
City of Kelowna

MEMORANDUM

Date: February 11, 2008
File No.: 0920-20-004
To: City Manager
From: Manager, Community Development & Real Estate
Subject: Downtown Revitalization Initiative – Comprehensive Development Zone Creation

Report Prepared by: Doug Gilchrist

RECOMMENDATION:

THAT Council receive for information the report from the Manager, Community Development & Real Estate, dated February 11, 2008 on the status of the City initiative to create a comprehensive development zone ("CD Zone") for a portion of the City of Kelowna's downtown bordered by Harvey Ave., Water St., Abbott St and Queensway Ave.;

AND THAT Council receive for information the summary of all comments provided to staff to date in response to this initiative (inclusive of faxes, e-mails, written letters and survey comments) attached to this report as Schedule 'B';

AND THAT Council endorse the list of proposed amenities identified in the report which shall; in some form, be funded or partially funded by way of an amenity contribution from the developers in the subject area based on a density bonus formula. For clarity the amenities include; a public washroom facility, a children's playground, public plaza construction, streetscape construction, indoor amenity space, affordable housing and a public pier;

AND THAT Council direct Staff to proceed to a final public open house at the earliest available opportunity in order to inform the citizens of Kelowna of the CD Zone proposal that will be submitted as an application for a zoning bylaw text amendment. The bylaw amendment process shall follow all usual and required process, policy and protocol;

AND THAT Council direct Staff to proceed, upon completion of the aforementioned public open house, with creating a zoning bylaw text amendment and all other related policies, regulations and planning document amendments and submit the associated application for the subject area based on the parameters outlined in this report to Council for consideration;



BACKGROUND:

History

The subject portion of the City's historical downtown has seen very little redevelopment in the past twenty-five years despite the growth and development in nearly every other area of the community. This has resulted in the creation of a less than desirable environment that has been the subject of numerous incentive programs over the last number of years as referred to in Schedule 'A' attached.

The downtown plan adopted in 2000 identifies the Downtown as being bordered by Doyle Avenue, the lake, Richter Street and Highway 97. While a portion of this area is seeing some minor improvements much of it remains the focus of economic, transportation and public safety concerns for the community. The most westerly blocks of both Leon Avenue and Lawrence Avenue are viewed generally as the areas most in need of improvement / change. Some of the negativity can be traced to; the high concentration of nightclubs and social agencies in the area, the lack of people living/working in the neighborhood and a poor mix of uses including minimal residential use. These and many other factors have led to a reality that this area is frequented by criminal transients during the day and very limited activity on the street after business hours until the rowdy crowds from the nightclubs disburse in the early morning hours.

In addition, the current configuration of the existing lots and laneways in the subject areas, combined with the limited ability to create underground parking due to the high water table, make this area difficult to develop under the existing C7 Zoning bylaw.

The lot widths in the historical downtown were created to accommodate development of one and two storey frame buildings. These separately titled, narrow lots; some as narrow as 2.5 meters, are not conducive to redevelopment.

These and other factors seem to be discouraging redevelopment of the area and promoting the creation of empty storefronts, vacant lands that are fenced for fear of vandalism, continued criminal activity and the general public simply avoiding the area.

Previous City Action

There has been a great deal of previous action taken by Council, special interest groups, Council Committees, residents and businesses in the area which have been well documented to Council in past reports. A list of these initiatives is attached as Schedule 'A' for your reference. None of these initiatives have had a marked improvement on the level of revitalization in this area.

Current City Initiative – Creating a Comprehensive Development Zone

As a result of the lack of success of past initiatives to encourage redevelopment in the subject area Council directed staff, on a number of occasions, to consider other opportunities to achieve the City's goals for the downtown. On August 15, 2007 Council passed the following resolution to begin work on the creation and implementation of a Comprehensive Development Zone:

THAT staff be instructed to prepare the necessary zoning and related bylaws and accompanying policies and agreements, in order to implement a comprehensive development plan within the four (4) city blocks bounded on the north by Queensway Avenue and on the south by Harvey Avenue on the east by Water Street and on the west by Abbott Street;

AND THAT the said plan be constructed so as to meet the key principles for downtown redevelopment as outlined in the report from the Director of Corporate Services dated August 15, 2007 and supported by the Spaxman Report of June 2007 on the Downtown Plan;

AND THAT the said bylaws, policies and agreements, as applicable, define and specify all required development regulations, including but not limited to the footprint, form, character, height, density and use, and all amenities and servicing requirements for all future development within the zone;

AND FURTHER THAT the said bylaws, policies and agreements be developed and implemented to ensure equal sharing of both development rights and cost, including provision of amenities, amongst all property owners, including the City of Kelowna, within the zone.

