REPORT TO COUNCIL



Date: May 30, 2016

RIM No. 1210-21

To: City Manager

From: Community Planning Department (MS)

Address: 5269 Highway 97N Applicant: City of Kelowna (YLW)

Subject: Application to the ALC for Exclusion from the Agricultural Land Reserve

1.0 Recommendation

THAT Agricultural Land Reserve Appeal No. A16-0009 for Lot 3 DL122 and of Section 11 TWP 23 ODYD Plan 1629 Except Plan 41159, located at 5269 Highway 97N, Kelowna for an exclusion of agricultural land in the Agricultural Land Reserve pursuant to Section 29(1) of the Agricultural Land Commission Act, be supported by Council;

AND THAT the Council directs Staff to forward the subject application to the Agricultural Land Commission for consideration.

2.0 Purpose

To support an application to the Agricultural Land Commission (ALC) for the application under Section 29(1) of the Agricultural Land Commission Act for an exclusion of the subject property from the Agricultural Land Reserve (ALR) for airside commercial development to support airport services.

3.0 Community Planning

Staff supports the application to exclude 5269 Highway 97N, for airport terminal expansion.

The Airport Master Plan 2025 identifies 5269 Highway 97N, the parcel within the City of Kelowna under application, as 'Public Utilities' as a Future Land Use designation, specifically for terminal expansion. This plan was adopted by Council in 2007 and later integrated into the Official Community Plan. In addition, it is within the Permanent Growth Boundary, which designates land for future urbanization.

This application to exclude four properties from the Agricultural Land Reserve, one within the City of Kelowna, and three within the Regional District of the Central Okanagan, is made to support the growth of the Kelowna International Airport (YLW). The Airport proposes to use the properties for necessary future airside development and services. Council is being asked to make a recommendation for the parcel within Kelowna. However, background on the properties within the Regional District of the Central Okanagan (RDCO) is included in the report for information. The application identifies the RDCO properties for additional airside infrastructure including fueling, maintenance and cargo.

An agrology report¹ was prepared for the application, which has noted measures and initiatives to mitigate impacts to agriculture. These include:

- Relocating surplus topsoil from the excluded parcels to improve soil fertility in other areas
 of the ALR;
- A new 'Farm to Flight' program, for local produce for purchase prior to departure;
- A local wine and craft distillery bar featuring BC products, in the departures terminal;
- Proposed air cargo services to transport local produce to international markets;
- Growth of travelers to the Okanagan to enjoy and support agri-tourism; and
- Continued support through advertising for agriculture and agri-tourism at YLW.

The application was brought forward to the City of Kelowna Agricultural Advisory Committee (AAC) on May 12, 2016. The AAC supported the application (see summary in Section 7.0 below). Through discussion with the AAC, the following was noted by the applicants:

- The Airport would investigate advertising opportunities at YLW to promote the full diversity of farming operations in Kelowna;
- The Airport has partnered with De Simone Farms to provide passengers with fresh, local in-season produce that they can take home with them; packaged in specially designed boxes that will fit easily under airplane seats or in overhead compartments. This 'Farm to Flight' program will provide produce from a variety of local farms;
- The Airport will be bringing four direct flights in from Mexico City this year, helping to transport farm workers directly, resulting in lower costs and less time for travel;
- There is potential, with larger planes in the future, to transport fruit directly from YLW, which will reduce trucking time and cost to take the produce to Vancouver for transport;
- The Airport agreed that developing transit options to the airport would reduce parking demand, and noted that two companies provide shuttle service through the Valley, from Osoyoos to Vernon, and that these services are being expanded. The Airport staff also noted that discussions with BC Transit for a Express Bus to the Airport were also being investigated.
- As the Airport develops land, it intends to have all soil tested to determine whether it's of agricultural quality with the intent to transfer it to a local farm to improve its agricultural capability.

4.0 Proposal

4.1 Background

Kelowna International Airport is requesting that four key pieces of airport land be excluded from the ALR for necessary aeronautical airside development. The land is proposed to serve the anticipated growth of the airport.

An estimated 1.6 million passengers passed through YLW in 2015, and this is expected to increase to 2.0 million passengers by 2020, 2.4 million passengers by 2025, and to 3.5 million by 2045. YLW has no additional airside land available (lands which has direct access to the runway or taxiway).

