

REPORT TO COUNCIL



Date: April 10, 2017

RIM No. 1250-030

To: City Manager

From: Community Planning Department (RR)

Application: Z16-0069 **Owner:** Aqua Resort Ltd., City of Kelowna

550 Truswell Road

Address: 3814, 3820, 3828, 3832, 3838 Capozzi Road **Applicant:** Mission Group

3786 Lakeshore Road

Subject: Rezoning Application No. Z16-0069

Existing OCP Designation: Tourism Commercial

Existing Zone: RU1 – Large Lot Residential, C9 – Tourism Commercial, P1 – Major Institutional

Proposed Zone: C9 – Tourism Commercial, P1 – Major Institutional

1.0 Recommendation

THAT Rezoning Application No. Z16-0069 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of:

1. Lot 1, Sec. 1 & 12, Twp. 25, Plan 2714 located at 3814 Capozzi Road, Kelowna, BC;
2. Lot 2, Sec. 1, Twp. 25, Plan 2714 located at 3820 Capozzi Road, Kelowna, BC;
3. Lot 3, Sec. 1, Twp 25, Plan 2714 located at 3828 Capozzi, Road, Kelowna, BC;
4. Lot 4, Sec 1, Twp 25, Plan 2714, located at 3832 Capozzi Road, Kelowna, BC;
5. Lot 5, Sec 1, Twp 25, Plan 2714 located at 3838 Capozzi Road, Kelowna, BC; and
6. that portion of Capozzi Road between the southeast property lines of 3814, 3820, 3828, 3832 and 3838 Capozzi Road and the centerline of Capozzi Road, Kelowna, BC;

from the RU1 – Large Lot Residential zone to the C9 – Tourist Commercial zone be considered by Council;

AND THAT Rezoning Application No. Z16-0069 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of a portion of Lot 5, Sec 12, Twp 25, Plan 2912 located

at 3786 Lakeshore, Kelowna, BC from the P1 –Major Institutional zone to the C9 – Tourism Commercial zone as shown on Map "A" attached to the Report from the Community Planning Department April 3, 2017 be considered by Council;

AND THAT Rezoning Application No. Z16-0069 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of a portion of Lot 17, Sec 1, Twp 25, Plan 2714 located at 550 Truswell Road, Kelowna, BC from the C9 – Tourist Commercial zone to P1 – Major Institutional zone as shown on Map "A" attached to the Report from the Community Planning Department April 3, 2017 be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Community Planning Department dated April 3, 2017;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the closure of Capozzi Road along 3814 through 3838 Capozzi Road;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the completion of the land exchange between the applicant and the City of Kelowna;

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

2.0 Purpose

To consider a rezoning application from RU1 and P3 to C9 and P3 to facilitate the construction of a resort residential high-rise complex.

3.0 Community Planning

Staff support the proposed rezoning to C9 – Tourism Commercial and is encouraged by the developer's efforts to assemble and consolidate a large subject property for a comprehensive development. The Official Community Plan designates the properties for future Tourism Commercial use, with a recognition that the area is intended as a resort residential hub. This vision is consistent with the many resort/residential developments within the neighbourhood including Playa-del-Sol, El Dorado, Manteo, Water's Edge and Mission Shores.

Staff and the applicant are continuing to review the project's form and character, with an emphasis on ensuring building mass and design are appropriate for the neighbourhood. The height is considerably greater than what has been previously developed in the neighbourhood though increased building heights have been contemplated in the area, through approved changes to the Manteo Resort and the Hiawatha Park. There may be changes to the design prior to the project advancing to Development Permit.

The design submitted by the applicant is very much a resort style design, with an emphasis on large terraces and private amenity space with the use of three towers on a podium. It is unlike the downtown pin towers or bulkier residential towers, and would be a unique building form for Kelowna, serving a unique function.

Council will have the opportunity to approve the form and character at a later date. The applicant has requested a variance to the height of the towers, but no other variances are currently being proposed.

4.0 Proposal

4.1 Overview and approvals process

This application will be the first in a series of applications whose approval would lead to the development of approximately 350 resort residential units in a series of towers ranging from 13 to 19 storeys in height. Council will also have to consider a road closure bylaw, closing a portion of Capozzi, a land swap, and a Form and Character Development Permit and Development Variance Permit prior to the project proceeding.

4.2 Background

A similar concept was proposed in 2008, with a significantly higher level of density (450 units). The proposal was supported by the City's Advisory Planning Committee. However, the proposal was never advanced to Council. Because the proposal at the time included a marina, the project required provincial approvals. The delay in provincial approvals coupled with the 2008 recession drove the developer to withdraw the application.

