

REPORT TO COUNCIL



Date: May 2nd 2022

To: Council

From: City Manager

Department: Community Planning

Application: TA20-0009 **Owner:** Westcorp on the Lake Inc. Inc.
No. A75763

Address: 3773-3795 Lakeshore Road **Applicant:** Westcorp Development
Management Inc.

Subject: Zoning Bylaw Text Amendment

Existing OCP Designation: VC – Village Centre and NAT – Natural Areas

Existing Zone: CD24 – Comprehensive Development Zone / P3 – Parks and Open
Space

1.0 Recommendation

THAT Zoning Bylaw Text Amendment Application No. TA20-0009 to amend City of Kelowna Zoning Bylaw No. 8000 as outlined in Schedule "A" attached to the report from the Development Planning Department dated May 2nd 2022 for Lot 1, DL 134, ODYD, Plan EPP41204 located at 3773-3795 Lakeshore Road be considered by Council;

AND THAT the Zoning Bylaw Text Amending Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Text Amending Bylaw be considered subsequent to council authorizing staff to enter into a 'Master Development Agreement' for the subject property;

AND THAT final adoption of the Text Amending Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "B" attached to the Report from the Development Planning Department dated May 2nd 2022;

AND FURTHER THAT final adoption of the Text Amending Bylaw be considered in conjunction with Council's consideration of a Development Permit for the subject property.

2.0 Purpose

To amend the Zoning Bylaw by updating the CD24 – Comprehensive Zone.

3.0 Development Planning

Staff support the proposed changes to the CD24 zone. The CD24 zone requires amendments in order for the next phase of development to proceed. The most impactful change is a proposed increase in maximum building height from 11 storeys to 17 storeys. The application also includes a change to how parking space requirements are calculated to be consistent with the general parking regulations of the City's Zoning Bylaw. The amendment also includes miscellaneous changes intended to create a simplified and easier to use version of the CD24 zone.

The existing CD24 zone includes a regulation that the overall site density shall not exceed a net floor area of 90,990 m², which would allow for approximately 1,100 housing units; this regulation remains included in the proposed version of the CD24 zone therefore there is no change to the proposed density of the development.

A Development Permit application has been submitted which demonstrates how the proposed amendments would be developed on the site. Staff are recommending the final adoption of the text amendment be considered in conjunction with council's consideration of the development permit to allow the next phase of development on the site. Staff are also recommending final adoption be considered in conjunction with the registration of a 'Master Development Agreement' (MDA) to guide the future development of the site.

The City, the Ministry of Forests, Lands and Natural Resource Operations & Rural Development (FLNRORD) and Westbank First Nation (WFN) continue to work through a plan for the replacement of the bridge from the subject property to Cook Road. Work to date has included environmental assessment and restoration plans and an Archeological Assessment that is now underway.

4.0 Proposal

4.1 Background

A brief timeline is outlined below:

- **2007:** The current owner/applicant (Westcorp) purchased the subject site known as the Hiawatha RV Park which consisted of a 55+ community with 94 mobile homes.
- **2012:** Prior the public hearing for the now adopted CD24 zone extensive community engagement was undertaken for the CD24 zone with surrounding strata councils and the KLO Residents Association. Community concerns at that time focused on density and traffic concerns, and with the height of buildings in interface areas near the existing strata developments. (This application does not seek to change the CD24 density, nor does it seek to alter building heights in the interface area of the site.)
- **2013:** The CD24 zone, CD24 Design Guidelines and a natural environment Development Permit for the revitalization of Wilson Creek area were adopted and approved. Which included a Wilson Creek Revitalization Plan and Wilson Creek Linear Park Plan. At that time, a generalized site plan (below) was used to illustrate potential density and height, as well as access and egress of the future development. (This application is substantially consistent with the original site plan).
- **2020:** Council approved a Development Permit to allow three ½ storey townhouses with a total of 200 dwelling units on the east end of the site. This project is currently under construction.

- **Present:** The property owner/applicant has applied to update/revise the existing CD24, and applied for development permit applications for the next phase of development on the site. The most significant change is a proposed increase in building height from 11 storeys to 17 storeys. Staff are also coordinating with the applicant regarding a subdivision application and a natural environment development permit related to the park and restoration works along Wilson Creek.

