#### CITY OF VANCOUVER

### POLICY REPORT DEVELOPMENT AND BUILDING

Report Date: April 29, 2005 Author: Lynda Challis Phone No.: 604.873.7135

RTS No.: 05076 CC File No.: 5306

Meeting Date: May 10, 2005

TO: Vancouver City Council

FROM: Director of Current Planning, in consultation with the Director of City

Plans

SUBJECT: CD-1 Rezoning - 86 SE Marine Drive/101 East 69<sup>th</sup> Avenue (Wal-Mart)

#### RECOMMENDATION

- A. THAT the application by Busby Perkins + Will to rezone 86 SE Marine Drive and 101 East 69<sup>th</sup> Avenue (Lots 1 & 2, North Part Block 13, District Lot 322, Plan 12653) from I-2 Industrial District and RS-1 One-family Dwelling District to CD-1 Comprehensive Development District to permit highway oriented retail development, be referred to a Public Hearing, together with:
  - (i) plans received February 2, 2005 and April 5, 2005;
  - (ii) draft CD-1 By-law provisions, generally as presented in Appendix A; and
  - (iii) the recommendation of the Director of Current Planning to approve, subject to conditions contained in Appendix C;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary CD-1 By-law, including a limit on clothing and food sales generally in accordance with Appendix A for consideration at the Public Hearing, including a consequential amendment to the Sign By-law to establish regulations for this CD-1 in accordance with Schedule "B" (M-2).

B. THAT the Director of Current Planning be instructed to make application to amend Schedule C of the Zoning and Development By-law No. 3575 to establish a landscape setback for the site, generally in accordance with Appendix B;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary amending by-law;

AND FURTHER THAT the application and by-law be referred to the same Public Hearing as required for Recommendation A.

- C. THAT, if Council approves the rezoning of 86 SE Marine Drive/101 East 69<sup>th</sup> Avenue, staff be instructed to undertake further consultation with business and community interests in the Fraser Street area and report back on the specific details of the proposed mitigation package for Fraser Street Neighbourhood Shopping Area generally as described in this report.
- D. THAT the Highway Oriented Retail Rezoning Policies and Guidelines: Marine Drive Industrial Area be amended as set out in Appendix B to remove the sale of clothing as a possible retail use.

#### **GENERAL MANAGER'S COMMENTS**

The General Manager of Community Services RECOMMENDS approval of A, B, C and D.

#### **COUNCIL POLICY**

Relevant Council policies for this site include:

- In March 1995, Council adopted the Industrial Lands Policies intended to retain most of the City's existing industrial land for industrial and city-serving activities. Council requested staff to investigate mixed retail/industrial zones along limited areas of Grandview Highway and Marine Drive.
- In June 1995, Council adopted CityPlan which provides for the development and reinforcing of neighbourhood centres, a diverse economy, and jobs close to home.
- In July 1998 and September 1998, Council adopted the Kensington Cedar Cottage (KCC) and Dunbar Community Visions which call for no additional big box stores in KCC or Dunbar, or close enough to threaten the economic health of local shopping areas.
- In May 2001, Council adopted the Highway Oriented Retail (HOR) Rezoning Policies and Guidelines: Marine Drive Industrial Area which required a retail impact study for proposals that include the sale of food or clothing.
- In January 2002, Council adopted the Sunset and Victoria-Fraserview/Killarney Community Visions which specify that big box stores selling groceries, clothing and other daily needs should not be permitted to locate where they will harm the economic health of local shopping areas.
- In July 2002, Council instructed staff to continue processing the rezoning application for 86 SE Marine Drive and 101 East 69<sup>th</sup> Avenue and report back on a mitigation package for Fraser Street. Council also amended the Highway Oriented Retail (HOR)

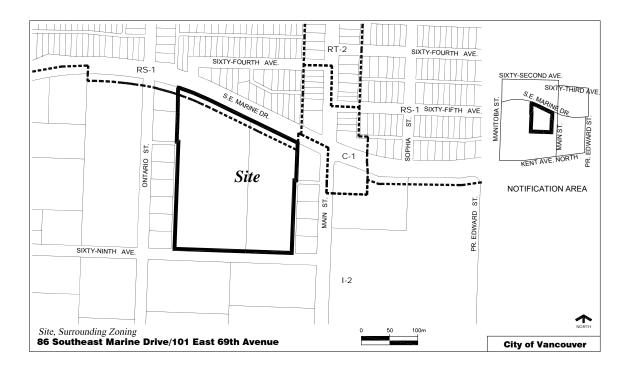
Rezoning Policies and Guidelines: Marine Drive Industrial Area to remove sale of food (e.g. grocery store) as a potential retail use.

• In February 2003, Council instructed staff to continue processing the rezoning application for 86 SE Marine Drive and 101 East 69<sup>th</sup> Avenue.

#### **PURPOSE AND SUMMARY**

This report assesses an application to permit highway oriented retail uses on the site shown on the map below. Proposed is a Wal-Mart store plus two other large-format retail stores and two restaurants.

Map 1: Site and Surrounding Zoning



The application generally conforms to Council's Highway Oriented Retail (HOR) policies and guidelines for Marine Drive and proposes a sustainable development which would meet the standards for LEED Gold certification. The application was initially submitted in September 2001 and a retail impact study undertaken in 2002 concluded that the proposal would not negatively impact neighbourhood shopping areas, except Fraser Street. A mitigation package is proposed to address the potential impacts on this neighbourhood shopping area and staff recommend a report back on the specific details of the mitigation measures (Recommendation C). The retail impact study also noted the importance of grocery stores and other food stores (bakery, produce, etc.) in neighbourhood shopping areas; therefore food sales are limited on the site to protect neighbourhood food retailing.

The results of a recent retail impact study for a nearby Canadian Tire proposal lead staff to recommend that the amount of clothing store space should be limited on that site to retain

some opportunities for clothing retailers to locate in neighbourhood shopping areas over the next few years. Similarly, the Director of Current Planning recommends limiting the sale of clothing on the subject site, and removal of clothing retail as a potential use for future retail development in the Marine Drive HOR area (Recommendation D).

Staff recommend that the application to rezone the site to CD-1 be referred to a Public Hearing, with a recommendation that it be approved, subject to conditions. Consequential amendments are also recommended for the Sign By-law and the Zoning and Development By-law to establish a landscape setback requirement.

#### **DISCUSSION**

Background: In 1995, prior to approval of CityPlan and the Industrial Land Strategy, concerns were raised about demands on the city's limited supply of industrial, city-serving lands from large-scale non-industrial users. These included a variety of high traffic uses such as big box retail, regional churches, institutional uses, and entertainment-sports facilities. At the same time, through the CityPlan process, residents voiced the desire to create and maintain vibrant local neighbourhood shopping centres. In 1995, Council's approval of CityPlan included the notion of establishing a "city of neighbourhoods". Also in 1995, Council approved the Industrial Land Strategy to maintain land for a variety of industrial and service uses. As part of the Industrial Land Strategy, Council agreed to reduce locations for highway oriented activities by limiting them to sites along Grandview Highway and Marine Drive. In part, these frontages were selected to reflect the existing land uses which included a variety of warehouse stores and other non-industrial uses. Council asked staff to prepare zoning and policies for these frontages to provide limited opportunities for big box and other high traffic uses.

In May 2001, Council approved policies and guidelines for HOR rezonings along the south side of Marine Drive between Main and Yukon Streets following a planning study that included local property owners, businesses and residents. In September 2001, the City received a rezoning application for a Wal-Mart store at 86 SE Marine Drive/101 East 69<sup>th</sup> Avenue which was the first application under the area's new HOR policy. Because the proposed Wal-Mart store would include a significant amount of clothing sales, the first phase of processing the application focussed on assessing its retail impact on neighbourhood shopping areas. The intent of this approach was to minimize the cost and time required to fully assess the application, if the results of the retail study would lead to a conclusion of non-support. The retail study found that sales impacts on neighbourhood shopping areas south of 16<sup>th</sup> Avenue would be minimal except for Fraser Street where moderate impacts are expected. In July 2002, based on the findings of the retail study, Council instructed staff to continue processing the application and to report back on a mitigation package for Fraser Street. Council also amended the Marine Drive policies to remove the sale of food (e.g. grocery store) as a potential use with staff noting that the proposed food sales in Wal-Mart would be limited in area.

Use: The application proposes retail and service uses. The principal retail occupant would be a 13 296 m<sup>2</sup> (143,125 sq. ft.) Wal-Mart store. Typically, a Wal-Mart store sells merchandise which includes clothing, housewares and furnishings, recreational products, personal care items, automotive parts and convenience foods. Other potential tenants (currently unknown) would be located in two large format retail spaces totalling 2 485 m<sup>2</sup>

(26,750 sq. ft.) and two restaurants (1 187 m<sup>2</sup> [12,775 sq. ft.]) fronting on Marine Drive. The proposed retail uses all exceed the minimum store size (929 m<sup>2</sup> [10,000 sq. ft.]) required by the HOR rezoning policy for the Marine Drive Industrial Area.

Retail Impact Studies: The proposal includes clothing sales and a limited amount (745 m² [8,000 sq. ft.]) of snack-type, convenience food sales. When the application was submitted in 2001, the Marine Drive HOR policies required a retail study to determine the impact of food and clothing sales on neighbourhood shopping areas and shopping centres within the development's trade area.

