

1. Employment Lands and Economy Review Quick Start Actions: Mount Pleasant I-1 Amendment and New I-1C District Schedule - OTHER

Date Received	Time Created	Subject	Position	Content	Name	Organization	Contact Info	Neighbourhood	Attachment
01/21/2021	09:36	PH2 - 1. Employment Lands and Economy Review Quick Start Actions: Mount Pleasant I-1 Amendment and New I-1C District Schedule	Other	Dear Council Members, Mallen Gowing Berzins Architecture (MGBA) is a well-established architecture office currently located in the heart of the well-established Mount Pleasant community, currently zoned as I-1 industrial. Our office located at the intersection of E6th Avenue and Ontario Street is one of many examples of projects that we have completed and are currently involved with. Our extensive project portfolio of 5 constructed building in the area and 4 projects under municipal approvals allow us to see clearly into the trials and tribulations currently at play within the region. The intent of this letter is to share challenges that we have encountered during design, permitting and construction phases and provide perspective from the design/construction industry of community and zoning planning. The feasibility of our and our client's projects within this area present design challenges, with regards to construction costs, planning amendments, and city/architectural bylaws that can cause a domino effect related to the challenges of project program. With regards to Mount Pleasant, a region zoned primarily for industrial occupancy, clients are made aware that a majority of the sites are quite compact and can be challenging to develop related to the current zoning. Without amalgamation of adjacent sites, coupled with extraneous timelines related to development and building permit approvals, many of our clients are not immediately aware of the hardships certain sites present related to the zoning finding out late in the game the feasibility to construct these projects is challenging resulting in these projects remaining dormant. A maximum FSR of 3.0 is stated in the District Schedule from the City of Vancouver for Mount Pleasant. However, in lieu of this request, we as architects, must adhere to the associated parking bylaws. A project located on Columbia Street and W4th Avenue is met with parking challenges. Our site area, boasting just over 300 square meters, when subjected to the FSR maximums gives us a calculation requiring 10 parking stalls. Through parking reductions, we have been able to reduce the total count to 8 stalls. The current parking bylaw design guidelines gives us as the designers increased restrictions as the 8 parking stalls makes up a large percentage of the actual building site. From this deduction, the hardships that are required to formally adhere to the parking bylaws cause the architecture team numerous challenges. Please review attached document	Aaron Konrad Zaharko Urion		s. 22(1) Personal and Co	Mount Pleasant	Appendix B
01/21/2021	11:03	PH2 - 1. Employment Lands and Economy Review Quick Start Actions: Mount Pleasant I-1 Amendment and New I-1C District Schedule	Other	In addition to email to specific city officials, NAIOP Vancouver is submitting its input into this important process through this portal.	Paul Kool		s. 22(1) Personal and Conf	Unknown	Appendix C

Dear Council Members,

Mallen Gowing Berzins Architecture (MGBA) is a well-established architecture office currently located in the heart of the well-established Mount Pleasant community, currently zoned as I-1 industrial. Our office located at the intersection of E6th Avenue and Ontario Street is one of many examples of projects that we have completed and are currently involved with. Our extensive project portfolio of 5 constructed building in the area and 4 projects under municipal approvals allow us to see clearly into the trials and tribulations currently at play within the region. The intent of this letter is to share challenges that we have encountered during design, permitting and construction phases and provide perspective from the design/construction industry of community and zoning planning.

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Site sizes in combination with accessibility requirements and bylaws continue to challenge the design team. To continue to adhere with zoning policies, the projects we have designed are required to be completed with servicing loading stalls (Class A and B). However, given the natural topography of the neighborhood, coupled with narrow laneways, and design guidelines of clearances present challenges for said services to come and go with ease. This causes additional problems towards the building design, clearances and quality of spaces are entirely affected. We have had to procure several challenging architectural products primarily in the form of car lift elevators that may alleviate this obstacle. A project on the corner of W8th Avenue and Manitoba Street faces this exact problem, having to use car lift for tenants of the building to access the parking garage, adding unnecessary extraneous costs all due to the constraints of the site's topography, laneway, and parking and loading requirements.

