

# REPORT TO COUNCIL

## Text Amendment



**Date:** May 27<sup>th</sup>, 2024  
**To:** Council  
**From:** City Manager  
**Address:** 1570-1580 Water Street  
**File No.:** TA24-0006

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### **1.0 Recommendation**

THAT Zoning Bylaw Text Amendment Application No. TA24-0006 to amend City of Kelowna Zoning Bylaw No. 12375 as outlined in Schedule 'A' attached to the Report from the Development Planning Department dated May 27, 2024, be considered by Council;

AND THAT Zoning Bylaw Text Amending Bylaw be forwarded to a Public Hearing for further consideration;  
AND FURTHER THAT final adoption of the Zoning Bylaw Text Amending Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

### **2.0 Purpose**

To amend the Zoning Bylaw by adding a Site-Specific Text Amendment to increase the maximum density from 1.5 FAR to 4.0 FAR and to increase the maximum height from 3 storeys to 4 storeys for the subject properties.

### **3.0 Development Planning**

Staff are supportive of the proposed site-specific Text Amendment to increase the allowable height and density on the subject property. The applicant has been in discussion with Staff on the condition of the crane onsite and the condition of the stalled construction site on the subject property. The applicant agreed to a fast-tracked schedule to expedite the project's reconstruction start date. A Development Permit for a four-storey mixed use building will come forth to Council shortly to analyze the form and character. In order to accommodate the project's accelerated schedule the Text Amendment application is needed prior to finalizing the Development Permit submission. The allowed maximum density of 1.5 FAR would only accommodate a one and half storey building, assuming zero setbacks, which is typical of the surrounding downtown context. Therefore, the additional density is needed to accommodate a four storey, mixed use building.

### **4.0 Site Context & Background**

1580 Water St. was originally built as a 1 storey building in 1908 to house the Kelowna Courier—one of Kelowna's original newspapers. The second storey of the building was added in 1928. Kelowna Courier continued to occupy the building until 1957 when the business moved to a new location on Doyle Ave. From this point the building hosted a series of businesses, including the Keg restaurant.

1570 Water St. was originally built circa 1910 to house a Chinese restaurant on the ground floor with living quarters above. The building changed ownership numerous times over the years but has always remained a restaurant, and served as an extension of the Keg restaurant at one point. More recently, the building housed La Lupita restaurant. Though the building was originally built in brick, similar to 1580 Water St., the brick had

stucco applied over it in the post-WWII era. The original 2019 application, where the building was largely demolished, removed the stucco and refurbished the original brick façade facing Water Street.



**Original Development Permit (DP19-0143) December 2020**

### 5.0 Application History

The site at 1570-1580 Water Street had a Development Permit (DP19-0143) approved December 14<sup>th</sup> 2020.

The original application was for a unique establishment featuring a wine bar; lounge, roof top deck, interpretative centre, tasting room, education centre and lab, and wine shop. The applicant continued with a demolition and building permit to build the structure in December 2020. For provincial regulations and logistical reasons the applicant put the building permit on hold. The partially constructed site has remained fenced off ever since.