4.2 Project Description

The CD24 zone requires several amendments in order for the next phase of development to proceed. The objective for this project is to create a comprehensive rental community that will ultimately deliver approximately 1,100 rental units. The proposed amendments to the CD24 zone are outlined below.

1. **Increase in allowable maximum height.** An increase maximum allowable height to 17 storeys (from 11 storeys) is proposed. A detailed design rational letter has been provided in support of this change and is attached to this report as 'Attachment A'. The height has been set-back further away from Lakeshore Rd. than originally proposed to better relate to Lakeshore Rd. and the lake. The height restriction in the Community Interface Area of CD24 remains unchanged at 11.5m which applies to the townhouses currently under construction.
2. **Parking calculation changes.** The existing CD24 zone includes specific parking ratios which are proposed to be removed and replaced with a section stating that parking on the property must comply with the standards of the Parking and Loading Section of the City's Zoning Bylaw. The current and proposed parking requirements are comparable for example, the existing CD24 zone requires 1.2 spaces per 2 bedroom apartment whereas the City's Zoning Bylaw requires 1.25 spaces per 2 bedroom unit. A significant change related to parking is that the proposed CD zone would allow for a 10% parking reduction if the development is guaranteed to be 'rental only' through a Rental Agreement with the City of Kelowna for a minimum of 10 years. This is compatible to the current zoning bylaw requirement meant to provide rental incentives which allows for a 10% reduction if a development site is sub-zoned residential rental tenure.

In addition to the changes above if approved the proposed text amendment is intended to create a simplified and easier to use version of the CD24 zone, specifically:

3. **The existing CD24 zone includes two separate areas (Areas A and B) which are proposed to be combined into one area.** Area A (primarily a commercial use area) and Area B (primarily a residential use area) have been combined as the revised development vision is primarily residential. The 'community interface area' adjacent which requires a reduced building height next to the existing neighbourhood is proposed to stay in the bylaw.
4. **The existing CD24 zone includes design guidelines which are proposed to be removed.** The current guidelines are general design guidelines related to form and character of the site. If removed the City's Urban Design Guidelines found in the Official Community Plan would apply to any development on the site.

No change to density is proposed. Specifically, the existing CD24 zone includes a regulation that the overall site density shall not exceed a Net Floor Area of 90,990 m², this regulation remains included in the proposed version of the CD24 zone. The CD24 zone also included a commitment to build a minimum of 50 family-oriented housing units (units with 2 or more bedrooms) within the development. To date the 200 units under construction are all 2 and 3-bedroom units that will complete the family-oriented housing objective.

The original vision for the site included a hotel, the site is now currently proposed to be developed as a residential rental complex. The commercial component of the development includes commercial units near Lakeshore Road and a day-care building at the rear of the site near Wilson Creek.

A Master Development Agreement (MDA) is proposed to guide future development on the site. Staff are recommending that prior to final adoption council authorize staff to enter into an MDA. Specifically, an MDA is proposed to be used as tool to ensure the site develops in accordance with the concept plans submitted in support of the text amendment and will include:

- a) The provision, protection and maintenance of access roads;
- b) The construction of off-site and on-site streetscape and site servicing improvements;
- c) The provision, protection and maintenance of City owned water utility services within the Development, including the provision of covenants, or statutory rights of way, or any combination thereof;
- d) Amenity phasing and the construction of Wilson Creek Linear Park;
- e) Dedication or transfer of Wilson Creek Linear Park to the City;
- f) Allocation of density through different phases of the Development;
- g) The construction of the Roads and Sidewalks through the Lands, including the provision of covenants, or Statutory Rights of Way, or combination thereof, to secure public use of the Roads and Sidewalks;
- h) Section 219 Covenant restricting development on the Lands except as contemplated by the Agreement;
- i) The provision, protection and maintenance of storm and sanitary sewer works throughout the Development;
- j) The construction of Bird Place bridge;
- k) Construction of Lakeshore Road frontage improvements and the installation of a pedestrian crossing on Lakeshore Road



Figure 1. Concept Plan

4.3 Site Context

The surrounding area is characterized by medium density multiple family development near Lakeshore Road and Cook Road, and existing single family neighborhoods to the East and South of the property.

In the context of the 2040 Official Community Plan the subject property is within the Permanent Growth Boundary and Core Area of the City and is specifically designated to be part of the Cook/Truswell Village Centre. A portion of the site is directly adjacent to Wilson Creek and is designated as Nat – Natural Area in the OCP.

