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**To:** Mayor and Council  
**From:** Paul Gipps, CAO  
**Meeting Date:** January 14, 2024  
**Meeting Type:** Regular Council Meeting

**Prepared by:** Ruth Sulentich, Economic Development and Public Engagement Specialist  
**Department:** Planning and Development

**Title:** Zoning Amendment Bylaw 1243, 2024 | Z0000339 | Strata Hotel / Motel Secondary Use  
**Description:** Addition of Strata Hotel/Motel as a Secondary Use to 9652 and 9654 Benchland Drive Zara at Lakestone

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## RECOMMENDATION

Council consideration of options listed under Alternate Recommendations.

## EXECUTIVE SUMMARY

On November 5, 2024 a Public Hearing was held to consider amending the Direct Control Zone for Lakestone (DC3) to clarify secondary uses to include Strata Hotel/Motel to allow for short term rentals. At the well attended public hearing, Council heard from several members of the public, specifically those who live in the Lakestone Community.

Overall – community members who spoke or wrote to Council prior to the hearing, have the following concerns if Zara has Strata Hotel/Motel added as a Secondary Use:

- *Lakestone Master Plan is outdated and should not be upheld;*
- *Decrease of property values if zoning is amended;*
- *Disrespect for the neighbourhood, specifically noise; and*
- *Increase of traffic and parking constraints.*

## DISCUSSION/ANALYSIS

### Lakestone Master Plan is outdated and should not be upheld:

Council adopted the Updated Lakestone Master Plan (May 8, 2012) which includes the following policy:

- Vacation rentals in the Benchlands neighbourhood in up to 120 resort residential units.
- Centrally located 80-unit condominium proposed as a strata-titled resort.

Property owners in Lakestone should be aware and have access to the 2012 Master Plan as it is available on our website and was registered on the title of each property. The Master Plan is meant to provide guidance for future Council decisions pertaining to Lakestone.

If Council approves the amending bylaw the owners of the units as a *Strata* would be permitted to have Strata Hotel/Motel as a secondary use if they could meet the provincial conditions. The owners in the *Strata* would be required to make the decision to operate as a Strata Hotel. If owners adopt a Strata Hotel model, the Strata will determine and manage, through Strata Bylaws:

- Length of stays;
- Parking and parking restrictions;
- Noise mitigation; and
- Guest conduct.

Strata Bylaws must be developed in accordance with District Zoning and Bylaws and Provincial Legislation.

**Decrease of property values if zoning is amended:**

BC Assessment data released January 2025 - confirms that property values along Benchland Drive and surrounding areas have remained steady along with moderate increases over 2024, despite active construction at the Zara site. The Districts experience indicates that once construction of Zara is completed in 2025, it is likely that property values along Benchland Drive will increase due to the neighbourhood being occupied and construction and restoration of the development being completed.

**Disrespect for the neighbourhood, specifically noise:**

In the District's experience conduct of homeowners, renters and visitors related to short term residential, that shares amenities, have in some situations created complaints around noise and parking. As in all complaints with strata properties this would require the Zara property owners and Strata management to manage and rectify issues that may present themselves once the building is occupied. It is anticipated that there will be a several full-time homeowners living at the property and it would be probable that issues would be brought to the strata's attention early in the complaint process for the Strata's consideration and if not resolved the District's Bylaw Department would become involved.

**Increase of traffic and parking constraints:**

Dominium Inc. has confirmed that Zara will have a total of 155 parking spaces.

- 128 for residents
- 12 allocated for visitors
- 15 allocated for commercial

If a condo owner temporarily rents out their unit, the expectation of the Strata would be that the renter(s) will park in the owners assigned spot and/or visitor parking. The District of Lake Country would continue to regulate on-street vehicle parking as per the Highways Bylaw. Parking of boats and/or boat trailers will not be permitted on the street.

It is not anticipated that traffic will be significantly impacted if the property is operated as a Strata Hotel. If owners choose to rent their unit – the impact to traffic will likely be similar as the owner of the unit would not be parking or driving in the area during the rental period.

**APPLICABLE LEGISLATION, BYLAWS AND POLICY**

B.C.'s short-term rental legislation allows Strata Hotels/Motel to operate as short-term vacation rentals, providing the strata complies with all regulations set out in the [legislation](#). If the Strata Hotel/Motel has appropriate municipal zoning and meets requirements set out within the B.C. legislation and municipal bylaws- property owners can be exempt from the Province's principal-residence requirement for short-term rentals, which went into effect on May 1, 2024.

Hierarchy for management of Strata Hotel/Motel is as follows:

- Provincial Legislation and Regulations
- District of Lake Country Zoning & Bylaws
- Strata Bylaws

**SUMMARY:**

If Council chooses to amend DC3(Lakestone) Zoning to include "Strata Hotel/Motel" for the Zara at Lakestone property:

- Amendment would only impact the Zara Development property.

- Strata Hotel language would provide the necessary secondary zoning use to allow owners to offer vacation rentals in accordance with Provincial Legislation, Regulations, District Zoning and Bylaws and Strata Bylaws.
- Strata Hotel Zoning is aligned with the Council adopted Lakestone Master Plan.
- Including Strata Hotel provides clarity and consistency to the definition of Recreational Tourist Accommodation within District Zoning Bylaws.

#### **FINANCIAL IMPLICATIONS**

- None                       Budget Previously Approved     Other (see below)

If the District of Lake Country were to apply in the future for the Municipal and Regional District Tax Program (MRDT) revenues of up to 3% could be collected on all short-term vacation rentals including Strata Hotels/Motels. The MRDT was identified as an action item within the Lake Country Tourism Strategy endorsed by Council in 2024.

#### **ALIGNMENT WITH MASTER PLANS**

- Tourism Plan

#### **ALTERNATE RECOMMENDATIONS**

1. THAT Zoning Amendment (Z0000339) Bylaw 1243, 2024 be amended by adding the following text at the end of item (g): “where a maximum of up to 43 units (50%) are permitted to be used as Short Term Vacation Rentals at any one time, and a minimum stay of five nights is required.”  
AND THAT Zoning Amendment (Z0000339) Bylaw 1243, 2024 be read a third time as amended.
2. THAT Zoning Amendment (Z0000339) Bylaw 1243, 2024 be amended by adding the following text at the end of the item (g): “where a maximum of up to 26 units (30%) are permitted to be used as Short Term Vacation Rentals at any one time, and a minimum stay of five nights is required.”  
AND THAT Zoning Amendment (Z0000339) Bylaw 1243, 2024 be read a third time as amended.
3. THAT Zoning Amendment (Z0000339) Bylaw 1243, 2024 be read a third time.
4. That first and second reading of Zoning Amendment Bylaw 1243, 2024 be rescinded and the file be closed.

Respectfully Submitted.

**Ruth Sulentich, Economic Development and Public Engagement Specialist**

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**Report Approval Details**

Document Title:	Z0000339 - Recreational Tourist Accommodation Interpretation .docx
Attachments:	- Attachment A - Zoning Amendment Bylaw 1243, 2024 V04.pdf
Final Approval Date:	Jan 9, 2025

This report and all of its attachments were approved and signed as outlined below:

**Reyna Seabrook, Director of Corporate Services - Jan 8, 2025 - 10:45 AM**

**Jeremy Frick, Director of Development Approvals - Jan 8, 2025 - 4:55 PM**

**Paul Gipps, Chief Administrative Officer - Jan 9, 2025 - 12:48 PM**