



Council Report

penticton.ca

Date: May 13, 2025
To: Anthony Haddad, City Manager
From: Audrey Tanguay, Planning and Licensing Manager
Address: 2324 Government Street

File No: RMS/2324 Government St

Subject: Zoning Amendment Bylaw No. 2025-08

Staff Recommendation

THAT Council give first reading to "Zoning Amendment Bylaw No. 2025-08", a bylaw to add the following to Section 12.1.4 Site Specific Provisions of the M1 (General Industrial) zone: 12.1.4.5 "In the case of Lot A District Lot 251, Similkameen Division Yale District Plan 27421 except Plan KAP70297, located at 2324 Government Street, indoor recreation use shall be permitted within one unit having a maximum building footprint of 335m²";

AND THAT Council forward "Zoning Amendment Bylaw No. 2025-08" to the May 27, 2025, Public Hearing.

Strategic priority objective

Livable & Accessible: The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

Proposal

The applicant is proposing to operate a 335m² dance studio (labelled as 'Building 3 on Attachment E). As the property is zoned M1 (General Industrial), recreational uses are not typically permitted in this zone and the applicant is requesting a site-specific zoning amendment to allow for the use of 'indoor recreation' to be permitted, in addition to the other M1 (General Industrial) uses on the property.

Background

The subject property is located at 2324 Government Street, at the intersection of Dawson Avenue (Figure 1). The owners have made significant improvements to the property over the past year and are now proposing to build two additional buildings on the site to support their operation including one for the proposed indoor recreation use. The second building is intended to be for future industrial use. The applicant is

proposing to introduce a new use of 'indoor recreation' on the subject property, in addition to the M1 (General Industrial) uses that are already permitted. As described in the letter of intent submitted by the applicant (Attachment "C"), the intent is to operate a dance studio within proposed building 3 fronting on Dawson Ave. The 'site-specific rezoning' will retain the industrial zoning on the property while allowing the dance studio to be operating. This additional use is only being considered on the subject property, and not all M1 zoned properties.

Analysis

Support Site Specific Zoning Amendment

The Official Community Plan (OCP) designation for the subject property is 'Industrial', which supports areas of light and heavy industrial uses characterized by goods production, manufacturing, distribution and storage. The 'Industrial designation' is intended to have mainly industrial buildings, structures and lands. This provides the ability to offer a different use that is compatible with the area and can be used by nearby residents and citizens. The indoor recreation, as an accessory use to this large industrial property, is suited for this area as the interior space requirements for such a use is distinctive and like other industrial buildings in the area. Similar recreational uses exist within the industrial area already. In recent years, various other indoor recreational uses have been permitted through similar zoning amendments or temporary use permits. These include:

- 1363 Commercial Way (2010) – site-specific zoning amendment to M1 zoning to allow for gymnastics facility.
- 647 Okanagan Ave E (2020) – temporary use permit (3 years) to allow for a parkour facility.
- 1340 Carmi Ave (2021) – temporary use permit (3 years) to allow for an indoor, off-ice hockey training facility.
- 1603 Dartmouth- site specific zoning amendment to M1 zoning to allow Indoor Recreation

The property is located at the intersection of Dawson Avenue on the edge of the industrial area. Anticipation of conflict with surrounding and on-site industrial uses is expected to be minimal for the proposed development.

The applicant has been in discussion with the Penticton Industrial Development Association (PIDA) about the proposed use on the property. The president of PIDA has submitted a letter of support for the proposed use (Attachment 'D'). Further review of the City's industrial lands is also underway as per previous Council direction. One of the items that will be included in this review is the use of industrial lands for indoor recreational uses. At this time though, given that the use is supported by PIDA and limited, staff are supportive of the zoning change, prior to the industrial review being complete.

Staff are recommending site-specific rezoning, which allows for the property to retain all the permitted uses that exist under the M1 zone. Staff are aware that there is limited availability of suitable space for such businesses within the city. There are many recreation type businesses that require either large spaces, high



Figure 1: Location Map

ceiling, strong structural support, or a mix of these and other building criteria to operate their business. Unfortunately, there is just not ample suitable space existing in the City for such uses.

