

Report to Council



Date: July 12, 2021
To: Council
From: City Manager
Subject: North End Neighbourhood Planning
Department: Policy & Planning

Recommendation:

THAT Council receive, for information, the report from the Policy & Planning Department regarding the North End Plan, dated July 12, 2021;

AND THAT Council directs staff to launch the North End Neighbourhood Plan process, as outlined in the report from the Policy & Planning Department, dated July 12, 2021;

AND FURTHER THAT the 2021 Financial Plan be amended to include \$135,000 for staffing for the North End Neighbourhood Plan project, to be recovered from the applicant for the Mill Site Area Redevelopment Plan.

Purpose:

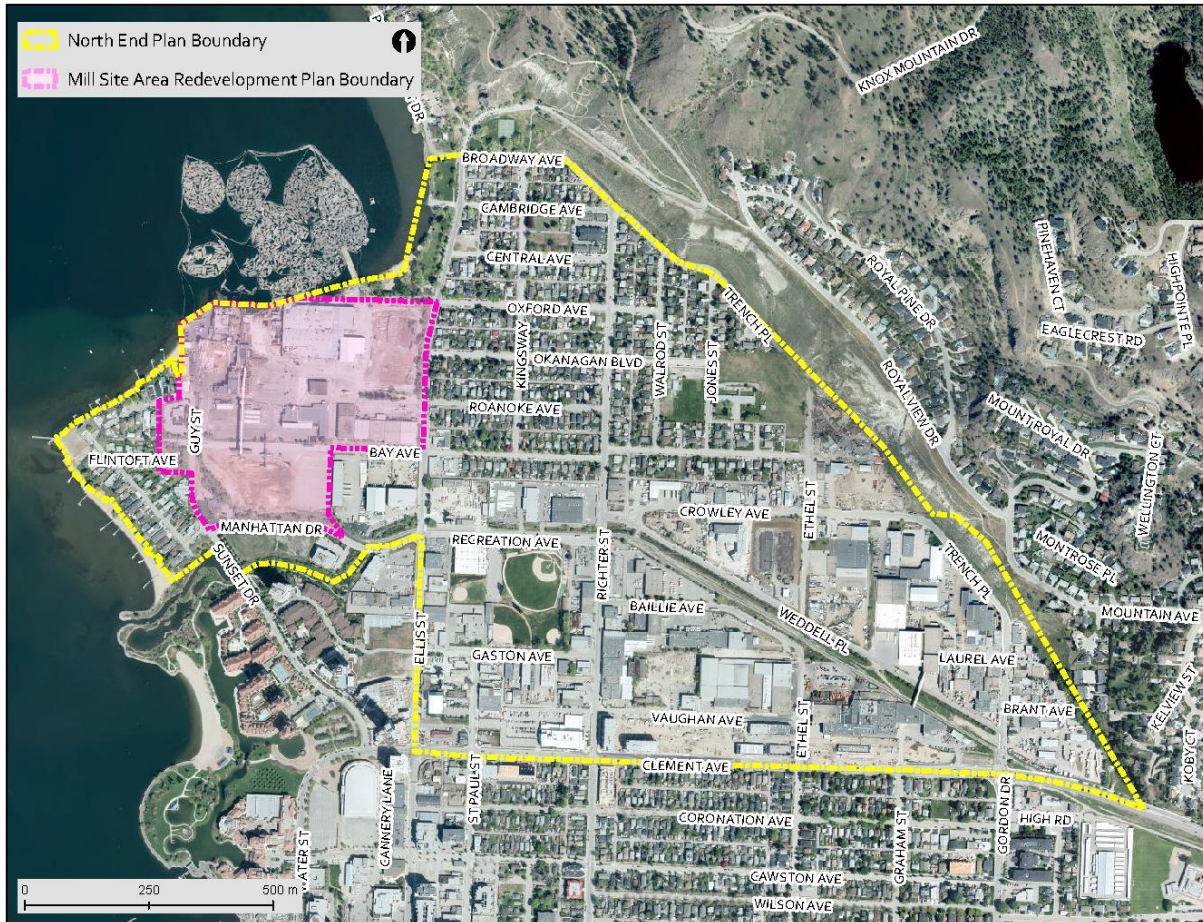
To authorize the launch of the North End Neighbourhood Plan process.

