

ADMINISTRATIVE REPORT



TO: Board of Directors
FROM: B. Newell, Chief Administrative Officer
DATE: August 2, 2018
RE: Zoning Bylaw Amendment – Electoral Area “D”

Administrative Recommendation:

THAT Bylaw No. 2457.20, 2018, Electoral Area “D” Zoning Amendment Bylaw be read a first time;
AND THAT prior to second reading of Amendment Bylaw No. 2457.20, 2018, the following conditions are met:

1. a ‘no build’ covenant be registered on the title of Lot A, Plan KAP46761, District Lots 228s, 2169 & 4098s, SDYD, except Plan KAP53180, in order that the area identified as “Phase 2”, and as shown on Attachment No. 1 in the Administrative Report from the Chief Administrative Officer dated August 2, 2018, cannot proceed until:
 - a) groundwater sustainability and availability is proven to warrant further development; and
 - b) 36 dwelling units in “Phase 1” have been constructed and issued occupancy permits.
2. the property owner petitions and receives approval from the RDOS Board of Directors for the creation of applicable Service Areas for the monitoring of domestic water, sanitary, and irrigation systems.

AND THAT prior to third reading of Amendment Bylaw No. 2457.20, 2018, the following condition is met:

1. the property owner enter into a servicing agreement with the Regional District in order to ensure that the proposed community water system and community sanitary system is designed and built in accordance with RDOS Bylaws including Subdivision Servicing Bylaw 2000, 2002, and for water system design, Development Variance Permit D2016.051-DVP (as shown on Attachment No. 7) and must include terms and conditions on how the systems will subsequently be turned over the Regional District.

Purpose: To allow for the development of a phased multi-use development resort at the Twin Lakes Golf Course

Owner: Twin Lakes Golf Resort Ltd **Applicant:** Suki Sekhon **Folio:** D-02342.001 & D-02343.000

Legal: Lot 2, Plan KAP26332, DL 228s & 2169, SDYD, except Plan H15455; and **Civic:** 79 Twin Lakes Road
Lot A, Plan KAP46761, District Lots 228s, 2169 & 4098s, SDYD, except Plan KAP53180

Zones: various (see Attachment No. 2) **Proposed Zoning:** various (see Attachment No. 2)

Proposed Development:

The applicant is seeking to rezone parts of two legal parcels in order to facilitate the development of the Twin Lakes Golf Resort, which is going to “compliment the existing golf course use with up to 232 new residential units and tourism facilities over the next 25 years.”

In order to facilitate this, the applicant is proposing to ‘transfer’ existing residential densities from “Lot 2” to “Lot A” (see Attachment No. 2). This will result in the zoning of “Lot 2” changing from part Residential Single Family One (RS1), Residential Multiple Family (RM1) and Resource Area (RA) to a new Resource Area Site Specific (RAs) with the site specific provision allowing for a “campground” use. The zoning of parts of Lot “A” will correspondingly change from C1s and CT6 to new Twin Lakes Village (TLV) Zone and a Residential Multiple Unit Three (RM3) Zone situated around the existing golf course clubhouse.

The applicant has further advised that initial development of the Twin Lakes Golf Resort is comprised of Phase 1 (see Attachment No. 4) that is a one lot subdivision and building strata of up to 46 residential units (to be built in phases). This first phase is to be located on the south east side of the golf course and accessed off of Range Road (see Attachment No. 5), with subsequent phases being “contingent on water supply confirmation”. Of note, the applicant is proposing a building strata that means one ‘parcel’ with multiple owners, as opposed to a ‘bare land strata’ which entitles multiple owners with shared common property.

In support of the proposal, the applicant has stated that the “Twin Lakes vision proposes development that will strongly build on the guidance provided by the OCP Vision and Broad Goals.” Additional benefits will also include greater safety of the community through increased daily residential interaction; maintaining a rural like setting with less than 10% of the Twin Lakes Golf Resort Lands used as residential; a mix of housing types; encouraging both seasonal and permanent use; and land stewardship and preservation.

Administration is further proposing that, should the Regional District Board be supportive of this proposal, that the amendment bylaw also include a provision to remove the RS1 Zone from an approximately 1,500 m² area of Crown land (legally described as District Lot 4098S, SDYD, Portion EX BLK A, Except Plan KAP53180) adjacent to “Lot 2” and replace it with an RA zoning.

The Board should also be aware that the long-term strategy regarding the infrastructure is for the Regional District to take over the systems and extend community sanitary and water services to the broader Twin Lakes community offering safe, secure and sustainable servicing opportunities.

As an aside, at such time as Phase 2 is able to proceed, it is anticipated that the existing RV Park may be re-located from “Lot A” to “Lot 2”.

Site Context:

The TLGR currently owns two parcels of land in the Twin Lakes area with development proposed on both. The parcels are located to the south adjacent to Highway 3A and north of Nipit / Twin Lake.

One parcel (“Lot 2”), is approximately 41.4 ha in size is currently vacant and consists of rolling hills, steep rocky outcrops grasslands and treed areas. The applicant has recently prepared an area for farming on this parcel.

The second parcel (“Lot A”) is approximately 66 ha in size and is principally used as a golf course and clubhouse with the majority of this parcel within the Agricultural Land Reserve (ALR). There is also a seasonal RV Park Campground on this parcel.

Surrounding properties are a mixed land use of larger Resource Area and Large Holdings properties and the properties surrounding Nipit Lake are a mix of residential zonings.

Background:

The current boundaries of the subject property date to a plan of subdivision deposited with the Land Titles Office in Kamloops on October 2, 1975, while available Regional District records indicate the previous issuance of building permit for alterations to the golf course clubhouse.

The South Okanagan Regional Growth Strategy (RGS) designates Twin Lakes as a Rural Growth Area, done mainly because of the amount of existing zoning in place at the time around the golf course. The actual boundaries of the Rural Growth Area were delineated during the OCP update process and are shown to concentrate any growth the area centred around the current clubhouse parking lot and RV park area.

Under the Electoral Area “D-1” OCP Bylaw No. 2683, 2016, “Lot A” is currently designated part Tourist Commercial (CT), part Residential Mixed Use (RMU) and part Resource Area (RA), while “Lot 2” is designated RA.