With an adherence to city bylaws in conjunction to plot sizes contributing to the bulk of our design challenges, we have also been faced with accessibility and circulation obstacles that have come into fruition through the demising of spaces. The I-1 zoning has been designed to incorporate complete communities serving diversity over monotony, allowing for multitude of occupancies and tenants within a single building. This has caused challenges within our projects with respect to circulation and accessibility. A recently completed project, located on

W8th Avenue was faced with this exact challenge. Elevators were originally designed for single tenants per floor. The space was demised mid-way through construction forcing the design team to add additional provisions for the elevator to provide access to the mezzanine and loading bay spaces.

With respect to the current district schedule and design bylaws that govern these projects, we would like for the municipality to consider the challenges that we face while working within this community. MGBA, while completing 5 projects in the area with 4 more sites in development approvals in the Mount Pleasant area, we foresee the same challenges, be it within the realms of parking bylaws despite a lack of useable space for clearances or stalls, service accessibility despite site constraints from topography, design guidelines related to balcony use adding to FSR, quality of spaces affected by industrial constraints for headroom and tenant uses pose a diminishing amount of tenant constraint along with adversely affecting vertical circulation. We will continue to seek out projects for this area but see that for the benefits of our designs, making the building feasible for client to lease these challenges need to be addressed. The result would pave the way for more prosperity and feasibility for all that desire construction in Mount Pleasant rather than sites laying dormant waiting for zoning and guidelines to be updated to meet the needs of the community.

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January 20, 2021

Mayor and Council, City of Vancouver
515 West 10th Avenue
Vancouver, BC
V5Z 4A8

Re: NAIOP Feedback on Employment Lands and Economic Review: Proposed I-1 Amendment and I-1C District Schedule

Dear Mayor and Council,

NAIOP would like to express appreciation for the work being completed under the City of Vancouver (CoV) Employment Lands and Economic Review, particularly the Priority Quick Start Action relating to the intensification of job space. A primary benefit of the I-1C Quick Start Action policy report is the proposed increase in density from 3.0 to 6.0 FSR and increase in height to 152.5'. This proposed change is consistent with Metro Vancouver's Industrial Land Strategy for intensification of industrial land while protecting the industrial land base. Further, the addition of Health Care Office as a permitted use in the I-1 district is a positive step in providing more diversity of uses and will likely be well received by the market.

While these proposed changes are a step in the right direction, we feel there are shortcomings worth mentioning, particularly given that the increase to allowable density is still subject to the limited and dated employment uses currently responsible for causing confusion and ultimately discouraging businesses from operating in the area. With technology completely changing the way that manufacturing and light industrial businesses create products, and given the pace at which technology moves, the zoning needs to be flexible enough to account for both current technologies and future innovations and facilitate absorption of upper level industrial space.

Although we support the proposed I-1C changes, more can be done to improve the viability of the land base. Referring to our letter dated June 5, 2020 to the CoV Employment Lands and Economic Review Staff attached hereto, we continue to recommend the CoV to address the following concerns:

1. Industrial zones should be more flexible regarding allowable uses of both industrial and office to provide businesses with more options and certainty.
 - a. Moving more *conditional* uses to *outright* would help to streamline the approval process and provide better certainty to end users.
 - b. The ground floor allowable use is very specific and difficult to achieve based on the market response. The definition of traditional industrial uses needs to be updated to

reflect current and future uses. This would be the design, fulfillment, and management of the products the company produces, sometimes elsewhere.