In creating the zone or the vision outlined in this report City Staff and City consultants have been working under the guidance of a set of principles established early on this process by a project group representing Staff from all affected departments within the City. These guiding principles are as follows:

1. Enhance Kelowna's identity nationally and internationally and enhance the identity of downtown as Kelowna's Principle Centre.
2. Develop a viable mixed use community that supports live, work and play opportunities for both residents and visitors.
3. Develop safe streets by providing more eyes and ears on the streets to reduce demand for law enforcement in the area.
4. Incorporate sustainable design principles by making efficient use of existing infrastructure, provide a stronger tax base, create an urban environment that facilitates pedestrian movement, incorporate a mixture of uses at densities that are economically viable and that will support public transit and incorporate green building technologies.

5. Expand community amenities by enhancing public use of City, Kerry and Stuart Parks, developing a major pier and enhanced short term public moorage, ensuring continuous public access along the lake, preserving identified view corridors, developing streetscape improvements consistent with a world class urban centre, increasing public open space and providing for a range of other amenities including eventual daycare facilities and school facilities in appropriate locations in the downtown.
6. Create a community feel that integrates well with adjoining areas including the identified parks and Culture District.
7. Incorporate housing diversity in the downtown by providing a range of housing types and tenures including affordable and special needs housing.
8. Respect the areas Heritage assets.
9. Provide for downtown amenity contributions as a condition of development shared equally by all benefiting lands, including future downtown redevelopment where appropriate and where possible (i.e. daycare facilities, schools, offsite affordable housing)
10. Honour the City's agreement with the Province for movement of vehicles into and out of Kelowna for the new Bill Bennett Bridge.
11. Act as a catalyst for redevelopment for the remainder of downtown.

Public Consultation

Prior to receipt of direction from Council on August 15th, 2007 Staff had already completed some public consultation on this matter. Since that time a great deal more consultation has been solicited from our Citizens in order to ensure the needs, wants and ideas of our community are incorporated into the creation of the CD Zone as best possible. An outline of this process is provided here for Council reference:

Chronology – Downtown CD Zone Creation

Date	Consultation
August 16, 2007	- Meeting with Downtown Task Force – inform and advise of the propose initiative
August 20, 2007	- Council presentation on CD Zone Creation concept presented publicly - Council endorsed proceeding
September 2007	- Downtown Revitalization web page launched
September to Nov. 2007	- Public survey distributed via web site, at open houses and advertised in the newspaper

September 14, 2007	- Information event with study area businesses and landowners (Coast Capri Hotel). • Presentation by Graham McGarva
September 24, 2007	Meeting by Invitation – DKA, D/T Task Force, UDI, CHBA, Chamber of Commerce, Move Kelowna Forward (Council Chamber)
September 27, 2007	Public Open House • Presentation by Graham McGarva (Rotary Center for the Arts)
October 5, 2007	Workshop hosted by Phil Johnson with study area landowners – (Ramada Hotel)
October 31, 2007	Meeting with area developers / property owners – (Rotary Arts)
November 6, 2007	Meeting with area developers / property owners – (Rotary Arts)
November 6, 2007	Public Open House • Presentation by Graham McGarva (Grand Hotel Ballroom)
December 10, 2007	Council presentation – civic land matters
December 17, 2007	Meeting with developers / property owners – (Rotary Arts)
December 17, 2007	Council presentation - survey results presented
December 18, 2007	Meeting with Central Okanagan Heritage Commission & Kelowna Heritage Society (City Hall)
December 20, 2007	Meeting with Downtown Task Force & DKA (City Hall)
January 17, 2007	Meeting with Downtown Task Force (City Hall)
February 11, 2007	Council presentation

CD Zone Plan Evolution

Where we started....

