Report

November 20, 2024

Date Subject

OCP Amendment Application for 12.5 Ha Area North of Herd Road

NORTH

Cowichan

File: OCP00031

PURPOSE

To present for early consideration an application to amend the Official Community Plan (OCP) by expanding the Urban Containment Boundary (UCB) and amending the "Future Growth Area" land use designation to facilitate a 12.5 Ha (31 acre) residential and mixed-use development north of Herd Road in the Bell McKinnon area.

BACKGROUND

In August 2022, Council adopted North Cowichan OCP Bylaw No. 3900, which removed the portion of the Bell McKinnon Local Area Plan (BMLAP) north of Herd Road from the UCB and designated it as a "Future Growth Area". This area is intended to be reserved for future growth after other significant growth areas have been built out. In contrast, the properties south of Herd Road are within the UCB and subject to the BMLAP policies. In the area south of Herd Road, a mix of uses and densities are proposed to create a cohesive neighbourhood surrounding the new Cowichan Regional Hospital in the short- to medium term.

On March 6, 2024, Council denied an application identical to the current one by defeating a motion to direct staff to proceed with processing the application. The application was resubmitted on April 30, 2024, prompting the current request for early consideration from Council.¹

PROPOSAL & SURROUNDING CONTEXT

The application includes a land assembly of four parcels: 6846 Bell McKinnon Road (PID: 005-830-061), Lot 3 (PID: 005-649-404), Lot B (PID: 024-188-905), and 6936 Bell McKinnon Road (PID: 024-188-891) (collectively referred to as the "subject property"). The subject property totals 12.5 Ha, stretching from Herd Road north for approximately 450 m along Bell McKinnon Road to within 150 m south of Sprott Road. The parcels are mainly cleared with some treed areas. Two of the parcels each contain a house and several accessory buildings.

The applicant is requesting that the OCP be changed as follows:

- that the UCB be expanded to encompass the subject property;
- that the designation be changed from "Future Growth Area" to "Village Residential" (most of the subject property), "Village Core" (the area immediately at the corner of Herd Road), and potentially a small area designated "Commercial" (adjacent to the highway); and,
- that the BMLAP be reinstated for the subject property.

¹ Note that this application was resubmitted prior to adoption of Development Procedures Bylaw No. 3924 which restricts re-application for the 12-month period after an application is refused by Council.

If approved, this OCP amendment would allow the subject property to be rezoned to accommodate a mix of commercial, employment, and residential uses, in line with what is envisioned for the Bell McKinnon Growth Centre located south of Herd Road.

The surrounding area mainly consists of large rural properties ranging from 0.25 Ha (1/2 acre) to 1.75 Ha (5 acres). The 6 Ha parcel within the subject property is one of the larger parcels in the immediate area. Note that three smaller rural residential properties (6930 Bell McKinnon Road, 6928 Bell McKinnon Road, and 6912 Bell McKinnon Road) are inset into the subject property that is not part of the current application.

The northwest edge of the subject property is adjacent to a multi-unit commercial service property (6961 Trans-Canada Highway), which is part of the small light/service industrial node at the corner of Sprott Road and the Trans-Canada Highway.

For detailed mapping, see Attachments 1, 2, 3 & 4. The Applicant's Rationale is provided in Attachment 5. Note that Council has also received email correspondence related to this file.

DISCUSSION

Summary

The Future Growth Area serves an important purpose within the OCP's growth strategy. Ample land is available for development within the UCB and significant projects are moving forward. The recommendation is to deny the application.

Should Council wish instead to see the application proceed, the recommendation is to review the Future Growth Area designation in its entirety rather than permitting the development of the subject property alone. This is outlined in Option 2 below.

Expansion of the UCB is not currently warranted:

The Future Growth Area designation applies only to this one location north of Herd Road. Its purpose is to "... [reserve] the area for future growth only if and when all other significant growth areas have been built out." This policy prescription aligns with the overall approach to the UCB stated in policy 3.1.2(b), that the Municipality will "Only support significant UCB alterations as part of a comprehensive OCP review, or implementation of a secondary local area or neighbourhood planning process." This proposal represents a significant departure from the growth management section of the OCP, which is one of its core components. The stated condition for consideration of development in this area has clearly not been met.

Expanding the UCB before additional land is required may diffuse development over a larger area and lead to more fragmented growth. More compact growth will reduce the length of time that early residents of the new developments feel that they are living in an area that is under construction and will support the efficient use of infrastructure (see OCP section 3.1. Growth Centres). These goals also underpin the Council Policy, <u>Phasing Plan for the BMLAP</u>, which Council adopted on October 16, 2024. This phasing plan directs incremental development of the BMLAP within the UCB, starting along the Bell McKinnon Road corridor south of Herd Road.

The existing Bell McKinnon Growth Centre, within the UCB, as designated by the OCP, can likely accommodate 6,000 units. The <u>2024 Interim Housing Needs Report</u>, suggests the need for a total of 2,172 new housing units within 5 years and 7,023 new units within 20 years. This means that area of the BMLAP currently within the UCB can accommodate approximately 85% of the housing needed for the entire Municipality for the next 20 years.²

Significant development activity is underway within the UCB:

Significant development activity has occurred and is in progress in the BMLAP area west of the Trans-Canada Highway. Several major residential projects (totaling approximately 800 units) have received zoning approvals. Construction is underway for two multi-family apartment buildings totalling 127 units at the corner of Drinkwater and Ford Roads.

Significant planning is also ongoing in the area east of the Trans-Canada Highway. The Planning Department is currently processing three complete zoning bylaw amendment applications in the area surrounding the new hospital but within the UCB.³ The complete applications total approximately seven gross ha (17.5 acres) of land in the Village Core and Residential High-Density Designations and imply 950+ housing units possible at full build-out in addition to significant amounts of commercial space. There are also projects in the pre-application stage; the three most significant and furthest advanced total an additional nine gross ha (22.5 acres) and approximately 1,200 units in the Residential High-Density and Residential Medium-Density Designations.