- c. To support industrial businesses in the urban environment, the city needs to relax the uses around retail. With the evolution of retail and strip malls, retail may become more focused on showrooms with immediate pick-up or delivery. Therefore, the city needs to consider increasing the amount of accessory retail in industrial zones, particularly in this I-1C corridor already including such uses on the north side of W 2nd, to enhance the pedestrian realm
 - d. The City should review their use definitions and update them to reflect current, modern and future uses. For example:
 - i. Review the definition of Production Studio, Creative Products Manufacturing, and Digital Entertainment and Information Communications Technology to remove ambiguity and provide more flexibility.
 - ii. Digital Entertainment and Information Communication Technology should be removed from the "office umbrella" and moved to the manufacturing use, like Production Studio.
 - iii. Creative Products Manufacturing uses require a broader categorization and inclusion in this district.
 - iv. Manufacturing uses, in general, should be more broadly classified.
 - e. An allowance for recreational uses should be considered as a conditional use in industrial zones. The city should consider how to incorporate them in industrial areas where they are more functional and desirable to locate given the preferred rates to traditional retail locations, whether on the ground floor or upper floors.
 - f. Increase the allowable restaurant size to provide for complete industrial communities.
- 2. Exclusions in the computation of FSR**
- a. There is a maximum of 12 percent of open balconies and any other appurtenances that can be excluded from the FSR calculation as in 4.7.4(a). In a context of safety of movement of goods and separating pedestrian traffic, relaxation of FSR and DCCs should be considered to promote efficient good movements through larger corridors in a stacked industrial format.
 - b. Amenity, including indoor and covered spaces, should be introduced with a reasonable exclusion limit to ensure buildings are created that attract current needs of tenants, particularly in the context of having users that have an intensified employment base.
- 3. Clear definition of allowable General Office**
- a. To support industrial land intensification, general office should be an outright approval based on a defined area.
 - b. Ancillary office or retail to the industrial space should be calculated separately as a percentage of the principal industrial use.

While we certainly welcome the 6.0 FSR that is proposed for the I-1C zone along West 2nd Avenue, we still think this does not go far enough. The remaining I-1 zone in the Mt. Pleasant Industrial Area is capped at 3.0 FSR and is being developed to that density now. We recommend that at least a 5.0 FSR

for the whole I-1 area is needed for the health of job space in the City, and in an area surrounded by rapid transit. Mount Pleasant has proven to be the most resilient market in Vancouver throughout the pandemic, with strong demand for space. The challenge is that at the current 3.0 FSR levels most developable sites are not large enough to accommodate the large tenants that provide high paying jobs in the biotech and DEICT sectors.

With the new form of industrial development introducing space on upper levels, the conversion process will be challenging. The city needs to work with industry to find solutions to incentivize businesses to operate on upper floors, including allowing more flexibility in use-definitions throughout. This would allow businesses to be flexible in their locations, and space needs, fostering growth opportunities.

NAIOP looks forward to our continued efforts to work with the City to enhance its industrial and commercial land base and expand its employment sector.

Regards,

s. 22(1) Personal and Confidential



Anthio Yuen
President, NAIOP Vancouver

CC: City of Vancouver Employment Lands and Economic Review Team; Sean Martinez; Andrew Misiak

Attachment



June 5, 2020

Planning Department, City of Vancouver
515 West 10th Avenue
Vancouver, BC
V5Z 4A8

Attention: City of Vancouver, City-Wide and Regional Planning, Urban Design and Sustainability

Re: NAIOP Feedback on Employment Lands and Economic Review: Industrial Zoning

NAIOP would like to express appreciation for the work being completed under the Employment Lands and Economic Review, particularly the current stage of this initiative where land use policy changes are being considered in support of the forecast supply gap, as well as our collective experience with industrial zoning in the City of Vancouver.

Industrial lands are imperative for our regional economy and to provide the much-needed space to support the supply chain in almost all sectors. The City of Vancouver's (CoV) industrial and commercial lands provide a significant role in the region's competitiveness; however, each municipality must recognize and leverage its specific role in the region. The CoV lands vary greatly from suburban industrial as they are generally embedded in more dense urban communities. More specifically, suburban industrial should leverage government investment in goods movement infrastructure while urban industrial should focus on providing 'last-mile' access and higher intensity employment and services. Finally, technology continues to redefine the way we live, work, and play, which would require industrial spaces to have the ability to adapt to these ongoing changes.

As e-commerce and technology evolve, businesses are placing greater importance on integrated work environments. These are buildings that incorporate a range of uses such as design, manufacturing, distribution, production, service, retail, and restaurants. These businesses achieve success by leveraging the surrounding community. City zoning and policy must consider the creation of complete industrial communities; as such, they need to be more flexible to permit industrial developments and renovations to adapt to changing industries and workforce needs.

NAIOP surveyed its membership, focusing on several developers, landlords, architects and brokers (also representing tenants) that have direct experience working in the City's M & I district schedules. Based on the feedback received, the zoning as currently written is limiting options for businesses to thrive in Vancouver, sometimes resulting in the loss of company headquarters and jobs to other locations despite



the regional benefits and their desire to be in Vancouver. The primary concerns were broken down into Use, Zoning and Engineering, Development Costs, and Industrial Intensification. Below is a candid, comprehensive summary of the responses received.

