

REPORT TO COUNCIL



Date: September 18, 2017

RIM No. 1250-30

To: City Manager

From: Community Planning Department (EW)

Application: Z17-0001 **Owner:** Kelowna East Investments Ltd.,
Inc.No. BC1084469

Address: 1915 Enterprise Way **Applicant:** Mara + Natha Architecture Ltd.

Subject: Rezoning Application

Existing OCP Designation: MXR – Mixed Use (Residential/Commercial)

Existing Zone: C4 – Urban Centre Commercial

Proposed Zone: CD17 – Mixed Use Commercial – High Density

1.0 Recommendation

THAT Rezoning Application No. Z17-0001 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot A District Lot 140 ODYD Plan KAP58184, located at 1915 Enterprise Way, Kelowna, BC from the C4 – Urban Centre Commercial zone to the CD17 – Mixed Use Commercial High Density zone 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 September 18, 2017;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the registration of a height restriction covenant to a maximum of six storeys on the subject property;

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 rezone the subject property from C4 – Urban Centre Commercial to CD17 – Mixed Use Commercial – High Density to facilitate the future construction of a hotel and a mixed-use building.

3.0 Community Planning

The subject property is currently vacant and underutilized. It is located in a strategic position within the Mid-town Urban Centre at the intersection of two busy roads serviced by the nearby rapid transit network. The subject property is also well served by nearby shopping plazas, a recreation centre, multi-use trails, and the Landmark employment hub. The Official Community Plan Future Land Use designation for the property is MXR – Mixed Use Residential/Commercial. The property's Walk Score is 74 (most errands can be accomplished on foot). As a result, staff are supportive of the proposed rezoning to the CD17- Mixed Use Commercial – High Density zone in order to facilitate the development of a major hotel and mixed-use (commercial & residential) building.

To fulfill Council Policy No. 367 for 'Zoning Major' applications, the applicant held a public information session on February 25th, 2017 at the Sandman Hotel from 11am to 3pm. The public information session was advertised in the Daily Courier two weeks prior to the meeting and 22 people attended the session. Neighbours within 50m of the subject property were also notified.

4.0 Proposal

4.1 Background

The applicant submitted their initial application in September 2016. At which time it was identified that the project exceed the maximum floor area ratio permitted in the C₄- Urban Centre Commercial zone. The project's proposed floor area ratio is 1.72 and the C₄ maximum floor area ratio is 1.0 for the hotel use and 1.3 for the mixed-use building. Since density (floor area ratio) cannot be varied as per the *Local Government Act*, rezoning to an applicable zone is required. The proposed CD17- Mixed Use Commercial – High Density zone is consistent with the subject property's current land use designation of Mixed Use (Residential/Commercial) (MXR) and is also consistent with the project's height and floor area ratio.

A text amendment (TA12-0014) to the C₄ zone to increase height and floor area ratio had been initiated prior to this application but at the time of application Staff were not in a position to bring the text amendments to Council for initial consideration, which would allow the project to proceed under the current zone.

Staff agree that the current zoning of C₄ is most appropriate for the proposed project and would prefer the project proceed under the C₄ zone once amended. However, the proposed project is time sensitive as the applicant has a contract with Hyatt Hotels that requires construction begin in the spring of 2018.

Staff plan on bringing the C₄ text amendments to Council for initial consideration later this fall. In the event that the text amendments proceed in a timely fashion this project could theoretically proceed under the amended C₄ zone and would proceed to Development Variance Permit and Development Permit (the CD17 rezoning would not be adopted). However, the proposed rezoning to CD17 is still consistent with the OCP Future Land Use Designation and would allow the project to proceed should adoption of the C₄ amendments carry over to 2018.

4.2 Project Description

4.2.1 Proposal

The applicant is proposing the construction of a six-storey hotel and a six-storey mixed use building on the subject property (Attachment A). The project's proposed floor area ratio of 1.72 exceeds the current C₄ – Urban Centre Commercial zone floor area of 1.0 for hotels and 1.3 for mixed-use

buildings. In order to proceed with the proposed development rezoning to the CD17- Mixed Use Commercial – High Density zone is required. The subject property’s current land use designation of Mixed Use (Residential/Commercial) (MXR) is consistent with the proposed CD17 zone. The CD17 zone allows for hotels, apartment housing, and general retail stores uses with a maximum floor area ratio of 2.0 and a maximum height of 55.0m or 16 storeys.

While the floor area ratio is suitable for the project the maximum height of 55.0m or 16 storeys permitted in the CD17 zone is not. Prior to final adoption, the registration of a height restricting covenant to six (6) storeys would be required.

4.2.2 Traffic Impact Study

A joint Traffic Impact Study with the City and the Ministry of Transportation and Infrastructure (MoTI) was triggered as part of rezoning. The applicant’s Transportation Engineer has submitted a Traffic Impact Study that has been accepted by both the City and MoTI. The report finds that anticipated traffic for the Highway 97 and Enterprise Way corridors has a marked decrease in the overall system performance and that the Highway 97 Spall Road intersection operates below acceptable operational capacity. Specific to the development, the report finds that the development will have a minor impact on the overall area operation. Requirements of the development would include the addition of left-hand turn bays on to Enterprise Way.

4.3 Site Context

The subject property is located in the Midtown City Centre at the corner of Enterprise Way and Spall Rd. The lot is 7,191 m² and in a commercial/residential neighbourhood.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	C ₄ – Urban Centre Commercial RM ₅ – Medium Density Multiple Housing	Commercial Vacant/ Proposed Residential
East	C ₄ – Urban Centre Commercial	Vacant/ Proposed Commercial
South	C ₄ lp – Urban Centre Commercial (Liquor Primary)	Commercial
West	RM ₅ – Medium Density Multiple Housing	Residential

Subject Property Map: 1915 Enterprise Way



5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Future Land Use

Mixed Use (Residential / Commercial) (MXR)¹

Developments that provide for commercial floor space on the ground floor or above, with additional potential for residential units above the ground floor. For Urban Centres other than the City Centre, building densities should decrease as the distance from the core of the Urban Centre increases. Other relevant policies include Policy 5.5.1 Building Height and Chapter 17 – Urban Centre definition. Maximum density at the centre of the core would be consistent with zoning as follows: City Centre – C7 zone; Rutland – C7 zone; Pandosy – C4 zone; Midtown – C6 zone; Capri/Landmark – C4 zone.

Development Process

Compact Urban Form.² 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.

6.0 Technical Comments

6.1 Building & Permitting Department

¹ City of Kelowna Official Community Plan, Future Land Use Designations (Chapter 4).

² City of Kelowna Official Community Plan, Policy 5.3.2 (Development Process Chapter 5).

- Full Plan check for Building Code related issues will be done at time of Building Permit applications.

6.2 Development Engineering Department

- See 'Schedule A' – Development Engineering Memorandum dated January 31, 2017.

6.3 Fire Department

- The Fire Department has no issues with the zoning. Access on and off of the very busy Enterprise Way can be difficult.

7.0 Application Chronology

Date Complete Application Received: January 12, 2017
Date Public Consultation Completed: February 25, 2017

Report prepared by: Emily Williamson, Planner
Reviewed by: Terry Barton, Urban Planning Manager
Approved for Inclusion: Ryan Smith, Community Planning Department Manager

Attachments:

Schedule 'A' – Development Engineering Memorandum dated January 31, 2017
Attachment 'A' – Conceptual Renderings and Site Plan
Attachment 'B' – Traffic Impact Study dated June 28, 2017