

Public Hearing
to be held at the City of Penticton, Council Chambers
171 Main Street, Penticton, B.C.
To view the live broadcast and recordings, visit www.penticton.ca

Tuesday, October 3, 2023
at 6:00 p.m.

- 1. Mayor Calls Public Hearing to Order for **"Official Community Plan Amendment Bylaw No. 2023-34"** 1-124
- CO Reads Opening Statement and Introduction of Bylaws
 - "Official Community Plan Amendment Bylaw No. 2023-34" (1704 Government Street)
 - Purpose: To amend Official Community Plan Bylaw No. 2019-08 as follows:
 - Amend Map 1: Future Land Use by changing the future land use designation for Lot A District Lot 3429S Similkameen Division Yale District Plan 23195 Except Plan 37288, located at 1704 Government Street, from "Industrial" to "Mixed Use", and amends Section 2.1 by adding the following site specific policy statement to Land Use Designations, Mixed Use:
 - Site Specific Mixed Use Policy Statement: 1704 Government Street: Allow a maximum building height of 12 storeys.
 - The applicant is proposing a high-density, mixed use development at 1704 Government Street. The proposal would provide a potential of between 1,200 to 1,500 residential units, office space and retail space in approximately eleven buildings ranging from 6 to 12 storeys in height.
 - Notice: Pursuant to the *Local Government Act* the Public Hearing was advertised on Friday, September 22, 2023 and Wednesday, September 27, 2023 in an online news source and the newspaper.
- CO Five letters have been received regarding the Official Community Plan Amendment Bylaw (as of noon Wednesday, September 27, 2023).
- Mayor Requests Development Services staff describe the proposed bylaws
- Mayor Invitation to applicant for comment or elaboration on the application
- Mayor Invitation to electronic and in person participants to present their views
- Mayor Invites Council members to ask questions
- Mayor Invites applicants to respond to questions and participants may provide new additional information

PUBLIC HEARING for "Official Community Plan Bylaw No. 2023-34" is terminated and no new information can be received on this matter.

Regular Council Meeting
held at City Hall, Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, September 12, 2023
at 1:00 p.m.

Resolutions

6.13 Official Community Plan Amendment Bylaw No. 2023-34
Re: 1704 Government Street

329/2023

It was MOVED and SECONDED

THAT Council, prior to consideration of "Official Community Plan Amendment Bylaw No. 2023-34" and in accordance with Section 475 of the Local Government Act, consider whether early and on-going consultation, in addition to the required Public Hearing, is necessary with:

1. One or more persons, organizations or authorities;
2. The Regional District of Okanagan Similkameen;
3. Local First Nations;
4. School District #67;
5. The provincial or federal government and their agencies;

AND THAT Council determines that the Public Engagement Period carried out from June 27, 2023 to July 30, 2023 is sufficient;

AND THAT Council give first reading to "Official Community Plan Amendment Bylaw No. 2023-34", a bylaw that amends Map 1: Future Land Use, of Official Community Plan Bylaw No. 2019-08, by changing the future land use designation for Lot A District Lot 3429S Similkameen Division Yale District Plan 23195 Except Plan 37288, located at 1704 Government Street, from "Industrial" to "Mixed Use", and amends Section 2.1 by adding the following site specific policy statement to Land Use Designations, Mixed Use:

- Site Specific Mixed Use Policy Statement: 1704 Government Street: Allow a maximum building height of 12 storeys;

AND THAT Council forward "Official Community Plan Amendment Bylaw No. 2023-34" to the October 3, 2023 Public Hearing.

CARRIED UNANIMOUSLY

Council Report

penticton.ca

Date: September 12, 2023 File No: RMS/1704 Government St
To: Kristen Dixon, Interim Chief Administrative Officer
From: Steven Collyer, Senior Planner
Address: 1704 Government Street
Subject: **Official Community Plan Amendment Bylaw No. 2023-34**

Staff Recommendation

THAT Council, prior to consideration of "Official Community Plan Amendment Bylaw No. 2023-34" and in accordance with Section 475 of the *Local Government Act*, consider whether early and on-going consultation, in addition to the required Public Hearing, is necessary with:

1. One or more persons, organizations or authorities;
2. The Regional District of Okanagan Similkameen;
3. Local First Nations;
4. School District #67;
5. The provincial or federal government and their agencies;

AND THAT Council determines that the Public Engagement Period carried out from June 27, 2023 to July 30, 2023 is sufficient;

AND THAT Council give first reading to "Official Community Plan Amendment Bylaw No. 2023-34", a bylaw that amends Map 1: Future Land Use, of Official Community Plan Bylaw No. 2019-08, by changing the future land use designation for Lot A District Lot 3429S Similkameen Division Yale District Plan 23195 Except Plan 37288, located at 1704 Government Street, from "Industrial" to "Mixed Use", and amends Section 2.1 by adding the following site specific policy statement to Land Use Designations, Mixed Use:

- Site Specific Mixed Use Policy Statement: 1704 Government Street: Allow a maximum building height of 12 storeys;

AND THAT Council forward "Official Community Plan Amendment Bylaw No. 2023-34" to the October 3, 2023 Public Hearing.

Strategic Priority Objective

Livable and Accessible: Proactively plan for deliberate growth; focused on an inclusive, healthy, safe and desirable place to live.

Executive Summary

The city received an Official Community Plan (OCP) amendment application as the first step in approvals for a high-density, mixed use development across Government Street from the Penticton Regional Hospital. The proposal, as shown in initial renderings, would provide a potential of between 1,200 to 1,500 residential units, office space, and retail space in approximately eleven buildings ranging from 6 to 12 storeys in height.

The OCP amendment application underwent technical review by staff prior to being presented to Council on June 20, 2023. At that meeting, Council voted to direct staff to lead public engagement on the proposed OCP amendment and development concept. Staff led the public engagement period over 5 weeks from June 26 to July 30 and heard from many residents, interest groups, employers and organizations.

This report outlines the proposal, site context, policy context, analysis, and public engagement results for Council’s consideration of this application. The staff recommendation is that Council give first reading to the OCP amendment bylaw and forward the bylaw to the October 3rd Public Hearing, which will provide the community and the applicant the opportunity to address Council directly with their perspectives on this proposal before Council considers further readings of the OCP amendment bylaw.

Proposal

This application is to change the Official Community Plan (OCP) future land use designation on 1704 Government Street (the ‘subject property’) from ‘Industrial’ to ‘Mixed Use’ to facilitate a high-density, mixed use development. A site-specific policy is also requested to allow building heights of up to 12 storeys where 10 storeys is typically envisioned by the Mixed Use designation.

The applicant has submitted a Letter of Intent (Attachment ‘A’), a response letter to the feedback received through the public engagement period (Attachment ‘B’), and a preliminary plans package (Attachment ‘C’) which further describes their proposal for the subject property.

The preliminary plans shows the development of approximately 11 buildings ranging from 6 to potentially 12 storeys (Figure 1). Between 1,200 and 1,500 residential apartments are proposed, with a mix of strata and rental tenures, in addition to office and retail uses in several buildings closest to Government Street. The development would be built in phases over several years. This concept is subject to some change and refinement as it proceeds through future approvals processes including rezoning, subdivision, and development permit stages.

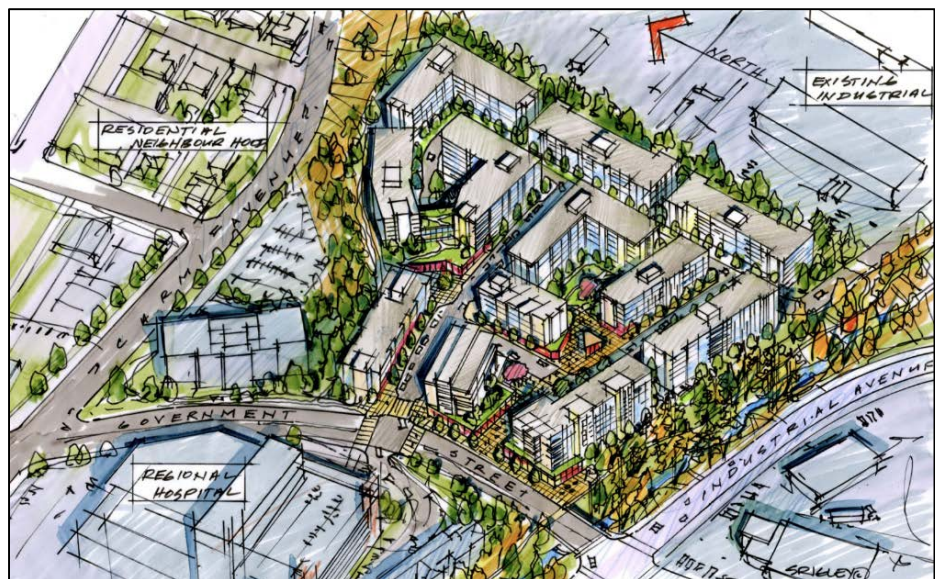


Figure 1 - Conceptual Rendering of Proposed Development

Background

Site Context

The subject property is located on the east side of Government Street, across from Penticton Regional Hospital and north of Ellis Creek (Figure 2). The property is 4 hectares (10 acres) in size and is located at the edge of the industrial area. The property contains an industrial warehouse building, which is currently used for a bottle washing operation, according to business license records. The building previously contained a modular home and trailer manufacturing operation. Surrounding uses include industrial operations (Peerless Trailer Manufacturer) and a self-storage business (Complete Storage Centres) upslope to the east, Ellis Creek and a multi-use pathway to the south, Penticton Regional Hospital across Government Street to the west, and an Interior Health office along with single detached homes along Carmi Avenue, upslope to the north. Currently the only access to the property is from Government



Figure 2 - Property Location Map

Street, although there is road frontage onto Page Avenue to the west and Carmi Avenue to the north. The section of Page Avenue abutting the property, however, is unconstructed and there is a significant grade change from the subject lands upslope to both Page Avenue and Carmi Avenue.

Current OCP Designation and Zoning

The current OCP future land use designation on the subject property is 'Industrial' (Attachment 'H'). The Industrial designation aligns with the M1 (General Industrial) zoning currently on the majority of the property (Attachment 'I'). A smaller portion of the subject property is zoned C4 (General Commercial). That portion was rezoned in 1992 with the intent to accommodate a medical office building which was never constructed.

Required Applications

Several planning applications are required to facilitate the proposed development, as outlined in the table below:

Application Required	Description	Approval Authority
Official Community Plan Amendment Bylaw	To change the OCP future land use designation on the subject property from 'Industrial' to 'Mixed Use', with a site-specific policy statement to allow a maximum building height of 12 storeys.	Council
Zoning Amendment Bylaw	To change the zoning on the subject property from M1 (General Industrial) and C4 (General Commercial) to a CD (Comprehensive Development) zone that would be custom-built for this proposed development. Details of permitted uses and development regulations will be determined through the future review of the rezoning application.	Council
Subdivision	To approve the subdivision of the site into multiple lots over time. A number of technical requirements are addressed in each subdivision.	Staff
Development Permits	To approve the form and character of the proposed development. Detailed development plans and landscaping plans are required at the development permit stage. A development permit will be required at each phase. Depending on the size of the buildings in each phase, development permits may be considered by staff or Council	Council / Staff

Financial Implication

The proposed mixed use development would have a significant impact on municipal property tax revenues. Overall, 2% of property tax revenue in Penticton stems from light industrial uses, such as the current use of the subject property which pays approximately \$60,000 per year in property tax with current rates. 74% of property tax revenue in Penticton comes from residential properties while another 22% comes from business properties (non-industrial). The potential property tax estimate, upon full build out of the development proposal ranges from \$1.1M to \$1.8M, using current rates in tax revenue per year, without accounting for the commercial space which is also part of this proposal.

The developer will be responsible for paying for any infrastructure installation or upgrades required for the proposed development, such as new roads, existing road frontage upgrades, intersection upgrades, water servicing, sanitary sewer servicing, storm water servicing and electrical servicing. That infrastructure would be maintained by the City in perpetuity, with the maintenance costs offset in part by the additional taxation and user fees generated through redevelopment of the subject property.

Technical Review

This Official Community Plan amendment application was reviewed by the Technical Planning Committee, a group of internal city staff who review development applications. At an early stage, staff identified the need for a Traffic Impact Assessment (TIA) completed by a qualified engineer. The applicant submitted a draft TIA for initial review and city staff will continue working with the applicant's traffic engineer to meet the city's requirements at each approvals stage.

Currently the only entrance shown on the development plans is from Government Street, directly across from the main hospital entrance. Ensuring this intersection is safe for all users and not unreasonably impacting area traffic flow will need to be analyzed. Various options for the intersection are being examined, including turn restrictions and a full traffic light. Alternative options, including utilizing Page Avenue or Carmi Avenue as a secondary access point, are also being looked at. As the development plans move to a more detailed phase (if Council supports the OCP land use change), these options will all be further evaluated. Through initial review, staff are confident that various options for access and egress to the subject property remain viable.

Staff noted the potential conflicts arising based on the applicant’s request for up to 12 storey buildings on the site in close proximity to the Penticton Regional Hospital helipad. Staff confirmed the process by which Interior Health would review any buildings on-site for potential height conflicts. The applicant has also been in direct contact with staff at Interior Health regarding proposed building heights. These conversations will continue through further detailed site planning to ensure no tall buildings conflict with hospital helipad operations. While the OCP amendment would allow the opportunity for 12 storey buildings, the applicant would still need to ensure that their proposed buildings meet the height limitations prior to construction approvals.

Staff also provided high-level comments regarding the expected servicing upgrades, infrastructure work, and landscaping requirements associated with the proposed development. Those comments will guide the further refinement of the development plans should the proposal proceed through future approvals processes. The Technical Planning Committee will review any future applications related to this development, including the rezoning, subdivision, and development permit applications.

Analysis

This application proposes to amend the Official Community Plan. The OCP is a “living document” and applications to amend the OCP are to be expected from time to time. While the OCP guides land use decisions up to 2045, it is likely that over that timeframe changing trends or unforeseen events will require the City to consider amendments to the plan. Council has considered twenty (20) other OCP amendment applications since the OCP was adopted in 2019.

Council set “Livable and Accessible” as one of its priorities in this current term. That priority focusses on proactively planning for deliberate growth to create a more inclusive, healthy, safe and desirable community (Figure 3). Under this priority, Council indicated its support for the provision of attainable and accessible housing across the entire housing spectrum. Acting on that priority, Council created an OCP Housing Task Force, in part recognizing the need to review the housing policies and land use designations in the OCP

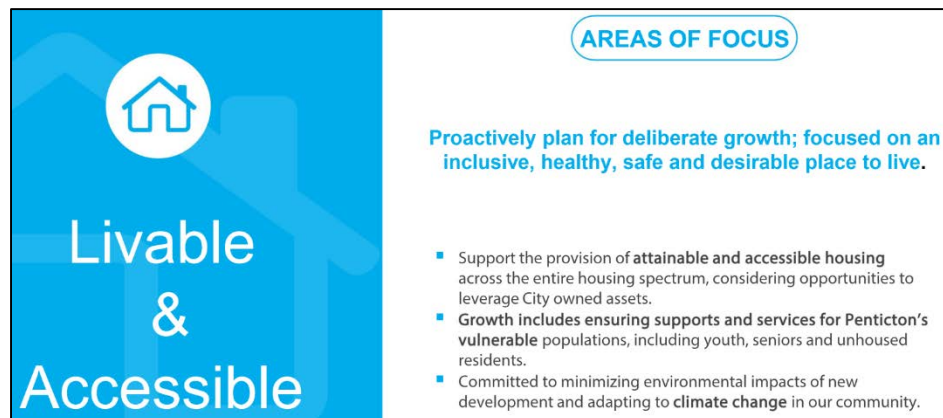


Figure 3 - Excerpt from Council Priorities, 2022-2026

given the rapid population growth experienced in Penticton over the last number of years, which far exceeded the OCP growth projections. The OCP Housing Task Force is currently working towards providing recommendations to Council on amendments to the OCP at the community-wide level to accommodate future growth at the same time this OCP amendment for mixed use (residential and commercial) development at 1704 Government Street is being considered. While it was not in the Terms of Reference of that Task Force to provide recommendations on active applications, staff did provide a high level overview of the proposal to the Task Force, for information only.

Proposals to amend the OCP that respect the overall vision and values of the OCP, but also allow for innovation and adaption as new opportunities arise, are considered by Council with the following considerations (p.144 of the OCP):

1. Alignment with broad OCP visions and goals.
2. Provision of demonstrable social, economic and environmental benefits to the community.
3. Assessment of cost and other implications for infrastructure – parks, roads, utilities, water, sanitary and storm sewer, public facilities.
4. Suitability to context – form, character and design.
5. All proposed amendments will be accompanied by meaningful public engagement, in addition to the required notification, and a formal Public Hearing.

The applicant is requesting that the OCP future land use designation on the subject property be changed from ‘Industrial’ to ‘Mixed Use’, with a site-specific policy statement allowing a maximum 12 storey building height.

The Industrial land use designation is described in the OCP as “areas of light and heavy industrial uses characterized by goods production, manufacturing, distribution, and storage” (Figure 4). This land use designation supports a wide variety of industrial uses, including those currently permitted under the M1 (General Industrial) zone (i.e. manufacturing, towing compounds, motor vehicle body repair, paint shop, outdoor storage, self-storage, etc.). The ‘Industrial’ land use designation supports the current M1 zoning found on the majority of the site, as well as M2 or M3 zoning, which are more intense industrial zones that allow for heavy industrial uses such as a concrete mixing plant, foundry, or wrecking yard, among other uses.

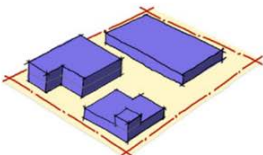
Land Use	Description	Building Type(s)	Uses	Height / Density	Zone(s)
Industrial 	Areas of light and heavy industrial uses characterized by goods production, manufacturing, distribution, and storage.	<ul style="list-style-type: none"> • Industrial buildings • Structures and lands 	<ul style="list-style-type: none"> • General Industrial • Heavy Industrial (M2 zone only) • Wholesale, Storage and Warehouse • Vehicle and Equipment Repair 	<ul style="list-style-type: none"> • Generally 1 or 2 storeys 	<ul style="list-style-type: none"> • M1 • M2 • M3

Figure 4 - Industrial Future Land Use Designation

The question for the community and Council to consider is whether the ‘Mixed Use’ land use designation reflects the community’s future vision for this site. This change in land use designation would support the lands to then be rezoned for mixed use development featuring retail, service and office uses along with

multi-family residential. This designation supports higher-density mixed use buildings generally up to 10 storeys in height (Figure 5). The applicant is requesting a site-specific policy statement to allow 12 storeys for this site instead.

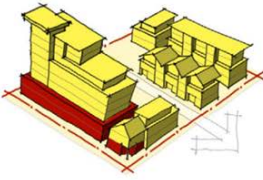
Land Use	Description	Building Type(s)	Uses	Height / Density	Zone(s)
 <p>Mixed Use</p>	A mixed-use area allowing for intensive development with active and vibrant retail or service uses at ground level and multi-family residential and/or office uses.	<ul style="list-style-type: none"> Higher-density mixed-use buildings 	<ul style="list-style-type: none"> Commercial (retail, service, office) Residential 	<ul style="list-style-type: none"> Up to 10 storeys 	<ul style="list-style-type: none"> C3 C5

Figure 5 - Mixed Use Future Land Use Designation

The sections below outlines how the proposed development aligns with the five (5) criteria for consideration when reviewing an OCP amendment application.

1. Alignment with Broad OCP Vision and Goals

Chapter 3 of the OCP outlines Penticton’s current growth plan goals, which are to promote development within or adjacent to existing built up areas, maximize City infrastructure utilization, create complete and accessible communities, and minimize negative environmental impacts (Figure 6).

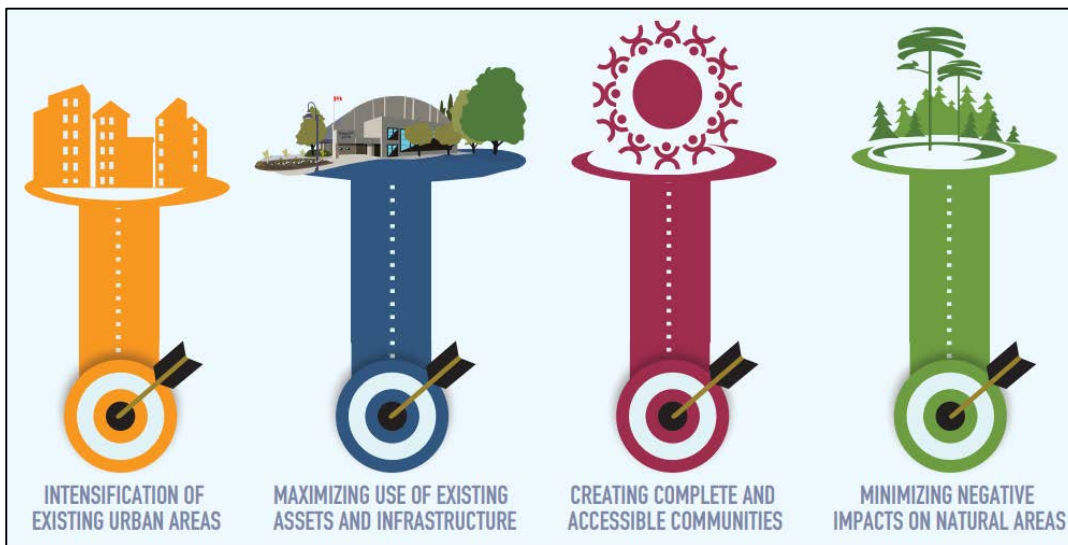


Figure 6 - Growth Plan Goals (OCP)

The table below outlines staff’s comments related to this development proposal’s alignment with the city’s growth plan goals.

Growth Plan Goal	Staff Comments
Intensification of Existing Urban Areas	The proposal would increase density within the existing urban area of the city.

Maximizing Use of Existing Assets and Infrastructure	Higher density developments make more efficient use of municipal infrastructure.
Creating Complete and Accessible Communities	Mixed use developments provide opportunities for residents to live, work, and shop in close proximity leading to more complete and accessible communities.
Minimizing Negative Impacts on Natural Areas	Appropriate setbacks and buffering from Ellis Creek will be a requirement of future development approvals, should the land use change ultimately be adopted by Council.

The OCP growth plan also outlines land use targets:

- **Housing:** the land use targets include the development of 150 net new homes per year on average with 75% of new units being multifamily and infill housing (p.37 of the OCP).
- **Commercial:** the land use targets include an additional 43,000ft² of retail floor space per year and an additional 5,000ft² of high quality office space in the more desirable parts of the city (p.38 of the OCP).
- **Industrial:** the target is no net loss of land currently zoned for industrial uses and the addition of 60 additional acres of industrial land in or near Penticton up to 2046 (p.39 of the OCP).

The proposed development would contribute to the housing and commercial land use targets in the OCP growth plan, while not achieving the industrial land use target, as the result would be the loss of an industrial property should this development proceed. The growth plan notes there are opportunities to accommodate industrial land use needs through intensifying the existing industrial land base to a certain degree, but it's likely that a proportion of the demand for new industrial land will be met outside the city (i.e. PIB lands, Okanagan Falls) (p.39 of the OCP).

Staff analyzed the proposed development in comparison to the applicable OCP policies in Chapter 4, and have included the complete analysis as Attachment 'D'. The analysis shows support for many aspects of the mixed use development proposal given it would be located within the built-up area of the city, provide a variety of uses on-site, and represent an efficient use of the city's limited land base. Some conflicting aspects in the analysis are related to the compatibility with adjacent industrial uses and with maintaining the size of the industrial land base in the city, as the result of this OCP amendment application would be a reduction in the amount of city land designated for future industrial development.

The industrial area is one of four strategic investment areas outlined in the OCP (Figure 7). Strategic investment areas are focus points for new development providing an emphasis on employment growth and increased residential density (p.45 of the OCP). This proposed development offers opportunities to achieve both of those goals at the edge of the industrial area by providing employment uses through retail and office space as well as a node of increased residential density. The OCP recognizes the need to protect employment lands as a priority, and while the industrial land use designation is proposed to be changed through this application, the development would continue to provide employment opportunities on-site through office and retail uses. The applicant envisions almost 300 jobs on-site at full build-out, according to the plans package submitted (Attachment 'C').



Figure 7 - Strategic Investment Areas map (OCP)

2. Provision of Community Benefits

The proposed development with 1,200 to 1,500 units, built-out in several phases, would contribute to the identified housing need in Penticton. A more recent Housing Needs Assessment completed in July 2023, provides an updated account of the current and projected housing need in Penticton. Based on projected growth rates, the City’s population is projected to increase by 11,000 to 20,000 people between 2021 and 2046. Those new residents will require between 240 to 380 new housing units each year to meet the demand. For reference, the OCP currently projects 150 additional homes per year (p.37 of the OCP), which is far short of the current housing need according to the 2023 Housing Needs Assessment. Between 5,000 and 9,000 new households will require homes in Penticton by 2046.

This proposed development helps address the identified housing need, recognizing there are few other areas of Penticton that are envisioned for large-scale developments such as this looking into the future. The North Wiltse block development is likely the next largest, and it may provide around 700 households with a build-out period of 10-15+ years. The subject location is more centrally located and meets several locational objectives outlined in the OCP, including its location close to employment, along transit and bike routes, and providing a mix of uses in a compact built-form making efficient use of already serviced and developed land.

As part of the Housing Needs Assessment, interviews with specific interest groups were conducted to get a better understanding of the local housing need. Beyond the numbers data, qualitative quotes are included in this section from the

<p><i>“Interior Health services and the Regional Hospital are experiencing significant staffing shortage. Inadequate housing supply and cost in Penticton has become a significant issue for staff recruitment. Even physicians are withdrawing accepted offers when they see costs of housing.”</i></p> <p>–Director, Clinical Operations, Penticton Regional Hospital</p>
<p><i>“It is difficult to find qualified staff and skillsets in all sectors in Penticton. Economic development strategy to improve business climate with balanced workforce requires affordable housing, jobs and schools.”</i></p> <p>– Penticton Industrial Development Association</p>

Box 1 & 2 - Quotes from the 2023 Housing Needs Assessment

Housing Needs Assessment related to the challenges employers are experiencing as a result of the local housing need (Box 1 & 2).

Staff have had initial discussions with the applicant about the identified need for affordable housing in the community. This was a topic which arose frequently through the public engagement period. Given the density of the proposed development, through consideration of the future rezoning application, staff will work with the developer to create a density bonus provision, whereby if a certain density threshold is surpassed, a specified number of dedicated affordable housing units must be provided. Those conversations would continue and the details presented when Council considers the rezoning application, should the OCP amendment application be supported by Council.

3. Cost and Infrastructure Implications

Densification and new development within the already built-up area of the city helps reduce infrastructure maintenance costs borne by the City. The proposed development is located in an area with existing city road, water, sanitary, storm, electrical and transit services. Approximately 600m of new city roads and infrastructure is proposed through the development site, which will be paid for by the developer and would partly be the City's responsibility to maintain (some sections may be strata roads and not under the City's management responsibility). Any upgrades to existing infrastructure required as a direct result of the proposed mixed use development would be paid for by the developer. The city would own and maintain all public infrastructure in perpetuity. The higher density of this proposal means there would be more residents and business utilizing this new infrastructure in comparison to a lower density development (i.e. single detached homes).

The City's Development Cost Charges (DCC) Bylaw requires all new development to pay their share towards identified city-wide infrastructure needs. The DCC rates are set on a square metre basis for commercial uses, and a per unit basis for multifamily residential units. At the current DCC rates, at full build-out between \$11,000,000 and \$14,000,000 in total would be paid to the city to contribute to the identified DCC projects the City intends to complete.

Traffic impacts resulting from the proposed development will need to be mitigated where possible through road and intersection upgrades identified by a qualified Traffic Engineer and required as the development builds-out. An intersection upgrade is proposed at Government Street and the main entrance to the subject property and Penticton Regional Hospital. The details of that intersection upgrade would be developed collaboratively between the City and the consultant traffic engineer. In addition, Page Avenue could be extended through the subject property to provide a second access point for the development (Figure 8). If Council ultimately supports the land use change, detailed engineered design would be completed through future approvals (rezoning, subdivision, development permit etc.) prior to any new lots being created or buildings beginning construction. Through technical review completed to date, staff are confident that existing road network, with some modifications at the site entrance(s), can accommodate the proposed development with its expected population and uses.

4. Suitability to Context

Geographically, this site is well suited for the proposed mixed use designation. This is the only industrial site fronting Government Street north of Ellis Creek and Industrial Avenue. The site is physically separated from the adjacent industrial sites by a significant grade change. The mixed use development would complement the hospital and residential area to the north more than an industrial site. The proposal for a high-density mixed use development with medical offices, housing, retail and other services presents significant opportunities to support the hospital operations compared to keeping the site designated for industrial uses.

While located at the edge of the industrial area, the site has primary access from Government Street; an urban collector road. Modifications to Government Street in front of the property in recent years have limited turns into and out of the subject property to ‘right-in-right out’. The site faces towards the Penticton Regional Hospital and away from the industrial area in behind, which is physically separated both horizontally and vertically by a natural treed bank along the eastern side of the subject property. While at the edge of the industrial area, these features separate the subject property from adjacent industrial uses.

The development site is located along a major corridor with existing transit service, bike lanes, sidewalks, and in close proximity to several major employers. Through the public engagement period and interviews conducted as part of the Housing Needs Assessment, staff heard feedback from the hospital and the industrial association that employee recruitment and retention challenges are being experienced by many employers and businesses in the city. Building 1,000+ new homes in close proximity to these major employers may assist with addressing some of those recruitment, retention, and housing issues that were raised.

The subject property is adjacent to two industrial properties accessed from Dartmouth Road: Peerless Trailer Manufacturer and Complete Storage Solutions, a newly constructed self-storage facility. There is a notable vertical and horizontal separation between the subject property and those adjacent properties. The subject property is set approximately 11 metres (36 feet) below the Peerless property, with the treed and vegetated bank providing about 13 metres (42 feet) of horizontal separation between the flat and usable areas of both properties (Attachment ‘J’). This physical separation helps address some of the industrial adjacency concerns which were heard through the engagement period.

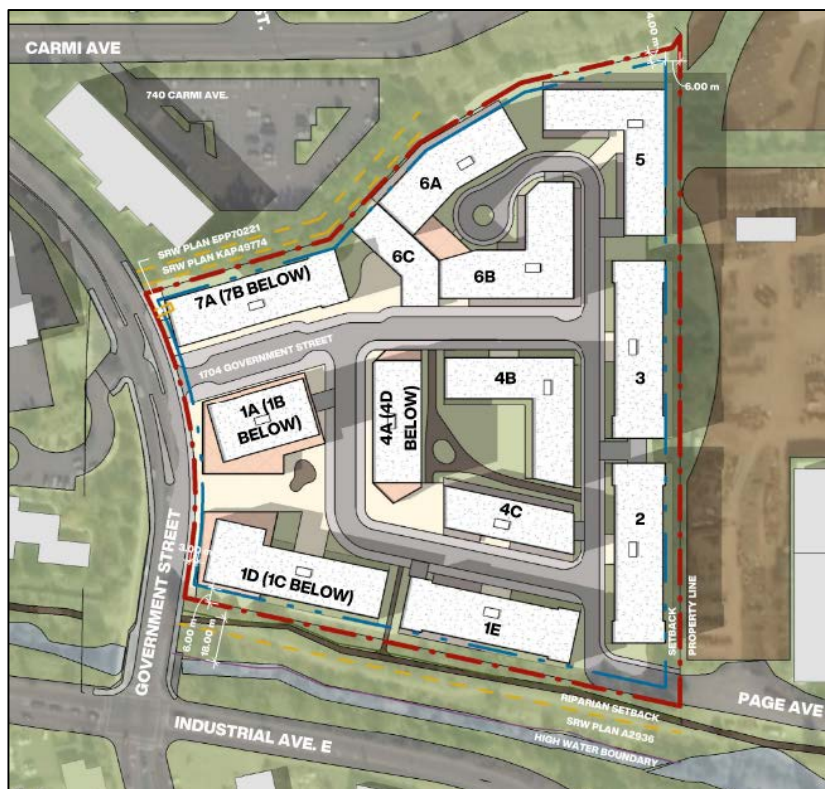


Figure 8 - Conceptual site plan showing internal road layout and phasing

Representatives from Peerless Trailer Manufacturer raised concerns about having future residents of the proposed residential towers so close to their operation, with noise, odour, and lighting concerns potentially arising from their new neighbours. There are already provisions in the Good Neighbour Bylaw to exempt standard industrial operating practices from certain other provisions of that bylaw, and the applicant has indicated their willingness to work with Peerless on additional buffering between the two uses, including sound attenuation and building techniques to mitigate noise within the units. Should the land use change ultimately be approved, staff would work with the applicant to incorporate some of those techniques into the development. The significant grade change, however, does provide a natural barrier and boundary between the two different and sometimes incompatible uses.

There are six (6) single detached homes fronting onto Carmi Avenue to the north of the subject property. Those homes are located up a bank from the site, setting them approximately 10 to 15 metres (33-50 feet) higher than the flat and usable portion of the site. This elevation difference helps reduce some of the visual impact from these homes towards the development site, as roughly half of the six-storey buildings along that side of the property would be located below the main floor of those homes along Carmi Avenue. The preliminary plans package shows the anticipated shadow impacts from the proposed buildings, demonstrating that with the tallest buildings envisioned for the south end of the subject property the shading impacts on the six single detached homes facing Carmi Ave to the north is not expected (Attachment 'C').

The proposed 6 to 12 storey building heights result in structures similar in height to the Penticton Regional Hospital across Government Street to the west, which is 34 metres (111 feet) high on the east-facing side (excluding the rooftop mechanical space). The buildings would have to be designed to comply with the hospital helipad approach requirements. Particular attention shall be given to the potential 12 storey structures and on-going conversations with Interior Health to ensure no height conflicts. The development location across from the hospital could help support the retail and office uses envisioned, as there are currently few commercial uses in the immediately surrounding area.

Finally, the site is located next to Ellis Creek, which is both a natural feature which can enhance livability for future residents and an active transportation corridor. The Ellis Creek pathway provides a direct pedestrian and bicycle connection to Main Street and the Lake-to-Lake bike route at Atkinson Street. Ellis Creek flowing adjacent to this site is a positive element should a mixed use development proceed on the subject property, given it provides a natural area, trees, and a public pathway easily accessible from the proposed development.

5. Meaningful Public Engagement

Following Council's direction from the June 20, 2023 Council meeting, staff conducted public engagement on this OCP amendment application. The main goals of the public engagement process were to:

- Gather feedback on the proposed OCP amendment to change the future land use designation for this property to Mixed Use, and
- Understand if the proposed development aligns with the community's vision for the area.

Staff followed the *Community Engagement Procedure for OCP Amendments* to ensure adequate and meaningful consultation with the community. The engagement program was conducted between June 26

and July 30, 2023. The diagram below summarizes the activities the city conducted to notify interested participants about the public engagement program (Figure 9).



Figure 9 - Public engagement period advertising methods

A detailed report on the results of the engagement program is provided in Attachment 'E'. The following are the key findings from the engagement process:

- Staff spoke with approximately 150 people about the proposal at the two in-person open houses.
- Feedback forms were received from 469 people.
- Residents who live in the area made up 24% of feedback form respondents. This group supported the proposal or supported it with conditions (75%). Their primary concern is whether or not Government Street can handle the increase in traffic generated from a development of this size. They also expressed concern about the density of the proposal and expressed interest in seeing more green space and amenities for residents in the development.
- The majority of respondents to the feedback form were residents who do not live in the area. These participants support the proposal or support it with conditions (86%) because of the potential addition of housing, and specifically the opportunity for housing for healthcare workers.
- The industrial business community actively participated in the engagement process, and provided feedback through correspondence from PIDA (Attachment 'E') and directly to staff and Council. PIDA and some businesses are opposed to taking industrial land away and believe that this proposed development will negatively impact the industrial area as an economic engine of the city. The neighbouring industrial business (Peerless Trailer Manufacturer) is very concerned about having a high-density residential development next door and the potential for noise and other operational conflicts with proposed residential uses (Attachment 'F').
- Other businesses in the industrial area supported the proposal, indicating that more housing in the area could help alleviate some of the employee recruitment and retention challenges many businesses are experiencing (Attachment 'F'). Some supportive comments were also received about the construction jobs which would be generated while this proposed development is built out.

- The City also received correspondence from Interior Health expressing support for the proposal and its ability to provide additional housing options for their staff. They expressed interest in seeing a daycare included with the proposal.

The applicant submitted a letter to respond to what was heard through the public engagement period. That letter is included in this report package as Attachment 'B'.

The public engagement period showed there is substantial community interest in this proposed development. Significant support was received for housing on this site, as were concerns with the development plans, loss of industrial land, and proposed use for the site from some respondents. The community, applicant, and other interested groups will have another opportunity to provide input on this OCP amendment application at the statutory Public Hearing, should Council vote to give "Official Community Plan Amendment Bylaw No. 2023-34" first reading and again through the rezoning process.

Summary

The City received an application to consider changing the OCP future land use designation for 1704 Government Street from an Industrial property to a Mixed Use property. Council is the ultimate decision-maker for the Official Community Plan amendment application to change that future vision for this site. Council is encouraged to consider the public engagement results, related city policies and bylaws, as well as current and future projected community needs prior to making their decision on this land use change application.

The staff recommendation is that Council give the OCP amendment bylaw first reading and forward the bylaw to the October 3rd Public Hearing. Despite Industrial land being important to the economy of the City, staff consider this location appropriate for the proposed mixed-use development, given all of the points noted above. If Council supports first reading of the bylaw, the October 3, 2023 Public Hearing will provide the community, interest groups, and the applicant the opportunity to address Council directly prior to further consideration of "Official Community Plan Amendment Bylaw No. 2023-34" by Council.

Alternate Recommendation

Council may consider all the information presented in this report and decide to not proceed with further consideration of this OCP amendment application. If Council wishes to not proceed with a statutory Public Hearing or any readings of the OCP amendment bylaw, they may choose to not give the bylaw first reading. If this decision is made, the application would be closed and the OCP designation on the subject property would remain 'Industrial', which could support a range of industrial uses on the property in the future. Staff are not recommending this alternate recommendation, as there is considered to be policy support through the OCP and community interest in further consideration of this proposed development and future land use designation change.

1. THAT Council not give first reading to "Official Community Plan Amendment Bylaw No. 2023-34".

Attachments

- Attachment A – Letter of Intent (applicant)
- Attachment B – Response Letter to Public Engagement Period (applicant)
- Attachment C – OCP Amendment Plans Package (applicant)
- Attachment D – OCP Policy Analysis (staff)
- Attachment E – Public Engagement Period Results Report (staff)
- Attachment F – Letters Received (industrial)
- Attachment G – Letters Received (public)
- Attachment H – Existing Official Community Plan Map
- Attachment I – Existing Zoning Map
- Attachment J – Photos of Subject Property
- Attachment K – Official Community Plan Amendment Bylaw No. 2023-34

Respectfully submitted,

Steven Collyer, RPP, MCIP
Senior Planner

Concurrence

Director of Development Services <i>BL</i>	GM of Infrastructure <i>KD</i>	Director of Finance and Administration <i>AMC</i>	Interim Chief Administrative Officer <i>KD</i>
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June 13, 2023 (UPDATED)

City of Penticton Planning Department
171 Main Street
Penticton, BC
V2A 5A9

Re: 1704 Government Street - OCP Amendment

To whom it may concern:

Stryke (Okanagan) Investments Ltd is hereby submitting an application for an OCP Amendment of the property located at 1704 Government Street in Penticton.

From the attached package, you will see that Stryke is proposing to significantly improve the site, and the surrounding community through the redevelopment of this historically underutilized industrially zoned parcel of land, directly across from one of the city's most valuable assets and employment centres, Penticton Regional Hospital.

Vision

Our vision is to create an urban, mixed use master planned community which will deliver much needed housing, office, retail, and other uses (such as age care, hotel, and ancillary space) by the location adjacent to PRH. The project will re-envision this key site into a new "Health and Innovation District" which leverages this key location within Penticton and plays off the energy and employment of Penticton Regional Hospital (PRH).

Stryke seeks to create a comprehensive development that will combine medical oriented retail and office space, with residential uses including rental, market condo, and seniors housing, to deliver a complete community. This community will have its own energy, one that is based on a synergistic relationship of the uses on site.

Ultimately, Stryke sees the opportunity to redevelop the site into a community for all, which is unparalleled in the Okanagan. By creating world class opportunities in real estate, we believe we will attract users of the space that have not traditionally included Penticton in their search. It is this wider interest that we feel will truly set the development apart and ensure the long term success of the redevelopment.

Economic Benefits

The Stryke team has developed master planned developments across Western Canada, including Edmonton, Calgary, and Metro Vancouver. At a time in the world when all projects are challenged financially, we have designed a phased development that will be self-sustaining, and deliver more employment once completed, than has existed on the site for over a decade. This total build out is expected to take up to ten years to completion of the final buildings.

While we have a strong vision for the future of the site, we respect this is a large undertaking and are looking to build flexibility into the zoning to permit the optimal development of the site over time, ensuring that momentum once started, is maintained. The ratio of uses on site will be determined at each phase, to ensure Stryke is able to respond to market demands throughout the lifespan of the redevelopment.

The subject property is a unique parcel, which is at the interface of Penticton's important industrial lands, yet adjacent to PRH, which is one of the most significant infrastructure pieces in the City, and a key to long term, sustained growth of the local and regional economy. The subject property will play a key role in bridging the gap between the two zones, through its site planning and building design.

As an underperforming industrial property, the existing use is a drag on the local economy, providing minimal property taxes and few employment opportunities. Our vision is to create medical oriented retail, office space and other uses such as hotel and age care space that will provide not only valuable property tax revenue, but space for well paid jobs. Working within the parameters created by the OCP amendment, yet having the flexibility of uses is critical to maintaining momentum by delivering appropriate uses to the market, over time.

The existing warehouse will remain on site for sometime, protecting the industrial space for the time being and providing security for the existing warehouse tenant, a long term Okanagan logistics company. The interface between this, and the new uses will be carefully managed through analysis of overlook, landscaping, and other means to protect all users of the site. Such interfaces are not uncommon between properties of differing ownership (ie. in gentrifying neighbourhoods) and Stryke has been involved in dozens of projects with this adjacency, with positive results.

According to an employment analysis prepared by IBI, the retail spaces proposed for the site have the potential to create 90+ job opportunities, and the office spaces could host over 200 employees. At most, the current use has seen approx. 100 employees, and that was nearly 10

years ago based on our analysis. This was spread out over the entire site, so the density of employment will be far higher under the proposed redevelopment.

It's important to note that Stryke is committed to the financial help of the existing businesses operating on site, and we have engaged with several of them to ensure they are considered as a part of the proposed redevelopment, with many of them being offered to remain on site throughout the initial stages of construction of the site. We have also been in discussions with both Interior Health and UBC as major area employers, and we will engage with others as the site moves through the entitlement process.

Delivering Housing & the OCP

While built in phases, each phase will deliver housing, in response to the OCP, City's 2017/2020 Regional Housing Needs Assessment, along with the latest 2023 version, which we understand will be made available shortly. We look forward to utilizing this latest market data for the design of the project.

The design of the buildings on site will respond well to many aspects of the City's OCP. Here is a list (non-exhaustive):

- **Protection of Ecosystems:** the project will protect the adjacent buffer between the development and Ellis Creek to the south;
- **Infrastructure and Transportation:** the project will provide internal and external connections to the well established pedestrian, cycle, and transit networks in the area;
- **Energy Emissions & Climate Change:** by delivering compact housing in an established area of the city, the project will deliver sustainable housing. This will be coupled with superior construction methods and other sustainability targets for the project (ie. urban agriculture, reduced reliance on cars, EV charging);
- **Community Wellbeing:** By creating an urban village which is walkable, connected, and well amenitized with a variety of users and uses, the site will holistically deliver on the physical and mental wellbeing of all users; and
- **Economic Benefit:** By creating job space (retail, office, other) and greatly increasing the property tax base, the development will add significantly to the local economy.