Under Section 7.5 (Local Area Policies – Twin Lakes) of the OCP Bylaw, there are a number of assessment criteria to be applied to any rezoning proposal that seeks to development the Twin Lakes Golf Course lands including: the need to provide assessment on the provision of sustainable water supply without impacting existing residential development and environmental flow; establishment of adequate community on-site water and sewage disposal; compatibility with adjacent land uses; to consider an urban village concept; and be organized around a phased concept.

Both parcels are also the subject of an Environmentally Sensitive Development Permit (ESDP) Area designation under the OCP Bylaw while that part of “Lot A” surrounding the golf course clubhouse comprises the designated “Rural Growth Area” for Twin Lakes under the South Okanagan Regional Growth Strategy (RGS) Bylaw No. 2770, 2017.

Under the Electoral Area “D-1” Zoning Bylaw No. 2457, 2008, the two parcels are subject to a number of different zones, including the Residential Single Family One (RS1), Residential Multiple Family (RM1), General Commercial (C1), Tourist Commercial Six (CT6) and Resource Area (RA).

The current residential zoning of the parcels dates to 1995 and the adoption of Amendment Bylaw No. 1550, which contemplated the development of approximately 258 units at the site.

A majority of “Lot A” is also situated within the Agricultural Land Reserve (ALR) and the development of the area around the golf course clubhouse was previously approved by the Agricultural Land Commission (ALC) in 2007.

Additional background information related to the servicing history of the Twin Lakes areas is included at Attachment No. 6.

Referrals:

Referral comments on this proposal have been received from Fortis, Ministry of Transportation and Infrastructure, Interior Health Authority, Lower Nipit Improvement District, Ministry of Forests, Lands, Natural Resource Operations and Rural Development, and Penticton Indian Band, and these are included as a separate item on the Board Agenda.

Approval from the Ministry of Transportation and Infrastructure (MoTI) is required as the subject property is situated within 800 metres of a controlled area (i.e. Highway 3A).

Public Process:

On February 1, 2018, the applicant hosted a community open house at the Twin Lakes golf clubhouse, at which approximately 36 members of the public were present.

On June 12, 2018, a Public Information meeting was held ahead of the Advisory Planning Commission (APC) meeting, and was attended by approximately 37 members of the public.

At its meeting of June 12, 2018, the Electoral Area "D" Advisory Planning Commission (APC) resolved to recommend to the RDOS Board the development application be approved subject to the following conditions:

1. *THAT a 'no build' covenant be registered on the title of "Lot A" prior to adoption of Amendment Bylaw 2457.20 in order that those areas identified as "Phase 2" cannot proceed until groundwater sustainability and availability can be proven to warrant further development and that "Phase 2" may not proceed until the completions of "Phase 1" and an assessment of the local water supply has been completed;*
2. *THAT the property owner enter into a servicing agreement with the Regional District prior to adoption of Amendment Bylaw 2457.20 in order to ensure that the proposed community water system and community sanitary system is designed and built in accordance with RDOS Subdivision Servicing Bylaw 2000, 2002, and for water system design, Development Variance Permit D2016.051-DVP;*
3. *THAT the property owner petitions and receives approval from the RDOS Board of Directors for the creation of applicable Service Areas for the community water and sanitary systems; and*
4. *THAT the property owner petitions and receives approval from the RDOS Board of Directors for the creation of applicable Service Area for the monitoring and regulation the existing irrigation wells utilized for the golf course.*

Analysis:

In considering this proposal, Administration notes that the increase in densities centred around a 'village' type development reflects the boundaries established through the RGS. The Board of Directors is asked to be aware that this was one of the principal considerations in designating the area around the clubhouse as the Twin Lakes "Rural Growth Area" in accordance with the RGS Bylaw. Specifically, that removal of the RS1 and RM1 zones from "Lot 2" would be part of any discussion regarding the introduction of new zonings for "Lot A".

In considering the local area policies contained within the OCP Bylaw, Administration notes that the proposed rezoning generally meets the criteria provided to assess any new development, including:

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- Water supply will be monitored prior to further development;
 - Establishment of adequate community water and sewer infrastructure;
 - The overall development is phased, and the Phase 1 building strata is also proposed to be phased;
 - The new Twin Lakes Village zone will provide a focus on a village concept;
 - Water conservation including water metering, re-use and xeriscaping will be incorporated;
 - Water will be monitored for availability from groundwater wells servicing residential and from the golf course use.

The proposal is generally consistent with the direction provided for in the OCP Bylaw which speaks to the area around the clubhouse being the focal point for development at Twin Lakes.

The proposal will also remove any existing residential zoning from the hillside to the east and return that land to a Resource Area zone in order to help preserve the environmental values.

In requesting the RM3 Zone, the applicant is seeking to introduce “vacation rentals” as a permitted use as part of this development (i.e. a Temporary Use Permit would no longer be required for such a use). At present, the only community in which “vacation rentals” are a permitted use is at Apex Mountain Resort, and this is largely a reflection of the resort nature of that community. Given the applicant is similarly developing the Twin Lakes Golf Course as a “resort”, permitting “vacation rentals” is not seen to be unreasonable and will also be permitted in the TLV Zone.

In recognition of the significant concerns expressed by the community on groundwater sustainability during the review of the OCP Bylaw, the Plan recognizes that balancing any new development with water conservation and environmental stewardship is the community’s driving objective.

In order to meet the infrastructure servicing objectives of the Plan, the applicant is proposing to create a community water and sewer system that will subsequently be turned over to the Regional District to own and operate under new proposed service areas.

Recommended Conditions:

Administration recognizes that there are many unknowns related to the future build out of the Twin Lakes Golf Resort, and also recognizes that many of the technical details related to servicing still needs to be finalized. On this basis, a number of conditions have been recommended and are discussed below.

It is recommended that the first two conditions be met prior to Second reading so will be available for information at the Public Hearing.

1. Condition No. 1: *THAT a ‘no build’ covenant be registered on the title of Lot A, Plan KAP46761, District Lots 228s, 2169 & 4098s, SDYD, except Plan KAP53180, in order that those areas identified as “Phase 2” cannot proceed until:*
 - a) *groundwater sustainability and availability is proven to warrant further development; and*
 - b) *36 dwelling units in “Phase 1” have been constructed and issued occupancy permits.*

The intent of this condition is to meet the requirements of water availability throughout Phase 1 and determine if there is adequate water to begin Phase 2.

