



## MEMORANDUM

June 10, 2005

TO: Mayor and Council

CC: Judy Rogers, City Manager  
Jacquie Forbes-Roberts, General Manager Community Services  
Larry Beasley, Director of Current Planning

FROM: Pat Wotherspoon, Assistant Director of City Plans

SUBJECT: Highway Oriented Retail Policy - Revised

---

This memo was presented to Council at the May 12, 2005 Public Hearing on the Canadian Tire rezoning application at 2820 Bentall Street. It has been revised to reflect policy for the Canadian Tire rezoning application at 26 SW Marine Drive.

On April 12, 2005, when considering referral of 26 SW Marine Drive (Canadian Tire) to Public Hearing, Council asked staff "to provide a written commentary and presentation at the Public Hearing on the existing policy framework for consideration of the application". Comments follow on broad city policies (e.g. CityPlan), the policy basis for the location of large format retail and other large non-industrial uses (e.g. cultural, entertainment, and institutional uses) in industrial areas, and city policies related to sustainability.

In the 1990's, Vancouver's industrial areas totalled 1,700 acres, were home to 2000 firms, and provided over 46,000 jobs with many of the employees living and working in Vancouver. During the previous decade over 700 acres of industrial land were redeveloped for housing. There were clearly positive results to the redevelopment of industrial lands surrounding the Downtown and near transit stations. Homes for over 80,000 people were created close to jobs and without demolition of existing units.

By the mid 1990's, concerns were raised about demands that housing and large, non-industrial, uses were placing on the city's remaining industrial lands. These uses included big box retail, regional churches, institutional, and entertainment-sports facilities. Underlying the concerns was the recognition that non-industrial uses were bidding up the price of industrial land and adversely affecting the city's economic vitality.

CityPlan (1995) adopted as Economic Directions to:

- Maintain a diverse economy;
- Use existing industrial land for port uses and industries that employ city residents and/or serve city businesses; and
- Make sure decisions about increasing retail space in the city support the creation of neighbourhood centres, strengthen the downtown, and protect industrial land.

CityPlan set Neighbourhood Directions to:

- Maintain vibrant local shopping areas; and
- Increase walking, biking, and transit by locating shops and services close to home.

CityPlan included Environmental Directions to:

- Reduce reliance on the car; and
- Improve the environment, including air quality, water and energy conservation and waste reduction.

Following CityPlan, The Industrial Land Strategy (1995) was approved to retain most of the city's remaining industrial land base for industry and service businesses to meet the needs of the port, city-serving and city-oriented businesses, and to diversify the City's economy by encouraging new jobs to locate in Vancouver.

The Industrial Land Strategy met CityPlan Directions by:

- **Keeping limited M (Heavy Industry) areas for significant economic generators, such as the Port and rezoning redundant heavy industrial land for new light industrial uses.**
- **Creating a new I-2 Schedule (1996) for city-serving uses and for "new economy" high technology uses such as film studios and bio-technology labs.**
- **Creating a new I-3 Schedule (1999) to encourage high technology, higher density uses near transit stations.** Potential I-3 areas were identified for portions of False Creek Flats near the Main Street and VCC Stations, Grandview-Boundary near the Renfrew and Rupert Stations, and when a north-south line is built, at a Marine Drive Station.
- **Not supporting housing in industrial areas (1995) due to the impact on land values and livability problems from adjacent noise and related impacts.**
- **Removing large non-industrial conditional uses (e.g. cultural and recreational uses) from the industrial schedules, making them the subject of site specific rezonings in highly accessible (HOR) areas. This work is underway.**
- **Minimizing pressure on industrial sites from retail, entertainment, cultural, and institutional uses by focusing uses which result in significant traffic on key arterials - Grandview Highway (1999/2002) and South East Marine Drive (2001/2002).**

The latter policy has become known as "Highway Oriented Retail (HOR)" although it should probably be called the "large format non industrial use policy" because similar criteria apply to all of these uses. HOR is the subject of this memorandum.