4.2 Project Description

The airport is within the Highway 97 Official Community Plan (OCP) Sector of the City.

¹ Associated Environmental, 2016. City of Kelowna – KIA – Agricultural Impact Assessment – Kelowna Airport Expansion.

The parcel within the City of Kelowna:

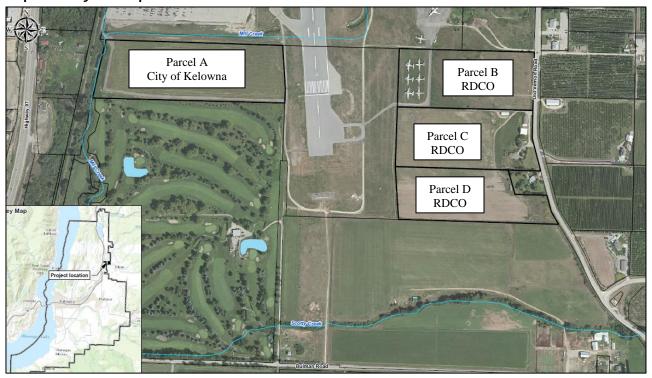
• Parcel A - 5269 Highway 97N (within the City of Kelowna) 6.83 ha (16.9 acres)

Parcels within the Regional District of the Central Okanagan are:

- Parcel B 4310 Old Vernon Road (within the RDCO) 5.07 ha** (12.5 acres)
- Parcel C 4210 Old Vernon Road (within the RDCO) 5.33 ha (13.2 acres)
- Parcel D 4130 Old Vernon Road (within the RDCO) 4.5 ha (11.1 acres)

The exclusion area is level to nearly level valley bottom with some sloping terrain on Parcel 'B', and the eastern portions of of Parcel 'C' and Parcel 'D².

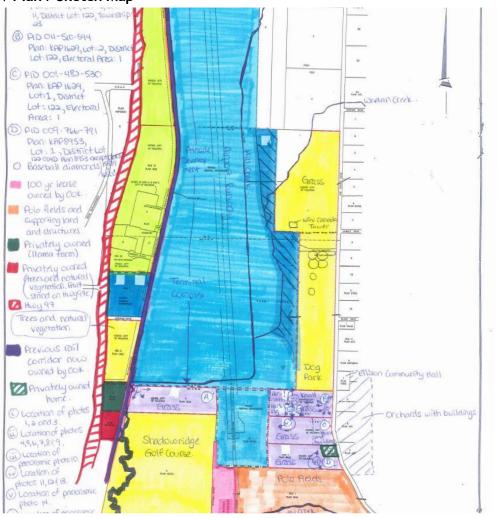
Map 1 - Subject Properties



^{**} Note that 1.86 ha of the western portion of Parcel 'B' is within airport perimeter fencing.

² Associated Environmental, 2016. City of Kelowna – KIA – Agricultural Impact Assessment – Kelowna Airport Expansion.

Map 2 - YLW Plan / Sketch Map



4.3 Neighbourhood Context

The subject property lies within the Highway 97 Sector of the City. Parcel 'A', 5269 Highway 97 N, has a future land use designation of Public Service Utilities, and is within the City of Kelowna, and within the Permanent Growth Boundary.

Zoning and land uses adjacent to the property are as shown in Table 1, below.

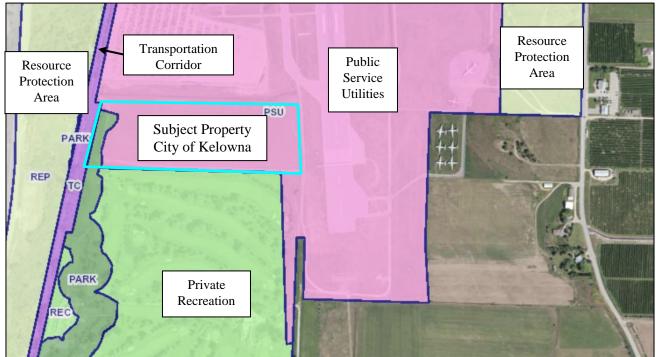
Table 1: Zoning of 5269 Highway 97N and Land Use of Adjacent Property