OCP Policy Support

The following OCP Land Use Goals and Policies support this use on the subject property by providing a business that is compatible with the surrounding area:

- OCP Goal 4.3.2 Employment Lands
Ensure long-term commitment to maintaining a sufficient and secure commercial and industrial land base
- OCP Goal 4.3.5 Business Retention and Expansion
Create conditions for business to succeed and thrive as a long-term contributor to the economy.
- OCP Policy 4.3.5.2 Support business by fostering an environment that supports and encourages innovation, entrepreneurial thinking and entrepreneurial business.
- OCP Goal 4.3.6 Business and Labor Attraction
Bring businesses, investment and labor to Penticton.

Staff consider there is rationale within the OCP Land Use designation and policies to support this site-specific zoning amendment and recommend that Council give first reading to the bylaw and forward it to the May 27, 2025, public hearing.

Alternate recommendations

1. THAT Council may find that this use is not appropriate for this location. If this is the case, Council should deny first reading of "Zoning Amendment Bylaw No. 2025-08".

By directing commercial uses to industrial areas, conflicts may occur between industrial tenants. Industrial businesses may feel pushed away from industrial areas by fears that their uses may spur nuisance complaints from tenants impacted by industrial impacts such as smoke or noise. Moreover, commercial, institutional and recreational uses are permitted throughout the City, whereas industrial tenants are limited to industrially zoned properties. For this reason, it is often desirable to preserve industrial land, even vacant industrial land, so as to leave space for future potential industrial tenants. This appears to be the intent of policy 4.3.2.4 in the OCP which directs the City to discourage uses that are not compatible with industrial uses in the industrial area. Council may feel that this policy is not upheld by the proposed application and wish to deny the application. Staff do not see the indoor recreation use as incompatible with industrial uses at this location. Generally, this use will operate in the evenings and on weekends when industrial activity is not occurring. Staff do not recommend denial of the zoning amendment bylaw 2025-08.

Attachments

Attachment A – Zoning Bylaw Map
Attachment B – Official Community Plan Map
Attachment C – Letter of Intent (applicant)
Attachment D – Photos of the Property
Attachment E – Conceptual Site Plan
Attachment F – Letter from PIDA
Attachment G – Zoning Amendment Bylaw No. 2025-08

Respectfully submitted,

Audrey Tanguay
Planning and Licensing Manager

Concurrence

General Manager Development Services <i>BL</i>	City Manager <i>AH</i>
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2324 Government St

Zoning Bylaw Map



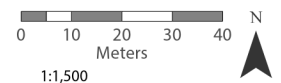
 Subject Parcel

Zoning Bylaw No 2024-22

R4-L - Small-Scale Multi-Unit Residential - Large

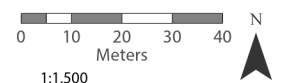
M1 - General Industrial

M3 - Wrecking Yard



Terms of Use: The City of Penticton is a depository of public information in both printed and digital form. The source, accuracy and completeness of this information varies. As a result, the City does not warrant in any way the mapping information including the accuracy or suitability thereof. The user of this information does so at their own risk and should not rely upon the information without independent verification as to the accuracy or suitability thereof.
Date: 4/24/2025

This is an aerial photograph of an industrial area in Penticton, BC. A large industrial parcel is highlighted with a red boundary. The map shows various industrial lots, some labeled with numbers like 2249, 2324, and 2385. A red boundary outlines a large industrial parcel. The map is labeled 'City of Penticton' in the bottom right corner.



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Date: 4/24/2025

Letter of Intent**March 31, 2025**

2324 Government Street
 Penticton, British Columbia
 V2A 4W6

SNFLWR Investment Corporation is requesting site-specific rezoning to allow for the use of 'indoor amusement, entertainment and recreation' to be permitted, in addition to the other M1 (General Industrial) uses.