Our architectural team at IBI are experienced in the design of such large scale communities, and have begun the thought process early with the Stryke team to ensure that the ultimate design will deliver the highest quality of livability for residents and visitors to the site. This livability will be delivered through high quality pedestrian realm, walkability, connectedness (internal and throughout), strong form and character, and many other embedded attributes of the master planned community.

Short term rentals will be included in the residential uses so that we build in flexibility of ownership, and so that these homes can be utilized year round to house residents and visitors in the community. Thankfully, the City of Penticton has been progressive in its application of this tenure of housing, as it recognizes its importance as per the recent council decision to continue to support this and improve it through enhanced policy.

In consideration of the design, we have requested of staff that the site receive a site-specific statement within the OCP that permits heights of up to 12 stories on the site, as opposed to the 10 which is typically permitted. With the Province's desire to promote the use of mass timber in construction, and Stryke's expertise and experience with this construction methodology, we feel this site is ideally suited for this. The use of mass timber, which is regionally harvested in the Kootenay region, quicker to construct, and more sustainable, would deliver on multiple initiatives of the city and province. If constructed, it would also lead the way to more sustainable buildings of this kind in the city.

If granted, this 12 storey height will be coordinated with Interior Health and other governing bodies to ensure there were no conflicts with the helicopter flight path to PRH.

Sustainability Initiatives

Through the design of the site, Stryke will design and employ many sustainability initiatives into both the site planning, and specific building design. From rainwater catchment systems and superior building envelope design, buildings designed to Fitwel standards, the goal will be to improve occupant and visitor health and wellness. "Fitwel has a vision for a healthier future where every building is enhanced to support the wellbeing of its occupants and support healthy communities."

Where feasible, sustainability initiatives such as solar panels, passive heating/cooling options, and even waste water heat recovery will be explored for the community. Financial feasibility of all options will be explored, and Stryke and our sustainability consultants will review the design of each phase individually, and the site overall, to ensure a holistic approach is maintained.

Our team is excited to work with the City of Penticton on this generational opportunity to re-envision this property from the current state, to one which will deliver greater community benefits for decades to come. Porosity of the site will ensure walkability for residents of the development, and those in the surrounding community.

Environmental and Riparian Management

Stryke has engaged Terrawest Environmental Consulting to review the site in detail. As there were no Schedule 2 activities on site, we have submitted a Site Disclosure Waiver for the application, which has been submitted and accepted by the City.

There is a riparian area to the south of the site along Ellis Creek and will be addressed through careful design of the buildings along the southern edge, so as to avoid infringing on this setback area. Stryke has engaged a biologist at Keystone Environmental to delineate and identify key elements. We anticipate that the construction will remain far outside of this setback area. Should there be any reason for construction to impact this area, a Qualified Environmental Professional (QEP) will be engaged to review the potential impacts, by phase.

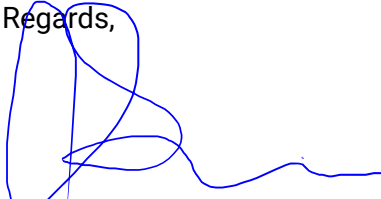
Public Engagement

The project team has been involved in the delivery of thousands of homes across Western Canada, and has undertaken community engagement as a part of those efforts. While the City manages the public engagement process, we will work closely with City Planning and other departments to ensure a cohesive message and communication around the community benefits of the project, from housing to employment. One of the key items we have provided to city staff is a Transportation Impact Assessment (TIA) demonstrating the impact of the development and requirement for upgrades to mitigate traffic to and from the site. This outlines the staged delivery of upgrades, which will ensure the project is not unduly financially burdened at the outset, but ultimately delivers on important community benefits.

Whether it be the creation of construction sector employment, or permanent employment through the retail and other uses on site, there will be opportunities for the public to understand the benefits to the local economy, and why the proposed plan is superior to the existing use, on a community scale. With regards to housing, Stryke is committed to delivering homes which are designed for local residents, and those looking to call Penticton home. Affordability will be delivered through compact, urban homes, mixed tenure of housing and potentially working with the Province (or other levels of government) to deliver housing which is subsidized. The Province has shown initial support for the redevelopment, and we have already been engaged in meetings.

Thank you for your consideration and support of our proposal. Please contact the undersigned with any questions that you have in regards to this application.

Regards,

A handwritten signature in blue ink, appearing to be 'Rocky Sethi', written over the word 'Regards,'.

Rocky Sethi
Managing Director
Stryke (Okanagan) Investments Ltd.

**City of Penticton OCP Public Engagement - Applicant Response Document
1704 Government Street**

Summary of Feedback & Applicant Responses

Stryke has participated in each of the three public engagement events conducted by the City of Penticton, with Stryke staff attending each session in person (or online). This was helpful in better understanding the context behind the feedback provided. The City’s summary document (below) outlines the extensive nature of the engagement and feedback received:



In addition to this, Stryke has engaged directly with more than 75 local stakeholders, individuals, businesses, and local organizations; with many of these providing letters in support of our proposal. These include local residents, established businesses employing hundreds of local residents (Peerless, Kenyon Contracting, Eckert Electric, Skytouch Flooring), and organizations such as the Penticton Industrial Development Association (PIDA), OK College, Penticton Chamber of Commerce, and Interior Health.

Based on our review, and discussions with City planning, we understand the primary concerns to be the following:

1. Industrial Lands;
2. Housing Need & Affordability; and
3. Traffic.

Industrial Lands

Too much conflict between residential enjoyment and industrial operations

The applicant is working with the immediate neighbour (Peerless) to better understand their operations and identify ways to mitigate the potential conflicts between the uses, and we have arranged a tour of the property on August 23rd with senior management and PIDA.

The applicant will retain the services of a professional acoustical engineering firm to review and make recommendations based on the identified areas of concern.

The applicant and their design team have significant experience designing and constructing projects with challenging adjacencies which require acoustical treatments. The applicant design team will work with the professional acoustical consultant to understand the concerns around noise transmission, and design the buildings to mitigate these impacts on users and residents.

Use of landscape buffering will be employed to further reduce the impact of conflicting adjacencies. The site also lends itself to somewhat of a natural buffer as there is a significant existing slope along the east property line and the nature of noise to travel in an upwards, not downwards direction.

Important to keep industrial land base for job creation and opportunities

The applicant has designed the site to include significant retail and office uses. In addition to this, the goal would be to include seniors living, hotel, and other uses, depending on demand. Based on our current assessment, prepared by Arcadis/IBI Architecture, the site will provide employment space for up to 200 workers, which exceeds the largest number of employees on the site in the past ten years, and matches that of Peerless Industries, at peak capacity.

In addition, the vision is to create a "Health and Innovation District" whereby the jobs created would be related to the hospital and innovation, and therefore higher paying than typical jobs within industrial uses. These jobs include lab technicians, clinicians, tech workers, and other skilled workers.

Housing Need & Affordability

Affordable rental units to be included

The applicant is working with the City of Penticton and the Province of BC to include additional levels of affordability within the development. Additionally, through the process, the applicant will seek to work with CMHC for any rental buildings on site, which will include levels of affordability as part of the approval criteria.

Without government funding, rental housing is challenging to provide in this high interest rate and high construction cost environment.

Units should include mixed options (1, 2, 3 bedroom homes),
The applicant has designed the site to accommodate 1, 2 and 3 bedroom homes.

Units should not be available for short term rental

Based on discussions with staff, and as per the recent report to Council, and related City Council decision, where City Council recently voted 6-1 in favour of continuing to approve STRs, with stronger licensing and enforcement. We also understand there is a significant shortage of newer, quality hotel rooms in the City. Due to these reasons, STR will be included in the zoning bylaw for the development.

Units should include affordable housing options

Due to the nature of the housing being created through this project, where residents are placed close to amenities, transit, and places of work, the development will contribute to the housing supply in the city and therefore improve affordability.

Additionally, the applicant is working with the City of Penticton and the Province of BC to include additional levels of affordability within the development. It is our hope that through such strategic partnerships, the development will be able to offer enhanced levels of affordability options in housing.

Traffic

Additional access points, not on Government, needed for getting in and out of the property
The applicant has retained Arcadis/IBI Transportation Engineering and will work with the City of Penticton to gain an additional ingress/egress point to the site, as part of a phased offsite improvement schedule for the development. The review by Arcadis/IBI examined all potential options, and the recommended option is an extension of Page Ave. This would utilize an existing city owned road, and direct traffic away from Government Street, onto Dartmouth where it could disperse easily.

Access to the Hospital not to be impacted, consider road design improvements

+Upgrade Government Street to accommodate the increase in traffic

Traffic congestion and concerns along Government Street have been ongoing, and even predate the hospital expansion. The hospital expansion exacerbated the situation, particularly with the problematic access to Government Street.

The proposed development would provide improvements along Government, which will be coordinated with the City of Penticton's traffic and engineering departments, and ultimately will provide a secondary access to/from the site, which will improve traffic flow in the area.

Traffic impacts and congestion on Government Street is already an issue
We understand that existing traffic congestion is a concern for local residents.

The applicant has retained Arcadis/IBI Transportation Engineering to undertake an initial TIA of the existing conditions, and is working with the City of Penticton to mitigate additional impacts from the development. This includes a second ingress/egress to the site, likely to the city owned Page Avenue, distributing traffic directly to Dartmouth, instead of Government.

The applicant is also in discussions with Interior Health to understand their needs and future expansion plans in regards to traffic. Any such improvements will follow a phased implementation, in line with the development of the project.

Other

Impose a timeline on the developer for completion

This is not feasible, as development is subject to financial requirements and targets. The development is designed to be phased to enable a steady build out of the project, and the applicant has worked extensively with the City on this matter for over a year.

Include green space or parks

The site will include extensive green areas for residents and visitors to enjoy. In addition to this, the development will provide improvements to Ellis Creek for the broader community.

Rather than quantity, the focus is on the quality of open spaces within the development. The open spaces on site will be programmed to allow for both public and private use, and accommodate a broad generation age. The spaces will be left open to allow for temporary programming, such as weekend kiosks/farmers market spaces and pop-up outdoor events. Catenary lighting and other elements will be used throughout, to create an inviting atmosphere for residents and visitors to the community.

Lower Density and/or Height of Buildings

The applicant has proposed a mix of buildings, ranging from 6 to 12 stories, The majority of the buildings will be no more than 6 stories in height. These buildings will be at or lower than the height of the new Kempe Tower at PRH. There will be little impact to surrounding residential areas, north of Carmi, as the site is up to 40 feet lower than Carmi at most points.

Importantly, taller buildings allow for smaller footprints, while achieving the same amount of housing. With smaller footprints, we can provide more green/open space at grade, creating a better pedestrian realm.

The density of the site is proposed at a base of 2.5 FSR. This is important for the financial viability of the project, and would create a financial hardship on the project if reduced. Given its proximity to PRH and the City's consideration of increasing density under the new OCP review, it would be counterintuitive to reduce heights. In fact, the applicant seeks to permit heights up to 12 stories, to take advantage of the Province's new EMTC guidelines, for construction buildings in mass timber.

Provision of adequate parking onsite for residents and visitors as well as retail spaces

The applicant has retained Arcadis/IBI Transportation Engineering and will work with the City of Penticton to ensure adequate parking is constructed on site. The zoning bylaw is being written to permit flexibility between residential and commercial visitor spaces, providing more opportunities for optimization of parking and therefore better access to parking stalls for all users.

Support active transportation

The applicant has significant experience in developing communities offering residents improved access to alternative transportation, in particular transit, e-bikes, and traditional bicycles, to reduce reliance on the automobile.

E-bike chargers, convenient access to bike rooms, bike repair areas, and more, will all be designed into the development to promote active transportation. The site will be designed to encourage safe, pedestrian movement, and provide porosity internally and externally.

The site also looks to tie into the pathway along the Ellis Creek riparian zone to encourage great pedestrian connectivity and use. There is also potential opportunity to create pedestrian connections to the north, tying to Carmi Ave.

Maintain/protect riparian aspects of Ellis Creek

The applicant has retained biologists at Keystone Engineering to address the riparian interface between the buildings on site and the Ellis Creek riparian zone. These biologists will develop a plan in alignment with the requirements of the Province's RAPR (Riparian Area Protection Regulation) program, ensuring the interface is improved and long term sustainability of the creek is improved.

Infrastructure (roads, water, sewer) can not support additional homes and traffic

The City of Penticton has confirmed that there is utility capacity for the proposed development. The project will also contribute significant nearly \$7M in DCCs in addition to site specific upgrades, which will be paid in part or entirely by the development.

The applicant is working with the City of Penticton to determine the best location for a second ingress/egress to the site.

Other locations (ie. downtown) would be better suited

Based on the 2023 Housing Needs Assessment, significant additional housing will be required across the city, to address the existing and growing demand.

Housing in this location will support the significant shortages noted by large employers in the area, including Interior Health/PRH and PIDA. Housing close to either lake, by default, drives higher pricing, and the opportunity to create workforce housing in this central location, with established infrastructure and amenities, is in direct alignment with the City's OCP.

Parking will be a major issue, hospital staff already use residential streets, industrial areas, and existing commercial in the area

The applicant has retained Arcadis/IBI Transportation Engineering and will work with the City of Penticton to ensure adequate parking is constructed on site.

Walkability and active transport options need to be improved to provide alternative options to congestion

The applicant has significant experience developing communities offering residents improved access to alternative transportation, in particular transit, e-bikes, and traditional bicycles, to reduce reliance on the automobile.

E-bike chargers, convenient access to bike rooms, bike repair areas, and more, will all be designed into the development to promote active transportation. The site will be designed to encourage safe, pedestrian movement, and provide porosity internally and externally.

Concerns about the capacity of Carmi Elementary to accommodate an increase in population in the area

Carmi Elementary enrollment has dropped since 2006, from over 200 students to approx 130 currently, resulting in the school being under capacity. Based on publicly available documents, issued by SD67, the school has a 60% utilization rate.

FACILITY UTILIZATION SUMMARY

School Facilities	Operating Capacity	2021 Enrolment	Over/Under Capacity	Total Utilization	2022 Enrolment	Over/Under Capacity	Total Utilization	2027 Enrolment	Over/Under Capacity	Total Utilization	2032 Enrolment	Over/Under Capacity	Total Utilization
Penticton													
Carmi Elementary	245	137	-108	56%	146	-99	60%	147	-98	60%	144	-101	59%
Columbia Elementary	309	276	-33	89%	284	-25	92%	287	-22	93%	284	-25	92%
Kaleden Elementary	177	84	-93	47%	81	-96	46%	86	-91	49%	88	-89	50%
Naramata Elementary	177	71	-106	40%	66	-111	37%	60	-117	34%	60	-117	34%
Parkway Elementary	245	230	-15	94%	221	-24	90%	228	-17	93%	238	-7	97%
Queen's Park Elementary	267	251	-16	94%	262	-5	98%	270	3	101%	275	8	103%
Uplands Elementary	290	248	-42	86%	253	-37	87%	270	-20	93%	259	-31	89%
West Bench Elementary	154	115	-39	75%	116	-38	75%	105	-49	68%	106	-48	69%
Wiltse Elementary	358	315	-43	88%	306	-52	85%	307	-51	86%	295	-63	82%
KVR Middle	525	538	13	102%	517	-8	98%	509	-16	97%	529	4	101%
Skaha Middle	500	510	10	102%	497	-3	99%	496	-4	99%	500	0	100%
Penticton Secondary	1350	914	-436	68%	937	-413	69%	860	-490	64%	918	-432	68%
Princess Margaret Sec	650	523	-127	80%	550	-100	85%	574	-76	88%	578	-72	89%
	5002	4212	-790	84%	4236	-766	85%	4199	-803	84%	4274	-728	85%

← Schools under 75% capacity

Source: SD67 Long Range Facility Plan, Enrolment and Capacity Analysis, Oct. 27, 2021 ([LINK](#))

Desire to see sustainable development, incorporating solar panels and community gardens
 By redeveloping an underutilized industrial property into a mixed use community, where residents and business can utilize non-vehicular transportation options, the project will improve the sustainability of the property, long term.

The applicant has worked with Terrawest Environmental to deem the site clean of contaminants from previous uses. The applicant will look to design buildings on the site using best practices, and consider sustainability initiatives in alignment with the viability of the project and its users, long term.

The applicant is considering integrating [FitWel](#) into its building design. FitWel is a third party rating system developed by the Center for Disease Control (CDC) based out of Washington DC. This program seeks to design buildings which offer designs to improve occupant health and wellness.

The construction will be wood frame, and include some mass timber components. These materials are renewable, carbon sequestering, and spruced regionally resulting in reduced greenhouse gas (GHG) emissions than their alternatives.

Attachment C - OCP Amendment Plans Package (applicant)



Official Community Plan Amendment
Penticton Health and Innovation District
1704 Government Street, Penticton



Submitted to City of Penticton
by Arcadis Architects (Canada) Inc.
June 2023



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Introduction



Executive Summary

Application Overview

Proposing rezoning from industrial to mixed use on a 10 acre site in central Penticton. The site will address Penticton’s goal in increasing housing stock and residential density. The mixed-use site proposes ground level retail, a mid-rise office tower and between 1200-1500 units depending on housing demand, which will be assessed based upon need as the project progresses due to the long term nature of master planning and scale.

Not only will this new development support the City’s goals in the Regional 2020 Housing Assessment, but also pair well with the adjacent Penticton Regional Hospital as both a community hub for retail amenities and live-work proximity improvements for staff. The goal of the development is to respond to the OCP vision of sustainable community growth. The timeline for redevelopment on this site will respond to that vision as informed in conjunction with market demand.

The rezoning proposes a minimum site density of 2.5 FAR with a max height that will respect the adjacent hospital flight paths, subject to review and approval with IH.

The site also looks to integrate with the adjacent Ellis Creek riparian zone by respecting this as a green belt and increasing pathway connectivity for all members of the community.

The development will respect the single family and industrial adjacencies through design measures including building design & orientation and acoustical treatment, as required by phase. Examples of this design treatment to separate use would align with the OCP’s principles of functional use of landscapes, including screening and buffering using planting material and fencing that respects a natural palette to minimize visual impacts.

Project Vision

The project will re-envision this key site into a new Health and Innovation District which leverages this key location within Penticton and plays off the energy and employment of Penticton Regional Hospital (PRH). Stryke seeks to create a comprehensive development that will combine medical oriented retail and office space, with residential uses including rental, and market condo, to deliver a complete community. This community will have it’s own energy, one that is based on a synergistic relationship of the uses on site.





Proposal Summary

Design Rationale

The site lends itself to Mixed-Use typologies with the opportunity to line Government Street with retail frontages, filling a current gap in the neighbourhood for a centralized, community and retail hub. The goal is also to introduce residential density to the area in place of the current industrial use and place retail and office uses close to the energy and employment of PRH.

The Ellis Creek riparian zone, directly south of this site, helps to inform building mass and orientation. By respecting the riparian zone, it allows the opportunity for the residential buildings to run parallel to this green space and take advantage of a southern exposure. Taller buildings are located to the southern boundary of the site, to respect the flight path for the adjacent hospital.

Public Benefit

The Penticton Regional Hospital is directly across the street and had a recent \$300m expansion, completed in 2022. The proposed mixed-use typology would not only provide potential housing options for hospital employees, but also retail options for employees and visitors alike. The retail spaces proposed for the site have the potential to create 90+ jobs opportunities, and the office spaces could host over 200 employees.

The retail and office nodes also help to create a more sustainable and walkable community for the residents of the site, and would create more jobs within the neighbourhood area.

This location can become a hub between Penticton's two lakes by creating a human scaled public realm on the western property border. It would bring connected paths and drought-resistant landscaping to a site that is current hardscaped and lacking pedestrian porosity. The site would provide additional public sidewalks, in particular widening the public realm where it interfaces with government street, and provide a tie in to the pathway system along Ellis Creek





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Location and Policy Context



Location and Context

Site Description

The 10 acre site at 1704 Government Street is located between the Carmi neighbourhood to the north, Penticton Regional Hospital to the west, and industrial areas to the south and east. It is approximately 1.5 km south of downtown Penticton, in the centre of the city between Lake Okanagan and Skaha Lake. Ellis Creek and an associated walking trail run along the south edge of the site.

The site is currently comprised of a large industrial warehouse and surface parking lot. The site has a flat topography within the property boundaries, with a significant elevation gain outside the property line to the north, towards Carmi Ave, and an elevation drop to both the eastern and southern borders.

Penticton Airport Flight Path

The site does not fall under the Penticton Airport flightway.

Penticton Regional Hospital Flight Path

This site is directly across from the Penticton Hospital and will maintain that the top of all buildings will not interfere with the flight path, to be agreed upon with IH.



Site Location



Site Surroundings

As Penticton grows, new housing has been proposed, approved, and built in all areas including north and south of the site. The immediate surroundings include a stable residential neighbourhood in the central Carmi area.

Notably, the neighbouring community has evolved to include medical office space, housed within the residential community, particularly along Carmi Ave.

The adjacent hospital underwent a \$300M expansion which was completed in November 2021.



View of Government St. facing Penticton Regional Hospital



View of the 740 Carmi Ave, fronting onto Government St.



View of the residences north of the subject site



Mountain view facing west from Carmi Ave north of the site



View of walking trail along Ellis Creek



View of the south edge of the subject site, Industrial Ave facing west



Policy Context - 2045 Official Community Plan

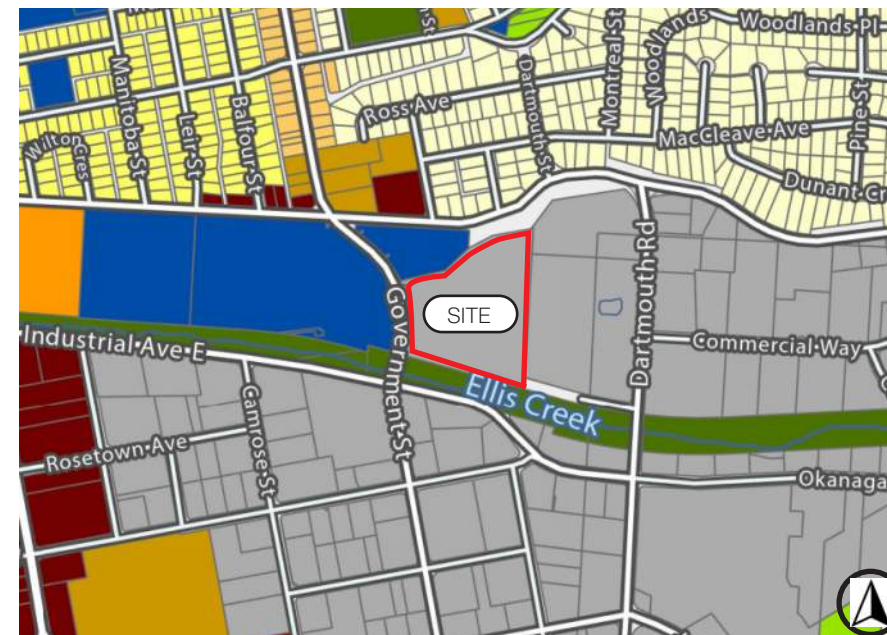
Overall Plan

Adopted in 2019, Penticton's Official Community Plan Bylaw 2019-08 guides land use and planning decisions.

Land Use

The subject site is currently designated as Industrial Land per the OCP land use plan. It is the northwest edge of the industrial area surrounding Ellis Creek at the centre of the city, with Institutional and Civic uses to the west and a mix of commercial and residential uses to the north.

The site does not fall within the Downtown Development Permit Guidelines areas or Hillside Development Permit Areas.



LEGEND

Commercial	Institutional and Civic
Urban Residential	Ground Oriented Residential
Mixed Use	Detached Residential
Natural Conservation Areas	Industrial
Parks	Subject Site

Penticton OCP Future Land Use Plan

Response to OCP

This application seeks to redesignate the designated land use from Industrial to Mixed Use using a Comprehensive Development zone in align with policy 4.1.3.1. encouraging a higher level of density around a high employment and service based area. The proposed uses are retail, residential, and office/healthcare.

The proposed direction will allow the site to continue its role as employment lands, and will complement the hospital site with nearby medical offices and healthcare services or research centers. This concentration of healthcare uses will enable efficiencies for the health related industries co-located here. Additionally bringing in retail spaces will allow for the reintroduction of plazas and green space connections for the residents and the general public aligning with policy 4.1.6.2 .

The large site permits a comprehensive, integrated land use plan that will expand the adjacent residential and nearby commercial uses onto the site. This will strengthen the urban fabric of the central area of Penticton, and provide a community node outside of downtown. The new commercial will offer shops and services to healthcare workers and nearby residents, as well as serving the new, growing population. The introduction of multi-unit residential housing in this area will create a compact, efficient use of land that promotes affordable living and offers a variety of housing choices including family housing, ground-oriented residences. Providing this diversity in housing options allows for first time home buyer options as well as options for downsizing as per policy 4.1.3.4.



Policy Context - Zoning Bylaw No. 2023-08

Schedule B - Land Use Classifications

Adopted in 2023, Penticton's zoning bylaw contains the following designations for the subject site:

- M1 General Industrial
- C4 General Commercial

Development Regulations

M1 General Industrial regulations

This zone provides for a mix of general and light industrial uses.

Height Max. 15m

Min. Front Setback 6.0m

C4 General Commercial regulations

This zone provides for shopping centres, large format retail, and strip commercial uses.














Height Max: 13m

Density Max: 1.0 FAR

Min. Front Setback: 3.0m



LEGEND

	M1 General Industrial		C3 Mixed Use Commercial
	C4 General Commercial		RD1 Duplex Housing
	M2 Heavy Industrial		RSM Mobile Home Park
	P2 Parks and Recreation		RM2 Low Density Multiple Housing
	P1 Public Assembly		RM3 Medium Density Multiple Housing
	C1 Commercial Transition		No Zoning
			Subject Site

Penticton Zoning Bylaw Classifications

Rezoning Proposal

This application proposes to rezone to a Comprehensive Development site that will allow a mix of commercial, residential, retail, and open space uses on the site.

The form of development will follow precedents from the surrounding developments and fit the scale of a mid-town community hub. The setbacks will be consistent with General Commercial regulations. The additional height proposed on site is to support the need for mixed use development in this area, allowing for adequate residential to meet proposed housing needs. The overall addition to building height allowance will have a low impact on the adjacent sites, and respect the neighbouring sites and hospital flight path by concentrating 12 storey heights to the south.

Proposed heights: 4-8 Storeys Mixed across site with potential to build up to 12 Storeys - subject to discussion with IH.

Proposed density: 2.5 - 3.5 FAR



2023-06-06

Housing Policy

2020 Housing Needs Assessment

The 2017 Housing Needs Assessment identifies a number of priority needs for the City of Penticton. A summary of these includes the need to create more affordable units, enhance the stock of rental housing, introduce more smaller units, and facilitate the development of under utilized lots for housing.

Per the data reported in the assessment, the neighbourhood (described as Killarney/Penticton Ave in the report) saw a decline of population from 2006-2011. The Penticton median household income is around \$54,000. There has been declared an extreme need for a wider range of housing options such as smaller type units offered within condo buildings. However, over 60% of homes in the neighbourhood are detached, and only 1/4 are apartments. Overall the neighbourhood has been fairly static for the past several decades, with over 75% of homes being built prior to 1980. These statistics indicate that the stock of housing available may not be best suiting the residents needs, and that more options including affordable units, rental tenure options, and different types of homes may better serve current and future residents.

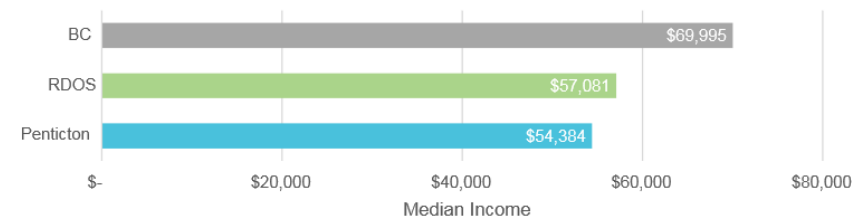
Plan Response

The 10-acre site is located in a central area in close proximity to transit and active transportation networks throughout Penticton. It is an ideal location to introduce much-needed housing that is well served by amenities and will enrich the neighbourhood.

The site will address the Housing needs by providing a mix of unit types. The addition of retail space will improve services and amenity available to residents of the site.

The development will provide between 1200-1500 residential units based on demand and assessment of housing needs as the project progresses.

FIGURE: Household median income Penticton, RDOS, BC, 2016



Median income for all households in 2016 was around \$54,000. This was slightly lower than the median for RDOS (\$57,000) and the median for the province as a whole (\$70,000).

OVERALL UNIT MIX	
UNIT TYPE	%
STUDIO	10.0%
1BR	45.0%
2BR	40.0%



Environmental and Riparian Development Permit Areas

Riparian and Environmental Guidelines

The subject site falls under the Riparian Development Permit Area, and the south edge borders the Environmental Development Permit Area.

Riparian Development Permit Area Objectives:

- Protect and enhance water quality and prevent contamination of water from land use and development activities
- Regulate development to protect aquatic habitat, enhance, conserve and restore watercourses in their riparian areas
- Regulate development activities and support riparian restoration to restore fish habitat, protect ecological, cultural, and public amenities

Development is not permitted within 30m of the high water mark or top of stream ravine bank within city boundaries, as mapped by the Riparian Development Permit Area.

A relatively consistent sliver of approximately 5m of the Riparian Development Permit Area crosses the site inside of the property line.

Response:

The proposed development aims to maintain the Riparian zone in accordance with the Penticton Bylaw guidelines and undertake the services of a Qualified Environmental Professional. The current design reflect a 30m setback from the watercourse boundary as noted on the City of Penticton GIS Property Viewer, however it is anticipated that this setback will be refined through the engagement process with the QEP. The review of the site is currently in progress and is expected to conclude shortly.



LEGEND

- Riparian Development Permit Area
- Environmental Development Permit Area
- City of Penticton Easement



Ellis Creek Masterplan

The City of Penticton adopted the Ellis Creek Masterplan in 2019. The objectives are to:

- Stabilize Ellis Creek channel
- Improve ecological function
- Increase flood resilience
- Decrease infrastructure risk
- Increase aesthetic and park values

The site edge falls between Reaches 6 and 7. The condition of this area is defined as an incised, steep, straight channel. The design criteria for this area are to increase fish habitat, stabilize the bed and bank, and tie the channel grading downstream. Design measures to achieve this may include riparian planting, infrastructure changes, and bioengineering. It is the highest priority reach in the masterplan for erosion and fish protection, and a high ranking priority for flood protection.

Neighbourhood Context

Connectivity Network

The site is located directly across from the Penticton Regional Hospital and directly north of the Ellis Creek Pathway.

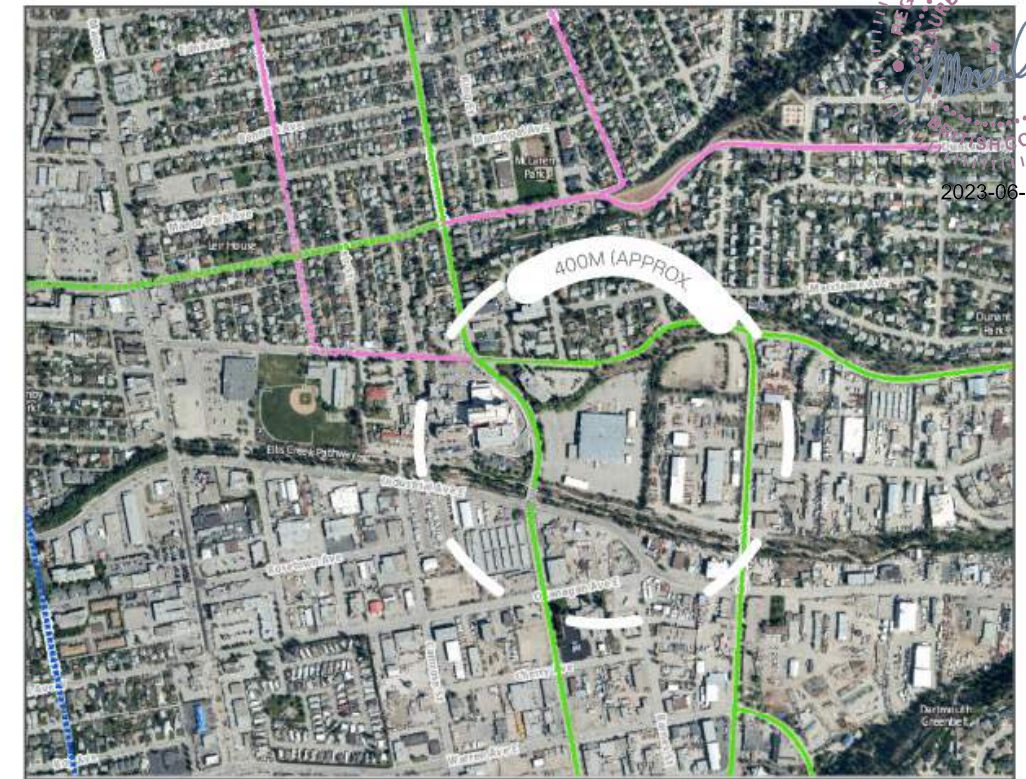
The site is within a 20 min. walk to the Cherry Lane Exchange on the transit network, or also accessible via Route 1. It also provides frontage and connectivity to the standard bike route along Government Street that allows connection via Duncan Ave to the Lake to Lake bike route being completed in 2023.

The Ellis Creek pathway is directly to the south of the site, providing a buffer of Industrial Ave. for pedestrians.

Stryke will include bicycle oriented design encompassing amenities, bike repair and storage areas, as well as convenient and direct access to/from buildings.

LEGEND

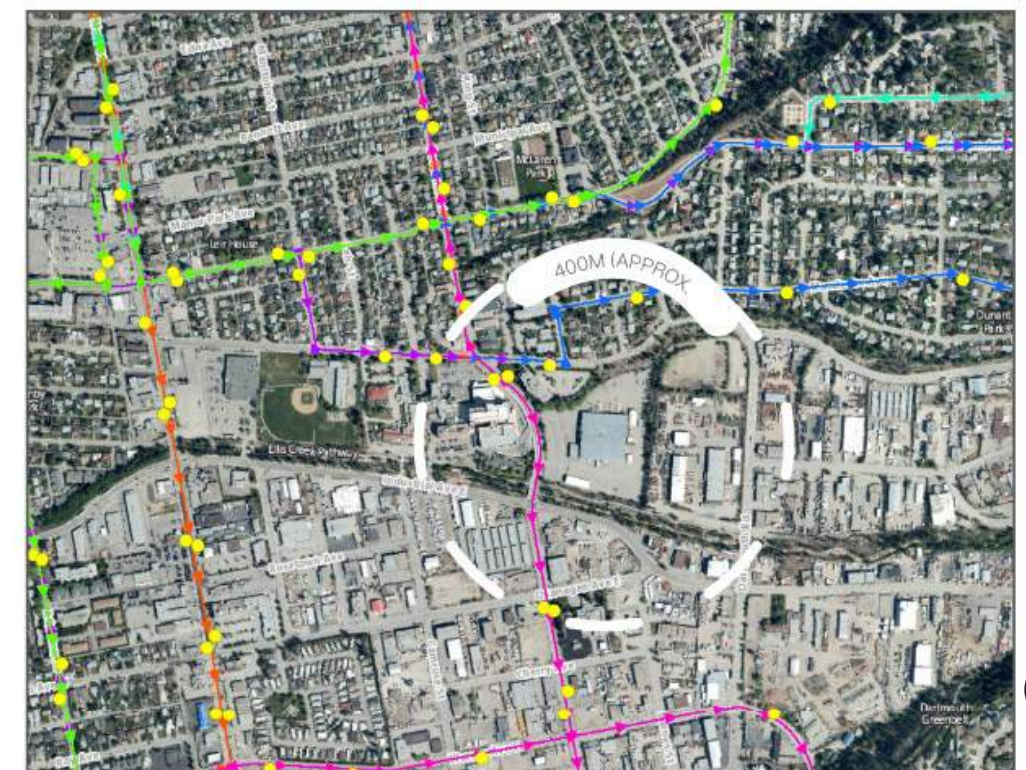
- Separate Bike Lane, Existing
- - - Separate Bike Lane, Proposed
- Shared Bike Lane, Existing
- - - Shared Bike Lane, Proposed
- Standard Bike Lane, Existing
- - - Standard Bike Lane, Proposed



Cycling Network

LEGEND

- Transit Route 1
- Transit Route 2
- Transit Route 3 (School)
- Transit Route 4
- Transit Route 5
- Transit Stop



Transit Network



Neighbourhood Context

Local Amenities

Located halfway between Okanagan and Skaha Lake in central Penticton, the site is well situated to both access and provide amenities and services.

The Penticton Regional Hospital, Carmi Elementary School, Leir House Cultural Centre, McLaren Park & Arena, as well as many other healthcare and food service businesses are within a 5-10 min walk of the site. These businesses can be further complimented with the addition of new retail and office spaces in the proposed typology mix.



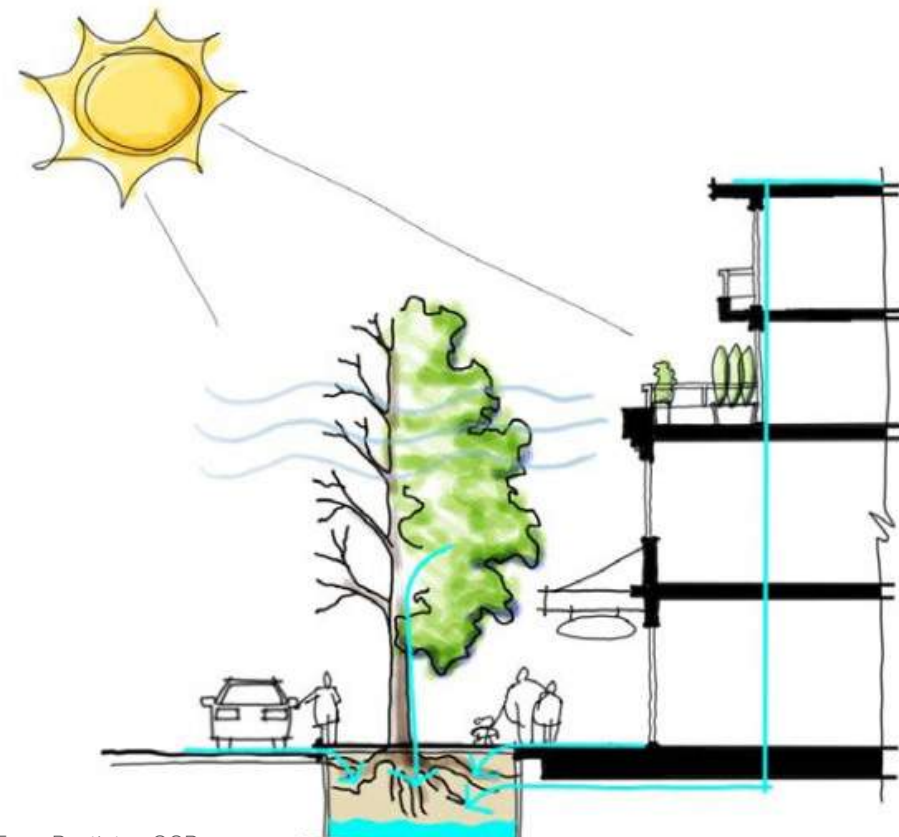
Map Courtesy of penticton.ca



2023-06-06

Response to OCP and Bylaw Guidelines

The Government Street site falls under the Commercial & Mixed-Use Development Permit area (5.3.3), an area with a high standard of urban design built on the following design objectives: produce streetscapes defined by attractive buildings and landscaping, transition parking to more pedestrian friendly and amenity rich zones, provide attractive and safe pedestrian and vehicular environments, establish built forms using quality urban design and reflect the multi-family design guidelines for mixed-use.