USE

As alluded to in the Employment Lands and Economic Review (ELER) research, in the 10 years between 2006 and 2016, employment in Vancouver grew by over 45,000 jobs, or approximately 14%. As evidence, Vancouver experienced rapid growth for a developed central city over a ten-year period. However, growth was not uniform across all sectors. Professional services, retail, health care, accommodation and food experienced strong growth, while others, such as manufacturing, wholesale trade, and transportation and warehousing experienced declines. Therefore, the CoV needs to re-think its employment lands and how they can be best utilized for the variety of service needs they provide for today and for the future.

The Metro Vancouver Industrial Lands Strategy found that ~47% of Metro Vancouver jobs are in industries that can be classified as “community serving” while ~53% of jobs are in industries that can be characterized as “economic drivers”. Additional flexibility is required to increase the adaptability of these lands to changes in technology and to support entrepreneurship.

Technology has completely changed the way that manufacturing and light industrial businesses create products. Given the pace at which technology moves, we will see increased innovation and changes in the way that we manufacture and produce products. The zoning needs to be flexible enough to account for both current technologies and future innovations. There needs to be a relaxation on the amount of manufacturing if there is a supporting amount of technology function(s). That typically refers to those working on computers, defined as an office, which is restricted.

Below are specific comments received:

1. With the expansion of the tech industry and other business evolution, demand for space in proximity to downtown will continue to be in high demand. The City should remain progressive and allow the natural market movements to permit the evolution of industrial and provide businesses with more location options. Therefore, all industrial zones (I-1 to 4) should be more flexible in regards to allowable uses of both industrial and office to provide businesses with more options.
 - a. The ground floor allowable use is very specific and difficult to achieve based on the market response. The definition of traditional industrial uses in the I-1 bylaw needs to be updated to reflect current and future uses. This would be the design, fulfillment, and management of the products the company produces elsewhere.
 - b. To support industrial businesses in the urban environment, the city needs to relax the uses around retail. With the evolution of retail and strip malls, retail may become more

focused on showrooms with immediate pick-up or delivery (i.e. IKEA). Therefore, the city needs to consider increasing the amount of accessory retail in industrial zones.

- c. The same issues that exist in I-1 apply to I-4, except for the allowance of a small (150 sm) restaurant use. The additional issues with I-4 are:
 - i. The combining of office use, with production, restaurants, retail, etc., limits what uses are allowed in the area.
 - ii. Due to its proximity to downtown, Railtown will demand higher lease rates than port trade enabling lands.
2. The City must review their definitions of use and update them to reflect current and future uses. For example:
- a. The City must review their definitions of Production Studio, Creative Products Manufacturing, and Digital Entertainment and Information Communications Technology to remove ambiguity.
 - b. Digital Entertainment and Information Communication Technology should be removed from the "office umbrella" and moved to the manufacturing use, like Production Studio.
 - c. For M-2 zone, there are limits on uses such as laundry or cleaning plants, repair shops, laboratories, motor vehicle shops, and workshops for trades like plumbing and electrical. They are not listed as "industrial" uses in the bylaw but are called "Service" uses and are limited in floor area. These are community serving industrial uses that we should be encouraging to support the local economy.
 - d. Guidelines around what exact uses are permitted for what amount of FSR for new developments in Section 4.7.1 are confusing, restrictive, and seem to be geared towards preserving types of Industrial uses that no longer want or need to be in the area. The narrow band of allowable Industrial Uses is very hard to satisfy.
 - i. The limitations around Wholesale Uses in the neighbourhood discourage a massive number of users that would greatly benefit from being in the area. However, many businesses that are Wholesale do have a small retail component to their business. This excludes them from the I-1 zone.
 - ii. Most of the Uses listed in 4.7.1 (a) are representative of the type of industrial uses occurring in the area.
 - e. Software manufacturing companies and gaming companies should be considered flex industrial uses.
 - f. Production Studios and post-production studios in Mt. Pleasant should fit into an F-2 occupancy classification, as they have motion capture spaces and viewing/sound rooms to record in.
 - g. Industrial buildings would be more suitable for meeting gaming company requirements as they have higher ceilings than a typical office.

