

REPORT TO COUNCIL



Date: Oct 7th 2019

To: Council

From: City Manager

Department: Development Planning (AC)

Application: LUC18-0004, OCP18-0015, & Z18-0071 **Owner:** 1940 Underhill Developments Corp.

Address: 1940 Underhill St **Applicant:** District Development Group – Michael Fujii

Subject: OCP Amendment, Rezoning Application, and Land Use Contract Discharge.

Existing OCP Designation: MRH – Multiple Unit Residential (High Density) & EDINST (Education / Major Institutional)

Proposed OCP Designation: MXR – Mixed Use (Residential/Commercial)

Existing Zone: P2 – Education and Minor Institutional

Proposed Zone: C4 – Urban Centre Commercial

1.0 Recommendation TEST

THAT Application No. LUC 18-0004 to discharge LUC76-1039 from Lot A, District Lot 127 & 4646, ODYD, Plan KAP74477 located at 1940 Underhill Street, Kelowna, BC, be considered by Council;

AND THAT Official Community Plan Map Amendment Application No. OCP18-0015 to amend Map 4.1 in the Kelowna 2030 – Official Community Plan Bylaw No. 10500 by changing the Future Land Use designation of Lot A, District Lot 127 & 4646, ODYD, Plan KAP74477 located at 1940 Underhill Street, Kelowna, BC, from MRH – Multiple Unit Residential (High Density) & EDINST (Education / Major Institutional) to MXR – Mixed Use (Residential / Commercial), be considered by Council;

AND THAT Council considers the Public Information Session public process to be appropriate consultation for the purpose of Section 475 of the Local Government Act, as outlined in this Development Planning Department Report;

AND THAT Rezoning Application No. Z18-0071 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot A, District Lot 127 & 4646, ODYD, Plan KAP74477 located at 1940 Underhill Street, Kelowna, BC, from P2 – Education and Minor Institutional to C4 – Urban Centre Commercial, be considered by Council;

AND THAT the Land Use Contract Discharge Bylaw, the Official Community Plan Map Amendment Bylaw, and the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND FURTHER THAT final adoption of the OCP Map Amending Bylaw and the Rezoning Bylaw be considered subsequent to:

1. The completion of the outstanding items identified in Attachment "A" of this Development Planning Department report outlining the Development Engineering and Ministry of Transportation and Infrastructure conditions.
2. An arborist report of all the onsite trees.

2.0 Purpose

To consider a Land Use Contract discharge, an OCP amendment from the existing OCP designations to the MXR – Mixed Use (Residential/Commercial) designation and to consider a rezoning application from the P2 – Education and Minor Institutional zone to the C4 – Urban Centre Commercial zone in order to facilitate a mixed-use development.

3.0 Development Planning

Staff supports the Land Use Contract Discharge, Rezoning, Official Community Plan (OCP) amendment. The site is centrally located in the Midtown Urban Centre. The intention of the OCP and other City policies is to densify Urban Centres and the proposed mixed-use residential building with ground floor commercial meets this objective. The development aims to provide a diversity of market housing options in close proximity to services and amenities. The proposal will improve neighbourhood walkability by increasing residential densities into a prominent commercial area and will decrease the dependency on vehicular transportation.

The current Land Use Contract applies only to this property and was established in the 1970s to facilitate the institutional uses that existed formerly on the property. The Province has mandated all LUCs be eliminated by 2024, therefore, an early discharge is consistent with City and Provincial policies.

The future land use designations on the property are currently split between Institutional and High Density Residential. The High Density Residential applies on the eastern portion of the site and the Institutional applies on the western portion of the site. The change in future land use designation is supported as that designation is specific to certain institutional uses (like a school district office or a religious assembly). The surrounding future land uses are either MXR – Mixed Use or MRH – Multiple Unit Residential (High Density). Changing the OCP designation of the entire site to MXR – Mixed Use is consistent with the surrounding context and consistent with the policies of the OCP. The C4 - Urban Centre Commercial zone is the appropriate zone in conjunction with the MXR – Mixed Use future land use designation and the surrounding context. Staff are supportive of these applications including rezoning the entire site for a two-phase project. Phase 2 does not have any development plans yet, but the traffic study and all the engineering / frontage improvements were considered and studied assuming that portion of the site were to redevelop. The C4 zone applies to many mixed-use developments in Urban Centres and allows for a range of office, retail, and residential uses in an urban form.

