

**City of Kelowna
Regular Council Meeting
AGENDA**



Monday, January 13, 2014
11:00 am
Knox Mountain Meeting Room (#4A)
City Hall, 1435 Water Street

	Pages
1. Call to Order	
2. Confirmation of Minutes	2 - 6
Regular AM Meeting - December 16, 2013	
3. Issues Arising from Correspondence & Community Concerns	
3.1 Mayor Gray, re: Issues Arising from Correspondence	30 m
3.2 City Clerk, Draft Resolution, re: Special Meeting with the Okanagan Indian Band	5 m 7 - 7
To schedule a Special Committee-of-the-Whole Meeting with the Okanagan Indian Band on Wednesday, January 22, 2014.	
4. Reports	
4.1 Kelowna Food, Wine, Beer, and Spirits District	20 m 8 - 21
To inform Council of BC Liquor Policy changes that have the potential to have a significant economic impact for the City of Kelowna.	
5. Termination	



City of Kelowna Regular Council Meeting Minutes

Date: Monday, December 16, 2013
 Location: Knox Mountain Meeting Room (#4A)
 City Hall, 1435 Water Street

Council Members Present: Mayor Walter Gray and Councillors Andre Blanleil*, Maxine DeHart, Gail Given, Robert Hobson, Mohini Singh, Luke Stack and Gerry Zimmermann

Council Members Absent: Councillor Colin Basran

Staff Present: City Manager, Ron Mattiussi; City Clerk, Stephen Fleming; Deputy City Manager, Paul Macklem*; Interim Divisional Director, Infrastructure, John Vos*; Divisional Director, Community Planning & Real Estate, Doug Gilchrist*; Manager, Long Range Planning, Gary Stephen*; Manager, Bylaw Service, Greg Wise*; Planner II, Alec Warrender*; Manager, Utilities Planning, Andrew Reeder*; Planner, Abigail Riley*; Manager, Policy & Planning, Danielle Noble-Brandt*; Sustainability Coordinator, Tracy Guidi*; and Council Recording Secretary, Sandi Horning

Guests: Regional District of Central Okanagan, Chief Administrative Officer, Brian Reardon* and Regional District of Central Okanagan, Regional Growth Strategy Coordinator, David Widdis*

(* denotes partial attendance)

1. Call to Order

Mayor Gray called the meeting to order at 9:06 a.m.

2. Confirmation of Minutes

Moved By Councillor Stack/Seconded By Councillor Given

R793/13/12/16 THAT the Minutes of the Regular AM Meeting of December 9, 2013 be confirmed as circulated.

Carried

3. Reports

3.1. Arab Appaloosa Land Use and Servicing Options

Staff:

- Displayed a PowerPoint Presentation outlining the Arab/Appaloosa Land Use and Servicing Options.

Councillor Blanleil joined the meeting at 9:11 a.m.

Staff:

- Responded to questions from Council.
- Clarified the servicing costs associated with a Local Area Service Bylaw.
- Provided an overview of the current I6 zone as it relates to outdoor storage.

City Manager:

- Provided comment with respect to the issues with the I6 zone.
- Provided background information regarding the subject area.

Interim Divisional Director, Infrastructure:

- Provided background information regarding the I6 zone and in particular, the old Hiram Walker site.

Divisional Director, Community Planning & Real Estate:

- Responded to questions from Council.
- Advised that a change in enforcement will be the tool that corrects the issues in the area, not a change in the land use. Bylaw enforcement in the area needs to be stepped up. By not enforcing the regulations of the A1 zone, it artificially changes the use of the A1 zone.

Staff:

- Provided an overview of the Bylaw Enforcement process.
- Responded to questions regarding the drainage issues with the Sol Terra development and the subject area.

Interim Divisional Director, Infrastructure:

- Advised that there has been a history of problems with drainage in the area, generally during the spring runoff.
- Advised that there was no drainage plan contemplated as the properties were zoned A1.

City Manager:

- Expressed a concern with a public engagement process for the area.

Divisional Director, Community Planning & Real Estate:

- Advised that an industrial land inventory has been conducted over the past 6 months.
- Would like staff to work with the non-compliant property owners to find another suitable property within the City's boundaries.

