



UB-1

POLICY REPORT URBAN STRUCTURE

Report Date: July 7, 2009
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Meeting Date: July 28, 2009

TO: Vancouver City Council
FROM: Director of Planning
SUBJECT: South Vancouver Industrial Area Issues and Directions

RECOMMENDATION

- A. THAT, as outlined in the South Vancouver Industrial Area Issues and Directions Paper (Appendix A), Council confirm the retention of the existing industrial zoning in the South Vancouver Industrial Area, except for limited and strategically located lands immediately around the Canada Line Marine Drive Station, where opportunities will be reviewed for non-residential, job intensive uses as part of the Cambie Corridor Planning Program.
- B. THAT staff continue to work with the local community and nearby landowners to review, augment and implement policies to enhance public access to the Fraser River waterfront while balancing the needs of industry.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of the foregoing.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

COUNCIL POLICY

Industrial Lands Policy

The importance of industrial lands is reflected in several City policies:

Industrial Lands Policies (1995): In response to increased pressure on the City's industrial land base, Council adopted the Industrial Lands Policies to retain an appropriate land base for the City's industry and service businesses and to meet the needs of port- and river-related industry and city-serving and city-oriented industries. The policies also provide for the strategic and limited consideration of changes to the industrial zoning schedules to achieve other city goals.

CityPlan (1995): Ensure that areas for industry are kept so that industries and businesses that serve the city, such as printing, repair services, and warehouses, can be close to customers and workers.

EcoDensity (2008): Protect and ensure proper space for diverse jobs, shopping and economic activity close to home for a balanced, resilient city with minimal commuting as the city grows, including protection of key commercial and industrial districts for economic activity rather than housing.

Guiding Principles Economic Development in the City of Vancouver (City of Vancouver Economic Development Commission, 2006): Preserve an adequate supply of industrial and commercial zoning to maintain and attract highly skilled, creative and well-paid jobs close to where people live, and to provide city-serving uses.

Ensure an adequate supply of industrial and commercial land to accommodate the evolving needs of changing industries and that land use planning is in a regional context.

City's Response to the Draft Regional Growth Strategy (May 21, 2009): As part of the City's review of the Draft Regional Growth Strategy, Council endorsed the intent of protecting a core regional industrial base. The need to identify strategic industrial land in the region and to protect it for industrial use through regional regulations -- with the details of the regulatory process to be worked out with all municipalities -- was recognized. The City's response notes that the industrial land use regulation should allow for an acceptable level of flexibility and municipal self-determination, including flexibility for municipalities to permit non-industrial land uses at rapid transit stations, along with criteria for industrial land protection at these locations.

Rapid Transit Policy

Existing City policies, plans and charters provide the framework for planning with transit as a defining element. For example CityPlan, the Community Climate Change Action Plan and the EcoDensity Charter all provide direction on how communities can evolve to take advantage of the opportunities enabled by transit. These policies all focus broadly on concentrating activity around rapid transit.

Program Direction

On June 29, 2006, Council approved in principle, subject to a detailed report back on work plans, priorities, and possible resourcing from other departments, the assignment of a planning team to the Marpole Industrial Lands.

PURPOSE

The purpose of this report is to seek Council direction on the future of the South Vancouver Industrial Area. The report recommends that Council confirm the existing industrial zoning in South Vancouver, except for a limited area located in close proximity to the Marine Drive Station where opportunities will be reviewed for more intensive forms of non-residential, employment generating development as part of the Cambie Corridor Planning Program.

Further, given existing policy and the desire of the surrounding community to achieve public access to the Fraser River, the report also recommends that staff continue to work with the community and landowners adjacent to the Fraser River to review, augment and implement policies to enhance public access to the riverfront while balancing the needs of industry.

BACKGROUND

Industrial Lands in the City of Vancouver

An industrial land base is a critical and necessary component of a resilient and adaptive economy and contributes to the overall health and sustainability of the City. Industrial uses are diverse and include manufacturing, distribution, warehousing, wholesaling, repair and processing services. Many industrial uses support other sectors within the City such as retail and hospitality and they provide day to day services such as repair and construction. Industrial lands also provide critical space to support Port operations.

Typically, industrial uses are incompatible with residential and commercial uses. Industrial activity results in noise, dust, and odour which are often offensive to other land uses. Further, industrial uses require relatively lower land values to remain economically viable. For industrial areas to remain viable, relatively lower land values and separation from other activities are required.

In Vancouver, industrial land prices have risen steadily and are the most expensive in the region. In general, this is due to a limited land supply and high demand for locations with easy access to the City's customers, suppliers and labour pool. Over the past four decades, Vancouver has seen a 30% decline in its supply of industrially zoned land (2,400 acres in 1968 and 1,677 acres in 2008).

Recognizing the importance of industrial lands in an urban context, Council adopted the Industrial Lands Policies in 1995. These policies call for the retention of the City's industrial land base for industry and service businesses and they strive to meet the needs of port/river related industry and city-serving and city-oriented industries. The policies also provide for the strategic and limited consideration of changes to the industrial zoning schedules to achieve other city goals. A broader definition of industrial uses and expanded opportunities for office use are two examples of such changes. Since the Industrial Lands Policies were adopted, industrial lands were also modified to accommodate high-tech uses (False Creek Flats) and limited mixed-use development (Burrard Slopes).

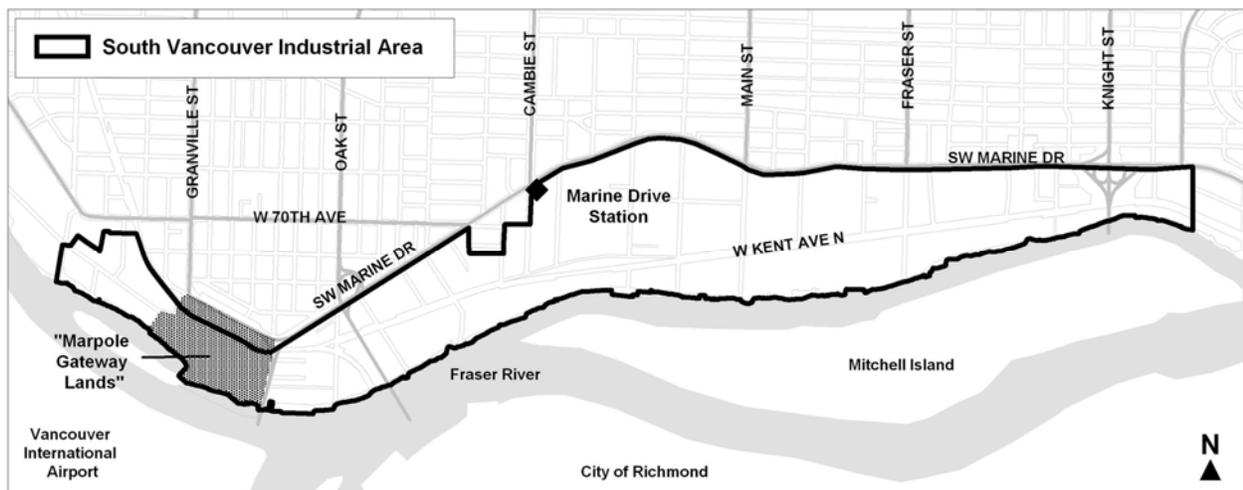
In June 2003, Council confirmed its support for the Industrial Lands Strategy and the goals of retention and protection of the City's industrial lands. Council stated that it would not permit further reduction of industrial lands without a comprehensive review of the needs of industry, transportation and servicing of the downtown and other businesses in the City.

On May 21, 2009, as part of the City's review of the Draft Regional Growth Strategy, Council endorsed the intent of protecting a core regional industrial base. The need to identify strategic industrial land in the region and to protect it for industrial use through regional regulations -- with the details of the regulatory process to be worked out with all municipalities -- was recognized. The City's response notes that the industrial land use regulation should allow for an acceptable level of flexibility and municipal self-determination, including flexibility for municipalities to consider employment intensifying and non-industrial land uses at rapid transit stations, along with criteria for industrial land protection at these locations.

South Vancouver Industrial Area

The South Vancouver Industrial Area represents more than one-third of the remaining industrial land in the City and it supports over 10,000 jobs. It is also the most affordable of Vancouver's industrial precincts thereby offering one of the best opportunities for the development of new industrial businesses. The area is bounded by Angus Drive, South West Marine Drive, Argyle Street and the Fraser River. The Canada Line Marine Drive Station is located at Cambie Street and South West Marine Drive.

In the past decade, structural shifts in the economy have seen the closure of some large scale operations in the area, particularly associated with the forestry sector. Some of these sites are currently vacant and contribute to a perception that the industrial lands are under-utilized. In some cases, the owners of these sites have been awaiting a planning policy review prior to making future plans for their sites.



In 2005, the Fraser Basin Council (a local non-governmental organization) facilitated two community meetings to discuss the future of the "Marpole-Gateway Lands" -- generally the westerly portion of the South Vancouver Industrial Area, bounded by South West Marine Drive, Hudson Street, Milton Street and the Fraser River (see map above). The meetings were convened in response to requests from a range of individuals and organizations (including landowners and Marpole residents) to explore different futures in the area. Many local residents indicated a desire to establish better recreational access to the Fraser River waterfront although the challenges of integrating pedestrian and cycling facilities in an area of active industrial and water-related business activity was recognized. The City's Co-

Director of Planning attended the meetings and noted that any future land-use decision for the area would be informed by a review of city-wide industrial land requirements and a review of land use and economy links (i.e. the Metro Core Study).

On June 29, 2006, Council approved in principle, subject to a detailed report back on work plans, priorities, and possible resourcing from other departments, the assignment of a planning team to the Marpole Industrial Area. In response to Council's direction, staff initiated background work for a Terms of Reference for Council's consideration. This work included consideration of the broader industrial area along the Fraser River as well as trends and issues related to industrial lands from a city-wide perspective. Because of the broader industrial context and given the proximity of the Canada Line Marine Drive Station which can be expected to encourage transit ridership, the geographic scope of this work was expanded to include all industrially zoned land in the South Vancouver Industrial Area.

DISCUSSION

With the completion of this expanded background work, staff has concluded that the most appropriate course of action at this time is to focus the scope of further planning work for the South Vancouver Industrial Area. Specifically, the recommendations of this report are:

- A. To confirm the retention of the existing industrial zoning in the South Vancouver Industrial Area, except for limited and strategically located lands immediately around the Canada Line Marine Drive Station, where opportunities will be reviewed for non-residential, job intensive uses as part of the Cambie Corridor Planning Program; and
- B. To continue to work with the local community and nearby landowners to review, augment and implement policies to enhance public access to the Fraser River waterfront while balancing the needs of industry.

These recommendations are based on the findings of the background research, reconciled with the City's industrial land needs as well as its intentions of facilitating a higher intensity of uses around rapid transit stations.

The background work has included a review and analysis of:

- existing and emerging City and Metro Vancouver policy;
- recent market data and trends;
- historical and existing industrial land supply;
- BC Assessment data; and
- Statistics Canada data.

In addition, a comprehensive survey, sent to all businesses in the South Vancouver Industrial area, was completed in January 2009. The objective of the survey was to develop a better understanding of business activities, characteristics, preferences and future goals.

Background data collection, research and initial analysis are now complete and the findings include the following:

City-Wide Findings

- Industrial lands are a critical component of a functioning and self-sustaining City and diverse economy, supporting other businesses and sectors.

- Locating industrial uses within close proximity to suppliers, customers and workers, contributes to sustainability in several ways, including reducing traffic congestion and greenhouse gas emissions.
- Industrial lands provide important space for jobs, including green jobs.
- Historically, the supply of industrial land within the city has declined over time. Between 1968 and 2008, the supply of industrial land has declined from approximately 2,400 acres to 1,677 acres which represents a 30% reduction. In response, the City adopted the Industrial Lands Policy in 1995 to protect and support its industrial lands. Despite these policies, the City continues to experience ongoing pressure to convert industrial land to other uses such as retail, housing and office.
- Demand for industrial lands has remained consistent and is expected to grow due to a desire for locations with easy access to the City's customers, suppliers and labour pool.
- A limited supply of and increasing demand for industrial land are reflected in relatively high land prices and low vacancy rates (1.7% for the first quarter of 2009). Industry analysts note that a vacancy rate around 4% is considered balanced.
- Industrial uses are generally incompatible with residential and commercial uses and they require relatively lower land values to remain economically viable. Allowing more intensive and alternative higher value land uses in industrial areas tends to promote development speculation and introduces adjacency conflicts. This will eventually destabilize and potentially displace industrial uses.

South Vancouver Industrial Area Findings

- This industrial area supports over 10,000 jobs (3% of all jobs in the City and 22% of all industrial jobs in the City). Generally, businesses are small-scale, with fewer than ten employees, and having a focus in manufacturing, wholesale, distribution, repair, construction and retail.
- Overwhelmingly, owners and tenants in the South Vancouver Industrial Area believe the area is a good place to locate their businesses (95% provided this response in a survey sent to all owners and tenants).
- The South Vancouver Industrial Area represents the largest share of industrial land amongst industrial areas in the City. It is also the most affordable and offers significant opportunity for development of new industrial businesses.
- The South Vancouver Industrial Area is strategically located to take advantage of road, airport, transit, water and rail connections and provides close connections to customers, suppliers and employees.

