



REQUEST FOR DECISION

To: Development & Planning Services Committee

From: Senior Planner

Title: Zoning Bylaw Amendment Application No. 1284

Legal: Lot 1, Section 15, Township 20, Range 10, W6M, KDYD, Plan EPP10328 Except Plans EPP17085 and EPP18478

Civic: 2991 - 9 Avenue SW

Owner: Salmon Arm Shopping Centres Ltd. And Calloway REIT (Salmon Arm) Inc

Agent: SmartCentres Management Services Inc. (Savard, B.)

Date: August 6, 2024

Executive Summary/Purpose:

The purpose of this application is to amend the Zoning Bylaw to accommodate the development of residential multiple family dwelling (apartment) buildings in the CD-8 Zone (Comprehensive Development Zone - 8) and address related on-site parking, height and setback requirements.

Motion for Consideration:

THAT: A bylaw be prepared for Council's consideration, adoption of which would amend Zoning Bylaw No. 2303 Section 46 – CD-8 – Comprehensive Development Zone-8 – as follows:

- 1) Section 46.3 - add "multiple family dwellings" as a permitted use;
- 2) Section 46.4 - increase maximum principle building height from 12 m to 19 m for a residential multiple family dwelling building;
- 3) Section 46.6 - reduce minimum parcel size/site area from 5 to 0.5 acres;
- 4) Section 46.8 - reduce the minimum setbacks as per the attached site plan:
 - Building P from 6 m to 1.3 m,
 - Building N from 6 m to 2.6 m,
 - Residential Building A from 6 m to 3.2 m, and
 - Residential Building B from 6 m to 0.7 m;
- 5) Parking – reduce the residential multiple family parking requirement from 1.25 to 0.82 stalls per dwelling.

AND THAT: Final Reading of the Bylaw be subject to:

- 1) Submission of an updated Traffic Impact Analysis (TIA) completed to the satisfaction of the City Engineer with acknowledgement that the owner/applicant is responsible for any and all off-site improvements recommended by the TIA and the registration of a *Land Title Act*, Section 219 covenant to address the findings and recommendations of the TIA report, and;
- 2) Ministry of Transportation and Infrastructure approval.

Staff Recommendation:

THAT: The motion for consideration be adopted.

Proposal:

This proposal is to amend the Zoning Bylaw to accommodate the development of residential multiple family dwelling buildings in the CD-8 Zone and address related on-site parking, height and setback requirements. These proposed Zoning Bylaw amendments would be applicable only to the CD-8 Zone and the subject parcel, with future development subject to a Development Permit application. The proposed amendments are in support of multiple family residential use, with a concept including two multi family residential apartment buildings: one with 130 units and the other featuring 95 units.

Background:

The subject parcel is located at 2991 – 9 Avenue SW, and is comprised of the developed and undeveloped portions of the Smart Centres property (Appendix 1 & 2). Development on the site has largely proceeded to date under a series of Development Permit applications which were considered and supported through 2008 to 2011.

The subject parcel is designated Highway/Tourist Commercial in the City's Official Community Plan (OCP) and zoned CD-8 in the Zoning Bylaw (Appendix 3 & 4). This large parcel is approximately 61.75 acres in area, which includes nearly 41 acres of undevelopable land adjacent Shuswap Lake. The developable portion of the parcel is just over 21 acres. These particular amendments target potential development over the south portion of the site, approximately 8 acres of land south of 9 Avenue SW.

While the development site clearly features a range of commercial services including restaurants, retail and grocery stores, the site also includes a number of additional community features including natural areas, developed trails, patio space, sidewalks, and access to transit service.

The Zoning Map attached shows the mix of zones in the immediate area, predominantly Institutional and Commercial zones. Land uses adjacent to the site and subject parcel include the following:

- North: Commercial land (CD-8) and (IR) Reserve land beyond
- South: TCH and Commercial land (C-3)
- East: Road (9 Ave and 10 Ave SW) and Commercial (C-3 & C-5) land beyond
- West: Road (30 Street SW) and C-3 (Commercial) land beyond

The reasons for the requested amendments are expressed in a letter from the applicant (Appendix 5) and demonstrated in the site plan package (Appendix 6). Any future Commercial development in the Highway/Tourist Commercial designated area or Multiple Family Residential development is subject to review and consideration through the Development Permit application process.

