



STAFF REPORT TO COMMITTEE

DATE OF REPORT November 20, 2018

MEETING TYPE & DATE Electoral Area Services Committee Meeting of December 5, 2018

FROM: Development Services Division
Land Use Services Department

SUBJECT: Application No. 01-F-15RS (Official Community Plan Amendment and Rezoning Application for Couverdon Real Estate/TimberWest Forest II Ltd.)

FILE: 01-F-15RS

PURPOSE/INTRODUCTION

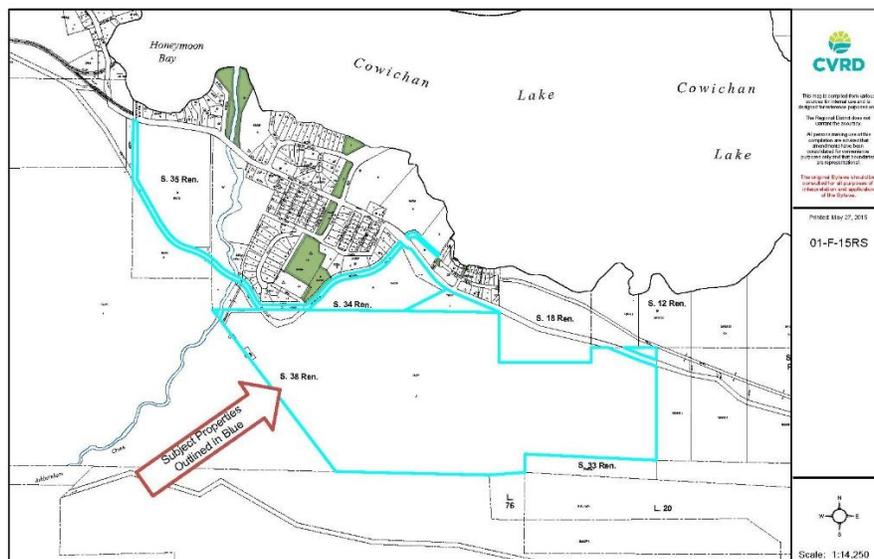
The purpose of this report is present an application to amend the Electoral Area F – Cowichan Lake South/Skutz Falls Official Community Plan No. 1945 and Zoning Bylaw No. 2600. The proposal is to re-designate and rezone the subject properties to permit a mix of uses.

RECOMMENDED RESOLUTION

That it be recommended to the Board:

1. That the referrals to (Agricultural Land Commission, BC Transit, Cowichan Tribes, Island Health, Ministry of Agriculture, Ministry of Environment, Ministry of Transportation and Infrastructure) be accepted.
2. That amendment bylaws for Application No. 01-F-15RS (018-871-020; 017-776-741; 014-178-788; 000-204-706) be forwarded to the Board for consideration of 1st and 2nd Readings.
3. That covenant(s) be drafted prior to public hearing to secure the areas to be dedicated to the CVRD.
4. That a public hearing be scheduled with Directors from Electoral Areas E, F and G as delegates.