The findings make it evident that unique industrial areas such as the South Vancouver Industrial Area are vital for the kind of diverse economic base that will continue to make Vancouver a sustainable, economically resilient city.

Canada Line - The Opportunity of Rapid Transit

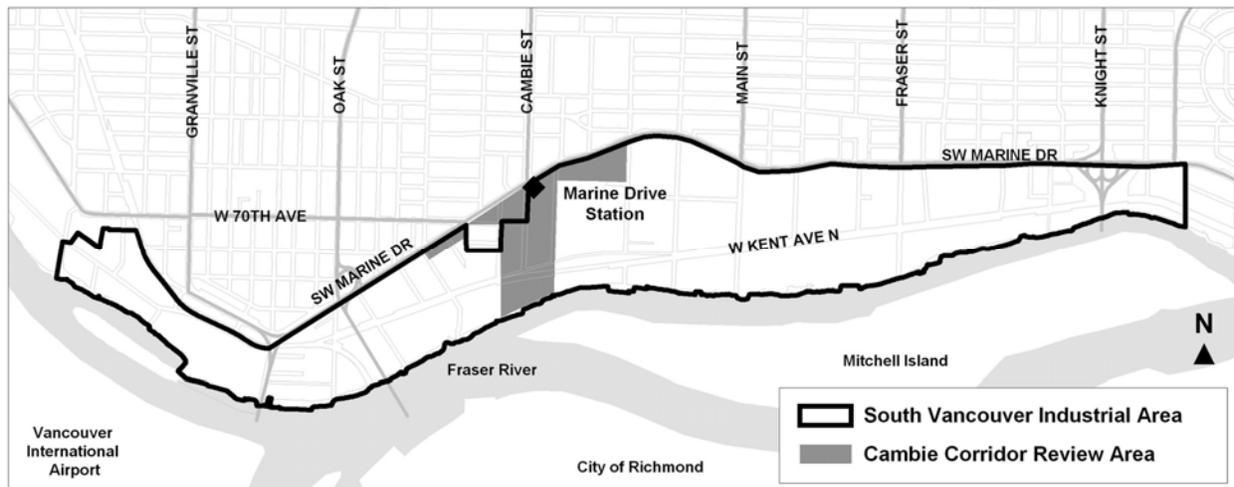
While protection of the industrial land base is vital for the City's future, it is also important to consider other City goals such as supporting rapid transit investments and ridership by facilitating a higher intensity of uses around stations. This is particularly relevant in South Vancouver, given the location of the Marine Drive Station.

The Marine Drive Station is the most southerly Canada Line Station in Vancouver and will be completed in 2009. Canada Line is a 19 kilometre rapid transit route that will link Vancouver with Vancouver International Airport and Central Richmond. The line will also connect with

existing rapid transit lines in downtown Vancouver and other east-west transit services across the City. It is a large-scale infrastructure project that is expected to be a catalyst for growth and change.

Recommendations

The recommended approach that is based on the findings of the background work, reconciled with the City's overall industrial land needs and objectives as well as its rapid transit goals, is to confirm the existing industrial zoning in the South Vancouver Industrial Area, except for a limited precinct located in close proximity to the Marine Drive Station where opportunities will be reviewed for more intensive forms of employment generating development as part of the Cambie Corridor Planning Program (see map below).



In the South Vancouver Industrial Area, this would provide for a review of strategically located and designed non-industrial, non-residential, job-intensive uses at higher densities and in more urbane forms and designs in close proximity to the Marine Drive transit station. For the remainder of the South Vancouver Industrial Area, it is recommended that the existing industrial zoning be retained. Further, as also outlined in the report addressing the Cambie Corridor Planning Program, residential uses are not recommended for consideration on any existing industrial land in South Vancouver for several reasons including:

- Significant concern regarding incompatibility of uses and associated expected resident complaints and justifiable concerns regarding livability, noise, trucks, odours and other nuisances. Examples of uses incompatible with residential uses include the City Waste Transfer Station, the City Manitoba Works Yard (which operates from 7 a.m. to 1 a.m. to maintain and outfit heavy equipment and vehicles and is operational 24 hours a day during snow events), and other existing or anticipated future industrial uses and/or expansions. It is fully anticipated that industrial and city-service uses considered by residents to be incompatible with residential uses, will seek to locate and expand in the industrial area. Such uses (i.e. waste recycling, energy systems, etc.) are having increased difficulty finding sites within the City that are not constrained by concerns of residential nuisance and incompatibility. This could have a growing effect on the city's diverse economy, jobs and environmental sustainability. It is counter-intuitive, but accurate to note that in this context, it tends to be the resident that is the potential nuisance to the industrial

- operator -- either existing or anticipated future operator -- even where warnings about potential nuisances are provided.
- Destabilization of the industrial land base due to a perceived lessening of industrial expansion viability due to increase residential objections; expectations of other industrial property owners for similar development rights; and the associated impact on surrounding land values.
 - The general lack of residential amenities in industrial areas.

Finally, noting the importance of access to the Fraser River as well as important habitat and community values, staff is recommending that the City continue to work with the local community and with nearby landowners to review, augment and implement policies to enhance public access to the Fraser River waterfront while balancing the needs of industry.

CONSULTATION

The following groups, residents and stakeholders have been consulted in the development of this report:

Vancouver Economic Development Commission

The Vancouver Economic Development Commission (VEDC), an agency of the City of Vancouver, has reviewed this South Vancouver Issues and Directions report and supports both recommendations of this report. VEDC's support is based on three economic development priorities:

1. preservation of industrial lands for employment activities that are not readily integrated into other parts of the city;
2. creation of thriving mixed commercial/residential use economic "hubs" that increase economic activity, reduce GHGs, increase livability and serve their surrounding, predominantly residential areas; and
3. making maximum use of high quality transit to foster "hub" growth and provide optimal financial return on transit investments.

The complete comments of the VEDC, related to both the Cambie Corridor and South Vancouver Industrial Area, can be found in Appendix B.

Community Open Houses

Two Open Houses were held in June 2008 to gain an initial understanding of resident and stakeholder issues or concerns relating to the Marpole Industrial and Marine Drive Station Areas. Approximately 170 people attended the Open Houses. Generally, the need for industry and a more diverse mix of business types within the area was recognized as was the need for higher intensity development immediately around the station area. Attendees at the Open House identified a number of themes that they felt should be addressed through the planning work which included improved access to the river, opportunities for enhanced parks and open spaces, traffic mitigation, consideration of safety and security issues and consideration of community amenities and services.

South Vancouver Industrial Lands Survey

A comprehensive survey was sent to all businesses in the South Vancouver Industrial area (595 surveys were mailed out) and was completed in January 2009. The objective of the survey was to develop a better understanding of business activities, characteristics, preferences and future goals. Results of the survey are summarized in Appendix A - South Vancouver Industrial Area Issues and Directions.

Notification

A letter has been sent to all industrial owners and tenants in the South Vancouver Industrial Area, advising them of staff's recommendation, the anticipated meeting date at which the recommendation will be considered as well as instructions on how to address Council. In addition, interested groups including the National Association of Industrial and Office Properties (NAIOP), Port Metro Vancouver, Board of Trade, Urban Development Institute, Vancouver Airport Authority, Translink and affected citizen's groups (i.e. Marpole Area Network) have been advised of the staff recommendation and anticipated meeting date.

FINANCIAL IMPLICATIONS

There are no financial implications.

PERSONNEL IMPLICATIONS

If Council adopts staff's recommendation, the staff resources approved in principle for the Marpole Industrial Lands study would focus on the scope of work described herein and would integrate with other staff resources to more intensively focus on the Cambie Corridor Planning Program.

ENVIRONMENTAL IMPLICATIONS

The South Vancouver Industrial Area contributes to the City's environmental sustainability in the following ways. The area:

- provides diverse economic activity and city serving uses in close proximity to suppliers, customers and workers, thereby reducing traffic congestion and greenhouse gas emissions; and
- limits sprawl and pressure on the agricultural land reserve by protecting industrial land within the City which reduces pressure for firms to locate outside of the city (where land is generally cheaper).

As well, within the City's overall urban pattern, converting industrial lands to allow for non-industrial uses, such as "neighbourhood oriented" retail and residential uses would draw activity away from places where Council policy directs that growth and intensification to occur (i.e. in Neighbourhood Centres). For example, if a retail anchor was permitted to locate in an industrial area, they would likely be foregoing a location in a Neighbourhood Centre, thereby undermining the viability of the City's neighbourhood shopping areas where that type of retail use helps support more vibrant commercial activity.

Due to its river access, the potential continues to exist to have industries in the area take advantage of transporting goods and materials by barge rather than by truck. Barge transport is more efficient than trucking in terms of fuel, cost and time and reduces the number of

trucks on the City's roads. A rail line in the area (while not currently used) could also provide environmental efficiencies in goods movement in the future.

SOCIAL IMPLICATIONS

The South Vancouver Industrial Area provides more than 10,000 jobs in a diverse range of industrial sectors. The area provides the capacity for a variety of green jobs and businesses that could not be accommodated in other non-industrial areas of the City (i.e. "green" manufacturing and recycling uses). The protection of diverse and necessary industries will secure present and future opportunities for employment growth which is essential for the long-term socio-economic health of the City. Additionally, the preservation of industrial lands ensures the liveability of neighbourhoods by separating uses that are incompatible with residential and other activities.

CONCLUSION

Background research undertaken by staff confirms that unique industrial areas such as the South Vancouver Industrial Area are vital in ensuring a diverse economic base that will continue to make Vancouver a sustainable, economically resilient city.

Reconciling this background research with the City's industrial land requirements and the opportunities afforded by the completion of the Canada Line, staff are seeking Council approval to confirm the existing industrial zoning in South Vancouver, except for a limited area located in close proximity to the Marine Drive Station where opportunities will be reviewed for more intensive forms of employment generating development as part of the Cambie Corridor Planning Program. It is also recommended that staff continue to work with the community and landowners to review, augment and implement policies to enhance public access to the Fraser River waterfront while balancing the needs of industry.

* * * * *

South Vancouver Industrial Area

Issues and Directions

July 7, 2009

DRAFT

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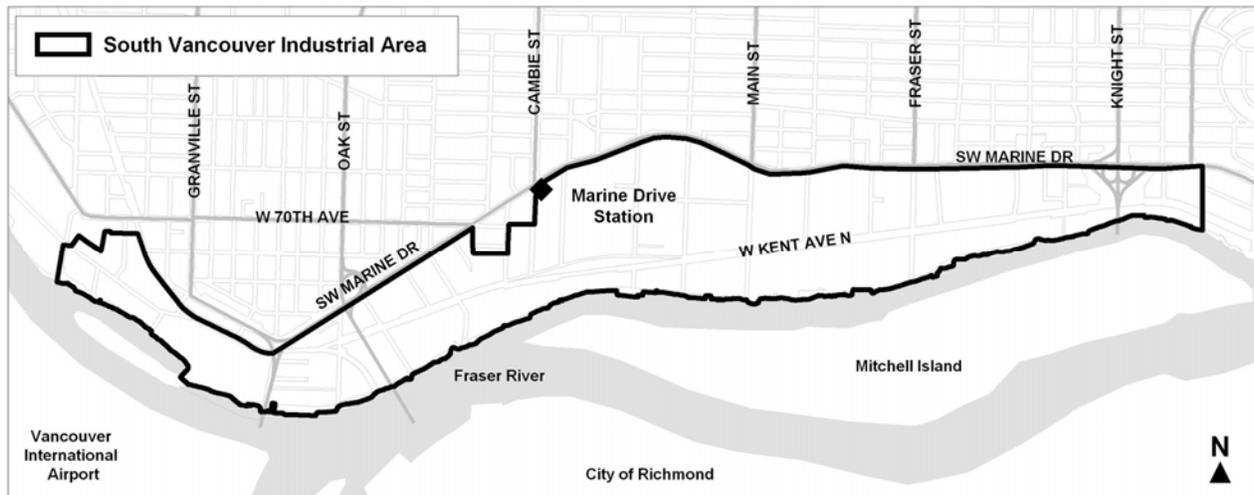
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Executive Summary

In 2006, in response to property owner and community requests, Council directed staff to determine an appropriate scope for a review of land use policies in the Marpole Industrial Area. To inform this work, the geographic scope was expanded to include the larger South Vancouver Industrial Area and trends and issues in industrial lands from a city-wide perspective have been considered. Given the imminent opening of the Canada Line rapid transit line and that job location is one of the most significant drivers of transit ridership, this assessment has been considered within the context of the completion of the Marine Drive Station.