From Penticton OCP

GENERAL RESIDENTIAL & MIXED USE GUIDELINES

Relationship to the Street

- ✓ Development should activate the public realm and shared open spaces by placing active uses at street-level (CM1, CM3)
- ✓ Entries should be visible and clearly identifiable from the fronting public street (CM19, G28)
- ✓ Development should orient windows porches, balconies and patios toward the public realm, allowing for casual overlook of parks, open spaces, and parking areas (G29, CM3, CM4)
- ✓ Extensive blank walls along the street should be avoided (CM12, G30)
- ✓ Provide screening or visual interest on solid walls that exist as a function of an internal program (CM12, G31)

Scale and Massing

- ✓ Varied height and typology breaks up massing across site (G22, G23)
- ✓ Ground plane private patios will be used as natural buffer zones between public sidewalks and private residences to create a human scaled, activated and inviting pedestrian realm (G13, G27)

Site Planning

- ✓ The unique condition of retail frontage on Government Street and the stepped back office and residential is tailored to the surroundings and context (CM3)
- ✓ CPTED principles such as lighting, sight lines, clear entrances and natural surveillance are included in the design, with particular attention given to creating clear sight lines from the street realm at commercial frontages (G29, CM10)
- ✓ Traffic calming measures such as street narrowing at intersections with pedestrian crossings (4.2.7.4)
- ✓ Publicly accessible gathering spaces and retail plazas at the West boundary of the site to encourage community interaction (CM2)

Site Servicing, Access and Parking

- ✓ Garage access and back of house uses are consolidated and accessed from interior site streets to mitigate traffic impacts on adjacent roadways (G16, CM4)
- ✓ Parking will be a mix of below grade structures and selected on-street spaces to support retail business (G18)
- ✓ Each building will be equipped with bicycle parking facilities to encourage sustainable modes of transportation (G19)

Streetscapes, Landscapes, and Public Realm Design

- ✓ On-site open spaces are designed to be functional, engaging, and attractive through the positioning towards sunlight, centralized courtyard gathering spaces and comfortable amenities such as seating, planting, shade trees, lighting, and high quality materials (G21, CM2)
- ✓ Drought-resistant landscaping is used to soften the hardscape and provide on-site storm water management (G33, G37)
- ✓ Strategically placed and oriented exterior lighting promotes safety and visibility, and accents architectural features and walkways, while avoiding light pollution and illuminating neighbouring sites (G48, G49)

Use Buffering, Features and Materials

- ✓ The site will address respecting the neighbouring sites and screening adjacent uses by using landscape buffering via planting and fencing that respects natural materials and is not visually disruptive (G2, G38)
- ✓ Use of landscaping and surface materials to clearly delineate public and private realms and assist in wayfinding (G39)
- ✓ Contemporary, high quality materials intermixed with natural elements are a part of defining the Okanagan architectural style and will be used through the site (5.3.2.4.(3))

Precedent Community Imagery





Proposed Development and Plans



2023-06-06

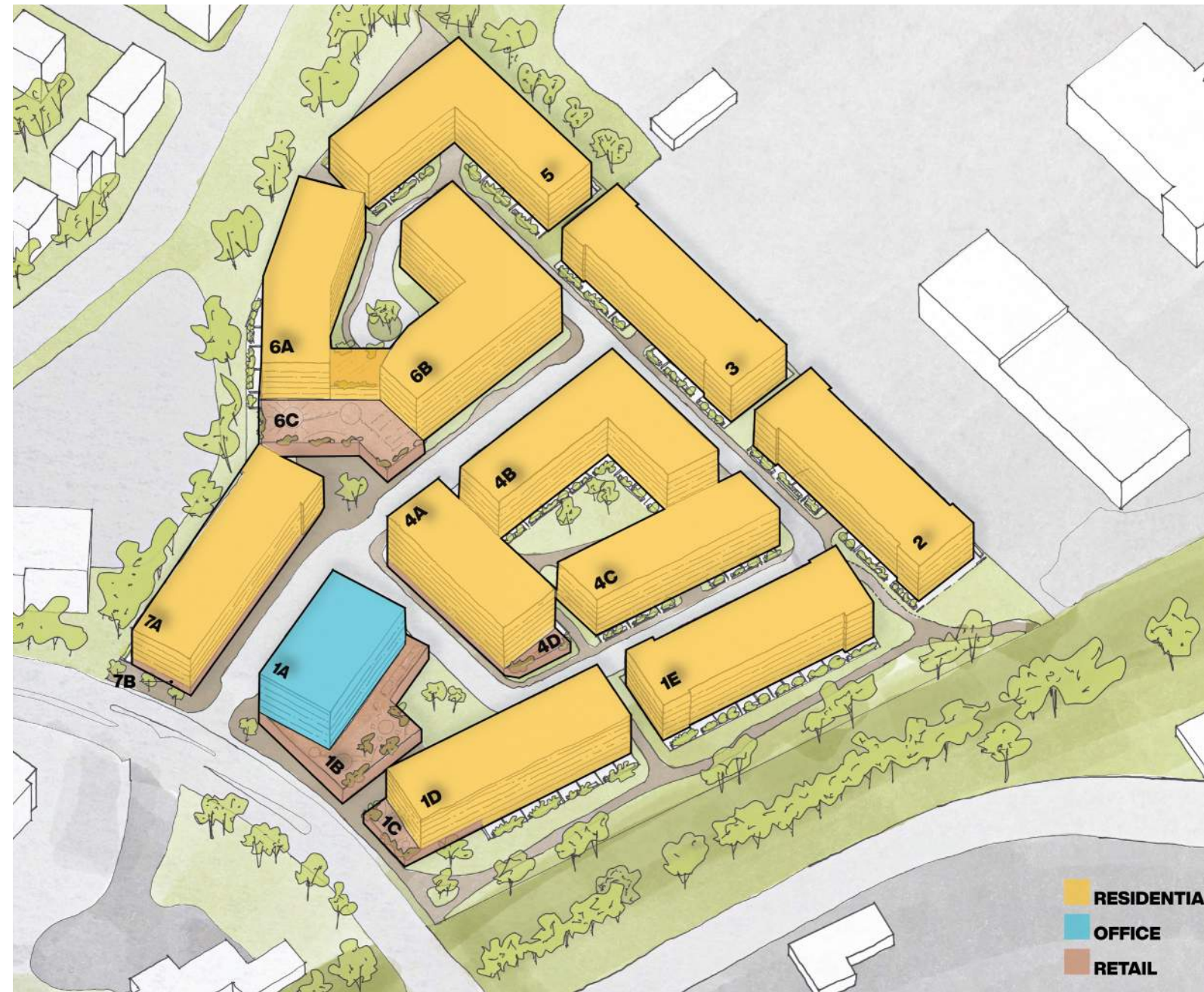
Overall Site Plan





2023-06-06

Basic Programmatic Massing + Typology





2023-06-06

Basic Programmatic Height



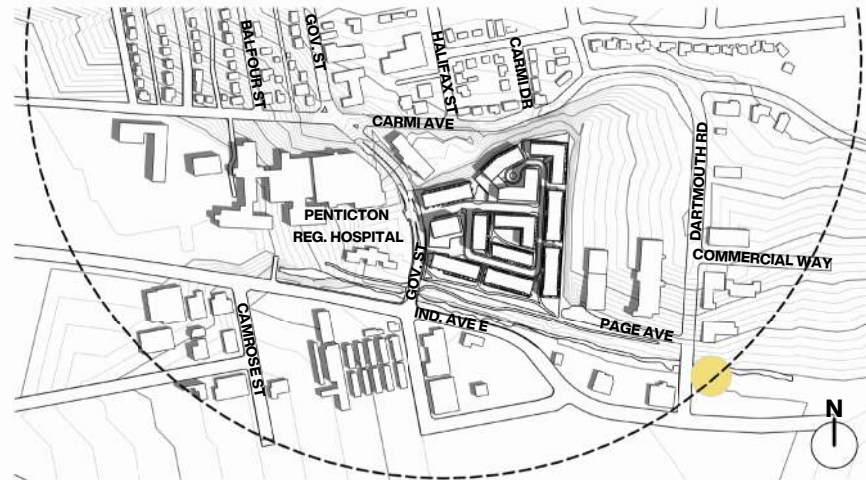
*Heights shown schematically as 4-8 Storeys, however application is for 12 Storey overall height to allow for future flexibility to respond to housing demand pending flight path review



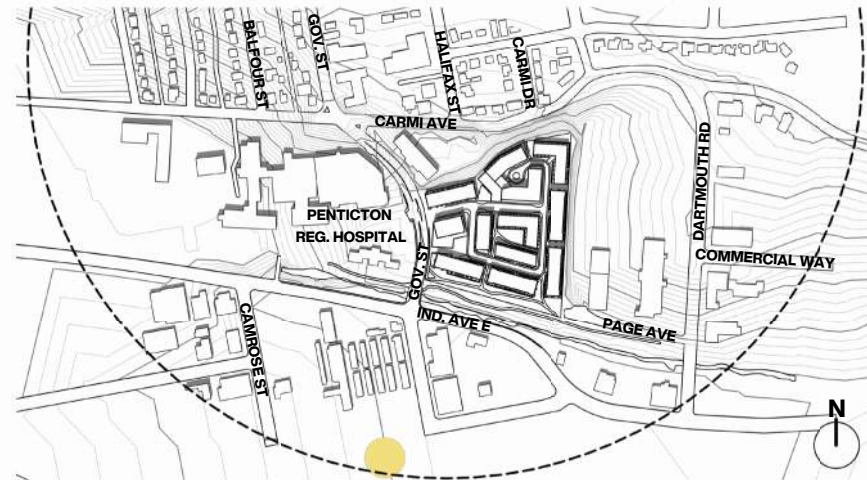


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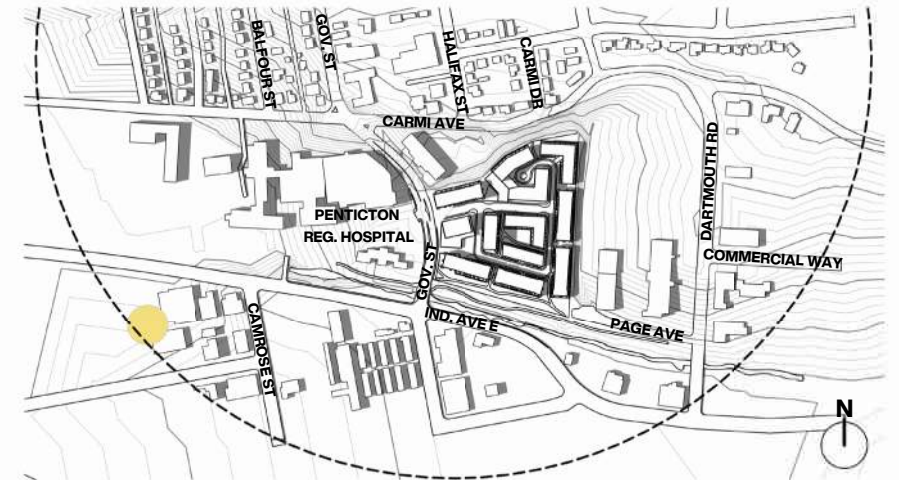
Preliminary Shadow Studies



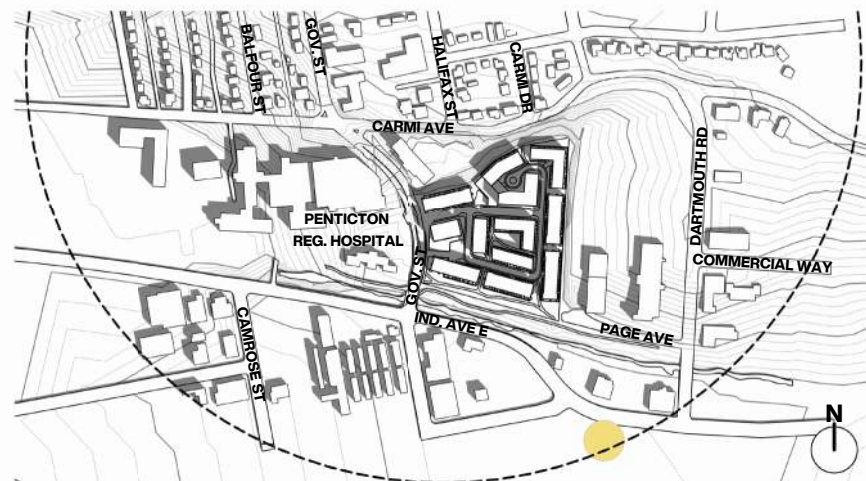
1 SUMMER SOLSTICE 9:30 AM
A5.0 Scale: NTS



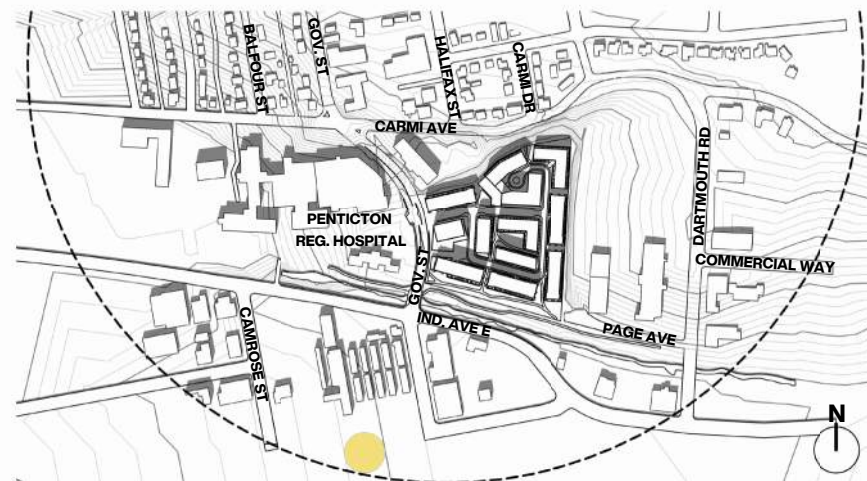
2 SUMMER SOLSTICE 12:30 PM
A5.0 Scale: NTS



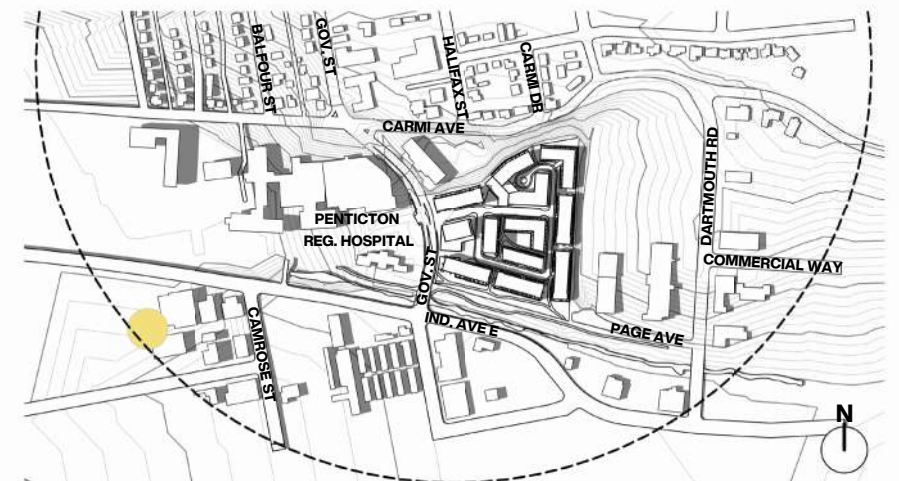
3 SUMMER SOLSTICE 3:30 PM
A5.0 Scale: NTS



4 FALL EQUINOX 9:30 AM
A5.0 Scale: NTS



5 FALL EQUINOX 12:30 PM
A5.0 Scale: NTS

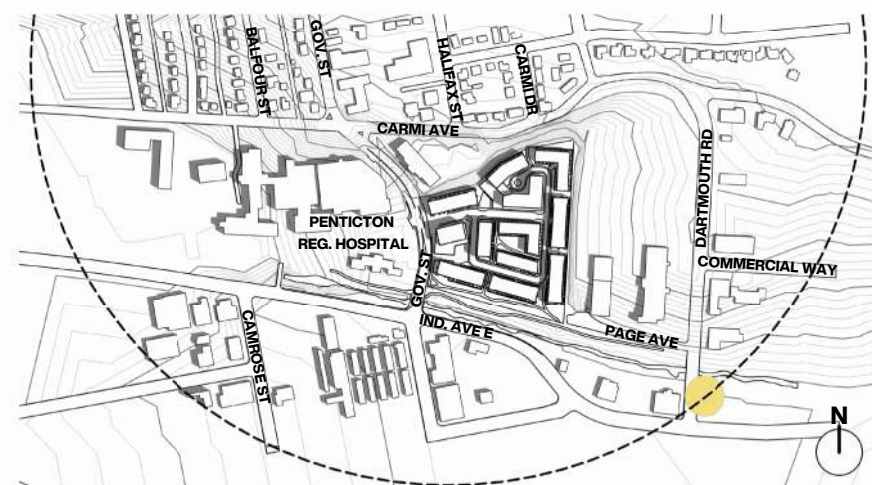


6 FALL EQUINOX 3:30 PM
A5.0 Scale: NTS

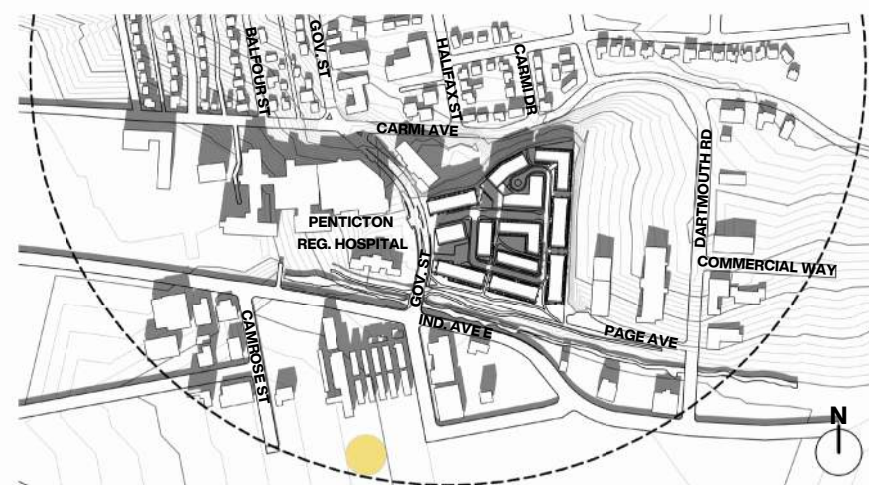


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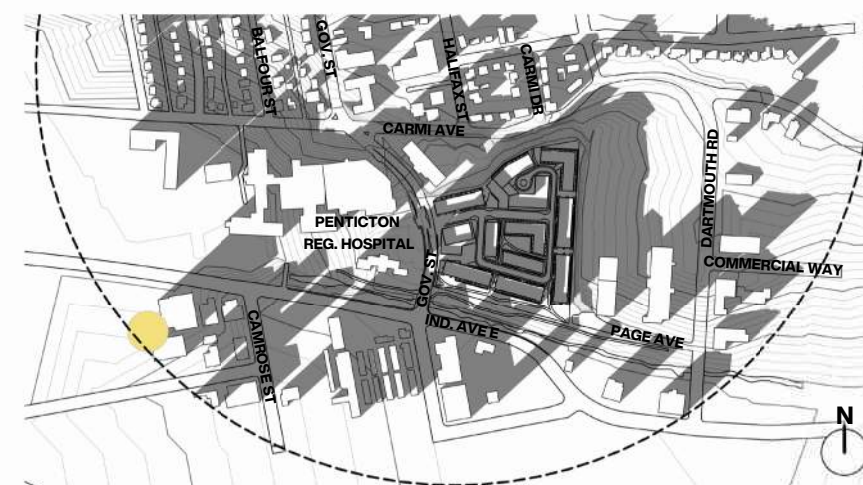
Preliminary Shadow Studies



1 WINTER SOLSTICE 9:30 AM
A5.1 Scale: NTS



2 WINTER SOLSTICE 12:30 PM
A5.1 Scale: NTS



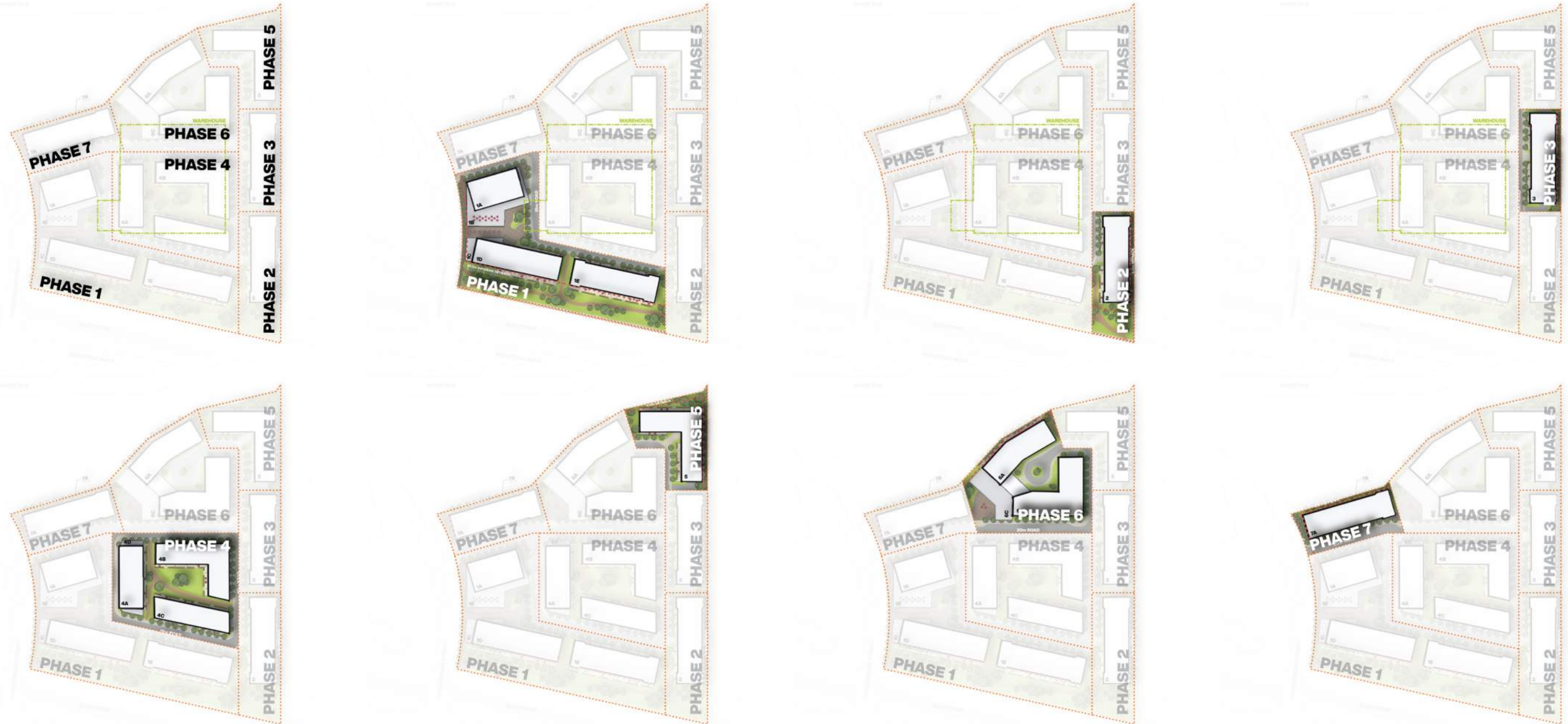
3 WINTER SOLSTICE 3:30 PM
A5.1 Scale: NTS



4 3D VIEW - FALL EQUINOX 3:30 PM
A5.1 SCALE:



Site Phasing Plans

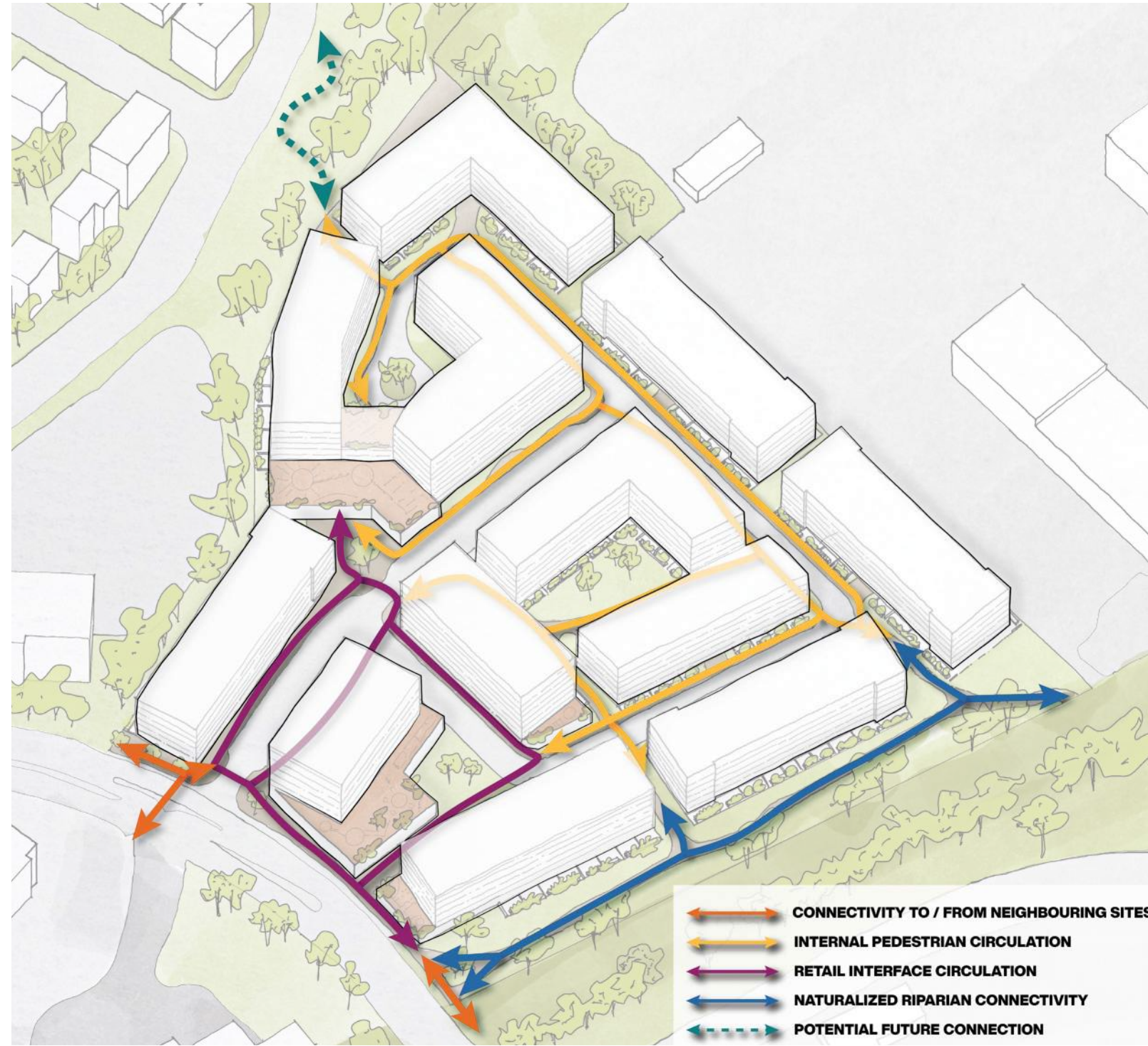


Note: Primary industrial/warehouse building is anticipated to be removed after Phase 3, prior to start of Phase 4. Smaller/ancillary buildings will be removed as required, by phase.



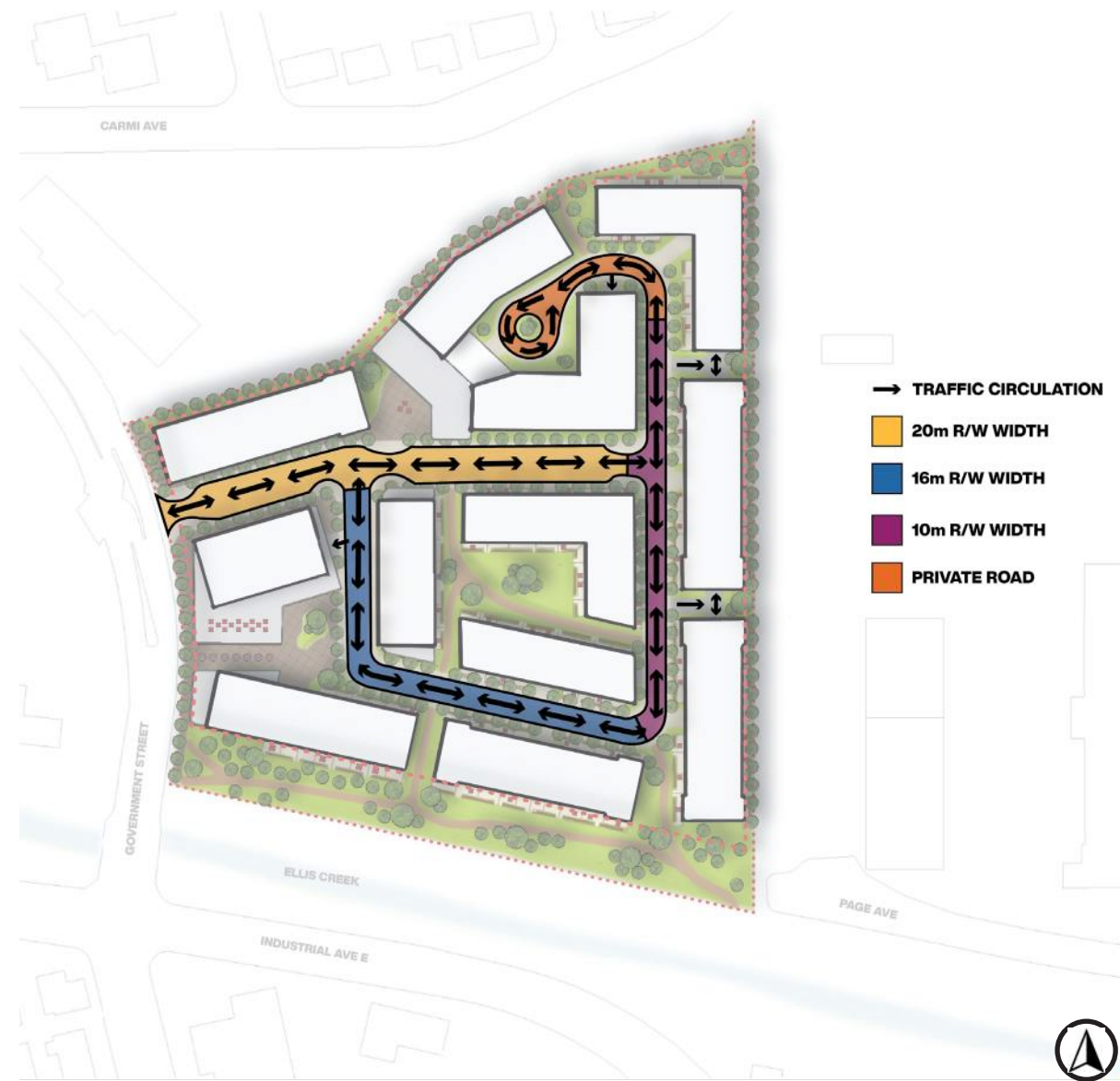
2023-06-06

Pedestrian Connectivity

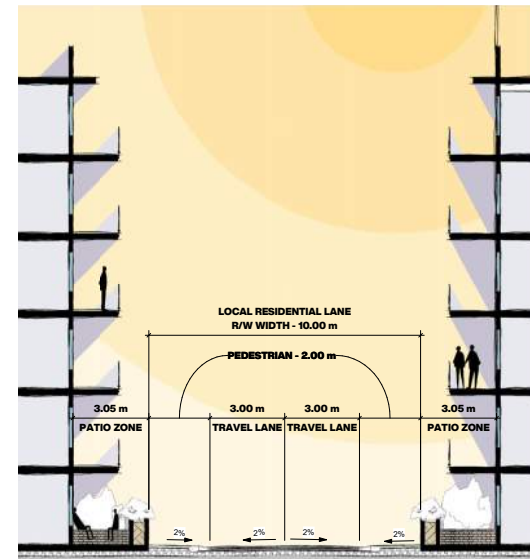




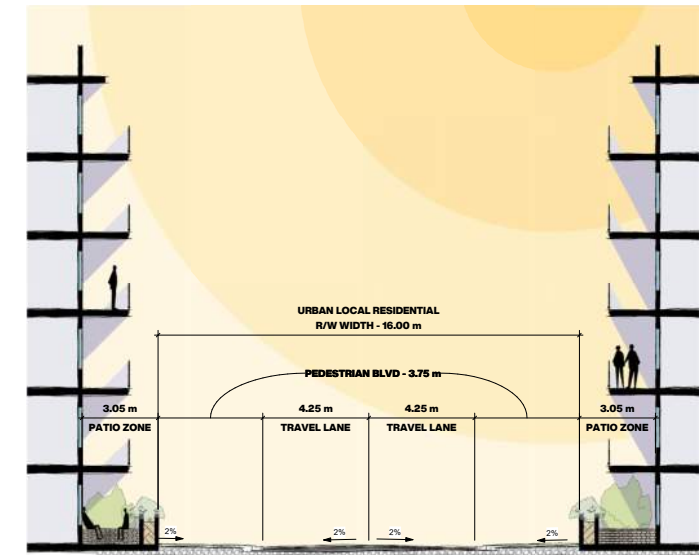
Traffic Circulation and Roads



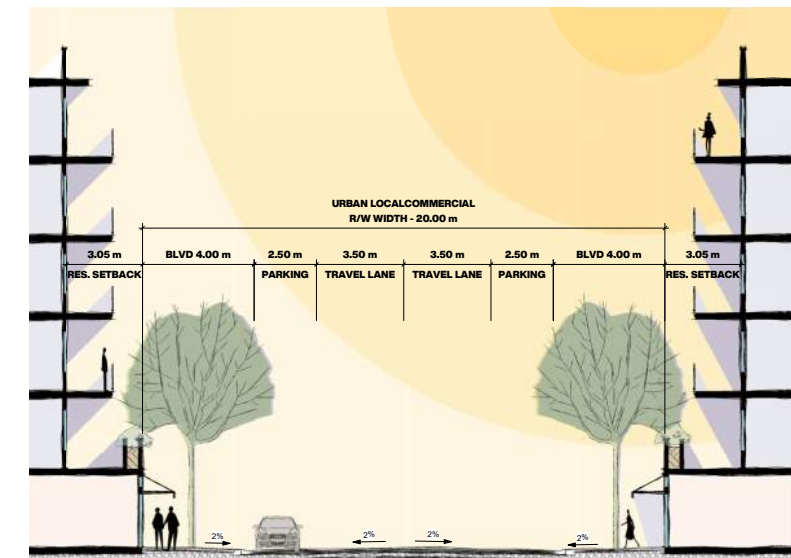
Traffic and Road Diagram



10m R/W WIDTH SECTION



16m R/W WIDTH SECTION



20m R/W WIDTH SECTION



Appendix

1704 GOVERNMENT STREET OCP AMENDMENT APPLICATION

Preliminary Transportation Review - Under Separate Cover



www.arcadis.com

Attachment D - OCP Policy Analysis (staff)

OCP Policy Analysis

OCP Policy	Policy	Staff Comments
Policy 4.1.1.1	Focus new residential development in or adjacent to existing developed areas	The development site is located within the built-up area of the city.
Policy 4.1.1.2	Avoid development in environmentally-sensitive areas, geological hazard and flood hazard areas, on steep slopes, in agricultural areas and in areas not readily served by transit.	A 6 metre (20 foot) wide strip along the southern edge of the development site is within the Riparian Development Permit Area, associated with Ellis Creek. The developer has retained a Qualified Environmental Professional to assess the proposed development and mitigate the impacts of the development on the adjacent riparian area. The rest of the site meets all other considerations of this policy.
Policy 4.1.1.4	Ensure all new developments fully cover the cost of the infrastructure and services they require, including roads, water, sewer, storm water, and provision of parks, schools, and emergency services.	The developer will be responsible for all the costs associated with installing new infrastructure or upgrading existing infrastructure required as a direct result of the proposed development. Development Cost Charges (DCC's) paid to the city from the new development would also help fund identified infrastructure projects across the city.
Policy 4.1.3.1	Encourage more intensive "infill" residential development in areas close to the Downtown, to employment, services and shopping, through zoning amendments for housing types compatible with existing neighbourhood character, with form and character guided by Development Permit Area Guidelines.	<p>The proposed development is adjacent to the Penticton Regional Hospital, the Interior Health office, and several other major employers in the industrial area. The proposed development is envisioned to support those adjacent employment uses through retail and office space, as well as providing new homes in close proximity.</p> <p>Each phase of the development will require a Development Permit with detailed plans showing conformance with the applicable design guidelines to ensure the form and character aligns with the OCP.</p>

OCP Policy	Policy	Staff Comments
Policy 4.1.3.4	Encourage developments that include one-bedroom and two-bedroom units in suitable neighbourhoods to enable people to downsize as they age and to provide entry-level housing for those people entering the housing market. At the same time, provide 3-bedroom units, or larger, to accommodate families	The preliminary plans submitted show a range of unit sizes, from one- to three-bedrooms, suitable for a variety of potential future households.
Policy 4.1.3.5	Ensure through the use of zoning that more-intensive forms of residential development are located close to transit and amenities, such as parks, schools and shopping.	The development site is located on a transit route (Government St), bike lane (Government St), and within walking distance of Carmi Elementary School. A multi-use path runs along Ellis Creek at the south end of the property. The commercial corridor along Main Street is located approximately 750m to the west.
Policy 4.1.4.1	Work with the development community – architects, designers and builders – to create new residential developments that are attractive, high-quality, energy efficient, appropriately scaled and respectful of their context.	The proposed development requires further approvals prior to construction, including rezoning, subdivision, and development permits. At each approvals stage, city staff will work with the developer to achieve the goals and guidelines of the OCP.
Policy 4.1.5.4	Ensure that all new neighbourhood developments and redevelopments of existing large sites, including bareland stratas, are fully integrated into the surrounding community through publically-accessible roads, sidewalks, trails and public park lands.	The plans submitted show a new public road network through the site, with two access points (Government St and Page Ave). The plans also show pedestrian connections to the Ellis Creek pathway from the development, and improvements to the sidewalk and bike lane along the Government Street frontage.

OCP Policy	Policy	Staff Comments
Policy 4.1.6.1	Ensure all residential neighbourhoods in Penticton provide a range of appropriately-scaled housing types and tenures, employment opportunities such as home-based businesses, transportation options like walking and cycling, social supports such as childcare facilities, and access to green space and parks.	The proposed development would provide a range of residential unit sizes between 1- and 3-bedrooms, employment opportunities through retail and office uses as part of the mixed use development. The proposal also includes walking and cycling options with connections to the wider network via the Ellis Creek pathway and bike lanes on Government Street and Dartmouth Road.
Policy 4.1.6.3	Consult with Interior Health to assist in the preparation of long range plans and strategies (e.g. neighbourhood plans, and parks and transportation plans), as well as guide the review of development applications that have the potential to affect community health.	Interior Health has been involved in this proposal to date, and will continue to be should the proposal proceed. The city received a letter of support for this proposal from the Interior Health 'Healthy Built Environment' team. Other staff at Interior Health have been involved in discussions about the proposed development for potential alignment with their operational needs, supporting their staff housing challenges, and ensuring no building conflicts with the hospital helipad.
Policy 4.2.1.3	Design streets for daily traffic volumes rather than seasonal peak volumes when building or renewing roads. Recognize that some congestion will occur as we grow during peak volume times, but mitigate this through investments in sustainable transportation options like transit, bike routes, sidewalks and trails.	<p>The developer has submitted a draft Traffic Impact Assessment with the OCP amendment application package. Some upgrades will be required related to the proposed development, including frontage upgrades along Government Street with sidewalk and bike lane, the extension of Page Avenue through the site, and an updated intersection at the Government Street access point into the development site.</p> <p>City staff will continue working with the developer on the final Traffic Impact Assessment and the detailed design of the intersection and internal road network, should the development proposal proceed to future approvals stages.</p>

OCP Policy	Policy	Staff Comments
Policy 4.2.1.4	Reduce road widths in existing rights-of-way to create spaces that support walking, biking and transit, to increase adjacent green space and to reduce asset management costs.	Proposed public roads through the site would have narrower right-of-way widths to support a more walkable and bikeable development, with boulevard landscaping and pedestrian connections to the Ellis Creek pathway along the south end of the site. Detailed road design would be completed as a condition of subdivision.
Policy 4.2.1.5	Create 'complete streets' (designed for everyone) in suitable areas that provide safe and comfortable mobility (i.e., allow for access, movement and crossing) for all users: pedestrians, cyclists, drivers, commercial vehicle operators and transit users.	The proposed development would provide new city roads through the site with narrower widths. The new streets would provide access to the buildings and some would have commercial frontages. This mix of uses and narrower roadway widths helps promote active and vibrant streets within the development.
Policy 4.2.1.7	Promote walking, cycling and transit use through strategic land use planning that facilitates denser, attractive, mixed-use communities that are rich in amenities.	The proposal is for a higher-density mixed use development which would help promote walking, cycling and transit use with its central location and connections to the larger network.
Policy 4.2.2.2	Address gaps in the pedestrian network by providing sidewalks on at least one side of the street in residential neighbourhood, and commercial and mixed-use areas, using excess street rights-of-way where possible or through land acquisition if necessary. Where possible, provide sidewalks by requiring their construction or upgrades from developers.	<p>The developer will be responsible for costs associated with frontage upgrades along Government Street, including new sidewalk, bike lane, and boulevard plantings.</p> <p>New roads through the development site would be constructed at the developer's expense and would provide sidewalks on both sides, with the detailed design completed at the subdivision stage.</p>

OCP Policy	Policy	Staff Comments
Policy 4.2.2.3	Enhance and expand the trail and pathway network through capital funding for upgrades, land acquisition, wayfinding, public art, safe street crossings, and by connecting existing trail systems and establishing trail linkages in and through new neighbourhoods.	The development site is located adjacent to the existing Ellis Creek pathway. The proposal includes pedestrian connections from the development site to the pathway, connecting the development to the larger trail network in the city.
Policy 4.2.5.2	Encourage land use planning that results in neighbourhoods that can be easily serviced by transit.	This proposal for a higher-density, mixed use development at this location helps support transit use by achieving more density along a key corridor in Penticton with existing transit service (Routes #1, #3, and #16 along Government St and Routes #4 and #15 along Carmi Ave).
Policy 4.2.7.2	Explore implementation of best practice design solutions to create safe and convenient intersections	Detailed intersection design would occur as a requirement of the subdivision stage, should the land use change ultimately be approved by Council. The intersection upgrade at the Government Street access would provide pedestrian connectivity from the site to the hospital.

OCP Policy	Policy	Staff Comments
Policy 4.3.2.4	Discourage incompatible uses in and adjacent to industrial areas to ensure the integrity of a sound industrial land base.	<p>The proposal would result in what is currently an industrial designated property being re-designated for a mix of residential and commercial uses.</p> <p>Concerns were raised regarding the proposed residential uses adjacent to the industrial operations next to the site. These concerns were noted by staff and raised through the public engagement period as well. The developer has met with the industrial association and neighbouring business to discuss the proposal. Some on-site features help buffer the uses on the two properties, including a treed bank leading up to the industrial properties beside. Additional buffering such as sound attenuation and increased setbacks may be considered at the future rezoning and development permit stages.</p> <p>Should the OCP amendment ultimately be adopted, staff will work with the developer to help mitigate potential adjacency issues to the greatest reasonable degree through future approval processes.</p>
Policy 4.3.3.1	Foster active communications between the City, business and other community partners through stakeholder engagement, facilitated events, and active outreach.	<p>The city led the public engagement period for this OCP amendment application between June 26 and July 30, 2023. This involved stakeholder engagement, multiple public engagement events, and feedback opportunities. Many residents, employers, and interest groups participated in that process (Attachment 'E').</p>
Policy 4.3.5.1	Support and leverage priority industry clusters (tourism and events; wine, beer and spirit production; technology; manufacturing; agriculture), and identify new clusters as they emerge, to provide economic benefits including shared knowledge and increased innovation.	<p>The development may support the adjacent healthcare industry employers (Penticton Regional Hospital and Interior Health office), and nearby industrial employers. The proposed commercial and residential uses in this development could support those operations through the provision of retail and office space, and providing housing options to support noted staff recruitment and retention challenges.</p>

OCP Policy	Policy	Staff Comments
Policy 4.3.6.3	Recognize that business growth is reliant on adequate housing availability, and work to develop policies that encourage housing development as outlined in section 4.1.	Housing availability and affordability was raised as a key issue through the public engagement period, which the 1,000+ units in this proposed development may help address. Interior Health was one of the employers who noted the challenges of recruiting and retaining employees due to housing affordability and availability issues as part of the recently completed Housing Needs Assessment.
Policy 4.3.6.6	Support business investment and worker attraction to Penticton by adhering to high-quality urban design standards, mixing compatible land uses, providing parks, trails and amenities, protecting the natural environment, and supporting active transportation to create quality neighbourhoods	The proposed development is considered to meet the intent of this policy by mixing compatible land uses on-site (residential, retail and office), with future detailed consideration of the industrial adjacency. The proposal would provide trail connections while supporting active transportation in the new development. Urban design will be guided by the OCP design guidelines at the Development Permit stage.
Policy 4.4.2.1	Identify environmentally sensitive areas and riparian areas, and protect them through application of the Environmental and Riparian Development Permit Guidelines.	A 6 metre (20 foot) wide strip along the southern end of the development site is within the Riparian Development Permit area associated with Ellis Creek. The applicant has retained a Qualified Environmental Professional at this early stage to prepare an assessment, which will be a requirement of a future Riparian Development Permit if any works are proposed within that area of the site.

OCP Policy	Policy	Staff Comments
Policy 4.4.4.4	Encourage the development of compact, mixed-use neighbourhoods, where appropriate, and support transit use, walking, cycling, car sharing and low-emission vehicles.	The development proposal is for a compact mixed-use development. The site is considered appropriate for that use given its location in the built-up area of the city, location along existing transit, walking, and biking routes, and its proximity to major employers (Interior Health and the industrial area). The proposal would provide higher density at the location to support transit use, walking, and cycling, rather than being car-dependent. Parking requirements in the new development will be set at the future rezoning stage and shall meet the City's requirements for Electric Vehicle (EV) Ready parking, to support the use of low-emission vehicles.