Objective

In the near future, SNFLWR Investment Corporation plans to construct an approximately 3,600 sq ft footprint building ("Building 3" at 2324 Government Street), providing around 7,000 sq ft of usable space over two floors (should 2nd floor be constructed), with the goal of creating a new long-term home for the Okanagan Dance Studios (OKDS). This development will provide a dedicated facility for dance, supporting a variety of classes and rehearsals. The dance studio's hours and operations will not compete with neighboring users or other tenants of the building, ensuring parking remains unaffected. Additionally, increased activity on the property into the evening hours will bring more eyes and presence to this part of the industrial area, enhancing security for the surrounding vicinity. There are plans to create a public art piece, like a full-size mural or something similar, to further enhance this high-profile corner.

Site Drainage

Our geotechnical work has been completed by Geopacific Consultants Ltd. After digging test holes, we noticed the soils are bony with fine sands, which is optimal for drainage.

Architecture

Designed by Suva Architecture, this facility will be constructed to complement the surrounding buildings we have previously built in the industrial area. This building on the overall property was always envisioned to be a lighter/commercial type use, versus a heavier industrial/manufacturing type use. This is due to the high visibility/traffic location, public transit nearby, and other factors. We will also incorporate distinctive elements such as a full-size mural, interesting architectural features, and landscaping where feasible, enhancing the aesthetic appeal of the site.



OKDS

Okanagan Dance Studios

Okanagan Dance Studios would be a great addition to the industrial area. A dance studio attracts students, parents, and instructors, bringing more life to an area that may otherwise be quiet outside of business hours. Many industrial areas are active primarily during the daytime, leaving them empty in the evenings. This can enhance safety and make the neighborhood feel more inviting overall. It also provides a positive creative outlet for people of all ages, offering a space for artistic expression, fitness, and social interaction. It fosters a sense of community and can serve as a gathering place for families.

Here's why Okanagan Dance Studios (OKDS) should be considered for a great long-term business in the industrial area of Penticton:

1. **Established Legacy & Community Impact:** OKDS has a rich history of 40 years in the Okanagan, fostering local talent and offering a space for more than 200 young dancers a year to thrive. The studio has become an integral part of the community, providing a creative outlet for youth and a positive, supportive environment. Supporting OKDS as a long-term partner ensures the continuation of this legacy, benefiting future generations of dancers.
2. **Expansion Plans:** OKDS is evolving to meet the growing needs of the community. With plans to expand into adult classes and launch a high school academy program, the studio's vision is clearly aligned with both artistic and educational growth. The expansion will attract a broader demographic, increasing foot traffic and strengthening its role as a key local institution in the arts.
3. **Passionate and Experienced Ownership:** The new owners bring a deep personal connection to OKDS. Shannon Cote, a former student and now a professional dance instructor, has returned to Penticton to grow her family and has been a leader in the studio for years. Her extensive experience in North America from musical theatre to various dance styles and acting, gives the studio a competitive edge and high-quality instruction. Nicole MacMillan, another OKDS alumna and successful local business owner, exemplifies the studio's roots and deep commitment to its mission, with her daughters actively participating in OKDS programs. This level of personal investment reflects long-term dedication to the studio's success.
4. **Connection to the Community & Local Economy:** OKDS not only serves the local youth but is also integral to the broader community by offering a place for families to connect through dance. Both Shannon and Nicole are entrenched in the Okanagan community, which ensures a sustainable business.



model tied to local values and growth. Their investment in the arts and their active roles in the area demonstrate a long-term commitment to improving the local cultural landscape.

5. **Potential for Continued Success & Growth:** Moving to this news space at 2324 Government Street would help OKDS expand its reach, allowing for more programs and an enhanced experience for students, families, and the community. The studio's established reputation combined with its committed ownership makes it a solid and stable tenant, one with a strong future that will continue to bring value to the property and its surrounding area.

