

Report to Council



Date: March 16, 2020

To: Council

From: City Manager

Subject: OCP 2040 Refined Land Use Plan and Servicing Update

Department: Policy & Planning

Recommendation:

THAT Council receive the report dated March 16, 2020 from Policy and Planning Department for the purposes of the next steps for the OCP review.

Purpose:

For Council to receive the refined draft Future Land Use Map for the purposes of commencing the detailed Servicing Analysis associated with the 20 Year Servicing Plan update.

Background:

The development of the Official Community Plan (OCP), Transportation Master Plan (TMP) and the 20 Year Servicing plan is an iterative process. This report serves to provide Council with an update on the 2040 Future Land Use mapping refinements prior to initiating the next steps of plan development, which focus on creating a draft OCP for Council's consideration in Fall 2020.

Discussion:

The OCP, the TMP and the 20 Year Servicing Plan are being developed concurrently to ensure all three of these critical planning documents work together to move towards the vision outlined in Imagine Kelowna. This report provides Council with an update on the progress of the OCP development, speaking primarily to the recent refinements to the draft Future Land Use map following the conclusion of the Phase 3 public engagement process. It also provides Council with a schedule of upcoming activities in 2020 leading to the delivery of a draft OCP in Fall 2020.

Refined Future Land Use Map

As outlined in the Report to Council dated December 9, 2019 regarding OCP Phase 3 engagement results, feedback from the public was largely supportive of the approach proposed through the Growth Strategy and the draft Future Land Use Map. As such, this refined map keeps the same overall district-based approach as the previous draft. This approach identifies five Growth Strategy Districts that guide future land use designations on the map as well as associated policies being crafted for the draft OCP, with minor amendments (see Attachment 1). The most significant amendment to the Growth Strategy is the inclusion of the North Kelowna industrial lands in the Gateway District.

Following public feedback, stakeholder engagement, and community submissions on specific parcels for re-consideration, refinements have been made to incorporate these inputs into a more evolved Future Land Use map. Refinements aimed not only to respond to this feedback, but also to continue to simplify the wording and intent of future land use designations, seek fewer land use designations where possible, provide clearer policy direction and further respond to and accommodate the evolving directions of the TMP and the 20 Year Servicing Plan.

A refined Future Land Use map has been created for Council's review and consideration (see Attachments 2 and 3). Major refinements to this map are summarized below and illustrated in Attachment 4.

Consolidation of Urban Centre Designations

The two primary designations to signal land use in the Urban Centres, *Urban Centre Mixed Use* and *Urban Centre Residential*, have been consolidated into a single land use designation now referred to simply as *Urban Centre (UC)*. This new *Urban Centre (UC)* designation signals both mixed use and residential development and would rely more on detailed policy guidance to direct where different uses would be supported within the Urban Centre boundaries. Detailed sub-set maps are anticipated to visualize the more fine-grained land uses, building heights and 'retail streets' of each of the five Urban Centres, which does not currently exist in the 2030 OCP. This approach will provide greater flexibility for land use decision-making while articulating a clearer vision for these areas.

Downtown Urban Centre Boundary Retraction

The boundary for the Downtown Urban Centre has been retracted in the northeast corner to remove lands that would continue to be signaled for industrial uses. This change clarifies that these lands are not to be considered for high density mixed use commercial and residential development, reducing pressure on those lands for development into non-industrial uses.

Midtown Urban Centre Boundary Extension

The boundary for the Midtown Urban Centre has been expanded to include more properties to the northeast of the previous proposed boundary. Including these properties allows for more densification along Highway 97 in close proximity to high frequency transit offered there, and to more closely allow transit-oriented density to be achieved to optimize land use efficiencies with corresponding transportation modes.

Consolidation of Core Area Designations and Introduction of Transit Supportive Corridors

The *Core Area Residential* and *Core Area Corridor* designations have been consolidated into a single land use designation called *Core Area Neighbourhood (C-NHD)*. This designation allows for the uses signaled in both Core Area designations, but focuses higher density uses like apartments up to six storeys along properties that front key streets, identified in the draft Land Use Map as *Transit Supportive Corridors*. This approach simplifies and clarifies the vision for these corridors as medium density residential and mixed-use areas that connect Urban and Village Centres along the Frequent Transit Network (see Figures 1 and 2). These corridors also provide guidance for land use and urban design decisions in other areas of the city, including Village Centres and Regional Commercial lands to ensure that redevelopment takes place in a way that promotes greater use of transit.

