and the area has not experienced much revegetation. As a result of development in The Ponds to date, the primary wetlands and surrounding areas are being restored and enhanced including significant upgrades to Mair Pond Dam, Jack Smith Lake, and, Hill Spring Pond. It is worthy to note that the environmental restoration resulting from growth in Neighbourhood 3 is also serving to reducing the real threat of future wildfire.

## IMPLICATIONS OF GROWTH SCENARIO 3 ON THE PONDS NEIGHBOURHOOD:

The realization of the components associated with a healthy, efficient and complete community, as envisioned in the Area 3 ASP, is based on the housing density required to support these objectives. Not allowing the growth envisioned within the Area 3 ASP would impede reaching these goals. More specifically, the following impacts on reducing density in the area would include:

### 1. The Neighbourhood Commercial Centre would not be viable

- The Ponds Neighbourhood commercial center would not be developed as proposed **because the critical population mass would not meet commercial thresholds for feasibility**. This commercial center would provide employment directly within the neighbourhood and reduce the traffic generated in the Sector that is currently reliant on commercial amenities in the Panodsy area.
- The pedestrian oriented commercial village centre is key to the viability and success of the Ponds' neighbourhood goal of achieving a high quality, attractive, complete community where many of the residents' day-to-day needs will be met with less reliance on the automobile in general.



- If the Ponds commercial centre were no longer viable because the critical mass is not achieved, this would not only be a huge disappointment for all the residents who have invested in properties in this sector but would also exacerbate the shortage of commercial services for the Southwest Mission Sector.

## 2. Lack of Revenue to Support Infrastructure

There would likely be a **lack of DCC revenue to pay for the South Perimeter Road (SPR) and other required infrastructure** without the full buildout of the master planned development (both residential and commercial).

- The SPR is needed as a third arterial/collector in and out of this sector regardless of further development of un-zoned lands.
- There are additional planned improvements for water and sewer infrastructure in this sector that are required to meet current needs. Again, denying planned and OCP approved development would likely reduce the City's ability to fund these projects.

## 3. Significant financial shortfalls

There would be **significant financial shortfalls to both the developers and the City on existing infrastructure** investment.

- Millions of dollars already spent on oversizing infrastructure to meet projected demand (including collector and arterial roads, water pressure zones, dam upgrades, water reservoir expansions demand) would be wasted as underutilized utilities.
- The operational inefficiency of not achieving the maximum utilization from this infrastructure would be counter to the Scenario 3 objective of achieving maximum efficiency from infrastructure. The City would be stuck maintaining oversized infrastructure without the projected tax base to pay for it.

## 4. Inefficient Transit System

The population density, commercial centre and completed road network are necessary to achieve **an efficient transit loop system that will further encourage alternate forms of transportation and less automobile reliance**. The master planned road system was designed with integrated active transportation corridors in mind. Discontinuing growth in the area will render the system inefficient and incomplete.



## 5. Reduced Housing Mix

The remaining **residential buildout that would be discontinued under Growth Scenario 3 offers the ‘missing middle’ housing mix that Council is trying to achieve under the OCP vision.** It is envisioned that the remaining development will feature a healthy mix of 300 multi-family housing units and 400 additional units of housing varying between clustered multi-family/townhouse sites close to shopping and transit, small-lot and laneway housing, and large lot housing. It is worthy to note that **this housing mix would allow residents to age in place.**

## CONCLUSION:

It is our position that completion of the approved buildout of NH3 under the current ASP is actually required to meet many of the objectives under the new OCP vision, including:

- Offering a healthy variety in forms of housing.
- Offering higher density housing in convenient proximity to employment, shopping and transit.
- Fulfilling the full buildout to maximum density of residential units provides the best support for economic viability of the zoned commercial space. This will serve as a hub for The Ponds neighbourhood and the surrounding South Slopes, reducing the automobile dependency of these communities.
- Realizing the full buildout of residential units provides the necessary economic return on the millions of dollars of infrastructure already invested. As noted above, most of the existing infrastructure has been over-sized for the long term development yield. Reducing this yield makes the existing infrastructure more expensive/less efficient and reduces the tax base required to pay for the infrastructure maintenance. Reducing density will also eliminate the main source of funding for possible future infrastructure requirements by diminishing DCC potential.
- By providing the basic amenities within 5 minutes of residents, the existing traffic congestion plaguing the South slopes due to current road failures or shortfalls will be reduced. The day-to-day needs of immediate residents will be met with shorter travel distances and with less reliance on automobiles.
- Providing complete infrastructure and occupancy targets will result in a complete and more connected road network between South Mission and Crawford. This will allow for a more effective, efficient and frequent public transportation system that will encourage use of alternate transportation.



- Due to the effect of the 2003 fires there is a very low environmental impact associated with developing the remainder of The Ponds. The buildout will result in further enhancements of natural open space and the restoration of key sustainable environmental reserves. In addition, the lands subject to development will include the green design of street trees and landscaped boulevards to achieve the OCP vision. This will be done at a much more economical manner than retrofitting streetscapes along existing roads.
- New building code and community design guidelines for landscaping result in a very efficient, low energy, low water consumption housing form.

In summary, and as a general observation, the suggested shift in policy would have a significant negative affect on land currently designated for development in the OCP but not zoned. This is clearly in bad faith. Trust from the development community has been placed in long range planning resulting in the Area Structure Plan approved by Council. Based on this planning and Council direction, long term investments in land, infrastructure, neighbourhood amenities, and consulting services have been made. Moreover, by changing direction mid-stream, the goals of achieving the ultimate vision of a vibrant complete community in Neighbourhood 3 - The Ponds, is being put at risk.

While we have focussed on impacts directly related to The Ponds and the NH3 ASP, we also strongly believe that denying the ability to develop as planned and approved under the current Area Structure Plan and OCP will lead to a number of unintended consequences on a macro level. As a result, we will be participating with UDI and other community stakeholders to prepare and submit a comprehensive response focussing on the community-wide implications of Council's latest direction.

Respectfully submitted by the development community of Neighbourhood 3,

*The Ponds,*

*Mair Developments,*

*Ponds Ventures, and,*

*Callahan Property Group*