Between January and June 2002, a retail impact study was undertaken by a team of consultants retained and managed by the City but paid for by the applicant (see Appendix F - Executive Summary). The study undertook a detailed inventory of neighbourhood shopping areas south of 16<sup>th</sup> Avenue which included fifteen street-oriented commercial districts and four shopping centres, including Oakridge. Based on the assessment of the neighbourhood shopping areas, the consultants concluded that the impacts of the proposed Wal-Mart development on neighbourhood shopping areas would be minimal, except for Fraser Street between 40<sup>th</sup> and 51<sup>st</sup> Avenues where moderate impacts are expected because it is close to the proposed Wal-Mart site and has some stores selling merchandise similar to Wal-Mart. The consultants identified the following reasons for their conclusion that most neighbourhood shopping areas would experience minimal impacts:

- the proposed Wal-Mart would compete primarily with large scale chain stores (Zellers, Real Canadian Superstore, London Drugs, Canadian Tire, Costco and Fields),
- there are few general merchandise retailers in south Vancouver,
- neighbourhood shopping areas are convenient and often offer unique, attractive and competitive retail venues; and
- there is a high rate of retail outflow from Vancouver some of which the proposed development could recapture.

Although the retail study did not focus on food retail, the consultants found that it plays a very important role in neighbourhood shopping areas and is key to their vitality. They also observed that many areas are anchored by grocery stores which help sustain neighbourhood shopping areas by drawing consistent, repeat customers. Other food retailers such as produce, bakery, deli and butchers are also important components of neighbourhood shopping areas. The Wal-Mart store includes a small area for a limited range of food which the consultants concluded would not impact existing food stores. A grocery store would have a greater impact on neighbourhood shopping area. Therefore, staff concluded that neighbourhood food retailing should be protected and recommended that the Marine Drive HOR policies be amended to remove food retail as a potential use. The proposed amendment was not intended to affect the food sales in the Wal-Mart proposal, although the area would be limited in size.

In July 2002, based on the retail consultant's conclusions and staff's recommendations, Council instructed staff to:

- continue processing the application;
- report back, as part of the application's rezoning referral report, on a mitigation package for the Fraser Street Neighbourhood Shopping Area; and

• amend the Highway Oriented retail Rezoning Policies and Guidelines: Marine Drive Industrial Area to remove the sale of food (i.e., grocery store) as a possible retail use.

In 2005, a retail impact study was completed for potential clothing sales within the nearby Canadian Tire proposal at 26 SW Marine Drive. The study found that the impact of clothing-related sales on neighbourhood shopping areas in the trade area would be minimal, as most of the impact will be felt by competing clothing stores in Oakridge shopping centre and in Kerrisdale. The study also found that a significant portion of sales losses will accrue to department stores. The Fields store on Fraser Street is at risk but the study concludes that its closure should not have a significant impact on the marketing appeal of the Fraser Street shopping area.

The study also looked at future demand for clothing store space in the trade area and found that the trade area could support the proposed space in the HOR area. However, staff notes that the addition of a large amount of new clothing store space in the HOR area would likely saturate the trade area and limit the potential for additional clothing store space in neighbourhood shopping areas. Although most neighbourhood shopping areas currently include only a small amount of clothing retailers, there are expectations in the Community Visions that neighbourhood shopping areas should provide a wider range of local-serving shops and services. To provide some market opportunity for clothing retailers to locate in neighbourhood shopping areas over the next few years, staff has recommended limiting clothing store space on the Canadian Tire site. Staff also recommends limiting the clothing store space on the Wal-Mart site to an amount [4 180 m² (45,000 sq. ft.)] equal to the clothing sales area within the Wal-Mart store. In addition, staff recommends that the Marine Drive HOR policies be amended to remove clothing sales as a potential retail use to preserve future opportunities for neighbourhood shopping areas.

Fraser Street Mitigation: The Fraser Street south precinct (40<sup>th</sup>-51<sup>st</sup> Avenues) is expected to be moderately impacted by the proposed development. Consequently, Council instructed staff to report on mitigation measures to help off-set the impacts. Pursuant to Council's instructions, staff has worked on a mitigation package which comes in at a cost of \$1.0 m. The package includes a range of mitigation measures which focus on commercial revitalization, including business support and market research, and the following physical improvements to enhance the appeal of the shopping area:

- lighting improvements along Fraser Street and for the Fraser Street Collective Parking;
- corner bulges;
- street trees and special landscaping;
- electrical servicing for decorative lighting;
- banner brackets;
- special street signage; and
- public art.

Business owners/operators along Fraser Street have been involved and, in addition to staff's package of mitigation measures, have added a request for funds to help support a local business improvement area (BIA). Staff estimates that the cost of all these measures would exceed \$1.7 m, including contingency and overhead.

Based on our assessment, staff recommends that the City seek a contribution from the applicant to an amount deemed sufficient by the City Manager to mitigate possible impacts of

the proposed Wal-Mart development on the Fraser Street Neighbourhood Shopping Area (40<sup>th</sup> Avenue to 51<sup>st</sup> Avenue) (Appendix D), up to \$1.0 m with a report back to Council following further discussions with the Fraser Street business owners/operators and community representatives to finalize a strategy for allocating the funds (Recommendation C).

Density: The Marine Drive policies recommend an overall maximum density of 3.00 FSR for mixed use development which includes a maximum density of 0.60 floor space ratio (FSR) for highway oriented retail use and up to 2.40 FSR for industrial and some service type uses. The application proposes an overall density of 0.34 FSR and a density of 0.32 FSR for retail uses. Staff recommend an allowance for an additional ten percent of floor area to provide flexibility (i.e. to respond to conditions of approval), noting that Council's approval of the form of development is required.

The retail floor area of each retail unit exceeds the minimum store size of 929 m<sup>2</sup> (10,000 sq. ft.) as required by the Marine Drive policies and will be controlled as a condition of the use in the CD-1 by-law (Appendix A).

Height: The Marine Drive policies and guidelines recommend a maximum height of 12.2 m (40 ft.) for stand-alone retail development and up to 18.3 m (60 ft.) for mixed-use projects where increased height assists in providing usable public open space at grade and residential views are not impacted. The proposed development does not exceed a maximum height of 12.2 m (40 ft.), except for the skylights on the Wal-Mart building which are up to 13.9 m (46 ft.) in height. The application also proposes an additional height of 45.1 m (148 ft.) to accommodate the wind turbines which may be included in the final design. Staff supports the proposed heights which will help achieve the sustainability objectives for the site.

The HOR policy limits building height to 9.2 m (30 ft.) within a depth of 9.2 m (30 ft.) from the required landscape setback along Marine Drive. The development includes four commercial buildings within 9.2 m (30 ft.) of the landscape setback and none of these buildings exceed the 9.2 m (30 ft.) height limit.

Landscape Setbacks: The Marine Drive HOR policies require a landscape setback of 12.1 m (40 ft.) for properties fronting on Marine Drive. Presently a landscape setback is regulated by the 12.1 m (40 ft.) deep strip of RS-1 zoning along the Marine Drive frontage. The proposal has buildings along the Marine Drive frontage intruding into the landscape setback, but the landscape setback regulations in the Zoning and Development By-law would not permit buildings, structures, parking, loading or manoeuvring aisles within the setback area. Staff recommends an amendment to Schedule C of the Zoning and Development By-law to establish a 12.1 m (40 ft.) landscape setback along Marine Drive, and proposes a design development condition to remove these buildings from within the setback. The applicant has indicated that the development can accommodate this change.

Form of Development: The application proposes a site plan that places the principal retail building on the southwest portion of the site along 69<sup>th</sup> Avenue and locates four smaller commercial buildings along Southeast Marine Drive. The remainder of the site is used primarily for surface parking and loading purposes. Sustainability features that have been included in the proposal have a strong influence on the proposed form of development. (see Sustainability section below)

The Marine Drive policies and guidelines encourage development that improves and enhances the public realm through high quality architectural building expression, careful site planning, public and private landscaping, and appropriate vehicular and pedestrian circulation. The Urban Design Panel unanimously supported the rezoning application and found it a refreshing approach to large format retail design. Their recommended improvements are reflected in the proposed conditions of design development which focus on:

- eliminating the encroachment of four commercial buildings into the landscape setback along SE Marine Drive;
- emphasizing pedestrian movement systems over vehicular movement systems;
- reducing the apparent scale and improving the sustainability performance of the proposed parking plan;
- clearly announcing building entries;
- confirming the location and design of weather protection systems to ensure connectivity between buildings, functionality and visual quality in an industrial context;
- confirming that proposed materials and detailing ensure high quality architectural expression for both the main building and the smaller commercial buildings;
- providing details on architectural and sustainable features to confirm functionality and building quality and address potential impacts;
- providing a conceptual signage package that confirms signage types and locations;
- providing a conceptual lighting package that confirms lighting types and locations; and
- properly screening loading activities and utility functions.

The proposed design development conditions will help ensure that the proposal meets the objectives of the Marine Drive policies and guidelines.

Sustainability: The application proposes a sustainable approach to the development and maintenance of the site. To mitigate the effects of the parking lot, the project would provide extensive planting of shade trees and use of permeable paving to reduce heat island effect and manage/reuse stormwater run-off. Although the Wal-Mart store would stay within its prototypical building outline, the building would incorporate sustainable design strategies such as the reuse of existing materials, natural daylighting and alternative power supplies, such as wind turbines, to offset energy use. The project would also include an educational component for promoting sustainability.