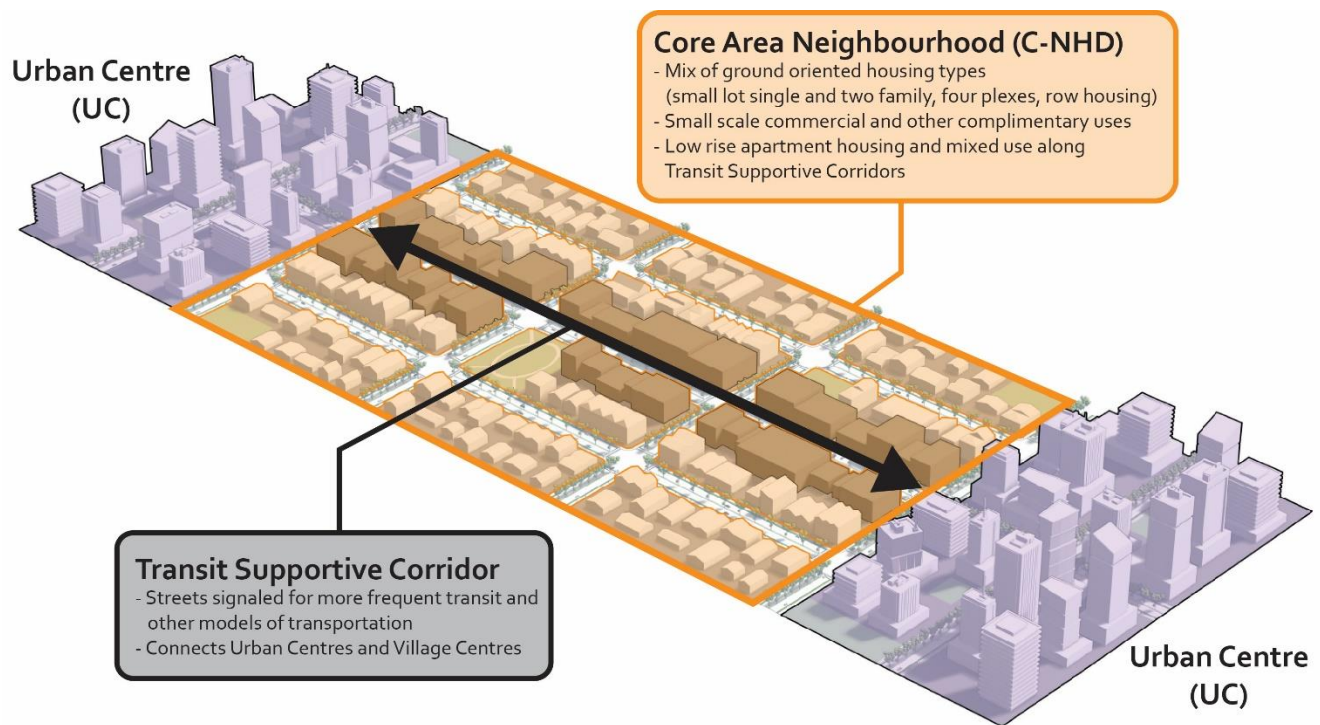


Figure 1: Core Area Neighbourhood and Transit Supportive Corridor Concept



Figure 2: Artist's Impression of New Development Along Transit Supportive Corridor

New Gordon Drive Transit Supportive Corridor

Gordon Drive between the Guisachan Village Centre and Lequime Road has been identified as a new Transit Supportive Corridor. While slower growth is expected along this corridor, its identification allows for the development of low rise apartments and mixed use development, consistent with the

character of new development already along the corridor, particularly south of KLO Road. This Transit Supportive Corridor also extends west along Lequime Road, then following Lakeshore Road north to the new Lakeshore Village Centre, described below.

Lakeshore Village Centre Boundary Extension

In the draft Land Use Map provided to Council in August 2019, a new Village Centre was identified along Lakeshore Road between Mission Creek and Lexington Drive / Bluebird Road. This Lakeshore Village Centre has been expanded significantly to include lands north of Mission Creek that are currently designated for Tourist Commercial uses in the 2030 OCP. This approach allows for more detailed policies to be developed that would guide future growth in this unique area of the city.