Staff note that the subject property is bisected by a watercourse and subject to the Riparian Area Protection Regulations (RAPR). As a condition of previous approvals the provincial legislation was met at that time with regard to development near a watercourse; however, in 2019 RAPR legislation was amended and RAPR reports and approvals are limited to 5 years. The applicant is aware that at the time of Development Permit an RAPR report, approved by the Province, is required.

Relevant Policy(ies):

Within the OCP, the subject parcel is designated Highway/Tourist Commercial. As per OCP Section 9.3.15, this designation supports residential use through upper floor dwelling units, typically above a commercial space at the ground level within a mixed use building. This proposal would allow for residential buildings without this ground level commercial use.

Staff note that this proposal would result in a modest decrease to the amount of commercial land within the City, and offer a shift from the commercial uses of the CD-8 zone, to offer more options for residential uses on the site. OCP policy 9.3.3 is to minimize primary residential use in commercially designated areas. The site has a net retail area of approximately 726,260 square feet. The residential buildings would represent a decrease in commercial area of approximately 29,131 square feet. This represents a relatively minor 4% reduction in commercial area relative to this subject parcel.

The proposed zoning amendments would align with the OCP's Urban Residential Objectives listed in Section 8.2 and the Urban Residential Policies listed in Section 8.3, including providing a variety of housing types and housing options. In terms of siting, the proposal appears aligned with OCP Siting Policies under Section 8.3.19, including good access to transportation routes, recreation, community services (the site is approximately 1.5 km from Salmon Arm West Elementary school), and utility servicing.

The site features developed trails as per the Greenways Strategy, as well as developed sidewalks that provide access to the City's planned 10 Avenue SW multi-use pathway, a priority project under the Active Transportation Plan.

Any future development of the parcel as proposed would be subject to the guidelines of the Highway Service / Tourist Commercial Development Permit Area. Additional amenity opportunities could be reviewed at this Development Permit application stage.

Staff note that the subject property is within the Floodplain, any future development would have to be constructed in compliance with the Floodplain regulations. This would be assessed in more detail at the Development Permit and Building Permit stages.

Referral Comments:

Ministry of Transportation & Infrastructure

MOTI has granted preliminary approval (Appendix 7). Final Reading is subject to MOTI approval.

Engineering Department

An updated Traffic Impact Assessment and registration of an associated covenant will be required. Recommendation of support for the requested parking variance. Servicing information provided to applicant in advance of development (Appendix 8).

Ministry of Transportation & Infrastructure

MOTI has granted preliminary approval (Appendix 7). Final Reading is subject to MOTI approval.

Planning Department

The surrounding area has been generally undergoing development and redevelopment over both the large SmartCentres site and the adjacent parcels, generally moving from a mix of older highway service commercial development, towards a newer mix of commercial development.

In assessing the requests associated with this proposal, staff have referred to the C-6 Tourist/Recreation Commercial Zone as a comparable, as the existing CD-8 Zone and the proposal involves a combination of elements from the C-6 and C-7 Shopping Centre Commercial Zone (see Table 1 below). The C-6 Zone is supported by the OCP's Highway/Tourist Commercial land use designation.

Table 1 – Comparable Zones

Regulation	C-6	C-7	CD-8	Proposed
Residential Use (Multiple Family Dwellings or Upper Level Dwellings)	Yes	No	Yes	Yes
Max Building Height	19m	12m	12m	19m
Minimum Parcel Size	0.08 acres (325m ²)	2.5 acres	5 acres	0.5 acres
Setbacks	0 (or 3m from residential)	6m	6m	0.7m

Multiple Family Dwellings

The primary purpose of this application is the addition of “multiple family dwellings” as a permitted use in the CD-8 Zone. Residential use is currently permitted in the CD-8 Zone in the form of “Upper Level Dwelling” units, however the proposed change would enable the construction of a fully residential use building, rather than a mixed-use building with a commercial use at the ground level.

The residential element of this proposal generally aligns with the strategic themes identified in the Salmon Arm Community Housing Strategy considering density and diversity that fits with the character of the community, and developing opportunities to address rental housing needs. Within the Community Housing Strategy, Apartment Building Housing accounted for 13% of the housing stock within Salmon Arm (2016).

Residential use is permitted across the majority of the Commercial Zones, including the C-1, C-2, C-2(A), C-3, C-5, C-6, and C-10 zones. Although typically, this is envisioned as within a mixed-use building, with an upper or lower level residential use complimenting ground-level commercial use.

