



REFERRAL REPORT

Report Date: June 22, 2021
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VanRIMS No.: 08-2000-20
Meeting Date: July 20, 2021

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Minor Amendments to FC-2 Zoning District Schedule, Sub-Area E
Intensification of Employment Space in Mixed-Use Buildings (False Creek
Flats Area Plan)

RECOMMENDATION

- A. THAT the General Manager of Planning, Urban Design and Sustainability be instructed to make application to amend the FC-2 District Schedule of the Zoning and Development By-law, generally in accordance with Appendix A, to:
- (i) add Health Care Office as a Conditional Approval Use in Sub-Area E as part of the permitted density for Office uses;
 - (ii) amend allocation of the floor area and density in Sub-Area E to maximize intensification and increase flexibility for employment uses as described in this report;

and that the application be referred to Public Hearing;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary amending By-law, generally in accordance with Appendix A, for consideration at Public Hearing;

AND FURTHER THAT the following recommendation below be referred to Public Hearing for consideration along with A above.

- B. THAT subject to approval in principle of amendments to the FC-2 District Schedule, the General Manager of Planning, Urban Design and Sustainability be instructed to prepare an update to the False Creek Flats Area Plan, generally as set out in Appendix C, for approval at the time of enactment of the zoning by-law.

REPORT SUMMARY

This report proposes minor amendments to the FC-2 District Schedule to address issues specific to Sub-Area E that prevent the optimal occupancy of the employment floor space and permit a wider range of flexible uses while retaining overall site density. The amendments reflect the intent of the False Creek Flats (“FCF”) Area Plan and the findings from the Employment Lands and Economy Review (“ELER”). The amendments:

- continue to retain ground floor spaces for light industrial activities;
- increase flexibility for upper floor light industrial and technology-driven activities;
- add ‘Health Care Office’ as a permitted office use while maintaining the current maximum for overall office density; and
- establish consistency in permitted uses with Sub-Area A.

COUNCIL AUTHORITY / PREVIOUS DECISIONS

- Employment Lands and Economy Review (2020)
- Culture|Shift (2019)
- False Creek Flats Local Area Plan (2017)
- False Creek Flats Plan Implementation (2017)
- Implementation of the FC-2 district schedule
- The Flats Economic Development Strategy (2017)
- Healthy City Strategy 2014-2025 (2014)
- Regional Context Statement Official Development Plan (2013)
- Vancouver Food Strategy (2013)
- Transportation Plan 2040 (2012)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