Background:

The North End (see Figure 1) is one of the most dynamic and diverse neighbourhoods in Kelowna, and it is changing rapidly. Set between Knox Mountain Park to the north and Clement Avenue on the south, the North End neighbourhood contains a range of distinct areas, from wartime residential housing, to long-established industrial businesses, to a young and growing Brewery District.

More recently, the Tolko lumber mill has closed permanently, and the adjacent BC Tree Fruits site has been listed for sale. The exploration of the development potential of these sites is imminent, and there is now a window of opportunity to help set the course for the long-term evolution of this complex, vital and exciting part of our community. A thorough, coordinated neighborhood plan process (North End Plan (NEP)) will provide clear guidance to an area that is facing considerable pressure for change. This NEP process should take the lead, allowing the site-specific Area Redevelopment Plan (ARP) process for the mill site area to follow.

Figure 1: Study Area Map



A neighbourhood plan plays an important role in the planning process, providing the missing link between the high-level planning found in the Official Community Plan (OCP) and the regulatory detail of a zoning bylaw (see Figure 2).

Figure 2: Planning Hierarchy



Importantly, a neighbourhood plan, at its completion will contain the following:

- an inventory of existing land uses, natural features, zoning, transportation networks, utility infrastructure and heritage sites;
- a statement of development objectives and policies for the area, and their relationship to Council policy as stated in the Official Community Plan, and within other bylaws and policies that may be adopted by Council from time to time;
- where applicable, information on the natural environment or hazardous conditions of the area including the manner in which natural site characteristics will influence development;
- the identification of major land uses by type and density;
- the general location of transportation networks and required upgrades to accommodate vehicles, public transit, pedestrians and cyclists within the plan area, and the relationship of the proposed network to existing City facilities. Advance transportation plans should identify all vehicle, transit, pedestrian, bicycle, and trail linkages and provide a mix of trail, local, collector and arterial roads necessary to create a balanced transportation system; and,
- the location and type of any development permit areas to be designated within the area, together with guidelines for proposed development within those development permit areas.

A Rapidly Changing Neighbourhood

The plan area is located on the traditional, ancestral, unceded territory of the syilx/Okanagan people. The Indigenous cultural significance and usage of the area will be explored in greater detail through the planning process.

From a settler perspective, Kelowna's North End has played an important role in the evolution of the city since the early 1900's. As the city has changed, so has the North End. From brick making, tobacco processing and fruit packing in its early decades, the area has transitioned to include a mix of major industrial production, small-scale businesses and residential development. Today, the North End neighbourhood contains over 800 homes¹ with over 1,500 residents, 226 active businesses² with a mix of commercial and industrial operations.

The neighbourhood is facing pressure for transition on many fronts:

- The railway has shut down and has been replaced by a busy active transportation corridor;
- The north part of Downtown has developed quickly, bringing some of the highest density residential and mixed-use development in the city to the doorstep of the North End;
- Clement Avenue has been transformed over the past five years, now hosting hundreds of new apartment units in a mix of tenures;
- Demand for industrial land has shifted to other parts of the community with more convenient Highway access;
- Transitional commercial, and food and beverage uses have begun competing for space with industrial uses, shaping former industrial sites into the beginnings of a distinct Brewery District; and,
- The mill site has closed permanently, and is preparing to explore redevelopment.

¹ Estimated based on property assessment information as of June 17, 2021. An additional net increase of 150 units was added to account for the recently occupied development located at 740 Clement Avenue.

² Estimated based on property assessment information as of June 17, 2021.