Background data collection, research and initial analysis are now complete and the findings include:

City-Wide Findings

- Industrial lands are a critical component of a functioning and self-sustaining City and diverse economy, supporting other businesses and sectors.
- Locating industrial uses within close proximity to suppliers, customers and workers, contributes to sustainability in several ways, including reducing traffic congestion and greenhouse gas emissions.
- Industrial lands provide important space for jobs, including green jobs.
- Historically, the supply of industrial land within the city has declined over time. Between 1968 and 2008, the supply of industrial land has declined from approximately 2,400 acres to 1,677 acres which represents a 30% reduction. In response, the City adopted the Industrial Lands Policy in 1995 to protect and support its industrial lands. Despite these policies, the City continues to experience ongoing pressure to convert industrial land to retail, housing and office.
- Demand for industrial lands has remained consistent and is expected to grow due to a desire for locations with easy access to the City's customers, suppliers and labour pool.
- A limited supply and increasing demand are reflected in relatively high land prices and low vacancy rates (1.7% for the first quarter of 2009). Industry analysts note that a vacancy rate around 4% is considered balanced.
- Industrial uses are generally incompatible with residential and commercial uses and they require relatively lower land values to remain economically viable. Allowing more

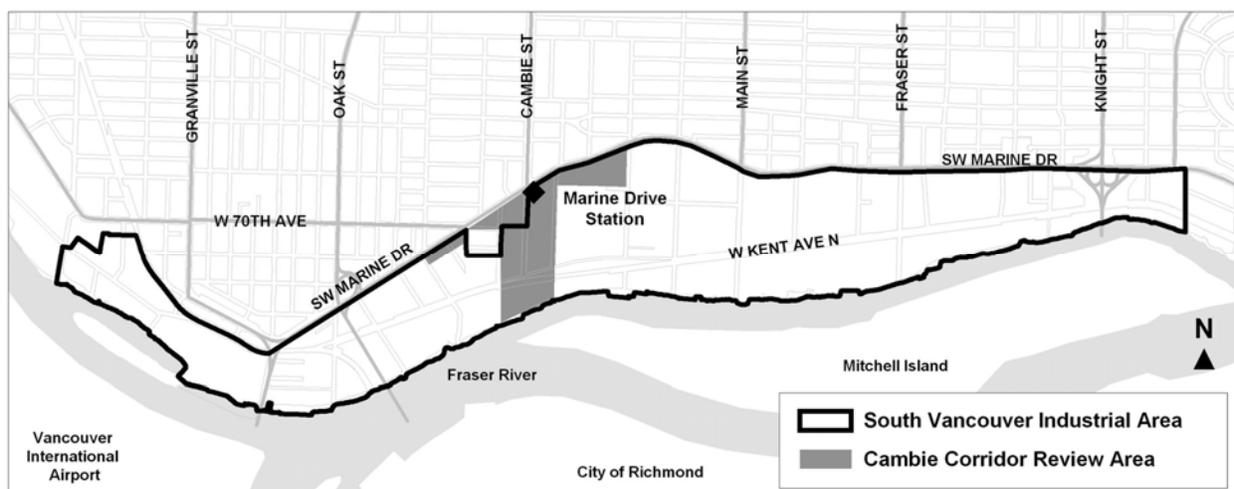
intensive and alternative higher value land uses in industrial areas tends to promote development speculation and introduces adjacency conflicts. This will eventually destabilize and potentially displace industrial uses.

South Vancouver Industrial Area Findings

- This industrial area supports over 10,000 jobs (3% of all jobs in the City and 22% of all industrial jobs in the City). Generally, businesses are small-scale, with fewer than ten employees, and having a focus in manufacturing, wholesale, distribution, repair, construction and retail.
- Overwhelmingly, owners and tenants in the South Vancouver Industrial Area believe the area is a good place to locate their businesses (95% provided this response in a survey sent to all owners and tenants).
- The South Vancouver Industrial Area represents the largest share of industrial land amongst industrial areas in the City. It is also the most affordable and offers significant opportunity for development of new industrial businesses.
- The South Vancouver Industrial Area is strategically located to take advantage of road, airport, transit, water and rail connections and provides close connections to customers, suppliers and employees.

The findings make it evident that unique industrial areas such as the South Vancouver Industrial Area are vital for the kind of diverse economic base that will continue to make Vancouver a sustainable, economically resilient city. Nonetheless, while protecting the industrial land base is principally important, it is also important to consider other City goals such as supporting rapid transit investments and ridership by facilitating a higher intensity of ridership-supporting uses around stations.

Accordingly, the recommended approach that reconciles city-wide (and regional) industrial policy, rapid transit goals and the findings of the background work is to confirm the existing industrial zoning in South Vancouver, except for a limited area located in close proximity to the Marine Drive Station where opportunities will be reviewed for more intensive forms of employment generating development as part of the Cambie Corridor Planning Program (see map below).



In the South Vancouver Industrial Area, this would provide for a review of strategically located and designed non-industrial, non-residential, job-intensive uses at high densities and in highly urban forms and designs in close proximity to the transit stations along the Cambie Corridor. For the remainder of the South Vancouver Industrial Area, it is recommended that the existing industrial zoning be retained.

This approach excludes the consideration of residential use on any existing industrial land in South Vancouver for several reasons including:

- Incompatibility of uses and associated expected resident complaints and justifiable concerns regarding livability, noise, trucks, odours and other nuisances. Examples of uses incompatible with residential uses include the City Waste Transfer Station, the City Manitoba Works Yard (which operates from 7 a.m. to 1 a.m. to maintain and outfit heavy equipment and vehicles and is operational 24 hours a day during snow events), and other existing or anticipated future industrial uses and/or expansions. It is fully anticipated that industrial and city-service uses considered by residents to be incompatible with residential uses, will seek to locate and expand in the industrial area. Such uses (i.e. waste recycling, energy systems, etc.) are having increased difficulty finding sites within the City that are not constrained by concerns of residential nuisance and incompatibility. This could have a growing effect on the city's diverse economy, jobs and environmental sustainability. It is counter-intuitive, but accurate to note that in this context, it tends to be the resident that is the potential nuisance to the industrial operator -- either existing or anticipated future operator -- even where warnings about potential nuisances are provided
- Destabilization of the industrial land base due to a perceived lessening of industrial expansion viability due to increased residential objections; expectations of other industrial property owners for similar development rights; and the associated impact on surrounding land values.
- The general lack of residential amenities in industrial areas.

Finally, noting the importance of access to the Fraser River as well as important habitat and community values, staff is recommending that the City continue to work with the local community and nearby landowners to review, augment and implement policies to enhance public access to the Fraser River waterfront while balancing the needs of existing and potential water-dependant industry. This work will be undertaken within the scope of the Cambie Corridor Transit Planning Program.

1.0 Introduction

An industrial land base is a critical and necessary component of a resilient and adaptive urban economy and contributes to the overall health and sustainability of the City.

Industrial uses are diverse and include manufacturing, distribution, warehousing, wholesaling, repair and processing services. Many industrial uses support other sectors within the City such as retail and hospitality and provide day to day services such as repair and construction. Industrial land also provides critical space to Port operations.

The South Vancouver Industrial Area represents more than one-third of the remaining industrial land in the City and provides over 10,000 jobs. It is also the most affordable and offers significant opportunity for development of new industrial businesses. The area is situated south of Marine Drive and is bounded by Angus Drive, Argyle Street and the Fraser River. The Canada Line Marine Drive Station is located at Cambie Street and South West Marine Drive.

2.0 History

In 1968, Vancouver had about 2,400 acres of industrially zoned land. Over the years, this total land area has steadily declined to approximately 1,700 acres. New residential neighbourhoods are now located on former industrial sites such as North False Creek and Joyce-Vanness. In other areas, the City has experienced ongoing pressure to consider the conversion of industrial land to retail, housing and office.

Recognizing the importance of Industrial Lands in an urban context, in 1995, Council adopted the Industrial Lands Policies. These policies call for the retention of the City's existing industrial land base for industry and service businesses and to meet the needs of port/river related industry and city-serving and city oriented industries. The policies also provided for the strategic and limited consideration of changes to the industrial zoning schedules to achieve other city goals. These changes included expansion of the definition of industrial uses and expanded opportunities for office use. Since the Industrial Lands Policies were adopted, industrial lands were also modified to accommodate high-tech uses (False Creek Flats) and limited mixed-use development (Burrard Slopes).

In June 2003, Council confirmed its unequivocal support for the Industrial Lands Strategy and the goals of preserving industrial lands in the City. Council stated that they would not permit further reduction of industrial lands without a comprehensive review of the needs of industry, transportation and servicing of the downtown and other businesses in the City.

On June 29, 2006, in response to property owner and community requests, Council approved in principle, subject to a detailed report back on work plans, priorities, and possible resourcing from other departments, the assignment of a planning team to the Marpole Industrial Lands. Council also directed staff to report back on the program's associated resource implications for other departments with options to mitigate those implications.

In response to Council's direction, staff initiated a review of the Marpole Industrial Lands, undertaking background work to inform a Terms of Reference for Council's review. This work included consideration of the entire industrial area along the Fraser River in South Vancouver as well as trends and issues related to industrial lands from a city-wide perspective.

Given the imminent opening of the Canada Line and that job location is one of the most significant drivers of transit ridership, this assessment has also been considered within the context of the completion of the Marine Drive Station.

3.0 Purpose and Approach

The purpose of this Issues and Directions Paper is to summarize background work to help inform a proposed planning direction with respect to the South Vancouver Industrial Area. The background work included a review and analysis of:

- existing and emerging City and Metro Vancouver policy;
- recent market data and trends;
- historical and existing industrial land supply;
- BC Assessment data; and
- Statistics Canada data.

In addition, a comprehensive survey, sent to all businesses in the South Vancouver Industrial Area, was completed by the City in January 2009. The objective of the survey was to develop an understanding of business activities, characteristics, preferences and future goals. The survey was sent to 595 businesses and achieved a 26 percent response rate.

The background research, considered in the context of industrial and rapid transit policy, results in a proposed recommendation on how to approach planning for the South Vancouver Industrial Area.

4.0 Existing City Policy

4.1 Industrial Policy

The importance of industrial land protection is reflected in several City policies:

Industrial Lands Policies (1995): In response to increased pressure on the City's industrial land base, Council adopted the Industrial Lands Policies to retain the City's existing industrial land base for industry and service businesses and to meet the needs of port/river related industry, and city-serving and city oriented industries. The policies also provided for the strategic and limited consideration of changes to the industrial zoning schedules to achieve other city goals.

CityPlan (1995): Ensure that areas for industry will be kept so that industries and businesses that serve the city, such as printing, repair services, and warehouses, can be close to customers and workers.

EcoDensity (2008): Protect and ensure proper space for diverse jobs, shopping and economic activity close to home for a balanced, resilient city with minimal commuting as the city grows, including protection of key commercial and industrial districts for economic activity rather than housing.

Guiding Principles Economic Development in the City of Vancouver (City of Vancouver Economic Development Commission, 2006): Preserve an adequate supply of industrial and commercial zoning to maintain and attract highly skilled, creative and well-paid jobs close to where people live, and to provide city-serving uses.

Ensure an adequate supply of industrial and commercial land to accommodate the evolving needs of changing industries and that land use planning is in a regional context.

City's Response to the Draft Regional Growth Strategy (May 21, 2009): As part of the City's review of the Draft Regional Growth Strategy, Council endorsed the intent of protecting a core regional industrial base. The need to identify strategic industrial land in the region and to protect it for industrial use through regional regulations -- with the details of the regulatory process to be worked out with all municipalities - was recognized. The City's response notes that the industrial land use regulation should allow for an acceptable level of flexibility and municipal self-determination, including flexibility for municipalities to permit non-industrial land uses at rapid transit stations, along with criteria for industrial land protection at these locations.

4.2 Rapid Transit Policy

Existing City policies, plans and charters provide the framework for planning with transit as a defining element. For example CityPlan, the Community Climate Change Action Plan and the EcoDensity Charter all provide direction on how to build communities that take advantage of the opportunities enabled by transit. These policies all focus broadly on concentrating activity around rapid transit.

5.0 Industrial Land as Part of a Sustainable City

Industrial lands contribute to Vancouver's sustainability in the following ways. They:

- provide diverse economic activity and city serving uses in close proximity to suppliers, customers and workers, thereby reducing traffic congestion and greenhouse gas emissions;
- limit sprawl and pressure on the agricultural land reserve. By protecting industrial land within the City the pressure for firms to locate outside of the city (where land is generally cheaper) is reduced;
- provide opportunities for green, diverse and generally well paying jobs;
- ensure the livability of neighbourhoods by providing space for uses that are incompatible with residential and office activities.

As well, within the City's overall urban pattern, converting industrial lands to allow for non-industrial uses, such as "neighbourhood oriented" retail and residential uses would draw activity away from places where Council policy directs that growth and intensification to occur (i.e. in Neighbourhood Centres). For example, if a retail anchor was permitted to locate in an industrial area, they would likely be foregoing a location in a Neighbourhood Centre, thereby undermining the viability of the City's neighbourhood shopping areas where that type of retail use helps support more vibrant commercial activity.