LOCATION MAP



PROPERTY CONTEXT	
<u>Location:</u>	South Shore Rd and Gordon Bay Main, Honeymoon Bay
<u>Subject Parcels (4):</u>	Lot 2, PID: 018-871-020 (101 hectares) Lot A, PID: 017-776-741 (9 hectares) Lot 1, PID: 014-178-788 (2 hectares) Lot 21, PID: 000-204-706 (4 hectares)
<u>Owner(s)/Applicant:</u>	TimberWest Forest Corporation- Couverdon Real Estate, represented by Jason Carvalho
<u>Size of Land:</u>	Combined approximately 120 hectares (297 ac.)
<u>Use of Property:</u>	Vacant – Previously use for forestry
<u>Use of Surrounding Properties:</u>	
<i>North</i>	Residential & Industrial (vacant lot)
<i>South</i>	Forestry
<i>East</i>	Forestry
<i>West</i>	Forestry
<u>Existing Potable Water:</u>	Located within Honeymoon Bay Water Service Area
<u>Existing Sewage Disposal:</u>	None
<u>Existing Drainage</u>	None
<u>Environmentally Sensitive Areas:</u>	Patricia Creek and associated drainages.
<u>Contaminated Sites</u>	A historic wood waste landfill has been identified on Lot 2, and a release to proceed with rezoning has been granted. Certificate of Compliance issued for Lot 21. No Schedule 2 Uses on Lots 1 or A.
<u>Agricultural Land Reserve:</u>	Approximately 30 hectares of land is located in the ALR
<u>Wildfire Hazard Rating:</u>	Extreme and High
<u>Fire Protection:</u>	Partially located within Honeymoon Bay Fire Protection Local Service Area
<u>Village Containment Boundary:</u>	There is no established village containment boundary within the Electoral Area F Official Community Plan.
<u>Existing Plan Designations:</u>	Industrial Forestry Agricultural Parks and Institutional
<u>Existing Zoning:</u>	Agricultural Resource (A-1) Forest Resource (F-1) Heavy Industrial (I-2) Institutional (P-2)
<u>Proposed OCP Designation:</u>	Mixed Commercial/Residential Urban Residential Industrial Park Servicing
<u>Proposed Zoning:</u>	Mixed Commercial/Residential (MCR-1)

Mixed Residential (MR-1)
Park (P-1)
High-Tech Industrial (I-3)
Public Utility (U-2)

Subject Property Context:

The proposal includes four subject properties (Lot A, Lot 1, Lot 2 and Lot 21). The subject properties are resource lands located on the south east side of the community of Honeymoon Bay. The properties are bordered by the South Shore Road and Gordon River Main logging road. The subject properties excluding Lot 21 (private logging road) are largely forested with a mix of mature and regenerative forest. A historic wood waste landfill is located on Lot 2, which has been identified as a contaminated site. Lot 2 also includes a complex wetland ecosystem that forms part of Patricia Creek. There are no sewer or drainage services in the area (though the parcels are in the Honeymoon Bay water service area).

- **See Attachment A – Aerial Photo**

PROPOSAL SUMMARY

The applicant is proposing to re-designate and rezone the 4 subject properties to permit a mix of uses. 2.1 hectares of land adjacent to South Shore Road and Gordon Bay Main are proposed for a mixed-use development of commercial and residential uses. 24.4 hectares of land directly to the south are proposed for residential. 7.3 hectares of industrial land are proposed to be relocated to the southwest portion of Lot 2.

The proposal also includes a community amenity contribution of 13 hectares for a utility lot. The contribution stems from an urgent need identified by the CVRD Engineering Services Department for a new sewage disposal field for the community of Mesachie Lake. This utility lot would be accessed by statutory right-of-way. The proposal also includes a contribution of 8.5 hectares of land dedication to the CVRD for parkland/greenspace. The lands include significant portions of Patricia Creek and wetland systems. Currently, the exact area and dimensions of the each lot is not known, and if the Committee is inclined to approve the application, the applicant would be required to engage a surveyor to establish boundaries for the utility and park lands. Covenants will be required to secure the proposed amenities.

A conceptual layout has not been provided by the applicant, as subdivision and development of the land is not proposed as part of this application. The applicants have been forthcoming in stating market factors will determine when the development moves forward. The specific designations and zoning changes are further outlined below under the heading 'Proposed Designations and Zoning'.

Lot Line Adjustment:

Concurrent with this application, the applicant has made an application to the Ministry of Transportation and Infrastructure (MoTI) for a lot line adjustment between three of the subject properties (Lot 1, Lot 2 & Lot A). The purpose of the application is to delineate the lands proposed for the public utility, lands that are within the ALR and the remainder of the lands proposed for commercial, residential, park and industrial uses. The CVRD supports the application in so far as it complies with all applicable regulations found in Zoning Bylaw No. 2600 – Electoral Area F – Cowichan Lake South/Skutz Falls. The application has not yet received Preliminary Layout Approval.

