

Memo



Date: May 10, 2010
File: 0920-20-004
To: City Manager
From: Doug Gilchrist, Director - Real Estate & Building Services
Subject: CD#21 Rezoning

Recommendation:

THAT Council receive for information the CD#21 Rezoning report dated May 10, 2010 from the Director, Real Estate & Building Services.

Purpose:

This report is intended to provide Council with information on the areas of the CD#21 Zone in which questions remain.

Background:

On April 26, 2010, Staff presented further details and information to Council at a third public workshop on the CD#21 Zone. At this workshop Council was also presented with seven key guidelines that are essential to the zoning. Given the time constraints and outstanding questions Council chose to defer voting on the key guidelines at that time and requested that Staff hold a fourth workshop on May 17, 2010.

Council has submitted the following questions to Staff related to various areas of the CD#21 Zone since the April 26th workshop. Answers are provided below for written reference:

Question #1 (Councillor Stack):

In sub-area 3 please confirm that the buildings that are currently located in the future "crossing" area will not be expropriated by the City of Kelowna in order to advance the CD21 zone.

Answer:

Expropriation is a Council decision/authority and not a Staff one; therefore, it is up to Council whether or not expropriation of a property is in the public interest. In the past it has been stated that the previous Council did not intend on using the tool of expropriation to make this initiative happen.

Question #2 (Councillor Stack):

In sub area 3, in order to proceed with redevelopment of the CD21 concept, confirm that the properties that are located in the future "crossing area" must participate in the plan. In other



words, the sub area 3 cannot move forward without participation of all property owners in the sub area. Whether they are in the “crossing” or not.

Answer:

All property owners within a sub-area would have to come together (i.e. sell, partner, etc.). No different than any assembly of lands where a certain size of lot is required in order to meet the zoning bylaw requirements (i.e. RU1 assembly to achieve RM3 lots size requirements).

Question #3(Councilor Stack):

In sub area 3 please provide:

- a.) Estimate of the per square foot sales value of property in towers.
- b.) Estimate of the per square foot lease value of retail property.

Answer:

- a.) Given that this is a zoning exercise and not a marketing exercise this analysis has not been completed. There are a multitude of variables that impact retail values which cannot possibly be determined at this point in time (view, quality, timing, economy, market saturation, etc.).
- b.) Same as above.

For clarity, we needn't nail down the retail values noted above, nor could we with any certainty. The premise of this zone is a DENSITY incentive. The value of which will rise and fall with the marketplace and will always be relative to land and construction prices.

Question #4 (Councilor Rule):

Could we please have a map of the downtown sector (I think there was a comment that the boundaries had changed with the OCP review?)

Answer:

Draft OCP map of the downtown area attached as Schedule 'A'.

Question #5 (Councilor Rule):

What is the allowable density for the downtown sector in the draft OCP?

Answer:

At this point in time the allowable density in the draft OCP for the subject area remains unchanged at 9.0 FAR under C7 - Central Business District. This may change, however further discussion/consultation is required in the form of a zoning bylaw review which is not currently planned to take place in 2010.

Question #6 (Councilor Rule):

What percentage of the units under the draft OCP in the downtown sector will be used in the CD21 zone?

Answer:

Determining the “unit allocation” for an area for a prescribed duration is quite challenging for the following reasons:

- 1.) The zoning bylaw does not dictate the minimum or maximum area that will be dedicated to residential. The ratio of residential to commercial or retail is largely at the developer's discretion.

- 2.) Likewise, the unit size will vary depending on what the market can absorb. Once again affecting the unit count in an area.

Disregarding the above, Staff provide the following general information:

- 1.) The 2030 draft OCP estimates a unit allocation for the downtown of 2300 units. As noted by the City's Policy & Planning department the potential for a greater number of units in the downtown is significantly higher beyond 2030.
- 2.) The CD Zone estimates approximately 1900 would be located in the 9 sub-areas of the CD Zone if built out at the maximum allowances provided in Bylaw #10020. The buildout of the CD Zone is dependent on market demand but in all likelihood will be a 30-40 year period therefore crossing two OCP periods. If the buildout was evenly split over this period then about 40% of the total downtown units would occur in this zone.

*Refer to the blue dotted line on Schedule 'A' attached for a reference to the Urban Center Boundary in the draft OCP.

Question #7(Councilor Rule):

Which heritage buildings in the CD 21 zone will have exterior side or back walls exposed in the redevelopment?

Answer:

All of them. In order for any of the three sub-areas that have heritage buildings identified to be redeveloped they would require partial demolition of existing structures. The extent of which is protected three distinct ways:

- 1.) The requirement under Bylaw #10020 to preserve the facades.
- 2.) The requirement to enter into a Heritage Revitalization Agreement (the "HRA") satisfactory to Council.
- 3.) Specified protection of the "Lequime Wall" in section 3.2.c.1.4 on page 38 of the zoning guidelines.

Question #8(Councilor Rule):

What incentive could we offer to protect those exterior walls in their entirety?

Answer:

Density. The negotiated HRA is the tool to protect more than the façade in any of the three sub-areas and the incentive is the increased density being granted to the developer.

Question #9(Councilor Rule):

Will the "no parking" incentive be enough to protect the heritage buildings?

Answer:

The "no parking" incentive is not what creates the protection of the heritage buildings, it is the tools noted in question #7 above.

As an acknowledgement of the additional cost associated with protecting the heritage buildings, the zone allows for a relief from the construction of some of the parking required for the sub-area. Staff have calculated this cost savings as being quite substantial (see April 26, 2010 Staff presentation).

Question #10 (Councilor Rule):

What would the profit be for one of the heritage buildings if the owner was to use the existing C7 zone, compared to using the new CD21 zone?

Answer:

There are far too many variables that would affect "profit". This cannot be calculated at this time. With respect to density; the density under the CD#21 Zone in this area is approximately double (2 times) what practically can be built on the site without any variances being granted by Council.

Question #11(Councilor Rule):

Is it possible to split the CD21 zone into smaller zones and start by approving the ones that we agree on?

Answer:

Yes, however the impact of doing so would need to be analyzed in detail in order to determine the impacts on the principles that make the entire zone work. Things such as; retail viability, sun shadowing, sight lines, view corridors, pedestrian linkages, tower separation, traffic network implications, MoT approval, etc. Financial and human resources have not been allocated to complete such a detailed rework in 2010.