The applicant has indicated that they intend to complete the Phase 1 one lot building strata development over the next 10 to 20 years. Phase 1 will need to be assessed for water use and availability prior to the commencement of Phase 2 taking place on “Lot A”.

The intent of the second part of the condition (part b) is to ensure that the first phase be substantially completed before residential development can occur on the second phase.

At this time the applicant is assuming that a total of 46 units can be constructed within the building strata lot; however, given both terrain and market conditions this full build out may not occur. 36 units was chosen as the ‘cutoff’ as it represents approximately 78% completion of the anticipated number of units. As the covenant is being placed on title as a condition of rezoning, a future Board will be able to determine whether or not discharge of the covenant is warranted.

Condition No. 2: *THAT the property owner petitions and receives approval from the RDOS Board of Directors for the creation of applicable Service Areas for the monitoring of domestic water, sanitary, and irrigation systems;*

The intent of this condition is to provide a mechanism to enable the RDOS to oversee the monitoring of the infrastructure systems as they develop.

The service area will initially be for a monitoring and groundwater impact assessment service and would enable the RDOS to oversee monitoring methods and results. This service area creation is not intended for the operation or the delivery of community water or sanitary services by the RDOS. The service petition may be written to make it clear that there might not be a water service beyond Phase 1 if the results of monitoring are not favourable. This may result in no further development.

Condition No. 3: *THAT the property owner enter into a servicing agreement with the Regional District in order to ensure that the proposed community water system and community sanitary system is designed and built in accordance with RDOS Bylaws including Subdivision Servicing Bylaw 2000, 2002, and for water system design, Development Variance Permit D2016.051-DVP (as shown on Attachment No. 7) and must include terms and conditions on how the systems will subsequently be turned over the Regional District.*

The intent of this condition is to ensure that the design of the infrastructure complies with RDOS bylaws. Normally, a servicing agreement is not required until building permit stage; however, as the proposed zoning directly influences how the development will occur in the future, Administration recommends that this be dealt with up front. Within this servicing agreement there should also be provisions that address the criteria for the takeover of the system by the RDOS.

The proposed community infrastructure will be designed to provide water and sewer to all phases of the proposed Twin Lakes Golf Resort development. It is hoped that it will also be designed and extended to serve the existing residences which surround Twin Lakes.

To date, numerous meetings have been held with the developer, the developer’s engineer and Regional District staff in order to examine the infrastructure and servicing details.

A number of conditions have been recommended in order to proceed with this proposal. These conditions are being recommended due to a number of reasons as the proposed development is somewhat atypical for the Regional District. Specifically, the conditions are being imposed because the applicant has chosen to not develop using a ‘Phased Development Agreement’ (PDA) as specified under Division 12 of the *Local Government Act*, therefore leaves

Summary:

In summary, Administration supports the proposed rezoning, particularly the changes to land use, but recognizes that many of the technical details related to servicing still need to be finalised. On this basis, Administration is recommending a number of conditions be met prior to approval of the rezoning to ensure these servicing aspects are achieved.

The recommended conditions are being made to deal with a proposal that is not typical of most development applications, given the phasing of the proposal is dependent on proven water sustainability, that the Regional District will eventually own and operate the water and sewer infrastructure, and the applicant has chosen not to enter into a Phased Development Agreement as provided in the *Local Government Act*.

Alternatives:

.1 THAT Bylaw No. 2457.20, 2018, Electoral Area “D” Zoning Amendment Bylaw be denied; OR

.2 THAT Bylaw No. 2457.20, 2018, Electoral Area “D” Zoning Amendment Bylaw be read a first and second time and proceed to a public hearing;

AND THAT the holding of the public hearing be scheduled for the Regional District Board meeting of September 6, 2018;

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

.3 THAT Bylaw No. 2457.20, 2018,, Electoral Area “D” Zoning Amendment Bylaw be read a first and second time and proceed to public hearing;

AND THAT the holding of the public hearing be delegated to Director Siddon or delegate;

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

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

Respectfully submitted

E Riechert

E.Riechert, Planner

Endorsed by:

C. Garrish, Planning Supervisor

Attachments: No. 1 – Applicant’s Proposed Phasing Plan

No. 2 – Current vs Proposed Zoning

No. 3 – Site Photo (Google Earth)