Attachment E - Public Engagement Period Results Report (staff)



1704 Government Street Engagement Report

September 8, 2023

- 1.0 Overview
- 2.0 Community Participation
- 3.0 Feedback Form Results
- 4.0 Information Sessions and Open Houses
- 5.0 Government and Stakeholder Consultation
- 6.0 Correspondence
- 7.0 Conclusions

Appendix A– Engagement Timeline

Appendix B – Government and Stakeholder Group Letters

- Penticton Industrial Development Association
- Interior Health
- Regional District of Okanagan Similkameen

1.0 Overview

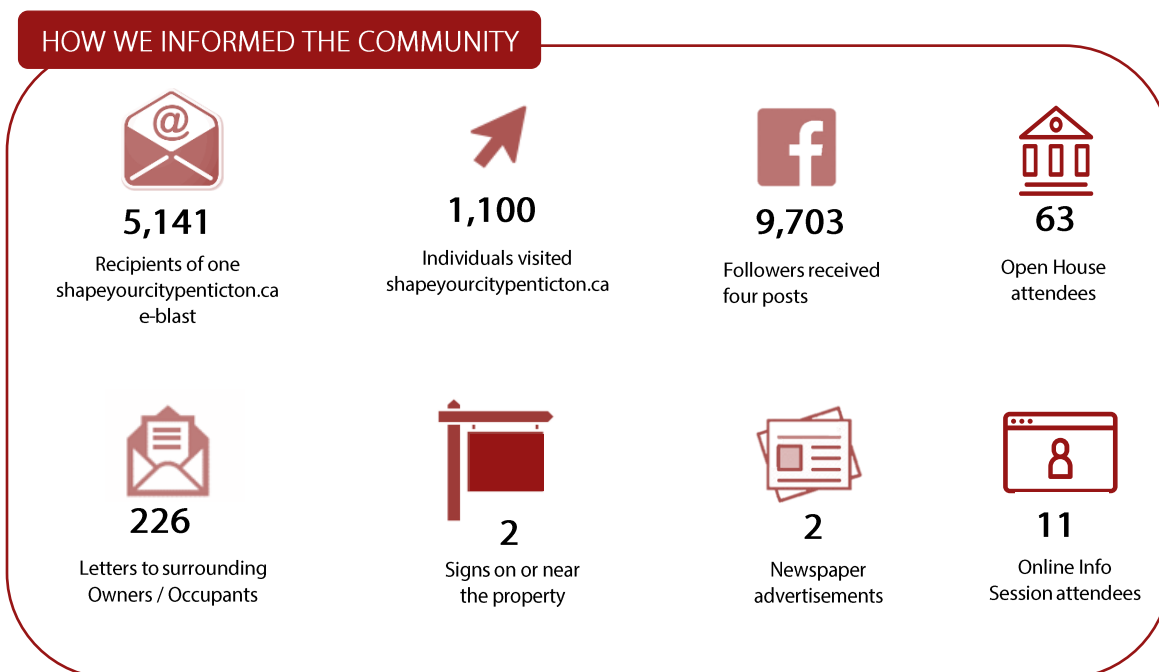
The City received an application to build a mixed-use development at 1704 Government Street. Located across from the Penticton Regional Hospital, the draft plan proposes high density residential development, with the potential for 1,200 – 1,500 apartments, along with retail and office space. Preliminary plans show eleven buildings between 6 and 12 storeys in height.

The proposal would require an amendment to the City’s Official Community Plan to change the future land use designation on the property from “Industrial” to “Mixed-Use.” A site-specific policy would be required to allow 12 storeys in that designation.

Before considering the amendments, Council directed staff to gather feedback from the community about changing the ‘future land use’ of this property. The following document summarizes the activities completed and the findings from the process.

2.0 Community Participation

Staff followed the *Community Engagement Procedure for OCP Amendments* to ensure adequate and meaningful consultation with the community. The engagement program was conducted between June 26 and July 30, 2023. The following diagram summarizes the activities conducted to notify interested participants about the engagement program. A detailed timeline of engagement activities is provided in Appendix A.

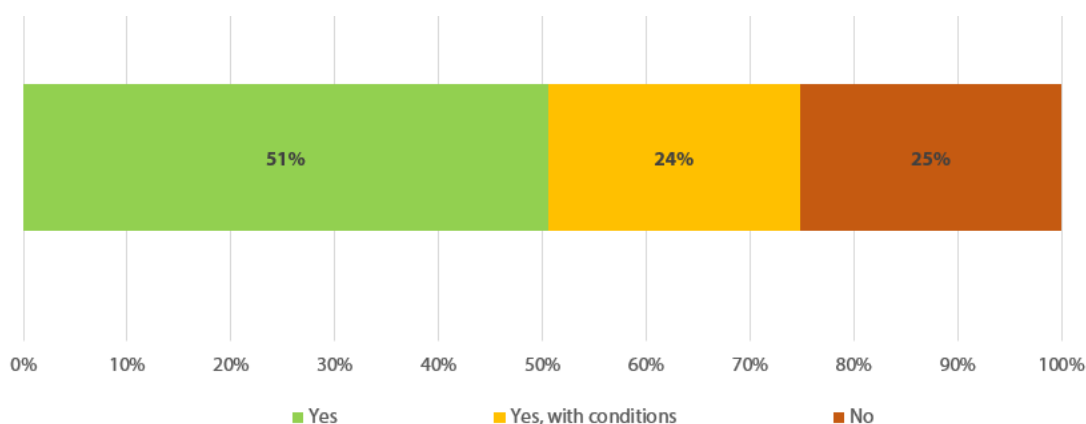


3.0 Feedback Form Results

One of the primary ways the City gathers formal feedback is through the use of feedback forms. The focus of the feedback forms was to gather feedback on the proposed change to the future land use. Residents were invited to review the information about the proposal and complete a feedback form before July 30, 2023. In total, **469 feedback forms** were received.

Please note that the key findings from the feedback forms are presented in this report. Complete results including full comments, are available at shapeyourcitypenticton.ca.

1. Do you agree with changing the land use on this site from Industrial to Mixed Use? Participants who answered 'No' or 'Yes, with conditions' were invited to explain their responses. A summary of the themes/comments is provided below:



Themes of the comments from the 113 respondents that indicated 'Yes, with conditions' include:

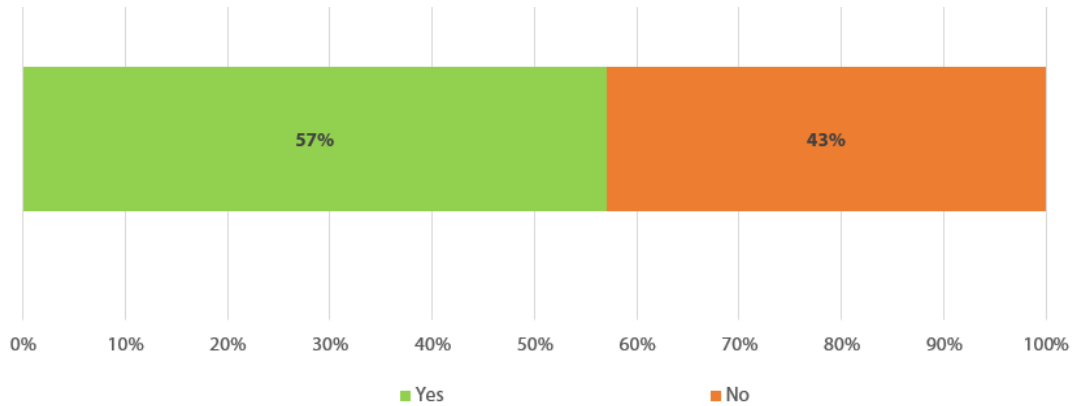
- Adequate onsite parking for residents and visitors as well as the retail spaces
- Affordable rental units be included, no option for vacation rentals
- Additional access points not on Government Street needed for getting in and out of the property
- Lower the density and/or height of the buildings
- Access to the hospital not be impacted, consider road design improvements
- Impose a timeline on the developer for completion
- Include green space or parks
- Support active transportation and maintain/protect riparian aspects of Ellis Creek
- Upgrade Government Street to accommodate the increase in traffic

Themes of the comments from the 111 respondents that indicated 'No' include:

- Proposal would exacerbate existing industrial land shortage
- Infrastructure (roads, water, sewer) cannot support the additional homes and traffic
- Other locations (i.e. downtown) would be better suited
- Traffic impacts and congestion on Government Street are already an issue
- Important to keep industrial land for job creation and opportunities

- Too much conflict between residential enjoyment and industrial operations
- Parking will be a major issue, hospital staff already use residential streets, industrial areas and existing commercial retail in the area

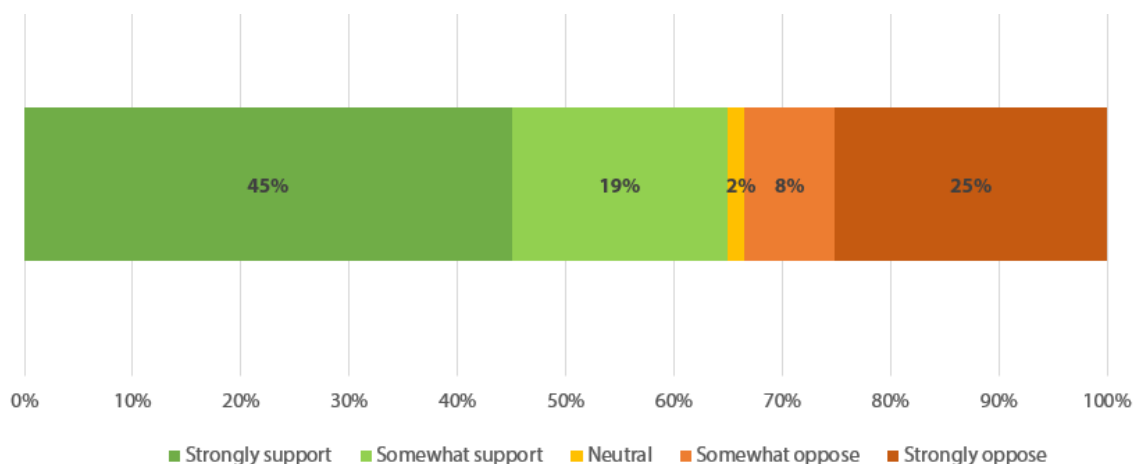
2. Based on the information provided, would you have any concerns about what is being considered for this site?



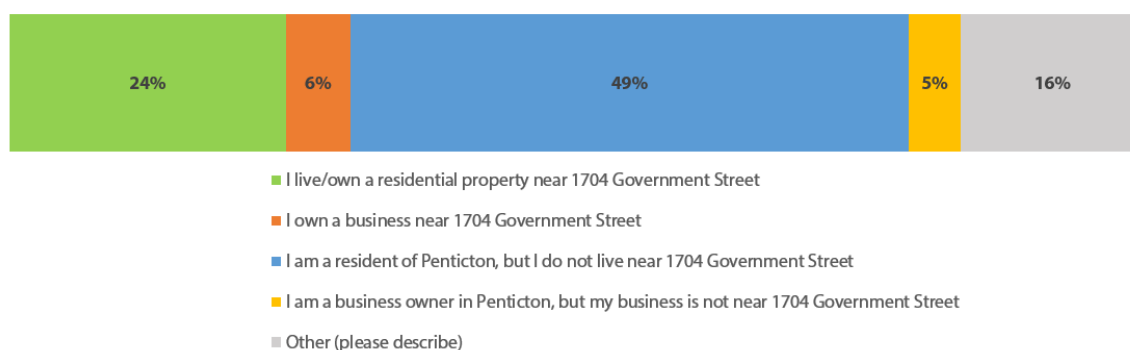
Themes of the comments from the 246 respondents that indicated 'Yes' include:

- Traffic impacts and current congestion rates along Government Street
- Potential for hospital access impediment
- Height concerns for proposed buildings
- Proposal is too dense for the area (suggestions included fewer buildings, less storeys, adding green space)
- Industrial operations conflicts
- Loss of already limited industrial land
- Access to proposed development will be congested. Left turns onto Carmi will impede traffic
- Units should include mixed options (1, 2 and 3 bedrooms), not be available for short-term rental and include affordable housing options
- Parking concerns (not enough spaces, existing mis-use from hospital staff and visitors)
- Walkability and active transport options need to be improved to provide alternative options to congestion

3. Rate your level of support for the development that is being proposed for this site.



4. What best describes your interest in providing feedback?



Descriptions included under 'Other (please describe)' include those that work in Penticton but live outside of the City, frequent users of Government Street but do not live or work near 1704 Government Street, property owners of residential, commercial and agricultural lands throughout the City, and people working at the hospital or health centre that may or may not live in Penticton.

4.0 Information Sessions and Open Houses

Three opportunities were offered to the community to learn more about the proposed development and ask staff questions prior to providing their feedback. Themes from the discussions at these events are provided below.

4.1 Open House

The City of Penticton held a drop-in open house to discuss the proposal to amend the OCP designation at 1704 Government Street from industrial to mixed use to support an application for a 1,200-1,500 unit development. The open house was held outside of McLaren Arena on Wednesday, July 5 between 4 pm and 6 pm. Sixty-three residents attended and the following are the themes from the discussions.

- Desire to see the City ask the developer to “do better” and provide more parks, more setbacks, more bike infrastructure and more amenities. Concern about limited greenspace on site and potential impact on Ellis Creek.
- Concern about current traffic and unsafe intersections on Government St. and the impact of an additional 1,200 or more vehicles. Area residents find it difficult to turn onto Government St. today and believe it worsened with the development of Sendero Canyon.
- Questions about single access/egress to the site and how traffic will be managed and whether or not the fire department has reviewed the proposal.
- Questions about capacity of Carmi Elementary to accommodate an increase in population in the area.
- Concern about the impact for neighbouring industrial business Peerless. Fear that new residents will react to noise from sandblasting equipment, odors from paint fumes, and impacts of site security lighting.
- Owner believes the impact will lead to the demise of the business which has been in operation for 50 years and is a significant employer with a payroll of \$15 million annually.
- Questions about availability of industrial land in Penticton and need to preserve industrial lands to support employment.
- Concern about the lack of greenspace in the proposal and questions about requirements.
- Questions about the ability of water and sewer infrastructure to support the development and the potential for taxpayers to shoulder the cost of additional infrastructure.
- Staff explained that the developer is responsible for costs of infrastructure on their property and contribute to infrastructure needed offsite through Development Cost Charges.
- Questions about plans for parking to be provided and if provision is adequate.
- Support for providing housing for health care workers. Example of how Haven Hill pays \$1000 per week to provide accommodations for travelling Licensed Practical Nurses.
- Questions about whether or not the units will be affordable and confusion over difference between affordable and supportive.
- Question about what the difference in taxes are between an industrial and residential property and desire to see the financial implications of this decision for the City.
- Inquired about height of Kampe Tower (six storey) and desire not to see towers taller than the hospital.
- Questions about other appropriate parcels such as Cantex lands (for industrial) and sites downtown or “radio tower” property next to Okanagan College (for residential).
- Desire to see sustainable development on that site, incorporating solar panels and community gardens.
- Staff clarified that at this phase of the process, the City is gathering feedback on support for changing the future land use. All comments will be provided to the applicant and should they wish to proceed, will be shared publicly when the application is presented to Council.

4.2 Online Information Session

The second opportunity was an online information session via Zoom held on Thursday, July 13 between 7 pm and 8 pm. Eleven attendees participated in the discussion and the following are the themes of the discussions:

- Questions about whether this is the correct location for such a proposal and whether downtown businesses have concerns with increasing density here rather than downtown.
- Questions about whether the City has the infrastructure to support the new homes (sewer, water) and additional vehicles on the road. Discussion about other locations it could go.
- Concerns about conflicts of industrial operations and quiet enjoyment of future occupants. If units are part of a strata, it will be difficult to resolve noise conflicts. Potential for odours, vibrations and noise, questions about how the City will handle complaints especially over the years of construction.
- Staff clarified that the Good Neighbour Bylaw does identify reasonable measures for industrial operations.
- Discussion about the flexibility of other land designations to densify housing options and the difficulty of finding future land to potentially allocate as industrial. There is a shortage of industrial land everywhere and once industrial land is removed, it is gone forever. Land isn't converted to industrial land often, but many other lands can be converted to residential.
- Staff clarified that since the OCP was developed in 2019, Penticton's annual population growth has been almost triple what was originally predicted, resulting in proposed OCP amendments.
- Questions about whether business will be lost because they're unable to find industrial space for their operations and whether there is any data on the demographics that could be moving into the area.
- Concerns about what the economic impacts may be, whether homes and businesses on the proposed site would contribute more in property taxes than the current industrial tax, or giving up the industrial land and losing out on a potential employer and employment opportunities.
- More housing for hospital workers is needed, would be a great addition and additional retail space could bring in some small businesses.
- Concerns that more housing and affordable places are needed. Having options for children to live nearby for aging population is important.

4.3 Community Market Pop Up

Staff set up a booth during the Community Market on July 22 between 8 am and 11 am at the intersection of Main St. and Westminster Ave. This OCP amendment proposal along with 791 – 799 Martin Street were on display for the community to review and ask staff questions, along with the opportunity to complete a feedback form at the booth. Staff spoke with approximately 88 people. Discussions at this event were consistent with prior events and included questions and concerns about affordable housing options, traffic and parking impacts and the need for green space, along with comments in support of the development for its potential to support hospital staff and provide more housing options for all residents.

5.0 Government and Stakeholder Consultation

In accordance with the Local Government Act, Council is required to consider if the Penticton Indian Band or other government agencies and stakeholders, such as Interior Health or School District #67 need to be consulted when amendments to the Official Community Plan are proposed. This requirement respects the involvement of these organizations in the development of the Official Community Plan as well as the potential impacts of any changes. Through the engagement process, the City notified the following organizations about the proposal:

- Penticton Indian Band
- Regional District of Okanagan Similkameen
- Interior Health
- School District 67
- Okanagan College
- Penticton Industrial Development Association

In addition to engagement with the community, staff sought input from industrial businesses along with the Penticton Industrial Development Association (PIDA) recognizing the potential impact to neighboring industrial businesses and the industrial area as a whole. Staff also reached out to Interior Health as the Penticton Regional Hospital is adjacent to the proposed development. Themes from these discussions are provided below. Copies of the referral responses are included in Appendix B.

Penticton Industrial Development Association

The Penticton Industrial Development Association (PIDA) sent a letter with concerns regarding this proposal. The concern is primarily centred on maintaining the economic well-being of Penticton and the belief that this proposed development will negatively impact the industrial area of the City. The association has a desire to maintain industrial land for industrial and employment uses and not see 1704 Government Street removed from the industrial land base. The letter notes that the industrial sector provides many high-paying jobs and contributes millions of dollars every month into the city's economy.

Interior Health

Interior Health's Healthy Built Environment team responded to the interest group referral for this proposed development. They shared that they support this OCP amendment because it will increase the number of residences and amenities in close proximity to workplaces. Other contacts at Penticton Regional Hospital expressed support for the proposed development providing additional housing options for their staff and expressed a desire to see a daycare facility as part of the plans to support their workers.

Regional District of Okanagan Similkameen

The Regional District of Okanagan Similkameen (RDOS) responded to the interest group referral and shared that the proposed development aligns well with the 2017 South Okanagan Regional Growth Strategy. Penticton is designated as a Primary Growth Area and an objective of the Regional Growth Strategy is to support mixed use neighbourhoods in Primary Growth Areas.

Penticton Indian Band

The City submitted a request to the Penticton Indian Band to formally review the proposal through the nationsconnect.ca website. No response has been received at this time. The City did introduce the proposal at the regular Major Projects Committee meeting and intends to have further discussions with the Major Projects Committee if the proposal proceeds.

School District 67

No response was received from School District 67 prior to the engagement period closing.

6.0 Correspondence

The City also received correspondence from industrial businesses as well as residents and non-residents about the proposal separate from the feedback forms. Nineteen emails were sent to Council and staff and are attached to this report. Themes from the correspondence reflect concerns and support for the proposal, with themes in common with those that emerged through the information sessions and feedback forms, including:

- Concerns with the loss of industrial land and impacts on adjacent industrial uses, economic impacts
- Traffic congestion concerns along the Government Street corridor
- Height and density are too great, desire for lower buildings, fewer buildings, and more green space
- Questions around on-site parking
- Need to consider infrastructure impacts
- Desire for more housing in general, as well as dedicated affordable housing and workforce housing for across several sectors including healthcare
- Support for the proposed development and the higher density proposal at this location with greenspace and amenities
- Potential to support the hospital operations with housing, retail and office space

7.0 Conclusions

The main goal of this process was to gather feedback on the proposed amendment to the future land use designation for this property in the Official Community Plan and to understand if the proposed development aligns with the community's vision for the area. The following are the key conclusions from the process:

- Staff spoke with approximately 150 people about the proposal at the two in-person open houses. Feedback forms were also received from 469 people.
- Residents who live in the area made up 24% of respondents in the feedback form. This group supported the proposal or supported it with conditions (75%). Their primary concern is whether or not Government Street can handle the increase in traffic a development of this size would generate. They also expressed concern about the density of the proposal and interest in seeing more green space and amenities for its residents.
- The majority of respondents to the feedback form were residents who do not live in the area (49%). These participants support the proposal or support it with conditions (86%) because of the potential addition of housing and specifically housing for healthcare workers.

- The industrial business community actively participated in the engagement process and provided feedback through correspondence from PIDA and directly to staff and Council. PIDA and some businesses are opposed to taking industrial land away and believe that this proposed development will negatively impact the industrial area as an economic engine of the city. The neighbouring industrial business is very concerned about having a high-density residential development next door and the potential for noise and other impacts for its occupants.
- Other businesses in the industrial area supported the proposal, indicating that more housing in the area could help alleviate some of the employee recruitment and retention challenges many businesses have experienced. Some supportive comments were also received about the construction jobs which would be generated while this proposed development is built out.
- The City also received correspondence from Interior Health expressing support for the proposal and its ability to provide additional housing options for their staff. They expressed interest in seeing a daycare included with the proposal.

Next Steps

The feedback gathered through the engagement program has been provided to the applicant to consider and determine how they would like to proceed. It will also be shared with Council and the community-at-large should the applicant proceed to have the amendments considered by Council.

Appendix A - Engagement Timeline

In accordance with the *Community Engagement for OCP Amendments Procedure and Community Engagement Policy and Framework* the following list summarizes the main methods that were used to raise awareness about the application and the opportunities for residents to provide feedback through the community engagement period that took place between June 27 and July 30, 2023:

Date	Activity
June 26	Project information and feedback form on www.shapeyourcitypenticton.ca
June 26	Press Release
June 28	Eblast
June 28	Newspaper ad
June 29	Social media post
July 4	Social media post
July 5	Open House
July 5	Newspaper ad
July 6	Social media post
July 13	Online information session
July 19	Social media post
July 22	Pop-up at Downtown Community Market
July 30	Engagement ends

Appendix B – Interest Group Referral Response Letters



June 19, 2023

To: Mayor Bloomfield and council

Regarding: 1704 Government Street -proposal to shrink our industrial land base

The PIDA constitution has as our mission statement:

“to promote the growth of industry in the City of Penticton and to encourage industry to locate here, to promote the use and betterment of the industrial area and generally promote the City of Penticton.”

This was purposely established in recognition of the fact that an industrial sector is the chief economic engine of wealth and prosperity in communities. Without exception, cities with the lowest tax rates have a proportionately significant industrial business community.

Our association’s members are deeply concerned for the economic well being of Penticton and its long term economic health and vitality.

Our industrial sector provides a significant number of high paying jobs and consistently, each month, deposits millions of outside dollars into our cities economy from around the world.

The current proposal for the subject property, is no more than a recycling of past proposals, albeit with more lipstick and makeup, that councils have wisely rejected in the past.

The numerous problems and flaws contained within the proposal alone should be sufficient to warrant rejection.

It is a truly bad proposal whose true purpose appears to be to create large short term development profits for outsiders and to rescue the current non-resident property owners from a financial crisis of their own making.



It should never be the concern of PIDA or the responsibility of our community to facilitate the profiteering of outsiders at the expense of the current and long term well-being of our city; its residents and local business community.

Therefore we unequivocally and wholeheartedly support your rejection of all and any proposals to remove the indispensable, invaluable and unique property at 1704 Government street from our industrial land base.

Respectfully yours,

Frank Conci
PIDA President

ps.: Comment from one of our largest manufacturers:

We will absolutely not support this. This again, is another attempt to move industrial land to residential, thus forcing a whole scale change in the tax base of Penticton.

We operate noisy sandblasting equipment, forklifts with loud reverse beepers, have a paint booth which emits some smell, all of which will generate multiple complaints for residents who border our property.

This is absolutely unacceptable.

I would like a chance to speak at any of your upcoming discussion sessions to voice our very firm objection.

Sincerely

Andy

ANDY MCEACHERN, P. Eng.
SR. VICE PRESIDENT

T:1.260.492.0408 EXT202 C:1.260.462.1586 F:1.260.492.7363 TF:1.866.657.2662

575 PAGE AVE., PENTICTON, B.C., CANADA V2A 6P3



Steven Collyer

From: HBE <HBE@interiorhealth.ca>
Sent: Friday, July 7, 2023 5:05 PM
To: Steven Collyer
Subject: IH Response: 1704 Government Street - OCP Amendment Interest Group Referral

Follow Up Flag: Flag for follow up
Flag Status: Completed

Caution! This message was sent from outside your organization. [Allow sender](#) | [Block sender](#)

Hello Steven,

Thank you for the opportunity to provide comments.

From a healthy community development/planning perspective we support this proposed OCP amendment because it will increase the number of residences and amenities in close proximity to workplaces.

I have forwarded this referral to other programs within Interior Health concerned with managing IH property and clinical operation. As such, they may also forward you comments as they relate to the hospital site.

Anita Ely (she, her, hers)

Specialist Environmental Health Officer
 Healthy Community Development

Salmon Arm Health Centre
 851 16th St NE, Box 627, Salmon Arm, BC V1E 4N7
c: 250-253-3679
e: anita.ely@interiorhealth.ca

www.interiorhealth.ca



Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Däkelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, Syix, and Tsilhqot'in Nations where we live, learn, collaborate and work together.

The contents of this e-mail, including its attachments, are intended for the exclusive use of the recipient and may contain confidential or privileged information. If you are not the intended recipient and received this in error, you are notified that taking any action in reliance on the contents of this information is strictly prohibited. Please notify the sender by reply e-mail immediately and permanently delete this e-mail and its attachments, along with any copies thereof. Be advised that copies of your response to this email may be stored outside of Canada, not in the custody or control of Interior Health and subject to the laws of other countries.

From: Steven Collyer <Steven.Collyer@penticton.ca>
Sent: Monday, June 26, 2023 10:19 AM
To: Steven Collyer <Steven.Collyer@penticton.ca>
Subject: 1704 Government Street - OCP Amendment Interest Group Referral

CAUTION! This email originated from outside of Interior Health. Do not click links or open attachments unless you recognize the sender, their email address, and know the content is safe. If you suspect this is a phishing or fraudulent email please forward it to spam@interiorhealth.ca.

Good morning,

The City of Penticton is leading a community engagement period to gather community feedback on an Official Community Plan amendment application.

The amendment is to change the future land use designation at 1704 Government Street from "Industrial" to "Mixed Use" to facilitate a high-density mixed use development with retail, offices, and between 1,200 and 1,500 residential apartments on the site.

The community engagement period is now open until **July 30, 2023**.

The City is leading this engagement period prior to the proposal being considered by City Council. Your agency or group may have an interest in this proposed land use change and development, as such we are reaching out to see if you have any comments on this proposal.

Please review the information attached and send me your comments via email with or without a letter attachment. Any comments received will be publically-available and included in a future staff report to City Council. Additional materials are available for your review on the '1704 Government Street' project webpage at www.shapeyourcitypenticton.ca

Please feel free to contact me if you have any questions or if you would like to discuss further.

Regards,

Steven Collyer, BCD, RPP, MCIP
Senior Planner

Pronouns: He/Him [Learn more [here](#)]

City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9
p: 250.490.2507 | f: 250.490.2502 | e: steven.collyer@penticton.ca



I acknowledge that I live and work on the traditional lands of the Syilx People in the Okanagan Nation.

Steven Collyer

From: Fiona Titley <ftitley@rdos.bc.ca>
Sent: Wednesday, July 5, 2023 4:05 PM
To: Steven Collyer
Subject: RE: 1704 Government Street - OCP Amendment Interest Group Referral

Follow Up Flag: Flag for follow up
Flag Status: Completed

Caution! This message was sent from outside your organization. [Allow sender](#) | [Block sender](#)

Good afternoon Steven,

The subject property is located within the City of Penticton which is designated a Primary Growth Area under the South Okanagan Regional Growth Strategy (RGS) Bylaw No. 2770, 2017. Goal 1 of the RGS is to “focus development in serviced areas in designated Primary Growth Areas and Rural Growth Areas”. Further, objective 1-B speaks to creating mixed use neighbourhoods. The proposed Mixed Use designation, infill and densification would be in line with the goals contained in the RGS for Penticton as a Primary Growth Area.

Overall, the Regional District’s interests are unaffected.

Sincerely,



Fiona Titley • Planner II
 Regional District of Okanagan-Similkameen
 101 Martin Street, Penticton, BC V2A 5J9
 p. 250-486-0182 • tf. 1-877-610-3737 • f. 250-492-0063
www.rdos.bc.ca • ftitley@rdos.bc.ca

From: Steven Collyer <Steven.Collyer@pentiction.ca>
Sent: June 26, 2023 10:19 AM
To: Steven Collyer <Steven.Collyer@pentiction.ca>
Subject: 1704 Government Street - OCP Amendment Interest Group Referral

You don't often get email from steven.collyer@pentiction.ca. [Learn why this is important](#)

Good morning,

The City of Penticton is leading a community engagement period to gather community feedback on an Official Community Plan amendment application.

The amendment is to change the future land use designation at 1704 Government Street from “Industrial” to “Mixed Use” to facilitate a high-density mixed use development with retail, offices, and between 1,200 and 1,500 residential apartments on the site.

The community engagement period is now open until **July 30, 2023**.

The City is leading this engagement period prior to the proposal being considered by City Council. Your agency or group may have an interest in this proposed land use change and development, as such we are reaching out to see if you have any comments on this proposal.

Please review the information attached and send me your comments via email with or without a letter attachment. Any comments received will be publically-available and included in a future staff report to City Council. Additional materials are available for your review on the '1704 Government Street' project webpage at www.shapeyourcitypenticton.ca

Please feel free to contact me if you have any questions or if you would like to discuss further.

Regards,

Steven Collyer, BCD, RPP, MCIP

Senior Planner

Pronouns: He/Him [Learn more [here](#)]

City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9

p: 250.490.2507 | f: 250.490.2502 | e: steven.collyer@penticton.ca



I acknowledge that I live and work on the traditional lands of the Syilx People in the Okanagan Nation.

Steven Collyer

From: Andy McEachern <amceachern@peerless.ca>
Sent: Monday, June 19, 2023 3:15 PM
To: Steven Collyer; Frank Conci; frank@acmotorelectric.com; rod@rmfent.com
Cc: Gerry Turchak; Curtis Turchak; Kal Tire Kurt (Kal Tire Kurt <Darrell_Spencer@kaltire.com>) >" <"Kal Tire Kurt; Peter Jeffrey ([REDACTED]); Summit Trailer Dean Cisek (dean@summittrailer.ca); Chuck Thompson; penticton@oktire.com; Ashley Martin (ashley@bandlmachine.com); ken@bandlmachine.com; joeh@prequip.com; dave@prequip.com; Pat Simpson (pat@kiesonfab.com); [REDACTED]; Personal Jeff Luesink - Penticton Foundry (jluesink@pentictonfoundry.com); Brian Bendig (bbendig@pentictonfoundry.com); Frank Conci; Julie Demers
Subject: RE: 1704 Government Street - application to change OCP future land use designation
Attachments: 1704 Government St - Fact Sheet.pdf; 2023-06-09 Plans Package.pdf
Follow Up Flag: Follow up
Flag Status: Flagged

Caution! This message was sent from outside your organization.

[Allow sender](#) | [Block sender](#)

Steven,

This application to remove industrial land and turn it into residential goes completely against the grain of the Penticton OCP and the entire intent of the Industrial Park.

There is a finite amount of industrial land available in Penticton, and this is one of the largest parcels in the industrial park. To turn this into residential housing, bordering heavy industry would be a disastrous and irreversible decision.

Peerless Limited is one of the city's largest employers and contributes \$8M to \$10M a year in payroll in Penticton with over 110 staff members. Peerless pays the City in taxes, utilities, electrical, water sewer but more importantly in well paying jobs.

We operate on the 10 acre lots just east of the referenced 1704 Government (old Britco) property, and have been here since 1973, when the surrounding lands were mostly rolling hills.

Our operation involves the manufacture of heavy-duty commercial trailers, and we have dozens of industrial trucks coming and going each hour at our property. We have bright industrial lights on 24 hours per day to illuminate our lot, we make noise, dust and smells that any potential residential neighbour will most certainly complain about.

Our sandblasting operation, for which we are about to extend the hours of service, resides directly next to one of the proposed new residential structures. The sound of a sandblaster is similar to a jet aircraft taking off. We have been sandblasting as a metal preparation process for our trailers for over 40 years at this site.

The loss of rare and valuable industrial land for residential housing makes no sense and will not work next to Peerless Limited.

I will be attending your community feedback forums to voice my concerns.

Regards

Andy

Cc: Julie Demers, Manac Corporate Legal

ANDY MCEACHERN, P. Eng.
SR. VICE PRESIDENT

T:1.250.492.0408 EXT202 C:1.250.462.1586 F:1.250.492.7353 TF:1.866.657.2662
575 PAGE AVE., PENTICTON, B.C., CANADA V2A 6P3



www.peerless.ca

This message contains information that is privileged and confidential and is intended solely for the person or entity identified in the addressee field. If you have received this message in error, please notify us immediately by telephone and permanently destroy any and all copies, whether in paper or electronic format. Any dissemination or copying of this message, or any action taken as a result of the information contained in this message, by anyone other than the party for whom it is intended, is strictly prohibited.

From: Steven Collyer <Steven.Collyer@penticton.ca>

Sent: Monday, June 19, 2023 11:33 AM

To: Frank Conci <pidafc19@gmail.com>; frank@acmotorelectric.com; rod@rmfent.com; Andy McEachern <amceachern@peerless.ca>

Subject: 1704 Government Street - application to change OCP future land use designation

You don't often get email from steven.collyer@penticton.ca. [Learn why this is important](#)

Hello Frank, Rod, and Andy,

I'm reaching out to you directly because you are either a direct industrial neighbour of 1704 Government Street or a representative of the Penticton Industrial Development Association (PIDA).

The City has received an application from a developer to change the Official Community Plan 'future land use designation' at 1704 Government St (former Britco site) from "Industrial" to "Mixed Use". The application is the first step of several development approvals required to redevelop the site as a mix of office, retail, and between **1,200 to 1,500 residential apartments**. I've included the fact sheet and development plans package for this proposal, for your review.

The city will lead public and stakeholder engagement to gather community feedback on this proposed development before any decisions are made by City Council. The **engagement period will run from June 26th to July 30th**.

I'm reaching out to you at this early stage because adjacent industrial neighbours and PIDA may have heightened interest in this application. I'm happy to set up times to meet with you (individually or together) to discuss the proposed development and receive any feedback you'd like to share. All the feedback gathered through the engagement period process will be shared with Council and the developer to inform any next steps with this proposed mixed-use development at 1704 Government Street.

Looking forward to hearing from you.

Regards,

Steven Collyer, BCD, RPP, MCIP
Senior Planner

Pronouns: He/Him [Learn more [here](#)]

City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9

p: 250.490.2507 | f: 250.490.2502 | e: steven.collyer@penticton.ca



I acknowledge that I live and work on the traditional lands of the Syilx People in the Okanagan Nation.



Subject: Regarding the Proposed Rezoning of 1704 Government (old Britco) property

I hope this letter finds you well. I am writing to express my deep concern regarding the City of Penticton's plan to rezone commercial land for residential use. Specifically, I would like to bring to your attention the potential negative impact this decision could have on local businesses and employment opportunities in our community.

Summit Trailer Ltd is an established local business that has been an integral part of the Penticton community since 2007. As an employer, we have contributed significantly to the local economy by providing employment opportunities to over 25 full time individuals and bringing Millions of dollars of trade to the local economy. By rezoning commercial land for residential purposes we risk losing valuable commercial space that businesses like Summit Trailer rely on to operate and flourish.

Penticton, like many growing communities, is in need of additional commercial land to foster economic growth and job creation. A healthy mix of commercial and residential areas ensures a vibrant and sustainable community, catering to the needs of both residents and businesses alike. By diminishing the availability of commercial land we risk restricting the growth potential of existing businesses, deterring potential investors, and ultimately hampering the overall economic development of Penticton.

Furthermore, it is crucial to consider the long-term implications of rezoning commercial land for residential use. While residential development can provide housing solutions, it is equally important to maintain a diverse and thriving business environment. Commercial areas contribute to the local tax base, provide goods and services to residents, and foster entrepreneurship. By prioritizing residential development at the expense of commercial space, we risk unbalancing the economic vitality of our city.

I urge you to reconsider the proposed rezoning plan and instead explore alternative solutions that support the growth of Penticton's commercial sector while addressing the need for residential development.

Thank you for your attention to this matter. I trust that you will carefully consider the concerns raised and take appropriate action to safeguard the interests of local businesses and the economic well-being of Penticton. Should you want to discuss this matter, please do not hesitate to contact me.

Yours sincerely,

Dean Cisek

President Summit Trailer Ltd

Phone: [REDACTED]

Re: 1704 Government Street, OCP Amendment and Rezoning

July 13, 2023

Mayor and Council:

My name is: Ben Eddison /Owner Skytouch Flooring

My address is: HOME: 3999 Lakeside Road, Penticton, BC, V2A 8W3

My Business address: 250 Okanagan Ave East V2A3J&

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,

Ben Eddison

Date: July 13, 2023

Submit:

via email to City of Penticton Clerk's Office: council@penticton.ca

via email to Stryke office (we will submit to City Clerk's on your behalf): engage@strykegroup.ca

City Website:

<https://www.shapeyourcitypenticton.ca/1704-govt-st-ocp>



**ECKERT
ELECTRIC
LTD.**

July 20, 2023

Attention: Mayor and Council of Penticton
Phone:
Email: council@penticton.ca
Re: 1704 Government Street, OCP Amendment and Rezoning

Dear sir/mam,

My name is Jamie Foster. I am a long-time resident of Penticton born and raised here. I am also the owner of a successful electrical contracting business in town.

I am writing this letter to you to show unwavering support of the proposed development located at the above-mentioned address.

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community and businesses alike.

As a long time, family business owner (30 years now) we have seen over the last several years the difficulty of hiring and retaining qualified employees. We have interviewed and talked to many potential employees from out of town that would be a great fit for our company and our community but in the end it always boils down to housing and the lack thereof. The first question we ask is do you have a place to live in the area. We never hear back from them as there is nothing available. I know for a fact this problem goes far beyond our company as I have talked to many peers in this industry, and it is the same for everyone.

In addition to the above I believe this long-term construction project will provide much needed jobs for skilled qualified tradesman as well as providing opportunities for apprentices starting out in the trades which is also a great benefit to the community in the long term.

Further to the above we believe additional positive impacts this development will have include:

- Increased supply of much needed housing.**
- Infrastructure enhancements to the community.**
- Services for workers and visitors to Penticton Regional Hospital.**
- Protection and enhancement of Ellis Creek.**

513 Dawson Ave. Penticton BC V2A 6S5
250 492 8001
www.eckertelectric.com





**ECKERT
ELECTRIC
LTD.**

I personally believe a property and older building of this size could potentially sit empty for many years to come if this development is not approved to move forward. It would take an extremely specific industrial-based company with a large employee base to be able to occupy this site.

Stryke, as the applicant, has been proactive with me as a tenant of the building, in reaching out to communicate directly and explain their plans. To me, this speaks of a group that is committed to doing things the right way.

You may hear negative feedback from some regarding the 'loss of industrial lands' in our city. To this, I say where were these people when sites are being changed to self-storage/warehouse, which creates few local jobs, and very little economic spin off? As I see it, this development will provide space for great jobs, and greatly boost our tax base.

I ask that the Mayor and City Council approve the OCP amendment and continue to collaborate with the applicant, Stryke Group, to move our city forward.

Thank you very much for taking the time to consider this letter of support for this project moving ahead.

Best regards.

Yours Truly,

Jamie Foster





To whom this may concern,

We received notice regarding the new development proposal on 1704 Government St. and after reviewing this proposal, we are in full support of a new development. For many years, our town has struggled with the vacancy rate, and we believe the only way to turn that around is multi family buildings within the City of Penticton.

Creating a mixed use property will be beneficial to encompass the Industrial Park, located to the east and west of the property, and the residential that surrounds the north and north west. This location is close to local transit, the hospital, elementary schools & located in the Centre of Penticton, will make this location extremely desirable. This particular lot has sat vacant off and on for many years, and turning this into something purposeful will be beneficial to many people. The old building has become quite and eye sore while driving as it is dated and unkempt. Revitalizing this area will also compliment all the hard work that is being done in this area to keep the buildings looking fresh and modern.

As development property owners ourselves, we can appreciate the work that this applicant has put into this proposal and how this will benefit the City of Penticton.

We thank the council for their time & effort to review this proposal, and hope that they will find themselves in support of this as well.

Kind Regards,

A handwritten signature in black ink that reads 'Daniella Iannone'. The signature is written in a cursive, flowing style.

Daniella Iannone

On behalf of Rod Ferguson

Ro
C: [REDACTED]
E: rod@brentview.ca

Da
C: [REDACTED]
E: admin@brentview.ca

Steven Collyer

From: Planning Info - City of Penticton
Sent: Tuesday, June 27, 2023 8:54 AM
To: Steven Collyer
Subject: FW: Please think about our downtown core first. (1704 Government St)

Heather McDonald, Planning Clerk
Pronouns: She/Her [Learn more here]
City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9
p: 250.490.2523 | f: 250.490.2502 | e: heather.mcdonald@penticton.ca

I acknowledge that Penticton, where I live and work is on the traditional lands of the Syilx People in the Okanagan Nation.

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-----Original Message-----

From: Bruce Manery <[REDACTED]>
Sent: June 26, 2023 9:11 PM
To: Planning Info - City of Penticton <planning@penticton.ca>
Subject: Please think about our downtown core first.

Dear city planners,

Rezoning Industrial land in Penticton.

Please explain to me why the city does not concentrate on the huge amount of vacant lands in our downtown core. (1)Martin St where the Three Gables Hotel once stood. . It's been a Gravel Pit for 22 years.. Yes!! 22 years. (2) the entire block on Martin Street where the 'Super Value' shopping centre was. It been a unpaved parking lot for 20 years.Yes!! 20 years.. or how about the huge city owned lot at the corner of Nanaimo and Ellis.. 40 yes!! Yes 40 years as nothing. If the city were to get involved with a major developer and the owners of these properties. We could easily put 1000 condos and retail space in these areas. It our downtown core that needs the attention . Just leave the industrial land alone. Until a corporation comes along to unitize it ,let's make it productive maybe for urban farming. Think outside the box.. support our downtown core before it vanishes. Our downtown merchants are hurting and we need to support them Time to go BACK TO THE VILLAGE..

[REDACTED]
Robert Bruce Manery.

Steven Collyer

From: Planning Info - City of Penticton
Sent: Monday, June 26, 2023 10:57 AM
To: Steven Collyer
Subject: FW: Government Street Proposal

Follow Up Flag: Follow up
Flag Status: Flagged

Heather McDonald, Planning Clerk

Pronouns: She/Her [Learn more [here](#)]

City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9

p: 250.490.2523 | f: 250.490.2502 | e: heather.mcdonald@penticton.ca

I acknowledge that Penticton, where I live and work is on the traditional lands of the Syilx People in the Okanagan Nation.



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From: Building Info - City of Penticton <BUILDINGINFO@penticton.ca>
Sent: June 26, 2023 10:40 AM
To: Planning Info - City of Penticton <planning@penticton.ca>
Subject: FW: Government Street Proposal

Good Morning,

Please see email below regarding the proposed Government street OCP change.

Thank you,

Melissa Koster, Building Clerk

Pronouns: She/Her [Learn more [here](#)]

City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9

p: 250.490.2571 | f: 250.490.2471 | e: Melissa.koster@penticton.ca

City Hall is open to the public from 9am to 4pm however, arranging appointments with Development Services staff is highly recommended. For more information contact Development Services at 250 490 2501 or development@penticton.ca.



I respectfully acknowledge that Penticton, where I live and work is on the traditional lands of the Syilx People in the Okanagan Nation.

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From: Penny Flook [REDACTED]
Sent: June 25, 2023 5:58 AM

To: Building Info - City of Penticton <BUILDINGINFO@penticton.ca>

Subject: Government Street Proposal

Caution! This message was sent from outside your organization.