Question #12 (Councilor Rule):

Is there a sector that is ready to be developed and is there any reason why that couldn't come before council without finishing the CD21 process first?

Answer:

A map from the April 26th workshop, delineating land assemblies, is attached as Schedule 'B'. Given that the CD#21 Zone area has been in the re-planning stages or under formal rezoning since 2006, it is not anticipated that any rezoning or development applications will be forthcoming prior to some resolution to the CD#21 rezoning. Staff are aware of three sub-areas where the land assemblies are nearly complete; two of which are interested in proceeding with redevelopment plans.

Question #13(Councilor Rule):

If the new road through the Paramount site proceeds, would the Leckie Building be adversely affected?

Answer:

A condition of demolition of the Paramount building, similar to any other demolition, would require the physical protection of any adjacent buildings. Additional detail regarding the protection is referenced in Section 3.2.c.1.4 of the Guidelines.

Question #14 (Councilor Rule):

Is it possible to rename the Mill Road extension to Paramount Way and have the old sign installed on the outside wall of the Leckie Building?

Answer:

The street naming and sign bylaws are not affected by the proposed rezoning application.

Question #15 (Councilor Rule):

Could a drawing be provided that shows the view from the Sails to the Fire Hall? I'm having trouble visualizing how that view corridor will work - there seem to be buildings in the way.

Answer:

Drawing attached as Schedule 'C'. The arrows delineate the view corridor from near the center of the Sails Plaza. As you will note there is a clear view from both the Market Green (Park) and the Water Street Firehall Bell Tower. The buildings around the Firehall (blue circle) have a limited building height in order to protect the view of the Firehall Tower.

Question #16 (Councilor Rule):

What process would exist to allow property owners to transfer density between sectors if desired?

Answer:

This has not been explored. Transferring of density between "sub-areas" would impact the zone to a level that would require a comprehensive rewrite and rework. For example, taking density from one sub-area and putting it on another has an impact on two key fundamental areas; the ability to construct parking in the now-higher density site and the reduced incentive to develop the now lower density site. In addition, transferring density would have other impacts that cannot be estimated in isolation (i.e. height, floorplate size, view corridor impacts, sun shadowing, etc.). Finally, the zoning bylaw would have to be reconsidered by legal counsel and rewritten.

Question #17 (Councilor Rule):

What will happen to property owners outside of the CD21 zone if they wanted to redevelop with a variance for height or density (I think I know the answer to this but I would like it confirmed)?

Answer:

The granting of height variances is at Council's discretion. What may be asked for in return for greater height is also at Council's discretion?

Under the *Community Charter* density cannot be varied by Council.

Question #18 (Councilor Rule):

What is the value of the Mill Street area that is now being proposed for sale to Milroy? Was the money from the sale of the Royal Trust site included in the amenity package?

Answer:

The value of the Mill Street area has not been determined and will be subject to the amount of density, height and size of buildings and allowable uses Council supports.

No, the proposed sale of the Royal Trust site was not included in the amenity package. That is additional revenue that could/would be allocated at Council's discretion on additional public benefits.

Question #19 (Mayor Shepherd):

Can the CD 21 zone be broken into smaller zones. CD21 A, CD21 B, CD21 C so that they are more independent for changes to be addressed?

Answer:

Please refer to answer #11 above.

Question #20 (Mayor Shepherd):

Why is the height fixed on the buildings and not a range given such as 19-27 or 14-19 or...?

Answer:

As noted in the proposed CD#21 Bylaw #10020, the heights identified in each sub-area are a maximum and not a minimum.

Question #21 (Mayor Shepherd):

Why the height of 27 stories as the height chosen?

Answer:

The varying heights in the CD#21 were chosen through a comprehensive urban design exercise that took into account many objectives. Some of which include:

- 1.) **Geotechnical** - a height and weight that the soil/land base physically support.
- 2.) **Aesthetics** - a height that fit in with the other Council approved buildings in the downtown.
- 3.) **Urban statement** - a height that is equal to that of any other approved buildings in our City making the statement that "this is our premier urban center".
- 4.) **Economics** - in order to achieve the desired incentive there needed to be value to the developer. This comes in the form of height.
- 5.) **View corridors & shadowing** - taller, more slender (small floorplate) buildings allow for the protection of view corridors and limit shadowing.
- 6.) **Open space** - taller buildings allow higher land use on a given site and therefore the opportunity for more open space (i.e. parkland).
- 7.) **Parking** - accommodating the necessary parking has an impact on saleable area within the first 2-3 storeys of a building thereby affecting height.

Question #22 (Mayor Shepherd):

When was it decided that the city owned sidewalk and Mill street off of Water could be sold to the developer.

Answer:

The closure of a portion of Mill Street was supported by the previous Council as it is an overwidth road and deemed surplus by City Staff. Should the proposed CD#21 Zoning be approved, a road closure and consolidation bylaw would be brought forward for Council consideration and the surplus land would be sold at market value to the sub-area #1 owner. Council approval is required.

Question #23 (Mayor Shepherd):

Could we close off Bernard at Water and close off Mill at Water and make the entire road space pedestrian only using strictly city land and not have to depend on property owners for an expanded sail plaza concept? Same traffic would just go 2 blocks further to go down Lawrence. This would then eliminate the dependence on the property owners on the corner of Bernard and Abbott wanting to redo their properties and the vision not being able to be achieved.

Answer:

The closing of Bernard Avenue at Water Street would dramatically impact the traffic flows and volumes and would not be supported by the Ministry of Transportation. As per their approval letter (attached as Schedule 'D') even the smaller closure of Bernard Avenue at Abbott Street may only occur once the Mill Street extension is in place.

The closure of Mill Street at Water Street (i.e. Queensway) could be considered, however there are access and service delivery concerns that would need to be addressed, in addition to traffic flows/volumes that would have to be investigated. To date this work has not been commissioned. It is estimated to cost \$7,000 and take 2-weeks to complete. A further 2-4 weeks would be required for MoT review.

Question #24 (Mayor Shepherd):

Please put amenities in a list and associate where the calculations for each amenity has been determined to come from and when they might be achieved by the current calculations.

