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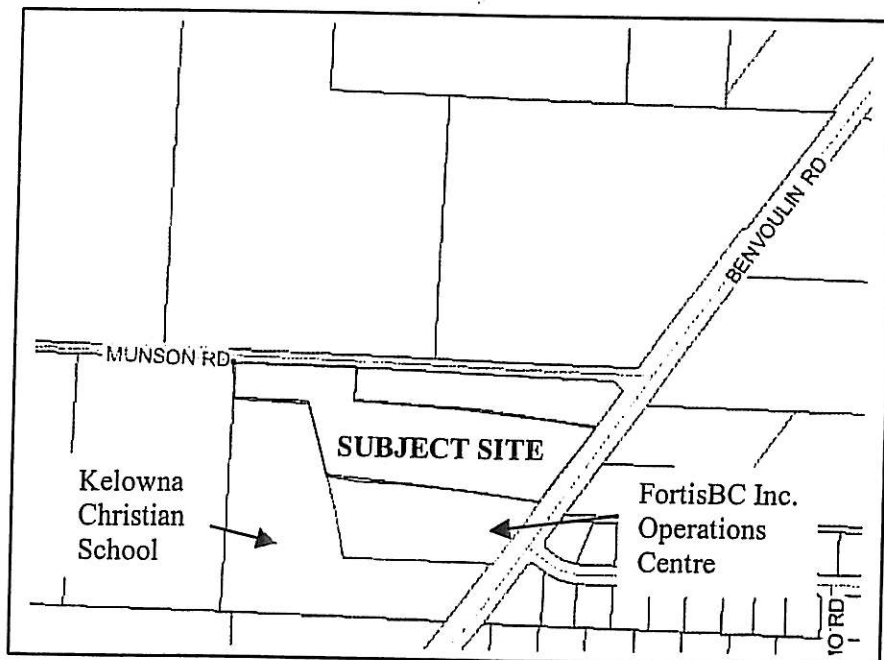
# Proposal for Non-Farm Use For Expansion of Operations Facilities

Parcel B on Plan B6522 Amended Lot 7, DL 130, ODYD,  
Plan 415, Except Plans 18843 and KAP64190  
1789 Munson Road, Kelowna, BC

Applicant: FortisBC Inc.

## 1. Background

This proposal is to allow for the expansion of the existing FortisBC Inc. Operations Centre, presently located at 2850 Benvoulin Road, through the utilization of the adjacent ALR property for materials storage and parking.



Site Under Application Adjacent to FortisBC Inc. Operations Centre

FortisBC Inc. first occupied the Benvoulin site in 1969 as an Operations Center for the Kelowna area. Presently the site consists of an office and a materials warehouse/fleet shop with associated yard.



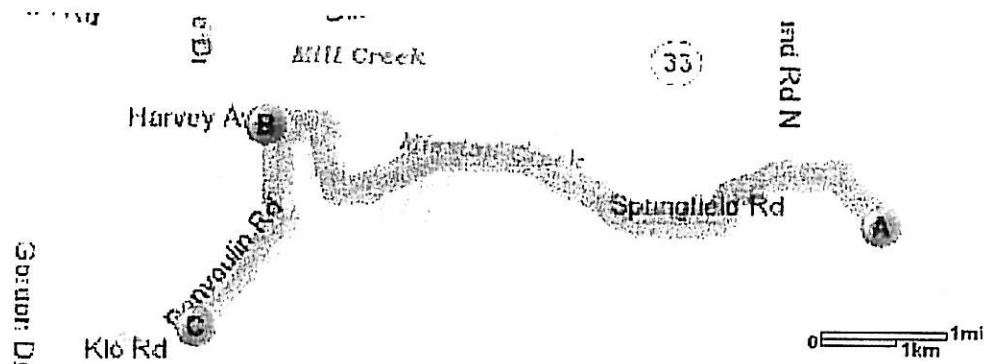
## 2. Customer Demand Increases

In the last thirty years the City of Kelowna has grown considerably and the demand for electrical services from area residents and businesses has increased. In 2001 the number of customers in the Kelowna region served out of the Operations Centre was just under 33,000. Just five years later that figure has increased by over 75% to 58,000. Fortis BC's Kelowna Operations Centre staff levels have also increased accordingly, from approximately 70 employees in 2001 to about 115 employees today.