- h. Creative Products Manufacturing uses need a more straightforward classification with the city. Successfully classifying tenants within this context is challenging as there are continual issues in the definition of what this use is in the context of the bulletins issued by the City and with intake staff at business licensing.
 - i. Manufacturing uses should be reclassified in general to be broader. It is recommended that a broader, light, medium and heavy classification be sought and should rely upon building code standards to dictate requirements related to the specifics of siting and occupying space for such uses.
 - j. The zoning bylaws include tight limitations on office space in industrial zones notwithstanding that job space is in high demand. For example, a 5.0 FSR building in M-2 is allowed 25% of the total floor area as office space. Consider 1.25 of office space as part of a 2.5 FSR mixed industrial/office building. This would create more job space than would be built otherwise, while still delivering the required industrial space.
 - k. Medical and dental should be included in office use in I-1. Given the diverse uses of office, industrial and residential in the surrounding areas, those uses would be in high demand.
 - l. An allowance in industrial zones for recreational uses should be considered as a conditional use in industrial zones. These uses are traditionally non-conforming in industrial zones but are a service in demand in the city. The city should consider how to incorporate them in industrial areas, whether on the ground floor or upper floors.
 - m. Complete industrial communities like Mt. Pleasant have a severe lack of restaurants and commercial uses. The bylaw does not allow for any, and with the large increase in office and flex-offices there needs to be more amenities to serve the employees and customers.
3. Insistence on Specific Use Designations at Development Permit Submission
- a. There has been an insistence on providing a specific area allocation for a very specific use designation in Speculative buildings at the DP stage. E.g. Identifying the exact percentage of Wholesale Class A versus Wholesale Class B when no specific tenant has been identified. Allowing more flexibility in uses for DP Issuance would help to avoid change of use permits.
 - b. More flexibility should be permitted at the DP stage to allow a broader mix of uses so as to avoid change of use permits during the sales process.
4. The City should work with the developers to create product that intensifies industrial sites through ramping and truck access to upper levels and reserving Class-C loading to the ground levels with freight access. By addressing the following issues, more functional multi-level industrial product will emerge:

- a. Section 2 Outright Approval Uses 2.2A second bullet starting with “Accessory Uses customarily...”
 - i. 2.2A in its current form and application is very difficult for developers to anticipate as it relates to the statement:
 - i. *“Accessory Uses customarily ancillary to any of the uses listed in this section, but not including accessory retail use in conjunction with wholesale uses listed in Section 2.2.W, provided that, unless permitted as an outright approval use pursuant to Section 2.2 of this schedule, the total floor area of all accessory uses is not greater than 33 ⅓ percent of the gross floor area of the principal and accessory uses combined”*(2.2A)
 - ii. Buildings evolve over time and a developer is not able to stay in control of accessory uses that are applied for. Additionally, accessory uses are subjectively applied-for by tenants, especially for uses outside the outright approval uses. It entirely depends on space planning, which needs to remain flexible through the sale and leasing. For example, if most of the tenants exceed the 33% rule of their own space the final tenants approaching the city for permitting may not be able to have any accessory space to carry out their business plans.
- 5. Broaden the user base that is permitted outright as the pool of current permitted uses across the outright 3 FSR uses in 4.7.1(a)
- 6. Conditional Approval Uses: Requiring a Development Permit Application for the vast majority of uses that are light industrial in nature.
 - b. The time it takes to obtain DP approval for conditional approval uses hampers the interest level of tenants seeking space in Vancouver industrial areas.
 - i. Reclassify some of the conditional approval uses (3) to outright approval uses (2) which *“provide industrial and service employment opportunities or serve a useful or necessary function in the city”* (1.1), but do not negatively affect any neighbouring residential uses negatively, specifically:
 - i. all uses in 3.2.M;
 - ii. 3.2.R – Accessory Retail Uses;
 - iii. 3.2.R – Limited Food Service Establishment;
 - iv. all uses in 3.2.S;
 - v. 3.2.T – Bulk Data Storage; and
 - vi. 3.2.W – Wholesaling – Class B.
 - c. Lounge use accessory to brewing or distilling and lounge use
 - i. Section 3.3.5 prohibits the application for patio spaces as accessories to brewing and distilling uses. In Industrial zones, workers and visitors demand



gathering places to socialize and interact. Neighbourhood amenities are paramount to creating livability, workability, and animation.