Answer:

The list of amenities proposed to be collected is attached as Schedule 'E' to this report. The allocation of cost, by sub-area, is identified in the bylaw under "Amenity Density" however for ease of reference a table has been set up and is attached as Schedule 'F' to this report.

The calculation for the amenities is based on a cash or housing contribution per square foot of bonused density, therefore each sub-area pays an amount proportional to the amount of density being granted.

This scope of this rezoning exercise did not include a market absorption analysis therefore it has not been determined when each of the 9 sub-areas may redevelop; thereby the timing of collection of amenities cannot be definitively stated at this time.

Question #25 (Mayor Shepherd):

Please identify how many affordable housing units will be obtained through housing agreements?

Answer:

As per Section # 8, page 5, of the proposed CD#21 Zoning Bylaw, the affordable housing units are allocated by sub-area. The approximate total number of units for all sub-areas is 194. All units would be required to have a housing agreement as per the bylaw.

Question #26 (Mayor Shepherd):

If we are ever going to achieve a district energy opportunity why would we not propose this to be the goal for any future densification in the downtown core including any of the blocks under discussion?

Answer:

The motivation behind this initiative has been to entice development to the area as opposed to other areas of the City. It would not seem appropriate to add an increased burden of up front cost and complexity to developing in this zone which does not exist elsewhere.

A district energy analysis is ongoing by the City's Infrastructure Planning department. The outcome of which is many months away. Early indications are that there are perhaps two other areas of the City that have a greater opportunity for the utilization of a district energy system.

Finally, technologies such as geothermal, solar, storm water retention and adherence to the new “green building code” will provide a similar level of benefit as a district energy system in this area.

Question #27 (Mayor Shepherd):

What will happen with the nightclubs under the proposed zoning?

Answer:

As per Section #3 of the proposed CD#21 Zoning Bylaw, Liquor Primary Establishments - Major are not a permitted use on sites greater than 558 sq m. therefore once a sub-area has been assembled for redevelopment (as is required under the bylaw) Liquor Primary Establishments - Major would not be allowable use in the new zone.

Question #28 (Mayor Shepherd):

Could we not achieve putting in the wharf as a priority for the entire community by using taxpayer funds or even directing park funds to such a project? This again would be instead of requiring the developers of only the proposed CD blocks to have to pay towards 25(?)%.

Answer:

Yes, alternate options such as taxation or park development funding could be used to develop a wharf/pier instead of utilizing CD Zone amenity money however it is not currently identified in any funding plan. Adding the cost of a wharf/pier to existing funding programs would result in:

- (1) an increase to overall taxation; or
- (2) other park development projects being deferred or eliminated.

The existing model was endorsed by the previous Council recognizing that a public pier would benefit the salability/rentability of future developments and it was therefore determined that a portion of the approximately \$6.75 million cost (25% or \$1.69 million) should be funded through the amenity collection process.

Question #29 (Mayor Shepherd):

How much parking is required and where is it all going to be placed? Will buildings be even higher than proposed because of the challenges with the water table?

Answer:

All parking within the proposed CD#21 Zone will be parked on site and in all cases will be visually screened from view. No surface parking will exist and no exposed structured parking will be exposed.

Given the geotechnical limitations of this area (i.e. water table) only a limited amount of parking will be underground. This results in parking being situated within the first 2-3 storeys of the proposed buildings. Again, all street or park facing frontages will have an active use.

The amount of parking required is identified in Table 1 - Parking on page 5 of the proposed CD#21 Bylaw #10020 and will vary depending on the use that is constructed.

Additional Information:

Mill Street closure

In discussions with the Ministry of Transportation (“MoT”) City Staff have been advised that additional investigative work would need to be completed in order to make comment on the viability and impacts of closing Mill Street between Queensway and Bernard Avenue. The proposed scope of work is estimated to cost \$7,000 and take two weeks to complete. MoT has advised this will take approximately four weeks to review and respond. If there are additional amendments to the proposed CD#21 Zone, further traffic analysis and funding will be required. It is therefore recommended by Staff that no additional traffic analysis be completed until Council has made a determination as to the extent of all the proposed changes to the zoning application.

DCCs

In the April 26th Council workshop a query was raised regarding the impact the propose zoning would have on DCC revenues. In short DCC revenues are driven by development or growth and not by the number of units zoned therefore in essence this rezoning would have no impact at all on DCC revenues. However, in an effort to develop a more clear understanding of the DCC program Staff have included a summary paper attached as schedule ‘G’.

Financial/Budgetary Considerations:

Funding for further analysis or rework regarding the CD#21 Rezoning application that requires third party involvement (i.e. consultants) is not currently identified.

Internal Circulation:

Director, Policy & Planning
Director, Lane Use Management
General Manager, Community Sustainability
General Manager, Community Services

Considerations not applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Existing Policy:
Personnel Implications:
External Agency/Public Comments:
Community & Media Relations Considerations:
Alternate Recommendation:

Submitted by:



Doug Gilchrist, Director
Real Estate & Building Services

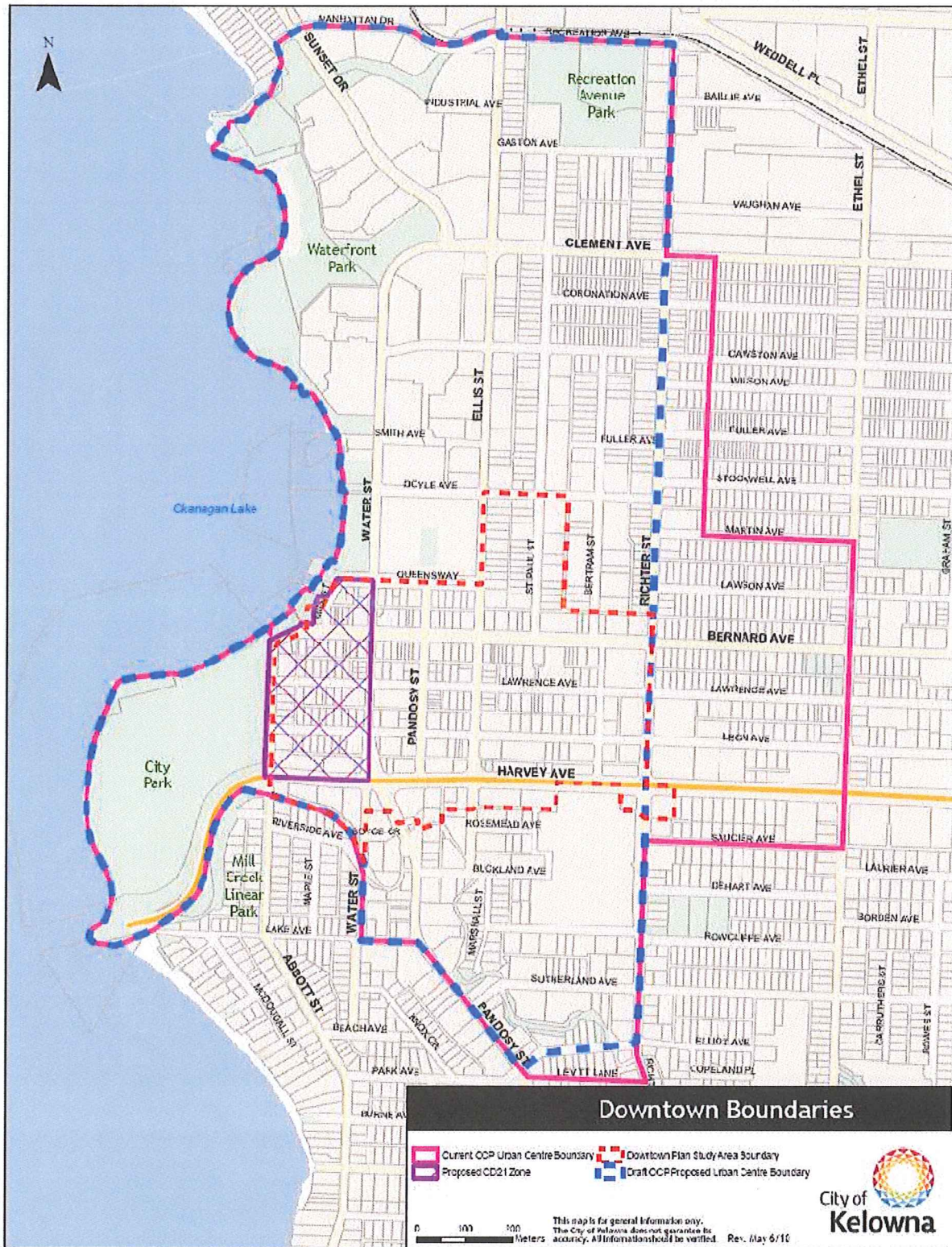
Approved for inclusion:



John Vos, General Manager, Community Services

cc: S. Bagh, Director, Policy & Planning
S. Gambacort, Director, Lane Use Management
J. Paterson, General Manager, Community Sustainability

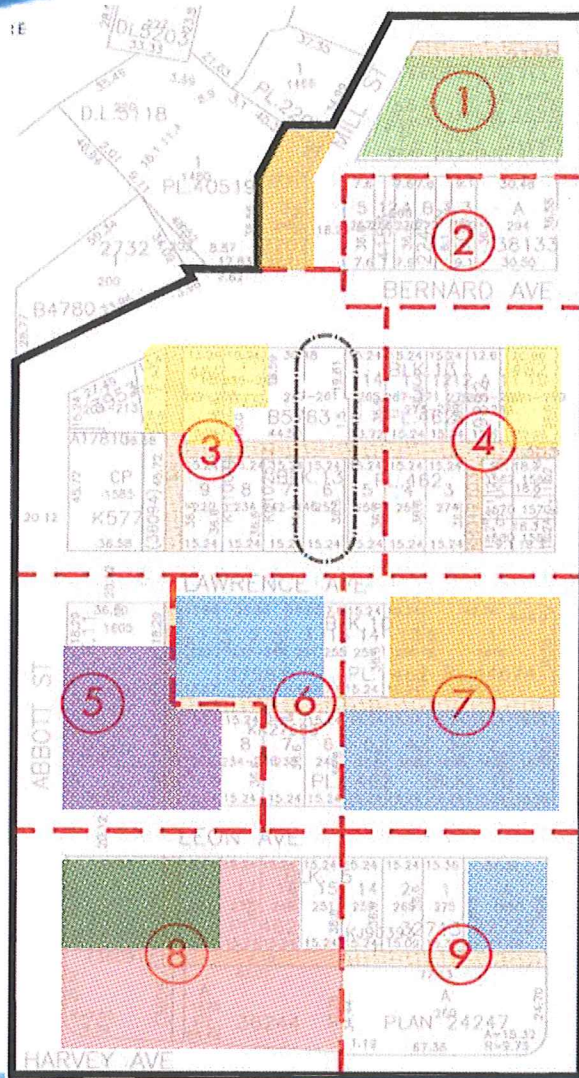
Schedule 'A'