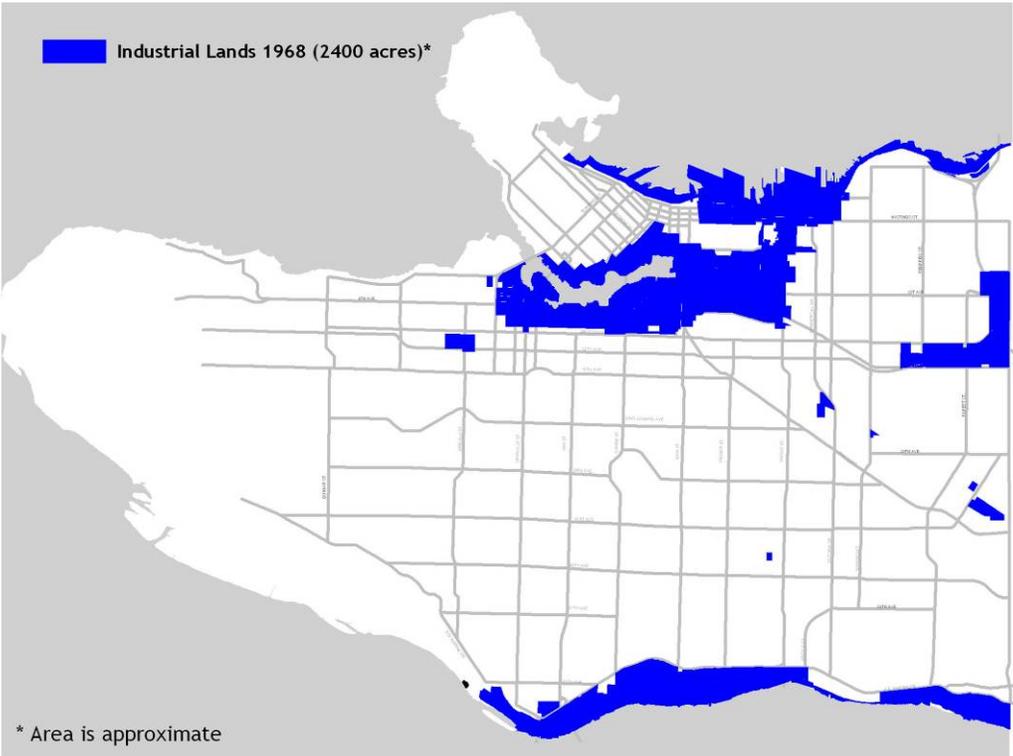
The South Vancouver Industrial Area also has a valuable role to play in the sustainable movement of goods throughout the region. Due to its river access, the potential for industries in the area to take advantage of transporting goods and materials by barge rather than by truck continues to exist. Barge transport is more efficient than trucking in terms of fuel, cost and time and reduces the number of trucks on the City's roads. A rail line in the area (while not currently used) could also provide environmental efficiencies in goods movement in the future.

6.0 Industrial Lands in Vancouver

6.1 Shrinking Supply and High Demand

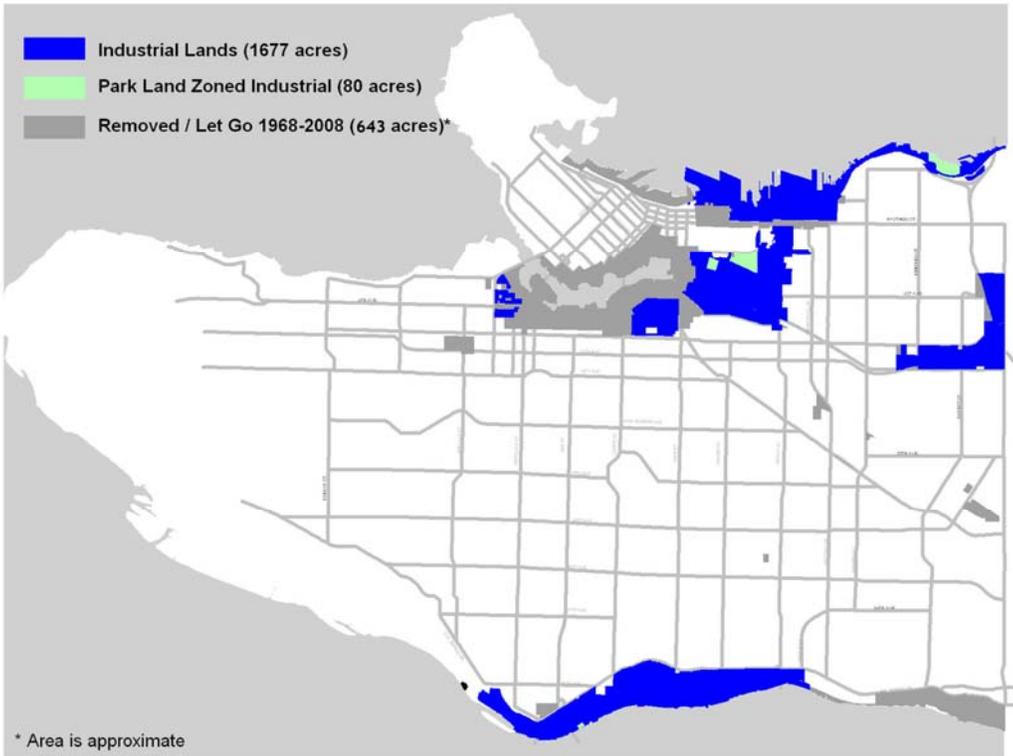
Currently, approximately 1,677 acres of industrially zoned land remain in the City. This total is down from approximately 2,400 acres in 1968 (see Map 4-1 and 4-2, following page) which is a 30% reduction. At the same time, demand for industrial lands has remained consistently high and is expected to grow. These current supply and demand trends are reflected in relatively high land prices and low vacancy rates (1.7% in Vancouver and 3.3% in the Lower Mainland for the first quarter of 2009). Industry analysts note that a vacancy rate around 4% is considered balanced. Despite existing City policy and emerging regional policy to retain and protect industrial land, there is ongoing pressure for the City to consider the conversion of industrial land to retail, housing and office.

Map 6-1: Industrial Land Supply 1968



Source: City of Vancouver Planning Department

Map 6-2: Industrial Land Supply 2008



Source: City of Vancouver Planning Department

7.0 Land Value and Speculation

7.1 Land Value Requirements

Typically industrial uses require relatively larger work and storage spaces, resulting in lower production and employment rates per square foot than commercial or office uses. As such, for industrial lands to remain economically viable, relatively lower land values are required.

7.2 Trends

Industrial land prices have risen steadily in Vancouver and are the most expensive in the region. In general, this is due to a limited land supply and high demand for locations with easy access to the City's customers, suppliers and labour pool. Further, where the City has permitted residential and commercial uses into industrial areas (i.e. Burrard Slopes), land values are the highest.

Table 7-1: Industrial Land Values

| Area | 2008 Avg \$/sq.ft. | 2001 Avg \$/sq.ft. | % Change |
|-------------------------------|-----------------------|-----------------------|----------|
| Burrard Slopes (IC-1) | \$287 | \$98 | 193% |
| Mount Pleasant (I-1) | \$183 | \$65 | 182% |
| Hastings North (M-2) | \$76 | \$36 | 112% |
| False Creek Flats/Clark (I-2) | \$74 | \$36 | 105% |
| South Vancouver (I-2) | \$71 | \$25 | 182% |
| False Creek Flats (I-3) | \$65 | \$30 | 118% |
| Grandview (I-2) | \$52 | \$22 | 140% |
| South Vancouver (M-2) | \$22 | \$8 | 175% |

Source: BC Assessment, 2008 and 2001.

7.3 The Role of Speculation

Adding to upward pressures on land values is the role of speculation. The possibility of re-development in an area has the potential to increase the upward pressure on land values. If a project is approved or if zoning changes are being contemplated, the market tends to take notice because any approval can signal an opportunity to up-zone surrounding land to more valuable uses or densities.

The issue of speculation is exacerbated when a significant change in land use and / or density is contemplated in an area where an existing land use pattern has been in place for a long period of time.

To mitigate the impacts of speculation, clear policy, consistently applied, is required.

8.0 Vancouver Industrial Jobs Profile

8.1 Number of Jobs - Vancouver

Industry provides diverse and important employment. Industrial Lands across the city provided 45,075 jobs in 2006. Industrial jobs not only pay higher overall wages than some sectors, but they pay higher wages for workers with the lowest levels of skills and education, particularly when compared to the services sector.

Table 8-1: Vancouver Jobs

| Area | Number of Jobs (2006) | % |
|----------------------------|-----------------------|------|
| Vancouver Industrial Lands | 45,075 | 14% |
| Vancouver Total Jobs | 331,280 | 100% |

Source: Statistics Canada, 2006 Census.

The following table shows the distribution of industrial jobs across the City. South Vancouver provides the most jobs by industrial area.

Table 8-2: Number of Industrial Jobs in Vancouver by Industrial Area

| Industrial Area | Total Number of Jobs | % |
|--------------------|----------------------|-------------|
| Powell Street | 6,385 | 14% |
| Clark Drive | 4,575 | 10% |
| False Creek Flats | 5,780 | 13% |
| Mount Pleasant I-1 | 7,655 | 17% |
| Grandview/Boundary | 6,750 | 15% |
| Brewery Creek IC | 1,125 | 2% |
| Burrard Slopes IC | 2,740 | 6% |
| South Vancouver | 10,065 | 22% |
| TOTAL | 45,075 | 100% |

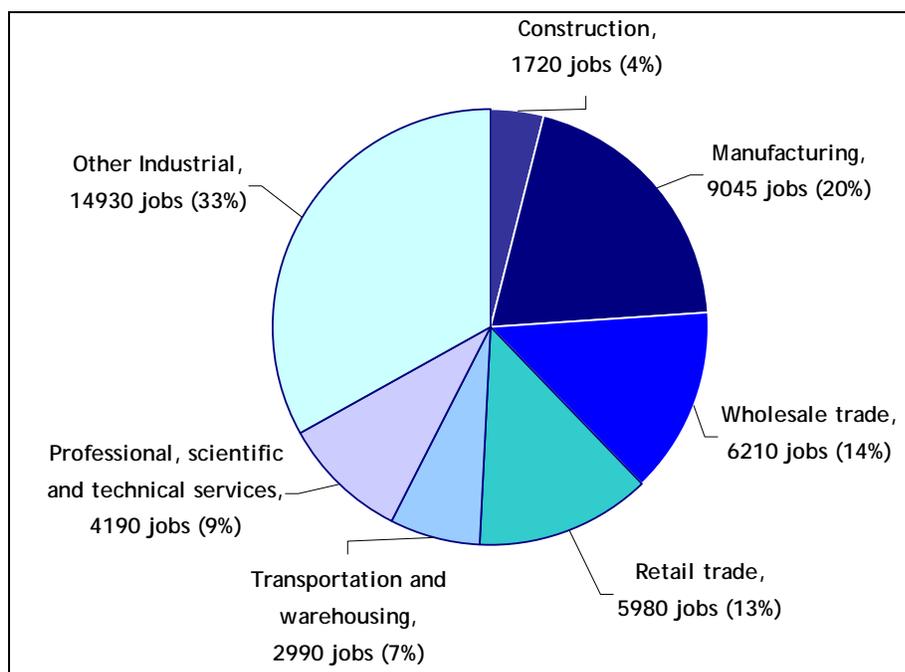
Source: Statistics Canada, 2006 Census.

8.2 Employment Diversity - Vancouver Industrial Lands

In Vancouver, the types of jobs that are located in industrially lands are diverse as shown in the graph below. Manufacturing (20%), wholesale trade (14%) and retail trade (13%) make up almost half of the positions available in these areas. "Other Industrial" (33%) includes positions and services related to: Information and cultural industry; administration support, waste management and remediation services; accommodations and food services; finance and insurance; and, arts, entertainment and recreation.

The distribution of jobs located in Vancouver's industrial lands by occupational industry is listed below.

Figure 8-1: Industrial Lands in Vancouver - Employed Labour Force by Occupational Industry



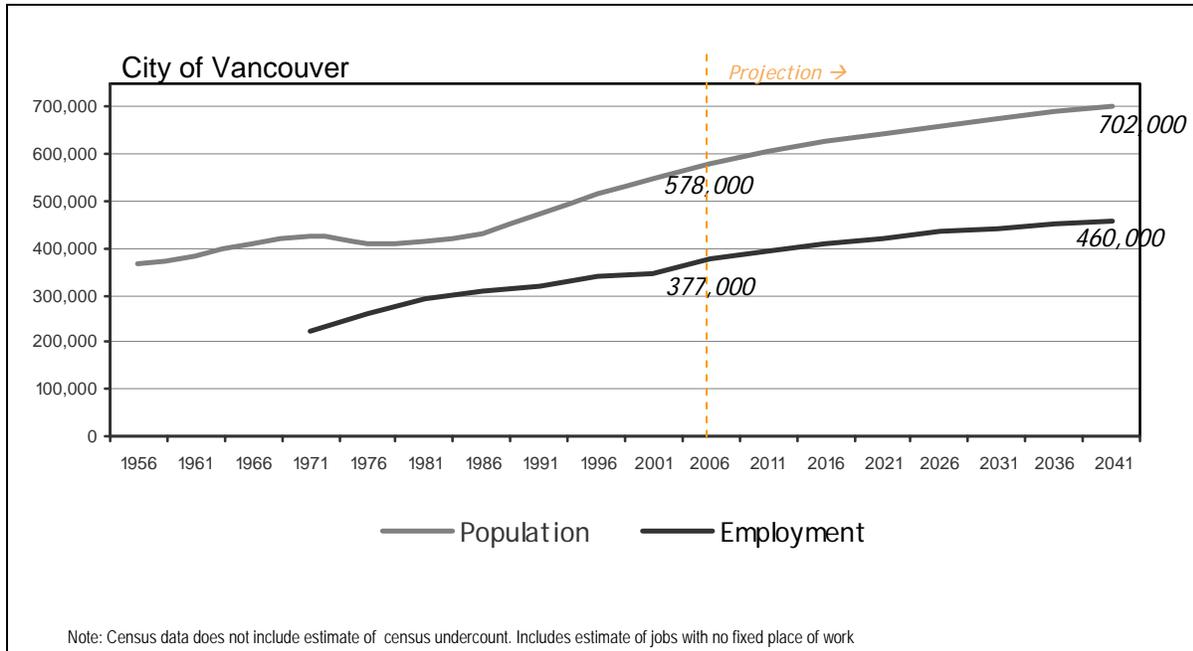
Source: Statistics Canada, 2006 Census.

