



**CITY OF VANCOUVER**  
COMMUNITY SERVICES GROUP  
Current Planning Initiatives Branch  
Rezoning Centre

## MEMORANDUM

July 6, 2004

**TO:** Mayor Campbell and Councillors

**COPY TO:** J. Rogers, City Manager  
B. MacGregor, Deputy City Manager  
S. Baxter, City Clerk  
J. Forbes-Roberts, General Manager of Community Services

**FROM:** L. Beasley, Director of Current Planning

**SUBJECT:** Broadway-Arbutus - Limiting Retail Store Size

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The purpose of this memo is to provide Council with additional information about limiting the maximum size of retail stores in the Broadway-Arbutus shopping area and to augment this information with details on limiting retail size in other jurisdictions.

### **LIMITING INDIVIDUAL STORE SIZE IN BROADWAY-ARBUTUS**

The Broadway-Arbutus policy review proposes that a limit be placed on the maximum size of individual stores to help insure that city-serving retail uses would be in keeping with the primarily local-serving role of the Broadway-Arbutus local shopping area (LSA). Our objective in setting a limit is to allow flexibility for Broadway-Arbutus to evolve in a manner appropriate to its context while ensuring the size and scale of uses are compatible with this neighbourhood centre and creating a healthy LSA.

Broadway-Arbutus has a different character than many other west-side LSAs which focus on serving the weekly needs of local residents. A few LSAs, such as 4<sup>th</sup> Avenue, have a significant city-serving role because of their location, demographics and high volume of pass-by traffic, and Broadway-Arbutus shares these attributes. Broadway-Arbutus is highly accessible. It is on two major arterials carrying 34,000 (Broadway) and 21,000 (Arbutus) vehicles a day. It is currently served by three transit lines and is expected to be a future major transit intersection. While the Broadway-Arbutus LSA is expected to emerge with a dual role - both local and city-serving retail, the lower density residential zones surrounding it suggest that the impacts of the build form and scale of retail uses should be controlled to fit the neighbourhood.

The proposed limit of 40,000 sq. ft. represents floor area that accommodates stores which are considered as key anchors for local shopping areas - grocery stores are typically between 25,000 sq. ft. and 40,000 sq. ft. and drug stores range from 10,000 sq. ft. to 30,000 sq. ft. At the same time, a limited number of medium-sized, city-serving specialty stores (e.g., Future Shop, Chapters) which are normally within the range of 20,000 sq. ft. to 30,000 sq. ft. could also be considered. Concerns have been raised about the potential for an over-abundance of medium-sized city-serving stores locating in the Broadway-Arbutus LSA. However, the area includes limited opportunities, other than the sites at Broadway and Maple and Broadway and Vine, for larger stores without costly site consolidation.

## THE USE OF "RETAIL CAPS"

### Why limit retail size?

Although, Vancouver currently does not have maximum size limits for retail uses, this approach has recently become a tool for managing the scale of retail development. This tool is generally referred to as a "retail cap". In most cases, retail caps have been applied to protect the economic viability of existing commercial areas, including both downtowns and local shopping areas, and to prevent retail sprawl. Some communities restrict only massive, "big box" stores to ensure that other businesses will not be overwhelmed by the large-scale development. In other communities, the retail cap is intended to help sustain the vitality of small-scale, pedestrian-oriented shopping districts; preserve locally owned businesses; protect the unique character of local shopping areas; or reduce automobile dependency.

### How are retail caps applied?

Usually, the retail cap applies to the individual store's overall floor area; however, there are cases where the cap is applied to the store's footprint or roof area. The second approach is normally used to conserve land by forcing retailers to build vertically instead of horizontally.

Retail caps have been applied to various jurisdictions - neighbourhoods, cities and countries. For example, neighbourhoods in San Francisco (North Beach) and Kansas City (Brookside) have retail caps of 4,000 sq. ft. and 10,000 sq. ft. respectively, to protect the character of the neighbourhood retail stores. In Ireland, a retail cap of 38,000 sq. ft. applies in Dublin and a cap of 32,000 sq. ft. applies elsewhere in the country to protect town centres. Norway also has introduced a country-wide retail cap of 32,000 sq. ft. to protect local retail districts and reduce car dependency. Overall, retail caps range from 4,000 sq. ft. to 150,000 sq. ft. and are usually based on local planning efforts. A sample of 38 jurisdictions with retail caps identified 20 different limits on retail floor area, illustrating how the cap reflects local conditions.

## What are the effects?

Because retail caps are a relatively new tool which in most cases has only been applied during the last five years, there is little evidence yet to measure their effect. However, there have been legal challenges to this approach where, at least in the U.S., the courts have upheld the planning decision to implement retail caps. Retail caps are considered a legitimate planning tool as long as they are intended to protect the public interest and they advance a reasonable zoning purpose.

## CONCLUSIONS

- A limit of 40,000 sq. ft. is proposed to accommodate key anchors and allow limited opportunities for city-serving retail in the Broadway-Arbutus LSA;
- The retail limit is intended to insure that retail uses are compatible with the neighbourhood centre and contribute to a healthy LSA;
- Retail caps are an emerging tool for sustaining the vitality of LSAs;
- Retail caps include a wide range of floor area limits depending largely on local circumstances.



Larry Beasley

LBB/LC/ws

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