

REPORT TO COUNCIL



Date: June 22, 2020

To: Council

From: City Manager

Department: Development Planning

Application: Z20-0025

Owner: 1046958 B.C. Ltd., Inc. No.
BC1046958

Address: 185 Arab Road

Applicant: Steven Lea, Press Development
Ltd.

Subject: Rezoning Application

Existing OCP Designation: IND-L – Industrial Limited

Existing Zone: A1 – Agriculture 1

Proposed Zone: I6 – Low Impact Transitional Industrial

1.0 Recommendation

THAT Rezoning Application No. Z20-0025 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 40, Section 3, Township 23, Osoyoos Division Yale District Plan 18861, located at 185 Arab Road, Kelowna, BC from the A1 – Agriculture 1 zone to the I6 – Low Impact Transitional Industrial zone NOT be considered by Council.

2.0 Purpose

To consider Staff recommendation to NOT rezone the subject property from A1 – Agriculture 1 to I6 – Low Impact Transitional Industrial to facilitate the use of the subject property for an industrial development.

3.0 Development Planning

Staff recommend non-support for the proposed rezoning application to facilitate the use of the subject property for an industrial development as it would undermine the coordinated engineering and utility servicing upgrade requirements for the Appaloosa-Arab Road area, as per Subdivision, Development and Servicing Bylaw 7900.

The area has complex road and utility challenges that necessitates a comprehensive and coordinated solution lead by the area residents. In order to rezone the area from Agriculture to Industrial, the road

network in the area requires comprehensive upgrades, and community water and sewer is required to service the new industrial lands.

Additionally, fair cost-sharing of upgrade works is necessary so that the entire neighbourhood may proceed. The cost for off-site requirements for the area properties is estimated to be in excess of three million dollars, which is more than one property owner is likely to be able to manage. The off-site requirements include underground and surface infrastructure for Appaloosa Road and Palomino Road, which need to be completed concurrently.

Furthermore, there must be Statutory Right of Way for drainage pipes in place at the front-end of the area upgrades for drainage to work through different properties. There must be a new road connection through private property that will only be achievable through a comprehensive, area-wide engineering and servicing implementation. Any property doing these works on a standalone application will make it more difficult in the future for other properties in the area to tie in to the works, placing a strain on the area and its residents.

All of this cannot be achieved on a lot-by-lot basis unless the individual lot in the area that is first to submit a rezoning application agrees to take on the entire off-site needs and cost associated with off-site improvements for the area, at that time, then the individual lot may come in alone. Otherwise, approval of one-off rezoning proposal would erode the likelihood of a neighbourhood solution.

The area has a long-standing history (refer to Section 4.1 for background details). The applicant understands the property owners in the area intend to pursue a neighbourhood-led land use and servicing plan. This is to facilitate the option for the area residents to submit a collaborated group application to rezone their parcels to I6.

In accordance with Council direction from 2017, Staff have informed area residents that no-one could move forward a rezoning application until an area servicing plan had been created and bonded for by each applicant. Contrary to this direction, the applicant for the subject property wishes to pursue rezoning the parcel independently of Area residents and without collaborating with the Area servicing plan.

To fulfill Council Policy No. 367, the applicant notified property owners/tenants within 50m of the subject property and submitted a Neighbour Consultation Form to staff on May 13, 2020.

4.0 Proposal

4.1 Background

The historical background for the Appaloosa-Arab Road neighbourhood was provided in a letter (dated April 24, 2020) by the Divisional Director of Planning and Development and presented to Council and City Manager (Attachment C).

In summary, the Official Community Plan (OCP) designates the subject property as IND-L Industrial-Limited which was created for the I6 zone. The zone was created to allow for a range of low-impact industrial land uses that are intended to act as a transition between the general industrial areas to the south and east and the rural residential areas to the north and west of the Appaloosa-Arab Road Area. The permitted uses, development regulations, screening requirements, parking and outdoor storage restrictions, and other regulations in the I6 zone are designed to limit negative impacts to the nearby residential, rural and agricultural uses in this Area.

Following a Public Hearing in April 2017, Council directed the Area property owners to work together on a plan for the servicing of the Area. This plan would in theory see interested parties front-end the consulting costs and ultimately the servicing costs, with the ability to late-comer future development.