A North End Plan will provide the opportunity to clarify the community's vision for the neighbourhood, answering some of the big, outstanding questions, such as: What is the future of industrial in the North End? What is the role of multi-unit residential development? Can industrial uses co-exist with residential and commercial? Is there an opportunity to expand housing options in the area?

A neighbourhood planning process will also provide the opportunity to identify the public spaces, infrastructure networks, and amenities needed to support the evolution of this area. Without a proactive neighbourhood plan in place, planning and development will instead be reactive. Each project would be considered on a case-by-case basis, and Staff and Council would struggle to harness the benefits of growth and ensure that residents feel adequately engaged in shaping their neighbourhood. The result would be a neighbourhood full of uncertainty: uncertainty for existing and prospective residents and businesses alike.

That is not to say that a neighbourhood plan will guarantee a seamless transition. The tensions between land uses in this area are significant and we anticipate addressing and resolving these tensions through the planning process. While a neighbourhood plan does not guarantee that all residents' visions are achieved, it can ensure that all residents and businesses have a clear sense of the area's future and can make reliable decisions accordingly.

Discussion:

Plan Prioritization Discussion

Staff have been closely monitoring the evolution of the North End over the course of the past decade. As change has accelerated in the area more recently, it has become clear that a neighbourhood planning process is needed to answer some critical and central questions facing this area today.

The North End is, however, only one of many other parts of the city in competition for the substantial resources needed to execute a neighbourhood plan, including Urban Centre plans for Rutland and South Pandosy. These areas are identified in the draft 2040 Official Community Plan, listed under the *Making the Plan Work* chapter. As drafted, there are over 50 implementation action items identified in the draft 2040 OCP. However, as noted above, there is an urgency for the City to proactively plan this area to avoid being in a continuously reactive mode when considering new development, such as the imminent Mill Site Area Redevelopment Plan (ARP).

Typically, Urban Centre plans would rank above neighbourhood plans in priority. Both Rutland and South Pandosy are identified as high-priority areas requiring dedicated planning efforts. The key element that has raised the urgency to deal with the North End immediately is the imminent question of the former mill site's future. The potential reconsideration of this site's future represents an opportunity that is rare and significant. Its direction will play a major role in determining the long-term future of Downtown and of the North End, and will have impacts city-wide. Ultimately, the drivers of change in the North End are significant and time sensitive, such that staff recommend this planning process be advanced immediately.

The North End Plan and the Mill Site

Despite the level of change occurring in the North End, the most important single reason for advancing the NEP is the impending reconsideration of the future of the mill site and adjacent BC Tree Fruits site ("mill site area"). Regardless of which form redevelopment takes, the sites – being approximately 19.6 hectares in area – will have a considerable impact on the immediate area and the community as a whole.

The reconsideration of the mill site area will take place through the established Area Redevelopment Plan (ARP) process and will be led by the landowners. The NEP and the Mill Site ARP will be conducted in parallel; but, the NEP will take the planning lead, establishing the critical direction that the Mill Site ARP will be required to follow. The Mill Site ARP process will include several important stage gates that will ensure its alignment with the broader NEP document. Should Council direct staff to launch the NEP process, a formal application from the Mill Site representatives will follow shortly requesting the initiation of an Area Redevelopment Plan (ARP) process.

Given the urgent nature of the timeline for the NEP and the limited resources available, staff are recommending that the applicants for the Mill Site ARP be required to provide financial support that will allow the City to add dedicated resources to complete the work in a timely manner. Should Council endorse this direction, staff will prepare the necessary legal framework for the funding that will ensure that the integrity and impartiality of the planning process is maintained.

Project & Timeline

The North End Plan (NEP) process is planned to take place over four (4) phases (see Figure 3). Each phase is grounded by careful research, robust public engagement, and regular Council check-ins. A brief description of each phase is provided below.

