

# REPORT TO COUNCIL



**Date:** May 25, 2020

**To:** Council

**From:** City Manager

**Department:** Development Planning

**Application:** Z19-0098

**Owner:** Tri-Moor Holdings Ltd., Inc. No. 1050685; Rayal Enterprises Ltd., Inc. No. 70194

**Address:** 1570-1580 Water Street

**Applicant:** Fox Architecture (Randi Fox)

**Subject:** Rezoning Application

**Existing OCP Designation:** MXR – Mixed Use Residential / Commercial

**Existing Zone:** C7 – Central Business Commercial

**Proposed Zone:** C7lp/rls – Central Business Commercial (Liquor Primary/Retail Liquor Sales)

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## 1.0 Recommendation

THAT Rezoning Application No. Z19-0098 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lots 1, 2, 5 & 6 District Lot 139 ODYD Plan 1355, located at 1570 - 1580 Water St., Kelowna, BC from the C7 – Central Business Commercial zone to the C7lp/rls – Central Business Commercial (Liquor Primary/Retail Liquor Sales) zone, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Development Planning Department dated May 25, 2020;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

## 2.0 Purpose

To rezone the subject property from the C7 – Central Business Commercial zone to the C7lp/rls – Central Business Commercial (Liquor Primary/Retail Liquor Sales) zone to allow for a liquor primary establishment with retail liquor sales.

## 3.0 Development Planning

Development Planning supports the proposal to rezone the subject property to C7lp/rls – Central Business Commercial (Liquor Primary/Retail Liquor Sales) to allow for a liquor primary establishment with retail liquor sales.

The applicant proposes to develop an unique establishment featuring a wine bar; lounge; roof top deck; interpretive centre & tasting room; education centre & lab; and wine shop. The total person capacity across all functions is proposed to be 625. According to Council Policy No. 359 Liquor Licensing Policy & Procedures, Liquor Primary Establishments with a person capacity greater than 249 are considered to be Large Establishments, and thus this would be considered a Large Establishment.

Admittedly, the proposed development is inconsistent with multiple guidelines in Council Policy No. 359 regarding both size and proximity to other Liquor Primary Establishments. The inconsistencies are outlined in Table 1. below:

**Table 1. Inconsistencies with Council Policy No. 359 Liquor Licensing Policy & Procedures**

<b>Establishment Type:</b>	<b>Policy:</b>	<b>Proposed:</b>
<b>Large Liquor Primary Establishment</b>	No greater than 500 person capacity	625 person capacity
	Min. 250m from other Large Establishments	4 Large Establishments w/in 250m
	Min. 100m from Medium Establishments	2 Medium Establishments w/in 100m
<b>Retail Liquor Sales</b>	Not in conjunction with Liquor Primary Establishment > 150 person capacity	In conjunction with Liquor Primary Establishment with 625 person capacity
	Not within 300m of existing Liquor Primary Establishment with person capacity > 350	4 Liquor Primary Establishments > 350 person capacity w/in 300m

However, it is important to note that these policies were intended primarily for nightclubs and bars where late night alcohol consumption is the main focus of the venue. In connection with this, Council Policy No. 359 also advises that the City support "alternative entertainment options, and/or establishments which are less focused on alcohol consumption (including event-driven establishments, and Food Primary establishments with the Patron Participation Entertainment Endorsement) to add a mix of entertainment options in Urban Centres." (Policy 2.b.) In this case, the proposed development has a unique mix of features, including a prominent educational component, and though alcohol will be consumed, this is not the focus of the venue. As such, the proposed development would add to the mix of entertainment options in the downtown core, in line with Council Policy No. 359. To reinforce this, the City's Downtown Plan encourages the development of more urban entertainment options in the downtown core, and especially in the Historic and Entertainment

District of the downtown core wherein the subject property is located (Kelowna Downtown Plan: My Downtown! p. 11-13, p. 17).

In addition, the applicant proposes preserving and refurbishing two unique and prominent heritage buildings on the City’s Heritage Register, and city policy is strongly in favor of this type of historical preservation and adaptive reuse (OCP Objective 9.2; Kelowna Downtown Plan: My Downtown! p. 17).

For these reasons, Staff are supportive of the proposed rezoning.