The 1999 Kelowna Downtown Plan espoused the notion of a pedestrian oriented downtown, but did not engender actions of adequate critical mass to bring beneficial returns to this particular sub area of the Downtown Plan, where the highest density development had been envisaged. The 2007 Spaxman Report highlighted the importance of consolidated action in support of a comprehensive plan being needed to affect positive change to this area.

Starting with the principles of the Downtown Plan and reinforced with the perceptions from the Spaxman Report, an ambitious envisioning was undertaken of the comprehensive re-development of the four block area between Water and Abbott, Queensway and Harvey. This was developed over several iterations in conjunction with the parallel process of the planning for City Park/Kerry Park/Stuart Park and to integrate with the obligations for vehicular circulation arising from the new bridge.

Where we went....

Urban design principles were developed from a series of drivers that articulated core components to be addressed in developing a vision for this place and how it will operate. Iterations of the urban plan were developed for the subdivision of rights of way and development parcels that looked at the quality of the public realm created, the amenity for the residents within the district and the impact on the city scale. In companion with this planning a set of 12 Urban Design Principles were developed to guide the refinement of the plan and the framing of development regulations.

What we heard....

These principles were cognizant of the input being received from the public and stakeholder groups, through workshops, open houses and surveys. Key messages from the public consultation were; among others, the following:

- Heritage context
- View preservation
- Height is ok but make it 'feel' good
- Don't touch the park
- Improve access to the water
- Make it pedestrian friendly but don't congest traffic or diminish parking
- Give it a Kelowna look/feel and not a duplication of somewhere else

What we found out....

In the course of our urban design and technical analysis we found out that:

- Construction of parking is a limiting factor
- That the existing zone does not promote a vibrant living environment

Recognizing the concerns raised in the Spaxman report regarding the feasibility of accomplishing change under existing policy and regulations, the build out of the maximum development permissible under the existing zoning would tend to create environments counter to the aspirations of the Downtown Plan itself.

Where we are today....

The iterative cycles of the urban design process have enabled the refinement of a great design for placemaking for the multiple segments of the community whose paths cross in this location. The public realm rights of way and co-ordinated placement of building massing will create a walkable district that will serve the daily needs of the adjacent downtown residents and workers, as well as provide attractive tourism ambience for visitors from within and beyond the Kelowna region.

We now have a plan that will promote urban densification that is sensitive to the Kelowna context yet set the stage for development of a vibrant downtown for the next 75-100 years.

Design Guidelines

Primary focus of the Design Guidelines is to guide the redevelopment of land uses and built form to create a walkable and active public realm through the day and evening for the greatest part of the year. Noting that active at grade parking podia are permitted, these are to be faced with active fronting uses on all sides. Above the mixed use podia the predominant building form is expected to be residential, although hotel and office uses are also encouraged. In order to improve upon the existing zoning, the density is expected to be greater than that hypothetically achievable under the C7 zoning, and the design regulations will clear away the uncertainty with respect to built form that the existing zoning creates.

The sustainable livability of this area is a paramount objective, as well as the potential for this district to contribute to the broader social and environmental sustainability goals of the City. Providing a strong critical mass of retail, services and population at the core of the city, gives the opportunity for the City to grow without exacerbating the impacts of automobile dependent travel.

Accordingly the Design Guidelines will be an integral part of the regulatory tools that will:

- Establish the placement of public rights of way and required landscaped setbacks
- Identify specific sub-areas within the district, each with a maximum density of built floor area
- Demarcate the general locations of tower forms with specific regulation of maximum height, direction of orientation, maximum floor plates and minimum spatial separations.
- Outline a coherent set of urban design principles to guide the preparation of architectural and public realm design

The Bylaw

Intent

The purpose of the CD Zone is:

1. To provide density and development bonuses to achieve:
 - A. A subdivision pattern that results in the "place making" referred to earlier in this report, and that creates the mix of public realm rights of way, together with co-ordinated placement and massing of development to create a walkable district that will serve residents as well as visitors and tourists; and
 - B. The provision of urban amenities to the extent that density levels will exceed those practically achievable in the current C-7 Zone, and consequently will support the cost of developer provided amenities.