City Manager:

- Recommended that staff report back to Council with the industrial land inventory list.

Moved By Councillor Given/Seconded By Councillor Zimmermann

R794/13/12/16 THAT Council receives, for information, the Report from Utilities Planning Manager, Bylaw Services Manager & Urban Planning Manager dated December 16, 2013 regarding the Arab/Appaloosa Land Use and Servicing Options;

AND THAT Council directs staff to follow Option 1 as identified in the Utilities Planning Manager, Bylaw Services Manager & Urban Planning Managers report, dated December 16, 2013 regarding the Arab/Appaloosa Land Use and Servicing Options;

AND THAT Council directs staff to bring forward the proposed amendments to the I6 Zone, including a provision for outdoor storage, and to require Development Permits, to ensure consistency with the intent and purpose of the Kelowna 2030 OCP and Industrial-Limited designation;

AND THAT Council directs staff to ensure that the fire flow and servicing with respect to the I6 zone be required as per Subdivision, Development & Servicing Bylaw No. 7900;

AND THAT Council directs staff to commence bylaw enforcement action against the two (2) most prolific offenders;

AND FURTHER THAT Council directs staff to hold a Local Area Service meeting in order to gauge support for a Local Area Service Bylaw and to explain the proposed changes to the I6 zone.

Carried

3.2. Regional District of Central Okanagan Referral - Regional Growth Strategy

The meeting recessed at 10:24 a.m. The meeting reconvened at 10:28 a.m.

Divisional Director, Community Planning & Real Estate:

- Introduced the presentation and advised that representatives from the Regional District of Central Okanagan, CAO, Brian Reardon, and Regional Growth Strategy Coordinator, David Widdis, are in attendance.

Staff:

- Provided an overview of the Regional Growth Strategy Bylaw and staff's comments and concerns.

Councillor Hobson:

- Commented on his attendance at the District of West Kelowna and District of Peachland's Council Meetings in which their respective Council's considered the RDCO's Regional Growth Strategy Bylaw.
- Advised that the Bylaw will be before the District of Lake Country's Council tomorrow.
- Provided comment on the RDCO's Regional Growth Strategy.

David Widdis, Regional Growth Strategy Coordinator, Regional District of Central Okanagan:

- Confirmed that the Bylaw has to be accepted without conditions or rejected, as per the requirements of the Local Government Act.

Councillor Hobson:

- Will recommend the Board rescind the first two readings of the Regional Growth Strategy Bylaw and then incorporate the amendments as proposed by City of Kelowna staff and the other local governments, prior to re-introducing the Bylaw.

City Manager:

- Provided comment regarding his review of the Regional Growth Strategy Bylaw.

Moved By Councillor Hobson/Seconded By Councillor Blanleil

R795/13/12/16 THAT Council receives, for information, the Report from the Manager, Policy & Planning dated December 16, 2013 regarding the Regional District of Central Okanagan's Regional Growth Strategy Bylaw;

AND THAT Council NOT support the Regional Growth Strategy Bylaw;

AND FURTHER THAT Council directs staff to refer the City of Kelowna's comments with respect to the Regional Growth Strategy Bylaw to the Regional District of Central Okanagan and to the CAO's Inter-Municipal Committee for review.

Carried

The Guests, Brian Reardon and David Widdis, left the meeting at 11:06 a.m.

3.3. Prioritization of Community Planning Documents

Divisional Director, Community Planning & Real Estate:

- Introduced the presentation.

Staff:

- Displayed a PowerPoint Presentation and responded to questions from Council.

Divisional Director, Community Planning & Real Estate:

- Responded to questions from Council regarding the 'Rutland Renaissance' project.

Moved By Councillor Given/Seconded By Councillor Hobson

R796/13/12/16 THAT Council receives for information, the Report from the Manager, Policy and Planning dated December 16, 2013, regarding the prioritization of special area community plan activities.

Carried

4. Resolution Closing the Meeting to the Public

Moved By Councillor Stack/Seconded By Councillor Singh

R797/13/12/16 THAT this meeting be closed to the public pursuant to Section 90(1) (e), (f) and (k) of the Community Charter for Council to deal with matters relating to the following:

- Acquisition, Disposition, or Expropriation, of Land or Improvements;
- Law Enforcement; and
- Provision of a Municipal Service.

