TO: Jeremy Holm  
Manager, Current Planning  

FROM: Lainya Rowett  
Senior Planner  

FILE: PL2012-096 / PL2012-097  

SUBJECT: Lakes District & Schooner Cove Zoning Amendment Application Update  

PURPOSE

To provide a status update on the zoning amendment application reviews for the Lakes District and Schooner Cove developments on the Nanoose Bay Peninsula.

BACKGROUND

On December 3, 2013, the Regional Board gave first and second reading to the “Regional District of Nanaimo Phased Development Agreement Authorization Bylaw No. 1692, 2013” in relation to the Lakes District and Schooner Cove rezoning applications. At the same meeting, the Board received correspondence dated November 27, 2013, from Snaw-Naw-As First Nation requesting additional information about the impacts of the proposed zoning amendments and Phased Development Agreement (PDA), and requesting additional time to review the PDA in advance of a public hearing.

The Regional Board directed staff to schedule a public hearing in 2014, rather than in December 2013, in order to allow sufficient time for stakeholder and public review of the proposed amendment bylaws and PDA in advance of the public hearing, and in advance of the consideration for approval of the twenty-year PDA term by the Inspector of Municipalities.

Following the December Board meeting, staff met with the applicant to discuss the next steps towards scheduling a public hearing. Staff also initiated dialogue with the applicant about the creation of a combined Development Cost Charge (DCC) bylaw, as directed by the Board in November 2013, for the Nanoose Bay Peninsula Water Service Area and the Nanoose Bay Bulk Water Service, which would apply to new development in the Lakes District and Schooner Cove. Furthermore, the applicant has been working to confirm the capacity of the Wallbrook wells and staff have had discussions with the applicant regarding the Englishman River Water Service (ERWS) in consideration of future implementation of the PDA terms.

In December, staff provided the requested background information to Snaw-Naw-As, and in January staff provided further information to Snaw-Naw-As to clarify how the proposed zoning amendments and PDA are consistent with the Lakes District Neighbourhood Plan. In particular, the PDA terms address the Notch Option to Purchase Lands which encircle the Notch, as identified within development sub-phase 4C (see Attachment 1). Staff clarified that the Neighbourhood Plan (Policy No. 3.2.4) supports the use of these lands as future park, and the PDA outlines a process for the RDN to acquire these lands (10.2 ha in area) as public park. The PDA as received by the Board at its meeting on December 3, 2013,
includes terms such that concurrent with the first subdivision in Lakes District, the Notch Option to Purchase Lands will be reserved from potential development for a period of five years, during which time the RDN may purchase these lands for a public park.

The land owner is also required to register a Section 219 Covenant over these lands, in accordance with the PDA terms, to prohibit construction and any uses that would significantly devalue the utility of these lands for park purposes within the five-year period of the Option to Purchase. The PDA as received by the Board at its meeting on December 3, 2013, also requires the land owner to register another Section 219 Covenant (Development Cap Covenant) which would prohibit building on these lands until the necessary servicing requirements have been met.

Following Snaw-Naw-As’ completion of elections in late-January, RDN staff met with Snaw-Naw-As in February to discuss their concerns regarding future development of the lands that encircle the Notch, and their request for these lands to remain undeveloped and dedicated as park. While the PDA terms for the option to purchase lands are entirely consistent with the Neighbourhood Plan, Snaw-Naw-As has expressed concern that this arrangement does not adequately ensure that these lands will remain undeveloped. In support of the application and to provide information to the First Nation, the applicant has also been in direct contact with Snaw-Naw-As to discuss their concerns.

The Chair of the RDN Board, Director Holme and RDN staff met with Snaw-Naw-As Chief and Council members and the applicant on February 19, 2014, to discuss Snaw-Naw-As’ concerns and to work towards a resolution of these issues. This was a very productive face-to-face meeting and key ideas were exchanged. Given the issues at hand and the potential to resolve concerns, scheduling public hearing on the zoning amendment and PDA bylaws has been temporarily postponed with the endorsement of the applicant to support these discussions. It is expected that the zoning amendment and PDA bylaws will proceed to public hearing immediately following the conclusion of discussions. Should special RDN Board meetings be required to facilitate the development approval process, accommodations for this can be made.