- ii. Breweries and distilling tenants should be permitted to have a small patio space as that increases the vibrancy of the business and drives retail opportunities. Feedback received from Breweries is that the rule in 4.7.1(i) goes over and above the provincial regulations for tasting rooms which impacts their profitability.

Businesses need the ability to adapt to a rapidly changing economic climate. Spaces that were previously used for industrial are being examined for repurposing for research and development labs, medical technology spaces, or spaces needed for the rapidly expanding information technology sector. These are great adaptive uses for industrial spaces. However, these uses currently have restrictions in FSR in the I-2 and M-2 zones. There has been a greater need for space for bulk data storage, which is only allowed in certain industrial zones.

This lack of flexibility in the zoning bylaw causes problems in pre-leasing and pre-sales. The pre-leasing and sales begin well before a project starts construction, but the individual user has no certainty that the business will be able to get a license or approval for a tenant improvement, which businesses do not apply for until close to occupancy of the base building.

ZONING BYLAW AND ENGINEERING

Zoning regulations and engineering constraints are hampering the ability to create the desired built forms, and as further noted below:

1. Density

- a. There is a tremendous missed opportunity underway in Mount Pleasant with the current limitation of 3 FSR on development. The area is one of the most desirable office nodes in Vancouver, especially for tech companies. However, the current limitation of 3 FSR, combined with most sites in the neighbourhood being small, leads to most buildings being 50,000 SF or less in total. When you take 1/3 of that out for industrial, a new development only provides about 35,000 SF of Office space.
 - i. Companies like Arc'teryx, who were actively searching the Metro Vancouver market throughout 2018 and 2019 for +/- 150,000 SF, are examples of excellent groups that we would love to accommodate in Vancouver and would have loved to move to Mt. Pleasant, but could not because there were no options for them to consider that were large enough and could accommodate further growth.
- b. Consider allowing the up-zoning of I-1A and I-1B in zones other than just the few blocks between Main Street and lane east of Quebec and from 2nd avenue to 6th avenue. It should be

extended to all the I-1 zone to allow more density and create a secondary market to the downtown core for businesses that do not necessarily want or need to be downtown.

- c. Exclusions in the computation of FSR
- i. There is a maximum of 12 percent of open balconies and any other appurtenances that can be excluded from the FSR calculation as in 4.7.4(a). In a context of safety of movement of goods and separating pedestrian traffic accessing upper level industrial spaces and the effective “internal loading areas”, the natural separation would be to push the pedestrian access into each upper level unit to the outside fringe of the development form with open, unenclosed balconies, allowing for a rear/internal corridor or drive court where goods, shipments and other freight usage falls outside of the public/pedestrian access. Every design form explored had incorporated exterior balconies for pedestrian access for safety reasons, with internal corridors for freight movement. We strongly urge that this maximum be eliminated as the need for open balconies in this form is for safety and functionality, not economic production space and as such should not be the subject of calculable development cost charges. This regulation limits the design considerations that tenants and users need, which we have heard from, and leads developers to not design to optimal tenant requirements.
 - ii. In some industrial neighborhoods like South Vancouver, soil conditions and location of the water table prevent underground parkades and structures to be easily designed for. With the FSR exclusions mostly limited to below ground loading and parking spaces only (4.7.4(c)), the reality of developing an intensified industrial site in South Vancouver necessitates placing loading and parking in above ground situations. By adding in an exclusion to the effect: drive courts, drive aisles, loading areas and parking areas above grade that serve the functionality of industrial space will also be excluded from FSR calculations. This would be a much needed exclusion to promote functional stacked industrial built forms that more tenants and users can easily adopt.
- d. 4.7.1(a, b, and c) – Maximum floor space ratio shall be 1.0 for all other uses combined.
- 4.7.1(a) contemplates 3 FSR for a small amount of uses, with the exception of Laboratory and Production or Rehearsal Studio, are not capable of locating operations on an upper level, unless there is ramp access to those upper levels as it relates to loading and shipping needs of most industrial uses. 4.7.1(c) suggests the FSR shall be 1.0 for all other uses combined – the highest performing use continues to be Office Use. Depending on the development’s site coverage ratio, this orphans approximately 1.4-1.6 FSR of industrial specific uses with limited viability on upper levels. We would propose broadening the uses that are permitted within the 3 FSR context (4.7.1(a)) and incorporate the outright approval uses generally in the 3 FSR context of 4.7.1(a).
- e. 4.7.1(f) - General Office use shall not exceed the greater of 235 m² or 33 ⅓ percent of the total gross floor area of all principal and accessory uses combined