Unlike the application currently under consideration, these applications only require zoning bylaw amendments. No OCP amendment is required since they are within the UCB and consistent with the OCP.

It is better to set logical, cohesive UCB and OCP designation boundaries than to proceed with the current application:

Ideally, the UCB and OCP designations should allow logical, cohesive development. An amendment to facilitate only the development of the subject property would not be based on such a justification and might face practical difficulties, considering the dimensions of the subject property. Option 2 below would initiate a process to review the UCB and OCP designation boundaries in parallel to, and in the context of, any Council direction on the continued processing of the application (OCP00031). Option 3 is to proceed with an OCP amendment to facilitate only this proposal, which is the least recommended option.

² If 6,000 units are built in the Bell McKinnon Growth Centre within 20 years, this theoretically leaves only 15% (1,083 units) to be shared between small-scale infill (permitted by existing zoning, per Bill 44) and the other four growth centres designated within the OCP (Chemainus, Crofton, University Village and, Berkey's Corner). In fact, these four growth centres can accommodate significantly more than 1,083 units. For example, the University Village local area plan states that the plan area can accommodate 1,336 new residential units. As well, preliminary estimates suggest that the zoning changes to allow small-scale infill, as required by Bill 44, may result in as many as 3,787 units within 20 years (Licker Geospatial).

³ As of October 30, 2024: Application No. ZB000219 for 6823-6833 Bell McKinnon Road (4.36 ha) and 2850 Herd Road (0.73 ha); Application No. ZB000234 Lot B Bell McKinnon (adjacent to 6620 Bell McKinnon Road) (1.40 ha); and Application No. ZB000221 for 6812 Bell McKinnon Road (0.57 ha)

The subject property represents approximately 25 percent of the land and 40 percent of the potential dwelling yield of the Future Growth Area. The current application is so significant that releasing the subject property from the Future Growth Area essentially undermines the logic of this designation. Should Council wish to see this application proceed, staff recommend removing the entire Future Growth Area and reinstating the BMLAP in full along with the UCB. This would also trigger an update to the phasing plan for BMLAP, which states that "Policies for internal phasing [for] the area within the Future Growth Area into the UCB."

Other variations on the approach identified by Option 2 would retain *some* of the Future Growth Area in the OCP, for example, incorporating into the UCB only the three smaller properties that are inset into the subject property and/or the areas adjacent to Herd Road that are designated Village Core and Residential-High Density in the BMLAP.

OPTIONS

- 1. **(Recommended Option)** THAT Council denies application OCP00031 to amend Official Community Plan Bylaw No. 3900, 2022, to expand the Urban Containment Boundary and change the Land Use Designation to facilitate rezoning for the subject property consisting of PIDs: 005-830-061; 005-649-404; 024-188-404; and 024-188-891.
 - This application requests a significant change to one of the core components of the OCP. Although the proposed development may be suitable/desirable in the future, at this time, there is no need for additional lands within the UCB, and the condition for activating the Future Growth Area has not been met.
- 2. THAT Council directs staff to:
 - a. proceed with processing application OCP00031 and draft an amendment to Official Community Plan Bylaw No. 3900, 2022, for consideration by Council, and
 - b. initiate a separate OCP amendment respecting the remainder of the "Future Growth Area" designation in the Official Community Plan.
 - Staff will bring forward options for amending the OCP along with recommendations for process and public input.
 - Before application OCP00031 can proceed, staff will complete additional steps and review as outlined below in the implications section, which may require the applicant to provide further studies and information.
- 3. THAT Council directs staff to proceed with processing application OCP00031 and to draft an amendment to Official Community Plan Bylaw No. 3900, 2022, for consideration by Council.
 - Before this application can proceed, staff will complete additional steps and review as outlined below in the implications section, which may require the applicant to provide further studies and information.

IMPLICATIONS

Partial refund will be provided if the application is denied:

In accordance with section 2.6.2 of the Development Procedures Bylaw (Bylaw No. 3924), when an application is denied at the "early consideration" stage, the applicant is entitled to a partial refund. In this case, the applicant would be entitled to a refund of \$13,250 of the total \$19,500 application fee.

Additional review and consideration required if the application proceeds:

If Council directs that this application proceed, staff will complete additional steps and review the application, including:

- Technical and formal referrals (both internal & external);
- Consideration of the proposed internal phasing for the subject property;
- Review of the implications for servicing/infrastructure; and,
- Statutory requirements for amending an OCP as set out in Part 14, Division 4 of the *Local Government Act*.

The current application is for an OCP amendment only. If this application is approved, a subsequent application will be required to amend the zoning bylaw. Staff recommended this approach to the applicant because the application requests a significant growth management decision. Council can deliberate on this question now before the applicant invests in preparing a much more detailed zoning amendment application.

If Council directs staff to complete a parallel review of the UCB and OCP Designations as they relate to the larger Future Growth Area, this work could likely be incorporated into the update of the BMLAP that Committee of the Whole authorized at the October 8, 2024, meeting.

RECOMMENDATION

THAT Council denies application OCP00031 to amend Official Community Plan Bylaw No. 3900, 2022, to expand the Urban Containment Boundary and change the Land Use Designation to facilitate rezoning for the subject property consisting of PIDs: 005-830-061; 005-649-404; 024-188-404; and 024-188-891.

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Approved to be forwarded to Council:

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Attachments:

- (1) Location Map
- (2) Orthophoto
- (3) Zoning Map
- (4) OCP Map
- (5) Applicant's Rationale