

Zoning & OCP Amendment at 101 Martin Street

Prepared by: Regional District of Okanagan-Similkameen

For: City of Penticton

October 2025



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PART 1 EXECUTIVE SUMMARY



The Regional District of Okanagan-Similkameen (RDOS) is relocating its corporate offices in 2026 and intends to sell the current headquarters located at 101 Martin Street, Penticton. To ensure the highest financial return for taxpayers and to maximize the benefits for the community, the RDOS proposes to rezone both parcels of land from P1 - Public Assembly zoning to C5 – Urban Centre Commercial, and to amend the Official Community Plan (OCP) designation to Downtown Mixed-Use. This strategy will increase the value of the land, enable higher-density mixed-use development, and align with the City’s Official Community Plan goals for revitalization, housing supply, and economic growth.

PART 2 BACKGROUND AND PURPOSE

The RDOS Board has approved the relocation of its corporate offices to 3547 Skaha Lake Road, consolidating operations into a modern facility that will serve as the primary office, emergency operations centre, and public service hub. This decision followed a successful Alternative Approval Process and comprehensive due diligence, including environmental assessments, building inspections, and market appraisals. As a result, the current RDOS corporate office site at 101 Martin Street, which consists of two parcels, will be sold to recover value from the land asset. However, its current zoning and OCP designation is a function of history, limiting redevelopment potential and therefore reducing its market value.

RDOS staff have met with the City of Penticton planning staff, who indicated that several planning documents support the proposed land use change for 101 Martin Street.

This report provides the justification for rezoning and OCP amendments to maximize the property’s value, enhance downtown vibrancy, and directly address Penticton’s housing and economic development goals.

PART 3

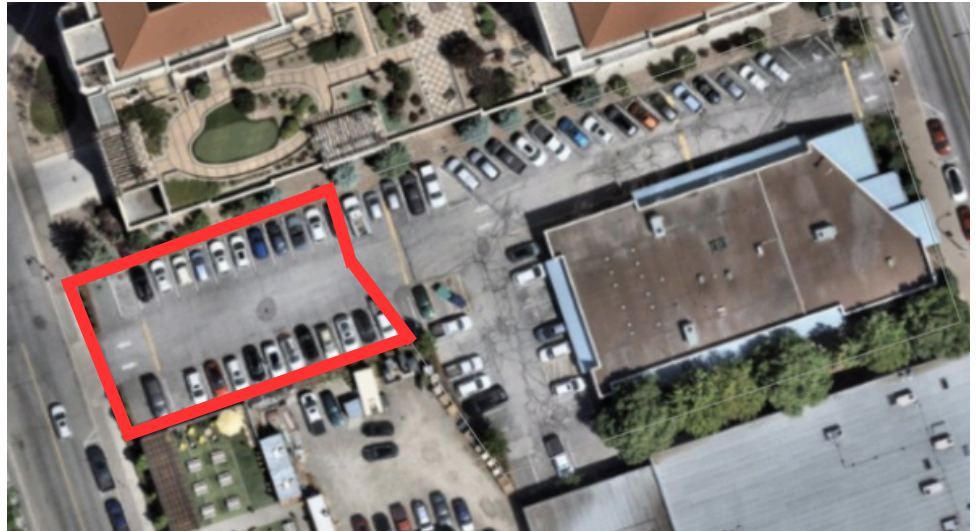
SITE OVERVIEW - 101 MARTIN



The site consists of two RDOS-owned parcels:

Parcel 1

- PID: 025-418-211
- Legal Description: LOT 4, PLAN KAP71211, DISTRICT LOT 4 202, SIMILKAMEEN DIVISION YALE DISTRICT PLAN
- **Current Zoning: P1 Public Assembly**
- **OCP Designation: Civic/Institutional**
- Size: Approx. 0.197 acres



Parcel 2

- PID: 025-418-190
- Legal Description: LOT 2, PLAN KAP71211, DISTRICT LOT 4 202, SIMILKAMEEN DIVISION YALE DISTRICT PLAN
- **Current Zoning: P1 Public Assembly**
- **OCP Designation: Civic/Institutional**
- Size: Approx. 0.749 acres

PART 4 CURRENT ZONING & OCP DESIGNATIONS



The current P1 - Public Assembly zoning restricts development to institutional uses. The Civic/Institutional OCP designation reinforces these restrictions, limiting the property's redevelopment potential. Maintaining these designations results in limited future development options and restricted market demand.



PART 5 PROPOSED CHANGES



Rezoning from P1 Public Assembly to C5 – Urban Centre Commercial, combined with an OCP amendment to Downtown Mixed-Use for both parcels, will unlock the site's full potential. C5 - Urban Centre Commercial zoning permits a broad mix of commercial, retail, office, and residential uses, supporting higher-density, mixed-use development in the downtown core.

PART 6 COMMUNITY BENEFITS



Housing Supply and Affordability

According to the City of Penticton Housing Needs Assessment (2023), the city requires 240–380 new housing units per year, including 70–120 rental units, to meet demand. Vacancy rates remain critically low (1.1% in 2022). Updated projections in 2024 show the city will need 6,300 new units by 2046 to accommodate roughly 7,500 new residents. Rezoning the site to C5 - Urban Centre Commercial will enable mixed-use residential development that directly addresses these housing shortages.

Economic Development and Tax Revenue

C5 - Urban Centre Commercial zoning will attract private-sector investment, increase downtown activity, and expand the City's tax base. The higher land sale price achieved through rezoning ensures maximum financial return for taxpayers.

Alignment with Penticton OCP and Growth Strategy

The OCP envisions Penticton as a connected, vibrant, prosperous, and healthy city. The Downtown Mixed-Use designation supports complete communities, diverse housing, and a walkable urban environment. This proposal directly aligns with these goals.

PART 7 RISKS OF MAINTAINING CURRENT ZONING



If the zoning and OCP remain unchanged, the City risks:

- Reduced taxpayer benefit
- Lost opportunity for downtown revitalization
- Continued housing shortages and affordability challenges
- Inconsistency with OCP priorities and housing strategies

PART 8 CONCLUSION & NEXT STEPS

The RDOS is seeking the City of Penticton's support to rezone both parcels at 101 Martin Street to C5 – Urban Centre Commercial and amend the OCP to Downtown Mixed-Use. These changes will maximize taxpayer value, expand the housing supply, and strengthen the economic vitality of Penticton's downtown.

Respectfully,

Mark Pendergraft
RDOS Board Chair