

The logo consists of four overlapping, curved, leaf-like shapes in various shades of orange and peach, arranged in a circular pattern around the text.

Kelowna Chamber

Submission to the City of Kelowna

RE: OCP 2040

May 14, 2021

Growing the people who power the Okanagan



ABOUT THE CHAMBER

The Kelowna Chamber of Commerce is a federally incorporated not-for-profit organization that is dedicated to connecting, serving, and empowering the regional business community. The Chamber provides numerous services to its 1,000 members and the broader business community including educational seminars, major events, member benefits, and government advocacy.

The Chamber invests 100% of the revenue it receives back into programs and services that continually add value to members and the communities we serve. The Board is elected from the membership and is comprised of a diverse set of business and community leaders who operate under a policy governance model supporting a team of dedicated professional staff. The Board and staff work in harmony to ensure strategic outcomes that create better business today and a more prosperous community tomorrow.

In 2021, the Kelowna Chamber celebrates its 115th year and it continues to be recognized as one of BC's leading business associations and among the leaders in the Canadian Chamber network.

OUR MISSION

We exist to foster a positive business environment by providing members and the community with leadership, advocacy, and services of value.

COMMENTS - OFFICIAL COMMUNITY PLAN 2040 CITY OF KELOWNA

The Kelowna Chamber recognizes the draft Official Community Plan for the City of Kelowna represents the culmination of an extensive community engagement process and the Chamber applauds the City and its staff for the years of work and community engagement that have gone into crafting the new OCP.

We appreciate the numerous opportunities that the Chamber and the business community have had to participate in various engagement processes over the last several years. These have included:

- The opportunity for our members to provide input through both qualitative (open houses) and quantitative (surveys) engagement processes.
- Numerous presentations on the OCP provided by City staff directly to our Board.
- Having staff and Chamber Board members participate in various workshops the City has hosted.

The Kelowna Chamber, as the key business organization locally, representing broad business and economic interests, is pleased to provide this comprehensive submission. We recognize that certain industries have specific industry concerns, particularly the Urban Development Institute Okanagan Chapter (UDI) and the Canadian Home Builders Association Central Okanagan (CHBACO) and we defer to their expertise in those specific areas. For the most part, we concur with the content of and spirit of their comments. With our 115 years of experience helping represent the interests of local business, we look forward to an ongoing relationship with City planning staff as the OCP is implemented.

The Chamber's solid relationship with the City is one we value. We know that City representatives understand that we are showing respect for the process when we need to disagree with certain statements that will be contained in the OCP.

Overall, we hope our thoughts and comments conveyed both formally and informally have resulted in a better final product, and upon review of the draft we recognize that the many positive aspects of the draft plan far outweigh any of the concerns we continue to have. With that said though, as the City moves closer towards finalizing the plan, we wish to summarize a few key points we believe require further reflection.

We are also more than willing to assist in any meaningful way if and as our assistance is required. We will be pleased to be involved in implementation of the OCP and recognize that adoption of the OCP is only the beginning of a process. We look forward to continued collaboration as the plan is implemented over the next twenty years.

This submission is provided on behalf of our Policy Advisory Committee, our Board of Directors, and our members.

Affordable Housing

There is a need for ongoing effort to address the high cost of housing (market based) and we believe part of that effort should be to examine the government costs associated with development with the goal of greater cooperation among all levels of government to not treat housing as a cash cow. As development costs are inevitably passed on to the eventual buyer, it is not surprising that new housing costs are climbing and as a result are influencing market forces that are also leading to escalating costs for existing housing.

We believe a significant rethink on how urban infrastructure is paid for is required although we appreciate getting there will require significant cooperation and willingness among the three levels of government if progress on this issue is to be achieved. Currently urban infrastructure to support housing is financed to a large degree by development costs which are applied by local government then borne by consumers in an asset-based funding model; but if infrastructure were financed to a greater degree by the senior levels of government through income-based revenue streams, the burden on the housing sector would be reduced as costs would be shared more broadly and perhaps more equitably across all taxpayers.