## 3. Expansion Initiatives

The customer growth and associated activity in the Kelowna region during the past few years has increased the volume of maintenance and construction work supported by these facilities, thereby requiring more yard space than what is located at the Operations Centre.

In 2006, in an effort to mitigate increasing congestion concerns associated with the limited Benvoulin yard space, FortisBC Inc. leased additional properties to facilitate materials handling and storage. These sites are not located in the immediate vicinity of the Operations Centre and are only available on a short-term basis.



Sites Presently Used By FortisBC Inc. Operations

## 4. Public Safety Issues

The safety implications of FortisBC Inc.'s decentralized operations have significant impacts for the City of Kelowna and residents. The increase in truck traffic on the City roads as service crews acquire equipment and materials from the separate locations is an unnecessary added burden. Furthermore, added traffic impacts public mobility and creates undue congestion.

The efficiency of the overall traffic network is exacerbated from the extra kilometers required to undertake the basic maintenance of this essential utility. Of critical focus is the difficulty and danger of accessing the existing FortisBC Inc. site on Benvoulin Road. Left turns onto the property must stage within the central turning lane and maneuver through increasingly intense opposing traffic. Concurrent with this situation is the similar public safety concern when vehicles try to access the Kelowna Christian School. Congestion, proximity to the KLO intersection, and the continually expanding traffic volume poses an employee and public safety hazard.

## 5. Proposed Solution

Expansion of the Benvoulin facility and elimination of multiple storage sites would greatly improve public safety as well as enhance service to Kelowna area customers and improve site security.

FortisBC Inc. has approached the owner of the property adjacent to the north of the Benvoulin Operations Centre and has acquired an option to purchase the site to allow for expansion of the facility. The proposed expansion will accommodate materials storage as well as staff and service vehicle parking and will eliminate the need for other locations thereby reducing vehicular congestion.

A proposed site layout is attached as Appendix A.

## 6. Proposed Safety Improvements

As a component of this application, FortisBC Inc. proposes a light controlled intersection at Munson Road. The left turns directly from Benvoulin Road onto the FortisBC Inc. site will be discontinued and service vehicle access to the property will be by way of the much safer Munson Road intersection. As well, discussions are underway with the Kelowna Christian School to provide the school with a cross-access from Munson Road to their site. Great public safety improvements can be achieved by this strategy and ultimately traffic will flow more smoothly and with a much higher level of public safety.

## 7. Financial Considerations

In addition to safety issues, the decentralization of the material/pole yard storage has resulted in a number of operational inefficiencies and site security issues. As with any business, the costs and time delays of an inefficient operation ultimately affect the end user, which includes irrigation customers.

A consolidated Operations Centre will improve service levels and enhance site security.

The expansion of the Benvoulin site is estimated to cost approximately \$4 million. If FortisBC Inc. were able to find a suitable new location, the costs to purchase and develop that site and then decommission the Benvoulin site would be approximately \$20 to \$25 million.

