

ADMINISTRATIVE REPORT



TO: Board of Directors

FROM: B. Newell, Chief Administrative Officer

DATE: May 5, 2022

RE: Official Community Plan (OCP) & Zoning Bylaw Amendment – Electoral Area “E” (E2021.014-ZONE)

Administrative Recommendation:

THAT Bylaw No. 2458.17, 2022, a bylaw to amend the Electoral Area “E” Official Community Plan; and,

THAT Bylaw No. 2800.05, 2022, a bylaw to amend the Okanagan Valley Zoning Bylaw; be read a first and second time and proceed to public hearing; and

THAT the Board of Directors considers the process, as outlined in this report from the Chief Administrative Officer dated May 5, 2022, to be appropriate consultation for the purpose of Section 475 of the *Local Government Act*; and

THAT, in accordance with Section 477 of the *Local Government Act*, the Board of Directors has considered Amendment Bylaw No. 2458.17, 2022, in conjunction with its Financial and applicable Waste Management Plans; and

THAT the holding of a public hearing be scheduled for the Regional District Board meeting of June 2, 2022; and

THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

Purpose: To allow Chute Lake Lodge Resort to expand onto Crown Land and build new accommodation forms

Civic: 9540 & 9550 Chute Lake Road Folio: E-03150.000, E-06829.010/.001/.004

Legal: District Lot 511S, SDYD, Commercial Resort at Chute Lake (9540 & 9550 Chute Lake Road); and Lot 1, Plan KAP28183, Sublot 9, District Lot 2711, SDYD; and approximately 2.0 ha portion of Plan 1190, Sublot 9, District Lot 2711, SDYD, except Plan 28183; Parcel A, Plan A63; and Parcels A and B, Plan A498; Crown land Licence of Occupation #349174.

Proposed Development:

This application is seeking to amend the zoning of the subject properties to allow expansion of Chute Lake Lodge Resort onto surrounding leased Crown Land, formalize the campground use, and allow new building forms including cabins with cooking facilities.

To accomplish this, the following land use bylaw amendments are being proposed by the applicant:

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- amend the land use designation under Schedule 'B' (OCP Map) of the Electoral Area "E" Official Community Plan (OCP) Bylaw No. 2458, 2008, from part Parks and Recreation (PR), part Resource Area (RA), and part Commercial Tourism (CT) to Commercial Tourism (CT); and
 - amend the zoning under Schedule '2' (Zoning Map) of the Okanagan Valley Zoning Bylaw No. 2800, 2022, from part Parks and Recreation (PR), part Resource Area (RA), and part Commercial Tourist One (CT1) to Commercial Tourist One Site Specific (CT1s), with the site specific regulations to allow campground use, up to 30 tourist cabins, and cooking facilities in tourist cabins.

In support of the rezoning, the applicant has stated that "The property was purchased in 2018 by Chute Lake Holdings as a community legacy... interested in keeping the ... historical buildings and restoring the waterfront to a more natural setting while creating enough revenue to sustain the legacy economically. This expansion will provide for staff housing and the public demand of a diverse set of experiences."

Site Context:

The subject properties are approximately 2.1 ha in area for the freehold portions and 2.0 ha for the leasehold portions. The resort is situated on the west side of Chute Lake on both sides of Chute Lake Road and the Kettle Valley Railway (KVR). It is understood that the parcel is comprised of the lodge, public washrooms, four (4) yurts, eight (8) cabins, maintenance and storage buildings, RV and tent camping sites, and eleven (11) moveable glam tents.

The surrounding pattern of development is generally characterised by a few cabins on leasehold Crown Land and otherwise vacant Resource Area (RA) Crown Land.

Background:

The current boundaries of the subject properties were created by a Plan of Subdivision deposited with the Land Titles Office in Kamloops on June 3, 1977 and August 27, 1914, while available Regional District records indicate that building permits to replace the washroom building (2021), repair the lodge (2021), and build a test tourist cabin with cooking facilities under E2021.012-TUP have been issued for this property.

Under the Electoral Area "E" Official Community Plan (OCP) Bylaw No. 2458, 2008, the subject property is currently designated part Parks and Recreation (PR), part Resource Area (RA), and part Commercial Tourism (CT), and is the subject of a Watercourse Development Permit (WDP) Area designation.