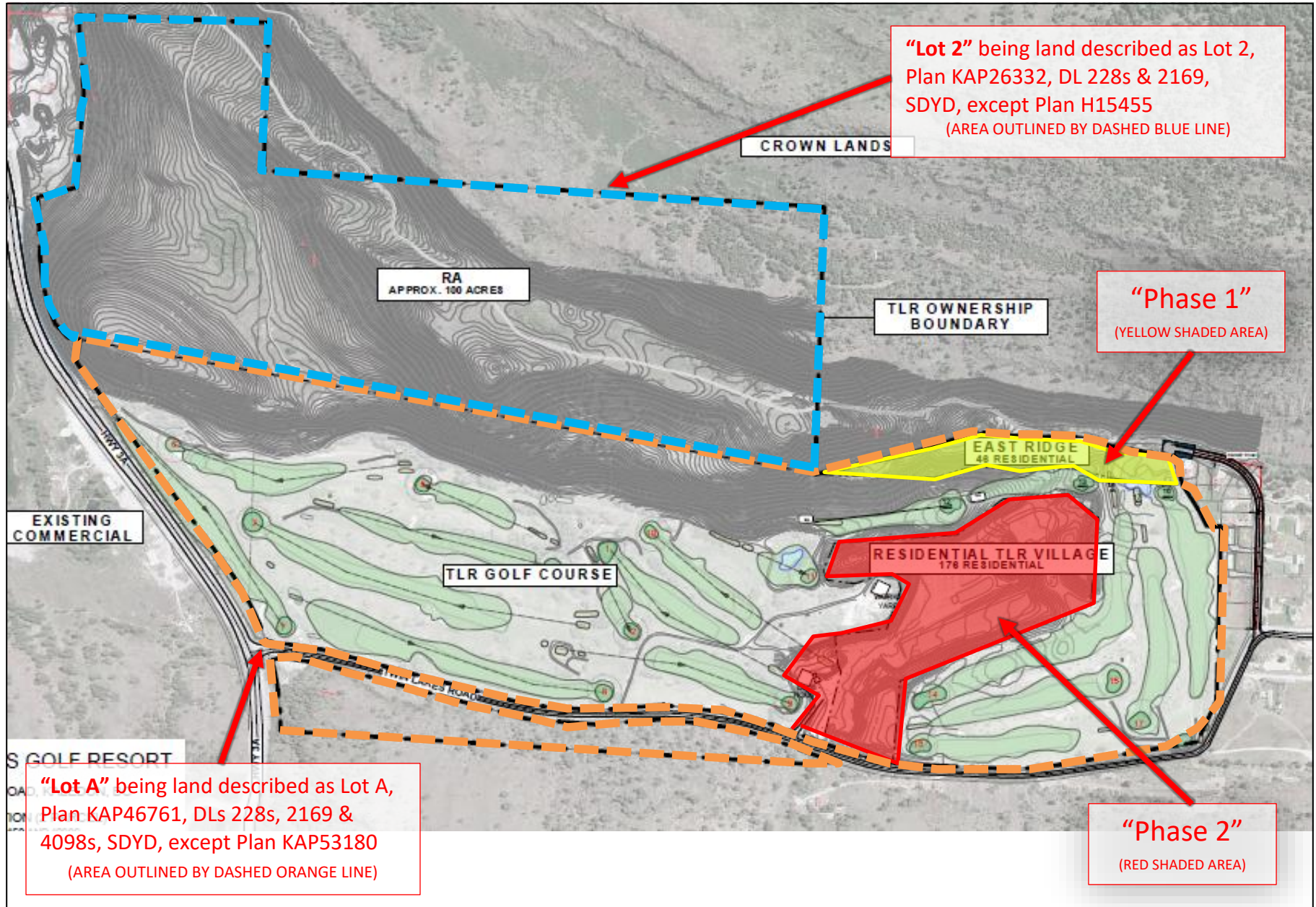
No. 4 – Applicant’s Site Plan concept – Phase 1 and Phase 2