As an example of how this could be achieved, we are submitting a policy to our BC Chamber colleagues in May that calls for the Province to provide increased infrastructure grants to growing urban centres like Kelowna that could help reduce the need for local governments to continually increase development cost charges (DCCs). [*“Urban Mayors Caucus Blueprint for BC’s Urban Future: A Business Perspective”*]

As noted in previous meetings with City planning staff, the Chamber supports reducing and/or capping Development Cost Charges, and better tying them to amenities in the immediate neighbourhood, rather than adding to the cost of new housing by continuously escalating DCCs. (Refer to the City’s 20 Year Servicing Plan, and the new DCC Bylaw, 2020.)

Stronger policies that acknowledge the need to specifically reduce the cost of market-based housing would be worth including in the new OCP, otherwise the future of the Okanagan will look very much like the lower mainland where people drive out towards the rural areas until they qualify for a mortgage, leading to other challenges related to urban sprawl, something that leads to the next significant issue we wish to raise which is transportation.

We also acknowledge that addressing the need for more affordable housing is a complex issue and time and space do not allow us to elaborate on the positive policies and initiatives being undertaken by various levels of government to help, such as: subsidized housing for non-market housing; allowing for secondary suites in all residential zoning districts; and enabling diverse housing to be considered across the city from co-op housing initiatives to high density mixed use projects in urban development areas.

We do note, though, that ensuring enough developable land for suburban housing is available to meet future needs is an issue that may require more focus by the City, as identified in UDI's final letter to the City on the OCP dated May 7, 2021.

Transportation

We appreciate the significant policy focus on active transportation and the importance of transit as noted under the OCP's transportation section but believe as the economic hub for the entire region, there could be additional policy focus on ensuring infrastructure that better serves the movement of goods within and through the city.

We observe that in the Commercial and Industrial Projections, the OCP identifies a trend towards online shopping. The trend is framed in the context of lowering the need for commercial retail space; if that is the case, however, would there not then be an equal increase in the amount of vehicular movement to get those goods to the consumers who purchase them? We acknowledge the consumer trend towards more e-commerce. This is one of the rationales which signals the City of Kelowna growth as a commercial logistics hub for the entire region. We believe adding one or more policies which recognize the need for an integrated transportation system that has as a top priority, the efficient movement of goods, should be considered.

We note that the Transportation Goods & Services Plan slated for completion in 2021 needs to be completed within the next 12-18 months with the results then incorporated into the 2040 OCP.

We applaud the City for including in the OCP Policy 4.17.1. (Highway 97) that recognizes the role that Harvey Avenue plays as a mass transit corridor and in facilitating the movement of goods and services for the region, as well as Policy 4.17.2. (Highway Permeability) that references the need to work with the Ministry of Transportation and Infrastructure to improve access across provincial highways for all transportation modes to promote neighbourhood connectivity to and within urban centres. However, we believe there would be value in including policy statements that stress the importance of the efficient movement of commercial vehicles within and through urban centres and additionally, a policy that identifies the need to work with the Ministry of Transportation and Infrastructure to reduce the number of controlled intersections on Highway 97 (through the entire region).

To further build on the rationale for this suggested additional policy, we observe that if a strategic goal within the OCP is to reduce greenhouse gas emissions (GHGs) (Objective 12.2), there would be merit in a policy statement that identifies the need to work with the Ministry of Transportation and Infrastructure to develop a long-range plan that eliminates or at minimum reduces the need for transport trucks to stop at numerous controlled intersections along Highway 97. Within the legislation taking BC to a 2030 lowered emission target under CleanBC, it is noted that trucks idling at controlled intersections is an issue that needs attention in any OCP which includes a provincial highway such as Kelowna. Transport vehicles

spewing potentially noxious fumes into the air each time they are forced to stop (and start) at a controlled intersection contribute to GHGs.¹

Major metropolitan centres across North America have recognized this GHG health issue and that recognition has led to those jurisdictions pursuing alternative traffic management models (i.e., bypasses, express lanes, overpasses and underpasses, roundabouts, etc., as an alternative to controlled intersections.