Under the Okanagan Valley Zoning Bylaw No. 2800, 2022, the property is currently zoned part Parks and Recreation (PR), part Resource Area (RA), and part Commercial Tourist One (CT1) which allows for tourist accommodation and accessory buildings on the main property, but does not allow for campground use, cooking facilities in cabins, or expansion of tourist accommodation onto the surrounding properties.

Under Section 8.0 (Floodplain Regulations) of the Zoning Bylaw, the subject property is within the floodplain associated with Chute Lake and any development on property adjacent to the lake will require a WDP and a building setback of at least 7.5 metres from the natural boundary of the lake.

BC Assessment has classified the property as part "Residential" (Class 01), part "Business and Other" (Class 06), and part "Rec/Non Profit" (Class 08).

Referrals:

Approval from the Ministry of Transportation and Infrastructure (MoTI) is not required prior to adoption as the proposed amendments involve lands beyond 800 metres of a controlled access highway (i.e. Highway 97 & 3).

Pursuant to Section 476 of the *Local Government Act*, the Regional District must consult with the relevant School District when proposing to amend an OCP for an area that includes the whole or any part of that School District. In this instance, School District No. 67 has been made aware of the proposed amendment bylaw.

Pursuant to Section 477 of the *Local Government Act*, after first reading the Regional Board must consider the proposed OCP amendment in conjunction with Regional District's current financial and waste management plans. The proposed OCP amendment has been reviewed by the Public Works Department and Finance Department, and it has been determined that the proposed bylaw is consistent with RDOS's current waste management plan and financial plan.

Public Process:

On January 10, 2022, a Public Information Meeting (PIM) was held virtually via WebEx and was attended by approximately three (3) members of the public.

At its meeting of January 10, 2022, the Electoral Area "E" Advisory Planning Commission (APC) resolved to recommend to the RDOS Board that the subject development application be approved, subject to the following conditions:

- i) *THAT the reference to staff RV's for residential use be removed from the amendment bylaw and be addressed separately through a TUP application; and*
- ii) *THAT the references to leased land be updated with the appropriate legal lot descriptions when the lease is approved; and*
- iii) *THAT up to one (1) accessory dwelling and up to thirty (30) tourist cabins be permitted under CT1 zoning.*

The written notification of affected property owners, the public meetings as well as formal referral to the agencies listed at Attachment No. 1, should be considered appropriate consultation for the purpose of Section 475 of the *Local Government Act*. As such, the consultation process undertaken is seen to be sufficiently early and does not need to further ongoing.

All comments received to date in relation to this application are included as a separate item on the Board Agenda.

Analysis:

The nature of the site is already Commercial Tourist activities and this rezoning request is mostly formalizing existing uses and the expanded leasehold areas. Chute Lake Lodge Resort has existed since the 1980s and the site has been used for commercial activities since the early 1900s, previously as the mill. The Resort is interested in restoring the environment from past impacts and preventing further harm with future expansion.

This rezoning will allow the resort to continue uses that are currently occurring (i.e. the campground) and expand to uses that will help make it financially viable (i.e. cabins with cooking facilities).

The zoning bylaw currently divides permanent tourist accommodation buildings (e.g. cabins, lodge, etc.) and temporary camping accommodations into separate zones (CT1 and CT2 respectively). This separation of uses is typically for more urban sites that might, for example, be suitable for a hotel but not RVs. However, with this and other large, rural sites there is growing interest from operators to provide a variety of accommodations at price points approachable by a wider range of guests. There are no impacts to nearby neighbours by allowing tents and RVs, as are currently being used.

Providing cooking facilities in tourist accommodation is not currently permitted in the zoning bylaw; however, there is also increasing interest in providing this option to guests. The purpose of not allowing cooking facilities is to prevent permanent residence in the cabins, but this is already accomplished by the definition of temporary, travelling public. The tourist accommodation and vacation rental markets are changing and operators are adapting to the needs of their guests.

The zoning bylaw has defined the Commercial Tourist One Zone to prevent too much intensity on site and unwanted uses like permanent residences. The existing definition of tourist accommodation could be followed to prevent the cabins from being used as permanent dwellings in the future.

