
CITY OF KELOWNA

MEMORANDUM

Date: March 11, 2004
File No.: 0530-01

To: City Manager

From: Planning and Corporate Service Department

Subject: Proposed Parking Credit Policy for Mixed Use Developments in Downtown Kelowna

1.0 RECOMMENDATION

THAT Municipal Council consider a new Council Policy as outlined in Schedule "A" attached the report dated March 9, 2004 from the Planning and Corporate Services Department.

2.0 BACKGROUND

City of Kelowna Municipal Council recently approved a development proposal that included a Development Variance Permit Application to reduce the required parking for the project by seven stalls. At the time the application was considered by Council, staff did not support the proposed variance as there is a cash in-lieu bylaw that allows an applicant to pay a cash amount for any shortfalls in the required parking provided by the development. The funds from any cash in-lieu amount collected are directed to the Parking Reserve Fund to help fund long term parking strategies such as the construction of public parkades. Staff suggested that if Council was to approve a Development Variance Permit to waive both parking and cash in-lieu for parking, that Council should direct staff to develop a policy to address a potential long term parking shortfall.

Planning and Corporate Services staff has consulted with staff from the City's Transportation Department and Finance Department as well as the Urban Centre Implementation Committee (UCIC) and the local chapter of the Urban Development Institute (UDI) and the following report outlines a recommended policy for Council to consider. The policy would serve two main purposes:

1. Addresses a stop-gap measure to protect the long term parking strategy, and;
2. Models a potential development incentive for mixed use project in the Downtown Urban Centre.

3.0 PROPOSAL

3.1 Current Conditions

The following current conditions were considered in developing the proposed policy:

- Cash in-lieu bylaw requires \$7500 payment per required parking stall that cannot be accommodated off-street or on-site of a development proposal.
- There are broad policy objective to promote or encourage mixed use (commercial and residential) developments within the Urban Centres.
- Provision of parking is perceived by some segments of the community as a constraint to new development and re-development within the Downtown Urban Centre.
- There is a City objective of protecting a long term parking strategy within the Downtown Urban Centre.
- There is a City objective of exploring incentives to development and redevelopment within the Downtown Urban Centre.

3.2 Proposed Policy

The proposed policy is detailed in Council Policy format as shown in Schedule "A" attached to this report. The intent of the proposed policy is to provide Council with a mechanism to consider waiving a limited amount of required parking for new mixed use commercial/residential projects within the Downtown Urban Centre. Any waived parking requirements would be considered "credits" towards the development and can be considered a model of development incentives. By policy, Council would commit to fund the number of credited parking stalls each year through the budget preparation process. Staff recommends that the parking credits be funded at the current cash in-lieu of parking rate of \$7500.00 per stall and that the funds for these credits be allocated from new construction assessment. The credits would be budgeted in their full amount each year, as long as Council wants to endorse the proposed policy. Council may wish to review this policy at such time as a more comprehensive development incentive policy is considered.

Some specific criteria for the policy is summarised as follows:

- Maximum annual credits available would be 25 or \$187,500
- Credits should only apply to the commercial component of required parking for mixed use developments where the commercial portion of the building is less than 50% of the gross floor area of the building (excluding parking areas)
- Applicants would have to apply for a Development Variance Permit to reduce the required parking and staff would consider the availability of credits in making their recommendation to Council
- Proposed policy should be retroactive to January 1, 2004 to capture the seven parking stalls Council agreed to waive for the mixed use development proposal at Cawston Avenue and Ellis Street
- Development Variance Permit applications that are considered in light of the proposed policy should be strictly enforce with respect to time limits. Applicants will be required to act on the Development Variance permit within 180 days of the Council resolution in order to secure the credits. If a building permit has not been applied for within 180 days, the Development Variance Permit should lapse and any waived parking would be cancelled.

3.3 Consultation

The proposed policy was drafted by Planning and Corporate Services staff as a result of Council approval of a Development Variance Permit application within the Downtown Urban Centre. The initial draft was reviewed internally by the Director of Finance, the Transportation Manager, the Transportation Demand Management Supervisor, the Director of Planning and Corporate Services and the Manager of Policy, Research and Strategic Planning. There was consensus that the policy should be supported by staff.

The draft policy was then forwarded to the UCIC for review and was supported with the recommendation that the draft policy be sent to UDI for input. It should be noted that the UCIC recommended that the policy did not need to be sent separately to the Parking Committee as it is neutral to the long term parking strategy and also because the Chairman of the Parking Committee is also on the UCIC.

UDI was circulated the draft policy and responded with generally supportive comments. Specific to their comments was the encouragement that Council should consider further incentive issues and that every small step will help the development community. Their comments also reflected that, in the opinion of UDI, more needs to be done to provide incentives for commercial development within the Downtown Urban Centre, not just for mixed use development. Staff assured UDI that this policy was not the extent of the incentive being considered for the Downtown Urban Centre.

4.0 CONCLUSION

The Planning and Development Services Department recommends Council endorse the proposed policy. The policy addresses a potential precedent that Council may have set by agreeing to reduce the amount of parking required for a new development within the Downtown Urban Centre in the absence of any other policy direction. Furthermore, the policy can be considered a first or interim step towards a more comprehensive development incentive package that staff expects to present to Council in the near future.

Andrew Bruce
Manager of Development Services

Approved for inclusion

R.L. (Ron) Mattiussi, A.C.P., M.C.I.P.
Director of Planning & Corporate Services

SCHEDULE A



CITY OF KELOWNA

COUNCIL POLICY MANUAL

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SUBJECT: PARKING CREDITS FOR MIXED USE DEVELOPMENTS WITHIN THE DOWNTOWN URBAN CENTRE

On an annual basis, starting January 1, 2004, Council will support the provision of a maximum 25 parking stall credits within the Downtown Urban Centre that can be applied to development projects that meet the following criteria;

- The development proposal is located within the Downtown Urban Centre and located within Area 1 or Area 2 as defined by Diagram A attached to the C7 – Central Business Commercial Zone regulations of City of Kelowna Zoning Bylaw No. 8000.
- The development proposal is a mixed use (commercial and residential) project where the commercial component is less than 50% of the gross floor areas (excluding areas for parking).
- Only the commercial component, or a portion thereof, of the required parking is being requested to be waived.

The credits may be applied for by way of a Development Variance Permit Application to relax the required parking for the proposed development. Planning and Corporate Services Staff will evaluate the proposal and make a recommendation to Council based on the suitability of the proposed development and the availability of parking credits. If the project can be supported by staff based on all considerations other than the provision of required parking and there are credits available, staff may recommend to Council that some or all of the parking shortfall be covered by parking credits provided by this policy. Any parking that is waived by Council approval of the Development Variance Permit would be funded by Council at the equivalent cash in-lieu of parking rate once a year during budget preparation. The funding of this policy would be from new taxation as a result of construction.

Council will review this policy annually to determine if the policy should be extended for the upcoming year, cancelled, or otherwise amended.

REASON FOR POLICY: Development Incentive for Mixed Use Projects within the Downtown Urban Centre

LEGISLATIVE AUTHORITY: Local Government Act Section 922 (Development Variance Permits)

PROCEDURE FOR IMPLEMENTATION: On application for a Development Variance Permit to relax commercial parking requirements. Funding once a year during budget preparation.