Staff note that this proposal would represent a change in character at the street-level, as residential buildings and typical residential use offers some variation from typical commercial building elements. OCP guidelines generally encourage the following elements that offer some comparison between commercial and residential building forms:

Table 2 – Street-Level Building Elements

	<u>Entrances</u>	<u>Building Scale</u>	<u>Character</u>	<u>Walls/Glazing</u>
Residential	Private	Smaller	Quiet	Closed
Commercial	Inviting to Public	Larger	Lively	Open

While the residential use proposed would result in a more sedate streetscape relative to a typically more active commercial development at the ground level, this impact would only be potentially noticeable along approximately 40 m of the TransCanada Highway and the 40 m along 9 Avenue SW corresponding with the building ends as shown in the attached site plans. Staff feel this impact is relatively minor.

Considering the size of the subject parcel, the modest loss of potential commercial floor area and the range of commercial development across this site, staff are supportive of “multiple family dwellings” as a permitted use as proposed.

The maximum residential density permitted is 40.5 dwelling units per acre of land. As the subject property is 16 acres in area, the maximum permitted density would be 648 dwelling units assuming: 1) the net site area of the subject parcel; and 2) no density bonus. With a density bonus, the maximum density is 52.6 units per hectare, or 841 units on 16 acres.

The proposal notes that two multiple family residential use buildings are envisioned at this conceptual stage: one with 130 units and the other featuring 95 units. As previously noted, the development of these buildings would be subject to the guidelines of the Highway Service / Tourist Commercial and Multi Family Residential Development Permit Area.

The applicant has not indicated if the units are intended to be rental or fee simple (for sale).

Building Height

An increased maximum principle building height from 12 m to 19 m has been requested. This is aligned with permitted height in the C-6 Commercial zone (as well as the R-5 residential zone). As the subject parcel OCP Highway/Tourist Commercial land use designation supports C-6 zoning which permits the proposed 19 m height, this height increase is viewed as in alignment with the designated commercial land use and is supported by staff for the proposed residential buildings. In the opinion of staff, the mixture of building heights on the site supports more diverse building forms and will contribute visual interest to the site.

Reduced Minimum Parcel Size

The application includes a request to reduce the minimum parcel size/site area from 5 to 0.5 acres (2,023 square metres). This is in excess of many of the City's commercial zones which feature minimum parcel sizes in the range of 1,000 to 500 square metres. This would allow for potential flexibility in terms of commercial development scenarios on the site. Any resulting development would be subject to a Highway Service / Tourist Commercial and Multi Family Residential Development Permit application and the applicable zoning regulations including the provision of parking. Staff are not concerned with this request.

Reduced Setbacks

The proposal includes reduced setbacks for 4 buildings as per the attached site plan:

1. Building P from 6 m to 1.3 m,
2. Building N from 6 m to 2.6 m,
3. Residential Building A from 6 m to 3.2 m, and
4. Residential Building B from 6 m to 0.7 m;

The setback reductions requested are all from the north parcel line, along the south side of the 9 Avenue SW roadway.

The setback regulations in the CD-8 Zone contemplates large format retail buildings aligned with the C-7 Shopping Centre Commercial Zone setbacks, rather than a scenario with multiple smaller buildings as proposed. Shifting development towards the north as proposed serves to reasonably shift the building massing away from the Trans Canada Highway, and to a certain extent defines and strengthens the points of entry into the site for 9 Avenue SW. Using the C-6 Zone as a comparable, the C-6 zone permits development to the parcel lines, with no applicable setback. As such, Staff are not concerned with the setbacks requested for the proposed buildings.

Parking Reduction

With respect to parking requirements relative to the proposed development concept, 225 residential units would trigger a parking requirement of 1.25 stalls per unit for a total of 281 parking stalls. The applicant has completed a parking analysis to support a reduction to 0.82 stalls per dwelling unit (Appendix 9), which would equate to 185 parking stalls, a reduction of 96 parking stalls.

Table 3 – Parking Analysis

Residential Units	Parking Ratio	Required Stalls	Reduction
225	1.25	281	-
225	0.82	185	96

The parking analysis dated February 16, 2024 details peak use of the parking area related to the commercial use on the site and considers the addition of the proposed residential use. Parking area utilization was documented over December 22 and 23, 2023, the Friday and Saturday before Christmas. The maximum peak utilization found was 61% across the entire site, which suggests a general over-supply of parking: of the 657 parking stalls, 402 were used at this peak, leaving 255 vacant and available.