Carried

5. Adjourn to Closed Session

The meeting adjourned to a closed session at 11:29 a.m.

6. Reconvene to Open Session

The meeting reconvened to an open session at 12:16 p.m.

7. Issues Arising from Correspondence & Community Concerns

7.1. Mayor Gray, re: Issues Arising from Correspondence

Mayor Gray:

- Advised that a Public Art proposal has been submitted by a local artist, Elizabeth Dykosky, and inquired if Council would be interested in Ms. Dykosky's offer.

Moved By Councillor Stack/Seconded By Councillor Singh

R798/13/12/16 THAT Council receives, for information, the Public Art proposal from Elizabeth Dykosky dated November 28, 2013 with respect to a series of portraits of past Civic leaders;

AND THAT Council agrees NOT to proceed with the proposal.

Carried

7.2. Meeting with Westbank First Nation

City Clerk:

- Inquired as to a date in which to schedule the annual meeting with the Westbank First Nation Council.

Council:

- Would like to have the meeting scheduled for late February or early March of 2014 and suggested that the meeting be scheduled for a Monday morning and conclude with lunch at the Delta Grand.

7.3. City Manager, re: Tourism Kelowna Facility

City Manager:

- Provided an update regarding Tourism Kelowna.

8. Termination

The meeting was declared terminated at 12:25 p.m.

Mayor

/slh



City Clerk

DRAFT RESOLUTION

Re: Special Meeting with the Okanagan Indian Band - January 22, 2014

THAT a Special Meeting of the Committee-of-the-Whole of Council with the Okanagan Indian Band be held on Wednesday, January 22, 2014 commencing at 6:00 pm;

AND THAT the Special Meeting of the Committee-of-the-Whole of Council scheduled for Wednesday, January 22, 2014 be held at another location other than City Hall, being the Coast Capri Hotel, 1171 Harvey Avenue, Kelowna, B.C.

BACKGROUND:

Council requested that the special Committee-of-the-Whole meeting be scheduled with the Okanagan Indian Band. A Committee-of-the-Whole meeting has been arranged for Wednesday, January 22, 2014 at 6:00 pm, which is in addition to Council's regularly scheduled Council meetings, and therefore a Special Meeting is required.

Section 2.6 of Council Procedure Bylaw No. 9200 states that:

"All Council meetings and public hearings shall take place within City Hall unless Council passes a resolution to hold a particular meeting elsewhere."

Date: December 17, 2013

Report to Council



Date: 9/1/2014
File: 0550-01
To: City Manager
From: Executive Director of Business Development
Subject: Kelowna Food, Wine, Beer, and Spirits District

Recommendation:

THAT Council receives, for information, the Report from the Executive Director of Business Development dated January 9, 2014 with respect to the Kelowna Food, Wine, Beer and Spirits District.

Purpose:

To inform Council of BC Liquor Policy changes that has the potential to have a significant economic impact for the City of Kelowna.

Background:

Council had previously received a Briefing Note entitled, *BC Liquor Policy Review* on December 9th, 2013.

On December 11th, 2013, Premier Clark announced proposed changes allowing BC Liquor Manufacturers the ability to offer products for sample and sale at temporary off-site retail (i.e. Farmers Markets) as well as permanent off-site tasting rooms.

The announced specific changes to the BC Liquor Laws represent a significant economic opportunity for the City of Kelowna. The Thompson Okanagan is a burgeoning wine region boasting approximately 200 wineries. The BC Wine Industry generates \$2 billion in economic impact employing more than 10,000 and contributing \$220 million in taxes. BC Wineries welcome over 800,000 visitors every year and generate \$476 million in tourism and tourism employment related economic impact (BC Wine Institute estimates). While the number of tourists coming to the region is increasing, many estate wineries are not enjoying increased visitations due to their more remote locations as well as the increased competition and draw from new wineries.

Given the wineries within the Okanagan are dispersed over a 250 km stretch within the valley, many visitors require a ½ day, full day, or full weekend tour to visit the southern wine country in Oliver, Osoyoos, and Naramata. Wine tourists are quite surprised by the geographic extent of the Region as for example, Napa Valley is 48 km long and only 2 to 8 km wide while offering approximately 450 wineries.