Staff has reviewed the proposal from a sustainability perspective and notes that the project has many promising features and could become a leadership project in green building development in the City of Vancouver. Staff appreciates the applicant's commitment to achieving LEED Gold and recommends that the applicant work with City staff to pursue LEED Gold as a minimum standard, including full registration, documentation, and certification of the project through the Canadian Green Building Council (see Appendix D). Staff also recommends the following design development conditions to ensure that the City's environmental and sustainable objectives are achieved:

- consider a green roof strategy or an alternative strategy to assist in stormwater management, enhanced biomass and energy efficiency and to improve the visual impact on the residential community to the north;
- reduce greenhouse gas (GHG) emissions through energy systems such as geothermal and improved building systems (i.e., emphasizing natural ventilation systems) as a

priority over wind energy which is not fully tested or diversely applicable in the Vancouver context;

- select a varied planting design that reflects the diversity of the Fraser River Basin and favours non-sterile productive species whenever possible;
- ensure the suitability of swale locations and on-going function of a bio-filtration pond;
- explore higher quality materials for parking surface permeability;
- provide priority parking for alternative fuel vehicles, car co-op vehicles, and rideshare vehicles and encourage transit use by both employees and customers, as well as explore enhanced accessibility to the future RAV station (i.e. customer shuttles);
- ensure that all new additional site structures and commercial units are developed to LEED standards for full certification and registration;
- investigate an enhanced educational and interpretive program in a highly visible location (preferably within the store)and targeted to sustainable products and practices that can be implemented by customers; and
- engage in partnerships with local not-for-profit organizations to develop a food picking/urban agriculture strategy for on-site plantings and to further support awareness of the educational component.

Traffic and Parking: The Marine Drive policies and guidelines stipulate that a Parking and Traffic Study should accompany a rezoning application for HOR. In June 2003, a Traffic Impact Study was performed by Ward Consulting Group for this application, and concluded that retail use of the site would require a number of improvements to the street network. Since then, a major commercial development application has been submitted on the nearby Chrysler site, to the west across Ontario Street, by Canadian Tire. In view of this, staff sought an updated transportation review for the Wal-Mart site, taking into account the Canadian Tire development as well. As a result, a report entitled "Traffic Impact of Proposed Commercial Development, S.E. Marine Drive/Main Street", by Ward Consulting Group, was submitted.

The combined impact study documents expected traffic from both the Wal-Mart and Canadian Tire proposals, in particular for the key times of the weekday afternoon rush and Saturday peak hours. Some of the key findings presented within the impact study were:

- As noted in the Retail Study for the site, 25% of the new customers for Wal-Mart are likely to be pass-by trips of those from outside Vancouver, including another 10% from inside the city; thus, it has been assumed that 35% of trips to/from the site were already passing the site in the weekday rush period, and 15% on Saturday.
- In the weekday pm peak hour, Wal-Mart is expected to generate 400 vehicles coming to and 400 vehicles leaving the site, with Canadian Tire adding about 600 in and 600 out. In the Saturday peak hour, Wal-Mart would generate approximately 550 in and 550 out, with Canadian Tire generating about 800 in and 800 out. The net impact of these volumes would be reduced on weekdays, but to a lesser degree on the weekend, due to components of pass-by trips.
- In 2006, with both projects operating, increases in traffic would include:
  - a) during a weekday pm peak hour, approximately 19% at Marine/Ontario and 15% at Marine/Main, with Canadian Tire responsible for most of the traffic at Ontario and with roughly equal responsibility at Main; and
  - b) during the Saturday peak hour, approximately 32% at Marine/Ontario and 26% at Marine/Main, again with Canadian Tire responsible for most of the traffic at Ontario and with roughly equal responsibility at Main.

- An important strategy in dealing with new pressures on surrounding streets is to supply
  multiple access points to serve the Wal-Mart project, including all-movement accesses
  from Ontario Street (incorporating a City lane) and from 69th Avenue, a right-in/rightout access from Marine Drive, and an entry-only access via a lane off Main Street.
- Impacts diminished quickly further from the site, for example constituting increases in traffic of 2 to 3% at Marine/Cambie, and 1 to 2% at Marine/Knight.
- Assessments of sensitivity for higher-than-expected success in attracting customers, and for the year 2011 with assumptions for increased background traffic, confirmed that the improvements prescribed for Opening Day (see below) would perform satisfactorily.

Significant improvements to the street network are required to deal with the traffic from Wal-Mart and Canadian Tire. Some of these were identified in the review of the Canadian Tire proposal by Bunt and Associates. After review of both proposals, staff recommends that the following improvements are necessary in order to mitigate the traffic impacts of these developments. In some cases, responsibility for measures have been assigned to an individual project, in case one or the other does not proceed; however, each project contributes to the need for the following measures to a greater or lesser degree:

- A westbound left-turn bay on Marine Drive at Ontario Street, of minimum length 100 m (330 ft.) and with raised, landscaped median, to be funded wholly by either Wal-Mart or Canadian Tire, should either proceed separately, or shared 50-50 should both proceed;
- Signal improvements at the intersection of Marine and Ontario, including upgrading of the existing ped/bike signal to a semi-actuated traffic signal and provision of a westbound left-turn signal, to be funded wholly by either Wal-Mart or Canadian Tire, should either proceed separately, or shared 75/25 Canadian Tire/Wal-Mart should both proceed;
- Improvements to the south boulevard of Marine Drive from Ontario to Main to ensure adequate pedestrian realm quality, wholly funded by Wal-Mart;
- An eastbound dual left-turn bay on Marine Drive at Main Street, of minimum length 80 m (260 ft.) and with raised, landscaped median, to be funded wholly by either Wal-Mart or Canadian Tire, should either proceed separately, or shared 50-50 should both proceed;
- A lengthened westbound left-turn bay on Marine Drive at Main Street, of minimum length 80 m (260 ft.), to be funded wholly by Wal-Mart;
- Improvements to Main Street between Marine Drive and 69th Avenue including boulevard enhancements and design adjustments, such as a raised median, to preclude left-turn movement into or out from the lane/entrance located some 50 m (165 ft.) south of Marine, funded wholly by Wal-Mart;
- Improvements to 69th Avenue from Main Street to Ontario Street, funded wholly by Wal-Mart (note that improvement of 69th west of Ontario and along Ontario from 69th to Marine, as well as traffic calming on 64th Avenue between Main and Marine, are the sole responsibility of Canadian Tire); and
- A traffic signal at the intersection of Main Street and 69th Avenue, if required within 10 years of final occupancy, wholly funded by Wal-Mart.

Without the above-listed measures, serious congestion would materialize with the opening of either the Wal-Mart or Canadian Tire developments, particularly at Marine Drive's intersections with Main and Ontario. The consultant cautions of impacts at the Marine/Cambie intersection and recommended incorporation of a second exclusive southbound left-turn lane; however, the physical requirements of the RAV line and its station

at Marine will dictate the geometry of changes to this intersection. Furthermore, the approval recently of a new traffic signal at Marine Drive and Yukon Street will encourage a reduction in traffic opposing the southbound left turns from Cambie to eastbound Marine such that impacts from the large commercial developments farther east can be better accommodated. Note that all street works requiring curb-to-curb widening of roadways, and new signals, would require separate approval of City Council. Other minor measures, such as laning of intersection approaches, sign installation related to removal of parking, etc. would be dealt with at the development permit stage and through normal Engineering processes.

Ward performed an analysis of the impacts on overall driving relating to development of a Wal-Mart at the proposed location. "Repatriated trips" by Wal-Mart customers who would no longer drive to stores at Metrotown (55% of such trips), Richmond (30%), Lougheed (10%), and Guildford (5%) result in an estimated average savings of 3.3 km (2 miles) each way, for a total saving of 2.55 million km (1.6 million miles) per year. This would also save an estimated 255,000 I (67,365 gal.) of fuel and 11 200 km (6,960 miles) in emissions (including carbon dioxide, oxides of nitrogen, volatile organic compounds, and particulate matter) per year. The consultant assumes that trips redistributed from other retailers within Vancouver would have no net trip reduction impacts. The analysis does not address driving from new trips that might be engendered as a result of the new commercial development.

The application proposes 717 parking spaces. Under the City's quidelines for highway-oriented retail development, parking for large-scale commercial uses (e.g. above 5000 m<sup>2</sup> gross floor area) should bear a minimum requirement as pertains to grocery/drug/liquor store use, rather than the lower general retail standard, although a lower requirement may also be considered. With application of the grocery store standard to the Wal-Mart store, a total of 593 parking spaces would be required. To support sustainability objectives, staff recommends that the number of parking spaces be reduced to not exceed the minimum parking requirement, i.e. setting that value (593) as a maximum. A minimum requirement, should be set at 10% below the maximum, as the parking necessary to avoid negative impacts of vehicles spilling across Marine into the neighbourhood to the north. A Transportation Management Plan (TMP) is also required of the owner, and secured by covenant, including measures to promote walking, cycling, and transit use by employees and patrons, and carpooling by employees. The Plan would set targets and monitor progress in achieving mode split goals. Employees' vehicles would be kept on-site. Furthermore, the Plan would address the management of truck movements; this was of particular concern to area residents. With a potent TMP in place, staff believes that parking demand should be reduced by approximately ten percent versus operation without such plan; thus, the limitation on parking need not impact the store or the neighbourhood adversely.

#### FINANCIAL IMPLICATIONS

There are no financial implications.

#### **CONCLUSION**

Staff support the proposed rezoning which generally meets the criteria for rezoning sites along this part of Marine Drive to CD-1 for highway oriented retail use. In addition, the proposal will provide a sustainable development that could serve as a model in Vancouver and elsewhere for future green building development for large-scale retail use. The Director of Current Planning recommends that the application along with the consequential amendments be referred to a Public Hearing and be approved, subject to the proposed conditions of

approval. Subject to approval of the rezoning, the Director of Current Planning also recommends an amendment to require a landscape setback along Marine Drive and a report back on the Fraser Street Mitigation Package. An amendment is also recommended for the Marine Drive HOR policies to remove clothing sales as a potential use.