Alternatives:

1. THAT Bylaw No. 2458.17, 2022, Electoral Area “E” Official Community Plan Amendment Bylaw and Bylaw No. 2800.05, 2022, Okanagan Valley Zoning Amendment Bylaw be read a first and second time and proceed to public hearing;

AND THAT the Board of Directors considers the process, as outlined in the report from the Chief Administrative Officer dated May 5, 2022, to be appropriate consultation for the purpose of Section 475 of the *Local Government Act*;

AND THAT, in accordance with Section 477 of the *Local Government Act*, the Board of Directors has considered Amendment Bylaw No. 2458.17, 2022, in conjunction with its Financial and applicable Waste Management Plans;

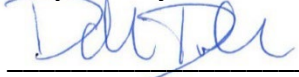
AND THAT the holding of the public hearing be delegated to Director Kozakevich;

AND THAT staff schedule the date, time, and place of the public hearing in consultation with Director Kozakevich;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

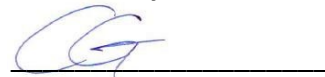
2. THAT Bylaw No. 2458.17, 2022, Electoral Area “E” Official Community Plan Amendment Bylaw and Bylaw No. 2800.05, 2022, Okanagan Valley Zoning Amendment Bylaw be, be denied.

Respectfully submitted:



Danielle DeVries, Planner I

Endorsed By:



C. Garrish, Planning Manager

Attachments:

- No. 1 – Agency Referral List
- No. 2 – Applicant’s Site Plan
- No. 3 – Provincial Licence of Occupation
- No. 4 – Site Photo (Google Streetview)

Attachment No. 1 – Agency Referral List

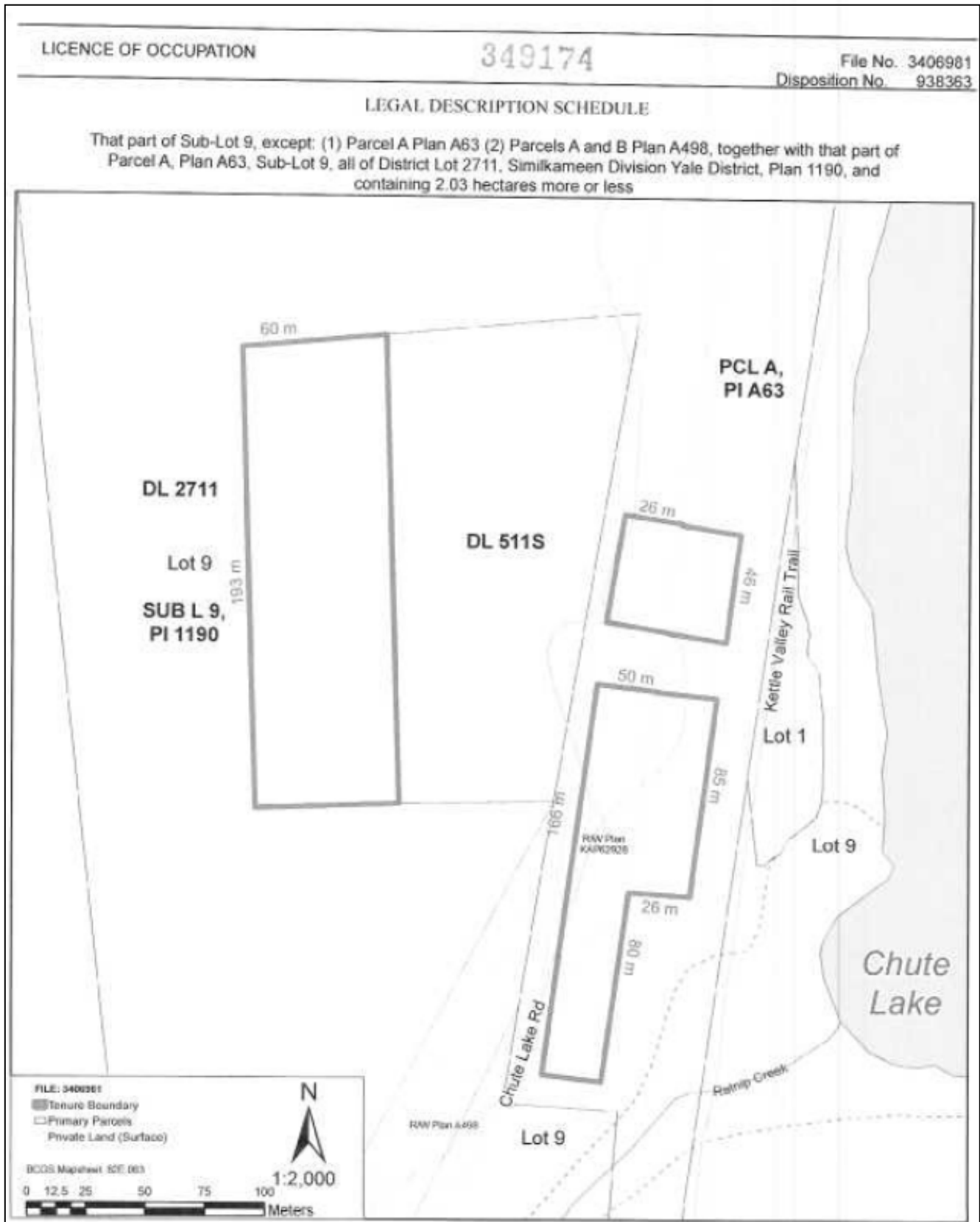
Referrals have been sent to the following agencies as highlighted with a , regarding Amendment Bylaw Nos. 2458.17 & 2800.05.