Okanagan College Expansion

Okanagan College has signaled that it intends to extend the boundaries of its KLO campus to the west and to the east to accommodate future planned expansion. As such, the subject properties have been designated as *Educational/Institutional (EDINST)* in the refined land use map. Okanagan College undertook a focused public engagement event for local residents and property owners by way of a direct mailout and through an open house held on July 25, 2019 to inform them of the general intent of the OC campus expansion.

New School Sites

Schools are central to the creation of complete communities. The provision of new school facilities in growing neighbourhoods is a critical component to making them attractive, livable and accessible areas for households considering moving. As such, staff have been working closely with School District #23 to identify ways to accommodate new school development that serve growing Urban Centres and Core Area neighbourhoods. These discussions have focused primarily on identifying new sites for future school development and expansion, now signaled as *Educational/Institutional (EDINST)*. Sites identified to date and signaled in the revised Future Land Use map include the following:

- 1205 High Road to accommodate future expansion of Bankhead Elementary; and
- All properties between Kelowna Secondary School and Gordon Drive to accommodate future school expansion.

Impacted property owners have been informed of this direction, and School District #23 has provided a letter of support, included as Attachment 5. In addition, the School District and staff will continue to collaborate on strategies to accommodate growing demand for schools as part of the draft OCP, with any additional lands or policies to be included in future reports.

New Industrial Lands

Identifying new lands for industrial development is challenging, given Kelowna's topography coupled with the amount of land in the ALR. One major opportunity is at Kelowna Springs Golf Course, as the owner has approached the city to explore opportunities for a land use designation change. The property is bordered by industrial lands to the west and south, with lands in the ALR to the north and east. As such, this property is now signaled for *Industrial (IND)* due to the adjacency to other industrial lands, servicing proximity and capacity, and non-ALR status.

Refined Designations at the Airport

The land use designations surrounding Kelowna International Airport have been modified to reflect the future vision for airport related uses, as outlined in the *Airport Master Plan 2045*. Lands that have been

acquired for future airport expansion are signaled as *Public Services/Utilities (PSU)*, including new properties recently included in the city boundary. Staff are continuing to work together on further refinements in the airport area and more refinements are expected as this process continues.

Permanent Growth Boundary Amendments

The following changes have been made to the Permanent Growth Boundary (PGB) as part of this refined Future Land Use map:

- *Inclusion of North Kelowna industrial lands in the PGB.* The industrial lands in the North Kelowna area are strategically important for accommodating future industrial growth in the city and are targeted for improvements to utility infrastructure to support this growth. As such, they are now included in the PGB and the Gateway District.
- *Inclusion of residential and local commercial uses at KLO Road, Benvoulin Road and Como Road in the PGB.* These properties are targeted for continued growth and development and have seen recent utility servicing infrastructure improvements. They are now included within the PGB and Suburban Neighbourhoods Growth Strategy District. Properties formerly designated as *Rural – Residential (R-RES)* are now signaled as *Suburban – Residential (S-RES)*. Commercial properties have retained their *Neighbourhood Commercial (NCOM)* designation.
- *Retraction of PGB from Public Services/Utilities (PSU) lands along Byrne Road.* These lands have been acquired by the City for future expansion of the Wastewater Treatment Facility. The PGB has been retracted to exclude these lands to reduce speculative pressure on surrounding agricultural lands, and these properties are now located in the Rural Lands Growth Strategy District.
- *Minor expansion of PGB on UBCO lands.* A minor expansion of the PGB at John Hindle Drive and Upper Campus Way is proposed. The expansion would include approximately 0.7 hectares (1.74 acres) of land owned by the University of British Columbia that is adjacent to existing university uses and separated from neighbouring agricultural lands by Upper Campus Way. These lands are within the ALR and staff will work with the ALC to gauge their level of support for this amendment to the refined Future Land Use map.

Servicing / Infrastructure Impacts

Servicing a growing community with infrastructure is an expensive civic responsibility. One of the single most impactful ways local governments can respond to this challenge is by establishing a responsible growth strategy, where fiscal investments can be optimized and not burden future generations with future liabilities.

