

**REPORT TO THE
PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE
MEETING OF WEDNESDAY, JUNE 22, 2011**

SUBJECT

Central Saanich Official Community Plan (OCP) and Rezoning Amendment: Proposed OCP Amendment Bylaw No. 1736, 2011 – Lot 9, and portions of Lots 11 and 13, Section 13, R1E, SSD, Plan 1296 – 6700 block West Saanich Road – Peninsula Co-op Supermarket Proposal.

PURPOSE

This report responds to a request from the District of Central Saanich to consider the above-noted application, as it pertains to the District's Regional Context Statement.

BACKGROUND

The District of Central Saanich has referred a proposed OCP amendment to the Capital Regional District (CRD) for review and consideration with regard to their regional context statement (RCS) and Urban Containment Boundary (UCB).

Correspondence received from the District of Central Saanich, dated June 8, 2011, stated:

“At the Regular Council Meeting held June 6, 2011, Council considered third reading of Bylaw No. 1736, 2011 on the Peninsula Co-op Supermarket OCP Amendment. Third Reading was passed and therefore as outlined in the Staff Report, the next process is to refer this Bylaw to the CRD for consideration of acceptance of the amendments to the Regional Context Statement and the Urban Containment Boundary.”

The letter and Bylaw No. 1736 are included in Appendix 1.

The applicant has applied to rezone the subject lands to facilitate the development of a large retail food market 3700m² (40,000 sq ft) in size. The subject site is designated Rural in the OCP and is located outside of the Urban Settlement Area in the OCP and outside the Regional Urban Containment and Servicing Policy Area (RUCSPA) in the CRD Regional Growth Strategy (RGS). Current zoning is Rural Estate 2 (RE-2). The OCP amendment application is to change the land use designation from Rural to Arterial Commercial and to establish a new urban settlement area.

The site is currently used for hay production and receives farm tax status from the BC Assessment Authority. To the south is the Co-op service station, which is spot-designated Arterial Commercial and zoned Service Commercial zone 4 (C-4). Lands to the north and east are designated Rural, zoned RE-2 and developed for rural residential and agricultural purposes. To the west, across West Saanich Road, lands are within the Agricultural Land Reserve (ALR), designated Agricultural and zoned Agriculture (A-1). These lands are used for agricultural purposes. Other commercial developments located at the intersection of West Saanich Road and Keating/Benvenuto including six parcels designated Tourist Commercial and a civic /institutional parcel.

The Council of Central Saanich voted on June 6, 2011 to support amendments to the OCP which:

1. Provides an exception to the policy that restricts new Arterial Commercial development within one kilometre of the Brentwood Bay or Saanichton commercial areas;
2. Requires any extension or upgrading of water and sewer line services to the new urban settlement area known as the Commercial Supermarket Site to be fully borne by the owner.
3. Amends section 12.3.1, Regional Context Statement by creating a new Urban Settlement Area (Commercial Supermarket Site) to accommodate a large supermarket and its accessory office uses. The amendment also states that the Commercial area is consistent with the Regional Urban Containment and Servicing Policy Area (RUCSPA) indicated on Map 3 (Growth Management Concept Plan) in the Regional Growth Strategy. As well it amends the Water and Sanitary Services section by providing an exception for the extension of services to the new Urban Settlement Area where the costs of all extensions and servicing upgrades will be fully borne by the owner.
4. Appendix A is amended by changing the designation of the lands from Rural to Arterial Commercial and by designating the lands as an Urban Settlement Area (Commercial Supermarket Site) on the map.

ALTERNATIVES

1. Notify the District of Central Saanich that the proposed Regional Context Statement amendments pertaining to the referred development proposal described in Report No. PPS/RP 2011-09 are not accepted, for the reasons that said amendments are not consistent with the following parts of the Regional Growth Strategy and attempting to accommodate the proposal by amendment would not achieve consistency over time:
 - a. the Regional Urban Containment and Servicing Policy Area (RUCSPA) indicated on Map 3 (Growth Management Concept Plan),
 - b. the servicing policies of Section 1.1, Action 5,
 - c. the policies of Section 1.1, Keeping Urban Settlement Compact,
 - d. the policies of Section 1.2, Protect the Integrity of Rural Communities,
 - e. the policies of Section 3.1, Build Complete Communities, and
 - f. the policies of Section 4.1, Increase Transportation Choice.
2. Notify the District of Central Saanich that the Board has reviewed the referred development proposal described in Report No. PPS/RP 2011-09 and accepts the Regional Context Statement, as amended.

GROWTH STRATEGY IMPLICATIONS

Regional Context Statement (RCS) Requirements: the RGS is guided by the provisions of the *Local Government Act* (LGA). Section 866 of the LGA requires member municipalities to prepare a RCS following adoption of the RGS. A RCS forms part of a municipal OCP and addresses how local planning and land use policy will work towards the goals and objectives established in the RGS to achieve consistency. RCSs are the key implementing mechanism of the RGS. According to the LGA, the context statement must:

1. Identify the relationship between the OCP and the content of the RGS;
2. If the OCP is not consistent, indicate how the municipality intends to bring itself into consistency with the RGS over time, and
3. Be consistent with the rest of the OCP.

The RCS is subject to acceptance by the Regional Board to ensure that an appropriate level of consistency exists between the local land use plan and the RGS.

The District of Central Saanich's RCS was accepted by the Board in October 2005 (a minor amendment to the RCS was accepted by the Board in October 2009). The RCS includes strong support for the protection of agricultural land and rural character and the containment of urban development (Appendix 2).