A traffic study was completed in cooperation with the applicant, the City's engineering Staff, and MOTI's Staff. The final review letter and recommendations are attached to this report. The recommended outcomes as a result of the traffic study and the City's Development Engineering review on off-site improvements are:

1. MOTI recommends adding an eastbound right turn lane on Highway 97 at Dilworth Drive. This will improve the operation and safety of the eastbound traffic flow along Highway 97 since this movement at this intersection is one of the most congested along Highway 97.
2. Full frontage improvements along all property boundaries.

3. Transit improvements and new bus stops (exact location to be determined with review by a civil engineer in conjunction with the Engineering Servicing Agreement). These stops should meet BC Transit's standards for accessibility and include shelters.
4. Install northbound right-hand turn arrow at Springfield & Dilworth intersection. Potentially contribute to eastbound / westbound dual left.
5. Lane reconfiguration and install northbound right-hand turn lane at Baron & Dilworth intersection.
6. Install full signalization, including left-hand turn lanes for northbound and southbound and pedestrian signals for Baron & Underhill intersection.

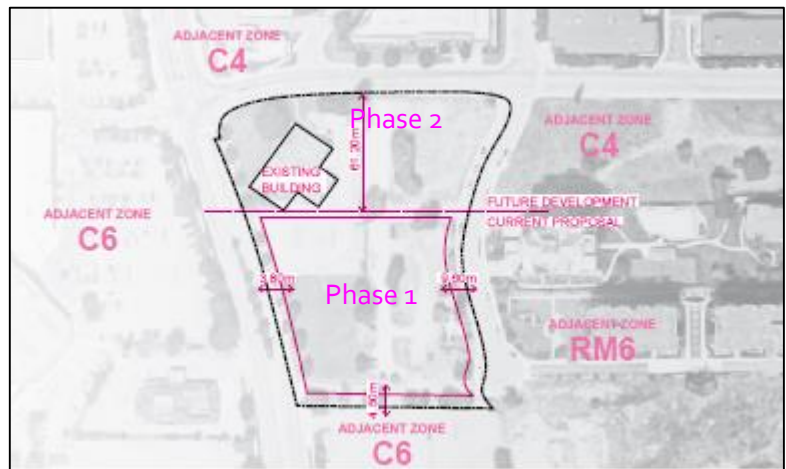
Improvements along Dilworth Drive north of the Springfield intersection, which will include lane reconfiguration, are to be completed by the adjacent Orchard Park Mall redevelopment.

Staff are recommending adding the completion of an arborist report as a final reading condition in order to inform Staff's analysis of the applicant's final Development Permit package in order to see if there are any onsite trees that could be retained.

4.0 Proposal

4.1 Project Description

The purpose of the applications is to redevelop the property in a two-phase approach. The first phase is meant to consist of three six-storey wood framed buildings located on the southern portion of the lot. There is one commercial retail unit (2,300 ft²) within building 2 and a total of 297 rental dwelling units are proposed in the three buildings. The existing building is to be retained and used as a marketing and sales office for the potential development of phase 2.



The necessary applications for approval include a: Land Use Contract Discharge, a change in the Official Community Plan designation, a Rezoning, a Development Permit, and Development Variance Permit application. Staff are tracking two potential variances with the current proposal at this early stage. The first potential variance is to increase the height of the building from 4 storeys to 6 storeys. The second potential variance is related to vehicle parking stalls but depends on the outcome of the proposed Parking and Loading section update presented to Council in a separate report. Staff and the developer will continue to work on this issue and Staff will provide recommendations on the merits of the Development Permit and associated variances in a separate Council Report should the land use bylaws be supported. Depending on the outcome of land use bylaws and the parking updates, the applicant will finalize their Development Permit package and are open for potential changes.

4.2 Site Context

The potential development site consists of one lot and is located on the south east corner of the Dilworth Drive and Baron Road intersection. The potential development property fronts Baron Road on the north side, Dilworth Drive on the west side, Underhill Street on the east side, and Haynes Road on the south side which is currently only developed to a residential lane standard. The property currently has an existing building and

parking lot in the northwest corner, with the rest of the property being largely undeveloped. The overall development site is relatively flat with a slight south western slope. The elevation ranges from 371 metres along the Underhill Street frontage to 370 metres at the west end of Haynes Road.

