

REPORT TO COUNCIL



Date: January 11th, 2021

To: Council

From: City Manager

Department: Development Planning

Application: Z20-0063 / LUCT20-0004 **Owner:** Heartwood Investments Ltd.,
Inc.No. 352195

Address: 251 Adams Rd **Applicant:** The City of Kelowna

Subject: Rezoning Application and Land Use Contract Termination

Existing OCP Designation: IND – Industrial

Existing Zone: A1 – Agriculture 1

Proposed Zone: I2 – General Industrial

1.0 Recommendation

THAT Land Use Contract Termination Application No. LUCT20-0004 to terminate LUC77-1047 from Lot A Section 2 Township 23 ODYD Plan 33555 Except Plan EPP52727, located at 251 Adams Road, Kelowna, B.C. be considered by Council;

AND THAT Rezoning Application No. Z20-0063 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot A Section 2 Township 23 ODYD Plan 33555 Except Plan EPP52727, located at 251 Adams Road, Kelowna, B.C. from the A1 – Agriculture 1 zone to the I2 – General Industrial zone be considered by Council;

AND THAT the Land Use Contract Termination Bylaw and Rezoning Bylaw be forwarded to a Public Hearing for further consideration.

AND THAT the notice sign requirements under Council Policy No. 367 be altered to allow for placement on the City of Kelowna's boulevard;

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

2.0 Purpose

To consider an application to proceed with the early termination of Land Use Contract LUC77-1047 and rezone the subject property.

3.0 Development Planning

Staff are recommending the Land Use Contract (LUC77-1047) be terminated and for the subject property to be rezoned. The underlying zone is A1 – Agriculture 1 and is not appropriate for the current land use. The current use is custom indoor manufacturing. These uses are currently permitted in the Land Use Contract, under the former Zoning Bylaw 4500's I1 – Light Industrial and Warehouse. The Zoning Bylaw has since been updated and obtains different uses, requirements and zonings. The I2 – General Industrial zone is the most appropriate to match the use, as it allows for the existing uses, it matches the surrounding area and it meets the Future Land Use Designation of IND – Industrial. Therefore, Staff are proposing to adopt the I2 – General Industrial zone to the subject property.

The existing Land Use Contract (LUC) affects one property at 251 Adams Road and currently restricts the uses to Bylaw 4500's I1 – Light Industrial and Warehouse. The Land Use Contract uses, and regulations largely fit within the I2 – General Industrial zone.

4.0 Proposal

4.1 Background

Land Use Contracts were a tool regularly used in the 1970's before it was eliminated on November 15th, 1978. The purpose of the tool was to allow local governments to arrive at agreements with specific developers to grant development rights over and above what was allowed under current zoning. This was typically done in exchange for commitments by developers to help finance the infrastructure costs of development.

Issues have arisen, specifically with the continued application of land use contracts as they supersede any subsequent bylaw dealing with land use and development including: Zoning Bylaws, Development Cost Charge Bylaws, and Development Permits. The Local Government Act was amended in 2014 stating all land use contracts in the province will be terminated as of June 30th, 2024. Land use contracts will remain in force until that date unless terminated early by the municipality. By June 20th, 2022, local governments must have appropriate zoning regulations in place to replace land use contracts upon their termination. However, LUC terminations (unlike LUC discharges) do not apply when Council adopts the bylaw. Terminations require a one-year grace period as outlined by the Local Government Act.

4.2 Notification

Local governments must provide notice to each owner that the termination of land use contract is occurring and must provide notice of what the new zoning regulations apply to the land. The municipality must also send an additional letter within 30 days of adoption, informing the owners and providing information about the Board of Variance. Due to the file being Staff initiated, Staff suggest the Council Policy #367 development signage requirements be altered to allow for the development signs to be placed on the City Kelowna's boulevard, rather than on the subject property.

4.3 Site Context

The subject property has a total area of 5,115m² and is located on 251 Adams Road. The property has been designated IND – Industrial in the Official Community Plan and the surrounding area is IND – Industrial.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	I2 – General Industrial	General Industrial Uses
East	I2 – General Industrial	General Industrial Uses
South	I2 – General Industrial	General Industrial Uses
West	I2 – General Industrial	General Industrial Uses

Subject Property Map: 251 Adams Road



5.0 **Current Development Policies**

5.1 Kelowna Official Community Plan (OCP)

Council Policy No. 282 – Strategy for Elimination of Remaining Land Use Contracts

Council Policy No. 282. Includes the following statement:

That the City of Kelowna initiate proceedings to discharge the contracts subject to consultation with affected owners of the land and subject to prior approval by Council with regard to affected contracts.

5.2 Kelowna Official Community Plan (OCP)

Chapter 4: Future Land Use

Industrial (IND): Light and heavy industrial uses as well as Industrial/Business activities and airport related industrial uses. Industrial/business refers to uses that provide services and support to industrial and business customers. This designation may also include CD Comprehensive Development zoning that provides for industrial uses.

6.o Application Chronology

Date of Application Received: August 5th, 2020

Date Public Consultation Completed: October 1st, 2020

Report prepared by: Tyler Caswell, Planner I

Reviewed by: Dean Strachan, Community Planning & Development Manager

Approved for Inclusion: Terry Barton, Development Planning Department Manager