

September 24, 2020

Subject Property:

903 Vernon Avenue

Lot 2, District Lot 366, Similkameen Division Yale
District, Plan EPP37269

Application:

Development Variance Permit PL2020-8855

Staff have been directed to issue an Expression of Interest (EOI) with the intent of attracting an investor to construct a hotel on the property to support the Trade and Convention Centre.



Staff are recommending that Council support a variance permit to increase the site coverage up to 75% and to allow up to 50% of the required parking to be located off site.

The requested variances to Zoning Bylaw 2017-08 are as follows:

- Section 11.10.2: to increase the permitted lot coverage on the subject property from 40% to 75%.
- Section 6.1.1.1: to allow for up to 50% of parking to be located on a separate property, within 200m of the subject land and subject to the registration of a covenant or lease agreement acceptable to the City securing the parking.

Information:

You can find the staff report to Council and Development Variance Permit PL2020-8855 on the City's website at www.penticton.ca/latestannouncements. Select the Public Notice category.

Please contact the Planning Department at planning@penticton.ca or (250) 490-2501 with any questions.

Council Consideration:

Council will consider the development variance permit at its Regular Council Meeting scheduled for **1:00 pm, Tuesday, October 6, 2020.**

In response to COVID-19, Regular Council meetings will remain closed to the public. All meetings will be live streamed via the City's website at: www.penticton.ca/city-hall/city-council/council-meetings. Select the 'Watch Live' button.

Public Comments:

Any person whose interest may be affected by the proposed development variance permit, may submit a petition or written comments by mail or email no later than **9:30 am, Tuesday, October 6, 2020** to:

Attention: Corporate Officer, City of Penticton

171 Main Street, Penticton, B.C. V2A 5A9

Email: corpadmin@penticton.ca

No letter, report or representation from the public will be received by Council after the conclusion of the October 6, 2020 Council Meeting.

Please note that all correspondence submitted to the City of Penticton in response to this Notice must include your name and address and will form part of the public record and will be published in a meeting agenda when this matter is before the Council or a Committee of Council. The City considers the author's name and address relevant to Council's consideration of this matter and will disclose this personal information. The author's phone number and email address is not relevant and should not be included in the correspondence if the author does not wish this personal information disclosed.

Audrey Tanguay
Planning Manager

Date: October 6, 2020
To: Donny van Dyk, Chief Administrative Officer
From: Audrey Tanguay, Planning Manager
Address: 903 Vernon Avenue
Subject: Development Variance Permit PL2020 - 8855

File No: RMS/903 Vernon Ave

Staff Recommendation

THAT Council approve "Development Variance Permit PL2020-8855" for Lot 2, District Lot 366, Similkameen Division Yale District, Plan EPP37269, located at 903 Vernon Avenue, a permit that increases the permitted lot coverage on the subject property from 40% to 75% and allows for up to 50% of parking to be located offsite, within 200 m of the subject land and subject to the registration of a covenant or lease agreement acceptable to the City securing the parking.

Strategic priority objective

Community Vitality: The City of Penticton, guided by the Official Community Plan, will promote the economic wellbeing and vitality of the community.

Background

The subject property is located on the corner of Westminster Avenue and Alberni Street in close proximity to the Penticton Trade and Convention Centre. The property is owned by the City of Penticton. The property is zoned CT1 (Tourist Commercial) and is designated in the Official Community Plan as 'Institutional'.

Council has recently given staff direction to issue an Expression of Interest (EOI) with the intent of attracting an investor to construct a hotel on the property to support the Trade and Convention Centre.

The Trade and Convention Centre, while contributing close to \$11 million dollars in economic benefit to the community on a yearly basis, is considered underutilized. In discussions with Spectra, who manage the facility, the main limiting factor to attracting more business to the facility is the lack of a connected, high amenity hotel. The desire is to have a hotel of a minimum of 90 rooms.



In the preparation of the EOI documents, staff have determined that there are two limitations that make developing a 90 + room hotel for future investors. The first is the requirement for on-site parking and the second is the lot coverage provisions limiting the lot coverage to 40%. Staff are recommending that Council support a variance permit increasing the site coverage to up to 75% and allow for up to 50% of the required parking to be located off site.

Proposal

The request is to increase the permitted lot coverage on the subject property from 40% to 75% and allows for up to 50% of parking to be located on a separate property.

Analysis

When considering a variance to a City bylaw, staff encourage Council to be mindful as to whether approval of the variance would cause a negative impact on neighbouring properties and if the variance request is reasonable. In the consideration of the two proposed variances, staff can provide the following analysis:

1. Section 11.10.2: to increase the permitted lot coverage on the subject property from 40% to 75%.

The lot is located adjacent to but within the South Okanagan Event Centre Complex. The Official Community Plan identifies the lands as part of the complex. Given this situation, having a larger footprint on the property will fit in since the hotel is intended to be integrated into the larger property and linked through landscaping and other means to the amenities and current uses on the property.

2. Section 6.1.1.1: to allow for up to 50% of parking to be located on a separate property, within 200m of the subject land.

