

# REPORT TO COUNCIL

## OCP Early Consideration



**Date:** July 8, 2024  
**To:** Council  
**From:** City Manager  
**Address:** 1890 & 1988 McKinley Road, 3500 Hilltown Rd, & 3850 Glenmore Rd N  
**File No.:** OCP24-0006 – Early Consideration

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### 1.0 Recommendation

THAT Official Community Plan Map Amendment No. OCP24-0006 to amend Map 3.1 in the Kelowna 2040 – Official Community Plan Bylaw No. 12300 as outlined in the Report from the Development Planning Department dated July 8, 2024 for Lot 6, Sections 21 and 28, Township 23, ODYD, Plan EPP8753, Except Plans EPP40437, EPP92220 and EPP117593; Lot 5, Sections 21 and 28, Township 23, ODYD, Plan EPP8753; Lot A, Sections 28 and 33, Township 23, ODYD, Plan EPP117593, and Lot B, Sections 21, 28, 29 and 33, Township 23, ODYD, Plan EPP117593, located at 1890 & 1988 McKinley Road, 3500 Hilltown Rd and 3850 Glenmore Rd N, Kelowna, BC, be considered by Council.

AND THAT Council directs staff to process application OCP24-0006 in accordance with Development Application and Heritage Procedures Bylaw No. 12310;

AND FURTHER THAT Council directs staff to investigate a timeline that would align work on this application with future work on the *North Glenmore Sector Development Study*.

### 2.0 Purpose

To give early consideration to an application to amend the Official Community Plan for an expanded urban hillside development area of approximately 2,000 additional residential units and a mixed-use urban village in the McKinley Beach neighbourhood.

### 3.0 Development Planning

Staff have brought this application forward by way of an 'early consideration' process for a proposed Official Community Plan (OCP) Amendment. This amendment is to allow an increase in residential density and commercial uses in the McKinley Landing neighbourhood above the currently approved unit maximum of 1300 dwellings. The 671 acre lands, which are located outside the Permanent Growth Boundary, are limited in their developability due to hillside topography, environmental protections, and the Agricultural Land Reserve (see Figure 1). The amount of developable land would require further assessment.

The early consideration of an application is limited to those development proposals that do not meet current policies and objectives of relevant bylaws. Early consideration is not intended as a means for applicants to circumvent the standard process. Rather, it gives Council an opportunity to decide if there is sufficient merit to consider an application before the applicant invests the funds in studies and design work necessary for a fulsome assessment, and before staff dedicate time and resources to evaluating such an application. If the decision at early consideration is that Council would like to receive more information or have items addressed to determine their position, a full application is prepared and submitted. Should Council direct staff to process a full application, no right to development approval is given.

In 2021, a previous development application for McKinley Beach was denied by Council. An OCP amendment and subsequent rezoning to increase residential density and commercial activity in McKinley Beach would trigger extensive technical studies to determine the short and longer-term costs and impacts of development on neighbourhood and City infrastructure (transportation, water, sanitary sewer) and impacts on hillsides and sensitive ecosystems. Following a thorough staff evaluation and community consultation, the proposal would eventually advance to Council for consideration and a Public Hearing. At that point, Council may vote to support, defer, or refuse the application.

Community contributions would need to be reexamined as part of the application process in consideration of the proposed density increase. This may include parkland, affordable housing, transportation network, and agricultural lands as the minimum standard for increased development rights. If advanced for further review, Staff would also like to ensure that this application is timed to take a coordinated approach to the *North Glenmore Sector Development Study* which may result in changes to staff resourcing.

### 3.1 OCP Alignment

The subject properties are outside of the Permanent Growth Boundary (PGB) and have not been signaled for future growth in the OCP. As such, this proposal represents a departure from the Pillars, objectives and policies of the OCP, alongside the directions outlined in the associated Transportation Master Plan (TMP) and the 20 Year Servicing Plan. The OCP evaluation for this proposal focuses on high-level, general alignment or misalignment with the OCP's Pillars, consistent with OCP Policy 16.1.2 (OCP Amendment Evaluation), and is summarized in Attachment A.

The applicant's rationale for considering additional growth in McKinley is that the OCP has not anticipated additional housing needs beyond its population estimates and that there is a land use misalignment in the northern areas of Kelowna including McKinley and employment centres in the Gateway area. Given this rationale, the following should be considered:

- The OCP's growth strategy and land use plan, coupled with the Zoning Bylaw, signal significantly more housing supply over and above the 25,330 units anticipated in the OCP and is well-positioned to accommodate faster than anticipated growth, especially with the implementation of Bills 44 and 47.
- Kelowna's employment remains concentrated in the Core Area and Urban Centres in key nodes like Downtown, the Landmark District, Kelowna General Hospital, Orchard Park, and surrounding shopping areas. While the subject properties are closer by car to some employment destinations in the Gateway, they are also farther from some employment areas where residential growth is more concentrated with associated transit service.
- The OCP acknowledges that new growth areas may be required in the future beyond the OCP's 2040 lifespan. Exploration of new growth would likely require updates to the TMP and utility servicing plans. As such, OCP Implementation Action 26 to "*undertake a North Glenmore Sector Development Study to inform future OCP update processes*" was identified to be initiated between 2027 and 2032.