No. 5 – Applicant’s Site Plan concept - Phase 1

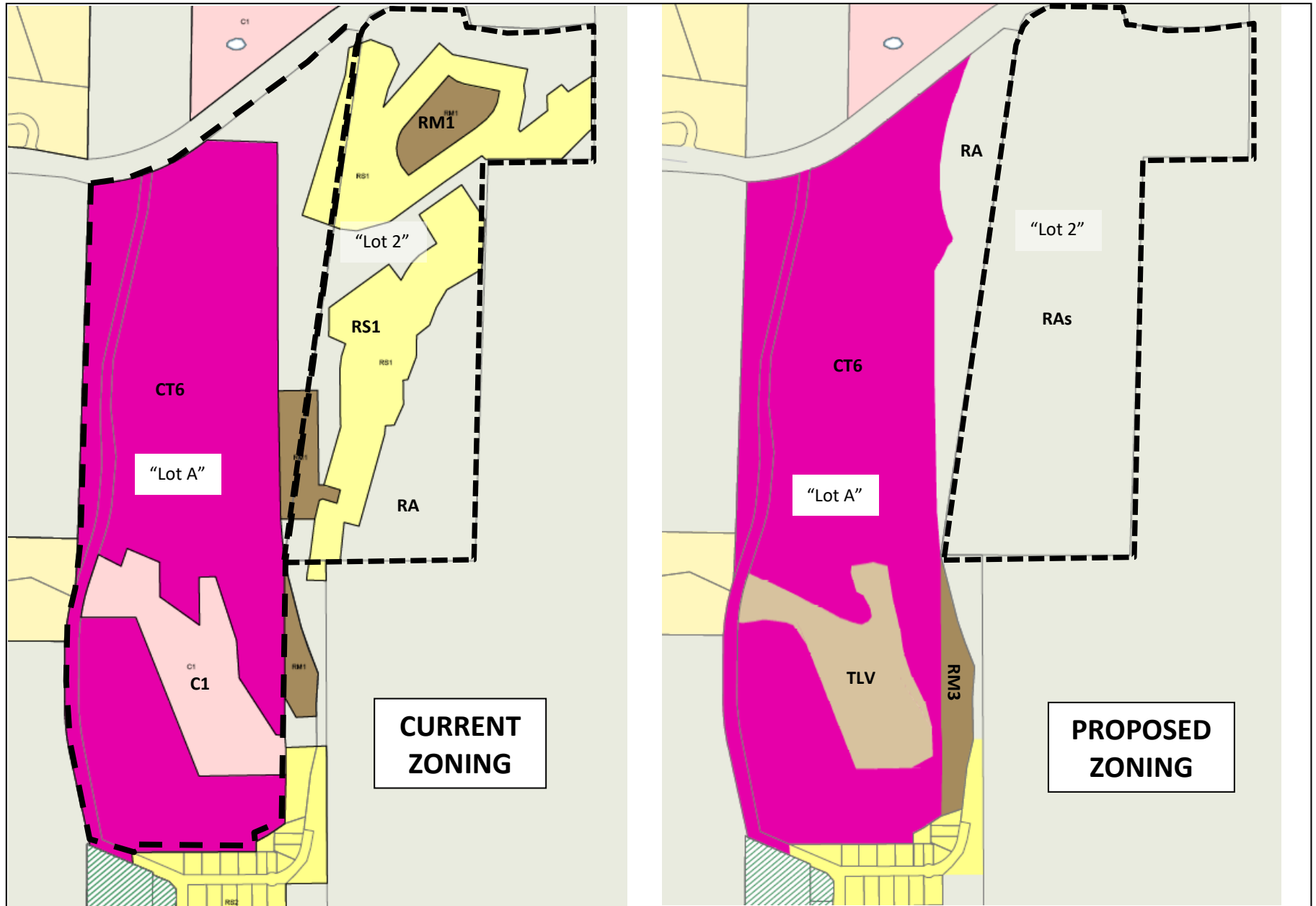
No. 6 – Servicing Background

No. 7 – Development Variance Permit No. D2016.051-DVP

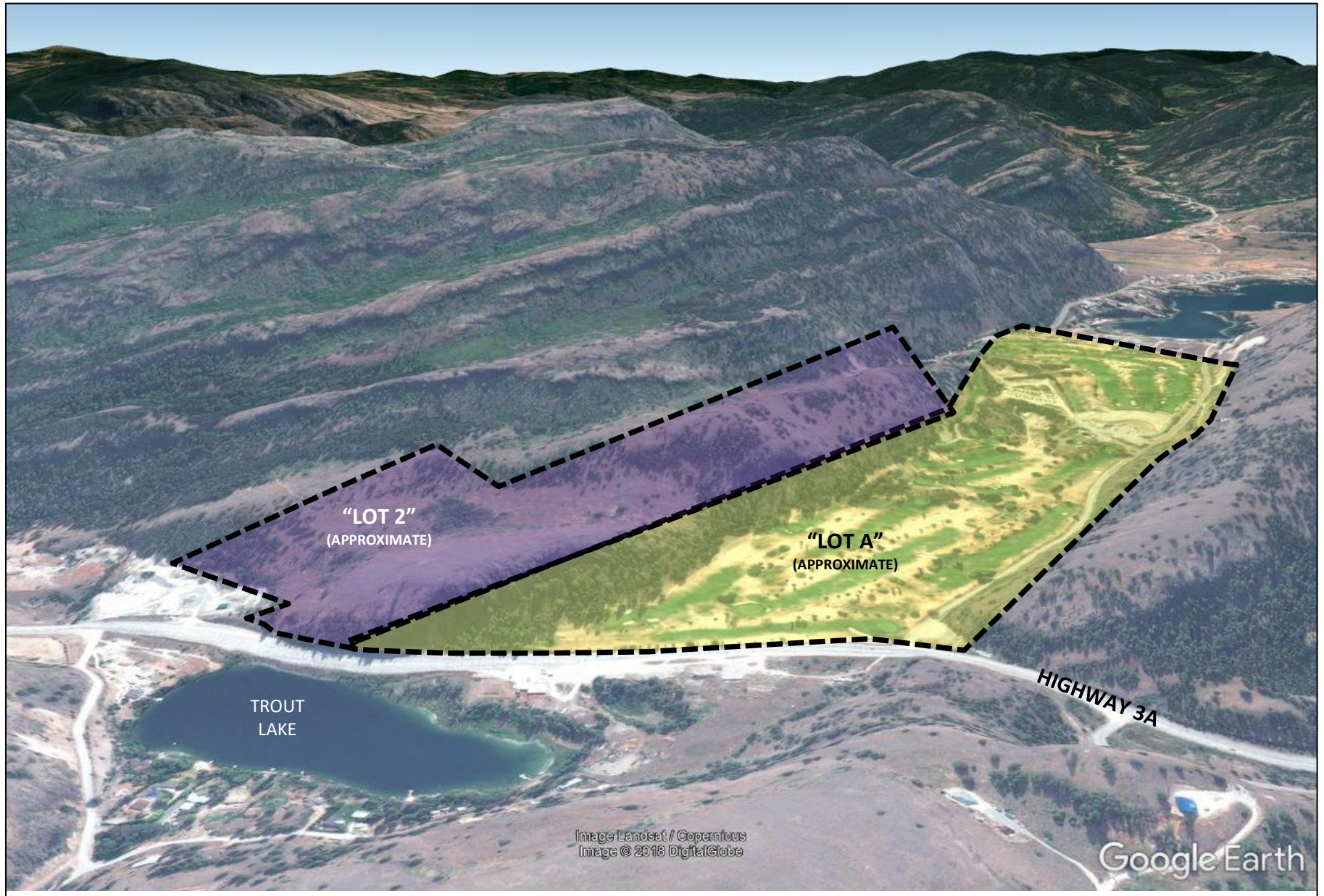
Attachment No. 1 – Applicant’s Proposed Phasing Plan



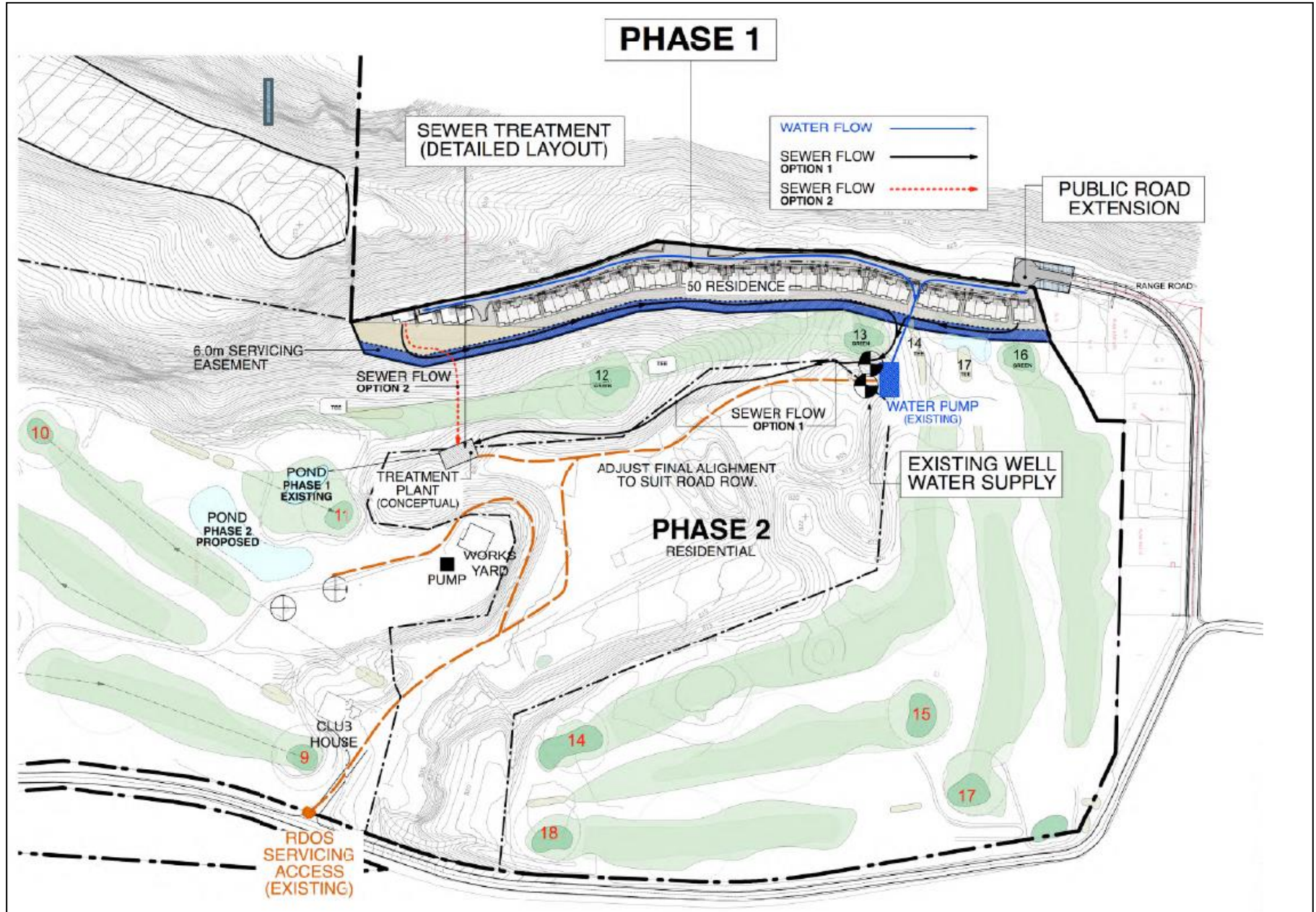
Attachment No. 2 – Current vs Proposed Zoning