8.3 Vancouver Job and Population Projections

The City's population is expected to grow to 702,000 by 2041, with the number of jobs expected to reach 460,000. The Metropolitan Core Jobs and Economy Land Use Plan projects that one third of those jobs will be accommodated outside of the Metro Core.

Of the total 460,000 jobs, it is expected that approximately 100,000 jobs will be in the industrial sector as described in Figure 8.3 (following page).

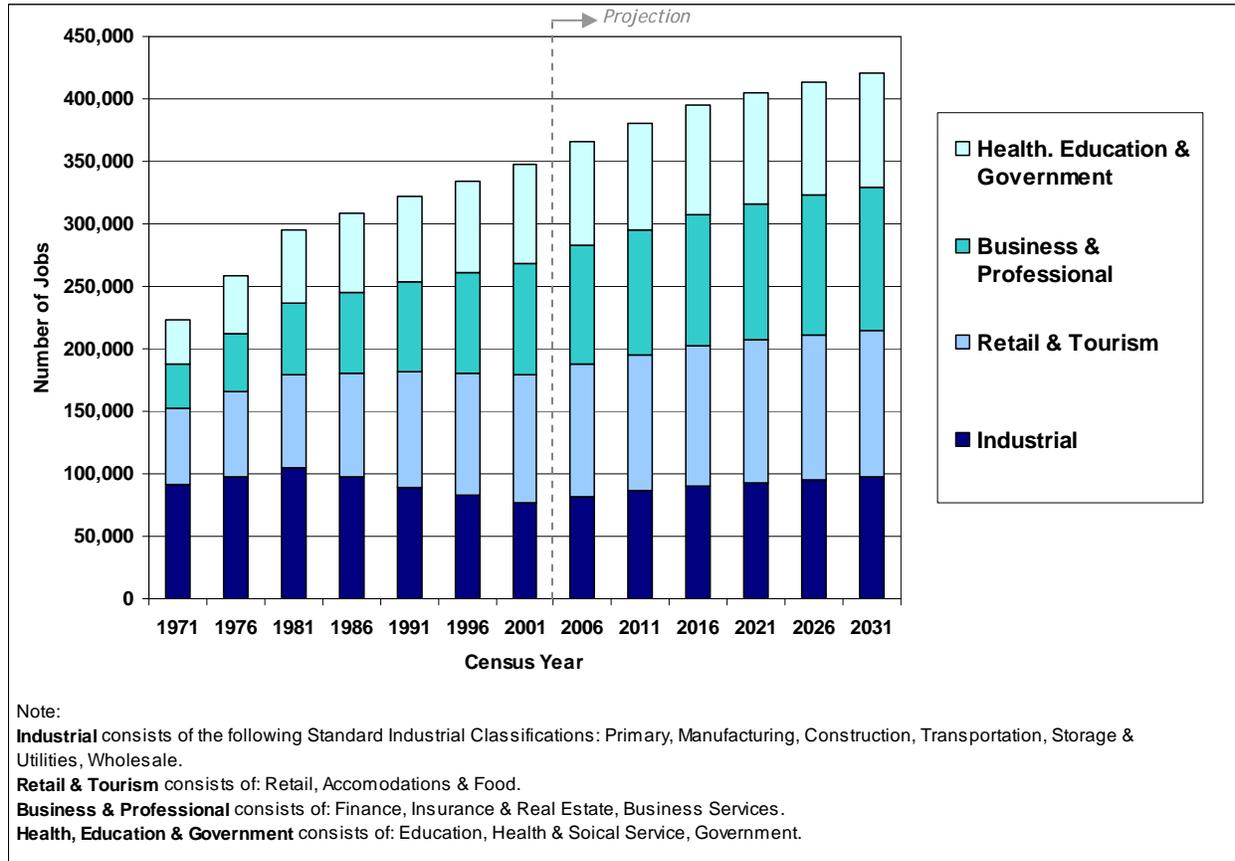
Figure 8-2: Vancouver Population and Employment Growth Projection



Source: Statistics Canada: Census Data & Metro Vancouver Growth Projections (Draft), February 2009 (all numbers Census equivalent).

The number of jobs in all sectors is expected to grow from now until 2031. Based on the projection, the increase in industrial jobs is generally consistent with job growth in other sectors.

Figure 8-3: Vancouver Job History and Projections by Sector



Source: Urban Future Institute. UFI Projections for Metro Core Jobs and Economy Study, 2006.

9.0 Linkages to the Port and Airport

Vancouver is an important North American gateway, providing a key strategic link to Asia Pacific economies. Within this context, both Port Metro Vancouver and Vancouver International Airport note the importance of industrial land located within the City.

9.1 Port Metro Vancouver

Port Metro Vancouver is one of the most visible contributors to the economy of Metro Vancouver and accounts for more than 20,000 jobs in Vancouver. The Port estimates the amount of industrial land actively used in support of port activity throughout the region will need to grow significantly over the next twenty years in order to meet forecasted demand.

According to Port Metro Vancouver, retention of the South Vancouver Industrial Area is integral for the long term viability of the Port and sustainable movement of goods throughout the region. Due to its river access, industries in the area have the unique opportunity to take advantage of transporting goods and materials by barge rather than by truck, providing environmental efficiencies including greenhouse gas emission reductions.

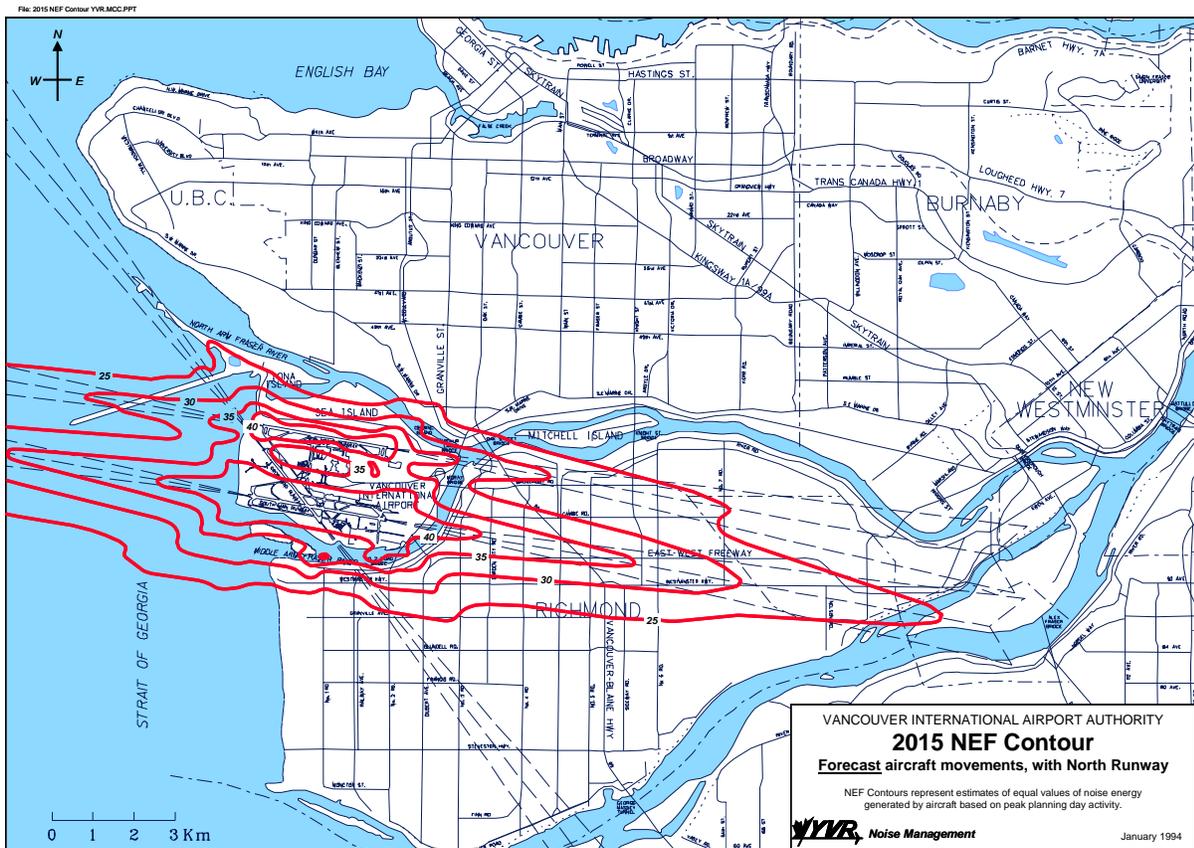
9.2 Vancouver International Airport

Projected growth in airport operations will require additional lands for distribution, freight forwarding and storage. The South Vancouver Industrial Area is well positioned to provide this function and provides opportunities for businesses seeking close links to the airport.

With respect to issues related to airport noise, in order to minimize conflicts caused by airport noise, Transport Canada discourages the development of land to permit residential space when an area is within the 30 Noise Exposure Forecasts (NEF) and the Airport Authority notes that annoyance from airport noise may begin as low as 25 NEF.

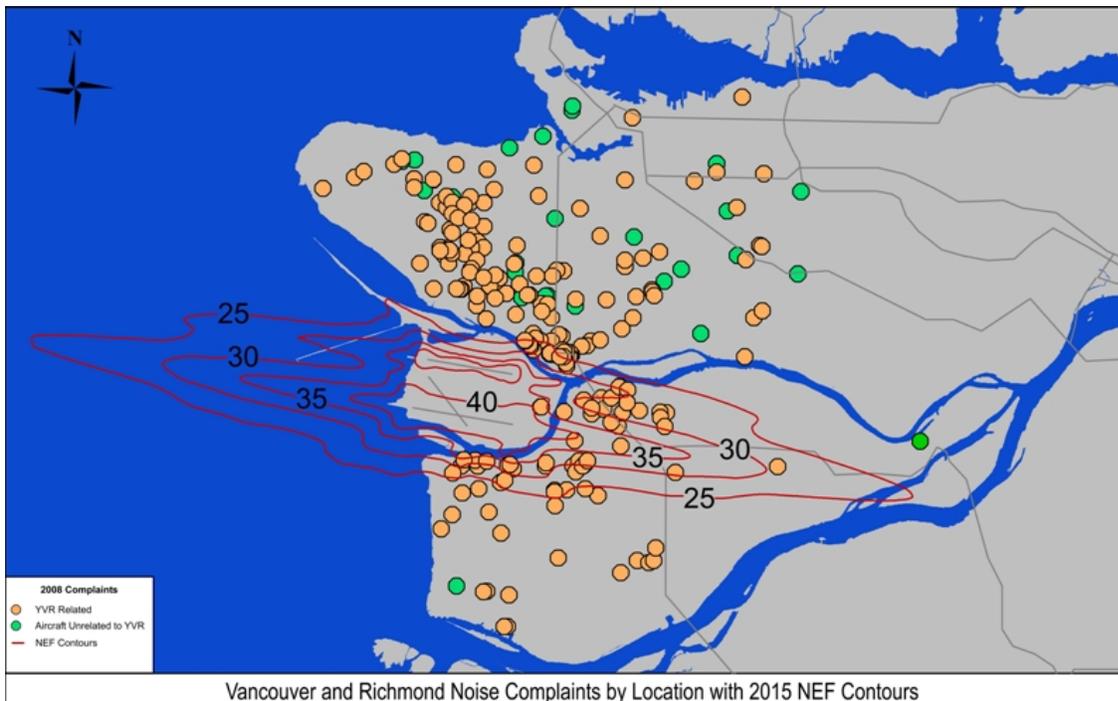
As shown on Map 9-1 on the following page, while the South Vancouver Industrial Area is outside of the 30 NEF, a significant portion of the South Vancouver Industrial Area falls within the 25 NEF. Map 9-2 (following page) shows that in Vancouver, noise complaints are predictably highest with proximity to the 25 NEF contour (i.e. the area in and around the western portion of the South Vancouver Industrial Lands). The location of the NEF contours and noise complaint data suggest the potential conflicts that can occur between residential land use and airport operations.

