

DATE OF MEETING July 5, 2021

AUTHORED BY BRIAN ZUREK, PLANNER, COMMUNITY PLANNING

**SUBJECT OFFICIAL COMMUNITY PLAN AMENDMENT APPLICATION
NO. OCP00095 AND REZONING APPLICATION NO. RA000457 –
3679 SHENTON ROAD**

OVERVIEW

Purpose of Report

To present for Council's consideration, an Official Community Plan amendment application to amend the land use designation within the Official Community Plan from Light Industrial to Corridor; and to concurrently present for Council's consideration, a Zoning Bylaw amendment application to rezone the subject property from Single Dwelling Residential (R1) to Residential Corridor (COR1) to allow a proposed commercial (hotel) development.

Recommendation

That:

1. "Official Community Plan Amendment Bylaw 2021 No. 6500.043" (To re-designate 3679 Shenton Road on the Future Land Use Plan [Map 1] from Light Industrial to Corridor) pass first reading;
2. "Official Community Plan Amendment Bylaw 2021 No. 6500.043" pass second reading;
3. "Zoning Amendment Bylaw 2021 No. 4500.189" (To rezone 3679 Shenton Road from Single Dwelling Residential [R1] to Residential Corridor [COR1]) pass first reading;
4. "Zoning Amendment Bylaw 2021 No. 4500.189" pass second reading; and
5. Council direct Staff to secure a community amenity contribution, road dedication, public access for a future lakeside trail, water modelling and off-site water system upgrades, widened sanitary sewer right-of-way, and geotechnical covenant, prior to adoption of the bylaw should Council support the rezoning bylaw at third reading.

BACKGROUND

Bill McKay and Associates (Bill McKay) has submitted an Official Community Plan (OCP) amendment application (OCP95) and a "City of Nanaimo Zoning Bylaw 2011 No. 4500" (Zoning Bylaw) amendment application (RA457) on behalf of Western LL Holding Ltd. (the Owner) for a proposed commercial (hotel) development.

Subject Property and Site Context

<i>Location</i>	The subject property is located along Shenton Road with waterfront access to Diver Lake in the Wellington neighbourhood.
<i>Total Area</i>	4,972 m ²
<i>Existing OCP Designation</i>	Light Industrial

<i>Proposed OCP Designation</i>	Corridor
<i>Existing Zoning</i>	Single Dwelling Residential (R1)
<i>Proposed Zoning</i>	Residential Corridor (COR1)

A single residential dwelling formerly occupied the lakefront property with adjacent uses including office (to the west) and light industrial (to the east). The parcel is relatively long and narrow, and it slopes approximately seven metres from Shenton Road down to Diver Lake. The Zoning Bylaw requires a 15-metre development setback on the subject property from the high-water mark of Diver Lake. There is an active development permit for a mixed-use (commercial / residential) proposal west of the subject property at 3789 and 3801 Shenton Road.

DISCUSSION

Proposed Development

To authorize the owner's redevelopment concept for 3679 Shenton Road, the applicant proposes an OCP amendment to change the future land use on the subject property from Light Industrial to Corridor. Additionally, the applicant proposes a joint application to rezone 3679 Shenton Road from Single Dwelling Residential (R1) to Residential Corridor (COR1).

While the applicant proposes to develop a 72-room hotel on the subject property, the full range of uses permitted in the COR1 zone, including residential use, would be permitted. The proposed building would appear to have three storeys on Shenton Road and four storeys on Diver Lake, and is proposed to provide both surface and underbuilding vehicle parking. No development is proposed between the aquatic setback and Diver Lake.

The applicant has submitted a Letter of Rationale in support of the application (Attachment F) and identified how the subject property is best suited for the proposed commercial development adjacent to an environmentally-sensitive area, and how the development would reinforce a number of City policies and objectives, including initiatives to support tourism in Nanaimo.