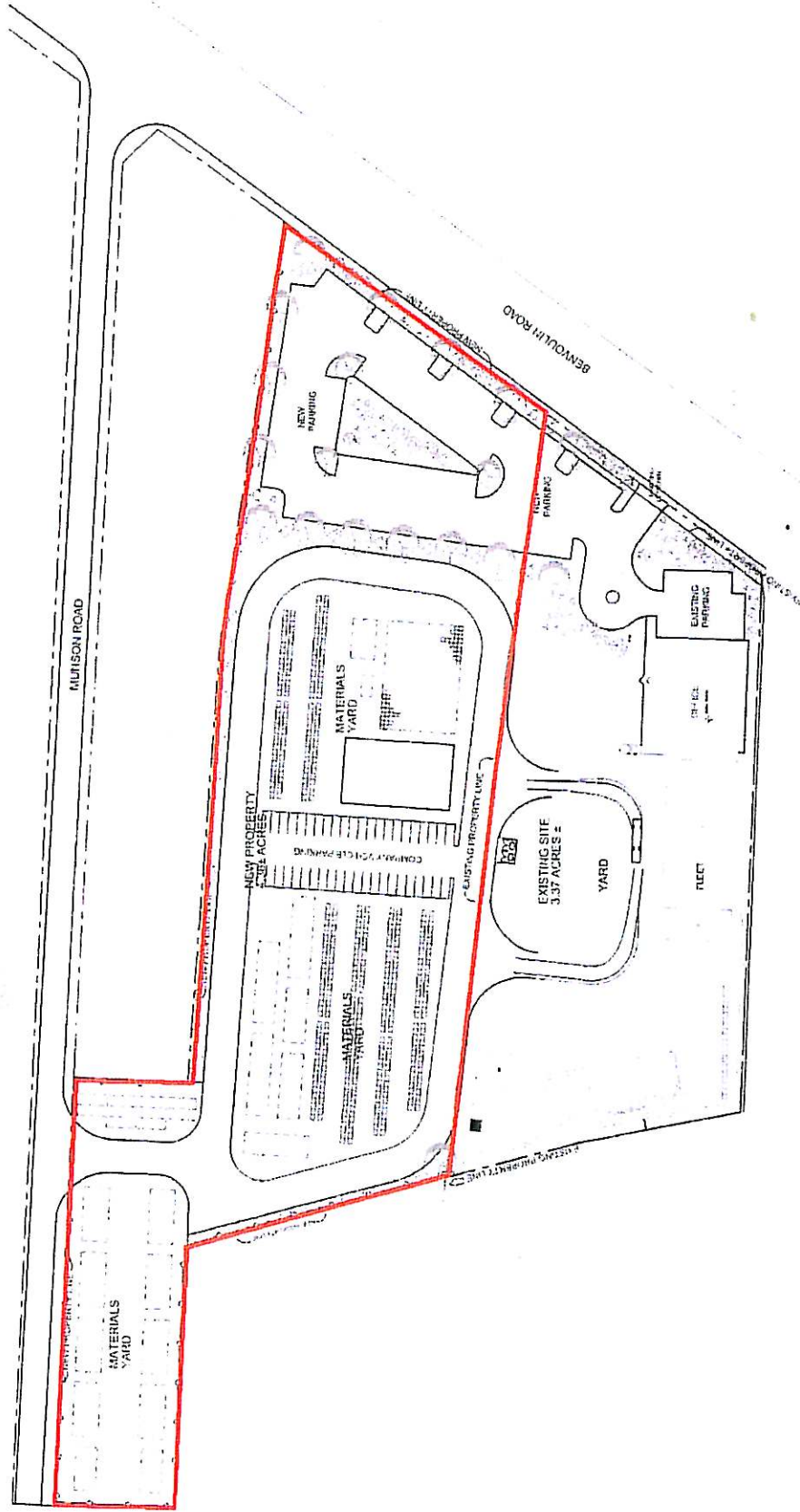
#### 8. Regulatory Body Reviews

A business case for the expansion of the Benvoulin site was submitted to the British Columbia Utilities Commissions (BCUC) and approved January 31, 2006 under Order No.G-8-06. The BCUC states:

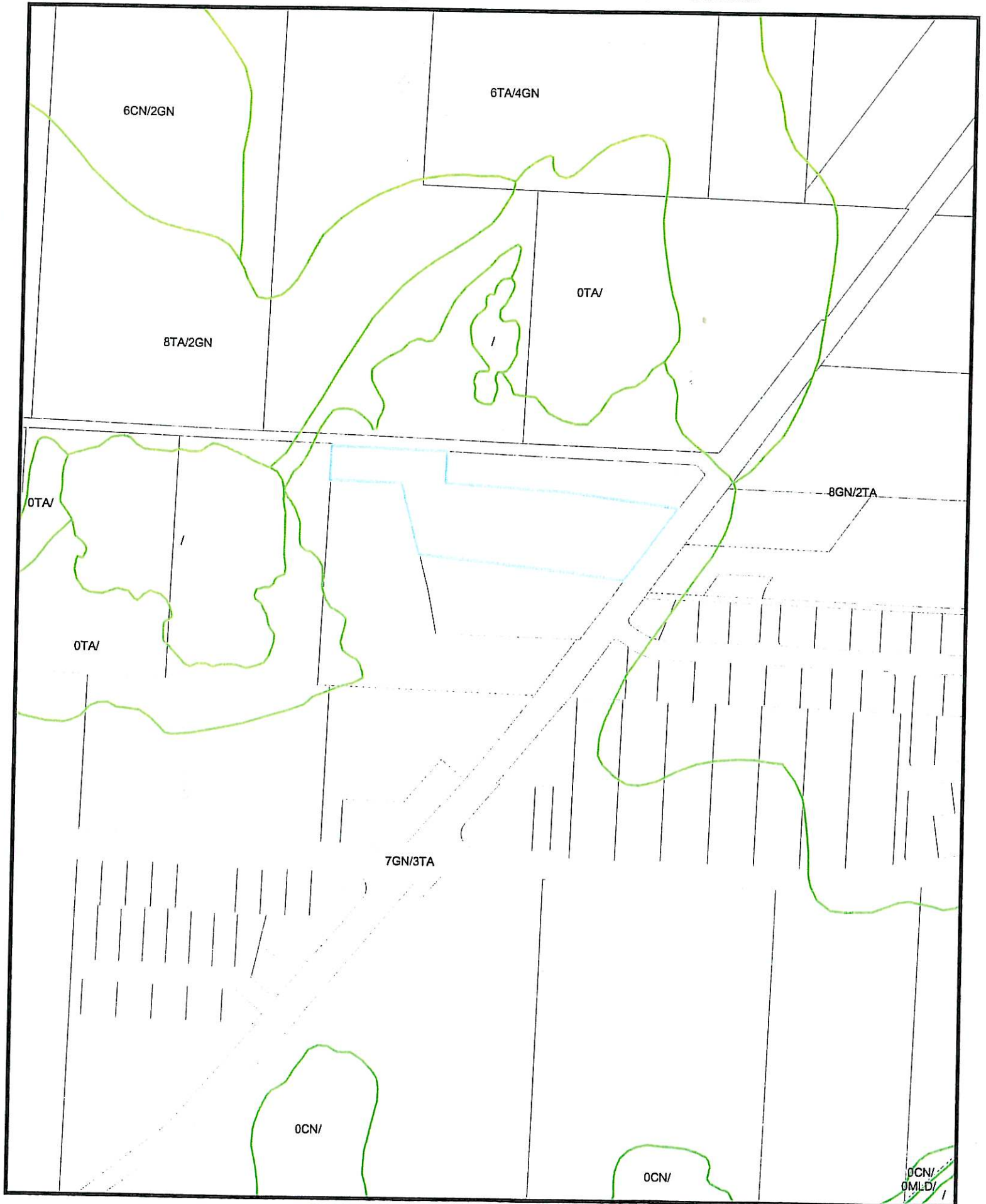
*The Commission accepts FortisBC's submission that the current situation presents safety, efficiency, and security concerns. The Commission also accepts that a consolidation of the three facilities at the Benvoulin Road site would help alleviate those concerns, and notes that the project has the support of the BCOAPO (BC Old Age Pensioners Association). The Commission therefore approves the Benvoulin Property Expansion.*

#### 9. Summary

The purchase and development of the ALR property adjacent to the existing FortisBC Inc. Operations Centre is the most cost-effective solution to the safety and service issues that have resulted from City growth. Expansion of the existing site will improve public safety and minimize current operational inefficiencies allowing the utility to improve the level of service while avoiding unnecessary expenditures and rate increases to the greater urban and farming community.