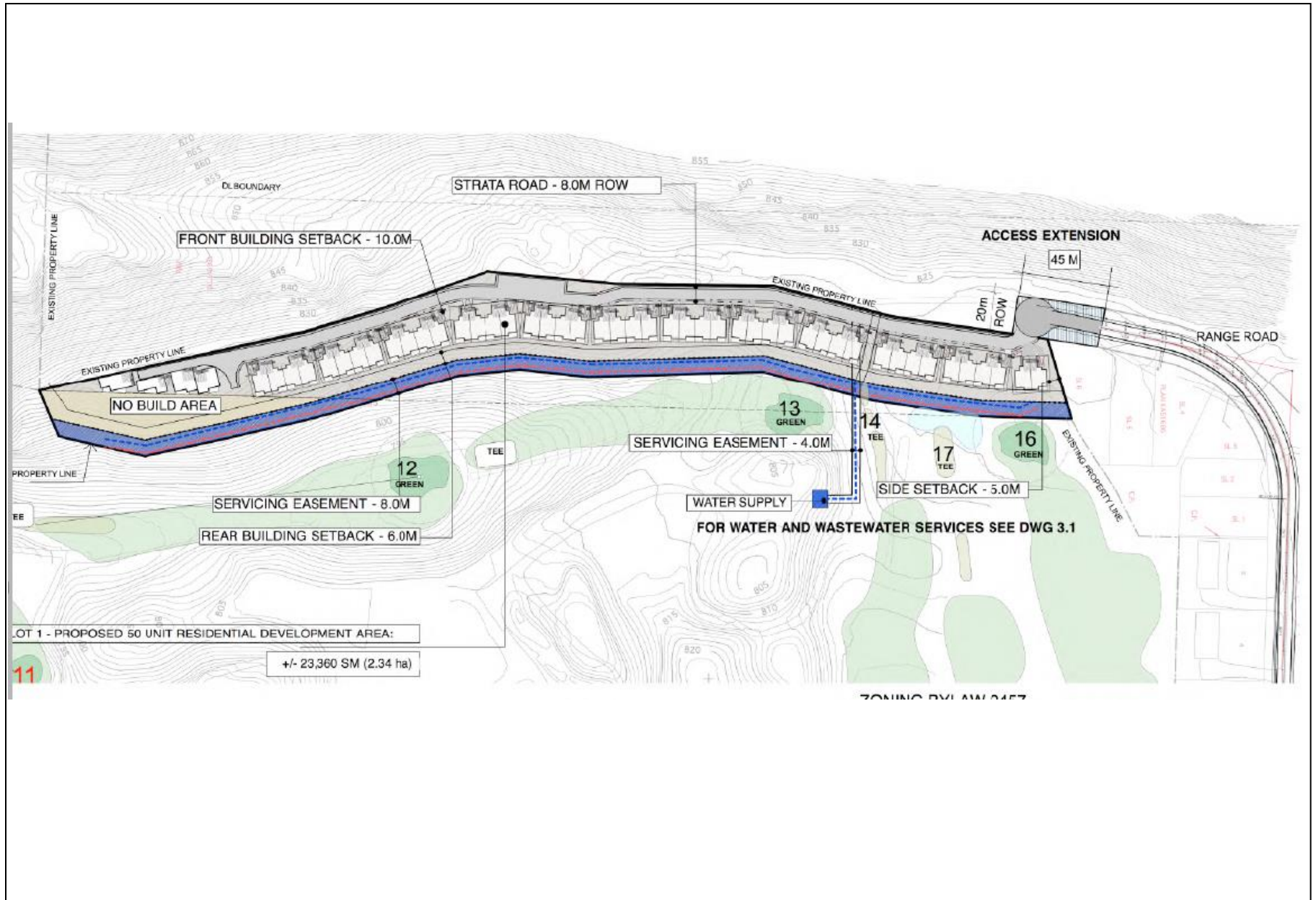
Attachment No. 3 – Site Photo (Google Earth)



Attachment No. 4 – Applicant’s Site Plan concept Phase 1 & Phase 2



Attachment No. 5 – Site Plan concept Phase 1



Attachment No. 6 – Subdivision and Servicing Background

March 4, 2008: an application to subdivide the Twin Lakes Golf Resort (TLGR) lands for a Phase 1 development proposing 33 single family strata units and 18 multi-family strata units for a total of 51 units was received by the Regional District from the Ministry of Transportation and Infrastructure (MoTI). The overall TLGR development proposal was comprised of a bare land strata with a total of 136 single detached dwellings units and 72 multi-family dwelling units over a 64 hectare parcel.

July 26, 2011: the Provincial Approving Officer gave the subdivision application a non-approval under the Land Title Act, Section 85 because in his opinion the proposal was not within the “public interest” due to concerns with risk of not having sustainable water for the proposed bare land strata development, and even the existing Twin Lake area properties without the development proceeding.