Map 9-1: Vancouver International Airport Noise Contours



Source: Vancouver International Airport Authority. 2015 NEF Contour, January 1994.

Map 9-2: Noise Complaints in the City of Vancouver



Vancouver and Richmond Noise Complaints by Location with 2015 NEF Contours

10.0 South Vancouver Industrial Area

10.1 Location and Area

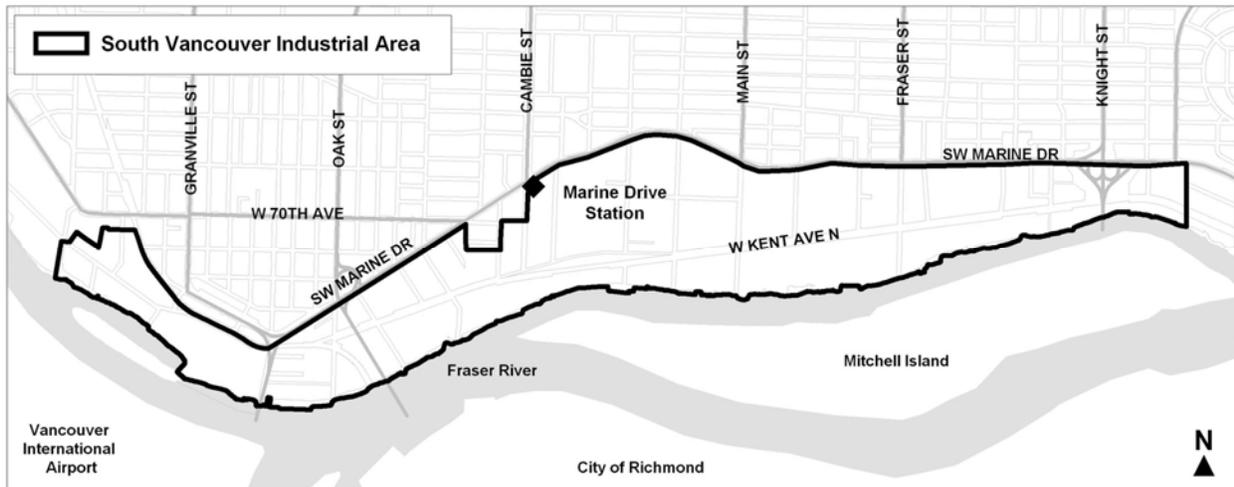
The South Vancouver Industrial Area is bounded by Angus Drive, South West Marine Drive, Argyle Street and the Fraser River. At 560 acres, the area represents one-third of remaining industrial land in the City. The Canada Line Marine Drive Station is located within the industrial lands at Cambie Street and South West Marine Drive.

Table 10-1: South Vancouver / Vancouver Industrial Areas - Acres

| Industrial Area | Acres | % |
|-------------------------------------|----------------|-------------|
| South Vancouver | 559.6 | 33% |
| Other Industrial Areas in Vancouver | 1,117.4 | 67% |
| TOTAL | 1,677.0 | 100% |

Source: City of Vancouver Planning Department.

Map 10-1: South Vancouver Industrial Area

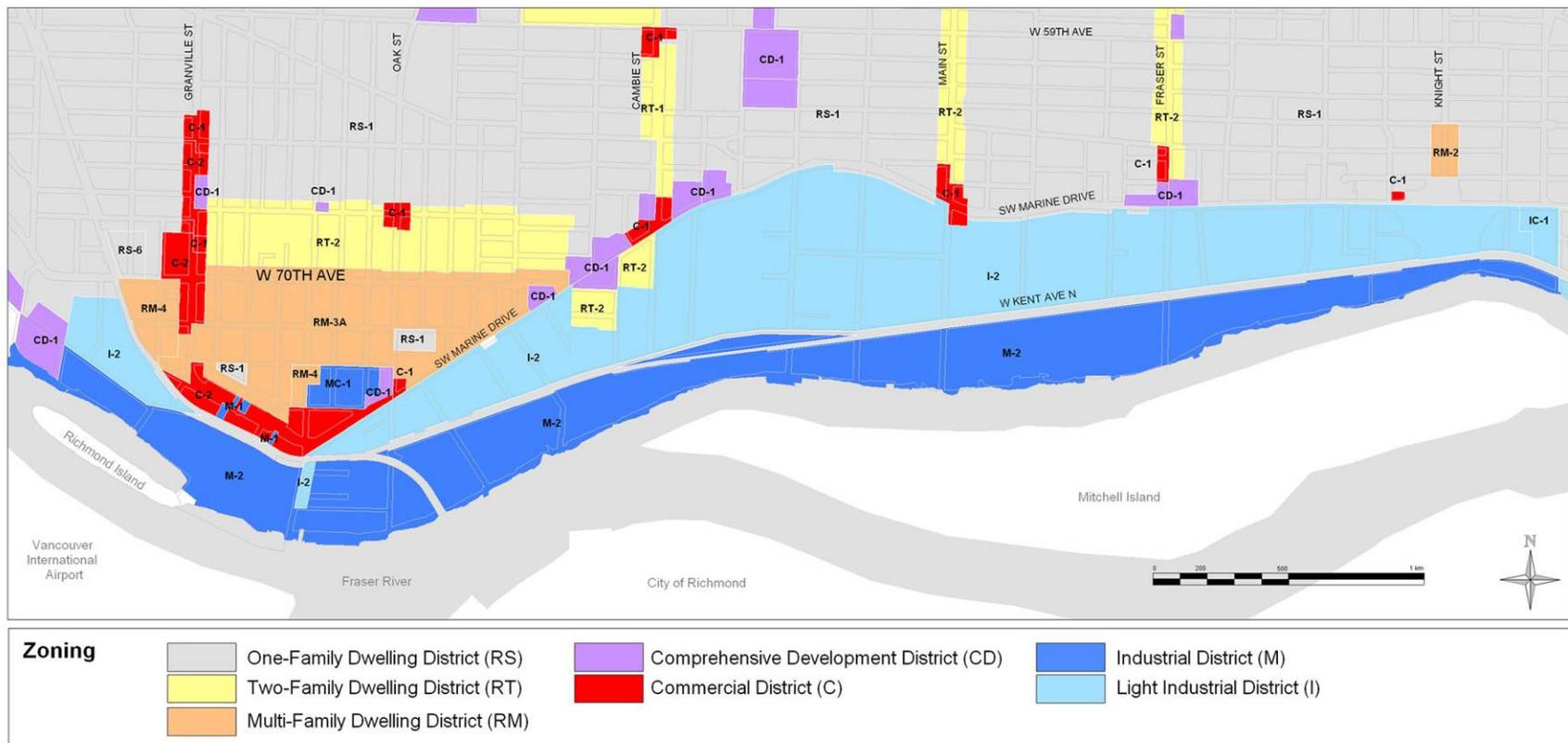


Source: City of Vancouver Planning Department.

10.2 Zoning and Land Use

As per the map below, the South Vancouver Industrial Area is primarily zoned M2 and I2. The M2 lands are adjacent to the Fraser River, I2 is adjacent to Marine Drive and railway lines and Kent Avenue separate the areas.

Map 10-2: South Vancouver Zoning



Source: City of Vancouver Planning Department. 2007 Zoning.

In the M-2 Industrial District, heavier, traditional industries are permitted. Examples include a cement plant, asphalt plant, fish food processing plant and wood processing facility. Outside of the Port Lands on Burrard Inlet, the M-2 zone is the only space in Vancouver for heavy and water dependant industry.

The I-2 Industrial District provides space for light industrial uses and service commercial development. Businesses typically focus on production, distribution and repair. Car dealerships are also located in this area and there is space for large format retail, fronting on Marine Drive between Manitoba and Main Street. The area west of Manitoba Street is to be considered for more transit supportive and employment intensive development in upcoming planning work.

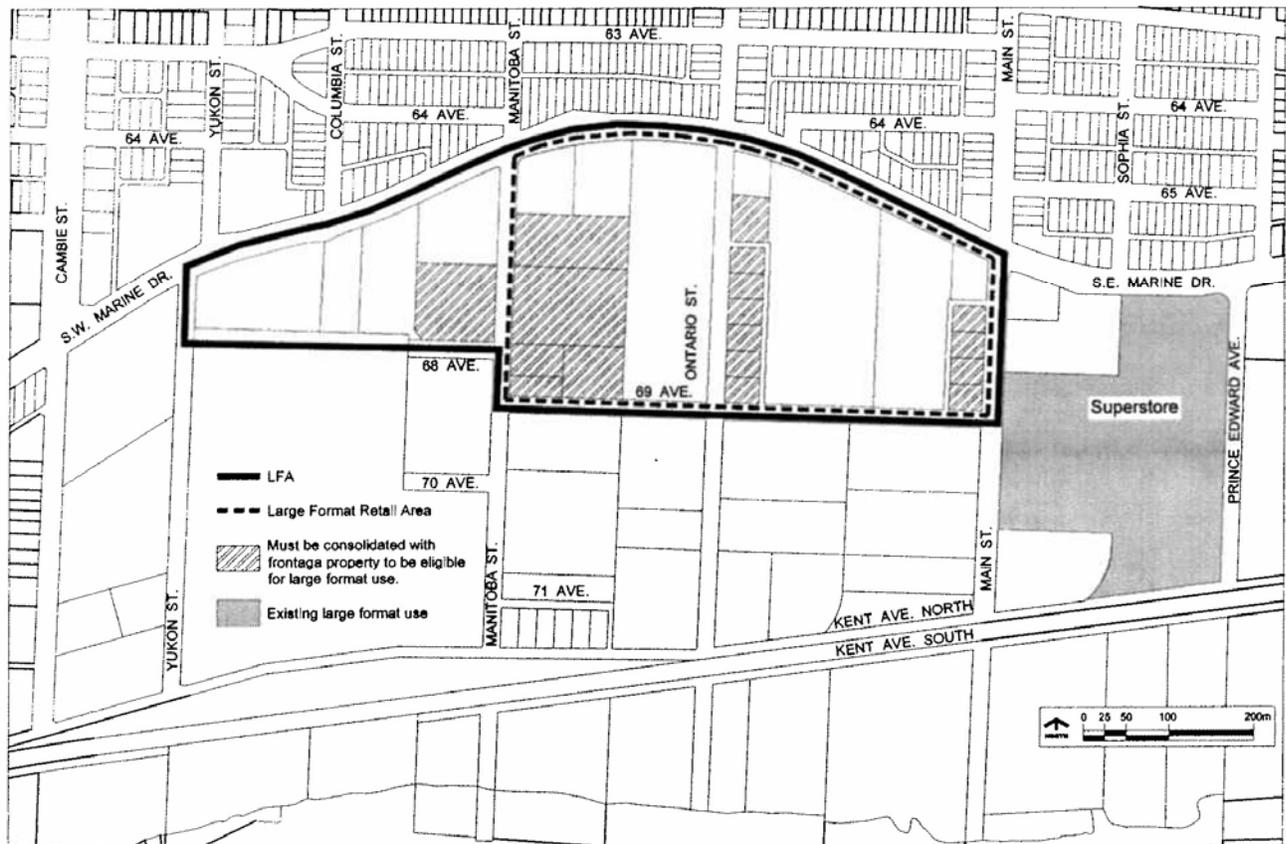
Figure 10-1: Examples of Businesses in South Vancouver Industrial Area



10.3 Large Format Area

The Large Format Area (LFA) Rezoning Policy and Guidelines (2006) apply between Main Street and Yukon Street as shown on the map below. Council will allow rezoning of large format cultural, institutional and recreational uses throughout the Large Format Area. Large format *retail* uses will only be considered on sites fronting onto Marine Drive between Main Street and Manitoba Street. Further, Council directed staff to consider the area west of Manitoba Street for consideration of more transit supportive and employment intensive development as part of planning for the Marine Drive Station.

Map 10-3: Large Format Area



Source: City of Vancouver Planning Department.

10.4 South Vancouver Industrial Area Job Profile

Businesses in the South Vancouver Industrial Area employ 10,065 people.