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I am writing concerning the proposed 1500 units to be built across from the Penticton Hospital.

We live at 1432 Government Street and the traffic on Government Street is continually increasing. Since Sendero Canyon was built, the intersection of Government and Duncan is so busy and backs up the traffic for blocks at certain times of the day. This street is also used for a lot of trucks and construction vehicles.

To consider another 1500 units on this street is beyond comprehension! There is no way this street could accommodate that number of new residents, most of which would have at least one vehicle.

If I have sent this to the wrong department, please forward to the correct one.

Thanks for your time.

A very concerned citizen,
Penny Flook
101-1432 Government Street
[REDACTED]

Steven Collyer

From: Andrea Rendall
Sent: Tuesday, June 27, 2023 8:54 AM
To: Steven Collyer
Cc: Corporate Communications
Subject: FW: 1704 government street development

For your files, thanks!

Andrea Rendall, Communications & Engagement Specialist
Pronouns: She/Her [Learn more here]
City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9
p: 250-490-2445 | e: andrea.rendall@penticton.ca

I acknowledge that I live, work and play on the traditional and unceded territory of the syilx people in the Okanagan Nation.

-----Original Message-----

From: Connie Southwell <[REDACTED]>
Sent: Tuesday, June 27, 2023 5:40 AM
To: Corporate Communications <Communications@penticton.ca>
Subject: 1704 government street development

The only comment I have as a resident of Penticton would be that development is okay but at the pace of these developments infrastructure is being left behind.

It's a tax base but does it cover such things as traffic lights, roads, Plus additional strain on health services...not enough doctors now to serve the population .

The hospital will need to be expanded but again staffing is a problem in all public services.

Continually building and inviting people to live here is fine but without health services the situation will get worse.

For your thoughts and consideration as the representatives of the people of Penticton.

If you keep taking away property for businesses then who employs the newcomers.

New developments should pay the costs for upgrades to all infrastructure affected by their development .

John Chenoweth

Steven Collyer

From: Tanya Riznek <[REDACTED]>
Sent: Wednesday, June 28, 2023 8:58 AM
To: Steven Collyer
Subject: 1704 Government Street - Letter of opposition

Follow Up Flag: Follow up
Flag Status: Completed

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Hello,

I am writing this email to express my opposition to allowing 1704 Government Street development. I have filled out the survey online and wanted to also submit an email to put in writing my opposition to this.

Parking will be an issue with a development of this size and enough parking for the businesses and residents is never enough. 12 stories in height is MUCH too high and this is the wrong location for this type of development. This should stay Industrial and not be changed to mixed use.

Thank you for your time,
Tanya

Steven Collyer

From: Linda Lund <[REDACTED]>
Sent: Friday, June 30, 2023 10:32 AM
To: Steven Collyer
Subject: 1704 Government Street

Follow Up Flag: Follow up
Flag Status: Completed

Hi Steve

May I suggest higher buildings to provide for more green space in the middle of the development. This would allow for a large sized park for the children to play in away from heavy Traffic on Government. A basket ball court for older children would be nice too!

Have you considered how heavy traffic is in that area? Will the developers be responsible for ensuring safe ways to enter and exit the development and has the City developed a plan for all the extra traffic that will occur in an already very busy area?

I think this development is wonderful with a few changes!

Thanks,

Linda Lund

Sent from my iPad

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

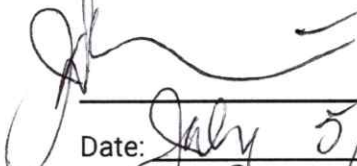
My name is: Tanice Ponceé
My address is: 1085 Kilwinning Street, Penticton

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,



Date: July 5/23

Submit:

via email to City of Penticton Clerk's Office: council@penticton.ca

via email to Stryke office (we will submit to City Clerk's on your behalf): engage@strykegroup.ca

City Website:

<https://www.shapeyourcitypenticton.ca/1704-govt-st-ocp>

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

My name is: Philip Fox

My address is: 1260 Riddle Road, Penticton BC

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,



Date: July 10, 2023

Submit:

via email to City of Penticton Clerk's Office: council@penticton.ca

via email to Stryke office (we will submit to City Clerk's on your behalf): engage@strykegroup.ca

City Website:

<https://www.shapeyourcitypenticton.ca/1704-govt-st-ocp>

KOCHHAR & CO

CHARTERED PROFESSIONAL ACCOUNTANT

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

My name is Ramit Biki Kochhar

My address is #200 – 383 Ellis Street Penticton, B.C. V2A 4L9

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,



Ramit Biki Kochhar

July 6, 2023

Steven Collyer

From: Emily Wager <[REDACTED]>
Sent: Thursday, July 13, 2023 9:54 AM
To: Council
Subject: 1704 Government Street, OCP Amendment and Rezoning

Caution! This message was sent from outside your organization.

Dear Mayor and Council:

My name is Emily Kirkley,
My address is: 726 Sheep Creek Rd, Kaleden

Though I live in Kaleden I frequent Penticton almost daily. Penticton in recent years has seen some progress in development, however, I firmly believe sustainable projects like Stryke Groups 1704 Government Street projects will only solidify a stronger foundation for the community to thrive.

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much-needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Warm regards,

Emily Kirkley
July 13th 2023

Steven Collyer

From: Kelly Hager <[REDACTED]>
Sent: Thursday, July 13, 2023 9:47 AM
To: Council
Subject: 1704 Government Street, OCP Amendment and Rezoning

Caution! This message was sent from outside your organization.

Mayor and Council:

My name is Kelly Hager,
My address is, 401-138 West 1st Avenue Vancouver B.C.

Though I live in Vancouver I frequent Penticton and Kelowna often. Penticton in recent years has seen some progress in development, however, I firmly believe sustainable projects like Stryke Groups 1704 Government Street projects will only solidify a stronger foundation for the community to thrive.

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much-needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Kind Regards,
Kelly Hager

Date: July 13th, 2023

136-102 Forestbrook Place
Penticton, BC
V2A 7N4
July 18, 2023

City of Penticton
171 Main Street
Penticton V2A 5A9

To: Steven Collyer, Penticton City Planner
Re: Proposed Development at 1704 Government St.

We are asking the city to extend the deadline, which is set for the end of July, for the submission of public comments as many people are away on holidays right now and this is very important subject for the residents of Penticton. Also, is the city is going to have a formal hearing on this matter?

We feel the existing infrastructure so close to the hospital would not adequately support any new development nor the consequential increase in traffic, or possibly anywhere within Penticton. Penticton was never designed to be a large city, but it is the subject of traffic that we are mainly concerned about. With 1,200 to 1,500 new units and one or two additional vehicles per household, it would turn into a disaster.

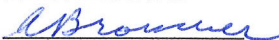
Where do you plan access to the proposed development? If it is Government Street, which is congested even now, you are blocking access to and from the hospital. If you were to route the traffic onto Industrial Avenue, there would have to be a separate bridge built just for that purpose. Other routes negatively impacted would be Carmi Avenue and the emergency entrance to the hospital, and Carmi School which would have children coming and going. And how would you deal with ambulances, police and fire trucks coming along at rush hour? What would happen if Penticton were faced with an emergency and people were being evacuated? Being in fire season this is a very real concern and we hope these matters will be given serious attention.

Sincerely,

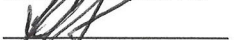
Four very concerned long-term citizens of Penticton.



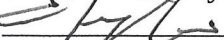
Janet Brouwer



Alvina Brouwer



Susan Fitkowsky



Edith Tingle

cc: Julius Bloomfield, Mayor, and Penticton City Council.

1. Location

I agree that Penticton needs housing however, you've proposed a building with approximately 1200-1500 apartment units with mixed use of office buildings and retail across from a hospital that is at least a 35-minute walk to downtown. This location is not pedestrian friendly. While there is an undivided bike lane on Government, Government could not be adapted to accommodate a bike lane as built on other streets as there is no space to do so.

The location is set across from the hospital on a single lane road with no room to increase flow of traffic. There are no turning lights at either Government and Industrial or Government and Carmi. At any time of the day and not specific to 'rush hour', both intersections are backed up.

Industrial Avenue is also an Ambulance route to the hospital. With the increase of traffic, this will cause delay to an individual needing immediate care along with the frustration of the ambulance drivers who already have enough issues with getting around town when their ambulance routes are either diverted or delayed with bike lanes.

The location is set in front of the industrial area because this property is currently zoned as industrial. The noise level from the industrial area is loud and can be heard going up Carmi. You will have individuals residing in apartments a mere 30 feet away from the banging and clanging. The businesses who are on the backside of the proposed development will be inundated with complaints at 7am when they start their day of work.

With the increase of traffic, and the recent issue with a child being hit in a cross walk, Carmi Elementary school is in the close vicinity of the proposed development. Given your recent 'Safe Routes to School Program', the area had already been noted for issues having children getting safely to school. What will the increase of approximately 1200-5000 residents do to the safety of school children crossing the road.

With the building of the multiple buildings, what is the plan to maintain the integrity of the cliff on the opposite side of Carmi Avenue. Will the ground sustain the digging and building of these units? Will the residents on Carmi and surrounding areas have to worry about the downgrade of structural integrity? With the current litigation on Vancouver Avenue, it makes you question if the land is secure enough to withstand the building.

2. Parking

In the proposal, I did not see anything about parking. Where will these 1200-1500 apartments be parking their various vehicles, whether cars, trucks, motorcycles or scooters? If each unit has a vehicle, that is a lot of parking spots needed. What if a unit has 2 vehicles? Where will they park? I think that this development should be excluded from using the hospital zone parking or they will be parking all over the local streets where the individuals who live in that specific area need to park. While I understand that not everyone has a vehicle (and I lived this way for many years), and would not need to utilize a parking spot, how will parking be dealt with? Will it be underground?

Individuals will park their vehicles in the industrial zone as it is flat and they will not have to walk hills. This will congest the industrial park more and with the increase of pedestrians and vehicles, make it harder for the persons working in the industrial zone along with driving large trucks and machinery. Semi-trucks are large and difficult to make tight spaces so if people are not parking correctly, this could cost businesses time and money.

3. Public spaces

The creek flows beside the proposed development and there is no access point to the development from Industrial noted in the initial drawings. Will the development propose to build a bridge over the creek to accommodate access?

What about the completion of sidewalks up Carmi to Dartmouth Street to accommodate the potential of foot traffic from residents parking up Carmi, Macleave, Dartmouth Street. With the increase of traffic, there would need to be a cross walk installed for safety of the residents who will be parking off site.

What will the environmental studies will be done to show the impact of building a large development directly beside the creek which flows through to the channel and out to the local lakes.

4. Size of Complex

What is the reason for building 6 – 12 stories? I can see the height variance being sought if there was a lake view but there are little to no views to be had from this property. You will be overlooking the hospital or industrial park. Max height of the two units in the back of the complex should be 6 stories with the remainder being 3-4 stories. You will note that hospital isn't even 12 stories.

Upon review of a recent proposed development project in town, I am reminded of the Kampe proposal which was not approved by City council. This property was already zoned as residential with the developer seeking to have it used as a mult-unit property. This property is 3.62 acres and the proposal was for 158 units. This proposed development is 10.087 acres and the proposal is 1200-1500 units. How is it possible for land that is approximately 3 times the size to have 7 times the amount of units proposed to fit into the space. This will increase the congestion of the area where congestion isn't needed due to the hospital being across the street and the residents of Penticton and Area's need to have immediate access to their emergency health care.

Consideration for the surrounding area needs to be addressed prior to this development being able to move forward and I am more than happy to discuss my above concerns.

Robyn Hickman
809 Carmi Avenue

[REDACTED]

[REDACTED]

Steven Collyer

From: K Monai <[REDACTED]>
Sent: Sunday, July 30, 2023 12:21 AM
To: Planning Info - City of Penticton
Subject: 1704Government Street

Caution! This message was sent from outside your organization.

Hello,

I am writing because I was unable to submit all of my concerns on the feedback form. I am a resident of the area and a parent of children attending Carmi School. I am concerned about many aspects of this proposal.

My main concern is around the density proposed. This would be the highest density area in Penticton. I know we need housing, but I don't see anything in the proposal that meets the main need which is affordable, family housing.

As a neighbour of this industrial area, these businesses make significant noise and smells at certain times and may not be conducive to this population density as their next door neighbour. How do our bylaws address these close proximity with the industrial business and residential housing. Protecting our industrial area is important and while this plot has been underutilized lately, long term it should be protected.

We recently participated in a safe walk to school planning session with the city, school board, RCMP, and parents. I am not sure how that plan and the current proposal work together. We walk our children to school every day and the intersection of Government St and Carmi Ave is dangerous with the alignment of the intersection and volume of the traffic already passing through the area. Adding an intersection to our neighbourhood with the overflow of traffic from this complex is also concerning. How will this improve our children's ability to safely travel to school on foot?

The height of the buildings is also concerning because we have had an increase in noise with the new tower at the hospital and all if the air handlers and equipment on the roof. I am concerned that the height if the buildings will create further noise pollution in our area. We also have a., view of the lake from our home and tis will impact our resale value and enjoyment of our home.

I would like to see an increase in density of housing meeting the needs of affordability, and families (3 bedroom apartments). I'm not sure this area is the right spots. The aging population in Penticton needs young workers to support them and affordable housing is key.

I work in Healthcare and another aspect of staff retention is the that female employees accept a position and their partners can not find work in the area due to lack of industrial jobs in Penticton. So losing more industrial area may also impact healthcare employees, not just lack of affordable housing.

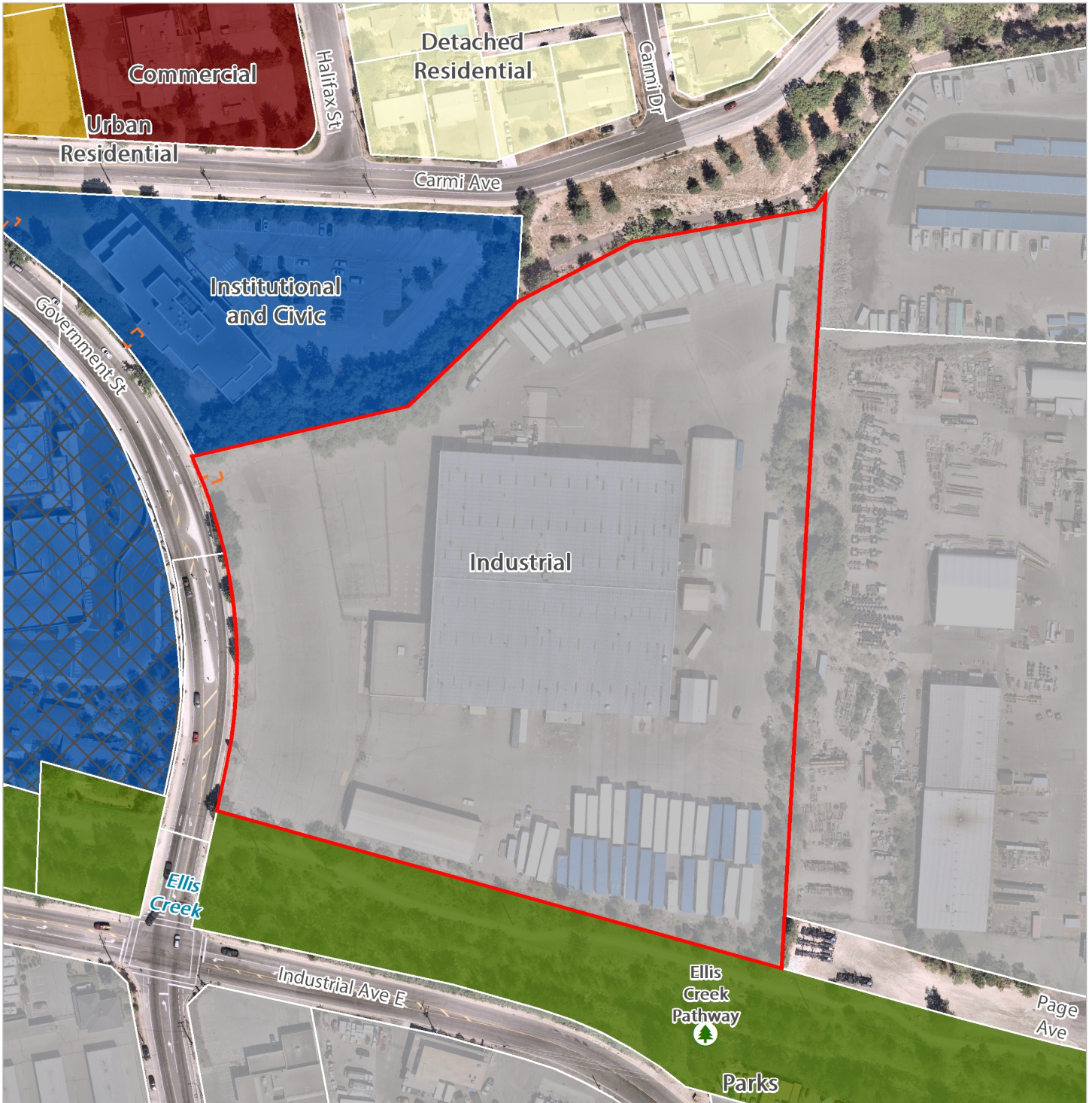
Thank you for considering this feedback.

Regards,
Katie Monai



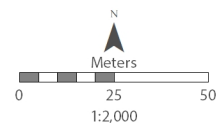
1704 Government Street

Official Community Plan Map



Legend

- | | |
|----------------------|-------------------------|
| Subject Parcel | Future Land Use |
| Site Specific Zoning | Detached Residential |
| | Institutional and Civic |
| | Commercial |
| | Urban Residential |
| | Industrial |



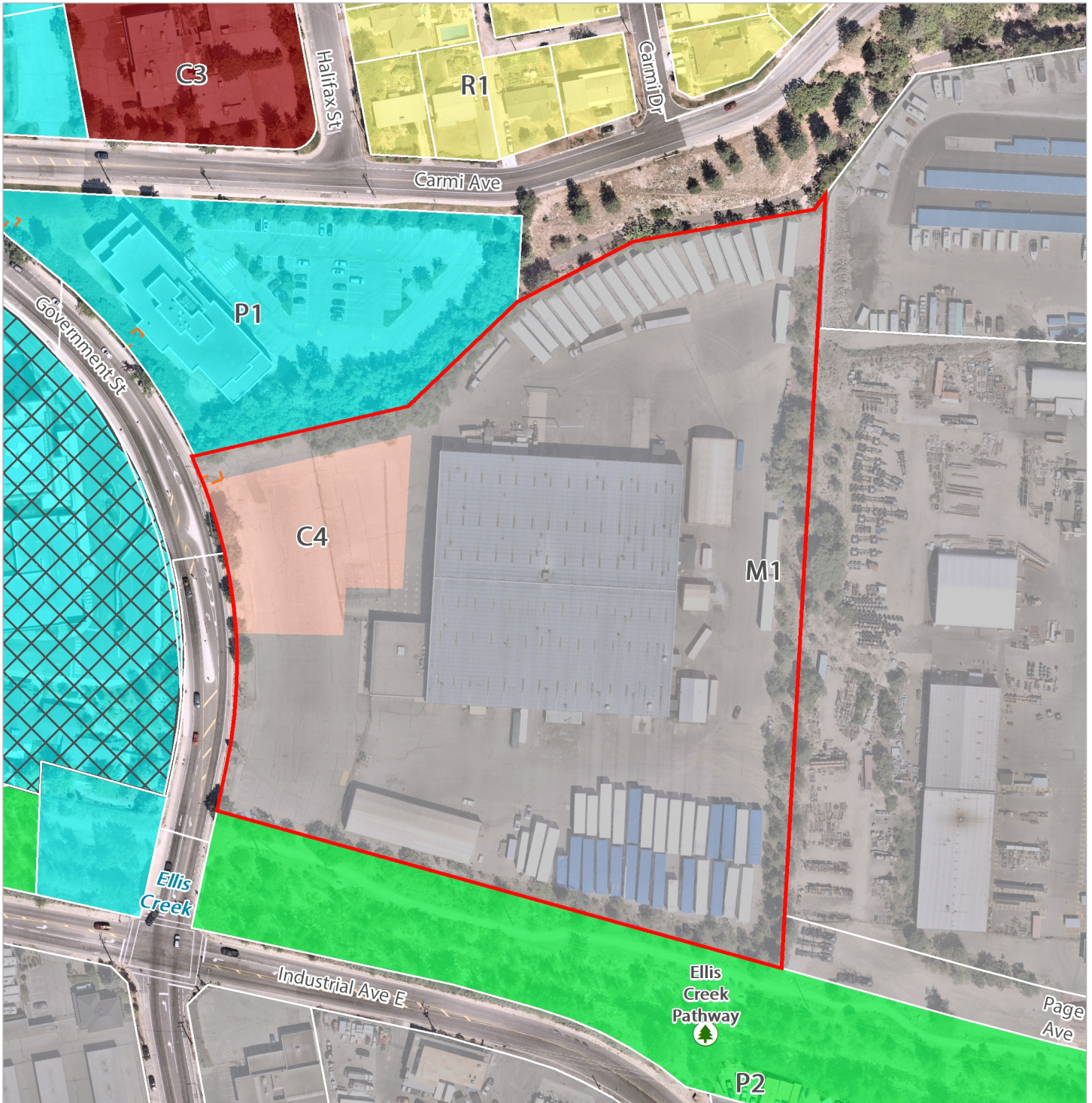
Terms of Use: The City of Penticton is a depository of public information in both printed and digital form. The source, accuracy and completeness of this information varies. As a result, the City does not warrant in any way the mapping information including the accuracy or suitability thereof. The user 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.

Thursday, June 8, 2023 8:38:27 AM



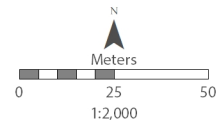
1704 Government Street

Zoning Map



Legend

- Subject Parcel
- R1 - Large Lot Residential
- M1 - General Industrial
- C3 - Mixed Use Commercial
- P1 - Public Assembly
- C4 - General Commercial
- P2 - Parks and Recreation

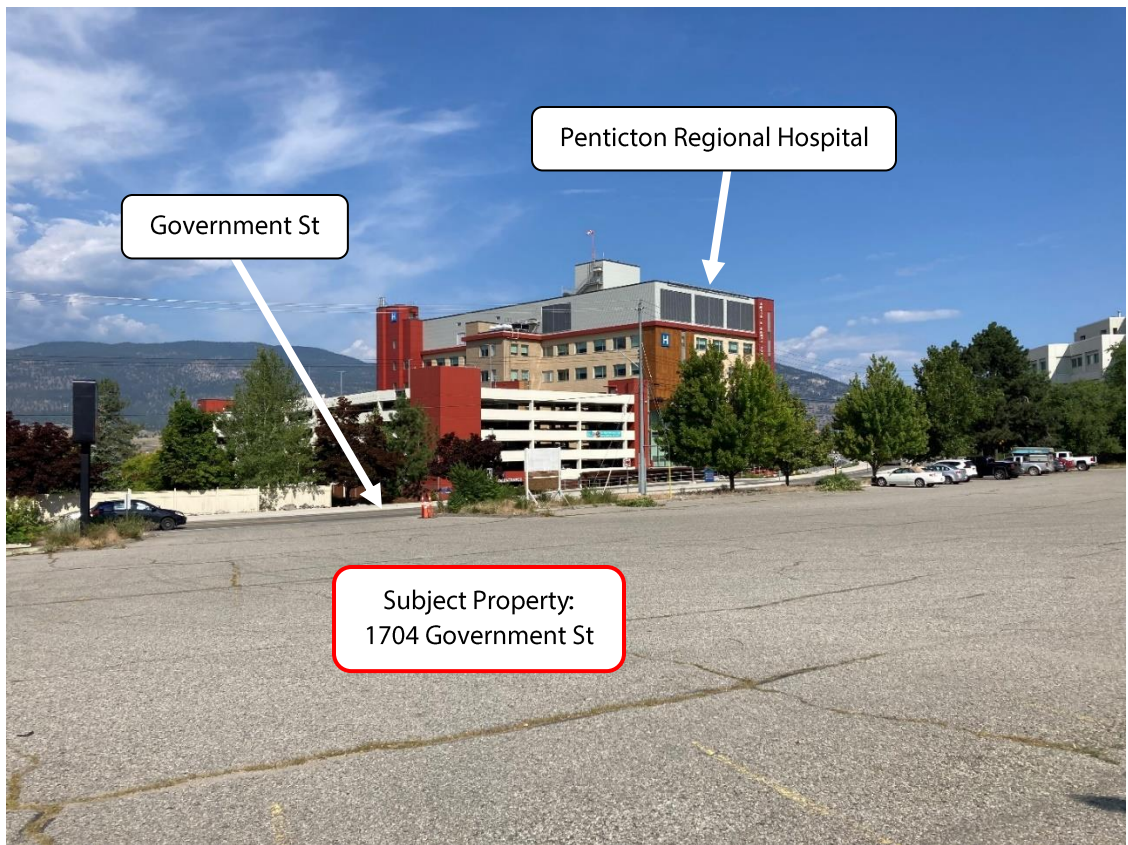


Terms of Use: The City of Penticton is a depository of public information in both printed and digital form. The source, accuracy and completeness of this information varies. As a result, the City does not warrant in any way the mapping information including the accuracy or suitability thereof. The user 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.

Thursday, June 8, 2023 8:37:38 AM

Attachment J - Photos of Subject Property





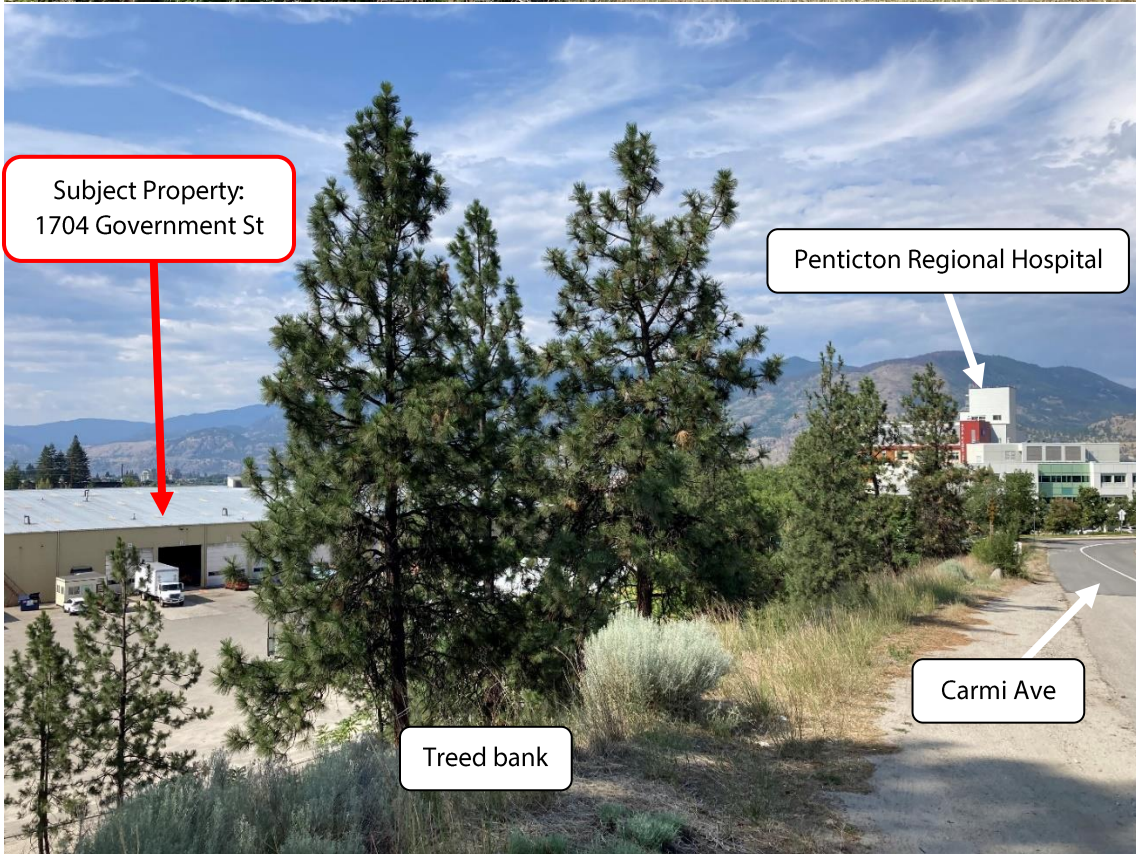


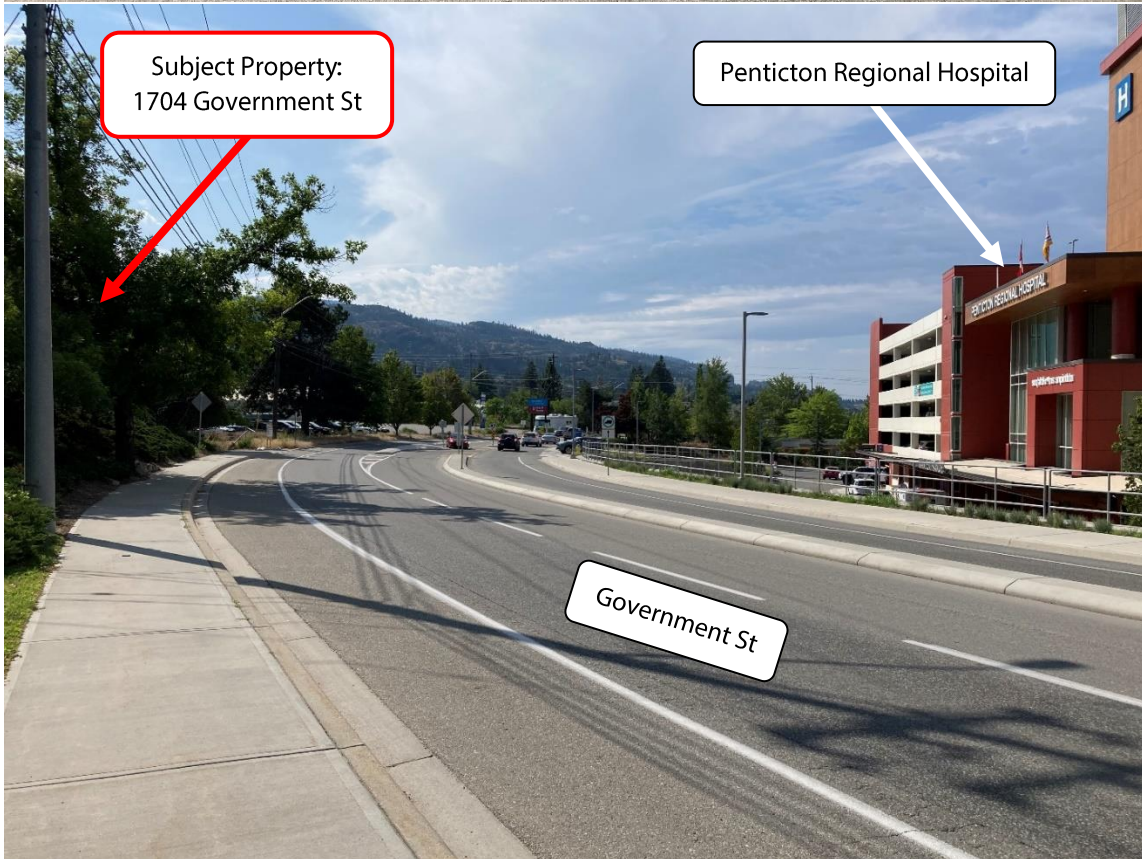
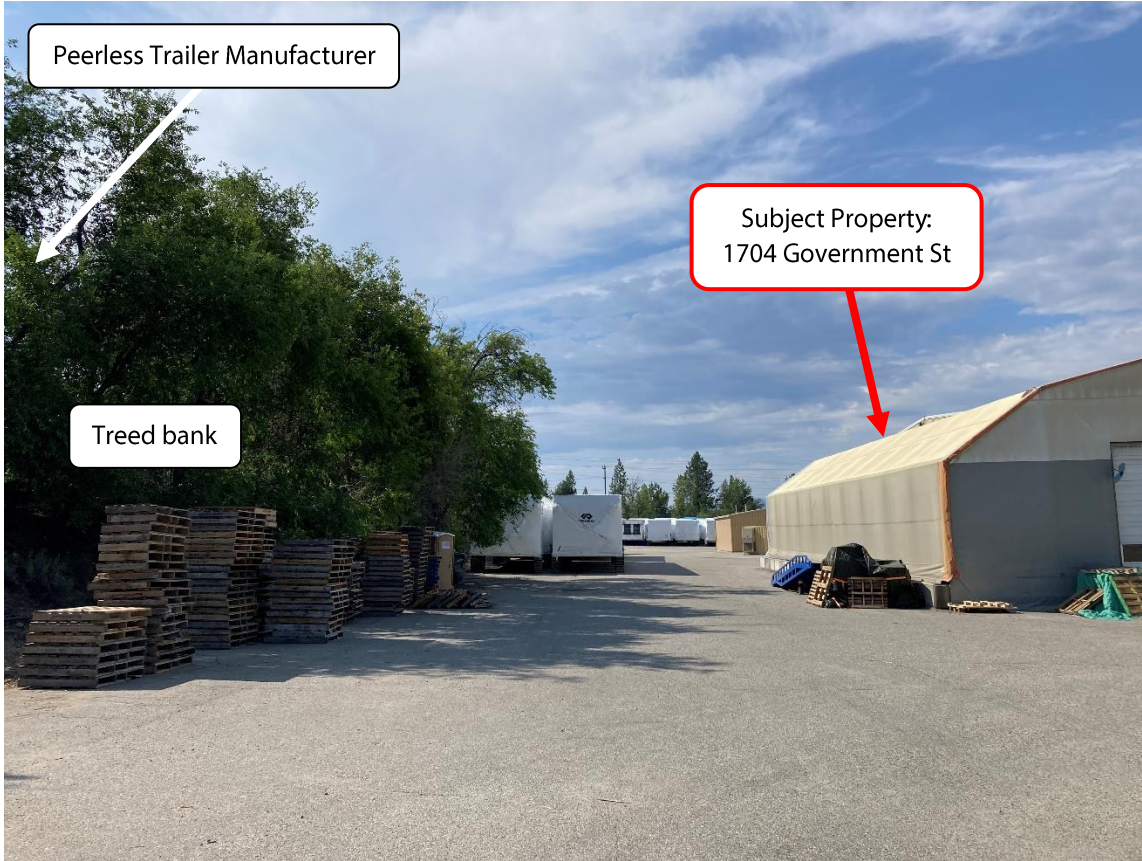
Subject Property:
1704 Government St

Treed bank

Peerless Trailer Manufacturer



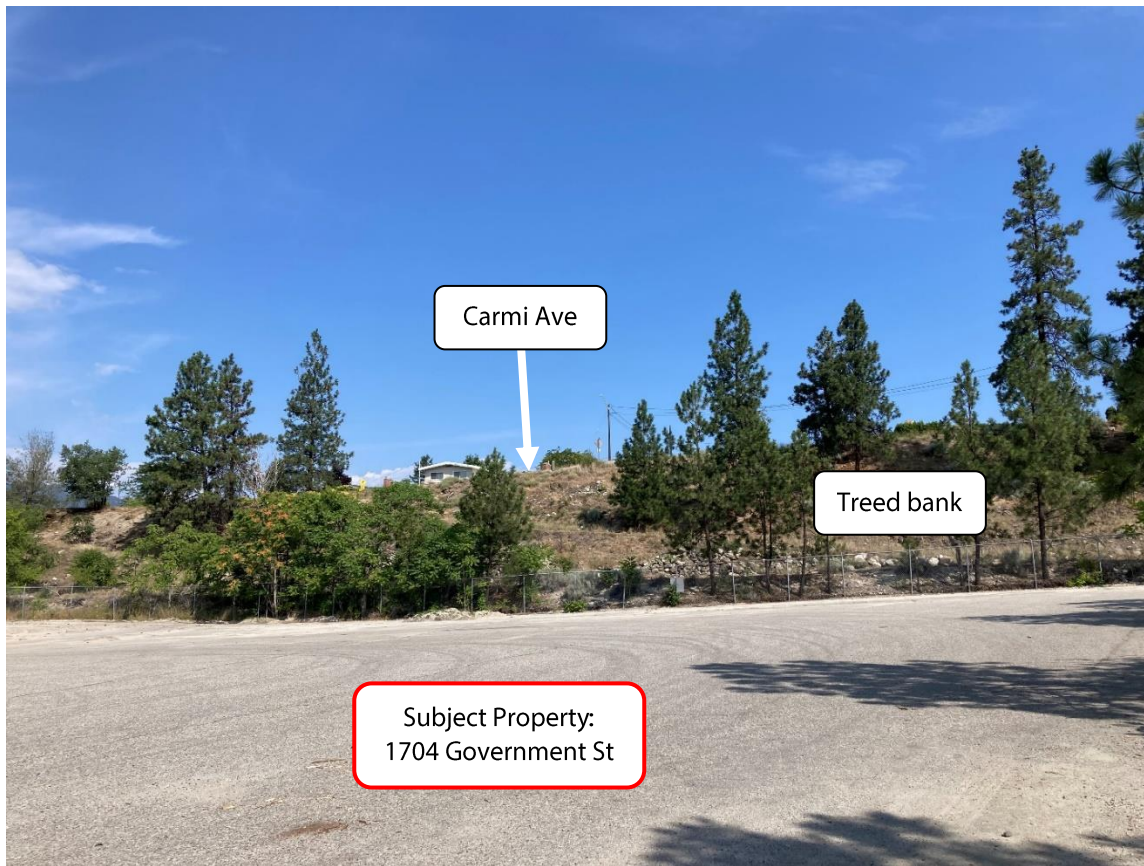






Penticton Regional Hospital

Government St



The Corporation of the City of Penticton

Bylaw No. 2023-34

A Bylaw to Amend Official Community Plan Bylaw No. 2019-08

WHEREAS the Council of the City of Penticton has adopted an Official Community Plan Bylaw pursuant to the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend "Official Community Bylaw No. 2019-08";

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 "Official Community Plan Amendment Bylaw No. 2023-34."

2. **Amendment:**

"Official Community Plan Bylaw No. 2019-08" is hereby amended as follows:

2.1 To change the following designations as follows:

Amend Map 1: Future Land Use by changing the future land use designation for Lot A District Lot 3429S Similkameen Division Yale District Plan 23195 Except Plan 37288, located at 1704 Government Street, from "Industrial" to "Mixed Use" as shown on Schedule 'A'.

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

2.3 Add the following site specific policy statement to Land Use Designations, Mixed Use:

Site-Specific Mixed Use Policy Statement:
1704 Government Street: Allow a maximum building height of 12 storeys.

READ A FIRST time this	12	day of	September, 2023
A PUBLIC HEARING was held this	3	day of	October, 2023
READ A SECOND time this		day of	, 2023
READ A THIRD time this		day of	, 2023
ADOPTED this		day of	, 2023

Notice of intention to proceed with this bylaw was published on the 22 day of September, 2023 and the 27 day of September, 2023 in an online news source and the newspaper, pursuant to Section 94.2 of the *Community Charter*.

Julius Bloomfield, Mayor

Angie Collison, Corporate Officer



Schedule A: OCP Amendment Bylaw No. 2023-34

Date:

Corporate Officer:

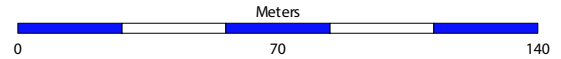


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1:2,040

September 1, 2023 3:44:45 PM



Coordinate System: NAD 1983 CSRSUTM Zone 11N

September 7, 2023

Penticton City Hall
171 Main Street
Penticton, BC V2A 5A9

RE: 1704 Government Street – OCP Amendment & Rezoning

Mayor and Council:

As former owners of Britco, we fully endorse the OCP Amendment application put forward by the applicant, Stryke (Okanagan) Investments Ltd.

At its height, the subject property was well utilized by our company to manufacture modular buildings while employing hundreds of local people for many years.

Given the state of the housing market, and the need for housing in our community, we feel it best that the site would be redeveloped in the manner put forward by Stryke. This plan will create much needed housing, medical office, retail space, along with many other uses that will reestablish the property as a centre for the area around the hospital.

The value of this site far exceeds the commercial value that makes sense for industrial uses today. For these reasons, we request that Mayor and Council approve the OCP Amendment and rezoning, and move forward with the redevelopment of these lands.

Regards,

David Taft



Rick McClymont

September 7, 2023

Penticton City Hall
171 Main Street
Penticton, BC V2A 5A9

RE: 1704 Government Street – OCP Amendment & Rezoning

Mayor and Council:

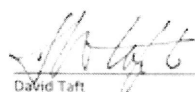
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The value of this site far exceeds the commercial value that makes sense for industrial uses today. For these reasons, we request that Mayor and Council approve the OCP Amendment and rezoning, and move forward with the redevelopment of these lands.

Regards,



David Taft

Rick McClymont

From: [Phillip Locke](#)
To: [Public Hearings](#)
Subject: Official Community Plan Amendment 2023-34 1704 Government Street Penticton
Date: Monday, September 25, 2023 4:02:14 PM

Caution! This message was sent from outside your organization.

Attention: Corporate Officer, City of Penticton
171 Main Street, Penticton BC V2A 5A9
Email: publichearings@penticton.ca

September 25, 2023

Re: Official Community Plan Amendment 2023-34
Subject: 1704 Government Street

The primary question- is there a greater need for vacant industrial land or residential land? There are other residential lands available but no other industrial sites. Using this site for residential eliminates any further industrial growth. Not a good policy.

The significant other issue is vehicular traffic congestion. Fully developed this site will add another 2000(+/-) vehicles. At certain times of the day, Government Street currently has vehicular traffic backed up for one/two blocks, and an extra 2000 autos will result in gridlock and difficulty accessing the Hospital.

While allowing this site to be rezoned for residential use solves one problem, it will create a much larger unsolvable problem later on. Not a good policy.

Respectfully Submitted

Philip Locke
112 Eckhardt Ave. W
Penticton BC. V2A 2A7

From: [Penny Flook](#)
To: [Public Hearings](#)
Subject: 1704 Government Street
Date: Wednesday, September 27, 2023 11:32:45 AM

Caution! This message was sent from outside your organization.

[Allow sender](#) | [Block sender](#)

We live in a four-plex at 1432 Government Street and have been here for 19 years. The traffic on Government Street is very heavy for the size of the street and intersecting streets. Since Sendero Canyon was developed it has increased greatly. Industrial trucks, cargo vehicles, waste management, and City yards all use Government Street. And vehicles going to Naramata feed off Government Street.

The idea of putting a residential complex at 1704 Government Street with 1500 residential units means at least 2,000 more vehicles on the street each day. There is no way that Government Street can accommodate that much more traffic. There is no way to widen the street or divert the traffic.

THIS PROPOSAL SHOULD NOT HAVE MADE IT THIS FAR IF THE EXISTING TRAFFIC AND STREETS WERE STUDIED AND CONSIDERED .

Penny & Greg Flook
101-1432 Government Street
Penticton, BC
V2A 4W1



PRIMEX INVESTMENTS LTD.
#200 – 1785 West 4th Avenue Vancouver BC, Canada
V6J 1M2

Mayor and Council
City of Penticton
171 Main Street
Penticton BC
V2A 5A9

Dear Mayor and Council,

Re: Public Hearing for Penticton Health and Innovation District

On behalf of Primex Investments Ltd, I am writing to support the Stryke Group's proposal for their new Penticton Health and Innovation District, which will bring much needed housing and employment / retail space to central Penticton.

Primex Investments Ltd. currently operates six properties in Penticton, representing more than 200 rental units. We are critically aware of the lack of rental housing in Penticton and the Okanagan Region; therefore, we support projects that add housing options in the community. We know that local businesses, including ourselves, face challenges finding housing for our employees. As a result, we firmly believe in the need for more housing across the housing spectrum.