We would additionally suggest that language be established that would consider 1.0 FSR of Office Use as primary without the caveat of it being a *combination* of primary “and” accessory use in 4.7.1(f). If 4.7.1(c) allows for 1 FSR for all other uses combined, each industrial

user/tenant will undoubtedly have some accessory office space. Without certainty of how much office or accessory office is used by each tenant (see Issue 1 above), developers are faced with a difficult prediction to make, in regards to how much pure office product to design for. There are differences between office design from industrial in regards to ceiling heights, HVAC considerations, washroom requirements, corridors, glazing, exiting, etc. If not planned for accurately, a developer/landlord could be faced with space that is designed for an office, but is not occupiable by industrial tenant standards due to the language in 4.7.1(f). As such we would recommend considering removal of the word “and” with respect to 4.7.1(f) and in its place, perhaps a maximum accessory office area can be suggested for industrial users elsewhere in the zoning schedule.

2. Height

- a. In a stacked industrial form, the maximum variance height of 30.5m (100ft) hampers the ability to design for *clear ceiling heights* that tenants desire. In a built form with industrial on upper levels, clear heights should be a minimum of 14' clear for production and 20' for warehousing. In a development scheme with ramping, 100ft height limit, and the desirable number of floors, the maximum FSR achievable would be approx. 2.4 FSR. Significant density is lost as a result, and therefore the maximum height variance should be assessed on a case-by-case basis, depending on the location, product type, size of the site and objectives of the development typology.
- b. For Light Industrial and Wholesale uses to be functional and competitive, generous floor-to-floor heights must be provided. The City of Vancouver recognizes this with the "Admin. Bulletin: M and I Districts - Development Criteria for Functional Industrial Space" which stipulates 5.5m (18') floor-to-floor heights are preferred for functional office space. It is often difficult to achieve appropriate floor-to-floor heights and realize the maximum permitted density on an 'I zoned' site due to strict limitations on building height. As with other districts, such as C-2, the height as defined produces a form of development that is outdated when compared to current market expectations on floor-to-floor heights. Additionally, sloping sites further constrain height due to the City of Vancouver's "Base Surface" definition used for Building Height. An additional consequence of the strict approach to height when combined with General Regulations and Building Bylaw requirements has resulted in limitations to the amount of rooftop amenity space that can be provided.
- c. Flood Construction Levels dictate the minimum floor height which is often above existing grade. Incorporating sprinter vans or other utility vehicles in the underground parking lot further increases the height of the main floor, since there may be water table restriction or contaminated sites costs that prohibit deeper excavation. This erodes the height attributable to the industrial floors.
- d. The inability to relax the maximum height limit on developments in this zone, even by a small amount, limits the possibility for varied articulation of the roofline from an architectural perspective as well as limiting the potential use of the roof spaces for amenity uses. This is



particularly relevant in the Mount Pleasant area where steeper grades significantly constrain the height envelope.

- e. The I-2 zone on the other zone has a maximum height limit of 60ft but the director of planning has the discretion to allow up to 100'. This discretion should also exist in the I-1 zone.

3. Parking and Loading

- a. The Vancouver Parking Bylaw generally requires a Class C Loading space for I-zoned ground floor uses, even on compact urban sites. This requirement anticipates large 60' trucks and trailers suitable for larger Industrial, Retail, and Wholesale uses. On small sites this loading requirement is not appropriate and consumes a large proportion of the ground floor area that could otherwise be used for creating job space. On a recent project with a relatively small site, we determined that it would be extremely difficult for a Class C sized (17m long) truck to access the building lane frontage due to a combination of existing curbs, lane width, and Hydro poles in the lane.
 - i. Seek to develop a product that intensifies industrial sites through ramping and allowing for 5-ton single axel truck access to upper levels and reserving Class-C loading to the ground levels with freight access to elevated goods, inputs and materials.