Subject Property Map: 1940 Underhill Street



4.3 Public Notification & Other City Plans

Staff have reviewed this application and it may proceed without affecting either the City's Financial Plan or Waste Management Plan.

To fulfill Council Policy No. 367 for 'OCP Major and 'Zoning Major' applications, the applicant held a public information session on Wednesday July 10th, 2019 at 2170 Harvey Ave from 5:30 pm to 7:30 pm. About 80 people attended the open house. The applicant also completed the neighbourhood notification process by contacting all properties within 50 m of the subject properties.

5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Compact Urban Form.¹ Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support

¹ City of Kelowna Official Community Plan, Policy 5.3.2 (Development Process Chapter).

the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

Contain urban growth.² Reduce greenfield urban sprawl and focus growth in compact, connected and mixed-use (residential and commercial) urban and village centres.

Mixed Use.³ Integration of residential uses into commercial developments as mixed-use projects is encouraged in Urban Centres, provided that the ground floor use remains commercial.

Building Height.⁴ 16 storeys, where the OCP designation provides for high-density multiple-units.

Residential Land Use Policies.⁵

- Support a greater mix of housing unit size, form and tenure in new multi-unit residential and mixed use developments.
- Ensure context sensitive housing development.

Commercial Land Use Policies.⁶ Encourage Mixed-use commercial development.

6.0 Technical Comments

6.1 Building & Permitting Department

No comment on rezoning.

6.2 Development Engineering Department

See attached memorandum dated July 20th 2018.

6.3 Fire Department

No comment on rezoning.

6.4 Ministry of Transportation and Infrastructure

Ministry Traffic Operations has concluded review of the letter dated March 7, 2019, prepared by Trevor Ward - T.J. Ward Consulting Group Inc. in response to Ministry Comments of January 11, 2019 and supporting documents.

At this time the TIS is accepted as a true representation of the impacts of the proposed development.

As with most applications for large developments, the current and future congestion of our Highway 97 corridor is of great concern when reviewing any additional impacts. Any additional traffic, we know will lead to greater congestion and delays.

It is difficult to ascertain which impacts are a result of additional development (those which could be avoided by not approving the development); and which would be evident even without the development. For instance, yes, the background conditions would likely "fail" without some form of capacity improvements;

² City of Kelowna Official Community Plan, (Chapter 1 Introduction).

³ City of Kelowna Official Community Plan, (Chapter 4 Future Land Use).

⁴ City of Kelowna Official Community Plan, Policy 5.5.1 (Chapter 5 Development Process).

⁵ City of Kelowna Official Community Plan, Objective 5.22 (Chapter 5 Development Process).

⁶ City of Kelowna Official Community Plan, Objective 5.24 (Chapter 5 Development Process).

but perhaps the impacts could be spread out over the network if they are background in nature and people are able to adjust their behaviours. This isn't the case with development traffic adjacent to the impacted intersections.

The improvements recommended on the City intersections may help in dissipating some impacts to Ministry intersections; however it is clear additional capacity is also required at those Ministry intersections as well.

As noted in the response document, there is limited right-of-way available for significant capacity improvements at the Dilworth and Leckie intersections. Capacity improvements should be included where possible as part of the development (i.e. right turn lane from the highway to Dilworth). It should be noted that this improvement will not help mitigate turning delays from the cross streets, or the left turn delays from the highway; and that a greater level of congestion and delay overall on the corridor will be expected with the approval of this development. The City, knowing these impacts to the general traveling public, should be very aware of these impacts as the approving authority of this development.

The Ministry will act within reasonable effort to mitigate these impacts where possible, without further impacting mobility and safety on the Highway 97 Corridor; however should not be held accountable for the increased congestion which would occur as a result of this development moving forward.

7.0 Application Chronology

Date of Application Received: June 15th 2018
Date Traffic Study completion: June 10th 2019
Date Public Consultation Completed: July 10th 2019

Report prepared by: Adam Cseke, Planner Specialist
Reviewed by: Laura Bentley, Urban Planning Manager
Reviewed by: Terry Barton, Development Planning Department Manager

Attachments:

1. Development Brief
2. Attachment 'A' Development Engineering Memo dated July 20th 2018
3. Development Package
4. Traffic Study final conclusions
5. Neighbour Consultation Form