Combined with the retail, office and associated health employment spaces, the Innovation District, as proposed by Stryke Group, will be critical to the future of Penticton and will help Interior Health retain and attract key staff to this great community.

The Stryke Group has the pedigree and understanding to complete complex multi-phase projects like this. Without this understanding, these projects often fail, sit empty, and remain underutilized. Given the importance of this site, we encourage the City to support this unique proposal.

A handwritten signature in black ink, appearing to read 'Andrew', written in a cursive style.

Andrew Rennison

Director, Primex Investments Ltd.

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

My name is: Biki Kochhar

My address is: 723 Government Road Penticton BC V2A 4T3

I support the proposed OCP Amendment and Rezoning for 1704 Government Street due to the positive impact it will have on our community:

- The project will bring new opportunities for housing that are much needed in our community.
- The development will bring significant infrastructure enhancements along with development fees to the community, totalling millions of dollars.
- It's the right thing to do for this property! The proposed development will bring much needed services for workers and visitors to Penticton Regional Hospital - such as coffee shops, restaurants, medical clinics and more.
- The developer is seeking to improve the protection and enhancement of Ellis Creek.

Stryke has demonstrated a strong commitment to a thoughtful redevelopment of this property, and the time is now to bring this innovation and visionary project forward for Penticton.

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,



Date: Sept 27 2023

Please Submit your letter as follows:

via email to City of Penticton Clerk's Office: publichearings@penticton.ca

OR

via email to Stryke office (we will submit to City Clerk's on your behalf): engage@strykegroup.ca

For additional info, please visit the following websites:

Stryke: <https://strykegroup.ca/health-and-innovation-hub>

City of Penticton: <https://www.shapeyourcitypenticton.ca/1704-govt-st-ocp>

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

My name is: Randy Pratt

My address is: 1101 Main Street, Suite 1, Penticton, BC V2A 5E6

I support the proposed OCP Amendment and Rezoning for 1704 Government Street due to the positive impact it will have on our community:

- The project will bring new opportunities for housing that are much needed in our community.
- The development will bring significant infrastructure enhancements along with development fees to the community, totaling millions of dollars.
- It's the right thing to do for this property! The proposed development will bring much needed services for workers and visitors to Penticton Regional Hospital - such as coffee shops, restaurants, medical clinics and more.
- The developer is seeking to improve the protection and enhancement of Ellis Creek.

I have known the Stryke team professionally for many years and developer of their sophistication is what is required for this wonderful, comprehensive community plan. Stryke has demonstrated a strong commitment to a thoughtful redevelopment of this property, and the time is now to bring this innovation and visionary project forward for Penticton.

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,



Date: September 29, 2023

Please Submit your letter as follows:

via email to City of Penticton Clerk's Office: publichearings@penticton.ca

OR

via email to Stryke office (we will submit to City Clerk's on your behalf): engage@strykegroup.ca

For additional info, please visit the following websites:

Stryke: <https://strykegroup.ca/health-and-innovation-hub>

City of Penticton: <https://www.shapeyourcitypenticton.ca/1704-govt-st-ocp>

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

Via email: council@penticton.ca,
paula.mckinnon@penticton.ca

September 29, 2023

Mayor Julius Bloomfield
Councillor Amelia Boulton
Councillor Isaac Gilbert
Councillor Ryan Graham
Councillor Helena Konanz
Councillor James Miller
Councillor Campbell Watt

Subject: Rezoning of 1704 Government Street from Industrial to Residential

Dear Members of the City of Penticton Council,

My name is Brad Eshleman. I grew up in Penticton, own a business here and own a home here. As well I am currently a Director and Chair of the Policy Council for the Greater Vancouver Board of Trade and am quite familiar with the long-term consequences of converting industrial land to residential creating a crisis for businesses, economic development, and job creation as it has in Metro Vancouver.

I am writing to express my concern and strong opposition to the proposed rezoning of 1704 Government Street from industrial to residential. Having thoroughly reviewed the information provided on the shortage of industrial lands in the City of Penticton, I am compelled to emphasize the importance of preserving and protecting our limited industrial spaces for the benefit of the local economy.

As outlined in the City's information on the shortage of industrial lands, it is evident that there is a pressing need to safeguard these areas to support economic growth, job creation, and the overall well-being of the community. Converting industrial land to residential use, particularly in times of scarcity, poses significant drawbacks that must be carefully considered.

The rationale presented for not converting industrial land to residential is grounded in the long-term economic viability of Penticton. Industrial zones are crucial for attracting and retaining businesses that contribute to job creation and sustainable economic development. By rezoning 1704 Government Street to residential, we risk undermining the potential for future job opportunities and economic growth in our city.

Furthermore, I would like to draw attention to the attached Greater Vancouver Board of Trade (GVBOT) Economic Impact Study on the Shortage of Industrial Lands. This study

was recently released and contains valuable insights into the broader consequences of industrial land shortages, and I encourage the council to thoroughly consider its findings.

There are several compelling reasons why industrial land, especially when in short supply, should not be converted to residential lands:

1. **Job Creation:** Industrial zones are integral to the creation of jobs in manufacturing, logistics, and other sectors. Rezoning for residential use may limit the growth of these job opportunities.
2. **Economic Diversity:** A healthy city requires economic diversity. Preserving industrial land ensures a diverse and resilient economy, protecting against over-reliance on a single sector.
3. **Tax Revenue:** Industrial activities contribute significantly to local tax revenue and in fact subsidizes residential services. Continuing to convert industrial land to residential may result in a decrease in tax revenue, affecting the city's ability to provide services.
4. **Community Well-being:** A balance between residential and industrial areas is crucial for maintaining a high quality of life for residents. Excessive residential development at the expense of industrial zones may lead to an imbalance in community services and amenities.
5. **Alternative Sites Available for Residential Development:** There are many alternative sites for residential development in Penticton including downtown to assist in the revitalization of the downtown core.
6. **No Alternative Industrial Sites Available for Businesses and Job Creation:** Once industrial land in Penticton is converted to residential you never get it back. There is a shortage of industrial land in Penticton for long-term industrial / business development and job growth.

In conclusion, I urge the City of Penticton Council to reconsider the rezoning of 1704 Government Street from industrial to residential. The long-term economic health of our community relies on thoughtful planning and the preservation of industrial lands. By doing so, we can ensure the continued growth and prosperity of Penticton for generations to come.

The alternative will result in the problems Metro Vancouver is facing with the shortage of industrial lands and jobs going to Calgary and the US. However, in Penticton you will see jobs going to Kelowna to the north and OK Falls/Oliver/Osoyoos to the south. I am sure you do not want to see Penticton's residents have to become commuters to get the jobs created in the industrial areas of those jurisdictions.

Thank you for your attention to this matter, and I trust that the council will make decisions that prioritize the sustainable development of our city and family paying jobs in the community for its residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Eshleman', with a horizontal line underneath.

Brad Eshleman

Cc

Kristen Dixon, Acting Chief Administrative Officer (CAO)

Blake Laven, Director of Development Services

Cheryl Hardisty, Manager of Council and Executive Operations

Anthony Haddad, General Manager of Community Services

Frank J. Conci, President, Penticton Industrial Development Association

The logo for InterVISTAS, featuring the word "InterVISTAS" in a dark blue, sans-serif font. A thin, curved line in shades of green and blue arches under the text.

InterVISTAS

The logo for URBAN SYSTEMS, with "URBAN" in a bold, red, sans-serif font and "SYSTEMS" in a smaller, dark blue, sans-serif font below it.

URBAN
SYSTEMS

Economic Impact Study of the Critical Shortage of Industrial Land in Metro Vancouver

A stylized, abstract representation of a city skyline. The buildings are depicted as various shades of blue and green, with some elements appearing as semi-transparent or layered. The overall effect is a modern, geometric interpretation of an urban landscape.

PREPARED FOR
The Greater Vancouver Board of Trade and NAIOP Vancouver

PREPARED BY
InterVISTAS Consulting Inc. with Urban Systems

Executive Summary

Metro Vancouver's Industrial Land Crisis

As a region, Metro Vancouver is geographically constrained and with urban containment boundaries, we are close to exhausting the industrial land supply. The availability of industrial lands is critical to the long-term economic development and growth of the Metro Vancouver area. Our competitive edge in the knowledge economy is to take advantage of nearshoring trends and building value-added production.¹ However, without lands suitable to generate

employment, Metro Vancouver is losing to other regions in economic competitiveness. This critical shortage is already creating significant challenges for local businesses, especially existing warehouse and logistics centres. The Port of Vancouver is Canada's largest port and is the key gateway for Canadian commodity exports to Asia and for consumer and business product imports from Asia to Canada and beyond. Similarly, Vancouver International Airport (YVR) is a gateway to the new economy with rapid access to global trade lanes. Beyond the key transportation gateways in the region, industrial lands are a coveted resource that serve a broad spectrum of industries from manufacturing to research and development. However, in recent years, rising land values and continued growth and expansion of the local, regional and national economies, has resulted in a critical shortage of available industrial land in the Metro Vancouver region, which has resulted in companies either relocating or expanded their operations to outside of British Columbia to Calgary, Washington State and other locales.

Availability of industrial land supply is key to maintaining Metro Vancouver's global economic competitiveness and affordability and will be an important generator of employment.

Over the past decade, demand for industrial space in Metro Vancouver has grown at an exponential pace. This demand has primarily been attributed to a growing population requiring more goods in the region and continued adoption of e-commerce creating a need for more warehouse space to ship goods from. The supply of industrial space has not been able to keep pace with this demand, despite more than 36 million sq ft of industrial space being added to the region over the last 10 years.² The main challenge to solve this key issue is that there is not enough suitable industrial land for development due to a number of factors including difficult site conditions (e.g., land cannot be developed in an easy or cost-effective manner).

What are industrial lands?

It is estimated the Metro Vancouver region needs approximately 250-300 acres of industrial land per annum to support various industrial activities in the region.

Industrial lands are those used for industrial purposes, including warehousing, distribution, manufacturing, processing, local production, and new emerging technology-driven businesses. An important subset of industrial lands are trade-enabling lands – those are lands which support trade flows between Canada and its many trading partners. Generally, trade-enabling industrial lands can have different land use requirements than other industrial uses, namely the size of the parcel of land required and accessibility to major

transportation corridors. There are other users of industrial lands, including e-commerce, agricultural related industrial firms, and film production, which are growing sectors for use of industrial land. All of these have different land size and building requirements, but all are generally competing for scarce available industrial space.

¹ Nearshoring is the practice of transferring a business operation to a nearby country, especially in preference to a more distant one. Source: Oxford Dictionary.

² Source: CBRE

Barriers to Industrial Development in Metro Vancouver Compounding Issues of Land Scarcity

Aside from the lack of available land, there are limitations to further industrial development. metrovancover outlined a number of barriers for the future development of industrial lands in the region in their most recent (2020) Industrial Lands Inventory, including:³

- **Mis-matched land use** (e.g., industrial lands being used for non-industrial purposes)
- **Competing priorities** – given there are general shortages of land (not just industrial), there are a number of competing priorities in the region, including housing development.
- **Long-term protection of industrial lands does not cover all current lands in the inventory.** There are non-protected industrial lands within the inventory, which could be redeveloped for non-industrial use (shrinking the industrial inventory, and potentially impacting other adjacent industrial lands).
- **Lands lacking access to key transportation corridors.** There are parcels of land that may be developed for industrial use but lack access to key transportation corridors. This barrier makes development more difficult and operations inefficient.
- **Land parcels are too small for trade-enabling purposes.** If available parcels are smaller lots, there is a barrier to trade-enabling industrial use (which generally needs large sites) and combined with the barrier of access to transportation infrastructure, this barrier is difficult for private business to invest in development (and thus will locate outside of the Metro Vancouver region). This issue goes beyond trade-enabling purposes, as other forms of industrial face similar issues with larger sites needed for scale of operations and optimal efficiency.

Economic Impact: Industrial Lands in Metro Vancouver

Jobs located on industrial lands in Metro Vancouver are high-paying and high-skilled.

Based on analysis conducted for metrovancover in 2019 with data available from the 2016 Census, there were an estimated 364,100 jobs on industrial lands in the Metro Vancouver region. Over 200,000 (or approximately 55%) of these jobs occur in industrial sectors defined by metrovancover (i.e., production, distribution, repair, public infrastructure & administration and trade-enabling). See **Table ES-1**.

³ metrovancover (2021) Metro Vancouver 2020 Regional Industrial Lands Inventory: Technical Report. Accessed from http://www.metrovancover.org/services/regional-planning/PlanningPublications/Metro_Vancouver_2020_Industrial_Lands_Inventory_Technical_Report.pdf

Table ES-1: Economic Impact of Industrial Lands in Metro Vancouver, All Sectors, 2016

Economic Impact		Impacts in the Region	Impacts in British Columbia	Impacts in Canada
Employment (Jobs)	Direct	364,100	364,100	364,100
	Indirect	88,000	114,000	161,800
	Induced	74,900	96,500	133,700
	Total	527,100	574,600	659,500
Income (\$ Billions)	Direct	\$26.0	\$26.0	\$26.0
	Indirect	\$2.0	\$7.3	\$10.9
	Induced	\$1.1	\$4.9	\$7.3
	Total	\$29.1	\$38.3	\$44.2
GDP (\$ Billions)	Direct	\$31.3	\$31.3	\$31.3
	Indirect	\$9.4	\$12.1	\$18.4
	Induced	\$9.5	\$12.2	\$16.8
	Total	\$50.1	\$55.6	\$66.5
Output (\$ Billions)	Direct	\$60.0	\$60.0	\$60.0
	Indirect	\$17.8	\$23.1	\$36.1
	Induced	\$14.8	\$19.0	\$27.9
	Total	\$92.5	\$102.1	\$124.0

Source: Metro Vancouver Industrial Lands: Economic Impact and Future Importance, 2019.





Note: Prices from the metrovancover report have been re-expressed in 2022 dollars in the table above. Figures are rounded and may not sum.

Economic Impact:

Metro Vancouver’s Ongoing Annual Need of 250-300 acres of Industrial Land

Based on input from the local industrial real estate industry, the total annual need for industrial land in Metro Vancouver is approximately 250-300 acres, of which 80-100 acres would be for trade-enabling activities to support Canada’s supply chains. The economic impact results based on the mid-point of 275 acres of industrial land is displayed in **Table ES-2**. Each year, there is the potential continued job growth in Metro Vancouver occurring on industrial land segments.

Table ES-2: Estimated Economic Activity on 275 Acres of Industrial Lands in Metro Vancouver (in B.C.)

				
Impact	Employment (Jobs)	Wages (\$ Billions)	GDP (\$ Billions)	Output (\$ Billions)
Direct	3,600	\$0.3	\$0.3	\$0.6
Indirect	1,100	\$0.1	\$0.1	\$0.2
Induced	900	\$0.1	\$0.1	\$0.2
Total	5,600	\$0.4	\$0.6	\$1.0

Note: Totals may not sum due to rounding. Monetary values in 2022 dollars.

**Economic Impact:
Metro Vancouver’s Lost Economic Opportunities to Calgary**


Over the past 4.5 years (January 2019 – June 2023), according to industry stakeholders, an estimated 5.1 million sq. ft. (or average of over 1 million sq. ft. per annum) of space has been taken up by firms in Calgary rather than Metro Vancouver. This is an assessment of firms that were actively pursuing new investment in the Metro Vancouver area but instead opted to locate and invest in their operations in Calgary. Metro Vancouver continues to lose ground to Calgary and other locales due to unavailable or unsuitable industrial land options.

Over the past 4.5 years, Metro Vancouver has lost over 5 million sq. ft of industrial land infrastructure development to Calgary → lost employment estimated to be 6,300 jobs.

The economic impact of these lost opportunities to Calgary is estimated to be over 6,300 direct jobs, paying \$477 million wages, generating \$494 million in GDP and \$828 million in economic output. The average salary per job is over \$75,000 per annum, well above the average provincial salary per job of \$54,700.⁴ See **Table ES-1**. The 6,300 jobs lost to Calgary represent lost opportunities for Metro Vancouver residents to be employed in high salary sectors of the economy.

⁴ Statistics Canada. Table 11-10-0239-01 Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas. 2021 is the most recent data year at the time of report development.

Table ES-1: Economic Impact of Metro Vancouver’s Lost Opportunities to Calgary



Component	Employment Jobs	Wages (\$ Millions)	Value-Added GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	6,320	\$477	\$494	\$828
Indirect	1,580	\$103	\$177	\$325
Induced	1,930	\$102	\$256	\$393
Total	9,840	\$681	\$927	\$1,546

Figures may not sum to totals due to rounding. Monetary impacts are shown in 2022 dollars.

Key Messages

The availability of industrial land supply is key to maintaining Metro Vancouver’s global economic competitiveness and addressing overall affordability in the region. The key takeaways of this study are:

- The shortage of industrial lands is a crisis that has been years in the making with escalating land prices over the past ten years, resulting in low vacancy rates and increasing rental rates.
- Industrial lands in Metro Vancouver make up just 4% of the total land mass in the region. To help address the crisis, immediate action is needed to increase the amount industrial zoned lands in the Metro Vancouver region to support the ongoing annual needs of approximately 250-300 acres per annum and also the backlog of industry needs.
- There are barriers to industrial land development that should be reviewed to enable investment by companies in Metro Vancouver to start or grow their operations. These barriers need to be addressed by different stakeholders including municipal governments and other entities to mitigate investment opportunities from leaving Metro Vancouver.
- The economic impact of industrial lands in Metro Vancouver is considerable. A significant number of Metro Vancouver jobs occur on industrial lands. These jobs are high-paying and require highly skilled talent. Given the shortage of industrial lands in Metro Vancouver, over the past 4.5 years, over 6,300 jobs have been lost to Calgary.

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1 Industrial Lands and Their Impact

1.1 What are Industrial Lands?

There are various forms of land designations in the Metro Vancouver region,⁵ which contribute to determining how lands are ultimately used. Industrial lands are those used for industrial purposes, including warehousing, distribution, manufacturing, processing, local production, and new emerging technology-driven businesses. According to metrovancover, the definition of industrial lands has been changing over the years with the introduction of new technologies, and on a regional basis the definition has changed as some jurisdictions allow for non-traditional uses on industrial lands (such as large-scale recreational spaces).⁶ Each of these operations has different land and space requirements but are all deemed to be industrial uses. A particularly important subset of industrial lands are trade-enabling lands – those are lands which support trade flows between Canada and its many trading partners. Generally, trade-enabling industrial lands can have different land use requirements than other industrial uses, namely the size of the parcel of land required and accessibility to major transportation corridors. There are other users of industrial lands, including e-commerce, agricultural related industrial firms, and film production, which are growing sectors for use of industrial land. All of these have different land size and building requirements, but all are generally competing for scarce available industrial space.

1.2 The Importance of Industrial Lands

Industrial lands are important to both the region and the Canadian economy as a whole. A recent study completed for metrovancover outlined the following key messages regarding industrial lands in the region:⁷

- **Industrial lands accommodate a large percentage of all the region’s jobs**
There are over 200,000 direct industrial sector jobs located on industrial lands in the Metro Vancouver region, which is only a portion of the jobs that are located on industrial lands (see **Figure 1-1** for a breakdown). In total (including non-industrial sector jobs), that figure is roughly 364,000 jobs in the region. This is 27% of total jobs (1.3 million) in the region.⁸ In addition to this, according to a recent study from NAIOP, construction investment in the industrial sector in Metro Vancouver contributed to 5,500 direct jobs and 12,100 total jobs (including indirect and induced impacts).⁹
- **Average wages on industrial lands are higher than the regional average**
Businesses located on industrial lands pay on average a wage over 10% higher than the national average. This figure is even higher for trade-enabling businesses.¹⁰

⁵ Throughout the report, Metro Vancouver delineates the region, whereas metrovancover delineates the regional government entity.

⁶ metrovancover (2020) Regional Industrial Lands Strategy.

⁷ Metro Vancouver Industrial Lands: Economic Impact and Future Importance (Study completed by InterVISTAS for metrovancover, February 2019)

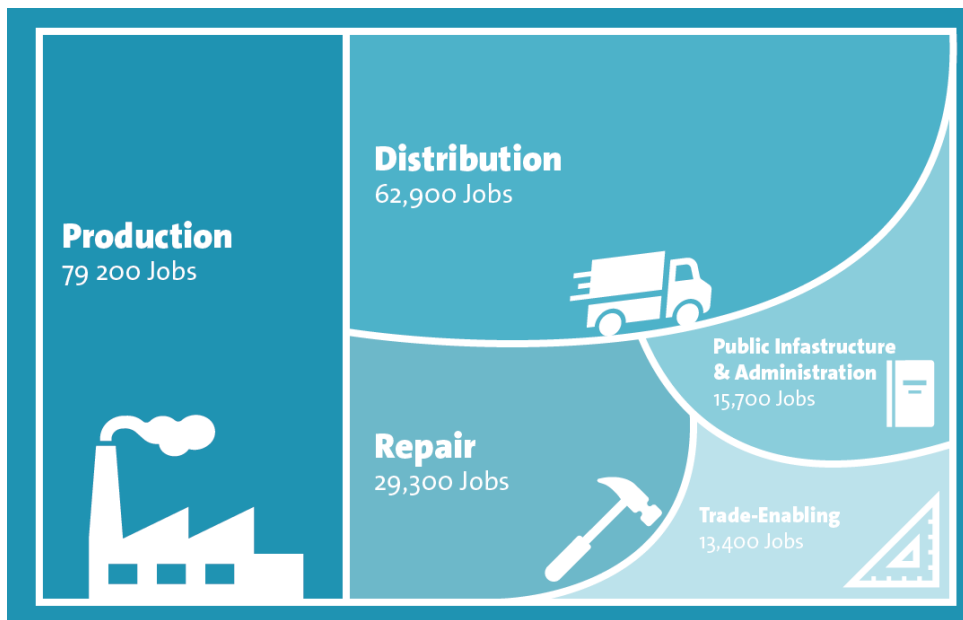
⁸ Ibid.

⁹ NAIOP (2021) Economic Benefits of Commercial Real Estate in Metro Vancouver.

¹⁰ Trade-enabling industrial lands are lands and waters that support goods movement in and out of the region which enable Canada’s trade and support reliable, resilient and efficient supply chains. Uses and activities may include marine terminals, off-dock logistics, and, freight forwarding activities, ideally located with access to transportation infrastructure such as major roads, railways, and/or waterways.

- Industrial lands generate a significant portion of the region’s total Gross Domestic Product (GDP)**
The total GDP impact of industrial lands accounts for 30% of the region’s total GDP.
- Industrial land activities are important for non-industrial sectors throughout the region**
Industrial lands support different sectors that are economically linked. This includes various non-industrial sectors, such as professional services, construction supplies, retail, among others.
- Activities on industrial lands contribute billions in ongoing annual revenue to governments**
There is \$9 billion in direct tax revenue generated from industrial lands, accruing to all levels of government (municipal, provincial, and federal).
- Activities on the region’s industrial lands contribute to economic diversity**
This is important for economic resiliency in the region, as a diversified economy can better weather economic shocks.

Figure 1-1
Direct industrial sector jobs located on industrial lands (excludes indirect and induced jobs) in Metro Vancouver, 2016



Source: Metro Vancouver Industrial Lands: Economic Impact and Future Importance (Study completed by InterVISTAS for metrovancover, February 2019).

In addition to this, there is continued demand for industrial lands in the region, with projections from metrovancover showing that demand will very quickly outpace supply, and total supply of industrial lands would be absorbed between 2035 and 2047 (effective supply would be reached by 2035).¹¹ This is a serious issue in the region, as this unmet demand means that businesses will be forced to locate outside of the Metro Vancouver region, which impacts jobs and economic development in the region, as well as supply chain impacts and contribute to the affordability issue for Canadian consumers. In the worst case scenario, this unmet demand could lead to businesses ending their operations entirely. This is not just an issue of manufacturing, there are a number of sectors which need industrial lands, or supply goods and services for businesses that operate on them. The lack of available industrial land space in the region is having impacts on business currently (limiting growth, jobs, tax revenue, and production to meet consumption needs) and will continue unless more lands are made available for industrial use. As a consequence, this will affect the affordability of everyday goods for Canadian consumers.

1.3 Industrial Trends

Over the past decade, demand for industrial space in Metro Vancouver has grown at a rapid pace. This growing demand is in large part due to a growing population requiring more goods in the region along with the continued adoption of e-commerce creating a need for more warehouse space for the distribution of goods. Supply of industrial space has not been able to keep pace with this demand, despite more than 36 million sq ft of industrial space being added to the region over the last 10 years.¹² These factors have led to a consistent decrease in the vacancy rate and upward pressure on rental rates. The vacancy rate has been below 2% for approximately 5 years and real rental rates have increased 15% per year over the past 5 years (almost doubling).¹³ The main challenge to solve this key issue is that there is not enough suitable industrial land for development due to a number of factors including difficult site conditions (e.g., land cannot be developed in an easy or cost-effective manner).

A subset of industrial lands is trade-enabling; these are in high demand in and around Metro Vancouver and are in short supply. The Port of Vancouver is Canada's largest port and second largest in North America by tonnes of cargo throughput. Finding new lands to support logistics, warehousing, and other light industrial uses is critical to the Port of Vancouver's future health. Several high-level policies and initiatives, including the Ministry of Transportation Pacific Gateway Plan, Metro Vancouver Industrial Land Strategy, CN's Pacific Gateway Initiative, and Vancouver Fraser Port Authority Infrastructure Program, are key strategies that work in parallel to enable the port to grow to accommodate Canada's trade.

This section outlines some critical trends affecting industrial lands, goods movement and logistics warehousing and the lands and industries that support them.

1.3.1 Increasing Cargo and Container Volumes at the Port of Vancouver

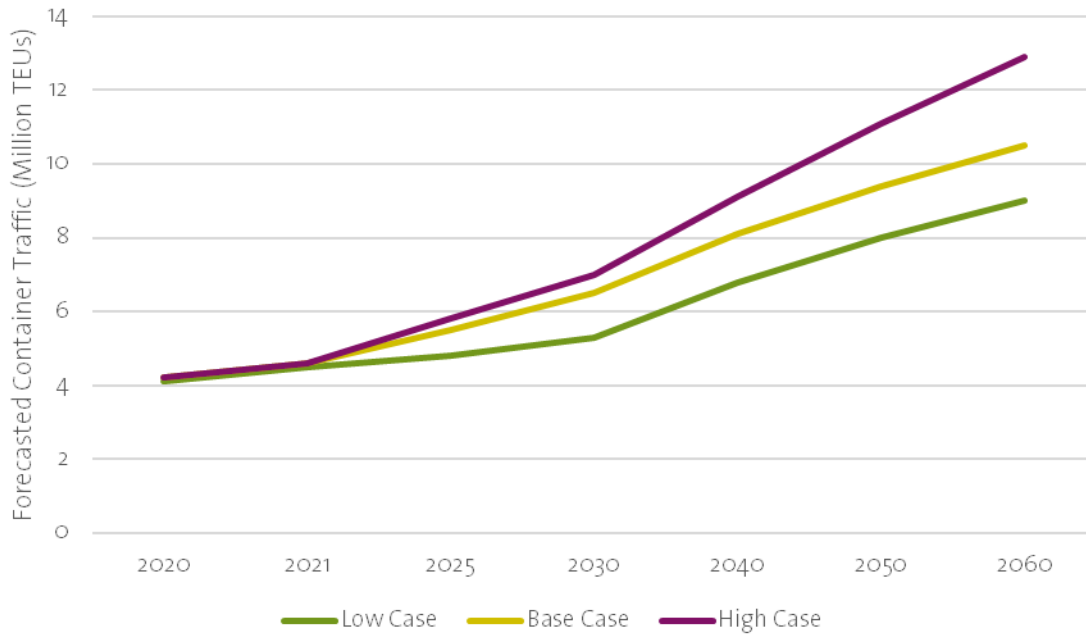
Measured in twenty-foot-equivalent units (TEUs), shipping containers are the standard unit for moving goods around the globe. Global demand for goods has grown drastically, and the Port of Vancouver has seen significant growth in container volumes over the last ten years. The Port of Vancouver is also projected to see an increase in container volumes over the next 30-40 years, as shown in **Figure 1-2**.

¹¹ metrovancover (2020) Regional Industrial Lands Strategy.

¹² Based on data from CBRE

¹³ Based on data from CBRE

Figure 1-2: Container Traffic Forecast for the Port of Vancouver



Source: Vancouver Fraser Port Authority (2021) Vancouver Fraser Port Authority View on Container Forecast Volumes: 2020-2060 Container Forecasts

This growth can be attributed to several factors that include the increasing competitiveness of Canadian ports over American ports, the acceleration of e-commerce during the COVID-19 pandemic and the general trend of companies looking to diversify their supply chains to be less dependant on China in response to rising political tensions. These trends are driving more container traffic to the region. The recently completed Centerm Expansion Project and South Shore Access Project, coupled with projects like Roberts Bank Terminal 2¹⁴ in Delta are being pursued to address long-term capacity requirements. CN is also investing heavily in new infrastructure like sidings, rail cars, and other improvements to increase the capacity of its system.

1.3.2 Types of Demand

The type of uses for industrial sites continues to evolve. Properties that previously were reserved for heavy manufacturing factories now accommodate demand from occupiers in industries such as construction services, film and digital entertainment, arts and culture, manufacturing, and mini storage/warehousing. In response to these new uses, industrial properties have modernized with increased ceiling heights, accommodation for additional parking, significant power capacity and sustainability features. The following section provides a summary of the new types of demand facing the industrial market.

¹⁴ See <https://www.robertsbankterminal2.com/>

Transload and Cross Dock Facilities

Transload facilities are logistics facilities where goods are transferred from one mode of transport to another. Transload activities include moving containers from rail cars to trucks, loading bulk items into containers, and vice versa. According to a report by the Port of Vancouver, the majority of local import traffic (over 50 per cent) is transloaded into domestic containers.¹⁵ Increasing terminal capacity will put additional pressure on the supply chain and generate more need for transload facilities. However, many exporters are reporting a shortage of empty containers as COVID-19 recovery moves ahead in the short term. Transload facilities will be looking for steady sources of empty containers as they look to get Canadian goods to market. In 2022, over 1 million TEUs of empty containers were exported from the Port of Vancouver—a 15 per cent increase from 2021.¹⁶ Canada's largest port experienced a 37 percent decrease in TEUs of imported empty containers—as only 9,235 TEUs of containers out of the total over 1.8 million TEUs inbound were unladen.

Cross-dock facilities are specialized warehouse logistics buildings where products are received in bulk, then consolidated with other products for shipments to common delivery destinations. Cross-docking provides an advantage for manufacturers that ship directly to retailers with little time in between. Cross-docking improves efficiency, reduces the need for long-term warehouse space and reduces the risk associated with inventory storage (i.e., damage, loss, theft, or lifecycle). Ultimately, cross-docking systems reimagine warehouses as facilities where goods move through instead of places where goods are stored, adding speed to the supply chain.

E-logistics / Last Mile / Micro Logistics

The rise of e-commerce has accelerated general consumer expectations related to online retail shopping and associated delivery. This fundamental shift in consumer retail has highlighted a growing need to improve last mile delivery infrastructure in terms of vehicles, technology, warehouse space, and suitable industrial land. Key trends related to the industrial land needs generated by e-commerce include the rise of micro distribution hubs where operators convert spaces within urban environments (i.e., storefronts, parking garages, Class B office space) to small-scale warehousing that can be as small as 600 to 1,000 square feet. These facilities play a crucial role in expediting the delivery of goods and meeting consumer/customer demands. Micro distribution hubs have the potential to reduce emissions as they can encourage the adoption of decarbonized modes of transport for delivery. As demonstrated by the New York Microhubs Pilot, goods are transloaded from large freight vehicles to vehicles producing less emissions (smaller, electric, low-emission) or human-powered modes of transport such as cargo bikes.¹⁷

New Warehouse Forms

The nature of logistics warehousing is changing. The buildings are becoming larger, taller and more efficiently organized. Trends influencing warehouse design offer a glimpse at these future workspaces and reflect the changing nature of the demand itself. Key trends related to the built form of new warehouses include the move to higher ceiling heights 36' to 40', multi-storey warehousing, and sustainable warehousing. Multi-storey warehousing is a design that can alleviate the industrial space shortage as the vertical structures are intended to maximize floor space. A multi-storey warehouse typically has several ramps and access bays for loading and unloading cargo allowing each storey to operate independently.¹⁸ Sustainable warehousing describes a movement to improve logistics buildings' environmental sustainability and emissions performance (electrification, passive systems, blue/green infrastructure, etc.). Demand for sustainable warehouses is anticipated to continue growing while

¹⁵ <https://www.portvancouver.com/wp-content/uploads/2021/03/WSP-container-forecast-final-report.pdf>

¹⁶ <https://www.portvancouver.com/wp-content/uploads/2023/04/2022-Stats-Overview.pdf>

¹⁷ <https://www.nyc.gov/html/dot/downloads/pdf/microhubs-pilot-report.pdf>

¹⁸ <https://constrofacilitator.com/canadas-first-multi-storey-distribution-center-construction-completed/>

associated costs for more sustainable materials are decreasing.¹⁹ Companies can also benefit from lower operating costs associated with reductions in energy consumption and water usage in green buildings.

Manufacturing

Manufacturing is adapting to new technologies, with increased digitization, and now, the rise of artificial intelligence (AI). There is also a trend, following the supply chain issues seen during the COVID-19 pandemic of decentralization of location, which aims to bring production closer to the end-user. This trend means that companies need industrial lands and buildings closer to city-centers which are often in scarce supply. While not a new trend, there is a renewed emphasis on sustainability in manufacturing, from removal of fossil fuels to sources of input products (beyond just the physical warehouse or production facility). Finally, and not specific to the industry, is the trend in skills development for dealing with workforce scarcity (a major issue in many industries post pandemic).²⁰

Film and Digital Entertainment

A growing demand segment is the film and digital entertainment sector, which, in the case of Metro Vancouver and other regions, has been a growing user of industrial space. This sector seeks warehouses and other industrial space that is easily converted for various uses or has enough space for changing sets.

Major names in the industry such as Disney and Netflix are taking up space in the region, competing for the scarce industrial land/buildings available. In 2022, Netflix extended its lease agreement for studio facilities by five years—maintaining a large presence in Metro Vancouver for the foreseeable future.²¹ The COVID-19 pandemic intensified the competition for industrial space as streaming platforms grew and subsequently the need for filming spaces increased.²² With over 2.8 million square feet of stage space in British Columbia, the province has one of the highest concentrations of production facilities in Canada.²³ However, studio space is a small percentage of the total inventory of industrial space in Metro Vancouver—approximately 1 per cent in 2017.²⁴ Production companies and studios are competing with traditional industrial space users as the larger spaces suitable for traditional warehouses often satisfy the size requirements for production. A Colliers report on the industry noted that industrial space used by the sector is a mix of studio construction, conversion of existing buildings, and a number of shorter-term leases of existing industrial space.²⁵ Purpose-built film production facilities in Metro Vancouver are growing with one of Canada's largest under construction in Langley Township and scheduled to open in 2024.²⁶ The industry has grown significantly over the last ten years, with the value of production in British Columbia more than doubling over that period to almost \$3.7 billion.²⁷ The industry will continue to need production space, competing with the more traditional uses of industrial land.

¹⁹ Prologis (2023) <https://www.prologis.com/news-research/global-insights/seven-supply-chain-predictions-2023#P7>

²⁰ Forbes (2023) The Top 5 Manufacturing Trends in 2023

²¹ Dailyhive (2022) (<https://dailyhive.com/vancouver/martini-film-studios-netflix-langley-vancouver>)

²² CBRE (2020) <https://www.cbre.com/insights/articles/lights-camera-action-for-sound-stages>

²³ Creative BC (2022) <https://creativebc.com/services/provincial-film-commission/industry-services/production-infrastructure-resources/stages-studio-facilities/>

²⁴ Colliers Canada (2017) Spark Report: The B.C. Film Industry and Industrial Real Estate <https://www.collierscanada.com/en-ca/research/spark-report-bc-film-industry-industrial>

²⁵ Colliers Canada (2017) Spark Report: The B.C. Film Industry and Industrial Real Estate <https://www.collierscanada.com/en-ca/research/spark-report-bc-film-industry-industrial>

²⁶ Dailyhive (2022) (<https://dailyhive.com/vancouver/martini-film-studios-netflix-langley-vancouver>)

²⁷ Canadian Media Producers Association (2022) Profile 2022 https://cmpa.ca/wp-content/uploads/2023/08/Profile-2022-EN_v4.pdf

Construction Services

As construction services, and construction generally, continues to grow post COVID-19, the industry follows similar trends as manufacturing, with increases in digitization, workforce scarcity, and sustainability initiatives. This means this form of demand looks for industrial space for warehousing, among other purposes.

1.3.3 Other Trends

Different Tenures - Ownership/Leases/Warehousing as a Service

The logistics sector's evolving nature also highlights the need for flexibility in how companies occupy logistics space. High costs have operators looking to find ways to save money on space. Where many companies traditionally may have signed a long-term lease or own logistics space outright, some are now exploring the potential for On-Demand Warehousing, warehousing as a service and different forms of leases. Elastic logistics is the term used to describe the ability to scale operations as needed. The COVID-19 pandemic created a huge surge in online ordering, increasing the demand for logistics space and last-mile services. This approach is most attractive to smaller operators but can be helpful for larger retailers with seasonal changes in demand for their products. However, land ownership is still attractive for larger or long-term operations as it can reduce risks associated with increasing land prices or as part of a logistics space portfolio.

Automation

Warehouse automation is increasingly changing the function and capacity of logistics and warehousing space. Emerging automation technologies can assist with inventory, re-stacking and retrieval, mostly made possible by advancements in robotics. The expansion of automation technologies can have vast impacts on the utilization rates and operating costs of warehouses, including self-driving vehicles that can park themselves, automated storage and retrieval, or automated pallet re-stacking organization. Increasing automation can reduce warehouse operating costs. However, significant numbers of people will still be needed to run, monitor, and manage these systems. Jobs in highly automated warehouses will remain fast-paced, require staff training to make the best use of new technologies, and will be supported by robust warehouse management systems (WMS). However, the up-front costs of automated technologies can be prohibitive even for large companies. One cost component that can be significantly higher is related to site preparation in regions with seismic issues or soft soil (such as Metro Vancouver). This can be a disadvantage to other regions for this type of development. The prohibitive costs have spurred some purveyors of automated systems to offer their products at a reduced upfront cost for a cut of the facility's operating revenue.

1.4 Report Outline

The remainder of this report is outlined as follows:

- Section 2 provides an overview of the status of industrial lands in the region, including best practices for industrial lands in similar regions.
- Section 3 provides a brief introduction to economic impact and details the economic impact methodology used to compute the economic impact of the critical shortage of industrial lands in the region.

- Section 4 summarizes the industrial lands policy review.

2 Industrial Lands in Metro Vancouver

2.1 Current Situation in Metro Vancouver

The following sections outline the trends in industrial lands for Metro Vancouver, including rental rates, land sales, vacancy rates, absorption, and the current inventory of vacant industrial lands in the region. Where available, trend statistics are compared to other major cities in Canada, and coastal cities in the United States.



The Region's Land Shortage Means Cashing-in Might be the Better Business Option

A business representing approximately 25% of container storage in the region was considering selling the business, but in the end sold the land and closed, during one of the worst container imbalances in history. It is a difficult balance between the value of the land and the value of continued operations. The result was the federal government investment of \$4.1 million, to facilitate construction at the site, that was used temporarily for storage for containers in the region.

2.1.1 Industrial Statistics and Comparisons to Other Markets

The issues associated with the industrial land shortage in the Metro Vancouver region are shown clearly in the data compared to other major Canadian cities as well as US and international comparators.

Vacancy and Rental Rates

Vancouver is in a difficult position for growth/future potential compared to other regions across the country and in the United States in terms of industrial lands. Vacancy rates are below 1%, and availability rates are below 2%.²⁸ At the same time, lease rates²⁹ are at an unprecedented high (which has persisted for 12 years), a result of the capacity issues and an inability to source suitable land for large scale development. In real terms, average quarterly lease rates have increased 8% per year since 2010, and 15% per year since 2017, when rates began to steeply increase. While rates have also grown in other markets in the country, particularly throughout the COVID-19 pandemic time period, none have grown to the level of Vancouver. The only compared city with higher lease rates than

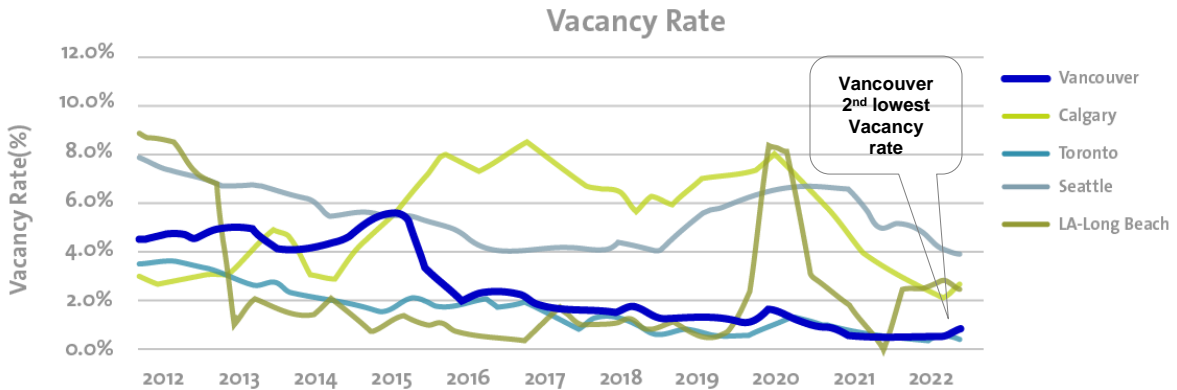
Currently in the Metro Vancouver region, approximately 250-300 acres per annum of industrial land is needed to support various industrial activities in the region.

²⁸ Vacancy rate measures the percent of space that is vacant, while availability rate measures the percent of space that can be made available (e.g., vacant plus potential subleases).

²⁹ As measured by net asking rent. Data provided by CBRE.

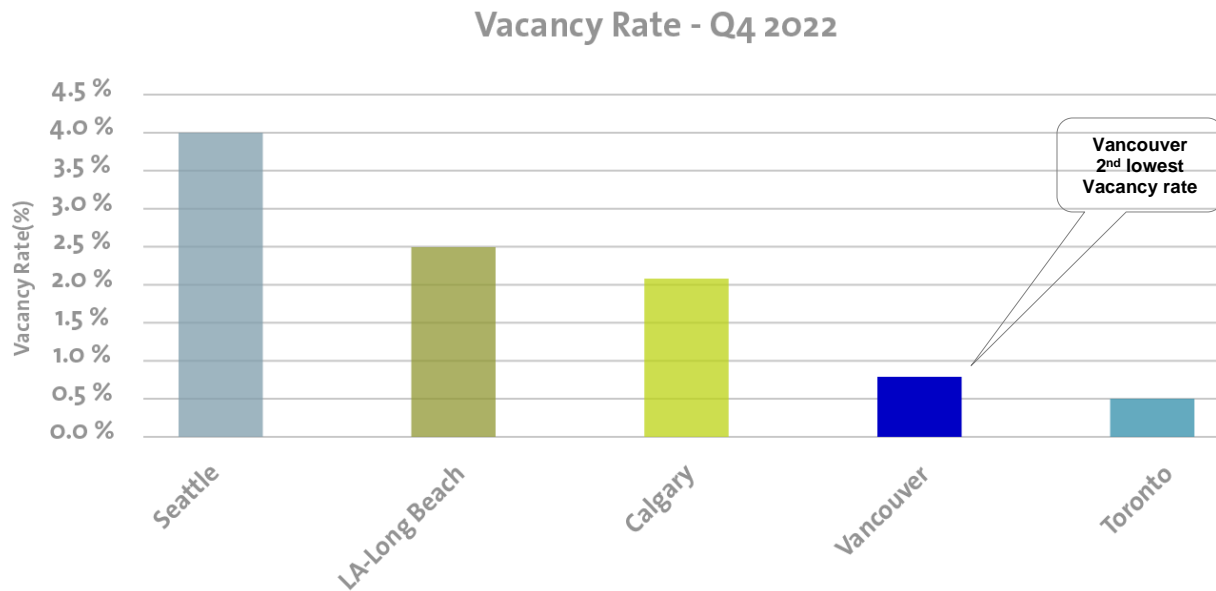
Vancouver (as of the end of 2022) was LA-Long Beach.³⁰ Vancouver has the highest real net asking rent amongst the Canadian cities in the comparator set (see **Figure 2-5**).