In conclusion, OKDS is a proven, community-centered organization that is committed to the arts, education, and the long-term development of the Okanagan region. Supporting Okanagan Dance Studios not only guarantees the continuation of a beloved institution but also nurtures the growth of local talent, benefiting both the arts community and the economy.

Letter from Okanagan Dance Studios

March 23, 2025

Thank you for considering Okanagan Dance Studios in this commercial space. We are excited about the opportunity to showcase how our studio can contribute to the community.

At Okanagan Dance Studios, we pride ourselves on providing top-quality training in an inspiring and positive environment. For over 30 years, we have been dedicated to nurturing and guiding our students' passion for dance and the arts. Our award-winning and highly respected instructors strive to bring out the best in every student, from the baby ballerinas to the elite advanced dancers. Our mission is for every student to love dance as much as we do, while fostering core values such as teamwork, discipline, respect for others, and commitment.

In addition to our regular classes, we have a Show Team that is dedicated to giving back to our community. Throughout the year, our Show Team participates in charity events and performs at seniors' homes across the Okanagan, spreading the joy of dance and supporting meaningful causes. We believe in the power of community and strive to make a positive impact wherever we can.

We are also proud of the academic achievements of our students, many of whom excel both in dance and in the classroom. Our students demonstrate outstanding discipline, focus, and work ethic, with several earning accolades not only for their dance accomplishments but also for their academic excellence.





MANAGEMENT

INVESTMENT

DEVELOPMENT

We offer a wide range of classes every day of the week in Ballet, Jazz, Tap, Hip Hop, Lyrical, Modern, Contemporary, Musical Theatre, Acro, and Preschool Dance, for ages 3 and up, including adult classes. Additionally, we are thrilled to have supported many students in pursuing professional dance careers, with some going on to perform with prestigious companies such as Alberta Ballet Company, Kidd Pivot, Toronto Dance Theatre, Ballet BC, Tokyo Disneyland, Carnival and Royal Caribbean Cruise Lines. You can also catch many of our alumni on the big screen, acting and dancer roles.

At Okanagan Dance Studios, we are passionate about creating a supportive and inclusive dance community, and we believe our studio would be a great fit for this space. With over 40 years in our current location, we look forward to having a space that suits the needs of our growth.

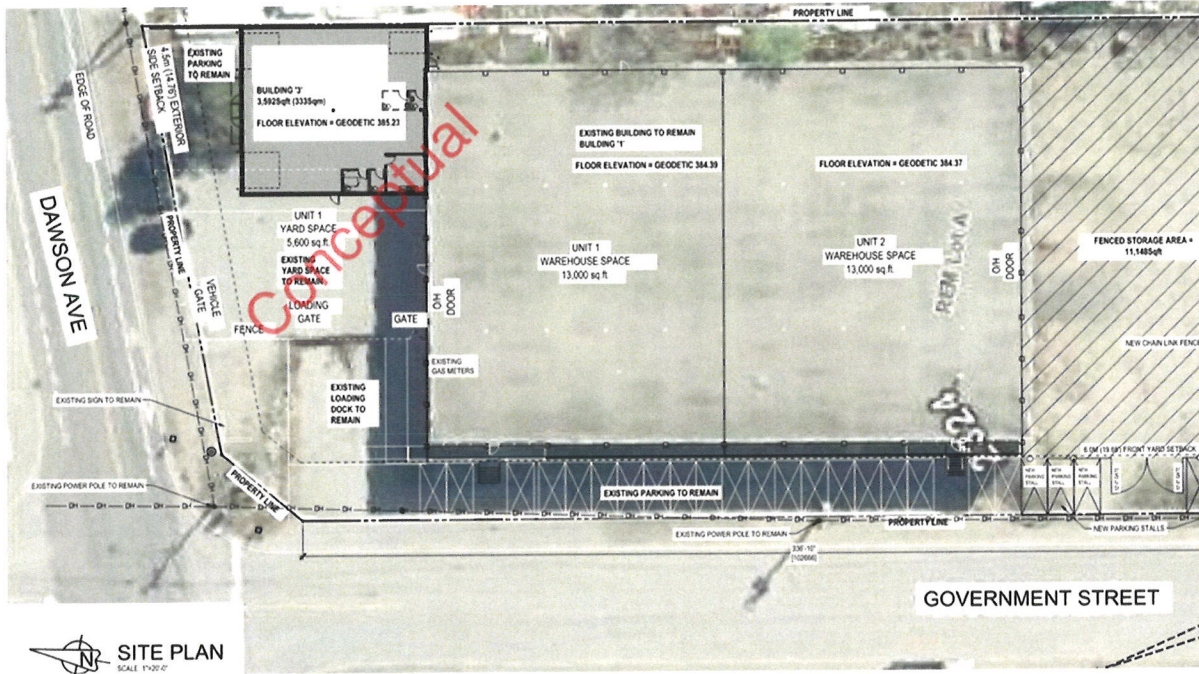
Thank you again and let me know if you need any more information. We look forward to hearing more!