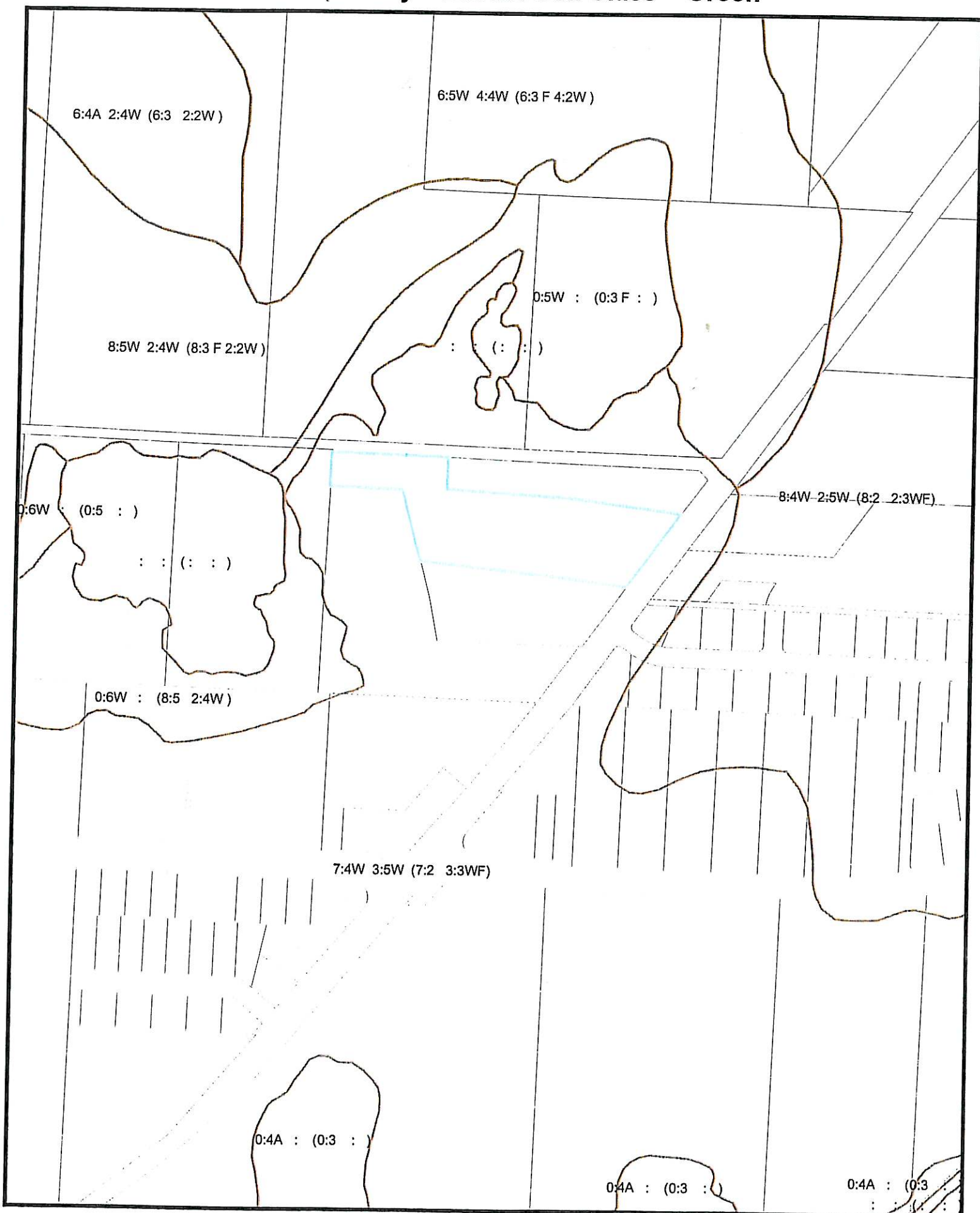
Land Capability = Brown/ Soil Class = Green



1:5,000



# Land Capability = Brown/ Soil Class Green



1:5,000

- Dave/Question: Intention regarding future agricultural use of the property
- Answer: No intention
- Dave/Question: Legitimacy of ALR designation and what benefit to agriculture will there be
- Ed/Question: Possibility for further dedication of road r/w at end of road/cul-de-sac

### **RECOMMENDATION**

Moved by Dominic/Seconded by Dave

THAT the Agricultural Advisory Committee NOT SUPPORT application A06-0018 submitted by Lynn Welder Lalonde Consulting Ltd. on behalf of Gellini Holdings Inc. to obtain approval from the Agricultural Land Commission for a non farm use under Section 20(3) of the *Agricultural Land Commission Act* to allow construction of an accessory structure with a secondary suite on property located at 4290 Goodison Road and legally described as: Lot 1, Plan 28161, Sec. 34, Twp. 29, ODYD on the basis that this represents densification of residential uses and is not in the spirit of the applicable section of the ALC Act for farm related purposes.