TIMING AND DEVELOPMENT COST CHARGES

Development processes and cost charges have a significant impact on the ability to meet the market demands, affect pricing, and the ability to incorporate industrial functions. Permit timelines in the CoV are longer, which increase carrying costs, while DCCs are hampering functional design. Specifically:

1. Timing
 - a. Previously, it was possible to obtain a development permit and building permit for the typical I-1 conditionally approved building in about 11-12 months, without the requirement to hire a Certified Professional to help with the process, which is about \$80,000 per project. Now, the same project is taking about 19 months to receive the same permits and a Certified Professional is required to allow for a staged Building permit. Otherwise, it would take even longer. The result is about 8 months of extra carrying costs. The City should be streamlining these permits to reduce the backlog at the City, especially when there is a CP involved.
 - b. When businesses that already operate in I-1 apply for their TI building permit, the City requires them to submit a business operations letter and go through the whole process of being qualified for the zoning. It is a \$1,800 application fee to be paid to the City and the cost of a third party consultant to help with the application, plus the delay to the permit issuance causing delayed start of the TI Work. This causes additional carrying costs on the mortgage while the applicant builds it out, including the costs of continuing to lease their existing space.



INDUSTRIAL INTENSIFICATION & TRANSIT

Metro Vancouver (MV) Industrial Land Task Force and Hemson Consulting have provided 35 recommendations, 1 of which is Mixed-Use Development at Rapid Transit Stations in Industrial and Mixed Employment Areas. They noted that there are several rapid transit stations in the city that are in industrial and mixed employment areas (e.g. Rupert Station, Renfrew Station and Marine Drive Station). Currently, City and Regional Policy does not allow residential uses in these areas. Staff will continue to work with stakeholders to develop recommendations for guiding principles to inform future station area planning work. It is anticipated that the guiding principles for station area planning will address the following:

- Neighbourhood vibrancy and transit ridership
- Capacity for significant job growth
- Space for city-serving industrial businesses today and overtime
- Resilience and ability to adapt to meet future challenges
- Preservation of industrial affordability

RECOMMENDATION 8 of the MV Hemson Report suggests that municipalities facilitate the physical intensification (i.e. densification) of industrial built forms where possible by:

1. Reviewing and removing any unnecessary restrictions to density or height limits, where contextually appropriate.
2. Planning the space to accommodate new, smaller industrial uses when older, centrally located industrial areas densify.
3. Allow mixing of industrial with other employment uses, so long as the industrial component is secured as a condition of redevelopment.
4. Exploring opportunities to encourage intensification in target areas (i.e. proper geotechnical conditions, access to infrastructure and transit) via incentives. These could include pre-zoning, density bonuses, financial incentives, and/or others.

With the new form of industrial development introducing space on upper levels, the conversion process will be challenging. The city needs to work with the developers to find solutions to incentivize businesses to operate on upper floors, including allowing more commercial uses, office, or recreational. This would free up ground floor industrial for other industrial users requiring ground floor conditions.

Much of Metro Vancouver's industrial lands are poorly serviced by transit. Access to the workforce has become a challenge for many businesses, so people-movement is becoming a greater priority. The CoV has the opportunity to increase density for industrial and office with proximity to its transit nodes and work with MV to explore transit improvements.



CLOSING

Businesses are in the pursuit of neighbourhoods and buildings that allow for enhanced collaboration, productivity and creativity, so the CoV needs to be more flexible in uses and promote the creation of complete neighbourhoods. Further to that, in times of rapid change, economic uncertainty, and industrial evolution, it is important to be adaptable to change. The CoV can establish itself as a leader in the development of urban industrial forms if it is willing to be flexible in its zoning. This would allow businesses to be flexible in their locations, and space needs, fostering growth opportunities. The CoV also needs to review its development criteria and allow for more useable density while reducing its unnecessary development cost charges which encumber functional design and innovation.

NAIOP looks forward to working with the City to enhance its industrial and commercial land base and expand its employment sector.

Best regards,

s. 22(1) Personal and Confidential

A large grey rectangular redaction box covers the signature area of the email.

Jason Kiselbach
President, NAIOP Vancouver

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