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#### **DRAFT CD-1 BY-LAW PROVISIONS**

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

Use

- Cultural and Recreational Uses, limited to:
  - Artist Studio
  - Park or Playground
- Dwelling Uses, limited to:
  - Dwelling Unit for the use only of a caretaker, watchperson or other individual similarly employed to maintain or protect the operation of the business or establishment
  - Residential Unit associated with and forming an integral part of an artist studio
- Manufacturing Uses, limited to:
  - Bakery Products Manufacturing
  - Batteries Manufacturing
  - Brewing or Distilling
  - Chemicals or Chemical products Manufacturing Class B
  - Clothing Manufacturing
  - Dairy Products Manufacturing
  - Electrical Products or Appliance Manufacturing
  - Food or Beverage Products Manufacturing Class B
  - Furniture or Fixtures Manufacturing
  - Ice Manufacturing
  - Jewellery Manufacturing
  - Leather Products Manufacturing
  - Machinery or Equipment Manufacturing
  - Metal Products Manufacturing Class B
  - Miscellaneous Products Manufacturing Class B
  - Motor Vehicle Parts Manufacturing
  - Non-metallic Mineral Products Manufacturing Class B
  - Paper Manufacturing
  - Paper Products Manufacturing
  - Plastic Products Manufacturing
  - Printing and Publishing
  - Rubber Products Manufacturing
  - Shoes or Boots Manufacturing
  - Software Manufacturing
  - Textiles or Knit Goods Manufacturing
  - Tobacco Products Manufacturing
  - Transportation Equipment Manufacturing
  - Wood Products Manufacturing Class B

- Office Uses, limited to:
  - General Office, except for offices of accountants, lawyers, notaries public, and real estate, advertising, insurance, travel and ticket agencies
- Retail Uses, limited to:
  - Adult Retail Store
  - Furniture or Appliance Store
  - Gasoline Station Full Serve
  - Gasoline Station Split Island
  - Liquor Store
  - Pawnshop
  - Retail Store
  - Secondhand Store
  - Vehicle Dealer
- Service Uses, limited to:
  - Animal Clinic
  - Auction Hall
  - Catering Establishment
  - Laboratory
  - Laundry or Cleaning Plant
  - Motor Vehicle Repair Shop
  - Motor Vehicle Wash
  - Photofinishing or Photography Laboratory
  - Photofinishing or Photography Studio
  - Print Shop
  - Production or Rehearsal Studio
  - Restaurant
  - Repair Shop Class A
  - Repair Shop Class B
  - School Vocational or Trade
  - Sign Painting Shop
  - Work Shop
- Transportation and Storage Uses, limited to:
  - Cold Storage Plant
  - Packaging Plant
  - Storage Warehouse
  - Storage Yard
  - Taxicab or Limousine Station
  - Truck Terminal or Courier Depot
  - Weighing or Inspection Station
  - Works Yard
- Utility and Communication Uses, limited to:
  - Public Utility
  - Radiocommunication Station
  - Recycling Depot

- Wholesale Uses, limited to:
  - Bulk Fuel Depot
  - Cardlock Fuel Station
  - Junk Yard or Shop
  - Wholesaling Class A
  - Wholesaling Class B
- Accessory Uses customarily ancillary to the above uses, including accessory
  office, except that the total area of all accessory uses must not be greater than
  33½ percent of the gross floor area of principal and accessory uses combined,
  and a wall must separate the floor area in accessory uses accessible to the
  general public from the floor area in other uses.

#### Condition of Use

- Minimum size for a retail store must be 929 m<sup>2</sup> (10,000 sq. ft.)
- Retailing of food shall be limited to a total of 745 m<sup>2</sup> (8,000 sq. ft.)
- Retailing of clothing and shoes shall be limited to a total of 4 180 m<sup>2</sup> (45,000 sq. ft.)

#### Density

- Maximum floor space ratio of 0.34 FSR for all uses based on calculation provisions of the I-2 District Schedule, except that the Development Permit Board may permit a 10 percent increase in the permitted floor space ratio, providing that consideration is first given to all applicable policies and guidelines adopted by Council.
- Maximum floor space ratio of 0.32 FSR for retail uses based on calculation provisions of the I-2 District Schedule, except that the Development Permit Board may permit a 10 percent increase in the permitted floor space ratio, providing that consideration is first given to all applicable policies and guidelines adopted by Council.
- General office use not to exceed the greater of 235 m<sup>2</sup> or 33½ percent of gross floor area.

#### Height

A maximum height of 13.9 m (46 ft.), except for wind turbines a maximum height of 45.1 m (148 ft.).

#### Parking and Loading

• Per Parking By-law, including the exemption, relaxation and shared-use reduction provisions, except that for any individual retail use greater than 5 000 m<sup>2</sup> gross floor area Section 4.2.5.3 [as for grocery store use] shall apply; except that the number of parking spaces must not exceed 593 and must not be less than 534.

# DRAFT AMENDMENTS TO SCHEDULE C OF ZONING AND DEVELOPMENT BY-LAW NO. 3575 - LANDSCAPE SETBACK

Note: An amending by-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

#### Schedule C

add "Marine Drive, south side, from a point 44.18 m (144.94 ft.) east of
Ontario Street eastward to a point 44.96 m (147.49 ft.) west of Main Street" to
column titled Street, Lane or Other Area and "12.1 m" to column titled Depth
of Setback.

# DRAFT AMENDMENT TO HIGHWAY ORIENTED RETAIL REZONING POLICIES AND GUIDELINES: MARINE DRIVE INDUSTRIAL AREA

(Recommendation D)

Rezoning Criteria

Amend Section 1.1 to remove retail uses that include the sale of clothing as a permitted retail use.

#### PROPOSED CONDITIONS OF APPROVAL

- Note: Recommended approved conditions will be prepared generally in accordance with the draft conditions listed below, subject to change and refinement prior to finalization of the agenda for the Public Hearing.
- (a) That the proposed form of development be approved by Council in principle, generally as prepared by Busby Perkins + Will, and stamped "Received City Planning Department", February 2, 2005 and April 5, 2005, provided that the Director of Planning may allow minor alterations to this form of development when approving the detailed scheme of development as outlined in (b) below.
- (b) That, prior to approval by Council of the form of development, the applicant shall obtain approval of a development application by the Director of Planning, who shall have particular regard to the following:

#### DESIGN DEVELOPMENT

- (i) design development to eliminate encroachments by commercial buildings B, C, D and E into the landscape setback along Marine Drive;
- (ii) design development to emphasize pedestrian movement systems over vehicular movement systems;
  - Note to applicant: This can be achieved by assessing and implementing a system of pedestrian routes with clear connectivity to on-site buildings and site edge conditions including transit stop locations. Emphasis on hard and soft landscape treatment to better announce on-site pedestrian pathways is required. Consideration should be given to a system of alternating pedestrian routes with stormwater management features, as a strategy to clearly announce path locations.
- (iii) design development to more clearly announce building entries;
  - Note to applicant: A greater reliance on high quality architectural design for building features, and less reliance on wayfinding systems is required. Clear alignment where possible, and announcement of building entries with on-site pathways/access routes is required.
- (iv) design development to confirm the location and design of weather protection systems to ensure connectivity between buildings, functionality and visual quality in an industrial context;
- (v) design development to reduce the apparent scale and improve sustainability performance of the proposed parking plan;
  - Note to applicant: Reduction in the amount of permeable asphalt area is required. Confirmation of the proposed large tree caliper for parking lot trees is required as a strategy to introduce significant landscape scale during the

early tenure of the development. Re-configuration of the proposed parking layout to create a series of smaller scaled sub-areas that are differentiated/identified through landscape treatment, and sustainability features or movement systems is required. Tree bosques as a strategy to introduce greater landscape scale should also be considered.

(vi) provision of a conceptual signage package that confirms signage types and locations in compliance with the Vancouver Sign By-law;

Note to applicant: The signage concept should be developed for site, building and tenancy considerations and should be expressed in a simple, understated manner. The signage concept should acknowledge the importance of Marine Drive as a prime entry corridor with green front yard setbacks. Minimal reliance on wayfinding systems is required.

(vii) provision of a conceptual lighting package that confirms lighting types and locations;

Note to applicant: The lighting concept should be developed for site, building and tenancy considerations and should be expressed in a simple, understated manner. The lighting concept should enhance the sustainability features as well as pedestrian movement systems.

(viii) design development to properly screen loading activities and utility functions;

Note to applicant: The architectural strategy for screening should be integral to the overall building expression and quality.

(ix) confirmation of proposed materials and detailing, including glazing and screening systems, to ensure that the proposed high quality architectural expression conveyed at rezoning is ultimately realized for both the main building and CRU buildings;

Note to applicant: Provision of a series of design development level wall sections that adequately convey detail intent for varying building envelope locations is required.

(x) provision of design development level of details for architectural and sustainability features, including the proposed skylight design, wind turbines and other external mechanical systems to confirm functionality and anticipated quality for both the main building and CRU buildings;

Note to Applicant: The design response should address potential impacts for neighbours generated by on-site features, including noise.

#### SUSTAINABILITY

(xi) the applicant to work with staff to pursue LEED Gold as a minimum standard, including full registration, documentation and certification of the building through the Canadian Green Building Council;

- (xii) design development to include:
  - (1) consideration of a green roof strategy or an alternative strategy that assists in stormwater management, enhanced biomass and energy efficiency and improves the visual impact on the residential community to the north;
  - (2) reduction of greenhouse gas (GHG) emissions through energy systems such as geothermal or limited solar and improved building systems (i.e., emphasizing natural ventilation systems) as a priority over wind energy which is not fully tested or diversely applicable in the Vancouver context;

Note to applicant: Windmills (wind turbines) are not tested technology in the Lower Mainland and there is limited application in Vancouver, due to insufficient wind speeds in much of Vancouver. Additionally, windmills present a visual quality that may not be desirable in this location. This application may have limited transference to other local projects that may follow. As such, it is preferred that the economic commitment to implementing a limited wind strategy may be better spent on other sustainable building objectives with a capital cost component and larger environmental and social gains, such as green roofs and natural ventilation.