Approach

The CD Zone is not a down zoning. The base uses and density will be those practically achievable currently under the C-7 Zone. Beyond these base uses and densities, there will be added a range of new higher density and a range of new uses that will be available to developers in return for achieving the purposes set out above. What the ultimate upper range of permissible density will be is yet to be fully determined. It will reflect trade-offs between physical constraints, policy choices and market limits. The greater the "density lift" that is possible, the more incentive there will be for owners of land to develop under the CD bonus provisions, rather than the base C-7 regulatory regime.

Design

The CD Zone will be accompanied by detailed design guidelines - some which can be embedded in the CD Zoning Bylaw as regulations, and others which will be more flexibly utilized as Development Permit Area Guidelines for form and character control applying to specific sites.

Since design of private space can itself be an amenity, design control can be extended beyond the limitations inherent in any development permit scheme to include S. 219 Covenants which would allow the City into areas such as color, building materials, and other aesthetic details.

Limitations

The CD Zone approach is founded upon incentive. Without a down zoning from the current C-7 uses and densities, the incentive to reshape the area and to achieve amenity contributions rests on the attractiveness of bonus density and a broader range of bonus uses. -If the "spread" is not sufficient to attract the market away from a basic C-7 model, the CD Zone will not achieve its objectives.

Amenities

Staff believe the following list of amenities are essential components of this CD Zone and are integral to meeting the eleven guiding principles outlined in this report. Council is being asked to endorse this list of amenities in principle at this time subject to further valuation and regulatory analysis.

	Proposed Amenity	Staff Comment
(1.)	Public Washroom Facility	- City owned and operated - Stand alone or within a building

(2.)	Indoor Public Space 1.) Daycare 2.) Multi-use facility (senior/youth/meeting)	- 1000 sq. ft. per 500 units - 2000 sq. ft per 500 units *Est. 1900 units under existing plan
(3.)	1.) Pier – new construction (Schedule “D”)	**A <u>portion</u> of cost to be collected via amenity bonus.
(4.)	Children’s Playground(s): 1.) Hard costs 2.) Physical space	- 1510 sq. ft. per 500 units
(5.)	Affordable housing	- Subject to implementation of City wide policy
(6.)	Constructed Outdoor Public Space (plaza, multi-use streets, park)	- Proposed increase in usable & constructed outdoor public space in the amount of 1.51 acres (Not inclusive of indoor public space)
(7.)	Streetscape construction	- Constructed at the time of development in exchange for amenity contribution credits
(8.)	Public plaza construction	- Constructed at the time of development in exchange for amenity contribution credits

The Future

Staff believes the community-identified goals acknowledge in this report and in various planning documents will not be achieved without a strong enforceable plan for the area. Choosing these four (4) blocks of our downtown and developing a comprehensive plan that allows all property owners within the area to share in both the economic benefit and cost of redeveloping is the best way that staff believe the City’s stated goals for our downtown future will be achieved.

Moving Forward

This initiative has come a long way from its inception however there are a number of steps remaining before it will take the form of a usable and enforceable bylaw. Some of those steps are outlined below for Council’s consideration:

<u>Step</u>	<u>Task</u>
1	Incorporate recommendations of Council (if any).
2	Complete traffic audit and infrastructure analysis.
3	Create affordable housing recommendation in-line with City policy.
4	Finalize the bylaw; a portion of which will be the development guidelines.

5	Hold an open house to inform the public of how their thoughts and recommendations were incorporated into the plan that will be presented for rezoning.
6	Submit formal bylaw text amendment application.
7	Present proposed CD Zone to the Advisory Planning Commission

INTERNAL CIRCULATION TO:

Planning & Development Services, Works & Utilities, Recreation Parks & Cultural Services, Financial Services.

PERSONNEL IMPLICATIONS:

A Comprehensive Development Plan of this magnitude requires significant staff resources to complete, implement and regulate. The City has contracted the professional services of Mr. Graham McGarva of Via Architecture to assist in developing the Plan and various City Departments have allocated staff time to ensure the goal of achieving a CD Zone is accomplished.

FINANCIAL/BUDGETARY CONSIDERATIONS:

Financial Services has provided the funding source for the required expenditure.

