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POLICY REPORT DEVELOPMENT AND BUILDING

Report Date: February 9, 2009
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TO: Vancouver City Council
FROM: Director of Planning
SUBJECT: Hastings North - Victoria Drive to Semlin Drive Rezoning

RECOMMENDATION

THAT the Director of Planning be instructed to make an application to rezone the industrial area between Victoria Drive and Semlin Drive, as shown in Figure 1 and as described by legal descriptions contained in Appendix A, from M-2 District to I-2 District and that the application be referred to a Public Hearing;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the necessary amendments to the Zoning and Development By-law for consideration at a Public Hearing.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

The Industrial Lands Policies adopted by Council on March 14, 1995, calls for retaining the industrial lands in the Powell Street/Clark Drive area, which includes the study area, for industrial use.

On March 23, 2004 Council approved the Hastings-Sunrise Community Vision which called for improving the interface between industrial and residential land uses to reduce conflicts.

SUMMARY AND PURPOSE

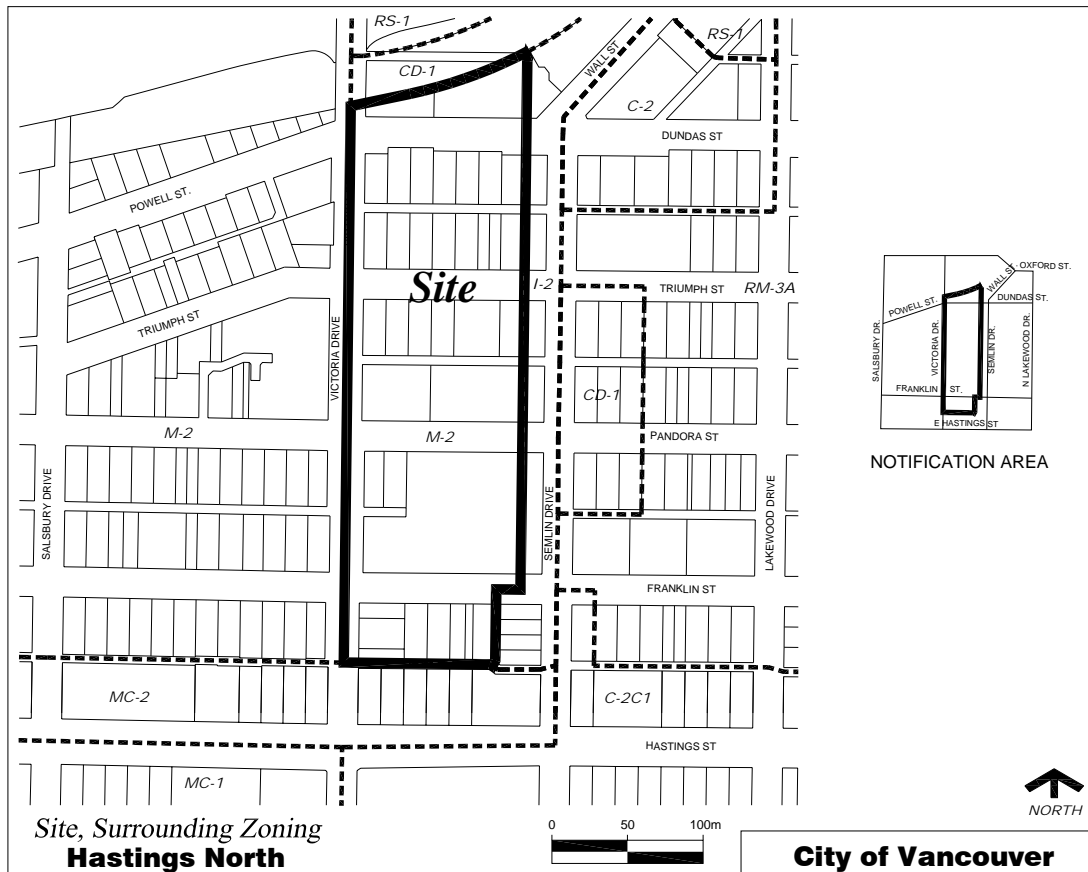
This report recommends rezoning a portion of the industrial area between Victoria Drive and Semlin Drive from M-2 heavy industrial zoning to I-2 light industrial zoning to improve the buffer between the residential uses east of Semlin Drive and the heavy industrial area west of Victoria Drive. This would expand the existing I-2 light industrial interface from a small portion of a block along Semlin Drive to incorporate the entire block between Semlin Dr. and Victoria Dr. and the lane north of Hastings Street and Powell Street. The I-2 zoning allows fewer heavy industrial uses than the M-2 zoning thereby reducing potential conflicts with the residential district.