Official Community Plan

The OCP designates the property as Light Industrial and notes the following:

[permitted] uses include, but are not limited to processing, manufacturing and assembly operations, storage, warehousing, distribution, equipment sales and repairs, printing and reproduction, construction, wholesale, transportation, communications related businesses, and auto parts retailers.

Although industrial uses occur on properties in the area east of the subject property, these developments have typically occurred on relatively level lots with large areas of impermeable surfaces for the storage of goods and the movement of vehicles and equipment. The lands west of the subject property, however, have evolved over time from industrial to commercial (Corridor) uses that offer a more suitable transition to surrounding residential neighbourhoods and environmentally-sensitive areas around Diver Lake.

The subject property itself is uniquely constrained, being a long and narrow lot with a moderately steep slope down to the lake, environmental setbacks, and required road dedication

and frontage improvements, which collectively reduce the functional envelope to support a light industrial development. Alternatively, the applicant proposes to re-designate the subject property from Light Industrial to Corridor to support a proposed hotel development.

The Corridor designation supports a mix of residential, commercial, professional, and service uses, with residential development at medium- to high-level densities. Additionally, Corridor-designated properties are characterized by:

- Public parks and open spaces in the form of urban plazas, community gardens, and landscaped boulevards;
- Redevelopment that improves the human scale of the area, increased landscaping and green space, and improving safety for non-motorized travelers;
- Use of design elements, including building siting, height and massing (stepping back upper floors) to address the interface between corridors and neighbourhoods; and
- Promotion of energy-efficient buildings.

Corridor-designated parcels west of the subject property support existing office uses, and a proposed mixed-use development.

Additionally, the project would meet the following objectives of the Corridor designation:

- Development in Corridors will be characterized by a mix of residential, commercial, professional, and service uses;
- Public parks and open spaces in the form of urban plazas, community gardens, and landscaped boulevards and open spaces are encouraged; and
- Ecological features, such as riparian areas, significant trees, and environmentally-sensitive lands are recognized as attributes.

Transportation Master Plan

The Nanaimo Transportation Master Plan introduced the concept of *mobility hubs* as compact, mixed-use urban nodes that would promote walking, cycling, and transit. The subject property is located within the 600m buffer of the Country Club mobility hub.

The proposed development would trigger road dedication and works and service improvements to Shenton Road, including the extension of sidewalk across the frontage of the property. Additionally, and as noted previously, the applicant has proposed to allow the City to construct a future trail across the property near Diver Lake. This will support the planned future construction of a public access route around Diver Lake, as the City continues to secure the rights to construct the trail on other properties surrounding the lake as opportunity arises.

Zoning

The Zoning Bylaw recognizes the historic use of the property supporting a single family home, and identifies the parcel as Single Dwelling Residential (R1). Similar to the existing land uses in the OCP, noted previously, the Zoning Bylaw identifies parcels east of the subject property as Industrial (I1, I2, and I3), and parcels west of the subject property as Corridor (COR1 and COR2). Three Corridor-zoned properties have redeveloped (office) along Shenton Road in the

last ten years, with two additional properties (3789 and 3801 Shenton Road) proposed for redevelopment (mixed-use) currently.

To permit the proposed hotel development, the applicant proposes the Residential Corridor (COR1) zone for the subject property. The COR1 zone permits a limited range of uses, including residential, community service, and commercial (e.g., multi-family residential, personal care facility, and seniors' congregate housing). This zoning would reinforce the policy objectives of the OCP Corridor designation. The applicant does not anticipate the need for bylaw variances for the proposed hotel.

A number of technical studies were submitted in support of the proposed amendment applications and demonstrated that the proposed use and density is supportable with rezoning. Staff have reviewed and accepted the recommendations contained in these studies which will be secured as conditions of approval.

Community Amenity Contribution

Section 7.3 of Nanaimo's OCP addresses development amenities triggered through the rezoning process. Based on past practice, the City would secure a Community Amenity Contribution (CAC) as a condition of rezoning with the following rates: \$34 per m² of commercial floor space and \$1,000 per unit of residential development to be used towards parks and trail improvements in the Diver Lake area. Based on the size of the proposed building, the owner would provide a CAC of approximately \$136,000 in value. The value of the CACs received will depend of the specific details of the final development of the property.