Specifically in Study Area B where the proposed residential buildings are located, there was 67% utilization: out of the 227 stalls, 153 were used, leaving 74 stalls open. With the proposed additional development increasing the number of parking stalls to 262, assuming a 95 percentile of utilization, the analysis finds a surplus of 96 parking stalls in Area B, which equates to the proposed parking reduction as applied to the residential units.

It is expected that this projected surplus within Area B would accommodate the potential maximum residential parking occupancy, forming the basis for the requested parking reduction.

The provision of onsite parking is a necessity here, as the opportunity for offsite street parking is very limited, however staff note the variety of onsite parking options provided within this development. Staff support the rationale for parking reduction based on the analysis provided and in consideration of the parking options onsite. Staff's opinion is that the requested reduction is reasonable and manageable at this location considering the surplus, and staff are not concerned with the request. Furthermore staff note that in time, given the proximity of this location to major commercial uses, BC Transit services would be strongly considered for enhancement in this area should service expand.

Commercial trends across Canada (and North America) suggest that the "shopping centre model" is undergoing redefinition, evolving as consumer patterns change and managers adapt, with such operations opening up to new activities and mixed use, such as residential use. Supporting options for residential use as an accessory or additional use in our commercial areas can support both community commercial and housing needs. These commercial sites can often be easily adaptable to residential use (flat and serviced), while those residents support the commercial uses that are within an easily walkable distance.

Good planning practices illustrates value in a supportive mix of development, with a mixture of residential and commercial use supporting one another. While the commercial use on the subject site features a range of services including restaurants, retail and grocery stores that would be supported by residential land use, the site also includes a number of additional community features supportive of residential land use, including natural areas, developed trails, patio space, sidewalks, and access to transit service. As such, the subject parcel is located in an area generally well-suited for the proposed residential development, featuring the aforementioned trails, sidewalks and transit routes, the area's commercial services, and within a reasonable distance to Salmon Arm West Elementary school.

While the site is removed from central area of Salmon Arm and some community facilities, there are plans to enhance these connections, and in the opinion of staff, there is rationale to support the mixture of elements proposed including residential use on this large site with its range of services. Staff suggests the residential use will contribute to a more "complete" development with a complimentary mixture of land use on the subject parcel.

Staff note that the development concept is not dissimilar in scale or scope from other similar local commercial sites, and suggest that such a concept may be adaptable and supportable as applied to other large format commercial sites within the community (the CD-9 Zone applicable to the SASCU and Askew's Uptown site includes upper floor residential use and a 19 m building height).

Staff view the proposed Zoning Bylaw amendments as presented to be consistent with OCP residential objectives and policy, as well as the Community Housing Strategy. While staff note that the proposal results in a minor decrease of the commercial land base, the amendments proposed support housing diversity and provide an opportunity for an additional housing format. Furthermore, the requested changes largely align with elements which are supported in other commercial zones, while an oversupply of parking has been demonstrated by the parking analysis. Thus the proposed Zoning Bylaw amendments including the height, setback and parking requests are supported by staff.

The future intent for the subject parcel under application is illustrated by the development concepts attached as Appendix 6. Future development of the parcel as proposed would be subject to the guidelines of the Highway Service / Tourist Commercial Development Permit Area (provided to applicant) and detailed review through a form and character Development Permit application.

Financial Considerations:

NA

Committee Recommendations:

NA

Public Consultation:

Pursuant to the *Local Government Act* bylaw amendment notices are mailed and hand delivered to occupiers and land owners within a 30m radius of the application. Newspaper ads are placed in two editions of the local paper. The notices advise of the date that Council is to consider first reading of the bylaw. Given that the subject property is within the Urban Containment Boundary, the OCP designation is consistent with the proposed zoning and the purpose of the rezoning is to provide residential units, Council is prohibited from holding a Public Hearing on the bylaw.

Alternatives & Implications:

NA

Prepared by: Senior Planner

Reviewed by: Manager of Planning and Building

Approved by: Chief Administrative Officer

Attachments:

- Appendix 1 – Location
- Appendix 2 – Aerial
- Appendix 3 – OCP
- Appendix 4 – Zoning
- Appendix 5 – Proposal Letter
- Appendix 6 – Site Plans
- Appendix 7 – MOTI
- Appendix 8 – Engineering Servicing Report
- Appendix 9 – Parking Analysis