ALR Application:

The applicant also put forward an application to the Agricultural Land Commission (ALC) for subdivision and non-farm use. The Agricultural Land Reserve (ALR) application was comprised of two components. Firstly, subdivision to isolate by subdivision a 26 hectare parcel along the ALR boundary. Secondly, a non-farm use approval, as part of the previously identified sewage disposal area, which was proposed to be within the ALR and is not a permitted agricultural use. This application has since been denied by the ALC, and the applicant has revised their proposal.

- **See Attachment B – Conceptual Plan**
- **See Attachment C – Proposed Lot Line Adjustment**

COMMISSION / AGENCY / DEPARTMENTAL CONSIDERATIONS

Advisory Planning Commissions (APC)

The Electoral Area F – Cowichan Lake South/Skutz Falls Advisory Planning Commission reviewed this application February 8, 2016, and passed the following recommendation: *The Area F APC recommends approval of the concept in principle and that the CVRD consider increasing the size of the proposed industrial area and providing a trail corridor between the proposed parkland and South Shore Road to the east.*

- **See Attachment D – APC Minutes**

Agency Referrals

This application has been referred to various external agencies and internal CVRD Departments/Divisions, as listed below. All received responses have been compiled and attached to this report:

- Cowichan Tribes
- Lake Cowichan First Nation
- School District 79
- Island Health
- Ditidaht First Nation
- Ministry of Transportation & Infrastructure
- Honeymoon Bay Volunteer Fire Department
- Town of Lake Cowichan
- Royal Canadian Mounted Police
- Agricultural Land Commission
- Ministry of Agriculture
- Ministry of Environment
- Ministry of Forests and Range Integrated Land Management Bureau Crown Lands and Resources

- **See Attachment E – Referral Responses**

EXISTING DESIGNATIONS & ZONING

Industry

Lot A and Lot 1 are currently designated Industrial (I) and zoned Heavy Industrial (I-2). The Industrial designation is used to indicate lands reserved primarily for industrial uses tied to timber production and forestry related light industrial activities. No policies are directly relevant, as the proposal is to relocate industrial lands, rather than introduce or eliminate the use.

Forestry

Lot A is currently partially designated Forestry (F) and zoned Forest Resource (F-1). The Forestry designation is used to indicate lands reserved primarily for timber production and forest based recreation. No policies are directly relevant in the context of this application.

Agriculture

Lot A is currently partially designated Agriculture (A) and zoned Agricultural Resource (A-1). The Agricultural designation is used to indicate lands reserved primarily for farmland and farming operations. The proposal is to re-designated the lands that are currently outside of the ALR boundary from Agriculture to Servicing. The lands within the ALR boundary that are currently designated Forestry are not proposed to be re-designated to Agriculture, as it would trigger the requirement to remediate the contaminated site. No policies are directly relevant in the context of this proposal.

Full copies of each existing designation are attached.

- **See Attachment F – Map of Existing OCP Designations**
- **See Attachment G – Industrial Designation**
- **See Attachment H – Forestry Designation**
- **See Attachment I – Agricultural Designation**

PROPOSED DESIGNATIONS & ZONING

PROPOSED DESIGNATIONS:

The applicant has applied for an Official Community Plan (OCP) amendment to change the following designations in Electoral Area F – Cowichan Lake South/Skutz Falls:

- 2.1 hectares | Industrial to Mixed Commercial/Residential
- 24.4 hectares | Industrial and Forestry to Urban Residential
- 8.5 hectares | Forestry to Park
- 7.3 hectares | Forestry to Industrial
- 14.9 hectares | Forestry and Agricultural to Servicing

Mixed Commercial/Residential Designation:

A 2.1 hectare area is proposed to be designated as Mixed Commercial/Residential. The designation will permit a mix of local commercial uses as well as multi-family residential. As there is no existing designation within the Area F OCP that allows for this type of development, a new designation (Mixed Commercial/Residential) was created.

A *Mixed Commercial-Residential Development Permit Area* was developed to establish objectives and provide guidelines for the form and character of commercial and residential development and protection of the natural environment.