SNFLWR Investment Corporation

201-3110 Lakeshore Road, Kelowna, British Columbia V1W 3T1 | P 250-499-1006 | E pm@snflwrcorporation.com | [SNFLWR Corporation.com](https://www.snflwrcorporation.com)

Site Context



Inspirational Murals



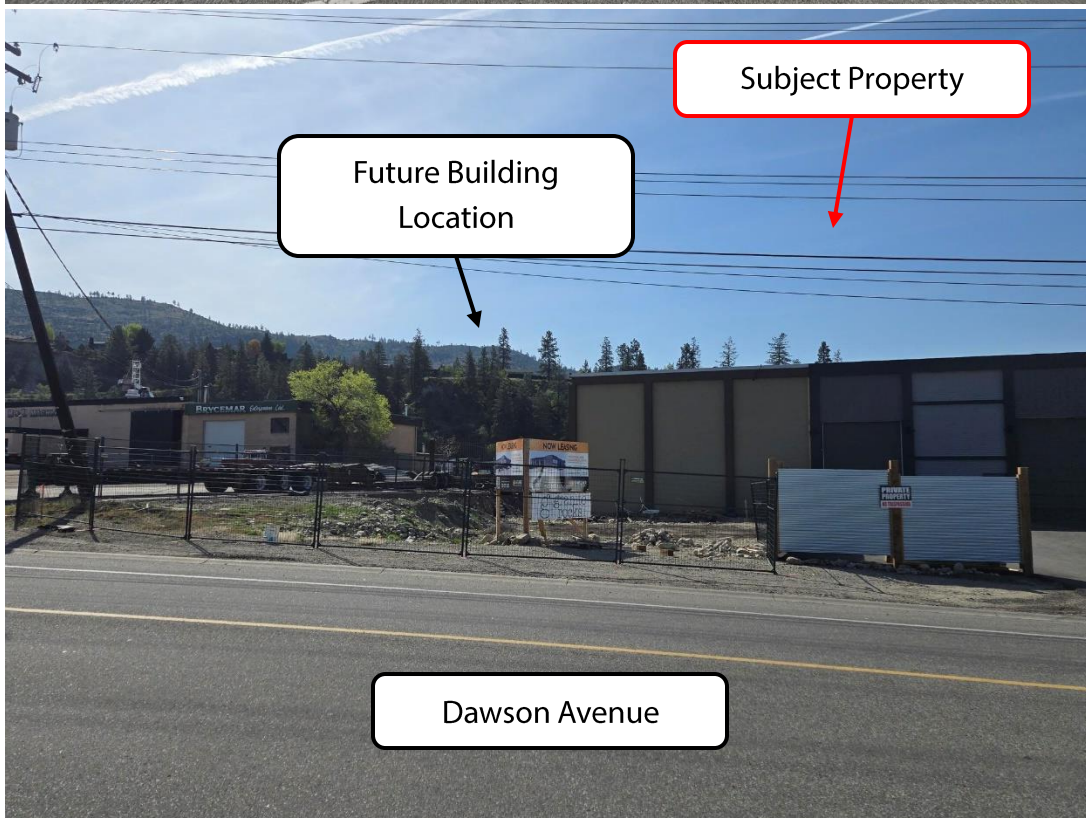
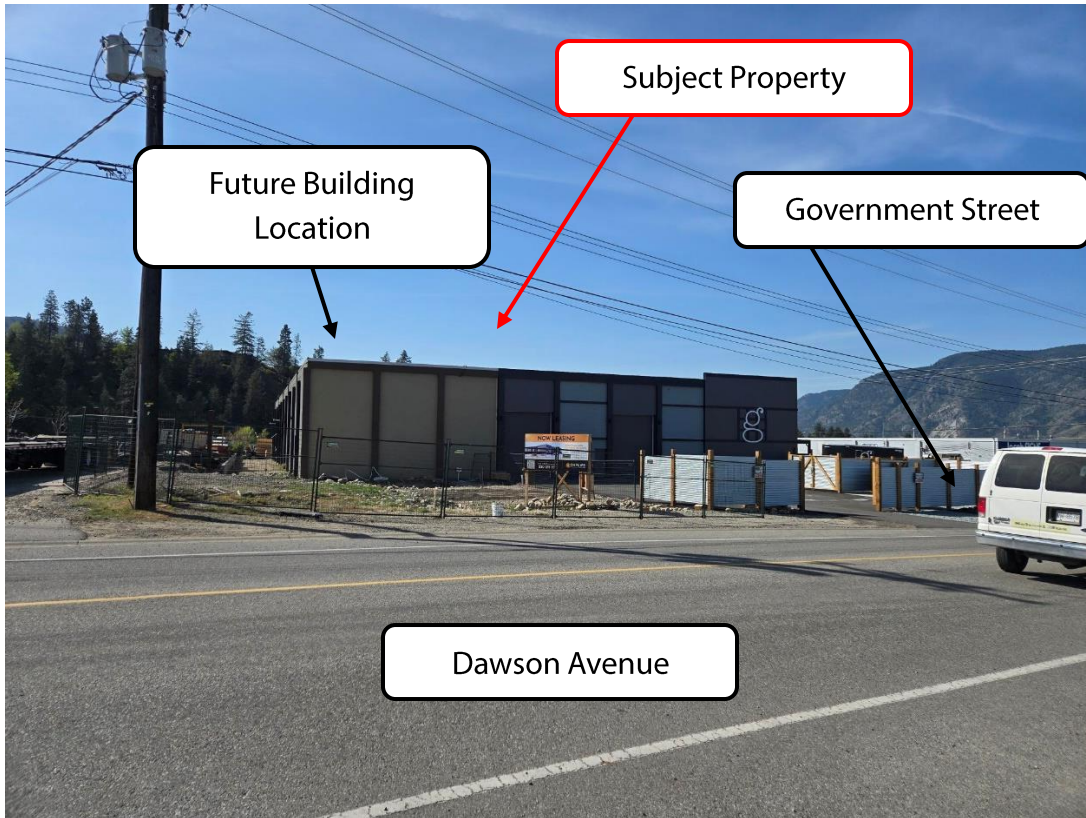
Mural by Franco Egalite