The visual concerns of a large reflective roof and large asphalt surfaces from the surrounding community (primarily those on the escarpment above) need to be taken into consideration. While a high reflectivity roof is a positive attribute in terms of heat island mitigation, the glare and visual quality of a large roof surface is likely undesirable from an urban design and neighbourhood scale perspective. The visual impacts of these large surfaces needs to be further addressed through alternative approaches to reducing heat island effect and providing building energy performance and daylighting goals.

selection of a varied planting design that reflects the diversity of the Fraser River Basin and favours non-sterile productive species;

Note to applicant: The design should strive for sustainability, but should also strive to blend into the community in an organic way while respecting the local natural and built environment. As currently designed, the building is not entirely responsive to its context and several conditions reflect the need for revised planting species, enhanced ecological gestures reflecting the Fraser River ecosystem, reduced visual impact, and revised design parameters.

- ensurance of the suitability of swale locations and on-going function of a bio-filtration pond;
- (5) exploration of higher quality materials for parking surface permeability;

- (6) provision of priority parking for alternative fuel vehicles, car co-op vehicles, and ride-share vehicles and encouraging transit use by both employees and customers, as well as the exploration of enhanced accessibility to the future RAV station (i.e. customer shuttles);
- (7) assurance that all new additional site structures and commercial units are developed to LEED standards with full certification and registration (all sites equal to or over 929 m<sup>2</sup> (10,000 sq. ft.) shall be LEED Gold and all structures and commercial units under 929 m<sup>2</sup> shall be LEED Silver;
- (8) investigation of an enhanced educational and interpretive program in a highly visible location (preferably within the store) and targeted to sustainable products and practices that can be implemented by customers; and
- (9) engagement in partnerships with local not-for-profit organizations to develop a food picking/urban agriculture strategy for on-site plantings and to further support awareness of the educational component.

#### **FOOD POLICY**

(xiii) the applicant to work with the Food Policy Coordinator to identify opportunities and strategies for achieving urban agricultural objectives; and

#### CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED)

(xiv) design development to take into consideration the principles of CPTED (Crime Prevention Through Environmental Design) having particular regard for reducing opportunities for graffiti on blank party walls of commercial buildings B and C along Marine Drive.

#### **AGREEMENTS**

(c) That, prior to enactment of the CD-1 By-law, the registered owner shall, at no cost to the City:

#### **ENGINEERING**

(i) make suitable arrangements, to the satisfaction of the General Manager of Engineering Services, for undergrounding of all new utility services from the closest existing suitable service point. All services and in particular electrical transformers to accommodate a primary service must be located on private property. The rezoning site is not to rely on secondary voltage from the existing overhead network. Any alterations to the existing underground/overhead utility network to accommodate the development will require review and approval by the Utilities Management Branch. Early contact with the Utilities Management Branch is encouraged.

- (ii) make arrangements to the satisfaction of the General Manager of Engineering Services and the Director of Legal Services for the following:
  - (1) Consolidation of Lot 1 ("Lot 1") and Lot 2 both of North Part of Block 13, District Lot 322, Plan 12653 to create a single parcel (the "Consolidated Parcel");
  - (2) Registration against title to the Consolidated Parcel of a statutory right of way and an option to purchase for road purposes over the west 10 Feet of Lot 1, extending from South East Marine Drive to the east-west lane, south of South East Marine Drive. The statutory right of way and option to purchase will cover an approximate 313.8 foot length adjacent to Lot 1 and Lot 2, both of Block 12, District Lot 322, Plan 10623;

Note to applicant: The statutory right of way and option to purchase area must be free and clear of all structures and permanent features.

(3) Registration against title to the Consolidated Parcel of a statutory right of way and option to purchase for road purposes over a portion of Lot 1, to provide adequate turning radius for trucks manoeuvring through the "L" shaped intersection of the east-west lane south of South East Marine Drive and the north-south lane east of Ontario Street. This statutory right of way and option to purchase will cover an area composed of a 10 foot x 60 foot rectangle from the north-east corner of the said "L" shaped intersection and an additional taper (triangle) of 15 feet in length, tapering to intersect with the easterly limit of the north-south lane east of Ontario Street;

Note to applicant: The statutory right of way and option to purchase area must be free and clear of all structures and permanent features.

- (4) Release of Easement and Indemnity Agreement 168112M (pertaining to a 1953 rezoning of the lands) retaining a 90 foot wide strip (split zone) adjacent to South East Marine Drive for a limited use including landscaping, planting and maintenance of shrubs and lawn;
- (5) Registration against title to the Consolidated Parcel of an agreement to provide on-site storm water management systems to control storm water flows to the City's systems;
- (6) Registration against title to the Consolidated Parcel of a services agreement providing for the following, at the cost of the applicant, except as otherwise indicated;
  - (A) provision of curb, gutter, sidewalk and street trees on the north half of 69<sup>th</sup> Avenue and pavement to centre line of 69<sup>th</sup> Avenue from Main Street to Ontario Street;
  - (B) provision of additional pavement on the south side of 69<sup>th</sup> Avenue from Main Street to Ontario Street to extend the usable width of the street to City standards to accommodate trucks and passenger cars;

- (C) improvements to Main Street between South East Marine Drive and 69<sup>th</sup> Avenue, including street trees, upgrading of existing sidewalks to current standards, adjustments and repairs to curbs to accommodate upgraded sidewalks, provision of a raised median and curb adjustments to direct vehicle movements at the lane south of South East Marine Drive and Main Street;
- (D) provision of a traffic signal at the Main Street and 69<sup>th</sup> Avenue intersection including all related curb, pavement and utility adjustments necessary for the signal's installation within 10 years of occupancy of the final building on the site;
- (E) improvements to the west leg of the South East Marine Drive/Main Street intersection, including related signalization changes and median works, to serve increased traffic volumes. 100% funded by the applicant or to be shared 50/50 should the Canadian Tire rezoning proceed (work expected is an addition of a second eastbound left turn lane on South East Marine Drive);
- (F) extension of the east leg of the South East Marine Drive left-turn bay (westbound approach) at Main Street;
- (G) provision of a raised median / left-turn bay to serve vehicles westbound on South East Marine Drive onto Ontario Street. One hundred percent (100%) of the costs to be funded by the applicant with provision for a shared reduction to fifty percent (50%) applicant funded should the Canadian Tire rezoning proceed.
- (H) upgrading of the existing traffic signal at Ontario Street and South East Marine Drive to a semi-actuated traffic signal and provision of a westbound left turn signal, 100% funded by the applicant or to be shared 75% Canadian Tire and 25% Wal-Mart should the Canadian Tire rezoning proceed; and
- (I) provision of street trees on street allowance adjacent to the site where deemed appropriate by the General Manager of Engineering Services.
- (7) Provision of a Transportation Management Plan, which shall include measures to promote walking, cycling, and transit use by employees and patrons and carpooling by employees. The plan shall set targets and monitor progress in achieving mode share goals. Management of truck movements and deliver practices shall be addressed by the plan.
- (8) Registration of an agreement on title to the Consolidated Parcel providing for the implementation of the Transportation Management Plan by the owner of the Consolidated Parcel.

#### FRASER STREET MITIGATION

(iii) enter into an agreement on terms and conditions acceptable to the City Manager and the Director of Legal Services documenting the applicant's offer, and the City's acceptance of such offer, to provide funds to mitigate possible impacts of the proposed Wal-Mart development the Fraser Street Neighbourhood Shopping Area (40<sup>th</sup> Avenue to 51<sup>st</sup> Avenue);

#### **PUBLIC ART**

(iv) execute an agreement satisfactory to the Director of Cultural Affairs and the Director of Legal Services for the provision of public art in accordance with the City's Public Art Policy, such agreement to provide for security in a form and amount satisfactory to the aforesaid officials; and provide a preliminary public art plan to the satisfaction of the Director of Cultural Affairs;

Note to applicant: The "Public Art Policy and Guidelines" set out all Public Art Program requirements, including details of the preliminary public art plan referred to above. To discuss your application or any questions on the Guidelines, please call Bryan Newson, program manager, at 604-871-6002.

#### **SOILS**

(v) register against title to the Consolidated Parcel a soils remediation agreement ensuring compliance by the owner of the lands (including any portions of the lands dedicated to the City and/or subject to a statutory right of way and option to purchase) with the requirements of the Provincial Environmental Management Act and accompanying contaminated site regulations, and the requirements of the City pursuant to the Vancouver Charter and applicable policies and bylaws relating to contaminated soils. The soils remediation agreement shall be on terms and conditions acceptable to the General Manager of Engineering Services and the Director of Legal Services, shall provide security for completion of remediation and shall indemnify the City against any liability or costs which may be incurred as a result of the presence of contaminated soils on the lands or migrating from the lands;

#### TITLE SUMMARY

- (vi) the applicant shall submit to the satisfaction of the Director of Legal Services a title summary which includes the following:
  - (1) a copy of the Land Title Office search for all lots involved in the application;
  - (2) a summary prepared by a lawyer of the contents of each notation, non-financial charge, lien or interest on title containing a general description of the issues addressed by the document. The summary must also provide the lawyer's opinion as to whether the agreement or notation will impact on the application; and

(3) a copy of any notations, non-financial charges, liens or interests which may impact on the application.

The applicant shall modify, discharge or extend any notation, non-financial charge, lien or interest on title as required by the Director of Legal Services

Where the Director of Legal Services deems appropriate, the preceding agreements are to be drawn, not only as personal covenants of the property owner, but also as Covenants pursuant to Section 219 of the Land Title Act.

Such agreements are to be registered in the appropriate Land Title Office, with priority over such other liens, charges and encumbrances effecting the subject site, as is considered advisable by the Director of Legal Services, and otherwise to the satisfaction of the Director of Legal Services prior to enactment of the by-law; provided, however, the Director of Legal Services may, in her sole discretion and on terms she considers advisable, accept tendering of the preceding agreements for registration in the appropriate Land Title Office, to the satisfaction of the Director of Legal Services, prior to enactment of the by-law.