**New Development Permit (DP24-0061) April 2024**

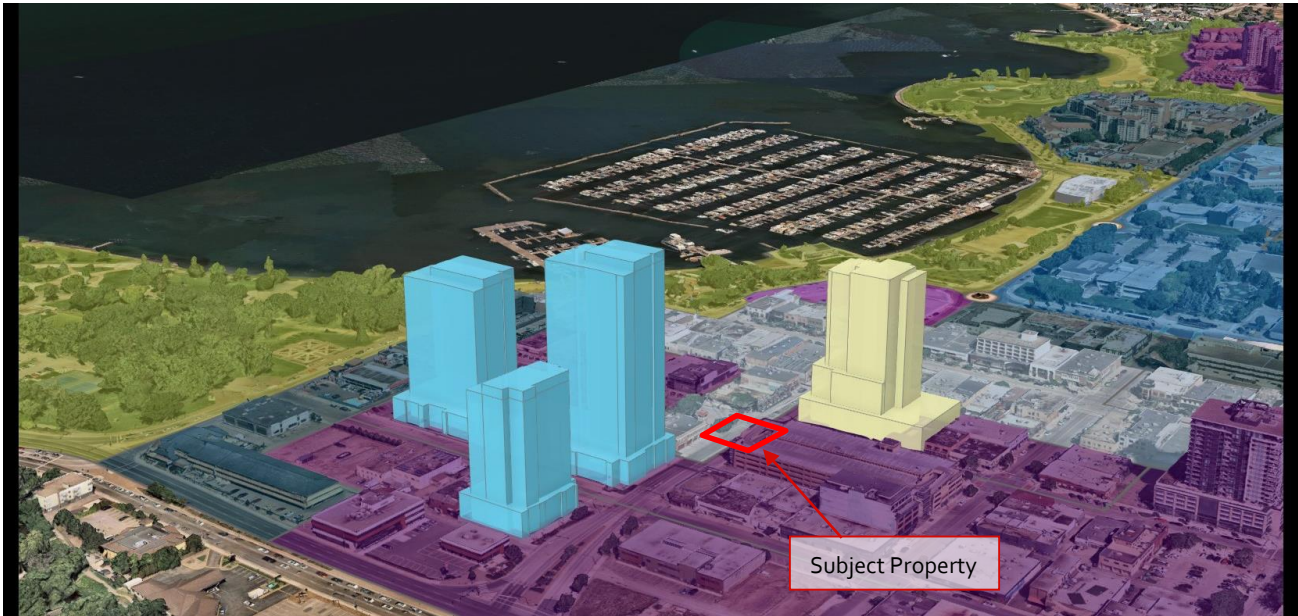
The applicant pivoted to a 12 storey hotel proposal and submitted an application on April 4<sup>th</sup> 2024. After preliminary feedback on the form and character of the hotel development and neighbourhood consultation, the applicant informed Staff on May 7<sup>th</sup> 2024 that the application would need to be significantly changed. The development proposal now is for a 4-storey commercial building, with the opportunity for a residential suite.

The potential uses of the building include, but are not limited to a restaurant, wine tasting room, wine shop, urban winery, distillery, urban market, events space, and a residential unit.

**Subject Property Map: 1570-1580 Water Street**



**Downtown Context Map:**



**6.0 Current Development Policies**

**6.1 Kelowna Official Community Plan (OCP)**

<b>Objective 4.4 Reinforce Downtown as the Urban Centre with the greatest diversity and intensity of uses in the City (Chapter 4 Urban Centres).</b>		
Policy	4.4.5	Support development in the Downtown Urban Centre that includes the following characteristics at grade, as outlined in Map 4.2. <ul style="list-style-type: none"> <li>• Retail space along Bernard Avenue integrated with a high-quality urban streetscape experience, reinforcing the street as Downtown’s high street;</li> <li>• Retail space along designated <b>retail streets</b> to create more dynamic spaces with high levels of pedestrian activity; and</li> </ul>
Downtown	Street	
Character		

	<ul style="list-style-type: none"> <li>• Civic and cultural uses, with supporting retail uses along the Art Walk and portions of Water Street designated as <b>civic streets</b>, in keeping with the directions of the <i>Civic Precinct Plan</i>.</li> </ul>
	<i>This project will provide high quality retail space along Water Street and Lawrence Avenue that will create dynamic spaces this policy is looking to reinforce.</i>

10 Pillars to Realize our Vision - Focus Investment in Urban Centres	
Chapter 1 The Big Picture	<p>Growing Kelowna’s Urban Centres – Downtown, Capri-Landmark, Pandosy, Rutland and Midtown – into vibrant hubs of activity is one of the major goals of <i>Imagine Kelowna</i>. It’s also a critical component of accommodating growth without more urban sprawl. To support this, the Official Community Plan directs public and private investments towards providing more jobs, housing, transportation options, parks and other amenities in and around the Urban Centres.</p> <p><i>This statement encourages unique commercial ventures like the one proposed that will enhance living downtown for current and future residents. The commercial options will attract customers and visitors to the downtown while increasing vibrancy and employment opportunities.</i></p>

**7.0 Application Chronology**

Application Accepted: April 4<sup>th</sup> 2024  
 Neighbourhood Notification Summary Received: May 24<sup>th</sup> 2024

**Report prepared by:** Adam Cseke, Planner Specialist  
**Reviewed by:** Jocelyn Black, Urban Planning Manager  
**Reviewed by:** Nola Kilmartin, Development Planning Department Manager  
**Approved for Inclusion:** Ryan Smith, Divisional Director, Planning, Climate Action, & Development Services

**Attachments:**  
 Attachment A: Applicant Rationale Package  
 Schedule 'A': Site specific content changes to Zoning Bylaw 12375

For additional information, please visit our Current Developments online at [www.kelowna.ca/currentdevelopments](http://www.kelowna.ca/currentdevelopments).