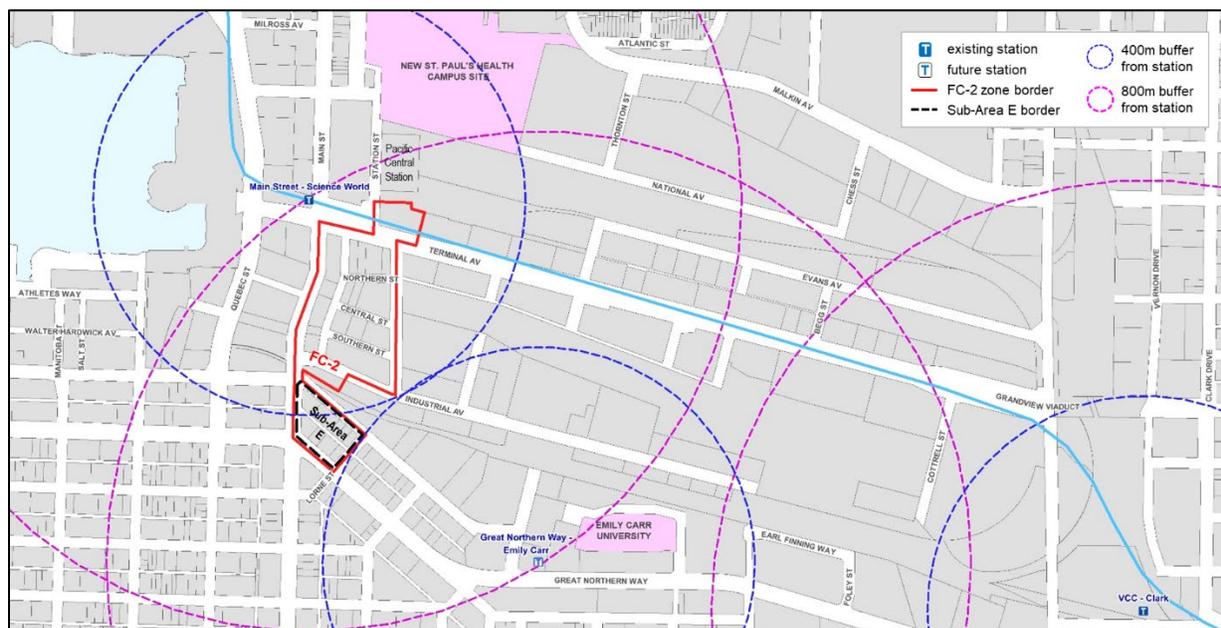
1. Area and Context

The FC-2 zoning district is comprised of approximately six irregular city blocks, largely lying south of Terminal Avenue and east of Main Street. It is bounded by Station Street and Lorne Street to the east and 2nd Ave to the south. This well-connected, yet relatively compact geographic area, serves as a transition between the industrial areas zoned I-2 and I-3 to the east, and the largely residential Olympic Village at the edge of False Creek to the west.

As illustrated in Figure 1 below, the FC-2 zone is within a 5 to 10 minute walk from the Main Street – Science World SkyTrain Station and is serviced by four major bus routes. It is also within a 5 to 10 minute walk of the future Great Northern Way – Emily Carr Station to be added

with the Broadway extension of the Millennium Line. Pacific Central Station is located just north of the zone, providing connections to passenger rail and long-distance bus routes.

Figure 1: FC-2 zoning district in the False Creek Flats



Privately owned and located on the southwest side of 1st Avenue, Sub-Area E is comprised of one city block bisected by a lane. The portion of the block south of the lane is currently occupied by automotive service and cycling related businesses. The site north of the lane is vacant with a development permit application in process for a mixed-use development combining rental residential and office above light industrial and retail uses. The development seeks to deliver over 200 units of rental housing with approximately 120,000 square feet of employment space.

Through the implementation of the FC-2 zone, the need for minor amendments has been identified to effectively achieve the objectives of the Innovation Hub and intensification of jobs in the False Creek Flats Plan.

2. Policy Context

This area of the FCF Plan is designated General Urban in the current Regional Growth Strategy, Metro Vancouver 2041. It is not protected Industrial or Mixed Employment Lands. The FCF Plan identifies the area as an Innovation Hub and includes policy to intensify and diversify employment uses. This is reflected in the district schedule/zoning developed for the area as part of implementation of the FCF Plan. Recent challenges in implementing the floor space requirements for specific industrial uses has led to the current effort to enhance flexibility of the zoning while maintaining the intent of employment intensification.

Development sites in Sub-Area E of the FC-2 zone are required to respond to a comprehensive policy context, reflecting directions from the FCF Area Plan and False Creek Flats Urban Design and Development Policies and Guidelines for FC-2.

These policies establish a series of public realm and urban design objectives for Sub-Area E to:

- Establish an “arts walk” pedestrian connection with unique character linking the Main

Street – Science World SkyTrain Station with the Emily Carr University Campus

- Plan for flexible outdoor spaces that can host a variety of uses beyond typical working hours
- Create active and engaging uses at grade with an emphasis placed on providing attractive, well-functioning and welcoming space to showcase workspace
- Incorporate flood resilient construction methods and accommodate public realm objectives for both the current and potential future at grade conditions

The above objectives are to be considered while addressing regulatory requirements including:

- Conforming with minimum Flood Construction Level of 4.6m to respond to sea level rise
- Maintaining heights below applicable view corridors – Queen Elizabeth Park (View 3)¹ and Main Street (View 22)¹
- Conforming to restrictions on podium and tower heights
- Adhering to loading and emergency exit requirements under the VBBL and Parking By-law
- Enabling bonus density for office restricted to General Office uses only.