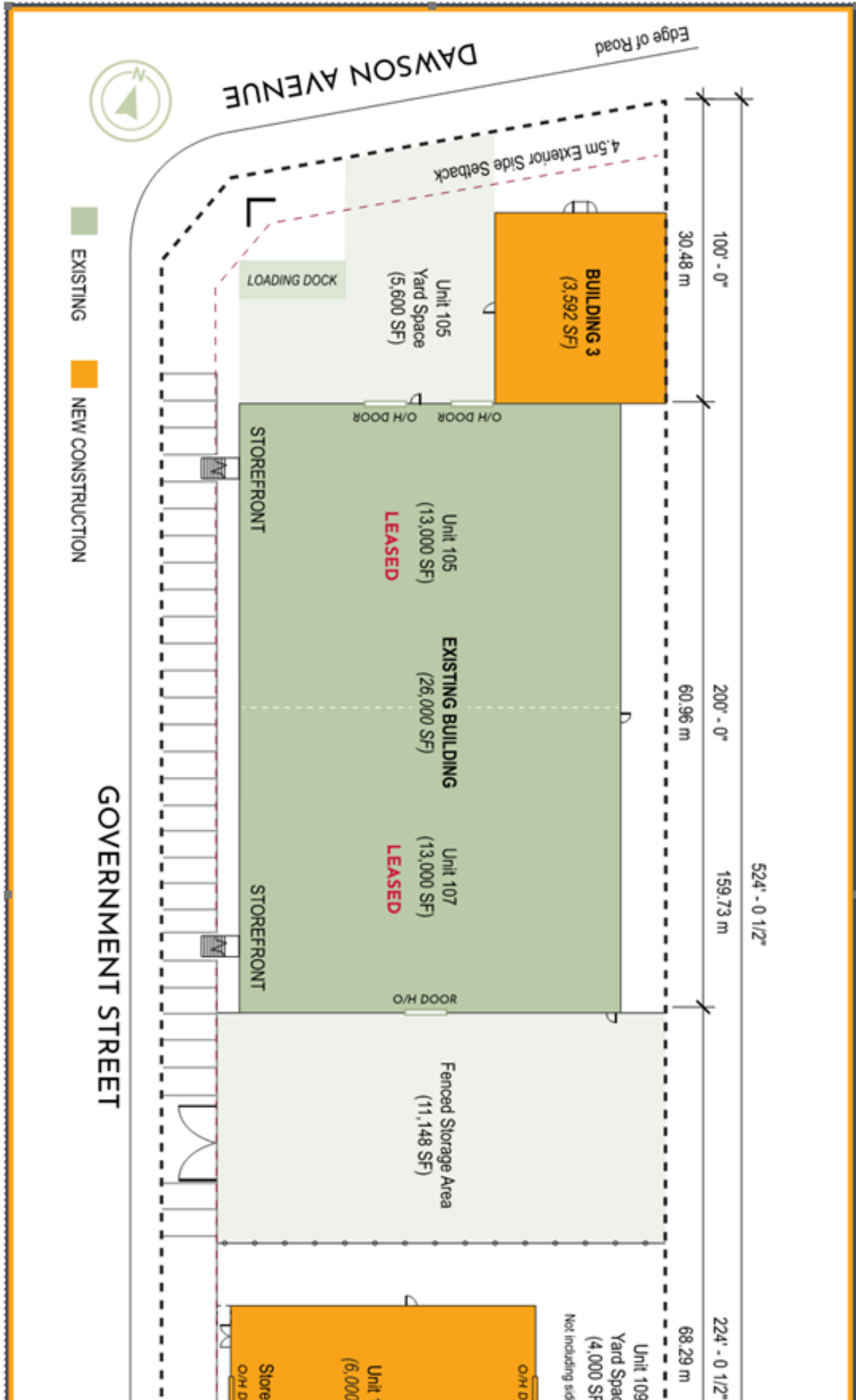


Mural by Meghan Claire Kehoe



Attachment D – Photos of the Property







March 31, 2025

Dear Mayor and council,

Regarding: Proposal by SNFLWR Investment Corporation for 2324 Government Street

We have met and discussed the redevelopment proposal with Jeremy Dawn of SNFLWR Investment Corporation and reviewed their proposed site plan.

In addition to the upgrades already completed on the existing building and lands over the last year, we understand two more buildings are planned to be constructed this year, increasing to the inventory of leasable light industrial/commercial space within Penticton

The proposal shown to us does not raise any significant concerns, and any potential concerns around parking or security were addressed adequately.

We are in support of the development as proposed; subject to mutually agreeable zoning changes if required.

Sincerely yours,

A handwritten signature in blue ink, reading 'Frank J. Conci'.