Sept. 20, 2012: the TLGR group applied for a Development Variance Permit (DVP) requesting a reduction of the Water Supply, Design Parameters under the Regional District’s Subdivision Servicing Bylaw No, 2000, 2002. The requested DVP would reduce Maximum Daily Domestic Flow of 8,000 litres per single family unit per day to 1,900 litres per single family unit per day.

The Regional District Board deferred the DVP until such time a new hydrogeological report (Golder Report) was to be completed by the TLGR developer.

July 10, 2014: the draft Golder Report was received by the Regional District. The science of hydrology in the report was to be reviewed by the Ministry of Forest Lands and Natural Resource Operations (MFLNRO). The water use of the proposed development and existing water users in the Twin Lakes area was reviewed by Staff.

Feb 2015: MFLNRO and the Regional District completed its reviews and comments are returned to the TLGR developer.

Jan. 26, 2016: a revised draft Golder Report is distributed to the Regional District and the Provincial Approving Officer. The revised report has been reviewed by MFLNRO and the Regional District commissioned a secondary review of the proposed water use by Western Water Associates Ltd.

The DVP was brought forward for discussion to the July 7, 2016, Planning and Development Committee meeting. The DVP to reduce the water system design flows was then adopted at the Board on July 21, 2016. The varied requirements are as follows:

“Minimum design flows for domestic demand shall be:”

1. Addition of an “Average Daily Flow to 2,200 L/single family unit/day”;
2. Reduction of the existing “Maximum Daily Domestic Flow from 8,000 L/single family unit/day” to 5,500 L/single family unit/day; and,
3. Reduction of the existing “Peak hour domestic flow from 13,600 L/single family unit/day” to 10,000 L/single family unit/day.



Development Variance Permit

FILE NO.: D2016.051-DVP

Owner: Twin Lakes Golf Resort
79 Twin Lakes Road
Kaleden, BC
V0H 1K0

Agent: CRS Group of Companies
920 - 475 West Georgia Street
Vancouver, BC
V6B 4M9

GENERAL CONDITIONS

1. This Development Variance Permit is issued subject to compliance with all of the bylaws of the Regional District of Okanagan-Similkameen applicable to the land specified in Section 5, except as specifically varied by this Permit.
2. The land described shall be developed strictly in accordance with the terms and conditions and provisions of this Permit, and any plans and specifications attached to this Permit that shall form a part thereof.
3. Where there is a conflict between the text of the Permit and permit drawings or figures, the drawings or figures shall govern the matter.
4. This Development Variance Permit is not a Building Permit, Development Permit or Subdivision Approval.

APPLICABILITY

5. This Development Variance Permit applies to and only to a residential development of up to 50 dwelling units on the portion of the lands outlined on Schedule "B" as "Development Area" on those lands within the Regional District described below, and any and all buildings, structures and other development thereon:

Legal Description: Lot A District Lots 228s, 2169 And 4098s Similkameen
Division Yale District, Plan KAP46761 Except Plan KAP53180

Civic Address: 79 Twin Lks Rd And 85 Twin Lks Rd

Parcel Identifier (PID): 017-694-841 Folio: D-02342.001

VARIANCE

File No. D2016.051-DVP
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6. The land specified in Section 5 may be developed with up to 50 dwelling units in accordance with the following variance to Section 3.2.1 of Schedule A to Subdivision Servicing Bylaw No. 2000, 2002:

From:

Minimum design flows for domestic demand shall be:

Maximum daily domestic flow	8,000 l/single family unit/day
Peak hour domestic flow	13,600 l/single family unit/day

To:

Minimum design flows for domestic demand shall be:

Maximum daily domestic flow	5,500 l/single family unit/day
Average daily domestic flow	2,200 l/single family unit/day
Peak hour domestic flow	10,000 l/single family unit/day

EXPIRY OF PERMIT

7. If a zoning amendment is not adopted for a residential development of the "Development Area" by the date that is 2 years after the date this Permit was issued, the Permit lapses.

Authorising resolution passed by the Regional Board on July 21, 2016.


B. Newell, Chief Administrative Officer

Regional District of Okanagan-Similkameen

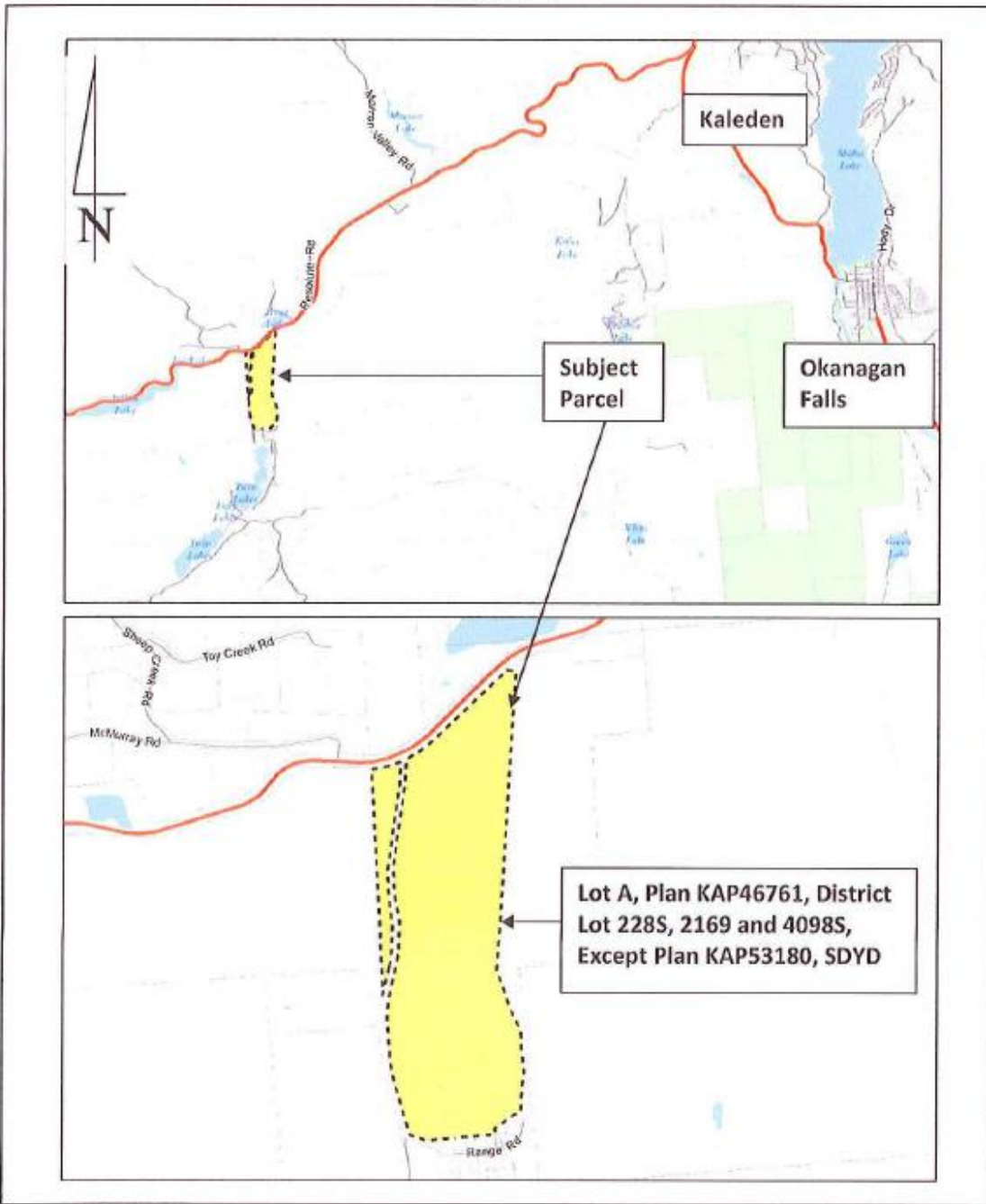
101 Martin St, Penticton, BC V2A 5J9
Tel: (250) 492-0237 Fax (250) 492-0063



