

Report to Council



Date: August 22, 2022

To: Council

From: City Manager

Department: Policy and Planning

Application: OCP22-0009

Owner: New North West Trading Inc.,
BCo845659

Address: 480 Penno Road

Applicant: City of Kelowna

Subject: 2040 OCP: Future Land Use Amendment for 480 Penno Road

Existing OCP Designation: IND - Industrial

Proposed OCP Designation: REC – Private Recreational

Existing Zone: P3 – Parks and Open Space

Recommendation:

THAT Official Community Plan Map Amendment Application No. OCP22-0009 to amend Map 3.1 in the Kelowna 2040 – Official Community Plan Bylaw No. 12300 by changing the Future Land Use designation of Lot B District Lot 123 ODYD Plan EPP41714, located at 480 Penno Road, Kelowna, BC from the IND – Industrial designation to the REC – Private Recreational designation, as outlined in the Report from the Policy & Planning Department dated August 22, 2022, be considered by Council;

AND THAT the Official Community Plan Amending Bylaw No. 12422 be forwarded to a Public Hearing for further consideration;

AND THAT the requirement to hold a Public Information Session, conduct Neighbour Consultation and post a Development Notice Sign, prior to the Official Community Plan Map Amending Bylaw receiving first reading, in accordance with the City of Kelowna's Development Application and Heritage Procedures Bylaw No. 12310 and Council Policy No. 367, be waived.

Purpose:

To amend the Official Community Plan to change the future land use designation of the subject property from the Industrial designation to the Private Recreational designation.

Background:

During two meetings, concern was raised by Council pertaining to the subject property's 2040 Official Community Plan designated Future Land Use. Council passed the following resolutions:

Previous Council Resolutions

| Resolution | Date |
|---|---------------|
| THAT Council direct staff to bring forward the rationale for the OCP 2040 Map 3.1 Future Land Use designation for 480 Penno Rd | June 27, 2022 |
| THAT Council receives for information, the report from the Policy & Planning Department dated July 25, 2022 regarding the Future Land Use for 480 Penno Road. THAT Council direct staff to bring forward for Council consideration a bylaw to amend the OCP 2040 Future Land Use Map 3.1 designation for 480 Penno Rd from "Industrial" to "Private Recreational". | July 25, 2022 |

Discussion:

Background

During the October 26, 2021 Regular Meeting that followed the 2040 Official Community Plan Public Hearing, Council passed a resolution which directed staff to bring forward rationale for three items raised during the public hearing upon adoption of the Plan. These items included the Future Land Use designations for 1205 High Road and 4998 Gordon Drive, in addition to the building heights along the east side of Ellis Street. Subsequent to staff outlining the rationale for the Future Land Use designations, on June 27, 2022 Council passed the resolution requesting staff bring forward the rationale for the Future Land Use designation of 480 Penno Road (subject property).

The subject property's Future Land Use designation rationale was provided in the July 25, 2022 Report to Council. The Report outlined that the 2040 OCP projects a significant increase in industrial development, such as storage, distributing and warehousing space over the next twenty years. As part of the 2040 OCP's approach to addressing industrial land needs, the subject property has been designated as Industrial. The property is zoned P3 Parks and Open Space and continues to operate as a golf course. The zoning has not changed with the adoption of the 2040 OCP and the business can continue to operate. Should a rezoning application be processed, the property's developable area, servicing and drainage management would be addressed at that time. If this property was not designated to support industrial uses in the future, the city may lack the availability of appropriate and adequately serviced industrial lands needed to support sustainable, resilient economic development in the region over the next twenty years.

At its Regular Meeting of June 27, 2022, Council brought forward comments of concern pertaining to the subject property being designated as Industrial, citing impacts on climate change, environment, and citizens' quality of life. Further to Council's July 25, 2022 resolution, staff has brought forward for Council consideration a bylaw to amend the subject property's future land use from Industrial to Private Recreational.

Subject Property Map: 480 Penno Road



Development Application and Heritage Procedures Bylaw No. 12310

The purpose of the Bylaw is to establish procedures for the processing of land development applications, including amendments to the Official Community Plan. The Bylaw outlines that consultation requirements as identified in Council Policy No. 367 must be undertaken. This Policy establishes standards and procedures for applicant's public notification and consultation responsibilities in respect of development applications prior to initial Council consideration. This ensures transparent and consistent application of standards for the benefit of affected residents, the development community and the City.

As this proposed OCP amendment involves a major change to the Future Land Use class, public notification prior to consideration of first reading includes posting a development notice sign, conducting neighbour consultation and hosting a public information session. It is recommended that Council waive this pre-first reading public consultation requirement as the proposal has already garnered early public engagement, numerous media stories, and significant public correspondence including a letter from the property owner.

Conclusion:

Further to the June 27 and July 25, 2022 information reports, Council directed staff to bring forward a bylaw to amend the Official Community Plan to change the future land use designation of the subject property from Industrial to Private Recreational. The land use amendment proposal has received early public engagement.

Internal Circulation:

Divisional Director, Planning and Development Services
Department Manager, Development Planning

Existing Policy:

Imagine Kelowna
2040 Official Community Plan

Financial/Budgetary Considerations:

Tax Revenue: In 2021, the tax revenue of industrial lands located in the vicinity of the subject property was \$39,279 per hectare. The 2021 tax revenue for the subject property operating as a golf course was \$409.05 per hectare.

Development Cost Charges: DCC revenue is legislated to be used on a specific suite of projects that support growth and cannot be used for any other purpose without amending the DCC Bylaw which requires Ministry approval. There are a number of unknown variables that could significantly affect the actual DCC funds collected at time of property development. Notwithstanding, the following is a rough, conceptual scenario: It is assumed that if the 106 acre subject property successfully rezones to I2, it would build out to the allowable 60% site coverage. Furthermore, it is assumed that at least 30% of the site would be taken up by roads and environmental areas, plus most of the buildings would be large 1 storey industrial warehouses. In this conceptual scenario, the total useable area of the site would be approx. 74 acres (299,467 sqm). As such, the potential DCC revenue could be approximately \$17 million.

Submitted by: R. Miles, Long Range Policy Planning Manager

Approved for inclusion:



D. Noble-Brandt, Dept. Manager of Policy and Planning