BACKGROUND

To improve the relationship between industrial areas and adjacent residential communities, the Hastings Sunrise Vision Action Plan recommended implementing strategies to lessen the impacts of industrial uses (e.g. noise, odours, dust).

The study area, shown in Figure 1, is currently zoned M-2 heavy industrial zoning. It is surrounded by the Port to the north, an apartment residential area to the east, the Hastings Street commercial corridor to the south and an M-2 zoned industrial area to the west. The M-2 zone to the west has heavier industrial uses including West Coast Reduction and Hallmark Poultry Processing. A narrow strip of I-2 light industrial zoning, which bisects many lots in the study area, extends from Powell Street to the lane north of Hastings Street and currently acts as a buffer between the heavy industrial and residential areas.

Figure 1: Proposed Area of Rezoning



DISCUSSION

1. Industrial/Residential Interface:

Staff recommend extending the existing sliver of I-2 zoning (that fronts Semlin Drive) to incorporate the entire study area between Victoria Drive and Semlin Drive to improve the residential/industrial interface. The I-2 district schedule permits fewer heavy industrial uses than the M-2 district and allows less density for heavy industrial uses (e.g. manufacturing, transportation and storage). This means fewer industries with significant negative impacts could locate adjacent to the residential area. Land uses such as animal products processing, pulp, petroleum or coal products and bulk fuel depot would no longer be permitted in the interface area. Conversely, the I-2 zoning allows more density for many lighter industrial uses, including laboratory and wholesale uses and production studios. The I-2 district also permits slightly more office space than the M-2 district. The rezoning would address the need to improve the interface with the residential area and also meet the intent of the City's Industrial Land Policy to retain this area for industrial uses.

2. Impact on Land Uses:

The study area is an active industrial area which includes 31 properties and 51 businesses, of which approximately 70 percent are industrial uses, 14 percent commercial, 7 percent residential and 7 percent parking/vacant land uses.

There are currently no heavy industries operating in the study area and all existing land uses which currently conform to the M-2 zoning also conform to the I-2 zoning. This means no land uses would become non-conforming as a result of the rezoning. However, there are two residential uses, a hotel, a liquor establishment and a liquor store in the M-2 zone that currently operate as non-conforming uses and would continue to do so if rezoned to I-2.

The largest property in the study area, the Terminal City Ironworks site (2.3 acres) at 1909 Franklin, is a potential candidate for redevelopment. This property was formerly a heavy industrial use and is now used as a film location.

3. Impact on Land Values and Property Taxes:

It is unlikely that rezoning from M-2 to I-2 will change land values. According to a review by BC Assessment in October 2008, it was determined there was little difference in land values between the M-2 zoned study area and surrounding I-2 zoned areas in East Vancouver. As this is a City-initiated rezoning, staff will request that all properties in the study area remain eligible for three-year land assessment averaging in the calculation of property taxes.

Land Assessment Averaging

Land assessment averaging entails using an average of the current-year taxable land value and the prior two years' taxable land value plus the current year improvements in calculating property taxes. In 1993, Council implemented the use of three-year land assessment averaging in annual property tax calculations for residential properties (Class 1) and business properties (Class 6). In 2007, Council extended the same to light industry properties (Class 5).

Land assessment averaging allows property tax impacts of large year-over-year changes (both increases and decreases) in taxable land value due to market conditions to be phased in over a number of years for individual properties. Those properties with the most extreme increases or decreases in taxable land value within the past two years will be most affected by the application of land assessment averaging:

- A property that has experienced significant increases in taxable land value more than the property class average percentage change over the past one, two or three years will pay lower property taxes as a result of the application of land assessment averaging, compared to the taxes on that property without land assessment averaging.
- A property that has experienced significant decreases in taxable land value more than the property class average percentage change over the past one, two or three years will pay higher taxes as a result of the application of land assessment averaging, compared to the taxes on that property without land assessment averaging.

Land assessment averaging is revenue-neutral to the City, which means that the same total tax levy is collected from each property class, with or without the application of this mechanism.

The City's Land Assessment Averaging Bylaw provides for some properties to be exempted from land assessment averaging under certain conditions, one of which is rezonings. According to the Bylaw, a property experiencing a change in zoning of all or part of a land parcel is exempted from land assessment averaging in the year of the rezoning. For properties that are impacted by a rezoning decision that is initiated by the City's Director of Planning, the practice has been to review the applicability of land assessment averaging on a case-by case basis, with the final decision made by Council. This would be the approach taken for the properties affected by the proposed rezoning decisions in this report.