### 3.2 Infrastructure Considerations

As part of the Early Consideration process, the applicant has not yet provided detailed infrastructure assessment information. If the proposal were to proceed to full application, detailed infrastructure reporting would be provided by the applicant's engineering and consultant team. At that time, City Staff would conduct a more detailed review and make recommendations to Council for addressing any infrastructure requirements, including any resiliency gaps in existing infrastructure that may need to be filled.

Preliminary analysis indicates few, if any, insurmountable utility infrastructure challenges, but anticipates that the area will continue to be one of the most expensive areas for the applicant and the City to service. Transportation is expected to be challenging for this area, much like it is for the Upper Mission which represents a similar scale to the proposed development.

ModelCity was used to explore long-term infrastructure costs and revenues associated with growth of differing scales in this area, at a high level. The “Model City Infrastructure” (MCI) tool is intended to bring focus to the important connection between land use decisions and long-term asset management to help address our infrastructure deficit. MCI demonstrates broadly that suburban hillside development provides substantially less long-term revenue than is needed to support its infrastructure demands while denser neighbourhoods with mixed uses such as the Urban Centres and Core Area, where growth is currently targeted in the OCP, perform better in the long run.

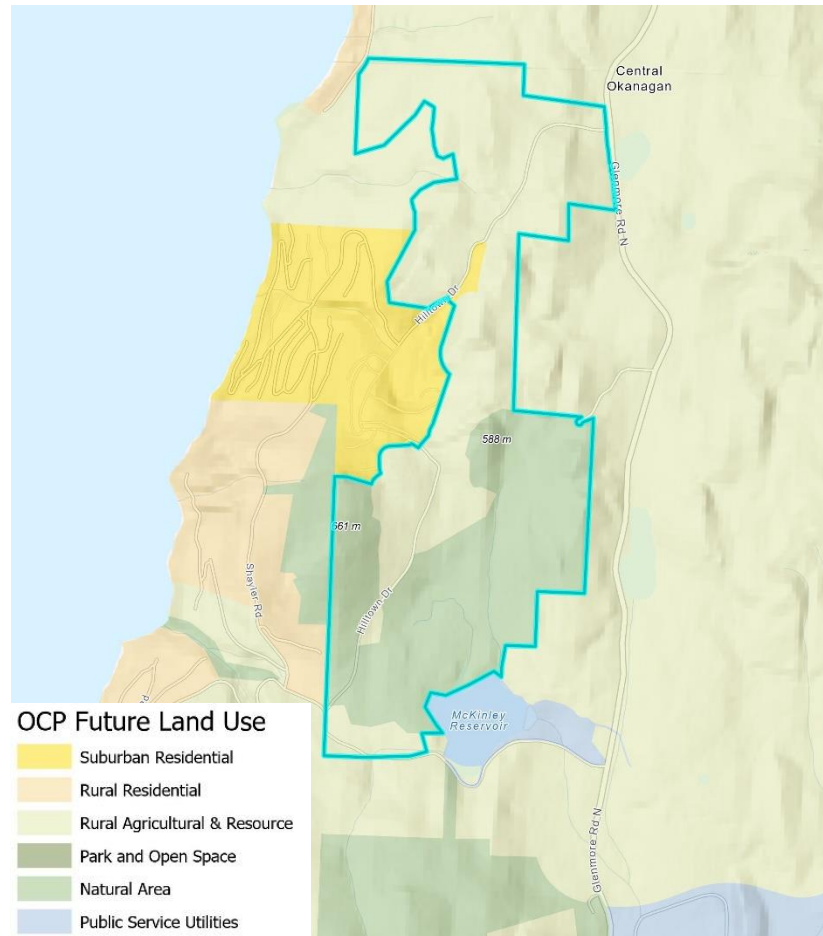
As part of the pre-consideration analysis, MCI was used to estimate the impacts of a range of different densities in the McKinley area. This analysis found that even with higher density options, further development in McKinley would perform similar to other comparable hillside neighbourhoods with less revenue than needed for long term infrastructure costs.

MCI is only one tool that should be applied in considering this proposal and should not be used alone in evaluation. There are many factors that may or may not detract from the financial health of new development in Kelowna. However, the preliminary results indicate that targeting this area for future growth would likely hinder the City’s objective of addressing our infrastructure deficit and potentially contribute to a redirection of resources from other areas.

**3.3 Background**

In July 2021, prior to the adoption of the 2040 OCP, Council refused an application to allow a Mixed-Use Tourism, Park and Open Space designations to allow for the approved 1,300 unit allocation to be built over a larger area alongside a park dedication of approximately 123 hectares to the City of Kelowna. Staff provided a recommendation of support of the proposed OCP amendment, Zoning Bylaw text amendment and rezoning.

**Figure 1: Subject Properties**



#### 4.0 Application Chronology

Application Accepted: May 10, 2024

**Prepared by:** Nola Kilmartin, Development Planning Department Manager

**Approved for Inclusion:** Ryan Smith, Divisional Director, Planning & Development Services

**Attachments:**

Attachment A: OCP Analysis

Attachment B: Applicant Planning Rationale for Early Consideration

For additional information, please visit our Current Developments online at

[www.kelowna.ca/currentdevelopments](http://www.kelowna.ca/currentdevelopments).