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| <input type="checkbox"/> | Agricultural Land Commission (ALC) | <input checked="" type="checkbox"/> | Fortis |
| <input checked="" type="checkbox"/> | Interior Health Authority (IHA) | <input checked="" type="checkbox"/> | City of Penticton |
| <input type="checkbox"/> | Ministry of Agriculture | <input type="checkbox"/> | District of Summerland |
| <input type="checkbox"/> | Ministry of Energy, Mines & Petroleum Resources | <input type="checkbox"/> | Town of Oliver |
| <input type="checkbox"/> | Ministry of Municipal Affairs & Housing | <input type="checkbox"/> | Town of Osoyoos |
| <input checked="" type="checkbox"/> | Ministry of Forest, Lands, Natural Resource Operations & Rural Development (Ecosystem Section) | <input type="checkbox"/> | Town of Princeton |
| <input checked="" type="checkbox"/> | Ministry of Forest, Lands, Natural Resource Operations & Rural Development (Archaeology Branch) | <input type="checkbox"/> | Village of Keremeos |
| <input type="checkbox"/> | Ministry of Jobs, Trade & Technology | <input checked="" type="checkbox"/> | Okanagan Nation Alliance (ONA) |
| <input checked="" type="checkbox"/> | Ministry of Transportation and Infrastructure | <input checked="" type="checkbox"/> | Penticton Indian Band (PIB) |
| <input type="checkbox"/> | Integrated Land Management Bureau | <input type="checkbox"/> | Osoyoos Indian Band (OIB) |
| <input checked="" type="checkbox"/> | BC Parks | <input type="checkbox"/> | Upper Similkameen Indian Band (USIB) |
| <input type="checkbox"/> | School District #53 (Areas A, B, C, D & G) | <input type="checkbox"/> | Lower Similkameen Indian Band (LSIB) |
| <input type="checkbox"/> | School District #58 (Area H) | <input type="checkbox"/> | Environment Canada |
| <input type="checkbox"/> | School District #67 (Areas D, E, F, I) | <input type="checkbox"/> | Fisheries and Oceans Canada |
| <input checked="" type="checkbox"/> | Central Okanagan Regional District | <input type="checkbox"/> | Canadian Wildlife Services |
| <input type="checkbox"/> | Kootenay Boundary Regional District | <input type="checkbox"/> | OK Falls Irrigation District |
| <input type="checkbox"/> | Thompson Nicola Regional District | <input type="checkbox"/> | Kaleden Irrigation District |
| <input type="checkbox"/> | Fraser Valley Regional District | <input type="checkbox"/> | X Irrigation District / improvement Districts / etc. |
| <input type="checkbox"/> | Naramata Volunteer Fire Department | | |

Attachment No. 2 – Applicant’s Site Plan



Attachment No. 3 – Provincial Licence of Occupation



Attachment No. 4 – Site Photo (Google Streetview)