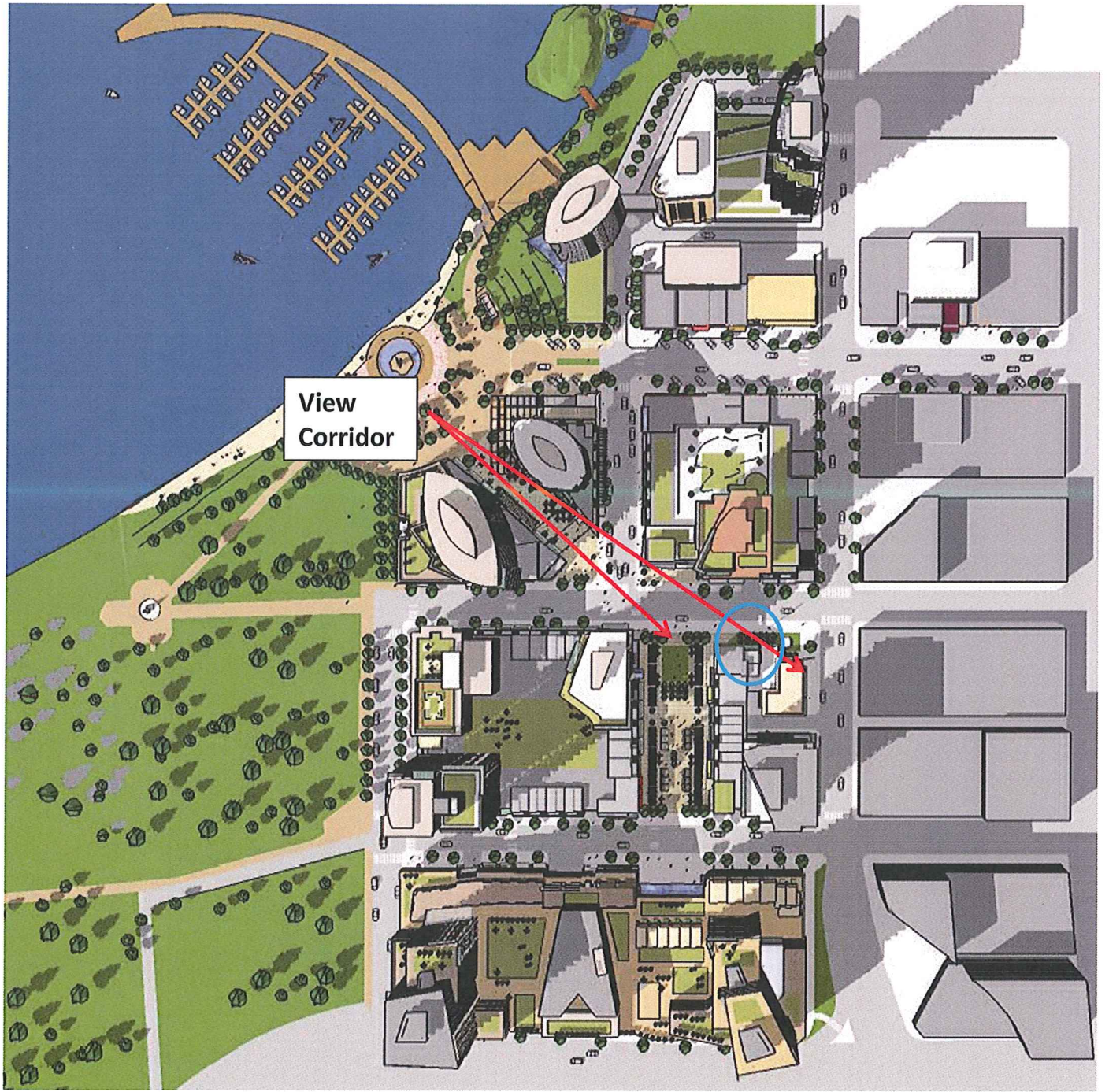
Schedule 'B'



LAND
ASSEMBLIES
3 PARCELS +



Schedule 'C'



Schedule 'D'



January 27, 2010

Our File: 02-081-22391
Your File: 208-0044

Stephen Fleming
City Clerk
City of Kelowna
1435 Water Street
Kelowna, B.C. V1Y 1J4

RE: LETTER AGREEMENT for Municipal Road Network Improvements with regard to Bylaw 10020 and Text Amendment TA08-0004 (Waterfront Village) between Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure (the Province) and the Municipality of the City of Kelowna (the City).

Dear Stephen Fleming,

This letter confirms the understanding between the Province and the City (collectively "the Parties") with respect to the proposed Kelowna Downtown Revitalization CD-21 zone area bounded by Harvey Avenue, Abbott Street, Water Street and Queensway Avenue, commonly known as Waterfront Village Redevelopment (the "Project").

Bunt & Associates were retained by the City to study the traffic impacts of this proposed re-development of a four-block area of the downtown core of the City, as well to ensure that the road and street network were capable of accommodating the traffic movement associated with the W.R. Bennett Bridge concession agreement.

An initial report titled "*City of Kelowna Waterfront Village Redevelopment*" issued April 3, 2009 and an addendum report dated June 19, 2009 (hereinafter referred to as "The Reports") were prepared, reviewed and accepted by the Parties.

The Reports recommend a number of municipal road and street network changes that are required to accommodate the CD-21 zone, some of these are required irrespective of development, some are necessary to facilitate development, and some are dependent on development. These changes are outlined in an implementation matrix attached hereto as Schedule A.

The Parties agree and acknowledge it is imperative that the municipal road and street network changes described in Schedule A are implemented in order to maintain existing traffic mobility on Okanagan Highway 97.

Ministry of
Transportation and
Infrastructure

Okanagan - Shuswap District
Southern Interior Region

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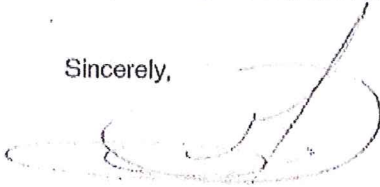
Page 2
Our File: 02-081-22391
January 27, 2010

The Province, by this letter, is approving Bylaw 10020 and will sign same, subject to the City hereby guaranteeing and promising to complete the municipal road and street network improvements outlined in the implementation matrix in Schedule A, whether at its own cost and expense or at the cost and expense of the Project's developers. The Parties agree that the expected increased traffic volumes must not negatively impact traffic flows on Okanagan Highway 97, nor the W.R. Bennett Bridge concession agreement.

If it is determined by the Province that development traffic occurring within the CD-21 zone is negatively impacting traffic flows on Okanagan Highway 97, or the W.R. Bennett Bridge concession agreement, and the Province advises the City of these concerns by way of written notice, the City will effect such works as outlined in Schedule A in a timely fashion.

If the City is in agreement with the above agreement and understanding, kindly have Mayor Shepherd sign this letter in the area below and return one original copy to my office.