**4.0 Proposal**

**4.1 Background**

1580 Water St. was originally built as a 1 storey building in 1908 to house the Kelowna Courier—one of Kelowna’s original newspapers. The second storey of the building was added in 1928. Kelowna Courier continued to occupy the building until 1957 when the business moved to a new location on Doyle Ave. From this point the building hosted a series of businesses, including, most recently, the Keg restaurant.

1570 Water St. was originally built circa 1910 to house a Chinese restaurant on the ground floor with living quarters above. The building changed hands numerous times over the years but has always remained a restaurant, and also served as an extension of the Keg at one point. Most recently, the building housed La Lupita restaurant. Though the building was originally built in brick, similar to 1580 Water St., the brick was stuccoed over in the post-WWII era. The current development application proposes removing the stucco and refurbishing the original brick.

**4.2 Project Description**

The applicant proposes rezoning the property to C7lp/rls – Central Business Commercial (Liquor Primary/Retail Liquor Sales) to allow for a liquor primary establishment with retail liquor sales. Specifically, the applicant proposes an establishment to feature a wine bar (60 person capacity); lounge (150 person capacity); roof top deck (60 person capacity); interpretive centre & tasting room (300 person capacity); education centre & lab (30 person capacity); and wine shop (25 person capacity). 625 person capacity total.

The application also proposes refurbishing and adding on to the existing heritage buildings, for which a Development Permit will be required.

**4.3 Site Context**

The subject property is in the City Centre Urban Centre, in a part of Downtown called the Historic and Entertainment District in the City’s Downtown Plan. There are numerous buildings on the City’s Heritage Register in the area, as well as on the block itself—Water St. between Bernard Ave. and Lawrence Ave. There are also numerous pubs and nightclubs in the area.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	C7 – Central Business Commercial	Restaurant
East	C7 – Central Business Commercial	Vacant
South	C7 – Central Business Commercial	Fire Hall
West	C7lp – Central Business Commercial (Liquor Primary)	Nightclub

**Subject Property Map: 1570-1580 Water St.**



**5.0 Current Development Policies**

**5.1 Kelowna Official Community Plan (OCP)**

**Chapter 8: Economic Development**

*Objective 8.1 Focus on economic drivers that generate new and sustainable wealth*

*Policy .1 Sustainable Prosperity.* Assign priority to supporting the retention, enhancement and expansion of existing businesses and post secondary institutions and the attraction of new businesses and investment identified as bringing sustainable prosperity to Kelowna.

*Objective 8.9 Portray a positive image of Kelowna.*

*Policy .2 Downtown.* Recognize that a unique, attractive, thriving and livable downtown is strategically important to Kelowna's overall prosperity and success. Towards this end, the City will plan and manage the Downtown as a single and special entity and will take a proactive, comprehensive, integrated and collaborative approach towards providing services and infrastructure, delivering programs, and developing a supportive regulatory and financial environment.

## Chapter 9: Arts, Culture and Heritage

*Objective 9.2 Identify and conserve heritage resources.*

*Policy .3 Financial Support.* Continue to support the conservation, rehabilitation, interpretation, operation and maintenance of heritage assets through grants, incentives and other means.

### 5.2 Kelowna Downtown Plan: My Downtown!

Priority 2. Increase activity downtown

### 5.3 Council Policy No. 359: Liquor Licensing Policy & Procedures

2. Other Policies. b) Where appropriate, support alternative entertainment options, and/or establishments which are less focused on alcohol consumption (including event-driven establishments, and Food Primary establishments with the Patron Participation Entertainment Endorsement) to add a mix of entertainment options in Urban Centres. Consider limiting potential community impacts via license terms and conditions (hours, capacity, etc)

## 6.0 **Technical Comments**

### 6.1 Development Engineering Department

- See Schedule A

## 7.0 **Application Chronology**

Date of Application Received: July 5, 2019

Date Public Consultation Completed: August 12, 2019

**Report prepared by:** Aaron Thibeault, Planner II

**Reviewed by:** James Moore, Acting Development Planning Manager

**Approved for Inclusion:** Terry Barton, Development Planning Department Manager

### **Attachments:**

Schedule A: Development Engineering Memo

Attachment A: Conceptual Renderings

Attachment B: Applicant Rationale