**CARRIED**

**ITEM 2. Location/Legal:** 1789 Munson Road/Lot B, Plan 86522, Sec. 17, Twp. 26, ODYD  
**Application No:** A06-0019  
**Applicant:** New Town Planning (L. Fraser)  
**Owner:** Coupal  
**Purpose:** To obtain approval from the Agricultural Land Commission for a non-farm use within the Agricultural Land Reserve to allow for an expansion of FortisBC's operations.

#### **Staff**

- Application by Fortis BC to expand operations on Benvoulin Road
- Reviewed location and surrounding uses
- Non-farm use application is intended to facilitate a subsequent rezoning application to support utility use
- Legal non-conforming use was formalized when the property became part of the City and the zoning designation was established as P4 for the existing operations site
- Expansion of the site is intended to consolidate Fortis operations

#### **Applicant (Keith Funk, New Town Planning)**

- This is an application that is driven out of necessity relative to the entire community
- In 1968 the then Ministry of Municipal Affairs recognized that more land would be required in time and the property was zoned for industrial uses (prior to inclusion in the City); subsequently the property was amalgamated into the City of Kelowna and the zoning designation was lost on all but the portion of land currently in use for utility purposes



- The subject property is suitable for growth of shallow crops, very sandy, high water table
- Currently three (3) sites being utilized, consolidation is required to increase efficiency and improve service. For example, in the instance of a power outage
- Growing electrical demand, if the application is not approved it is forecasted that the required development of an alternate location will result in substantial increase in operational costs; increased utility costs will impact farming operations
- Intent is to minimize the utility operational expense and related utility costs to benefit agricultural operations and the broader community
- Access and traffic issues will be addressed; the applicant is proposing a controlled traffic intersection at Munson Road with left turn lane; Munson Road to be improved
- Surface use of the site only, no structures to be constructed
- Quantum jump to provide capacity for future needs rather than piecemeal applications to the Commission
- OCP 6.14.1; 6.14.10 quoted
- Road safety issues (children, trucks), efficiency of the corporation to avoid increased utility costs, benefit to agriculture and the overall community
- Encouraged the Commission to think deeply about the greater good of the community

#### AAC

- Dominic Rampone/Question regarding savings to be realized by agricultural operations.
- Dominic Rampone/Question regarding increased traffic on Munson Road and the affect on local farms because of the increase in traffic on an agricultural road
- Dominic Rampone/Comments: Precedent of public operations compromising agricultural lands (i.e. Fortis, Regional District, School Board, Parks Department, etc.) Hard time supporting because of the above issues.
- Answer: Only one local farm is using that portion of Munson Road affected; incremental improvement is required to increase viability of farms, impact of energy costs is significant cost to agriculture; non-farm use of the land means that one day when Fortis outgrows the site in time the land can be recovered to agricultural use; obligation is to clear the site
- Dominic Rampone/Question: Will Fortis volunteer to register a covenant to guarantee return of the site to agricultural use when abandon the site in the future?
- Answer: A very likely result of an ALC decision; AAC may recommend; Applicant is willing
- Dominic Rampone/Question regarding how to mitigate industrial/agricultural conflicts with the approximate 2 ac. property to the north along Munson Road.
- Question regarding the presence of PCBs on the site.
- Answer: No environmental risk, proper containment is in place for any potential contaminants.
- Dominic Rampone requested financial details regarding the options. What would be the ultimate cost to agricultural property owners?
- Answer: No specific information is available, only general understanding of the costs associated with the potential need to relocate and generally