Proposed zoning amendments include:

- addition of 'Health Care Office' as a Conditional Approval Use in Sub-Area E as part of the permitted density for Office uses in the upper levels; and
- revision of the floor area and density in Sub-Area E to maximize intensification and increase flexibility of employment uses (as illustrated in Figure 2 below) to include 'Flexible Employment' uses such as Creative Products Manufacturing, Laboratory and Production or Rehearsal Studio.

Please see Appendix B for a summary of the District Schedule changes as well as supplementary policy information supporting proposed minor amendments.

Strategic Analysis

Proposed Amendments

This section provides detailed rationale for the proposed amendments:

a. Add Health Care Office as a Conditional Approval Use in Sub-Area E as part of permitted density for Office use

Staff are recommending that 'Health Care Office' be added to the list of conditional Office Uses permitted in the bonus Office use density allowed under Sub-Area E of the FC-2 district as summarized in Appendix B to:

- Leverage the area's walking distance to the new St. Paul's Hospital to the north;
- Create consistency with sub-area A of the same district schedule; and
- Create consistency with the I-1 zone in Mount Pleasant to the south, which permits Health Care Office within Office density.

Sub-Area E of the FC-2 zone allows for up to 2.0 FSR of Office uses including bonus density. This amendment, if approved, would allow 'Health Care Office' as part of this 2.0

¹ see City of Vancouver View Protection Guidelines (as amended February 1, 2011)

FSR and would not increase the total office density for this site.

Staff are confident that the minor amendment adding 'Health Care Office' to the permitted uses will complement the function of this area. It will be regulated as with the current policies and guidelines for General Office and will have no impacts on form, density or other considerations.

b. Amend allocation of floor area and density in Sub-Area E to maximize intensification and increase flexibility of employment uses

The ELER confirmed the need to reserve at-grade spaces in mixed-used buildings within industrial zones for light industrial uses, as they require direct access to loading for operational viability, while increasing flexibility in permitted uses for employment spaces in the upper levels.

Following a detailed examination of the FC-2 Sub-Area E zoning, staff recommend amending the minimum required density of light industrial uses to 0.5 from 1.0 FSR². This change is illustrated in Figure 2 below. Under the current regulations, the entire 1.0 FSR of industrial, as shown, would be limited to Artist Studio and a subset of Manufacturing and Service uses. Adoption of the proposed amendment would allow for half of this density to be 'Flexible Employment' which would permit the current uses as well as a broader set of non-office uses that are already permitted within the FC-2 District Schedule. As noted below, 'Flexible Employment' uses maintain the intent of the Innovation Hub in the False Creek Flats and augment industrial type uses to include, for example, Creative Products Manufacturing, Laboratory and Wholesaling.