Since Council's 2017 decision, Staff have been working on and off with a group of Appaloosa-Arab Area property owners and a civil engineer to create an Area servicing plan. During this time, Council denied two applications for temporary use permits and directed the applicants to work towards a permanent servicing solution. As per Council direction, Staff have informed Area residents that no-one could move forward a rezoning application until an Area servicing plan had been created. A number of property owners in the Area continue to work towards a servicing plan that meets the City's servicing regulations for industrial development. A servicing plan was submitted by the consultant and currently is under review by the City. If approved and once the property owners with active rezoning applications bond for the servicing works, it will allow rezoning applications to begin to move forward into the Council process with Staff support under a coordinated servicing strategy.

4.2 Project Description

The applicant wishes to rezone the subject property to I6 to facilitate the use of the subject property for an industrial development, and has not submitted a proposed development permit application or a plan for the property.

4.3 Site Context

The subject property is located within the Highway 97 City Sector and a Transmission Pressure Pipeline runs through the property. The property fronts Arab Road, is on the corner of Arab Road and future Palomino Road, and on the south side of Appaloosa Rd. The lot area is approximately 7,484m² (1.85 acres) in size and is typical of other surrounding properties. The property is within the Permanent Growth Boundary and is zoned A1 – Agriculture 1 with a future land use designation of IND – L Industrial – Limited. Adjacent land uses are as follows:

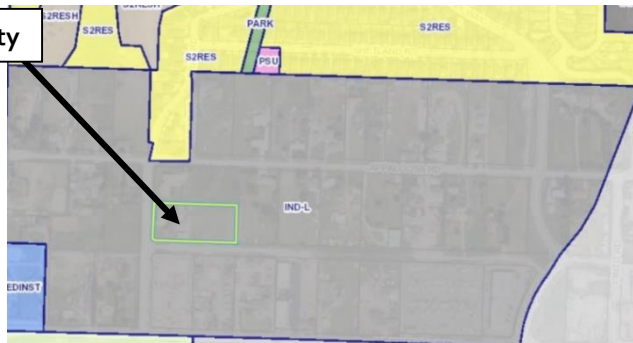
Orientation	Zoning	Land Use
North	A1C - Agriculture 1 with carriage house	Rural residential
East	A1 – Agriculture 1	Rural residential
South	Future Palomino Road I6 – Low Impact Transitional Industrial A1 – Agriculture 1	Future Palomino Road Outdoor storage Rural residential and outdoor storage
West	Arab Road A1 – Agriculture 1	Arab Road Rural residential

Subject Property Map: 185 Arab Road

Zoning Map:



Future Land Use:



5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Chapter 10: Development Process

Objective 5.28 Industrial Land Use Policies:

Focus industrial development to areas suitable for industrial use.

Objective 5.30 Industrial Supply Protection:

Protect existing industrial lands from conversion to other land uses by not supporting the rezoning of industrial land to preclude industrial activities unless there are environmental reasons for encouraging a change of use.

5.2 Other Policies

Subdivision, Development and Servicing Bylaw 7900

Section 9.3 Required Works and Services

6.0 Technical Comments

6.1 Development Engineering Department

- Refer to Schedule A, Development Engineering Memo, dated March 6, 2020.

7.0 Application Chronology

Date of Application Received: February 5, 2020

Date Public Consultation Completed: May 13, 2020

8.0 Alternate Recommendation

THAT Rezoning Application No. Z20-0025 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 40, Section 3, Township 23, Osoyoos Division Yale District Plan 18364, located at 185 Arab Road, Kelowna, BC from the A1 – Agriculture 1 zone to the I6 – Low Impact Transitional Industrial zone be considered by Council;

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

AND FURTHER THAT final adoption of the Zone Amending Bylaw be subsequent to the following:

1. To the outstanding conditions identified in Schedule A associated with the report from the Development Planning Department, dated March 6, 2020.
2. The applicant be required to provide a landscape plan and post with the City a Landscape Performance Security deposit in the form of a Letter of Credit in the amount of 125% of the estimated value of the landscaping.

Report prepared by: Barbara B. Crawford, Planner II
Reviewed by: Dean Strachan, Community Planning & Development Manager
Reviewed by: Terry Barton, Development Planning Department Manager
Approved for Inclusion: Ryan Smith, Divisional Director, Planning & Development Services

Attachments:

Schedule A: Development Engineering Memo, dated March 6, 2020.

Attachment A: Site Plan.

Attachment B: Applicant's Rationale Letter.

Attachment C: Appaloosa-Arab Road Neighbourhood Servicing for Development, Divisional Director of Planning and Development, dated April 24, 2020.