Figure 2-1: Vacancy Rate (2010-2022)



Source: CBRE

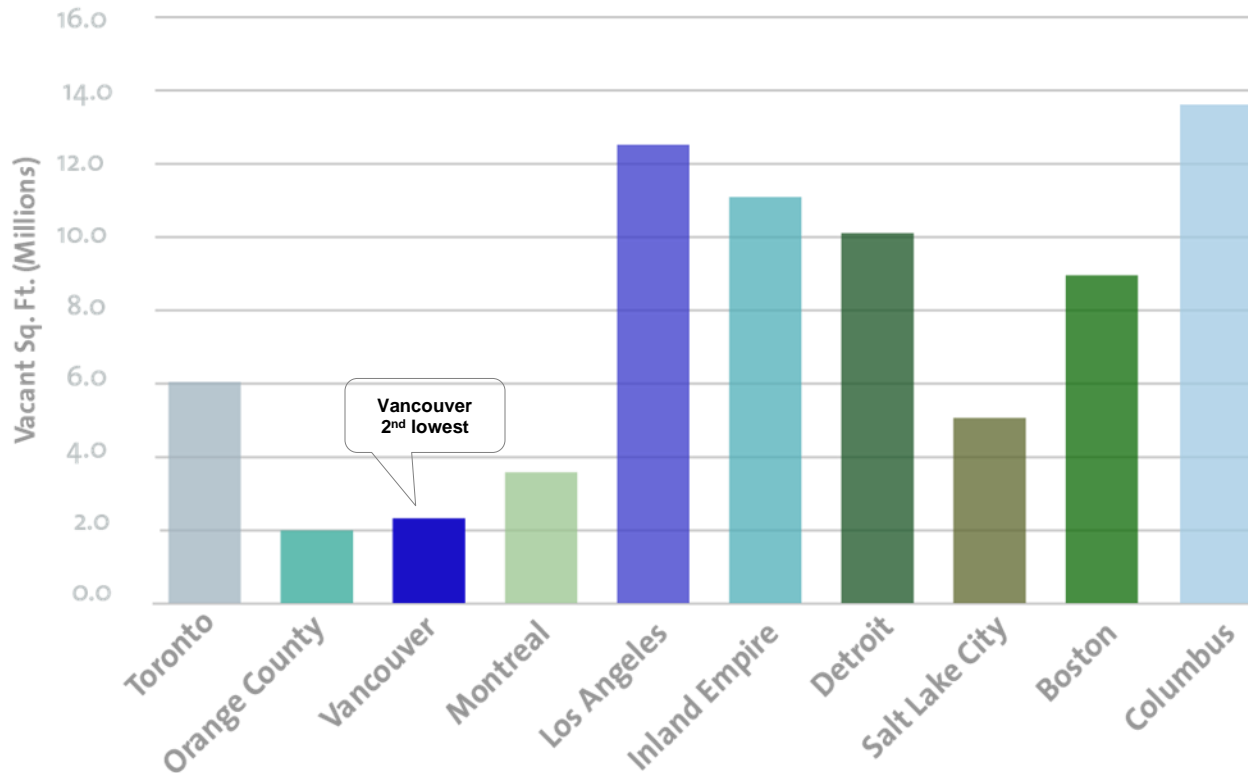
Figure 2-2: Vacancy Rate – Q4 2022



Source: CBRE

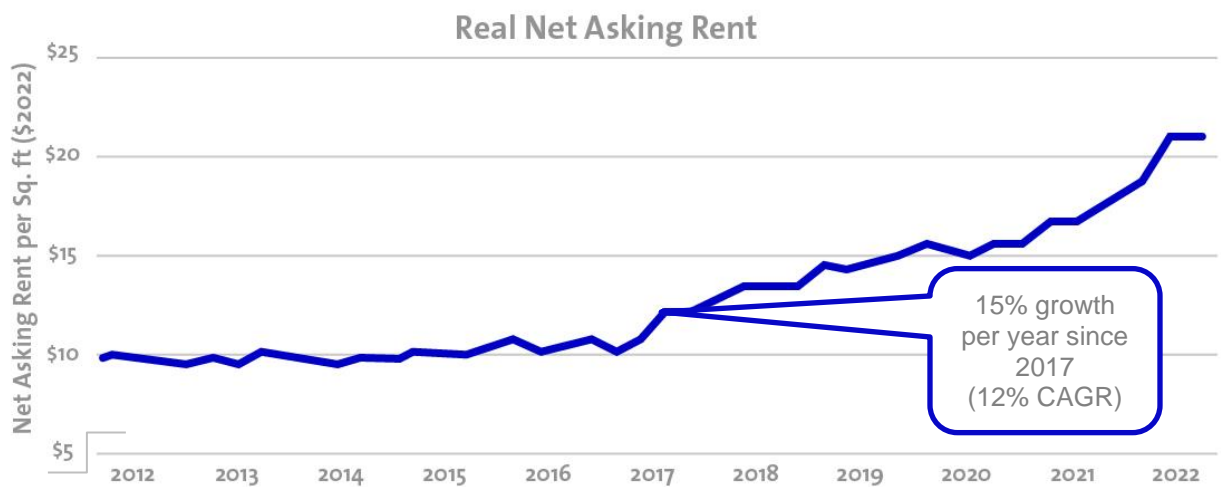
³⁰ For LA-Long Beach, the significant increase in rental rates over the last year is due largely to an incredibly low availability rate/vacancy rate in the area, and the drive for close proximity to port and transportation infrastructure due to the high cost of drayage. Source: CBRE Analysis.

Figure 2-3: Vacant Space – Q1 2023



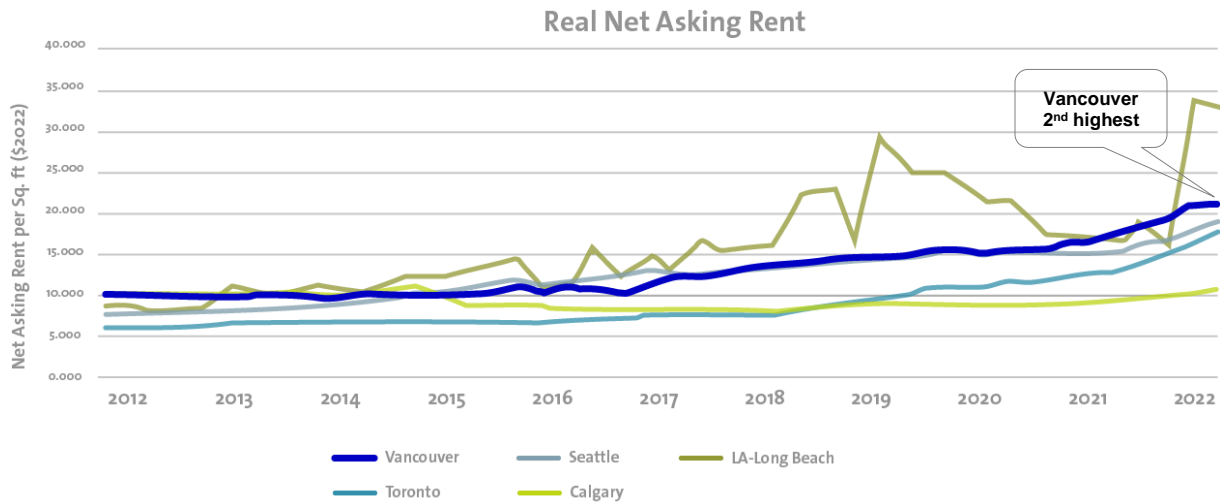
Source: CBRE

Figure 2-4: Historical Lease Rate Growth – Vancouver



Source: CBRE
Note: Axis starts at \$5

Figure 2-5: Historical Real Lease Rate Growth – All Comparators

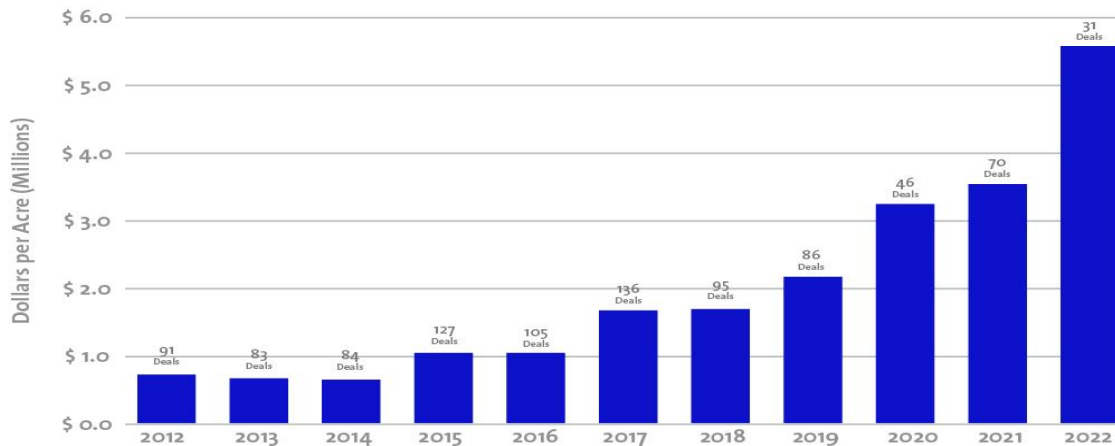


Source: CBRE

Cost of Land

The cost of land in Vancouver has increased significantly, almost tripling over the last 5 years (Figure 2-6). And the land scarcity is evident from the steady decrease in the number of sales since 2017 (136 down to 31 in 2022).

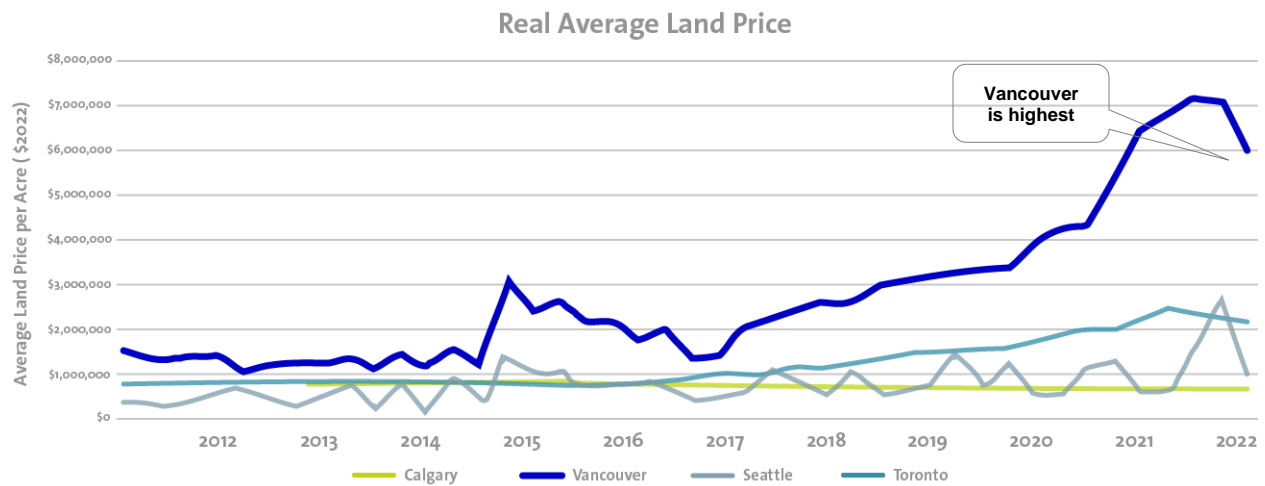
Figure 2-6: Achieved Average Raw Industrial Land Value - Vancouver



Source: CBRE Note: Based on Sales

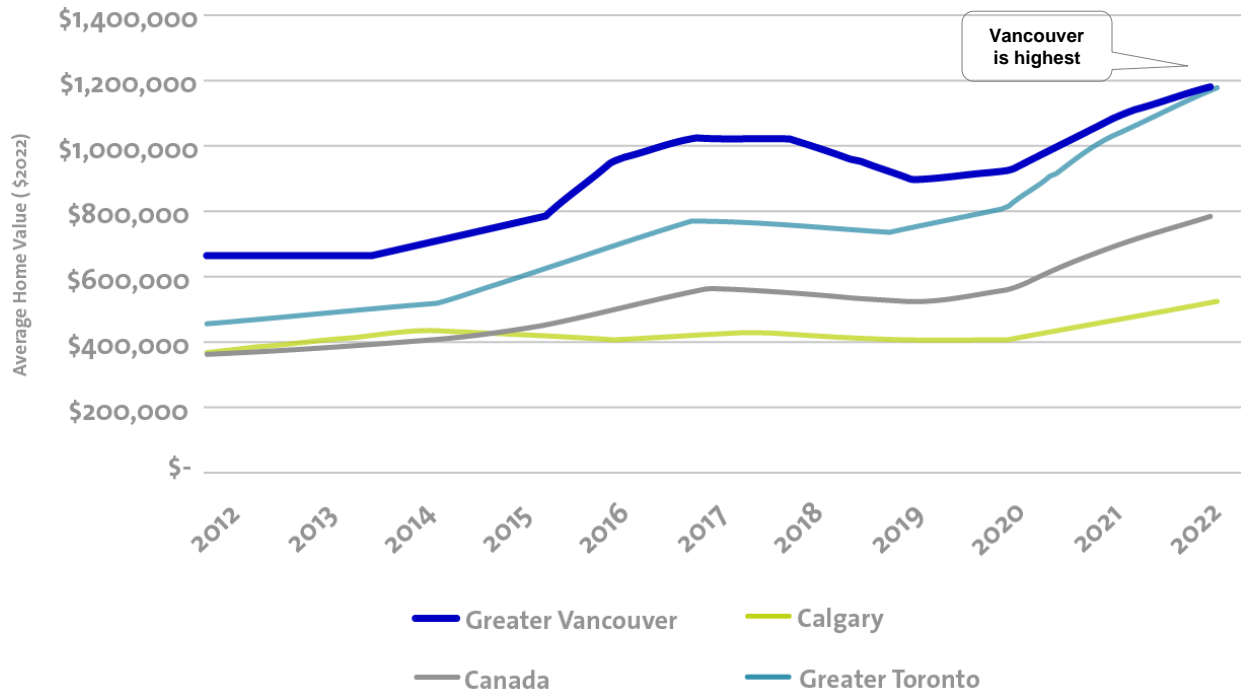
When compared to other cities in the country, Vancouver's average land prices are almost triple comparable cities, with the uptick beginning in 2015. Since 2020 alone, the average land price in Vancouver doubled in real terms (see **Figure 2-7**). Given there is an available land crunch in the Metro Vancouver region, it is also not surprising to see similar issues in the residential real estate market. As shown in **Figure 2-8**, there has been a steady rise in average housing prices in the region, and across the country. Up until 2022, Greater Vancouver had the highest residential housing prices in the country, well above the national average, however the Greater Toronto region has now reached the same level. The upswing in prices in the Metro Vancouver region began in 2015 for both industrial and residential land, both almost tripling in value. There are clearly competing uses for land in the Metro Vancouver, and all land is at a premium in the region.

Figure 2-7: Real Average Industrial Land Price



Source: CBRE

Figure 2-8: Average Residential Benchmark Home Value



Source: Canadian Real Estate Association, The MLS® Home Price Index (HPI)

Space Availability and Absorption

The issues here are not simply due to a lack of adding any new square footage to the supply of industrial space in the region – but not enough space has been added in time to keep up with demand. This is for a variety of reasons, including land price, land availability/suitability, and lengthy approval process, among others. As shown in **Figure 2-10**, net absorption³¹ in the Metro Vancouver region has varied significantly over the past 12 years, although largely positive over the time period. As of Q1 2023, net absorption is around 661,204 sq ft, which is in line with the limited availability and vacancy rates in the region.³² There is a supply and demand imbalance in Metro Vancouver, and in other regions as well (all comparable cities also show a net positive rate).

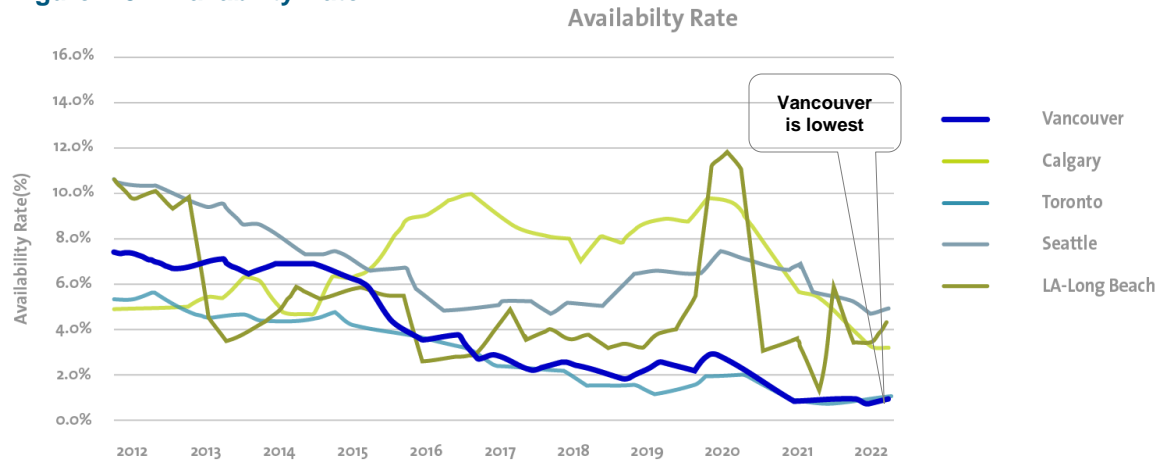
The issues are evident and compounding – as land scarcity increases, prices go up, leading to less development, less new square footage added, and higher lease rates. In the end, these increased costs

³¹ Net absorption is a measure of the change in occupied space. A positive net absorption figure indicates that more space was occupied than made available.

³² CBRE (2023) Vancouver Industrial Figures, Q1 2023

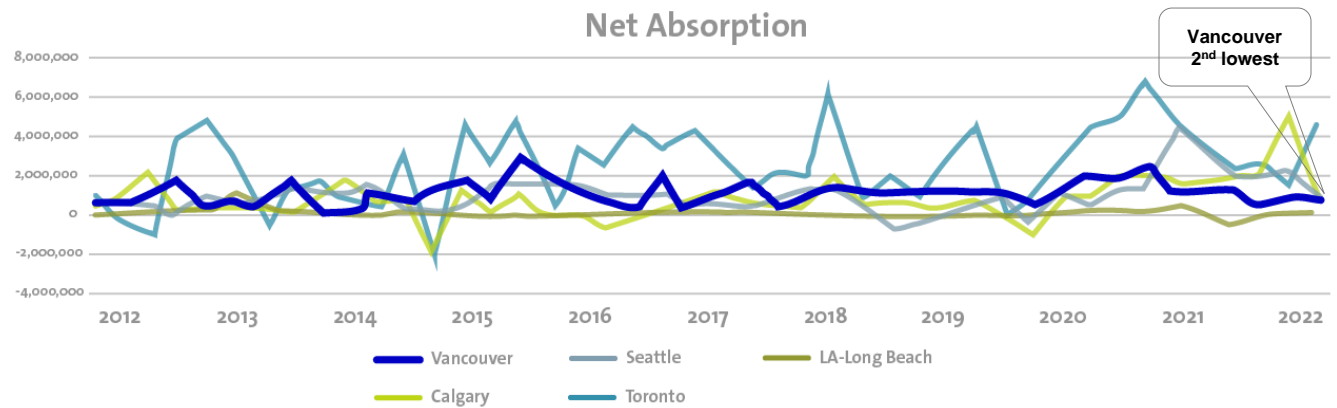
will mean higher costs for customers, as businesses will either have to pay higher prices to stay in the Metro Vancouver region, or locate elsewhere, adding transportation and environmental costs.

Figure 2-9: Availability Rate³³



Source: CBRE

Figure 2-10: Net Absorption



Source: CBRE

CBRE reports on industrial statistics for marine port regions around the world.³⁴ Common amongst the world's major and growing port regions is a lack of available land, increasing rent prices, and new capacity pre-leased before it is completed. In areas such as the UK and Shanghai, vacancy rates are higher than that seen in Vancouver (and other North American port cities). In general, rental rates have been increasing, demand continues to increase (to keep up with the increase in demand for e-commerce

³³ Availability rate is a measure of the currently available (vacant) and soon to be available space (where leases are soon to expire).

³⁴ CBRE (2022) Global Seaport Review

globally), and new space is still being constructed near many ports (however some are land constrained similar to Vancouver). While Vancouver is not alone as a port city facing issues related to land scarcity, there are potential lessons to be learned from how other cities/regions are dealing with these issues.

2.1.2 Market Activity and Trends in Metro Vancouver

The critical shortage of industrial land supply in the Metro Vancouver region, in light of the continued strong demand for industrial lands, has manifested itself through market activity in the region. As shown in **Table 2-1**, total industrial land sales in the region averaged 234 acres per year over the 2019-2022 period, a period high of 309 acres occurred in 2019. The Surrey sub-market accounted for approximately 35% of the region's industrial land sale volumes over during that timeframe.

Land in Vancouver Lost for Industrial Use
<p>BC Liquor Distribution Board Warehouse – Rupert and Broadway, Vancouver, BC</p> <p>The site of the BC Liquor Distribution Board's 270,000 sq. ft. original warehouse facility at Rupert and Broadway in Vancouver was sold in 2014 with the intent to convert the area to a large-scale mixed-use redevelopment. The BC Liquor Distribution relocated to a new facility in Delta, but the redevelopment of the original site would be a loss of industrial space in Vancouver and the region broadly.</p>

Table 2-1: Industrial Land Sale Volume by Sub Region (Acres)

Sub Regions	2019 (Acres)	2020 (Acres)	2021 (Acres)	2022 (Acres)	Average (2019-2022) (Acres)
Vancouver	3	3	9	3	5
Burnaby	2	2	3	3	3
Surrey	145	36	53	99	83
Langley	22	39	19	46	32
Delta	17	14	17	37	21
Richmond	18	5	7	23	13
Abbotsford	37	15	33	10	24
Chilliwack	8	6	16	1	8
Regional Market	309	157	229	240	234

Source: Urban Systems Summary of Altus DataStudio Data

Note: Abbotsford and Chilliwack are in the Fraser Valley region, not Metro Vancouver

As shown in **Table 2-2**, the constrained land supply conditions in the region (including the continued use of industrial land for non-industrial development), paired with the continued high demand, has caused astonishing increases in industrial land sale values. Across the regional Vancouver market, per acre industrial land sale values have almost doubled between 2019 and 2022. The low supply and high demand conditions in the region is driving sale prices up and adding pressure to the financial feasibility of development projects in the region, particularly larger format and trade-enabling uses.

Table 2-2: Average Per Acre Industrial Land Sale Prices in the Region

Sub Regions	2019	2020	2021	2022	% Increase (2019-2022)
Vancouver	\$18.5M	\$10.1M	\$13.3M	\$13.6M	-27%
Burnaby	\$1.6M	\$4.5M	\$5.1M	\$8.2M	+ 416%
Surrey	\$2.2M	\$2.7M	\$3.2M	\$4.2M	+ 89%
Langley	\$1.5M	\$2.6M	\$2.8M	\$2.5M	+ 66%
Delta	\$2.6M	\$1.9M	\$2.8M	\$5.4M	+ 106%
Richmond	\$3.3M	\$4.1M	\$4.9M	\$5.6M	+ 73%
Abbotsford	\$1.6M	\$1.9M	\$1.7M	\$4.6M	+ 180%
Chilliwack	\$1.3M	\$1.2M	\$1.9M	\$3.3M	+ 152%
Regional Market	\$2.2M	\$2.7M	\$3.4M	\$4.3M	+ 93%

Source: Urban Systems Summary of Altus DataStudio Data

Note: Abbotsford and Chilliwack are in the Fraser Valley region, not Metro Vancouver

Across the Metro Vancouver region, industrial land sale transaction values averaged \$2.2 million per acre in 2019. In 2022, industrial land sale values rose 93% over 2019 figures, averaging \$4.3 million per acre. Those markets with more significant remaining industrial development capacity (and capacity for larger sites) are naturally more representative of this region-wide level of price escalation – industrial land sale transactions within the City of Surrey averaged \$2.2 million per acre in 2019 but rose to \$4.2 million per acre sold in 2022. Average industrial land sale prices per acre for the most mature, constrained markets, such as the City of Vancouver, need to be interpreted with caution, as the quantity of land sale transactions is very limited.

2.1.3 Inventory of Vacant Land in Metro Vancouver

metrovancover released their 2020 inventory of industrial lands in the region, and it is the most recent inventory of available and occupied industrial lands across the region. The inventory is currently updated every 5 years, which allows for comparison and to see the changes in vacant land over time. In 2020, metrovancover estimates there is 11,502 hectares (28,422 acres) of industrial land in the region, with 2,115 hectares (5,226 acres) (18%) deemed vacant.³⁵ This is a slight increase from the 2015 inventory which was 11,257 hectares (27,817 acres) of industrial land in the region. There are two important factors when considering these estimates. The first is that while vacant, the land may not (and likely is not) suitable for most industrial purposes or could take a number of years to be serviceable. The second issue is that while roughly 605 acres of industrial land have been added to the inventory over 5 years, the previously noted estimated need for industrial land is roughly 250 acres annually (over 5 years, 1250 acres) – reinforcing the vast under supply of industrial land in the region (less than half of demand was met).

While there are vacant lands in the region, a portion is not designated specifically for industrial use, the parcels are not necessarily the right size, and much of the vacant land is not suitable for transportation purposes.

³⁵ Note that metrovancover designates land as Other/Vacant. Source: Metro Vancouver Industrial Lands Inventory (2020)

Table 2-3 shows the change in vacant industrial land in Metro Vancouver between 2015 and 2020. Overall, there is a decrease in the supply of vacant land of 145 hectares (358 acres). However, the impacts vary across the subregions, with some regions having an increase in vacant land, while most saw a decrease in vacant land. In addition, for some sites identified as vacant in the inventory there can be issues of soil conditions and lack of infrastructure, meaning those lands may not be feasible nor suitable for development in the near term.

Table 2-3: Metro Vancouver Industrial Lands Vacant Supply

Sub Regions	Vacant Land (Hectares (acres), 2015)	Vacant Land (Hectares (acres), 2020)	Change in Vacant land (Hectares (acres))
Burnaby / New Westminster	77 (190)	42 (104)	-35 (-86)
Delta / Tsawwassen First Nation	326 (806)	313 (773)	-13 (-32)
Langley	193 (477)	176 (435)	-17 (-42)
North Shore	28 (69)	21 (52)	-7 (-17)
Northeast Sector	36 (89)	56 (138)	20 (49)
Richmond	307 (759)	271 (670)	-36 (-89)
Ridge – Meadows	419 (1,035)	593 (1,465)	174 (430)
Surrey / White Rock	857 (2,118)	616 (1,522)	-241 (-596)
Vancouver	17 (42)	27 (67)	10 (25)
Total	2,260 (5,584)	2,115 (5,226)	-145 (-358)

Source: metrovancover Industrial Lands Inventory (2015, 2020)

As noted in the Metro Vancouver Industrial Lands Inventory, these figures cannot be properly interpreted without further consideration of their respective current land uses, range of site sizes, and locations relative to key transportation infrastructure, all of which are contributing factors to development suitability and market readiness.

It is important to note that the 2020 ‘vacant’ land inventory of 2,115 ha includes a number of regional land use designations, including:

- General Urban – 125 ha or 8% of the vacant inventory, which are intended for a variety of land use types and are “likely to convert to other uses over the long-term, which will most likely lead to erosion of the industrial land base.
- Mixed Employment – 597 ha or 22% of the vacant inventory – These lands offer more flexibility than ‘industrial’ lands and are intended for a range of light industrial, commercial and other employment based lands (including retail-commercial, wholesalers) to serve a growing economy. These lands are more likely to pivot to non-industrial uses over the long term, contributing to further erosion of the industrial land base.
- Industrial – these vacant lands total 1,179 ha or 67% of the quantified inventory of 2,115 ha and are intended for heavy and light industrial activities and related accessory uses.

It is also important to note that this inventory of land supply comprises a broad array of land parcel sizes, many of which are unsuitable for larger-scale manufacturing, research and development, multi-tenant industrial or warehousing and distribution uses. As noted in the Metro Vancouver 2020 Industrial Lands Inventory:

- Site sizes less than 5 hectares: 765 ha or 36% of the vacant land total (across all designations)
- Site sizes 5 to 10 hectares: 380 ha or 18% of the vacant land inventory (across all designations)
- Site sizes of 10 hectares or more: 970 ha or 46% of the inventory (across all designations)

Also noted in the Metro Vancouver 2020 Industrial Lands Inventory, there were a number of industrial land additions and removals across the region between 2015 and 2020, with the following net land additions:

- Regional net lands added vs. removed: 252 ha or 624 acres.
- 72% of these net additional lands were located in Maple Ridge, which should be noted are a significant distance from the region's major transportation networks and goods movement routes, and are therefore unsuitable for many larger scale industrial operators.
- Net of Maple Ridge, total net additions across the region between 2015 and 2020 included 70 ha (173 acres), 87% of which materialized in the Delta submarket.

As noted in section 4 of this report, what would bring more clarity and focus to the discussion surrounding an increasingly constrained industrial land market is a comprehensive look at both the suitability for inventoried lands to meet the needs of a range of industrial market sectors, and the extent of their market readiness to accommodate much-needed new industrial development. The increasingly refined quantitative categorization of industrial land supply across the region is important but needs to be combined with sector-specific suitability assessments in order to properly highlight the challenges facing prospective developers and tenants looking to enter into, or expand within, the regional market.

2.2 The Barriers to Industrial Development

While recognizing the importance of industrial development, there are a number of potential barriers that make industrial development difficult in the region. This section outlines the general industry and academic research on industrial development as well as specific issues in the Metro Vancouver region.

2.2.1 General Barriers to Industrial Development

The academic and industry literature around the barriers to industrial development are quite limited. When researching the topic, the majority of papers written more recently are focused on redeveloping industrial lands for other purposes – brownfield development – and the environmental impacts associated with that redevelopment. This alone is an interesting finding, as it points to the change in use of industrial lands, rather than the preservation for continued industrial use.

Of particular interest is a study from UC-Berkeley, which was part of a larger industrial land and jobs study for the San Francisco Bay Area. Chapple et al. (2017) completed a study looking at the conversion of industrial lands in the San Francisco Bay Area, and the potential for a shortfall in industrial lands in the

region to meet expected demand in 2040.³⁶ Although the findings of the study are that overall there would be sufficient industrially zoned land by 2040, the available land is not ideally located, and there would be a shortfall in the area with the highest demand for industrial lands. Of particular importance from the study for the Metro Vancouver region is the matrix the authors developed, which outlines potential reasons for conversion or preservation of industrial lands for the city to consider. This matrix is shown in **Figure 2-11**, and of interest, the first element focuses on the proximity to transportation, highlighting the importance of location for industrial lands (not just any available land is sufficient). For Metro Vancouver, this matrix provides a number of considerations regarding the need for industrial land and the preservation of industrial. While it is understood that the land scarcity cuts across various land uses, options should be weighed against a number of factors.

Figure 2-11: Reasons for Industrial Land Preservation and Conversion

	← RETAIN AS INDUSTRIAL	CONVERT TO RESIDENTIAL OR MIXED-USE →
Transportation	<ul style="list-style-type: none"> Proximity to freight and/or port facilities Low VMT for workers on industrial land 	<ul style="list-style-type: none"> Proximity to transit High VMT for workers on industrial land
Economy	<ul style="list-style-type: none"> Production or related employment Proximity to business clusters/-suppliers/markets Critical supplier to local businesses Industry stable or growing 	<ul style="list-style-type: none"> High-density non-production employment Proximity to markets/customers Limited linkages to local economy Industry in decline
Equity	<ul style="list-style-type: none"> Offers middle-wage jobs for less-skilled workers 	<ul style="list-style-type: none"> Potential for affordable housing
Land use/zoning compatibility	<ul style="list-style-type: none"> Surrounded by medium/heavy industrial zoning 	<ul style="list-style-type: none"> Adjacent to residential
Environment	<ul style="list-style-type: none"> Brownfield site, remediation infeasible 	<ul style="list-style-type: none"> Environmental health hazard for surrounding communities (especially if historically disadvantaged)
Adequate of supply	<ul style="list-style-type: none"> In areas with projected deficit of industrial land Low vacancy rates for industrial buildings 	<ul style="list-style-type: none"> In areas with projected surplus of industrial buildings High vacancy rates for industrial buildings

Source: Chapple et al. (2017), p. 5

³⁶ Chapple, K., Abdelgany, S., Crispell, M., Ritter, S., and St.-Louis, E. (2017) The Conversion of Industrially Zoned Land. Accessed from https://communityinnovation.berkeley.edu/sites/default/files/the_conversion_of_industrially_zoned_land.pdf?width=1200&height=800&iframe=true



The Industrial Land Shortage Is... Impeding Manufacturing and Innovation Potential

It is well known that the price of land in the Metro Vancouver region is high, so high, that businesses with land are faced with a difficult choice – continue growing their business on the land they have or develop the land for other purposes. An advanced manufacturing and automation company in the lower mainland has faced this issue recently, having over 10 acres of valuable land, aging infrastructure, increasing property taxes, and is surrounded by residential development. The company began looking for other area in the Lower Mainland but was unable to find 10 contiguous acres at a price that made sense for the business. It is difficult to grow and scale manufacturing businesses in the Lower Mainland under these constraints, leading some manufacturers to move their operations elsewhere, and sell/redevelop their land in the region. The company does not yet have an answer to this question, but one is needed soon, potentially leading to the relocation of jobs outside of the lower mainland.

2.2.2 Barriers in Metro Vancouver

In the Metro Vancouver region, aside from the lack of available land, there are limitations to further industrial development. metrovancover outlined a number of considerations for the future development (barriers) of industrial lands in the region in their most recent (2020) Industrial Lands Inventory, including:³⁷

- **Mis-matched land use** (e.g., industrial lands being used for non-industrial purposes)
- **Competing priorities** – given there are general shortages of land (not just industrial), there are a number of competing priorities in the region, including housing development. There can be competing policies as access to major transit and transportation centres can often overlap between industrial use and housing/employment growth in the region,
- **Long-term protection of industrial lands does not cover all current lands in the inventory.** There are non-protected industrial lands within the inventory, which could be redeveloped for non-industrial use (shrinking the industrial inventory, and potentially impacting other adjacent industrial lands).
- **Lands lacking access to key transportation corridors.** There are parcels of land that may be developed for industrial use but lacks access to key transportation corridors. This barrier makes development more difficult and operations inefficient.

³⁷ metrovancover (2021) Metro Vancouver 2020 Regional Industrial Lands Inventory: Technical Report. Accessed from http://www.metrovancover.org/services/regional-planning/PlanningPublications/Metro_Vancouver_2020_Industrial_Lands_Inventory_Technical_Report.pdf

- **Land parcels are too small for trade-enabling purposes.** If available parcels are smaller lots, there is a barrier to trade-enabling industrial use (which generally needs large sites) and combined with the barrier of access to transportation infrastructure, this barrier is difficult for private business to invest in development (and thus will locate outside of the Metro Vancouver region).
 - This issue goes beyond trade-enabling purposes, as other forms of industrial face similar issues with larger sites needed for scale of operations and optimal efficiency.
- **Regulatory Impediments.** There are numerous levels of regulatory oversight, from municipal to provincial and federal regulations around development, environment and land zoning.

The Industrial Land Shortage Is... Forcing Businesses Elsewhere

There are many examples of businesses having to locate or expand operations outside of the Metro Vancouver region due to the industrial land shortage, citing reasons including rent/lease costs, insufficient space requirements and lack of expansion options.



- A local expanding green-tech manufacturer, that chose to invest \$27 million in new, state of the art manufacturing equipment in Calgary (given there was no where available to expand here). This has led to inefficiencies, as products are shipped back to Vancouver via truck for international export through the Port of Vancouver.
- A producer in the animal products industry was forced to move their facilities from the lower mainland as they were not able to find sufficient land to build a new processing facility in the lower mainland. They have instead focused on other provinces and moved jobs to Calgary and elsewhere.
- A vegetable producer operating in Ontario, Quebec and Alberta wanted to expand their operations and move to the lower mainland. They tried many avenues, including working with the BC Ministry of Jobs, Economic Recovery, and Innovation, but was not able to find enough land to set up their operations.
-

2.3 Lessons from Other Jurisdictions

2.3.1 Seattle, Washington

The City of Seattle has an Industrial and Maritime Strategy, which includes stakeholder and community engagement regarding the importance of the industries to the region.³⁸ Seattle's industrial lands are divided into four areas: Ballard and Interbay which are northwest of the city center, and SODO and Georgetown/South Park in the south. The majority of Seattle's industrial lands are in two Manufacturing Industrial Centers (MIC), the Greater Duwamish MIC and the Ballard Interbay North MIC. Approximately 15% of total City employment is located in the Seattle industrial areas, representing about 100,000 jobs.

The City of Seattle Industrial and Maritime Strategy Council was formed in 2019 to develop an industrial and maritime strategy that is holistic and comprehensive in its approach to support these sectors. The council members included city-wide businesses, institutions, councils and other parties which represented four neighborhood councils and a fifth citywide council. A year of consultation produced the Industrial Maritime Strategy Report in 2021, backed by a strong consensus within the Strategy Council.

The Report includes 11 strategies to support the next generation of industrial and maritime jobs, with a key objective to grow the number of living wage jobs, especially for Black, Indigenous, People of Color (BIPOC), youth, and women. To reach this and other objectives, the report recommends strengthening the protections for industrial and maritime lands, where these jobs are located. Further, high-tech and innovative developments are to be encouraged, along with opportunities for small light-industrial businesses, creative arts, and ancillary retail.

2.3.2 Oregon, United States

The state of Oregon has in place an urban growth boundary model, which sets, from a planning perspective, the line in which urban growth and development can occur. This has been in place since the late 1970's for all cities in the state. Portland's urban growth boundary is an example of planning to allow for industrial growth. In 2002, the city's planning process identified the need for more industrial land base, and in 2004 and 2005, more than 2,000 acres of land was added to the boundary to allow for industrial development.³⁹

2.3.3 Sydney Australia

NSW Ports manages Port Botany and Port Kembla, as well as the Enfield Intermodal Logistics Centre and Cooks River Intermodal Terminal. Approximately 65,500 jobs are supported by the NSW ports and industrial lands, including 52,000 supported by Sydney's Port Botany alone. A\$ 13.6 billion is contributed by the ports and industrial lands to the NSW gross state product (GSP).⁴⁰

Following the recommendation by the New South Wales (NSW) Productivity Commission, a review of current industrial land protections in Sydney was conducted in 2021 by the Greater Sydney Commission. The top recommendation of the review was to maximise the productivity of industrial lands over other competing land uses⁴¹

³⁸ City of Seattle (2021) Industrial and Maritime Strategy Council Recommendations, <https://www.seattle.gov/documents/Departments/OPCD/OngoingInitiatives/IndustrialMaritimeStrategy/IndustrialMaritimeStrategyReport2021.pdf>

³⁹ Metro (2023) Urban growth boundary, <https://www.oregonmetro.gov/urban-growth-boundary>

⁴⁰ "2022 Sustainability Strategy", NSW Ports, 2022. <https://www.nswports.com.au/resource/2022-sustainability-strategy>.

⁴¹ "Industrial Lands 'Retain and Manage' Policy Review", Greater Cities Commission, June 2022. https://gsc-public-1.s3-ap-southeast-2.amazonaws.com/s3fs-public/ILPR_findingspaper.pdf.

In 2022 NSW Ports released its sustainability strategy which details four sustainability priorities to ensure continued productivity while also reducing carbon footprint and supporting thriving industries, jobs, and communities on port lands. Further, the Ports identified the seven most important risks and opportunities to focus on to achieve these priorities:

Sustainability Priorities	Interrelated Risks & Opportunities
Steward forecast growth	Navigating shifts in global trade
Champion decarbonisation	Securing key land and transport corridors to optimize the port supply chain
Build resilience	Championing the clean energy transition
Support thriving communities	Building resilience in a changing environment
	Investing in technology to strengthen port capacity and efficiency
	Safeguarding our license to grow
	Creating a safe workspace

Source: NSW Ports (2022) “2022 Sustainability Strategy”

Two key objectives are (1) to achieve full and productive employment and decent work for all women and men, including those with disabilities, with equal pay for equal work, and (2) to promote reconciliation and beneficial relationships with local First Nations communities. To do this they plan to build strong, trusted, and mutually beneficial relationships with the communities on and around port and industrial maritime lands.

NSW Ports is an advocate for the protection of ports, intermodal centres, freight corridors, and industrial lands to support the efficient movement of goods, while also reducing carbon output.

2.3.4 Lessons for Metro Vancouver

In both cases, there was a local recognition of the importance of industrial lands to the region, and the importance of ensuring industrial lands are safeguarded for industrial purposes. In both Seattle and Sydney, there was also a clear tie made to the employment opportunities that industrial lands present, and focusing on how communities can create job opportunities for many parties, including historically underrepresented groups. For Metro Vancouver, this could be an opportunity to create similar job opportunities to support underrepresented groups, or for First Nations participation. As well, there is recognition of the importance of industrial land suitability for close proximity to transportation and labour.

2.4 Comparative Costs of Industrial Development and Operations

Competitive markets with more significant industrial land supply also offer considerable cost advantages relative to the Metro Vancouver region. Relevant comparative cost factors across the Metro Vancouver, Metro Calgary and Washington State (greater Seattle) regions include:

- Industrial land values
- Industrial facility construction costs per sq. ft.
- Industrial facility annual per sq. ft. lease rates

Comparative cost indicators for these key factors and market regions are provided in the following sections.

2.4.1 Industrial Land Values

Across the Metro Vancouver region and based on industrial land sale activity as tracked by Altus Data Studio, industrial land values increased from approximately \$2.2 million per acre in 2019 to \$4.25 million per acre in 2022. This reflects an increase of 93% over 3 years.

More importantly, industrial land values of \$4.25 million per acre are roughly five times those recorded in the Metro Calgary market, with land values for the representative northeast sector recorded by the City of Calgary as follows:⁴²

- 0.23 to 2-acre sites: \$875,000 to \$950,000 per acre
- 2 to 4-acre sites: \$815,000 per acre
- 4 to 10-acre sites: \$685,000 per acre

Industrial land values in the greater Seattle, WA market vary more broadly, as noted by the following illustrative industrial land listings. These indicate values at or well below those in effect in the Metro Calgary market and a small fraction of those being recorded in Metro Vancouver:

- 8004 S. 5th St. – Ridgefield, WA: \$2.47M for 5.33 ac. (\$463,000 per acre)
- 4358 Hannegan Rd. – Bellingham, WA: \$1.89M for 9.4 ac lot (\$201,000 per acre)
- 1400 Prudential Blvd – Longview, WA: \$1.04M for 3.6 ac. (\$289,000 per acre)
- 2891 Bakerview Rd – Irongate Planned Industrial: \$1.98M for 2.67 ac (\$745,000 per acre)
- 715 Riverside Rd. (Everett, WA) – Riverside Industrial Site: \$7.95M for 8.4 ac. (\$947,000 per acre)

2.4.2 Private Sector Industrial Facilities – Costs to Build

There are also significant comparative cost differentials between Metro Vancouver and competitive markets. As noted below in **Table 2-4**, and based on the high range of cost estimate as tracked by Altus

⁴² Source: City of Calgary 2023 Property Assessment – Land Market Trends

Group, a 500,000 sq. ft. industrial building would cost nearly \$93 million to construct in Metro Vancouver – nearly 20% higher than in Metro Calgary (at nearly \$78 million).