Staff support the proposed CAC.

Conditions of Approval

The City would require the following to be secured prior to final adoption of the Zoning Bylaw amendment:

1. Registration of a Section 219 *Land Title Act* covenant to secure a community amenity contribution calculated at a rate of \$34 per square metre of commercial floor area and \$1,000 per unit of residential development for park and trail improvements in the Diver Lake area;
2. Dedication of approximately 3.31 metres of road along the property's Shenton Road frontage;
3. Registration of a statutory right-of-way on the title of the subject property to secure public access for a future lakeside trail across the parcel;
4. Registration of a Section 219 *Land Title Act* covenant to secure funding to update the City's water modelling to identify the water service supply limit, and to perform off-site water system upgrades should they be triggered by the redevelopment of the subject property;
5. Registration of a statutory right-of-way to widen the existing sanitary sewer right-of-way (charge number G23340), which crosses the subject property, from 3m to a minimum of 4m; and,
6. Registration of a Section 219 *Land Title Act* covenant to ensure the site is developed in accordance with the recommendations contained in the geotechnical study prepared by

Lewkowich Engineering Associates Ltd. dated 2020-FEB-13, which was submitted in support of the amendment application.

Community Consultation

The developer consulted with the local community as part of the OCP and Zoning Bylaw amendment process. The applicant held a video meeting for members of the Wellington Action Committee (WAC). The meeting was an opportunity for the applicant to discuss the proposed development with neighbourhood residents and to receive feedback from the community.

Additionally, the City received a written referral response to the development proposal on behalf of the WAC. In the response, local residents noted agreement in principle to the proposed hotel development, and strong support for greenspace improvements in the neighbourhood, such as a trail around the lake's north rim.

Application Referral

Under Part 14 of the *Local Government Act*, when considering an amendment to the OCP, local governments must provide one or more opportunities for consultation with organizations or authorities that it considers may be affected by the amendment. During the OCP review process, preliminary referrals were sent to external agencies for comment: Should Council support this application at first and second reading, unless directed otherwise, Staff would send a formal referral to the following prior to Public Hearing: Snuneymuxw First Nation, Regional District of Nanaimo, Ministry of Transportation and Infrastructure, Ministry of Environment, Vancouver Island Health Authority, Nanaimo Ladysmith Public Schools, and the Wellington Action Committee.

SUMMARY POINTS

- The applicant proposes to develop a 72-room hotel on the subject property in a building with three storeys on Shenton Road and four storeys on Diver Lake.
- To permit the proposed hotel development, the applicant proposes to re-designate the subject property from Light Industrial to Corridor, and to rezone the lot from Single Dwelling Residential (R1) to Residential Corridor (COR1).
- Additionally, the applicant proposes to provide an amenity contribution for parks and trail improvements in the Diver Lake area, and to grant the City a statutory right-of-way to facilitate the future development of a lakeside trail across the property.
- Staff support the proposed OCP and Zoning Bylaw amendments.

ATTACHMENTS

ATTACHMENT A: Context Map
ATTACHMENT B: OCP Land Use Plan
ATTACHMENT C: Location Plan
ATTACHMENT D: Conceptual Site Plan
ATTACHMENT E: Conceptual Renderings
ATTACHMENT F: Letter of Rationale
ATTACHMENT G: Aerial Photo
“Official Community Plan Amendment Bylaw 2021 No. 6500.043”
“Zoning Amendment Bylaw 2021 No. 4500.189”

Submitted by:

Lisa Bhopalsingh
Manager, Community Planning

Lainya Rowett
Manager, Current Planning

Concurrence by:

Bill Corsan
Director, Community Development

Jeremy Holm
Director, Development Approvals

Dale Lindsay
General Manager, Development Services