Regional Context Statement Consistency Considerations:

The lands are designated as Rural/Rural Residential in the RGS; such designation applies to lands designated in OCPs for rural and rural residential purposes at the date of adoption of the Regional Growth Strategy bylaw. The RGS acknowledges that this policy area also includes pockets of small lot detached, duplex and other housing, and isolated commercial and industrial land uses, in areas of predominantly rural character. The Regional Growth Strategy proposes that these areas remain rural in character with subdivision and development remaining within the designated capacities of OCPs, *as determined at the date of the adoption* of the Regional Growth Strategy bylaw.

The District is seeking to accommodate this proposal through amendments to the OCP and RCS that would:

- Create the need for another urban settlement area to accommodate a use that cannot be characterized as 'rural' or 'rural residential';
- Require the extension of municipal services to the subject site;
- Require amendment to the RUCSPA and necessitate an exception to established servicing policy regarding extensions to new development; and
- Provide an exception to policies that restrict commercial development within one kilometre of existing Urban Settlement Areas.

The subject site is within a kilometre of the two established urban settlements of Brentwood Village and Saanichton. No analysis of alternative sites within either of these urban settlement areas was submitted by the applicant. When questioned by the Advisory Planning Committee as to whether the vacant Home Hardware site on Keating Cross Road or other alternative locations within the urban containment area were considered, the applicant indicated that the principle reason for not considering alternative sites was financial.

These amendments undermine the principles of both the RGS and the OCP as concluded by municipal planning staff in their analysis and by CRD planning staff as outlined in the analysis as follows. The lands are not located within the RUCSPA as outlined on Map 3: Growth Management Concept Map (Appendix 3). Moreover, an exception to the servicing policies would be required to accommodate new development outside of the Urban Settlement Areas as they existed at the time of adoption of the RGS as stated in Section 1.1, Action 5 and Section

1.2, Action 3. In order for there to be consistency with the OCP and the RCS, at a minimum, the RGS Map 3 would need to be revised to designate the lands as within the RUCSPA. However, in order to do this, the RGS would have to create a spot-designation of RUCSPA to recognize the site or else extend the RUCSPA up to a kilometre from either Saanichton or Brentwood Village. Both of these prospects would invite sprawl by unnecessarily expanding the RUCSPA substantially into the rural area.

Beyond the servicing considerations, the proposed development is also contrary to the RGS policies pertaining to keeping urban settlement compact, protecting the integrity of rural communities, building complete communities, reducing dependency on the private automobile and providing for services and economic activity within walking distance of housing and community. The District's RCS specifically seeks to establish economic activity (commercial and industrial) in its Urban Settlement Areas in a manner that is pedestrian-oriented. Facilitating the development of the largest supermarket in the District outside of these areas would be inconsistent with the RCS and RGS, with no prospect of achieving consistency over time.

It should be noted that the OCP supports the development of the lands in the vicinity of the proposal surrounding the intersection of West Saanich Road and Keating/Benvenuto for tourist-oriented uses to support the major tourist attraction of Butchart Gardens. The policies provide support, in principle, to modest re-development proposals at this intersection. The proposed supermarket would be the largest supermarket in the District and is not a re-development proposal nor is it either modest or tourist-oriented. Moreover, the applicant does not seek re-designation to the Tourist Commercial designation contemplated for such re-development proposals.

FINANCIAL IMPLICATIONS

N/A

CONCLUSION

The Council of Central Saanich voted on June 6, 2011 to support amending the OCP to facilitate the proposed Peninsula Co-op Supermarket development and by amending the RCS to facilitate the development. Municipal staff prepared an amendment to the Central Saanich Land Use Bylaw, proposed Bylaw No. 1737 to establish a Co-op Supermarket zone (C-2A).

The District of Central Saanich has determined that the proposed development is consistent with the OCP, the RCS and the RGS as they are proposing amendments to the OCP and specifically to the RCS to accommodate the proposed supermarket development.

The development proposal initiating the proposed amendment to the OCP and RCS is for a large scale supermarket on lands designated Rural/Rural Residential in the RGS. This designation recognizes existing pockets of isolated commercial and industrial land use and may contemplate some re-development such as that indicated in the District of Central Saanich OCP Tourist Commercial designation, however the scale and nature of the proposed supermarket is not intended by these policies. While the apparent community objectives and offsetting measures to curb further large format commercial expansion beyond this proposal is presented in the requested RCS amendment of the District of Central Saanich, based on staff's analysis, on balance the amendment does not advance the agreed on community development strategy to achieve greater consistency with the RGS in the future. To that end, staff recommend that the

RCS not be accepted in that a site-specific amendment to the RGS for this application is contrary to its underlying principles and is not consistent with RGS land use designation and mapping or with several policies. Such re-direction of RGS principles should only be considered within the scope of a comprehensive review and can be addressed during the development of the Regional Sustainability Strategy, at the Board's discretion.

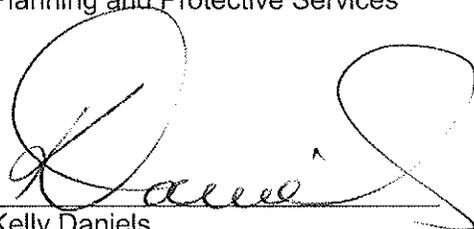
RECOMMENDATION

That the Planning, Transportation and Protective Services Committee recommend to the CRD Board that the District of Central Saanich be notified that the proposed Regional Context Statement amendments pertaining to the referred development proposal described in Report No. PPS/RP 2011-09 are not accepted, for the reasons that said amendments are not consistent with the following parts of the Regional Growth Strategy and attempting to accommodate the proposal by amendment would not achieve consistency over time:

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