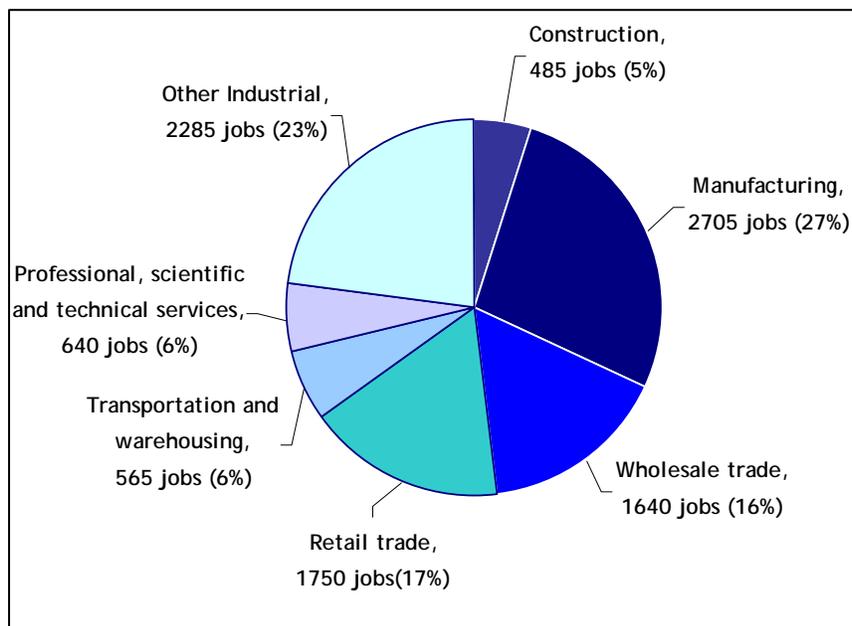
Table 10-2: South Vancouver and Vancouver Industrial Jobs

| Area | Number of Jobs (2006) | % |
|----------------------------------|-----------------------|-------------|
| South Vancouver Industrial Area | 10,065 | 22% |
| Other Vancouver Industrial Areas | 35,010 | 78% |
| TOTAL | 45,075 | 100% |

Source: Statistics Canada, 2006 Census.

The types of employment are diverse. Manufacturing businesses are the leading employer in the area, accounting for 27% of jobs. Wholesale trade (16%) and retail trade (17%) are the next leading employers. "Other Industrial" (23%) consists of a variety of positions and services including: administration and support; accommodations and food; information and cultural industries; and, waste management and remediation. Compared to the rest of Vancouver (industrial areas), the South Vancouver Industrial Area has a higher proportion of manufacturing, wholesale and retail business. The distribution of jobs by occupational industry in South Vancouver is listed below.

Figure 10-2: Occupational Industry Distribution for South Vancouver Industrial Area



Source: Statistics Canada, 2006 Census.

10.5 Green Businesses and Clusters

The South Vancouver Industrial Area provides the capacity for a variety of green jobs and businesses that could not be accommodated in other non-industrial areas of the City.

The engine laboratories for Westport Innovations are located in this area where employees develop high performance engines and fuel systems using green fuels such as compressed natural gas, hydrogen, and hydrogen-enriched compressed natural gas.

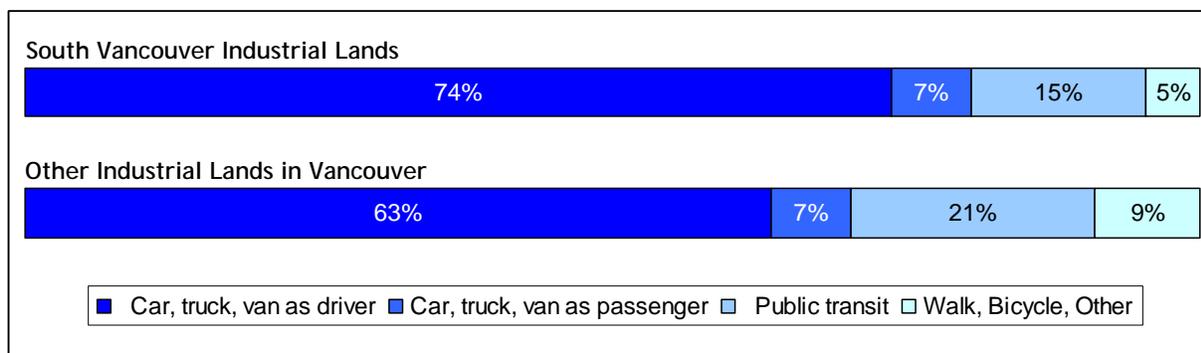
The Vancouver Transit Centre provides needed space to support the City's bus fleet. Recycling facilities are provided at the City's recycling depot, adjacent to the waste transfer station.

A number of recycling businesses are located and operate within the South Vancouver Industrial Lands including: a bottle depot, wood waste centre, paper recovery and recycling facility, electronics recycling facility, computer donations and recycling centre, metal recycling facility and Habitat for Humanity Restore. Six of these businesses are found within a one block radius.

10.6 How Employees Get to Work

Currently, the primary mode of travel for employees within the South Vancouver Industrial Area is by car, truck or van as a driver. More people drive to work in this industrial area (75%) than in the other industrial areas (63%) within the City.

Figure 10-3: Mode of Travel for South Vancouver

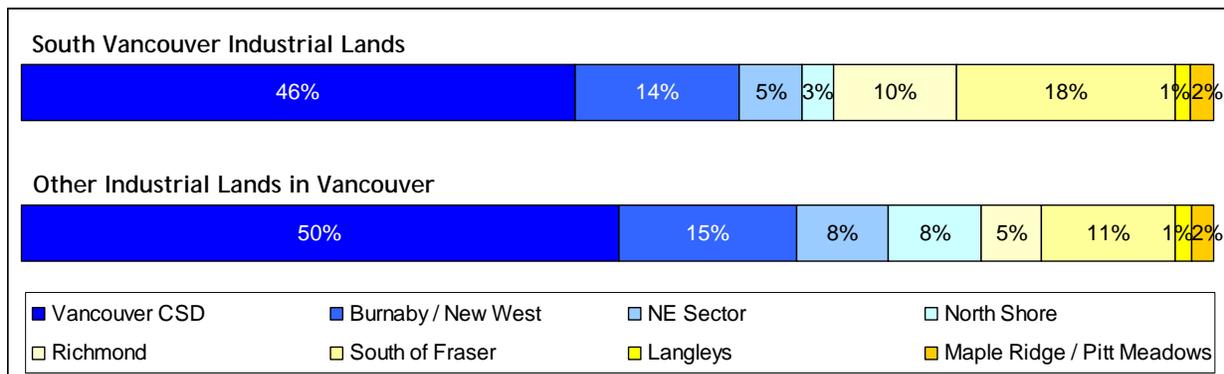


Source: Statistics Canada, 2006 Census.

10.7 Where Employees Live

A sustainable city is one where employees live close to work. Almost half of South Vancouver industrial workers reside within the City of Vancouver. A portion (18-19%) comes from south of the Fraser River and from Burnaby and New Westminster (13-15%).

Figure 10-4: Place of Residence for South Vancouver



Source: Statistics Canada, 2006 Census.

10.8 Satisfaction with South Vancouver

Ninety-five percent of the businesses in the area feel that the South Vancouver Industrial Area is a good location to run their business. The primary reasons for identifying the area as a good place to run their businesses are: proximity to customers, central location as well as proximity to suppliers and employees' homes. (Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.)

10.9 Tenure

Businesses in the area are well-established with almost one-half being in business for more than 20 years. On average, businesses have been operating at their current location for 12 years. One-third of the businesses were originally established at their South Vancouver location with the rest relocating from somewhere else. (Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.)

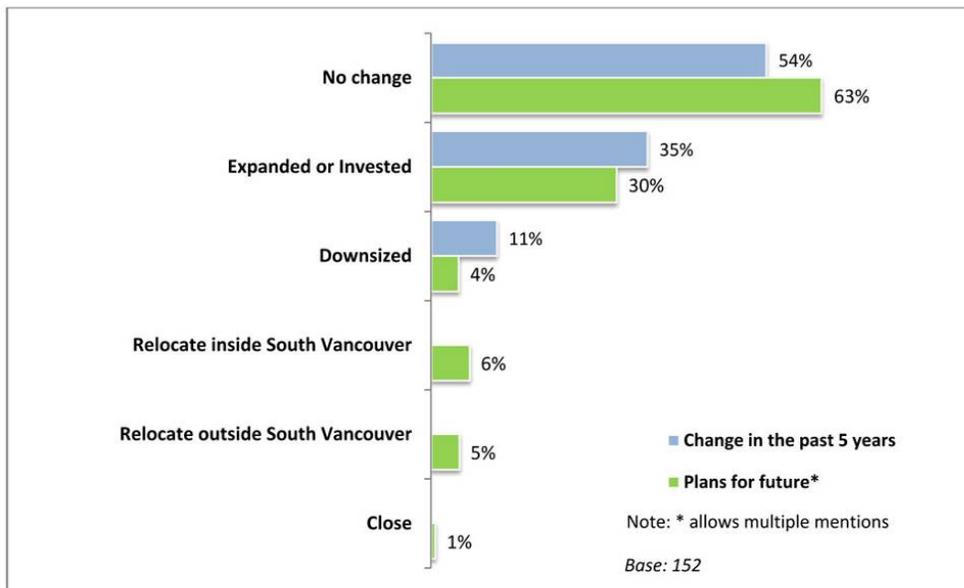
10.10 Rent or Own

Just over one-third of businesses own the property on which they run their business while two-thirds rent. (Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.)

10.11 Future Plans

According to the stated future plans of owners and tenants, the future of the area is promising. Close to two-thirds (63%) of businesses do not anticipate any changes to their business while 30% plan to expand. Thirty-five percent of businesses have expanded in the past five years. Four percent of the businesses have plans to downsize and ten percent plans to relocate. Approximately half of those relocating intend to stay within the South Vancouver Industrial Area.

Figure 10-5: Change in Last 5 Years and Future Business Plans



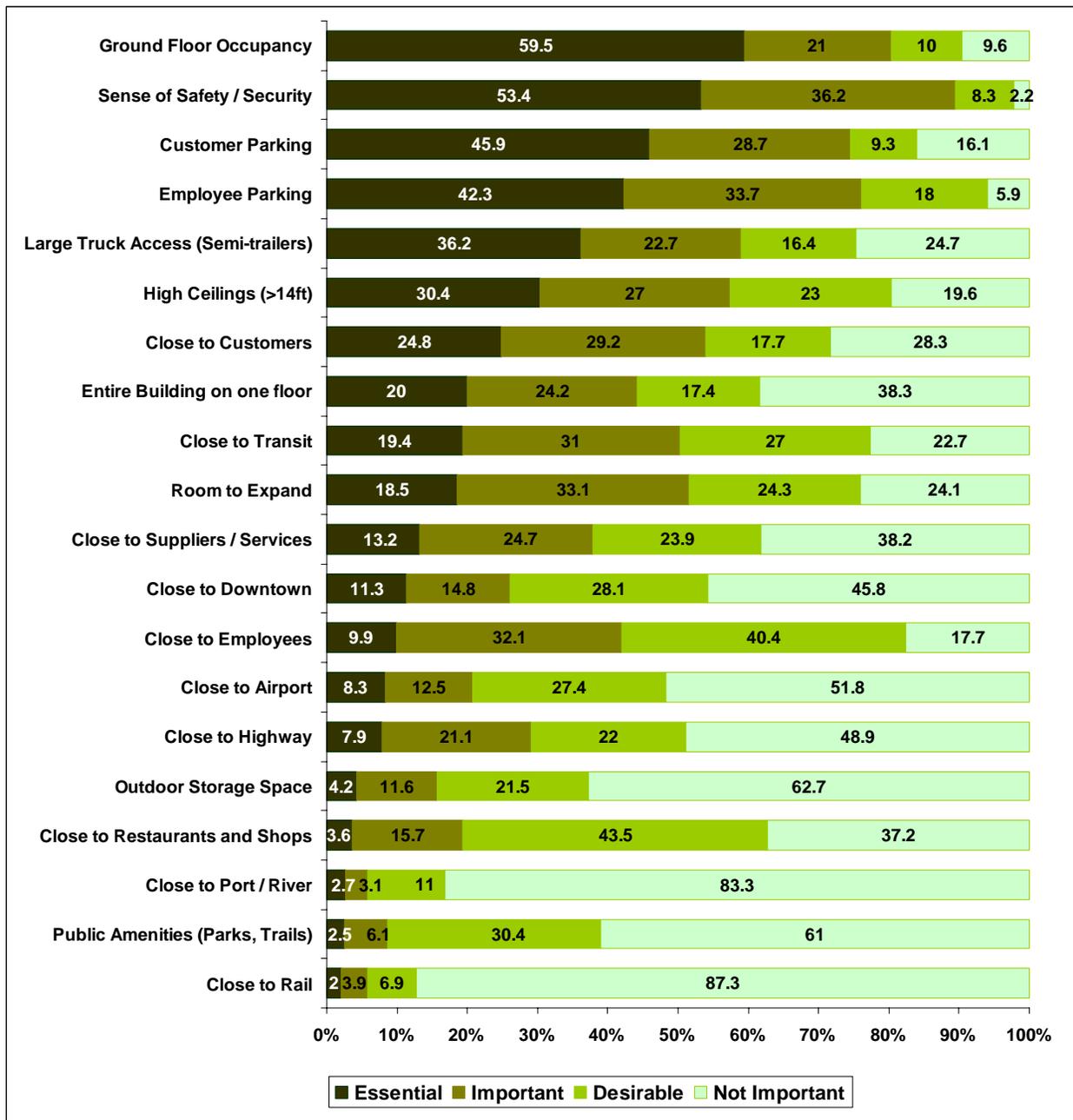
Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.

10.12 Location Preferences

With respect to space and building characteristics, the most important factor for businesses is ground floor occupancy, followed distantly by high ceilings. Having room to expand and having the business on one floor is also important to businesses in the area.

The most important factor in terms of area and site characteristics is sense of safety and security, followed by employee and customer parking. Large truck access is also ranked highly as an important characteristic.