Direction	Zoning	ALR	Land Use
North	CD12 - Airport	No	Airport / Airport Parking
South	A1 - Agriculture 1	Yes	Golf Course
East	CD12 - Airport	No	Airport Runway
West	A1 - Agriculture 1	Yes	Natural Area / Okanagan Multi- modal Corridor

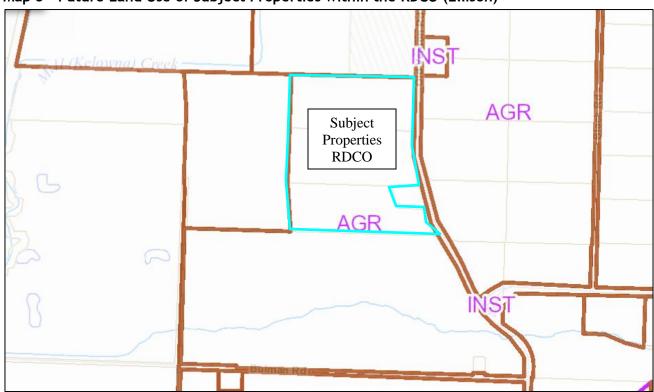
Map 3 - ALR within the Regional District of Central Okanagan - Hwy 97 N & Ellison



Map 4 - Future Land Use of Subject Property within the City of Kelowna Resource Transportation



Map 5 - Future Land Use of Subject Properties within the RDCO (Ellison)

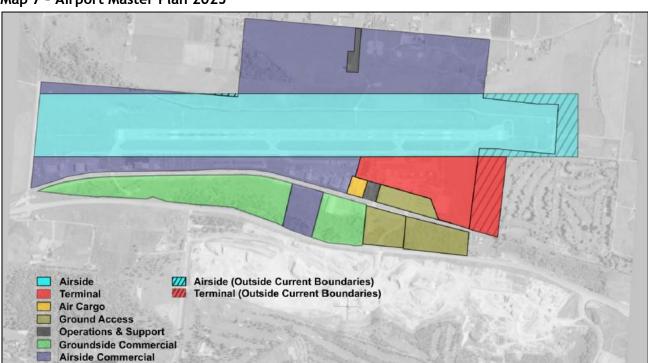


Subject Property
City of Kelowna

Permanent
Growth
Boundary

Map 6 - Permanent Growth Boundary - City of Kelowna

The City of Kelowna Parcel 'A', 5269 Highway 97 N, was identified in the Airport Master Plan 2025 as a use of 'Terminal - Outside Current Boundaries', shown below.



Map 7 - Airport Master Plan 2025

4.4 Agricultural Land Capability

According to the Agrology Report³, the proposed airport expansion will result in the loss of approximpately 54.4 acres (22 hectares) of Class 2 and 3 (improved) agricultural land. The report notes that most of the area lies within the Transport Canada safety buffer zone, which has guidelines for croplands in order to reduce the risk of wildlife hazards (e.g. birds) that may be attracted to crops. Taking this safety restricted area, the net loss to agriculture is approximately 22.2 acres (9 ha). The Agrology report states that, while ideally mitigation measures to agriculture would result in an inclusion of like for like agricultural land brought into the ALR for land that is lost, it wasn't considered feasible due to the lack of suitable non-ALR land for inclusion. Instead, YLW has put forth the following mitigation measures to offset the negative effects of the exclusion proposed. These measures⁴, include:

- Topsoil strategy that would use surplus topsoil from the exclusion are to improve soil fertility in other areas of the ALR;
- A new 'Farm to Flight' program; and
- A local wine and craft distillery bar featuring BC products, located in the departures terminal:
- Proposed air cargo services that will create market opportunities for local produces to reach international markets;
- Growth of travelers to the Okanagan to enjoy and support Okanagan agri-tourism; and
- Continued support through advertising opportunities for agriculture and agri-tourism at YLW.

5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Land Use Designation Definitions

Permanent Growth boundary⁵

Lands within the permanent growth boundary may be considered for urban uses within the 20 year planning horizon ending 2030. Lands outside the permanent growth boundary will not be supported for urban uses.