Allowing for a percentage of the required parking to be located offsite will assist a future purchaser of the land to either negotiate the lease of some city lands on the SOEC complex lands or to purchase other properties to achieve the required parking for the facility. This is a situation similar to what is allowed in other commercial zones in the City. One of the conditions would be that the parking would be secured via a covenant or other means satisfactory to the City, that the City would be a party to and would not be able to be released without approval from the City. The other condition would be that the parking would need to be located within 200m of the subject lands, a reasonable walking distance.

Usually, in the consideration of a variance permit, Council would have plans to consider. In this case however, the intent is to provide the opportunity for a future developer/ investor to deliver a product that Council desires and that will be in the community's best interest. The City will have opportunities to review proposals for the property prior to the sale of the lands and issuance of any further permits. Without the variances, a developer may not be able to bring forward a development desired by Council and the City.

Alternate recommendations

Council may wish to issue the Expression of Interest and then consider any variances that may come up at that time before issuance of a development permit for the site. If that is the case, Council should deny the development variance permit. Staff are not recommending this approach, as issuing the variance first, will provide more assurance to those responding to the EOI and removes uncertainty.

Attachments

Attachment A – Zoning Map

Attachment B – Official Community Plan Map

Attachment C – Draft Development Variance Permit

Respectfully submitted,

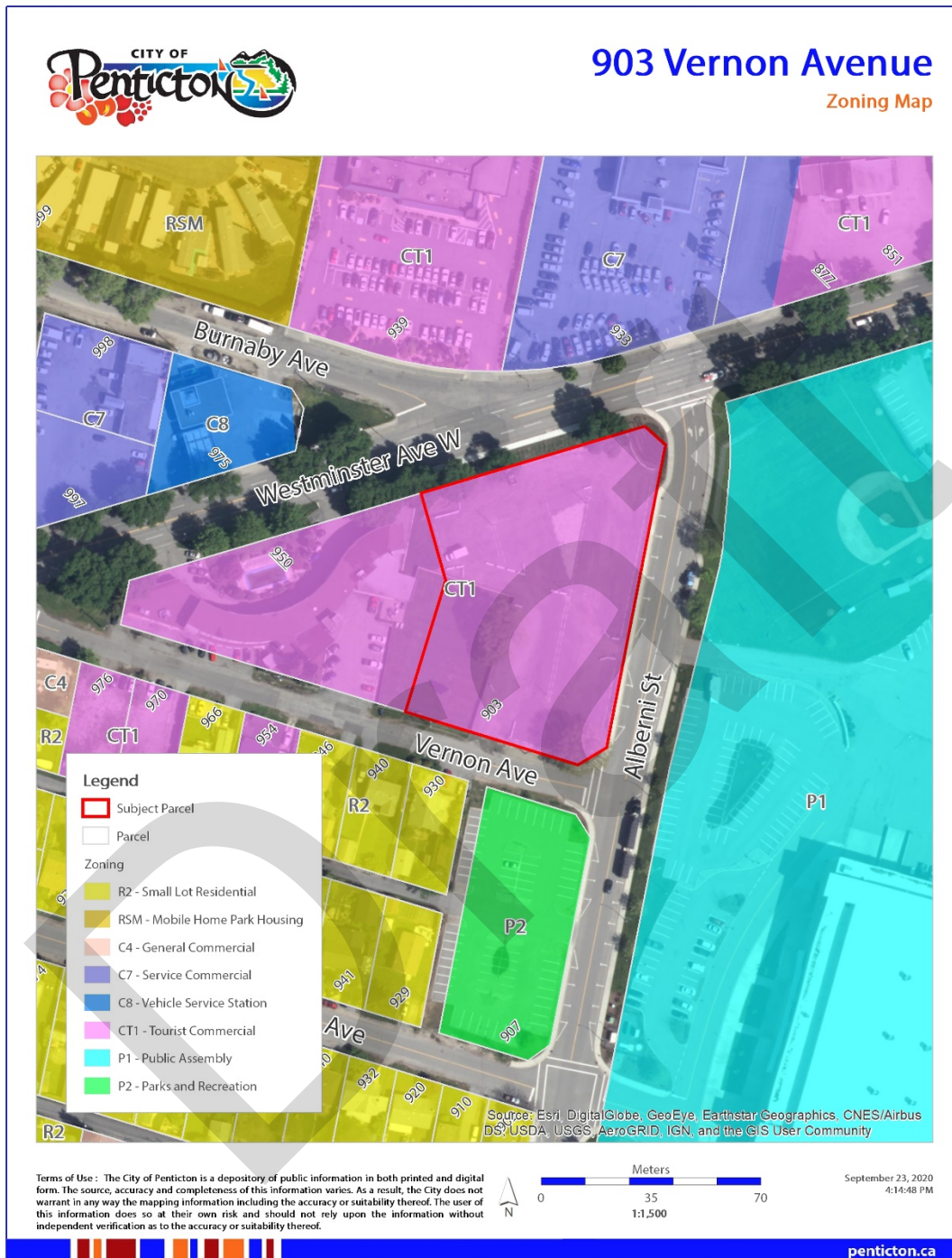
Audrey Tanguay

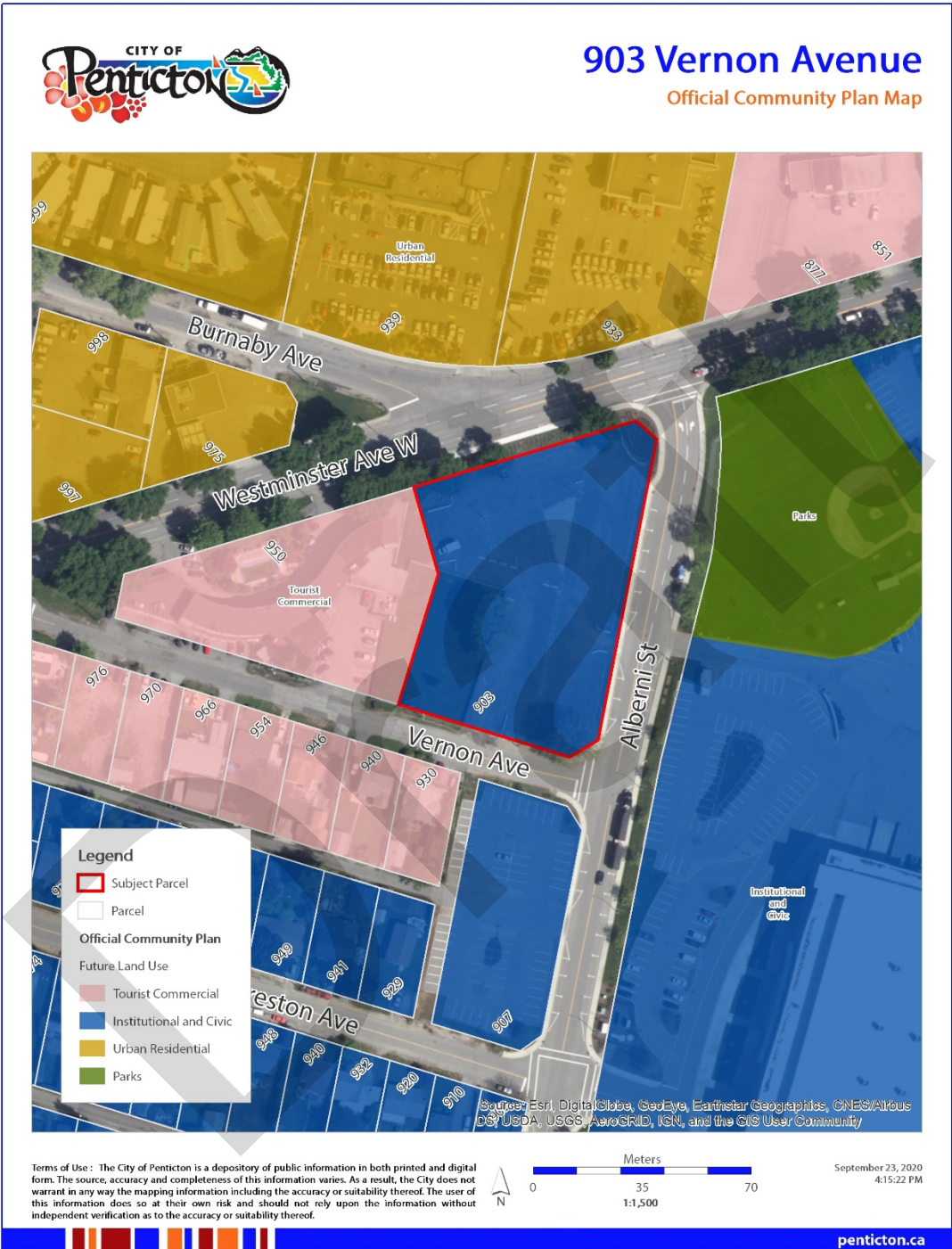
Planning Manager

Concurrence

Director	Chief Administrative Officer
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Attachment A – Zoning Map





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Development Variance Permit

Permit Number: DVP PL2020-8828

Owner Name
Owner Address

Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.
2. This permit applies to:
 - Legal: Lot 2, District Lot 366, Similkameen Division Yale District, Plan EPP37269
 - Civic: 903 Vernon Avenue
 - PID: 029-242-681
3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following sections of Zoning Bylaw 2017-08 to allow for the construction of a hotel:
 - a. Section 11.10.2: to increase the permitted lot coverage on the subject property from 40% to 75%.
 - b. Section 6.1.1.1: to allow for up to 50% of parking to be located on a separate property, within 200m of the subject land and subject to the registration of a covenant or lease agreement acceptable to the City securing the parking.

General Conditions

4. In accordance with Section 501 of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit.
5. In accordance with Section 504 of the *Local Government Act*, if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.
6. **This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.**
7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.
8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs,

please contact the Electric Utility at (250) 490-2535.

Authorized by City Council, the ____ day of _____, 2020.

Issued this ____ day of _____, 2020.

Angela Collison
Corporate Officer

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