Infrastructure funding is needed to support growth be it in the form of parks and public spaces, utilities, transportation systems, and climate change adaptation measures. Financing the growth-related infrastructure requires multiple sources of funding, from property taxes, development cost charges (DCCs) to other funding streams. Importantly, the DCC program is often profiled as a program that is largely funded by development, but many “DCC” projects have significant taxation impacts. For example, the infrastructure planned as part of the DCC program is valued at \$993 million with 60 per cent or \$596 million developer funded and the remainder funded from the City through taxation, utility funding or government grants.

Network infrastructure such as roads, sewer, water and storm drainage are described as linked networks. In the Core Area and Urban Centres, infill development is able to connect to existing infrastructure, reducing the capital costs for new development. In suburban areas, the same network infrastructure does not exist, requiring major up-front capital costs to extend utilities and roads to the edge of the city. These up-front capital costs are largely borne by the developer; however, the City subsidizes these projects by contributing tax dollars to larger network infrastructure projects and is also responsible for the lifecycle costs (long-term replacement and operating and maintenance costs) of City infrastructure. There are also other indirect costs related to suburban development often shouldered by the public in the form of loss of agricultural and naturalized lands, health impacts, and increased greenhouse gas emissions¹.

Other Canadian cities are experiencing similar challenges, and many are demonstrating approaches to financing urban development patterns that recognize the financial benefits of compact urban development. For example:

"In Edmonton, the city picks up all the capital costs of fire and police stations and portions of the cost of some roads and recreation facilities. It covers all the costs of maintenance, repair and renewal of the infrastructure, including pipes and roads. What this means is that across just 17 of more than 40 planned new developments, costs to the city are expected to exceed revenues by nearly \$4 billion over the next 60 years.

A study for Halifax Regional Municipality calculated that it could save over \$700 million to 2031 by increasing the number of new dwellings sited in the urban core. Calgary found that by adopting a denser growth pattern that used 25 per cent less land, it could save \$11 billion in capital costs alone²".

The Council endorsed growth strategy directs most of the future population growth to our Core Area and Urban Centres, which equates to a more compact, denser development pattern and where infrastructure can be more efficiently utilized by a greater percent of our community population. By optimizing growth, the City of Kelowna can make efficient and effective use of infrastructure, ensuring a better return on investment for taxpayers and move our community toward the Imagine Kelowna vision. The companion 20 Year Servicing report will set the stage for the upcoming infrastructure servicing analysis outcomes that result in the necessary financing of the 2040 OCP over the next 20 years.

Indigenous Engagement Update

The initiation of engagement with indigenous communities was outlined in the Report to Council dated December 9, 2019 regarding OCP Phase 3 engagement results. This engagement is underway and staff have consulted with the following organizations:

- Westbank First Nation (including Chief and Council, the Elder's Council, the Youth Council, the Family Programming Group and staff)
- Okanagan Indian Band (including Chief and Council and staff)

¹ Blais, Pamela. 2010. Perverse Cities: Hidden subsidies, wonky policy and urban sprawl, UBC Press.

² Sustainable Prosperity: Suburban Sprawl - Exposing Hidden Costs, Identifying Innovations, October 2013.

- Okanagan Nation Alliance
- Ki-Low-Na Friendship Society
- Kelowna Metis Association

Staff is currently working to integrate feedback received through this engagement into policies being developed and will report back to Council on the results at a later date.

Next Steps

In the coming months, staff will undertake the following tasks to develop a draft Official Community Plan for Council to review in Fall 2020 (see Figure 3):

- Continued policy development for the areas of land use and urban design, housing, public realm, transportation, culture, heritage, environment, parks and natural areas, climate change adaptation, infrastructure, and equitable communities. This policy development will include the development of policy maps – detailed maps that will be updated and/or developed that will signal future land uses, development permit layers, transportation networks, and servicing investments, and other topics;
- Continued crafting of development permit guidelines;
- Commencement of the detailed infrastructure servicing analysis to align needed infrastructure to support new growth and the corresponding financing strategy;
- Identification of future parks sites on the Future Land Use map;
- Development of an Implementation Plan for the draft OCP to guide how the plan would be put into action;
- Establishment of a set of key metrics, including use of the ModelCity tool, for the purposes of OCP monitoring and an annual reporting structure; and
- Continued stakeholder engagement as a part of these tasks.

Staff will provide Council with a report outlining the progress made on these tasks in Summer 2020.