Table 3.2: Village Centres Summary

Supported Uses	Supported Forms	Density (FAR)	Other Characteristics
<ul style="list-style-type: none"> • Multi-unit residential • Apartment housing • Mixed use development • Commercial, including small scale office, retail • Institutional • Tourist accommodation (Cook Truswell Village Centre only) 	<ul style="list-style-type: none"> • Ground oriented multi-unit housing • Low-rise buildings • Mid-rise buildings (Cook / Truswell Village Centre only) 	<ul style="list-style-type: none"> • Approximately 2.0 or as guided by policy. • Approximately 3,000 – 15,000 m² of commercial floor space. Core Area village centres are expected to be larger than Suburban village centres 	<ul style="list-style-type: none"> • Guidance through additional policy as outlined in Chapter 5: Core Area, Chapter 6, Gateway and Chapter 7: Suburban Neighbourhoods

Subject Property Map:



5.0 Current Development Policies

The Big Picture: 10 Pillars to Realize our Vision	
Target growth along transit corridors	Investing in more transit service makes it a more attractive option, but for it to be truly effective, there needs to be more people living, working and shopping nearby. With this in mind, the Official Community Plan focuses growth in the five Urban Centres and along major transit corridors that connect them with a goal of putting more people and more jobs within easy walking distance of reliable, direct transit service.
Promote more housing diversity	One of Imagine Kelowna’s goals is to build healthier neighbourhoods that support a variety of households, incomes, and life stages. Having the housing that Kelowna citizens need is critical to achieving this goal. The Official Community Plan signals a wider variety of housing types and not just single-family homes or small apartments. This housing is focused in areas where residents have easier access to jobs, amenities, transit, and active transportation routes. In addition, this Official Community Plan supports more rental housing options.

Objective 5.1. Encourage Village Centres as Kelowna’s secondary hubs of activity.	
<p>Policy 5.1.4 Cook Truswell Village Centre</p>	<p>Policy 5.1.4. Cook Truswell Village Centre. Continue to support the evolution of the Cook Truswell Village Centre into a mixed use tourist commercial destination by supporting development that contributes to the following vision for the area:</p> <ul style="list-style-type: none"> • A mix of tourist accommodation, with supporting residential and commercial development; • Buildings that are generally up to six storeys in height, with opportunities for taller buildings being explored with additional considerations such as: <ul style="list-style-type: none"> ○ Building design that maximizes views of the lake; ○ Uses at grade, such as retail commercial or restaurants to contribute to a lively pedestrian-oriented tourist environment; ○ Significant publicly accessible parks, plazas and other public realm improvements; ○ Enhancement of the public’s access and enjoyment of the waterfront at Okanagan Lake; and ○ Protection, restoration and dedication of Okanagan Lake foreshore and other riparian areas. • Orientation of buildings towards Truswell Road, creating a small retail street; • Increased transportation connectivity from Lakeshore Road to Okanagan Lake and surrounding neighbourhoods to the east. <p><i>The proposal is consistent with OCP Policy 5.1.4 as the proposed building height and site layout maximizes views of the lake and allows opportunities for at grade commercial which further contributes to a lively pedestrian-oriented tourist environment with large amenity space areas on top of the proposed parkade structure.</i></p>
Objective 5.1. Encourage Village Centres as Kelowna’s secondary hubs of activity.	
<p>Policy 5.2.1. Transit Supportive Corridor Densities</p>	<p>Encourage development that works toward a long-term population density of between 50 – 100 people per hectare within 200 metres of each corridor to achieve densities that support improved transit service and local services and amenities. Discourage underdevelopment of properties along Transit Supportive Corridors.</p> <p><i>The complete build out of the proposed development will result in approximately 1,100 dwelling units located within the subject which is equivalent to a site density of 157 people per hectare which will contribute to a future density that achieve densities that support improved transit service and local services and amenities.</i></p>

5.1 Development Engineering Department

- Servicing Memo attached as Schedule "B"

6.o **Application Chronology**

Date of Application Received: January 31st 2021

Date Public Consultation Completed: September 4th 2021

Report prepared by: Alex Kondor, Planner Specialist

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: Proposed Text Amendment

Schedule B: Development Engineering Memo

Attachment A: Design Rational Letter