Sincerely,



W. Murray Tekano
District Manager, Transportation
Okanagan -- Shuswap District
British Columbia Ministry of Transportation and Infrastructure

Attachment (Schedule A - Implementation Matrix)

We hereby agree to the terms of this letter and attachment:

Sharon Shepherd,
Mayor
City of Kelowna

Date: _____

Stephen Fleming
City Clerk
City of Kelowna

Date: _____

Schedule A – Implementation Matrix*

January 27, 2010

Requirement	Road Network Change	Description
<p>A: that the following works be undertaken <u>irrespective of development</u> in the CD-21 Zone.</p>	1A	Harvey / Water / Pandosy Protect for eastbound right-turn lane off Harvey south-bound onto Pandosy.
	2A	Leon / Richter Change eastbound lane allocation to a shared left / through lane and a right turn lane.
	3A	Clement / Richter Increase the cycle length from 70 seconds to 80 seconds in the AM peak and to 75 seconds in the PM peak; retime signal phasing.
	4A	Clement / Ellis Increase cycle length from 70 seconds to 80 seconds in the PM peak.
	5A	Bernard / Ellis Signal timing adjustments.
<p>B: that the following works be completed at the time of redevelopment of <u>any</u> of nine sub-areas identified in the CD-21 Zoning Bylaw.</p>	1B	Lawrence Avenue a. Convert to two-way with parking either side (west of Water Street). b. Restrict westbound parking during the PM peak to facilitate two moving traffic lanes.
	2B	Abbott Street a. Retain four lanes between Harvey Avenue and Leon Avenue. b. Configure the northbound approach to Leon Avenue as a shared through/right lane plus an exclusive right-turn lane. c. Reduce the cross-section to two moving travel lanes plus parking both sides between Leon Avenue and Lawrence Avenue. d. Restrict southbound parking during the PM peak between Harvey Avenue and Lawrence Avenue to facilitate two moving traffic lanes.
	3B	Water / Bernard a. Change southbound left turn phasing to permitted and revise signal timing. b. Add a second northbound through lane on Water Street through parking restrictions on the east side of the street (between Lawrence Avenue and Bernard Avenue) during the weekday AM period
	4B	Water / Queensway Add a second northbound lane on Water Street through parking restrictions on the east side of the street (between Bernard Avenue and some point north of Queensway Avenue) during the weekday AM period.
<p>C: that the following works be completed as part of the development of <u>sub-area #3</u> as identified in the CD-21 Zoning Bylaw.</p>	1C	Bernard / Mill a. Extend Mill Street from Bernard Avenue to Lawrence Avenue prior to b. Downgrading existing road between the Bernard Avenue / Mill Street and Lawrence Avenue / Abbott Street intersections. This could either be fully closed, partially closed, or temporarily closed using bollards or similar. c. Create all-way stop control at the Bernard Avenue / Mill Street intersection.

*LETTER AGREEMENT for Municipal Road Network Improvements with regard to Bylaw 10020 and Text Amendment TA08-0004 (Waterfront Village) between Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure (the Province) and the Municipality of the City of Kelowna (the City).

Schedule 'E'



AMENITIES CONTRIBUTIONS

- | | |
|--|------------------|
| 1. Streetscape Construction | ▶ \$7.75 Million |
| 2. Plaza Construction | ▶ \$1.59 Million |
| 3. Public Washrooms | ▶ \$300,000 |
| 4. Children's Playground | ▶ \$38,000 |
| 5. Indoor Civic Amenity Space | ▶ \$2.9 Million |
| a.) Daycare | |
| b.) Multi-use facility | |
| 7. Public Pier
(**25% to be allocated to CD
Amenity) | ▶ \$1.69 Million |
| 8. Affordable Housing | ▶ \$2.45 Million |
| 9. Additional Public Land | ▶ \$6 Million |

Schedule 'F'

AMENITY REQUIRED			
Sub-area	Cash	Housing	Total
1	\$2,981,781	\$297,685	\$3,279,466
2	\$0	\$0	\$0
3	\$2,925,475	\$374,199	\$3,299,674
4	\$1,951,608	\$256,185	\$2,207,793
5	\$1,969,267	\$411,944	\$2,381,211
6	\$2,187,689	\$190,374	\$2,378,063
7	\$1,601,154	\$216,868	\$1,818,022
8	\$3,511,918	\$409,394	\$3,921,312
9	\$3,161,131	\$292,039	\$3,453,170
Total:	\$20,290,023	\$2,448,688	\$22,738,711

Schedule 'G'

CD 21 - DCCs Impact

Questions were asked at Council as to DCC revenue generated from the proposed CD 21 zone.

DCCs are revenues to help acquire major infrastructure that is required to support new development. The City of Kelowna collects DCCs to cover the costs of major road improvements, water and wastewater treatment and trunk pipes, and park land. Costs are apportioned on a unit basis based on average demand each form of development places on those specific infrastructure. These revenues are combined in some cases with other revenue sources such as taxation, utility, reserves, and senior government grants. These then form the 20 Year Servicing Plan and Financing Strategy and DCC Bylaw. All analysis and calculations are based on the Official Community Plan (OCP) growth plan.

The CD 21 zone is assumed to be developed over a 30 to 40 year growth horizon. The units built in this zone will be part of the projected city center growth outlined in the current and future OCPs. **Of key note is that the bonused development in this zone will replace rather than be in addition to growth elsewhere in the downtown zone. As such, from a financial perspective there is no additional DCC revenue from a city wide overall perspective with this zone in place.**

Council asked how much DCC revenue will be generated from this zone. The numbers shown below are based on a number of key assumptions. The current C7 zone calculations are based on an assumption that Council will not permit any variances. The CD 21 calculations are based on the maximum development as allowed by the bylaw again with no variances. All calculations use the current DCC Bylaw rates and calculations. These rates are adjusted annually based on actual construction and land costs. They are also completed adjusted for growth scenarios and infrastructure needs every OCP Update which typically occurs every 5 years. Recognizing that development of this area is projected to take longer than the life of a 20 Year OCP, these numbers should be used for comparison purposes only and not for actual revenues projected to be generated. Residential units are assuming all qualify as a R4 residential DCC calculation.

C7 ZONE

Commercial DCCs - \$ 1,713,760

Residential DCCs - \$ 11,633,400

CD 21

Commercial DCCs - \$ 3,427,447

Residential DCCs - \$24,869,624

Council also asked how much Park DCC revenue would be generated in the CD 21 zone. Of the \$24, 869,624 approximately 40% goes to Parks for an amount of \$9,752,756. These funds can only be used for land acquisition under the current DCC Bylaw and not park development. The added park land identified in the CD 21 zone is not currently identified in the DCC Bylaw.