Chapter 5 - Development Process

Objective 5.3 Focus development to designated growth areas.

Policy .1 Permanent Growth Boundary⁶. Establish a Permanent Growth Boundary as identified on Map 4.1 and Map 5.2. Support development of property outside the Permanent Growth Boundary for more intensive uses <u>only</u> to the extent permitted as per the OCP Future Land Use designations in place as of initial adoption of OCP Bylaw 10500, except as per Council's specific amendment of this policy.

Agricultural Land Use Policies

Objective 5.33 Protect and enhance local agriculture⁷.

Policy .2 ALR Exclusions. The City of Kelowna will not forward ALR exclusion applications to the ALC except in extraordinary circumstances where such exclusion is otherwise consistent with the

³ Associated Environmental, 2016. City of Kelowna – KIA – Agricultural Impact Assessment – Kelowna Airport Expansion.

⁴ Associated Environmental, 2016. City of Kelowna – KIA – Agricultural Impact Assessment – Kelowna Airport Expansion.

⁵ City of Kelowna 2030 Official Community Plan. Future Land Use Chapter. P. 4.6.

⁶ City of Kelowna 2030 Official Community Plan. Development Process Chapter. P. 5.2.

⁷ City of Kelowna 2030 Official Community Plan: Agricultural Land Use Policies Chapter. P. 5.35.

goals, objectives and other policies of this OCP. Soil capability alone should not be used as justification for exclusion.

Policy .3 Urban Uses. Direct urban uses to lands within the urban portion of the Permanent Growth Boundary, in the interest of reducing development and speculative pressure on agricultural lands.

Objective 5.19 Ensure development is compatible with surrounding land uses

Policy .2 Building Heights near Airport. Require that all proposed development projects within the federal Aviation Zone include consultation with Kelowna Airport and Transport Canada with respect to building height as per Airport Zoning Regulations under the authority of the Aeronautics Act (1977). Approved projects should also include upgraded sound-proofing and must provide a covenant that saves the City harmless with respect to noise complaints.

Policy .4 Airport Lands. Permit only airport-related or agricultural uses on the vacant lands immediately west of the airport and north of Airport Way.

6.0 **Technical Comments**

6.1 Interior Health - Healthy Built Environment

An initial review has been completed and no health impacts associated with this proposal have been identified. As such, our interests are unaffected by this development proposal.

7.0 **Application Chronology**

Date of Application Received: April 26, 2016 April 21, 2016 Date Public Consultation Completed: May 12, 2016 Agricultural Advisory Committee

The above noted application was reviewed by the Agricultural Advisory Committee at the meeting held on May 12, 2016 and the following recommendation was passed:

Moved By Keith Duhaime/Seconded By Domenic Rampone

THAT the Agricultural Advisory Committee recommends that Council support the exclusion from the Agricultural Land Reserve under Section 29(1) of the ALC Act of the subject properties 5269 Highway 97 N, (and in the Regional District of the Central Okanagan: 4310, 3210 and 4130 Old Vernon Road), in order to provide airside commercial development to support airport services.

Carried

ANECTDOTAL COMMENTS:
The Agricultural Advisory Committee supported the "Exclusion of Agriculture Land" on this property, however, encourage the Airport branding activities, including for example, art installations or advertising opportunities, to recognize full diversity of agriculture in Kelowna. The Agricultural Advisory Committee recommend that the soil recovered to help sites that are degraded and not just assist one individual farmer.

The AAC also recommends that the City of Kelowna prepare an overall mitigation plan for infrastructure and public service projects that require ALR land, that provides a benefit to agriculture off site and to the broader agricultural community as a whole. This could include replacing land to benefit of agriculture, water improvements, soil improvement initiatives, weed control and research collaborations.

Report prepared by:

Melanie Steppuhn, Planner	Specialist
Reviewed by:	Todd Cashin, Subdivision, Suburban and Rural Planning Manager
Reviewed by Approved for Inclusion:	Ryan Smith, Community Planning Department Manager
Approved for Inclusion:	Doug Gilchrist, Divisional Director, Community Planning & Real Estate
Attachments: Application Statement of F	ationale

Agrology Report