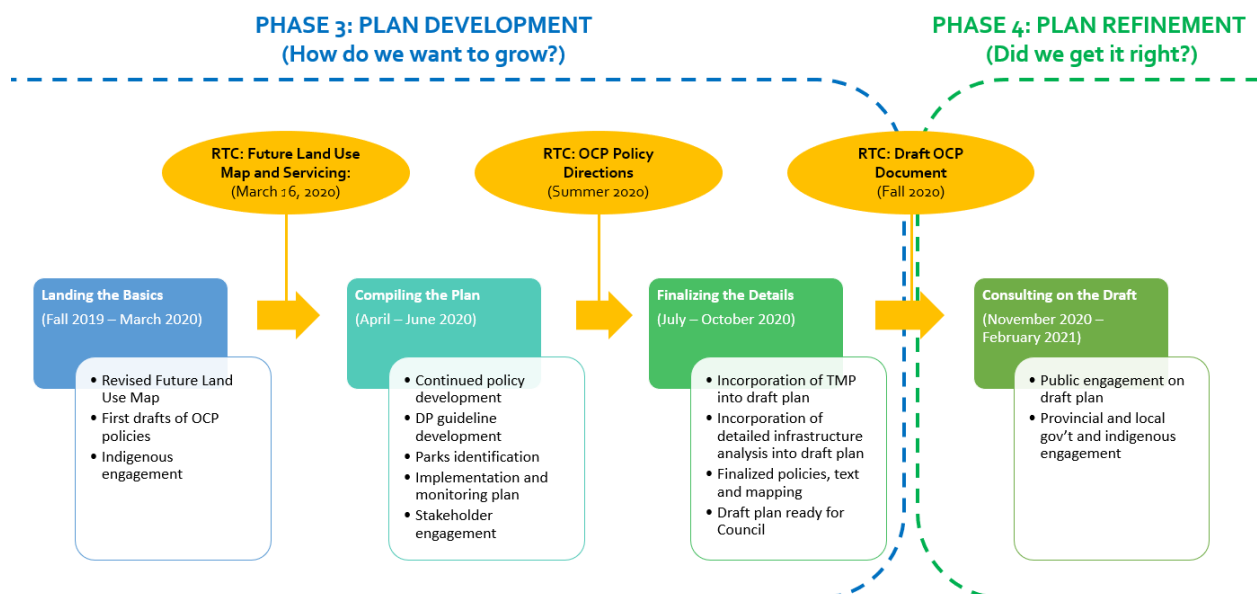


Figure 3: OCP 2020 Phase 3 and 4 Activities

Conclusion:

The development of the OCP continues to move from the visionary to more detail in conjunction with the TMP and the 20 Year Servicing Plan. To ensure that these initiatives continue to move forward together, Council can expect to see upcoming reports speak to a greater level of interdependency between these three initiatives, as direction provided for one begins to impact others in more tangible ways. The city is at an exciting time in its evolution and the directions provided the coming months will determine how quickly the community advances towards the Imagine Kelowna vision.

Internal Circulation:

Divisional Director, Planning & Development Services
Divisional Director, Partnerships & Investment
Department Manager, Real Estate
Department Manager, Development Planning
Divisional Director, Financial Services
Divisional Director, Infrastructure
Divisional Director, Corporate Strategic Services
Divisional Director, Active Living and Culture
Department Manager, Integrated Transportation
Strategic Transportation Planning Manager
Infrastructure Engineering Manager
Parks and Buildings Manager
Senior Airport Finance & Corporate Services Manager
Communications Manager

Legal/Statutory Authority:

Local Government Act, Section 471

Legal/Statutory Procedural Requirements:

Local Government Act, Sections 472-478

Existing Policy:

Imagine Kelowna
2030 Official Community Plan
20 Year Servicing Plan
Council Policy No. 372: Engage Policy

Submitted by: Robert Miles, OCP Project Planner

Approved for inclusion:



Danielle Noble-Brandt, Dept. Manager of Policy & Planning

Attachments:

- 1) Attachment 1: Growth Strategy Map
- 2) Attachment 2: Revised Future Land Use Plan
- 3) Attachment 3: Revised Future Land Use Designations

- 4) Attachment 4: Future Land Use Map Amendments
- 5) Attachment 5: Letter dated March 9, 2020 from School District #23