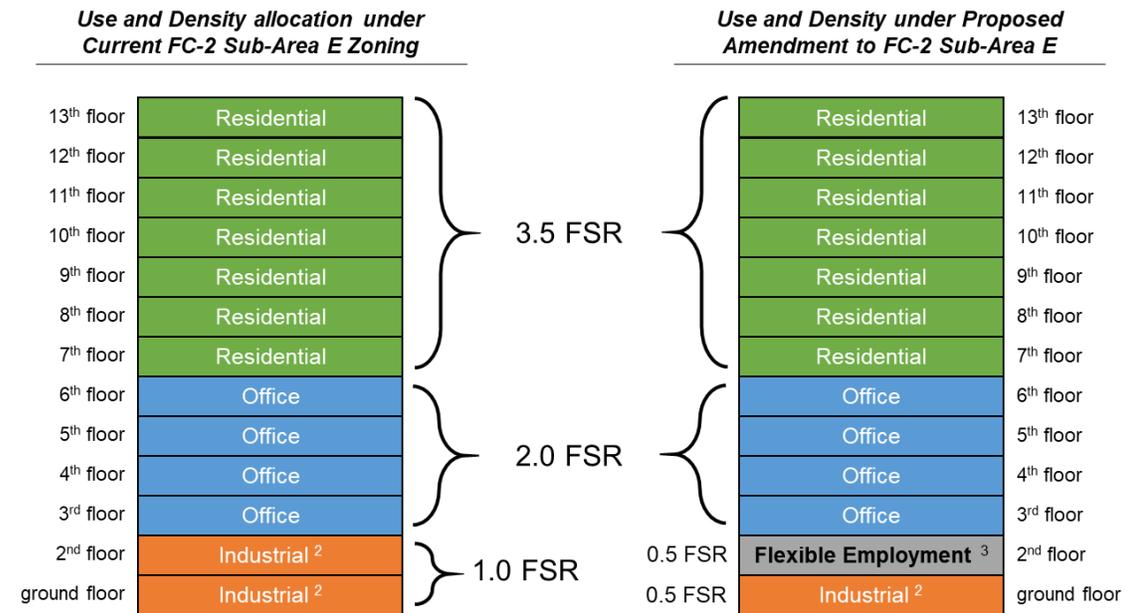
If approved, these amendments would:

- continue to incentivize the creation of light industrial space at grade;
- allow additional flexibility in the upper levels of the building to accommodate a workable mix of employment uses;
- not increase the bonus density for Office or Dwelling uses; and
- maintain the maximum height and overall density.

The recommended amendments support the intent of the FCF Area Plan for this area, address potential similar challenges that may be faced by the other sites in the Sub-Area, and ensure no additional complexity in implementation and enforcement for the City's Development, Building and Licensing Department.

² Please see item c, "Detailed Zoning and Planning Context," in the Supplementary Policy Information section of Appendix B for details on the bonus density in Sub-Area E of the FC-2 District Schedule

Figure 2: Illustration of proposed amendment to permitted use and density allocation



Please refer to Appendix B for a complete summary of the proposed by-law amendments as well as supplementary supporting policy information.

c. Amend the False Creek Flats Area Plan section 7.3.5 to conform to FC-2 District Schedule changes above

In order to maintain consistency between the FCF Area Plan and the FC-2 District Schedule, an adjustment to the FCF Area Plan text regarding the minimum FSR requirement for light industrial or Artist Studio - Class B uses is necessary (Appendix C).

Public Engagement

Taken together, the FCF Plan and the ELER had over 11,000 engagement contact points.

In preparing this report, Staff contacted the land owners and tenants in Sub-Area E of the FC-2 zone and provided a summary of the proposed changes. These stakeholders were invited to provide feedback with regards to these amendments. One of the four land owners replied and

³ Industrial uses include: Artist Studio – Class B, Bakery Products Manufacturing, Brewing or Distilling Clothing Manufacturing, Dairy Products Manufacturing, Food or Beverage Products Manufacturing – Class B, Jewelry Manufacturing, Leather Products Manufacturing, Metal Products Manufacturing – Class B, Miscellaneous Products Manufacturing – Class A, Miscellaneous Products Manufacturing – Class B, Non-metallic Mineral Products Manufacturing - Class B, Paper Products Manufacturing, Printing or Publishing, Shoes or Boots Manufacturing, Textiles or Knit Goods Manufacturing, Wood Products Manufacturing – Class B, Catering Establishment, Motor Vehicle Repair Shop, Print Shop, and Repair Shop - Class B

⁴ Flexible Employment uses include uses listed under Industrial in footnote 3 above and: Creative Products Manufacturing, Laboratory, Production or Rehearsal Studio, School – Vocational or Trade, Work Shop, Radio-communication Station, Fitness Centre, Animal Clinic, Bulk Data Storage and Wholesaling

was supportive of the changes. Staff have not received a reply from any of the four tenants leasing commercial space on the block.

