

REPORT TO COUNCIL



Date: May 10, 2022

To: Council

From: City Manager

Department: Development Planning Department

Application: DP21-0155/DVP21-0272 **Owner:** Dilworth Shopping Centre Ltd.

Address: 2339 – 2397 Hwy 97 N **Applicant:** Peterson Developments Inc.

Subject: Development Permit and Development Variance Permit Application

Existing OCP Designation: UC – Urban Centre

Existing Zone: C4rls/rcs – Urban Centre Commercial (Retail Liquor Sales/Retail Cannabis Sales)

1.0 Recommendation

THAT Council authorize the issuance of Development Permit No. DP21-0155 for a portion of Lot A, District Lot 126 & 532, ODYD Plan 40108 located at 2339 – 2397 Hwy 97 N, Kelowna, BC subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
3. Landscaping to be provided on the land be in accordance with Schedule "C";
4. The applicant be required to 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, as determined by a Registered Landscape Architect;

AND THAT Council authorizes the issuance of Development Variance Permit No. DVP21-0272 for a portion of Lot A, District Lot 126 & 532, ODYD Plan 40108 located at 2339 – 2397 Hwy 97 N, Kelowna, BC;

AND THAT variance to the following section of Zoning Bylaw No. 8000 be granted:

Section 14.4.6 (a): C4 – Urban Centre Commercial - Other Regulations

To decrease the minimum commercial space on the first floor fronting an arterial road from 90% to 16.3%.

AND THAT the applicant be required to complete the above noted conditions of Council's approval of the Development Permit and Development Variance Permit Applications in order for the permits to be issued;

AND FURTHER THAT this Development Permit and Development Variance Permit are valid for two (2) years from the date of Council approval, with no opportunity to extend.

2.0 Purpose

To issue a Development Permit for the form and character of a residential and commercial mixed-use development and a Development Variance Permit to decrease the minimum commercial space on the first floor fronting an arterial road from 90% to 16.3%.

3.0 Development Planning

Development Planning Staff are recommending support for the proposed Development Permit and Development Variance Permit to facilitate a 490-unit rental and commercial mixed-use development. The proposed development is considered to substantially meet the Form and Character Guidelines of the 2040 Official Community Plan (OCP) and the overall land use objectives of the Midtown Urban Centre.

The proposal offers extensive redevelopment of an existing shopping mall which will add a mix of housing options to an area that is currently dominated by strip mall retail and vehicle oriented commercial uses. The redevelopment helps achieve a number of objectives of the City's Midtown Urban Centre by supporting a greater live work balance with housing directly adjacent to commercial businesses and amenities. The site layout provides a comprehensive mix of private open amenity space, and public plazas which will greatly improve the pedestrian environment and interface with the remaining Dilworth Shopping Centre area.

The site is directly adjacent Highway 97N, one of the City's primary Transit Supported Corridors which provides transportation connections and options to future residents. The landscaping and amenity package also work towards beautifying the Highway 97 streetscape by adding greenery and landscaping along the street frontage and internal roadways.

4.0 Proposal

4.1 Project Description

The proposed mixed use residential and commercial development is located on Hwy 97N and consists of 490 residential units, approximately 15,000 ft² of commercial space and 8,000 ft² of indoor amenity space over four buildings. Each of the four proposed buildings will be 6 storeys in height with underground parking and a comprehensive outdoor amenity package. Access to the site will be from the existing entry way from Hwy 97N and a new secondary access to Baron Road. The project is generally divided into two phases with two buildings in each phase. The first, Buildings 1a and 1b, is in the southwest portion of the property and faces Hwy 97N with the second phase, Buildings 2a and 2b, in the southwest corner fronting Baron Road. There will be a new internal road between the buildings which will act as the main access to underground parkades as well as for street level frontage for town homes and public plazas.

Unit composition is a mix of town home and apartment forms ranging from studio to three-bedroom units and approximately 450ft² to 1000ft² in size. The majority of the units, about 75%, are studio or one-bedroom configurations with 25% being 2 bedroom and 3-bedroom units. All four buildings are proposed to be rental units with the intent of proceeding with the Rental Tax Exemption applications and rental agreements.