* Originally Distributed on
April 26/10

Memo



City of
Kelowna

Date: April 20, 2010
File: 0920-20-004
To: City Manager
From: Doug Gilchrist, Director - Real Estate & Building Services
Subject: CD #21 Zone - Workshop

Recommendation:

THAT Council receive for information the report and presentation on the specific areas of Council interest as related to the CD #21 Zone;

AND THAT Council confirm their support for each of the following seven (7) CD Zone #21 Guidelines that are necessary to achieving the Organizing Principles and the Urban Design Principles (noted below);

- 1.) *Heritage* - the retention of identified building frontages and human scale along Bernard Avenue via prescribed preservation AND mandatory Heritage Revitalization Agreements.
- 2.) *Public Space* - increase the amount of constructed public open space through incentive driven development contributions, the requirement for large lot consolidations and increased density.
- 3.) *Siting and Massing* - plan and protect for optimization of view corridors, site lines, sun light exposure/shadowing via taller slender buildings in strategic locations as defined in Schedule "D" attached.
- 4.) *Building height* - provide for a building height that will accomplish Guideline #2 and #3 as defined in Schedule "E" attached.
- 5.) *Tower forms* - maintain the human scale of buildings at street level by setting towers back from street edge.
- 6.) *Active Streets* - achieve active uses at street level. No blank walls or dead space.
- 7.) *Hotel Use* -
 - a. Provide for a feasible hotel use on the Royal Trust site
 - OR
 - b. Provide for a feasible hotel use on public right-of-way or private lands other than on the Royal Trust site or existing zoned park land.

A handwritten signature in black ink, located in the bottom right corner of the page.

AND THAT Council reconfirm their support for the eleven (11) CD #21 Zone Organizing Principles attached as Schedule "A" this report and identified in Appendix 2 of the CD #21 Guideline document;

AND THAT Council reconfirm their support for the twelve (12) CD #21 Zone Urban design Principles attached as Schedule "B" this report and identified in Appendix 3 of the CD #21 Guideline document;

AND FURTHER THAT Council reconfirm their support for the proposed amenities attached as Schedule "C" to this report.

Purpose:

To further inform Council of the details of the proposed CD #21 Zone for a portion of the City's downtown (Stage 3 of a 3 stage review process), to answer previous questions raised by Council and to obtain approval from Council on the areas of agreement with respect to the zone.

Background:

On February 22nd, 2010 Council passed the following resolution:

THAT second and third reading of Bylaw Nos. 10019 and 10020 be rescinded;

AND THAT Council directs staff to convene a workshop, as soon as possible, to present Council with information on the current CD21 zone proposal;

AND FURTHER THAT the Public Hearing with respect to the CD21 zone proposal be scheduled for the fall of 2010.

As a result of this direction staff proposed a three stage process (see below) which was endorsed by Council. Stage 1 and 2 are now complete.

This report and associated presentation is Stage 3 of this process. During the Stage 2 workshop Council also proposed that Staff bring forward the critical pieces of the CD#21 Zone in a manner that would allow Council to vote on and "get past" the areas of agreement and allow greater focus on key areas where consensus did not yet exist.

- ✓ **Stage 1** - is intended to provide Council with a high level review of the history of the process to date and propose an agenda for a comprehensive workshop on March 29th, 2010.
- ✓ **Stage 2** - to hold a Council workshop on March 29th, 2010 whereby staff fully educate Council on the details of all aspects of the proposed CD#21 rezoning and answer questions posed by Council.
- Stage 3** - consider Council requests for amendments to the existing CD #21 rezoning bylaws (if any) and report back.

Key CD #21 Guidelines:

Of the many guidelines and principles associated with the CD#21 Zone the following seven (7) are seen as critical areas requiring clear direction from Council in order to proceed. Each of these is described in detail in the Zoning documents however a short summary description is provided here for ease of reference.

- 1.) **Heritage** - the retention of identified building frontages and human scale along Bernard Avenue via prescribed preservation AND mandatory Heritage Revitalization Agreements.

It is the intent of this zoning exercise to plan for and protect the human scale and historical look and feel of Bernard Avenue. One that represents an important past in our Community. The CD #21 Zone as presented is an attempt to balance a representation of the past with sustainable urban densification of the future. This preservation requirement does not exist today.

- 2.) **Public Space** - increase the amount of constructed public open space through incentive driven development contributions, the requirement for large lot consolidations and increased density.

One key element of any successful urban redevelopment of this scale is active and welcoming public open space. This plan focuses on increasing both the size and the quality of the outdoor places to gather, to walk and connect people with the environment.

- 3.) **Siting and Massing** - plan and protect for optimization of view corridors, site lines, sun light exposure/shadowing via taller slender buildings in strategic locations as defined in Schedule "D" attached.

Through a complex set of urban design exercises, shadowing analysis, architectural studies, mathematical calculations and economic review the locations and sizes of the proposed development sites (sub-areas) were established. Relocating or resizing any of these has a cumulative effect on the whole of the plan.

- 4.) **Building height** - provide for a minimum building height that will accomplish Guideline #2 and #3 as defined in Schedule "D" attached.

The height and therefore the density that is provided for in each sub-area of the plan are such that Staff believe there is enough of an incentive for land owners and developers to conform to the proposal. A reduction in building heights would reduce this incentive and thereby the likelihood of the plan being realized to the detail proposed. Any "transferring" or "shuffling" of height would require a full review of the impact of those changes on the principles and guidelines (see above) trying to be achieved.

- 5.) ***Tower forms*** - maintain the human scale of buildings at street level by setting towers back from street edge.

With the exception of key strategic locations the towers are set back from the street edge within the three to four storey podiums. This is indented to keep the pedestrian feel of the street at a more human scale. This is particularly prominent throughout the Bernard Ave. and Water St. sections of the plan.

- 6.) ***Active Streets*** - achieve active uses at street level. No blank walls or dead space.

Vibrant and interesting uses of space will face all streets and parks. Activity at street level is intended to animate the street and create a sense of ownership and community.

- 7.) ***Hotel Use*** -

a. Provide for a feasible hotel use on the Royal Trust site

OR

b. Provide for a feasible hotel use on public right-of-way or private lands other than on the Royal Trust site or existing zoned park land.

The year-round activity created by a hotel, and all of its associated uses, located close to the foot of Bernard Ave. and ultimately the expanded Sails Plaza is seen as critical to the success of this portion of the plan.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Community & Media Relations Considerations:

Alternate Recommendation:

In light of the above, the Real Estate & Building Services department request Council's support and direction on this initiative.