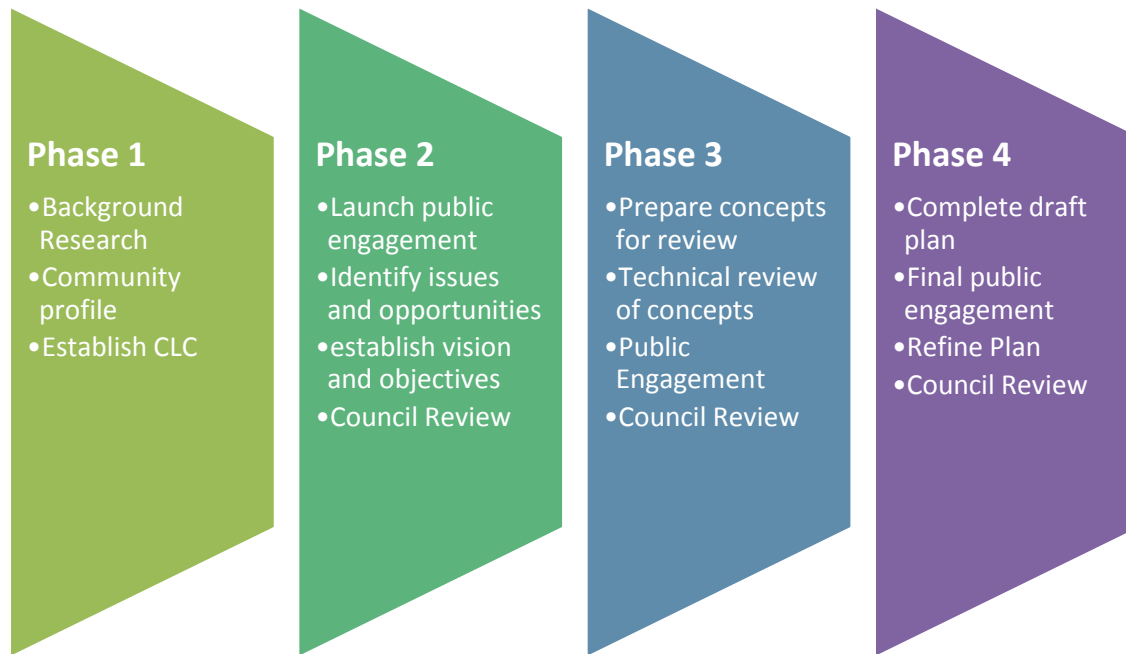
Phase 1 – Background & Context: Understand the history of the area and its evolution over time. Gather information about the area today, as well as the infrastructure, parks and utilities that support the area.

Phase 2 – Issues & Vision: Engage the public and key participants to establish a vision for the neighbourhood's long-term evolution and the objectives that will help lead to that vision.

Phase 3 – Neighbourhood Concepts: Develop a series of concepts for the development of the neighbourhood. Engage the public and Council to identify a preferred concept.

Phase 4 – Final Plan Development: Finalize the preferred concept and develop the supporting policy, implementation and public improvements plan.

Figure 3: North End Plan process outline



Public engagement will be conducted using a wide range of tactics, both digital and in-person. The foundation of the process will be continuous engagement of City-wide residents and stakeholders through our Get Involved platform, as well as in-person events at key junctures in the planning process. Tools such as workshops and focus groups, surveys and online engagement will also be incorporated. Further, a committee composed of representatives from the broader community, the local residential neighbourhoods, and local businesses will be established to provide regular touch points of dialogue with the planning team throughout the NEP process. The committee will be developed in the coming months through a transparent Expression of Interest process, and will meet regularly to ensure a balance of sustained neighbourhood engagement alongside due consideration of the uses and visions of other stakeholders in the area.