The Chamber strongly suggests that the need to include policies highlighting the importance of transportation of goods (and services) is equal to encouraging active transportation and mode shift. We believe a robust transportation system must:

- Serve a regional workforce – recognizing those in the service sector often can't afford to live and work in the same area, so that the only option is to have robust public transportation systems which allow those who work in one community to live in another: a trend that is likely to continue.
- Allow for greater and more efficient movement of commercial vehicles around and through the city/region; that means working to encourage the Province to improve the highway corridor to allow for greater fluidity of transport trucks through the Kelowna/West Kelowna corridor up to and including planning towards a second crossing of Okanagan Lake.
- Recognize active transportation corridors which link the City to the adjacent municipalities of Lake Country and West Kelowna: something the draft OCP does recognize in noting the value of the Rail Trail as a critical transportation corridor.
- Allow for parking needs, particularly at growing urban hubs so that business growth isn't constrained.
- Acknowledge the innovations of electrification of highways and, introduction of hydrogen and other alternate fuels, and the impact of all on commercial transportation.

Industrial Lands

The Chamber sees value in a diversified tax base and would like to ensure Industry isn't forgotten and, that there is enough identified developable industrial land set aside for future needs. This industrial land base will generate jobs for a growing Kelowna and is essential to our future stability as a jobs centre. It is critical that these industrial lands both be zoned and be kept industrial, and then serviced to meet growing business needs. We also encourage the City to work cooperatively with the District of Lake Country as industrial (and residential) land growth will require negotiation which goes beyond the north borders of Kelowna. One example might be cooperating in extending service networks across municipal boundaries,

¹ Re-engaging a diesel engine to resume speed is when a commercial vehicle emits significant emissions that have been identified as carcinogenic. *"The International Agency for Research on Cancer (IARC), which is part of the World Health Organization (WHO), classified diesel engine exhaust as carcinogenic to humans (Group 1), determining that exposure to diesel exhaust emissions increases the risk for lung cancer and possibly bladder cancer"*

such as the District of Lake Country providing water, Kelowna providing sewer services. This cooperation would lower costs for developers who need to pay to bring these services to lots in Kelowna.

Based on market trends and forces, we feel that the City may need to be open to expediting the North Glenmore Sector Study which would examine adding housing volume north of the City to better service growth needs; increased employment at both the airport and UBC; and the potential increase in the area's viability if and when the Commonwealth Interchange is completed. Referring to the OCP's Map 2.2, the low population growth numbers will also be affected as industrial lands adjacent to and north of the airport undergo build-out and affect employment numbers. On the Growth Scenario 2040 map, University South and Airport North are burgeoning areas of growth in Kelowna, with greater numbers in the years ahead, and we understand these numbers may be adjusted upward, which we strongly support.

We also suggest, referencing Map 6.1 "Airport Noise Buffer Areas" that as equipment (aircraft) continue to reduce noise emitted, and change take-off and landing flight path needs (less time at low altitudes) that the buffer areas in the future might be reduced and dedicated to industrial or housing. By the same token, referencing Map 13.6, "Landfill Impact Buffer Area", we suggest this buffer zone could change as technology advances are made around current GHG and other landfill emission issues.

Pro-growth Plan/Land Use

There is value to current residents inherent in growth and that value should be recognized within the OCP, such that the financial benefits that flow to a community from new investment are recognized (*i.e.*, assist factor incorporated into DCCs recognizing the benefits that flow to all current citizens from new growth).

A Growing Urban Region

We recognize that in the long term there will be no separation between municipalities in the Central Okanagan. Current municipal borders will become irrelevant – despite the provincial Speculation Tax – and give way to the need for greater cooperation, planning and development across the Central Okanagan, potentially seeing the formation of Greater Kelowna, an amalgamation with Lake Country, West Kelowna, and Peachland.