4. Public Consultation

Staff held a public open house on November 4, 2008 to discuss the proposed rezoning. Individual letters regarding the open house were sent out to all owners and business operators in a notification area which included the area of rezoning and an area of surrounding property owners/tenants. Advertisements were inserted into local newspapers. Approximately 22 property owners, business operators and area residents attended. Attendees were generally supportive of the proposed changes and eight of the nine people who filled out an opinion survey responded in favour of the proposed rezoning. One respondent was concerned that their land use would become non-conforming under the zoning change, however staff confirmed that the respondent's land use would continue to be an approved use after the proposed rezoning. Representation from the Hastings Sunrise Business Improvement Association and the Hastings Sunrise Vision Implementation committee were in attendance at the Open House and support the proposed rezoning.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

Rezoning the industrial area between Victoria Drive and Semlin Drive from M-2 heavy industrial zoning to I-2 light industrial zoning will support both the Hastings Sunrise Community Vision and the Industrial Lands Policy by improving the interface between the residential area to the east and the industrial area to the west while retaining these lands for industrial uses.

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Appendix A - Legal Lot Descriptions

Item	Address	PID	Lot	Plan	D.L.	Block	Zone
1	1909 FRANKLIN ST	008-936-285	A	12197	184	37	M-2
2	1924 FRANKLIN ST	015-679-438	3	178	184	38	M-2
3	1932 FRANKLIN ST	015-679-446	4	178	184	38	M-2
4	1944 FRANKLIN ST	006-870-651	B	1563	184	38	M-2
5	1944 FRANKLIN ST	006-870-678	B	1563	184	38	M-2
6	1948 FRANKLIN ST	009-087-893	C AMD OF 5 TO 8	1563	184	38	M-2
7	1965 PANDORA ST	006-506-151	C	21141	184	28	M-2
8	1901 POWELL ST	018-449-972	C	LMP12431	184	18	M-2
9	1904 POWELL ST	007-394-381	A	16629	184	27	M-2
10	1918 POWELL ST	015-679-411	2	178	184	27	M-2
11	1930 POWELL ST	011-854-286	3	178	184	27	M-2
12	1936 POWELL ST	015-679-471	4	178	184	27	M-2
13	1948 POWELL ST	015-679-616	5	178	184	27	M-2
14	1955 POWELL ST	023-367-814	1	LMP27466	184		M-2
15	1990 POWELL ST	002-464-926	8	178	184	27	M-2
16	1990 POWELL ST	002-465-183	8	178	184	27	M-2
17	1907 TRIUMPH ST	015-679-799	16	178	184	27	M-2
18	1916 TRIUMPH ST	005-089-786	2	178	184	28	M-2
19	1919 TRIUMPH ST	015-679-781	15	178	184	27	M-2
20	1924 TRIUMPH ST	014-953-137	3	178	184	28	M-2
21	1927 TRIUMPH ST	015-679-772	14	178	184	27	M-2
22	1934 TRIUMPH ST	015-679-195	4	178	184	28	M-2
23	1937 TRIUMPH ST	015-679-764	13	178	184	27	M-2
24	1946 TRIUMPH ST	008-308-926	D	21406	184	28	M-2
25	1967 TRIUMPH ST	015-679-659	12	178	184	27	M-2
26	1967 TRIUMPH ST	015-679-667	12	178	184	27	M-2
27	1967 TRIUMPH ST	015-679-675	12	178	184	27	M-2
28	1967 TRIUMPH ST	015-679-683	12	178	184	27	M-2
29	1967 TRIUMPH ST	015-679-756	12	178	184	27	M-2
30	1988 TRIUMPH ST	010-938-397	E	21726	184	28	M-2
31	102 VICTORIA DRIVE	005-089-778	1	178	184	28	M-2
32	188 VICTORIA DRIVE	007-698-569	B	178	184	28	M-2
33	200 VICTORIA DRIVE	015-679-713	2	178	184	37	M-2
34	200 VICTORIA DRIVE	015-679-721	2	178	184	37	M-2
35	304 VICTORIA DRIVE	004-425-766	A	1323	184	38	M-2
36	310 VICTORIA DRIVE	024-612-251		LMP43661	184	38	M-2
37	322 VICTORIA DRIVE	005-326-052	D	1323	184	38	M-2
38	POWELL ST	015-679-624	6	178	184	27	M-2