The issue of large format/HOR uses arose as a result of:

- **Changing shopping patterns** with large stores providing "wholesale" or bulk purchases. In some cases stores started as "wholesale" (a permitted use in industrial areas) and, overtime, changed their use/customer base to broader retail uses.
- **Demands for sites for large churches and other non industrial (cultural, entertainment, and recreational) uses.**

In the 1980s, the City saw the redevelopment of a number of industrial sites for large format uses, either through the development permit process within the zoning of the time (e.g. Superstore at Main and Marine Drive), or through rezonings (e.g. Home Depot on Terminal Avenue and Broadway Tabernacle).

The lack of policies for the location of large format uses resulted in several problems:

- The Industrial Schedules and Policies gave no direction as to where these large format uses would be considered. This resulted in uncertainty for applicants, staff, and the community.
- Large format churches, entertainment, and cultural facilities were permitted as conditional uses in industrial areas, e.g. Broadway Tabernacle. Approval of uses with potentially significant impacts could occur without full public input and Council consideration through a Public Hearing.
- Increasing demand for large format uses began to place pressures on the limited industrial land supply.
- Uses with frequent public access demand higher standard roads, lighting, and other services not typically available in industrial areas.

Recognizing these multiple issues the Council of the day choose to:

- Consider some limited sites for highway oriented retail and other large format uses along two arterials - Grandview Highway (1999/2002) and Marine Drive (2001/2002). These frontages were chosen to address established land uses and existing high traffic exposure. HOR policies and guidelines are the same for Grandview Highway and Marine Drive except that grocery store is not a permitted use in the Marine Drive HOR area. In total, 100 acres of the city's 1,700 acres of industrial land are designated for highway oriented retail.
- Require all large format retail uses involving food or clothing to provide impact studies on neighbourhood shopping areas. In 1987 Council adopted a policy requiring impact studies for large retail uses. This policy was a precursor to the current HOR policy.
- Proceed through rezoning to ensure each site is considered on its individual merits with full opportunities for public input directly to Council.

The HOR policies and guidelines consider large format uses and their impact on neighbourhood centres. In neighbourhood centres, retail land uses are focussed on providing for daily purchases and services. The intent of the HOR areas is to provide sites for uses which:

- require large sites by nature of the product (e.g. large display areas needed for bulky items such as furniture, home improvement);
- generally require the use of a car and serve a wide catchment area; and

- do not sell goods that are or can be conveniently available in neighbourhood centers or other commercial areas.

Although the large format/HOR policies and guidelines support uses that tend to be car-oriented, the policies and guidelines also encourage development that includes water retention and reuse, energy conservation and solid waste reduction.

Originally the HOR policy did not restrict retail uses. However, the policy is founded on the premise that developments which harm the economic health of local shopping areas will not be supported. HOR proposals for food and clothing, considered key uses in local shopping areas, require completion of retail impact studies (by staff-led consultants) to ascertain the existence and extent of impact. Indeed, in 2002, based on the retail impact study for the Wal-Mart proposal, food sales (i.e. grocery store) were eliminated from further consideration in the Marine Drive HOR area.

Further details of the development of HOR policies are attached as Appendix B.

Council asked whether the HOR policies remain viable today in light of changing circumstances:

- **New visions of “neighbourhood” and “livability”** developed through Community Visions challenge large format retail developments. Visions for areas potentially affected by big box food and clothing stores - Kensington/Cedar Cottage, Victoria-Fraserview/Killarney, Sunset, and Renfrew Collingwood Visions do not support additional shopping malls or big box stores in their community or close enough that would harm the economic health of their shopping areas. The VFK and Sunset Community Visions support the notion of specialty big box locating in existing shopping areas. Further information on Community Vision policies is attached as Appendix A.

Other policies which were taken into consideration for these applications include transportation policies which are addressed separately in a memorandum from the General Manager of Engineering Services and policies which encourage sustainable development and green buildings.

Almost fifteen years ago, Council began seeking reduced greenhouse gas (GHG) production through better energy efficiency of buildings when in October 1990, Council approved in principle a recommendation in “Clouds of Change” to reduce carbon dioxide emissions to address global climate change. Since then, Council has continued to support this objective by:

- Joining the Federation of Canadian Municipalities “20%” Club (to reduce emissions by 20%) in 1995, which became the Partners for Climate Protection Program in 1998;
- Adopting the Southeast False Creek Policy Statement to shape the sustainable growth on False Creek, including green buildings and technologies (2001);
- Supporting the Canadian Government’s ratification of the Kyoto Protocol (2002);
- Approving an emissions reduction target of 20% from 1990 levels subject to further evaluation, and a Greenhouse Gas Reduction Action Plan for the corporation and the community (2003);
- Approving a GHG reduction target of 6% below 1990 levels based on input from the Cool Vancouver Task Force (2003);