EXISTING POLICY:

The preparation of a Comprehensive Development Zone for the area noted in this report would help achieve two specific objectives included in the City's Strategic Plan, namely:

- Aid in the growth and progress of Kelowna as a desirable place to visit, shop and tour. (Goal 2, Objective 2)
- Achieve accessible, high quality living and working environments. (Goal 3, Objective 5)

LEGAL/STATUTORY AUTHORITY:

Part 26 of the Local Government Act

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

The amendment to Zoning Bylaw No. 8000 to create a new CD zone as discussed will be processed in accordance with all statutory procedures, including submission to the Advisory Planning Commission, to City Council, and to the public via a public hearing. Actual development of sites within the zone, would also be required to follow all statutory procedural requirements according to the type of development (rezoning, development permit, development variance permit, building permit, etc.)

COMMUNICATIONS CONSIDERATIONS:

Corporate Communications representation on the project team is providing communication support for this project.

Considerations that were not applicable to this report:

TECHNICAL REQUIREMENTS:
EXTERNAL AGENCY/PUBLIC COMMENTS:
ALTERNATE RECOMMENDATION:

In light of the above the Manager, Community Development & Real Estate on behalf of the project team on this initiative request Council's support for the stated recommendations.



Doug Gilchrist, RIBC, PMP
Manager Community Development & Real Estate

Approved for Inclusion:



John Vos, Director of Corporate Services

cc. Director of Planning & Development Services
Director of Works & Utilities
Director of Recreation Parks & Cultural Services
Director of Financial Services
City Manager

Schedule 'A'

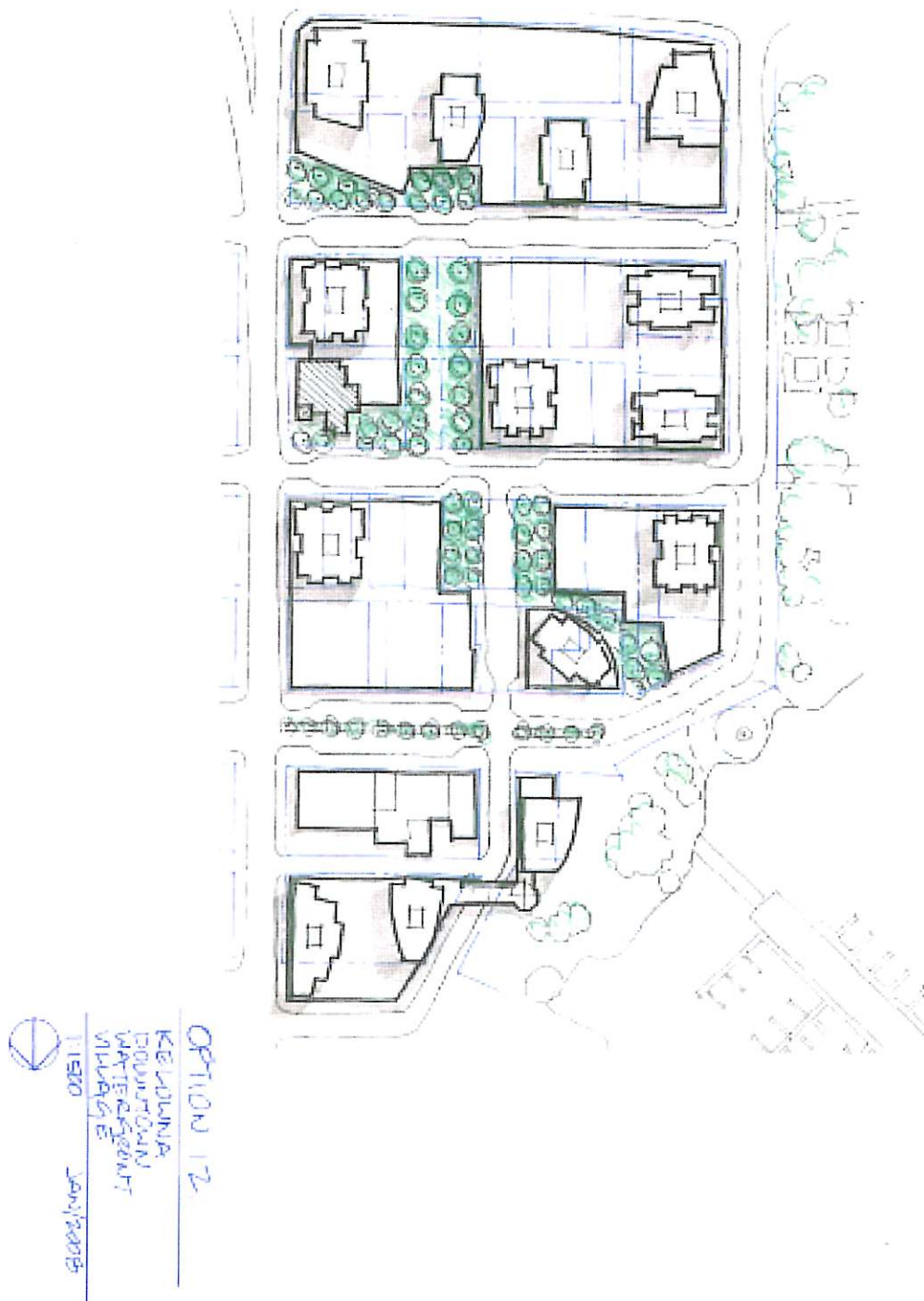
Previous Downtown revitalization Initiatives