Form and Character

Buildings 1a and 1b are oriented along the Hwy 97N corridor and will have significant presence along the highway and main entryway into the site. The two six-storey buildings are angled and setback from the roadway to create internal amenity space while providing a buffer for the residential units from the road. This also allows for a substantial private amenity space to be centred between the two buildings. A feature

architectural corner and anchor retail at the existing entryway from Highway 97 acts as a gateway to the site. The residential floors incorporate projecting bays and recessed balconies with varying window treatments that provide visual interest and help mitigate the building massing. The materials are a mix of cement panels, brick, wood panelling and powder coated aluminium windows and railings. The colour pallet is predominately white, light and dark grey with wood accents. The light grey colour in the centre of the buildings provides a lighter context to the buildings massing while the darker grey accents the architectural corner which acts to anchor the main entryway and commercial uses.

Buildings 2a and 2b are oriented towards Baron Road and the Superstore property to the south. The buildings will be generally less visible as they sit more internally on the site. The two buildings are oriented similarly to phase one to create internal amenity space in the southwest while providing 10,000 ft² of retail space inward facing to the existing Dilworth Shopping Centre. The form and character of the two buildings are similar to phase one in their articulation and building massing. The materials are similar with varying tones but with a generally lighter palette to differentiate the two phases.

Landscaping

The proposed landscaping provides for pedestrian connectivity and walking paths around the entire complex connecting the public street frontages and new internal streets. The internal streets will have boulevard treatments including street trees to emphasize the pedestrian environment and activate the street realm. This includes townhouse balconies and lobby entry ways to the street boulevards. Two large open plazas will face northeast and connect the residential spaces with the commercial retail areas. Public seating, open space and artwork will be located in the public plazas to create a focal point and pedestrian friendly environment between the proposed development and existing shopping centre.

The main levels of all four buildings allows for private amenity spaces for ground-oriented units bordered by shrubs and trees. The overall plan provides for ample landscaping in the form of trees and shrubs lining amenity areas and private open space. The plan incorporates a comprehensive package of amenity space including pool decks, child play areas, outdoor fitness space, social/games area, outdoor kitchen, dog runs and multi-use sports court space with bleachers. The various outdoor amenity spaces create onsite activities for future residents, that are buffered from the highway and adjacent parking areas.

Variance – Minimum Commercial Space

To accommodate the proposal, the applying is requesting a variance to the minimum commercial space on the first floor fronting an arterial road from 90% to 16.3%. This is to accommodate 5,000 ft² of commercial space in the corner of Building 1B along the Highway 97N frontage, while allowing the remainder to be residential and outdoor amenity space.

A number of key objectives of the Midtown Urban Centre are to prioritize residential uses over employment uses, provide a greater mix of housing options and improve the pedestrian environment. The proposal and associated variance help to achieve these directives and as a whole in the urban centre. The need for a large amount of commercial frontage is not considered a high priority at this specific location given the amount of commercial space available in the general area and proposed internally within the site. The project overall creates a secondary internal commercial frontage and provides an additional 10,000 ft² of commercial retail space within Building 2b.

Given the overall context of the site and the objectives of the Midtown Urban Centre Staff are in support of the variance.

4.2 Site Context

The subject property is the site of the Dilworth Shopping Centre on the Hwy 97 N commercial corridor. The

site within the Future Land Designation of UC- Urban Centre and specifically the Midtown Urban Centre. The site is zoned C₄ – Urban Centre Commercial and has a variety of commercial uses on site. The site will be accessed from Highway 97N and Baron Rd. The surrounding area is predominately commercial and large-scale commercial stores. Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	I2/C4/C10 – Service Commercial	Hwy 97 N / Mixed Commercial and Industrial
East	C10 – Service Commercial	Leckie Rd / Commercial
South	C ₄ – Urban Centre Commercial	Baron Rd / Commercial
West	I2/C4/C10 – Service Commercial	Hwy 97 N / Mixed Commercial and Industrial