The following discussion provides an update to the Board on other aspects of the application reviews and the future implementation of the proposed PDA terms.

**DISCUSSION**

*Inter-governmental Implications*

Following the December Board meeting, staff met with the newly appointed Provincial Approving Officer (PAO) to discuss these zoning amendment applications and the future steps towards implementing the neighbourhood plan policies at the subdivision stage. In accordance with the proposed Memorandum of Understanding (MoU) and Section 868 (1) of the *Local Government Act*, the RDN intends to pursue a Part 25 Implementation Agreement to ensure the PAO considers the objectives of the neighbourhood plans (e.g. public access to park areas). It is anticipated that a separate report will be brought forward to seek the Board’s direction for the RDN to enter into an Implementation Agreement.

In November 2013, the Ministry of Transportation and Infrastructure (MOTI) agreed in principle to the applicant’s project specific Design Criteria Sheets for the Lakes District and Schooner Cove developments. The purpose of the criteria is to provide guidance around the design parameters as the developments progress to the subdivision stage. These parameters are consistent with the
neighbourhood plan policies and are intended to reflect current best management practices for road standards, storm water management, use of low speed vehicles, and other consideration. A copy of this information was provided by the applicant to MOTI in December 2013.

Staff continue to work with MOTI to establish clear roles in the future subdivision process specifically concerning the establishment and operation of an RDN drainage service function.

Given the requested twenty-year term, the PDA bylaw will be forwarded to the Ministry of Community, Sport and Cultural Development (MCSCD) for consideration of approval of the PDA term following a public hearing and third reading of the Bylaw. This includes communication on the public consultation process (with all members of the public) and PDA preparation and review process as requested by MCSCD staff. RDN staff have been in contact with the Ministry to provide periodic updates to the staff of the Inspector of Municipalities and the Ministry of Aboriginal Relations and Reconciliation (MARR) regarding the RDN’s discussions and information sharing with Snaw-Naw-As First Nation. Approval from MSCSD will be required prior to consideration of bylaw adoption.

**ALTERNATIVES**

Receive this report for information only.

**SUMMARY/CONCLUSIONS**

In December 2013, the Board gave first and second reading to the Lakes District and Schooner Cove PDA Authorization Bylaw No. 1692 and directed that a public hearing be scheduled in 2014 concurrently for this bylaw and the proposed land use and subdivision servicing amendment bylaws No. 500.384, 500.385 and 500.388. Subsequently, staff provided background information to Snaw-Naw-As First Nation, as requested in its letter to the Board dated November 27, 2013. Staff maintained dialogue with MOTI and the applicant regarding a number of key aspects of these developments such as the establishment of a drainage service area, the development of a combined DCC bylaw for water service, and confirmation of capacity in the Wallbrook wells and ERWS. Staff also provided updates to MCSCD and MARR regarding information-sharing with Snaw-Naw-As and the Nation’s concerns regarding potential development of the Notch Option to Purchase Lands.

The RDN met with Snaw-Naw-As representatives and the applicant on February 19, 2014, to discuss Snaw-Naw-As’ concerns and to work towards a resolution of these issues. This was a very productive face-to-face meeting and key ideas were exchanged. Given the issues at hand and the potential to resolve concerns, scheduling public hearing on the zoning amendment and PDA bylaws has been temporarily postponed with the endorsement of the applicant to support these discussions. It is expected that the zoning amendment and PDA bylaws will proceed to public hearing immediately following the conclusion of discussions. Should special RDN Board meetings be required to facilitate the development approval process, accommodations for this can be made.

**RECOMMENDATION**

That the Board receive this report for information.