Figure 10-6: Business Location Factors - What is Important

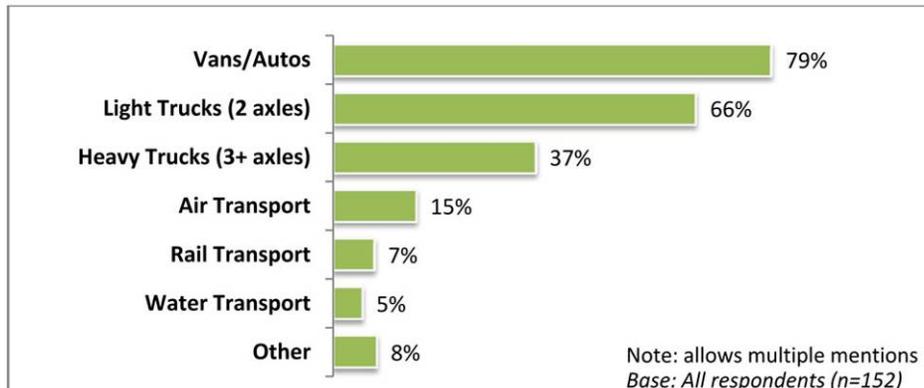


Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.

10.13 Transportation Choices

Vans, automobiles and trucks are currently the primary mode to transport goods and services. These modes depend on nearby highways to move goods and services.

Figure 10-7: Transportation used for moving goods and services

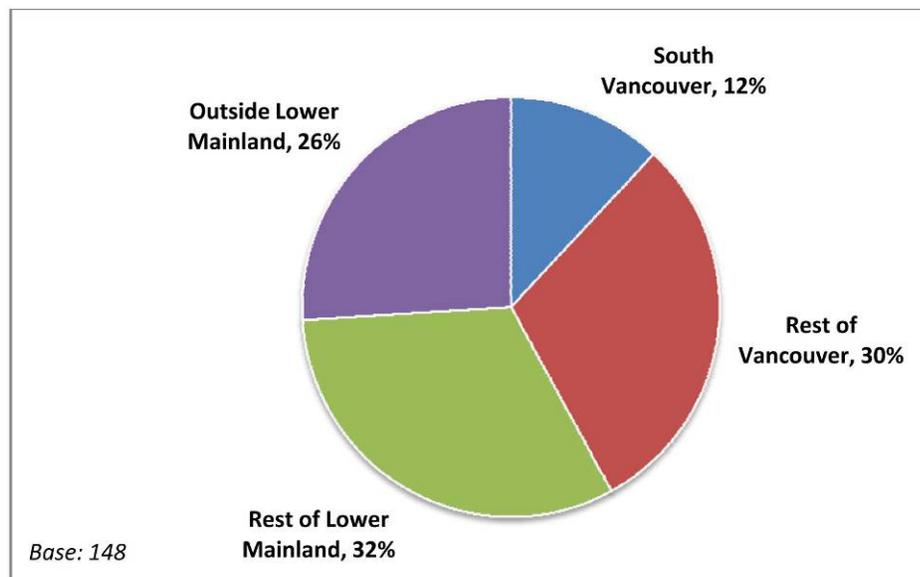


Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.

10.14 Business Linkages

When businesses are in close proximity to suppliers, customers and workers, traffic congestion and greenhouse gas emissions associated with transportation are reduced. In South Vancouver, the most important business linkage is proximity to customers which is rated as essential or important by over half of businesses. Approximately three-quarters of all goods and services sold by South Vancouver Industrial area businesses are sold to companies located in the Lower Mainland, including 42% that are located within the City of Vancouver.

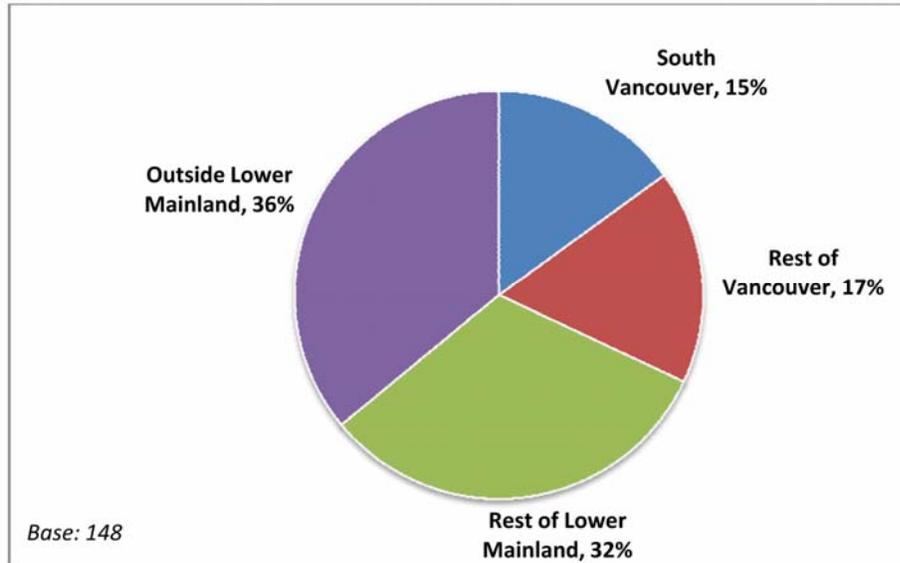
Figure 10-8: Customer Distribution



Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.

Approximately two-thirds of South Vancouver Industrial Area business suppliers are located in the Lower Mainland, of which one-third are within the City of Vancouver. Thirty six percent of business suppliers are located outside the Lower Mainland.

Figure 10-9: Supplier Distribution



Source: City of Vancouver. South Vancouver Industrial Lands Survey, 2009.

11.0 Access to the Fraser River Waterfront

Several existing policies are aimed at ensuring access and enhancing recreation along the Fraser River:

The Fraser River and Burrard Inlet Waterfront Policies and Guidelines adopted by City Council in 1973 and 1974, reaffirmed in 1983 and amended in 1988, state that:

- Council agrees that provision should be made for public access to the North Fraser waterfront for a variety of recreational purposes as practicality of zoning, existing industry and land ownership make possible (boat launching, view areas, walk areas, mini-parks, fishing platforms, etc.); and
- All street ends and any other City-owned property in this area should not be sold until they are declared surplus to the objectives of public access and recreation.

Specific to the Fraser River waterfront east of Angus Drive to Boundary Road, the Policies and Guidelines include declarations that:

- a waterfront walkway will be developed where feasible; and that
- as a matter of policy [the City is] committed to maximum public penetration and access to the river waterfront and developing recreational precincts.

The Oakridge/Langara Public Benefits Strategy, approved by Council in June 1996, identifies as a priority the securing of a waterfront park site or sites on the Fraser River.

The Sunset Community Vision, approved by Council in January 2002, states that there should be mini-parks on the street ends at the Fraser River with access to the water, even in areas where industrial uses will remain. If any land along the river is taken out of river-related industrial use, redevelopment should include a continuous waterfront walkway, with parks located along it.

The Vancouver Greenways Plan, adopted by Council in July 1995, is comprised of 14 city-wide greenways and public ways as well as neighbourhood greenways. One of the proposed city-wide greenways is the Fraser River Greenway which is to follow, to the extent possible, the Fraser Riverfront from the proposed north-south Spirit Trail in the west to the Burnaby trail system east of Boundary Road.

In addition to existing policy, the community has consistently stressed the importance of public access to the Fraser River. However, while access and the enhancement of recreation are important, they must be balanced with the needs of water dependant industry. Within this context, it is recommended that the City continue to work with the community and landowners adjacent to the Fraser River to review, augment and implement policies to enhance public access to the Fraser River waterfront as part of the Cambie Corridor Planning Program. The work will seek to create linkages to the Marine Drive Station and to balance the needs of existing and potential water-dependant industry with public access and recreation.

12.0 Summary and Policy Recommendations

In 2006, in response to property owner and community requests, Council directed staff to determine an appropriate scope for a review of land use policies in the Marpole industrial area. To inform this work, the geographic scope was expanded to include the larger South Vancouver industrial area and trends and issues in industrial lands from a city-wide perspective have been considered. Given the imminent opening of the Canada Line and that job location is one of the most significant drivers of transit ridership, this assessment has been considered within the context of the completion of the Marine Drive Station.

The findings make it evident that unique industrial areas such as the South Vancouver Industrial Area are vital for the kind of diverse economic base that will continue to make Vancouver a sustainable, economically resilient city. Nonetheless, while protecting the industrial land base is principally important, it is also important to consider other City goals such as supporting rapid transit investments and ridership by facilitating a higher intensity of uses around stations.

Accordingly, the recommended approach that is based on the findings of the background work, reconciled with the City's overall industrial land needs and objectives as well as its rapid transit goals, is to confirm the existing industrial zoning in South Vancouver, except for a limited area located in close proximity to the Marine Drive Station where opportunities will be reviewed for more intensive forms of non-residential, employment generating development as part of the Cambie Corridor Planning Program.

In the South Vancouver Industrial Area, this would provide for a review of strategically located and designed non-industrial, non-residential, job-intensive uses at high densities and in highly urban forms and designs in close proximity to the transit stations along the Cambie Corridor. Further, as also outlined in the report addressing the Cambie Corridor Planning Program, residential uses are not recommended for consideration on any existing industrial land in South Vancouver.

Finally, noting the importance of access to the Fraser River as well as important habitat and community values, staff recommend that the City continue to work with the community and landowners adjacent to the Fraser River to review, augment and implement policies to enhance public access to the Fraser River waterfront while balancing the needs of existing and potential water-dependent industry. This work will be undertaken within the scope of the Cambie Corridor Transit Planning Program.

Appendix B

Vancouver Economic Development Commission Comments on Cambie Corridor Planning Program and South Vancouver Industrial Area

July 2009

Cambie Corridor Planning Program and South Vancouver Industrial Area

Issue

Development strategy for the South Vancouver industrial area and for areas around Canada Line stations

Recommendation

VEDC supports recommendations A and B of the South Vancouver Industrial Area (SVIA) report, and recommendation A of the Cambie Corridor report.

VEDC does not support Consideration B of the Cambie Corridor report.

Background

VEDC has three economic development priorities for areas of the city outside Metro Core:

- Preservation of industrial land for employment activities that are not readily integrated into other areas of the city. These activities include niche manufacturing, PDR (production, distribution, repair) activities, goods transportation and government services. Preservation of industrial land is a longstanding VEDC concern - see for example its Business Climate Report (2007), Action 6-1, p.9
- Creation of thriving, mixed commercial/residential use economic "hubs" that increase economic activity, reduce GHGs, increase livability and serve their surrounding, predominantly residential, areas
- Making maximum use of high quality transit to foster "hub" growth and provide optimal financial return on transit investments

VEDC plans to undertake a study of longer term demand for industrial land later this year. The study, in collaboration with the Planning Department, will build on work already done by VEDC and Planning. Of particular importance to VEDC is ensuring there is enough space available in the city for niche manufacturing. The SVIA report notes both the extent of manufacturing in that area, and its recent growth. Fostering such growth in the city is an important priority for VEDC.

Skytrain stations provide outstanding opportunities to develop economic hubs, because of the high volume transit services they provide. The Marine Drive station may be particularly propitious for various types of commercial development because of its proximity to Vancouver's international airport. In that context, allowing certain non-residential, job intensive uses in the area adjacent to this station, as proposed in recommendation A of SVIA report, makes good sense.

Based on the above considerations, VEDC supports the recommendations in both reports.

The possibility of a mixed (residential/commercial) development on the south east quadrant of the intersection of Marine Drive and Cambie Street, as envisaged in Consideration B in the Cambie Corridor report, presents a dilemma. The development proposed by PCI Developments represents an excellent opportunity to kick start creation of an economic hub

at the Marine Drive station, but would be located on industrially zoned land. It therefore represents a conflict between the first of VEDC's priorities noted above, and the other two.

VEDC has had the opportunity to meet with PCI Developments and be briefed on their proposal. The proposal responds to many City priorities, including densification, mixed uses, increased rental housing and implementation of many "green" features. It also offers the opportunity to move ahead fast with a major construction project, an important consideration in the on-going recession.

VEDC staff have visited the proposed development area and have also had the opportunity to discuss with the Planning Department the prospects for creating a strong economic hub around the Marine Drive station, in the event that residential development on the PCI Developments site is denied.

VEDC has briefly discussed optimal levels of densification and mix of uses around skytrain stations with Translink, Metro Vancouver and the Planning Department. At present, no overall guidelines appear to exist, though the Planning Department will work towards such guidelines as part of the Cambie Corridor study.

Planning Department staff have indicated strong confidence that significantly higher residential densities, consistent with optimizing transit usage, can and will be achieved north of Marine Drive close to the skytrain station. Such density, combined with increased density of commercial uses south of Marine Drive, as discussed above, would provide the elements necessary for a strong economic hub around the Marine Drive station, without the residential development of industrial land contemplated by the PCI Developments proposal.

Under these circumstances, VEDC does not support Consideration B of the Cambie Corridor report, because it believes a strong economic hub can be created around the Marine Drive station without residential development of industrially zoned land.