Development Variance Permit

File No. D2016.051-DVP

Schedule 'A'



File No. D2016.051-DVP

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Regional District of Okanagan-Similkameen

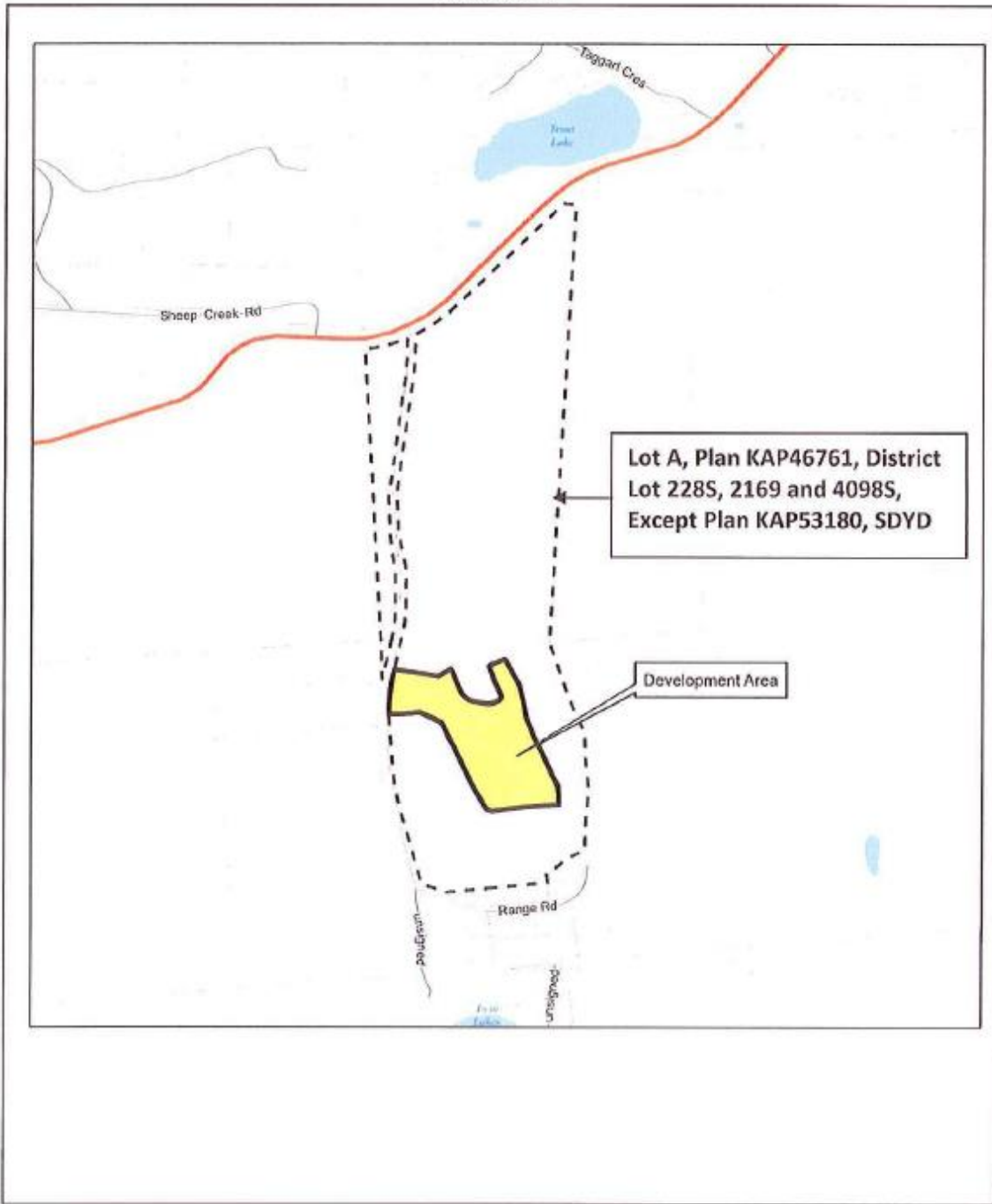
101 Martin St, Penticton, BC V2A 5J9
Tel: (250) 492-0237 Fax (250) 492-0063



Development Variance Permit

File No. D2016.051-DVP

Schedule 'B'



File No. D2016.051-DVP

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