The preceding agreements shall provide security to the City including indemnities, warranties, equitable charges, letters of credit and withholding of permits, as deemed necessary by and in a form satisfactory to the Director of Legal Services.

The timing of all required payments shall be determined by the appropriate City official having responsibility for each particular agreement, who may consult other City officials and City Council.

#### ADDITIONAL INFORMATION

Site, Surrounding Zoning and Development: This 50 448 m<sup>2</sup> (543,035 sq. ft.) site is comprised of two parcels with a frontage of 231.0 m (758 ft.) along the south side of Marine Drive. The level site is presently developed with three one-storey buildings which have been occupied by the former Dueck Motors, and warehouse/office uses.

South, east and west of the site is zoned I-2 (Industrial) and developed with primarily warehouse, office and light industrial uses. The Real Canadian Superstore is located east of Main Street and the former Chrysler Building is located west across Ontario Street and is currently subject to a rezoning application for a Canadian Tire development. North of the site is zoned RS-1 (One-family Dwelling) and is developed with one-family dwellings. Properties at the intersection of Main Street and Marine Drive are zoned C-1 (Commercial) and developed with small retail, service and office uses.

Proposed Development: The application proposes a primarily retail development which would include a 13 296 m² (143,125 sq. ft.) Wal-Mart store, 2 485 m² (26,750 sq. ft.) of other retail space, and 1 187 m² (12,775 sq. ft.) of restaurant space. A 1-storey Wal-Mart store would be located in the southwest portion of the site. The four buildings along Marine Drive would include two other large format retailers and two restaurants. The remainder of the site provides surface parking for 717 vehicles. Vehicle access to the site occurs directly from Marine Drive and 69<sup>th</sup> Avenue and through lanes connecting to Main Street and Ontario Street. Loading for the Wal-Mart store enters from 69<sup>th</sup> Avenue and loading for the smaller commercial units could enter from Marine Drive.

The proposal also includes sustainable design features such as skylights to daylight retail areas, the capture and use of stormwater, planting and roofing materials to minimize cooling loads, and a bio-filtration pond to improve water quality. A wind turbine system is proposed for powering mechanical systems.

Public Input: After the revised proposal was submitted, a notification letter and open house invitation was sent on February 11, 2005 to 400 nearby property owners and 177 other interested groups and individuals. The rezoning information signs on the site were amended on February 12, 2005. Staff received 21 phone calls of which 16 requested additional information about the proposal but expressed no opinion, 1 expressed support and 4 expressed opposition. In addition, there were 40 letters and emails with 24 opposing the project, 8 supporting it and 8 forwarding Wal-Mart related articles.

The public open house on February 23, 2005 was attended by over 200 residents and business owners/operators and 125 comment forms were submitted. One hundred (81%) of the forms indicated support for the proposal, twenty-three (18%) indicated non-support and two (2%) were neutral. Those who supported the proposal commented that it would provide the community with greater shopping opportunities and more affordable merchandise, decrease driving to suburban stores and create jobs. The green design was also considered a good precedent which would enhance the area. For those who didn't support the proposal, the principle issues raised were concern about negative impacts on local businesses and neighbourhood vitality, increased traffic on Marine Drive and surrounding streets, opposition to "big box" type development and specific concerns about Wal-Mart's business practices.

Public Art: The City's Public Art Program requires all major new private developments seeking a rezoning from industrial to commercial/residential use where the increase in floor space is 15 000 m² (161,463 sq. ft.) or greater to allocate funds to public art to be sited in publicly accessible areas. The value of the public art based on a formula of \$10.23 per m² (\$0.95 per sq. ft.) of area contributing to the total FSR (floor space ratio). Based on the floor space information provided in the application, the public art budget would therefore be \$173,579.57.

Comments of the General Manager of Engineering Services: The General Manager of Engineering Services has no objection to the proposed rezoning, provided that the applicant complies with conditions as shown in Appendix C.

Comments from the Director of Social Planning: The Director of Social Planning has reviewed this application and provided the following comments:

#### "Benefits and Social Amenities

The applicant offers the following as the benefits and social amenities provided by the proposed development:

- an exhibit (education) centre;
- the "landmark development" nature of the proposal due to the environmental design features;
- the creation of new neighbourhood restaurants;
- the reputation of the architect; and
- the fact that large format retailers can be accommodated on this site.

The Director of Social Planning acknowledges these positive attributes of the proposal, but notes the history of concern expressed by the community regarding "big box" retail and recommends pursuing additional contributions to liveability, notably the opportunity for urban agriculture.

#### Food Policy

The applicant proposes to plant a large mass of ornamental trees on the site. Planting of any species as a monoculture (only one species in close proximity) encourages the spread of disease. The Director of Social Planning also notes the desire of the applicant to contribute to neighbourhood quality and describes the site plan as "orchard like". Recently, Council created a Food Policy Council and an associated Food Policy Coordinator position. The intent of the Food Policy Council is to work with City staff to identify opportunities for pursuing urban agriculture and improving food sustainability for Vancouver residents. Noting the applicant's design intent, and the opportunity presented by the creation of the Food Policy Coordinator position, the Director of Social Planning recommends that the applicant work in conjunction with the Food Policy Coordinator to identify opportunities and strategies for achieving urban agricultural objectives."

**Urban Design Panel Comments**: The Urban Design Panel discussed this proposal on two occasions. In April 2003, the proposal was presented in a workshop and the Panel offered advice on site layout and strongly encouraged the pursuit of green initiatives. On February 16, 2005, the current proposal was reviewed by the Panel who unanimously supported the rezoning application and offered their consensus on key aspects needing improvement. The Chair noted the following key issues arising from the Panel's commentary:

- design development to generally maintain the 40 ft. setback, with some minor intrusions acceptable to maintain the integrity of the grid orientation and sense of entry;
- design development to the location of the pad buildings and the treatment of the ground surfaces and landscape to enhance the sense of campus by increasing links between the buildings, and making the pedestrian routes more visible, comfortable, efficient and direct. This design development should include consideration of links to transit;
- consider increasing variability of the paving surface to enhance permeability and visual interest of the parking area;
- design development to the wind turbines and their siting, with specific consideration to the acoustic impact."

The Panel also offered this related commentary:

"The Panel unanimously supported this rezoning application and found it a refreshing approach to big box retail design. There was a comment that the architect has done an excellent job of recognizing the rigid formulaic requirements of a Wal-Mart store and working in an authentic way with the inherent building form it creates. The Panel had no concerns about the proposed use and density.

The Panel liked the simple elegance of the building form and thought the elements on the roof will be very visible and readily understood as a sustainability feature. All the green initiatives of the proposal were very positively received by the Panel. Given that Wal-Mart is possibly the largest property owner in North America it was suggested it could also have far-reaching positive affects beyond this site if its success sets the tone for other Wal-Mart developments.

The Panel supported the orientation of the pad buildings but the majority of Panel members thought encroachment into the 40 ft. setback should be avoided. There was a comment that encroachment into the green boulevard also seems contrary to the sustainability goals of the project, and it should be possible at this low density to maintain the orientation of the pads without intruding into the setback. However, it was acknowledged that the siting of two of the pads does announce the entrance. Reflecting the main building's form and architectural expression in the smaller pad buildings was very positively received and supported.

In general, the Panel thought more could be done to create a sense of campus on the site, in particular the connections between the buildings and between the retail pads and the main store. Further work is needed to better respond to pedestrian desire lines and to deal with some incomplete connections and pinch points, particularly the Marine Drive approaches. The Panel acknowledged, however, that this is predominantly a vehicle oriented place and there may be little pedestrian traffic between buildings. One Panel member recommended that, as a minimum, it should be comfortable for pedestrians to move from the two corners of the site and from the bus stop to the main entry.

The Panel was intrigued by the proposed wind turbines and will be interested to see if they can be made to work in this location. There was concern expressed about

possible noise impacts and further study was recommended at the development application stage. There was a variety of opinion about their best location on the site and a strong recommendation that they should not have branding colours on them. Given that many of the sustainability features of the building might be too subtle for the general public to readily perceive, the wind turbines could become an interesting iconic feature of the site.

The Panel had no concern about the amount of parking being proposed. The applicant was strongly urged to reduce the overall amount of asphalt, however, possibly providing an area of "grass-crete" or similar alternative treatment that may function as something other than parking in off-peak periods. There should also be some pedestrian-friendly areas within the parking area itself, at least in the east-west direction for ease of wayfinding. There was also a suggestion that the access from the lane to Main Street might be better oriented to the drive aisles as you enter the main parking area.

**Environmental Implications**: The proposal includes sustainability features and staff is recommending that the applicant work with staff to pursue LEED Gold as a minimum standard, including full registration, documentation and certification of the building through the Canadian Green Building Council.

**Social Implications**: There are no major positive or negative social implications to this proposal. There are no implications with respect to the Vancouver Children's Policy or Statement of Children's Entitlements.

Comments of the Applicant: The applicant has been provided with a copy of this report and has provided the following comments:

"We are writing to express our general agreement with the Policy Report to Council for the proposed CD-1 for the Wal-Mart site.

We are very pleased that staff are in support of the development plan and design and look forward to the opportunity to appear before Council to discuss three issues:

- the extent of green roof,
- the allowable parking limits, and
- the equity issues raised by the Fraser Street mitigation proposal.

We remain hopeful that the project may now be in a position to move forward, and provide an important component in the retail spectrum for Vancouver citizens."

RETAIL IMPACT STUDY: PROPOSED WAL-MART AND ANCILLARY SPACE: 86 S.E. MARINE DRIVE, VANCOUVER BC, June 2002 (Prepared by Royal Lepage Advisors Inc.)