Submitted by:



Doug Gilchrist, Director
Real Estate & Building Services

Approved for inclusion:



John Vos, General Manager, Community Services

cc: J. Paterson, GM - Community Sustainability
S. Gambacort, Director - Land Use Management
S. Bagh, Director - Policy & Planning
R. Cleveland, Director - Infrastructure Planning

SCHEDULE 'A'
Organizing Principles

At the outset of the CD 21 planning process, Council endorsed the following as principles to be followed in ensuring that the CD would be consistent, the objectives of the Kelowna Downtown Plan (2000):

- 1) Enhance Kelowna's identity nationally and internationally and enhance the identity of Downtown as Kelowna's principal Urban 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 concept plan 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 Downtown's 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 form 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.

SCHEDULE 'B'

Urban Design Principles

Guided by the above principles, the plan for the CD 21 Zone has also been shaped in response to these Urban Design Principles as illustrated on the following pages:

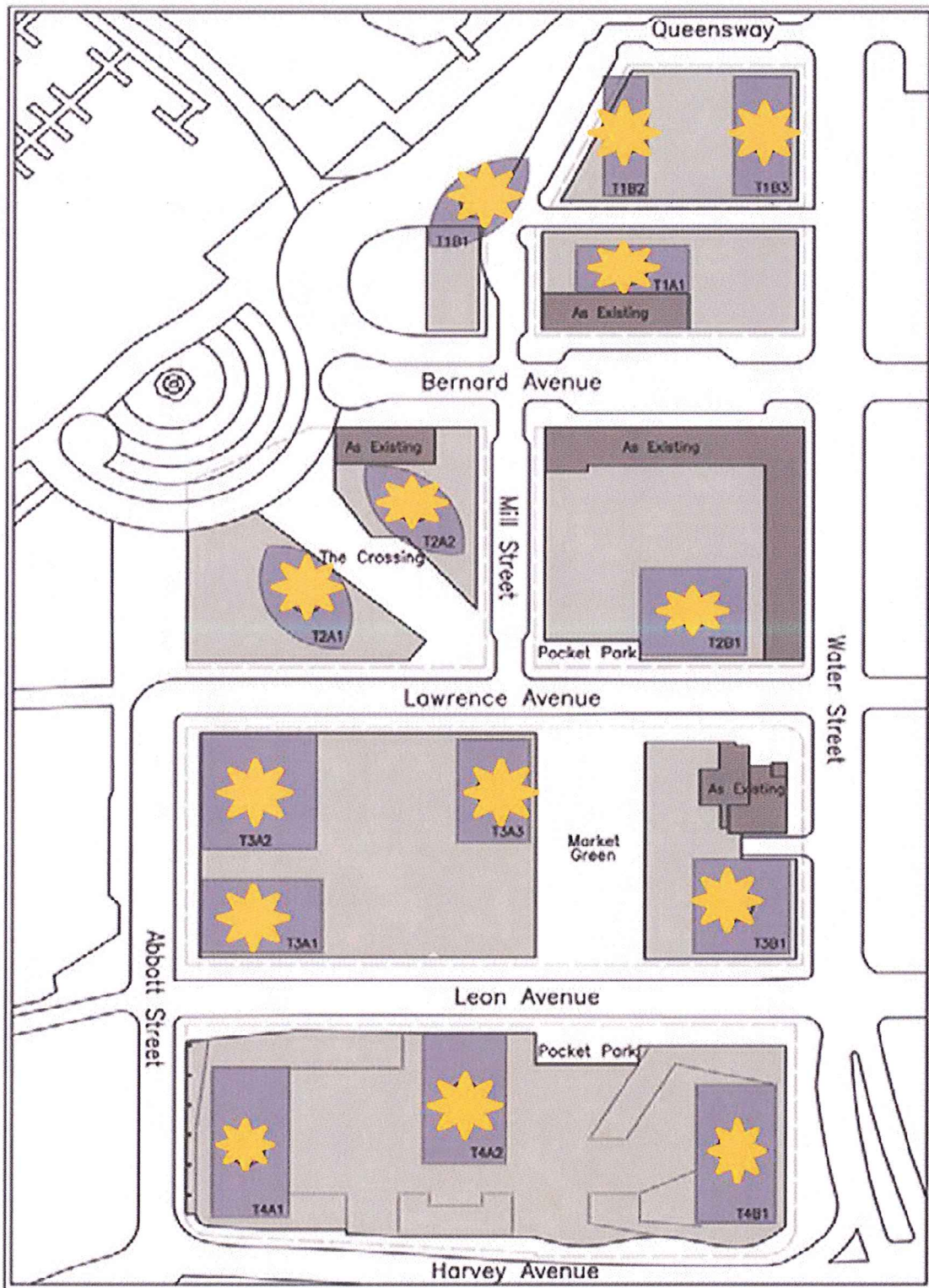
- Principle 1:** Walkable urban pattern
- Principle 2:** Enhance Harvey Ave. as a greenbank boulevard
- Principle 3:** Mill St. connector between Bernard & Lawrence to redirect thru-traffic away from waterfront
- Principle 4:** Pandosy/Harvey intersection to develop as an "urban crossing" over the long term, connecting to the rest of the city
- Principle 5:** Flex zone at Abbott & Bernard street-ends to support year-round urban activity
- Principle 6:** Optimise Kelowna sunshine period of 11:00am to 5:00pm
- Principle 7:** Respond to the diagonal pulls of pedestrian and vehicular patterns
- Principle 8:** Create a series of linked, memorable urban places
- Principle 9:** Integrate public realm with an axial progression of focal points
- Principle 10:** Highlight contrast of the park/city interface with strong urban and landscape forms
- Principle 11:** Knit City park with Downtown
- Principle 12:** Reinforce heritage continuum of city for the future: - fire hall, street scale, "sails", dock & pier

SCHEDULE 'C'

AMENITY CONTRIBUTIONS

1. Streetscape Construction
2. Plaza Construction
3. Public Washrooms
4. Children's Playground
5. Indoor Civic Amenity Space
 - a.) Daycare
 - b.) Multi-use facility
7. Public Pier
(*A 25% portion to be allocated to CD Amenity)
8. Affordable Housing
9. Additional Public Land

SCHEDULE 'D'



SCHEDULE 'E'