At its conclusion, the North End Plan will provide:

1. A clear vision and supporting objectives for the development of the neighbourhood over the next 20 years or more;
2. A neighborhood scaled plan that will guide and inform the Mill Site redevelopment;
3. A comprehensive direction on which residents and business can rely to inform their decisions (i.e. land use, housing, retail, infrastructure requirements, etc.);
4. A further opportunity for residents to participate directly in the shaping of their neighbourhood;
5. An integrated plan for public and private infrastructure and amenity investments to support growth

The North End Plan, as proposed, would commence with Phase 1 in July, 2021 and would advance over the next 18 months, guided by a staff technical team, with initial public engagement launch in the Fall of 2021. The NEP will be led out of the Policy & Planning team with support from a wide variety of other internal departments and external partners. A high-level table of the budget considerations is included at the end of this report (see Financial/Budgetary Considerations).

Conclusion:

The North End is a diverse and vibrant part of our community, one that is undergoing considerable change. The upcoming reconsideration of the mill site will compound this pressure, bringing further uncertainty to residents, businesses, staff and Council. The NEP planning process will provide a clear vision for the long-term future of the area and a roadmap for public investments. It will also provide a vital framework for the initiation of the Mill Site ARP. Taken together, these two processes represent a significant and exciting opportunity for both the neighborhood and the city as a whole. Opportunities like this come along very rarely. When they arrive, they provide a unique chance to make considerable progress on a community's objectives in one, single effort.

Internal Circulation:

Planning & Development Services
Community Planning
Communications
Development Engineering
Integrated Transportation
Parks & Building Planning
Real Estate Services
Utility Planning

Considerations applicable to this report:

Existing Policy: Council Policy 247 - Hierarchy of Plans

Hierarchy of Planning Documents:

The following hierarchy of plans is proposed, and will be established by amendment to the Official Community Plan:

- Official Community Plan
- Sector Plans
- Area Structure Plans
- Area Redevelopment Plans

Area Redevelopment Plans (ARP)

Area Redevelopment Plans are undertaken for developed areas of the City where there are existing services and the area is experiencing pressures for re-development or infill development that would significantly increase building height or density beyond existing zoning. Area Redevelopment Plans, based on Terms of Reference agreed upon by Council, shall be prepared by an individual land owner for a single project site (at the applicant's cost) or by the City where there are multiple owners of the land for areas identified in the Official Community Plan (OCP) as ARP areas which:

- (a) conform to the purpose and intent of the OCP; and
- (b) is of sufficient magnitude in terms of population, units of development, servicing constraints, social impact or economic burden on the municipality; or
- (c) in Council's view, may affect adjacent properties, land uses, the natural environment or hazardous conditions; or
- (d) in Council's view, may affect municipal heritage sites, or a revitalization area; and

(e) such other matters as may be required, unique to the plan area under consideration. The plan area shall be as outlined in the OCP or as authorized by resolution of Council.

The Plan will work towards those objectives and policies stated in the OCP. Approval of the ARP as an OCP amendment will be considered by Council following a Public Hearing.

Financial/Budgetary Considerations:

Over the course of the 18-month project timeline, the projected budget for the North End Plan is \$465,000.00. The general breakdown is as follows:

- Public Engagement & Communications: \$90,000.00
- Technical Analysis Support: \$210,000.00
- Data & Data Analytics/Visualization: \$30,000.00
- Staff Time: \$135,000.00

It is anticipated that staffing of 1.0 full-time Planner Specialist and 0.25 full-time Communication Advisor will be required to resource this project at an estimated cost of \$135,000.00 over a 12-month term. As per the Staff Recommendation, it is suggested that the City require the applicant for the Mill Site Area Redevelopment Plan to cover the full cost of these positions for a minimum of a 12-month term, subject to a clear agreement maintaining the independence of the public planning process.

The remaining budget will be partially funded using the 2021 and 2022 annual base budget allocations of the Policy & Planning Department, with additional required budget requests submitted through the annual budget cycle.

Communications Comments:

See description of public engagement process under "Project & Timeline" section above.

Submitted by:

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Approved for inclusion:



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cc:

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