Financial Implications

As the amendments to the Zoning and Development By-law proposed in this report do not change the allowable density on the site, there is no impact to potential development contributions from development in the district.

Density Bonus Zone Contribution –The FC-2 District Schedule has a density bonus provision, applicable to Sub-Area E, to provide an opportunity for amenity share contributions to be offered in exchange for additional residential density developed as 100% secured market rental. As of September 30, 2020, a rate of \$1,280.86 per square metre (\$119.00 per square foot) for additional density between 3.0 FSR and 6.5 FSR is applicable. The contributions from these areas are expected to fund the provision of Community Centre space to support economic enabling activities serving the False Creek Flats. These amendments do not impact the rates or the method in which these density bonus contributions are calculated.

CONCLUSION

The False Creek Flats Local Area Plan was approved by Council in 2017 to create a flexible framework to guide future growth and change in an area of primarily industrial and mixed employment uses and support a thriving and evolving economy. Adoption of the proposed amendments in this report would facilitate development in Sub-Area E of the FC-2 district and meet the intent of the False Creek Flats Area Plan, allowing for new employment and residential spaces to continue to build a flexible and diverse economic zone that is a key driver of the local economy. The proposed changes have been carefully considered to balance the intent of policies and regulations in the False Creek Flats while not adding to the processing time for both the applicants and City staff.

* * * * *

DRAFT

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

BY-LAW NO.

**A By-law to amend
Zoning and Development By-law No. 3575
Regarding Allocation of Uses and
Housekeeping Amendments in the FC-2 District Schedule**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This By-law amends the indicated provisions of the Zoning and Development By-law.
2. In section 3.2.1.O of the FC-2 District Schedule, Council strikes out the following:
 - (a) “• General Office, but only in sub-areas A and E as shown in Figure 1.”; and
 - (b) “• Health Care Office, but only in sub-area A as shown in Figure 1.”.
3. In the FC-2 District Schedule, Council adds a new section 3.2.3 in the correct numerical order, as follows:

“3.2.3 The uses listed in section 3.2.3 shall be permitted in Sub-areas A and E of the FC-2 District.

3.2.3.O [Office]

 - General Office.
 - Health Care Office.”.
4. In section 4.7.6(d) of the FC-2 District Schedule, Council:
 - (a) adds “or Health Care Office” after “may permit up to a maximum floor space ratio of 2.00 for General Office”; and
 - (b) strikes out “1.00” and substitutes “0.50”.
5. In section 4.7.7 of the FC-2 District Schedule, Council strikes out “1.00” and substitutes “0.50”.
6. In section 4.7.8 of the FC-2 District Schedule, Council strikes out “1.0” and substitutes “0.5”.
7. In section 4.7.12 of the FC-2 District Schedule, Council strikes out “1.0” and substitutes “0.5”.

Summary of Zoning By-law Amendments and Supplemental Information

Summary of Proposed Amendments to FC-2 District Schedule:

Section	Proposed Amendments	Rationale
3.2.1.O [Office]	Strike out the following text, to be moved to a new section 3.2.3.O [Office] <ul style="list-style-type: none"> • General Office, but only in sub-areas A and E as shown in Figure 1. • Health Care Office, but only in sub-area A as shown in Figure 1. 	Section 3.2.1 was intended to include conditional uses permitted in all sub-areas of FC-2.
3.2.3	Add new section with the following text: The uses listed in section 3.2.3 shall be permitted in sub-areas A and E of the FC-2 District.	A new section 3.2.3 will list the conditional uses that are only permitted in sub-areas A and E. This is consistent with section 3.2.2, which lists conditional uses that are only permitted in certain sub-areas.
3.2.3.O [Office]	Add new subsection with the following text: <ul style="list-style-type: none"> • General Office. • Health Care Office. 	Add conditional uses from 3.2.1.O that applied only to sub-areas A and E, and add 'Health Care Office' as a conditional use in Sub-Area E to include it in density intended for Office uses. This will increase flexibility and create consistency with similar and proximate district schedules.
4.7.6(d)	Insert 'or Health Care Office' after 'General Office' as a permitted use in the 2.0 FSR of additional density allowed with the provision of the specific uses listed in 4.7.6(d)(i),(ii),(iii) and (iv)	Add 'Health Care Office' to density intended for Office uses to increase flexibility and create consistency with similar and proximate district schedules.
	Amend minimum floor space ratio from 1.0 to 0.5	Rationalize amount of Artist Studio, and specific Manufacturing and Service uses that can feasibly be located at grade while providing flexibility for upper level employment uses without increasing height or density of built form. Also no increase in density intended for General Office or Residential uses.
4.7.7	Amend minimum floor space ratio from 1.0 to 0.5	
4.7.8	Amend minimum floor space ratio from 1.0 to 0.5	
4.7.12	Amend minimum floor space ratio from 1.0 to 0.5	