- Tax Relief Incentive
- Parking Relief Incentive
- Way Finding Sign Program
- Dumpster Removal Program
- City Land Assembly Initiative
- Gospel Mission Relocation
- The Downtown Plan
- The Downtown Streetscape Initiative

Schedule 'B'

SURVEY QUESTION #8 & RELATED COMMENTS				SURVEY QUESTION #4 & RELATED COMMENTS				OTHER RELATED CORRESPONDENCE			
NATURE OF COMMENTS	# OF COMMENTS	% OF WRITTEN COMMENTS		NATURE OF COMMENTS	# OF COMMENTS	% OF WRITTEN COMMENTS		NATURE OF COMMENTS	# OF COMMENTS	% OF WRITTEN COMMENTS	
Height is too great/don't support high-rises (location, height)	143	21%		More vibrant downtown, improved urban environment etc.	84	19%		High-rise height is too great	48	27%	
Process (too rushed, need more involvement of particular players, other process related concerns)	97	15%		Social issues to be resolved/reduce crime	49	15%		open spaces/green space	21	12%	
Support (area needs revitalization, looks great, get on with it...)	104	15%		'greener' transportation, more pedestrian friendly, less vehicle traffic, beach access	47	14%		High-rises back from the lake	17	10%	
Design related	43	6%		Parking (cars and boats)	43	13%		Increased open space/green space	14	8%	
Quality of Life (includes arts, culture, restaurants, shopping)	42	6%		Other	26	8%		View preservation	14	8%	
Don't support the project at all	34	5%		High-rises not near lake, back more or none at all	17	5%		Affordability	12	7%	
Green Space and Parks	26	4%		Yacht Club (keeping it where it is, adding on to it)	16	5%		Create appropriate density	12	7%	
Implement Yacht Club in plan/provides ambience/brings people downtown	26	4%		open spaces/green space	13	4%		Feel project is rushed	10	6%	
Sustainability/Environment/Water Table/Water Issues	24	4%		Affordability	13	4%		Concerns with Traffic	11	6%	
Concerns that demographic profile of new residents will be too narrow (units priced too high, only for short term occupancy? Need for affordable housing units etc.)	23	3%		view preservation	11	3%		Increased parking (cars and boats)	7	4%	
Accept that greater height and/or density than status quo is necessary	22	3%		mix of residents living in the area & commercial with residential	9	3%		Community water conservation	4	2%	
Transportation -- Need to consider needs of pedestrians/bicyclists, consider further limiting vehicle traffic	20	3%		heritage preservation	8	2%		Improved beach access	3	2%	
Other	20	3%		Improved design	7	2%		Concerns with water table	2	1%	
Connections to surrounding areas	19	3%		Density	5	1%					
Heritage	14	2%		cultural matters	4	1%					
Financial concerns -- who benefits/who pays?	8	1%		tourism benefits	4	1%					
This will be good for Kelowna's identity	7	1%		sustainability	4	1%					
Quality of Construction/Type of Construction	6	1%		Integrated connections to adjoining areas	2	1%					
Costs/Consequences outweigh benefits	3	0%									
TOTAL	681	100%		TOTAL	342	100%		TOTAL	173	100%	

Schedule 'C'



Schedule 'D'