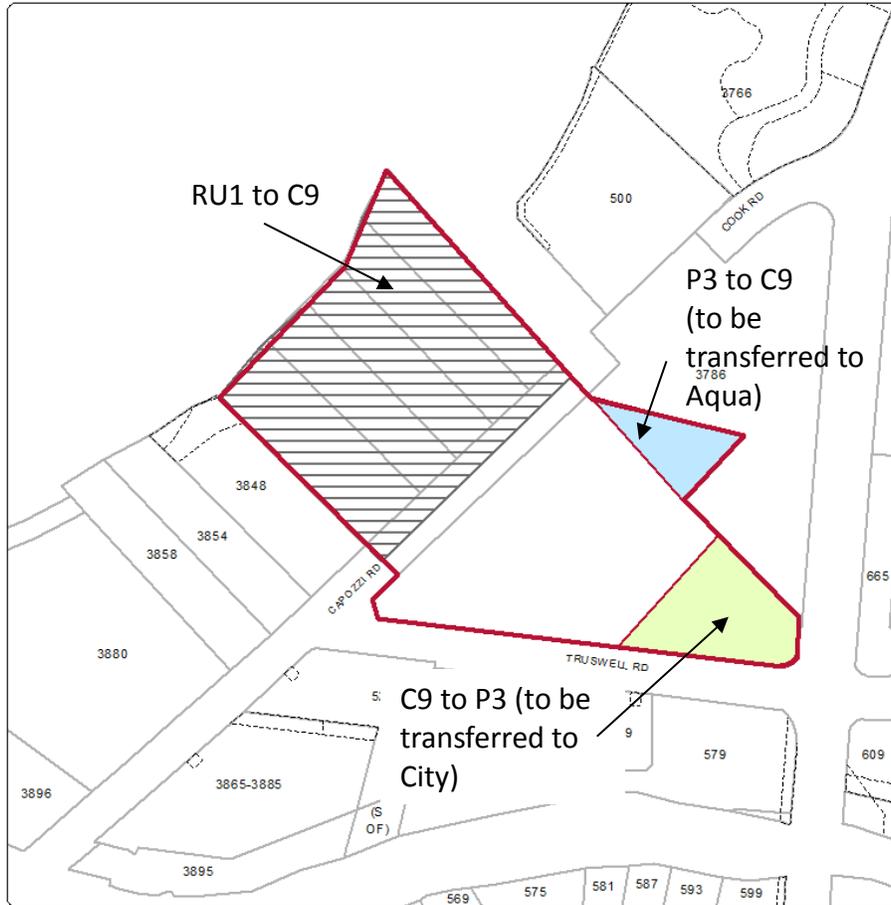
The proposed land swap has been active since 2008, having been reaffirmed by successive councils.

At this time, the properties along the waterfront are being used as single dwelling homes, while the larger lot is being used for a boat storage and valet service.

4.3 Zoning Areas

The applicant has applied to rezone 5 properties from RU1 -Large Lot Housing to C9-Tourism Commercial, to rezone a portion of the neighbouring City parking area to C9 – Tourism Commercial, to rezone a portion of the applicant's property to P3 – Park and Open Space, and to rezone a portion of the road to be closed to C-9 Tourism Commercial.

This rezoning will create a site assembled parcel zoned C9. The City has previously approved a land swap, which would see the developer take ownership of a portion of Capozzi Rd in exchange for the southeastern portion of the site.