Supplemental Information Supporting Proposed Minor Amendments to FC-2 Zone:

Sub-Area A is a privately-owned site with an approved building permit for a 13-storey mixed-use building with office and retail uses.

Sub-Areas B, C and D are owned by the City of Vancouver. These blocks are populated by a mix of retail, light industrial warehouse, community gardens, shelter and cultural uses.

Supplementary Policy Information:

a. False Creek Flats Area Plan (2017)

The False Creek Flats (“FCF”) Area Plan was approved in May of 2017 with implementation through guidelines, policies and related by-law amendments passed later that year. As part of this implementation, the FC-2 District Schedule was created to encourage the development of a high-density mixed-use neighbourhood, combining residential uses with job space to support a wide spectrum of economic uses that would be representative of the broader FCF economy. This area is intended to be an amenity-rich node in the FCF with plaza spaces, pedestrian connections, ground floor activations and amenity spaces.

b. Employment Lands and Economy Review (2020)

The Employment Lands and Economy Review (“ELER”), completed in October of 2020, provides updated context for considering new development in the FCF Plan Area. Through comprehensive research and engagement, the ELER found that there is continuing strong demand for light industrial, office and mixed employment spaces in key areas of the city and that the City should consider opportunities to intensify and improve flexibility in permitted employment uses to meet demand while ensuring space for a diversity of jobs. These findings are particularly important in light industrial areas where spaces at grade can be reserved for manufacturing and service uses that require direct access to loading. Second and third floor podium spaces can then be made available to hybrid employment uses that bridge the gap between low-impact office uses and the more demanding uses on the ground floor.

c. Detailed Zoning and Planning Context

Designated as General Urban under the Metro Vancouver Regional Growth Strategy, sub-areas B and E are the limited areas in the FC-2 zone where residential uses are permitted in combination with employment uses. The current provisions of the FC-2 district schedule for Sub-Area E envisions a 6.5 floor area ratio (“FSR”) built form, with a minimum of 1.0 FSR for Artist Studio, Manufacturing or Service uses which would allow bonus density for:

- 2.0 FSR of Office uses; and
- 3.5 FSR of residential density achieved by one of:
 - 100% secured market rental housing with an amenity share contribution;
 - Strata condominium with 50% Social Housing; or
 - 100% secured rental housing with 35% secured at affordable rental rates.

Amendments to Land Use Documents

Note: Amendments to Council-adopted guidelines will be prepared generally in accordance with the provisions listed below

Section	Proposed Amendments	Rationale
7.3.5 Innovation district mixed-use prototype	Conditional Requirements Conditional height and density can be achieved by providing at least 3.0 FSR of job space, including a minimum of 4.0 0.5 FSR of light industrial or Artist Studio B, providing an amenity share contribution for a bonus of additional density and incorporation of design considerations as outlined in the Guidelines for the False Creek Flats.	Adjust minimum requirement for light industrial or Artist Studio B uses, to be consistent with amendments proposed to Sub-Area E of the FC-2 District Schedule. This amendment would not change the maximum height or density for this area of the False Creek Flats Plan.