Tourism is the lifeblood and most important source of income for local wineries (i.e. retail winery shop is exempt from price markups and taxes), as well as their primary source of information and feedback from new customers.

In an effort to capture a larger percentage of the tourism traffic, local wineries have banded together with the help of Tourism Kelowna to begin to brand and market the Central Okanagan as a distinct wine region (Kelowna Wine Trails). There are 30 licensed wineries in the Lake Country, Kelowna, and West Kelowna region while 22 local wineries, breweries, and distillers participate in the Kelowna Wine Trails Program.

The following are examples of off-site Tasting room concepts on a District-wide scale to illustrate the economic potential for Kelowna:

Woodinville, Washington “Tasting Woodinville”- Woodinville is a small town of 10,000 approximately 30 minutes from Downtown Seattle. Woodinville attracts over 500,000 visitors annually largely as a result of growing their concept of satellite wine tasting rooms. The tasting-rooms and the growing tourism has attracted further restaurant, distillery, brewery and craft offerings.

Santa Barbara, California “Funk Zone”- This neighborhood location has developed into a contemporary Santa Barbara sub-culture of artisan shops, art galleries, hip eateries, award-winning microbreweries, and even a craft distillery.

The concept of a District or a Building in or near downtown Kelowna of co-located local tasting rooms would be safer, less expensive, less time consuming, and provide easy access to more customers. As such a concept is established, specialty food stores, restaurants, craft brewers, distillers, as well as artisans could be attracted to the district in a fashion similar to that of the Woodinville and Santa Barbara experience. Kelowna’s identity would benefit by the closer relationship with the more remote wineries in the Central Okanagan and the District could prove as a prime tourist destination and significant driver for the local economy.

Not meant to replace the Authentic Winery Experience- It must be noted that most of the Central Okanagan Wineries have made significant investments to their on-site facilities including impressive tasting rooms, restaurants, and winery in an effort to encourage tourism traffic to their site. Such a District concept should not be seen as competition, but rather, to serve as the initial ‘taste’ of each of the individual wineries. Staff, Wine Tour or Tourism Kelowna representatives could then assist citizens and tourists with regard to accessing the various local wineries to be exposed to the authentic experience.

Sale of local craft beer, wine, or spirits at Farmers and Crafters Markets and beer, wine and spirits Festivals- Similar to the concept of off-site Tasting Rooms, the selling of local craft, beer, wine, and spirits at the Kelowna Farmers and Crafters Market (KFCM) is viewed as positive. The KFCM has significant economic, social, and cultural value for the City and its citizens. The ability for local craft breweries, wineries, and distilleries to offer their products at the KFCM would assist with the draw, the offerings, as well as the sustainability of the KFCM.

The Okanagan Wine Festivals Society (OWFS) has built two flagship events in the valley; the Fall and the Spring Wine Festival Events. Both help to extend the tourist season in Kelowna. The Fall Event takes place over 10 days during the grape harvest and has consistently been among the top 100 events in North America. The change in the Provincial legislation will support the continued growth of the OWFS.

Kelowna District Concept- In early December 2013, Developer Gary Tebbutt of Compass Real Estate Developments announced plans for 'Urban Square'; including the development of a new state of the art 53,000 sq. ft. Starkhund Brewery, the repurposing of the existing 36,000 sq. ft. BC Tree Fruits Cold Storage Building into a Public Market, as well as a proposed Phase II and III commercial /retail development of approximately 100,000 sq. ft.

Given the proposed new Starkhund Craft Brewery and Public Market on Clement Ave., one can see the makings of a unique District which includes Sunrype, BC Tree Fruits, Calona Wines, and Tree Brewing. Recently, Tourism Kelowna in partnership with Urban Distilleries, Calona Wines, and Tree Brewing marketed their "Grapes and Grains Trail" to attract customers to the area.

The KFCM and the Urban Square Developer continue to meet with regard to the co-location of the KFCM within the Public Market both seasonally as well as having a year-round presence.

Similar to the experiences from Woodinville and Santa Barbara, the concept of off-site tasting rooms moving into this evolving light Industrial District or within a large underutilized downtown building could provide a new and exciting attraction helping to improve our City's brand as a prime destination for food and wine tourism. Restaurateurs, artisans, and other tourist related entrepreneurs could potentially be attracted to such a District in close proximity to the Downtown.