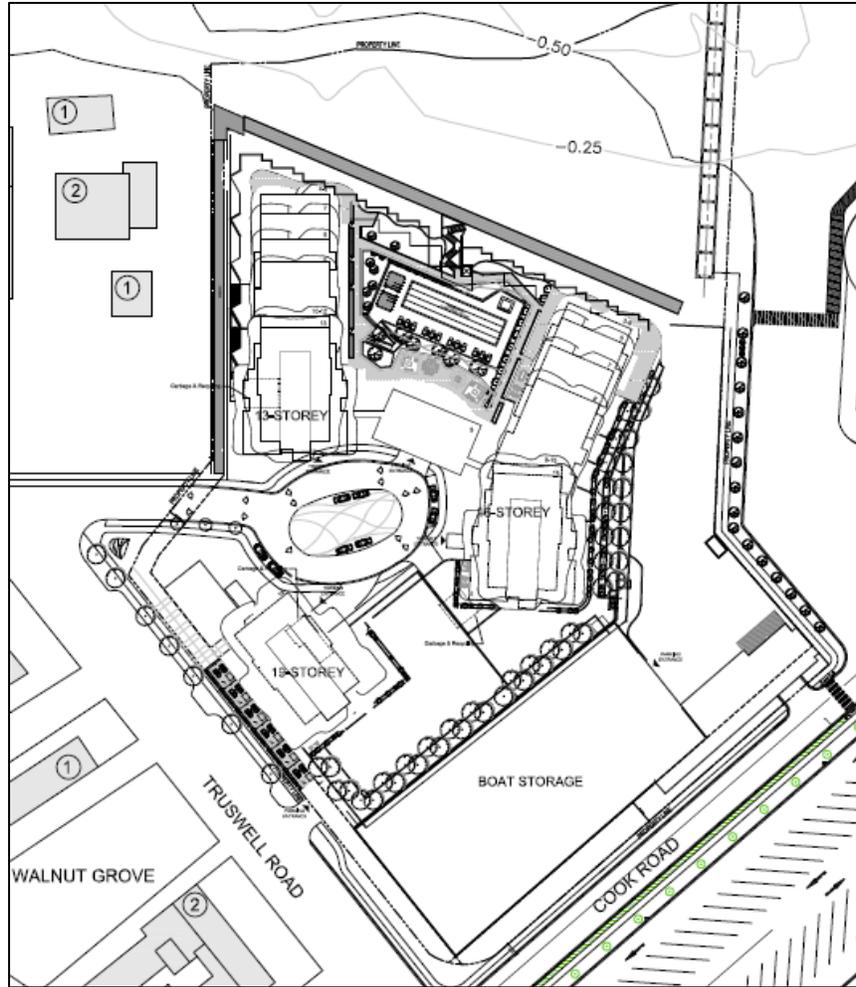


While a portion of Capozzi Road will be closed, the developer will construct a new section of Cook Road. The realigned Cook Road will allow the City to construct a boat trailer parking lot between Lakeshore and Cook.

If Council chooses to rezone the subject properties, the applicant will follow up with a development permit application for a 350 unit resort residential development and associated boat storage.

4.4 Project Description

The proposed development, referred to as "Aqua", will be a 350 unit resort residential complex with three main towers on a parking podium. The project will also include a 4 floor dry-land boat storage facility and a private boat launch.



The project will consist of three towers, ranging in height from 13 to 19 stories, around a central entry. The main entrance to the site will be off of Truswell Road. The boat storage will be located along the east edge of the site, facing onto the realignment Cook Road.



The Phase 1 tower will be 19 stories in height, with Phase 2 at 16 stories and Phase 3 at 13 stories. The buildings will be located over a 3 storey parking podium partially ringed with townhomes.

There will be a commercial building located on the southwest portion of the site, near the entry to the *porte-cochere* off Truswell Rd. Based on the C9 zone, the commercial building could include retail or food service opportunities.

The 4 storey boat storage will be a major amenity for residents on the site. While the 2008 version of the Aqua project featured a large marina, the 2017 version instead houses boats in dryland storage. The boat valet service would then prepare and launch boats when required from a private boat launch. There would be no marina or moorage associated with the project.



The applicant will provide waterfront access along both side of the project. The access off of Truswell, which will tie to the Mission Creek parking lot, will be a 4.5 m wide boardwalk. The access will be fronted by townhomes, rather than a parkade wall.

Prior to development, the project will require a Council approved Development Permit and a substantial height variance. Approval of the Zoning does not imply approval of the Development Permit, and would not commit Council to approving the DP or variance.

4.5 Official Community Plan

With the exception of a small corner of the parking lot involved in the land swap, the properties are designated for Tourism Commercial. The City has limited lakefront property dedicated for Tourist Commercial use, with a cluster in the subject property's neighbourhood and a cluster in McKinley Beach.

With such a limited bank of lakefront Tourism Commercial, and almost no undeveloped lakefront Tourism Commercial near the downtown core, staff believe that the City needs to maximize the intensity of use of the scarce tourism lands. The Aqua project, which will achieve densities of 130 units per hectare, achieves that goal.

The subject property, as one of the last developable Tourist Commercial properties, has long been seen as a site for a significant building. The South Pandosy / KLO Sector Plan indicates that the site should be encouraged to be developed with a "Landmark Building" as a focal point for the Tourism Commercial node.

4.6 Waterfront

As part of the Natural Environment Development Permit phase, the waterfront and its riparian area will be dedicated to the City. The waterfront is currently occupied by a number of docks supported by retaining structures. The applicant intends to remove all docks and retaining structures and re-naturalise the waterfront with beach and natural vegetation.

The City is currently conducting a study on sand movement in the area to reduce the need for constant dredging at the Cook Street Boat Launch. As part of the Natural Environment Development Permit process, the applicant will be required to work towards any recommendations that come out of the study.

The applicant will construct a public boardwalk along the edge of the Aqua frontage. The boardwalk will either be dedicated to the City or protected in perpetuity by a Statutory Right of Way, as determined by the Natural Environment DP process. Regardless, public access across the boardwalk and between adjoining roads and the waterfront will be preserved and protected.

4.7 Site Context

The site is located in a neighbourhood primarily used for resort and residential uses. To the north are the El Dorado Hotel and Manteo resorts, while there are residential buildings such as Mission Shores to the south.