Table 2-4: Costs to Build Comparison

Building Type	Metro Vancouver		Metro Calgary	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Cost per sq. ft.	\$115	\$185	\$105	\$155
Cost for 500,000 sq. ft. facility	\$57.5M	\$92.5M	\$52.5M	\$77.5M

Source: Altus Group – Canadian Cost Guide 2023

Similar cost guide information for industrial facilities in US markets indicate that the Greater Seattle market, one of the more costly markets in the US, indicate all-in industrial development costs in the range of \$90-100 per sq. ft. US – still well below those driving activity in Metro Vancouver.

2.4.3 Industrial Lease Rates

Industrial tenants also face dramatically different cost profiles across the Metro Vancouver, Metro Calgary and Washington State markets, which directly relate to the extent of new industrial supply, market-wide industrial vacancy and operating costs.

- Metro Vancouver** – Q1 2023 activity showed 8.55 million sq. ft. of industrial floor area under construction, but a market-wide industrial vacancy rate of only 0.6% (availability rate of closer to 1.6%) - well below the 3-4% vacancy rate range in a more balanced market. Constrained industrial supply conditions have driven industrial lease rates across Metro Vancouver to \$22.09 per sq. ft. (base rent) + \$4.48 per sq. ft. in additional rent/operating costs.⁴³
- Metro Calgary** – There were nearly 5.5M sq. ft. under construction in Metro Calgary in Q1 2023 and a market vacancy rate of 1.8% (but much higher availability rate of 8%). Metro Calgary’s average asking industrial lease rate as of Q1 2023 was \$11.25 per sq. ft., + \$4.78 in additional rent. Therefore, total average rent of roughly \$16 per sq. ft. in Calgary is roughly 60% of rent levels in Metro Vancouver.⁴⁴
- Metro Seattle** – As of Q1 2023, there were roughly 13.4 million sq. ft. of industrial space under construction. Market-wide vacancy stood at a more robust 4.0%, with availability of closer to 8.5%. Weighted average asking industrial lease rates in this market (one of the pricier markets in the US) stood at roughly \$12.60 per sq. ft. on an annual basis in early 2023 for warehouse and distribution and roughly \$14.04 per sq. ft. for manufacturing space.⁴⁵

⁴³ Source: Colliers (2023)

⁴⁴ Source: Colliers (2023)

⁴⁵ Source: JLL Research Report

3 The Economic Impact of the Critical Shortage of Industrial Lands

3.1 What is Economic Impact?

Economic activity on industrial lands contributes directly to employment in the region, as well as the provincial and national Gross Domestic Product (GDP) at large.⁴⁶ More importantly, it also acts as an economic catalyst, facilitating the growth of regional businesses and industrial sectors. This takes place through supply chain linkages and inputs to other industries such as materials for the construction sector. The economic contribution of industrial lands, as well as the port, airport and related trade facilitating services is termed the economic impact of industrial lands.⁴⁷

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project (such as the construction of a new facility), or a change in government policy or regulation. Economic impact can be measured in various ways. Two of the most popular ways to assess economic impact are in terms of the dollar value of industrial output produced, or in terms of full-time equivalents (FTE) generated.⁴⁸ Other measures are GDP and wages. All of these are used to express the gross level of activity or expenditure from a sector of the economy, a specific project or a change in policy or regulation. These measures can be useful in developing an appreciation of projects, investments and economic sectors.⁴⁹ The different measurements of economic impact, including employment, wages, GDP and economic output are explained below.

3.1.1 Categories of Economic Impact

The three major components of economic impact are *direct, indirect, and induced impacts*, as described below. These distinctions are used as a base for the estimation of the total economic impact of the Metro Vancouver region's industrial lands. Each of these three components requires different tools of analysis. Employment impact analysis determines the economic impact in terms of jobs created and salaries and wages paid.

⁴⁶ GDP is a measure of the value added by labour and capital services used to produce final goods and services, as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and services.

⁴⁷ This includes all port and airport terminal/building tenants, land tenants, subtenants, and also relevant employment of firms that are located off port/airport and industrial lands.

⁴⁸ A full-time equivalent (FTE) or person year of employment accounts for part-time and seasonal employment.

⁴⁹ Economic impact is different from a cost-benefit analysis that weighs benefits against costs.

Figure 3-1: Measurements of Economic Impact

<p>Employment (Jobs & Full-time Equivalents)</p>	<ul style="list-style-type: none"> • The number of full-time equivalents (FTEs) or person years of employment generated by a particular source. Because certain jobs may only be part-time or seasonal, the number of jobs is generally greater than the number of FTEs.
<p>Wages</p>	<ul style="list-style-type: none"> • The wages, salaries, bonuses, benefits and other remuneration earned by the associated workforce.
<p>Gross Domestic Product (GDP)</p>	<ul style="list-style-type: none"> • A measure of the value added by labour and capital services used to produce final goods and services, as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and services.
<p>Economic Output</p>	<ul style="list-style-type: none"> • The dollar value of industrial output produced. Sometimes referred to as “economic activity,” it reflects the spending (i.e., capital improvement plus revenue) by firms, organisations and individuals.

Direct Impact

Direct impacts account for the economic activity of the target sector itself. For instance, all employment that is directly related to work that takes place on industrial lands.

Indirect Impact

Indirect impacts are those that result because of the direct impacts. This involves employment in downstream industries that arise from the presence of activity on industrial lands. For instance, indirect employment includes the portion of employment in supplier industries which are dependent on sales to the trucking sector, e.g., firms that provide maintenance for diesel trucks used on industrial lands.

Induced Impact

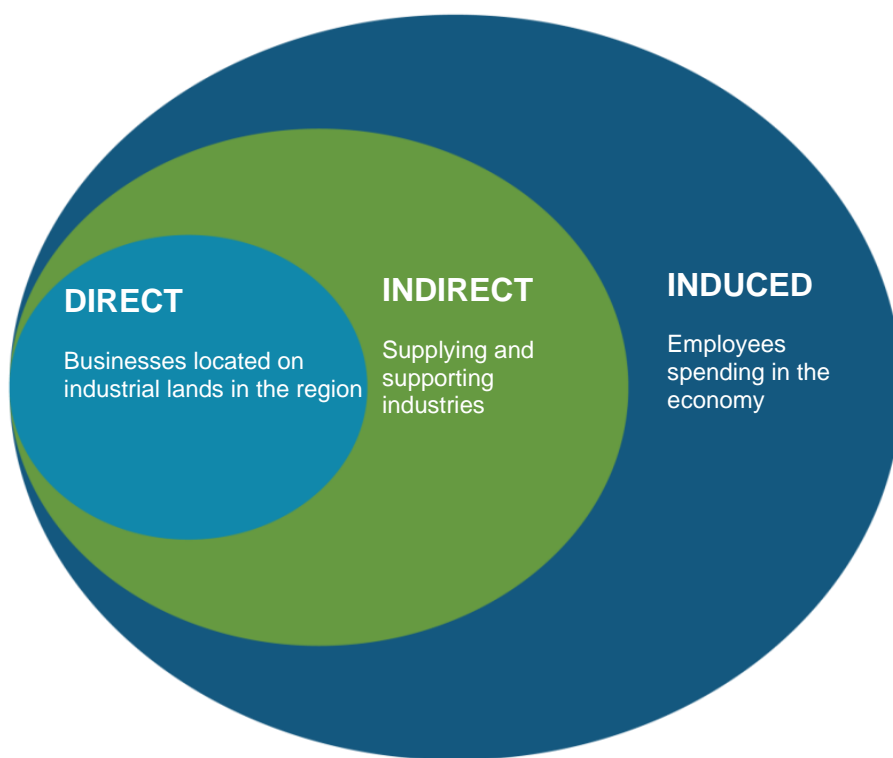
Induced employment is generated from expenditures by individuals employed directly or indirectly. For instance, if a manager at a manufacturing business decides to renovate her home, this would result in

induced employment hours in the general economy as the renovation would support hours of employment in the construction industry, the construction materials industry, etc. Induced impact is often called the “household-spending effect”. Induced impacts are not limited to a specific sector.

Total Impacts

Total impacts are the sum of direct, indirect, and induced effects. These three categories of impacts are summarised below.

Figure 3-2: Categories of Economic Impact Generated and Facilitated by the Region’s Industrial Lands



3.2 Methodology and Approach

In 2019, InterVISTAS completed an economic impact study for metrovancouver, which quantified the economic impact of industrial lands in the region. Those impacts were expressed in 2016 Canadian Dollars. For this study, InterVISTAS is using those results, but with an inflation adjustment to present the data in 2022 Canadian Dollars. The following tables show the key economic impacts results from that study but expressed in current day dollars.

Based on analysis conducted for metrovancouver in 2019 with data available from the 2016 Census, there were an estimated 364,100 jobs that took place on industrial lands in the Metro Vancouver region. Over 200,000 (or approximately 55%) of these jobs occur in industrials sectors defined by metrovancouver (i.e., production, distribution, repair, public infrastructure & administration and trade-

enabling). See **Table 3-1** and **Table 3-2** for the detailed impact results for all sectors and the specific industrial sectors.

Table 3-1: Economic impacts of all sectors located on industrial land in Metro Vancouver

Economic Impact		Impacts in the Region	Impacts in British Columbia	Impacts in Canada
Employment (Jobs)	Direct	364,100	364,100	364,100
	Indirect	88,000	114,000	161,800
	Induced	74,900	96,500	133,700
	Total	527,100	574,600	659,500
Income (\$ Billions)	Direct	\$26.0	\$26.0	\$26.0
	Indirect	\$2.0	\$7.3	\$10.9
	Induced	\$1.1	\$4.9	\$7.3
	Total	\$29.1	\$38.3	\$44.2
GDP (\$ Billions)	Direct	\$31.3	\$31.3	\$31.3
	Indirect	\$9.4	\$12.1	\$18.4
	Induced	\$9.5	\$12.2	\$16.8
	Total	\$50.1	\$55.6	\$66.5
Output (\$ Billions)	Direct	\$60.0	\$60.0	\$60.0
	Indirect	\$17.8	\$23.1	\$36.1
	Induced	\$14.8	\$19.0	\$27.9
	Total	\$92.5	\$102.1	\$124.0

Source: Metro Vancouver Industrial Lands: Economic Impact and Future Importance, 2019.

Note: Prices from the metrovancover report have been re-expressed in 2022 dollars in the table above. Figures are rounded and may not sum.

Table 3-2: Economic impacts of industrial sector employment located on industrial land

Economic Impact		Impacts in the Region	Impacts in British Columbia	Impacts in Canada
Employment (Jobs)	Direct	200,400	200,400	200,400
	Indirect	59,200	78,100	111,400
	Induced	48,000	62,900	87,900
	Total	307,600	341,400	399,600
Income (\$ Billions)	Direct	\$14.6	\$14.6	\$14.6
	Indirect	\$1.6	\$5.2	\$7.7
	Induced	\$0.8	\$3.2	\$4.8
	Total	\$16.9	\$23.0	\$27.1
GDP (\$ Billions)	Direct	\$20.2	\$20.2	\$20.2
	Indirect	\$6.4	\$8.5	\$13.1
	Induced	\$6.1	\$7.9	\$11.1
	Total	\$32.7	\$36.6	\$44.3
Output (\$ Billions)	Direct	\$41.9	\$41.9	\$41.9
	Indirect	\$12.5	\$16.4	\$26.2
	Induced	\$9.5	\$12.4	\$18.3
	Total	\$63.8	\$70.7	\$86.4

Source: Metro Vancouver Industrial Lands: Economic Impact and Future Importance, 2019.

Note: Prices from the metrovancover report have been re-expressed in 2022 dollars in the table above. Figures are rounded and may not sum.

3.3 Assessment of Metro Vancouver Industrial Land Needs

To assess Metro Vancouver industrial land needs, two approaches were undertaken to estimate the economic impact, as follows:

1. Approach #1:

- Based on local industry input, it is estimated that approximately 250-300 acres of industrial land is needed per annum in Metro Vancouver, of which 80-100 acres is needed for “trade-enabling” activities.

2. Approach #2:





- Based on a benchmark percent industrial land allocation of total land mass in different cities. Currently, industrial lands in Metro Vancouver make up 4% of the region’s total land mass.
- A review of other cities yielded percent shares in the range of 6% to 19%.

- Based on the higher range in other cities, the economic impact of a 1% increase in industrial lands in Metro Vancouver is assessed.

3.3.1 Approach #1: *Estimated Annual Industrial Land Needs in Metro Vancouver*

Based on input from the local industrial real estate industry, the total annual need for industrial land in Metro Vancouver is approximately 250-300 acres, of which 80-100 acres would be for trade-enabling activities to support Canada’s supply chain. The economic impact results based on the mid-point of 275 acres of industrial land is displayed in **Table 3-3**.

Table 3-3: Estimated Economic Activity on 275 Acres of Industrial Lands in Metro Vancouver (in B.C.)

				
Impact	Employment (Jobs)	Wages (\$ Billions)	GDP (\$ Billions)	Output (\$ Billions)
Direct	3,600	\$0.3	\$0.3	\$0.6
Indirect	1,100	\$0.1	\$0.1	\$0.2
Induced	900	\$0.1	\$0.1	\$0.2
Total	5,600	\$0.4	\$0.6	\$1.0

Note: Totals may not sum due to rounding. Monetary values in 2022 dollars.

3.3.2 Approach #2: *Economic Impact of 1% Increase in Share in Industrial Lands in Metro Vancouver*

In 2020, metrovancover estimated that there was a total of 11,502 hectares (28,422 acres) of industrial land in the Metro Vancouver region, which is approximately 4% of the region’s total land mass. A review of the percentage share of industrial lands of total land mass for selected cities was conducted to compare with the Metro Vancouver ratio. **Table 3-4** displays the research results for various comparator cities. The percentage share of industrial land as a proportion of total land area varies for different cities. The Metro Vancouver region has a relatively low percentage share of industrial lands relative to the region’s total land mass. Additionally, much of the available industrial land in Metro Vancouver are smaller land parcels and not suitable for trade-enabling activities that are required to support goods movement through the national supply chain.

Table 3-4: Industrial Lands Summary for Selected Cities

City/Region	Industrial Land Area (acres)	Total Land Area (acres)	% Share of Industrial Land	Vacancy Rate (%)
Metro Vancouver	28,422	692,177	4%	1.1%
Calgary	17,297	209,817	8%	2.1%
Seattle	1,951	39,024	5%	4.8%
Los Angeles	19,046	238,075	8%	0.6%
Rotterdam, Netherlands	15,253	80,100	19%	2.7%

Source:

1. Metro Vancouver (2015, 2021): metrovancouver (April 2016) 2015 Industrial Lands Inventory Technical Report. metrovancouver (2021) 2020 Industrial Lands Inventory Technical Report.
2. Calgary (2020): <https://www.calgary.ca/planning/industrial-growth-market-analysis.html>
3. Seattle (2017): <https://www.seattle.gov/documents/Departments/OPCD/Demographics/AboutSeattle/Citywide%20Existing%20and%20Future%20Land%20Use%20Report%202017.pdf>
4. Los Angeles (note this is zoned for industrial, but some is used for non-industrial purposes) (2007): https://planning.lacity.org/odocument/f6a208f7-e0d3-4896-a6dc-8cec5fa97d86/attachment_b.pdf
5. Rotterdam, Netherlands (note industrial land is industrial and office) - (2015): <https://opendata.cbs.nl/#/CBS/en/dataset/70262ENG/table>
6. Vacancy rates from CBRE – Vancouver, Calgary, and Seattle Q1 2023, Los Angeles Q2 2022, Rotterdam H1 2022

For illustrative purposes, to support the tight supply of available industrial lands in Metro Vancouver, **Table 3-5** displays the economic impact results of an increase of 1% share of industrial lands in Metro Vancouver which is equivalent to 6,922 acres.

Table 3-5: Estimated Economic Impact of Converting 1% of Metro Vancouver Land into Industrial-Zoned Land

Economic Impact		Impacts in British Columbia	Impacts in Canada
Employment (Jobs)	Direct	79,887	79,887
	Indirect	25,000	35,500
	Induced	21,200	29,300
	Total	126,100	144,700
Income (\$ Billions)	Direct	\$5.7	\$5.7
	Indirect	\$1.6	\$2.4
	Induced	\$1.1	\$1.6
	Total	\$8.4	\$9.7
GDP	Direct	\$6.9	\$6.9





Economic Impact		Impacts in British Columbia	Impacts in Canada
(\$ Billions)	Indirect	\$2.7	\$4.0
	Induced	\$2.7	\$3.7
	Total	\$12.2	\$14.6
Output (\$ Billions)	Direct	\$13.2	\$13.2
	Indirect	\$5.1	\$7.9
	Induced	\$4.2	\$6.1
	Total	\$22.4	\$27.2

Note: Dollar figures expressed in 2022 dollars. Figures are rounded and may not sum to total.

3.3.3 Loss of Development Opportunities to other Jurisdictions

As articulated in the case study examples in this report, local Metro Vancouver companies are leaving the region due to escalating rent/lease costs, insufficient space requirements and a lack of expansion options. Companies looking to establish operations in Western Canada are opting to setup operations in Calgary as a strong alternative to Vancouver, due to lower overall costs, and ample availability of land and transportation options. Firms are utilizing Calgary to build up inventories to support their supply chains. With companies considering Calgary and other locations outside of Metro Vancouver to establish their operations, Metro Vancouver is also losing infrastructure development opportunities to other jurisdictions. By way of an illustrative example, a \$100m investment in infrastructure in B.C. generates nearly 400 direct jobs with each job earning an average wage of nearly \$82,000. Include indirect and induced impacts, over 700 jobs are generated.

Table 3-6: Estimated Economic Activity Related to \$100 Million Infrastructure Investment on Industrial Lands in Metro Vancouver (in B.C.)

				
Impact	Employment (Jobs)	Wages (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	370	\$31	\$46	\$100
Indirect	200	\$15	\$24	\$43
Induced	150	\$8	\$21	\$30
Total	720	\$53	\$91	\$173

Note: Labour Income, GDP and Output are stated in 2022 prices.





3.3.4 Economic Impact of Lost Development Opportunities to Calgary

Over the past 4.5 years, Metro Vancouver has lost over 5 million sq. ft of industrial land infrastructure development to Calgary → lost employment estimated to be 6,300 jobs.

Over the past 4.5 years (2019 – June 2023), according to industry stakeholders, an estimated 5.1 million sq. ft. (or average of over 1 million sq. ft. per annum) of space has been taken up by firms in Calgary rather than Metro Vancouver. This is an assessment of firms that were interested in developing in the Metro Vancouver area; but instead opted to locate and invest in their operations in Calgary. Metro Vancouver continues to lose ground to Calgary and other locales due to unavailable or unsuitable industrial land options.

The economic impact of these lost opportunities to Calgary are estimated to be over 6,300 direct jobs, paying \$477 million wages, generating \$494 million in GDP and \$828 million in economic output. The average wage per job is over \$75,000 per annum, well above the average provincial wage per job of \$54,700.⁵⁰ See **Table 3-7**. These jobs represent lost opportunities for Metro Vancouver residents to be employed in high wage sectors of the economy.

Table 3-7 Economic Impact of Metro Vancouver’s Lost Opportunities to Calgary

				
Component	Employment Jobs	Wages (\$ Millions)	Value-Added GDP (\$ Millions)	Economic Output (\$ Millions)
Direct	6,320	\$477	\$494	\$828
Indirect	1,580	\$103	\$177	\$325
Induced	1,930	\$102	\$256	\$393
Total	9,840	\$681	\$927	\$1,546

Figures may not sum to totals due to rounding. Monetary impacts are shown in 2022 dollars.

⁵⁰ Statistics Canada. Table 11-10-0239-01 Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas. 2021 is the most recent data year at the time of report development.

3.4 Key Takeaways

Given the constrained land availability in the Metro Vancouver area, which has been a long-term issue, businesses currently operating in the region are assessing their operations and long-term growth ability in the region. As conveyed by the case studies, there are several examples of firms that have opted to move out of the region due to land not being available at competitive price points to expand. Instead, some firms are looking elsewhere and specifically to the Calgary area given the greater availability of land and lower costs overall. New firms looking to serve Western Canada are also looking at Calgary as the key hub in which to serve its customer base.

Consideration may be made to increasing the amount industrial zoned lands in the Metro Vancouver region to support the ongoing annual needs of approximately 250-300 acres per annum.

Industrial lands in Metro Vancouver make up just 4% of the total land mass in the region. This is at a lower level than compared to other cities reviewed. To help alleviate some stress, consideration may be made to increasing the amount industrial zoned lands in the Metro Vancouver region to support the ongoing annual needs of approximately 250-300 acres per annum and also the backlog of industry needs.

4 Industrial Lands Policy Review

4.1 Metro Vancouver Industrial Land Strategy Recommendations

The Metro Vancouver Board approved the finalized Regional Industrial Lands Strategy in July 2020. The Strategy benefited from the guidance provided by the Industrial Land Strategy Task Force, which included elected officials from across Metro Vancouver, various Provincial agencies and crown corporations, the port authority, Agricultural Land Commission and other key societies and groups. The final Strategy also benefited from input gathered at a series of stakeholder workshops conducted throughout the process. Industrial lands accommodate over one-quarter of the region's total employment and play a crucial role in supporting economies at all scales, so the regional industrial land strategy must be able to respond to the challenges facing these lands. There are several opportunities to strengthen the Strategy to provide more tools to local governments and current and future industrial operators to make decisions around industrial land use. This section summarizes the 2020 Regional Industrial Land Strategy and offers a brief analysis of its findings.

4.1.1 Key Challenges Identified

The Strategy identifies four key challenges with respect to industrial land in the region:

1. A constrained land supply

The region's geography and the increasing demand for industrial land are putting additional constraints on the industrial land supply. This is particularly true for lands that require large parcel sizes, access to transportation routes, etc.

2. Pressure on industrial lands

There is competition for land due to the general land constraints in the Lower Mainland. Additional pressure exists to convert industrially designated land to non-industrial uses, particularly multi-family residential.

3. Site and adjacency issues

Available industrial sites lack servicing infrastructure or efficient opportunities to tie into existing utilities. Additionally, industrial development opportunities may be limited depending on the nature of surrounding land uses (i.e., residential or commercial uses sensitive to noise, odours, etc.)

4. Complex jurisdictional environment

Overlapping jurisdictions (i.e., regional and municipal) can sometimes create complex and inconsistent regulatory landscapes.

4.1.2 Potential Improvements

The development of the Metro Vancouver Industrial Land Strategy was a contentious process. The needs of 26 separate municipalities with varying interests, goals and actual access to industrial lands played a role in its development and the policies included in its final form. While the adopted Industrial land

strategy includes some important additions like a draft definition of "trade-oriented industrial land" and categorizing industrial activities, it lacks significant policy direction needed to address the regional industrial land crisis. While the Land Strategy was an important step, there are still issues that need to be urgently addressed:

- **Revisit update schedule**

The Metro Vancouver Industrial Land Strategy is updated on a 5-year interval. However, given the intensity of the industrial land crisis, information is needed more frequently. Local governments and prospective proponents need access to more current information in the region's rapidly evolving market. It is recommended that the Strategy be updated more frequently to ensure data is current. This could be achieved through interim updates to the Strategy every 2 or 3 years.

- **Re-examine formulas for regional voting for land use changes.**

Each municipality has different goals and reserves of industrial land. Some municipalities have more industrial land than others, which can limit other opportunities in those places, and vice versa. There is a need to find a way to balance each jurisdiction's needs while preserving industrial land on the whole. In practice, this manifests as uneven political motivation for change, which may require provincial intervention.

- **Include trade-enabling land as a land use designation and protect land as such.**

Although "Trade-oriented industrial land" was included as a high-level definition, no other policies are in place to designate or preserve space for that use. A designation would help identify and preserve potential sites for trade-enabling industrial use. However, the perception of certain types of industrial land being more valuable than others would need to be balanced, which may imply the expendability of lower-tier industrial lands when seeking compromise.

- **Enrich the Metro Vancouver industrial lands inventory with market readiness / suitability scoring.**

The Metro Vancouver industrial lands inventory should be enhanced to better outline the suitability and market readiness for development of industrial lands across the region. This review would include an assessment of critical success factors (e.g., site size, transportation network connections, proximity to existing industrial clusters) that could assign industrial suitability and developability scores according to their ability to support both general industrial and trade-enabling industrial land uses.

- **Examine land uses currently permitted on industrial lands.**

Current industrial zoning and land use designations are broad, and permit uses that may not be strictly industrial. Currently, permitted land uses like tech parks, recreation (including indoor playgrounds, laser tag etc.), accessory residential units, or self-storage may be better suited to other areas. Industrial land uses, and zones, need to be re-examined to focus on employment-generating activities and core industrial uses, while mitigating conflicts between adjacent land uses.

- **Consider the impacts/challenges of relative development approval timeframes across the region.**

Assess industrial development and approval timelines across regional municipalities and explore means of mitigating/streamlining these approvals given the importance of industrial development in the Lower Mainland.



Prepared by

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LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

From: [Grace Formo](#)
To: [Public Hearings](#)
Subject: 1704 Government St
Date: Saturday, September 30, 2023 9:00:29 AM

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Attention:Corporate Officer,City of Penticton

I am concerned that if we remove this parcel of land from Industrial to Mixed use that we will loose land for industrial purposes that we will not be able to replace.

I do not think we should allow 12 storey buildings as that would enable the developers to build too many units on that property. There is already a problem with traffic in that area at certain times of day.

G Formo
1057 MacCleave Ave
Penticton, B.C.

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

,

My name is Dexter Bandala

My address is c/o Tribe Management Inc: 400-11950 80th Avenue Delta, BC.

Tribe Management Inc is property management company with portfolio of managed properties that include in the area of Penticton, BC.

I support the proposed OCP Amendment and rezoning for 1704 Government Street due to the positive impact it will have on our community:

- Increased supply of much needed housing
- Infrastructure enhancements to the community
- Services for workers and visitors to Penticton Regional Hospital.
- Protection and enhancement of Ellis Creek
- It generally add economic activity of the City

I ask that the Mayor and City Council approve the OCP amendment and continue to work with the applicant, Stryke Group, to move our city forward.

Regards,

D. Bandala

Dexter Bandala

Property Manager

Tribe Management Inc.

Sept. 30, 2023

Submit:

via email to City of Penticton Clerk's Office: council@penticton.ca

via email to Stryke office (we will submit to City Clerk's on your behalf): engage@strykegroup.ca

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

From: [Nicole Capewell](#)
To: [Public Hearings](#)
Cc: [Council; Planning Info - City of Penticton](#)
Subject: 1704 Government Street Public Hearing Letter
Date: Tuesday, October 3, 2023 8:32:51 AM
Attachments: [20231093 1704 Government St.pdf](#)

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Good afternoon City Council and staff,

I am writing in response to the proposal at 1704 Government St.
Please see the attached PDF letter that outlines my concerns with the proposal.

I also wish to share a direct link for Councillors to a CBC youtube video that discusses the industrial land crisis, and is very informative and relevant when considering the proposal at 1704 Government Street. The link starts at 5:22 of the video, which I have highlighted specifically in my letter, however the entire video is very informative.

Link to video: CBC Industrial Land Crisis <https://www.youtube.com/watch?v=IHpifQ-A6HU&t=318s>

I hope to attend this evening's public hearing.

Regards,
Nicole Capewell

October 3, 2023 RE 1704 Government Street

Good afternoon Council and City staff,

My letter is in response to the OCP amendment for 1704 Government Street. I am a previous resident of Penticton. I continue to own a residence (rented) in the Duncan/Columbia neighbourhood and I want to share my concerns with the proposed OCP amendment.

I do not support the loss of industrial lands within the City. I support the industrial businesses, specifically those directly adjacent to the subject property and share their concerns with the proposed development. I also feel that there are other opportunities to accommodate housing within Penticton that should be explored before we resort to removing industrial lands located within the established industrial area of the City. Please see the following concerns I have with the proposal.

1. Loss of industrial lands

The OCP does not support the loss of any industrial lands, and instead provides policy direction to increase the supply. There are two 'Industrial Land Use Targets' in the OCP (page 39). This proposal is in conflict with both of these targets.

- No net loss of lands currently zoned for industrial uses, and
- 60 additional acres of industrial land in or near Penticton.

There are also goals and policies within the OCP to support industrial lands:

- Goal 4.3.2 Employment Lands - Ensure long-term commitment to maintaining a sufficient and secure commercial and industrial land base.
- Supporting Policy 4.3.2.1 - Encourage high quality commercial development by applying Development Permit Area Guidelines, updating and enforcing regulatory bylaws, and fostering initiatives that improve the quality and infrastructure of commercial areas.
- Supporting Policy 4.3.2.2 - Reinforce Downtown as the highest order commercial area in Penticton by allowing a wide range of commercial uses and encouraging continued intensification and growth of commercial activities through land use planning.
- Supporting Policy 4.3.2.3 Encourage intensification of vacant or underused service commercial parcels before designating additional service commercial areas.
- Supporting Policy 4.3.2.4 Discourage incompatible uses in and adjacent to industrial areas to ensure the integrity of a sound industrial land base.
- Supporting Policy 4.3.2.5 Encourage efficient use of the available industrial lands by encouraging industrial densification.

The OCP speaks to opportunities to densify the industrial area (see above policy). At the previous Council meeting, there were discussions about how the industrial area has been underutilized in the past, where large, low density, self-storage businesses are operated, with minimal staff and jobs provided. While I agree that this is not a dense use of industrial lands, the City overall is densifying and as this occurs, the need for self-storage becomes more and more important. People don't have the space for their items anymore within their residence.

There have been wait lists for many all of the storage facilities in and around Penticton. Here is an article on the need of self storage as housing costs increase from CBRE in Aug 2023.

<https://www.cbre.ca/insights/articles/soaring-housing-costs-create-self-storage-surge>.

Self-storage is a very desired and necessary land use. However, they could be developed in a more dense form, by creating multi-level storage facilities. The City cannot currently require/regulate this, but the City could consider imposing industrial Development Permits and using zoning as a tool to require more dense industrial lands.

The OCP states that... "Growth is anticipated in the agricultural, food processing, bioproducts and cannabis production sections..." within the industrial sector. These are sectors that need to be supported and ensuring there is room for industrial growth is crucial.

This parcel (1704 Government St) represents possibly the last large piece of industrial land within the City. There are many more large residential properties available in the City that are already designated for residential. There are very few industrial properties left.

The last study completed (by Colliers) that considered industrial lands was in 2018 and the City has changed dramatically since that time. There have been housing assessments completed more often to better understand our needs for housing and how they have changed, but not industrial. The City should consider completing another study on industrial capacity to better understand the industrial needs today. This should be before any more industrial lands are lost to mixed-use, residential or other use.

2. Impact to existing industrial lands/businesses

There is no doubt that there will be impacts to the directly adjacent industrial businesses. They are the most impacted and they have shared concerns about the proposal. I do not feel that they should have to change anything about their business operations to accommodate the proposed development. I support the industrial businesses and share their concerns regarding this proposal.

3. Traffic

There will be a significant amount of residential traffic added to this area if this proposal was to proceed. This includes vehicle, pedestrian, cycling, etc. However, there is currently not any pedestrian infrastructure throughout the industrial area. Where do residents go for a walk around this area safely?

How will this impact the safety of industrial traffic users through this area? Industrial Ave is the main corridor for industrial traffic to the industrial park area of the City. This proposal would add a significant amount of concern for them at this area. Consider signage (at developer expense) to inform all that this is an industrial area.

The TIA doesn't seem to provide many recommendations (given that it is a draft), and specifically there are no recommendations on how to ensure the safety of pedestrian users in this area.

The report that has been submitted is a draft Traffic Impact Assessment. There are significant amounts of traffic to be generated from this development onto an already busy road (Government Street). Government Street easily backs up each day during peak hours. While adding another intersection between Carmi Ave and Industrial Ave helps to control vehicles entering and exiting the subject site, it will certainly back up traffic along Government Street.

The scope of the TIA doesn't extend further north to Duncan Ave and Government Street, which is the main intersection we use to access our property in the Columbia neighbourhood. This is the main road to get to Sendero Canyon, the Ridge and the Columbia/Duncan residential areas (in addition to Carmi

Ave). The intersection at Duncan Ave and Government St sees a lot of south bound traffic (coming from the downtown) turning east to go up Duncan Ave. There is currently a left turn lane, but there is no green advance arrow for turning left at any part of this intersection. There are also very tight corners as this isn't a big intersection. RVs, garbage trucks, larger tractor trailers (i.e. moving trucks, delivery trucks and less than adequate RV drivers) and regular trucks hauling trailers, boats or other towables have hard times making these corners. This intersection should be included in the scope, or the City should review potential left turn arrows as part of the traffic pattern.

Many drivers will take the 'short cut' to dodge this intersection by turning east onto Municipal Ave and then onto either King St or Church St to get onto Duncan Ave to avoid the intersection if the light has turned red. This creates lots of cars driving quickly down those park streets, which are supposed to be 30km/hr around McLaren.

The addition traffic only two blocks from the Duncan Ave and Government St intersection will make it incredibly difficult to turn left safely in both north and south directions. I strongly feel that this intersection will need to be reviewed to accommodate the additional traffic.

4. Amount of residential lands available

There is a significant amount of residential land available within the City already. There are many other (residential) locations to consider a residential development of this scale, while there are very limited options available for industrial users.

We have a housing crisis and we need to do something. Many governments across Canada (and internationally) are starting to look at zoning reform more seriously. Vancouver has recently approved zoning amendments to support providing missing middle housing by allowing 4-6 units on historically single-family zoned properties. The idea of single-family zoning taking up the majority of cities is becoming a thing of the past. If we removed single family zoning to try to solve the housing crisis, we may not need to disrupt and remove valuable and necessary industrial lands to (think we are) solving the crisis. We are simply trading one crisis (housing) for another (industrial land shortage).

I encourage all members of Council to watch the CBC video linked below where they discuss the industrial land crisis in Metro Vancouver. This video was posted April 2, 2023, making it relevant.

Captions were started at 5:22 in the video linked <https://www.youtube.com/watch?v=IHpifQ-A6HU&t=318s>. While I encourage Council to watch this video, as it uses great graphics and charts to demonstrate the topic, I have written out the script starting at 5:22. I feel that this video helps to discuss and explain another side of this story that must be considered. I would re-iterate everything that is said in the video. Please see the following italicized text which is captioned from the video. I have also bolded/highlighted a section I strongly agree with.

"What does having an industrial land shortage look like on the ground?"

We have begun to notice some patterns. First off, industrial businesses either leave a City or avoid setting up there in the first place. This is apparent in a place like Vancouver. It's ports manage almost half of the shipping containers coming in and out of the country, but many of the warehouses that process those goods are actually located in Calgary (like the main warehouses for Walmart, Home Depot, Canadian Tire and Rona). So if you buy something from any of these

stores in Vancouver, your item was most likely shipped in through a port in Vancouver, brought to a warehouse in Calgary and then trucked back to Vancouver for purchase. The reason why is simple. Calgary has the industrial land available, and Metro Vancouver does not. Those are businesses that are able to relocate elsewhere. For businesses that serve the local population, it's more likely that they just shut down. A common example is car repair shops, people still very much use their services, but many increasingly find themselves unable to keep up with the skyrocketing rents of industrial areas.

The last pattern mentioned in the video isn't so much about businesses, but about the people working in them. It is worth noting that industrial lands tend to offer opportunities for those outside the service and knowledge economy and these are typically well-paying jobs. In fact, studies have found that industrial jobs hold a much higher concentration of middle income jobs compared to a city's average. So with that, many are concerned that redeveloping those industrial lands is contributing towards the growing income inequality within our cities and the last several decades major cities across Canada have all reported more people living in poverty, more wealthy people, and a shrinking middle class.

Now in some ways, this is a bit of a dilemma because let's face it, many cities today are also in a housing crisis. They do need to build new housing somewhere, right? So I think you can see this as a tough but necessary pill to swallow. Maybe we do need to develop over some of our industrial lands. But, I'm not so convinced by that. It's important to remember that cities have tons and tons of land set aside for just houses. They're called single family neighbourhoods and they are abundant in pretty much every City in north America. For example, in Metro Vancouver, this is all the land we've set aside for this kind of neighbourhood. (see image)



If we are talking about where we could add more housing it's precisely these areas that I think we should be looking at first. But efforts to add more housing into single family neighbourhoods are almost always met with an outcry of resistance. Homeowners protest that new apartments

will change the character of their neighbourhoods, among other concerns. But if someone proposing building an apartment on industrial land, it is much less likely that there will be public backlash.

I think that makes you see the industrial land crisis a bit differently. **We are losing industrial land, not because we have to but because it is the politically convenient thing to do. And for me, that points to a larger issue.** Cities have limited amounts of land and many legitimate uses that compete for it, like housing, shops and industry. As cities grow, we have to carefully consider what we prioritize and why. But I think **our priorities are often skewed by a very idealized aesthetic of what we like about our cities. You tend to see it on tourist blogs, social media and real estate ads. That aesthetic rarely includes industrial lands, and I get it. It's hard to get excited about a warehouse or a sewage treatment plant. In fact, I would wager that most of us are very comfortable with those things being out of sight and out of mind.**

But while industrial lands might not always be the most trendy, instagramable thing, it will always play a critical role in supporting our cities. And I think reminding ourselves of that fact is the first step towards solving any industrial land crisis."

While I do not support the redesignation (OCP future land use) of the lands from industrial to mixed-use or residential, I understand that Council is the approving authority. Should Council look differently at this matter than I do, I would provide the following items for them to consider.

1. Consider waiting to proceed until a subsequent application is submitted such as the zoning amendment, development permit or phased strata applications. There are many details that are not confirmed at this stage, that should be considered.
 - a. TIA should be final.
 - b. Building location and heights should be done so to not impact the industrial users (would we not require the same thing if the uses were reversed and an industrial user was going next to a residential user?)
 - c. Buffering requirements should be imposed as a requirement on the developer; not the industrial users existing.
2. Consider not placing the tallest/most dense tower directly adjacent to the industrial properties. Consider not allowing the height that is being requested through the site specific statement.
3. Consider what ability exists to ensure potential owners/tenants/residents are aware of the industrial area surrounding and what conflicts this includes, and what they can and cannot complain about.
4. Consider opportunities to require a certain percentage of units to be rental only, and below-market options. Given the significant number of units proposed, this would be a great opportunity for the City to explore. On the same note, considering what the expectation for this property is. Should vacation rentals be permitted, should there be a cap on the % or number of vacation rentals? What is the proposal trying to achieve in the City and how can Council and staff use zoning tools to ensure that vision is realized?

To end on a personal note, our family has moved away from the Okanagan valley as there were no industrial jobs available for the main provider in our household. We have retained our residential property in the area, which is rented very well below the market rate. The loss of industrial lands to the area makes our moving back even less likely to be possible in the future.

The reality is that Penticton is increasingly becoming more and more unaffordable, and the industrial sector provides good paying jobs to hard working individuals. I feel sympathy for the industrial businesses who have invested their livelihood here and how this proposal may impact them going forward.

I support the industrial businesses, including specifically Peerless, who I feel will be impacted by this proposal if proper considerations are not reviewed and implemented early in the planning process.

Please consider other areas of the City that are zoned or designated for residential development before resorting to the industrial areas.

Regards,

Nicole Capewell

Ridgedale Avenue, Penticton BC and New Waterford Highway, New Victoria, NS

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

From: [Tina Weeks](#)
To: [Public Hearings](#)
Subject: Public hearing 1704 Government street
Date: Tuesday, October 3, 2023 8:43:12 AM

Caution! This message was sent from outside your organization.

To Whom it May Concern,

I am writing with concerns for the possible change of land use at 1704 Government Street. I have some concerns that I would like to speak about and hopefully taken into consideration. I can't deny the city of Penticton needs housing and feel this is a great location for this. Close proximity to transit and the hospital make it more desirable than building on the beautiful Naramata bench. My hesitation is that many developers have asked to have land use changes approved, but never intended of actually building the houses. 955 Timmins Street and 435 Green Ave for a couple of examples. This should not be allowed to keep happening and if the developers decide not to go thru with the project the land use should be returned to its original zoning. It seems they go thru the process only to turn around and sell the land for more money never actually building the houses that the city needs. If this gets approved the 10 storeys should be the maximum as envisioned with a mixed use land designation. Short term rentals should definitely NOT be allowed. This allows investors to purchase with no regard to provide rentals long term for employees of the hospital. Who can live only renting a property from October to May only to get kicked out for the summer months. The project should also include affordable rentals which are the main concern with housing around Penticton. Traffic is also a concern and I hope will be addressed including the area where Carmi meets Main Street. Let's take this opportunity and use as an example how development can be positive if done responsibly. Thank you for your time

Tina Weeks
250 Waterford Ave
Penticton,BC

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

From:
To: [Public Hearings](#)
Subject: Attention: CORPORATE OFFICER, CITY OF PENTICTON /1704 GOVERNMENT ST.
Date: Tuesday, October 3, 2023 9:27:10 AM

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1704 Government Street

I am absolutely opposed to this proposed amendment. This very busy area is already very crowded. If our city has reduced / no business area there is reduced growth and reasons to purchase from our region. No work, no income, no young families, no support for this community. The already decided Official Community Plan can be disregarded at will.

As a extremely long term employee at the hospital,I have multiple concerns. This area is extremely difficult to access already from Government Street. Having accidents, wait times for emergency vehicles and reducing access for people needing the services of the hospital will be an everyday problem.The corner at Carmi and Government is blinded for folks turning left because of it's angle, so pedestrian traffic is dangerous. Wait times turning left both directions is seriously difficult often waiting through two or three light changes at present.

People trying to access the hospital are already facing very awkward turns and merge. Traffic during construction and for the residents of this proposed change will continue to build traffic conflicts for pedestrians and vehicle traffic alike. With the Health Unit on one side and Creek on the other, access is only available on GOVERNMENT St. If this project proceeds we also create conflict with air traffic, helicopters for fire fighting, spotting, rescue and transport for patients. Air traffic for our airport is already reduced, impinging on flight paths means even more threat to keeping our airport.

The impact on homes in this area for noise, traffic , flood risk with high density. No green space and increased carbon emissions with multiple high density buildings further reduce the commitment to Going Green this city should be famous for providing it's residents.

Construction noise and congestion will seriously impact all the homes in this area not to mention the day by day needs for patients at the hospital.

If this project proceeds other business areas will be considered for change . Please save the business area for business/ industry.

***DO NOT PUBLISH EMAIL ADDRESS**

Debra Ede
1020 MACCLEAVE AVE.
PENTICTON, B.C.

LATE SUBMISSION - Public Hearing Package No. 3
Official Community Plan Amendment Bylaw No. 2023-34
re 1704 Government Street

Re: 1704 Government Street, OCP Amendment and Rezoning

Mayor and Council:

My name is Ingo Seibert from Penticton Motorsports and Entertainment.


Our business is located at 2070 Carmi Road and has been in the region since 1969.

As one of the Partners at the Penticton Speedway , a significant draw in the area, I recognize the need for redevelopment of this kind to increase the housing supply.

The benefit to the housing supply, tax base and services for the hospital are undeniable and needed to continue growing the local economy. The recent years, between COVID fire shut downs, flooded Hwys and slides have created many local economic challenges. Supporting developments that provide higher density, permanent local housing in the heart of the city and expand Health care service space next to the Hospital is important to create long-term economic stability.

I wholeheartedly support this application and ask Mayor and Council to support this application, by adopting the OCP Amendment.

Regards,


Ingo Seibert

Penticton Motorsports and Entertainment

Date: Oct 3 2023