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- associated with conducting business; estimated to be approximately \$25 million
- Hong-Hee Chuah/Question: Were other sites considered prior to submitting the application?
  - Answer: Yes, for example Marshall Feed Lot site which was found to be too expensive. Cost of land and shortage of land is making land a 'ridiculous' price.
  - David Hamilton/Comment: Intrigued by the concept of a restrictive covenant registered in Land Title Office (Section 219 Covenant).
  - Answer: Example of the Tutt land currently utilized by the City land fill.
  - David Hamilton/Question: Storage of PCBs on site?
  - Answer: Stored temporarily in appropriate containment areas within the existing building for periods not exceeding 2 weeks. Most of the time there will be no PCBs on site.
  - David Hamilton/Comment: Concern about school being located next to industrial site. Progress of discussions with the City regarding the traffic reconfiguration and intersection?
  - Answer: Likely a through intersection with a triggered light, expect City to be very motivated by the safety issues, solution makes a much safer road; expect to traffic volume to be neutral, conflict resolution is expected
  - David Hamilton/Question: Has the applicant done any research with neighbouring property owners?
  - Answer: Yes, Christian School is very supportive, hoping for alternative access through the proposed site. Design centre property immediately to the north of the subject property is supportive, no other neighbours/houses that are not included in the subject property
  - Fortis is considering inclusion of agricultural property in the Greenwood area in exchange for the use of the subject property, haven't managed to find any suitable property within the City boundaries, looking for property that can be improved to benefits to agriculture to offer in exchange, research continues regionally.
  - Ed Henkel/Comments: Best farmland in the community is being lost bit by bit; agriculture is pushed onto marginal land; need to play on a level playing field; exceptions create precedents that are difficult to stem; one more nail in the coffin of this whole area; one after another properties are disappearing from agricultural production in this area; food production will be increasingly important in the future; this may be an immediate solution that creates future problems for food production; cannot morally support the application
  - Answer/Comment: To get food off this land it would require improvements to the water table issues at a significant cost; a negative recommendation will increase the costs to farming which would result in a need loss to food production; under normal circumstances it would be a hard decision; these are not normal circumstances; not a for-profit outcome; relocation will have impact on every farmers costs
  - Hong-Hee Chuah/Question: Are increasing efficiencies on site and increasing storage capacity possible?
  - Answer: Currently maximized. Cost of decommissioning the site and abandoning the recently constructed \$4 million building hope to be avoided.
  - Keith Funk summed up and requested that the Commission give 'it' fresh thought and consider the greater public interest; reiterated that Fortis will not be coming forward with further requests for land; the proposal is considered a solution to save future costs



**RECOMMENDATION**

Moved by David Hamilton/Seconded by Hong-Hee Chuah

THAT the Agricultural Advisory Committee NOT SUPPORT Application A06-0019 submitted by New Town Planning on behalf of FortisBC and the current property owner (Coupal) to obtain approval under Section 20(3) of the *Agricultural Land Commission* Act for a non-farm use within the Agricultural Land Reserve to allow for an expansion of FortisBC's operations on property located at 1789 Munson Road and legally described as Lot B, Plan 86522, Sec. 17, Twp. 26, ODYD because it is taking valuable farmland out of production.

Graeme James abstained.

**CARRIED**

**ITEM 3. Location/Legal:** 745 Rifle Road/Lot 4, Plan 35886, Sec. 28, Twp. 26, ODYD  
**Application No:** A06-0021  
**Applicant:** Milagro Advisory Services (P. Klimuk)  
**Owner:** Francis  
**Purpose:** To obtain approval from the Agricultural Land Commission to exclude the 3.12 ha of the subject property from the ALR.

**Staff**

- Reviewed location, surrounding uses and current use of the subject property as a mushroom farm
- Request for exclusion; no immediate change in use; will provide separate legal titles for existing dwellings; three existing single family homes; storage use and mushroom operation
- Located at the southern extent of a finger of ALR land

**Applicant (P. Klimuk)**

- Extension of Mount Baldy Drive will carry on to the extension of McCurdy Road in the future, area designated on the OCP for single and two family development to the north of the subject property
- Reviewed zoning bylaw provisions supporting intensive agriculture; properties (A06-0021 and A06-0022) are not located in the core of the area, properties are actually in the buffer area; property non-conforming with respect to 'use' under the zoning bylaw and the ALC Act.
- Disagree with the assessment that it would be difficult to relocate the mushroom operation to another property in the City as per the Intensive Agriculture Map in the OCP; no shortage of land in the surrounding areas; however the use is better suited to a more rural area; agree that would lose the benefit of the Agricultural Practices Protection Act; referred to the site map that indicates limited area on the property available for agricultural production; drainage ditch requires annual maintenance

**AAC**

- Ed Henkel/Question regarding existing dwellings.
- Answer: All secondary dwellings have been constructed since 1973 with the appropriate approvals.

**DRAFT**