There have been several developments proposed at various times in the neighbourhood, including significant projects at Manteo and the nearby Hiawatha park. Previous approvals have contemplated locating tall buildings in the area.

The CD24 zone, intended for the nearby Hiawatha project, allows heights up to 11 storeys. The nearby Manteo was approved to build up to 14 storeys.

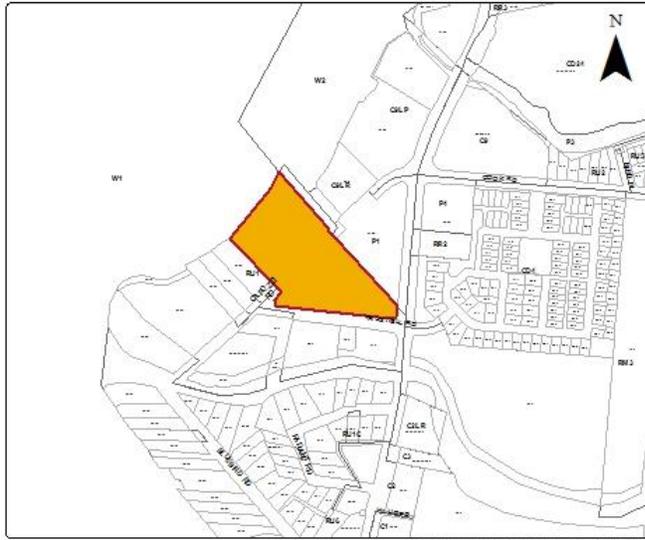
Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	CgLR – Tourism Commercial Liquor Primary	El Dorado Hotel
East	P1 = Major Institutional	City Parking Lot
South	Cg – Tourism Commercial	Multi Family Housing
West	RU1 – Large Lot Housing	Single Dwelling Housing

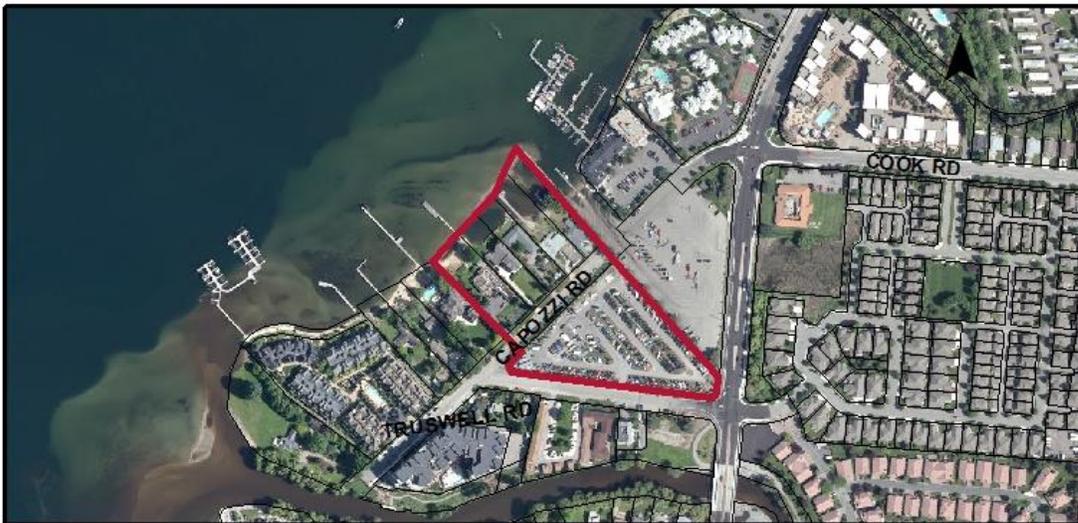
Subject Property Map:



CONTEXT



NEIGHBOURING ZONING



SUBJECT PROPERTY

5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Development Process

Compact Urban Form.¹ Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

Future Land Use

Mixed Use Tourism (MXT)

Developments that provide for a mix of hotel, apartment hotel, multiple unit residential uses and associated commercial uses intended to service the tourism market. Building densities and height would be consistent with the provisions of the C9, RM3, RM4 and RM5 zones of the Zoning Bylaw.

5.2 South Pandosy / KLO Sector Plan (rescinded)

The South Pandosy / KLO Sector Plan indicated that the property was suited for a landmark tourism commercial development.

6.0 Application Chronology

Date of Application Received: Oct. 21, 2016
Date of Application Re-submission: Feb. 23, 2017
Date Public Consultation Completed: August, 2016 and September, 2016

Report prepared by: Ryan Roycroft, Planner

Reviewed by: Terry Barton, Urban Planning Manager

Approved for Inclusion: Doug Gilchrist, Divisional Director, Community Planning & Strategic Investments

Attachments:

Applicant's Submission
Development Engineering Memorandum

¹ City of Kelowna Official Community Plan, Policy 5.2.3 (Development Process Chapter).