Urban Residential Designation:

A 24.4 hectare area is proposed to be designated as Urban Residential. The proposal is to allow for a mix of lot sizes (600 m² – 1200 m²) to accommodate a range of housing types. The Urban Residential designation allows for compact forms of residential development. The maximum density currently permitted (excluding roads) when connected to a community water and community sewer is one dwelling per 695 m². As the Urban Residential policies do not support lot sizes smaller than 695 m², an amendment is required. The amendment would allow for 600 m² lots connected to community water and sewer. Additional policies have also been included to strengthen language around housing types, site development, environmental protection and building design.

As the proposal is for an intensive form of residential development, a *Mixed Residential Development Permit Area (DPA)* has been created. The DPA establishes objectives and provides guidelines for the form and character of residential development, protection of the natural environment and protection from hazardous conditions.

Park Designation:

8.5 hectares of area is proposed to be designated as Park. The Park policies encourage park acquisition in the Plan area. Both the Area F Parks Commission and CVRD Parks & Trails Division are satisfied with the park dedication proposal. The transfer of the parkland to the CVRD would be triggered at the time of subdivision.

Light Industrial Designation:

7.3 hectares of land is proposed to be designated as Light Industrial. As the existing Industrial policies focus solely on timber production and forestry related light industrial activities, the general industrial objectives and policies have been amended. The changes include allowing for a diversified mix of industrial uses that add to the employment and economy of the area. The policies also speak to protecting industrial lands from residential encroachment and uses that are more appropriate for village centres.

A new Light Industrial designation was also developed based on the Industrial Land Use Strategy recently commissioned by CVRD's Economic Development Division. The strategy provides a needs assessment analysis that is applicable to this application. The report states that while there is a high concentration of heavy industry-based jobs in the region, there are industrial sectors that have immediate and medium term demand for industrial lands in the region. The sectors include construction and design, manufacturing, specialty food processing, aquaculture, medical and recreation cannabis, technology and clean tech, transportation and warehousing. Recognizing the need to maintain the viability of existing industrial lands, and the diversification of the local employment base, the new Light Industrial designation has been applied to this application.

An Industrial Development Permit Area has been created to establish objectives and provide guidelines for the form and character of industrial development, protection of the natural environment and protection from hazardous conditions.

Servicing Designation

14.9 hectares of is proposed to be designated as Servicing to allow for the waste water treatment facility. Applicable policy states that all sewage effluent disposed of by means of a community owned and operated treatment facility should, as a minimum standard, be required to incorporate primary and secondary treatment. Tertiary treatment is encouraged. The CVRD Engineering Services Department is proposing to construct a primary treatment facility on the site.

Wildfire Hazard Development Permit Area

A new Wildfire Hazard Development Permit Area (DPA) has been prepared that applies to the whole of the four subject properties. The purpose of the DPA is to address the subject properties extreme and high urban wildfire interface risk. The owners should apply to have the entire parcel added to the Honeymoon Bay Fire Protection Local Service Area, prior to any development of buildings or structures.

- **See Attachment J – Draft OCP Amendment Bylaw**

PROPOSED ZONING:

The applicant has also applied to rezone the following lands in Electoral Area F:

- 2.1 hectares | I-2 (Heavy Industrial) to MCR-1 (Mixed Commercial/Residential).
- 24.4 hectares | I-2 (Heavy Industrial) and F-1 (Forest Resource) to MR-1 (Mixed Residential).
- 8.5 hectares | F-1 (Forestry Resource) to P1- (Parks).
- 7.3 hectares | F-1 (Forestry Resource) to I-3 (High-Tech Industrial).
- 14.9 hectares | F-1 (Forestry Resource) and A-1 (Agricultural Resource) to U-2 Public Utility.

Mixed Commercial/Residential Zone (MCR-1):

As no mixed-use zone currently exists in Electoral Area F, a new zone was created. The MCR-1 provides for a mix of small scale commercial, community services and multi-family residential. The zone was developed to be flexible, allowing development that is solely commercial, residential or a mix of the two. The flexibility was written into the zone, as to allow market factors to determine the appropriate and viable use for the area. All parcels within this area must be serviced by both a community water system and a community sewer system as a condition of use. Parcels that are not so connected cannot be subdivided or developed.