Subject Property Map: 2339-2397 Hwy 97N



Overall Site Plan and Layout: 2339-2397 Hwy 97N



4.3 Zoning Analysis Table

Zoning Analysis Table		
CRITERIA	C4 ZONE REQUIREMENTS	PROPOSAL
Existing Lot/Subdivision Regulations		
Min. Lot Area	1300 m ²	>1300 m ²
Min. Lot Width	40 m	>40 m
Min. Lot Depth	30 m	> 30 m
Development Regulations		
Max. Floor Area Ratio	1.5	1.47
Max. Site Coverage (buildings)	75 %	21 %
Max. Height	37 m/ 12 storeys	17.68m/6 storeys
Min. Front Yard	0.0 m	>0.0 m
Min. Side Yard (south)	0.0 m	>0.0 m
Min. Side Yard (north)	0.0 m	>0.0 m
Min. Rear Yard	0.0 m	>0.0 m
Other Regulations		
Min. Parking Requirements	504	518
Min. Bicycle Parking	443	693
Min. Private Open Space	1 bedroom unit- 10m ² 2 or greater bedroom unit- 15m ² Total = 4770 m ²	7887 m ²
Minimum Commercial Space on Arterial Road (Hwy 97)	90 %	16.3 %
● Indicates a requested variance to minimum commercial space on an arterial road		

5.0 **Current Development Policies**

5.1 Kelowna Official Community Plan (OCP)

Objective 4.8 Support modest residential development to transition Midtown into a transit-supportive neighbourhood	
Policy 4.8.1 Midtown Residential Development	Prioritize the development of multi-unit residential uses over employment uses in Midtown to support a greater live work balance. <i>The proposal adds 490 residential units in a predominately commercial area of the City providing housing options directly adjacent to employment and commercial amenities.</i>
Policy 4.8.2 Midtown Urbanization	To address Midtown’s deficiency in the pedestrian environment, poor street connectivity, lack of housing choices and public spaces, support the redevelopment of properties where the proposal demonstrates the following characteristics: <ul style="list-style-type: none"> • Improved street connectivity, particularly east-west connectivity, through the identification of new streets and pathways that break up large blocks; • Improved pedestrian environment; • Identification and dedication of parks and public spaces;

	<ul style="list-style-type: none"> • Integration of transit infrastructure, such as transit exchanges for example; and • Housing mix, with consideration for affordable housing as outlined in the Healthy Housing Strategy.
	<p><i>The proposal provides a comprehensive package open private amenity and public open space which will greatly improve the pedestrian environment for the residents and general area. It also includes new east-west connectivity to break up the existing Dilworth Shopping Centre block. In addition to providing a variety of housing options.</i></p>
<p>Objective 5.2. Focus residential density along Transit Supportive Corridors.</p>	
<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>Achieves higher density residential directly on a Transit Supportive Corridor.</i></p>
<p>Objective 5.5. Protect and increase greenery in the Core Area.</p>	
<p>Policy 5.5.2. Urban Forest Canopy.</p>	<p>Encourage the installation of street trees in Core Area streetscape improvement projects, recognizing the critical role they play in pedestrian comfort, cooling of the urban heat island, habitat for local animal species and beautification of the public realm. Protect existing mature trees where possible.</p>
	<p><i>The project retains mature street trees while adding significant landscaping along the Highway 97 streetscape and internal pedestrian areas which is considered a considerable improvement to the existing site dominated by surface parking.</i></p>

6.o Application Chronology

Date of Application Accepted: June 22, 2021
 Date Public Consultation Completed: March 2, 2022

Report prepared by: Wesley Miles, 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:

Attachment A: Draft Development and Development Variance Permit DP21-0155 & DVP21-0272
 Attachment B: Form and Character – Development Permit Guidelines
 Attachment C: Applicant Design Rationale and Renderings

Schedule A: Site Plan

Schedule B: Elevations

Schedule C: Landscape Plan