Trends are showing that as urbanization continues in Canada and around the world, transportation systems are becoming the backbone that is driving development. The evolution of TransLink in metro Vancouver is a good example as increased density and development at hubs along the route are creating opportunities for growth and investment from Burnaby to Coquitlam and further afield. Thus, regional growth strategies likely should lean towards a more linear development where municipal borders become irrelevant – *i.e.*, greater focus on development along the north-south transportation corridors particularly towards the north as that appears to be where current and near-future demand is most evident.

Regional Growth Management/Planning

The Chamber is a strong supporter of updating the current regional planning document, that, while less than ten years old, could be incorporated into the 2040 OCP in a more tangible way if it were up-to-date based on currently available data. We appreciate that the City is comfortable with the current regional growth strategy, but we would encourage consideration of an update within the next five years given the accelerated pace of growth we are currently seeing in the Central Okanagan. We will encourage the Regional District's Board to consider requesting an update to the current Plan under the requirements of the Local Government Act.

In growing metropolitan areas around the world there have been numerous examples where parochialism defined by artificial municipal boundaries has trumped broader regional thinking that would lead to more effective community planning and more efficient public expenditures. From a blue-sky thinking perspective, one OCP covering the entire Central Okanagan would make much more practical sense than having each local government design their own OCP that may or may not conflict with their neighbour.

Over time the municipal boundaries between adjacent communities in the central Okanagan will only be relevant to those who directly gain by their existence. By being prepared to relinquish power and consider a unified regional municipality (*i.e.*, Greater Halifax) we would avoid the waste of public dollars in duplicated services, inconsistent regulations, over-governance, and political power struggles between neighbouring municipalities that exist in growing regions like the lower mainland and in south Vancouver Island.

Reluctance to address fundamental democratic governance issues and systems will fuel unnecessary growth in bureaucracy and regulations for which, unfortunately, Canada is becoming too famous. This path will make us less competitive globally and in the long term, negatively impact the quality of life many of us currently enjoy.

ALR Lands

The City is encouraged to continue its development of strong relationships with the agricultural industry and commit to ongoing full-time agricultural land planning on its staff, while maintaining a consistent presence at ALR hearings. We support Kelowna City Planning when it says it is not enough to recognize the importance of agriculture to our economy and our City, but also to acknowledge that agriculture needs to be viable going forward. It is crucial that those in the farming and orchard business earn decent livelihoods therein, and that succession planning in their industry does not reflect any sort of 'twilight' industry flight of jobs and viability. Our Chamber has numerous provincial policies adopted around these issues.

Regulatory Burdens – Policies that work for residents

We understand that UDI has raised concern about the breadth of the OCP document and the potential for conflicts within the document or by those who attempt to interpret it. While the OCP is sensibly broken into pertinent sections, it is possible that staff and industry alike could be challenged to navigate and interpret it adequately. There are extensive interpretation issues which could cause future concerns.

We also support UDI's reference to availability of developable lots for new homes to meet suspected demand. We suggest that there needs to be methodology for fast-tracking development, otherwise it may be numerically impossible to schedule the number of applications required for the projected growth.

A Question in Closing. . .

Impacts of COVID-19

Should the OCP include a specific section on "understanding and recognizing potential lasting changes from the pandemic"? This might consider the effect of recent lifestyle changes: will there be a lasting shift to more remote workers, greater reliance on private automobiles, and growth rate increases because of an acceleration of retirees/younger workers moving from elsewhere (lower mainland and elsewhere in Canada) to Kelowna and the Okanagan, thus putting permanent and greater demands on services? Will residents seek to move out of the core and onto acreage? Will the importance of bricks and mortar business establishments wane? Will commuting and transit suffer a lack of popularity? Will e-commerce continue to impact our goods and services transportation needs? What about tourism and inbound travel? We feel the pandemic issue needs to be captured in the 2040 OCP as the way ahead is unclear at this point.

On behalf of the Kelowna Chamber of Commerce, thank you for your consideration of these points.