#### **EXECUTIVE SUMMARY**

#### Study Purpose

This study assesses the economic impact of a proposed Wal-Mart, of 131,400 sq. ft. and 50,000 sq. ft. of ancillary retail space on a 12.5 acre site at 86 S.E. Marine Drive, near Main Street in Vancouver, BC The study describes the proposed development and the Wal-Mart chain, projects retail demand based on trade area population and average retail spending, details retail supply and competition and determines whether the economic impact of this new retail facility will affect the viability of neighbourhood shopping areas or alter their role and function within the community.

The proposed Wal-Mart's sales, excluding seasonal and unallocated merchandise are projected to be \$400 per sq. ft. overall (\$500 per sq. ft. of net selling area), or just under \$45 million annually. Based on share of floor area, the largest merchandise category is apparel, accounting for approximately one third of total store sales. The 50,000 sq. ft. of ancillary retail is assumed to have the same merchandise mix as Wal-Mart excluding apparel, and sales of \$400 per sq. ft. of net floor area, or \$16 million annually. The first full year of operation is expected to be 2004, if the rezoning application is approved.

#### Trade Area Size

The Primary Trade Area includes Vancouver south of 41st Avenue and the Secondary Trade Area includes Vancouver between Broadway and 41st Avenue. Population in 2004 is expected to be 143,735 persons in the primary trade area and 209,383 persons in the secondary trade area for a total of 353,118. This is a large trade area in both size and population.

A License Plate Survey was conducted for the nearby Real Canadian Superstore, selected competitive department stores in Richmond and a Wal-Mart in Burnaby. The findings help verify the size of the trade area and revealed a significant outflow of Vancouver residents' spending to department stores and regional malls in Richmond and Burnaby. As well, because of its Marine Drive location, approximately 25% of Superstore's sales are inflow from customers who live outside Vancouver.

A Consumer Research Survey confirmed the extensive retail outflow from Vancouver and found that in general, neighbourhood shopping areas do not serve residents' department store type merchandise needs.

#### Neighbourhood Shopping Area Inventory and Assessment

A detailed inventory of neighbourhood shopping areas south of 16th Avenue identified and categorized 2,200 stores in 15 street-oriented commercial districts and 4 neighbourhood shopping centres. In terms of their merchandise mix and role, neighbourhood shopping areas have evolved to be different from malls and the proposed Wal-Mart. The inventory found that 65% of the businesses in neighbourhood shopping areas are food retail, food service and various services which do not compete with the merchandise in a Wal-Mart. About 386 (18%)

of the 2,200 stores overlap Wal-Mart merchandise categories. Some of these will compete directly with the proposed Wal-Mart while others are non-competitive because they differ from Wal-Mart in price, ethnic market or other specialization.

Department stores and neighbourhood shopping areas are generally quite distinct, in part due to years of competition which has reduced the number and type of overlapping businesses. Apparel accounts for about one third of Wal-Mart's expected sales but only 8% of all neighbourhood shopping area stores sell apparel. Apart from Oakridge Centre, there are few large format retailers in south Vancouver, particularly in the apparel business. As well, with the recent closure of the 86,000 sq. ft. Zellers department store at Champlain Mall, there is currently less department store floor space in the trade area than in the 1970's.

#### General Merchandise Supply and Demand

Wal-Mart's primary competitors are other large chain stores that sell general merchandise. Currently, at least 20% of the trade area residents' general merchandise spending is going outside Vancouver and the proposed Wal-Mart would recapture some of this.

Based on established spending patterns in British Columbia, the demand for general merchandise floor space in the trade area exceeds supply. Trade area residents spending in general merchandise stores (department stores, especially Zellers, Fields, London Drugs, and Canadian Tire) warrants, or creates demand for, about 912,000 sq. ft. of general merchandise store floor space. The trade area itself has 562,000 sq. ft. Hence, the balance of spending potential is supporting 350,000 sq. ft. of floor space outside the trade area. Adding the 180,000 sq. ft. of the Wal-Mart and ancillary space into the trade area still leaves an excess of retail demand over supply. This surplus demand should tend to moderate the proposed Wal-Mart's impact on competitive stores as a large share of its sales are expected to come from reduced retail expenditure outflow.

For neighbourhood shopping area small stores that sell merchandise similar to Wal-Mart, the analysis shows there is significant remaining market share in the trade area beyond what these small stores now take. Small stores' share of trade area residents' spending on this type of merchandise is nearly 25% (averaged across all commodities), with the remaining 75% going to Oakridge, large format stores, high-priced or specialty stores and stores outside the trade area. Theoretically if Wal-Mart's market share comes from this residual, small stores won't be impacted. However, if some comes from the small stores' share, there will be impact.

#### Sources of Wal-Mart's Sales

The proposed Wal-Mart and its ancillary space are expected to capture a 6.4% market share of the general merchandise retail expenditure potential within the trade area. This is about \$60 million in annual sales that will be obtained from several sources. Half will come from inflow (i.e., drive-by customers from outside the trade area), and repatriated outflow from beyond the trade area. Based on the license plate survey for the Superstore, inflow sales are expected to account for about 25% of Wal-Mart's sales. Based on the large scale of retail outflow from Vancouver repatriated outflow is also expected to account for approximately 25%.

Low and High impact scenarios were constructed to assess the remaining sources of the sales transference. The scenarios indicate that between 10% and 12.5% will come from Oakridge Centre, and between 10% and 17.5% from larger stores in the trade area but not in neighbourhood shopping areas (e.g. other London Drugs, Canadian Tires, Superstore etc.). This leaves 20% to 30% of the proposed Wal-Mart's sales that could come from neighbourhood shopping areas. Included in this group are shopping area anchors (London Drugs, major chain stores) and small stores. This estimate is intended to ensure that the potential impact is not under-represented.

#### Sales Impact

In terms of overall impact, most neighbourhood shopping areas, and stores in them that sell merchandise similar to the proposed Wal-Mart, are seen as being minimally affected because: the overlapping stores are, on closer examination, specialized in price, ethnic appeal etc., so as not to directly compete with Wal-Mart; or, the area is distant from the Wal-Mart site; or both. Only Fraser Street between 40th and 51st Avenues would experience a moderate impact because it is close to the proposed Wal-Mart site and has a number of stores selling merchandise similar to Wal-Mart.

Regarding individual stores, the sales transference analysis indicates that the Fields store on Fraser Street may close, but that other neighbourhood shopping area anchors (London Drugs, Shoppers Drug Mart) should withstand the impact. For small stores that overlap Wal-Mart merchandise categories, estimated annual sales transfers per store could range from \$3,660 up to \$133,400 under the high impact scenario. This averages about \$23,500 per store and represents a 4% transference based on assumed sales of \$300 per sq. ft., and 6% if sales are \$200 per sq. ft. The stores with above average transfers are likely to be in the categories of apparel, accessories, shoes, toys and games, automotive parts and accessories, and housewares and small appliances. In some instances, such as apparel there are not a large number of directly competitive small stores and the sales transference would be less than shown.

The proposed Wal-Mart includes a small grocery component and will have annual sales of \$2.4 million compared to the \$729 million in total annual food expenditures by trade area residents. Wal-Mart will not impact food retailers in neighbourhood shopping areas.

Although the high impact scenario could result in some limited closures, particularly the Field's store and those stores which compete directly with Wal-Mart's apparel retail focus, it is highly unlikely that the scale of sales transference would be sufficient to cause any neighbourhood shopping area to operate in a significantly different way, nor would it render an area non-viable.

#### Future Implications

In terms of the future of neighbourhood shopping areas, the consultant team concludes that the impact attributable to the proposed Wal-Mart would be minimal. Neighbourhood shopping areas will not have a significant role in mainstream, lower priced apparel, accessories and shoes (Wal-Marts main categories), due to the structure of that part of the retail industry. Established neighbourhood shopping areas on arterials have a strong probability for continued success in a complementary role to malls and large format retail.

#### Conclusions

This study concludes that the impacts of the proposed Wal-Mart on Marine Drive near Main Street on neighbourhood shopping areas will be minimal except for Fraser Street where moderate impacts are expected. The primary reasons are:

- Large scale chain stores compete primarily with like stores, not small local speciality stores. Store which would compete directly with the proposed Wal-Mart include Zellers, Real Canadian Superstore, London Drugs, Fields, Canadian Tire, Costco and some basic apparel retailers.
- 2. There are few general merchandise retailers in south Vancouver, and to a degree the proposed Wal-Mart will act to replace the recently-closed Zellers at Champlain Mall. Neighbourhood areas have a different business focus and relatively few tenants which sell the same merchandise as Wal-Mart. In many instances, the small stores serve a specialized market and customer base.
- 3. Neighbourhood shopping areas are convenient and readily accessible and they are often able to offer unique, attractive and competitive retail venues. They are well positioned to serve both families and the fastest growing demographic group, older consumers living in small households, who want shopping convenience, quality and small quantities.
- 4. The high rate of retail outflow from Vancouver is evident. A new store like Wal-Mart would provide local consumers the option of shopping within their own community, rather than driving to Richmond or Burnaby. In addition, the busy Marine Drive location would allow the development to capture significant drive-by sales to traffic originating from beyond the trade area boundaries.

The analysis was done in a pragmatic and conservative manner to ensure that the potential impact of the proposed Wal-Mart was not under-represented. Assumptions and figures could be changed by a significant margin and the findings of a low to moderate impact would still stand. The most surprising finding is that retail demand has grown steadily in this urban market place yet there has been little new retail supply, particularly in the apparel categories. With the closure of the Zellers store at Champlain Mall there is now less department store space in the trade area (and Vancouver itself) than in the 1970's.