Mixed Residential Zone (MR-1):

The area allows for a mix of residential uses including single family dwelling, duplex, triplex and quadruplex. Permitted accessory uses include bed and breakfast accommodation, home occupation, secondary suite and secondary dwelling unit. The parcel sizes range from 600 m² for single family dwelling, 800 m² for duplex, 1000 m² for triplex and to 1200 m² for quadruplex. All parcels within this area must be serviced by both a community water system and a community sewer system as a condition of use. Parcels that are not so connected cannot be subdivided or developed.

Light Industrial Zone (I-3):

The area allows for range of high-tech industrial uses and supporting commercial uses. The minimum parcel area is 1,500 m² and must be serviced by both a community water system and a community sewer system as a condition of use. Parcels that are not so connected cannot be subdivided or developed.

Public Utility Zone (U-2):

The area allows for allows for community servicing infrastructure and utilities, specifically related the provisions of potable water and sanitary sewer servicing and stormwater management. The parcel is proposed to be used for a community sanity sewer system.

- **See Attachment K – Draft Zoning Amendment Bylaw**

PLANNING ANALYSIS

On April 20, 2016, this application was presented to the Electoral Area Services Committee for consideration. Staff's recommendation, at that time, was to amend the Official Community Plan without a complementary zoning bylaw amendment. An OCP amendment would designate future development potential of the lands, but require a rezoning application to determine the details of the development at the point in the future when development would actually be planned and warranted. Staff's recommendation was based on a number of concerns, which Staff still hold today. They include:

- Negative population growth projected for the area to the year 2036;
- Residential Policies that state, applications for residential development should only be considered if there is insufficient supply of residentially zoned land. When there is

indication of a reasonable supply of building sites to satisfy anticipated population growth, residential proposals should be denied or held in abeyance. As there are large areas of pre-zoned, undeveloped land throughout the CVRD, such as Paldi, Youbou Lands, and Ocean Terrace, Staff do not believe there is need to designate and zone for additional residential land.

- Lack of analysis by the applicant to demonstrate the Plan areas need for commercial, multi-family and residential uses.
- The implication for the Plan area as there is already land reserve for future development to the west of the subject properties;
- The anticipated timeline for the development and the CVRD's ability to make appropriate land use decisions in the future;
- The amenity for a sewage disposal field should not drive the approval of a land use application;
- The higher costs associated with sprawling development and associated infrastructure costs; and,
- The premature nature of the application given the community plan review process currently underway for Electoral Area F.

The recommendation by the Committee was to move forward with the application and draft amendment bylaws for consideration. The draft bylaws have been prepared with the following in mind:

- Flexibility: Including various land use options per zone to allow population projections, market demands and community needs to determine the most appropriate land use 10-15 years from now.
- Local Context: Recognizing the existing neighbourhood context to ensure any new development considers the local characteristics and building forms.
- High-Quality Design: Requiring efficient subdivision and lot configurations, landscaping designs and overall building aesthetics.
- Environmental Protection: Ensuring protection of the existing ecosystems and retention of biological diversity.
- Wildfire Protection: Requiring the implementation of FireSmart measures.

The Development Services Division recommendation is **Option 1**.

OPTIONS

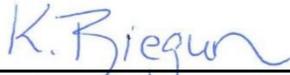
Option 1

That it be recommended to the Board that amendment bylaws for Application No. 01-F-15RS (018-871-020; 017-776-741; 014-178-788; 000-204-706) be forwarded to the Board for consideration of 1st and 2nd Readings;

Option 2

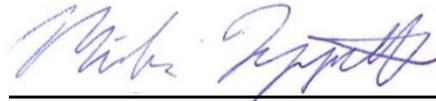
That it be recommended to the Board that Application No. 01-F-15RS (018-871-020; 017-776-741; 014-178-788; 000-204-706) be denied.

Prepared by:

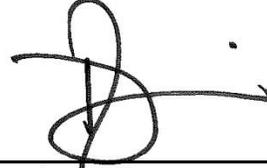


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ATTACHMENTS:

- Attachment A – Aerial Photo
- Attachment B – Conceptual Plan
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