- Approving revisions to the Energy Utilization By-law to improve energy performance of new, large commercial and residential buildings (2004);
- Approving a program to promote development of green building policy, including LEED Gold certification for civic buildings and LEED Silver certification for Southeast False Creek. Council also requested a city-wide strategy (2004);
- Approving Southeast False Creek Official Development Plan (ODP) at Public Hearing, with LEED Gold requirement for Olympic Athletes' Village (2005); and
- Approving Community Climate Change Action Plan to reduce GHG emissions by 6% below 1990 levels. Plan includes specific elements related to improving building performance (2005).

## Conclusions

The City has policies that attempt to balance several competing objectives to:

- Maintain a diverse economy by retaining industrial land for industrial/service/ new economy uses;
- Provide a few opportunities for big box retail by limiting these uses to two HOR areas with a total area of 100 acres;
- Provide limited opportunities for large cultural, entertainment, institutional, and recreational uses by directing these uses to the two HOR areas;
- Support vibrant neighbourhood centres;
- Reduce greenhouse gas production; and
- Encourage green (sustainable) buildings.

The challenge facing the City is to decide how best to accomplish these objectives.

Pat Wotherspoon  
Assistant Director of City Plans

*Phone: 604.871.6302*

*Fax: 604.873.7898*

## Community Visions & Large Format Uses

- **Dunbar Vision (1998)** identified three shopping areas along Dunbar as key shopping areas and notes that there should not be any additional 'big box' stores or internal shopping malls allowed in Dunbar, or close enough to threaten the economic health of the shopping areas.
- **Kensington - Cedar Cottage (KCC) Community Vision (1998)** identifies three local shopping areas (Broadway and Commercial, Knight and Kingsway, and Victoria and 41<sup>st</sup>). As in Dunbar, the Vision did not support internal shopping malls or 'big box' stores in KCC, or close enough to threaten the economic health of the shopping areas.
- **Sunset Community Vision (2002)** identifies the Fraser Street (South Hill) area and the Main Street (Punjabi Market) area as the key shopping areas. The Vision also notes that additional shopping malls, and 'big box' stores which sell groceries, clothing, and other daily needs, should not be permitted to locate where they will harm the economic health of the Fraser and Main shopping areas. Further, some specialty 'big box' outlets, (such as electronics, toys, pets) might act as positive anchors or attractions if they are located in Sunset's existing shopping areas.
- **Victoria - Fraserview/Killarney Vision (2002)** identifies three local shopping areas (Victoria Drive, Kingsway/Joyce 'Collingwood', and Champlain Mall), and also identifies the Fraserlands as an area for convenience retail. As in Sunset above, this Vision does not support additional shopping malls and 'big box' stores that may harm the economic health of the Victoria and Kingsway shopping areas or Champlain Mall, and supports consideration of specialty 'big box' outlets that locate in the existing shopping areas.

## Policies Specific to the Marine Drive HOR Area

This area is 18.6 h (46 ac) and includes 28 sites comprising 13 warehouse/wholesale operations, 11 service and retail uses and auto dealerships and 4 other industrial/manufacturing operations. The area is characterized by large sites currently or formally occupied by auto dealerships.

Since the HOR was established two rezoning applications have been submitted - one for Wal-Mart and one for Canadian Tire.

- Council adopted HOR Rezoning Policies and Guidelines, as well as policies regarding conditional Institutional, Cultural and Recreational Uses for this area in 2001.
- The Policies note that while the type of retail use is not limited, proposed new uses should not undermine the role of nearby neighbourhood centres by drawing customers away from local stores.
- As food and clothing retail often form the basis of local shopping areas, proposals including food or clothing require a retail impact analysis. The retail impact analysis determines the trade area of the proposed uses and how the proposal will affect retail competition therein. In 2002, the Marine Drive HOR policy was amended to remove the sale of food (e.g. grocery store) as a potential retail use.
- Site specific rezonings to CD-1 for large scale retail uses will be considered, with a minimum retail store size of 10,000 sq.ft.