The consultant team cautions that their conclusions regarding the continuation of past population trends and consumption patterns cover the short to medium term. In the longer term, it is important to understand that the market could be directly influenced by changes to the population profile and its consumption behaviour.

WAL+MART 86 SE MARINE DRIVE / 101 E 69 AVE scale 1750

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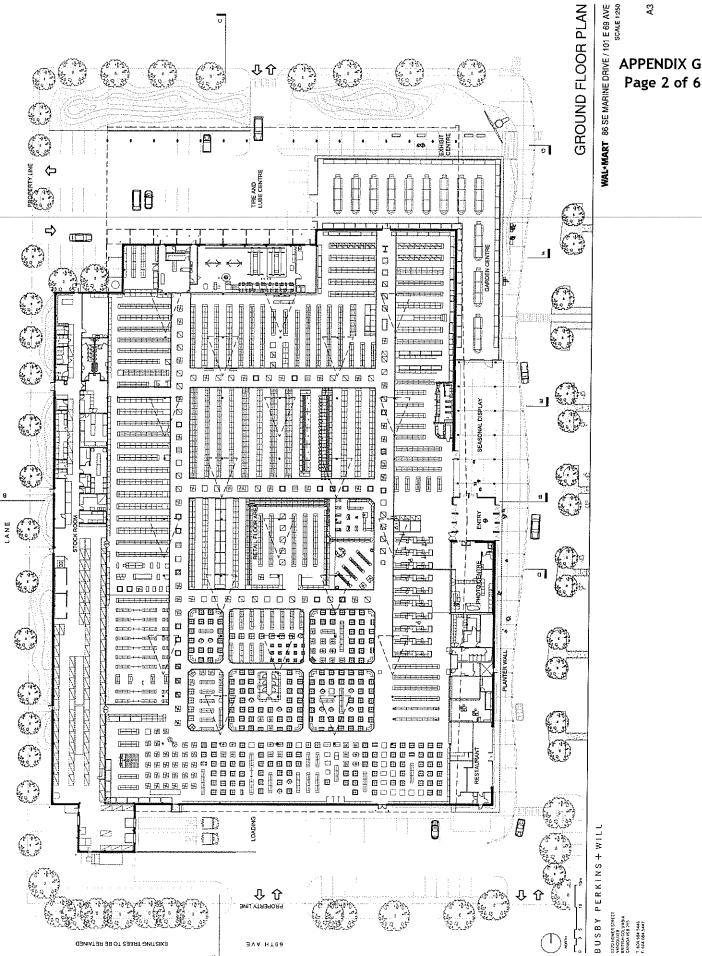
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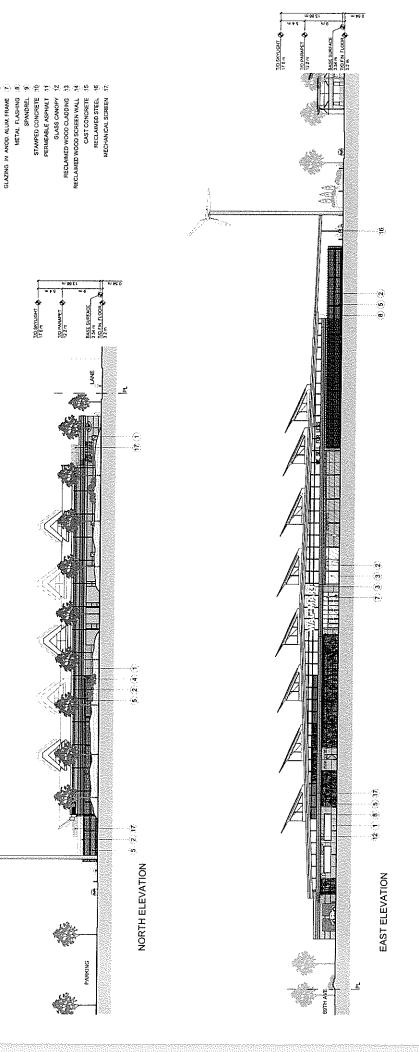
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BUSBY PERKINS + WILL

1220 HOVER STREET VANCOUVER BRITISH COLLUMBIA CANAGA V68 275 T: 604 694,5446 F: 604 684,5447

APPENDIX G Page 4 of 6





RECLAIMED EXPOSED WOOD (2) GLAZING IN WOOD FRAME (3) WHITE MEMBRANE ROOF (4)

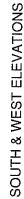
PLANTER WALL

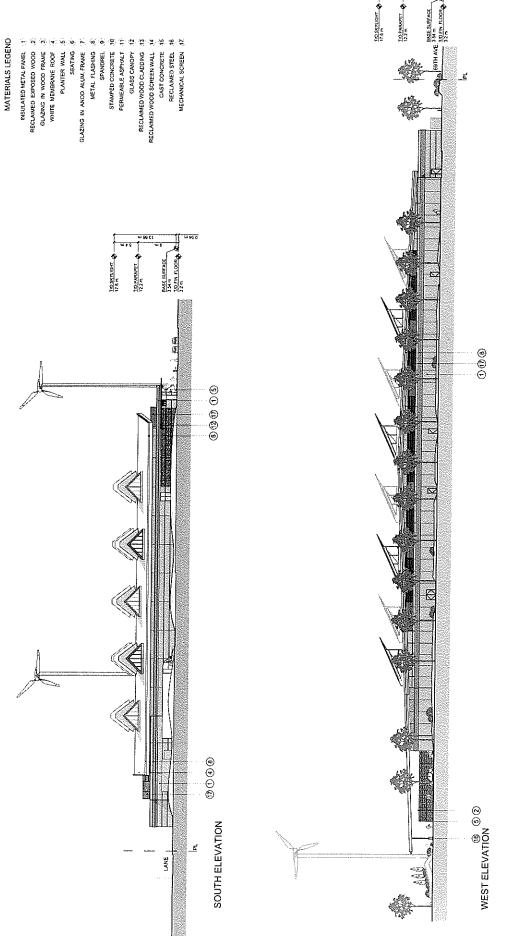
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BUSBY PERKINS + WILL

1220 HOMER STREET WANGOLVER BRITISH COLUMBIA CANADA VEB 775 T. 604.684.5445 7. 604.684.5447

# WAL\*MART 86 SE MARINE DRIVE / 101 E 69 AVE

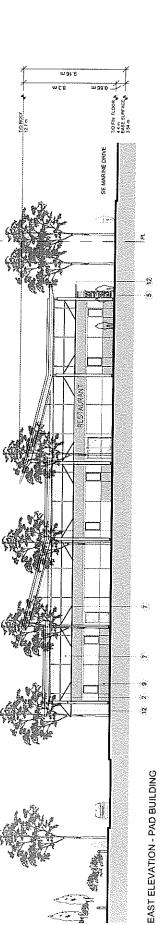




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# WAL\*MART 86 SE MARINE DRIVE / 101 E 89 AVE SCALE 1100 DETAIL - TYPICAL PAD BUILDING



RECLAMED WOOD CLADDING 13
RECLAMED WOOD SCREEN WALL 14
CAST CONCRETE 15
RECLAMED STREEL 16
MECHANICAL SCREEN 17

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NORTH ELEVATION - PAD BUILDING

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MATERIALS LEGEND

INSULATED METAL PANEL . 3
RECLAIMED EXPOSED WOOD . 2
GLAZING IN WOOD FRAME . 3
WHITE MEMBRANE ROOF . 3

PLANTER WALL

GLAZING IN ANOD.ALUM.FRAME.
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STAMPED CONCRETE GLASS CANOPY PERMEABLE ASPHALT

BUSBY PERKINS + WILL

1220 HOWER STREET VANCOUVER STREET VANCOUVER BRITISH COLUMBIA CONABA VE 9 275

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F-604-684 5445

#### APPLICANT, PROPERTY, AND DEVELOPMENT PROPOSAL INFORMATION

#### APPLICANT AND PROPERTY INFORMATION

Street Address	86 SE Marine Drive (Wal-Mart)		
Legal Description	Lots 1 & 2, N Pt of Block 13, DL 322, Plan 12653		
Applicant/Architect	Busby Perkins + Will		
Property Owner	First Pro Shopping Centres		

#### SITE STATISTICS

	GROSS	DEDICATIONS	NET
SITE AREA	50 448 m² (543,035 sq. ft.)	55.76 m² (600.26 sq. ft.)	50 392.24 m² (542,435 sq. ft.)

#### **DEVELOPMENT STATISTICS**

	DEVELOPMENT PERMITTED UNDER EXISTING ZONING	PROPOSED DEVELOPMENT	RECOMMENDED DEVELOPMENT (if different than proposed)
ZONING	I-2 & RS-1	CD-1	
USES	Manufacturing, Service, Transportation and Storage, Utility and Communication, and Wholesale; Accessory Retail limited to 1 000m <sup>2</sup> (10,765 sq. ft.)	Manufacturing, Service, Transportation and Storage, Utility and Communication, Wholesale, Retail (Minimum size of 929 m <sup>2</sup> [10,000 sq. ft.] and Accessory Uses	
MAX. FLOOR SPACE RATIO	3.00 FSR	0.34 FSR, except Retail limited to 0.32 FSR Retail food sales limited to 745 m² (8,000 sq. ft.) Retail clothing sales limited to 4 180 m² (45,000 sq. ft.)	
MAXIMUM HEIGHT	18.3 m (60 ft.) (outright) 30.5 m (100 ft.) (conditional)	13.9 m (46 ft.), except 45.1 m (148 ft.) for wind turbines	
PARKING SPACES	Per Parking By-law	717 parking spaces	Per Parking By-law, maximum 593 spaces
LANDSCAPED SETBACKS	RS-1 = 12.1 m (40 ft.) along Marine Drive	12.1 m (40 ft.) along Marine Drive	