Frank J Conci

President

The Corporation of the City of Penticton

Bylaw No. 2025-08

A Bylaw to Amend Zoning Bylaw 2024-22

WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw No. 2024-22;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

This bylaw may be cited for all purposes as "Zoning Amendment Bylaw No. 2025-08".

2. **Amendment:**

2.1 Zoning Bylaw No. 2024-22 is hereby amended as follows:

Add to M1 – General Industrial Section 12.1.4 SITE SPECIFIC PROVISIONS:

"5 In the case of **Lot A** District **Lot** 251, Similkameen Division Yale District Plan 27421 except Plan KAP70297, located at 2324 Government Street, **indoor recreation** use shall be permitted within one unit (shown as Building 3 in Figure 1 below) having a maximum building footprint of 335m²."

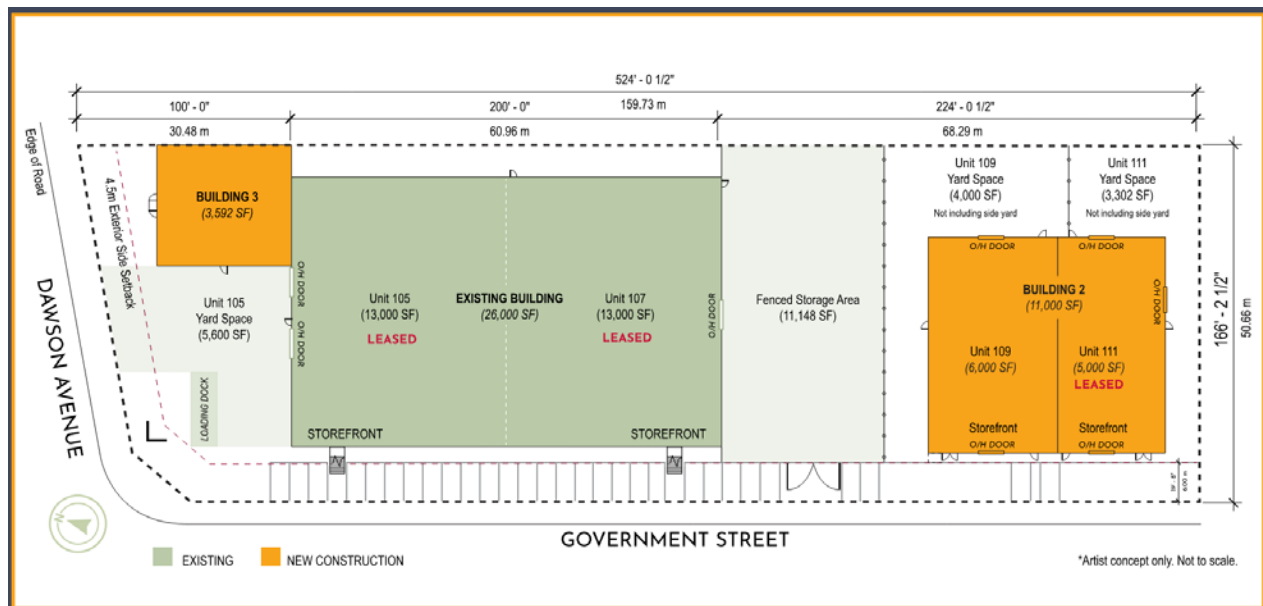


Figure 1: Site Plan (2324 Government Street)

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	day of	, 2025
A PUBLIC HEARING was held this	day of	, 2025
READ A SECOND time this	day of	, 2025
READ A THIRD time this	day of	, 2025
ADOPTED this	day of	, 2025

Notice of intention to proceed with this bylaw was published on the __ day of ____, 2025 and the __ day of ____, 2025 in an online news source and the newspaper, pursuant to Section 94.2 of the *Community Charter*.

Julius Bloomfield, Mayor

Angie Collison, Corporate Officer



City of Penticton – Schedule 'A'

Zoning Amendment Bylaw No. 2025-08

Date: _____

Corporate Officer: _____