Business Development will be meeting with Tourism Kelowna as well as their 22 winery, brewery and distillery partners in late January to review the 2014 Kelowna Wine Trails marketing program. The Urban Square project as well as the urban Food, Wine, Beer, and Spirits 'District' or Downtown Building concept will be on the Agenda for that meeting. Plans are also underway to include the details of the proposed Urban Square development to be incorporated into the updated Downtown Prospectus. The Downtown Kelowna Association and the Central Okanagan Economic Development Commission are both planning to attend the 2014 Whistler International Council of Shopping Centers (ICSC) show and the updated Prospectus will prove to once again be a great marketing piece for investment in Kelowna.

Internal Circulation:

Deputy City Manager
Divisional Director, Community Planning and Real Estate
Divisional Director, Communications and Information Services
City Clerk

Legal/Statutory Authority:

Not Applicable

Legal/Statutory Procedural Requirements:

Land Use Management staff will be reviewing the new BC Liquor Policy Legislation in order to determine possible Zoning By-law changes to allow off-site tasting rooms in appropriate Zones.

Financial/Budgetary Considerations:

It is anticipated that the District or Downtown Building Concept would involve significant private investment.

Personnel Implications:

Support from the ED of Business Development as well as Planning and Land Use staff in consideration of potential revisions to the Zoning By-Law.

External Agency/Public Comments:

Business Development will be meeting with Tourism Kelowna as well as their 22 winery, brewery, and distillery partners to review the concept. Further meetings will be proposed with our business associations, economic development and tourism agencies.

Communications Comments:

Submitted by: J. Paterson, Executive Director of Business Development

Approved for inclusion:



Paul Macklem, Deputy City Manager



City of
Kelowna

KELOWNA FOOD, WINE, BEER, SPIRITS DISTRICT



OBJECTIVE

- ▶ PROPOSED LIQUOR POLICY CHANGES
- ▶ POTENTIAL FOR A FOOD, WINE, BEER, SPIRITS DISTRICT
- ▶ EXAMPLES OF SUCH DISTRICTS
- ▶ CITY BUSINESS DEVELOPMENT ROLE

BC LIQUOR POLICY REVIEW

Premier Clark announced on December 11, 2013, proposed changes allowing BC Liquor Manufacturers the ability to offer products for sample and sale at temporary off-site retail (i.e. farmers markets) as well as permanent off-site tasting rooms.

WOODINVILLE, WASHINGTON



THE FUNK ZONE, SANTA BARBARA



URBAN SQUARE

- ▶ Starkhund (Strong Dog) Brewery
 - ▶ 53,000 sq ft state of the art brewery
 - ▶ Tasting room / retail store / commercial kitchen
- ▶ Public Market
 - ▶ 36,000 sq ft
 - ▶ \$2.3 M renovation (\$64 / sq ft.)
 - ▶ 90 days required to retrofit
- ▶ Urban One & Two
 - ▶ 2 Buildings-4 & 5 storey retail / office
 - ▶ 100,000 sq. ft. total

URBAN SQUARE, CLEMENT AVE.



City of Kelowna - Accuracy and correctness not guaranteed.

THE MARKET DISTRICT, KELOWNA



BC WINE TOURISM

- ▶ 800,000 Wine Tourist annual visits (BC)
 - ▶ \$476 million in tourism and tourism employment related economic impact.
- ▶ Okanagan Wine Festivals
 - ▶ \$87 M direct economic impact
 - ▶ \$52 M indirect economic impact.
- ▶ Wine Tourists \$475 / trip

BUSINESS DEVELOPMENT ROLE

- ▶ Economic Impact
 - ▶ Authentic new Destination
 - ▶ Capturing Food and Wine Tourists
 - ▶ New Investment and Employment opportunities
 - ▶ Value add / Food Security / Agricultural sustainability
- ▶ City Marketing
 - ▶ Downtown Prospectus / building further momentum
 - ▶ Kelowna Brand -
“best ever Farmers Market on a massive scale” (Chatelane)
- ▶ Opportunities and Partnerships